



ASSET PLANNING, INC.

Quarterly Newsletter

QUARTER 3 | SEPTEMBER 2024



Comments about candidates in or out? *By Sandy*

As of today, the stock market has set 33 new record highs in 2024. We are also within 35 days of our presidential election which may lead to volatility. Will we know who our next president will be on November 5th? The past few elections have been anything but smooth, so we are prepared for disruption and volatility, should it occur. Remember, if we have a sharp correction, we have had an unprecedented run up in the Dow and NASDAQ. We will react rationally, not emotionally, to any market movement and keep a long-term view. Our fixed income and bond positions have all increased in value since the Federal Reserve cut rates by 50 basis points.

I was recently in Porto, Portugal when the area suddenly erupted with 37 wildfires burning and roads were closed. We could not drive south to our next destination and were evacuated to the ocean. Instead of being upset with our changed plans, we saw a large operation of fishing nets brought in on the beach full of shimmering and jumping fish. It was fascinating and I have never seen anything like that. Be open to change and detours.

Since all of our materials are in storage during our office remodel, we will not be hosting our annual Breast Cancer golf tournament this year. We will continue to make a donation to the charity and plan on resuming the tournament next year.

Covid does not seem to be going away, just like annual flu. You may now order four free covid tests at USPS.com. Some expiration dates of previous tests are also being extended.

Medicare Open Enrollment Begins *By Erin*

Medicare Open Enrollment (October 15 - December 7) allows current Medicare beneficiaries to change their plans.

Key Changes You Can Make:

- Switch from Original Medicare to a Medicare Advantage Plan or change Advantage plans. Many Medicare Advantage plans offer extra benefits like vision, dental, or wellness programs that aren't available with Original Medicare. However, original Medicare tends to cover more serious health costs like cancer treatments.
- Add or drop a Medicare Part D plan (prescription drug coverage).
- Return to Original Medicare if you're currently in a Medicare Advantage Plan. Be aware that original Medicare will require underwriting to switch back.

Steps to Prepare:

1. Review Current Coverage: Check your current plan's costs and benefits. Ensure your medications are still covered.
2. Compare Plans: Use Medicare.gov's Plan Finder to explore options or have insurance agent help you at no additional cost.
3. Look for Changes: Note any adjustments in premiums and benefits. Medicare Advantage plans often have network restrictions. Check if your preferred doctors and hospitals are in-network if you switch plans.

Market Review *By Carol*

The stock market finished the quarter with strong gains and a new record high. The fed rate cut of 50 basis points on September 18 was larger than expected, while solid corporate earnings helped overcome rising economic anxiety.

Q3 saw notable changes in market leadership. Utilities and real estate, two sectors that have relatively large dividends and benefit when bond yields are falling, handily outperformed the other S&P 500 sectors. Tech and energy sectors were the only sectors to finish the third quarter with negative returns, as investors rotated out of tech and towards those higher dividend and more cyclically sensitive sectors. Energy, meanwhile, was the worst performing sector in the quarter as concerns about global growth (especially in China) weighed on oil demand expectations.

The bond markets had a positive quarter too, with investors buying longer term bonds as they expect interest rates in the short term will start to fall. Treasuries and high-quality corporate bonds outperformed lower quality "junk" bonds as investors favored safety of higher quality (less yield) over higher yield, lower quality bonds.

The following are the market returns as of September 30, 2024, YTD and one year. Please note, each client's portfolio is individually constructed, and the benchmarks are presented as a comparison tool.

Benchmarks:	YTD September 2024
60% Equity/40% Fixed	10.61%
50% Equity/50% Fixed	9.15%
40% Equity/60% Fixed	7.29%
US Agg Bond	2.04%
S&P	20.81%
DOW	12.31%
REIT Index (real estate)	10.25%
iShares (EFA)Foreign	10.99%
Benchmarks:	September 2023- September 2024
60% Equity/40% Fixed	22.76%
50% Equity/50% Fixed	22.21%
40% Equity/60% Fixed	15.85%

Office Update By Melani

We are still undergoing some changes with our physical office and are working remotely.

Client meetings can be scheduled by phone, zoom and in person.

In person meetings are by appointment only at our temporary office located at the address below.

Mail should also be sent to the temporary office address.

10601 Walker St, Suite 170
Cypress, CA 90630

For account maintenance, we are happy to accommodate your specific needs. Actions that may require an in-person appointment may be check deposits, notarizations or physical signatures on forms. Although with advances in technology a lot of account maintenance items can be completed electronically. Please contact Melani by calling the office or sending an email to melani@assetplanninginc.com to inquire about your transaction and what the best route to take is.

We appreciate your patience and will continue to keep you updated on our office status.

Year End Financial Checklist by Carol

1. If you are not retired, make sure you review all the employee benefits offered by your company. Most companies have open enrollment in the fall. Some of the most important benefits to review are:

- a. Medical, dental and vision insurance.
- i. Calculate your remaining 2024 health insurance deductible. Can you accelerate or postpone medical treatments?
- b. Life insurance and disability insurance.
- c. Dependent care and health care flexible spending account (FSA).
- i. Make sure if you have a FSA that you used it all up. Turn in all your receipts before the deadline to get reimbursed.
- ii. Determine the amount that you want to do for the new year.

2. 401k/403B/457 retirement accounts. If your employer matches a certain percent, make sure that you are at least contributing up to that amount. If this is your only retirement savings then try to contribute the maximum amount. The 2025 max amounts will be announced in late October. We will email you the amounts in the monthly newsletter.

- a. Review your 401k allocation and rebalance.

3. Year-end tax planning: For your taxable accounts, we expect capital gains paid on mutual funds plus the dividend and interest payments to be higher this year. We will do our best to do tax loss harvesting and take any losses against the gains. We should have a better idea of the gains by early December so that you can plan accordingly.

4. For IRA accounts, does it make sense for you to do a Roth conversion on a portion of your IRA funds? This is a question for your tax preparer, but we can assist them in helping calculate the amount to convert.

5. Review all your accounts and make sure you have beneficiaries on all your accounts and that they are up to date.

6. Review your estate plan documents. Do you need to update your trust?

Special Announcement By API

An engagement so nice we're announcing it twice. In case you missed it in our most recent constant contact. Nikki, Sandy's daughter, recently got engaged to Dan. Sandy shares that she is thrilled to see Dan upgraded to fiancé from boyfriend. Dan proposed to Nikki on the Riverwalk in Chicago at sunset. Sandy was FaceTimed at 1 am when she was on her trip to Portugal with the very exciting news. Big Congrats to Nikki & Dan!!!

