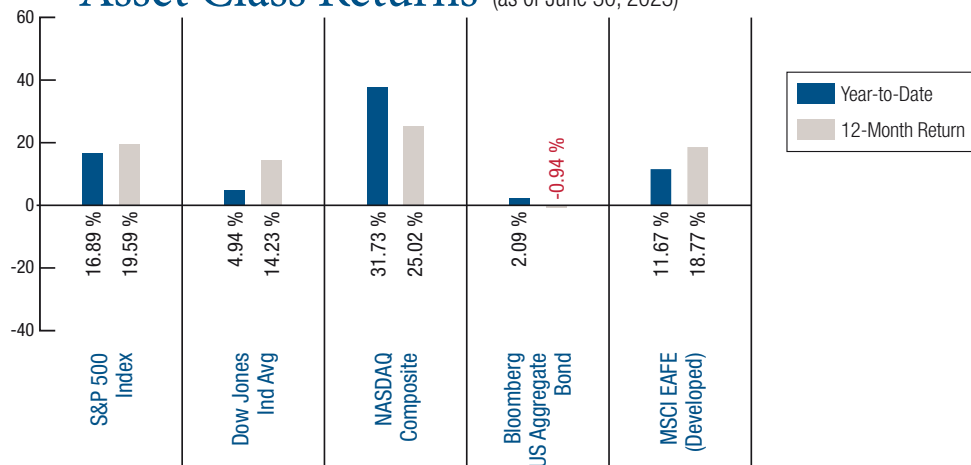


“Keep close to Nature’s heart... and break clear away, once in a while, and climb a mountain or spend a week in the woods. Wash your spirit clean.” — John Muir

Asset Class Returns (as of June 30, 2023)



Source: Morningstar



MARKET/ECONOMIC SYNOPSIS

Terry Wiles, CRPC®, AWMA®
Branch Manager, RJFS
President, Stonegate Financial

I hope that everyone is out doing something on their bucket list this summer! Becky and I are in Oregon and Washington, exploring the Pacific Northwest National Parks. During our journey through the Rockies, everyone we’ve met has mentioned that this year’s weather is some of the strangest they have ever seen. Personally, we have experienced multiple instances of unusual weather conditions, including low temperatures in the 30’s and some days with highs only in the 50’s. We’ve encountered rain, hail, graupel, and snow on multiple occasions while hiking. Unfortunately, some of the national parks we’ve visited still have roads closed due to the incredible amounts of snow still on the roads after a near-record snowfall winter. It’s intriguing how mother nature has its way of figuring out what each region needs; after several years of severe draught in the West, it looks like they are now getting a reprieve, and areas that are normally brown and burnt up are green and thriving. Streams and rivers that were once dry or merely a trickle, are now full to the brim and flowing smoothly. It makes it hard to fly fish. 😊

The markets have performed very similarly to the weather pattern in the West. After a very rough year for stocks and bonds in 2022, we have had a nice reprieve. The sectors of the market punished the most in 2022 were Information Technology, Communication Services, and Consumer Discretionary (down -28.19%, -39.89%, and -37.03%, respectively). These sectors have all come roaring back year-to-date through 6/16/2023, up 41.57%, 36.77%,

