



Market Update

Investment advisory services offered through Dynamic Advisor Solutions, LLC dba Dynamic Wealth Advisors, an SEC registered investment advisor.

What Worked, What Didn't - In The Markets

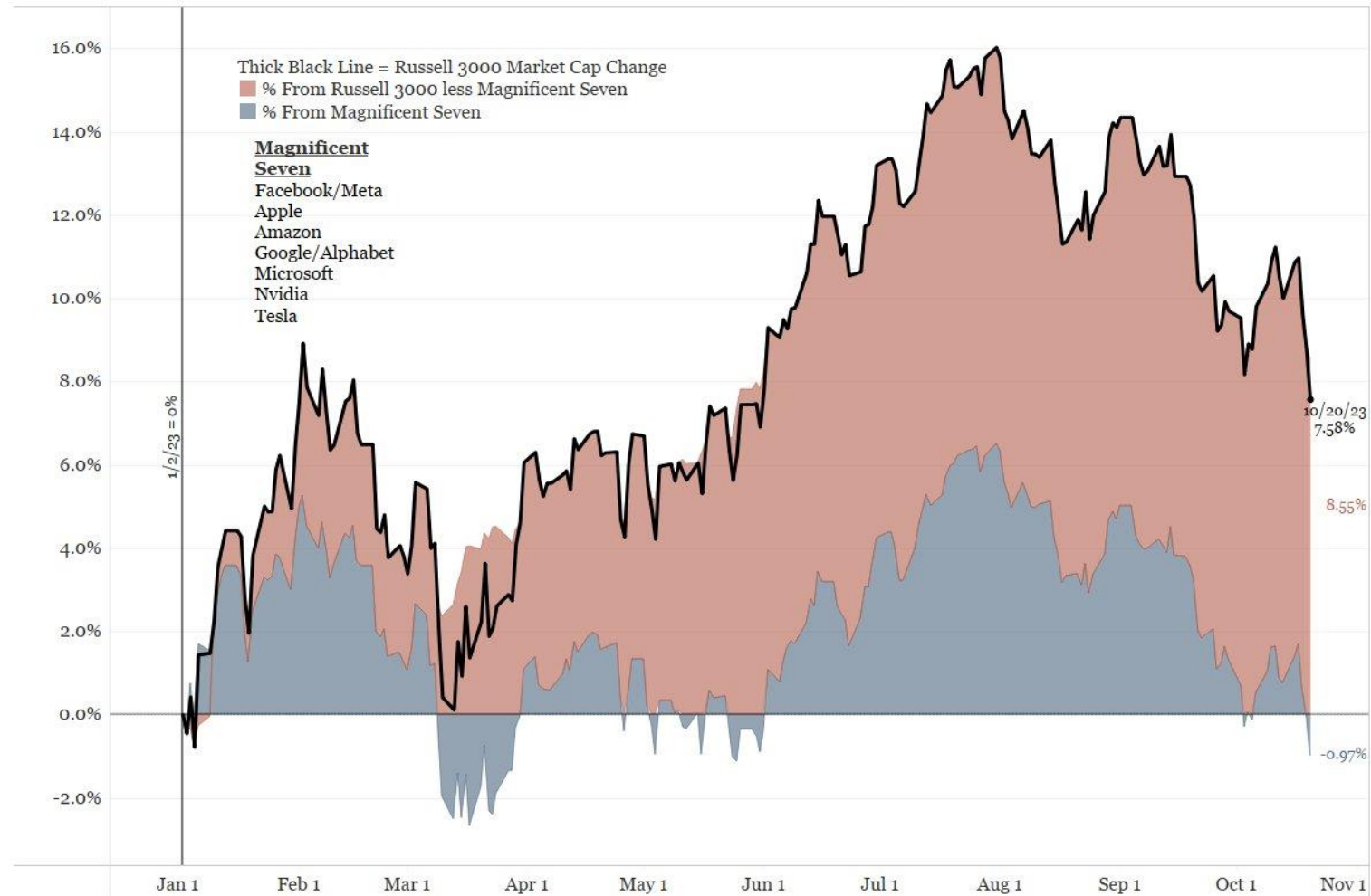
Asset Class	2024 YTD (6-30-24)	2023	2022	Index
Global Markets	11.58	22.81	-17.96	MSCI ACWI GR USD
US Market	13.56	25.96	-19.21	Russell 3000 TR USD
US Large-Cap	15.29	26.29	-18.11	S&P 500 TR USD
US Small-Cap	1.73	16.93	-20.44	Russell 2000 TR USD
Growth Stocks	23.56	30.03	-29.41	S&P 500 Growth TR USD
Value Stocks	5.79	22.23	-5.22	S&P 500 Value TR USD
International Market	6.04	16.21	-15.57	MSCI ACWI Ex USA GR USD
Developed Markets	5.75	18.85	-14.01	MSCI EAFE GR USD
Emerging Markets	7.68	10.27	-19.74	MSCI EM GR USD
Real Estate	-3.01	11.96	-26.12	MSCI US IMI/Real Estate 25-50 GR USD
Aggregate Bonds	-0.71	5.53	-13.01	Bloomberg US Agg Bond TR USD
High Yield	2.58	13.45	-11.19	Bloomberg High Yield Corporate TR USD
Short Duration	1.19	4.29	-3.82	Bloomberg 1-3 Yr US Treasury TR USD
Benchmark 80	9.10	19.66	-17.25	Dynamic Global Diversified Benchmark 80
Benchmark 70	7.92	17.92	-16.67	Dynamic Global Diversified Benchmark 70
Benchmark 60	6.74	16.20	-16.11	Dynamic Global Diversified Benchmark 60

Source: Morningstar Direct as of 6/30/2024



U.S. Stock Market 2023 – Growth vs. Value

Magnificent Seven Stocks' YTD Impact on the Russell 3000
Top Seven Stocks Contribution to Market Cap Changes



