

## What's News

### Business & Finance

◆ **Stock-market bulls** are on edge heading into September as investors are questioning whether stocks can continue defying expectations and hang on to this year's gains so far. **B1**

◆ **International stock indexes** diverged in low-volume trading on Monday as U.S. markets were closed for the Labor Day holiday. **B9**

◆ **Food-delivery services** say some restaurants are scaring off customers by charging significantly higher prices for food they deliver and are finding ways to push back. **B1**

◆ **China's government** said it would create a new body to support the private sector, a move to shore up waning confidence among entrepreneurs as a deep funk sets in over the world's second-largest economy. **A18**

◆ **Country Garden** bought more time to sort out its liquidity problems, giving investors hope that the Chinese property developer will cobble together enough cash to avoid defaulting on its U.S.-dollar bonds this week. **B9**

◆ **A New York** federal judge threw out the conviction of a former 21st Century Fox executive who was found guilty earlier this year of bribing FIFA soccer officials to secure the broadcasting rights to lucrative World Cup-related matches. **B3**

◆ **Albemarle is closing in** on one of the biggest yet lithium deals after making a new offer for Australia's Lithium Resources that values it at \$4.25 billion. **B4**

### World-Wide

◆ **Chinese nationals**, sometimes posing as tourists, have accessed military bases and other sensitive sites in the U.S. as many as 100 times in recent years, according to U.S. officials, who describe the incidents as a potential espionage threat. **A1**

◆ **Voters overwhelmingly** think Biden is too old to run for re-election and give him low marks for handling the economy and other issues important to their vote, according to a new Wall Street Journal poll that offers a stark warning to the 80-year-old incumbent ahead of the 2024 contest. **A4**

◆ **Putin said Russia** won't rejoin a deal enabling Ukrainian grain to be shipped globally until the West meets its demands to facilitate Russian agricultural exports. **A6**

◆ **North Korea's Kim** is expected to travel to Russia soon to meet with Putin, U.S. officials said, the latest sign that negotiations are accelerating over ammunition Moscow is seeking for its war in Ukraine. **A6**

◆ **China's Xi** will skip the G-20 meeting in New Delhi, instead sending his top deputy to the summit in what is likely to be seen as a snub of Indian Prime Minister Narendra Modi. **A18**

◆ **Iran significantly slowed** the pace at which it is accumulating near-weapons-grade enriched uranium in recent months, the IAEA reported. **A18**

◆ **Gabon's new** military leader was sworn in as head of state less than a week after ousting President Ali Bongo Ondimba. **A18**

**JOURNAL REPORT**  
Investing Monthly: Time to invest in emerging markets? **R1-6**

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## Thousands of Festival-Goers Leave Burning Man



**OUT OF THE MUCK:** A return of sunshine on Monday cleared the way for thousands of partygoers to leave the Burning Man festival, where they had been stranded over the weekend after heavy rains turned the Nevada desert into a slick of mud. **A3**

## Ukraine Seeks to Make Gains After Breaching Russian Lines

BY DANIEL MICHAELS AND ISABEL COLES

KYIV, Ukraine—Ukrainian troops are battling to break through Russian fortifications in their country's south, but even successfully piercing the line will only mark a start. For a shot at real gains, Kyiv's forces would need to turn a breakthrough into a breakout.

Since June, Ukrainian soldiers have been struggling to cross the minefields, trenches and lines of obstacles that Russian troops spent months emplacing. In recent weeks,

Ukrainian units have made progress penetrating what Russia refers to as its forward security zone at the town of Robotyne and advancing toward the heavily fortified nearby settlement Verbove.

The progress has brought hopeful comments from U.S. and European officials, some of whom previously had criticized Kyiv for not pushing aggressively enough. But even Ukraine's boosters remain sober about the task ahead for its troops.

Russia not only built formidable defenses—its forces con-

tinue to reinforce them. Moscow has also moved more troops into the region, Ukrainian officials and open-source intelligence analysts said.

Ukrainian forces, operating in small units that seek to evade detection by Russian surveillance, are now working to slice through Russian lines and open paths for comrades with heavier equipment to follow. Kyiv's spearhead troops want to create what military strategists call a salient, a bulge protruding into Russia's rear defenses.

If Ukraine can accomplish

the hugely difficult task of breaking through Russian lines, it would need to hold and expand any gap so that armored mechanized forces can flood through and attempt to overrun Russian lines. Moscow's troops are fighting to stop that.

"A breakthrough may get units through the defensive lines, but there is much more fighting before a breakout is achieved," said Mark Kimmitt.

*Please turn to page A6*

◆ **North Korea leader to meet with Putin**..... **A6**

## Warren Buffett's Green Cash Washes Over Coal Country

Berkshire and lawmakers teamed up on solar-powered plant in West Virginia

BY SCOTT PATTERSON

RAVENSWOOD, W.Va.—No state is more reliant on coal for electricity than West Virginia. Yet a clean-energy industrial project rising on the banks of the Ohio River is challenging coal's stranglehold on the Mountain State.

Behind the project: Warren Buffett and state Republican lawmakers. It's a surprising base of support in a region where political power and wealth has long derived from coal mining.

Two of Buffett's Berkshire Hathaway companies are teaming up to build a manufacturing hub that will in-

clude a \$500 million factory to produce titanium for aircraft parts. It will be powered by solar panels and rechargeable batteries. The Buffett name and the promise of 300 jobs helped the companies overcome resistance in a state where coal provides more than 90% of the electricity.

West Virginia has in the past year approved some \$400 million in funds for three renewable-energy projects, including Berkshire's. The Republican-led legislature, eager to create jobs, has passed new legislation that benefits renewable energy.

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## Sales Army Touts Tax Break As 'Modern-Day Gold Rush'

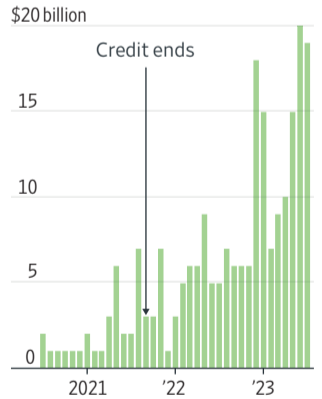
BY RUTH SIMON AND RICHARD RUBIN

An antiaging consultant in Florida. A technician in North Carolina. A semiretired broker. They are all part of a vast sales army aiming to profit from one of the biggest tax breaks Congress ever created for small businesses.

Members of this network—totaling more than 50,000—are talking to neighbors and cold-calling small businesses to trumpet the Employee Retention Credit, or ERC, tax break. They funnel potential clients to Bottom Line Concepts, a consulting firm that has helped clients pursue more than \$6 billion in ERC tax refunds and could receive more than \$1 billion in fees.

Congress created the ERC in 2020 to reward businesses and nonprofits for keeping employees on payrolls during the pandemic.

**Estimated monthly cost of the Employee Retention Credit**



Source: Piper Sandler analysis of Treasury Department data

Three years later, it has turned into a headache for the Internal Revenue Service and a bonanza for firms such as Bottom Line that help clients calculate and claim the tax credit. Bottom Line is one of the largest of dozens of ERC

companies clamoring to capitalize on the opportunity.

The ERC is proving far more costly to U.S. taxpayers than expected. The IRS paid more than \$150 billion in ERC refunds through early March, and the money is still flowing. Total payments through July could be \$220 billion, with another \$120 billion in the pipeline, according to a recent Piper Sandler estimate. That would be about triple early congressional estimates.

Neal Magenheim, a semiretired broker in Florida, said he is expecting commissions for between five and seven customers he found for Bottom Line and has already received one he landed while considering dental implants.

"I went in for an exam and talked to the oral surgeon," Magenheim said. "He brought it up to one of the partners in the practice, and that's how

*Please turn to page A2*

## Luxury Picnic Planners Become Extreme Weather Watchers

Companies who set up outdoor spreads adjust to rain, wind and heat

BY FLORENCE WU

This year, bugs haven't been the biggest problem at picnics. Summer in Denver started with almost nonstop rainfall. Rachel LeBar, owner of Colorado Luxe Picnics, had to chase down or break down several of her setups.

An outdoor wedding event in Frisco, Colo., in June turned into a two-hour battle with wind. Gusts destroyed the food, knocked over cups and plates, shattered glass candleholders and sent floral arrange-

ments flying.

LeBar and her fiancé, Bryce Oldfield, who helps run the business, had to put food in containers and keep picking up tableware and decorations. At one point, he held the wedding cake for a few minutes so it wouldn't get tipped over, too.

"I texted the bride about 10 to 15 minutes before she was going to show up and let her know that, 'Hey, I'm so sorry but this is going to be a setup that's going to look a little bit rough,'" LeBar said.

*Please turn to page A10*



*Al fresco*

## INSIDE



WARNER BROS./EVERETT COLLECTION

**ENTERTAINMENT**  
'Barbie' and 'Oppenheimer' revived the summer box office this year. **B1**

**SPORTS**  
Nineteen-year-old Coco Gauff is having the summer of her career at the U.S. Open. **A14**

## Fatal Johannesburg Fire Shines Light on Blight

JOHANNESBURG—Crouching on a fifth-story ledge, Yandisa Mngandi pulled his son to his chest and eyed the flames that were devouring 80 Albert St. and the warren of

*By Gabriele Steinhäuser, Alexandra Wexler, Aaisha Dadi Patel and Thandi Ntobela*

dwelling inside. "If I die, maybe my baby will survive if I take the blow," he thought, before jumping into the darkness.

Seconds earlier, his wife had made the leap, and right behind him, he assumed, was their 16-year-old, Melita, a stepdaughter, technically, whom Mngandi was proud to be raising like his own.

Landing feet-first on the ground, Mngandi felt his right leg crack. His son seemed OK, and there was his wife, dazed, but alive. But there was no sign of Melita. The 10th-grader had turned back to fetch some blankets, to use as ropes to shorten the terrifying distance to the bottom.

On the third floor, Cynthia Nkosi awoke with a start, pungent black smoke swirling inside her room's cardboard walls. Nkosi grabbed her sleeping daughter and strapped the 2-year-old to her back using the sheet of the small bed they shared. She opened the window, said a prayer and jumped.

Nkosi landed, miraculously unharmed. For a second there was

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# U.S. NEWS

THE OUTLOOK | By Andrew Duehren

## Why Deficit Is Soaring and Inflation Isn't



Something strange is happening with the federal budget this year.

The deficit has exploded, more than doubling in the first 10 months of the fiscal year compared with the same period last year. Such a surge typically could be expected to stimulate growth and, in turn, inflation.

But inflation has steadily dropped over the same period. The mismatch is a reminder that wider deficits don't always lead to higher inflation, a potentially important lesson as the gap between spending and revenue grows in the future.

The reason lies in what drives the deficits. Often, when the gap widens, it is because Congress has approved a big spending package or cut taxes. During the heights of the Covid-19 pandemic in 2020 and 2021, for example, the government showered Americans with stimulus checks and tax credits.

That kind of direct support stimulates the economy, helping to push inflation to its recent peak of 9.1% in June of last year. The New York Fed found that fiscal policy was responsible for about one-third of the inflation between December 2019 and June 2022.

This year, though, among the causes of the growing deficit is a steep drop in tax revenue paid quarterly or through annual tax returns, rather than taxes withheld by employers. So-called nonwith-



Shoppers at Target. Inflation has been trending downward.

held tax revenue is down \$278 billion, or 26%, so far this year.

After financial markets soared in 2021, the government brought in a record-breaking tax haul last year as taxpayers reported their realized gains. Net capital gains among U.S. taxpayers increased by 67% to roughly \$2 trillion in 2021, according to IRS data. This year, after markets sagged in 2022, revenue from capital-gains taxes has tumbled.

On the other side of the ledger, the largest spending increase has been in paying interest on old debt. Government spending on interest on the debt has risen by \$136 billion, or 23%, as higher interest rates increase the cost of borrowing.

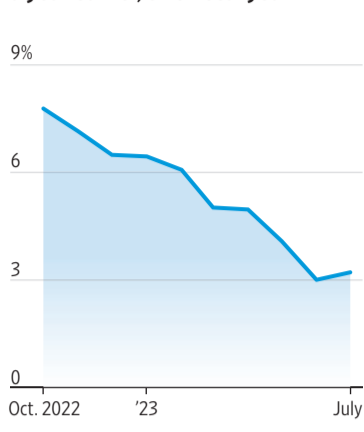
Neither lower capital-gains tax receipts nor higher debt

payments feed directly back into the economy in the short term—and neither do other reasons for the mushrooming deficit, such as roughly \$100 billion in reduced Federal Reserve earnings, a result of higher interest rates.

A model created by economists at the Brookings Institution shows that fiscal policy this year has slowed economic growth, despite the higher spending and lower tax revenue. In the second quarter, growth in gross domestic product was 0.8 percentage point lower because Covid-19 fiscal stimulus is no longer boosting the economy, they found. GDP grew at a 2.1% annual rate in the second quarter.

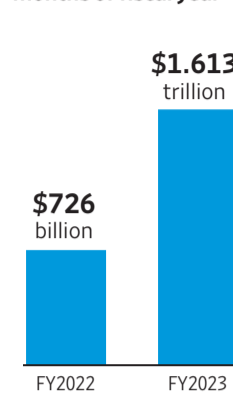
"The stuff that is pushing up the deficit is not going into GDP, so it's not like the government is doing a lot of stimulus. It's just from an ac-

Consumer-price index, change from a year earlier, this fiscal year



Source: Labor Department via St. Louis Fed (CPI); Treasury Department (budget)

Size of federal budget deficit through first 10 months of fiscal year



term. GDP growth will be 0.2 percentage point higher in the next three quarters because of the increased investment, the Goldman analysis found.

It is too soon to say whether the bevy of spending and tax cuts will push up inflation. Prices for materials and workers in certain sectors may rise, while the clean-energy investments could help control energy costs, an important inflation factor, in the long run.

"The overall inflation rate is a weighted average of a bunch of things that is not going to be dramatically impacted by the Inflation Reduction Act in the short run," said Kent Smetters, a professor at the University of Pennsylvania's Wharton School who studies the budget. "The connection between inflation and fiscal stuff has often been overstated or misunderstood."

Still, Smetters and other economists say rising deficits can pose economic problems—raising borrowing costs and crowding out private investment.

"Fiscal policy should not be concerned about year-to-year changes in inflation, or growth for that matter," said former CBO Director Douglas Holtz-Eakin, now president of the American Action Forum, a conservative think tank. "They should let the Fed take care of inflation and set fiscal policy long term to promote growth—and that means structural steps to reduce the deficit."

A potential wild card is the spending unleashed by the Inflation Reduction Act, which is subsidizing clean-energy projects across the country. The uptake in the subsidies has so far outpaced the CBO's expectations, meaning the bill could end up adding to, rather than reducing, the deficit.

A recent Goldman Sachs analysis found that the subsequent jump in investment in manufacturing equipment and facilities is increasing economic growth in the short

## Tax Break Is Touted as 'Gold Rush'

Continued from Page One that one happened."

Magenheim, 66 years old, said he will talk to owners at businesses he patronizes—restaurants, dog spas, barber shops, auto dealers. He said almost everyone hangs up on him or deletes his emails. "The companies that will sit and listen to me, do the research, know that I'm coming from a place to help them," he said. "But most people don't believe it."

Bottom Line said it complies with the law, follows updates to IRS guidelines, employs tax professionals and has helped businesses identify cost savings for more than 14 years. The North Miami Beach, Fla., company said it is proud of its record of delivering valuable services to employers "with no upfront fees in a compliant and transparent manner."

### Pandemic program

Congress designed the ERC, a less-well-known cousin of the Paycheck Protection Program, with a focus on keeping workers attached to employers.

The ERC expired in late 2021, but the window to claim the credit by filing amended tax returns is open until April 2025, fueling aggressive marketing efforts, often from firms that didn't exist a few years ago. Emails, texts and broadcast ads trumpet promises to help employers secure up to \$26,000 per employee.

Whether employers actually qualify under the law is tricky. The answer depends on each situation. For some helped by Bottom Line and its competitors, the tax credit will prove to be a lifeline. For others, it can start a messy, expensive dispute with the government. Even businesses that already received refunds can be audited.

The IRS doesn't comment on specific companies but has warned about fraud and overstated claims. "The amount of misleading marketing around this credit is staggering," IRS Commissioner Danny Werfel said in July. "This was not how the law was intended to work."

Werfel said the Biden administration might ask Congress to set earlier deadlines for filing amended returns seeking ERC payments, which

would stop much of the ERC industry.

### Recruiting an army

Bottom Line's founder, Josh Fox, 46, has promoted his ERC business with the help of online videos that mix motivational speeches and the prospect of wealth.

"You would make \$1.3 million if you can bring 100 clients to us in a two-year period," Fox said in one video as an off-camera aide punched numbers into a calculator. "This is your opportunity."

Another video shows Fox fanning a thick stack of envelopes that, he said, contain IRS letters confirming clients are getting the ERC. "This is the modern-day gold rush," Fox said in a third video.

Bottom Line's affiliates don't need to fill out tax forms or persuade customers to shell out cash. The rep connects the client with Bottom Line. The firm collects its portion only after the IRS sends a refund, then it pays commissions to the affiliates.

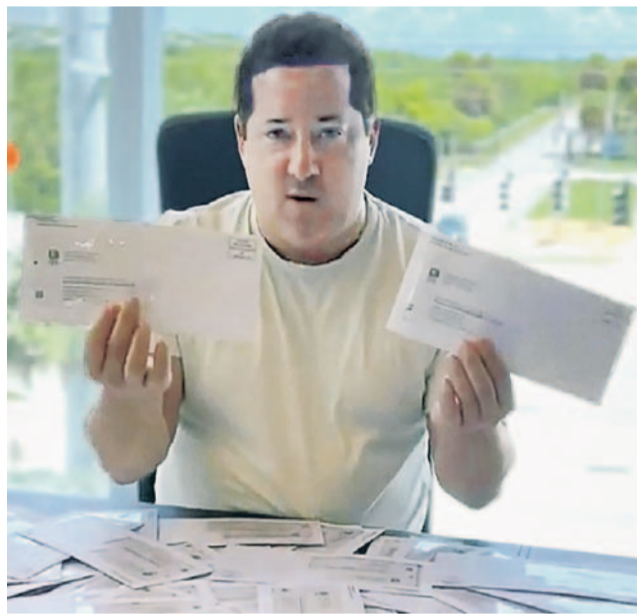
The IRS advises employers to beware of unsolicited calls or ads promising an "easy application process" and promoters who charge large upfront fees or are paid by collecting a percentage of refunds. Taxpayers who improperly receive the credit could owe taxes, interest and penalties, the IRS warns.

Bottom Line typically keeps 15% to 25% of IRS refunds, then passes on about 10% of its fee to affiliates who make client introductions. Affiliates can generally earn an extra 5% of Bottom Line's fee on deals made by other affiliates they introduce to Bottom Line, according to an online video.

Bottom Line said its arrangement allows customers to tap the firm's expertise to determine if they qualify for the ERC. Bottom Line is "compensated for our services only after our clients secure the appropriate refunds for which they fully qualify," it said. The company said it has helped more than 16,000 clients apply for ERC refunds and is aware of eight that have received examination notices from the IRS so far.

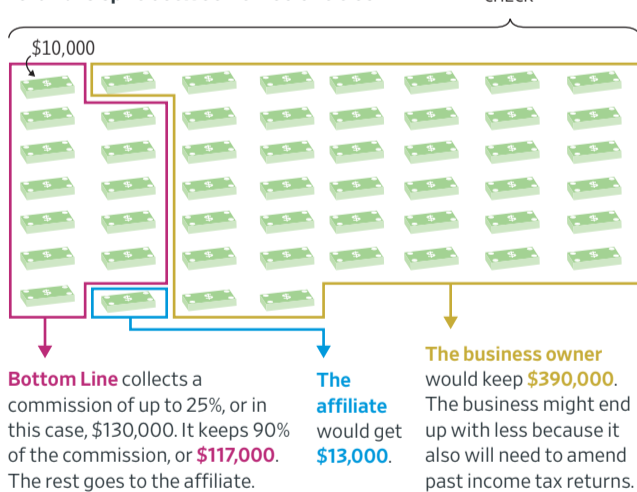
### Marketing muscle

Fox started Bottom Line in his New York City apartment in 2009. Bottom Line originally helped companies cut shipping, utility and office-supply bills and claim tax benefits in exchange for a share of the savings. From day one, he has said, Bottom Line used independent referral sources to make introductions.



Josh Fox has promoted Bottom Line Concepts with videos that mix motivational speeches and the prospect of wealth.

Here is a hypothetical example of how an Employee Retention Credit tax refund is split between three entities:



Source: WSJ reporting

The ERC now accounts for more than 75% of Bottom Line's revenue. The company has joined with companies including iHub Global, a Vero Beach, Fla., business that provides educational materials, marketing tools and a back-office system that lets affiliates track referrals and receives a portion of Bottom Line's fees.

"There is nothing to sell here. You are literally like an angel sent down from heaven," iHub executive Eric Zhivalyuk said in a video posted online last year and recently made private after The Wall Street Journal asked about it. "This by far has been the most lucrative opportunity we have ever seen."

iHub's affiliate training program for Bottom Line includes an online course that should only take 15 minutes to complete, iHub's website stated, followed by a 10-question quiz.

iHub said the program provides an overview of the ERC, how to determine whether a business might qualify and an

overview of what affiliates can and can't say. The company said it updates its materials and other resources in response to Treasury Department guidance.

"Shark Tank" veteran Kevin O'Leary is Bottom Line's best-known partner. He promotes the ERC on television, on social media and to Congress, where he has pressed lawmakers to extend the deadline for claiming the ERC for an additional 24 months.

O'Leary and Bottom Line are partners in WonderTrust, a website for booking ERC calls with Bottom Line. WonderTrust has submitted about \$140 million in ERC claims for more than 780 employers, O'Leary said. WonderTrust aired two television ads featuring O'Leary during the first Republican presidential debate earlier this year; a competitor, Innovation Refunds, ran one.

O'Leary said he met with Fox and his team and put two of his companies through Bottom Line's ERC process before joining forces. "I gave him

some tough questions," said O'Leary, who meets at least weekly with Bottom Line's leadership team. "I don't want to press the edges."

Most affiliates carry a lower profile. Beverly D'Amico of Deerfield Beach, Fla., pitches Bottom Line in addition to antiaging and wellness products. "I am going fishing. When I get you on the hook, I set up an appointment," she said. "I get paid for connecting people to [Bottom Line], and they take it from there."

With so many firms offering ERC services and so many claims already filed, emails and cold calls often produce meager results.

"It's really hard to crack," said Muhammad Rauf, owner of a cold-calling agency in Lahore, Pakistan, that worked with four Bottom Line affiliates. "A lot of people think it's a scam" and worry the IRS will check their books, he said.

Rauf said he stopped working with two affiliates in June because of a fee dispute; his relationship with the others ended in disappointment.

"They were thinking they can become a millionaire," he said. Bottom Line has said it has more than 52,000 referral partners. "The vast majority do not refer many, if any qualifying businesses to the company," it said.

### Accountant tensions

Bottom Line said that the number of businesses eligible for the ERC is vast, with one Bottom Line senior manager stating in an online video that almost 80% to 90% of businesses qualify. The video was made private after inquiries by the Journal.

Some accountants said they worry that Bottom Line isn't doing enough to evaluate whether employers actually qualify.

To get the break, businesses or nonprofits typically

must show a significant decline in revenue or that a government order fully or partially suspended their operations. Bottom Line helps calculate the size of the break but relies largely on the business itself to make that crucial eligibility determination.

"Businesses themselves must assess whether they qualify for ERC based upon their unique facts and circumstances," Bottom Line said. "Bottom Line has been responsible in its efforts to educate and assist small businesses who qualify, turn away those who do not."

Sol Kuhnreich, a Baltimore certified public accountant, evaluated a Bottom Line pitch this year for a client that was potentially eligible for more than \$500,000—if it qualified.

In back-and-forth emails, Kuhnreich said, he received promises about audit protection and general statements about executive orders in Baltimore and Maryland but never could get Bottom Line to identify a specific order that applied to his client.

"I'm shocked at how many people are doing this," he said. "I'm actually not shocked because of how easy they make it seem."

Bottom Line said it employs CPAs, tax and other attorneys, former IRS officials and other experienced professionals. Correspondence with Kuhnreich "underscores the integrity and accuracy of the information" it provided, Bottom Line said.

Bottom Line affiliate Welbon A. Salaam, a maintenance technician in Greenville, N.C., sometimes whips out his cellphone to book appointments for clients on the spot. "It only takes under a minute," Salaam said.

"You don't have to convince anybody that the system works," he said. "We are working alongside the IRS. It's legit."

## CORRECTIONS & AMPLIFICATIONS

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## U.S. NEWS

# Rain and Mud Test Spirits of Festival Goers

BLACK ROCK CITY, Nev.—The technology entrepreneurs, artists and other free spirits who flock to this desert playa for the annual Burning Man

By Joe Barrett, Kirsten Grind, Andrew Restuccia and Ginger Adams Otis

festival are accustomed to weathering withering heat and dust storms. This year, they wound up wallowing in the muck.

A desert storm turned the dry lake bed into a thick, slimy clay over the weekend, transforming the Burning Man site about 90 miles north of Reno, Nev., into a quagmire and forcing the closure of the roads in and out of the event, attended by tens of thousands of people.

Attendees spent the weekend covered in mud, which caked their boots and made traversing the temporary city difficult. The rain flooded tents, causing some participants to rush to find new accommodations—or quit the festival entirely, if they could manage a way out.

On Monday, with sunshine returning, Burning Man organizers said they began allowing the thousands still stuck to gradually file out, an annual rite known as the exodus, around 2 p.m. local time.

Scores of vehicles lined up across the desert as they attempted to leave, and traffic was at a standstill on Monday afternoon, with attendees preparing to wait for hours to exit.

Others decided to remain, hoping to watch a stripped-down version of the festival's signature event: the burning of a massive effigy of a man. After several delays, it was set for Monday night.

Despite the hardships, many said being mired in muck didn't spoil their fun, describing it as another weird chapter in the festival's unusual history.

"Anywhere you want to go, you are completely caked in mud and that sucks," said Matthew Fassberg, a 65-year-old video producer from Fairfax, Calif., who helped lead a camp of about 70 revelers. "But if

you're somewhat organized, and you don't need to move around, it is just not that bad. And it is an opportunity to hang with people."

Thousands travel annually to the Black Rock Desert for the nonconformist nine-day event, which features music, art installations and all-night partying. Burning Man attracts fun seekers of all stripes but is known for luring celebrities and Silicon Valley titans. Billionaire and Space X Chief Executive Elon Musk has said he is a Burning Man fan.

Attendees said they spotted Musk's brother, Kimbal Musk, during the festivities. Brock Pierce, a prominent bitcoin entrepreneur, and Sergey Brin, the co-founder of Google, were also among the tech entrepreneurs and chief executives seen at the event. A spokeswoman for Kimbal Musk didn't return a request for comment, and neither did a spokeswoman for Brin. Pierce also wasn't immediately available for comment.

Laurie Wofford, a tech entrepreneur and founder, said her camp of entrepreneurs and artists was completely flooded Friday night. An announcement from Burning Man organizers told attendees to stay in their camps, and to avoid alcohol and drugs to enhance safety. By Saturday, Wofford and some of her camp of 70 people decided to try to get out by walking to the road and getting a ride to the nearby town of Gerlach. Wofford said she had to leave her luggage and walk through the rain, in muck and mud past her ankles, to reach the road.

One person died during the rains at the festival, local authorities said. A 32-year-old man was found unresponsive on the playa just after 6 p.m. local time on Friday, according to the Pershing County Sheriff's Office. No immediate cause of death was given and an autopsy is pending toxicology results, the sheriff's office said.

Still, the atmosphere at the event was largely positive. Thousands of attendees wandered the streets and partied into the early morning hours.



ANN VITALE FOR THE WALL STREET JOURNAL

## Homelessness Struggle in Montana Mirrors That of Big Western Cities

BY JIM CARLTON

MISSOULA, Mont.—This city boasts more than 400 acres of parks, many of which line the roaring Clark Fork River. Recently, they have become full of homeless people.

Some 600 people without homes live in the Northern Rockies college town, triple the number of a decade ago, many of them in tents in city parks. Their presence has sown growing anger among residents who say the parks have become dirty and unsafe.

Shannone Hart said a group of teens she works with saw homeless people fighting in a park and that she moved in June from a house near an encampment along the Clark Fork.

"Just the sheer litter and feces and garbage pollution that was going into the river was concerning," Hart said.

Missoula has a decades-old law that makes it illegal to camp in a park, but it can't enforce it because of a 2018 ruling by the Ninth Circuit U.S. Court of Appeals that found removing anyone camping in a public space in its Western U.S. jurisdiction when there isn't a shelter bed for them constitutes cruel and unusual punishment. Missoula has less than half the beds that would be necessary to comply with the order, most of which are already being used.

The ruling has frustrated leaders of major cities across the West, including Portland, Ore., San Francisco and Los Angeles, where homeless encampments have proliferated in parks. Democratic California Gov. Gavin Newsom criticized the order in an interview with the San Francisco Chronicle, calling it "preposterous" and "inhumane."

The struggles of Missoula, population 78,000, show that the ruling also is affecting smaller cities, which also are coping with increased street homelessness driven by rising housing costs.

The average monthly cost of



More homeless people in Missoula, Mont., are sleeping on public lands, top, creating a policy challenge for Mayor Jordan Hess, below. Above, a homeless outreach group spoke with Michael Lightcap, a 63-year-old disabled carpenter.

a one-bedroom apartment in Missoula is \$1,195, up 50% from 2019, according to rental listings platform Zumper. Nationwide, the increase was 21%.

"All of a sudden people can't afford it and they're out," said Chris Sage, who coordinates homelessness data in Montana for a nonprofit group. Homelessness has grown 62% in the state since 2019.

Missoula had 60 homeless encampments in parks as of late August, according to a city report. To address the problem without running afoul of the Ninth Circuit, the City Council passed an emergency ordinance in June making it easier to remove encampments from parks used by youth camps and other groups.

"We don't want to lose control of the parks," Missoula Mayor Jordan Hess said. Trees have been cut down and irrigation systems destroyed by homeless people, the Democrat said, and earlier this year, city workers removed about 100 pounds of rotting bacon from an encampment.

Since the ordinance went into effect, city crews have removed between 8 and 10 of the most problematic homeless camps, but many of the people living in them have moved on to other parks, Hess said.

At a July meeting to make the emergency ordinance per-



manent, the measure was postponed amid complaints from homeless advocates that vulnerable people would suffer.

Jill Bonny, executive director of the Poverello Center, a homeless shelter with 135 beds, said the city should add a second permanent shelter and designate outdoor space for homeless camping.

"When they don't have a place to go, a park has grass, it has bathrooms, it has garbage cans and it has shade," she said.

Hess said many in Missoula, a liberal college town in a heavily Republican state, are sensitive to such arguments and want to find a compromise.

The council by November hopes to pass a revised permanent ordinance that would restrict camping in places such as near waterways and give park managers tools to enforce rules on vandalism and littering. Later this month, Missoula

is set to open the doors of a 165-bed shelter typically used only in the winter, to provide more space on a temporary basis.

But Hess said the city, which has allocated \$2.5 million this fiscal year for homeless services in a \$175 million municipal budget, needs state and federal help to solve the problem. "Everything we are going to do is triage," he said, "and everything we do is going to be inadequate."

Unlike the large encampments that have proliferated in some West Coast cities, Missoula's homeless people largely live in small groups of tents tucked beneath trees.

Michael Lightcap, 63 years old, said he had been camping in a Missoula park since authorities confiscated his RV a year ago. A disabled carpenter, he said he can't afford housing on his \$800 monthly Social Security check but doesn't mind the outdoors lifestyle.

"It's no big deal," he said while walking past children in a park, where his tent was pitched overlooking the Clark Fork River. "You just get a little propane when it gets cold."

Vickie Reynolds, a local nanny, said she avoids taking children to most parks now. "When they are new to walking, besides staying close to them, you have to be more aware of what's ON the ground," she wrote in a text message.

Mike Helmick said he returned in February to his hometown of Missoula after losing his job in Michigan. With no income besides food stamps, he ended up living in a tent with his wife, Jennifer.

"It's very hard; no one tells you where to go for resources," said Helmick, 26, as the couple sat in the shade and watched people bicycle past.

Helmick said he keeps his camp clean and recently chased off someone he saw trying to scale the fence of a nearby bicycle shop. "That's what makes us homeless people look bad," he said.



Burning Man attendees who planned to take buses wait for information about when they can leave on Monday.

## Prostate-Cancer Diagnoses Spur Rethinking of Screening Guidelines

BY BRIANNA ABBOTT

Prostate cancer loomed over David Weigand's family: His uncle had the disease, and his father died of it. Yet widely followed recommendations for prostate-cancer screening didn't consider him eligible for a test.

In 2021, he got tested anyway at his partner Cody Green's urging. Weigand was 53 at the time—two years below the age when the U.S. Preventive Services Task Force says men should consider testing for levels of prostate-specific antigen, or PSA. He had no symptoms.

Weigand's PSA levels were elevated. After a biopsy, he was diagnosed with stage-four cancer that had spread to lymph nodes in his pelvis. "My prostate was completely covered in cancer," Weigand said. "The situation that I'm in was so preventable."

Screening for prostate cancer is due for a course correction—again.

Doctors have debated how often to screen men for prostate cancer for decades. Widespread screening after testing went mainstream in the 1990s



David Weigand, left, and his partner, Cody Green, plan to get married in the spring.

led to overtreatment and damaging side effects for many.

Doctors scaled back after the task force recommended against the test in 2012. About five years later, the task force said men ages 55-69 could consider it.

More patients are now getting diagnosed with prostate cancer at later stages, when it is often too late to be cured. A two-decade decline in death rates has stalled. Some doctors worry deaths could rise in coming years.

"We're finding them with disease not contained in the prostate but also in the bones, in the lymph nodes," said Dr. James Porter, a urological surgeon in Seattle. "That's a recent phenomenon."

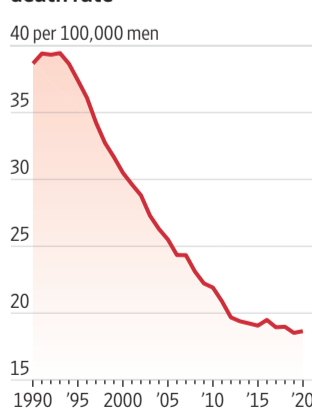
Groups including the American Cancer Society are reviewing their own guidance for prostate-cancer screening. Many doctors want to better target the test, limiting screening for some men while encouraging high-risk groups including Black men or those

with a strong family history to get testing earlier.

"PSA recommendations have been ping-ponging back and forth, and what's been lost in that is the high-risk people," said Dr. Heather Cheng, director of the Prostate Cancer Genetics Clinic at Fred Hutchinson Cancer Center in Seattle.

Cheng and other doctors working to better calibrate screening said the risks of overdiagnosis have declined. More doctors now monitor low-risk tumors for growth before

U.S. prostate cancer death rate



Note: Age-adjusted data  
Source: National Cancer Institute

rushing a man into surgery or radiation. Better imaging tools have reduced biopsies.

The government-backed task force takes treatment advances into account when setting guidance, said Dr. Michael Silverstein, the task force's vice chair and a professor at the Brown University School of Public Health. Low representation of Black men and other groups in clinical trials has made it difficult to assess the potential benefit from targeted screening, the task force said.

The 16-member task force, which advises primary-care doctors on how to screen for everything from anxiety to heart disease, typically reviews guidance every five years. Its last guidance was in 2018; it hasn't started a new review.

"For prostate cancer, it's a complicated set of evidence," Silverstein said.

Prostate cancer is the second-leading cause of cancer death for men in the U.S. behind lung cancer, killing more than 30,000 annually. Diagnoses of later-stage prostate cancer have increased about 5% each year since 2014.

Weigand, who lives in Dallas, underwent surgery and started a new drug in June in addition to hormone therapy. He has started a plant-based diet and is pushing through a lack of energy to exercise more and lose weight he gained on the medication.

Earlier this summer, Green proposed. They plan to get married in the spring.

"I can't help but think how incredible it is that an easy blood test can help men catch this earlier," Weigand said. "I would not be fighting as I am for my life."

U.S. NEWS

# Voters Worry About Biden's Age, Economy

By Sabrina Siddiqui and Catherine Lucey

Voters overwhelmingly think President Biden is too old to run for re-election and give him low marks for handling the economy and other issues important to their vote, according to a new Wall Street Journal poll that offers a stark warning to the 80-year-old incumbent ahead of the 2024 contest.

The negative views of Biden's age and performance in office help explain why only 39% of voters hold a favorable view of the president. In a separate question, some 42% said they approve of how he is handling his job, well below the 57% who disapprove.

And Biden is tied with former President Donald Trump in a potential rematch of the 2020 election, with each holding 46% support in a head-to-head test.

The Journal survey, while pointing to a large set of challenges Biden faces in persuading voters that he deserves re-election, also finds weaknesses in his likely opponent. Voters in the survey rated Trump as less honest and likable than Biden, and a majority viewed Trump's actions after his 2020 election loss as an illegal effort to stop Congress from declar-

ing Biden the proper winner. "Voters are looking for change, and neither of the leading candidates is the change that they're looking for," said Democratic pollster Michael Borian, who conducted the survey with Republican pollster Tony Fabrizio.

Although the candidates are only three years apart, 73% of voters said they feel Biden is too old to seek a second term, compared with 47% of voters who said the same of the 77-year-old Trump. Two-thirds of Democrats said Biden was too old to run again.

By an 11-point margin, more voters see Trump rather than Biden as having a record of accomplishments as president—some 40% said Biden has such a record, while 51% said so of Trump. By an eight-point margin, more voters said Trump has a vision for the future. And by 10 points, more described Trump as mentally up to the presidency. Some 46% said that is true of Trump, compared with 36% who said so of Biden.

Biden is viewed more favorably than Trump on some personal characteristics. Some 48% of voters said Biden is likable, compared with 31% for Trump. Some 45% viewed Biden as honest, while 38% said so of Trump.



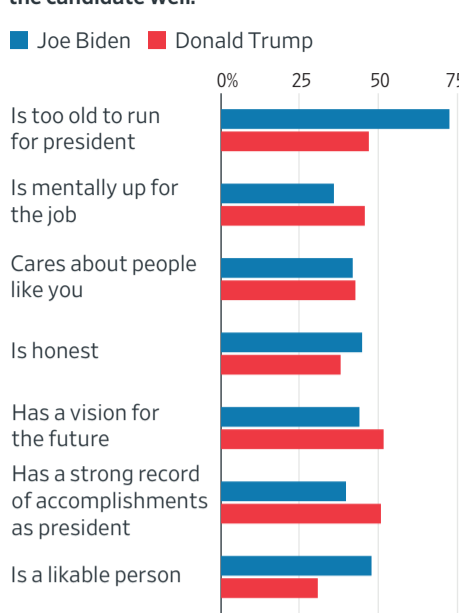
President Biden at Joint Base Andrews in Maryland.

"If this race is about personality and temperament, then Biden has an advantage. If this race is about policies and performance, then Trump has the advantage," said Fabrizio, who also polls for a super PAC supporting Trump's candidacy.

The numbers come as Biden has spent months traveling the country promoting his economic record and legislative achievements, including major investments in infrastructure, clean energy and technology. The president has also touted job growth and higher wages under his watch, with data showing that the broader economy remains strong and inflation has cooled to its lowest rate in about two years. Unemployment remains near a 50-year low.

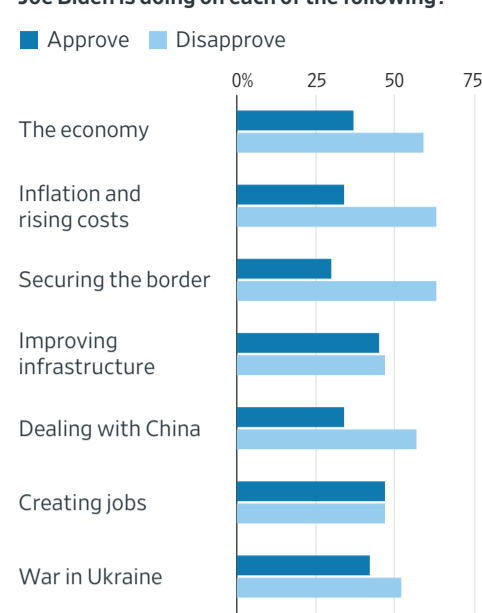
But 58% of voters say the

Percentage who say each phrase describes the candidate well.



Source: Wall Street Journal telephone and text-to-web survey of 1,500 registered voters conducted Aug. 24 - 30. Graphic reflects responses of 750 voters; margin of error: +/-3.6 pct. pts.

Do you approve or disapprove of the job Joe Biden is doing on each of the following?



economy has gotten worse over the past two years, whereas only 28% say it has gotten better, and nearly three in four say inflation is headed in the wrong direction. Those views were echoed in the survey by large majorities of independents, a group that helped deliver Biden's victory over Trump in the 2020 presidential race. Voters were almost evenly split on the direction of the job market.

"I think the economy might be doing good for some people but, for folks who are in the middle, we are kind of squeezed," said Shivkumar Singh, an IT manager in Okemos, Mich., and father of three.

Singh, 53, is an independent who voted for Biden in 2020 because he didn't like Trump's personal demeanor. But he now has questions about Biden's

abilities and is undecided between the two men.

Biden campaign aides note that it is very early in the race and that most voters aren't yet plugged in to the general election. They say the public supports the federal investments in infrastructure, climate and the semiconductor industry that he championed.

"Wages are growing faster than inflation. This didn't just happen. We made it happen," Biden said Monday in a Labor Day rally before union members in Philadelphia.

The poll was conducted after Trump was indicted for a fourth time, with a grand jury in Atlanta last month charging him with allegedly operating a criminal enterprise that sought to overturn Biden's electoral victory in Georgia. That followed

indictments over allegedly illegal efforts to maintain power after losing the 2020 election, his handling of classified documents after leaving office and the payment of hush money to a porn star. Trump has pleaded not guilty to all charges.

Among registered voters, 37% said the indictments made them less likely to vote for Trump, compared with 24% who said it made them more likely to vote for the former president. Some 35% said the indictments made no difference to their vote.

The poll of 1,500 registered voters was conducted Aug. 24-30 and had a margin of error of plus or minus 2.5 percentage points. Respondents were reached by cellphone, landline phone and by text with an invitation to take the survey online.

## Incidents at U.S. Bases Stir Concern

Continued from Page One and required to report back to the Chinese government.

These cases at times occur in rural areas where officials indicate there is little tourism far from a commercial airport.

Concern over the base intrusions comes amid rising U.S.-China tensions, which spiked after a Chinese balloon overflew the U.S. earlier this year carrying what officials said was surveillance equipment. The incidents also cast a light on concerns that Beijing is using nontraditional means to gather intelligence on U.S. soil, whether through proximity to bases or through Chinese-produced commercial equipment that could be used to spy.

Officials at the White House and the Department of Homeland Security declined to comment, and the Pentagon only responded broadly to the issue. Government officials referred queries to the Federal Bureau of Investigation, which said, "The Chinese government is engaged in a broad, diverse campaign of theft and malign influence without regard to laws or international norms that the FBI will not tolerate."

The Chinese Embassy in Washington challenged the U.S. view of the incidents. "The relevant claims are purely ill-intentioned fabrications," said Liu Pengyu, a spokesperson with the embassy. "We urge the relevant U.S. officials to abandon the Cold War mentality, stop groundless accusations, and do more things that are conducive to enhancing mutual trust between the two countries and friendship between the two peoples."

The incidents are concerning enough that Congress might look at legislation on the issue, according to Rep. Jason Crow (D., Colo.). Crow, a member of the intelligence committee, said lawmakers are concerned that some of these cases fall between the cracks because most trespassing laws are state and local,



The FBI looked at evidence after the Chinese spy balloon incident, above left. The incidents appear designed to test security practices at U.S. installations, such as a government rocket-launch site in Florida, above right. At Alaska's Fort Wainwright, top photo, Chinese nationals said they had reservations at a hotel on base and tried to push past guards.

and not federal.

