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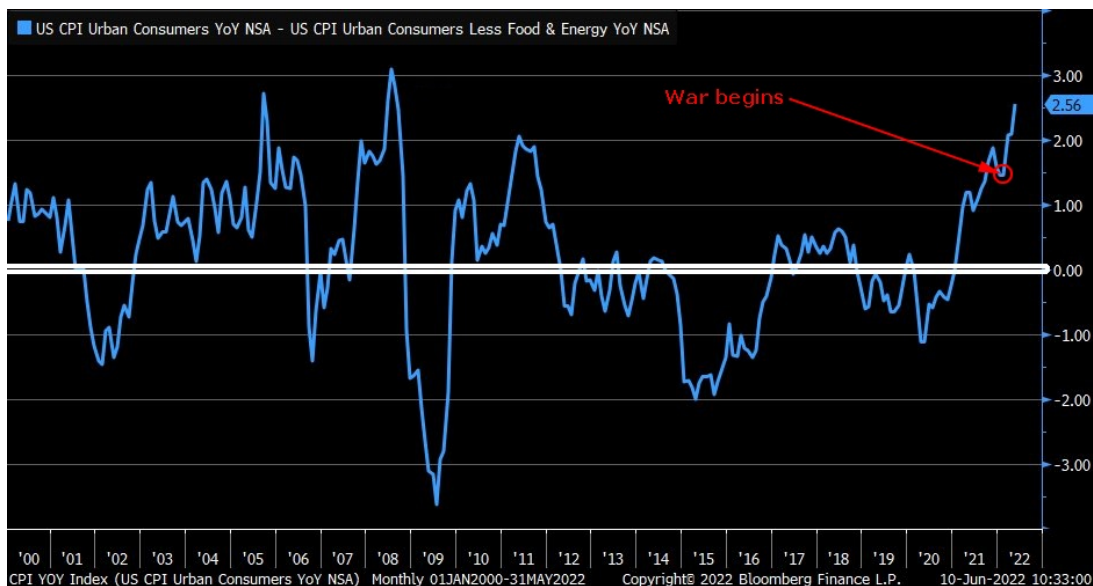
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### Market Update

Stocks wrapped up the first half of 2022 on a weak note. Below are the June returns for popular benchmarks that investors track (Data provided by Stockcharts.com & Commonwealth Financial Network):

- S&P 500 Index: **-8.39%**
- Dow Jones Industrial Average: **-6.71%**
- Nasdaq Composite Index: **-8.71%**
- Russell 2000 Index: **-8.37%**
- S&P Target Moderate Risk Index: **-4.4%**

Inflation continued to roil equity markets enough in June to put the S&P 500 in official “Bear Market” territory (-20% off its highs). In May, there was optimism that inflation was beginning to roll over, and, as such, stocks rose on that information to finish the month. Since then the latest CPI (Consumer Price Index) report was released on June 10th. The reading came in higher than expected, and CPI increased year-over-year. Fuel oil was up almost 107% and airfare almost 38%, which are the largest increases on record. Higher energy prices affect everything else in the economy. If energy prices remain elevated, we should expect inflation to persist. The inflation consumers are experiencing now at the pump can be directly attributed to the war between Russia and Ukraine, as shown in the chart below.



