



SAN DIEGO SEND-OFF

Friday, February 28th, 2025

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,

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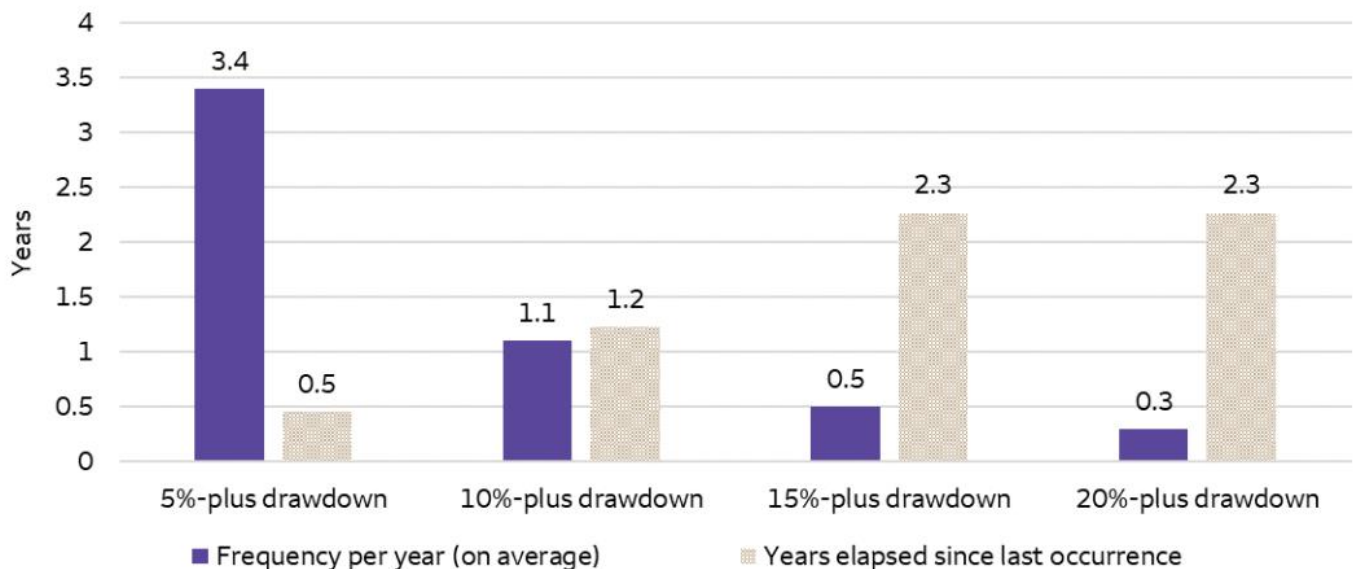
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La Jolla Private Wealth Group: 2025 Forbes Best-In-State Wealth Management Teams. Source: Forbes.com. 2025 Forbes Best-in-State Wealth Management Teams: Awarded January 2025; Data compiled by SHOOK Research LLC based on the time period from 3/31/23-3/31/24. Fee paid for use of marketing materials. 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. 11,674 wealth management teams were considered for the rating; 5,331 (45.66% of candidates) were named 2025 Forbes Best-in-State Wealth Management Teams.

Volatility is as certain as death, taxes, and weather forecasts being wrong – it is bound to happen

