BARNES · PETTEY

FINANCIAL ADVISORS, LLC

Independent Registered Investment Adviser

STAY THE COURSE

Having hit 31 record highs since January and up more than 15% year to date, the S&P 500 is off to its best start to the year since 2019 and the best start to an election year ever, driven by mega-cap tech stocks and artificial intelligence tailwinds. NVIDIA's meteoric gains and 10-for-1 stock split briefly propelled the company's market cap above $3 trillion, surpassing Microsoft as the most valuable public company in the world.

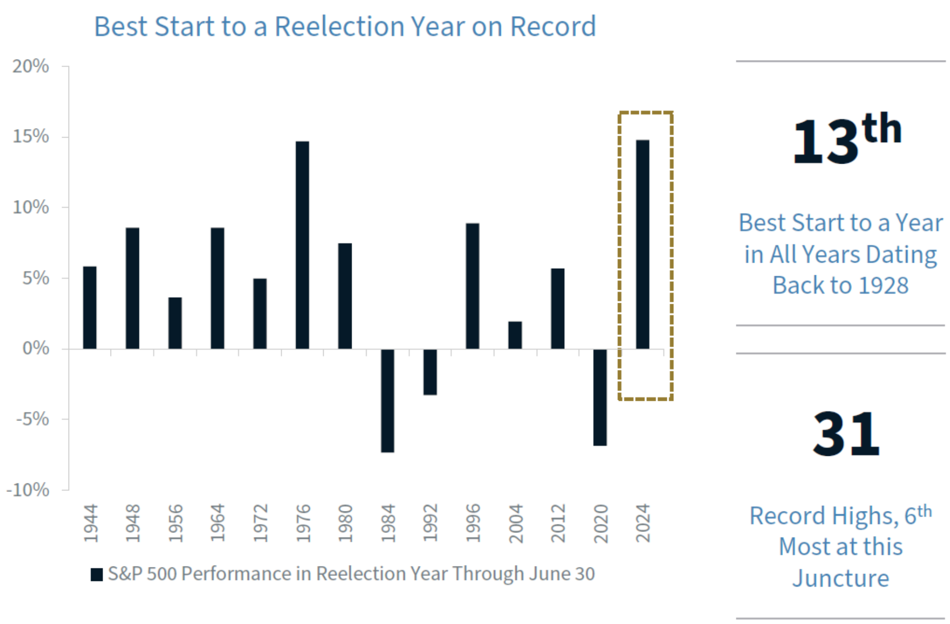
"Tech, Communication Services, and Consumer Discretionary remained center stage as market performance concentration continued — S&P 500 minus mega-cap tech was down," said Raymond James Chief Investment Officer Larry Adam. "The market continues to rally on weaker economic data but we caution that a slowing economy could dampen earnings growth and hamper the market in the near term."

Economic growth has moderated – a good sign to those looking to trust recent, improving inflation numbers. For fixed income, this has helped the Bloomberg U.S. Aggregate Bond Index claw back its year-to-date losses.

The year started with expectations for the Federal Reserve to cut interest rates three times beginning in the middle of the year, but higher than expected inflation early in the year halted those hopes. The Fed once again chose to hold rates steady in June and revised its projections to signal only one rate cut this year. However, if inflation continues to cool, we may see two.

The Consumer Price Index (CPI) printed 0.0% in May – a surprise to the markets, which were expecting a 0.1% increase. The core CPI also came in lower than market expectations, up 0.2%. Hopes that inflation may be continuing to decrease were bolstered by a lower-than-expected Personal Consumption Expenditures index last week.

REASONS TO EXPECT A SLOWER CLIMB IN THE NEAR TERM



Source: FactSet, Data as of 6/30/2024.

With the S&P 500's dogged run and the looming election, it's normal for investors to ponder the best course of action. Navigating all-time highs is part of the journey – they don't always mean a correction is imminent, but rather signal a healthy and growing economy. Even if a correction does occur, taking a long-term view will generally yield better results. As always, reach out to me directly to ensure your portfolio is in line with your specific goals and timelines.

