WISCO
Investment Management

First Quarter 2022

DEAR CLIENTS AND FRIENDS;

The Wisco-managed ETF portfolios were down 3-4% in the first quarter. Our portfolios performed similarly across the risk spectrum (conservative to aggressive) as equity and fixed income markets experienced comparable mid-single digit declines. Modestly offsetting the weakness in stocks and bonds were strong gains in agricultural, energy and precious metal positions.

The U.S. and International stock markets declined in the 5-6% range this period. The sell-off was driven by lowered global economic growth forecasts and higher inflation expectations. The invasion of Ukraine on February 24th and continued supply chain constraints were primary drivers of the revised outlook. The Fed also began a tightening cycle on March 16th by raising its policy rate for the first time in over three years with the goal of lowering inflation and has signaled for six more hikes in 2022. The Fed's largest-ever bond buying program also came to end in March. Looking ahead, we believe the markets will be watching the situation in Eastern Europe closely as well as the Fed's ability to deliver a soft landing.

Fixed Income declined 6% this quarter. The 10-year treasury yield began the quarter at 1.5% and edged up to 2.3% at quarter-end. Fixed income returns generally move in opposite directions with treasury yields. A low interest rate environment along with the possibility that rates continue to move higher poses a challenge for low-risk, income-oriented investors and is likely driving demand towards riskier assets. U.S. stocks outperformed bonds this quarter which generally doesn't happen when markets are falling.

Our commodity exposures consisted of gold (up 6%), silver (up 7%) and a general commodity fund (+29%). Crude oil spiked 42% in the quarter on the heels of the unrest in Eastern Europe and most agricultural products jumped 20% or more. Our commodity exposures are often used as a hedge against an increasing money supply and inflation and tend to be less correlated with stocks and bonds. Wisco uses alternative exposures (like metals & agricultural products) in our ETF portfolios as they tend to improve portfolio diversification when combined with traditional investments.

As always, we would like to remind you that we are available to meet anytime to review your current investment strategy, portfolio performance, targeted risk level and/or financial goals. We can also help consolidate accounts (like old 401k's and IRA's) to make sure your overall investment strategy is as simple and organized as possible. Please do not hesitate to call to schedule a meeting.

At Wisco, we believe our approach of designing well-diversified, low-cost investment portfolios is the best way to produce favorable results over time. We would like to thank you for providing us with the opportunity to work with you as your investment advisor.
We appreciate your business!

Sincerely,

The Wisco Team

Investment Advisors: **Stephen Share** sshare@wiscoinvest.com **Greg Schroeder** gschroeder@wiscoinvest.com

First Quarter 2022

Wisco Investment Management

Wisco-managed portfolios are constructed using five asset classes: Domestic Equity, International Equity, Domestic Fixed Income, Alternative Investments and Money Market. Our current managed portfolio asset class allocations are as follows:

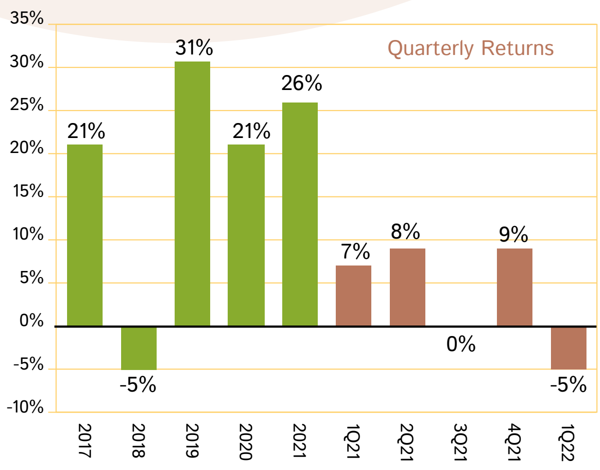
WISCO MANAGED PORTFOLIOS

	Conservative	Balanced	Balanced Growth	Growth	Aggressive
Domestic Equity	24%	33%	41%	50%	60%
International Equity	9%	13%	16%	21%	26%
Domestic Fixed Income	56%	43%	32%	18%	3%
Alternative Investments	10%	10%	10%	10%	10%
Money Market	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%
Target Volatility*	6%	8%	10%	12%	15%

