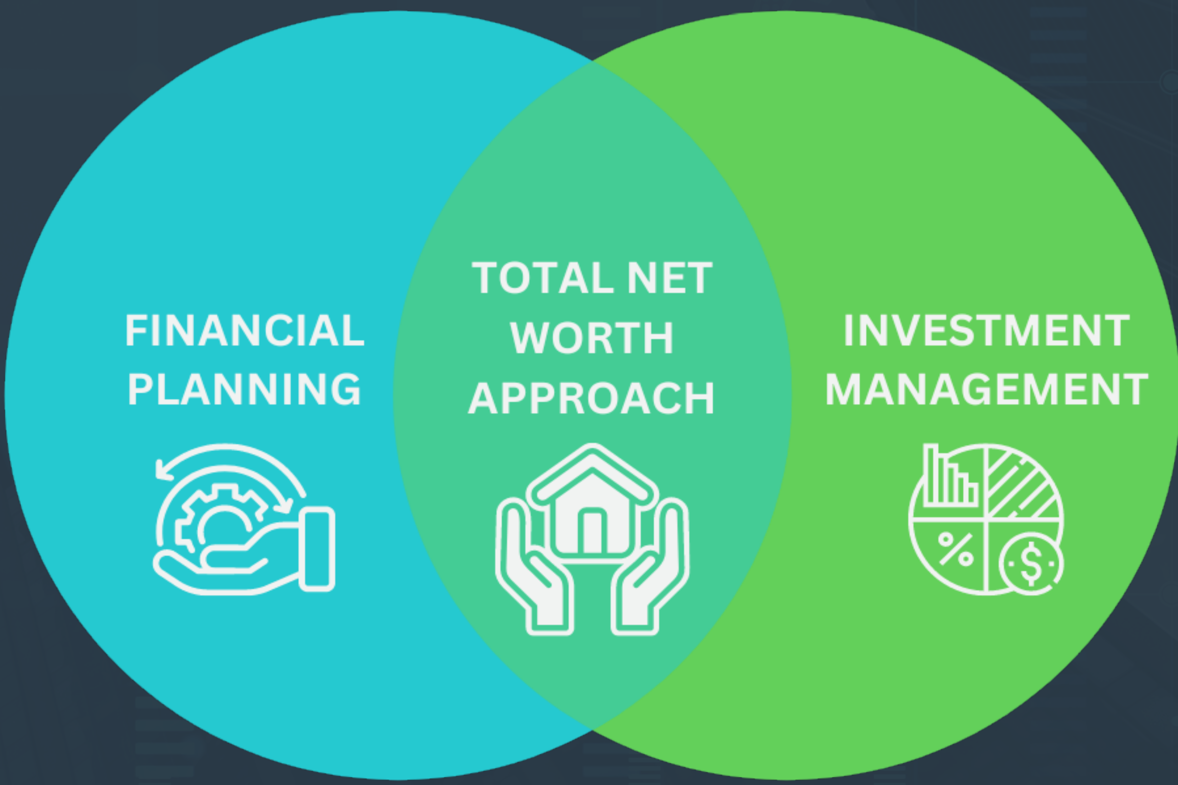
Q1'2024 Market Review & Outlook

Andrew Murphy, CFA
Co-Chief Investment Officer



At Winthrop Wealth, we follow a **Total Net Worth Approach** to wealth management that combines both comprehensive financial planning and investment management. The financial plan helps define cash flow needs, seeks to optimize account structures, considers tax mitigation strategies, and determines the appropriate asset allocation based on the client's willingness and ability to take risk. Based on the output of the financial plan, our investment management process designs a well-diversified portfolio constructed with a long-term methodology based on prudent risk management, asset allocation, and security selection. *No strategy assures success or protects against loss. Investing involves risk, including loss of principle.*

109 STATE STREET, 2nd FLOOR BOSTON, MA 02109 **WINTHROPWEALTH.COM** | 617.530.1010

FIRST QUARTER 2024 HIGHLIGHTS

All data sourced from Bloomberg, 03/31/2024

- **US Equity Markets**: The equity market rally continued in the first quarter as the S&P 500 increased by +10.6%. This was the second consecutive quarterly performance above +10% and the best Q1 return since 2019. After declining by -25% and bottoming on 10/12/22, the S&P 500 has increased by over +50% since then. The market rally over the last eighteen months was driven by evidence of disinflation, the economy, labor market, and corporate earnings all exceeding expectations, the Fed thinking about cutting rates, and the impact of artificial intelligence (AI) will on profits and productivity.

- **Treasury Yields**: Yields increased across most of the Treasury curve as higher than expected inflation data in January and February lowered the forecasts for the total number of Federal Reserve interest rate cuts this year. Both the 2-Year (4.62%) and the 10-Year (4.20%) Treasury yields increased by over 30 basis points (bps) in the quarter.

- **US Fixed Income Market:** The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, decreased by -0.8% as the 10-Year Treasury yield increased (bond prices move inversely to interest rates and credit spreads). Intermediate-term bonds are still an attractive investment opportunity in our opinion as the yield to maturity on the Agg index ended the quarter at 4.8%.

- **Inflation**: Most inflation readings have decelerated from peak levels with several indicators returning to normalized ranges. Given that, the Fed is likely getting ready to declare victory over inflation by lowering interest rates at some point this year.

- **The Fed**: The top end of the federal funds rate has remained at 5.50% since July 2023. The FOMC has been on pause since raising rates by 5.25% total over a seventeen-month period beginning in March 2022. As the Fed gains more confidence that inflation is on a sustainable downward trajectory, they will begin to lower interest rates. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will cut rates by 75 basis points total to 4.6% this year.

- **US Economy**: The US Economy continues to grow at a solid pace as Real GDP Growth is currently estimated at +2.2% in 2024. The labor market is still strong despite a few signs of softening. The unemployment rate is currently at 3.9%.

