LET'S TALK MONEY®
January/February 2020

2020 Investing Vision

No one can predict how investments will perform, but a disciplined investing approach combined with the appropriate strategy may help you avoid some of the extreme highs and lows of the stock market. As the New Year begins, you may want to consider the following:

Review

Even if your only mutual funds* are in a company-sponsored 401(k) plan, you should review your goals, risk tolerance and time horizon regularly. Ask yourself if your goals or the age when you hope to reach them have changed. Work with a financial professional to determine if your funds are meeting your expectations, or if other offerings may be more appropriate.

Examine

Your investments should meet basic criteria, whether inside a company retirement plan or purchased on your own. Fees should be reasonable and in line with peer investments. The long-term performance of any mutual fund should compare favorably to its benchmark. Also check for investment drift, such as when a large-cap stock fund owns more small-cap stocks than its stated goal.

Persevere

Keep investing through market highs and lows, especially if it is for long-term goals.

If investing for both long-term and short-term goals, consider whether your investment mix is appropriate.

Act

Recognize opportunity while staying disciplined. Increase your 401(k) or IRA contributions when you get a pay raise. If your employer offers an automatic contribution escalator that bumps up your contributions when your salary increases, use it. Also consider automatic rebalancing.** Above all, strongly consider contributing every dollar your employer may match.

** Investors should consider the investment objectives, risks, and charges and expenses of the fund carefully before investing. Contact the issuing firm to obtain a prospectus, which should be read carefully before investing or sending money. Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won't guarantee future results. An investment in mutual funds may result in the loss of principal.*
*** Diversification does not ensure a profit or protect against loss in a declining market. There is no assurance that a diversified portfolio will achieve a better return than a non-diversified portfolio.*

FINRA Reference FR2019-1004-0086/E STAN

Karen Petrucco
Account Manager

LTM Client Marketing
125 Wolf Road, Suite 407
Albany, NY 12205

Tel: 518-870-1082
Fax: 800-720-0780
kpetrucco@ltmclientmarketing.com
www.ltmclientmarketing.com

I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Standard Version

LTM Client Marketing

Partners in your marketing success

Smart Money Moves for the New Year

Go through your budget with a fine-toothed comb to find dollars you needn't spend, and then put them toward your most important goals.

If you don't already maintain one, create an emergency fund for life's unexpected financial shocks.

Pay estimated taxes on untaxed gig income, realized investment gains and other income to save on penalties and interest.

Keep your vehicle after you make the last payment and put the extra money toward retirement, a child's college education or other long-term goals.

Increase your retirement plan contributions — your retired self will appreciate it.

Check How Much You're Withholding

The start of a new year is a good time to make sure you have the right amount of money withheld from your paycheck. You may want to withhold less if you consistently receive refund checks or more if you have untaxed gig or other income. Marriage, pay raises and new deductions could also warrant a change.

Know that you could owe the IRS a penalty and interest when you underestimate taxes. To change your withholding, ask your employer for a W-4 form and add allowances to withhold less or request fewer allowances to withhold more.

Ways to Help Minimize Your Taxes

Big Changes

Don't forget the obvious when looking for tax deductions and credits. If you were married last year or became a new parent, you'll find increased deductions and potentially new credits. If you don't itemize on your tax return, the standard deduction for joint filers in 2019 is $24,400; it's half that for a single tax filer.

You can also find tax credits if you care for an elderly person declared as a dependent or pay for child care if you qualify by income. Tax credits are more valuable than deductions because they reduce your taxes, not your taxable income.

For Itemizers

If you itemize on your tax return, you can deduct real estate and local income taxes, up to certain limits. You might also deduct donations to qualified charities and home office expenses.

Don't forget that you have until the 2019 tax-filing deadline to contribute to a traditional IRA, which may reduce your taxable income, or a Roth IRA, which may reduce taxable income in the future.

What is the AMT ?

While the most recent changes to federal income tax regulations reduced the number of people who must pay the Alternative Minimum Tax (AMT), the tax is sizable if you're the one paying it.

As its name indicates, the AMT is an alternative to paying ordinary federal income taxes. Generally, it hits taxpayers with high income and deductions, with the latter including state and local taxes, mortgage interest and incentive stock options. The AMT disallows some credits and deductions typically allowed on an ordinary tax return.

