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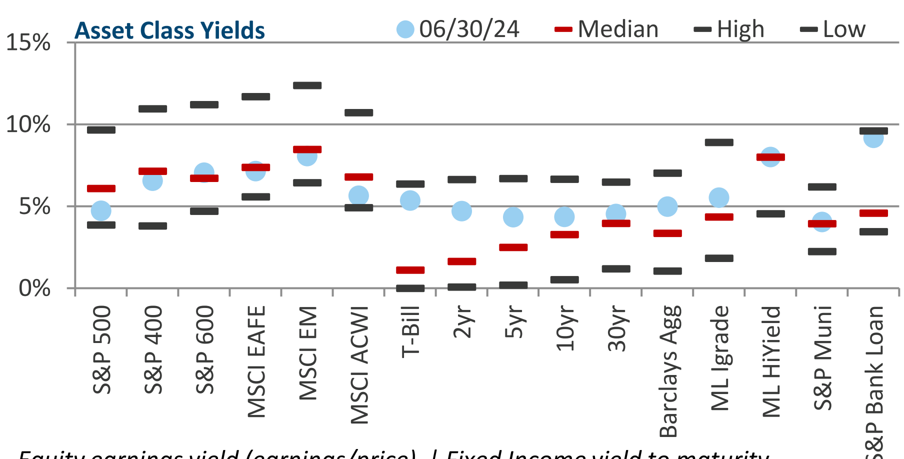
Major Asset Class Returns

Index	Q2'24	2024 ytd	2023
S&P 500	4%	15%	26%
S&P Mid Cap 400	-3%	6%	16%
Russell 2000	-3%	2%	17%
MSCI EAFE	0%	6%	19%
MSCI Emerging Markets	5%	8%	10%
MSCI All Country World	3%	12%	23%
T-Bill	1%	3%	5%
7-10yr Tsy	0%	-2%	4%
Barclays Aggregate	0%	-1%	6%
ML Investment Grade	0%	0%	8%
ML High Yield	1%	3%	13%
S&P Muni	0%	0%	6%
S&P Bank Loan	2%	4%	13%

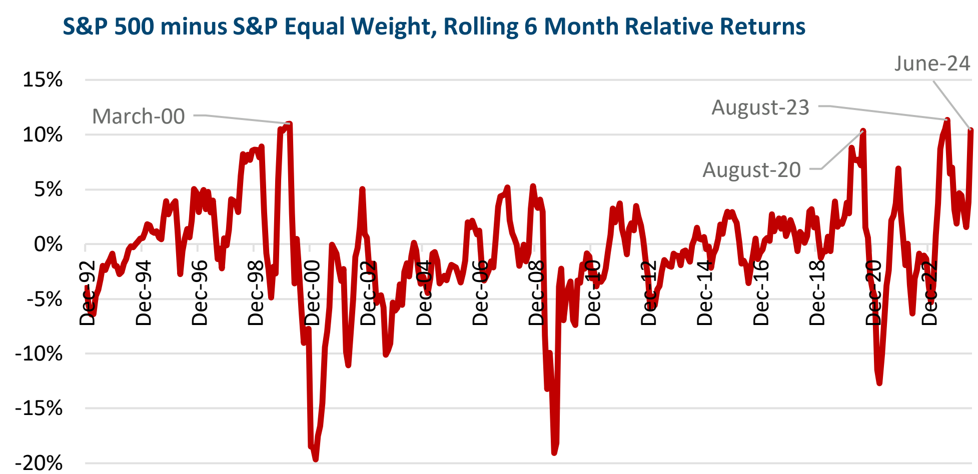
Overview: The S&P 500 (+4% Q2, +15% YTD) and MSCI EM (+5% Q2, +8% YTD) were higher in Q2, while the Russell 2000 (-3% Q2, +2% YTD) and MSCI EAFE (0% Q2, +6% YTD) were flat to lower. The MSCI ACWI (+3% Q2, +12% YTD) was higher, reflecting the underlying mix of indices. For Fixed Income, the 10yr yield was 4.37% versus 4.20% on 3/31/24 and 3.88% on 12/29/23, as rates continued higher. This kept duration sensitive asset classes such as the Bloomberg/Barclays Aggregate (0% Q2, -1% YTD), 7-10yr Treasury (0% Q2, -2% YTD), ML Igrade (0% Q2, 0% YTD), and S&P Muni (0% Q2, 0% YTD) flat to start the year. With more credit than duration, the ML High Yield (+1% Q2, +3% YTD) was up slightly, as were the low duration S&P Bank Loan Index (+2% Q2, +4% YTD) and T-Bills (+1% Q2, +3% YTD).

