Foresight

Capital Management Advisors, Inc.

NAPFA-REGISTERED FINANCIAL ADVISOR

AIF® Accredited Investment Fiduciary®

Newsletter 4Q 2025 & Market Summary

The US economy continues to show resilience and surprising double-digit growth for 2025 with the S&P 500 now up +14.83% YTD Sept 30, 2025! GDP is expected to be 3.2% for 2025 and international stocks are having the best year up +25.72%. We still see 2025 remaining a strong economy and likely to have the strength to produce an average rate of growth for several years in the high single digits. However, as the tariff negotiations linger inflation is beginning to slowly appear in areas such as coffee, auto prices, and building supplies has inflation kicking up a bit to 3.0% from 2.7% in 2Q. On a positive note, the 3Q 2025 has 87% of S&P 500 companies reporting positive EPS beats and 83% have reported positive revenue beats, according to FactSet. The Consumer seems to be doing fine given workers are receiving wage increases averaging 4.1%, a rate higher than inflation which is now at 3.0%. Seniors will receive a 2.8% cost of living increase for 2026 for Social Security and unemployment remains moderately low at 4.3% with over 7 million jobs available. The Federal Reserve just lowered interest rates to 3.75% this week making it the lowest interest rates in 3 years. We still believe the Feds could lower one more time in 2025 bringing the rate closer to 3.5% by yearend if the economy continues to show strength through yearend. The Foresight Models YTD returns as of Sept 30, 2025 are: Conservative +10.28%, Moderate +11.41%, Aggressive +13.45%, All Equity +15.86%, S&P 500 +14.04%, All Fixed Income +6.18%, and Money Market +2.26%.

Welcome our employee accomplishments and newest employees at Foresight!

Liam Peoples
Financial Analyst Intern hired on full time, graduating in December with a BBA in Finance from EMU

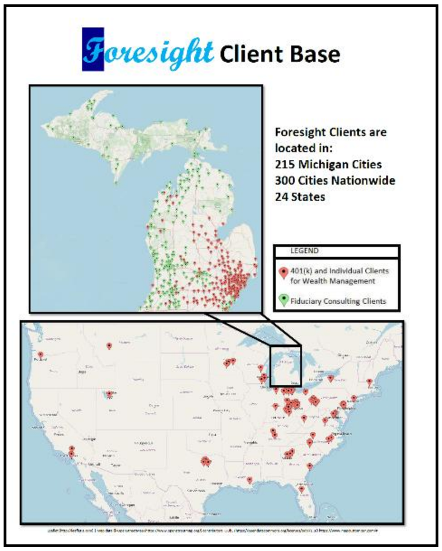
Allison Bradley
Office Manager and Assistant to Financial Planners, MBA/BA-Bowling Green University

RIA Rankings
Foresight was ranked #335 in Financial Advisor Magazine's America's Top RIAs!

New "Trump IRA Accounts" for Infants!: Beginning in 2025 all newborns born from Jan 1, 2025 through Dec 31, 2028 are eligible to get a "Trump IRA Account" investment account that will be funded with $1,000 from the federal government in July 2026 and invested in an index fund of the US stocks of your choice. The funds will not be available for use until the child turns 18 years of age. The account will have penalties if removed before age 59 ½. It will grow tax deferred like an IRA and can be funded with an additional $5,000 yearly until age 18, and if you do that it could grow to over $300,000! Additional information will be forthcoming as it becomes available but the key item to remember is the account has to be opted into or the child does not get the account.

New Roth Catch-Up Contribution Change in 2026: Beginning in 2026 all catch-up contributions of $8,000 if age 50+ and $11,500 for ages 60-63 must be made to a Roth 401(k), 403(b), or 457(b) account, if the you earned more than $145,000 of FICA wages during the prior year. This Roth Catch-Up contribution option is only available if the employer offers the Roth in their plan. Important that all Employers add Roth to their plans. See Financial Planning Ideas page for further details.

Roll over Excess Funds in 529 Plans to Roth IRAs: The Secure Act 2.0 now allows up to $35,000 of excess funds in 529 college savings plans to be rolled over to Roth IRAs for the child once they get a job and earn at least $7,000 per year. This can also be used as a gifting strategy to purposely overfund 529 plans with $35k. Contact Foresight with any questions.



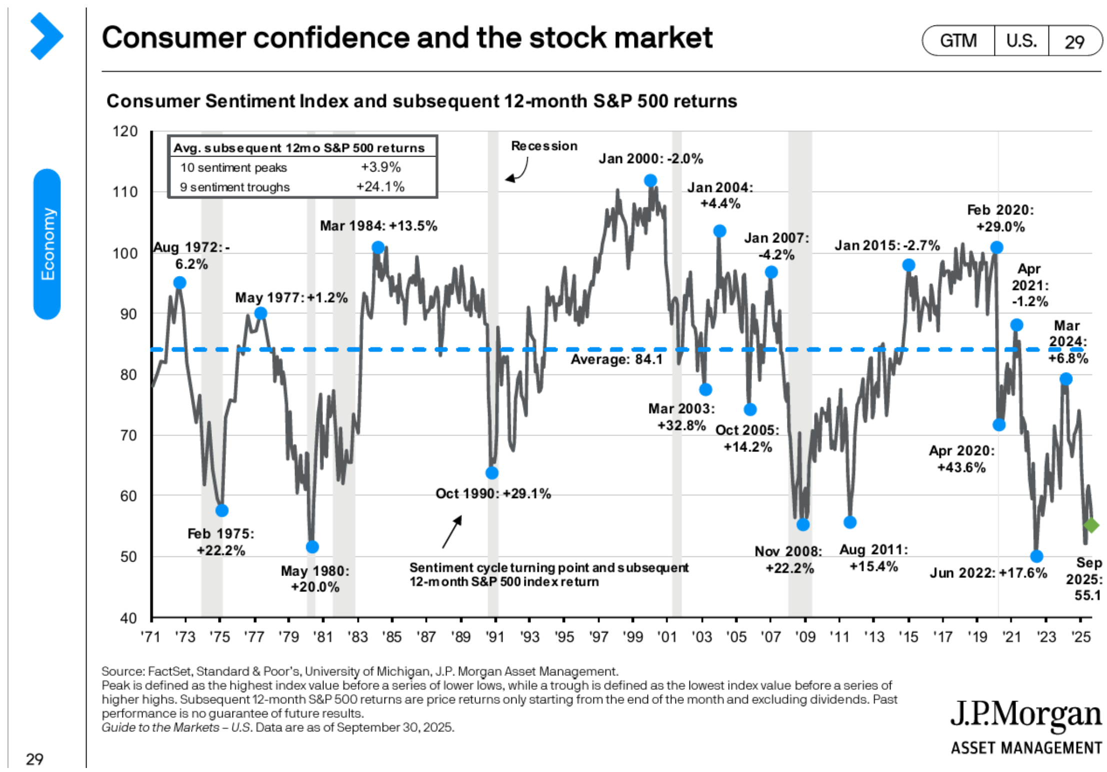
FCMA Mutual Fund Model Returns Sept 30, 2025	
Money Mkt	+ 2.26%
100% Fixed Income	+ 6.18%
Conservative Model	+10.28%
Moderate Model	+11.41%
Aggressive Model	+13.45%
100% Equity Model	+15.86%
S&P 500 Model	+14.04%
Indexes:	
S&P 500 Index	+ 14.83%
MSCI EAFE Foreign	+ 25.72%
10Yr T-Bond Index	+ 6.13%

