

The Big Picture

Despite kicking the month off with a wild ride courtesy of yen-related double-digit declines across equities markets, August closed with gains across major indexes, marking the fourth month of consecutive growth for the S&P 500 and DJIA. These increases, driven by boosts in consumer staples, real estate, and healthcare stocks, set the stage for a potential turning point in September, historically known as a weak month for market returns. However, confidence is brewing as investors anticipate the Federal Reserve's initial steps toward interest rate cuts, which may continue supporting the stock-market rally. Recent economic reports suggest a robust economy with sturdy consumer spending and a moderation in inflation, which gives the Federal Reserve ample room to begin

reversing heightened rate levels. This optimistic outlook will undergo a significant test with the forthcoming release of labor-market data, which is expected to strongly influence the scope and pace of the Federal Reserve's next steps.

At the beginning of the year, bond yields climbed to levels not seen since post-GFC. There is a possibility that fixed-income investors may owe a "fruitful year" to potential interest rate cuts. Nevertheless, the performance throughout the year has been inconsistent. We believe there may be possible gains in the bond market. As current futures may suggest, traders expect the Fed to speed up the reduction of its benchmark rate to approximately 4.25% by year-end. That is a 1% decrease from its current state.

NEWS Impacting Markets

The AI Bubble's Minsky Moment?

The term 'Minsky moment' is named after economist Hyman Minsky. Minsky believed, that after a prolonged span of economic prosperity/rising markets, investors are increasingly willing to undertake excessive risks, resulting in price escalation due to speculation (i.e., a bubble). When that happens, a destabilizing event, for example, disappointing earnings, can cause investors to reevaluate the underlying value of their speculative assets, often causing a downward spiral as investors seek to sell the over-valued assets before prices plummet. A 'Minsky moment' is reached when investors' sudden awareness of the difference between the actual value and the inflated prices leads to a market collapse.¹

Investor enthusiasm for artificial intelligence stocks might have peaked. Nvidia, a front-runner in the AI landscape, released its earnings report last month, drawing attention to the intense demand for AI chips. Sales have doubled year-over-year for five consecutive quarters, and profit has doubled over the past year. Yet, despite posting results that beat expectations for the quarter, the stock dipped. Microsoft, Amazon, and Alphabet all experienced similar results.²

Market participants are having a difficult time determining whether the Magnificent Seven are worth the lofty valuations they have been pushed toward or if we have reached a Minsky moment.

Final Thoughts

We are often told that, in the long run, the average return of U.S. stocks remains steady at around 10%. However, that does not mean you'll achieve consistent returns as a yearly event. Investors may experience, gains, plateaus, and market downturns (sometimes up to 30-40%) over the course of their lifetime.

Surviving the journey's highs and lows requires staying invested long enough to reap the long-term rewards, which

can be especially challenging during times of economic uncertainty. Regardless of market fluctuations, independent thinking, and rational action, it takes courage to stay the course.

The good news is that you don't have to make the journey alone. We are committed to helping you reach your destination.

Index	1MO	QTD	YTD	1YR	3YR	5YR	10YR
U.S. Equity							
S&P 500 TR USD	2.43	3.67	19.53	27.14	9.38	15.92	12.98
DJ Industrial Average TR USD	2.03	6.64	11.75	22.06	7.71	11.80	11.79
NASDAQ Composite TR USD	0.74	0.00	18.57	27.15	5.93	18.29	15.60
International Developed Markets							
MSCI World ex USA NR USD	3.34	6.58	11.86	19.45	4.24	8.72	5.12
Emerging Markets Equity							
MSCI EM NR USD	1.61	1.92	9.55	15.07	-3.06	4.79	2.56
U.S. Fixed Income							
BBgBarc U.S. Agg Bond TR USD	1.44	3.81	3.07	7.30	-2.11	-0.04	1.64
Global Fixed Income							
BBgBarc Global Aggregate TR USD	2.37	5.19	1.86	6.90	-4.18	-1.37	0.12

Source: Morningstar. Returns as of 8/31/2024 Past performance does not guarantee future results. All data is from sources believed to be reliable but cannot be guaranteed or warranted. Please see the disclosure at the end of the commentary for limitations to index performance.

