

MARKET REVIEW & OUTLOOK

Good Finish to 2023

The final three months in 2023 finished strong for stocks with the S&P 500 up almost 12% for the quarter resulting in returns over 26% for the year. The markets' returns for quarter including the Value, Growth, Small, International and Bond indexes are highlighted in the table below.

Total Market Returns as of December 31, 2023

(annualized if greater than 1 year)

	1 quarter	YTD	1 year	3 years	5 years
S&P 500	11.69%	26.29%	26.29%	10.00%	15.69%
Dow Jones Industrial Avg.	13.09%	16.18%	16.18%	9.38%	12.47%
NASDAQ	13.79%	44.64%	44.64%	6.04%	18.75%
Russell 1000 Value	9.50%	11.46%	11.46%	8.86%	10.91%
Russell 1000 Growth	14.16%	42.68%	42.68%	8.86%	19.50%
Russell 2000 (SMID)	14.03%	16.93%	16.93%	2.22%	9.97%
MSCI EAFE Index	10.47%	18.85%	18.85%	4.53%	8.69%
MSCI Emerging Markets	7.93%	10.27%	10.27%	-4.71%	4.07%
Barclays Capital U.S. Aggregate	6.82%	5.53%	5.53%	-3.31%	1.10%
3-month T-bill	1.41%	5.26%	5.26%	2.25%	1.91%

The quarter started off on a weak note, as investors worried that the "higher for longer" interest rates situation written about here many times was bolstered by unforeseen strength in the economy. On October 17 results showing retail sales remained robust, doubling expectations, lent credence to continued inflation and rate-hike expectations.

That weakness was short lived with October inflation returns that represented the slowest pace of inflation in 2 years. Continued

cont'd on p 2

In This Issue

Market Outlook.....p 1	Sector Diversification.....p 3
S&P 500 Sector Perf.p 2	Asset Allocation.....p 3
Proxy Notifications.p 2	Market Monitor.....p 4
Stock Highlightsp 3	Perf. Scoreboard.....p 4

Dover's Form ADV Part 2 is Available

(see page 2 for more info.)

Winter 2024

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Dover's Investment Methodology

The foundation of Dover's Investment philosophy is its disciplined approach to stock analysis, beginning with a quantitative analysis of companies based on strict fundamental criteria. This is followed by a more subjective evaluation of factors including portfolio diversification and individual company characteristics.

Large Cap Value Portfolio

Dover's value philosophy bases its buy/sell decisions on four criteria: rising earnings expectations, low relative price to earnings (P/E) valuation, improving profitability, and low historical P/E valuation. Stocks passing all four screens are considered buy candidates and will be further evaluated to establish quality and appropriateness for the portfolio.

Large Cap Growth Portfolio

Dover's growth philosophy begins by considering only large capitalization companies in the top 50% of earnings per share growth over the last three years. Dover then bases its buy/sell decisions on three criteria: return on investment (ROI), net sales growth, and free cash flow. Stocks passing these screens are considered buy candidates and will be further evaluated to establish quality and appropriateness for the portfolio.

Value/Growth (Core) Portfolio

Dover's value/growth, or core portfolio utilizes a blend of the top buy ideas from both the pure growth and pure value philosophies. The intent behind this method is to maintain less volatile portfolio returns over the course of a market cycle. The portfolio is structured with an emphasis on diversification, utilizing a wide blend of high-quality holdings across the various economic sectors.

softening in inflation happened in late November with the Commerce Department reporting that their inflation measure (the PCE) came in at 1.9% below the Fed's 2% target.

Fed officials' reaction to the data seemed to help markets retain their momentum into the end of the year. Following their final policy meeting of 2023 on December 13th, officials left rates unchanged, as expected, but the quarterly "dot plot" summarizing individual policymakers' rate expectations indicated that the median projection was for 75 basis points of rate cuts coming in 2024, up from the 50 basis points of easing in their previous projection.

