

# Q4'2024 Quarter Client Presentation

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October 4, 2024

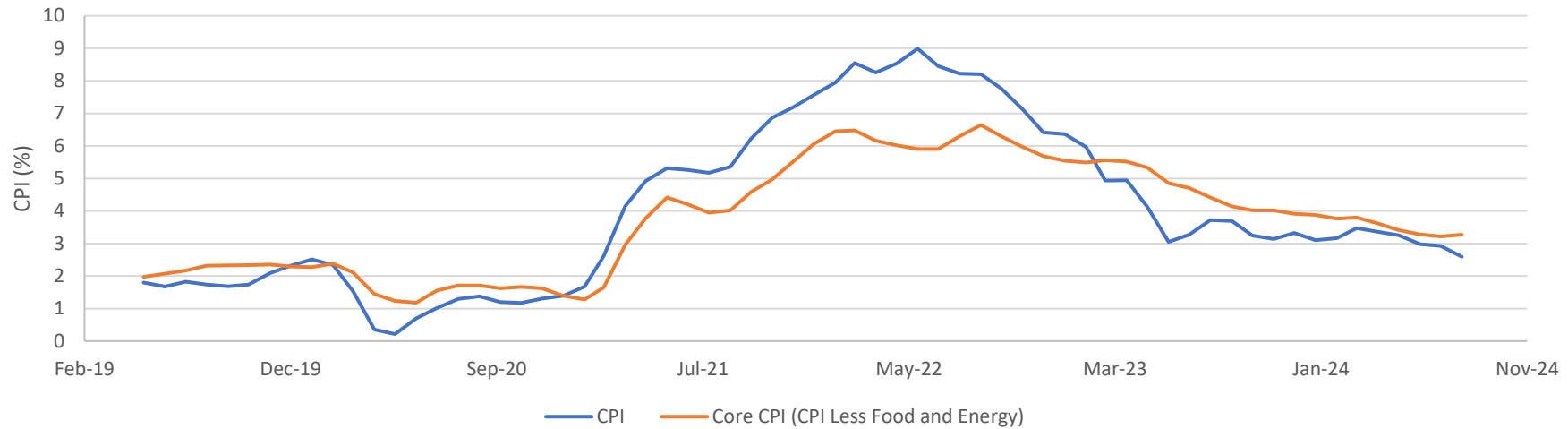


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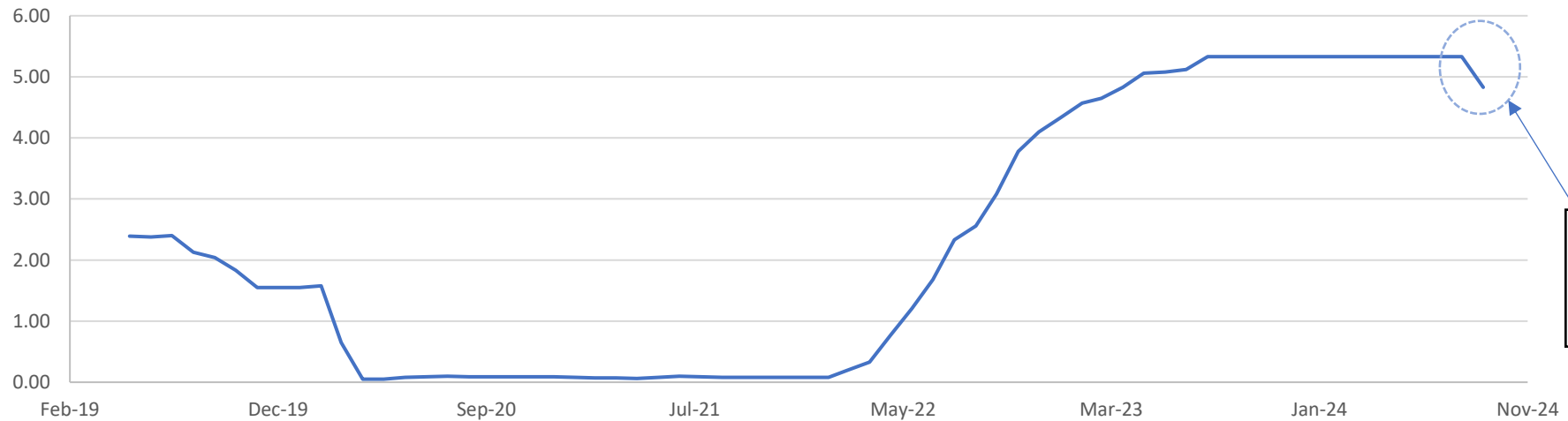


