



BULL BEAR REPORT: Q1 2024

BULL CASE:

Geopolitical events are contained

The Chinese economy finally emerges from the pandemic related slowdown

Inflation subsides and the Federal Reserve is able to lower interest rates with no unforeseen consequences

The A.I. revolution is a transformative technology that will create massive innovation across all industries

Commercial Real Estate stabilizes

Corporate earnings continue to accelerate, muting impacts of multiple contraction

The upcoming Presidential election eases fears of government shutdown and misguided legislation

The consumer continues to spend and potential declining rates provides more household income and debt relief

BEAR CASE:

Geopolitical events continue to escalate

The Chinese economy has substantial headwinds and continues to struggle

Inflation remains sticky and the Federal Reserve is either unwilling to lower rates, or any lowering of rates would have unforeseen consequences

The A.I. revolution is a bubble

Commercial Real Estate is forever changed and prices continue to erode

Corporate earnings begin to weaken with multiple contraction

The upcoming Presidential election causes deep divides within our country

With US household debt at an all time high, the consumer begins to cut back on spending

Our Take:

The melt up in equities continued in the first quarter. Big tech continued to soar and other equity segments had solid absolute returns. We believe that innovation will ultimately guide economic/market returns and the combination of A.I. and robotics will create unrivaled innovation over the next decade. Our long-term thesis is bullish. Short term, we are concerned with geopolitical events, inflation and the negative sentiment this next election cycle will likely cause. If we do see a pull back through the remainder of 2024, it could be a good opportunity to rebalance the portfolio and purchase great long-term assets at cheaper multiples.