We will remain committed to the pursuit of your financial goals and thank you for your continued trust in our guidance. If you have any questions regarding this recap – or any other topic – please don't hesitate to reach out.

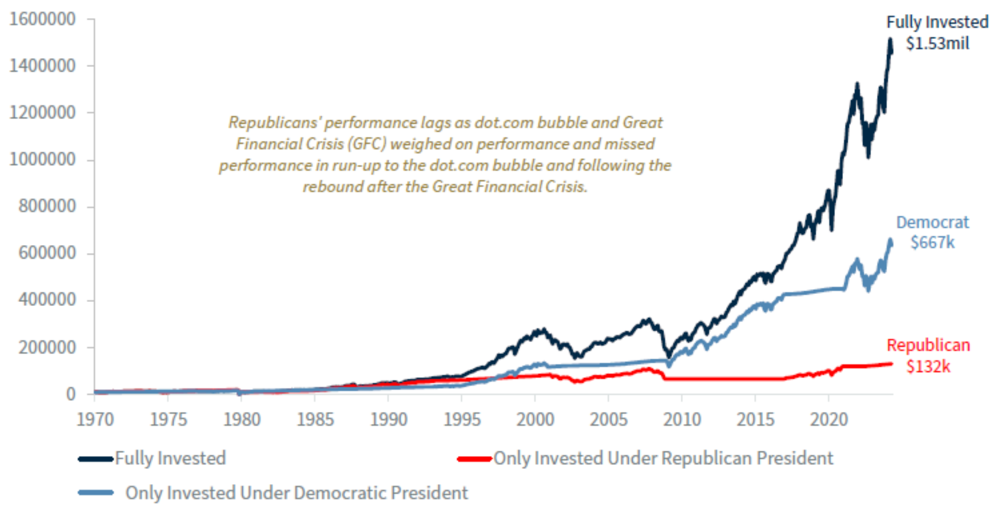
AVOID THE POLITICAL NOISE WHEN INVESTING

STAYING INVESTED THROUGHOUT POLITICAL CYCLES HAS PROVEN CRITICAL

Politics Not at the Top of Investing Framework

1. Economic Growth
2. Earnings Growth
3. Monetary Policy
4. Interest Rates & Inflation
5. Valuations
6. Sentiment
7. Corporate Activity
8. Politics
9. Natural Calamities
10. Geopolitical Events

Staying Fully Invested Is Key



Source: FactSet, Data as of 6/30/2024. For study, when investor is not invested in equity market, the investor is invested in cash.

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The frenzy surrounding US election cycles often causes concern about how your portfolios will fare under a Democratic or Republican administration. Perceptions, including beliefs about which political party will be better for investors, may overshadow your investment strategies. A long-term look at the performance of the S&P 500 Index can help investors maintain perspective. Rather than trying to time the market around an election or political party, a diversified portfolio can help you build long-term wealth regardless of who's in the White House or Congress.

TECH CORNER

- **If you still recieve annual discosures by mail, we'd love to send them electronically! Give us a call to let us know you'd like to make the switch.**
- **Raymond James uses the latest technology safeguards 24 hours a day, 365 days a year, to help keep unauthorized outside users from gaining access to internal or private networks and services. If you have been a victim of identity theft, let us know.**
- **If you aren't using Raymond James Client Access, let us know and we can setup your online access. You can view portfolio information, statements, tax documents and more. Utilize the RJ Vault to store important documents.**

A FEW EXTRAS

- **Don't have lazy cash, call us to discuss options with competitive interest rates**
- **Need more deductions? Consider bunching charitable donations into a Donor Advised Fund.**
- **Don't need all of your IRA Required Minimum Distribution? Give direct to charity from your IRA.**
- **As a reminder, we cannot accept trade instruction through email. We must verbally confirm with you before placing any trades.**
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