



RICHMOND BROTHERS

Matt's Minutes March 2024 "Closed Captions"
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Hi everyone, this is Matt Curfman from Richmond Brothers here with a February 2024 edition of Matt's Minutes. But before I jump in, I've had a lot of nice messages and texts from all of you to say, Matt, Matt, what happened with your dog? Did you get a puppy? So, I want to introduce, this is Oliver and Oliver is an F1B golden doodle. So, he's a mix between a golden retriever and a poodle, just like our boy, Parker. And we picked him up very recently. And this guy over here is not quite sure what's going on with another dog in the house, but we are working through that. Oliver was born December 26th, 2023. So just after Christmas, and you will start to see him in a lot more of my videos as requested. So, thanks for tuning in. Now let's get down to business.

So, what I want to focus on just briefly is we're seeing headlines with market highs, whether it's the Dow Jones, the NASDAQ or the S&P. And I want to talk about what that actually means and then go into what our thoughts are as we head further into 2024. So, thank you for tuning in. As you all know, we had a leap year, so we had 29 days in February. It was the longest February in four years. Did you get that? What I have on my screen here, I wanted to show you, I graphed the broad benchmarks, the Dow, the NASDAQ, the S&P 500, Bloomberg in pink would be corporate US bonds. And so, what I did is you can kind of see my color grid here. I basically graphed all the '22, all of '23, and then January and February of 2024. And these are just price returns. So, point to point what's going on in the broad markets? So, as you all remember, 2022 was the year of high inflation. The Federal Reserve dramatically raising rates.

It caused chaos in the stock and bond market. It was a painful year, no matter who you were, investing wise. 2023, we kind of see a little bit of recovery from that year and then this line over here is just the last two months of 2024. So, what you can see is orange is the Dow Jones, and purple is the S&P, and in blue is the NASDAQ. And then green is just the equal weight. If you all remember, there's 11 sectors of the S&P 500. So, if I drew a pie chart and we basically had 11 equal pies, I wanted to see what the equal weight market did. And last, but not least, is Bloomberg US Bond. So, you see almost still down 10% from two years ago.

So, when we say markets are hitting all-time highs, what does that actually mean? We're basically breaking through the barrier from more than two years ago. To put this in perspective, if you had a portfolio of 100 grand, and two years ago, your value was at 100 grand, it swooned down, came back up, recovered. It's taken two years and two months basically to get back above that 100 grand. So, that's certainly a good thing, but it's just that the headlines are a little deceiving there. We think this will add a little bit to just market momentum. And there's a couple of things I wanted to point out.

We have corporate earnings have been reasonably strong according to lots of research. Unemployment is still really low. That tells us if you want to work, there's work available. You have inflation cooling off. I know it's still here and we especially feel it in food and fuel prices. But it's cooling off from where its peak was, which means it's no longer escalating. And that has caused the Fed to stop raising the rates. So, we're kind of stabilizing there.

You throw on top of that a presidential election year, and I know there's going to be a lot of noise, but cut through the noise, and I've shared before, if you go back in time, 83% of presidential election years, the S&P 500, the market ends up with a positive year. So, we think there's certainly some tailwinds there, but we know the market never shows up in a straight line of growth across our screens. There's choppiness all between there. So, we're cautiously optimistic, but we do think with your Fidelity accounts where we have maybe some stock and bond and mutual fund risk, where appropriate, we think it's important to consider safety nets.

And so, we've had a lot of good responses over the last year or two with the Beacon smoother ride strategies. We actually rolled out a co-created strategy using the Fidelity S&P 500 and NASDAQ exposure, QQQ, just because of technology and what we're seeing in the AI. So we have some options inside of there, and this is not meant to be a recommendation, but I want to let you know if you are cautiously optimistic like we are, we think those strategies will be really good to use in your portfolio and overlay so that there are some safety nets in place in the future because things aren't always going to seem as rosy I think when headlines come out.

So that said, it's real important to us that we still communicate effectively with you, and we start managing, continue managing rather towards your comfortable risk tolerance, if you remember the scale of 1 to 99. So, that will be a continual dialogue between us and you, Richmond Brothers, your service team, your advisory team and you.

And, you know, as far as events coming up, In April, we are going to host a local client education event, and it's going to be over at Ella Sharp, and it's going to be in the big room we used to teach at. And one of the things that came out of our surveys from last fall from all of our clients is just kind of getting back to, if possible, some face time with educational events. One of the biggest topics that have come up is required minimum distributions for those over 70 and a half or 73 this year. And then also qualified charitable. So, we're going to actually do an education event on just those two topics, everything RMDs, and we've gotten a lot of interest. So, we're going to see how that goes in April. Watch your calendars and keep that on there.

In the meantime, Oliver and Parker and I will continue watching over your investments, your portfolio, your allocations, and looking for solutions and options to kind of keep moving us together towards the future. Thank you for tuning in and thank you for being part of the Richmond Brothers family.

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