Champion Advisors LLC
Wealth Management

October, 2024

Dear Client,

The Global Equity Market has had a solid performance this year-to-date displaying positive returns for the fourth quarter in a row. The US economy has shown fortitude in defying expectations of a recession as we head into the 4th quarter of the year, and the US Presidential Election is right around the corner.

Most are curious about how the presidential elections will affect the markets, and it's normal to try and connect market performance to the outcome. However, looking back at history shows us that there is no real correlation with which party proves to be victorious. Remember: shareholders are investing in companies – not politicians – and stocks don't tend to show party preference over the years. Actual returns consistently deviate from expected returns because information is in a constant state of change – and the Presidential election is just one of many of those changes. As we know, markets go up when news regarding the economy is better than expected and down when it's worse. Elections and geopolitical conflicts, coupled with economic circumstances, all contribute to factors that produce market returns.

This year will be the largest voting year in history and will affect over four billion people in seventy-six different countries. This is 60% of the global population. The US presidential vote is always at the forefront of the world's attention and 2024 is no different. For a look at DFA's take on the quarter and how the market is impacted by the presidential elections from previous years, we've attached their *Market in Review: Q3 2024 "Rates Cut and Markets Run" (Oct 2024)* article and a one-pager, *"The Market and US Presidential Elections" (Jan 2024)* at the end of this letter.

As always, please do not hesitate to contact Barrett or myself to review anything you have in mind regarding your financial life. We are always here to discuss any questions that may come up concerning your portfolio or changes you may have experienced that could affect your risk tolerance or the way in which your funds are allocated. We are continually available to help in any way you might need us!

All the best,

Thomas E. Tucker

Tommy Tucker, Owner & CEO

Champion Advisors LLC
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Dimensional

Rates Cut and Markets Run

Despite brief volatility in August, the MSCI All Country World IMI Index returned 6.8% for the third quarter, marking the index's fourth consecutive quarter of positive returns. Non-US stocks led for the period, with countries like China, India, and Japan each exceeding US returns.[1] Equity and fixed income markets contemplated rate cuts at central banks, and the US, European Union, and UK each lowered policy rates during the quarter.

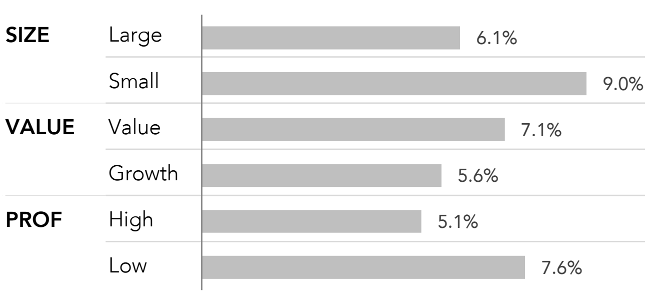
As Q3 closes and Q4 begins, many market indices are at or close to records levels.[2] Performance of the Magnificent 7[3] was divided this quarter as Apple, Telsa, and Meta all were top contributors to global returns while Alphabet, Microsoft, Amazon, and NVIDIA were all among the top detractors. But the US wasn't the only country to make headlines, as China announced a stimulus package in late September which helped propel emerging markets to be the best performing market. At the sector level, financials joined REITs and utilities as the top performing sectors, while Information Technology was dragged to the bottom by names such as Microsoft, ASML, and Samsung.

Globally, small caps outperformed large caps for the period, and higher profitability stocks underperformed lower profitability. REITs and utilities were the quarter's best performing sectors, while energy and information technology were the worst. Value stocks generally outperformed growth globally, but deeper value, higher profitability stocks lagged.

