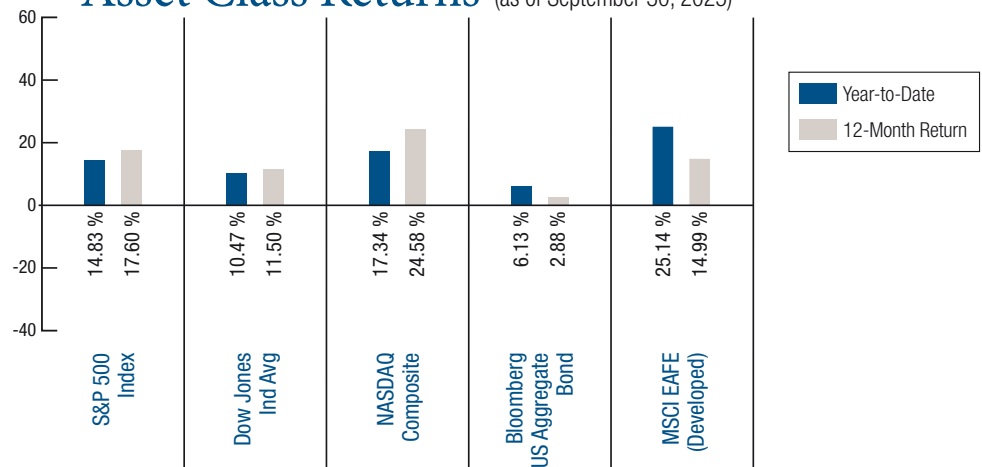




“If you aren’t willing to own a stock for 10 years, don’t even think about owning it for 10 minutes.”

— Warren Buffett

Asset Class Returns (as of September 30, 2025)



Source: Morningstar



MARKET/ECONOMIC SYNOPSIS

Terry Wiles, CRPC®, AWMA®

Wealth Advisor, RJFS

Founder, Stonegate Financial

NAVIGATING RISK IN TODAY’S INVESTMENT ENVIRONMENT

Hoping everyone has had a wonderful summer and that you have been enjoying some beautiful fall weather. Personally, I am writing this pre-right knee replacement surgery and hoping when you read this, I am on the mend and off the meds 😊.

The markets have been extremely friendly to us year-to-date, with the DOW, NASDAQ, and S&P 500 setting record highs as of Friday, September 19th. Anytime the market surges unexpectedly to these levels, one must be vigilant with their investment process. It appears AI stocks are having a major impact on the markets and causing frothy valuations.

HERE ARE A FEW THINGS WE ARE WATCHING CLOSELY:

Is the Federal Reserve Behind in Making Rate Cuts?

The Federal Reserve just cut rates one-quarter of a percentage point from 4.25% to 4.0%. This move reflects growing concern over a cooling job market, even though inflation has remained above the Fed’s target rate of 2% annually. Fed Chair Jerome Powell has described this cut as a “risk-management cut” because of the increase in unemployment.

We will probably see additional rate cuts before year-end. Lower rates are typically good for stocks, but after the

run-up we’ve had in the last few years, now is not a time to be exuberant.

Can the Housing Market Continue to Boom? Due to lower consumer demand and still-high mortgage rates, we are seeing home prices decline and inventories rise nationally. Locally, we’ve seen homes staying on the market much longer, and most homes are selling below asking price. This is a far cry from where we stood 12-18 months ago when buyers were having bidding wars and homes were selling within a few days. Mortgage rates have come down slightly, so maybe we’ll see a small reversal as buyers that have been sitting on the sidelines may be able to pick up a home at a lower price and with a lower mortgage rate.

At All-Time Highs and Extreme Valuations, Can the Market Run Continue? Short answer: yes! But, it’s highly unlikely that we will continue to see the returns a lot of investors have been accustomed to in the last few years. These are the highest stock valuations since the late 1990’s and early 2000’s. Valuations like this add to the risk of a correction or a significant pullback.