- **Short-Term Market Outlook**: Our short-term outlook has been cautious since the market began to run toward all-time highs late last year. While we are pleased with recent performance, we know that **market declines are common** and a pickup in volatility is inevitable. We believe maintaining a cautious near-term outlook is prudent as valuations are stretched and the market appears overextended. For the stock market to maintain its positive momentum, we will need another year of economic, inflation, and earnings data that exceed already high expectations. In recent years we have seen the market boom-and-bust several times, including 2017 into 2018, 2019 into 2020, and 2021 into 2022. Over short periods, we often turn cautious when the market gets greedy and extended, and positive when the market declines and investors begin to panic. *No strategy assures success or protects against loss.*

- **Long-Term Investment Philosophy**: In our view, investors with a globally diversified portfolio and a long-term horizon should continue to remain optimistic. Markets have historically increased over time despite frequent drawdowns as successful corporations have been able to figure out ways to generate profits through advances in innovation and productivity. To capitalize on the power of compounding, we believe in the benefits of staying **D**isciplined, **O**pportunistic, and **D**iversified, while **M**itigating fees, taxes, and expenses. In our opinion, adhering to a structured process and executing on all these components should help keep our clients on track toward pursuing their long-term objectives. *Historically, equity markets have recovered from recessions and downturns. Past performance is no guarantee of future returns. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.*

Please see some of our most recent market commentaries:

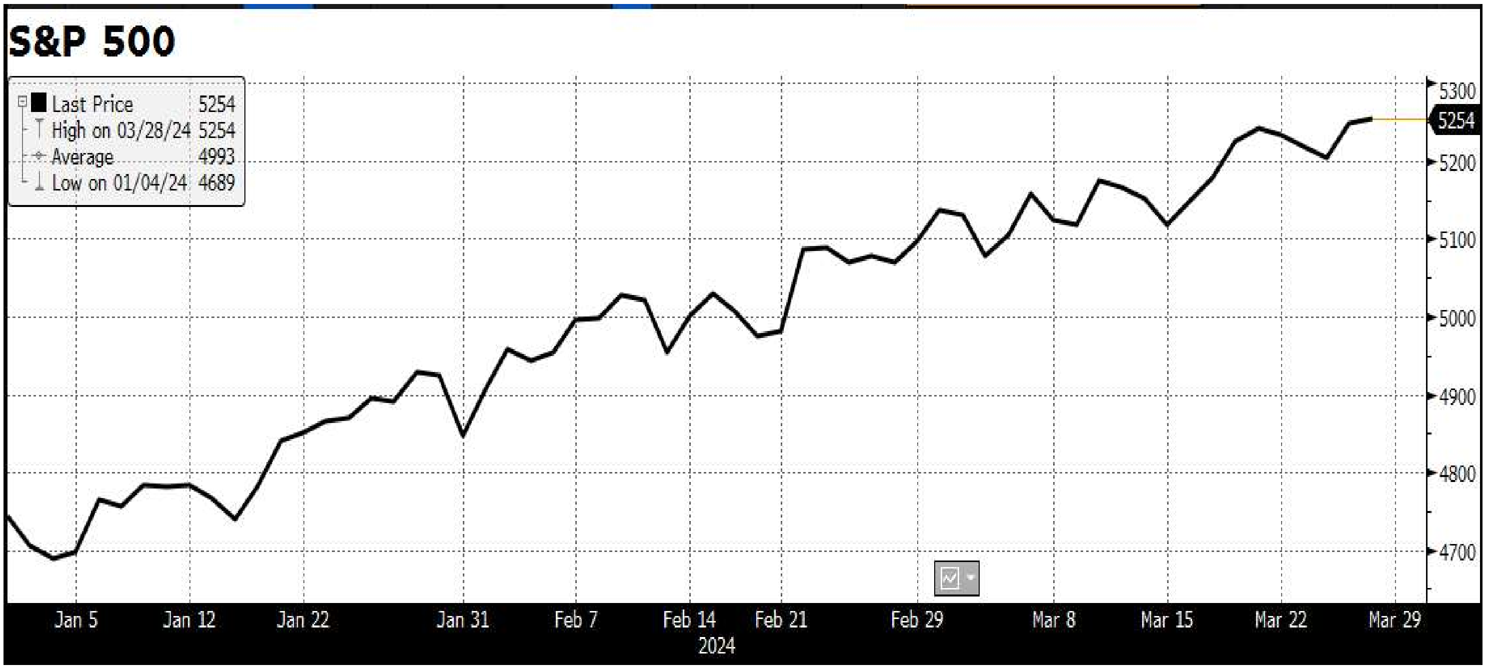
- **Winthrop Wealth Total Net Worth Approach**
- **Market Declines are Common**
- **The Power of Compounding**
- **Principles for Long-Term Investing**
- **Common Investment Mistakes**
- **Bond Primer**

US EQUITY MARKETS

The equity market rally continued in the first quarter as the S&P 500 increased by +10.6%. This was the second consecutive quarterly performance above +10% and the best Q1 return since 2019. After declining by -25% and bottoming on 10/12/22, the S&P 500 has increased by over +50% since then.

The market rally over the last eighteen months was driven by evidence of disinflation, the economy, labor market, and corporate earnings all exceeding expectations, the Fed thinking about cutting rates, and the impact of artificial intelligence (AI) will on profits and productivity.

Performance over the last several years reinforces our belief in a long-term viewpoint as markets can be incredibly volatile over the short term. Please see our **Client Question: Principles for Long-Term Investing.**



Source: Bloomberg

Key Points

- **Another New All-Time High**: The S&P 500 reached a new all-time closing high of 5,254 on the last trading day of the month.
- **Size**: Large Caps (S&P 500: +10.6%) outperformed Mid (S&P 400: +9.9%) and Small (Russell 2000: +5.2%).
- **Style**: Growth (Russell 1000 Growth: +11.4%) exceeded Value (Russell 1000 Value: +9.0%).
- **Sector:** Ten of eleven sectors were positive in the quarter. Communication Services (+15.8%) and Energy (+13.7%) were the top performers. Interest rate sensitive sectors, including Utilities (+4.6%) and Real Estate (-0.6%) were the laggards. Rather than make risky concentrated bets, we prefer to construct diversified portfolios across regions, countries, market caps, factors, styles, sectors, and industries and tilt toward the areas we feel provide the most potential benefit. *There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.*
- **Magnificent 7**: Seven of the largest companies in the S&P 500, which are mainly considered growth stocks and the beneficiaries of the progress in artificial intelligence, received outsize attention last year as collectively they were responsible for about 60% of the market's return. In 2024, performance among these seven stocks has diverged: Nvidia (+82.5%), Meta (+37.3%), Amazon (+18.7%), Microsoft (+12.1%), Alphabet (+8.0%), Apple: (-10.8%), and Tesla (-29.3%). *Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services.*
- **Upcoming Catalysts**: JOLTS Job Openings (4/2), BLS Employment Report (4/5), CPI Inflation (4/10), PPI Inflation (4/11), Start of Q1 Earnings Season (4/12), Retail Sales (4/15), Q1 GDP Report (4/25), PCE Inflation (4/26), and the FOMC Meeting (5/1).