Asset Class Yields: As of the end of Q2'24, asset class yields (earnings yield for equities, yield to maturity for fixed income) for most equities are near average, except for the S&P 500, which is now near the low end of its range. For Fixed Income, short maturities (T-Bill through 5yr Treasury, Bank Loans) are well above average, while longer duration fixed income is back above average after yields rose in Q2'24.

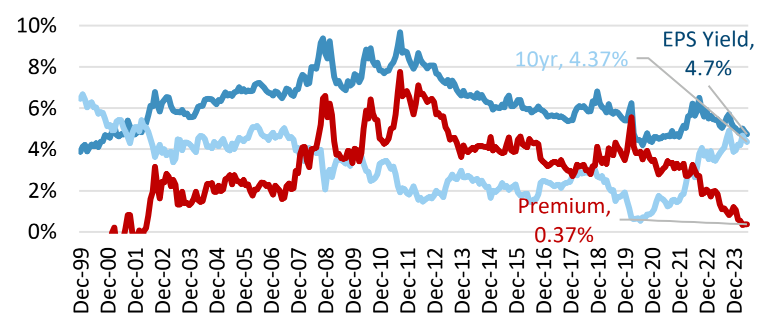
Can We Escape the Narrow Market? It remains the case that S&P 500 returns are highly concentrated in just a few large stocks, with the Mag7 accounting for 9% of the S&P 500's 14% YTD return, or 63%, and all of its Q2 return (the remaining 493 stocks in the S&P 500 were -1% in Q2). Even further, three stocks with market caps over $3 trillion, Apple, Microsoft and Nvidia, account for 21% of the S&P 500's market cap, 90% of its Q2 returns (3.5% of 4%) and nearly half (6% of 14%) of the YTD returns. Beyond anecdotes, this is evident by comparing the S&P 500 (which is capitalization weighted) to the Equal Weight (EW) S&P 500 (with the same members, but each has an equal 0.2% contribution). Looking at rolling 6 month returns in the chart below, the gap has only exceeded 10% on four occasions since 1992: March 2000 (peak of the dotcom bubble), August 2020 (peak of the covid work-from-home bubble), August 2023 and June 2024.



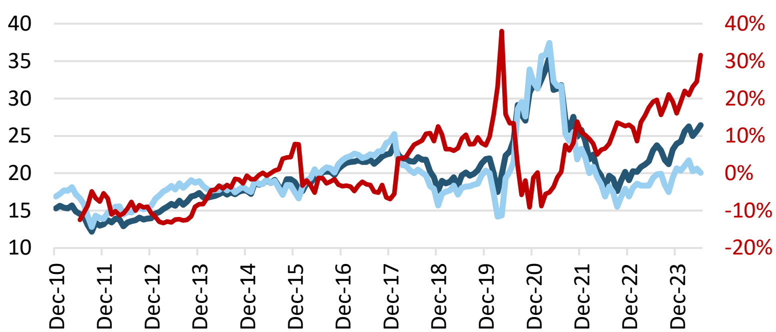
Equity earnings yield (earnings/price) | Fixed Income yield to maturity



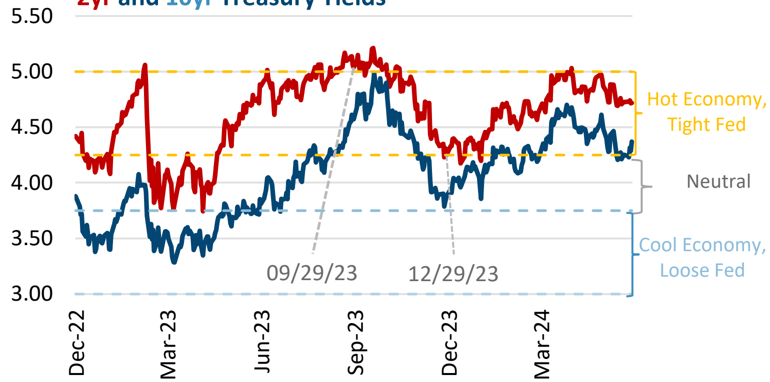
S&P 500 Forward Earnings Yield vs 10yr Tsy, 2000 to 2024



S&P 500 vs S&P Equal Weight PE Ratios and Premium



2yr and 10yr Treasury Yields



(Narrow Market, cont'd) There are three observations. First, all three prior cases were amidst periods of new technology excitement. Second, three of the four occasions over the past 30 years have been just in the past four years, a sign of how concentrated the market has become. Third, in all three of the prior cases the trend reversed and the Equal Weight outperformed.

