



Issue: 3Q2023



Charles C. Weeks Jr., JD, CFP®
Founder

Barrister was founded with the sole mission of offering clients an opportunity to meet their financial objectives through independent, ethical, unbiased and competent professional guidance.

Barrister works with individuals, companies and non-profits providing financial planning, asset management, insurance, and employee benefit solutions.

1515 Market Street | Suite 1050
Philadelphia, PA 19102
contact@barrister.net
www.barrister.net
800-465-8140

Dear Friends,

One of the most difficult parts of financial planning and investment management is constantly dealing with uncertainty, unknowns, and variables. We can make assumptions, but there are always going to be those unexpected, black swan events, which have effects now and into the future.

As I write this newsletter, war again has broken out in the Middle East, after a very unexpected terrorist attack by Hamas, left hundreds of Israelis dead and thousands injured. Given the war in Ukraine, the current tensions between China and Taiwan and now this, the world is a much different place today than it was even a week ago.

Our portfolios have been defensively allocated since 2022 and in the coming days it will be determined if it makes sense to allocate a bit more to cash and very short-term bonds. The list of negative market headwinds continues to grow, here is a short-list of items; greater than a trillion dollars in credit card balances, increasing business bankruptcies, increasing oil prices with the potential for much higher prices, increasing 10-year US bond yields, large US government deficits, a frozen real estate market, student loans beginning to require repayments, unaffordable monthly payments for autos and homes due to high prices and high interest rates, to name a few.

Cash is Trash and TINA (There Is No Alternative) were investment themes for the past decade or so, and we enjoyed exceptionally good investment returns over that time. Although past performance is no guarantee of future results, the next decade may look quite different than the past. It could very well be that Cash is King. The fact of the matter is we do not know, and nobody does, that is why we are never fully out of, or in, any particular market. It is also why we are willing to invest in any asset class where we find value. There are times when protection and risk management trump growth and it is looking increasingly like that is our new reality at least for the short-term.

Best,



PLANNING NOTES

Year-end Financial and Tax Planning

Health Savings Accounts (HSA)

Max out HSA prior to tax filing deadline, \$3,850 for singles and \$7,500 for families

Flexible Spending Accounts (FSA)

These funds must be spent before the end of the year or the grace period or they'll be forfeited.

Review Beneficiaries

Review beneficiary designations on qualified plans, IRAs, life insurance and TOD/POD accounts.

Employee Benefits

Review what employee benefits are available during open enrollment. Health, life, disability, FSA, student loan assistance, etc.

Tax Loss Harvesting

Sell investment losses to offset any investment gains as well as up to \$3,000 of ordinary income.

Roth Conversions

Convert Traditional IRA contributions or balances into Roth IRA before year end.

Review Asset Allocation

Investment portfolio asset mix should match your risk tolerance and time horizon.

Asset Structure

Review accounts and eliminate and consolidate, as necessary.

Maximize Qualified Plan Contribution

401(k)/403(b) contribution limit is \$22,500 and if you are over 50 an additional \$7,500, deadline is year-end.

Maximize Retirement Accounts

Roth/Traditional IRA contribution limit is \$6,500 and if you are over 50 an additional \$1,000, deadline is tax filing.

Tax Withholding and Quarterly Taxes

Run a projection to ensure enough taxes were withheld or quarterlies were paid to avoid interest and penalties.

Tax Deductions

Bunch together available deductible expenses, possible multiple years' worth so itemized deductions are greater than standard deductions.

Review Emergency Fund

Singles and couples with one main earner should have 6 months of discretionary expenses saved, while everyone else should have 3 months.

Solo 401(k)

Self-employed can set up and fund the deferral portion of a solo 401(k) by year end. They can make an additional profit-sharing by tax deadline.



MARKET & ECONOMIC INDICATORS

<i>Indicator</i>	<i>Note [change vs prior quarter]</i>
Investor Sentiment AAI	30.1% Bullish [+16.3%] 28.3% Neutral [+8%] 41.6% Bearish [17.1%]
Investor Sentiment CNN	29 Fear [-49]
Leisure and Entertainment (PEJ)	Up 5.55% YTD [-9.33%], trailing the S&P 500 by 7.25% [-6.59%]
Technology (XLK)	Up 32.58% YTD [-5.6%], beating the S&P 500 by 19.56% [-3.08%]
SemiConductors (SMH)	Up 42.88% YTD [-4.01%], beating the S&P 500 by 29.86% [-1.49%]
Financials (XLF)	Down 1.66% YTD [-.81%], trailing the S&P 500 by 14.68% [+1.71%]
Staples (VDC)	Down 2.98% YTD [-4.67%], trailing the S&P 500 by 16% [-2.15%]
Healthcare (XLV)	Down 4.08% YTD [+20%], trailing the S&P 500 by 17.1% [-5.84%]
Utilities (XLU)	Down 14.3% YTD [-8.49%], trailing the S&P 500 by 27.32% [-17.59%]
Commodities (PDBC)	Up 1.15% YTD [+7.85%], trailing the S&P 500 by 11.87% [+10.37%]
Real Estate (ICF)	Down 6.62% YTD [-9.25%], trailing the S&P 500 by 19.64% [-6.73%]
20yr+ Treasury (TLT)	Down 9.01% YTD [-10.08%], trailing the Barclays Bond Index by 10.04% [-10.07%]
2yr/10yr Government Bond Spread	Spread is negative at -.30% [+58 bps]
High Yield Bonds (HYG)	Up 4.14% YTD [+8%], beating the Barclays Bond Index by 5.17% [+2.87%]
HYG spread vs 10yr Treasury	+438 bps [-28 bps]
YOY Corporate Earnings	64% of S&P 500 companies have issued negative EPS guidance
Central Bank Activity	Fed continues to hold rates steady and continues quantitative tightening
Average Hourly Earnings	YOY increase of .5% for the period ending August 2023
Fund Flows	-\$31.18 billion from equity funds and -\$11.53 billion to bond funds over the past 30 days
Advanced/Decline Line S&P 500	DOW, S&P 500 and NASDAQ all near three month lows



DISCLOSURES

Past performance may not be indicative of future results. Historical performance results for investment benchmarks/indexes have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that an account's holdings correspond directly to any comparative benchmark or index. Each index used as proxy for a given asset class/investment category referenced in this newsletter is a commonly used benchmark for that asset class. An investor may not directly invest in an index.

Some information in this newsletter is gleaned from third party sources, and while believed to be reliable, is not independently verified. Other information presented herein is based upon facts derived from publicly available information, and is also based on certain assumptions, including that there are no additional changes to current tax law, and that demographic information regarding retirement plan contributions also remains unchanged.

This material is intended to be educational in nature, and not as a recommendation of any particular strategy, approach, product or concept for any particular advisor or client. These materials are not intended as any form of substitute for individualized investment advice. The discussion is general in nature, and therefore not intended to recommend or endorse any asset class, security, or technical aspect of any security for the purpose of allowing a reader to use the approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisers. Barrister can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

Barrister is registered as an investment adviser within the jurisdictions in which it is required to do so, Registration as an investment adviser does not imply any certain degree of skill or training. Barrister's ADV Firm Brochure is available at www.Barrister.net