

2022 Annual Outlook

HAVERFORD

QUALITY INVESTING

THE HAVERFORD TRUST COMPANY

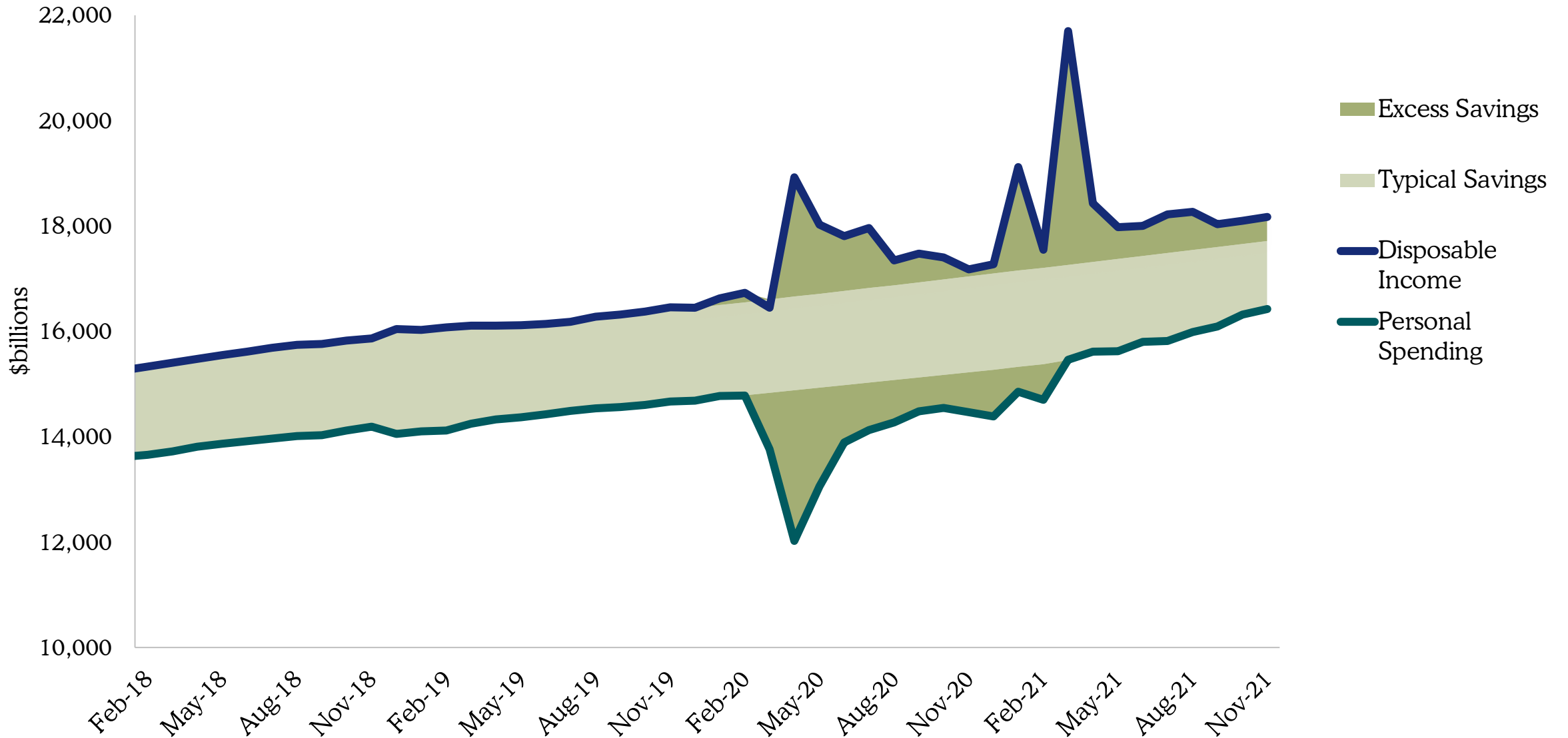
The opinions expressed in this presentation are those of Haverford, as of January 4, 2022. Views and security holdings are subject to change at any time based on market and other conditions. This presentation is for informational purposes only and should not be construed as investment advice or recommendations with respect to any information or specific securities presented. Each individual investor's circumstance is unique and you should consult with your investment professional prior to any portfolio decisions. Some of the information presented in this presentation may contain forward-looking statements. These are only forecasts, based on our opinions. No forecasts are guaranteed, and past performance is not indicative of future results.

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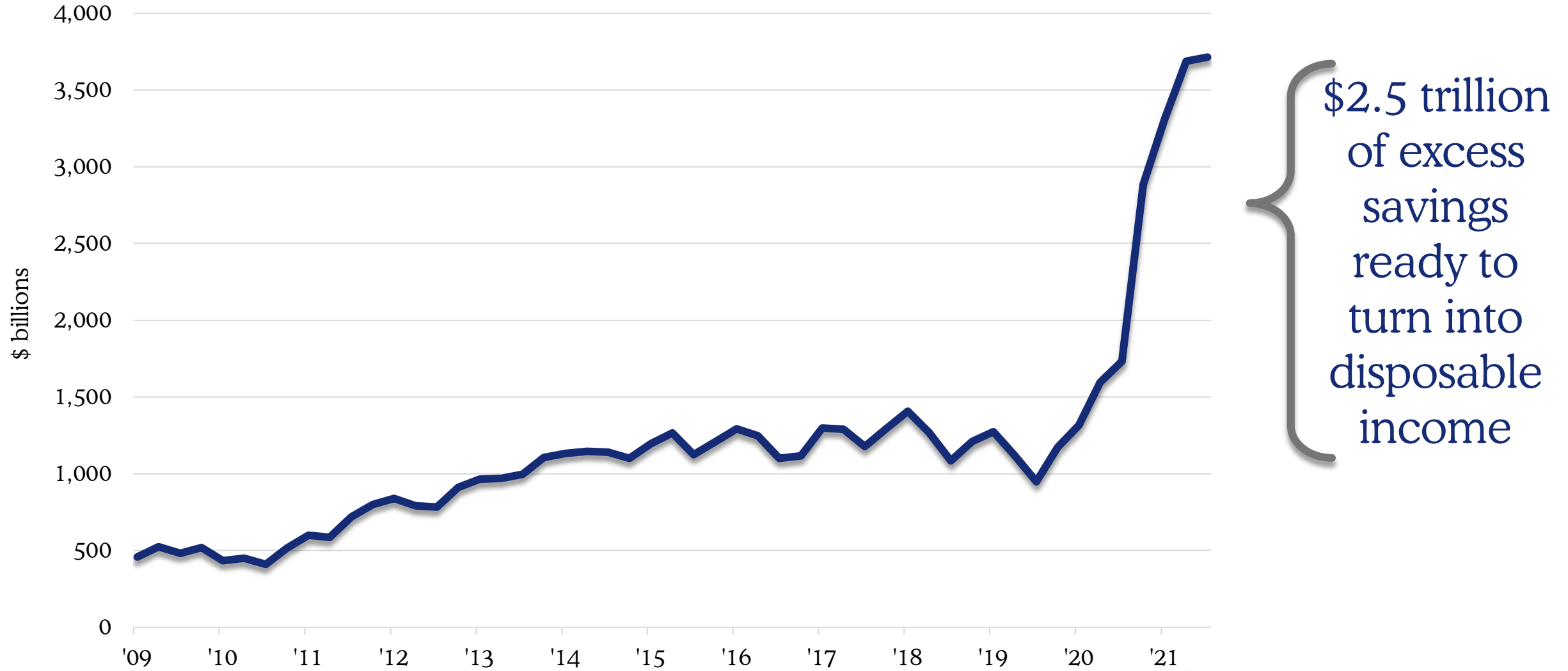
A Strong Consumer will likely Drive Growth in 2022



