

SAN DIEGO SEND-OFF

Tuesday, April 30th, 2024

If you are receiving this email, it is because you are a client and/or friend of the La Jolla Private Wealth Group of Wells Fargo Advisors. The idea behind the *San Diego Send-Off* is to keep you abreast of interesting trends we are seeing in the market/world.

Best Regards,

Robert Palatella Managing Director Senior PIM Portfolio Manager Robert.palatella@wfa.com	Michael O'Brien Private Wealth Financial Advisor Managing Director Senior PIM Portfolio Manager Michael.j.obrien@wfa.com	Josh O'Brien, CFP®, SE-AWMA™ Senior Vice President Josh.obrien@wfa.com	Melanie Gilmore, CRPC®, AWMA® Financial Advisor Melanie.gilmore@wfa.com
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La Jolla Private Wealth Group: [2024 Forbes Best-In-State Wealth Management Teams](#). Source: Forbes.com. 2024 Forbes Best-in-State Wealth Management Teams: Awarded January 2024; Data compiled by SHOOK Research LLC based on the time period from 3/31/22-3/31/23. Fee paid for use of marketing material. The Forbes Best-In-State Wealth Management Teams rating algorithm is based on the previous year's industry experience, interviews, compliance records, assets under management, revenue and other criteria by SHOOK Research, LLC. Investment performance is not a criterion. Self-completed survey was used for rating. This rating is not related to the quality of the investment advice and based solely on the disclosed criteria.

The S&P 500 averages three 5% or more market corrections per year

Market downturns (1928 – current)

Drawdowns	Number of occurrences	Average number of occurrences per year	Average Drawdown (%)	Average drawdown time (months)
-5% or more	329	3.4	-10.8	1.2
-10% or more	103	1.1	-19.4	3.3
-15% or more	47	0.5	-27.8	6.0
-20% or more	27	0.3	-35.2	9.5

Investment and Insurance Products: NOT FDIC Insured / NO Bank Guarantee / MAY Lose Value

Patience through market declines has historically been rewarded

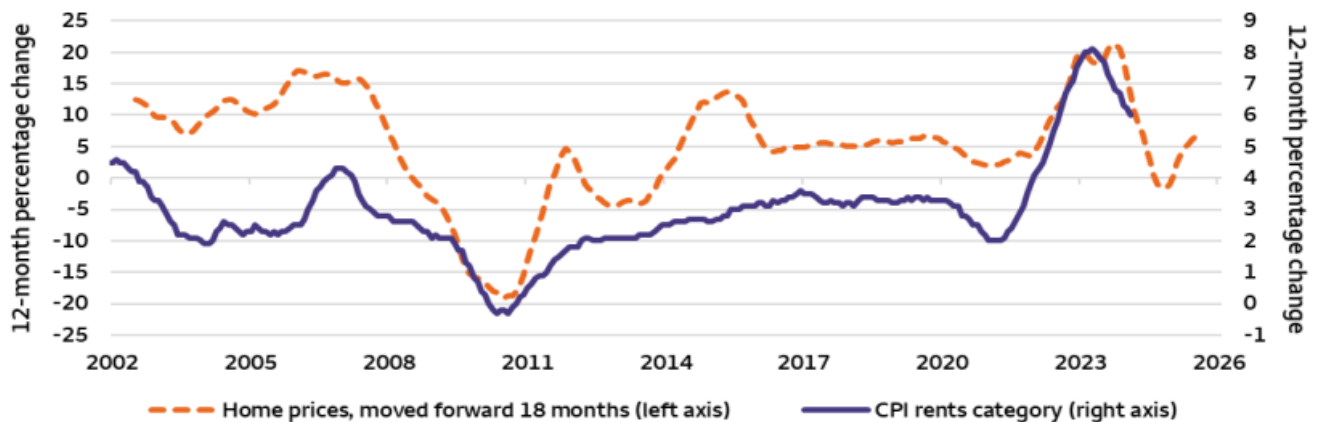
Investing \$1,000,000 in the S&P 500 Index

