

FORTITUDE FOCUS



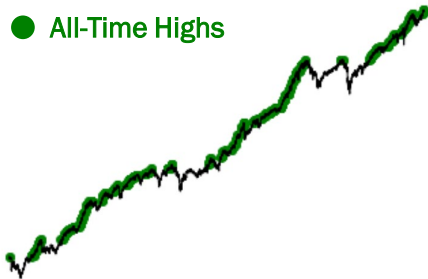
Investment Department

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THE STORY

S&P 500 Breakout Days*

● All-Time Highs



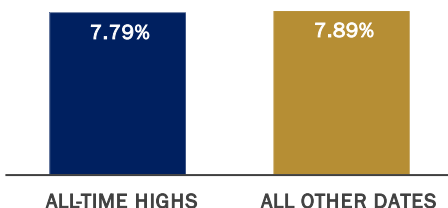
New Highs Are Relatively Common*

~1 in 18

of all S&P 500 trading days were all-time highs

Records Offer Little Information*

S&P 500 Avg Future 1Y Return



*Estimated from internal analysis of S&P 500 index performance data between Jan 1940 and March 2024

NAVIGATING PEAKS: STAYING INVESTED FOR SUCCESS

It's natural to feel hesitant about investing in markets at record highs. But while it can seem like we're buying at the 'worst' possible time, we mustn't give in to this myopic impulse.

The fact is these new heights occur more frequently than we expect and tend to offer little information about the future. In truth, their only merit may be in their acute demonstration of both the value and the discomfort inherent to long-term investing.

For example, even when a breakout rally is sustained solely by the pull-forward of future returns, it can still leave underexposed investors behind when its excesses are corrected through price stagnation and time.

As Ray Dalio put it, the most important thing in the market is to "never get knocked out of it".

History teaches that if we are to harness the power of time, we must first prioritize our survival. This is why finding sustainable ways to stay in the game is so critical to successful investing.

Not only does this apply to the avoidance of portfolio ruin but it also extends to the management of opportunity costs.

In short, though it may be tempting to time our investments based on the breaking points of past markets, we should focus more on maintaining a disciplined approach. By prioritizing survival and embracing durable strategies, we can position ourselves for long-term success in navigating the market's peaks and valleys alike.



UPCOMING EVENTS

Monthly CPI – 4/10

Monthly PPI – 4/11

Beige Book – 4/17

“All Time Highs Are Not The End. They Are But One Milestone Along The Journey Of Wealth Creation”

- Unknown



WHAT HAPPENED?

Fed Maintains Outlook And Holds Rate Steady: Following its policy meeting, the Fed held its benchmark rate steady at 5.25% to 5.5% while also maintaining its outlook for three quarter-percent rate cuts in 2024 ([CNBC](#)).

ISIS Claims Responsibility For Attack Which Killed At Least 135 In Moscow: Five gunmen dressed in camouflage opened fire with automatic weapons and detonated explosives at a concert hall near Moscow in one of Russia's worst terror attacks in years ([Reuters](#)).

JetBlue & Spirit Airlines Call Off \$3.8B Merger: JetBlue Airways terminated its acquisition of Spirit Airlines after a US judge blocked the deal due to potential anti-competition concerns ([Reuters](#)).

Reddit Jumps 48% On IPO: The self-anointed 'front page of the internet' soared in its Wall Street debut. However, even with this leap, Reddit's market cap still closed the day at ~\$8.4B, a meaningful discount from the \$10B valuation of its most recent fundraising round in 2021 ([AP](#)).



EQUITIES CLIMBED

US equity markets rose in March with the S&P 500 up **3.2%**. Global ex-US equities joined in the rally with the MSCI World ex-US Index also up **3.2%**.

	MONTH*	YTD*
US Large	3.2%	10.6%
US Mid	4.2%	7.9%
US Small	4.4%	7.5%
Global ex-US	3.2%	4.4%
Int'l Dev	3.6%	5.1%
Emerging	1.9%	2.4%



FIXED INCOME ROSE

Fixed income made back some of its earlier losses in March as the Bloomberg Agg Index stabilized, gaining **0.6%** in the period.

	MONTH*	YTD*
Ultra-Short	0.5%	1.4%
Short	0.5%	0.3%
Core	0.9%	-0.9%
Long	0.9%	-3.6%
High Yield	1.2%	1.5%
US TIPS	0.6%	-0.1%
Intl Bonds	0.6%	-2.1%
EM Bonds	1.4%	0.8%



ALTERNATIVES GAINED

Alternatives continued to produce stable, high yield income for the portfolio competing with the rise in other risk-on asset classes.

	MONTH*	YTD*
Gold	8.3%	7.4%
Merger Arbitrage	0.6%	0.3%
Infrastructure	3.7%	3.1%
Direct Lending	1.0%	2.9%
Hedge Funds	0.4%	3.0%
Managed Futures	0.5%	0.9%

Due to reporting lags, some data represents the latest return as of the month prior to this period.

*Sources: Each asset class is represented by a corresponding index or fund as of each report's month-end date. The associated indexes can be found below. This has been provided for informational purposes only, and reflects the current opinion of the author, which is subject to change without notice, as are statements of financial trends, which are based on current conditions.



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Reference Above	Benchmark Index	Reference Above	Benchmark Index
US Large	S&P 500 Index	Hedge Funds	Eurekahedge Hedge Fund NR Index
US Mid	S&P 400 Index	Managed Futures	Credit Suisse Mgd Futures Liquid TR
US Small	S&P 600 Index	Ultra-Short	Bloomberg US Treasury Flt Rate Index
Global ex-USA	MSCI World ex-USA All Cap NR Index	Short	ICE US Treasury 1-3Y Bond Index
Intl Dev	MSCI EAFE NR USD Index	Core	Bloomberg Aggregate Bond Index
Emerging	MSCI EM NR US Index	Long-Term	ICE US Treasury +20Y Bond Index
Gold	S&P GSCI Gold TR	High Yield	Bloomberg US Corporate HY Index
Merger Arbitrage	IQ Hedge Merger Arb TR USD Index	US TIPS	ICE US Treasury Inflation Linked Index
Infrastr (Infrastructure)	MSCI ACWI Infrastructure NR Index	Intl Bonds	Bloomberg Global Agg ex-USD Index
Direct Lending	Cliffwater Corporate Lending I	EM Bonds	Morningstar EM BD GR Index