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. *For clients who receive both financial planning and investment advisory services under agreement. No strategy assures success or protects against loss. Investing involves risk, including loss of principle.*

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2024 Highlights

- **US Equity Markets:** The U.S. equity market had another strong year, with the S&P 500 increasing by +25.0%. This marked the first time since 1998-1999 that the S&P 500 posted a +25% gain for two consecutive years. Each quarter in 2024 delivered positive returns: Q1 (+10.6%), Q2 (+4.3%), Q3 (+5.9%), and Q4 (+2.4%). The market rally was fueled by a resilient economy, strong labor market, solid consumer spending remaining solid, continued progress on reducing inflation, robust corporate earnings, and another year of strong performance by the Magnificent 7 stocks, as investors maintained confidence in the growth potential of artificial intelligence.

- **Treasury Yields:** Short- and long-term Treasury yields diverged throughout the year. As a reminder, the Federal Reserve influences short-term interest rates by setting the Federal Funds rate, while the market determines long-term yields based on investor demand, which varies based on expectations of future inflation and economic growth. The 10-Year Treasury yield ended the year at 4.57%, for an increase of about 70 basis points (bps).

- **US Fixed Income Market:** The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, increased by +1.3% despite the rise in the 10-Year Treasury yield. Bond prices move inversely to interest rates and credit spreads. Coupon (interest) payments for the Agg bond index are currently estimated at about 3.4% annually. Performance for the year was positive, as coupon payments received were sufficient to offset the price decline caused by higher interest rates. 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:** Although the Fed has begun lowering interest rates in response to moderating inflation, most readings remain somewhat elevated. Going forward, the impact of President-elect Trump's policies will likely determine inflation's future trajectory.

- **The Fed:** At their December meeting, the FOMC lowered the Federal Funds rate by another 0.25%. After lowering interest rates by 1.00% in total this year, the top end of the Federal Funds rate now stands at 4.50%. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will lower rates to 3.9% in 2025 and to 3.4% in 2026.

- **US Economy:** The US Economy is currently on stable footing, supported by the labor market and consumer spending. Real GDP growth is estimated at +2.7% in 2024 and +2.1% in 2025.

- **Short-Term Market Outlook:** Our short-term outlook continues to be cautious as the stock market has been on a remarkable run over the last few years with very little volatility. We know that market declines are common and that performance over the two years has been abnormally strong. Additionally, it is easy to notice signs of froth. During these times, many investors are fooled into thinking that markets will continue to rise indefinitely, leading them to take on too much risk. We suggest maintaining composure and using this period as an opportunity to take profits and maintain allocations near-target levels. While we would be thrilled with another year of exceptional performance, we want to maintain realistic expectations as we suspect the ride will get bumpier from here. *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 12/31/24

US Equity Markets

The U.S. equity market had another strong year, with the S&P 500 increasing by +25.0%. This marked the first time since 1998-1999 that the S&P 500 posted a +25% gain for two consecutive years. Each quarter in 2024 delivered positive returns: Q1 (+10.6%), Q2 (+4.3%), Q3 (+5.9%), and Q4 (+2.4%). The market rally was fueled by a resilient economy, strong labor market, solid consumer spending remaining solid, continued progress on reducing inflation, robust corporate earnings, and another year of strong performance by the Magnificent 7 stocks, as investors maintained confidence in the growth potential of artificial intelligence.

US Equity Market Performance					
Broad Market	**2024**	**Style**	**2024**	**Sector**	**2024**
S&P 500	25.00%	Russell 1000 Growth	33.35%	Consumer Discretionary	30.14%
Russell 3000	23.80%	Russell 1000 Value	14.35%	Utilities	23.43%
Dow Jones Industrial Average	14.99%			Industrials	17.30%
Nasdaq	29.60%			Consumer Staples	14.87%
		Sector	**2024**	Energy	5.72%
Size	**2024**	Communication Services	40.23%	Real Estate	5.23%
Mid Cap (S&P 400)	13.89%	Technology	36.61%	Health Care	2.58%
Small Cap (Russell 2000)	11.53%	Financials	30.50%	Materials	-0.04%

Source: Bloomberg

Key Points

- **More Record Highs:** The S&P 500 set 57 record highs during the year, averaging approximately one every 4.4 trading days. The new all-time closing high of 6,090 occurred on December 6th. The market ended the year about -3% below the high.