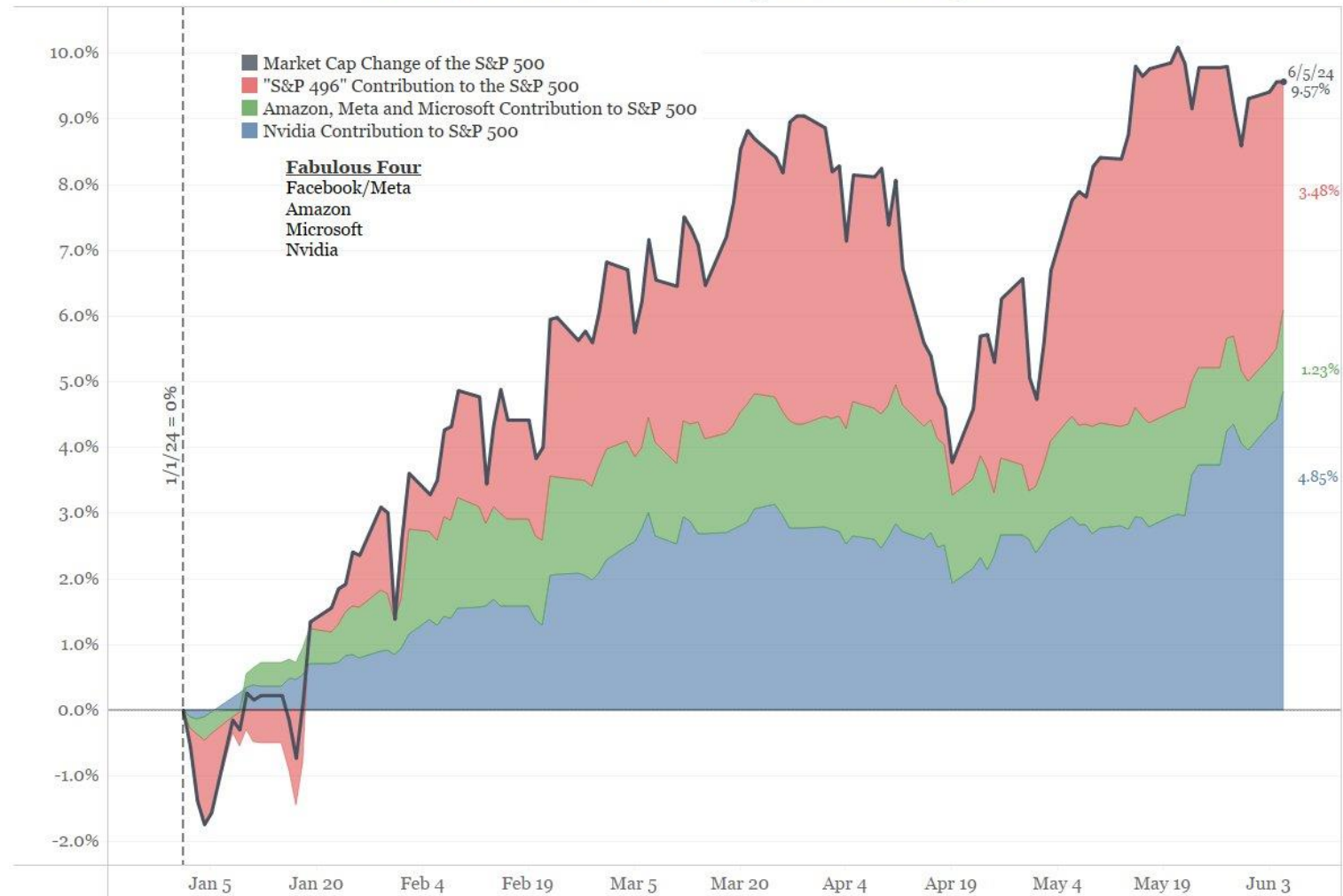
Source: Bloomberg

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U.S. Stock Market 2024 – Growth vs. Value

Nvidia and "Fabulous Three" Impact on the S&P 500



Source: Bloomberg

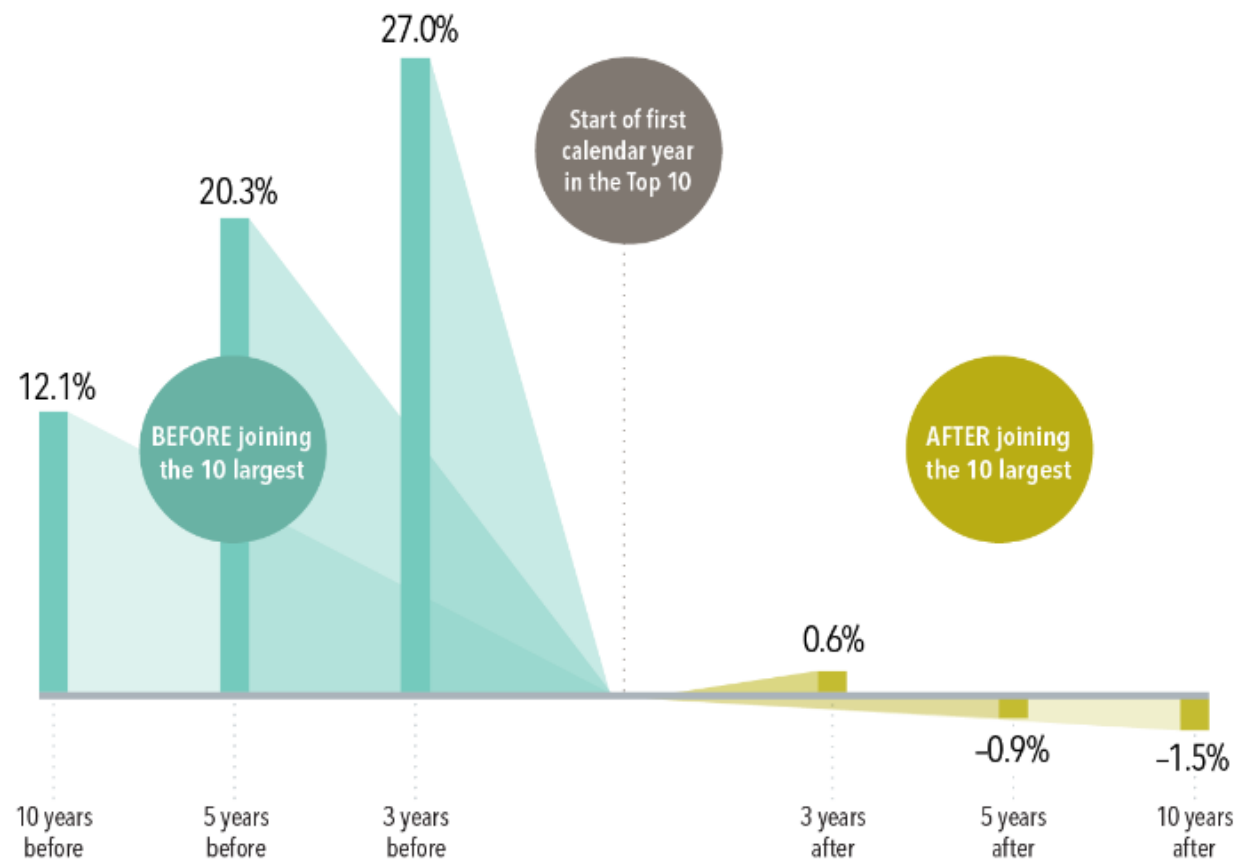
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U.S. Stock Market – Concentration

View from the Top

Annualized returns in excess of the US market before and after joining the top 10 largest US stocks, January 1927–December 2022



Source: Dimensional Fund Advisors.

Past performance is not a guarantee of future results.