Rising Rates and Rising Stocks Pressures the Equity Premium: The chart to the left shows the earnings yield on the S&P 500, the yield on the 10yr Treasury, and the difference between the two, known as the Equity Premium. A higher Equity Premium means stock investors are getting more compensation relative to bonds. From 2002 to 2007, prior to the Fed's QE interventions, a 1-3% Equity Premium was common. With both interest rates and the stock market higher thus far in 2024, the Equity Premium has declined to 0.37%, which makes stocks sensitive to interest rate changes.

Valuations are Higher at the Top of the Market: The S&P 500's rally has stretched its valuation, especially relative to the higher interest rate environment. However, just as with returns, higher valuations are also concentrated at the top of the market. The chart to the left shows the S&P 500 and S&P EW PE ratios, as well as the S&P 500's premium to the S&P EW (in red, on the right hand scale). Other than a brief distorted period around covid, the current gap of 26 versus 20, or 31%, is a record.

What Type of Economy and Fed Policy is Being Priced? Rather than speculate about Fed policy, we look at what type of economy and Fed policy is priced in the markets. Assuming 2% inflation and 2% trend growth (the Fed’s two long term assumptions), we get a 4% neutral interest rate, with a 50 bps 3.75% to 4.25% neutral range. Second, we look at the 2yr yield as a proxy for Fed policy, and the 10yr yield as a proxy for the economy. Based on where the 2yr is relative to our neutral range, we can gauge the market’s view of Fed policy, while the 10yr shows what type of economy the market is pricing.

The chart to the left shows these two rates, as well as an orange “Hot Economy, Tight Fed” range of 4.25% to 5.00%, and a blue “Cool Economy, Loose Fed” range of 3.00% to 3.75%. The two highlighted dates show how this thought process can be beneficial.

We have swung from 9/29/23, where a tight Fed and hot economy were priced, to 12/29/23, when the market had shifted all the way to forecasting 6 or 7 rate cuts and a slowing economy. The 10yr had dropped to 3.88%, the bottom of the neutral range. At these levels, for investors to be compensated it would require the economy to enter a recession.

Thus far in 2024, stronger inflation readings to start the year pushed the 10yr as high as 4.75% and the 2 year to 5% (suggesting no rate cuts) in April. Subsequently, cooler inflation data has seen the 10yr reach the upper end of the "Neutral" range of 4.25%, while the lower 2yr suggests the market are starting to price a looser Fed again.

As of 6/29/24, the 4.37% 10yr is in line with a "soft landing" scenario of slower growth and less inflation, but no recession. Its vulnerable to stronger data, which would push rates back towards 5%. Conversely, since a recession would push rates below 4%, bonds could deliver positive returns in such a scenario. Meanwhile, the 4.72% 2yr is in line with 1 or 2 2024 rate cuts, which is also a reasonable expectation. Combined, the bond market enters the second half of 2024 with a relatively balanced outlook.

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Equity Markets Summary

Headline Indices	Q2'24	2024 ytd	2023	Fwd PE*	Avg PE**	+/- avg
Dow	-1.3%	4.8%	16.2%			
Nasdaq	8.5%	18.6%	44.6%			
Russell 2000	-3.3%	1.7%	16.9%			
Asset Classes	**Q2'24**	**2024 ytd**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	4.3%	15.3%	26.3%	21.1	16.4	29%
S&P Mid Cap 400	-3.4%	6.2%	16.4%	15.2	13.9	9%
S&P Small Cap 600	-3.1%	-0.7%	16.1%	14.1	14.9	-5%
MSCI EAFE	-0.2%	5.7%	18.9%	14.0	13.5	3%
MSCI Emerging Markets	5.1%	7.7%	10.3%	12.4	11.8	5%
MSCI AC World	3.0%	11.6%	22.8%	17.7	14.7	20%
S&P 500 Sectors	**Q2'24**	**2024 ytd**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	0.6%	5.7%	42.4%	25.0	19.0	32%
Consumer Staples	1.4%	9.0%	0.5%	20.3	18.2	12%
Energy	-2.4%	10.9%	-1.3%	12.1	13.2	-9%
Financials	-2.0%	10.2%	12.1%	15.0	13.0	15%
Healthcare	-1.0%	7.8%	2.1%	19.3	16.1	20%
Industrials	-2.9%	7.8%	18.1%	20.6	16.5	25%
Technology	13.8%	28.2%	57.8%	30.3	17.8	71%
Materials	-4.5%	4.0%	12.5%	19.5	15.3	27%
Communication Services	9.4%	26.7%	55.8%	19.4	17.8	9%
Utilities	4.7%	9.4%	-7.1%	16.4	14.9	10%
Growth vs Value	**Q2'24**	**2024 ytd**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	9.6%	23.6%	30.0%	28.4	18.8	51%
S&P Value	-2.1%	5.8%	22.2%	15.6	13.4	16%
International	**Q2'24**	**2024 ytd**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	-2.0%	5.8%	23.9%	12.6	12.5	1%
Germany (DAX)	-1.4%	8.9%	20.3%	12.1	12.6	-4%
UK (FTSE)	2.7%	5.6%	3.8%			
Japan (Nikkei)	-1.8%	19.3%	31.0%			
MSCI Asia Pac xJapan	6.4%	8.6%	7.7%	15.0	14.5	4%
S. Korea (KOSPI)	1.9%	5.4%	18.7%	15.0	18.4	-18%
India (Sensex)	8.0%	10.2%	20.3%			
China (Shenzhen)	-7.4%	-12.0%	-7.0%	10.4	10.0	4%
S&P Latin America 40	-10.1%	-12.0%	34.0%	7.7	11.2	-31%
Brazil (Bovespa)	-3.3%	-7.7%	22.3%	7.3	10.3	-29%
Mexico	-7.3%	-7.2%	22.7%	12.0	14.3	-16%

