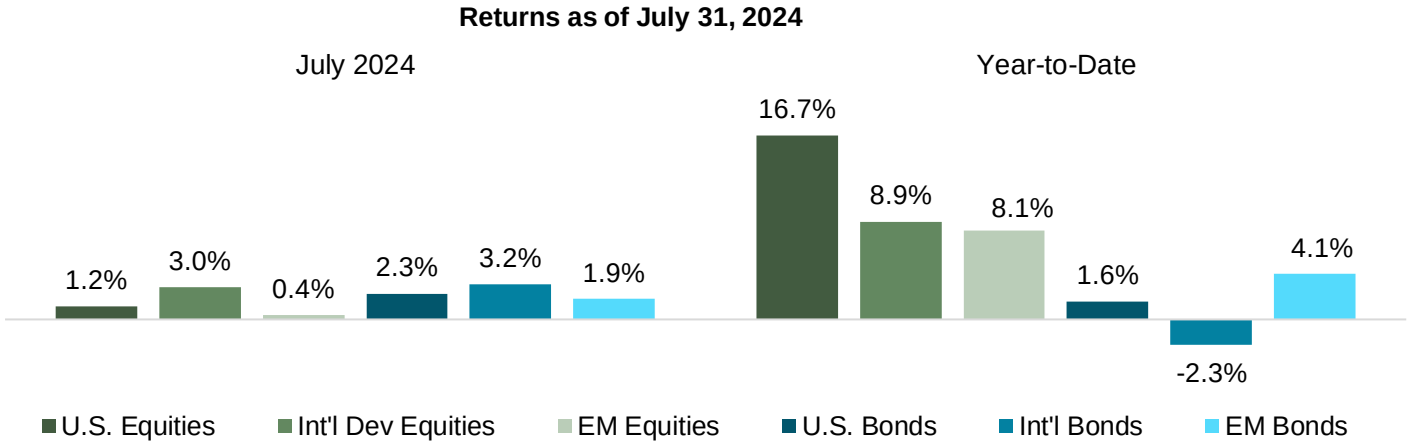
Semper Salutaris
Disciplined Financial Wellness

Monthly Market Review

July 2024 Market Review



Source: FactSet

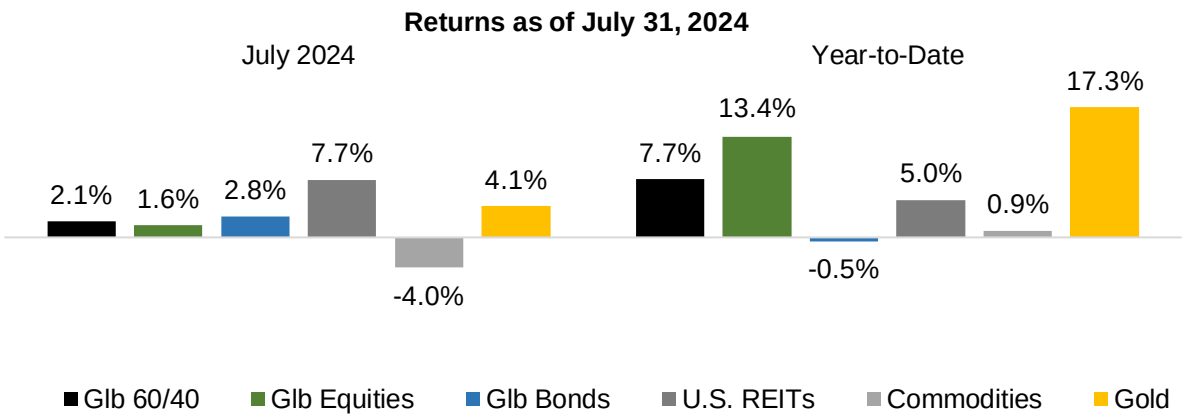
July had a volatile end to the month but nevertheless finished with gains. Cooling inflation and the third month of rising unemployment increased investors' expectations for interest rate cuts later this year. As a result, equities experienced rotations out of earlier winners into more beat-up areas of the market. International developed equities led broad regions with a gain of 3.0% thanks to strong performance from Japan and the UK. The S&P 500 had a more muted 1.2% gain as the technology-heavy index suffered from rotations into undervalued stocks. Emerging market equities were held to a narrow gain of 0.4%, with emerging Asia pulling the index down, particularly from China, as it continues to experience challenges in its real estate sector.

