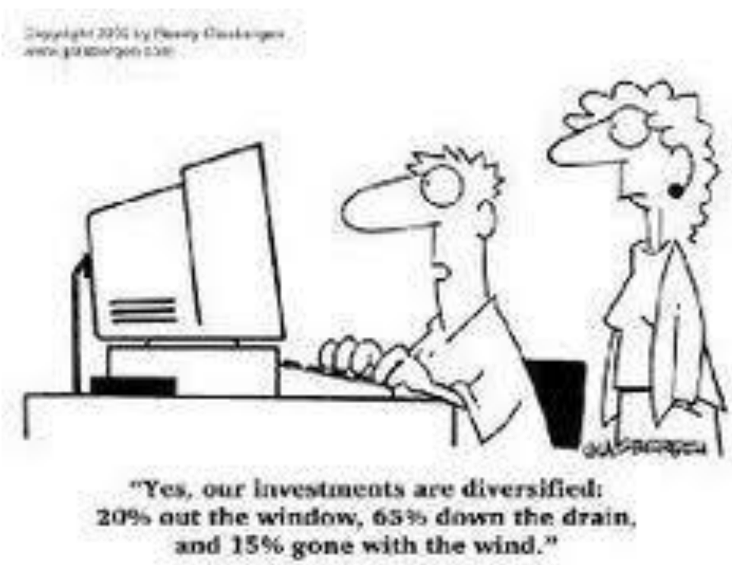
WASATCH CAPITAL MANAGEMENT OF RAYMOND JAMES®



NOVEMBER 2019

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Tis the Season -Article by Mark Lazar

It is a good thing we don't get as much government as we pay for. **Will Rogers**

Between October and December of 2018, the market experienced a 20.01% top-to-bottom drop. In sharp contrast, 2019 has richly rewarded investors as both stocks—domestic as well as foreign—as well as bonds have enjoyed a banner year.

U.S. economic growth is slowing but still outpacing the rest of the developed world. Unemployment is at a sixty-year low, the consumer is healthy, retail sales are up over 4%, interest rates have dropped precipitously over the past year (good for borrowers, bad for savers), and inflation, at 1.7%, is below trend. Looking ahead, economic growth is forecast at 2% for next year; down from 2019 but still respectable.

Item	Data point
S&P 500 Return YTD	24.78%
Bond Index Return YTD	8.30%
Foreign Index Return YTD	18.28%
Emerging Market Index YTD	10.17%
U.S Forecast GDP 2019	2.30%
Unemployment Rate	3.60%

**All hyperlinked data as of 11/9/2019*

With 2020 fast-approaching, now is the time to do year-end planning. The list includes, but is not limited to:

Fully fund retirement plans: Contribution limits are as follows:

- 401K, 403B, & DC457 plans — $19,000 + $6,000 catchup for participants 50+
- Roth & traditional IRAs — $6,000 + $1,000 catchup for those 50+
- SIMPLE IRAs — $13,000 + $3,000 catchup for those 50+
- SEP plans — $56,000

Fully fund Health Savings Accounts: Contribution limits are as follows:

- HSA single coverage — $3,500 + $1,000 catchup for participants 55+
- HSA family coverage — $7,000 + $1,000 (total) catchup for participants 55+

Process required minimum distributions: Retirement plan owners who are over 70 ½ are subject to RMDs, which must be taken by or before 12/31. The penalty for failing to do so is 50% of the required amount not taken. Retirement accounts may be aggregated for the purpose of calculating the RMD amount.

Plan your medical expenses: Flexible Spending Accounts, or FSAs, are “use it or lose it” plans, with a maximum $500 carryover into the following calendar year. However, some plans provide a "grace period" of up to 2 ½ extra months to use the remaining funds in your FSA. Annual exams, lab work, dental care, eyeglasses, prescriptions, etc., may be “pulled forward” to ensure plan dollars are used judiciously.

If you’ve met your out-of-pocket insurance plan maximums, consider the following ways to get the most bang for your buck:

- Schedule any exams, follow-up visits, or upcoming medical tests.
- Discuss and schedule elective procedures, if possible.
- Stock up on needed non-perishable medical supplies if they are covered by your plan.
- Purchase a 90-day supply of any long-term prescriptions before your policy period ends.

Harvest unrealized tax losses in taxable investment accounts: Realized losses offset realized gains, dollar-for-dollar, with excess losses offsetting taxable/ordinary income up to $3,000 per year. Losses over and above this amount (tax loss carryforward) can be carried forward until exhausted or the taxpayer dies.

Plan your charitable giving: The standard deduction for 2019 is $12,200 per person, $24,400 per couple, which means fewer Americans will itemize. However, there are still strategies that can be employed to make charitable giving more efficient:

- Gift appreciated securities (from a non-retirement account) rather than cash.

- For those over 70 ½, required minimum distributions can be paid directly to a charitable organization as per IRS Qualified Charitable Distribution rules. This is especially beneficial for those who are unable to itemize.
- Consider establishing a donor-advised fund for making charitable gifts.
- For taxpayers who are on the cusp of itemizing but a bit shy, consider "bunching" contributions, or essentially making two years' worth of charitable donations in the same tax year.

