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WELCOME

# 2024 Midyear Update

Webinar

September 12, 2024

## TODAY'S GUEST SPEAKERS



**David Baskin**

*Chair, RPB Board of Trustees, Chair, Baskin Wealth Management (BWM),*



**Brad Smith**

*Partner, NEPC, RPB's outside investment advisory firm*



**Amy Brackett**

*Chair, RPB Investment Committee, Senior Wealth Advisor, Revolve Wealth Partners*



**Michael Kimmel**

*Chief Executive Officer, RPB*

## AGENDA

- Opening Remarks
- 2024 1H Market/Economic Recap
- RPB Plan Update
- 2024 2H Outlook
- Q&A



# 2024 1H Market/Economic Recap

## STRONG FIRST HALF RETURNS AS OF JULY 31, 2024

- Resilient economic growth and cooling levels of inflation, coupled with a pause in interest-rate hikes continued to fuel markets

Index	YTD	1-Year	3-Year	5-Year
S&P 500 (U.S.)	<b>16.7%</b>	22.0%	9.6%	14.9%
MSCI ACWI ex US (International)	<b>13.1%</b>	16.9%	5.7%	11.0%
Bloomberg Aggregate (U.S. Fixed Income)	<b>1.6%</b>	5.1%	-2.6%	0.2%

## Equity Market Update

- Fairly narrow market recovery continued in 2024
- NVIDIA gained 154% in first 6 months of 2024 and is now larger than the GDP of all but 6 countries in the world

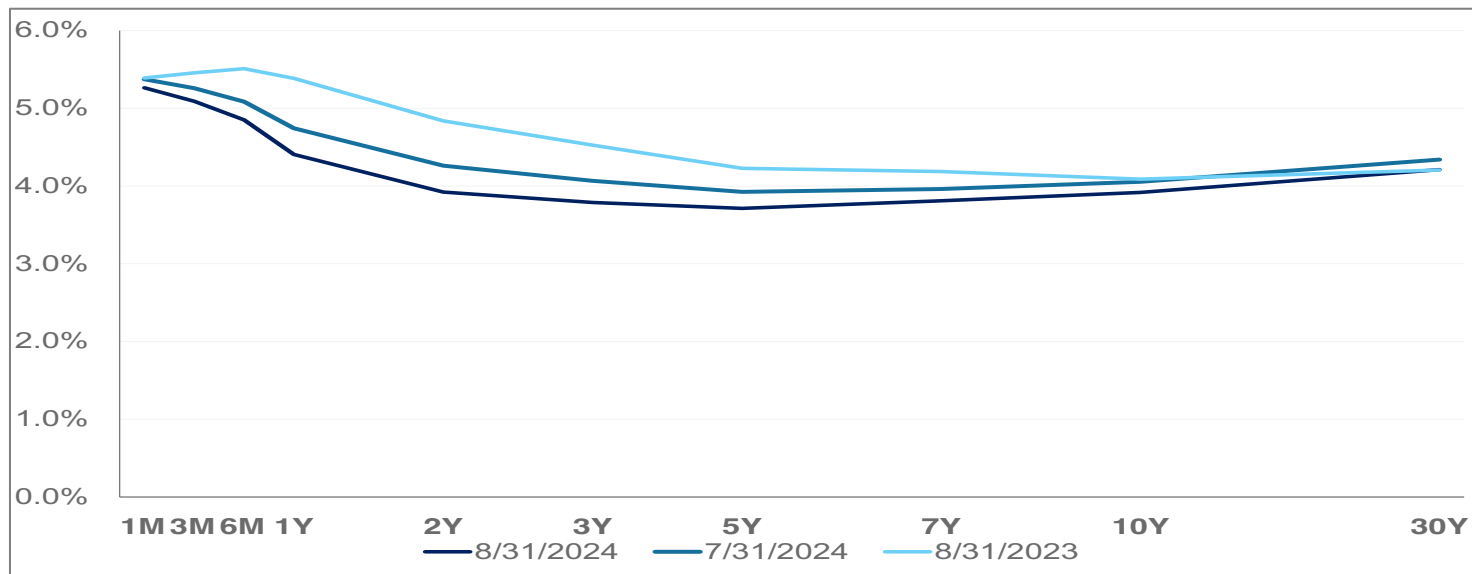


Note: \*The six countries are the U.S., China, Japan, Germany, India, and the U.K.

As of 06/30/2024, Source: IMF, FactSet

## Fixed Income Market Update

- Bond market is currently expecting up to four rate cuts by year end starting at the Fed's September meeting
- Yield curve has become less inverted (a common indicator of future recession)



