



# Market Overview Charts

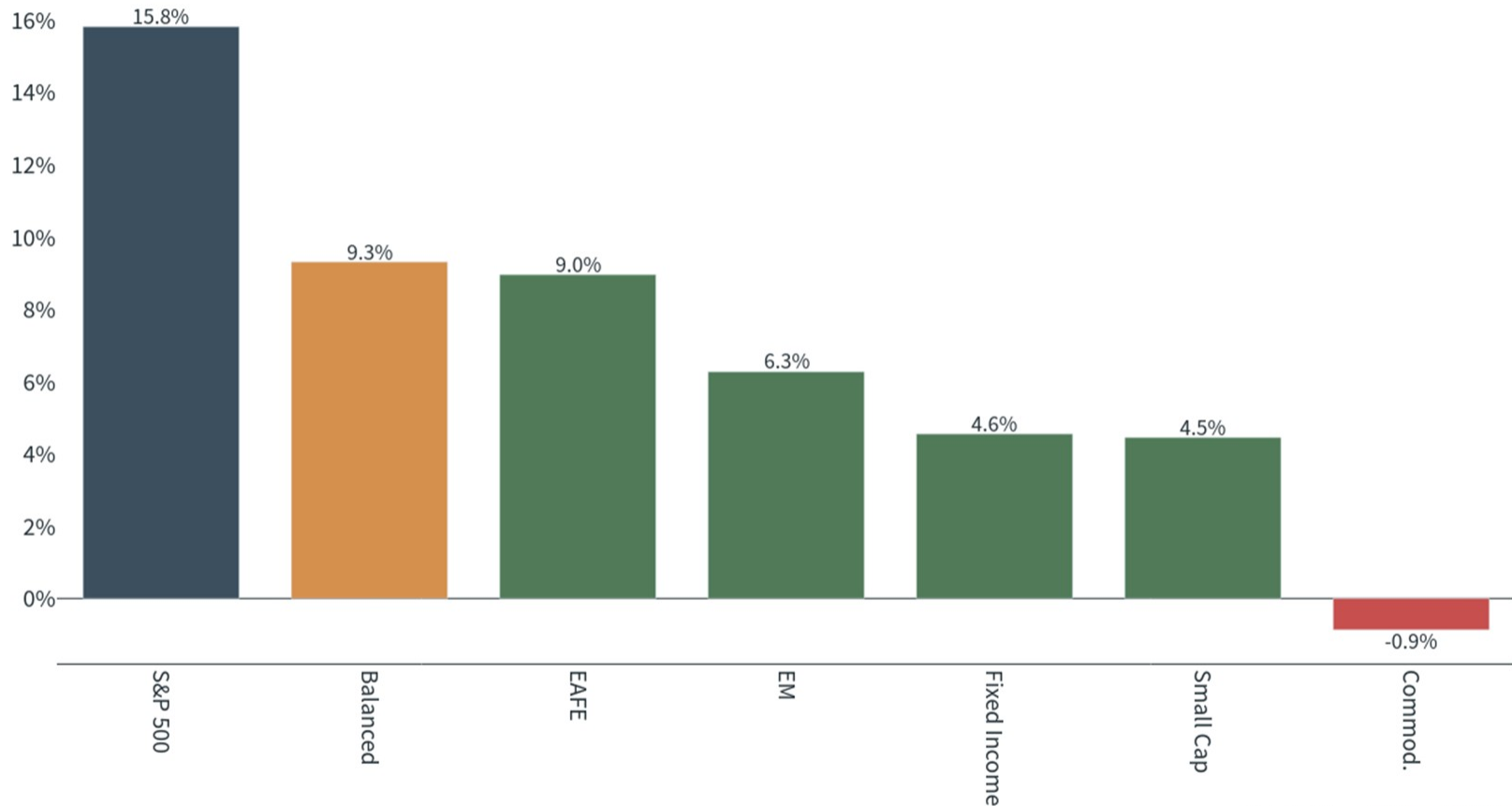
Kit Lancaster, CFP®, AWMA | President | September 10, 2024





# Asset Class Performance Year-to-Date

## Total Returns



Latest data point is Sep 9, 2024

The Balanced Portfolio is a 60/40 historical index calculation consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

Sources: Clearnomics, LSEG

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# Asset Class Performance

## Total Returns

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EM 39.8%	Fixed Inc. 5.2%	EM 79.0%	Small Cap 26.9%	Fixed Inc. 7.8%	EM 18.6%	Small Cap 38.8%	S&P 500 13.7%	S&P 500 1.4%	Small Cap 21.3%	EM 37.8%	Fixed Inc. 0.0%	S&P 500 31.5%	Small Cap 20.0%	S&P 500 28.7%	Commod. 16.1%	S&P 500 26.3%	S&P 500 15.8%
Commod. 16.2%	Balanced -23.4%	EAFE 32.5%	EM 19.2%	S&P 500 2.1%	EAFE 17.9%	S&P 500 32.4%	Balanced 6.4%	Fixed Inc. 0.5%	S&P 500 12.0%	EAFE 25.6%	S&P 500 -4.4%	Small Cap 25.5%	EM 18.7%	Commod. 27.1%	Fixed Inc. -13.0%	EAFE 18.9%	Balanced 9.3%
EAFE 11.6%	Small Cap -33.8%	Small Cap 27.2%	Commod. 16.8%	Balanced 0.6%	Small Cap 16.3%	EAFE 23.3%	Fixed Inc. 6.0%	EAFE -0.4%	Commod. 11.8%	S&P 500 21.8%	Balanced -4.9%	EAFE 22.7%	S&P 500 18.4%	Small Cap 14.8%	EAFE -14.0%	Small Cap 16.9%	EAFE 9.0%
Balanced 8.5%	Commod. -35.6%	S&P 500 26.5%	S&P 500 15.1%	Small Cap -4.2%	S&P 500 16.0%	Balanced 15.9%	Small Cap 4.9%	Balanced -1.5%	EM 11.6%	Balanced 15.2%	Small Cap -11.0%	Balanced 20.5%	Balanced 12.6%	Balanced 14.1%	Balanced -14.4%	Balanced 15.3%	EM 6.3%
Fixed Inc. 7.0%	S&P 500 -37.0%	Balanced 22.2%	Balanced 12.3%	EAFE -11.7%	Balanced 11.4%	Fixed Inc. -2.0%	EM -1.8%	Small Cap -4.4%	Balanced 8.1%	Small Cap 14.6%	Commod. -11.2%	EM 18.9%	EAFE 8.3%	EAFE 11.8%	S&P 500 -18.1%	EM 10.3%	Fixed Inc. 4.6%
S&P 500 5.5%	EAFE -43.1%	Commod. 18.9%	EAFE 8.2%	Commod. -13.3%	Fixed Inc. 4.2%	EM -2.3%	EAFE -4.5%	EM -14.6%	Fixed Inc. 2.6%	Fixed Inc. 3.5%	EAFE -13.4%	Fixed Inc. 8.7%	Fixed Inc. 7.5%	Fixed Inc. -1.5%	EM -19.7%	Fixed Inc. 5.5%	Small Cap 4.5%
Small Cap -1.6%	EM -53.2%	Fixed Inc. 5.9%	Fixed Inc. 6.5%	EM -18.2%	Commod. -1.1%	Commod. -9.5%	Commod. -17.0%	Commod. -24.7%	EAFE 1.5%	Commod. 1.7%	EM -14.2%	Commod. 7.7%	Commod. -3.1%	EM -2.2%	Small Cap -20.4%	Commod. -7.9%	Commod. -0.9%

