



**PACIFICAWEALTH**

GROWING MORE THAN WEALTH

Q1

Quarterly Market Review

First Quarter 2024

# Quarterly Market Summary

## Index returns
















	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2024	STOCKS				BONDS	
	10.02%	5.59%	2.37%	-1.19%	-0.78%	0.58%
Since Jan. 2001						
Average Quarterly Return	2.4%	1.6%	2.5%	2.2%	0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%	6.8%	5.4%
	<b>2020 Q2</b>	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q3</b>	<b>2023 Q4</b>	<b>2023 Q4</b>
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-5.9%	-4.1%
	<b>2008 Q4</b>	<b>2020 Q1</b>	<b>2008 Q4</b>	<b>2008 Q4</b>	<b>2022 Q1</b>	<b>2022 Q1</b>

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2024, all rights reserved. Bloomberg data provided by Bloomberg.

# Long-Term Market Summary

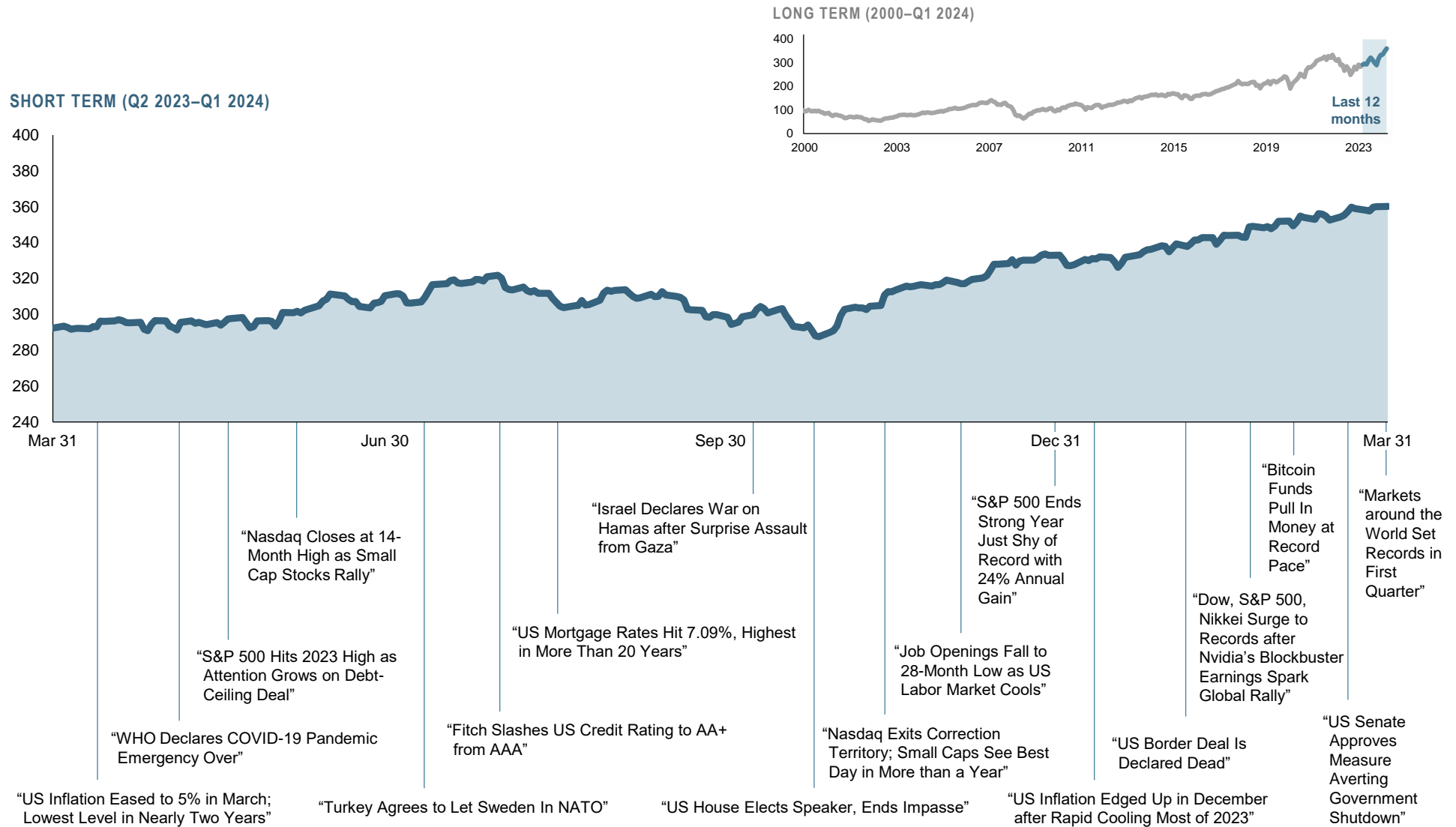
Index returns as of March 31, 2024

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	29.29%	15.29%	8.15%	7.44%	1.70%	5.92%
						
5 Years						
	14.34%	7.48%	2.22%	1.21%	0.36%	1.03%
						
10 Years						
	12.33%	4.81%	2.95%	3.89%	1.54%	2.64%
						

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 Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2024, all rights reserved. Bloomberg data provided by Bloomberg.

