

Dear Clients,

We find ourselves at the beginning of April 2020, with many of our short-term plans changed or cancelled and a world that feels dramatically less certain. But, at some point soon (months not years), we will have a lot more information and we will start down our paths to a future world that has begun adapting to living with COVID-19. People are social: stores, schools, restaurants, airplanes, hotels and even cruise ships will open again for business, but not right away. How then can we use this time, constrained at home in the middle of a pandemic, to be better prepared for the challenges ahead? Considering our decision making on importance of priority and then over different time frames is one way to put order into the chaos that many of us our feeling. The importance and support of our social and professional network should not be underestimated, stay connected.

How should I approach my personal planning in the middle of a pandemic? - Don't Panic!

In the past decade and a half, personal financial planning in the middle of a pandemic has never come up as a topic in articles, seminars or client conversations, until now. Despite all our personal plans, en masse we have been cast into a world drama where many things we have taken for granted have suddenly changed. Some of these changes will be permanent, others temporary. The skills that many of us have learned on how to deal with “change management” professionally are now being called to usage and are suddenly as applicable to our private lives as well. The good news that I can take from my many conversations with clients and friends in the past week is that due to your previous planning and experience, you already have many of the tools in place as you prepare for tomorrow, next month, and the years ahead.

Short-Term: (Defined here as at least the next couple of months). Personal and Public health are by far the most important priorities and should be at the top of the list in all short-term decision making. We are all being asked to make changes to varying degrees to our normal professional and personal lives to prevent the faster spread of the virus and to keep ourselves and loved ones healthy. Most of our short-term concerns are likely more health related [staying healthy] and less financial. (If you have short-term financial challenges, especially related to a job loss or other concerns, please contact us as soon as possible to discuss).

For our clients who are not retired and working for large employers, most of you as far as we know so far have transitioned quite naturally to working from home, something that you were already set-up to do anyway. Our small business owners and self-employed clients vary considerably more in their experiences and I am heartened to see lots of creativity. In person meetings and travel have been replaced by video-conferencing and much of that time that you used to use commuting is going back to your employer, spending more time talking with friends and family, organizing your new life at home or working on other projects and activities.

I believe that this short-term period will for some of us be very different in experience and length

depending on how high-risk we and our close family members are in terms of susceptibility to the worst outcomes of the COVID-19 virus. I think we all need to be prepared that this short-term period will last somewhat longer than we hope for. I think this [article](#) by Ashley Strickland does an excellent job of laying out advice from people who are experienced with living in isolation. Establishing routines, setting and accomplishing goals, keeping close contact with important people in your life and making sure to have fun and take care of yourself are all very important themes.

Freedom of movement will come back gradually, make the most of your time in this short-term period of isolation and make sure to both give and accept help. This is a great opportunity to strengthen your social and professional bonds even if can't happen in person.

Long-Term: (Defined here as 2 years and beyond from today).

You will likely know that the long-term relative to today (don't worry I will come back to the mid-term) has arrived around the time you have scheduled your first COVID-19 vaccination. For most of us, our long-term goals won't change too much related to what is happening today. However, extended periods of time in isolation give us plenty of opportunity to consider what positive changes we would like to make in our personal lives or our careers.

We spend a lot of time with clients helping them to plan for funding retirement, paying for college education, passing on wealth, changing jobs, buying a home and other big life events. If you find that this period of time is leading you to second guess plans that we have discussed, I suggest that you start making notes about what you would like to change and why and see if there are any steps you can already start taking today to get ready. I think that generically, deferring making major changes or decisions in one's life in the middle of a worldwide health crisis, is a more ideal choice.

Would you like to learn a new skill, language, profession? How about getting in shape? Many of us have long term personal or professional ambitions that we don't start because we are too busy. Sign up for an on-line course now, you may never get such a great opportunity for so much forced down time and you may regret later not taking advantage of all that time you have. The internet is handling everyone being at home quite well (though Netflix and YouTube are reducing streaming quality for at least the next 30 days due to the massive increase in demand) and what better way to take your mind off everyone writing their 2 cents worth about the pandemic?

The Mid-Term (Defined here as between short and long-term as defined above).

