

Halftime Report 2024

Michael Clark, President
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ELECTION 2024

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Review of 2024 so far

Inflation and the Fed

Recession and the Stock Market

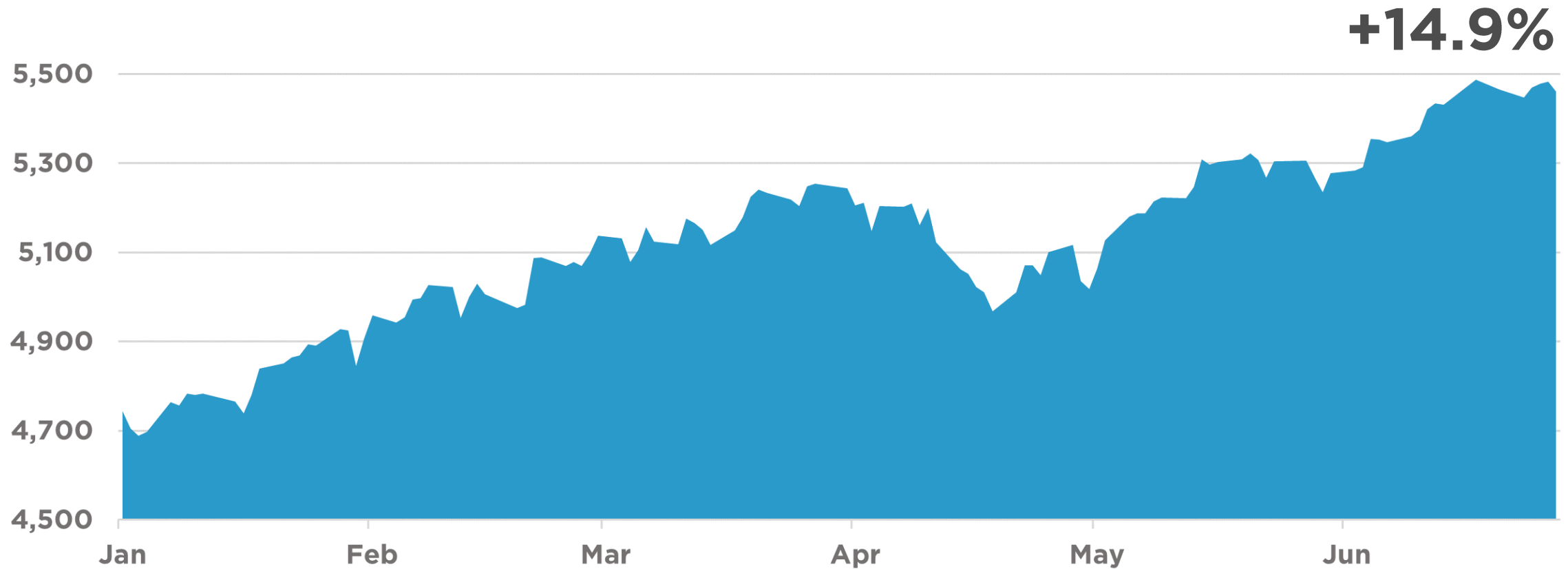
Politics and Investing

Daily Use of Artificial Intelligence

Review of 2024 so far

S&P 500 First Half

S&P 500

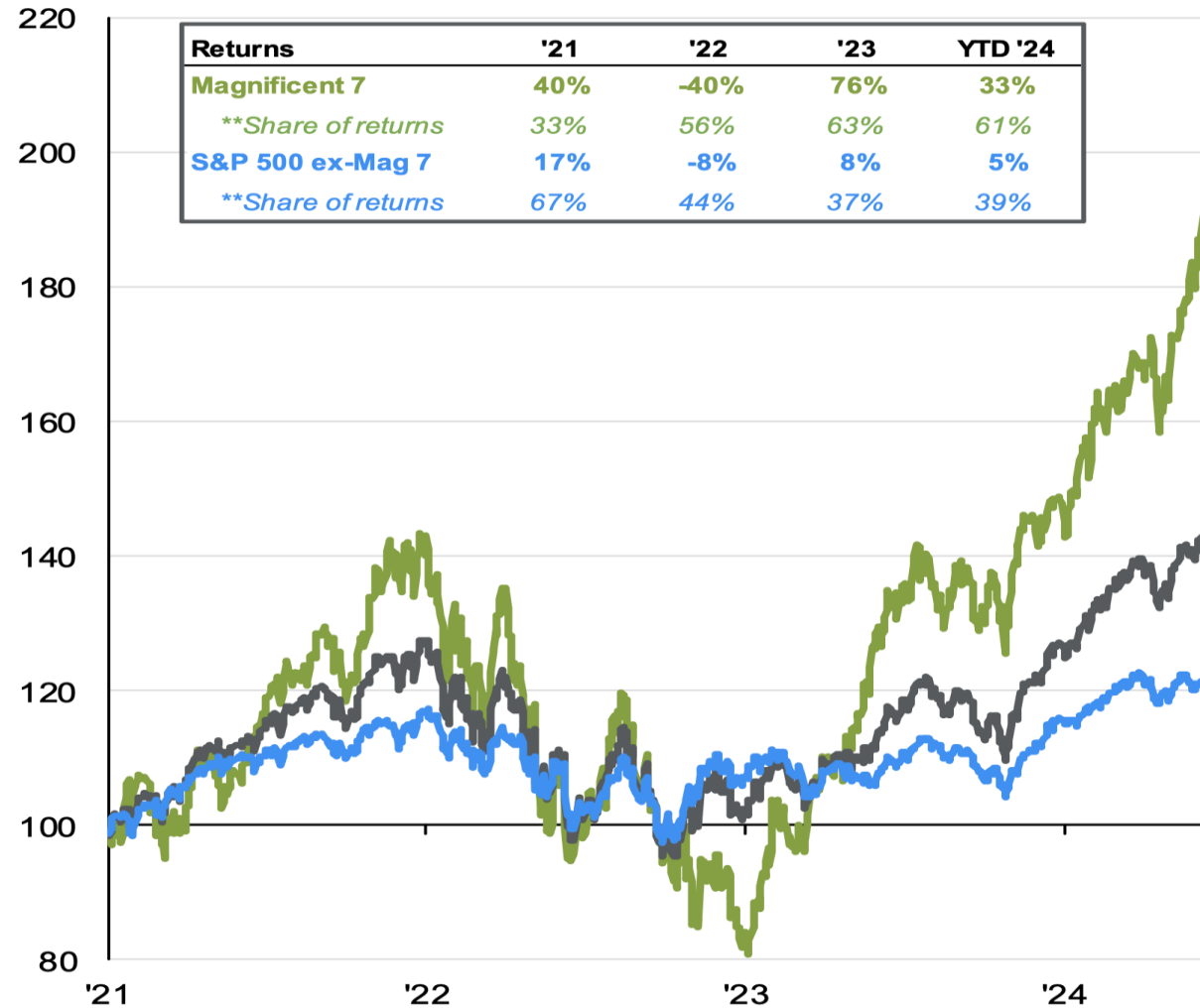


+14.9%

S&P 500 Concentration

Performance of “Magnificent 7” stocks in S&P 500*

Indexed to 100 on 1/1/2021, price return