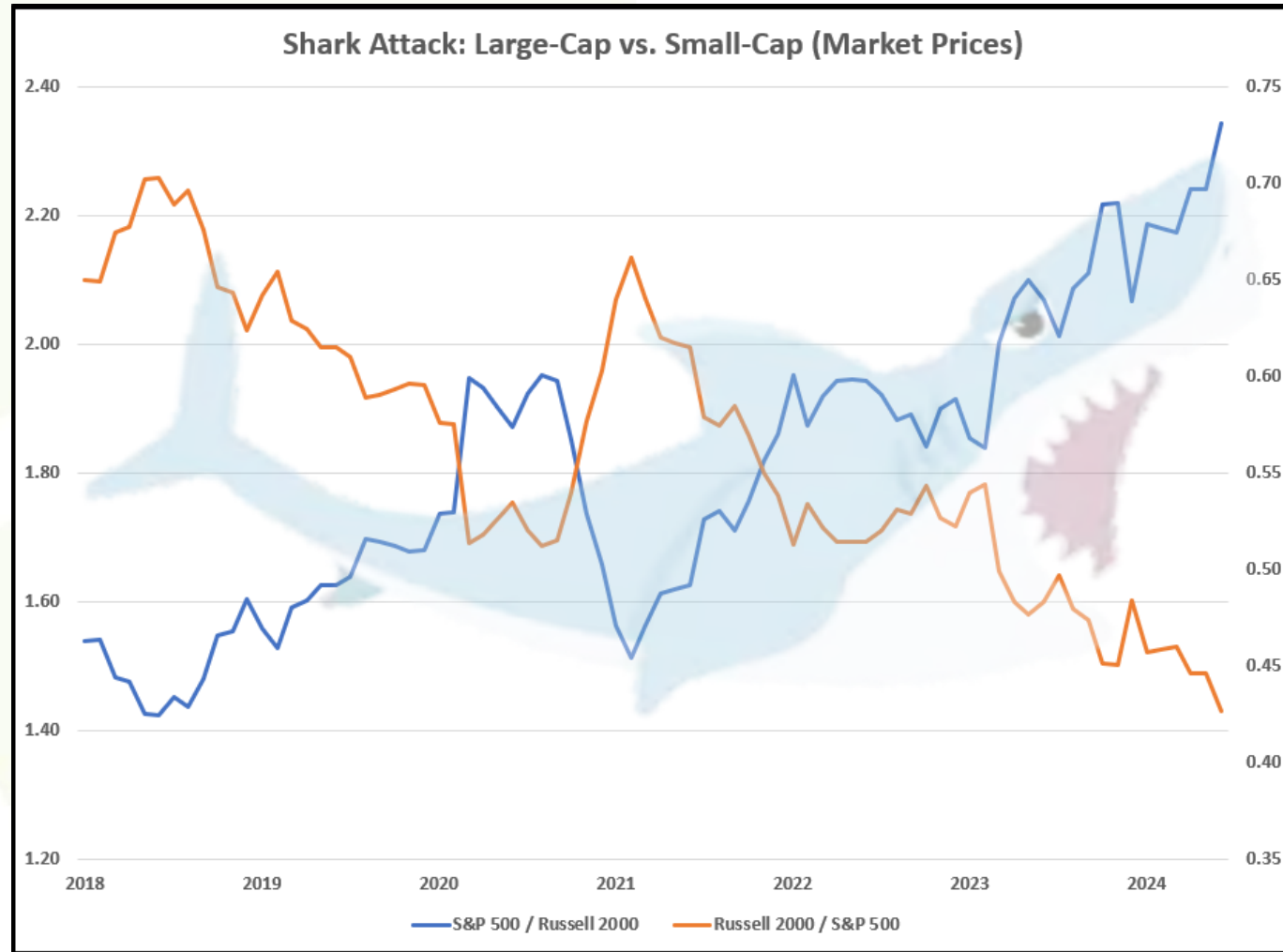
In USD. Data from CRSP and Compustat. Companies are sorted every January by beginning-of-month market capitalization to identify first-time entrants into the top 10.

The market is defined as the Fama/French Total US Market Research Index. The Fama/French indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. See "Index Description" for a description of the Fama/French index data.

Indices are not available for direct investment. The index has been included for comparative purposes only.



U.S. Stock Market – Large vs. Small



Source: Morningstar Direct as of 6/30/2024



International Stock Market

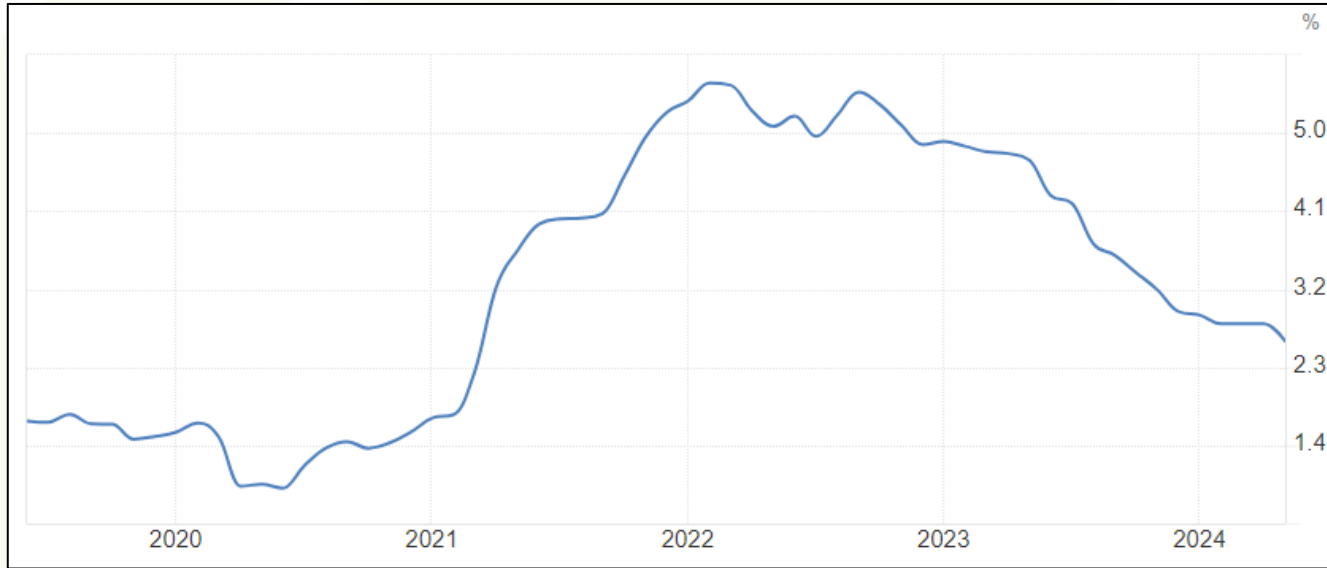
Year	U.S.	International	Difference	Who Won?
2002	-22.10	-14.67	-7.43	International
2003	28.68	41.41	-12.73	International
2004	10.88	21.36	-10.48	International
2005	4.91	17.11	-12.20	International
2006	15.79	27.16	-11.36	International
2007	5.49	17.12	-11.63	International
2008	-37.00	-45.24	8.24	U.S.
2009	26.46	42.14	-15.68	International
2010	15.06	11.60	3.46	U.S.
2011	2.11	-13.33	15.44	U.S.
2012	16.00	17.39	-1.39	International
2013	32.39	15.78	16.61	U.S.
2014	13.69	-3.44	17.12	U.S.
2015	1.38	-5.25	6.64	U.S.
2016	11.96	5.01	6.95	U.S.
2017	21.83	27.77	-5.94	International
2018	-4.38	-13.78	9.39	U.S.
2019	31.49	22.13	9.35	U.S.
2020	18.40	11.13	7.27	U.S.
2021	28.71	8.29	20.41	U.S.
2022	-18.11	-15.57	-2.54	International
2023	26.29	16.21	10.08	U.S.
Average	10.45	8.65	1.80	

Source: Morningstar Direct as of 6/30/24. U.S. represented by S&P 500 TR USD, International represented by MSCI ACWI Ex USA GR USD.