Asset Classes: Equities were mixed in Q2'24. The S&P 500 (+4.3% Q2, +15.3% YTD) and the MSCI EM (+5.1% Q2, +7.7% YTD) were higher, while the Russell 2000 (-3.3% Q2, +1.7% YTD), the MSCI EAFE (-0.2% Q2, +5.7% YTD) were flat to down. The global MSCI ACWI (+3.0% Q2, +11.6% YTD) was higher overall.
The tech-driven NASDAQ (+8.5% Q2, +18.6% YTD) outpaced the traditional Dow Jones (-1.3% Q2, +4.8% YTD).
Valuations (based on forward PE vs their 20yr average) for the S&P 500 are 30% above average, while the rest are around average, with the S&P 600 the lowest (5% below). While performance has been concentrated in the top market cap stocks, so too are the above average valuations.

S&P Sectors: Sector performance was concentrated in Q2, as Communications (+9% Q2, +27% YTD) and Technology (+14% Q2, +28% YTD) far outpaced Staples (+1% Q2, +9% YTD) and Utilities (+5% Q2, +9% YTD). Energy (-2% Q2, +11% YTD), Financials (-2% Q2, +10% YTD), Industrials (-3% Q2, +8% YTD) and Healthcare (-1% Q2, +8% YTD) were lower during Q2. Meanwhile, Discretionary (+1% Q2, +6% YTD) was weighed on by Tesla.
Another sign of the concentrated market creating concentrated valuation issues is the Technology sector's forward PE of 30, a 71% premium to its average.

Growth vs Value: The combination of technology and cyclical enthusiasm allowed Growth (+10% Q2, +24% YTD) to outperform Value (-2% Q2, +6% YTD). As a result of this outperformance, Growth's PE is at a higher premium to its average than Value, at 51% versus 16%.

Global Markets: Globally, markets were mixed in Q2. Europe (-2% Q2, +6% YTD) and Japan (-2% Q2, +19% YTD) reflected a Q2 reversal from a positive Q1 for the EAFE region. Emerging Markets were mixed, with China (-7% Q2, -12% YTD) and the regional S&P Latin America Index (-10% Q2, -12% YTD) lower, while Asia outside of China was higher, with India (+8% Q2, +10% YTD) and Asia xJapan (+6% Q2, +9% YTD) higher.

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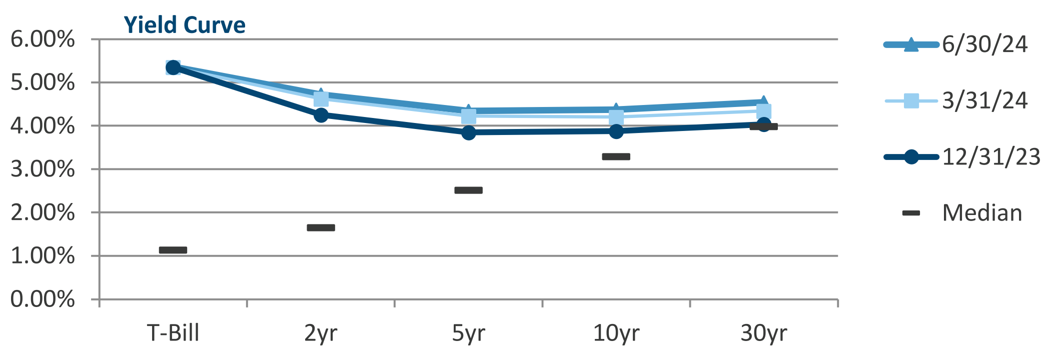
Fixed Income Markets Summary