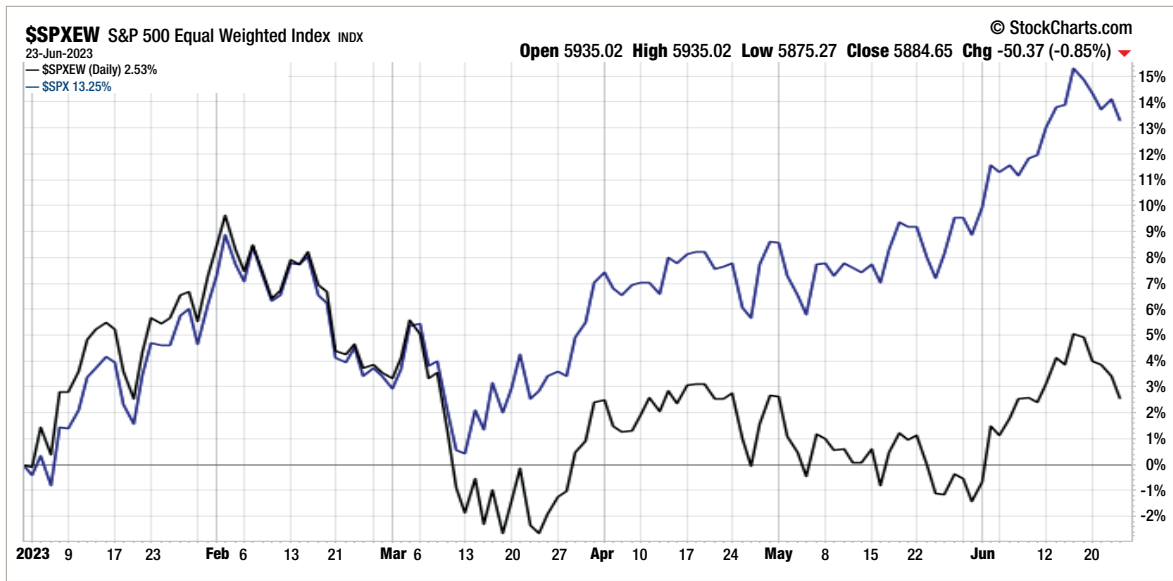
and 29.78%, respectively. That is quite a reversal and one we all welcome. On the other hand, let’s look at why having a diversified portfolio is so important.

The sectors of the stock market that performed the best in 2022 were Energy, Utilities, and Consumer Staples with returns of 65.43%, 1.56%, and -0.62%, respectively. Yes, it was the year for energy stocks!!! Now through 6/16/2023, these stocks have lagged those highfliers above by a large margin, -6.68%, -3.85%, and 1.06%, respectively.

It just goes to show that market timing is neither an easy nor a wise practice when building your long-term retirement portfolio. Diversification and rising stock dividends are a much sounder way of building and keeping your wealth for those future bucket list adventures.

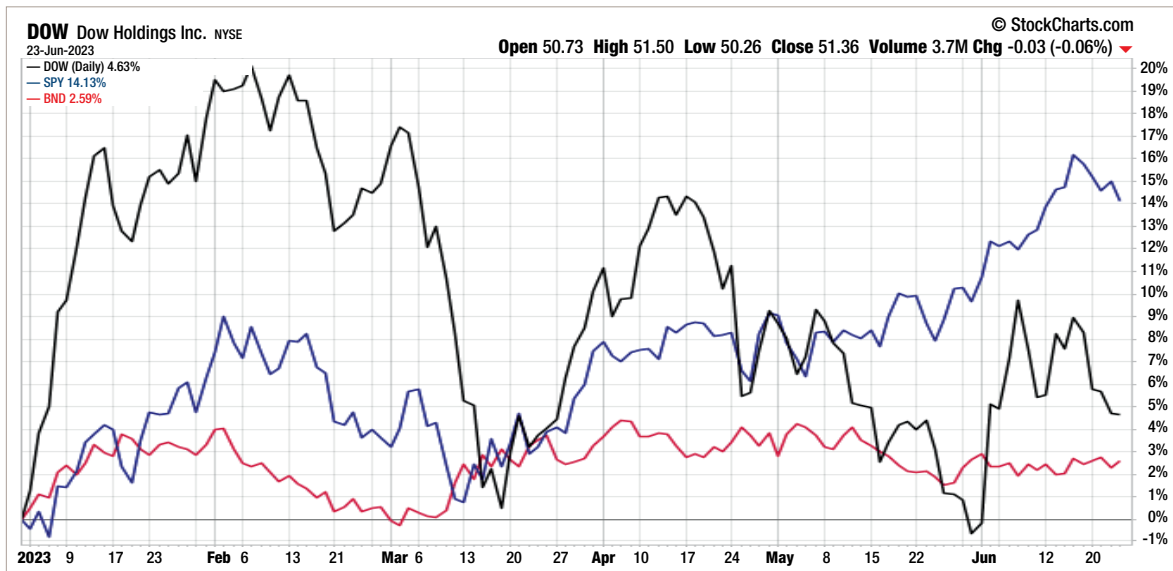
Some individuals are wondering why they are not up 13% year-to-date like the S&P 500. Well, when looking at the weighting of the 500 largest companies, which is what makes up the S&P 500, you’ll find that 47.7% of the current S&P 500 is invested in Information Technology, Communication Services, and Consumer Discretionary, which as I mentioned above have had stellar performances year-to-date.

