FOURTH QUARTER 2023

KREITLER FINANCIAL INSIGHTS

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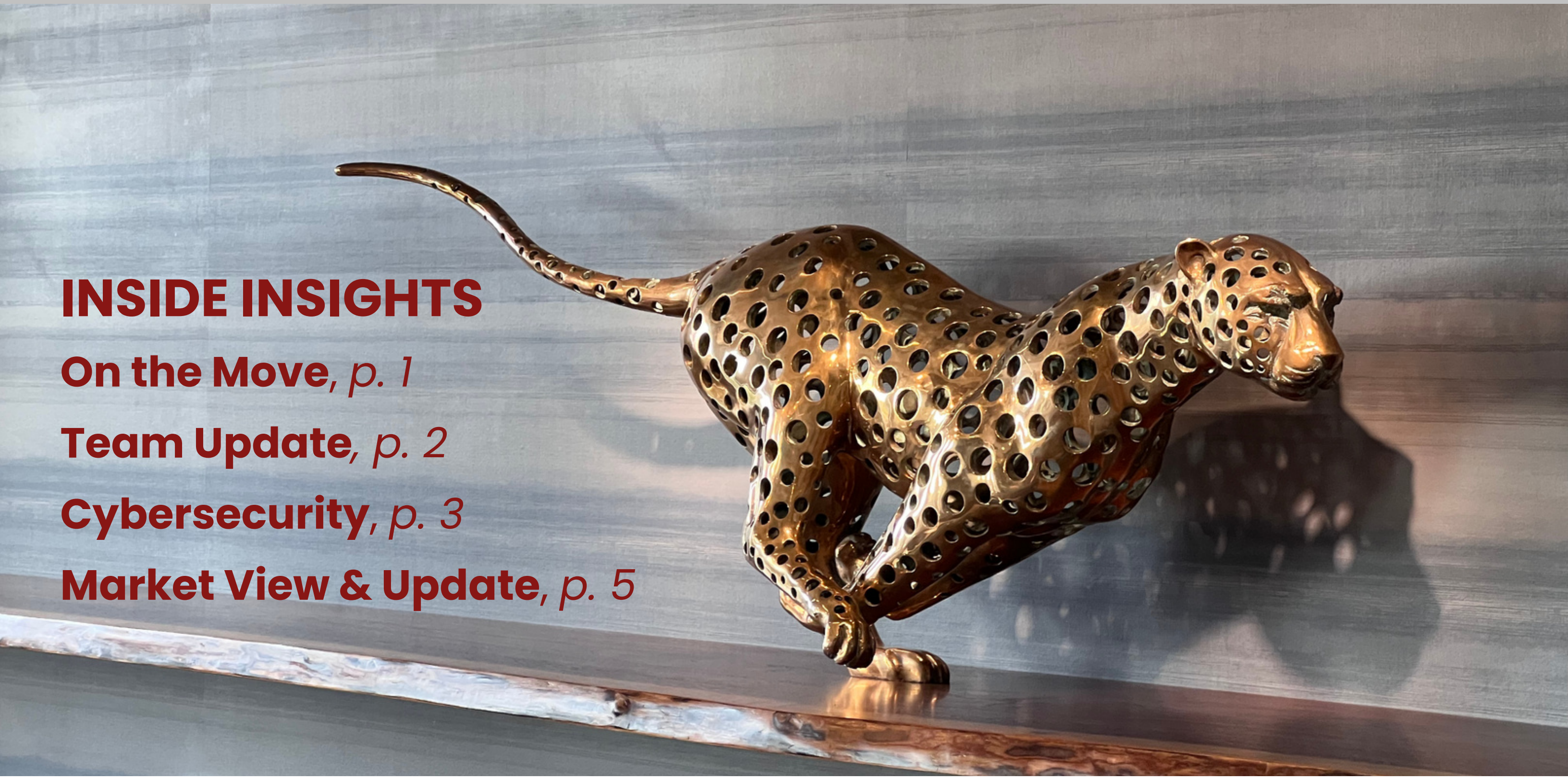

INSIDE INSIGHTS

On the Move

At Kreitler Financial, we are not ones for complacency. We are always searching for new ways to refine our services, enhance our client engagements, and fortify our legacy in wealth management - and once again, we've risen to the challenge.

