

Financial markets have experienced quite a bit of change this year in just two short months. We started the year hopeful that stocks would benefit from a better economic and monetary policy environment by the spring, but recent developments suggest that may be further out than we initially thought. We remain confident that a new bull market will come—it just may require a bit more of our patience before we get there.

When 2023 began, we had hoped for a new bull market to bloom in the spring, prompted by the end of the Federal Reserve's (Fed) interest rate hiking campaign. Following recent data pointing to stronger growth and higher inflation, rate hikes may extend into the summer and potentially delay the start of a new bull market. Against that backdrop, even though stocks pulled back in February, this year's modest two-month gain for the S&P 500 Index feels like a victory.

Recent evidence of consumers' resilience has been encouraging. Over 500,000 jobs were created in January, according to the U.S. Bureau of Labor Statistics, nearly triple economists' expectations (the February report is scheduled for March 10). The unemployment rate is at its lowest level since the 1960s. Retail sales rose a better than expected 3% in January month over month, as consumers benefited from the healthy job market and excess savings, while motivated by the diminished COVID-19 threat (with perhaps a small assist from mild winter weather). However, that consumer strength was accompanied by a series of hotter than expected inflation reports for January, fueling more concerns about higher interest rates and, in turn, weighing on the stock market.

Rewards for investors will come—they always do—but they will require more patience than we had hoped. In an environment where inflation has been frustratingly slow to come down, with a Fed still very much intent on combatting it, our patience is being tested. The risk that the Fed tightens too much and drives the U.S. economy into recession has risen. Higher interest rates also put stress on stock market valuations, so the longer we worry about the Fed, the less likely we are to see that bull market arrive this spring. Corporate America is not in a position to help much, given earnings declines are likely during the next two or potentially three quarters.

Still, we remain steadfast in our belief that investors' patience will be rewarded. As Warren Buffett wrote in his latest annual letter to shareholders, "There has yet to see a time when it made sense to make a long-term bet against America." Stocks have generated annualized returns of over 9% since the advent of the S&P 500's predecessor index, the S&P 90, back in 1927—and that includes the Great Depression, World War II, the dotcom crash, the 2008–2009 financial crisis, 9/11, and numerous other economic and geopolitical shocks. Stocks may be volatile until the direction and ultimate destination of interest rates becomes clearer, but new highs will come—eventually.

In closing, we expect investors who put money to work in the coming weeks to be rewarded with solid gains this year. The next bull market may not arrive in time for spring, but stocks may still ramp up this summer as inflation eases and the Fed finally hits pause on rate hikes.

How Will You Transfer Wealth?



When investors combine solid financial planning and adherence to a disciplined investment philosophy, it can help put them in a position to pass on wealth to their heirs and favorite charities. This process is called wealth transfer.

Some wealth transfer strategies include:

- Stretching IRA distributions through multiple generations
- Using family partnerships to transfer wealth
- Creating trusts for charitable interests
- Contributing to qualified charities using IRA Required Minimum Distributions (RMD)

These strategies can help dictate how and when assets will transfer and to whom.

We help clients plan and implement wealth transfer strategies. When applicable, we can also refer clients to tax and legal professionals who specialize in this area.

Contact us for more information about how we can help you with your wealth transfer needs.

Contact Us

THANK YOU!

We often think of how blessed we are to work with such wonderful clients and wanted to personally thank you!

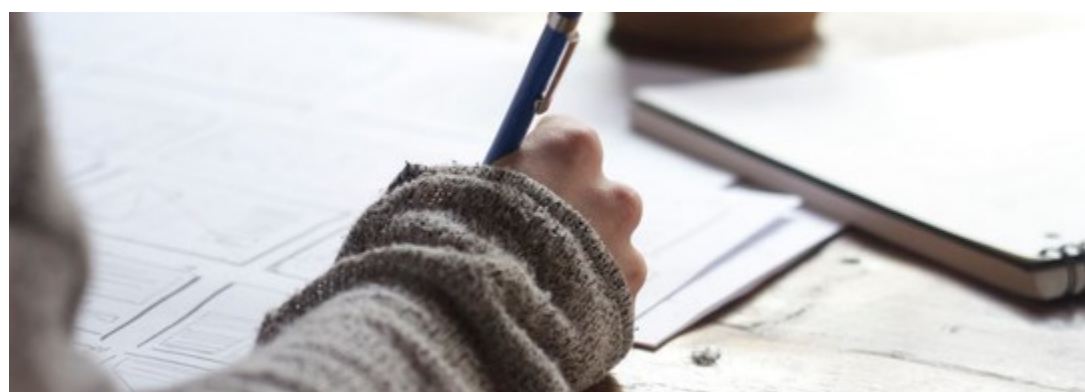
Thank you for allowing us to work with you and be part of your financial journey. Our focus is to help our clients pursue the financial future they've always envisioned, and we're honored to work with you and your family on the same goals.

We also want to say a huge **thank you** for all our clients who have referred their friends and family to our firm over the years. We enjoy working with clients like you and look forward to working with more people like you. We truly are grateful for the continued trust in us to refer those most important to you.

We serve a vast array of clients from corporate executive, business owners, clients preparing for retirement, executives in career transition, clients in retirement, divorcees, widows/widowers, those dealing with inherited wealth and so many more!

As always, if you know of someone who would benefit in sitting down with us to discuss their financial situation, please send them our contact information.

Mark Your Calendars



We know physical mail can become overwhelming. Giving our clients a proper way of getting rid of their physical paper documents, statements and other paperwork in a safe & secure manner is important to us. Back by popular demand, we will be hosting our weeklong **FREE SHRED EVENT**.

It will be held Monday, April 24th - Friday, April 28th from 8:00 AM - 4:00 PM at our office located at 2774 Commerce Dr. NW Suite A Rochester, MN 55901.

Some items you can bring to shred:

- Personal Documents
- Tax Information & Returns
- Investment Records & Statement
- Bank Statements
- Voided Checks
- Paycheck Stubs
- ATM & Credit Card Receipts
- Household Financial Information

Additionally, if you would like to go paperless and haven't yet, we can help you get signed up for **Account View** when you drop off your documents or send us a quick message and we will send you a direct link to get signed up. Account View is our secure online portal where you have insight into your portfolios, positions, transactions and statements. You can also download and print any documents from home. You can access your account and view your documents anytime with Account View.

In addition to documents like month-end statements and tax information, Account View enables clients to **go paperless** for more than 75 additional document types.

Clients who elect to receive the majority of their communications electronically enjoy the following benefits:

- Secure delivery of important communications
- Minimized exposure to identity theft
- Improved document management
- Less mail in their mailbox & fewer documents to dispose of safely

Check Out Our Blog

What's on our mind? You can read about it in our blog. Whether it's ideas from the industry, market updates or emerging trends in personal finance, you can read about it here. We also like to share answers to our most asked questions from clients and prospects. So keep checking in and keep asking those questions. We're glad to have you reading along!

Here are some of our blog posts from February for you to catch up on:

- [Starting a Roth IRA for a Teen](#)
- [What Can You Buy With 529 Distributions?](#)
- [Estate Management Checklist](#)
- [8 Mistakes That Can Upend Your Retirement](#)

Just a quick reminder, you still have time to get your contributions in for 2022. The deadline is Tax Day, Tuesday, April 18th 2023.



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