# July 2024 YTD Asset Quilt – Diversification Matters

Returns for Key Indices Ranked in Order of Performance

Best ↑ ↓ Worst	Barclays US Agg Bond 5.2	MSCI EM 78.5	Alerian MLP 35.9	Alerian MLP 13.9	MSCI EM 18.2	Russell 3000 33.6	FTSE NAREIT Equity REIT 30.1	FTSE NAREIT Equity REIT 3.2	Alerian MLP 18.3	MSCI EM 37.3	FTSE Treasury Bill 3 Mon 1.9	Russell 3000 31.0	Russell 3000 20.9	FTSE NAREIT Equity REIT 43.2	Alerian MLP 30.9	Alerian MLP 26.6	Alerian MLP 18.4	Russell 3000 12.6	Russell 3000 10.5
	FTSE Treasury Bill 3 Mon 1.8	Alerian MLP 76.4	FTSE NAREIT Equity REIT 28.0	FTSE NAREIT Equity REIT 8.3	FTSE NAREIT Equity REIT 18.1	Alerian MLP 27.6	Russell 3000 12.6	Barclays US Agg Bond 0.5	Barclays Corp HY 17.1	MSCI EAFE 25.0	Barclays US Agg Bond 0.0	FTSE NAREIT Equity REIT 26.0	MSCI EM 18.3	Alerian MLP 40.2	FTSE Treasury Bill 3 Mon 1.5	Russell 3000 26.0	Russell 3000 15.7	FTSE NAREIT Equity REIT 6.5	Alerian MLP 9.2
	Barclays Corp HY -26.2	Barclays Corp HY 58.2	MSCI EM 18.9	Barclays US Agg Bond 7.8	MSCI EAFE 17.3	MSCI EAFE 22.8	Barclays US Agg Bond 6.0	Russell 3000 0.5	Russell 3000 12.7	Russell 3000 21.1	Barclays Corp HY -2.1	MSCI EAFE 22.0	MSCI EAFE 7.8	Russell 3000 25.7	Barclays Corp HY -11.2	MSCI EAFE 18.2	MSCI EAFE 8.4	MSCI EAFE 4.8	FTSE NAREIT Equity REIT 8.0
	Alerian MLP -36.9	MSCI EAFE 31.8	Russell 3000 16.9	Barclays Corp HY 5.0	Russell 3000 16.4	Barclays Corp HY 7.4	Alerian MLP 4.8	FTSE Treasury Bill 3 Mon 0.0	MSCI EM 11.2	Barclays Corp HY 7.5	FTSE NAREIT Equity REIT -4.6	MSCI EM 18.4	Barclays US Agg Bond 7.5	MSCI EAFE 11.3	Barclays US Agg Bond -13.0	FTSE NAREIT Equity REIT 13.7	MSCI EM 7.8	Barclays Corp HY 4.6	MSCI EM 7.4
	Russell 3000 -37.3	Russell 3000 28.3	Barclays Corp HY 15.1	Russell 3000 1.0	Barclays Corp HY 15.8	FTSE NAREIT Equity REIT 2.5	Barclays Corp HY 2.5	MSCI EAFE -0.8	FTSE NAREIT Equity REIT 8.5	FTSE NAREIT Equity REIT 5.2	Russell 3000 -5.2	Barclays Corp HY 14.3	Barclays Corp HY 7.1	Barclays Corp HY 5.3	MSCI EAFE -14.5	Barclays Corp HY 13.4	FTSE NAREIT Equity REIT 6.1	MSCI EM 2.6	Barclays Corp HY 6.7
	FTSE NAREIT Equity REIT -37.7	FTSE NAREIT Equity REIT 28.0	MSCI EAFE 7.8	FTSE Treasury Bill 3 Mon 0.1	Alerian MLP 4.8	FTSE Treasury Bill 3 Mon 0.1	FTSE Treasury Bill 3 Mon 0.0	Barclays Corp HY -4.5	Barclays US Agg Bond 2.6	Barclays US Agg Bond 3.5	Alerian MLP -12.4	Barclays US Agg Bond 8.7	FTSE Treasury Bill 3 Mon 0.6	FTSE Treasury Bill 3 Mon 0.0	Russell 3000 -19.2	MSCI EM 9.8	Barclays Corp HY 4.6	Alerian MLP 2.5	MSCI EAFE 6.0
	MSCI EAFE -43.4	Barclays US Agg Bond 5.9	Barclays US Agg Bond 6.5	MSCI EAFE -12.1	Barclays US Agg Bond 4.2	Barclays US Agg Bond -2.0	MSCI EM -2.2	MSCI EM -14.9	MSCI EAFE 1.0	FTSE Treasury Bill 3 Mon 0.8	MSCI EAFE -13.8	Alerian MLP 6.6	FTSE NAREIT Equity REIT -8.0	Barclays US Agg Bond -1.5	MSCI EM -20.1	Barclays US Agg Bond 5.5	FTSE Treasury Bill 3 Mon 2.2	Barclays US Agg Bond 1.6	Barclays US Agg Bond 3.2
	MSCI EM -53.3	FTSE Treasury Bill 3 Mon 0.2	FTSE Treasury Bill 3 Mon 0.1	MSCI EM -18.4	FTSE Treasury Bill 3 Mon 0.1	MSCI EM -2.6	MSCI EAFE -4.9	Alerian MLP -32.6	FTSE Treasury Bill 3 Mon 0.3	Alerian MLP -6.5	MSCI EM -14.6	FTSE Treasury Bill 3 Mon 2.3	Alerian MLP -28.7	MSCI EM -2.5	FTSE NAREIT Equity REIT -24.4	FTSE Treasury Bill 3 Mon 5.3	Barclays US Agg Bond 1.6	FTSE Treasury Bill 3 Mon 1.6	FTSE Treasury Bill 3 Mon 1.6
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	10 Yr	20 Yr

