

the BENCHMARK

BCS Wealth Management's Quarterly Newsletter



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Introducing Our New Logo: A Symbol of Our Core Values



BCS Wealth Management

By Nick Clay

We are excited to unveil our newly rebranded logo, a green leaf with four distinct bars. Each bar represents one of our core values: stewardship, excellence, relationship, and fulfillment. This change reflects our commitment to growing alongside you and underscores the guiding principles that shape our organization and culture.

The Meaning Behind the Leaf

The green leaf in our logo symbolizes growth, vitality, and renewal — elements that are integral to both our mission and our partnership with you. The upward line within the leaf signifies continuous growth in all aspects of life, a goal we strive to achieve together with our clients.

Our Core Values: The Foundation of Our Success

1. Stewardship embodies our commitment to responsible management and wise use of resources entrusted to us. These resources include finances, time, talents, and relationships. We aim to be prudent and thoughtful in every decision, ensuring that your assets are managed with care and foresight. This value is deeply rooted in our belief that we are stewards

of what has been entrusted to us, guided by biblical principles that emphasize responsible and ethical management.

2. Excellence represents our dedication to pursuing the highest standards of service, professionalism, and integrity. We continuously strive for improvement and innovation, ensuring that we provide the best possible service to our clients. Our pursuit of excellence is reflected in every aspect of our work, from our comprehensive financial strategies and culture of continuous learning to our personalized client interactions.

3. Relationship underscores the importance we place on building genuine connections, empathy, and trust. We value long-lasting, mutually beneficial relationships with our clients, colleagues, and community. By fostering an environment of understanding and support, we aim to create strong bonds that stand the test of time, enhancing the quality of our service and the experience of our clients.

4. Fulfillment is our commitment to helping

clients and our employees achieve their goals and aspirations. We believe that true success is measured not only by financial growth but also by the sense of purpose, contentment, and joy that comes from achieving personal and professional milestones. Our goal is to support you in finding fulfillment in all areas of life, creating a positive impact on those around you.

A New Look, The Same Commitment

Our new logo is more than just a fresh design — it is a visual representation of the values we uphold and the promise we make to each other and our clients. As we continue to grow and evolve, our core values remain consistent, guiding every decision and interaction.

We are grateful for your continued trust and partnership. Together, we will navigate the path to growth, fulfillment, and excellence.

Nick Clay, CFP®, CPWA®, AIF, AAMS®
Managing Partner & Senior Financial Advisor



SECURE Act 2.0 - 529 Education Account Impact

In December 2022, the Securing a Strong Retirement Act of 2022 (“**SECURE 2.0 Act**”) introduced significant changes to investments in education savings accounts and retirement plans. Building upon the flexibility to use 529s for apprenticeships, K-12 education, and student loan repayments, the new provision allows for excess funds to be rolled into Roth IRAs.

Starting in 2024, unused funds in a 529 plan (**subject to certain limits**) can be rolled directly into a Roth IRA. This new rule is intended to offer the following advantages:

- Tax and penalty-free rollovers: To alleviate fears about having to pay taxes and penalties on leftover assets in 529 accounts, owners of these accounts can roll up to \$35,000 into a Roth IRA for the beneficiary, tax and penalty-free, over their lifetime.
- Added flexibility: The new rollover option provides additional flexibility to those who may have excess 529 funds, receive scholarships, or decline to pursue higher education. The ability to roll unused funds into a retirement account offers an

additional way to support a beneficiary’s long-term savings plans.

To protect the integrity of 529s as education savings accounts, and deter individuals from using them as wealth-transfer tools, here are certain conditions:

- The 529 plan of a designated beneficiary must be at least 15 years old.
- The Roth IRA needs to be in the name of the beneficiary.
- The rollover amount cannot exceed the aggregate amount contributed to the program (including earnings) before the five-year period ending on the date of rollover.
- Rollover contributions must be within IRA annual contribution limits, which would include any other IRA contributions made by the beneficiary in that year.
- The income limitations for regular Roth IRA contributions do not apply to 529-to-Roth rollovers; however, the beneficiary will be required to have a certain level of earned

income.

While the core use of the new rule is clear — transferring unused balances to Roth IRAs for beneficiaries — there are open issues for the IRS to address in future guidance.

For example, among other areas needing clarification, it’s unknown if the following would reset the 15-year clock:

- A change in the account’s beneficiary
- A transfer of funds between 529 plans
- A change in account owners

Since there are additional details to be provided around SECURE 2.0 Act and 529-to-Roth rollovers, investors should keep an eye out for IRS guidance and continue to consult with their legal or tax advisors.