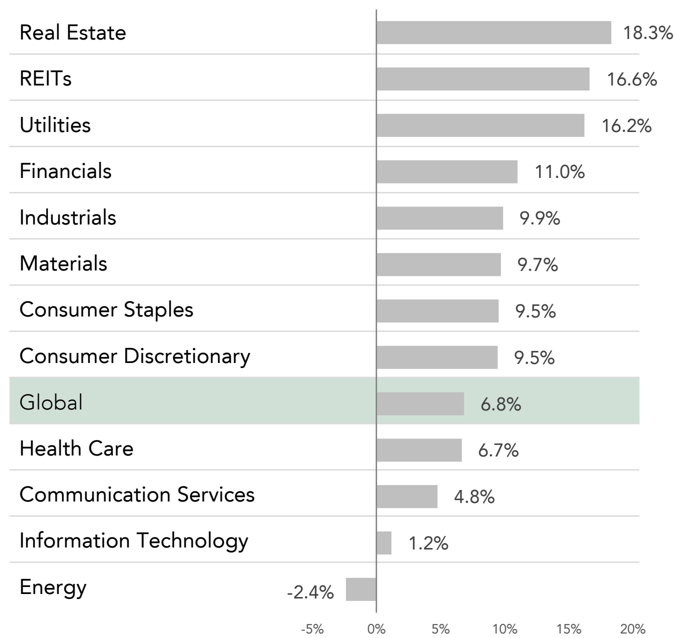
GLOBAL ASSET CLASS RETURNS *Q3 2024*

STOCKS	US	**6.23%**
	Developed ex US	**8.13%**
	Emerging Markets	**8.24%**
BONDS	US	**5.20%**
	Global ex US	**3.48%**

GLOBAL PREMIUM RETURNS *Q3 2024*



GLOBAL SECTOR RETURNS *Q3 2024*



1. Non-US stocks refers to developed ex US and emerging markets stocks. Country returns are the country component indices of the MSCI All Country World IMI Index for all countries except the United States, where the Russell 3000 Index is used instead. MSCI index returns are net dividend.
2. Connor Smith, "S&P 500 and Dow Rally to New Highs," Barron's, September 19, 2024.
3. The Magnificent 7 stocks include Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.

Past performance is no guarantee of future results. Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission. Diversification does not eliminate the risk of market loss. **Risks** include loss of principal and fluctuating value. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Premium refers to a return difference between two assets or portfolios. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), Developed ex US Stocks (MSCI World ex USA IMI Index [net div.]), Emerging Markets (MSCI Emerging Markets IMI Index [net div.]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]), Global Stock Market (MSCI All Country World IMI Index [net div.]). Sector returns are derived by Dimensional using constituent data from the MSCI All Country World IMI Index. Returns for specific securities are sourced from the MSCI All Country World IMI Index using daily security returns. Securities without a GICS sector are excluded. Sectors are classified according to GICS Industry code. GICS was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices LLC, a division of S&P Global. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. References to specific company securities should not be construed as a recommendation or investment advice. Global Premium Returns are computed from MSCI All Country World IMI Index published security weights and Dimensional computed security returns and Dimensional classification of securities based on size, value, and profitability parameters. Within the US, Large Cap is defined as approximately the largest 90% of market capitalization in each country or region; Small Cap is approximately the smallest 10%. Within the non-US developed markets, Large Cap is defined as approximately the largest 87.5% of market capitalization in each country or region; Small Cap is approximately the smallest 12.5%. Within emerging markets, Large Cap is defined as approximately the largest 85% of market capitalization in each country or region; Small Cap is approximately the smallest 15%. Designations between value and growth are based on price-to-book ratios. Value is defined as the 50% of market cap with the lowest price-to-book ratios by size category and growth is the highest 50%. Profitability is measured as operating income before depreciation and amortization minus interest expense scaled by book. High profitability is defined as the 50% of market cap with the highest profitability by size category and low profitability is the lowest 50%. REITs and utilities, identified by GICS code, and stocks without size, relative price, or profitability metrics are excluded from this analysis. Countries not in the Dimensional investable universe are excluded from the analysis. Their performance does not reflect the expenses associated with the management of an actual portfolio. This information is intended for educational purposes and should not be considered a recommendation to buy or sell a particular security. Named securities may be held in accounts managed by Dimensional.