"We need to work closely with our state and local partners to train them and equip them," he said. "Right now, they don't know how to deal with it."

Some incursions are benign, such as those involving people who have said they are following Google Maps to direct them to the nearest McDonalds or Burger King, which happens to be on a nearby military base. Others appeared to be more troubling, people familiar with the review said.

Officials described incidents in which Chinese nationals said they have a reservation at an on-base hotel. In a recent case, a group of Chinese nationals, claiming they were tourists, tried to push past guards at Fort Wainwright, Alaska, saying they had reservations at a commercial hotel on the base. The base is home to the Army's 11th Airborne Division, which is focused on Arctic warfare.

The problem of low-level Chinese intelligence collection like this is well known in intelligence circles, said Emily Harding, a senior fellow at the Center for Strategic and International Studies in Washington and a former deputy staff director at the Senate Select

Committee on Intelligence. It is a numbers game, she said.

"The advantage the Chinese have is they are willing to throw people at collection in large numbers," she said. "If a few of them get caught, it will be very difficult for the U.S. government to prove anything beyond trespassing, and those who don't get caught are likely to collect something useful."

Harding said that because most incidents in the U.S. can be pursued only as trespassing, the Chinese government gives a collective shrug for those who do get caught. That would be unlikely if a U.S. citizen were to be caught inside China, she said.

"The latter is unlikely to get what we would consider a fair trial," Harding added.

The base penetrations are considered a concerning and growing trend, U.S. military and other officials said.

In some cases, individuals did gain unauthorized access to a base, "often by speeding through security checkpoints," said Sue Gough, a Pentagon spokeswoman. "These individuals are often cited criminally, barred from future installation access and escorted off-base," she said.

There are repeated cases in

which Chinese nationals have been found taking pictures at a U.S. Army range, according to people familiar with the matter. They often start off at nearby White Sands National Park, where visitors like to barrel down the sand dunes on rented slides, but then leave that area and cross into the adjacent missile site, the officials said.

In some cases, the individuals have used drones to bolster their surveillance efforts.

There have been repeated incidents at an intelligence center based in Key West, Fla., starting some years ago, where Chinese nationals, saying they were tourists, were found swimming in the waters near the military facility and taking pictures, according to officials familiar with the matter.

In at least one instance, an incursion there resulted in arrests and prosecutions that were made public. In 2020, three Chinese citizens were sentenced to about a year in prison after pleading guilty to illegally entering the naval air station in Key West, and taking photos by either walking around the fence line and entering it from the beach, or driving in and ignoring orders to turn around.

## Fiscal Patch Faces Some Uncertainty

By Lindsay Wise and Siobhan Hughes

WASHINGTON—House and Senate leaders of both parties say they have a clear road map to avoid a government shutdown in coming weeks: Pass a short-term patch, then take some time to negotiate on full-year spending.

But some House Republicans are already crying foul, raising the prospect of more down-to-the-wire drama on Capitol Hill.

The Senate returns to Washington this week, and the House is back the next week. Lawmakers are almost certain to need an extension of their Sept. 30 deadline, when federal funds are set to run out, amid sharp disagreements over next fiscal year's spending levels. If there is no deal, the federal government could partially shut down at the start of October, furloughing hundreds of thousands of federal workers and closing national parks, though critical services would continue to function.

To buy time, Senate Majority Leader Chuck Schumer (D., N.Y.) and House Speaker Kevin McCarthy (R., Calif.) have both said they want to pass a continuing resolution, a short-term deal to keep the government running. Such legislation would extend current funding levels for a few months until both chambers can reach an agreement on spending levels for the next fiscal year, pass it through both chambers and send it to President Biden for his signature.

But some House Republicans have said they won't agree to an extension without extracting concessions. While a spending deal could potentially pass without their support, it will put political pressure on McCarthy, who has regularly run into roadblocks set up by dissidents in his own party.

The House Freedom Caucus, a group of hard-right Republicans, is demanding that a House-passed border-security bill be attached to any short-term deal.

Ahead of their return to Capitol Hill, congressional leaders are staking out their positions. In a "Dear Colleague" letter sent to Democratic senators on Friday, Schumer said the Senate's top focus will be on funding the government, and he suggested the blame for

any shutdown would lie with "House Republican extremists."

He noted that the Senate has passed all 12 of the required appropriations bills out of committees on a bipartisan basis and urged the House to follow the Senate's lead and pass bipartisan appropriations bills as well. He said Congress needs to avoid another standoff such as the recent fight over raising the nation's borrowing limit, which sparked fears of a global financial crisis.

The Senate has other big items on its agenda, including measures to reauthorize the Federal Aviation Administration and to renew the farm bill, which funds programs such as crop insurance as well as nutrition programs like food stamps. Lawmakers will also tackle requests from the White House for additional funding for Ukraine and disaster relief for Vermont, Hawaii and Florida.

The debt-ceiling deal reached in May between the White House and McCarthy set funding levels that held non-military spending roughly flat for the 2024 fiscal year from

this year, after factoring in some appropriations adjustments, and set a 1% cap on spending increases for the 2025 fiscal year. House GOP leaders then reduced spending further in their appropriations legislation to assuage complaints from fiscal conservatives that the cuts employed accounting tricks and didn't cut deeply enough.

The Senate side is on track to pass bills that spend more than the top lines set in the debt-limit deal. Senate Appropriations Chair Patty Murray (D., Wash.) and the panel's top Republican, Sen. Susan Collins of Maine, agreed before the August recess to add \$13.7 billion in additional emergency appropriations—including \$8 billion for defense spending and \$5.7 billion for nondefense spending.

Senate Minority Leader Mitch McConnell (R., Ky.) has signaled he wants to move ahead with the Senate version of the appropriations bills, dismissing the House versions that propose federal spending levels below those agreed to in the debt-ceiling deal.

McConnell will face intense personal scrutiny upon his return to Capitol Hill, after he froze up at a press event last week.

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## U.S. NEWS

## Virginia's 2023 Elections to Offer Clues About 2024

By SCOTT CALVERT

Virginia voters' choices this November will give clues about the direction of the national elections next November, and about the political future of a rising Republican star: Gov. Glenn Youngkin.

Control of the state legislature is at stake, with all 140 seats in both chambers up for grabs. Democrats hold a slim majority in the Senate; Republicans have an edge in the House.

Youngkin, while not on the ballot, is pushing hard for a GOP trifecta so he can pass a 15-week abortion limit and other conservative priorities—and so he can burnish his reputation as a Republican who can win in swing territory after his 2021 victory put him on the national map.

If the Nov. 7 elections go well for his party, Youngkin could make a late entry into the 2024 presidential race—a prospect he hasn't ruled out and some national Republicans have pined for privately. GOP primary polling and some early ballot deadlines suggest such a bid would have little chance of success.

Or Youngkin, 56 years old, could try to continue building legislative and political victories with an eye to running for president in 2028. Virginia governors can't serve consecu-

tive four-year terms.

Dominance in the state's General Assembly likely will hinge on a handful of races. The nonpartisan Virginia Public Access Project rates four of 40 Senate races and seven of 100 House contests as competitive.

"Truly, this is anybody's game," said Rebecca Bromley-Trujillo, an associate professor of political science at Christopher Newport University.

With no marquee office on the ballot, the key for Republicans and Democrats will be motivating their bases, political analysts say, although both sides are vying for potentially persuadable voters.

Democrats are betting on abortion access to energize voters, along with gun-control measures and LGBT protections. Republicans are focusing largely on parental involvement in education as well as crime and the economy.

"Because it's a turnout election, you can glean whose base is more mobilized to come out and vote," said Democratic strategist Ben Tribbett. Democrats need a strong showing from younger voters, he said, adding, "If this is an election decided by senior citizens, Glenn Youngkin will take total control."

Virginia's odd-year elections traditionally offer clues about

the electorate's mood heading into national contests. The state used to lean Republican, but suburban growth has benefited the Democratic Party, which in 2019 won majorities in both houses. Republicans in 2021 captured the governorship and took back the House; Virginia is now one of just two states where each party controls one legislative chamber.

Youngkin, elected amid a wave of frustration over Covid-era school policies, has staked much on these elections. The former private-equity executive waded into 10 GOP primary fights, and all of his picks prevailed. Now his political operation is raising

large sums as Youngkin rallies with candidates around the state.

"We're kind of engaged at every level of operations with these different campaigns," said Dave Rexrode, chairman of Youngkin's Spirit of Virginia PAC. The PAC said it raised \$3.3 million in August alone, and \$12 million so far this year.

The Democratic National Committee said Saturday it was putting an additional \$1.2 million into Virginia's elections, bringing its total investment in the state so far this cycle to \$1.5 million.

The Democratic Legislative Campaign Committee, charged

with electing Democrats to statehouses, plans substantial financial and other support for Virginia candidates, a spokeswoman said. Its counterpart, the Republican State Leadership Committee, is coordinating efforts with Youngkin's PAC and other GOP arms, a spokesman said.

"When Youngkin won, he was seen as almost the Republicans' shiny new object who was able to capture lightning in a bottle. So it's like, OK, are the Republicans going to get lucky again like that?" said J. Miles Coleman, associate editor of Sabato's Crystal Ball of the University of Virginia Center for Politics.

## U.S. WATCH

## OBITUARY

## Ex-Gov. Richardson Helped Free Griner

Bill Richardson—a two-term governor of New Mexico who also served as the U.S. energy secretary and as an ambassador to the United Nations—has died. He was 75.

Richardson, whose career after his government service was focused on helping to free Americans detained overseas, died in his sleep at home in Chatham, Mass., according to the Richardson Center for Global Engagement. He was recently part of the diplomatic effort to broker a deal for the safe return of U.S. basketball star Brittney Griner after she was detained in Russia in February 2022.

"There was no person that Gov. Richardson would not speak with if it held the promise of returning a person to freedom," Mickey Bergman, vice president of the Richardson Center, said.

Richardson, a Democrat, was first elected governor in 2002 and re-elected in 2006. Before that, he was a U.N. ambassador and energy secretary under Bill Clinton. He also served 14 years as a congressman representing New Mexico.

Richardson endorsed Barack Obama, who won the 2008 presidential election and then nominated Richardson as secretary of commerce. Richardson eventually withdrew due to a federal investigation into an alleged pay-to-play scheme involving former high-ranking members of Richardson's administration in New Mexico and one of his top political donors.

Richardson denied wrongdoing, but said it would prove to be too much of a distraction in the nomination process. The yearlong investigation ended with no charges against the then-governor and his aides.

—Ginger Adams Otis

## WASHINGTON

## Jill Biden Tests Positive for Covid

First lady Jill Biden tested positive for Covid-19 and is experiencing "mild symptoms," her office said Monday.

President Biden tested negative on Monday evening following his spouse's positive result, according to the White House.

"The President will test at a regular cadence this week and monitor for symptoms," White House Press Secretary Karine Jean-Pierre said.

The Bidens were together in Delaware over the weekend. The president returned to the White House on Monday, while a spokeswoman for the first lady said she will remain at their home in Rehoboth Beach.

—Sabrina Siddiqui

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# WORLD NEWS

# Putin Snubs Black Sea Grain Initiative

Russian leader says country won't rejoin deal until the West meets its demands

By GEORGI KANTCHEV

President Vladimir Putin said Russia won't rejoin a deal enabling Ukrainian grain to be shipped globally until the West meets its demands to facilitate Russian agricultural exports, after quitting an agreement that guaranteed the safety of a crucial part of the global food supply chain. "We are not against this deal; we are ready to immedi-

ately return to it as soon as the promises made to us are fulfilled. That's all," Putin said at a joint press conference after a meeting with his Turkish counterpart Recep Tayyip Erdogan in the Russian Black Sea resort of Sochi on Monday. "So far no obligations toward Russia have been fulfilled," Putin said.

Moscow withdrew from the United Nations-brokered deal less than two months ago and launched attacks on Ukrainian grain-export facilities, fueling an escalating confrontation in the Black Sea.

The deal signed in July 2022 allowed Ukraine to resume much of its Black Sea

grain exports. Russia's February 2022 invasion of Ukraine had forced a halt in the shipments, leading to an increase in food prices globally and raising concerns that the war would cause millions of people to face starvation. Ukraine is one of the world's biggest producers of wheat, corn and sunflower oil.

Erdogan, who helped broker the grain deal, said that work must continue to address Russia's concerns. "We believe that we will reach a solution that will meet the expectations in a short time," he said at the press conference.

The Black Sea Grain Initiative was frail from the onset.

Russia suspended its participation in the agreement after an attack on a Russian naval base in Crimea last fall, only to rejoin it later. Russian missiles have repeatedly hit Ukrainian grain-export facilities. Ukraine has struck one of Russia's largest ports with naval drones, disrupting shipments of grain and oil.

Moscow has said that a key reason for its withdrawal from the grain deal was that its own food and fertilizer exports were hampered by international sanctions. Western countries haven't sanctioned those exports, but sanctions might have created obstacles to financing and shipping Rus-

sian agricultural products, U.N. officials have said.

Russian Foreign Minister Sergei Lavrov dismissed a new U.N. grain deal proposal last week, saying it didn't contain guarantees for Russia.

The U.S. has been in talks with Turkey, Ukraine and Kyiv's neighbors to increase the use of alternative export routes for Ukrainian grain, involving increasing capacity for Ukraine to export four million tons of grain a month via the Danube River by October. Much of the grain would be sent down the river and via the Black Sea to nearby ports in Romania and shipped onward to other destinations.

Turkey, a member of the North Atlantic Treaty Organization, has maintained close connections with both Moscow and Kyiv. Erdogan has kept in contact with Putin during the war, and Turkey hasn't joined Western sanctions against Russia following its invasion of Ukraine, becoming a trading partner and a logistical hub for Russian trade.

On Monday, the two presidents also discussed Russia's gas exports to Turkey and increasing trade in local currencies, one of Moscow's goals as it seeks to delink its economy from the West.

—Elvan Kivilcim contributed to this article.

## Ukraine Pushes at Front Lines

Continued from Page One  
a retired Army brigadier general. "Most times this fails if the enemy is marginally competent and has the units and logistics to support counterattacks against the salient," he said.

Over the weekend, President Volodymyr Zelensky of Ukraine tapped a Crimean Tatar executive to be the country's new minister of defense, changing the ministry's leadership amid procurement scandals. The appointee, Rustem Umerov, until now the head of Ukraine's state property fund, has played a key role in some of Ukraine's most sensitive diplomatic negotiations since the Russian invasion in February 2022.

Russian forces have launched localized counterattacks to impede Ukrainian gains outside Robotyne, said a platoon commander with Ukraine's 47th Brigade who uses the call sign Dobro and is



A Ukrainian serviceman operating a drone from his position near the village of Robotyne, Ukraine, late last month.

operating on the town's eastern outskirts. Russian forces fiercely defended the heavily mined road from Robotyne to Verbove, he said of the recent advance. "It was really hard," he said. "Everything was exploding."

If Ukrainian troops manage

to take or bypass Verbove, they are likely to push south toward the country's Black Sea coast, more than 50 miles away. Their goal is to cut through a corridor that Moscow controls, a "land bridge" running from Ukraine's border with Russia in the east to the

Crimean Peninsula, which Russia seized from Ukraine in 2014.

If Ukrainian troops can pierce Russia's next lines, their path south will likely depend on a mix of terrain and Russian defenses, analysts and combat veterans said. Russia has created impediments that seek to force Ukrainian troops into areas where Russians can more easily attack them, known as kill zones.

In all corners of the sprawling battlefield, Moscow has hidden traps and troops that blur the front line and make it hard for Kyiv's fighters to grasp what lies ahead.

"Every tree line is fortified with trenches," said Oleksandr Solonko, a private in an air-reconnaissance battalion who is operating drones near Robotyne. "Behind every bush is an enemy position."

Russia is also building up forces in the largest local town, Tokmak, a rail and road hub that Moscow has surrounded with defenses.

Since Tokmak is so heavily

fortified, some analysts believe Ukrainian forces would bypass it and look for weaknesses elsewhere. If they can punch through, they will need to "hold the shoulders" of a breakthrough, said Kimmitt, the retired general, so they can rush combat forces and logistical troops into the gap, and then seek to widen it.

"Once the shoulders are held and there is no substantial enemy in front, then your forces can achieve the momentum for a breakout," Kimmitt said.

Logistical equipment ranges from specialized demining vehicles to tanks modified to help other tanks that get stuck or damaged. The platoon commander near Robotyne said the terrain is so heavily mined that success advancing will depend on having sufficient numbers of demining engineers with the right gear. "Those are the people and equipment that we really need," Dobro said.

Having enough artillery to hit and weaken Russian artil-



Note: Russian-controlled area as of Sept. 3  
Sources: Brady Africk, American Enterprise Institute (Russian fortifications); Institute for the Study of War and AEI's Critical Threats Project (Russian-controlled area)  
Andrew Barnett/THE WALL STREET JOURNAL

lery will also be vital, he said. Any Ukrainian advance would likely happen under attack from Russian artillery, soldiers in fortified firing positions and aircraft, meaning ground forces would have to advance beneath an artillery duel.

Breakouts can require months of bombardment, probing and failed assaults. In World War II, after the Allies gained a beachhead in France on D-Day, it took them almost two months of massive air and ground attacks to breach inland Nazi defenses and achieve a breakout.

Ukrainians said that whatever happens over the coming days and weeks, they will continue fighting through winter and into next year. Ukrainian troops said they now realize that giving Russia time to build its defenses was a strategic mistake, so they must maintain pressure on Moscow's troops.

"If Ukrainians don't get a breakthrough, there is nothing stopping the Russians from just digging some more trenches or counterattacking," said Pasi Paronen, a Finnish open-source intelligence analyst who has studied Russia's defensive lines in Ukraine.

—Anastasiya Malenko contributed to this article.

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## Kim Expected to Travel to Russia

WASHINGTON—North Korean leader Kim Jong Un is expected to travel to Russia soon to meet with President Vladimir Putin, U.S. officials said Monday, the latest sign that negotiations are accelerating over ammunition Moscow is seeking for its war in Ukraine.

The trip would be unusual for the North Korean leader, who rarely travels abroad. Moscow and Pyongyang have grown closer in the face of economic sanctions and diplomatic pressure from the U.S. and its allies. The planned Kim-Putin meeting was earlier reported by the New York Times, which said Kim would likely travel by armored train to meet Putin next week in Vladivostok.

"Arms negotiations between Russia and the DPRK are actively advancing," White House National Security Council spokeswoman Adrienne Watson said, noting Russian Defense Minister Sergei Shoigu traveled to Pyongyang in July to try to persuade North Korea to sell artillery ammunition to Russia.

—Warren P. Strobel



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## WORLD NEWS

## Fire Shines Light on City's Blight

*Continued from Page One*  
silence, then the girl, still tied to her mother's back, began to cry. "At least she's alive," Nkosi thought. Above, she saw flames in the window she had jumped from just moments ago.

In horror, she watched her neighbors tumbling from the floors above. Some were on fire, their bodies leaving a trail of light and smoke as they fell. Others clutched pieces of luggage, desperate to save a few belongings as tragedy struck a community that already got by on next to nothing.

At least 77 people died in the fire in downtown Johannesburg in the early-morning hours last Thursday, all of them Black and among the poorest in the sprawling metropolis christened the City of Gold by its white founders a century and a half ago.

The brick-and-concrete structure that burned had once housed one of the nerve centers of South Africa's apartheid state, administering the "passes" that members of the country's Black majority needed to move and work in its largest city, and churning out propaganda about the hierarchy of races.

Three decades after Nelson Mandela's election as South Africa's first president, the building had turned into a vertical shantytown, still owned by a city overwhelmed by rapid urbanization, weakened by corruption and paralyzed by the country's increasingly complex politics.

Like the apartheid system it was built to replace, the bureaucracy of the new South Africa still fails to look after many of its weakest citizens.

City officials, urban planners and activists in Johannesburg estimate that "hijacked" buildings in this city of 5.5 million people number from 300 to more than 1,000.

Some, like 80 Albert St., are owned by the city; others have



Onlookers outside the gutted remains of 80 Albert St. in downtown Johannesburg. At least 77 people died in the fire there early last Thursday morning.

been abandoned by their private landlords. Many of these buildings are controlled by gangs who charge their tenants rents for often minuscule and dangerous quarters, according to officials, researchers and residents.

City officials said 200 or more families lived in the building. Some residents said they thought it was home to more than 1,000 people, with around 400 living on the sprawling ground floor alone, which was divided into the tiniest rooms and where many residents said the fire started.

### 'Good people'

Like many of the inhabitants of 80 Albert St., Mnqandi and his wife, Busisiwe Mhlebi—originally from the country's southeast—had come to the city seeking a better life for themselves and their children.

For many tenants, the building was their first home in Johannesburg, a launchpad, they hoped, for prosperity. In addition to South Africans, the building's low rents also attracted migrants from nearby countries, often without documents required to live in Africa's most developed economy.

Few found formal jobs amid South Africa's 44% unemployment rate, and survived selling food, or small items such as sunglasses and cellphone chargers on the street.

At 80 Albert St., former offices and processing halls were divided into smaller rooms, using cardboard or plywood. Many had doors that could be locked for security. Tenants shared rooms or further subdivided them with blankets. To cook, they used electric, paraffin or gas stoves.

Those with more money furnished rooms with beds and

small tables. Some residents ran informal businesses from the building, including a convenience store on the ground floor and several bars, known as shebeens.

Tenants at 80 Albert St. said different men and women, whom they called landlords, controlled distinct parts of the building. Most of the landlords were South African, residents said.

The rent ranged from around \$19 to \$80 a month, depending on the amount of space allotted and the floor of the building, with higher stories fetching higher rates because of the extra security of fewer people passing by.

The building had no fire extinguishers or marked emergency exits. Each floor had a metal security gate that was locked at night, and only a handful of people per floor possessed keys. Some windows

opened; others were blocked by metal bars.

Loose wires dangled from ceilings, and tenants used extension cords to get electricity from the few functioning plugs.

Baths were taken with pots or basins filled with water fetched from communal taps. Some floors had functioning toilets. On others, tenants used buckets to relieve themselves. Trash often piled up in hallways and stairways.

Still, former residents said, compared with other hijacked buildings, 80 Albert St. could be a good place to live. Neighbors looked out for one another, at times sharing food. Some landlords were flexible when tenants were late on rent.

"We used to come together, for cleaning the toilets, the floor," said Nkosi, who jumped from her window with her daughter, Ndalwenhle. "We used to take care of each other."

Nkosi, 24, grew up in rural South Africa, the eldest of four children born after the end of apartheid. She fetched water from the river and lived in a mud house without electricity.

She never knew her biological father, and her mother sold sweets at the primary school to eke out a living. They mostly ate food that they grew themselves. Still, she graduated from high school and in 2020 moved to Johannesburg.

Unlike many other tenants, Nkosi had a formal job, stacking shelves at a local supermarket chain. Ndalwenhle went to a daycare nearby.

The night before the fire, Nkosi rushed to heat up dinner on a two-burner electric stove—beans and pap, a South African staple similar to grits—and bathe herself and her daughter with water fetched from the ground floor.

*Please turn to page A9*

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# WORLD NEWS

*Continued from page A8*

Her room had electricity, but Nkosi knew that at 6 p.m. the lights would go off, the result of rolling blackouts by South Africa's near-bankrupt state power company.

## Grim heritage

Nkosi said she had noticed but paid little attention to the blue plaque that the city had fixed to the outside of the building to commemorate its dark heritage. Opened in 1954, the Johannesburg Non-European Affairs Department controlled nearly every aspect of Black South Africans' lives in a city whose population exploded after World War II.

From 80 Albert St., officials oversaw the construction of the South Western Townships, or Soweto, Black-only neighborhoods built to house the city's menial workforce, close to the gold mines and away from a swanky downtown reserved mostly for whites. Large mining companies such as Anglo American made their headquarters in downtown Johannesburg, as did South Africa's biggest banks.

To work in these areas, Black South Africans had to apply for a "pass" at the Albert Street headquarters, where decisions were sometimes made on little more than a whim, said James Ball, who has researched the department's history.

Applicants underwent invasive medical exams, including a physical inspection, chest X-rays and, sometimes, blood tests. In 1960 alone, nearly 100,000 of these examinations were conducted at 80 Albert St. In 1968, a man was so distressed to be turned down for a pass—and with it his chance for a job—that he hanged himself in one of the building's holding rooms, according to a book written by the department's director.

The Non-European Affairs Department distributed propaganda pamphlets, including one, in 1965, titled "Your Bantu Servant and You: A Few Suggestions to Facilitate Happier Relations Between Employer and Employee." In it, employers were advised to address their staff by their names, and



A woman placed candles at a makeshift memorial outside the building on 80 Albert St. in Johannesburg on Friday.

nearby, found Mhlebi wandering outside the building, an IV patch stuck to her arm. Melita, the family's 16-year old daughter, was still missing.

Ndlovu and a friend took Mhlebi, her baby son and another woman in for the night. The next day, along with some of Mhlebi's relatives, they accompanied the mother and her 2-year-old son to a Soweto morgue.

Of the 73 bodies found at 80 Albert St., all but a dozen were burned beyond recognition. Four other tenants died in a hospital. At least 12 of the dead were children.

At the morgue, panicked about Melita and still dazed from the blaze, Mhlebi struggled to stand. Her son wailed quietly, in pain. Perhaps, Ndlovu worried, he had hurt his leg like his father.

The family eventually identified Melita's remains from photos viewed on a laptop. "It was the smoke that got her," Mngqandi said.

Many of the dead were from the crowded ground floor. Vuyiswa Mthembe, who shared a room there with her husband and his two brothers, said the morning of the fire she saw the body of one of her neighbors, a disabled man named Thabiso. "He was all curled up," she said.

On the third floor, Nkosi's next-door neighbor awoke in a panic and fled her room. Once outside, the woman realized her children were still inside and ran back in. "All of them are dead," Nkosi said.

Some tenants have been sleeping outside 80 Albert St., hoping they will be allowed to enter to salvage belongings. Among them is Mngqandi, who needs his daughter's birth certificate or ID to claim her body. His wife and son are staying with friends in a squatter camp.

Now, Mngqandi said, his main goal is to bury Melita near the family's original home in South Africa's Eastern Cape, the province where Mandela was born.

"It's a matter of burying my child," he said. "I don't care if I sleep on the streets for two years or more."

—Samantha Reinders contributed to this article.

to try to remember that they are human and shouldn't be expected to work more than 65 hours a week.

"Very few servants are able to follow, remember and carry out a series of instructions in the correct order, or at all, for that matter," the pamphlet said.

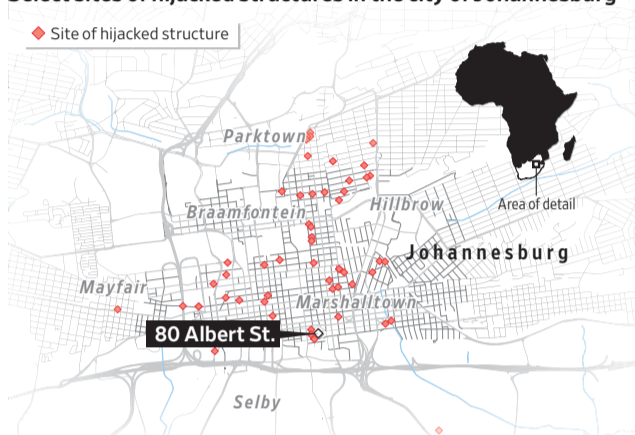
## New dawn

The pass laws were abolished in 1986, the beginning of South Africa's messy and often bloody transition to democracy. Black South Africans previously confined to townships and rural "homelands" streamed into Johannesburg. Migrants from other African countries soon followed.

Johannesburg's wealthier white residents, along with many companies, moved north, into suburbs and behind walls and electric fences to shield them from crime. They left behind buildings, some of which were taken over by the new arrivals amid a dire housing shortage.

For some years, 80 Albert

## Select sites of hijacked structures in the city of Johannesburg



Source: Johannesburg Property Owners and Managers Association

St. became a women's shelter, but when that lease expired, city officials said, there were issues with existing tenants, and the building was "hijacked."

The city and private landlords regularly go to court to clear out hijacked buildings, but South African law has protections against evictions if no alternative accommodation is available for existing

tenants. Nonprofits have also sued authorities to reconnect hijacked buildings to electricity and water.

"The constitution is clear, where there are communities they must provide basic services," said Siyabonga Mahlangu, from the nonprofit Inner City Federation. "There are currently at least 40 cases in court where we are asking the city to reconnect buildings

and at least 11 to prevent evictions."

In 2019, city officials sought to evict the tenants in 80 Albert St., but advocacy groups mounted a successful legal challenge, said Annie Michaels of the Johannesburg Migrants Advisory Panel.

That same year, South African authorities raided the building, arrested some 140 foreign nationals and charged one person for illegally collecting rent from tenants. Nothing was done to address the structure's fire hazards.

On a visit to the building after the fire on Thursday, President Cyril Ramaphosa of South Africa said the blaze was the deadliest on record in Johannesburg's city center. "It's a wake-up call for us to begin to address the situation of housing in the inner city," he said.

## 'All of them are dead'

After leaping from their 5th-floor window, Mngqandi, Mhlebi and their baby son were taken to the hospital. That evening, Primrose Ndlovu, who lives

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## FROM PAGE ONE

# Green Cash Hits Coal Country

Continued from Page One

Accelerating the shift are billions in federal subsidies to clean-energy entrepreneurs and manufacturers from the Biden administration's new infrastructure and climate laws.

The federal money—tied to industrial production that brings jobs—is beginning to sway even the most coal-centric areas of the country. The funds have reframed the renewable-energy debate away from global warming and environmental protection, and toward economic development.

That's brought on board many Republicans in the GOP-majority states of Appalachia, where green energy projects backed by the federal subsidies are drawing billions of dollars in investments.

It's also fueled a party split, with other Republican lawmakers denouncing big government spending. They argue that national security depends on fossil fuels, and point out the benefits flowing to Chinese and other foreign companies involved in the green-energy projects.

## Coal protections

To pave the way for the Berkshire project, the Republican-led West Virginia state legislature passed a law last year that bypassed the state's powerful pro-coal utility regulator.

The Public Service Commission, the utility regulator, has long supported the coal industry through policies aimed at keeping coal-fired power plants in operation. Gov. Jim Justice, whose fortune is built on coal, recently appointed the former president of the West Virginia Coal Association to the three member commission. A commission spokesman declined to comment.

Also marking the shift, state lawmakers passed legislation in 2020 allowing for large-scale solar projects. The following year, they passed a law allowing businesses and individuals to contract with developers that can install low-cost rooftop solar, which can lower their electric bills. Such third-party power purchase agreements had been illegal.

The federal Inflation Reduction Act, the clean-energy law passed in August 2022, will cut the cost of the solar and battery installations of the Berkshire project by as much as 50%, Berkshire's renewable-power company said. Developers hope the site will bring in more aerospace manufacturers to serve the booming industry.

Electricity produced with renewable power is now cheaper than coal, but West Virginia ranks 48th in the U.S. in installed solar capacity. All types of renewable energy account for only 5% of the state's power generation. Nationwide, renewables produce 21% of electricity, coal produces 20% and natural gas produces 39%, according to the Energy Information Administration.

The state's emphasis on coal has been a barrier to investment for companies con-



Empty coal cars near an idled Blackhawk mine in Bob White, W.Va., in 2020, above; Gov. Jim Justice, below.

cerned about their costs and carbon footprints.

West Virginia's new pro-solar legislation and IRA incentives have unleashed a number of solar projects. In 2020, the state had about 10 megawatts of solar capacity, compared with more than 6,000 megawatts of capacity that could come from projects now planned. The Berkshire solar farm is expected to produce about 100 megawatts.

"Everyone wants a Berkshire deal," said Mitch Carmichael, the Republican head of the state's economic development department, who worked closely with the Berkshire companies on the project. His father had worked at the abandoned aluminum plant that will house part of the new complex.

The state approved in December a hydrogen factory to be built by Houston renewables company Fidelis New Energy. Last month it approved up to \$62.5 million in loans for the project, which is expected to create 800 full-time jobs, according to the governor's office.

West Virginia also approved \$290 million worth of incentives for a factory being built by Form Energy, a battery startup. The company, which is backed by Bill Gates, Jeff Bezos and others, will invest up to \$760 million for the facility in Weirton, W.Va.

It's about 160 miles upstream on the Ohio River from Ravenswood, where a different battery startup plans to supply power for the Berkshire titanium project. Form's factory, in a shuttered steel mill, plans to produce 100-hour batteries that can help stabilize power generated by renewables over multiple days.

Evan Hansen, a Democratic delegate in West Virginia's House of Delegates and minority chair of its Energy and Manufacturing committee, said most recent big development projects announced in the state are related to green energy. "That's where the jobs are," he said.

The Ravenswood project goes back to 2020 when Republican state Sen. Glenn Jeffries wrote a letter to Buffett asking him to invest in West Virginia.

Within a year, Alicia Knapp, CEO of BHE Renewables, Berk-

shire's clean-power business, was traveling West Virginia's winding mountain roads with Jeffries in his GMC Yukon. Knapp said she visited the state dozens of times in 2021 and 2022, scouting for potential sites for a clean-energy facility.

She landed on Ravenswood, a struggling town in the Ohio River Valley once home to a giant aluminum plant that had been the town's primary economic engine. The site offered access to highways, rail and river services and had extensive available land. Its proximity to Charleston, the state capital, was another selling point.

The state-owned property was decades ago owned by metals giant Kaiser Aluminum. The plant was idled in 2009 as cheap Chinese aluminum flooded markets.

Around the same time Knapp was touring West Virginia, Berkshire's Precision Castparts, or PCC, was looking to build a factory to produce titanium to make aircraft parts.

Titanium production requires lots of energy, and PCC was interested in finding a clean-energy power source. It also knew buyers, looking to reduce their own carbon footprints, seek out products made with renewable energy. BHE's new solar farm fit the bill.

To provide a steady stream of electricity, the solar farm would require batteries that could discharge power when the sun wasn't shining. BHE chose Michigan startup Our Next Energy, or ONE, to construct rechargeable batteries on the site of the old aluminum plant, a location choice that would help reduce transportation costs to the BHE project, among other factors.

Knapp said the primary selling point for ONE's batteries was their ability to discharge power for more than 12 hours, compared with the four-hour discharge capability of standard lithium-ion batteries.

A plan took shape: A new solar farm constructed by BHE will provide clean energy to a new titanium facility built by Berkshire's Precision Castparts. Batteries designed by ONE will help provide stable power to the plant. The titanium facility is expected to open in early 2025.



"I'm glad it worked out," Buffett told The Wall Street Journal. "I can claim no personal credit."

## Federal cash

Across the country, the gusher of federal cash from the IRA has spurred more than 270 clean-energy projects worth \$130 billion, according to a July report by Bank of America. Clean-energy jobs grew 4% from 2021 to 2022, boosting the sector to more than 40% of all energy jobs in the U.S., according to BofA.

There are extra incentives for projects in so-called energy communities historically dependent on fossil-fuel industries, and states seeing the largest job creation from clean-energy projects have tended to be Republican-leaning, such as Georgia, South Carolina, Tennessee and Kentucky.

In Kentucky, a solar farm is being built on an old coal mine. In Ohio, Ultium Cells, a joint venture between General Motors and LG Energy Solution, operates a battery cell factory and is constructing two others in Tennessee and Michigan, for a total investment of more than \$6.5 billion.

In West Virginia, the IRA by 2030 could provide investments worth \$9,100 per citizen, the third highest among the states, behind North Dakota and Wyoming, the nation's biggest coal producer, according to the Rocky Mountain Institute, a nonprofit focused on clean energy. About

11,500 people work in the coal industry in West Virginia, making up about 30% of the 39,500 coal workers in the U.S., according to the EIA.

The changes are riling lawmakers in some states with big fossil-fuel industries. In Texas this year, legislators proposed bills to limit new renewable energy projects by making them subject to added environmental requirements and curtailing a tax break.

West Virginia Treasurer Riley Moore said last year the state will no longer award business to a group of banks including JPMorgan and Goldman Sachs, saying the banks are boycotting the state's coal industry.

A big test of green energy in West Virginia will come next year when Justice challenges Sen. Joe Manchin, a Democrat who was a crucial force behind the Biden climate law last year, for his Senate seat. Manchin hasn't said if he will run for re-election to the Senate and has teased the idea of running for president.

Both politicians have worked to protect coal but have said they approve of renewable-energy projects that bring in businesses and jobs.

Justice attended the signing ceremony for a Form factory funding bill and lauded the deal. "Today we need more diversification," he said. "It's our job to embrace. It's our job to move forward."

Justice also backed the titanium project, saying that with the Berkshire investment, "West Virginia is now at the forefront of renewable energy...manufacturing."

Manchin praised the Berkshire project at the March groundbreaking ceremony. "Thanks to the Inflation Reduction Act," Manchin said, the project "will create hundreds of good-paying jobs right here in West Virginia."

Since then, Manchin has criticized the IRA's clean-energy focus and has threatened to repeal it.

Justice has criticized Manchin's support for the law. "Joe had to be completely out of his mind to go along with this," Justice said this spring, just before declaring he would run against the senator.

Other Republican lawmakers in West Virginia haven't budged in their support for fossil fuels, saying the U.S. needs to maintain supplies to avoid being vulnerable to disruptions and price turmoil from overseas.

They also take issue with government spending and say it's a big expansion of government involvement in the private sector. Republican state lawmaker Todd Kirby called the Form project "the mother of all crony capitalist projects" and said it had "the aim and the goal of destroying coal and natural gas."

In 2022, the nation's electricity generation from renewables surpassed coal-fired generation for the first time, according to the EIA.

West Virginia has bucked the trend with its support for coal. It also sits on abundant resources of natural gas, the nation's largest producer of electricity, but uses little in the state. The state's utilities commission, which sets electricity rates, has pressed power producers to use their coal-fired power plants more despite the high cost.

In 2019, the state legislature passed a bill granting the coal-fired Pleasants Power Station, which employs about 150 workers, a \$12.5 million annual tax break. The focus on coal has helped push electricity rates in West Virginia up faster than in most other states.

A switch to renewables could reverse that. A 2022 study by Princeton University's ZERO Lab forecast that clean-energy projects spurred by the IRA would cause the price of a megawatt of electricity in much of Appalachia to drop to about \$42 per hour by 2030 from \$61 in 2021. That decrease would come despite an expected 19% boost in demand due in part to the adoption of electric vehicles, heat pumps and the like.

In September 2022, West Virginia's economic development authority approved a \$50 million conditional loan for the Berkshire titanium plant.

Knapp said she will continue to review sites in West Virginia for other renewable-energy projects. "We're definitely not done there," she said.

# Heavy Rain Crashes Picnics

Continued from Page One

They haven't used glassware for picnics since, she said.

Luxury picnics, some costing upward of \$300 per person, have been rising in popularity since the pandemic, when indoor gatherings were restricted. Customers hire picnic companies to provide food, lavish table settings, elaborate tents, delicate wine glasses, plush pillow seating and candlelight ambience for outdoor gatherings ranging from a romantic date to birthday parties to weddings.

Not invited but showing up anyway this summer: heat waves, thunderstorms and high winds.

To cope, owners of luxury-picnic companies say they are choreographing new ways to quickly dismantle tents, swapping delicate décor for sturdier options, changing picnic hours and developing better methods to deliver bad news when

Mother Nature cancels an event. They are also amping up their meteorological vigilance.

Jennifer Meister Knodler, co-owner of Berkshire Picnics, in Massachusetts, keeps four weather apps on her phone. Her 11-year-old son, Cooper, delivers her a weather report each morning based on his own review of news, Doppler radar and apps that track the paths of storms.

Especially high temperatures this summer prompted Lauren Cerrito and her sister Ashley Casoria, co-owners of the Little Gatherings in Fort Lauderdale, Fla., to stop booking summer picnics during midday hours to protect themselves—and their clients—from the heat. Under the glaring sun, the sand during beach events became painful to stand on, she said.

Now, most events from May to September are booked for sunrise or dusk hours. So far the company's earliest picnic was held at 6:30 a.m., Cerrito said.

Gladys Prieto, owner of the Pretty Picnic in West Palm Beach, Fla., said this year's weather still brought surprises despite her constant monitoring.

"Our staff was at the beach and out of nowhere, not even announced on any app or anything, sudden wind gusts just



A spread from Colorado Luxe Picnics in good weather. In Denver, summer started with almost nonstop rainfall.

took our entire inventory off the ground and dumped them a mile out," she said of a February picnic on Jupiter Beach, Fla.

The strong wind lasted 15 minutes and Prieto spent an hour walking the beach trying to recover the contents of her picnic. Two \$250 beach umbrellas went flying into the ocean. A chalkboard sign had a leg snapped off.

She was able to recover the table and many pillows and

rugs, but most of the picnic's accouterments were drenched. Prieto estimated it cost \$950 to replace lost and damaged materials.

This year, weather events have increased Prieto's annual inventory replacement rate from around 10% to about 15% to 20%, she said.

In May, Colorado Luxe Picnics owner LeBar and Oldfield had to take down a 9-1/2-foot wedding arch on a mountain

top to avoid lightning strikes.

"I've never seen a summer where it rains daily," said LeBar. "Denver's whole thing is the '300 days of sunshine.'"

With florals and weights attached to the arch, it was a scary scramble as lightning flashed around them, she said. After moving the arch under a porch where it barely fit, they waited for the storm to pass.

When the sky cleared, the wedding proceeded outdoors as planned but then a downpour started again just before the end of the wedding.

As the guests took shelter nearby, LeBar rushed to pack up the party. Three heavy wooden farm tables that seated 10 each had to be disassembled by hand to fit into a truck. Then LeBar and Oldfield packed 32 chairs, a sweetheart table, decorations, plates, cups, silverware, table runners, LED candles and flowers. The wedding arch needed to be taken apart using a drill.

An hour-and-a-half later, in heavy rain, LeBar and Oldfield were finished—and drenched.

Michelle Ison, owner of Picnic & Peonies in Alexandria, Va., keeps picnic stylists on site during the outdoor events she coordinates so they are

ready to pounce if raindrops fall or wind picks up. Her system: first pack anything that can absorb moisture.

After getting caught in a storm that flooded the yard where a July picnic took place, Emily Huxtable, owner of Seacoast Picnic in Portsmouth, N.H., spent \$350 extra to dry clean soaked and soiled linens and four extra hours cleaning up, finishing around 2 a.m.

Storms this summer inspired Huxtable to create a new, year-round category: indoor picnics.

Similar to her outdoor parties, Huxtable's indoor picnics involve guests sitting on soft rugs and blankets around a low table and nibbling sandwiches and charcuterie boards. She incorporates more lightweight blankets and delicate tableware, knowing they are sheltered from the weather.

Lighting is especially important for indoor picnics, Huxtable said. She likes to drape the room with strings of tiny lightbulbs, known as fairy lights, along with candles and lanterns.

"The goal is to mimic the soft, warm glow of sunset or the gentle ambience of a sunny day," she said.

## Bring Fitness Back on Track With Gadgets

Families that log their activity together move more, but making habits stick is a challenge



**FAMILY & TECH**  
**JULIE JARGON**

It's time to dust off that fitness band or smartwatch and start tracking your activity again.

Clocking your steps and other fitness metrics really does result in more physical activity, recent studies show. And when families track their activity, it gets them out walking together and encourages them to set collective goals.

The shame is, this research landed only after fitness trackers and smartwatches began to fall out of fashion. Fitness band sales have been in decline for the past five years, despite a brief resurgence early in the pandemic, according to market research firm Circana. Many people replaced their fitness bands with smartwatches, but even shipments of those fell 9% in North America in the last quarter, says Counterpoint Research.

I stopped wearing my Fitbit a long time ago. I forgot to keep it charged and now I don't even know where the charger is. The old model was limited in the metrics it displayed. I could learn a lot more about my hikes—the equivalent flights of stairs I'd climbed and the steadiness of my gait on rocky terrain—by holding my iPhone.

For others, perhaps they became bored with completing abstract goals or dismayed by the myth of 10,000 steps.