Death, taxes, and ... volatility



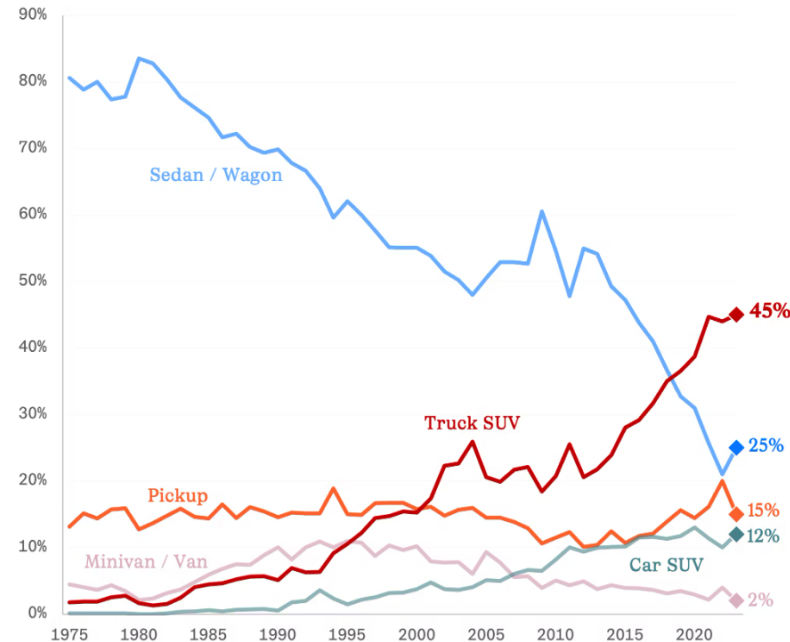
Sources: Bloomberg, Ned Davis Research, and Wells Fargo Investment Institute. Daily data: January 3, 1928 – January 17, 2025. Years elapsed since last occurrence based on trough date of the occurrence. Trough dates are 8/5/2024 for 5%-plus drawdown, 10/27/2023 for 10%-plus drawdown, 10/12/2022 for 15%-plus drawdown, and 10/12/2022 for 20%-plus drawdown. Drawdowns are measured by the S&P 500 Index. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

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

With the avg price of a new truck hovering ~\$60k versus ~\$39k for cars, truck sales are stalling amidst inflation-weary consumers

Have We Finally Reached Peak Truck?

% Share Of Production, By Vehicle Type [US, annual]



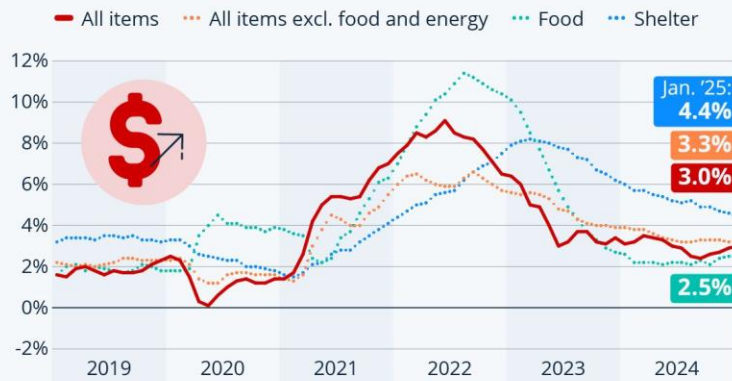
CHART

Source: Environmental Protection Agency, Cox Automotive

CPI (inflation) increased 3.0% over the last 12 months

Inflation Heats Up for the Fourth Consecutive Month

Year-over-year change in the Consumer Price Index for All Urban Consumers in the U.S.*



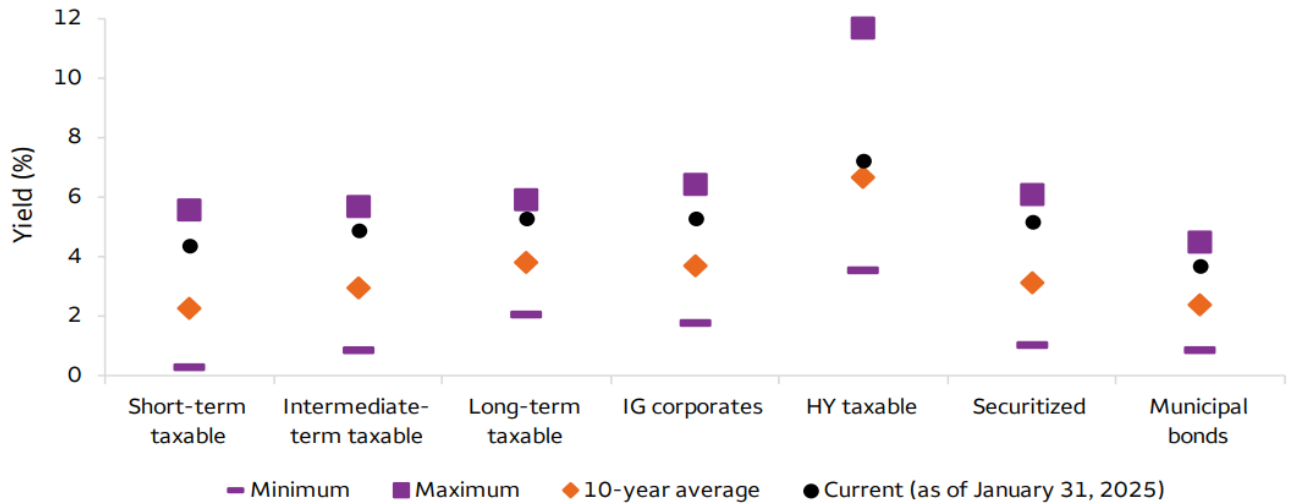
* Not seasonally adjusted
Source: Bureau of Labor Statistics



