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October 21, 2024

Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call us at your convenience to set up your quarterly investment meeting.

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Going, Sebastien, Fisher & Le Bouef, LLP (GSF&L) News:

- Several GSF&L Certified Public Accountants have recently become credentialed as Personal Financial Specialists (PFS). They are Matt LeDoux, Robert Roy, Scott Hayes, Amy Spellman, Seth Dabney, and Kaleb Andrepont. The PFS credential is granted exclusively to CPAs with tax expertise and comprehensive knowledge of financial planning. All areas of financial planning, including estate, retirement, investments, and insurance have tax implications, and a PFS can advise in these areas. Please call any of them in addition to Craig or Darren should you need help or advice in the areas of estate, retirement, investment, insurance, or tax planning.

- As an update to the three closed end (interval) funds Cliffwater (CCLFX & CELFX) and Variant (NICHX) GSF&L added in 2022 to our clients' investment fixed income allocation to provide income and diversification to clients' portfolios, see the following 2022 and 2023 returns. The three funds have a low to negative correlation with the S&P 500 and U.S Bond Aggregate Index. For the year ended December 31, 2022, when the S&P 500 index lost -18.11% and the Bloomberg US Aggregate Bond Index lost -13.01%, CCLFX returned 6.53%, CELFX 11.56% and NICHX 8.71%. For the year ended December 31, 2023, the funds returned CCLFX 12.66%, CELFX 12.66%, and NICHX 9.50%, respectively, which compares to the S&P 500 total return of 26.29% and BBgBarc US Agg Bond total return of 5.53%. The 2023 distribution rates ranged from 9.88-11%. Feel free to contact one of the Investment Advisors at GSF&L should you wish to learn more about the funds and how they may further diversify your investment portfolio.

Investment Views:

- ***YCharts - Through September 30, 2024 - Year-to-date returns –*** Dow Jones Industrial Average 13.93%, S&P 500 22.08%, NASDAQ 100 19.97%, Russell 2000 11.17%, S&P MidCap 400 13.54%, Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE) 13.50%, S&P GSFCI (Broad-Based Commodities) 5.23%, and BBgBarc US Aggregate Bond 4.45%.

- ***Northern Trust – Weekly Economic Commentary – October 09, 2024 –*** The Federal Reserve Board's rate cut on September 18 likely represents the first in a series of rate cuts as the Fed balances its dual mandate around employment and price stability. Each rate cut is unique in its own way. Since 1980, there have been a total of 11 rate cut cycles. In the 12 months following the start of a rate cut cycle, equity returns as measured by the S&P 500 index averaged14.1%. Stocks also rose on average over three months and six months after the first rate cut.

- ***Bureau of Economic Analysis – September 26, 2024 -*** Real Gross Domestic Product (GDP) – the value of goods and services produced by the nation's economy less the value of the goods and services used up in production increased at an annual rate of 3.0% in the first quarter of 2024, according to the "third" estimate released by the Bureau. In the first quarter 2024, real GDP increased 1.6%. Personal income increased 0.2% in August as compared to a 0.3% increase in July.

- ***Bureau of Labor Statistics – October 10, 2024 –*** On a seasonally adjusted basis, the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% in September, the same increase as in August and July. Over the last 12 months (through September), the all-items index increased 2.4% before seasonal adjustment. The index for shelter rose 0.2% in September, and the index for food increased 0.4%.

Craig's Thoughts and Views:

Fed Rate Cuts and Solid Earnings Overcome Rising Economic Anxiety

Markets were volatile in the third quarter as investors faced political turmoil and increased uncertainty about future economic growth, but the return of Fed rate cuts and solid corporate earnings helped to offset those political and economic anxieties, and the S&P 500 hit another new all-time high and finished the quarter with strong gains.

