

DELTA
INVESTMENT
MANAGEMENT

AAII

2025 Outlook Positioning for All Scenarios

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Disclosures

The presentation is being provided for informational purposes only and should not be used or construed as a recommendation of any security, sector or investment strategy.

The opinions in this presentation are as of the date of the presentation.

Stock and bond markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments as well as interest rate risk, inflation, credit and default rates. In addition, foreign securities are subject to interest rate, currency exchange rate, economic and political risks, all of which are magnified in emerging markets.

The S&P 500 Index is a market capitalization weighted index of 500 widely held stocks often used as a proxy for the stock market.

Consider the investment objectives, risks, charges, expenses, and instruments used to implement a strategy before investing.

Past performance is no guarantee of future results or returns.

Investing involves risk, including risk of loss.

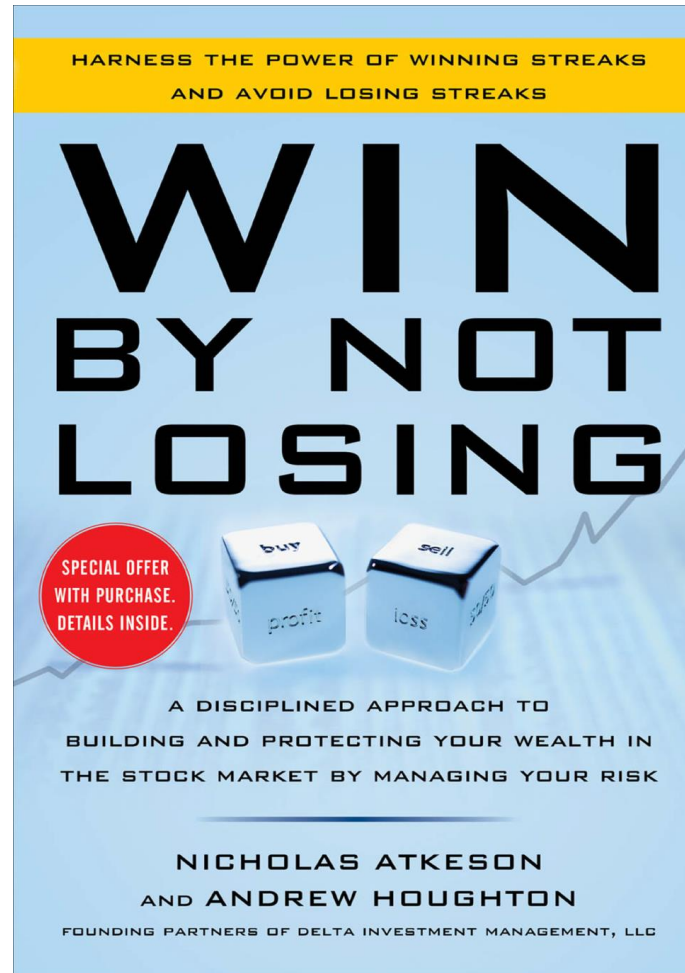
Delta Investment Management is an SEC registered investment advisor. The firm is based in San Francisco, CA. For more information, please visit www.deltaim.com or call (415) 249-6337.

Delta Investment Philosophy

- ❖ *We believe there are periods in market cycles to be fully invested and there are other periods not to be fully invested*
- ❖ *As such, we believe it is necessary to be proactive in managing money*
- ❖ *As active managers, we follow market-tested, proven investment disciplines*
- ❖ *During bullish cycles, we seek to invest in the strongest performing assets*
- ❖ *During bearish cycles, we seek to preserve capital by reducing exposure to risk assets*
- ❖ *We believe diversification in both asset type and asset allocation methodology strengthens portfolio performance through the full investment cycle*

Win by Not Losing

Book Available
On Amazon



Delta MSI in Barron's

February 3, 2014

BARRON'S
The Dow Jones and Financial News

BARRON'S

M57

Market Laboratory • Indicators

MONEY RATES

| | Latest | Prev. | 7-Dge Week |
|-------------------------|--------|-------|------------|
| Discount Rate (NY) | % | % | % |
| Prime Rate (Bank) | 3% | 3% | 3% |
| 90-day Fed Funds Rate | % | % | % |
| Aug effective offer | 0.01 | 0.01 | 0.01 |
| Aug secondary auction | 0.01 | 0.01 | 0.01 |
| T-Bills Rate: | | | |
| 12 weeks, Coupon Field | 0.01 | 0.01 | 0.01 |
| 12 weeks, Auction Field | 0.01 | 0.01 | 0.01 |
| 26 weeks, Coupon Field | 0.01 | 0.01 | 0.01 |

FEDERAL RESERVE DATA BANK

| Member Bank | Latest | Prev. | Year Ago |
|-------------------------|-----------|-------------|-------------|
| Reserve Dpts. (BIL. \$) | Week | Change | Change |
| One week ended Jan 29: | | | |
| U.S. Gov't securities: | 3,838,923 | + 13,561 | + 1,382,348 |
| Bought outright: | | | |
| Federal agency notes: | 54,911 | — | -20,208 |
| Bought outright: | | | |
| Reserve bank credit: | | | |
| Money Credit: | | | |
| 12 | 11 | 12 | |
| 16 | 1 | 16 | |
| 488 | 86 | -2,744 | |
| 31,529 | + 1,050 | + 5,385 | |
| 4,898,698 | + 13,490 | + 1,388,328 | |
| 11,641 | — | — | |
| 5,300 | — | — | |
| 45,395 | + 14 | + 764 | |
| 4,144,381 | + 13,779 | + 1,389,348 | |
| 1,234,849 | + 1,422 | + 78,023 | |
| 361 | + 5 | + 77 | |
| 88,337 | + 11,528 | + 18,218 | |
| 6,050 | — | + 818 | |
| 42,110 | + 7,304 | + 28,284 | |
| 63,499 | -124 | -436 | |
| 1,625,155 | + 17,471 | + 288,481 | |
| 3,519,198 | -3,882 | + 888,484 | |
| 3,394,388 | -18,151 | + 79,837 | |

DELTA MARKET SENTIMENT INDICATOR

The Delta MSI measures the position of ~3,600 stocks relative to an intermediate-term moving average crossover (MAC) point. When greater than 50% of the stocks followed are above this MAC point, the market is bullish and equities are attractive. When the indicator is below 50%, risk is elevated and stock exposures should be reduced. Manager uses discretion on asset allocation when MSI is 50% +/- 3%.

| Current Sentiment | Last Week | 2 Weeks Ago | 3 Weeks Ago |
|-------------------------------------|----------------------------------|-------------|-------------|
| BULLISH | 52.1% | 67.4% | 65.2% |
| Current Market Exposure: | 100% Equities, 0% Bonds, 0% Cash | | |
| Source: Delta Investment Management | | | |
| www.deltainv.com, (415) 249-6337 | | | |

| Other Money Rates | Latest | Prev. | 7-Dge Week |
|-----------------------|--------|-------|------------|
| 1-Year Treasury Note | 0.26 | 0.26 | 0.26 |
| 5-Year Treasury Note | 0.36 | 0.34 | 0.37 |
| 10-Year Treasury Note | 0.12 | 0.12 | 0.12 |
| 30-Year Treasury Note | 0.08 | 0.08 | 0.08 |
| 1-Month Certificate | 0.14 | 0.14 | 0.14 |
| 3-Month Certificate | 0.12 | 0.12 | 0.12 |
| 6-Month Certificate | 0.10 | 0.10 | 0.10 |
| 9-Month Certificate | 0.08 | 0.08 | 0.08 |
| 12-Month Certificate | 0.06 | 0.06 | 0.06 |
| 15-Month Certificate | 0.04 | 0.04 | 0.04 |
| 18-Month Certificate | 0.02 | 0.02 | 0.02 |
| 21-Month Certificate | 0.01 | 0.01 | 0.01 |
| 24-Month Certificate | 0.01 | 0.01 | 0.01 |

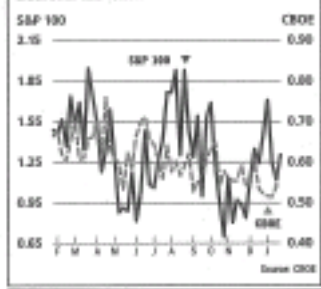
| Latest | Prev. | 7-Dge Week | Year Ago |
|-------------------------|-----------|-------------|-------------|
| Reserve Dpts. (BIL. \$) | Week | Change | Change |
| U.S. Gov't securities: | 3,838,923 | + 13,561 | + 1,382,348 |
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ADJUSTABLE MORTGAGE BASE RATES

| | Jan 22 | Jan 23 | 1-Yr Ago | 5-Yr Ago |
|---------------------|--------|--------|----------|----------|
| 1-Year Treas/Bills | 0.11 | 0.11 | 0.15 | -26.57 |
| 1-Year Treas/Notes | 0.48 | 0.48 | 0.36 | 53.85 |
| 1-Year Treas/Notes | 0.80 | 0.75 | 0.39 | 195.13 |
| 1-Year Treas/Notes | 1.65 | 1.65 | 0.79 | 188.86 |
| 1-Year Treas/Notes | 2.82 | 2.80 | 1.90 | 48.42 |
| 1-Year Treas/Bills | 3.47 | 3.53 | 2.66 | 36.45 |
| 1-Yr Discount % Dec | 0.794 | 0.783 | 1.871 | -26.86 |
| 1-Yr Discount % Dec | 4.25 | 4.21 | 3.29 | 29.18 |

CRDE PUT/CALL RATIO vs S&P 100

Readings in the CRDE equity put-call ratio of 0.8108 and in the S&P 100 of 125.000 are considered bullish, for instance. Bearish signals flash when the equity put-call level reaches the vicinity of 0.5000 and the index rate hits 10.000.



INVESTOR SENTIMENT READINGS

High bullish readings in the Consensus stock index or in the Market Vantage stock index usually anticipate a market up, low ones, market downturn.

| | Last Week | 2 Weeks Ago | 3 Weeks Ago |
|--------------------------------------------------------------------------------------------------------------|-----------|-------------|-------------|
| Consensus Index | 68% | 71% | 72% |
| Consensus Bullish Sentiment | 68% | 71% | 72% |
| Source: Consensus Inc., P.O. Box 50525, Independence, Mo. 64601-0525, (816) 381-1611, info@consensus-inc.com | | | |
| All Index | 32.2% | 35.7% | 36.8% |
| Dollar | 32.8 | 33.4 | 35.5 |
| Index | 35.1 | 36.1 | 38.5 |
| Source: American Association of Individual Investors, 420 N. Michigan Ave., Chicago, IL 60611 (312) 389-6170 | | | |
| Market Vantage | 81% | 87% | 88% |
| Dollar Consensus | 81% | 87% | 88% |
| Source: Market Vantage, P.O. Box 50525, Independence, Mo. 64601-0525, (816) 381-1611, info@marketvantage.com | | | |

FOREIGN EXCHANGE

The foreign-exchange mid-range rates below apply to trading among banks in amounts of \$1 million and more, as quoted at 4 p.m. Eastern time by Reuters and other sources. Retail transactions provide lower rates of foreign currency per dollar.

| Country | Foreign Currency | U.S. \$ | Foreign Currency | U.S. \$ |
|-------------------------------|------------------|---------|------------------|---------|
| Argentina (Peso) | 13.07 | 0.02 | 10.00 | 1.0000 |
| Australia (Dollar) | 0.758 | 0.004 | 1.421 | 1.0105 |
| 1-month forward | 0.758 | 0.004 | 1.421 | 1.0105 |
| 3-month forward | 0.758 | 0.004 | 1.421 | 1.0105 |
| 6-month forward | 0.758 | 0.004 | 1.421 | 1.0105 |
| Bahamas (Dollar) | 0.0028 | 0.0003 | 0.110 | 0.1000 |
| Brazil (Real) | 0.415 | 0.004 | 0.415 | 0.0002 |
| Canada (Dollar) | 0.885 | 0.007 | 1.138 | 1.0000 |
| China (Yuan) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| China (Renminbi) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Colombia (Peso) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Czech Rep. (Koruna) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Denmark (Krone) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Egypt (Pound) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Hong Kong (Dollar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Hungary (Forint) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| India (Rupee) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Indonesia (Rupiah) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Israel (Sheqel) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Japan (Yen) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Jordan (Dinar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Korea (Won) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Laos (Kip) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Malaysia (Ringgit) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Mexico (Peso) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| New Zealand (Dollar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Norway (Krone) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Poland (Zloty) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Portugal (Escudo) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Romania (Leu) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Saudi Arabia (Riyal) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Singapore (Dollar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| South Africa (Rand) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| South Korea (Won) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Sweden (Krona) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Switzerland (Franc) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Taiwan (Dollar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Thailand (Baht) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Turkey (Lira) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| U.S. (Dollar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| United Arab Emirates (Dirham) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Uruguay (Peso) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Venezuela (Bolívar) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

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Weekly Newsletter



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Delta Insights

a weekly commentary on investing

Delta Investment Management is a registered investment advisory firm headquartered in San Francisco.

Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new partner.

Delta manages stock and bond portfolios at Schwab and TD Ameritrade.

Please contact Delta at info@deltaim.com or 415-249-6337 if you would like to learn more how we can be your partner.

