



STARBOARD ADVISORS
— YOUR RIGHT OF WAY —
A DIVISION OF KELLEHER FINANCIAL ADVISORS, LLC

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In This Edition:

- “Wrinkles will only go...”
- On to the Markets
- 3Q 2023 Market Commentary
- Year-end planning Checklist
- Gifting from your IRA
- Estimated Quarterly Tax Payments
- Client Seminar ~ Fall 2023
- News from Compliance

“Wrinkles will only go where the smiles have been.” -Jimmy Buffet



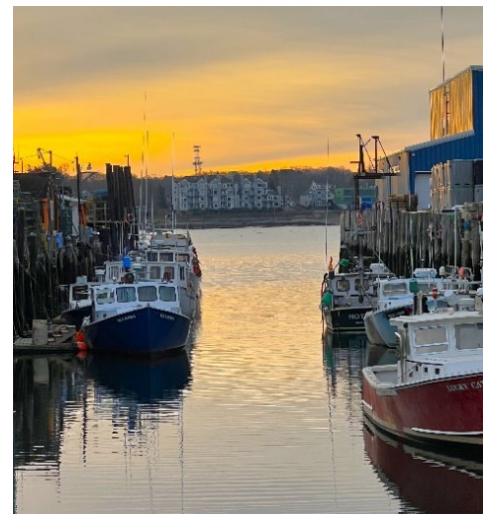
By [Neil Cataldi](#), Chief Investment Officer

As we approach the end of another dynamic year in the world of investments, I find myself reflecting on my first twelve months with Starboard Advisors. As a new partner of the firm, I have enjoyed the unique opportunity to meet clients at Starboard Advisors one on one and through regional events we have hosted.

It has been a privilege to be welcomed by the firm’s clients and an education in understanding the long-term relationships so many families have with my colleagues as well as new ones that are just now developing. I am grateful to be here and look forward to speaking with more clients in 2024.

Your trust in our fiduciary services has been the driving force behind my commitment to helping deliver sound investment strategies tailored to your unique needs. Together, we are navigating market shifts, celebrating successes, and facing challenges head-on, reinforcing the resilient spirit that defines our community.

As we approach the year-end, please note the comprehensive [year-end to-do list included later in this newsletter](#). This checklist is designed to help you review and optimize your



Portland Harbor, Photo by P. Lessard

investment portfolio, ensuring that it aligns with your evolving financial objectives and all important “intent.” We look forward to discussing your portfolios and future goals as we move towards the onset of the new year.

Looking ahead, I am confident that the coming year will bring new opportunities and challenges, and we are eager to continue working with you to navigate these waters. Our commitment to providing personalized, strategic investment guidance remains steadfast. Starboard’s focus continues to be providing an office that is a single point of accountability for a family’s financial planning and fiduciary needs.

I look forward to my second year with Starboard Advisors, as well as the camaraderie, growth, and shared success that lies ahead.

My very best regards,

Neil

ON TO THE MARKETS

Analysis and Review co-written by [Thomas Burnett, CFA](#), Vice Chairman & Director of Research and [Neil Cataldi](#), Chief Investment Officer.

Equity indices experienced a decline during the third quarter, yet they maintain modest gains year-to-date. Specifically, the Dow Jones Industrial Average decreased by 2.6%, the

INDEX	% Change YTD as of 9/30/2023
Dow Jones Industrial AVG. (TR)	1.5%
S/P 500 Index (TR)	12.9%
Nasdaq Composite	26.3%
Nikkei Tokyo	22.1%
China (Shanghai)	0.6%
EURO 600	5.9%
GOLD	1.9%
Crude Oil per bbl	12.7%
RATE on Ten-Year T Bond	4.59%
VIX Volatility Index Change	-19.1%
Bloomberg Commodity Index	-7.1%

