Q3'2024 Market Review & Outlook

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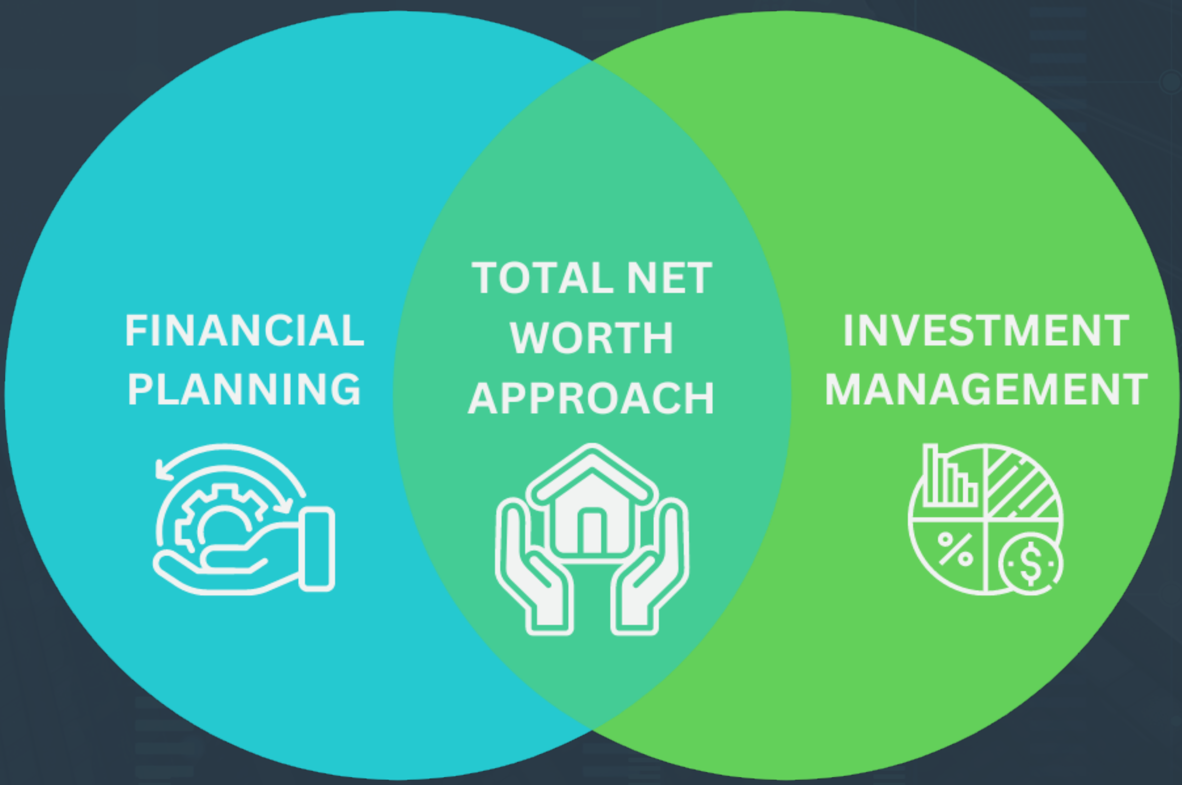

At Winthrop Wealth, we follow a **Total Net Worth Approach** to wealth management that combines both comprehensive financial planning and investment management. The financial plan helps define cash flow needs, seeks to optimize account structures, considers tax mitigation strategies, and determines the 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.*

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Third Quarter 2024 Highlights

- **US Equity Markets:** Another strong quarter for the equity market as the S&P 500 increased by +5.9%. The market has gained in seven of the last eight quarters. Year-to-date, the S&P is up by +21.6%. The S&P 500 is on track for its second consecutive annual return of over +20%, something that hasn't occurred since the late 1990s. The return in the third quarter was driven by Federal Reserve rate cuts and solid corporate earnings.

- **Treasury Yields:** Yields pulled back during the quarter due to a moderation in several inflation and economic growth indicators, and an expectation that the Fed is about to embark on a rate-cutting cycle. The 2-Year Treasury decreased by -111 basis points (bps) to 3.64% and the 10-Year fell by nearly -62bps to 3.78%.

- **US Fixed Income Market:** The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, gained +5.2% due to the drop in the 10-Year Treasury yield. This was the second-best quarterly return for the Agg bond index since 1995. Year-to-date, the index is higher by +4.4%. After challenging years in 2021 and 2022, we continued to recommend a patient approach for intermediate term bonds. All else equal, we expected intermediate-term bonds to provide both ballast and positive returns if yields either stabilized or declined. Third quarter performance is a great example of intermediate bonds providing both.