# The State of Inflation in the United States

U.S. Inflation Since 2019



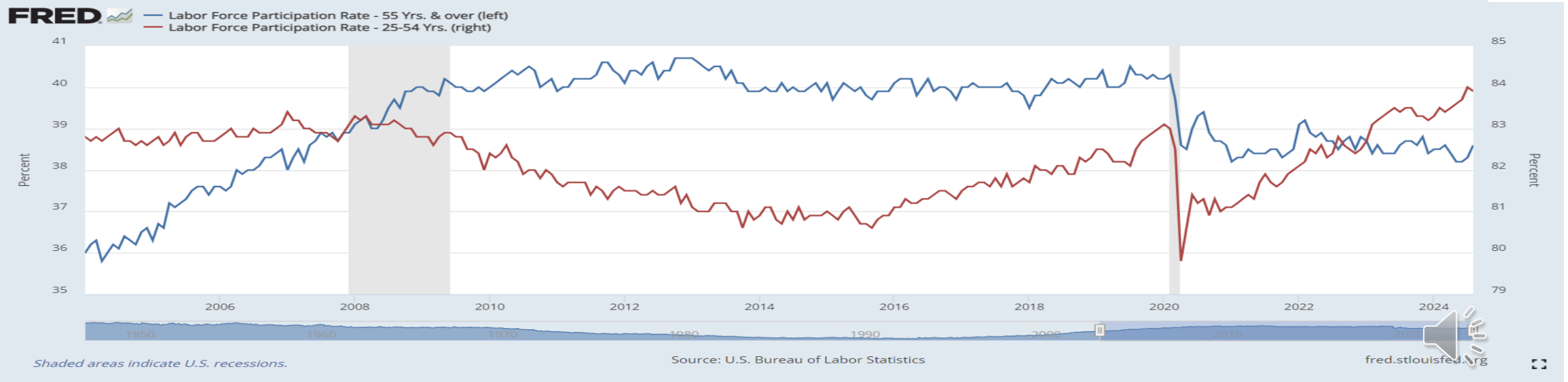
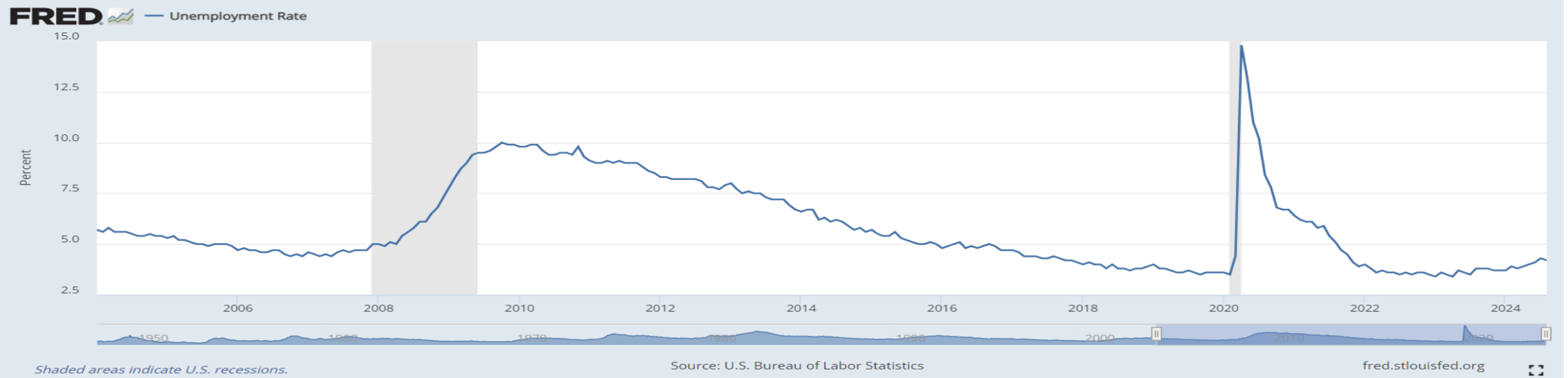
Effective Federal Funds Rate



