

SOLIST FINANCIAL
WEALTH MANAGEMENT

Q3 Market Commentary

Solist Wealth Management

As of 06-29-2024



Q3 Market Commentary

Selection versus Allocation

This past month, and year, has demonstrated just that. If you look at returns, investors needed a broad diversified allocation and select sub-allocation. Let's break this down.

In June, we saw gains in global equities but not Eurozone and Asia/Pacific. In domestic equities, we watched positive growth returns versus negative value returns. Additionally, 3 of 11 GICS S&P 500 sectors were positive and the rest negative. How about fixed income? Similarly, global was flat while US across all styles was positive. And the commodity story was only one of pain as metals and energy fell several percentage points.

The risk on tilt continued to pay off as popular themes:

- Inflation
- AI
- Stock Splits
- Interest Rates
- Politics
- NVDA

continue to plague us.

Q3 (month ahead):

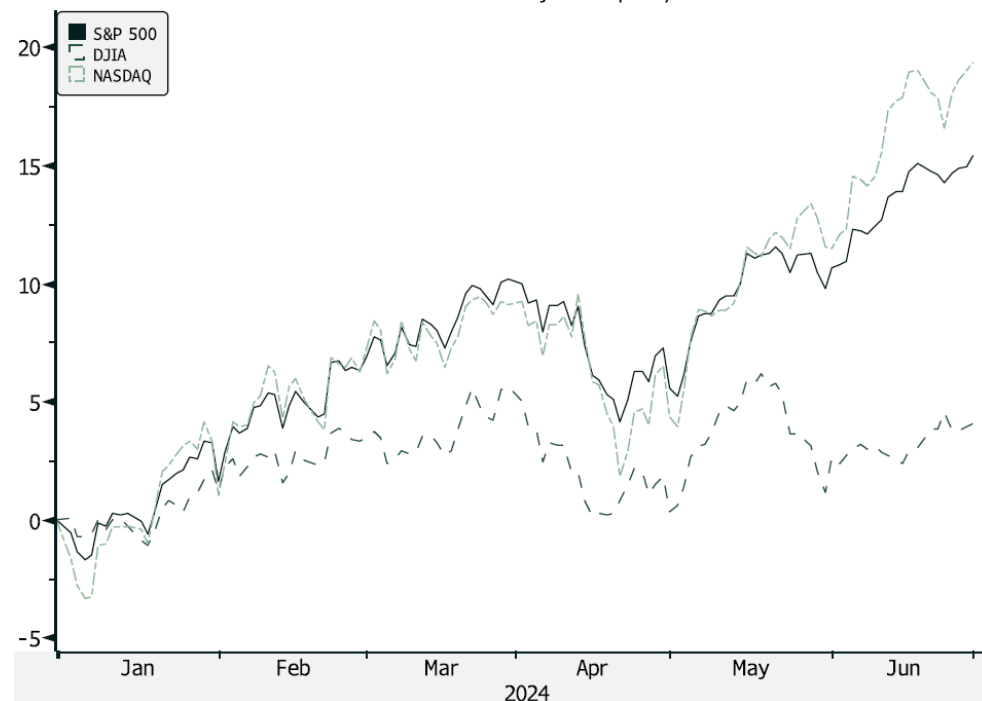
Equities: **Don't Stand Infront of a Freight Train**

Fixed Income: **Can You Take Me Higher**

Economy: **Hit the Snooze Button**

BENCHMARK	CURRENT MONTH	CURRENT		YTD
		QUARTER	QUARTER	
S&P 500	3.59%	4.28%	15.29%	
Dow Jones Industrial Average	1.23%	(1.27%)	4.79%	
NASDAQ	6.03%	8.47%	18.57%	
Euro STOXX	(1.13%)	1.50%	9.43%	
Nikkei 225 Stock Average	2.99%	(1.81%)	19.34%	
Benchmark Return (%) (VIX)	(3.72%)	(4.38%)	(0.08%)	

