EAGLE WEALTH STRATEGIES SUMMER 2025

THE EAGLE'S VIEW

IN THIS ISSUE:

Mid-Year Update

Chris Tully, CFP®, RICP®, CIMA®
Managing Partner
Senior Wealth Advisor

Maybe we should have all just taken the first half of the year off! The S&P 500 is up 6% in six months, a typical increase. But for those of us who watch the markets every day, the path felt anything but typical.

The S&P 500 gained 4% through mid-February, lost 10% by mid-March, recovered most of that in late March, and then fell to down 20% on April 8th in reaction to tariff announcements. Yet on June 26th, the S&P reached a new high. It was the shortest bear market ever, troughing on the very day it hit down 20%, and it was also the fastest recovery to a new high. US equities went from peak to peak in just 57 trading days, compared to a median of almost two years for the 12 bear markets since 1945.

The US Federal Reserve held interest rates steady, citing risks of higher inflation and a rise in unemployment. In the bond market, US Treasuries were higher, with the benchmark 10-year yield just below 4.3%.

Investors also turned their attention to gold (GLD ETF), whose price has risen 25.90% this year as of June 30th. Some may believe gold can be a useful tool for protecting wealth from rising prices or a safe haven to stabilize a portfolio when stocks are volatile. But gold hasn't been effective at tracking inflation and has been far from immune to downturns. In fact, since 1970, gold has had a positive annual return in just 60% of calendar years, while the S&P 500 Index has had a positive return in 80%. For investors, this pattern raises questions about the long-term benefits of an allocation to gold.

Looking ahead, a global trade war and shifting political alliances could slow growth, boost inflation and raise the risk of a recession. On the other hand, markets could respond positively to swift and successful trade negotiations. Economic data have mirrored the volatility in the markets and trade policy. Soft indicators (e.g., confidence surveys) have fluctuated in tandem with news of on-again, off-again tariffs, while hard data (i.e., employment and inflation) have shown more resilience. This discrepancy has added to uncertainty and continues to fog the economic outlook.

The days of wondering solely about inflation and the Fed's next meeting are over for the time being. We are seeing a rotation toward fiscal from monetary policy: For the first time in decades,

...continued from page 1

governments in many parts of the world are relying increasingly on fiscal measures as their main policy lever. The bill passed last week in the US signifies the magnitude of fiscal spending.

Market volatility may be unnerving, but it is also a sign of a working market. Whether responding to economic forecasts, consumer price changes, or tariff policy updates, market prices adapt to new information. It would be surprising if markets didn't have reactions that are reflective of impactful events. So, while the news headlines may be concerning, market turbulence historically has subsided, giving us a good reason to resist making changes. Pain one may feel now reflects markets setting prices such that expected returns are always positive. So, when the market experiences a sudden drop, remaining committed to a plan can help investors avoid day-to-day worries—and set them up for the long-term rewards that the market can offer.

Last quarter, we asked, "The S&P 500 has corrected: Now what?" Today we ask, "The S&P 500 has recovered: Now what?" The answer is the same:

Though we aren't market timers at Eagle Wealth, we are fans of periodic portfolio rebalancing. We think it makes sense to set target portfolio weightings for stocks, bonds and cash, and within the stock portion, to further target U.S. and international exposure, value/growth and large and small mid cap exposure. Especially after large moves, it is possible to take advantage of volatility by trimming the outperforming categories and adding to the underperforming ones. This can help prevent an ever-increasing exposure to one asset as its price gets more and more expensive. Further, it establishes the pattern that you can take advantage of inevitable periods of weakness to increase your holdings in undervalued assets. This behavior goes a long way toward reducing, if not eliminating, the counterproductive temptation to sell after declines.

We hope everyone has a wonderful summer! And as always, we're here if you have any questions.

Paul J. Tully, CFP®, RICP®
Founder, Senior Wealth Advisor

Paul's Perspectives

The 2nd quarter of 2025 was eventful, but at the end of a wild political and market ride, we are better off than when we started the year. Despite a very rapid decline of 20% from mid-February through early April, we finished the first half in positive territory, +6% in the S&P 500 index, though I'm not sure how. It was pretty wild.