statista

Fixed-income yields remain high – offering opportunity for current income

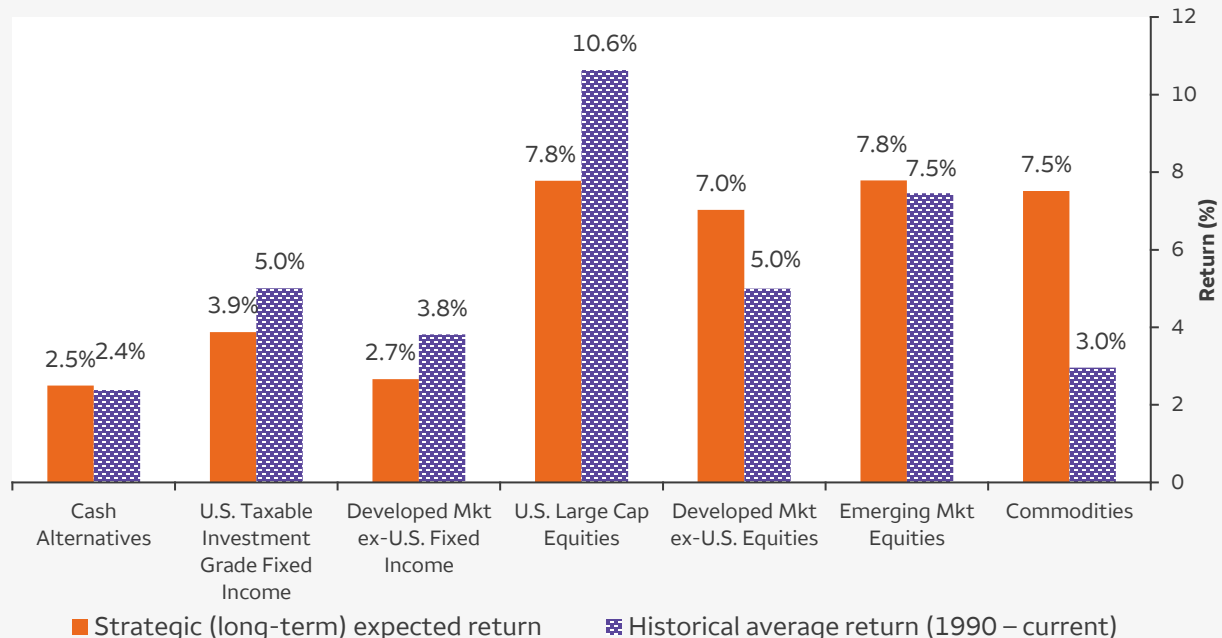
Fixed-income yields attractive despite lackluster returns



Sources: Bloomberg and Wells Fargo Investment Institute. Data from January 31, 2015, to January 31, 2025. Short-term taxable = Bloomberg U.S. Aggregate 1-3 Year Bond Index. Intermediate-term taxable = Bloomberg U.S. Aggregate 5-7 Year Bond Index. Long-term taxable = Bloomberg U.S. Aggregate 10+ Year Bond Index. IG (Investment Grade) corporates = Bloomberg U.S. Corporate Bond Index. HY (High Yield) taxable = Bloomberg U.S. Corporate High Yield Index. Securitized = Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index. Municipal bonds = Bloomberg Municipal Index. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

