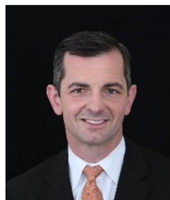
NorthCoast Asset Management

# Quarterly Client Update

Q1 2024

March 31, 2024



*"The best way to predict the future is to create it"*

*~ Peter Drucker*

March Madness. Every year the NCAA tournament captures our attention with drama, sportsmanship, and its famous by-product: brackets. There are some interesting parallels between March Madness brackets and the stock market. Basketball is a sport where skill, more than chance, is most important to the outcome, even though some unusual upsets are still possible. Thus, the winner of each game is more likely to be the team with the most skills, something easily measurable with all the statistics available on teams and individual players. Now, imagine a stock market where prices move up or down solely based on a company's current financial results, without any speculation about future results. Even better – imagine that all contributions to the results of the company would be happening live in front of you in the span of a few hours (while all bets would be locked). That would truly be a more predictable stock market with no participant having superior information.

Despite all available basketball data making predictions easier, I often see our most avid basketball fans in the bottom half of our office bracket pool while the top half of the bracket pool is populated with participants with little day-to-day basketball enthusiasm.

What this illustrates is the difficulty of making predictions while attempting to overcome your biases at the same time (favoring your home team versus the better teams) despite the existence of data which should make predictions easier. Similarly, this is a reminder that when making long-term financial investments, managing your emotions will continue to be a part of the journey.

My personal objective is three-fold when indulging in bracketology: to have more than 50% of my predictions proven correct (an improvement on random selections), to score in the top half of the bracket pool (be better than the average participant) and repeat this modest feat each year (consistency) while having fun. Given my approach and modest goals, you may not be surprised to learn that my annual bracketology exercises have been successful every year to date.

In summary, when presented with the challenge of financial growth (or picking March Madness brackets), it's important to keep a clear and realistic objective (a quantifiable goal), use a systematic approach (skill data), diversify-diversify-diversify (seeding order, favorites ranking, variety of metrics), and maintain a long-term attitude (big picture thinking).

As we move into the second quarter and reflect on the difficulty of making investment predictions, we are reminded of these lessons: establish a realistic objective, diversify your portfolio, follow a systematic approach, and stick with the plan during episodes of volatility.

Our goal is always to provide you with innovative solutions adapted to the uncertainty of investing, guiding you through an optimal allocation according to your financial goals and risk tolerance. Now for my view on the topics affecting your investments.

## A CIO's View

These events are monitored daily by our models. We also regularly cover these topics in our monthly Navigator and quarterly Fixed Income Commentary.

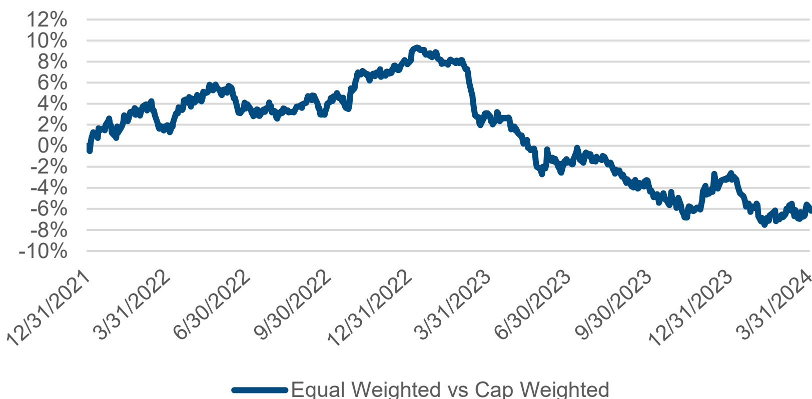
### Market Return: A broadening rally more conducive to stock picking

We had mentioned in a previous newsletter the magnitude of the distortion of index returns caused by the run-up in the "Magnificent 7" stocks in the S&P 500. Looking back at this quarter, the cohort started going its separate ways and looking more like the "Magnificent 2" with Nvidia shares up 82.5%, Meta up 37%, Amazon up 18.7%, Microsoft up 12.1%, and (barely beating the S&P 500) Alphabet up 8.05%, with Apple down 10.8% and Tesla down 29.2%. The Artificial Intelligence gold rush seems to be tapering and the 10.4% rally of the first quarter is much less concentrated than that of last year. Case in point the highest performing sector year-to-date is communication services lead by Meta, Disney, Netflix, and Verizon. Close behind is the energy sector with Marathon Petroleum, Valero Energy, Diamond Back Energy and Targa resources all displaying gains of 30% or

more. A few other notable names in non-technology sectors: Progressive Corporation, Hartford Financial, General Electric, Eli Lilly, Davita Inc, Ralph Lauren, Tapestry, Constellation Energy and NRG Energy were also up 30% or more.

