1Q25 Newsletter and Market Update

As we reflect on our first 18 months and the many milestones we achieved, we are so thankful for the confidence that our clients have maintained in our firm that allowed for our success as a newly independent practice.

While we communicated with you through our bi-annual meetings, regular phone calls, and through timely presence on LinkedIn (RWP's LinkedIn Site) we wanted to introduce a quarterly newsletter that would address updates in our practice as well as provide medium and long-term investment commentary and advice.

Practice News

Our New Hire-Amanda Nguyen!

We are excited about a new hire that will allow us to maintain the high level of service our clients receive. In December, we hired Amanda Nguyen as a Client Service Specialist.

Amanda's time will be focused on providing responsive service to meet client needs with our custodians, Schwab and Fidelity. Her vast expertise will help us with providing efficient service to clients as well as knowledgeable input on the processes that impact our client experience.

Amanda has over 10+ years of client service and operations experience assisting financial advisors in meeting client needs. Amanda earned her bachelor's degree in Business Administration with an emphasis in Finance from California State University, Fullerton.

She can be reached via email (amanda@riversidewealthpartners.com) or phone (904-604-8244).

Partnership with Move Health

In early 2024, we began a partnership with Caribou. Caribou specialized in high touch consulting in the healthcare insurance industry. They leverage technology to help individuals review the hundreds of choices that are available to them and narrow them down to ones that fit best in terms of provider choice, drug access, overall cost, and deductible needs. They combined this technology with a consultative experienced staff of healthcare experts to assist our clients with final decisions on policies that best fit them. As this was a high- touch service, it was really the best fit for complex decisions. We were able to solve a number of challenges that our clients were encountering. Many were job changes that required family members to make the decision to remain on COBRA or seek private insurance through the marketplace. Other consultations involved households with one member reaching Medicare age, while the rest of household was not.

In late 2024, Caribou was acquired by Move Health, a company that we were also very familiar with. Move Health is a consultative traditional health insurance *broker* who specializes in working with financial professionals. They will be utilizing the tech forward process we enjoyed at Caribou that helped our client narrow down their choices to ones that fit their very specific needs, while completing the last implementation steps with an experienced consultant that can secure the policy.

This is a service that we pay for to benefit our client base. The transition to Move Health and its larger staff will provide us the capacity to offer these services to **all of our clients.** Should you need to tackle complex or less complex health insurance decisions please reach out to us about Move Health (https://movehealth.io/client-home) .

2025 Tax Opportunities

Roth Conversions have become an easier decision for clients as IRAs have become less friendly inheritance vehicles for non-spouse heirs. Specifically, IRAs need to be distributed over 10 years for non-spouse heirs. Often these heirs are in their peak earning years. Adding another $100,000+ to annual income during these 10 years is not a welcome event, often pushing heirs into the highest tax bracket. Roth Conversions allow IRA owners to pre-pay the tax for their heirs, often at lower tax rates. Many of our clients have opted to do so.

Qualified Charitable Distributions (QCDs) allow IRA owners to distribute up to $108,000 from their IRA to charity. This is available to taxpayers over 70.5 years old. An optimal time to complete these are between 70.5 and the date that your first Required Minimum Distributions (RMDs) begin,

as it reduces the size of your IRA and thus future Required Minimum Distribution amounts. Once Required Minimum Distributions begin, QCDs can replace your required minimum distribution if your RMD is not over $108,000. Recently the QCD was indexed for the first time since its inception in 2006. Expect the amount to rise in coming years.

The ability to deduct more than $10,000 in property taxes and state and local income taxes is a potential opportunity that will impact a number of our clients. Expect to hear from us on how you can best take advantage of this opportunity in 2025 should it come to fruition in Congress.

These decisions are nuanced and very specific to your financial picture. We're here to provide consultative advice on which ones fit you best.

Disclosure: *Riverside Wealth Partners and its representatives do not provide tax or legal advice. Tax-law is subject to frequent change; therefore, it is important to coordinate with your tax advisor for the latest IRS rulings and specific tax advice, prior to undertaking an investment plan. Any tax or legal information provided here is merely a summary of our understanding and interpretation of some of the current income tax regulations and is not exhaustive. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.*

1Q25 Market Overview

2024 was a banner year for both stocks and bonds. Stock market volatility was slightly less than historical norms, with the largest peak to trough drop during the year being 8%. The market was buoyed by the meaningful dynamics of strong earnings growth and low joblessness.

