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**First Quarter 2024 Weather(ly) Report  
 April 2024**

Spring has sprung and data continues to be the primary theme leading the start of 2024. While U.S. economic numbers have trended in a positive direction, with unemployment at 3.9% and inflation down to 3.2%, the Federal Reserve continues to be patient with interest rate policy until inflation gets closer to their target of 2%. The yield curve remains inverted while consumer confidence and ISM manufacturing numbers improved. World geopolitical events persist in China, the Middle East, and Russia/Ukraine, diverting resources and focus on the domestic front. Unemployment is rising in three of the larger states, New York, California and New Jersey, while also seeing increases in immigration. Artificial Intelligence (AI) is all the buzz and stocks associated with building out capabilities and efficiencies in this arena stayed in the headlines, however not all buzz translated to improved earnings.

While the S&P 500 climbed 10% in the first quarter, the best start since 2019, the Magnificent 7 stocks from 2023 (Microsoft, Amazon, Meta, NVIDIA, Tesla, Apple and Netflix) began to diverge. With the wilting share prices of Tesla (-29%) and Apple (-11%), the Wall Street dubbed Fab 4 (Microsoft, Amazon, NVIDIA, and Meta) carried the market for the majority of the S&P 500 first quarter return. Final fours have never solely carried a team for a winning portfolio so breadth of markets will be key for the remainder of 2024.

Due to the yield curve inversion (short rates higher than longer term), money markets and short-term T-bills remain above the 5% range. We began the quarter with the market expecting 7 rate cuts, which has now dwindled to 3 with a 59.7% chance of the first cut in June. US money market funds reached \$6.4 Trillion at the end of 2023. Given the Federal Reserve is now expected to keep the Federal Funds rate higher for longer by pushing out rate cuts to later in 2024, Weatherly implemented a barbell approach to the fixed income portion of the portfolio utilizing individual bonds, ETFs, and no-load mutual funds to create a myriad of tax advantaged opportunities.

With market appreciation, Weatherly continued to move toward asset allocation neutral in appropriate accounts via swaps, shaves and charitable contributions in taxable accounts. While our top ten largest holdings are shown below, we continue to find new seedlings to add to our portfolio for a successful Spring with growth and resilience.

“Top Ten” Holdings \*

- |                             |                               |
|-----------------------------|-------------------------------|
| 1. Apple Inc.               | 6. Waste Management Inc.      |
| 2. Microsoft Corp.          | 7. Costco Corp.               |
| 3. Amazon Inc.              | 8. Vanguard Intl Dividend ETF |
| 4. Netflix Inc.             | 9. Alphabet                   |
| 5. Invesco Global Water ETF | 10. NVIDIA Corp.              |

As we head into tax deadlines alongside clients, we continue to optimize retirement contributions, charitable giving via donor advised funds and qualified charitable distributions to optimize cash flow planning and asset allocation. Please let us know how we can help you get across the tax finish line, adjust tax withholdings or provide us via our secure portal your 2023 tax return. Reminder that some San Diego clients have an extended tax deadline due to significant flooding earlier in the year. With 2024 being an election year, we encourage you to consider reading Fidelity's [recent article](#) on the election and markets.

This Fall Weatherly is celebrating our 30th year in business by highlighting client success stories alongside additional involvement and engagement in our community. Our team continues to educate and work with clients' to successfully plan for their future and have a ripple effect on their families, businesses, and communities. We appreciate and thank you for this opportunity.

\*Please see reverse side

-The Weatherly Crew

**\* TOP TEN DISCLOSURE**

“Top Ten” holdings consist of Weatherly’s largest stock positions as of quarter end. A full list of holdings is available upon request. It should not be assumed that any of the securities, transactions, or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account’s portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account’s entire portfolio and, in the aggregate, may represent only a small percentage of an account’s portfolio holdings.