Today this is where I see some of the biggest challenges (opportunities) when it comes to personal financial planning for each of us. In the short term the focus will be on health and staying at home, in the long term, I am optimistic that the collective efforts of humanity will overcome the medical and social challenges that COVID-19 has presented. But, in the mid-term is where I think today's uncertainty may pose both unexpected opportunities as well as challenges. This will be different for each of us and depends very much on where we are in our lives; I am going to make some broad generalizations below, please don't be offended as I know that none of us fits neatly into any categorization; my goal is to help you think about the future and encourage you to get in contact with one of us if you have any concerns that we can help with.

For anyone who is in a high-risk health category (or who lives with someone in a high-risk category) due to your age, health condition, profession or any other reason, the mid-term is also going to be primarily about staying healthy until it is deemed safe by medical professionals for you to return to normal socialization. I believe this day will not arrive until medical treatments are better understood and health systems feel capable of dealing with COVID-19 in the same way they deal with similar conditions such as pneumonia today. Perhaps this will last until a vaccine is available, but I don't think so. The increase in frequency of medical professionals talking about treatments and vaccine trials in the past few days, bodes well I think, for several positive medical developments. However, to be sure, I think if you are in a high health risk category, it will be important for you to start considering what an extended stay [many months] in relative isolation will look like. There will be lifestyle, financial, health and career considerations.

For anyone who is not in or living with someone in a high-risk health category, the mid-term is more likely to arrive sooner. At some point before vaccines are ready, governments and health officials are highly likely to start easing groups of lower risk people into less restrictive conditions allowing more and more businesses and then schools and other establishments to open. [My friends in [Sweden](#) seem to have gone straight to this phase though the verdict is not yet in as to whether this was a wise choice.] This will vary by geography and government. Some people however may find that their job is no longer available or is different than it was before. Our client base is already rather mobile in terms of job changes, [2 of you had great new job offers just this week] I would not be surprised to see this accelerate. Is your curriculum vitae up to date?

My primary message here is that if you anticipate that your personal financial circumstances are changing, please share this with us as soon as possible, especially if you have questions or concerns. Experience has shown me that we have more contact with clients while they are going through major life transitions and we are here to work with you in any way we can to help. While I am generally optimistic about the future, I also know that unexpected changes can cause a high degree of stress. For some of us the next months will be very difficult being a receiver or giver of help, support and encouragement can make a big difference.

Government Actions – Very Large – Will this be enough?

In an attempt to stabilize financial markets, help companies and workers and avoid general panic, governments around the world have been implementing extraordinary measures; some are already larger than those implemented during the Financial Crisis. There have been far too many actions to list in this newsletter, but some of the most significant highlights include:

1. On March 15th the US Federal Reserve reduced interest rates to effectively 0% and restarted its Quantitative Easing by buying US Treasuries and Mortgage Backed Securities.
2. On March 23rd the US Federal Reserve had their “anything it takes” moment and announced they would buy, in unlimited quantities of a variety of debt instruments, putting a floor under many of the bond and credit markets.
3. On March 27th President Trump signed into law the CARES act, a \$2 Trillion stimulus bill in order to help individuals and companies large and small. This so-called Phase 3 bill and

was by far the largest effort to date with Phase 1 (March 6th) and Phase 2 (March 18th) being smaller more targeted efforts. Depending on the length and path out of the lock-down phase, we may well end-up in the double digits of Phases, government aid all over the world is just getting started.

4. China has not implemented any massive stimulus bills and to date has only made relatively minor changes in repo operations, bank lending rates and bank reserve requirements.
5. The European Central Bank has implemented programs to purchase about a Trillion Euros in Bonds and lowered some capital requirements interest rates.
6. Various European countries have announced significant programs to help individuals, small business owners and some larger companies who have suffered financially as the result of forced shutdowns.

If you are interested to keep up with all of the major government actions around the world, Investopedia now has a [page](#) dedicated to tracking this. The impacts of this period on government debt, policies and powers will be felt for decades. It remains no question that these actions and more are necessary in order to help people and companies to weather this major storm and to avoid large scale panic. Perhaps in a couple of years we will finally start to see the inflation that Central Bankers and Governments have been craving for over a decade?