At the end of 2024, given two strong annual returns for the US stock market back-to-back, valuations resided above historical norms particularly for large cap US equities which have advanced more than other types of US stocks as well as overseas counterparts.

The first three months of 2025 provided traditional volatility associated with policy uncertainty. Policy uncertainty whether that be tax policy, trade policy, or otherwise causes a delay in decision making which slows down the momentum of the economy.

Importantly, diversified portfolios such as those held by our clients benefited holding meaningful positions outside of big US stocks A traditional 60% stock/40% bond portfolio highly diversified portfolio was close to breakeven due to strong returns of international stocks, bonds, and real estate investment trusts. The chart below illustrates the change in market leadership that occurred in early 2025 as well as the returns of a diversified 60/40 portfolio represented by "Asset Alloc."

YTD Market Performance as of March 31, 2025

2010–2024																	
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Small Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	Comdty. 8.9%
Small Cap 10.3%	EM Equity 17.9%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 7.0%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	EM Equity 3.0%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Fixed Income 2.8%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	REITs 2.8%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	High Yield 1.8%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	Cash 1.0%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Asset Alloc. 0.6%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Large Cap -4.3%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	Small Cap -9.5%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2024. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of March 31, 2025.

Tarriff News and the Long View of Markets

On April 4th, the Trump administration announced the specifics of its plan related to tariffs on our country's trading partners.

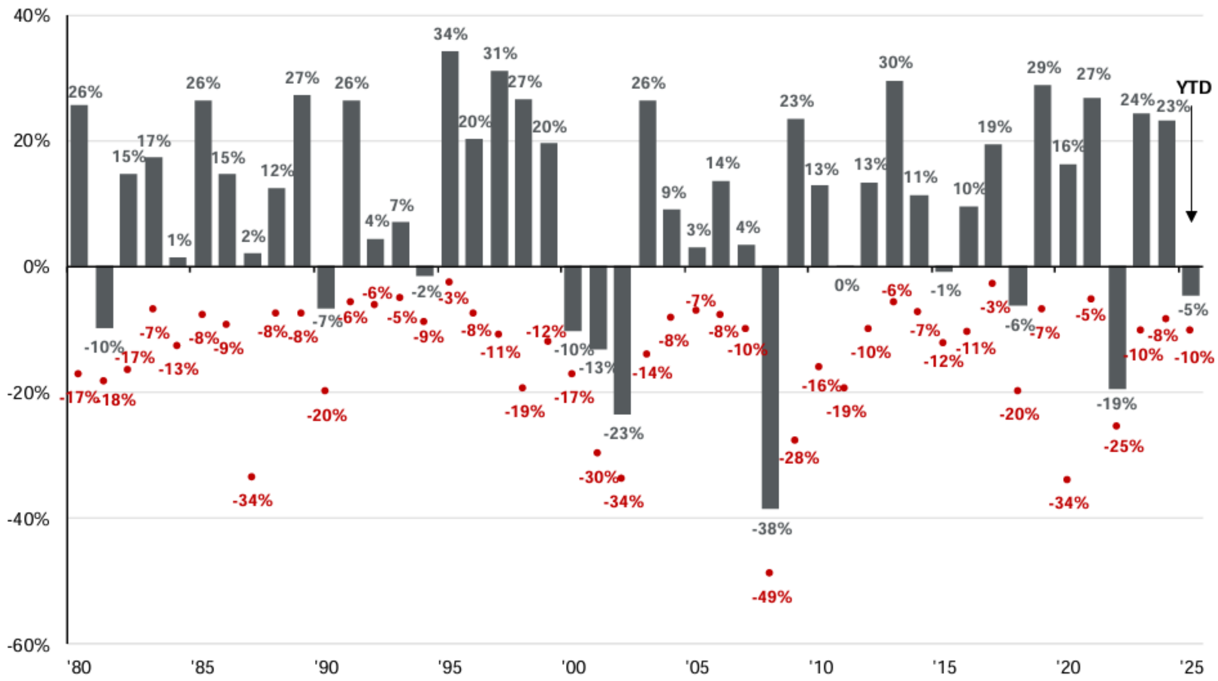
Markets have initially reacted negatively to the announcement due to the potential restructuring of supply chains needed by companies and economies to adjust under the policies as they stand today.   Those costs will be borne by companies and consumers at a proportion yet to be determined.   Even with this week's announcement, policy uncertainty remains in that the affected countries will have the opportunity to react to the announcement by either imposing additional tariffs of their own or by negotiating a better arrangement for themselves. These changes will play out over weeks and months to come.