	<u>WAM</u> <u>Equity**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Equity</u> <u>(net fee)</u>	<u>S&amp;P</u> <u>500t</u>	<u>MSCI ACWI</u> <u>(gross USD)</u>	<u>WAM</u> <u>Fixed**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Fixed (net</u> <u>fee)</u>	<u>Merrill</u> <u>Lynch 1-3</u> <u>year</u>	<u>WAM</u> <u>Balanced**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Balanced</u> <u>(net fee)</u>	<u>Blended</u> <u>Benchmark</u>
2007	11.18%	10.18%	5.49%	12.18%	5.47%	4.97%	7.32%			
2008	-34.04%	-35.04%	-36.99%	-41.84%	-0.95%	-1.45%	6.61%			
2009	32.36%	31.36%	26.47%	35.41%	10.63%	10.13%	0.78%			
2010	11.93%	10.93%	15.06%	13.21%	6.77%	6.27%	2.35%			
2011	-5.58%	-6.85%	2.12%	-6.86%	4.37%	3.87%	1.55%			
2012	16.36%	15.36%	16.00%	16.80%	5.99%	5.49%	0.43%	11.84%	11.09%	8.18%
2013	28.20%	27.20%	32.41%	23.44%	-1.62%	-2.12%	0.36%	15.41%	14.66%	15.61%
2014	8.53%	7.53%	13.69%	4.71%	5.55%	5.05%	0.62%	7.43%	6.68%	7.01%
2015	4.86%	3.86%	1.38%	-1.84%	1.31%	0.81%	0.54%	3.55%	2.80%	1.09%
2016	8.70%	7.70%	11.95%	8.48%	2.79%	2.29%	0.88%	6.41%	5.66%	6.33%
2017	24.52%	23.52%	21.82%	24.62%	4.49%	3.99%	0.42%	17.01%	16.26%	10.75%
2018	-1.92%	-2.92%	-4.39%	-8.93%	0.61%	0.11%	1.59%	-0.80%	-1.55%	-1.06%
2019	32.54%	31.54%	31.48%	27.30%	7.05%	6.55%	3.55%	22.85%	22.10%	17.01%
2020	30.97%	29.97%	18.39%	16.82%	4.35%	3.85%	3.10%	21.36%	20.61%	12.08%
2021	20.55%	19.55%	28.68%	19.04%	0.69%	0.19%	-0.55%	14.34%	13.59%	13.45%
2022	-22.33%	-23.33%	-18.13%	-17.96%	-5.71%	-6.21%	-3.65%	-17.45%	-18.20%	-10.80%
2023	26.32%	25.32%	26.26%	22.81%	5.39%	4.89%	4.26%	19.10%	18.35%	15.03%
1st Quarter 2024	8.10%	7.85%	10.55%	8.26%	0.55%	0.42%	0.29%	5.69%	5.50%	5.42%
Year-to-Date 2024	8.10%	7.85%	10.55%	8.26%	0.55%	0.42%	0.29%	5.69%	5.50%	5.42%
5-Year Trailing (Ann.)	13.86%	12.86%	15.01%	11.44%	1.81%	1.31%	1.16%	9.80%	9.05%	8.44%
10-Year Trailing (Ann.)	12.78%	11.78%	12.93%	9.21%	2.38%	1.88%	1.07%	9.15%	8.40%	7.23%
Since Inception (Ann.)	10.61%	9.61%	10.74%	8.10%	4.28%	3.78%	3.15%	9.79%	9.04%	7.90%

Please see footnotes

**\*\* PERFORMANCE DISCLOSURE**

Please note, the Weatherly Asset Management (WAM) Equity performance is a mid- to large-cap value equity approach and the WAM Fixed Income performance is a high-quality intermediate-maturity investment approach. Performance numbers up to 12/31/05 are prepared in compliance with Association of Investment Management Research Performance Presentation Standards (AIMR PPS). Periods from 12/31/05 to 12/31/10 meet the requirements of the revised version of Global Investment Performance Standards (GIPS). Periods from 12/31/10 are calculated in a similar manner but GIPS standards no longer permit carve outs, therefore we no longer claim GIPS compliance. The gross fee returns shown above are presented after deduction of all transaction costs, but prior to the deduction of advisory fees and such other possible expenses as custodial fees. The net of fee return is calculated by subtracting the advisory fees. Investment advisory fees are described in Part II of Weatherly’s Form ADV. For the 1st Quarter 2024, the maximum quarterly management fee is 0.25% for Weatherly’s Equity Composite and 0.125% for the Fixed Income Composite.

