



## Riverside Wealth Partners 3Q25 Newsletter

As we head into year three as a practice, we are so appreciative of the confidence our clients have entrusted us with to guide them through the important decisions that shape their financial life. We continue to build our skill set and toolbox in an always evolving set of variables that come from the financial markets, tax policy, and political policy.

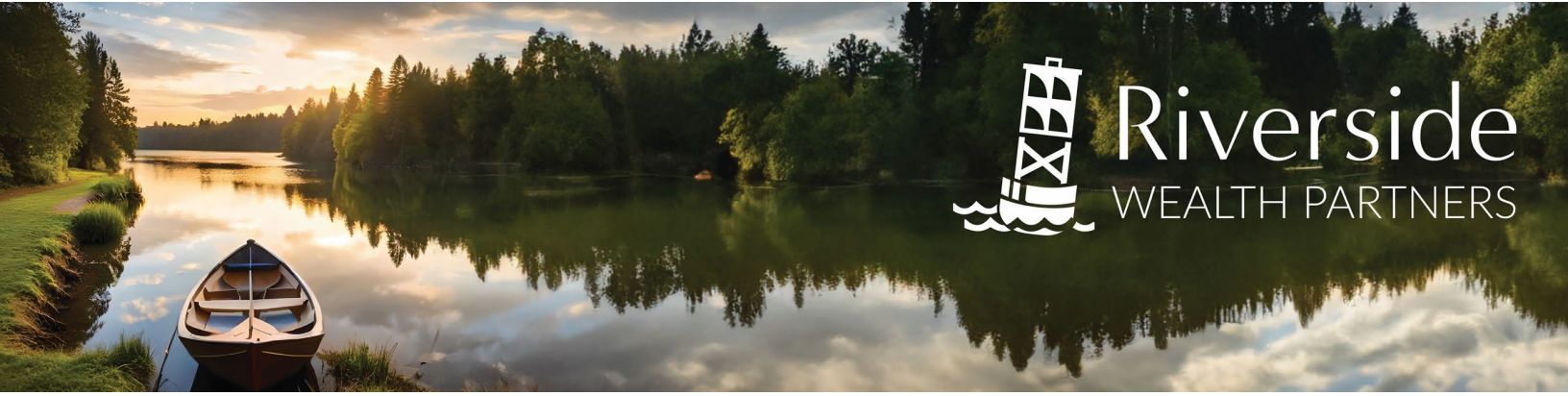
In the last two years, we've added and used tools to review our client's tax situation in more detail like Holistiplan, forged relationships with Health care advocates at Move Health and much of this infrastructure is provided through our affiliation with NewEdge Advisors, a vital partner of Riverside Wealth Partners since we were founded in 2023. Among other advances, these are two important ones that have helped us and our clients make decisions that we were less equipped to make prior to becoming an independent practice.

Below outlines our 3<sup>rd</sup> quarter 2025 market commentary. Please follow us on LinkedIn [RWP LinkedIn Page](#) Facebook [RWP Facebook Page](#) for more timely updates on the markets and our practice. As always, we appreciate a Google review [RWP Google Listing](#). They help prospective clients pre-experience a relationship with us and speaks more personally than our public website can.

### The Ohtani Market

Headline rich, this quarter has been a memorable one. Continued advances in both the equity and fixed income markets have buoyed investor confidence and helped our clients advance portfolios towards long-term goals.

As much as it pains me as a lifelong Yankees fan, the best analogy for what we've experienced in recent months is the "Ohtani Market". Of course, named after Dodgers phenom Shohei Ohtani, who strides to the mound to pitch some nights, takes a short rest and then goes up to bat the next inning, both of which he does with amazing success, even recently in the baseball playoffs. The advance in the equity markets, while led by US tech, has broadened to include most sectors as well as international markets which have shined this year with almost a 30% advance year to date. Bond markets have been aided by higher overall interest rates and some price appreciation over and above coupon income. Truly a market that has performed in both in the field and at the plate.



Unlike Ohtani, is this market a mirage? While we can't say for certain (at this time or any other) we see enough evidence of true economic momentum that we'd say no. The tax bill that was passed more quickly than expected in late spring has provided companies, both big and small, with the information they need to make meaningful economic decisions. In addition, the promise and use of artificial intelligence have given the market hope for increased productivity gains by businesses in many different industries. In the bond market, confidence in business solvency and higher overall rates have supported better returns for this asset class, which is important for our conservative investors.