# World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2024, all rights reserved. Index level based at 100 starting January 2000.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

# Stock Market Cycles

*S&P 500 Index over the past 50 years (Log Scale)*



*Latest data point is Apr 5, 2024*

- As this chart shows (log scale), the stock market has performed well over the past 50 years despite short-term ups and downs.
- These periods of turbulence were due to economic, political and global turmoil during those decades.
- This emphasizes the importance of staying invested, rather than focusing on days or months, especially as volatility rises.

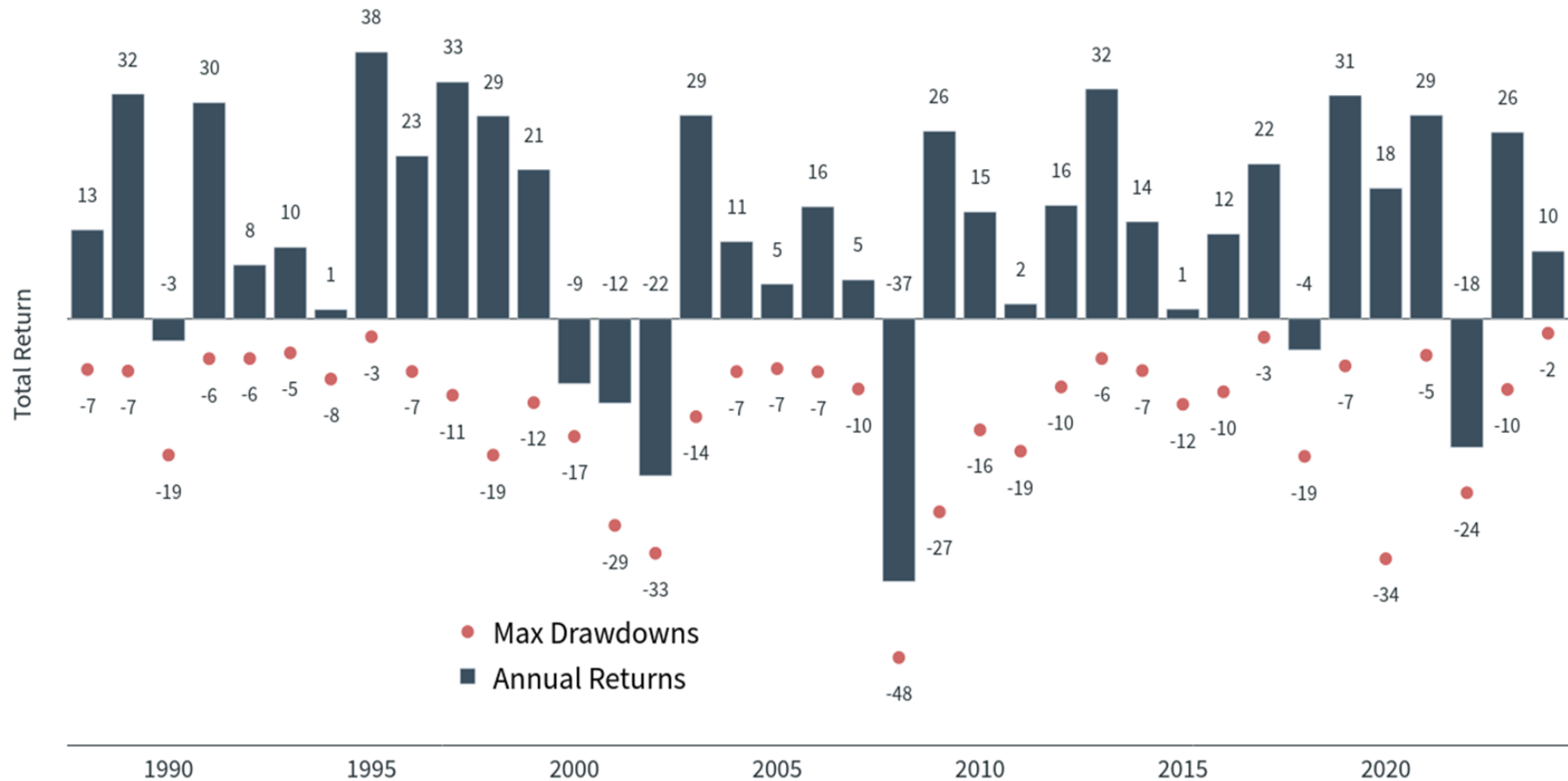
Sources: Clearnomics,  
Standard & Poor's

