

MARKET REVIEW & OUTLOOK

Much of the Same

The stock market continued its stellar performance during the third quarter with all equity indices in the table below showing double-digit returns year-to-date. It is true that an outsized portion of the returns in the S&P 500 this year have been driven by the performance of a few large technology and communication firms. Many pundits question “Is this 2000 all over again?” or “This time is different?”

Total Market Returns as of September 30, 2024 (annualized if greater than 1 year)

	1 quarter	YTD	1 year	3 years	5 years
S&P 500	5.89%	22.08%	36.35%	11.91%	15.98%
Dow Jones Industrial Avg.	8.72%	13.93%	28.85%	9.97%	11.78%
NASDAQ	2.76%	21.84%	38.64%	8.84%	18.81%
Russell 1000 Value	9.43%	16.68%	27.76%	9.03%	10.69%
Russell 1000 Growth	3.19%	24.55%	42.19%	12.02%	19.74%
Russell 2000 (SMID)	9.27%	11.17%	26.76%	1.84%	9.39%
MSCI EAFE Index	7.26%	12.99%	24.77%	5.48%	8.20%
MSCI Emerging Markets	8.88%	17.24%	26.54%	0.82%	6.15%
Barclays Capital U.S. Aggregate	5.20%	4.45%	11.57%	-1.39%	0.33%
3-month T-bill	1.37%	4.18%	5.64%	3.64%	2.39%

The answer is both may be true, a response that is admittedly frustrating. Like 2000, there has been a strong increase in prices and performance. Unlike 2000, the market’s returns have been driven by a handful of stocks (referred to as the Mag 7, seven large tech stocks). ’95-’00 was marked by broad strong returns generally not supported by earnings or demand for goods and services. This market is very different, corporate earnings are strong, demand is strong and a lot of cash is waiting in the wings.

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Dover’s Form ADV Part 2 is Available

(see page 2 for more info.)

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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 next 3-5 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.

MarketLine

While stock discussions are worthy of much more real estate used, bonds deserve ink too! Since early 2022, U.S. investors endured 11 interest rates hikes by the Federal Reserve. In September, the Fed decreed a ½% rate cut and shifted their tone to that of supporting economic growth rather than stamping out inflation, warranting additional cuts.

As we move forward into the next quarter, we remain committed to identifying new opportunities and navigating the challenges that lie ahead. Our dedication to providing strategic insights and exceptional service to our clients remains unwavering.

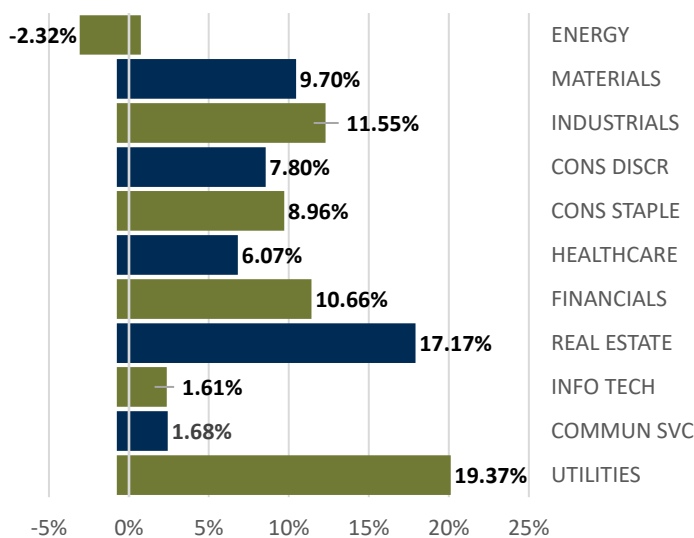
Thank you for your continued trust and partnership. Together, we will strive to achieve our long-term goals and create sustained value for your investment portfolio.

Lastly, I will close with this: the stock and bond markets have performed so well year to date, we believe keeping a longer-term objective may help mitigate short-term volatility ahead.

S&P 500 ECONOMIC SECTOR PERFORMANCE

Three Months Ending 9/30/24

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



ADV PART 2 OFFER

READ ALL ABOUT US

Dover’s 2024 Form ADV, Part 2 is now 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@dover-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@dover-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@dover-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

Halozyme Therapeutics, Inc. (HALO) - HALO is a biopharmaceutical company, focused on the development and commercialization of novel treatments for oncology indications by targeting tumor microenvironment. The company's ENHANZE drug delivery technology helps in developing subcutaneous formulation of drugs and is licensed by several companies including Roche, Takeda, J&J, AbbVie, Lilly, Bristol-Myers and others for developing subcutaneous formulation of their currently marketed drugs. The company also has another approved product in its portfolio, Hylenex recombinant as an adjuvant to facilitate subcutaneous fluid administration.

Halozyme was founded in 1998 and is headquartered in San Diego, California.

Valmont Industries, Inc. (VMI) - VMI operates as manufacturer of products and services for infrastructure and agriculture markets in the United States and internationally. It operates through two segments, Infrastructure and Agriculture. It serves municipalities and government entities, contractors, utility and telecommunications and companies, and farmers, as well as the general manufacturing sector. .

VMI was founded in 1946 and is headquartered in Omaha, NE.