Latest data point is Sep 9, 2024

- Diversifying properly across a variety of asset classes is the most important way for investors to weather market volatility.
- The balanced portfolio approximates a 60/40 stock/bond allocation. By design, it performs steadily through both good and bad markets.
- It is difficult if not impossible to predict which asset classes will outperform from year to year.

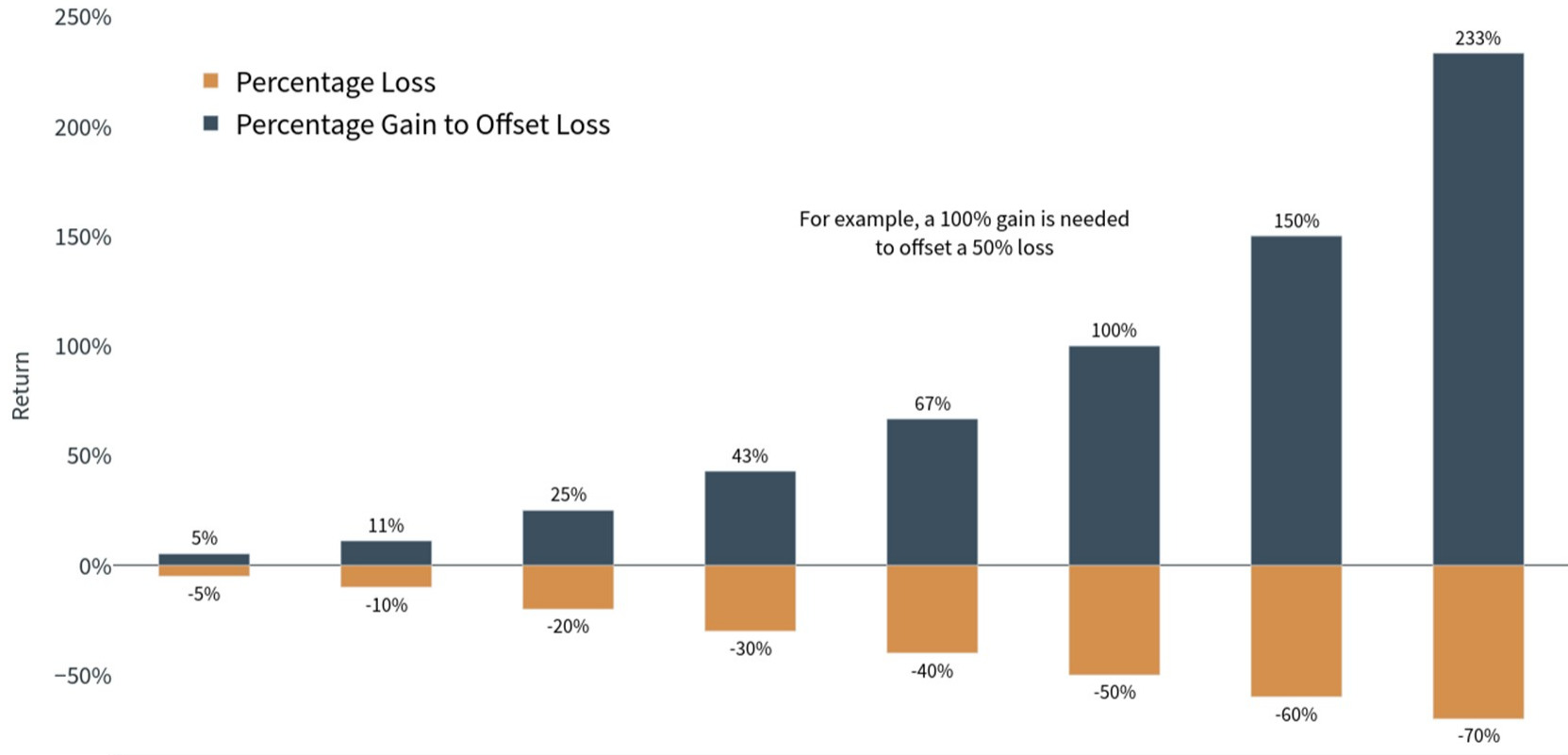
The Balanced Portfolio is a 60/40 historical index calculation consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