We like to measure this breadth factually by comparing the performance of the equal-weighted S&P 500 Index versus the cap-weighted index performance. You can see below that after a difficult 2023, the race between those two indices has been quite even over the past few months. (Exhibit 1)

**Exhibit 1: S&P500 Cap-Weighted vs. Equal-Weighted Performance**



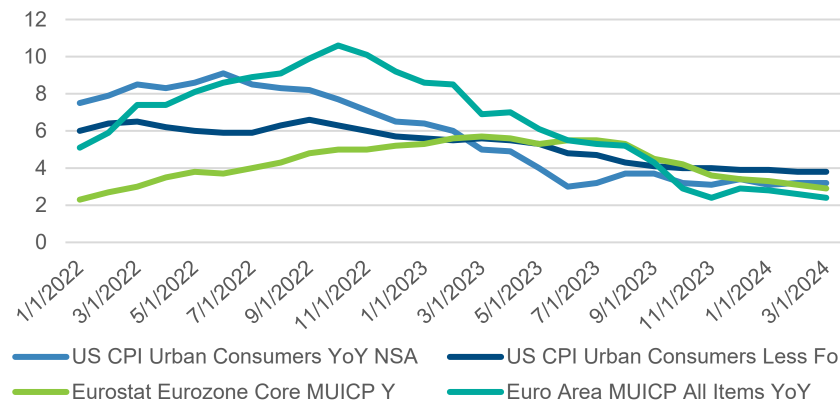

Source: Bloomberg.

## Inflation: Improvements so far but resilience ahead

Core inflation has continued to abate but is now doing so slower (Exhibit 2). Core inflation now stands at 3.8%, while headline inflation barely inched down to 3.5%. While the trend continues to be in the right direction, the pace in inflation moderation is slower than last quarter and slower than the market anticipated. We have highlighted in our previous commentaries that possibility and see it becoming the base case for the moment.

Core inflation above 3% for the remainder of 2024 is a scenario which would trigger hawkish actions from the Federal Reserve such as a delay in interest rate cuts (or no cuts in 2024) as inflation could be more persistent than predicted.

**Exhibit 2: US/Europe Core Inflation Rates**

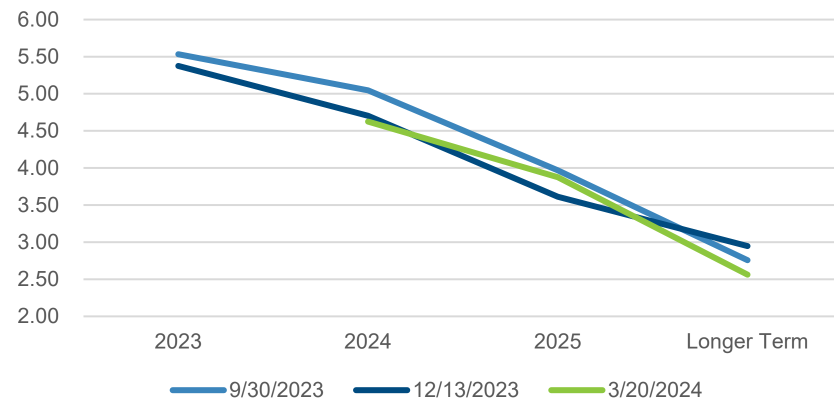



Source: Bloomberg.

## Federal Reserve actions: Wait-and-see

In March, the FOMC continued to pause and maintain its policy rate within 5.25% and 5.5%. The tone was to pause while assessing more data, pointing to the strength of the economy and resilience of the inflation, further indicating that the Fed is unlikely to reduce rates at their next meeting, thus maybe leaving on the table a first cut in June at best. The dot plot is now higher than the last one for 2025 (Exhibit 3).

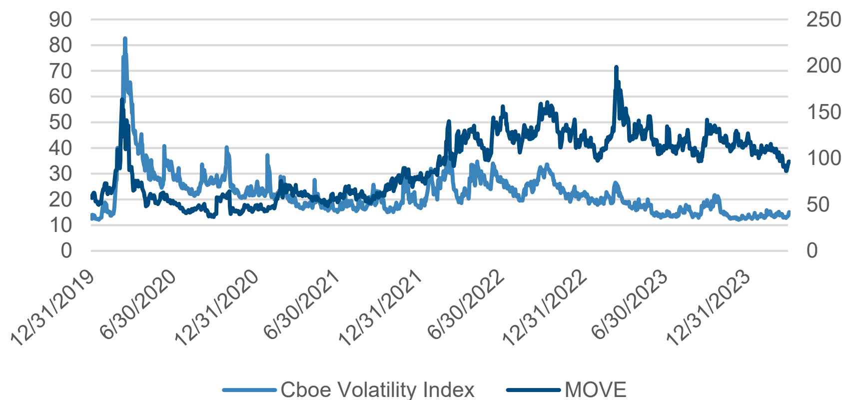
**Exhibit 3: FOMC Dot Plots continue to signal high rates for longer**




Source: Bloomberg.

The interest rate uncertainty is still high, as can be seen in Exhibit 4: the MOVE Index (implied volatility of a basket of OTC options on US interest rate swaps) illustrates the uncertain environment we are in, with a new positive this quarter: that uncertainty is a little lower than it used to be, conveying that the "higher for longer" scenario might be sinking in. Meanwhile the VIX (Volatility) Index continues at its lows along with tight credit spreads, reflecting the optimism on the economic situation.