Factors

Equity risk factors were mixed for the month. Minimum Volatility and Quality outperformed in the U.S. and International developed markets, while Value, Size, and Minimum Volatility outperformed in Emerging markets.³

Equities

Equity markets enjoyed a solid rally.

- S&P 500 rose for a fourth straight month.
- The Dow Jones Industrial Average posted a new record high
- Commodities were mixed, Precious and Industrial Metals staged a rebound, while Energy and Livestock were negative contributors.⁴

Fixed Income

Bonds rallied this month on predictions that the Federal Reserve will cut interest rates in September.

- The 10-2 Treasury Yield Spread ended the month at 0% for the first time since June '22.
- The Bloomberg US Aggregate bond index, a widely tracked measure of total returns on US fixed income, finished up 1.44%.
- International debt mirrored US markets, as the Bloomberg Global Aggregate bond index finished the month up 2.37%.⁵

Asset Class Snapshot		8/31/24
Asset Class		MTD Return
U.S. Real Estate		5.50%
Global Stock Ex U.S.		2.85%
U.S. Stock		2.41%
U.S. Bond		1.44%
International Bond		0.80%

Region Snapshot		8/31/24
Region		MTD Return
Europe Stock		3.94%
International Developed		3.35%
Latin America Stock		2.57%
U.S. Stock		2.41%
Asia Pacific Stock		1.72%
Emerging Markets		1.61%

Equity Style Snapshot				8/31/24
MTD	Value	Blend	Growth	
Large	2.88%	2.48%	2.28%	
Mid	3.03%	2.53%	1.92%	
Small	0.23%	0.12%	-0.03%	

Asset Class Summary								8/31/24
Asset Class	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	
U.S. Stock	0.21%	2.41%	7.41%	19.12%	27.10%	8.55%	15.85%	
Global Stock Ex U.S.	0.44%	2.85%	5.13%	11.22%	18.21%	2.11%	7.56%	
U.S. Bond	-0.51%	1.44%	4.79%	3.07%	7.30%	-2.11%	-0.04%	
International Bond	-0.18%	0.80%	3.27%	3.15%	7.45%	-0.04%	0.35%	
U.S. Real Estate	0.45%	5.50%	15.69%	10.15%	20.50%	0.01%	4.57%	

Region Summary								8/31/24
Region	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	
U.S. Stock	0.21%	2.41%	7.41%	19.12%	27.10%	8.55%	15.85%	
International Developed	0.59%	3.35%	4.87%	12.33%	20.08%	4.82%	9.28%	
Emerging Markets	-0.05%	1.61%	5.94%	9.55%	15.07%	-3.06%	4.79%	
Europe Stock	0.41%	3.94%	3.79%	12.34%	19.79%	4.80%	9.41%	
Asia Pacific Stock	0.57%	1.72%	6.17%	11.81%	17.69%	-0.21%	6.45%	
Latin America Stock	-2.29%	2.57%	-2.65%	-12.62%	0.35%	3.29%	2.56%	

Factor Summary								8/31/24
Region	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	
MSCI USA	0.21%	2.41%	7.41%	19.12%	27.10%	8.55%	15.85%	
MSCI ACWI	0.28%	2.57%	6.62%	16.33%	23.99%	6.27%	12.67%	
MSCI USA Value	1.16%	2.88%	7.83%	15.92%	22.76%	7.94%	11.12%	
MSCI USA Small Cap	-0.03%	-0.33%	5.96%	9.52%	17.56%	2.64%	11.05%	
MSCI USA Quality	0.24%	3.58%	8.15%	23.61%	31.81%	10.64%	18.21%	
MSCI USA Momentum	-0.33%	2.89%	4.57%	26.63%	35.97%	4.69%	11.88%	
MSCI USA Minimum Volatility	1.16%	4.95%	10.82%	18.16%	23.78%	7.32%	9.41%	
MSCI USA Diversified Multi-Factor	0.19%	2.96%	8.57%	18.73%	24.03%	7.27%	12.90%	
MSCI ACWI Diversified Multi-Factor	0.46%	3.04%	7.49%	15.75%	22.27%	4.31%	10.49%	

