

## Market Facts and Figures from Q3 2024

*Smaller and more value-oriented stocks finally had their chance to lead the market in Q3.*

2024 3Q US Returns (Russell Indices)

	Value	Core	Growth
Large	9.4%	6.1%	3.2%
Mid	10.1%	9.2%	6.5%
Small	10.2%	9.3%	8.4%

*The average US mortgage rate is now just over 6%, the lowest it has been in 17 months.*

Average US Mortgage Rate  
Dec 2017 - Sep 2024



*Best and Worst Markets*

### Developed Markets

Top 3	2024 3Q	Bottom 3	2024 3Q
Hong Kong	24.43%	Norway	2.13%
Singapore	17.58%	Netherlands	-4.54%
Belgium	15.25%	Denmark	-10.30%

### Emerging Markets

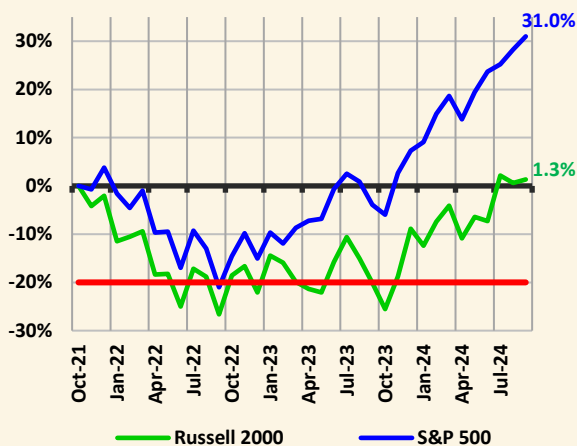
Top 3	2024 3Q	Bottom 3	2024 3Q
Thailand	28.92%	Poland	-3.88%
China	23.49%	Korea	-5.59%
Philippines	21.66%	Turkey	-12.55%

### Frontier Markets

Top 3	2024 3Q	Bottom 3	2024 3Q
WAEMU	28.97%	Estonia	-1.42%
Mauritius	19.19%	Sri Lanka	-3.12%
Morocco	14.19%	Kazakhstan	-13.23%

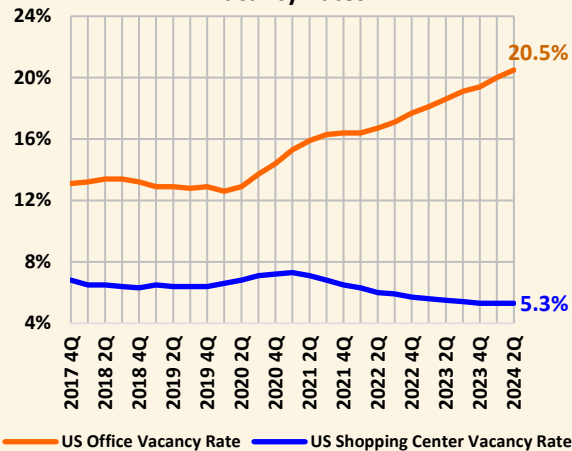
*The US small cap index has finally reached a new peak since entering a bear market in mid-2022.*

US Large Cap & Small Cap  
Cumulative Returns: Nov 2021 - Sep 2024



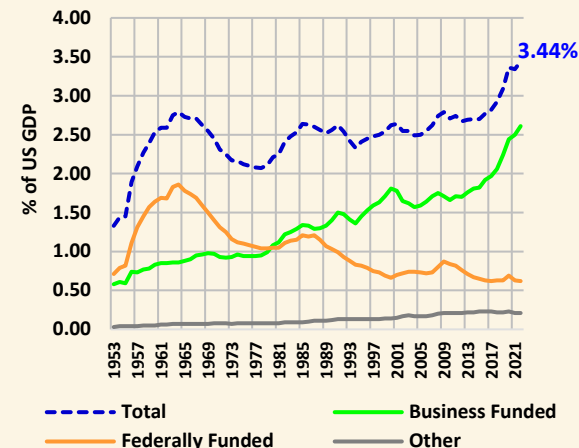
*The vacancy rate in the US Office market has continued to climb and is now over 20%.*