John Brandon,
AAMS®, CFPA™
Financial Advisor





By Nathan Goodwin

Quarter Review

After a first quarter that saw all-time highs and impressive returns for the major indices, it would be understandable to expect the markets to take a breather in the second quarter. While some indices did pause, much of the market showed resilience and pushed even higher.

With a second quarter return of 3.9%, the S&P 500 is now up 14.5% for the year. Compare this to the historical average return for the first six months of 4.72%, and you can see just how impressive this year has been. The tech-heavy NASDAQ was up 8.3% on the

quarter, now 18.1% on the year. Both indices hit all-time intraday highs on the last trading day of the quarter. In fact, the S&P 500 closed at a record high nine times

Major Stock Indexes	2nd Quarter 2024	YTD
DJIA	-1.7%	3.8%
Nasdaq Composite	8.3%	18.1%
S&P 500	3.9%	14.5%
Russell 2000	-3.6%	1.0%
Global Dow	-0.1%	7.4%
Japan: Nikkei 225	-1.9%	18.3%
Stoxx Europe 600	-0.2%	6.8%
UK: FTSE 100	2.7%	5.6%
Major Bond Index	2nd Quarter 2024	YTD
Bloomberg US Aggregate (Total Return)	0.5%	-0.3%

in the second quarter.

Perhaps even more impressive is that fact that these returns were achieved while trading with relatively low volatility. When we talk about volatility or deviation, we're talking about a measure of the daily fluctuations in the markets. This measurement can also be looked at for individual stocks. The easiest representation of this concept is illustrated by the typical risk/reward scenario, where higher returns are usually

accompanied by heightened risk, or volatility.

For market volatility, we look to the VIX, or the CBOE Volatility Index. This index is a representation of the market's expectations for volatility over the next 30 days. The long-term average for the VIX is 19.5%. The current 50-day moving average is 13.91%, and the last reading was 12.56%. I'm getting in the weeds a little here. The main point is this: the markets not only had higher returns through June, but those returns were achieved in a relatively calm environment compared to historical averages. In sum: better than average returns, lower than average volatility. It's hard to beat that.

To what do we owe this relatively smooth sailing? Let's take a look at a few of the contributing factors.

- Inflation.** I'm sure you're as tired of hearing this word as I am, but it is improving. The May report showed inflation slowing to its lowest rate in more than three years, showing a year-over-year increase of 2.6%. We're not at the Federal Reserve's target of 2% yet, but it's going in the right direction.
- Interest rate** cuts are expected. Though fewer cuts are expected now than at the start of the year, the markets still expect one or two rate cuts by year-end. This is one reason the inflation reading is so important. It is one of the main drivers of Fed interest rate policy, and the markets want lower interest rates. Rate cuts may also be a needed spark for fixed income markets, an asset class still recovering from a

dreadful 2022.

- The A.I.** (Artificial Intelligence) boom continues to provide robust earnings (and future earnings potential) to many companies, and tech in general remains strong. The "magnificent seven" stocks have more than doubled since the start of 2023.

Trading multiples are above average, but consumer spending is still good, spurred by decent wage growth. Business investment is on the upswing and should receive a boost from the wave of capital expenditures going towards A.I. These are a few additional reasons to believe that markets can go higher.

There are always potential headwinds. One of the biggest is how November's presidential election will affect markets. We have many articles, podcasts, and blogs discussing this topic. If you're interested, these can be found on our newly redesigned website, www.bcswealth.com. What these sources suggest is that election fear is usually unwarranted when it comes to market returns (especially for long-term investors), yet the election outcome is still an unknown.

Global tensions are continuously a concern and can change overnight. The Fed continues the balancing act of slowing the economy while not throwing us into recession. They're walking a tightrope, but so far it appears to be successful. We will see how all of these factors play out in the second half of 2024.

You may notice the irony of using words like recession while the markets are at all-time highs. This leads to an idea that can be

confusing but is worth sharing. The market is not the economy, and the economy is not the market.

Aren't these things connected? Yes, of course they are in some ways, but it's not always how we expect. In fact, it usually isn't. The markets are less concerned with today's economy and more focused on six months from now. This is why sometimes good economic news is good for the markets, and sometimes bad economic news is good for the markets. Is a slowing economy a bad thing? Not if the markets want lower interest rates. These concepts illustrate why it's so hard to know what the market is going to do in the near term.

One of the worst years on record for the broad financial markets was 2022. Here we are less than two years later, and equity markets are at all-time highs. This is a good example of why it's so important to stick to your plan. In order to do that, you must have a plan to stick to! Have you done this? There's no better time than the present. Being proactive instead of reactive is the key to long-term success, especially when it comes to your investments and retirement planning.

