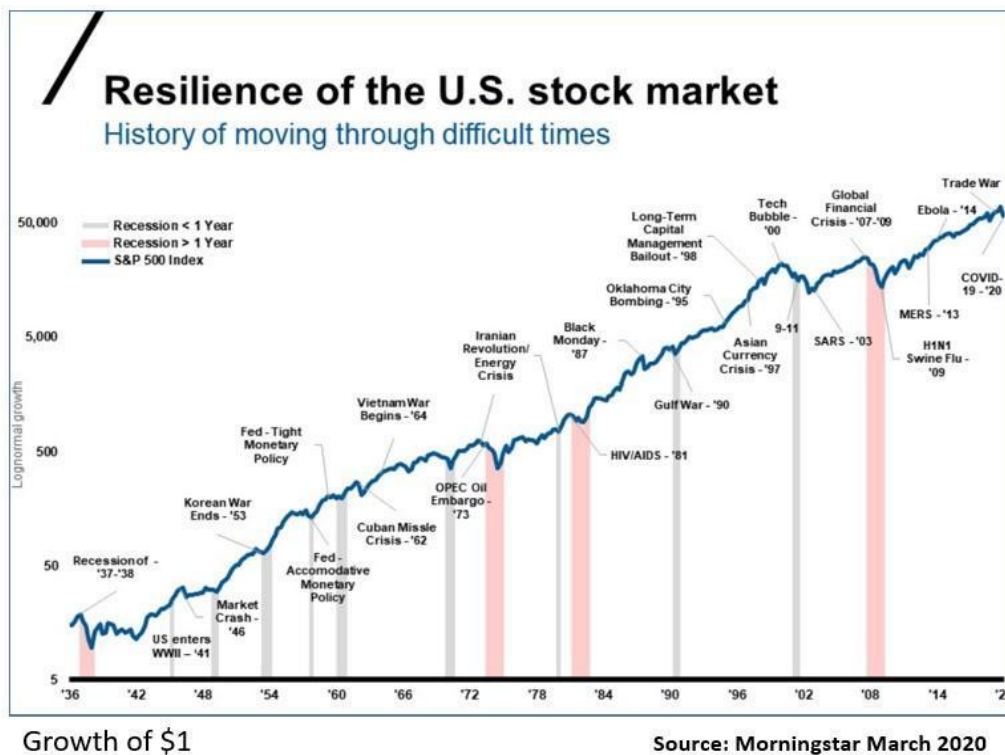


Market Update: The Impact of the Ukraine Crisis

It is an uncertain time in today's market with the largest open land war on the European continent in over 70 years and the impact globally in the gas, oil and supply chain industries. Prior to this Russian invasion, there were many anxiety-inducing headlines largely focused on historic inflationary pressures and a post-pandemic outlook. The current high single-digit inflation rates have not been seen in over a generation. Currently, the Federal Reserve is just beginning a rate-hike cycle to calm these waters and mitigate the impact of global events on economic growth.

At Kelleher Financial Advisors, we have been watching the news and financial markets closely. While the Russia-Ukraine conflict will likely remain uncertain in the days and weeks ahead, we believe situations like this require cool heads from an investment perspective. And while it is far too early to predict the long-term impacts of Russian military action in Ukraine, what we can do right now is learn from history while continuing to monitor the situation.

The Russian-Ukraine crisis is likely to lead to short-term market volatility. Markets respond quickly to new information and from a historical perspective, the diagram of the S&P 500 log scale (below) goes back over 80 years, demonstrating the resilience of the stock market and the fact that it does rebound. Throughout the past century, through war, inflation, stagflation and a pandemic, the market shows growth.



News from Europe along with inflation expectations will continue to generate volatility within the

financial markets and clients' portfolios for the foreseeable future and additional financial downdrafts, political conflicts and economic pressures will unfortunately continue. Despite this, there is reason to believe the US remains in a long-term bull market. While there is no single asset allocation mix that can avert all dangers, we continue to believe in maintaining a healthy dose of cash in our clients' portfolios along with proven investment managers whose charter is to invest in high quality stocks and bonds. Part of our secret sauce is "knowing what you own" and finding these strategies has never been more important than in times like these. Investors would be wise to maintain globally well-diversified portfolios across major asset classes and to diversify both across asset classes and within them.

For KFA and our clients, the best takeaways in a volatile market such as this one is to resist market timing; continue with a diversified portfolio and maintain this discipline in the face of any geopolitical crises. Our motto has been and will continue to be "Maintain patience in times of crisis and make sure you're in it for the long haul with stock investments."