"One day you forget to put it back on your wrist after charging it and you lose your winning streak," says Eddie Hold, president of connected intelligence at Circana.

But we all need to put them back on this fall as work demands accelerate and school is back in session. This time of year, it's easy to lose track of our exercise and wellness routines.

### Step it up

There's been widespread skepticism in the scientific and medical community about whether fitness trackers can improve health, said researchers from the University of

South Australia. So they conducted a study of 39 systematic reviews involving nearly 164,000 participants of all ages.

The result, published last year: When people wore wearables, they on average increased their daily step counts by 1,800—and boosted their daily walking time by 40 minutes.

Fitness trackers are in fact effective in helping people lose weight, increase their aerobic activity and lower their blood pressure, the researchers concluded.

Just the practice of tracking steps can make you think more about health and adopt healthier



**Fitness trackers, like these from Fitbit, Garmin and Apple, are effective in helping people lose weight, increase their aerobic activity and lower blood pressure.**

inactivity. They were also more motivated to do outdoor activities together.

### Making it work

Despite the overall success, getting families to make a long-term habit out of fitness tracking can be a challenge. Researchers in the U.K. gave Fitbits to 24 families with kids between the ages of 5 and 9 for four weeks. The families'

Fitbit use was high in the beginning, but fell off in the final two weeks. The novelty wore off.

To ensure the success of wearables in your family, you can set goals, introduce friendly competition and participate in challenges.

Here are some devices and features that can help:

► **Garmin** offers a Toe-to-Toe app that works with many of its adult watches as well as with its Bounce and Vivofit Jr. models for kids. The app allows kids to compete in step com-

petitions with friends or parents who have compatible watches.

Families can see their kids' activity with the Garmin Jr. app. Parents can manage family challenges through the adult Garmin Connect app.

► **Fitbit** has two fitness trackers for kids. The Ace 3, designed for ages 6 to 12, gives kids badges for moving and reminds them to stretch when they've been sitting still for too long. (Parents can create a Fitbit family account to see their child's metrics on the Fitbit app.)

The Inspire 3 is aimed at teens and adults, with more advanced

features including heart-rate variability, period tracking and stress management. Families can create private groups within the Fitbit app to cheer on or compete with one another.

► **Apple** allows families to share Activity rings—those loops on Apple Watches that close every time you reach your daily exercise, standing and movement goals. You can receive notifications of family members' progress and send messages of encouragement. You can also invite family members to engage in weeklong competitions and earn points based on the percentage of Activity rings you close.

For kids without iPhones, parents can set up Apple Watches using Family Setup. Kids can use the Activity app to meet their goals and can allow their parents to view their daily activity from the Health app.

With WatchOS 10, expected later this month, the device's ambient light sensor will track how much time the wearer spends in daylight. The feature will be available on Apple Watch Series 6 and higher, as well as the Apple Watch SE, the model worn most by young kids.

At a time when people aren't getting enough exercise and a lack of outdoor time is fueling an epidemic of myopia, perhaps it's time everyone in the house started tracking together.

## Man, Their Bond Has Lasted a Long Time



**TURNING POINTS**  
**CLARE ANSBERRY**

Lew Wilcox and Bobby Rohrbach Jr. met in the summer of 1962, riding their bikes together in a small southern Ohio town.

These days, every Saturday, one picks the other up and they go out for breakfast, run errands and talk about families, home repairs and how the world is changing. If one can't remember a place or name, the other can fill in because they so often lived the same story. They didn't outgrow the other or leave the other behind and still live within about 5 miles of their childhood homes.

"I have a lot of friends but there's something special about our friendship," says Lew, 75, of his friend, Bobby, 73.

Good friends are good for us. They help us get through bad times, listen when we need them and offer advice. A lack of someone you can confide in can lead to loneliness and isolation, which have been labeled a public health threat, on par with smoking and obesity.

Yet as important as they are, people have fewer close friendships than they once did.

Four in 10 Americans say they don't have a best friend at all, up from 25% in 1990. The best-friend

gap is more pronounced for men, who typically have fewer close friends than women do. The percentage of men without any close friends jumped fivefold to 15% in 2021 from 3% in 1990, according to the May American Perspectives Survey.

"We were taught for generations to focus on work, family and productivity. Don't share what is really going on inside with other men," says Michael Addis, a professor of psychology at Clark University and director of the Research Group on Men's Well-Being.

### Creating chemistry

Together, Lew and Bobby went through the awkward teen years, early parenthood, illness and loss. Both had heart surgery and joked about matching scars on their chest. Both lost parents.

When Lew's younger brother died, Bobby offered to drive down to Nashville, Tenn., with him to pick up his brother's remains. Bobby fell off a roof seven years ago and was flown by helicopter to the hospital. Lew jumped in his car and met Bobby's wife at the emergency room.

Times like those underscore the fragility of life and can strengthen ties, says Dr. Anisha Patel-Dunn, osteopathic physician and chief medical officer at LifeStance Health, a provider of mental-healthcare services.

There's chemistry involved, say those who research the science of



**Bobby Rohrbach, 73, left, and his friend Lew Wilcox, 75, met in 1962 and now still live within about 5 miles of their childhood homes.**

friendship. People are naturally drawn to certain people because they share the same interests, spend time in the same place and see the world in a similar way.

Lew and Bobby grew up in working-class families, went to church on Sundays and lived in nearly identical prefabricated ranch homes. Neither liked school or played organized sports.

"We were both kind of geeky," says Bobby, who weighed 110 pounds when he enlisted in the Army.

As kids, they watched Saturday morning cartoons at Bobby's house because Lew's parents, who were conservative evangelicals, didn't want a TV in their home. As teens, they cruised the local root beer

stands, went to drive-in movies, and volunteered for the local ambulance service. After high school, they planned to drive across the country and circled places on a map they wanted to visit—Mount Rushmore, Las Vegas, the Grand Canyon and the Grand Ole Opry.

"He messed it up by getting married and I got drafted," says Bobby, who served in Germany during the Vietnam War, repairing radios.

Lew, who had a medical deferment, recorded messages on a reel-to-reel tape recorder and mailed them overseas to Bobby. "I would just jabber, tell him what was going on at home and at work, with the family," says Lew. Bobby sent tapes back describing Oktoberfest.

A few years ago, they took a shorter version of their high school dream road trip. They drove through the Smoky Mountains, fished for trout, and made it to the Grand Ole Opry.

"They had the time of their lives," says Bobby's wife, Barbara, who admires their friendship.

### The last stage

Lew and Bobby eventually pursued the same career, becoming police officers, and at one point worked together, Lew as chief at the local township and Bobby his deputy. Their jobs could be intense but they could talk to each other about heart-wrenching child-assault cases and haunting images of bodies at crime scenes. "You carry those things inside you somewhere," says Lew. "It's nice to be able to talk to him about it."

Bobby is more laid back and optimistic. Lew is more intense. They argue about where to go to breakfast and whether a project will take two hours or two days, but don't stay mad.

"We can say you're acting stupid or you need to see the doctor," says Bobby.

One thing they agreed never to discuss is religion. Lew, raised in an evangelical church, attends weekly services. Bobby, raised Mormon, hasn't gone in about 30 years. "We had a good thing going. I didn't want religion to get in the way," says Lew.

Aging is the latest stage they are sharing. They talk about getting old and dying. Lew asking Bobby half-joking who he's going to pick on when Lew is gone.

"That's the scariest thing we deal with—something happening to each other," says Bobby, who grins and adds, "I guess we have to go out at the same time."

## PERSONAL JOURNAL.



**PERSONAL TECHNOLOGY**  
**JOANNA STERN**

ook, when you drive an electric car, you have to toss out what you know about gas guzzlers. Beyond the bonkers acceleration and quiet-as-a-librarian ride, you have to tackle new complexities like how to tell if the car is...on. Get good and you might even master the art of driving one-pedal without puking.

Plenty of readers know what I'm talking about—and may have already aced the course. But if you're thinking of buying an EV, or even renting one, you need to anticipate a learning curve.

Why is the Journal's tech columnist talking about this? Don't they have a car guy?

As you may have seen in my column last week, I tested five leading EV options under \$60,000 in search of a second car for my family. Sitting in my garage is the winner, a leased Ford Mustang Mach-E. And yes, I am teaching my sons how to shine it up, Karate Kid style.

My EV exercise wasn't merely about finding my next car. I wanted to clock just how much the shift to battery power is turning our cars into gadgets, not unlike smartphones and computers. Technology is upending a century-old industry.

For EV adopters, that means waving goodbye to a lot of things we've known about driving. I may be an expert at USB-C dongles and buried iPhone menu settings, but I am new to this hot gadget on wheels. Here are things I wish someone had told me before I went electric.

Welcome to Dri-EV-er's Ed.

### How to open the car

"Car door handles, they're just *too* easy to use," said no one ever. And yet EV makers thought they were begging for disruption.

On the Ford Mustang, you press a circular button on the door and it pops open. On the Kia EV6 and Hyundai Ioniq 5, the handle is flush with the car and pops out when the car is unlocked. With the

▼ The Ford Mustang Mach-E has a traditional push-button.



# With an EV, I Had to Learn to Drive Again

One-pedal driving. Zero engine noises. And goodbye, door handles.

**Tesla Model Y**, you need to push in the wide part of the handle then pull the longer skinnier part toward you.

The **Volkswagen ID.4's** handle looks like a handle—but you don't have to pull it out. Nestled under the handle is a sensor.

Obviously, you learn how to open the door when it's your own car, but you'll always enjoy watching the uninitiated try to get in.

### How to turn on the car

My least favorite car game? Power-button hide-and-seek.

"How to turn Tesla on" will be forever burned into my Google search history. I really couldn't find a power button anywhere because...there isn't one.

Instead of a physical key fob, Tesla provides a hotel-style keycard. You can also use Tesla's smartphone app as a key.

As soon as you open the Model Y's door, the touch screen powers on and you can operate all controls. To get it moving, you step on the brake and move the gear shifter to Drive.

Volkswagen's ID.4 is similar: If you have the app or the key fob with you, the car powers up when you sit in the driver's seat. Press the brake pedal and the



▲ Tesla displays clear instructions on how to back into your Supercharger spot.

drive system activates.

Ford, Hyundai and Kia stick to start/stop push buttons. There are key fobs, but you can also set up the apps as keys.

### How to drive the car

OK, you know how traditional automatic-transmission cars creep forward when you take your foot

off the brake? That generally isn't the case with EVs. To move, you tap the accelerator. (Even in reverse, which can be a little unnerving.)

As soon as you take your foot off the accelerator, the car slows and brakes on its own. You only hit the brake pedal itself if the car isn't slowing quickly enough.

Most EVs let you do "one-pedal driving"—that is, driving with only the accelerator.

Why change how we've driven for so long?

◀ If you're thinking of buying an EV, you need to anticipate a learning curve, like I went through.

Regenerative braking. These brakes use motors that capture energy and return it to the battery. Hybrids often have a variation of this too, but EVs are all about it.

The rapid, automatic deceleration can be unsettling at first. And some people told me it can make passengers nauseous or queasy. Don't worry! On many EVs, you can turn off the setting or minimize its intensity. The Volkswagen doesn't even prioritize it—you have to select the mode. Its default drive mode feels much more like a regular car.

But I'm a total one-pedal convert now. In fact, when I get back in my gas-powered Volvo, I have to remember to hit the brake.

### How to know if the car is running

Unlike internal combustion engines that go "vrrrrr vrrrrr VROOOM" when you start them up, EVs sound like futuristic golf carts. I've definitely ended up re-starting the Mach-E because I wasn't sure it was on.

The National Highway Traffic Safety Administration has set guidelines for "quiet cars" to protect pedestrians—especially people who are blind or have low vision. Under 19 mph, the cars must emit some sound. My Mach-E beeps when I reverse. The Model Y's whirring sounds like the spaceship in "E.T."

Some automakers use synthetic sounds to make these new cars sound old school. In the Mach-E, when I put the car in Unbridled mode and press on the accelerator, it hums like an internal combustion engine.

### How to pull in for a charge

I think we can all agree on the greatest automotive invention of all time: the little arrow on the gas gauge telling you which side the fuel cap is on. There's no standardization for charging-port location on an EV.

I didn't see any handy arrows inside the cars I tested. Turns out Hyundai and Kia show a little arrow on the screen (I didn't see it) and Volkswagen does have a cool map of the car showing the charging port, but it's a few taps into the settings.

Again, you learn when it's your own car. What's not as easy to get used to? Reversing into a spot to plug in, a must at many charging stations with shorter cords.

Let me be clear, this is guidance, not a gripe fest. You'll love driving an EV...as soon as you figure out how to get inside and turn it on.

## Build Some Fun Summer Rituals Into Autumn Life

By ANNE MARIE CHAKER

The turn to September can bring an abrupt end to the barefoot bliss that comes with the Zen of summer. It doesn't have to.

Zia Hassan is a 38-year-old education professor and career coach in Silver Spring, Md. This summer, he attended big family reunions, enjoyed evening hot tub dips and taught his son, Dezi, 5, to make lemonade.

In the past two weeks, Hassan's coaching clients have re-emerged, eager for appointments. He's also trying to revamp his teaching curricula on the fly and has been scouring where to buy a Spider-Man backpack for Dezi, who started kindergarten Monday.

"Everyone's always rushing at the end," says Hassan.

September can feel like the beginning of a new year. Parents scrub out last year's lunchboxes, write soccer schedules into the calendar and reorganize the Tupperware drawer while wondering where the lids went.

A third of U.S. adults said they felt this summer was the first normal one in a few years, according to a survey of more than 4,000 people by CivicScience, a consumer-research firm. That's feeding the wistfulness many people feel right now as they shift away from a rest-and-relaxation mind-set.

### Cultivate joy

Rather than bemoan the end of summer, however, psychologists and life coaches advise pondering what it is, exactly, that you will miss. That requires self-reflection: Dig deep and ask yourself what particular summer experiences bring the most joy, says Los Angeles psychologist Jenny Taitz.

"Maybe it's putting work down in the evenings or spending more time with loved ones," she says.

Taitz advises adding those elements—which we associate with summer—more thoughtfully into your everyday routine.

Physical reminders, such as a framed picture of a beach moment with the family, can be a cue to call them. A book left on the nightstand can be a reminder to make time to read.

"Use it almost as a resolution of sorts," she says.

Nicole Weissman enjoys the bounty of fresh fruit and vegetables from a local farmstand.

"I have eaten my weight in peaches this summer," says the director of communications at the National Association of Counties in Washington, D.C. She also enjoyed attending a Barenaked Ladies concert.

Recollection of the bleakest months of the pandemic came in sharp contrast to the feeling of summer joy and abandon at the concert. "I remember standing there...and having these tears well up in my eyes" recalling those tough 2020 times, she says.



Weissman says this summer she's felt profound gratitude and is determined to continue enjoying good food, friends and music. Peaches and plums at farmstands will give way to apples, turnips and carrots, and Weissman intends to try new recipes with different ingredients.

She envisions inviting people over for chili nights. Instead of outdoor concerts, music gatherings can be with friends who share their favorite playlists and create new ones together.

"There's a way to capture the ease and spontaneity of summer all year-round," she says. "It's a little harder, takes more creativity," she says.

### Autumn anxiety

As the days shorten, some people start to feel autumn anxiety creep in. Seasonal-affective disorder affects 5% of U.S. adults who experience depressive symptoms with the

fall and winter months when there is less sunlight. But it can start even when it's still technically summer, psychologists say.

"They start to anticipate their symptoms about now," says University of Vermont psychology professor Kelly Rohan, who has observed hundreds of patients beginning to notice the shortening of days and cooling temperatures. "People with winter depression are really in tune to some of those cues."

One good short-term way to combat feeling blue can be light therapy, which is timed exposure to specific wavelengths using a light box, Rohan says. Longer-term benefits come from cognitive-behavioral therapy treatments, such as journaling exercises and committing to engage in winter activities that give a person pleasure, whether it's snowshoeing or movie nights with friends.

Sarah Korf, a 43-year-old mother

of two and management consultant in Elmhurst, Ill., likes to remind herself of the pros and cons of unscheduled summer serendipity.

It's been lovely to spend more time with her teens, but their jobs as golf caddies came with last-minute requests for car rides and adjustments to the family schedule. It's helping her look forward to having Brandon, 13, and Kaitlyn, 15, out of the house and back in school.

"I appreciate the whimsical nature of summer for a little bit," she says. "But I long for the structure of what school brings."

### Venture outside

There's value in embracing nature, according to psychologists and researchers, despite the coming drop in temperatures.

Time spent in nature, for even just a few minutes a day, can have positive effects. A 2019 study of 20,000 participants found that it takes at least two hours a week in nature to improve our health and well-being.

Hassan, of Silver Spring, Md., intends on hiking a 4.2-mile trail near his house, surrounded by forests and a stream, that he hasn't gotten around to yet. This fall will be different. He vows to go walking on that trail a little bit every day.

"Coming into the fall, one thing I know I want to do is to take advantage of that golden moment that happens when summer ends," he says. "The trees start to change; it gets a touch cooler."



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# ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

## A Dancefloor Heart-to-Heart

Romy's album strikes an impressive balance between electronic pop and singer-songwriter intimacy

English singer-songwriter Romy Madley Croft, who records and performs under her first name, has built an impressive career out of subtlety. She made her name as a member of the influential indie-pop band the xx, alongside two childhood friends—singer Oliver Sim, and producer Jamie Smith, aka Jamie xx. The band's 2009 debut, on which Ms. Croft sang and played guitar, offered a fresh approach for fusing the intimacy of R&B and the textural possibilities of electronic music with minimalist indie rock. And Ms. Croft's voice was essential to the group's appeal: even though her singing often barely rose above a whisper, she was able to convey a great deal of emotion. The group's cool, hushed aesthetic had tremendous resonance throughout the 2010s, helping create an audience for a new kind of bedroom pop. While popular acts like Wet and Banks were direct descendants of the group's sound, even a superstar like Billie Eilish would be received differently had the xx never existed.

The most recent album by the xx was 2017's "I See You," and Ms. Croft has been slowly building a solo career. She co-wrote songs for established stars Halsey and Dua Lipa and released her debut single, "Lifetime," in 2020. In that year, she announced her first album as a solo artist, but it never materialized—two more singles, both created with producer Fred Again (Ed Sheeran, Charli XCX), came out in 2022, but it took some time for the LP to come together. "Mid Air" (Young) finally arrives Friday, and it is well worth the wait.

Where the xx tended to move seamlessly between genres, "Mid Air," with production by Stuart Price (Dua Lipa, the Killers), Jamie xx and Fred Again, is squarely in



Romy performing in August; 'Mid Air' is her debut solo record.

earth and conversational that the album is equally suited to quiet moments of solitary contemplation. This contrast between dance-floor excitement and singer-songwriter relatability are there from the first track, "Loveher." It begins with a steady 4/4 bass drum, letting the listener know that we're here for a session of dance music. But then we hear Ms. Croft's spoken voice addressing the engineer: "Can you turn it up a bit more?," she asks, and then follows with a polite "Thank you." Beginning a track with a bit of studio chatter is nothing new but in this particular case it introduces us to the record's essence: the singer's warm presence, in

which vulnerability and strength exist side-by-side, perfectly balances the music's call for communal release.

The second track, "Weightless," is built around a clipped sample of Ms. Croft's voice, which is looped so that it almost sounds like a skipping CD and panned to move from left to right and back again. Against this backdrop, she sings of new love and uncertainty ("Is this how it feels when something begins?"), conveying desire and longing and fear in equal measure. Though her vocal range is somewhat limited, she has a strong sense of phrasing and her style has integrity. She slides between a well-laced vocal quiver and a slight crack or a breathy sigh; once in a while, she'll jump up an octave to drive a particular line

home. It's not traditional virtuosity—it's more a matter of making the most of what you have.

Love songs of various kinds constitute a significant portion of the album, but Ms. Croft tends to write from a place of doubt, despite being in a stable relationship. (Her wife, filmmaker and photographer Vic Lentaigne, has directed several of the singer's music videos.) The insecurity in the face of new love gives the music a palpable sense of melancholy, even when the beats suggest ecstasy and euphoria. "One Last Try" has a pogoing rhythm and bubbly house-music piano line, but Ms. Croft's voice, bathed in reverb, conveys awareness that things could fall apart at any moment. "Strong" is fast and stomping, a track designed to be synchronized with strobe lights that illuminate a sea of bodies in a dark room, but she sounds as if she's singing from a lonely place somewhere far away from the revelry.

This is a taut, efficient record—11 tracks, 34 minutes—that doesn't waste a word or a note, and it's sequenced so that the romantic tension and internal struggles established early on are released beautifully by the record's end. The penultimate track, "Enjoy Your Life," features a loop of the titular phrase sampled from a song by Beverly Glenn-Copeland, a once-obscure artist enjoying recent resurgence. Ms. Croft draws a connection between the phrase and the words of her mother, who died when the singer was 11 years old. She channels her grief into this buoyant, celebratory track about self-acceptance and gratitude, and the effect is chill-inducing, which is remarkable given how straightforward and plainspoken Ms. Croft can be. "Mid Air" is dance music through and through, electronic pop with the swing of house and the insistent pulse of techno, with DJ-ready builds and dramatic moments where the beats cut out. But it's also a direct transmission from one person to another, like hearing a detailed update on what's new from an old friend. This remarkable balance helps make it one of the year's best pop records.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.



### ARTS CALENDAR

## HAPPENINGS FOR THE WEEK OF SEPTEMBER 5

BY WSJ ARTS IN REVIEW STAFF

**Film**  
**"My Big Fat Greek Wedding 3"** (Sept. 8)  
 Nia Vardalos is back as Toulou Portokalos—and in the director's chair—for this third installment of the rom-com franchise that follows her clan on a family trip to Greece. *Opal*



▲ Nia Vardalos and John Corbett in 'My Big Fat Greek Wedding 3'

the charts, "Vampire" and "Bad Idea Right?"

**Various Artists, "A Song For Leon"** (Sept. 8)  
 A communion of great musicians come together on this Leon Russell tribute album. Margo Price, Orville Peck, U.S. Girls, Pixies, Hiss Golden Messenger and more perform Russell classics like

and the double-fair model has ushered in a new city-wide Seoul Art Week.

**Independent 20th Century** (Battery Maritime Building at Cipriani South Street, New York, Sept. 7-10)  
 Back for its second year, this outgrowth from the ever-intriguing Independent fair doesn't so much look to rewrite the art history canon as expand it, highlighting overlooked artists, less studied facets of well known figures' careers, and previously unexplored avant-garde movements.

**The Armory Show** (Javits Center, New York, Sept. 7-10)  
 Since 1994, Armory has been the cornerstone of the New York art fair circuit. Again being staged in the cavernous Javits Center, this year's edition features over 225 international exhibitors from more than 35 countries showing work by some 800 artists. A truly massive affair, it offers a snapshot of the breadth and diversity of today's contemporary art world.

**Other**  
**"Starfield"** (Xbox Series X/S, PC, Sept. 6)  
 Todd Howard and Bethesda Game Studios release a much-anticipated game—his team's first original in a quarter-century—with this action RPG that thrusts players into an intergalactic conflict with over 1,000 planets to explore.

**Last Call**  
**"Chosen Memories: Contemporary Latin American Art from the Patricia Phelps de Cisneros Gift and Beyond"** (Museum of Modern Art, New York, through Sept. 9)  
 The 40 artists in this show draw deeply on the region's history for their work, ranging from traditional forms like drawing and painting to more experimental film, conceptual and installation-based pieces.

For additional Arts Calendar listings visit [wsj.com](http://wsj.com). Write to [brian.kelly@wsj.com](mailto:brian.kelly@wsj.com).

"Stranger in a Strange Land" and "A Song for You."

**Opera**  
**"Song of the Nightingale"** (Various Locations, New York, Sept. 8-30)  
 On Site Opera stages the world premiere of a modern fairy tale with music by Lisa Despain and a libretto by Melisa Tien. Adapted from a Hans Christian Andersen story, it follows an unflagging collector looking to acquire the world's most fantastic objects.

**Art**  
**Frieze Seoul** (COEX, Sept. 6-9)  
 After launching this East Asian outpost last year, the marquee fair returns, featuring over 120 exhibitors, an expanded film program and the debut of Frieze Music.

**KIAF Seoul** (COEX, Sept. 6-10)  
 South Korea's first international art fair, founded over two decades ago, is still going strong. Now being presented in conjunction with the bigger-named Frieze, KIAF offers a special focus on local artists and spaces along with free public talks,

### The WSJ Daily Crossword | Edited by Mike Shenk

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		67				68				69		

- 25 Move a muscle
- 26 Yoga need
- 28 In tandem
- 30 Munich-based automaker
- 31 Swiss canton whose capital is Atdorf
- 32 Tendency to hear phantom incoming phone calls
- 34 Fitting
- 36 Utility closet item
- 37 Pickleball need
- 39 Sensational papers
- 40 Fun escapade
- 43 Poisonous part of poison ivy
- 45 Smart aleck
- 48 Pack to capacity
- 49 Damon of "Air"
- 50 Feathered flier
- 51 Like a twangy voice
- 52 Warehouse container
- 54 Not at all backstabby
- 55 Olds model
- 56 Deserve
- 59 Reaches a decision
- 61 Neckline cut
- 63 Noon, on a sundial

### AX ME ANYTHING | By Jake Halperin

- |  |  |   |  |
|--|--|---|--|
| <b>Across</b>                            | 30 Soda effect                           | 60 District of Rome with a famous fountain                      | 8 Century 21 rival                                 |
| 1 Directive on a door                    | 33 Either side of an isthmus             | 62 Bill Clinton, by hobby                                       | 9 Have recourse to                                 |
| 5 Deceitful sort                         | 35 Warmer-than-normal fall, humorously   | 64 Carried  | 10 Lunch time for some                             |
| 9 Like equestrian events in the Olympics | 38 Noisy hosp. scan                      | 65 Trading barbs  | 11 Shakespeare line preceding "Then fall, Caesar!" |
| 13 Kazakhstan's continent                | 39 Fiscal part of a candidate's platform | 66 Draped garment   | 12 Tightly packed                                  |
| 14 4,840 square yards                    | 41 Foot feature                          | 67 Letters before zees  | 16 Take to the stratosphere                        |
| 15 Pays for a hand                       | 42 Masters, as poker                     | 68 Luau souvenirs   | 18 Cold War nat.                                   |
| 17 Attraction with life-size sculptures  | 44 Noisy dance style                     | 69 Card reader opening  | 22 Fit   |
| 19 "...__man put asunder"                | 45 Blubbered                             | <b>Down</b>   |  |
| 20 Anti elders                           | 46 Buffalo Bills wide receiver Davis     | 1 Demand attention from, as a cat may do to its owner           |  |
| 21 Can opener?                           | 47 Mtg. modification                     | 2 Grammar topic   |  |
| 23 Cold War nat.                         | 49 Quantum theory founder                | 3 Boxcars, in dice games  |  |
| 24 Events to cram for                    | 53 Faith with Five Pillars               | 4 Overact   |  |
| 25 Once-common business card detail      | 57 MSNBC's Melber                        | 5 Stay to the end   |  |
| 27 River through Kazakhstan              | 58 Doctor of "Doctor Zhivago"            | 6 Bar need  |  |
| 29 Engage in mock combat                 | 59 Soccer stadium chant                  | 7 Caribbean island with the same final three letters as another |  |

#### Previous Puzzle's Solution

C	A	M	E	R	E	D	O	A	M	E	S						
A	T	I	T	H	I	M	O	M	A	C	R	E					
J	O	S	H	G	I	B	S	O	N	S	L	A	W				
O	N	F	I	L	E	K	I	D	U	S	A						
L	E	I	C	A	B	E	A	A	R	T	H	U	R				
E	R	R	M	O	U	S	Y	A	A	R	D						
S	I	E	C	A	L	P	O	N	T	I	N	E					
				A	L	F	L	A	N	D	O	N					
				D	I	N	O	S	N	O	D	S	A	D			
				T	O	N	I	C	P	O	S	S	E	L	U	I	
				W	A	L	T	K	E	L	L	Y	C	A	T	E	R
				O	S	A	E	A	U	T	H	R	I	C	E		
				B	I	B	S	G	R	E	G	N	O	R	M	A	N
				I	D	O	L	L	A	P	A	T	A	A	R	E	
				T	O	R	Y	E	L	I	S	U	S	E	S		

The contest answer is **SHORT**. The five theme answers contain first names that are short for longer names (JOSHUA, BEATRICE, ALFRED, WALTER, GREGORY). Five other Across answers consist of the letters needed to spell the longer names plus one additional letter (USA, THRICE, REDO, ERR, TORY). The additional letters spell the contest answer.

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

## SPORTS



Coco Gauff beat Caroline Wozniacki in three sets on Sunday to advance to the quarterfinals of the U.S. Open. The No. 6 seed Gauff faces No. 20 seed Jelena Ostapenko on Tuesday.

# The Tennis Reinvention of Coco Gauff

The 19-year-old American decided to rebuild her game and is having the summer of her career at the U.S. Open

By JOSHUA ROBINSON

Coco Gauff had just been dumped out of the first round of Wimbledon this summer when she decided that her whole game needed a rebuild.

That might seem an odd thing for a 19-year-old to say. But Gauff has been the next big thing in American women's tennis since she was 15. She made her first big run through the first week of a major in 2019 and has appeared in more than a dozen Grand Slam tournaments since.

What she needed now was to find a new approach in order to actually win one. So with a major reorganization of her coaching team, Gauff decided that this summer would mark a fresh start. And though she says she is "still building," the process appears to be far ahead of schedule.

Since the start of the American hard court season, Gauff has won 15 of 16 matches and is into the U.S. Open quarterfinals for the second time after beating former major champion Caroline Wozniacki in three sets on Sunday. That charmed run has also seen Gauff claim titles in Washington, D.C.

and Cincinnati on her way to her current ranking of No. 6 in the world.

"I feel like right now, it's all kind of coming together for her," Wozniacki said.

Not only that, but the draw is opening up for her too. Gauff will now face former French Open champion Jelena Ostapenko, who upset world No. 1 Iga Swiatek in three sets on Sunday night. The winner will reach their first ever U.S. Open semifinal.

Unusually for an American, Gauff has posted her best Grand Slam tournament results on the red clay of Roland-Garros, where she was the runner-up in 2022 and reached the quarterfinals on two other occasions. But that's because Gauff spent so much time during her formative years as a tennis player working with Serena Williams's former coach Patrick Mouratoglou in the South of France.

The U.S. Open, with all the extra attention lavished on any player holding an American passport, always proved much trickier. In her first three trips to the main draw, Gauff never survived into the second week. That changed

last year when she made a run to the quarterfinals that ended with a defeat to Caroline Garcia. But that was enough to establish her as one of the most popular draws of the tournament.

In a women's field without a clear dominant force, Gauff has become the star that A-listers and other athletes want to see. All of her matches this year have been scheduled for the main Arthur Ashe Stadium. And in the past two rounds, the packed crowds in attendance have included Justin Bieber, Shonda Rhimes, Aaron Rodgers, Spike Lee, and the nearly ever-present NBA star, who happens to be a close friend, Jimmy Butler.

"The crowd doesn't really compare to any of the other Slams," Gauff said.

What she's been able to show them is a new, more resolute version of herself. She still makes mistakes, especially on her forehand, but Gauff now has the maturity and tournament experience to turn matches back in her favor.

Some of that is down to her recent association with Brad Gilbert, the veteran coach who helped Andre Agassi and Andy Roddick win titles in New York. He joined

Gauff's team after she crashed out in the first round of the Wimbledon singles tournament and set about honing her game to take the next step at a Grand Slam. Gilbert dispenses Jolly Ranchers that she doesn't eat, oldies playlists that she doesn't listen to, and advance scouting informed by his work as an analyst for ESPN that Gauff finds completely essential.

"He knows basically every player, probably from commentating, and knows how to play them," she said.

Most of the time, the focus of Gilbert's advice to her is simple: make opponents sweat. Gauff covers the court like few others in the women's game and feels like she can outlast anyone in a rally. Gilbert tells her to make that count every chance she gets.

"This is your time to be physical," he told her repeatedly on Sunday, particularly against the 33-year-old Wozniacki.

Gilbert has been around long enough to know that not all of his advice will land in the heat of the moment. And when matches turn tense, some of the old nerves creep back in. When Gauff was down 3-5 in the second set, Gilbert

told her, "Got to make her move. Don't let her control the center of the court."

"Please," a frustrated Gauff replied. "Just stop."

In fact, Gauff said that her instincts against Wozniacki were to do the opposite of what Gilbert was advising. She went about shortening points instead of making them longer. As it happened, the tactic worked. Plus Gilbert knows that it isn't personal.

"It wasn't really directed at him," Gauff said. "It was just that I needed to reset."

Those resets have become crucial to her. Gauff has always boasted an all-round game, but often lacked the confidence or consistency to recover when things broke against her. But on Sunday, she managed to bounce back from 22 unforced errors in the second set. And one round earlier, against Elise Mertens of Belgium, she settled down after dropping the first set.

"I think maybe that could have been a match that I could have lost in the past," she said afterward. "I'm figuring out these situations, making it easier and easier as the matches go."

# Deion Sanders Is Off To Fast Start at Colorado

By LAINE HIGGINS

Texas Christian last season came within one win of a national championship. Colorado won one game. But with one wild win to open the 2023 season, the Buffaloes and their audacious new coach Deion Sanders made a case that overnight success is very possible in the increasingly unhinged world of college football.

Since moving to Boulder from Jackson State in the lower tier Football Championship Subdivision this offseason, Sanders has made Colorado a test lab for the theory that a losing program can be made over in a flash. A whopping 57 players joined Colorado via the transfer portal in the offseason, including nine who came along with Sanders from JSU.

Colorado isn't the first program to rely on transfer players to execute a turnaround—Southern California added 26 transfers in the first year of Lincoln Riley's tenure to jump from 4-8 in 2021 to 11-3 last year. But no program has doubled down like the Buffaloes, nor has one started from so far down in the dumps.

Hours after Colorado's win, Texas State shocked Baylor 42-31. The Bobcats were another team that went all in on transfers, adding 50 in the offseason under new coach GJ Kinne.

The transfer brigade on Saturday enabled Colorado to back up Sanders's offseason boasts that the lowly Buffaloes would be a power-

ful force to be reckoned with come fall. Colorado's 45-42 roller coaster win over No. 17 TCU on Saturday in Fort Worth, Texas, featured an array of players who had never played together nor for Colorado last year.

Quarterback Shedeur Sanders—the coach's second-youngest child and a JSU transfer—completed 38 of 47 passes for 510 yards and four touchdowns. It was a career day for the 21-year-old, who became the first and only Colorado quarterback to pass for 500 yards.

Travis Hunter, another Jackson State transfer, pulled off an impressive double, collecting 119 receiving yards on offense and caught one pick while playing cornerback for the Buffs defense. He was one of Colorado's four 100-yard receivers—another

program first—alongside freshman wideout Dylan Edwards.

Edwards de-committed from Notre Dame in the offseason to reunite with his one-time youth football coach, Sanders, and his unprecedented experiment in the Rockies. On Saturday, he caught three touchdown passes and ran in for another. It was a performance that suggested the revived Buffaloes might not be merely competent. They could actually be good.

"We told you, 'we coming,'" Sanders said after the game. "You thought we was joking?"

It was a dream start for Sanders, who earned the nickname "Prime Time" when he starred in both the National Football League



The Colorado Buffaloes and coach Deion Sanders have made a case that overnight success is very possible.

and Major League Baseball three decades ago. He's coached youth, high school and college football before, but never has he had as big of a stage as at Colorado.

Now known as "Coach Prime," he and his forceful personality have become inescapable in Boulder and beyond. "Prime" merch with his trademarked sayings, like "I Ain't Hard 2 Find," is everywhere. He's ubiquitous during ad breaks on TV broadcasts as the spokesperson for Aflac insurance, Kentucky Fried Chicken and California Almonds.

In Fort Worth, Colorado wasn't without mistakes: a first-half blocked field goal gave the Horned Frogs great field position on their second touchdown drive of the afternoon. Missed tackles as the 95-degree heat set in helped TCU claw back a lead at times in the end of the second half.

TCU made its own mistakes, as quarterback Chandler Morris threw two picks into the end zone. Their

first field goal attempt sailed wide right. But Colorado's defense came up big in the final minute of the game and managed to walk away with the win after walking in as 21-point underdogs.

Perhaps most surprising about Colorado's play on Saturday was that it was a surprise at all. Coach Prime has been promising greatness for months and brought in more talented players than Boulder had seen in decades. ESPN televised the Buffs' spring game, played in the snow in front of more than 47,000 fans. Sanders's YouTube channel, Well Off Media, posts a new video every day with snippets of the Colorado football program.

Yet mystery prevailed because of how far Colorado had fallen and the unconventional way Sanders went about reviving the program.

It's hard to overstate how bad the Buffs were in 2022. Colorado ranked 127th in total offense and 129th in total defense out of 130

teams. They hadn't racked up more than 500 yards of offense in a single game since October 2019 (against TCU they had 565 yards).

Sanders understood that making Colorado competitive would take a dramatic overhaul. That's why he took in nearly five dozen transfers—something he was only able to do because he encouraged players who might not groove with his style to leave. Only 25 players on the 112-man roster are returners; just seven have been with the Buffs for longer than two seasons. A sign of the upheaval: during preseason camp, Sanders had the veterans lead the team in a rendition of the university's fight song—a task that usually falls to rookies.

It's fair to call this team new, but they're not exactly inexperienced. Colorado's players have just 36 previous starts for Colorado—a program low—but the roster as a whole has 461 total starts at the collegiate level—a program high.

**25**  
Number of players on Colorado's 112-man roster who returned from last season



## OPINION

## The GOP's 'Forever War' Follies



MAIN STREET  
By William McGurn

There are two ways to end a war. One is to win it. The other is to lose it. “Endless war” lies in between, when each side has the wherewithal to stave off defeat but not enough to secure victory.

We just marked the second anniversary of the greatest American humiliation since the fall of Saigon. President Biden chose to end the endless war in Afghanistan by losing it—and then calling it a success. He is now choosing the other bad option in Ukraine, continuing to give President Volodymyr Zelensky just enough military aid to keep his Ukrainian forces fighting but not enough to allow them to prevail.

Fourteen months from the 2024 election, Mr. Biden's failures here ought to be a fat target for his Republican rivals. So why aren't Donald Trump and his fellow GOP candidates hammering the president on it?

The answer is that most are handcuffed to the forever-war critique. In 2020 Mr. Biden campaigned on a promise to end “forever wars.” But Mr. Trump was already there, bemoaning endless wars himself. Though Trump Republicans like to talk of the single war party in Washington, when it comes to endless wars, the

former Republican president and the current Democratic president are on the same side.

This has cut the ground out from under any Republican critique of Mr. Biden's Afghanistan pullout. Presidential candidates fear GOP voters are in no mood to hear any argument for foreign intervention. That leaves them arguing for an even weaker policy for Ukraine than Mr. Biden's.

Vivek Ramaswamy proposes to let Vladimir Putin keep occupied Ukrainian territory in return for a deal,

### Why Republicans are having a hard time criticizing Joe Biden's foreign-policy failures.

and says we should say America will support Taiwan only until we no longer need its semiconductors. Yet only former Gov. Nikki Haley and former Vice President Mike Pence pushed back hard. When a U.S. presidential contender can talk so blithely about the countries he'd be willing to bargain away, it makes for uncertain allies and emboldened enemies.

Mr. Biden is cynically fueling this confusion. Whenever the U.S. makes a commitment of blood or treasure, the president must level with the American people. If he's deploying troops, he owes it to the anxious mother of a Ma-

rine to explain why her son must be put in harm's way. And if he is spending billions, he has an obligation to let the taxpayer know why doing so is in America's interests.

But Mr. Biden explains nothing. No prime-time address laying out his goals in Ukraine, or even a speech explaining how his Ukraine policy will make America safer. It is likely deliberate, too, because he's wary of the anti-war faction in his own party (led by RFK Jr.) and has made a political calculation that the void he leaves is dividing his Republican opponents. And it is.

Consider Florida Gov. Ron DeSantis. He has been an effective leader of a large and diverse state. Last year he won re-election by a huge margin. Unfortunately, he sometimes comes across as too concerned with what he thinks his audience wants to hear. He knows cutting off aid to Ukraine is irresponsible but doesn't want to open himself to the charge that he's embracing a forever war. So he splits the difference, saying he's for continuing aid so long as we can get the Europeans to cough up more.

The reality is that the Ukrainian military is grinding down Mr. Putin's war machine—and giving China second thoughts about invading Taiwan. Republicans ought to say so, and ridicule those who claim that Maui is suffering because we've spent too much in Ukraine.

Ditto for Taiwan. “Strate-

gic ambiguity,” or not saying what we will or won't do to defend Taiwan, has served America well. But the way to make strategic ambiguity effective isn't by setting a sell-by date for the island's defense. It's by strengthening the military capabilities of Taiwan and its friends in the region to persuade China that an invasion wouldn't be worth the price.

In all the critiques of endless war, it's telling that the longest one is seldom mentioned. When Ronald Reagan entered office in 1981, the Berlin Wall looked hideously fixed in place and the Soviets were on the march. His strategy was simple: “We win, they lose.” And by the time the Gipper left the White House, the Berlin Wall was on its way to being pulled down, and the most endless of endless wars had ended with the West triumphant.

Margaret Thatcher said of her friend that he won the Cold War without firing a shot. That's true in that American and Soviet troops never met on the battlefield. But there were plenty of proxy fights—from Angola to Grenada to Afghanistan—where the U.S. supported those resisting Soviet or Soviet-backed forces. This sustained commitment, complemented by a military buildup of our own forces, finally exhausted the Soviet Union.

This shouldn't be hard for a Republican presidential candidate. The way to end an endless war is to win it.

Write to [mcgurn@wsj.com](mailto:mcgurn@wsj.com).

BOOKSHELF | By Meghan Cox Gurdon

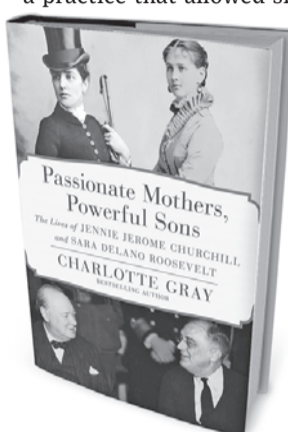
## How Mastery Began at Home

Passionate Mothers, Powerful Sons

By Charlotte Gray  
(Simon & Schuster, 432 pages, \$29.99)

Early in “Passionate Mothers, Powerful Sons,” a double biography of Jennie Jerome Churchill and Sara Delano Roosevelt, author Charlotte Gray tells us that Winston Churchill's American mother had grown up in a world of affluence, adding: “It was also a world riddled with assumptions about class, race, and gender that make most people today cringe.”

The social-justice smugness of this assertion does not seem to bode well for what will follow. And indeed, a few pages later, while relating that Jennie Jerome was 6 when Abraham Lincoln was elected president, Ms. Gray introduces slavery as if readers have never heard of it as “a practice that allowed slaveholders to justify owning,



controlling, torturing, lynching, raping, and often killing human beings.” Still later, when the narrative refers to the Hudson River School of art, whose practitioners painted the sylvan landscapes in which Sara Delano grew up, we're given this little lecture: “A viewer would never guess that there were coal mines up the road, or that many of the landowning gentry owed their fortunes to slavery and other exploitative forms of trade.”

And then suddenly, mercifully, the scolding ends. After about 50 pages, Ms. Gray stops dealing in presentism, that righteous mode of judging yesterday according to the ideological framing of today, and instead takes her subjects as she finds them and as they were. And thank goodness: Ms. Gray, a much-belauded Canadian writer of narrative nonfiction, has a graceful and lively pen and a talent for historical portraiture.

Jenny Jerome and Sara Delano were both born in 1854 into wealthy American families. They both adored their fathers. They both spoke French, and, at the age of 13, both were living with their families in Paris, where each saw the Empress Eugénie, the glamorous consort of Napoleon III, in dazzling public appearances. Jennie, who would grow up to be a charismatic, quick-witted beauty capable into her late 60s of winning the ardor of much younger men, thought Eugénie “the handsomest woman in Europe.” Sara, a calm, self-assured daughter of America's Old Dutch aristocracy, was, we read, “breathless with admiration.”