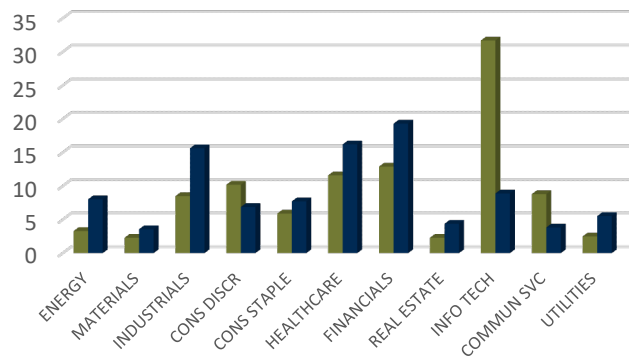
Amphenol Corporation (APH) - The Company together with its subsidiaries, designs, manufactures, and markets electrical, electronic, and fiber optic connectors in the United States and internationally. The company offers connectors and connector systems, power distribution systems and other connectors. It sells its products through its sales force, independent representatives, and a network of electronics distributors to original equipment manufacturers, electronic manufacturing services companies, original design manufacturers, and service providers in the automotive, broadband communication, commercial aerospace, industrial, information technology and data communication, military, mobile device, and mobile network markets.

APH was founded in 1932 and is headquartered in Wallingford, CT.

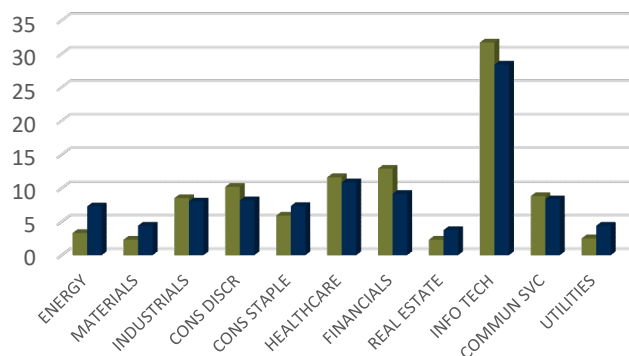
SECTOR DIVERSIFICATION

(as of 9/30/24)

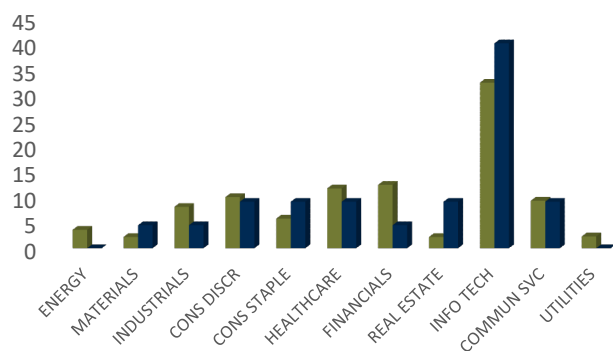
S&P 500 vs. VALUE PORTFOLIO



S&P 500 vs. CORE PORTFOLIO

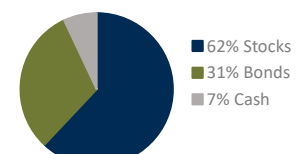
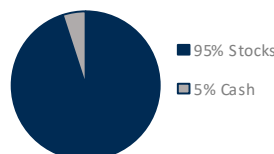


S&P 500 vs. GROWTH PORTFOLIO



ASSET ALLOCATION

Equity Accounts (as of 9/30/24) Balanced Accounts



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

MARKET MONITOR

It happened! Investors eagerly waiting for the Federal Reserve to begin dropping interest rates had their patience rewarded. The Fed signaled their confidence in inflation continuing to drop sufficiently and employment starting to stabilize.

Strong gains in this period and year to date have not tempered optimism for the rest of the year. For the quarter, small caps and value style outperformed large caps and growth. The best relative performing U.S. sectors for the quarter were Utilities, Real Estate, and Industrials. The worst performing were Energy, Technology, and Communication Services.

Bonds are starting to contribute to portfolio total returns. As rates fell, their market value increased. The ten-year US Treasury rate fell to 3.78% and the thirty-year to 4.12% compared to June 2024 rates of 4.40% and 4.56%, respectively. The best performing bond sectors for the quarter were Emerging Market, Taxable Municipal Bonds, and U.S. Corporate Investment Grade obligations. The worst performing was Municipal Bonds, U. S. Agency (Non-Mortgage), and Asset-Backed Securities.

PERFORMANCE SCOREBOARD AS OF 9/30/24 (TOTAL RETURNS)

Periods over 1 year annualized	1 Quarter	YTD	1 Year	3 Years	5 Years
S&P 500 Index	5.89%	22.08%	36.35%	11.91%	15.98%
Dow Jones Industrial Average	8.72%	13.93%	28.85%	9.97%	11.78%
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Russell 1000 Growth	3.19%	24.55%	42.19%	12.02%	19.74%
Barclays US Gov't/Credit Bond	5.10%	4.39%	11.31%	-1.50%	0.41%
Barclays US Municipal Bond	2.71%	2.30%	10.37%	0.09%	1.39%
3-month T-bill	1.37%	4.18%	5.64%	3.64%	2.39%

**For information about
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