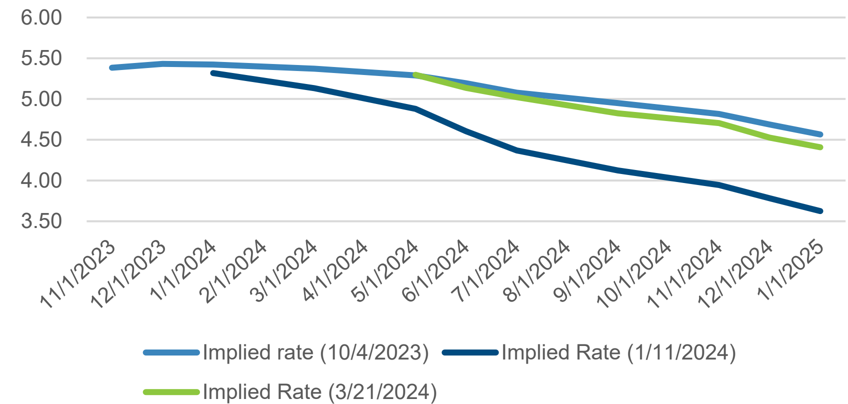
**Exhibit 4: The MOVE Index indicate moderating uncertainty in interest rates, while the VIX Index indicates a constructive investment narrative.**




Source: Bloomberg.

The rates markets have incorporated this information (Exhibit 5) and are pricing in higher rates for longer, showing an implied rate curve very similar to the one six months ago. With equities trading at multiples of 23X-25X in the US with some signs economic slowdown in combination with resilient inflation, the prudence thesis makes risk assets seem overbought, exposing vulnerabilities in US equities. Noteworthy: 2024 EPS projections keep coming down, potentially indicating that the market is too complacent at this juncture. In contrast, the Euro Stoxx 50 is trading at 14X-15X multiples, the FTSE 100 Index trades at 11X-13X, the S&P TSX Index trades at 16-17X, offering viable competing alternatives to US equities.

**Exhibit 5: Implied Rates have significantly decreased in Q1**

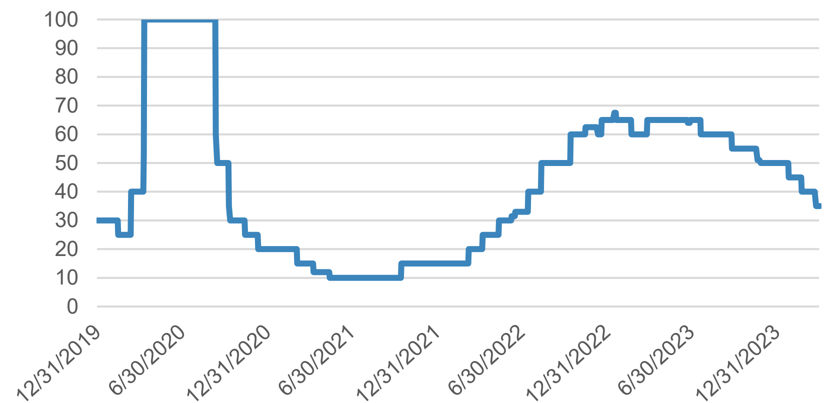



Source: Bloomberg.

## Recession: lower risks, but still present

Recession risks have continued to inch lower however more recently recession probability has improved slightly to a moderate 35% (Exhibit 6). Since the economy has shown some resilience with some softening, this may embolden the FOMC to continue its restrictive actions.

**Exhibit 6: Probability of a U.S. Recession down to 35%**



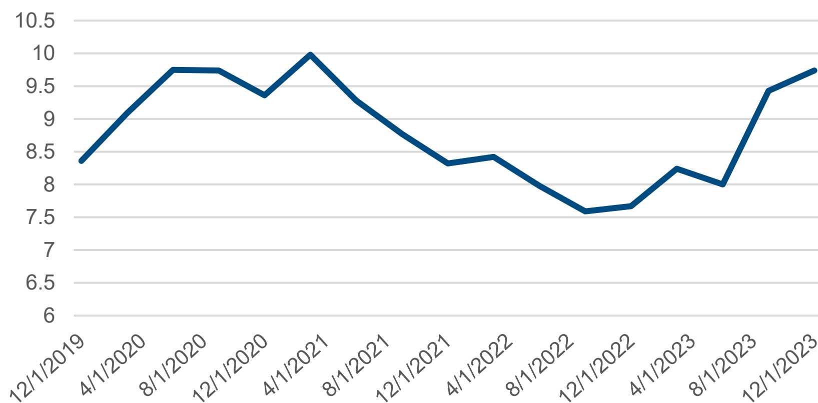

Source: Bloomberg.

## Economy: Resilient with a moderate slowdown

For 2024, we are continuing to see some further signs of slowdown which could grow more substantial: personal savings buffers are lower than post-pandemic which could diminish consumer strength, fiscal policy is looking contractionary with the lapsing of past policies, the additional labor participation rate looks more challenging, the delayed impact of variable rate debt is likely to be seen in more corners of the economy, US election uncertainty, and geopolitical tensions in the Middle East could create additional headwinds.

