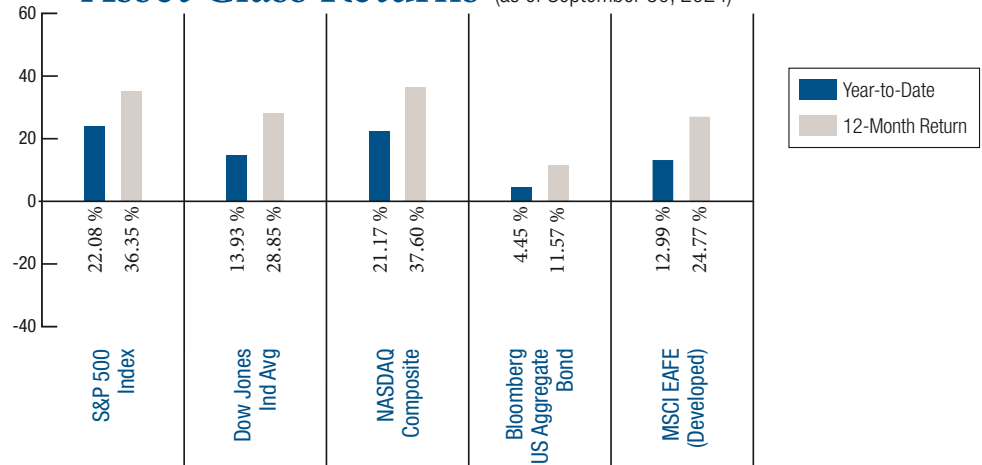




"It is not what the market does that matters, but rather how you react to it."

— Jesse Livermore

Asset Class Returns (as of September 30, 2024)



Source: Morningstar



MARKET/ECONOMIC SYNOPSIS

Terry Wiles, CRPC®, AWMA®

Wealth Advisor, RJFS

Founder, Stonegate Financial

THE CALM AFTER THE RATE CUT

As you have undoubtedly heard by now, the Federal Reserve slashed interest rates by a half-percentage point on September 18th. I'll break down the latest trends in the wake of the recent interest rate reduction. Buckle up as we navigate through the waves of economic changes and what they mean for investors!

The Rate Cut: What's the Buzz? The Federal Reserve's decision to cut interest rates has sent ripples through the market, igniting optimism among investors. Lower rates typically reduce borrowing costs, encouraging spending and investment. Think of it as a shot of espresso for the economy—stoking consumer confidence and potentially fueling a stock market rally!

Stock Market Reactions: In the immediate aftermath, we witnessed a surge in equities, particularly in tech and consumer discretionary sectors. Companies that thrive on consumer spending saw their stocks soar as investors anticipated increased spending power. It's like a holiday shopping spree, but in September!

Bond Market Dynamics: On the bond front, yields have dropped, reducing interest payments on new bonds. Investors are weighing the risks and opportunities for bonds should the Federal Reserve continue to cut interest rates vs. the potential for a continued equity rally.

Housing Market Shifts: The housing market is buzzing as well. Lower mortgage rates have led to a spike in homebuyer interest. It's a competitive landscape, with many looking to lock in lower payments before prices potentially creep back up.

Consumer Confidence: With the rate cut boosting consumer sentiment, retail sales have shown signs of strength. From online shopping to dining out, Americans seem more willing to spend. Keep an eye on sectors that cater to discretionary spending.

Looking Ahead: While the rate cut has injected some optimism, challenges remain on the horizon, such as inflation and global economic uncertainties. There are potential headwinds on our radar. For one, is the consumer already too financially stretched after years of higher interest rate payments and rising credit card debt? According to the Federal Reserve Bank of New York, consumer credit card delinquencies have risen to a decade high of 9.1%, and auto loan delinquencies aren't far behind at 8% - the highest in 14 years. Many small businesses are struggling as well, as the low unemployment rate makes it extremely difficult to find qualified employees. It's a balancing act—we as investors will need to stay alert and agile.