©2020 YCharts, Inc. All Rights Reserved. YCharts, Inc. ("YCharts") is not registered with the U.S. Securities and Exchange Commission (or with the securities regulatory authority or body of any state or any other jurisdiction) as an investment adviser, broker-dealer or in any other capacity, and does not purport to provide investment advice or make investment recommendations. This report has been generated through application of the analytical tools and data provided through ycharts.com and is intended solely to assist you or your investment or other adviser(s) in conducting investment research. You should not construe this report as an offer to buy or sell, as a solicitation of an offer to buy or sell, or as a recommendation to buy, sell, hold or trade, any security or other financial instrument. For further information regarding your use of this report, please go to: ycharts.com/about/disclosure

Sector Snapshot		8/31/24
Sector		MTD Return
Consumer Defensive		5.99%
Real Estate		5.73%
Health Care		5.06%
Utilities		4.81%
Financials		4.57%
Industrials		2.82%
Materials		2.32%
Comm. Services		1.78%
Technology		0.70%
Consumer Cyclical		-0.20%
Energy		-2.07%

S&P 500 Sector Weights*		9/3/24
Sector		Weight
Technology		31.61%
Financials		13.06%
Health Care		12.44%
Consumer Cyclical		9.93%
Comm. Services		8.75%
Industrials		7.54%
Consumer Defensive		6.16%
Energy		3.52%
Utilities		2.59%
Real Estate		2.41%
Materials		2.00%

Sector Summary								8/31/24
Sector	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	
Cyclical								
Consumer Cyclical	-0.40%	-0.20%	6.57%	5.10%	10.48%	1.45%	10.37%	
Financials	2.95%	4.57%	10.28%	22.58%	35.32%	8.01%	13.46%	
Materials	1.67%	2.32%	3.49%	11.14%	16.05%	5.41%	13.01%	
Real Estate	0.42%	5.73%	15.61%	10.56%	21.88%	0.33%	5.63%	
Sensitive								
Comm. Services	-0.21%	1.78%	5.15%	20.81%	30.24%	1.60%	13.01%	
Energy	0.98%	-2.07%	-1.29%	10.61%	6.05%	28.51%	15.40%	
Industrials	1.69%	2.82%	6.80%	16.08%	23.42%	9.70%	13.58%	
Technology	-1.62%	0.70%	5.03%	14.86%	26.41%	12.47%	23.79%	
Defensive								
Consumer Defensive	0.82%	5.99%	7.48%	16.25%	16.73%	7.32%	9.19%	
Health Care	1.13%	5.06%	9.82%	16.13%	19.92%	6.80%	13.60%	
Utilities	1.15%	4.81%	5.74%	22.42%	25.31%	6.92%	7.42%	

