



Dear Friends,

We hope your summer is off to a great start, filled with good times spent with friends and family!

What an eventful quarter! The U.S. stock market entered bull market territory after rising by more than 20% from the lows of October. The Federal Reserve decided to “pause” their aggressive interest rate hikes while promising to do more if needed as inflation data through June reflected a massive 70% decline from this time last year. The consumer remained resilient and fully employed.

In this edition of The Principle Newsletter, we share some facts about bull markets, the tax implications of moving to a new state, tips to protect yourself from cybercriminals, and making the most out of your “healthspan.”

Enjoy!

Best regards,

Robert S. Paolucci, CFP®
Founder & CEO

The S&P 500 – Bull Markets by the Numbers

By Andrew J. Cialek, CFP®



Market ups and downs are a normal part of market activity. Market downturns, however, typically receive significant attention and are remembered more than positive market movements. This can lead you to think that

markets don’t perform well on average. However, looking at the historical long-term performance of the S&P 500 tells a different story. Here are a few interesting facts to keep in mind to help you avoid emotional investing and maintain a long-term mindset:

- There have been 8 bull markets since 1970
- The average bull market gain is 206.93%
- The average length of a bull market is 2037 days or 5.6 years
- The longest bull market was 1987–2000 with a 582% gain, followed by the 2009–2020 period with a 400% gain
- Historically, the first half of a bull market has outperformed the second half over 70% of the time by an average of 9%
- The initial months of a bull market tend to experience very strong returns:
 - First month: 13.6%
 - First 3 months: 25.3%
 - First 6 months: 27.4%

As of 6/2/23. Past performance does not guarantee future results. Source: Yardeni Research, 6/23.

Bull Markets Tend to Outlast and Outweigh Bear Markets

S&P 500 Index Rolling Returns (1970-4/30/23)



As of 4/30/23. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. Source: YCharts, 6/23.

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Considering a Move?

By John Hannigan, CFP®



Have you ever thought about moving to a new state? Perhaps you'd like to be closer to your grandchildren, avoid these lovely northeast winters or hone your golf and pickleball talents year-round. You may also

want to benefit from a more favorable tax and asset protection environment, especially if you live in a high-tax state like Connecticut, Massachusetts, or New York. Below is a table showing the top income tax rate in those states.

State	Top Marginal State Income Tax Rate
Connecticut	6.99%
Massachusetts	9.00%
New York	10.90%

Favorable Tax Rate States to Consider

Fortunately, there are eight states, Alaska, Florida, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming, with no state income tax. Just to make matters more complicated, a couple of years ago, the state of Washington instituted a 7% tax on capital gains. Pennsylvania, Arizona, North Dakota, and Indiana, which have top marginal (some have flat rates) rates that are less than 4.0%.

Don't Forget Sales and Property Taxes

For states with low-income tax rates, however, don't forget to check other potential taxes, such as property taxes (varies by local jurisdiction), and sales tax. According to an article in US News and World Report, with the exception of the District of Columbia and Hawaii, the Northeast has the dubious distinction of the highest percentage of income going to taxes (New York tops the list, followed by Maine, Vermont, and Connecticut).

Consider Asset Protection

The degree to which your assets are protected in case of financial or legal difficulties may also affect your decision. Some states allow Domestic Asset Protection Trusts (DAPT's), a type of self-settled trust that helps protect assets by giving the creator the flexibility to serve as the beneficiary. In addition, some states are known for strong asset protection. Florida, for example, grants homestead protection for primary residences,

protects certain savings and insurance assets, and has state bankruptcy provisions that are more favorable than federal laws to the bankrupt parties.



Establishing Residency

My guidance over the years has been if you are contemplating a move to another state, spend a good chunk of time in the new state before making the final decision; a weekend at a 5-star resort in the new state may not be indicative of the day-to-day living there. Consider renting for a time before buying. Once you've decided on a move, you must establish residency in your new state and, importantly, prove you are no longer a resident of your former state. Each state has different rules around establishing residency, which often include changing your address for all legal and tax purposes, moving your licenses and registrations, establishing new primary care doctors and veterinarians, changing your employer, and updating documents such as wills, medical and other directives. Proving you moved from the state you formerly resided in can be tricky, as most states do not want to lose consumer spending, potential income tax payment, and other revenues. Each state differs in its guidelines.

