

*Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.*

*Delta manages portfolios at TD Ameritrade and Schwab.*

*Please contact Delta at [info@deltaim.com](mailto:info@deltaim.com) or 415-249-6337 to learn more.*

December 4, 2020

## **End of Year Considerations**

2020 is almost over. Trading volumes fall off significantly around mid-December. This year, trading activity is likely to be very limited after December 18. Not only does trading activity slow down well before year end, custodians (e.g., Charles Schwab, TD Ameritrade, etc.) want to receive all time-sensitive requests by December 18 to avoid an end of year rush. TD Ameritrade has warned that requests received after December 21 will be handled on a “best efforts” basis. Generally, you should attempt to complete your 2020 stock market/account management activities by December 18.

This week, you should consider:

1. **Account distributions.** If there are any sort of distributions you would like to make including charitable gifts, now is the time. As a reminder, there are no RMDs (Required Minimum Distributions from IRA accounts) this year. Distributions that are not successfully completed by December 31, 2020 will not be reported for tax year 2020.
2. **Account beneficiaries.** This is very important on IRA accounts but you can also designate your beneficiaries on individual accounts, joint accounts, etc. You may want to add beneficiaries to your checking and savings accounts at your bank. Inaccuracies with your beneficiary information can create thorny problems.
3. **Accurate personal information.** Make sure your address information on your brokerage account is accurate. If your custodian firm discovers your address is inaccurate, they may “block” your account and only allow liquidating trades.
4. **Roth Conversions.** Have you considered converting IRA assets (may be partial conversion) to ROTH IRA assets? You pay income tax on the value of the converted assets from the IRA account but then your Roth assets grow tax free and are distributed tax free.
5. **Realized gains/losses for tax purposes.** You may want to offset gains with tax-loss harvesting to reduce 2020 taxes or you may just want to perform tax-loss

harvesting going into 2021. If you are a client, we can review with you your realized gain/loss situation for the year to best manage your tax obligations.

6. **“Non-marketable” securities.** You may own assets that have zero value and no trading volume. If you have these assets removed from your account, you may be able use the loss for tax purposes.
7. **COVID Related Distribution (CRD) from your IRA.** This year, the 10% additional tax on early distributions (before age 59.5) does not apply to any coronavirus-related distribution.

In addition to the above, you should consider how your account is allocated in terms of equity and fixed income, domestic and international, growth and value and large cap and small cap. Are the reasons for your having the current allocation still valid? Are you comfortable with the method by which your account may change allocations in the future?

Successful investing, especially in 2020, required staying on-plan. Sticking with the investment plan is dependent on having conviction during difficult market periods based on fully understanding your investment exposures and approach.

Please contact us if you would like help with any of the above including verifying your account information, receiving the appropriate form(s), discussing the pros/cons of possible action and/or talking about the investment landscape vis-à-vis your portfolio.

### **Let Us Help You Position for 2021 – Give Us a Call Today**

We have unique and sophisticated investment methods that seek to capture the stock market’s gains while minimizing drawdowns in bear markets. If you would like to learn more about how we manage money, we invite you to give us a call at **(415) 249-6337**, visit [www.deltaim.com](http://www.deltaim.com) or email us at [info@deltaim.com](mailto:info@deltaim.com).



*"I want to invest in something that respects the environment, that's morally responsible, socially active, aids the poor and the homeless and makes me a bundle."*

## Delta Stock Market Dashboard

MARKET SENTIMENT IS

**BULLISH**

THIS WEEK'S NUMBER IS

**85.5**

Our technical indicator increased from 83.1 to 85.5 this week

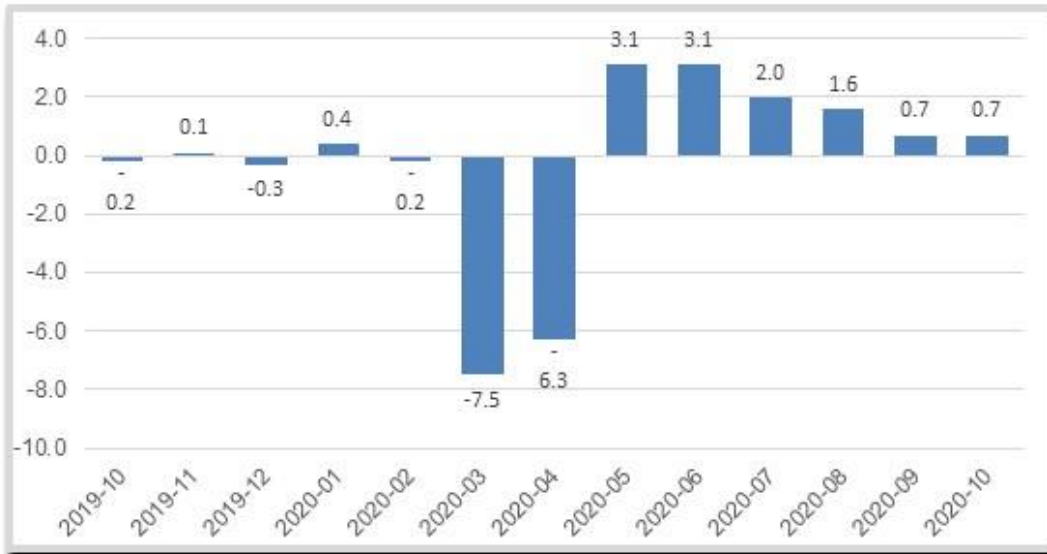
### INDICATOR STATISTICS

Consecutive Bullish Weeks:	9
Cycle Inception Date:	10/8/2020
Range:	58.6 – 85.5
Mean:	68.9
Bullish Weeks YTD:	34
Bearish Weeks YTD:	15
*S&P 500	6.5%
*DJIA	5.4%
*NASDAQ	8.6%

\* Percentage change during current cycle



## Leading Economic Index % Change Monthly October 2019 – October 2020



Source: The Conference Board, updated monthly – last update 11/19/2020

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