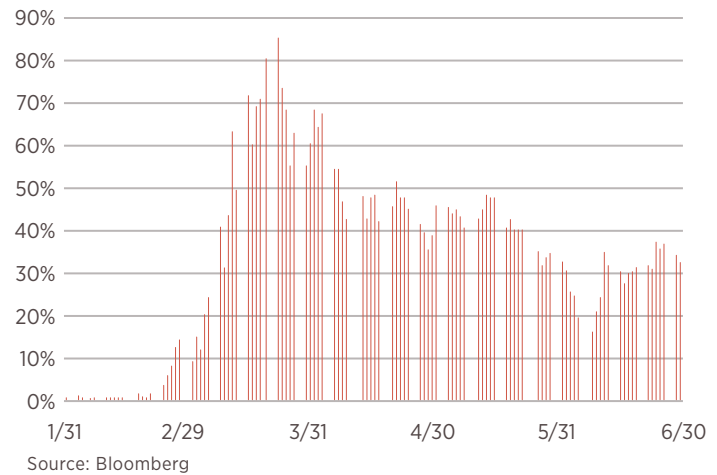




### Chart of the Month →

The S&P 500 just posted its best quarterly gain since 1998. The index returned 20.5% from March 31, 2020 through June 30, 2020. However, with unemployment still very high and many individuals facing significant economic hardship, a simple look around has caused some to question whether the market is entirely disconnected from economic reality. Looking deeper, about one in three stocks is actually still down more than 20% year-to-date. In our recently released *Market Update Webcast*, CIO Andrew Mies, discusses this year's market performance, drivers of the recovery in stocks, and why it may not yet be signaling an all-clear for the broader economy.

Percent of stocks in S&P 500 down >20% YTD



### Making a Charitable Contribution Why sell shares when you can gift them?

*If you have appreciated stocks in your portfolio, you might want to consider donating those shares to charity rather than selling them.* Donating appreciated securities to a tax-exempt charity may allow you to manage your taxes and benefit the charity. If you have held the stock for more than a year, you may be able to deduct from your taxes the fair market value of the stock in the year that you donate. If the charity is tax-exempt, it may not face capital gains tax on the stock if it sells it in the future.<sup>1</sup> There are several reasons to consider donating highly appreciated stock to a tax-exempt charity. For example, you may own company stock and have the opportunity to donate some shares. There also are potential tax benefits to consider if you donate appreciated securities that you have owned for at least one year.<sup>2</sup> If you sell shares of appreciated stock from a taxable account and subsequently donate the proceeds from the sale to charity, you may face capital gains tax on any potential gain you realize, which effectively trims the tax benefit of cash donation.<sup>3</sup>

*When is donating cash a choice to consider?* If you provide the charity with a cash gift, there may be some limitations. Cash gifts are deductible up to 50% of adjusted gross income. As an example, if a donor in the top 37% federal tax bracket gives a 501(c)(3) non-profit organization a gift of \$5,000, the net cost can work out to just \$3,150 with \$1,850 realized in tax savings. A donor may also need to consider possible implications of state taxes in addition to federal.<sup>2</sup> If you donate shares of depreciated stock from a taxable account to a charity, you can only deduct their current value, not the value they had when you originally bought them.<sup>3</sup> Remember the tax rules for charitable donations. If you donate appreciated stock to a charity, you may want to review I.R.S. Publication 526, Charitable Contributions. Double-check to see that the charity has non-profit status under federal tax law, and be sure to record the deduction on a Schedule A that you attach to your 1040.<sup>4,5</sup> For more information and additional tax rules, visit [6meridian.com/category/resources](http://6meridian.com/category/resources).

1. Fidelity.com, October 9, 2019 2. Forbes.com, October 19, 2019 3. Schwab.com, August 13, 2019 4. Vanguardblog.com, September 19, 2019 5. IRS.gov, March 3, 2020

Source: Bloomberg 2020

	June	YTD	2019	Benchmark	
<b>Stocks</b>	United States	2.0%	-3.1%	31.5%	S&P 500
	Intl Developed	3.4%	-11.3%	22.0%	MSCI EAFE
	Emerging Markets	7.4%	-9.8%	18.4%	MSCI Emerging Markets
<b>Bonds</b>	US Investment Grade	0.6%	6.1%	8.7%	Barclays US Aggregate
	US Municipals	1.0%	2.3%	8.9%	Barclays Municipal Bond 15y
	Intl Investment Grade	1.0%	0.6%	5.1%	Barclays Global Aggregate xUSD
	Global High Yield	2.3%	-4.7%	12.6%	Barclays Global High Yield
	Emerging Markets \$	2.5%	-0.4%	13.1%	Barclays Emerging Markets USD Aggregate
<b>Other</b>	Commodities	2.3%	-19.4%	7.7%	Bloomberg Commodity
	Gold	2.9%	17.4%	18.3%	Gold New York Spot (\$/oz)
	Oil	10.7%	-35.7%	34.5%	Crude Oil WTI/Global Spot NYMEX

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