Over the last fifty calendar years, stock market retreats from peak to trough have averaged 14%, but in 34 out of those 45 years, the market has ended up with a net positive return and has averaged a 10.6% annual return during that period.

Our client portfolios are built with the understanding that unexpected events will impact the market, and importantly, not all assets will react the same to events that impact the economy.

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years

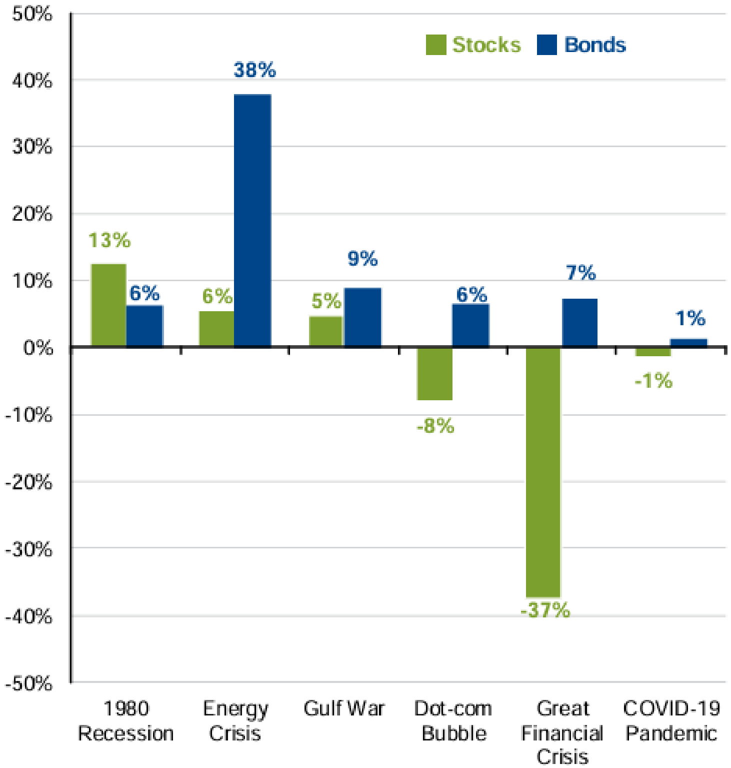


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which the average annual return was 10.6%.
Guide to the Markets – U.S. Data are as of March 31, 2025.

Our client portfolios are also diversified between both stocks and bonds with more bonds being held based on your objective. Bonds are often an effective diversifier against stock losses, and they are assets that are often not correlated to stocks. As you've seen during the early part of this year, investors have sought safety and demand for bonds has increased. This increased demand has resulted in bond prices increasing and bond yields decreasing, helping offset some of the losses experienced by stocks in the portfolio. The protective nature of bonds during periods of stress increases with the maturity of the bonds, part of the reason we increased maturity in client portfolios three years ago. A longer-term view of this dynamic is below:

