

Newsletter

2023 First Quarter



Happy New Year

A new year, new newsletter and new information about your finances.

Welcome to the second edition of the Gearhart & Associates newsletter. In each edition, we will share important information for the upcoming quarter, a brief analysis of current market conditions from Kyle and other items we'd like to share with our clients.

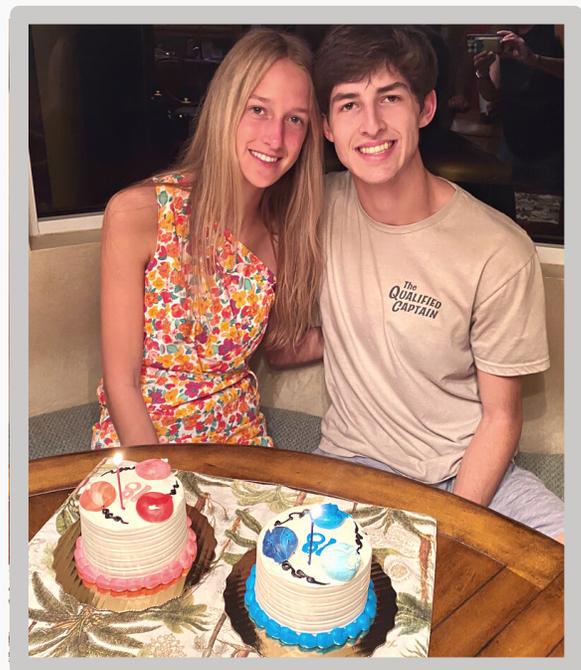
Investment Insight

Kyle Gearhart, President & Chief Investment Officer



For the last few months, my twins have been in the process of applying to colleges. Reed narrowed in on just a few schools – Ohio State, Miami University and Florida Gulf Coast were his only applications. Reagan, on the other hand, focused on diversifying her application portfolio with nearly 20 different schools across a dozen states.

From an investment perspective, we are glad 2022 is behind us. Both stocks and bonds declined by double digits. Inflation is slowing, but it is still far greater than the Fed target of 2%. As I mentioned last quarter, the Fed seems resolved to keep raising interest rates until inflation is under control. Therefore, we fully anticipate a recession in 2023 – along with reduced profits and climbing unemployment. A recession doesn't mean stock prices will continue their decline, but we have low conviction that they will provide high rates of return.



Bonds, on the other hand, are finally pulling their weight. Over the past few years, we've said bonds were providing return-free risk, rather than risk-free returns. While 10-year treasury bonds still pay less than 4%, many investment-grade corporate bonds are yielding 7% or more. Short-term bond funds and money funds yield more than 4%. If you have cash in savings or checking accounts, let us help you find alternatives.

As a parent, I like Reed's concentrated approach. But as an investor, I prefer the Reagan route. This year, as always, *stay diversified*.

(Happy 18th birthday, Reed and Reagan!)

Tax Season

Know your dates for tax filing preparations.

Whether you plan to work with an accountant or file your own taxes, it can be helpful to know what to expect and when.

Raymond James periodically releases their tax documents depending on when corporations report their year-end earnings.



"What does that mean for my tax documents?"

If you do not receive your 1099s in February, don't panic. Companies can report year-end earnings in March, so it is likely your 1099 for non-retirement accounts will not be available until mid-to-late March.

"How will I know if my reports are delayed?"

If your 1099 is impacted, you will receive a notice about the delay either via email or mail. The notice will include a reminder about the tax reporting schedule as well as short list of common causes for delays.

"But my accountant needs it now."

We are incredibly grateful for our tax preparers. However, we cannot control when companies report their earnings. So while you wait for your 1099, give your tax preparer everything else they need to start filing your taxes. For those impacted by delays, Raymond James does provide Preliminary 1099 Statements which can act as a starting point.



Raymond James Tax Form Mailing Dates

JAN. 31 – Year-End Tax Packages for retirement accounts (Forms 1099-R and 5498), Form 1099-Q and Raymond James Bank 1099s

FEB. 15 – Completed original 1099s

FEB. 28 – Delayed original 1099s and first group of amended 1099s

MAR. 15 – Remaining delayed original 1099 Forms and the second group of amended 1099s as well as Form 1042-S and Royalty Trust Tax packets

MAR. 31 – Form 2439 statements for long-term capital gains

MAY 31 – Form 4598 for 2022 contributions made from January 1, 2023 through April 18, 2023



The Year Ahead

Save the date.

We will host our annual breakfast at the Kenwood Country Club on February 11. For those unable to attend, a replay of the presentation will be available as soon as possible. More information, including RSVP details, will be provided later this month.



Contact Us

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As always, we are just a call away if you need help. You can visit our [website](#) for more contact information.