Data Point to Data Point

Sept 8, 2023

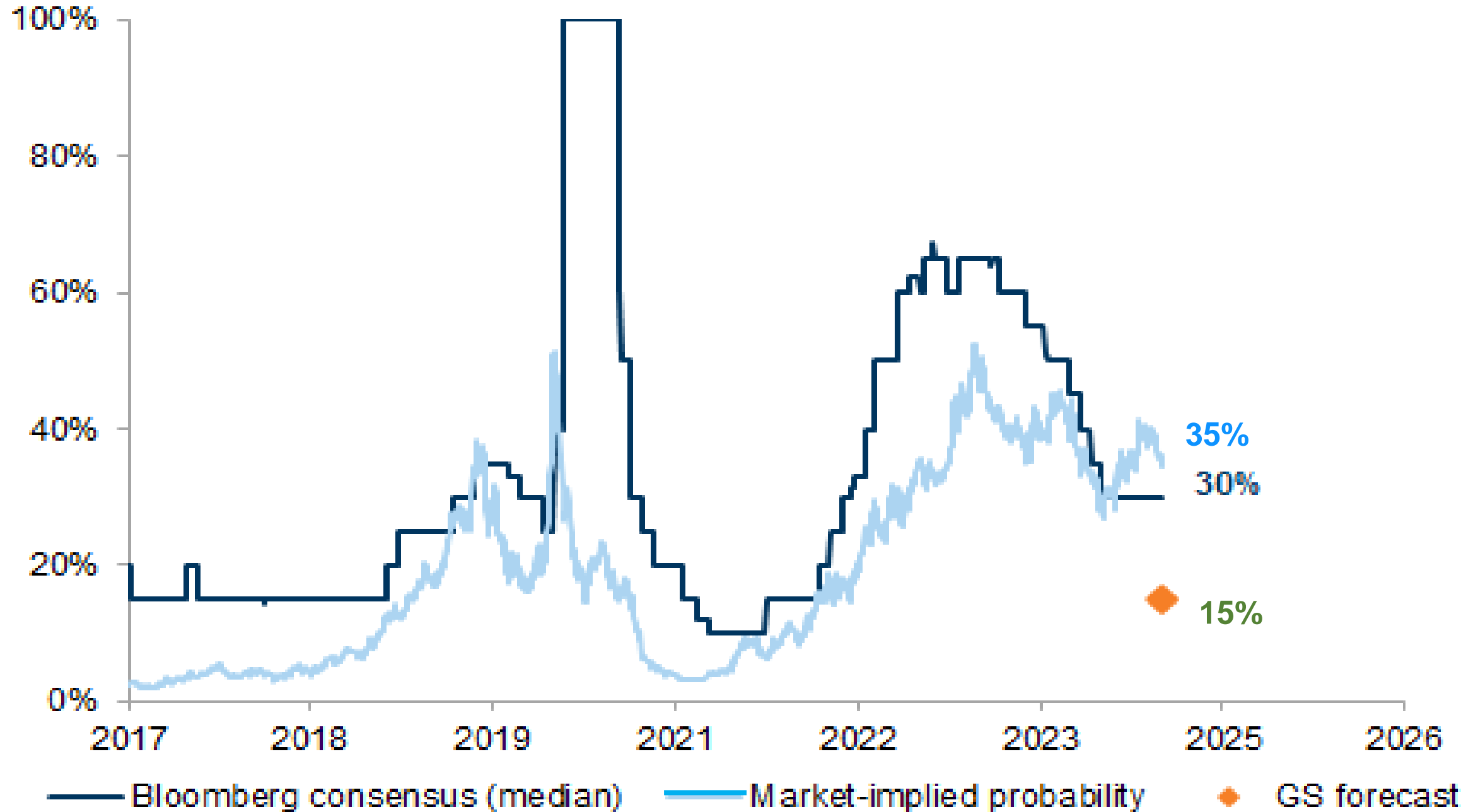
Dear Nicholas,

Since Covid, macroeconomic forecasts have been mostly wrong. Few expected the market to be up roughly 18% in 2020 after an intra-year decline of 35%. Almost all market strategists forecasted a recession in 2023 and a down market.

The pandemic and the unprecedented fiscal and monetary responses to it are driving unexpected stock market and economic outcomes. Because the market has been so hard to accurately predict, the Fed and many investors are highly data point driven. It is somewhat like navigating through a dark room on the basis of what you bump into.

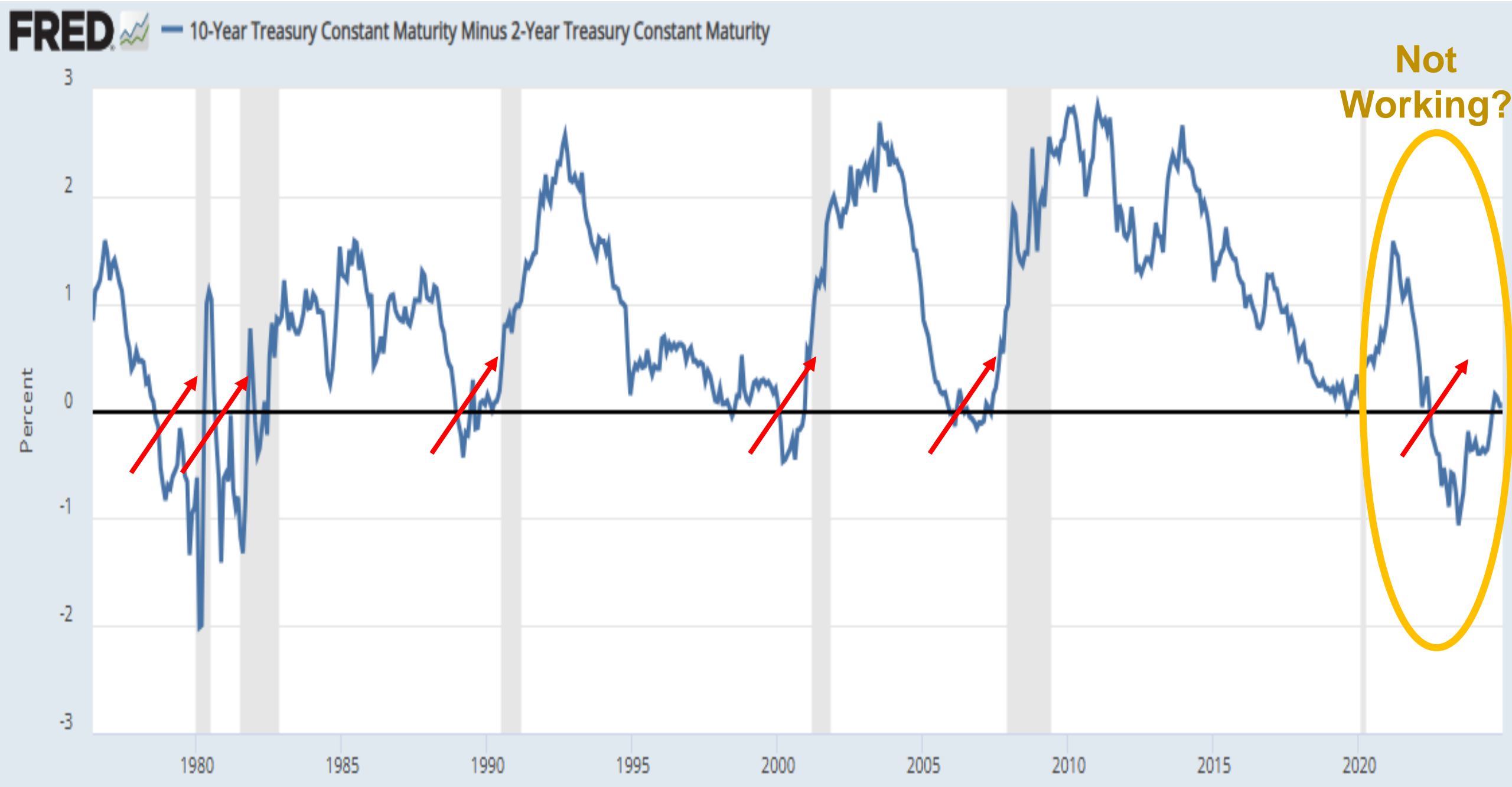
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Probability of a US Recession In The Next Year



The Two Most Robust Recession Indicators
are the U.S. Treasury Yield Curve and the
Leading Economic Index (LEI)

Treasury Yield Curve Inversions and Recessions



Since its inception in the 1960s, the LEI has neither failed to signal an eventual recession (a type 2 error) nor suggested there would be a recession that never came (a type 1 error). It is a perfect 8-for-8.

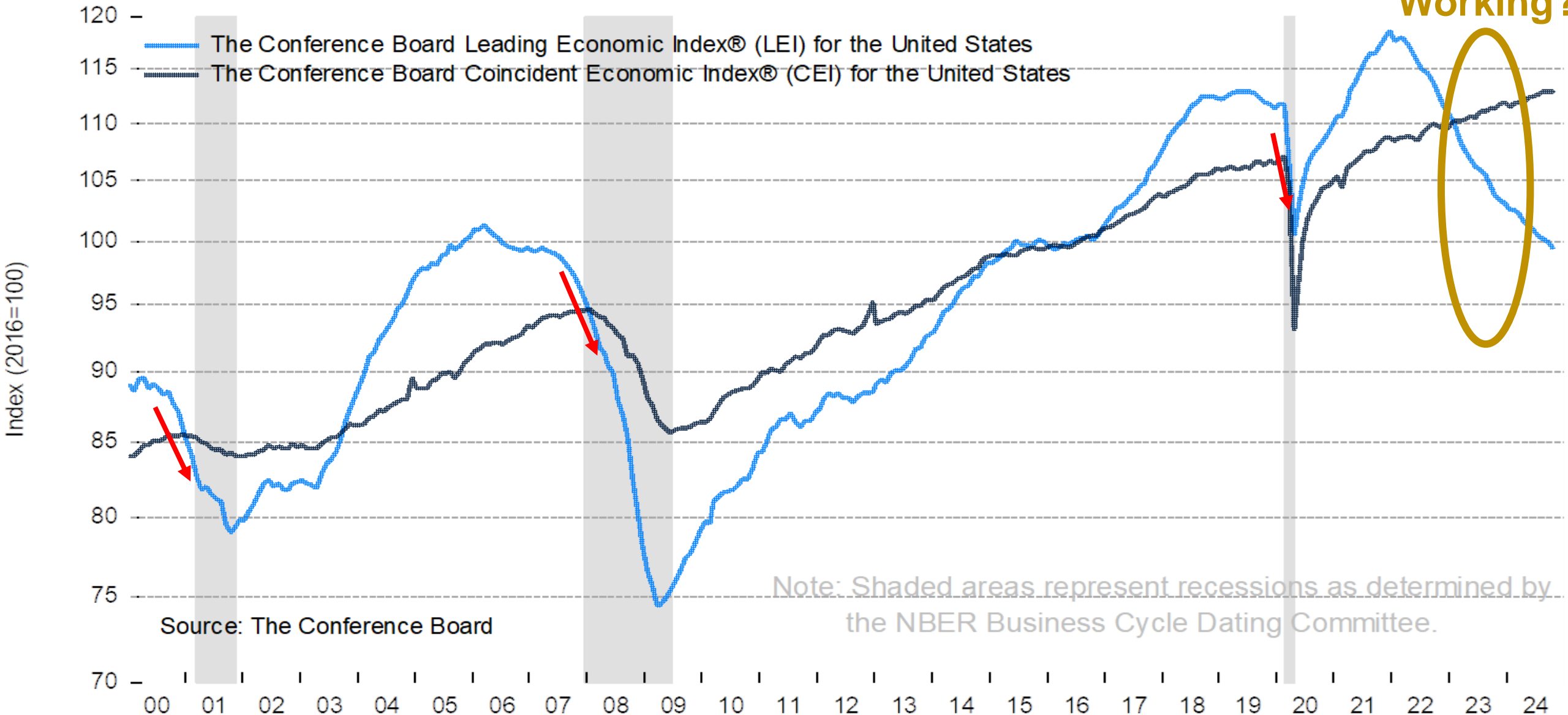
Leading Economic Index (LEI) and Recessions

Peak: 01:3
Trough: 01:11

07:12
09:6

20:2
20:4

Not
Working?

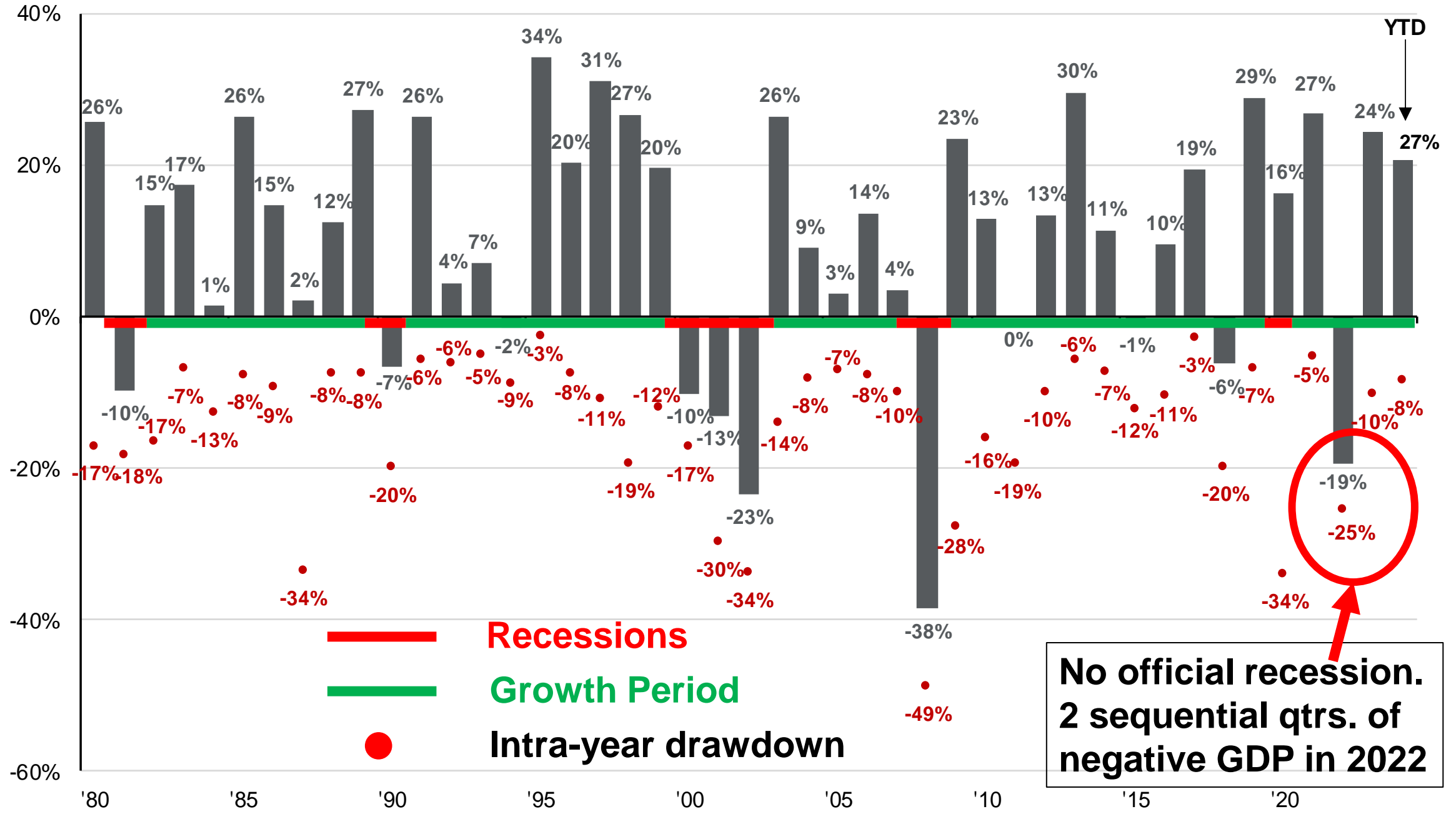


Why Do We Care About Forecasting Recessions?

