GREENLEAF TRUST

Perspectives

A Greenleaf Trust Newsletter

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Michael F. Odar, CFA®
President
Chief Executive Officer

Welcome Home

There is a well-known expression "you can't go home again." Basically, it means that if you try to return to a place from your past it won't be the same as it was. The inference can often be that this is a bad thing because the place changed but the person did not. I believe places and people both change over time, and bringing them back together again can have beneficial results. In fact, there are a lot of expats returning to Detroit, and look at the results.

Please join me in welcoming our newest teammate back home to Birmingham, Michigan. Bill Feldmaier has recently joined Greenleaf Trust as our new Managing Director of our southeast Michigan market and will be located in our Birmingham office. Bill grew up in Birmingham and attended Birmingham Seaholm High School where as a quarterback he set numerous passing records. He and his family are returning home from the Annapolis, Maryland area.

Bill will be responsible for market strategy, business development, and leadership of our Birmingham office. He will be working throughout southeast Michigan to grow our wealth management, personal trust, family office and retirement plan business. We have known Bill for a long time and have been trying to convince him to come back home for the last six years. His proven leadership ability, knowledge of our industry, strategic thought process, and relationship skills are what impress us most about Bill. He joins Greenleaf Trust from Lord, Abbett & Co., where he was a director of consultant relations. Over the last 20 years, he has held senior national sales leadership roles at Transamerica, CUNA Mutual Group, and Comerica Bank. He is also a published author and has chaired numerous retirement industry conferences throughout the country.

Bill will be joining our talented team in Birmingham that has grown to 14 since we opened our doors in 2010. The team is diverse and has members from almost every one of our business divisions. I know he is excited about joining the Greenleaf Trust team because of our client centric service model, commitment to the communities we live and work in, and our organizational culture. We had more than a few conversations on these topics over the years and are excited that our opportunity aligned with his personal and professional goals.

We will formally welcome Bill back home February 23 at The Community House in Birmingham. There will be cocktails, hors d'oeuvres and the opportunity to meet Bill. If you would like to stop by, give our Birmingham office a call at 248-530-6200.

Nicholas A. Juhle, CFA®
Chief Investment Officer

As Goes January…

Last month, my esteemed colleague Chris Burns and I completed a whirlwind tour around the state to deliver our 2022 Year-in-Review and 2023 Outlook seminar. We presented in six markets in four days, starting in Kalamazoo before heading to Grand Rapids, Bay Harbor, Traverse City, Midland and finally Birmingham. After two years presenting in a virtual format, it was great to be back in person, and we were delighted to host and engage with nearly 400 of our clients and friends. If you were among those in attendance, thank you for joining us. If you weren't able to be there, a video recording of our Kalamazoo presentation is accessible on our website.

We're off to a good start in 2023. If you believe the notion that 'as goes January, so goes the year,' the so-called January Barometer suggests we may be in for a positive year in the stock market. The S&P 500 returned 1.4% in the first five trading days of the year and more than 6% for the month of January. Dating back to 1950, full year returns were positive 83% of the time when returns were positive in the first five days of the year with an average full year gain of more than 14%. Full year returns were positive 86% of the time when returns were positive in January with a full year gain of almost 18%.

"If you believe the notion that 'as goes January, so goes the year,' the so-called January Barometer suggests we may be in for a positive year in the stock market."

Unfortunately, correlation and causation are two different things. The existence of reliable calendar effects, or stock market movements seemingly related to the calendar, would create an opportunity to time the market. This opportunity would quickly be exploited, securities prices would incorporate the anomaly, and the "effect" itself would cease to exist. The same logic would apply to other calendar-related adages like "sell in May and go away," a "Santa Clause rally," or betting on certain years within the presidential cycle.

Looking ahead, Super Bowl LVII is scheduled to take place on Sunday, February 12. We will be watching closely to see which conference fields the winning team. This, too, has historically been a good indicator of how the markets will fare in the year ahead. The so-called Super Bowl Indicator supposes that if a team from the American Football Conference (AFC) wins, we will experience a down market, but if a team from the National Football Conference (NFC) wins, we will experience an up market. This relationship has proven true about 75% of the time over the last 56 Super Bowl games.

Hopefully, we can all agree that stock market returns have no more to do with the Super Bowl than they have to do with whether or not a black cat crossed my path on the way to the mailbox. For the record, it didn't. And just in case, go Eagles!

