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## Goodbye 2013 from Vermont

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This will be the final Street\$MARTS issue for 2013, but I will likely post on Investfortomorrowblog.com again. I think every year at this time I say something like "Wow. I can't believe the year is over. It just flew by." My grandmother keeps telling me that the older you get, the faster the years go by. As long as I can remember which is about 40+ years, she has always said, "Honey, enjoy it while you can. One day you'll wake and be old." While that may be true, I think we all wake up at some point in our 20s, 30s or 40s and can't believe has fast time flew by. It's that hard to describe feeling when you realize that you're not a kid anymore.

So here we are, the home stretch for 2013 and we are enjoying some family time together in our favorite winter place, Mount Snow, Vermont. With three days of rain (and skiing in the rain) at the beginning, it really didn't matter. We

were all together along with many of our closest friends although my "BFF" abandoned the wintry weather, celebrated a record year and headed to Hawaii with his family. I guess my invite got lost in the mail.

There is something very comfortable and enjoyable to just hang out with multiple families, eating, drinking, laughing and of course falling asleep on someone else's couch. There is such a diverse group here that the conversation twists and turns into areas that just make your head shake. And every once in a while we talk shop. The other day I was taking a few runs with some friends and their parents when my buddy and his father in law made these really eye opening observations about my business and growth and messaging and client service. I was fascinated. The 10 minute lift ride was only the beginning and days later we are still continuing the dialogue.

Thankfully, Old Man Winter came back to life with a vengeance and turned all those frowns upside down with a barrage of very cold temps and snow. See the before and after pictures below. And frankly, as many of you know, I ski in rain, wind, record low temps, warm temps, ice and the occasional gift of a blizzard. It doesn't matter to me as long as I am on the hill. Skiing is my escape.



As I pick up this issue a few days later, Mother Nature is once again trying to throw us a curveball with the potential for a big storm, one way or another with possible snow or rain or mix. That's weather in New England! Getting ready for powder as well as my big garbage bag for the other stuff.

Finally, at Mount Snow every #50 chair is painted gold to commemorate the mountain's 50th birthday several years ago. The kids (and some adults) go crazy to get the golden chairs as they have these mystical powers where your wishes are granted. If only! During the three days of rain, my little guy would literally stand by himself at the lift counting chair after chair to wait until he could ride the golden chair. Today, after many years, my wife finally rode the golden bubble. It made her day and her wish came true!



Wherever you spend New Year's, I wish you a very happy, healthy, safe and prosperous 2014 filled with family and friends!

**But please be careful eating Poisonous Puffer Fish!**

Don't forget to check our blog for intra-issue updates.  
[www.Investfortomorrowblog.com](http://www.Investfortomorrowblog.com).

## **The Perfect Farewell**

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Ben Bernanke did it! The master. The maestro. He saw the downside of announcing a taper to their \$85B a month in asset purchases, but felt strongly it needed to be done. As much as I really like and admire him, I respectfully disagree. Anyway, the man who has threaded needle after needle after needle threaded his final one last week and it was picture perfect, another beaut!

With enough hawks on the committee to push for the taper, Bernanke gave them what they wanted but also prevented the very nasty negative market reaction so many feared by pushing off the raising of rates farther into the future. It was genius and after a few minutes, the markets celebrated in a huge way with the celebration still ongoing. The Fed's move also solidified a trend that I and many others have spoken about for some time, the strength of statement day in the stock market. With some qualifiers, it's been like shooting fish in a barrel, the proverbial layup in trading.

Fed statement day last week also kicked off the traditional Santa Claus Rally. I have done an incredible amount of research in my 25 years in the business, but as I think about it, none more in the seasonal department than December and early January trends. And I know I am far from alone. To date, the stock market has pretty much followed historical patterns that included a mild early December decline to a mid December low from which the year-end rally launches to the most seasonally positive time of the year.

Bernanke may be given the credit (or not), but stocks are in the midst of the Santa Claus Rally that is supposed to last into the New Year. That doesn't mean that every single day will be up! Depending on when you begin your study and which instrument you use, the positive seasonality can start anywhere from December 17 to the 24 and last until December 30 or through the first week of the New Year. On the flip side, as we recently saw in 2007 is that the famous adage usually works; If Santa Claus should fail to call, bears may come to Broad and Wall, meaning that if the traditional year-end rally does not occur, it is a warning sign to look closely at the market for winds of change.

## **A "To Do" List Before 2013 Ends**

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### ***Don't leave money on the table***

In uncertain economic times, many employees put off contributions to retirement accounts, reasoning that they will make up lost ground when times improve. Doing so, however, could result in leaving what is virtually "free" money on the table.

If you have a 401(k) or comparable retirement account where your employer matches your contributions always contribute enough each year to receive your full employer match. Not doing so leaves money on the table. Taking full advantage of an employer match is the best no-risk return you will ever find.

### ***Harvest Tax Losses***

Analyze your holdings in taxable accounts and find positions that are currently in a loss, especially mutual funds and exchange traded funds (ETFs). Take the loss in 2013 and purchase a similar, but essentially different, investment to keep the spirit of the original investment going.

### ***If you are over 70 ½...***

You must take a required minimum distribution from your traditional IRA account(s) by year end. Failure to do so could result in a 50% excise tax on the amount required, but not actually withdrawn. If you turned 70½ during 2013, you have some flexibility. You could take your 2013 distribution by December 31st or you could delay it until April 1st of 2014. If you opt for the

latter, you still must make your 2014 distribution by December 31, 2014, resulting in two distributions during the calendar year. Every year thereafter, the distributions must be made by year-end.

***Convert Traditional IRAs to a Roth IRA***

If you are considering converting a Traditional IRA to a Roth IRA and will be paying taxes to convert, make that conversion in 2013 while you know exactly what your tax rate will be.

***Establish self-employment retirement accounts***

If you have self-employment income and are eligible to establish an Individual 401k plan or Roth 401k plan, those plans must be established by December 31<sup>st</sup>, although you will have until your tax deadline in 2014 to fund the account.

***Make your gifts***

You may think that your money is yours to give away as you please, but the federal government tends to look on excessive gifting as estate tax evasion. Currently you can gift up to \$5 million (\$10 million for couples) over your lifetime without incurring federal gift taxes of 35%. The maximum you can give one person each year without tax implications is \$14,000 (\$28,000 for couples.) This could change in the future, but for now, if you intend to make non-charitable monetary gifts, do so before year end.

***Push deductions into 2014***

If you expect to be paying higher income taxes in 2014, you might want to look at postponing paying deductible expenses to push them into next year.

***Go Big***

Buy your big ticket items like cars in 2013 to enjoy the potential sales tax deduction before it goes away. Congress could certainly reinstate or extend it, but you know what they say about a bird in the hand.

***Talk to your tax adviser***

It is particularly important to talk with your tax adviser and make certain your finances are set up to minimize the tax bite as much as possible. Paying your fair share shouldn't mean overpaying.

**Upcoming Appearances**

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Yahoo Finance Breakout - January 23, 2014

You can view most of the past segments by clicking below.

## Media Appearances

(<http://www.investfortomorrow.com/InMedia.asp>)

## Investment Quotes/Adages To Live By

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"The only easy day was yesterday."

- The U.S. Marines

"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What

one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."

- Mohamed El-Erian

## **Friends And Family Plan**

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Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

**[Sign Up Here](#)**

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## To Your Financial Success,



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