Investors Had Plenty of Reasons to Be Thankful in November

The post-election stock market rally in early November continued throughout the month as long-term interest rates also edged downward. In short, it was a good month for investors across the board. As the year draws to a close, however, some analysts are calling attention to certain warning signs of a potential market pullback. Could they be right? Before we answer that, let's look closer at the month of November.

As I noted last month, the markets tend to do well after an election no matter who wins just because having a winner eliminates a big element of uncertainty. In this case, of course, the winner also happened to be the candidate whose stance on issues like tax cuts and deregulation is considered very market-friendly. As a result, the S&P 500 climbed by 5.73% in November while the Dow Jones Industrial Average jumped by 7.54%, giving both indexes their best monthly performance of the year, and putting the S&P up by 26% year-to-date. Meanwhile, the Nasdaq Composite had its most positive month since May, adding another 6.21%.[1]

Also meanwhile, long-term interest rates came down a bit during November, much as I predicted they would once the election was finally over. The interest rate on the 10-year government bond dropped from nearly 4.4% at the start of the month to just under 4.2% by December 2, giving bond investors a nice little tailwind.[2]

Your Portfolios

That tailwind, of course, was good for our portfolios of bonds and bond-like instruments, which is where most of you have most of your money. As you should see from your latest statements, after November our fixed-income portfolios are now up by an average of about 8% for the year. Some of you may be up by a little more and some by a little less; every portfolio is customized, of course, so it depends on your individual holdings. But remember, our target is between 5%-6% for the year, so that 8% average puts us ahead of our goal by a fair margin.

That's not a boast, of course. We all know things can change quickly at any time – just as we all know that when you're investing for income any gains or losses in value are largely irrelevant because your income return remains consistent either way. Still, it always feels better to see your values go up rather than down. Also, 8% is noteworthy when you consider that – big picture – long-term interest rates are close to the same level now that they were when the year started. Although the Fed has lowered short-term rates by three-quarters of a percent in recent months, long-term rates have, for

Continued on page 2

EXPERIENCE THE ERI DIFFERENCE

Copyright © Integrated Concepts 2024. Some articles in this newsletter were prepared by Integrated Concepts, a separate, nonaffiliated business entity. This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. The appropriate professional advisers should be consulted before implementing any options presented. No party assumes liability for any loss or damage resulting from errors or omissions or reliance on or use of this material.

ERI Empowerment Resources International - 30 South Wacker Drive, Suite 1260, Chicago, IL 60606
A+ Rating BBB ACCREDITED BUSINESS Office: 312-724-7755 | Fax: 312-724-8548 | info@ERI.global | www.ERI.global

Investors Had Plenty

Continued from page 1

a variety of reasons, remained relatively sticky by comparison.

But, again, the point is that when you're investing for income first you always know that a "feel good" month like the one we just had might soon give way to another not-so-good month, but that ultimately it doesn't matter because your income is secure, and your principal is protected.

As for those of you who might be wishing you had a bigger allocation in the stock market so you could enjoy more of its 26% growth, keep a couple of things in mind. First, remember that the S&P 500 is heavily affected by technology. But that's not because of how many tech companies there are in the index, it's because the S&P is capitalization weighted. That means bigger companies (like the so-called Magnificent 7 tech leaders) have a proportionally bigger impact on any changes in the S&P's value. If one company is ten times bigger than another, it has ten times the impact. Not every company has a 1/500th effect. But if they did – if you equal-weighted the S&P in other words – then mathematically the market would more likely be up somewhere between 10%-15%, not 26%.

I point this out because, remember: most tech companies pay little or no dividend, which means they aren't really suitable for an income-first portfolio. So, yes, 8% isn't quite 10%-15%, but keep in mind you're achieving it with a lot less risk and volatility, which is also one of the main goals of an income-first approach. Remember, too, that with a typical growth-based strategy, a

Continued on page 3

ERI Revocable Trust Package is a comprehensive package designed to meet all of your estate planning needs.

Included in your package:

Revocable Living Trust

A living trust is a legal document that contains instructions for what you wantto happen to your assets when you die. In addition to all of the features and functionality of a will, a living trust can avoid probate at death, control all of your assets, and prevent the court from controlling your assets if you become incapicated

Financial Power of Attorney

Your Financial power of attorney names someone to make financial decisions for you when you are not able to do so for yourself. You can name your primary choice and up to 3 back-up choices

Healthcare Power of Attorney

Your Healthcare Power of Attorney names someone to make healthcare decisions for you when you are not able to do so for yourself. You can name your primary choice and up to 3 back-up choices. It also includes important documents such as state specific Advanced Healthcare Directives.

Assets Package

Within your account is your Assets Package where you will maintain an updated list of all assets. This ensures an easier transfer of your assets after your death, and that no assets are lost.

Printed and Digital Documents

You will receive a Trust binder with printed copies of all of your legal documents as well as several guides. You will also receive digital access to your documents where you can view, print, download, and even amend your documents.

Schedule Your Appointment Now:

Call us at **312-724-7755** to schedule your appointment with Eric K. Williams.

Investors Had Plenty

Continued from page 2

26% gain in the stock market can turn into a 26% loss very quickly, which is why most investors who are retired, or nearing retirement, decrease their stock market risk in the first place!

Warning Signs?