By the Numbers

The AMT is designed to ensure wealthy individuals pay at least some income tax. The AMT exemption amount for 2019 for single and joint filers respectively is $71,700 and $111,700, with the exemption phasing out at $510,300 and $1,020,600. *

**https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2019*

How to Save for a Down Payment

A home for many Americans is the largest purchase and continuing expense, and the down payment for one can be a big chunk of change. If you're buying your first home, you may shift your savings efforts into another gear by following these steps:

- Check your credit rating and raise it, if possible, to get the best mortgage rates
- Reduce your debt and put the savings toward your down payment
- Temporarily eliminate or downsize a few areas of your life, from travel to restaurants, and save more
- Work overtime or find a part-time gig to increase your income — and down payment
- Put bonuses and pay raises toward your down payment

6 Questions to Ask Before Buying Your First Home

Owning a home remains part of the American Dream, but doing so requires a strategy and discipline. If you're looking to buy your first home, answer the following questions to help ensure you do everything you can to make this experience a success.

How Much House Can I Afford?

It's important to calculate all your costs, from monthly expenses such as mortgage, taxes and insurance to occasional maintenance and repair costs.

Where Do I Buy?

Determine if your new home will add or subtract expenses to your budget due to the commute and public school taxes.

How Much Should I Put Down?

In most cases, you'll want at least a 20% down payment on your new home. Smaller down payments often trigger the necessity of private mortgage insurance, which will add to your total costs.

Have I Done my Homework?

Make sure your credit rating is as strong as possible and comparison-shop for your best mortgage options.

Which Mortgage is the Best?

Many first-time homebuyers try to limit upfront costs, but doing so can increase your total costs if folded into your loan. Instead, look to pay no points when possible and limit other closing costs, including origination fees. When comparing mortgages, know that shorter-term options — such as a 15-year mortgage — usually offer lower rates and lifetime costs than a 30-year mortgage does.

What Do I Buy?

This ultimately depends on your financial means and lifestyle. First-time homebuyers may consider buying a lower-cost condo, but buying a two-family home can be a cost-effective option. You may want the finest home in the area, but a fixer-upper will likely be less expensive and a good candidate for price appreciation if you are handy and can make some updates.

Measuring Up

How do you compare a mutual fund's* performance to its peers'? A mutual fund company may compare a fund to a benchmark whose makeup, ideally, bears the closest resemblance to the fund. A fund's mix of investments by company size and its primary sectors, investing style and geography are among the pertinent factors needed to choose an appropriate benchmark.

Size

Size, or market cap in the case of stock funds, matters when comparing funds to ensure you compare apples to apples. The three main categories of stocks by size are large-cap, mid-cap and small-cap. You wouldn't compare a fund with companies like Amazon, for instance, with one featuring small start-up companies. Bond funds might compare themselves to peers with similar average durations. For example, compare one-year to one-year and 10-year to 10-year maturities.

Sectors

Securities are also grouped into sectors, including energy, healthcare, financials and utilities. Which sectors dominate your fund is important to know because sectors perform differently in up and down markets. Healthcare may fare comparatively well in downturns because people need it, but sales of consumer discretionary products (like automobiles) may slow during this time. Bond funds may favor government, corporate, mortgage-backed securities and more.

Style

A mutual fund can be passive, such as an index fund, or active, with managers regularly buying and selling securities. One fund may concentrate on growth stocks, while another favors value equities. The latter is typically more stable and sometimes underpriced; the former is usually more volatile.

Geography

Some mutual funds invest by geographic region, comparing their performance to similar benchmarks. Examples include domestic mutual funds, which include only securities owned by U.S. entities, and international funds, which can include the rest of the world. Other geographically-based funds may concentrate on specific regions or countries, both developing and established.

** Investors should consider the investment objectives, risks, and charges and expenses of the fund carefully before investing. Contact the issuing firm to obtain a prospectus, which should be read carefully before investing or sending money. Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won't guarantee future results. An investment in mutual funds may result in the loss of principal. Diversification does not ensure a profit or protect against loss in a declining market. There is no assurance that a diversified portfolio will achieve a better return than a non-diversifed portfolio. IMPORTANT: Investments in stocks, bonds and mutual funds, are not FDIC-insured and are subject to fluctuation in value and market risk, including loss of principal. Past performance is never an indication or guarantee of future results.*

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

October 11, 2019

Reference: **FR2019-1004-0086/E**

Org Id: 20999

1. 2020 Lets Talk Money January/February Standard
   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Wayne L. Louviere
Manager

hrm

This year's Advertising Regulation Conference will be held on October 24-25 in Washington, D.C. For more information and to register, please access the conference webpage at www.finra.org/2019adreg.

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail