

# MOORESTOWN™

## *MONEY TALK*

Our Local Newsletter  
to Manage Money Better

## Practical Tax Planning Strategies for Investors

Tactics for Wealth  
Building with  
After-Tax Efficiency



Greetings Neighbors,

With over 50 years of combined experience, Apex serves commercial and residential clients in southern New Jersey from our hometown of Moorestown.

This newsletter is designed to help you manage your money well. We believe in taking a holistic approach to managing your finances – from taxes to investments to retirement.

Visit [APEXCWM.com](http://APEXCWM.com)

© 2026 by Apex Tax Advisors, LLC

# Tax Efficiency Starts Before Tax Season

For investors, long-term success is not solely determined by total returns, but by how much of those returns are retained after taxes. As portfolios grow in complexity, tax drag can quietly erode their performance over time. Effective tax planning is therefore not just about avoidance, but about structuring investments in a way that is aligned with tax efficiency, timing, and an investor's long-term financial goals.

Tax planning is different than tax preparation. Tax preparation is backward-looking and it focuses on accurately

reporting what already happened to comply with the law and file your return. Tax planning is forward-looking and it involves proactively structuring decisions throughout the year to minimize your tax liability and improve your after-tax outcomes. In short, preparation records history, while planning helps shape it.

This publication discusses some widely used and practical tax reduction strategies that investors and financial advisors commonly implement to improve after-tax outcomes.



# Asset Location Strategy

One of the most underutilized yet powerful tax strategies is asset location, which should not be confused with asset allocation.

The concept is simple: place investments in the most tax-efficient account type based on how they are taxed.

- **Taxable Accounts:** Can be best for long-term capital gains or tax efficient investments (e.g., index funds, ETFs)
- **Tax-Deferred Accounts (401(k), Traditional IRA):** Can be best for high-income-producing assets (e.g., bonds, REITs)
- **Roth Accounts:** Can be best for high-growth assets (future tax-free growth)

## Why This Strategy Works:

Different investment incomes are taxed differently. Interest, dividends, and capital gains each receive distinct treatment. By strategically placing assets in the appropriate accounts, investors can reduce annual tax leakage and improve compounding efficiency.

## Key Benefits:

Over time, proper asset location can meaningfully increase your after-tax portfolio value without changing overall investment risk or return profile.



# Tax-Loss Harvesting

**Tax-loss harvesting uses investment losses to help offset taxable gains.**

Tax-loss harvesting involves selling investments that have declined in value to realize a capital loss, which can then be used to offset capital gains and sometimes ordinary income.

## How It Works:

- Sell a security at a loss
- Replace it with a similar (but not “substantially identical”) investment to maintain market exposure
- Use realized losses to offset gains elsewhere in the portfolio

## Why This Matters:

This strategy is particularly effective in volatile markets. Even diversified, well-constructed portfolios will experience periodic losses in certain holdings or sectors.

## Key Benefit:

Tax-loss harvesting can be used to turn market volatility into a tax planning opportunity.



# Municipal Bonds for Tax-Free Income

**Municipal bonds are issued by state and local governments and may offer income that is exempt from federal, state, & local taxes.**

Municipal bonds (“Munis”) are issued by state and local governments and are often exempt from federal income tax. In some cases, they may also be exempt from state and local taxes if the investor resides in the issuing state.



## How It Works:

Investors receive interest payments that are generally free from federal taxation, which can make the effective yield more attractive on an after-tax basis. This strategy can be especially attractive for high-income earners.

## Why This Makes Sense:

Municipal bonds are most beneficial when:

- An investor is in a higher tax bracket
- Fixed income is needed for stability or cash flow
- Taxable bond yields are less competitive after taxes

## Key Benefit:

They provide predictable income while reducing taxable interest exposure, improving after-tax yield efficiency.

# Retirement & Roth Strategies

## Strategic Use of Retirement Accounts & Roth Conversions

Tax-advantaged retirement accounts remain one of the most effective long-term tax reduction tools available.

### Traditional Accounts (i.e. 401(k), IRA):

- Contributions may be tax-deductible
- Growth is tax-deferred
- Withdrawals are taxed as ordinary income

### Roth Accounts:

- New contributions are made with after-tax dollars
- Growth and qualified withdrawals are tax-free

### Roth Conversion Strategy:

A Roth conversion involves moving funds from a Traditional IRA into a Roth IRA, paying taxes in the current year in exchange for future tax-free growth.

