GATEWAY
INVESTMENT MANAGEMENT
OF
RAYMOND JAMES®

THE COMMUNIQUE

March 2024

MAJOR INDICIES	LAST	MTD	QTD	YTD
S&P 500	5104.76	0.17%	7.02%	7.02%
Dow Jones Industrials	38661.05	-0.86%	2.58%	2.58%
NASDAQ Composite	16031.54	-0.38%	6.80%	6.80%
New York Stock Exchange	17801.04	1.10%	5.63%	5.63%

U.S. TREASURIES	YIELD
2-yr Treasury Note	4.56%
10-yr Treasury Bond	4.11%
30-yr Treasury Bond	4.24%

Information as of March 6, 2024 Source: FactSet

MARKET COMMENT

Time for a Time Out

Is it my imagination or does the current news seem boring? Other than political saber-rattling ahead of the election, there is a void of interesting things to write about. So, this month, we'll delve into some interesting facts about March after we provide you with a market update.

From late-October to the end of February, the S&P 500 has produced an eye-popping return of ~ 26%. Oh, how wonderful it would be to consistently buy at bottoms and sell at tops! However, because that is impossible to repeat consistently, we prefer to add stocks over time – as markets increases and momentum improves. Then, when risk is flashing yellow caution lights, we trim back positions as needed. So, with the recent strong rally, our market indicators seem to be suggesting that a time out might imminent over the weeks ahead – possibly experiencing a typical 5% - 7% pullback. As long-term investors, this is nothing of great concern considering our economy is running steady, employment is still strong, inflation is declining, the Federal Reserve reconfirmed their view of lowering interest rates this year, and, with a Presidential election, the incumbent administration will certainly do their best to window-dress the economy. The following S&P 500 chart will provide a snapshot of past action and illustrate the year-to-date return of ~ 6% plus.

Moving on to some interesting facts – did you know that March was named after the Roman god of war, Mars. It marked the time of year when military campaigns resumed due to the arrival of warmer weather. Also, we all know that we lose an hour of sleep due to Daylight Savings Time (DST) in March … although, I would prefer not changing clocks, which messes with my sleep pattern, and just enjoying the season as they come. However, few know that daylight savings time was originally implemented in Germany during WWI to conserve fuel. Although unpopular in the U.S., it was eventually adopted by Franklin Roosevelt in 1942 through a measure called "War Time," but only lasted one year due to its unpopularity in rural areas. Eventually, Congress settled the debate and formally adopted Daylight Saving Time in 1966 through the Uniform Time Act (and my sleep schedule has never been same!). Perhaps, I should just move to Arizona where DST is wholly ignored. Finally, March is the beginning of Spring, which is evidenced by life bursting out from crocuses to daffodils. The trees begin shedding their stark winter image for colorful budding leaves and critters come alive with the warm days. I hope you all enjoy this wonderful month of regenerative life.

As always, we highly value and appreciate your trust and confidence.

PLANNING STRATEGY

Raymond James "Commentary & Insights"-

Have You Hired the Right Tax Accountant

Not everyone needs a professional in their corner come tax season. For some, tax software might do, perhaps followed by a professional review. But for those with K-1s to contend with from master limited partnerships; complicated business structures; income from multiple states; major life transitions; or other prickly tax scenarios, a strategic, knowledgeable numbers pro may be valuable when it comes to tax planning, as well as preparing and filing your personal or business taxes.

Here are a few signs that you've found the right professional or maybe it's time to reevaluate. These aren't hard-and-fast rules, merely guidelines. Don't forget that your advisor likely has relationships with accounting professionals and can let you know what to expect, so tap into that experience if you need to.

1. They have good ideas before you do.

Your accountant should be proactively leading the tax strategy conversation, collaborating closely with your other professional advisors. Just expect those in-depth discussions to happen before or a bit after the hectic 13 or so weeks that comprise tax season. They're only human.

2. The shoe fits.

Your accountant should have experience in your particular situation and should be capable of thoroughly researching rarer issues. Invest in private companies? Your accountant should be familiar with K-1s, notoriously tardy reporting documents for partnerships that often demand specific expertise and amendments or extensions beyond normal tax-filing deadlines. Work in a particular industry or run your own business? Dealing with foreign affairs or global investing? Experience is vital in these complex arenas. It helps, too, if your values align with the person who'll know every detail of your financial life.

3. They're in the know.

Your accountant should have their fingers on the pulse and ear to the ground. The laws surrounding personal and business deductions change frequently (see the Tax Cuts and Jobs Act of 2017), so an accountant should be well-versed in ways to help you legally maximize your return (e.g., bunching charitable contributions in order to exceed the $29,200 standard deduction for married couples filing jointly, in 2024). Expect your accountant to be up to speed on regulatory changes as well as current tax law, and to keep you informed in language you understand.

4. Their reputation precedes them.

You'll likely want to work with someone who has been vetted and recommended by people you know well and trust. Consider an accountant who is part of a professional organization (e.g., the AICPA) with continuing education standards and qualifications or has certifications in the type of service you need.

5. They're accountable for what they say and do.

Your accountant should be responsive, responsible, trustworthy and transparent. He or she doesn't have to be an expert in everything, but should be able to research an issue and get back to you as needed. Prompt, honest communication paired with a proposed solution is what you're looking for. This is a relationship that should last, so it's important to build on a strong foundation.

Proceed with caution if:

They have their head in the sand.
They do not have secure systems in place to keep the practice going in case of emergency or to protect your private information.