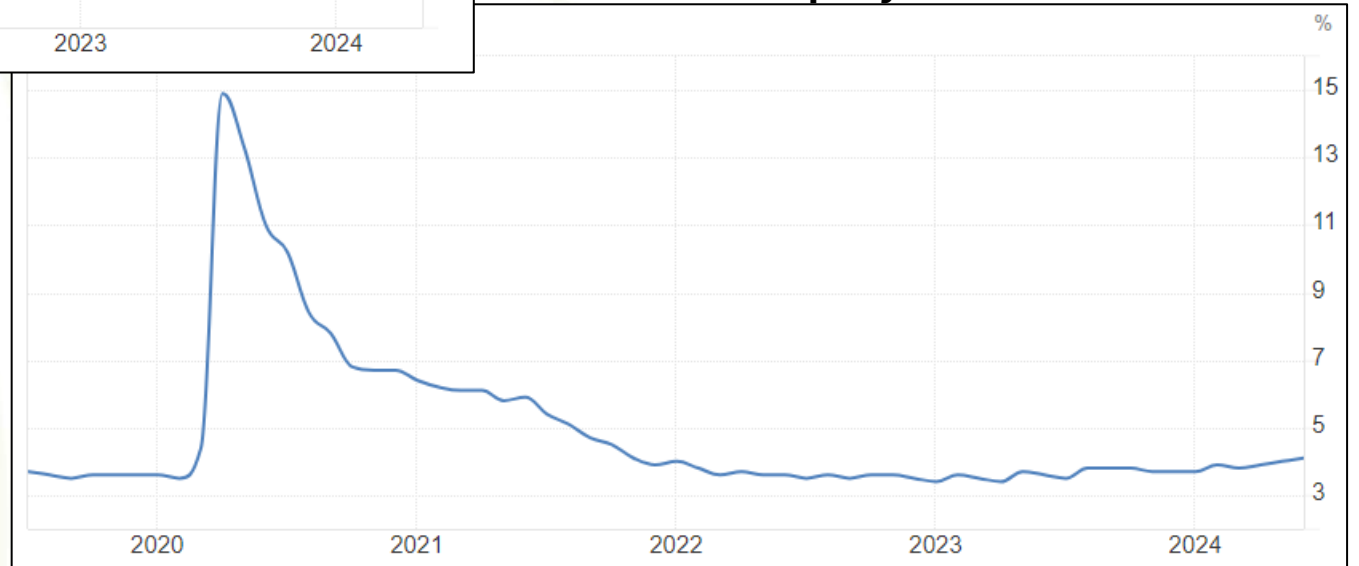
Monetary Policy

U.S. Core PCE Price Index



Source: Trading Economics. U.S. Bureau of Economic Analysis.

U.S. Unemployment Rate



Source: Trading Economics. U.S. Bureau of Labor Statistics.



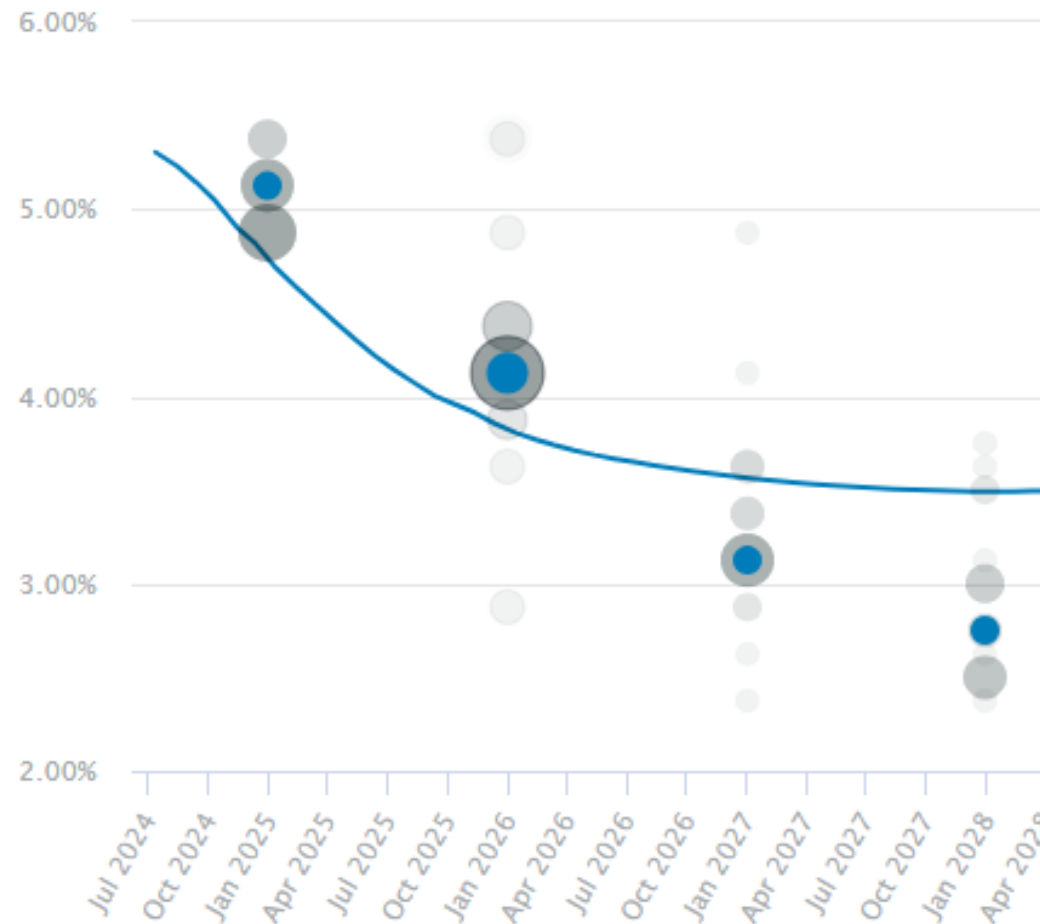
Interest Rates

Fed Funds Implied Rate: FOMC Projections vs. Market Expectations

Grey Dots: Fed Dot Plot Projections

Blue Dots: Fed Median Projections

Blue Line: Market-Implied 3-Month Term SOFR



Source: Chatham Financial as of 7/15/2024.