### Why Investors Use Roth Conversions:

- Reduces future Required Minimum Distributions (RMDs)
- Locks in tax rates during lower-income years (retirement, market downturns, business transitions)
- Creates tax diversification in retirement income planning

### Key Benefit:

This strategy gives investors control over when taxes are paid, which can be just as important as how much tax is paid.



# Charitable Giving & Donor-Advised Funds

Charitable strategies allow investors to align philanthropic goals with tax efficiency.

## Direct Charitable Giving:

Donations to qualified charities can provide tax deductions if you itemize.

## Donor-Advised Funds (DAFs):

A DAF could allow an investor to:

- Contribute cash or appreciated securities
- Receive an immediate tax deduction
- Invest funds tax-free within the DAF
- Distribute grants to charities over time

## Why Using Appreciated Securities Matters:

Donating appreciated assets (instead of cash) allows investors to avoid capital gains taxes while still receiving a charitable deduction for the full fair market value.

## Key Benefit:

DAFs can be particularly powerful in high income years, during liquidity events, or when selling a concentrated stock position. They can allow investors to reduce taxable income while supporting their long-term charitable giving goals.

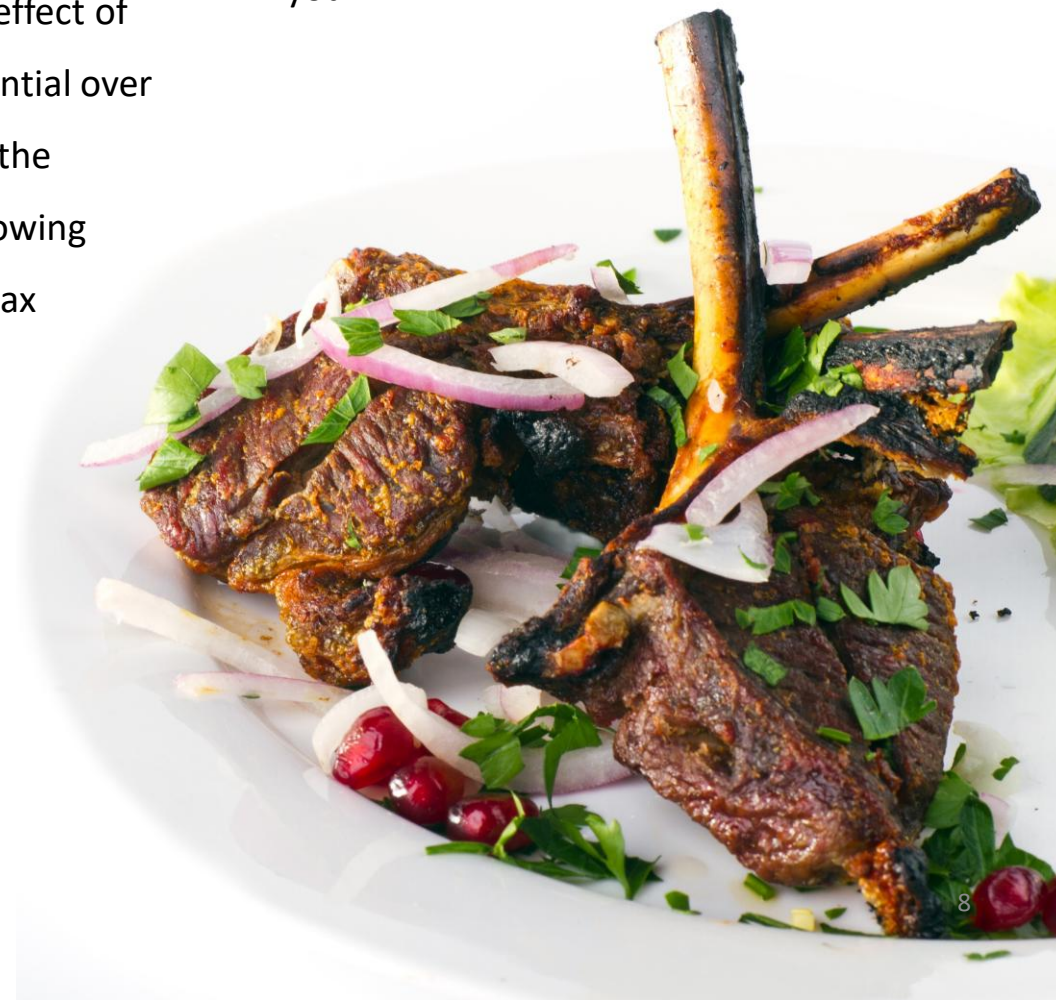


## Making Tax Efficiency Part of the Plan

Tax efficiency is not achieved through a single tactic, but through a coordinated set of strategies that align investments, timing, and structure. Asset location reduces ongoing tax drag. Tax-loss harvesting monetizes volatility. Municipal bonds provide tax-advantaged income. Retirement account strategies manage lifetime tax exposure. Charitable giving structures convert philanthropic intent into tax efficiency.

For investors, the cumulative effect of these strategies can be substantial over time and can often represent the difference between simply growing wealth and maximizing after-tax wealth. In modern portfolio management, tax planning is no longer optional; it is an integral component of performance.

**We believe an informed client is the best client.** Our commitment is to provide consistent, meaningful communication and to proactively help you navigate a changing economic environment. As always, we encourage you to share any concerns with us. Our team is here to support you every step of the way toward your financial goals. We greatly value the trust and confidence you place in our firm and look forward to continuing to serve you.





## We Want To Help Others Like You!

**Many of our best relationships have come through introductions from clients. We would be honored if you add a name to our mailing list or introduce us to someone else. Please call Donna or Kerri 856-778-0980 to do so.**

*None of the information in this report is intended to be a substitute for specific individualized tax, legal or investment planning advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.*

*This article is for informational purposes only. This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice as individual situations will vary. For specific advice about your situation, please consult with a lawyer, tax or financial professional. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation.*