Composite rates of return, since inception on an annualized basis after deduction of the maximum quarterly management fee is as follows for equity accounts for 1995, 32.41%, for 1995 and 1996 combined, 28.50%, for 1995-1997 combined, 30.24%, for 1995-1998 combined, 26.15%, for 1995-1999 combined, 25.06%, for 1995-2000 combined, 18.31%, for 1995-2001 combined, 12.70%, for 1995-2002 combined, 7.44%, for 1995-2003 combined, 9.53%, for 1995-2004 combined, 9.94%, for 1995-2005 combined, 10.05%, for 1995-2006 combined, 10.48%, for 1995-2007 combined, 10.46%, for 1995-2008 combined, 6.36% for 1995-2009 combined 7.87%, for 1995-2010 combined, 8.06%, for 1995-2011 combined, 7.14%, for 1995-2012 combined, 7.58%, for 1995-2013 combined 8.57%, for 1995-2014 combined 8.54%, for 1995-2015 combined 8.31%, for 1995-2016 combined 8.29%, for 1995-2017 combined 8.91%, for 1995-2018 combined 8.39% for 1995-2019 combined 9.23%, for 1995-2020 combined, 9.96%, 1995-2021 combined, 10.31%, for 1995-2022 combined 8.88%, for 1995-2023 combined, 9.41%. For fixed income accounts 1995, 11.49%, for 1995-1996 combined, 8.35%, for 1995-1997 combined, 7.63%, for 1995-1998 combined, 7.58%, for 1995-1999 combined, 6.18%, for 1995-2000 combined, 6.50%, for 1995-2001 combined, 6.37%, for 1995-2002 combined 6.37%, for 1995-2003 combined, 5.92%, for 1995-2004 combined 5.68%, for 1995-2005 combined, 5.33%, for 1995-2006 combined, 5.25%, for 1995-2007 combined, 5.23%, for 1995-2008 combined, 4.74%, for 1995-2009 combined, 5.09%, for 1995-2010 combined, 5.17%, for 1995-2011 combined, 5.09%, for 1995-2012 combined, 5.11%, for 1995-2013 combined 4.72%, for 1995-2014 combined 4.73%, for 1995-2015 combined 4.54%, for 1995-2016 combined 4.44%, for 1995-2017 combined 4.42%, for 1995-2018 combined 4.23%, for 1995-2019 combined 4.32%, 1995-2020 combined, 4.31%, 1995-2021 combined, 4.15%, for 1995-2022 combined 3.76%, for 1995-2023 combined, 3.80%.

Composite returns consist of all 100% discretionary accounts under management utilizing individual stock and bond holdings selected by WAM. Balanced portfolio segments have been included in single asset composites. Effective 1/1/06 to 12/31/10, cash and cash returns have been allocated to the segment returns according to the procedures outlined by Association of Investment Management Research (AIMR). Effective 1/1/16, equity and fixed composite returns no longer include cash or a weighting to cash. Dividends and interest received is generally not reinvested in the same security but is included in total return calculations. Effective 2010, Equity Composite performance excludes two related family groups which hold a concentrated position that due to tax considerations cannot be managed in the same manner as the overall equity composite. The composite performance represents the performance of an aggregate of the firm’s managed accounts that align with a particular strategy. Individual account performance will vary, and some clients may have experienced returns significantly different from the composite. Investing entails risk and past performance is no guarantee of future performance.

These performance numbers are provided under the flash reports provision of these said standards. “As prospective and current clients have received past results that were in compliance with the required disclosures within a 12-month period, firms may present interim data and returns (i.e., “Flash numbers”) without quarterly disclosures.” A full presentation, including all required disclosures, is available upon request. The WAM Balanced Composite represents actual portfolios utilizing strategic asset allocation with both equity and fixed income components. The fixed income component for individual portfolios underlying the balanced composite have allocations tailored specifically for that account and client, and varies between 5% and 90%, whereas the Blended Benchmark is 50% S&P 500 Total Return and 50% Merrill Lynch 1-3 Year representing an average of a 50% Equity and 50% Fixed Income benchmark allocation in the Composite.