



Newsletter 4Q 2023 & Market Summary

The 4Q 2023 certainly has had a beautiful fall season and it appears the U.S. has had a “soft landing” for our economy and market thus far. As Dr. David Kelly, stated from JP Morgan on Oct 3, 2023, “Diamonds may be forever but soft landings are not”. Meaning we may have dodged a recession this year but it will eventually come in a year or so. The Foresight Mutual Fund Model’s returns have done decently well through 3Q 2023 and are all weathering the unique year that 2023 has been with positive results as follows: Conservative +2.41%, Moderate +3.73%, and Aggressive +4.62%, shown netted by the highest Foresight management fee removed from these returns.

Welcome our employee accomplishments and newest employees at Foresight!



Dillon Schroeder, CFP

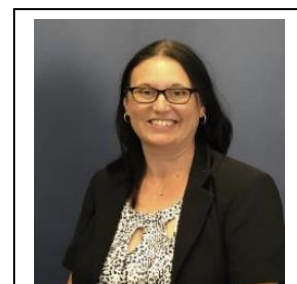
VP of Personal Wealth

***Management. Completed his
Certified Financial Planner License!
Will be assisting Foresight in Ohio
expansion and marketing effort***



Matthew Lawrence

***Welcome our newest
Employee in Portfolio
and Investment
Management***



Jessica Osburn

***Promoted to
Manager of Operations
and Compliance***

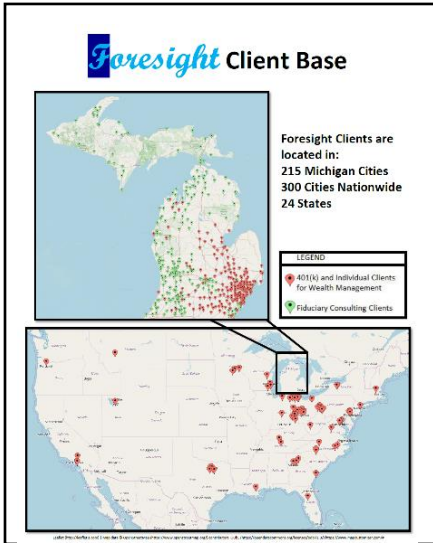
Roth Conversions for 2023: If you are interested in completing a Roth Conversion for 2023 it is important that you get us your tax information for 2022 and estimated income for 2023. Foresight is computing the Roth Conversions this month and plan to have this information to you before December. It is very important to make sure any conversions you plan to complete need to be into Schwab no later than Dec 15th to assure they are completed before yearend. Please contact us if you wish to do a Roth Conversion for 2023 or have any questions regarding the possibility of utilizing this beneficial tax strategy.

I-Bonds: Any I-Bonds that were purchased a year ago may be redeemed in the next couple of months. We recommend doing this as there are many other investment choices now that will pay higher interest than the I-bond, the November 2023 renewal rate is only 3.94%. Please contact Foresight if you need assistance on how to redeem your I-bonds from Treasurydirect.gov and ideas of how to reinvest these funds.

Foresight ranked as a Top 2023 RIA firm Nationally by Financial Advisor

Magazine: Foresight climbed up to 471 in the 2023 ranking of RIA firms! This is based on our growth and overall performance as a firm. We are happy to rise another 11 spots over last year!





FCMA Mutual Fund Model Returns
 Sept 30, 2023

Conservative Model	+2.41%
Moderate Model	+3.73%
Aggressive Model	+4.62%

Indexes:

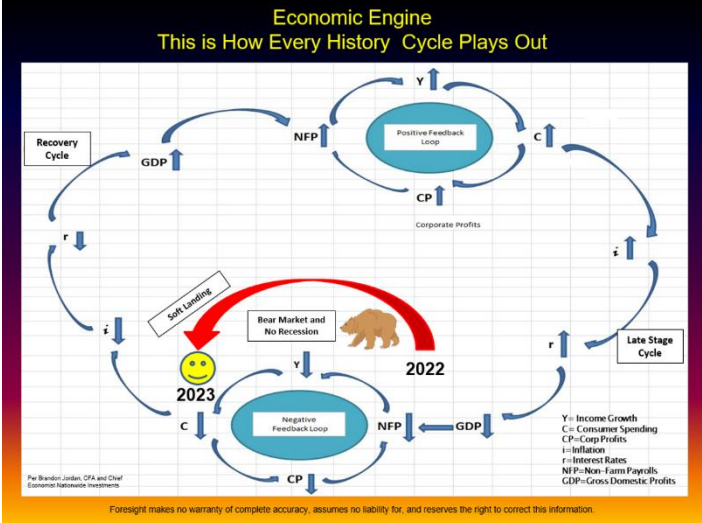
S&P 500 Index	+13.07%
S&P 500 Equal Wtd	+ 1.79%
MSCI EAFE Foreign	+ 7.59%
10Yr T-Bond Index	- 1.21%