There are many considerations involved in deciding whether to and where to establish your domicile, as well as "proving" that you have changed your state of residence. We encourage you to discuss a potential relocation with your Principle wealth advisor, who can help you navigate this complex topic.

As always we are here to help.

Cybersecurity

By Michael J. Castiello, IACCP®



It seems like every time you look at the news, there is an article about cybercrime. From repetitive robocalls to urgent emails asking for money to help a close relative stuck in a foreign country, it's likely that you have been the recipient of an attempt to extract money or personal information from a "bad actor." But staying informed and alert and knowing what to do can help you avoid falling victim to cyber theft.

Common Types of Cybercrime

The first step is recognizing a potential cybercrime or scam so you can respond appropriately. Cybercriminals are becoming increasingly sophisticated, and it is becoming even more difficult to recognize potential threats. Some typical tactics you may encounter include:

PHISHING	Seemingly legitimate emails requesting money or personal information (SS number, account numbers, credit card info)
VISHING AND SMISHING	Similar to "phishing," but through phone calls/voice mails (vishing) or text messages (smishing)
PHARMING	The use of code or other tactics to misdirect users to fraudulent websites in order to steal personal information
DATA BREACH	The theft of sensitive or confidential data by an unauthorized third party for malicious purposes
RANSOMWARE	Malware that prevents an individual, or more typically an organization, from using their computer or network, and payment is demanded to regain access
PASSWORD ATTACKS	The use of sophisticated programs and tools to crack and steal passwords
MAN IN THE MIDDLE ATTACK	When cyber attackers insert themselves in between a user and a legitimate host in order to steal personal information and data

Protecting Yourself

While the list goes on, regardless of what is being attempted, there are a few simple steps you can take to combat cybercrime. And remember, it is always better to err on the side of caution.

Keep it private. Imagine you're out and about, killing some time surfing your favorite retail website and you see a "must have" item. Before you click Add to Cart and enter your credit card information to buy, wait until you're home on your own secure network to execute any transactions. You never know who might be using that public network to steal your confidential information.

Use strong passwords. It's always tempting to pick a password that is easy to remember, such as a birthday, phone number, or address, and use it, or variations of it, for multiple accounts. However, an easy-to-remember password is also an easy-to-steal password. Set up strong passwords that are long, include lowercase and capital letters, special characters, and numbers. Don't give your passwords to others, even those you trust. And consider using multi-factor authentication for an additional level of protection.

Always verify. If you receive a text, email, or phone call purporting to be from a government agency or a company asking for confidential data, do not respond directly. Contact the institution through a verified website, email, online chat, or phone number before giving any information.

Stay secure. Keep all of your devices as up-to-date as possible. Use strong anti-virus software and run it whenever you are prompted.

How Safe Is Your Password?

Time it would take a computer to crack a password with the following parameters:

	Lowercase letters only	At least one uppercase letter	At least one uppercase letter + number	At least one uppercase letter + number + symbol
1	Instantly	Instantly	-	-
2	Instantly	Instantly	Instantly	-
3	Instantly	Instantly	Instantly	Instantly
4	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	1 min	6 min
8	Instantly	22 min	1 hrs	8 hrs
9	2 min	19 hrs	3 days	3 wks
10	1 hrs	1 mths	7 mths	5 yrs
11	1 day	5 yrs	41 yrs	400 yrs
12	3 wks	300 yrs	2,000 yrs	34,000 yrs

Source: Security.org

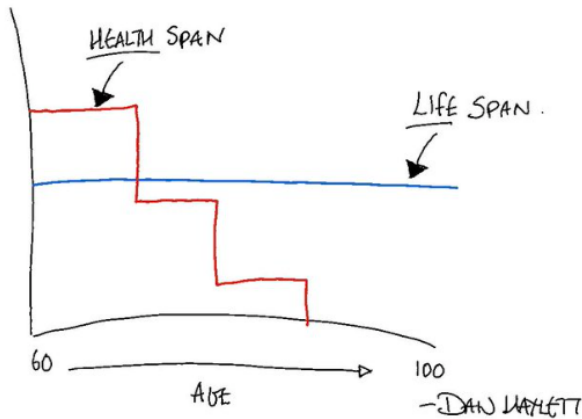
Basic common sense can significantly help reduce the risk of becoming a victim. If you are ever unsure about what to do, check with your Principle advisor. We are here to help and serve as an informed resource.