Final Thoughts: This quarter has been a wild ride, with the interest rate cut acting as both a catalyst and a signal for potential growth. As we move forward, we will keep our eyes on the markets and adjust as always.

Source:

<https://www.newyorkfed.org/newsevents/news/research/2024/20240806>



SHOULD YOU JOIN THE EV BUYING FRENZY?

Terry Wiles, CRPC®, AWMA®

Wealth Advisor, RJFS

Founder, Stonegate Financial

Many of you may own an electric vehicle or have been tempted to buy one in the future. Here's my own personal short story of owning an EV.

I was unexpectedly tossed into the car buying frenzy last year when my 10-year-old car needed a new \$5,000 turbo charger. So, I started looking into EVs and Plug-in Hybrids with the hope that I could purchase an EV that would get me to the mountains of NC, 157 miles, comfortably on one charge.

I purchased what I thought was the perfect vehicle for our trips to the mountains "without gas". I traded in my old Audi for an Audi e-tron with a full charge range of 226 miles. The car has all the new bells & whistles, many of which are aggravating - like when the lane sensing can't follow the highway lines in a construction zone and tries to pull you into the Jersey barriers. One of the best examples of too many gadgets is when we were approaching a place to make a u-turn. There was an oncoming car that we saw, and were slowing to make our turn after the car passed. Instead, our e-tron thought we were going to turn. The dashboard lit up bright red, and the car's brakes stopped us so hard that Becky thought she had whiplash. We have now found ways to turn off most of the bells & whistles.

Our first trip to the mountains was quite stressful considering we had a full charge of 226 miles of battery life. I programed the navigation system and immediately watched the battery life drop below 200 miles, then we needed air-conditioning, and it dropped even further. These cars are very quiet and very fast. You might get a few more miles out of the battery if

you are driving 55-60 mph, but we were driving 65-75 and quickly watching the battery life tick away. Our dashboard lit up yellow for low battery life on the last hill before reaching our destination. We shut off the air conditioning, opened the windows, and just made it to the house where we could plug it in for another 8-9 hour charge. (This is what Range Anxiety is!)

This car drives like a dream, but we will never take very long trips in it. Our daughter, on the other hand, bought a Toyota RAV4 Prime Plug-in Hybrid two years ago and loves it. She can travel close to 50 miles around town on electric, and if she travels farther, it automatically switches to hybrid gasoline. She's only filled her gas tank about three times in two years.

While I typically keep my cars for a very long time, I decided to look at selling the car to purchase a Plug-in Hybrid instead - only to find out that the car had depreciated 44% in one year. As an investor and planner, I quickly decided to suck it up and enjoy my e-tron for my basic driving, and we'll drive Becky's car on any longer trips.

Here are a few things to think about when considering an EV:

While EVs offer many benefits, such as reduced emissions and lower operating costs, they also come with some drawbacks. Here's a look at the cons of owning an EV to help you make an informed decision.

1. Limited Range

One of the most significant concerns for potential EV owners is range anxiety. Although many modern EVs can travel over 200 miles on a single charge, this may not be enough for long road trips or for those who frequently drive long distances.

2. Charging Infrastructure

While the charging network is expanding, it can still be limited in some areas, especially in rural regions. Finding a charging station can be challenging, and not all charging stations offer fast charging options, which can lead to longer wait times.

3. Charging Time

Charging an EV takes significantly longer than refueling a gasoline vehicle. Even fast chargers typically require 30 minutes or more to provide a substantial charge, while home charging can take several hours.

My 50-amp home charger takes 8-9 hours to get to 80% battery. This can be inconvenient for those with busy schedules.

4. Higher Up-front Costs

EVs generally have a higher initial purchase price compared to their gasoline counterparts, although prices are gradually decreasing. While incentives may help, the initial investment can still be a barrier for many buyers.