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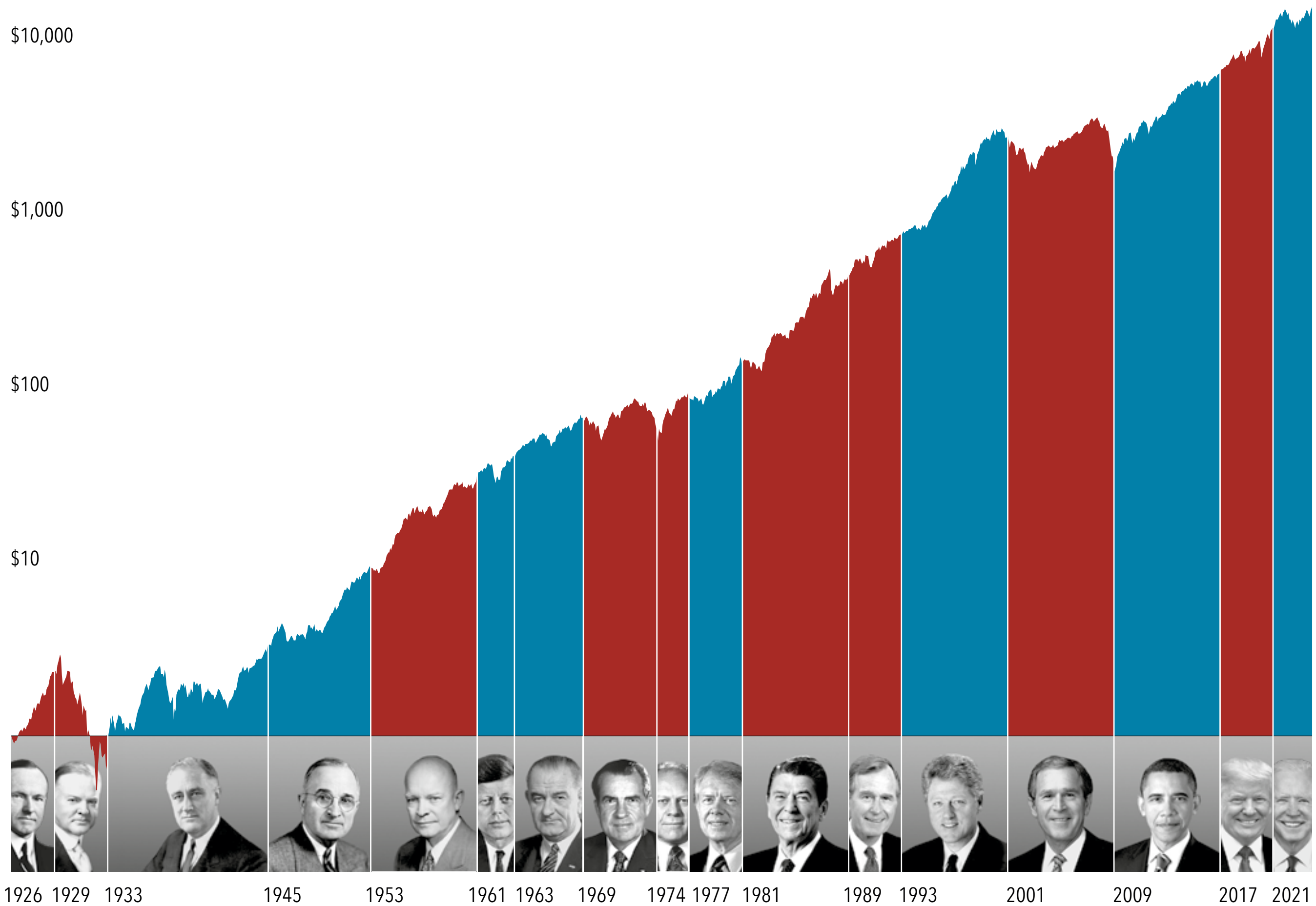
The Market and US Presidential Elections

HYPOTHETICAL GROWTH OF $1 INVESTED IN THE S&P 500 INDEX
1926–2023



It's natural for investors to look for a connection between who wins the White House and which way stocks will go. But regardless of who wins, nearly a century of returns shows that stocks have trended upward.

- Shareholders are investing in companies, which focus on serving their customers and growing their businesses, regardless of who is in the White House.
- US presidents may have an impact on market returns, but so do many other factors—the actions of foreign leaders, interest rate changes, changing oil prices, and technological advances, just to name a few.

Stocks have rewarded disciplined investors for decades, through both Democratic and Republican presidencies.