Make the Most Out of Your Retirement

By Theresa V. Donatelli



For those contemplating retirement, the most frequently asked question is, “Will I have enough money to last for my lifetime?” And then, “How do I want to spend my retirement years”? Combining those two questions brings us to the concept of “healthspan.” Your “healthspan” represents the years you are healthy and free of any severe disease which would hinder your ability to engage in the activities you wish. According to research published in the Regenerative Medicine Journal in 2021 and other sources, there is typically a gap of 9-10 years between one’s healthspan and lifespan.



Fortunately, there are steps you can take to improve your healthspan to minimize the gap and continue to enjoy doing what makes you happy. And the good news is that you may already be doing many of these things!

A Holistic Approach

Experts agree that increasing your healthspan requires a comprehensive approach, much like developing an effective financial plan. Making adjustments in one area, such as eating healthier, is a start, but it’s also critical to prioritize mental health and lifestyle choices. Some steps to focus on your healthspan include:

Find your motivation - Similar to any endeavor, having a goal provides the incentive to take the steps necessary to achieve your objective. Maybe you want to take that epic trip you’ve been dreaming about, complete an annual rigorous mountain hike with a group of friends, or take up an entirely new hobby in which you’ve always been interested. Envision what brings you joy and satisfaction, then you’ll be more willing to put in the effort.

Take care of yourself - Obviously, staying in good physical and mental health is key to being able to do the activities you want to do. Areas that can help include:

- Eat right – a balanced diet, low in processed foods and high in protein and fiber, contributes to overall physical well-being
- Engage in physical activity – just as we tell our children, put down your devices and get moving. You’ll feel better physically and mentally, and this gives you an opportunity to do some of the activities you most enjoy and improve your health



- Control stress – avoiding stressful situations, trying not to take on too much, and making sure you allot some downtime or relaxation time in your schedule are helpful guidelines for better living at any stage in your life
- Exercise your brain – if you love doing Wordle, Sudoku, and/or the crossword puzzle every day, keep up the good work! Reading a book and playing card or board games are other fun ways to boost your mind health
- Be social – Humans are social creatures, and we benefit from interaction with others, whether it’s taking a walk, catching a movie, or just having dinner with a friend

Doing the things that you love can help you make the most of your life now and in the future and increase your healthspan. We are here as a resource to help reduce your stress regarding any financial concerns you may have. We want to help make your retirement years truly “golden!”

Welcome to our newest team members



Welcome Josh Ouellette!

Josh joins us as a Relationship Manager, with over 9 years of experience in the financial industry, most recently within Investment Banking. During this time, he managed strategic relationships with investors at hedge funds and

asset managers, advising them on investment opportunities in equity markets. Prior to that, Josh worked at an asset manager, where he educated advisors on fund offerings across all asset classes. Outside of work, Josh enjoys spending time outside and trying new food with his wife Gabrielle and plays hockey and golf.



Welcome Amanda Schrimp!

Amanda joins the firm as an Administrative Assistant. She is our welcoming front of house, always greeting everyone with her joyful demeanor and directing them to their intended destination. Her strong organizational abilities help

the operations department run the firm smoothly as she stays on top of schedules and inventory, always anticipating what's next. Outside of work, Amanda enjoys finding new hiking trails, spending time near the ocean, and taking her Belgian Malinois, Scout, for walks.



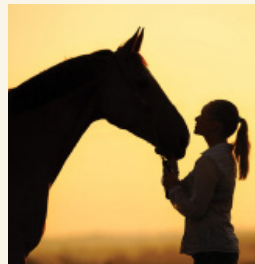
Welcome June Berglund!

June joins Principle Wealth Partners as a Client Service Manager with 17 years of experience. At the end of any conversation, she wants her client to feel content that their questions and needs have been taken care

of. Outside of work, June enjoys cooking during the cold months and being outdoors in the warm weather. She loves walking her dogs and relaxing on the deck, hosting get-togethers with family and friends.

Community Outreach

High Hopes



High Hopes has become a leader in providing therapeutic riding services and setting the standards for service, training and education in the profession. Principle Wealth Partners is proud to have been

a sponsor for its Annual Gala, the Big Barn Bash, supporting High Hopes' mission to deliver the highest quality programs and services. You can learn more about this amazing organization at highhopestr.org.

