



VITUCCI
INTEGRATED
PLANNING

WEALTH MANAGEMENT • TAX PLANNING • INVESTMENT STRATEGIES

Directions Newsletter



Directions: Winter 2024 Edition

2024 is off to a fast start at our practice. With certain retirement changes taking effect from last year's SECURE Act 2 and the start of tax season, there is plenty to discuss at your next review with us. We hope to see you soon.

What's New at Our Practice

2024 Economic Outlook Replay Available

We held our annual Economic Outlook with BlackRock (one of our core sub-advisory partners) on January 19th. Mike Trudel from BlackRock's Global Allocation team talked us through the various economic themes for the year, including interest rate directions and the presidential election.

I received incredible feedback about this discussion from those who attended the webinar live. The replay is available on our website for those that have interest or for those who would like to share it with a family member or colleague.

[REPLAY AVAILABLE](#)

Upcoming Events

We have two more upcoming events planned for the 1st quarter, including the kickoff of our 2024 Speaker Series.

Speaker Series - Identity Theft & Cyber Crime

Join us Thursday February 29th at 6pm for a discussion with a member of the Walnut Creek department's detective team. Identity theft and cyber crime have become an increasing issue of concern since the pandemic. The event will be held at Buon Vino in Walnut Creek and appetizers and wine will be served.

[Please RSVP if you plan to attend](#)

Financial Planning Webinar - 2 Year Tax Time Bomb

The current tax regime is set to expire at the end of 2025. How will this affect the tax consequences of your retirement plan? As rates increase, tax planning will continue to grow in importance, as you plan to crack open your nest egg. Coming in March, more information soon.

Tax Preparation Season Begins - Watch for your documents

Tax preparation season is in full swing. We are happy to welcome several new clients to our tax services.

Please be on the lookout for your tax forms. Our team can help you with locating your Pershing tax forms from your accounts through Osaic and direct accounts at mutual funds and annuities. Please be advised that we WILL NOT be copied on your Pershing Cetera tax forms. Please be on the lookout for those in the mail. You may also access these if you had online access through NetXInvestor at Cetera.



Top Of Mind

Financial Planning: Why Provide a Copy of Your Tax Return?

As we head into the tax preparation time of year, I'll reiterate the importance of providing us a copy of your tax return (if not prepared by our tax team). While giving us a good sense of the typical tax events you experience, it can also help in looking at different tax planning choices for the current year. As you prepare your tax return, you may ask your preparer to send us an electronic copy directly. We can address tax planning issues in a subsequent review.

Your return can give us a baseline of tax impact and can subsequently help with estimating the tax cost of retirement plan withdrawals, Roth conversions, capital gain impact, and other tax considerations.

Contact the office for the best way to send us your return, or simply upload it to the document vault in your iPlan client portal.

*Tax services not affiliated with Osaic Wealth.



Featured Wealth Management Thought

Is a Good CD Rate Too Good to Be True?

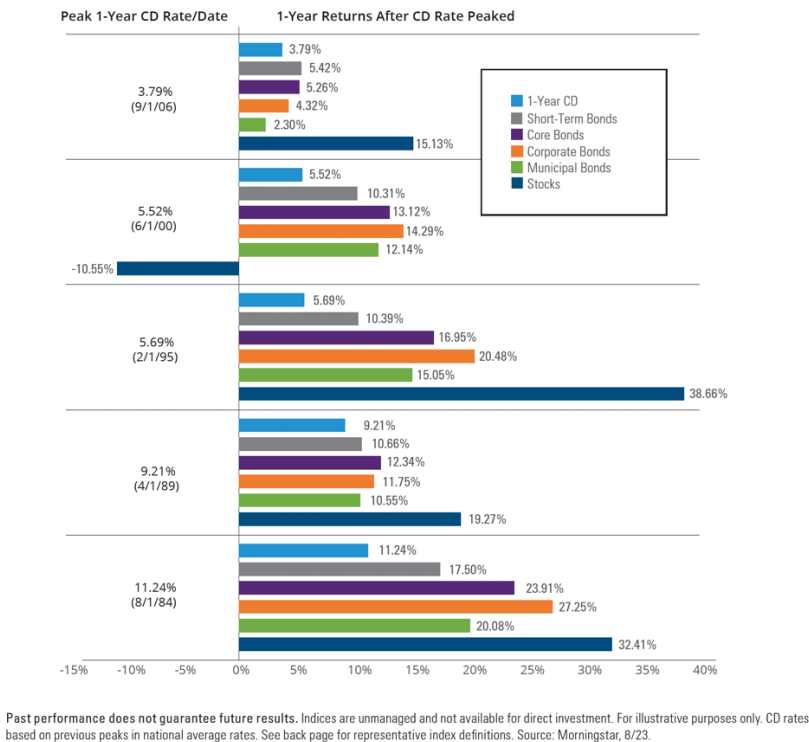
Historically, even the most generous CD rates have often been outpaced by other investments.

