Please note: This is a transcription so there may be slight grammatical errors.

2021 was another turbulent year for citizens of the U.S. and the globe, full of disruptions from the never-ending COVID pandemic. But for investors, last year was one of the best years in history. In 2021, the S&P 500 added nearly 29% and reached a new record high on 70 different days. To put that in perspective, the index closed at a new record on over a quarter of all trading days during the year. The last three years have been one of the best three-year periods for stocks, going all the way back to the 1920s. Yet, our noninvestment lives have been deeply disrupted. They haven't been close to our best three years ever, right? These divergent outcomes between investment results and broader society may have implications for what we can expect in the next three years. In our personal worlds, I think all of us are beyond ready to get back to normal. Our jobs, our kids' schools, vacations, sports, regular activities, I know I'm looking forward to it. But as investors, getting back to normal might actually mean something different. After three years of outsized returns, it may be time to adjust our expectations as the powerful tailwinds that drove this record setting period are now beginning to reverse. First, we had a rapid V-shaped snapback after the COVID crash in March of 2020, thanks in part to the government stepping in with the most massive stimulus program in history. That stimulus took the form of direct payments, enhanced unemployment benefits, and forgivable small business loans. These combined with monetary stimulus through interest rate cuts and bond purchase programs flooded the economy with cash and liquidity. Companies slashed costs when the pandemic hit, appropriately. And then when customers came back flush with cash and stimulus checks and higher wages, profitability shot through the roof. Corporate profit margins reached 12% last year, way ahead of the long-term average of around 7%. It's like investors were enjoying their dessert before the hard work of eating their vegetables. Today, as we begin to think about a return to normal, markets face very different dynamics. Fiscal stimulus programs are coming to an end. The last checks for the child tax credit were mailed in December. The Paycheck Protection Act is out of money, and student loan relief is scheduled to end by the spring. The fed has pulled back its stimulus sharply and turned its full attention to fighting inflation, which may even pave the way for interest rate hikes by the middle of this year. In addition, corporate profits are expected to slow and return to a more normal level as businesses face higher operating costs. And finally, the prices of stocks relative to corporate earnings are elevated today compared to historic levels. There are high expectations built into current stock prices, which means they could come back to earth as the economic environment tightens. In other words, now that we've enjoyed our dessert, it may be time for a serving of Brussels sprouts, really good for you but not exactly why you sit down for dinner. Even as our daily lives and market conditions return to normal, there remains plenty for investors to look forward to and reasons for optimism. First, consumers and households have amassed trillions of dollars in extra savings. They've paid down loan balances and shored up their financial positions. This strength should support consumer spending for quite a while. We're also seeing the long logistics nightmare beginning to ease, relieving pressure on supply chains. Inflation, one of last year's bigger concerns, appears to be heading down over the course of this coming year. This provides stronger real incomes for everyone. And then of course, there's the path of COVID. If we are in the closing chapters of this phase of the pandemic, this could open the door for a bigger rebound in areas such as travel and leisure and other service industries that have yet to fully recover. Of course, with this virus, only time will tell. As winter weathers on, I'm sure we're all thinking about what vacations might look like this summer and remembering how good normal life can be. But as we do, let's not forget what normal investing looks like either, pockets of volatility when the forecast gets cloudy and market returns that are more like a well-balanced meal than a bowl of ice cream.