

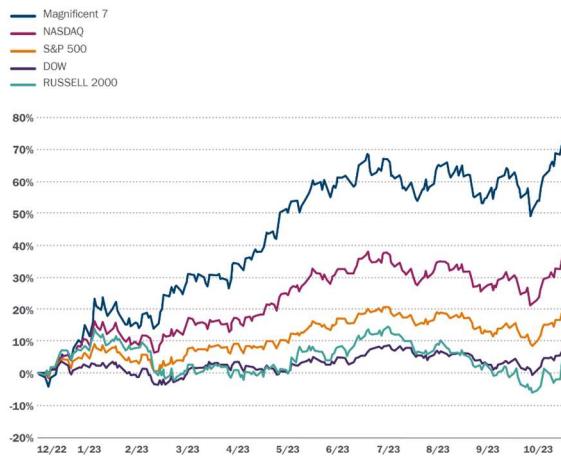
Quarterly Newsletter: *Quarter ending Dec 2023*

MARKET SUMMARY

Markets finished the year at near-record highs. Quite a contrast given the expectation of an imminent recession forecasted for 2023 that did not materialize. The U.S. Economy remained resilient amid higher interest rates, difficult geopolitical dynamics, and weakness in China's economy. U.S. consumer spending continued to fuel expansion in the services sector and inflation also moderated significantly during the year.

Stock returns by the 'magnificent seven' and the exhilaration surrounding artificial intelligence drove significant gains in chosen sectors. The FED's comments in December (perhaps misguided and misunderstood), that interest rates had peaked, and that rate cuts would begin in 2024, added to the year-end rally.

U.S. stock index performance



Sources: FactSet and American Enterprise Investment Services, Inc. Data as of 11/15/23.

This illustration is shown for illustrative purposes only and is not guaranteed. It does not reflect taxes or investment/product fees or expenses, which would reduce the figures shown here. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

The labor market remains strong, and the economy is expected to continue to grow in 2024. Pessimism for a recession has subsided and no longer remains the base case. However, do not become complacent. A soft, no, or a hard landing remains undefined. The unemployment

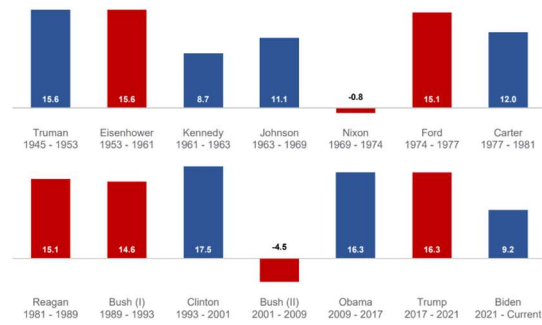
rate of 3.7% does not include discouraged workers and those in part-time jobs--the real unemployment rate is currently 7.2%.

Sectors of the US stock market could be overvalued. Diversifying or adding to international holdings could be an area of interest. The valuation gap between international compared to U.S. stocks could provide an opportunity.

Expect market volatility as we get closer to the November election. Of course, there's no need to adjust your long-term investing goals based on one party/candidate over the other. Any significant market pullback could be an opportunity to reposition.

S&P 500 RETURNS BY PRESIDENT

Most post-WWII presidents enjoyed positive stock market returns in office. Two exceptions: Nixon's resignation occurred in the middle of the '73-75 recession; Bush (II)'s term started as the dot-com bubble was bursting and ended near the bottom of the bear market driven by the global financial crisis.



Source: Northern Trust Asset Management, Bloomberg. Returns shown are annualized. President Biden return data through end of 2023.

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TAX CONSIDERATIONS:

2023 IRA contributions deadline APRIL 15, 2024 IRA contributions

Traditional or Roth IRA ²	\$6,500
Catch-up—age 50 or older	\$1,000

Phase-out range for deductible contributions to traditional IRAs ³	
Single/head of household	\$73,000-\$83,000
Married filing jointly	\$116,000-\$136,000
Married filing separately	\$0-\$10,000
Non-covered participant with a covered-participant spouse ⁴	\$218,000-\$228,000

Phase-out for Roth contributions ⁵	
Single/head of household	\$138,000-\$153,000
Married filing jointly	\$218,000-\$228,000
Married filing separately	\$0-\$10,000

2024 IRA Contribution deadline APRIL 15, 2025, and note the higher 401(k) contribution allowance for this year.

IRA contributions²

Traditional or Roth IRA	\$7,000
Catch-up—age 50 or older	\$1,000

Phase-out range for deductible contributions to traditional IRAs	
Single/head of household	\$77,000-\$87,000
Married filing jointly	\$123,000-\$143,000
Married filing separately	\$0-\$10,000
Non-covered participant with a covered-participant spouse	\$230,000-\$240,000

Phase-out for Roth contributions	
Single/head of household	\$146,000-\$161,000
Married filing jointly	\$230,000-\$240,000
Married filing separately	\$0-\$10,000

SEP contribution	
Up to 25% of compensation	Limit \$69,000
To participate in SEP	\$750

SIMPLE elective deferral	
Under age 50	\$16,000
Aged 50 and over	\$19,500

Qualified plan contributions	
401(k), 403(b), 457, and SARSEP	\$23,000
Aged 50 and over	\$30,500
Limit on additions to defined contribution plan	\$69,000
Benefit limit on defined benefit plan	\$275,000
Highly compensated employee makes	\$155,000
Annual compensation taken into account for qualified plans	\$345,000

Required mandatory distribution (RMD)

	RMD Beginning Ages
Birth Date or Year	Age
7/1/1949 to 1950	72
1951 to 1959	73
1960 or later	75

ZOOM SEMINAR:

Please join us on Thursday, February 8 at 4PM PST / 7PM EST. Topic: Emotions, Expectations, and Economics.

<https://conta.cc/4918L4k>

Educational Zoom calls are held every 2nd Thursday of the month.

BUSINESS UPDATE

Thanks for the cards and warm birthday greetings. I embraced turning 50 last month. Now I get to make catch-up contributions too. As I reach this milestone, I know that I'm here because of all the supportive relationships fostered over the years. I'm grateful for this space and having the capacity to enjoy it with good health and strength.

<https://photos.app.goo.gl/VPeMsHy89k9RZXxh8>

Thanks for your continued support!

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Disclosure

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