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BACK TO SCHOOL: FINANCIAL TIPS FOR THE COLLEGE-BOUND

A blink of an eye and summer is over. Do you have kids (or grandkids) heading back to college? Here are some tips to help them manage their finances and stay within a budget while living on their own:

1. **Create a budget:** Obviously, the first step to living within a budget is to create one! If your family collegian has never managed more than their weekly allowance, take the opportunity to sit with them and list sources of income, such as financial aid, savings, loans, part-time jobs, and any money you plan to kick in on a regular basis. Then outline anticipated monthly expenses, including rent, utilities, groceries, transportation, entertainment, and other essentials.
2. **Use student discounts:** Many businesses near a college campus offer discounts to students. It's important they always carry their student ID and inquire about available discounts before making a purchase, whether for clothing, food, or entertainment.
3. **Buy used textbooks:** Textbooks can be expensive, so look for used or digital versions, and consider renting when possible. Also, explore online platforms for textbook exchanges or buyback programs.
4. **Use public transportation or carpool:** Lots of college campuses, particularly in large cities, have abundant public transportation options that could replace the need for a car. If a car is necessary, consider carpooling with friends to share fuel and parking costs.
5. **Avoid credit card debt:** Credit cards can be convenient, but they can also lead to debt if not used responsibly. Pay off the credit card balance in full each month to avoid high interest charges.
6. **Pay bills on time:** That first late bill will introduce your child to the fun-filled world of exorbitant late fees and finance charges. They can avoid them by paying all bills in full and on time.
7. **Utilize campus resources:** Take advantage of free or low-cost resources available on campus, such as gym facilities, libraries, workshops, and events.
8. **Participate in paid research studies:** Some universities offer paid research studies that students can participate in. These studies might involve surveys, experiments, or focus groups and can provide extra income.
9. **Plan for emergencies:** Set aside a small portion of the budget for unexpected expenses. Having an emergency fund can prevent a buildup of debt when unexpected costs arise.

Managing finances in college is a valuable skill that will serve a student well beyond their university years. By developing good budgeting habits now, they'll be better prepared for financial success in the future.

— By Steve Tepper, CFP®, MBA,
with Additional Content from ChatGPT

CHASING BIG STOCKS: THINK TWICE

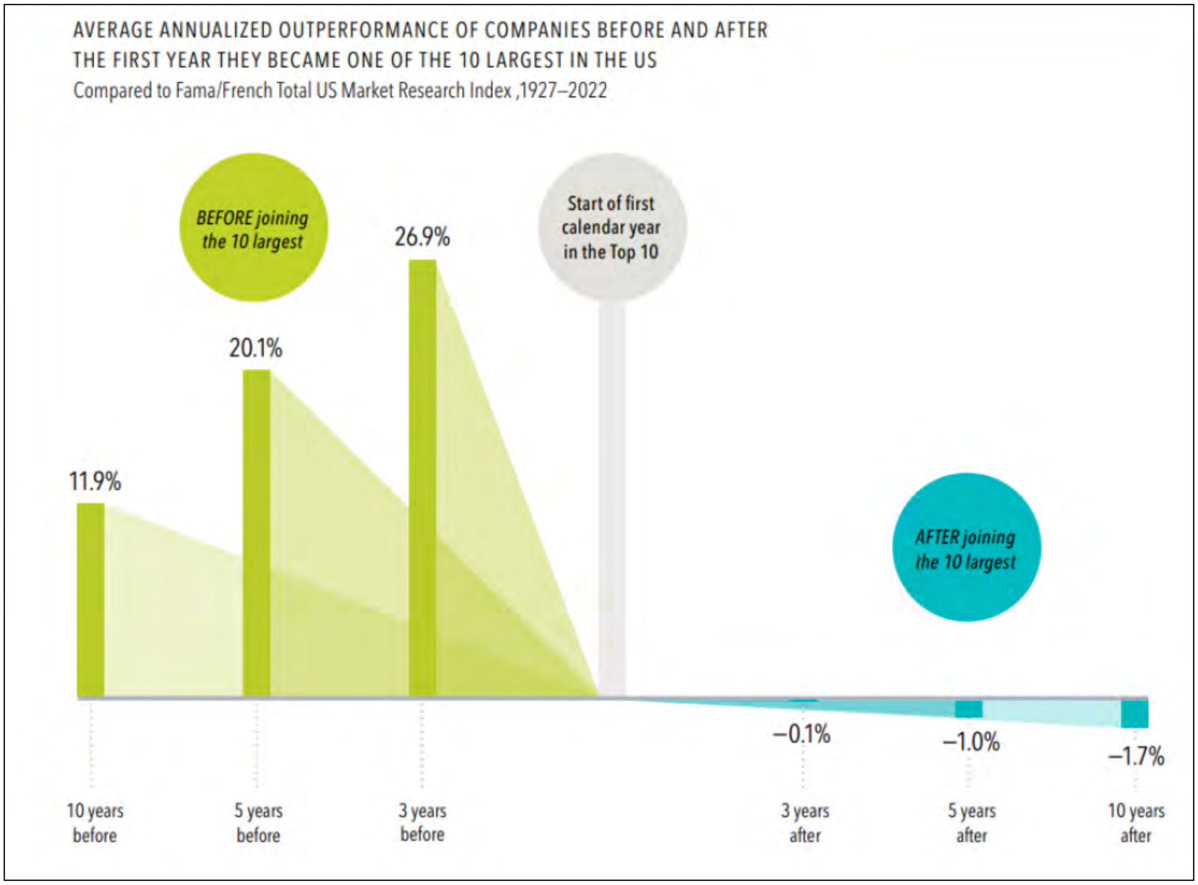
As companies grow to become some of the largest on the U.S. stock market, their returns can be impressive. But not long after joining the Top 10 largest by market cap, these stocks, on average, have lagged behind the market.