Time in the market	Past 30 years	Past 20 years	Past 10 years	Past 7 years	Past 5 years
Remain fully invested	\$11,787,132	\$4,665,515	\$2,806,301	\$2,223,856	\$1,853,779
Missing the 10 best days	\$5,416,137	\$2,142,834	\$1,540,581	\$1,219,963	\$1,031,090
% drop by missing the 10 best days	-54%	-54%	-45%	-45%	-44%
Missing the 50 best days	\$900,532	\$412,291	\$530,398	\$428,679	\$372,264
% drop by missing the 50 best days	-92%	-91%	-81%	-81%	-80%

Sources: Bloomberg, Ned Davis Research, and Wells Fargo Investment Institute. Market downturn analysis: data from January 3, 1928, to March 31, 2024. Past 30 years: data from April 1, 1994, to March 31, 2024. Past 20 years: data from April 1, 2004, to March 31, 2024. Past 10 years: data from April 1, 2014, to March 31, 2024. Past 7 years: data from April 1, 2019, to March 31, 2024. Past five years: data from April 1, 2019, to March 31, 2024. For illustrative purposes only. The S&P 500 Index is a market capitalization weighted index composed of 500 stocks generally considered representative of the U.S. stock market. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** A price index is not a total return index and does not include the reinvestment of dividends. Investing in stocks involves risk and their returns and risk levels can vary depending on prevailing market and economic conditions. Note: Corrections are declines of 10% or more. Bear markets are declines of 20% or more.

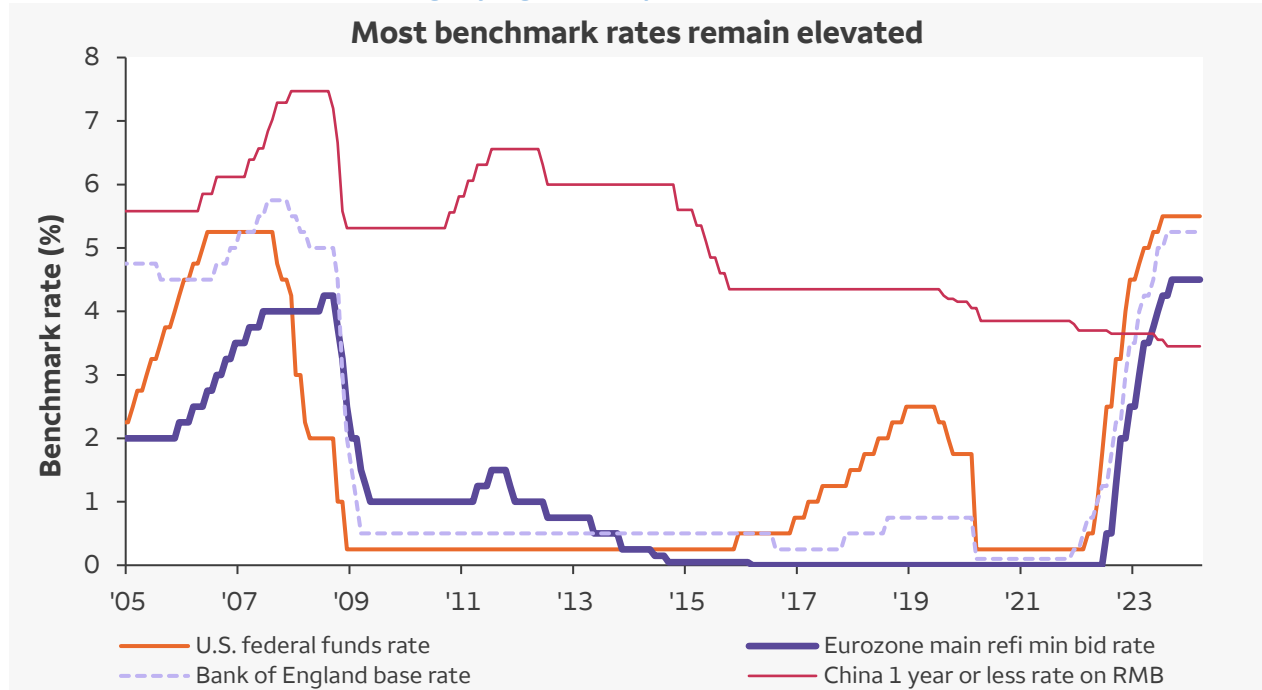
Rental inflation accounts for nearly one third of the overall CPI (inflation)

