

1st Quarter 2024



THE WATER STREET JOURNAL

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Financial Advisor

Securities offered through Raymond James
Financial Services, Inc. Member FINRA/SIPC

Guiding and giving direction through all
of life's adventures...

*"May the road rise to meet you. May the wind always be at your back. May the sun shine warm upon your face
and rains fall soft upon your fields..." ~Irish Blessing*

Staying In Touch

CALENDAR OF EVENTS

OUR OFFICES WILL BE
CLOSED:

MONDAY FEBRUARY 19
FRIDAY MARCH 29

THE MARKET WILL BE
CLOSED:

MONDAY FEBRUARY 19
FRIDAY MARCH 29

OUT OF THE OFFICE:
ANNETTE – March 25th -29th

Did You Know?

You can turn IRA assets into charitable contributions!

*Giving during your lifetime can take many forms, one of which is using
qualified charitable distributions (QCDs). It's an option that can also reduce
your tax liability, as it involves donating pre-tax dollars before they become
taxable income as a required minimum distribution (RMD)*

*You must be eligible. You must be age 70 1/2 or older at the time of the QCD
(but remember, RMDs now begin at age 73). QCDs from Ongoing SEPs and
SIMPLE IRAs are not permitted.*

*There is an annual limit. Your QCD cannot exceed \$100,000 per tax year,
even if your RMD is greater than \$100,000. New legislation, the SECURE Act
2.0, indexes this \$100,000 limit for inflation now in 2024.*

*Only qualified organizations count. The IRA trustee or custodian must make
the distribution directly to a qualifying charity (private foundations and
donor advised funds are not eligible). For instance, you cannot take the
distribution yourself then write a check to the charity.*

To learn more, seek guidance from your tax advisor and then give us a call!

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Investment advisory services are offered through Raymond James Financial Services Advisors, Inc.

From Danielle's Desk: December market review

A choir of optimistic investor sentiment closed 2023 on a high note, as expectations of “steep cuts to interest rates” may be at odds with the Federal Reserve’s (Fed’s) actual sheet music. Considering the tumult of the year as sentiment focused on economic and inflation data, this discordance isn’t all that surprising and could signal volatility to come, but in the meantime, the market environment looks a lot brighter at the tail end of 2023 than it did at the close of a dreary 2022.

“December’s rally was fueled by a further deceleration in inflation and the Federal Reserve’s switch at the last FOMC (Federal Open Market Committee) meeting of the year to a more dovish tone and talk of Fed interest rate cuts in 2024,” said Raymond James Chief Investment Officer Larry Adam. “However, it is important to put the positive year of performance into perspective: 2023 was a reset year as the over 25% return for the S&P 500 only recouped all the losses from 2022.”

While the Dow Jones Industrial Average notched seven record highs in 2023, the S&P 500 closed the year less than 1% from all-time highs. Tech-related sectors were the best performers for the year, as the NASDAQ 100 and its leading artificial intelligence stocks saw its best year since the 1999 tech bubble. And small-cap equities, which had been a significant underperformer for the year, showed signs of a resurgence as it was the best performer in the fourth quarter.

Still, it may be too soon to celebrate the Fed engineering a “soft landing” – a return to the target inflation rate without a recession. For one, inflation remains above the 2.0% target. Two, the lagging effects of the Fed’s rate hike program continue to cool economic activity. And three, the repercussions of higher economic growth or any other geopolitical event with the potential to disrupt food and energy prices could directly influence inflation and shape future Fed policy.

But even a conservative reading of the Fed’s messaging suggests interest rate cuts to come through 2024. That said, the Fed has demonstrated its commitment to calming inflationary pressures, and it appears they are turning their attention to the economy where there are more and more signs of slowing.

Before we continue, let’s take a final look at 2023 by the numbers.

| | 12/30/22 Close | 12/29/23 Close* | Change Year to Date | % Gain/Loss Year to Date |
|-----------------------------|-------------------|--------------------|------------------------|-----------------------------|
| DJIA | 33,147.25 | 37,689.54 | +4,542.29 | +13.70% |
| NASDAQ | 10,466.48 | 15,011.35 | +4,544.87 | +43.42% |
| S&P 500 | 3,839.50 | 4,769.83 | +930.33 | +24.23% |
| MSCI EAFE | 1,943.93 | 2,241.21 | +297.28 | +15.29% |
| Russell 2000 | 1,761.25 | 2,027.07 | +265.82 | +15.09% |
| Bloomberg Aggregate Bond | 2,048.73 | 2,162.21 | +113.48 | +5.54% |

*Performance reflects index values as of market close on December 29, 2023

European central banks yet to message lowering rates

Like the U.S.’s Fed, the European Central Bank and Bank of England held monetary conditions steady through December as economic activity continues to slow. Meanwhile, large-cap equities – particularly German stocks – dashed upward to close the year with strength, as the Eurostoxx 600, a composite index of 600 European stocks, hit 23-month highs. Unlike the Fed, the British and European monetary authorities have not signaled the lowering of interest rates. Investor sentiment has swung toward a growth outlook but fears that higher-for-longer rates could unnecessarily deepen and lengthen a recession could cause investor sentiment to rapidly reverse.

U.S. and China resume military-to-military talks

An agreement to resume military-to-military communication secured in November at the meeting of President Joe Biden and President Xi Jinping came to fruition in December, ending a 17-month communications impasse between the two world powers’ armed forces. This is generally seen as supporting stability, as military-to-military communications can act as a critical avenue for addressing miscommunications and flare-ups around key geopolitical flashpoints, such as in the Taiwan Strait and South China Sea.