Obviously, we don't use a January barometer or a Super Bowl indicator to make investment decisions. Both reflect little more than spurious correlation and data-mining. As we discussed in our seminars, there are many unresolved issues that will impact the economy and the markets in potentially unforeseen ways over the next year. At the same time, and unlike at the onset of 2022, we believe investors have tightened their defenses and are more prepared for the curve balls 2023 might bring.

Further, and in spite of numerous shorter-term risks (such as one Mr. Patrick Mahomes (AFC)), history and our capital market assumptions support forward return expectations that are stronger than we've seen in many years. Lastly, we remind our clients that discipline is key, and to us that means staying committed to the financial plan you developed with your client centric team, avoiding major asset allocation shifts and resisting the temptation to time the market regardless of who wins the big game.

Thank you for your continued support of Greenleaf Trust and for the opportunity to serve on your behalf. Please contact any member of our team if you have questions.

"...history and our capital market assumptions support forward return expectations that are stronger than we've seen in many years."

The Intelligent Investor

Ali Fahs, CFA®
Vice President
Senior Equity Portfolio Manager

US equities have historically generated outstanding returns for long-term investors. Notwithstanding numerous recessions, market panics, wars, and a global pandemic, the S&P 500 has increased in value from 17 in 1927 to nearly 4,000 in 2022, equating to an annualized total return of nearly 10%. Today, S&P 500 index funds are available to virtually everyone, with transaction costs and expense ratios close to zero. The main cost of equity ownership resides in the acceptance of constant volatility. Equities not only bounce around daily, but also decline by an average of 20% every five years or so. Most investors understand the folly of market timing and the importance of maintaining exposure to a diversified equity allocation. Still, large price movements can be uncomfortable for most investors and even unnerving for some. So, how does an investor cope with outsized volatility, particularly at the individual security level?

When confronted with investment questions, I regularly turn to Warren Buffett's teachings for guidance. He considers Benjamin Graham's seminal book, *The Intelligent Investor*, the best investing book ever written. While the book largely shaped Warren Buffett's investment philosophy, there are two chapters in particular that he believes had the most significant impact. "Chapters 8 and 20 have been the bedrock of my investing activities for more than 60 years. I suggest that all investors read those chapters and reread them every time the market has been especially strong or weak." Since markets have been especially weak over the past twelve months, I heeded Mr. Buffett's advice and reread both chapters.

"When confronted with investment questions, I regularly turn to Warren Buffett's teachings for guidance."

In Chapter 8, Benjamin Graham advises us to view the stock market as a

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private business partner, Mr. Market. "Every day he tells you what he thinks your interest is worth and furthermore offers either to buy you out or to sell you an additional interest on that basis." The twist is that your business partner, Mr. Market, is quite temperamental. When he's gleeful about the business' prospects, he offers to buy your stake at ever-increasing prices. When the outlook is less rosy, Mr. Market runs for the exit with little regard for the price he's willing to accept. Mr. Graham's metaphor illustrates how share price movements regularly drive narratives and why stocks become meaningfully mispriced.

In Chapter 20, Benjamin Graham expounds on the notion that stocks should be viewed solely as fractional interests in businesses. While the mindset of public and private investors should be similar, their behaviors are often radically different. Public securities are often viewed as flicking ticker symbols on computer monitors meant to be constantly traded. Phrases and terms like risk-on, fading, stop-loss, and 200-day moving average are part of the typical discourse. On the other hand, private business owners are much more interested in how their businesses can maximize profits in the future.

"… while liquidity is an extraordinary feature of public markets, it can influence an investor's behavior, tempting one into buying and selling based on current events."

Liquidity is one of the main factors that distinguishes public from private markets. And while liquidity is an extraordinary feature of public markets, it can influence an investor's behavior, tempting one into buying and selling based on current events. Such hyperactivity can cause investors to lose sight of what they own. An investment in the shares of Kroger should be viewed and analyzed no differently from an investment in a local grocery store. The value of both will be dictated by their future cash flow generation, however, Kroger's shares will also be susceptible to the daily whims of Mr. Market.