Fed lowers the Federal Funds rate by 0.5%

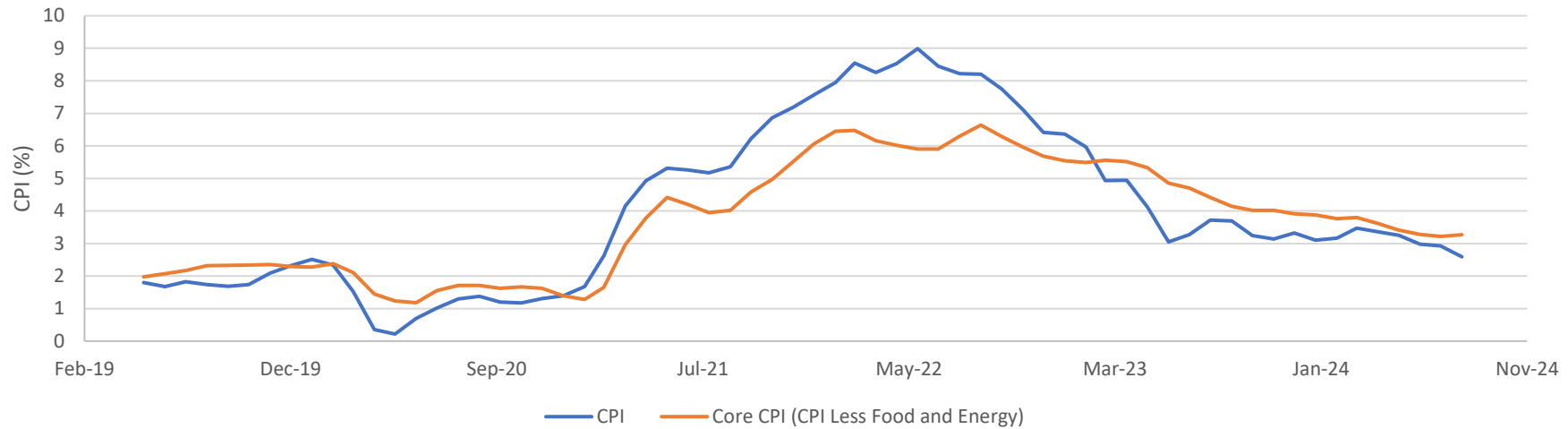


# The State of U.S. Labor Markets

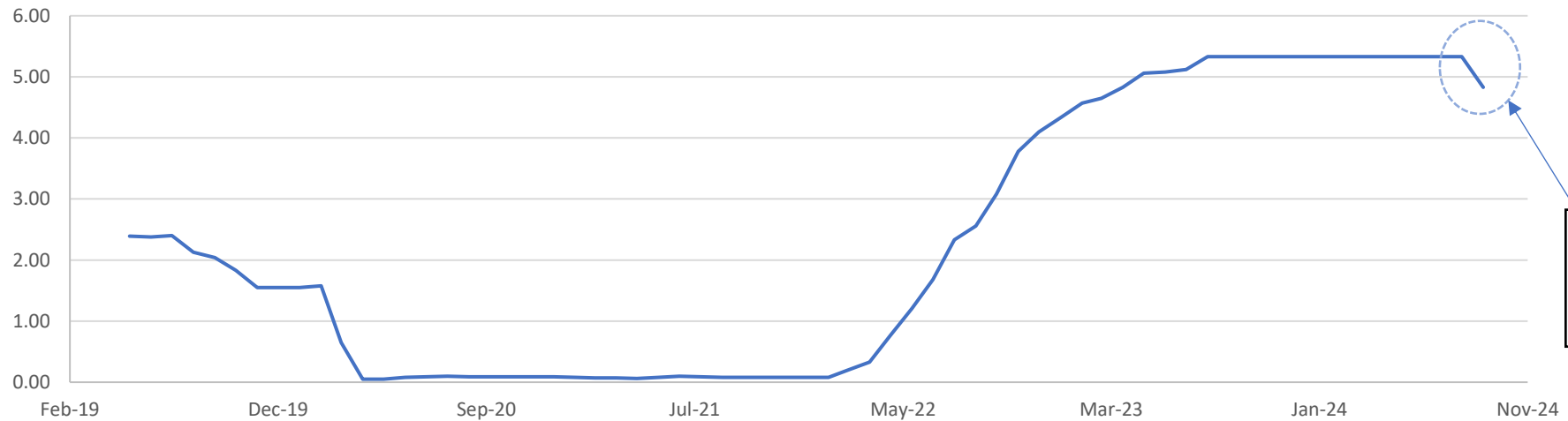