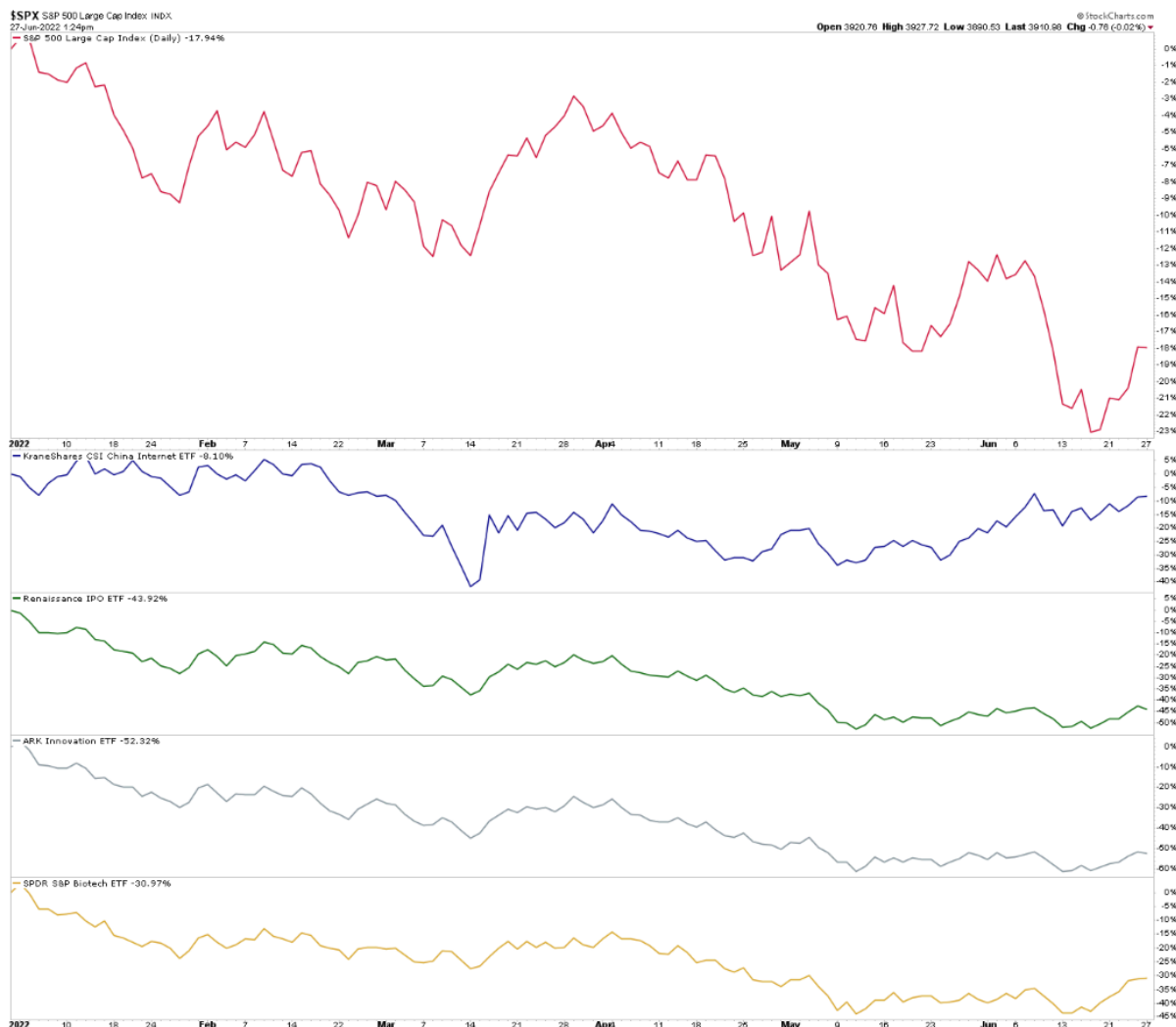
This is a difficult period of market stress because there are no historical analogs to what we are witnessing today.

- Inflation
- Rising interest rates
- Stock price declines
- Bond price declines

Essentially, high inflation led to rising interest rates. Rising interest rates led to a slowing economy. A slowing economy led to a decline in stock prices. Even though the reason for market weakness is different, the decline in equity prices we are experiencing today is not abnormal following a long period of sustained gains. When stocks take two steps forward, they must take one step back to function properly. Bear markets are stressful, scary, necessary, and, believe it or not, healthy for stocks in the long run. This bear market will end. The economy will recover, and as such, stock prices will rise again.

The silver lining from June is this: Some of the weakest areas of the market in 2022 have stopped going down, for now. Why is this important? Aggressive asset classes tend to lead the market indices in both directions. We want to see money flow into more aggressive areas of the market like the ones listed below. While this is a step in the right direction, we want to see continued strength out of the following assets before giving the “all clear” signal.

- KWEB: Chinese Internet ETF (Blue Line)
- IPO: IPO Index ETF (Green Line)
- ARKK: Ark Innovation ETF (Gray Line)
- XBI: Biotechnology ETF (Gold Line)



We will continue to proactively communicate with clients over the coming weeks and months. As the market environment evolves, we will adjust client portfolios and manage

risk accordingly.

As always, please do not hesitate to reach out with any questions you may have.

Regards,

Mark McEvily  
Chief Investment Officer

*Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Past performance is not indicative of future results.*

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## **Join us LIVE for an interactive Market Recap hosted by JWM Advisors on Zoom! - Clients Only**

On Wednesday, July 6th at 5:30 pm EST, Mark McEvily and Aaron Cramer will be hosting a Zoom video conference for JWM clients. Our hope is to use Zoom's platform to communicate in real time with several clients simultaneously. During this meeting, you will receive a brief market update. The conversation will then be opened up to clients for Q&A. We want to provide answers to any questions you may have regarding various topics we have discussed in the recent market updates and current events/news happening in our world today.

A formal email will be sent out to clients only on Tuesday, July 5th, to go over details of the Zoom market recap in greater depth. **Please note- the maximum capacity of this zoom meeting is 100 participants. REGISTRATION will be REQUIRED. If you plan to attend, please pre register ASAP to secure your spot.** Details on registration, along with tips for using Zoom, will be provided in the email later this week. Please keep an eye out for that email in your inbox.

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**Our weekly Podcast covers investor questions!  
We would encourage you to subscribe!**

MARK MCEVILY

MATTHEW JESSUP



# THE INDEPENDENT ADVISORS

OUR WORLD OF FINANCIAL MARKETS &  
FINANCIAL PLANNING

EST. 2019

“The Independent Advisors” podcast produced by Mark McEvily, Matt Jessup and Jenna Rittenhouse focuses on investing and financial planning. You will hear tips, tricks and strategies to address your financial well-being and most importantly, conveyed in a way that everyone can understand.