When comparing the S&P 500 index (the larger the company, the larger the weighting) to the Equal Weighted S&P 500 index (this index gives each of the 500 stocks the same percentage weighting), you’ll find things are not as rosy as you’d think.



The chart to the left that I built in StockCharts.com shows that the equal weighted index (black line) is up just over 2%, versus 13% for the S&P 500 (blue line)!

The second chart shows the results of the two benchmarks' (S&P 500 and the Equal Weighted S&P 500) performance in 2022. You'll see that the Equal Weighted S&P, although negative, still outperformed the S&P 500 by over 6%.



The final chart I have built out here shows the year-to-date performance of the S&P 500, the DOW Jones Industrial average, and the Total Bond Market Index. You'll again see that all things are not equal. All are thankfully positive year-to-date, but the tech heavy weighted S&P 500 index is far outperforming the DOW & the Bond markets.



FINANCIAL PLANNING CORNER

Taking Advantage of Higher Interest Rates

Trey Stille, CPA

Financial Advisor, RJFS
Partner, Stonegate Financial

While interest rate hikes over the last 15 months have been a thorn in the side of markets, there has been a silver lining – interest on savings accounts. But not all savings accounts are made equal.

High-yield online savings accounts are an easy and effective way to earn more on your cash savings. In this edition of our Planning Corner, we'll look at online savings accounts more closely, compare them to other savings alternatives, and highlight the importance of letting your cash work for you.

Competitive Rates

Online savings accounts typically offer higher interest rates compared to traditional bank savings because of their cost structure. There is no brick-and-mortar storefront, and their operations are primarily designed to provide you with higher interest rates. Online savings accounts are paying between 4%-5% annual interest today. Now compare that to the savings account at your bank... it's probably not even close! While these rates are variable and can move with market-wide interest rate changes, these accounts tend to be a convenient and productive place to park cash.

Let's look at a quick example. Assume you have \$50,000 in cash savings, and your alternatives are (i) a high-yield online savings account offering 4.0% or (ii) your traditional bank savings account offering 0.2%. If those rates held constant for the next year, your \$50,000 of savings would earn \$2,000 in an online account, and a whopping \$100 in a traditional savings account. And this is before the effect of compounding!

Easy Access

Typically, there are no strings attached to an online savings account – your money is not locked up like in a CD. Depending on your situation, it is likely prudent to have 6-months to one-year of expenses in cash. We typically suggest keeping 1-month of expenses in your traditional bank account for convenience as many of us have direct deposit and other automatic drafts established there. For any cash savings above and beyond 1-month of your expenses, consider a high-yield online account to bolster your emergency fund and take advantage of the current

rate environment. Setting up a high-yield online savings account is usually simple – you can fund it by linking to either your traditional checking or savings account. In some cases, online accounts stipulate limits on the value or frequency of transfers. Processing times for transfer requests may vary as well, so confirm those details before setting up the account.

Low Risk

Many online savings accounts are affiliated with large banks and are usually FDIC insured. Unlike money invested in the stock or bond market, your cash savings should be the safest part of your overall portfolio. Much like CDs and money market accounts, high-yield online savings accounts are one of the safer ways to grow your savings.