Answer:

1. The stock market behaves very differently During Recessions, and
2. Not much else matters from a forecasting standpoint.

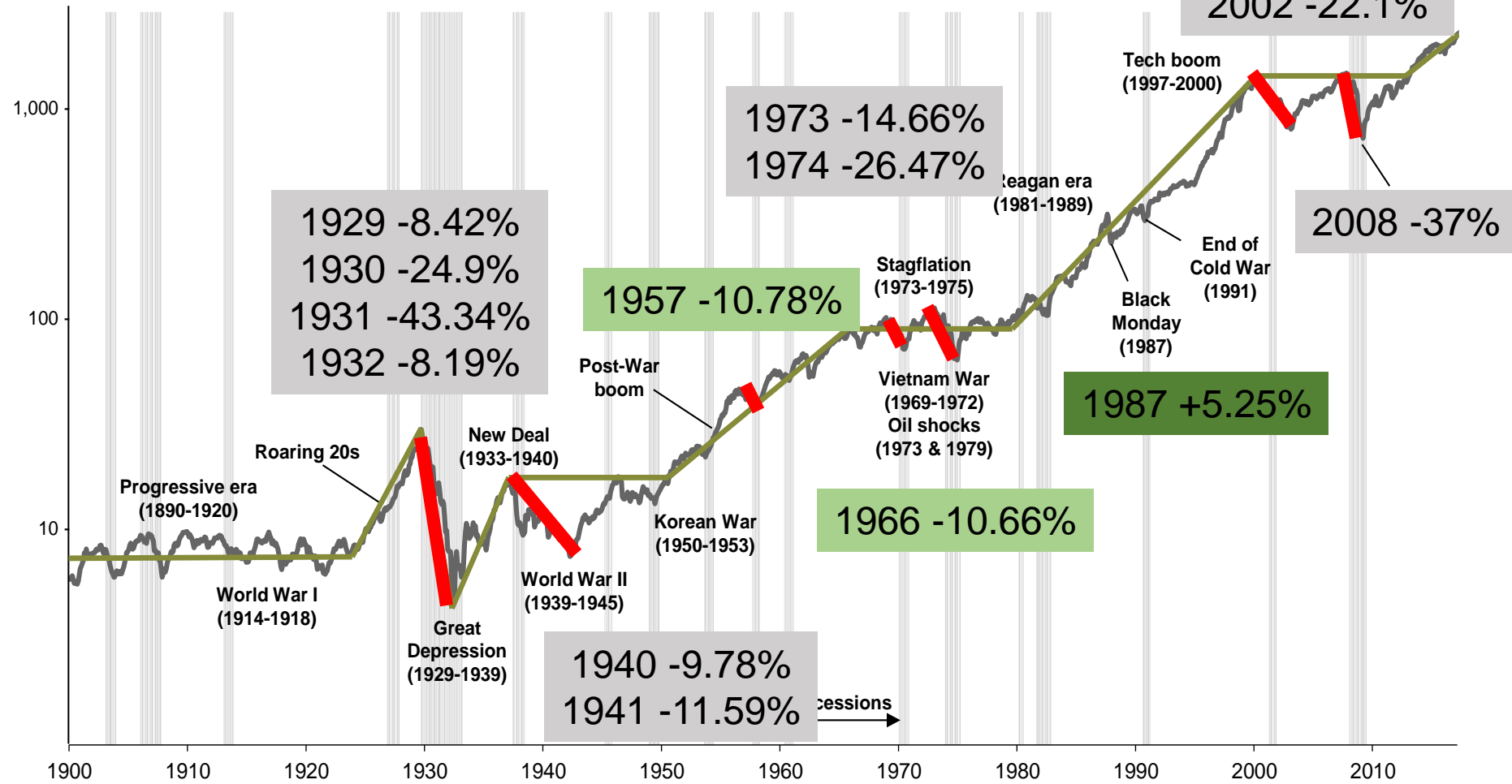
S&P 500 Calendar Year Returns W/O Dividends



Losses Concentrated

S&P Composite Index

Log scale, annual



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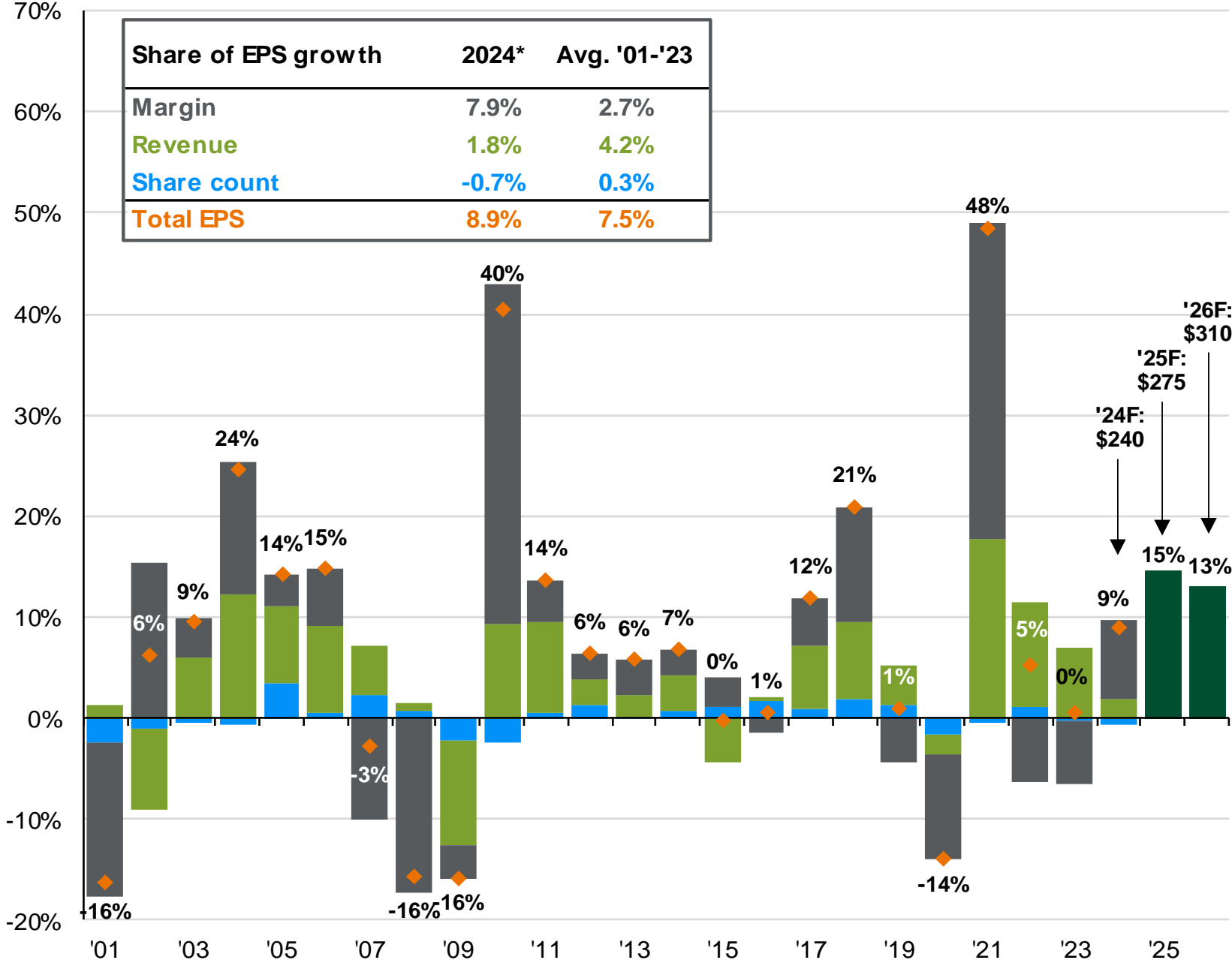
S&P 500 Performance After Gaining More Than 35% In The Last 12 Months*

| © 2024 The Leuthold Group | | S&P 500 Forward Performance | | | | Business Cycle Peak In Next 12 Mos.? |
|---------------------------|---------------------------|-----------------------------|--------|--------|---------|--------------------------------------------|
| Date | S&P 500 12-Mo. Gain | 1-Mo % | 3-Mo % | 6-Mo % | 12-Mo % | |
| March 30, 1928 | 37.3 | 3.2 | 0.3 | 11.7 | 33.5 | No |
| April 30, 1933 | 42.7 | 15.9 | 19.6 | 7.7 | 25.7 | No |
| October 31, 1935 | 41.4 | 3.9 | 14.8 | 10.5 | 38.1 | No |
| March 31, 1943 | 44.6 | 0.1 | 6.6 | 4.3 | 3.8 | No |
| January 31, 1946 | 37.9 | -6.9 | 1.0 | -3.3 | -15.7 | No |
| September 30, 1954 | 38.4 | -1.9 | 11.4 | 13.2 | 35.2 | No |
| December 31, 1958 | 38.1 | 0.4 | 0.4 | 5.9 | 8.5 | No |
| June 30, 1971 | 37.1 | -4.1 | -1.4 | 2.4 | 7.5 | No |
| March 31, 1983 | 36.6 | 7.5 | 9.9 | 8.6 | 4.1 | No |
| September 30, 1987 | 39.1 | -21.8 | -23.2 | -19.6 | -15.5 | No |
| January 30, 1996 | 35.2 | 0.7 | 2.9 | 0.6 | 23.6 | No |
| July 31, 1997 | 49.1 | -5.7 | -4.2 | 2.7 | 17.4 | No |
| August 31, 1999 | 37.9 | -2.9 | 5.2 | 3.5 | 14.9 | No |
| February 27, 2004 | 36.1 | -1.6 | -2.1 | -3.6 | 5.1 | No |
| February 26, 2010 | 50.3 | 5.9 | -1.4 | -5.0 | 20.2 | No |
| March 31, 2021 | 53.7 | 5.2 | 8.2 | 8.4 | 14.0 | No |
| October 31, 2024 | 36.0 | ? | ? | ? | ? | ? |
| Average | 41.0 | -0.1 | 3.0 | 3.0 | 13.8 | No peaks within next 12 months. |
| Avg., All Periods | 8.4 | 0.7 | 2.0 | 4.1 | 8.4 | |

*12-month gain must have been below 35% for each of the previous 12 months.

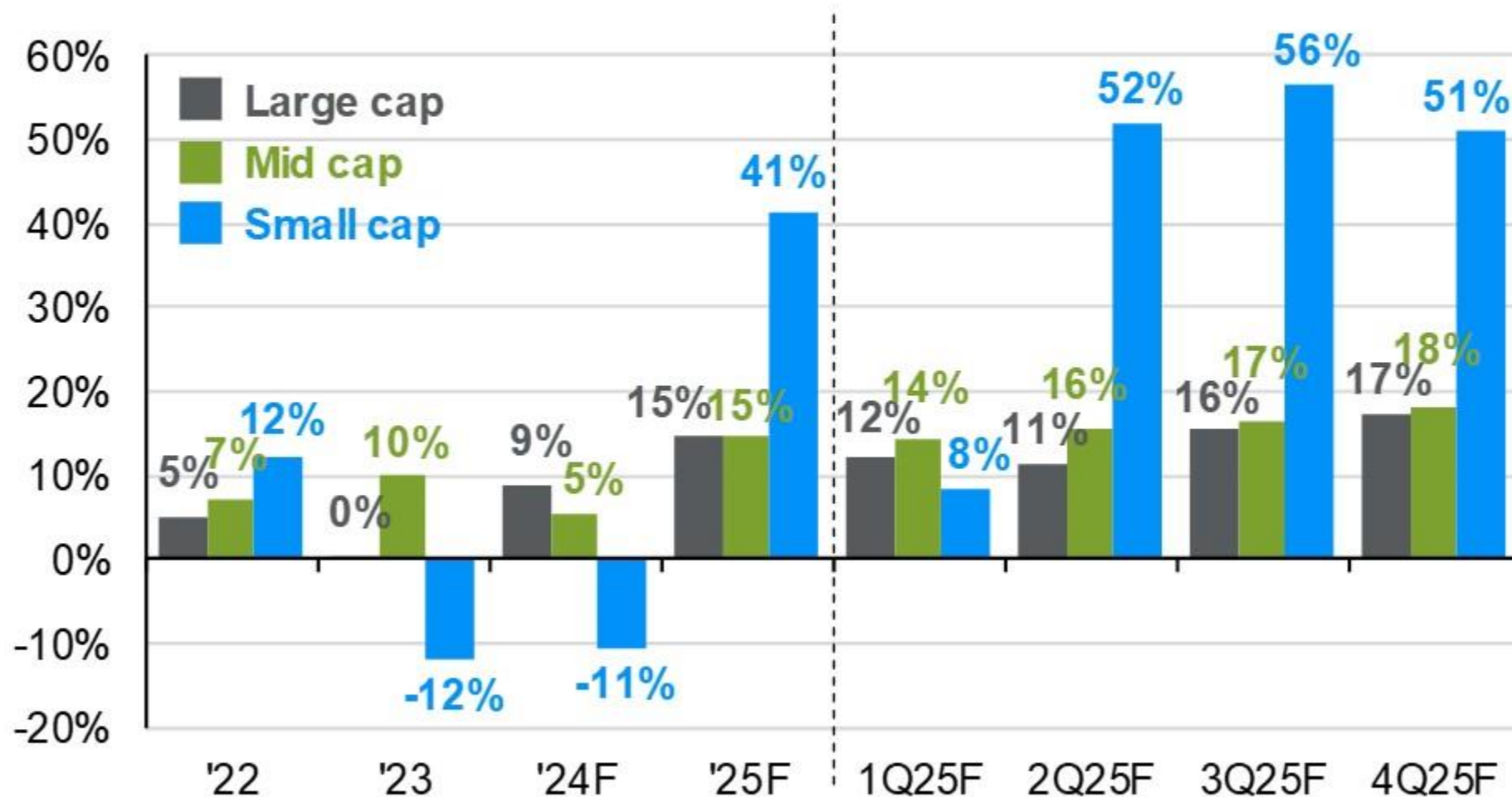
S&P 500 year-over-year pro-forma EPS growth

