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THIRD QUARTER 2024 NEWSLETTER

Ebb Tide, High Tide

Equities entered Q2 at ebb tide as the S&P 500 experienced a 5.5% April selloff after the highs of late March. Disciplined investors were rewarded as the S&P finished at high tide at quarter's end.

The S&P outclassed the Dow, the Russell 2000, and non-US markets, all of which experienced modest quarterly declines.

It was a thrilling quarter for growth-oriented investors and AI aficionados as the S&P and Nasdaq were propelled to new highs by the likes of Nvidia and other fast growing technology issues. In fact, the market capitalization of Nvidia reached \$3.3 trillion on June 18 eclipsing Microsoft as the world's most valuable company just days after surpassing iPhone maker, Apple, for the number two position. Demand for Nvidia's chips outstrips supply and the shares have nearly tripled in 2024!

It is true, however, that news of recent highs for the S&P and the NASDAQ has obscured the struggles of the vast majority of shares. This lack of breadth is a concern to any number of market observers.

Treasury yields rose just slightly. After six months of coupon payments, fixed-income markets appear poised to deliver positive total returns as the year wears on.

Review of Previous Quarters:

	<u>12/31/2023</u>	<u>03/31/2024</u>	<u>06/31/2024</u>	<u>QTD Change as of 03/31/2024</u>	<u>YTD Change as of 06/31/2024</u>
S&P 500	4,769.83	5,254.35	5,460.48	+3.92%	+14.48%
Dow	37,689.54	39,807.37	39,118.36	-1.73%	+3.79%
NASDAQ Composite	15,011.35	16,379.46	17,732.60	+8.26%	+18.13%
Russell 2000	2,027.07	2,124.55	2,047.69	-3.62%	+1.02%
MSCI EAFE	2,237.81	2,346.84	2,314.63	-1.37%	+3.43%
10-Year Treasury Note	3.38%	4.21%	4.40%	+0.19 basis points	+0.52 basis points
3-Month T-Bill Rate	5.36%	5.36%	5.37%	+0.01 basis points	+0.01 basis points
Price of Gold (COMEX)	\$2,071.80	\$2,254.80	\$2,327.70	+3.23%	+12.35%

Crude Oil (NYMEX)	\$71.33	\$83.12	\$81.54	-1.90%	+14.31%
US Dollar Index	101.38	104.49	105.87	+1.32%	+4.43%

Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

- A **basis point** is 1/100th of one percentage point.
- **Treasury Bills** are certificates reflecting short-term (under one year) obligations of the U.S. government.
- **Treasury Notes** are marketable U.S. government debt securities with a fixed interest rate and a maturity between one and ten years.
- The **S&P 500** is an unmanaged index of 500 widely held stocks that's generally considered representative of the U.S. stock market.
- The **NASDAQ composite** is an unmanaged index of securities traded on the NASDAQ system.
- The **Russell 2000** is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index.
- The **Dow Jones Industrial Average (DJIA)** commonly known as "the dow" is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal.
- The **MSCI Europe, Australasia and Far East Index** is a market capitalization weighted selection of stocks from 21 developed nations excluding the US and Canada.
- The **US Dollar Index** measures the value of the U.S. dollar relative to a basket of top 6 currencies: EUR, JPY, GBP, CHF, CAD and SEK.

Economic Indicators

Kiplinger forecasts 2.4% GDP growth in 2024 after 2.5% in 2023. Growth in 2025 is seen at 1.9%.

They expect 3.3% inflation at year-end versus 3.4% now.

The unemployment rate is anticipated to rise to 4.1% by the end of 2024, up from 4% now.

Outlook & Perspective

The US economy is the world's largest and continues to power global growth. The International Monetary Fund predicts the US economy will expand at more than twice the rate of other major developed countries.

The Fed's rate path is likely to mirror inflations slow descent.

Analysts expect corporate earnings to strengthen over the next 18 months in the US and across Europe, Japan, and the emerging markets.

Much of the impact of the presidential election hinges on the ability of the winner to propel other candidates in his party to victory. Control of the US Senate and the House of Representatives is in play, such that a blue wave, a red wave, or continued gridlock are all within the realm of possibility.

A pattern of new all-time highs is bullish for stocks. Historically, bull markets last much longer than bear markets, leading to multiple new highs within each cycle.

Sentiment favors equities over fixed-income, growth over value and US companies over non-US issues.

Having said this, we're thankful that income is back in fixed income. History tells us that the expected return from bonds is closely pegged to the investors' starting yield. With coupons as high as they have been in years, we are constructive on the fixed-income segment of client portfolios as we look to the future.

There are risks to any forward-looking analysis, chief among them persistent inflation, higher oil prices, geopolitical tensions, trade wars and unforeseen events.

Our Common Goals

The key to our success is to earn sufficient returns to achieve your long-term goals consistent with a level of portfolio volatility which allows you to stay the course in challenging markets.

Another essential is to manage portfolio distributions to last a lifetime and to do so in a tax-efficient manner. Taxable accounts, tax-deferred accounts such as traditional IRA's and tax-free accounts like Roth IRA's provide a variety of strategic alternatives as we plan for personal cash flow needs.

Qualified Charitable Distributions (QCD's), Roth conversion strategies and tax-bracket maximization offer important planning opportunities as we consider supporting those you care for and causes of importance to you.

Successful planning and investing may not always be easy. We must discipline ourselves against potential traps such as the short-term focus offered on social media and financial news outlets.