Rental inflation suggests CPI likely to remain elevated



Sources: Bloomberg and Wells Fargo Investment Institute, Monthly Data, January 2002-February 2024. Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services

U.S. Federal Funds rate remains slightly higher than peers

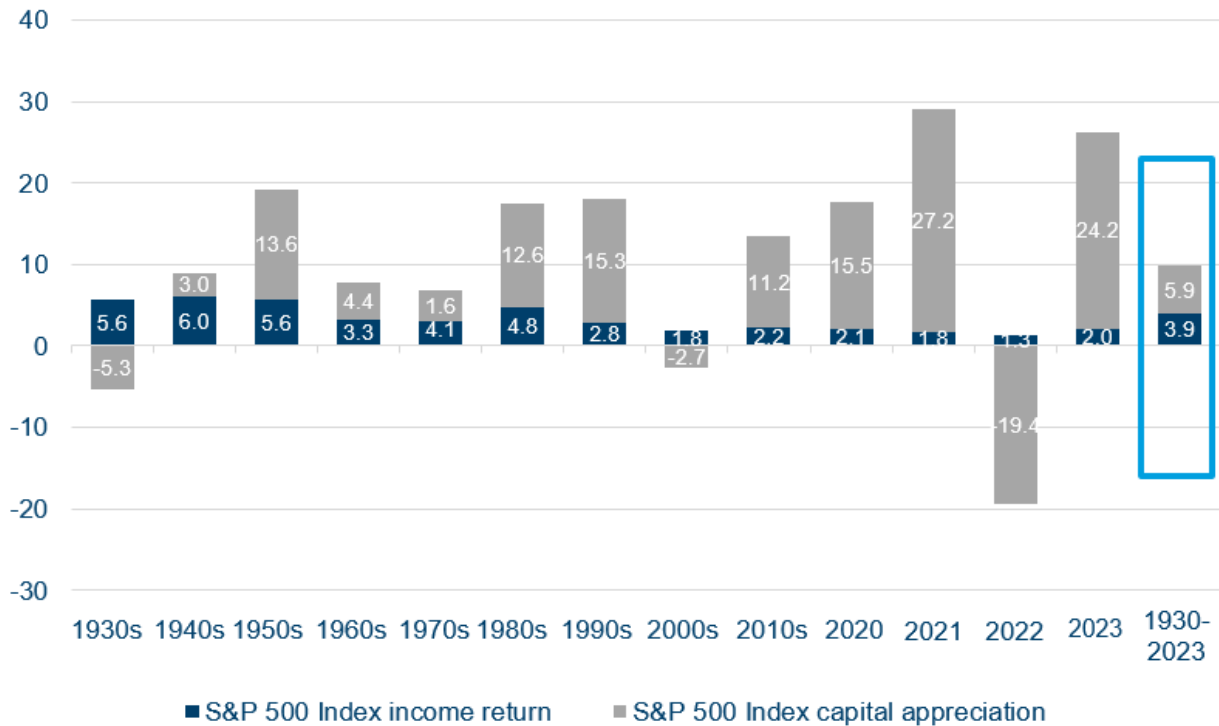


Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data from January 1, 2005, to March 31, 2024. Headline central bank policy rates of selected countries. Refi = refinance. Min = minimum. RMB = Chinese Yuan Renminbi.