While the intrinsic value (i.e. fair value) of any security is based on its future cash flow generation, predicting the future is very difficult. Unforeseen developments often occur and can impact one's estimate of fair value. In Chapter 20, Benjamin Graham introduces the concept of margin of safety as protection against miscalculation and misfortune. A margin of safety is simply the difference between the quoted price of a security and its intrinsic value. Graham defined the margin of safety as a quantitative discount to intrinsic value mainly derived from a company's balance sheet. Warren Buffett further built on Graham's concept by including a qualitative business assessment. In addition to requiring an attractive purchase price, Mr. Buffett only invests in outstanding companies protected by an "economic moat." An economic moat is a competitive advantage (e.g. cost competitiveness, network effects, switching costs, and intangible assets) that protects a business against competitive pressures, creating barriers to entry. Instead of relying solely on the convergence of price and intrinsic value as the source of investment returns, Warren Buffet depends on the business' ability to sustainably compound value at above-average rates.

Whether quantitative or qualitative, a margin of safety minimizes the damage when an investor has erred. Price declines, however, aren't necessarily an indication that mistakes have been made. Nor are they an unusual occurrence. There are countless great long-term investments (e.g. Nike, JP Morgan, Starbucks, Home Depot, Amazon, Apple, and Costco) that have declined by more than 50% multiple times during their lifetimes as public companies. Such wild price movements haven't evaded the likes of Berkshire Hathaway. Charlie Munger, Berkshire Hathaway's Vice Chairman, once stated that "Berkshire Hathaway has experienced 50% drawdowns three times in its history. I think it is in the nature of long-term shareholding… that the long-term holder has the quoted value of his stock go down by 50%. If you're not willing to react with equanimity to a market price decline of 50%, you're not fit to be a common shareholder." Despite several 50% declines, Berkshire Hathaway has generated an annualized total return double that of the S&P 500 since 1965. While significant share price declines are never pleasant, even the world's best and most financially sound companies have been subject to substantial declines. It's an inevitability that most, if not all, stocks will encounter outsized declines over their lifetimes as listed securities.

There are undoubtedly instances when large share price declines are justified. A disruptive structural change might threaten a business's viability, or an industry's competitive intensity may substantially increase. Valuations might be overextended due to speculative fever resulting in a bubble. Detecting the root cause of a company's challenge and measuring its severity is a complex task that requires in-depth research. That said, share price movements in isolation aren't a reliable indicator of whether risks are increasing or decreasing. Nor are they reliable at anticipating unforeseen risks. Warren Buffett often states that "Mr. Market is there to serve you, not to guide you."

"Mr. Graham's writings… serve as a reminder that volatility is inextricably linked to public markets."

Benjamin Graham's writings are timeless, yet the strictest application of his brilliant investment principles will not eliminate the unease of a significant price decline at the index or security level. Mr. Graham's writings, however, serve as a reminder that volatility is inextricably linked to public markets. Most of the time, Mr. Market operates as a rational business partner, offering to transact at reasonable prices. Occasionally, his behavior is anything but rational. His erratic behavior is easier to dismiss at the index level, as US equity markets have always recovered in the fullness of time. Most individual securities will decline in sympathy with broad market sell-offs; however, determining whether Mr. Market's near-term behavior is sensible at the security level is much more challenging. Despite his shortcomings, Mr. Market's long-term business appraisals tend to be very accurate. This idea is best encapsulated by none other than Benjamin Graham. "In the short run, the market is a voting machine, but in the long run, it is a weighing machine."

Joshua Gibbs
Trust Relationship Officer

Sharable New Year's Resolution: Get Off the Hedonic Treadmill

Many of us have set goals for the new year in the form of New Year's resolutions. On the whole, the intent of these resolutions is personal betterment in some part of our life. Many people share their goals that generally resolve to change a behavior or habit or accomplish a personal goal. This year the goals I've heard include "dry January," "stop snacking," "improve waterskiing skills," "renovate a lake house," "sell my business and transition to retirement," "start a family," and "improve financial well-being." These goals span a wide spectrum of interests, plans for our lives, and echo our values.

I get a mixed response when I tell people I'm working hard to get off the treadmill, but not the treadmill we're running on at the gym. One of the hardest resolutions I've been wrestling with is getting off the hedonic treadmill.

"One of the hardest resolutions I've been wrestling with is getting off the hedonic treadmill."

The term hedonic treadmill, also known as hedonic adaptation, was created in the early 1970's when behavioral economics came onto the scene combining psychology and economic behavior. In 1971 two psychologists, Philip Brickman and Donald Campbell, coined the phrase hedonic treadmill in an essay they titled "Hedonic Relativism and Planning the Good Society." The basic theory described by Brickman and Campbell is that we return to a baseline of happiness no matter what the positive or negative events we experience in life. When applied, this theory would posit that as a person gets a promotion, wins the lottery, sells a business, thereby making more money or creating more wealth, their desires and expectations also increase, thereby leading to no real gain in happiness—hence the phrase hedonic treadmill.