YTD Rate of Return: Major Equity Indices



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024

Forecast	Q3 '24	Q4 '24	Q1 '25	Q2 '25
S&P 500 (Spot 5460.48)	5700	5950	6000	5600
US Dollar (Spot 105.866)	107	105	103.3	103
Gold (Spot 2326.75)	2,320	2,300	2,200	2,085
GDP	2.80%	2.60%	2.70%	2.60%
CPI	3.10%	3.10%	3.00%	2.60%
Fed Funds	5.33%	5.15%	5.15%	4.88%

Source: Solist Wealth Management as of 06/29/2024

Equity Market Overview

Don't Stand Infront of a Freight Train

Per the attached exhibits, equity markets have had a substantial amount of wind in its sails. However, the contrarian and alleged "euphoria" trade has been the winning play this past month. In fact, leadership continues to thrive with NVDA contending for the largest security in the universe by market cap prior to significant insider selling. In our research, we feel *you do not stand in front of a freight train*.

Our stance: US over Global, Developed over Emerging, EU over Japan (change from last month), Growth over Value, Large over Small. Here are some of our insights.

Stock Splits: 10 members of the S&P 500 so far in 2024 have announce d stock splits. Historically, stock splits have led to outsized returns the 12 months following: 25% vs benchmark 12%.

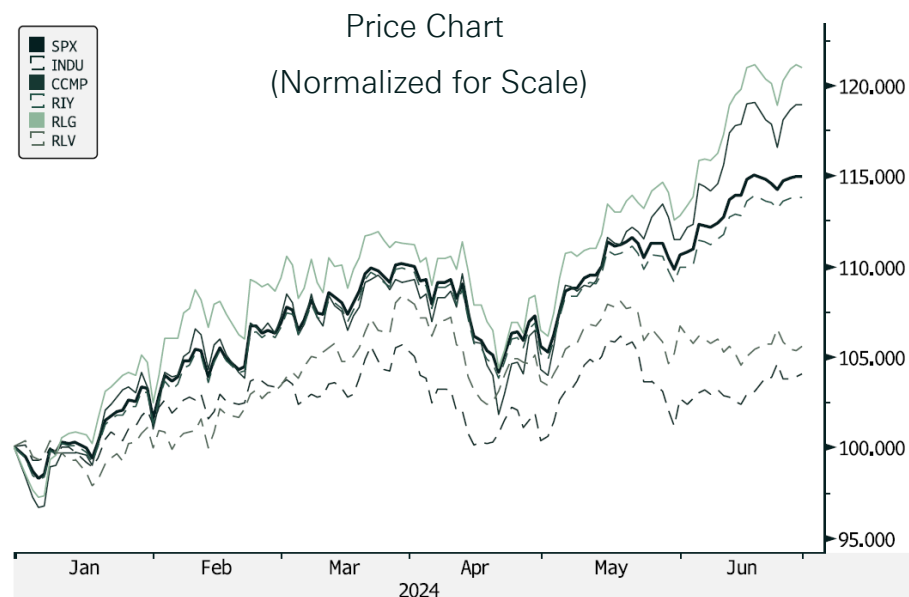
AI: We are in agreement with Julian Emanuel of Evercore ISI. We are in the early innings of AI expansion with plenty more room to run as implementation and increased capabilities continue to disrupt.

Markets in an Election Years: If the S&P 500 is up more than 10% in the first 100 days of the year, the average return to follow is an additional 10.1% gain compared to non-election years 7.1%, that is according to BofAs Stephen Suttmeier.

In conclusion, we feel there is significant upside still to come. And according to the *BI Factor Scorecard* momentum is in our favor. And our sector rotation model favors, Energy, Health Care and Financials.