AI has been a Harbinger for AI Related Stocks, but Could AI be Negatively Impacting the Markets? This will be the focus of our Annual Fall Event. You’ve all heard about the AI darlings like NVIDIA, Microsoft, Oracle, etc. – but there have been many more AI stocks that have been getting hammered in the market. AI stocks are adding to market volatility by enabling market manipulation, using algorithmic herd behavior, AI-powered spoofing, and disinformation campaigns. Due to these concerns, we will probably see a stricter regulatory environment moving forward.

AI will change the way we all live going forward. It will produce many benefits along with the negatives. It's my hope that AI leads us to a better future in healthcare, production, technology, and longevity.

Summary: Emotionally driven portfolio changes almost always dilute your long-term returns. Many investors want to jump into the market when they are doing well and run for the exits, instead of buy, when the market is being punished. Most of the time, it makes sense to sit tight when you have a well-designed portfolio and a solid financial plan. Short-term market swings will mean very little to your 10-year outlook. We tell clients that they should have access to 2-3 years of their portfolio withdrawal needs in cash or short-term fixed income. These short-term assets may be in bank accounts or your investment portfolio. This allows you to ride out most market downturns and focus on the future.

Please come and join us for dinner and an amazing presenter on October 23rd at 5:45pm at Prestonwood Country Club. Bring anyone that you feel may benefit from our discussion on how AI will continue to change the way we live.



FINANCIAL PLANNING CORNER

One Big Beautiful Bill – What's it Mean for Me?

Landon Mundell, CFP®
Financial Planner, RJFS

The 3rd quarter kicked off with President Trump signing into law the “One Big Beautiful Bill Act” (OBBBA). While you may be familiar with many of the bill's key provisions at this point, here we'd like to focus on what a few of them may mean for your financial plan.

Lower Tax Brackets are Here to Stay

OBBBA extends the current federal income tax rates, which were previously set to expire at the end of this year. We've rarely seen income tax rates this low in American history.

PLANNING POINTS:

- **Consider making Roth contributions (vs. pre-tax).** With lower income tax rates, tax deductions from pre-tax contributions become less valuable. By making Roth contributions, you can pay tax at today's low rates and benefit from tax-free growth and withdrawals later.

- **Consider making Roth conversions.** Similarly, now could be a good time to consider making a Roth conversion if you believe you'll be in a higher tax bracket later.
- **Evaluate capital gain “harvesting”.** For 2025, those with taxable income below \$48,350 (single filers) / \$96,700 (joint filers) are eligible for a 0% federal tax rate on long-term capital gains. For those in this range, we continually look for opportunities to “harvest” capital gains by selling positions at a gain in taxable investments accounts to increase overall cost basis and reduce lifetime taxes.

Higher Standard Deductions are Here to Stay

The 2017 Tax Cuts and Jobs Act nearly doubled the standard deduction amounts at the time. OBBBA extends the elevated standard deductions. For 2025, the standard deduction is now \$15,750 for single filers / \$31,500 for joint filers.

PLANNING POINTS:

- **Most people will continue taking the standard deduction.** In 2022 (the most recent tax filing year data is available from the IRS), over 90% of filers took the standard deduction. Many will likely continue taking the standard deduction given their increased levels (with one wrinkle – keep reading!).
- **Consider “bunching” charitable gifts.** For those with large charitable giving budgets, it can be beneficial to “bunch” several years' worth of giving into one year to maximize deductions. For example, a couple with a charitable budget of \$15,000/year would still need other deductions of \$15,000+ before exceeding the standard deduction. By bunching 3 years of giving in 2025, they could itemize deductions this year and then take the larger standard deduction in 2026 and 2027. A Donor Advised Fund is an effective way to bunch charitable gifts – if interested in discussing, please reach out to our team.

Enhanced Senior Deduction

From 2025-2028, taxpayers age 65+ are now eligible for an enhanced tax deduction of up to \$6,000 per person. This deduction is available whether you take the standard deduction or itemize deductions. The enhanced senior deduction begins to phase out once income exceeds \$75,000 (single filers) / \$150,000 (joint filers).