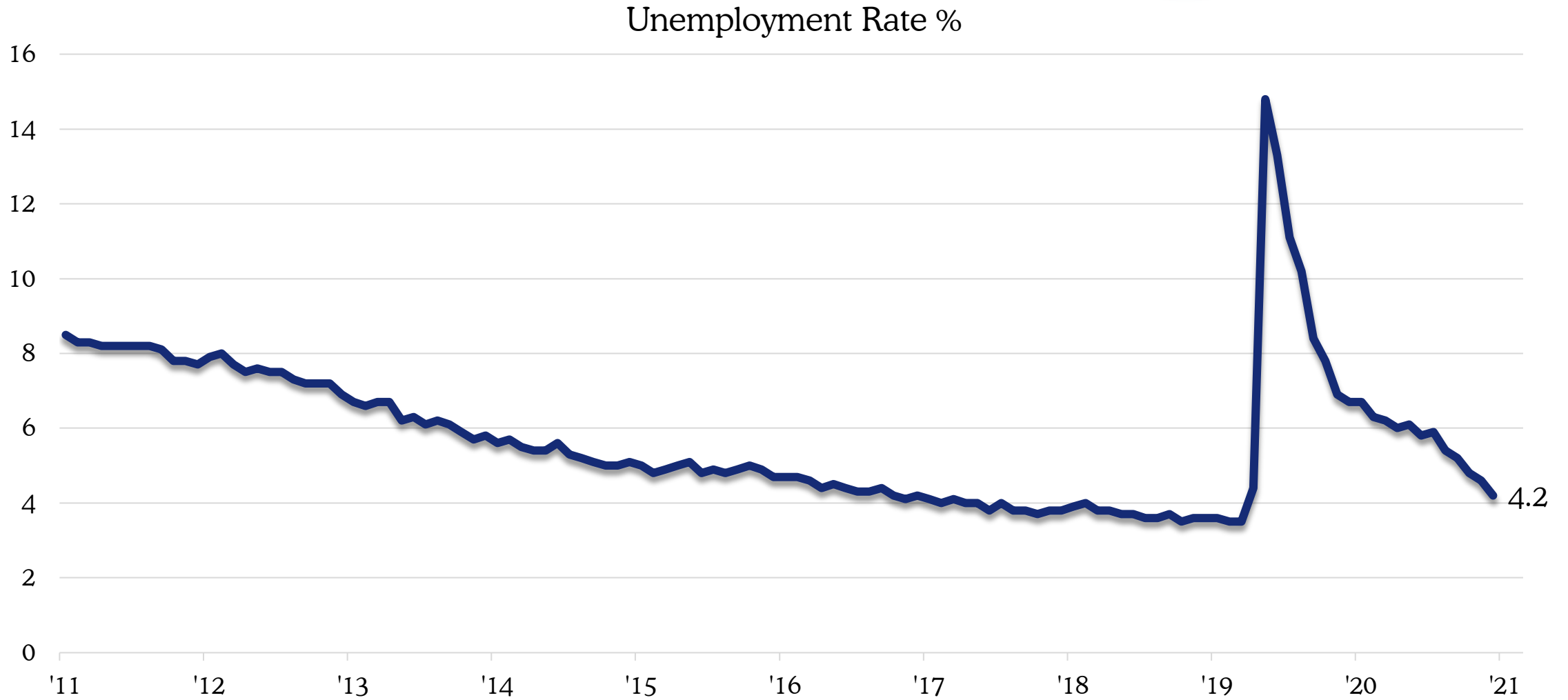
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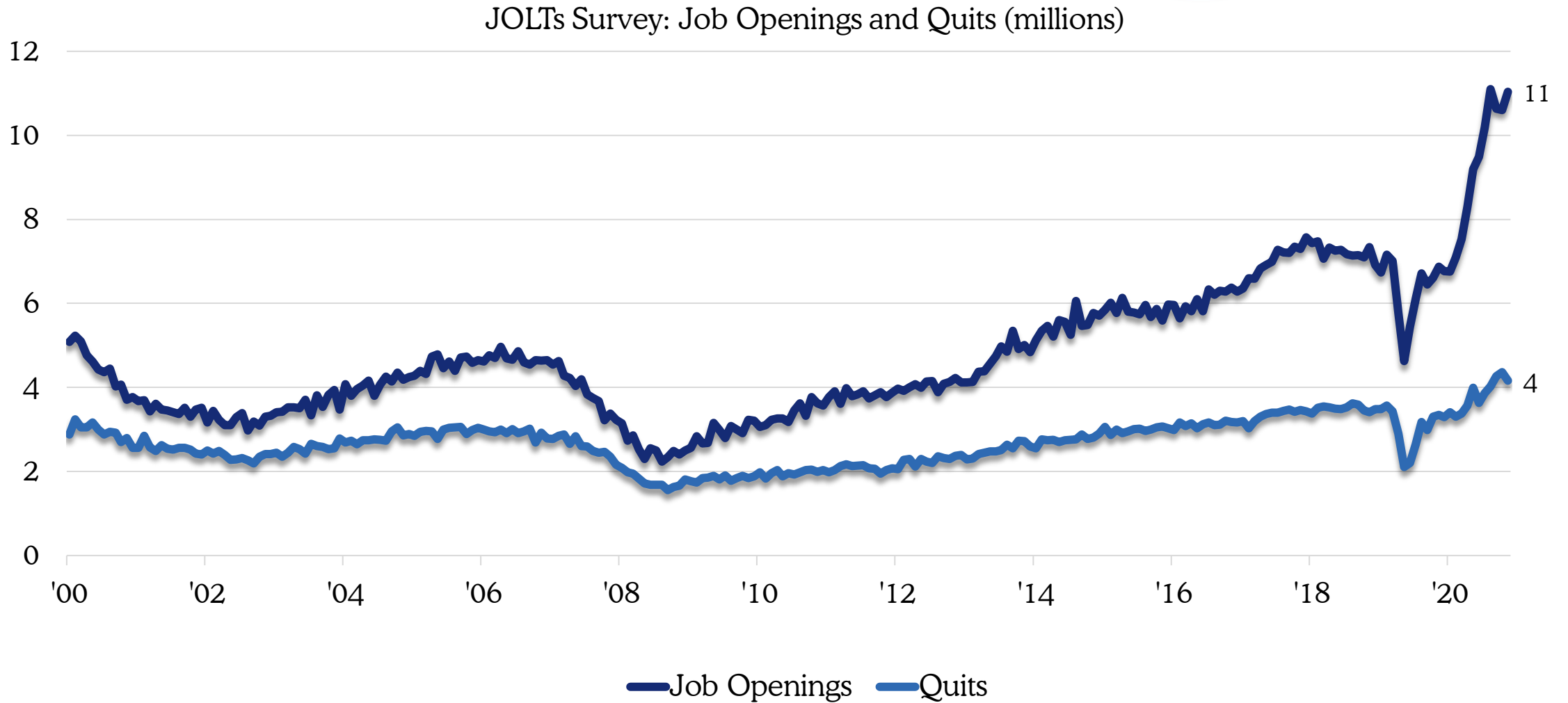
Checking Account Balances