Dividends have historically accounted for ~40% of the S&P 500's total return

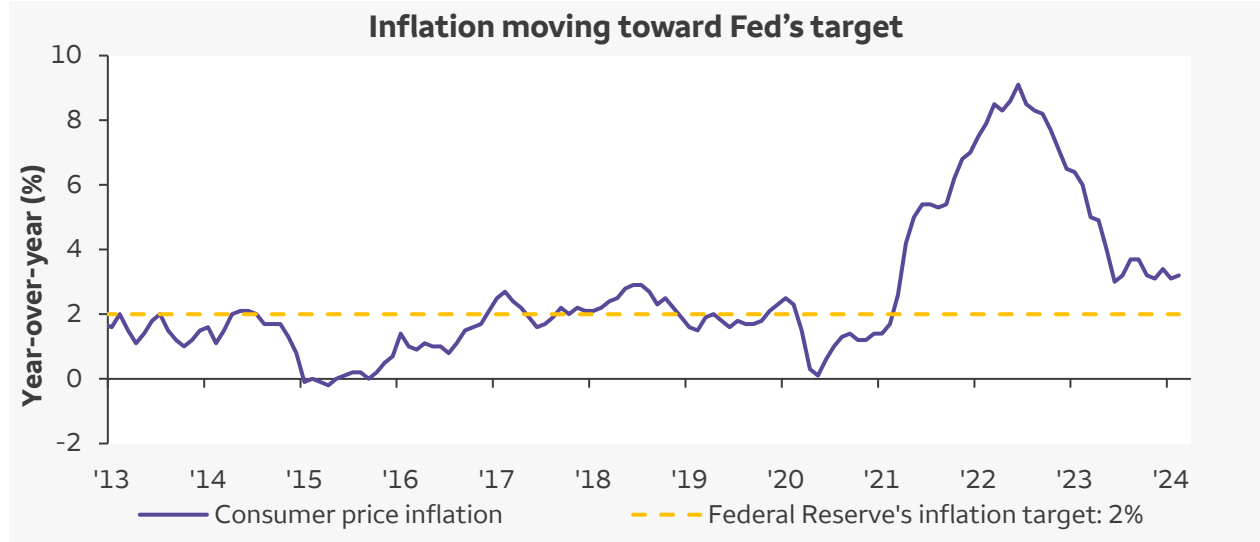
► Dividends are an important part of total return

(S&P 500 Index returns by dividend and capital appreciation, average annual return, %)



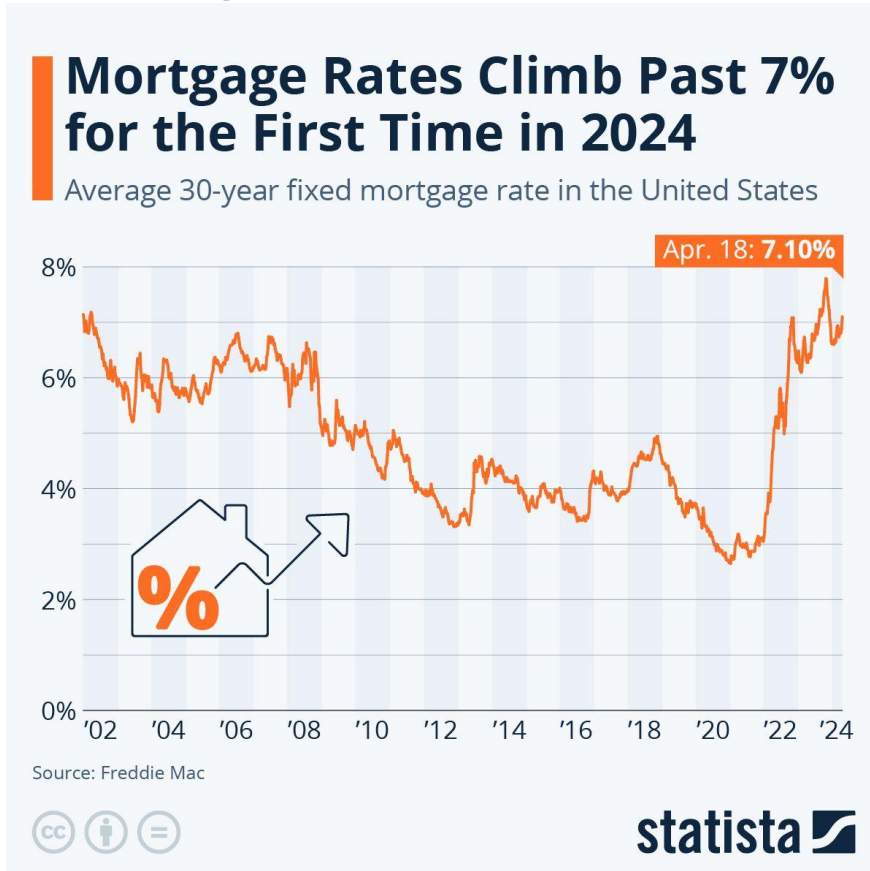
Source: Ned Davis Research as of 12/31/23. Updated annually. Dividend payments are not guaranteed, and the amount, if any, can vary over time. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

