



## IMPORTANT DATES

**DEC. 24** **OFFICE & MARKETS CLOSING EARLY AT NOON (1:00PM EST)**  
Tuesday, December 24  
Observing Christmas Eve

**DEC. 25** **OFFICE & MARKETS CLOSED**  
Wednesday, December 25  
Observing Christmas Day

**DEC. 31** **OFFICE CLOSING EARLY AT 4:00PM CST**  
Tuesday, December 31

**JAN. 1** **OFFICE & MARKETS CLOSED**  
Wednesday, January 1, 2025  
Observing New Year's Day

**JAN. 20** **OFFICE & MARKETS CLOSED**  
Monday, January 20, 2025  
Observing MLK Day

**JAN. 31** **TAX FORM MAILING BEGINS**  
Friday, January 31, 2025

**FEB. 17** **OFFICE & MARKETS CLOSED**  
Monday, February 17, 2025  
Observing Presidents' Day

Seasons Greetings!

On behalf of our amazing team at First Citizens Wealth Management, I would like to wish you and your family a safe and happy holiday season. It has been our privilege to serve you this past year, and we are excited to continue to serve you and those you love and care about for years to come.

As we look ahead to the New Year, we are focused on expanding our client education and staying aware of all the coming changes impacting our clients. We are here to help you plan, grow and protect your legacy across generations. Some of you reading our Newsletter may not have talked with us about comprehensive financial planning or estate planning. I encourage you to make 2025 the year you ask us your questions. With the diverse experience of our team, I am confident we can help put your financial puzzle together. Please never hesitate to ask us your questions. And remember, no plan is still a plan, just probably not the one you would choose.

As always, a heartfelt thank you for the trust you place in our team.

**Nicole Olson, JD, CFP®**  
Chief Wealth Management Officer



## WISHING YOU HAPPY HOLIDAYS





Amanda Berding, ATOP | AVP, Trust Operations Officer

20 YEARS IN DECEMBER

While many of our clients do not interact with Amanda and our Operations team regularly, they are a huge part of how we serve our clients by ensuring all account processing, statements and tax reporting is handled timely and correctly. We are grateful for Amanda's 20 years of service at FCB. Thank you for all you do.



Congratulations to Sawyer and Calli on their wedding this past fall.

*Congratulations!*

Nicole Olson was recently appointed Co-Chair of the Iowa State Bar Association Probate, Trust and Estate Section and named Vice President of the Iowa Trust Association Board. In these roles, Nicole is able to stay apprised of legislation, challenges and opportunities impacting estate planning and trust administration in Iowa.

Risks & Drawbacks of Alternative Investments



Brad Dummett, CFA®  
VP, Senior Investment Officer

What is an alternative investment? Alternative investments are broadly defined as financial assets which do not fit standard stock, bond, or cash categories. Examples include private equity, private credit, hedge funds, real estate, and commodities. Alternatives have been growing in popularity in recent years due to a number of perceived benefits: Low correlation with traditional assets, higher returns, the ability to access otherwise unavailable asset classes, lower volatility, ability to focus on long term strategies as they are not required to report earnings every quarter, among others. While these benefits are attractive for some investors, they do not come without a cost. Whenever considering an investment into alternatives a few unique risks must be considered:

1. **Illiquidity** – Unlike publicly traded stocks and bonds, most alternatives do not provide daily liquidity. Often, liquidity is only available at certain points in time and only in certain amounts. An example is being able to liquidate up to 5% of your holding at the end of each quarter. This effectively means it could take you years before you are able to liquidate the entire investment.
2. **Lack of Transparency/Regulation** – Given the non-public nature of alternative investments, valuations often only occur periodically (quarterly/annually) compared to daily for public investments. This can make evaluating alternative investments more difficult as material information may not have been factored into the price at a given point in time. Limited financial disclosure requirements add an additional layer of complexity when trying to analyze alternative assets.
3. **Higher/Performance-Based Fees** – Management fees can be well above 1%, often exceeding 2-3%. In addition to this annual expense, performance-based fees are a common feature. These fees increase as the performance of the asset increases, often after a set hurdle rate has been met.
4. **Manager Selection** – Choosing the correct manager is critical. Return differences between top and bottom performing managers are significantly wider for alternatives when compared to traditional assets. For example, the spread between a top and bottom quartile manager in global public equities is 2% (8.8% vs 6.8%) compared to nearly 21% (23% vs 2%) for private equity. Failure to choose an outperforming manager can be incredibly costly.
5. **High Investment Minimums** – Most alternatives have a significantly higher minimum investment size. This can make it difficult to properly allocate to this asset class without becoming overly concentrated in a smaller portfolio. Achieving proper diversification among strategies and managers may be challenging as well.

As with most topics in investing, there is no universal rule when it comes to alternatives. While there may be some good opportunities in this space for certain investors, it is important to be informed about the potential risks and drawbacks. Please reach out to us if you are interested in taking a deeper dive into alternatives and if they could be a fit for your portfolio.