- **Inflation:** Over two years have passed since inflation peaked, with several indicators returning to normalized ranges. The Fed has started to lower interest rates in response to moderating inflation and a cooling labor market.

- **The Fed:** At their September meeting, the FOMC lowered the Federal Funds rate by 0.50%. This was the first rate cut since March 2020. The top end of the Federal Funds rate now stands at 5.00%. After raising interest rates over a seventeen-month period beginning in March 2022, the Fed is now embarking on a rate-cutting cycle. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will lower rates to 4.4% in 2024 and to 3.4% in 2025.

- **US Economy:** The US Economy continues to grow at a moderate pace, supported by the labor market and consumer spending. We have seen a slowdown in recent data, but it is too early to say that cracks are forming. Real GDP growth is estimated at +2.6% in 2024 and +1.8% in 2025.

- **Short-Term Market Outlook:** Our short-term outlook continues to be cautious. Despite the small pullback from late-July through early-August, the stock market has been on a remarkable rally over a near two-year period as the S&P 500 is up by over +66% since the start of the latest bull market in October 2022. For the stock market to maintain its positive momentum, we will need economic, inflation, and earnings data to continue exceeding already high expectations. We are pleased with the recent market performance; however, we suggest maintaining composure as valuations are stretched, the labor market is cooling, and several important catalysts are approaching in the coming weeks, including the Presidential Election. Moving forward, we know that market declines are common, and we expect volatility to increase. *No strategy assures success or protects against loss.*

- **Long-term Investment Philosophy:** Although our short-term outlook changes based on current conditions, our long-term outlook remains optimistic for investors with both a comprehensive financial plan and investment process. 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. 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.*

All data sourced from Bloomberg as of 9/30/24

US Equity Markets

The third quarter was another strong period for the equity market as the S&P 500 increased by +5.9%. The market has gained in seven of the last eight quarters. Year-to-date, the S&P is up by +21.6%. The S&P 500 is on track for its second consecutive annual return of over +20%, something that hasn't occurred since the late 1990s. The return in the third quarter was driven by Federal Reserve rate cuts and solid corporate earnings.

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.

US Equity Market Performance								
Broad Market	**Q3 2024**	**2024**	**Style**	**Q3 2024**	**2024**	**Sector**	**Q3 2024**	**2024**
S&P 500	5.89%	22.08%	Russell 1000 Growth	3.19%	24.55%	Financials	10.66%	21.90%
Russell 3000	6.23%	20.63%	Russell 1000 Value	9.43%	16.68%	Materials	9.70%	14.14%
Dow Jones Industrial Average	8.72%	13.93%				Consumer Staples	8.96%	18.74%
Nasdaq	2.76%	21.84%				Consumer Discretionary	7.80%	13.91%
			Sector	**Q3 2024**	**2024**	Health Care	6.07%	14.35%
Size	**Q3 2024**	**2024**	Utilities	19.37%	30.63%	Communication Services	1.68%	28.81%
Mid Cap (S&P 400)	6.94%	13.52%	Real Estate	17.17%	14.31%	Technology	1.61%	30.31%
Small Cap (Russell 2000)	9.27%	11.16%	Industrials	11.55%	20.20%	Energy	-2.32%	8.36%

Source: Bloomberg

Key Points

- **New All-Time High:** The S&P 500 reached a new all-time closing high of 5,762 on September 30th.

- **Market Selloff and Rebound:** The S&P 500 experienced its largest decline this year when the index fell by -8.5% from July 16th through August 5th. However, the decline was short-lived as the market rebounded by over +11% to close the quarter.
  - The quick rebound has created a great **O**pportunity to reassess your investment portfolio and mindset. We believe your portfolio's target asset allocation should be based on the output of your comprehensive financial plan and consider both your willingness and ability to take risk. If the latest market selloff created excessive stress for you, please speak with your advisor about potentially making adjustments.

- **Bull Market Alive and Well**: The S&P 500 is higher by over +66% since the start of the latest bull market on 10/12/22. The market rally over that time was driven by disinflation, the economy, labor market, and corporate earnings all exceeding expectations, the Fed moving toward rate cuts, and the impact of artificial intelligence (AI) will have on profits and productivity.

