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Second Quarter 2024

Advisor Desk

Markets decided that Q2 was a great time to take a quarter off and be a little lazy. The stock market begrudgingly clawed its way back out of an early April slump and ended the quarter 4% higher. Bond markets continue to be in flux ending flat on the quarter, seemingly lost without any catalyst from the Fed. Even Bitcoin, notorious for its wild price swings, decided to sit this one out and is in the same place it was at the end of February. For the most part, the markets seem to be holding back for an event that they can latch on to as a reason to move up or down.

On the SFA side of things, we added some great people to our team, and we had a fantastic time meeting and catching up with many of you at our annual Personal Finance Conference in May! In the primarily Zoom world that we live in, it is always a pleasure to spend some in-person time with the SFA community and dig into some

interesting finance topics. We are planning to host the conference in Charleston, SC next summer with an even wider variety of topics and events.

As always, there are a variety of links and updates in the newsletter for you to dig into. This quarter's topics include further information about market volatility, the risks of holding too much cash, and even a dip into the antitrust world, something that has become even more important with the impact of tech companies on the equity markets.

"Exciting" market events are rarely good for returns, so here's to another boring quarter where markets lumber up and Bitcoin doesn't crash.

- Stephan



Stephan Shipe, Ph.D., CFA, CFP® is the owner of and a Lead Advisor for Scholar Financial Advising

SFA Announcements



SEC Registration

As opposed to individual state registrations, we are now registered as an investment advisor with the SEC. This registration makes it even easier for us to work with clients all over the United States.

Here are the related updated disclosures:

[CRS](#) and [Disclosures](#)

Testimonials

As part of our SEC registration, we can now accept testimonials on Google and Wealthtender. We appreciate your feedback!

Write a Google Review

Write a Wealthtender Review

Things We Are Watching

Deon Strickland, Ph.D.

Financial Advisor

- Whether there is divergence in the Consumer Price Index (CPI) (3.25% increase on June 12, 2024) and the Personal Consumption Expenditures (PCE) (due June 28, 2024).
- US housing prices hit an all time high as the 30-year mortgage rate fell from 7.2% to 6.9% over the April-June Window.
- Federal Reserve dot plot indicates 1 rate cut in 2024 not 3.
- The Conference Board Consumer Confidence Index fell from 101.3 in May to 100.4 in June.
- How much future US Tech Sector antitrust activity does the EU Apple dustup presage.

2024 SFA Conference Recap

Thank you to everyone who attended our conference! Your presence made it a truly memorable experience. We're grateful for your participation, insightful contributions, and vibrant energy throughout the event. Here's to the connections made, knowledge shared, and inspiration gained. We look forward to continuing the journey together. Thank you once again for being a part of this incredible gathering! Click the link below to learn about our 2025 conference.



2025 Conference Homepage

Team Updates



Phil Ferrara, CFP® , CRPC®
Paraplanner

As a paraplanner, Phil works closely with the advisory team to prepare financial plans to match each client's individual needs. Phil brings over 20 years of experience in portfolio management, brokerage operations, and financial planning to the team. He is passionate about helping people find answers to their financial questions and empowering them to manage their financial matters. He believes in ongoing education and has earned the CERTIFIED FINANCIAL PLANNER™ (CFP®) and Chartered Retirement Planning Counselor™ (CRPC®) designations. Beyond the professional realm, he is an avid runner and enjoys a good true crime or sports documentary.



Catie Owen
Administrative Assistant

As an administrative assistant, Catie offers back office and client support to the firm. Coming from a background in production management and also recruitment of C-Suite Executives, Catie is detail oriented and process driven. Leveraging her degree in psychology, Catie has a passion for helping others and striving for excellence.

What We Are Reading



Americans
Chasing High
Interest Rates
Risk Falling
Into a 'Cash
Trap'



Four Factors
Driving Gold
Prices
Relative to
Silver





Ask an Advisor



In this month's edition, advisor **Mark Johnson, Ph.D.** answers the following question:

Where is the volatility in the stock market this year?

What is volatility?