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# Total Returns and Pullbacks

S&P 500 Index total returns. Max drawdown represents the biggest intra-year decline



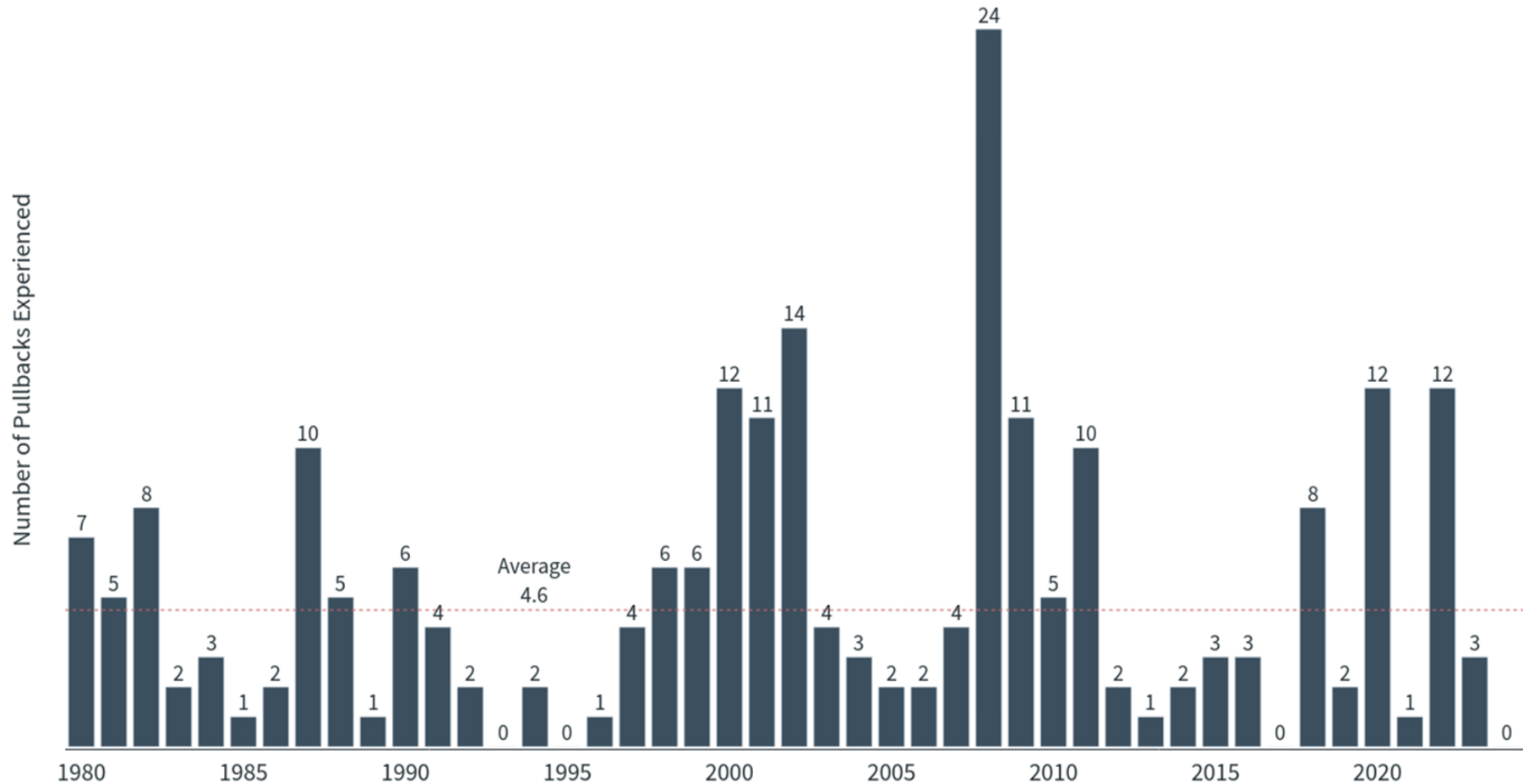
Latest data point is Apr 5, 2024

- This chart shows total returns of the stock market (bars) and the largest intra-year decline (dots) each year.
- The average year sees a significant intra-year drop. However, most years still end in positive territory, especially with dividends.
- Volatility in prices is a normal part of investing. It is important to not forget that investments also generate income.