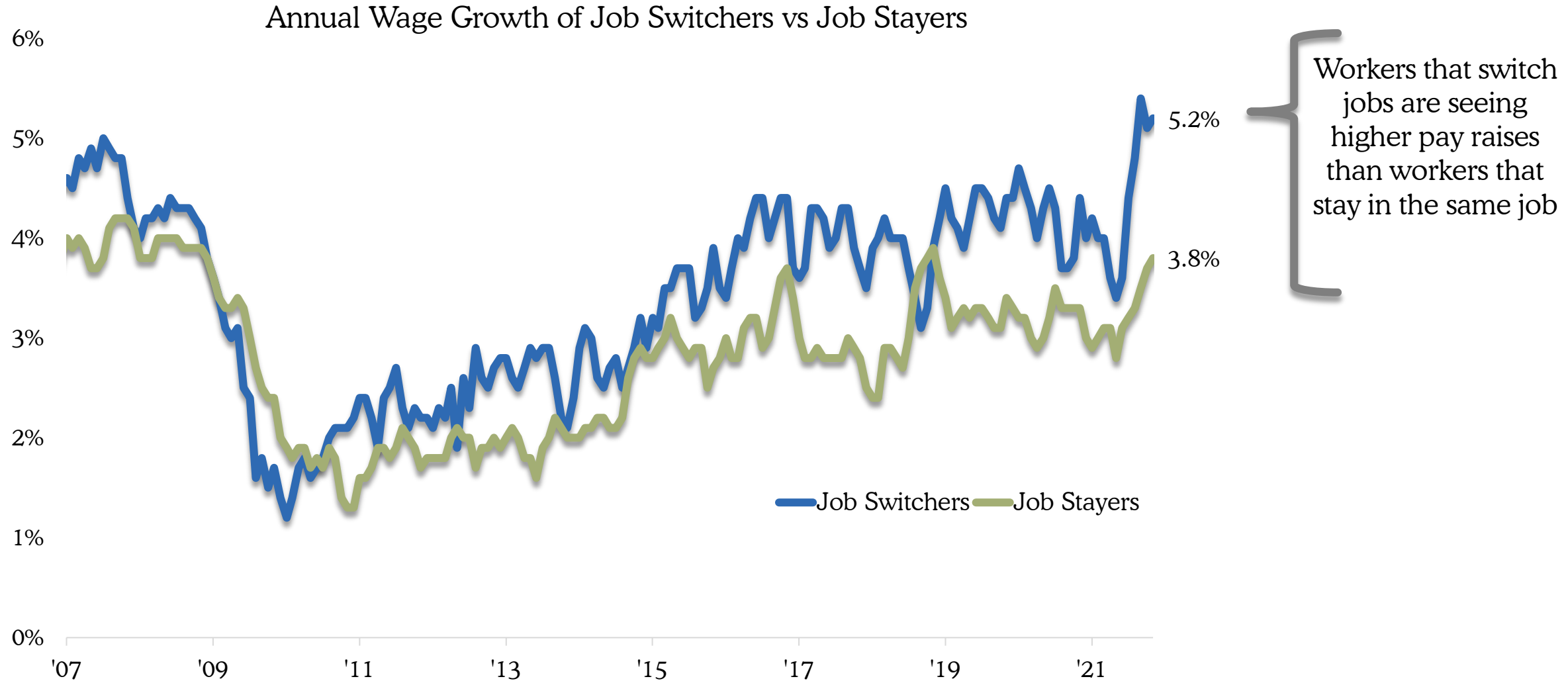
Robust Jobs Market



Record Job Openings and Job Quitters



Job Switchers See Better Wage Gains

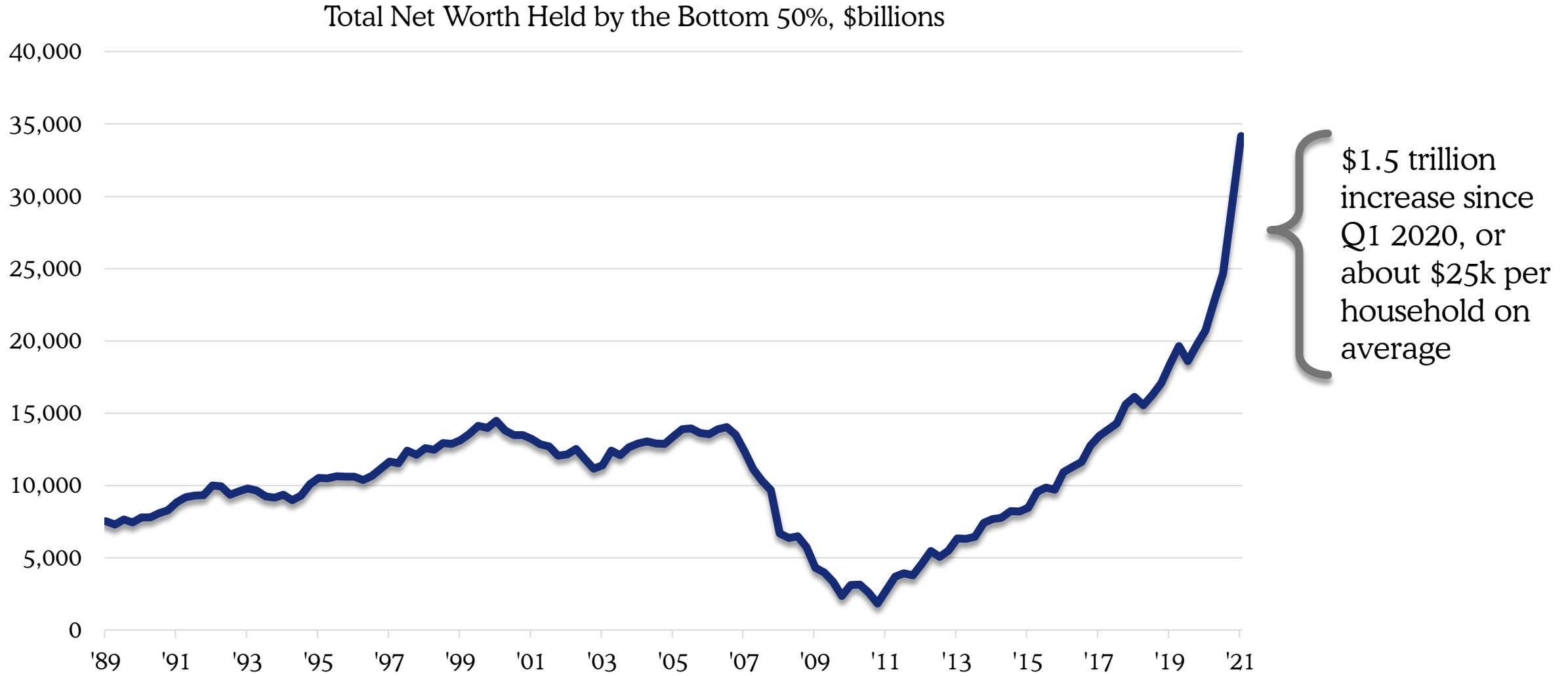


Source: Federal Reserve Bank of Atlanta, Nov 30, 2021
Median Wage Growth, three-month moving average, YoY % Change

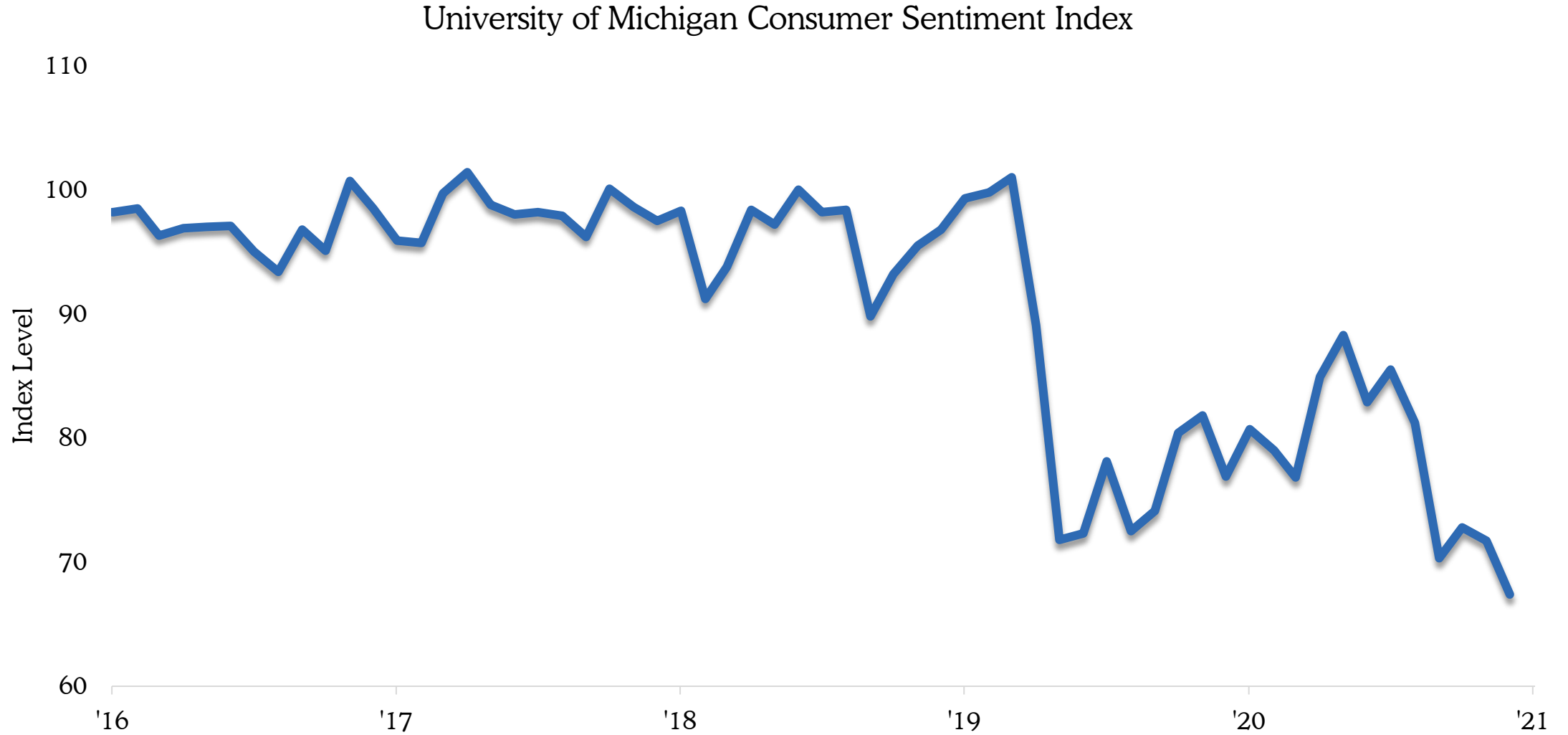
Household Net Worth

Balance Sheet Metric	Feb 2020	Nov 2021	Change
Excess Savings (\$T)	0.0	2.5	\$2.5
Average Home Value (\$K)	306	373	21.9%
HH Debt (\$T)	16.2	17.3	\$1.1
Equities, S&P 500 (\$T)	28.0	40.4	\$12.4
HH Net Worth (\$T)	110.6	141.7	\$31.1