- **Bull Market Alive and Well**: The S&P 500 is higher by over +70% since the start of the latest bull market on 10/12/22. 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.

- **Low Volatility:** Volatility was also notably subdued this year, with the largest price decline at just -8.5%, well below the historical average of approximately -15% since 1928.

- **Magnificent 7 Stocks Power the Rally:** The Magnificent 7 stocks, which are mainly considered large cap growth stocks and the leaders in artificial intelligence had another year of spectacular performance: Apple: (+30.7%), Nvidia (+171.3%), Microsoft (+12.9%), Alphabet (+35.6%), Amazon (+44.4%), Meta (+66.1%), and Tesla (+62.5%). Together, these stocks contributed over 50% of the S&P 500's annual return, with Nvidia alone accounting for approximately 20%. The Magnificent 7 stocks helped drive Growth (+33.4%) over Value (+14.4%) and Large-Caps (+25.0%) over Mid (+13.9%) and Small (+11.5%).
    - Although a narrow group led the market, we saw several periods throughout the year where these stocks fell out of favor and investors rotated to other asset classes. 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 Magnificent 7 stocks, but we also have holdings in other asset classes so that we are prepared when the market inevitably shifts. Please see our Client Question on Asset Allocation for our views on portfolio construction. *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 the eleven sectors posted positive returns for the year, with Communication Services (+40.2%, home to Alphabet and Meta) and Technology (+36.6%, home to Apple, Nvidia, and Microsoft) leading the way, while Materials (-0.04%) was the only sector to finish in negative territory.

- **Upcoming Catalysts:** BLS Employment Report (1/10), CPI Inflation (1/15), Unofficial Start of Q4 Earnings Season (1/15), Retail Sales (1/16), President Trump's Inauguration (1/20), FOMC Meeting (1/29), Q4 GDP (1/30), PCE Inflation (1/31).

Fixed Income Markets

Interest Rates

Short- and long-term Treasury yields diverged throughout the year. As a reminder, the Federal Reserve influences short-term interest rates by setting the Federal Funds rate, while the market determines long-term yields based on investor demand, which varies based on expectations of future inflation and economic growth.

- **Short-Term Treasury Yields:** started the year above +5% but started to decline once the Fed began to lower the Federal Funds rate in September.
  - Year-end levels: 3-Month: 4.31% (-1.0%), 6-Month: 4.27% (-1.0%), 12-Month: 4.14% (-0.6%).
  - 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 Treasuries to fund anticipated liabilities, and to invest any excess cash in longer maturities or in a diversified portfolio. *Investing involves risk including loss of principal. No strategy assures success or protects against loss.*
- **Long-Term Treasury Yields:** were volatile throughout the year but began rising as investors anticipated that Federal Reserve rate cuts and President Trump's expected policies would lead to both higher economic growth and inflation.
  - Year-end levels: 10-Year: 4.57% (+0.7%), 30-Year: 4.78% (+0.8%).
  - In our opinion, if the Trump administration can reduce the government deficit and moderate the increase in the federal debt, it would significantly help to stabilize long-term interest rates.

