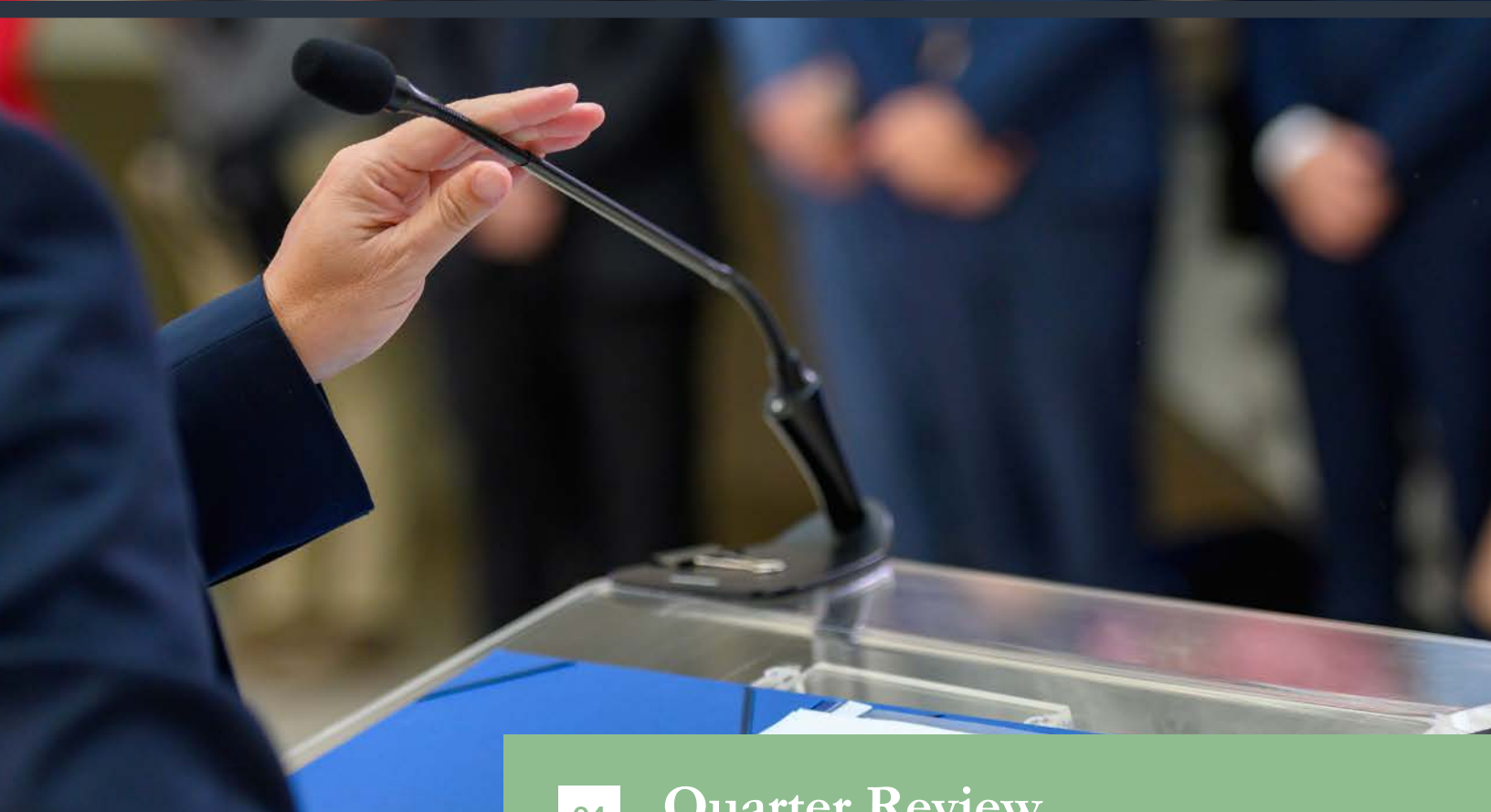


the BENCHMARK

BCS Wealth Management's Quarterly Newsletter



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By Scott Linn

Retiring with Purpose: The Key to a More Fulfilling Retirement

When most people think about retirement, they imagine relaxing days, travel, and freedom from the demands of a job. While financial readiness in retirement is certainly important and core to what we do for our clients, it's not the whole picture.