Household Net Worth

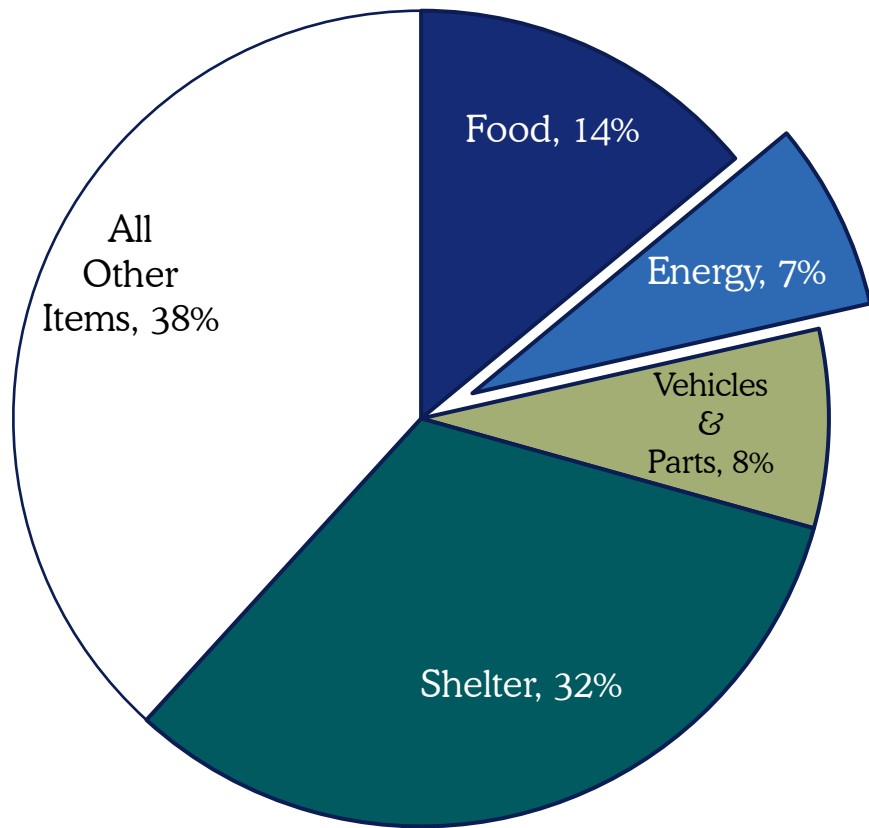


Why Aren't Consumers Happy?