PLANNING POINTS:

- **Distribution planning can help preserve the senior deduction.** As we form your distribution plan, we are keeping the senior deduction in mind when deciding which accounts to use. For example, using a taxable investment account or Roth IRA for a portion of distributions (as opposed to a pre-tax IRA) can help stay below income limits for the senior deduction. We are also considering this in Roth conversion planning.
- **Qualified Charitable Distributions can help preserve the senior deduction.** Those over 70½ can make distributions to charity from their pre-tax IRAs, and these distributions are excluded from income. This is a great way to accomplish your giving goals while managing income.

State and Local Tax (SALT) Deduction Cap is Increased

From 2025-2029, the limit on SALT deductions is raised from \$10,000 to \$40,000*. The limit begins to reduce (gradually to \$10,000) once income exceeds \$500,000**. The SALT deduction is calculated by adding your property taxes + state/local income taxes or state/local sales taxes.

*\$20,000 if married filing separately

**\$250,000 if married filing separately

PLANNING POINTS:

- **You must itemize deductions to take the SALT deduction.** While most filers will still take the standard deduction, the SALT cap increase will lead to more people itemizing their deductions again.
- **Keep your property tax records** to assist in calculating your SALT deduction.

Trump Accounts Introduced as Savings Vehicle for Children

OBBBA introduces a new tax-advantaged investment account exclusively for minors – “Trump Accounts”. The contribution limit is \$5,000, and both individuals and employers can contribute. For children born from 2025-2028, the government will make a one-time contribution of \$1,000.

Trump accounts will effectively be treated as an IRA for the beneficiary. Beneficiaries can make penalty-free withdrawals for qualified expenses once age 18 (ex: higher education, first-time home purchase, starting a business) but other withdrawals prior to age 59½ will be subject to

penalties. Whether for qualified or non-qualified expenses, account growth will be subject to taxes when withdrawn.

Trump Accounts are expected to become available in July of 2026, and final guidance is still to come concerning the administration of these accounts.

PLANNING POINTS:

- **Trump accounts could be an effective way to start retirement savings for children.** Since there is no earned income requirement to contribute, Trump accounts could be used to start retirement savings for children at a very young age.
- **Consider Roth IRA funding for children who are working.** For children who are working, making Roth IRA contributions could be more beneficial given the potential for tax-free growth.
- **Consider 529 contributions for education.** If your primary goal is education funding, a 529 account could be more beneficial since growth and withdrawals for education purposes are tax-free.

Here we’ve touched on just a few of the provisions included in the One Big Beautiful Bill Act and what they could mean for you. We remain committed to helping you navigate the ever-changing economic and legislative landscape, and we are here for any questions you have. Thank you for your continued trust in our team.

Save the Date!

ANNUAL FALL EVENT

Thursday, October 23, 5:45pm – 8pm

Prestonwood Country Club



We are thrilled to announce that our client appreciation event in October will feature a keynote presentation by the renowned speaker, Sam Richter. Join us for an enlightening session titled “**Creativity Unleashed: Generative AI and Your Future**”. Sam, one of the

world's top-rated AI speakers, will guide us through the transformative power of Generative AI, including tools like ChatGPT and Copilot.

In this dynamic and engaging presentation, you'll discover how Generative AI is revolutionizing the way we live, work, and connect. Sam will break down the complexities of AI in an easy-to-understand manner, demonstrating how AI can be used to enrich any stage of life. Whether you're a tech expert or new to AI, this session promises to leave you inspired and equipped with actionable insights to harness the full potential of these cutting-edge technologies.

Please be sure to invite family or friends who would appreciate attending with you!

Click [HERE](#) to RSVP YES no later than October 17th!

AROUND THE OFFICE



The Greene family made the most of summer with a few relaxing beach getaways, soaking in the sun and salty air. But the highlight of the season was Lyra's very first visit to Disney World! From meeting her favorite princesses to experiencing the magic of the parks through her eyes, it was a trip filled with wonder, excitement, and unforgettable memories. The summer was a perfect blend of laid-back coastal vibes and big, magical moments!



The Mundell family enjoyed time with family over the summer, highlighted by trips to Lake Norman and Indianapolis. Their 6-month-old son, Jonas, got to meet many extended family members during their travels. Landon and Karlee love watching him grow and learn new things every day! It looks like crawling will be one of his next big milestones!