From 1927 to 2022, the average annualized return for these stocks over the three years prior to joining the Top 10 was more than 25% higher than the market.

Three years after joining the Top 10, these stocks were, on average, underperforming the market—a stark turnaround from before. The gap was even wider five years out.

As the first line of the disclaimer always says: Past performance is no guarantee of future results. The market's largest companies are no exception to the rule.

— Dimensional Fund Advisors



Past performance is no guarantee of future results. This information is intended for educational purposes and should not be considered a recommendation to buy or sell a particular security. Named securities may be held in accounts managed by Dimensional.

In USD. Source: Dimensional, using data from CRSP. Includes all US common stocks excluding REITs. Largest stocks identified at the end of each calendar year by sorting eligible US stocks on market capitalization. Market is represented by the Fama/French Total US Market Research Index. Ten largest companies by market capitalization. Returns after joining the 10 largest are measured as of the start of the first calendar year after a stock joins the Top 10. Annualized excess return is the difference in annualized compound returns between the stock and the market over the three-, five-, and 10-year periods, before and after each stock's initial year-end classification in the Top 10. Three-, five-, and 10-year annualized returns are computed for companies with return data available for the entire three-, five-, and 10-year periods, respectively.

The number of firms included in measuring excess returns prior (subsequent) to becoming a Top 10 stock consists of 42 (55) for the three-year period, 41 (54) for the five-year period, and 33 (47) for the 10-year period.

Fama/French Total US Market Research Index: The value-weighted US market index is constructed every month, using all issues listed on the NYSE, AMEX, or Nasdaq with available outstanding shares and valid prices for that month and the month before. Exclusions: American depositary receipts. Source: CRSP for value-weighted US market return. Rebalancing: Monthly. Dividends: Reinvested in the paying company until the portfolio is rebalanced.

The Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment.