■ Russell 3000

■ Barclays Corp HY

■ MSCI EM

■ Alerian MLP

■ FTSE Treasury Bill 3 Mon

■ FTSE NAREIT Equity REIT

■ Barclays US Agg Bond

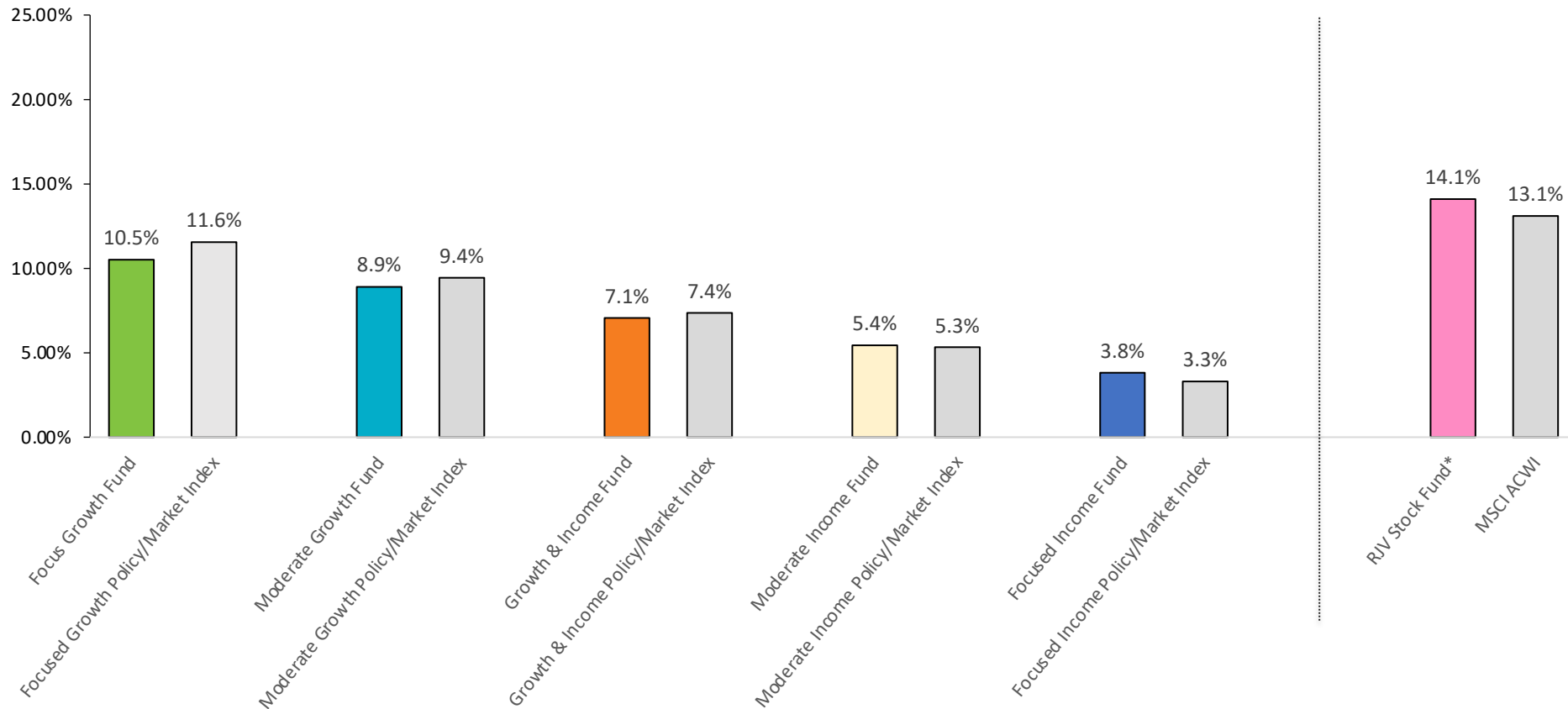
■ MSCI EAFE



# July YTD - Tiers 1 & 3 Returns Net of Fees

## RPB Target Allocation Funds and RPB RJV Stock Fund

January 1, 2024 through July 31, 2024



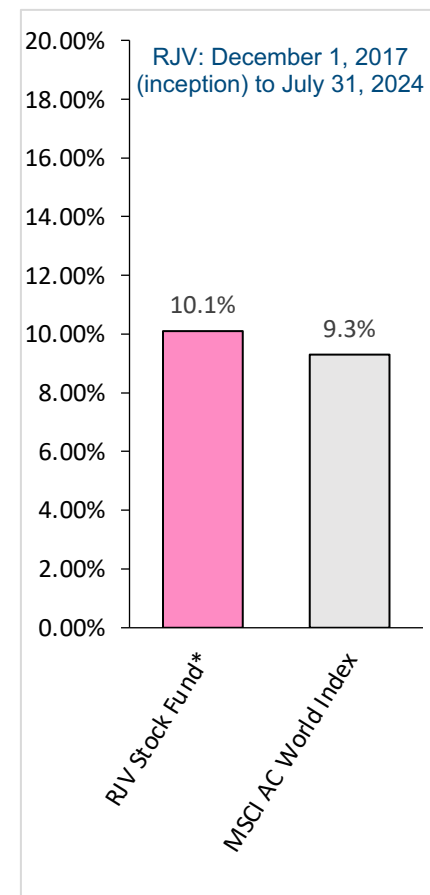
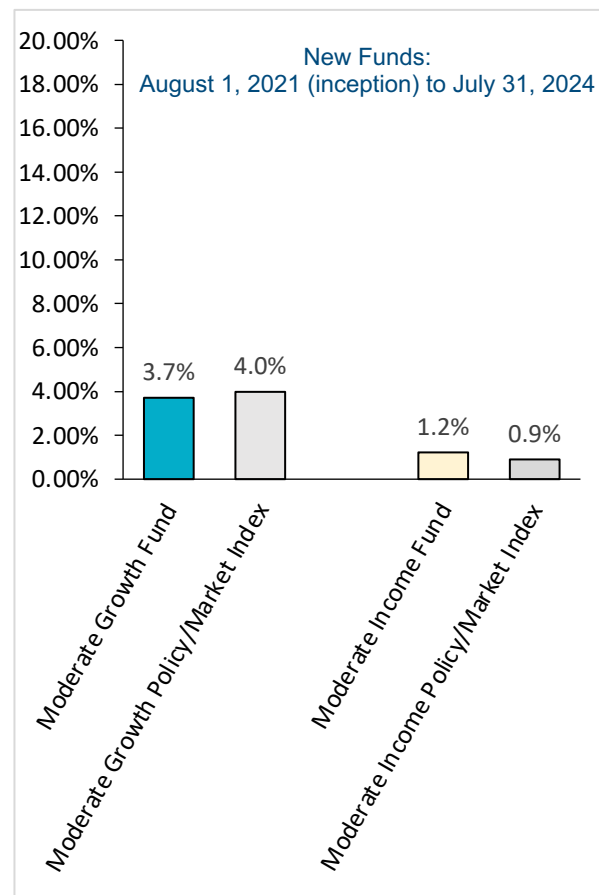
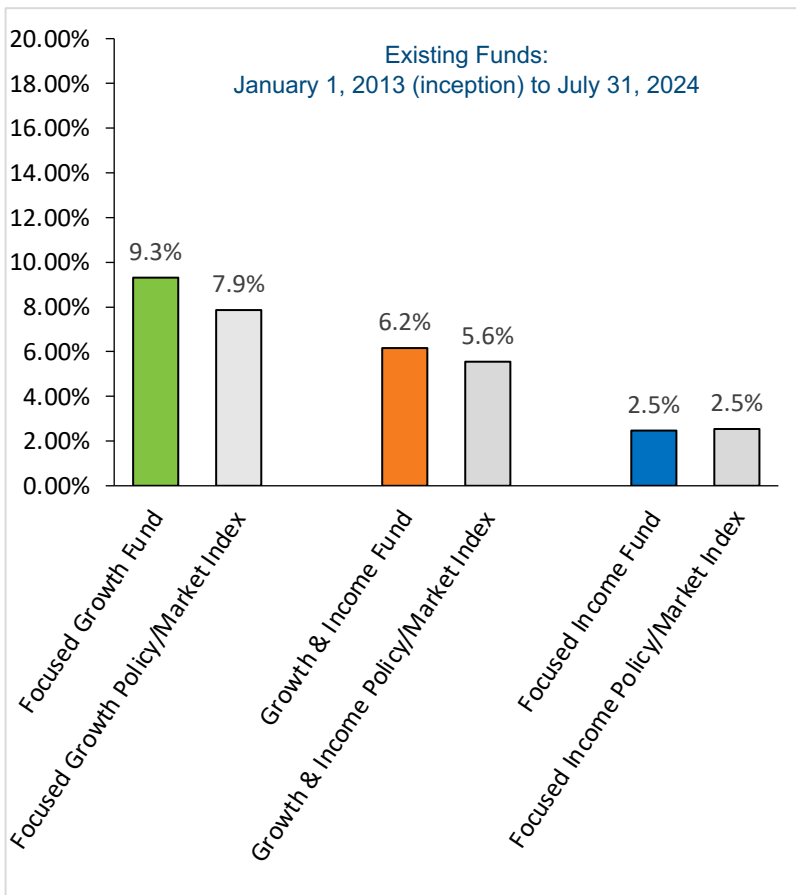
Net of investment management fees.

