

# Quarterly Portfolio Review

Sep 30, 2024

*"Autumn shows us how beautiful change can be."*

## Year in Review

- 30 year mortgage rates have risen to about 6.9% and the 15 year to 5.7%.
- The Federal Reserve cut rates by 50bps and is forecasting another 50bps by year end.
- Treasury yields continue to fall with the current rate cut. A 3 month Treasury is yielding 4.61% vs 5.25% just a quarter ago. We expect Treasury rates to continue to decline.
- Remember that withdrawals from your IRAs (particularly significant withdrawals) may effect future Medicare premiums. Please plan accordingly
- Used car prices have declined significantly over the last 12-18 months.
- If you are closing on a home and need funds, its important to let us know at least a week in advance.

## BENCHMARKS YTD THROUGH 9/30/24

FTSE World Gov't Bond Index 3-7 Yr. Hedged	+4.36%
Russell 2000 (US Small Cap index)	+10.01%
S&P 500 (US Large Cap index)	+20.81%
Wilshire 5000 (US Total Market index)	+19.34%
MSCI EAFE (International Stock index)	+10.40%

## YEAR END TAX PLANNING

Year-end tax planning is crucial to minimize tax liabilities and maximize financial savings. As the year-end approaches, taxpayers should review their financial situation and take advantage of available tax strategies. Here are some key considerations, including required minimum distributions (RMDs):

**Required Minimum Distributions (RMDs):** If you are 73 or older (or if you turned 70 ½ before 2020), you must take RMDs from your tax-deferred retirement accounts such as traditional IRAs and 401(k)s. Failing to take your RMD by the deadline (typically December 31) can result in a 50% excise tax on the amount that should have been withdrawn, though the penalty decreases to 25% starting in 2024. It's crucial to calculate your RMD properly based on your age and account balance. AFA keeps track of our client's RMDs and RMD distributions occur in mid December.

**Tax-Loss Harvesting:** If you have investments in taxable accounts that have lost value, consider selling them to offset gains elsewhere in your portfolio. This can reduce your taxable income and potentially lower your tax liability.

**Charitable Donations:** Charitable contributions can be an effective way to reduce taxable income. If you're taking RMDs, consider a **Qualified Charitable Distribution (QCD)**, which allows you to donate up to \$100,000 directly from your IRA to a qualified charity, satisfying your RMD requirement and excluding the distribution from taxable income.

Remember to contact your CPA prior to year end to discuss your 2024 income.

## QUARTERLY CLIENT WEBINAR

Date: Thursday, October 24th, Starting time: 12:00 pm, Eastern Standard Time

Meeting Number: 2867 719 7084

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/j.php?MTID=md002b8927c181696313824e3ff46847e>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2867 719 7084 Password if asked: 1930

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at [www.afadvisors.com](http://www.afadvisors.com).