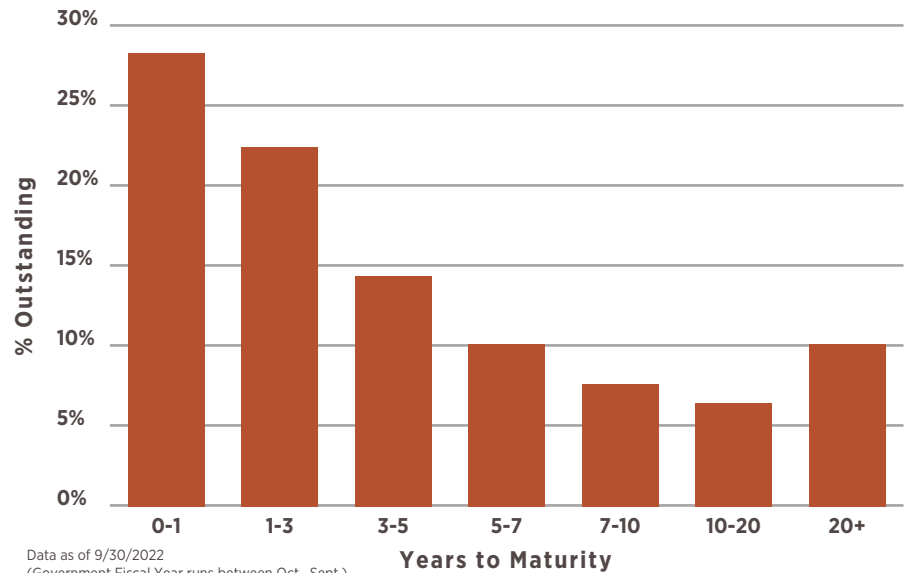


Chart of the Month

It is no secret that the US has a continuously growing debt balance – increasing at an annualized rate of 8.5% the last 15-years and even faster over the last 3-years at 11%. In response to high inflation readings, the Fed has been hiking interest rates rapidly and the yield on Treasury securities are at levels not seen since 2007. Approximately 50% of all marketable US debt (\$23 trillion) will mature in the next three years and will have to be refinanced at higher rates than what the US had been paying on the debt that matures. The US has an additional \$7 trillion in non-marketable debt (non-transferable), creating a total debt balance of \$30 trillion. The interest expense on US Debt Outstanding was \$719B for the fiscal year ending September 2022. This is the highest amount of annual interest expense ever (2nd highest was \$575B in 2019). As debt matures and is refinanced and the current deficits are financed with new borrowings, the US will see its annual interest expense go up significantly. On the positive side, this will result in higher earnings for US households and institutions that are owners of Treasury debt.

US Marketable Debt Outstanding by Maturity



2022 Year-End Tax Planning Opportunities

Income Tax Planning

Review your payroll tax withholding: Evaluate your 2022 withholding elections to ensure you will have enough federal and state taxes taken from your paycheck in 2023. **Harvest tax losses:** Consider harvesting losses in your taxable accounts – selling investments trading at a loss, replacing them with similar assets, and then offsetting gains with those losses. **Monitor the Alternative Minimum Tax:** If you expect to be subject to the AMT, consider shifting income and deductions from one year to another. **Evaluate whether you meet the threshold for the 3.8% net investment income tax:** Consider whether there are strategies to defer and/or reduce your modified adjusted income. **Fully fund health savings accounts (HSAs):** If you participate in a high-deductible health insurance plan, you are eligible for an HSA to help offset out-of-pocket medical expenses. **Spend flexible spending account (FSA) money:** Confirm that you have spent the entire balance in your FSA by the plan deadline. **Fund 529 accounts:** Many states offer state income tax deductions or credits for contributions.

Retirement tax planning

Maximize your retirement plan contributions: Confirm that you have contributed the maximum amounts allowed under current tax law to retirement accounts. **Strategically take your required minimum distribution (RMD):** If you are 72 or older, or the beneficiary of inherited IRA assets subject to mandatory withdrawals, make sure to take your RMD before year-end. **Consider converting your traditional IRA to a Roth IRA:** Owners of traditional IRAs may convert them into Roth IRAs, which involves taking an immediate income tax hit in exchange for future tax-free withdrawals.

Gift and Estate Tax Planning

Gift to family members: If you plan to transfer assets to loved ones, consider taking advantage of the annual gift tax exclusion. **Transfer wealth to your family ahead of lower exemption amounts and higher valuations:** If you plan on transferring significant wealth to your loved ones, consider taking advantage of increased exemption amounts. **Use one spouse's exemption first:** If you are married, consider exhausting one spouse's full exemption instead of using part of each of yours. **For more planning ideas, visit 6meridian.com/category/resources.**

	Source: Bloomberg 2022	October	YTD	2021	Benchmark
Stocks	United States	8.1%	-17.7%	28.7%	S&P 500
	Intl Developed	5.4%	-23.2%	11.3%	MSCI EAFE
	Emerging Markets	-3.1%	-29.4%	-2.5%	MSCI Emerging Markets
Bonds	US Investment Grade	-1.3%	-15.7%	-1.5%	Barclays US Aggregate
	US Municipals	-0.8%	-14.6%	1.9%	Barclays Municipal Bond 15y
	Intl Investment Grade	-0.1%	-24.0%	-7.0%	Barclays Global Aggregate xUSD
	Global High Yield	2.1%	-17.4%	1.0%	Barclays Global High Yield
	Emerging Markets \$	-0.9%	-21.2%	-1.7%	Barclays Emerging Markets USD Aggregate
Other	Commodities	2.0%	15.8%	27.1%	Bloomberg Commodity
	Gold	-1.6%	-10.7%	-3.6%	Gold New York Spot (\$/oz)
	Oil	8.9%	15.1%	55.0%	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

6 Meridian is a group comprised of investment professionals registered with Hightower Advisors, LLC, an SEC registered investment adviser. Some investment professionals may also be registered with Hightower Securities, LLC, member FINRA and SIPC. Advisory services are offered through Hightower Advisors, LLC. Securities are offered through Hightower Securities, LLC. This is not an offer to buy or sell securities. No investment process is free of risk, and there is no guarantee that the investment process or the investment opportunities referenced herein will be profitable. Past performance is neither indicative nor a guarantee of future results. The investment opportunities referenced herein may not be suitable for all investors. All data and other information referenced herein is from sources believed to be reliable. Any opinions, news, research, analyses, prices, or other data or information contained in this presentation is provided as general market commentary and does not constitute investment advice. 6 Meridian and Hightower Advisors, LLC or any of its affiliates make no representations or warranties express or implied as to the accuracy or completeness of the information or for statements or errors or omissions, or results obtained from the use of this information. 6 Meridian and Hightower Advisors, LLC assume no liability for any action made or taken in reliance on or relating in any way to this information. The information is provided as of the date referenced in the document. Such data and other information are subject to change without notice. This document was created for informational purposes only; the opinions expressed herein are solely those of the author(s) and do not represent those of Hightower Advisors, LLC, or any of its affiliates.

Hightower Advisors, LLC or any of its affiliates do not provide tax or legal advice. This material is not intended or written to provide and should not be relied upon or used as a substitute for tax or legal advice. Information contained herein does not consider an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Clients are urged to consult their tax or legal advisor for related questions.