



Q3 2025 Insights

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Q3 2025 Insights

- Economic Conditions
- Market Landscape
- Revisiting Retirement – 90 is the new 72
- Retirement Controllables versus Non-Controllables
- Portfolio Positioning for Late 2025
- Autumn Investor Checklist
- *invest right, live right™*



Economic Conditions

- Consumers gloomiest in 50 years, yet Q2 GDP +3.8%
- Shutdown –we’ve been here before having shutdown 11 times since 1990 under a variety of political configurations
- Slight drag on economic growth & risk due to uncertainty, minimal impact to credit worthiness
- US Government debt ballooning, exceeding overall GDP
- Labor supply challenges may drag on growth, but Artificial Intelligence provides relief
- Flat Treasury curve with 3 month at 3.93%, and 10 year 4.02%
- 2 year yield indicates Fed Funds rate will drop to 3.48% - 50 basis point cut by the Federal Reserve



Market Landscape

- AI enthusiast vs skeptic – Capex – will revenue grow more than investment? Watch earnings, diversify
- 1990's internet boom was real, yet only some big names are still around, while others disappeared
- Small companies with high debt and interest payments are outperforming those with solid balance sheets, frothiest stocks fall first and fast!
- Government investing in public companies – how will companies be run? “state run capitalism” has potential misallocation of capital to detriment of shareholders/customers



Revisiting Retirement – 90 is the new 72

- A healthy couple where both attain age 65, 73% chance survivor will live to 90, 43% chance to age 95
- Keep aside about \$200k per person for later in life healthcare
- Sequence of returns – have enough cash to fund needs during market dips
- Keep conservative fixed income investments safe – FDIC insured Certificates of Deposit and US Treasury Money Market funds
- Trim gains during stock market peaks and stay calm during dips - -14% average drop every year



Retirement Controllables

- Can Control: spending, savings, and portfolio allocation
- Some Control: how long you work, health (longevity)
- No Control: sequence of market returns, tax policy

- Side note: Social Security is mostly funded by payroll contributions, not just the trust fund which always hits the news. By 2034 81% funded by payrolls, by 2099 72%. Since 2/3 of voters are over age 45, Congress will eventually fill at least a portion of the gaps.
- Take at 67 for 100% of benefits, by taking early at 62 reduced to only 70%, and by waiting until 70 increases 124%.



Portfolio Positioning for Late 2025

- Avoid fight or flight – it's good if you see a tiger in the woods, but not when making investment decisions
- Frothiest sectors fall first - .com tech heavy NASDAQ lost -78% versus -50% loss in S&P 500
- Time IN the market – like Buffett, patience with high quality stocks wins
- Avoid following the herd, fear of missing out - FOMO
- Cool head, well-laid plans



Autumn Investor Checklist

- Revisit your financial plan (saving/spending) and risk tolerance for us to make any necessary adjustments
- Check in with your CPA or Attorney if there have been any changes to your situation that need to be addressed
- Inventory and update beneficiary designations & legal documents
- Shred or properly destroy old documents no longer needed
- Make sure computer, tablet & cell phone operating systems, browsers, and passwords are up to date to stay secure
- Prepare for IRA Required Minimum Distributions and Qualified Charitable Distributions



“Be kind whenever possible. It is always possible.”

- Dalai Lama



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