Fulfillment is one of our firm's core values, and we think of this not just through the lens of our own careers, but also through the eyes of our clients. Many retirees quickly discover that having enough money is only part of the equation—true fulfillment in retirement often comes from having a sense of purpose.

For decades, life follows a script: school, career, promotions, family milestones. Then, one day, that script ends. The sudden lack of structure can feel disorienting. For high achievers, especially those in leadership or high-net-worth positions, the transition is even more jarring. Retirees may wake up and ask, "What did I accomplish today?"—a question that feels especially empty if the answer is little more than watching TV or running errands.

According to Larry Jacobson, a retirement coach and author, retirees who lack a non-financial plan often struggle with identity loss, depression, and boredom. In fact, according to a study published by the National Library of Medicine, prevalence of depression among retirees was estimated at 28%, substantially higher than that of the overall older adult population. That's why planning for purpose, not just finances, is critical.

Having a purposeful retirement doesn't require grand gestures, but it is helpful for a retiree to ask

themselves five questions:

How will I spend my day?

Where will I find companionship?

What will give me a sense of meaning?

Will that be fulfilling?

Will it get me off the couch?

Purposeful living takes many forms. For some, it's volunteering or mentoring the next generation. For others, it's pursuing a long-held dream like painting, teaching, or traveling. There are stories of a former CEO who now runs fishing charters or another who became the owner of a pizza parlor. These stories share a common thread: each retiree found new fulfillment by doing something meaningful, often for others.

There's a difference between pleasure and fulfillment. Enjoying a quiet morning coffee brings pleasure. But teaching a grandchild to ride a bike or mentoring a young entrepreneur brings fulfillment. Fulfillment comes from contributing, from being part of something bigger than yourself.

It's also crucial to maintain social connections. Work naturally provides a network of colleagues and a sense of being needed. Without it, loneliness can creep in. Creating new communities through church, clubs, or volunteer organizations helps fill that gap.

Of course, not every moment in retirement needs to be purposeful. Joy and relaxation are important, too. But without a deeper sense of meaning, many

retirees report feeling adrift. That's why building a life of purpose, just like building a financial plan, is one of the most important steps to a successful retirement.

In the end, retirement isn't the end of your story. It's an invitation to write a new chapter. With intention and purpose, that chapter can be the most fulfilling one yet.

Scott Linn, RMA®
Financial Advisor



New IRS Reporting for Qualified Charitable Distributions from your IRA

If you are age 70 ½ or older and give to charity from your IRA, a helpful change is coming your way.

Starting in 2025, the IRS will begin using a new code, Code Y, on tax forms to clearly identify Qualified Charitable Distributions (QCDs). This is great news for IRA owners and their tax professionals, as it helps ensure these tax-free charitable gifts are properly reported.

What Is a QCD?

A Qualified Charitable Distribution allows you to donate directly from your Traditional IRA (or Inherited Traditional IRA) to a qualified 501(c)(3) charity, without paying income tax on the amount. This strategy is especially beneficial because:

- It can count toward your Required Minimum Distribution (RMD) once you turn 73.
- It reduces your taxable income for the year.
- The 2025 annual QCD limit is \$108,000, and it's indexed for inflation.

If you're considering more advanced giving strategies, you can make a one-time QCD up to \$54,000 to certain types of charitable trusts or gift annuities.

Until now, QCDs looked like regular IRA withdrawals on IRS Form 1099-R. It was up to you (or your tax preparer) to correctly report it as a tax-free donation. But beginning in 2025, Form 1099-R will include a new Code Y to highlight QCDs:

Code Y7 will be used for QCDs made directly by the original IRA owner.

Code Y4 will apply to QCDs made by individuals who have an inherited IRA.