Ms. Gray sees relevance to both women in the role model they admired at such an impressionable age: “The empress's beauty and elegance had an extra layer—the glimmer of political power, thanks to her sway over her husband, who had ruled France for the past fifteen years.” Both Jennie, the future mother of Britain's most famous prime minister, and Sara, whose son would win four terms as U.S. president, would influence the lives of men with far greater historical consequence than Louis Napoleon.

In other respects—especially in their milieu and degrees of fiscal prudence—Jennie Jerome and Sara Delano were opposites. Jennie was a gorgeous spendthrift with a gift for sparkling conversation and political intrigue who did not obsess, particularly, over her sons Winston and Jack; Sara was a dignified, family-oriented woman so attached to her only son that she wept when little Franklin had his first haircut at the age of 5.

### The women who raised Churchill and Roosevelt were strikingly different: one a gorgeous spendthrift, the other a dignified matriarch.

In alternating chapters, Ms. Gray takes us through the lives of her subjects from the formation of their own families to the families they made with their husbands—the volatile English politician Randolph Churchill, second son of the Duke of Marlborough, and the much-older American businessman James Roosevelt. Each was widowed in her 40s, with Jennie going on to take two more husbands while surrounded by clouds of extravagance (and debt) and Sara turning her attention to good works and the deployment of her family's massive fortune.

Ms. Gray persuasively argues that the mothers were crucial in shaping the habits and actions of their sons. She reminds us that in 1941, the two political leaders had a secret meeting to discuss America's entry into World War II. The Brits wanted the Yanks to join; the Yanks, with FDR in the White House, were divided. “Churchill employed all the tactics—ebullient charm, forceful reproaches, emotional appeals—on which, all those years ago, he had relied to catch the attention of his mother,” Ms. Gray contends. Roosevelt, meanwhile, “displayed the warm smile and evasive manner that he first mastered as a schoolboy to keep his imperious mother at arm's length.”

All four principal characters in “Passionate Mothers, Powerful Sons” have been thoroughly anatomized by previous biographers and memoirists. Ms. Gray makes excellent use of this body of work while registering points of disagreement. She believes that male Churchill biographers (Andrew Roberts and Roy Jenkins especially) have been too quick to dismiss Jennie's better qualities—her courage and energy—and that partisans of Eleanor Roosevelt have unfairly traduced the memory of that lady's redoubtable mother-in-law, from whom she was increasingly alienated.

Ms. Gray's sensitivity to the shifting and sometimes unkind judgments of history makes even stranger her inclusion of the contemporary grievances that appear at the start of the book—and that reappear near the end, as when we are reminded that Sara's hospitality to black educators and activists might today smack of “white savior behavior.”

Such a jolting bit of jargon is a reminder that writers are under a lot of pressure to acknowledge certain orthodoxies. It is not hard to imagine that an editorial outsider was paid to go through the top and tail of Ms. Gray's manuscript looking for wrongthink and that someone younger and angrier than she—Ms. Gray is 75—is responsible for the shrill lines of catechesis. Whatever the cause, it would be a shame if readers were to be put off by the faddishness and miss what is otherwise a terrific and insightful double biography. Stick with it past page 53.

Mrs. Gurdon, a Journal contributor, is the author of “The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction.”

## The SEC Targets Private Capital

By Hal Scott  
And John Gulliver

The Securities and Exchange Commission has finalized rules that will overhaul how the \$27 trillion private fund industry—including private equity, hedge funds and venture capital funds—deals with investors. Last week six trade groups sued the SEC seeking to block the regulations.

Private funds had been largely off-limits for the SEC because only high-net-worth individuals and large institutional investors can invest in them and these sophisticated investors can protect themselves. The new rule will upend that 90-year status quo—and it is only the beginning of the commission's attack on private markets.

Fees and investment terms between private funds and their investors have always been freely negotiated. In practice, that means the largest investors, including defined-benefit pension plans that invest on behalf of firefighters, teachers and police officers, often got the best deal. The new SEC rule will require that certain fee arrangements be “fair and equitable” and ban private funds from offering their largest investors the opportunity to cash in early. In practice, this will mean that defined-benefit plans will pay higher fees and have less liquidity, ultimately harming retirees.

The final rule will also establish quarterly disclosure requirements for fees and performance as well as an annual

audit requirement to second-guess the valuation of fund investments. These compliance costs will be borne by all investors in the form of higher fees and lower returns.

The SEC's rationale for its new rule is that private fund markets are uncompetitive. That's simply wrong. Fees are going down and the largest funds, like Citadel and Blackstone, hold small market shares. The five biggest hedge funds constitute less than 5% of total assets under management. Performance net-of-fees has been strong. Private equity funds have returned 12% a year since 1989, compared with 8% for the S&P 500.

The private companies in which private equity funds invest are also booming. U.S. companies now raise almost four times as much capital each year in private markets than from public offerings. Large companies no longer need to go public to raise capital, as there are a record 700-plus unicorns—private companies with billion-dollar valuations—including SpaceX and Stripe. A prime reason for this success is that private equity owners manage their businesses directly, while public companies have to rely on boards to represent a dispersed shareholder base.

The story for U.S. public companies is much bleaker. There are about half as many today as in the 1990s, and the regulatory cost of being a public company has never been higher. The U.S. share of global initial public offerings is also at a historic low, close to 10%, meaning that foreign

companies are no longer attracted to America's public markets.

The SEC's new private funds rule is only the beginning. The SEC realizes that public markets are shrinking and private markets are growing. To protect public markets from shrinking further, it has scheduled in its fall regulatory agenda a full frontal attack on private markets.

A broker who holds shares in a private company on behalf of clients, or a fund that invests in one, counts as only one shareholder in the company. The SEC intends to look through brokers and funds so that each client or investor would count as a shareholder. This would mean many private

### Its destructive new regulations aren't likely to withstand a court challenge.

companies would exceed the maximum of 2,000 shareholders for a private company and have to register as a public company. And the SEC intends to require all other private companies to make public filings on their financial statements for the first time.

The Federal Trade Commission under Lina Khan is also honing its regulatory sights on private equity. The FTC has said it will consider blocking more private equity investments on the basis that such investments may increase market concentration. This ignores

evidence that private equity funds enhance competition in markets where their portfolio companies operate.

Many academics, former government officials and legal experts have argued that the SEC and the FTC lack the statutory authority to target private markets in this way. The SEC's rule attempts to establish a new regulatory regime for private funds based on provisions of the Investment Advisers Act of 1940 and Dodd-Frank Act that don't mention private funds and have never been used for this purpose. That falls foul of *West Virginia v. EPA* (2022), in which the Supreme Court held that federal agencies need specific authorization from Congress before issuing regulations that deal with “major questions.” The SEC's private-funds rule also fails to satisfy cost-benefit analysis required under law, ignoring evidence that it will negatively affect markets and jobs. Thus the commission's actions are vulnerable to court challenge.

The SEC's aggressive approach to regulating private markets reflects the real theory of Bidenomics—the notion that the government knows better than the market. If the administration's attack succeeds, private markets will go the way of public ones, leaving the economy starved for capital.

Mr. Scott is an emeritus professor at Harvard Law School and director of the Committee on Capital Markets Regulation. Mr. Gulliver is the committee's research director.

## Jimmy Buffett Departs With the Summer

By Bob Greene

There was always a sly grin, a sweetly sardonic message, in just about everything Jimmy Buffett sang or did. So if he had to die, of course it would be at the beginning of Labor Day weekend—summer's end, the annual last breath of looseness and laughter.

Except his own life, and his work, was based on the intoxicating premise that summers go on and on, that if you love them fiercely enough you can will them never to stop. A gauzy and unreachable fantasy? Absolutely, for most men and women in the workaday world. But Buffett both sensed and shared their yearning and turned it into a gloriously pleasurable touring career, and a marketable concept that transformed his easy-to-embrace dream into a business empire.

Because he instinctively understood his audiences' longings, and knew that they echoed his own, he was able to distill that longing into seemingly simple words that reached listeners like notes stuffed into a bottle cast out to sea. From his song “Fins”: “She came down from Cincinnati, it took her three days on a train / Looking for some peace and quiet, hoped to see the sun again . . .”

He recognized that the specific logic behind people's secret hungers didn't require elaborate explanation: “Don't know the reason, stayed here all season,” he sang in “Margaritaville,” and not knowing the reason seemed reason enough. Although if you listened closely to the words he and his band sang from all those outdoor stages, the urgency of an escape was evident: “I'm gettin' paid by the hour, and older by the minute . . .”

The rearview mirror, ever crooking its finger to pull in the driver's gaze, is something Buffett was acutely aware of and

### He understood our longings. May he find a cheeseburger in paradise.

doggedly did his best to resist. From “Changes in Latitudes, Changes in Attitudes”: “Oh, yesterday's over my shoulder, so I can't look back for too long / There's just too much to see, waiting in front of me . . .”

Life's pleasures, in the musical world Buffett created, didn't need to be extravagant: a lost shaker of salt, shrimp on the boil, the feel of an acoustic guitar's strings on your fingertips as you sit on the front porch swing. Too rudimentary,

in a society conditioned to glitter and glitz? Hardly. How can you not smile, and salivate, when you hear the words: “Making the best of every virtue and vice, worth every damn bit of sacrifice, to get a cheeseburger in paradise?”

Heaven on earth with an onion slice, Buffett declared, and who is to doubt him? He saw the grayness in 9-to-5 life, the preposterousness in many of the things we tell ourselves are so essential, and reminded his audiences: “With all of our running and all of our cunning / If we couldn't laugh we would all go insane.”

Buffett has departed at 76, and summer is ending, but be of good heart: It's 5 o'clock somewhere.

Mr. Greene's books include “When We Get to Surf City: A Journey Through America in Pursuit of Rock and Roll, Friendship, and Dreams.”

## OPINION

## REVIEW &amp; OUTLOOK

## The 14th Amendment Trump Panic

You'd think Donald Trump's opponents would learn. When they fight the former President in the voting booth, they have won every time since they lost with Hillary Clinton in 2016. But when they use lawfare, impeachment or phony collusion claims, they make Mr. Trump stronger.

Here we go again. Now that their indictments have boosted Mr. Trump in the GOP primary polls (see nearby), his opponents are resorting to their worst idea since the panicky agitation of 2017 to remove him via the 25th Amendment. Now they want to invoke Section 3 of the Constitution's 14th Amendment to disqualify him from the 2024 ballot.

\* \* \*

The 14th Amendment is one of the great post-Civil War amendments that enshrined equality under the law. Section 3 was aimed at Confederates who had taken up arms against the Union. Some legal scholars argue that this clause can now be used to disqualify Mr. Trump. They point to the language that says "no person" who has taken an oath to support the U.S. Constitution shall serve in any public office who has "engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof."

We agree that the disqualification clause has continuing legal force. Its relevance didn't expire when the last of the Confederates died. What matters today, and in the future, is whether the clause applies to the facts of a specific case. And this is where the never Trumpers go awry—legally and politically.

For starters, they assert that Mr. Trump's actions after the 2020 election amount to an insurrection and that this is self-evident. Mr. Trump's behavior was reprehensible, as we noted at the time and have since. But that's far from saying it was an insurrection or rebellion under the statutory or constitutional meaning of those terms.

The Jan. 6 rally on the Mall turned into a riot at the Capitol. This was an obstruction of a federal proceeding—i.e., the counting of electoral votes. But there have been many riots in American history against U.S. policy that turned violent. The 1970s were rife with them, including bombings of government buildings.

It is surely relevant that Mr. Trump hasn't been charged with insurrection under 18 U.S.C. Section 2383. Does anyone think special prosecutor Jack Smith would have refrained from charging that crime if he believed he could prove it in court? Instead he has charged a conspiracy to overturn the election, but that is not a rebellion.

An over-broad definition of insurrection and rebellion under Section 3 could easily be abused by political partisans. Already there have been attempts to disqualify from the ballot politicians who supported Mr. Trump's claims that the 2020 election was stolen. If Sec-

tion 3 is invoked against Mr. Trump, he won't be the last target.

All the more so because proponents argue that the disqualification clause is "self-executing," meaning that it automatically applies to someone who meets the criteria. They say it doesn't require a criminal conviction in court and can be invoked by state officials to keep Mr. Trump off the ballot. So the Michigan secretary of state, an elected Democrat, could bounce him from that state's ballot.

This would seem to violate the due-process protections that are explicit elsewhere in the Constitution. Removing Mr. Trump by fiat would also deny voters the constitutional right to vote for the candidate of their choice. See *Reynolds v. Sims* (1964), among other precedents. This is precisely the right that Mr. Smith, the special prosecutor, accuses Mr. Trump of violating. Democrats would arguably be committing the same offense.

This is how tens of millions of voters would see it, and the fury in response might not be limited to verbal protests or marches. Knocking Mr. Trump off the ballot would validate, in the eyes of his supporters, his claims that the election system is rigged and corrupt.

Advocates of disqualification say not to worry, the judiciary would settle all this after Mr. Trump challenged his disqualification. They say the Supreme Court would have to hear the case, however much the Justices would rather not. That's probably right but hardly reassuring. This would throw the Court into the middle of the presidential race, jeopardizing the Court's reputation as apolitical with partisans on one side or the other.

\* \* \*

For Mr. Trump's opponents, these risks are justified because the former President poses a unique threat to U.S. democracy. They're willing to put democracy at risk in order to save it. But U.S. institutions held up reasonably well despite the strains of the Trump Presidency—even the events of Jan. 6. The transfer of power took place on schedule. Republicans across the government broke with Mr. Trump and supported that transfer. The rioters and organizers are being punished, often severely.

We have argued from the moment Mr. Trump entered the presidential contest in 2015 that the way to defeat him is through the ballot box. Voters will get their chance to do it again next year—first in the primaries and perhaps the general election.

If Mr. Trump does somehow regain the Presidency, in part because Democrats insist on renominating a weak President Biden, the normal U.S. checks and balances will continue to exist. The consequences of a 14th Amendment panic are likely to be worse for democracy and its institutions than trusting voters and 234 years of sturdy constitutional example.

## China Wins in Central America

Presidential candidate Vivek Ramaswamy thinks that if the U.S. leaves Asia, the Chinese Communist Party will leave the Americas alone. He might want to look at what happened recently as the Central American Parliament voted to remove Taiwan as an observer and replace it with China.

The Central American Parliament represents five countries south of Mexico plus the Dominican Republic. Nicaragua cut its diplomatic ties with Taiwan in 2021, and this summer President and dictator Daniel Ortega proposed to boot Taiwan as an observer.

Nicaragua said Taiwan isn't recognized by the United Nations as a sovereign state and thus lacks the legal status to serve as an observer. El Salvador, Honduras, Panama and the Dominican Republic have also cut ties with Taiwan in favor of China, and the Central American Parlia-

ment's members recently voted 73 to 32 in favor of Nicaragua's resolution.

Taiwan, which has been an observer since 1999, announced its immediate withdrawal last month. Foreign ministry spokesman Hsiao Kuang-wei said earlier this year that "by proposing to expel Taiwan so as to let in China, undoubtedly, Nicaragua is once again attempting to curry favour with Beijing in hopes of obtaining economic aid and political support to solve its domestic economic woes."

Beijing has also used economic coercion to get its way abroad, and the Central American Parliament's countries remember how China embargoed trade with Lithuania after Vilnius allowed the opening of a Taiwan Representative Office in 2021. China wants to be a global power, and declaring a "modern Monroe Doctrine" won't stop its intervention.

## The GOP's Big 2024 Problem

The latest Wall Street Journal poll is getting headlines for its news that support for Donald Trump nationwide is now up to 59% in the GOP primary race. But for our money the most important harbinger for 2024 is contained in the responses to another survey question.

The poll finds that in a 2024 general-election test President Biden and the former President are tied at 46%. Given Mr. Trump's myriad legal problems, this shows how weak an incumbent Mr. Biden is. But a poll this far out from Election Day also doesn't tell you much given how events can change.

The better insight comes when respondents were asked: "Do Donald Trump's indictments make you more likely or less likely to vote for him, or have no impact on whether or not you would vote for Donald Trump?"

Among Republican primary voters, here are the responses: More likely to vote for Mr. Trump 48%; less likely 16%, and no effect on their vote 36%.

That result confirms what we've seen this year, which is that the indictments by Democratic prosecutors are helping Mr. Trump win the GOP's presidential nod. The biggest jump in Mr. Trump's support came after the first indictment for hush-money payments by Manhattan district attorney Alvin Bragg, and the other

## Banning Trump from the ballot would harm U.S. law and democracy.

## A WSJ poll finds indictments are helping Trump in the primaries, but not with all voters.

indictments changed that very little. This is exactly the result that Democrats want: Keep the focus on Mr. Trump so he wins the nomination, and then convict him in trials before the general election in November.

That strategy is reinforced by the responses when the WSJ survey asked registered voters the same question about the indictments. Their responses: 24% were more likely to vote for Mr. Trump, but 37% were less likely, and 35% said it would have no effect.

The Republican peril is that more than one-and-a-half times as many voters say the indictments make them less likely to vote for Mr. Trump than more likely. This reflects the tilt of independent voters, as well as the 16% of GOP voters who say the indictments make them less likely to vote for Mr. Trump.

These responses are before any of the coming four trials, three of which are already scheduled before the 2024 general election. An acquittal or hung jury could work in Mr. Trump's favor, which is why the Democratic indictment strategy is high risk.

But one or more convictions would probably confirm the judgment of voters who say they are less likely to vote for Mr. Trump. If Republicans nominate Mr. Trump, they are likely to be sailing into a political headwind that will be difficult to overcome.

## LETTERS TO THE EDITOR

## The Many Faults in New Jersey's Gas-Car Ban

Your editorial, "The Real Electric-Vehicle 'Choice'" highlights New Jersey's progressive electric-vehicle policy banning the sale of gas-powered cars in the state by 2035 (Aug. 26). Has Gov. Phil Murphy visited a low-income part of his state?

Renters don't have access to overnight EV charging. Their option seems to be buying more expensive used gas-powered cars and paying the ever-increasing cost of gasoline, which will be driven up by other progressive policies. The left hammers the lower-income segment of society that they claim to champion.

PATRICK HENRY  
Torrance, Calif.

New Jersey climate director Catherine Klinger's suggestion to go to another state to avoid the state regulation banning the sale of new-gasoline cars by 2035 is consistent with previous musings of Gov. Murphy. In a 2019 speech he advised "If taxes are your issue, then New Jersey's probably not your state."

It should be apparent to the governor that it isn't in the interest of heavily taxed New Jersey residents for him to perpetuate policies that encourage taxpayers to go elsewhere and discourage taxpayers from other states to move in.

PAUL LERMAN  
Harrington Park, N.J.

New Jersey's policy appears draconian. As our electric-vehicle adventure unfolds, we don't seem to have enough reliable power generation or an adequate grid to transport the needed electricity for all the EVs projected to be on the road by 2035.

Ms. Klinger was reassuring when she noted: "More than 50% of vehicles that are sold in the state are used. And there is absolutely no change to the used vehicle market." Cuba has kept the same gas-powered vehicles running for many years. New Jerseyans might have to do the same.

SAMUEL DENNIS  
Ranch Mission Viejo, Calif.

## No More Moderators or Audiences for Debates

Regarding "Moderators Have Ruined Presidential Debates. Let's Get Rid of Them" by Tevi Troy (Review, Aug. 26): Let's get rid of debate audiences too. Egged on by a crowd that would be more at home at a rodeo or wrestling match, the cat-calls, whistles, cheering and booing of the audience encourage the candidates to make extreme and inflammatory comments to get applause and attention.

We need only look to the first televised debate between Richard Nixon and John Kennedy, where there was no audience and a moderator who understood that his role was to provide a forum for a consideration of important issues, to see what a serious debate should look like.

Americans have been deprived of a substantive discussion about important issues, which helps explain why our politics today are so dismal.

STUART WEINBLATT  
Potomac, Md.

Networks will resist Mr. Troy's suggestions because they want to showcase their high-priced talent and because they are selling entertainment.

Choosing a president should be serious, not entertaining. Oxford-style debates as suggested by Mr. Troy would be so refreshing. And you might be surprised. We Americans might appreciate being treated like adults and given substance. Serious candidates might also.

JOHN SCHUYLER  
Simsbury, Conn.

The proposed cure of having candidates engage "directly with one another" is the worst of all. It puts a premium on a candidate's willingness to interrupt and talk over his opponent. We get enough of the unbearable screaming and talking heads on TV talk shows.

ROBERT HARDAWAY  
Denver

## Meet the New Plastic, Same as the Old Plastic

While the continued growth of the plastics sector is a major sustainability risk for companies amid society's calls to phase out fossil fuels, replacing them with bioplastics is not the answer ("Plant-Based Plastics Expand as Firms Chase Green Goals," Banking & Finance, Aug. 18). In a changing climate that is already straining the agricultural sector, increasing bio-based plastic can compete with food production, drive deforestation and increase the use of fertilizers—all of which worsen the climate.

And we must remember that bioplastics—despite their catchy, green-sounding name—are still plastics.

AARTHI ANANTHANARAYANAN  
Ocean Conservancy  
Washington

Many behave the same way as fossil-fuel-derived plastics in the environment, contributing to the plastic-pollution crisis. They accumulate and often don't biodegrade. They leach chemicals. They break up into the microplastics found in our food, air and bodies. In the ocean, they entangle and suffocate animals. Changing the feedstock for plastics won't solve this problem: We have to start by making and using less.

## Julian Jackson Responds To the Rosbottom Review

It always seems churlish when the author of a book replies to a review—especially one as generously written as Ronald C. Rosbottom's about my book "France on Trial: The Case of Marshal Petain" ("The Enemy Within," Bookshelf, Aug. 26). But Mr. Rosbottom does have one critical paragraph saying that my book "exculpates French participation in the rounding-up and exiling of French and foreign Jews" from occupied France.

My argument, laid out in my book, is that despite enjoying a degree of independence that might have allowed it to say "no" to the Germans, the regime in fact cooperated fully with them. I write: "Vichy was guilty not only for what it did choose to do but for what it chose not to do for the Jews . . . Vichy aided the Germans because, for a regime saturated with antisemitic prejudices, saving Jews was less of a priority than maintaining the illusion of sovereignty through the policy of collaboration. That was Vichy's crime."

Surely one cannot be clearer than that?

JULIAN JACKSON  
London

## Pepper ... And Salt

THE WALL STREET JOURNAL



"That's simply insulting."

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

FRANK RICHTER  
Clawson, Mich.

## Biden Would Defend Taiwan

In his Aug. 29 letter, Vivek Ramaswamy writes that "No other presidential candidate is willing to commit to militarily defending Taiwan." Perhaps no Republican. But President Biden publicly said that he is willing to send U.S. soldiers and sailors to defend Taiwan in the event of a Chinese invasion.

WILLIAM J. BEVERLY  
Rolling Hills Estates, Calif.

## OPINION

## Joe Biden's 'Iron Grip' on His Party

By Barton Swaim

From the moment Donald Trump won the presidency in 2016, his critics on the left have bewailed the overwhelming support he receives from evangelical Christians. How could those who claim to esteem traditional moral values—monogamy chief among them—support a profane libertine like Mr. Trump? The implicit charge was that socially conservative Christians cared more about political ends than about moral values. But the charge was specious. Their political ends were

### Republicans argued savagely about Trump's deficiencies. Democrats treat Biden's with omertà.

perfectly consistent with the values they purported to hold, even if the agent through whom they sought to promote those values (Mr. Trump) didn't exhibit them. And anyway I'm not sure what choice socially conservative religious voters had on Election Day in 2016. Were they supposed to vote for Hillary Clinton?

The idea that lust for power explains evangelical support for Mr. Trump is one form of a larger accusation leveled by liberals and progressives against Republicans in the Trump era. Every time a Republican praised the 45th president, it was an indication of the party's "fealty" or "near-total fealty" or "total fealty" to the president. And every time a Republican candidate took Mr. Trump's view on a subject, it was an instance of the

president's "grip" or "iron grip" or "death grip" on the GOP.

I gladly concede that many Republican candidates and officeholders aligned themselves in unseemly ways with Mr. Trump. Some sang his praises as president despite having scorned him as a candidate. Others took up his crochets as their own—voter fraud, trade deficits—having never complained about those things before. And many—though far from all—remained silent about his erratic, frequently childish and vulgar personal behavior. Still, some form of "fealty" by Republicans to a sitting Republican president is unavoidable, and it was hardly surprising that the head of his party had a "grip" on it.

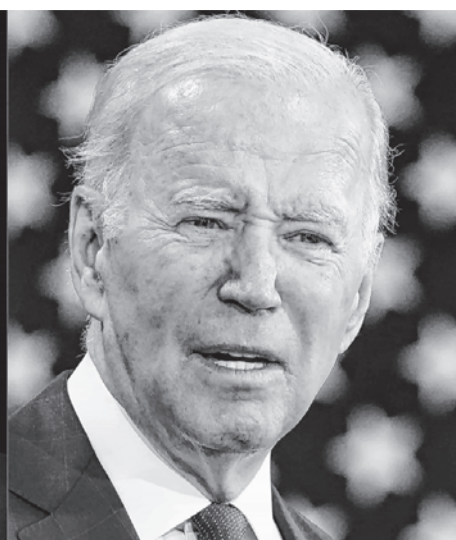
Whatever may be said about the GOP's solicitous attitude to Mr. Trump during the years of his presidency, it compares favorably with the left's omertà in the face of President Biden's obvious mental infirmity, incompetence and what appears to be a history of self-enrichment.

Mr. Trump's election occasioned some unlovely shifting of principles on the right, but it also precipitated fierce debate. Some Republicans refused to find fault with the new president for anything. Others made their peace with his election but remained critical when his conduct and decisions merited it. A few made it their mission to destroy him. Right-oriented policy organizations and conservative publications endured rancorous public schisms. Conservative religious leaders, including evangelical Christians, fell out with each other.

That is more than one can say



Donald Trump and Joe Biden



stream of articles in the New York Times and Washington Post about Mr. Biden's "iron grip" on his party.

The Hunter Biden revelations would have generated calls for resignation in a time of more sanity and less rancor. Text messages indicating the young Mr. Biden was selling access to his father, a maze of shell companies seemingly meant to hide transactions, strong evidence that the Justice Department monkey-wrenched an investigation into that activity—none of it provokes curiosity on the left. That one of the associates Hunter badgered for payment works for a company with ties to the Chinese government is also, for

Democrats and the left's pundit class, a matter of no interest.

This newspaper's editorial page managed to provoke Mr. Trump into many all-caps condemnations. Has any center-left outlet provoked Mr. Biden into one of those fits of rage for which he is famous?

The leftist journalist Franklin Foer's book "The Last Politician," to be published Tuesday, relates some episodes that reflect poorly on President Biden. The passages I've been able to glean, however, look mild—mainly a lot of unflattering things said about Mr. Biden, anonymously, by allies and aides. That these rather gentle slights have attracted so much attention isn't a measure of their severity. They remind us, rather, that for 2½ years no one on Mr. Biden's side has dared to say anything disparaging of him.

Now that's what I call fealty.

Mr. Swaim is an editorial page writer for the Journal.

for the Democratic Party and the mainstream left of the 2020s. The deficiencies of Mr. Trump are different from those of Mr. Biden, but the latter's personal culpabilities and political liabilities are what any normal, uninvested person would call grave. Mr. Biden's cringe-making decline is on display nearly every time he appears in public; examples are too many, and too painful, to describe. His diminished state might be funny in a novel or a movie, but in the real world it's a continuing invitation to bad actors to engage in devilry and expect no consequence.

And yet with a tiny number of unremarkable exceptions, Democratic politicians say nothing.

The stupendously incompetent pullout from Afghanistan occurred early in Mr. Biden's term, and the horrors it produced have destroyed any other presidency—a bomb killing 13 Marines; a retaliatory drone strike killing zero terrorists and 10 civilians, including seven children;

a White House affecting unconcern for hundreds of Americans trapped inside the country; Afghan citizens pitifully clinging to a departing U.S. military plane, some of them falling to their deaths; former Afghan allies left at the mercies of the Taliban; billions of dollars worth of military equipment abandoned in the field; women and girls forced to drop out of school. Forgive the indecorousness, but it is undeniable that this calamity was a consequence of some combination of senility and incompetence. Yet the number of high-level Democrats who expressed more than vague "worry" and "concern" is somewhere between small and nonexistent.

You might have expected a credible Democrat, maybe a retired military officer, to challenge Mr. Biden in a primary. But no; the party rearranged its traditional primary schedule to begin with South Carolina and so make any primary challenge nearly impossible. I await the

## How to Help Ukraine Win the War of Attrition



GLOBAL VIEW  
By Walter Russell Mead

Eighteen months into Vladimir Putin's war on Ukraine, two things seem clear. First, the war matters. After 15 years of failed Western responses to Russian aggression against Georgia and Ukraine, another failure to contain and deter Russia would have catastrophic consequences around the world.

Second, current American strategy is not working well. Ukrainians are fighting bravely. We can and should hope for Ukrainian breakthroughs that transform the military situation and break Russian morale, but hope is not a plan.

Absent decisive military victories for Ukraine, the conflict is developing into a war of attrition, and given current American strategy that kind of war favors Russia. Moscow has more people, more resources and more territory than Ukraine. Worse, Ukrainian forces can make progress only by attacking prepared Russian defenses. If you are in a war of attrition but you have to keep hurling your forces at well-entrenched, well-defended enemy positions, you will burn through your

reserves faster than your opponent. Ukraine has another vulnerability. It depends on Western aid, and Western public opinion is fickle. The need to produce dramatic results to keep Western support from flagging may have forced Ukraine into launching the counteroffensive before its forces were ready.

Meanwhile, like LBJ agonizing over target selection in North Vietnam, President Biden frets over every weapons shipment to Ukraine, worried that sending too many arms of the wrong kind will trigger Russian escalation and risk a nuclear holocaust. He dribbles out enough support to keep Ukraine in the field but stops short of providing the kind of assistance that Kyiv really needs.

This may feel rational and even statesmanlike to the president, but it is a hard sell in American politics. If Russia is so evil and threatening that we must help Ukraine, why aren't we doing enough to help Ukraine win? If Americans conclude that Mr. Biden's Ukraine strategy will produce what political scientist Max Abrahms calls a forever war with a side order of nation building, support for Mr. Biden's war policy is likely to collapse well before Russia throws in the towel.

The answer is not to walk away from Ukraine, but to fight Mr. Putin in smarter and politically more sustainable ways. Mr. Putin must pay,

and be seen to pay, for his attack on Ukraine, and to do that the U.S. needs a whole-of-government campaign against Russian interests and assets around the world.

Fortunately, we operate in a target-rich environment, and there are lots of ways that Team Biden can bring the cost of war home to the Kremlin.

### Roll up the Wagner Group in Africa and make Russia pay for aggression in Syria, Moldova and elsewhere.

One option is to roll up the Wagner Group and its successors in Africa. Standing passively by as Mr. Putin's proxies established a new colonial empire across the Sahel was an act of strategic incompetence. The Wagner Group is lawless and ruthless but it is not 10 feet tall. Bringing real peace and stability to the Sahel is a complex and long-term project, but dismantling Mr. Putin's tin-pot African empire is well within the capabilities of the U.S. and its allies in Europe and the Gulf.

We could work with Turkey and neighboring states to make Mr. Putin's presence in Syria ruinously expensive

while bringing him diminishing returns. Forcing Mr. Putin to devote more resources to Syria while reducing its usefulness to him weakens him in Ukraine and at home.

The U.S. can apply pressure in other places, such as Russia's illegal enclave in Moldova. Belarus is a de facto co-belligerent participating in Russia's war. Our goal should be to force Mr. Putin to devote scarce resources to keeping his satellite afloat.

The U.S. can also target Mr. Putin's Latin American allies. The Biden administration needs to move past the leftist shibboleths of the 20th century and develop a concerted approach toward pushing Russia out of the Western hemisphere.

Mr. Putin's networks of cronies, allies and agents extend well beyond Russia. These people need to learn that collaboration with rogue states is a poor career choice. President Biden should instruct the intelligence community to work with the Treasury Department and prosecutors around the world to expose the shady deals, tax evasion, bribery and other bad behavior that holds Mr. Putin's global network in place. Some prominent careers may collapse in disgrace. That would be a good thing. Working with allies, the full power of American intelligence should be devoted to the detection

and systematic deconstruction of Mr. Putin's international assets.

Despite the disappointing performance of our sanctions so far, the Russian economy remains an important vulnerability for the Kremlin. As analyst Edward Luttwak points out, we can accelerate the degradation of Russia's economy by focusing on critical components that Russia badly needs but can't easily make or source. The Russian gas industry, for instance, depends on a range of cold-weather equipment that is made in the West.

There are other things we can do. We can help Ukraine develop a powerful arms industry and defense establishment that pose a permanent obstacle to Russian ambitions in the region. We can go pedal-to-the-metal on energy production of all kinds to cut global prices and Mr. Putin's revenues without alienating countries like India. We can advance a multinational effort to ensure that the world's uranium market won't depend on Russia. We can develop military technologies and weapons systems that Russia cannot hope to match, just as Ronald Reagan did with his missile defense program in the 1980s.

If this is a war of attrition, the U.S. and its partners are well-placed to win. We just need to make up our minds and roll up our sleeves.

## The U.S. Is the Most Troubled Nation, Except for All the Others



FREE  
EXPRESSION  
By Gerard Baker

When Gen. John Burgoyne surrendered his British troops to American rebels at Saratoga, N.Y., in 1777, a distraught young Briton several thousand miles away brought the news to the economist Adam Smith.

"This will be the ruin of the nation," the young man wailed.

"Young man," Smith replied. "There is a great deal of ruin in a nation."

My summer travels reminded me of the great man's sangfroid. Travel

broadens the mind, not only by educating us about other countries, but by teaching us about our own—placing our self-absorption in a global context, helping us understand that for all our flaws and vices, other countries have troubles too.

And there's a great deal of ruin in the world right now.

Last weekend I attended the annual conference of the European House Ambrosetti, an Italian think tank, in the sublime Villa d'Este on the shore of Lake Como. The event—along with the location—attracts a lively crowd of European business and political leaders along with a good showing of Americans, including lawmakers—among them this year Republicans Sens. John Thune and Lindsey Graham and

Democrat Bob Menendez.

Despite the serenity of the surroundings, the mood was one of psychic gloom, the tone set by Valerio de Molli, Ambrosetti's president, who in his opening remarks, offered a bleak reminder of Italy's "demographic winter." Last year the country reported a record low number of births—400,000. It now registers seven new births and 12 new deaths annually per 1,000 inhabitants.

"If current birth and death rates continue, the last Italian would be born in 2225 and the last Italian on earth would disappear in 2307," Mr. de Molli. As the crowd lunched on tagliatelle con verdure and mullet roe with black truffle and the lake gently lapped in the background, I silently prayed that the last Italian will bequeath us some recipes and well-preserved medieval palazzi.

But Italy's existential woes aren't even the most alarming in Europe. Germans are notoriously gloomy. It says something about national character when a people have a compound noun not only for the taking of pleasure in another person's misery—*Schadenfreude*—but also for a deep world-weary melancholy—*Weltschmerz*. These days *Weltschmerz* is winning.

Germans I spoke to last weekend regrettably embraced the moniker "sick man of Europe." Their economy is stagnating, having recorded a formal recession this year with still painfully high inflation. The cyclical problems pale beside the structural. Years of disastrously complacent and

ideologically driven environmental policies that left the country dependent on Russian energy and exports to China; demographic challenges similar to Italy's are creating anxieties about immigration; once-great industries—car making, capital equipment—are wasting away.

### Europe and Asia have nothing like our success, and that's cause for optimism and worry.

While the Germans and Italians can be famously morose, no one can hold a candle to the British when it comes to self-loathing. "It is unquestionably true that almost any English intellectual would feel more ashamed of standing to attention during 'God Save the King' than of stealing from a poor box," George Orwell wrote.

So the endless bleating of metropolitan London about Britain's collapse—disingenuously ascribed to Brexit, although the U.K. economy hasn't performed significantly worse than the European Union's since it left—might be discounted as consistent with the character of the elites.

But there is an undeniably bleak landscape today reminiscent of the pre-Thatcher 1970s: strikes, inflation, a punishing tax burden—all delivered, in an added twist, by 13 years of Conservative government.

The war in Ukraine hangs over all

Europe like a vast cloud, and the general mood is solemn—compounded by the knowledge that Europe's dependence on the U.S. to fight its wars is as heavy as ever.

But if you think this malaise is limited to Europe—a once-great civilization in the process of becoming a museum of great civilization—I have news for you from Asia, where I spent time earlier in the summer.

China's economic contradictions are crushing its economy, and the Communist Party's efforts to conceal the problem only confirms it. The failed transition from an investment-led to a consumption-led economy in a country whose demographics are worse even than Europe's is producing calamitous social consequences.

What does all this teach us back here in America? It would be complacent to ignore our own problems because other countries have it worse. The main conclusions I draw are a promise and a warning.

The promise lies in the continuing success of America's economic model—like its counterparts everywhere, China's communist system is failing much faster than our capitalist ever will.

But as I look at Europe, I fear that so too is the energy of our great shared civilization—overwhelmed by demographic self-destruction, atrophied by ideological revisionism, crippled by cultural self-laceration. All of it perpetrated by the elites in most of those countries—whom too many ideologues in our own would like to emulate.

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## WORLD NEWS

## China Boosts Its Private Sector

Beijing will create a new bureau to help development of private enterprises

By RAFFAELE HUANG

SINGAPORE—China's government said it would create a new body to support the private sector, a move to shore up wavering confidence among entrepreneurs as a deep funk sets in over the world's second-largest economy.

China's National Development and Reform Commission, the country's top economic planner, said Monday that it would set up a bureau to coordinate policies across different government bodies and help development of the private economy, the source of most of the new jobs and economic dynamism in the country.

The new bureau will be tasked with monitoring the country's private economy and establishing channels for regular communication with private enterprises, Zhang Shixin, a senior official at the economic planner, told a news conference.

A cascade of policy packages since July underscored the urgency in Beijing's efforts to boost China's ailing private businesses and to contain systemic risks in the economy. In a bid to halt a prolonged slide in the stock market, regulators have halved stamp duty—the tax charged on each share trade—and restricted stake



A deep funk is settling over the world's second-largest economy. Above, closed food stalls in Beijing.

sales by major shareholders, prompting temporary rallies. They also relaxed restrictions on home buying and Chinese banks cut deposit rates to get the country's reluctant consumers to unlock historically high rates of saving.

Some economists have said Beijing still hasn't done enough to ignite an economic recovery, and that a bigger, broader package of stimulus measures is needed to restore the confidence of consumers and private-sector businesses.

Investment by China's private sector dropped 0.5% in the first seven months of the year, widening from the 0.2% decline in the January-June

period. Unlike the recently formed national data bureau, which also falls under the NDRC's umbrella, the new department announced Monday won't hold a vice-ministerial rank, suggesting it is unlikely to be a policy heavyweight in a vast government bureaucracy that has long favored the country's powerful state-owned enterprises.

It is unclear whether the bureau will be able to influence the agendas of other government bodies, as they have different priorities, said Zerlina Zeng, a senior research analyst of Chinese corporate debt at CreditSights.

On its own, the new bureau "is far from enough to bring back the animal spirit," said Larry Hu, chief China economist at Macquarie Group.

"Policy makers have to take concrete actions on two fronts: sending out stronger signals to private companies and making China's post-Covid recovery stronger and more sustainable," he said.

Beijing is eager to signal its shift to a more pro-business policy stance, with officials repeatedly saying that both the private and public sectors are indispensable.

That follows a two-year-long regulatory crackdown, mostly targeting consumer in-

ternet companies, the private tutoring sector and the real-estate industry, as well as stringent measures to curb Covid-19, leading to weak investment and consumer confidence.

Beijing appears to be also trying to kick-start growth through investment, a long-favored policy lever. Regulators in multiple provinces and regions have lowered vetting bars and offered subsidies to attract new investment.

Some local governments have also scaled back regulatory enforcement and campaigns and explored ways to establish "prudential" regulatory systems for businesses, Cong Liang, an NDRC vice chairman, said Monday.

Business executives and analysts also expected the government to continue to support private enterprises in industries deemed strategically important for the state, such as high-end manufacturing, renewable energy and agriculture.

"The policy rhetoric of extending more support to private enterprises is encouraging, but concrete measures and a more predictable, rule-based and well-communicated regulatory framework is needed before their confidence is restored to borrow and invest," CreditSights' Zeng said.

—Xiao Xiao  
contributed to this article.

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## Xi to Skip G-20 Event, Will Send Top Deputy

By CHUN HAN WONG  
AND SHAN LI

Chinese leader Xi Jinping will skip a major gathering of world leaders in New Delhi this weekend, instead sending his top deputy to the summit in what is likely to be seen as a snub of Indian Prime Minister Narendra Modi.

China has typically been represented by its president at summits of the Group of 20 advanced and developing economies since the bloc began arranging leader-level meetings in 2008, but this year Beijing has decided to send the country's No. 2 leader, Premier Li Qiang, according to a brief statement issued Monday by the Chinese Foreign Ministry.

The ministry didn't say why Li was going in Xi's stead. Xi has participated in every G-20 summit since becoming China's president in 2013, though he didn't travel to the 2021 meeting in Rome, which took place while he was avoiding foreign travel during the pandemic. That year, Xi addressed the summit via video link and sent his foreign minister to the venue.

President Biden, who is attending the New Delhi summit, has expressed disappointment that Xi wouldn't be there.

## Iran's Buildup Of Enriched Uranium Slows

By LAURENCE NORMAN

Iran significantly slowed the pace at which it is accumulating near-weapons-grade enriched uranium in recent months, the United Nations' atomic agency reported on Monday, a move that could ease tensions with the U.S. and help open the way to broader negotiations over its nuclear program.

According to a confidential International Atomic Energy Agency report, Iran added 7.5 kilograms—about 16.5 pounds—of 60% enriched uranium in the three months to August, far less than the 51.8 kilograms it added in the previous six months.

The more slowly Tehran accumulates highly enriched uranium, the less potential fissile material it has for nuclear weapons.

The decision to curtail its accumulation of highly enriched uranium, which can be turned into weapons-grade fissile material in a matter of days, isn't a significant change to Tehran's nuclear program. It already has 121.6 kilograms of 60% enriched uranium, enough for at least two nuclear weapons. Iran has also produced enough lower-grade fissile material to fuel several other weapons. The IAEA reports also made clear that Tehran continued not to cooperate with the agency on other significant issues.

However, slowing the buildup of 60% enriched uranium moves in the direction of a key request from Washington as part of indirect talks between Iran and the U.S. aimed at de-escalating tensions between the two countries earlier this year. The Biden administration was pushing for Iran to stop adding to its 60% stockpile.

The amount of 60% enriched uranium added to Tehran's stockpile in the quarter to August was the second lowest since Iran started gearing up its highly enriched uranium production in the spring of 2021.

Iran has hugely expanded its nuclear program over the past four years following the decision by the Trump administration to take the U.S. out of the 2015 nuclear deal, which placed strict but temporary controls on Tehran's nuclear work in exchange for lifting a swath of international sanctions.

In April 2021, Iran started producing 60% enriched uranium, becoming the only non-nuclear country to do so. Iran insists its nuclear program is for purely peaceful, civilian purposes. U.S. officials have said they believe it would take Iran several months to produce some kind of nuclear weapon although they say there is no evidence Tehran has resumed work on producing an actual nuclear weapon.

The Wall Street Journal reported last month that Iran had started slowing its accumulation of 60% enriched uranium and had potentially started reversing course by diluting a small amount of the material. While the pace of production of fissile material can fluctuate for a number of reasons, the decision to dilute material was a clear sign Tehran was intending to slow its buildup of the material.

The IAEA said on Monday that Iran had diluted to 20% enriched uranium 6.4 kilograms of the 60% material in July.

For the Biden administration, the hope is to avoid any crisis with Tehran in the lead-up to next year's presidential elections.



A uranium-conversion facility in Iran, in a 2019 handout photo.