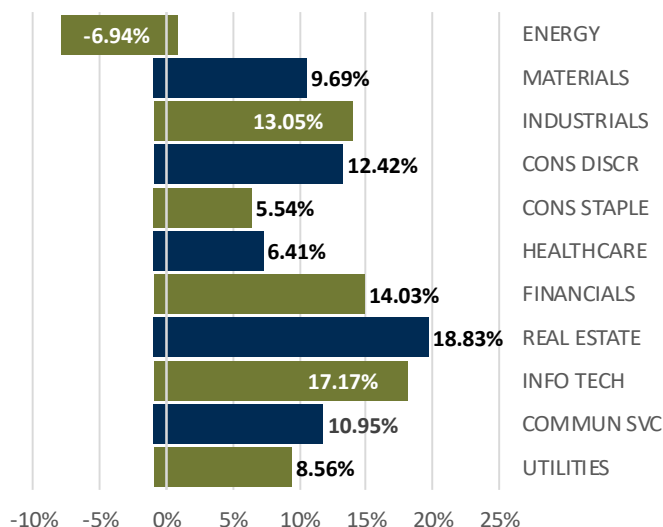
Among reactions to other things, the markets most often react to surprises and this was a welcome surprise. Welcome surprises = welcome results most of the time.

While we remain confident the economy will continue to slowly improve, given the recent strength in the equity markets resulting from strong economic results, caution seems warranted. As always, we continue to hold that a balanced approach between stocks for growth and bonds for income and stability provides the best possibility for consistent market-like returns.

S&P 500 ECONOMIC SECTOR PERFORMANCE

Three Months Ending 12/31/23

Source: S&P Index Services, J.P. Morgan



ADV PART 2 OFFER

READ ALL ABOUT US

Dover's 2023 Form ADV, Part 2 continues to be available. This document describes the products and services we offer, the fees we charge, and many other aspects of our business including key personnel.

You are entitled to receive a copy of this form, which serves as Dover Partners' SEC disclosure brochure, at any time. If you would like a copy, please contact Josh Smittkamp at josh@doover-partners.com or (937) 299-4105 ext. 839.

*** WHAT'S NEW WITH YOU? ***

As your investment advisor, part of Dover Partners' fiduciary responsibility is to be aware of any changes in your financial needs or circumstances. We strive to make sure each client's assets are managed to best suit his or her unique situation.

To help us continue to manage your Dover Partners, Inc. account(s) in keeping with your financial needs, please take a moment to make us aware of any changes in your financial circumstances. This could include changes in employment or marital status, a change of residence, or a new addition to the family.

Also, please let us know at any time if you would like to set up an account review with a Dover representative. We would be happy to arrange a meeting. You can contact us by:

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 email: josh@doover-partners.com,
 U.S. mail: Dover Partners, Inc.
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 Dayton, OH 45459

PROXY NOTIFICATION

Clients for whom Dover votes proxies can request a copy of your account's voting record by calling (937) 299-4105 ext. 839 or sending an e-mail to josh@doover-partners.com.

If you would like Dover to begin voting proxies for your account, please contact your broker or custodian to arrange to have proxy materials forwarded to Dover Partners, Inc.

STOCK HIGHLIGHTS

Wintrust Financial Corp. (WTFC) - WTFC operates as a financial holding company. The Company serves three segments: Community Banking, Specialty Finance, and Wealth Management. The Community Banking segment offers savings and special deposit products as well as checking account services. As an income generating service the company engages in risk-managed lending services. The Community Banking segment offers savings and special deposit products as well as checking account services. The Specialty Finance segment offers commercial and life insurance premiums financing for businesses and individuals; accounts receivable financing, value-added, and out-sourced administrative services; and other specialty finance services, as well as data processing of payrolls, billing, and cash management services to temporary staffing industry. The Wealth Management segment provides trust and investment, asset management, tax-deferred exchange, securities brokerage, and retirement plan services.

WTFC was founded in 1991. Headquarters: Rosemont, IL

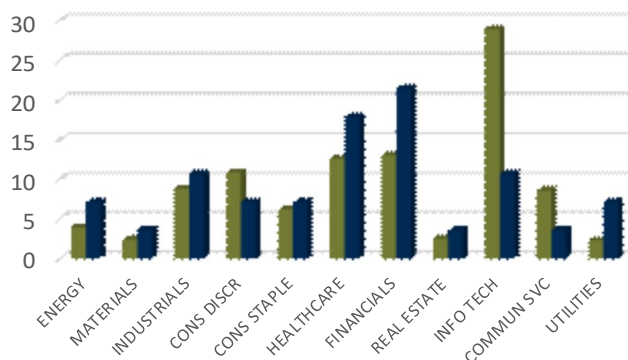
Vertex, Inc. (VERX) - provides tax technology solutions for retail, communication, leasing, retail trade, wholesale trade, technology, and manufacturing industries in the United States and internationally. It offers tax determination, compliance and reporting, tax data management, document management, analytics and insights, pre-built integration, and industry-specific solutions. The company sells its software products through software license and software as a service subscriptions. It also provides implementation and training services in connection with its software license and cloud subscriptions, transaction tax returns outsourcing, and other tax-related services.

