FINANCIAL MARKETS HIGHLIGHTS

Second Quarter 2024

The S&P 500 index of large and mega-sized U.S. stocks gained 4.3% during the second quarter, bringing its year-to-date gain to 15.3%, the best start to an election year on record. Artificial intelligence themes continued to dominate the news cycle, as Nvidia earned (and lost) the title of world's most valuable company during June. Mega-sized technology stocks continue to be responsible for most of the market's gains. The S&P 500 Technology sector finished the quarter up 13.8% and the S&P Communication Services sector (which is ~46% Meta and Alphabet) gained 9.4%. Of the remaining eight S&P sectors, five were down during the quarter. Another indicator of the continued narrow market leadership - the market-capitalization weighted SPDR S&P 500 exchange-traded fund gained 4.4% during the quarter, but the equal-weighted Invesco S&P 500 exchange-traded fund declined 2.6%. Small and mid-sized company stocks were also down during the quarter, both "value" and "growth" oriented, as were international developed market stocks (though emerging market stocks were nicely profitable).

The Federal Reserve's ("Fed") wrestling match with inflation showed slight improvement during the quarter, as the Consumer Price Index ("CPI") was unchanged in May and +3.3% for the trailing 12 months (CPI peaked at +9.1% in June 2022). The Fed's preferred gauge of inflation, the core Personal Consumption Expenditures index, fell to 2.6% during May, its lowest level since March 2021. Nonetheless, the June Federal Reserve Open Market Committee ("FOMC") meeting concluded with the short-term target Federal Fund rate remaining unchanged at its current range of 5.25% to 5.50%, and 2024 rate cut expectations amongst FOMC participants declined from two or three to one or two. Fed Chair Powell acknowledged the Committee observed "modest further" inflation progress, a notable shift from prior statements indicating there was a "lack of further progress."

The Fed continues to wrangle with satisfying its dual mandate of price stability and full employment. The current interest rate environment is restrictive, inducing savings and inhibiting credit-dependent investment, which is reigning in inflationary pressures, and the unemployment rate remains low at 4%. At issue are the effects of prolonged and tight monetary policy on real economic growth (*i.e.*, inflation adjusted) which was only 1.4% during Q1, and trending lower. Further, the Atlanta Federal Reserve real-time GDP tracker initially forecast Q2 gross domestic product of 3.9% in late April, but now that forecast is 2.2%. Corporate earnings growth, too, has waned. Full year S&P 500 2023 earnings increased 11.4%, but Q1 2024 earnings were -2.2% compared to Q1 2023. Moreover, the largest technology companies skew those figures. Point of fact, Q1 2024 earnings for the

Selected Index Returns (%) as of June 30, 2024 (Source: Morningstar Direct). 3, 5, 10 year returns are annualized.

	April	May	June	QTR	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	-4.08	4.96	3.59	4.28	15.29	24.56	10.01	15.05	12.86
S&P 400	-6.02	4.39	-1.58	-3.45	6.17	13.57	4.47	10.27	9.14
Russell 2000	-7.04	5.02	-0.93	-3.28	1.73	10.06	-2.58	6.94	7.00
Wilshire U.S. REIT Index	-7.83	5.05	3.02	-0.25	-0.26	8.56	0.32	4.02	5.91
MSCI EAFE	-2.56	3.87	-1.61	-0.42	5.34	11.54	2.89	6.46	4.33
MSCI Emerging Markets	0.45	0.56	3.94	5.00	7.49	12.55	-5.07	3.10	2.79
Bloomberg U.S. Aggregate Bond	-2.53	1.70	0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35
Bloomberg High Yield	-0.94	1.10	0.94	1.09	2.58	10.44	1.64	3.92	4.31

Magnificent Seven of Alphabet, Amazon, Apple, Google, Meta, Nvidia and Tesla grew 142% on average. Strip out the high (Nvidia) and low (Tesla) and the earnings growth was still 84%. In sum, the Fed's ability to subdue inflation while not inducing an economic slowdown in all but the biggest technology companies is becoming increasingly uncertain.

The Bloomberg Aggregate Bond Index was modestly positive during the quarter, gaining 0.1%, following a first quarter loss and a very poor April at -2.5%. High yield bonds performed better, returning 1.1% for the quarter, but were outshined by three-month U.S. Treasury bills that returned 1.3%. The U.S. 10 year Treasury bond yield increased from 4.2% to 4.3% during the quarter and, related, the national average 30 year fixed rate mortgage increased from 6.9% to 7.0%. Commodity prices were mixed during the quarter, but on balance higher. Crude oil declined about 3% but natural gas surged ~70%. Silver gained 19.7% and gold 5.3%. Bitcoin, after rallying ~65% in the first quarter of 2024, fell more than 15% during the second quarter. On the currency front, the U.S. dollar remained strong during the quarter, appreciating ~2% against a broad, trade-weighted basket of currencies compiled by the St. Louis Federal Reserve.

We here at Wainwright wish you an enjoyable summer season. Please be in touch should you require anything.

Selected Index Returns (%) as of June 30, 2024 (Source: Morningstar Direct). 3, 5, 10 year returns are annualized.

	April	May	June	QTR	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	-4.08	4.96	3.59	4.28	15.29	24.56	10.01	15.05	12.86
S&P 400	-6.02	4.39	-1.58	-3.45	6.17	13.57	4.47	10.27	9.14
Russell 2000	-7.04	5.02	-0.93	-3.28	1.73	10.06	-2.58	6.94	7.00
Wilshire U.S. REIT Index	-7.83	5.05	3.02	-0.25	-0.26	8.56	0.32	4.02	5.91
MSCI EAFE	-2.56	3.87	-1.61	-0.42	5.34	11.54	2.89	6.46	4.33
MSCI Emerging Markets	0.45	0.56	3.94	5.00	7.49	12.55	-5.07	3.10	2.79
Bloomberg U.S. Aggregate Bond	-2.53	1.70	0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35
Bloomberg High Yield	-0.94	1.10	0.94	1.09	2.58	10.44	1.64	3.92	4.31

The information contained herein is provided for informational and discussion purposes only. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. No representation is made concerning the appropriateness of any particular investment, security, portfolio of securities, transaction or investment strategy**. Investing involves risks, and there is always the potential of losing money**. Before entering into any financial transaction, you should ensure that you fully understand the terms, have evaluated the risks and have determined that the transaction is appropriate for you in all respects. You should consult with your personal legal, tax, or other advisors, including your financial professional, prior to making any investment decisions. **Past performance is never a guarantee of future investment results.**

Benchmarks and financial indices provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy and are shown for illustrative purposes only. Benchmarks are presented merely to show general trends in the markets for the period and are not intended to imply that the portfolio is benchmarked to the indices either in composition or level of risk. The indices are unmanaged, are not available for direct investment, have no expenses (i.e., are gross of costs, fees or expenses associated with investing in the instruments that comprise the benchmark or financial index) and reflect reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark or proxy for a particular asset class and does not reflect the actual investment strategy of any client portfolio or any of the Firm's investment strategies [or funds]. In no way should the information about an index or proxy shown within this presentation be considered indicative or a guarantee of any results. Actual results differ, possibly substantially, from that shown.

Additional information about Wainwright Investment Counsel, LLC is also available at https://adviserinfo.sec.gov/firm/summary/108711. This information provided herein does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in connection with any offer or sale of securities. The information herein reflects prevailing conditions and Wainwright's judgments as of this date, all of which are subject to change without notice.