What are you reading?

Like many of you, I have spent this past several weeks reading dozens and dozens of articles daily about COVID-19 from around the world. What is covered in the US, UK, EU varies considerably in tone, not to mention press from China, Japan the Middle East and elsewhere. Every day brings a plethora of new articles, facts, opinions, recommendations and speculations. It is easy to get carried away and personally I have found a good night sleep and a daily walk by the lake listening to music to be a vital break. Rather than try and summarize some of the articles I would like to share a few I believe are well written and which take rather different perspectives:

While I have become disappointed in a lot of CNN's reporting over the past several years, I found this article on their website to be both helpful and well written. "[Living an isolated life: Astronauts, Antarctic doctors and climbers share their advice](#)" is full of good advice for many of us who are facing challenges in coping with forced isolation.

Tom Friedman's opinion piece in the New York Times on March 22nd "A Plan to Get America Back to Work" can be found [here](#). I think Friedman takes a very rational and balanced view on thinking about how we exit this initial lockdown phase and he highlights the issues that many of our political leaders are already contemplating.

This [article](#) from the Wall Street Journal was written by Dr. Colyer, a practicing physician and former governor of Kansas. He discusses promising treatment results, albeit on a small scale, of the drug combination of Hydroxychloroquine and azithromycin.

Nurith Aizeman's March 27th [article](#) at NPR presents the current lockdown and presents some opposing views from US based health professionals as to what should happen next.

This March 31, 2020 [article](#) from CNN "Coronavirus death rate is lower than previously reported" cites a just released study published in the medical journal The Lancet Infectious Diseases

I am not a regular reader of the Atlantic but am thankful for one of our clients who send me their article on how they see the crisis ending at this point. In sending the link she, knew that I would appreciate the writing even if I did not share all of the same opinions, spot on. The [article](#) by Ed Yong is very well done and, in this time, where none of us know what the future will bring, being open to opposing points of view remains very important. The Atlantic has opened [free access](#) to their COVID-19 coverage, some articles are more helpful than others.

For the many travellers amongst you, here is an article, [A Wanderer's Guide to Staying Home](#), by Paul Theroux, a nice respite from the daily statistics about the virus.

Also not on my regular reading list, here is a [list](#) of over 30 positive news stories from Elle Magazine in the UK.

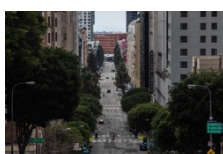
Almost daily clients, colleagues and friends share with me what they are reading. In many cases, the sender knows in advance that they are exposing me to views that may be different than my own; it is all welcome as long as it is not sent in malice or meant to insult; which thankfully is most of the time. [The Economist](#) remains my favorite weekly news source; if you are reading it and find it interesting, never hesitate to send me more reading material, thank you!

Interesting links from this newsletter:



[Click to read](#)

Living an isolated life: Astronauts, Antarctic doctors and climbers share their advice
- CNN



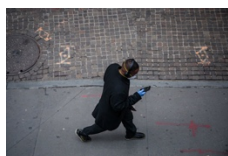
[Click to read](#)

Experts Say The U.S. Needs A National Shutdown ASAP — But Differ On What Comes Next
- NPR



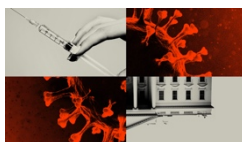
[Click to read](#)

An Update on the Coronavirus Treatment
- WSJ | Opinion



[Click to read](#)

A Plan to Get America Back to Work
- New York Times



[Click to read](#)

How the Pandemic Will End
-The Atlantic



[Click to read](#)

What You Need To Know About The Coronavirus
- The Atlantic



[Click to read](#)

38 Positive News Stories You May Have Missed During The Coronavirus Outbreak
- Elle



[Click to read](#)

What's Inside The Senate's \$2 Trillion Coronavirus Aid Package
-NPR



[Click to read](#)

