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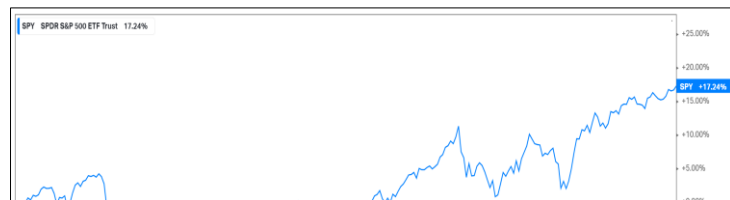
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Dear Friends,

Happy New Year! Also, Happy Year End!

It's safe to say that we are all probably pleased to close the books on 2020. Over the past couple decades of our careers in finance we have witnessed booms, busts, attacks, wars and scandals but never a global pandemic.

Thanks to the Fed and our government the markets not only recovered, they had a great year, with the S&P 500 ETF SPY finishing up 17.24%. In fact, if you remove March through July performance by creatively cropping an S&P 500 chart, the year looks like it was rather easy for investing!



Of course, we know it wasn't an easy year for investing, or anything else really. Many of us couldn't get together with family, celebrate milestones and achievements with loved ones, attend religious gatherings, go to work, eat-out or catch a movie. People lost their lives. Yet we persevered through it all.

As we write this note we are dealing with political divisions unlike we have ever seen in this country. That said, there will be a peaceful transition of power come January 20th and our country will endure.

While we don't know what is in store for 2021, or beyond, we are optimistic that our economy, markets, people and country will continue to flourish.

Best,



2021 ANNUAL RETIREMENT PLANNING & HSA LIMITS

Retirement Limits	2021	2020	Social Security Limits	2021	2020
Covered compensation limit	\$290,000	\$285,000	Maximum taxable earnings	\$142,800	\$137,700
Defined benefit maximum limit	\$230,000	\$230,000	One quarter of coverage (max 4 per year)	\$1,470	\$1,410
Defined contribution plan maximum limit	\$58,000	\$57,000	Retirement Earnings Limits		
Salary deferral limit 401(k), 457(b), 403(b)	\$19,500	\$19,500	- Before full retirement age (50% reduction)	\$18,960	\$18,240
Catch-up contribution limit (Age > 50)	\$6,500	\$6,500	- Year of full retirement age (33% reduction)	\$50,520	\$48,600
Highly compensated employee comp. limit	\$130,000	\$130,000	Social Security Disability Thresholds		
Key employee comp. limit	\$185,000	\$185,000	- Max earnings - blind (monthly)	\$2,190	\$2,110
SEP maximum contribution limit	\$58,000	\$57,000	- Max earnings - non-blind (monthly)	\$1,310	\$1,260
SEP earnings limit	\$650	\$600	Maximum monthly SS benefit	\$3,148	\$3,011
SIMPLE salary deferral limit	\$13,500	\$13,500	PBGC maximum - monthly @ age 65	\$6,034	\$5,813
SIMPLE catch-up contribution limit (Age>50)	\$3,000	\$3,000	Fringe Benefits	\$2,021	\$2,020
IRA contribution limit	\$6,000	\$6,000	Qualified parking exclusion	\$270	\$270
IRA catch-up contribution (Age>50)	\$1,000	\$1,000	Transit pass exclusion	\$270	\$270
Traditional IRA Deduction Phaseouts			Adoption assistance	\$14,440	\$14,300
- MFJ - one spouse is an active participant	\$198k - \$208k	\$196k - \$206k	Health Savings Account - HSA	\$2,021	\$2,020
- MFJ - both spouses are active participant	\$105k - \$125k	\$104k - \$204k	High-deductible minimum deductible		
- Single - taxpayer is an active participant	\$66k - \$76k	\$65k - \$75k	- Single	\$1,400	\$1,400
- Married filing separately	\$0 - \$10k	\$0 - \$10k	- Family	\$2,800	\$2,800
Traditional IRA Deduction Phaseouts			High-deductible max out-of-pocket		
- Married filing jointly	\$198k - \$208k	\$196k - \$206k	- Single	\$7,000	\$6,900
- Single	\$125k - \$140k	\$124k - \$139k	- Family	\$14,000	\$13,800
- Married filing separately	\$0 - \$10k	\$0 - \$10k	HSA Contribution Limits		
Saver's Credit	2021	2020	- Single	\$3,600	\$3,550
- Married filing jointly	\$66,000	\$65,000	- Family	\$7,200	\$7,100
- Single	\$49,500	\$48,750	- Catch-up contributions (Age>55)	\$1,000	\$1,000
- Married filing separately	\$33,000	\$32,500			

MARKET & ECONOMIC INDICATORS

<i>Indicator</i>	<i>Note [change vs prior quarter]</i>
Investor Sentiment AAI	54% Bullish [+28%] 19% Neutral [-12%] 27% Bearish [-16%]
Investor Sentiment CNN	71 Greed [+31]
Leisure and Entertainment (PEJ)	Down 10.76 [+17.26%] in 2020, trailed the S&P 500 by 28% [+5.23%]
Technology (XLK)	Up 40.97% [+14.3] in 2020, beat the S&P 500 by 23.73% [+2.27%]
SemiConductors (SMH)	Up 52.02% [+29.57%] in 2020, beat the S&P 500 by 34.78% [+17.54%]
Financials (XLF)	Down 2.68% [+16.75%] in 2020, trailed the S&P 500 by 19.92% [+4.72%]
Staples (VDC)	Up 11.78% [+8.37%] in 2020, trailed the S&P 500 by 5.46% [-3.66]
Healthcare (XLV)	Up 13% [+9.4%] in 2020, trailed the S&P 500 by 4.24% [-2.63%]
Utilities (XLU)	Up 1.78% [+5.31%] in 2020, trailed the S&P 500 by 15.46% [-6.72%]
Commodities (GSG)	Down 24.31% [+11.72%] in 2020, trailed the S&P 500 by 41.55% [-.31%]
20yr+ Treasury (TLT)	Up 16.83% [-4.7%] in 2020, beating the Barclays Bond Index by 9.65% [-5.14%]
2yr/10yr Government Bond Spread	Spread is positive at .99% [+42 bps]
High Yield Bonds (HYG)	Up 4.03% [+4.95%] trailing the Barclays Bond Index by 3.15% [-4.51%]
HYG spread vs 10yr Treasury	+378 bps [-158 bps]
YOY Corporate Earnings	Earnings estimates increased by 2.3%. Second straight quarter of increasing estimates
Central Bank Activity	FED continues new inflation strategy, "...above 2% for some time"
Average Hourly Earnings	YOY increased 3.2% from November of 2019 to November of 2020
Fund Flows	Equity and Money Market outflows, inflows to Bonds
Advanced/Decline Line S&P 500	Increased over the quarter
Merger & Acquisition Activity	U.S. M&A activity increasing but with decreased spending



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