We are thrilled to unveil the next phase of Kreitler Financial with our new, state-of-the-art office space.

While we've relocated just three floors down within One Century Tower, our vantage point remains unchanged—the familiar, steadfast view of the venerable Yale University campus. This unwavering view symbolizes our enduring clarity of vision, and our continued presence in the same iconic building stands as a testament to our unshakeable foundation in wealth management.

We envisioned a space designed for growth - of our team, our services, and our solutions. Equipped with modern facilities and collaborative zones, this space will foster innovation and nurture the expertise of our dedicated professionals.

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Inside the office

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It's here that we aim to push boundaries, enhance our capabilities, and set new benchmarks. This is about more than just an office — it is a commitment to you that every decision, every strategy, and every solution will be crafted with your enduring future at its core**.**

At the heart of our services is comprehensive wealth management, encompassing everything from investments and retirement planning to family wealth strategy.

As your financial partner, you can expect our team to continue investing in people and technology for a bigger future for our clients. In essence, our enhancements translate to a seamless, more enriching financial journey for you.

As we welcome you to this new chapter, be assured that our foundations remain unchanged: reliability, unwavering professionalism, and a forward-thinking vision for your financial future.

We are honored to have the incredible artistic talents of City Bench, who specialize in crafting works of art from reclaimed urban wood. (city-bench.com) The shelf supporting our iconic cheetah is a handcrafted, reclaimed, one-of-a-kind piece created to showcase the cheetah as a welcome to the Kreiter Financial office.

TEAM UPDATE – LYSSA TYLER

Currently a junior at Yale University and a member of the Women's Lacrosse team, Lyssa Tyler is from the picturesque town of Longmeadow, MA. She studies economics as preparation for a career in wealth management.

This semester, she was thrilled to have the opportunity to learn from top industry professionals. As an intern with the Kreitler Financial team Lyssa will have an opportunity to rotate through every facet of the business, from operations and compliance to investments and relationship management.

As she immerses herself in this learning experience, beginning with extracting and crunching numbers from various systems for the investments team or diving deep into strategy research and document preparation for the relationship management team, she is profoundly grateful for the skills she's acquiring. Skills that she will confidently take back to her studies and will undoubtedly utilize in her future career.

When asked why she joined the Kreitler Financial team Lyssa commented, "I knew this internship would be a great opportunity because of the conversations I had with Charlie who has been so supportive of my learning and helping me start my career. Everyone in the office was so welcoming when I first visited and made me really excited to be a part of Kreitler Financial."

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Cybersecurity

by Charlie Kreitler

Computer hacking, identity theft, and fraud are ever present and seem to be on the rise. We read about it all the time. It's worse when it gets personal! A few years ago, someone attempted to open bank accounts and take out a loan in my name. While thankfully the system worked and they were not successful, it was still pretty scary!

Sometimes we don't even know who has accessed our information. I had a recent reminder of this with a notification to clients from TIAA that a technology partner of one of their technology partners suffered a cyber breach.

This type of 6 degrees of separation exists many places. While TIAA had no evidence of any wrongdoing, they offered what amounts to the standard playbook these days in the form of free credit monitoring as a preventative measure to anyone who had been affected.

Offers of free credit monitoring are a tacit admission that our data may already be out there. Personally, I think it's prudent to assume that it is and to act accordingly. Credit monitoring may be useful, but it's not the only form of defense that you can play to try to protect yourself against the possible misuse of this data.

It may be time to review some of the ways we should play defense in the name of our information and financial safety.

Freezing your credit

The three major credit agencies-- Equifax, Experian, TransUnion-- maintain extensive files on the finances of any individual who has a credit history. Lenders, and even vendors like cell phone companies, access this information before extending credit. You have the ability to block these requests by freezing your credit report, preventing anyone from getting access. It's a little inconvenient. Anytime you want to open a new line of credit, such as might be necessary if you were to purchase a new car, you need to unfreeze your credit report at all three credit unions. The process used to be onerous, requiring you to call or write the credit bureau, but now you can control it with an online account. In my opinion, the inconvenience is worth the safety it may provide.