Sources: Clearnomics, LSEG

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# Breakeven Returns

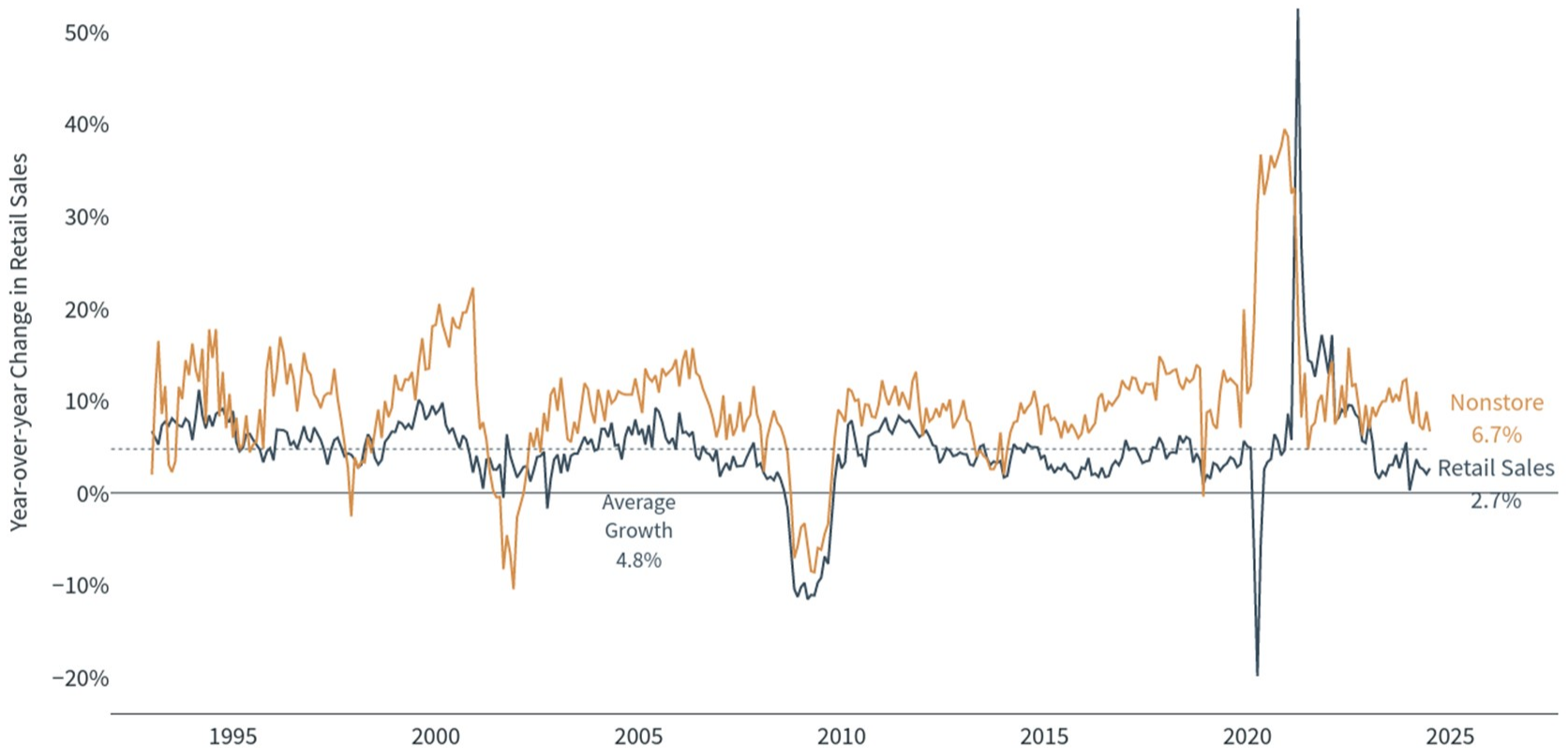
*The percentage gain required to offset a percentage loss*





# Consumer Spending

*Retail Sales, YoY % Growth, SAAR*



*Latest data point is Jul 2024*

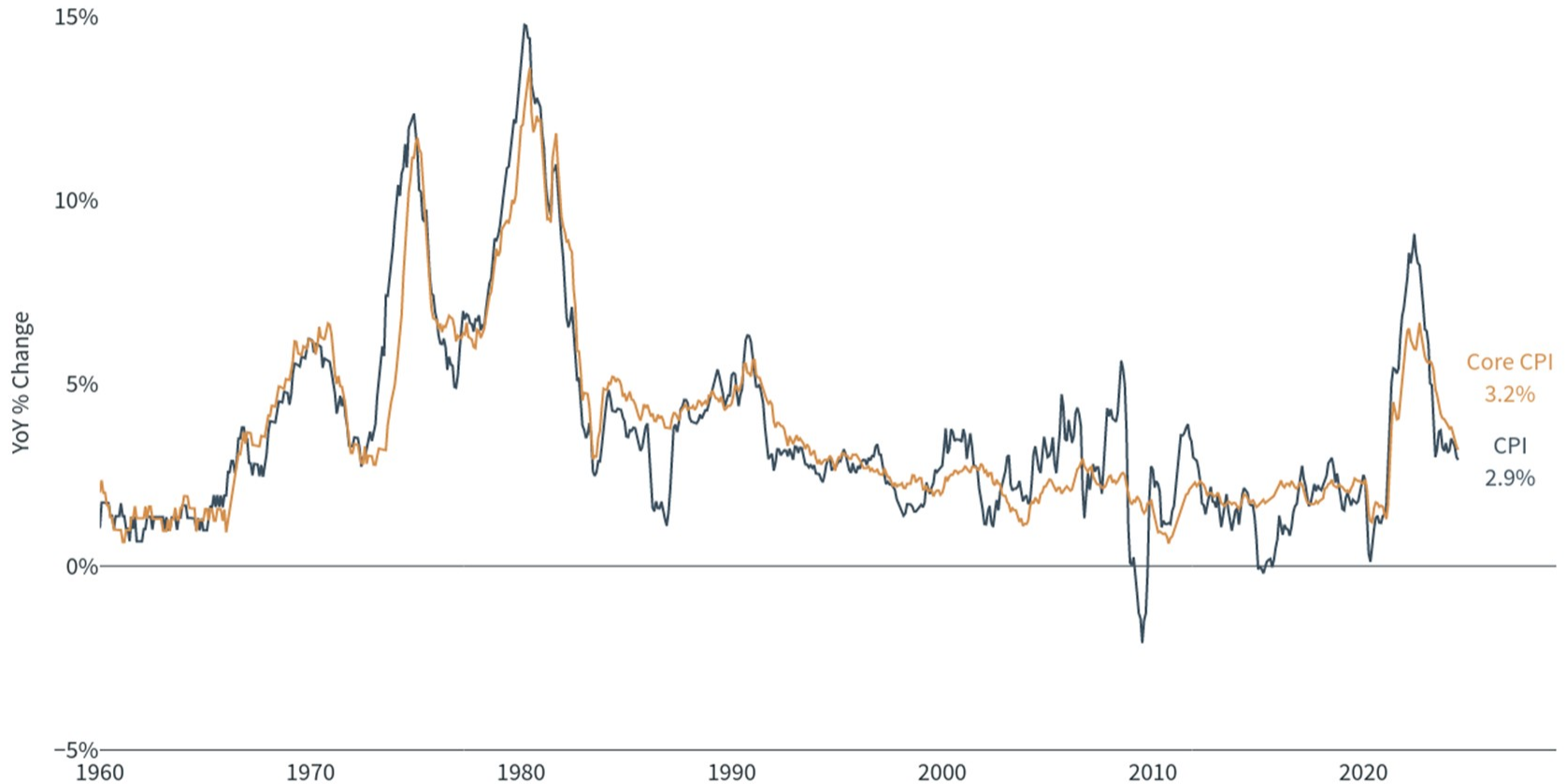
- Retail sales are an important way to measure consumer spending.
- Consumer spending has been remarkably steady despite poor consumer confidence in the economy.

