

May 2021



### Sugar High

Mix a federal government that is cutting checks at a torrid pace, a Federal Reserve that is printing money (well asking the Treasury to do so), and the extensive vaccine roll-out for COVID-19 and what do you get? A sugar-high economy. The candy bowl will be taken away, sadly. Also ruining the fun, taxes are going up (see the next section). The only questions are by how much and when.

### What You Need to Know About the Biden Tax Plan

The Biden tax proposal inflicts the most direct pain on the very top earners where the highest tax rate could go to 39.6% (from 37%) while also kicking up the capital gains rate from 20% to 39.6%. Also on the chopping block are parts of the “step-up” in basis rule, which currently allows the cost of inherited assets to “step-up” in value to the value at the time of inheritance without limit.

Taxes affect almost every aspect of investing and planning. When we look at your account, we incorporate strategies such as tax loss harvesting, tax gain harvesting, tax-advantaged options, bucketing sales and how long to hold an investment.

### Progress on your investments

Zuma Growth accounts posted a gain of just over 5% during April, led by U.S. value and U.S. small stocks, diversified across global stocks at 72% and income producing assets at 38%. Zuma Balanced accounts saw similar gains in U.S value and U.S. small stocks while Zuma Bond accounts outpaced plain vanilla bond benchmark.

We **guard and grow** your wealth in two ways: strategically and protectively. Strategically, through good offense, we combine different types of asset classes to create an allocation with a high probability of delivering the growth you seek, while guarding against unnecessary risk. Protectively, through great defense, we incorporate data to flexibly respond to market information and to guard against losses.

We thank you for your loyalty and trust. You can contact us anytime.



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