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.

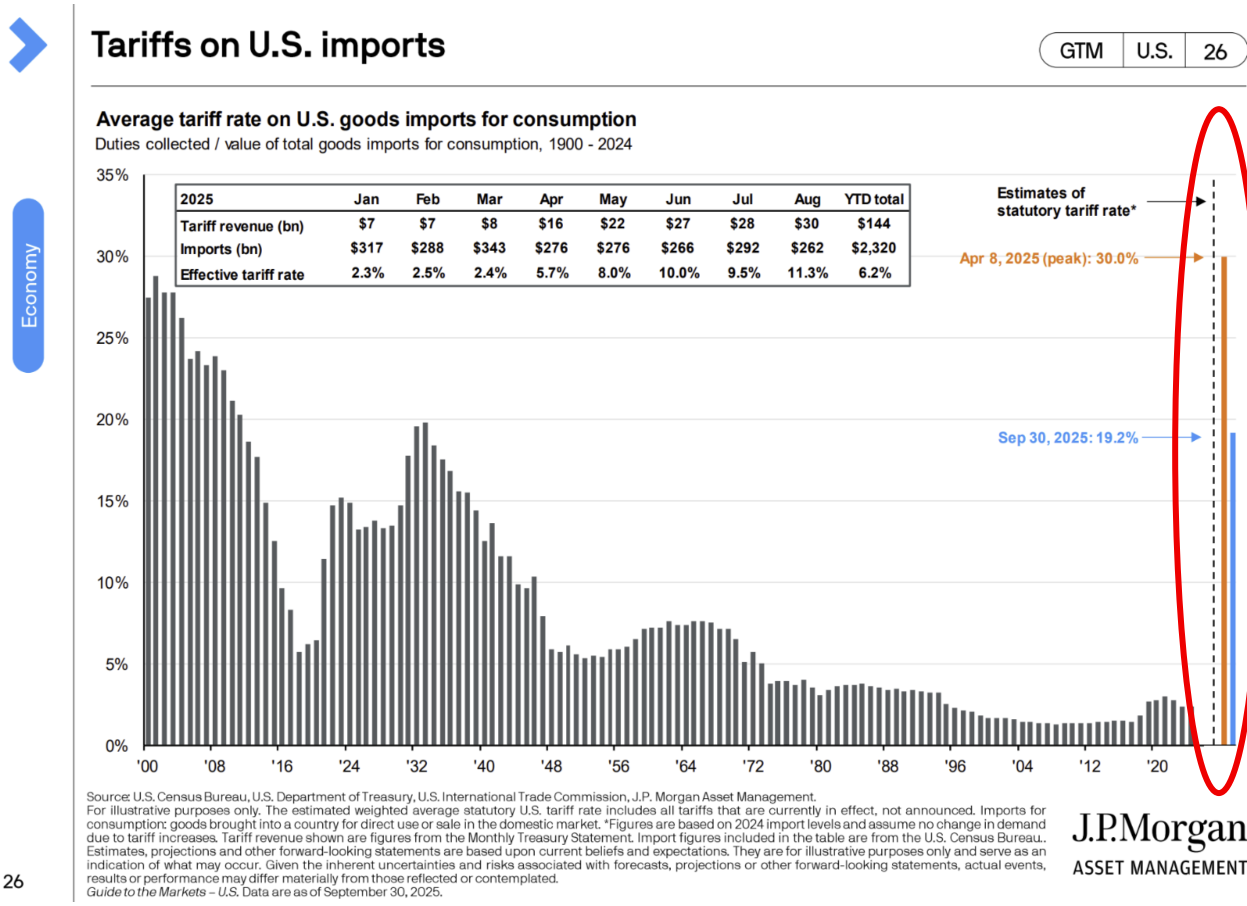
Foresight's Outlook and Portfolio Strategies

Market and Economic Outlook: from Patrick Carney, VP Director of Personal Wealth Management

2025 has continued to surprise to the upside with both United States and international markets gaining double digits YTD, the bond market rallying over +7% YTD, and continued strong economic hard data points. The 3rd quarter GDP was very strong at +3.8%, unemployment is still low at 4.3% with roughly 7 million jobs available, wage growth continues to be above the rate of inflation, and inflation is currently just below 3% according to PCE. However, consumer confidence is still only slightly above the April low of this year, coming in at 55.1 as of September. Typically, when consumer confidence hits a bottom, the forward expected market returns are quite high, averaging +24.1% over the next 12-month period. Although consumer confidence is technically a leading economic indicator, strong market returns typically follow troughs in consumer confidence, like we saw in the first half of 2025 and the rebound that we have experienced since liberation day in April.