Stock and bond returns during recessions

Total return

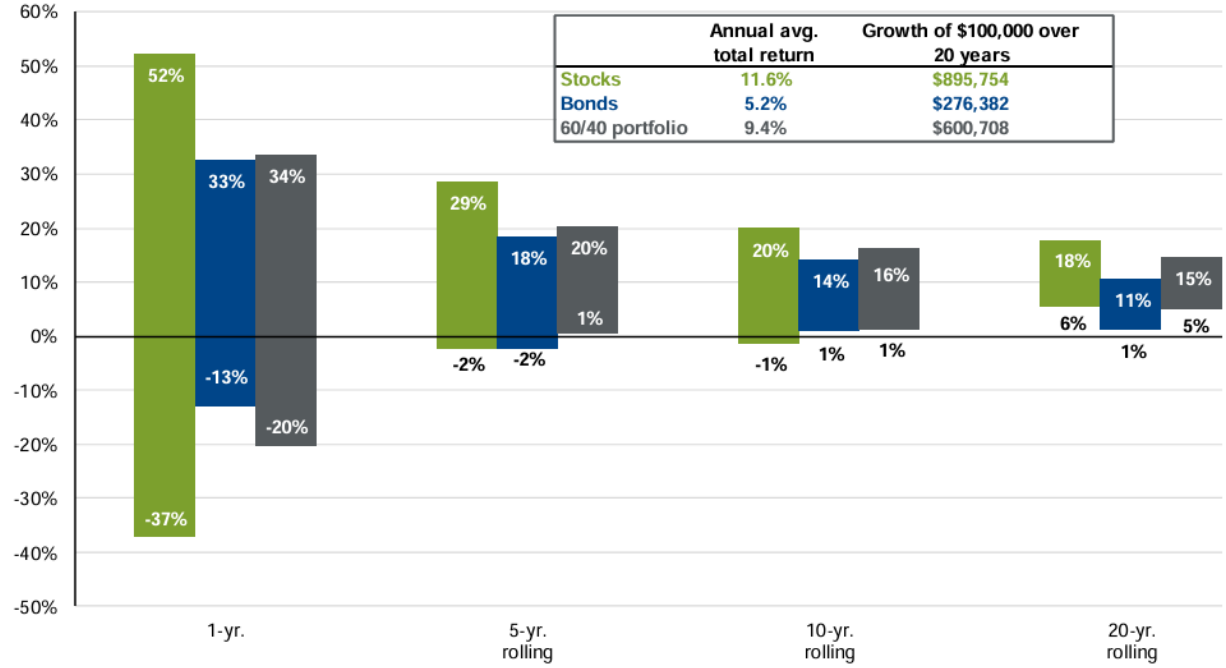


Source: Bloomberg, FactSet, HFRI, MSCI, NCREIF, Standard & Poor's, J.P. Morgan Asset Management.
U.S. stocks are represented by the S&P 500 while U.S. bonds are represented by the Bloomberg U.S. Aggregate Index. 1980 Recession: January 1980 to July 1980, Energy Crisis Recession: July 1981 to November 1982, Gulf War Recession: July 1990 to March 1991, Dot-com Bubble Recession: March 2001 to November 2001, Great Financial Crisis: January 2008 to June 2009, COVID 19 Recession: March 2020 to April 2020. *Alternatives reflect the performance of an equal-weighted aggregate comprised of infrastructure, transport, real estate and hedge funds. Hedge funds: HFRI Fund Weighted Composite; infrastructure: MSCI Global Quarterly Infrastructure Asset Index (equal-weighted blend); real estate: NCREIF Property Index – United States Open End Diversified Core Equity component. Transport returns are derived from a J.P. Morgan Asset Management Index. Past performance is not a reliable indicator of current and future results.
Guide to the Markets – U.S. Data are as of March 31, 2025.

The following illustration demonstrates how the risk of loss of a 60% stock/40% bond portfolio decreases over time and is historically very small once you've held the portfolio 5 Years.

Range of stock, bond and blended total returns

Annual total returns, 1950–2024



Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, Strategas/Ibbotson, J.P. Morgan Asset Management.
Returns shown are based on calendar year returns from 1950 to 2024. Bonds represent Strategas/Ibbotson for periods prior to 1976 and the Bloomberg Aggregate thereafter. Growth of $100,000 is based on annual average total returns from 1950 to 2024.
Guide to the Markets – U.S. Data are as of March 31, 2025.

Additionally, some of our clients approaching or in retirement hold defined outcome securities in which the portfolio manager uses option contracts to control risk. An option contract allows the manager to sell the securities they hold at a pre-determined price in the future if it is better than the actual market price at that time. In the format that we utilize these solutions, the contracts are used to control downside risk. The upside of these securities are lower than the stock market as well but often higher than potential bond returns.

We are easily accessible as you need us. These periods are natural to drive concerns about the future we're and we're always here to help address how they impact your specific plan.

Bill and Brooke

904-590-1650