# The State of Inflation in the United States

U.S. Inflation Since 2019



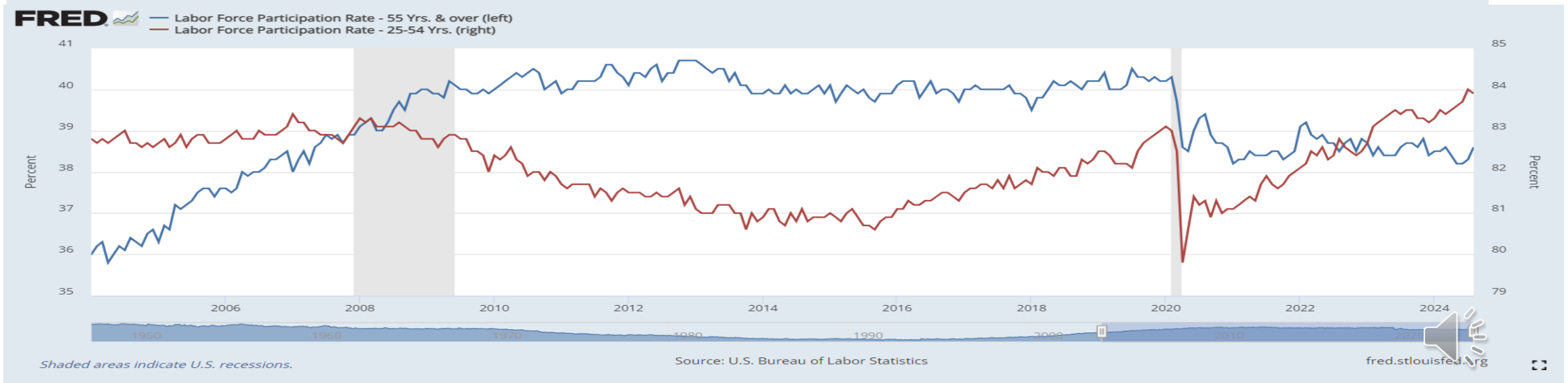
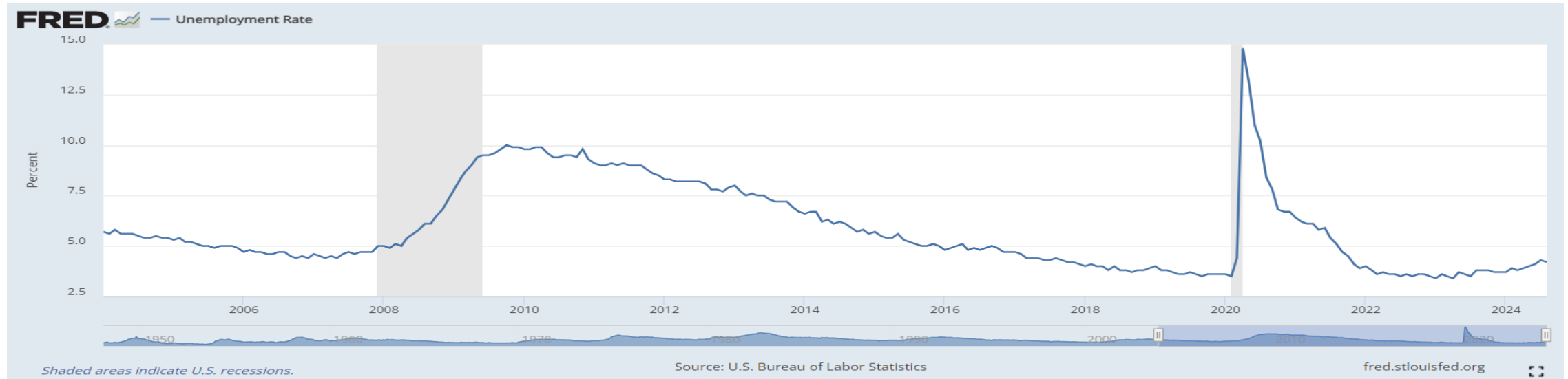
Effective Federal Funds Rate