US FIXED INCOME MARKETS

Interest Rates

Yields increased across most of the Treasury curve as higher than expected inflation data in January and February lowered the forecasts for the total number of Federal Reserve interest rate cuts this year. Both the 2-Year (4.62%) and the 10-Year (4.20%) Treasury yields increased by over 30 basis points (bps) in the quarter. The increase in yields created a headwind for the fixed income markets as bond prices move inversely to interest rates and credit spreads.

Short-Term Bonds

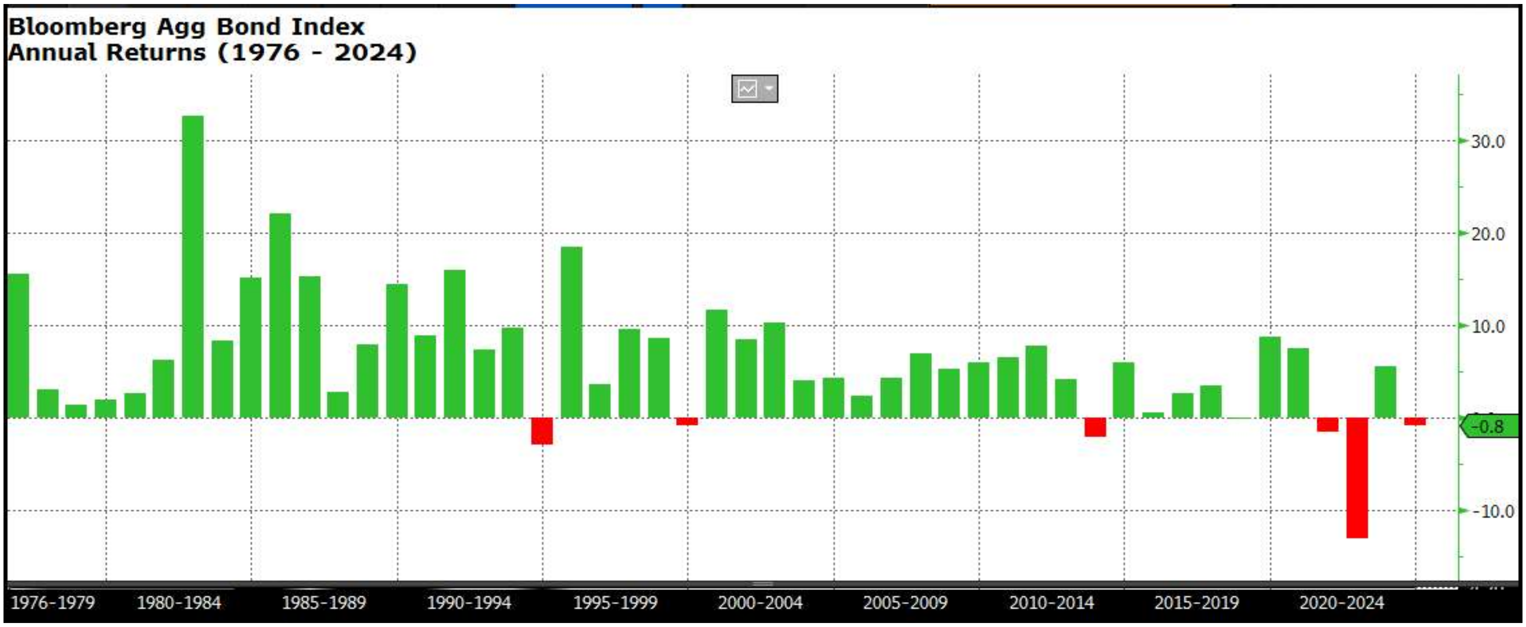
Short-term bonds have closer maturities and are consequently less interest rate sensitive than intermediate- or long-term fixed income securities. Pursuing stability and income from short-term bonds, including Treasuries, has been a successful strategy as yields remain elevated. Short-term Treasury yields, including, the 3-Month (5.4%), 6-Month (5.3%), and 12-Month (5.0%) are still at their highest levels since the early 2000s. Once the Fed starts cutting the federal funds rate, short-term Treasury yields should also decline. We don't expect +5% short-term yields to be around forever, but we are opportunistically enjoying them while they last. If interested, please speak with your advisor about our Cash Alternatives Strategy, which is an investment strategy designed to invest excess cash in a conservative portfolio of short-term fixed income securities. *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Investing involves risk including loss of principal. This strategy and its related holdings are not FDIC-insured.*

Intermediate-Term Bonds

The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, decreased by -0.8% as the 10-Year Treasury yield increased (bond prices move inversely to interest rates and credit spreads). Please see our **Client Question: Bond Primer** where we detail bond mechanics, characteristics, types, risks, and historical returns.

We hold intermediate-term fixed income in diversified portfolios to pursue ballast and income. The last few years have been frustrating for intermediate-term fixed income investors as bonds produced negative returns in 2021 and 2022. We continue to recommend a patient approach, as all else equal, we expect intermediate-term bonds to provide both ballast and positive returns in the future if yields either stabilize or decline. We will highlight that the bond market's performance since late last year is a great example of what happens when yields fall. From October 19th through the end of the quarter, the 10-Year yield fell by about -80 basis points while the Agg increased by +8.4%.

