

Financial FOCUS

The Porath Howard White Group

QUARTERLY COMMENTARY

≡ Providing focus and clarity to your financial picture.

Advanced Planning

≡ Rotation

Over time you may have heard your advisor refer to rotation when talking about the markets. "Rotation of sectors, rotation into... rotations out of...", etc. A simple definition of rotation is the movement of something through a complete circle. In investing terms, it might be defined as capital moving to where it will get treated the best in the coming phase of the economic cycle.

In recent conversations our team has talked about investing rotation. Here are some of our thoughts:

- Geographic rotation: we have long been concentrated in US equities and are starting to see signs that emerging markets and international markets are perking up.
- Market Cap rotation: along with concentration in US stocks we have likewise been concentrated on large cap stocks. Mid and small cap stocks may become more compelling investments.
- Duration rotation: for the most part we have been keeping bond maturities short, as there hasn't been incentive to go out longer. Depending on inflation results and the work of the FED, there may be investment incentive to extending maturities in the future.

Be assured that when the team starts to initiate these, or any other investment rotation, we will reach out to you to share our thoughts and recommendations. In the meantime, feel free to reach out to us with any questions.

- Sam

INVESTMENT CONSULTING

≡ The stock market finished the first quarter continuing the year-end rally that began in October of 2023.

The major averages reached all time new highs to close the quarter 5.6% higher on the Dow Jones index and 10.8% on the S&P index. The second quarter has started out with a pullback caused mainly by higher-than-expected inflation readings. A large portion of the market was still hoping for inflation to decline so interest rates could be lowered by the Federal Reserve. The confusion most likely leads to a period of choppiness waiting for a clearer direction. It will be interesting to see if the market can resume its upward trajectory. Much of that (as always) will depend on consumer confidence and their spending behavior.

- Dave

RELATIONSHIP MANAGEMENT

≡ Introduction to PHW Group Discretionary Portfolios

Our team manages multiple strategies on a discretionary basis. We meet regularly to determine weightings, performance, and composition. All portfolios are meant to be diversified but tactically managed to over/under weight asset classes based on our current thinking. The first series utilizes Baird's Rising Dividend Portfolio or Recommended portfolio based on the desire for growth or current income. The second series focuses on actively managed funds. Please see the attached flyer for additional information and current holdings. As always, please reach out to your financial advisor if you would like additional information. [CLICK HERE](#)

- Brian

≡ On May 29th we celebrate 529 Day by reminding clients of the benefits associated with saving for a child's future within a 529 College Savings Plan. After-tax dollars placed in a 529 Plan will grow tax deferred and distributions used for qualified expenses are federally tax-free. Qualified expenses include tuition, room & board, books & supplies, computers, etc. required for enrollment at any accredited post-secondary institution. Additionally, these funds can be used for K-12 tuition (up to \$10,000 annually) at public, private or religious schools, as well as for trade/vocational & apprenticeship programs. Unused funds may be given to a new beneficiary (a family member of the original beneficiary) or rolled over into a Roth IRA in the beneficiary's name without penalty or taxable treatment. If you have any questions about 529 College Savings Plans, please don't hesitate to contact your advisor!

Answers to Frequently Asked Questions can be found [HERE](#).

- Greg

ON THE HOME FRONT

≡ Most of us throughout the U.S. experienced a Solar Eclipse this April with Midland having observed almost 95% totality. Here are a few facts you may not know:

- As the Earth slows its rotation causing the Moon to move further away from the Earth, in about 600 million years, there will no longer be total eclipses possible as the Moon will appear too small relative to the Sun to completely cover it.
- Light filtering through the leaves on trees will cause casts of crescent shaped shadows as totality approaches.
- There are at least two and at most five solar eclipses each year (although most occur over oceans).



BAIRD 3320 Ridgcrest Drive | Suite 100
Midland, Michigan 48642
989/839-9035

Private Wealth Management

Robert W. Baird & Co. Incorporated

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Each quarter our team strives to provide timely updates and actionable ideas in the areas of; **Advanced Planning, Investment Consulting, and Relationship Management** with the goal of helping clients grow their wealth.