Bare Necessities Ducky Dip



Bare Necessities provides diapers and wipes monthly to over 450 babies of families in need through food pantries and social service organizations on the Shoreline and Middlesex County. Along with Megan

Maruzo volunteering her time at the "ducks treasure hunt", PWP was thrilled to be a sponsor for this years Ducky Dip, where adopting one "duck" (buying a raffle ticket) provides a baby with 3 days of diapers and wipes. For more information on Bare Necessities, visit bare necessitiesct.org.

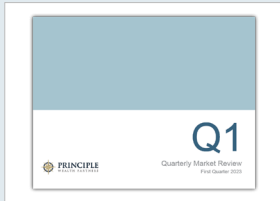
Madison Little League



Madison Little League is a 100% volunteer run organization that provides a safe, fun, and competitive environment for boys and girls to learn and play the games of baseball and

softball. PWP is proud to be a MLL 2023 sponsor, helping in the effort to provide more than 1,000 children and families with the spring, summer and fall baseball, softball and buddy ball programs. For more information on Madison Little League, visit madisonctbaseball.com.

A Look Back at Past Perspectives and Insights



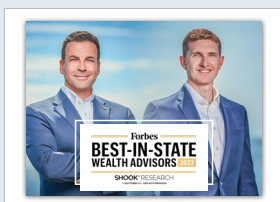
[Q1 2023 Quarterly Market Review](#)

Our quarterly market review covers headlines and performance of equity, fixed-income, international, and emerging markets for the first quarter.



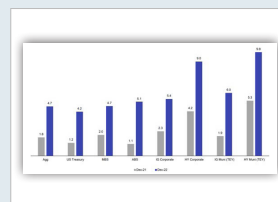
[CityWire Due Diligence Report 2023](#)

Andrew Cialek, CFP® points to Growth at a Reasonable Price (GARP) as being an investment style that has a strong track record of outperforming major US equity indices on both an absolute and risk-adjusted basis.



[2023 Forbes Best-In-State Wealth Advisor](#)

PWP is thrilled to announce that Bob Paolucci, CFP®, and Colin M. Dugan, CFP®, were both named to Forbes 2023 list of Best-In-State Wealth Advisors for Connecticut.



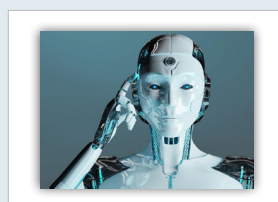
[January Monthly Movements](#)

While 2022 has wreaked havoc on traditional bond investors, 2023 is looking differently. The return of yield has created an opportunity for investors this year.



[2023 Barron's Top 1,200 Financial Advisor](#)

PWP is excited to announce that Bob Paolucci, CFP®, was named to the Barron's 2023 list of the Top 1200 Financial Advisors for the 3rd consecutive year.

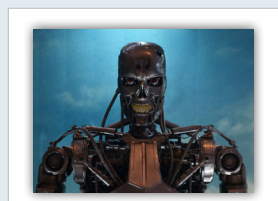


[February Monthly Movements](#)

We explore the new OpenAI phenomenon *ChatGPT* and review what it does and how it works.

Click to watch a Market Update video

- [February Market Update](#) [March Market Update](#)
- [April Market Update](#) [May Market Update](#)
- [June Market Update](#) [Banking System Discussion](#)



[March Monthly Movements](#)

Is technology like ChatGPT a good thing? We dig into some of the current shortcomings of this type of technology.



Award Recipient
2022 & 2021*



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*Awarded to Robert S. Paolucci, CFP® in 2021, 2022, 2023.

**Awarded to Robert S. Paolucci, CFP® in 2019, 2020, 2021, 2022. Awarded to Robert S. Paolucci, CFP® and Colin M. Dugan, CFP® in 2023.

