

THE COMMUNIQUE

May 2025

| MAJOR INDICIES | LAST | MTD | QTD | YTD |
|-------------------------|----------|-------|--------|--------|
| S&P 500 | 5686.67 | 2.11% | 1.33% | -3.31% |
| Dow Jones Industrials | 41317.43 | 1.59% | -1.63% | -2.88% |
| NASDAQ Composite | 17977.73 | 3.05% | 3.92% | -6.90% |
| New York Stock Exchange | 19386.84 | 1.43% | -0.05% | 1.52% |

| U.S. TREASURIES | YIELD |
|---------------------|--------|
| 2-yr Treasury Note | 3.82 % |
| 10-yr Treasury Bond | 4.31% |
| 30-yr Treasury Bond | 4.79% |

Information as of May 2, 2025 Source: FactSet

MARKET COMMENT

MAGAs

MAGA is certainly a catchy acronym, and every American wants to live in a great country, but does America really need to reinvent itself or just continue transforming on its own. Since the beginning, our country, and its citizens, have adapted, adjusted, and changed when needed – the hallmark of a free capitalistic society. Let's look at a few points that may encourage all during these challenging times of sweeping tariffs, executive orders, and a very volatile stock market.

Looking back at the pages of America's history, we see many transformative eras. For instance, the Founding Fathers took extraordinary care to establish our government structure and protect individual liberties. These were deeply learned men, and despite their human frailties and weaknesses, they established a government that has lasted 249 years! The constitution was not a rubber stamp document, but much negotiating and compromising unfolded to arrive at our country's governing structure. Also, the American Revolutionary War was never a certainty, and many thought we would never defeat the greatest Army in the world.

Other major transformative eras include the Louisiana Purchase, which doubled the size of our country, and the Civil War, which threatened a permanent division of our country. There is also the Industrial Revolution, which provided great wealth for many and transitioned our economy from Agrarian to Industrial. There was the Great Depression of the 1930's that caused massive

unemployment, and great financial hardship, yet resulted in the development of the modern financial system. Finally, our most recent era, was the Technology Revolution. It seems to us, through all these transformative eras, that Americans have adapted to significant changes and thrived in many ways. However, the transitional period brings its own set of challenges, causing fear and uncertainty, yet always followed by future opportunity.

We believe this might be one of those times that America (and the World) is transitioning into a new era of geopolitical change. As Europe embraces a more independent attitude and disengages from dependence on U.S. military and economic might, and China searches for its global economic and military position with other major countries. All the while, America's "door knock" of onshoring sensitive production, adjusting military focus, continuation of energy independence, and seems to be pushing towards a possible future New World order.

Whether you view the current times as exciting, scary, or both, the markets will provide some insight into our future direction, and we will be paying close attention to its message. We appreciate your continued trust and confidence, please let us know if you have any questions, or need assistance - we are here for you. Thank you.

PLANNING STRATEGY

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Charitably Minded Investors Can Satisfy RMDs with QCDs

Transform RMDs into QCDs

Philanthropy is often reward enough, but charity and tax deductions seemingly go hand in hand. As the standard deduction has risen to \$15,000 for individuals in 2025 (double for married filing jointly), you may want to consider giving strategies that don't require itemizing on your tax return. A QCD is a great way to carry out your charitable intent that doesn't require itemizing and also reduces your taxable income.

The required start age to begin taking distributions from your IRA has increased over the past few years from 70 1/2 to 73. However, the age that you can begin QCDs is still 70 1/2. These RMDs are generally treated as taxable income. Thankfully, the Protecting American from Tax Hikes (PATH) Act of 2015 permanently allowed an IRA owner to make qualified charitable distributions directly from their IRA to a charity without getting taxed on the distribution. Basically, you can satisfy your RMD amount without reporting additional income.

There is, however, another important benefit. When a QCD is used to satisfy an RMD, that amount is also excluded from tax formulas that could impact multiple categories such as Social Security taxation, Medicare Part B and D premiums, and the Medicare tax on investment income.

Rules to Follow

You must be eligible. You must be age 70 1/2 or older at the time of the QCD (but remember, RMDs now begin at age 73). QCDs from Ongoing SEPs and SIMPLE IRAs are not permitted.

There is an annual limit. Your QCD cannot exceed \$108,000 per tax year, even if your RMD is greater than \$108,000. New legislation, the SECURE 2.0 Act, will index this \$108,000 limit for inflation starting in 2025.

Only qualified organizations count. The IRA trustee or custodian must make the distribution directly to a qualifying charity (private foundations and donor advised funds are not eligible). For instance, you cannot take the distribution yourself then write a check to the charity.