Government Stimulus Efforts to Fight the COVID-19 Crisis
- Investopedia

Stock Markets – Shocks to the System

For clients who have been with us for many years, you know that I have been posting the chart below from S&P Capital and warning that we should always be prepared for unexpected events that may cause a market shock. The events of the past three months have taken me as much by surprise as anyone else, but still we know these events do happen. We are clearly still in the middle of this history making COVID-19 shock and it is too early to know if the stock markets have seen the bottom and how many days it will take the markets to recover. This time period will certainly be added to the chart below. While the speed of the decline has been unprecedented, this downturn is exhibiting many similar characteristics of past extreme market shocks. For example when the 3.3 million Americans claimed unemployment insurance last week, stock markets went up about 6%, after having rallied over 10% on their best day since the 1930s. A couple of well-known adages about stock markets are that they dislike uncertainty more than bad news and that they try to look forward [in terms of economic activity] 6 months into the future. Trying to look forward 6 months feels rather pointless when every 6 days feels like a lifetime; but this state of the world will surely pass.

SHOCKS TO THE SYSTEM: Market Declines and Recoveries Since WWII							
Market Shock Events	Closing Levels			Bottom			Days to Recover
	Prior Day	Next Day	% Chg.	Level	Days	% Chg.	
Taper Tantrum: 5/22/13	1669.16	1655.35	(0.8)	1573.09	33	(5.8)	17
U.S. Debt Downgrade: 8/5/11	1199.38	1119.46	(6.7)	1099.33	90	(8.3)	144
Japanese Tsunami: 3/11/11	1304.28	1296.39	(0.6)	1256.88	3	(3.6)	6
Flash Crash: 5/6/10	1165.87	1128.15	(3.2)	1110.88	1	(4.7)	4
Lehman Bankruptcy: 9/15/08	1251.70	1192.7	(4.7)	676.53	121	(46.0)	285
Madrid Bombing: 3/10/04	1140.58	1123.89	(1.5)	1093.95	10	(4.1)	18
U.S. Terrorist Attacks: 9/11/01	1092.54	1038.77	(4.9)	965.80	5	(11.6)	20
Collapse of LTCM: 9/23/98	1066.09	1042.72	(2.2)	959.44	11	(10.0)	9
Iraq's Invasion of Kuwait: 8/2/90	355.52	351.48	(1.1)	295.46	49	(16.9)	82
Crash of 1987: 10/19/87	282.70	224.84	(20.5)	223.92	33	(20.8)	223
Reagan Shooting: 3/30/81	136.30	134.7	(1.2)	134.70	1	(1.2)	4
OPEC Oil Embargo: 10/17/73	111.30	110.05	(1.1)	109.16	6	(1.9)	10
Kennedy Assassination: 11/22/63	71.62	69.61	(2.8)	69.61	1	(2.8)	2
Cuban Missile Crisis: 10/22/62	54.96	53.49	(2.7)	53.49	1	(2.7)	5
Medians			(2.4)		8	(5.2)	14

Source: S&P Capital IQ. Past performance is no guarantee of future results.

Strategically, I believe, that our relatively passive approach will give the best long-term outcome for our clients as we expect periods of elevated stress. These are unpredictable in timing, length and severity. During normal economic times some companies go bankrupt and others get stronger. Market events like what we are seeing now alter and accelerate the course that many industries and companies will take, which a well-diversified portfolio is prepared for. Even though we know events like this are bound to happen, we know that they can be particularly stressful when hypothetical events turn into reality.

Small Business Owners Adapting and staying [FIT](#)

On March 19th Governor Gavin Newsom announced California's shelter-in-place orders, impacting all Californians. For small business owners Tracey and Thom Downing the news was understandable but devastating. How would they protect their family, their staff and themselves as their business was, like so many others, forced to shut their doors for an indeterminable time? How will our business survive was the question staring them in the face?