Now, what are the odds we could see a big reversal of fortune for the markets anytime soon? Well, as I mentioned in my opening, some market analysts are increasingly pointing to certain indicators as potential warning signs that the market may be headed for a downturn. They note, for instance, that price-to-earnings (P/E) ratios are now at a level that, historically, suggests the market could be dangerously overvalued and due for a major correction.[3]

Personally, I'm not ready to jump on that doomsday bandwagon myself. Yes, P/E ratios are high and should be watched closely, along with all indicators. At the same time, though, other potential risks that were facing the markets at the beginning of the year have lessened dramatically, including the threat of a nationwide regional bank crisis. In fact, the financial sector strengthened in November and could strengthen further under a Republican administration.

Of course, there are still numerous geopolitical issues that could affect the markets, and there is always the risk of "irrational exuberance". In other words, whenever there is a great deal of optimism within and about the financial markets, it's important not to get overly optimistic. That's especially true now with a president coming in that some people are convinced is going to take the market all the way to the moon. Well, news flash: the market is already at least three-quarters of the way to the moon now, and there is only so much upside potential to be had!

As always, if you have any questions at all about your investments or any other issue, please call our office at any time.

Have a fantastic holiday season and a Happy New Year!

1 *https://www.cnbc.com/2024/12/02/cnbc-daily-open-the-stock-market-had-a-november-to-remember-.html*
2 *https://tradingeconomics.com/united-states/government-bond-yield*
3 *https://money.usnews.com/investing/articles/will-the-stock-market-crash-risk-factors*

Experience the ERI Difference

INSURANCE
LIFE
LONG-TERM CARE
DISABILITY INCOME

ESTATE PLANNING SERVICES
REVOCABLE LIVING TRUST PACKAGE

SEP IRAs
ROTH IRAs
TRADITIONAL IRAs
SELF-DIRECTED IRA

CREATE YOUR OWN BANK
DIRECT YOUR DOLLAR TO DO 2 JOBS
UNINTERRUPTED COMPOUND INTEREST
GUARANTEED GROWTH
TAX FREE ACCESS TO CASH
PAID OFF MORTGAGES & STUDENT LOANS
SELF-FINANCE PURCHASES

ROLLOVERS
PENSION, 401(K)
DEFERRED COMP
403(B), & TSP
GUARANTEED LIFETIME INCOME

A+ BBB ACCREDITED BUSINESS
TAKE ACTION NOW !
312.724.7755
TOP OF THE TABLE MDRT
ERI 30 S.Wacker Drive, Suite 1260, Chicago, IL 60606

ERI
EMPOWERMENT RESOURCES INTERNATIONAL
INVITE YOU TO OUR
Homeowners Brunch
If Buying / Owning / Paying-Off your Home is your Journey think of us as your compass

Please join us to learn how to pay your mortgage off in ONE-THIRD of the time!!!!
2nd Saturday Of Each Month
11:00 - 12:30PM
Call 312.724.7755 To RSVP
Bring An Adult Non-Client Guest For
Complimentary Parking

Protect Your Retirement Income From Market Volatility and Hidden Fees!

Learn To Use Time-Frame To Avoid Risk & Fee-Structure!

ERI

ROLLOVERS

- Safety
- Tax Deferred
- Yield
- Liquidity
- Estate Advantages

- Pension, 401k
- Deferred Comp
- 403(B), & TSP
- Guaranteed Lifetime Income

- Sleep
- Well
- At
- Night

ENJOY THE BEST OF BOTH WORLDS

- Linked Market Growth
- Protection From Market Volatility, Fee Structure & Losses!

ENJOY GUARANTEED LIFETIME INCOME!

312.724.7755

ERI Empowerment Resources International 30 S. Wacker Drive, Suite 1260, Chicago, IL 60606

Who We Are:

Empowerment Resources International Corp(A+ Rated & Complaint Free, per the Better Business Bureau) offers Insurance & Financial Planning Services. We're located in the Chicago Mercantile Exchange (CME) Center in Downtown Chicago. Eric K. Williams is the President of ERI and has achieved **Qualifying Life Member**, currently **Top of The Table**, in the Million Dollar Round Table, MDRT, the premier association of Financial Professionals®.

What We Do:

We Provide Solutions to Address the Systemic Root Causes of Inadequate Financial Freedom in America (Taxation, Interest Payments, Unknown Excessive Fee-Structure).

Using Our Knowledge along with our Combined Experience and Proprietary Technology, We Help Our Clients Achieve Their Goals. Those Goals Include: **Creating** their Own Bank, Directing their Dollar to Accomplish at least Two Jobs Instead of One; Eliminating **ALL** Debt including their Mortgage and Student Loans, in 9 Years or Less; & Self-Finance Purchases.

We Teach Our Clients to Use Time Committed Vehicles that Eliminate Risk & Fee Structure; Thus, Replacing Retirement Risk, Fees & Losses with **Guarantees & Lifetime Income**.

UNIQUE PROBLEMS SOLVED FOR OUR CLIENTS:

- Avg. Family Pays $155k in Hidden Wall Street Fees,(Frontline "The Retirement Gamble" 4/13), (ABC World News, 5/12)
- The real Interest on Mortgages and Student Loans is 60-100%, not the advertised rate 2-7% that we're misled to be paying
- U.S. Census Bureau statistics show that 74 cents out of every dollar coming into the Household goes to Interest & Taxes.

30 SOUTH WACKER DRIVE,
SUITE 1260
CHICAGO, IL 60606

ERI