Have questions on these topics? We're always available to you, our clients and friends.

Have a great summer. We hope to see you soon.



Nathan Goodwin,
JD, CFP,
Partner & Senior
Financial Advisor

Congrats, Eliza!

Congratulations to Eliza Parton for recently passing her securities licensing exam! The qualification denotes individuals as licensed financial advisors at Registered Investment Advisory firms like BCS Wealth Management. After rigorous study and preparation, the exam is broad and includes questions that span topics necessary to understand and provide investment advice to clients. The material covers economic concepts, investment vehicle characteristics, client investment recommendations, and industry laws and regulations.

Eliza has been with the firm since 2021 and has served in many capacities, starting as an intern and now as a Financial Advisor. While interning and working as a part time employee, Eliza completed her degree in Corporate Finance with a concentration in Investments and most recently completed her Master in Business Administration (MBA). Our team is thrilled for Eliza's professional accomplishments and we look forward to her joining the advisory team and serving our clients.

*Eliza Parton, MBA
Financial Advisor
Associate*



Ice cream Social!



A Step-by-Step Guide to Mobile Check Deposits into your Charles Schwab Account

There are several methods for depositing funds into your Charles Schwab account, but the most common method is by check. This article focuses on using your phone to make a check deposit into your account. Once you have set up a Schwab Alliance login, it's easy to do and can save you a trip to our office or the post office on days when you are pressed for time. Here are step-by-step instructions.

1. Download and Install the Schwab Mobile App

If you haven't already, download the Charles Schwab app. It's available on the Apple App Store and Google Play Store. Once installed, log in using your Schwab credentials.

2. Prepare Your Check for Deposit

Before you start the deposit process, ensure your check is properly endorsed. On the back of the check, sign your name and write "For Mobile Deposit at Charles Schwab Only" underneath your signature.

3. Navigate to Mobile Deposit

Once you're logged in, tap on the "More" icon (usually represented by three horizontal dots) and then select the "Deposit Checks" option. This will take you to the mobile check deposit screen.

4. Enter the Deposit Details

You'll be prompted to enter the amount of the check you're depositing. Carefully type in the exact amount as written on the check to avoid any issues.

5. Capture Images of Your Check

The app will guide you through taking photos of the front and back of your endorsed check. Here's how to get the

best images:

- Use a well-lit area: Ensure there is enough light to capture clear images.
- Place the check on a dark, contrasting surface: This helps the camera focus on the check.
- Hold the camera steady: Align the check within the frame provided on the screen and hold your phone steady. The app will automatically take the photo once the check is properly aligned.

6. Review and Confirm Your Deposit

After capturing the images, review them to ensure they are clear and that all check details are readable. Confirm the deposit details, including the amount and the images of the check. Once everything looks correct, submit the deposit.

7. Check the Status of Your Deposit

After submission, you'll receive a confirmation that your check has been received for processing. You can check the status of your deposit in the app to see when it has been credited to your account. Typically, funds are available within one to two business days, although this can vary depending on the check amount and your account's history.

8. Retain Your Check for Records

It's a good practice to keep the physical check for a few weeks after depositing it, just in case there are any issues with the deposit. Schwab recommends holding onto the check for 14 days before securely destroying it.

That's all there is to it! Of course, we are always happy to see you if you prefer to stop by and drop off a check for deposit, but this is another option that may be more convenient at times. Please reach out to our office if you have questions about mobile deposits or if you would like help setting up the app on your phone. We appreciate the opportunity to walk along beside you on your financial journey. Wishing you and your family and happy and healthy summer!

*Myra O'Dell,
CFP®, MBA
Partner & Senior
Financial Advisor*



BCS Wealth Management is an independent financial planning firm in Johnson City, TN. We help individuals, families, and businesses reach goals important to their financial wellbeing. We provide investments and financial planning, insurance, and group benefits.

bcswwealth.com



Three Companies, One Family.

The BCS Family of Companies is embarking on a new chapter together in Gray. Our strategic partnership has always allowed us to better serve our clients, and now the opportunities for growth and innovation are even stronger as we move under one roof. This co-location, to serve our whole region, will foster synergies between our three companies and the departments within to create a dynamic environment of collaboration and community.



Securities offered through Purshe Kaplan Sterling Investments, member FINRA/SIPC, headquartered at 80 State Street, Albany, NY 12207. Purshe Kaplan Sterling Investments and BCS Wealth Management, LLC are not affiliated companies.

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