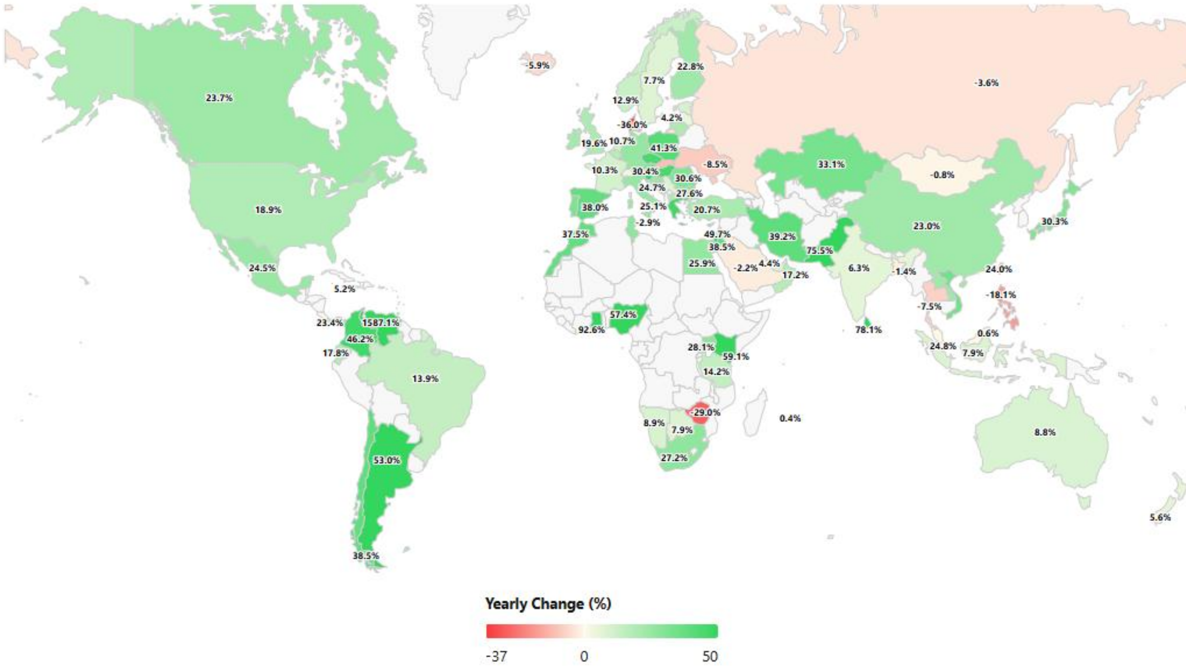


The increased tariffs from the current administration have now been in effect for the majority of 2025, and we are starting to see a few trends follow along. First, tariff revenue has increased from $7 billion per month back in January, all the way up to $30 billion as of August. With this increase in tariff revenue



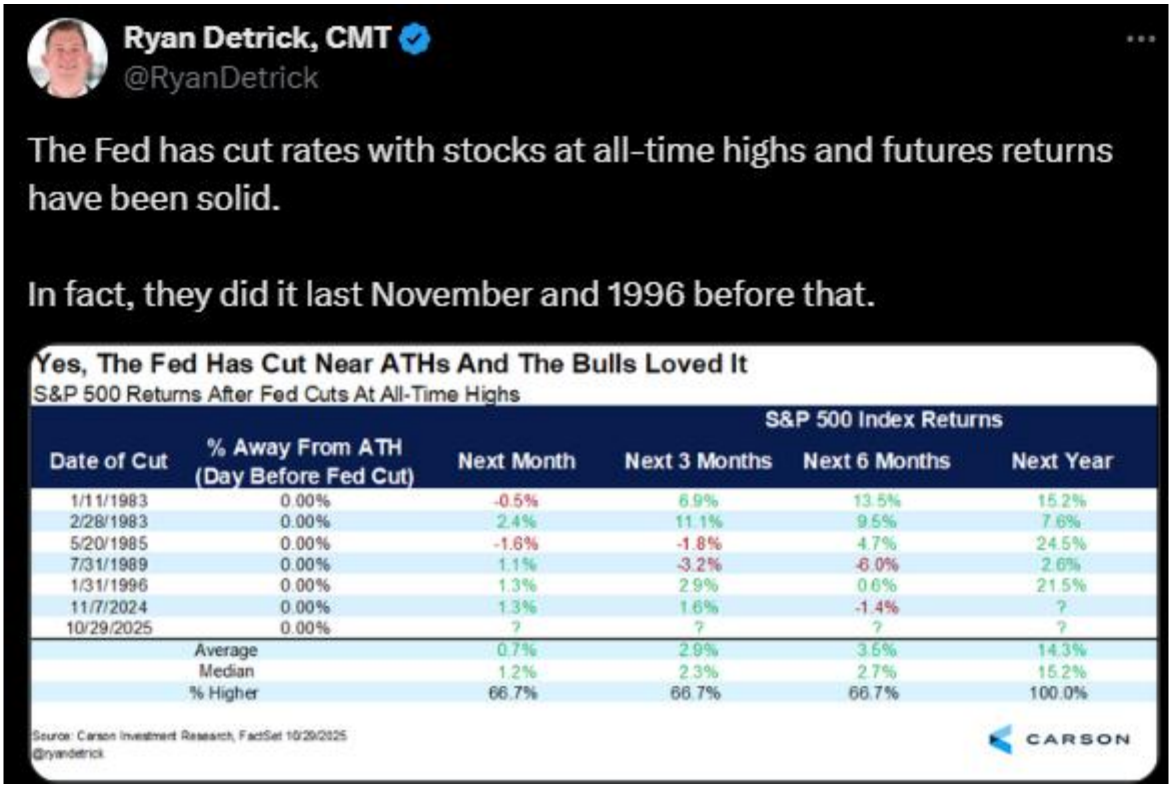
2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD total
Tariff revenue (bn)	$7	$7	$8	$16	$22	$27	$28	$30	$144
Imports (bn)	$317	$288	$343	$276	$276	$266	$292	$262	$2,320
Effective tariff rate	2.3%	2.5%	2.4%	5.7%	8.0%	10.0%	9.5%	11.3%	6.2%

comes a large decline in imports, down to $262 billion in the month of August, compared to $317 billion in January, 2025. As of the end of August, the average statutory tariff rate was set at approximately 19.2%, down from the peak of 30% back in April around liberation day. The average effective tariff rate currently sits around 11.3%, up from 2.3% at the beginning of the year. Trade deals are being discussed weekly, but we expect tariffs to remain throughout the current presidential term, likely staying around levels that we have not experienced in nearly 100 years. We are monitoring this closely to see if the effect of tariffs begin to flow through the economic data in 2026, specifically pertaining to inflation and unemployment.