Expect returns near historical averages

We are forecasting long-term returns near historical averages

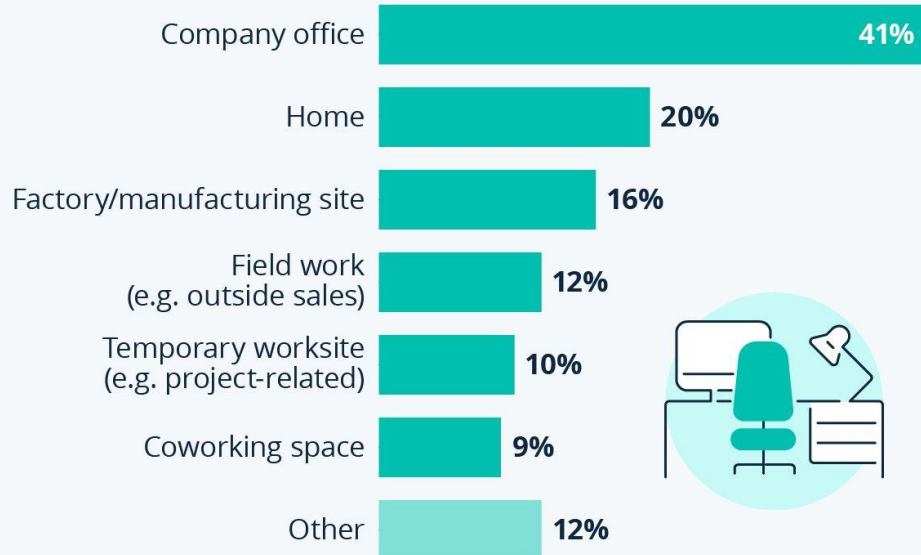


Sources: Bloomberg and Wells Fargo Investment Institute. Historical average returns are for data from January 1, 1990, to December 31, 2024. Strategic (long-term) return assumptions are as of July 16, 2024. Forecasts are based on certain assumptions and on views of market and economic conditions which are subject to change. Strategic expected returns are forward-looking geometric return estimates from Wells Fargo Investment Institute of how asset classes and combinations of classes may respond during various market environments. Expected returns do not represent the returns that an investor should expect in any particular year. They are not designed to predict actual performance and may differ greatly from actual performance. There are no assurances that any estimates given will be achieved. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Indexes in order represented by Bloomberg U.S. Treasury Bill (1-3 Month) Index, Bloomberg U.S. Aggregate Bond Index, J.P. Morgan GBI Global Ex U.S., S&P 500 Index, MSCI EAFE Index, MSCI Emerging Markets Index, Bloomberg Commodity Index. See following page for index definitions and risks.

1 in 5 American employees currently work from home regularly

Where Americans Work

Share of U.S. adults who regularly work at the following places in 2023/2024

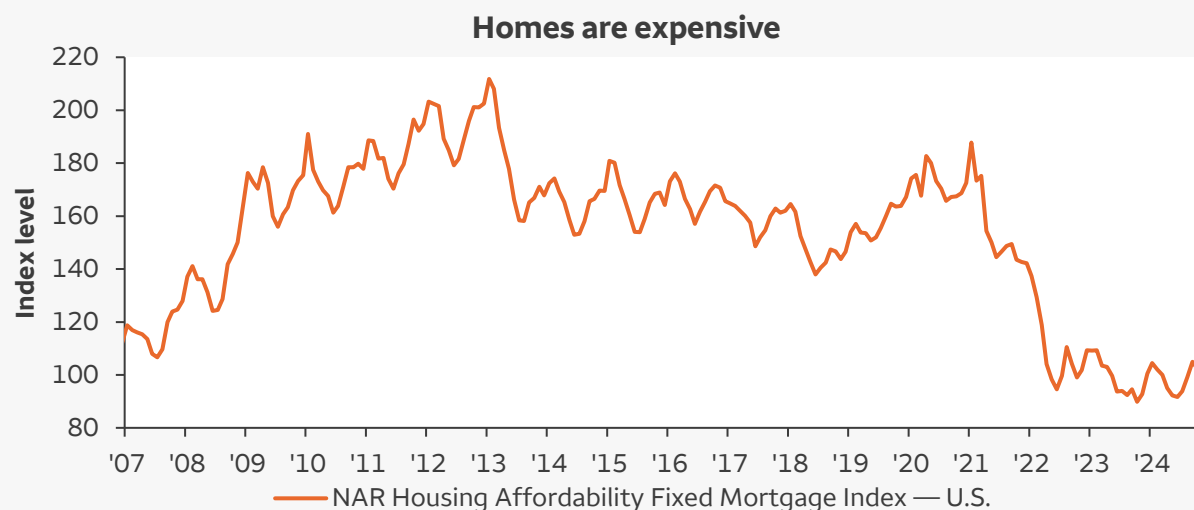


37,141 U.S. adults (18-64 y/o) who are part of the workforce surveyed Oct. 2023-Sep. 2024
Source: Statista Consumer Insights