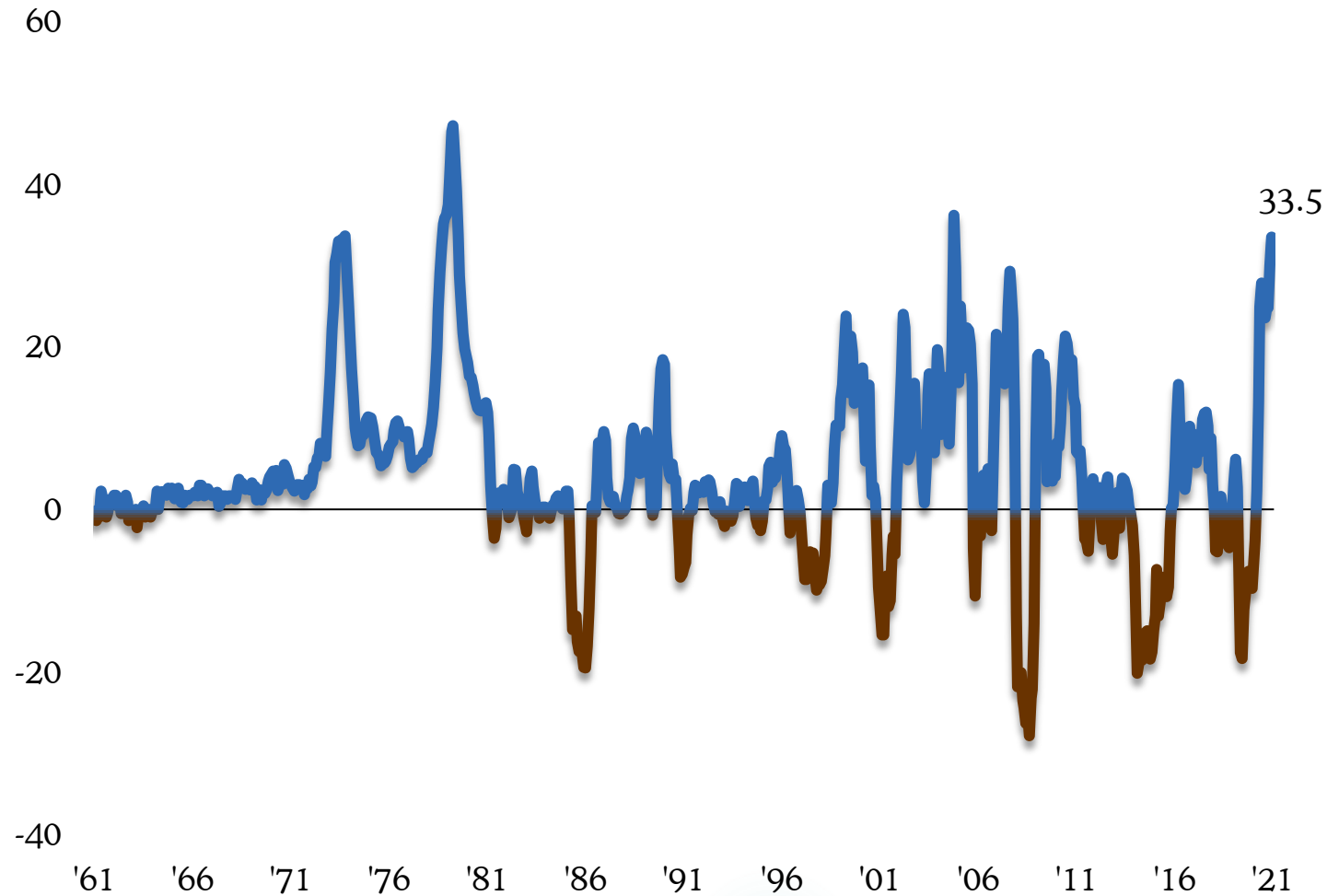


Energy Prices

Weight in the CPI as of Oct, 2021

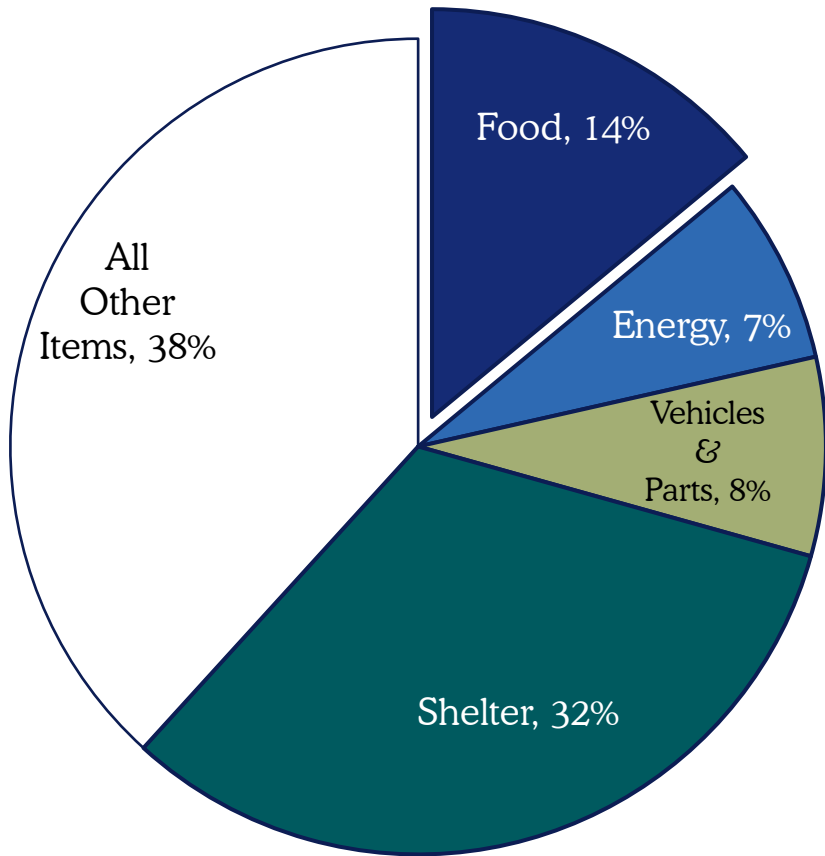


Year over Year % Change in Energy Prices

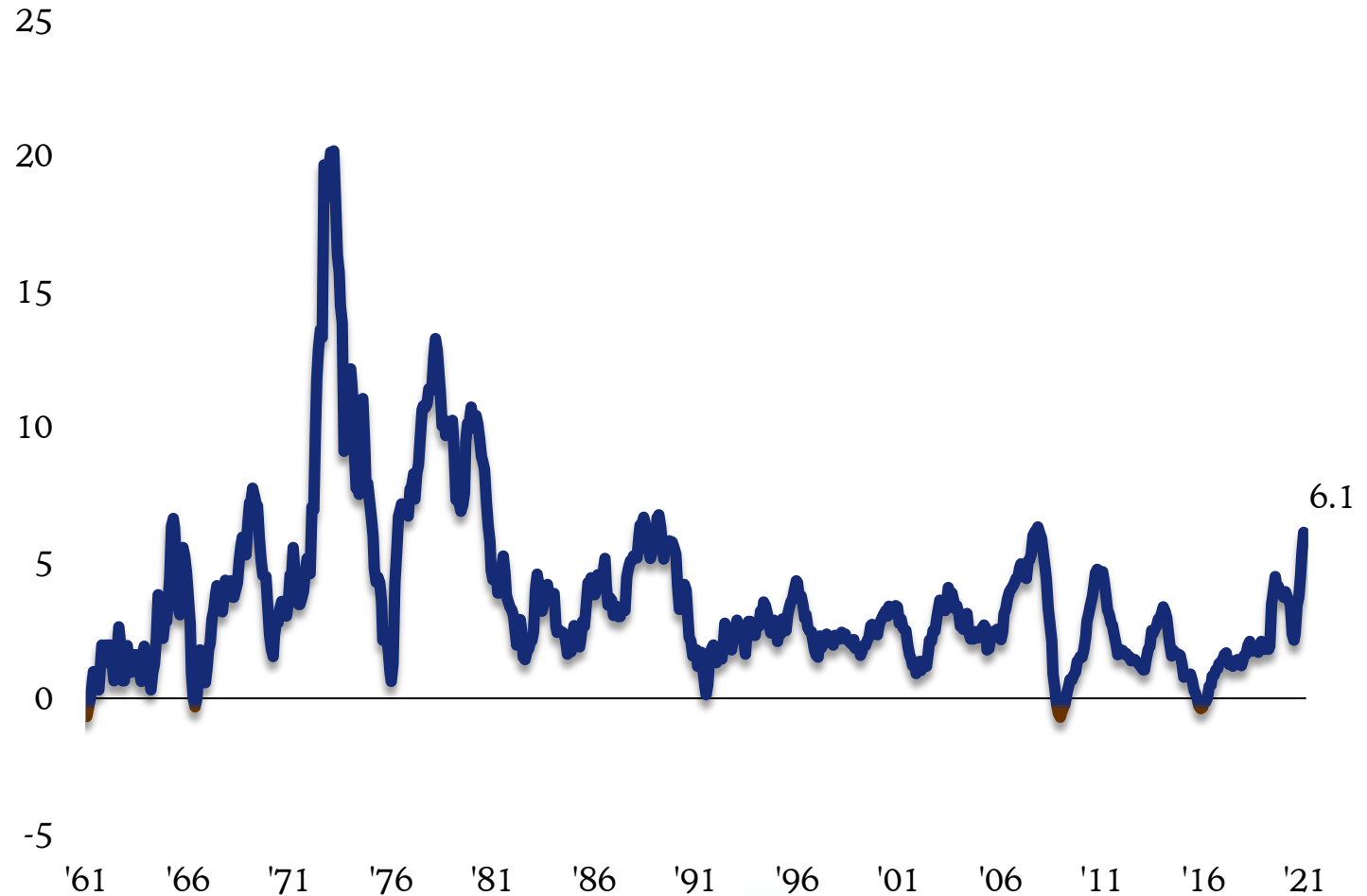


Food Prices

Weight in the CPI as of Oct, 2021

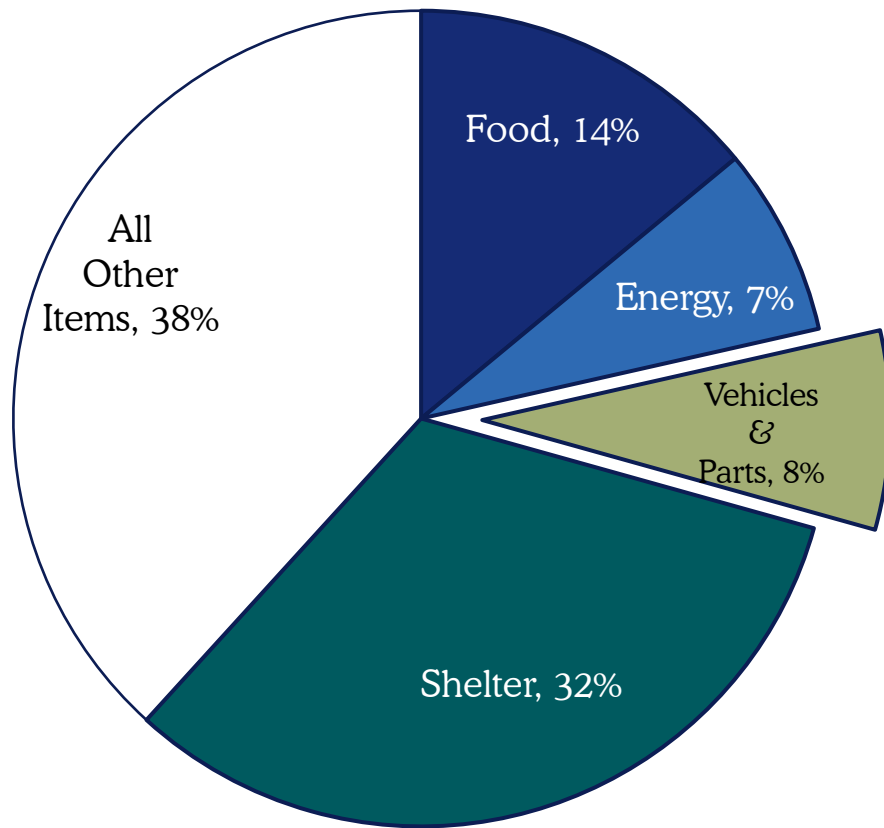