So, how do I get off this hedonic treadmill? What if I told you that I've found it is as simple as creating a budget? The exercise of creating a budget helps me answer the question: Am I living my values and goals through my spending and saving habits? In our fast-paced digital economy where e-commerce and electronic payments happen on our phone, it's been all too easy to quickly lose sight of living out our intentions and values through our spending. On the flip side of the coin, it's also never been so easy to access bank account and credit card information and track spending in apps to inform decision-making. At the outset, it is a process that needs to be customized to fit. I'm old school and created my budget process before joining Greenleaf Trust by building spreadsheets and tracking my budget manually, but free budgeting apps exist like Mint, Goodbudget, and Honeydue. Nerdwallet.com is a great place to start and look for reviews on budgeting apps that are designed to make the personal budgeting process easier. Our client centric teams are also armed with tools in MyWealth by Greenleaf Trust. MyWealth helps clients with goals-based financial decision-making by bringing together financial data that informs budgeting, creates net worth statements, and models the impact of spending and investment decisions.

Going back to my boring spreadsheet method, I start by recording any income after tax, then download three months of bank statements and can quickly paste my spending and sort by type of spending. I start with those expenses that are required spending that I term "lifestyle spending," which includes the necessities—payments for groceries, housing expenses (mortgage, property taxes, insurance), utilities, some clothing expense, and any car payments (including gas, regular maintenance, and insurance). The next category of expenses includes discretionary spending, like entertainment, dining out, travel, buying kids' toys, and purchases of household items. Discretionary expenses are wanted, not needed. Everything else that is left over, is either assigned to a goal of mine, which includes saving for my children's education, saving for retirement, and saving for some planned large budget event in the future. One could certainly get more granular by receipt, but I consider every Meijer purchase grocery and every Amazon purchase discretionary.

This is the point where I ask myself: "What does my spending show I value? Does that align with my values? Are there places for realigning my spending and values?" In all honesty, I almost always notice a few places for improvement and also notice moments, like subscription services, where I can cut spending completely that crept into my household budget..

There are other ways to gamify the way I spend to cut back on any frivolous spending, which include the 48-hour rule, the envelope game, and no-spend days. Here's a quick explanation of each. The 48-hour rule has saved me numerous times from making purchases through Amazon, or Dick's Sporting Goods. The idea behind the 48-hour rule is to place items that I find myself interested in purchasing in the cart, but waiting 48-hours and returning to the cart and asking myself: "Is this really something I need/want?" The envelope game is another way to curb spending. When I've used it, I've generally used it a month at a time for discretionary expenses, like dining out, entertainment, and goods purchases. The idea behind the envelope game, is to introduce resource scarcity and the pain of paying. Budgeted cash is placed in an envelope marked for by purpose/category, which sets a limit for what can be spent. Cash is then pulled in the envelope for its intended purpose. Just the process of introducing paying for things with cash adds an extra layer of pain to the spending process that slows decision-making and spending. The final game we play in my house is to see how many consecutive days we can go without spending. It's not always easy, but with gas tanks full and a fridge stocked full of groceries, you might be surprised how many days you can stretch.

A generally accepted budget principal is that 50% of income should fall into

"What does my spending show I value? Does that align with my values? Are there places for realigning my spending and values?"

Sharable New Year's Resolution: Get Off the Hedonic Treadmill, continued

the needs bucket of lifestyle spending, 30% should fall into the wants category of discretionary spending, and the remaining 20% should be committed to saving or debt retirement. Budgeting is a zero-sum event; every dollar is assigned to some purpose.

The exercise of budgeting in 2023 has shed light on whether my spending is achieving the goals I've set and whether or not what I value clearly matches my spending behavior. For me, it's important to remember that the expenses I'm covering in my family's budget has come from the time I've traded to build a career. For your family it might be time you spent building a business, or time your parents or grandparents have traded to create wealth, which carries with it a responsibility for spending behaviors to align with family values.

So far this year, I've stuck to my New Year's resolution, and I hope you are sticking to yours, too!

Using IRAs for Charitable Purposes: What's Not to Like?