**Target Volatility is our estimate for the annual standard deviation of portfolio returns.*
Source: Wisco Investment Management LLC

First Quarter 2022 Market Review

DOMESTIC EQUITY

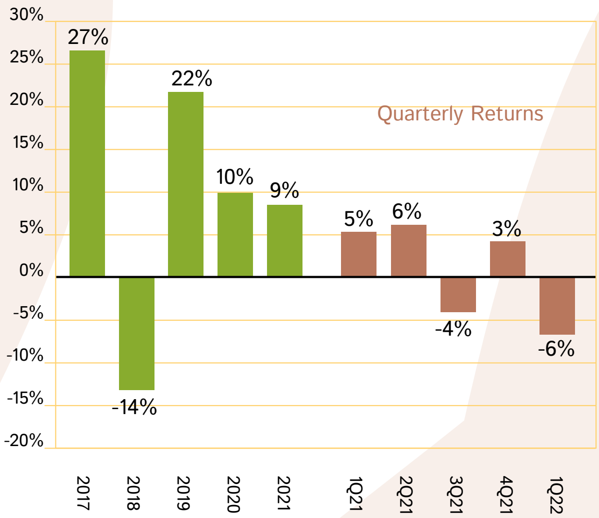


Source: Dow Jones U.S. Broad Stock Market Index and Wisco.

After three years of strong performance, the stock market declined 5% in the first quarter. The S&P 500 bottomed February 24 at 4115, 15% below its January 4th all-time high. The S&P 500 finished the quarter at 4530 (6% off its all-time high). Large-cap stocks declined 5%, but still outperformed small-cap stocks (down 7%). A large cap dividend fund (down 2%) was our best performing domestic equity ETF this quarter. The United States economic recovery continued with 4Q21 GDP up 7.0%. S&P 500's earnings increased 31% in 4Q21, with all sectors posting positive earnings growth except Utilities (-5%). The strongest earnings growth came from Industrials (+94%), Materials (+61%) and Consumer Discretionary (+50%). For full year 2021, S&P 500 earnings grew 48%, with Energy up 65%. Looking ahead, we think high single digit earnings growth is possible in 2022. Supply chain inefficiencies should improve this year as covid concerns fade and manufacturing normalizes. In addition, government spending on infrastructure should add to growth. Inflation, especially in energy and food, could be a headwind to growth this year and the Federal Reserve will likely continue to increase rates, however, we feel enough pent-up demand exists to keep the economy out of a recession.

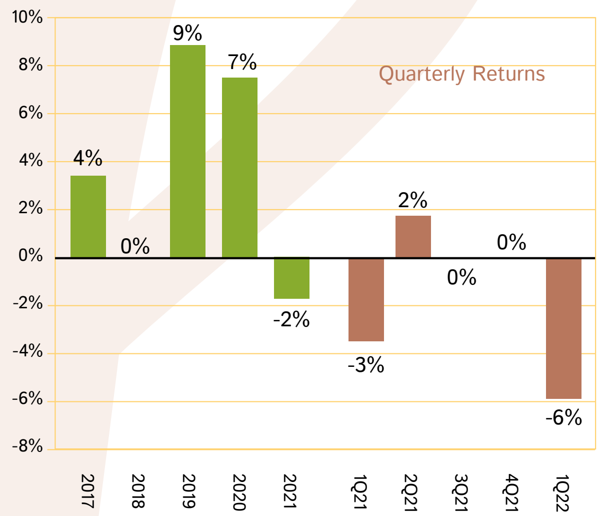
A more hawkish Fed and the war in Ukraine paused the bull market that started in March 2020 during the beginning of covid lockdowns. The S&P 500 is trading at 20x 2022's earnings estimate, which is above average. However, this PE doesn't seem that high considering 10-year Treasuries yield less than 2.4% and earnings growth should be strong. We hold domestic equities in all our client portfolios and prefer large cap dividend payers to small cap growth companies.

INTERNATIONAL EQUITY



Source: MSCI ACWI ex USA and Wisco

DOMESTIC FIXED INCOME



Source: Barclays Capital U.S. Aggregate Bond Index and Wisco.

