



## Financial Strategies For Your Future

### December Newsletter

Hello Eric,



**Just like that-It's December!**

**This year seemed to fly by extremely fast.  
However, as we all know, I do love it when the  
snow starts to fall!**

**This year has been filled with many exciting  
challenges, and several rewards. There have  
been some difficult times, but the world is**

**starting to adapt to a new normal, and we will continue to learn and develop in years to come.**

**Changes happen every day!**

**I would love to check in with you to hear about any new developments or exciting news in your life!**

**Please give me a call anytime at (603) 343-4515; I am available over the phone, virtual or in person.**

**Did you know...  
reindeer like bananas?**

Reindeer have a wide and varied diet whether they are in the wild or are domesticated. Reindeer are herbivores, so they feed mostly on grass, moss, and plants. However, most reindeer enjoy eating apples or bananas.

Did you know (did-you-know.com)  
Do reindeer like to eat bananas? – IronSet (iron-set.com)

## **Events & Resources**

### **The Nutcracker**

Where:

**Rochester Opera House  
31 Wakefield St  
Rochester, NH 03867**

When:

### **Brentwood Holiday Stroll**

Where:

**Brentwood Rec  
190 Route 125  
Brentwood, NH 03833**

**December 2-5**

Cost:

**\$24-28**

**SoleCity Dance Company**  
**Presents this soaring story,**  
**framed by Tchaikovsky's**  
**legendary score, captures the**  
**wonder and expectation of the**  
**night before Christmas when**  
**a mysterious gift sparks an**  
**extraordinary journey.**

[More Information](#)

When:

**December 10 & 11**

Cost:

**\$5**

**Join us for a lit and decorated**  
**stroll through the wooded**  
**pathways and tree lined fields**  
**of the Brentwood Recreation**  
**Center and help us to feed**  
**NH's hungry this holiday**  
**season!**

[More Information](#)



## **‘Peter Pan’**

Where:

**Seacoast Rep Theatre**  
**125 BOW ST.**  
**PORTSMOUTH, NH 03801**

When:

**Now through Dec 23rd**

Cost:

**\$32-50**

**The timeless tale of fairies,**  
**pirates, and “the boy who**  
**wouldn’t grow up” soars onto**  
**The Rep’s stage! One of the**  
**most popular stories of all**  
**time, Peter Pan has wowed**  
**audiences for over a century**  
**with its firecracker cast of**  
**delightful characters, razor**  
**sharp wit, and the pure magic**  
**of REAL flying!**

## **Holiday Market at** **Cisco Brewers** **Portsmouth**

Where:

**35 Corporate Drive**  
**Portsmouth, NH 03801**

When:

**DECEMBER 19, 2021**  
**12 PM – 5 PM**

**Shop local this season right**  
**here at Cisco! We will have**  
**many local vendors selling**  
**gifts, flowers, wreaths,**  
**holiday food, and more.**  
**Food and Drink Specials**  
**including a build your own**  
**bloody mary and hot**  
**chocolate bar**  
**Live Holiday Music Featuring**  
**LUSTRE KINGS**

# Distributions from Mutual Funds



This time of year, you might glance at an account statement and see there has been an adjustment. But there may not be any cause for concern.

Many mutual funds in December pay shareholders capital gains distributions that they have accumulated throughout the year.<sup>1</sup>

Typically, mutual fund companies start making estimates about distributions as early as November and most finalize the payment by mid-December.<sup>1</sup>

It's important to remember that if your mutual fund is in a tax-deferred account—and you are reinvesting distributions—the potential distributions may be a non-event at this time. But you may owe taxes when you begin to sell your holdings.



On the other hand, if your mutual fund is in a taxable account, you may owe 2020 taxes on the distributions whether you reinvested the distribution or accepted payment.

Most of the larger mutual fund companies have posted information on their websites regarding year-end distributions. But the estimates can be confusing, so please contact our offices, and we may be able to provide some guidance.

Remember, today's update is for informational purposes only and is not a replacement for real-life advice. Mutual fund distributions may only be one part of your overall tax situation, so make sure to consult your tax, legal, or accounting professional before modifying your strategy.

1. Morningstar.com, November 9, 2020

Mutual funds are sold only by prospectus. You should consider the charges, risks, expenses, and investment objectives carefully before investing. A prospectus containing this and other information about the investment company can be obtained from your financial professional. Read it carefully before you invest or send money. Investing involves risks, and investment decisions should be based on your own goals, time horizon and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

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## **Will the Grinch Steal Christmas?**



The start of the holiday shopping season can provide important clues about the economy's state and, more importantly, overall consumer confidence. So far, the results have been a “mixed bag” with empty malls and busy websites.

