

QUARTERLY NEWSLETTER

FIRST QUARTER 2025

In this Q1 newsletter, we review the markets, updated plan contribution limits for 2025 and tax deadlines in the new year.

Year-to-Date Asset Class Returns (1/1/2024 through 12/31/2024)

Equity Indices	Asset Class	4th Quarter	2024
S&P 500 Index	U.S. Large Capitalization	2.41%	25.02%
S&P MidCap 400 Index	U.S. Medium Capitalization	.34%	13.93%
S&P SmallCap 600 Index	U.S. Small Capitalization	-.58%	8.7%
Russell 3000 Index	U.S. Equity	2.63%	23.71%
MSCI Europe, Asia & Far East	International - Developed	-8.11%	3.82%
MSCI Emerging Markets	International - Emerging	-8.01%	7.50%
Fixed Income Indices			
Bloomberg US Agg Float Adj. Index	U.S. Bond Market	-2.99%	1.33%
Current Yields			Yield
Treasury 1 Year	U.S. Treasury		4.16%
Treasury 5 Year	U.S. Treasury		4.38%
Treasury 10 Year	U.S. Treasury		4.58%

2024 in Review

Capital Markets Update

In the 4th Quarter of 2024, financial markets exhibited varied performance across different asset classes and geographies. Including the United States, eleven other developed countries held national elections and in ten of them, the incumbent party was ousted from office. With new administrations coming onboard in 2025, the uncertainty increased market volatility – markedly so in the international developed markets and the emerging markets.

The international laggards – developed and emerging markets – were impacted by factors such as a strong U.S. dollar, economic growth challenges and concerns over

U.S. policy. Despite both asset classes decreasing roughly 8% in the 4th quarter, they ended the year positive with international developed up 3.82% and emerging markets up 7.50%.

Consistent with recent years, U.S. Domestic equities led the way. The S&P 500 had a total return of 25.02%, while the Russell 3000 returned 23.71%. For the S&P 500, this marked the best two-year performance for the index since the late 1990s, driven by a healthy economy, declining inflation, and advancements in artificial intelligence boosting major tech stocks.

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The bond market experienced volatility, with the 10-year Treasury yield rising to 4.6% by year-end. This increase was influenced by resilient U.S. economic growth and persistent inflation trends, leading to price declines in longer-term bonds. Corporate bond yields remained relatively flat, reflecting tighter spreads.

As we make way into 2025, we can use historical cycles of post-election years to surmise what might come. Going back to 1984, we had two recessions (2000 & 2008),

however in 9 of the 10 (including 2008-2009), the S&P 500 was markedly positive in the 12 months after the election. As we have stated in previous newsletters, the attributable markers for positive returns rely more on corporate earnings growth, low unemployment, and low inflation.

Above all, Trio Wealth reiterates our mantra to participate broadly in the markets investing according to your long-term goals and risk tolerance. Let your Financial Life Plan be your investment compass.

New Year, New Plan Contribution Limits

The new year brings new plan contribution limits. If you are maxing your plans, please adjust salary contributions accordingly.

Type of Plan	Contribution Limit
401k, 403(b), 457 Plans	\$23,500, with \$7,500 catch-up if age 50+
New 401k Rule – Extra Catch-Up	\$11,250 (Ages 60-63)
Health Savings Account	\$8,550 (family), \$4,300 (indiv), \$1,000 catch-up if age 50+
SEP IRA	25% of Comp, up to \$70,000
Simple IRA	\$16,500, with \$3,500 catch-up 50+, \$5,250 catch-up (60-63); limits increase if employer is eligible for 10% increase rule
Traditional and Roth IRA	\$7,000 with \$1,000 catch-up if age 50+

Tax Time Approaches

April 15th is right around the corner. Below are important 2025 Tax Deadlines:

- » **January 15, 2025:** Final estimated tax payment for 2024 due.
- » **April 15, 2025:**
 - Filing deadline for 2024 taxes. Also, the first estimated tax payment for 2025 is due.
 - Deadline to make IRA, Roth IRA and Solo 401k employer contributions for 2024.
- » **June 16:** Second estimated tax payment for 2025 due.
- » **September 15:** Third estimated tax payment for 2025 due.
- » **October 15:** Extended deadline to file 2024 tax return (and make your SEP IRA contribution for 2024 if your tax filing was extended).

Fidelity and Charles Schwab will begin issuing tax documents in January and for some accounts will continue issuing corrected tax documents through April. **If you would like us to provide your tax documents directly to your CPA, please let us know and we will send you the Information Sharing Authorization Form for your signature via DocuSign.**

Until next time....

Trio Wealth hopes everyone enjoyed a wonderful holiday season! We look forward to building from the strong foundation set in 2024 to support your financial life needs. We consider it a privilege to help you, your family and friends gain financial Clarity, Confidence and Control.

Trio Wealth Management

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