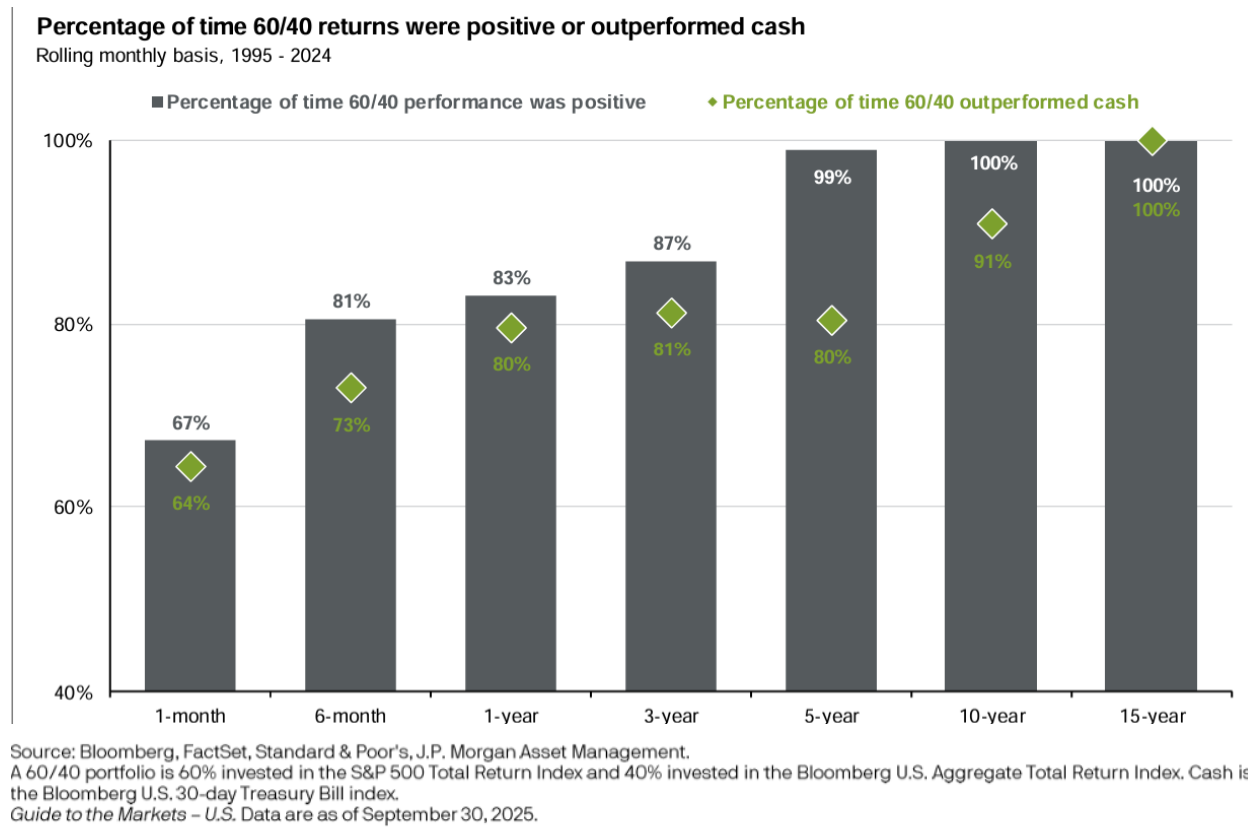
All that being said, we take prudent steps during periods of advance to ensure that the gains that are important to our client goals are captured. That is done through the simple act of rebalancing, which is selling what got you there and buying something that has not done quite as well. Hard to do as an individual, but an important and prudent step we take for clients periodically, of course taking their individual tax situation in mind.

What we haven't seen as much this quarter is what I'll call "the Yankees bullpen market". With my rag arm, I'm not going to call anyone out individually. The Yankees bullpen market refers to a market that for weeks does well and then inexplicably at the moment you really need them, falls 5-10% (or in the Yankees case gives up 5 runs to the Toronto Blue Jays). While my reaction to this Blue Jays playoff barrages a few weeks ago in my living room may be emotional, my and your reaction to eventual market downturns should not be.

We've not seen these downturns as frequently as of late, but they are coming. When they do appear, your reaction and my reaction will be much different than that which occurred in my living room watching the Yankees just a few weeks ago. When the market shows such resiliency, it may also be indicative of some complacency meaning when the market does find a reason to be disappointed the downturn may be more severe.



The chart below illustrates the benefits of remaining calm during these downturns.