## WORLDWATCH



Gabon's new head of state Gen. Brice Clotaire Oligui Nguema, center, was sworn in Monday in Gabon's capital, Libreville.

## IRAN

## Swede Has Been Detained in Tehran

For more than a year, Iran has kept a Swedish citizen who worked as a senior official at the European Commission in detention in Tehran, people familiar with the matter said, one of a growing number of European nationals arrested in the Islamic Republic in recent years.

Johan Floderus, who had served as a cabinet official for the current home affairs commissioner of the European Union's executive arm, was arrested in April 2022, the people said.

Sweden's Foreign Ministry confirmed that a Swedish citizen in his 30s was detained in Iran that month but didn't name him.

A commission spokesman declined to name the detainee or say whether he was working as an EU official at the time of his arrest but said the bloc was working on his situation with Swedish authorities.

Floderus's detention was earlier reported by the New York Times.

European officials have said there could be as many as 30 EU nationals currently in detention in Iran, with French officials saying Tehran had arrested seven of their citizens in January.

Tehran arrested a spate of European nationals after nationwide protests began last September.

—Laurence Norman

## SOUTH AFRICA

## Leader Weighs In On Suspect Cargo

South Africa's president said an official inquiry found no evidence supporting allegations made by the U.S. ambassador to the country that South Africa had delivered arms to Russia.

A Russian cargo ship that docked surreptitiously at South Africa's largest naval base in December delivered unspecified equipment South Africa's arms-procurement company had ordered in 2018, but no arms were exported to Russia, President Cyril Ramaphosa said.

Ramaphosa established a commission of inquiry in May after U.S. Ambassador Reuben E. Brigety II told local media that Washington was "confident" that weapons and ammunition were loaded onto the Russian ship, the Lady R, in December.

The ambassador's allegations rocked relations between South Africa and the U.S. and inflamed domestic political tensions for Ramaphosa and his African National Congress, which had been under pressure from opposition parties over the party's close relationship to Moscow.

Ramaphosa said the commission of inquiry "found that there was no evidence to support the claim that the ship transported weapons from South Africa destined for Russia."

—Gabriele Steinhauser

## GABON

## New Head of State Takes Official Oath

Gabon's new military leader was sworn in as the head of state Monday, less than a week after ousting the president whose family had ruled the Central African nation for more than five decades.

Gen. Brice Clotaire Oligui Nguema took the oath in the presidential palace before government officials and military and local leaders in Gabon's capital, Libreville. Oligui is a cousin of ousted President Ali Bongo Ondimba, served as a bodyguard to his late father and is head of the republican guard, an elite military unit.

Oligui said the military had seized power without bloodshed and promised to return power to the people by organizing free, transparent and credible elections "With the new government...we're going to give everyone a chance to hope," he said.

The mutinous soldiers who toppled Bongo last week said he risked leading the country into chaos and they then "unanimously" designated Oligui president of a transitional committee.

The speedy swearing-in of Oligui will create perceptions of legitimacy and consolidation of his power to deter potential opponents from challenging his rule, said Maja Boycon, senior analyst at Verisk Maplecroft, a risk-assessment firm.

—Associated Press

## CONGO

## Officers Arrested Following Killings

Two high-ranking military officers in northeast Congo were arrested Monday for taking part in a crackdown on protests last week that left 43 people dead and 56 severely injured, authorities said.

Interior Minister Peter Kazadi said police arrested Commanders Mike Mikombe and Donat Bawili, who respectively headed the Republican Guard unit and the Congolese armed forces regiment in Goma, the eastern city where the violence unfolded.

Defense and security forces in the Central African nation used lethal force last Wednesday to repress planned anti-U.N. protests in the city. A government delegation arrived in Goma on Monday to hold hearings and other proceedings "to establish responsibility," the interior minister said.

Advocacy group Human Rights Watch said that before the protests could take place, armed forces fired on demonstrators in the streets, kicking off an "apparent massacre" in the city.

National authorities said 43 civilians died and 56 were badly hurt.

The U.N. human-rights office said more than 220 people were arrested in connection with the planned protests and the subsequent crackdown.

—Associated Press

## Fall Jitters Follow Summer Rally

Bets against U.S. stocks climb as investors grow wary about the market

By HARDIKA SINGH

Stock-market bulls are on edge heading into September. The S&P 500 is up 18% so far this year, even after falling in August for its first monthly decline since February. The benchmark index rallied in the final week of the month, finishing near its monthly highs for the sixth consecutive month. Now investors are questioning

whether stocks can continue defying expectations and hang onto this year's gains.

Data last week showed hiring cooled over the summer and that economic growth and price pressures remained modest, supporting the case for the Federal Reserve leaving interest rates unchanged from their 22-year highs at its Sept. 19-20 meeting. Officials will get a final reading on inflation the week before the meeting.

Traders are less certain about the Fed's moves in November or December. Fed Chairman Jerome Powell has said the central bank would consider raising rates later in

the year if the economy doesn't slow enough to keep inflation from falling. Higher rates usually hurt risky investments such as stocks by giving investors safer alternatives, although this year has proven to be an exception.

"Nobody is predicting a recession, which is indicative of probably too much optimism in the system," said Shana Sissel, chief executive at Banrion Capital Management. "I'm still not 100% convinced that there is enough negativity in the market."

Sissel said stocks are overvalued and she expects the S&P 500 to decline more than

10% from its current level by the end of the year. Companies in the index are trading at about 19 times their projected earnings over the next 12 months, according to FactSet. That is up from a multiple of roughly 16.8 at the start of the year and above the 10-year average of 17.7.

In the coming holiday-shortened trading week, investors on Wednesday will get a fresh look at the trade deficit and U.S. service-sector activity for August. They will parse speeches from regional Fed presidents on Thursday.

Another potential drag on markets ahead: Some investors

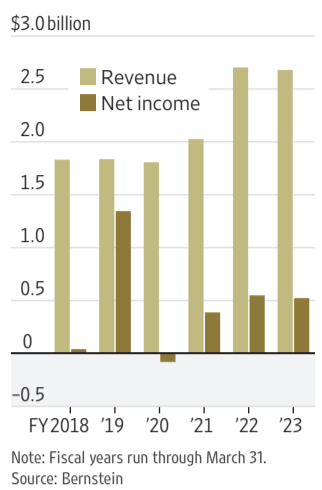
aren't sure whether the mania around artificial intelligence that drove this year's rally can continue. Nvidia shares more than tripled this year, but the company's blowout earnings last month failed to ignite another surge in AI shares. The tech-focused Nasdaq Composite fell 2.1% in August, its worst month since late last year.

"It has shades of what happened during the crypto craze," said Jim Besaw, chief investment officer at GenTrust. "It also has shades of

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### Arm's financial results



## Arm IPO To Show If SoftBank Gamble Paid Off

By ELIOT BROWN

When Masayoshi Son's SoftBank Group struck a 2016 deal to buy chip company Arm, he was so excited he said the \$32 billion purchase was "very much my destiny" after decades of tech investing.

"You can say almost with confidence," the billionaire chief executive told analysts, "that it will grow 5x in five years."

It didn't. Arm remains a leading designer of components for chips used in smartphones, computers and cars, but SoftBank's largest-ever deal has fallen well short of its lofty goals.

Arm's revenue is up 65% since 2016, slightly ahead of the broader chip sector but well behind sector leaders. A huge increase in research spending has yet to convert to the higher profits Son foresaw. And a bet on the Internet of Things—envisaging a future where connected refrigerators, doorbells and other gadgets became ubiquitous—fell flat.

The market's verdict on Arm and its years under SoftBank's custody is due this month, when the chip designer lists on the Nasdaq Stock Market, in what will likely be the year's largest initial public offering. The Japanese technology conglomerate is expected to sell a

Please turn to page B2

## 'Barbenheimer' Gives Box Office A Needed Jolt

By ROBBIE WHELAN

"Barbie" and "Oppenheimer" revived the summer box office this year, as unusual blockbusters lifted theater sales to their highest level since 2019.

In each of the past 10 years, the highest-grossing summer movie in the U.S. has been part of a franchise, from Universal Pictures' "Jurassic" series to Pixar's animated films. Other years it was a superhero movie based on Marvel and DC comic books or 2022's "Top Gun: Maverick," a sequel to the Tom Cruise-led 1986 aerial-combat drama.

Not so this year. This summer, many franchise movies underperformed expectations. In their place, films based on original story lines dominated. Warner Bros. Pictures' and Mattel Films' "Barbie" led the pack, with \$609.5 million in estimated domestic ticket sales through Sunday, and \$1.4 billion in global receipts. "Oppenheimer," from Universal, grossed an estimated \$308.6 million domestically through Sunday and \$851.3 million globally, far more than the latest installments of "Indiana Jones" and "Mission: Impossible."

Among the franchises that did perform well was the summer's first tentpole release, "Guardians of the Galaxy Vol. 3," from Disney's Marvel Studios. It earned \$359 million in North America and \$486.5 million in the rest of the world. It is rare for movies based on new story lines to thump tried-and-true competitors. Before the weekend of July 21, when "Barbie" and "Oppenheimer" were released, the 2023 summer box office was trailing the previous year by 7%, Comscore says.

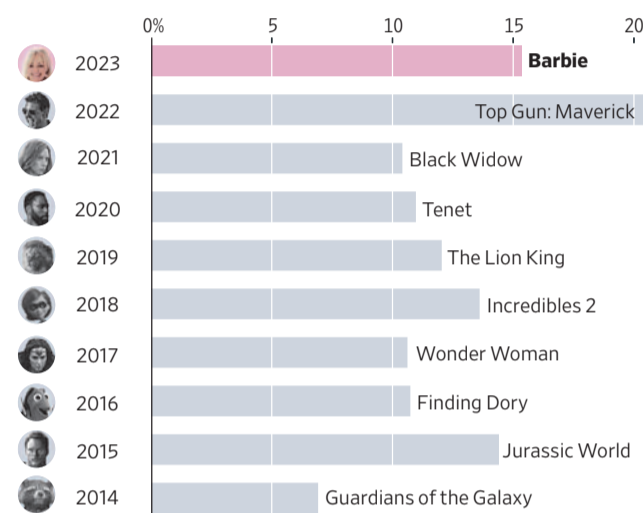
The two films provided a jolt for the movie industry, which is continuing a slow recovery from the pandemic. Through Labor Day the total domestic haul for movies this summer is estimated to be \$4.1 billion, according to Comscore, or 19% higher than last year. "I don't think anyone saw the 'Barbie' and 'Oppenheimer' steamroller coming through the way it did," said Mike Polydoros, founder of PaperAirplane Media, a Hollywood marketing firm. "The wealth is more spread-out this summer."

Apart from the "Barbenheimer" phenomenon, there

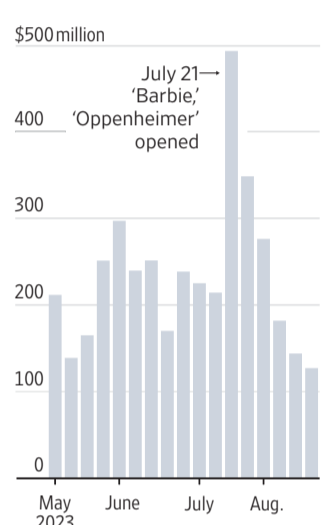
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Other than last year's 'Top Gun: Maverick,' no film in the past decade has made up a bigger share of summer box-office sales than 'Barbie'

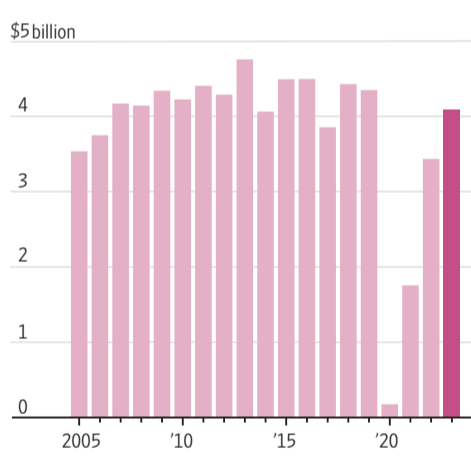
### Top-grossing movie as a share of domestic summer box-office sales in each year\*



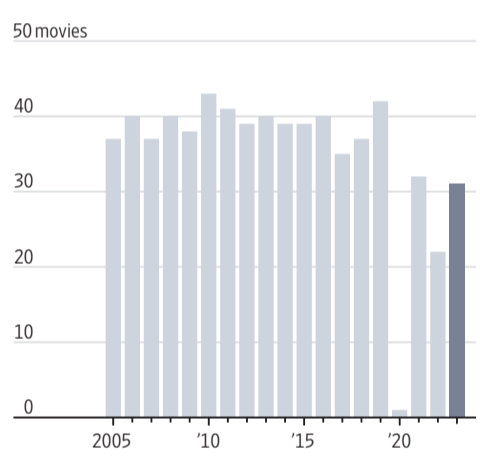
### Summer domestic box-office sales, weekly\*



### Summer box-office sales\*\*



### Wide releases each summer\*\*



Note: Includes U.S. and Canada. \*Summer period covers the first Friday in May through Labor Day Monday of each year. This year's data is an estimate through Monday Sept. 4. †Chart data begins with the first Friday in May, and weekly periods begin on Fridays. As of Aug. 31. \*\*Wide releases include films released in at least 2,000 theaters. Box office figures are not adjusted for inflation. Photos: From top: Warner Bros./Everett Collection, Paramount Pictures, Marvel Studios/Disney/AP, Warner Bros. Entertainment/AP, Disney/Zuma, Pixar/Disney/AP, Warner Bros. Entertainment/AP, Pixar/Disney/AP, Universal Pictures/Amblin Entertainment/AP, Walt Disney Studios Motion Pictures/Everett Collection. Source: Comscore

## Tech Leaders Are Divided On AI's Threat to Humanity

By SAM SCHECHNER AND DEEPA SEETHARAMAN

Artificial-intelligence pioneers are fighting over which of the technology's dangers is the scariest.

One camp, which includes some of the top executives building advanced AI systems, argues that its creations could lead to catastrophe. In the other camp are scientists who say concern should focus primarily on how AI is being implemented right now and how it could cause harm in our daily lives.

Dario Amodei, leader of AI developer Anthropic, is in the group warning about existential danger. He testified before Congress this summer that AI could pose such a risk to humankind. Sam Altman, head of ChatGPT maker OpenAI, toured the world this spring



Researcher Geoffrey Hinton.

saying, among other things, that AI could one day cause serious harm or worse. And Elon Musk said at a Wall Street Journal event in May that "AI has a nonzero chance of annihilating humanity"—shortly

before launching his own AI company.

Altman, Musk and other top AI executives next week are expected to attend the first in a series of closed-door meetings about AI convened by U.S. Senate Majority Leader Chuck Schumer (D, N.Y.) to consider topics including "doomsday scenarios."

The other camp of AI scientists calls those warnings a science-fiction-fueled distraction—or even a perverse marketing ploy. They say AI companies and regulators should focus their limited resources on the technology's existing and imminent threats, such as tools that help produce potent misinformation about elections or systems that amplify the impact of human biases.

The dispute is intensifying as companies and governments

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## Delivery Apps Push Back On Restaurant Pricing

By PREETIKA RANA AND HEATHER HADDON

Food-delivery services say some restaurants are scaring off customers by charging significantly higher prices for food they deliver. But persuading restaurants to rethink their pricing is proving a tall order.

In recent years, many restaurants and chains have steadily raised prices on food they sell via delivery apps such as DoorDash and Uber Eats, which charge between 15% and 30% of an order in commissions. The restaurants' stance: The only way they can make delivery profitable is to pass on app fees and the rising costs of food and labor to consumers.

Lately, the apps have pushed back, deploying their own tools to make price increases painful for restaurants. Who prevails will affect

how much food delivery costs customers.

In the past year, DoorDash has experimented with threatening to make restaurants that significantly mark up prices less visible in its app and deactivated some, according to emails reviewed by The Wall Street Journal.

In March, the company also began testing a label in some cities that shows consumers when a restaurant's delivery menu is priced at par with its store. Shortly after, it shared results from an internal study with restaurants that suggested markups hurt sales.

Rival Uber Eats, a unit of Uber Technologies, alerts users about the price gaps with a note under orders in some cities that says delivery menus might be priced higher than in stores.

The moves are part of a tug

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## AI Threat Splits Tech Experts

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worldwide are trying to decide where to focus resources and attention in ways that maximize the benefits and minimize the downsides of a technology widely seen as potentially world-changing.

"It's a very real and growing dichotomy," said Nicolas Miallne, co-founder of the Future Society, a think tank that works on AI governance and is working to bridge the divide. "It's the end of the month versus the end of the world."

For all the attention it has been getting, serious public discussion of AI's existential risk—or "x-risk" as those most worried about it like to call it—had until recently remained confined to a fringe of philosophers and AI researchers.

That changed after OpenAI's release of ChatGPT late last year and subsequent improvements that have delivered humanlike responses, igniting warnings that such systems could gain superhuman intelligence. Prominent researchers

including Geoffrey Hinton, considered one of the godfathers of AI, have contended it contains a glimmer of humanlike reasoning. Hinton left his role at Alphabet's Google this year to more freely discuss AI's risks.

With existential risk warnings, "there's been a taboo that you'll be mocked and treated like a crazy person and it will affect your job prospects," said David Krueger, a machine-learning professor at the University of Cambridge.

Krueger helped organize a statement in May saying that extinction risk from AI was on par with the dangers of pandemics and nuclear war. It was signed by hundreds of AI experts, including top officials and researchers at Google, OpenAI and Anthropic.

"I wanted researchers to know that they're in good company," Krueger said.

Some in the field argue that there is a paradoxical upside for AI companies to emphasize the x-risk of the systems because it conveys a sense that their technology is extraordinarily sophisticated.

"It's obvious that these guys benefit from the hype still being fueled," said Daniel Schoenberger, a former Google lawyer who worked on its 2018 list of AI principles and now is at the Web3 Foundation.

## Box Office Receives a Needed Jolt

Continued from page B1

have been other unlikely hits. "Sound of Freedom," an independent film about the global fight against child-trafficking, surprised many. It had a budget of \$15 million and was produced by Angel Studios, a Utah company that focuses on faith-based productions and uses a unique crowdfunding mechanism to finance its films. With an estimated \$182.3 million in domestic ticket between its opening July Fourth weekend and Labor Day, "Sound of Freedom" surpassed big-budget franchise competitors such as "Fast X" (\$146 million domestic gross); "Mission: Impossible—Dead Reckoning Part One" (estimated \$170.5 million domestic gross through Monday); and "Indiana Jones and the Dial of Destiny" (an estimated \$174.3 million domestic gross through Monday).

Neal Harmon, one of four brothers from a religious Mormon family that co-founded Angel Studios, attributed the movie's success in part to what he says was a divinely inspired scheduling decision.

The studio initially decided to roll out "Sound of Freedom" in mid-September, but Harmon changed his mind after another executive suggested a summer



'Oppenheimer' shown at Paseo Nuevo Theater in Santa Barbara, Calif., this summer.

release. "We thought we were going into the lion's den and we were going to get destroyed" by "Mission: Impossible" and "Indiana Jones," he said.

With Hollywood actors on strike since July, films released late in the summer like "Strays," starring Will Ferrell and Jamie Foxx, missed a promotional boost they can get when stars appear at premieres and rally fans on social media. Some studios have delayed releases set for the fall and winter as the strike drags on.

Some studio executives and exhibitors see recent box-office results as proof that even with powerhouse franchises, there are limits to how many times you can go back to the same well.

In March, Disney Chief Ex-

### Estimated Box-Office Figures, Through Monday

Film	Distributor	Sales, In Millions		
		Weekend*	Cumulative	4 day vs. 3 day %
1. <b>The Equalizer 3</b>	Sony	\$42.3	\$42.3	—
2. <b>Barbie</b>	Warner Bros.	\$13.1	\$612.0	-13
3. <b>Blue Beetle</b>	Warner Bros.	\$9.2	\$58.5	-24
<b>Gran Turismo:</b>				
4. <b>Based on a True Story</b>	Sony	\$8.6	\$30.7	-51%
5. <b>Oppenheimer</b>	Universal	\$7.5	\$310.5	-9%

\*Friday, Saturday, Sunday and Monday in North American theaters Source: Comscore

ecutive Bob Iger said the soft performance of 2018's "Solo" prompted the company to rethink its "aggressive" release schedule for "Star Wars" movies, while the performance of some recent Marvel movies raised questions about whether the studio should be making so many sequels involving the same characters.

"People want to see fresh takes on stuff, so over time you have to keep trying new things," said Greg Marcus, CEO of Marcus Theatres, the fifth-largest cinema chain in the U.S. by number of screens.

## SoftBank Faces Test In Arm IPO

Continued from page B1

roughly 10% stake.

Arm is eyeing a target valuation between \$50 billion and \$55 billion, according to people familiar with the matter. Some analysts peg Arm's worth at between \$45 billion and \$50 billion, while SoftBank recently valued Arm at \$64 billion when it bought out a stake held by its own SoftBank Vision Fund.

An IPO at the Vision Fund price would double SoftBank's original valuation—and that would require investors to be particularly bullish on Arm compared with other chip stocks, given its comparatively modest revenue and profit growth in recent years.

Money invested in a tech- or chip-sector index has done better. Since the takeover closed in September 2016, \$100 invested in the Nasdaq Composite turned into about \$267, including reinvested dividends, FactSet data as of Thursday show. An investment in the Philadelphia Semiconductor Index would have fared even better.

Part of the problem, analysts say, is Arm was so dominant in its main smartphone business that it had little more room to grow. They credit SoftBank with investing more in research and

development, where outlays can take years to pay off.

Arm "was able to accelerate R&D investment in a way that they never could have as a public company," said Kirk Boodry, an analyst at Astris Advisory who estimates Arm's valuation at between \$47 billion and \$50 billion. It "seems well-positioned for growth," he said.

Two issues will be vital for prospective investors: China and artificial intelligence. Nearly one-quarter of Arm's revenue last year came from China, and Arm warned this made it "particularly suscepti-

ble to economic and political risks." Growth in China is slowing, geopolitical tensions are simmering, and Arm depends for sales on its affiliate Arm China, the subject of an earlier tussle for corporate control.

Meanwhile, euphoria over AI has generated huge stock-price gains for Nvidia and other companies this year.

An AI boom is considered likely to boost demand for chips that go in servers, rather than in smartphones and home computers, where Arm is biggest. Still, Arm pitches itself as a likely beneficiary, saying growth

in AI-enabled systems, such as self-driving cars, could mean more demand for chips using Arm designs. "Arm will be central to this transition," the IPO prospectus says.

Arm spent heavily to build a cloud-based business where companies could feed device data onto a SoftBank-run platform. Still, its market share in cloud computing is roughly 10%, half the 20% target it once set for 2021. In autos, it boasts a 40% market share—but the emergence of chip-intensive self-driving cars has proved slower than expected.

## Restaurants Pressed on Pricing

Continued from page B1

of war between delivery apps and restaurants as both sides grapple with inflation and a tougher economy.

Delivery companies say bringing what restaurants charge for delivery items closer to what they charge in-house will boost sales and provide more earnings opportunities to delivery workers.

Many restaurants marked up prices on delivery apps when the pandemic prompted business to shift online and customers were less concerned about the difference. Markups climbed further as restaurants looked for ways to deal with inflation. Then some delivery services pushed back.

In March, DoorDash emailed Juan Martinez from Don Juan Mex Grill in Pennsylvania saying his chain would appear less prominently on the app if he didn't cap delivery prices at a 20% markup of his in-store prices. Martinez, who said his menu markups are as high as 35% to cover the app commissions,



Many eateries have lifted prices on food delivered via apps.

declined to change his prices. Instead, he is asking customers to order pickup directly from his website.

"I would have been operating in the negative otherwise," he said. "In order to offer delivery, we have to increase our prices to break even."

DoorDash said it has updated its messaging to restaurants to reflect that they aren't downgraded or deactivated based on prices alone. It said pricing is one of the many metrics it considers when deciding how prominently restaurants appear on its app.

"Extreme price inflation does not represent a good-faith effort to transact and harms the ability to engage consumers effectively, which



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## BUSINESS NEWS

## West Coast Ports Try to Woo Back Imports

After new labor deal, broader shifts in supply chains are roiling trade

By PAUL BERGER

West Coast ports have a new labor agreement in hand but they face big hurdles in their efforts to get U.S. importers to bring their supply chains fully back through the gateways.

New manufacturing strategies along with geopolitical tensions and China's lagging economic growth are casting clouds over the ports that have long been a linchpin of the U.S. trade economy, even as the gateways from Southern California to Seattle trumpet an end to the labor uncertainty that helped push millions of import containers to other ports.

"A lot of [importers] have found benefits with East Coast and Gulf Coast ports," said Jonathan Gold, vice president for supply chain at the National Retail Federation.

Gold said Gulf Coast and East Coast ports are gaining trade as retailers look to spread out their supply chains to be less reliant on one gateway. He said importers also like the proximity to growing manufacturing and population centers, especially in the Southeast, where retailers are investing in new facilities.

Members of the International Longshore and Ware-



Ports from Southern California to Seattle, above, are trumpeting an end to the labor uncertainty that pushed imports elsewhere.

house Union last week ratified a six-year contract covering dockworkers at West Coast ports, ending more than a year of uncertainty that led some importers and exporters to shift some business away from potential disruptions.

The West Coast is the preferred gateway for many importers bringing in toys, clothes, furniture and televisions from factories in Asia

because it provides the quickest ocean route from factory to port. An extensive network of warehouses, trucks and railroad operations fans out from the ports to spread goods across the country.

But the region has been losing share slowly to other parts of the U.S. over the past 20 years.

That shift accelerated during the pandemic because of

big containership backups at the ports that caused massive cargo delays. It continued during the past year because of fears of labor disruptions as the dockworkers' union negotiated a multiyear deal to replace the last contract that expired in July 2022.

The share of all U.S. containerized import cargo handled by West Coast ports fell in June to a combined 35% as

measured by weight, according to the Pacific Merchant Shipping Association, down from 37% in June last year.

The ports of Los Angeles and Long Beach, which together form the largest single gateway complex for U.S. container imports, saw inbound volumes fall by nearly a quarter in the first six months of this year compared with the same period in 2022, accord-

ing to PMSA figures. The ports of Savannah, Ga., and Charleston, S.C., the closest points to a burgeoning network of electric-vehicle and battery factories in the Southeast, reported far slimmer declines.

Gene Seroka, executive director at the Port of Los Angeles, said in July he attributes about 15% of the lost cargo volumes to the diversion of trade to alternate gateways, and that experience suggests some percentage of that lost trade won't return.

"It will be an uphill climb," Seroka said. "Our job now is to be absolutely relentless in going after every pound of freight possible."

Logistics property developer **Prologis**, in a report being released this week, estimates that over the next six to 12 months the combined Los Angeles-Long Beach port complex might regain only half of the cargo volumes lost to diversions.

That is in part because of long-term supply chain shifts, as retailers and manufacturers move goods production away from China to countries such as India that connect more easily to East Coast ports as well as to Mexico.

Meanwhile, growing production of electric vehicles and batteries for those cars is focused mostly on southeastern U.S. states, a potential boon for ports like Savannah and Charleston as manufacturers bring in parts for their factories.

## Novartis's CEO Went to an Outsider to Rethink Strategy

By JARED S. HOPKINS

Monday afternoons at Swiss drugmaker **Novartis** now feature the Ronny Gal Show.

Starting at 2:30 p.m. in Basel, an industry news and intelligence report written by Gal hits the inboxes of 250 senior officials, who rush to read which deals the chief company strategist says Novartis should pursue, what science it should investigate and what rivals are doing.

Gal, a hard-charging Israeli-American who was an outspoken Wall Street analyst, never worked in the pharmaceutical industry before a year ago. Now he—and his no-holds-barred reports—are helping propel the remodeling of one of the world's biggest and most hidebound drugmakers.

Among the moves triggered by the reports was a recent multibillion-dollar deal for promising kidney drugs.

"Ronny's shaking the tree, and maybe the tree needed to get shaken," said Novartis Chief Executive Vas Narasimhan.

Hiring the outsider Gal was the most unusual step Narasimhan has taken to shake up the company and produce more blockbuster medicines.

At stake is whether the company will rebound from a series of disappointing drug launches and underperforming deals that had flatlined shares, prompting investors to complain to Narasimhan and the CEO to reassess his stewardship.

"I had to be willing to just rethink all the things in my mind that I said Novartis had to be about," Narasimhan said.

Novartis shares have been rising over the past nine months, largely because of positive study results for drugs including Kisqali for breast cancer and the rollout of cancer radiotherapy Pluvicto.

Yet challenges remain. Novartis faces declining revenue later this decade, after several products lose patent protection, including heart drug Entresto, which had \$4.6 billion of Novartis's \$50.5 billion global sales last year.

Novartis is one of the world's biggest pharmaceutical companies by sales, celebrated for drug research that produced game-changing medicines such as the Gleevec cancer therapy.

Narasimhan took the helm in 2018 after joining Novartis in 2005 from McKinsey. Just 41 years old when he became CEO, he quickly began making a mark by shedding its consumer business and making other moves to double down on rapidly growing but risky patent-protected pharmaceuticals.

He also grabbed headlines, spending billions of dollars on deals to beef up its pipeline with cutting-edge technologies like gene therapies.

But its pipeline and several deals didn't live up to expectations, analysts say. A closely watched anti-inflammatory drug called Ilaris failed cancer



Vas Narasimhan has been CEO of Novartis since 2018.

trials. And the rollout of a cholesterol fighter called Leqvio, the centerpiece of a roughly \$10 billion acquisition in 2019, has been sluggish after a delayed U.S. launch.

As 2021 drew to a close, the company's share price hovered around similar levels as when Narasimhan became chief executive and lagged behind rivals including **Pfizer** and **Eli Lilly**.

Narasimhan contemplated the company's disappointing performance and met virtually with Novartis's largest investors. They said the company

wasn't living up to its potential, he recalls.

He reassessed how Novartis had long worked. He questioned principles that had guided the company, such as its academic-like pursuit of science with little regard for the commercial prospects, and its research across a range of diseases to reduce the risk that some drug candidates don't pan out.

"The first step was for me to accept the fact that we didn't get all of it right," he said.

Novartis's labs have been a major target for change. The company had the most approved drugs during every five-year period since 1999, but the new drugs' average peak sales weren't in the industry's top five.

Narasimhan tapped Fiona Marshall, a veteran of Merck & Co., to lead the company's research hub in Cambridge, Mass.

Novartis has changed how its scientists work, dialing back their budgets for noncore research and tying their bonuses to the start of pivotal testing, not the completion of earlier studies.

The company also pared back by nearly half the number of disease areas it would target, focusing on lucrative conditions including cancer and immunology. It decided to dial back in eye care, selling off dry-eye drug Xiidra for roughly half of what it paid for the medicine four years earlier.

In its areas of focus, Novartis decided to step up its hunt for drugs in earlier stages of development and pursue deals that would add candidates to the company's own and increase the odds of one working out.

Hiring Gal was the most unconventional move. During his 18 years at Sanford Bernstein, Gal built a reputation as a pushy but astute analyst willing to call out sensitive subjects such as high drug prices and hefty deal premiums.

"I asked myself, if there was

one person I would want sitting next to me, challenging our thinking, coming up with new ideas, why not pick the person whose reports I'm reading anyway?" Narasimhan said.

Gal said employees have embraced many of his ideas. Yet his direct and challenging approach hasn't always fit seamlessly into Novartis, where employees tend to be agreeable.

"I am learning to moderate my style, because you've got to meet the organization halfway," he said.

Gal oversees a staff of about 250 people, which includes a group of about 30 people in therapeutic area strategy that is a mix of Novartis veterans and no-nonsense hires from Wall Street.

Some in the therapeutic strategy group help with the weekly reports. One of the staff's roles is helping the company decide whether to take an experimental drug into human testing. Novartis used to wait for results from the first testing in humans before making a decision. Now, Gal's team forecasts future sales before starting human studies.

The weekly reports grew out of responses to inquisitive emails from Narasimhan. His, and later other executives', affinity for the notes led Gal to create a second, toned-down version without sensitive information for a broader audience.

"I tend to be cynical, and I use a lot of humor," he said. "It can't go to all of Novartis."

## Conviction of Fox Alumnus Tossed

By JAMES FANELLI

A New York federal judge threw out the conviction of a former **21st Century Fox** executive who was found guilty earlier this year of bribing FIFA soccer officials to secure the broadcasting rights to lucrative World Cup-related matches.

Hernan Lopez, the former head of subsidiary Fox International Channels, was convicted in a Brooklyn court in March of conspiring to commit honest-services fraud and launder money for what federal prosecutors described as a scheme involving tens of millions of dollars in illicit payments and kickbacks to South American soccer officials.

The alleged bribes were made to win the rights to air matches to the region's most popular club tournament, the Copa Libertadores.

The honest-services fraud statute makes it a felony to deprive members of the public of



Hernan Lopez in January.

the right to honest services. In a ruling late Friday, U.S. District Judge Pamela Chen, who presided over the trial, granted Lopez's post-trial motion for judgment of acquittal, saying that the statute doesn't extend to foreign commercial bribery.

This spring, the Supreme Court limited the use of the honest-services fraud statute in a decision, adding to earlier

rulings whereby the clarity of the statute and what it applies to has been called into question.

A lawyer for Lopez said they were pleased with Chen's decision. "We have never stopped believing in our client's innocence, and we could not be happier for him and his family," the lawyer, John Gleeson, said.

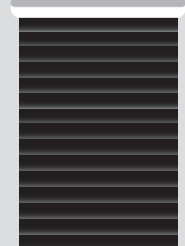
A spokesman for the Brooklyn U.S. attorney's office, which brought the case, said the office is reviewing the ruling. Federal prosecutors could appeal the decision.

A spokesman for **Fox Corp.** declined to comment but has previously said that the case doesn't involve Fox.

**Walt Disney Co.** acquired major entertainment assets of 21st Century Fox from Fox Corp. in 2019. Fox International Channels was absorbed by Disney as part of the deal. Fox Corp. and Wall Street Journal parent **News Corp** share common ownership.

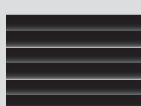
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TECHNOLOGY

# Electric Vehicles Become China Darling

Investors and talent pile into the country's EV and battery industries

China's internet giants drove much of the country's tech economy over the past decade. Now, electric-vehicle and battery makers are taking over the driver's seat.

By Clarence Leong, Liza Lin and Rachel Liang

The country's booming new industry flag-bearers are attracting sovereign-wealth funds, foreign partners and the brightest engineers. Riding the wave of Beijing's industrial policy gambit on clean-energy cars, they are defying the gloomy picture in much of China's economy and increasingly going global.

China's EV-related startups, including battery makers, pulled in \$15.2 billion in venture capital last year, a record for the sector even as total venture-capital financing in the country fell to its lowest since 2019, data from investment researcher Prequin shows. Vehicle and battery exports have been rising, while car buyers are critical to cushioning the country's sagging consumer economy.

Automakers bagged funding from Volkswagen and Intel, and many are rapidly expanding. BYD, China's top-selling EV maker backed by billionaire investor Warren Buffett, boosted head count by over 50% to more than 630,000 in the 12 months to June.

The hiring and investment are a rare bright spot for China, as the engines that propelled the country's economy in the past have become less reliable. The property market is in the doldrums and exports are faltering. The youth jobless rate climbed to 21.3% in June, after which authorities said they would stop releasing that data.

The shift to green industry has made behemoths of companies such as BYD and Contemporary Amperex Technology—the country's biggest EV battery maker, known as CATL—adding them to the ranks of China's most important and valuable private-sector companies.

Their swift ascension mimics China's internet sector a decade ago. Alibaba and Tencent became the crown jewels of Chinese entrepreneurship, attracting investment and hoovering up talent before a yearslong regulatory crackdown and slowing consumer demand tapered their growth. Funding for Chinese inter-

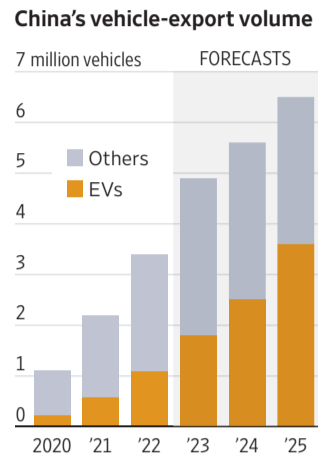
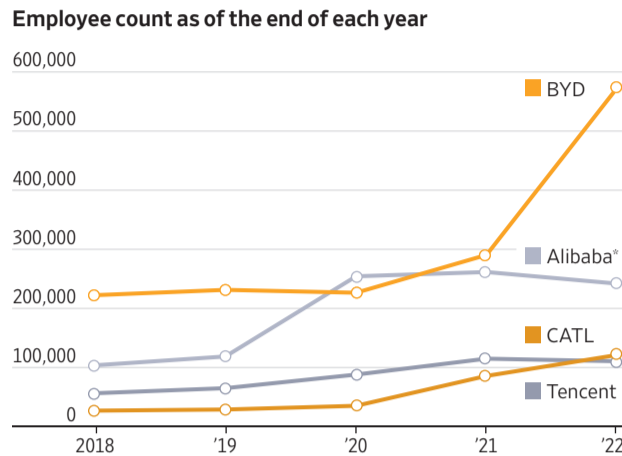
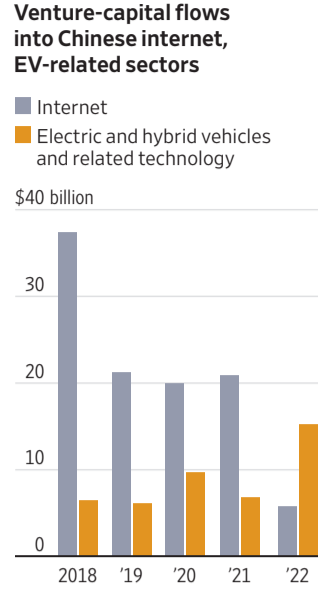
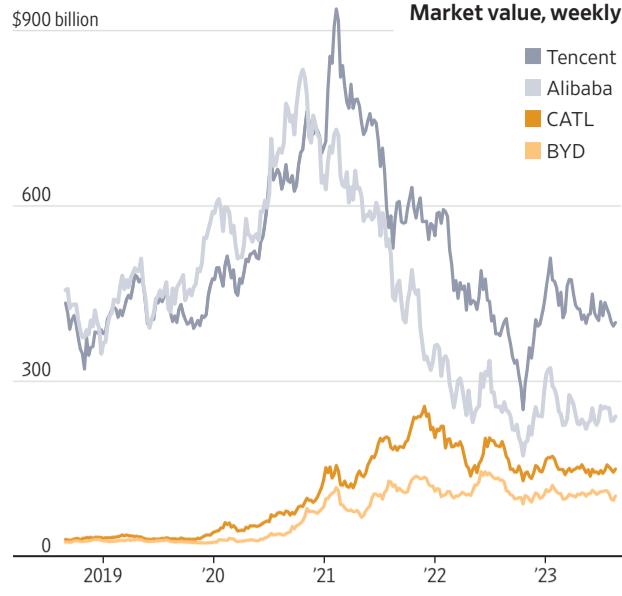
net startups cratered last year, falling 84% from their heyday in 2018 to \$5.8 billion, according to Prequin data.

For more than a decade, authorities have boosted growth in the EV industry with consumer subsidies and clean-energy targets. The country is now the world's largest market for electric vehicles, the type of high-tech, green-energy sector that China's leader, Xi Jinping, is seeking to elevate.

One in four new cars sold in China last year was electric or plug-in, and almost all of those were made by Chinese brands or U.S. automaker Tesla, which has its biggest global factory in Shanghai. Analysts forecast that 80% of the new cars sold in China in 2030 will be electric vehicles.

Made-in-China marques such as BYD, NIO and Geely's Zeekr are popping up in dealerships across Germany, Japan and Mexico. CATL and other battery makers such as Gotion High-Tech are receiving global orders and expanding operations in Europe and in the U.S.

"If you look at where they have competitive advantage globally, EV is a space where you can very clearly say, China has got leadership," said Daryl Liew, the Singapore-based head of portfolio management at SingAlliance, whose fund



\*Alibaba acquired Sun Art Retail Group in 2020. Sources: FactSet (market value); the companies (employee count); Prequin Pro (venture capital flows); China Passenger Car Association (vehicle exports), Canalis (vehicle exports forecasts)

has twice increased its BYD holdings in the past year. Fund managers say they are confident about the Chinese industry's long-term growth prospects, given a global elec-

trification trend and the speed of domestic innovation in auto technologies. China usurped Japan as the world's largest exporter of cars this year, largely driven by soaring demand from

Russia and for EVs. This June, China unveiled tax breaks estimated to be worth up to \$72 billion over the next four years to boost sales of EVs and plug-in hybrids.

# Albemarle Raises Bid for Australia's Liontown Resources

By DAVID WINNING

SYDNEY—Albemarle is closing in on one of the biggest-yet lithium deals after making a new offer for Australia's Liontown Resources that values it at \$4.25 billion, illustrating how the energy transition is transforming the fortunes of an industry that

supplies a key metal used in batteries.

Albemarle said its new proposal for Liontown—worth 3 Australian dollars in cash per share, equivalent to US\$1.92—is its best and final offer after several earlier approaches to acquire the company were rejected as too low.

In response, Liontown said

it would allow the U.S. company to scrutinize its books exclusively for a limited time.

"The intention of the Liontown board is to unanimously recommend shareholders vote in favor of the proposal," assuming no competing bid emerges, Liontown said on Monday.

Lithium has become of the

hottest commodities in global mining as governments push to electrify their economies. The silvery white metal is used in electric vehicles, smartphones and other applications.

Global automakers are among those rushing to lock in deals with miners including Albemarle that can future-

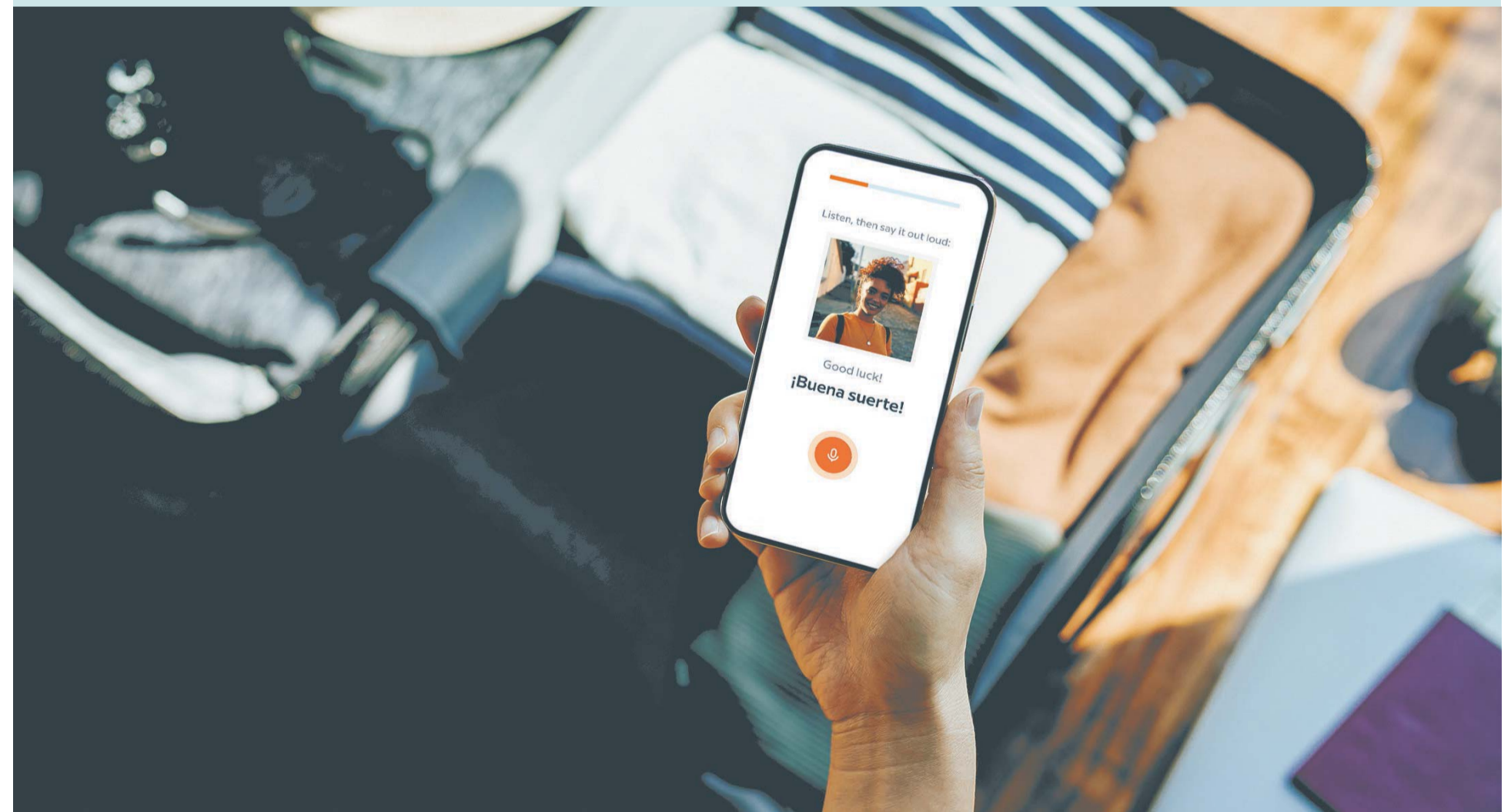
proof their supply chains.

