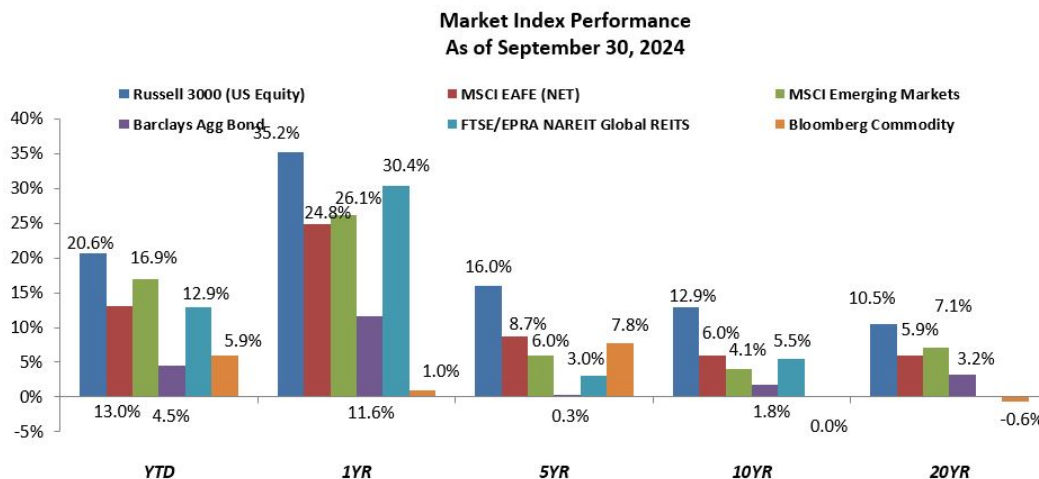


Your Journey Towards Financial Independence Begins Here

4Q 2024 - GWM Quarterly Letter

The economic and market landscape in 2024 has been characterized by an emphasis on economic indicators combined with Fed policy, on-going concerns around geopolitical tensions (and potential for elevation), and the backdrop of an upcoming US Presidential election. As far as the economy goes, the consensus among experts remains that a soft landing is the most likely path. Key dynamics driving the soft landing outlook include: declining inflation, a cooling labor market, and softening wages. Of particular recent importance was the Fed cutting its target rate by 50 basis points in September, signaling the beginning of a new monetary easing cycle, with additional cuts expected before year-end and through 2025. It is important to note that all messaging from the Fed indicates, the intention to ease before clear signs of economic stress arise. The start of the cutting cycle does point to slowing growth, but the economy appears stable and recessionary fears remain low.

Assessing market returns year-to-date (YTD), the Russell 3000 (US Stocks) is up 20.6%, MSCI EAFE (Developed Non-US Stocks) is up 13.0%, and investment-grade bonds are up 4.5% – as markets navigate the path of future rate cuts. Below is a snapshot of market returns across multiple asset classes and time periods:



Interestingly, our firm sent out a market update in October of 2023 speaking to the importance of staying the course amidst a challenged economic environment coming out of the most aggressive rate hiking cycle in US history. A focus of that market update was a graphic that conveyed the historically positive returns in both stocks and bonds following the final Fed hike of a rate hiking cycle. Since that time the S&P 500 (US Stocks) is up greater than 30% in the last year, the MSCI EAFE (Developed Non-US Stocks) is up over 25%, and the Barclays Aggregate Bond Index (US Bonds) is up over 10%. While there are no guarantees in investing, it is reassuring to see research-based trends, in which our advice is founded, come to fruition after staying disciplined during a challenged market. Clients continue to be rewarded with positive outcomes in maintaining a long-term strategic approach to investing.

Looking forward at the balance of 2024 and into 2025, financial conditions will continue to impact the resilience of the economy and job market, driving the path of Fed policy and a fiscal environment that would be expected to slow economic activity. All against a backdrop of exogenous factors sure to grab headlines and drive sentiment with the coming election season in the US and geopolitical tensions around the globe.

The Upcoming U.S. Election Season

Of specific focus for our team and clients will be the 2024 US election cycle. Presidential elections can be a challenging event to consider rationally as an investor because it challenges us in emotional and