Annual growth broken into changes in revenue, profit margin and share count



Earnings Growth

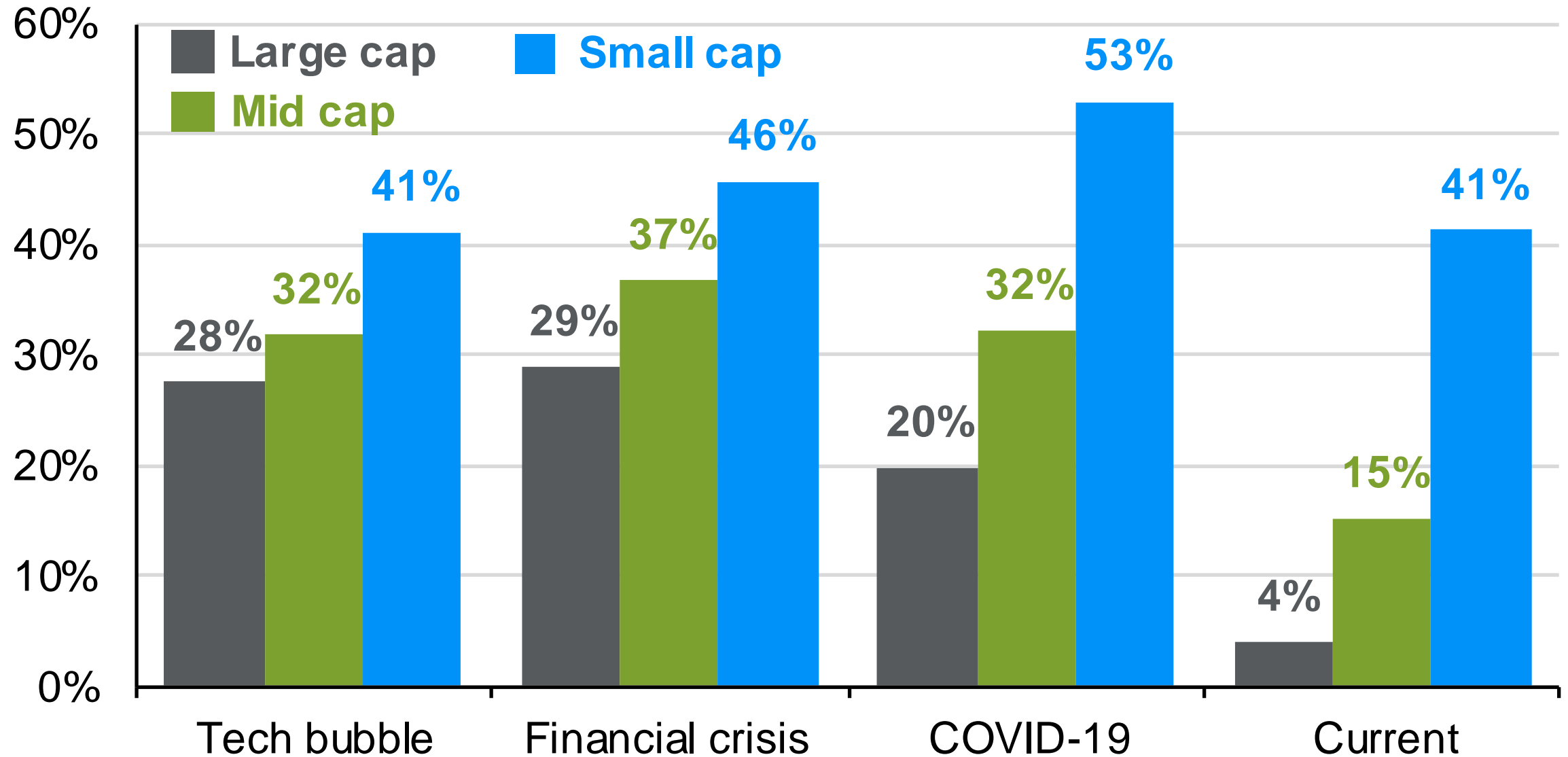
Pro-forma EPS Year-over-Year



Source: JP Morgan Asset Management

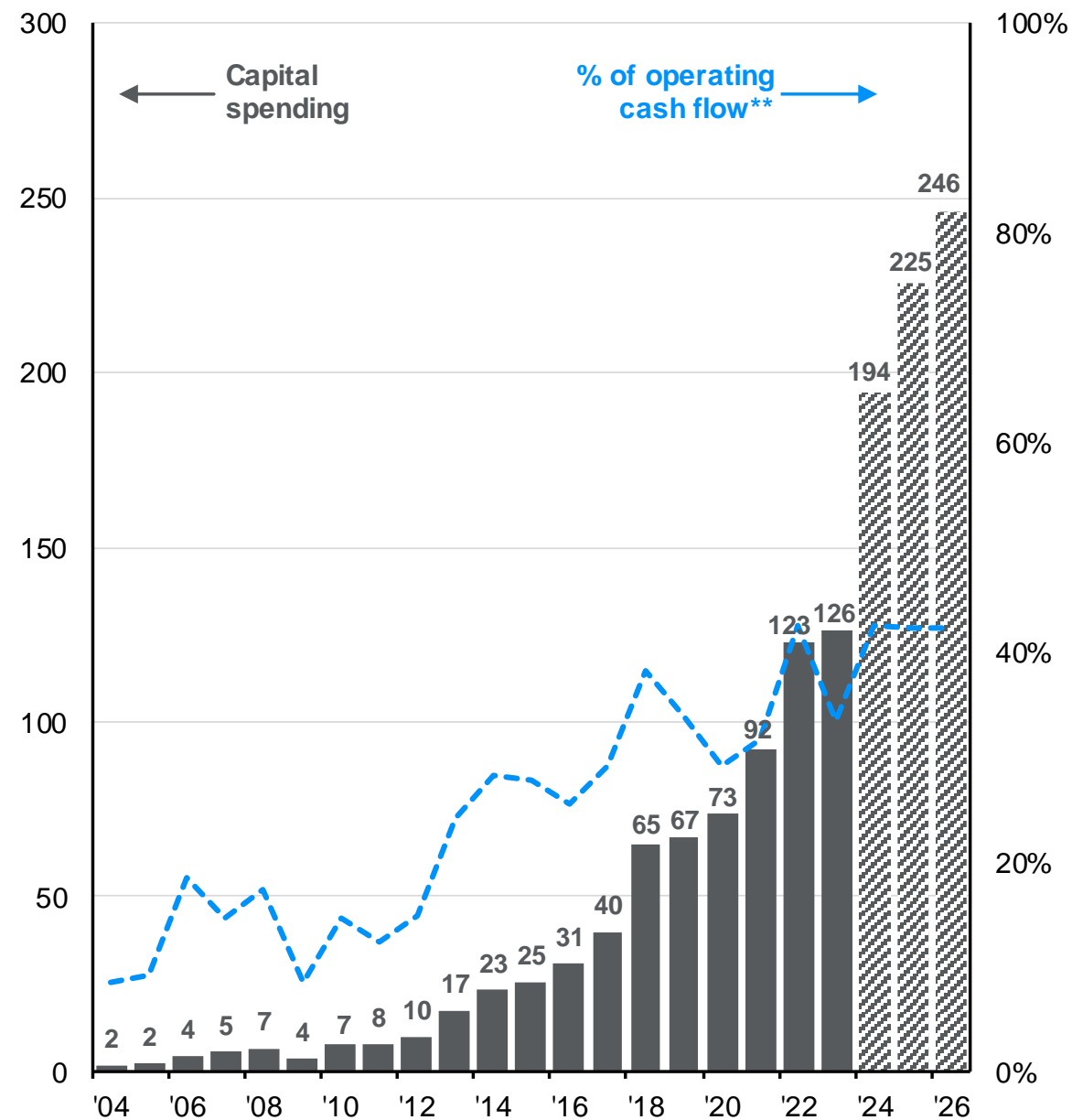
Percent of unprofitable companies

Pro-forma EPS



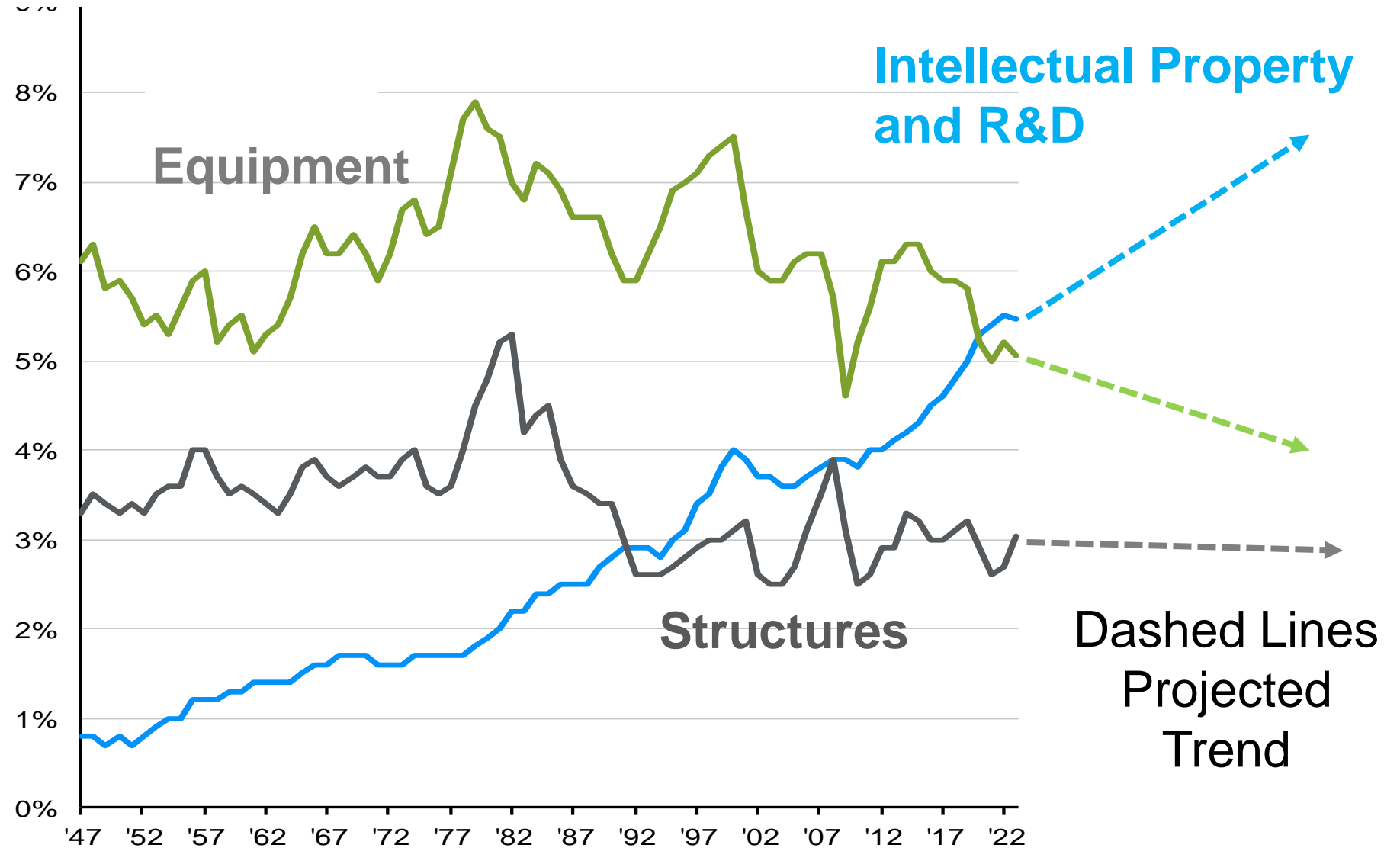
Capex from the major AI hyperscalers*

USD billions; Alphabet, Amazon (AWS), Meta, Microsoft, Oracle



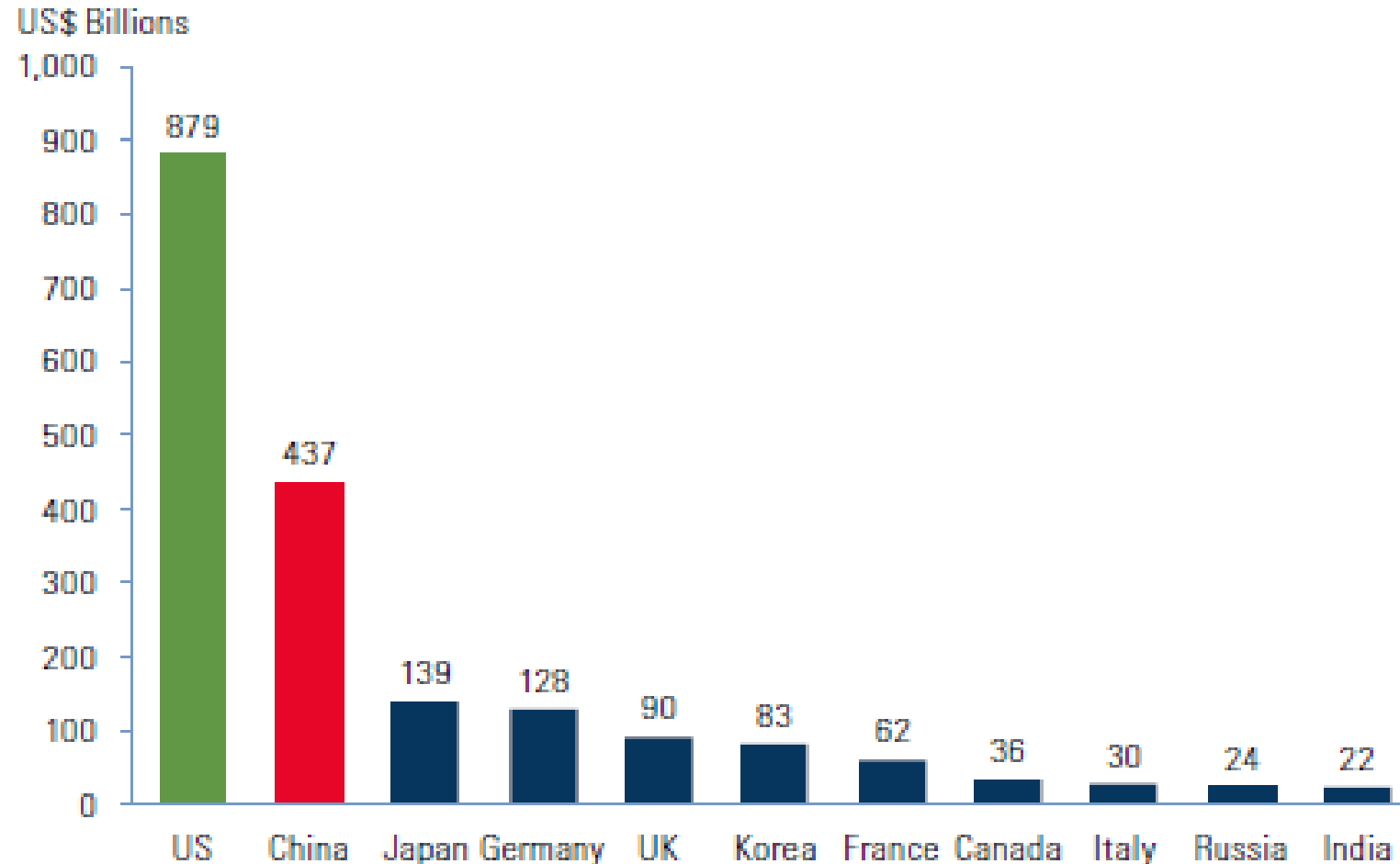
Capital Spending Components

Share of Capital Spending As a Percent of GDP, annual



Countries Ranked by R&D Spending

The US spent \$879 billion in 2022 on research, which is more than the next five countries combined.