Fast forward just two short weeks and their progress has been amazing in the face of adversity. They launched a new web-site [focused-at-home](#) detailing the following list of services that is now available at home. This includes:

1. Personal Training for Individuals and Small Groups
2. PE for Kids aged 8-13
3. Virtual CrossFit classes
4. Restorative Yoga
5. Guided Meditation
6. Personal One-on-One consultations

FIT have managed to convert close to 70% of their clients to their on-line services and they are still working hard, learning every day and adapting to new and unexpected challenges. With their new virtual offerings, they are not only able to service their existing clients but are now able to train anyone, anywhere in the world. While the future still holds a lot of uncertainty including when will they be able to open the doors of their gym to the public again, Thom and Tracey are determined to make the best out of the challenges they are facing and use this to make their business stronger for the future. Thom and Tracey, my friends, I am super proud of you!

White Lighthouse Investment Management (WLIM) Information and News – Business Continuity Planning

To say that March has been a busy month at White Lighthouse would be an understatement. We had three audits during the month of March. On March 6th we had our Anti-Money Laundering Audit (every 1-3 years) as well as our annual audit of compliance with the Polyreg Code of Conduct; both were in Switzerland and I am happy to report that these were both completed uneventfully.

On March 3rd, an hour before I was headed to Logan airport to fly to Switzerland, we had a call from the Securities and Exchange Commission. It was time for our first regular audit and my first SEC audit in the 14+ years since starting my business (My father had SEC and state Securities regulator's audits from Massachusetts and Connecticut in the past). Thankfully our back-office team had been working on many internal preparations for this day and suddenly our plans were accelerated. We were given 12 days to submit a comprehensive 26-point list of documentation and information, electronically, in preparation for a site visit. Within the last 3 weeks, the SEC asked us to change the site visit to a video call and then a few days ago, they came back with another request. Could we defer the audit for another few weeks and by the way, could we also submit our business continuity plan including how we plan to keep the business running in the event of a pandemic.

I was not the only one to see a sense of irony in the timing of this new request. Thankfully White Lighthouse has been set-up, since day one, to be able to provide services remotely and so our entire team has not missed a beat in the services they are providing. I remain thankful and proud of everyone's dedication during this time of increased stress. You will find a brief section at the

end of this newsletter on our business continuity plan and if you have any questions on our ability to continue serving you during this or any other event, please let us know.

We remain optimistic that when the SEC auditors do get back to us, that the review will not uncover any significant issues. We plan to use this first audit as a learning opportunity to improve our internal processes to and further enhance our compliance to the vastly complex Securities Act of 1933 and all the subsequent additions and changes to the rules. I must also add an enormous thank you to Kathy and Otto for their extraordinary efforts to not only professionally answer all of the audit points, but also in helping to keep our service levels going without delay.

According to my more recent information, all my colleagues are working from home or offices near their homes and they and their families remain healthy. Between 5 different US States and 2 Cantons in Switzerland, everyone's movement is under somewhat different restrictions. We know that several of our clients have tested positive for the virus and several more have had some symptoms and remain in home isolation; so far, we have not heard of anyone close to us who has been hospitalized. I am in Switzerland having recovered from my all my cold symptoms several days ago, and after a few more days of working from Lausanne, I will contemplate returning to the US as long as I can travel and be assured of keeping my family safe. There is one remaining direct flight from Switzerland to the US, Zurich to Newark, but more importantly for so many of us will be the access to testing to know if we have or had the coronavirus.

In a separate attachment is an article written by Marina which is a must read for all clients (and their US tax advisors) with a non-US pension fund. The article covers recent IRS relief for foreign pensions as long as certain requirements are met.

US Tax News – The CARES Act major provisions for individuals.

On March 27th President Trump signed into law the largest economic stimulus package in US history, \$2 Trillion, and it is unlikely to be enough to government aid to help individuals and businesses through the economic hardship that lies ahead. The main benefits for individual taxpayers are:

Approximately \$560 Billion has been allocated to individual American taxpayers split into two main areas. \$260 Billion will be for additional unemployment benefits both in the extension of time and the broadening of who will be eligible. Self-employed individuals, contractors and freelancers who are traditionally not eligible for unemployment benefits are included.

For individuals earning less than \$99,000 and couples earning less than \$198,000, you will eligible for up to \$1200 per adult and \$500 per child. Full benefits are available for individuals earning under \$75,000 and couples earning less than \$150,000 and above these levels the amounts start to phase out. This is expected to cost the government about \$300 Billion. Overseas Americans are also eligible. These cash payments will be send out based on 2018 or 2019 reported income but will apply to your 2020 income levels; not all of the rules have been written yet but the final accounting will happen next year when you file your 2020 tax returns.