US Office & Shopping Center  
Vacancy Rates



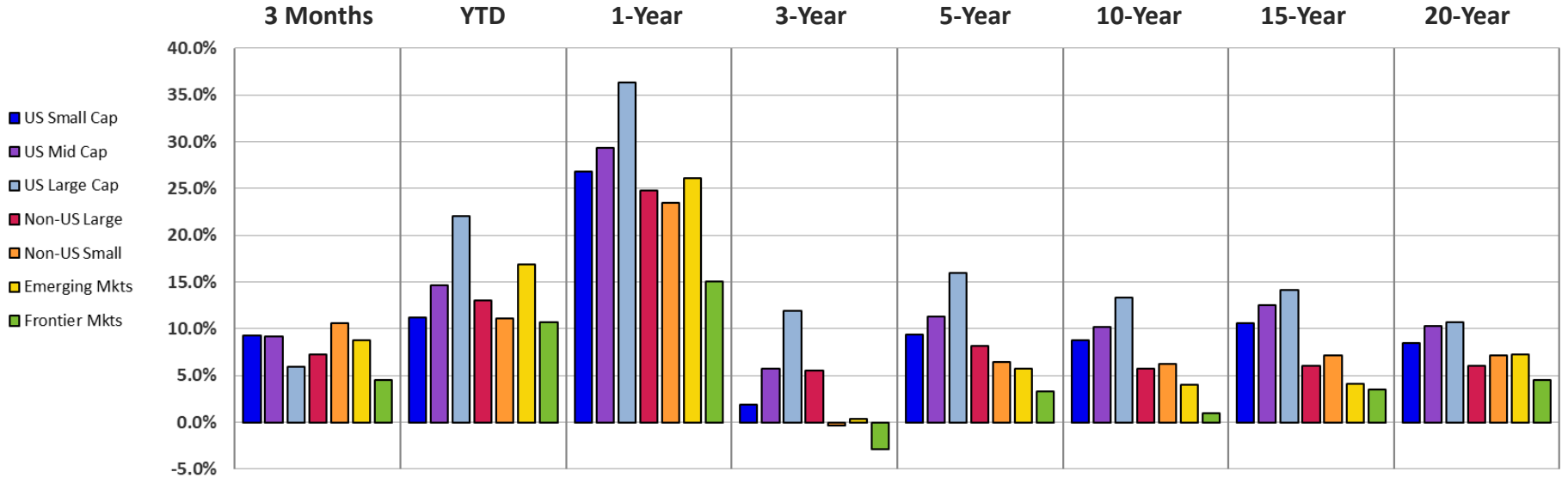
*US R&D spending has been on the rise since 2017, mostly coming from the business sector.*