Credit card delinquencies are rising to levels equivalent to the 2020 recession (Exhibit 7). This can be seen as a sign of normalization from the low levels of previous years and a digestion of the riskier lending. Corporate bankruptcies have also been rising and are still below pre-pandemic levels. Commercial real estate does look problematic, but accounts for only 2-3% of bank loan portfolios, which should avoid a repeat of the 2008 episode.

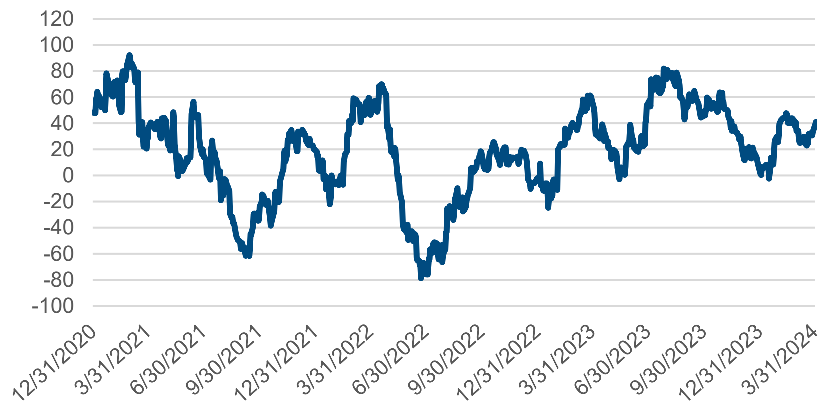
**Exhibit 7: Credit Card Delinquencies starting to rise (% of balance delinquent 90+ days)**




Source: Bloomberg

Next, the Citigroup Economic Surprise Index has declined over the past quarter, indicating that while still resilient, the US economy is no longer posting as many strong positive surprises as the majority of 2023. While the indicator is in mildly positive territory, it is not displaying a sharply negative trend like the one of 2022. (Exhibit 8).

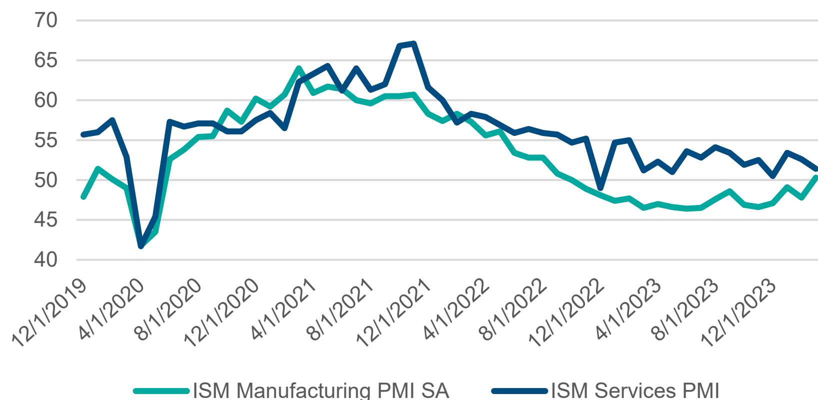
**Exhibit 8: The Citigroup Economic Surprise Index indicates how economic data compares with consensus estimates**




Source: Bloomberg, Citigroup.

Further signs of a moderate slowdown can be seen in the leading indicators of the PMI ISM surveys (Exhibit 9). Both indices are close to or below the neutral 50 level. While the declines seem to have stabilized, they have not shown any clear signs of improvement over the past six months.

**Exhibit 9: ISM Manufacturing and Services Indices are in neutral territory**




Source: Bloomberg.

## US Elections: More uncertainty later in the year

We continue to monitor the election, with two candidates facing off later in the year. While this aspect is dominating the news, and some uncertainty, we take comfort that it has not yet seemed to impact the markets. One potential explanation is that both leading candidates have been previous Presidents, thus making them more of a known quantity. We anticipate some volatility as the year progresses and the agendas become more clearly defined between the candidates on fiscal, trade, and regulatory policies.

## Investment Implications

Looking forward, it seems that the perfect soft landing scenario is dominating the narrative: lower inflation and resilient economic growth and profits, leading to equity multiples appearing overbought in the US. Any evidence of a less than perfect scenario can create vulnerabilities, and some pull back. While we continue to not see any major risks to the upside or the downside, the current return/risk environment does not appear the most favorable, thus our cautious stance and willingness to embrace any trading weaknesses to capitalize on future opportunities.

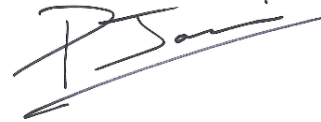
Given the current market conditions we reiterate our recommendations:

- Diversify-Diversify-Diversify: by asset class (bonds, equities, alternatives, options), by investment approach (long, tactical, premium income), by style (active, passive, defined outcome), by benchmark (equal weighted / cap weighted), by geography (US, International …): embrace other scenarios.
- Be realistic and remain cautious and opportunistic in the current environment with active risk management and tactical strategies.
- Follow a systematic and flexible approach and stick with it during episodes of volatility.