Future performance is not guaranteed; above returns are total return with reinvestment of dividends, interest, capital gains, and shown net of the highest FCMA management fee.



Foresight's Outlook and Portfolio Strategies

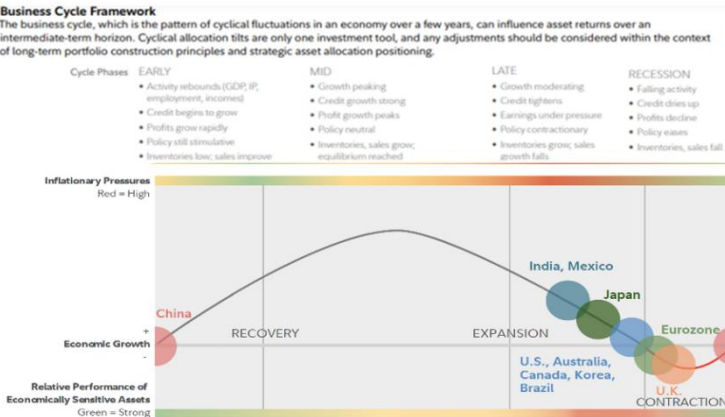
4Q 2023 has been a turning point in the minds of most global economist and most now agree we are likely to avoid a recession with a "Soft Landing" at this time. The premise is we have had a "Hard Landing" bear market in 2022, even though it did not become a recession since jobs were not lost,



Michigan fall conference on Oct 13, 2023 and explained their research was signaling the next recession is likely to come from an earnings and profits squeeze on corporations. Foresight has stepped back into the normal market weightings of a rebounding market and we have added some growth, international, small and midcap stocks to the model portfolios.

The chart to the right shows the world's nations and where they are in the business cycle. The

corporate profits held steady, the consumer continued spending, and household incomes rose, the market loss was significant. 2023 shows signs of a normal growth year. Although the U.S. market rally has been thinly traded this year with only seven S&P 500 stocks making up nearly 95% of the entire 13% gain this year thus far (Apple, Amazon, Tesla, Microsoft, Nvidia, Meta, and Google). If the S&P 500 was equally weighted it would only be up +1.79% through 3Q 2023. First Trust recently presented at the FPA of