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

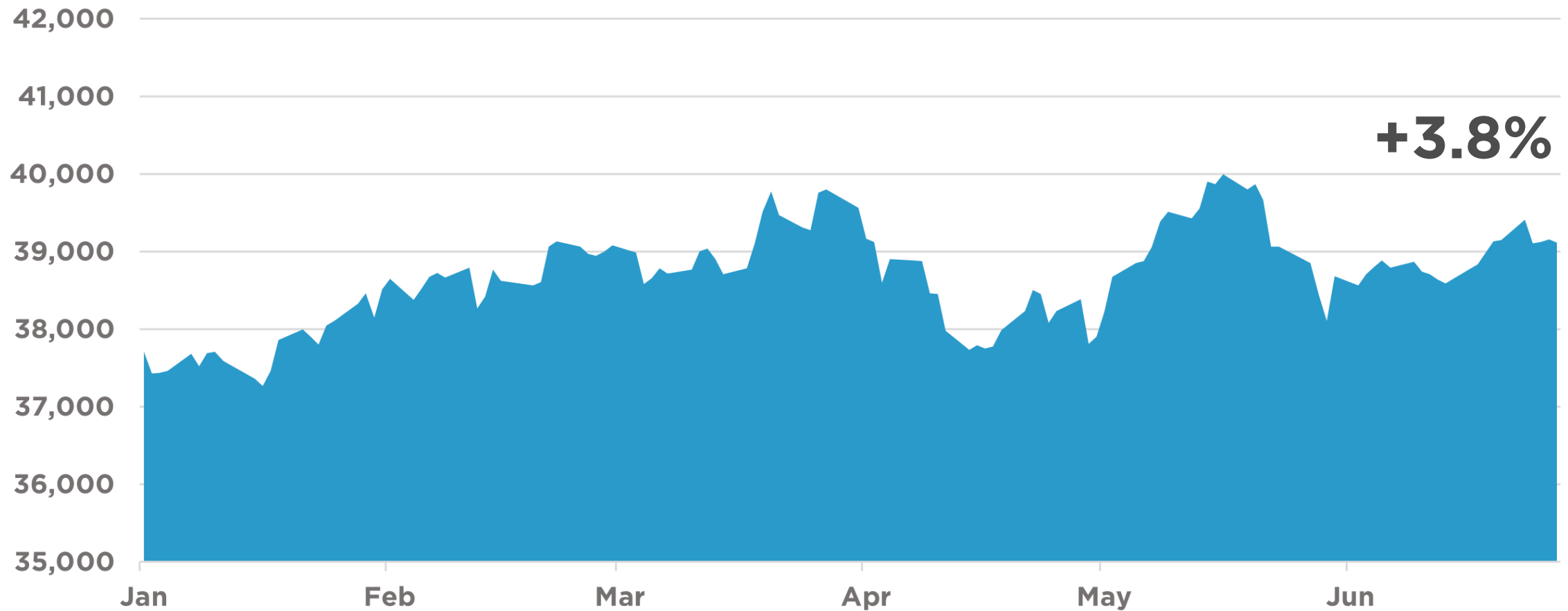
*Magnificent 7 includes AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA and TSLA. Earnings estimates for 2024 are forecasts based on consensus analyst expectations. **Share of returns represent how much each group contributed to the overall return.

Numbers are always positive despite negative performance in 2022.

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

Dow Jones First Half

Dow Jones



Inflation and the Fed

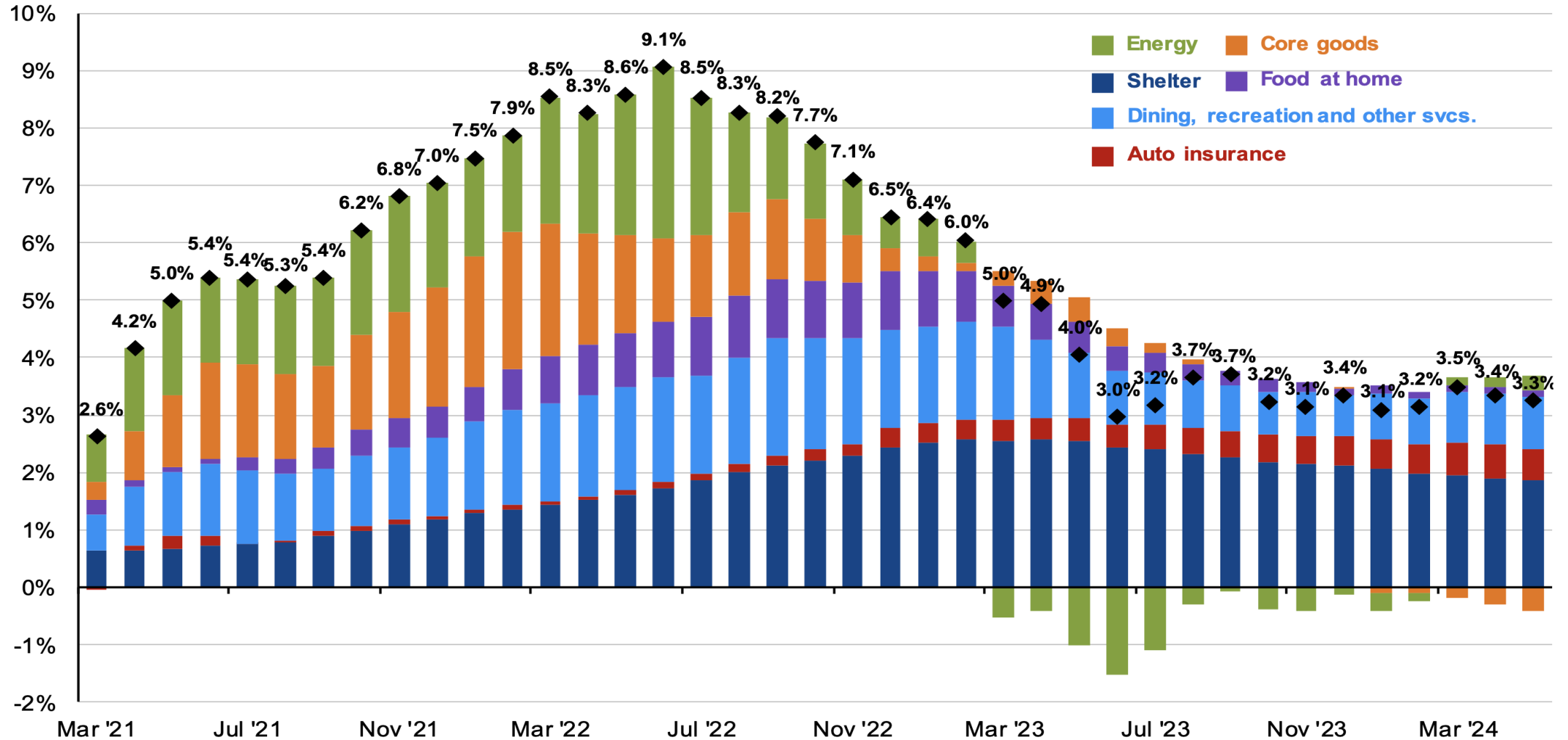
Is it over?