The rotation in markets was most visible across U.S. equity sectors and styles. Within U.S. sectors, growth-focused technology and communication services, the two top-performing sectors of the year, were the only sectors to experience declines in July, while value sectors such as real estate, utilities, and financials led in performance. Similarly, in style, small-cap equities had a stellar month and gained 10.8%, given their sensitivity to rate cuts.

Broad bond markets all saw gains, with their regional indices outperforming their equity counterparts. Increasing expectations of interest rate cuts globally drove returns for more interest rate-sensitive bond classes. Longer-duration government bonds outperformed their short-term counterparts, and higher-quality bonds outperformed high-yield bonds.

Commodities was one of the few areas to struggle in July with the broad index down 4%. Energy was the primary detractor from the index as demand concerns weighed on investors as a result of weakening economic data. Gold was one of a few areas within commodities that finished positive as market volatility was elevated and the U.S. dollar fell. U.S. REITs gained 7.7%, rebounding after struggling most of 2024 and benefitting from expectations of rate cuts increasing.

The global 60/40 balanced portfolio returned 2.1% in July, with the main contributions coming from bonds and international developed equities. Relative to the blended index, global bonds, U.S. REITs, and gold outperformed, while commodities and global equities underperformed for the month.



Source: FactSet

INDEX DEFINITIONS

Asset Class	Index	Definition
Commodities	Bloomberg Commodity	Measures the performance of a broadly diversified exposure to physical commodities via futures contracts.
Emerging Markets Bonds	Bloomberg Emerging Markets USD Aggregate	Measures the performance of hard-currency emerging markets debt, including fixed and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate emerging markets debt.
Emerging Markets (EM) Equity	MSCI Emerging Markets	Measures the equity market performance of countries considered to represent emerging markets.
Global 60/40 Index Blend	60% MSCI ACWI, 40% Bloomberg Global Aggregate	Measures the performance of a blend of global equities and global bond indexes used as a benchmark for balanced portfolios.
Global Equity	MSCI ACWI	Measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe.
Global Bonds	Bloomberg Global Aggregate	Measures the performance of global, investment-grade debt from 24 local currency markets. This benchmark includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.
Gold	Bloomberg Gold – Total Return	Measures the performance of futures contracts on gold and is quoted in USD.
International Bonds	Bloomberg Global Aggregate ex-USD	Measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD.

International Developed Equity	MSCI EAFE	Measures the equity performance of countries considered to represent developed markets, excluding the US and Canada.
U.S. Bonds	Bloomberg US Aggregate	Measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors.
U.S. Equity	S&P 500	Measures the performance of 500 leading companies in the US Constituents generally have a market cap above $5 billion and represent approximately 80% of the investable market.
U.S. REIT	S&P Composite 1500 Real Estate	Measures the performance of publicly traded US real estate securities, such as real estate investment trusts (REITs) and real estate operating companies.
U.S. Small Cap	S&P 600	Measures the performance of 600 small-sized companies in the U.S. Constituents generally have a market cap between $400 million and $1.8 billion and meet criteria to ensure they are liquid and financially viable.

AssetMark, Inc.

1655 Grant Street
10th Floor
Concord, CA 94520-2445
800-664-5345

Important Information

This is for informational purposes only, is not a solicitation, and should not be considered investment, legal or tax advice. The information has been drawn from sources believed to be reliable, but its accuracy is not guaranteed and is subject to change. Investors seeking more information should contact their financial advisor. Financial advisors may seek more information by contacting AssetMark at 800-664-5345.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio. No investment strategy, such as asset allocation, can guarantee a profit or protect against loss. Actual client results will vary based on investment selection, timing, market conditions, and tax situation.

It is not possible to invest directly in an index. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Index performance assumes the reinvestment of dividends.

Investments in equities, bonds, options, and other securities, whether held individually or through mutual funds and exchange-traded funds, can decline significantly in response to adverse market conditions, company-specific events, changes in exchange rates, and domestic, international, economic, and political developments.

Bloomberg® and the referenced Bloomberg Index are service marks of Bloomberg Finance L.P. and its affiliates (collectively, “Bloomberg”) and are used under license. Bloomberg does not approve or endorse this material nor guarantees the accuracy or completeness of any information herein. Bloomberg and AssetMark, Inc. are separate and unaffiliated companies.

AssetMark, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. AssetMark and third-party strategists and service providers are separate and unaffiliated companies. Each party is responsible for their own content and services.

©2024 AssetMark, Inc. All rights reserved.
6870273.1 | 08/2024 | EXP 08/2026