- **Leadership Broadens:** Last quarter, we highlighted narrow leadership as the only asset classes that increased were the ones that held Mega Cap Growth stocks (Large Cap, Growth, Technology, and Communication Services). That trend reversed in the third quarter as Mega Cap Growth cooled and Mid-Caps, Small-Caps, Value, and International all outperformed. This is the latest example of why we 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. Our view is that diversified portfolios can lead to more consistent and less volatile results than a single asset class. In our managed portfolios, we have exposure to the Mega Cap stocks, but we also have holdings in other asset classes so that we are prepared when the market inevitably shifts. *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.*

- **Sector Performance:** Ten of eleven sectors were positive in the quarter. Utilities (+19.4%) and Real Estate (+17.2%) both benefited from a decline in interest rates. Energy (-2.3%) was the laggard as the price of WTI Crude oil fell by about -14% during the quarter.

- **Upcoming Catalysts:** Vice Presidential Debate (10/1), BLS Employment Report (10/4), CPI Inflation (10/10), Unofficial Start of Q3 Earnings Season (10/15), Retail Sales (10/17), Q3 GDP (10/30), PCE Inflation (10/31), Presidential Election (11/5), FOMC Meeting (11/7).

Fixed Income Markets

Interest Rates

Yields pulled back during the quarter due to a moderation in several inflation and economic growth indicators, and an expectation that the Fed is about to embark on a rate-cutting cycle. The 2-Year Treasury yield decreased by -111 basis points (bps) to 3.64% and the 10-Year fell by nearly -62bps to 3.78%. The decrease in yields created a tailwind for the fixed income markets as bond prices move inversely to interest rates and credit spreads.

Short-Term Bonds

The Fed influences short-term interest rates by setting the Federal Funds rate. As the FOMC lowered rates in September and investors anticipated additional cuts, short-term interest rates declined in concert. Short-term Treasury yields ended the quarter at the following levels: 3-Month (4.6%), 6-Month (4.4%), and 12-Month (4.0%). With the Fed expected to continue lowering interest rates, we anticipate that short-term yields will fall further over the next several months.

Investing in short-term Treasuries with +5% yields was a great strategy over the past several quarters, but we believe that opportunity has passed, and investors now face reinvestment risk with lower rates at maturity. We suggest using short-term bonds to fund anticipated liabilities, and to invest any excess cash at longer maturities or in a diversified portfolio. *Investing involves risk including loss of principal. No strategy assures success or protects against loss.*

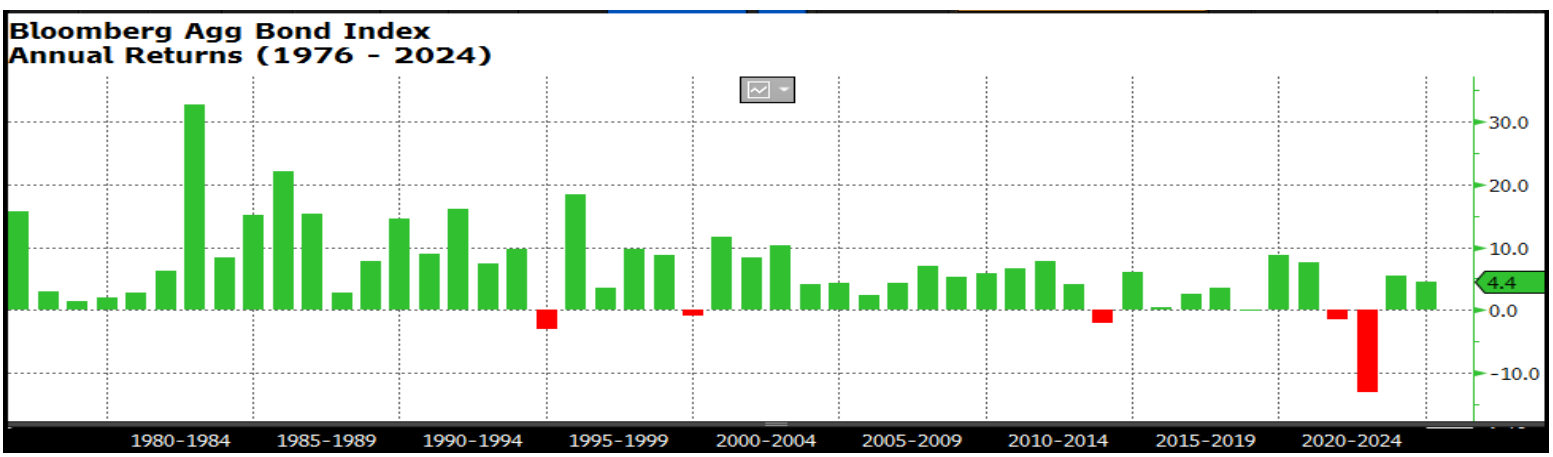
Intermediate-Term Bonds

The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, gained +5.2% due to the drop in the 10-Year Treasury yield. This was the second-best quarterly return for the Agg bond index since 1995. Year-to-date, the index is higher by +4.4%.