5. Battery Degradation

Over time, the performance of an EV's battery can decline, leading to reduced range and efficiency. Though many manufacturers offer warranties on their batteries, potential long-term costs for replacement or repairs can be a concern. My good friend's son just had to have his 3-year-old Tesla Model 3 batteries completely replaced. The cost of \$17,000 was covered by Tesla.

6. Limited Model Availability

While the variety of EV models is growing, options may still be limited compared to traditional vehicles, especially in certain segments like trucks or larger SUVs. This can restrict choices for consumers with specific needs.

7. Cold & Hot Weather Performance

EVs can experience reduced efficiency and range in extremely cold weather. Battery performance can drop, leading to concerns about range, and heating or cooling the cabin can further drain the battery.

8. Home Charging Challenges

Not all drivers have access to home charging, especially those living in apartments or homes without garages. Without the ability to charge at home, relying on public charging stations can be inconvenient.

9. Higher Insurance Costs

Insurance rates for EVs can be higher than for traditional vehicles. This is often due to the higher cost of repairs and replacement parts, especially for advanced technology components.

10. Technology Learning Curve

For those unfamiliar with EV technology, there can be a learning curve regarding charging, battery management, and energy consumption. Some drivers may find the transition from traditional vehicles challenging.

Conclusion

While electric vehicles present a sustainable alternative to traditional cars, potential owners should weigh these drawbacks against the benefits. Understanding the challenges of EV ownership can help you make a more informed decision that aligns with your lifestyle and driving habits. As technology advances and infrastructure improves, many of these cons may become less significant in the future, making EVs an increasingly viable option for more drivers. I'll continue driving my e-tron 😊!



FINANCIAL PLANNING CORNER

It's Your Identity – Protect It!

Landon Mundell, CFP®

Financial Planner, RJFS

You don't have to search long to hear about a new data breach. At some point, many of you have likely received a letter in the mail about a breach potentially affecting you. In this edition of the Planning Corner, we'd like to talk through a key way you can protect yourself from identity theft – **credit freezes**.

How to Protect Yourself: One of the most effective ways to protect yourself from identity theft is placing credit freezes at the three major credit reporting agencies (Equifax, Experian, and TransUnion) – and it is free! If your credit is frozen, creditors cannot access your credit report, which in turn prevents bad actors from opening new credit accounts in your name.

How to Establish Credit Freezes: Credit freezes can be completed online, by phone, or by mail. We have included website links and phone numbers for the reporting agencies below. It is important to place credit freezes with all three agencies.

- Equifax: <https://www.equifax.com/personal/credit-report-services/credit-freeze> or 888-378-4329
- TransUnion: <https://service.transunion.com/dss/dashboard.page> or 800-916-8800
- Experian: <https://www.experian.com/freeze/center.html> or 866-617-1894

How/When to Lift a Credit Freeze: There may be times when you need to lift your credit freezes, such as if you are applying for an auto loan or new credit card. As with establishing a freeze, it can be lifted online, by phone, or by mail. Rather than permanently lifting a freeze, you can “thaw” it for a specified period so a lender can run your credit report. The freeze will then automatically be put back in place at the end of the thaw period.

Other Steps You Can Take:

- Use complex passwords
- Use two-factor authentication
- Be alert to phishing scams – don’t give out your personal information in response to unprompted calls or emails
- Regularly check your credit report and file a dispute if there is any inaccurate information – free credit reports are available at <https://www.annualcreditreport.com/index.action>. Having credit freezes in place does not keep you from being able to review your own credit report.

When it comes to protecting your identity, you can never be too safe. Freezing your credit is one of the easiest and most effective steps you can take. Don’t delay, freeze today!

Fall Client Appreciation Event

WEDNESDAY, OCTOBER 16TH

Be sure to RSVP by October 10th
for our Annual Fall Client Appreciation Event
to be held on

Wednesday, October 16th from 5:30-8 PM
at Prestonwood Country Club!

