



Soundings

What's New - December 2024

Quote of the month:

“Victorious warriors win first and then go to war, while defeated warriors go to war first and then seek to win.” Sun Tzu

It's all about the planning. U.S. Army General George Patton famously preached, “Train like you fight and fight like you train.” Life is tough, war is worse. But in both cases, if you are sheltered from difficulty and trials...the fight...if you will, will be extraordinarily difficult when the proverbial sh#t hits the fan, and at some point in everyone's life, the sh#t's going to hit the fan. Whether it's safe spaces in university or a loving “helicopter” parent that shelters their child from adversity, in the long run, the result will likely be the same. “Tough” love is really just love.

With the uncertainty of the election out of the way, markets resumed their primary trend and finished November in fine fashion. Lowry Investment Research noted that all three Dow Jones Averages (Industrial, Transportation, & Utilities) recorded all-time highs together for the first time in several years. Strength across the S&P small, mid, and large cap segments, and NYSE Composite add to the weight of evidence. Looking forward, Ryan Detrick, Chief Market Strategist at Carson notes December is the 2nd best month of an election year, finishing with gains 83% of the time. We're positioned accordingly.

No one gets out of here alive. When it comes down to it, it's one of two paths. For believers, the wonders of the afterlife. For others...the best nap ever. What happens to your stuff when you no longer need it is an important part of estate planning. In this month's *Market & Economic Commentary*, I've placed a piece from the WSJ that should be interesting to the planners out there who like to tie up the loose ends of life. It's a good read, well worth your time. First, the numbers...

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Market Update - Year to Date Returns

Major Indexes

As of December 1st

Dow Jones Industrials	19.2%
S&P 500 Index	26.5%
NASDAQ	28.0%
MSCI EAFE (International)	4.8%
Russell 2000 (small cap index)	20.1%
Bloomberg Capital Aggregate Index (Bonds)	2.9%
XAU (gold/silver)	19.7%

D.A.L.I. Signals - 12/01/2024

U.S. Equities	Int'l Equities	Commodities	Cash	Currencies	Fixed Income
331 30.5%	230 21.2%	218 20.1%	132 12.2%	91 8.4%	84 7.7%

Source: Nasdaq Dorsey Wright

- Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect investment performance. Individual investor's results will vary. The Dow Jones Industrial Average (DJIA), commonly known as the "Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the US stock market. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ market. The MSCI EAFE (Europe, Australasia and Far East) index is an unmanaged index that is generally considered representative of the international stock market. The Russell 2000 index is an unmanaged index of small cap which generally involve greater risks. The Philadelphia Gold and Silver Index (XAU) is an index of sixteen precious metal mining companies that is traded on the Philadelphia Stock Exchange.
- The Bloomberg Barclays Capital Aggregate Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3rd party. It presents the relative strength relationship of six broad asset classes or "teams", domestic equities, international equities, commodities, fixed income, cash, and currencies. Each are represented by an equal number of ETFs. Each team play against each member of the other teams, with net victories tallied in an effort to rank each asset class team by order of overall strength. Raymond James is not affiliated with and does not authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.
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Market & Economic Commentary

No one likes to think about their own demise, but planning can make life after your death significantly easier for heirs. Here are five ways to help heirs avoid extra time, money, stress and acrimony after you pass.

Keep documents updated: Having a will or living trust is essential—but it isn't enough. The proper documents need to be updated periodically. Amber Hughes, an estate planning attorney in Phoenix, offers the example of a mother who belatedly drafted new estate-planning documents but died before signing them. The old will had named stepchildren she hadn't spoken to in 20 years, and her sons are spending tens of thousands of dollars to have the unsigned will enforced by a judge. Many people also fail to update beneficiaries for life insurance, retirement accounts and bank or investment accounts. These assets pass according to the beneficiary designation, if there is one, regardless of what the will or living trust state. A client's brother had an IRA valued at several million dollars. When he died, the IRA funds went to a woman he hadn't dated for at least 10 years instead of to his brother's daughters, even though they were named as beneficiaries in his trust. The heir indicated on the IRA was the former girlfriend, and that was the one that counted.

Address digital assets: Many people have digital assets, including email and online photos, that could be lost to heirs if proper provisions aren't put in place. For instance, a writer who stores plays or novels on a Google drive, but doesn't set up a Google inactive-account profile, may make it harder or impossible for heirs to gain access to these works. Terms might differ, so having appropriate documentation on file with each provider is important. Cryptocurrency and nonfungible tokens can also easily be lost if their owners don't provide heirs a way to access these assets. So, people should make sure beneficiaries know how to access an account's private keys—the secret numbers used to access cryptocurrency—as well as the kind of wallet and crypto type.

Assign personal property in advance: Many people assume that heirs will figure out on their own how to divide personal property, but that can lead to fights. Hughes offers the example of three sisters who fought over their mother's collection of hundreds of porcelain dolls. They had to hire a professional mediator to draw straws until all of the dolls were distributed. Had the mother made a personal-property list before she died, significant aggravation and hostility might have been avoided. The list can be handwritten and up-to-date, and should be kept with estate-plan documents. The document should also include where items can be found.