Data as of 2022.

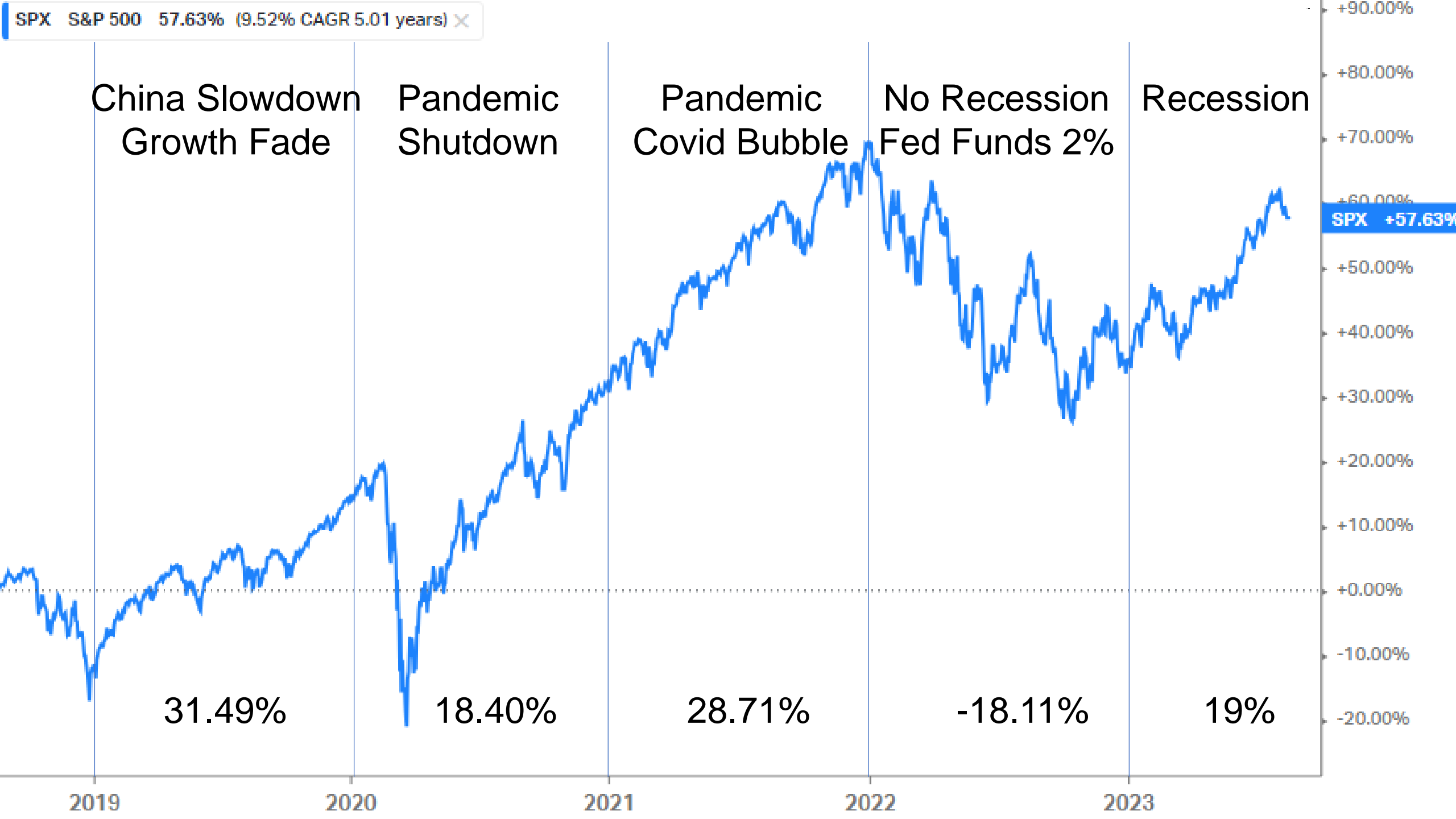
Source: Investment Strategy Group, Haver Analytics.

High Yield Credit Spread

FRED

ICE BofA US High Yield Index Option-Adjusted Spread





China Slowdown
Growth Fade

Pandemic
Shutdown

Pandemic
Covid Bubble

No Recession
Fed Funds 2%

Recession

31.49%

18.40%

28.71%

-18.11%

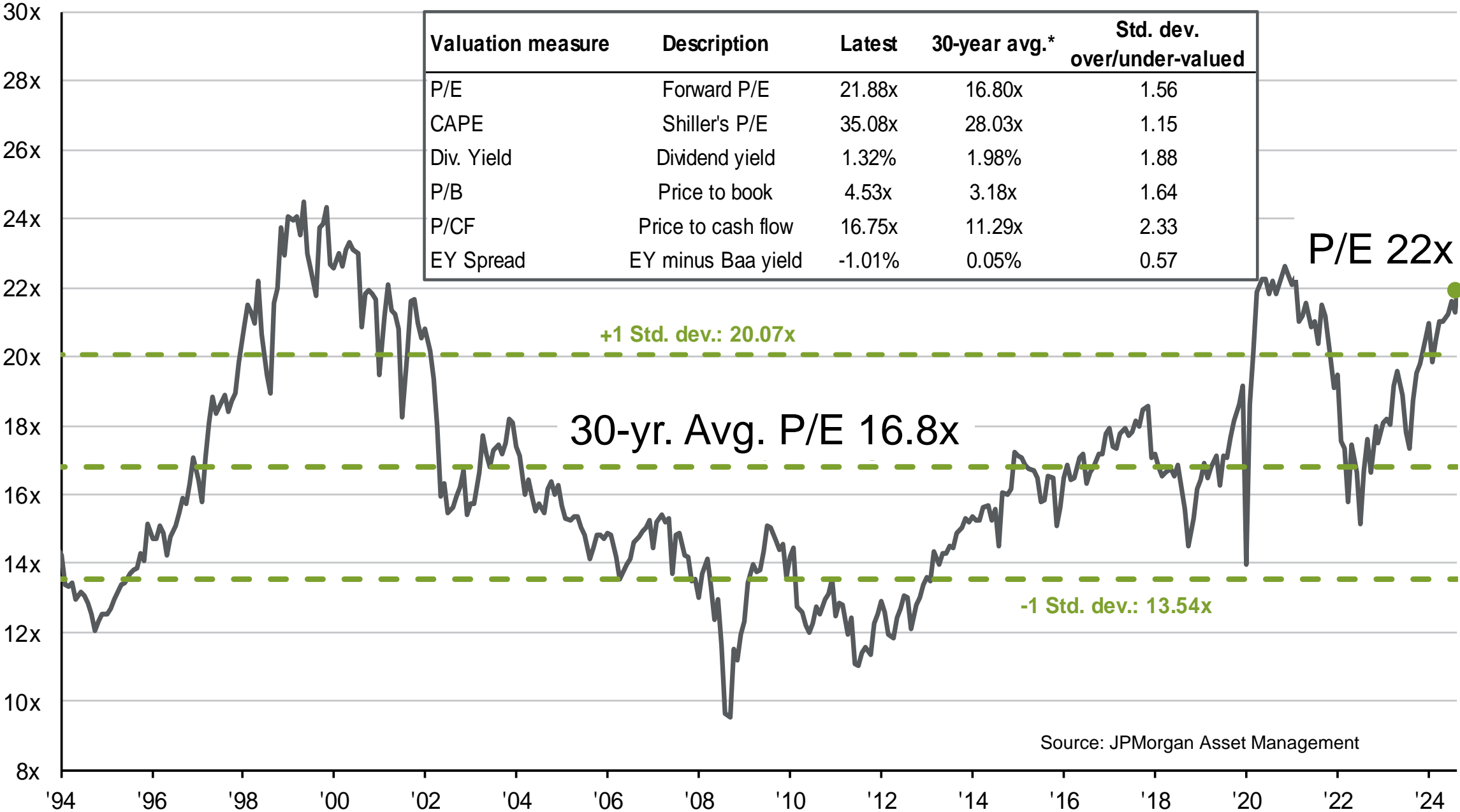
19%

SPX +57.63%

Most Obvious Negatives

- High Valuation
- Market Concentration
- Exuberance

S&P 500 Valuation; Forward P/E Ratio



4th highest S&P 500 trailing P/E in past 124 years

S&P 500 Trailing P/E



Source: BofA Global Investment Strategy, Bloomberg. Trailing 4Q PE (GAAP until 1960, Pro-forma thereafter).

Equity Risk Premium

| | <u>Stock Price</u> | <u>Earnings</u> | <u>Risk Free Rate</u> | <u>Risk Premium</u> |
|------|--------------------|-----------------|-----------------------|---------------------|
| 2024 | 6,040.00 | 245.40 | 5.00% | -0.9% |
| 2023 | 4,769.83 | 220.72 | 5.33% | -0.7% |
| 2022 | 3,839.50 | 219.19 | 4.00% | 1.7% |
| 2021 | 4,766.18 | 208.49 | 5.00% | -0.6% |
| 2020 | 3,756.07 | 140.46 | 0.09% | 3.6% |
| 2019 | 3,220.00 | 163.13 | 1.58% | 3.5% |
| 2018 | 2,767.00 | 162.65 | 1.30% | 4.6% |
| 2017 | 2,673.61 | 131.45 | 0.54% | 4.4% |
| 2016 | 2,238.43 | 118.24 | 0.24% | 5.0% |
| 2015 | 2,043.94 | 106.32 | 0.12% | 5.1% |
| 2014 | 2,058.90 | 113.01 | 0.09% | 5.4% |
| 2013 | 1,848.36 | 107.30 | 0.16% | 5.6% |
| 2012 | 1,426.19 | 96.82 | 0.07% | 6.7% |
| 2011 | 1,257.60 | 96.44 | 0.18% | 7.5% |
| 2010 | 1,257.64 | 83.77 | 0.12% | 6.5% |
| 2009 | 1,115.10 | 56.86 | 0.16% | 4.9% |
| 2008 | 903.25 | 49.51 | 4.24% | 1.2% |
| 2007 | 1,468.36 | 82.54 | 5.24% | 0.4% |
| 2006 | 1,418.30 | 87.72 | 4.16% | 2.0% |
| 2005 | 1,248.29 | 76.45 | 2.16% | 4.0% |
| 2004 | 1,211.92 | 67.68 | 0.98% | 4.6% |
| 2003 | 1,111.91 | 54.69 | 1.24% | 3.7% |
| 2002 | 879.82 | 46.04 | 1.82% | 3.4% |
| 2001 | 1,148.09 | 38.85 | 6.40% | -3.0% |
| 2000 | 1,320.28 | 56.13 | 5.30% | -1.0% |