CDs and Money Markets

There may still be a place for CDs in your overall asset mix. CDs may be a better fit for those who (i) prefer to hold excess cash (cash over and above one-year of your expenses) and (ii) would like to lock-in an interest rate for a 9 to 12-month period. There is value in the liquidity of high-yield online savings accounts compared to the “locked-up” nature of CDs and with short-term interest rates higher than long-term rates currently, there is likely no added benefit of purchasing a CD with a maturity beyond 12-months.

Money markets are also producing much higher interest rates than in prior years. These are typically comprised of short-term government bonds, which are not only liquid but very safe relative to other investments. Whether in your investment portfolio or through your bank, money markets are another solid alternative for cash savings.

Cash and Your Financial Plan

Cash is a key element of a financial plan, particularly for retirees that fund most of their living expenses with portfolio withdrawals. Not only is cash important for emergencies, but in retirement, having cash to replace portfolio withdrawals during market downturns can be critical.

Taking advantage of higher interest rates on savings is an easy way to strengthen your financial plan and boost what you earn on your cash deposits. Consider more advantageous places to save your cash and enjoy the benefits of these higher rates while they last. If you have over \$100,000 in cash savings, please give us a call. Raymond James Bank has an FDIC insured savings program that may be a fit for you.

Please feel free to contact your Stonegate team to learn more about how cash alternatives may play an important role in your financial plan.



TEAM MEMBER SPOTLIGHT

Q & A with Megan Long

Client Services Associate

In this section, we give you the chance to get to know one of our team members a little better. This quarter we will hear from Megan Long!

Q: Tell us a bit about yourself!

A: Hello Everyone! I am originally from Burlington, North Carolina. I made the leap to the bustling city of Raleigh in 2019 to pursue my education at North Carolina State University. Attending NCSU was always a dream of mine, and I am proud to say that I recently graduated with a degree in business administration concentrating in finance, and a minor in agricultural business management. In addition to academic pursuits, I fell in love with the city of Raleigh, and decided to make it my home. I have made so many great friends in the area and nothing beats being so close to PNC Arena and Carter-Finley Stadium, where I can cheer on my favorite teams.

After graduating I decided to make another big decision and adopt a kitten, who I named Mochi. One of the funniest memories after that was when I called my mom to tell her I did something crazy, and she thought I got a tattoo! We had a good laugh after she found out it was a kitten because she knew how much I always wanted one of my own. I am so glad I was able to adopt him because he has been such a sweetheart!

Q: How did you wind up at Stonegate?

A: I got lucky! As soon as I was able to meet the team for one of my first interviews, I knew they had a good group here. Prior to graduating from NCSU, I had a job lined up that would take me out of state and most likely across the United States for the next couple of years. At first this seemed exciting but after further consideration I was hesitant about how far I wanted to be from my family. I was back into the job search unsure of where I wanted to go but I knew one thing for sure, that I wanted to help people. That is how I found my way to Stonegate, and after meeting everyone, I could tell this is where I wanted to be. After countless interviews and something not feeling exactly right at every other place,

it was as if I was Goldilocks, and Stonegate was the cup of porridge that was “just right”. The day that Alex and Trey gave me the call saying that I got the position I was ecstatic because I was finally confident that I was going to be able to do what I love, use my degree, and learn more than I ever could in a classroom. I have only just recently started but I already feel so welcomed by not only the Stonegate team, but by everyone who uses our services!

AROUND THE OFFICE

Plans for our annual Half-time Report in August!

In August we will be taping our Annual Half-time Report, but with busy summer schedules for our clients, we have decided not to have a live event at Prestonwood. For those who live in the Carolina Preserve community, we will be doing the presentation live on **Thursday, August 3rd at 10 AM** at Bradford Hall. Be sure to tell your friends who live in that community to sign up!

Save the date

for our annual Client Appreciation Event!

We look forward to our annual client appreciation event to be held at Prestonwood Country Club on **Wednesday, October 25th at 6 PM**. We have lined up a special guest speaker to share a message we can ALL benefit from. Be sure to save the date as we celebrate our 10th Anniversary with Raymond James!