Markets started the third quarter with a continuation of the first-half rally thanks to good Q2 earnings results and generally solid economic data. However, while the S&P 500 hit a new all-time high in mid-July, the second half of the month proved more volatile. That volatility was driven by an intense rotation within the S&P 500 from the heavily weighted tech sector (more than 30% of the S&P 500) to other, smaller market sectors such as utilities, financials and industrials. The impetus for this dramatic rotation was a combination of profit taking following the substantial artificial intelligence (AI) driven tech stock rally and a larger-than-expected decline in inflation which caused Treasury bond yields to fall sharply as investors anticipated imminent rate cuts by the Fed. That expectation boosted the economic outlook and caused investors to rotate towards market sectors that benefit more directly from a strong economy. So, while

investors didn't exit the market entirely, the decline in the tech sector weighed on the S&P 500 and was not fully offset by gains in other, smaller market sectors. The S&P 500 finished July well off the mid-month highs and with just a small gain, up 1.1%.

The late-July volatility continued in early August as a much-weaker-than-expected July jobs report, released on August 2nd, added to economic concerns. The unemployment rate rose to the highest level since November 2021 and investors' fear of an economic hard landing triggered a sharp, intense decline that saw the S&P 500 fall 3% on Monday, August 5th, the worst one-day selloff in nearly two years. However, that decline proved brief as economic data over the next few weeks was generally solid and that helped calm investors' anxieties. Then, on August 23rd, at the Kansas City Fed's Jackson Hole Economic Symposium, Fed Chair Powell told markets the "time had come" for the Fed to cut rates. That all but guaranteed a rate cut at the September meeting. That message further fueled the rebound in stocks and the S&P 500 finished August with a 2.3% gain, completing an impressive rebound from early-month weakness.

The rally continued in September thanks to growing expectations for a large Fed rate cut that offset lackluster economic data. The August jobs report, released in early September, was another disappointment and again increased concerns about an economic slowdown and stocks were modestly volatile to start the month. However, following that report, numerous financial journalists and ex-Fed officials made public calls for the Fed to cut interest rates by 50 basis points at the September meeting and expectations for a larger-than-expected rate cut helped offset underwhelming economic data and the S&P 500 hit a new all-time high ahead of the Fed decision. Then, on September 18th, the Fed met market expectations and cut rates for the first time in four years and promised additional rate cuts between now and year-end. Investors welcomed this news and the S&P 500 surged to a new high and finished the month and quarter with more solid gains, adding to the strong year-to-date return.

Finally, politics and the looming presidential election did impact markets during the third quarter. Investors started the quarter expecting a Trump victory and Republican control of Congress, based on polling following President Biden's struggles at the June debate and after the failed assassination attempt on the former president. However, those expectations changed rapidly following Biden's withdrawal from the race and nomination of Vice President Kamala Harris. As the third quarter ended, national polls slightly favored Harris while the outlook for the control of Congress remained uncertain.

The Fed and Interest Rates

The financial media constantly writes about and discusses with its readers current and expected Federal Reserve policy. This is not surprising as the Fed has tremendous influence over money supply and credit, the lifeblood of the economy, and monetary policy.

The Fed either sets or has effective control over only three rates in essence. The federal funds rate is set by the Federal Reserve Open Market Committee (FOMC). It is the rate that member banks charge one another for overnight lending, to meet ongoing liquidity needs. The discount rate is set by the Fed's board of governors. This is the rate that the Fed charges member banks to borrow from the fed directly, if needed, to meet liquidity requirements. The interest rate on reserve balances (IORB), also set by the board of governors, is the rate the Fed pays member banks on reserves they hold in their Federal Reserve bank accounts.

The Fed Funds rate is most frequently addressed by financial experts who are called upon to give opinions to the public and media viewers. Market participants (investors) will attempt to "price in" expectations of future changes in this rate. Moreover, while the Fed has substantial influence over current rates paid on short-term instruments such as treasury bills, money market funds, and CD rates, it has only limited influence over current interest rates at large, that is over intermediate and long-term bonds that comprise the rest of the yield curve.

Attempting to predict the timing, pace, and magnitude of future Federal Reserve interest rate decisions can be very difficult. While the Federal Reserve has influence on the future direction of the U.S. economy, their decisions and the market reaction to those eventual decisions are very unpredictable. Thus, it is likely better to leave the forecasting and predicting of Federal Reserve interest rate policy to those in academics as opposed to allowing it to dictate investment decisions.

GSF&L, LLP Registered Investment Advisors:

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course, it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The BBgBarc U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of

dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results. Diversification does not assure against market loss.