For this year’s festivities, we are thrilled to partner with Dan Thurmon, renowned speaker and performance expert. Dan will share his dynamic, inspiring program that combines the transformative insights from his two books: *Off Balance On Purpose* and *Positive Chaos*. This engaging experience will empower you to embrace uncertainty, navigate challenges, and thrive amidst chaos.

In *Off Balance On Purpose*, Dan reveals that perfect balance is an illusion, and true success comes from intentionally leaning into life’s off-balance moments. He teaches how to embrace change, take meaningful action, and transform stress into progress. Building on this foundation, *Positive Chaos* explores how to harness the energy of disruption to create new opportunities. Rather than resisting chaos, Dan shows how to welcome it and adapt to fuel innovation and growth.

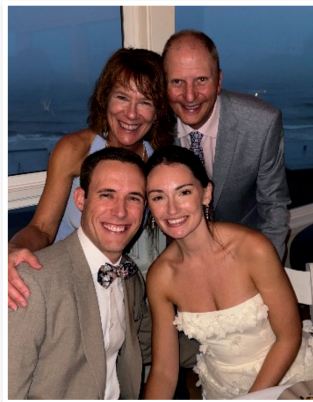
We hope you will join us for a night that will inspire you to live boldly with intention and turn chaos into your greatest asset!

Dan shares a bit more about the program [HERE](#).

Please be sure to invite family or friends who would appreciate attending with you!

Click [HERE](#) to RSVP YES no later than October 10th, 2024

AROUND THE OFFICE



Kevin, Erin, Becky, and Terry at Kevin’s Wedding

HUGE NEWS for the Wiles family! Terry and Becky’s son, Kevin, married his high school sweetheart, Erin Hilbrands, in September! The ceremony took place at Pajaro Dunes along the north central coast of California. With just their two best friends in the wedding party and 14 close family members

in attendance, it proved to be a fun and intimate celebration of the 10+ years they have been dating. Terry and Becky are thrilled for the future ahead of them!

After the long weekend, Terry and Becky extended their time in California to explore a few National Parks they had not yet visited. Four days in Yosemite and two more in Kings Canyon/Sequoia rounded out a fabulous fall vacation!



Terry and Becky at Nevada falls in Yosemite NP



At Glacier Point with Half Dome to the right of Terry

Avery Love spent a few summer weekends traveling to see college friends in new cities such as New York City and Washington DC! She enjoyed going to a Yankees game, seeing the views from the top of the Washington Monument, and trying lots of great restaurants!



Heather and Thomas Rickenbaker are staying busy with their daughter, Lily, who will soon be 9 months old! Lily is developing into a very social and active baby, providing joy and entertainment to all

those around her. She's currently trying to fine tune her standing skills which, at the moment, is more akin to the "downward facing dog" yoga pose, but it's a work in progress!

Trey and Ann Garrett Stilley got to enjoy plenty of time at the beach this summer, including a trip to celebrate Trey's sister's wedding! Their oldest, Henry, recently returned to preschool and was joined by his little brother, Pierce, for the first time! Both boys are enjoying their preschool classes, and the Stilley's look forward to enjoying time outdoors in the Triangle and at the coast this fall.



Alex and Lane Greene recently enjoyed an RV trip in Washington State! Highlights included some concerts at a beautiful music venue called The Gorge, followed by hiking at Mt. Rainier. Lyra continues to grow like a weed and recently moved up to the next classroom at daycare now that she is almost 2½. She is talking in longer and longer sentences and is a very active girl!



Landon and Karlee Mundell are thankful to have enjoyed time with family over the summer. They spent the 4th of July in Myrtle Beach and later welcomed Karlee's sister to North Carolina, as she moved from Indiana to Charlotte! Landon and Karlee are looking forward to the cooler months ahead, kicking things off with a trip to Acadia National Park in October.

To keep up with all that's happening at Stonegate, follow us on Facebook or LinkedIn.



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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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Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. Holding bonds to term allows redemption at par value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.

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