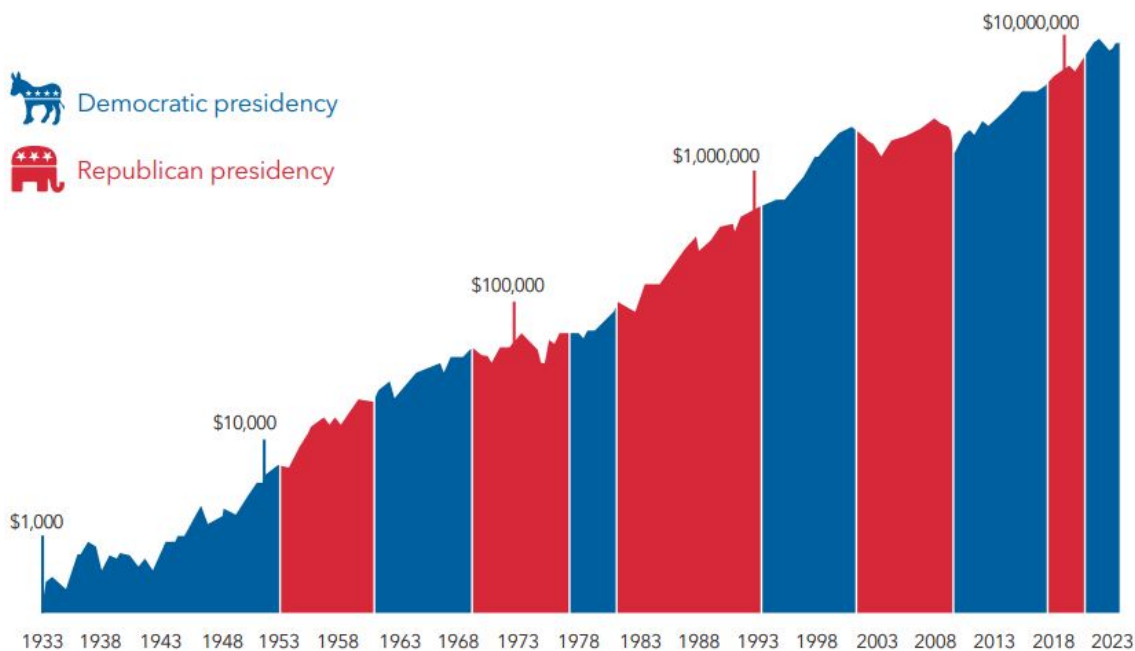
psychological ways that are unparalleled by many other events. In a landscape that is glaringly partisan and divisive, it is important to keep a clear head in making financial decisions. The short-sightedness of emotionally driven decisions is the greatest risk to making investment decisions that don't align with your long-term strategic goals or planning.

Knowing the challenges that our clients have to overcome in "tuning out the noise," we take great responsibility in providing sound guidance with the big picture in mind. An important tenet of our philosophy is to make sure clients are prepared for volatility and that is especially true during election season.

Big picture, it is important to recognize that the result of the presidential election has a historically lower impact on the economy than most people or president's themselves would be led to believe. With the benefit of history to use as a guidepost, it is easier to consider the long-term impacts of a certain election result. Historically speaking, election outcomes have made essentially no difference for investment returns over time. Consider the 2 charts below which provide a clear illustration of the way markets have performed under different administrations since 1933:

Markets have trended higher regardless of which party wins the election - Over the last 90 years there have been eight Democratic and seven Republican presidents, and the general direction of the market has always been up. Staying invested matters a lot more to investors than election results.

Growth of a hypothetical US\$1,000 investment in S&P 500 Index



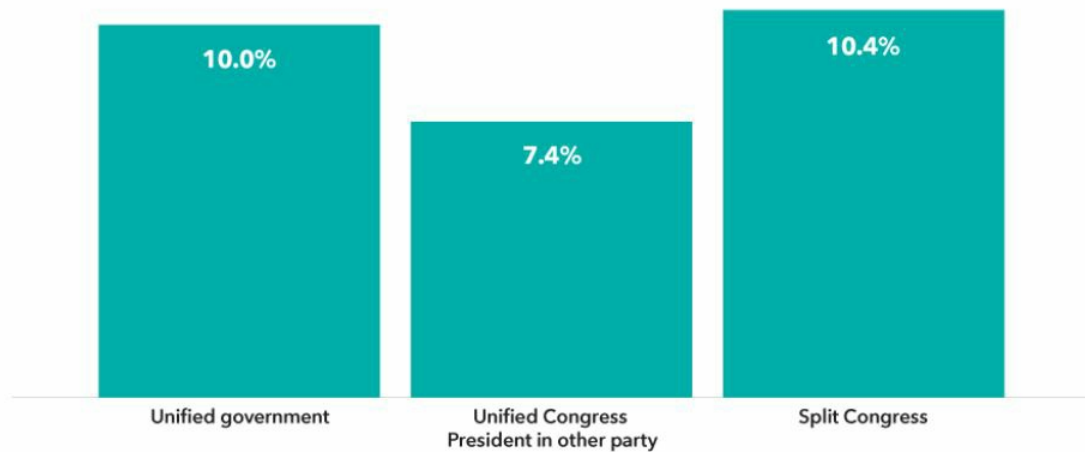
Past results are not a guarantee of future results.

Chart shows the growth of a hypothetical US\$1,000 investment made on 4 March 1933 (the date of Franklin D. Roosevelt's first inauguration) through 30 June 2023. Dates of party control are based on inauguration dates. Values are based on total returns in USD. Shown on a logarithmic scale. Sources: Capital Group, RIM ES, Standard & Poor's.

Gridlock or sweep?

Markets have gone up either way - History shows that stocks have done well regardless of the makeup of Washington. Since 1933, there have been 42 years where one party has controlled the White House and both chambers of Congress at the same time. During such periods, stocks have averaged double-digit returns. This is nearly identical to the average gains in years when Congress was split between the two parties. Historically, the "least good" outcome has been when Congress is controlled by the opposite party of the president, but even this scenario notched a solid 7.4% average return.