[Stock Market Indexes by Country - Quotes - Geomap]

The United States has had another great year in 2025, with the S&P 500 gaining +14.83% through the end of the third quarter. However, there has been tremendous outperformance by international stocks so far in 2025, with the MSCI EAFE gaining +25.72% YTD through the end of the third quarter, while many countries around the world are up between 30%-60% YTD. This international outperformance has only occurred twice in the last decade, and rarely since the start of this century. A key contributor to this outperformance is the fact that several international countries actually went through recession between 2022- 2024, and are now starting to drastically rebound from both an economic and investment perspective. Another key driver of the increased international returns YTD is the weakening of the US dollar, which is down roughly -10% since the start of 2025. We expect this trend to likely continue into 2026, as the US likely faces some economic headwinds with a slightly weakening labor market, continued uncertainty around tariffs and economic policy, and a weakening dollar.



Ryan Detrick, CMT
@RyanDetrick

The Fed has cut rates with stocks at all-time highs and futures returns have been solid.

In fact, they did it last November and 1996 before that.

Yes, The Fed Has Cut Near ATHs And The Bulls Loved It
S&P 500 Returns After Fed Cuts At All-Time Highs

		S&P 500 Index Returns			
Date of Cut	% Away From ATH (Day Before Fed Cut)	Next Month	Next 3 Months	Next 6 Months	Next Year
1/11/1983	0.00%	-0.5%	6.9%	13.5%	15.2%
2/28/1983	0.00%	2.4%	11.1%	9.5%	7.6%
5/20/1985	0.00%	-1.6%	-1.8%	4.7%	24.5%
7/31/1989	0.00%	1.1%	-3.2%	-6.0%	2.6%
1/31/1996	0.00%	1.3%	2.9%	0.6%	21.5%
11/7/2024	0.00%	1.3%	1.6%	-1.4%	?
10/29/2025	0.00%	?	?	?	?
	Average	0.7%	2.9%	3.6%	14.3%
	Median	1.2%	2.3%	2.7%	15.2%
	% Higher	66.7%	66.7%	66.7%	100.0%

Source: Carson Investment Research, FactSet 10/29/2025
@ryandetrick

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The Federal Reserve lowered interest rates this week and is likely to lower again before yearend or in early 2026. The 25 basis point (0.25%) rate cut lowered the short-term federal funds rate to a targeted range of 3.75%-4.00%, with more rate cuts expected in 2026. The Federal Reserve may be lowering rates due to a weakening US dollar, a slowing labor market, and inflation concerns mainly due to the recent tariffs, but the market tends to perform well following the Federal Reserve lowering interest rates when the market is at or near all-time highs. Historically speaking, when the Federal Reserve cuts interest rates at or near all-time highs, the market has been positive 100% of the time over the next 12 months, with an average return of +14.3%. This could set up for another strong year of market returns in 2026, but we are expecting more normal portfolio growth in the 6%-8% range.

Tax Update and Key Items that could Impact your 2025 taxes and beyond

OBBBA Charitable Giving 101

With the passage of the One Big Beautiful Bill Act (OBBBA) on July 4th, significant changes will be coming to the tax code that may have an impact on your charitable contributions. With these changes going into effect January 1st, 2026, this may change how you gift for the remainder of 2025. This material is to educate you on the upcoming changes & prudent strategies to maximize your deductions from your charitable contributions. Contact Foresight if you wish to receive further guidance on potential strategies that will best fit your needs.

Major Changes For the 2026 Tax Year

- The OBBBA reinstated non-itemizers can deduct $1,000 (or $2,000 for joint filers) for charitable contributions & other expenses. This is not subject to the .50% AGI floor.

- Note: Donations to private funds, supporting organizations, and donor-advised funds (DAFs) do not qualify for this universal deduction

- Itemizers who make charitable contributions can only claim a tax deduction on donations that exceed 0.5% of their AGI (Adjusted Gross income).
  - Example: A couple with an AGI of $250,000 can only deduct charitable donations over $1,250.
- Seniors over 65 can receive an extra tax deduction of $6,000 ($12,000 for joint filers if both are over 65) on top of the current $2,000 deduction effective 2025 through 2028. To qualify, you must be 65 on or before the last day of the taxable year.
  - This deduction is reduced gradually by 6% for those with a MAGI (Modified Adjusted Gross Income) over $75,000 (or $150,000 for joint filers) and completely eliminated at $175,000 for single filers and $250,000 for joint filers.
    - Example: A single filer with $100,000 in MAGI will lose $1,500 of the potential $6,000 deduction, leaving $4,500 available. (($100,000 -$75,000) * 6% = $1,500
- The new tax saving cap for itemized deductions is 35% for those in the highest tax bracket of 37%
  - Example: A $10,000 charitable contribution would yield a tax savings of $3,500 instead of $3,700.
- A tax credit of $1,700 for contributing to K-12 scholarship-granting organizations (SGOs) starting after December 31st, 2026
  - To check an organization's eligibility for 501(c)(3) status visit: **https://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations**
- The following table illustrates the full breakdown of the AGI limit between different types of donations:

Contribution Type	Organization Type	AGI Limit
Cash Contributions	Public Charities (50% limit orgs)	60%
Non-cash Contributions	Public Charities (50% limit orgs)	50%
Capital Gain Property	Public Charities (50% limit orgs)	30%
Cash/non-Cash	Private Foundations (30% limit orgs)	30%
Capital Gain Property	Private Foundations (30% limit orgs)	20%
Qualified Conservation	Any Qualifying Organization	50% (100% for farmers/ranchers)

- Note: The OBBBA sets an ordering list for which charitable contributions are deducted first by the 0.5% floor. The order is as follows:
  1. Capital gain property contributions to private foundations
  2. Capital gain property contributed to public foundations at fair market value
  3. Cash contributions to private foundations
  4. Qualified conservation contributions
  5. Capital gain property to public foundations at cost basis
  6. Cash contributions to public foundations
  - Additionally, funds can be carried over up to 5 years only if they exceed the .50% AGI floor.