statista

U.S. housing market remains expensive amidst higher mortgage rates

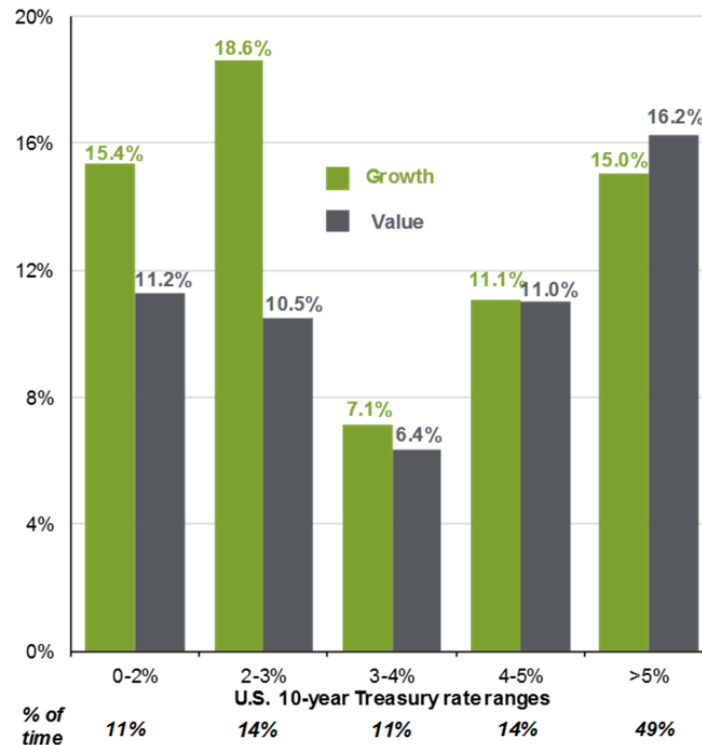


Sources: Bloomberg, U.S. Census Bureau, and Wells Fargo Investment Institute. Monthly data from January 1, 2007, to November 30, 2024. NAHB/Wells Fargo Housing Market Index: monthly data from January 1, 2007, to December 31, 2024. NAR Housing Affordability Index: monthly data from January 1, 2007, to October 31, 2024. SAAR = seasonally adjusted annual rate. NAHB (National Association of Home Builders)/Wells Fargo Housing Market Index is a widely watched gauge of the outlook for the U.S. housing sector. The NAR (National Association of Realtors®) Housing Affordability Index measures whether or not a typical family could qualify for a mortgage loan on a typical home.

Value tends to outperform growth in higher interest rate environments

Value vs. Growth in different interest rate environments

Annualized total return by 10-year Treasury rate ranges, 1979 - present



Source: FactSet, FTSE Russell, NBER, J.P. Morgan Asset Management.

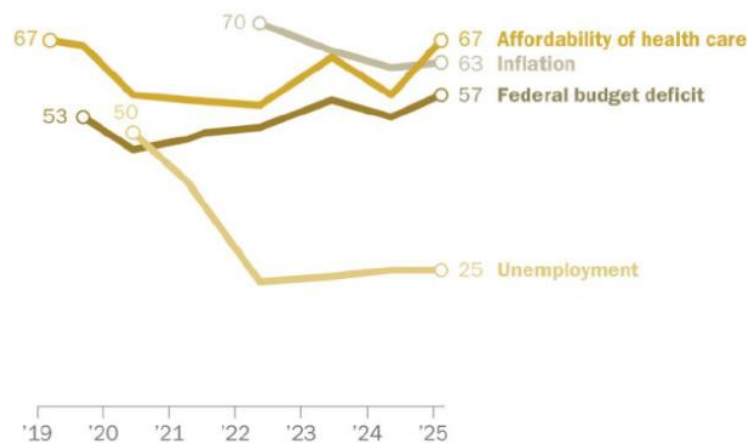
Growth is represented by the Russell 1000 Growth Index and Value is represented by the Russell 1000 Value Index. (Left) *Long-term averages are calculated monthly since December 1997. **Dividend yield is calculated as the next 12-month consensus dividend divided by most recent price. (Right) Returns are calculated by annualizing the average monthly performance during each interest rate range.

Guide to the Markets – U.S. Data are as of January 31, 2025.