Drivers of Inflation

Contributors to headline CPI inflation

Contribution to y/y % change in CPI, non-seasonally adjusted

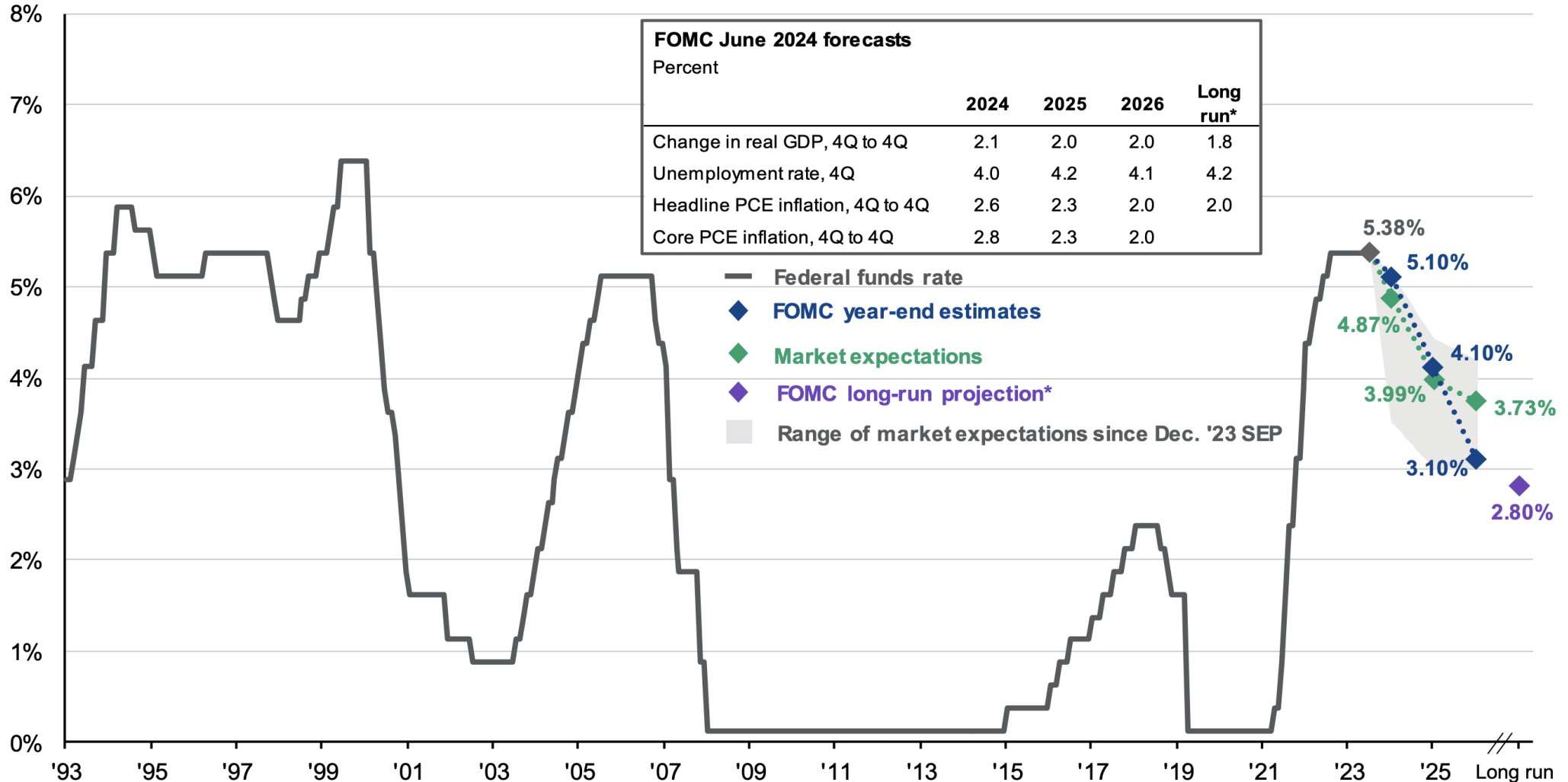


Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. Guide to the Markets – U.S. Data are as of June 30, 2024.

The Fed and Interest Rates

Federal funds rate expectations

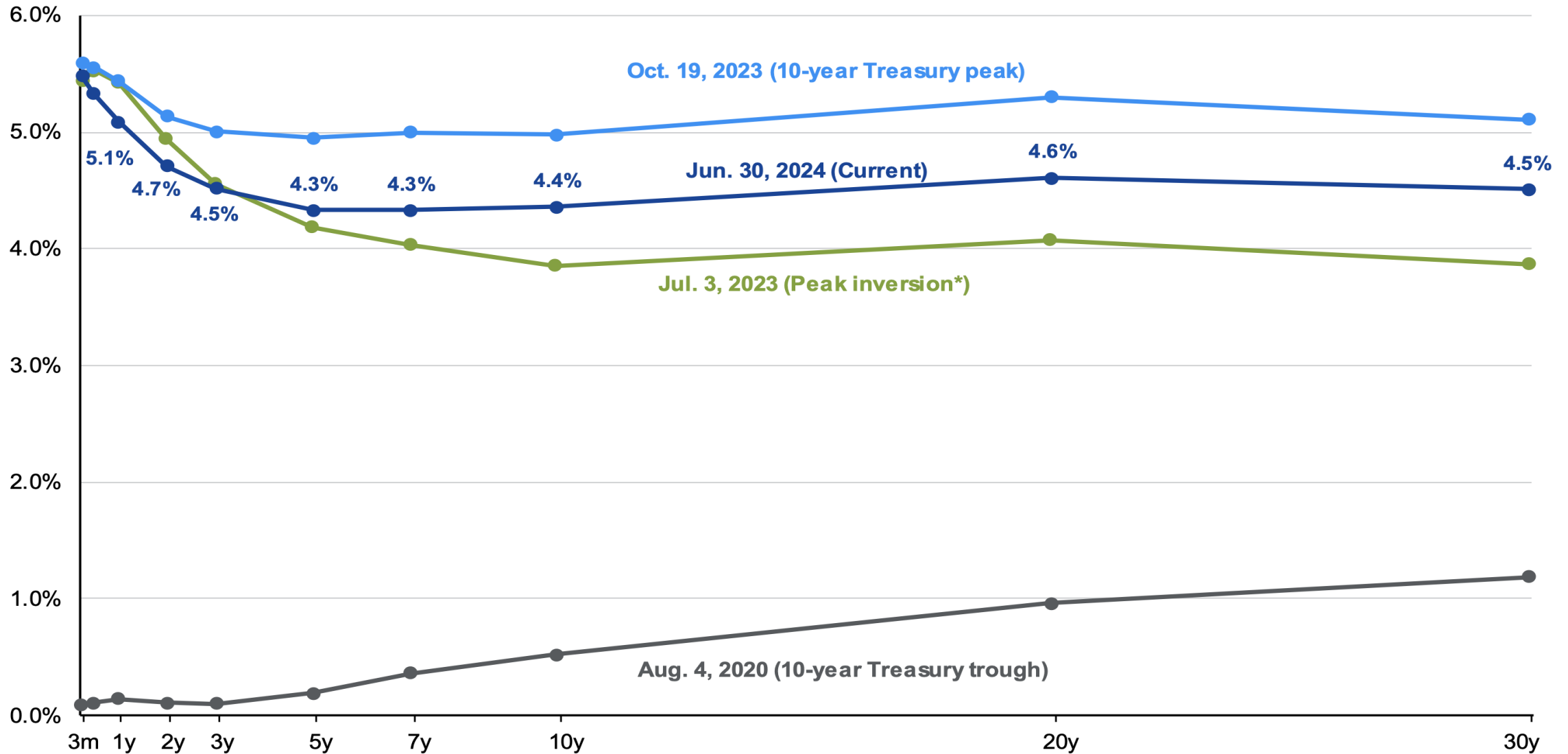
FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Guide to the Markets – U.S. Data are as of June 30, 2024.