Sources: Clearnomics,  
U.S. Census Bureau

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# Consumer Price Index

## *CPI and Ex Food and Energy, YoY % Change*



- CPI is a commonly cited measure of inflation. It uses a basket of goods and services to track price changes for consumers.
- In order to measure the underlying trend in inflation, rather than temporary shocks to food and energy, economists often focus on core CPI.
- There are signs that inflation continues to subside and that price pressures could gradually return to the Fed's target.

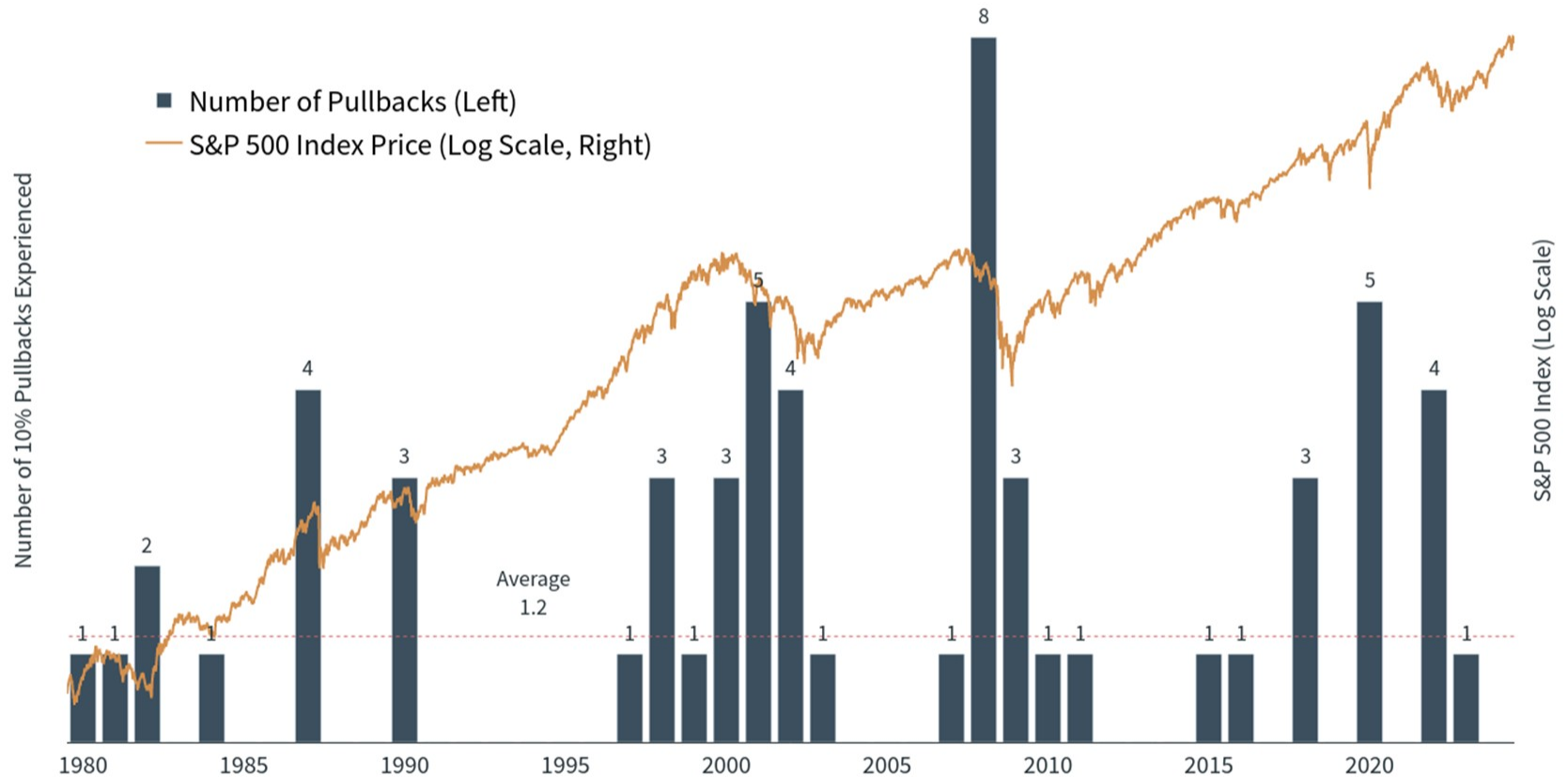
*Latest data point is Jul 2024*

Sources: Clearnomics,  
Bureau of Labor Statistics

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# Stock Market Pullbacks

*The number of 10% S&P 500 pullbacks experienced by investors each year*



*Latest data point is Sep 9, 2024*

- Many years with both positive and negative total returns experience multiple market pullbacks of 10% or more.
- It's important for investors to stay focused during these periods in order to achieve their financial goals.