TBD

-18.11%

-37%

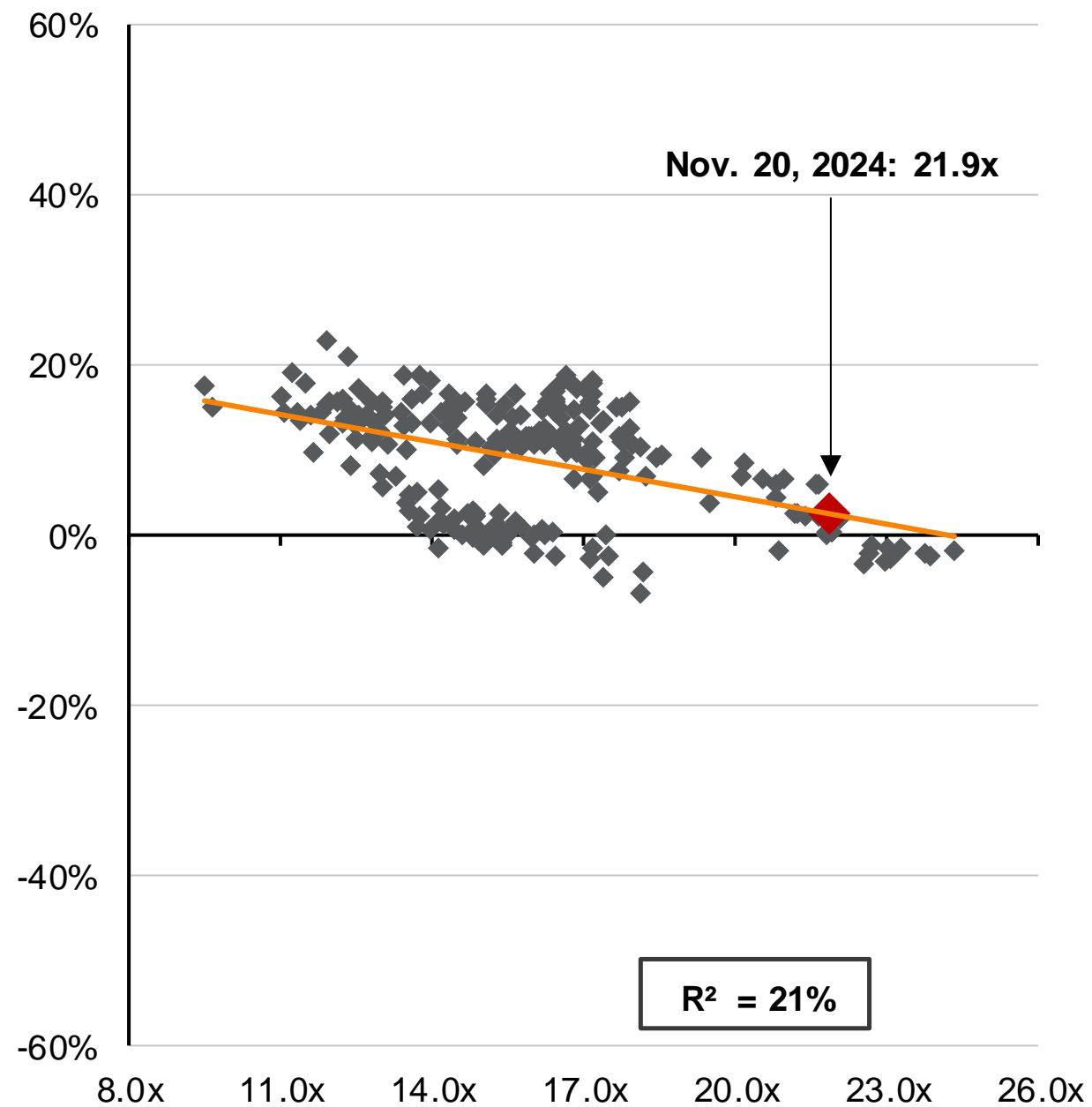
-22.10%

-11.89%

-9.10%

Forward P/E and subsequent 5-yr. annualized returns

S&P 500 Total Return Index



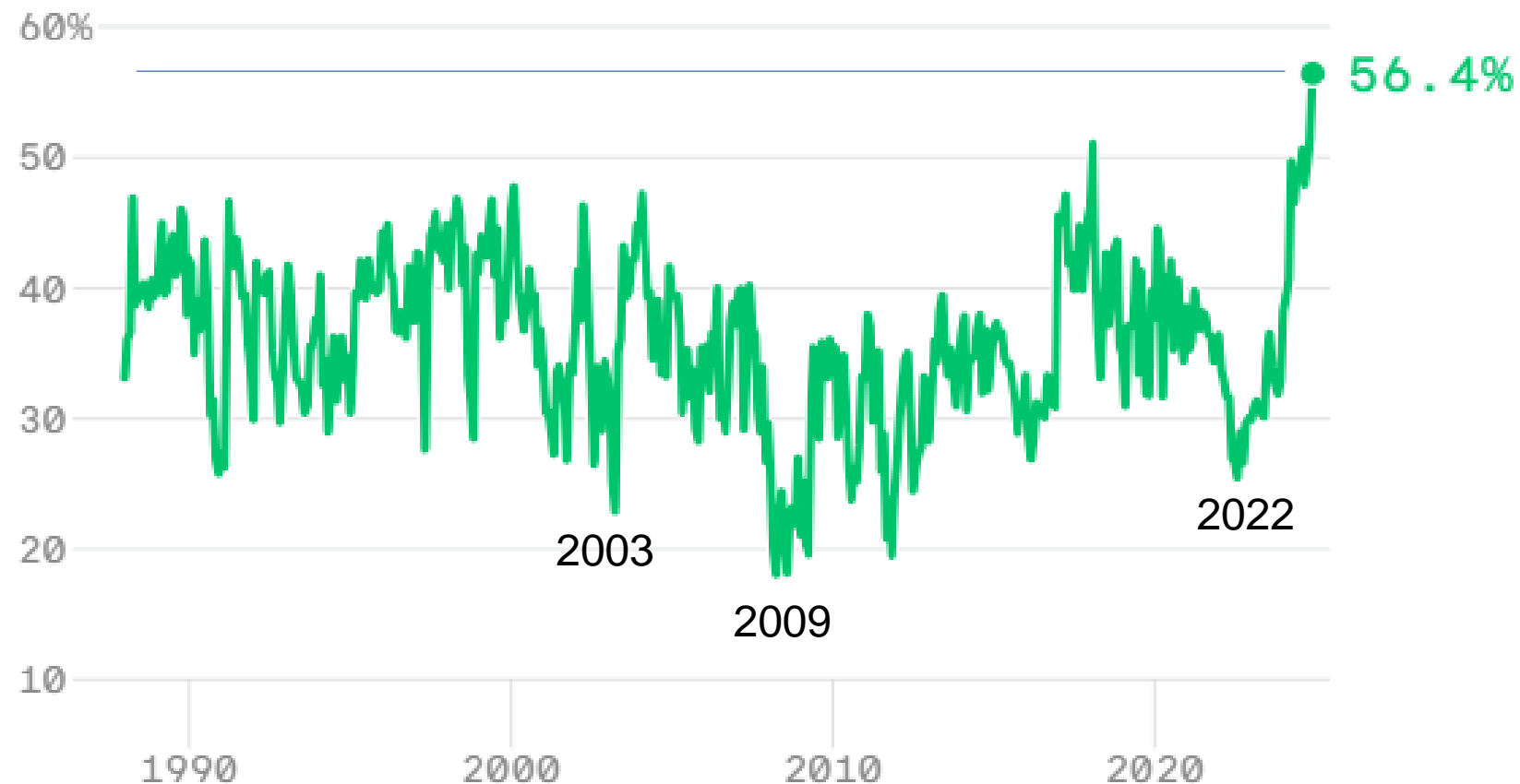
Weight of the top 10 stocks in the S&P 500

% of market capitalization of the S&P 500



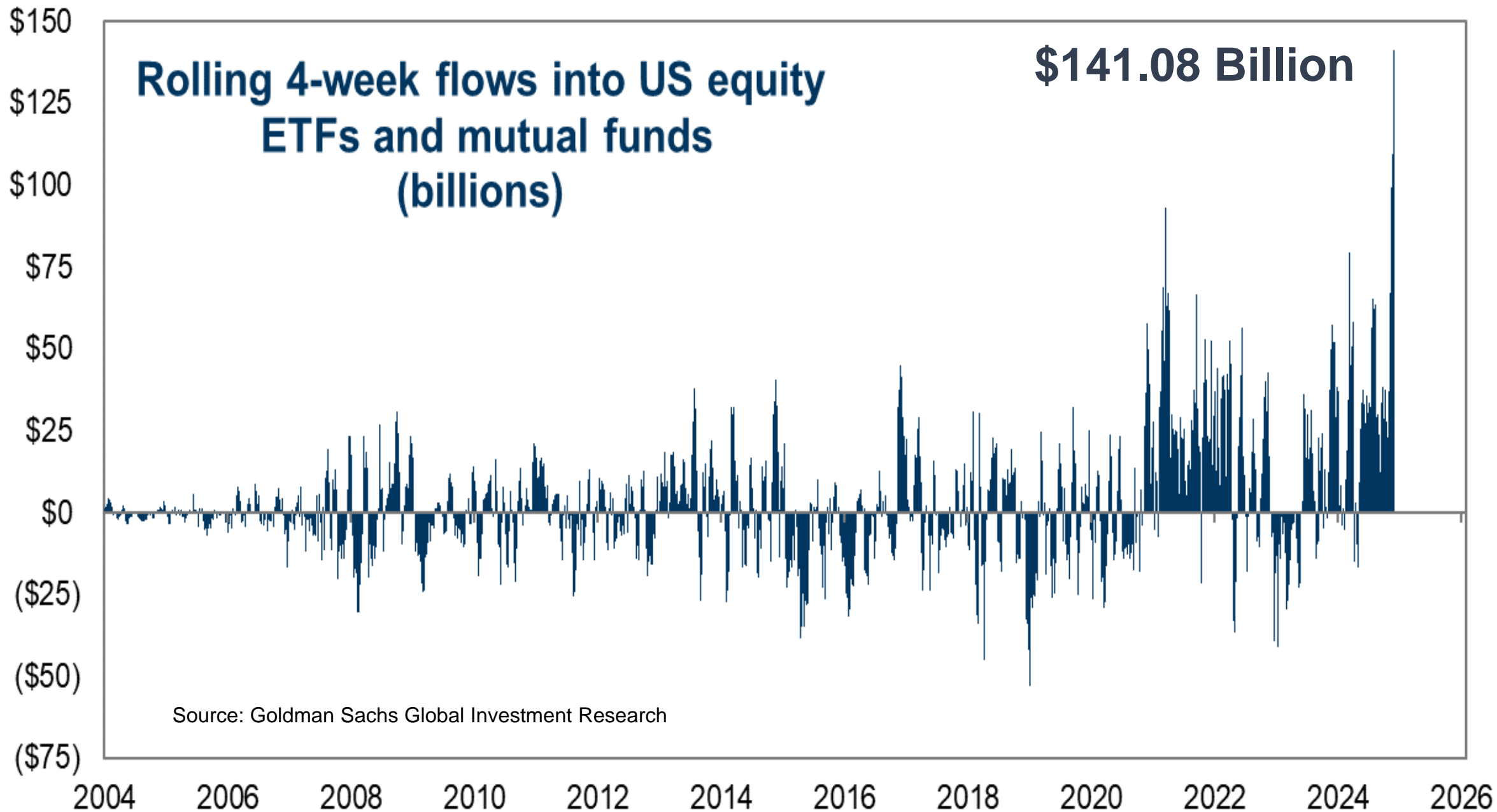
Share of Americans who say they think stock prices will increase in the year ahead

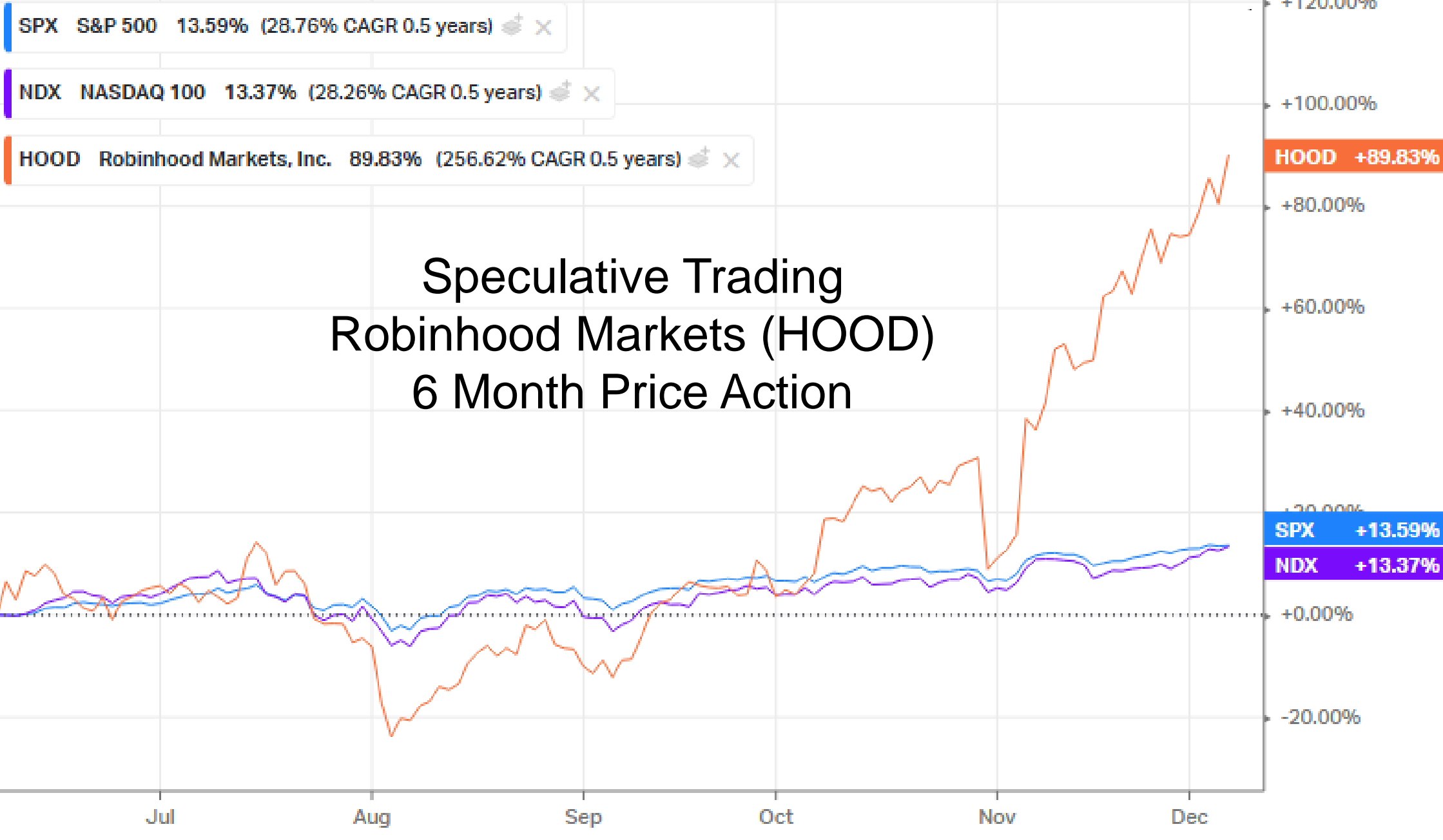
Monthly surveys of 3,000 U.S. adults from December 1987 to November 2024; Most recently conducted in November 2024 with preliminary results