The bill also allows for a temporary tax-free withdrawal from a qualified retirement account of up to \$100,000, that this is paid back in full within 3 years.

Charitable contributions of up to \$300 in cash can be made and can be deducted even if you don't itemize on your tax return, this is being allowed as an "above the line" deduction used in conjunction with the standard deduction.

The tax filing deadline of April 15th has been moved to July 15th which is also when your taxes are due. This extension also applies to the first quarter of 2020's estimated tax payments. The remaining estimated tax payments for 2020 however remain, for now on their normal schedule.

Employers can provide up to \$5250 of student loan repayments that will not have to be reported as income.

All private insurance plans will be required to cover tests, vaccines and treatments for COVID-19.

There are many good articles that have already been written about the CARES Act, [this one from NPR](#) is a good summary.

I have included an additional attachment to this newsletter with more details for individuals about the CARES Act. This is from American Citizens Abroad, "PAYMENT OF 2020 RECOVERY REBATES TO INDIVIDUALS ABROAD"

News from Custodians: Schwab, Pershing, Swissquote Bank and IB

During the past weeks we have not experienced any significant challenges in trading, wire transfers or other time sensitive services from the custodians where your accounts are held. There have been some delays in the processing of non-critical administrative paperwork at both Schwab and Swissquote as they have been transitioning many of their staff to working from home.

Market Wrap up for the 1st Quarter of 2020

The S&P500 and Dow Jones Industrial Average were down 23% and 20% for the first quarter of 2020. The Canadian market was down 22%. The Swiss Market Index (SMI) was down a relatively good 12% for quarter. The FTSE was down 25% for the quarter and the DAX and CAC40 were down 25% and 26% respectively. The dollar decreased by 1% against the Swiss Franc and increased by 2% against the Euro for the quarter. Gold was up 5% for the quarter. The Shanghai Index was down only 10% for the quarter. The current Federal Funds rate in the US dropped to essentially 0% and will stay there until it is clear that the economic impacts of the crisis are starting to subside.

Conclusion

Completing tax returns and other home administration, considering future plans and making day to day choices about money, investments and personal financial topics are all issues where we have continued to engage with you frequently over these past several weeks. We also enjoy hearing about your personal accomplishments and challenges and don't ever take for granted the level of trust you place in our people and our services. We have heard directly from many of you in the past few weeks by phone, video chat or e-mail and I consider us fortunate in the

overwhelmingly positive attitude that so many of you have expressed in these times of adversity. I anticipate that the coming months for most of us will be a rather extreme rollercoaster of emotional stress and please know that my team and I are here to help to the best of our ability, so please get in touch about any subject even if we have heard from you recently.

I would like to conclude with my thankfulness for the immense gratitude and caring so many of you have shown to my team and I especially over the last couple of weeks. The sharing of articles, ideas, jokes and especially a few kind words in the middle of a hectic day can make a big difference.

Please stay healthy continue to make good choices and I hope by the time the next quarterly newsletter comes around that our headlines are filled with many more positive stories on how governments, companies and people are continuing to work together to combat the impacts of the coronavirus.

Jonathan

P.S. The views and grammatical errors expressed here are the sole responsibility of Jonathan and may or may not represent the views of others at the firm.

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Permanent Reference Information

1. Sharefile: How to access your White-Lighthouse Quarterly Reports & Other Public Information
2. Annual Privacy Policy & Form ADV Brochure Updates
3. US taxpayers – with non-US Financial Accounts – FBARs (Foreign Bank Account Reports)
4. Annual IRA Required Minimum Distributions (RMDs) for US Citizens over age 70 ½
5. Annual IRA Contributions for US Citizens with earned income
6. Tax Reporting

1. Accessing Quarterly Reporting & Other Documents - Sharefile

All Clients of White Lighthouse Investment Management are entitled to have an account on our private server. Your account can be accessed at this link: <https://wlim.sharefile.com>. If you have forgotten your username or password or would like an additional account for your spouse or other family member, please let us know. As a best practice for the security of your information we strongly recommend that you enable 2-factor authentication with your Sharefile account. It is now required and Sharefile will force weak passwords to be changed.