Headline Indices	Q2'24	2024 ytd	2023	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	0.1%	-0.7%	5.5%	5.00%	0.63%	0.39%	0.24%
ML Investment Grade	0.1%	0.0%	8.4%	5.55%	1.18%	1.18%	0.00%
ML High Yield	1.1%	2.6%	13.4%	8.02%	3.65%	4.67%	-1.02%
S&P Nat'l Muni	0.2%	-0.3%	6.2%	4.05%	-0.32%	0.75%	-1.07%
S&P Leveraged Loan	2.1%	4.1%	13.2%	9.19%	3.83%	3.87%	-0.04%
T-Bill	1.3%	2.7%	5.1%				
NYMEX 7-10yr Tsy	-0.2%	-1.6%	3.6%				
Treasury Yields	**6/30/24**	**3/31/24**	**12/31/23**			**Avg***	**+/- avg**
T-Bill	5.36%	5.35%	5.35%			1.13%	4.23%
2yr	4.72%	4.62%	4.25%			1.66%	3.06%
5yr	4.34%	4.22%	3.85%			2.52%	1.82%
10yr	4.37%	4.20%	3.88%			3.29%	1.08%
30yr	4.54%	4.34%	4.03%			3.99%	0.55%
10yr Sovereign Yields	**6/30/24**	**3/31/24**	**12/31/23**			**Avg***	**+/- avg**
US	4.37%	4.20%	3.88%			2.43%	1.94%
Germany	2.47%	2.30%	2.00%			1.31%	1.16%
Japan	1.06%	0.72%	0.61%			0.26%	0.80%
UK	4.15%	3.94%	3.53%			2.02%	2.12%
France	3.26%	2.80%	2.53%			2.25%	1.01%
Spain	3.38%	3.15%	2.95%			2.95%	0.43%
Italy	4.07%	3.66%	3.74%			3.74%	0.32%
China	2.21%	2.32%	2.57%			3.26%	-1.05%
Brazil	12.44%	11.22%	10.46%			11.02%	1.43%
Mexico	9.89%	9.27%	8.95%			7.56%	2.33%



Asset Classes: The bond market was mixed in Q2'24 as higher interest rates limited gains, as shown by the returns of the Bloomberg Barclays Aggregate Bond Index (0% Q2, -1% YTD).

Duration: The primary driver of fixed income performance was duration as interest rates rose, which was evident in the Treasury market as the longer duration 7-10 yr Treasury Index (0% Q2, -2% YTD) declined, while the near zero duration 90-day T-Bill (+1% Q2, +3% YTD) rose.

Credit: Economic optimism was the key factor pushing interest rates up, and while that hurt duration, it supported credit. The ML High Yield index (+1% Q2, +3% YTD) benefited from high credit exposure offsetting its duration, while the low duration S&P Leveraged Loan Index (+2% Q2, +4% YTD) was the leading fixed income sector. With more balanced exposures to duration and credit, the ML Investment Grade Index (0% Q2, 0% YTD) and S&P Nat'l Muni Index (0% Q2, 0% YTD) were flat. Across the credit spectrum, spreads are at or below average, which leaves less of a cushion if the economic backdrop should deteriorate.

Treasury Yields: The resilience of the US economy boosted interest rates, with the 10yr Treasury yield rising from 3.88% at year end to 4.37% as of 6/30/24, reaching as high as 4.75% on 4/25/24, though still below its 4.99% peak on 10/19/23.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. While the 10yr was up 17 bps in Q2 to 4.37%, and up 49 bps YTD, the T-Bill was flat at 5.36%, reflecting the Fed's holding steady so far in 2024. The best reflection of expected Fed policy is the 2yr Treasury, and it has moved significantly in 2024 thus far, rising 10 bps to 4.72% in Q2, and 48 bps ytd, as the market backtracked on its hopes for an aggressive rate cut campaign from the Fed.

Global Rates: Globally, interest rates followed the US higher, with the German 10yr yield rising 17 bps to 2.47% in Q2, and now up 47 bps YTD. Even the Japanese 10yr has made it over 1%, to 1.06%, up 45 bps YTD.

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Major Economic Indicators and Consensus Forecasts

	2024/2025 Average Forecast				Actual		
	12m ch	Jun-24	Mar-24	Jun-23	Dec-23	Avg*	+/- avg
US GDP	0.80	2.10	1.90	1.30	3.50	2.73	0.77
EU GDP	-0.25	1.05	0.95	1.30	0.47	2.06	-1.59
Japan GDP	-0.30	0.70	0.85	1.00	0.78	1.44	-0.67
UK GDP	-0.15	0.95	0.75	1.10	0.47	2.65	-2.19
China GDP	-0.13	4.65	4.45	4.78	14.71	17.92	-3.20
US CPI	0.63	3.10	2.70	2.48	3.56	2.57	0.99
EU CPI	-0.03	2.60	2.38	2.63	3.36	1.88	1.48
Japan CPI	0.54	2.19	1.88	1.65	3.07	0.70	2.37
China CPI	-1.03	1.15	1.30	2.18	-0.29	1.89	-2.18
US UnN	-0.50	4.00	4.05	4.50	3.80	4.00	-0.20
EU UnN	-0.10	6.55	6.68	6.65	6.50	7.70	-1.20
Japan UnN	0.10	2.40	2.40	2.30	2.60	2.60	0.00
UK UnN	0.05	4.48	4.50	4.43	4.00	4.20	-0.20
China UnN	0.50	5.10	5.10	4.60	5.10	5.10	0.00