US Treasury Yield Curve



Commercial Real Estate



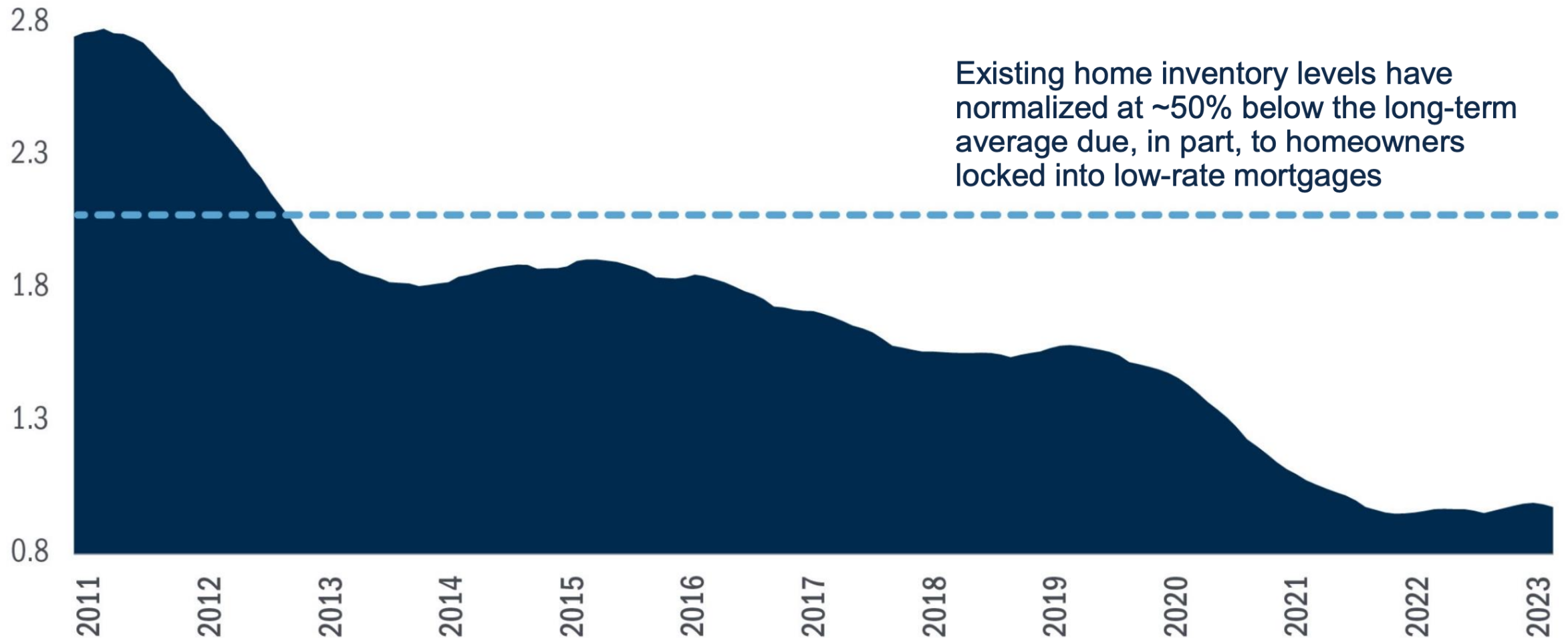
Commercial Real Estate

NCREIF Property Index Total Return (1978-2023)



Existing Home Inventory

TTM Average National Existing Home Inventory² (MM-Units)



Affordability Gap



Affordability Gap

	Housing affordability index (% disposable income)			Adjustment required to return to pre-Covid average affordability		
	Latest	Pre-Covid 10Y Average	Pre-GFC peak	House prices (%)	Income (%)	Mortgage rates (ppts)
U.S.	23	14	26	-41	69	-4.3
Germany	34	21	30	-36	60	-3.4
NZ	56	35	56	-35	59	-4.2
Canada	38	25	29	-33	55	-3.5
U.K.	31	21	35	-33	50	-3.5
Australia	45	32	44	-25	41	-2.8
Japan	32	25	25	-23	26	-1.7
Sweden	27	20	29	-19	25	-1.7
Korea	39	35	--	-11	22	-1.0

WHAT you own REALLY matters.



Countercyclical Demand



Student Housing



AI Revolution



Data Centers



E-Commerce Surge



Industrial



Supply/Demand Imbalance



Affordable Housing

Recession and the Stock Market

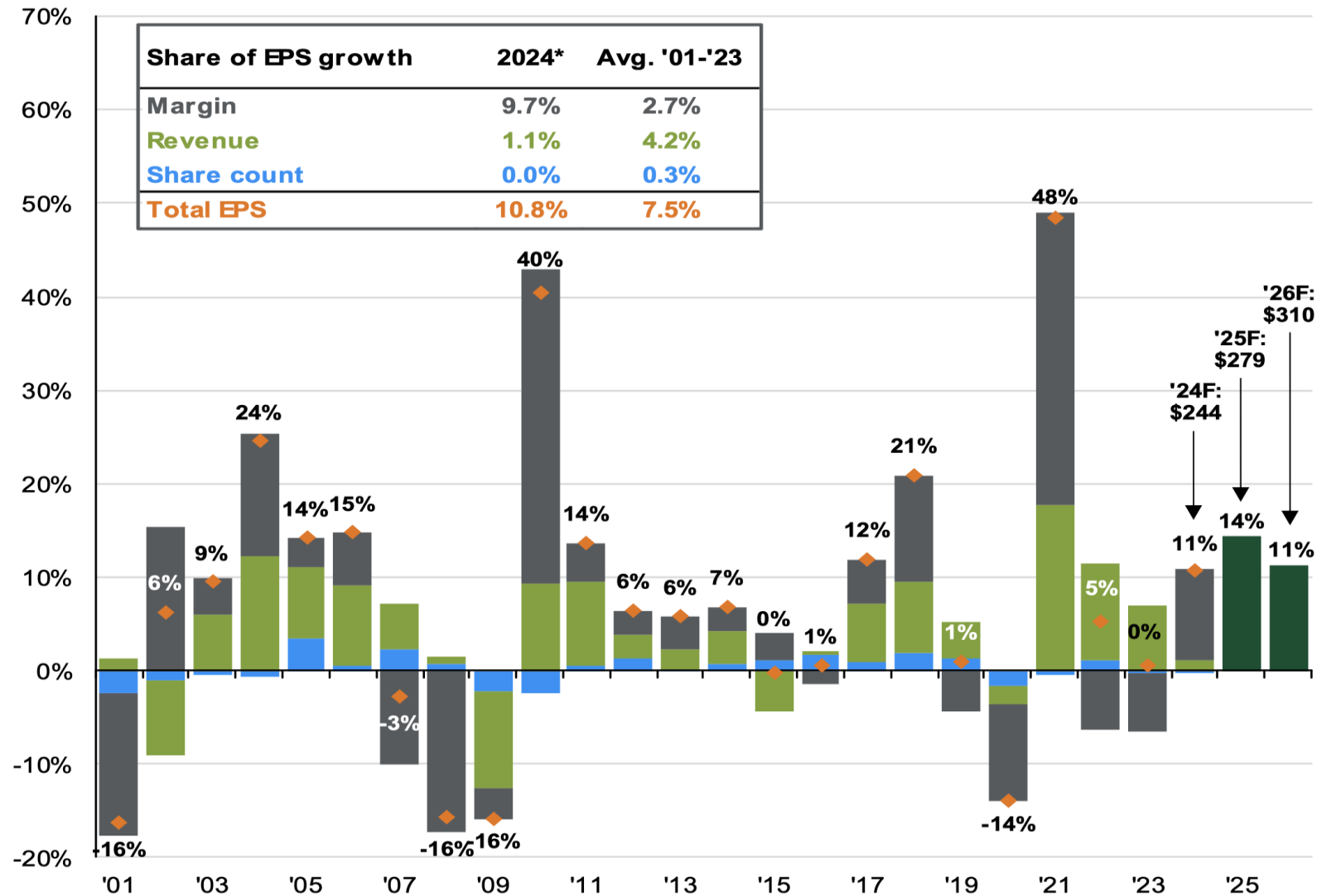
Are we headed for a recession?