<https://www.chathamfinancial.com/technology/us-forward-curves>



U.S. Bond Market

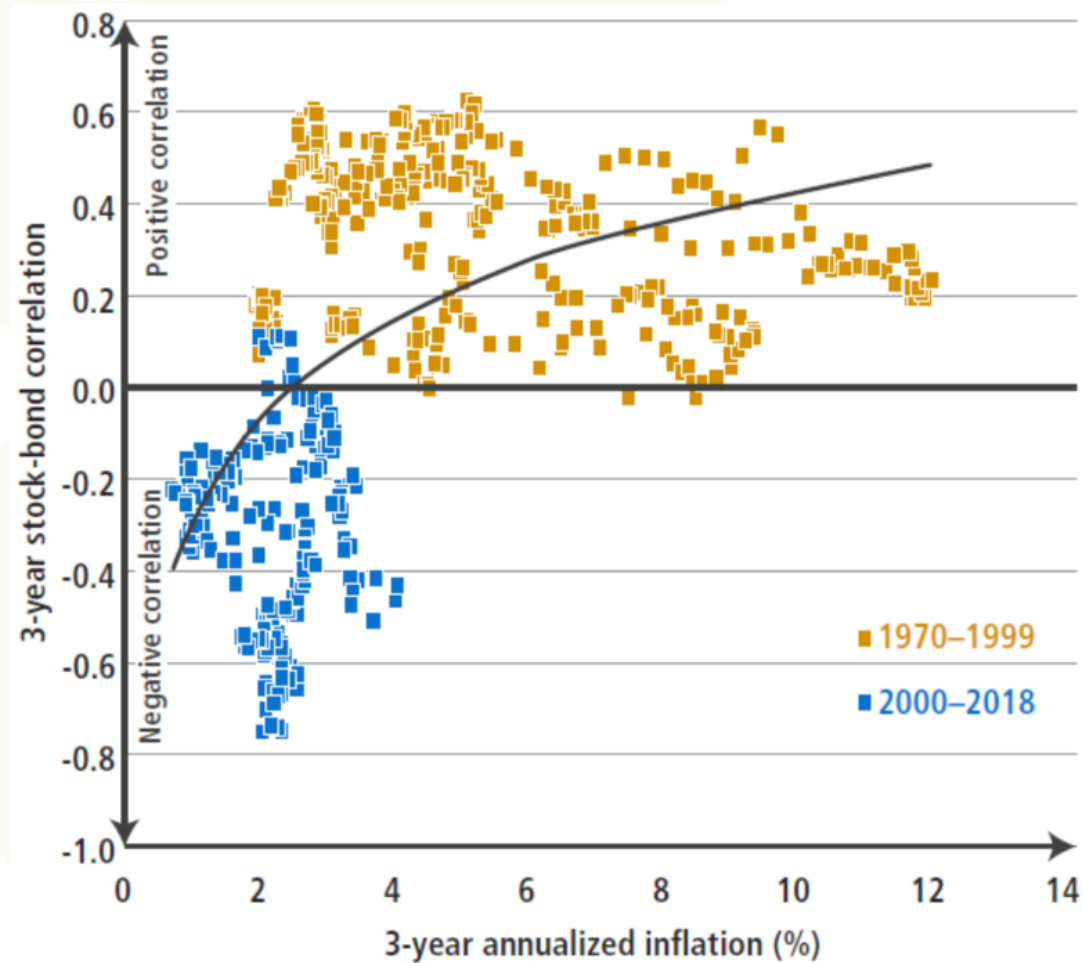
Bond Upside/Downside Total Return Analysis 1-Year Horizon (07/16/2024 - 07/16/2025)						
Security	Yield	Estimated Total Return - Target Horizon Yields				
		-100 Bps	-50 Bps	0 Bps	+50 Bps	+100 Bps
2-Year Treasury	4.45%	5.37%	4.92%	4.46%	4.02%	3.57%
5-Year Treasury	4.13%	7.71%	5.92%	4.14%	2.36%	0.67%
10-Year Treasury	4.22%	11.83%	7.98%	4.29%	0.76%	-2.63%

Source: Bloomberg (CVXA Function).



Is the 60/40 Dead?

U.S. Stock-Bond Correlations vs. Inflation Rate



Source: PIMCO, Haver Analytics and Federal Reserve Bank of New York as of 31 May 2018. Stocks represented by S&P 500, bonds represented by 10-year U.S. Treasuries, inflation represented by Consumer Price Index, All Items (CPI-U).

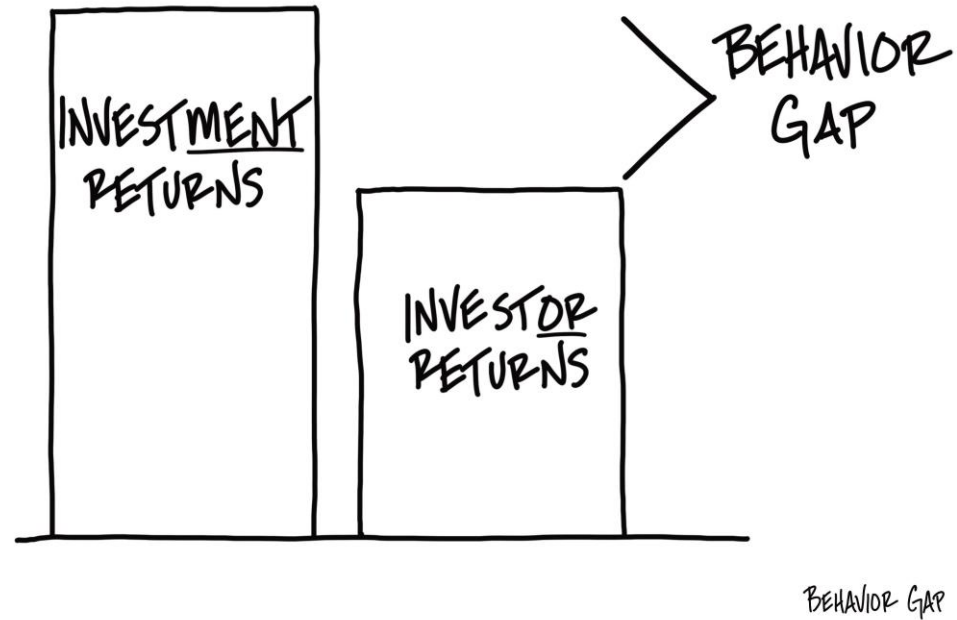




Investing for the Long-Term

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Bridge the Behavior Gap



Smooth Out Returns with Balanced Portfolios

Asset Class Returns

2009-2023		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Ann.	Vol.																
Large Cap 14.0%	Small Cap 21.9%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 15.3%
Small Cap 11.3%	REITs 21.2%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	EM Equity 7.7%
REITs 10.9%	EM Equity 20.3%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	DM Equity 5.7%
High Yield 8.6%	DM Equity 18.4%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	Asset Alloc. 5.5%
Asset Alloc. 8.1%	Comdty. 16.6%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	Comdty. 5.1%
DM Equity 7.4%	Large Cap 16.1%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	High Yield 3.2%
EM Equity 6.9%	High Yield 11.5%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 2.7%
Fixed Income 2.7%	Asset Alloc. 11.5%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	Small Cap 1.7%
Cash 0.8%	Fixed Income 4.5%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	Fixed Income -0.7%
Comdty. -0.2%	Cash 0.7%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	REITs -2.2%

