



SAM NEWS

1st Quarter 2024 Report
April 2024

Stocks Soar 4-Years From COVID Low

Stocks continued their bull market run and new all-time record highs were notched during the quarter. The U.S. economy remains strong even with the Federal Reserve maintaining higher interest rates to combat inflation. For calendar year 2023, the U.S. economy grew at an annualized rate of 2.5%, which was up from 1.9% in 2022. So, the economy hasn't just been growing, it has been growing at a faster pace. We continue to believe that our economy will avoid a recession and economic growth will re-accelerate. Corporate earnings remain strong and stock prices are following in textbook fashion. Please read on for our most recent SAM Outlook and SAM Strategy sections.

1st QUARTER 2024 INVESTMENT REPORT

The broad S&P 500 set numerous record closing highs during the first quarter- finishing up 10.6%. The Nasdaq Composite, dominated by technology stocks, gained 9.1%. The DOW 30 added 6.1% for the year-to-date period. The Russell 2000 (small company U.S. stocks) also ended the quarter up 5.2%. International stocks as measured by the MSCI EAFE Index rose 4.9%. The Barclays Aggregate U.S. Bond Index declined 0.8% as interest rates rose slightly. Bitcoin surged above \$70,000 after regulators made it easier for ordinary investors to buy funds that track the price of the cryptocurrency. Gold prices also set a new record high during the quarter- settling at \$2,238 per ounce.

INVESTMENT INDICES

All numbers listed are total returns (including dividends) and are percentage gains or losses.

	1st Quarter	2023	2022	2021
Dow 30	6.1%	16.2%	-6.9%	20.9%
S&P 500	10.6%	26.3%	-18.1%	26.9%
Nasdaq Composite	9.1%	43.4%	-33.1%	21.4%
Russell 2000	5.2%	16.9%	-20.4%	14.8%
MSCI EAFE (Int'l stocks)	4.9%	15.0%	-16.8%	-8.8%
Barclays Aggregate (Bonds)	-0.8%	5.5%	-13.0%	-1.5%

These are not the rates of return for SAM accounts, but are shown as a historical benchmark for various asset classes. SAM does not guarantee account performance. Accounts may lose value. Information taken from sources believed to be reliable, but its accuracy cannot be guaranteed.

"Wherever you go, no matter what the weather,
always bring your own sunshine."
-Anthony J. D'Angelo

**SAM Outlook and Strategy on
the following page.**

Last Chance to Fund Retirement Plans For Tax Year 2023

In general, most retirement plans must be funded by April 15th to be considered for the 2023 tax year. This applies to traditional IRAs, ROTH IRAs, SEP IRAs, SIMPLE IRAs, and most formal retirement plans. If you have not funded your retirement account for 2023 and are still planning on contributing, you should do this as soon as possible. If you have specific questions about how to make your contribution, please contact our office toll-free at 877-658-5193 and we will be glad to assist you.

ANNUAL ADV OFFER

We recently filed our annual updating amendments to our U.S. Securities & Exchange ADV Part I, ADV Part II, and Customer Relationship Summary (CRS)*. The only material changes were to update our regulatory assets under management and to add Pontera, which is a workplace retirement account management software. Our annual U.S. SEC filings can always be viewed online at

<https://adviserinfo.sec.gov/firm/summary/108685> .

*CRS included

Upcoming Holidays

Memorial Day, May 27th
Juneteenth National Independence Day
June 19th
Independence Day, July 4th

SIERRA ASSET MANAGEMENT

Serving Central California

40312 Junction Dr./PO Box 2389

Oakhurst, California 93644

PH: 559-658-5193

www.SierraAM.com

Email: info@SierraAM.com



The S&P 500 surpassed the 5,000 level for the first time in history during the quarter, ending at an all-time high of 5,254. The move has been driven by a renewed appetite for stocks and a broadening of the rally away from the largest technology stocks nicknamed the “magnificent seven.” Investors in March poured roughly \$50 billion into funds that buy stocks in the United States, according to data from EPFR Global. We see fur-

ther upside for the stock market on the back of strong earnings growth, though uncertainty around the timing of the first Fed rate cut and the U.S. election may pose key upside and downside risks going forward. During the quarter we experienced very little volatility with the S&P 500 closing down by 1% or more on only three days. Increased volatility or a pullback in the broad market could happen at any time and would be completely normal.