\*RJV Fund is in Tier 3, the remaining funds are in Tier 1

# July Since Inception - Tiers 1 & 3 Returns Net of Fees

## RPB Target Allocation Funds and RPB RJV Stock Fund

Fund inception through July 31, 2024

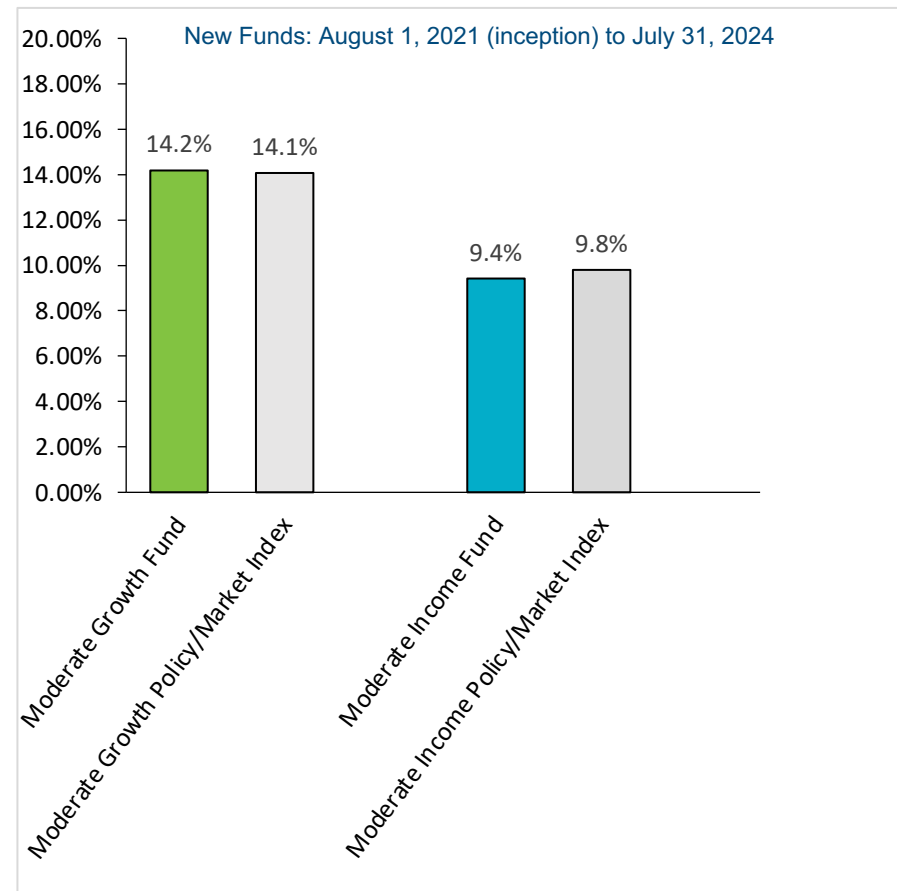
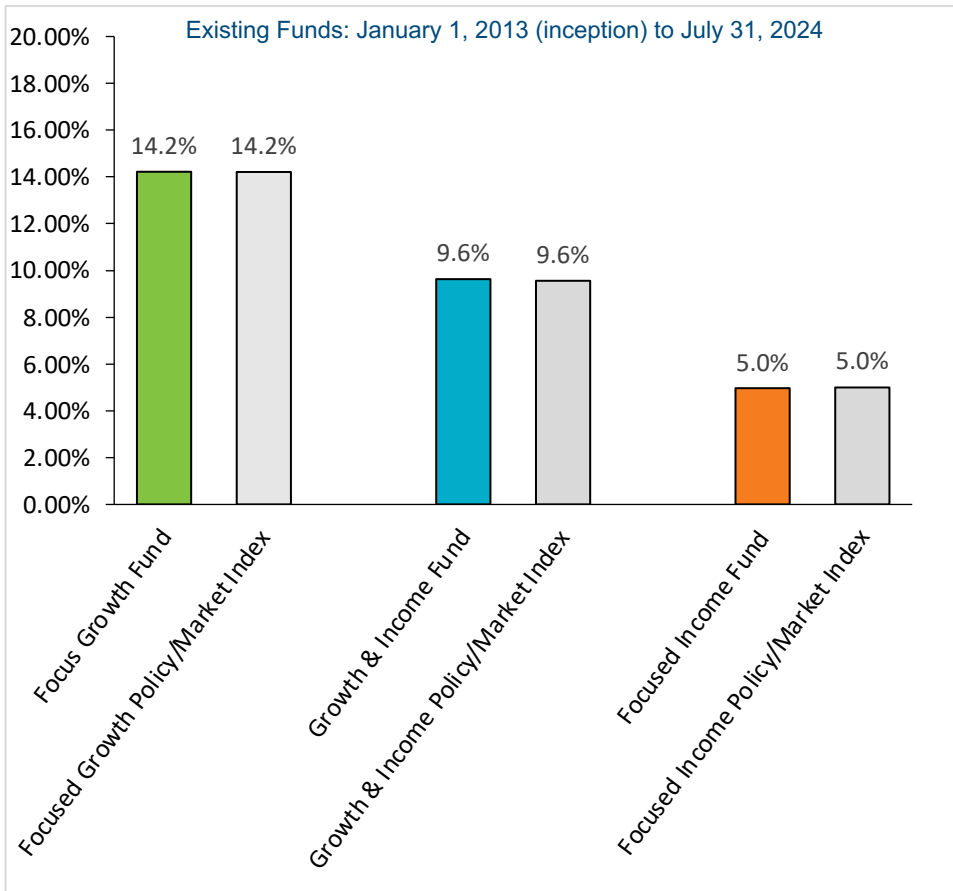


Net of investment management fees.