Douglas P. Bajor, CFA, CPA, CFP®
Senior Wealth Management Advisor

Individual retirement accounts (IRAs) comprised over an estimated $13.9 trillion of assets as of 2021 per the Investment Company Institute. IRA balances have risen significantly over time as companies moved away from pension plans and baby boomers gathered assets for retirement. However, IRAs can also be used for charitable purposes in addition to supporting a person's lifestyle. This article will review two approaches to using some or all of your traditional IRA assets to support charities of your choice: (1) Making gifts at death and (2) Qualified charitable distributions during your lifetime.

"IRAs can also be used for charitable purposes in addition to supporting a person's lifestyle."

Making Gifts at Death

Designating one or more charities as the beneficiary for some or all the assets of your traditional IRA can be a great way to achieve a high level of tax efficiency and still support causes near to your heart. The Wall Street Journal referred to this approach as an "income tax trifecta."* Dollars are contributed to IRAs before taxes, the assets grow tax-free, and there are no income taxes at death if the assets are left to a charity. What's not to like?!

Using this approach, your heirs will not need to pay income taxes on that portion of the inherited IRA designated to a charity. Assets in your estate outside of the IRA also receive a step-up in cost basis to current market value upon your death which can reduce capital gains taxes when these assets are sold in the future. So, if you are inclined to make a charitable bequest, the use of IRA assets will be more tax-efficient.

For very large estates, estate taxes could be lowered through a charitable bequest from an IRA. The individual estate tax exemption per person is $12.92 million for 2023.

You also increase the flexibility of your estate planning should you want to change the charities or family members that will benefit from your IRA upon your death. It is much easier, and often less expensive, to change the beneficiaries for an IRA than it is to modify a will or a trust.

You can also direct IRA donations at death to a donor-advised fund, such as those offered by many investment companies and community foundations. The IRA owner can designate family members to recommend grants which can further enhance the personal meaning of this charitable legacy.

Qualified Charitable Distributions (QCDs) During Your Lifetime

Qualified charitable distributions (QCDs) from IRA accounts have been possible since 2006. With a QCD, a person over age 70½ can designate up to $100,000 per year of withdrawals from an IRA be paid to one or more qualified charities. These distributions are not taxed to the IRA owner but also cannot be used as an itemized deduction. QCDs can have several benefits.

QCDs count toward your required minimum distribution (RMD). Beginning in 2023, an individual does not need to begin taking RMDs until they reach age 73.

By using a QCD to cover some or all of the RMD amount, a person can reduce their adjusted gross income (AGI) for tax purposes. This reduction may keep a person from moving into a higher tax bracket. A lower AGI may also reduce the alternative minimum tax (AMT), Medicare premiums and the portion of your Social Security payments that are taxable.

An individual can increase the amount given to a charity by using pre-tax dollars. For example, if you make a $20,000 QCD payment directly to a charity and you are in the 24% tax bracket, you may save $4,800 of taxes. If the individual had the withdrawal payable to themselves first, the net amount available for the charity would be only $15,200 ($20,000 - $4,800).

You do not need to "itemize" on your tax return to make a QCD. For certain taxpayers, this may allow them to benefit their charities while still using the standard deduction amounts that are $13,850 for individual taxpayers and $27,700 for married filing jointly taxpayers for 2023.

The IRS limits itemized charitable deductions to 60% of a taxpayer's AGI. QCDs may be a way to work around this limitation.

"The IRA owner can designate family members to recommend grants which can further enhance the personal meaning of this charitable legacy."

* "Win an Income-Tax Trifecta with Charitable Donations" by Laura Saunders, *Wall Street Journal*, September 2, 2022.

Using IRAs for Charitable Purposes: What's Not to Like?, continued

Doing Well While Doing Good

You have worked hard to save dollars for retirement. You have taken care of your family. You have planned to leave a legacy with charities that are important to you. Let's use the tax code to maximize the impact of your charitable giving while still benefitting your family. You will be doing well while doing good. What's not to like?

Retirement Plan Administration – How Accurate Is Your Data?

Jaron Tuttle, QKA®
Senior Recordkeeping Specialist

The year end has passed and business leaders and office personnel have been working diligently on closing the books for the year end 2022. This process can be time consuming and stressful. Not only have employers been pestered by their accountant, but service providers, such as 401(k) administrators, are also hounding the plan sponsors with various requests and questions. While the task of researching and finding answers to these requests may seem tedious, the accuracy of the data collected throughout the year plays an important role in year-end retirement plan testing and reporting.