It is hard to believe, but we just passed the four-year anniversary of the COVID lows in March of 2020 when the S&P 500 bottomed at 2,237. We also just passed the fifteenth anniversary of the financial crisis bottom of 2009, where the S&P 500 got as low as 666. At the current level, the S&P 500 is nearly 8 times the low of March 2009—representing an annual annualized return of nearly 15% per year. This simple data is strong evidence for a buy and hold strategy which is our general investment philosophy. As Vanguard founder Jack Bogle famously said about market timing, "I don't know of anybody who has done it successfully and consistently. I don't even know anybody who knows anybody who has done it successfully and consistently."

SAM STRATEGY

We did not make any major changes to our portfolio holdings during the quarter. International stocks continued to lag U.S. stock performance, but international stock markets are gaining momentum. The Stoxx Europe 600, France’s CAC 40, Germany’s Dax, Australia’s S&P/ASX 200, and Japan’s Nikkei 225 all set new all-time closing highs during the first quarter. We plan on maintaining our international allocation for diversification and the belief that foreign stocks could have a period of outperformance.

We have received a few questions from clients about the performance of stocks in election years. Looking at the S&P 500, the index has gone up in 75% of the 24 election years from 1928 to now, with an average increase of 7.5% during an election year. Of course, past performance is no guarantee of future results. In our opinion, the biggest risk is overthinking the election. Individual investors tend to overanalyze elections and it can be hard to not be emotionally swayed by the ups and downs of an election cycle. It’s important to remember that the legislative process is very slow, which means there’s a lot of distance between elections and actual policy going into place that could impact investors.

With starting yields at their highest levels in more than a decade and the Fed expected to start easing policy later this year, the outlook for bonds is strong. If the Federal Reserve lowers rates as they have indicated, bond prices could meaningfully appreciate. Even with interest rates currently on hold, we are pleased to receive the high interest rates being paid by our diversified bond holdings.

Increased Retirement Plan Limits

For 2024, the IRS has announced increased contribution limits across the various account types. Please be sure to adjust your deferral amounts if your goal is to fully fund your retirement account for 2024. Remember that most company plans are calendar year driven, so make sure you will max out by 12/31. Here are new limits for the most common types of accounts:

	Under 50/Over 50
IRA/Roth	\$7,000 / \$8,000
401(K)	\$23,000 /\$30,500
Simple IRA	\$16,000 /\$19,500

Along these lines, we now have the ability to more directly manage your workplace retirement accounts through a secure service called Pontera. If you are interested in discussing this option, please contact Will Boyer in our office.

IN MEMORIAM

On March 8th, Alan Graas, the founder of Sierra Asset Management passed away at the age of 76. Alan was a local pioneer in the field of fee-only investment management and was one of the earliest Schwab independent registered investment advisors beginning in 1983. Alan was my career mentor and the vast majority of our business today is done the way Alan taught me throughout our time together.

Alan was a man of God, a military test pilot, a City of Fresno Police officer, and a well-respected investment advisor. Alan dedicated countless hours to the community through his volunteer work with his church, Reasons to Believe, and Rotary International. He also loved to travel and planned many adventures with his wife and family. His legacy will continue to inspire all who had the privilege of knowing him.

We sincerely appreciate your business. Our team strives to provide excellent customer service to all our valued customers. Sending new clients our way is the best possible compliment we can receive. If you know of someone who may benefit from our service, please do not keep us a secret.