



Chart of the Month



Recent headlines, or trips to the gas pump, might lead one to believe that inflation is running rampant. However, the data show that a good portion of recent price increases are the result of a recovery from last year's depressed levels. As this month's chart shows, price levels as measured by the consumer price index have not yet recovered to the trend of 2% annual inflation that had been in place since 2015. While prices are likely to continue rising in the coming months as economic activity fully resumes and supply disruptions from the pandemic are worked out, the current level does not justify fears of a sustained push higher in inflation.

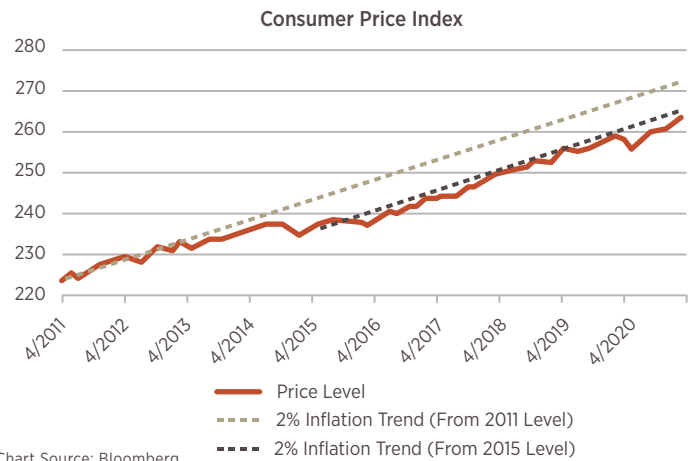


Chart Source: Bloomberg



Advisor Q&A: Bryan Green, Partner

The Future of Capital Gains Tax Rates

The debate on capital gains tax rates has started again in Washington D.C. It's critical to remember that any capital gains tax proposal will likely face a long, uphill battle before becoming law. One prominent investment bank already has said it projects a more modest increase in the rate, which may land at around 28%.¹ Bryan Green, Partner, answers the most common questions advisors have been hearing from clients.

If I am currently in retirement, how can I prepare for a possible increase to the capital gains tax rate? Retirement accts would not be subject to the proposed capital gains tax increase, however, a retiree who has taxable (non-IRA) investment account would be subject to a higher capital gains tax if they have taxable income of \$1mm+. **Who will be most affected by a tax rate change?** The most affected will be investors who have more than \$1mm in income in a given year and who sell long-term (held more than 1 year) investments in a taxable account. This would include publicly traded securities as well as privately owned companies. Instead of paying the current federal long-term capital gains tax rate of 20%,² investors would be paying a possibly higher rate in the near future. **Could this possible tax rate change affect my overall portfolio allocation?** Based on your goals and timeframe it could have an impact on your allocation in taxable accounts. Due to the difference in how ETFs (exchange-traded-funds) are taxed, it may be more tax-efficient to invest a greater part of the overall allocation in ETFs, as opposed to managed portfolios or mutual funds. **Is it best to act now or wait for new laws to pass?** Portfolio allocation decisions should be made based on multiple criteria such as risk tolerance, timeframe for the investment and need for income or growth. At this point, it is uncertain what type of legislation will be taken up by Congress. Although it is difficult to be patient during a time of uncertainty, it would be best to consult your financial or tax advisor before selling any investment for the sole reason of a possible tax law change.

1. Markets.BusinessInsider.com, April 23, 2021 2. The most common federal tax rates (exclusive of the Medicare Contribution Tax on net investment income) are 20% for net long-term capital gains and qualified dividends.

	Source: Bloomberg 2021	April	YTD	2020	Benchmark
Stocks	United States	5.3%	11.8%	18.4%	S&P 500
	Intl Developed	3.0%	6.6%	7.8%	MSCI EAFE
	Emerging Markets	2.5%	4.8%	18.3%	MSCI Emerging Markets
Bonds	US Investment Grade	0.8%	-2.6%	7.5%	Barclays US Aggregate
	US Municipals	1.1%	0.6%	6.3%	Barclays Municipal Bond 15y
	Intl Investment Grade	1.6%	-3.8%	10.1%	Barclays Global Aggregate xUSD
	Global High Yield	1.9%	0.9%	7.0%	Barclays Global High Yield
	Emerging Markets \$	1.3%	-2.2%	6.5%	Barclays Emerging Markets USD Aggregate
Other	Commodities	8.3%	15.8%	-3.1%	Bloomberg Commodity
	Gold	3.6%	-6.8%	25.1%	Gold New York Spot (\$/oz)
	Oil	7.5%	31.0%	-20.5%	Crude Oil WTI/Global Spot NYMEX

E / contact@6meridian.com • P / 316.776.4601 / 855.334.2110 • F / 316.776.4620
 WWW.6MERIDIAN.COM • 8301 E 21st St N, #150, Wichita, KS 67206

Securities offered by Registered Representatives through Private Client Services, Member FINRA/SIPC. Advisory products and services offered by Investment Advisor Representatives through 6 Meridian LLC, a Registered Investment Advisor. Private Client Services LLC and 6 Meridian LLC are unaffiliated entities.

6 Meridian LLC is a Registered Investment Adviser. This newsletter is solely for informational purposes. Advisory services are only offered to clients or prospective clients where 6 Meridian LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by 6 Meridian LLC unless a client service agreement is in place. Index returns assume reinvestment of dividends and do not reflect any fees or expenses. An investor cannot invest directly into an index.

Material discussed is meant for general illustration and/or informational purposes only and it is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary, therefore, the information should be relied upon only when coordinated with individual professional advice. Investors cannot invest directly in an index. These unmanaged indexes do not reflect management fees and transaction costs that are associated with some investments.