Intermediate-term bonds are still an attractive investment opportunity in our opinion as the yield to maturity on the US Aggregate Bond index ended the quarter at 4.8%. Yield to maturity is defined as the estimated annualized rate of return an investor can expect on a bond if purchased today and held to maturity, assuming the issuer makes all their interest and principal payments (i.e., no defaults). In our view, patient investors should be optimistic about intermediate-term fixed income returns over the next several years. Bonds are subject to market and interest rate risk if sold prior to maturity. *Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*



Source: Bloomberg

INFLATION

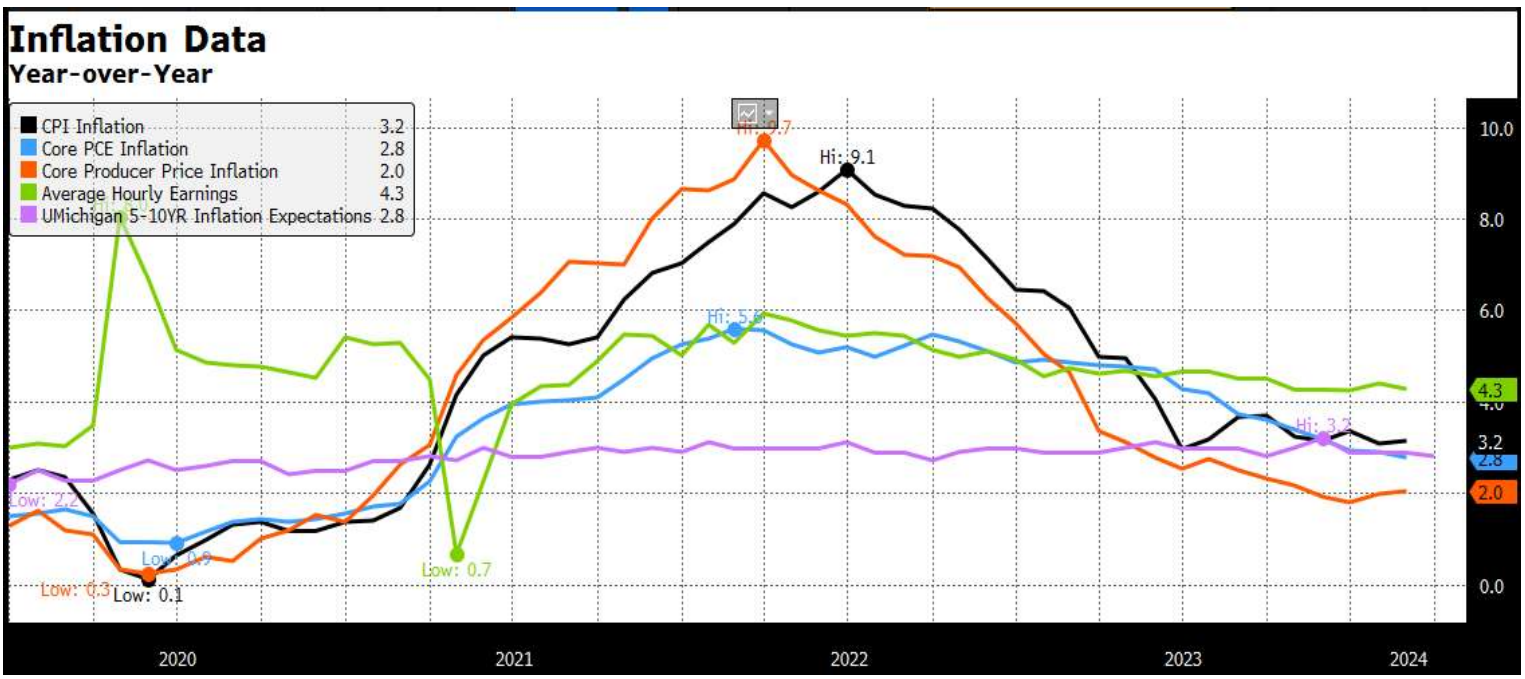
The increase in inflation since early-2021 was driven by supply chain bottlenecks, surging energy prices, strong consumer demand caused by a solid labor market, and massive amounts of stimulus. Most inflation readings have decelerated from peak levels with several indicators returning to normalized ranges. Given that, the Fed is likely getting ready to declare victory over inflation by lowering interest rates at some point over the next few months.

The Fed has divided inflation into three buckets: goods (prices are now essentially flat as supply chains have normalized), housing (decelerating under rising mortgage rates and just starting to show up in the data), and non-housing related core services (moderating, but still elevated due to the strong labor market and higher wages).

The Fed's latest Summary of Economic Projections show the median participant expects Core PCE Inflation to fall to 2.6% in 2024, 2.2% in 2025, and 2.0% in 2026. Note that the Fed does not have inflation reaching their 2.0% target until 2026.

Here are several key inflation indicators and a chart tracking the data since the start of 2020:

- **The Bureau of Labor Statistics Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The index does include food and energy prices.
  - o Latest Reading: 3.2% (February). Peak: 9.1% (June 2022).
- **The Core Personal Consumption Expenditure (PCE) Index** measures the prices paid by consumers for goods and services based on surveys of what businesses are selling. Core means that the index excludes food and energy prices. This is the Fed's preferred inflation measure, which they target at an average of 2%.
  - o Latest Reading: 2.8% (February). Peak: 5.6% (February 2022).
- **The Core Producer Price Index (PPI)** measures the average change in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.
  - o 2.0% (February). Peak: 9.7% (March 2022).
- **The Bureau of Labor Statistics Average Hourly Earnings** tracks total hourly renumeration (in cash or in kind) paid to employees in return for work done (or paid leave). Data is from the Current Employment Statistics (CES) survey.
  - o Latest Reading: 4.3% (February). Peak: 8.1% (April 2020).
- **The University of Michigan Inflation Expectations** data is based on a monthly survey designed to gauge consumer expectations. Participants are asked for their view on annual inflation over the next 5 to 10 years.
  - o Latest Reading: 2.8% (March). Peak: 3.1% (January 2022).



Source: Bloomberg

THE FED

The Federal Reserve serves as the central bank of the United States and performs critical functions designed to promote the health of the economy and stability of the financial system. The three key entities include the Board of Governors, twelve Federal Reserve Banks, and the Federal Open Market Committee (FOMC). The FOMC sets monetary policy in accordance with its mandate from Congress: to promote maximum employment, stable prices, and moderate long-term interest rates. According to the Fed, "monetary policy directly affects interest rates; it indirectly affects stock prices, wealth, and currency exchange rates. Through these channels, monetary policy influences spending, investment, production, employment, and inflation in the United States." Please see our **Client Question on The Fed** which details the key entities, and the impact monetary policy has on the economy, interest rates, and stock prices.

"We believe that our policy rate is likely at its peak for this tightening cycle, and that, if the economy evolves broadly as expected, it will likely be appropriate to begin dialing back policy restraint at some point this year."