Volatility in the stock market refers to the dispersion of returns, i.e., standard deviation of returns. The S&P 500 is commonly looked at as a gauge for US equities and monitoring the standard deviation of returns of this index is one way to gauge volatility (historical volatility). Alternatively, the Volatility Index (VIX), is monitored and gives us implied volatility.

Why does volatility matter?

Elevated volatility can indicate larger price changes and greater uncertainty as well as higher risk and the potential for significant gains or losses. Lower volatility suggests smaller price movements and more stability.

What are the causes of volatility in the stock market?

Common causes of volatility in stocks are the health of the economy, inflation, interest rates, political events, geopolitical tensions, market sentiment, and company news like earnings releases to name a few.

How has 2024 compared to recent years in terms of volatility?

Using daily data, the stock market (as measured by the S&P 500) tends to move between -1% and +1% day to day. So far in 2024, this has made up 84.7% of the trading sessions versus 74.8% of trading sessions in 2023 and 51% of the trading sessions in 2022. The fact that the market has rarely moved higher or lower than 1% in a given session this year is why some observers say that the market has been eerily quiet this year while posting a 15% year- to- date gain (with a lot of help from Nvidia, but that is another topic 😊). Luckily for those looking for some stock market excitement, there are still a few months remaining this year and a national election in November to spice things up!

What does the data say?

2022

		<i>% of the time</i>
Number of trading days	251	
Days S&P 500 closed lower than -2%	23	9.2%
Days S&P 500 closed between -2% and less than -1%	40	15.9%
Days S&P 500 closed between -1% and less than 0%	78	31.1%
Days S&P 500 closed between 0% and less than 1%	50	19.9%
Days S&P 500 closed between 1% and less than 2%	37	14.7%
Days S&P 500 closed higher than 2%	23	9.2%

2023

		<i>% of the time</i>
Number of trading days	250	
Days S&P 500 closed lower than -2%	0	0.0%
Days S&P 500 closed between -2% and less than -1%	28	11.2%
Days S&P 500 closed between -1% and less than 0%	80	32.0%
Days S&P 500 closed between 0% and less than 1%	107	42.8%
Days S&P 500 closed between 1% and less than 2%	34	13.6%
Days S&P 500 closed higher than 2%	1	0.4%

2024 (up to June 20, 2024)

		<i>% of the time</i>
Number of trading days	118	
Days S&P 500 closed lower than -2%	0	0.0%
Days S&P 500 closed between -2% and less than -1%	6	5.1%
Days S&P 500 closed between -1% and less than 0%	43	36.4%
Days S&P 500 closed between 0% and less than 1%	57	48.3%
Days S&P 500 closed between 1% and less than 2%	11	9.3%
Days S&P 500 closed higher than 2%	1	0.8%

When (not if) volatility returns, should I be concerned?

With the help of diversification, a long-term investing strategy, periodic portfolio rebalancing, dollar-cost averaging, and avoiding market timing, you have little to worry about. But remember, "Volatility is the price of admission. The prize inside are superior long-term returns. You have to pay the price to get the returns." -Morgan Housel



Here are some things to expect in Q3:

End of year tax strategy: Nobody likes to wait until the last minute to make retirement contributions, gifting, tax decisions. We'll be planning for our end of the year moves and coordinating with your other team members to make it happen.

Risk Review: We'll be working through our annual risk assessment to update insurance needs and discuss the status of estate documents

Legacy planning: Related to both tax and risk, we'll be discussing end of the year gifting, charitable giving, and the best way to do both in a tax-efficient manner

If you are interested in becoming a member of our [Signature Client Program](#), click the link below to fill out an application.

SCP Application



 SCHOLAR
ADVISING

Preserving
Your Wealth:
Is a Virtual
Family Office
Right for You?

Reminders

Need more help?

Contact us to inquire about professional recommendations, including CPAs.

When should you contact us outside of your annual meeting?

Anytime you have a build up of cash, change your job, make or consider a major purchase, relocate, or are concerned about the allocation of your portfolio.

Reach out anytime with questions or to schedule a meeting.

We look forward to hearing from you!

Contact Us

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