

LET'S TALK

MONEY[®]

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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.

High Net Worth Version

LTM Client Marketing
helping financial professionals stay connected

INVESTING IN A VOLATILE MARKET



Investing in a volatile market requires careful strategy, discipline, and a long-term perspective. By understanding the causes of volatility, using effective risk management

techniques, and avoiding common pitfalls, you can navigate turbulent markets and work toward achieving your financial goals. While volatility presents challenges, it also offers opportunities for those prepared to manage it wisely.

Understanding Market Volatility

Volatility can stem from various sources, such as economic indicators, geopolitical tensions, changes in interest rates, and unexpected global events. Recognizing these factors can help you anticipate potential market movements instead of merely reacting in crisis mode. However, it's crucial to remember that periods of volatility often result in market inefficiencies, creating unique opportunities for those willing to remain patient.

Crafting a Sound Strategy

Some investment tools that you and your trusted advisor can use to develop a strategy for volatile markets include:

Diversification.* By spreading investments across different asset classes—such as equities, fixed income, real estate, and alternative investments—you can mitigate the impact of market downturns on your portfolio. Each asset class reacts differently to market shifts, smoothing out returns over time.

Asset Allocation.** In alignment with a long-term strategy, maintaining a disciplined asset allocation tailored to your risk tolerance and financial goals is critical. Regularly reviewing and rebalancing your portfolio with your advisor can ensure you stay aligned with your investment objectives while capitalizing on market fluctuations.

Emotional Resilience. Volatile markets can evoke emotional responses, leading to hasty decisions. Setting predetermined guidelines for buying and selling can help you stick to your strategy during turbulent times.

Effective Risk Management Techniques

Your trusted advisor may also recommend risk-management techniques, including

Investing in Quality Assets. Focusing on high-quality investments—solid fundamentals, consistent cash flow, and resilient business models—can offer stability during turbulent

(continued on page 3)

UNDERSTANDING DIVORCE TAX MISSTEPS

Divorce is emotionally challenging and financially complex. One challenging aspect to navigate is the tax implications.

Alimony. For divorces finalized before January 1, 2019, alimony payments are deductible by the payer and taxable to the recipient. For divorces finalized afterward, it's a different story. Alimony recipients aren't taxed on the payments. Nor can the payer deduct them.



Property Division. Even simple property divisions can have tax traps. For instance, consider future tax implications if you're awarded the family home. When you eventually sell it, you could face capital gains taxes on any increase in its value.

Tax Filing Status. If you were still married on December 31 of the tax year, you're probably eligible to file as "married filing jointly," which often results in lower taxes. If your divorce is finalized within the same year, you might need to choose between "single" or "head of household." The latter can offer more favorable tax rates, but you must meet specific requirements. Discussing financial matters openly with your soon-to-be ex can help eliminate confusion. And you'll want to consult with a tax professional to avoid any nasty tax surprises post-divorce.

Child Support. Child support payments aren't taxable for the recipient nor deductible by the payer. However, who gets to claim the child for tax purposes can be tricky. Usually, the parent with whom the child resides most of the year gets the deduction, but this can be negotiated in your divorce agreement.

SAFEGUARDING YOUR WEALTH

Protecting your assets from potential creditors or lawsuits is important in our increasingly litigious society. An asset protection trust (APT) may help. Unlike many traditional trusts, APTs are specifically designed to shield assets from future liabilities.

Basics

With an APT, you can be both the trust grantor (creator) and a beneficiary. Thus, assets in a properly structured APT are generally deemed outside your personal ownership and inaccessible to creditors or lawsuits. In addition to safeguarding assets from external threats, an APT may facilitate efficient transfer of wealth across generations while potentially minimizing tax implications for heirs.

Caveat

APT's are complex, and the timing of the trust's establishment is critical. To be effective against future creditors, an APT

must be created before any potential claims arise. For more information about the suitability of an APT for your family, consult your legal and financial professionals.



WOMEN AND WEALTH TRANSFER

Women over 60 now command a substantial portion of global wealth, and their decisions are reshaping how wealth is transferred and managed. According to *The Wall Street Journal*, these women often make different choices about their wealth, especially when they become the sole money managers. This newfound autonomy allows them to prioritize their financial preferences and objectives.

The Magnitude of Wealth

According to McKinsey & Co.'s affluent consumer survey, in 2024, American women over age 60 controlled some \$8 trillion of liquid assets. Women's wealth has grown by about 80% since 2018, outpacing the 62% growth in total wealth. In addition, market research company Cerulli Associates projects that in the near future, nearly \$40 trillion of wealth will transfer to widowed women who are baby boomers or older.

Change Afoot

McKinsey also reports that men are the primary financial decision-makers in about 60% of affluent U.S. households. Older women are less likely than men to have relationships with their financial advisers. But this situation is changing. As opposed to their predecessors, today's women aren't only stockpiling wealth from their careers but also becoming more active in managing their future finances by participating in current family money management. They're

expressing their management and distribution preferences now. Women are aware of the greater possibility they'll outlive their husbands. Federal data shows that women are likely to outlive men by more than five years as female lifespans lengthen relative to men's. Consequently, as a group, women aged 65-plus are making different choices about their wealth once they become sole money managers. They're more likely to prioritize future long-term healthcare expenses and charitable gifts than their husbands.

Affluent women influence 85% of charitable giving decisions.