\*RJV Fund is in Tier 3, the remaining funds are in Tier 1

# Tier 1 Volatility – Standard Deviation

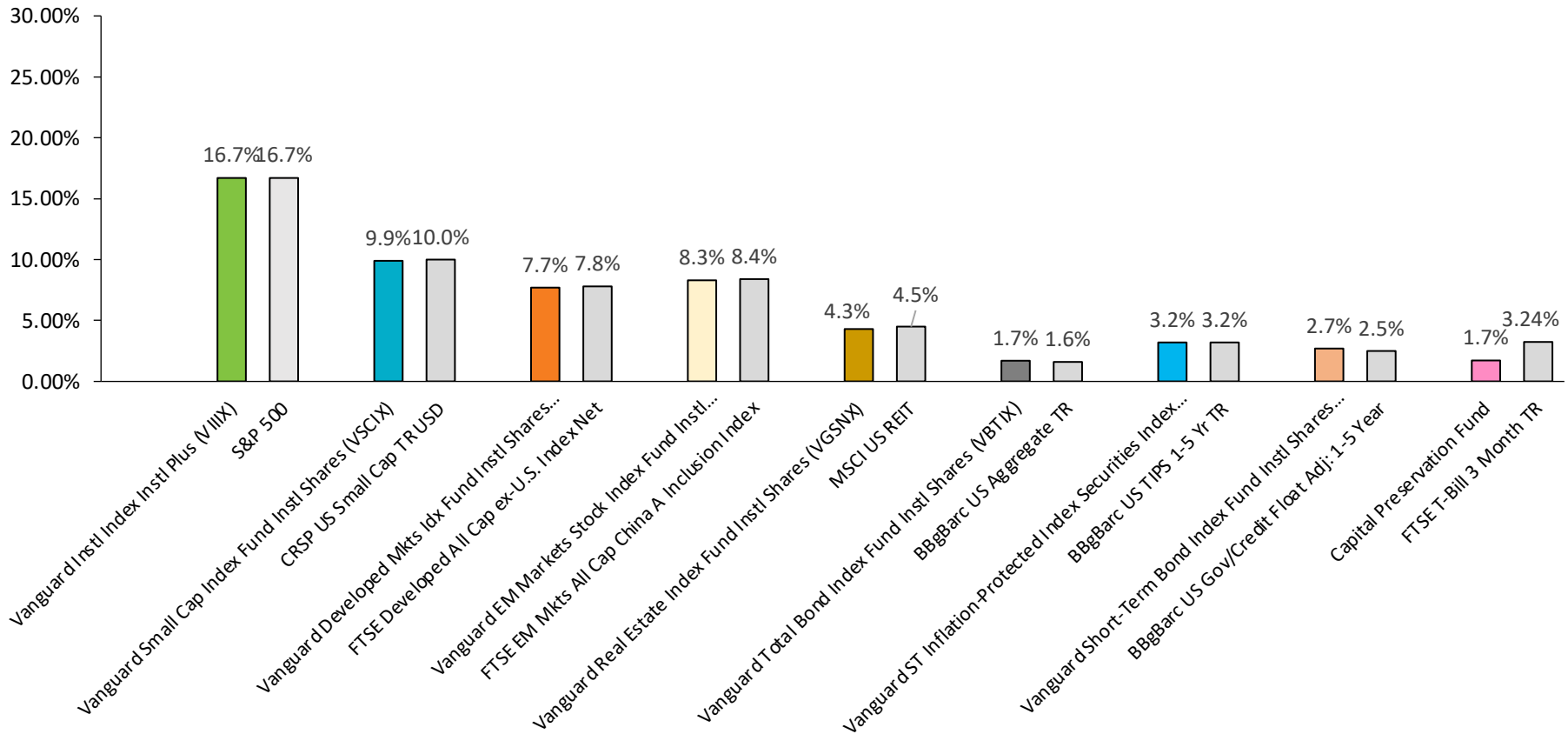
Lower is less risky



# July YTD Tier 2 Returns Net of Fees

## Vanguard Index Funds and RPB Capital Preservation Fund

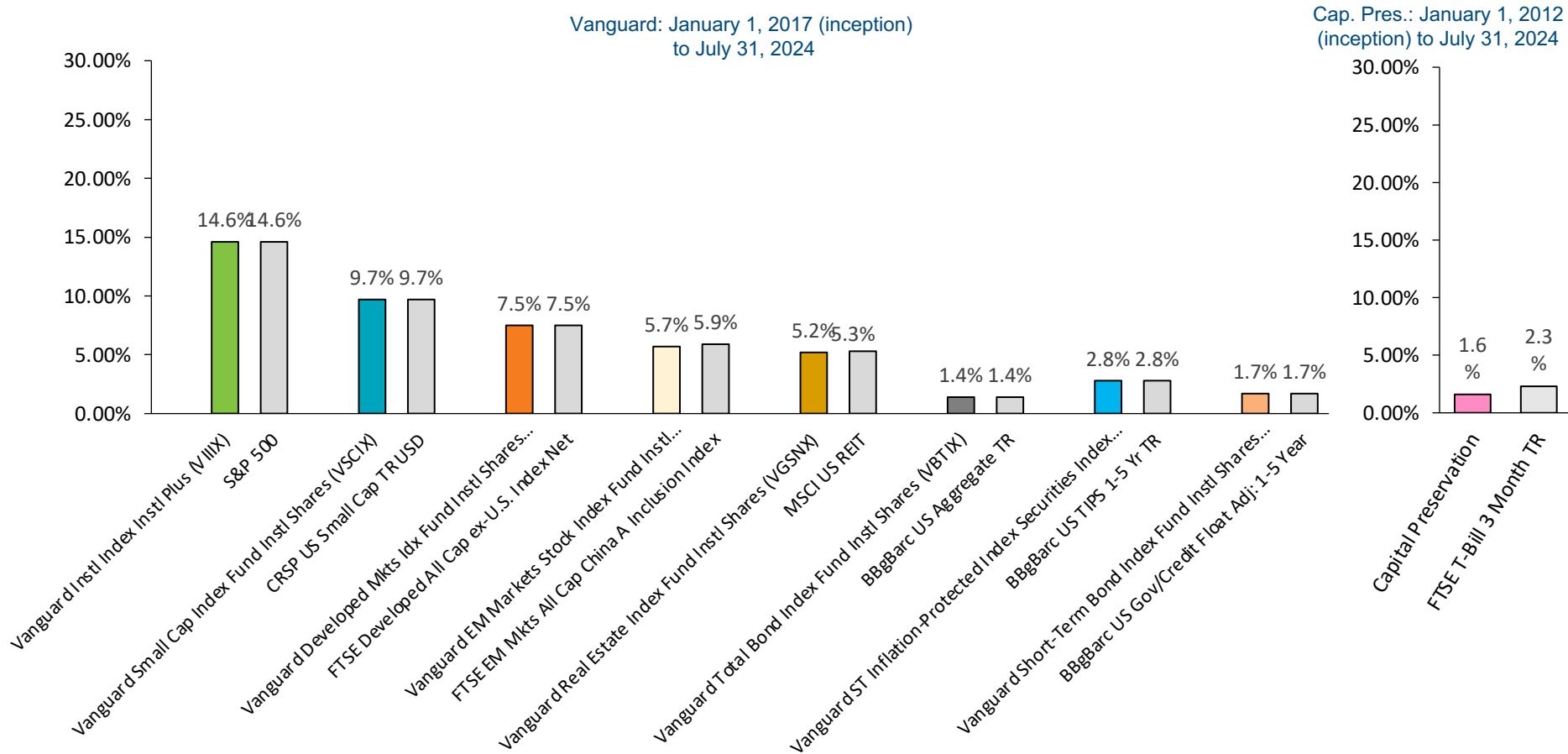
January 1, 2024 through July 31, 2024



# July Since Inception - Tier 2 Returns Net of Fees

## Vanguard Index Funds and RPB Capital Preservation Fund

Fund Inception through July 31, 2024



# 2H 2024 OUTLOOK



## 2H Outlook Discussion Topics

- Federal Reserve Policy moves: when will the Fed begin cutting rates and how low will rates go?