There were also several changes to itemized deductions that are summarized in the table below:

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Changes To Itemized Deductions Under OBBBA

Deduction	TCJA Rules	OBBBA Rules	Year Changes Take Effect
Medical & Dental Expenses	Qualified medical expenses deductible to the extent that they exceed 7.5% of AGI.	No change – same as TCJA.	N/A – no changes
State & Local Taxes	Limited to $10,000 of state and local income, real estate, and personal property taxes.	Limit increased to $40,000 in 2025, increasing by 1% per year from 2026–2029. Limit reduced by 30% of taxpayer's MAGI over $500,000, down to a minimum of $10,000. Limit reverts to $10,000 in 2030.	2025
Mortgage Interest	Deductible to the extent of interest paid on the first $750,000 of total mortgage indebtedness. Limited to acquisition debt (incurred in acquiring, constructing, or substantially improving residence) - home equity loans not deductible.	Retains the $750,000 indebtedness limitation and acquisition debt requirement. Includes mortgage insurance premiums.	2026
Gifts To Charity	Cash contributions deductible up to 60% of AGI for donations to public charities, or 30% of AGI for other charities. Capital gain property contributions deductible up to 50% of AGI for donations to public charities using cost basis, 30% of AGI for donations to public charities using FMV, or 20% of AGI for other charities.	Deduction for charitable contributions reduced by 0.5% of taxpayer's AGI. 60% limit on cash contributions to public charities reduced by the amount of capital gain property also contributed to public charities during the tax year.	2026
Casualty & Theft Losses	Deduction for personal casualty losses allowed for losses resulting from a Federally declared disaster. Wagering losses deductible to the extent of wagering gains.	Deduction also allowed for disasters declared by states or municipalities. Wagering loss deduction limited to 90% of wagering losses, to the extent of wagering gains.	2026
Misc. Itemized Deductions	All miscellaneous deductions subject to 2% AGI floor (unreimbursed employee expenses, investment expenses, etc.) disallowed.	Miscellaneous itemized deductions remain permanently disallowed. Unreimbursed educator expenses allowed as an additional itemized deduction?	2026
Overall Itemized Deduction Limit	No limit on itemized deductions.	Itemized deductions reduced by 2/37 for taxpayers in the 37% tax bracket.	2026

Foresight Investment Strategies for 4Q 2025- from Matt Lawrence, Manager of Investments

Foresight continues to see opportunities in staying broadly diversified while also finding opportunities to hedge against risk and volatility. The U.S. economy cooled but stayed resilient in Q3 2025 after a strong first half of the year. Growth moderated from the 3.8% pace of Q2 to 1.7% annualized, according to economists surveyed by the Federal Reserve Bank of Philadelphia. The key story however, was that the U.S. avoided a hard landing, but momentum has clearly slowed. Consumer spending remained the main driver, supported by job gains and wage growth, though at a slower pace than earlier in the year. Business investment was mixed: strong in AI infrastructure, data centers, and manufacturing, weaker in housing and other rate-sensitive sectors. As of the end of 3Q, the S&P 500 index is up +14.83%, while the Nasdaq is up 17.67% and the Russell 2000 is up 9.41% YTD. International markets have continued to outperform in 2025, with the MSCI EAFE index returning 25.72% thought the first nine months of the year. The Federal Reserve is also expected to continue implementing interest rate cuts over the remaining Fed meeting in 2025 and/or in the 1Q 2026, which would leave us at a targeted Federal Funds rate of 3.50%-3.75% by the end of the year and lower in 2026. In conclusion, the U.S. economy remained resilient but clearly slowing in Q3, marking a shift from the strong growth earlier in the year. The labor market cooled but stayed healthy, with unemployment edging up to roughly 4.3%, while inflation was edged up a bit to about 3%, still above the Fed's 2% target. High interest rates and elevated tariffs weighed on housing, manufacturing, and business confidence. However, with the U.S government still shutdown as of late-October and the lack of published economic data due to this shutdown, it is still an uncertain market environment as we go into the fourth quarter and beyond.

Foresight currently has the portfolios positioned at neutral weightings as follows: 52:48 for Conservative, 62:38 for Moderate, and 75:25 for our Aggressive Retirement Plan participants while investors with personal portfolios at Foresight are at approximately 50:50 for Conservative, 60:40 for Moderate, and 73:27 for the Aggressive Models. We currently still see opportunities in balancing risk and reward by increasing exposure to international markets and hedging against market volatility by holding uncorrelated assets such as precious metals and market neutral funds. For Individuals who have personal portfolios with Foresight, we continue to monitor the stock portfolios weekly and use stop-losses to protect the robust gains produced from a strong bull market the past three years while also positioning the portfolios for a successful 2026. Additionally, we recently completed the implementation of our first private markets offering through the First Trust Alternative Opportunities Fund (Ticker: VFLEX). This was added successfully to all client portfolios that were able to allocate to the fund and it has performed as expected so far, providing uncorrelated returns to public markets and an excellent annual yield to improve cash flow. We will continue to monitor and search for additional high performing investments in the alternative space. We are always exploring opportunities to deploy excess cash in the equity portfolios with an emphasis on finding quality companies at an attractive price point in high growth industries. Foresight has also continued to purchase discount bonds to lock in quality yields in order to provide consistent cash flow for our clients.

As always, we continue to monitor our portfolios on a daily basis and look for any opportunity to strengthen our positions depending on market trends and future outlook. Please call or email if you have any questions or would like to review your portfolios. Foresight was ranked in the 2025 Financial Advisors Magazine in the Top 335 advisors nationally and in the top 13 advisors in Michigan! Both Laurie and Patrick were chosen as Five Star Advisors for 2025. We wish everyone a wonderful Fall and upcoming holiday time!

GDP 3.2% YTD – 3Q Data delayed due to shutdown https://www.bea.gov/data/gdp/gross-domestic-product
Unemployment: 4.3% https://www.bls.gov/charts/employment-situation/civilian-unemployment-rate.htm
Job openings: 7.2 million https://www.bls.gov/news.release/jolts.nr0.htm
CPI: 3.0% https://www.usinflationcalculator.com/inflation/current-inflation-rates/
Wage growth: 4.1% https://www.atlantafed.org/chcs/wage-growth-tracker

Foresight Financial Planning Ideas

Foresight Ranked Nationally by Financial Advisor Magazine for RIAs: Every year Financial Advisor Magazine ranks all the Registered Investment Advisory firms on growth, returns, and net new clients. Foresight was move up 63 spots in 2025 to hold the 335th investment firm in the nation! For Michigan we ranked 13th in the state. We are very honored to have accomplished this achievement and thank you for being a part of our firm.

New "Trump IRA Accounts" for Infants!: Beginning in 2025 all newborns from Jan 1, 2025 through Dec 31, 2028 are eligible to get a "Trump Account" investment account that will be funded with $1,000 from the federal government and invested in an index fund of the US stocks of your choice. The funds will not be available for use until the child turns 18 years of age. The account will have penalties if removed before age 59 ½. It will grow tax deferred and can be funded with $5,000 yearly until age 18, and if you do that it could grow to over $300,000! Additional information will be forthcoming as it becomes available but the key item to remember is the account has to be opted into or the child does not get the account. The government plans to begin funding these accounts in July of 2026.

