

November 10<sup>th</sup>, 2022, at 9:30AM

In attendance in person: *David, Suzette, Lena, Todd, Wes, Toni, Chris*

In attendance via Zoom call: *Louis*

1- Perspectives on the Market:

*Inflation is down markets ticked up.*

*End of the year is seasonally better for the markets*

*Earnings came out better than anticipated*

*3900 Ceiling on the S&P 500*

*Housing Market → Long lead time, market is slowing*

*Layoffs in the software and technology sectors accelerating*

2- Rational behind recent changes to Model Portfolios

**Mutual Fund models:**

- Bought U.S Treasury note in Income Funds → 4.25% coupon, 9/30/2024 maturity, semi-annual pay, priced at \$99.478, 4.53% YTM
- Sold 100% First Trust Preferred stock [FPE] & Vanguard Intermediate term core bond [VCIT] - 50% of iShares Core Div. Growth [DGRO] across all Models
- Sold 50% PIMCO Mortgage [PMZIX] to raise cash to buy JP Morgan structured note paying 9.5% non-callable for 6 months on 9/29/2022 in accounts that have at least \$350,000
- Sold 100% Schwab Emerging Markets [SCHE] and Schwab international Equity [SCHF] → Swapped for Vanguard International High Dividend [VYMI]

***Not off on EQ Allocation by much.***

**Equity Income Models: *Technology Overlap***

- Bought Trust Financial Corp [TFC] in all EI models
- Sold 100% First Trust Preferred stock [FPE] & 50% of iShares Core Div. Growth [DGRO], Eaton Corp.
- **[ETN] Sold 100%**
- Reduced Intel [INTC], United Parcel Service [UPS], 3M [MMM] **Added First Trust Morningstar ETF [FDL]**
- Sold 100% Proshares Short S&P 500 [SH]
- Sold 50% PIMCO Mortgage [PMZIX] to raise cash to buy JP Morgan structured note paying 9.5% non-callable for 6 months on 9/29/2022 in accounts that have at least \$350,000

### 3 - Updates on Anticipated Model Portfolios changes:

*David's recommendation is to Stay away from leveraged Closed End funds – Louis mentioned buying the closed end funds NUV NXP for income purposes*

- *Thinking about adding Treasuries to 4060F, 6040F, 4060 EI, and 6040 EI*

#### Mutual Fund models:

- Looking at positions for tax loss/harvesting
- Looking at adding 1-2 Yr Treasury
- *Swap PMZIX → SWVXX*

#### Equity Income Models:

- *December 30<sup>th</sup> – Structured Note (BNP PARIBAS) will either get called or pay a conditional coupon of \$[7.50] Underlying indexes are Russell 2000 & S&P 500*
- *No buys or sells coming up*

#### 4- Feedback

- How can we build upon our current investment decision process and improve our communication of within the firm?
  - What & why?
    - **We will be updating the News/discussion board on the Summit website monthly going forward to help enhance communication about investments strategies across our offices.**

#### 5- Model performance from Kwanti [Hypothetical]

<b>Summit Financial Performance</b>	<b>2022 – YTD as of 11-1-2022</b>	<b>1 YR 11-1-21 To 11-1-22</b>
<i>S&amp;P 500 Index</i>	<i>-21.12</i>	<i>-18.81</i>
<i>Nasdaq Composite</i>	<i>-32.73</i>	<i>-32.75</i>
<i>Dow Jones Ind. Avg</i>	<i>-11.53</i>	<i>-10.83</i>
<i>EDOW – FT equally weighted Dow</i>	<i>-20.48</i>	<i>-15.18</i>
<i>RSP –Invesco S&amp;P 500 Equal weight</i>	<i>-17.5</i>	<i>-16.22</i>
<i>Blend US 60/40</i>	<i>-12.39</i>	<i>-11.36</i>
40/60 Funds	-8.72	-8.03
60/40 Funds	-10.63	-9.58
60/40 Equity Income	-3.58	-2.71
40/60 Equity Income	-3.05	-2.47
Income Funds	-4.02	-3.98
Equity Income Stock	-2.47	-1.46

Growth Funds	-15.22	-13.87
TRAIX	-13.41	-12.25
Small account model	-20.54	-19.64
Small account moderate	-9.9	-9.26

## 6- Capital gains estimates

***TRAIX Added to restricted list because they are about to distribute the capital gains***

***Vanguard – 41% Tech***

***PIMCO – no capital gains***

***IVOIX – no capital gains***

TRAIX	Capital Appreciation Fund - I Class	51%	\$0.47	\$0.02	\$2.17	\$30.91	7.09%	12/16/2022
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## 7- Q&A

Please share questions clients have had with the group