RMDs: A Real-Time Legacy

By donating the RMD to a qualified charity, you can enjoy the satisfaction of knowing you are helping a worthy cause while simultaneously reducing your taxable income. This strategy also helps you live out your values in real time, effectively living your legacy in the here and now.

To learn more, seek guidance from your financial and tax advisors. They're a good source of information when it comes to living and giving generously.

Raymond James does not provide tax or legal services. Please discuss these matters with the appropriate professional. RMD's are generally subject to federal income tax and may be subject to state taxes. Prior to making an investment decision, please consult with your financial advisor about your individual situation. Account types mentioned may not be suitable for all investors

LIFE & LEISURE

Raymond James "Commentary & Insights" raymondjames.com

Can Homeschooling and a Full-Time Job Co-Exist?

The decision to homeschool can offer freedom and personal learning, and create a deeper connection with your child. But what if you're employed full time? Can your dream of nurturing a young mind live alongside the very real demands of a busy career? Spoiler alert: It depends.

Picture early mornings juggling lesson plans with coffee, lunchtime Zoom calls interspersed with science experiments, and evenings where exhaustion battles with bedtime stories.

When you have a child, you're no stranger to how clutch organization and flexibility is in your every day. Considering homeschooling with a full-time job means you have to be honest with yourself about the demands on any given day or week and plan accordingly on both sides of the work and school spectrum.

Planning your pivot

As with any worthy endeavor, success takes planning. Here are some tips to create a harmonious learning environment:

- **Schedule synergy:** Chart a detailed plan. Factor in work hours, breaks, family time and homeschooling blocks. Utilize online resources, curriculum plans and educational apps to maximize efficiency.
- **Embrace flexibility:** Unexpected meetings, sick kids or a flat tire? Adapt by modifying schedules, utilizing online lessons or enrolling in short-term camps.

- Delegate and utilize: Can grandma handle math mornings? Is a neighbor qualified to teach Spanish? Don't be afraid to share the educational load to ease the pressure.
- Community counts: Homeschooling doesn't have to mean isolation. Social interaction and peer support are invaluable. Seek online communities, join local homeschooling groups or participate in co-op classes.
- Prioritize mental health: Operating on full throttle in your career and your child's schooling is taxing. Schedule time to exercise, do something you love or enjoy a hot bath. A well-rested, happy parent is the driving force behind homeschooling success.

Beyond the books

While academics are important, tap into the unique advantages of homeschooling. Use work experience to integrate real-world applications into lessons. Take field trips, visit museum, and volunteer. By making learning an enriching, hands-on experience, the journey and memories go well beyond textbooks and online lessons.

For families who embrace the challenge of overcoming the hurdles of this balancing act, the joys of fostering a deep connection with their children, tailoring education to individual needs, and witnessing the magic of independent learning firsthand can be worth it. And you'll have many priceless memories to show for your dedication.

Next Steps

- Maximize flexibility in your every day as you consider this journey for your family.
- When you're not working, practice being present with your child when you're in their presence.
- Foster a sense of independence by helping your child help themselves.

Sources: <https://smartasset.com/investing/types-of-investment>, <https://www.investopedia.com/terms/i/investing.asp>, <https://www.finra.org/investors/investing/investing-basics>

Quote of the Month: "That men do not learn very much from the lessons of history is the most important of all the lessons from history." - Aldous Huxley

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Planning - <https://www.raymondjames.com/commentary-and-insights/estate-giving/2025/04/10/charitably-minded-investors-can-satisfy-rmds-with-qcds>

Life & Leisure - <https://www.raymondjames.com/commentary-and-insights/family-life-events/2025/03/28/can-homeschooling-and-a-full-time-job-co-exist>

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Keep in mind that indexes are unmanaged, and individuals cannot invest directly in any index. Index performance does not include transaction costs or other fees, which will affect the actual investment performance. Individual investor results will vary. Gross Domestic Product (GDP) is the annual market value of all goods and services produced domestically by the US. The Consumer Price Index (CPI) is a measure of the average change in consumer prices over time of goods and services purchased by households; it is determined monthly by the U.S. Bureau of Labor Statistics.

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Investing in commodities is generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

RMD's are generally subject to federal income tax and may be subject to state taxes. Consult your tax advisor to assess your situation. Unless certain criteria are met, Roth IRA owners must be 59 ½ or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount may be subject to its own five-year holding period. Converting a traditional IRA into a Roth IRA has tax implications. Investors should consult a tax advisor before deciding to do a conversion.