

## Last Hand of 21

It was a mostly optimistic holiday week, although COVID-19 was still a background factor. The S&P 500 Index was higher for the week by +2.3%, the Dow was +1.7%, and the NASDAQ was +3.2%. The U.S. 10-year Treasury bond yield increased to 1.492% at Thursday’s close versus 1.407% the previous week.

The COVID omicron variant likely had some economic impact over the week with cancelled airline flights, cancelled sports events, and reduced hours at some restaurants and other hospitality venues due to reduced staffing levels.

Mastercard Spending Pulse reported that holiday sales rose 8.5% year-over-year in the period measuring November 1st to December 24th. Consumers did start shopping earlier this year, possibly spurred by supply chain concerns. The extended measurement period between October 1st and December 24th saw retail sales +8.6% year-over-year. Online sales were +11% year-over-year and made up 20.9% of sales this year versus 20.6% in 2020.

Looking ahead, 4Q21 earnings are expected to grow 22.3% on 12.0% revenue growth. This is a slight increase from a 22.2% growth forecast last week.

In our *Dissecting Headlines* section, we look at the Rule of 72.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	2.3%	27.6%	Aggregate Bond Index	-0.4%	-1.4%
Dow Jones Industrial Average	1.7%	19.7%	U.S. Dollar Index	-0.6%	6.8%
NASDAQ 100	3.2%	27.4%	WTI Crude Oil	4.1%	52.1%
Russell 2000 (Small Cap Index)	3.1%	14.6%	Gold	0.6%	-4.7%
International Stocks (MSCI ex-US)	2.1%	4.6%	Real Estate (US REIT Index)	1.1%	34.7%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: The Rule of 72

We often get asked, “How long should it take my portfolio to double in value?” Investment returns can vary from year-to-year, but some simple math called the Rule of 72 can be used as a guide.

The Rule of 72 states that the number of years required for an investment to double in value is equal to 72 divided by the rate of return. This takes into account the effect of compounding interest, meaning that the same rate of return is applied every year to the total of principal and return from the year prior.

If we take 72 and divide by a 7.2% annual return (drop the percentage sign), the result is a 10 year period for an investment to double. A higher return shortens the period and a lower return lengthens the period. The average annual return of the S&P 500 Index since 1957 (when 500 stocks were adopted as the Index) is around 8%. That 8% average return would take 9 years to double your money.

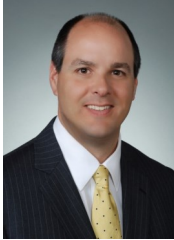
Additional savings being added or withdrawals taken out over the investment period could alter these numbers, as well as factors such as taxes.

## The NovaPoint Team



**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointcapital.com](mailto:jsroka@novapointcapital.com)**

Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



**Alan J. Conner / President and Chief Compliance Officer / [aconner@novapointcapital.com](mailto:aconner@novapointcapital.com)**

Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is an endurance athlete and three-time IRONMAN finisher.



**Jeffery Wright, CFA / Managing Director & Portfolio Manager / [jwright@novapointcapital.com](mailto:jwright@novapointcapital.com)**

Jeff has 10 years of industry experience. Prior to joining NovaPoint, Jeff was a Vice President in the Private Banking and Investment Group at Merrill Lynch. Jeff also worked at Booz Allen Hamilton and the Department of Defense. Prior to his private sector career, Jeff was a Field Artillery officer in the U.S. Army. He holds a BA from the University of Texas and an MBA from the University of Maryland. Jeff is Chartered Financial Analyst (CFA).



**Frederick Wright, CFA / Managing Director & Portfolio Manager / [fwright@novapointcapital.com](mailto:fwright@novapointcapital.com)**

Frederick has over 30 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at Smith & Howard Wealth Management. Prior to beginning his investment career, Frederick served as an Engineer officer in the U.S. Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).



**Timothy Benbow, CFP / Managing Director & Portfolio Manager / [tbenbow@novapointcapital.com](mailto:tbenbow@novapointcapital.com)**

Tim has over 15 years of experience in the investment management industry. Prior to joining NovaPoint, Tim was the managing partner of Bull's Eye Wealth Management. Tim began his investment career at Raymond James & Associates and was a co-founder of Black Diamond Investment Partners. Following Black Diamond's merger with Waterloo Capital Management, Tim left to found Bull's Eye. He holds a BS from the University of South Carolina and an MBA from the University of Rochester. Tim is a Certified Financial Planner (CFP).

**NovaPoint Capital LLC** (referred to herein as "NovaPoint" or "the Company") is registered with the SEC as an investment adviser, but registration does not imply any certain level of skill or training. The information contained in this document has not been filed with, reviewed by or approved by any regulatory or self-regulatory authority.

**Not an offer of advisory services or securities:** This document is limited to the dissemination of general information about the services provided by the Company and is provided for informational purposes only. This document is intended for residents of the United States only and the information contained herein does not constitute and should not be construed as an offering of advisory services or an offer to sell or solicitation to buy any securities or other financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other applicable laws of such jurisdiction. Nothing contained in this document constitutes tax, legal or investment advice. Responses to any inquiry which may involve the rendering of personalized investment advice for compensation or effecting or attempting to effect transactions in securities will not be made absent compliance with state broker-dealer, investment adviser, broker-dealer agent or investment adviser representative registration requirements, or applicable exemptions or exclusions from such requirements.

**Investment risk:** The Company makes no representation, and it should not be assumed, that past investment performance is any indication of future results. Moreover, wherever there is the potential for profit there also is the possibility of loss. Certain of the Company's strategies may involve investments that are illiquid, are subject to a substantial risk of loss and are not suitable for certain investors.

**Limitation of liability:** While the Company uses reasonable efforts to include accurate and up-to-date information in this document, errors or omissions sometimes occur. The Company makes no warranties or representations as to the accuracy of this document. Opinions expressed herein are subject to change without notice. Under no circumstances shall the Company or any party involved in creating, producing, or delivering this document be liable for any direct, incidental, consequential, indirect, or punitive damages that result from the use of the information contained in this document, even if the Company's authorized representative has been advised of the possibility of such damages. Applicable law may not allow the limitation or exclusion of liability or incidental or consequential damages, so the above limitation or exclusion may not apply to you.

**Trademarks and copyrights:** All trademarks, service marks, trade names, logos, and icons are proprietary to the Company. Nothing contained in this document should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any trademark displayed in this document without the prior written permission of the Company or such third party that may own the trademarks displayed in this document. Your use of the trademarks displayed in this document, or any other content in this document, except as provided herein, is strictly prohibited.