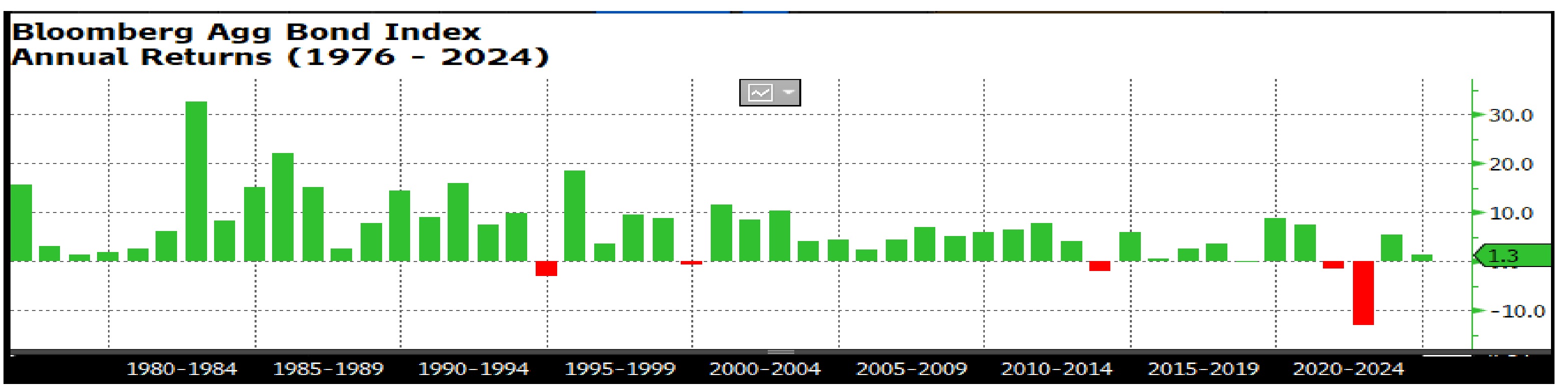
Intermediate-Term Bonds

The Bloomberg US Aggregate Bond index (Agg), which acts as a proxy for the intermediate-term investment-grade bond market, increased by +1.3% despite the rise in the 10-Year Treasury yield. Bond prices move inversely to interest rates and credit spreads. Coupon (interest) payments for the Agg bond index are currently estimated at about 3.4% annually. Performance for the year was positive, as coupon payments received were sufficient to offset the price decline caused by higher interest rates.

After challenging years in 2021 and 2022 and tepid results in 2024, we continued to recommend a patient approach for intermediate term bonds. All else equal, we expect intermediate-term bonds to provide both ballast and positive returns once yields either stabilized or decline. We will highlight the following examples:

- **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:** From October 20th, 2023, through the end of the year, the 10-Year yield declined by about -40 basis points while the Agg increased by +10.7%.

In our opinion, intermediate-term bonds remain an attractive investment opportunity, as the yield to maturity on the US Aggregate Bond Index ended the year at 4.9%. 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

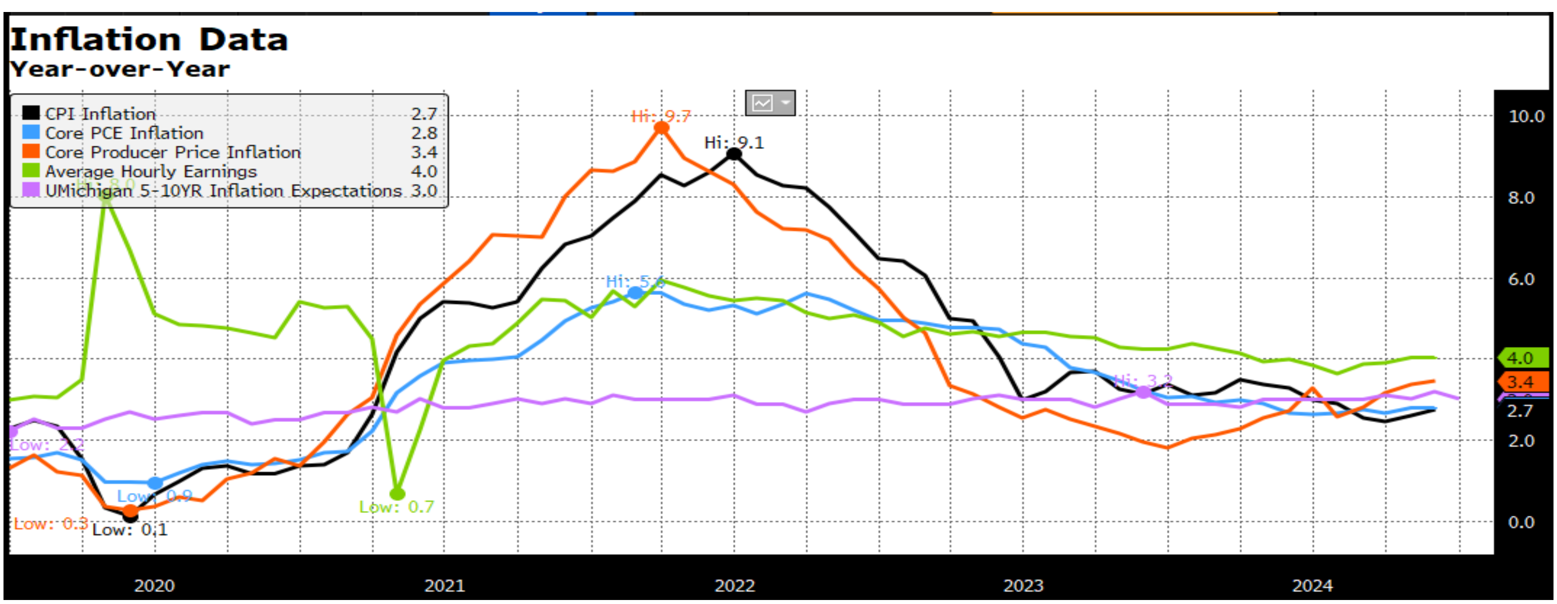
"Inflation has eased significantly over the past two years but remains somewhat elevated relative to our 2% longer-run goal."
- Fed Chair Jerome Powell