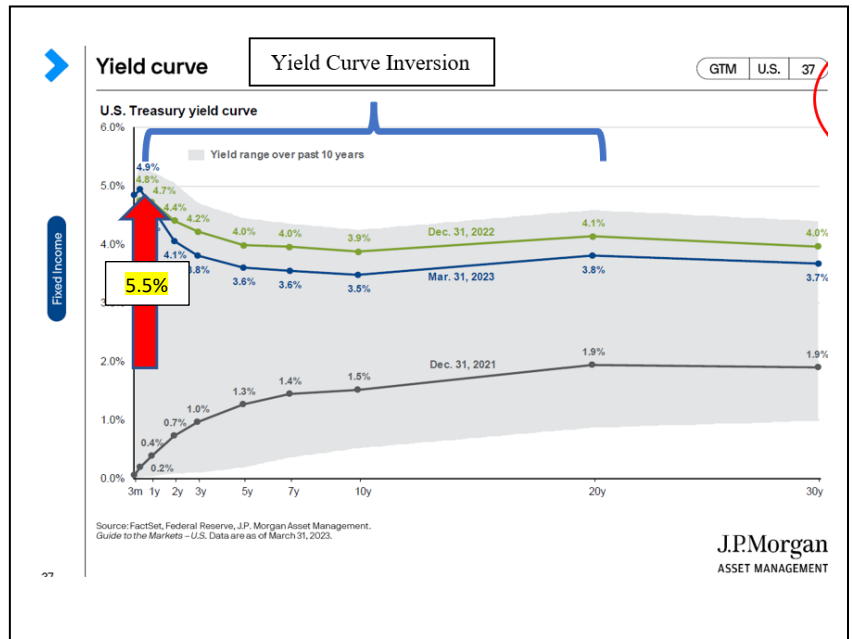


* A growth recession is a significant decline in activity relative to a country's long-term economic potential. We use the "growth cycle" definition for most developing economies, such as China, because they tend to exhibit strong trend performance driven by rapid factor accumulation and increases in productivity, and the deviation from the trend tends to matter most for asset returns. We use the classic definition of recession, involving an outright contraction in economic activity, for developed economies.
 Source: Fidelity Investments (AART). As of 6/30/2023

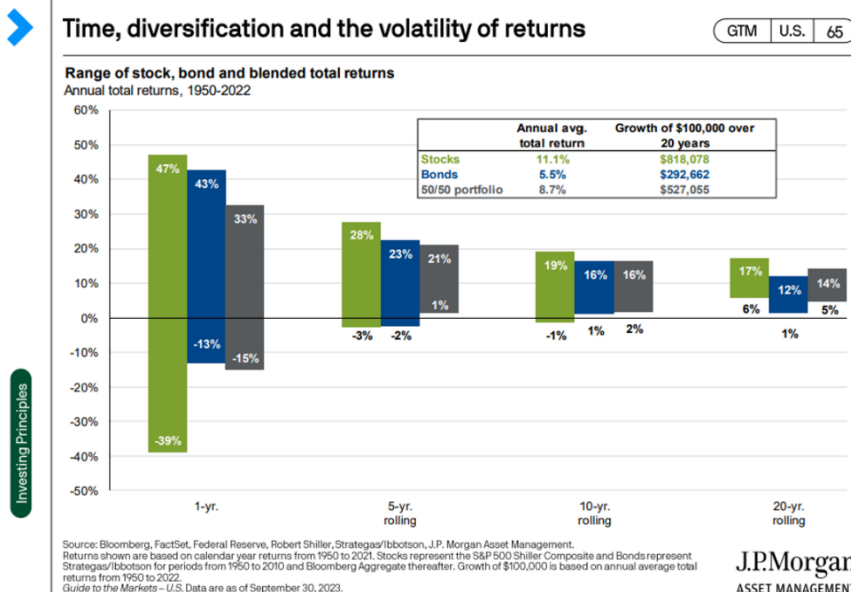


UK and Europe are in recession, but notice China is beginning to move into the Recovery phase. All other countries are in the Late Business Cycle with U.S., Canada and Korea very close to recession or hard landing bear markets. Most economists believe the next recessions will be mild in nature. None of us like bear markets or recessions but it is a cycle the market takes every 4 to 5 years.

The fixed income market is still the silver lining that is occurring because interest rates continue to rise or stay high. The Fed's last interest rate increase was .25% on July 26, 2023 and most believe they will pause and not raise rates through the end of the year. U.S. interest is now at 5.5% the highest it has been in 22 years! Inflation has dropped to 3.7%, compared to 8.20% a year ago, according to Y Charts. As of October 28th, 247 companies have reported 3Q 2023 results and 77.6% beat earnings, this compares to a long-term average of only 66% beating expectations, while 60.2% beat revenues, according to I/B/E/S from Refinitiv. Gross Domestic Product increased at an annual rate of 4.9% in the third quarter of 2023 according to the U.S. Bureau of Economic Analysis.



Lastly, unemployment has fallen to 3.8% as of September 2023. All these current statistics show the resilience of the U.S. economy with recession fears abating for the time being.



Foresight currently has the portfolios positioned back in the normal weightings of a neutral market. The allocation levels are as follows: 60:40 for Moderate, 50:50 for Conservative, and 70:30 for Aggressive. Foresight sees opportunities in staying broadly diversified at this time. The chart to the left shows that diversified portfolios were the first portfolio to never go negative after 5 years in the strategy, which has been the case from 1950-2022. Opportunities continue in U.S. growth and value stocks, energy, prime market bonds, and most foreign

stocks since they are in recession at this time. For Individuals who have personal portfolios with

Foresight we continue to monitor the stock portfolios weekly and use stop-losses to protect the gains. Foresight has been purchasing discount bonds and a few stocks with the excess cash. However, covered call writing has not been as successful as in 2022, but we have eked out slight gains in most portfolios thus far. The economy is holding fairly strong and the market has had slight positive gains thus far. Please call or email if you have any questions or would like to review your portfolios. Foresight was ranked in the 2023 Financial Advisors Magazine in the Top 500 advisors nationally and in the top 150 advisors in Michigan! Both Laurie and Patrick were chosen as Five Star Advisors for 2023. We wish everyone a very peaceful and happy holiday season.