Foreign Exchange		Q2'24	2024 ytd	2023	2022	2021	2020
Euro		-1%	-3%	4%	-6%	-7%	9%
Yen (Japan)		-6%	-12%	-6%	-13%	-10%	5%
Pound (UK)		0%	-1%	6%	-11%	-1%	3%
Yuan (China)		-1%	-2%	-2%	-8%	3%	7%
Won (S. Korea)		-2%	-6%	-2%	-6%	-9%	6%
Real (Brazil)		-10%	-13%	9%	5%	-7%	-23%
Peso (Mexico)		-9%	-7%	15%	5%	-3%	-5%
Commodities		**Q2'24**	**2024 ytd**	**2023**	**2022**	**2021**	**2020**
Oil	$82	-3%	13%	-10%	6%	56%	-21%
Gold	$2,331	5%	12%	15%	0%	-4%	25%
Copper	$4.39	10%	13%	2%	-15%	27%	26%

GDP: Shifting economic forecasts show how market expectations have changed in the past year. Compared to June 2023, the 2024/2025 blended US GDP growth has risen from 1.30% to 2.10%, a reflection of the solid economic data in 2023 and fading recession expectations. Globally, however, most GDPs have drifted lower. One catch on all this is that 2024 and 2025 GDP forecasts have came down, as 2023 growth expectations rose from recession levels at the start of 2023. But this is also a legitimate message, as the improved 2023 outcome buoyed 2023 markets. For good equity returns to continue, growth expectations need to be maintained. Thus far in 2024, growth forecasts have been relatively flat, and so too have the markets.

CPI: The year over year rise in inflation expectations contributed to tighter central bank policy. For the US, on a year over year basis, the CPI forecast has moved up from 2.48% to 3.10%. With inflation forecasts still drifting up, it has limited the Fed's ability to start cutting interest rates. EU inflation expectations, meanwhile, have been flat over the past 12 months, and that is part of why the ECB made its first 25 bps rate cut during Q2.

Unemployment: Unemployment forecasts have come down, from 4.5% versus 4.0% twelve months ago in the US, but just 5 bps in the past three. This drop in unemployment expectations is one sign of the strength of the economy over the past twelve months, but also shows the recent slowdown.

Foreign Exchange: Most major currencies fell versus the dollar in Q2'24 and YTD, as rising interest rates in the US spurred demand for the dollar relative currencies. The notable move is the yen's 12% decline thus far in 2024, on par with the Brazilian Real (-13%).

Commodities: Oil ticked lower in Q2'24, from $84 to $82/bbl, or 3%, although is still up 13% for the year. Since the start of 2023 (after the Russian invasion of Ukraine in 2022), oil has been in a $65 to $95 trading range, ebbing and flowing based on market sentiment on the global economy. With economic optimism steady in Q2, so too was oil. Gold rose 5% in Q2'24 and is now 12% higher on the year, as the prospect of rate cuts from the Fed spurred interest in the inflation hedge. Finally, copper is also 13% higher on the year, suggesting economic optimism remains.

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Index Returns | 2007 to Present