Source: Clearnomics, Standard & Poor's

# Stock Market Pullbacks

*The number of 5% S&P 500 pullbacks experienced by investors each year*



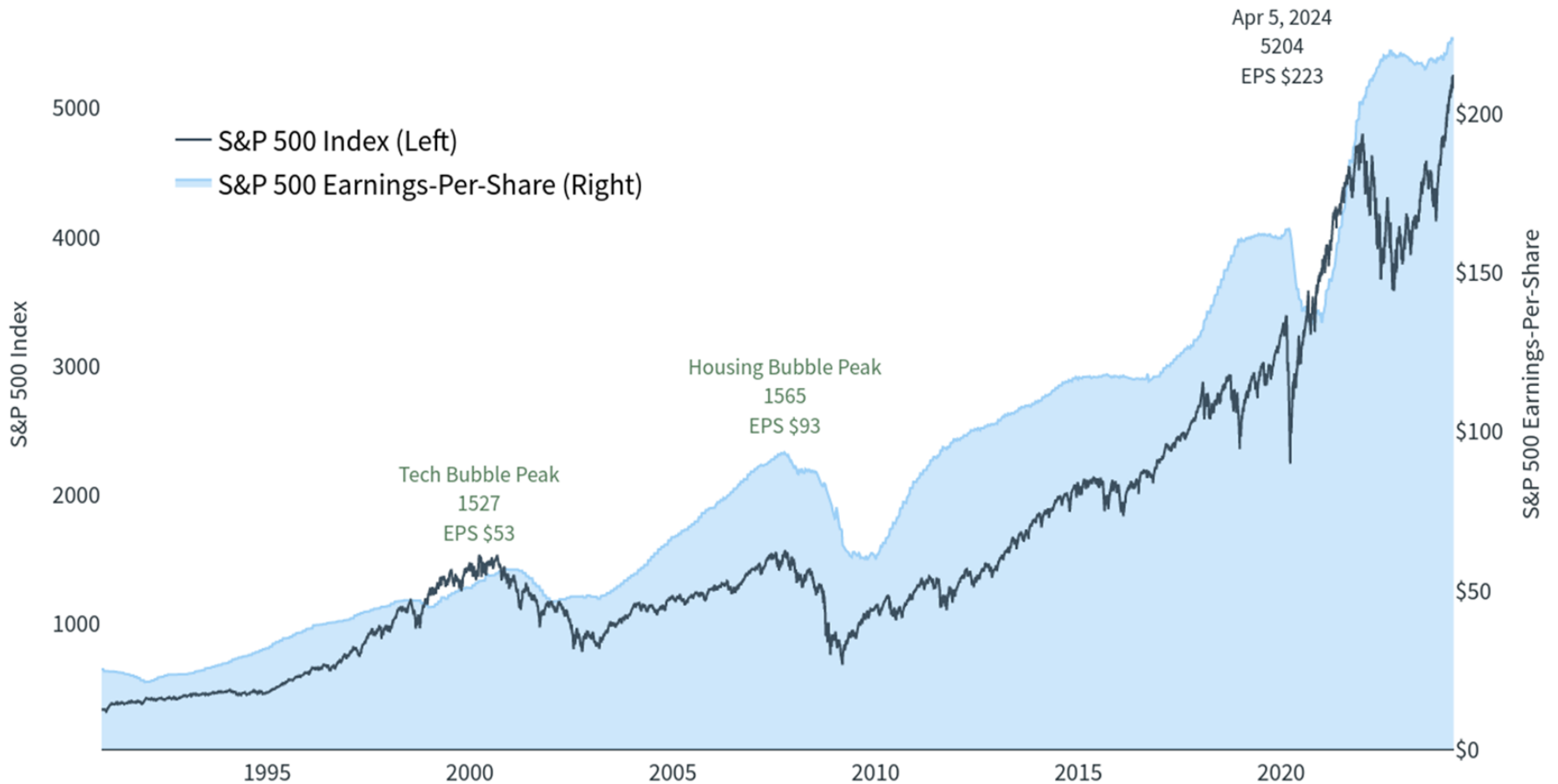
*Latest data point is Apr 5, 2024*

- Investing in the stock market is inherently uncertain. Large pullbacks can occur at any time.
- Investors experience several large pullbacks each year with very few exceptions.
- Over the long run, stocks are still the best way to protect and create wealth. Staying invested is thus an important discipline.

Sources: Clearnomics, Standard & Poor's

# The Stock Market and Earnings

*S&P 500 Index price and trailing earnings-per-share since 1990*



*Latest data point is Apr 5, 2024*

- This chart shows the S&P 500 index alongside its trailing 12 months earnings-per-share.
- Over the long run, the stock market tends to follow earnings. If earnings are rising, investors are willing to pay more per share.
- Earnings, in turn, tend to track economic growth. Thus, a healthy economy tends to result in a rising stock market.