We have more going that is good than bad, though I think we have more volatility ahead. Unless we get some trade policies that stick, the investment markets may rise and fall (or soar or plummet, according to the media) in the news of the day. At the same time, the metrics that need to be good - earnings, inflation and interest rates - are all decent, though they are not great. Decisions made in the coming months will determine if it stays that way. It will pay to be resilient.

I like to comment on the economy and markets and try to make it understandable. I'm told that I do a decent job of that and of projecting a positive, though reasonable, outlook for the future. I want people to be confident, but not overly so. We have serious issues to face, like $37 trillion in accumulated debt that will continue to increase at close to $2 trillion per year, Social Security solvency, and inflation risks that, combined with medical advances, may play havoc with many financial plans in years to come.

I will address the longevity/inflation dilemma in the next few quarters as I reflect on my decades of experience guiding families and businesses along the path to a good financial outcome. I have experienced many transitions, with more to come, I'm sure. Longevity will be the biggest.

Sometimes, life events occur that impact your life in such a way that the focus on investment markets, the economy, our global politics and minor daily problems seems frivolous.

When those events occur, I realize what truly is most important. Those events can be positive or negative and the negative ones seem to hit hardest and refocus your thinking. We have had several this year…now it's time for some good ones!

We are in challenging times, some personally, some as a country. Much of what we hear, read and experience daily is negative. At the same time, there are remarkable things happening in healthcare/lifespan, technology (AI, robotics), and education.

I will end with a line from a 1977 song by Earth, Wind and Fire. "***Don't let the world change your mind".*** We have seen similar stressful times over many decades. In the beginning, they seemed to all be different, but in the end, they were resolved, and we moved forward. We will again.

Enjoy your summer, and if traveling, make it memorable!

David Koehler , CFP®
Wealth Advisor

Key Provisions of the "One Big Beautiful Bill Act"

I am sure you have seen news coverage of the passage of the One Big Beautiful Bill Act, or OBBBA for short, which was signed into law on July 4, 2025. The bill includes extensions of several key parts of the 2017 Tax Cuts and Jobs Act (TCJA) that were set to expire after 2025, including a permanent* extension of current tax rates and brackets. Below, I have outlined some of the key provisions that may impact many of our clients here at EWS.

Provision	Effective Date	End Date	Details
529 Plan Expansions	January 1, 2025	Permanent	K-12 tutoring, post-secondary credentialing expenses
Car Loan Interest Deduction	January 1, 2025	December 31, 2028	Up to $10,000, U.S.-assembled vehicles only, income limits apply
Charitable Contribution Deduction	January 1, 2026	Permanent	Up to $1,000 single/$2,000 married, income limits apply
Child Tax Credit Increase	January 1, 2025	Permanent	$2,200 per child, indexed for inflation, income limits apply
Clean Energy Credits End	September 30, 2025	-	EV credits, commercial clean vehicle credits end
Enhanced Estate Exemption	January 1, 2026	Permanent	$15MM individual, $30MM jointly, indexed for inflation
Enhanced State & Local Taxes (SALT) Deduction	January 1, 2025	December 31, 2029	$40,000 cap, 1% annual increases, reverts to $10,000 in 2030, income limits apply
Home Energy Credits End	December 31, 2025	-	Residential solar, heat pumps, efficiency improvements
Overtime Pay Deduction	January 1, 2025	December 31, 2028	Up to $12,500 single/$25,000 married, income limits apply
Senior $6,000 Deduction	January 1, 2025	December 31, 2028	Can claim on 2025 returns filed in 2026, income limits apply
Tip Income Deduction	January 1, 2025	December 31, 2028	Up to $25,000 deduction, income limits apply

Table adapted from Investopedia/Peter Gratton. Source: US Congress, Journal of Accountancy
*Lawmakers can and often do change tax provisions, so nothing is truly permanent.

As with most new legislation, initial guidance/interpretations may change over time as additional information and further guidance from the IRS becomes available. It's important to note that most of the provisions related to new deductions may be temporary, subject to income limits, and/or capped, which will require careful planning to maximize benefits.