Sources: Clearnomics, Standard & Poor's

# Global Stock Market Cycles

*S&P 500, MSCI EAFE, and MSCI EM (USD). Since 2003*



*Latest data point is Sep 9, 2024*

- Global markets have performed well as major indices have rallied over the past year.
- However, it is clear that each market behaves in unique ways. EM is historically the most volatile of the three regions.
- Investors who stay disciplined have historically been rewarded over the long run.

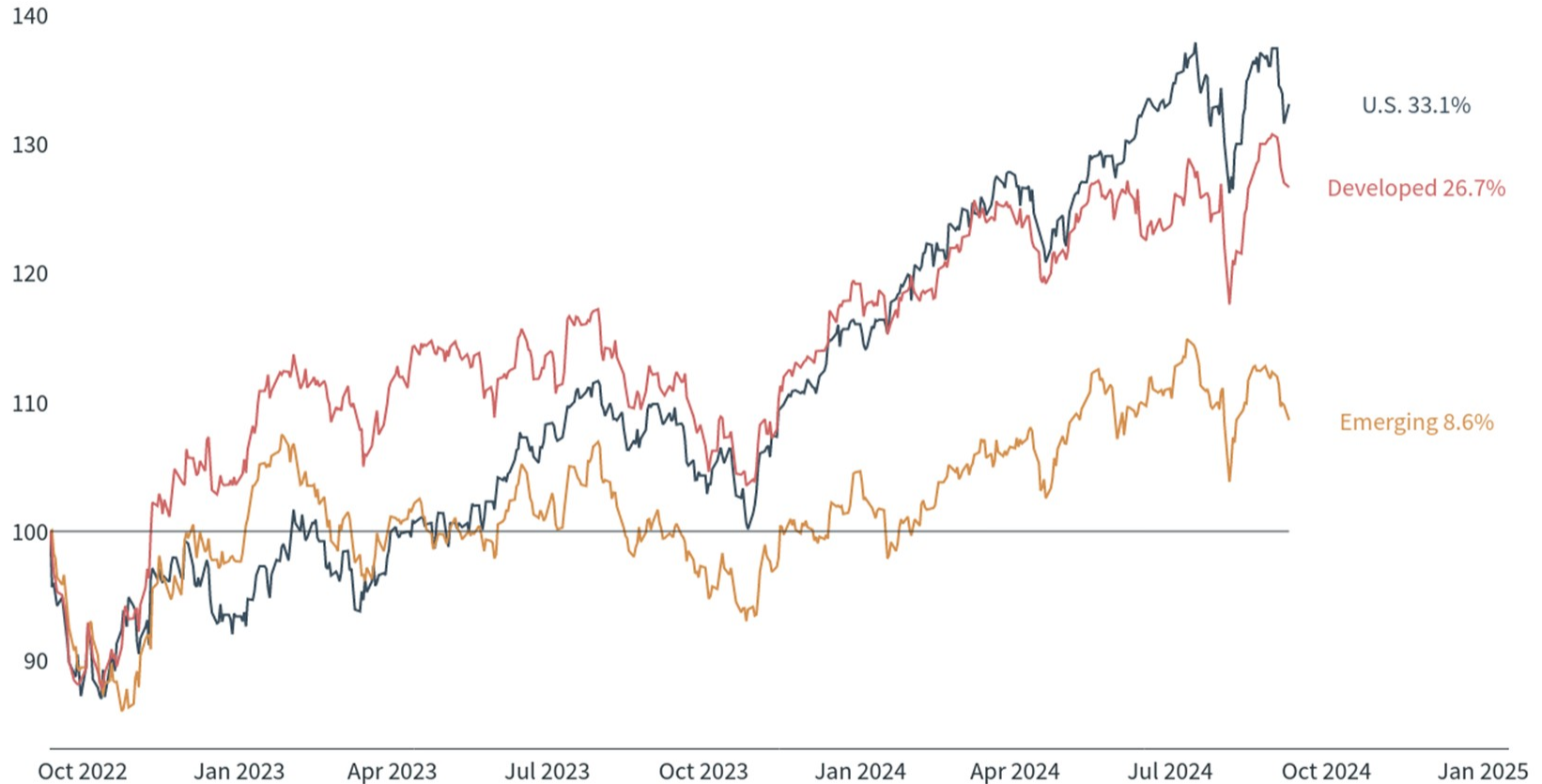
Sources: Cleareconomics, MSCI,  
Standard & Poor's, LSEG

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# Global Stock Market Performance

*S&P 500, MSCI EAFE, and MSCI EM (USD). Prior 2 years*



*Latest data point is Sep 9, 2024*

- The stock market has pulled back from all-time highs as investors prepare for the first Fed rate cut.
- Tech-related stocks led the recent rally but performance more recently broadened to many other parts of the market.
- Investors ought to remain focused on the long run rather than the past few days, weeks or months.