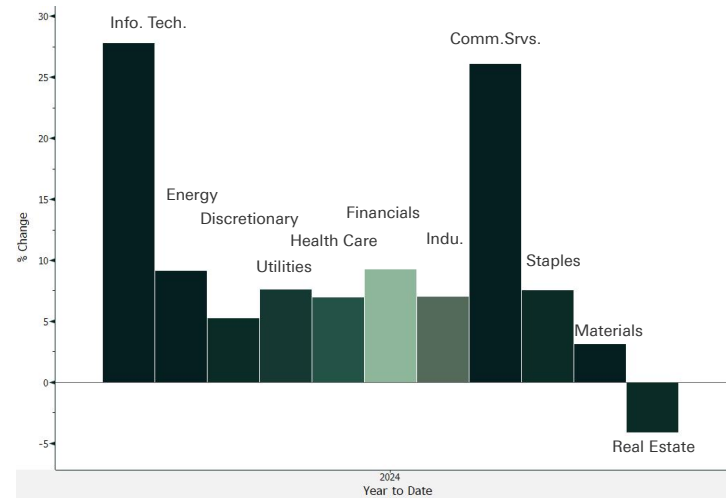
US Equity Indices Returns

BENCHMARK	YTD	2023	2022	2021	2020	2019
S&P 500	15.29%	26.29%	(18.11%)	28.71%	18.40%	31.49%
Dow Jones Industrial Average	4.79%	16.18%	(6.86%)	20.95%	9.72%	25.34%
NASDAQ	18.57%	44.64%	(32.54%)	22.18%	44.92%	36.69%
Russell 1000	14.24%	26.53%	(19.13%)	26.45%	20.96%	31.43%
Russell 1000 Value	6.62%	11.46%	(7.54%)	25.16%	2.80%	26.54%
Russell 1000 Growth	20.70%	42.68%	(29.14%)	27.60%	38.49%	36.39%



Index	Starting Price (1/1/2024)	Last Price (6/28/2024)	Change	% Change
S&P 500 (SPX)	4769.83	5498.96	729.13	15.29%
DJIA (INDU)	37689.54	39230.8	1541.26	4.09%
Nasdaq (CCMP)	15011.35	17914.1	2902.75	19.34%
Russell 1000 (RIY)	2622.14	2994.467	372.327	14.20%
Russell 1000 Growth (RLG)	3051.68	3707.913	656.233	21.50%
Russell 1000 Value (RLV)	1629.42	1721.326	91.906	5.64%

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024



2024 Year to Date
 S5INFT Index (S&P 500 Information Technology Sector GICS Level 1 Index) Sector Bar Chart Yearly 31DEC2004-28JUN2024 Copyright © 2024 Bloomberg Finance L.P. 29-Jun-2024 10:12:14

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024

Fixed Income and Cash Market Overview

Can You Take Me Higher

Fixed income this past month has us at Solist singing *can you take me higher*.

The US fixed income markets have demonstrated remarkable resilience and impressive performance over the last month, painting a promising picture for investors. In June, the markets saw a notable surge driven by declining inflation rates and positive economic indicators. The Federal Reserve's cautious approach to interest rate hikes has bolstered investor confidence, leading to a robust demand for bonds. Treasury yields experienced a slight dip, which further fueled the rally in the bond markets. Corporate bonds also gained traction, with lower default rates and strong corporate earnings reports adding to the buoyant sentiment. Municipal bonds found gains across all durations and 22+yr duration actually went positive YTD.

What do we expect next and what are we buying/selling?

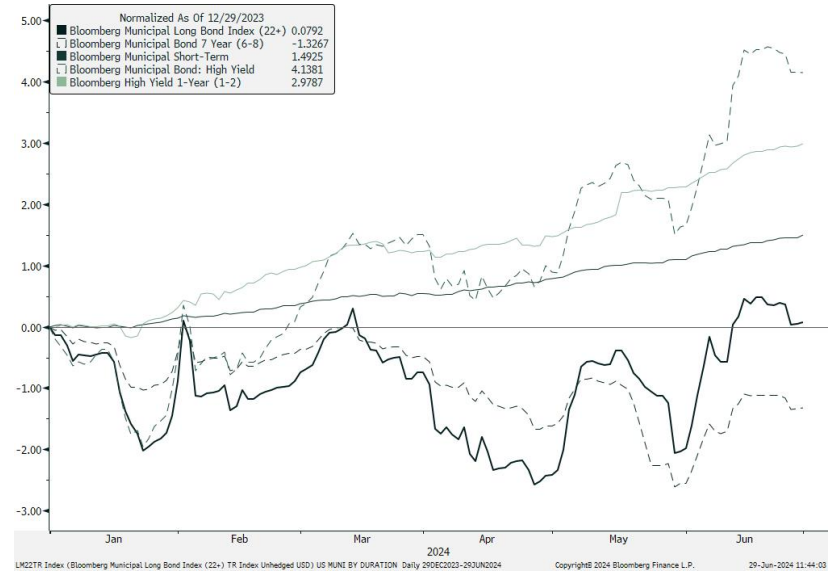
We believe we will continue to see choppiness as significant economic data comes out this month. The resulting tone of the economy and interest rates will drive demand and prices. Ultimately, we are rounding a secular bear market and transitioning to a cyclical bull market. With that stance, we have been starting to add quality duration in both corporate and municipal bonds.

