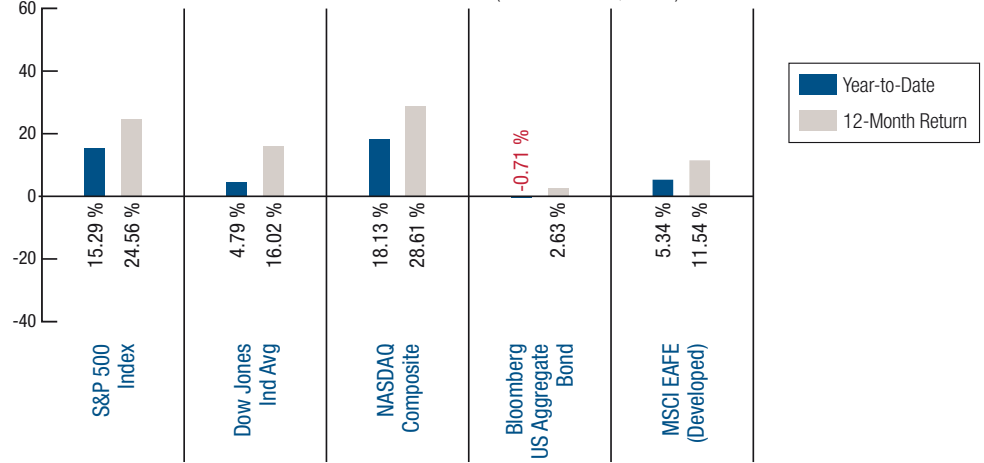




“Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas.”  
— Paul Samuelson

**Asset Class Returns** (as of June 30, 2024)



Source: Morningstar



**MARKET/ECONOMIC SYNOPSIS**

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

The photo above of the U.S. Capital Building was taken with my iPhone last week while visiting the Washington D.C. area for the second time in less than two months. One visit was for the annual Raymond James Elevate Conference and the second was during my and Becky’s summer RV trip to the northeast portion of North America.

D.C. is a confluence of haves and have-nots. As you look at the landscape you find large pockets of what appear to be a massive mix of affluence and poverty, with tent cities scattered amongst multi-million-dollar homes. In all my travels around the United States, I have yet to experience more impatient and reckless drivers than along the D.C. beltway. They seem to be on suicide missions, where their life, or anyone else’s, matters very little to them. This is unfortunate to see and experience in and around our nation’s capital. On a positive note, we survived the driving and bike riding and got to see up close and personally the phenomenal sights D.C. has to offer. The White House was gorgeous, just as it should be, and endless new construction projects are happening around every corner.

**We are not seeing any signs of economic weakening, but cracks are starting to form under the surface.**

Examining real estate around the country, year-over-

year home sales are slowing. New and existing home sales in the Raleigh-Durham area are down 15-16%, and new inventory continues to fall according to CoreLogic. However, prices here and across the U.S. continue to climb to all-time highs. This is putting serious stress on new homeowners and anyone that must obtain a mortgage. The average mortgage payment is now two times the pre-pandemic level due to high mortgage rates and even higher home prices. This may cause a slowdown or even decrease in home prices in the future.

On the employment front, we are seeing a rise in layoffs and unemployment. This all leads to anxiety for consumers and small business owners. With consumer sentiment and small business owner sentiment ticking down recently, it could mean that we’ll see more market uncertainty in the coming months.

As we navigate through the evolving economic and market landscape, it is essential to stay focused on opportunities for sustainable growth and resilience. Despite recent fluctuations, we remain optimistic about the potential for strategic investments to generate favorable returns over the coming months and years. Here’s a snapshot of what’s happening in the financial world and how we’re positioning ourselves for success.

**Finding Stability Amidst Change**

The past quarter has seen its share of challenges, from economic policy adjustments to geopolitical tensions. However, amidst these fluctuations, certain sectors have demonstrated remarkable resilience and growth potential. Technology, healthcare, financial services, and manufacturing continue to stand out as promising areas for investment, driven by innovation and global demand. However, we never want to get out over our skis and weight our overall portfolio too heavily in any sector; remember the dot.com bubble of 2000. In times of uncertainty, a well-diversified portfolio is key to mitigating risks and capturing opportunities.

**The AI Revolution and Embracing Opportunities for Growth**

- **Technological Advancements:** AI is not just a buzzword; it’s a game-changer. Industries ranging from healthcare to finance, manufacturing to retail, and more are experiencing profound transformations thanks to AI-powered technologies. Machine learning algorithms are enhancing productivity, optimizing operations, and enabling personalized customer experiences at unprecedented scale.
- **Healthcare Revolution:** In healthcare, AI is revolutionizing diagnostics, drug discovery, and personalized medicine. Companies leveraging AI to analyze vast amounts of medical data are uncovering new treatments and improving patient outcomes. These advancements will continue to increase our average life expectancy.
- **Financial Services Innovation:** The financial sector is another area where AI is making waves. From algorithmic trading to fraud detection, AI is improving decision-making processes and reducing operational costs. Fintech companies integrating AI are creating more efficient, secure, and accessible financial services, attracting significant investment interest.
- **Manufacturing Efficiency:** AI-powered automation is transforming manufacturing by optimizing production processes and predictive maintenance. Robotics and AI-driven analytics are enhancing efficiency, reducing waste, and enabling agile responses to market demands. Investors in smart manufacturing technologies are positioned to capitalize on these efficiencies.