After challenging years in 2021 and 2022, we continued to recommend a patient approach for intermediate term bonds. All else equal, we expected intermediate-term bonds to provide both ballast and positive returns if yields either stabilized or declined. Third quarter performance is a great example of intermediate bonds providing both.

- **Ballast:** The Agg bond index increased by +2.2% during the equity market selloff from July to August.
- **Positive returns if yields stabilize or decline:** The Agg increased by +5.2% in the third quarter as the 10-Year Treasury fell. We'll also highlight that from October 20th, 2023, through the end of the quarter, the 10-Year yield declined by about -120 basis points while the Agg increased by +14.2%.

In our opinion, intermediate-term bonds remain an attractive investment opportunity, as the yield to maturity on the US Aggregate Bond Index ended the quarter at 4.2%. 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

"Inflation is now much closer to our objective, and we have gained greater confidence that inflation is moving sustainably toward 2%."

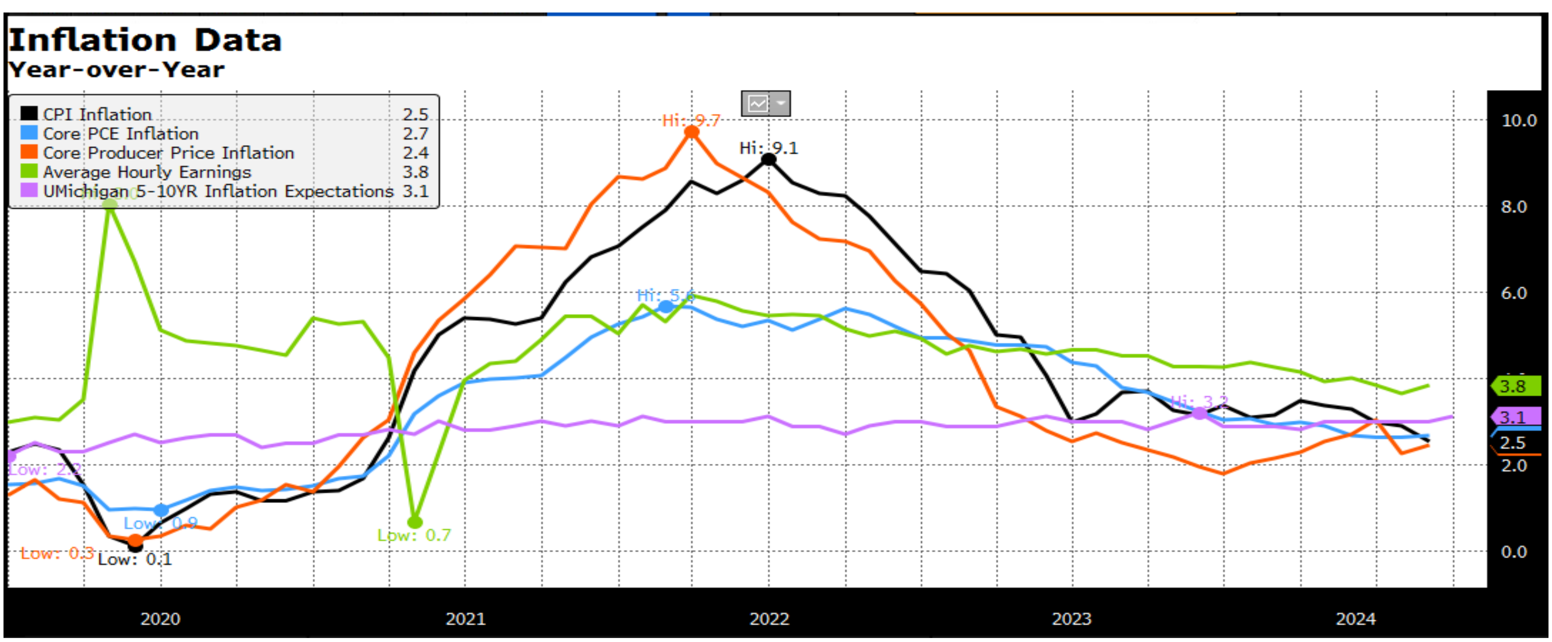
- Fed Chair Jerome Powell

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. Over two years have passed since inflation peaked, with several indicators returning to normalized ranges. The Fed has started to lower interest rates in response to moderating inflation and a cooling labor market.

The Fed has divided inflation into three buckets: goods (currently in outright deflationary territory as supply chains have normalized), housing (decelerating slowly as the data is calculated with a lag), and non-housing related core services (moderating).