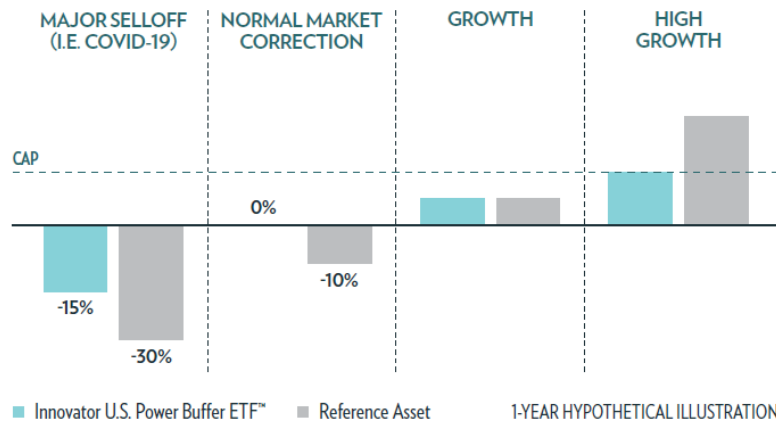


While one size does not fit all, many of our clients in the distribution phase of their portfolio own a portion of their equity holdings in buffered ETFs. As the illustration below indicates, these vehicles can provide downside protection during times you need it but participate in a meaningful portion of the upside when you'd like to be involved with the market. The solution indicated in the chart below from Innovator ETFs is the version that provides protection over a one-year period if the market falls 15% or less. In those cases, an investor in the fund would be breakeven minus the fund's expenses. The fund participates in advances in the market but not always fully. Typically, the maximum return is 10-15%. Both the protection and the upside are not provided by insurance but rather by options contracts, which are contracts to buy or sell an asset at a specific price in the future.

### What to Expect

Defined Outcome ETFs™ allow investors to know their potential outcomes relative to the market exposure over the full outcome period.

The chart example to the right uses the Innovator U.S. Power Buffer ETF™, which has a 15% buffer, and a hypothetical 15% upside cap.



*The hypothetical graphical illustration provided is designed to illustrate the Outcomes based upon the hypothetical performances of the Underlying ETFs for a shareholder that holds Fund Shares for the entirety of the Outcome Period. There is no guarantee that the Fund will be successful in its attempt to provide the Outcomes for an Outcome Period. The graph does not represent all market scenarios. The returns that the Fund seeks to provide do not include the costs associated with purchasing shares of the Fund and certain expenses incurred by the Fund.*

In conclusion, a market with historically normal interest rates can allow for these Ohtani moments where both stocks and bonds outperform their historical averages. Take them in and appreciate them while they're here as the Yankees bullpen market tends to show up when you'd least expect it.

We are always here for questions as you navigate the headlines, the markets, and the important moments in your life.



PS..Don't invest in anything resembling "Florida State Football". You will be taken in by initial success at first and then immediately be met with severe disappointment in the coming weeks.

PPS...The Yankees knocked out the Boston Red Sox from the playoffs on October 2<sup>nd</sup>, 2025. (had to put that in there for a few loved ones and colleagues...you know who you are).

## High-Impact Deductions from the 2025 Tax Law

The tax law changes are here, and some of them could directly affect your financial strategy between 2025–2028. Two of the most important provisions to know are the Senior Deduction and the SALT Deduction.

**Senior Deduction.** You've heard the administration talk about "no tax on social security" yet you look, and your social security is still being taxed. The new tax law implemented a \$6,000 Senior Deduction for people age 65 and older (\$12,000 for couples). The benefit begins to phase out for individuals if their modified adjusted gross income is over \$75,000 for single filers and \$150,000 for joint filers. This deduction is available whether you take the standard deduction or itemize. It is a temporary provision from 2025-2028.

**SALT Deduction.** This is the State and Local Taxes deduction (SALT). This deduction allows you to subtract certain state and local taxes you paid, like property taxes, real estate taxes, and state income taxes, from your federal taxable income. Previously capped at \$10,000, recent tax legislation raised it to \$40,000 for households with income under \$500k. This can be especially valuable for families with significant property tax bills or people that live in high-tax states. To use this deduction, you must itemize.

## Our Support of the Melanoma Research Foundation

Riverside Wealth Partners was proud to sponsor the Melanoma Research Foundation's #GetNakedJax event this year. This is the fifth year for this local event which has raised funds for several research grants focused on pediatric melanoma and advanced immunotherapy treatments. We enjoyed a perfect almost fall evening and the hospitality of the folks at TPC Sawgrass.

This was my first year on the organizing committee. The cause is personal to me, and I was thrilled to be part of the event. There were stories of challenge, perseverance and HOPE shared on stage. We enjoyed a perfect almost fall evening and the hospitality of the folks at TPC Sawgrass. Those with advanced melanoma have a survival rate that is many times higher than those in the same position ten years ago.

This HOPE has been made possible through research funded by the government and private parties. With concerns surrounding the federal government's budget supporting cancer research, private fundraising is even more vital. Through the generosity of local companies sponsoring the event and generous individuals attending the event and feeling inspired to help, the event raised over \$200,000 that will go directly to research.

This year's specific study beneficiary is Dr. Dan Erkes of Thomas Jefferson University in Philadelphia, Pennsylvania who is conducting a study with the aim to reduce the side effects of immunotherapy. If successful, this could help patients tolerate treatment better, stay on it longer, and ultimately have better results.

Information about the event is below. We'd love to have clients and friends attend with us again next year to help support this important cause.

<https://www.getnakedjax.org/>



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