Leave good notes: Experts advise that people set aside a folder with important information for the heirs, such as names, numbers and locations of accounts, as well as names and contact information for attorneys, accountants and financial advisers. This is especially important since bills are often paid online, eliminating once-helpful paper statements. Also let heirs know where to find your estate-planning documents. "If you can't find the will and you don't know who the trust and estate attorney is, that's a horrible situation," says Seth Slotkin, an attorney in New York.

Strive for conflict-avoidance: Parents sometimes create conflict by choosing one child over another to serve as executor, trustee or both, says Neil Solarz, attorney in Los Angeles. Sometimes it may be appropriate. But in most instances, Solarz recommends naming a relative or friend to avoid potential sibling-rivalry issues. If there's no one else available, people might consider hiring a trust company to act as trustees or executors. People who have specific reasons for dividing assets or roles unevenly should prepare a letter that explains their thought process, which can help mitigate the potential for future conflicts. For example, clarify that you named your daughter as executor because she lives locally, but that you want all of your children to work together to settle the estate. Or, if you are leaving the younger of three children \$100,000 more than the others, explain why. This extra step can mean the difference between harmony and acrimony among your heirs, he says. "If you want to make things easy for your kids, if there's anything that could be misinterpreted, explain it to them so they're not fighting about it."

Cheryl Winokur Munk, "5 Things to Do Now to Make Your Estate Simpler for Your Heirs", WSJ, November 14, 2024.

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On a Personal Note

Turkey Trot XVI was a bit somber this year with the passing of founder Vic Ostrowski, AKA “the Maestro”, just days prior to its kickoff. Vic left us at the relatively young age of 76 after a valiant battle with congenital heart disease. He went to his heavenly home in the presence of friends and family and we spoke of him often throughout the weekend. Not only did he hear us but I’m pretty certain we have a new guardian moto-angel as the event went off without a hitch, injury, or major mechanical mishap. I don’t remember that EVER happening in the past. Some midweek rain knocked down the dust and groomed the trails perfectly for the 80 or so attendees who were a part of this weekend of camping and motorcycle riding in the woods of northwest Florida. The youngest rider in attendance was Eric at 15, camping with his grandpa Marcus from Tallahassee. Fitz was the oldest, who at 76, is still running strong and running circles around nearly all of us. Farthest travelled was Bert, a retired Navy Master Chief Petty Officer, and bronze star awarded EOD (explosive ordnance disposal) Tech from North Carolina. An interesting group as always.

I’m not a great sleeper, even less so in a hot tent and sleeping bag so I chose the 50-minute daily commute to and from the festivities. The tradeoff was less campfire time, but with sunset so early these days, the much-needed restorative sleep made it an acceptable trade. But I didn’t waste the windshield time. I listened to an excellent podcast, Joe Rogan’s recent interview of Senator John Fetterman from Pennsylvania. Rogan is a gifted interviewer and his 2 – 3-hour sessions really let you get to know what makes his subjects tick. I disagree with most of Fetterman’s politics, but I’ve always respected his service and courage to go against the grain. The stroke that nearly took his life in 2020 makes his speech less-than-polished but it adds to his genuine-ness, a rare and welcome trait in a politician. He was most compelling when he spoke of the debilitating depression that followed his stroke. He poignantly shared the moment that he knew he needed help...when he couldn’t shake his thoughts of “self-harm”. What drew him to action was the fact that he didn’t want to show his kids that it was okay to pull the plug. In an emotional testimony, he addressed the many folks out there who might be in a similar place. He made a passionate plea for them to get help, and promised the only thing that would prevent them from getting better would be to do something irreversible. He shared a powerful story he’d learned in therapy. Over the years, thousands have leapt from San Francisco’s Golden Gate Bridge. Only around 40 or so have survived. The common thread in all those survivors was an immediate regret the moment they stepped off the ledge. They all wanted another chance and given one, they’d figure things out. It was a beautiful testament and given the size and diversity of Rogan’s audience, it is very likely to have landed where it was needed.

From Collin:

As Jackie and I approached a year and a half of being together, I thought it would be nice for us to take a quick weekend trip somewhere to convince her to stay around a bit longer. I thought a few nights in New Orleans would be fun and easy, and she agreed. My old college roommate Praveen recently moved to the Big Easy, so I shot him a text to see if he wanted to grab a coffee while we were there. He shared that he would be out of town, but if I waited a week, our old roommate Harrison and another old friend Cole were visiting him. Jackie gracefully accepted a rain check on our romantic weekend. In its place, we crammed four men into Praveen’s studio apartment. It was so much fun to reconnect, laugh over old memories, and get my butt handed to me in Pickleball for two days in a row. One thing that hasn’t changed since we left the six-bedroom house we once shared is how squared away those guys are (and how much four pairs of tennis shoes can stink up a living room). Praveen works in Private Equity and recently became a Chartered Financial Analyst. Harrison works for a massive insurance firm that has its name on an NFL stadium, and Cole is a financial analyst for a large convenience store with locations in every corner of the country. I probably picked up at least half of my college knowledge from osmosis, just being near them! The trip ended with a fun visit with my aunt Karen and uncle Matt, who also call NOLA home. Finally, to Jackie. Thank you. I promise the raincheck will be worth it!

Until next month, with warmest regards, *Jon, Collin & Sandy*

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