S&P 500 Index average annual return (1933-2019)



Sources: Capital Group, Strategas. As of 12/31/19. Unified government indicates White House, House and Senate are controlled by the same political party. Unified Congress indicates House and Senate are controlled by the same party, but the White House is controlled by a different party. Split Congress indicates House and Senate are controlled by different parties, regardless of the White House control.

“...the bottom line is that investors should avoid market timing around politics. As is often the case with investing, the key is to put aside short-term noise and focus on long-term goals.” – Capital Group

Guide to Investing in an Election Year

What it Means for Investors?

At the end of the day, we are moving into an election that is sure to be contentious. From the polarizing political landscape to the real-world implications of on-going events globally and domestically, the outcome will be incredibly important from a leadership perspective. However, history suggests that long-term trends will prevail in the economy and markets given enough time, regardless of political leadership. We recommend that clients keep their long-term goals as the barometer for guiding decisions and staying disciplined to long-term strategies. Our 3 important considerations for clients at this inflection point are:

Re-Affirm Strategic Allocation – We work hard to assure all clients are invested in a way that aligns with long-term goals and personal risk tolerances. It is always advantageous to revisit and reaffirm long-term allocations while markets are stable and near all-time highs. Let us know if a conversation around investment allocation and risk tolerance makes sense.

Identify Short-Term Needs – The uncertainty in our world in the near-term makes it important that a good strategy is in place for major financial needs. With markets near all-time highs, it is an opportune time to plan for non-ordinary expenses within the next few years that might include: down payments, housework, major trips, major purchases, gifting, etc. Our advisory team is prepared to strategize around material needs that would benefit from a proactive plan to avoid market timing risks.

Personal Finances – Certain election results could have a major impact for households in varying ways. Once the outcome is known and potential policy changes come to light, it is an important time assess what they mean to you. Most importantly, with Democratic leadership there is potential for major changes on estate and tax policy for high-net-worth families and high earners. We will have more clarity on this in due time, but it will be important to work with our team and other service providers to pro-actively assess how any policy changes could impact your financial picture.

It is always important to maintain focus on the things in life you can control and know that uncertainty is assured. Preparing for election season and the outcome of voting is no different. History tells us that elections are polarizing events that can stoke our emotions but are less meaningful over time in driving the direction of the economy and markets.

We are encouraged that clients have been able to stay on-track amidst a year of uncertainty. Please never hesitate to let us know how we can support you during this time and be the best partner we can in achieving your most meaningful goals. As always, we will be in touch as we continue to navigate the everchanging landscape of the world and how it might impact our clients.



1301 Fifth Avenue, Suite 3410
Seattle, WA 98101
Phone 206-623-2200

Get In Touch

Matt Lowe, CFA, CFP®
Managing Director

This newsletter contains general information that is not suitable for everyone. The information contained herein should not be construed as personalized investment advice. Past performance is no guarantee of future results. There is no guarantee that the views and opinions expressed in this newsletter will come to pass. Investing in the stock market involves gains and losses and may not be suitable for all investors. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security. We are neither your attorneys nor your accountants and no portion of this material should be interpreted by you as legal, accounting or tax advice. We recommend that you seek the advice of a qualified attorney and accountant.

Greene Wealth Management ("GWM") is an SEC registered investment adviser with its principal place of business in the State of Washington. GWM and its representatives are in compliance with the current registration and notice filing requirements imposed upon registered investment advisers by those states in which GWM maintains clients. GWM may only transact business in those states in which it is registered/notice filed or qualifies for an exemption or exclusion from registration/notice filing requirements. This newsletter is limited to the dissemination of general information pertaining to its investment advisory services. Any subsequent, direct communication by GWM with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For information pertaining to the registration status of GWM, please contact GWM or refer to the Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov).

The information set forth herein has been obtained or derived from sources believed by GWM to be reliable. However, GWM does not make any representation or warranty, express or implied, as to the information's accuracy or completeness, nor does GWM recommend that the information set forth herein serve as the basis of any investment decision. No portion of this writing is to be interpreted as a testimonial or endorsement of GWM's investment advisory services and it is not known whether the clients referenced approve of GWM or its services.

Indices are unmanaged. Any reference to a market index is included for illustrative purposes only as it is not possible to directly invest in an index. The figures for each index reflect the reinvestment of dividends, as applicable, but do not reflect the deduction of any fees or expenses, or the deduction of an investment management fee, the incurrence of which would reduce returns. It should not be assumed that your account performance or the volatility of any securities held in your account will correspond directly to any comparative benchmark index. Bonds and fixed income investing involves interest rate risk. When interest rates rise, bond prices generally fall.

For additional information about GWM, including fees and services, send for our disclosure statement as set forth on Form ADV from GWM using the contact information herein. Please read the disclosure statement carefully before you invest or send money.

Greene Wealth Management, LLC | 1301 Fifth Ave, Suite 3410 | Seattle, WA 98101 US

[Unsubscribe](#) | [Update Profile](#) | [Constant Contact Data Notice](#)



Try email marketing for free today!