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True to form: acting or behaving as expected or customary. The first half of 2024 has proven true to form, for stock markets, at least. After five years of earth shattering, unprecedented events, the markets and economy are showing signs of more "normal" behavior this year.

Historically, election years - particularly those when a sitting president is running for reelection - have enjoyed higher-than-average market returns. Over the past half century, the S&P 500 Index averaged more than 17% annually with an incumbent president in the race, far higher than its long-term average of approximately 10%. In fact, after the first half of this year, we may even be a bit ahead of schedule.

As we pass this midpoint, the US market has performed well, with 33 new all-time highs en route to an over 15% return.

So far, the largest of the large companies are seeing the biggest gains, while small company prices have bounced around zero - and just scratched out a small gain of about 1.5% through the end of the quarter.

Bonds remain caught in a multi-year slump, ending the period with modest losses as interest rates ticked higher.

And, outside the U.S., international stocks perked up a bit, returning around 6% for the first half of the year, although still far behind the U.S. big tech powerhouses.

The economy has also behaved true to form, showing a high degree of resilience despite several years of exceptional challenges.

Since 2019, we've faced dozens of "never- before-seen" events: a pandemic, three large bank failures, multiple geopolitical crises including two wars, an inverted yield curve, and the fastest bear market in history. Yet, during that time:

Real GDP has risen 11.5%, adding more than $2.3 trillion dollars in new economic growth.

Inflation spiked after the first waves of COVID but has moderated substantially since 2022.

The labor market has proven almost bulletproof, with unemployment staying at or below 4%.

And corporate profits have grown 54%, despite the double bear markets and the global shutdown.

It's amazing that the economy and markets have remained upright through such challenging times. Frankly, it's easy to take this resilience for granted. With so much chaos in our rearview mirror, some of these events can feel quite distant.

Let's not forget that the country and the world are just now returning to normal.

The question remains: Will the economy continue to normalize, without A) tipping into recession, or B) resuming an inflationary path? We need economic conditions to cool, but not too quickly. We need further normalization without rapid deterioration.

Also on the horizon is the federal election. History tells us that markets can perform well under any combination of party-based government. In fact, the markets did well under both of the presidential candidates' previous terms.

However, golf handicaps notwithstanding, the policy differences between the candidates are significant and will have investment consequences. The election is likely to be close and unpredictable. And at some point, we expect this uncertainty to make its way into market prices, potentially with periods of upset. It's important to remember that bouts of volatility are normal when investing.

But with almost two straight years of solid gains, now may be a good time to review your portfolio for overly optimistic assumptions and scenarios. And of course, it's always a great time to make sure your financial plan is still true to form.