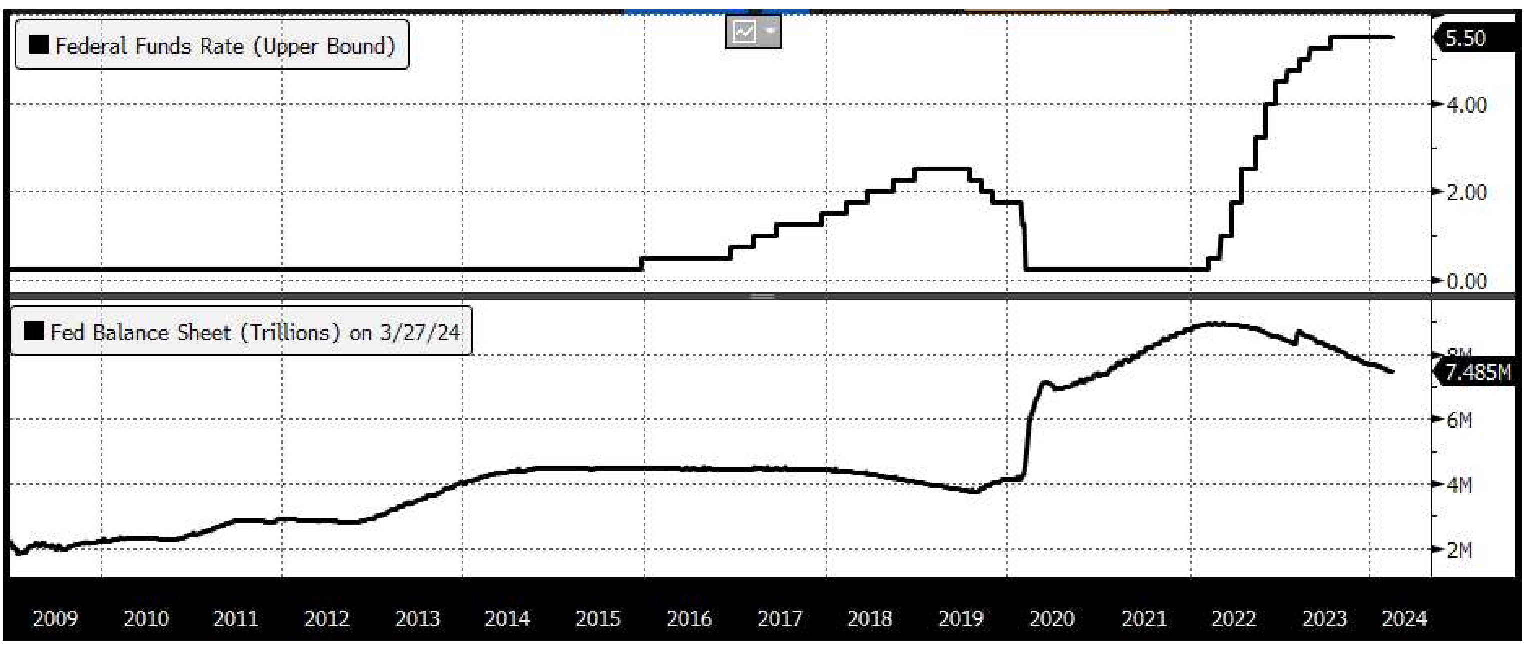
– Fed Chair Jerome Powell

Interest Rates: The top end of the federal funds rate has remained at 5.50% since July 2023. The FOMC has been on pause since raising rates by 5.25% total over a seventeen-month period beginning in March 2022. As the Fed gains more confidence that inflation is on a sustainable downward trajectory, they will begin to lower interest rates. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will cut rates by 75 basis points total to 4.6% this year.

Balance Sheet – Quantitative Tightening: The Fed is also reducing the size of their $7.5 trillion balance sheet. The current runoff plan is for monthly caps of about $60 billion for Treasuries and $35 billion for agency mortgage-backed securities. At the latest FOMC meeting, the Fed telegraphed that they would announce a plan to slow down the pace of the runoff fairly soon. In other words, the Fed's balance sheet size will continue to decrease but at a lower rate. Slowing down the quantitative tightening program should increase liquidity in the Treasury and agency mortgage markets.

According to Bloomberg, market pricing indicates about 75 basis points of cuts this year with the first one projected to occur at the June 12th meeting. The market has shifted from pricing about 150 to 75 basis points of cuts in the last few weeks as recent inflation data came in higher than expected. Fed Chair Powell mostly shrugged off these higher readings, stating that, "they haven't really changed the overall story, which is that of inflation moving down gradually on a sometimes bumpy road toward 2%."

In our view, whether the Fed starts in May, June, or July and whether they cut by 50 or 150 basis points this year does not make a huge difference. The important point is that monetary policy will be less restrictive compared to the previous two years. That development has already made a positive impact on markets and the economy, and it should continue to be supportive moving forward.



Source: Bloomberg

US ECONOMY

The US Economy continues to grow at a solid pace as Real GDP Growth is currently estimated at +2.2% in 2024. The labor market is still strong despite a few signs of softening. The unemployment rate is currently at 3.9%. Although that has increased slightly over the last few months, it is still well below historical averages. Additionally, most people have benefited from rising asset values and home prices. According to the Federal Reserve, total net worth for households and nonprofit organizations in the US increased to a record $156.2 trillion at the end of 2023.

Consumers are still spending money, and they should for as long as the labor market remains steady. There are some signs that the consumer is becoming stretched, including rising debt levels and diminished savings. Consumer health data is critical as consumption drives about 70% of GDP.