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.

Although the Fed has begun lowering interest rates in response to moderating inflation, most readings remain somewhat elevated. Going forward, the impact of President Trump's policies will likely determine whether inflation continues to cool or reverses and rises. Tariffs and tax cuts would likely increase inflation, while deregulation and lower government spending would probably reduce it. Both investors and the Fed will be watching closely.

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: 2.7% (November). 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: 2.8% (November). 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: 3.4% (November). 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: 4.0% (November). 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: 3.0% (December). 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	December 2024 Press Conference
4.25% - 4.50%	-100 basis points	$7.1 Trillion	- $820 Billion	"If the economy remains strong and inflation does not continue to move sustainably toward 2%, we can dial back policy restraint more slowly. If the labor market were to weaken unexpectedly or inflation were to fall more quickly than anticipated, we can ease policy more quickly." - Fed Chair Jerome Powell

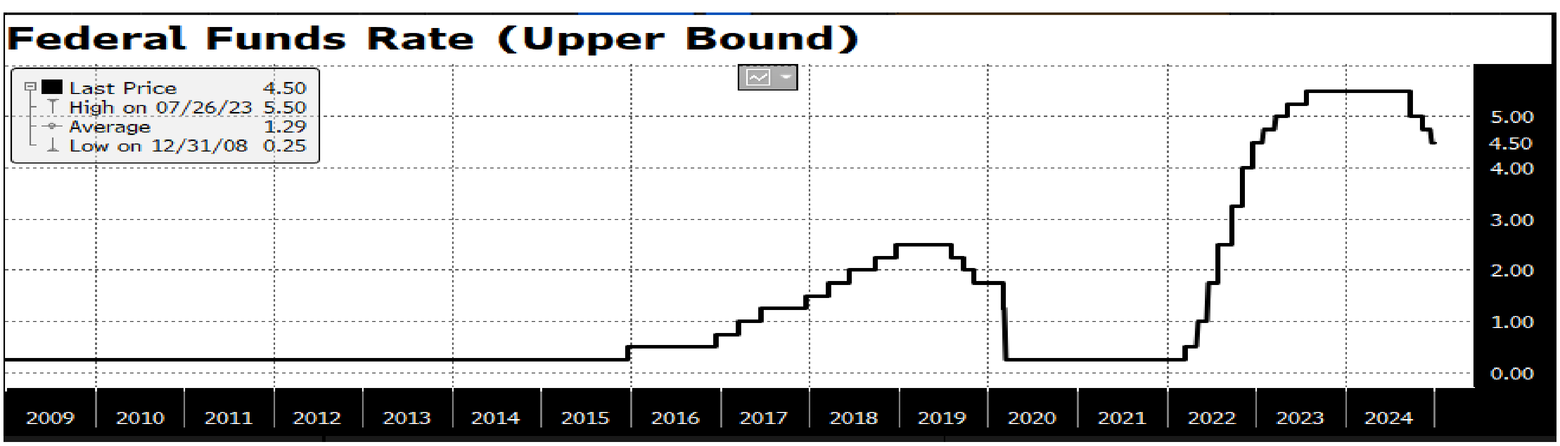
Source: Federal Reserve and Bloomberg

Interest Rates: At their December meeting, the FOMC lowered the Federal Funds rate by another 0.25%. After lowering interest rates by 1.00% in total this year, the top end of the Federal Funds rate now stands at 4.50%. The FOMC's most recent Summary of Economic Projections (SEP) showed that the median participant expects they will lower rates to 3.9% in 2025 and to 3.4% in 2026. In September, the median participant expected they would lower rates to 3.4% in 2025, but now the committee expects fewer cuts next year based on higher projections for inflation and economic growth.