Market Indicators								
Name	As of	Last Month**	1 Month Ago	1 Mo. % Change	1 Year Ago	1 Year % Change		Freq.
Key Interest Rates								
1 Month Treasury	8/30/24	5.41%	5.50%	▼ -1.6%	5.55%	▼ -2.5%		Daily
2 Year Treasury	8/30/24	3.91%	4.35%	▼ -10.1%	4.90%	▼ -20.2%		Daily
10 Year Treasury	8/30/24	3.91%	4.15%	▼ -5.8%	4.12%	▼ -5.1%		Daily
30 Year Mortgage	8/29/24	6.35%	6.78%	▼ -6.3%	7.23%	▼ -12.2%		Weekly
US Corporate AAA	8/31/24	4.44%	4.65%	▼ -4.5%	4.87%	▼ -8.8%		Daily
US Corporate BBB	8/31/24	5.17%	5.37%	▼ -3.7%	5.92%	▼ -12.7%		Daily
US Corporate CCC	8/31/24	13.28%	13.45%	▼ -1.3%	13.46%	▼ -1.3%		Daily
Effective Federal Funds	8/31/24	5.33%	5.33%	▲ 0.0%	5.33%	▲ 0.0%		Daily
U.S. Economy								
Consumer Sentiment	8/31/24	67.90	66.40	▲ 2.3%	69.40	▼ -2.2%		Monthly
Unemployment Rate	7/31/24	4.30%	4.10%	▲ 4.9%	3.50%	▲ 22.9%		Monthly
Inflation Rate	7/31/24	2.89%	2.97%	▼ -2.6%	3.18%	▼ -8.9%		Monthly
Manufacturing PMI	8/31/24	47.20	46.80	▲ 0.9%	47.60	▼ -0.8%		Monthly
Non Manufacturing PMI	8/31/24	51.50	51.40	▲ 0.2%	54.50	▼ -5.5%		Monthly
Retail Sales	7/31/24	615,001	608,460	▲ 1.1%	599,702	▲ 2.6%		Monthly
Building Permits	7/31/24	1,396	1,454	▼ -4.0%	1,501	▼ -7.0%		Monthly

©2020 YCharts, Inc. All Rights Reserved. YCharts, Inc. ("YCharts") is not registered with the U.S. Securities and Exchange Commission (or with the securities regulatory authority or body of any state or any other jurisdiction) as an investment adviser, broker-dealer or in any other capacity, and does not purport to provide investment advice or make investment recommendations. This report has been generated through application of the analytical tools and data provided through ycharts.com and is intended solely to assist you or your investment or other adviser(s) in conducting investment research. You should not construe this report as an offer to buy or sell, as a solicitation of an offer to buy or sell, or as a recommendation to buy, sell, hold or trade, any security or other financial instrument. For further information regarding your use of this report, please go to: ycharts.com/about/disclosure

Asset Class Indices		
Name	Index	Index Start Date
U.S. Stock	MSCI USA	1/21/94
Global Stock Ex U.S.	MSCI ACWI Ex USA Net Total Return	12/29/00
U.S. Bond	Bloomberg US Aggregate	4/29/96
International Bond	Bloomberg Global Aggregate ex-USD USD Hedged	9/4/00
U.S. Real Estate	Dow Jones US Real Estate Index Total Return	8/2/10

Region Indices		
Name	Index	Index Start Date
U.S. Stock	MSCI USA	1/21/94
International Developed	MSCI World Ex USA	6/1/94
Emerging Markets	MSCI Emerging Markets Net Total Return	12/29/00
Europe Stock	MSCI Europe Net Total Return	2/28/95
Asia Pacific Stock	MSCI AC Asia Pacific Net Total Return	12/29/00
Latin America Stock	MSCI Emerging Markets Latin America Net Total Return	12/29/00

Equity Style Indices		
Name	Index	Index Start Date
MSCI USA	MSCI USA	1/21/94
MSCI ACWI	MSCI ACWI	12/31/87
MSCI USA Value	MSCI USA Value	12/31/96
MSCI USA Small Cap	MSCI USA Small Cap	6/1/94
MSCI USA Quality	MSCI USA Quality	11/28/75
MSCI USA Momentum	MSCI USA Momentum	12/31/74
MSCI USA Minimum Volatility	MSCI USA Minimum Volatility	5/31/88
MSCI USA Diversified Multi-Factor	MSCI USA Diversified Multi-Factor	11/30/98
MSCI ACWI Diversified Multi-Factor	MSCI ACWI Diversified Multi-Factor	11/30/98