Year over Year % Change in Food Prices

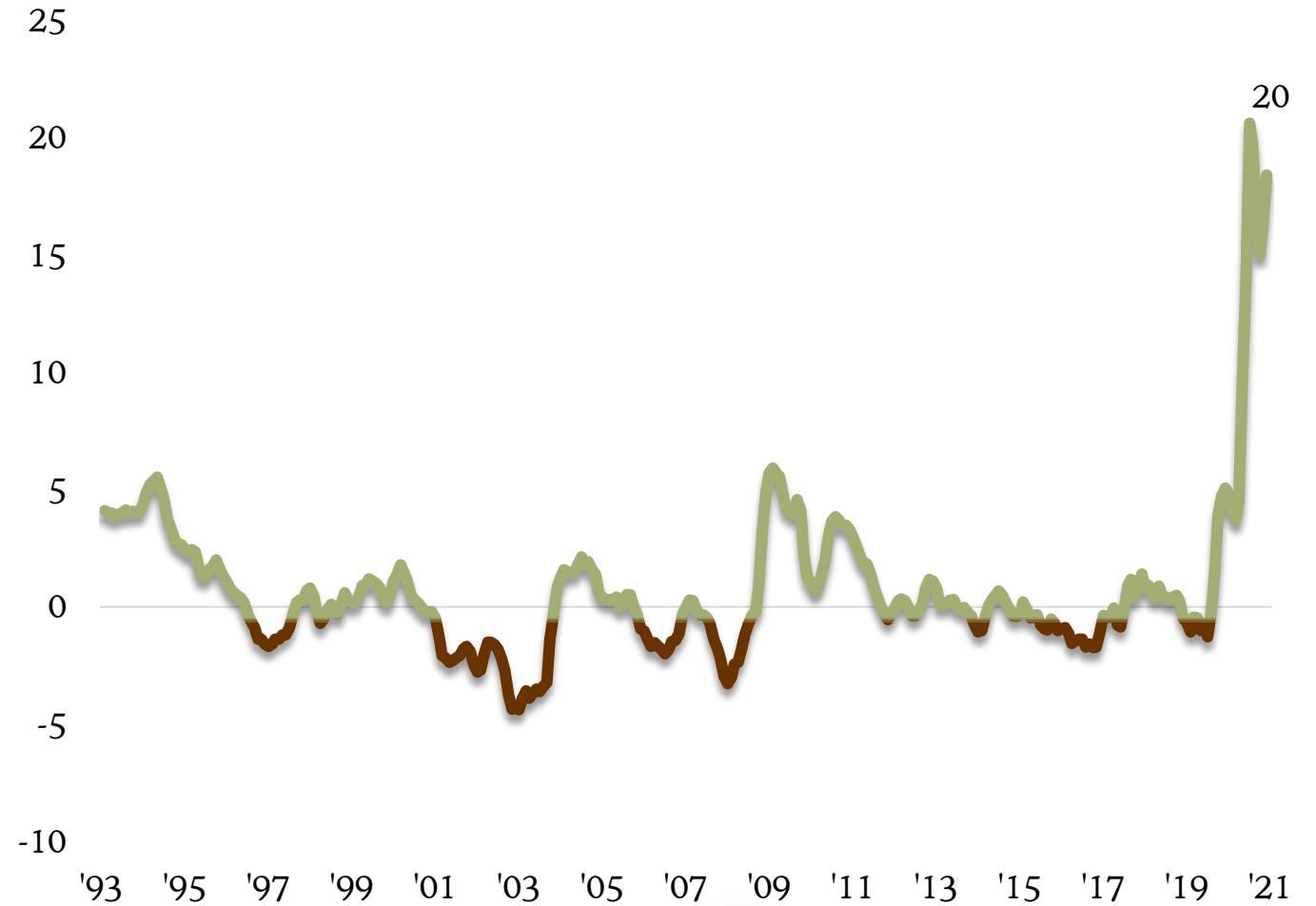


Vehicle Prices

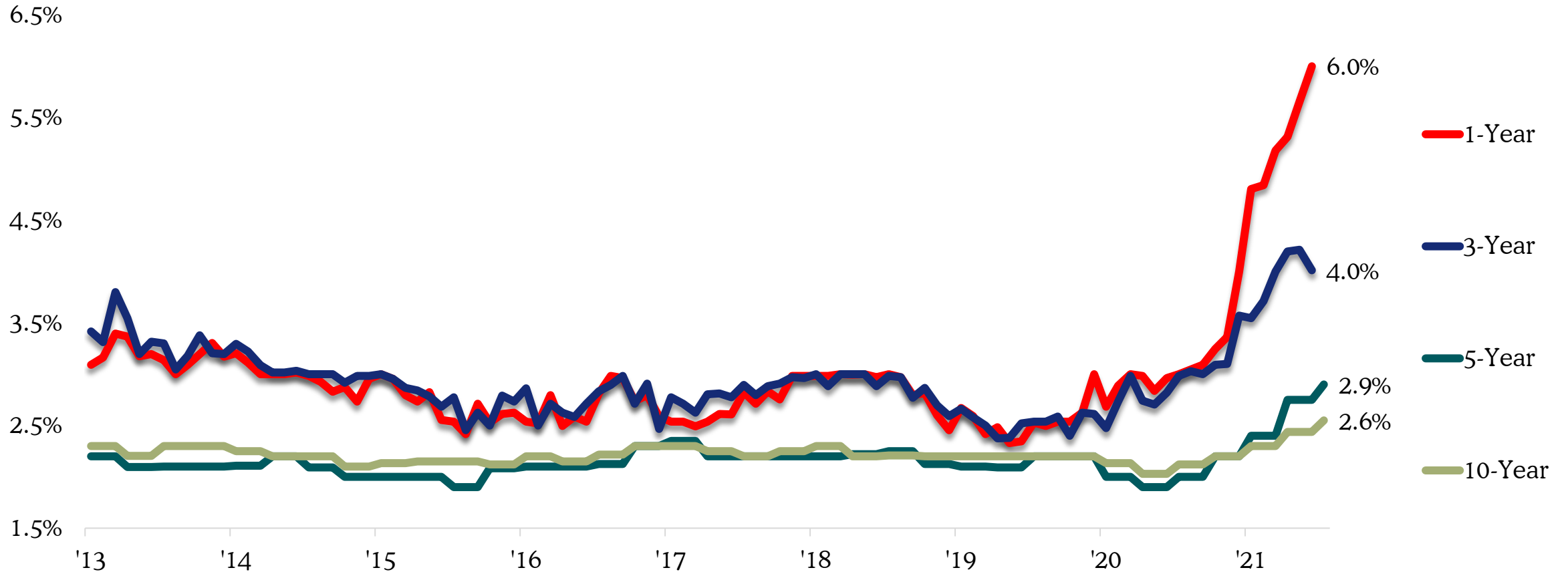
Weight in the CPI as of Oct, 2021



Year over Year % Change in Vehicle Prices



Inflation Expectations

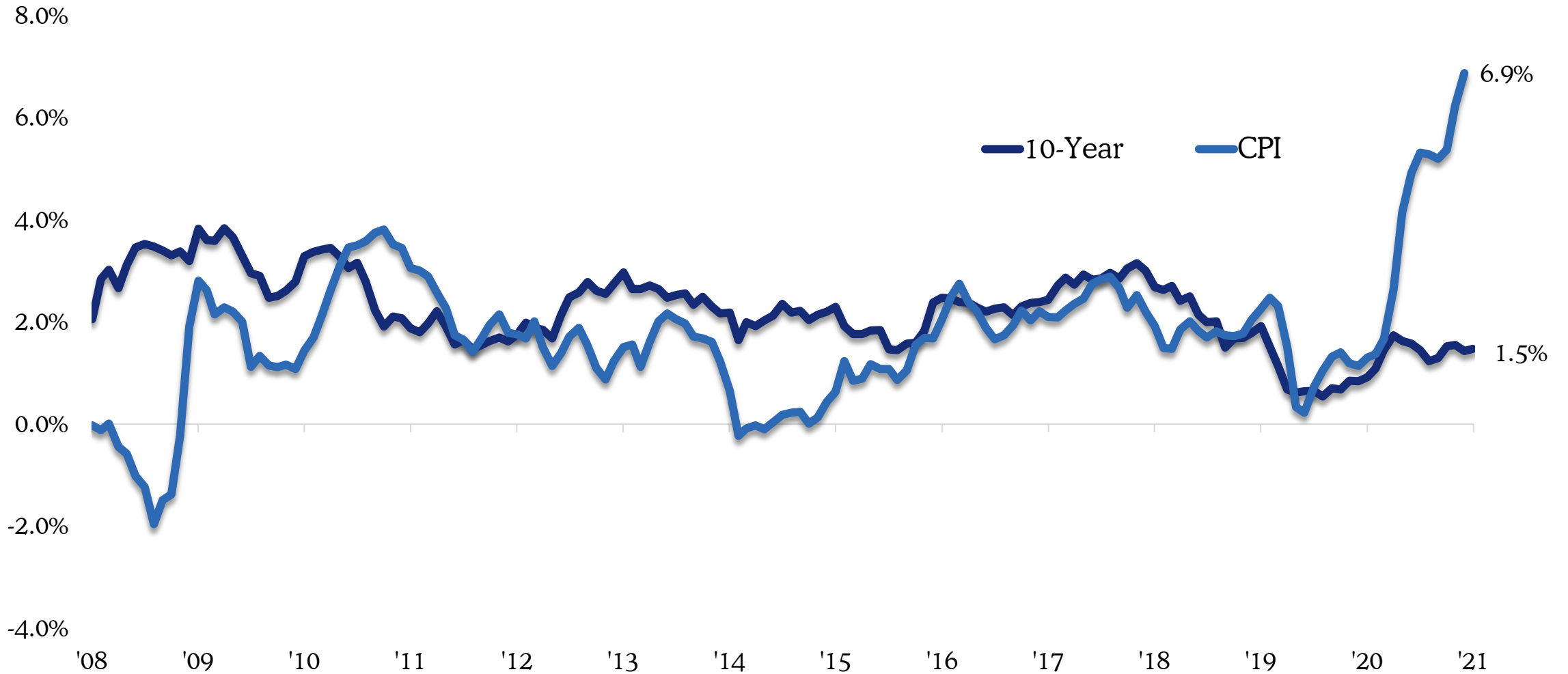


Source:

