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- Publication by Colleen Kelleher Sorrentino

"The best armor of old age is a well-spent life preceding it." - Charlie Munger



Looking Back At 2024

By [Neil Cataldi](#), Chief Investment Officer, Starboard Advisors, a Division of KFA

As I reflect on the two years I've had the privilege of serving as Chief Investment Officer at Kelleher Financial's Starboard Advisors division, I am deeply grateful for the many client meetings and conversations we've shared. Each interaction reinforces the importance of the relationships we've built together, and your trust and partnership remain at the core of everything we do.



NYSE, Photo by: Angela Ambrosino

Recently, the Starboard division of KFA hosted its own "Starboard Family Meeting" in Portland, Maine, bringing together the Starboard Advisory Board and team. This gathering provided a meaningful opportunity to celebrate our progress, refine our vision for the future, and strengthen the bonds within our Starboard community. We were also delighted to welcome Chris Ballou as the newest member of our advisory board. Chris's wealth of experience and fresh perspectives further enhance our ability to deliver thoughtful, innovative strategies for the families we serve.

The meeting featured discussions on market trends, emerging opportunities, and ways to deepen our impact as stewards of your financial future. The energy and exchange of ideas was inspiring, and we are excited to transform those conversations into actionable steps in the year ahead.

In the midst of a dynamic market environment—shaped by recent political events, including the Presidential election—we’ve provided updated perspectives in our commentary below. As we approach year-end, please don’t hesitate to reach out if we can assist with tax planning, gifting strategies, or other matters.

Thank you for being a part of our KFA family.

*My very best regards,
Neil*



Portland Press Hotel, Portland, ME

**Advisory Board Members provide consultation and meetings with Starboard Leadership Team members on financial matters.
Unaffiliated Board Members are not compensated by Starboard and have agreed to be on Starboard’s Advisory Board.*

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

<u>INDEX</u>	<u>% Change</u> <u>YTD as of</u> <u>9/30/2024</u>
Dow Jones Industrial AVG. (TR)	13.8%
S/P 500 Index (TR)	21.8%
NASDAQ	21.7%
STOXX Euro 600	9.2%
Nikkei 225 (Japan)	15.8%
China (Shanghai)	12.2%
GOLD (\$ per oz.)	29.3%
Crude Oil (\$ per bbl.)	-5.5%
Rate on Ten-Year UST Note	3.8%
VIX Volatility Index	33.6%
Bloomberg Commodity Index	1.4%

Source: WSJ.com October 1, 2024
**(TR) indicates an index return that includes dividends.*

As shown in the Performance Table, 2024 has been a very strong year for global stock markets, with the U.S. indices continuing to set records. Both the Dow Jones and S&P 500 Indices closed at all-time highs in September, marking a particularly strong third quarter. Notably, the S&P 500 broke a four-year trend of negative September performance, rising over 1% for the month and more than 5% for the quarter (WSJ.com). The Dow Jones Industrial Average surged 8.2% during

the same period, while the NASDAQ Composite gained 3.0%. These gains were further supported by the Federal Reserve's September 18th decision to cut the Federal Funds rate, a decision that marked a pivot in our interest rate cycle, with an additional rate cut occurring in November as well. The backdrop of falling interest rates during the third quarter was a positive driver for equities. The Ten-Year Treasury yield declined to 3.8%, down from 3.94% at the end of 2023, reflecting a shift toward a more accommodative monetary stance. Though rates have increased during the fourth quarter to date, they have not affected an overall positive investor sentiment. Commodities were a mixed picture during the quarter. Gold prices have reached record highs, benefiting from increased demand as a safe-haven asset, while crude oil prices have declined over the first three quarters of the year.

The recent Presidential election has added a new layer of complexity to this market environment. Donald Trump's victory in November has prompted some recalibration as markets

assess potential policy implications. Despite this, equity markets remain resilient, tracking toward one of the strongest years for returns in recent history.

Valuations are becoming increasingly elevated, particularly among large-cap market leaders like Nvidia, Microsoft, Tesla, Amazon, Apple, and Google. These companies have surpassed extraordinary milestones, with several exceeding \$3 trillion in market capitalization. The dominance of these mega-cap stocks is historic, with their combined weight in the S&P 500 reaching unprecedented levels.

While these market leaders have been instrumental in driving gains, their concentration and elevated valuations warrant observation. We are monitoring whether this leadership can sustain itself or if we may see a rotation into other sectors in the coming year. As we move into 2025, the narrowing gap between earnings growth expectations for these companies and the broader market could catalyze shifts in market leadership.

The trends in 2024 have been clearly positive, rewarding patient investors. However, markets remain volatile, with abrupt changes in direction. As always, we are focused on navigating these dynamics and positioning portfolios to capitalize on opportunities while managing risks thoughtfully.



Thomas Burnett, CFA®
Vice Chairman and Director of Research



Neil Cataldi
Chief Investment Officer

YEAR-END PLANNING CHECKLIST

- **The IRA Contribution Limits for 2024** are \$7,000 for those under age 50, and \$8,000 for those age 50 or older. The IRA contribution limits above are the combined maximum you can contribute annually across all personal IRAs. This means if you have a traditional IRA and a Roth IRA, you cannot contribute more than this limit across both accounts in a year.
- **RMD Guidelines:** Required minimum distributions (RMDs) can be an important part of your retirement-income plan, but it's important to know that they come with some strict rules

about the timing of when distributions are taken, and a formula based on your age for the amount you have to take. Generally, if you are age 73, you've reached the age where the IRS mandates you start taking withdrawals from most qualified retirement accounts, such as IRAs and 401(k)s (but not Roth IRAs). The deadline for taking your RMD is December 31 each year.

GIFTING FROM YOUR IRA

The Year-end charitable gifting deadline is December 31st. If you haven't already, please send in your requests as soon as possible.

RECENTLY PUBLISHED

Advisor Perspectives features an article co-written by Colleen Kelleher Sorrentino and Stacey Mankoff on "Navigating the \$84 Trillion Wealth Transfer: Shaping the Future of Financial Planning." You can read the article in full by clicking here:

[Advisor Perspectives Article 10.14.2024.](#)



Colleen Kelleher Sorrentino, CFA®
Managing Director



Photo by: Laura Sunderland

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



Colleen Kelleher Sorrentino, CFA®
Managing Director



Sean Kelleher
President

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