This change will make it easier to distinguish charitable distributions from taxable withdrawals and help reduce reporting errors at tax time. While the new code simplifies reporting, you still need to follow all QCD rules to qualify for the tax benefit.

What to Remember When Making a QCD

- The donation must be a direct transfer from your IRA to the charity.
- You must be age 70 ½ or older at the time of the gift.
- The charity must be a qualified nonprofit (donor-advised funds and private foundations don't qualify).
- You can't receive anything in return for the gift.
- The gift must be completed by December 31st to count for that tax year.

Have Questions or Want to Make a QCD This Year?

We're here to help you plan charitable giving that fits your goals and your tax situation. Reach out to us if you'd like to explore how a QCD could work for you or to ensure your IRA distributions are being handled properly.

John Brandon,
AAMS®, CPFA™
Financial Advisor





By Myra O'Dell

Quarter Review

We've just wrapped up the second quarter of 2025 and it seems hard to believe that the year is already halfway over. How did that happen so quickly? Although it flew by from my point of view, there wasn't a dull moment, and it was packed with plenty of headlines!

In contrast to the first three months of the year, the second quarter was marked by resilience in U.S. markets, cautious optimism overseas, and developments on the policy and geopolitical fronts. The chart to the right shows the performance of key indexes for the quarter and year to date.

As you can see from the chart, equities persevered through all of the headlines this quarter, with the S&P 500 and

Nasdaq Composite reaching new record highs, driven by strong technology earnings and optimism about easing monetary policy. Broader gains extended to small caps and international stocks, helping boost diversification benefits. However, pockets of volatility emerged around renewed tariff talks and rising Middle East tensions.

Tariffs returned to center stage during the quarter as the U.S. finalized a major trade deal with China, locking in U.S. tariffs on Chinese

imports at 30% and reciprocal Chinese tariffs at 10%. Further actions are expected with additional U.S. trading partners. Although these measures initially raised concerns around higher input costs and supply-chain disruptions, investor sentiment improved late in the quarter as hopes for broader

Major Stock Indexes	2nd Quarter 2025	YTD
DJIA	5.0%	3.6%
Nasdaq Composite	17.7%	5.5%
S&P 500	10.6%	5.5%
Russell 2000	8.1%	-2.5%
Global: MSCI ACWI	11.0%	9.1%
Japan: Nikkei 225	13.7%	1.5%
Stoxx Europe 600	1.4%	6.6%
UK: FTSE 100	2.1%	7.2%
Major Bond Index	2nd Quarter 2025	YTD
Bloomberg US Aggregate (Total Return)	1.7%	3.7%

tariff agreements grew.

Another topic that continues to be in focus is interest rates and inflation. At its June meeting, the Federal Reserve held steady on interest rates, communicating a data-dependent approach and projecting two rate cuts by year-end if inflation continues to cool. The most recent inflation data, as indicated by personal consumption expenditures, showed annual core inflation at 2.7%. The US 10-Year Treasury Yield ended the quarter near 4.3%. Fed members conveyed that while tariffs may affect prices, persistent service-sector inflation remains a central concern. Lower Treasury yields and growing rate-cut expectations fueled equity gains, particularly in rate-

sensitive sectors.

I would be remiss to summarize the second quarter without mentioning the ongoing global conflicts. The geopolitical environment was rattled when the U.S. launched targeted strikes against Iranian nuclear facilities, responding to accelerating regional conflict. While oil prices initially spiked, markets stabilized as Iran signaled a willingness to negotiate, alleviating fears of a larger-scale war. Nevertheless, global investors remain attuned to any escalation as fallout could impact energy supplies and risk assets globally.