We are buying:

- Short& Intermediate Corp.
- Short Duration Corp. High Yield
- Similarly, Short Muni High Yield
- Preferred Stock
- Convertibles
- Private Credit by way of Interval Funds

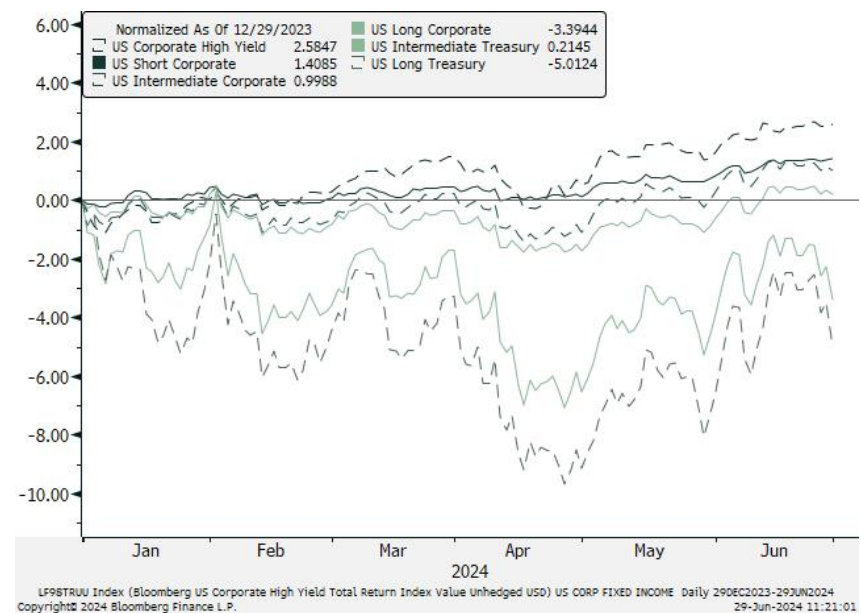
Not fixed income but conceptually similar, we like laddering auto-callable buffer notes because of the enhanced yield.

MUNI FIXED INCOME



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024

US CORP AND TREASURY FIXED INCOME



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024

Economic Overview

Hit the Snooze Button

The economic data this past month painted a promising picture of a path to rate cuts. CPI came down to 3.3% from a prior 3.4% and unemployment was at 4% demonstrating a tighter labor market. Furthermore, core PCE inflation registered the lowest reading yet this year (2.6% vs. 2.8%).

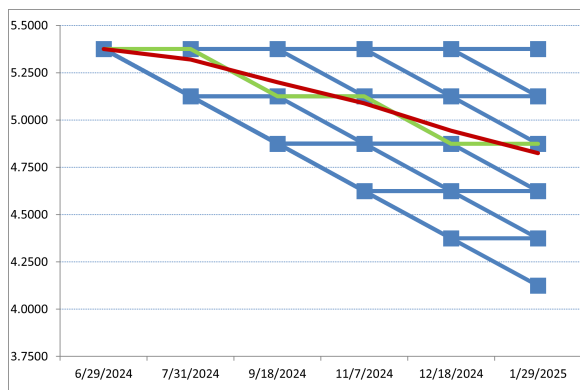
While all this supports a rate cut, we expect the fed to be cautious going into the July 31st meeting. More so, we think it is best if everyone *hit the snooze button* on near term rate cuts. In our opinion, a September cut is going to look closely at unemployment and PCE. We need to see another low print on PCE and at least a 4.2% unemployment number to expect the fed to feel comfortable cutting.

opportunities. As wages are caught in the cross hairs, it will not solely be expenditures that take a beating but also mortgages and commercial expansion.