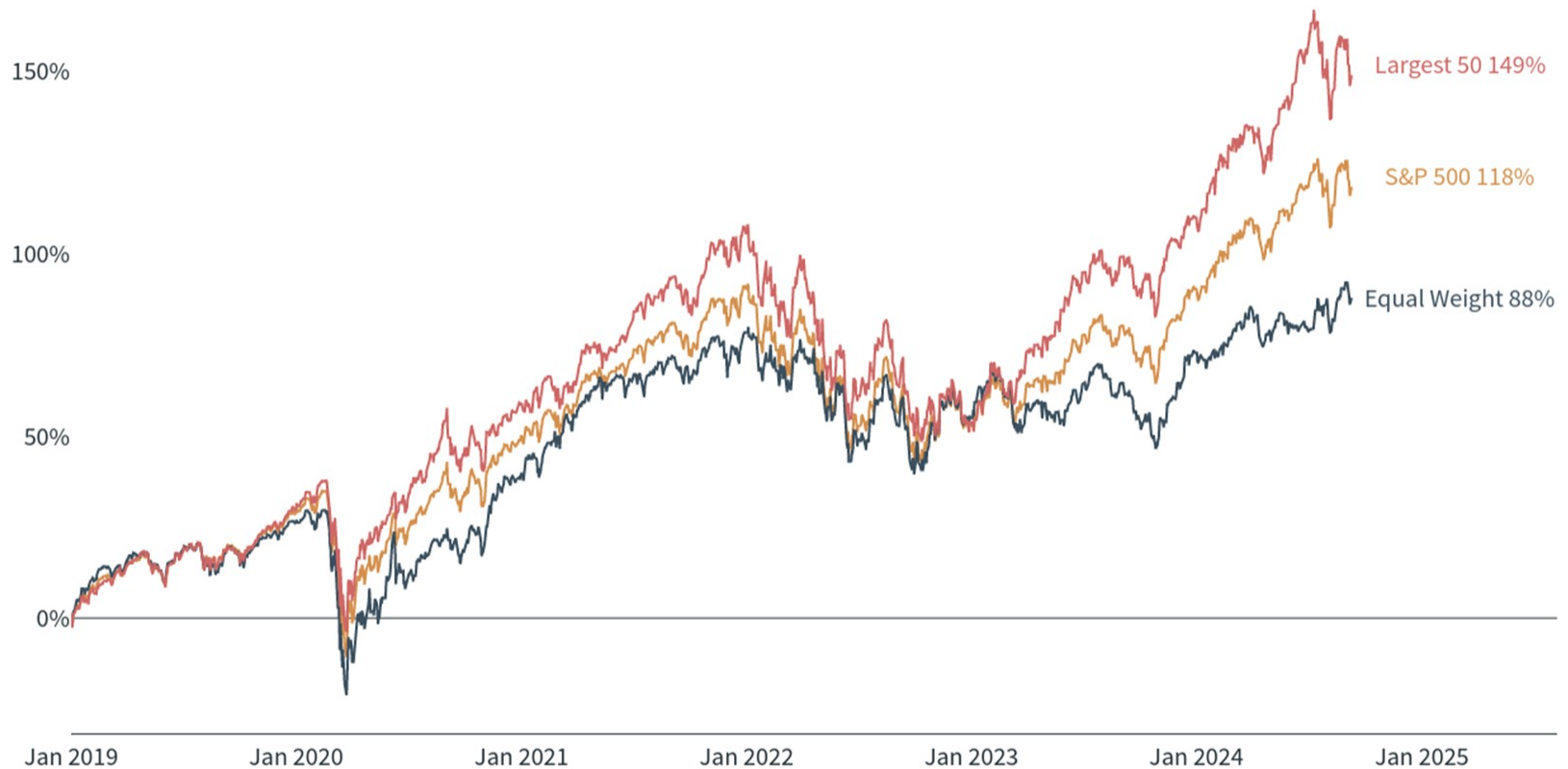
Sources: Clearnomics, MSCI,  
Standard & Poor's, LSEG

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# S&P 500 Equal Weight Recent Returns

*Equal weight index compared to market cap weighted and top 50 stocks  
Cumulative price return since 2019*

