

Texas AAII Retirement SIG

October 12, 2023

AGENDA

- Welcome & Intro
- Chapter Meeting on AI
- Heads up on Tax Planning
- ETF Presentation
- Bond Yields discussion
- CFRA Market Outlook

John O'Keefe

Weds November 1 at 6:30pm

John

Frank Erzinger & John

Dan Marburger

John O'Keefe

Pending Tax Cliff - Income Taxes

- 2017 Tax Law reducing tax rates will expire 12/31/25
- Tax brackets will change across the board
 - Top tax brackets increase from 37% to 39.6%, up 7%
- Take as much in Roth conversions as you can before FY 2026
 - At today's lower rates
- Defer any itemized deductions you may have until FY 2026
- Try to move as much income as you can into FY 2023, 24 & 25
- Make as many charitable donations or gifts to children as possible
 - Itemize the deductions before FY 2026
 - This includes 529 contributions (educational savings plans)

Pending Tax Cliff – Estate Taxes

- Couples filing jointly currently are exempt to \$25.4mm; singles @ 50%
- Estate tax rates vary from 18 to 40%
- Size of the exemption could benefits cut roughly in half
- Estates > \$7mm or \$13mm will become liable for Estate taxes
- This covers ALL assets i.e. your home(s) as well as investments
- See a Tax Attorney if you are in jeopardy to discuss setting up a Trust
- You have flexibility now – “Use it or Lose it”

Paul Merriman's Top ETF Picks - 2023

	Best-in-Class (<i>New in 2023</i>)	Alternative Recommendations
US Large Cap Blend	Avantis U.S. Equity (AVUS)	DFA US Equity ETF (DFUS), Vanguard S&P 500 (VOO), Vanguard Total US Market (VTI), iShares Core S&P 500 (IVV), SPDR Large Cap (SPLG), Schwab Large-Cap (SCHX)
US Large Cap Value	Invesco S&P 500 Pure Value (RPV)	Avantis US Large Cap Value (AVLV), Vanguard Russell 1000 Value Index (VONV), iShares Core US Value (IUSV), Schwab S&P 500 Value (SPYV), U.S. Large-Cap Value (SCHV)
US Small Cap Blend	iShares Core S&P Small-Cap (IJR)	Avantis US Small Cap Equity (AVSC), DFA US Small Cap ETF (DFAS), Vanguard S&P Small-Cap 600 Index (VIOO), Russell Micro-Cap (IWC), Schwab U.S. Small-Cap (SCHA), SPDR Small Cap (SPSM)
US Small Cap Value	Avantis U.S. Small Cap Value (AVUV)	DFA US Small Cap Value ETF (DFSV), Vanguard S&P Small-Cap 600 Value (VIOV), SPDR Small Cap Value (SLYV), iShares S&P; SmCp 600 Value (IJS), Invesco S&P SmallCap 600 Pure Value ETF (RZV)
US REIT	Vanguard Real Estate Index (VNQ)	Fidelity MSCI Real Estate (FREL), iShares U.S. REIT (USRT), Schwab U.S. REIT (SCHH)
Int'l Large Cap Blend	Avantis International Equity (AVDE)	Vanguard FTSE Developed Markets (VEA), iShares Core MSCI EAFE (IEFA), SPDR World Ex-US (SPDW), Schwab Intl Equity (SCHF)
Int'l Large Cap Value	DFA International Value (DFIV)	Vanguard International High Dividend (VYMI), Avantis International Large Cap Val ETF (AVIV), iShares MSCI EAFE Value (EFV), iShares MSCI EAFE Value, Fidelity International Value Factor ETF (FIVA), SPDR S&P Intl Dividend (DWX)
Int'l Small Cap Blend	Schwab Fundamental International Small Company Index (FNDC)	DFA International Small Cap ETF (DFIS), Vanguard FTSE All-World ex-US Small-Cap Index (VSS), iShares MSCI EAFE SmCap (SCZ), SPDR S&P Intl. Small Cap (GWX), Schwab Intl Sm-Cap Equity (SCHC)
Int'l Small Cap Value	Avantis International Small Cap Value (AVDV)	DFA International Small Cap Value I (DISV), WisdomTree Intl. S. Cap Div (DLS)
Emerging Markets	Avantis Emerging Markets Equity (AVEM)	DFA Emerging Core Equity Market ETF (DFAE), Vanguard FTSE Emerging Markets (VWO), iShares Core MSCI EmMkts. (IEMG), SPDR Emerging Markets (SPEM), Schwab Emerging Mkt Eq (SCHE)
EM Large Cap Value	Avantis Emerging Markets Value (AVES)	Dimensional Emerging Markets Value ETF (DFEV)
EM Small Cap Blend	iShares MSCI Em. Mkts. Sm.-Cap (EEMS)	SPDR Emerging Mkts. S. Cap (EWX), WisdomTree Em. Markets SmCp Div ETF (DGS)
Int'l REITs	---	Vanguard Global ex-US Real Estate (VNQI), iShares FTSE Real Estate ex-US (IFGL),
Short-Term Bonds	Vanguard Short-Term Gov't Bond (VGSH)	iShares Barclays ST Treas. (SHY), SPDR ST Treas. (SPTS), Schwab ST U.S. Treas. (SCHO)
Int.-Term Bonds	SPDR Inter. Term Treasury (SPTI)	iShares Barclays 7-10 Yr Treasury (IEF), Vanguard Intermediate-Term Government Bond (VGIT), Schwab I-T U.S. Treasury (SCHR)
Infl.-Prot. Bonds	Vanguard Short-Term Infl. Prot. Sec. (VTIP)	iShares Barclays 0-5 TIPS (STIP), Schwab U.S. TIPS (SCHP)