Your quarterly reports are generally ready before the end of 2nd working day of each quarter and will be copied to your private folders. Historical reports are also retained. The completion of the quarterly reporting is announcement but a short e-mail where you will also find the quarterly newsletter attached. Additionally, every client has on-line access and receives paper or electronic account information directly from the custodian bank or brokerage firm where the accounts are established. If you notice any discrepancies or have any questions on our reports, please be in contact as soon as you can, and we will research the questions.

White Lighthouse Investment Management does not hold custody of your assets and receiving reports both from us and your custodian is for your protection.

In addition to quarterly reporting other information available on Sharefile is:

- a. Prior Newsletters
- b. The latest ADV forms filed with FINRA for both Individuals and the Firm
- c. Privacy Policy
- d. Trade Errors and Proxy Voting Policies
- e. Proxy Votes
- f. Reference Material (e.g. how to read our reports)
- g. Clients may also store information in their private folders, especially if this is information, they would like me to keep on record.

If there is any other information you would like to see in the Public section of this system, please let us know.

2. Annual Privacy Policy & Form ADV Brochure Updates

The SEC (US Securities Regulations from the Securities and Exchange Commission) requires us to circulate, at least annually, our latest Privacy Policy and to inform you that our ADV Part 2 Brochures are available. You may request any of these documents in electronic or paper format. We will leave our Privacy Policy at the end of this reference section in each newsletter and allow this to serve as a regular reminder of our updated ADV forms. These filings change periodically throughout the year and for any material changes we will also announce them in our newsletter.

In the United States, if you would like to read additional disclosure and background information on any investment advisor, broker or firm, you can find more information at this link: http://www.adviserinfo.sec.gov/IAPD/Content/lapdMain/iapd_SiteMap.aspx

3. US taxpayers – with non-US Financial Accounts – FBARs (Foreign Bank Account Reports)

October 15th is the annual deadline for filing of the FBAR reports for US citizens who have non-US financial accounts worth more than \$10,000 at any time during the year. For Overseas Americans, this form seems rather intrusive, but it is mandatory and the fines for failure to file and failure to report income from these accounts are severe. The FBAR form is being replaced by the new form FINCEN 114.

Starting back on July 1, 2013, these forms must be submitted electronically, paper versions of the forms will not be accepted in the future. Please check with your tax preparer to see if you or they will be filing the FBARs for you. Below are some links where you can read more. The first one is ironic. The place that you go to file your forms is headed by “Financial Crimes Enforcement Network”; as though having accounts overseas makes you guilty until proven innocent by filing your forms:

FINCEN link – Where forms can be filed:

http://bsaefiling.fincen.treas.gov/Enroll_Individual.html

IRS Announcement:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Report-of-Foreign-Bank-and-Financial-Accounts-%28FBAR%29>

4. Annual IRA Required Minimum Distributions (RMDs) for US Citizens over age 72 (formerly 70.5)

Most US taxpayers who have IRA, 401k, 403b or similar accounts will be required to make an annual distribution by December 31st from their accounts or face a 50% penalty of the required amount from the IRS. For many of these accounts the broker will calculate the RMD amount for you and remind you about making the distribution. We can help to manage this process for you and arrange for the distributions to be sent out by check, transferred to a bank account, or transferred to an investment account. We generally make these distributions, unless otherwise requested or needed for income, in the 4th quarter. Monthly, quarterly, or on-demand distributions can also be arranged.

RMD amounts are re-calculated each year based on the account value on December 31st and IRS tables related to the ages of the account holders. Some accounts (e.g. inherited IRAs) often do not

have RMD calculations from the broker since these can have somewhat more complicated distribution formulas. Other accounts such as Roth IRA's are not subject to RMDs.

If you have any questions about Required Minimum Distributions, please let us know.