- What's next for inflation?
- Where are stocks and bonds going in second half of the year?
- What investors should focus on this election season?

## 2024 Key Investment Themes



### Magnificent 6

Unprecedented size (28% of S&P); sky-high earnings growth expectations are “priced for perfection”



### Inflation pressures have softened

Inflation remains above Fed’s long-term target of 2%



### Heightened Geopolitical Risks

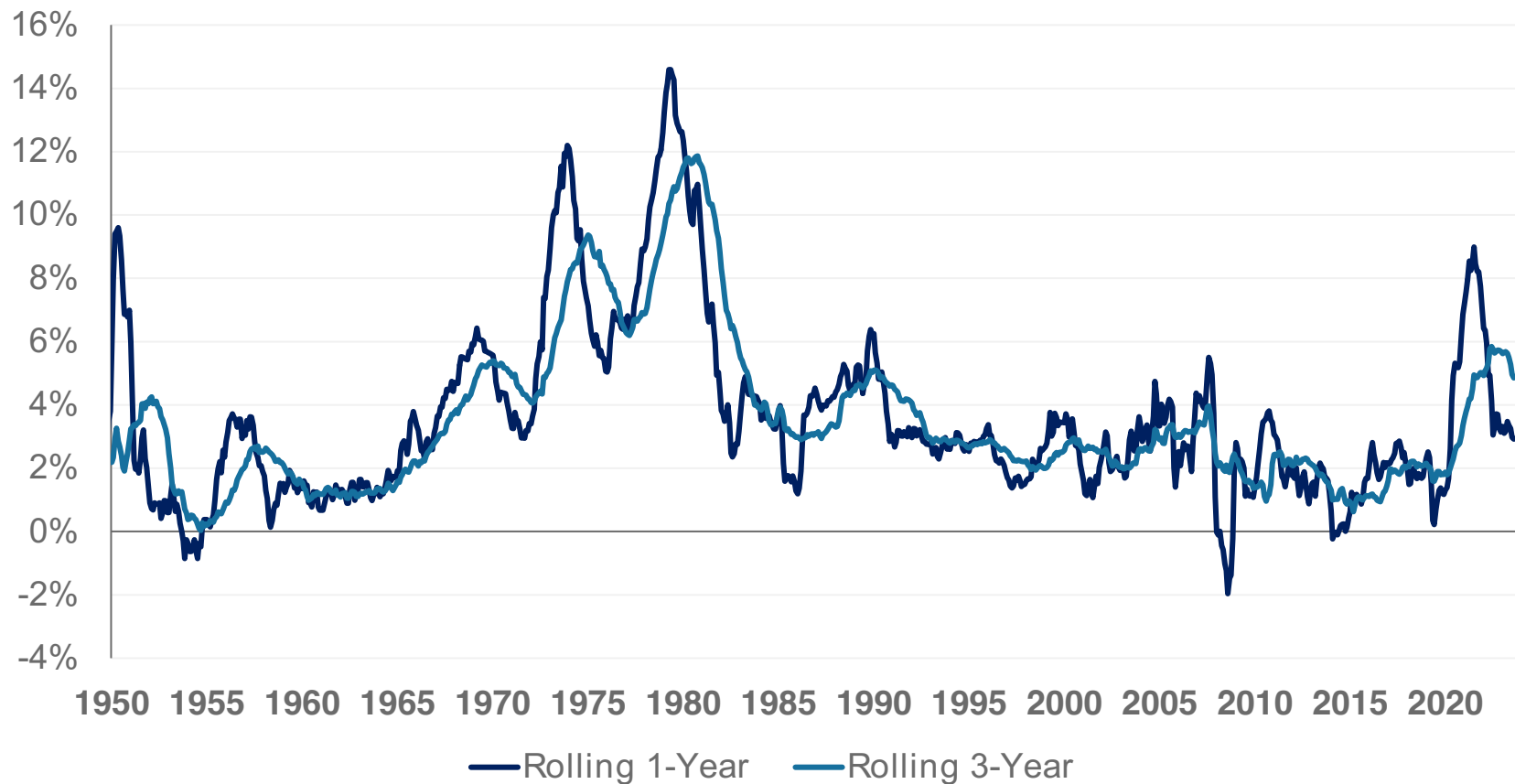
Historically, markets experience short-lived impact following a geopolitical flash point





