



ASSET PLANNING, INC.

Quarterly Newsletter

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 www.AssetPlanningInc.com

Dead Mail By Sandy

If someone hacked into your email account, how would you know? Many times, a hacker gains access to the account and sits quietly watching your routines and begins digging into your old folders and emails. What could someone find in old emails? Perhaps a chain of emails with a mortgage company or an investment advisor or a bank representative? Purchases on credit cards or Pay Pal that are receipts? This is what hackers are looking for- tips and hints to your financial life.

When they are ready, they craft an email from your email address. It may come to us, asking to transfer money to a new bank account. They set up filters so if we respond, it goes to a new folder that you will not see. They also delete the email from your sent message box. If we respond to the email, they monitor the emails and you have no idea this is happening. We will call you to verify the transfer and you know nothing about it.

Another way they trap you is going through emails and finding you have an account at XYZ. They will send you an email spoofing the XYZ company and notifying you that your account has suspicious activity on it. They would like you to click on the link provided and verify the activity. They will include a phone number to call if you have questions that that is being monitored by the thief. The provided link will go to a spoofed webpage and when you click to log in, they now have your log in and password credentials. Your account can be emptied within minutes. Both of these scenarios happened to our clients at other financial institutions. I recently attended a cybersecurity conference and they encouraged everyone to go through old emails and delete them. Print out the emails if needed and then empty the trashcan of deleted emails. Use encryption and or a two-factor authenticator to access apps of financial data. Be safe and delete.

Stock Market During Election Years By Erin

While various factors influence stock market returns, a common concern among investors is the potential impact of a change in America's President on the stock market. The stock market's performance during election years can fluctuate due to numerous factors such as economic conditions, political events, and investor sentiment. However, historically the following trends have been observed.

1. Volatility: Election years introduce uncertainty to markets as investors remain uncertain about how election outcomes may affect policies, regulations, and the overall economy, potentially resulting in heightened market volatility.

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Market Review By Carol

The first quarter of 2024 reflected a much more evenly distributed rally compared to the fourth quarter of 2023, where the technology sector handily outperformed the rest of the markets.

Ten of the eleven S&P 500 sectors finished the first quarter with a positive return. The best-performing sectors in the first quarter were communication services, financials, energy and industrials. That sector mix reflected the influences of AI enthusiasm, strong financial stock guidance and solid U.S. economic data. The diversified gains demonstrated that the first quarter rally was driven by a more varied set of influences beyond just AI enthusiasm.

The only S&P 500 sector to log a negative return for the first quarter was the real estate sector, as it continues to be weighed down by concerns about the health of the commercial real estate market. Consumer discretionary also lagged and registered only a slightly positive return. Numerous retailers warned about a potential slowing of consumer spending during the first quarter (this is something to monitor as we begin the second quarter).

The following are the benchmark market returns as of March 31, 2024 YTD and one year. Please note, each client's portfolio is individually constructed, and the benchmarks are presented as a comparison tool.

Benchmarks:	YTD March 2024
60% Equity/40% Fixed	3.98%
50% Equity/50% Fixed	3.05%
40% Equity/60% Fixed	2.13%
US Agg Bond	-1.32%
S&P	10.16%
DOW	5.60%
REIT Index (real estate)	-2.13%
iShares (EFA)Foreign	5.99%
Benchmarks:	March 2023- March 2024
60% Equity/40% Fixed	12.65%
50% Equity/50% Fixed	10.10%
40% Equity/60% Fixed	7.56%

Spring Cleaning By Melani

Spring is the perfect time to go through all of your old papers and documents. A good rule of thumb is to keep receipts until the item cannot be returned, statements/bills for 3 years, tax documents for 6 years, birth and marriage certificates, deeds, and trusts forever. We offer free shredding for our clients. Call the office to schedule a drop off.

Stock Market During Election Years Continued By Erin

2. Performance: Since the S&P 500 began, the index produced positive performance 83% of the time during an election year. This is often attributed to various factors such as increased government spending aimed at boosting the economy and incumbents' efforts to stimulate growth to improve their reelection prospects.

3. Sectors: Healthcare and Financial sectors tend to be more volatile due to potential policy and regulatory changes.

4. Interest Rates & Monetary Policy: The Fed's decisions can influence market performance during election years. Changes in interest rates and monetary policy can affect borrowing costs, inflation expectations, and overall market sentiment.

While historical trends offer insights, they don't ensure future performance. Thus, investors should be cautious and employ diversification strategies to mitigate risks associated with investing during election years.

Meet Emi! by Melani

We would like to introduce the newest member of the API team, Emiko Yabuki. She joined the team in January as an analyst and will be assisting with client accounts, financial planning and much more. Emi, as she prefers to go by, is a Southern California native and grew up in West Garden Grove. She is a recent graduate of Elmhurst University where she obtained her degree in finance. In her spare time, she enjoys spending time with family and friends, reading and crocheting. We are excited she joined us!



ADV (Advisor Disclosure Form) Notice & Updates by Carol

Each year we offer you a copy of our updated client disclosure, the Investment Advisor Brochure (Form ADV 2). There were no material changes to report on the ADV this year - our fees and business structure are staying the same. The ADV 2 Brochure is available to you should you wish to view it. If you are interested in receiving a copy, please let us know and we will be happy to send one to you. You can also access our ADV on the internet via our website at www.assetplanninginc.com under resources or directly through the SEC:

<http://www.adviserinfo.sec.gov/>

Our SEC file number is 801-62993.

Our total assets under management as of December 31, 2023, was \$446,497,649, an increase of 13.2% due to increases in market value and new funds added. The number of clients we serve increased slightly to 350 client families across 21 different states.

“SUCCESS IS GETTING WHAT YOU WANT, HAPPINESS IS WANTING WHAT YOU GET.” —W. P. KINSELLA

Market Outlook by Carol

We begin the second quarter on a positive note as growth appears stable, inflation is still falling (at a slower pace), the Fed is likely going to deliver the first rate cut in four years and AI enthusiasm keeps earnings estimates high. But while this is undoubtedly a favorable set up, the strong rally of the last six months has left the S&P 500 at a historically high valuation. Markets fully expect a June rate cut from the Fed plus two more in 2024 and that assumption was central to the first-quarter rally. However, those rates cuts are not guaranteed and if the Fed does not cut as aggressively as markets expect, that will result in disappointment and a potential decline in stocks and bonds.

Finally, AI integration has produced a lot of flashy headlines but not a lot of profit maximization for non-tech industries. If AI fails to broadly boost profits and demand declines, that will be a significant negative for this market.

So, while the outlook is currently positive, the market is vulnerable to any negative news or surprises.

