

Where did the year go? 2024 was a year of resilience and complexity, shaped by economic challenges, political developments, and global geopolitical tensions. Markets faced headwinds from elevated interest rates, fluctuating inflation, and shifting international dynamics, contributing to periods of volatility. However, stabilization emerged as corporate earnings grew, key sectors advanced, and central banks took a measured approach to monetary policy. For investors, the year underscored the importance of maintaining a long-term perspective, with strategic diversification, disciplined decision-making and careful rebalancing proving essential in navigating uncertainty and capitalizing on opportunities.

As always, we want to express our gratitude for your trust and partnership. Your confidence in our team drives everything we do, and we remain committed to helping you achieve your goals. Thank you for choosing us to be part of your journey.

## **HT Partners LLC Appoints Devin C. Bourque as Member**

Essex, CT – HT Partners LLC is pleased to announce the appointment of Devin C. Bourque as a Member of the Firm. This milestone highlights the firm’s commitment to strengthen our leadership for the future, ensuring our clients will continue to receive exceptional service while ensuring the long-term sustainability of the firm.

Devin joins the leadership team of Christopher J. Koehm, CPA and Peter J. Decker, bringing a wealth of expertise in wealth management and a dedication to client success. His appointment reinforces HT Partners mission of delivering personalized, forward-thinking financial solutions to ultra-high-net-worth clients and families.

HT Partners LLC is excited to start this chapter with Devin as we continue to serve our clients in the years to come.

## The 2024 Tax Season Has Begun Action Items to Prepare your 2024 Tax Returns

- Did your driver's license change In 2024? If so, please provide a copy with the new issue and expiration dates.
- Did you purchase, sell, or transact in any virtual/cryptocurrencies during 2024? Please provide a list of any sales and when you bought the virtual/crypto/NFT issues. Also, do not forget to list all non-HT Partners accounts and provide year-end statements.
- Please submit all forms received from external sources of income: Forms 1099 INT, DIV, Form 1099R, Form 1099SSA, Form 1098 mortgage interest paid, W2's. HT Partners can submit directly to your tax provider any K'1s or tax documents received from Charles Schwab accounts, provided that you have authorized HT Partners to make such disclosures.
- Did you sell any collectibles in 2024?
- Please supply a summary, including receipts or canceled checks for substantial medical expenses incurred during 2024. The list of allowable deductions is long. Some of the more common medical expenses are: (insurance premiums, prescriptions, medical providers)
- Provide a life of charitable contributions paid to qualified 501(c3) charitable organizations. This can include cash, checks, securities, collectibles, and household items.
- Taxes paid to state and local authorities are limited to \$10,000.00 for 2024. Please provide a listing of state and local taxes.
- Provide a list of all Federal, State, and local tax estimates paid in 2024.
- Provide a list of all gifts not processed by HT Partners. If you made gifts from your personal account, please notify us.
- If your family expanded during 2024 through birth or adoption, please provide the full name, date of birth, and social security number of the newest family member. If you were married in 2024, please provide us with the full name, date of birth, and social security number of your spouse.

