



### In This Edition:

- “Knowledge is power...”
- Educating the Next Generation
- On to the Markets
- Publication by Colleen Kelleher Sorrentino
- News from Compliance

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*“Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family.” – Kofi Annan*

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### **Educating the Next Generation**



By [Mike Ouellette](#),  
President, Starboard Advisors, a Division of KFA

At KFA, we continually create and embrace educational opportunities for the families and friends we serve. Recently, our Starboard division hosted an event in Philadelphia titled "**Fast Forward: Accelerating Family-Owned Business and Helping the Next Generation.**" This event featured multiple business leaders from family enterprises who shared their pathways to success and candidly discussed the challenges ahead. Click here [FOW May 2024](#) to view the workshop packet in entirety. We consistently remind the families we work with that there is no single solution to fulfilling a family's "intent." As soon as we conclude a family meeting or agree upon a strategy to move forward, change is often right around the corner. Navigating these changes is more art than science, and maintaining continuous dialogue with our families is our best approach to detecting changes and exploring new solutions. These conversations with family members help us gain valuable insights for investment planning, tax planning, and estate planning.



*Flag NYSE, Photo by Angela Ambrosino*

Our team at KFA is keenly aware that your intent may also be impacted by ever-evolving opportunities in the financial, legal, and tax landscapes. Therefore, we collaborate with a close network of family office industry professionals to ensure that the best ideas are shared with each of our families.

Moreover, we are committed to creating educational opportunities for individuals who are not clients of KFA. The Starboard division recently concluded its summer internship program, which included four collegiate students with outstanding promise in the financial industry. We engaged them in over a dozen interviews with some of the finest business and community leaders in the Portland, Maine area (from entrepreneurial start-ups to Fortune 500 companies), created an investment mini-camp, and even conducted personality evaluations for each of them through a highly respected leadership coach. Our interns gained extensive knowledge about the financial and business sectors in a short period of time, while also learning and exploring more about themselves. Each of them will be a young financial professional soon and are well equipped to succeed – watch out!

Education is a key feature to our business success. We remain firm believers in the more you learn, the easier it becomes to set sail. Onwards!

*My very best regards,  
Mike*

## ON TO THE MARKETS

Analysis and Review co-written by [Thomas Burnett, CFA](#), Vice Chairman & Director of Research and [Neil Cataldi](#), Chief Investment Officer, Starboard Advisors, a Division of KFA

As we reach the mid-point of 2024, global stock markets have demonstrated a robust positive trend, significantly rewarding investors. The table highlights the year-to-date performance of key indices and asset classes.

The U.S. markets have shown remarkable strength in particular. In fact, the S&P 500 Index has hit over thirty all-time highs within the first six months of 2024.

<u>INDEX</u>	<u>% Change YTD as of 6/29/2024</u>
Dow Jones Industrial AVG. (TR)	5.1%
S/P 500 Index (TR)	15.1%
NASDAQ	18.1%
STOXX Euro 600	6.8%
Nikkei 225 (Japan)	18.3%
China (Shanghai)	0.3%
GOLD (\$ per oz.)	12.9%
Crude Oil (\$ per bbl.)	13.8%
Rate on Ten-Year UST Note	4.38%
VIX Volatility Index	Flat