Sources: Clearnomics, LSEG, Standard & Poor's

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# Interest Rates

10-year and 2-year yields since 2010



Latest data point is Apr 5, 2024

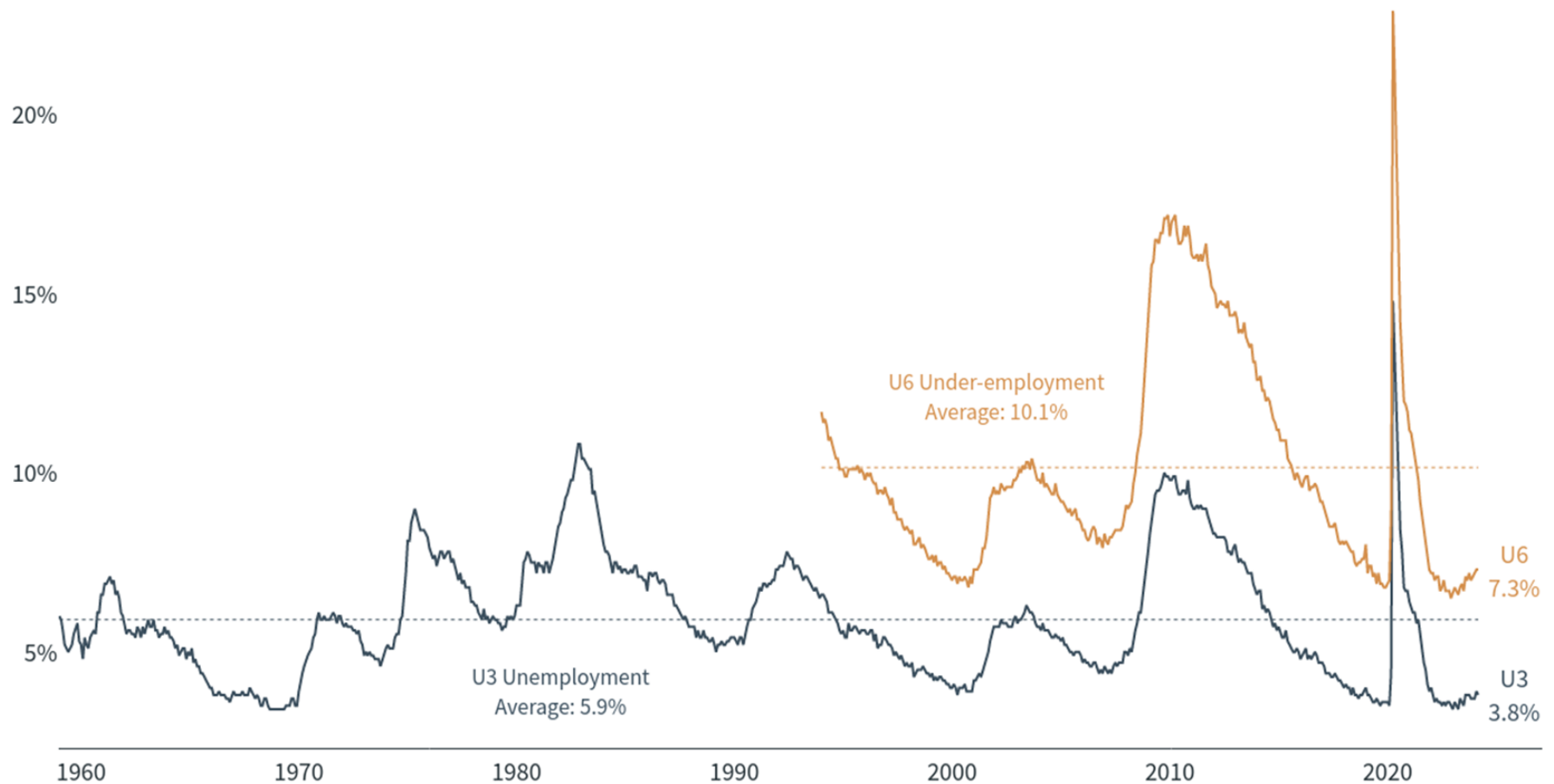
- Interest rates began rising two years ago due to inflation but have stabilized since then.
- The 10-year Treasury yield has been volatile as investors worry about the path of economic growth.

