

TWO MINUTE DRILL

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LakePointe Advisors LLC

JUNE 2023



| Index | 6/30/2023 | Change | % Change | % YTD |
|------------------------------|-----------|--------|----------|--------|
| Dow Jones Industrial Average | 34,407.60 | 285.18 | 0.84% | 3.80% |
| S&P 500 | 4,450.38 | 53.94 | 1.23% | 15.91% |
| NASDAQ Composite | 13,787.92 | 196.59 | 1.45% | 31.73% |
| Russell 2000 | 1,888.73 | 7.14 | 0.38% | 7.24% |
| MSCI EAFE | 2,131.72 | 18.13 | 0.86% | 9.66% |
| MSCI Emerging Market | 989.48 | 2.41 | 0.24% | 3.46% |

Source: FactSet. All performance percentages are simple appreciation, which excludes the effect of dividends. Bloomberg U.S. Aggregate displays as actual YTD%, as opposed to 12-month, year-over-year performance

TOP NEWS

Markets:

- All the major indexes gained again in June with the S&P 500 having its best month since October 2022.
- Artificial Intelligence (AI) and technology were front and center again in June as momentum in those areas continued.

Government:

- In two significant decisions, the Supreme Court struck down the ability of schools to use race as a factor in admissions and the Biden administration's student loan debt forgiveness plan.

Economy:

- The June Consumer Price Index (CPI) continued its decline as overall inflation hit a two-year low. However, food prices remained stubbornly high.

FEATURED TIPS

Should you borrow from your 401(k) or 403(b)?

I get this question a lot. The short answer is, probably not. Here are things to consider:

- Opportunity Cost—The money you borrow will not benefit from the potentially higher returns of your 401(k) or 403(b) investments
- Risk of Job Change—Should you switch jobs or get laid off, 401(k) and 403(b) loans not paid are deemed a distribution, subject to income taxes and a 10% penalty tax if you are under age 59½
- Red Flag Alert—Borrowing from retirement savings to fund current expenditures may be a sign of overspending

What should you do with your 401(k) or 403(b) if you change jobs?

Another question I hear frequently. There are basically 4 choices you have when changing jobs:

- Leave it with your former employer if able to do so
- Transfer it to your new employer's plan
- Roll it over to your IRA
- Cash out the account

If you'd like to go deeper on this subject, visit lakepointeadvisors.com/post/4-choices-for-your-former-employer-s-retirement-account for a more detailed discussion of each option

DISCLOSURES:

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Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

The Russell 2000 is a stock market index measuring the performance of 2000 small capitalization stocks. It represents the 2000 smallest companies in the Russell 3000 Index, which in turn represents the 3000 largest companies in the U.S. Thus, the Russell 2000 is a barometer of small-cap stocks. Though small, the companies represented by the Russell 2000 are not the smallest of the small as they are not penny stocks. The Russell 2000 is weighted by the market capitalization of the stocks.

The MSCI EAFE Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The MSCI Emerging Markets Index is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

Before deciding whether to retain assets in a 401(k) or roll over to an IRA, an investor should consider various factors including, but not limited to, investment options, fees and expenses, services, withdrawal penalties, protection from creditors and legal judgments, required minimum distributions and possession of employer stock. Please view the Investor Alerts section of the FINRA website for additional information.



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