# Inflation pressures broadly softened

U.S. Consumer Price Index

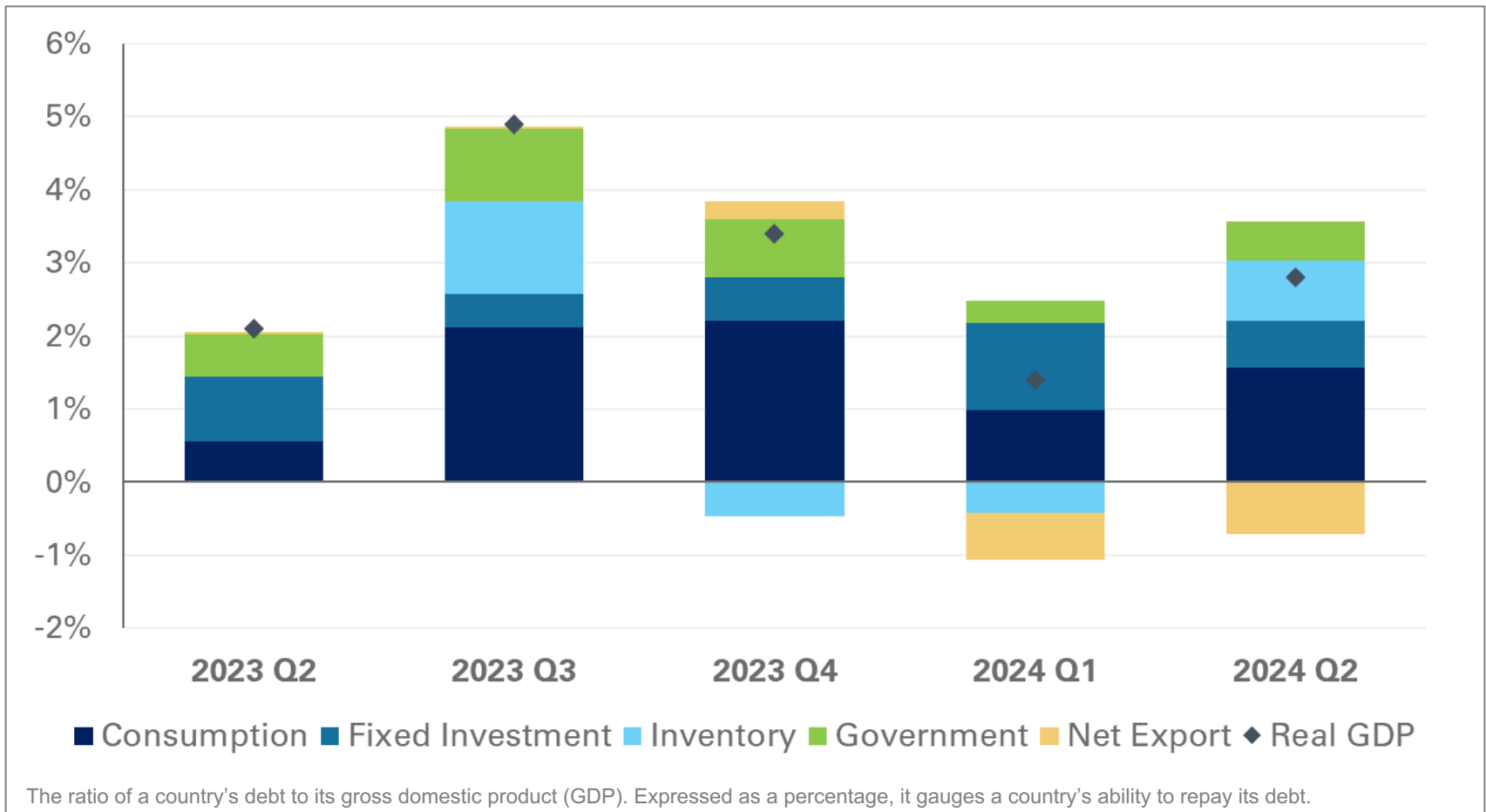


## Interest rate cuts and what it means

- Inflation expected to settle slightly above Fed's target of 2%
- Absent a recession, NEPC expects rate cuts to be slower than the market expects, possibly disappointing investors
- Market continues to expect a “soft landing” (mild recession)