While recent gains are encouraging, we are only halfway through the year and there is plenty of time for new

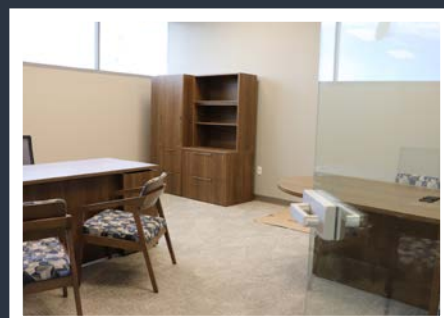
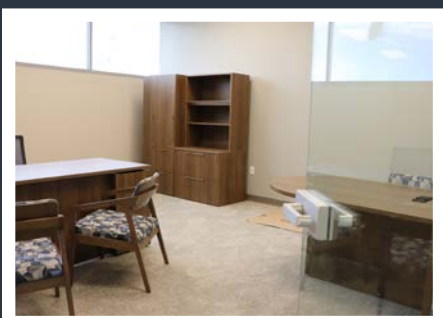
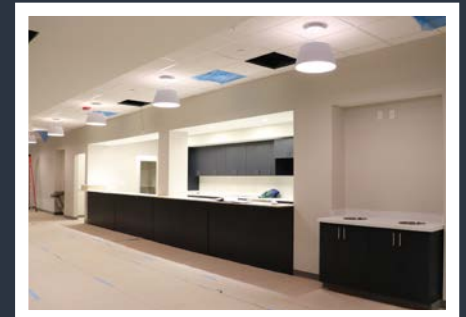
headlines before 2025 comes to an end—from evolving tariff schedules and Fed policy to renewed Mideast tensions. Our portfolio strategy will continue to emphasize disciplined diversification and risk management tailored to your unique situation.

Thank you for your continued trust and partnership. We hope you and your loved ones have a happy and healthy summer.



It's Almost Time to Move!

Here is a quick sneak peek of our new space! Flip over to the next page to hear more from Nick Clay on our exciting move to Gray.





Countdown to Moving Day!

At BCS Wealth Management, we're always striving to enhance our services, improve the client experience, and invest in a workplace that supports collaboration and growth. With that in mind, we are thrilled to announce our upcoming move to a brand-new location!

A New Chapter Begins This August

Our new office is located in the former Citi call center—completely renovated and redesigned to meet the evolving needs of our business and our clients. While the address is technically Johnson City, our new location is effectively situated in Gray, just under a mile from the interstate. This central position within the Tri-Cities region allows us to serve you more conveniently and efficiently.

Along with our business partners, Blackburn, Childers & Steagall and First Covenant Trust & Advisors, we acquired the building in late 2023 and have since transformed it from the ground up. The space has been thoughtfully rebuilt to foster synergy between our affiliated businesses and to create an environment where our team can thrive.

We will officially move into the new office on August 13th and 14th and be fully up and running. Thanks to detailed planning and coordination, we anticipate no downtime during this transition. Our clients can expect a seamless transition throughout the move.

Important Note: Temporary Office Closure in September

While our physical move will take place in August, our IT infrastructure, including physical servers, will transition from our current Johnson City office on September 4th and 5th. During this process:

- September 5th: Our office will be closed for the day.
- We will not have access to office computers, internet, or internal systems.
- However, we will still have access to phones and voicemail, so if you need assistance, please call the office and use the directory to leave a message for your advisor OR email your advisor directly as we will still be able to monitor email.

There will also still be construction taking place after our move in and around the

building, so be on the lookout for future updates as to a final completion date.

Why This Move Matters

This relocation represents a strategic investment in our future. The new facility offers:

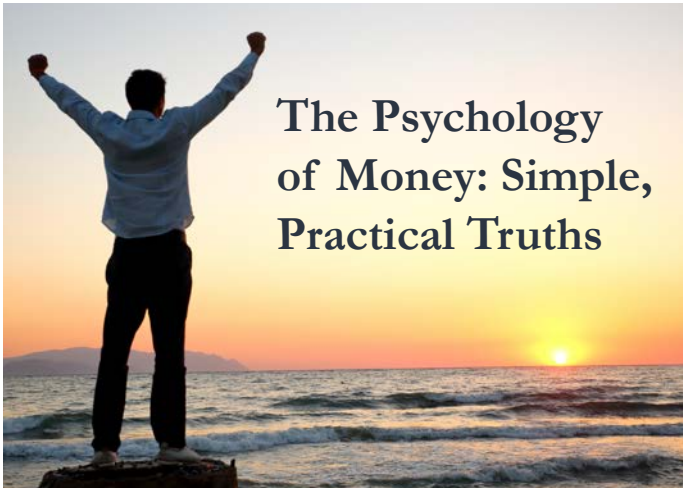
- Room to grow alongside our clients and partners;
- A state-of-the-art environment for our team to do their best work; and
- An upgraded, seamless client experience that aligns with our core mission: to help you build and preserve wealth with clarity and confidence.

