

Financial FOCUS

The Porath Howard White Group

QUARTERLY COMMENTARY

≡ Providing focus and clarity to your financial picture.

Advanced Planning

≡ Bond Positioning

Bond returns for 2023 surprised us, similar to equity markets, to the upside. Government bonds around the globe posted positive returns ranging from 3.5% to 6.5%. Beginning 2023 with a regional bank crisis in Silicon Valley and an assumption that interest rates would be higher for longer until a FED-induced recession would force rates lower, we ended the year on different footing. Market participants are now pricing in lower yields by year-end and a soft landing being pulled off. Slight to no recession and "business as usual". We continue to move forward cautiously, focusing on quality and not overreaching for current yield, while listening to the message of the market. For now, the message will have us add duration to our bond portfolios early in 2024.

- Sam

INVESTMENT CONSULTING

≡ The year 2023 will be remembered as a volatile, challenging year with a substantial year-end rally. The S&P 500 finished up 24% driven mainly by growth stocks that benefited from the anticipated earnings potential of artificial intelligence (AI). The Dow Jones Industrial average, which holds mainly value-oriented holdings, finished ahead just over 13%.

Given all the year's challenges, we would have been hard pressed to find any prognosticators willing to predict these types of returns. It is a good reminder for us to keep to our disciplined plans instead of trying to time the markets as the bulk of the year's gains were realized during the last two months of the year. The rise of money market and CD rates have helped to separate cash and liquidity needs from the assets that are seeking longer term market returns.

While it is helpful to look back at the year just passed, the market looks forward. A new year brings a new set of challenges and opportunities; however, our strategy remains the same. We strive to make sure our portfolios are both high quality and allocated properly to meet your goals and risk preferences.

We wish you a happy and healthy new year and as always, please do not hesitate to contact us with any questions, concerns or changes to your financial goals.

- Dave

RELATIONSHIP MANAGEMENT

≡ Now that we are full steam ahead into what appears to be a year for the record books, I thought it would be helpful to share a 2024 outlook report that our friends at Strategas have put together discussing some key themes relevant to the economy and market strategy. This report is exhaustive, so I won't get into much detail here. While the report isn't meant to predict or forecast what the markets will do, it concisely outlines several events and circumstances that could impact global markets in the coming year. For instance, did you know that 40% of the world's population would be holding elections this year? I did not. You can view and download the report by clicking [HERE](#).

Please read at your convenience and as always, feel free to reach out to us with any questions you may have.

- Brian

≡ Generally speaking, there isn't much that can be done to affect your income taxes due for the previous year once the ball drops in Times Square. However, if you have not contributed up to the maximum allowable amount to your IRA (\$6,500 or \$7,500 if you are 50 years of age or older), you can still do so up until the April 15th, 2024 filing deadline, and have the contribution apply to 2023 for tax purposes. Contributing to a Traditional IRA may reduce your taxable income and in turn, your income taxes due. As the amount you may deduct is subject to limitations based on your income, we recommend that you work with your tax preparer to ensure that this strategy is suitable for your specific situation. As always, we are here to help with any questions you may have regarding retirement planning!

- Greg

ON THE HOME FRONT



≡ We thank you for being our client, and wish you well-being, prosperity and happiness in the new year!

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

Private Wealth
Management

Robert W. Baird & Co. Incorporated

JG2024-0116

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.