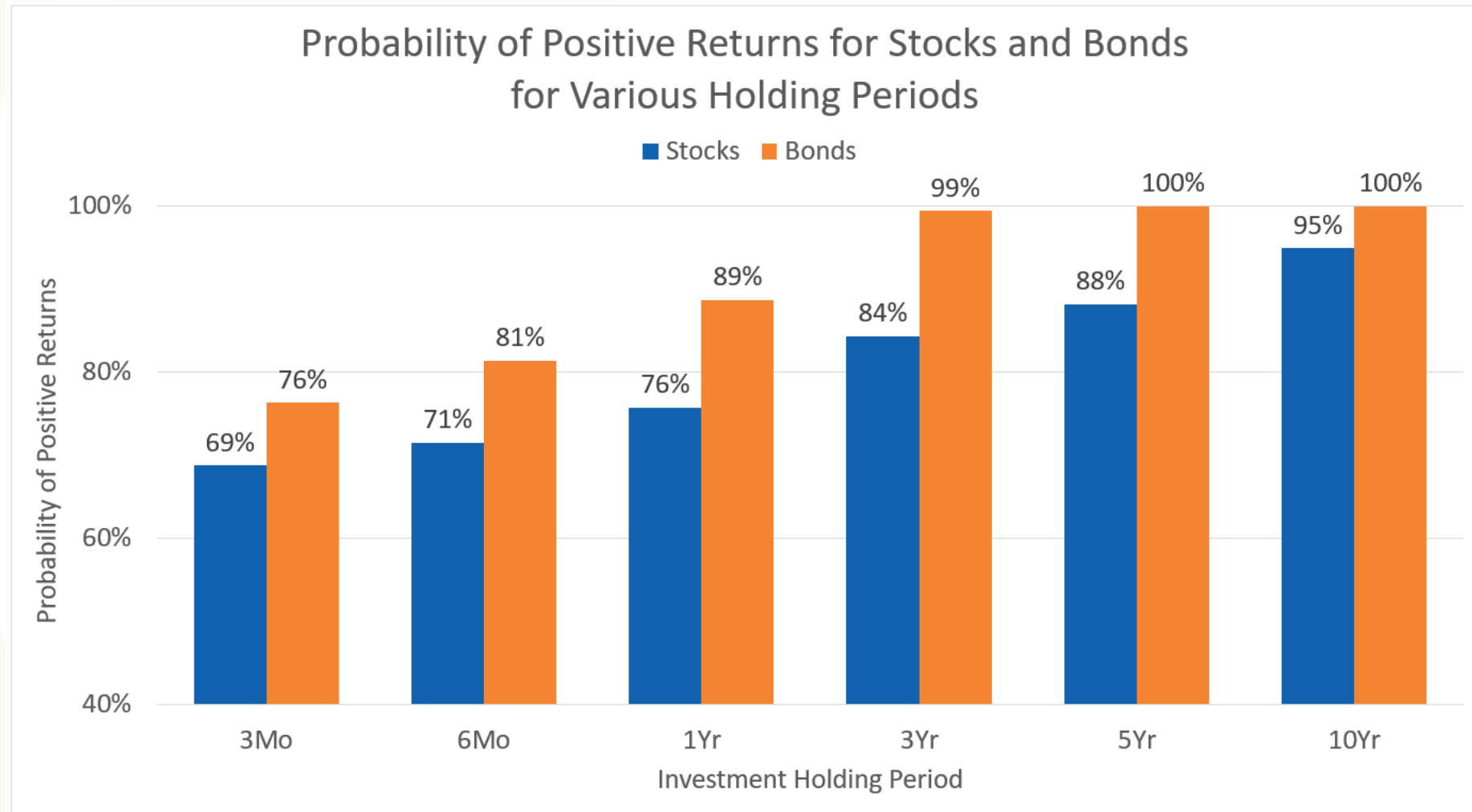
Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2023. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of June 30, 2024.



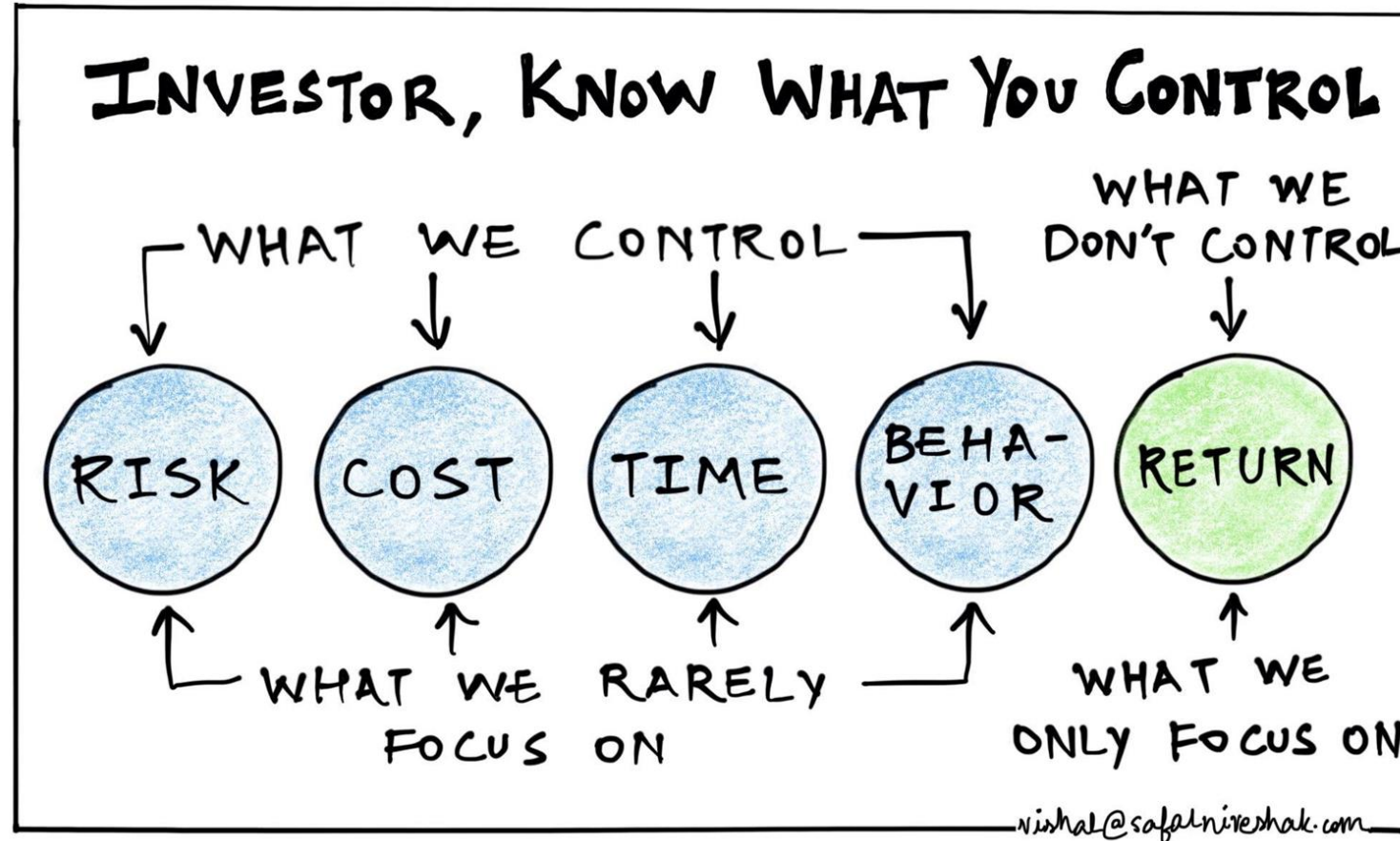
Perception vs. Reality ... Time vs. Probabilities