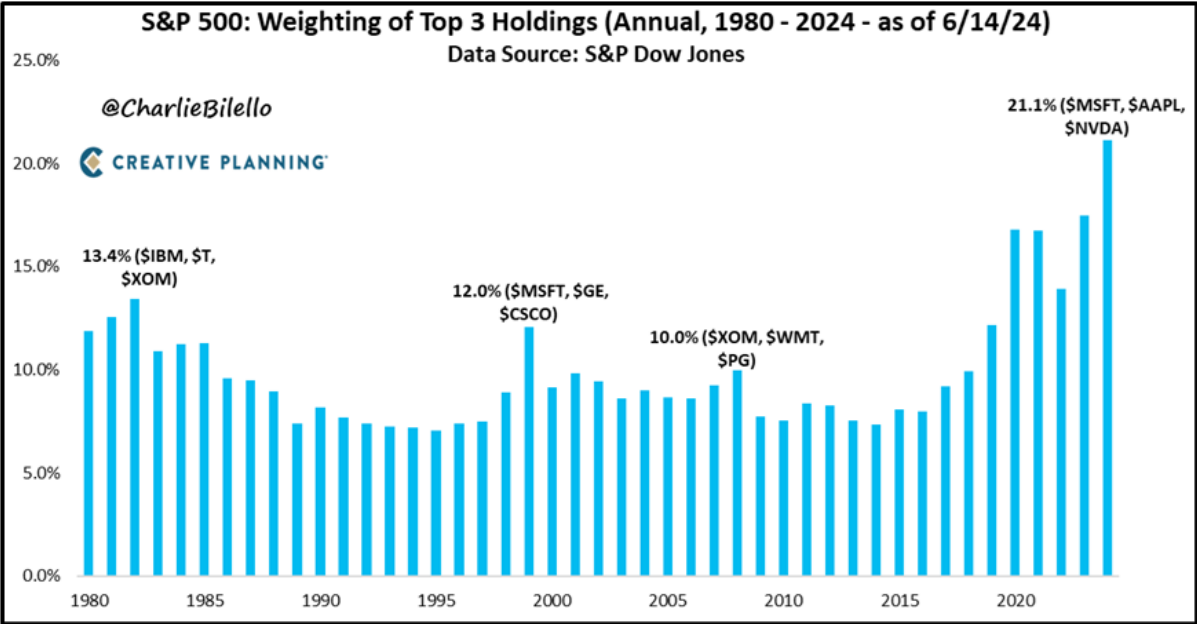
Source: WSJ.com June 29, 2024  
\*(TR) indicates an index return that includes dividends.

This impressive performance has been achieved despite a backdrop of higher interest rates, with the Ten-Year Treasury Note increasing from 3.86% to 4.38%. As we begin the third quarter, investors remain optimistic, buoyed by strong corporate earnings forecasts for 2024 and 2025.

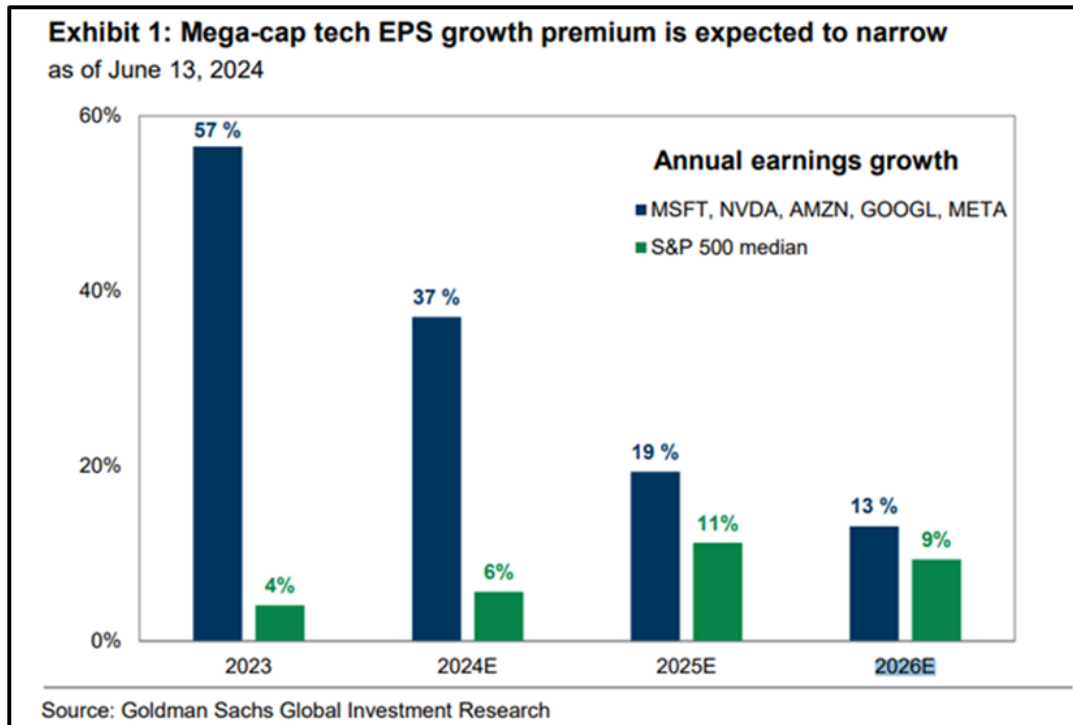
Commodity prices presented a mixed picture, with gold and oil prices rising, while corn and wheat prices declined. The Bloomberg Commodity Index increased by 2.3% during this period.

