

3rd
Qtr.
2024



DETERMINING
YOUR “WHY”

Our View

A QUARTERLY NEWSLETTER
from SABAL TRUST

Reflection plays a crucial role in investing, much like it does in any endeavor requiring continuous learning and adaptation. Understanding the reasons for your investment choices can lead to more informed decisions. It's the inquisitive mind that questions the status quo, seeks new opportunities, and doesn't shy away from learning from both successes and failures. Personal growth also sharpens one's investing acumen, potentially leading to better outcomes.

Each quarter, we'll highlight one of the many ways we help enrich your life and legacy.

Above & Beyond

Do you have plans to travel this summer? Did you know that Sabal Trust can help ease the stress associated with extended time away from home? One of the services offered to our clients is bill payment. We are happy to step in and make payments from your Sabal Trust account. This service is offered year-round and is flexible; Sabal can receive all your bills or just pay the less frequent expenses like real estate taxes or estimated tax payments. There is no additional charge for this service as it is included in your quarterly fee. So, never miss a payment again! This is just another way we go above and beyond for you!

Patience

Recall the anticipation of your birthday party as a child and the inability to exhibit patience — much to dismay of your parents. At times, investors are no different. Patience matters. Why? Exercising patience leads to better investment decisions grounded in thoughtful analysis. Impulsive actions result in suboptimal decisions leading to poor outcomes. *Patience allows you to remain resilient in the face of inevitable market volatility.*

Investment Rationale

We work with our clients to fully understand why they invest. This builds a solid foundation for their investment strategies, which is crucial for effectively managing family assets. There is no singular path to investment success. Your investment journey involves risk and return tradeoffs. *Understanding why you invest helps during times of uncertainty but also helps you maintain your focus and avoid overconfidence during good market environments.*

Degrees of Confidence

Confidence is a powerful state of mind for all individuals. But there is a fine line to walk. Why is overconfidence and hubris potentially damaging? Overconfidence in one's abilities can lead to poor decision making. Hubris among investors can indeed lead to excessive risk-taking, often at times when caution would be more advisable. *This overconfidence can embolden investors to make risky bets that may not align with their goals and risk tolerances.*

Respect Risk

Over the years, our clients have worked hard to accumulate their wealth. This is why we spend time with each family to understand their willingness, ability and need to take risk. Risks can surface in a seemingly endless number of ways. Sabal clients are equipped to manage risk because we have ongoing conversations about its impact on their assets. *Risk can be harnessed to create wealth, or it can destroy family legacies if not monitored and properly managed.*

Time Horizon

Time horizons are important to investors because they have a direct relationship with investment strategies. If money is needed for upcoming expenditures, then more conservative investment strategies (short-term bonds and cash) are prudent. Investors who are in an accumulation phase with longer time horizons and can withstand periods of greater volatility should own more stock. *We help clients develop plans based on their cash flow needs, leading to strategies that best align with their goals and objectives.*

Stoicism and Investing

There are many parallels between philosophy and investing. Guiding principles shape our daily lives and drive investor decision-making processes. Stoicism is a school of thought that embraces self-discipline and resilience in the face of adversity. Recall that the average intra year decline of the S&P 500 is -14%, which is especially true during an election year. *Stoicism and emotional resilience will benefit investors as the market pricing begins to factor into the election.*

Politics & Capital Markets

Why do elections matter? Because they have consequences. Politics directly and indirectly influence markets by shaping the decision-making of individuals and businesses. Balance is required as policy initiatives are crafted and implemented. Investors will have clear choices this November as Biden and Trump define their policy platforms. *Unintended consequences – the reality of public policy – ultimately create winners and losers in the marketplace.*

Investment Optionality

We build optionality into the investment strategies for our clients, which provides flexibility to adapt to unforeseen changes in the market. Asset allocation, growth stocks, dividend-paying stocks and other instruments are just some of the tools we use to prepare our clients for various investment environments. *Adapting to new information and conditions as they arise is particularly valuable in markets that can swing to extremes.*

Outlook

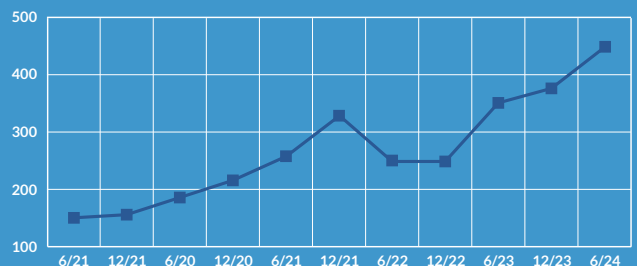
Investing can evoke positive and negative emotions. Skepticism is healthy because it allows investors to critically analyze information from an unemotional perspective. Being skeptical and asking “Why” is a prudent risk management technique. Bull markets can experience meaningful corrections. History tells us that markets can be unpredictable, especially during an election year. Determining your “Why” will allow you to remain flexible and adaptable in the second half of 2024.



STOCK FOCUS: Microsoft

Stock Symbol: **MSFT** Market Capitalization: **\$3.2T** Dividend Yield: **0.7%** 10-yr Dividend CAGR: **11.4%** 10-yr Earnings CAGR: **14.1%** 2024 P/E: **28.4**

Microsoft develops, licenses and supports software and hardware products. They are a global market leader across cloud, enterprise software, collaboration and security technologies. The company generates robust cash flow, industry-leading margins and solid earnings. Artificial Intelligence will be an integral driver of future growth across the company’s technology platform.



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