



Champion Advisors LLC
Wealth Management

October 2022

Via electronic delivery

Dear Client,

The 3rd Quarter of 2022 saw massive volatility within the global equity markets that felt like an up and down roller coaster ride. The late summer months saw a good run for the period only to be replaced by the previous lows reached for the year by the end of September. While the bear market sentiment remains high, there is precedence that a market rebound in October is possible, following a losing September showing.

Hope in October? Rebounds after a Bad September are Possible

S&P 500 Performance in October after a bad September (Down 7%)

Year	S&P 500 Returns	
	September	October
1974 (<i>Nixon Pardon, Oil Embargo</i>)	(11.9%)	16.3%
1986 (<i>Black Monday</i>)	(8.5%)	5.5%
2001 (<i>9-11</i>)	(8.2%)	1.8%
2002 (<i>Dot.com Bubble</i>)	(11.0%)	8.6%
2008 (<i>Great Recession</i>)	(9.1%)	(16.9%)
2011 (<i>US Credit Rating downgrade</i>)	(7.2%)	10.8%
2022	(8.0%)	??
	Average Return	4.3%
	Median Return	7.1%
	% Positive	83.3%

Source: Carson Investment Research, FactSet 9/29/22

At Champion, we try to encourage our clients to focus on the long-term success that the equity markets have provided throughout the years, even through tough times such as the ones in which we currently find ourselves. History has shown us that reacting emotionally after markets have fallen rarely works. By diversifying individual portfolios we're able to hedge against some of this loss. The equity-to-fixed income ratio of your portfolio was designed to soften the blows we're seeing, but negative returns never feel good, and we understand that.



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There also may be concerns you may have regarding the upcoming mid-term elections. While surprises can and do happen in elections, the surprises don't always lead to clear-cut outcomes for investors – but what about congressional elections? According to data for the stock market going back to 1926, returns in months when mid-term elections took place did not tend to be that different from returns in any other month. Markets have historically continued to provide returns over the long run irrespective of (and perhaps even despite) which party is in power at any given time.

We are cautiously optimistic that the equity markets will rebound as always and continue to provide growth to your portfolio, just as they have in the past. Keep in mind that there is always something that can be done with regards to diversification within your portfolio. The Federal Reserve's rate hike agenda allows us to look at fixed income strategies that include short-term bonds and CDs that provide better returns than have been available for the past 10-15 years. We have also implemented a covered call strategy with high dividend paying stocks in large-cap US companies designed to generate excess returns and income.

If at any time you'd like to discuss varying your portfolio options in ways that may be of benefit to you going forward, we are ready to assist you in any way to make your decision process a bit easier. We are always looking to help you be more proactive and involved in the sustainability of your investments!

We send you our best wishes for the remainder of 2022.

Sincerely,

Thomas E. Tucker
President, CEO