**Asset Class Returns**

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sm Cap 38.8%	REIT 28.0%	REIT 2.83%	HY Bond 17.49%	EM 37.28%	Cash 1.82%	Lg Cap 31.49%	Wil 5000 20.82%	REIT 41.30%	Cash 1.52%	Lg Cap 26.29%	Lg Cap 25.02%
Wil 5000 33.1%	Lg Cap 13.7%	Lg Cap 1.38%	EM 16.02%	Int'l Stk 25.03%	HG Bond 0.01%	Wil 5000 31.02%	Sm Cap 19.96%	Lg Cap 28.71%	HY Bond -11.22%	Wil 5000 26.14%	Wil 5000 23.76%
Lg Cap 32.4%	Wil 5000 12.7%	Wil 5000 0.7%	Wil 5000 13.37%	Lg Cap 21.83%	HY Bond -2.26%	REIT 28.66%	Lg Cap 18.40%	Wil 5000 26.70%	HG Bond -13.01%	Int'l Stk 18.24%	Sm Cap 11.54%
Int'l Stk 23.3%	HG Bond 6.0%	HG Bond 0.55%	Lg Cap 11.96%	Wil 5000 20.99%	REIT -4.04%	Sm Cap 25.52%	EM 18.31%	Sm Cap 14.82%	Int'l Stk -14.45%	Sm Cap 16.93%	HY Bond 8.20%
HY Bond 7.4%	Sm Cap 4.9%	Cash 0.1%	Sm Cap 11.32%	Sm Cap 14.65%	Lg Cap -4.38%	Int'l Stk 22.01%	Int'l Stk 7.82%	Int'l Stk 11.26%	Lg Cap -18.11%	HY Bond 13.46%	EM 7.50%
REIT 2.9%	HY Bond 2.5%	Int'l Stk -0.8%	REIT 8.63%	REIT 8.67%	Wil 5000 -5.27%	EM 18.42%	HG Bond 7.51%	HY Bond 5.36%	Wil 5000 -19.04%	REIT 11.36%	Cash 5.32%
Cash 0.1%	Cash 0.0%	Sm Cap -4.4%	HG Bond 2.65%	HY Bond 7.48%	Sm Cap -11.01%	HY Bond 14.41	HY Bond 6.17%	Cash 0.04%	EM -20.09%	EM 9.83%	REIT 4.92%
HG Bond -2.0%	EM -1.8%	HY Bond -4.6%	Int'l Stk 1.00%	HG Bond 3.54%	Int'l Stk -13.79%	HG Bond 8.72%	Cash 0.54%	HG Bond -1.54%	Sm Cap -20.44%	HG Bond 5.53%	Int'l Stk 3.82%
EM -2.3%	Int'l Stk -4.5%	EM -14.9%	Cash 0.33%	Cash 0.82%	EM -14.58%	Cash 2.21%	REIT -5.12%	EM -2.54%	REIT -24.95%	Cash 5.14%	HG Bond 1.25%

## **Equities**

- The U.S. presidential election results boosted equities to end the year on a high. As the euphoria wears off, 2025 will provide a fresh set of challenges as U.S. equities face high market valuations, mega-cap dominance, and a new political agenda.
- Europe continues to face slow growth challenges. Germany is struggling with a stagnating economy and high energy costs. In contrast, France is facing rising bond yields. Tariff threats from the U.S. could dampen growth further in the region. All the negativity does provide a potential positive for investors, cheap equity valuations, and future European Central Bank easing to support GDP growth.
- China continues to struggle with deflation and weak consumer demand. The possibility of additional tariffs could be a further drag on growth. Once again, equity valuations are considered cheap relative to the U.S.

## **Bonds**

- The United States is expected to continue to reduce rates during 2025 by 125-150 basis points. This would remain in line with the Fed's target rate of 3%.
- Municipal bonds will continue to remain highly in demand as balance sheets continue to improve and rates remain higher.
- Global credit in 2025 is projected to outpace U.S. performance due to larger credit spreads.

## The Magnificent 7

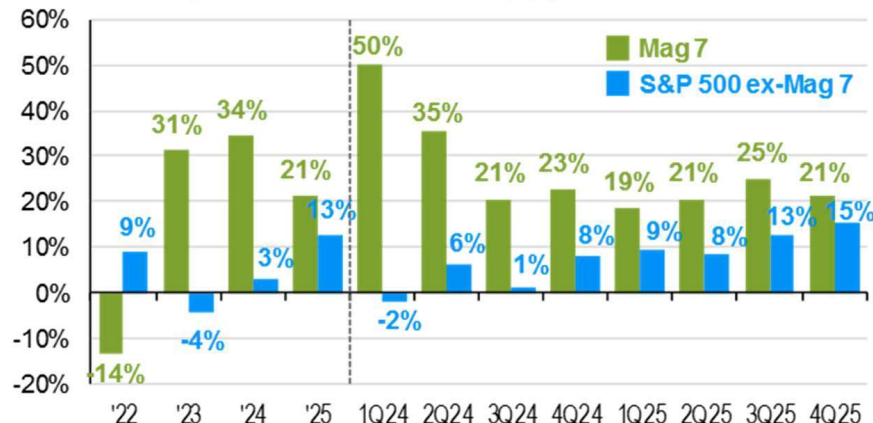
### Performance of “Magnificent 7” stocks in S&P 500\*