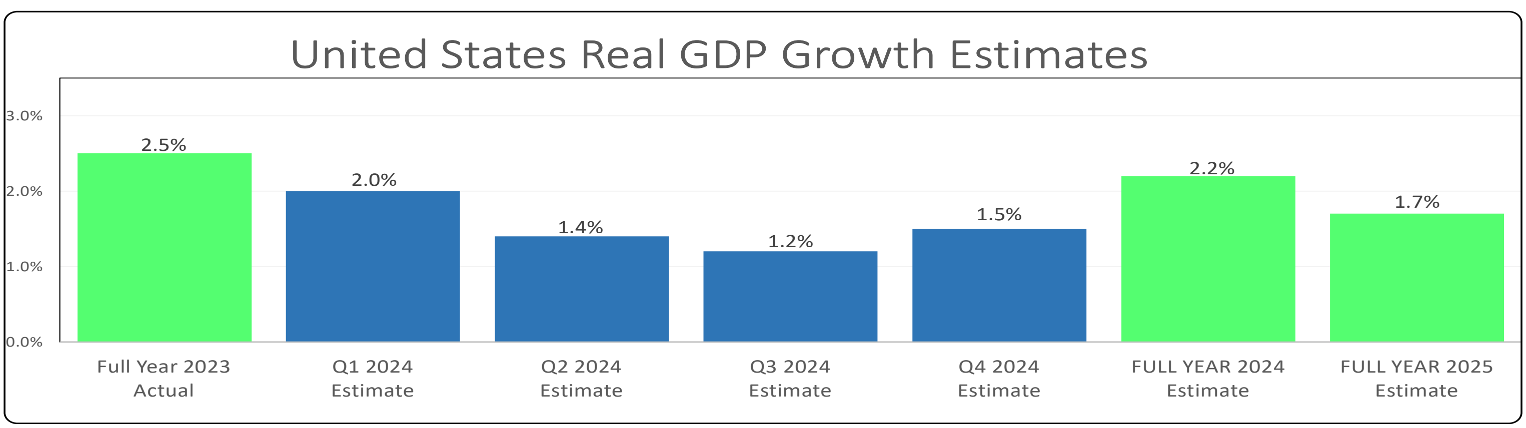
For the last several quarters, we thought that the key to economic growth was for inflation to become contained so the Fed can stop their tightening cycle before higher interest rates eventually lead to cracks in the labor market and/or the broader economy. The Fed appears ready to cut within the next few months, which should provide some relief through lower rates on credit card, mortgage, auto, and other types of loans.

The economy is in good shape for now. At some point things will slow down and there will be a recession. However, if a recession occurs in 2024 it will likely be due to some kind of external shock or unforeseen event.

United States Economic Data

Data Point	Latest Reading	Historical Readings				Historical Averages				Source
		3-Months Ago		12-Months Ago		5-Year Average		10-Year Average		
Economic Indicators										
Leading Economic Indicators (Y/Y)	**-6.3%**	-7.6%	↑	-7.0%	↑	-1.0%	↓	1.6%	↓	Conference Board
Financial Conditions Index	**1.10**	0.86	↑	-0.30	↑	0.04	↑	0.11	↑	Bloomberg
ISM Manufacturing Index	**47.8**	46.6	↑	47.7	↑	52.7	↓	53.8	↓	Institute for Supply Mgmt
ISM Services Index	**52.6**	52.5	↑	55.0	↓	56.1	↓	56.5	↓	Institute for Supply Mgmt
Consumer										
Retail Sales (Y/Y)	**1.5%**	3.6%	↓	5.6%	↓	7.2%	↓	5.4%	↓	US Census Bureau
Michigan Consumer Sentiment	**79.4**	61.3	↑	66.9	↑	75.4	↑	84.3	↓	University of Michigan
Debt-to-Service Ratio	**9.8%**	9.6%	↑	9.1%	↑	9.6%	↑	9.8%	↓	Federal Reserve
Labor Market										
Unemployment Rate	**3.9%**	3.7%	↑	3.6%	↑	4.9%	↓	4.8%	↓	Bureau of Labor Statistics
Change in Nonfarm Payrolls	**275,000**	182,000	↑	287,000	↓	129,017	↑	167,483	↑	Bureau of Labor Statistics
JOLTS Job Openings	**8,863,000**	8,931,000	↓	9,849,000	↓	8,859,288	↑	7,410,143	↑	Bureau of Labor Statistics
Housing Market										
Existing Home Sales (Annual Rate)	**4,380,000**	3,910,000	↑	4,530,000	↓	5,224,700	↓	5,263,300	↓	Ntl Association of Realtors
Case-Shiller Home Price Index (Y/Y)	**6.6%**	5.4%	↑	0.5%	↑	8.5%	↓	7.1%	↓	S&P
30-Year Fixed Rate Mortgage	**7.2%**	7.0%	↑	6.9%	↑	4.8%	↑	4.4%	↑	Bankrate.com
Inflation										
Core PCE Inflation (Y/Y)	**2.8%**	3.2%	↓	4.8%	↓	3.2%	↓	2.4%	↑	Bureau of Econ Analysis
Consumer Price Index (Y/Y)	**3.2%**	3.1%	↑	6.0%	↓	4.0%	↓	2.8%	↑	Bureau of Labor Statistics
Average Hourly Earnings (Y/Y)	**4.3%**	4.3%	↑	4.7%	↓	4.5%	↓	3.5%	↑	Bureau of Labor Statistics

Source: Winthrop Wealth, Bloomberg



Source: Bloomberg

OUTLOOK

Our market outlook is based on four pillars: Monetary Policy, Economic Growth, Corporate Earnings, and Valuation.

ECONOMIC GROWTH

The US Economy continues to grow at a solid pace as Real GDP Growth is currently estimated at +2.2% in 2024. The labor market is still strong despite a few signs of softening. The unemployment rate is currently at 3.9%. Although that has increased slightly over the last few months, it is still well below historical averages.

Additionally, most people have benefited from rising asset values and home prices. According to the Federal Reserve, total net worth for households and nonprofit organizations in the US increased to a record $156.2 trillion at the end of 2023.

Real GDP Estimates:

- 2024: +2.2%
- 2025: +1.7%

MONETARY POLICY

According to Bloomberg, market pricing indicates about 75 basis points of cuts this year with the first one projected to occur at the June 12th meeting. The market has shifted from pricing about 150 to 75 basis points of cuts in the last few weeks as recent inflation data in January and February came in higher than expected. Fed Chair Powell mostly shrugged off these higher readings, stating that, "they haven't really changed the overall story."

In our view, when the Fed starts and whether they cut by 50 or 150 basis points does not make a huge difference. The important point is that monetary policy will be less restrictive compared to the previous two years. That development has already made a positive impact on markets and the economy, and it should continue to be supportive moving forward.

CORPORATE EARNINGS

S&P 500 earnings estimates have increased over the past several weeks as Q4 earnings season came in better than expected. The growth in earnings has provided support for the market rally. First quarter 2024 earnings season kicks off in mid-April.

S&P 500 Earnings Estimates

- 2023: $221 (+1%)
- 2024: $245 (+11%)

Over long time periods, earnings drive stock prices.

VALUATION

Valuations look stretched after the recent market rally.

The P/E ratio is calculated as the current price divided by the earnings-per-share.

- Forward P/E (next 12-months): 21.1x.
- 25-Year Peak (1999): 25.2x.
- 25-Year Average: 16.4x.

Valuation analysis is subjective and typically based on interest rates, earnings growth estimates, and historical or relative values.