Ratio of US R&D to GDP: 1953 - 2022



## World Equity Performance

Quarter Ending September 30, 2024

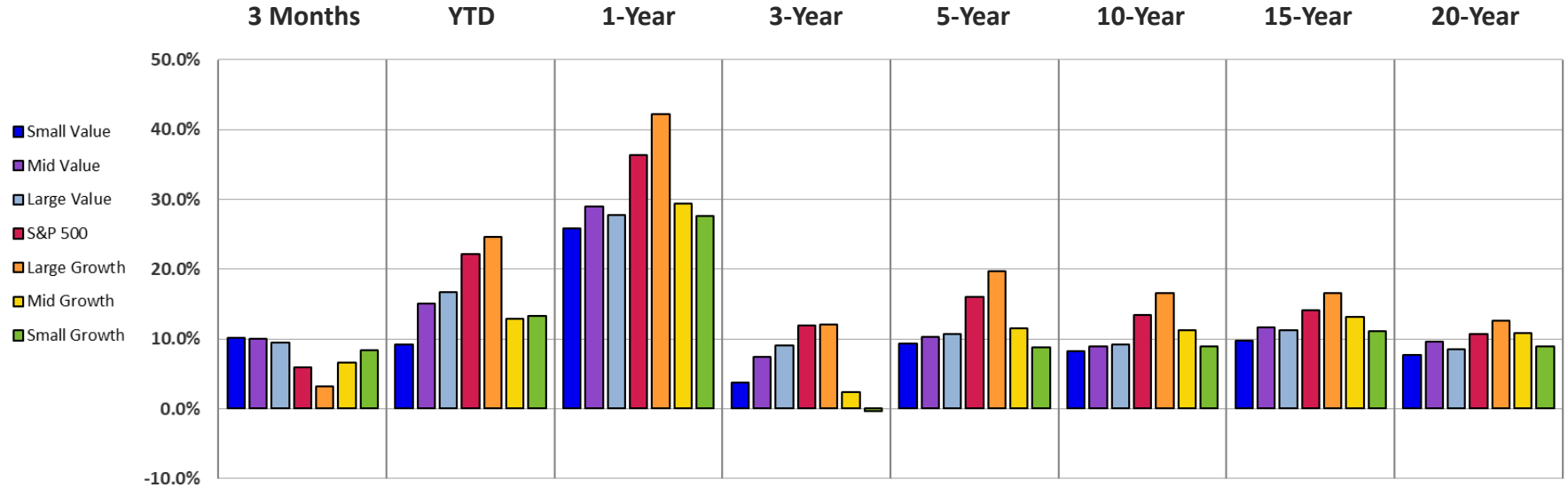


<b>US Small Cap</b>	9.3%	11.2%	26.8%	1.8%	9.4%	8.8%	10.6%	8.5%
<b>US Mid Cap</b>	9.2%	14.6%	29.3%	5.8%	11.3%	10.2%	12.5%	10.3%
<b>US Large Cap</b>	5.9%	22.1%	36.4%	11.9%	16.0%	13.4%	14.1%	10.7%
<b>Non-US Large</b>	7.3%	13.0%	24.8%	5.5%	8.2%	5.7%	6.0%	6.0%
<b>Non-US Small</b>	10.5%	11.1%	23.5%	-0.4%	6.4%	6.2%	7.1%	7.1%
<b>Emerging Mkts</b>	8.7%	16.9%	26.1%	0.4%	5.7%	4.0%	4.2%	7.3%
<b>Frontier Mkts</b>	4.5%	10.7%	15.1%	-2.9%	3.3%	1.0%	3.5%	4.5%

US Large Cap stocks continue to be the leaders year-to-date (+22.1%), however Small Cap and Non-US stocks made up some ground in the third quarter. US and Global PMI readings have been trending slightly upward for most of 2024 and remain above 50, indicating economic expansion.