**In Summary**

At Stonegate Financial, we remain dedicated to providing you with insightful market analysis, personalized financial planning strategies, and unparalleled client service. Your financial well-being is our priority, and we are here to support you every step of the way.

As always, please do not hesitate to reach out to our advisors to discuss your financial planning needs or any questions you may have. Together, we will continue to navigate these dynamic markets with confidence and optimism.



**TERRY'S LAW OF LARGE NUMBERS**

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

Many times, we get the question of why at any given time my portfolio is down “xyz” dollars. This question pops up quite often during volatile market environments. One needs to remember that since 1942, the S&P 500 on average sees a 5% correction about 3 times per year and a 10% correction every 16 months. *Source: First Trust.*

What we would like investors to realize is that looking at percentage changes may be more beneficial than looking at how much the value of your portfolio changes from one month to another. Many folks with a large account of \$1,000,000 will say “I lost \$50,000 last month - what the heck is going on?” Unless you sell while the market is down, this is just a loss on paper. Yes, you could have sold a month ago and bought a new car, but one never knows when the market will fluctuate. The best thing to do is to look long-term like my quote in the header of this newsletter.

Law of Large Numbers and Performance		
Size of Portfolio	% Market Decline	
	-5%	-10%
\$10,000	-\$500	-\$1,000
\$100,000	-\$5,000	-\$10,000
\$500,000	-\$25,000	-\$50,000
\$1,000,000	-\$50,000	-\$100,000
\$3,000,000	-\$150,000	-\$300,000
\$10,000,000	-\$500,000	-\$1,000,000



## FINANCIAL PLANNING CORNER

### Tax Strategies in Every Stage of Life

**Landon Mundell, CFP®**  
Financial Planner, RJFS

In last quarter's Planning Corner, we reviewed tax planning strategies for your Early Career and Peak Earning Years – but tax planning doesn't end at retirement! In this edition, we'll explore a few strategies for those of you in Early Retirement and your Golden Years.

### Early Retirement

#### • Roth Conversions

- o With a Roth conversion, assets are transferred from a pre-tax IRA to a Roth IRA. The conversion is taxable in the year it occurs, but assets can then grow tax-free in the Roth IRA.
- o The years following retirement are often some of your lowest tax years, which can make Roth conversions attractive. We regularly work with clients to implement Roth conversions before they begin collecting social security benefits or have Required Minimum Distributions.

#### • Roth Contributions based on Part-Time Work

- o If you continue to work part-time in retirement, you may be able to make Roth IRA contributions based on your earnings. The contribution limit for 2024 is the lesser of your taxable compensation or \$8,000 for those age 50+.
- o If you have a taxable investment account, funds can be transferred from that account into a Roth IRA to facilitate contributions. This is an attractive strategy for retirees as it helps preserve cash balances.

### Golden Years

#### • Qualified Charitable Distributions (QCDs)

- o QCDs are gifts made to charity directly from a pre-tax IRA. You must be at least age 70½ to make QCDs. QCDs are a great way to fulfill your charitable goals as the distributions are excluded from your taxable income and count towards fulfilling any Required Minimum Distributions you have.

#### • Charitable Beneficiaries

- o If you desire to leave assets to charity, naming a charity as a pre-tax IRA beneficiary is one of the most tax efficient ways to do so. Charities receive pre-tax IRA assets tax-free, whereas an individual who inherits a pre-tax IRA will owe income taxes as they take distributions.
- o Multiple charities could be named as beneficiaries, and they could be listed alongside individuals. Rather than name a charity directly as beneficiary, you could alternatively name a Donor Advised Fund. This can facilitate a lasting charitable legacy as a “successor advisor” can be appointed to continue your philanthropic efforts by directing grants out of the Donor Advised Fund to charity over time.
- o Assets that are more favorable to inherit from a tax perspective, such as Roth IRAs and taxable investment accounts, could be prioritized for leaving to individuals.

The best strategies for you to utilize depend on your individual goals and circumstances. We would love to meet with you to discuss which of these or other strategies could be the most powerful for you. Prior to implementation, please consult your accountant.



## TEAM MEMBER SPOTLIGHT

**Q & A with Avery Love**  
Financial Associate, RJFS

*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 Avery Love!*

### Q: Tell us a bit about yourself!

**A:** Hi everyone! It has been a pleasure to meet some of you already, and I can't wait to get to know you all! I am originally from Greensboro, North Carolina and have stayed in-state ever since. I attended college at the University of North Carolina, and I'm excited to stay in the area to keep cheering on the Tar Heels (sorry, Duke and State fans!). At UNC-Chapel Hill, I coupled my bachelor's degree in business administration with a minor in Spanish for the business profession. Through this unique courseload, my passion for financial

planning was ignited. I witnessed first-hand the lack of financial wellness in different communities globally and recognized the importance of financial education. In addition to academics, I also adopted the most loving cat named Elvis during my senior year of college. He has added so much joy and fun to my life, and I joke that he is the cat for dog people.

