

ELECTION MEMO

This will be a 'quickie,' folks, just about year-end strategies. I will comment on the New Year and the surrounding landscape, probably in our Winter Memo, as we head into 2025.

I'm not going to comment on politics or the election in this greeting... Only comments about money and taxes. Our practice focuses on being common sense contrarians with our model mostly Warren Buffett/Peter Lynch value investors. We are attracted to what we see as undervalued assets... And we invest for the long term, not in and out trading.

Typically, we probably have 8 to 10 companies that are our core holdings in managed accounts, that we may *never* sell. The others we trade around, meaning when we buy them, we try to set a target for exit, somewhere down the line. When we hit that target, we will stay with our discipline and potentially sell a portion of the holdings. Then we will peel off more if the stock moves higher. *This* year with advancing prices we have taken gains on a number of stocks, more than any year in a long time. This isn't a warning. But we like to inform you early, about how to plan to be as tax efficient for you as possible.

Every October, we review *all* of our managed accounts, to check *realized* capital gains so far that year. The second part of this annual exercise is to try *lower* the tax bite you would have in the spring, by trying to offset gains with any losses in your account...lowering the tax bite, if possible, you'd face in April 2025. I don't like surprises appearing as you're about to file - so this memo is a 'heads up.' Over the years, as we plan tax strategy, sometimes what we sell for losses at year end, may be attractive to us and we may well buy these stocks back again after 31 days, having faith in their future.

As a last 'quickie': Many of you may know my new book is out there. It's a tribute to the power and wisdom of women who have been inspirational to me my entire life and given me priceless nuggets of advice that has educated and sustained me: *Wake Up: A Lifetime of Lessons from Smart Women*.

The holidays are coming.

John D. Spooner

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