To do this, you need to create an account at each of the three credit agencies. Avoid their attempts to upsell you in other services. All three offer you the ability to freeze your credit report, and a similar process to unfreezing. With the proliferation of fraud that we have been seeing recently, I think it's worth it.

Sign up for credit alerts

Ok, so credit monitoring isn't perfect, but it can serve as an early warning system that something fishy is happening. Many banks and credit card companies offer free credit monitoring services. While not as comprehensive as some of the paid versions, they can notify you if there's been a change.

Review your credit report

All three of the credit agencies will provide you with one free credit report each year. If you've never seen yours, it's worth taking a look. You should also access it if you had a notification from one of the free credit monitoring services that you don't recognize.

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Cybersecurity

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Prevent further data leakage
Third-party data breaches are only one part of the problem. We also need to be responsible for avoiding inadvertently sharing our data. Use a shredder to dispose of sensitive paper documents. Use encrypted email services or file vaults to transmit sensitive data. If you are sending us something that should be protected, let us know so we can help you. Don't share information you don't have to. Recently I had a pushy salesperson try to convince me to share my checking account number with him over the telephone. He had no reason to have it. Bad idea!

Use secure passwords
Hopefully, people know better than to use "123456" for their online logins, or even "password". The bad news is even a sophisticated password isn't enough today. Reusing the same password on multiple websites is a recipe for trouble. Hackers will try to use the same username, email, and password combination on every site that they can. This means one breach can cause a domino effect exposing your entire digital life.

I find the best solution is to use a password manager. There are number of high-quality options on the market now. They make it very easy to use a unique password for every website that you visit. You only need to remember one master password, which should be complicated enough that no one can guess but something that you can remember.

Turn on Two-Factor authentication
This adds a second verification step to the login process, and I recommend you use it for your most sensitive sites like finance and banking. Typically, this involves receiving a code to input in addition to your password. It's an additional of layer protection.

Be mindful of online services that may not need all of the data that they're asking for as it may be duplicative of something you already supplied. Unfortunately, the 6° separation concept means that the more you have data you have online, the more likely you are to eventually suffer from a third party data breach.

Today technology has made our lives more convenient than ever, but the price of modern technology is that we now need to exercise care in ways we didn't before. Cybercrime is big business, and businesses gravitate toward the easiest and most efficient way to make profits. The good news is that with some simple precautions and a little care you can avoid being an easy target.

Q3 MARKET VIEW

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The news on Friday, September 29 was about the imminent government shutdown. Headlines were predictably negative, seeming to portend almost certain failure by Congress to act and serious consequences if they did not. By Monday, fortunes had reversed. The immediate crisis was averted, as Congress passed a stopgap spending building through mid-November.

To us this serves as a reminder that we should always remember that we are long-term investors, and we should not allow our emotions or the short-term news cycle to dictate decisions. Politics in Washington seems frustratingly dysfunctional these days, so we make no predictions on whether there will be a shutdown going forward. In the past these events have lasted for days to weeks, and generally had a small impact on the economy in the short run and no measurable impact in the long run.

Q3 MARKET VIEW

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It's easy to be attracted by the events *du jour* and in doing so to miss the big picture. It's frequently helpful to pause and zoom out for a broader perspective. In the space of three years, the global economy went through a near complete shutdown due to the Covid 19 pandemic. Governments around the world responded with massive stimulus spending. The stimulus spending reignited economic activity, and in the process inflicted the cost of the highest inflation seen in a generation. Central banks attempting to control this inflation ratcheted up interest rates to the highest level seen since the great financial crisis of 2008.

Here in the United States, this creates a paradox for investors to unwind. The Federal Reserve is attempting to slow the economy with higher interest rates, while Congress simultaneously has stimulated the economy in the form of fiscal spending. We are reminded of the classic paradox, what happens when an unstoppable force meets an immovable object?

It remains to be seen whether the economy can bear these higher interest rates over the long run. In the past, these are the types of conditions where financial accidents can and have occurred. Business models when money is free stop making sense if borrowing has a significantly higher cost. Leveraged companies, consumers, and even governments may find their future spending power, profits, and revenue under pressure.