**Q: What led you to Stonegate Financial?**

**A:** After meeting the Stonegate team, I knew this was a place I'd love to be every day. From the welcoming dogs at the front door to the collaborative environment, Stonegate's culture stood out to me. Coming from a much larger company, I was drawn to this close-knit atmosphere. It is evident that the entire team not only cares about each other, but also the clients we serve. During my job search, I sought a place where client needs come first, and Stonegate perfectly embodies that. Our team understands that financial planning goes beyond figures, emphasizing genuine connections with those who value our services. I am eager to join Stonegate's mission of enriching the lives of those we serve!

**Q: What are your hobbies outside of work?**

**A:** When I'm not in the office, I love being outdoors! I enjoy visiting Hyco Lake with family or friends, and one of my favorite things to do there is wake surf. I also love to travel! I was fortunate to study abroad in Barcelona, Spain during college, and I made some incredible memories there. I like to relax by curling up with a good book and am always looking for my next read, so please send any recommendations my way! I also recently taught myself how to knit, but admittedly still have a lot to learn.

**AROUND THE OFFICE**

**Alex and Lane Greene** have settled into their new routine with full-time daycare for Lyra, who is really enjoying her new school and friends! Alex and Lane have enjoyed a few outings to local concerts and time with Lyra outside – usually involving water to help beat the heat!



Lyra & Luna Greene!

**Landon and Karlee Mundell** have enjoyed hosting many friends and family members in recent months.

As an avid golfer, one highlight for Landon was attending the US Open with his dad at Pinehurst! What an incredible tournament! Landon and Karlee look forward to spending some more time with family over the summer and hope to squeeze in a few trips to the beach.



Landon & his dad at the US Open

**Trey Stille** and his family have been enjoying the start of summer. They recently celebrated Henry's 4th birthday at Marbles Kids Museum with family and friends, and they are having a blast with Pierce as he continues to grow and develop.



Henry & Pierce Stille sitting on the beach

Pierce's favorite word is "basketball," and he takes advantage of every opportunity to shoot hoops on his mini goal in the backyard! They recently returned from their annual trip to Atlantic Beach

where they took in the sights and sounds of the coast, including several dolphin sightings. Henry caught plenty of fish, and Pierce enjoyed splashing around in the surf. They are looking forward to more adventures as a family in the coming months!

**Avery Love** has been enjoying weekend trips to Hyco Lake this summer with family and friends. She has loved going to the lake since she was young, and it has always been a place full of happy memories. Avery also looks forward to visiting college friends in new cities such as NYC, Washington D.C., and Orlando over the next few summer months!



**Heather and Thomas Rickenbaker** are prepping for extra activity around the house as Lily becomes more mobile! At almost 6 months of age, Lily’s preferred method of movement is barrel rolling followed-up with an army crawl. She will certainly be keeping everyone on their toes this summer!

Heather & Lily enjoying the sunshine on their back porch

**Terry and Becky Wiles** have started their summer RV trip which will take them back up to New England and on into many of the eastern Canadian Provinces including New Brunswick, Prince Edward Island, Nova Scotia, Quebec, and eastern Ontario! Their daughter, Kelly, will be joining them for two of the weeks, and of course Sky is along for the entire ride. 😊



Terry & Becky cycling in D.C.



Blueberry picking in NJ



The Boardwalk in Asbury Park, NJ

**SAVE THE DATE FOR OUR**

*Fall Client Appreciation Event*

After a fantastic response from our last event, we have secured another phenomenal guest speaker for our next Client Appreciation celebration to be held on Wednesday, October 16th from 5:30-8PM at Prestonwood Country Club. More details to come leading up to this date, but we wanted you to be able to mark your calendars now.

This is a fantastic opportunity you will want to enjoy and share with friends!



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**Terence Wiles** - Branch Manager, RJFS | **Alex Greene** - Financial Advisor, RJFS | **Trey Stillely** - Financial Advisor, RJFS | **Becky Wiles** - Office Manager, RJFS | **Heather Rickenbaker** - Client Services Manager, RJFS  
**Landon Mundell** - Client Service Associate, RJFS | **Avery Love** - Financial 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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This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. Dividends are not guaranteed and must be authorized by the company's board of directors. Dollar-cost averaging cannot guarantee a profit or protect against a loss, and you should consider your financial ability to continue purchases through periods of low price levels.

RMD's are generally subject to federal income tax and may be subject to state taxes. Consult your tax advisor to assess your situation. Contributions to a traditional IRA may be tax-deductible depending on the taxpayer's income, tax-filing status, and other factors. Withdrawal of pre-tax contributions and/or earnings will be subject to ordinary income tax and, if taken prior to age 59 1/2, may be subject to a 10% federal tax penalty. Like Traditional IRAs, contribution limits apply to Roth IRAs. In addition, with a Roth IRA, your allowable contribution may be reduced or eliminated if your annual income exceeds certain limits. Contributions to a Roth IRA are never tax deductible, but if certain conditions are met, distributions will be completely income tax free. Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted.

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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