THE COOK REPORT

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MAKE IT HAPPEN!

At the midpoint of 2024, we look back fondly to the cool and wet spring and early summer that descended upon the Front Range of Colorado in 2023. Our use of air-conditioning and water for our lawn may never be as low. The “heat domes” that have parked themselves over Colorado and much of the rest of the country have us pining for those halcyon days. Whether you love the heat or retreat to air-conditioned environs, we wish you a happy summer!

In the April edition of *The Cook Report*, we focused on embracing the calm of markets and positive economic news to be proactive in revisiting your long-term financial and investment strategies. In this edition, we encourage you to use the relaxed summer months to engage in a thought experiment that will focus those strategies and plot waypoints on your life journey. We finish with a brief look at current financial news prior to election season kicking into overdrive.

FOCUS ON THE WAYPOINTS

As you take in a few rays or seek some cool and shade this summer, carve out a moment to clear your head and engage in a thought experiment. It goes like this: ten years from now, you are gathered with family and close friends over your favorite meal. Together, you are reminiscing fondly about experiences and situations that occurred over the previous ten years. Some of the events seemed preordained—you always envisioned you would fit them into your life and they indeed took place. Others are dreams that you hoped would happen, but you had doubts as to whether they would be possible. And yet others came as complete surprises that enriched your life in positive ways.

While you imagine the conversation and the tales you tell, take time to write down some of the highlights that you share with the group. Keep them grounded and realistic—you’re not deciding what to do with $1 billion of lottery winnings that magically comes your way (a fun exercise for sure, but statistically unlikely and not useful for our purposes). Rather, focus on the realm of the possible, including a few experiences that might seem like a stretch today but that ideally will come to fruition.

Why, you ask, do we suggest engaging in this thought experiment as financial advisors? Quite simply, it helps bring meaning and context to the financial planning process and puts you in control. Too often we can get stuck in looking at endpoints (retirement, paying for college) and forget to live along the way. In our early twenties, we can’t really imagine retirement and may not even have the means to start saving for it. But we can imagine experiences that we want to have before we reach our thirties. As those experiences become reality, new sets of goals and dreams come into view.

The planning process evolves as you evolve and requires regular editing, adaptation, and creativity. Be open to surprises and embrace challenges. If at the end of the experiment you have doubts that you can make your dreams a reality, let us know—we will work together to get you there.

INSIDE THIS ISSUE:

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The Albert T. T. Cook Company is an independent registered investment adviser committed to meeting client objectives with comprehensive, unbiased financial advisory services.

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The Albert T. T. Cook Company
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MAKE IT HAPPEN! (cont.)

PLUGGING ALONG

Speaking of things that evolve, edit, and adapt, financial markets and the broader economy have continued to remain relatively calm during the second quarter. Inflation rates remain elevated but continue to rise at lower levels and are now under 3%. The economy is growing, with GDP up 1.4% in the first quarter of 2024.

The Federal Reserve maintained interest rates at 5.25–5.50% at the June meeting of the Federal Open Markets Committee. Analysts seemingly have coalesced around the view that there might be one rate cut before the year is over, but for now the Fed remains cautious about loosening monetary policy too soon.

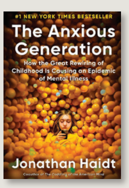
Stocks related to the Artificial Intelligence boom have helped to drive markets higher, with Nvidia continuing to lead the way. In fact, approximately 30% of the S&P 500 index's gains year-to-date are attributed to Nvidia alone. Company earnings have been strong, but there are questions as to whether markets are overpriced with all the good news already baked into valuations.

EXCITEMENT AHEAD

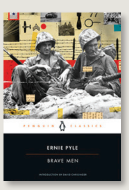
The third quarter of 2024 promises to be eventful. It is not yet known if the June 27 Presidential Debate will shake up the race in a meaningful way, but we could be in for a completely new campaign over the next four months. As always, we caution against reading too much into short-term news, maintaining your focus on the long-term.

Use the summer months to flesh out your dreams by engaging in the ten-year thought exercise we propose above. Enjoy the process of identifying goals and future accomplishments and the ways in which you will make them happen. Consider it to be the first step to winning your own personal lottery. Happy Summer!

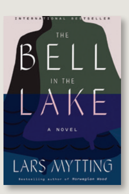
READER'S CORNER



The Anxious Generation: How the Great Rewiring of Childhood Is Causing an Epidemic of Mental Illness, by Jonathan Haidt (Penguin Press, New York, 2024) argues increases of childhood mental illness can be traced to the decline in the play-based childhood, which was exacerbated with the arrival of the smartphone. A sobering read with insightful recommendations to turn the tide.



Brave Men, by Ernie Pyle (Henry Holt Company, New York, 1944, also a Penguin Classic) is a beautifully written chronicle of WWII infantrymen and pilots, by a world-renowned war correspondent who was embedded with those he wrote about.



The Bell in The Lake, by Lars Mytting, translated from Norwegian by Deborah Dawkin (The Overlook Press, New York, 2020) chronicles the cultural beliefs of a small, isolated Norwegian community from the 12th to early 20th century, with continuing themes and characters.

IN THE NEWS

- "Hot Funds and the Curse of 'Self-Inflated Returns'," by Jason Zweig (*The Wall Street Journal*, June 14, 2024) argues hot money is opportunistic, often raising values, but can vanish quickly, depressing values.
- "The New, More-Hopeful Face of Alzheimer's Disease," by Marc E. Agronin (*The Wall Street Journal*, April 13, 2024) discusses new advances and treatment.
- "When Past Performance Doesn't Even Predict Past Performance," by Jason Zweig (*The Wall Street Journal*, May 31, 2024) requires that investors dig into the details of investment marketing materials, especially those that use "back-testing" to estimate performance.
- "A Surging IRS Penalty Is Costing Americans Billions. Here's How to Avoid It," by Laura Saunders (*The Wall Street Journal*, June 14, 2024) deals with estimated tax penalties that more investors need to know about.