While we hope that everyone has been able to wrap up the year-end process for your 401(k) plans, a few missed termination dates, inaccurate date of birth records, or miscalculation of 401(k) withholdings can cause a delay in completing those tasks. Many retirement plan recordkeeping systems have edit checks in place to catch inaccurate data throughout the year, but bad data can slip through the cracks. Incorrect data is not only time consuming to update and correct, but can also be costly with DOL and IRS penalties depending on the severity. The last thing a plan sponsor wants to hear from their administrator is a requirement for additional work and possible penalties.

"Many retirement plan recordkeeping systems have edit checks in place to catch inaccurate data throughout the year, but bad data can slip through the cracks."

How is inaccurate data being supplied? Let's take a look at overall data reporting. Plan sponsors regularly submit payroll data to their retirement plan administrator for each payroll which contains a TON of information. The administrators request names, personal data, compensation, 401(k)/Roth withholding amounts, and employer contributions, if applicable. That's a lot of information that could potentially be inaccurate. This information generally comes directly from the payroll systems. But what if an incorrect social security number or date of birth was entered into the payroll system to begin with? Not only is the inaccurate data incorrect in the payroll system, but that incorrect information was submitted to the retirement plan administrator which can cause a lot of issues down the line, such as inaccurate DOL/IRS reporting, incorrect distribution codes, and various other issues.

How can the possibility of inaccurate data be eliminated or reduced? While much information continues to be manually entered into the payroll and human resource systems initially (it needs to get in there somehow), there are ways to reduce the likelihood of incorrect information from being reported. This can be a second set of eyes internally, outsourcing service providers to perform background checks/identity verification, and conducting periodic internal audits. Although it may seem these additional tasks can be time consuming and tedious, the potential time and expenses saved down the line will be much more beneficial.

Once the plan sponsor is confident that the information in their payroll system is accurate, they should ensure this information is also correct when reporting to their 401(k) administrator. We highly recommend the plan sponsor not manually input the data when providing the payroll information as this can cause room for error that would put them back at square one. Instead, look into their payroll system to see if a report can be generated directly containing the data needed for your plan administrator (they may need to reach out to their payroll provider to generate this type of reporting). This information can then be directly uploaded into the plan's administration system and ensure accurate data for their retirement plan.

Here at Greenleaf Trust, we are taking an additional step to help reduce inaccurate data from being supplied by utilizing a process known as payroll integration. This process involves a direct link up from the payroll provider's software to our internal recordkeeping system, creating a hands-off approach for employers.

To conclude, inaccurate data not only causes additional work and time to resolve but could result in costly penalties depending on the severity of the issue. Implementing reviews, edit checks, and automation can greatly reduce the risks of reporting inaccurate data. Save yourself some time (and potentially A LOT of money) by reviewing what you are providing to your service providers, specifically your retirement plan administrator. You will thank yourself later. The Retirement Plan Division at Greenleaf Trust strives to make the process of administering a retirement plan as accurate, efficient and beneficial as possible for our clients.

"While much information continues to be manually entered... there are ways to reduce the likelihood of incorrect information from being reported."

Stock Market Pulse

Index	1/31/2023	Total Return Since 12/31/2022
S&P 1500	935.25	6.54%
Dow Jones Industrials	34,086.04	2.93%
NASDAQ	11,584.55	10.73%
S&P 500	4,076.60	6.28%
S&P 400	2,652.62	9.22%
S&P 600	1,266.36	9.49%
NYSE Composite	16,036.39	5.75%
Dow Jones Utilities	971.02	0.39%
Barclays Aggregate Bond	2,111.76	3.08%

P/E Multiples	1/31/2023
S&P 1500	18.9x
Dow Jones Industrials	19.1x
NASDAQ	30.9x
S&P 500	19.3x
S&P 400	15.2x
S&P 600	15.0x

Key Rates

Fed Funds Rate	4.50% to 4.75%
T Bill 90 Days	4.51%
T Bond 30 Yr	3.63%
Prime Rate	7.50%

Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500	935.25	18.9x	1.66%
S&P 500	4,076.60	19.3x	1.66%
Dow Jones Industrials	34,086.04	19.1x	2.02%
Dow Jones Utilities	971.02	20.3x	3.41%

Spread Between 30 Year Government Yields and Market Dividend Yields: 1.97%

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