Balance Sheet – Quantitative Tightening: The Fed' Quantitative Tightening program is underway as their balance sheet is shrinking by about $60 billion per month. The Fed's balance sheet now stands at about $6.9 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 rate cutting cycle is now underway, but how fast and deep they ultimately lower interest rates will depend on inflation and the health of the economy. If inflation remains elevated while the economy continues to show strength, expect fewer rate cuts. If the economy shows any sign of material slowing, expect the Fed to begin cutting aggressively. Fed Chair Powell acknowledged that the potential impact President Trump's tax and tariff policies have increased uncertainty. We expect the Fed to remain data-dependent, as the committee's forecasts can change quickly.

For investors, the important point is that monetary policy will now become a tailwind for the economy and financial markets. 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

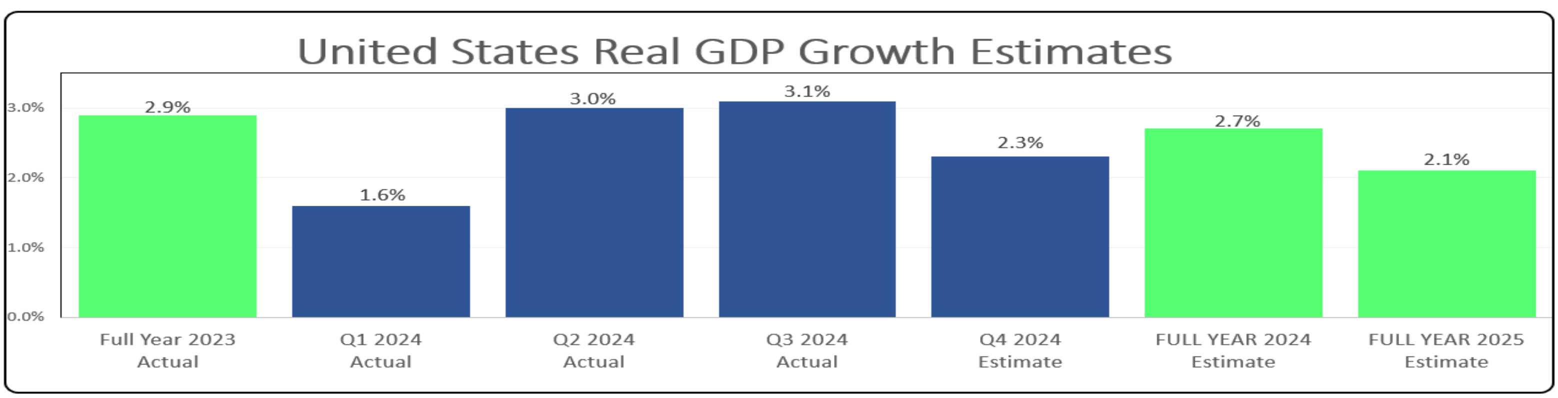
The US Economy is currently on stable footing, supported by the labor market and consumer spending. Real GDP growth is estimated at +2.7% in 2024 and +2.1% in 2025. While the unemployment rate has increased to 4.2%, the measure is still far below the 50-year average of 6.2%. Additionally, most people 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 $168.8 trillion at the end of the third 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 +3.8% 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.

The future trajectory of the economy will likely depend on the policies of the new administration. The key policy pillars of President Trump's administration are likely to be taxes, tariffs, and deregulation. Each of these policies can create cross currents for the markets and economy. As always, we will monitor the incoming economic data and policy changes closely.