Following UConn's victory in the Men's National Championship game on April 8th, my bracket ended up with 38 correct picks out of 63, finishing in the top third of my fellow bracket pool participants. It is important to note that, much like March Madness, forecasting the direction of the markets is an uncertain exercise and embracing several alternative scenarios will more likely result in a positive long-term outcome.

I hope this letter finds you and your family happy, healthy, and enjoying the first taste of spring. If you have any questions about your portfolio or would like to discuss your current positioning, please contact your advisor at any time. Our team always has your interest at heart and stands ready to help meet your goals with the appropriate allocations and proactive financial planning. As always, we thank you for your business.

Warm regards,



**Patrick Jamin**
President & CIO

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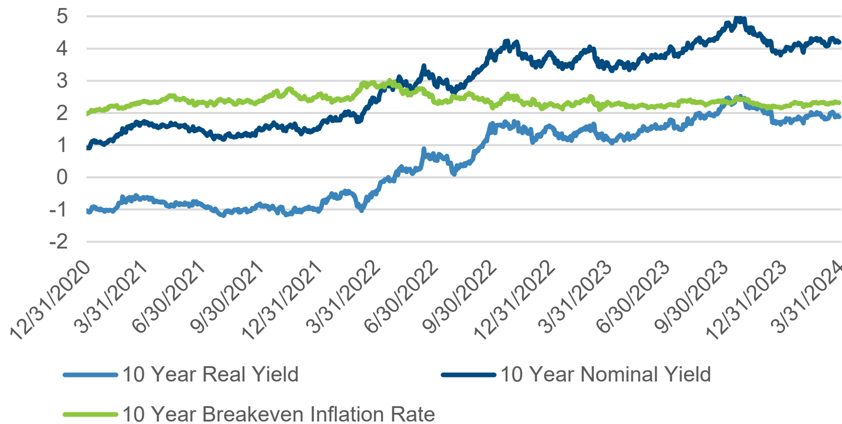
## Bright Outlook for Bonds

**Julia Zhu**
*Senior Vice President, Market and Security Research*

### Market Recap

In the first quarter, U.S. Treasury yields generally saw an upward trend as investors digested strong economic data and the Fed's pending easing decisions. Continued healthy economic data and the upside surprise in inflation have forced investors to reassess their expectations for interest rate cuts, with the timing of the first Federal funds rate cut being pushed back. The nominal 10-year U.S. yields ended the quarter at 4.20%, up from 3.88% at the end of the previous quarter. The increase in real yield and inflation expectations contributed evenly to the shift, with real yield up by 16 basis points for the quarter, while inflation expectations, measured by the 10-year inflation breakeven rate, also saw a slight increase from 2.16% at the end of the third quarter to 2.32% (see Exhibit 1). Throughout the first quarter of the year, the 10-year Treasury yield was modestly rangebound between 3.9% and 4.3%. In contrast, it reached a peak of nearly 5% in October 2023.

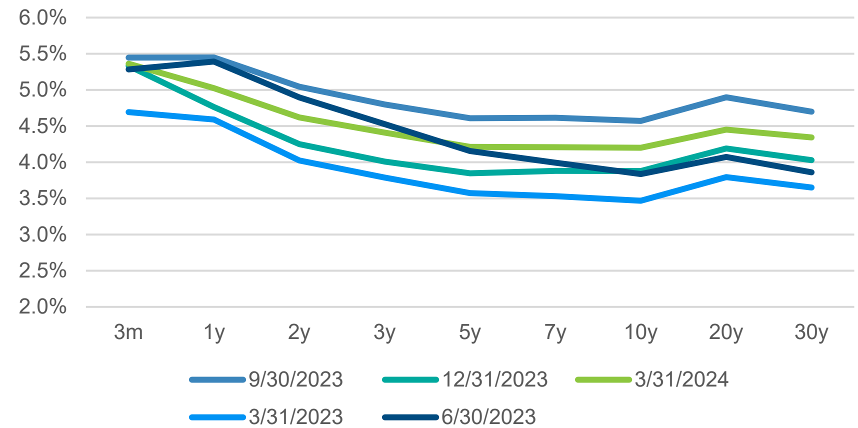
**Exhibit 1: Treasury yields increased in the first quarter of 2024**




Source: Bloomberg.

Treasury yields across all maturities increased for the first quarter, with 3-month yields moving up the least, leading to a slightly less inverted yield curve. The 3-month yield increased marginally from 5.33% to 5.36%, a level 1.16% higher than the 10-year yields (compared with 1.45% higher than the 10-year yields at the end of last quarter, see Exhibit 2). The 10-year and 30-year bond yields increased by around 30 basis points each but remained high historically.

**Exhibit 2: U.S. Treasury Yield Curve**




Source: Bloomberg.