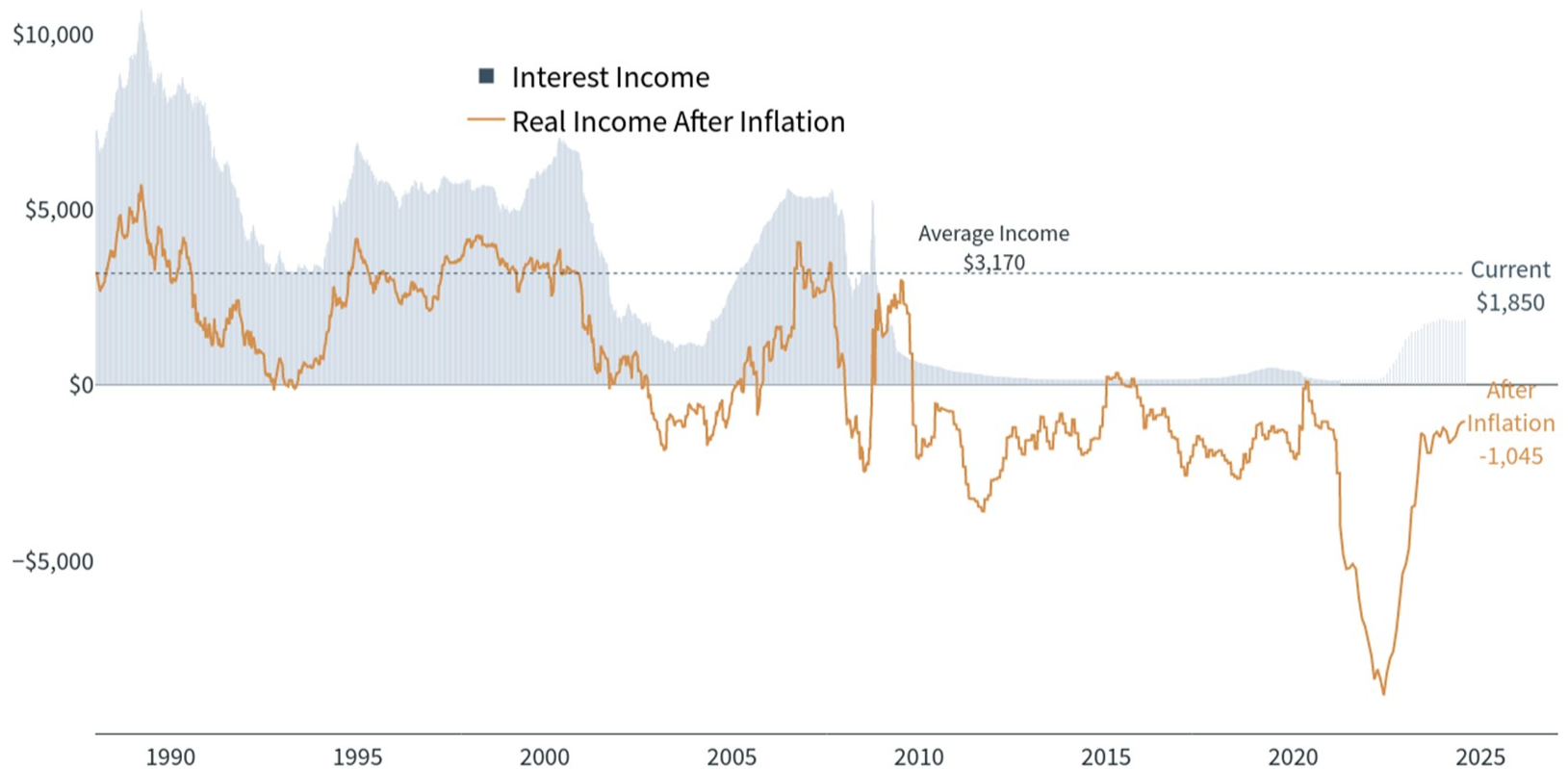


*Latest data point is Sep 9, 2024*

- This chart shows the performance of the standard S&P 500 with market weighted stocks compared to an equal-weighted version.
- This highlights whether individual stocks have had an out-sized impact on index performance.

# Interest Income on Cash

*\$100k invested in 6-month CDs against inflation. Actual rates may vary*



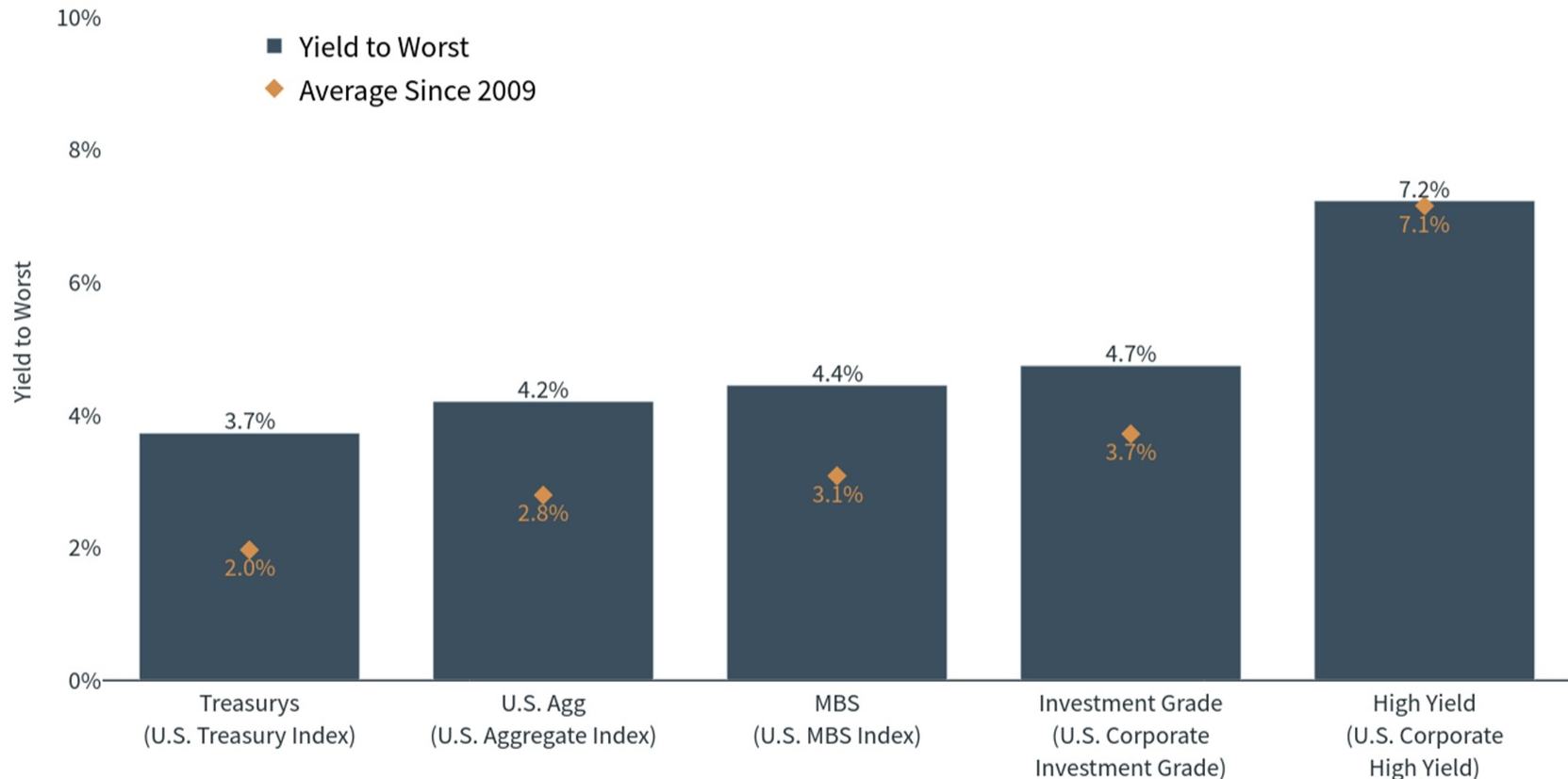
*Latest data point is Aug 2024*

- Generating income from safe investments has been challenging since the global financial crisis.
- Despite rising rates, the income generated by cash, including CDs and savings accounts, has lagged inflation.
- Adjusting for rising inflation, most savers are still losing purchasing power by holding cash.

Sources: Clearnomics, FDIC

# Traditional Sources of Bond Yield

*Yield to worst and averages since 2009*



*Latest data point is Sep 9, 2024*

- Bond yields can act as a necessary balance to volatile equities in portfolios.
- Yield-to-worst shows the lowest possible yield of a bond operating within its contract if the bond does not default.
- Yields across bond indices are elevated well above their average since 2009 following recent interest rate increases.