Corporate Earnings Growth

S&P 500 year-over-year pro-forma EPS growth

Annual growth broken into changes in revenue, profit margin and share count



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.

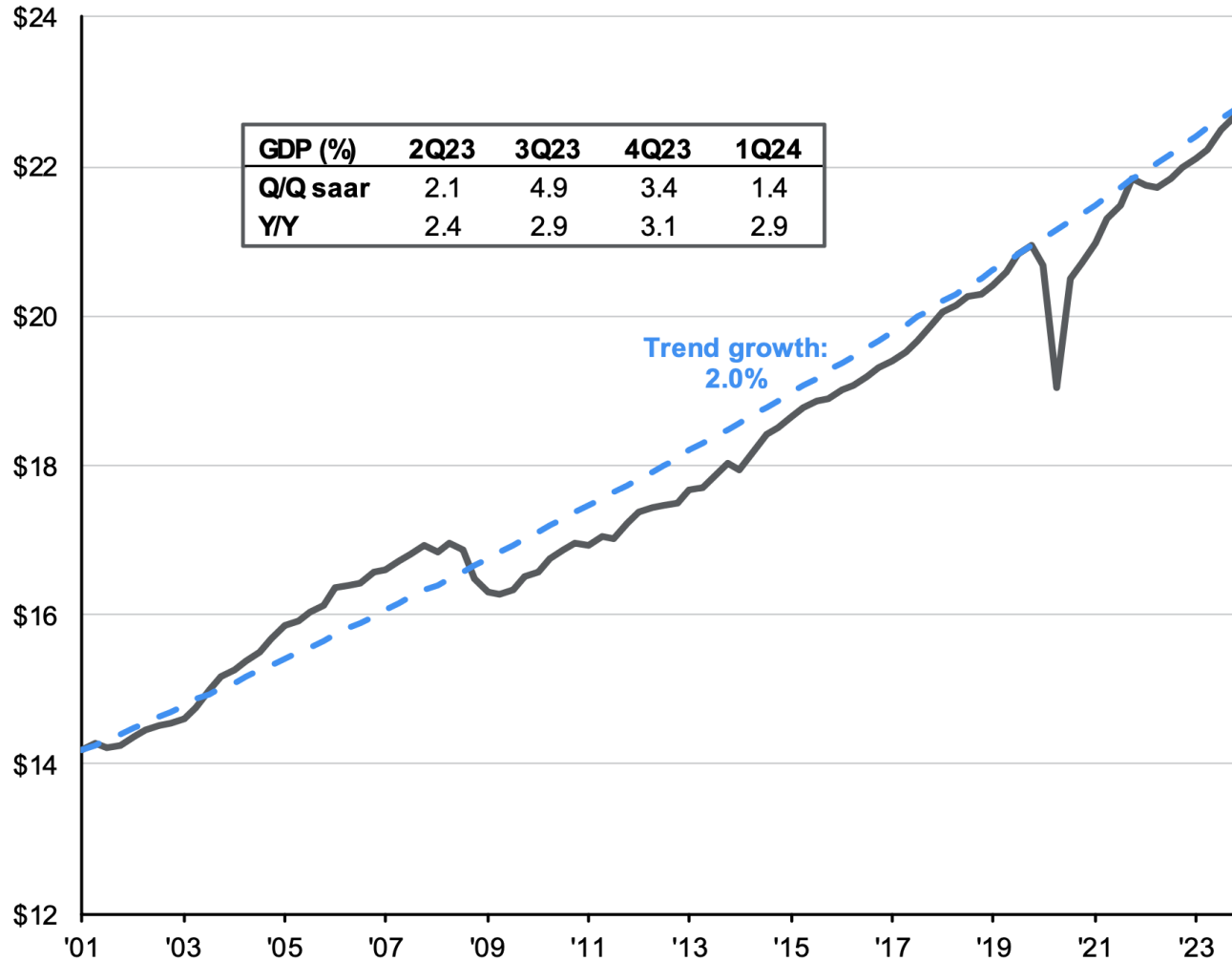
Historical EPS levels are based on annual pro-forma earnings per share. *2024, 2025 and 2026 EPS growth are based on consensus analyst estimates for each calendar year. Past performance is not indicative of future returns.