### Macro Landscape

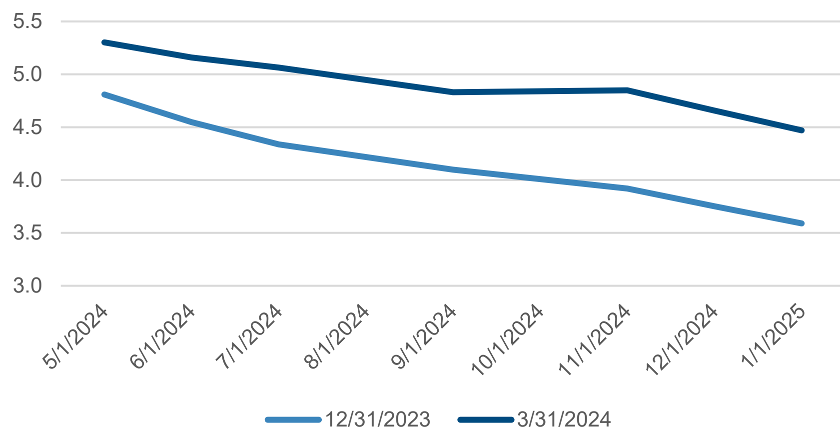
**Growth prospects:** Most U.S. economic indicators exceeded expectations during the first quarter, including payrolls (an average of 265,000 per month), the unemployment rate (below 4%), February retail sales (up 0.6%), housing prices (up 6.6% year over year), affirming the resiliency of the U.S. economy. Survey data also beat market forecasts in general, indicating improved business and consumer sentiment. The ISM manufacturing index surged to 50.3 in March, indicating an expansion in the U.S. manufacturing sector following 16 months of contraction. Homebuilder confidence (NAHB index) also exceeded the 50-point neutral threshold, reflecting favorable building conditions. The University of Michigan consumer sentiment index averaged 77.5 during the first quarter, up from 69.7 in December, with increased optimism about the inflation outlook, recent stock market gains, and resilient labor market.

Despite a slew of economic data that surprised to the upside, we expect growth slightly below trend in 2024. While February's headline payroll beat forecasts, it came with significant downside revisions in December and January, showing evidence that the labor market is softening. Consumer spending is anticipated to sustain growth this year, benefiting from low unemployment and moderating inflation. However, the prospect of high-for-longer interest rates will likely weigh on growth by tightening financial conditions and increasing consumer and corporate debt costs. We see corporate margin pressures as companies deal with weakened pricing power, higher interest expenses, and elevated labor costs.

**Fed policy:** As widely expected, in its March meeting, the Federal Open Market Committee (FOMC) kept the federal funds rate target unchanged at 5.25% to 5.5%. Despite higher-than-expected inflation data in January and February, the committee's latest Summary of Economic Projections suggests 75 basis points rate cuts in 2024. Also, the committee seems more confident about the possibility of a soft landing, with its GDP forecast for 2024 revised upward from 1.4% to 2.1%. At the same time, Chairman Power reiterated the need for greater confidence in the sustainable inflation trend before reducing the target range.

Since the beginning of the year, market expectations about the Fed's schedule for policy easing have been pushed back significantly (See Exhibit 3). As of 03/31/2024, the Fed funds futures market indicated a total of 70bps in rate cuts by the Fed in 2024, compared with 150bps cuts estimated at the end of last quarter.

**Exhibit 3: Fed Funds Rate Implied by the Futures Market**




Source: Bloomberg.

**Inflation surprised to the upside:** February's Consumer Price Index (CPI) came in slightly higher than expected for the month, with the headline CPI and core CPI rising by 3.2% and 3.8% year over year, respectively. However, the report's details were more benign as CPI for shelter decelerated modesty and core services prices also slightly cooled. More encouragingly, PCE (personal consumption expenditure), the Fed's preferred inflation measure, rose 2.5% year over year in February. Inflation expectations also continued their downward trajectory, according to the University of Michigan survey.

We maintain our view that shelter prices will ease in 2024, which is a primary factor supporting our view that inflation will moderate gradually in 2024. At the same time, our concerns persist regarding the tight labor market's impact on inflation, with wage inflation significantly higher than levels consistent with the inflation target. Our wage index has only marginally declined to 4.10% YOY in February, from 4.14% at the end of last quarter.

## Bright Outlook for Bonds

After heightened interest rate volatility over the past two years, our outlook for fixed income investments appears bright. Primary drivers of optimism are 1) the attractive starting level of yields across fixed income sectors; 2) the beginning of the Fed's easing policy anticipated later this year; and 3) moderating inflation and inflation expectations.

First, the current starting yields are among the highest levels in over a decade, which could not only boost potential bond returns but also offer a buffer against further interest rate volatility. Last year is a good example highlighting the importance of high starting yields. Despite considerable intra-year rate volatility in 2023, many yields ended the year close to their starting levels of the year. This round trip in yields has led to attractive bond returns that were primarily driven by attractive starting yields. Looking forward, starting yields in 2024 (4.5% for Bloomberg US Aggregate Bond Index) are close to the starting levels in 2023 (4.65%), indicating a brighter environment for bonds compared to 2022 with a 1.7% initial yield.