Inflation moved down steadily in 2023 but has remained well anchored in 2024

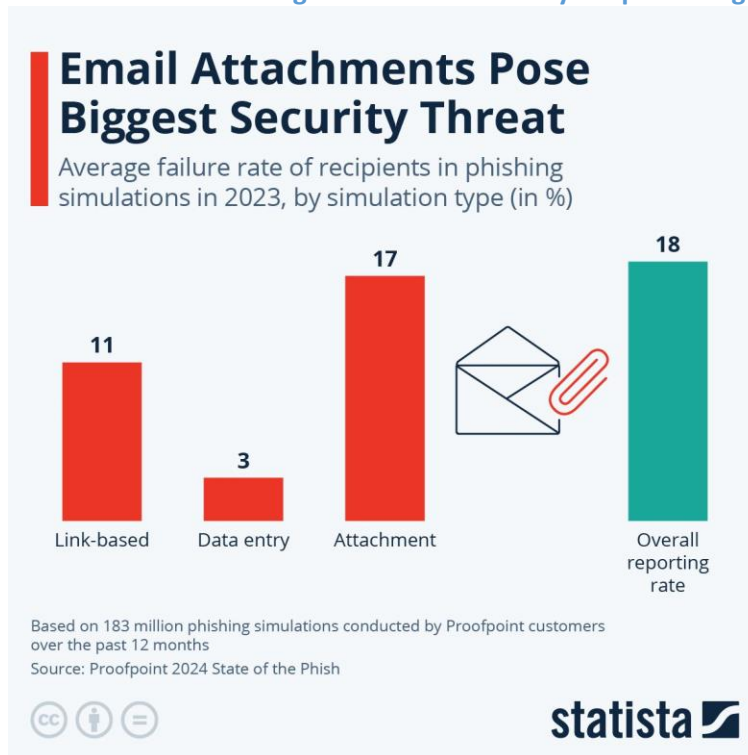


Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data from January 1, 2013, to March 31, 2024. Consumer price inflation: monthly data from January 1, 2013, to February 29, 2024. The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the U.S. stock market. The Consumer Price Index measures the average price of a basket of goods and services. West Texas Intermediate (WTI) is a grade of crude oil used as a benchmark in oil pricing. U.S. Dollar Index (USDIX) measures the value of the U.S. dollar relative to the majority of its most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Stocks may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Fed = Federal Reserve.
 Super-cycle = If you look at commodity prices over the very long term (hundreds of years), it becomes evident that they tend to move in overall bull and bear cycles, some lasting decades. These are super-cycles.

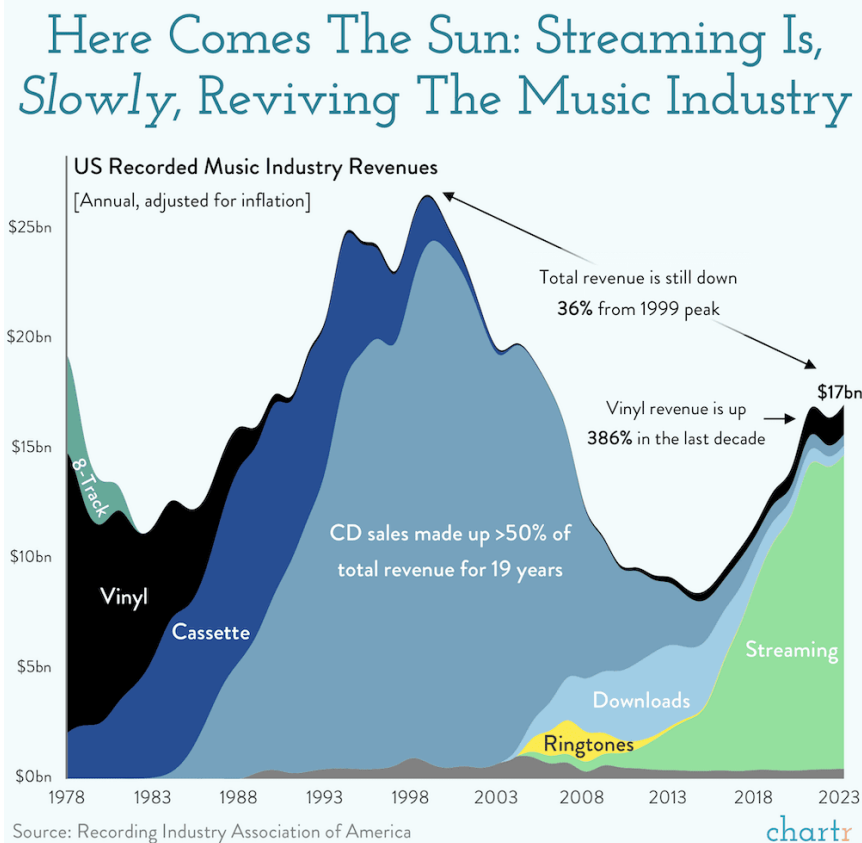
Mortgage rates climbed to the highest level since Nov 2023 this month



