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2022 YEAR-END NOTES

- Due to market volatility, we're expecting the potential for large capital gains distributions from several mutual funds again this year.
- December 15: The end of the year is always busy with year-end gifting, account openings, non-managed account tax harvesting reviews, retirement account funding, etc. Please consider December 15 as a soft deadline for service requests needing to be completed before year-end.
- December 28: The last trading day of the year to allow regular-way 2-day settlement to occur in 2022 is Wednesday, December 28. These trades will settle on December 30, 2022 and appear on your December 2022 statement. As usual, you can still trade until December 30 and recognize a gain or loss in 2022 but the settlement won't occur until early January and therefore the transaction will not appear on your December 2022 statement.

COMMON YEAR-END TAX QUESTIONS

Question: Can long-term capital losses offset short-term capital gains?
Answer: Yes, but you must follow the netting rules in a specific order:
1. Net short-term gains and short-term losses.
2. Net long-term gains and long-term losses.
3. Net the short-term result against the long-term result where one category is a net gain and the other a net loss.
4. Deduct up to $3,000[1] of excess losses against ordinary income per year.

Question: What happens to excess losses?
Answer: If losses exceed gains, up to $3,000[1] can be used to offset ordinary income in each year that losses continue to exceed gains. Any remaining losses are "banked" and carried forward to be used in future years until death.

[1] $1,500 if married filing separately.

Wishing you and yours a safe and happy holiday season!

Scott P. Ellis
First Vice President—Investments
Financial Advisor

Mary H. Magee
Senior Registered Client Service Associate

KEY FINANCIAL UPDATES FOR 2023

	2023	2022
Annual Gift Tax Exclusion (Per donor to any recipient)	$17,000	$16,000
Estate Tax Exemption	$12.92 Million	$12.06 Million
Maximum IRA / Roth IRA	$6,500 < age 50	$6,000 < age 50
	$7,500 >= age 50	$7,000 >= age 50
Maximum 401(k) & 403(b)	$22,500 < age 50	$20,500 < age 50
	$29,000 >= age 50	$27,000 >= age 50
Social Security Wage Base	$160,200	$147,000

Source: IRS.gov and SSA.gov

MARKET INDICATORS*

Market Index	12/01/22 Value	52 Week High	52 Week Low
DJIA	34395	36953	28661
S&P 500	4076	4819	3492
NASDAQ Composite	11482	15901	10089

CONTACT INFORMATION

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INTEREST RATES

At their November 2022 meeting the FOMC increased the target range for the federal funds rate to 3¾% - 4% and projected further hikes. The FOMC meets next on December 13-14, 2022.

Source: federalreserve.gov, Nov 2, 2022

QUOTES

"A budget is telling your money where to go instead of wondering where it went."
—- Dave Ramsey

"We didn't actually overspend our budget. The allocation simply fell short of our expenditure."
—- Keith Davis

FROM THE DESK OF MARY MAGEE

Anyone over 70.5 is permitted to make Qualified Charitable Distributions (QCDs) of up to $100,000 annually from their regular IRAs. Issues occur when the charity doesn't receive the check (as it will eventually be cancelled and redeposited into your account) or sits on it for a long time before cashing it. This has become a real problem, regardless of whether we mail the check or you write a check off your IRA. In the event the check is not cashed by year-end and it was intended to count as part of your RMD for the year, then you will be subject to a 50% penalty tax. It is therefore imperative that you write the checks as early in the year as possible (we suggest no later than July 1) and that you follow-up with the charities to cash your checks and provide you the necessary receipt.

Speaking of making sure you complete your RMDs, we actively try to do our best to make sure you take your required RMD well before year-end. However, there's not much we can do with RMDs on accounts held away from Raymond James. Please contact me if you have any outside IRA accounts and we can transfer them in. Not only will we be able to help keep an eye on them, it'll simplify your life.

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THE TWO QUICKEST AND MOST SECURE WAYS TO MAKE DEPOSITS INTO YOUR ACCOUNTS AND MOVE MONEY BETWEEN ACCOUNTS…

Mobile Deposits: Once you have registered for access to our secure and customizable Client Access website at https://clientaccess.rjf.com/ you'll be able to make secure mobile deposits via our phone app and transfer monies between your Raymond James accounts and your local bank accounts.

ACH Money Transfer: this is a quick and secure two-way transfer link we set up in advance between your Raymond James account and your local bank account. The link between the two accounts must be set up in advance and remains on file for future use. Please contact Mary if you have not yet linked your Raymond James account with your bank account.

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DID YOU KNOW…

»»» **We've been hearing that email spam folders are unintentionally capturing some of our emails.** If you haven't been receiving our newsletters throughout the year, or were expecting to hear from us, your spam folder is likely where our emails went. Remedy: Please open your junk folder options and add Scott.Ellis@RaymondJames.com, Mary.Magee@RaymondJames.com, and @RaymondJames.com to your "Safe Senders" list.

»»» **In 2023, I'll be working in Honolulu from February 4—17 inclusive and in Ko'Olina from February 20—23 inclusive.** We are currently setting up client appointments for meetings in both locations. Please contact Mary or me to set up a convenient appointment.

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My regular office hours are:

Monday - Friday:

9:00 am - 4:00 pm Eastern

(Eastern Standard Time)

8:00 am - 3:00 pm Central

6:00 am - 1:00 pm Pacific

4:00 am - 11:00 am Hawaiian

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*The information herein has been obtained from sources we believe to be reliable, but we do not guarantee its accuracy or completeness. ● Opinions expressed are those of the author and are not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice. ● Unless otherwise noted, all quotes, rates, and values contained herein are as of December 1, 2022, and are subject to change and availability. ● *Source for Market Indicators: BigCharts®, a service of MarketWatch. All figures rounded to nearest whole number. ● Keep in mind that individuals cannot invest directly in any index, and index performance does not include transactional costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. ● The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. ● This information is made available with the understanding that Raymond James and its affiliates are not engaged in rendering legal, accounting or tax advice. © 2022 Raymond James & Associates, Inc., Member New York Stock Exchange/SIPC. #69630*

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Scott P. Ellis is a First Vice President-Investments, Financial Advisor, at Raymond James, with over 40 years experience. Scott is dedicated to assisting clients in building, preserving, perpetuating, and distributing their wealth. He focuses on providing lifetime investment, retirement & estate planning strategies, and risk management, through conservative stock, quality municipal bonds, a variety of other investment vehicles, and professional portfolio management. Scott works with a select group of individuals and families in an effort to give them a higher probability for meeting their goals. He also works with clients, attorneys, and accountants to provide estate consolidation, valuation and distribution. Scott enjoys working with folks who value experience and advice.