The MSCI All World Index decreased 6% in 1Q22, with FTSE Developed Large Cap Index down 6%, FTSE Small Cap Index down 7% and FTSE Emerging Market Index down 6%. In Europe, most markets were down with some of the most severe declines in Austria (-16%), Germany (-13%) and Hungary (-13%). Norway's market bucked the trend increasing 9% because of strong oil and gas reserves. In Asia, Hong Kong was down 6%, South Korea declined 9% and Japan declined 8%. In emerging markets, Brazil increased 34%, while Shanghai declined 10%. Sanctions against Russia have been devasting to investors, with foreign investors unable to trade securities in Russia. iShares Russia ETF-ERUS lost 81% from the start of the year to March 3, when trading was suspended.

Growth in the Eurozone and Britian slowed in 4Q with GDP of 1.0% and 3.9%, respectively. Asian economies saw better growth with GDP in Japan at 4.6%, Taiwan at 7.6% and China up 6.6%. International stocks currently trade at a 35% PE discount to United States' stocks. While some discount is justified given domestic stocks stronger growth rate, we feel this discount may be too wide and that foreign stocks offer a compelling value. We hold international equity in all our client portfolios.

The Barclays U.S. Aggregate Bond Index declined 6%, its worse quarterly performance since 1980. Intermediate Treasuries were down 5%, Short-term Investment Grade Bonds declined 4%, Long-term Investment Grade Bonds were down 11% and High Yield Bonds declined 5%. The 10-year treasury yield increased from 1.53% at the start of the year, to 2.50% on March 25 before finishing the quarter at 2.33%. Annual inflation (CPI) in February came in at 7.9%, its highest level since 1982. The Fed increased its interest rate range 25 basis points to 0.25%-0.50% in March and expects to raise interest rates another 150 basis point by year end. The Fed now holds $8.9T in fixed income securities and expects to start reducing these holdings in the coming months. The money supply (M2) now stands at $21.8T up 11% year over year.

Both Fixed Income returns and inflation posted results not seen since the 80s. The Fed appears to have little choice but to continue tightening monetary policy for the rest of this year and possibly into 2023. Under this scenario, it seems unlikely Fixed Income will produce strong returns. We reduced our Fixed Income exposure in all client accounts in January and prefer short duration bonds to long duration bonds.

ALTERNATIVE INVESTMENTS

The Dow Jones-UBS Commodity Index increased 29% in 1Q22. In agriculture, grain prices were strong. Corn prices were up 26%[1], soybean prices increased 22%[1] and wheat prices increased 31%[1] in 1Q22. The war in Ukraine had a very big impact on grain prices. Russia is the world's largest exporter of wheat, 8th largest soybean exporter and 11th largest corn exporter. Ukraine is also a significant exporter ranking 4th in corn, 5th in wheat and 7th in soybeans.

Precious metal prices were up in the quarter. Silver increased 7%[3] and gold prices increased 6%[2] in 1Q22. Geopolitical tensions along with inflation likely drove demand for precious metals.

The Cushing, Oklahoma spot price for WTI crude oil increased 42% in the quarter. Both oil and natural gas prices were impacted by the Ukraine War as Russia, and to a lesser extent Ukraine, are significant exporters of oil and gas.

Wisco's exposure to a broad-based commodity ETN, a gold ETF and a silver ETF made a positive contribution in all our client portfolios. We hold alternative assets such as commodities because they offer potential upside and are less correlated with stocks and bonds. We feel gold and silver may hedge investors against geopolitical uncertainty as well as protect against higher inflation.

MONEY MARKET

The current money market yield is 0.04%. Given this low yield, Wisco holds a minimal amount of Cash/Money Market assets in our client portfolios. We do feel this yield could increase in 2022 and may increase our money market holdings in the second half of the year.

FOOTNOTES:

1. Return calculation based on the near future contract as quoted in the Wall Street Journal.

2. Return calculation uses Aberdeen Physical Gold Shares (SGOL) as a proxy for gold.

3. Return calculation uses Aberdeen Physical Silver Trust ETF (SIVR) as a proxy for silver.

4. Return calculation uses Cushing, OK WTI spot price FOB as a proxy for oil.

DISCLAIMER:

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Wall Street to Wisconsin