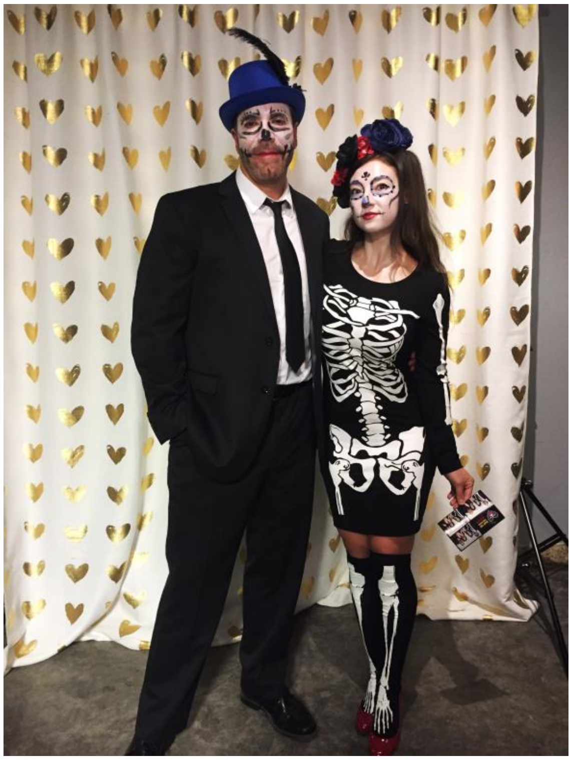
Review your health insurance: Open enrollment begins November 1 and ends December 15 in most states. Take the time to review your options and healthcare needs to ensure you have the right plan for you and your family.

Review other insurance coverage: Do you have the right amount of auto, home, life, and liability insurance? Are you paying the lowest premium for the coverage you have?

Review and update beneficiaries. Ensure the beneficiaries on your retirement accounts, insurance policies, and POD/TOD accounts are correct.

Financial planning is not static: rather, it's a dynamic, continuous process. And by periodically assessing your situation and making prudent, timely adjustments, you'll be all but assured the future is merry indeed.

Wasatch Team Updates

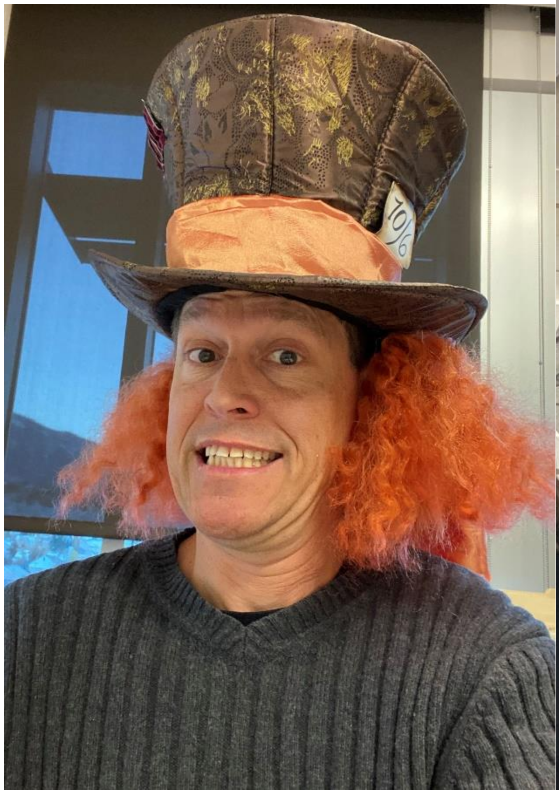


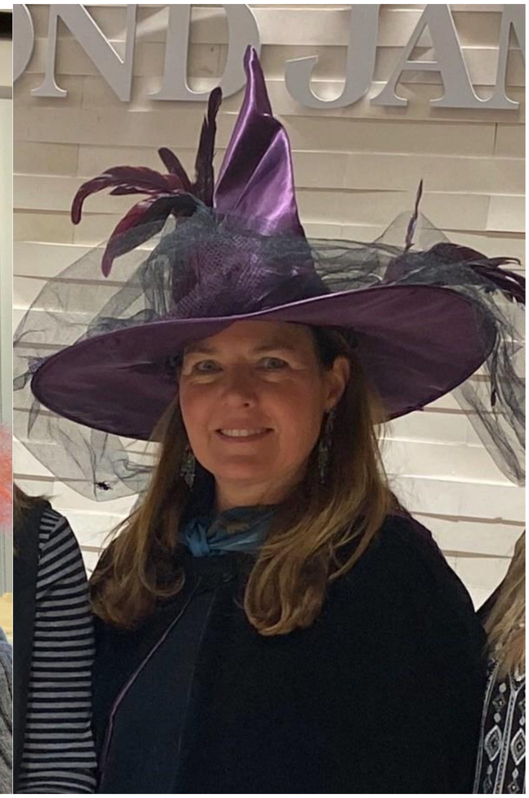
Mark

Mark & Savina showing off their Day of the Dead outfits.

John & Beth

John & Beth sporting their Halloween Costumes at work!





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