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Barron's:

Barron's "Top 100 1,200 Financial Advisors," March, 2023. Barron's "Top 1,200 Financial Advisors" bases its ratings on qualitative criteria: professionals with a minimum of seven years of financial services experience, acceptable compliance records, formal succession plans, high client retention, and more. Financial Advisors are quantitatively rated based on varying types of revenues and assets advised by the financial professional, regulatory records, quality of practice and philanthropic work with weightings associated for each. Because individual client portfolio performance varies and is typically unaudited, this rating focuses on customer satisfaction and quality of advice. The rating may not be representative of any one client's experience because it reflects a sample of all of the experiences of the Financial Advisor's clients. The rating is not indicative of the Financial Advisor's past or future performance. Neither Principle Wealth Partners nor its Financial Advisors pay a fee to Barron's in exchange for the rating, however Principle Wealth Partners does pay to use the award ribbon for marketing materials. Principle Wealth Partners is not affiliated with Barron's or Dow Jones & Company, L.P. All of the information provided has been obtained from sources considered to be reliable, but we do not guarantee its accuracy or completeness, and does not constitute a recommendation. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved.

Forbes:

SHOOK® Research, LLC – October 2022 – Data as of 12/31/21. America's Top Registered Investment Advisor Firms ranking was developed by SHOOK Research and is based on in-person, virtual and telephone due diligence meetings and a ranking algorithm that includes: a measure of best practices, client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including assets under management and revenue generated for their firms. Investment performance is not a criterion because client objectives and risk tolerance vary, and advisors rarely have audited performance reports. Neither SHOOK nor Forbes receive compensation in exchange for its Registered Investment Advisor Firm placements or rankings, which are determined independently. Participation in this directory is limited to ranked firms; once placed on a ranking, firms may choose to pay fees to Forbes and Shook for premium listing features as indicated by highlighted names. Principle Wealth Partners has not paid SHOOK Research, LLC to be included on this list, however, Principle Wealth Partners has paid for the use of the award logo on various media. SHOOK's research and rankings provide opinions intended to help investors choose the right financial advisor or firm and not indicative of future performance or representative of any one client's experience. Investors must carefully choose the right advisor or firm for their own situation and perform their own due diligence. Past performance is not an indication of future results. For more information, please see www.SHOOKresearch.com, SHOOK is a registered trademark of SHOOK Research, LLC. Principle Wealth Partners and SHOOK Research, LLC are not affiliated.

CityWire RIA

CityWire RIA, July 2022 Methodology: This report is based on the most recent Form ADV data reported to the Securities and Exchange Commission at the time of publication, as helpfully gathered by a data partner, Discovery Data. Only firms that manage more than \$100m were considered, and which aren't affiliated on a firm level with a broker-dealer or other institution (though a firm's employees may be dually registered). Since we wanted to make sure we were only considering financial planning-oriented RIAs and not money managers, we excluded firms that don't report having many financial planning clients. And, in the spirit of fostering apples-to-apples comparisons, we also generally excluded those where the bulk of assets were non-discretionary. We've also endeavored to remove RIAs whose assets under management aren't truly 'theirs', so we did our best to strike companies that are primarily back-end service providers, operating under brand names that are likely unknown to the retail clients being served. Then we looked at percentage growth in AUM and percentage growth in employees over the last three years, summed those numbers, and came up with our 'growth score.' If a firm grew AUM by \$100m over the past three years, it got a leg up in the rankings. From there it was simple to select the winner in each state, and then the runners-up if there were any. After doing all this, we reached out to some of the firms to learn more. The RIAs in this supplement did not ask to be here. There was no way to compensate to be considered or to be named. For that matter, they could not do anything to not be named. The mention of a RIA is not at all an endorsement of its services or its business.

FA Magazine:

FA Magazine, July 2022 FA's RIA survey is a ranking based on assets under management at year end of independent RIA firms that file their own ADV with the SEC. FA's RIA ranking orders firms from largest to smallest, based on AUM reported to us by firms that voluntarily complete and submit FA's survey by our deadline. We do our best to verify AUM by reviewing ADV forms. To be eligible for the ranking, firms must be independent registered investment advisors and file their own ADV statement with the SEC and provide financial planning and related services to individual clients. Firms must have at least \$500 million in assets under management as of December 31, 2021, to be included in the print edition of Financial Advisor magazine's 2022 RIA survey. Firms with under \$500 million will be included in FA's expanded 2022 online RIA survey. Hybrid RIA firms, corporate RIA firms and investment advisor representatives (IARs) are not eligible for this survey. No fee was paid by either Financial Advisor magazine or Principle Wealth Partners for inclusion on this list, however, a fee was paid for the use of the award logo in marketing materials. Principle Wealth Partners and Financial Advisor magazine are not affiliated.