VERX was founded in 1978. Headquarters: King of Prussia, PA

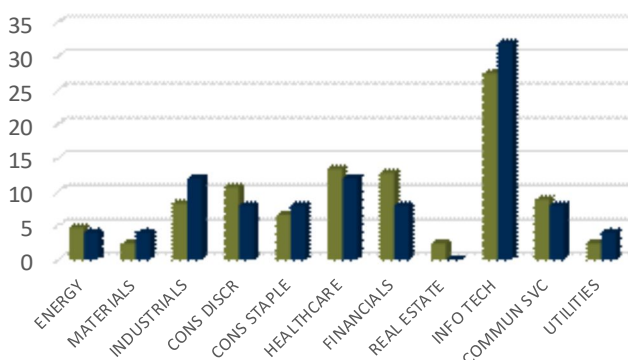
SECTOR DIVERSIFICATION

(as of 12/31/23)

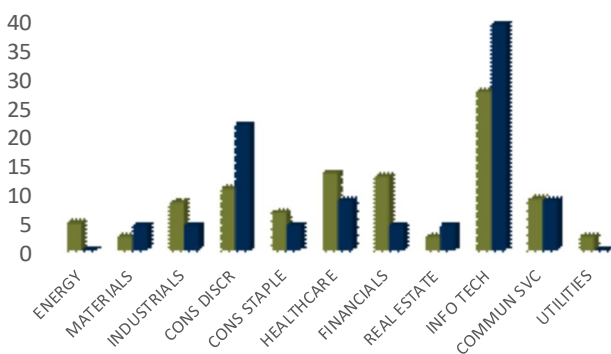
S&P 500 vs. VALUE PORTFOLIO



S&P 500 vs. CORE PORTFOLIO

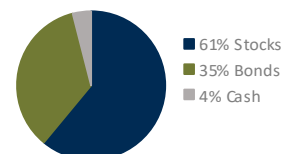
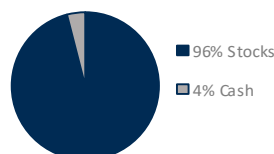


S&P 500 vs. GROWTH PORTFOLIO



ASSET ALLOCATION

Equity Accounts (as of 12/31/23) Balanced Accounts



These are guidelines only and accounts are not necessarily expected to reflect the exact weightings listed above.

MARKET MONITOR

Investors are delighted that the economy is growing, and inflation continues to decrease. The “soft landing” is now the best case for the Federal Reserve’s tough policies over the last couple of years. With rate hikes on hold, they have suggested lower rates are the next step. This pushed all markets to near records for the quarter and the outlook is brighter for 2024.

The third quarter’s negative results for stocks were mostly reversed by double digit returns for the last ninety days. Large Cap lagged Small Cap companies this quarter, and Growth beat Value. The best relative performing U.S. sectors for the quarter were Real Estate, Technology, and Financial. The worst performing were Energy, Consumer Staples, and Health Care.

The Fed likely ended its aggressive tightening and made a case for lower rates in 2024. This caused yields to fall for the quarter as the ten-year US Treasury rate sank to 3.88% and the thirty-year fell to 4.03% compared to 4.57% and 4.70% respectively. The best performing bond sectors for the quarter were Emerging Market, Taxable Municipal, and U. S. Corporate Investment Grade. The worst performing were Asset Backed Securities, U. S. Agency, and TIPS.

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PERFORMANCE SCOREBOARD AS OF 12/31/23 (TOTAL RETURNS)

Periods over 1 year annualized	1 Quarter	YTD	1 Year	3 Years	5 Years
S&P 500 Index	11.69%	26.29%	26.29%	10.00%	15.69%
Dow Jones Industrial Average	13.09%	16.18%	16.18%	9.38%	12.47%
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Russell 1000 Growth	14.16%	42.68%	42.68%	8.86%	19.50%
Barclays US Gov’t/Credit Bond	6.63%	5.72%	5.72%	-3.53%	1.41%
Barclays US Municipal Bond	7.89%	6.40%	6.40%	-0.40%	2.25%
3-month T-bill	1.41%	5.26%	5.26%	2.25%	1.91%

MarketLine is prepared from sources we believe to be reliable but is not guaranteed and may not be a complete discussion of all material facts.