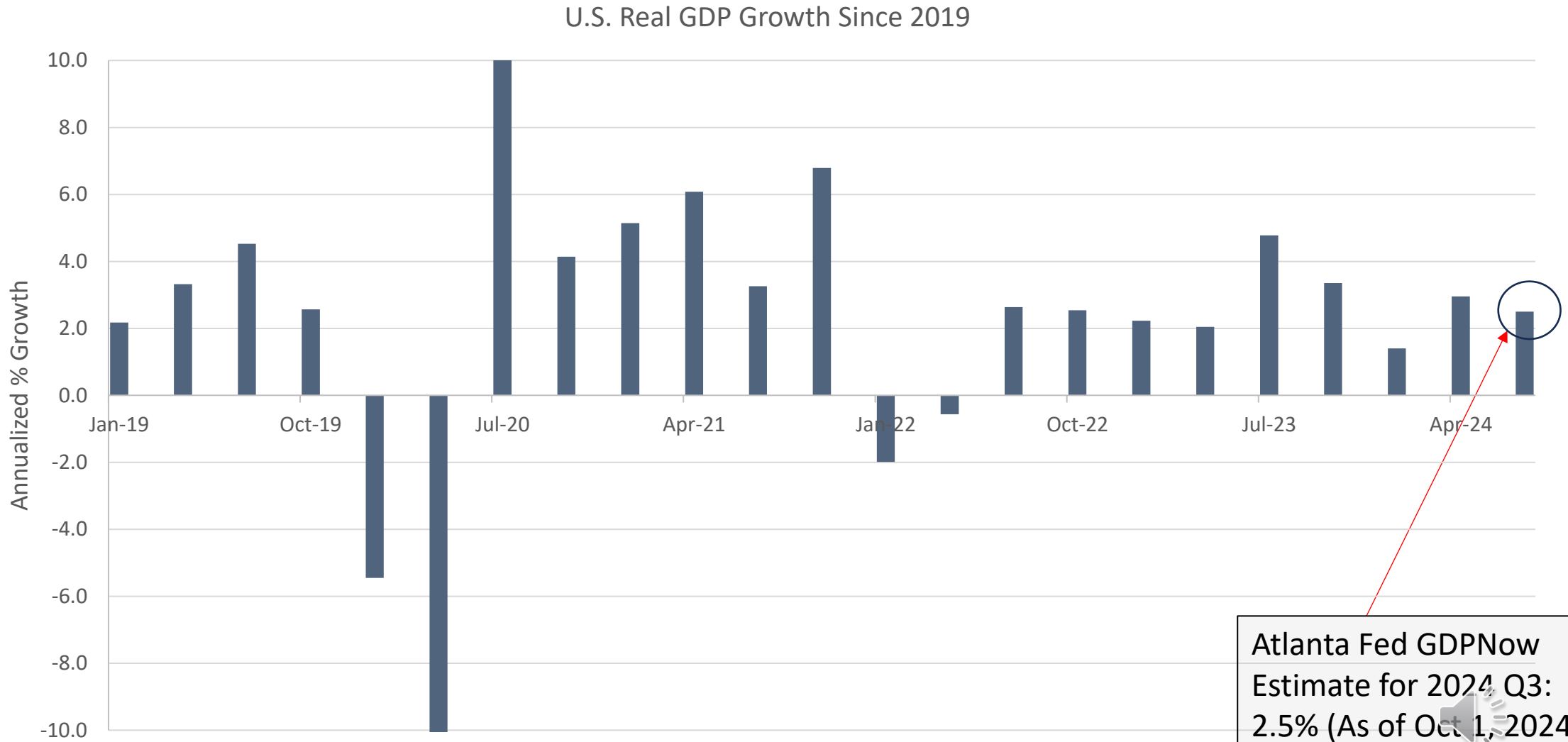
Fed lowers the Federal Funds rate by 0.5%