Secure Act 2.0 How to Roll Over Excess Funds in a 529 Plan to a Roth IRA: Did you know that any excess funds left in a 529 plan can now be rolled over to a Roth IRA in $7k increments for 5 years as long as the child has earned wages of at least $7k per year. The 529 plan has to be in place for at least 15 years then by rolling $7k for the next 5 years you are able to get up to $35,000 into a Roth IRA for your child. This concept can be used to consider it as a gifting strategy for parents and grandparents to purposely over fund 529 plans so you will have a way to get your children/grandchildren a Roth IRA with up to $35k in it to help launch them for their futures. Please contact Foresight if you would like to discuss this further 877-429-4690.

Healthcare Costs for a Retired Couple in 2025 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 2025 it is expected to cost $315,000 per couple and $176,000 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.

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.

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.

New Roth Catch-Up Contribution Change in 2026: Beginning in 2026, individuals must make their eligible catch-up contributions to a Roth, which is $8,000 if age 50+ or $11,500 for ages 60-63. This is in effect for all 401(k), 403(b), or 457(b) accounts, if the individual earned more than $145,000 of FICA wages during the prior year. This Roth contribution option is only available if the employer offers the Roth in their plan, for example, age 50+ max deferral is $32,500 of which $24,500 can be Pre-tax, however, the catch-up contribution of $8,000 has to be made to a Roth 401(k). For individuals between the age of 60-63, max deferral is $36,000 of which $24,500 can be Pre-tax, however, the catch-up contribution of $11,500 has to be made to a Roth 401(k). If your employer does not offer a Roth 401(k)/403(b)/457(b), you lose out on this $8,000 catch-up contribution entirely. So it is very important that employer plans have the Roth ability for 2026!

Contribution Limits for 2026: The IRS has officially released the new 401(k),403(b), and 457 savings limits for 2026. Note the extra savings that employees can save if the ages 60 to 63! See table below.

Foresight
Capital Management Advisors, Inc.

Contribution Limits

	2025	2026
401(k), 403(b), or 457 deferral limit	$23,500	$24,500
401(k), 403(b), or 457 catch-up deferral limit	$7,500	$8,000
401(k), 403(b), or 457 catch-up deferral limit if age 60-63	11,250	$11,500
401(k), 403(b), or 457 max. deferral if age 50+	$31,000	$32,500
↳ If FICA wages greater than $150,000 contribution deferral can be Pre-tax	$23,500*	$24,500*
↳ And the catch-up deferral must be Roth	$0	$8,000*
401(k), 403(b), or 457 max. deferral if age 60-63	34,750	$36,000
↳ If FICA wages greater than $150,000 contribution deferral can be Pre-tax	$23,500*	$24,500*
↳ And the catch-up deferral must be Roth	$0	$11,500*
Total Savings deferral, match, and profit sharing	$70,000	$72,000
Total Savings deferral, match, and profit sharing if age 50+	$77,500	$80,000
IRA deferral limit	$7,000	$7,500
IRA maximum deferral if age 50+	$8,000	$8,600
Simple IRA deferral limit	$16,500	$17,000
Simple IRA maximum deferral if age 50+	$20,000	$21,000
SEP IRA deferral limit *(maximum not to exceed 25% of earnings)*	$70,000	$72,000
Annual Comp limit & SEP IRA wage limit cap	$350,000	$360,000
Highly Compensated Employee wage limit	$160,000	$160,000
Roth IRA phase-out range (married)	$236,000-$246,000	$242,000-$252,000
Roth IRA phase-out range (single)	$150,000-$165,000	$153,000-$168,000
Traditional IRA phase-out range (married)		
*with workplace retirement plan	$126,000-$146,000	$129,000-$149,000
*without workplace retirement plan	$236,000-$246,000	$242,000-$252,000
Traditional IRA phase-out range (single)	$79,000-$89,000	$81,000-$91,000
Annual Gift Exclusion	$19,000	$19,000

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

	2025	2026
Individual HSA limit	$4,300	$4,400
Family HSA limit	$8,550	$8,750
Individual HSA limit age 55+	$5,300	$5,400
Family HSA limit age 55+	$9,550	$9,750
Individual HDHP minimum deductible	$1,650	$1,700
Family HDHP minimum deductible	$3,300	$3,400
Individual HDHP maximum out-of-pocket	$8,300	$8,500
Family HDHP maximum out-of-pocket	$16,600	$17,000

*If FICA wages are greater than $150,000 during the prior year, any eligible catch-up contributions must be made to a Roth version of these accounts as an after-tax contribution, for example, if age 50+ max deferral is $32,500 of which $24,500 can be Pre-tax, however, the catch-up contribution of $8,000 has to be made to a Roth 401(k). If your employer does not offer a Roth 401(k)/403(b)/457 you will lose out on this $8,000 catch-up contribution entirely. Note, for individuals between the age of 60-63 has larger catch-up contribution ability.

Sources:

https://www.whitecoatinvestor.com/retirement-plan-contribution-limits/
https://www.fidelity.com/learning-center/smart-money/hsa-contribution-limits
https://www.irs.gov/pub/irs-drop/rp-24-25.pdf
https://www.morganlewis.com/pubs/2024/10/irs-announces-increased-gift-and-estate-tax-exemption-amounts-for-2025

NAPFA-Registered Financial Advisor

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How to Apply for Medicare: Are you getting close to age 65? Medigap versus Medicare Advantage Plans, you need to know what the differences are and the benefits of each. Our recommendation is to stay in Medigap supplemental policies as long as you can. 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.

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

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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 CIMA® 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

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.

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 or Definiti.com for retirement participants. 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. Please note in 1Q 2026 we will be implementing a new web portal for individual clients and will let you know soon how to access your data in 2026.

Foresight

Capital Management Advisors, Inc.

