



Q3 2024 Conference Call Summary

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

- [Creditism](#)
 - Think of today's Global economy as a metaphor for a large rubber raft – instead of being inflated with air, it is inflated with credit. On top of the raft is the asset classes, stocks, bonds, property, commodities and gold
- [Global Fixed Income](#)
 - The Global Bond Market has experienced dramatic changes over the past 35 years - the market has grown from 10 trillion USD to 140 trillion USD; the US portion has grown from 7 trillion USD to 55 trillion USD
 - As the market grows, governments are incentivized to have some inflation
- [US Treasury Yield Curve](#)
 - The US Treasury Yield Curve is inverted due to short-term interest rates (5.3%) being higher than long-term interest rates (4.3%)
 - Fed Funds indicate a chance of 3 rate cuts - 74% in September, 57% chance in November, 87% chance in December
- [Current National Debt](#)
 - Rate cuts matter because our current national debt is \$34.9 trillion, and interest on the debt is \$889 billion
 - The fed's long-term goal is to return to normal interest rates of 2.8%
- [Bond market](#)
 - The Public Fixed Income Market has not delivered over the past 3 ½ years, but if the fed cuts interest rates, the public fixed income market may be more attractive over the next 3 years
- [Interest Rates & Inflation](#)
 - Nominal yields do not subtract inflation where real yields do account for inflation.
 - The current nominal yield is 4.36%, inflation is 3.41%, leaving the current real yield at about 1%.
- [Market Return and Earnings Growth](#)
 - Current expected earnings growth in the next 12 months is 10.72%, the current dividend expectation is 1.38%, and the current P.E. Ratio is elevated to 22.28
 - We expect a 12% return over the next 12 months
 - Growth in the economy is driven by earnings growth
- [S&P 500 Valuation Measures](#)



- Relative to history, the market is currently overvalued
- We are headed towards the lower end in terms of expected future growth of returns, but it is still positive
- [Checklist: Optimal Recessionary Conditions](#)
- [Leading Economic Indicators](#)
- [Evolving portfolio DNA: Updates on the Chicago Partners Investment portfolio](#)
 - Growing from a public-only portfolio to a blend of public and private markets
 - Publicly listed domestic companies have decreased, but the economy has grown, indicating large public companies have grown along with private markets that have also grown
- [Risk vs. Return for Private vs. Public Equity](#)
 - Private equity has consistently outperformed public equity
 - Objective is to prudently allocate to the private markets when attractive opportunities are presented
- [Private Equity as a core part of Institutional Investors' portfolios](#)
 - Global marketplace for various private equity funds has evolved, leaving a greater number of liquid options to gain exposure to this asset class
- [Private Markets: Total returns](#)
 - Volatility (Standard Deviation) is lower for private equity, amplifying compounded return.
- [Private Equity Valuation vs. S&P 500](#)
 - Not only is there less volatility in Private Equity markets, but the valuation is also less than public markets, such as the S&P 500
- [Major League: CP Strong performers Update](#)
 - Cascade Private Capital Fund, Innovator Equity Managed Floor ETF, Cliff Water Enhanced Lending
- [The Rewarding Distribution of US Stock return](#)
 - The average return since 1976 is about 12.8%. Chicago Partners' goal is to capture that average, but minimize extreme tail events of the curve
- [Minor League: AAA Farm Team](#)
 - Chicago Partners' Investment Committee utilizes premier, exclusive resources such as With Intelligence to identify and research high quality investments that may be appropriate for your portfolio
- [Fixed Income & Private Credit: Returns/Volatility Matrix](#)
 - Private credit return has been very strong based on their low risk and notable performance
- [Volatility Tax Mitigation](#)



- Our objective is to minimize the volatility tax in your portfolio to generate a smoother return, targeting a higher ending portfolio value over the long term
 - Echoes our rationale for including Private Assets that generate robust returns while reducing risk
- [14 Stages of Trading Psychology](#)
 - It is possible to be on different parts of the curve at once based on various asset classes
- [Estate Planning Checklist](#)
- [PwC Corner](#)
- [Client Tools and Resources:](#)
 - Client Access
 - Custodian Login
 - Client Portal and Mobile app
 - Wealth Management System (WMS)
- [Young Investors Webinar](#)
 - Highlights the basics of financial literacy and investing for Young Investors.
 - The second call of the series taking place on August 1st.
- [Accredited Investor Status](#)
- [Q&A](#)