Albemarle's pursuit of Liontown, which is developing one of the largest and highest-grade hard rock lithium deposits in the world, has taken place against a backdrop of deal-making in the sector. Philadelphia-based Livent this year agreed to merge with Australia's Allkem, a

move that would create a roughly \$11 billion lithium player. Exxon Mobil has bought rights to a chunk of lithium acreage in Arkansas.

The global lithium market was worth some \$48 billion in sales last year, according to Benchmark Mineral Intelligence, up from \$1.6 billion in 2015.

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# CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and investing in a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, September 1, 2023

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
ReavesUtilityIncome	UTG	25.99	26.35	+1.4 -9.4
TortoiseEnergy Infra Crp	TYG	35.76	30.16	-15.7 -3.5
TortoiseMidstream Energy	TYG	42.36	35.75	-15.6 5.6
VDivInt&PremStr	NFJ	14.50	12.49	-13.9 12.1
V Art Int&Tech Opps	AIO	19.62	18.28	-6.8 17.9

### Income & Preferred Stock Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
CalamosStratTot	CSQ	14.84	14.94	+0.7 12.2
CohenStrsLtdDurPrefInc	LDP	19.71	17.73	-10.0 -3.5
CohenStrsSelPrefInc	PSF	19.36	17.96	-7.2 -6.5
CohenStrsTaxAvrPreSecs	PTA	19.27	18.08	-6.2 3.4
FirstTrIntDurPref&Inc	PTA	17.50	15.11	-13.7 -12.0
JHAnPrefInc	HPI	15.03	15.17	+0.9 -6.8
JHPrefInc	HPI	14.91	15.12	+1.4 -5.9
HnckJPFdIncIII	HPS	NA	14.04	NA -1.5
JHAnPrm	PDT	11.44	10.11	-11.6 -26.9
LMP CapInc	SCD	14.97	13.28	-11.3 13.5
NuveenMulti-Asset Inc	NMAI	13.71	11.83	-13.7 7.0
Nuveen Pref & Inc Opp	JPC	7.40	6.52	-11.9 -9.1
Nuveen Fd	JPS	7.37	6.37	-13.6 -5.9
Nuveen Pref & Inc Term	JPI	18.30	17.42	-4.8 -10.3
Nuveen Var Rate Pklt	NPD	18.60	16.28	-12.5 -4.5
TCW Strat Income	TSI	5.06	4.68	-7.5 -0.4

### Convertible Sec's. Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
AdmtrCnvtbl&IncFnd	AVK	12.40	11.41	-8.0 -0.7
CalamosConvH	CHY	10.64	11.49	+8.0 4.5
CalamosConvOp	CHI	10.08	10.80	+7.1 7.1
ElsworthGlobalYld	ECF	9.62	8.66	-10.0 0.4
V Conv & Inc	NCV	3.81	3.36	-11.8 0.6
V Conv & Inc II	NCZ	3.39	3.02	-10.9 2.9
V Div Inc & Conv	ACV	21.11	21.51	-7.6 2.6
V Eqty & Conv Inc	NIE	21.71	21.34	-10.0 17.8

### World Equity Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
abrdn Emg Mkts Div	AEF	6.03	5.22	-13.4 8.3
abrdn GblI Dyn Div	AGD	10.76	9.28	-13.8 5.8
abrdn Tot Dyn Div	AOD	9.31	8.04	-13.6 11.1
Allspiring Global Yld	EOD	4.89	4.46	-8.8 1.9
BlackRock Cap Alloc	BCAT	17.10	15.46	-11.9 13.2
Calamos GloDyInc	CHW	6.71	6.01	-10.4 -6.9
EV TxAdvGlbDivInc	ETG	18.45	16.73	-9.3 6.6
EtnVncTxAdvOpp	ETO	25.03	22.87	-8.6 5.8
FirstTrDynEuroEqInc	FDEU	13.42	12.95	-3.5 32.1
Gabelli Multimed	GGT	3.99	6.52	+63.4 10.0
GDL Fund	GDL	10.24	7.92	-22.7 2.9
Highland Global Alloc	HGLB	11.45	8.04	-29.8 -11.9
India Fund	IFN	16.40	16.49	+0.5 11.2
Japan Smaller Cap	JOJ	8.97	7.45	-16.9 20.0
BlackRock Japan	JKS	17.18	14.76	-14.1 0.0
Mexico	MXF	NA	17.30	NA 33.0
Miller/Howard High Inc E	HIE	10.97	10.13	-7.7 8.5
MS China Shr Fd	CAF	15.71	12.86	-18.1 -12.9
MS India	IIF	17.52	22.39	+8.7 7.1
MS CBRE Gln Mgt	MEGI	15.15	13.21	-12.8 -5.6
New Germany	GF	NA	8.77	NA 15.7
Nuveen RI Asst Inc & Gro	JRI	13.08	11.19	-14.4 -6.6
Templeton Dragon	TDR	10.75	9.19	-14.5 -12.5
Templeton Em Mkt	EMF	13.80	11.84	-14.2 11.8

### U.S. Mortgage Bond Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
BlckRkInc BKT	12.39	11.86	-4.3 8.8	
Invesco HI 2023 Tgt Term	IHIT	7.73	7.34	-5.0 5.7

### Investment Grade Bond Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
Angel Oak FS Inc Trm	FINS	13.76	11.94	-13.2 9.6
BlRck Core Bond	BHK	10.60	10.38	-2.1 8.6
BR Credit Alloc Inc	BTZ	11.10	10.18	-8.3 9.9
InvescoBond	VBV	15.80	14.67	-7.2 5.3
JHAn Income	JHS	NA	10.76	NA 4.1
MFS Intmdt	MIN	2.89	2.75	-4.8 0.0
Western Asset Infl-Lk Inc	WIA	9.47	8.20	-13.4 14.5
Western Asset Infl-Lk OGI	WIO	10.16	8.69	-14.5 12.6
Westr Asst IG Def Opp Tr	IGI	16.94	16.25	-4.1 4.9

### Loan Participation Funds

Fund (SYM)	NAV	Close/Disc	Ret	52 wk Ttl
Apollo Senior Floating	AFT	15.09	13.37	-11.4 10.1
BR Debt Strategy	DSU	10.81	10.23	-5.4 9.2
BR F/R Inc Str	FRA	13.25	12.60	-4.9 9.2
BlackRock Floating Rr Inc	BGT	12.87	12.14	-5.7 9.3
BS SFR 2027 Tm	BSL	14.61	13.16	-9.9 9.1
BS St Cr 2027 Tm	BGB	12.58	11.08	-11.9 9.3
EtnVncFltRtelnc	EFT	13.23	12.25	-7.4 9.6
EV SenFltRtr	EFR	13.02	12.10	-7.1 9.4
Ft/Sr Fltg Rte Inc 2	FACT	11.06	10.14	-8.7 9.4
Highland Oppy & Income	HFR	13.61	8.16	-40.0 11.2
InvDYCrOpp:AX	VTA	11.12	NA	NA NA
InvSnrInc Tr	VVR	4.14	3.95	-4.6 14.1
Nuveen Credit Strat Inc	JQC	5.86	5.12	-12.6 10.9

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
NuvFloatRateIncF	JFR	9.20	8.14	-11.5 10.9

### High Yield Bond Funds

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
AllianceBernGblHlncm	AWF	10.73	9.97	-7.1 8.8
Allspiring Income Oppy	EAD	7.16	6.33	-11.6 9.7
Barrings Gbl SD HY Bd	BGH	14.72	13.28	-9.8 10.8
BR Corporate HY	HYT	9.41	9.28	-1.4 10.1
BlackRock Ltd Dur Inc	BLW	13.75	13.21	-3.9 8.9
BNY Mellon HI Yld Str	DHF	2.58	2.21	-14.3 8.7
Brookfield Real Asst Inc	RA	14.70	12.66	-13.9 18.5
CrSuishHighYld	DHY	2.12	1.88	-11.3 9.8
DoubleLine Inc Sol	DSL	11.93	12.14	+1.8 12.5
DoubleLine Yld Opps	DLY	15.36	14.56	-5.2 9.6
First Tr Hi Inc Lng/Shrt	FSD	12.45	11.06	-11.2 11.3
First Trust HY Opp2027	FTHY	15.42	13.70	-11.2 11.1
Franklin Univ	FT	7.34	6.72	-8.4 7.5
KKR Income Opportunities	KIO	13.15	12.34	-6.2 10.9
New Amer Hi Inc	HYB	7.93	6.79	-14.4 7.7
Nuveen Global High Inc	JGH	12.84	11.63	-9.4 11.0
PGIM Global High Yield	GHB	12.50	11.33	-9.4 11.2
PGIM High Yield Bond	SDY	13.66	12.36	-9.5 10.2
PGIM Sh Dur HI Yld Opp	SDHY	17.18	15.35	-10.7 8.4
PioneerHlncm	PHT	7.77	6.96	-10.4 9.9
WVstAstHIF II	HIX	4.72	4.89	+3.6 12.1
Western Asset HI Inc Opp	HIO	4.23	3.82	-9.7 9.3
Western Asset HI Yld DO	HSD	11.42	11.58	-6.8 9.8

### Other Domestic Taxable Bond Funds

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
Allspiring Multi-Sector	ERC	9.89	9.54	-3.5 8.8
Ares Dynamic Crd Alloc	ARDC	14.15	12.86	-9.1 10.1
BlackRock Mlt-Sctr Inc	BIT	14.44	14.89	+3.1 10.0
BlackRock Tax Muni Bd	BBL	17.26	15.94	-7.6 7.8
DoubleLine Oppy Crd Fd	DBL	14.53	14.42	-0.8 9.2
EVLmtDurInc	EVU	10.44	9.33	-10.6 11.8
Franklin Ltd Income	FTF	7.11	6.17	-13.2 11.5
JHAn Investors	JHI	14.13	12.87	-8.9 7.2
MFS Charter	MCF	6.72	6.17	-8.2 0.0
NuvCorePlus	NPC	11.48	9.79	-14.7 11.3
Nuveen Taxable Muni	NBB	16.57	15.22	-8.1 6.1
EV TxAdvGlbDivInc	PTY	10.73	14.06	+31.0 11.1
PIMCO Corp & Inc Strat	PCN	11.03	13.74	+24.6 10.8
PIMCO Hlncm	PHK	4.44	4.92	+10.8 11.7
PIMCO IncmStrFdl	PFL	7.65	7.93	+3.7 12.4
PIMCO IncmStrFdl	PFN	6.75	6.87	+1.8 12.5
Putnam Prem Inc	PPT	3.79	3.49	-7.9 8.8
Western Asset Dvsf Inc	WDI	15.18	13.63	-10.2 11.4

### World Income Funds

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
abrdn AP Inc Fd	FAX	3.03	2.63	-13.2 12.6
MS EmMktDomDebt	EDD	5.47	4.67	-14.7 6.3
PIMCO Dynamic Income	PDI	17.00	17.85	+5.0 18.2
PIMCO Stratg Inc	RCS	4.26	5.51	+29.3 11.1
Templeton Em Inc	TEI	5.63	5.07	-9.9 11.1
Templtn Gbl Inc	GIM	4.44	4.09	-7.9 8.9
WkstAstEmergDebt	EMD	10.07	8.91	-11.5 10.1
Western Asset CrD Opp	GDO	12.76	12.21	-4.3 9.9

### National Multi Bond Funds

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
AllBerNatlMunInc	AFB	12.06	10.43	-13.5 4.1
BlckRk Inv Q Mun	BKN	12.17	10.92	-14.1 4.9
BlackRock Multi 2030 Tgt	BTK	23.17	20.37	-12.1 3.4
BlackRock Muni	BFX	11.33	9.64	-14.9 4.2
BlackRock Muni II	BLE	11.70	10.01	-14.4 4.5
BlckRk Muni Inc	BYM	12.26	10.60	-13.5 4.6
BR Muni Assets Fd	MUA	10.94	9.69	-11.4 5.5
BR MH Qly 2	MUE	11.15	9.45	-15.2 4.3
BR MuniHoldings	MHD	13.17	11.22	-14.8 4.3
BR MuniVest Fd	MVF	7.69	6.55	-14.8 4.1
BR MuniVest 2	MVT	11.98	10.17	-15.1 4.2
BR MuniYield Fd	MYD	11.75	10.02	-14.7 4.7
BR MuniYield Qlty	MQY	12.81	11.09	-13.4 4.9
BR MuniYield Qlty 2	MQT	11.35	9.80	-13.7 4.7
BR MuniYield Qlty 3	MYI	12.10	10.43	-13.8 4.7
First Tr Real Assets	FRT	9.52	NA	NA -1.8
BNY Mellon Muni Bd Infr	DMB	11.50	10.62	-7.7 4.7
BNY Mellon Str Muni Bond	DSM	6.39	5.42	-15.2 5.0
BNY Mellon Strat Muni	LEO	6.68	5.75	-13.9 5.0
DWS Muni Inc	KTF	NA	8.36	NA 3.9
EV MuniBd	EBM	11.13	9.61	-13.7 4.4
EV MuniBd Inc	EVN	11.04	9.56	-13.4 5.1
EV Natl Muni Opp	EOT	17.88	16.47	-7.9 4.5
InvAdvMunlCrTrl	VKI	9.43	8.09	-14.2 5.2
Invesco Muni Op	OIA	6.14	6.38	+3.9 5.2
Invesco Muni Opp Tr	OMO	10.54	9.01	-14.5 5.1
InvescoQua Tr	VKQ	10.58	9.08	-14.2 5.1
InvescoQual Inc	IQI	10.63	9.09	-14.5 5.1
InvTrMvGrMun	VGM	10.89	9.29	-11.7 5.0
INVESTAVMunInc	IIM	13.02	11.57	-11.1 5.0
MAINSTAYMDEFTRMUNOP	MMD	16.66	16.99	+2.0 5.6
NeubgrBrm	NBH	11.66	9.90	-15.1 5.2

Fund (SYM)	NAV	Close/Disc	Ret	Prem12 Mo Yld
Nuveen AMT-Fr Mu Val	NWU	14.93	13.64	-8.6 3.4
Nuveen AMT-Fr Qlty Muni	NEA	12.30	10.45	-15.0 4.4
Nuveen AMT-Fr Mu Cl	NVG	13.16	11.19	-15.0 5.0
Nuveen Dyn Muni Opp	NDMO	10.64	10.45	-1.8 7.9
Nuveen Mu Crd Opps	NMCO	11.38	11.12	-2.3 5.8
NuvMuni Credit Income	NZF	13.26	11.32	-14.6 4.9
NuvMuniHlncOpp	NMZ	10.64	10.11	-5.0 5.7
Nuveen Muni Val	NUV	9.16	8.46	

# THE TICKER

<b>Tuesday</b>	July, expected <b>Earnings expected</b> Estimate/Year Ago	\$68.3 0.16/0.04	<b>EIA report: natural gas</b> Previous change in stocks in billions of cubic feet	<b>Earnings expected</b> Estimate/Year Ago	September 4, 2023
<b>Factory orders</b>	American Eagle Outfitters	up 2.3%	up 32	DocuSign	0.66/0.44
June, previous	ChargePoint Holdings	down 2.3%		Guidewire Software	0.38/0.03
July, exp.	Core & Main			Science Applications International	1.62/1.75
<b>Earnings expected</b>	Descartes Systems Group	0.16/0.04	Previous weekly averages	Smartsheet	0.08/(0.10)
Estimate/Year Ago	GameStop	(0.13)/(0.19)	30-year fixed	Toro	1.24/1.19
Asana		(0.11)/(0.34)	15-year fixed		
HealthEquity		0.48/0.33			
Zscaler		0.49/0.25			
<b>Wednesday</b>	<b>Thursday</b>		<b>Friday</b>		
<b>Mort. bankers indexes</b>	<b>EIA status report</b> Previous change in stocks in millions of barrels		<b>Wholesale inventories</b>		
Purch., prev.	Crude oil	down 10.6	June, prev.	down 0.5%	
Refin., prev.	Gasoline	down 0.2	July, exp.	down 0.1%	
<b>Int'l trade deficit in billions</b>	Distillates	up 1.2	<b>Consumer Credit</b>		
June, previous			June, prev.	up \$17.9 bil.	
			July, exp.	up \$19.5 bil.	
			<b>Earnings expected</b>		
			Estimate/Year Ago		
			Kroger	0.91/0.90	

\* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split  
Note: Forecasts are from Dow Jones weekly survey of economists

## Bonds | wsj.com/market-data/bonds/benchmarks

## Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose(▲) or fell (▼) in the latest session

Coupon (%)	Maturity, in years	Country/	Latest(▲/▼)	Yield (%)	Spread Under/Over U.S. Treasuries, in basis points
				1 2 3 4 5	Latest Prev Year ago
5.000	U.S. 2	4.866 ▲		4.857	4.912 3.520
3.875	10	4.173 ▲		4.090	4.048 3.264
0.250	Australia 2	3.844 ▲		3.796	3.929 3.052
3.000	10	4.100 ▲		4.013	4.200 3.658
0.000	France 2	3.302 ▲		3.299	3.264 0.924
3.000	10	3.104 ▲		3.068	3.097 2.146
3.100	Germany 2	3.022 ▲		3.007	2.984 1.094
2.600	10	2.582 ▲		2.549	2.569 1.523
3.600	Italy 2	3.731 ▲		3.656	3.648 2.136
4.350	10	4.292 ▲		4.229	4.213 3.839
0.005	Japan 2	0.022 ▼		0.025	0.029 -0.079
0.400	10	0.646 ▲		0.632	0.646 0.243
0.000	Spain 2	3.442 ▲		3.394	3.432 1.250
3.550	10	3.618 ▲		3.560	3.590 2.708
0.625	U.K. 2	4.936 ▲		4.890	4.841 3.110
4.250	10	4.468 ▲		4.430	4.384 2.916

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Clouse

### ADVERTISEMENT

# The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

### CLASS ACTION

Below is a Summary Notice of a proposed partial class action settlement reached in a class action lawsuit pending in the United States District Court for the District of New Jersey known as *Lincoln Adventures, LLC, et al. vs. Those Certain Underwriters at Lloyd's, et al.* A more detailed version of this Notice is contained in a Long-form Notice posted on the Settlement website at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com). You are encouraged to read the Long-form Notice for a more in-depth explanation of the proposed partial settlement and your rights as they relate to the Settlement.

### IF YOU PURCHASED INSURANCE THROUGH CERTAIN SYNDICATES AT LLOYD'S, LONDON DURING THE PERIOD JANUARY 1, 1997, THROUGH JUNE 15, 2023, YOU COULD GET MONEY FROM A PARTIAL CLASS ACTION SETTLEMENT THAT MAY AFFECT YOUR RIGHTS.

A proposed partial class action settlement has been reached with some, but not all, of the Lloyd's Syndicates who are Defendants in the case and sold insurance to policyholders in the United States (the "Settlement"). Plaintiffs assert causes of action against the Defendants for violation of the Racketeer Influenced and Corrupt Organizations Act, civil conspiracy, and unjust enrichment based on allegations that Defendants engaged in a deceptive scheme to conceal the lack of competition in the Lloyd's Market. The Settling Defendants deny the allegations made against them.

The Syndicates that have settled are Syndicate Nos. 510, 1084, 1096, and 1245 (the "Settling Defendants"). The Syndicates who remain Defendants in the case, and who have not settled, are Syndicate Nos. 0727, 1003, 2003, 2020, 2488, and 2791 (the "Non-Settling Defendants"). The case will continue to be litigated against the Non-Settling Defendants.

#### WHAT ARE YOUR LEGAL RIGHTS AND IMPORTANT DEADLINES

If you do not want to be legally bound by the Settlement, you must exclude yourself in writing from the Class by November 23, 2023. The steps you must follow to be excluded are described in the Long-form Notice, which is available at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com). You can also obtain a copy of the Long-form Notice by mail or email by calling the toll-free number at 1-877-298-4134 between the hours of 8 a.m. and 5 p.m. Central Time. If you do not exclude yourself, but instead stay in the Class, you may object or comment on the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, or service awards to the class representatives by November 23, 2023. The procedure on how to object or comment is described in the Long-form Notice at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com).

The Court scheduled a Fairness Hearing for December 14, 2023, at 11:30 a.m. Eastern Time, at which the Court will consider whether to approve the Settlement, the Plan of Allocation, an award of attorneys' fees and expenses, and service awards for the class representatives. The hearing will take place in Courtroom 5 in the United States Courthouse located at Martin Luther King Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101. The Court may choose to change the date and/or time of the hearing (or decide to conduct it virtually) without further notice of any kind other than on the settlement website and the Court's docket available at <http://ect.njd.uscourts.gov>. If you plan to attend the hearing, you should confirm the date and time by checking the website at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com) or by calling the toll-free number at 1-877-298-4134. The Court at the hearing will consider objections that have been properly made by Class Members. If the Court finds the Settlement to be fair, reasonable, and adequate, it will approve the Settlement. You may choose to attend the hearing, either in person or through an attorney hired at your own expense, but attendance is not required. If you choose to attend the hearing and intend to make a presentation to the Court, you or your attorney must follow the procedures set forth in the Long-form Notice at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com).

**A NOTICE OF INTENTION TO APPEAR MUST BE RECEIVED BY THE COURT AND THE COUNSEL IDENTIFIED BELOW NO LATER THAN NOVEMBER 23, 2023.**

If the Court approves the Settlement, then the Settling Defendants will be dismissed from the case. Class Members who have not properly requested exclusion from the Class will be deemed to have released the Settling Defendants from all claims related to the case and will not be able to sue the Settling Defendants for any of the conduct that was the subject of the case. The full text of the Release is set forth in the Long-form Notice at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com).

#### WHO IS INCLUDED IN THE CLASS

The Settlement affects members of the Class, which are with certain limited exceptions, all persons and entities in the United States who, during the period January 1, 1997, through June 15, 2023 (the "Class Period"), purchased or renewed a contract of insurance (an insurance policy, not reinsurance) with any of the Defendants. The complete description of the Class is set forth in the Long-form Notice at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com).

#### WHAT DOES THE SETTLEMENT PROVIDE

The Settling Defendants have agreed to make payments to settle the claims against them. The total amount of these payments is \$7,900,000. After deducting the amounts approved by the Court for settlement and claims administration costs, attorneys' fees and litigation expenses, and service awards for the class representatives, these funds will be paid to members of the Class. The Settling Defendants will be entitled to the release and other provisions of the Settlement.

#### WHO WILL RECEIVE A PAYMENT

Payments to Class Members will be according to the Plan of Allocation, which is included in the Long-form Notice at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com). To receive a payment, Class Members must submit a Claim Form by December 21, 2023, as more fully described in the next paragraph.

#### HOW DO I RECEIVE A PAYMENT FROM THE SETTLEMENT

To be eligible for a payment, a Class Member must submit a Claim Form on or before December 21, 2023. Claim Forms are available at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com). Claim Forms can be requested from the Claims Administrator by calling the toll-free number at 1-877-298-4134 between the hours of 8 a.m. and 5 p.m. Central Time, or by email at [info@SyndicateSettlement.com](mailto:info@SyndicateSettlement.com). Claim Forms can be completed online at [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com), emailed to the Claims Administrator at [info@SyndicateSettlement.com](mailto:info@SyndicateSettlement.com), or mailed to the Claims Administrator at Syndicate Settlement, c/o A.B. Data, Ltd., P.O. Box 173075, Milwaukee, WI 53217. Each Class Member who wishes to claim part of the Settlement must submit a Claim Form by December 21, 2023. It is the responsibility of the Class Member to provide truthful and accurate information, and to update any information, including contact and address information, to the Claims Administrator, when appropriate.

#### WHO ARE THE ATTORNEYS FOR THE CLASS AND THE SETTLING DEFENDANTS

The Attorneys for the Class are:  
 Rachel L. Jensen  
 ROBBINS GELLER RUDMAN & DOWD LLP  
 655 West Broadway, Suite 1900  
 San Diego, CA 92101  
 Robert S. Schachter  
 ZWERLING, SCHACHTER & ZWERLING, LLP  
 41 Madison Avenue  
 New York, NY 10010

The Attorneys for the Settling Defendants are:

Matthew M. Burke  
 ROBINSON & COLE LLP  
 One Boston Place, 26th Floor  
 Boston, MA 02108  
 Email: [mburke@rc.com](mailto:mburke@rc.com)

#### HOW CAN I OBTAIN ADDITIONAL INFORMATION?

If you think that you may be a Class Member, you can obtain more information, including a copy of the Long-form Notice, the Claim Form, the Settlement Agreement, and other documents relating to the Settlement by visiting [www.SyndicateSettlement.com](http://www.SyndicateSettlement.com) or by contacting the Claims Administrator toll-free at 1-877-298-4134.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK.**

# BORROWING BENCHMARKS

	Latest	Week ago	-52-WEEK- High	-52-WEEK- Low
<b>Policy Rates</b>				
Euro zone	4.25	4.25	4.25	0.50
Switzerland	2.25	2.25	2.25	0.25
Britain	5.25	5.25	5.25	1.75
Australia	4.10	4.10	4.10	1.85
<b>Overnight repurchase</b>				
U.S.	5.35	5.34	5.35	2.25
<b>Sept. 1, 2023</b>				
<b>Inflation</b>				
July index level		Chg From (%)		
	June '23	July '22		
<b>U.S. consumer price index</b>				
All items	305.691	0.19	3.2	
Core	309.402	0.16	4.7	
<b>International rates</b>				
	Week ago	-52-Week- High	-52-Week- Low	
<b>Prime rates</b>				
U.S.	8.50	8.50	8.50	5.50
Canada	7.20	7.20	7.20	4.70
Japan	1.475	1.475	1.475	1.475
<b>Notes on data:</b>				
<b>U.S. prime rate</b> is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. <b>Other prime rates</b> aren't directly comparable; lending practices vary widely by location; <b>Discount rate</b> is effective July 27, 2023. <b>Secured Overnight Financing Rate</b> is as of August 31, 2023. <b>DTCC GCF Repo Index</b> is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. <b>Federal-funds rates</b> are Tullett Prebon rates as of 5:30 p.m. ET. Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.				

## Cash Prices | wsj.com/market-data/commodities

Monday, September 04, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Monday	Friday	Friday
<b>Metals</b>			
Handy & Harman base	24.2290		4.4650
Handy & Harman fabricated	30.2860		37.25
LBMA Gold Price AM	*1944.30		n.a.
LBMA Gold Price PM	*1940.55		n.a.
Coins, wholesale \$1,000 face-a	20515		423.95
<b>Other metals</b>			13.5400
LBMA Platinum Price PM	*980.0		8.6975
Platinum, Engelhard industrial	987.0		5.1650
Palladium, Engelhard industrial	1240.0		7.5575
Aluminum, LME, \$ per metric ton	*2165.5		6.9000
Copper, Comex spot	3.8125		
Iron Ore, 62% Fe CFR China-s	n.a.		
Shredded Scrap, US Midwest-sm	n.a.		
Steel, HRC USA, FOB Midwest Mill-s	n.a.		
<b>Battery/EV metals</b>			
BMI Lithium Carbonate, EXW China, >99.2%-vw	30550		
BMI Lithium Hydroxide, EXW China, >56.5%-vw	28075		
BMI Cobalt sulphate, EXW China, >20.5%-vm	4795		
BMI Nickel Sulphate, EXW China, >22%-vm	4281		
BMI Flake Graphite, FOB China, >100 Mesh, 94-95%-vm	578		
<b>Fibers and Textiles</b>			
Burlap, 10-oz, 40-inch NY yd, n-w	0.7150		
Cotton, 1 1/16 std lw-mdMphs-u	0.8711		
Cotlook 'A' Index-t	*97.95		
Hides, hvly native steers piece fob-u	n.a.		
Wool, 64s, staple, Terr del-u,w	n.a.		
<b>Grains and Feeds</b>			
Barley, top-quality Mnppls-u	n.a.		
Bran, wheat middlings, KC-u,w	145		
Corn, No. 2 yellow, Cent IL-bpu	4.6600		
Corn gluten feed, Midwest-u,w	157.3		
Corn gluten meal, Midwest-u,w	564.3		
Cottonseed meal-u,w	350.0		
Hominy feed, Cent IL-u,w	145		
Meat-bonemeal, 50% pro Mnppls-u,w	438		
<b>Food</b>			
Oats, No. 2 milling, Mnppls-u	4.4650		
Rice, Long Grain Milled, No. 2 AR-u,w	37.25		
Sorghum, (Milo) No. 2 Gulf-u	n.a.		
Soybean Meal, Cent IL, rail, ton 48%-u,w	423.95		
Soybeans, No. 1 yellow IL-bpu	13.5400		
Wheat, Spring 14%-pro Mnppls-u	8.6975		
Wheat, No. 2 soft red, St. Louis-u	5.1650		
Wheat - Hard - KC (USDA) \$ per bu-u	7.5575		
Wheat, No. 1 soft white, Portld, OR-u	6.9000		
<b>Beef, carcass equiv. index</b>			
choice 1-3,600-900 lbs-u	288.57		
select 1-3,600-900 lbs-u	264.23		
Broilers, National comp wtd. avg-u,w	1.1514		
Butter, AA Chicago-d	2.6600		
Cheddar cheese, blk, Chicago-d	187.00		
Cheddar cheese, blk, Chicago-d	195.00		
Milk, Nonfat dry, Chicago lb-d	107.50		
Coffee, Brazilian, Comp-y	1.5334		
Coffee, Colombian, NY-y	1.8606		
Eggs, large white, Chicago-u	1.4850		
Flour, hard winter KC-p	18.40		
Hams, 17-20 lbs, Mid-US fob-u	n.a.		
Hogs, Iowa-So. Minnesota-u	84.53		
Coffee, Brazilian, Comp-y	1.3847		
Pork bellies, 12-14 lb MidUS-u	1.2013		
Pork loins, 13-19 lb MidUS-u	1.78.84		
Steers, Tex.-Okla. Choice-u	178.84		
Steers, feeder, Okla. City-u,w	279.25		
<b>Fats and Oils</b>			
Degummed corn oil, crude wtd. avg-u,w	n.a.		
Grease, choice white, Chicago-h	0.6600		
Lard, Chicago-u	n.a.		
Soybean oil, crude, Cent IL-u,w	0.6955		
Tallow, bleach, Chicago-h	0.6950		
Tallow, edible, Chicago-u	n.a.		

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 8/31

Source: Dow Jones Market Data

## Insider-Trading Spotlight

Trading by "insiders" of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on September 1, and year-to-date stock performance of the company  
**KEY:** B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

## Biggest weekly individual trades

Based on reports filed with regulators this past week

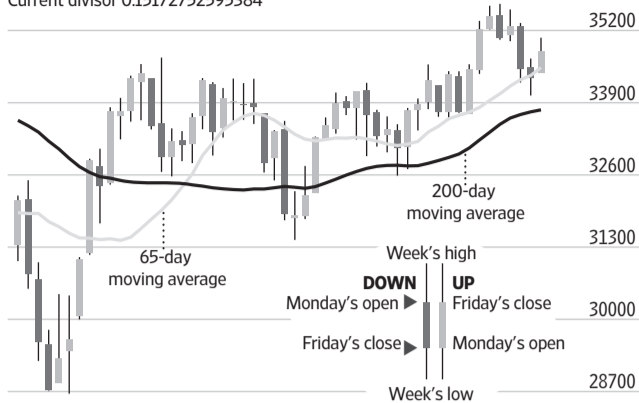
Date(s)	Company	Symbol	Insider	Title	No of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
Aug. 22	Better Home Finance Holding	BETR	T. Bjorgolfsson	BI	1,700	24.55	41,735	0.80	-92.0
Aug. 28-29	Design Therapeutics	DSGN	A. William	DI	2,235	2.15-2.44	5,374	2.48	-75.8
Aug. 7	Liberty Media	LLYVK	J. Malone	CB	140	35.21-36.77	4,999	34.26	n.a.
Aug. 29	Globalstar	GSAT	J. Monroe	DOI	4,197	1.13	4,762	1.48	11.3
Aug. 25-28	Asana	ASAN	D. Moskovitz	CEO	160	21.27-21.80	3,446	21.63	

# MARKETS DIGEST

## Dow Jones Industrial Average

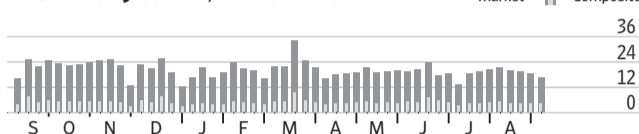
**34837.71** ▲490.81, or 1.43% last week  
 Trailing P/E ratio 25.22 18.44  
 P/E estimate \* 18.95 16.73  
 Dividend yield 2.07 2.26  
 All-time high 36799.65, 01/04/22

Current divisor 0.15172752595384



Bars measure the point change from Monday's open

## NYSE weekly volume, in billions of shares



\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

## Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
<b>Dow Jones</b>											
Industrial Average	35070.21	34441.64	<b>34837.71</b>	490.81	1.43	28725.51	●	35630.68	11.2	5.1	6.7
Transportation Avg	15961.16	15658.54	<b>15835.58</b>	220.64	1.41	11999.40	●	16695.32	15.3	18.2	11.9
Utility Average	889.33	860.00	<b>866.66</b>	-16.04	-1.82	838.99	●	1061.77	-14.5	-10.4	3.0
Total Stock Market	45356.31	44035.32	<b>45124.59</b>	1204.82	2.74	36056.21	●	45969.67	14.3	17.1	7.9
Barron's 400	1017.01	986.90	<b>1016.55</b>	38.47	3.93	825.73	●	1036.97	11.8	10.4	11.1

	High	Low	Latest Week Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
<b>Nasdaq Stock Market</b>											
Nasdaq Composite	14149.62	13626.64	<b>14031.81</b>	441.17	3.25	10213.29	●	14358.02	20.6	34.1	5.5
Nasdaq-100	15618.85	14948.92	<b>15490.86</b>	549.03	3.67	10679.34	●	15841.35	28.0	41.6	8.0

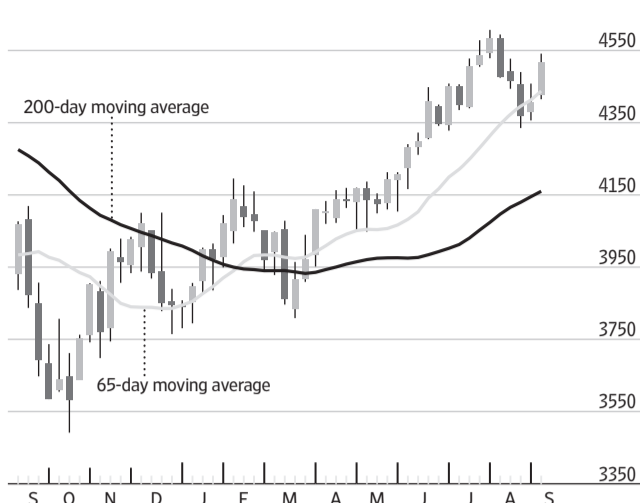
	High	Low	Latest Week Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
<b>S&amp;P</b>											
500 Index	4541.25	4414.98	<b>4515.77</b>	110.06	2.50	3577.03	●	4588.96	15.1	17.6	8.6
MidCap 400	2675.01	2579.20	<b>2669.68</b>	90.48	3.51	2203.53	●	2728.44	11.6	9.8	11.2
SmallCap 600	1244.66	1200.85	<b>1239.34</b>	42.65	3.56	1064.45	●	1315.82	6.7	7.1	10.9

	High	Low	Latest Week Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	YTD % chg	3-yr. ann.
<b>Other Indexes</b>											
Russell 2000	1926.81	1859.33	<b>1920.83</b>	67.20	3.63	1655.88	●	2003.18	6.1	9.1	6.8
NYSE Composite	16152.36	15766.91	<b>16091.79</b>	324.88	2.06	13472.18	●	16427.29	9.5	6.0	7.1
Value Line	576.39	557.76	<b>574.52</b>	16.76	3.00	491.56	●	606.49	6.2	7.1	6.0
NYSE Arca Biotech	5365.71	5243.13	<b>5340.95</b>	93.73	1.79	4390.11	●	5644.5	13.7	1.1	-0.1
NYSE Arca Pharma	921.54	905.76	<b>910.94</b>	-0.73	-0.08	737.84	●	917.89	20.5	5.0	11.1
KBW Bank	82.86	80.48	<b>82.37</b>	2.33	2.91	71.96	●	115.1	-21.5	-18.3	2.3
PHLX <sup>®</sup> Gold/Silver	120.87	114.71	<b>117.38</b>	2.98	2.60	91.40	●	144.37	19.7	-2.9	38.3
PHLX <sup>®</sup> Oil Service	95.87	90.23	<b>95.62</b>	5.777	6.43	56.08	●	95.62	38.6	14.0	38.6
PHLX <sup>®</sup> Semiconductor	3705.58	3503.29	<b>3682.84</b>	187.19	5.35	2162.32	●	3861.63	41.7	45.4	16.9
Cboe Volatility	16.28	13.02	<b>13.09</b>	-2.59	-16.52	12.91	●	33.63	-48.6	-39.6	-20.6

§ Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

## S&P 500 Index

**4515.77** ▲110.06, or 2.50% last week  
 Trailing P/E ratio \* 20.49 21.53  
 P/E estimate \* 20.17 17.52  
 Dividend yield \* 1.54 1.68  
 All-time high 4796.56, 01/03/22



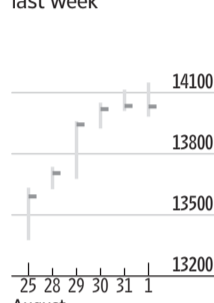
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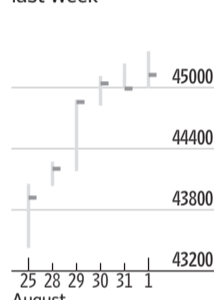
## Nasdaq Composite

▲ 441.17, or 3.25% last week



## DJ US TSM

▲ 1204.82, or 2.74% last week



## New to the Market

### Public Offerings of Stock

### IPOs in the U.S. Market

None expected this week

### Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision	
Sept. 8	Sept. 8, '22	Yoshiharu Global	<b>YOSH</b>	4.00	17.0	-90.5	365 days
	March 9, '23	Xiao-I	<b>AIXI</b>	6.80	46.8	-58.5	180 days
	March 9, '23	Atlas Energy Solutions	<b>AESI</b>	18.00	387.0	<b>23.9</b>	180 days

Sources: Dealogic; Dow Jones Market Data

### IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's Offer price (\$)	% Chg From Offer price	1st-day close	Company	SYMBOL	Friday's Offer price (\$)	% Chg From Offer price	1st-day close
Inspire Veterinary Partners	<b>IYP</b>	3.19	-20.3	3.9	SharkNinja	<b>SN</b>	36.09	20.1	-14.7
99 Acquisition Group	<b>99A</b>	10.23	2.3	0.7	ParaZero Technologies	<b>PRZO</b>	1.32	-67.0	-63.3
Sacks Parente Golf	<b>SPGC</b>	2.24	-44.0	-92.3	Surf Air Mobility	<b>SRFM</b>	1.70	-91.5	-46.0
SRM Entertainment	<b>SRM</b>	2.15	-57.0	-56.8	Haymaker Acquisition 4	<b>HYACUT</b>	10.24	2.4	1.2
LQR House	<b>LQR</b>	1.13	-77.4	-71.0	Janover	<b>JNVR</b>	1.31	-67.4	-65.8
NeurAxis	<b>NRXS</b>	4.35	-27.5	-27.5	Keen Vision Acquisition	<b>KVACU</b>	10.15	1.5	0.7
Fitell	<b>FTEL</b>	2.42	-51.6	-52.1	Turnstone Biologics	<b>TSBX</b>	11.92	-0.7	8.4
MIRA Pharmaceuticals	<b>MIRA</b>	6.18	-11.7	-16.7	ODDITY Tech	<b>ODD</b>	41.97	19.9	-11.7
Cheetah Net Supply Chain Service	<b>CTNT</b>	2.40	-40.0	-65.2	Apogee Therapeutics	<b>APGE</b>	24.71	45.4	16.4
Hanryu Holdings	<b>HRVU</b>	4.69	-53.1	-39.9	Nabors Energy Transition II	<b>NETDU</b>	10.25	2.5	1.4

Sources: Dow Jones Market Data; FactSet

## Public and Private Borrowing

### Treasuries

Tuesday, September 5  
 Auction of 13, 26, and 52 week bills; announced on August 31; settles on September 7  
 Wednesday, September 6  
 Auction of 17 week bill; announced on September 5; settles on September 12  
 Thursday, September 7  
 Auction of 4 and 8 week bills; announced on August 31; settles on September 7  
 announced on September 5; settles on September 12

## A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 490.81 points, or 1.43%, on the week.

A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$32,365, or a gain of 7.88%, on the \$30,000 investment, including reinvested dividends.