The bottom line

At this time last year, no one could have projected the highs and lows that would follow – the incredible first two quarters, the midsummer reversal, then the even more remarkable end-of-year rally. We start 2024 in much stronger position, owing to the progress made on inflation, and that’s heartening – strength often begets strength. However, sluggish economic growth and the potential for investor sentiment to suddenly shift are potential risks, as is the potential of a recession. That’s worth remembering, even when the forecast is clear.

Together, we will help you navigate whatever 2024 brings, remaining disciplined in the faces of both exuberance and frustration, and always keeping our eyes on your goals.

Thank you for your continued trust in me and my commitment to your well-being. I wish you good health and tidings and a happy new year.

Material created by Raymond James for use by its advisors

Tips to help sidestep scammers

Fraudsters are constantly looking for ways to part you from your personal information and hard-earned wealth, but fortunately, there are simple steps you can take to thwart their efforts. To help keep yourself, your loved ones and your accounts safe, consider these easy and effective tips:

- Don't allow remote access to your computer.
- Don't give a caller verification codes that you receive via text or email.
- Don't click links in the body of suspicious emails or text messages, especially if they claim to come from your bank, credit card company, real estate agent or title company. Instead, log in to the company's official website or call them directly to verify.
- Don't pay for things you don't remember ordering.
- Don't give your personal information to unknown third parties.
- Work with financial institutions that use fraud protection to safeguard your credit card and banking information.
- Don't click links in the body of suspicious emails, especially if they claim to come from your bank, credit card company, real estate agent or title company. Instead, log in to the company's official website or call them directly to verify.
- Don't let strangers into your house. Instead, ask for a business card and say your spouse, kids or lawyer will be in touch.
- Be wary of caregivers and suitors, especially if conversations center around finances or financial transactions.
- Limit the purchases and donations you make by check, which may list your home address or other key data.

If you suspect you've fallen victim to a scam or that your identity has been compromised, it's time to act. Report the incident to us right away to help protect your accounts, and consult [identitytheft.gov](https://www.ftc.gov/identitytheft) to see the Federal Trade Commission's recommendations for critical next steps. Additionally, reporting cybercrime incidents to the [FBI](https://www.fbi.gov) can help our federal agencies respond quicker and more effectively to threats.

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How much do you really know about St. Patrick's Day?

On March 17, people and communities all over the world celebrate their Irish-ness in observance of the Feast of St. Patrick, the patron saint of Ireland. Even if you have no Irish ancestry, you may enjoy some fun facts that are sure to amaze you – and those you celebrate with.

St. Patrick was actually not Irish, but of Scottish or Welsh descent. His name wasn't Patrick either, as he was actually born Maewyn Succat. According to legend, he changed his name to Patricius (or Patrick) when he became a priest.

Planning on wearing green? Fact is, the original color of St. Patrick's Day was blue but it started to change in the 17th century. The color green appears in Ireland's tri-color flag. Ireland is also known as the "Emerald Isle" because of its green landscape.

Enjoying a pint of stout? For most of the 20th century, Saint Patrick's Day was considered a strictly religious holiday in Ireland, which meant that the nation's pubs were closed for business. In 1970, the day was converted to a national holiday, and the stout resumed flowing.

The symbol of Saint Patrick's Day is the Shamrock, the national symbol of Ireland.

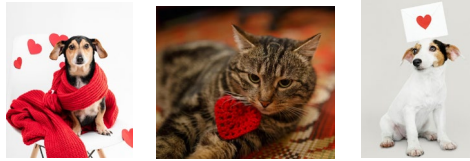
Feeling lucky? The odds of finding a four-leaf clover are one in 10,000.

So have a Happy St. Patrick's Day, and may the road always rise to meet you!

Danielle, Annette & Michelle

Community Involvement

Have a heart!



Love is in the air and here in our office, we do love our animals!

Please join us while we gather needed items for dogs, cats, and other furry friends at the Kennebec Valley Humane Society's new facility in Augusta

Items most in need:

Kitten Food (Wet & Dry)
Cat Food (Dry)
Cat Litter (Non-Clumping)
Dog Food (Wet & Dry)
Rodent Food (Rats, Gerbils, Guinea Pigs, Hamsters, Rabbit Food)
Fresh Greens or Vegetables
Timothy Hay
Shavings
Frontline/Flea Treatments
Latex Gloves
Towels & Blankets
Flat Sheets

Dawn Dish Soap
Laundry Detergent
Gauze
Band-Aids
Air Fresheners
Dryer Sheets
9Volt and AAA batteries
Scrub brushes
Sponges and Dish Gloves
Pens, Dry Erase Markers, Permanent Markers
Post-Its
White Out
Stamps

Donations can be dropped off at our office, at 320 Water St 1st floor Augusta by February 2, 2024



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Check out our website raymondjames.com/daniellevalteau, where Client Access, The Water Street Journal, market and investment updates are all some of the resources at your fingertips.

Just more ways we can stay in touch!

With you through all of life's adventures...

Winter adventures in Maine are so plentiful, it can be hard to decide which one to tackle first. Will it be skiing at Sugarloaf? Ice fishing on Moosehead Lake? Maybe playing it safe and joining a book club with friends! Through the years we have genuinely enjoyed hearing about trips, adventures, realized goals and life achievements. These are all things to be celebrated, and we'd like to ask you to start sharing some of these things for our newsletter, please send me pictures of your adventure with a brief description.

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It's your life.... Live it!!

If your financial situation, risk tolerance, or goals and objectives have changed, please give us a call.

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