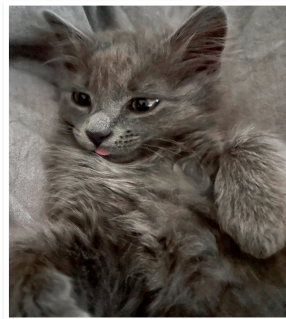
Read on for updates on what is new for each of our teammates!



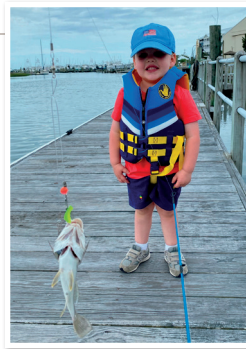
Landon Mundell and his wife, Karlee, are enjoying getting settled in North Carolina. They recently took their first trip to the beach since moving and look forward to many more. They are spending the first week of July in Ireland visiting Karlee’s parents, who moved there in 2018. Karlee’s siblings are also

joining, so they are looking forward to having the whole family together! Some highlights of the trip include touring the Guinness Factory in Dublin, visiting Giant’s Causeway in Northern Ireland, and a round of golf at Lahinch Golf Club.

Megan Long is excited about being a new cat owner! In May, Megan’s friend found a litter of abandoned kittens. Megan chose one of the grey boys and named him Mochi. This playful little furball has brought joy and laughter to Megan’s home with his mischievous nature. Consider adoption and help kittens like Mochi find their forever homes.

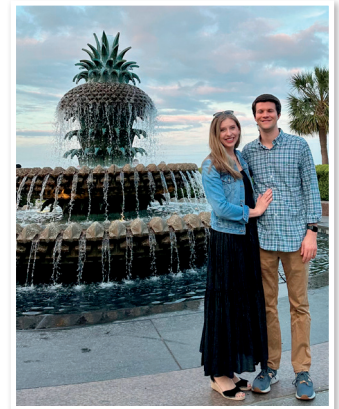


Typically, **Heather Rickenbaker** and her husband, Thomas, can be found traveling around the Southeast, visiting family. However, lately, they’ve been staying close to home and working on a few house projects. They’re looking forward to the summer months and hope to squeeze in a few little getaways!



Trey Stilley’s family recently celebrated Henry’s 3rd birthday and have already enjoyed a couple of weekends at the NC coast this summer. They are looking forward to more time at the beach with family and friends as the weather heats up.

Alex Greene and his wife, Lane, recently took their first “baby free” trip since Lyra joined the family and spent a long weekend in Charleston. Although they quickly missed Lyra they enjoyed a concert, great food, walking around the city and stopped by the waterfront pineapple fountain where Alex proposed in December 2012!



Terry and Becky Wiles are enjoying lots of time in their RV this summer and look forward to having their kids, Keven & Kelly, join them for part of their trip in July! Here are pictures from a couple of their chilly stops!



If you would like to catch monthly updates and pictures of our littlest family members, be sure to follow us on Facebook!

<https://www.facebook.com/sgfnc>

- OR -

Just search for Stonegate Financial!



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Landon Mundell - Client Service Associate, RJFS | Megan Long - Client Service Associate, RJFS

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The DJIA index covers 30 major NYSE industrial companies. The NASDAQ represents 4500 stocks traded over the counter. The S&P 500 is a broad based measurement of performance of 500 widely held common stocks. The Barclays Aggregate Bond Index is diversified index measuring approximately 6,000 investment grade, fixed rate taxable securities. The MSCI EAFE index is designed to measure the equity market performance of developed markets excluding the US & Canada.

International investing involves additional risks such as currency fluctuations, differing financial and accounting standards, and possible political and economic instability. Also, investing in emerging markets can be riskier than investing in well-established foreign markets. There is no assurance any of the trends mentioned will continue in the future. Investing involves risk and investors may incur a profit or a loss, including the loss of all principal.

Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation.

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Income from municipal bonds is not subject to federal income taxation; however, it may be subject to state and local taxes and, for certain investors, to the alternative minimum tax. Income from taxable municipal bonds is subject to federal income taxation, and it may be subject to state and local taxes.