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)	**-3.5%**	-4.7%	↑	-7.1%	↑	-1.9%	↓	0.7%	↓	Conference Board
Financial Conditions Index	**0.78**	0.71	↑	0.86	↓	0.14	↑	0.11	↑	Bloomberg
ISM Manufacturing Index	**48.4**	47.2	↑	47.1	↑	52.3	↓	53.2	↓	Institute for Supply Mgmt
ISM Services Index	**52.1**	54.9	↓	50.5	↑	55.6	↓	56.2	↓	Institute for Supply Mgmt
Consumer										
Retail Sales (Y/Y)	**3.8%**	2.0%	↑	5.5%	↓	7.1%	↓	5.2%	↓	US Census Bureau
Michigan Consumer Sentiment	**74.0**	70.1	↑	69.7	↑	71.6	↑	83.4	↓	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%	↑	3.7%	↑	4.9%	↓	4.7%	↓	Bureau of Labor Statistics
Change in Nonfarm Payrolls	**227,000**	255,000	↓	290,000	↓	127,033	↑	160,000	↑	Bureau of Labor Statistics
JOLTS Job Openings	**7,744,000**	7,372,000	↑	8,889,000	↓	8,981,678	↓	7,646,723	↑	Bureau of Labor Statistics
Housing Market										
Existing Home Sales (Annual Rate)	**4,150,000**	3,830,000	↑	3,880,000	↑	5,024,300	↓	5,194,300	↓	Ntl Association of Realtors
Case-Shiller Home Price Index (Y/Y)	**4.6%**	4.6%	↑	6.3%	↓	9.2%	↓	7.0%	↓	S&P
30-Year Fixed Rate Mortgage	**7.3%**	6.7%	↑	7.0%	↑	5.3%	↑	4.6%	↑	Bankrate.com
Inflation										
Core PCE Inflation (Y/Y)	**2.8%**	2.7%	↑	3.0%	↓	3.4%	↓	2.5%	↑	Bureau of Econ Analysis
Consumer Price Index (Y/Y)	**2.7%**	2.4%	↑	3.4%	↓	4.2%	↓	2.9%	↓	Bureau of Labor Statistics
Average Hourly Earnings (Y/Y)	**4.0%**	3.9%	↑	4.3%	↓	4.6%	↓	3.7%	↑	Bureau of Labor Statistics



Source: Winthrop Wealth, Bloomberg

Outlook

Economic Growth	Monetary Policy
The US Economy is currently on stable footing, supported by the labor market and consumer spending. While the unemployment rate has increased to 4.2%, the measure is still far below the 50-year average of 6.2%. Consumers are still spending money, and they should for as long as the labor market remains steady. Additionally, most people have benefited from rising asset values and/or home prices. **Real GDP Estimates:** • 2024: +2.7% • 2025: +2.1%	At their December meeting, the FOMC lowered the Federal Funds rate by another 0.25%. After lowering interest rates by 1.00% in total this year, the top end of the Federal Funds rate now stands at 4.50%. The median FOMC participant expects they will lower rates to 3.9% next year. 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 continue to look solid. Strong earnings has provided support for the market rally. Fourth quarter 2024 earnings season kicks off in mid-January. **S&P 500 Earnings Estimates** • 2024: $240 (+9%) • 2024: $275 (+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): 22.1x. • 25-Year Peak (1999): 25.2x. • 25-Year Average: 16.6x. 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 as the stock market has been on a remarkable run over the last few years with very little volatility. Since October 2022, the S&P 500 has increased by over 70% in nearly a straight line. We know that market declines are common and that performance over the two years has been abnormally strong. Additionally, it is easy to notice signs of froth, including, stretched valuations, meme coins trading at billion-dollar-plus market caps, MicroStrategy increasing by over +358% this year, an explosion in levered single-stock ETFs, and a banana duct-taped to a wall selling for $6.2 million. During these times, many investors are fooled into thinking that markets will continue to rise indefinitely, leading them to take on too much risk. While we would be thrilled with another year of exceptional performance, we want to maintain realistic expectations as we suspect the ride will get bumpier from here. *No strategy assures success or protects against loss.*

With the stock market close to 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 seek to 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.*