## U.S. Equity Style Performance

Quarter Ending September 30, 2024

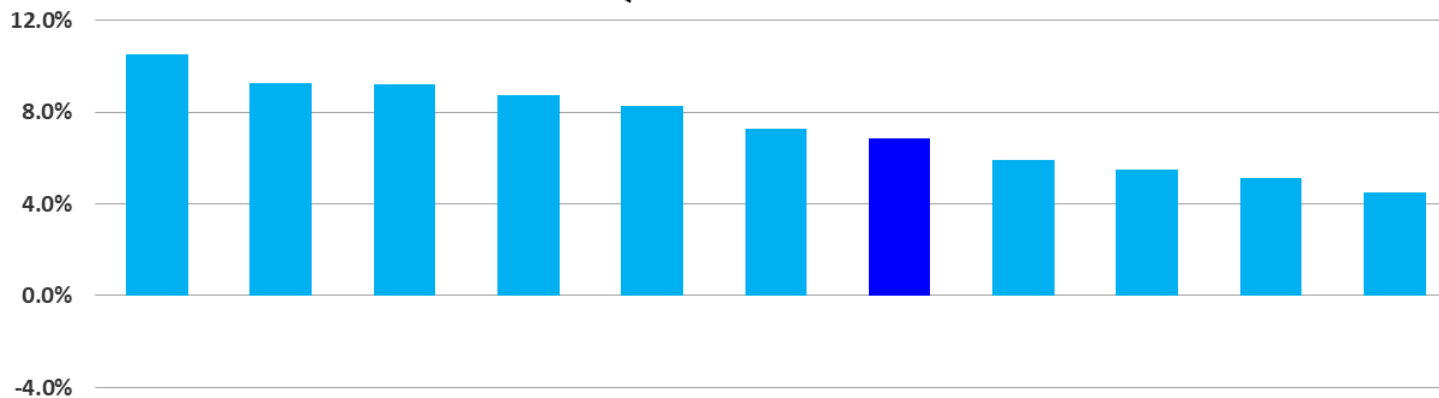


	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
<b>Small Value</b>	10.2%	9.2%	25.9%	3.8%	9.3%	8.2%	9.8%	7.7%
<b>Mid Value</b>	10.1%	15.1%	29.0%	7.4%	10.3%	8.9%	11.6%	9.6%
<b>Large Value</b>	9.4%	16.7%	27.8%	9.0%	10.7%	9.2%	11.2%	8.5%
<b>S&amp;P 500</b>	5.9%	22.1%	36.4%	11.9%	16.0%	13.4%	14.1%	10.7%
<b>Large Growth</b>	3.2%	24.6%	42.2%	12.0%	19.7%	16.5%	16.5%	12.7%
<b>Mid Growth</b>	6.5%	12.9%	29.3%	2.3%	11.5%	11.3%	13.2%	10.8%
<b>Small Growth</b>	8.4%	13.2%	27.7%	-0.4%	8.8%	8.9%	11.1%	9.0%

In the US, smaller and more value-oriented stocks finally had their day in the sun, with the Small Value category beating Large Growth by a margin of 7% (10.2% versus 3.2%). The small cap Russell 2000 Index finally reached a new peak for the first time since entering “bear market” status in the second quarter of 2022.

## Equity Performance Breakdown

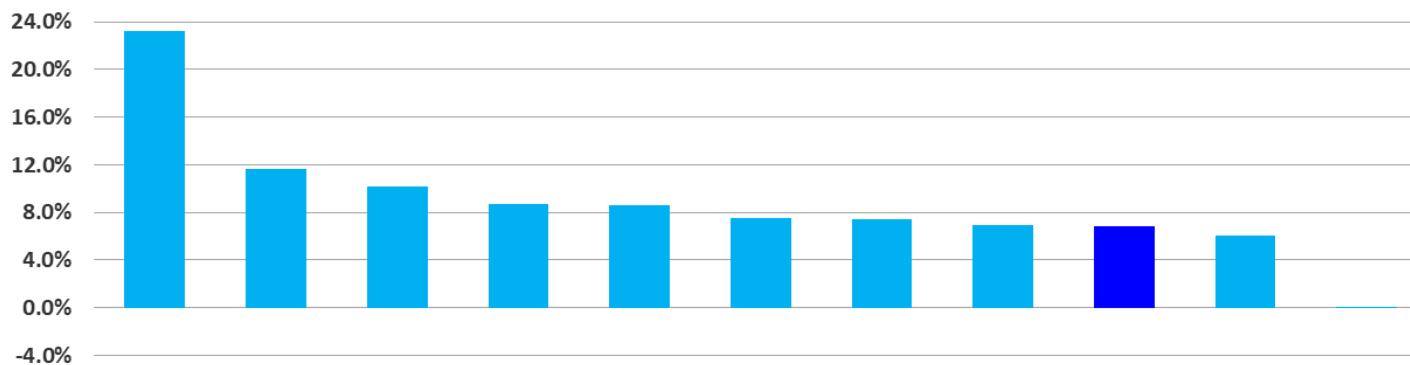
### 2024 3Q World Index Returns



	MSCI EAFE Small Cap	Russell 2000	Russell Mid Cap	MSCI Emerging Markets	Russell Micro Cap	MSCI EAFE	MSCI ACWI IMI	S&P 500	MSCI Emrg Small Cap	S&P 100	MSCI Frontier Markets
<b>2024 3Q Return</b>	10.5%	9.3%	9.2%	8.7%	8.3%	7.3%	6.8%	5.9%	5.5%	5.1%	4.5%

US and International Small Cap stocks led the global market in Q3, up 9.3% and 10.5% respectively. Small Cap stock returns were aided in part by the US Federal Reserve's first rate cut since the pandemic. The Fed surprised many market observers by cutting the Fed Funds Rate by a full half-percent instead of the predicted 0.25%.