## International Stock Indexes

Region/Country	Index	Close	Latest Net chg	% chg	YTD % chg
<b>World</b>	<b>MSCI ACWI</b>	<b>688.12</b>	0.86	0.13	13.7
	MSCI ACWI ex-USA	300.91	1.00	0.33	7.0
	MSCI World	2990.17	0.66	0.02	14.9
	MSCI Emerging Markets	995.50	9.82	1.00	4.1
<b>Americas</b>	<b>MSCI AC Americas</b>	<b>1711.04</b>	-0.11	-0.01	17.4
Canada	S&P/TSX Comp	20545.36	...	Closed	6.0
Latin Amer.	MSCI EM Latin America	2380.32	-1.72	-0.07	11.8
Brazil	BOVESPA	117776.62	-116.34	-0.10	7.3
Chile	S&P IPSA	3377.91	-4.40	-0.13	6.5
Mexico	S&P/BMV IPC	53030.52	-114.84	-0.22	9.4
<b>EMEA</b>	<b>STOXX Europe 600</b>	<b>457.96</b>	-0.17	-0.04	7.8
Eurozone	Euro STOXX	453.40	-0.66	-0.15	10.6
Belgium	Bel-20	3656.70	-26.16	-0.71	-1.2
Denmark	OMX Copenhagen 20	2179.05	8.57	0.39	18.7
France	CAC 40	7279.51	-17.26	-0.24	12.4
Germany	DAX	15824.85	-15.49	-0.10	13.7
Israel	Tel Aviv	1832.08	-15.63	-0.85	2.0
Italy	FTSE MIB	28647.33	-3.16	-0.01	20.8
Netherlands	AEX	747.43	1.38	0.19	8.5
Norway	Oslo Bors All-Share	1461.01	2.10	0.14	7.2
South Africa	FTSE/JSE All-Share	75375.22	588.43	0.79	3.2
Spain	IBEX 35	9416.30	-33.30	-0.35	14.4
Sweden	OMX Stockholm	815.07	2.76	0.34	4.2
Switzerland	Swiss Market	11053.59	-21.56	-0.19	3.0
Turkey	BIST 100	8141.33	85.21	1.06	47.8
U.K.	FTSE 100	7452.76	-11.78	-0.16	0.01
U.K.	FTSE 250	18524.14	-12.76	-0.07	-1.7
<b>Asia-Pacific</b>	<b>MSCI AC Asia Pacific</b>	<b>164.36</b>	1.75	1.07	5.5
Australia	S&P/ASX 200	7318.80	40.50	0.56	2.8
China	Shanghai Composite	3177.06	43.81	1.40	4.0
Hong Kong	Hang Seng	18844.16	462.10	2.51	-4.7
India	S&P BSE Sensex	65628.14	240.98	0.37	7.9
Japan	NIKKEI 225	32939.18	228.56	0.70	26.2
Singapore	Straits Times	3238.97	5.67	0.18	-0.4
South Korea	KOSPI	2584.55	20.84	0.81	15.6
Taiwan	TAIEX	16789.69	144.75	0.87	18.8
Thailand	SET	1548.68	-12.83	-0.82	-7.2

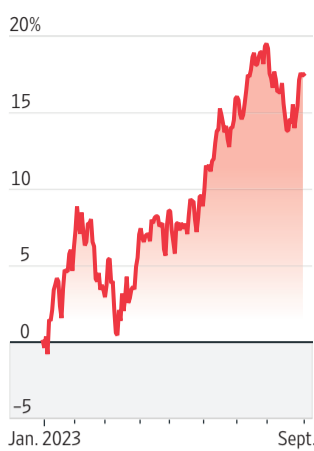
Sources: FactSet; Dow Jones Market Data

## Commodities and Currencies

	Monday Close	Net chg	% Chg	YTD % chg
WSJ Dollar Index	98.54	-0.06	-0.06	2.05
Euro, per dollar	0.9263	-0.0016	-0.18	-0.86
Yen, per dollar	146.48	0.23	0.16	11.72
U.K. pound, in dollars	1.26	0.004	0.29	4.38
	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	1013.41	15.68	1.57	-3.36
Refinitiv/CC CRB Index	284.36	6.16	2.21	2.38
Crude oil, \$ per barrel	85.55	5.72	7.17	6.59
Natural gas, \$/MMBtu	2.765	0.108	4.06	-38.21
Gold, \$ per troy oz.	1939.80	27.90	1.46	6.60
U.S. Dollar Index	104.28	0.30	0.29	0.73
WSJ Dollar Index	98.59	-0.07	-0.07	2.11
Euro, per dollar	0.9279	0.0016	0.18	-0.69
Yen, per dollar	146.25	-0.20	-0.14	11.54
U.K. pound, in dollars	1.26	0.001	0.10	4.08
	52-Week Low	Close (●)	High	% Chg
DJ Commodity	930.59	●	1075.81	-3.80
Refinitiv/CC CRB Index	253.85	●	287.62	-0.04
Crude oil, \$ per barrel	66.74	●	92.64	-1.52
Natural gas, \$/MMBtu	1.99	●	9.11	-68.53
Gold, \$ per troy oz.	1623.30	●	2048.00	13.45
U.S. Dollar Index	99.77	●	114.10	-4.80
WSJ Dollar Index	94.37	●	105.14	-2.33
Euro, per dollar	0.89	●	1.04	-7.61
Yen, per dollar	127.86	●	150.15	4.31
U.K. pound, in dollars	1.07	●	1.31	9.37

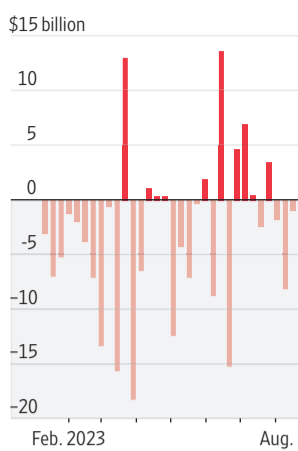
MARKETS

S&P 500 index performance



Sources: FactSet (S&P); Refinitiv Lipper (net flows)

Net flows into U.S.-focused mutual and exchange-traded funds



## Fall Jitters Follow Stock Rally

Continued from page B1  
what happened during previous bull markets where the market was super-focused on one particular thing.”

Besaw said he started the year neutral but has become bearish the closer the market has risen near record highs. The S&P 500 on Friday was off about 6% from its record close in January 2022.

Institutional investors are cashing in on their gains, yanking money from U.S.-focused equity mutual and exchange-traded funds for five straight weeks, Refinitiv Lipper Data shows. That marks the longest losing streak since the 11-week run that ended in mid-March when the regional banking crisis fueled worries about the U.S. financial system.

Mel Lagomasino, chief executive at WE Family Offices, said she is locking in profits by selling growth stocks for value in the healthcare and consumer-staple sectors. She has also added to Treasury holdings to capture attractive 5% yields, with interest rates hovering at their highest level in more than two decades. “These tech megacaps

went up too far too fast—the AI hype had a lot to do with it,” Lagomasino said.

Individual investors are growing wary of this year’s rally too. Bearish sentiment—or the expectation that stocks will fall over the next six months—is at 34.5%, the latest American Association of Individual Investors survey shows. That is the second weekly jump after 11 weeks of readings below the average of 31%. Bullish sentiment is below the historical average.

The jitteriness is turning up in bets against domestic stocks, which reached \$989 billion last week, up from \$886 billion at the end of 2022, according to S3 Partners. Short sellers are finally cashing in; their positions were up \$43 billion in August, though that is still far from the \$174 billion they lost during the first seven months of the year.

Some traders are still hopeful markets could extend their gains after Labor Day, when trading volumes typically pick up.

Consumer spending, the biggest driver of economic growth, has remained resilient. Sarah Henry, portfolio manager at Logan Capital Management, noted the huge turnouts for Taylor Swift and Beyoncé concerts this summer and expects people will continue spending on experiences.

“Consumers are still feeling optimistic and want to spend money on discretionary things,” said Henry.

# Country Garden Buys Time

The property giant has a second chance to make an interest payment this week

By CAO LI AND REBECCA FENG

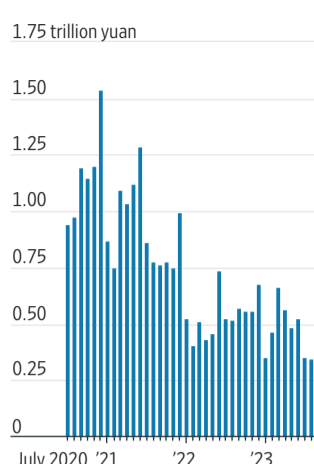
HONG KONG—China’s top surviving private developer bought more time to sort out its liquidity problems, giving investors hope that it will cobble together enough cash to avoid defaulting on its U.S. dollar bonds this week.

**Country Garden Holdings** on Friday said it got approval from investors in mainland China to extend the maturity date of \$537 million in domestic bonds by three years. The yuan-denominated debt was originally due Monday. An offshore unit of the property giant separately made an interest payment of around \$600,000 on a bond denominated in Malaysian ringgit on Monday, according to a person familiar with the matter.

The debt extension and bond payment created optimism that Country Garden can address a debt load that includes a range of foreign currency bonds.

The developer’s Hong Kong-listed shares jumped 15% on Monday, closing at their high-

Monthly new home sales of China’s top 100 developers



Note: 1 trillion yuan=\$137.5 billion

Sources: China Real Estate Information Corp. (home sales); FactSet (share-price and index)

est level in about three weeks. Other Chinese property stocks gained, while the Hang Seng Index rose 2.5%.

Country Garden’s bond prices edged higher, although most of its dollar bonds remained below 10 cents on the dollar, levels that indicate a high probability of default.

Chinese authorities took more steps in recent days to shore up the country’s beleaguered housing market, where sales declined for most of the past two years. Last Thursday, the People’s Bank of China lowered minimum down pay-

Year-to-date share-price and index performance



ments on first and second home purchases and told banks they can lower the rates on existing mortgages. Regulators recently expanded the definition of a first-time home buyer, a category that comes with lower mortgage rates and smaller down payments.

The rule changes helped draw more people to real-estate showrooms over the weekend. Demand for new homes in Shanghai rose noticeably after the measures were implemented, according to Chen Julian, a senior analyst with China Index Academy.

Country Garden’s recent cash crunch has largely been a result of slumping home sales in many parts of China. The company is one of the biggest surviving privately run developers and has a large presence in the country’s poorer regions. In August, it sold homes valued at a total of around \$1.1 billion, almost three-quarters lower than a year earlier.

The company missed \$22.5 million in coupon payments on bonds with a total face value of \$1 billion in early August, and has a 30-day grace period to come up with the money. That grace period expires this week.

Even if it does pay the interest on its dollar bonds this week, it has many more coupon payments due in the coming months. Investors are skeptical it can avoid default—unless its sales start growing again. Country Garden’s most recent financial report said that as of June 30, it had the equivalent of \$15 billion in bonds, bank debt and other borrowings due within a year.

The company lost more than \$7 billion in the first half of 2023, its worst financial performance since it went public in 2007, after its contracted sales for the period shrank 30%.

Country Garden told investors it was “deeply remorseful” but said it was committed to turning things around.

## Asia Indexes Rise on China’s Property Effort

By WILL HORNER

International stock indexes diverged in low-volume trading as investors assessed new Chinese measures aimed at supporting its beleaguered property sector.

**MONDAY’S MARKETS** Asian indexes climbed across the board, led by Chinese markets, as investors welcomed Beijing’s latest effort to support home buying.

The Shanghai Composite Index rose 1.4% and Hong Kong’s Hang Seng Index

climbed 2.5%. Japan’s Nikkei 225 rose 0.7%.

U.S. markets were closed for the Labor Day holiday, sapping liquidity from international markets. U.S. stock futures and European indexes pared early gains, with the Stoxx Europe 600 index closing around the flatline.

**Novo Nordisk’s** shares edged higher, extending the Danish drugmaker’s lead as Europe’s most-valuable company, having overtaken **LVMH Moët Hennessy Louis Vuitton** on Friday.

Major Chinese conurbations, including Beijing and Shanghai, eased mortgage requirements for some home buyers late last week, with other cities following suit over the weekend.

Plus, **Country Garden**, one of China’s most troubled property developers, agreed with creditors to restructure an impending bond repayment. Hong Kong-listed shares of Country Garden soared almost 15% after the news. Other Chinese property developers jumped: Hong Kong-listed

**Longfor Group** by over 8% and **Seazen Group** by more than 18%.

Crude oil prices held close to nine-month highs as investors awaited insight into supply plans from the Organization of the Petroleum Supporting Countries and its allies.

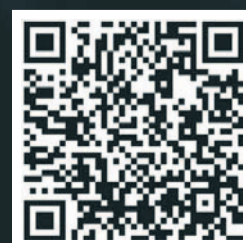
Analysts expect Saudi Arabia to decide this week whether to unwind or extend a one million barrel-a-day output cut; they mostly see Riyadh continuing the curbs for at least another month.

Better Together. The All-New

# WINE ENTHUSIAST



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# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## China's Malaise Should Worry Neighbors

Asian markets have been rallying even as world's second-largest economy falters, but that may not last

China's economic troubles have so far been a boon to other Asian markets. But if the world's second-largest economy continues to turn sour, things could start to look uglier for them, too.

Major Asian stock markets have been doing well in 2023. Japan's Topix index has gained 24% this year while Taiwan's Taiex index has risen 18% and Korea's Kospi is up 15%. That is in contrast to Chinese stocks: The MSCI China index has dropped 6%, despite a strong start of the year.

There are some fundamental reasons why Asian stocks outside of China have gone up. Buybacks and

dividends are rising in Japan, while Warren Buffett's endorsement gave the market another push. The hope of an eventual rebound in the semiconductor industry has lifted stocks in Taiwan and South Korea. But these markets also benefited from foreign investors fleeing Chinese stocks. Markets such as Japan and South Korea have logged foreign inflows in recent months. Some multinationals also have been migrating manufacturing out of China and into other Asian countries to diversify their supply chains.

However, Goldman Sachs has noted that correlations between China and other markets in the re-

gion have risen lately, indicating potential concerns of spillover.

China is the top trading partner of many countries in the region like Japan and South Korea, and weak demand from China could ripple through to its neighbors. South Korea's exports to China, accounting for roughly 20% of its total, fell 25% year over year in the first eight months of 2023.

And falling investment in China—especially in the real-estate sector—could weigh on commodity prices. So far, prices of commodities such as iron ore have been resilient this year as demand from sectors such as autos and infra-

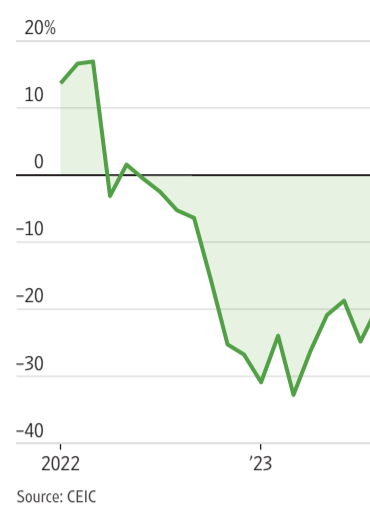
structure have softened the blows from property construction. But commodity-exporting nations such as Australia, Malaysia and Indonesia could suffer if Chinese investment remains weak.

The confidence crisis in China also could hurt companies selling to the country's consumers. The number of Chinese tourists, in particular, is still way down from pre-pandemic levels for many countries including Japan and Thailand.

As China is the economic juggernaut in the region, the country's pain is unlikely to be its neighbors' gain for long.

—Jacky Wong

South Korea's monthly exports to China, change from a year earlier



## Next Big Disruption For Automakers Could Be Labor

Just when it is becoming easier to find a car, along comes another potential supply shock: a United Auto Workers strike.

Labor Day this year came at an unusually tense point in relations between U.S. vehicle assemblers and General Motors, Ford Motor and Chrysler owner Stellantis. The current four-year contract negotiated by the UAW union on behalf of factory employees at the Detroit Three expires on Sept. 14.

The two sides seem far from agreeing on a new contract. Ford on Thursday published the terms of its offer, including a 9% wage increase over the four years. The UAW is asking for a 46% increase. Its plain-speaking president, Shaun

Fain, responded in a Facebook address to members that Ford's wage proposal "insults our very worth."

And Ford is the most union-friendly of the Detroit Three. Although it trails GM in terms of U.S. market share, it assembles more vehicles locally. Its reputation for having a softer touch extends to Canada, where the Unifor union last week picked Ford as its potential target for pattern bargaining, ahead of the expiration of its own contract with the Detroit Three on Sept. 18.

While Fain didn't like Ford's offer, he accused GM and Stellantis of "refusal to bargain in good faith" and said the UAW had filed a legal complaint against them. Stellantis called the action frivolous, and GM said it was "an insult to the bargaining committees."

Even allowing for the theatrics of an all-but-public negotiation, none of this bodes well so close to the deadline. If no agreement comes, Fain has said the union will call a strike, potentially at all three companies. A recent vote authorized it to do so with 97% of members voting in favor.

With good reasons to dig in on both sides, it was always going to be a tough negotiation.

For workers, the recent increase in inflation eroded real pay even as higher vehicle prices padded the bottom lines of manufacturers. The existing contract is also riddled with concessions, such as a



If a strike happens, Americans could face more of the vehicle shortages that emptied dealer lots in 2021 and 2022.

lower-pay employment tier, that date from Detroit's dog years at the start of the century. After a decade of healthy profits, the union wants to nix them.

Meanwhile, manufacturers are focused on the gap between their labor costs and those of nonunionized competitors, which any settlement will only widen. The total cost of the average UAW-organized assembly-line worker is \$66 an hour, compared with \$55 for non-unionized manufacturers such as Toyota, which now accounts for the majority of U.S. car sales, and just \$45 for electric-vehicle specialist Tesla.

Additionally, Detroit profits may be on a downward trend. The analyst consensus is for GM's net profit to fall 4% this year and a

further 9% in 2024, according to FactSet, as vehicle prices normalize and it sells more low-margin electric vehicles. A generous pay deal would add to the pain.

With so much at stake, a strike seems increasingly likely even if it would benefit nobody. An analysis by consultants at Anderson Economic Group put the cost to the U.S. economy of a 10-day strike affecting all three manufacturers at \$5.6 billion. Four years ago the strike at GM dragged out for six weeks.

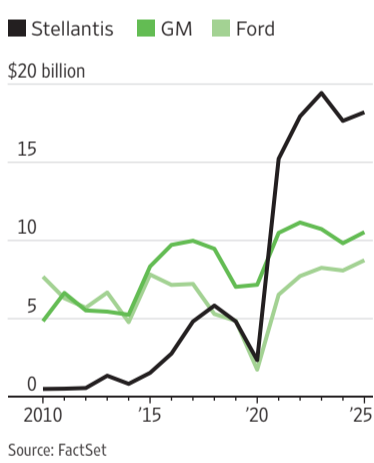
If a strike does happen, one consequence that Americans could feel far from Michigan is a continuation of the vehicle shortages that emptied dealer lots in 2021 and 2022. Inventories have improved this year, but they are still

much lower today than they were when GM workers went on strike in 2019. The RAM and Jeep brands are exceptions, so a strike targeting Stellantis specifically—a possibility given the company's fatter margins and heavier use of temporary workers—might not have much market impact. But a broad strike certainly would.

Of course, tighter supply also could have the perverse effect of propping up vehicle margins at today's unusually high levels, at least for Detroit specialties such as pickup trucks and large sport-utility vehicles that face less non-unionized competition. When will the auto industry get back to normal after the pandemic? The answer always seems to be not yet.

—Stephen Wilmot

Annual profit, including consensus forecasts



## MARKETS

## Extreme Weather Boosts Catastrophe Bond Sector

By ERIC WALLERSTEIN

The mounting cost of extreme weather events is turbocharging the market for catastrophe bonds.

Designed in the mid-1990s in the aftermaths of Hurricane Andrew and the Northridge earthquake, these bonds allow insurers, companies and even governments to transfer some of the risk of a disaster to investors. For offering what is essentially reinsurance, investors get relatively high yields in return for the possibility they lose their money if hurricane winds top certain speeds or damages exceed certain dollar thresholds.

Now, more-frequent disasters are prompting increased issuance of these bonds, even as investors demand double-digit rates in some cases. A cat-bond index compiled by Swiss Re had its best first half of a year on record in 2023; through August, the index is up more than 14%.

"Cat bonds have performed better than many expected," said Jean-Louis Monnier, Swiss Re's head of insurance-

linked securities. "You need extremely big events with very remote risk to hurt them."

Nearly \$11 billion in cat bonds were sold through the first eight months of the year. The market has now topped \$41 billion—double its size from a decade ago, according to Artemis, an insurance-linked securities data firm.

The market's growth is prompted by not only more extreme events but also inflation; the cost of dealing with disasters has risen rapidly.

New York's Metropolitan Transportation Authority sold its fourth cat bond in May, receiving \$100 million in protection against surges originating from named storms. It matures in 2026, a typical duration for cat bonds, paying 5.75 percentage points above short-term interest rates.

Since the Federal Reserve lifted rates to their highest level in 22 years, MTA's bond has been paying more than an 11.1% annualized coupon. Because the rates float with those set by the Federal Reserve, its price doesn't suffer from rising rates—instead,

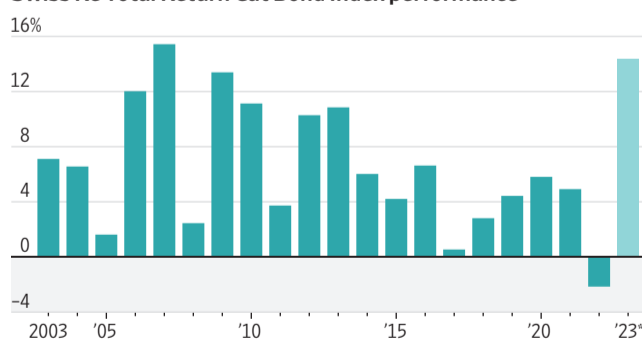
bondholders benefit from higher yields. Cat bonds also don't trade in lockstep with corporate debt, helping large investors hedge their portfolios.

This year, Chile tapped financial markets to shore up protection from earthquakes and resulting tsunamis. Investors are receiving roughly 10.1% on bonds issued by the World Bank on Chile's behalf—they just have to be mindful of a risk that most struggle to model.

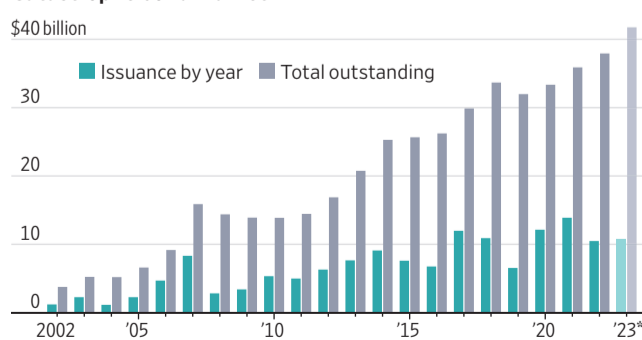
"There's always tension between the idea that cat bonds are attractive portfolio diversifiers, and concerns about climate change," said Peter DiFiore, a managing director at Neuberger Berman. "Are we properly pricing the risks? Or are we picking up pennies in front of the proverbial steamroller?"

DiFiore, a 42-year-old Princeton-trained geoscientist, didn't imagine he would be working on Wall Street, much less trading bonds. He now manages \$3.2 billion for Neuberger Berman's insurance-linked strategies, structuring deals with insurers and other firms and ultimately investing in them on behalf of pensions, endowments and other large investors. More than \$1 billion of those funds is invested specifically in cat bonds.

Swiss Re Total Return Cat Bond Index performance



Catastrophe bond market\*



\*Through Aug. 31 †Includes some other insurance-linked securities Sources: Swiss Re (Cat Bond Index performance); Artemis (bond market)

"Catastrophe bonds are a powerful idea to begin with—we are offered returns for risks that are fundamentally uncorrelated to everything else investors hold," said DiFiore. "Our most powerful hedge is choosing not to write certain risks."

Neuberger Berman counts

on its cadre of catastrophe scientists to intensively model extreme events to find the best value. While an uncertain and increasing number of disasters sounds bad for bondholders, insurers' swelling need for protection has tilted the market in favor of investors, especially as higher rates

have sequestered cash into traditional assets.

Hurricane Ian, the third-costliest natural disaster in U.S. history, upended the cat-bond market last year. With the storm racking up \$115 billion in damages, investors feared they would be on the hook for their principal. With high-water marks, or attachment points, on when the bonds would be triggered, many bondholders fared better than expected.

Insurers suffered, on the other hand. Reinsurance premiums—the amount insurance companies need to pay for their own coverage—jumped. In many cases, the premiums doubled in the aftermath of Ian, according to DiFiore.

The wave of supply isn't expected to break soon, as the need to protect against potential losses continues to grow. That should keep terms attractive, encouraging investors to enter the cat-bond market.

Hurricane Idalia recently hit Florida before traveling to the Carolinas as a tropical storm. DiFiore said early analysis suggests much lower losses than Ian caused, and therefore limited risk for cat-bond holders. It is the latest prod for Florida's insurance industry to build more resilience, he added, which should keep cat-bond supply plentiful.



## Is Now the Time To Invest in Emerging Markets?

Emerging-markets stock ETFs offer exposure to higher-growth markets, but they also can be volatile. Here is a look at the pros and cons of these investments.

BY LORI IOANNOU

**F**OR SOME INVESTORS seeking to diversify their portfolios, emerging markets are looking increasingly attractive.

There are 169 emerging-markets stock ETFs available to fund investors, with total assets of about \$296 billion, according to fund researcher Morningstar Direct.

Some analysts and financial advisers say there is a lot to like about this sector right now. What is the argument for putting money into these exchange-traded funds? And what's

the argument for getting out, or not starting at all? Here's a look at the pros and cons.

### The Pros

One factor driving interest in emerging-markets ETFs is that emerging economies are growing faster than advanced economies, and that isn't forecast to change soon. The International Monetary Fund forecasts real growth in gross domestic product of only 1.4% in advanced economies in 2024

*Please turn to page R4*

## Fafsa Changes Are Coming. Here's What You Should Know.

The goal: To make the financial-aid form easier to fill out and more generous to families in need

BY CHERYL WINOKUR MUNK

**S**IGNIFICANT changes are coming to the Fafsa—the Free Application for Federal Student Aid—for the 2024-25 academic year.

There has been a continuing effort to make the Fafsa—the

filing that college parents or students must make each year to be eligible for federal aid—easier to understand, less onerous to fill out and more generous to families in need of help. These changes, many of which have been legislatively mandated, should be evident in the new Fafsa expected to be available later this year.

Here's what families should know:

### • Fafsa will open later

In recent history, the Fafsa that families filed for the following academic year became available Oct. 1. Because of the extensive changes, however, the Education Department has said it needs more time to prepare and is predicting a December launch of the new Fafsa. Going forward, after this year, the process is

*Please turn to page R2*

## Inside

### RETIREMENT ROOKIES

Should they stay or should they go? Now, he says, is time to leave San Francisco for their spot in Kansas. She loves both but isn't ready yet. **R3**



Scan this code to learn what home buyers need to know now that mortgage rates are above 7%.

## Love!

Our Young Money columnist explores the wedding age—that period when all your friends and family are getting married—and how to keep a lid on costs. **R6**

### SCOREBOARD

August 2023 fund performance, total return by fund type. More on R2.

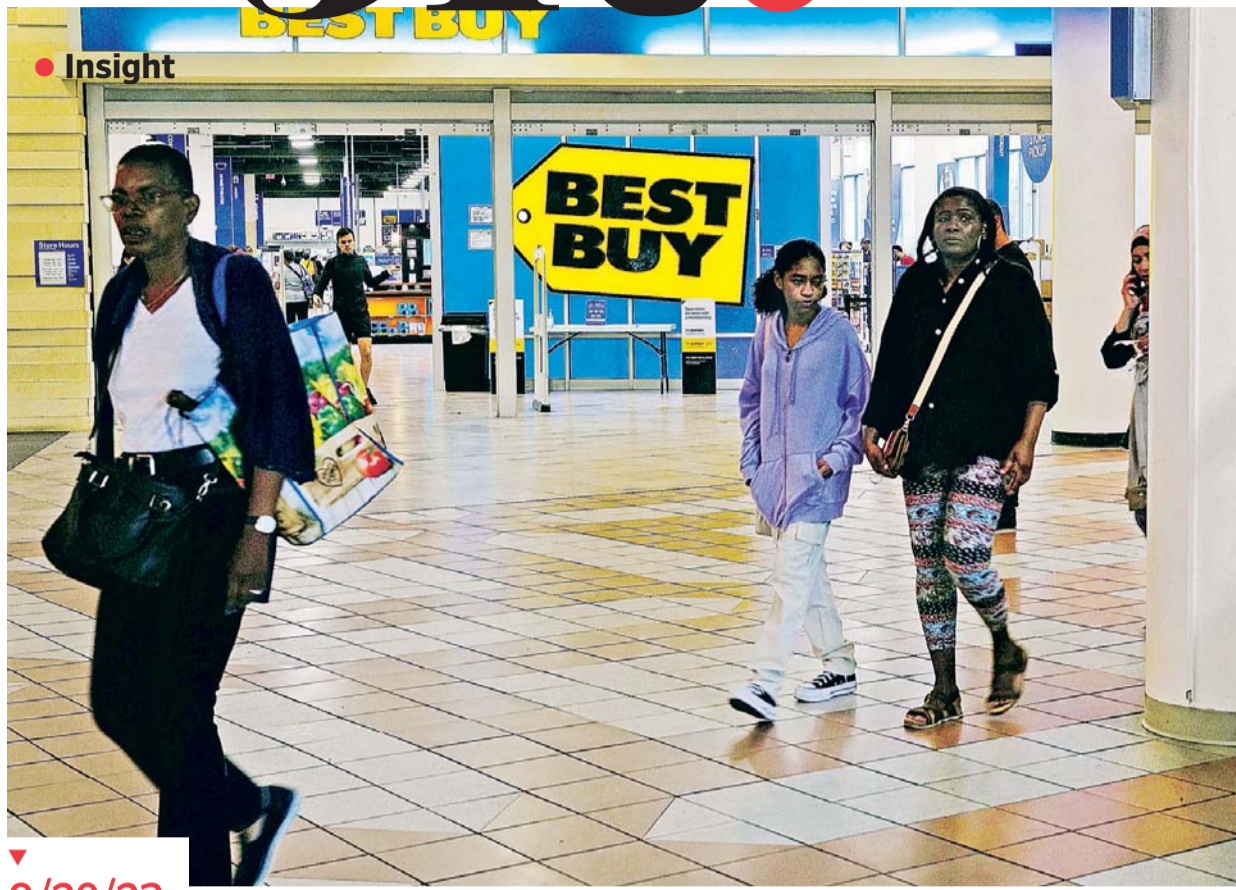
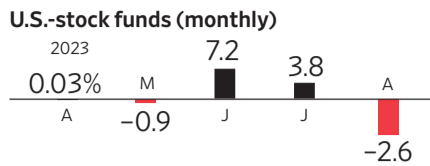
U.S. stocks*	Intl. stocks*	Bonds (intmd.)
-2.6%	-4.0%	-0.6%

\*Diversified funds only, excluding sector and regional/country funds. Source: Refinitiv Lipper

JOURNAL REPORT | INVESTING MONTHLY

A Journal Report special look at the numbers and news about this month's investing

# JR



8/29/23 A Best Buy store in a Brooklyn, N.Y., mall.

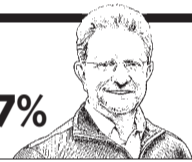
**3.9%** Best Buy's rise on Aug. 29, when it released earnings. The retailer's stock is still down 45.5% from its closing high in November 2021.

**34%** The year-to-date gain in the Nasdaq Composite Index through August, as investors flock to large tech stocks, even after a 2.2% decline for the month.

**Buy Best Buy?** After a surge of pandemic-driven demand, electronics retailers have been bracing for sales to fall this year. For Best Buy, however, the 7.2% decline in sales during the second quarter wasn't as sharp as analysts expected and executives at the Richfield, Minn.-based company believe "this year will be the low point in tech demand."

**Monthly Monitor • William Power**

**Stock-Fund 2023 Gain Drops to 13.7%**



Fund investors are ending the summer feeling uncertain.

The good news, of course, is that many areas of the stock market are holding on to double-digit gains for 2023 despite inflation pressure and the Federal Reserve's series of rate increases in response. Stocks showed life late in the month, but for most of August, stocks felt the pain. Fed Chair Jerome Powell said inflation remains too high and rates could be raised again if needed.

The S&P 500 and Nasdaq snapped five-month winning streaks, and the Dow Jones Industrial Average posted its first monthly loss since May—falling 837.62 points, or 2.4%, during the month.

Markets were closed on Monday, Labor Day.

The average U.S.-stock fund declined 2.6% in August, according to Refinitiv

Lipper data, to trim the year-to-date gain to nearly 13.7%.

"The market has been rallying this year because the consumer has remained resilient, unemployment has remained low and the economy has avoided a recession, at least for the time being," says Chris Zaccarelli, chief investment officer for Independent Advisor Alliance in Charlotte, N.C.

"Investors still care what the Fed is going to do," he adds, but says that because the central bank is either done raising rates or close to being done, corporate profits are again the main focus.

In fact, large-cap growth funds—which focus on companies expected to increase revenue and profit faster than average—are up an average 30.2% so far this year, according to the Refinitiv Lipper data, despite a 1% slip in August.

International-stock funds fell 4.0% in the month, to trim their year-to-date gain to 9.9%.

Bond funds also eased in August. Funds focused on investment-grade debt (the most common type of fixed-income fund) fell an average of 0.6% in the month, to trim their year-to-date gain to 1.7%.

William Power is deputy section editor of Journal Reports in South Brunswick, N.J. Email him at [william.power@wsj.com](mailto:william.power@wsj.com).

**'The Fed will likely hold rates steady in September as tight credit conditions and a rising debt burden eventually end the consumer's spending binge. Policy makers will have to be careful not to break the economy since they admit they are navigating by stars under cloudy skies.'**

**Jeffrey Roach**  
Chief economist, LPL Financial



**Financial Flashback**

**A look back at Wall Street Journal headlines from this month**

**15 YEARS AGO ▶**

Wall Street banks dropped like flies during 2008. It was the ill-considered result of making home loans to people with dodgy credit, which inevitably led to mass defaults. But the souring of the loans and the bank failures was just a warm-up as the banking crisis morphed into a barely averted disaster.

There were two key events. First, Lehman Brothers filed for bankruptcy on Sept. 15. All year, the Federal Reserve matched failing banks with potential buyers. JPMorgan Chase, for example, bought Bear Stearns. "It looked for partners who were healthy to absorb the businesses," says Steven Blitz, chief U.S. economist at GlobalData TS Lombard.



Wall Street Journal, Sept. 15, 2008

But for Lehman, there was no buyer to be found when needed. Second, the Fed took a deep dive into insurance company AIG's finan-

cial. "What they saw just frightened everybody to death," Blitz says. It had sold insurance against bonds defaulting, and payments were fast coming due. If AIG couldn't pay up, customers could face financial ruin.

"If AIG went down, Goldman Sachs would go, too, and that would be it," Blitz says, meaning Wall Street would get eviscerated. The Fed rescued AIG with an \$85 billion loan and took control of 79.9% of the stock.

Still, the S&P 500 dropped 20.2% in September, by far the year's worst month. But Wall Street survived.

—Simon Constable

**35 YEARS AGO ▼**

**Street Fight: SEC Accuses Drexel of Securities Violations**

**50 YEARS AGO ▼**

**SEC Expects End of Fixed Brokerage Fees to Boost Efficiency, Investor Confidence**



**Changes To Fafsa Are Coming**

Continued from page R1

expected to return to the normal Oct. 1 cycle.

Even though the Fafsa will become available later, families can still get an estimate of their aid eligibility by using a college's net price calculator generally available on the school's website, says financial-aid specialist Mark Kantrowitz.

What's more, the separate CSS Profile, an online application used by more than 250 private colleges and scholarship programs to award non-federal institutional aid, will continue its normal cycle, opening on Oct. 1 for the coming academic year.

**Expect a more simplified process**

The new Fafsa will have fewer questions, and it will allow for a much larger percentage of families to have their financial information transferred directly from the Internal Revenue Service, says Kim Cook, chief executive of the National College Attainment Network, a non-profit advocacy group.

In the past, eligible students and parents could use the IRS Data Retrieval Tool to input their tax return information, rather than type in tax-return numbers, line by line, themselves. But the new Fafsa makes this process more seamless, asking student and parent filers for consent to retrieve and disclose their federal tax information. The important thing to note is that now students won't be eligible for federal financial aid without this consent. (They should provide this consent even if they didn't file a U.S. tax return or any tax return at all.)

"The direct data exchange will make it easier and more accurate and should vastly reduce or eliminate the need for income verification, which can cause major delays in a student receiving aid," Cook says.

**Demise of the 'Expected Family Contribution'**

The term Expected Family Contribution, or EFC, confused many families, who thought it referred to how much aid the student would receive or how much the family would have to pay. It will be replaced by the Student Aid Index—a new analysis formula that schools will rely on for determining aid.

**Expanded aid opportunities for low-income families**

More families should be eligible for the federal Pell Grant since eligibility will be linked to family size and the federal poverty level. This means that an estimated 555,000 students who weren't previously eligible now will be, with 1.7 million more students receiving the maximum Pell Grant award under the new formula, according to the Education Department.

The maximum award for the academic year 2023-24 was \$7,395. The new Pell Grant levels are subject to a final federal appropriations bill, Cook says.

In another measure aimed at helping lower-income applicants, families with adjusted gross income below \$60,000

won't be asked to report their assets for the purposes of determining aid. The previous threshold was \$50,000.

**Other formulaic changes**

The new Fafsa will still ask about how many students a family has in college, but because of legislative changes, a family's ability to pay isn't divided per child. This means that each student might be responsible for more tuition, depending on the family's income. The disappearing sibling discount for federal aid has caused some angst, especially for middle- and higher-income families with more than one child in college at the same time. However, institutions will receive the data and may choose to use it for their own aid purposes, says Karen McCarthy, vice president for public policy and federal relations at the National Association of Student Financial Aid Administrators, a professional association for aid administrators.

There are also several significant changes to the asset-contribution components of the financial-aid formula. One of these changes could mean potential ramifications for families who own a business or family farm, Kantrowitz says.

Students and parents will each be asked to report the net worth of all businesses, regardless of size. And net worth of a farm now includes the value of a family farm, though the value of a family's primary residence is still excluded, according to the Education Department.

**Changes affecting unmarried, divorced or separated parents**

In the past, when parents were unmarried, divorced or separated, Fafsa duties fell to the parent the student lived with more during the previous 12 months. That is being changed so the filing responsibility falls on the parent who provided the most financial support in that time period. If both parents provided equal support, the filing parent should be the one with the greater income or assets. The online Fafsa will help walk students through the process of determining the appropriate parent.

**Other changes**

When students log in to fill out the Fafsa, they will only be able to see questions that they are expected to answer; parent filers will log in separately to see the questions related to them. Also, students will be able to list up to 20 colleges on the Fafsa, instead of 10.

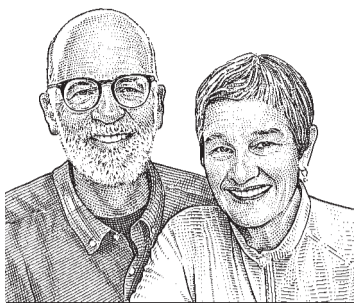
Even though the Fafsa won't be available for a few months, families who are new to the aid process should get a jump-start by going to Studentaid.gov to create an email and password combination known as an FSA ID. This will allow them to file for financial aid as soon as the Fafsa becomes available. The student and the parent filer should each obtain a unique FSA ID, which is also used for other future aid-related tasks such as loan counseling and applying for loan repayment plans.

*Cheryl Winokur Munk is a writer in West Orange, N.J. She can be reached at [reports@wsj.com](mailto:reports@wsj.com).*



## JOURNAL REPORT | INVESTING MONTHLY

Retirement Rookies • Stephen Kreider Yoder and Karen Kreider Yoder



## Now That We're Both Retired, Is It Time to Move to Kansas?

There are many reasons to leave San Francisco—and just as many reasons to stay

**The first year** in retirement is often the most difficult. But it also can set the stage for how you'll fill the years ahead—both financially and psychologically. Stephen Kreider Yoder, a longtime Wall Street Journal editor, joined his wife, Karen Kreider Yoder, in retirement a year ago. In this monthly column, the 66-year-olds chronicle some of the issues they are dealing with early in retirement.

• **STEVE:** “Well, Karen,” I asked, “is it time we moved to Kansas?”

We were sitting in the shade of a giant bur oak this summer on the patio of a 2-acre farmstead near Wichita. It was 81 degrees under blue skies, and the breeze carried a faint clucking from the henhouse.

This oasis on the edge of a small prairie town has been an extended-family gathering spot for nearly a half-century and, for Karen and me, a counterpoint to our big-city lives.

Almost every time we've visited, we've talked of moving there eventually. Now that we're retired and wondering what's next, the question feels more immediate.

Retirees leave their longtime residences for many reasons—to cut costs, be nearer family, seek sunshine, live closer to nature, settle in a college town or alongside a golf course.

Readers have emailed suggesting we consider states such as South Carolina, Nevada and Ohio. “California is nice,” writes one in Georgia, “but our country has many great places to live that will not break the bank.”

We live in the heart of San Francisco and love it. When people who haven't recently set foot in our city tell us what a hellhole it is, we nod politely and change the subject.

Still, Kansas is looking mighty fine these days.

It's partly about finances. Our San Francisco home, a lovely old Victorian, is a money pit in two ways. We spend lots in taxes, insurance, upkeep and keeping up its gingerbread exterior (as “our gift to the city,” we like to say). And we have a lot of capital trapped in it.

The house doesn't make financial sense if we travel many months each year. A big home also makes it hard to get rid of stuff. We've downsized a lot—our garage is now remarkably spare—but there are limits if you want to

keep rooms furnished.

Then there's the generalized anxiety of owning in a big city, especially one with earthquakes. Who needs added angst at our age?

If we cashed out, we could live more carefree on our retirement income. We could reallocate the equity to building a life in a new locale, to needy family members and to charity.

Where better to move, for us two, than Kansas? We have a network of relatives and friends in the small town and surrounding communities. The farmstead is in the family, and more live next door.

Among local acquaintances are Bay Area transplants. Karen and I took a four-minute walk back past the barn, over the creek and across a town park to the local retirement community for margaritas with our longtime friends Lyn and Naomi.

They left California in Early Covid and have old friends in town, found a welcoming church community and get many places on bicycles. “We landed on our feet here pretty well,” said Lyn. “It's a good place to graduate to.”

Near them lives Dan, 66, a mutual friend who retired recently

from his San Francisco condo. We could start an SF Diaspora Club.

A few minutes' walk away is a college offering concerts, theater, lectures and a coffee shop. An easy bike ride down Main Street are restaurants and bakeries and antique stores, and a strong hospital system isn't far. It's also walking distance to a museum and the offices of an international relief organization—two places where we already do some volunteering when we're around.

Beyond are the rugged Flint Hills and the seas of wheat along two-lane roads that we love cycling on—routes that stretch west to the Rockies, where we spend time most summers with family.

Kansas would be a central gathering place for our three sons, now living in Northwest and Northeast cities. And the weather's fine, for the Midwest, even when it's 103 degrees; it's a dry heat.

I could go on.

Well, Karen, is it time?

• **KAREN:** I'm surprised to hear Steve wax so positively about a move to Kansas. He's the city boy who needs urban hustle-bustle.

I'm the one who grew up in a Midwest town with family ties on the Great Plains.

We still have so much to do before we leave San Francisco, and we finally have the time and ease of mind to do it.

We're within a 15-minute bike ride from major museums, concert halls, theaters, sports stadiums and other cultural offerings we seldom visited before. I've mapped out the free-admission days at the Asian Art Museum and the DeYoung Museum.

We really should attend the renowned San Francisco Opera at least once. And we never get enough of Giants games, sitting on the upper deck looking down at first base and out over the bay, our bicycle in free valet parking.

We want to explore more streets by bike, climb all the beautifully tiled stairs up the city's hills, discover more hole-in-the-wall restaurants and find the best fresh fish in Sunset-district markets.

We have a network of friends, built up since we arrived in 1989, and a strong church community. Some of those friends live in our immediate neighborhood, which has a small-town feel. We run into

acquaintances on the sidewalk, shopkeepers know us and a neighbor keeps us abreast of our block's news when she walks by with her dog.

Within an easy walk are three grocery stores, our hospital, a library, a post office, a live-music venue and dozens of restaurants and coffee shops. Our “pantry,” as we call it, is the corner store across the street.

A few blocks from our house begin the car-free paths leading through Golden Gate Park and to the Pacific Ocean, where other cyclists recognize us and wave.

And all that's just in the city. We frequently bike across the Golden Gate Bridge into Marin County or south down Highway 1 along the ocean. The Sierra Nevada are about a three-hour drive away.

We also have unfinished business: We want to continue our research on our 1893 house's history, according to which the first owners emigrated from Eastern Europe and had a business in the Gold Country before settling in the city. The next owner kicked out his mother-in-law, who sued him. The house begs us to tell its story.

Meanwhile, we're sharing its charm with others. We open the door to friends nearly each week for dinner and an evening of quilting. We offer it as a space for fundraisers, music performances and seminars. We greet curious tourists from our stoop and give them a quick history of our block.

Why would we want to leave?

Well, for one, as a reader writes to remind us: “San Francisco is one of the most expensive places in the country.”

That may be true for housing costs and taxes, but our remaining mortgage payments are low. As retirees, we don't have some expenses that make living costly, such as school tuition. We seldom eat out. We ditched our car during the pandemic and maximize senior discounts.

I could go on.

It's a dilemma. I love San Francisco, and I love Kansas. I share the sentiments of author Allen Say, who has straddled lives in Japan and California. In his children's book “Grandfather's Journey,” he writes: “The funny thing is, the moment I am in one country, I am homesick for the other.”

