

<p>Fourth Quarter 2023</p>	<h1>Quarter In Review</h1>
<p>Jensen Private Client</p>	

Firm Update

Happy New Year! To begin, we would like to remind you of important dates. Many of our clients' accounts are custodied at Pershing, LLC and we are pleased to report that our clients' annual required minimum distributions (RMDs) have already been calculated.

Additionally:

January 31, 2024: the first round of form 1099 tax documents will be emailed and mailed to clients who have accounts that comprise securities such as stocks and bonds.

February 15, 2024: the next round of form 1099 tax documents emailed and mailed to clients who also own mutual funds and real estate investment trusts (REITs) and similar investments.

March 15, 2024: the final mailing date of tax documents with other securities or revised statements.

April 15: Tax Day.

IMPORTANT REMINDER: Pershing will commence charging subscription fees for paper statements and tax documents. The fee will go into effect this year. **If you have not elected for electronic delivery of your statements and tax documents by January 15, 2024, a fee will be assessed** by Pershing. For additional details, please see your Pershing account statements or connect with us.

Please do not hesitate to contact us if we can help in any way.

Fourth Quarter 2023 in Review

Following a volatile October, the S&P 500 posted strong returns in November and December to end 2023 on a positive note. In response to falling Treasury yields and the Federal Reserve announcing a more optimistic outlook on inflation, investors reacted positively with the stock market appreciating strongly. With strong market returns having been exceptionally concentrated for the first part of the year and dominated by just a few technology stocks, returns were more evenly spread in the fourth quarter of 2023.

Looking Ahead

Although the stock market was volatile for much of 2023, overall, equities performed strongly during the year as inflationary and interest rate concerns eased. Looking forward we maintain a neutral near-term outlook for market returns for a variety of reasons.

We remain mindful that strong market performance of 2023 was led by only a handful of stocks, and the combined weight of the five largest companies in the S&P 500 Index – Microsoft, Apple, Amazon, Nvidia, and Alphabet - represented some 23% of the entire index as of 12/31/2023. On average, these stocks gained approximately 97% and accounted for nearly 50% of the total return of the S&P 500 Index in 2023. These gains



were supported by strong financial results and favorable exposure to growth opportunities such as cloud computing and excitement about the prospects for Artificial Intelligence to drive future productivity. However, we do not believe that the exceptional investment performance from this group is likely to repeat in 2024.

The capital markets also continue to send mixed signals. Equity market indicators suggest that would-be economic challenges stemming from restrictive monetary policy are behind us and future earnings estimates indicate a continuation of steady growth, predicting high single-digit and low double-digit gains for S&P 500 Index companies in 2023 and 2024, respectively. On the other hand, the fixed income market continues to flash a clear signal of a pending economic slowdown. In particular, the treasury yield curve – the difference between long-term and short-term treasury yields – has been inverted for the past 18 months. Such inversions – when short-term rates are greater than long-term rates – are rare but have accurately predicted all ten recessions since 1955, typically with a lag of 12 to 24 months.

We also acknowledge the uniqueness of the current economic environment. Idiosyncratic factors include secular growth prospects from increased technology investments; unique, pandemic-driven economic fluctuations and associated policy responses. 2024 is also a Presidential election year – a time when Administrations are incentivized to encourage economic growth. These factors plus a more “dovish” Fed may engineer a ‘soft economic landing’; however, we believe some investors may be overly optimistic about the prospects for aggressive rate cuts in 2024 as long as the labor market remains imbalanced between job demand and labor supply.

Stepping back, we remain confident that unpredictable markets create opportunities for long-term investors focused on high-quality stocks. High-quality businesses can benefit from durable competitive advantages, steady free cash flow generation, and attractive long-term growth opportunities. In an environment characterized by high interest rates and an uncertain macroeconomic outlook, we believe these high-quality attributes can provide resiliency via pricing power and financial flexibility.

Connect With Us

Thank you for your confidence in 2023 and we look forward to being of service in 2024. We are tremendously grateful for your ongoing support, and as always, please do not hesitate to contact us with any questions you may have.

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S&P 500 Index: Is a market value weighted index consisting of 500 stocks chosen for market size, liquidity and industry group representation. The Index is unmanaged, and one cannot invest directly in the Index.



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