

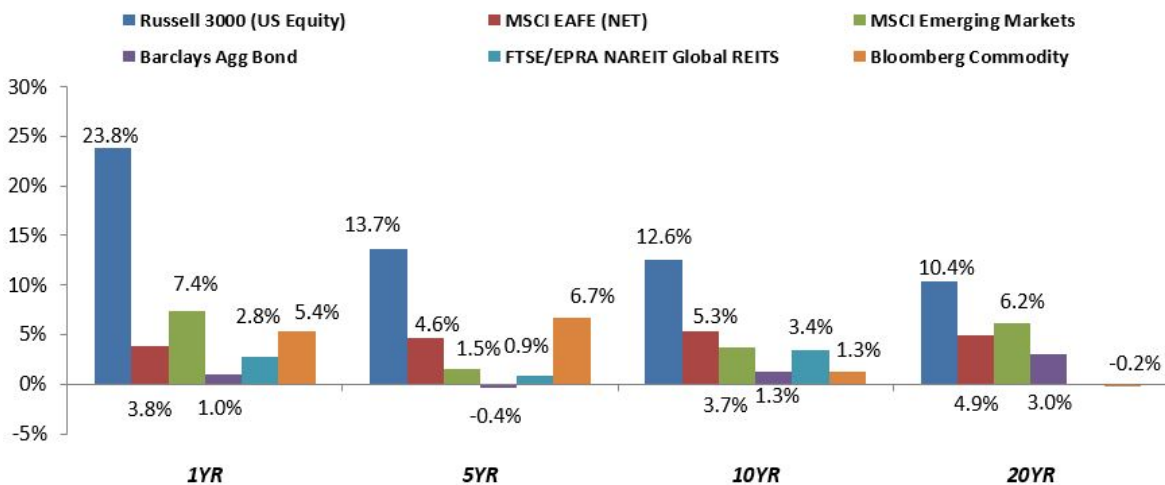
Your Journey Towards Financial Independence Begins Here

1Q 2025 - GWM Quarterly Letter

Reflecting on 2024, the investment landscape delivered a dynamic year shaped by evolving market conditions, geopolitical tensions/events across the globe, and a contentious election year in the United States. Markets navigated a mix of challenges and optimism, with inflationary pressures moderating over the course of the year, central banks adjusting monetary policies, and economic activity stabilizing across key sectors. Despite moments of volatility, diversified portfolios and strategies generally benefitted from positive trends across equity and fixed income markets.

Assessing market returns for the year, US equity markets enjoyed a banner year with other primary equity markets and bonds up moderately. For the 2024 calendar year, the Russell 3000 (US Stocks) was up 23.8%, MSCI EAFE (Developed Non-US Stocks) was up 3.8%, and investment-grade bonds were up slightly 1.0% - as markets navigate the path of rates. Below is a snapshot of market returns across multiple asset classes and time periods:

Market Index Performance As of December 31, 2024



The economic environment remains strong at the outset of the new year, but uncertainty abounds with key issues at hand both domestically and abroad, as Trump begins his second term in the White House. Investors will be closely monitoring the administration's approach to fiscal policy, trade relations, and regulatory reforms. At the outset of 2025 we have already seen markets responding to potential tax changes, the Fed's path for monetary policy, and shifts to come in foreign policy. The current backdrop underscores the importance of focusing on long-term fundamentals in an environment of heightened unpredictability.

Our team anticipates a quickly evolving landscape for 2025, consider some of the key market and economic considerations we are tracking closely in the new year:

- Interest Rate Dynamics and the On-going Inflation Battle** - Recently, Treasury yields have moved back closer to multi-year highs - this has largely been driven by the assumption that pro-growth initiatives of the Trump administration might lead to sticky/higher inflation and wider budget deficits. Recent activity in the rates markets combined with future policy predictions has caused many economists to reduce their forecasts of both the number/size of future rate cuts (and has increased the chance of rate increases in the future). The dynamic and evolving landscape of rates and the inflation outlook will continue to be front and center in driving the direction of the economy.

- **Trump Administration 2.0** - Priorities at the outset of the new Trump administration include broadening tariffs on global trade partners, tax cuts, and curbing of immigration. Many economists that our firm respects have a consensus outlook that policy shifts in action will be more modest than the Trump campaign would have suggested during his campaign. The impact of policy shifts on the economy/markets is anticipated to be moderate in nature, but more extreme policy shifts remain a tail risk.
- **Global Trade Realignment** - The most impactful theme impacting trade globally and the interaction between world economies will be driven by tariffs carried out by the United States. Higher tariffs by the US would require America's trading partners, particularly China, to make significant adjustments. The expectation is that the trade relationship between the US and China will be most impacted by tariffs, there will be both direct and indirect impacts across the eurozone, and Emerging Markets will individually be impacted with associated risks from currency impact and debt levels. Trade wars of any degree could reduce economic growth targets in the US and abroad.
- **Geopolitical Tensions** - Geopolitical conflict only increased throughout 2024 with no notable progress in the war between Russia and Ukraine, and extremely elevated conflict across the entire Middle East. These conflicts underscore the interconnectedness of global markets and economies and will be a prevailing risk as long as conflict is significant. There is notable economic tension globally as well with heightened uncertainties around international trade and evolving diplomatic relationships. Global relationships politically and economically will remain at the forefront for 2025.
- **Technological Advancements and Opportunities** - Economists continue to see technological innovation and specifically the Artificial Intelligence (AI) cycle as an important driver across markets. Similar to the decade previous with the Golden Age of technological stocks, opportunity abounds but markets are priced with premium valuations in the tech sector that will have to be justified by performance and monetization. It is rare that the market leaders of the previous decade continue this leadership through the following decade, but the tailwind behind technology and AI remains considerable.

The key events and themes driving markets today will certainly evolve over the course of the year. New opportunities and concerns will present themselves as the year develops. With that in mind it is always important to maintain focus on the things in life you can control and know that uncertainty is assured. Preparing for a year of change with considerable unpredictability is no different.

We are encouraged that clients continue to stay on track for long-term objectives. 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.

Wishing everyone a Happy New Year and the best of health and happiness in 2025!



Matt Lowe, CFA, CFP®
Managing Director

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

[Get In Touch](#)

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!