### 2024 3Q Country Returns for the MSCI ACWI IMI

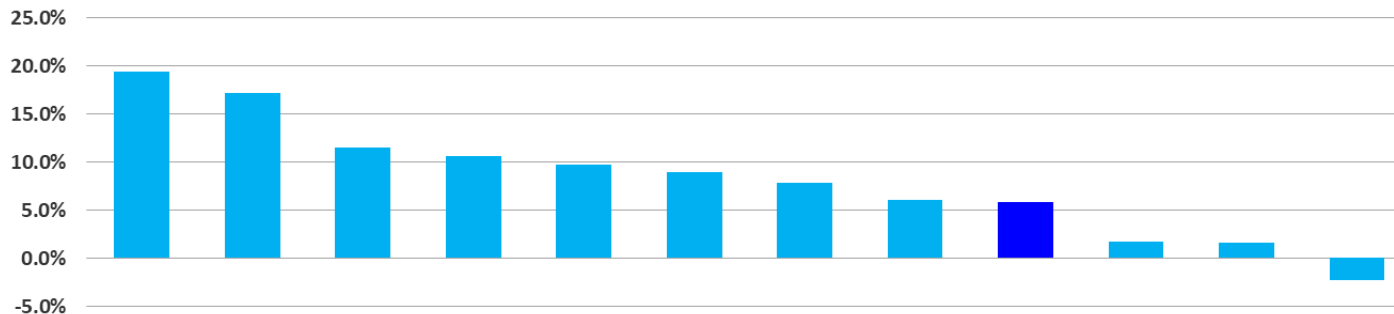


	China	Canada	Germany	Switzerland	United Kingdom	India	France	Japan	MSCI ACWI IMI Index	U.S.	Taiwan
<b>2024 3Q Return</b>	23.2%	11.7%	10.2%	8.7%	8.6%	7.6%	7.5%	7.0%	6.8%	6.1%	0.1%
<b>Weight in ACWI</b>	2.8%	2.8%	1.9%	2.1%	3.5%	2.3%	2.4%	5.6%	-	62.9%	2.0%

The Chinese market ended up outpacing all other major markets by a wide margin in Q3. The MSCI China IMI Index gained 23.2% for the quarter, with the next-best market (Canada) up a relatively modest 11.7%. Chinese stocks surged at the end of the quarter after the government announced significant fiscal and monetary stimulus packages aimed at propping up the country's troubled real estate market.