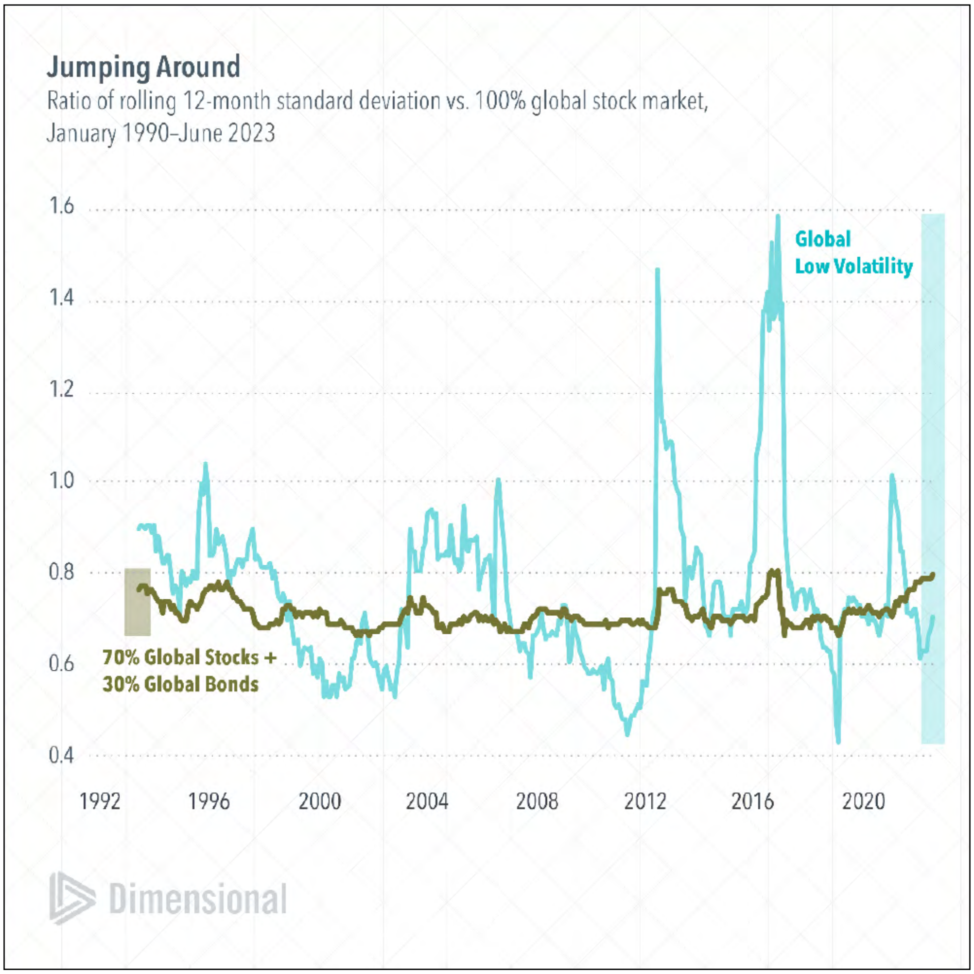
GETTING DEFENSIVE

Investors who want to reduce the volatility of their stock portfolios may turn to low-volatility strategies. These approaches often choose stocks in large part based on historical volatility measures with the belief that low volatility is a persistent characteristic. The expectation is dulled equity exposure, losing less than the broad market when stocks fall, but also gaining less when stocks are up.

Of course, investors looking to dampen overall portfolio volatility don't need to resort to novel equity strategies—this is precisely the role played by bonds in many an asset allocation. And a balanced portfolio composed of traditional stock and bond strategies has historically managed this tradeoff more reliably than low-volatility strategies.

Since 1990, a 70/30 mix of global stocks and bonds has had a standard deviation of returns of 10.9%, which is about seven-tenths as high as a 100% global stock allocation, at 15.3%. Global low-volatility stocks similarly reduced volatility over the long haul (10.7% standard deviation), but the proportion of volatility reduction over rolling periods fluctuated enormously compared to the 70/30 approach. The low-volatility dampening effect appears like that of a trampoline when someone else is bouncing on it.

— Wes Crill, Senior Investment Director and Vice President, Dimensional



Past performance is not a guarantee of future results. Global Low Volatility represented by the MSCI All Country World Minimum Volatility Index (net div.). Global stock market represented by the MSCI All Country World Index (net div.). Global bonds represented by the Bloomberg Global Aggregate Bond Index (hedged to USD). 70/30 mix rebalanced to target weights each month. 70/30 mix selected to match the historical standard deviation of the low volatility index. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio.

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