Sales in November and December account for 20 percent of annual retail sales, but that number can be higher for some retailers. Holiday sales also tend to be more profitable since the increased activity comes without having to boost the fixed costs of doing business.<sup>1</sup>

**It should come as no surprise to hear that consumers avoided in-store visits over the Thanksgiving weekend. Spending dropped 22 percent from last year's levels.<sup>2</sup>**

**But the numbers look much better when a longer timeframe is considered. Spending prior to the Thanksgiving-to-Sunday period surged 66 percent from a year earlier, in part thanks to large retailers introducing Black Friday-like deals as early as mid-October.<sup>2</sup>**

As you might have guessed, the pandemic has led to an acceleration in shopping online. Cyber Monday sales jumped 15 percent over last year's levels as consumers spent almost \$11 billion, making it the largest U.S. online shopping day ever.<sup>3</sup>

Holiday shopping can provide some key insights, but it's important to know what forecast was expected and what comes as a surprise. If you see a holiday trend emerging, please give a call. We'd welcome the chance to hear your thoughts and see how it compares to what we've been seeing.

1. National Retail Federation, 2020
2. CNBC.com, November 30, 2020
3. CNBC.com, December 1, 2020

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Investing involves risks, and investment decisions should be based on your own goals, time horizon and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

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## **HIGH-NET-WORTH INDIVIDUALS AND CHARITABLE GIVING**



## **LET'S BE CLEAR: CHARITABLE GIVING IS A STANDALONE ACT WHOSE VALUE IS TO BENEFIT OTHERS.**

But for high-net-worth individuals, it is not conflicting to point out tax considerations when making charitable contributions. The considerations are not to deter giving; rather, they are to guide the high-net-worth individual to do so in a way that also minimizes their tax consequences, providing them with a more accurate cost of making such a contribution.

With that in mind, we offer a few key considerations as you seek to share your good fortune with others.

### **Type of donation**

The type of donation you make impacts the tax consequences of your gift. If you donate appreciated stock that you have held for more than a year, you would receive two benefits: one, the full value of the appreciated stock is characterized as a charitable deduction for tax purposes; and two, you do not have to recognize the stock appreciation as income. In other words, you reap the full value of the stock as a deduction without having to pay taxes on your capital gains.

There is a caveat here: When making non-cash donations, you are limited to 30% of your adjusted gross income for purposes of receiving a tax deduction.

### **Making contributions**

There are tax implications for the way you go about making a charitable donation. For instance, if you intend to donate a large sum of money among multiple charities,



consider utilizing a donor-advised fund. The value that you contribute to the fund is deductible during the year in which it is made, while you can distribute money from the fund over subsequent years. This eliminates the need for you to determine immediately the various charities you want to support.

Consider, too, the establishment of a private foundation. Similar to a donor-advised fund, this would allow you to take a tax deduction in the year when you contribute to the foundation, though distributions can take place in subsequent years. You are limited to cash donations of up to 30% of your adjusted gross income, and 20% for non-cash donations, in terms of the eligible amount for a deduction. (There are considerable administrative rules associated with a private foundation, details for a future article.)

Under the 2017 Tax Cuts and Jobs Act (TCJA), you can deduct cash contributions to charities up to 60% of your adjusted gross income. This generous deduction is particularly attractive to high-net-worth individuals who itemize expenses on Schedule A of their federal tax return.

The TCJA also doubled the previous federal estate, gift, and generation-skipping transfer (GST) tax exemptions to \$10 million. Note that this amount is scheduled to revert to the previous \$5 million exemption on January 1, 2026.

Finally, if you are at least 70 1/2 years of age, you can make charitable donations from a traditional IRA up to \$100,000 annually without paying taxes on the amount. The above are just a few of the common ways to reduce your tax burden when making a charitable donation. For more information about structuring your charitable donations, speak with your financial professional.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

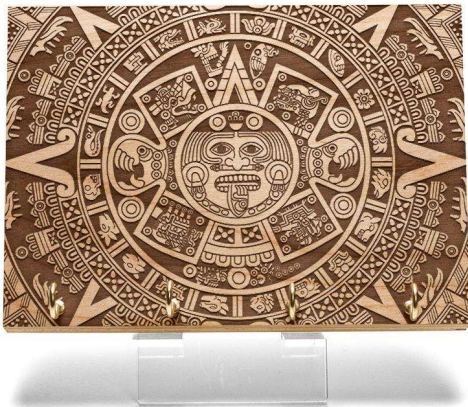
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**Eric Wasson, CFP®**

**Certified Financial Planner™**

**Financial Consultant**

**Phone: (603) 343-4515**

**Fax: (603) 343-1863**

**[info@AztecFG.com](mailto:info@AztecFG.com)**



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AZTEC Financial Group | 660 Central Ave., Dover, NH 03820

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