

QUARTERLY NEWSLETTER

FOURTH QUARTER 2024

In this Q4 newsletter, we review the markets, the Federal Reserve's rate cut, and the Corporate Transparency Act (CTA). If you or anyone you know has a business entity, even if it is just an LLC to hold rental property, please read the below section on the Corporate Transparency Act.

Year-to-Date Asset Class Returns (1/1/2024 through 09/30/2024)

Equity Indices	Asset Class	3rd Quarter	Year-To-Date
S&P 500 Index	U.S. Large Capitalization	5.89%	22.08%
S&P MidCap 400 Index	U.S. Medium Capitalization	6.94%	13.54%
S&P SmallCap 600 Index	U.S. Small Capitalization	10.13%	9.33%
Russell 3000 Index	U.S. Equity	6.23%	20.63%
MSCI Europe, Asia & Far East	International - Developed	7.33%	13.50%
MSCI Emerging Markets	International - Emerging	8.88%	17.24%
Fixed Income Indices			
Bloomberg US Agg Float Adj. Index	U.S. Bond Market	5.20%	4.57%
Current Yields		Yield	
Treasury 1 Year	U.S. Treasury	3.98%	
Treasury 5 Year	U.S. Treasury	3.58%	
Treasury 10 Year	U.S. Treasury	3.81%	

Year-to-Date in Review

Capital Markets Update

The Federal Reserve met last month and decided to begin easing monetary policy by lowering interest rates by .50% (50 bps). The Fed's directional shift in policy is likely to support growth and bring stability to a slowing job market. Many market prognosticators believe this is going to extend the current market cycle. Looking in the rear-view mirror, going back to 1973, there have been thirteen calendar years in which the Fed engaged in monetary easing (reducing interest rates). In those instances, the S&P 500 was up almost 5% on average in the one year after and had a positive return nearly 70% of the time.

While September was off to a rocky start, in the 3rd quarter, all equity asset classes posted positive gains, and the S&P 500 is leading the way with a 22.08% year-to-date gain.

Upcoming Presidential Election

We addressed our view on portfolio positioning for the upcoming election in our Q3 newsletter. [Please click here to review.](#) In short, we recommend staying invested in the asset allocation appropriate for your risk tolerance and goals. We are always happy to connect with you to discuss this further.

Corporate Transparency Act (CTA)

*This act is broadly written and may apply to you or someone you know. The deadline is approaching and the financial penalties for not filing are severe. Trio Wealth strongly encourages those with business entities to consult their attorneys and accountants. The below high-level summary is not legal advice, but an attempt to notify those who may be impacted.

The Corporate Transparency Act (CTA) was enacted on January 1, 2021, to combat financial crimes like money laundering, terrorism financing, and tax evasion. It requires certain businesses to report key details about their ownership structure to the Financial Crimes Enforcement Network (FinCEN) to increase transparency and accountability. The reporting requirements took effect January 1, 2024.

Who is impacted by the CTA?

- » Corporations, LLCs, and other similar entities formed or registered in the United States.
- » Beneficial owners who own at least 25% or exercise substantial control over the reporting company are subject to filing requirements.
- » Exempt entities: Sole proprietorships, some general partnerships, many charities, larger companies meeting certain metrics, and regulated companies like banks, publicly traded companies, and other specified entities.

Key Deadlines

- » Entities in existence prior to 1/1/2024, must file and report their beneficial ownership information by January 1, 2025.
- » Any business entity created between 1/1/2024 and 1/1/2025 must file their beneficial ownership information with FinCEN within 90 days of formation.
- » Any business entity created after 1/1/2025 must file their beneficial ownership information with FinCEN within 30 days of formation.
- » A business entity that ceased to exist after 1/1/2024 must still file by the applicable deadline.
- » Ongoing Updates: After initial compliance, businesses must update FinCEN within 30 days of any change in their beneficial ownership structure.

Penalties for not filing

- » A civil penalty of up to \$500 per day of non-compliance.
- » In cases of willful violation, potential criminal penalties including fines and imprisonment for up to two years.

The CTA casts a wide net and it is estimated that 32 million entities will have to file. Recent data shows only 1% of required companies have filed.

Until next time....

Trio Wealth will celebrate its one-year anniversary in November! We are incredibly grateful to our wonderful clients. Your trust and loyalty inspire us to continually strive for excellence in everything we do. We consider it a privilege to help you, your family and friends gain financial Clarity, Confidence and Control.

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