Sources: Clearnomics,  
Federal Reserve

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# Unemployment Rates

*U-3 unemployment and U-6 under-employment rates, since 1960*



*Latest data point is Mar 2024*

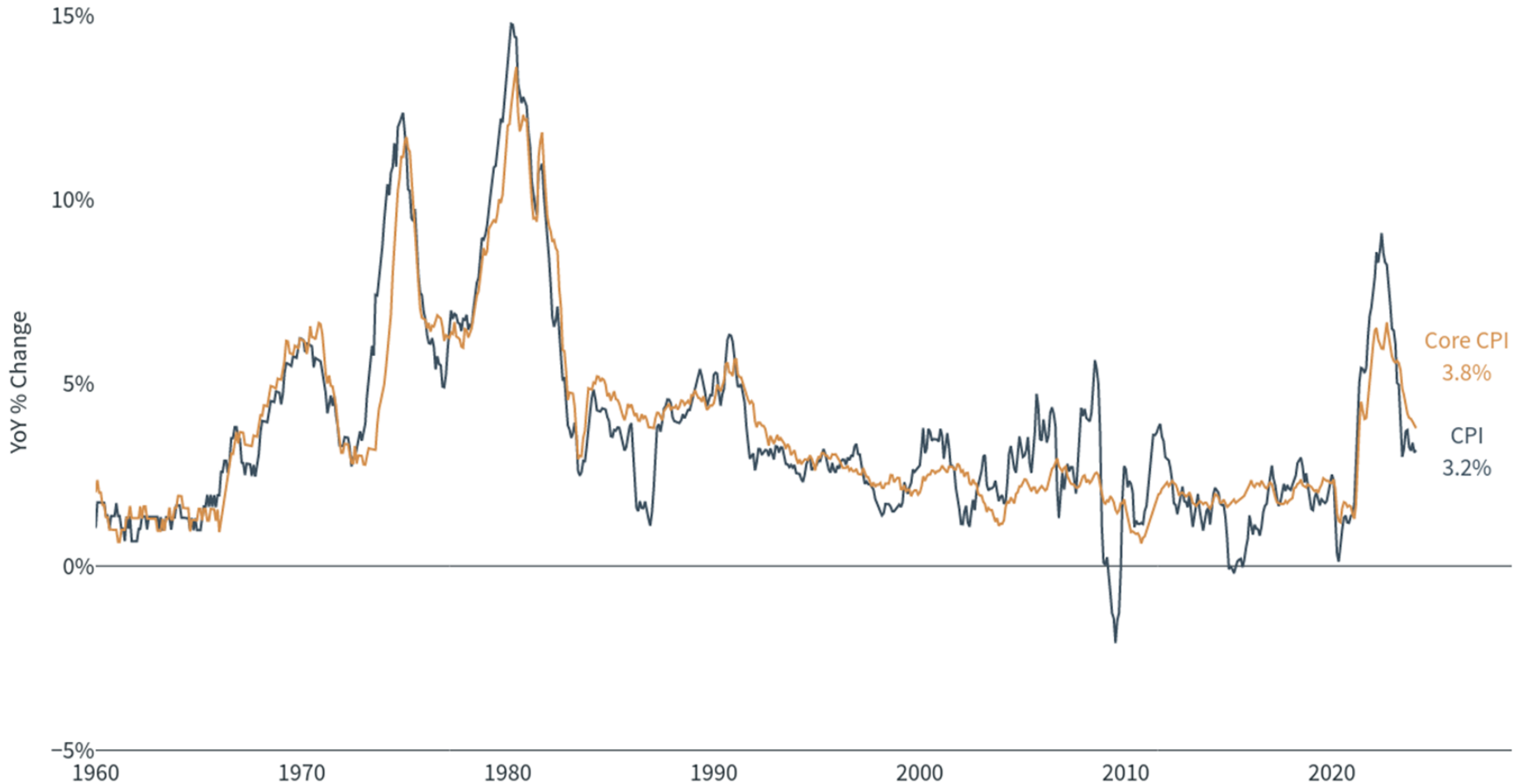
- Unemployment is near the lowest in over 50 years despite rising rates and a broader economic challenges.
- Even the so-called under-employment rate has fallen to near historic lows as jobs remain plentiful.
- The labor market remains strong despite higher rates, resulting in what many investors refer to as a soft landing.

