LET'S TALK FINANCIAL WELLNESS®

January/February 2027

FINTECH AND YOUR FINANCES

As we step into an increasingly digital future, the world of finance is transforming at an unprecedented pace thanks to fintech advancements. The coming years promise not only innovative opportunities but also significant shifts in how financial management and investment strategies are approached. You can expect a redefined landscape that blends cutting-edge technology with personalized service.

What is Fintech?

Short for financial technology, fintech encompasses a range of software, applications, and algorithms designed to streamline and improve financial services. Whether through financial apps that let you manage your wealth on the go or through blockchain technology that is reshaping transactions, fintech is revolutionizing how wealth management is approached.

The Evolution

One crucial shift driven by fintech is the democratization of information. Investors now have access to platforms that deliver real-time data, analytics, and market insights. As fintech evolves, these tools and platforms are becoming more sophisticated, enabling greater customization. For instance, algorithms can analyze your spending habits and investment strategies, offering recommendations aligned with your risk tolerance and long-term goals.

Another significant shift is the rise of alternative investment options, from peer-to-peer lending to cryptocurrencies. While these opportunities can offer new paths to diversification*, navigating them requires expertise and a solid understanding of the associated risks.

Your Advisor's Critical Role

The future of finance, driven by fintech, is promising yet complex. Advanced technology creates more opportunities, but it also requires a thorough understanding and strategies to navigate it. As technology becomes more deeply integrated into financial services, one of your advisor's roles is to help demystify the tools at your disposal. They're equipped to analyze the mountains of data generated by fintech solutions and turn insights into actionable strategies tailored to your financial picture. Personal advisors aren't just there to

(continued on page 3)





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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

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HOW COLLECTIBLES ARE TAXED



Most collectors buy items—art, antiques, stamps, coins, classic cars, and other tangible personal property—for the pleasure of owning and enjoying them. But you may eventually want to sell a collectible to access the appreciation it has accumulated.

Higher Capital Gains Tax

The IRS taxes collectible gains at a maximum of 28%. Long-term capital gains on most other assets are capped at 20%. For example, if you bought a rare painting for $100,000 and sold it five years later for $300,000, your capital gain would be $200,000. Under the collectibles rate, you might owe up to $56,000 in taxes, compared with the $40,000 capital gains tax you might pay on a sale of other investments. If you sell a collectible within a year of buying it, any gain will be taxed at your ordinary income tax rate, which could be as high as 37%.

Gifting Collectibles

If you give a collectible to a loved one during your lifetime, they'll assume your basis, which could burden them with a higher tax bill if they sell it. Transferring collectibles to heirs at death usually means they benefit from a stepped-up basis, which can improve their tax outcome.

How can you navigate these tax challenges effectively? Keep detailed records of your collectible purchases, expenses, and sales, and consult your trusted advisors before selling.

WHY DISCLAIM AN INHERITANCE?

Receiving an inheritance isn't always straightforward. For higher-income people, the disadvantages of accepting one may outweigh the advantages.

Tax Implications. If you've been left a significant sum, it might push you into a higher tax bracket. Disclaiming the inheritance allows you to sidestep that extra taxable income. In addition, you could face estate taxes, depending on the size of the estate. By disclaiming, you avoid adding to your tax burden.

Potential Liabilities. If you inherit property burdened with debt, legal issues, or ongoing maintenance costs, you could find yourself in a financial quagmire. By disclaiming, you're effectively saying, "Thanks, but no thanks," to any headaches that might accompany that asset.



Different Priorities. If an inheritance doesn't align with your current goals or financial strategy, it could make sense to pass it up. It's about doing what you and your financial advisor deem best for your personal situation. Your legal advisor can help you file a written disclaimer clearly stating your refusal with the appropriate court or other legal authority within the required period. The inheritance then passes to the next beneficiary in line.

LOWER YOUR TA BILL FOR 2027

Thanks to the One Big Beautiful Bill Act (OBBBA), 2027 planning can largely follow your 2026 tax plan, with a few adjustments and timely options.

Worth Your SALT

Take full advantage of the higher deduction for state and local tax (SALT) through 2029, when it's scheduled to return to $10,000. The cap phases down once your modified adjusted gross income (MAGI) exceeds $510,000 ($255,000 for married filing separately). At $612,730 MAGI or above ($306,365 married filing separately), the cap drops back to $10,000.

Old Standbys

Contribute the maximum allowed to tax-deferred employer retirement plans, IRAs, and Health Savings Accounts (HSAs). However, if you earned more than $150,000 in wages in 2026, your 2027 catch-up contributions to 401(k), 403(b), and governmental 457(b) plans must go into a Roth (after-tax) account.

HSAs remain among the most tax-efficient accounts available. Contributions are above-the-line deductions, growth is tax-free, and withdrawals for qualified medical expenses are also tax-free.

While You Can

Through 2028, you can deduct up to $10,000 in

KNOW YOUR NUMBERS - As usual, many tax
401(k) employee deferral
401(k) catch-up (age 50-59, 64+)
401(k) super catch-up (age 60-63)
IRA contribution limit
IRA catch-up (age 50+)
HSA (self-only)
HSA (family)
SALT deduction cap
Estate/gift tax exemption
Annual gift exclusion
AMT exemption (Single)
AMT exemption (MFJ)

2027 HSA limits are final. Other 2027 amounts are inflation adjustment and standard IRS rounding rule

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interest paid on a qualified car loan for a new vehicle assembled in the United States. You must purchase the vehicle between January 1, 2025, and December 31, 2028. The deduction phases out beginning at $100,000 MAGI for single filers and $200,000 for married filing jointly.

The 2028 expiration date also applies to the additional deduction of up to $6,000 per person age 65+. This deduction phases out at $75,000 MAGI for single filers and $150,000 for married filing jointly.