Sector Indices		
Name	Index	Index Start Date
Consumer Cyclical	The Consumer Discret Sel SectSPDR® ETF	12/16/98
Financials	The Financial Select Sector SPDR® ETF	12/16/98
Materials	The Materials Select Sector SPDR® ETF	12/16/98
Real Estate	The Real Estate Select Sector SPDR®	10/7/15
Comm. Services	The Comm Svcs Sel Sect SPDR® ETF	6/18/18
Energy	The Energy Select Sector SPDR® ETF	12/16/98
Industrials	The Industrial Select Sector SPDR® ETF	12/16/98
Technology	The Technology Select Sector SPDR® ETF	12/16/98
Consumer Defensive	The Consumer Staples Sel SectSPDR® ETF	12/16/98
Health Care	The Health Care Select Sector SPDR® ETF	12/16/98
Utilities	The Utilities Select Sector SPDR® ETF	12/16/98

* SPY's sector exposure data is used as a proxy for the 'S&P 500 Sector Weights' module. This data may not be updated as of the selected time period in cell F1, as YCharts does not provide historical sector exposure data for ETFs or Mutual Funds.

** Economic data may not be updated as of the selected time period in cell F1. Please see the 'As of' column in the 'Market Indicators' module to determine each indicator's as of date. '1 Month Ago' and '1 Year Ago' columns will populate with data 1 month and 1 year prior to the 'As of' column, respectively.

Symmetry Partners, LLC is an investment advisory firm registered with the Securities and Exchange Commission (SEC).

The firm only transacts business in states where it is properly registered or excluded or exempt from registration requirements. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, product or any non-investment-related content made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may not be reflective of current opinions or positions. Please note the material is provided for educational and background use only. Moreover, you should not assume that any discussion or information contained in this material serves as the receipt of, or as a substitute for, personalized investment advice. Diversification seeks to improve performance by spreading your investment dollars into various asset classes to add balance to your portfolio. Using this methodology, however, does not guarantee a profit or protection from loss in a declining market. Past performance does not guarantee future results.

Index Disclosure and Definitions: All indexes have certain limitations. Investors cannot invest directly in an index. Indexes have no fees. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance. Actual performance for client accounts may differ materially from the index portfolios.

S&P 500 Index represents the 500 leading U.S. companies, approximately 80% of the total U.S. market capitalization. Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ. The Nasdaq Composite Index (NASDAQ) measures all NASDAQ domestic and international-based common-type stocks listed on The NASDAQ Stock Market and includes over 2,500 companies. MSCI World Ex USA GR USD Index captures large and mid-cap representation across 22 of 23 developed markets countries, excluding the U.S. The index covers approximately 85% of the free float-adjusted market capitalization in each country. MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets (as defined by MSCI). The index consists of the 25 emerging market country indexes. Bloomberg U.S. Aggregate Bond Index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed-income securities in the United States—including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than one year. Bloomberg Global Aggregate (USD Hedged) Index is a flagship measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging market issuers. Index is USD hedged. Stock returns represented by Fama/French Total U.S. Market Research Index, provided by Ken French and available at http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html. This value-weighted U.S. market index is constructed every month, using all issues listed on the NYSE, AMEX, or NASDAQ with available outstanding shares and valid prices for that month and the month before. Exclusions: American depositary receipts. Sources: CRSP for value-weighted U.S. market return. Rebalancing: Monthly. Dividends: Reinvested in the paying company until the portfolio is rebalanced.

© Morningstar 2024. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted, or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.

1 Curran, E. (2023, March 21). What is a Minsky moment? How do world debt levels look now? Bloomberg.com. <https://www.bloomberg.com/news/articles/2023-03-21/explainer-what-s-a-minsky-moment-and-why-markets-worry-about-one>

2 Fitch, A., & Tongo/EPA/Shutterstock, R. B. (2024, August 29). Nvidia reports strong quarter amid investor jitters over AI boom's staying power. WSJ. <https://www.wsj.com/business/earnings/nvidia-nvda-q2-earnings-report-2025-16fc82a2>

3 Morningstar Direct as of Aug 31, 2024

4 Source: S&P Dow Jones Indices. Data as of Aug 30, 2024.

5 Morningstar Direct as of Aug 31, 2024