



Casual Friday: No Time to Crow, However... – July 19th, 2024

Strategy Marketing Material

[Dividend Strategy Guide 6.30.2024](#) - [Dividend Strategy Scorecard 6.30.2024](#)

[Dividend Strategy Fact Sheet 6.30.2024](#) - [Dividend Strategy Commentary 6.30.2024](#)

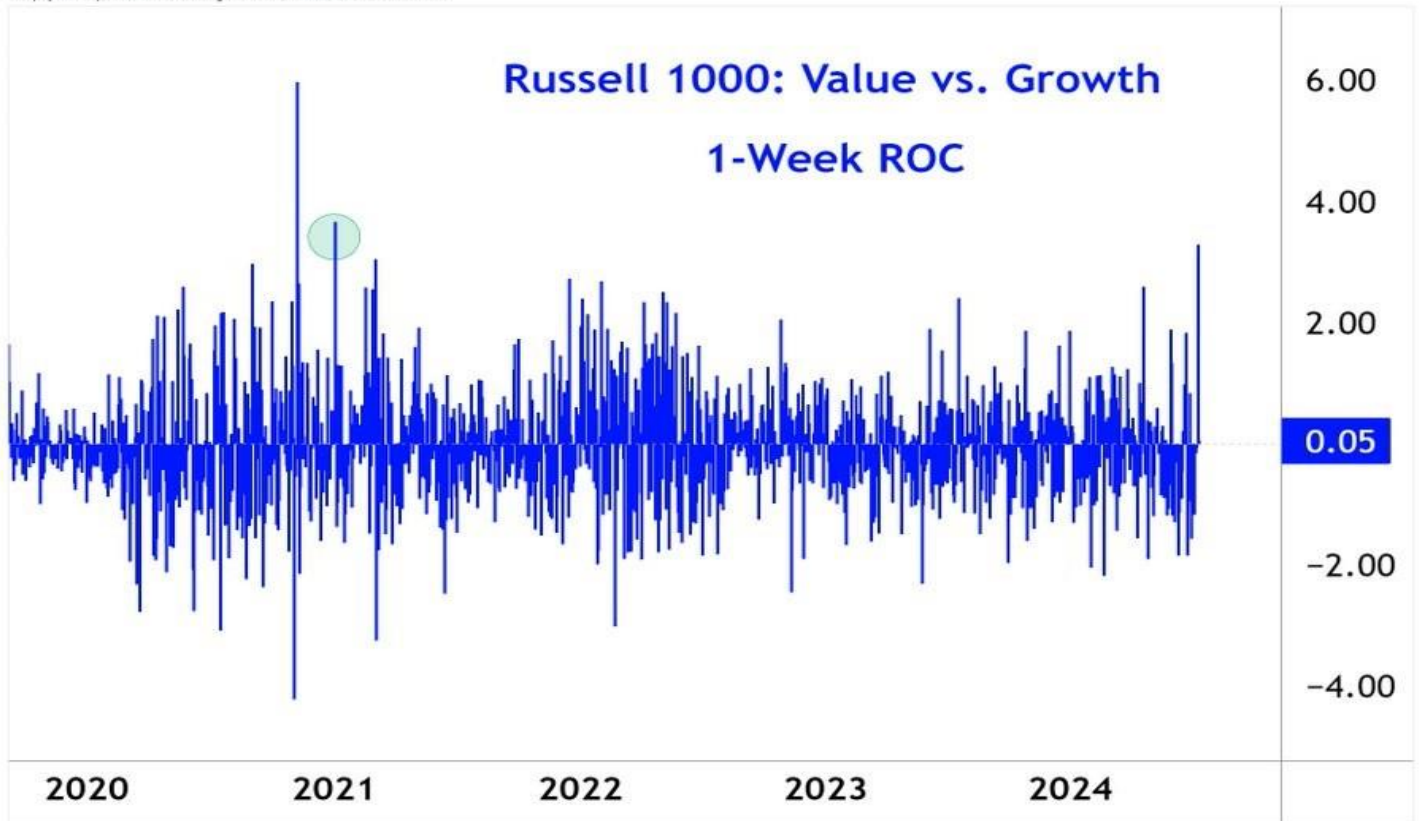
No time to crow, however...