2024 MARKET RETURNS

US Equity

Index	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year	20-Year
S&P 500	25.00%	26.26%	-18.13%	28.68%	18.39%	27.41%	10.14%	15.27%	12.94%	10.40%
Russell 3000	23.80%	25.93%	-19.22%	25.64%	20.88%	26.82%	9.07%	14.58%	12.44%	10.27%
Dow Jones Industrial Average	14.99%	16.18%	-6.86%	20.95%	9.72%	18.06%	9.05%	11.21%	11.43%	9.78%
Nasdaq	29.60%	44.70%	-32.51%	22.21%	45.05%	33.06%	8.55%	18.45%	16.07%	12.74%
S&P 400	13.89%	16.39%	-13.10%	24.73%	13.65%	19.22%	6.02%	11.02%	9.73%	9.80%
Russell 2000	11.53%	16.88%	-20.46%	14.78%	19.93%	19.83%	1.79%	8.14%	8.06%	7.81%
Russell 1000 Growth	33.35%	42.67%	-29.14%	27.59%	38.49%	35.38%	11.20%	19.71%	16.57%	12.59%
Russell 1000 Value	14.35%	11.41%	-7.56%	25.12%	2.78%	17.76%	7.16%	9.38%	8.42%	7.97%

International Equity

MSCI Index	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year	20-Year
EAFE	3.82%	18.24%	-14.45%	11.26%	7.82%	8.36%	2.97%	5.48%	4.81%	4.96%
Europe	2.64%	22.94%	-17.86%	13.54%	7.89%	6.60%	2.72%	5.78%	4.70%	4.40%
Japan	8.31%	20.32%	-16.65%	1.71%	14.48%	11.59%	3.20%	4.88%	5.95%	4.48%
China	19.42%	-11.20%	-21.93%	-21.72%	29.49%	16.61%	-7.03%	-1.81%	2.10%	7.12%
Emerging Markets	7.50%	9.83%	-20.09%	-2.54%	18.31%	11.32%	-1.92%	3.17%	3.33%	6.19%
ACWI ex US	5.53%	15.62%	-16.00%	7.82%	10.65%	9.88%	1.74%	5.05%	4.45%	5.11%

US Fixed Income

Bloomberg Index	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year	20-Year
Aggregate	1.25%	5.53%	-13.01%	-1.54%	7.51%	3.92%	-2.41%	-0.39%	1.39%	3.06%
Treasury Bills	5.32%	5.14%	1.52%	0.04%	0.54%	5.33%	3.87%	2.47%	1.74%	1.61%
Corporates	2.13%	8.52%	-15.76%	-1.04%	9.89%	5.21%	-2.22%	0.29%	2.49%	4.03%
Securitized MBS/ABS/CMBS	1.45%	5.08%	-11.67%	-1.04%	4.18%	4.27%	-1.91%	-0.57%	1.03%	
High Yield	8.19%	13.45%	-11.19%	5.28%	7.11%	10.95%	3.37%	4.58%	5.07%	6.49%
Munis	1.05%	6.40%	-8.53%	1.52%	5.21%	3.00%	-0.50%	1.02%	2.28%	3.54%

US Equity Sectors

Index	2024	2023	2022	2021	2020	1-Year	3-Year	5-Year	10-Year	20-Year
Technology	36.61%	57.84%	-28.19%	34.52%	43.88%	38.02%	16.65%	25.74%	22.03%	15.37%
Real Estate	5.23%	12.35%	-26.13%	46.20%	-2.17%	11.09%	-1.64%	4.95%	5.96%	
Industrials	17.30%	18.08%	-5.51%	21.10%	11.05%	21.63%	10.46%	12.35%	10.65%	9.25%
Energy	5.72%	-1.42%	65.43%	54.39%	-33.68%	4.75%	19.79%	13.46%	4.66%	7.26%
Consumer Discretionary	30.14%	42.30%	-37.03%	24.43%	33.30%	33.25%	5.26%	14.88%	13.67%	11.43%
Communication Services	40.23%	55.80%	-39.89%	21.57%	23.61%	43.17%	10.28%	14.97%	10.70%	8.75%
Consumer Staples	14.87%	0.52%	-0.62%	18.63%	10.75%	16.11%	7.78%	8.90%	8.27%	9.62%
Utilities	23.43%	-7.08%	1.56%	17.67%	0.52%	22.28%	7.76%	7.28%	8.64%	9.24%
Materials	-0.04%	12.55%	-12.28%	27.28%	20.73%	3.07%	1.66%	9.51%	7.78%	7.77%
Financials	30.50%	12.10%	-10.57%	34.87%	-1.76%	33.40%	9.63%	12.44%	11.44%	5.69%
Health Care	2.58%	2.06%	-1.95%	26.13%	13.45%	6.07%	3.63%	8.75%	8.82%	10.00%
	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 2007.