## End of Year Planning

With the national and state elections a few weeks behind us as I write this, we are starting to get some additional clarity around what the new administration will prioritize as they come into office in January. As we met with clients this fall, one of the topics that was front and center was the “sunset” of the current Federal tax code in 2026 to the previous rules that had been in place prior to 2017. While we will not know much until Congress begins deliberating this winter, there is an expectation that with a Republican administration and slight Republican majorities in each chamber of Congress that we can expect many of the provisions of the current tax code to stay in place. This is something we will continue to monitor as we move into next year and will be adjusting planning for clients as needed.

A couple quick reminders as we head to year end. For those of you over age 70 with Traditional IRA’s or other pre-tax retirement accounts, remember to consider Qualified Charitable Distributions (QCD’s) if you are making charitable donations this holiday season. These can be very tax efficient ways to help organizations that you are supporting, by using pretax dollars directly to do so. Required Minimum Distributions (RMD’s) are due by year end for those subject to this rule. These do have to be done by the end of the calendar year. As always, please feel free to reach out to us if you have questions about these or any other topics.



**Mike Castle, CFP®**  
VP, Senior  
Wealth Advisor

## FIDUCIARY UPDATE

### Key Considerations in Reviewing Your Estate Plan

As we quickly approach the end of 2024, we want to highlight the importance of a proper estate plan. Having a proper estate plan will help to make the settlement of final affairs as pain free as possible.

Some key components to consider are:

1. **Your Intent for Distribution of Assets:** Will this be achieved by creating a trust, through beneficiary designations, or probating of an estate?
2. **Gifting:** A distribution of gifts during your lifetime can reduce the overall estate size and expenses.
3. **Consolidation of Accounts:** Look to minimize the number of accounts with a variety of institutions. This could reduce your overall fee and allow for a more streamlined administration.
4. **Tax Planning and Considerations:** Consider the tax implications of asset distribution.
5. **Legal Counsel:** Hire an attorney that you are comfortable with and is experienced in estate planning.

6. **Family Dynamics:** Family members often become attached to a particular asset such as the home, personal property or a business. This can lead to unwanted and unnecessary disputes. Consider carefully who you are naming as an Executor or Trustee and determine if they have the capacity and knowledge to handle the situation while having to deal with emotions of all family members.
7. **Understanding of the Role:** Does your named Executor or Trustee understand the process, the requirements, valuation complexities, legal and regulatory issues, etc?
8. **Inform the Executor/Trustee:** Consider providing information in advance to the named Executor or Trustee about your plan. If not, ensure your counsel is informed about asset location.



**Chelsea Frederick, CTFA**  
AVP, Trust Officer

As a Corporate Fiduciary, First Citizens Bank brings experience, expertise, professionalism and objectivity to estate planning, estate administration and trust administration. If you have questions, we invite you to contact us to schedule a meeting.



## OPERATIONS UPDATE

### Corporate Transparency Act Reminder

With year-end quickly approaching, many people are still asking about whether the Corporate Transparency Act (“CTA”) applies to their company (or companies) and whether they need to file. For many, the answer is probably yes and yes.

The CTA took effect on January 1, 2024 and all impacted companies that were created before that date must comply by January 1, 2025. This legislation is part of the Anti-Money Laundering Act of 2020 intended to combat money laundering and other financial crimes. While there are exemptions, the requirement covers most corporations, limited liability companies or any other entities created or registered to be a business by filing a document with the Secretary of State. If you have ownership interests (25% or more, directly or indirectly) or substantial control (Senior Officer, Director, etc) of any such entity, you should confirm compliance with the CTA before year-end to avoid possible civil and criminal penalties. There is good information available at [www.fincen.gov/boi](http://www.fincen.gov/boi). Be cautious of fraud as many are using this regulation to profit. Check out the known scam information available through FinCen. Your attorney or CPA can also help you determine what steps, if any, are required.



**Amanda Berding, ATOP**  
AVP, Trust  
Operations Officer



# WEALTH MANAGEMENT

### CONTACT US

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## PROMOTIONS & NEW TEAM MEMBERS



**Gabriela Castellán**  
Associate Wealth Advisor I

Gaby has been promoted to Associate Wealth Advisor I. Gaby is a graduate of Luther College with a B.A. in Economics, Management and Spanish. In this new role, she will be working directly with Mike and Terry to provide comprehensive financial planning to our clients.



**Colleen Mooney**  
Associate Benefits Advisor I

Colleen has joined our team as an Associate Benefits Advisor I. Colleen is a graduate of the University of Pennsylvania with a B.S. in Business Administration with concentrations in Human Resource Management and Personal Finance. In this role, she will be working directly with our employee benefit plan sponsors and plan participants to ensure strong service and ongoing education.



Interested in a NEW career opportunity? **JOIN OUR TEAM!**

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