Source: Morningstar Direct utilizing IA SBBI US Large Stock TR USD Ext to represent Stocks and IA SBBI US IT Govt TR USD to represent Bonds between 12/31/1925 and 7/31/2022. Past performance is not indicative of future returns.



Maintain Focus on What You Can Control



Source: <https://www.safalniveshak.com/what-we-control/#more-33743>

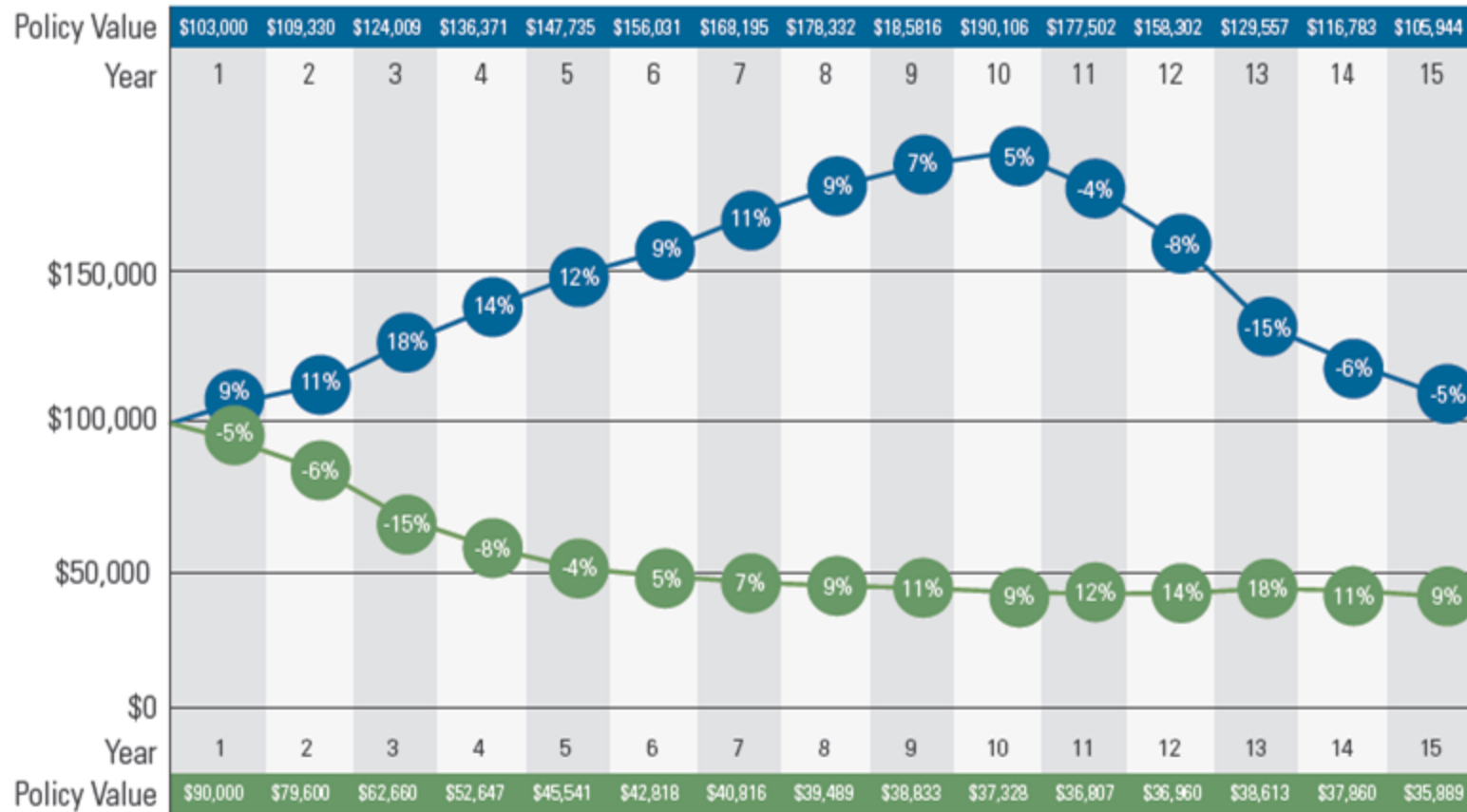




Diversification for Distributions

Sequence-of>Returns Risk

Investor Blue retires at the beginning of an up market



Investor Blue has **\$105,944** in year 15

Investor Green has **\$35,889** in year 15

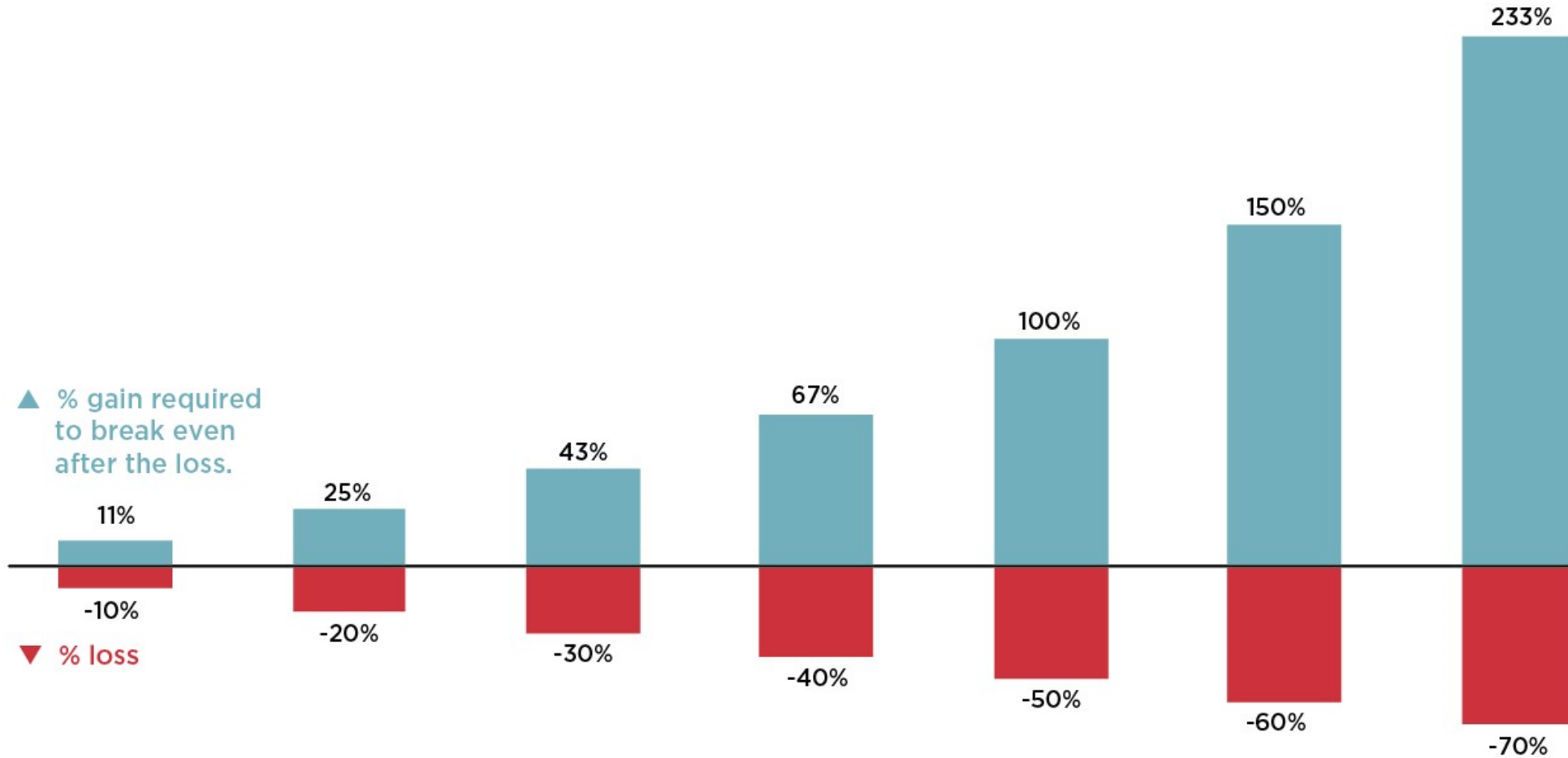
Investor Green retires at the beginning of a down market

Source: RetireOne. <https://retireone.com/sequence-of-returns-risk/>. Average annual return of 4% reflected for both investors. Annual withdrawals of \$5,000 are taken at the end of each year.



Break-Even Math

Percentage return required to fully recover from a loss



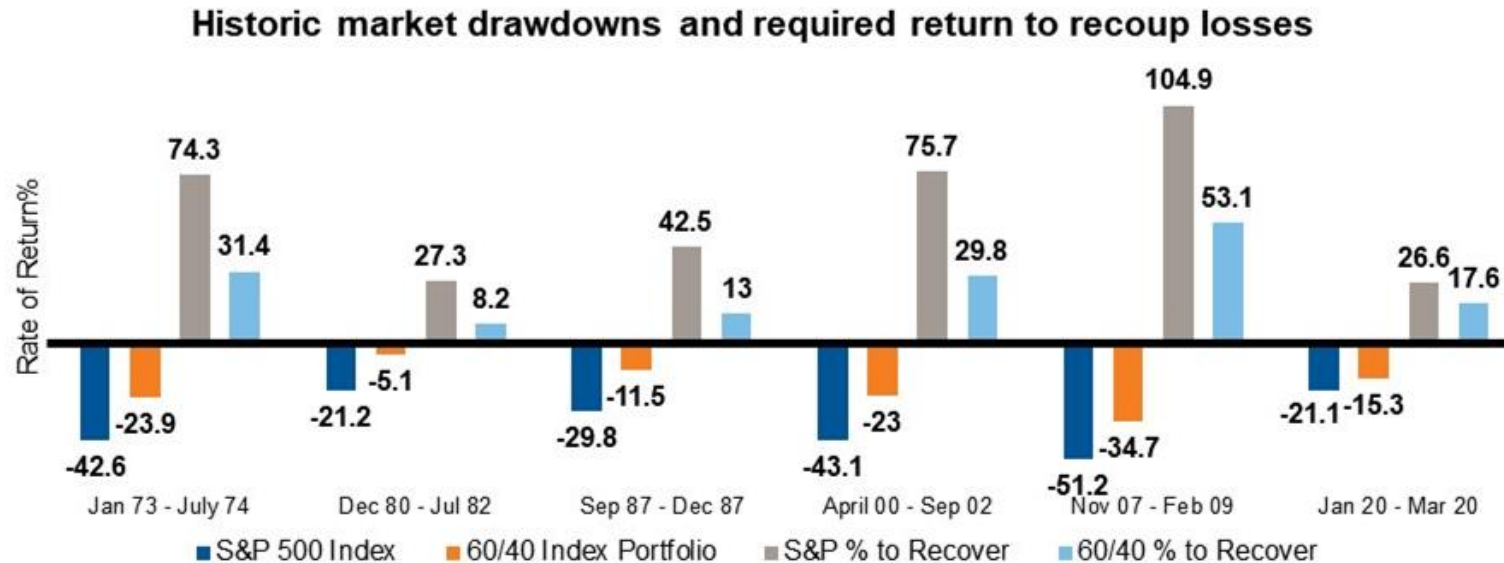
Source: Nationwide IMG Competitive Intelligence Team.
<https://blog.nationwidefinancial.com/markets-economy/capital-market-impact/break-even-math-how-much-gain-is-needed-to-recover-from-a-loss-fully>.



Diversification Benefits

Don't mistake the market for your portfolio

Diversification may mute the downside



- Equity drawdowns make the headlines
- Diversified portfolios soften the portfolio loss and reduce the climb back to pre-drawdown levels

Source: Russell Investments. <https://russellinvestments.com/us/blog/global-balanced-portfolio>. 60/40 Index Portfolio: 60% MSCI World Index/ 40% Bloomberg Aggregate Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.



Risk vs. Reward



Source: Vanguard. Notes: Data for U.S. stocks is from Standard & Poor's 90 from 1926–1957, S&P 500 Index from 1957–1974, Wilshire 5000 Index from 1975–2005, MSCI US Broad Market Index from 2005–2013, and CRSP US Total Market Index from 2013–2022. Data for U.S. bonds is from Standard & Poor's High Grade Corporate Index from 1926–1968, Citigroup High Grade Index from 1969–1972, Lehman Brothers U.S. Long Credit AA Index from 1973–1975, Bloomberg US Aggregate Bond Index from 1976–2009, and Bloomberg US Aggregate Float Adjusted Bond Index thereafter. **Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.**





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