Second, the beginning of easing monetary policy will further improve fixed income performance. Empirical data has shown that in every circumstance since the 70s, the US Treasury (measured by the Bloomberg US Treasury Index) has demonstrated strong performance after the Fed started its first rate cut, regardless of whether a recession occurred (see Exhibit 4).

**Exhibit 4: U.S. Treasury Index Performance after First Rate Cuts**

| First Fed Rate Cut | Business Cycle | US Treasury Returns after First Cut 3-month | 6-month | 12-month |
|---|---|---|---|---|
| Jul-74 | During Recession | 3.7% | 8.4% | 10.1% |
| Apr-80 | During Recession | 15.1% | 9.8% | 13.1% |
| Jun-81 | Before Recession | -2.2% | 7.2% | 13.6% |
| Apr-82 | During Recession | 4.2% | 17.8% | 26.1% |
| Sep-84 | No Recession | 7.1% | 9.4% | 20.6% |
| Nov-87 | No Recession | 5.7% | 3.1% | 7.8% |
| Jun-89 | No Recession | 0.8% | 4.6% | 6.8% |
| Jul-95 | No Recession | 3.7% | 7.5% | 5.1% |
| Jan-01 | Before Recession | 0.3% | 3.6% | 6.6% |
| Sep-07 | Before Recession | 4.0% | 8.6% | 8.7% |
| Aug-19 | Before Recession | -1.1% | 3.4% | 7.0% |
| | **Average Before Recession** | **0.3%** | **5.7%** | **9.0%** |
| | **Average During Recession** | **7.7%** | **12.0%** | **16.4%** |
| | **Average No Recession** | **4.3%** | **6.2%** | **10.1%** |

Source: Bloomberg.

Thirdly, the decline in inflation provides bonds with an environment where they have historically performed well. Historical analysis has shown that over the period from 1982 to 2023, the Bloomberg US Aggregate Index returned 9.3% annually during decreased inflation regimes, in sharp contrast to a 1.1% annual return in increased inflation regimes.

## Investment Implications

Against the backdrop of a below-trend economic outlook, moderating inflation, and the expectation of the Fed's easing later this year, our discussions with clients since 2023 have explored the opportunities for increasing fixed income allocations while better balancing risks in their investments. Our allocation among fixed income sectors remains up-in-quality, while also preparing to take opportunities in other sectors as prices adjust to reflect changes in underlying fundamentals. We are neutral in duration in our more static portfolio and slightly underweight duration in our more dynamic portfolios. In the first quarter of 2024, our Dynamic Income strategy returned 0.2% net of fees, outperforming the Global Aggregated Bond Index and U.S. Aggregate Bond Index by 2.3% and 1.0%, respectively. In the first quarter, we focused on several key themes in our strategies, outlined below:

- **Less cash:** While short-term yields are still higher and cash investments may remain attractive in the near future, we believe that it is time to revisit the cash position. As the Fed begins to cut interest rates, front-end yields tend to decline quickly, which usually results in lower cash returns.
- **Mortgage-backed securities:** We kept a significant allocation to U.S. agency mortgage-backed securities through investing in MBB (iShares MBS ETF), as the MBS sector is supported by solid fundamentals and wider-than-historical average spreads.
- **Bank loans:** We have allocated 5% to the Invesco Senior Loan ETF (BKLN) in our portfolio. Floating-rate loans have a much shorter duration and have low correlations with other fixed income sectors. BKLN offers a current yield of 7.5% and returned 1.9% YTD as of 03/31/2024.
- **High yield bonds:** We recently added a modest position (2%) in the iShares iBoxx $ High Yield Corporate Bond ETF (HYG). Given the resiliency of the U.S. economy, we expect the relatively benign default rates (2.5% - 3%) will likely continue in the high yield corporate bond sector.
- **AMLP:** During the quarter, we slightly increased our allocation to Alerian MLP ETF (AMLP) from 3% to 5%. Infrastructure MLPs are likely to benefit from the expected modest growth of the U.S. energy sector this year. AMLP offers a generous current yield of 7.5% and returned 13.9% in the first quarter.

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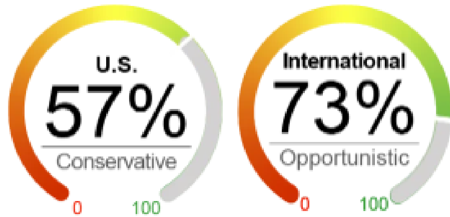
# NorthCoast Navigator

Q1 2024 | March 31, 2024

The NorthCoast Navigator is a market barometer displaying current equity outlook. The aggregate metric is determined by multiple data points across four broad dimensions including macroeconomic, sentiment, technical and valuation indicators. The daily result determines equity exposure in our tactical strategies. As of 3/31/2024. Data provided by Bloomberg, NorthCoast Asset Management.