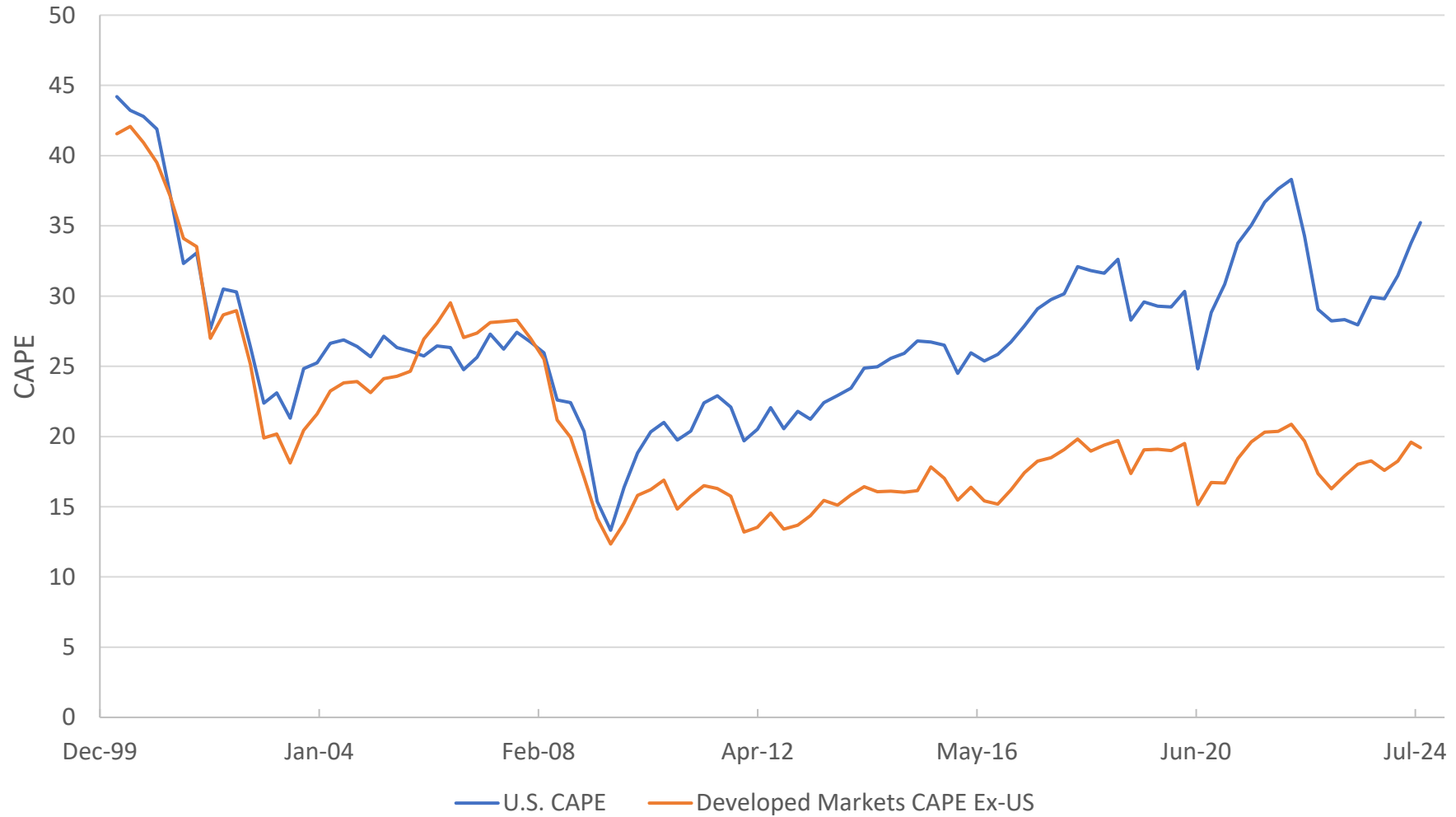
# The State of U.S. Labor Markets



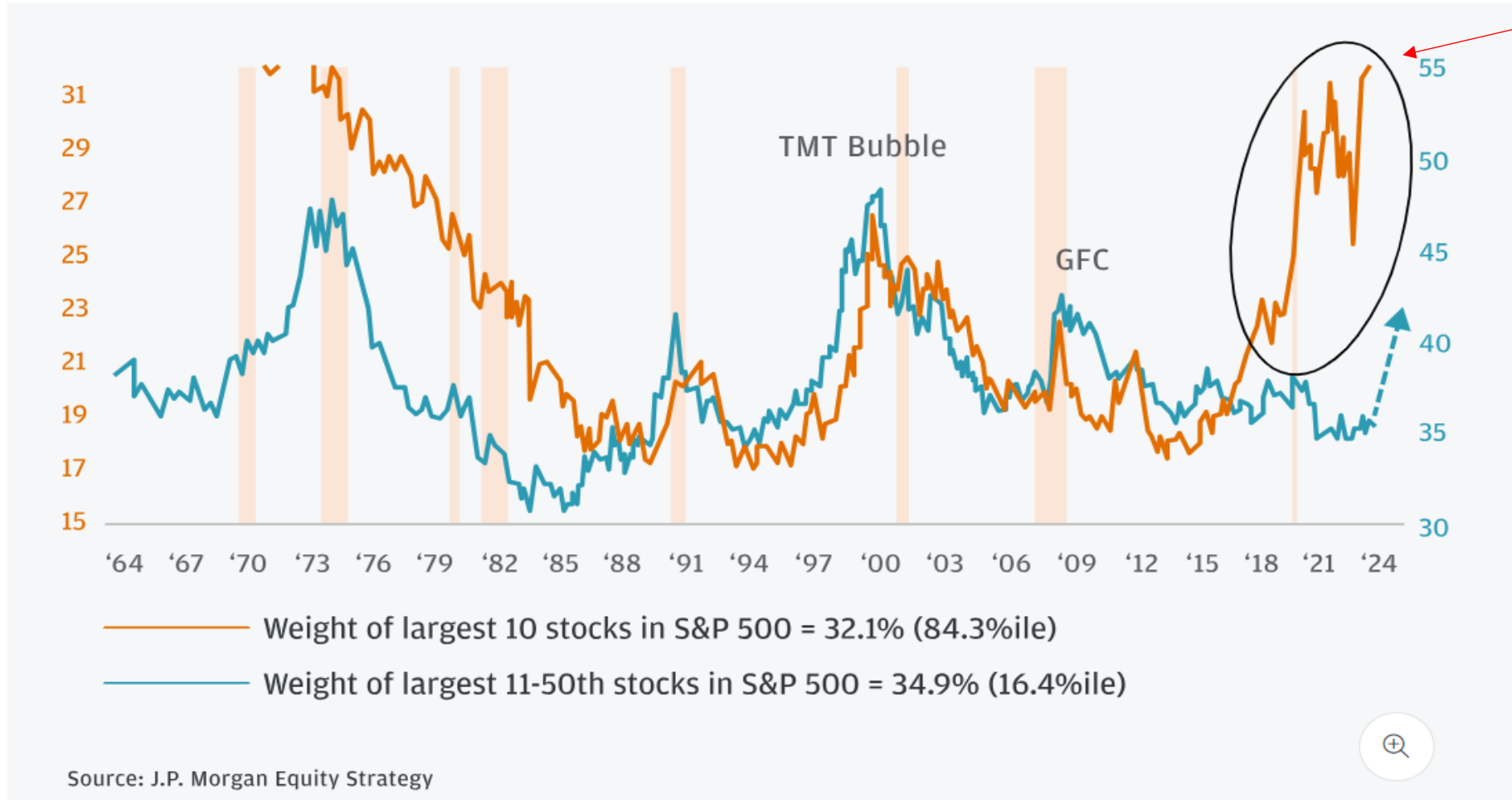
# The Economy Continues to Grow



# Equity Markets: Valuation of Domestic vs International Equities



# Equity Markets: U.S. Stock Value is Highly Concentrated



Holdings (%) As of: 01 Oct 2024

Top 10	Rest	Total Holdings
35.67%	64.33%	504

1. Apple Inc.	7.11
2. Microsoft Corporation	6.47
3. NVIDIA Corporation	5.95