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 includes food and energy prices.
  - Latest Reading: 2.5% (August). 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%.
  - Latest Reading: 2.7% (August). 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.
  - Latest Reading: 2.4% (August). 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.
  - Latest Reading: 3.8% (August). 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.
  - Latest Reading: 3.1% (September). 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 and stable prices. 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.

Interest Rates		Balance Sheet		Commentary
Federal Funds Rate	Federal Funds Rate 2024 Change	Fed Balance Sheet	Fed Balance Sheet 2024 Change	September 2024 Press Conference
4.75% - 5.00%	-50 basis points	$7.1 Trillion	- $600 Billion	"With an appropriate recalibration of our policy stance, strength in the labor market can be maintained in a context of moderate growth and inflation moving sustainably down to 2%. The US economy is in a good place, and our decision today is designed to keep it there." - Fed Chair Jerome Powell

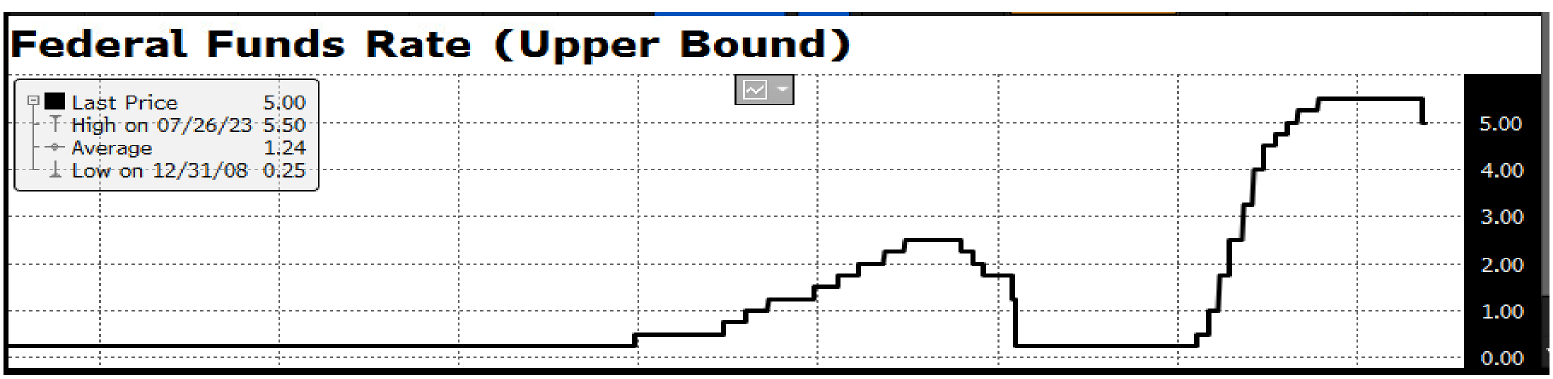
Source: Federal Reserve and Bloomberg

Interest Rates: At their September meeting, the FOMC lowered the Federal Funds rate by 0.50%. This was the first rate cut since March 2020. The top end of the Federal Funds rate now stands at 5.00%. After raising interest rates over a seventeen-month period beginning in March 2022, the Fed is now embarking on a rate-cutting cycle. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will lower rates to 4.4% in 2024 and to 3.4% in 2025.

Balance Sheet – Quantitative Tightening: The Fed also announced that starting in June their Quantitative Tightening program will slow down as the monthly cap on Treasury redemptions will shrink from $60 billion to $25 billion. The Fed's balance sheet now stands at about $7.1 trillion, down from a peak of nearly $9 trillion in 2022. The Fed still thinks they can reduce the balance sheet close to its pre-pandemic size.

The Fed's pivot toward lowering interest rates occurred because inflation has continued to moderate and there is now sufficient evidence that the economy and labor market have cooled down. The Fed is no longer content with watching the unemployment rate move higher as they cheer for moderating inflation. The Fed is back to focusing on both sides of their dual mandate, maximum employment and price stability. The Fed typically changes the Federal Funds rate in 0.25% increments, so while they called the 0.50% rate cut a 'recalibration,' the outsized move suggests an urgency to halt the rise in the unemployment rate. Fed Chair Powell recently stated, "we do not seek or welcome further cooling in labor market conditions." The message from Chair Powell is that the Fed will lower rates further if the labor market continues to weaken.

For investors, the important point is that monetary policy will now become a tailwind for the economy and financial markets as the Fed begins their rate-cutting cycle. Lower interest rates will provide some relief to cash-strapped consumers and businesses, stimulating overall spending. However, this does not mean that the economy can't weaken further or that financial markets can only go up from here. Fed policy is important, but there are also other critical factors driving the markets. Our view is to expect volatility as recent market performance has been abnormally strong and there are a lot of important catalysts over the next several weeks and months.