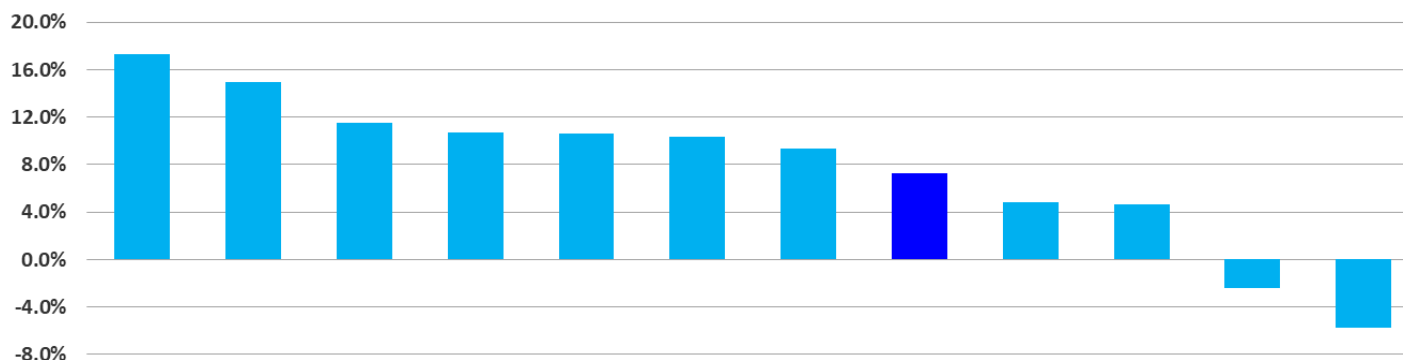
## Equity Performance Breakdown

### 2024 3Q Sector Returns for the S&P 500



	Utilities	Real Estate	Industrials	Financials	Materials	Consumer Staples	Consumer Discretionary	Health Care	S&P 500 Index	Communic. Services	Technology	Energy
<b>2024 3Q Return</b>	19.4%	17.2%	11.6%	10.7%	9.7%	9.0%	7.8%	6.1%	5.9%	1.7%	1.6%	-2.3%
<b>Weight in S&amp;P</b>	2.5%	2.3%	8.5%	12.9%	2.2%	5.9%	10.1%	11.6%	-	8.9%	31.7%	3.3%

### 2024 3Q Sector Returns for the MSCI EAFE



	Real Estate	Utilities	Communic. Services	Materials	Consumer Staples	Financials	Industrials	MSCI EAFE Index	Consumer Discretionary	Health Care	Technology	Energy
<b>2024 3Q Return</b>	17.3%	14.9%	11.5%	10.7%	10.6%	10.4%	9.4%	7.3%	4.8%	4.6%	-2.4%	-5.8%
<b>Weight in EAFE</b>	2.2%	3.4%	4.3%	6.9%	8.7%	20.6%	17.3%	-	11.0%	13.3%	8.7%	3.6%

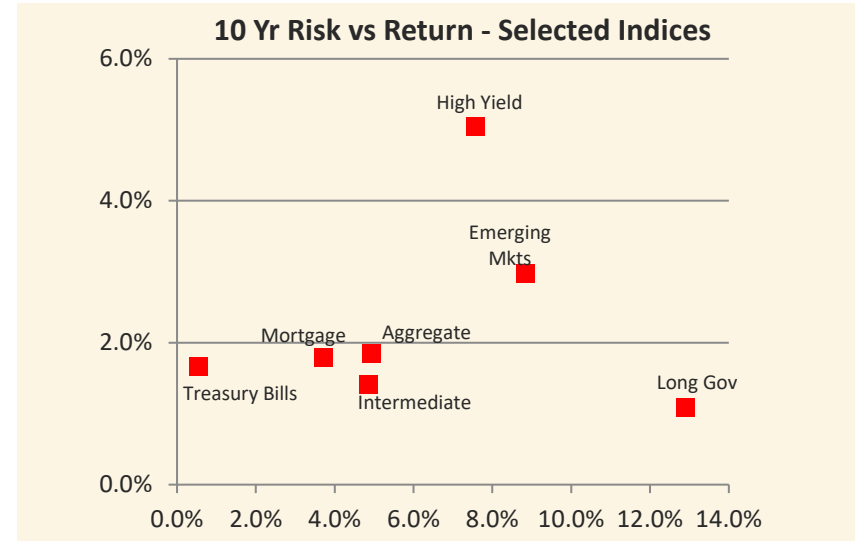
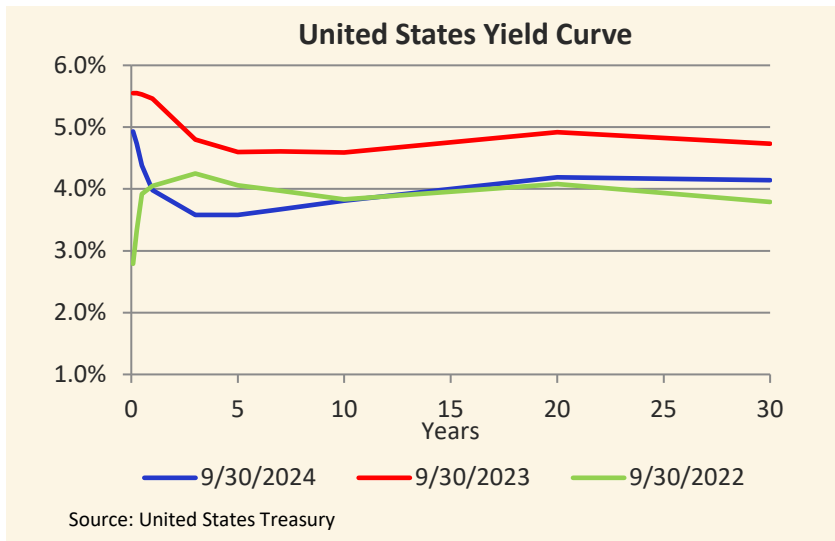
More defensive sectors like Utilities (+19.4%), Real Estate (+17.2%) and Consumer Staples (+9%) were among the top performers for the S&P 500 in Q3, while Technology (+1.6%) and Communication Services (+1.7%) both lagged. Housing-related segments of the S&P 500 performed particularly well in the third quarter, with Homebuilders up +30.5% for the quarter and the Home Furnishings sub-sector up 41.5%.