Healthcare affordability is at the top of American's worries

Health care costs, inflation and federal deficit are top concerns for public; unemployment remains low

% who say each of the following is a **very big problem** for the country today

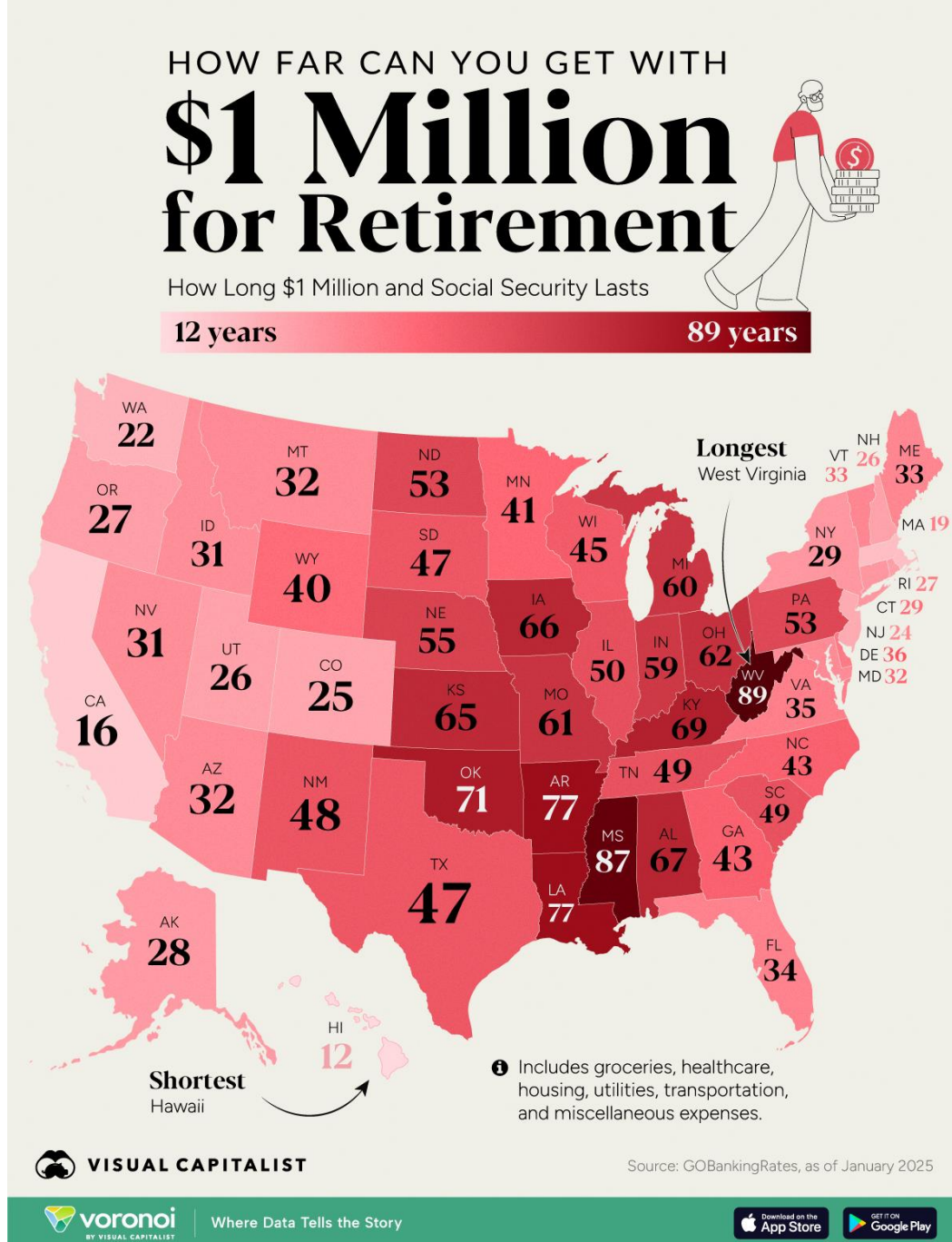


Note: Refer to the topline for a full list of items and trends.

Source: Survey of U.S. adults conducted Jan. 27-Feb. 2, 2025.

PEW RESEARCH CENTER

This graphic illustrates how long \$1 million, combined with Social Security benefits, would last in each U.S. state.



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