Source: Bloomberg

US Economy

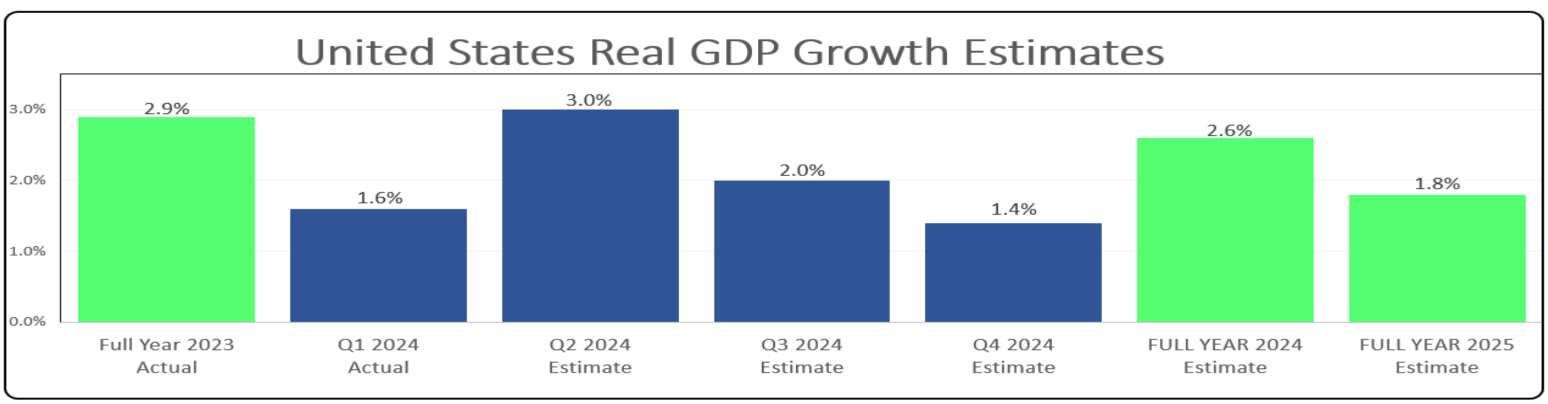
The US Economy continues to grow at a moderate pace, supported by the labor market and consumer spending. We have seen a slowdown in recent data, but it is too early to say that cracks are forming. Real GDP growth is estimated at +2.6% in 2024 and +1.8% in 2025. While the unemployment rate has increased to 4.2%, the measure is still far below the 50-year average of 6.2%. Additionally, most people have benefited from rising asset values and/or home prices. According to the Federal Reserve, total net worth for households and nonprofit organizations in the US increased to a record $163.8 trillion at the end of the second quarter.

Consumers are still spending money, and they should for as long as the labor market remains steady. The latest Retail Sales number came in at +2.1% Y/Y. 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.

Now that the Fed is cutting, spending should increase through lower interest rates on credit card, mortgage, auto, and other types of loans. The economy remains in decent shape. 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)	**-5.0%**	-4.9%	↓	-8.1%	↑	-1.8%	↓	0.9%	↓	Conference Board
Financial Conditions Index	**0.71**	0.99	↓	0.23	↑	0.11	↑	0.10	↑	Bloomberg
ISM Manufacturing Index	**47.2**	48.5	↓	48.6	↓	52.5	↓	53.4	↓	Institute for Supply Mgmt
ISM Services Index	**51.5**	48.8	↑	53.4	↓	55.6	↓	56.2	↓	Institute for Supply Mgmt
Consumer										
Retail Sales (Y/Y)	**2.1%**	2.0%	↑	4.2%	↓	7.1%	↓	5.3%	↓	US Census Bureau
Michigan Consumer Sentiment	**70.1**	68.2	↑	67.9	↑	72.5	↓	83.6	↓	University of Michigan
Debt-to-Service Ratio	**9.8%**	9.6%	↑	9.1%	↑	9.5%	↑	9.8%	↓	Federal Reserve
Labor Market										
Unemployment Rate	**4.2%**	4.1%	↑	3.8%	↑	4.9%	↓	4.7%	↓	Bureau of Labor Statistics
Change in Nonfarm Payrolls	**142,000**	118,000	↑	246,000	↓	125,780	↑	161,471	↓	Bureau of Labor Statistics
JOLTS Job Openings	**7,673,000**	7,910,000	↓	9,307,000	↓	8,984,155	↓	7,600,000	↑	Bureau of Labor Statistics
Housing Market										
Existing Home Sales (Annual Rate)	**3,860,000**	3,900,000	↓	3,980,000	↓	5,085,600	↓	5,222,400	↓	Ntl Association of Realtors
Case-Shiller Home Price Index (Y/Y)	**5.9%**	6.5%	↓	4.0%	↑	9.1%	↓	7.0%	↓	S&P
30-Year Fixed Rate Mortgage	**6.7%**	7.3%	↓	7.8%	↓	5.1%	↑	4.5%	↑	Bankrate.com
Inflation										
Core PCE Inflation (Y/Y)	**2.7%**	2.6%	↑	3.7%	↓	3.4%	↓	2.5%	↑	Bureau of Econ Analysis
Consumer Price Index (Y/Y)	**2.5%**	3.0%	↓	3.7%	↓	4.2%	↓	2.8%	↓	Bureau of Labor Statistics
Average Hourly Earnings (Y/Y)	**3.8%**	3.8%	↑	4.5%	↓	4.6%	↓	3.6%	↑	Bureau of Labor Statistics