Source: Lilly School of Philanthropy at Indiana University.

Investment Differences

These women are also more likely to invest more conservatively than their husbands may have, focusing more on protecting capital by holding stable assets and bonds with long-duration yields. But everyone's investment needs are different, and other or additional types of investments may be more appropriate to meet a woman's individual needs and goals. If you anticipate receiving substantial wealth in the future, it's never too early to meet with a financial professional to discuss your future.

INVESTING IN A VOLATILE MARKET



(continued from page 1)

periods. These values are less likely to be affected by market fluctuations, allowing them to provide a reliable return even in challenging conditions.

Stop-Loss Orders. Stop-loss orders may safeguard your investments by automatically selling securities when they reach a specific price. This method protects against severe losses, allowing you to exit positions before they decline further.

Options and Hedging Strategies.

Employing options may provide an effective means of hedging against market downturns. Strategies such as protective puts can help shield your portfolio during times of high volatility while preserving your investment in the long term.

Avoiding Common Pitfalls

In volatile markets, high-net-worth investors may succumb to common traps, such as overreacting to short-term market movements or chasing fleeting trends. Commitment to a well-defined investment plan and focusing on long-term objectives is paramount. Additionally, seeking guidance from financial professionals with expertise in navigating volatility can provide strategic insights and mitigate risks.

**Diversification cannot eliminate the risk of investment losses. Past performance won't guarantee future results, and investing in stocks or mutual funds can result in a loss of principal.*

***Asset allocation won't guarantee a profit or ensure against a loss but may help reduce volatility in your portfolio.*

DECIDING TO SELL A FAMILY BUSINESS

Selling a family business can be an emotional and complex process. You've likely poured your heart, soul, and years of labor into building something special. Before jumping into the sale, keep these things in mind.

Don't Rush Things

Ensure the business is in tip-top shape. Optimize your operations, settle any debts, and clean up financials. Next, think about the timing. Is the market favorable for selling in your industry? You don't want to rush just because you feel it's time. Make sure you capitalize on the right moment.

What's Your Motivation?

Have a clear idea of what you want from the sale. Is it all about maximizing profit? Or do you want to ensure the business is left in good hands? Your motivations will



guide the deal.

Executing the Sale

A financial advisor specializing in mergers and acquisitions can provide invaluable advice and help you navigate the complexities of selling a family business. This could save you headaches and potentially increase your selling price. Transitioning a family business isn't just a financial transaction; it's about preserving a legacy, so take your time to figure out what's right for you and your family.

HOW GEN Z IS SHAPING FINANCIAL MARKETS

As the youngest generation to enter the financial markets, Generation Z (those born between 1997 and 2012) is making waves with their unique perspective on investing. Unlike their predecessors, Gen Z's approach to stocks is shaped by technology, social media, and a keen awareness of global issues. This generation's investment habits are redefining traditional stock market practices and contributing to the rise of new trends and sectors.

Technology Reigns

Gen Z investors have grown up in the age of smartphones, social media, and online trading apps. Their comfort with technology has led to a preference for user-friendly investment platforms that offer real-time data, gamified experiences, and social interaction around trading. This dynamic represents not only how Gen Z learns about investments but also how they make financial decisions.

Impact Investing

Gen Z's progressive outlook toward social and environmental issues has attracted them to impact investing. This generation prioritizes businesses aligning with their values, favoring companies demonstrating commitment to sustainability, diversity, and ethical governance. Young investors are more likely to back companies that contribute positively to society over those that merely aim for profit. Recognizing this trend offers a unique opportunity to identify promising companies that resonate with Gen Z values, potentially leading to long-term gains.

Alternative Assets

Gen Z is driving innovations in investment products. The rise of fractional shares, cryptocurrencies, and alternative assets reflects this generation's desire for inclusivity and expanded access to investing. Rather than sticking to traditional stock options, Gen Z investors are including a variety of asset classes in their portfolios. This blending of traditional and contemporary investment practices could pave the way for more holistic portfolio management.

A Thirst for Knowledge

Gen Z is increasingly focused on financial literacy and education. With a strong desire to demystify the complexities of the stock market, many Gen Zers are seeking resources to become well-informed investors. This shift in the overall mindset to emphasizing learning and collaboration rather than competition could herald a new era of transparency in investing.

How Generational Investment Strategies Compare

	Gen Z	Millennials	Gen X	Baby Boomers
Buy and hold	57%	59%	48%	60%
Growth investing	57%	56%	51%	49%
Short-term trade	52%	52%	31%	20%
Fractional shares investing	48%	48%	33%	25%
Direct indexing	44%	42%	26%	23%
Socially responsible investing	43%	45%	27%	17%
Thematic investing	41%	41%	20%	9%

Logica Research, 2024

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

April 24, 2025

Reference: **FR2025-0408-0169/E**

Org Id: 23568

1. LTM 2025 SEPT - OCT HNW
Rule: FIN 2210
5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

Reminder: The fee charged for Regular filings submitted to the Advertising Regulation Department on January 1, 2025 and after, will increase from \$125 to \$300 (for the first 10 pages/minutes). The fee of \$10 per additional page/minute has not changed. The filing fee for expedited filings will remain at \$600 (for the first 10 pages/minutes) and \$50 per additional page/minute. Please see <https://www.finra.org/media-center/blog/funding-finras-mission-111224> for more information.

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