To quote a market seer we admire "it's not about the next 3 weeks, it's about the next 30 years."

Downside resiliency and long-term consistency are the hallmarks of greater wealth creation.

Community Spotlight

The MCM team enjoyed a fantastic, highly active spring supporting our favorite non-profit organizations.



Cornerstone Family Programs kicked off the festivities with an incredible Copacabana themed gala. MCM stepped up as a Bronze Sponsor and we enjoyed socializing and dancing the night away with a table full of clients and friends.

Soon thereafter, we teamed up with our **Cornerstone** compatriots to put on a highly successful *Friendraiser* at the cozy and comfortable **Knights of Columbus Hall** on South Street. Our 75 guests learned all about Cornerstone, feasted on hearty fare from Coniglio's Old Fashioned and enjoyed the pleasing ballads of FDU alum, Chris Giakas. Many thanks to our friends at the Knights for their wonderful hospitality.



Next up on the dance circuit was **Grow it Green Morristown** with an energizing **Tango for Tomatoes** evening at St.Peter's in Morristown. The MCM crew cut the rug to raise funds to support summer internships and, of course, an expanded array of tomatoes for Farmer Shaun and his acolytes. Orlando and younger sister Miabella, a Drew University student-athlete, were among the top dancers in the crowd!

GIGM is about to celebrate 15 years with a festive **Harvest Gala** at Spring Brook Country Club on October 10. It's time for this fast-growing community gem to fund the future! Please check your social calendar and see if you can join the fun!



Kerry and **Barbara** recently stepped out to a Spring Garden Party in support of the **Connie Dwyer Breast Cancer Foundation** and its mission to help women gain access to breast screenings, treatment, follow-up care and support. Barbara is a breast cancer survivor and has dedicated a great deal of time and effort to this worthy cause.

Getting back to **The Knights of Columbus**, we are busy helping them prepare for their annual **Mass and Dinner of Appreciation** to be held on October 5. This year's event will honor **Kathleen Hyland** and **ArcMorris** for years of outstanding service supporting individuals with intellectual and developmental disabilities. It promises to be most enjoyable and inspirational celebration!



PLEASE JOIN US:

The 10th Annual Knights of Columbus Mass and Dinner of Appreciation

MCM took to the links and the pickleball courts in early June to help **Cancer Hope Network** raise money to continue their important work providing free one-on-one peer support for adult cancer patients and their loved ones. Dan and Bill played stellar golf and Orlando emerged as the top pickleball player!



MCM Notes

A Time for Celebration!



As you may know, **Orlando** completed the strenuous **Certified Financial Planner (CFP)** program in March by passing the comprehensive final examination.

With the exam under his belt, **Orlando** has been focusing on golf in his free time, including a sojourn to his old haunts in Rhode Island for golf with his college buddies. After seizing the pickleball title, Orlando and friends secured the Championship in their local Volo Kickball League. He's planning a special trip to Spain in October and is actively seeking advice for sightseeing, adventures, and dining.

Dan recently hosted his annual **Young Professional Golf Outing** at **Fiddler's Elbow Country Club**, which has become the perfect mix of fun and networking with an outstanding group of peers. He will soon be traveling down the Garden State Parkway to celebrate his birthday in Atlantic City and Sea Isle City. Dan is looking forward to a fun and relaxing trip, enjoying everything both cities have to offer!



Kerry has become the consummate hockey mom! Son, Gavin (10), has certainly found his passion! Thankfully, both Kerry and husband, Garrett, love watching the fastest show on ice. Following in his mother's footsteps, Gavin will also spend time at the pool this summer competing for the local swim team. Gavin finished elementary school and is now on to intermediate for 5th grade in the fall. In a most welcome development, he is finally 54" tall, making him eligible for the best rides at his favorite theme parks! As you might imagine, several theme park adventures are on the docket! Kerry is also sure to get in plenty of golf rounds this summer and some babysitting time with grandson, Leo, now 8 months old.

In his low key way, **Bob** has been making an impact by ramping up his activity with the **Morristown Rotary Club**. He has been preparing and delivering meals to community members in need in conjunction with Bethel Church in Morristown and recently participated in Morristown's annual spring cleanup, helping to beautify Lidgerwood Park.



Bill is reveling in his role as the leader of the band! He is humbled and thankful for the wonderful clients, teammates and friends who make life so rewarding. Witnessing a positive impact on so many lives is a dream come true! MCM is approaching a couple of significant milestones that we look forward to sharing in the next quarter or two.

Some exciting news!



We recently reconnected with our beloved, retired colleague, **Hilary Fagnani**, at the amazing wedding of her beautiful daughter, Kara, to handsome JMU sweetheart, Peter Geros. The ceremony and reception were held at the lovely King Family Vineyards outside Charlottesville, VA. It was heartwarming to celebrate with such a fun, well matched couple. Hilary and husband, Mark, presided over a most joyous celebration!



A Time to Learn

Bill, Bob, and Dan were fortunate to attend the **Raymond James National Conference for Professional Development** in Washington, DC at the end of April. We so look forward to this annual event to learn the latest on economics, markets, and financial planning. Networking with talented, successful RJ advisors from around the country is always a highlight and brings timely ideas to our practice year after year.



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Our practice continues to grow, in large part from referrals from our valued clients. We would be honored to take care of a friend, colleague, or family member in the same fashion we have served you.

Thank you for your continued trust and support.

Sincerely,

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