**Current Equity Exposure**


**Summary:** Stocks continued to advance in March, with the S&P 500 and the Dow climbing by 3.2% and 2.2%, respectively, while the technology-heavy Nasdaq lagged by rising 1.9% for the month. March marked the fifth consecutive month of positive performance for U.S. stocks since October 2023. The recent surge in equity performance was primarily driven by multiple expansions, as forward earnings over the past 12 months increased by only 7% globally, contrasting sharply with the nearly 30% rise in the P/E ratio. Investor confidence remains high, and market positioning is lifted, supported by the expectations of a “Goldilocks” outcome with a soft landing. Furthermore, markets reacted to the March Fed meeting with a sense of relief as the committee did not signal a more hawkish tone in light of the recent higher-than-expected inflation data. However, we perceive downside risks for the equity market due to over-valuation, a potential correction for overly-crowded momentum investments, upside inflation risks, and uncertainties surrounding geopolitical and political developments. With this backdrop, we maintained our conservative allocation to U.S. equities at 57%. We increased our international equity exposure from 59% to 73% during the month, given the more robust macro and sentiment signals in our international cash scaling model compared with last month.


**Fed policy:** As widely expected, in its March meeting, the Federal Open Market Committee (FOMC) kept the federal funds rate target unchanged at 5.25% to 5.5%. Despite higher-than-expected inflation data in January and February, the committee’s latest Summary of Economic Projections suggests 75 basis points rate cuts in 2024, with the first rate cut expected in June. Also, the committee seems more confident about the possibility of a soft landing, with its GDP forecast for 2024 revised upward from 1.4% to 2.1%. At the same time, Chairman Power reiterated the need for greater confidence in the sustainable inflation trend before reducing the target range. Market reaction to the March meeting was modestly positive, with a sense of relief that the committee did not signal a more hawkish tone in light of the recent inflation data. The three primary U.S. stock indexes gained about 1% on the close on March 20.

**Inflation:** February's Consumer Price Index (CPI) came in slightly warmer than expected for the month, with headline and core CPI (excluding food and energy) each up 0.4% from January to February. On a year-over-year basis, the CPI and core CPI rose by 3.2% and 3.8%, respectively. However, the report's details were a bit encouraging. CPI for shelter decelerated modestly (up 0.4% after a gain of 0.6% in January), and core services prices slightly cooled (up 0.5% after an increase of 0.7% in January). We maintain our view that shelter prices will ease in 2024, which is a primary factor supporting our view that inflation will moderate gradually in 2024. At the same time, our concerns persist regarding the tight labor market's impact on inflation, with wage inflation significantly higher than levels consistent with the inflation target.

**Bank of Japan monetary policy:** During its monetary policy meeting on March 18-19, the Bank of Japan abandoned negative rates as part of its large-scale easing monetary policy, which previously consisted of negative interest rate policy (NIRP), yield curve control (YCC), and ETF purchases. At the same time, the Bank of Japan emphasized its commitment to maintaining a dovish policy stance to keep accommodative financial conditions. In assessing the current economic landscape, the BoJ noted that "Japan's economy has recovered moderately, although some weakness has been seen in part" (mainly referring to the declines in consumption and production.) The policy changes, including an end to NIRP, largely matched the markets' expectations and, thus, did not result in significant market volatility. We expect the next rate hike will have more impact, though it's stated that the timing and pace of such hikes would depend on the economy.

## Macroeconomic

- Nonfarm payrolls rose by 275,000 in February, with significant negative revisions for January and December. The four-week moving average of initial jobless claims was slightly lower to 211,000 as of March 23.
- Retail sales rose 0.6% in February, with sales in January and December revised down.
- U.S. industrial production rose 0.1% in February.

## Sentiment

- U.S. manufacturing activity contracted for the 16th consecutive month, with the ISM manufacturing index falling from 49.1 to 47.8.
- The University of Michigan Consumer Confidence Index unexpectedly rose to 79.4 in March, the highest level since July 2021, as consumers were more optimistic about inflation outlook.
- The NAHB index continued to increase to 51, above the neutral level.

## Technical

- Technical indicators were positive overall, with positive momentum and fear signals outweighing negative reversal signals.
- The S&P 500 was 14% above its 200-day moving average, 9% above the 100-day average, and 4% above the 50-day average.
- The VIX index climbed in the first half of the month to 15.2 but decreased later in the month as realized volatility dropped. It settled at 13.0 at the end of the month.

## Valuation

- Valuation metrics for equity remained negative. P/E increased from 24.4 at the end of February to 25.2 at the end of March.
- Forward P/E increased to 21.8 at the end of March from 21.1 at the end of February.
- Inflation-adjusted valuation metrics continued to be negative.
- Equity valuation metrics relative to bonds remained negative with high bond yields.

NorthCoast Asset Management has filed Form CRS for 2024, available at https://21355211.fs1.hubspotusercontent-na1.net/hubfs/21355211/NCAM_Form-CRS.pdf

NorthCoast Asset Management has filed Form ADV Part 2, available at hhttps://21355211.fs1.hubspotusercontent-na1.net/hubfs/21355211/NCAM%20ADV%20Part%202.pdf
Material changes from 2023 are located on Page 2.

**We will send a copy via mail of either filing if requested, free of charge.**