5. Annual IRA Contributions for US Citizens with earned income

If you are a US taxpayer with earned income in 2019 or 2020 you might be able to contribute to an IRA account. If your employer pension plan is not tax qualified in the US (e.g. most plans outside the US) then regardless of your income, you will be able to make a "deductible" contribution to your IRA account. There are many different types of IRA accounts, Traditional, Roth, SEP etc. The general contribution limit for employees \$6000 per individual per year and \$7000 if you are over 50 years of age in both 2019 and 2020.

You generally have until April 15th of the following tax year to contribute, though this deadline can be extended for SEP (generally for self-employed or employees of the self-employed) IRA contributions.

IRA Accounts are a great way to supplement your Retirement savings. For many clients, we help to make regular annual IRA contributions from their brokerage accounts to their IRA accounts. If you would like assistance with this or if you have any questions on whether your current year contributions have been made, please get in contact.

6. Tax Reporting US, Switzerland & All jurisdictions.

At White Lighthouse Investment Management, we encourage all clients to meet all their tax reporting and payment requirements in whichever local, state, or federal jurisdictions they must report and pay tax to. We are not tax advisors. We do not file tax returns for clients and cannot offer legal advice in respect to taxes though we know many competent advisors who can.

What we can do is help you and/or your tax advisor(s) to determine your taxable events for any given time-period using reporting directly from your bank or brokerage firm and/or from our own reporting systems. Don't ever hesitate to ask for our assistance here as our information systems contain a vast amount of information and flexibility in reporting with respect to your accounts.

At White Lighthouse Investment Management, we do have an in depth understanding of US taxes and use this knowledge to help our clients make good decisions. In addition, we understand the complications of cross border rules with respect to US citizens and taxpayers that live overseas, non-Americans living in the US and mixed nationality couples. We also have a good working knowledge of the Swiss taxation system.

Additionally, we can engage in tax planning both inside your investment portfolio and outside. This may have to do with what types of investments to buy or sell which investments belong in which accounts, the timing of events or gift and estate taxation. This type of planning work can be done together with you or in conjunction with other professionals such as tax advisors or estate planning attorneys.

If you have accounts with us in the United States, your most common tax reports (1099s) are generally ready by the middle to end of February. These will include dividends, income, capital gains, and losses and now my management fees that have come out of taxable accounts. Other information that will be reported will be IRA distributions. For IRA contributions, the form 5498 is generally produced by your brokerage firm but this is often done well after your tax return has been filed. If you have contributed don't forget to report it to your tax advisor.

For Swiss resident account holders who have accounts at Swissquote, by default, we started last year to request the bank to produce their official tax report. The bank charges 100 CHF plus VAT for this report. A few clients have opted out of this which may make sense when there are very few taxable events in each year. If you would like to opt out or confirm if you have done so already, please let us know.

Jonathan Lachowitz, CFP®

PRIVACY STATEMENT- 2020

White Lighthouse Investment Management, an independent financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by White Lighthouse Investment Management. We have never disclosed information to nonaffiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first. As you know, we use financial information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringement of your rights of privacy. Our policy with respect to personal information about you is listed below.

- We limit access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer).
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about transactions between you and third parties, and information from other sources as needed to provide our services on your behalf.
- For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

White Lighthouse Investment Management, Inc.
Business Continuity Plan 2020 – Client Copy

White Lighthouse Investment Management, Inc. has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do by phone, email or Skype, you should call our office manager Kathleen Quintero 201-394-9067 or go to our website at <https://www.white-lighthouse.com/who-we-are> . and contact another member of the team. If you cannot access us through either of those means, please contact your custodian or use your on-line log in to access your accounts.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; critical supplier and counter-party impact; regulatory reporting; and assuring our customers access to their funds and securities if we are unable to continue our business.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single location of our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. Since our firm is a “virtual firm” and our employees are all in different locations, the likelihood of this type of disruption effecting our whole business in minimal. If the significant business disruption is so severe that it prevents us from remaining in business, our clients can contact the custodian directly by phone, access their account online or if available use their checking and debit card capabilities to access funds.

For more information – If you have questions about our business continuity planning, you can contact us at 508-471-4431 or email: lachowitz@white-lighthouse.com or kquintero@white-lighthouse.com