Not clicking on dubious links or downloading attachments are ways to protect against cyberattacks



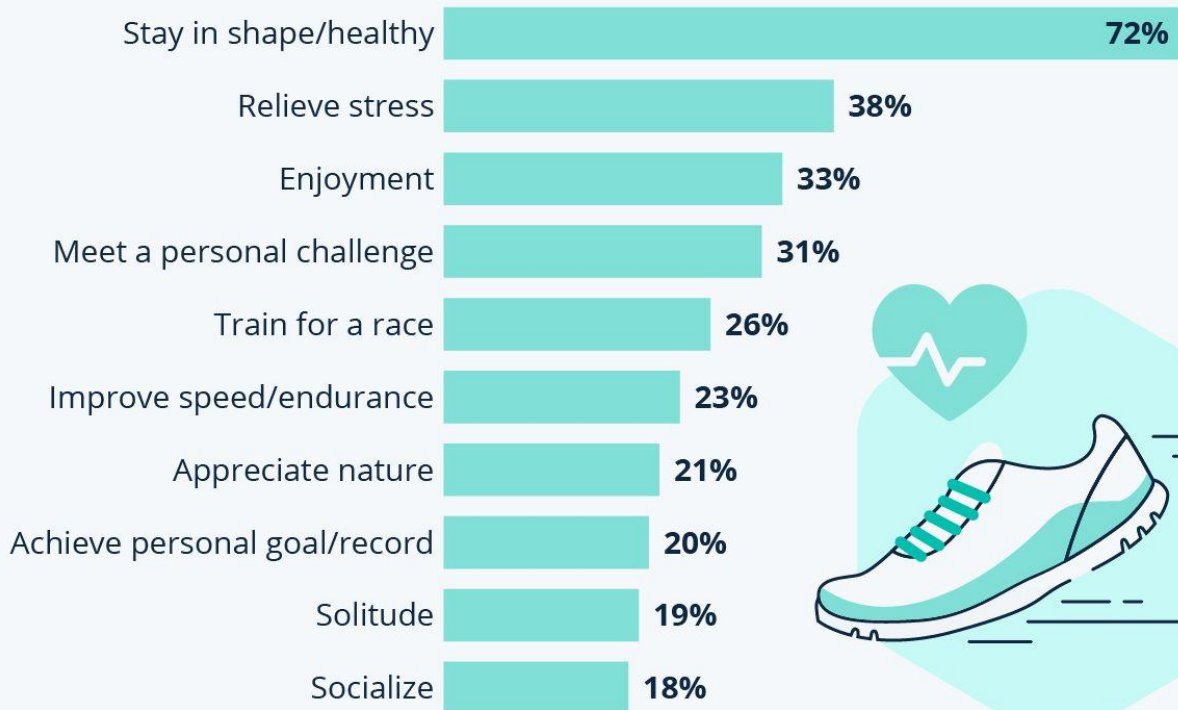
While music revenues are still down 36% from its 1999 peak, streaming is reviving the music industry



According to a 2023 survey of ~4,000 active runners, 30% started running during the pandemic

Why Run?

Share of respondents who named the following motivations for running



5,500+ runners from North America surveyed Apr. - May 2022

Source: Running USA



statista

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