



The Independence

OAK PARTNERS INC. | SUMMER 2025

WHEN POLITICS AND PORTFOLIOS COLLIDE

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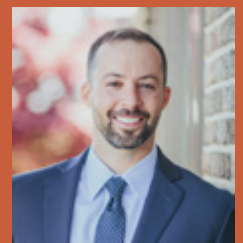


When Politics & Portfolios Collide

For as long as I have been a wealth manager here at Oak Partners, I have worked with clients across the entire political spectrum. Regardless of one's political persuasion, our clients generally shared similar views on the state of the economy at any given time. Whether or not clients were in favor of the president or makeup of Congress at the time, they tended to separate their political views from the way they approached investment objectives, allocations, and general optimism about the stock market. However, there seems to have been a noticeable change in this separation since last November.

Clients have always looked for ways to invest that align with their views. Be that through conservative-leaning companies, or ESG, or avoiding certain stocks altogether. Now, it seems there is a general divide in the perceived direction of the economy and markets, and it tends to fall right along political lines. It's no doubt President Trump elicits a reaction one way or another for most, but for investors to be steering their portfolios in different directions based on that reaction is not something I've seen at this level before in my career. There is plenty of data showing the recent divide between the investing tendencies of Republican voters versus Democrat voters. This is a dangerous trend in my opinion.

It doesn't matter whether you are overly optimistic or overly pessimistic, letting your emotions dictate your portfolio allocation defeats the purpose of building a long-term, analytical, investment strategy. I may see back-to-back clients and spend one meeting explaining why things aren't so bad, and the next tempering lofty expectations. Some may feel we are the ones painting too rosy of a picture of the economy at times. Others may feel we are warning against being too aggressive. That, after all, is the reason our clients hire us. We do our best to avoid the emotional reaction to the news and focus on the data. That means helping clients maintain an investment strategy that is designed to sustain itself in all market, economic, and political climates to meet short, intermediate, and long-term objectives. Between 24-hour news cycles and social media seemingly always in our faces, there is no shortage of information, video clips, and sound bites, which makes it more important than ever to focus on your goals, not the noise.



Steve Kavois
Wealth Advisor



TRUMP VS. POWELL:

A FEUD FUELING MARKETS

The escalating feud between President Donald Trump and Federal Reserve Chair Jerome Powell is adding pressure to financial markets and reigniting concerns about central bank independence. In a recent private meeting, Trump urged Powell to cut interest rates from their current 4.25%–4.50% range, claiming they weaken U.S. competitiveness—particularly against China (Reuters, 2025). Trump has repeatedly criticized Powell, once calling him a “fool” and referring to him as “Too Late Powell” (Lemire, 2025).

Powell stood firm, stating that the Fed bases its monetary policy decisions on “non-political analysis” aimed at stable prices and full employment (White, 2025). The Federal Reserve issued a rare public statement reaffirming its independence, widely interpreted as a direct rebuke of Trump’s pressure campaign (Kollewe, 2025).

The clash has spooked markets that are now recovering. Investors fear political interference could undermine the Fed’s credibility, destabilize interest rate expectations, and create long-term risks for inflation and capital markets.

Despite the political pressure, Powell’s position is secure through May 2026. A recent Supreme Court decision further solidified the Fed’s legal independence, protecting the chair from dismissal without cause (White, 2025).

While this standoff (along with the conflicts in the Middle East) may increase short-term volatility, Powell’s adherence to economic fundamentals will likely prevail. That could mean tighter conditions in the near-term, but we remain optimistic for the next year as inflation moderates and underlying economic growth continues.

References

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Brock Naaman,
Wealth Advisor



The Importance of Beneficiaries



Jeff Hadt,
Wealth Advisor

When it comes to long-term financial planning, one of the most overlooked, but incredibly important details is naming and regularly updating beneficiaries on your accounts. Whether it's a retirement account, life insurance policy, or brokerage account, your designated beneficiaries will directly receive those assets in the event of your passing regardless of what your will says.

That's right: beneficiary designations take legal precedence over your will. This means that even if your will is up to date, outdated or incorrect beneficiaries can result in assets going to the wrong person. It is a common and easily avoidable mistake that can cause unnecessary confusion or even legal challenges for loved ones.