	Q2'24	2024 ytd	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Dow	-1.3%	4.8%	16.2%	-6.9%	20.9%	9.7%	25.3%	-3.5%	28.1%	16.5%	0.2%	10.0%	29.7%	10.2%	8.4%	14.1%	22.7%	-31.9%
Nasdaq	8.3%	18.1%	43.4%	-33.1%	21.4%	43.6%	35.2%	-3.9%	28.2%	7.5%	5.7%	13.4%	38.3%	15.9%	-1.8%	16.9%	43.9%	-40.5%
Russell 2000	-3.3%	1.7%	16.9%	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%
S&P 500	4.3%	15.3%	26.3%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%
S&P Mid Cap 400	-3.4%	6.2%	16.4%	-13.1%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%
S&P Small Cap 600	-3.1%	-0.7%	16.1%	-16.1%	26.8%	11.3%	22.8%	-8.5%	13.2%	26.6%	-2.0%	5.8%	41.3%	16.3%	1.0%	26.3%	25.6%	-31.1%
MSCI EAFE	-0.2%	5.7%	18.9%	-14.0%	11.8%	8.3%	22.7%	-13.4%	25.6%	1.5%	-0.4%	-4.5%	23.3%	17.9%	-11.7%	8.2%	32.5%	-43.1%
MSCI Emerging Markets	5.1%	7.7%	10.3%	-19.7%	-2.2%	18.7%	18.9%	-14.2%	37.8%	11.6%	-14.6%	-1.8%	-2.3%	18.6%	-18.2%	19.2%	79.0%	-53.2%
MSCI All Country World	3.0%	11.6%	22.8%	-18.0%	19.0%	16.8%	27.3%	-8.9%	24.6%	8.5%	-1.8%	4.7%	23.4%	16.8%	-6.9%	13.2%	35.4%	-41.8%
S&P Growth	9.6%	23.6%	30.0%	-29.4%	32.0%	33.5%	31.1%	0.0%	27.4%	6.9%	5.5%	14.9%	32.8%	14.6%	4.7%	15.1%	31.6%	-34.9%
S&P Value	-2.1%	5.8%	22.2%	-5.2%	24.9%	1.4%	31.9%	-9.0%	15.4%	17.4%	-3.1%	12.4%	32.0%	17.7%	-0.5%	15.1%	21.2%	-39.2%
Barclays Aggregate Bond	0.1%	-0.7%	5.5%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%
ML Investment Grade	0.1%	0.0%	8.4%	-15.4%	-1.0%	9.8%	14.2%	-2.2%	6.5%	6.0%	-0.6%	7.5%	-1.5%	10.4%	7.5%	9.5%	19.8%	-6.8%
ML High Yield	1.1%	2.6%	13.4%	-11.2%	5.4%	6.2%	14.4%	-2.3%	7.5%	17.5%	-4.6%	2.5%	7.4%	15.6%	4.4%	15.2%	57.5%	-26.4%
S&P Nat'l Muni	0.2%	-0.3%	6.2%	-8.1%	1.6%	4.9%	7.4%	1.0%	5.1%	0.4%	3.3%	8.9%	-3.3%	6.5%	11.2%	2.0%	12.2%	-2.8%
S&P Leveraged Loan	2.1%	4.1%	13.2%	-0.7%	3.5%	2.8%	10.7%	-0.6%	3.3%	10.9%	-2.8%	1.0%	5.0%	10.5%	0.6%	9.7%	52.2%	-28.2%
T-Bill	1.3%	2.7%	5.1%	1.5%	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%		0.1%	0.1%	
7-10yr Tsy	-0.2%	-1.6%	3.6%	-14.9%	-3.1%	10.0%	8.5%	0.9%	2.6%	1.1%	1.6%	9.0%	-6.0%	4.2%	15.6%	9.4%	-6.0%	18.0%

International	Q2'24	2024 ytd	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
MSCI Eurozone	-2.0%	5.8%	23.9%	-17.2%	14.3%	8.5%	24.2%	-16.2%	29.0%	2.2%	-0.8%	-7.7%	30.0%	22.5%	-16.9%	-3.4%	32.8%	-47.1%
Germany (DAX)	-1.4%	8.9%	20.3%	-12.3%	15.8%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%	-40.4%
UK (FTSE)	2.7%	5.6%	3.8%	0.9%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%	-31.3%
Japan (Nikkei)	-1.9%	18.3%	28.2%	-9.4%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%	-42.1%
MSCI Asia Pac xJapan	6.4%	8.6%	7.7%	-17.2%	-2.7%	22.8%	19.5%	-13.7%	37.3%	7.1%	-9.1%	3.1%	3.7%	22.6%	-15.4%	18.4%	73.7%	-51.6%
S. Korea (KOSPI)	1.9%	5.4%	18.7%	-24.9%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%	-40.7%
India (Sensex)	8.0%	10.2%	20.3%	5.8%	23.2%	17.2%	15.7%	7.2%	29.6%	3.5%	-3.7%	31.9%	10.7%	28.0%	-23.6%	19.1%	83.3%	-51.8%
China (Shenzhen)	-7.4%	-12.0%	-7.0%	-21.9%	8.6%	35.2%	36.0%	-33.3%	-3.6%	-14.7%	63.4%	33.9%	20.0%	1.4%	-32.9%	7.1%	116.9%	-61.8%
S&P Latin America 40	-10.1%	-12.0%	34.0%	11.4%	-12.7%	-11.3%	13.9%	-6.0%	26.9%	32.5%	-30.9%	-11.1%	-12.3%	6.4%	-18.3%	16.7%	97.1%	-49.4%
Brazil (Bovespa)	-3.3%	-7.7%	22.3%	4.7%	-11.9%	2.9%	31.6%	15.0%	26.9%	38.9%	-13.3%	-2.9%	-15.5%	7.4%	-18.1%	1.0%	82.7%	-41.2%
Mexico	-8.6%	-8.6%	18.4%	-9.0%	20.9%	1.2%	4.6%	-15.6%	8.1%	6.2%	-0.4%	1.0%	-2.2%	17.9%	-3.8%	20.0%	43.5%	-24.2%

