



► TAXES PAGE 1



► INVESTMENTS PAGE 2



MONTEITH WEALTH, LLC.

HEADS OR TAILS

TWO SIDES OF THE SAME COIN



The topics discussed in this and future letters are for informational purposes only. We hope our thoughts on investing and the related fields of taxes will help you achieve and enjoy financial independence. We believe only when you combine knowledge of both can you be a successful investor.

Heads: Taxes

Common estate planning questions.

Are there inheritance and estate taxes?

There is a federal estate tax, however the first \$12.06 million(M) is exempt from taxes. Sadly, at the end of 2025, the exemption will drop to \$6.2M. In addition, 17 states impose an estate and/or inheritance tax. The tax rates and exclusions vary. For example, Oregon taxes estates valued at \$1 million or more at 10%-16% of the value of the estate. Washington taxes estates of \$2.2 million or more at 10%-20%.

To avoid estate taxes should you gift assets out of your estate while you are living?

Maybe, and maybe not. Gifts reduce your lifetime estate exclusion, but with the coming federal exclusion changes, it may make sense. On the other hand, it's important to understand the possible negative impact on the person receiving the gift. For example, if you gifted your children Amazon stock that you purchased at \$100,000 and it's now worth \$1M, and they sell it, they would have to pay taxes on the full gain of \$900,000. If they instead inherited the stock from you, they would

pay no taxes on the sale.

Do you need a Will or a Living Trust?

Generally speaking, we recommend a Living Trust that also includes provisions that address the likelihood that there will be some assets that were not included in the Living Trust. Probate is a court-supervised administering of a deceased person's estate. The process can be expensive and time-consuming. Living Trusts avoid Probate.

If there are estate taxes due, does the estate or the beneficiary pay them?

Estate taxes are paid from the estate. When the beneficiary receives assets from the estate the taxes have already been paid.

Are there free resources available to help me do my estate planning?

Yes, there are plenty of resources out there; however, we highly recommend that you contact an experienced attorney to guide you through the process. Estate planning is complex — make sure you have it done right!

Fraud Alert!

Be extremely careful of scammers trying to steal your information. Most of the time it's easy to spot something fishy, but some scams are getting impressively believable. We've seen emails that are almost identical to legitimate emails from Amazon, PayPal, etc. We're also starting to see internet popups that are so well designed you can hardly tell they're popups. If you encounter some type of scam, stay calm, and stop what you're doing. Many times scammers will try to scare you into a sense of urgency so you click something you shouldn't, or fall for the scam entirely. When you're ready, you may begin investigating the situation. Be careful of what you click, and avoid downloading anything unless you are certain it is legitimate. When in doubt, feel free to reach out to us with questions. We'd rather you contact us instead of accidentally falling prey to a scam.

Heads: Investments

Miscellaneous investment topics.

Murky Future For Cryptocurrencies.

Cryptocurrencies are taking a beating this year. Bitcoin is down over 70% in just 8 months; Ethereum, another popular cryptocurrency, has dropped almost 80%. Many lesser-known cryptocurrencies have dropped even further — a good reminder that if you're going to invest in crypto, at least make sure you globally diversify and keep your crypto portion reasonable. Some crypto hedge funds like Three Arrows Capital are facing bankruptcy and liquidation. Crypto lender Celsius has halted all account withdrawals and transfers suggesting the company is insolvent as well. We seem to be witnessing the end of a crypto bubble, similar to that of the dot-com bubble in the early 2000s. The future of cryptocurrencies and associated companies seems bleak, and only time will tell if crypto will survive. If we have to speculate, it makes sense that Bitcoin may survive due to its name

recognition, but who knows if it will ever recover from its recent losses. On top of all this chaos in the crypto market, hackers are stealing more cryptocurrency than ever before. Just recently, North Korean hackers are blamed for stealing \$100M worth of cryptocurrency. It's important to understand that cryptocurrencies are not protected from theft — unlike your accounts at Charles Schwab which are protected. We do not invest in Cryptocurrencies, both personally and as investment advisors.

When will the stock market recover?

No one can say with certainty, but the average major market decline is 32% — as measured by the S&P 500. As of this writing, the market is down 20%. The average recovery to its previous high is 95 days.

You get paid to wait for the market recovery.

Even though the markets are down your investments are currently earning on average 3% in dividends and interest. We take these earnings and reinvest them in stocks and bonds that are at discount prices due to the market declines. So when the markets recover, your recovery will be enhanced because you bought stocks and bonds cheaply by reinvesting your dividends and interest.



MONTEITH WEALTH, LLC.

517 SOUTH 22ND AVENUE
SUITE 4
BOZEMAN, MT 59718

Monteith Wealth, LLC. is a registered investment adviser in the States of Alaska, Montana, Oregon, and Washington. The De Minimis exemption allows Monteith Wealth, LLC. to work with five or fewer clients in most other States without registration; Texas and Louisiana are exceptions to The De Minimis exemption. The Adviser may not transact business in states where it is not appropriately registered, excluded or exempted from registration. Individualized responses to persons that involve either the effecting of transaction in securities, or the rendering of personalized investment advice for compensation, will not be made without registration or exemption. Registered investment advisor does not imply a certain level of skill or training.

The general information contained in this newsletter represents Monteith Wealth, LLC.'s opinions. It may not be suitable for everyone, and therefore should not be construed as individualized or personalized investment advice. All opinions expressed and information provided therein are subject to change without notice and should not be considered solicitation to buy or sell any specific investments. Please be advised that past performance is no guarantee of future results, and there is no guarantee that the theories, opinions, or views discussed in this newsletter will come to pass. There are risks involved with investing and should be fully considered beforehand.