The MOST frequently asked question we get from advisors (inspired by some level of client angst) the last 12 months:

- "How do I explain value's underperformance?"
- "Is value dead?"
- "Clients are tired of these boring dividend stocks. Why don't we own more growth / Nvidia"

The last few weeks trading marks the most dramatic shift away from Mag 7 in some time. Consider, Large Value / Large Growth – Its third largest move since 2020.

murphycharts published on TradingView.com, Jul 12, 2024 20:03 UTC-4

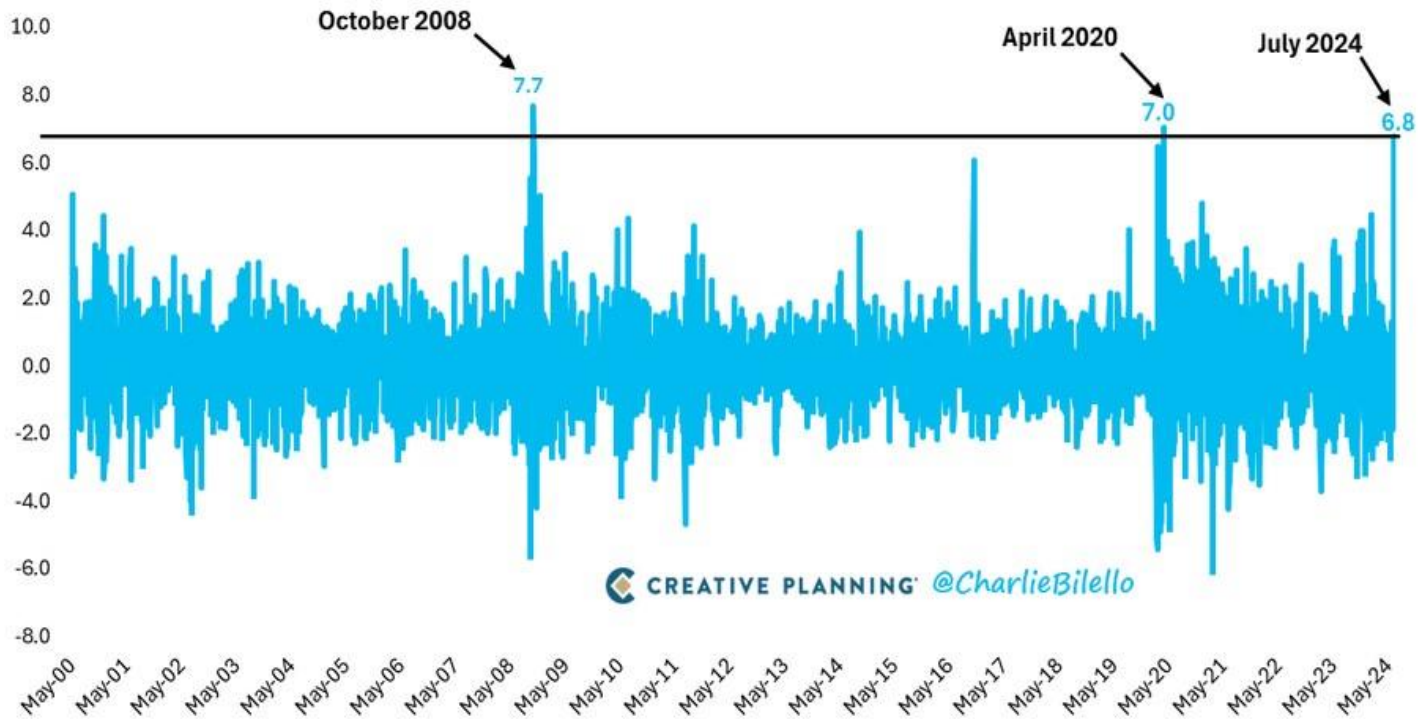


TradingView

Source: murphycharts published on TradingView.com, Jul 12, 2024.

Small caps outperformed large by one of the largest margins in nearly 100 years (Sentiment Edge, July 17 2024) Over the last 20...

3-Day Returns: Russell 2000 ETF minus S&P 500 ETF (\$IWM - \$SPY) May 2000 - July 2024



Source: Creative Planning

Nvidia is dropping almost as fast as its chips - in what feels like a nano second, its down approx. 12%. Importantly, key value sectors are well bid and posting solid total returns the last month, year to day.



(Source: Finviz.com)

And if we told you at the beginning of the year a company like Bank of America would be up

~25%, more than say Apple, you'd say "are you crazy? Don't you know there is a commercial real estate crisis going on? And if we told you the value index would be up about 10.5% in just over half a year, we'd expect most investors would be pretty happy to dial in nearly a 22% annualized return.



The question is "why" and can it be sustained.

The narrative, somewhat intricate seems to go like this...higher rates were destined to destroy economic growth, so own the Mag 7 they can grow regardless. Now hopes of a Fed cut are growing, and its generally viewed as stimulative and hence more cyclical / value sectors are outperforming. Worth noting? In 2022 the opposite force was at play – higher rates were hurting growth stocks. Investing based on history is tricky.

Nope, no time to crow, but this is a historical short term move...one that deserves your attention and hopefully spurs confidence in your end clients that no dividend investing is far from dead.

Are You and "Elite" Advisor?

Many advisors are redefining and re-tooling their businesses. Many are culling down clients, many are adding services, many are transitioning from asset manager to wealth manager. Many are just formalizing and standardizing their entire process. Increase AUM? of course. But there are many ways to be "elite"

[A Different Vision of an Elite Advisor?](#)

Have a great weekend!

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