# Economic Growth Appears to be Healthy

## CONTRIBUTION TO REAL QUARTERLY U.S. GDP

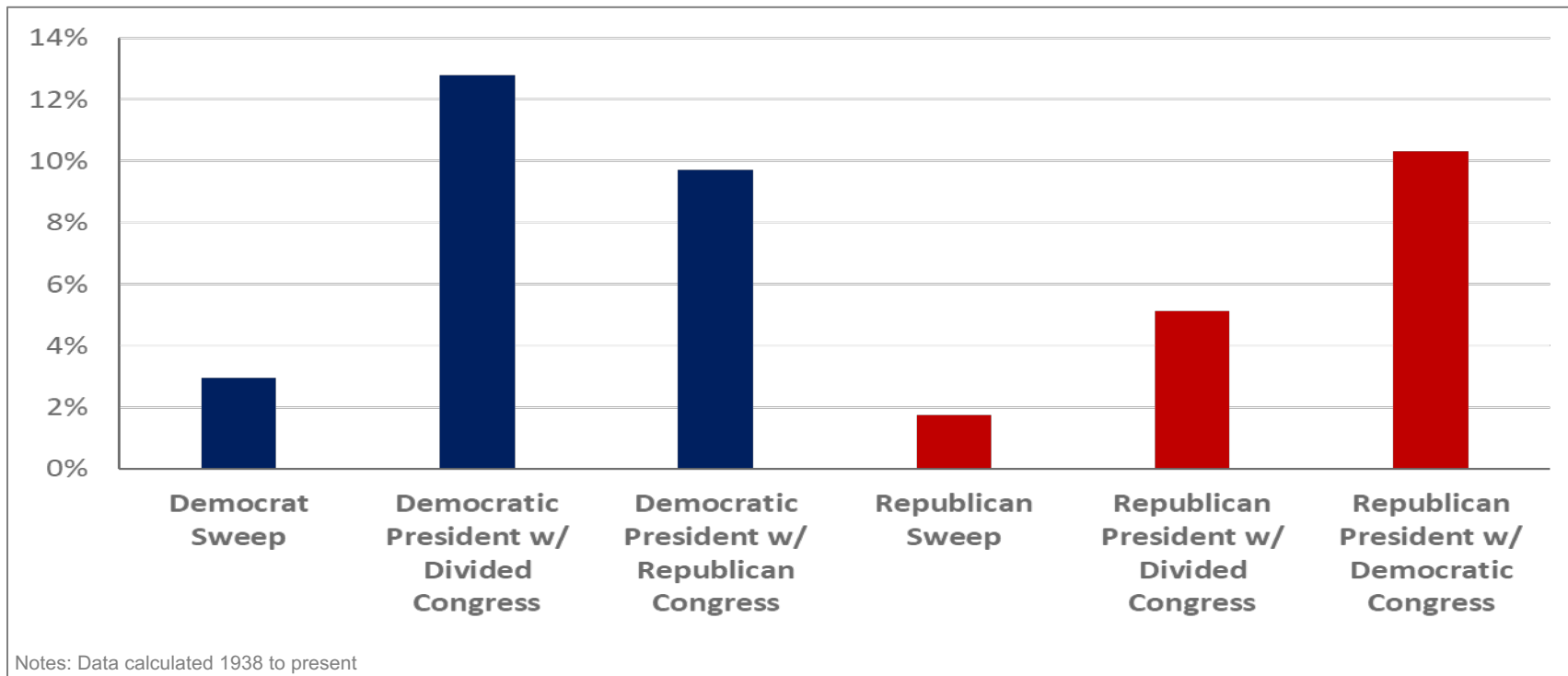


## U.S. Election and Growing Geopolitical Risks

- 2024 is a “super cycle” election year with multiple countries holding elections
- Investors should be prepared for increased market volatility if global tensions escalate in second half of 2024
- Investors should embrace portfolio diversification as uncertainty introduces potential for market surprises
- If you build your own portfolio, look for opportunities to rebalance

# A Divided Government is Good For Markets

## AVERAGE ANNUAL S&P 500 RETURNS DURING ELECTION YEARS



Sources: White House History, House Press Gallery, S&P, FactSet

# Time in the market versus market timing

Participants look in the mirror and think they are Warren Buffett



## 2024 Market Recap: Great first half, uncertain second half

- Health of the labor market will drive the speed of future Fed rate cuts
- Mag-6 names “priced for perfection” with high hurdle set for expected future earnings growth
- 2024 global election “super cycle” increases likelihood of geopolitical surprises for the market
- Economic data doesn’t support an imminent recession



## Your next actions

- Know what you're invested in
- Stay focused on your risk tolerance
- Review your portfolio at least once a year
- Set up rebalancing to maintain your risk, liquidity, and diversification goals
- Check your beneficiaries
- Consult with a Fidelity Retirement Planner  
800-328-6608





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Q&A

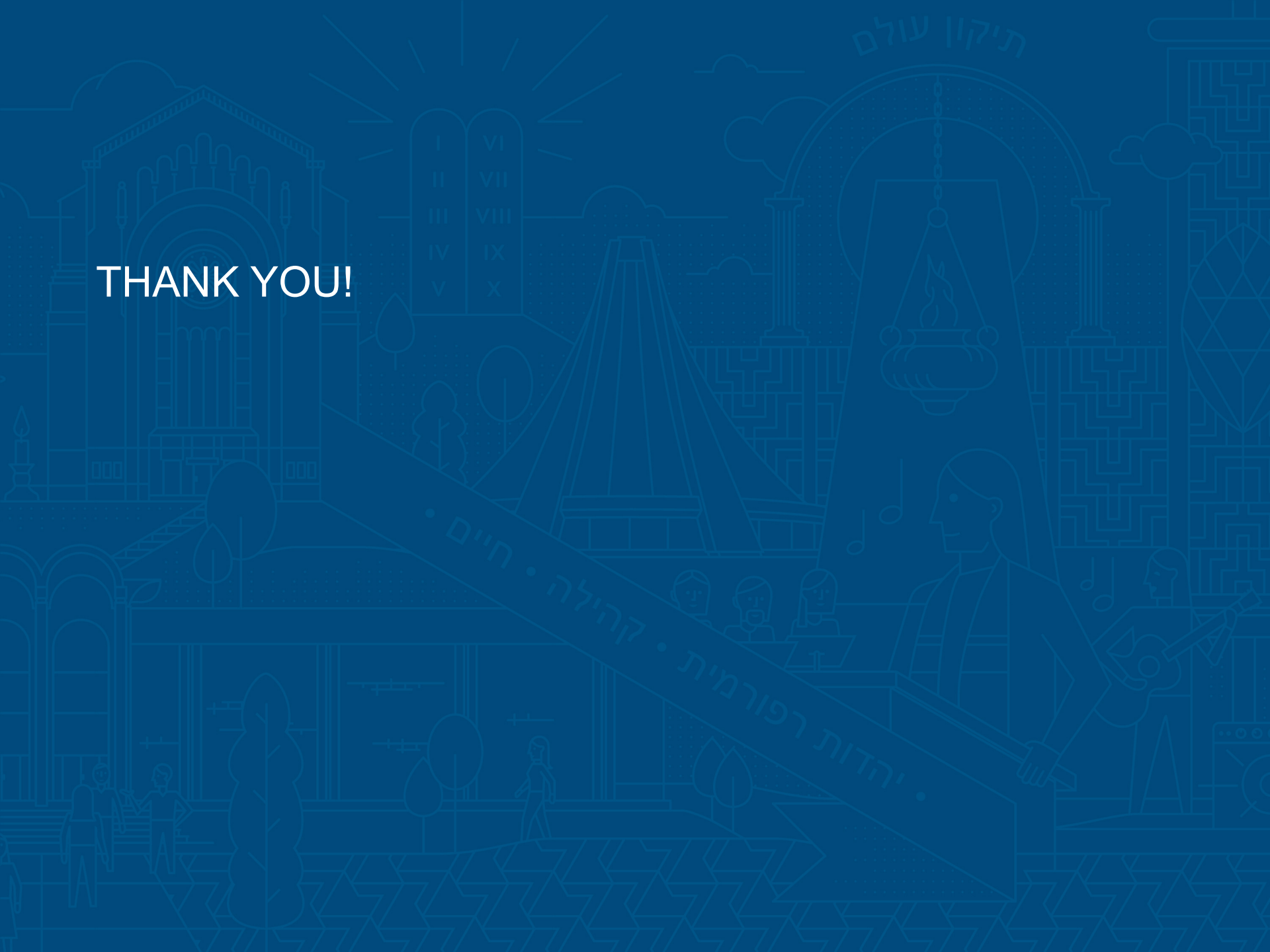
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תיקון עולם

THANK YOU!

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