Data: The Conference Board via FactSet; Chart: Axios Visuals

U.S. Equity Inflows



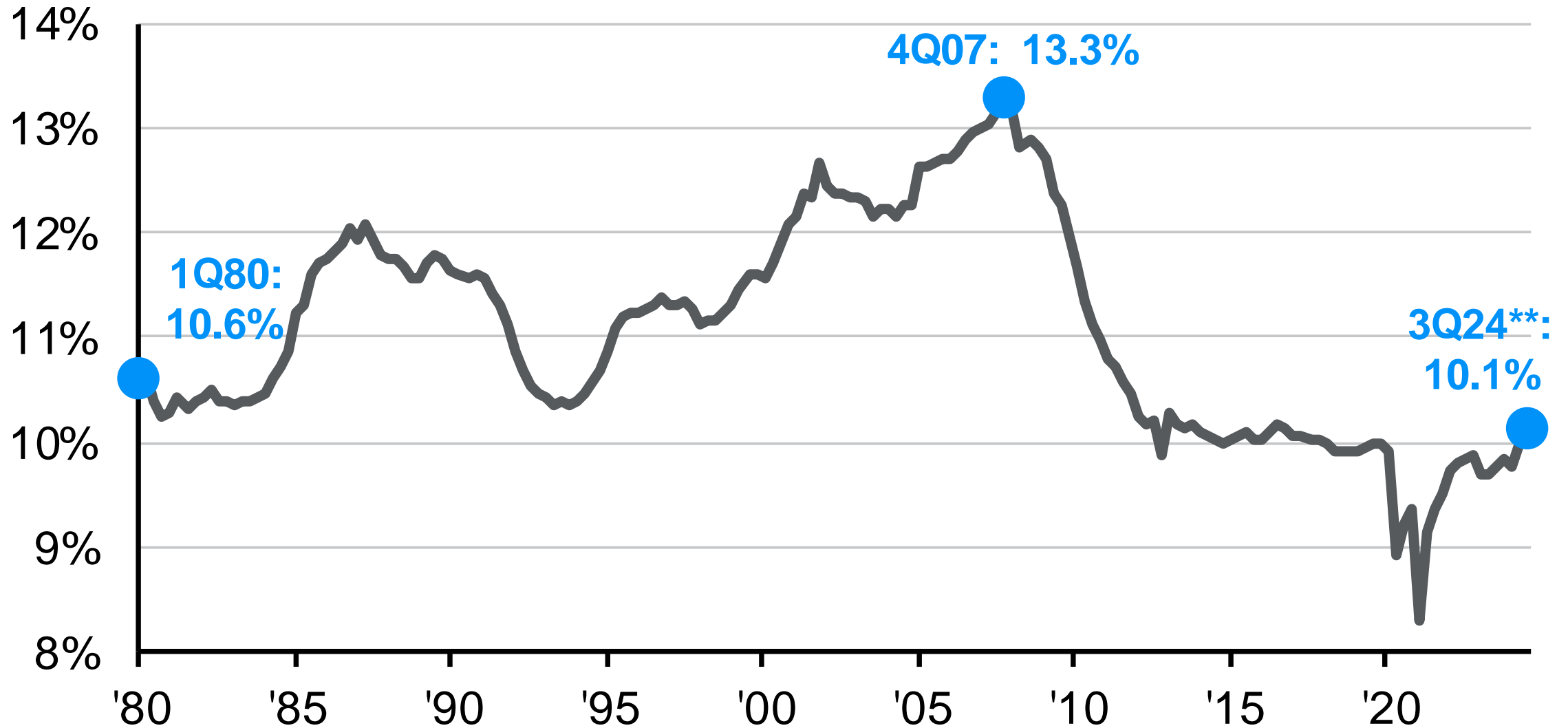


Economic Negatives:

- Stretched Consumer – rising debt levels, falling savings rate
- Fiscal deficits – higher taxes, lower government spending
- Rate cuts by Federal Reserve less than expected – stubbornly high inflation, better than expected growth
- Labor market cooling
- China economic fundamentals slowing – large erosion of wealth from falling house prices

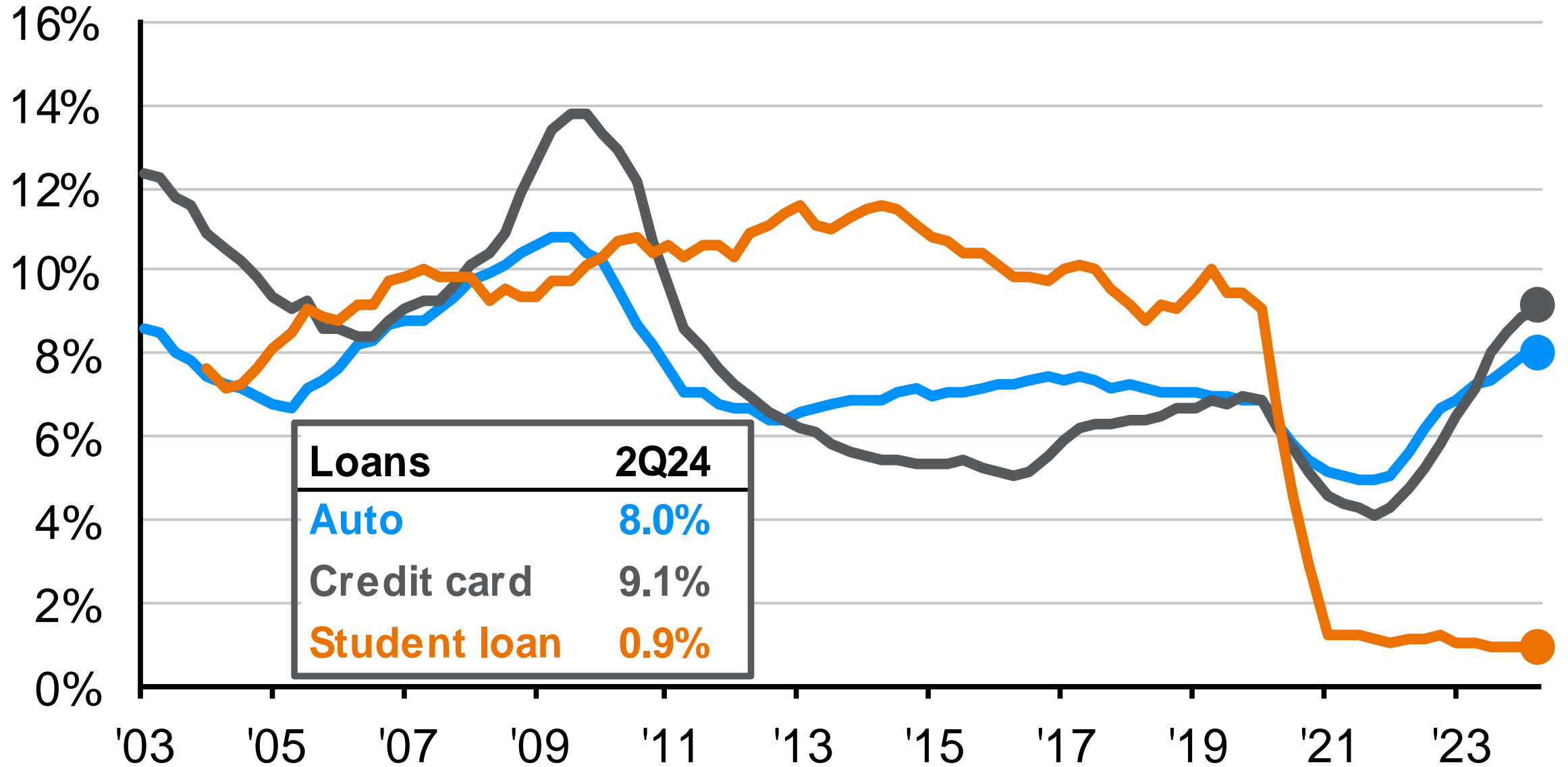
Household debt service ratio

Debt payments as % of disposable personal income, SA



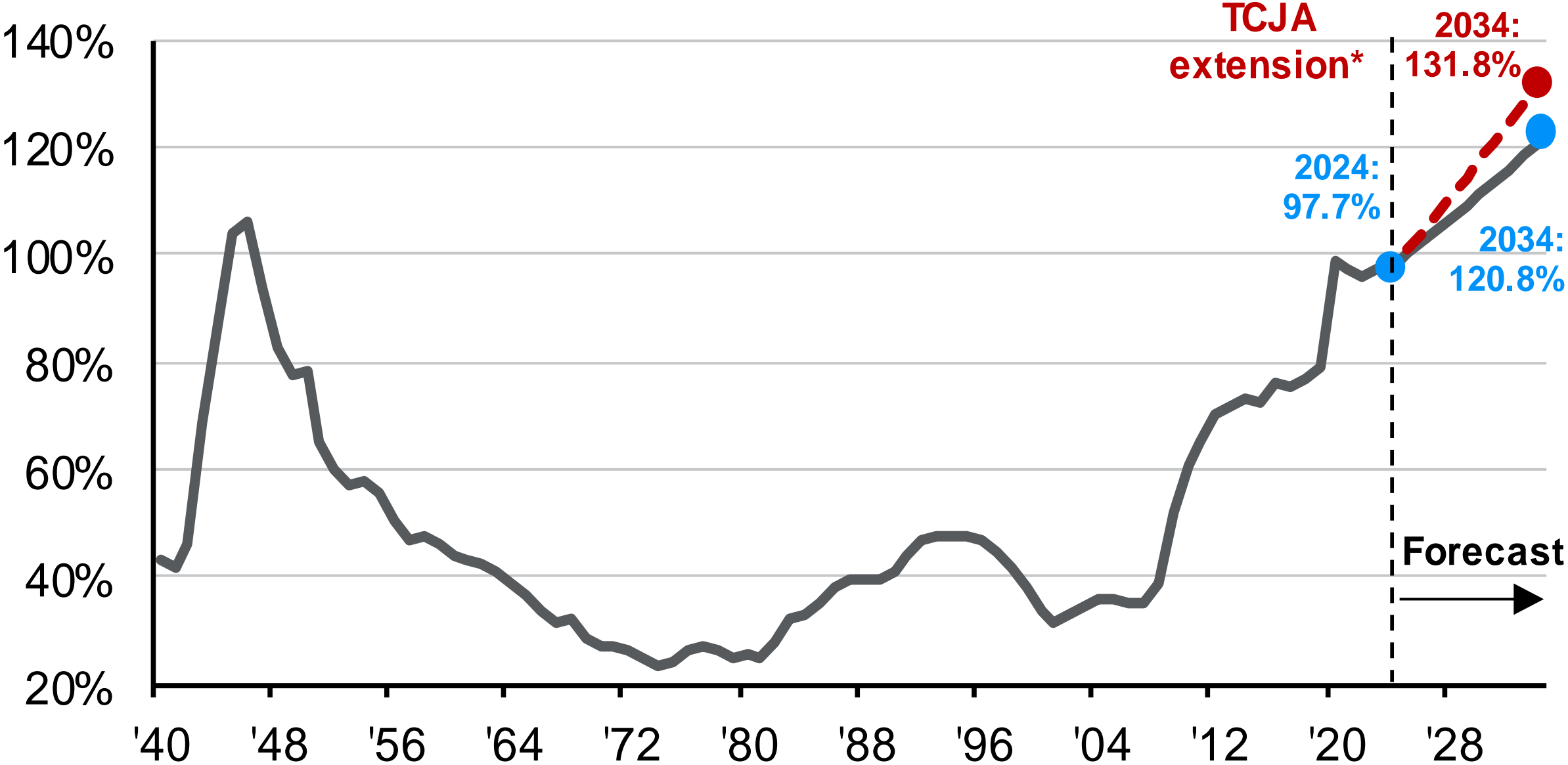
Flows into early delinquencies

% of balance delinquent 30+ days

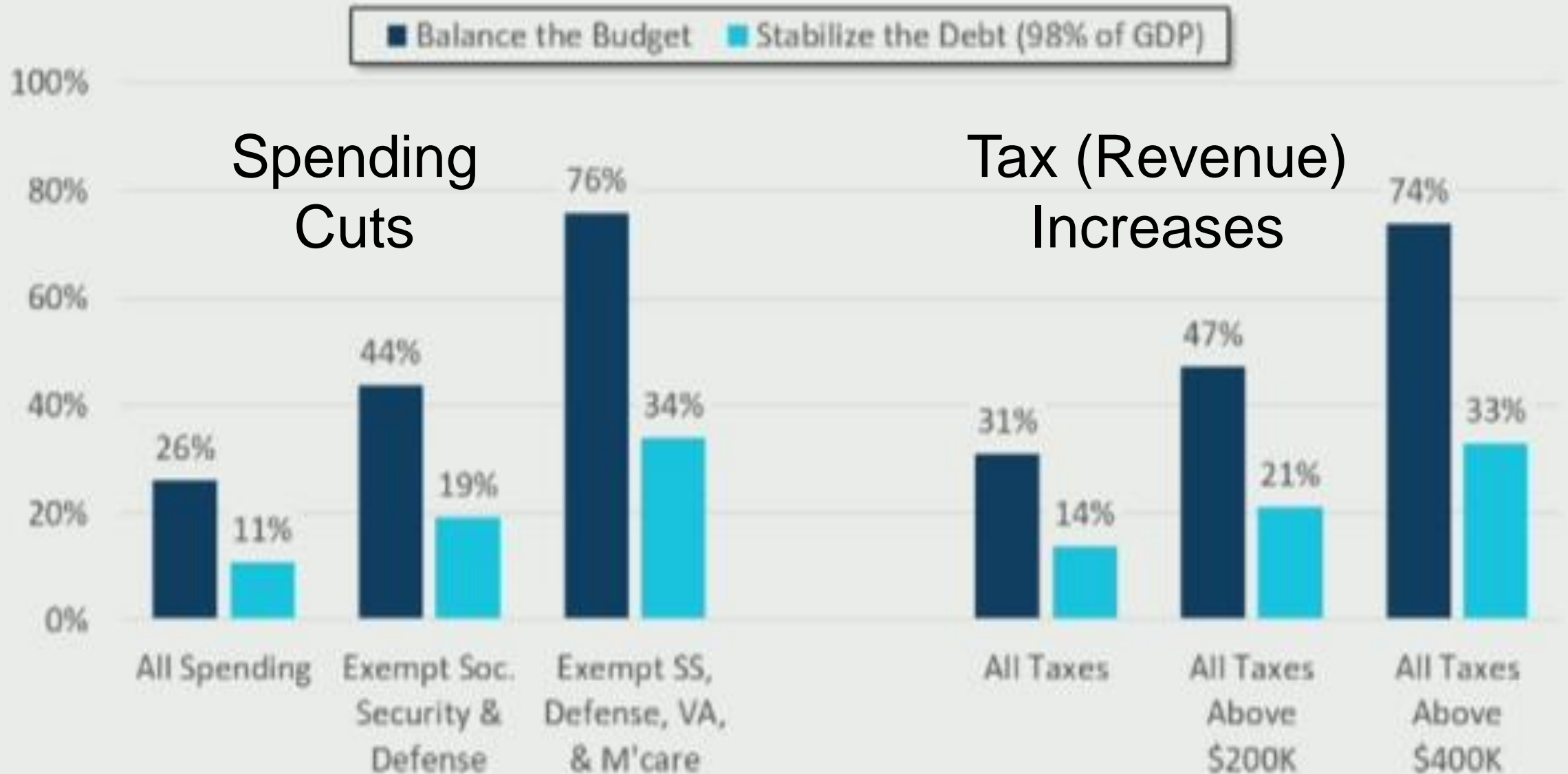


Federal net debt (accumulated deficits)