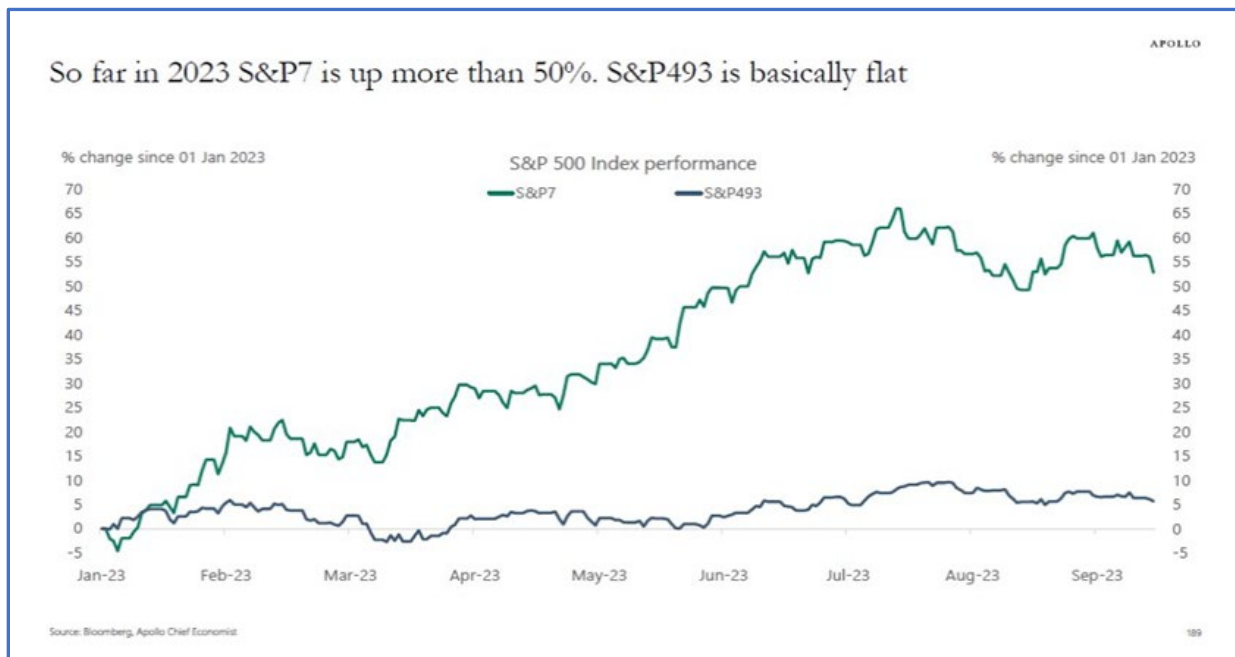
Source: WSJ.com September 30, 2023

Nasdaq by 4.1%, and the S&P 500 Index dropped by 3.7%. The resurgence of investor skepticism and heightened volatility can be attributed, in part, to the ascent of interest rates. Notably, the Ten-Year U.S. Treasury note closed the quarter with a yield of 4.57%, marking its highest level since 2007 (source: WSJ.com). For the year, the Bloomberg U.S. Aggregate Government Index yielded a total return (interest coupon plus price changes) negative 1.21%. Although primary

measures of inflation have eased from their 2022 highs, we persistently trend above the 2% goal set by the Federal Reserve. The quarterly downturn in equities was influenced by

interest rates and Federal Reserve actions which underscores the market's awareness of the potential impact of a higher interest rate environment on the broader economy.

Mega-cap technology companies stand out as the primary subset for significant returns in 2023, painting a divergent picture compared to the broader market. The accompanying graphic illustrates this dichotomy, with the blue line representing 493 of the S&P 500 companies experiencing modest gains, while the remaining seven—Apple, Nvidia, Amazon, Google, Meta, Tesla, and Microsoft—have witnessed remarkable surges, collectively achieving over a 50% surge this year.



Source: Bloomberg, Apollo Chief Economist

As we move through the fourth quarter, the outlook remains uncertain, although the anticipated economic slowdown has not materialized. Earnings projections for 2023 have shown significant improvement throughout the year and estimates for both 2024 and 2025 suggest sustained double-digit growth. Concerns linger regarding lending and credit conditions amid the historic shift in interest rates. While higher interest rates are expected to impact economic growth, their effect has, thus far, been subdued. Lastly, the Federal Reserve remains committed to taming inflation. While future rate hikes are

unlikely, the market currently does not anticipate any interest rate cuts until the latter part of 2024.

As highlighted in our earlier communications throughout 2023, our strategic emphasis remains the creation and management of well-balanced portfolios featuring a combination of high-quality equity holdings in companies resilient to potential economic headwinds. The foundation of our current approach includes a robust allocation to short-term Treasuries two years or less, delivering an annual yield exceeding 5%. This allocation provides a reliable return while we maintain a patient stance awaiting the reset of yields on longer-term bonds. In the interim, we will continue to use shorter-duration bonds, a strategy that offers a secure return amidst the heightened volatility characterizing longer-duration fixed income instruments.



Thomas Burnett, CFA®
Vice Chairman and Director of Research



Neil Cataldi
Chief Investment Officer

YEAR-END PLANNING CHECKLIST

● **The IRA Contribution Limits for 2023** are \$6,500 for those under age 50, and \$7,500 for those age 50 or older. The IRA contribution limits above are the combined maximum you can contribute annually across all personal IRAs. This means if you have a traditional IRA and a Roth IRA, you cannot contribute more than this limit across both accounts in a year.