October 2025

Market Update

(all values as of 09.30.2025)

Stock Indices:

Dow Jones	46,397
S&P 500	6,688
Nasdaq	22,660

Bond Sector Yields:

2 Yr Treasury	3.60%
10 Yr Treasury	4.16%
10 Yr Municipal	2.92%
High Yield	6.56%

YTD Market Returns:

Dow Jones	9.06%
S&P 500	13.72%
Nasdaq	17.34%
MSCI-EAFE	22.34%
MSCI-Europe	24.64%
MSCI-Pacific	17.97%
MSCI-Emg Mkt	25.16%
US Agg Bond	6.13%
US Corp Bond	6.88%
US Gov't Bond	5.93%

Commodity Prices:

Gold	3,882
Silver	46.77
Oil (WTI)	62.52

Currencies:

Dollar / Euro	1.17
Dollar / Pound	1.34
Yen / Dollar	148.71
Canadian /Dollar	0.71

Macro Overview

The Fed's decision to ease rates in September may be perceived as a method to alleviate a slowing economy, not entirely a response to diminishing inflation. Markets carefully follow Federal Reserve decisions as a signal of where the economy is expected to head. Labor market data and economic releases provided by the federal government, which the Federal Reserve and economists rely on, are coming under escalating scrutiny. There is an increasing reliance on labor market data compiled by private companies, not the government, as credibility with the Bureau of Labor Statistics has progressively deteriorated.

The most recent government shutdown is the first in seven years, when the government was shuttered for 35 days between December 22, 2018 and January 25, 2019. Current federal agencies and departments that are currently closed or affected under the shutdown that began October 1, 2025 include the Department of Health, Department of the Interior, Social Security Administration and the IRS.

Inflation as a result of the recently imposed tariffs is coming into question by some analysts and economists, as a large portion of companies are not passing along the cost of tariffs in the form of higher prices. More companies are absorbing tariff costs in order to maintain market share and to compete more favorably.

A growing number of economists are pinning poor job growth and falling productivity as triggers for a looming recession. Job creation leads to rising consumer expenditures as companies produce more and spend more efficiently, none of which is currently occurring.

Consumer financial duress is seeping through to portions of the financial markets. Delinquency rates have been rising over the past few months for auto loans, credit card accounts, and certain mortgages. Many economists are attributing the delinquencies to a weakening jobs markets and minimal wage growth.

As the trade climate has shifted over the past few months, some unintended consequences from the tariffs have emerged. The European Union has begun to assemble new trade agreements with the Philippines, Thailand, and Malaysia that will be effective by 2027, in order to avert the possibility of future tariff challenges with the U.S. Such arrangements leave the U.S. out of future trading opportunities that provide favorable terms for U.S. companies and importers.

U.S. equity markets excelled in the third quarter, as consumer spending kept momentum on track for a positive trending performance. Analysts are increasingly focusing on company earnings and a feeble labor market as the fourth quarter sets in.

The spread or difference between investment grade corporate bond yields and Treasury bond yields hit the smallest difference since 1998 in the 3rd quarter. The spread is essentially the higher yield that investors demand from investment grade corporate debt versus risk free government debt such as Treasury bonds. Analysts believe that the bond market is signaling a gradual decrease in confidence surrounding government debt and an increasing conviction in corporate financial stability. (Sources: Federal Reserve, Treasury, Bloomberg, EuroStat, BLS)

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FOREIGN INVESTORS NOW HOLD OVER $18 TRILLION IN U.S. STOCKS

Equity Indices Advance In The 3rd Quarter – Domestic Equity Overview

Stocks were bolstered by recent and expected Fed rate cuts, with a rally broadening from large cap stocks to mid and small cap stocks. Equities brushed off a government shutdown that started on October 1st, leading to partial data releases interruption. Equity indexes posted strong gains in the third quarter which ended September 30th, with all major benchmarks rallying to new highs. The S&P 500 rose by approximately 8.1%, the Dow Jones Industrial Average increased by about 5.7%, the Nasdaq Composite gained 11.4%, and the small-cap Russell 2000 surged 12.4%.

Interest rates have become a primary determinant for the direction of the equity markets, as elevated borrowing costs continue to hinder earnings and capital investment. Investors are awaiting the start of next quarter's earnings season to gauge the impact of tariffs and a slowing labor market on American corporations. (Sources: S&P, Dow Jones, Nasdaq, Federal Reserve, Russell)

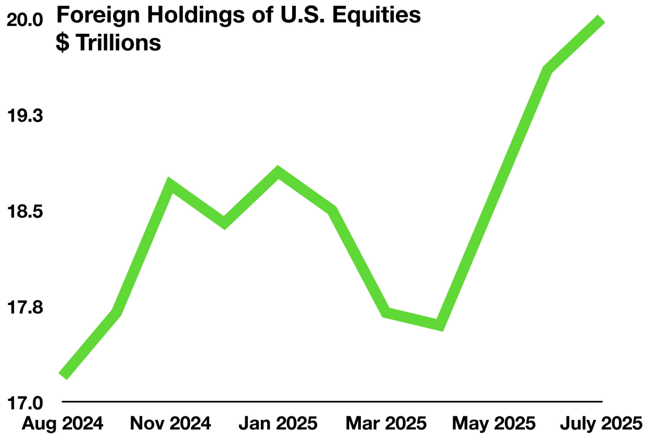
Demand For Treasuries Alter Bond Preferences – Fixed Income Update

The premium that investors demand to hold investment-grade-rated companies' bonds instead of Treasuries hit its lowest level since 1998. Demand for U.S. investment-grade corporate bonds increased in September, as large cap U.S. companies with strong balance sheets sold bonds at elevated prices. Numerous fixed income analysts expect to see a growing demand for corporate debt over Treasury debt as fiscal constraints hinder government debt issuance.

The 10-year Treasury bond closed the quarter with a 4.16% yield, lower than its recent highs. Markets are anticipating that the Fed will cut rates in the months ahead, as markets are placing greater emphasis on weak private sector labor data rather than delayed government statistics from the Department of Labor. (Sources: Treasury Dept, Labor Department)

Foreigners Own Record Amount of U.S. Stocks – Equity Market Dynamics

Foreign purchases of U.S. equities rose to a record in the second quarter of 2025, according to Federal Reserve data, with foreigner investors now holding some $18 trillion in U.S. stocks, accounting for roughly 30% of the $60 trillion U.S. stock market. The current holdings of U.S. stocks by foreigners is the largest on record going back to 1945, according to data compiled by the Federal Reserve.