As in the US, the Real Estate, Utilities and Consumer Staples sectors were all among the strongest segments of the non-US market in the third quarter. Technology (-2.4%) and Energy (-5.8%) were the weakest sectors. Inflation in the Eurozone slowed to 1.8% in September, below the European Central Bank's target of 2%, which has fueled investor speculation that the ECB is likely to announce additional interest rate cuts in October.

## Fixed Income Performance

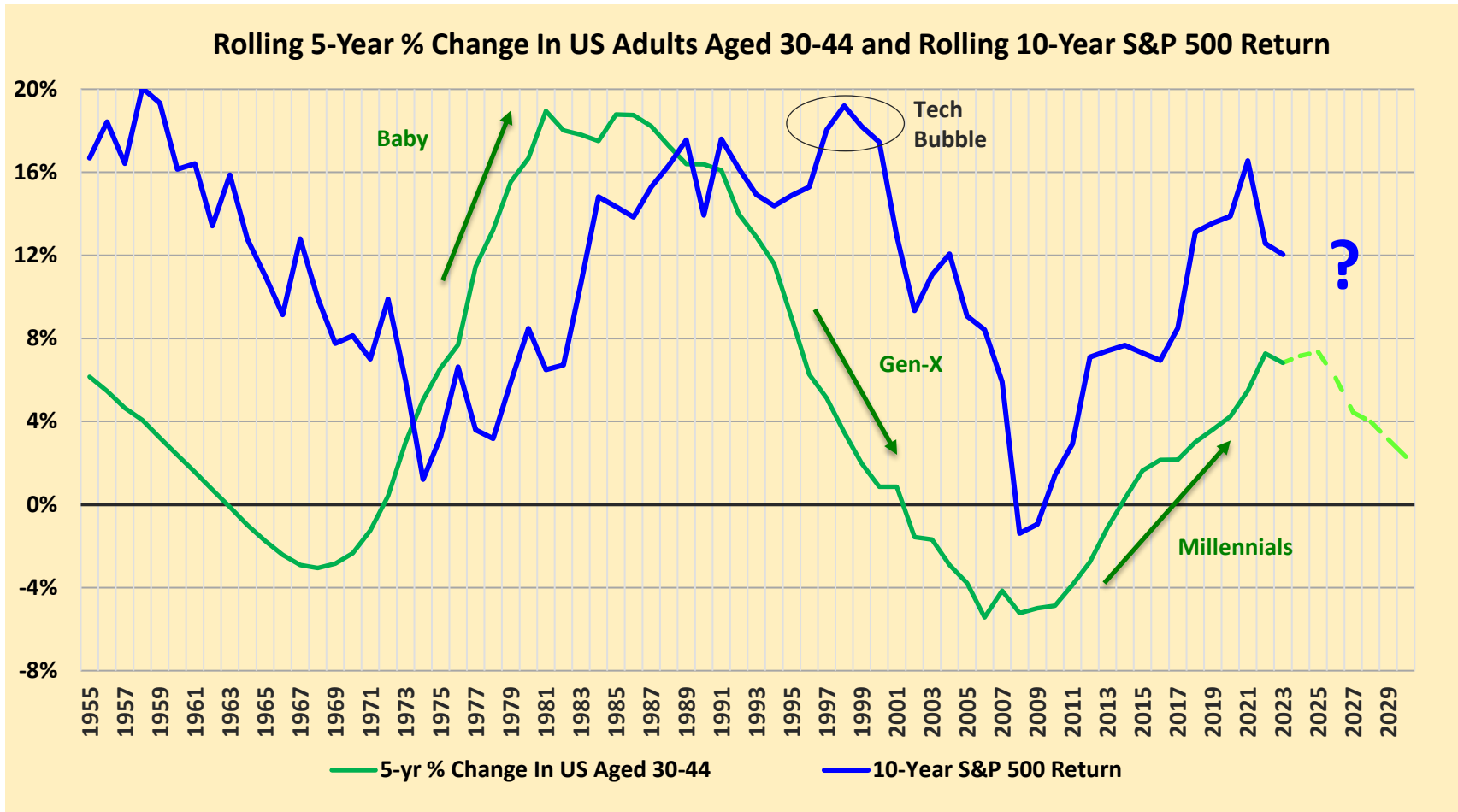
Fixed Income Rates of Return		2024 3Q	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Market Indices</b>	Bloomberg US Aggregate TR	5.20%	4.45%	11.57%	-1.39%	0.33%	1.84%
	Bloomberg US Govt/Credit TR	5.10%	4.39%	11.31%	-1.50%	0.41%	2.00%
<b>Intermediate Indices</b>	Bloomberg US Int Agg TR	4.60%	4.64%	10.39%	-0.30%	0.85%	1.79%
	Bloomberg US Govt/Credit Int TR	4.17%	4.68%	9.45%	0.17%	1.26%	1.96%
<b>Government Only Indices</b>	FTSE 3 Month Treasury	1.37%	4.17%	5.63%	3.63%	2.38%	1.67%
	Bloomberg US Govt 1-3 Yr TR	2.89%	4.13%	6.78%	1.28%	1.49%	1.42%
	Bloomberg US Govt Int TR	3.95%	4.19%	8.33%	-0.10%	0.84%	1.50%
	Bloomberg US TIPS TR	4.12%	4.85%	9.79%	-0.57%	2.62%	2.54%
	Bloomberg US Govt Long TR	7.81%	2.44%	15.43%	-8.32%	-4.25%	1.09%
