



Q2 2024 Conference Call Summary

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

- [The Holy Grail of Investing](#)
 - The goal of investing is to minimize volatility while amplifying strong returns. A portfolio may be able to achieve this through diversification.
- [Correlation](#)
 - Having a higher amount of non-correlated assets in your portfolio can reduce volatility and risk while continuing to amplify returns by increasing diversity.
- [Private Debt Vs. Traditional Fixed Income](#)
 - Over a 5-year, 10-year, 15-year, 20-year, and 25-year period; private debt has dominated over traditional fixed income.
- [Inflation](#)
 - Inflation remains high impacting annualized return, but the Federal Reserve's goal is to get inflation down to about 2.5% to a moderate level where capital market assets expect higher returns and the economy has the capacity to perform stronger.
- [The U.S. Treasury Yield Curve](#)
 - The US. Treasury Yield Curve is inverted where the short-term interest rates are higher than long-term interest rates.
 - The Fed is trying to curtail the amount of inflation in the economy by raising interest rates to restrict the level of economic activity.
- [Central Bank Total Assets](#)
 - The Fed is selling assets to restrict economic activity. This is quantitative tightening.
 - There is a 50/50 chance the Fed will cut interest rates mid-year.
- [National Debt](#)
 - The U.S. national debt is up to \$34.6 Trillion, and the interest on the debt is up to \$802 Billion. Total national assets in the U.S. are growing which means wealth is being created in the economy even though we see increases in debt.
 - The President's Federal Budget Proposal has receipts of about \$5.5 Billion with spending being \$7.2 Billion. Excess spending is about \$1.8 Billion.
- [The Fed & Interest Rates](#)
 - Bond market history has seen the worst 3–4-year period this past 3-4 years. Chicago Partners is working to mitigate the risk to your portfolio by allocating to uncorrelated investments like private credit.
- [The Market Return Equation](#)



- The market return is made up of three components: earnings growth, the dividend yield, and the change in the P/E ratio.
- [S&P 500 Valuation Measures](#)
 - Valuation is on the higher side with the latest P/E ratio on the Forward P/E being about 21 and the 30-yr average being about 16.
- [Major League Performers Update](#)
 - Variant, Cliffwater Corporate Lending, Cliffwater Enhanced, BlueBay Destra, BC Partners Opportunistic Credit, Innovator Equity Managed Floor
- [Rewarding Distribution of the US Stock Market Returns](#)
 - In stock market history going back to 1926, 74% of the time the stock market has been positive and 26% of the time the stock market has been negative. Chicago Partners' goal is to minimize the negative years.
- [Minor League Performers Update](#)
 - Abacus Life, Pantheon Private Credit
- [Private Credit Update](#)
 - Private credit has remained at or near the top in performance for most years with last year being a high 12.66%.
- [Checklist: Optimal Recessionary Conditions](#)
- [Leading Economic Indicators](#)
- [The 14 Stages of Trading Psychology](#)
- [Election Year Impact on the Market](#)
 - The market continues to move forward regardless of who is in office. Most major events that occur in the stock market are due to non-political factors.
 - The average annual return is 8.58% for presidential election years and 9.48% for non-election years which indicates there is not a major difference between election and non-election years.
 - It is important to have a strategy that is in line with your long-term investment goals. Staying invested in your plan is the best way to succeed in your portfolio.
- [Client Portals & Login Information](#)
- [Young Investors Webinar](#)
 - Chicago Partners is starting a webinar series aimed to prepare young investors for a lifetime of financial success through informational presentations. Use [this link](#) to invite a young investor to the online seminar series.
- [Q&A](#)