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2023 Third Quarter Review:

Greetings Clients:

In the first three quarters of 2023, U.S. stocks have appreciated 13%, world stocks have risen 10%, and bonds have depreciated 1%, as represented by the S&P 500 Index, the MSCI All Country World Index, and the Bloomberg Barclays Aggregate Bond Index.

A few weeks ago, my daughter and I made our annual amusement park pilgrimage. Well, we actually missed last year and maybe the year before; truth be told; I'm not a huge fan of getting propelled at high speeds on old equipment overseen by teenagers. But I love the time with my ride junkie daughter, and we nailed the perfect day: the Thursday before Labor Day when many kids were back in school. Canobie Lake Park was actually closed, so we hit Six Flags in Springfield.

Extra credit if you know the name of the park before it was acquired by the national chain. Canobie Lake Park has three respectable roller coasters, but Six Flags has at least seven bigger, faster and more violent rides. The park's lines were short to non-existent, and we went on every roller coaster except the one that spins you upside down over and over in a little cage while it careens around the track. We left the park after about 3 hours of continuous rides, and I was very proud of myself for my bravery and resilience.

Now I have to draw a parallel to investing so that this will qualify as a quarterly letter. The markets are giving us the same feeling I have when I am standing in line for a ride: I can see the track begins by making a steep climb just like stock prices have done despite widespread predictions to the contrary. But I know there are going to be some gut-wrenching twists and drops.

The economic data is strong. The most recent second quarter GDP revisions remain on par with the Q1 numbers. The US added 336,000 jobs last month – nearly double economists' expectations despite the Fed's massive interest rate increases. And year-on-year inflation continues to tick down closer to the Fed's target. Tech stocks continue to be the big winners this year, but they have not yet regained the deep losses (-29%!) incurred last year. Our year-to-date returns are trailing the benchmark, but our 12-month performance is robust (about 12%) thanks to last year's outperformance, and our hedge on high-quality stocks will provide resilience when we experience the next gyration.

So if the markets are an amusement park, the ride will end, you will feel queasy but get a soft serve ice cream cone anyway, and (if you have been keeping your advisor updated

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on your cash needs), you will be glad you had the experience as you enjoy the various stages of your life plan that may include taking your grandchildren to Storyland, Disney or Civil War battlefields if you roll like my parents.

In my last quarterly letter, I announced the final countdown to Schwab replacing our former custodian, TD Ameritrade, over Labor Day weekend. One month later, I am pleased to report that it has been a relatively smooth transition. There have been a few document requirements and procedural changes, but the rebalancing software has been working fine and the service team has been responsive. We continue to research alternatives and consider changes to improve our ability to serve clients, and I am intrigued by the promise of more technological gains to reduce the hoops we all have to jump through to do simple tasks. I want to make administrative tasks easier on you and free up more of my time to spend on the investments and your specific situations.

Speaking of service teams and serving our clients better, we decided to hire a new back office group. Many of you have already had the chance to work with Amy Fike; she and her colleagues have been fantastic.

Please contact me if you have any questions about your investments, our strategy, or your financial goals. Our money is invested right alongside yours.

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