4. Alphabet Inc. Class A	3.70
5. Amazon.com, Inc.	3.58
6. Meta Platforms Inc Class A	2.60
7. Berkshire Hathaway Inc. Class B	1.73
8. Broadcom Inc.	1.61
9. Tesla, Inc.	1.48
10. Eli Lilly and Company	1.44

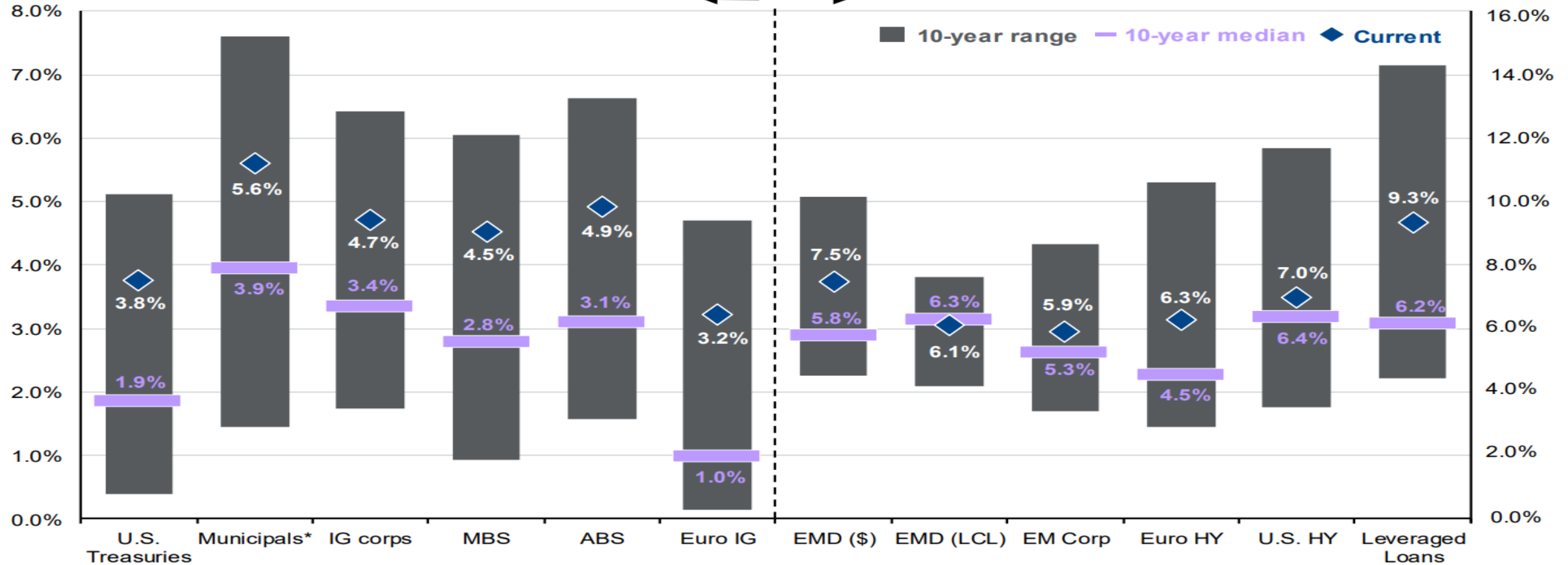




# Case for Fixed Income is Maintained, Even with Lower Rates

## Yield-to-worst across fixed income sectors

Percent, past 10 years



Source: Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management.