We can't wait to welcome you to our new space and show you how this move will help us serve you even better.

Thank you for your continued trust and support—we look forward to this exciting new chapter together.



*Nick Clay, CFP®,
CPWA®, AIF®, AAMS®
Managing Partner
& Senior Financial
Advisor*



The Psychology of Money: Simple, Practical Truths

Benjamin Franklin once said, “If a man empties his purse into his head, no one can take it away from him. An investment in knowledge always pays the best interest.” As humans, we must continually seek to grow and expand our knowledge. At BCS Wealth Management, one way we embody this principle is through our monthly book club, where we challenge ourselves to grow both personally and professionally.

Currently, we are reading *The Psychology of Money* by Morgan Housel. The book’s central idea is both powerful and refreshing: financial success is not rooted in knowledge or intelligence; it is rooted in behavior. To impart some nuggets of knowledge, or better said, behavioral advice, here are a few simple but practical reminders to empower you financially.

If you have worked with a financial advisor for a while, you have probably heard that investments tend to favor time. It is essential to remind ourselves of this truth. Morgan Housel highlights that \$81.5 billion of Warren Buffett’s \$84.5 billion net worth was amassed after his 65th birthday. This fact is less

a celebration of Buffett’s investing genius (though impressive) and more a testament to time. Buffett began investing early, stayed invested, and allowed compounding to work its quiet

magic for over seven decades. His greatest investing skill may be his consistency and patience.

In a world that rewards speed and instant gratification, this lesson serves as a timely reminder that building wealth often resembles planting and nurturing a tree rather than chasing quick wins. If you feel behind, take heart - the best time to start investing may have been 20 years ago, but the second-best time is today.

Another chapter that resonates with me and often comes up in client conversations is Chapter 7, titled “Freedom.” Housel makes the point that true wealth is what you do not see.

He writes, “Spending money to show people how much money you have is the fastest way to have less money.” In our culture, it is easy to equate visible success with financial security, cars, vacations, and lifestyle upgrades. But in reality, wealth is often invisible. It is the freedom to choose how you spend your time, the buffer to weather a crisis, or the quiet peace of knowing you are on track with your goals.

For many of us, financial

planning is not just about growing assets; it is about increasing options. The ability to take a sabbatical, retire early, give generously, or support a loved one, are forms of wealth that do not always show up on a balance sheet but are deeply valuable.

At BCS Wealth Management, we believe part of our role is to help clients define and pursue these kinds of goals. This means looking beyond the numbers and discussing what “financial freedom” really means to you. Is it spending time with family? Flexibility in your career? The joy of giving? These are the questions that turn a financial plan into something more than just projections; they turn it into a roadmap for a more meaningful life.

The Psychology of Money challenges us to rethink the role of behavior in financial decision-making. Building wealth is enabled by traits such as patience, humility, and clarity about what truly matters to you. If these topics strike a chord, I highly recommend picking up a copy of the book. And if you find yourself reflecting on your relationship with money, we would love to talk. After all, some of the most powerful financial insights are not found in charts; they are found in conversations.



Andrew Farmer, MBA
Financial Advisor
Associate

BCS Wealth Management is an independent financial planning firm in Johnson City, TN. We help individuals, families, and businesses reach goals important to their financial wellbeing. We provide investments and financial planning, insurance, and group benefits.

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3. Confirm your identity
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