S&P 500 Sectors	Q2'24	2024 ytd	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Consumer Discretionary	0.6%	5.7%	42.4%	-37.0%	24.4%	33.3%	27.9%	0.8%	23.0%	6.0%	10.1%	9.7%	43.1%	23.9%	6.1%	27.7%	41.3%	-33.5%
Consumer Staples	1.4%	9.0%	0.5%	-0.6%	18.6%	10.7%	27.6%	-8.4%	13.5%	5.4%	6.6%	16.0%	26.1%	10.8%	14.0%	14.1%	14.9%	-15.4%
Energy	-2.4%	10.9%	-1.3%	65.7%	54.6%	-33.7%	11.8%	-18.1%	-1.0%	27.4%	-21.1%	-7.8%	25.1%	4.6%	4.7%	20.5%	13.8%	-34.9%
Financials	-2.0%	10.2%	12.1%	-10.5%	35.0%	-1.7%	32.1%	-13.0%	22.2%	22.8%	-1.5%	15.2%	35.6%	28.8%	-17.1%	12.1%	17.2%	-55.3%
Healthcare	-1.0%	7.8%	2.1%	-2.0%	26.1%	13.4%	20.8%	6.5%	22.1%	-2.7%	6.9%	25.3%	41.5%	17.9%	12.7%	2.9%	19.7%	-22.8%
Industrials	-2.9%	7.8%	18.1%	-5.5%	21.1%	11.1%	29.4%	-13.3%	21.0%	18.9%	-2.5%	9.8%	40.7%	15.3%	-0.6%	26.7%	20.9%	-39.9%
Technology	13.8%	28.2%	57.8%	-28.2%	34.5%	43.9%	50.3%	-0.3%	38.8%	13.8%	5.9%	20.1%	28.4%	14.8%	2.4%	10.2%	61.7%	-43.1%
Materials	-4.5%	4.0%	12.5%	-12.3%	27.3%	20.7%	24.6%	-14.7%	23.8%	16.7%	-8.4%	6.9%	25.6%	15.0%	-9.8%	22.2%	48.6%	-45.7%
Telecom	9.4%	26.7%	55.8%	-39.9%	21.6%	23.6%	32.7%	-12.5%	-1.3%	23.5%	3.4%	3.0%	11.5%	18.3%	6.3%	19.0%	8.9%	-30.5%
Utilities	4.7%	9.4%	-7.1%	1.6%	17.7%	0.5%	26.3%	4.1%	12.1%	16.3%	-4.8%	29.0%	13.2%	1.3%	19.9%	5.5%	11.9%	-29.0%

Blue to orange represents best to worst return for each period. Index data is total teturn.

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Index	Description
Equity	
S&P 500	Large US companies ($10b+ market cap)
S&P Mid Cap 400	Medium US companies ($5-10b market cap)
Russell 2000, S&P Small Cap 600	Small US companies (<$10b market cap)
MSCI Europe Australia Far East	Foreign Developed. Returns are in US$
MSCI Emerging Markets	Emerging Markets. Returns are in US$
Fixed Income	
Barclays Aggregate	Represents the entire US bond market
S&P 3mo Tbill	Short term Treasury Bills
Barclays 7-10yr Tsy	Ten Year Treasury Bonds
Barclays 10yr TIPS	Treasury Inflation Protected Securities
S&P Nat'l Muni	Municipal Bonds
BofA/ML Corp	Investment Grade (Higher Credit Quality) Corporate Bonds
BofA/ML High Yield	High Yield (Lower Credit Quality) Corporate Bonds
S&P Leveraged Loan 100	Floating Rate Bank Loans
BofA / ML EM Debt	Emerging Market Debt
Alternatives	
HFRI Fund of Funds	Represents the entire hedge fund universe

GRIMES AND COMPANY

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The information contained herein is based upon sources believed to be true and accurate. Sources include: Factset Research Systems Inc., Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Board of Governors of Federal Reserve System, Fred: Federal Reserve Bank of St. Louis Economic Research, U.S. Department of the Treasury

-The Standard & Poor’s 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor’s 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor’s 600 is a market capitalization weighted index of 600 small cap domestic stocks.
-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.
-The MSCI EAFE Index (Europe, Australasia, Far East) 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 Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.
-The Barlcays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.
-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.
-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.
-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.
-The BofA Merrill Lynch US Emerging Markets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.
-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.