Avery Love had an eventful summer! She moved from Chapel Hill to Raleigh and squeezed in some weekend vacations to Hyco Lake and Wrightsville Beach. The highlight of the summer was a trip to California with her family! They enjoyed wine tastings in Napa and Sonoma, drove the iconic 17-mile loop around Pebble Beach, and saw lots of cool wildlife on the coast (seals pictured)!



Terry and Becky Wiles continued their 30th anniversary celebration in July and August as they explored Alaska, Banff NP, Jasper NP, Waterton Lakes NP, Glacier NP, and many other fun places in between! They were thrilled that the Stonegate team was more than ready to take care of our clients during their absence, which made the time away all that more enjoyable! The only downside of their trip was the realization that Terry's knee kept them from doing all that they really wanted to, so Terry made the decision to proceed with a full knee replacement which occurred on Thursday, September 25th. We hope his recovery goes well, and he is back to doing all that he loves!



Heather, Thomas, and Lily Rickenbaker spent a relaxing summer relatively close to home, taking a couple of short getaways to visit family and unwind at Pawley's Island. They enjoyed exploring local parks and green spaces, where Lily had plenty of room to run, play, and burn off some of her never-ending toddler energy.

The Stilleys soaked in summertime with a number of different adventures! One of their favorite activities was taking their first family paddle boat trip at Pullen Park in Raleigh! They also enjoyed a monster truck show at the Lenovo Center - Henry's second and Pierce's first. Despite the loud engines revving, Pierce was able to squeeze in a nap towards the end of the show. They also spent several weekends back in New Bern where they enjoyed time with family, caught a few fish, and even played some golf.



The Clay family soaked up every bit of sunshine this summer! They kicked things off with a relaxing family vacation to Corolla Beach, where they were lucky enough to spot the wild ponies roaming the dunes (and their backyard) each day! Their weekends were filled with laughter as they spent time with friends fishing, going out on the boat, and lots of kids' birthday parties! It was a season full of connections and sweet memories!



FROM OUR KITCHEN TO YOURS

Avery Love
Financial Advisor, RJFS

We're excited to launch a brand-new section in our quarterly newsletter—*From Our Kitchen to Yours!* Each quarter, one of our team members will share some favorite recipes that bring joy to their table. Whether it's a cherished family classic or a new seasonal favorite, we hope these dishes inspire you to try something delicious at home.

With Thanksgiving on the horizon, I know we're all looking forward to a good home-cooked meal. In the Love family, Southern cooking is a Love language (pun intended). This quarter, I'm sharing two of my favorite Thanksgiving side dishes that pair well with family time and football on the TV.

If you're like me, Thanksgiving is my favorite day of year to forget about healthy eating. Southern Baked Mac & Cheese is rich, satisfying, and impossible to resist. It's the kind of dish that brings everyone back for seconds – and maybe thirds. To complement, the Sweet Potato Casserole is a classic that brings warmth to every plate. Yes, it's topped with marshmallows. And yes, it's basically dessert served with dinner – but who doesn't love that?

Whether you're hosting, traveling, or just bringing a dish to share, I hope these recipes bring a little Southern comfort to your Thanksgiving table.

Southern Baked Mac & Cheese

Prep time: 20 mins, Cook time: 40 mins, Servings: 10

The main ingredients include:



- Elbow Macaroni
- Whole & Evaporated Milk
- Eggs
- Sugar
- Butter
- Sour Cream
- Velveeta, Colby Jack, and Cheddar Cheese

Find the full recipe [here!](#)

Sweet Potato Casserole

Prep time: 10 mins, Cook time: 55 mins, Servings: 6

The main ingredients include:



- Sweet Potatoes
- Sugar
- Butter
- Milk
- Eggs
- Vanilla Extract
- Marshmallows

Find the full recipe [here!](#)



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To keep up with all that's happening at Stonegate, follow us on Facebook or LinkedIn.



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Jillian Clay - Client Relationship Coordinator, RJFS | Landon Mundell - Financial Planner, RJFS | Avery Love - Financial Advisor, RJFS

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Investing involves risk and you may incur a profit or loss regardless of strategy selected, including diversification and asset allocation.

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Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. Holding bonds to term allows redemption at par value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.

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