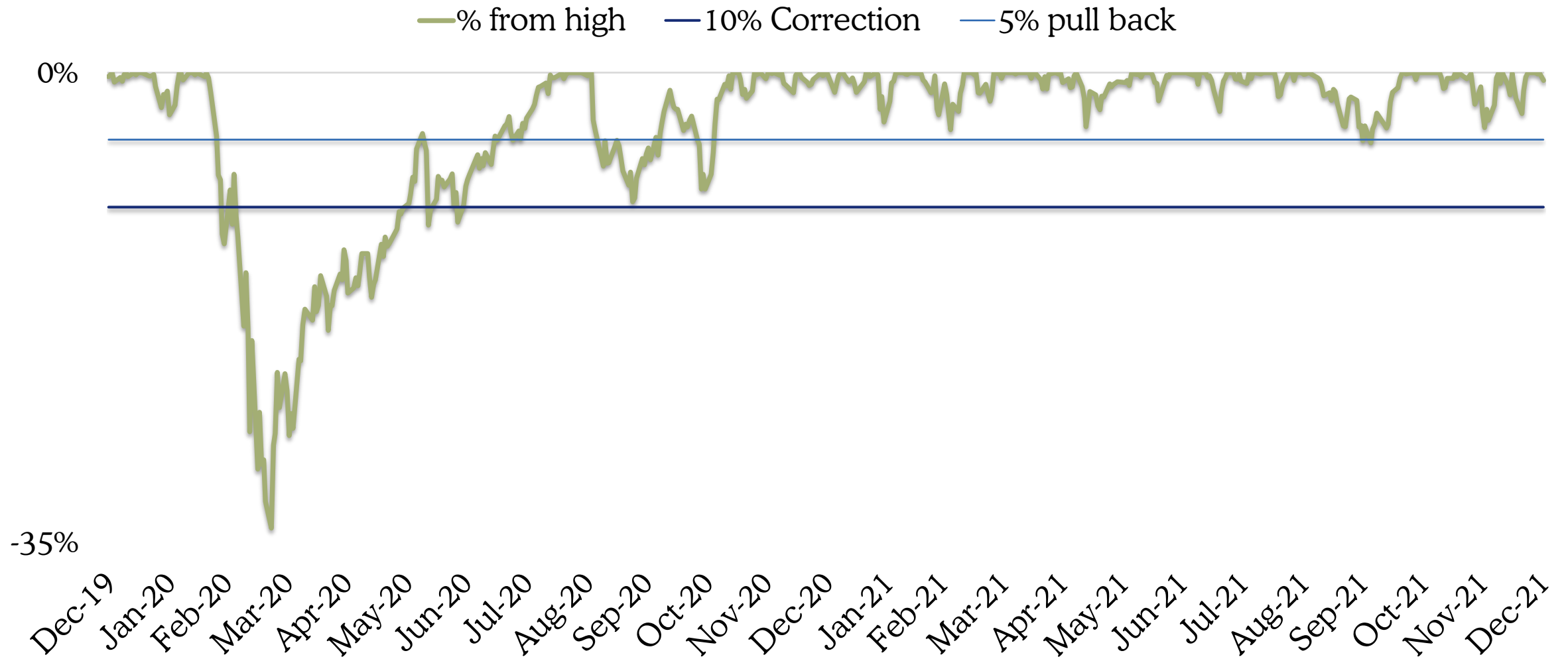
1 & 3 Year Survey: Federal Reserve Bank of New York, Consumer Inflation Survey, Nov 30, 2021

5 & 10 Year Survey: Federal Reserve Bank Philadelphia, Survey of Professional Forecasters, Dec 31, 2021

Higher Inflation Has Not Affected Treasury Yields, Yet

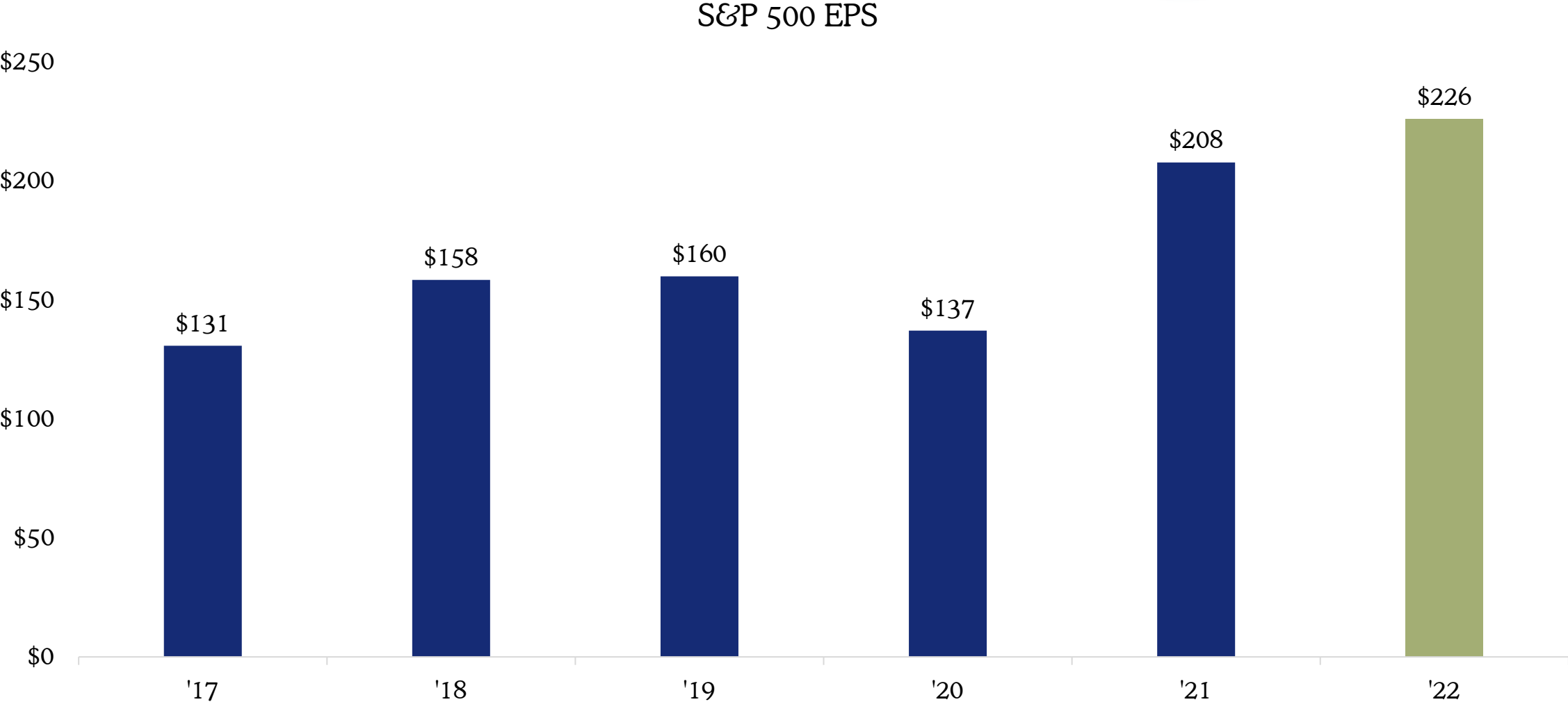


The S&P 500 has Proven Resilient



Source: FactSet, Haverford; as of Dec, 31, 2021. Past performance is not indicative of future results.