Foresight Planning Ideas

Healthcare Costs for a Retired Couple in 2023 has been released: Each year Fidelity does a thorough analysis of typical healthcare costs that a couple can expect to pay over their retirement years and for 2023 it is expected to cost \$315,000 per couple and \$157,000 for a single. This cost is substantial enough that it needs to be planned for prior to retirement. Please contact Foresight if you wish to discuss ideas of how to cover this risk and cost over your retirement years.

How to Apply for Medicare: Are you getting close to age 65? If you have questions or are confused how to apply for Medicare insurance and its many options for supplemental coverages please contact us at 877-429-4690 and we would be happy to give you some guidance.

Foresight Ranked in the Top RIA firms nationally: as 471 for 2023 year's magazine participants out of a possible 23,408 firms nationally. We are extremely pleased with this standing and have risen up another 11 rankings since a year ago! Our hard work on your behalf continues to show our investment philosophy is working.



A New Idea for Long Term Care: There are now many low-priced annuities, that have been vetted by the NAPFA organization, where Foresight can help to create a replacement for traditional LTC insurance. If you do not have LTC insurance please contact us to discuss ideas for how best to cover this risk for you as you enter retirement. Especially if you have old life insurance policies that potentially could be converted to a use during your lifetime! Call 877-429-4690.

Contribution Limits estimated for 2024:

The IRS has not officially released the new 401(k), 403(b), and 457 savings limits for 2024 however there are many reputable sources that have released estimated savings amounts for 2024. Note there are many areas that are likely to increase for 2024. Foresight will update any amounts that change once the IRS releases the final limits please only use these estimates as likely ranges at this time.



Capital Management Advisors, Inc.

Contribution Limits

	<u>2023</u>	<u>2024</u>
401(k), 403(b), or 457 deferral limit	\$22,500	\$23,000
401(k), 403(b), or 457 catch-up deferral limit	\$7,500	\$7,500
401(k), 403(b), or 457 max. deferral if age 50+	\$30,000	\$30,500
Total Savings deferral, match, and profit sharing	\$66,000	\$68,000
IRA deferral limit	\$6,500	\$7,000
IRA maximum deferral if age 50+	\$7,500	\$8,000
Simple IRA deferral limit	\$15,500	\$16,000
Simple IRA maximum deferral if age 50+	\$19,000	\$19,500
SEP IRA deferral limit <i>(maximum not to exceed 25% of earnings)</i>	\$66,000	\$68,000
Annual Comp limit & SEP IRA wage limit cap	\$330,000	\$340,000
Highly Compensated Employee wage limit	\$150,000	\$155,000
Roth IRA phase-out range (married)	\$218,000-\$228,000	\$230,000-\$240,000
Roth IRA phase-out range (single)	\$138,000-\$153,000	\$146,000-\$161,000
Traditional IRA phase-out range (married)		
*with workplace retirement plan	\$116,000-\$136,000	\$123,000-\$143,000
*without workplace retirement plan	\$218,000-\$228,000	\$230,000-\$240,000
Traditional IRA phase-out range (single)	\$73,000-\$83,000	\$77,000-\$87,000
Annual Gift Exclusion	\$17,000	\$18,000

Health Savings Accounts (HSA) and High Deductible Health Plans (HDHP)

	<u>2023</u>	<u>2024</u>
Individual HSA limit	\$3,850	\$4,150
Family HSA limit	\$7,750	\$8,300
Individual HSA limit age 55+	\$4,850	\$5,150
Family HSA limit age 55+	\$8,750	\$9,300
Individual HDHP minimum deductible	\$1,500	\$1,600
Family HDHP minimum deductible	\$3,000	\$3,200
Individual HDHP maximum out-of-pocket	\$7,500	\$8,050
Family HDHP maximum out-of-pocket	\$15,000	\$16,100