**Key Market Trends**

One of the most notable trends thus far in 2024 has been the sustained momentum of mega-cap technology companies, especially Nvidia (NVDA), which has led the charge due to its dominant position in artificial intelligence. Nvidia alone has contributed over 30% of the S&P 500’s 15%+ return year-to-date. Apple (AAPL) and Microsoft (MSFT) also continue to perform strongly, highlighting an unprecedented concentration at the top of the market. Together, these three companies now account for 21% of the total index, pushing towards market capitalizations of \$3 trillion each—a truly extraordinary milestone. The accompanying image below illustrates this concentration, underscoring the significant impact these few companies now have on market returns.



As we look ahead to 2025, there is potential for the gap between the top five technology companies and the median S&P 500 earnings growth to narrow. This could catalyze a rotation of capital into other market sectors, potentially diversifying the drivers of future market performance.



Interest rates also remain a hot topic for investors in 2024. Expectations for future rate cuts continue to be reset lower from where the consensus was just six months ago. With a Presidential election just months away and an economy that is acting as expected, the market has only now priced in the possibility of one rate cut before year end. In the meantime, we continue to focus on high-quality blue-chip companies that have strong earnings growth and profitability. We also continue to offset our equity exposure with U.S. Government Treasuries with a current yield on the 1-year T-Bill exceeding 5%.



**Thomas Burnett, CFA®**  
Vice Chairman and Director of Research



**Neil Cataldi**  
Chief Investment Officer

## RECENTLY PUBLISHED

Colleen Kelleher Sorrentino and Stacey Mankoff address the issue of hedging the impact of inflation on your investment portfolio in the latest edition of **Advisor Perspectives**. You can read the co-written article in full by clicking here: [Advisor Perspectives Article 07.02.2024](#).



**Colleen Kelleher Sorrentino, CFA®**  
Managing Director

## NEWS FROM COMPLIANCE

On May 29, 2024, the U.S. Securities and Exchange Commission's *Office of Investor Education and Advocacy* issued an Investor Alert because fraudsters continue to exploit the popularity of crypto assets to lure retail investors into scams. Crypto assets may include assets commonly referred to as cryptocurrencies, crypto, coins, and tokens. The SEC warns Investors away from fraudsters:

1. **Do not make investment decisions based on their advice or solicitation.**
2. **Do not share with them any information relating to your personal finances or identity.**

The SEC regularly publishes Investor Alerts at [Investor Alerts and Bulletins | Investor.gov](#). This most recent Investor Alert is titled "5 Ways Fraudsters May Lure Victims Into Scams Involving Crypto Asset Securities". Other recent Investor Alerts include "Social Media and Investment Fraud," "Artificial Intelligence (AI) and Investment Fraud," and "Spotting and Reporting Investment Scams Targeting Older Investors."

Be careful out there. Stick to the plan and remember that if it sounds too good to be true then it probably is. Do not let people that you don't know influence your decision-making. Please share with us any incidents in which you think a fraudster may be soliciting you or come to us to help you determine if you may be encountering a fraudster.



**Keith Marks, J.D.**  
Chief Compliance Officer

## ABOUT US

Since 1995, our firm has provided clients with thoughtful and personalized solutions in many areas of financial planning. At KFA, we place our clients at the center of everything we do. And while situations and experiences differ, our belief is that every client deserves the very best of what we have to offer.

Our firm acts as both an adviser, formulating long-term strategies, and as a manager, making specific recommendations and implementing decisions in areas such as portfolio construction, estate planning and investment management.

KFA educates our clients, communicating with them and sharing our rationale and analysis about issues that should be considered on an ongoing basis and ensuring that appropriate actions are taken. We do not sell proprietary financial products and are paid solely by our clients. In this way, KFA is able to recommend and incorporate independent investment vehicles and managers into a portfolio as needed.



**Barton W. Weisenfluh, CFP®**  
CEO, Starboard Advisors



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**Sean Kelleher**  
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