Short-Term: Our short-term outlook has been cautious since the market began to run toward all-time highs late last year. Market performance over the last several months has been eye-popping as the S&P 500 has increased by over 28% since October 28th. That works out to an annualized pace of nearly 82%. We are pleased with recent performance, but we know that **market declines are common** and a pickup in volatility is inevitable. We believe maintaining a cautious near-term outlook is prudent as valuations are stretched and the market appears overextended. For the stock market to maintain its positive momentum, we will need another year of economic, inflation, and earnings data that exceed already high expectations. In recent years we have seen the market boom-and-bust several times, including 2017 into 2018, 2019 into 2020, and 2021 into 2022. Over short periods, we often turn cautious when the market gets greedy and extended, and positive when the market declines and investors begin to panic. We will generally trim equities or get more defensive when we view the market as extended and add to equities during selloffs. We believe this approach helps our clients **navigate volatile markets** through a comprehensive and repeatable process. *No strategy assures success or protects against loss.*

Long-term Investment Philosophy: In our view, investors with a globally diversified portfolio and a long-term time horizon should remain optimistic. Markets have historically increased over time despite frequent drawdowns as successful corporations have been able to figure out ways to generate profits through advances in innovation and productivity. To capitalize on the **power of compounding**, we believe in the benefits of staying **D**isciplined, **O**pportunistic, and **D**iversified, while striving to **M**itigate fees, taxes, and expenses.

- **Disciplined**: consistently applying our investment process and philosophy, which are grounded in a long-term approach
- **Opportunistic**: rebalancing, repositioning, and tax-loss harvesting to take advantage of market volatility and dislocations.
- **Diversified**: seeking to ensure that portfolios are properly allocated across and among asset classes to enhance consistency.
- **Mitigate**: striving to avoid unnecessary disbursements, including fees, taxes, and expenses.

In our opinion, adhering to a structured process and executing on all these components should help keep our clients on track toward pursuing their long-term objectives. *Historically, equity markets have recovered from recessions and downturns. Past performance is no guarantee of future returns. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.*

FIRST QUARTER 2024 MARKET RETURNS

US Equity										
Index	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
S&P 500	10.55%	26.26%	-18.13%	28.68%	18.39%	31.74%	11.49%	15.02%	13.02%	10.16%
Russell 3000	10.02%	25.93%	-19.22%	25.64%	20.88%	31.26%	9.91%	14.31%	12.41%	10.08%
Dow Jones Industrial Average	6.14%	16.18%	-6.86%	20.95%	9.72%	23.72%	8.44%	11.30%	11.83%	9.60%
Nasdaq	9.32%	44.70%	-32.51%	22.21%	45.05%	37.49%	8.72%	17.23%	15.91%	12.33%
S&P 400	9.94%	16.39%	-13.10%	24.73%	13.65%	25.47%	7.34%	11.67%	10.12%	10.10%
Russell 2000	5.17%	16.88%	-20.46%	14.78%	19.93%	21.98%	0.82%	8.07%	7.74%	8.09%
Russell 1000 Growth	11.41%	42.67%	-29.14%	27.59%	38.49%	41.36%	12.78%	18.50%	16.07%	11.85%
Russell 1000 Value	8.99%	11.41%	-7.56%	25.12%	2.78%	21.82%	7.97%	10.28%	9.08%	8.30%

International Equity										
MSCI Index	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
EAFE	5.67%	18.24%	-14.45%	11.26%	7.82%	15.64%	4.65%	7.30%	4.85%	5.71%
Europe	7.79%	22.94%	-17.86%	13.54%	7.89%	16.22%	5.94%	8.36%	4.54%	5.58%
Japan	10.49%	20.32%	-16.65%	1.71%	14.48%	26.23%	2.92%	7.66%	6.77%	4.44%
China	-2.29%	-11.20%	-21.93%	-21.72%	29.49%	-16.72%	-18.76%	-6.35%	1.31%	6.75%
Emerging Markets	2.09%	9.83%	-20.09%	-2.54%	18.31%	8.35%	-4.97%	2.16%	3.02%	6.55%
ACWI ex US	4.53%	15.62%	-16.00%	7.82%	10.65%	13.59%	1.89%	5.93%	4.31%	5.72%

US Fixed Income										
Bloomberg Barclays Index	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Aggregate	-0.78%	5.53%	-13.01%	-1.54%	7.51%	2.17%	-2.43%	0.36%	1.54%	3.00%
Treasury Bills	1.32%	5.14%	1.52%	0.04%	0.54%	5.38%	2.65%	2.02%	1.36%	1.46%
Corporates	-0.40%	8.52%	-15.76%	-1.04%	9.89%	5.14%	-1.75%	1.52%	2.61%	3.96%
Securitized MBS/ABS/CMBS	-0.91%	5.08%	-11.67%	-1.04%	4.18%	1.85%	-2.71%	-0.25%	1.18%	
High Yield	1.47%	13.45%	-11.19%	5.28%	7.11%	12.08%	2.26%	4.20%	4.45%	6.54%
Munis	-0.39%	6.40%	-8.53%	1.52%	5.21%	3.27%	-0.43%	1.59%	2.65%	3.56%

US Equity Sectors										
Index	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Technology	12.69%	57.84%	-28.19%	34.52%	43.88%	48.15%	19.19%	25.37%	22.04%	14.55%
Real Estate	-0.55%	12.27%	-26.21%	46.14%	-2.17%	12.04%	3.06%	5.27%	7.16%	
Industrials	10.97%	18.08%	-5.51%	21.10%	11.05%	28.31%	10.42%	12.93%	11.22%	9.92%
Energy	13.69%	-1.42%	65.43%	54.39%	-33.68%	18.35%	29.04%	12.76%	4.69%	8.90%
Consumer Discretionary	4.98%	42.30%	-37.03%	24.43%	33.30%	32.10%	4.86%	11.51%	12.61%	10.78%
Communication Services	15.82%	55.80%	-39.89%	21.57%	23.61%	52.87%	6.95%	13.66%	9.37%	8.54%
Consumer Staples	7.52%	0.52%	-0.62%	18.63%	10.75%	8.08%	7.42%	9.96%	9.33%	9.36%
Utilities	4.57%	-7.08%	1.56%	17.67%	0.52%	1.18%	4.05%	5.88%	8.46%	9.08%
Materials	8.95%	12.55%	-12.28%	27.28%	20.73%	19.48%	7.58%	13.29%	9.33%	8.97%
Financials	12.45%	12.10%	-10.57%	34.87%	-1.76%	35.03%	9.40%	12.68%	11.11%	5.11%
Health Care	8.85%	2.06%	-1.95%	26.13%	13.45%	17.40%	9.73%	12.05%	11.80%	10.34%
Calendar Year Returns						**Annualized Returns**				

Source: Bloomberg

UNITED STATES ECONOMIC DATA – DEFINITIONS

Leading Economic Indicators
The Conference Board US Leading Economic Indicators Index (LEI) is designed to forecast future activity based on economic variables that tend to move before changes in the overall economy. The index contains 10 data points. Updated monthly. Data goes back to 1960.