Sources: Clearnomics,  
Bureau of Labor Statistics

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# Consumer Price Index

## CPI and Ex Food and Energy, YoY % Change



Latest data point is Feb 2024

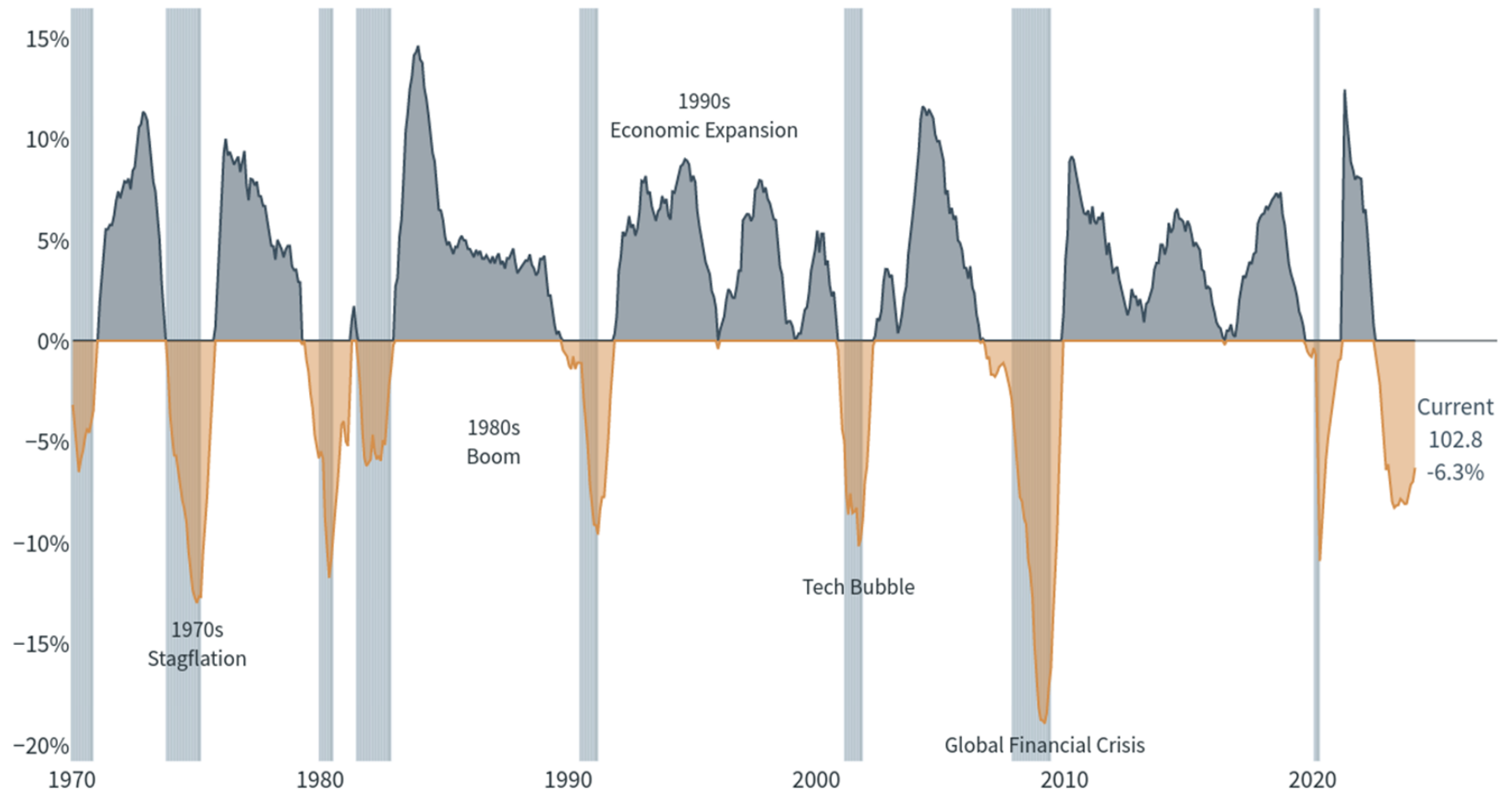
- CPI is a commonly cited measure of inflation. It uses a basket of goods and services to track price changes for consumers.
- In order to measure the underlying trend in inflation, rather than temporary shocks to food and energy, economists often focus on core CPI.
- Price pressures have improved but areas such as shelter remain worse than many economists would like.

Sources: Clearnomics,  
Bureau of Labor Statistics

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# Leading Economic Indicators

Conference Board LEI year-over-year percent change  
Recessions are shaded



Latest data point is Feb 2024

- This chart shows the year-over-year percent change in an index of leading economic indicators.
- This indicator usually turns negative several months before a recession as the economy decelerates.
- This pattern is also evident over the prior seven recessions and is the result of the economic cycle.

Sources: Clearnomics,  
Conference Board,  
NBER, LSEG

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