Source: Winthrop Wealth, Bloomberg

Outlook

Economic Growth	Monetary Policy
The US Economy continues to grow at a moderate pace, supported by the labor market and consumer spending. We have seen a slowdown in recent data, but it is too early to say that cracks are forming. While the unemployment rate has increased to 4.2%, the measure is still far below the 50-year average of 6.2%. Additionally, most people have benefited from rising asset values and/or home prices. **Real GDP Estimates:** • 2024: +2.6% • 2025: +1.8%	At their September meeting, the FOMC lowered the Federal Funds rate by 0.50% to 5.00%. This was the first rate cut since March 2020. The Fed's pivot toward lowering interest rates occurred because inflation has continued to moderate and there is sufficient evidence that the economy and labor market have cooled down. For investors, the important point is that monetary policy will now become a tailwind for the economy and financial markets as the Fed begins their rate cutting cycle. Lower interest rates will provide some relief to cash-strapped consumers and businesses, stimulating overall spending. However, this does not mean that the economy can't weaken further or that financial markets can only go up from here.

Corporate Earnings	Valuation
S&P 500 earnings estimates have increased over the past several months. Strong earnings has provided support for the market rally. Third quarter 2024 earnings season kicks off in mid-October. **S&P 500 Earnings Estimates** • 2024: $242 (+10%) • 2024: $278 (+15%) Over long time periods, earnings drive stock prices.	Valuations continue to look stretched. The P/E ratio is calculated as the current price divided by the earnings-per-share. • Forward P/E (next 12-months): 21.8x. • 25-Year Peak (1999): 25.2x. • 25-Year Average: 16.7x. Valuation analysis is subjective and typically based on interest rates, earnings growth estimates, and historical or relative values.

Source: Winthrop Wealth, Bloomberg

Short-Term Outlook: Our short-term outlook continues to be cautious. Despite the small pullback from late-July through early-August, the stock market has been on a remarkable rally over a near two-year period as the S&P 500 is up by over +66% since the start of the latest bull market in October 2022. For the stock market to maintain its positive momentum, we will need economic, inflation, and earnings data to continue exceeding already high expectations. We are pleased with the recent market performance; however, we suggest maintaining composure as valuations are stretched, the labor market is cooling, and several important catalysts are approaching in the coming weeks, including the Presidential Election. Moving forward, we know that market declines are common, and we expect volatility to increase. *No strategy assures success or protects against loss.*

With the stock market at an all-time high, we believe this may be an opportune time to raise funds for upcoming cash flow needs and/or to take a fresh look at your target asset allocation based on your future goals and objectives. Although we generally keep two to three years of scheduled cash flows invested in short-term fixed income securities, we suggest implementing a plan for any aspirational purchases and bucket list items. Furthermore, while we proactively evaluate financial plans and asset allocation targets as part of our Total Net Worth Approach process, now is a great time to review both.