The podcast is available through Apple Podcasts (iTunes), Amazon Music (just ask Alexa to "play the Independent Advisors podcast"), Spotify, Breaker, Stitcher, IHeartRadio & YouTube. There is a tab on our website ([www.jessupwealthmanagement.com](http://www.jessupwealthmanagement.com)) dedicated to the podcast where you will be able to find links to every episode. You can also subscribe by email at [www.blubrry.com/the\\_independent\\_advisors/](http://www.blubrry.com/the_independent_advisors/)

We are taking listener questions! Email, [inquiries@jessupwealthmanagement.com](mailto:inquiries@jessupwealthmanagement.com), for anything you want us to explain, debate or highlight in our weekly podcasts!

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## **Employee Spotlight** **Meet the Team's Financial Planning Intern** **Zach Singleton**



**Check out Zach's Employee Spotlight Video on  
YouTube: <https://youtu.be/SeVluUtxxag>**

Q: Can you briefly describe your role at Jessup Wealth Management?

A: At Jessup Wealth, I am an intern. Here I will be learning more about the industry while learning it hands-on through meetings and meeting notes.

Q: What is your favorite part about working for Jessup Wealth Management?

A: My favorite part is the office environment. Everyone here is so nice and helpful and very fun to be around. I love being able to do something I love with great people around me.

Q: Can you describe your past work experience and explain why you wanted to make the jump to a new industry?

A: My previous job was as the manager for a company called Swimsafe. At Swimsafe, I was a lifeguard that was contracted by different pools. I wanted to make the jump because I wanted to start working in the industry I hope to work in when I graduate. This experience has already taught me a lot and brought new connections that I had not made before.

Q: What is your favorite movie?

A: I don't have a favorite movie; more like a series. I would say the Fast and Furious series is my favorite.

Q: What is your favorite quote?

A: "It is during our darkest moments that we must focus to see the light." - Aristotle

Q: What is your favorite type of music and favorite artist?

A: Pop/Hip-Hop, and my favorite artist is MGK.

Q: If you could only travel back and forth to one place for the rest of your life, where would it be?

A: I would travel to Italy. It is such a beautiful place, and it is a place that can truly never get old.

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## Financial Planning Topic of the Month

**By: Taylor Ledbetter**

### 529 Plans Explained

A 529 plan is an efficient way to save for a child's education and provides excellent income tax benefits. This plan is described as a qualified tuition program that allows families to save for children to go to college. There are two types of 529 plans: state savings plans and prepaid tuition programs.

The state savings plan is most commonly used and is a tax-deferred investment typically bought directly from the plan's sponsoring mutual fund company or a financial advisor. Contributions to a 529 plan can be invested in a mix of equities and fixed-income mutual funds. The earnings on the contributions are tax-deferred as long as they're used to pay for qualified higher education expenses.

Qualified higher-education expenses can be defined as expenses incurred for the enrollment and attendance of a full or part-time student at an eligible educational institution. Common qualifying expenses included tuition, books, supplies, and associated fees. Expenses attributed to on, or off-campus room and board are also considered qualifying expenses for students who attend on at least a half-time basis. Additionally, purchasing computers or equipment may be a qualified higher education expense, but only if it is required for attendance at the eligible institution.

As of 2019, the SECURE Act included qualified education loan repayments. Funds in 529 plans can now be used to repay student loans, up to a lifetime limit of \$10,000. If the 529 plan beneficiary has siblings with qualified student loans, an additional lifetime limit of \$10,000 per sibling is also available.

529 plans do not have annual contribution limits. However, contributions to a 529 plan are considered completed gifts for federal estate tax purposes. In 2022, up to \$16,000 per donor per beneficiary qualifies for the annual gift tax exclusion. Since the contribution is considered a gift of present interest, this qualifies for the gift tax exclusion.

A 529 plan offers the greatest benefit to saving for college. Tax deferral on the growth of the investments, tax-free withdrawals for qualifying higher education, the possibility of a state income tax deduction, and the gift tax benefits make a 529 plan an excellent option for saving toward higher education goals.

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### Special Holiday Hours



- Our office will be closing early on Friday, July 1st. We will be in the office from 9:00 am to 12:00 pm. From 12:00 pm to 4:00 pm, you can reach us remotely via our office phone.

- Our office will be closed this Monday for the Fourth of July.

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### **Our growth allows us to advise more clients!**

**We have added amazing new hires to the team and are even increasing our physical office footprint! This growth equips JWM with all the tools to allow us to advise more clients, while maintaining the premium quality of service we pride ourselves on! We would greatly appreciate your client referrals. Let us care for those you care**

**about!**

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[www.jessupwealthmanagement.com](http://www.jessupwealthmanagement.com)

*Advisory services offered through Commonwealth Financial Network®, a Registered Investment Advisor.*

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