Our Moving Saga: An Update

Melissa Phillips, IACCP®
Chief Compliance Officer

You probably recall reading an email from me way back in November 2024 letting you know that we had purchased a building in Mullica Hill with plans to relocate our office sometime in the first half of 2025.

You're probably also wondering what happened there—well, allow me to give you a brief explanation.

We still plan to relocate to 118 Bridgeton Pike in Mullica Hill in the near future; however, in Feburary a fire in the building not only damaged the property but also led to a pause in renovations, along with the associated demolition and cleanup in the aftermath. While we're lucky that only a small portion of the building was damaged (and perhaps more importantly, that no one was hurt!), it has severely delayed our timeline for moving in.

In the meantime, we have had to consolidate down to just one suite in our current building here at 877 Kings Highway. We sent out a communication via email on July 1st, but in case you missed it, we've moved down the hall to suite 400. So instead of being the first door on the right when you enter the building, continue straight and then slightly to the right to find us.

Considering we've cut down to less than half of our office space, we are rotating "in office" days, meaning that we'll always have at least one person in the office during business hours, but never a full staff. Anyone not in the office on a particular day works remotely. That said, if you want to drop in and speak with your advisor or relationship manager, we do urge you to give the office a call first to ensure that person is in the office on that day. If they're not, we're always happy to make arrangements to accommodate your request for an in-person chat.

We don't yet have a firm timeframe for the final move to Mullica Hill, but we will keep you posted when the time comes. But for now, we're in the same building, just down the hall.

Please be sure to update the suite number in our address from 300 to 400 for mailing purposes.

877 Kings Highway, Suite 400
West Deptford, NJ 08096

New Jersey Property Tax Relief Programs

For the first time in 2025, NJ residents who were 65 or older as of 12/31/24 can apply for three property tax relief programs—Senior Freeze, ANCHOR, and Stay NJ—on a single application called PAS-1.

Residents 65 or older **must** file this new application **by October 31, 2025** in order to receive the benefits they are eligible for.

For NJ residents under 65 that qualify for ANCHOR only, PAS-1 cannot be used. Eligibility for these programs is based on 2024 residency, income, and age.

ANCHOR

- ✓ Homeowners earning $250,000 or less
- ✓ Renters earning $150,000 or less
- ✓ No age restrictions

Senior Freeze

- ✓ Must be 65 or older
- ✓ Owned and lived in your home in 2020 through December 2024 and paid property taxes
- ✓ Meet certain income limits for the prior two years ($163,050 or less in 2023, $168,268 or less in 2024)

Stay NJ ➔ New Program in 2025

- ✓ Must be 65 or older
- ✓ Have 2024 income less than $500,000
- ✓ Owned and lived in your home for all of 2024

For more information, visit https://www.nj.gov/treasury/taxation/relief.shtml

IT'S A BOY!

***Chris** and his wife **Molly** welcomed their son, **Meyer William Tully**, on July 19th. Mom and baby are doing great, and we've never seen Chris so excited. Please join us in welcoming him to the world!*

***Jess'** daughter Emerson finished another year of dance and discovered a new passion in musical theater. She performed a song from Annie in her Spring recital and will be attending theater camp this summer.*

***David** and his wife, **Kim** were busy celebrating not one but two July birthday girls this summer— number one for Corinne and number four for big sister Olivia.*

Take me out to the ballgame! Most of the EWS crew enjoyed a Friday night Phillies game back in May. They witnessed a bit of history with Bryce Harper's 1,000th RBI.

Christopher Tully, CFP®

Managing Partner, Senior Wealth Advisor

Paul Tully, CFP®

Founder, Senior Wealth Advisor

Steffanie Lerch, CFP®

Partner, Senior Wealth Advisor

David Koehler, CFP®

Wealth Advisor

Jessica Ortega, CFP®

Partner, Chief Operating Officer

Melissa Phillips, IACCP®

Chief Compliance Officer, Operations Coordinator

Ryan Miller

Wealth Advisor

Erin Fago

Relationship Manager

Chazz Scogna

Relationship Manager

Frank Febbo

Client Service Associate

EAGLE WEALTH STRATEGIES

AN INDEPENDENT FIRM