

## November 27, 2023 – Investment Commentary

### Charlie Munger Quotes

Charlie Munger, vice chairman of Berkshire Hathaway and Warren Buffett's longtime friend and business partner, died on November 2023 at age 99. He is credited with saying...

"The big money is not in the buying or selling, but in the waiting."

"A lot of people with high IQs are terrible investors because they've got terrible temperaments."

"Spend each day trying to be a little wiser than you were when you wake up."

### Market Moves

Last week, stocks were up and bonds were mixed on the week. The MSCI EAFE non-US developed outperformed the S&P 500 and the MSCI Emerging Markets index. Across U.S. style & market cap indices, mid cap growth did the best. The equity VIX "fear" index closed at a year-to-date low on Friday of 12.46.

As for fixed income, the 10-year treasury yield rose (yield up/price down) 3 bps on the week to 4.47% and the 2 year – 10 year treasury yield spread flattened to -49 bps. High yield bond spreads were down on the week at 375 bps, below their 20-year average of roughly 500 bps.

### Macro Moves

We believe initial jobless claims are an important economic data point to monitor. They are timely as they are provided weekly and can be a signal of any deterioration of the labor market. After rising from the low in mid-October of 200k they reached as high as 233k two weeks ago, then last week they fell back to 209k. The labor market continues to be resilient even as layoff announcements continue to hit the headlines.

### Portfolio Considerations

Private equity is considered an "alternative investment" that may be used by qualified investors to diversify traditional public stock and bond portfolio allocations.

Private equity may provide access to a range of investment strategies to partner with investors who control companies and influence outcomes in industries with attractive, durable secular trends. At the same time, these strategies may exhibit diversifying correlations to traditional stock and bond investments. As a complement to public equity investments or other alternative asset classes, private equity has the potential to enhance portfolio returns by targeting specific investment returns not easily accessible in public holdings. We have conviction in certain private equity strategies that can provide differentiated solutions for qualified investors with long-term financial goals and the proper temperament to allow their capital to compound over time.

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