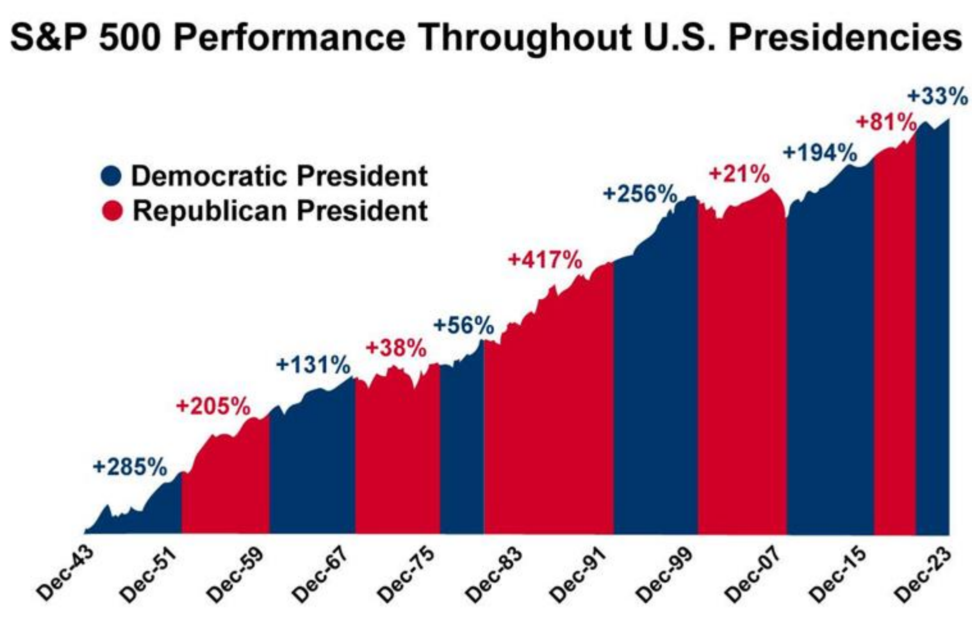
Thoughts from the Holy City – November 2024

"We have two lives, and the second one begins when you realize you have one."

~ Confucius

As we close out October, both the equity and fixed income markets finished lower. However, both remain higher for the year with the S&P 500 on track to deliver its second consecutive year of 20+% returns – a milestone it has not achieved since 1998 when the U.S. economy simultaneously experienced a soft landing and a tech revolution. The S&P 500 is also on pace to deliver its strongest performance leading into an election year since 1932. As of the end of the month the DJIA is up 10.81%, the NASDAQ positive 20.54%, and the Bloomberg Aggregate Bond index positive by 1.90%. International markets trail the domestic markets with the MSCI EAFE up 5.02%.

We now know the outcome of the 2024 election and while some people are glad about the results, others are disappointed, and perhaps even fearful. I wanted to take this opportunity to address how the election results will impact your financial future. While elections can stir strong emotions, it's important to remember that, historically, markets have been influenced more by economic fundamentals than by which party is in power. As this chart shows, while the stock market has fluctuated under presidents of both parties, the S&P 500 has trended higher over the long term, no matter who's sitting in the Oval Office.



Source: YCharts.com, July 21, 2024. The S&P 500 index was introduced in March 1957 when it was expanded from 90 companies to 500 and renamed the S&P 500 Stock Composite Index.

An Objective and Pragmatic Approach to Wealth Management

PRESTWICK CAPITAL ADVISORS of RAYMOND JAMES®

Long-Term Trends: The stock market, as represented by the S&P 500, has generally trended higher over the long term, regardless of which party holds the presidency. Company Growth: The dynamic U.S. economy has consistently produced successful companies, contributing to economic strength under various administrations. Market Priorities: Factors like earnings growth, economic conditions, and technological advancements can have more influence on market performance than political changes. Investor Focus: Your investment strategy should align with your goals, time horizon, and risk tolerance—not the outcome of a single election.

October brought about new all-time highs for the S&P 500, which closed at 5,864.67 on October 18. So far, Fed activities have contributed their expected boost to economic growth, with the possibility of inflation sneaking back in as a result of cutting interest rates still on the table, combined with potential tariffs to reenforce the push and pull dynamic of economic outcomes. On Thursday the Fed elected to cut the Federal funds rate by another .25 basis points, which was widely expected by markets. There is a general view that they will cut by another 25 basis points in December then pause in January as it assesses the impact of its tightening moves, according to the CME Group's FedWatch tool. Outlook on equities remains positive over the next year, but uncertainty and volatility on key macroeconomic drivers could create headwinds.

While elections do have consequences, it's important to keep perspective. In the meantime, we'll be closely monitoring how the new administration's agenda might impact areas like tax policy, regulations, and corporate competitiveness. Market reactions to political shifts can create short-term volatility, but these fluctuations can be temporary. As always, the key is to stay focused on your financial goals. Sudden moves in response to short-term events might be more detrimental than beneficial. We're here to help you navigate any uncertainty while pursuing your overall financial strategy.

Be Well,

Grier

L. Grier Williford, CFP®, CPWA®

Financial Advisor

The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of the author and not necessarily those of Raymond James. Expressions of opinion are as of this date and are subject to change without notice. There is not guarantee that these statements, opinions, or forecasts provided herein will prove to be correct. Investing involves risks and you may incur a profit or loss regardless of strategy selected. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transactions costs or other fees, which will affect actual investment performance. Individual investor's results may vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investments yields will fluctuate with market conditions.

The S&P 500 is an unmanaged index of 500 widely held stocks. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. An investment cannot be made in these indexes. It is not possible to invest directly in an index. International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets. Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices rise. Holding stocks for the long-term dose not insure a profitable outcome. This is not a recommendation to purchase or sell the stocks of the companies mentioned. Dividends are not guaranteed and must be authorized by the company's board of directors.