Indexed to 100 on 1/1/2021, price return



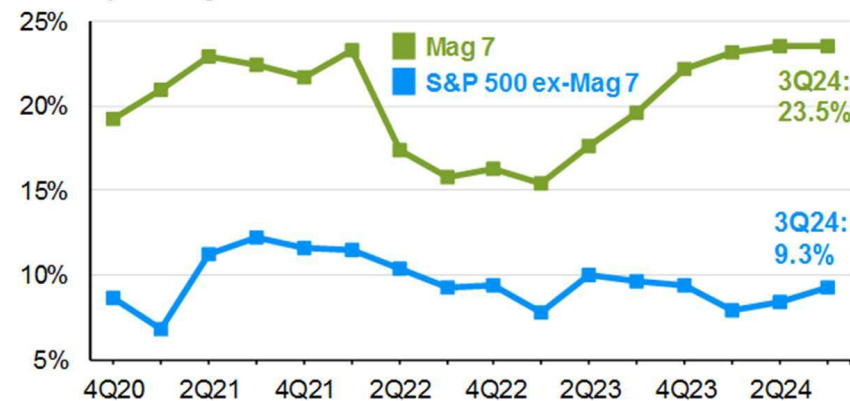
### Earnings growth

Pro forma EPS, estimates 4Q24 onwards, y/y



### Profit margins

Quarterly earnings/sales



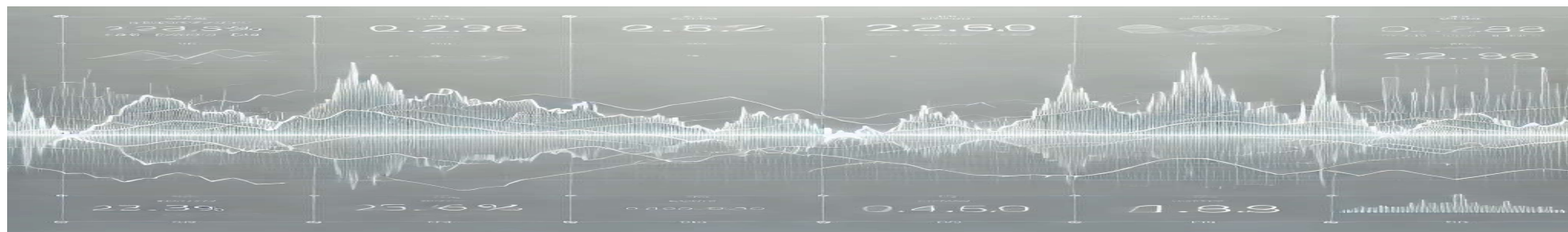
The Magnificent 7 has driven most of the stock market returns in 2022-2024. Magnificent 7 includes AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA and TSLA.

Source: Guide to the Markets – U.S. Data are as of December 31, 2024.

## Spread Between 10-Year & 3-Month Treasury Bonds



An inverted yield curve has typically been a reliable economic indicator for an upcoming recession. However, a recession usually arrives after the spread moves back to positive territory.



## **Our Investment Theme for 2025**

**Time in the market beats timing the market – always has, always will**

“Successful investing is not about avoiding volatility but understanding it, staying disciplined, and focusing on long-term goals.”

1. **Understanding Volatility:** Markets naturally fluctuate, and downturns are a normal part of the investment journey.
2. **Staying Disciplined:** Decisions driven by fear or greed may lead to underperformance. Sticking to a well-designed plan is critical.
3. **Focusing on the Long Term:** Over time, markets have historically rewarded patience and consistency, even after significant downturns. While no one can predict the future, opportunities often arise when thoughtful decisions are guided by objective analysis and historical evidence.