*Contributions to a Traditional IRA may be tax deductible in the contribution year, with current income tax due at withdrawal. Withdrawals prior to age 59 ½ may result in a 10% IRS penalty tax in addition to current income tax. Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regard to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation. The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change. IRAs and ROTH conversions require understanding of specific rules, for complete rules on IRAs (including who qualifies), please visit [www.IRS.GOV](http://www.IRS.GOV) Publication 590a or consult with a qualified professional. This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific situation with a qualified tax professional.*

*Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes.*

*Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Municipal bond interest is not subject to federal income tax but may be subject to AMT, state or local taxes.*

*Source: Reviewed by Keebler and Associates. Contents provided by the Academy of Preferred Financial Advisors, 2026*

*NOTE: The views expressed are not necessarily the opinion of Advisory Services Network, LLC or APEX TAX ADVISORS, LLC, and should not be construed, directly or indirectly, as an offer to buy or sell securities mentioned herein. It is not possible to invest directly in an index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. This article is for informational purposes only. Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful. This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice as individual situations will vary. For specific advice about your situation, please consult with a lawyer or financial professional. Past performance is no guarantee of future results. This article provided by The Academy of Preferred Financial Advisors, Inc. © 2026*

*Advisory services are offered through Apex Capital Wealth Management, A Member of Advisory Services Network LLC. Tax and accounting services are offered through Apex Tax Advisors, LLC. Advisory Services Network, LLC and Apex Tax Advisors, LLC are separate and unrelated entities. All information contained herein is derived from sources deemed to be reliable but cannot be guaranteed. All views/opinions expressed in this newsletter are solely those of the author and do not reflect the views/opinions held by Advisory Services Network, LLC.*

With over 50 years of combined experience, Apex serves commercial and residential clients in southern New Jersey from our hometown of Moorestown.

Our mission is to provide our clients with sound tax preparation, advice and planning along with quality financial products that will help them to reach their goals and dreams.



APEX TAX ADVISORS, LLC®

APEX CAPITAL WEALTH MANAGEMENT™

A Member of Advisory Services Network, LLC



Apex Tax Advisors LLC.  
Apex Capital Wealth Management,  
A Member of Advisory Services Network, LLC

505 South Lenola Rd. Suite 110  
Moorestown, NJ 08057

Call 856-778-0980  
M-F: 9-5 Appt Only  
ApexCWM.com

William D. Madara  
CFP®, ChFC® EA

John A. Miller, Jr.  
CFP®, EA



Retirement Accounts, Investments, Taxes... We make it all work together for you!