THE
COOK REPORT

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POSITIVELY PROACTIVE

Spring is here in the Rockies! The trees are beginning to bud, blue skies and warmer temperatures are becoming the norm — with the occasional blizzard mixed in. Skiing in the morning and golf in the afternoon is not only possible, but encouraged! With a positive start to the year in the markets and broader economy, optimism abounds.

Given all the good news, we use this edition of *The Cook Report* to explore why now is a good time to revisit your financial and investment plans and offer specific areas for consideration. In the end, you might not make changes (in many ways we hope you don't!), but at least you will have added confidence that you are on a path that will serve you well in all environments.

LET THE GOOD TIMES ROLL!

Positive economic news has piled up across the globe to begin 2024. Financial markets in the U.S., Japan, and Europe have rallied, with new index records reached regularly in all three. GDP growth in the U.S. is expected at around 2% in the first quarter, while the unemployment rate remains stable at under 4%. Even consumer confidence appears to be positive in the face of continued high inflation.

While stock gains in 2023 were paced by the "Magnificent Seven" tech stocks and pharmaceutical companies producing revolutionary weight loss drugs, gains in 2024 have been more broad-based. Central banks in developed economies could provide a longevity boost to the raft of good economic news as they appear ready to cut interest rates during the second half of the year (except for Japan, which just exited a negative rate environment).

If we counsel patience during market turmoil, then it is equally important to actively revisit your plans when times are good. The adage "buy low, sell high" makes intuitive sense to investors, yet the average investor does the opposite by capitulating to fear during down markets. Just as we do not encourage you to give into fear, we are not suggesting that you "sell high" or make changes just because times are good. However, if your life situation has changed and you have identified tweaks you would like to make to your investment strategy, doing so when you feel good about your financial position is better than when you feel vulnerable.

AREAS FOR CONSIDERATION

Again — we cannot emphasize this enough — timing the market doesn't work. It is time in the market that has consistently demonstrated positive gains for investment portfolios. Selling high just to sell high removes those investments from your portfolio and you may end up missing out on future gains. Changes must be deliberate because they better fit your current financial situation and long-term goals. With that caveat in place, here are a few areas to consider when times are good:

Life situation: Has your life situation changed recently? Did you get a new job with higher pay? Get married?

INSIDE THIS ISSUE:

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POSITIVELY PROACTIVE (cont.)

Have children? Recently retire? These and other life events are good times to review your financial and investment plans to make sure you are properly covering your new station in life.

Asset allocation: As you survey your assets — not just your investment portfolios — make sure you continue to be diversified and exposed to many asset classes across your holdings. Have there been changes to your asset base? Do you have a pile of cash still sitting in a non-interest-bearing account? Have you recently become a landlord? Started a new business? Taking time to look at your total asset base may reveal areas in which your investment portfolio could be tweaked to achieve better diversification.

Asset protection: If you are feeling good about your life situation and the diversification of your assets, how would you feel if something unexpected happened to put those at risk? Are you and your family covered in the event of disability or the death of a primary earner? Who will take care of you as you age? Considering these questions and how you will deal with them are critical in advance of an unexpected tragedy when your mind is clear.

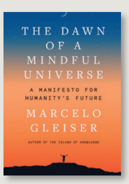
In many ways, we hope that you will review the areas highlighted and conclude that you do not need to make any changes. That said, financial and investment planning are dynamic activities that require regular monitoring and adjusting for evolving life situations. Be confident in what you have put in place, but don't be afraid to make changes when necessary.

EMBRACE THE CALM

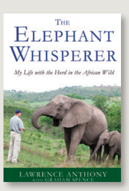
In what might feel like a crazy year given economic, political, and international uncertainty, 2024 has started with remarkable calm. For now, investors appear little concerned about potential storms on the horizon. The rally that ended 2023 on a high note has spread to many additional asset classes to start the year. Investors with well-diversified portfolios are being rewarded for their patience and long-term outlook.

We encourage you to embrace the calm. Review your long-term goals and positions, make changes where necessary, but also be confident in the work you have already done. Remain diversified and stick to your plan — your future self will thank you. Happy Spring!

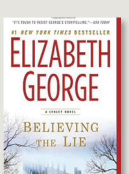
READER'S CORNER



The Dawn of a Mindful Universe/A Manifesto for Humanity's Future, by Marcelo Gleiser (HarperOne, New York, 2023) is written by a Templeton Prize-winning Dartmouth astrophysicist and expands on one of his earlier works. So far as we know, our Earth is truly unique!



The Elephant Whisperer/My Life with the Herd in the African Wild, by Lawrence Anthony with Graham Spence (Thomas Dunne Books, New York, 2009) relates how the author was able to relate to a renegade herd of elephants and save them from being killed. The matriarch causing the trouble became a real friend and the herd came to his house to mourn his death. Highly intelligent animals!



Believing The Lie/An Inspector Lynley Novel, by Elizabeth George (New American Library, New York, 2012) is a thoroughly enjoyable analysis of a death that could be an accident or murder, identifying many who had a motive for murder.

IN THE NEWS

- "America Is Sliding Toward Chinese-Style Capitalism/In the name of national security, politics take priority over profits," by Greg Ip (*The Wall Street Journal*, March 21, 2024) addresses increasing state involvement in business decisions and industrial policy.
- "How to Use Technology to Better Pace your Work," by Alexandra Samuel (*The Wall Street Journal,* February 19, 2024) offers some useful tips on helping plan and focus on the work at hand, as well as taking breaks.
- "Journal Report: Artificial Intelligence/Readers Have a Lot of Questions About AI. We Answer Them," by Bart Ziegler (*The Wall Street Journal*, January 20, 2024) reviews several issues concerning this new technology.