Coming back to the current news cycle, is the recent government shutdown crisis and the ouster of House Speaker Kevin McCarthy may be the beginning of a larger debate on how long the ever-increasing levels of government debt and fiscal stimulus will be possible? In the 1980s and again in the 1990s, higher rates caused the government to pull back on spending. It remains to be seen how this will unfold today and what impact it might have.

Yet markets have lived under the threat of a flowing economy for the last year or more. It seems that since the beginning of 2022, we've been reading various pundits predicting that a recession was six months away. Like walking toward the horizon that you never quite reach, the predicted downturn has not materialized. Recessions always occur as part of the natural course of economic cycles, if you wait long enough. For disciplined, long-term investors, downturns and market sell offs may represent opportunities to buy great investments at discounted prices.

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Q3 MARKET UPDATE

Coming into 2023, a September 30th year-to-date (YTD) performance of 13.1% for the S&P 500 (YCHARTS) might be a surprise for many investors. However, higher interest rates and tighter financial conditions are still making their way through the economy, and the performance is concentrated in a few big tech companies. As the impact of fed rate hikes becomes more apparent in the economy, we may experience volatility. In Q3, stocks reacted to the Federal Reserve's "higher for longer" message, with a 3.3% decline in the S&P 500 (YCHARTS).

Tighter Federal monetary policy continues to be a drag on bond performance with a -1.2% YTD return for the Bloomberg U.S. Aggregate Bond Index (YCHARTS). It is important to keep in mind that today's higher rates may create significantly higher forward returns for bonds compared to 3 years ago. As of September 30, the 10-year treasury stood at 4.59%, substantially higher than where it stood before the pandemic January 1, 2020, at 1.88% (YCHARTS). This represents a substantial change. Ultralow interest rate encouraged investors to take more risk, putting more money into the stock market and reducing bond holdings in portfolios. This made sense when the dividend yield on the S&P 500 was about the same as the yield on the 10-year treasury. With today's higher rates, more conservative investors or those with a known liability (the timing and size of an expense) may have more options. We welcome any questions you may have about your individual circumstances.

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Q3 MARKET UPDATE *continued from p. 5*

Private real estate, as measured by the NCREIF National Index, returned -3.8% (Envestnet Tamarac) as of 6/30/23. As higher interest rates continue to make their way through property valuations and cost of real estate financing, we can expect some decline in real estate returns.

The difference in YTD returns among asset classes is an illustration of two main points. First, market returns are almost impossible to forecast over the short-term. Second, diversification in the form of owning several types of investments may benefit investors by avoiding concentration in a single poor performing investment, and thereby may provide more predictable outcomes for a portfolio. We continue to focus on diversification and discipline in the management of portfolios.

Market Chart September 30, 2023

Asset Class	Index	Year to Date Total Returns
US Stocks	S&P 500 Total Return	13.1%
	Russell 2000	2.5%
Foreign Stocks	MSCI Emerging Markets	2.2%
	MSCI EAFE	7.6%
US Bonds	Bloomberg US Aggregate	-1.2%
Private Real Estate	NCREIF-National**	-3.8%
	*Source YCharts Returns as of September 30, 2023	
	**Source Envestnet Tamarac as of June 30,2023	

Investors cannot invest directly in an index. Indices may change over time. Indices are not an investment and have no performance history. Past index performance is no indication of future results for the index or any investments.

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POSSIBILISTS & PATHFINDERS

There is no assurance that any investment strategy will be successful or that your objectives will be met. Investing involves risk and investors may incur a profit or a loss. Asset allocation and diversification do not ensure a profit or protect against a loss. Past performance is not indicative of future results. Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment decision.

LOOKING FORWARD TO FALL

40 October Activities

From ziplines to scenic adventures to sampling the new Fall menus there's something for everyone on CTVISIT's October Highlights To-Do List. Click here to access the fun

Take a road trip through history and enjoy the stunning scenery along the way. Photo CTVISIT

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It's soup season! Enjoy a hearty Butternut Squash Soup from Love and Lemons.

Add some Trivia to your Fall activities. Who was the first country to have scarecrows? Click here

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