Financial Conditions Index
The Bloomberg US Financial Conditions Index tracks the overall level of financial stress in the money market, bond, and equity markets to help assess the availability and cost of credit. A positive value indicates accommodative financial conditions, while a negative value indicates tighter financial conditions. The number is a Z-Score that indicates the number of standard deviations by which current conditions deviate from normal levels. Updated daily. Data goes back to 1990.

ISM Manufacturing Index
The ISM Manufacturing PMI Index is based on a survey of more than 300 manufacturing firms - the index monitors employment, production, inventories, new orders, and supplier deliveries. A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. Updated monthly. Data goes back to 1948.

ISM Services Index
The ISM Non-Manufacturing PMI Index is based on a survey of more than 300 non-manufacturing firms. The index is a composite of four indicators with equal weights: Business Activity, New Orders, Employment, and Supplier Deliveries. A reading above 50 percent indicates that the non-manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. Updated monthly. Data goes back to 1997.

Retail Sales
The US Census Bureau Retail Sales data tracks the resale of new and used goods to the general public for personal or household consumption. Data is adjusted for seasonal variation and holiday and trading-day differences and calculated from a survey of approximately 5,500 retail and food services firms. Updated monthly. Data goes back to 1992.

Michigan Consumer Sentiment
The University of Michigan collects data on consumer attitudes and expectations. The index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Updated monthly. Data goes back to 1966.

Debt-to-Service Ratio
The Federal Reserve Household Debt Service and Financial Obligations. Also known as Household Debt Service Ratio (DSR). Calculated as Household debt service payments and financial obligations as a percentage of disposable personal income; seasonally adjusted. Updated quarterly. Data goes back to 1979.

Unemployment Rate
The Bureau of Labor Statistics Unemployment Rate tracks the number of unemployment persons as a percentage of the labor force. The labor force is calculated as the total number of employed plus unemployed. The unemployment rate is calculated from the Current Population Survey (CPS). Updated monthly. Data goes back to 1948.

Change in Nonfarm Payrolls
The Bureau of Labor Statistics Nonfarm Payrolls measures the monthly change in the number of employees on business payrolls. Approximately 140k businesses and government agencies representing 690k individual worksites are surveyed each month. Data is from the Current Employment Statistics (CES) survey. Updated monthly. Data goes back to 1939.

JOLTS Job Openings
The Job Openings and Labor Turnover Survey (JOLTS) is conducted by the Bureau of Labor Statistics of the U.S. Department of Labor. The program involves the monthly collection, processing, and dissemination of job openings and labor turnover data. The data, collected from sampled establishments on a voluntary basis, include employment, job openings, hires, quits, layoffs and discharges, and other separations. Updated monthly. Data goes back to 2000.

Existing Home Sales
The National Association of Realtors Existing Home Sales SAAR tracks total existing home sales including single family homes, townhomes, condominiums, and co-ops. All sales are based on closings from Multiple Listing Services. Updated monthly. Data goes back to 1999.

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Case-Shiller Home Price Index
The S&P Case-Shiller US National Home Price Index tracks the value of single-family housing within the United States. The index is a value-weighted average of 20 metro areas. Updated monthly. Data goes back to 2001.

30-Year Fixed Rate Mortgage
Bankrate.com calculates the national average 30-year Fixed Rate Mortgage. Updated daily. Data goes back to 1998.

Core PCE Inflation
The Core Personal Consumption Expenditure (PCE) index measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends. The FOMC targets an average of +2.0% Y/Y growth in Core PCE Inflation. Updated monthly. Data goes back to 1960.

Consumer Price Index
The Bureau of Labor Statistics Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The index does include food and energy prices. Updated monthly. Data goes back to 1914.

Average Hourly Earnings
The Bureau of Labor Statistics Average Hourly Earnings tracks total hourly renumeration (in cash or in kind) paid to employees in return for work done (or paid leave). Data is from the Current Employment Statistics (CES) survey. Updated monthly. Data goes back to 2007.

DISCLOSURES

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.
The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The S&P Midcap 400 Stock Index is an unmanaged index generally representative of the market for the stocks of mid-sized US companies.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000 Growth Index is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 3000 Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Stock investing includes risks, including fluctuating prices and loss of principal.

The prices of small cap stocks and mid cap stocks are generally more volatile than large cap stocks. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI EAFE Index consists of the following developed country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

The MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of the Americas, Europe, the Middle East, Africa and Asia. The MSCI EM Index consists of the following emerging market country indices: Brazil, Chile, Colombia, Mexico, Peru, Czech Republic, Egypt, Greece, Hungary, Poland, Qatar, Russia, South Africa. Turkey, United Arab Emirates, China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand.

The MSCI US Broad Market Index captures broad US equity coverage. The index includes 3,204 constituents across large, mid, small and micro capitalizations, representing about 99% of the US equity universe.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

The Barclays Capital US Corporate High Yield Bond index is an index representative of the universe of fixed-rate, non-investment grade debt.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds.

The Bloomberg Barclays US Treasury Bills 1-3 Month Index is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. The Index includes all publicly issued zero coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and at least 1 month, are rated investment grade, and have $300 million or more of outstanding face value.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

Government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

The market value of corporate bonds will fluctuate, and if the bond is sold prior to maturity, the investor's yield may differ from the advertised yield. Financial planning is a tool intended to review your current financial situation, investment objectives and goals, and suggest potential planning ideas and concepts that may be of benefit. There is no guarantee that financial planning will help you reach your goals.

Asset allocation does not ensure a profit or protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.

Diversification does not protect against market risk. All investing involves risk which you should be prepared to bear.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Winthrop Wealth, a Registered Investment Advisor and separate entity from LPL Financial.