% of GDP, 1940-2034, CBO Baseline Forecast, end of fiscal year

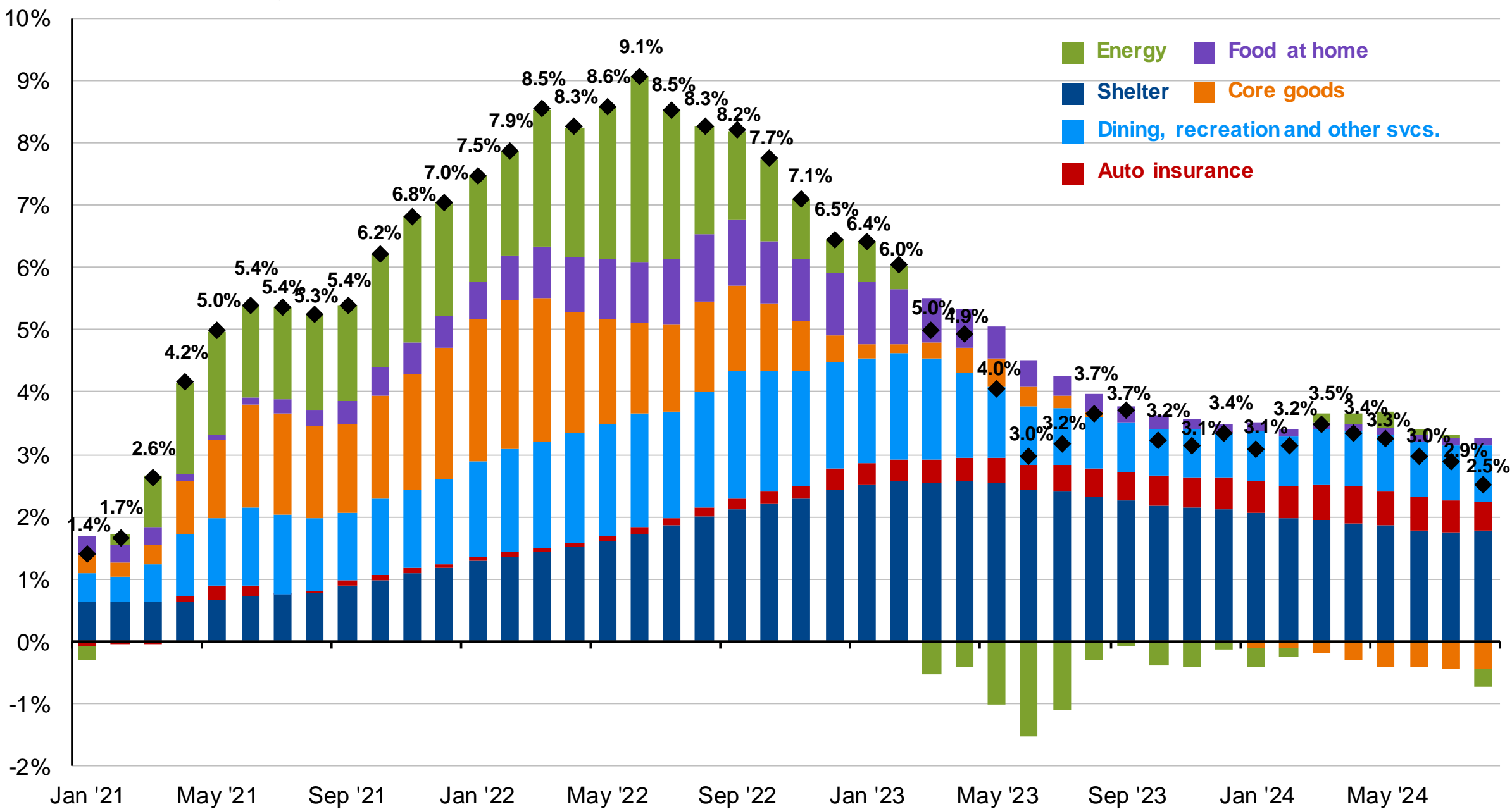


What is required to balance the budget and stabilize debt to GDP at 98%?



Contributors to headline CPI inflation

Contribution to y/y % change in CPI, non-seasonally adjusted



Investment Thoughts

1. The S&P 500 Index is an active, rebalanced momentum portfolio. It is used universally as “the benchmark” so it must be owned. Any decision to move away from the S&P 500 involves elevated risk in institutional investing.
2. Risk is measured by volatility. Over time, up and down volatility cancels out and you are left with the trend. Would you have been happy with S&P 500 returns for the past several decades?
3. Our problem is time. Because our time is limited, we cannot rely on time to resolve our downside risk potential. If you have time, get long.
4. In bullish periods, the S&P 500 delivers double digit annual returns. In bearish periods, average annual returns zero to low-single digit. The blend of bullish and bearish returns over the past 100 years is where the 7-8% average annual return comes from. Bearish periods may last for at least a decade.

Fixed Income

The 5-year forward average annual return of the Barclays Agg bond index has a 94% correlation with the starting yield to maturity. PIMCO

- PIMCO Short Maturity ETF (MINT): 6% yield-to-maturity, 0.1 year duration, multi-asset, investment grade.
- PIMCO Multi-Sector Bond ETF (PYLD): 7% yield-to-maturity, 5-year duration, multi-asset, some high-yield exposure.
- Pioneer Securitized Income (SYFFX): 9% yield-to-maturity

Don't Let Cash Be Idle

High quality, short-duration bonds

MINT: PIMCO Enhanced Short Maturity ETF
5.3% interest

GSST: Goldman Sachs Ultra Short ETF
5.3%

Taxable Accounts

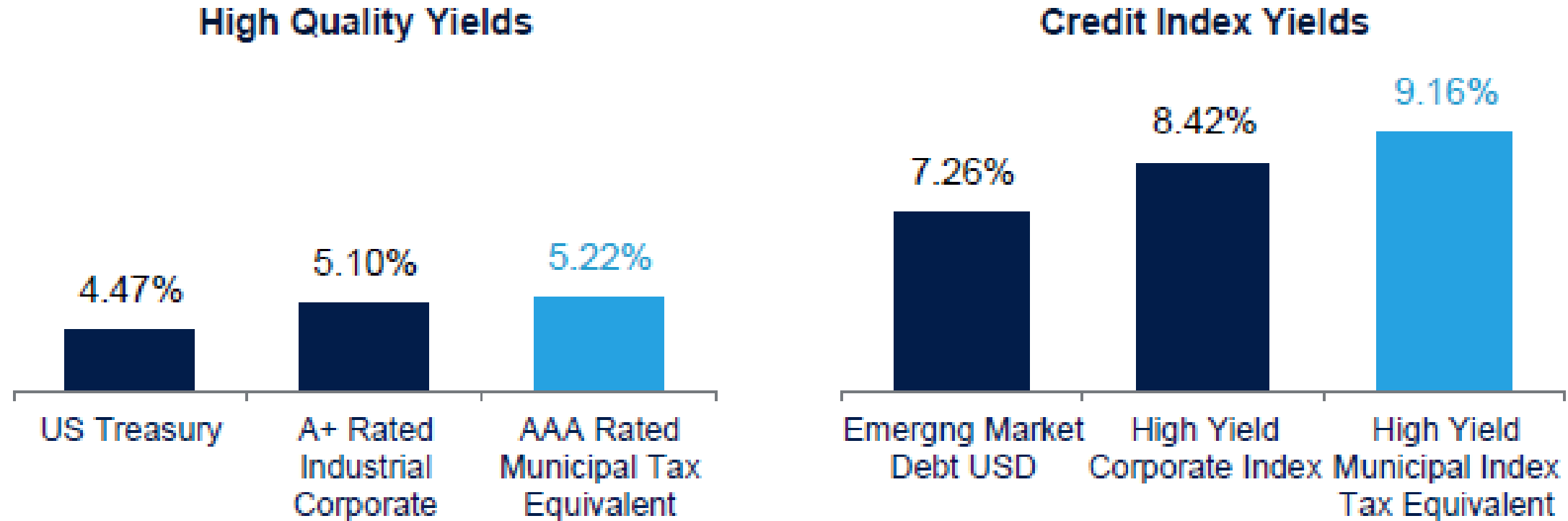
High-yield Municipal Debt Fund (e.g., **GHYIX**, **PHMIX**)

GHYIX: Goldman Sachs High Yield Muni Mutual Fund

PHMIX: PIMCO High Yield Muni Mutual Fund

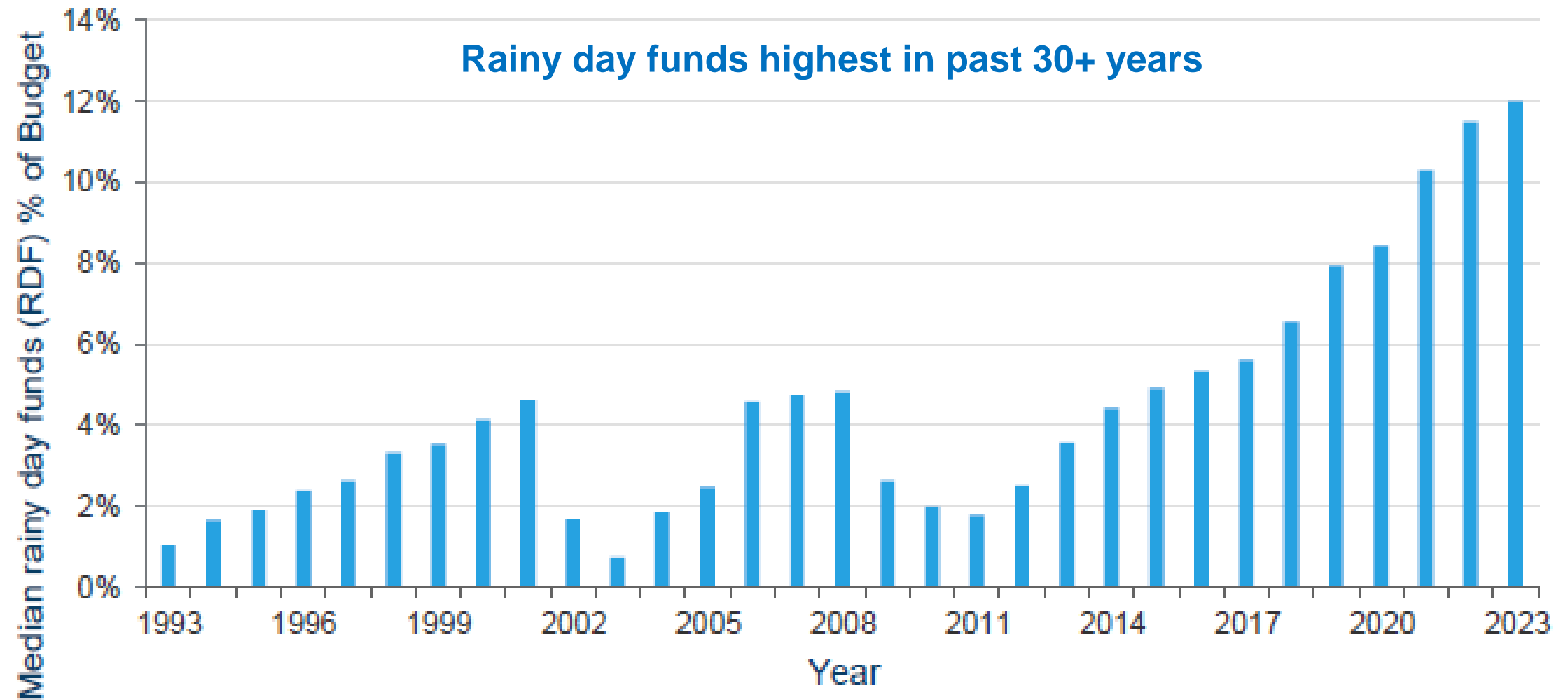
- Federal tax free
- After tax equivalent yield roughly 8% (high tax bracket)
- Low correlation to equity markets
- Benefit from interest rate stabilization and decline
- Fully high yield only available in mutual funds, not ETFs

Taxable Accounts – Munis Score Well



Source: Bloomberg 8/10/2023, Treasury, US Corporate Industrials A Rated, and US Municipal AAA Rated BVAL 15 year points. Tax adjusted at 37%. Chart 2: Bloomberg Emerging Market Hard Currency Index USD, Bloomberg High Yield Corporate Index, Bloomberg High Yield Municipal Index. Indices are unmanaged and their returns assume reinvestment of dividends and do not reflect any fees or expenses. It is not possible to invest directly in an index. See last page for further information about indices shown.

Taxable Accounts – Munis



Taxable Accounts

Enterprise Product Resources MLP (**EPD**)

- 6.4% dividend payout
- Tax free until principal returned
- Roughly 3-5% average annual dividend increase
- Favorable oil/gas production outlook
 - AI data center demand
 - EV and all-electric transition
 - 65% of electricity powered by natural gas

More broadly, Natural Gas and Nuclear Energy
e.g. (**GEV**, etc.)

Yield and Growth

Buy-write Equity

- **SPYI:** Neos S&P 500 High Income ETF
 - YTD through November 21.47%, 12% yield
 - S&P 500 with call writing
- **GPIX:** Goldman Sachs S&P 500 Income ETF
 - YTD through November 24.05%, 8% yield
 - S&P 500 with call writing

Yield and Growth

Buy-write Equity

- **JEPQ:** JPMorgan NASDAQ 100 Income ETF
 - YTD through November 25.18%, 11% yield
 - NASDAQ 100 with call writing
- **GPIQ:** Goldman Sachs NASDAQ 100 Income ETF
 - YTD through November 23.78%, 10.5% yield
 - NASDAQ with call writing

Yield and Growth

Buy-write Equity

- **JEPI:** JPMorgan Premium Income ETF
 - YTD through November 17.2%, 8% yield
 - Large Cap, Quality with call writing
- **BUYW:** Main Management Income ETF
 - YTD through November 9.74%, 6% yield
 - Index ETFs with call writing

Hedged ETFs

S&P 500 Benchmark with Downside Protection

- **ACIO:** Aptus Collared Investment Opp ETF
 - YTD through November 24.63%
- **SFLR:** Innovator Managed Floor ETF
 - YTD through November 22.48%
- **HELO:** JPMorgan Laddered Overlay ETF
 - YTD through November 19.87%
- **FHEQ:** Fidelity Hedged Equity ETF
 - Inception 4/11/2024
 - June – Nov 12.74%, S&P 500 14.5%