Be Aware

Charitable contributions are now deductible only to the extent they exceed 0.5% of your adjusted gross income (AGI). For example, a taxpayer with $300,000 in AGI receives no deduction for the first $1,500 of charitable giving. If you're in the 37% tax bracket, you'll receive only a 35% tax benefit from itemized deductions (including charitable contributions). You no longer deduct miscellaneous investment fees, unreimbursed employee expenses, or personal tax preparation costs. Before implementing your 2027 tax plan, talk with your tax advisor.

x law limits are adjusted for the new year.	
$24,500	$24,500 - $25,000
$8,000	~$8,000 - $8,500
$11,250	~$11,250 - $11,750
$7,500	~$7,500
$1,100	~$1,100
$4,400	$4,500
$8,750	$9,000
$40,400	$40,804
$15,000,000	~$15,400,000
$19,000	$19,000 - $20,000
$90,100	~$92,500
$140,200	~$144,000

projected as of 10/19/26, assuming ~2.7%
es.

FINTECH AND YOUR FINANCES



(continued from page 1)

execute trades or manage portfolios—they serve as your strategic partner, empowering you to leverage technological advancements for optimal benefit.

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

DON'T OVERLOOK PASSIVE WEALTH BUILDERS



From dividends to peer-to-peer lending, here's how you can create income streams that keep paying long after the work is done.

Dividend-Paying Stocks and ETFs. Many established companies pay a portion of their earnings to shareholders as dividends, often quarterly. Dividend yields vary by company, sector and market conditions, and dividends are not guaranteed—companies can reduce or eliminate them at any time. Funds that track a broad index of dividend-paying stocks can provide diversification† with minimal effort. Reinvesting dividends may help your income compound over time. While generally liquid and accessible, dividend stocks expose you to market volatility, and their income potential may be lower than some other passive income sources.

Real Estate. Consider allocating your investment capital to rental properties or Real Estate Investment Trusts (REITs††). Publicly traded REITs combine real estate exposure with stock market liquidity and are generally required to distribute most of their taxable income to shareholders, though distribution amounts vary and are not guaranteed. REITs can offer exposure across commercial, residential and industrial sectors without property management responsibilities.

However, REITs sacrifice the tax advantages of direct real estate ownership. You're taxed on distributions as ordinary income, missing out on depreciation deductions and capital gains treatment. Additionally, REIT performance correlates with stock market movements, reducing diversification benefits.

Bonds. You might also explore bonds. Building a well-rounded bond portfolio can provide a steady source of passive income, especially during turbulent stock market periods.

Royalties. If you're musically inclined or have a knack for writing, consider creating a product that can generate royalty payments, such as a song, book, or even software. Once you've created these intellectual properties, they can continue to generate revenue with minimal ongoing effort from you.

Peer-to-Peer Lending Platforms. These platforms allow you to lend small amounts of money to individuals or businesses through online services, earning interest in return. While carrying higher risks than traditional investments, they can yield significant returns if approached cautiously.

†Diversification does not ensure a profit or protect against a loss.

††REITs are subject to illiquidity and property devaluation risks based on adverse economic and real estate market conditions and may not be suitable for all investors. Read the prospectus, which discloses all risks, fees, and expenses, before investing.

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NEW RETIREMENT INVESTORS: PLAYING BY THE RULES

People often use rules of thumb to simplify complex financial decisions, including retirement planning. But for younger retirement investors, common rules of thumb may need updating.



10% Has Become 15%

Recognizing longer retirements, the old recommendation to save 10% of your annual pre-tax income has increased to 15%. That's if you start contributing at age 25. Wait until 30, and you may need to increase the percentage to 18. Another bump to 23% may be needed if you don't start until 35. Of course, contributing any amount is better than nothing. Your financial professional can help with the calculations.

100 Has Become 110 to 120

Nearly everyone has heard the rule of thumb to subtract your age from 100 to determine the percentage of your retirement savings that should be in stocks. Longer lifespans have affected this rule, too. As you move closer to retirement, your financial professional may recommend holding more stock than in past decades to outpace inflation.

Ten Times Your Salary at Retirement

The common rule that you'll need ten times your salary in savings when you retire has been around for years. Recently, some financial professionals have proposed alternative guidelines. For example, save two or three times your salary by age 40, five or six times by age 50, and 10 or 11 times by retirement. You and your financial professional can work out a flexible plan that you can handle now and adapt to later goals.

80% of Pre-retirement Income

Generally, 70-80% of pre-retirement income is a good goal. The amount you'll need in your earlier, more active retirement years may be higher. Later, it may be lower, and for some people, medical expenses increase needs in late retirement. People retiring with less than $60,000 in annual income may need more than 70-80% of their income to maintain their standard of living, while those earning between $60,000 and $180,000 fit the 70%-80% projections, and people retiring with more than $180,000 may need less than 70-80%.

Don't Wait

These rules are simply guidelines for starting your retirement planning, but there's one hard-and-fast rule. Don't wait.

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FINRA

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

October 9, 2026

Reference: **FR2026-0828-0135/E**

Org Id: 23568

1. LTM 180 Jan Feb 2027 High Net Worth
   Rule: FIN 2210
   5 Pages

This letter supersedes our review letter dated October 5, 2026 regarding the communication titled "LTM 180 Jan Feb 2027 High Net Worth". The revised version uploaded on October 8, 2026 appears consistent with applicable standards.

Reviewed by,

William W. Brill
Principal Analyst

***NOTE**: Our review is limited to the communication as submitted and does not extend to any hyperlinks, QR codes or references to other content. In our review, we assume that all statements, claims, and representations in the communication are accurate and can be substantiated.*

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