We're beginning to talk of a hybrid solution: Sell the house, move to a small condo, and divide our time among the city, Kansas and travel.

Eventually, we'll probably leave San Francisco for good. “Don't leave until it's time, and you'll know when it's time,” said Naomi, 73, the Bay Area transplant in Kansas. Added her spouse, Lyn, 75: “It sounds like it's not time yet.”

*The Yoders live in San Francisco and can be reached at [reports@wsj.com](mailto:reports@wsj.com).*

## Municipal-Bond Investors Pay a Hefty Price for Fending Off the Taxman

A new study suggests that ‘investors overvalue the pleasure’ of tax-exemption

BY DAISY MAXEY

**M**UNICIPAL-BOND investors are paying a greater premium than should be expected for the “pleasure of not being taxed,” a new study finds, often negating the bonds' benefit.

In a perfectly priced world, a muni bond would pay interest equivalent to a Treasury bond minus the investors' tax burden on the Treasury and adjusted for liquidity and credit quality of the issuing state or municipality.

But munis pay investors even less than that, according to the study, which appeared in a National Bureau of Economic Research working paper in June. On average, the study found, the yield of the muni bonds was nearly 15 basis points, or 0.15 percentage point, lower than what would be explained by their favorable tax status.

“Investors are willing to accept a lower interest rate on their munis, which is the same as paying more,” says Francis Longstaff, professor of finance at the UCLA Anderson School of Management and co-author of the research. “It's like they're paying an extra tax-avoidance fee” for municipal bonds, just as they're willing to pay more for the safety of Treasuries, he says.

### Cross-section of bonds

To arrive at their conclusion, the researchers examined a sample of state-issued general obligation municipal bonds for which the source of repayment was listed as the general fund of the issuing state. That permitted them to identify and control for the credit risk of the bonds, which is identical to that of the state issuing the bond. The sample from between April 2008 and December 2021 included nearly 10,000 bonds issued by a cross-section of

21 states.

Researchers then measured the difference between the adjusted yield on the muni bonds in the sample and the tax-adjusted yield on equivalent taxable benchmark bonds using Bloomberg data. In theory, these yields

should be the same.

But the researchers instead found the 0.15 percentage point “convenience premium”—a relatively significant cost considering that the average muni-bond yield during the period they examined was about 1.5% across their data set.

“It's comparable to what you'd be paying for management fees for some exchange-traded fund or mutual funds,” says Longstaff.

The size of the convenience premium varied by state, but muni-bond investors in each state

paid a price, the researchers found. Each issuing state seems to extract a benefit for itself—lower interest paid to investors— from those investors focused on avoiding paying more in state taxes, Longstaff says.

### High-tax states

What's more, the study found, the premiums paid by muni investors were larger in high-tax states where the tax protection that the muni bonds provide may be particularly prized by tax-averse investors.

The researchers also found a significant positive relation between increases in the convenience premiums that muni investors pay and the rate of migration of residents from high-tax states to low-tax states.

“The two things seem to be linked together; we're not saying one causes the other,” says Longstaff. “People are paying extra for munis in some states and at the same time, they seem to be migrating to Texas or Florida—lower-tax states; it appears that they're all just trying to escape taxation.”

*Daisy Maxey is a writer in Union City, N.J. She can be reached at [reports@wsj.com](mailto:reports@wsj.com).*



Roadwork, typically financed by muni bonds, in San Mateo, Calif., in March 2021.

# JOURNAL REPORT | INVESTING MONTHLY

## Emerging Markets

*Continued from page R1*  
due to inflation, monetary policy and other factors. In contrast, the IMF projects real GDP growth of 4.1% for emerging and developing economies, helped by countries such as India, which is expected to grow at a rate of 6.3%.

“The biggest reason to invest in emerging-markets ETFs today is to gain exposure to high-growth markets with burgeoning middle-class consumers such as China, India, Mexico, Taiwan, South Korea and Vietnam,” says Aniket Ullal, senior vice president and head of ETF data and analytics at CFRA Research. He says emerging markets are home to more than 4.3 billion people, and they account for about half of global GDP.

Another attraction is that valuations on emerging-markets stocks are low. While the price-to-earnings ratio of the S&P 500 was 22.4 based on trailing 12-month reported earnings as of July 31, the P/E ratio of the MSCI Emerging Markets—which includes the stock of most liquid large- and midcap companies in 25 emerging-market countries—was 14.13.

“This is a smart contrarian play for investors who want to diversify their portfolios geographically,” says Gabriel Shahin, president of Falcon Wealth Planning, an investment adviser in Los Angeles. “There is a fire sale going on in emerging-market stocks, and this is one of the smartest plays in equity investing right now.”

Some see these investments as a hedge, considering this year’s U.S. stock rally—dominated by a small number of large-cap technology companies—could end at any time.

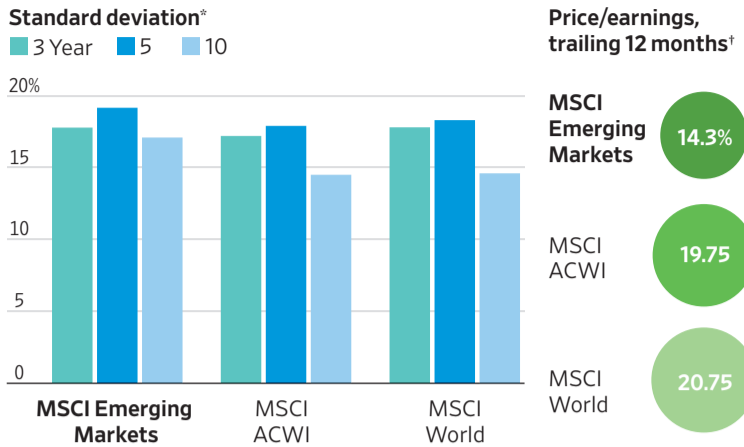
Emerging-markets ETFs come in many varieties, so investors can choose those that align with their macroeconomic outlook and financial goals.

While some of these funds invest in a broad basket of emerging-market countries that span the globe such as the \$72.1 billion **iShares Core MSCI Emerging Markets ETF** (IEMG), others invest in geographic regions such as Asia or Latin America or are country-specific.

The \$64.2 million **Franklin FTSE Latin America ETF** (FLLA), for example, invests in large-cap and midcap companies in Brazil, Chile, Colombia and Mexico. It has returned more than 19% year-to-date through

### Emerging Faith

Emerging-market ETFs are attracting investors lately, but their equity holdings are volatile compared with developed-market stocks as reflected in MSCI indexes.



\*Annualized standard deviation which measures volatility, with a higher number reflecting more volatility. Through Aug. 29. †Calculated by taking the current stock price and dividing it by the trailing earnings per share (EPS) for the past 12 months. Through July 31. Source: MSCI

Aug. 29 and 15.68% over the past year. The \$175.8 million **Franklin FTSE Taiwan ETF** (FLTW) invests in midcap and large-cap Taiwanese companies. It has a year-to-date return of 14.7% and a one-year-return of 8.2% as of Aug. 29.

For investors concerned about the economic slowdown in China, there are emerging-markets ETFs that exclude Chinese equities such as the \$5.16 billion **iShares MSCI Emerging Markets ex-China** (EMXC). Its top holdings are Taiwan Semiconductor Manufacturing, Samsung Electronics and Reliance Industries.

Some emerging-markets ETFs target small- or large-cap stocks. One is the \$34.2 million **VanEck Brazil Small-Cap ETF** (BRF), which is up about 32% year-to-

date and 11.4% over one year as of Aug. 29. Others focus on industry sectors such as technology and e-commerce.

While most emerging-markets equity ETFs track indexes, an increasing number of newer funds are actively managed. Of the 11 emerging-markets ETFs that have launched this year, eight are actively managed, including **Global X Brazil Active** ETF (BRAZ), a \$2.61 million fund that invests in Brazilian companies such as Petrobras, a multinational petroleum company, and Vale, the world’s largest iron-ore producer.

There are even emerging-markets ETFs that pay dividends, such as the \$243.5 million **SPDR S&P Emerging Market Dividend** ETF (EDIV), which is up 28.2% year-to-date through Aug. 29

and has a dividend yield of 3.78%.

According to Morningstar Direct, the top-performing emerging market ETFs this year through Aug. 29 are VanEck Brazil Small-Cap, SPDR S&P Emerging Market Dividend and **iShares MSCI Brazil Small-Cap** (EWZS), which is up 24.1% so far this year and 5.7% over one year.

### The Cons

Some advisers, however, say investors looking at emerging-markets equity funds should proceed with caution.

“Emerging-markets equity ETFs are more volatile than international ETFs that focus on stocks in advanced economies,” says Lan Anh Tran, a research analyst at Morningstar Direct. Over the past 10 years ended July 31, 2023, the standard deviation of the MSCI Emerging Market Index was 16.2% higher than the MSCI World Index—a proxy for global developed-market stocks, she notes. Standard deviation measures volatility, with a higher number representing more volatility.

That’s because any sudden geopolitical event (such as the war in Ukraine) or any economic shock (like soaring inflation or a global supply-chain disruption) can have a jarring effect on emerging-market economies that are dependent on commodity exports, tourism and the health of advanced economies, investment strategists say.

There also is the risk of government influence and regulation on emerging-markets stocks, says Tran. A government, for example, can decide to nationalize an in-

dustry at any time, or exercise control over an industry sector.

Currency movements are another risk factor to consider, says CFRA’s Ullal. “If the dollar strengthens against local currencies, your fund returns will erode,” he says.

“It’s important that investors understand this is a high-risk, high-reward investment before they dive into them,” says Andrew J. Feldman, the founder of A.J. Feldman Financial in Chicago. “These funds can be highly volatile due to a host of systemic risks in emerging-market countries, including economic risk, geopolitical risk, currency risk and liquidity risk.”

These challenges make some investors skittish about investing in emerging-markets ETFs, says Kevin Shuller, founder and chief investment officer of Cedar Peak Wealth Advisors in Denver. “They believe that companies domiciled in the U.S. do a lot of business in emerging markets, so if you own the S&P 500 or MSCI EAFE index you have all the exposure you need.”

“It’s a good counterargument,” he says, “but [it] doesn’t take into account that the party in the U.S. stock market may not go on forever.”

Many investment advisers instead suggest individual investors take a step-by-step approach when choosing an emerging-markets ETF and allocate 5% to 10% of their equity portfolio in such vehicles.

“Country selection matters most so check the fund’s geographic exposure,” says Perth Tolle, founder of Life + Liberty Indexes and the \$625.4 million **Freedom 100 Emerging Markets ETF** (FRDM), which invests in about 100 companies in 10 countries that aren’t autocracies but freer markets such as Chile, Poland, South Korea and Taiwan.

Also look at the methodologies and metrics the ETF uses when choosing stocks for its index or portfolio, as well as the fund fees. The average expense ratio for this ETF group is 0.51%, according to Morningstar Direct.

“A good way to assess a fund’s value is to look at its weighted average price to cash flow,” a measure of the price of a company’s stock relative to how much cash flow it generates, says Kevin Grogan, chief investment officer at Buckingham Wealth Partners in St. Louis. It gives a pulse reading on how cheap or expensive the emerging-markets stocks are in the fund.

*Lori Ioannou is a writer in New York. She can be reached at reports@wsj.com.*



Taiwan’s growing middle class has been a boon for consumption. Here, the Ximen shopping district in Taipei in June.

## Mutual-Fund Yardsticks: How Fund Categories Stack Up

Includes mutual funds and ETFs for periods ended Aug. 31. All data are preliminary.

Investment objective	Performance (%)				Investment objective	Performance (%)			
	August	YTD	1-yr	5-yr*		August	YTD	1-yr	5-yr*
<b>Diversified stock &amp; stock/bond funds</b>					<b>World stock funds</b>				
Large-Cap Core	-1.5	17.0	15.2	10.1	Global	-2.8	13.1	13.3	6.6
Large-Cap Growth	-1.0	30.2	20.3	10.9	International (ex-U.S.)	-4.0	9.9	15.5	3.6
Large-Cap Value	-2.6	6.9	10.6	7.8	European Region	-4.1	11.4	20.4	4.0
Midcap Core	-2.8	7.9	8.2	6.6	Emerging Markets	-5.3	6.9	5.1	1.1
Midcap Growth	-2.9	14.1	9.3	6.7	Latin American	-7.3	16.6	17.6	5.1
Midcap Value	-3.0	6.1	7.3	6.0	Pacific Region	-6.6	-2.0	-3.5	0.3
Small-Cap Core	-3.6	8.4	7.7	4.4	Gold Oriented	-5.3	0.3	18.1	9.1
Small-Cap Growth	-3.6	11.6	6.7	4.5	Global Equity Income	-2.8	6.3	10.0	5.2
Small-Cap Value	-3.6	7.3	8.2	4.9	International Equity Income	-3.5	8.7	14.3	3.5
Multicap Core	-2.0	13.8	12.2	8.4	<b>Taxable-bond funds</b>				
Multicap Growth	-2.8	23.7	13.9	8.5	Short-Term	0.3	2.9	2.6	1.4
Multicap Value	-2.6	6.1	9.2	7.0	Long-Term	-0.8	2.6	0.02	1.1
Equity Income	-2.3	5.8	8.1	7.2	Intermediate Bond	-0.6	1.7	-1.1	0.5
S&P 500 Funds	-1.6	18.4	15.4	10.7	Intermediate U.S.	-0.6	0.8	-2.9	1.5
Specialty Divers. Equity	-1.2	17.6	15.4	4.8	Short-Term U.S.	0.3	1.7	0.8	0.5
Balanced	-1.6	7.4	6.5	4.4	Long-Term U.S.	-1.1	-0.01	-4.6	-0.7
Stock/Bond Blend	-1.9	8.3	7.3	4.7	General U.S. Taxable	-0.4	2.9	0.8	0.6
Avg. U.S. Stock Fund†	-2.6	13.7	11.1	7.1	High-Yield Taxable	0.2	6.5	6.3	2.8
<b>Sector stock funds</b>					Mortgage	-0.6	1.3	-2.0	-0.2
Science & Technology	-3.2	35.9	21.9	11.8	World Bond	-1.2	3.9	4.2	0.6
Telecommunication	-0.2	16.5	7.3	3.4	Avg. Taxable-Bond Fund**	-0.2	3.3	1.8	1.3
Health/Biotechnology	-2.7	0.7	4.8	4.1	<b>Municipal-bond funds</b>				
Utility	-5.4	-6.8	-9.6	5.6	Short-Term Muni	-0.1	1.3	0.4	0.5
Natural Resources	0.5	6.7	15.3	3.9	Intermediate Muni	-0.8	1.3	1.5	1.1
Sector	-3.3	2.8	-5.0	2.7	General & Insured Muni	-1.3	1.9	1.2	1.0
Real Estate	-2.8	3.8	-5.6	3.3	High-Yield Muni	-1.4	2.0	-0.6	0.9

## Stock & Bond Benchmark Indexes All total return unless noted

Investment objective	Performance (%)				Investment objective	Performance (%)			
	August	YTD	1-yr	5-yr*		August	YTD	1-yr	5-yr*
<b>Large-cap stocks</b>					<b>Stock indexes</b>				
DJIA	-2.0	6.4	12.6	8.3	DJ U.S. TSM Growth	-1.2	36.4	23.1	13.1
S&P 500	-1.6	18.7	15.9	11.1	DJ U.S. TSM Value	-2.7	3.8	7.3	6.4
<b>Midcap stocks</b>					<b>Taxable bonds</b>				
S&P MidCap 400	-2.9	10.1	10.7	7.0	Barclays Agg. Bond	-0.6	1.4	-1.2	0.5
<b>Small-cap stocks</b>					<b>Municipal bonds</b>				
Russell 2000	-5.0	9.0	4.7	3.1	Russell Muni. Bond	-1.4	1.6	1.7	1.5
<b>Broad stock market</b>					<b>International stocks</b>				
DJ U.S. Total Stock Market	-2.0	18.1	14.7	10.1	MSCI EAFE† (price return)	-4.1	8.5	14.6	1.5
Russell 3000	-1.9	18.0	14.8	10.3	Dow Jones World (ex. U.S.)	-4.3	8.9	11.6	3.4

\*Annualized †Diversified funds only \*\*Excludes money-market funds ††Europe, Australia, Far East Source: Refinitiv Lipper

## How the Largest Funds Fared

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Aug. 31; assets are as of July 31. All data are preliminary.

Fund	Ticker	Assets (\$ billions)	Total Return (%)				
			August	1-year	3-year	Annualized 5-year	10-year
Vanguard TSM Idx;Inst+	VSMPX	1397.68	-1.9	14.7	9.7	10.2	N.A.
Vanguard 500 Idx;Adm	VFIAX	921.35	-1.6	15.9	10.5	11.1	12.8
Fidelity 500 Index Fund	FXAIX	436.93	-1.6	15.9	10.5	11.1	12.8
SPDR S&P 500 ETF	SPY	432.26	-1.6	15.8	10.4	11.1	12.7
Vanguard Tot I S;Inv	VTGSX	393.42	-4.4	12.1	4.3	3.4	4.6
iShares:Core S&P 500	IVV	356.19	-1.6	15.9	10.5	11.1	12.8
Vanguard Instl Idx;InstP	VIIIX	260.89	-1.6	15.9	10.5	11.1	12.8
American Funds Gro;A	AGTHX	241.48	-1.8	17.6	5.1	9.4	12.5
Invesco QQQ Trust 1	QQQ	210.60	-1.5	27.2	9.2	16.0	18.6
American Funds Bal;A	ABALX	205.94	-1.4	7.9	5.0	6.3	8.0
Vanguard Gro Idx;ETF	VUG	184.09	-1.1	21.7	7.2	13.4	14.8
Vanguard Dev Mkt;ETF	VEA	173.90	-4.0	16.1	6.0	4.2	5.2
American Funds Wash;A	AWSHX	163.65	-1.5	12.9	11.9	9.7	11.2
Vanguard Val Idx;ETF	VTV	152.93	-2.4	9.4	12.9	8.1	10.4
Vanguard Md-Cp;Adm	VIMAX	152.33	-3.6	6.7	8.4	7.5	10.1
American Funds EuPc;R6	RERGX	141.52	-4.1	14.1	1.3	4.1	5.9
Vanguard S-C Id;Adm	VSMAX	129.50	-3.7	7.8	9.8	5.5	9.2
American Funds NPcr;A	ANWPX	123.95	-2.5	16.2	5.0	9.1	10.7
American Funds Flnv;A	ANCFX	120.72	-1.7	17.7	9.5	9.0	11.4
American Funds ICA;A	AIVSX	120.51	-1.7	19.8	10.3	9.6	11.1
<b>Bond Mutual Funds and ETFs</b>							
Fund	Ticker	Assets (\$ billions)	August	1-year	3-year	Annualized 5-year	10-year
Vanguard Tot Bd;Adm	VBTLX	298.76	-0.6	-1.0	-4.4	0.5	1.5
Vanguard Tot Bd;Inst	VTBNX	255.21	-0.7	-1.2	-4.4	0.5	1.4
PIMCO:Income;Inst	PIMIX	126.72	-0.3	4.2	1.2	2.7	4.3
Vanguard Tot I B2;Inst	VTILX	100.93	0.1	0.9	N.A.	N.A.	N.A.
iShares:Core US Agg Bd	AGG	93.89	-0.6	-1.2	-4.4	0.5	1.5
Vanguard Tot I B;ETF	BNDX	86.67	0.2	1.0	-3.4	0.3	2.1
American Funds Bond;A	ABNDX	76.15	-0.7	-2.0	-4.1	1.0	1.7
Vanguard Int-Tm TxEx;Adm	VWIUX	70.59	-0.9	2.2	-0.8	1.7	2.6
Fidelity SA Core Inc	FIWGX	66.58	-0.7	-0.7	-3.4	N.A.	N.A.
Dodge & Cox Income;I	DODIX	65.31	-0.6	1.2	-2.5	1.8	2.5
MetWest:Total Rtn;I	MWTIX	61.96	-0.7	-1.8	-4.7	0.6	1.6
Fidelity US Bond Index	FXNAX	60.22	-0.6	-1.2	-4.4	0.5	1.5
Vanguard Sh-Tm B;ETF	BSV	60.03	0.2	1.2	-1.5	1.2	1.1
Vanguard Sh-Tm Inv;Adm	VFSUX	57.07	0.2	2.3	-0.9	1.6	1.7
PIMCO:Tot Rtn;Inst	PTTRX	54.56	-0.6	-0.7	-4.2	0.6	1.7

Note: For funds with multiple share classes, only the largest is shown. N.A.: Not applicable; fund is too new or data not available Refinitiv Lipper

# JOURNAL REPORT | INVESTING MONTHLY

## Are Leveraged ETFs Worth the Costs and Risk?

For most fund categories, the answer is yes, new research shows

BY DEREK HORSTMAYER

**LEVERAGED** ETFs, which aim to amplify returns through the use of futures and other derivatives, have been the go-to for investors looking to make an outside bet on the direction of a particular index since they were launched 15 years ago.

But are these exchange-traded funds worth the relatively high costs, considering the volatility to which they are prone and the

tracking error, or how much the price behavior of the investment diverges from the price behavior of its benchmark.

My research assistants, John Shaffer and Giovanni Rustici, and I examined four categories of leveraged ETF funds—those that track the S&P 500, the Dow industrials, the Nasdaq-100 or the Russell 2000 index of small stocks. We found that leveraged ETFs in three out of the four categories provide sufficient returns over the long run to justify their costs and risks, and despite persistent tracking-error divergence.

We began our research by pulling data on all leveraged ETFs that have been issued in U.S. markets over the past 10 years. We then drilled down to focus only on S&P 500 leveraged ETFs, Nasdaq leveraged ETFs, Dow leveraged ETFs and Russell 2000 leverage ETFs. We then separated them by their bull or bear construction—3X or 2X (designed to deliver three times or two times the daily performance of the index, respectively) or -1X, -2X, -3X (designed to deliver one, two or three times the inverse of the index's performance).

From there, we investigated the average 10-year returns to each grouping by index and how they are structured in terms of magnification (bull or bear structure). The first interesting finding is that in general, as the magnification increases the tracking error from the underlying index increases.

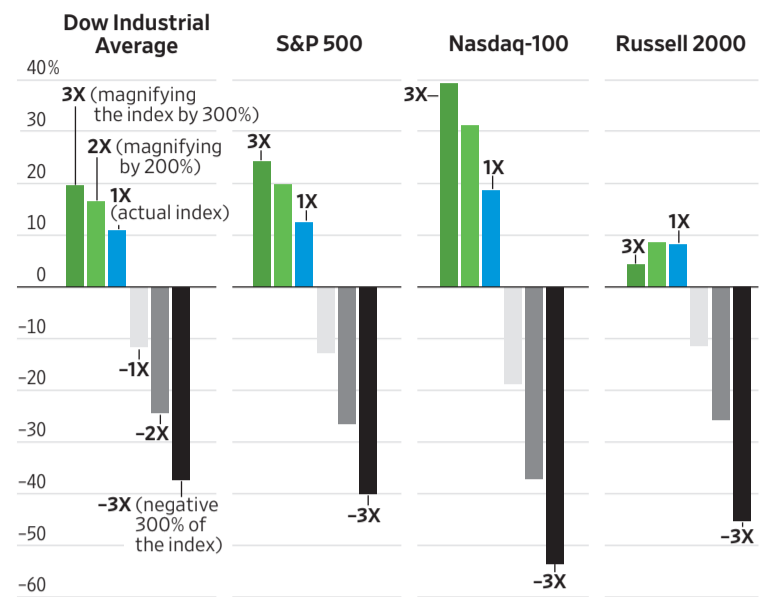
For example, the S&P 500 delivered an average annual return of 12.6% over the past 10 years (with dividends reinvested), while the average 2X leveraged S&P 500 ETF delivered 19.8% a year over the past 10 years. If the average leveraged ETF was actually two times the S&P 500, this would have been a 25.1% return over the past 10 years, meaning the tracking error for these investments is about 5.3 percentage points annually.

When we look at 3X leveraged ETFs for the S&P 500, the tracking error gets even worse. The average 3X leveraged ETF delivered a return of 24.26%, leaving a tracking error of about 13.5 percentage points a year.

For the leveraged ETFs

### Feeling the Leverage

Average annual return for various leveraged ETFs over a 10-year period



Source: Derek Horstmeyer, George Mason University

tracking the S&P 500, the Dow industrials and the Nasdaq-100, the relationship appears to hold for all—that is, the magnification is in line with the performance. This falls apart, however, for leveraged ETFs tracking the Russell 2000.

The 3X ETFs for the Russell 2000 actually performed worse than the Russell 2000 index itself. Over the past 10 years the Russell 2000 delivered an average annual return of 8.1%, but the average 3X ETF tracking the Russell 2000 delivered an average annual return of 4.3%. If the 3X ETF worked as intended, it should have delivered returns somewhere in the range of 24.3% a year. By investing in the leveraged ETF, an investor would have underperformed the actual index just due to severe tracking error. It is also important to note

that these leveraged ETFs have two things going against them. First, their expense ratios are high—they average about 0.95% a year versus 0.10% for nonleveraged ETFs. And second, the tracking error of these products increasing during high-volatility periods, which can severely inhibit long-run returns.

All in all, the risks scale with the magnification of these leveraged products. If you are willing to take on the risk of a magnified performance, leveraged ETFs do yield better returns over the long run for all categories except small-caps (those tracking the Russell 2000).

*Derek Horstmeyer is a professor of finance at George Mason University's business school in Fairfax, Va. He can be reached at reports@wsj.com.*



### Category Kings in 10 Realms

Top-performing funds in each category, ranked by year-to-date total returns (changes in net asset values with reinvested distributions) as of Aug. 31; assets are as of July 31. All data are preliminary.

#### Large-Cap Core

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
HCM Defender 100 Idx ETF	378.4	-2.1	42.0	32.3	N.A.	
Roundhill MEME	3.4	-18.1	38.8	12.3	N.A.	
IMS Capital Value;Inst	41.6	-2.4	33.0	25.4	7.2	
IndexIQ:US LCR&D Ldr	5.3	-1.2	32.9	25.7	N.A.	
Amer Cent:Sustainable Gr	12.4	-0.8	32.5	23.5	N.A.	
Invesco S&P500 Top50	2,480.6	-0.7	30.6	21.8	13.0	
Fidelity Contrafund	111,880.4	-1.0	29.1	23.2	10.7	
Category Average:	1,727.1	-1.5	17.0	15.2	10.1	
Fund Count	701	702	682	669	548	

#### Large-Cap Value

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Selected American Sh;D	1,678.8	-4.4	21.2	21.0	6.5	
Davis:Sel US Equity ETF	387.2	-4.0	20.4	18.7	6.6	
Davis:Research;A	59.0	-3.2	20.4	22.2	7.8	
Clipper Fund	1,047.3	-4.0	19.9	20.2	5.8	
Davis:NY Venture;A	6,483.9	-4.9	19.3	20.5	5.7	
Fidelity Mega Cap Stock	1,860.8	-1.9	18.6	21.9	11.8	
DoubleLine:Sh En CAPE;I	4,301.7	-2.5	17.8	8.6	8.5	
Category Average:	2,245.3	-2.6	6.9	10.6	7.8	
Fund Count	353	352	346	342	301	

#### Large-Cap Growth

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Fidelity Blue Chip G ETF	768.6	-1.5	46.1	29.1	N.A.	
Tidal:SoFi Social 50	18.1	-7.5	45.4	13.2	N.A.	
Fidelity Srs BlueChip G	9,054.2	-1.7	44.7	30.1	15.8	
Fidelity Blue Chip Gr	49,739.6	-1.7	43.9	27.4	14.6	
Fidelity Blue Chip Gr K6	9,884.7	-1.7	43.8	28.3	15.0	
Invesco ESG NASDAQ100	18.3	-1.0	43.5	30.8	N.A.	
WisdomTree:US Qual Gro	52.2	-1.7	43.3	N.A.	N.A.	
Category Average:	2,445.7	-1.0	30.2	20.3	10.9	
Fund Count	694	688	674	666	584	

#### Midcap Core

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Tarkio	145.9	-3.5	21.5	13.6	4.7	
Needham:Growth;Retail	156.6	-9.1	20.8	9.8	11.6	
Hodges;Rtl	172.6	-3.4	19.9	19.3	4.6	
Paradigm:Select Fund	109.3	-1.6	19.8	21.2	10.2	
Touchstone:Mid Cap Val;I	4,764.0	-0.7	19.4	17.4	9.2	
Argent Mid Cap	33.3	0.3	18.7	20.1	N.A.	
Alp Arc US Quant Value	259.5	0.6	16.4	17.2	4.7	
Category Average:	1,030.7	-2.8	7.9	8.2	6.6	
Fund Count	363	366	360	356	320	

#### Midcap Value

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Longleaf Partners	1,448.4	-2.6	21.5	11.7	2.7	
Vident US Equity Strat	551.7	-1.4	17.3	20.2	8.2	
Vanguard Sel Value;Inv	6,481.9	-2.2	13.7	19.6	9.0	
LeaderShs AlpFtr Tct Foc	214.7	-1.9	13.2	9.2	N.A.	
Hotchkis:Mid Cap Val;I	486.3	-1.2	12.4	15.9	5.9	
T Rowe Price MC Val;I	14,163.3	-3.2	10.6	14.1	8.2	
J Hancock II:Mid Val;NAV	1,498.0	-3.2	10.4	13.8	7.9	
Category Average:	975.9	-3.0	6.1	7.3	6.0	
Fund Count	151	151	149	149	134	

#### Small-Cap Core

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
GMO:Sm Cap Quality;VI	72.8	1.7	28.3	N.A.	N.A.	
Hennessy:Crnst MdCp;Inv	586.6	-4.5	21.2	22.0	12.1	
Pacer US SC Csh Cws 100	3,046.3	-2.6	19.8	18.1	9.0	
Wasatch:Sm Cap Val;Inst	1,352.0	-1.2	19.5	17.1	6.2	
WCM SMID Qual Value;Inst	141.1	-2.2	19.1	19.1	N.A.	
Paradigm:Micro-Cap	138.6	0.1	17.9	21.7	10.0	
Royce Fd:PA Mut;Inv	1,815.3	-2.2	17.9	17.6	6.5	
Category Average:	583.5	-3.6	8.4	7.7	4.4	
Fund Count	990	993	985	978	872	

#### Small-Cap Value

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Ancora MicroCap;I	16.4	-1.1	19.7	16.8	5.2	
Brandes Inv:SC Val;I	9.5	-0.1	16.9	16.0	9.3	
Invesco S&P MC400 PV	268.1	-3.9	16.3	21.0	9.6	
Rydex:S&P MC 400 P Val;H	29.1	-4.0	14.9	19.0	7.6	
Invesco SC Value;Y	3,059.0	-0.4	14.6	22.9	12.3	
Easterly Snow SC Val;I	23.9	-4.9	13.9	17.4	7.2	
Bertolet:Pinnacle Val	32.5	0.3	13.4	17.0	6.1	
Category Average:	466.4	-3.6	7.3	8.2	4.9	
Fund Count	161	159	158	157	135	

#### Small-Cap Growth

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Morg Stan I:Incl	528.1	-8.2	43.8	13.5	8.8	
Needham:Aggr Growth;Inst	277.2	-5.3	29.6	22.9	17.5	
Fuller&Thaler BSCG;Inst	321.5	-1.9	24.8	18.9	8.6	
BBH:Prtnr Fd Sm Cp Eq;I	370.3	-1.5	24.5	16.6	N.A.	
Columbia:SmCpGro;I	1,763.2	-0.2	24.4	16.5	8.2	
Delaware Sm Cap Gro;Inst	132.7	-4.2	23.3	10.5	4.8	
Congress SmCp Gro;Inst	787.5	0.3	22.5	17.0	11.7	
Category Average:	775.5	-3.6	11.6	6.7	4.5	
Fund Count	659	669	664	659	583	

#### Midcap Growth

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
Spyglass Growth;Inst	747.5	-4.0	28.9	16.4	3.3	
Morg Stan I:Disc;A	1,107.7	-10.3	26.6	-4.0	2.4	
Gibl X Founder-Run Com	7.2	-5.4	24.3	11.4	6.5	
Transam:Mid Cap Gro;I2	416.4	-1.4	23.9	17.7	5.3	
Wasatch:US Select;Inst	12.4	-2.4	21.8	19.8	N.A.	
Brown Cap Mid Co;Inst	73.5	-4.5	21.4	15.2	7.7	
Harbor:Disrpt Innov;Inst	82.8	-6.2	21.1	5.5	3.8	
Category Average:	1,236.5	-2.9	14.1	9.3	6.7	
Fund Count	394	395	390	390	339	

#### Balanced Funds

	Assets (\$ millions)		Total return (%)			
	Aug	YTD	1-yr	5-yr		
MF&Var:Rtnl St All;A	8.8	-2.1	17.5	8.7	2.9	
Fidelity Adv Bal;A	6,987.9	-1.1	14.8	11.3	8.3	
George Putnam Bal;A	1,758.9	-1.0	12.9	10.4	7.3	
Transam:Mit-Mgd Bal;A	1,158.2	-1.1	12.4	9.1	7.1	
Transam:Balanced II;R	108.6	-1.0	12.1	8.8	7.0	
Schwab Cap;Bal	648.7	-1.6	12.1	9.0	5.3	
T Rowe Price Balanced	4,325.7	-1.7	11.4	9.9	5.8	
Category Average:	889.4	-1.6	7.4	6.5	4.4	
Fund Count	424	424	422	422	374	

### Leaders and Laggards

Performance numbers are total returns (changes in net asset values with reinvested distributions) as of Aug. 31; assets are as of July 31. All data are preliminary.

#### Best-Performing Stock Funds

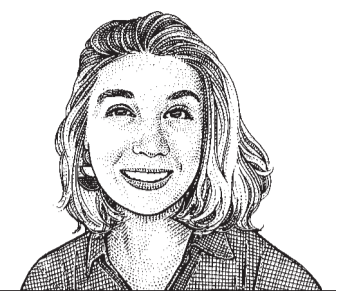
Fund	Ticker	Assets (\$ millions)	Total Return (%)				
			Jul	YTD	1-year	Annualized 3-year	5-year
GnnShs:1.5x Lg NVDA Dly	NVDL	203.4	7.0	451.4	N.A.	N.A.	N.A.
MS FANG+ Index 3x Lev	FNGU	2,661.2	-10.2	325.2	113.0	-7.8	20.7
MS Sol FANG & Innov 3X	BULZ	708.4	-8.5	258.6	81.9	N.A.	N.A.
GnnShs:1.5x Lg META Dly	FBL	10.5	-11.3	250.2	N.A.	N.A.	N.A.
MS FANG+ Index 2X Lev	FNGO	205.0	-6.1	180.8	87.5	6.9	28.3
ProShares:Ult Semicond	USD	327.2	-3.1	180.0	134.7	34.2	32.2
Direxion:TSLA Bull 1.5X	TSLX	1049.2	-6.5	166.7	-26.6	N.A.	N.A.
Valkyrie Bitcoin Miners	WGMI	24.1	-26.9	162.5	9.0	N.A.	N.A.
Direxion:NYSE F+ BL2X	FNGG	23.1	-6.3	154.5	43.1	N.A.	N.A.
GnnShs:1.5x Lg COIN Dly	CONL	10.2	-29.2	147.5	-17.3	N.A.	N.A.
ProShares:UltP QQQ	TQQQ	20,498.3	-6.5	147.3	54.6	2.0	19.0
Direxion:Semicnd Bull 3X	SOXL	7,683.7	-16.0	147.3	72.3	10.8	16.9
Direxion:Hldrs&Sup B13X	NAIL	272.3	-10.6	145.4	165.9	15.8	7.8
Direxion:Tech Bull 3X	TECL						

## JOURNAL REPORT | INVESTING MONTHLY

Young Money • Julia Carpenter

## So Many Weddings to Attend—and So Much Money You Have to Spend on Them

For those of us in our 20s and 30s, weddings can be a huge expense. We need to figure out our priorities.



**I'VE SPENT** \$3,000 on wedding stuff in the past year—not for planning my own wedding, to be clear, but in attending weddings as a guest.

For those of us in our late 20s and 30s, this is that age—the wedding age. The wedding time brings dozens of heart-shaped glasses and bachelorette invites, a fridge cluttered with “Save the Date!” magnets and a closet crushed with tasteful dresses in demure colors. But it also brings astronomical airfare prices, hotel expenses, wedding gifts purchased on credit and more.

My younger sisters are getting married 10 months apart, so I've been in this zonked-out mode for a while now. But I'm not alone in shelling out for celebrations; a dear friend of mine is crisscrossing the country to attend 10 different weddings, all for close friends and family. Another says he will have attended six by the time 2023 ends—two even happening on the same day.

We all love to show up for our friends and celebrate their joy—we love to love love!—but there's no denying it: Doing so takes a toll on the bank account. Guests traveling by car to weddings spend an average of \$640, according to data from The Knot, and people traveling by plane to celebrate someone else's nuptials spend \$1,200. This doesn't include all the ancillary costs that come with the events leading up to the big day: bachelor and bachelorette parties, bridal-shower gifts, engagement-party travel and more.

“At a certain age, you're going to 10 weddings in a summer. There are just so many happening,” says Jen Doll, writer and author of “Save the Date: The Occasional Mortifications of a Serial Wedding Guest.” She adds, “If you're spending \$8,000 doing that, you could buy a house with that.”

**Just say no**

“I think I have to be the one to tell you that you cannot attend any more bachelorette parties this year,” a friend recently joked. She was poking fun at my recent travels, all for bachelorette parties in rural California, beachside New Jersey and Texas wine country.

My problem is knowing I don't have to attend everything but *wanting* to attend everything. My friend was telling me to give it a rest because she saw the exhaus-

tion in my eyes from the constant travel and party planning. But my wallet was also begging for a break after buying decorations, booking party buses and more.

“It snowballs into this huge, huge cost, but you still want to be there,” Doll says. “You want to be a good friend. I happily went to all the weddings I was invited to. I can't think of one I didn't want to go to.”

Danielle Arlotta, lead financial planner at Brooklyn Plans, says she often talks with clients wres-

alongside these dates? From there, Arlotta recommends assessing the individual events leading up to the big day and, depending on your closeness to the person, asking directly what is most important to the people getting hitched.

“Even for one person, they have three weddings in a year, and for each different wedding, they have three different relationships with each person,” Arlotta says. “Decide what is most important for each of these couples you're supporting

is realistic for you.”

Brides and grooms sometimes also need a bit of a reality check, Doll says. Wedding season can whip everyone into a frenzy, but if the newlyweds are considering their guests and their needs, they'll understand that everyone can't come to everything.

“We talk so much about the couples, and while that is important and interesting and love is a great thing, the people who are going to the wedding are often as im-

able to come, and that doesn't mean they're not your friend.”

**Learn to compromise**

Learning to make compromises can make this planning process less stressful for wedding guests, Doll says. Once you receive the official Save the Date card, that is your time to price out how much you can reasonably set aside for attending this wedding and its ancillary events. If you're going to have to take on debt or plunder your savings to make it to everything, that should be a sign that you'll have to find some compromises, such as attending fewer pre-celebrations or staying for less time over the actual wedding weekend.

“You need to have pretty firm boundaries, but that is something that's way easier to talk about than to do,” Doll says. “Don't feel like a failure that you can't do everything because of your bank account.”

After talking with Doll and Arlotta, I looked at my 2024 calendar: two weddings, both in honor of people I absolutely adore. My girlfriend mentioned another wedding she'd love me to attend as her plus-one.

Over the years, after being in several weddings and attending many more, I've come to my own set of compromises. On a bachelorette party, I take charge of setting up the SplitWise account or keeping track of who's been handling what costs. That way, at the end of the celebratory weekend, we can all make sure that one person isn't shouldering a greater burden of our shared costs.

And if I'm traveling a significant distance for a wedding, I don't buy a present off the registry; instead, I try to gift the new couple something

smaller, usually handmade. In the past, I have sewn scrap quilts and pressed flowers from the centerpiece bouquets. The married folks are always just as grateful to unwrap my tiny crafts as they are to receive a \$200 kitchen gadget. One of my best friends hung the pressed flowers I framed for her and her husband in a prominent place above the dining table. Every now and then, I spy it in her Zoom background. We both share a smile.

*Julia Carpenter is a reporter for The Wall Street Journal in New York. Email her at [julia.carpenter@wsj.com](mailto:julia.carpenter@wsj.com).*

CAROLE HENAFF



ting with my same issue: learning how to pick and choose when it comes to participating in these many celebrations.

“It's not just going to the wedding, it's the stuff beforehand, too: the bachelorette parties, the bachelor parties, the engagement parties, everything,” she says. “I've definitely seen an uptick in my clients trying to plan for everything, but you spend a lot on it, so it can be overwhelming.”

Arlotta helps her clients take a step back and view the calendar as a whole: When are these weddings happening? Where are they happening? What other financial commitments do I have happening

## Wedding season can whip everyone into a frenzy, but newlyweds should understand that people can't come to everything.

or going to see. Like I said, one person might be a co-worker, someone else you might be in their wedding, so you're expected to do more. Make sure you're showing up not only for what you think is important, but also what

important a part of a wedding as everything else,” Doll says. “If you're putting on a wedding, try to think about what you're asking from your guests. If you do have your heart set on some wedding in Fiji, know that not everyone is going to be

# A New Incentive to Fund '529' Plans

Starting next year, there will be more flexibility in rolling leftover education money into Roth IRAs

BY LEONARD SLOANE

**NEW RULES** that take effect in 2024 for “529” plans will give owners of such accounts more incentive to fund them and give account beneficiaries a way to jump-start their retirement savings.

But 529 investors should be careful to follow the rules.

One of the provisions of the Secure 2.0 Act, a 2022 law that affects many retirement plans, allows excess funds in these educa-

tion-savings plans to be rolled over into Roth individual retirement accounts tax-free if the Roth belongs to the beneficiary of the 529. Previously, if leftover funds were withdrawn and not used for qualified educational expenses, the 529 owner would owe income tax on the earnings portion of the withdrawal and a 10% penalty would be imposed.

Money left over in a 529 could be the result of a child winning a scholarship, attending a military academy or deciding not to pursue higher education. The risk of unused money languishing in a

529 plan causes some families to fund their plans conservatively or to not even open an account. Next year's rule change thus could ease the burden on some 529 holders who worried about overinvesting in those accounts.

**Follow the rules**

The potential boost to young people's ability to save for retirement, meanwhile, is another benefit of the rule change. “This is a very valuable tool and an opportunity for young people to start a Roth IRA,” says Ian Berger, an IRA analyst at Ed Slott & Co., a tax consulting firm in Rockville Centre, N.Y. “But beware of the restrictions,” Berger adds.

The Roth IRA must be in the name of the beneficiary, not the owner of the 529 account (if the

two are different). There also is a lifetime maximum amount, \$35,000, that can be transferred to the Roth from the 529.

Another restriction: The 529 plan must have been open for more than 15 years. And rollover funds can't include any contributions to the 529 account and earnings on those contributions made in the previous five years.

Rollovers, moreover, are subject to the annual Roth IRA contribution limit. While the 2024 limit hasn't yet been announced, the limit this year is \$6,500. So it would take a number of years before being able to take full advantage of the \$35,000 rollover allowance.

Of course, the 529 plan beneficiary must have compensation in the year of the rollover at least

equal to the amount transferred.

**Unresolved issues**

There are two unresolved issues that still require clarification by the Internal Revenue Service. Both involve what happens when a 529's beneficiary is changed. The first uncertainty is whether a new 15-year waiting period is established when a 529 account holder changes the beneficiary of the plan. The alternative to “resetting the clock” would be that the waiting period of the previous beneficiary carries over.

The other question is whether the \$35,000 lifetime maximum is the total for all rollovers made from an owner's 529 account or the amount allowable for each beneficiary. Experts generally believe that the \$35,000 limit is per beneficiary and that amount can be rolled over to the Roth IRA of more than one person.

*Leonard Sloane is a writer in New York. He can be reached at [reports@wsj.com](mailto:reports@wsj.com).*