



January 2024: Looking Back, Looking Ahead 2024

Looking Back



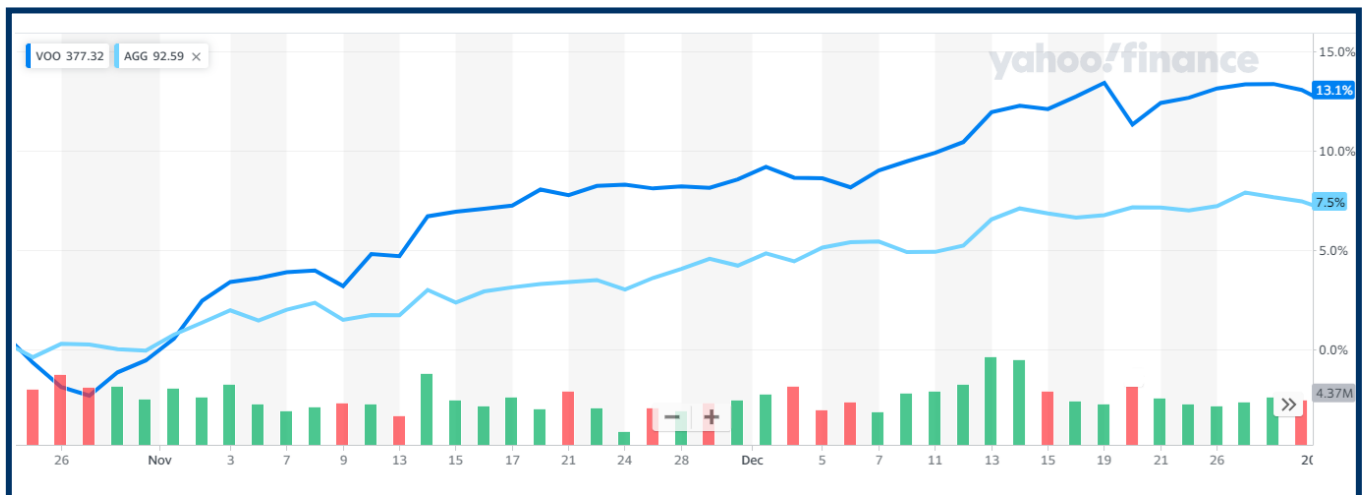
If you have ties to Upstate NY, cast your mind back thirty years to 1994 when the Buffalo Bills last graced the Super Bowl stage. In that span, the financial landscape witnessed four economic recessions, each accompanied by market downturns—namely, the dot-com crash in 2000, the Great Recession of 2008, the impact of COVID-19 in 2020, and a challenging 2022 marked by declines in stock, bond, and real estate securities.

Despite frequent turbulence over the period, the S&P 500 index, representing large US stocks, has exhibited resilience, averaging approximately 10% annually, before adjusting for inflation. Three decades encompass a typical span of prosperous earning years in many careers.

For many of our clients, portfolio income is no longer the “someday” concern it was way back when. Retirement is either here or coming into focus on the horizon.

And if you were making significant income withdrawals from your portfolio in 2022, it had to be disconcerting. You may have had to dip into principal. We are pleased that no client had to sell positions at a loss or cutback on withdrawals to meet those needs.

Patience has once again paid off. See the chart below. In dark blue is the S&P index, up about 13% since late October. In light blue is an aggregate index of investment grade bonds, up about 8% over the same period, before inflation.



Dark blue line is a fund representing the S&P 500. Light blue line is an aggregate index of investment grade bonds.

Your enclosed performance report illustrates the market turnaround late in the year. Once again, the surge came in just a few weeks, erasing many of the 2022 declines.

For our clients who were able to put more money to work late last year, buying near the October low proved beneficial. For our income investors the turnaround had to be a welcome occurrence.

Looking Ahead



*We can gratefully spend 30 years in retirement.
It's too long to wait for other things!*

What will the markets in 2024 look like? We don't know, particularly over the short term.

Forecasting is attention getting and entertaining. Some folks manage to make a career out of it. They make a point of forecasting frequently. It improves the odds of getting it right on occasion. Bragging rights follow. Wrong calls are edited or conveniently erased from the record.

While attention-grabbing and entertaining, it is fraught with difficulties due to the multifaceted nature of human behavior, geopolitical & economic complexities, market manipulation, and the impact of unforeseeable "black swan" events.

How do we serve you in such an environment?

In this unpredictable environment, our approach includes stress-testing your aspirations and plans under various life and market scenarios. Rather than aiming to "beat the market" solely through speculation, we advocate working collaboratively to prepare for the unknowns. Conducting dress rehearsals equips you to act confidently in the face of uncertainties. Research can point us to proven investment strategies.

We encourage you to seek advice on market forces. Ask us questions, and we can direct you to reliable sources that inform our recommendations. There are no foolish questions. Maintaining liquidity for emergencies contributes to peace of mind during crises. Insurance, as a risk-transfer mechanism, should not be overlooked.

Once these foundational steps are in place, we can help you assess the investment strategies most suitable for your goals and appetite for risk.

As always, please do not hesitate to reach out to us with any questions or concerns.



Fred R. Fadel, CFP®

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Willink Asset Management LLC
484 Main St., Ste 203, East Aurora, NY 14052

T: 716.687.0648

WWW.WILLINKADVISOR.COM

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