Projected Limits for 2024 Sources Include: www.whitecoatinvestor.com, www.horizontrust.com, www.millman.com, www.tax.thomsonreuters.com, www.timesreporter.com

HSA-Health Savings Plans: Foresight now offers HSA investment plans with debit cards and investment growth for your health care savings accounts. Most employers are now offering HSA plans with your health benefit plans to keep costs reasonable, but the HSA plan attached to the benefit does not allow for you to invest your HSA account and the funds just set in a bank account. The Foresight HSA can be opened, in addition to your employer HSA, and allows you to invest your HSA in our Foresight Models just like we have for our 401(k) plans or mutual funds clients. Any unused HSA balance you have can be easily transferred to a Foresight HSA and made into an investment portfolio while keeping the minimum at your employer for use with your debit card! Then if you need funds put on your debit-card we can simply move funds to the debit card as needed. In the meantime, your HSA is growing and can be saved for healthcare in retirement too! Contact us for more information, 877-429-4690.

Patrick Carney's Article with NAPFA organization: Visit the site below to read Patrick's article! Learn what his journey has been as a young financial planner and the satisfaction he gets from helping clients reach their investment goals.

PRACTICE PROFILE

Print this Article

Focusing on what you can control

Patrick L. Carney of Foresight Capital Management Advisors

By Bridget McCrea

As a young fee-only professional, 28-year-old Patrick L. Carney knows that people are going to assess and interact with him differently than they would, say, an advisor with 10-plus years of experience in the profession. This reality doesn't bother the director of personal wealth management at Foresight Capital Management Advisors in Saline, MI, but it has pushed him to accelerate his education and learn as much as he can about financial planning.

"One thing that's very difficult for new advisors in general is getting started and gaining the respect of current and prospective clients. A lot of people come to us looking for an advisor who has a vast array of experience, education, and knowledge," says Carney. "When you're first starting out, you don't have that decade—or multiple decades—of experience that many clients are looking for."

Carney says he stopped worrying about things he couldn't control (e.g., his age, years of career experience, and similar measures) and instead has been working hard over the last six years to earn certifications that position him as a high-level fiduciary. So far, he's earned his CFP®, AIF®, and ChIA® credentials, the last of which he attained by completing the education requirements at the Yale School of Management.



Visit this site to read the whole article:

<https://www.naylornetwork.com/napf-nwl/articles/index.asp?aid=734769&issueID=94950>

PEP-Pooled Employer Plans: Foresight now offers 401(k) plans for small businesses under the new SECURE Law that introduced PEP Plans to all small businesses. No matter what size your company is, with employees from 1 to 100, can join a PEP plan and offer 401(k) savings limits to your company employees! The PEP offers economy of scale and keeps the cost extremely reasonable for all members of the PEP. Please call us today for more information on how to join the new PEP 401(k) plans and offer your employees a new benefit!

CEPA- Certified Exit Planning Analysis Services: Foresight is now certified to provide exiting planning valuations for businesses and owners. Our firm is also prepared to assist with implementing business improvements to assist with increasing the value of your business prior to an exit or retirement. If you are interested, or know of someone who is interested, in pursuing services in this area please reach out to Foresight at 877-429-4690.

NEW WHITEPAPER
RELEASING IN Q22!



Topics Covered:

- Holistic Approach to Finance
- Life Covering
- Behavioral Finance
- Monte Carlo Simulation
- High Touch Services
- The Ultimate Balancing Act

Foresight New White Paper-Financial Planning for the Young Professional!

Focused on the many financial planning areas a young professional should strategically work into their overall lifestyle. When this is organized and addressed at a young age the young professional can successfully launch their career, start a family, pay off student debts and plan for their future! We walk through the Foresight holistic approach to financial planning in this new whitepaper that will be a must read for most career minded professionals. The sooner you read this whitepaper the more settled you will be as you begin the journey in your career.

On-line Access: Each year we encourage everyone to test your on-line access to your account(s) at the custodian or third-party administrator for your plan. Please visit Journeyrps.com, Definiti.com, or Sentinelgroup.com retirement participant. For individual clients at Schwab Institutional Clients access Schwaballiance.com. To access your web portal for individual accounts, go to <https://fp.morningstar.com>. If you have any difficulty accessing your account, please email or contact us.