Cash is always an important part of the conversation when we review your current financial condition. Cash reserves are meant to help cover

planned or unexpected expenses. It can help in not needing to liquidate investments at the wrong time.

Over the last 12 months CD rates have also become an important discussion point as interest rates have climbed precipitously. Real rates of return have been positive given sinking inflation. As the Federal Reserve has indicated potential rate cuts for 2024, we may be near "peak CD rates" on offer.

It's easy to see why CDs are such a tempting investment today. With their relative safety and the most attractive rates in years, some above 4 or 5%, it seems like there's not much to lose. However, you could end up missing out on even greater returns: When 1-year CD rates peaked in the past, their returns were outpaced by most asset classes during the following year. The chart below doesn't factor in the impact of inflation and taxes, either, which would also reduce returns.



As with any investment, there are relative risks to be considered. Cash or cash equivalents, such as money-market funds or CDs, involve the least amount of risk as well as the least potential return, generally speaking. Short-term bonds usually offer higher potential yields than cash

equivalents and are also typically less sensitive to interest-rate movements than other bonds or fixed-income securities.

Bonds tend to carry greater risk than cash equivalents, including credit risk, the risk that a bond's lender may be unable to make interest or principal payments on time. Bonds with longer maturities (e.g., 10 or more years) can offer higher returns but can lose value when interest rates rise, known as interest-rate risk.

Bonds are also subject to call risk if the lender chooses to pay off the bond early, which could deprive investors of potential interest income. When rates are falling, lenders sometimes choose to pay off bonds ahead of maturity in order to reissue bonds at lower prevailing rates. With all this in mind, take a minute to consider your time horizon and financial goals before you sign up for a new CD or automatically rollover an existing one. Is a CD still the most appropriate use of your money to reach your goals? Or would bonds, stocks, or a combination of investments better serve your needs for the long term? Remember to keep a set cash allocation in line with your larger financial plan.

Hope to see you soon for a review.

Jason

KEY PLANNING DEADLINES: Winter 2024

FINANCIAL DATES & DEADLINES		SPECIAL OBSERVANCES	
JANUARY FOCUS: 2024 Key Numbers	January 1. Medicare Advantage Open Enrollment Period starts January 1. Medicare General Enrollment Period starts January 16. 4Q 2023 estimated taxes due	Financial Wellness Month January 1. New Year's Day (markets closed) January 1. Kwanza ends January 15. MLK Day (markets closed)	Where are your opportunities for 2024? Let's talk...
FEBRUARY FOCUS: Financial Numbers	February 1. W-2's & 1099-Misc due	February 11. Super Bowl February 14. Valentine's Day February 19. President's Day (markets closed)	How can I serve you better?
MARCH FOCUS: Tax Planning	March 15. 2024 S-Corp returns due (cal yr) March 15. 2024 partnership returns due March 31. Medicare Advantage Open Enrollment Period closes March 31. Medicare General Enrollment Period closes	March 10. Daylight Savings Time begins March 10. Ramadan begins March 17. St. Patrick's Day March 19. March Madness begins March 19. First day of Spring March 29. Good Friday (markets closed) March 31. Easter	Let's review your quarterly statement!
IF YOU HAVE ANY QUESTIONS ABOUT THIS OR ANYTHING ELSE, PLEASE CALL US! (925) 370-3750			

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Important Risks: Investing involves risk, including the possible loss of principal. • CDs are insured by the FDIC, offer a fixed rate of return, and are generally designed for short-term savings needs. The principal value and investment return of investment securities (including mutual funds) are subject to risk, will fluctuate with changes in market conditions, are generally considered long-term investments, and may not be in the best interest of all investors. • Fixed income security risks include credit, liquidity, call, duration, and interest-rate risk. As interest rates rise, bond prices generally fall.

1-Year CD rates are proxied by Bankrate's 12-month CD national average. Short-Term Bonds are represented by Bloomberg US Govt/Credit 1-3 Year Index, an unmanaged index comprised of the U.S. Government/Credit component of the U.S. Aggregate Index. Core Bonds are represented by the Bloomberg US Aggregate Bond Index, which is composed of securities from the Bloomberg

Government/Credit Bond Index, Mortgage-Backed Securities Index, Asset-Backed Securities Index, and Commercial Mortgage-Backed Securities Index. Corporate Bonds are represented by the Bloomberg US Corporate Bond Index, which covers all publicly issued, fixed rate, nonconvertible, investment grade debt. Municipal Bonds are represented by the Bloomberg Municipal Index, which is designed to cover the USD-denominated long-term tax-exempt bond market. Stocks are represented by the S&P 500 Index, a market capitalization-weighted price index composed of 500 widely held common stocks.

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