

QUARTERLY NEWSLETTER

THIRD QUARTER 2024

The only thing hotter than DC in the summer is the 2024 Presidential campaign dominating the news headlines. In this Q3 newsletter, we discuss the markets, the 2024 election, and other firm news.

Year-to-Date Asset Class Returns (1/1/2024 through 06/28/2024)

Equity Indices	Asset Class	2nd Quarter	Year-To-Date
S&P 500 Index	U.S. Large Capitalization	4.28%	15.29%
S&P MidCap 400 Index	U.S. Medium Capitalization	-3.45%	6.17%
S&P SmallCap 600 Index	U.S. Small Capitalization	-3.11%	-0.72%
Russell 3000 Index	U.S. Equity	3.22%	13.56%
MSCI Europe, Asia & Far East	International - Developed	-0.42%	5.34%
MSCI Emerging Markets	International - Emerging	5.00%	7.49%
Fixed Income Indices			
Bloomberg US Agg Float Adj. Index	U.S. Bond Market	0.08%	-0.64%
Current Yields			Yield
Treasury 1 Year	U.S. Treasury		5.09%
Treasury 5 Year	U.S. Treasury		4.33%
Treasury 10 Year	U.S. Treasury		4.36%

Year-to-Date in Review

Capital Markets Update

Of note, the International Emerging Markets asset class led the 2nd quarter in equity indices with a 5% return, followed by U.S. Large Cap (4.28%) which is leading YTD with a 15.20% return. These results are indicative of a smooth 1st quarter earnings cycle for publicly traded companies. Coming into the 3rd quarter, economic readings continue to produce better than expected results. However, manufacturing surveys are softening and business confidence has become muted leading Wall Street to anticipate a Federal Reserve rate cut coming in the 2nd half of this year. In essence, there is a belief that economic growth is moderating and inflation is cooling

sufficiently to allow the Fed to begin easing. This further promulgates the idea of a soft-landing in which the central bank manages to raise rates to slow price growth (inflation) while avoiding a recession.

Keep in mind, forecasting the markets is notoriously difficult and prognosticators are more often wrong than right. Our objective is to consistently position your portfolio for the long-term in accordance with your financial plans and spending goals. Your financial plan and risk tolerance will continue to guide your portfolio asset allocation.

2024 Presidential Election

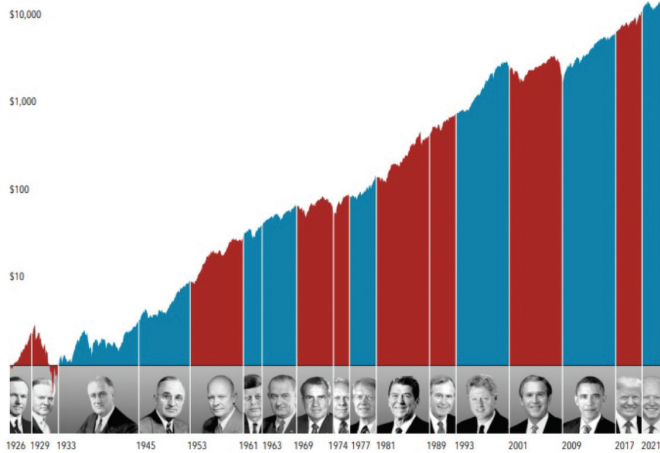
The 2024 Presidential Election season kicked off with heavy media coverage following the June 27th debate between President Biden and republican nominee, Donald Trump. While the outcome is uncertain, we can count on diverse opinions regarding how election results will impact financial markets. But should elections influence long-term investment decisions? We caution clients against making changes to a long-term financial plan in a bid to profit or avoid losses from changes in the political winds.

As noted and illustrated in the below chart:

- » Regardless of who wins the White House, a century of returns shows stocks trend upward.
- » Shareholders invest in companies which serve customers regardless of who is President.
- » US Presidents may have an impact on market returns, but so do many other factors. It is helpful to think of markets as a powerful information-processing machine. The combined impact of millions of investors placing billions of dollars' worth of trades each day results in market prices that incorporate the collective expectations of those investors. This makes consistently outguessing market prices very difficult.

The Market and US Presidential Elections

Hypothetical Growth of \$1 Invested in the S&P 500 Index, 1926–2023



It's natural for investors to look for a connection between who wins the White House and which way stocks will go. But regardless of who wins, nearly a century of returns shows that stocks have trended upwards.

- » Shareholders are investing in companies, which focus on serving their customers and growing their businesses, regardless of who is in the WhiteHouse
- » US Presidents may have an impact on market returns, but so do many other factors—the actions of foreign leaders, interest rate changes, changing oil prices, and technological advances, just to name a few

Stocks have rewarded disciplined investors for decades, through both Democratic and Republican presidencies.

Source: Dimensional Fund Advisors LP.

Reference: In USD. Growth of wealth shows the growth of a hypothetical investment of \$1 in the securities in the S&P 500 index. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Data presented in the growth of wealth chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment.

Until next time....

Please help us in welcoming our newest Trio Wealth team member, Lauren Bell! Lauren has been with us for over a month now and is successfully leading our client relationship management activities.

We greatly appreciate the confidence many of you placed in us with client referrals in the second quarter of this year. We consider it a privilege to help your family and friends gain Clarity, Confidence and Control in their financial lives.

Trio Wealth Management

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