Sources: Clearnomics,  
Bloomberg

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# Global Market Summary

## Global stocks, U.S. sectors and interest rates

Global Stock Market Summary

Index	Level	WTD	MTD	QTD	YTD
S&P 500	5471	1.2%	-3.1%	0.2%	14.7%
Dow Jones Industrials Average	40829	1.2%	-1.8%	4.4%	8.3%
NASDAQ Composite	16884	1.2%	-4.7%	-4.8%	12.5%
MSCI Emerging Markets Index	1063	-1.1%	-3.3%	-2.1%	3.9%
MSCI EAFE Index	2376	-0.3%	-3.1%	2.7%	6.3%
MSCI All Country World Index	807	0.6%	-3.2%	0.7%	11.1%
MSCI Europe Index	2151	0.1%	-3.0%	2.7%	6.5%

	Sep 9, 2024	Aug 30, 2024	Jun 28, 2024	Dec 29, 2023
3-Month Treasury Yield	5.11%	5.21%	5.48%	5.40%
2-Year Treasury Yield	3.68%	3.91%	4.71%	4.23%
10-Year Treasury Yield	3.70%	3.91%	4.36%	3.88%
30-Year Treasury Yield	4.00%	4.20%	4.51%	4.03%
30-Year Fixed Mortgage	6.35%	6.35%	6.86%	6.61%
German 10-Year Bund Yield	2.17%	2.30%	2.50%	2.02%

Sector Performance

Index	WTD	MTD	QTD	YTD
Cons. Disc.	1.6%	-1.3%	-0.7%	4.4%
Industrials	1.6%	-2.9%	4.6%	11.8%
Technology	1.4%	-5.7%	-6.7%	19.3%
Financials	1.4%	-1.8%	8.9%	19.0%
S&P 500	1.2%	-3.1%	0.2%	14.7%
Real Estate	1.2%	1.3%	14.6%	9.9%
Materials	1.0%	-3.9%	2.5%	5.7%
Utilities	1.0%	0.5%	11.8%	20.3%
Cons. Stap.	0.8%	1.4%	9.1%	17.4%
Energy	0.8%	-4.9%	-5.2%	3.4%
Healthcare	0.7%	-1.4%	6.1%	13.4%
Comm.	0.0%	-5.0%	-7.8%	16.2%

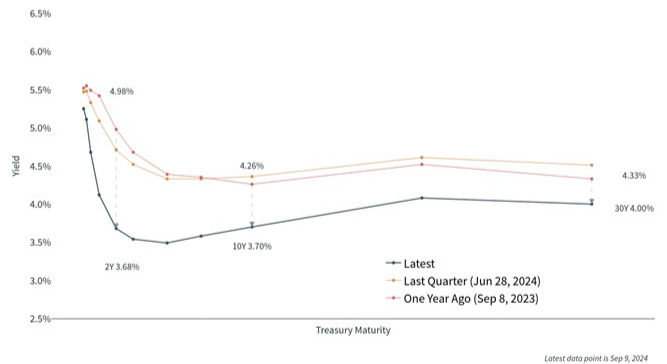
Currencies and Commodities

Index	Level	MTD	QTD	YTD
US Dollar Index	101.55	-0.1%	-4.1%	0.2%
Euro	1.10	-0.2%	3.0%	-0.0%
Chinese RMB	7.11	-0.4%	2.1%	-0.3%
Japanese Yen	142.75	2.0%	11.3%	-1.3%
British Pound	1.31	-0.5%	3.5%	2.6%
WTI Oil	69.65	-6.5%	-15.9%	-3.1%
Brent Oil	71.23	-9.7%	-17.6%	-8.3%

S&amp;P 500



U.S. Treasury Yield Curve





# Definitions and Methodology

The **S&P 500** is a market capitalization-weighted index of large cap U.S. stocks. U.S. **mid cap** and **small cap** are the S&P 400 and S&P 600, respectively. **Value** and **growth** are the corresponding Standard & Poor's value and growth indices.

**MSCI EM** is an index of emerging market stocks. **MSCI EAFE** is an index of developed market stocks. **MSCI ACWI** is an index of global stocks.

The **forward P/E** is a ratio of the current market price of an index divided by an estimate of earnings over the next twelve months. The **Shiller P/E** is based on Robert Shiller's cyclically adjusted price-to-earnings ratio.

The **AAll Investor Sentiment** index is based on a weekly survey conducted by AAll.

Unless stated otherwise, **earnings** and **valuations** data are from LSEG indices.

The **LEI**, or Leading Economic Index, is produced monthly by the Conference Board.

**Consumer sentiment** indices are based on surveys conducted by the University of Michigan Surveys of Consumers.

## **Asset Class Performance and Asset Classes Relative to U.S.**

**Stocks charts:** The EM, EAFE, Small Cap, Fixed Income and Commodities are these indices, respectively: MSCI EM, MSCI EAFE, Russell 2000, Bloomberg U.S. Aggregate Bond Index, Bloomberg Commodity Index.

**Fixed Income Performance:** All sectors are represented by the Bloomberg bond indices except for EMD USD and Local which are the JPMorgan EMBIG Diversified Index and JPMorgan GBI-EM Core Index, respectively.

The Balanced Portfolio is a historical 60/40 index calculation consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

The **Bloomberg Commodity Index** is a broadly diversified basket of physical commodities futures contracts.

The **DXY** is a U.S. dollar index based on a basket of currencies, including the Euro, Yen, Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

**Portfolio Risk/Reward and Portfolio Drift Since 2009** charts: stocks and bonds are the S&P 500 and Bloomberg U.S. Aggregate bond index, respectively. Each portfolio represents a historical stock/bond asset allocation.

The **MSCI Factor** indices are created and maintained by MSCI to capture factor returns. They cover various factors including Quality, Size, Momentum, Volatility, Value and Yield. The Multi-Factor index tracks the performance of Value, Momentum, Quality and Size.

The **MSCI USA** index tracks large and mid cap U.S. stocks.



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