
# Welcome to Transition Insights!

It's hard to believe, but Sunday, September 22, marks 100 days left in the year. Before everyone gets busy planning for the upcoming holiday season, we thought we would send over a reminder of key retirement planning steps for employees to take before the end of the year.

We encourage you to share the below information with your employees, and of course, feel free to reach out with any questions regarding your 401(k) offering.

## Key Steps For Employees to Take Before End-of-Year:

1. **Max Out Your Contributions**: The limit for 2024 is $23,000 for those under 50 and $30,500 for those 50 and older (including catch-up contributions). If you haven't reached this limit, consider increasing your contributions.

2. **Adjust Payroll Deductions**: If you need to contribute more, adjust your payroll deductions. Check with your HR department to ensure the changes are made on time.

3. **Assess Investment Allocations**: Review your current investment allocations to ensure they align with your risk tolerance and retirement goals. Rebalance if needed.

4. **Maximize Employer Match**: Ensure you contribute enough to get the full employer match.

5. **Review and Update Beneficiaries**: Make sure your beneficiary designations are current and reflect any life changes, such as marriage, divorce, or the birth of a child.

6. **Plan for Required Minimum Distributions (RMDs)**: As of 2023, if you're 73 or older, you generally need to take RMDs from your 401(k). However, if you're still working and do not own more than 5% of the company you work for, you may be able to delay RMDs from your current employer's 401(k) until you retire. Missing an RMD can result in hefty penalties. Ensure you know how much you must withdraw to meet the RMD requirement.

# High-Net-Worth Lifestyle & Wealth Management

We all know that investment discipline equals freedom. In fact, that discipline is how many of us have gotten to where we are now.
With that said, a luxury lifestyle and investment discipline are not mutually exclusive, with a number of luxury products holding significant investment value. Today, we'll share an overview of a few of these smart and sophisticated products.

**Oil on Canvas**
While the $1 million-plus art market has softened recently amidst higher interest rates and geopolitical risks, art remains a long-term appreciating, resilient, timeless, and cultured asset class.
Moreover, since art has a slightly negative correlation with equities, it can be a lovely portfolio diversifier, with a lively sub-$100,000 market at online auction houses like Christie's and Sotheby's.

**Pablo and More**
Recently, Pablo Picasso's Femme à la montre (ca. 1932) painting fetched $139.4 million (including fees) at auction, against the reported estimate of over $120 million (not including fees) (Sotheby's). This was just below the priciest Picasso at auction, Les femmes d'Alger (ca. 1955), which sold for $179.4 million in 2015 (Christie's).
Aside from ultra-high-end Picassos, collecting art at lower price points can serve as an irreplaceable, low-maintenance store of value with relatively low volatility, making it an intriguing choice for estate planning. Innovations in digital art collection management tools have streamlined the investment process and can aid in tracking values and portfolios.

**Real Estate: Cash Talks**
We have seen the dynamics of the real estate market shift dramatically since 2020, as hedge funds, other institutions, and even foreign governments have swooped in and made all-cash deals across the United States in single-family properties.

Although there has been pending legislation to keep Wall Street out of Main Street's single-family housing market, the exact future of government intervention is uncertain.
Recent data from Redfin shows that the median price of luxury homes sold in the U.S. reached a record high of $1.17 million in Q4 2023, marking an 8.8% increase from the previous year. Prices of non-luxury homes rose 4.6% year-over-year to a record $340,000, half the pace of luxury homes.
Nationwide, cash purchases comprised 38% of single-family home and condo sales in 2023, the highest level since 2014.

**Playing Along**
High-net-worth investors can play the cash game alongside funds with deep pockets, making the acquisitions of second or multiple properties a solid income-producing, long-range diversification tool. Keep in mind this investment type is less liquid than other assets.
Fully managed properties can be utilized as short-term rentals, taking the time onus off of investors while gaining rental income and potential capital appreciation. Have a vacation spot you love? Looking for a deal has never been easier courtesy of technology, and such a long-range investment could be a big move a decade from now.
Another bonus is the ability to stay at your property for a certain period each year. Startups like Summer, for example, have been created to make this process more streamlined.

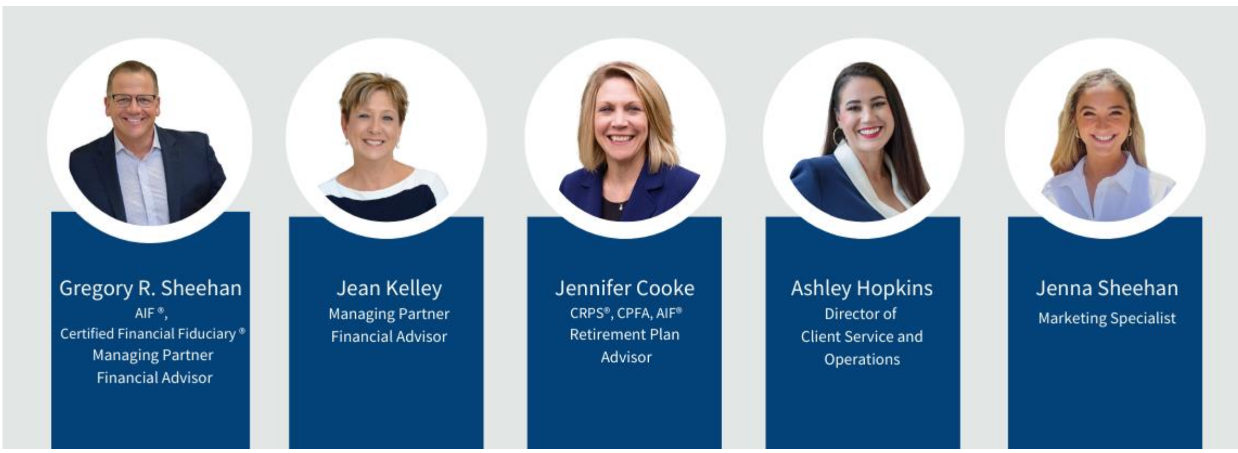
**High-Yield Munis**
High-yield municipal bonds: not as beautiful as art and not tangible and fun like a vacation investment property, we know.
Still, high-yield municipal bonds feature mostly federally tax-free interest and are yet another asset class that offers sophisticated investors a unique hedge and income opportunity.
Some high-yield munis have equity-like yields, have recently traded near multi-year high yields, and offer low default risk.
Depending on the high-yield municipal bond, investors could see approximately 2.75%–4.00% yields, which could translate to the federally taxable equivalent of approximately 4.75%–8.00% yields in other investments, depending on one's tax bracket, state of residence, and individual situation. Going out beyond 10 years in duration and considering credit ratings below AAA and AA may be ideas worth exploring, depending on an investor's unique situation.
Investing in out-of-state municipal bonds can also provide additional benefits for investors living in a state with zero state income tax.
Many banks have exited the municipal bond market in recent years, which could create opportunities for certain investors. For investors in the highest tax brackets, municipal bond purchases can be a key wealth management tool.

**The Point**
Exploring new investment opportunities that intertwine with your unique lifestyle can improve your financial well-being while allowing for true enjoyment of the fruits of your hard work. Real estate, art collecting, and municipal bonds are just a few places where lifestyle can intersect with wealth management.

If you have any questions or need assistance, don't hesitate to reach out by phone or email. That's why we're here. Have a great final 100 days of 2024!

# LET'S GET SOCIAL

# MEET THE TEAM



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