Analysts believe that a growing number of foreign investors are avoiding U.S. Treasuries and instead buying U.S. corporate bonds and U.S. large cap stocks. The increase in holdings by foreigners is also attributable to increasing equity valuations across all sectors and industries. The transparency and accounting standards of U.S. companies has been a beacon for decades as international investors seek the liquidity and regulated markets of the United States. (Source: Federal Reserve Bank of St. Louis)

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AVERAGE MONTHLY PAYMENT FOR A NEW VEHICLE AUTO LOAN IS $749

Protecting Yourself From Identity Theft – Personal Finance

According to the Department of Justice, it is estimated that 24 million Americans will be victims of identity theft in 2025, as scams become increasingly sophisticated using old and new methods powered by technology like artificial intelligence and social engineering, which trick victims into sharing personal information.

Trending Identity Theft Scams:

AI-powered scams: Scammers use generative AI to create realistic phishing (fraudulent) emails, text messages, fake voices, and deepfake videos to impersonate legitimate entities and individuals.
Imposter scams: Criminals pose as government agents, company representatives, or relatives to solicit sensitive information or payments, often using convincing AI-generated assets or manipulated voices.

Telemarketer/tech support scams: Fraudsters call victims pretending to be from a legitimate business or technology support team, asking for passwords or financial information.

Data breach fallout scams: After hacking a company, scammers send fake emails to victims referencing the breach and requesting that they verify or update their details through fictitious links.

Phishing, smishing, and vishing: Victims are tricked via email, text (SMS), or phone calls into sharing personal information or account credentials. New AI tools make these communications seem more authentic.

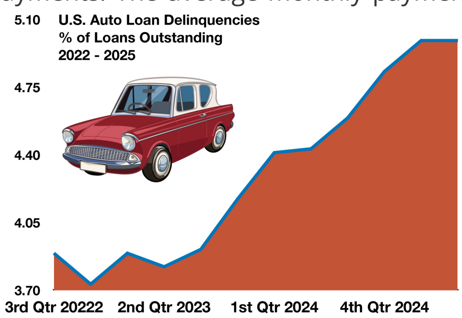
Credit/debit card skimming: Devices installed on ATMs or registers steal card data during legitimate transactions such as at retails stores, restaurants and point of sale (POS) locations.

Medical identity theft: Scammers use stolen personal information to obtain medical services or prescriptions in someone else’s name.

Google Voice authentication scam: Criminals create fake buyer personas on marketplaces and trick sellers into revealing the verification codes for their accounts, which are then used to hijack the victims’ phone numbers for more scams. (Source: U.S. Department of Justice; September 2025, NCJ 248991)

Consumers Falling Behind On Loan Payments – Consumer Finances

Financial duress among consumers nationwide is starting to appear in certain sectors and casting doubt on the endurance of consumers in the coming months. An increase in delinquencies on various consumer loans including auto loans and credit cards, are starting to divulge how strained some consumers have become. Elevated interest rates and expensive automobiles have laden consumers with large monthly payments. The average monthly payment for a new vehicle auto loan is $749 and $529 for used vehicles according to Federal Reserve economic data. As credit card balances have been increasing so have delinquencies, with a growing number of consumers falling behind on payments. Credit availability has expanded over the past few years as non-traditional private finance companies and lenders, rather than banks, have been lending in markets that for years were dominated by banks. Exposure to delinquencies and defaults has been slowly shifting from banks to non-traditional lenders. (Sources: Federal Reserve Bank of St. Louis)



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TOTAL WEALTH HELD BY BABY BOOMERS IS NOW OVER $85 TRILLION

Baby Boomers Have Much More At Stake Today – Demographical Overview

Baby boomers, those of us born between 1946 and 1964, currently hold the largest share of wealth in the U.S. stock market as compared to other age groups. As the biggest investors in stocks, there also comes some risks to the boomers.

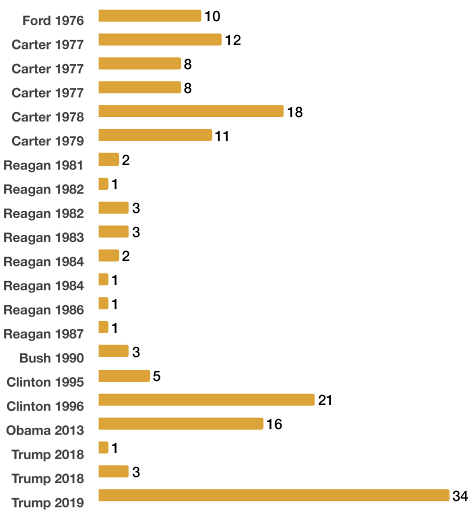
The median age of baby boomers is now over 60, not 36 when the internet bubble burst in 2000 or 43 in 2007 when the financial crisis began. Demographically, the boomers have more exposure now than in 2000 and 2007, because at age 60 boomers don't have the time to make up significant market pullbacks as occurred in 2000 and 2008. With over 60% of their financial assets allocated to stocks, more boomers are reallocating some of their stock holdings to bonds in order alleviate risk exposure and market pullbacks.

Total wealth held by baby boomers reached over $85 trillion in the 2nd quarter, which includes stocks, real estate and personal assets. Those born between 1928 and 1945 are known as the Silent generation, which have surpassed their earning years and are mostly spending their remaining wealth on retirement and health care. Millennials, born from 1981 to 1996 are known as more cautious investors, holding higher cash balances and maintaining relatively conservative portfolios compared to Gen X, yet gradually increasing their allocations to equities as their confidence grows and wealth accumulates. (Source: Federal Reserve Bank of St. Louis)

The Common Occurrence Of Government Shutdowns – Fiscal Policy

Government shutdowns have been a common occurrence over the years under most every administration. The length of the shutdowns have varied from 2 days in 1981 under President Reagan, 21 days in 1995 under President Clinton, and 34 days in 2019 under President Trump. A shutdown occurs when Congress fails to pass or the President refuses to sign legislation funding federal government operations and agencies. Estimated costs of the most recent government shutdown are still unknown, with lost wages, exports, and government services essential to the operation of private sector businesses being affected. How much the shutdown may have weighed on the economy may not be known until later in the year.

Government Shutdowns / 1976-2019 (Total Days)



Government shutdowns entail partial closure of certain agencies and departments, not complete closures. Departments affected during the most recent shut down include Homeland Security, Housing & Urban Development, Commerce, FCC, Coast Guard, FEMA, Interior, Transportation, and the IRS. Federal employees deemed as "essential" among the various departments are required to work without pay until a funding bill is passed by Congress. The closures affect numerous private businesses that rely and adhere to regulatory rules imposed by the Federal government, such as mortgage loans and the IRS. (Sources: Congressional Records)