Separately, a developing story is the bizarre data of housing market. Home prices soared, while existing home sales fell and supply increased. It seems the laws of supply and demand to do not seem to apply. Keep your eyes on housing starts, permits, sales and mortgage applications this month.

Date	Upcoming Economic Events
Monday, July 1, 2024	Construction Spending
Monday, July 1, 2024	ISM Manufacturing
Wednesday, July 3, 2024	MBA Mortgage Applications
Wednesday, July 3, 2024	FOMC Minutes
Wednesday, July 10, 2024	MBA Mortgage Applications
Thursday, July 11, 2024	Initial Jobless Claims
Thursday, July 11, 2024	Consumer Price Index
Friday, July 12, 2024	Producer Price Index
Friday, July 12, 2024	U of Mich. Sentiment
Monday, July 15, 2024	Empire Manufacturing
Wednesday, July 17, 2024	MBA Mortgage Applications
Wednesday, July 17, 2024	Housing Starts & Permits
Wednesday, July 17, 2024	Fed's Beige Book
Thursday, July 18, 2024	Initial Jobless Claims
Thursday, July 18, 2024	Philly Fed
Wednesday, July 24, 2024	MBA Mortgage Applications
Thursday, July 25, 2024	GDP Annualized QoQ
Thursday, July 25, 2024	Initial Jobless Claims
Tuesday, July 30, 2024	Consumer Confidence

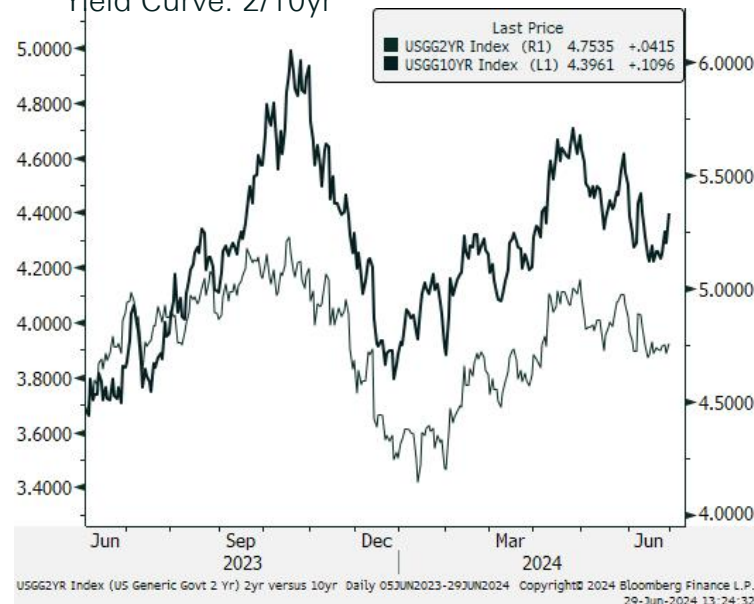
Prob of Rate Hike/Cut



Meeting Date	Future Rate Levels									
	4.13%	4.38%	4.63%	4.88%	5.13%	5.38%	5.38%	5.63%	5.88%	6.13%
7/31/2024					22.25%	77.75%	96.40%			
9/18/2024				10.64%	48.79%	40.56%	73.20%			
11/7/2024			4.73%	27.58%	45.14%	22.55%	40.80%			
12/18/2024		2.75%	18.03%	37.80%	31.99%	9.42%	19.30%			
1/29/2025	1.30%	9.95%	27.35%	35.06%	21.35%	4.98%	9.60%			

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024

Yield Curve: 2/10yr



USGG2YR Index (US Generic Govt 2 Yr) 2yr versus 10yr Daily 05JUN2023-29JUN2024 Copyright 2024 Bloomberg Finance L.P. 29-Jun-2024 13:24:32

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/29/2024