<b>Municipal Indices</b>	Bloomberg US Municipal TR	2.71%	2.30%	10.37%	0.09%	1.39%	2.52%
	Bloomberg US Municipal 1 Yr TR	1.64%	2.59%	4.97%	1.60%	1.49%	1.29%
	Bloomberg US Municipal 10 Yr TR	2.64%	1.02%	8.57%	0.13%	1.42%	2.60%
	Bloomberg US Municipal 20 Yr TR	2.72%	2.69%	13.10%	-0.11%	1.54%	3.11%
<b>Mortgage Backed Indices</b>	Bloomberg US MBS TR	5.53%	4.50%	12.32%	-1.20%	0.04%	1.41%
<b>Corporate Bond Indices</b>	Bloomberg US Credit TR	5.71%	5.23%	13.81%	-1.12%	1.07%	2.79%
	Bloomberg US High Yield TR	5.28%	8.00%	15.74%	3.10%	4.72%	5.04%
<b>World Bond Indices</b>	FTSE World Government Bond	6.95%	2.72%	11.02%	-4.41%	-2.05%	-0.15%
	Bloomberg EM USD Sovereign TR	6.51%	7.98%	18.50%	-0.53%	0.75%	2.97%

Source: Morningstar Advisor Workstation



## MARKET MICROSCOPE – Changing Generations and S&P 500 Returns

The recent resiliency of the US stock market is likely due at least in part to the large Millennial generation reaching their prime household/family formation years.



Going back to the 1950s, the rolling 10-year return of the S&P 500 has tended to rise and fall along with the rate of change in the number of US adults entering ages 30-44 (with a slight lag). If the pattern were to continue, it would suggest that the stock market's current bull run could go on for a few more years.