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

Economic Growth

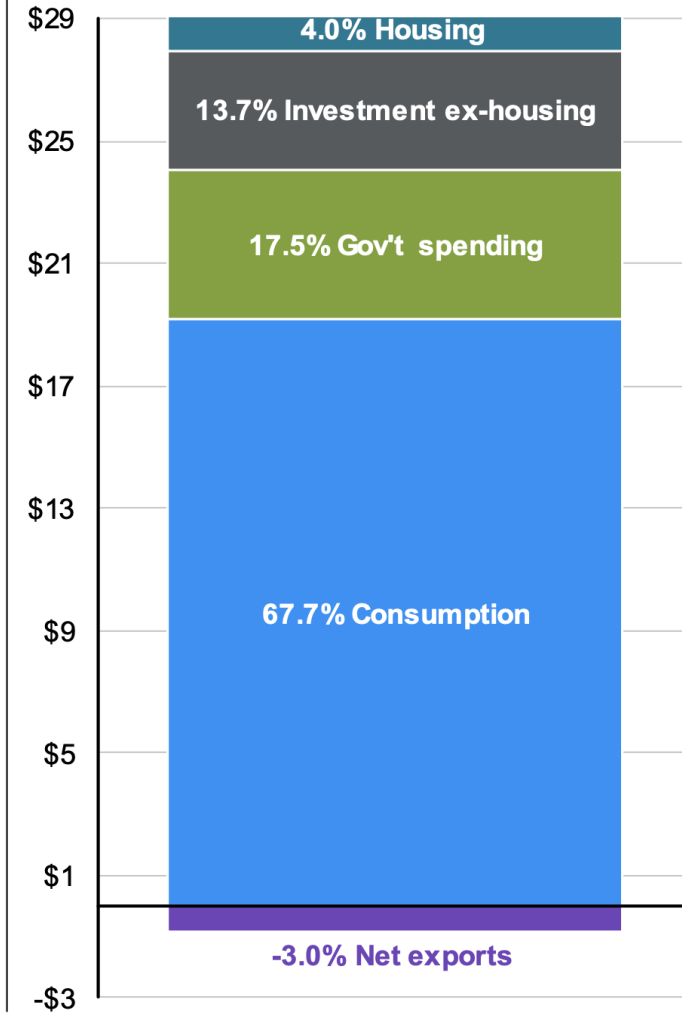
Real GDP

Trillions of chained (2017) dollars, seasonally adjusted at annual rates



Components of GDP

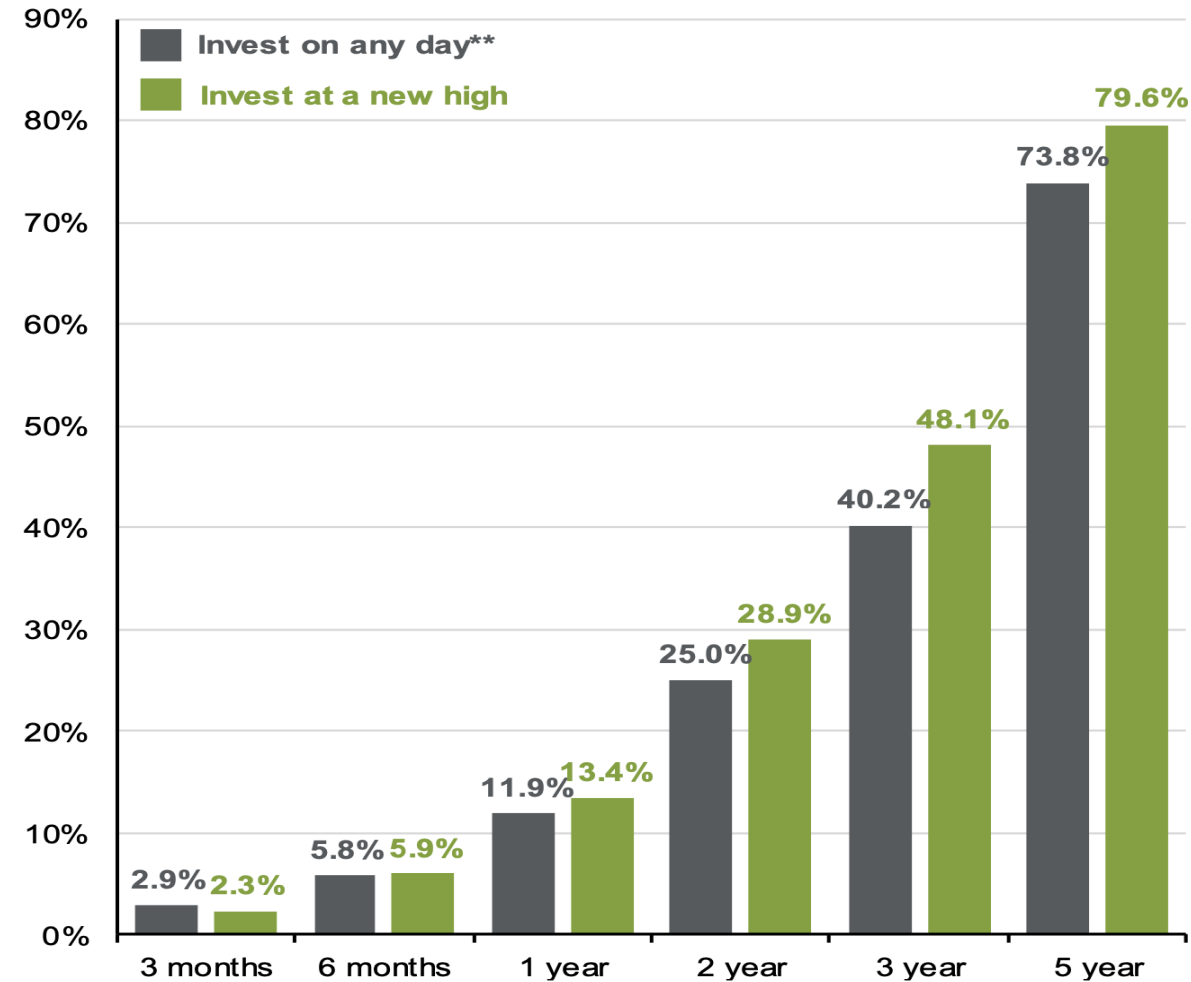
1Q24 nominal GDP, USD trillions



Investing at All-Time Highs?

Average cumulative S&P 500 total returns

Jan. 1, 1988 - Dec. 31, 2023



Source: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.

Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since March 1994 and by FactSet since January 2022. Average P/E and standard deviations are calculated using 30 years of history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 30 years for each measure. *Averages and standard deviations for dividend yield and P/CF are since November 1995 due to data availability. Guide to the Markets – U.S. Data are as of June 30, 2024.

Headwinds and Tailwinds



Tight Federal Reserve policy



Global tensions



High cost of debt



Strong corporate earnings



Cash still on the sidelines



Low unemployment

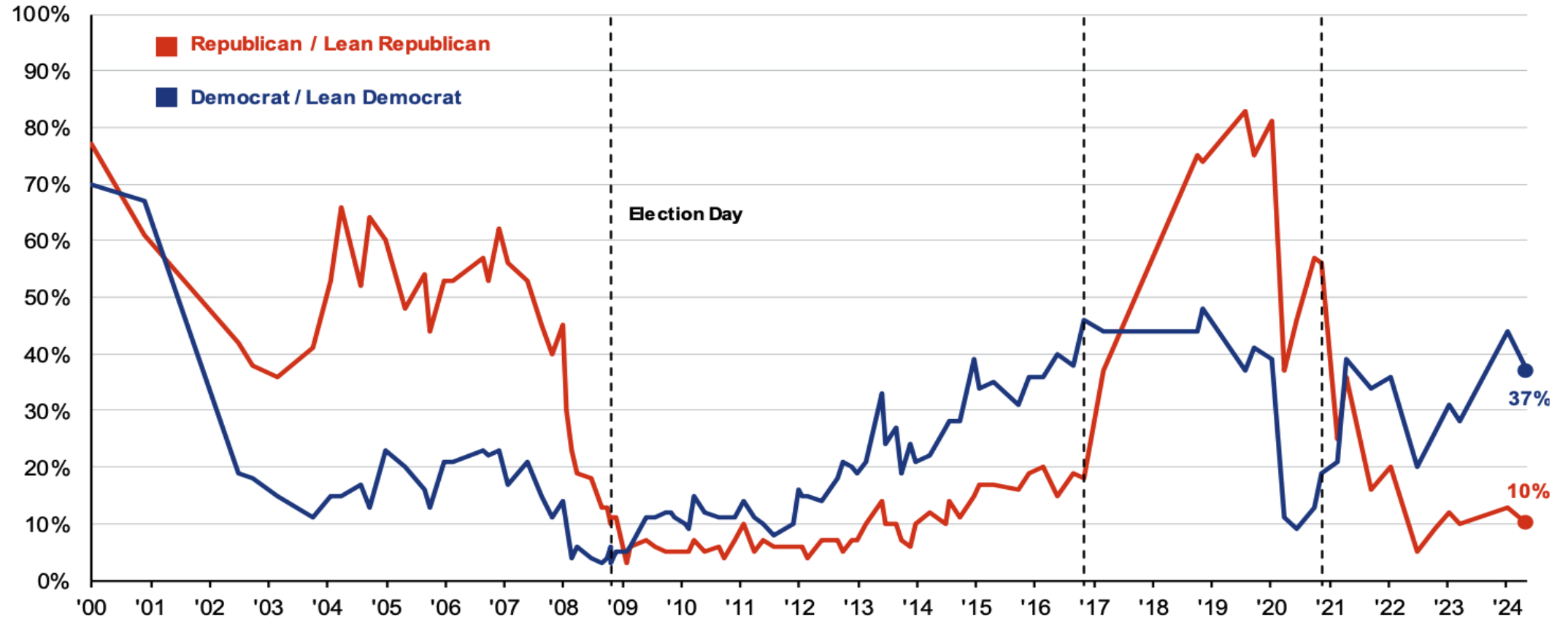
Politics and Investing

Election 2024



Election 2024

Percentage of Republicans and Democrats who rate national economic conditions as excellent or good