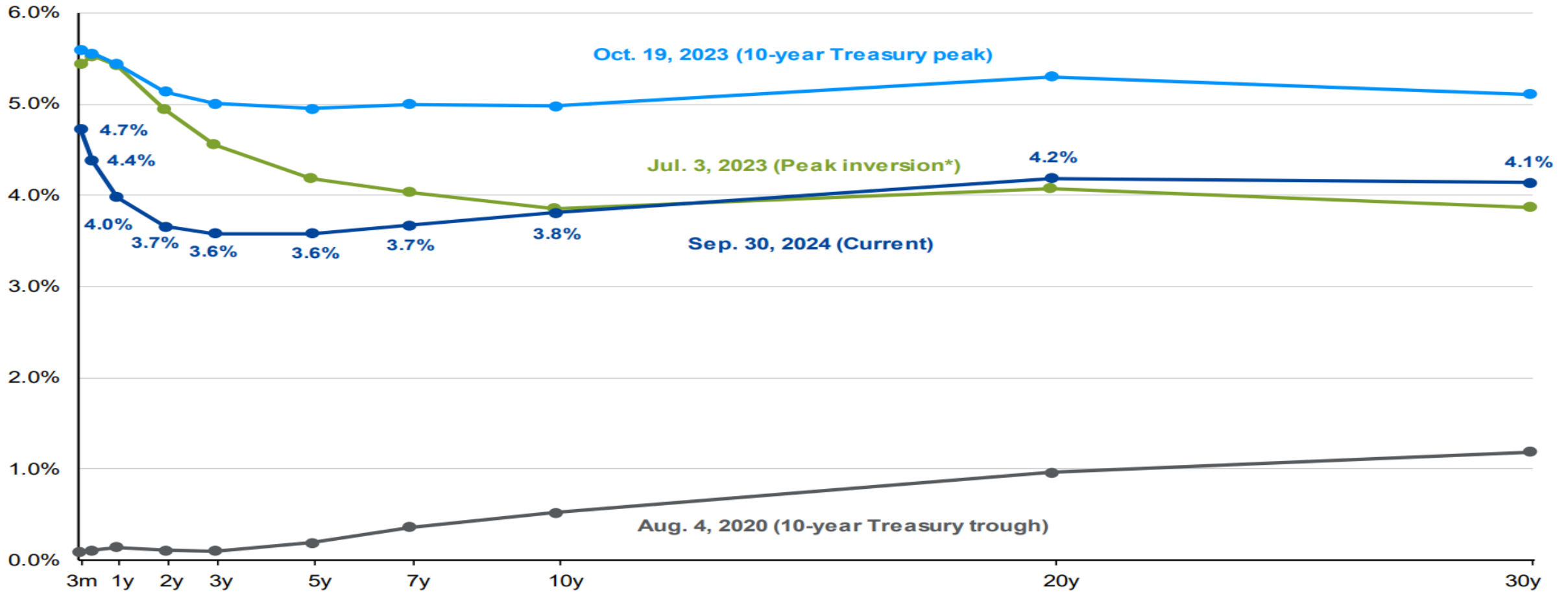
Indices used are Bloomberg unless stated otherwise: ABS: J.P. Morgan ABS Index; EMD (USD): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged Loans: JPM Leveraged Loan Index; Euro IG: Bloomberg Euro Aggregate Corporate Index; Euro HY: Bloomberg Pan-European High Yield Index. Yield-to-worst is the lowest possible yield that can be received on a bond apart from the company defaulting and considers factors like call provisions, prepayments and other features that may affect the bonds' cash flows. \*All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8%.

Guide to the Markets - U.S. Data are as of September 30, 2024.

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# Yield Curve Remains Inverted (But Less So)

U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. Analysis references data back to 2020. \*Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury. Guide to the Markets – U.S. Data are as of September 30, 2024.

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## *DISCLOSURE*

Stocks offer long-term growth potential but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. Stock dividends are not guaranteed. Investments primarily concentrated in one sector may be more volatile than those that diversify across many industry sectors and companies. The technology industry can be significantly affected by obsolescence, short product cycles, falling prices and profits, and competition from new market participants. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions, different accounting standards, and other risks not associated with domestic investments. Investments in emerging markets may be subject to additional volatility. Stocks of small and mid-cap companies may also be subject to greater risk than that of larger companies because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

The value of fixed income securities will fluctuate with changes in interest rates, prepayment payment rates, exercise of call provisions, changes in the issuer's credit ratings, market conditions, and other variables such that they may be worth more or less than original cost if sold prior to maturity. There is also a risk that the issuer will be unable to make principal and/or interest payments. Although treasuries are considered free from credit risk they are subject to other types or risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate, and deflation risk, which may cause the principal to decline and treasury securities to underperform traditional securities.

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