We recommend reviewing your beneficiary designations at least once a year or any time a major life event occurs, such as marriage, divorce, birth of a child, or death in the family. Keeping this information current helps ensure your estate is distributed according to your wishes and can help your loved ones avoid lengthy probate processes.

If you are not sure who your current beneficiaries are or if you have never named any, this is a great time to take action. We are happy to help you review and update your designations to make sure everything is aligned with your broader financial plan. Remember, a small step now can make a significant difference later.

The Power of Planning in a World Obsessed with Prediction

Mario Ruiz, Wealth Advisor



We live in a world that constantly asks, “What’s going to happen next?”

What will happen with interest rates? Will the election move the markets? Is a recession around the corner? These are all valid questions, but they’re also unknowable. Trying to build a financial future based on these predictions is a recipe for stress and second-guessing.

At Oak Partners, we believe real financial confidence doesn’t come from predicting the future, but from building a plan that doesn’t depend on it.

That means focusing on what you can control. Whether it be your savings rate, your income plan during retirement, or how your money is positioned to support both your current lifestyle and your future needs. A plan built around your goals and your timeline can weather volatility far better than one built around opinions.

Market timing, reacting to headlines, or constantly shifting strategies may feel proactive but this can often lead to stress, anxiety, and missed opportunities. On the other hand, clients that stay focused on their long-term plan tend to feel more clarity and make better decisions during uncertain times. So, if the noise is starting to wear on you, take a moment to pause and refocus. Are you on track for your goals? Does your plan reflect what matters most to you?

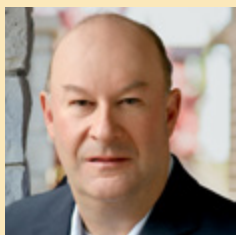
If the answer is yes, lean into that clarity and keep moving forward. If not, or if you’re just not sure, we are always here to talk it through.

In a world full of noise, nothing is more powerful than a plan built with purpose.



TAX

BRING BACK SALT



Shane Crist, Wealth Advisor

What is SALT? It is the state and local tax deduction which was capped at \$10,000 by the Tax Cuts and Jobs Act (TCJA) during President Trump's first term in office. Before 2018, there was no limit on the amount that could be deducted. The deduction allows taxpayers who itemize to deduct state and local taxes from their federal income tax. This has become a topic of discussion lately because the current SALT deduction limit is scheduled to expire at the end of 2025. Lawmakers have been negotiating tax reform and in May the House of Representatives passed President Trump's "One Big Beautiful Bill Act" which would increase the SALT cap. The bill would raise the deduction cap to \$40,000 per household for those earning up to \$500,000. The cap and income limit would both increase by 1% annually through 2033. For those with incomes over \$500,000, the SALT cap would phase down to \$10,000.

Proponents of the bill argue that the deduction will benefit residents who live in high tax states and it will prevent double taxation. Opponents of the bill argue that the deduction will only benefit taxpayers with higher incomes. The cost of raising the SALT cap deduction is still being debated and will depend on the final policy. The bill is currently going through the legislative process and there is likely to be more negotiations and amendments before anything is final. We will continue to hear more about the SALT cap deduction and other tax reforms in the coming months so stay tuned.

News & Announcements

As summer arrives, we hope you're finding time to enjoy the warmer days, create memories with loved ones, and recharge. The summer has remained busy here at Oak Partners.



In early June, Michael Barenie joined the Retirement Asset Management group (Mike, Jack, Sue, and Hannah). Michael is a licensed Wealth Advisor with his Series 7 and Series 66 registrations being held at LPL Financial. Michael has lived in St. John, Indiana his whole life and is excited to now be serving the community that provided him so much. In his spare time, he loves to play golf, hang out by the pool, and adventure to whichever new state or country he has not been to yet. Welcome to the team Michael!

Congratulations are in order to Clint Henry. Clint coaches Junior Varsity at Valpo High School and was an integral part in the team's run to state. Congrats to Clint and the Valpo Vikings on the state Championship!



UPCOMING EVENTS:

July 11th - Deep River Water Park

September 19th - Oaktobefest

Have an idea for an event?
We want to hear from you!



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