S&P 500 Earnings Per Share



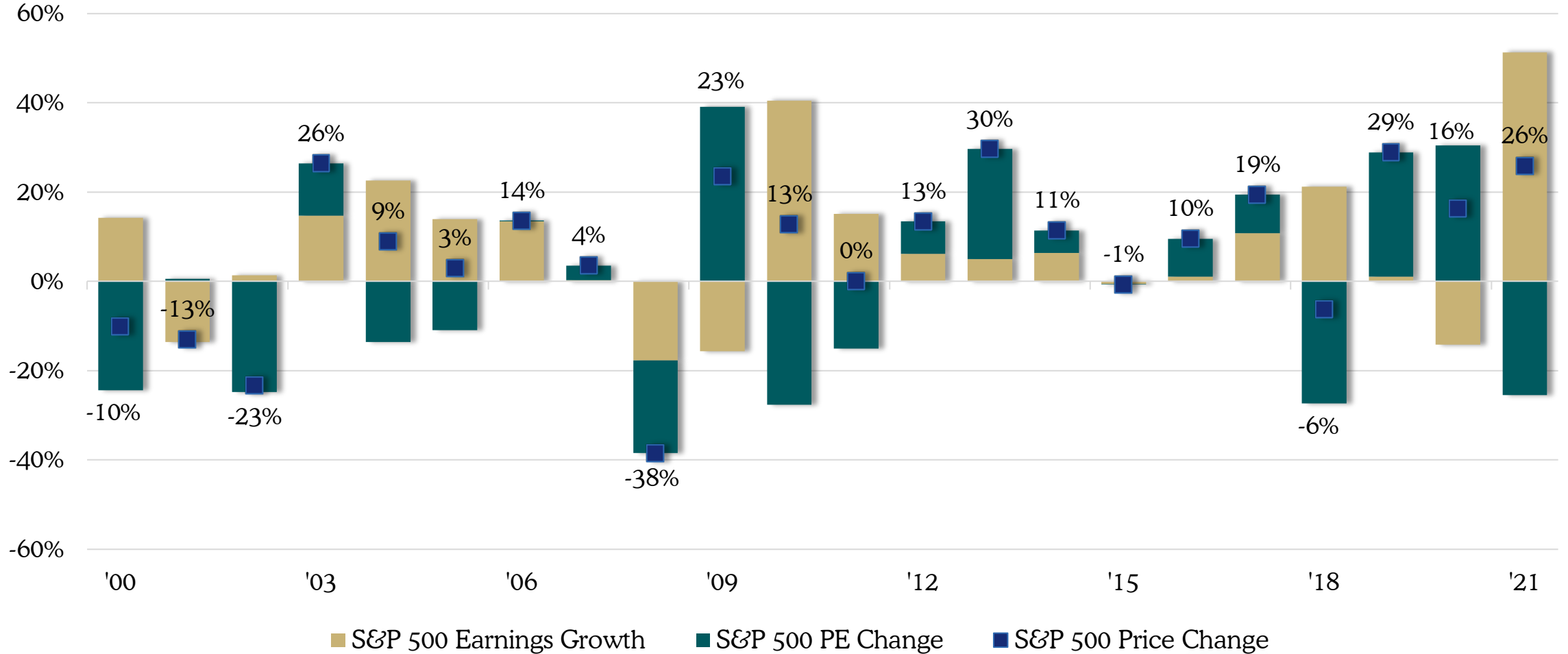
Source: FactSet, Haverford; as of Dec, 31, 2021. Projections and estimates are hypothetical in nature, do not reflect actual investment returns or information, and are not indicative of future results.

Profit Margins Hit Record Levels in 2021



Performance Components

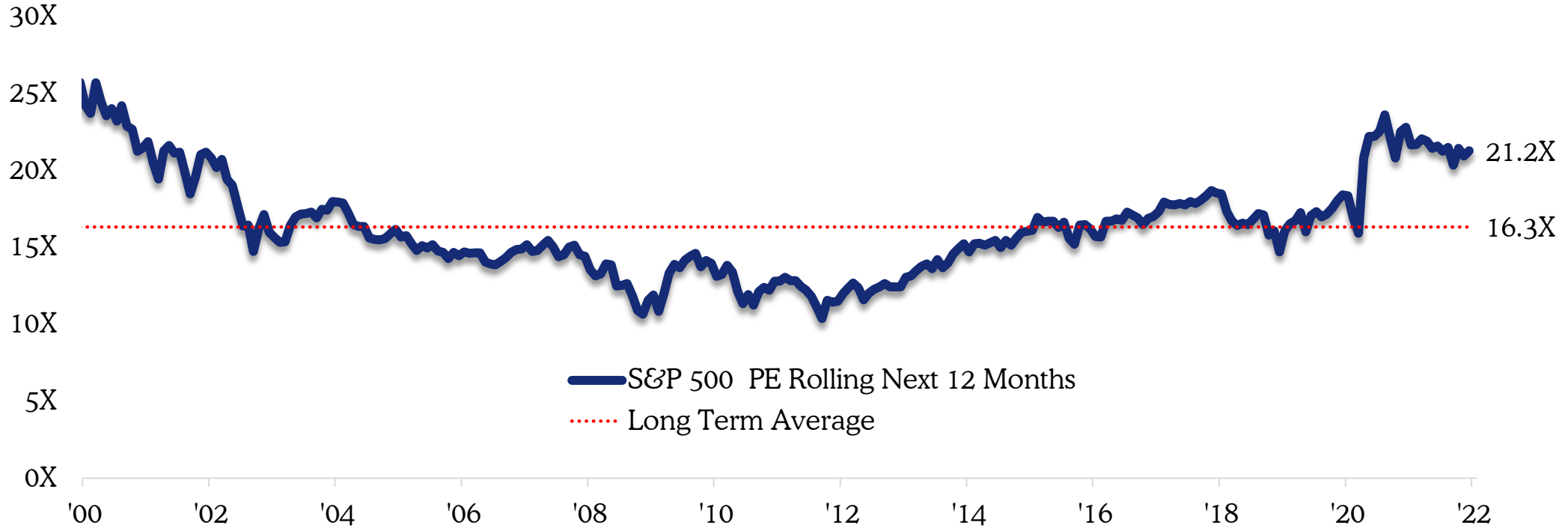
S&P 500 Price Performance



Source: FactSet, Haverford; as of Dec, 31, 2021. Past performance is not indicative of future results.

Market Valuations

S&P 500 Price to Earnings Ratio



Factors supporting current multiples:

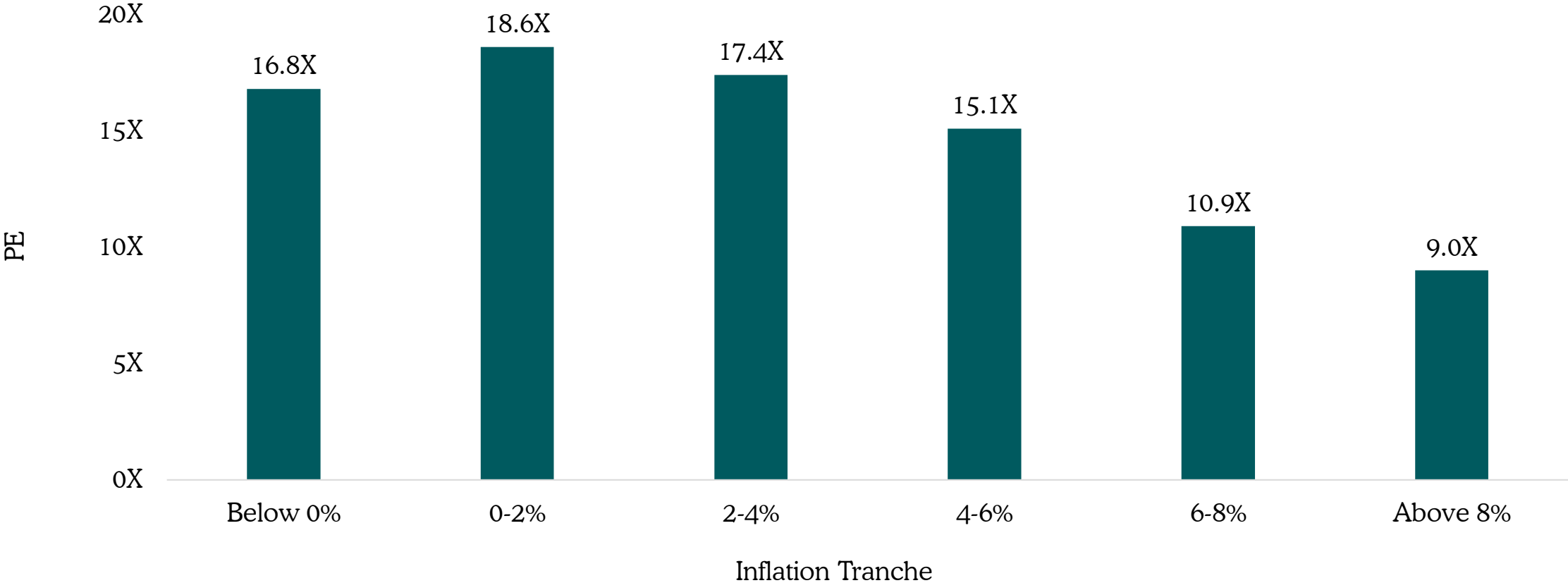
1. Absolute level of interest rates remain low
2. Record profitability
3. Strong operating metrics
4. Less cyclical businesses; higher levels of recurring revenue

Factors supporting lower multiples:

1. Higher inflation, which results in:
2. Tighter monetary policy

Market Valuation by Inflation Tranche

Average S&P 500 Last 12 Months P/E by CPI YoY Tranche
(1950 - 2021)



Source: Strategas

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