● **The Annual Gift Tax Exclusion for 2023** allows an individual to gift up to a certain value to an unlimited number of individuals each year with no federal gift or estate tax consequences. Under current law, the annual gift tax exclusion amount is \$17,000. Each spouse in a married couple may give up to the full annual gift exclusion to one individual. As a result, a married couple can make gifts of up to \$34,000 to an unlimited number of individuals in a single year without any tax repercussions. It is not included in your gross income and does not count against the limits on deductions for charitable contributions. These can be significant advantages for certain high-income earners.

●**RMD Guidelines:** Required minimum distributions (RMDs) can be an important part of your retirement-income plan, but it's important to know that they come with some strict rules about the timing of when distributions are taken, and a formula based on your age for the amount you have to take. Generally, if you are age 73, you've reached the age where the IRS mandates you start taking withdrawals from most qualified retirement accounts, such as IRAs and 401(k)s (but not Roth IRAs). If you turned 72 after Jan. 1, 2023, you do not have to start taking RMDs until age 73.

The deadline for taking your RMD is December 31 each year.

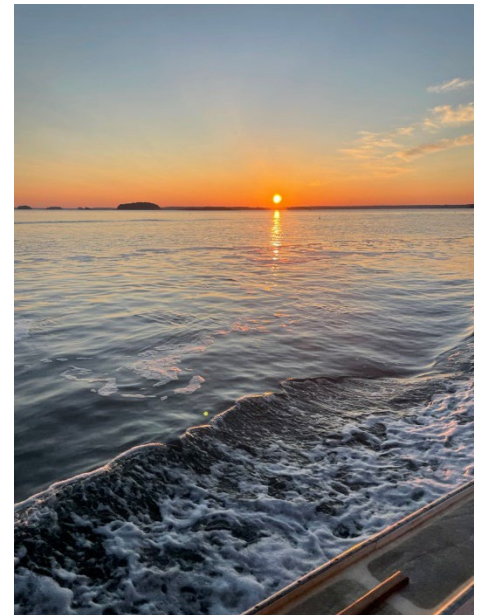
GIFTING FROM YOUR IRA

●The Year-end charitable gifting deadline is December 31st. Please send in your requests no later than December 1, 2023.

●Gifting from your IRA is not included in your gross income and does not count against the limits on deductions for charitable contributions. These can be significant advantages for certain high-income earners.

● If you have to satisfy an RMD and you would also like to make a gift to charity, then consider a qualified charitable distribution, (QCD). A QCD is a direct transfer of funds from your IRA custodian, payable to a qualified charity. The charity must be a 501(c)(3) organization, eligible to receive tax-deductible contributions. You must be 70½ or older to be eligible to make a QCD. Under prior law, the \$100,000 limit wasn't indexed for inflation. While the limit remains at \$100,000 for 2023 (\$200,000 for a married couple), it will be indexed annually for inflation, starting in 2024.

Source: Fidelity.com



Casco Bay, Photo by Derek MacDonald

CLIENT SEMINAR ~ FALL 2023

We held our annual seminar at the Portland Yacht Club earlier this month, providing an opportunity for clients to meet our team in person and sit in on a discussion panel. With over 50 people in attendance, the seminar was led by Bart Weisenfluh our Founder & CEO. Our featured speakers included: Kevin Walkush, Portfolio Manager & Head of ESG, Jensen Investment Management; Kay Shah, Director Family Office Division at StevenDouglas, in addition to our own Mike Ouellette and Neil Cataldi. Topics included navigating the current investment environment and best practices with Family Governance.



Photos by P. Lessard

NEWS FROM COMPLIANCE

Our Chief Compliance Officer, Keith Marks, recently participated in a speaker panel at the National Society of Compliance Professionals Conference in Dallas, TX on October 17, 2023. Keith presented with Melanie Mendoza, the Chief Compliance Officer of Ranger Investment Management, and Attorney Joseph Simms of Reminger Co. LPA on the topic of “Evolving Custody Responsibilities,” concerning the obligations of registered investment advisers to safeguard client assets.

ABOUT US

DEFINITION OF STARBOARD: Starboard is the traditional nautical term for the "right" side of a ship's hull and represented by the color green for navigational purposes. In addition, sailing vessels must give the "right of way" to sailboats on starboard tack (where the wind is coming over the right side of the vessel) and be provided clearance for safe passage.

Starboard Advisors was founded by Barton Weisenfluh and partners with the Kelleher Family and Kelleher Financial Advisors, LLC, a registered investment adviser with the United States Securities and Exchange Commission. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.

The Kelleher Family business interests were founded by Denis Kelleher and have grown into a diversified financial service enterprise that strives to be one of the best managed and best capitalized independent firms in the industry. Today the entrepreneurial spirit is alive and well where the second generation, led by Sean Kelleher, continues to press on with secure and sustained growth with likeminded professionals.



Barton W. Weisenfluh, CFP®
Founder & CEO



Michael Ouellette
President

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