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.*

THIRD QUARTER 2024 MARKET RETURNS

US Equity											
Index	**Third Quarter**	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
S&P 500	5.89%	22.08%	26.26%	-18.13%	28.68%	18.39%	36.33%	11.88%	16.24%	13.35%	10.70%
Russell 3000	6.23%	20.63%	25.93%	-19.22%	25.64%	20.88%	35.18%	10.26%	15.54%	12.80%	10.59%
Dow Jones Industrial Average	8.72%	13.93%	16.18%	-6.86%	20.95%	9.72%	28.85%	9.96%	12.06%	12.01%	10.06%
Nasdaq	2.76%	21.84%	44.70%	-32.51%	22.21%	45.05%	38.70%	8.87%	19.12%	16.19%	13.20%
S&P 400	6.94%	13.52%	16.39%	-13.10%	24.73%	13.65%	26.76%	7.42%	12.15%	10.29%	10.28%
Russell 2000	9.27%	11.16%	16.88%	-20.46%	14.78%	19.93%	26.74%	1.81%	9.78%	8.75%	8.46%
Russell 1000 Growth	3.19%	24.55%	42.67%	-29.14%	27.59%	38.49%	42.19%	12.01%	19.96%	16.51%	12.66%
Russell 1000 Value	9.43%	16.68%	11.41%	-7.56%	25.12%	2.78%	27.73%	8.99%	10.99%	9.20%	8.51%
International Equity											
MSCI Index	**Third Quarter**	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
EAFE	7.26%	12.99%	18.24%	-14.45%	11.26%	7.82%	24.77%	5.48%	8.30%	5.70%	6.01%
Europe	7.33%	12.81%	22.94%	-17.86%	13.54%	7.89%	26.82%	5.70%	8.81%	5.74%	5.63%
Japan	5.72%	12.35%	20.32%	-16.65%	1.71%	14.48%	21.55%	2.66%	6.91%	6.37%	5.08%
China	23.49%	29.34%	-11.20%	-21.93%	-21.72%	29.49%	23.89%	-5.55%	0.89%	3.40%	8.02%
Emerging Markets	8.72%	16.86%	9.83%	-20.09%	-2.54%	18.31%	26.05%	0.40%	5.80%	4.02%	7.29%
ACWI ex US	8.06%	14.21%	15.62%	-16.00%	7.82%	10.65%	25.35%	4.13%	7.69%	5.21%	6.13%
US Fixed Income											
Bloomberg Index	**Third Quarter**	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Aggregate	5.20%	4.45%	5.53%	-13.01%	-1.54%	7.51%	11.57%	-1.39%	0.30%	1.84%	3.22%
Treasury Bills	1.36%	4.08%	5.14%	1.52%	0.04%	0.54%	5.52%	3.57%	2.33%	1.63%	1.57%
Corporates	5.84%	5.32%	8.52%	-15.76%	-1.04%	9.89%	14.28%	-1.18%	1.12%	2.92%	4.20%
Securitized MBS/ABS/CMBS	5.44%	4.61%	5.08%	-11.67%	-1.04%	4.18%	12.22%	-1.11%	0.13%	1.49%	
High Yield	5.28%	8.00%	13.45%	-11.19%	5.28%	7.11%	15.74%	3.10%	4.73%	5.04%	6.67%
Munis	2.71%	2.30%	6.40%	-8.53%	1.52%	5.21%	10.37%	0.09%	1.37%	2.51%	3.61%
US Equity Sectors											
Index	**Third Quarter**	**2024**	**2023**	**2022**	**2021**	**2020**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Technology	1.61%	30.31%	57.84%	-28.19%	34.52%	43.88%	52.68%	19.87%	26.94%	22.37%	15.86%
Real Estate	17.17%	14.31%	12.35%	-26.13%	46.20%	-2.17%	35.83%	3.70%	6.39%	8.15%	
Industrials	11.55%	20.20%	18.08%	-5.51%	21.10%	11.05%	35.82%	13.35%	14.27%	11.69%	9.88%
Energy	-2.32%	8.36%	-1.42%	65.43%	54.39%	-33.68%	0.79%	23.98%	14.33%	3.94%	7.55%
Consumer Discretionary	7.80%	13.91%	42.30%	-37.03%	24.43%	33.30%	28.06%	4.82%	12.25%	13.04%	11.28%
Communication Services	1.68%	28.81%	55.80%	-39.89%	21.57%	23.61%	42.91%	6.45%	14.81%	9.77%	8.79%
Consumer Staples	8.96%	18.74%	0.52%	-0.62%	18.63%	10.75%	25.32%	10.35%	10.09%	9.64%	10.17%
Utilities	19.37%	30.63%	-7.08%	1.56%	17.67%	0.52%	41.82%	11.65%	8.06%	10.41%	9.97%
Materials	9.70%	14.14%	12.55%	-12.28%	27.28%	20.73%	25.20%	9.08%	13.51%	9.11%	8.88%
Financials	10.66%	21.90%	12.10%	-10.57%	34.87%	-1.76%	38.94%	8.49%	12.79%	11.39%	5.63%
Health Care	6.07%	14.35%	2.06%	-1.95%	26.13%	13.45%	21.69%	8.35%	13.58%	11.13%	10.76%
	Calendar Year Returns						**Annualized Returns**				

Source: Bloomberg

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 pro- moted 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.

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 US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

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 invest- ment 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.

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.

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.

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