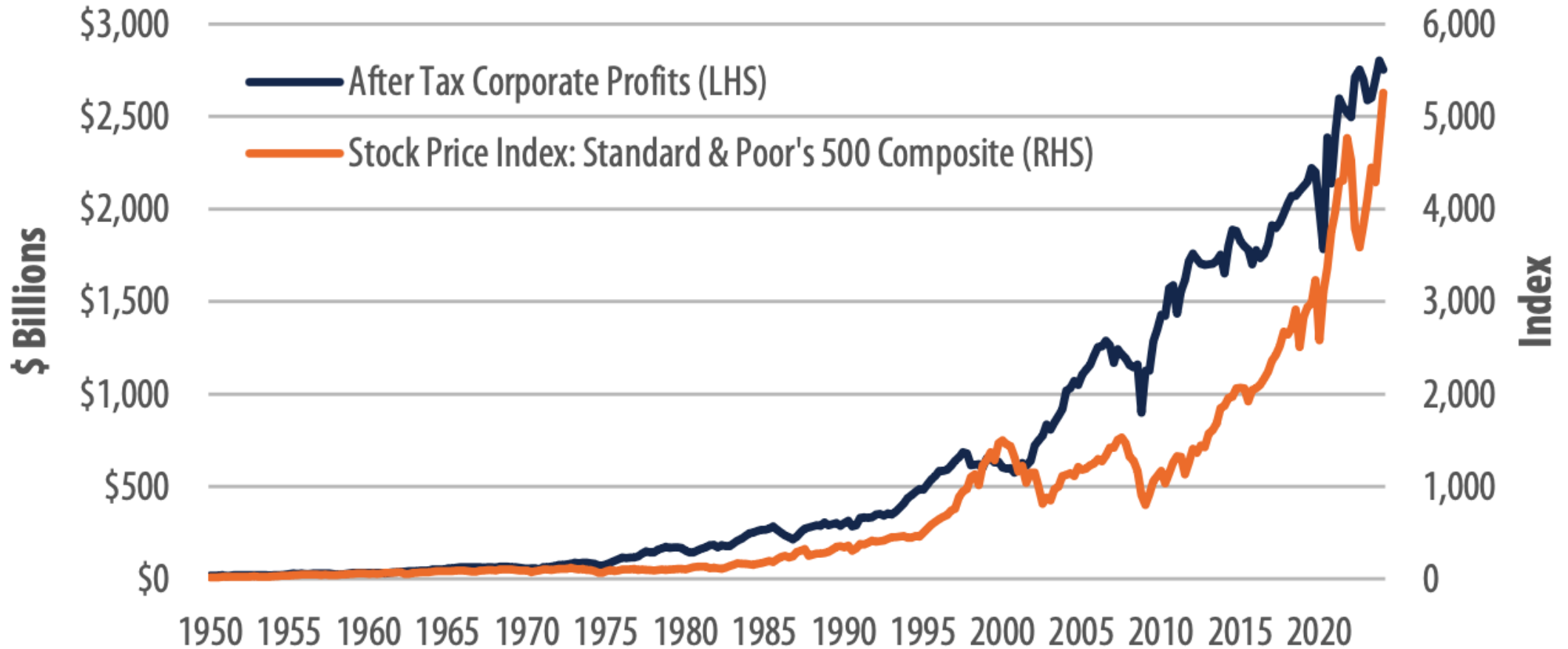


Administration	Bush	Obama	Trump	Biden
Dates in office	Jan '01 – Jan '09	Jan '09 – Jan '17	Jan '17 – Jan '21	Jan '21 – Today
S&P 500 return	-4.5%	16.3%	16.0%	12.4%
Real GDP growth	1.9%	2.2%	1.8%	2.7%

Source: Pew Research Center, J.P. Morgan Asset Management. The survey was last conducted in May 2024, "Public's Positive Economic Ratings Slip; Inflation Still Widely Viewed as Major Problem." Pew Research Center asks the question: "Thinking about the nation's economy, How would you rate economic conditions in this country today... as excellent, good, only fair, or poor?". S&P 500 returns are average annualized total returns between presidential inauguration dates and are updated monthly. Real GDP growth are average annualized GDP growth rates. Guide to the Markets – U.S. Data are as of June 30, 2024.

