



## Q2 2023 Conference Call Outline

You can click on each link to jump to the discussion of the topic.

- [Guest Speakers Brian Gildea and Dave Rueth from Hamilton Lane](#)
  - Chicago Partners looks for investments that can help our clients beat inflation consistently over time and complement public equities.
  - Hamilton Lane's Private Assets Fund presents an opportunity to gain exposure in the private markets. The vast majority of companies with over \$100 Million in revenue are privately owned.
  - Hamilton Lane is a long-tenured leader in the private markets, able to deliver the entirety of the strength of the global platform, creating an attractive return profile with less volatility than the public markets.
- [The U.S. Treasury Yield Curve](#)
  - The market is anticipating lower interest rates in the future, so it's pricing that in today.
- [World Interest Rate Probability](#)
  - There is a 69.2% chance that the Fed will raise rates another 25 basis points.
  - The market is pricing in that either in July or September (or maybe both) the Fed will cut interest rates.
- [U.S. Dollar Impact on Stocks](#)
  - The inverse correlation between the U.S. Dollar and the S&P 500 has persisted, indicating that a lot of the movements in the S&P 500 are algorithmic, which is why we like to diversify portfolios with funds that have access to the private markets.
- [U.S. Debt Clock](#)
  - The markets are anticipating that interest rates will be going down in order to finance the \$31 Trillion deficit.
- [The Fed & Interest Rates](#)
  - The Fed is trying to bring down inflation to their goal of 2.5%.
- [Interest Rates and Inflation](#)
  - The real yield (taking into account inflation) is still negative, despite the Fed's efforts.
- [Asset Allocation – Inflation](#)
  - Moderate inflation produces the most efficient market.
- [S&P 500 Index Market Peaks, Corrections, Bear Markets, and Equity Levels](#)
  - It takes, on average, about 2 years for the equity market to recover from a bear market.
- [Tax, Diversification, & the Volatility of Returns](#)
  - As the time horizon extends, negative volatility dissipates.
- [Why Have a Disciplined Investment Approach?](#)
  - History shows that we have a bull market 63.7% of the time, so it's better to be in the market, than to try to time the market.
- [The Market Return Equation](#)
  - The market return is always made up of three components: earnings growth, dividend yield, and the change in the P/E ratio.
- [Evolving Portfolio DNA](#)
  - CP looks to change the makeup of client asset allocations to dampen volatility.



- [Major Leagues- CP's Strong Performers](#)
  - Variant, Cliffwater, & Cliffwater Enhanced continue to perform well for our clients.
  - [CEDIX](#) is a newer, exceptional fund that made it into the majors after we worked with Schwab to make it available on their platform.
    - CP can help you invest in the [Institutional Share Class](#), and the difference in yield, as compared to the retail share classes, is vast.
- [AAA Farm Team- CP Investment Committee's Research and Development](#)
  - [SOFIX](#) is an excellent private credit fund that we are working to get on the Schwab and Fidelity platforms, hopefully within the next quarter.
  - [Brookfield](#) is another fund that is similar to an interval fund with quarterly liquidity and monthly subscriptions.
  - [Innovator Barrier ETF](#) allows for, from an income standpoint, a distribution rate of 7.32%. All investors will collect the 7.32% as long as the S&P 500 doesn't break the 30% downside barrier. If, for example, the market was down 31%, then the total return would be -31% minus the positive 7.32%, so -23.68%.
- [Optimal Recessionary Conditions](#)
- [Leading Economic Indicators](#)
- [PwC Corner – Partner Deposit Program](#)
  - Changes to rate spreads and terms will be effective July 1<sup>st</sup>, 2023.
- [Client Experience](#)
  - Please reach out to your advisor if you are not yet set up on our client portals.
  - It is important to remember that the custodians (i.e., Fidelity, Charles Schwab, and TD Ameritrade) are the protectors of your assets.
- [Cash Management](#)
  - Twice a month, all accounts will be reviewed, and all cash that is not being used within 30 days will be automatically swept into a money market fund.
  - Through [Flourish Cash](#), individuals with excess cash in their bank accounts over the FDIC limits can increase their coverage level, by sweeping a set amount (usually anything over \$250,000) among their partner banks.