They're an artful dodger.
If you're working with an accountant who suggests something that sounds more like dodging taxes rather than minimizing them, look elsewhere. You don't want to be on the wrong side of the law or the ledger.

Sources: inc.com; entrepreneur.com; investopedia.com; irs.gov; accountingweb.co.uk

LIFE & LEISURE

Raymond James "Commentary & Insights" –

Launching a Financial Future

Share these fundamental concepts with young emerging investors.

We celebrate our lives in milestones. Ages and stages. Once we hit that thrilling number 18 signifying that we're officially adults, the amount of freedom we feel becomes commensurate with the responsibilities that our lives begin to take on – with financial literacy underlying many of those obligations.

Navigating the world of investing can feel daunting, but understanding key concepts and learning from essential lessons can guide the journey. Whether you have a family member turning 18, or someone in your life looking to build wealth from the bottom up, this primer provides a solid overview of the basic types of securities, investing strategies, and valuable lessons to help pave the path toward financial confidence.

Understanding your options

Before launching into the world of investments, emerging investors need to know and understand what tools are at their disposal. Securities are essentially tradable assets that hold monetary value. Each type serves a distinct purpose and carries risks and rewards.

- Stocks: Representing ownership in a company, stocks grant investors voting rights and potential dividends (a share of the company's profits). These can be volatile, offering high returns but also carrying the risk of capital loss.

- Bonds: Essentially loans made to companies or governments, bonds offer a fixed interest rate over a set period. While generally less volatile than stocks, they offer lower potential returns and are susceptible to interest rate fluctuations.

- Mutual Funds: These pool investors' money to purchase a diversified portfolio of assets (stocks, bonds, etc.). They offer lower risk and greater liquidity but come with management fees.

- Exchange-Traded Funds (ETFs): Like mutual funds, ETFs passively track a market index or sector, offering instant diversification and lower fees. They trade like stocks throughout the day, providing greater flexibility.

Finding your investment strategy

Once new investors understand the tools, it's time to provide clarity on how different investment strategies align with varying risk tolerances and goals. A vital point to make: your investment strategy can change as your needs and goals change.

Some investors focus on value investing, which seeks undervalued stocks with strong fundamentals (core elements of the company itself that make the stock attractive). To succeed with this strategy, it's important to be patient and interested in researching companies to find those hidden gems with potential for growth.

Another strategy focused on company fundamentals is growth investing. Instead of considering what the company looks like today, this style is mostly concerned with high growth potential. By prioritizing future earnings over current profitability, it carries higher risk but offers the chance for significant returns.

For those investors looking for less growth potential, but a steadier income and capital appreciation over time, dividend investing is a strategy to gravitate toward. It can provide regular income through investing in stocks that pay consistent dividends. It is important to note that dividends are not guaranteed and must be authorized by the company's board of directors.

Looking at the bigger picture, asset allocation zooms out beyond stocks and invites investors to diversify across different asset classes (think stocks, bonds, etc.). This approach helps mitigate risk and balances volatility while on the road to long-term growth.

Embracing tried-and-true lessons

Investing for beginners can feel daunting, but helping to understand key concepts like risk and return, diversification, and the power of time can set investors on the right path.

You've heard these sayings, and now it's time to pass them on. Stress the importance of not putting all their eggs in one basket – it helps to spread investments across different assets and sectors to manage risk. The earlier aspiring investors start and the longer they invest, the more their money grows thanks to compound interest. It's also prudent to help them become mindful of fees, do their research, and seek professional guidance when needed.

Remind them that investing is a marathon, not a sprint. Once they embark on their investing journey, they should strive to stay informed and adapt their approach as they work to build a secure financial future.

By sharing the learnings of experienced investors, you can help new investors avoid common pitfalls and succeed in building wealth from the bottom up. Here are some key lessons to impart:

- The power of compounding: When you start early, your money grows over time. Even small contributions invested consistently can snowball into significant sums thanks to compound interest. (A great example of this is a 401(k) retirement plan offered by employers where small amounts are allocated from your pay until you can increase your investment.)

- Risk and reward are inseparable: Higher potential returns come with higher risk. Understand your risk tolerance and invest accordingly.

- Discipline over emotions: Fear and greed are market enemies. Stick to your investment strategy and avoid impulsive decisions based on market fluctuations.

- Do your research: Know what you're investing in. Research companies, understand their financials, and critically evaluate investment advice.

- Embrace diversification: Don't put all your eggs in one basket. Spread your investments across different asset classes and sectors to help mitigate risk.

- Time is on your side: The market has historically trended up over the long term. Invest consistently and stay patient for your wealth to grow.

Becoming a lifelong learner benefits us in many aspects of our lives – and the financial realm is no different. The learning curve can feel more approachable when new investors have someone they trust to give them a head start. With dedication and perseverance, emerging investors can navigate the market with confidence and strive to build a secure and prosperous future.

Next steps

- Ask questions to help emerging investors uncover the best place for them to start with their investing journey.
- Consider including your adult-aged children in a call or meeting with your financial advisor.
- Remind early and often that investing is a journey and that our goals and needs change over time.

Sources: https://smartasset.com/investing/types-of-investment, https://www.investopedia.com/terms/i/investing.asp, https://www.finra.org/investors/investing/investing-basics

Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation.

This article is educational in nature and every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

Quote of the Month: "Spring is far more than just a changing of seasons; it's a rebirth of spirit." – Toni Sorenson

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