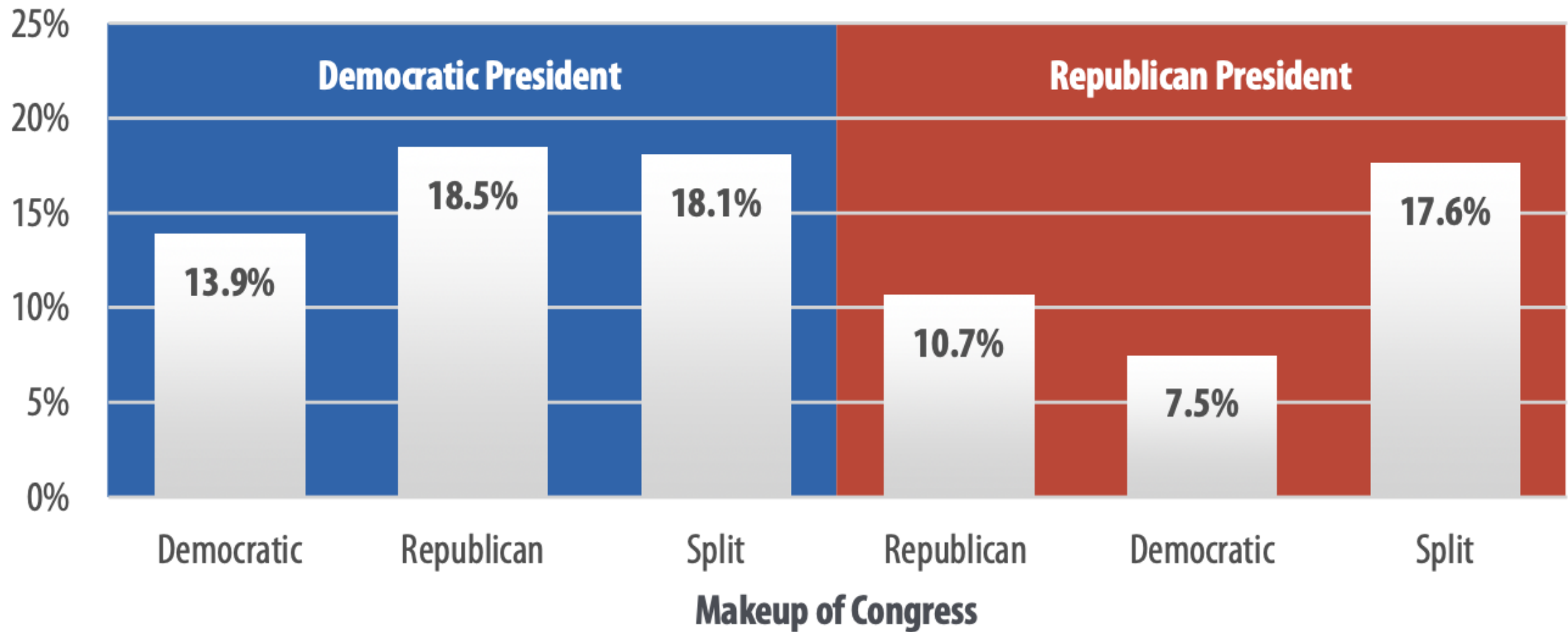
Profits Drive Price

S&P 500 Price Index vs. U.S. Corporate Profits

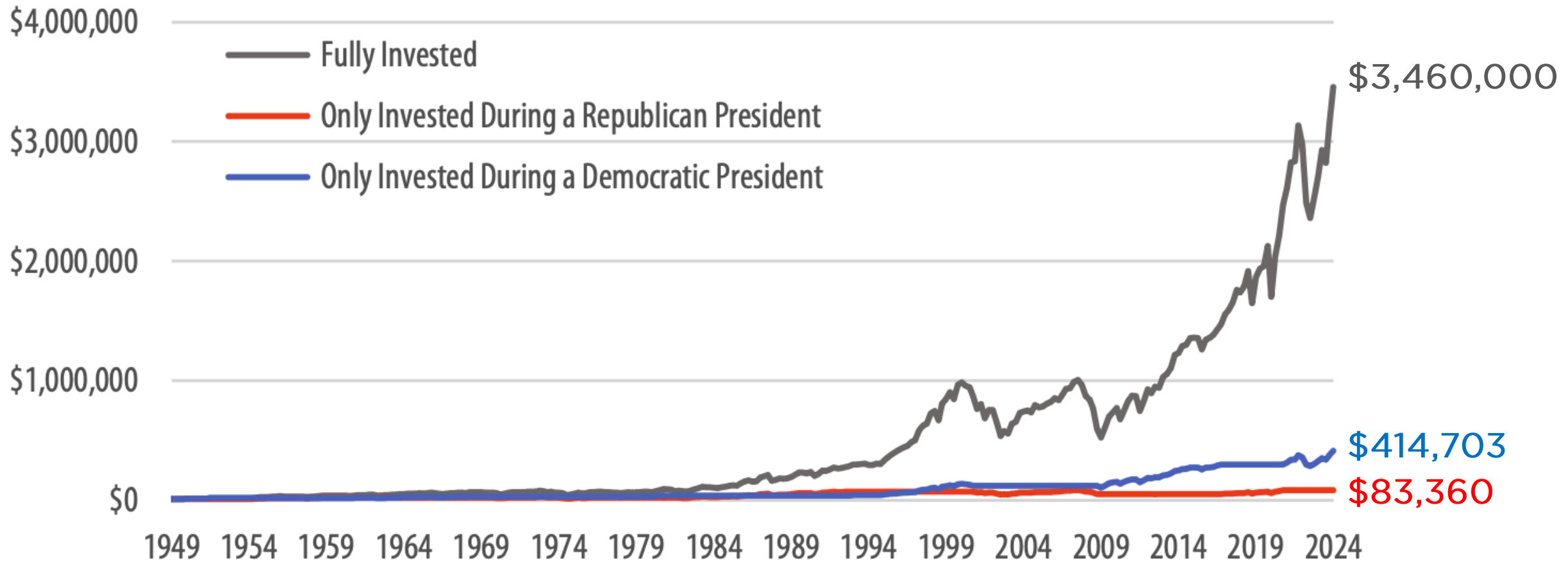


S&P 500 Performance

Average S&P 500 Index Total Return Annual Performance 1949-2023



Non-partisan investing pays off



Daily Use of Artificial Intelligence

Should you use it?



In Summary

- The election is front and center, but a long-term investment focus is key to success.
- Risk management strategies will continue to be a key tool in mitigating the potential risk going forward.
- The Fed tightening cycle has most likely ended and we expect a pivot in September.
- Through it all, our focus: quality investments, proper diversification and a disciplined process.

Wealth Management Matrix

Investment Management	Retirement Planning	Risk Management	Estate Planning	Tax Planning	Business Planning
Asset Allocation	Income Distribution	Asset Protection	Document Review	Corporate Benefits	401(k) Plan Design
Manager Research	Scenario Analysis	Liability Insurance	Estate Tax Mitigation	Deferral Techniques	Deferred Comp.
Performance Analysis	Benefit Planning	Long-term Care Insurance	Beneficiary Review	Loss Harvesting	Succession Planning
Education Funding	Social Security Optimization	Life/Disability Insurance	Charitable Planning	Dividend Strategies	Buy/Sell Agreements
Trust Management	Tax Efficiency	Prop/Casualty Insurance	Proper Use of Trusts	“Stretch” Planning	Key Man Insurance

Our Team!



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CIMA[®], CRC[®]



Zachary Clark**
CFP[®]



Jane Weekley**
MBA



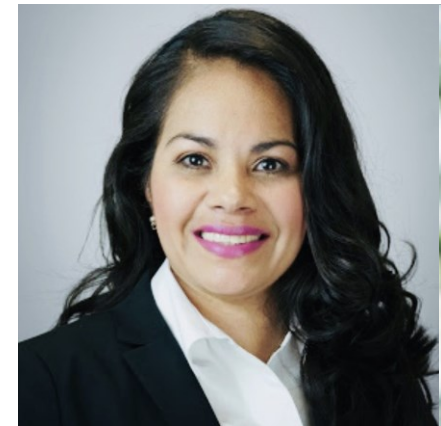
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Client Services



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The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The MSCI EAFE Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The Russell 2000 is a stock market index measuring the performance of 2000 small capitalization stocks. It represents the 2000 smallest companies in the Russell 3000 Index, which in turn represents the 3000 largest companies in the U.S. Thus, the Russell 2000 is a barometer of small-cap stocks. Though small, the companies represented by the Russell 2000 are not the smallest of the small as they are not penny stocks. The Russell 2000 is weighted by the market capitalization of the stocks.

FTSE Emerging Index measures the performance of the most liquid Large and Mid Cap companies in the emerging markets. It is derived from the FTSE Global Equity Index Series (GEIS), which covers 99% of the world's investable market capitalization, and includes large and mid cap securities from advanced and secondary emerging markets, classified in accordance with FTSE's transparent Country Classification Review Process.

The Bloomberg U.S. Aggregate Total Return Value Unhedged, also known as 'Bloomberg U.S. Aggregate Bond Index' formerly known as the 'Barclays Capital U.S. Aggregate Bond Index', and prior to that, 'Lehman Aggregate Bond Index,' is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

The Bloomberg Barclays U.S. Corporate High Yield Index measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

The IA SBBI US Large Stock Total Return Index tracks the monthly return of S&P 500. The history data from 1926 to 1969 is calculated by Ibbotson.

The NCREIF Property Index (NPI) provides returns for institutional grade real estate held in a fiduciary environment in the United States. Properties are managed by investment fiduciaries on behalf of tax-exempt pension funds. As of the second quarter of 2003 the index contains 3,967 properties with an aggregate market value of \$127 billion.

The NCREIF Property Index (NPI) is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors and held in a fiduciary environment.