

Hart to Heart



Wealth
Management

September 2025

Season Of Reflection

As we head into the last week in September, we wanted to reflect on some of the topics discussed in this newsletter over the past several months. You'll recall that in our last write-up at the end of August we focused on the difficult history of September for the stock market. In fact, September is the only month that has registered a negative performance for the month going back nearly 100 years. And yet, as of Tuesday, September 23rd, 2025, major market indices have hit record highs in each of the last three trading sessions.

This week the "Organization for Economic Cooperation & Development" or "OECD" has forecasted slower growth for the United States next year based on tariffs and lower immigration.

It would be reasonable to think a lower growth rate could reduce market returns next year although there is ~\$7.3 trillion currently held in U.S. money market funds (source: ICI) and the prospect of lower interest rates heading into next year to consider too.

It seems that for every "negative" there is an offsetting positive as well.

One might argue that the market has been led higher in recent years by just a handful of tech stocks and yet in recent months we've seen greater participation to the upside by both small cap and mid-cap stocks – something we noted in this newsletter earlier this year.

There is no shortage of "doomsday" predictions for everything from the financial markets to society itself and yet there is a tendency with stocks to "climb a wall of worry" in the face of negative outlooks. Of course, past performance is no guarantee of future results, but throughout the history of the stock market it has managed to recover from its periodic pullbacks.

The market doesn't like uncertainty, but it does eventually digest much of that uncertainty to resume its trajectory.

We've written in the past on these two pages of what I fear most which is the impact on our currency along with our credibility on a global scale and that remains my foremost concern.

Updates

- **To our clients observing Yom Kippur; we wish you an easy fast and a meaningful holiday.**
- [Register for RBC Online](#): Account information, statements, tax documents, ... all at your fingertips.
- Let's Talk! Schedule a meeting. **Please reply to this email with dates and times.**
- Tax harvesting season is upon us – let's chat about offsetting gains, using our losses, etc.
- Required Minimum Distributions are due by 12/31/2025 - have you heard about Qualified Charitable Donations?



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Consider The Currency Conversion

For example, if a foreign investor has made 10% on their investment in the United States and then wants to convert those gains back into their own currency – but the dollar has lost 10% of its value while the foreign investor was making 10% in the U.S. - then that foreign investor loses his 10% gain by way of the weaker dollar erasing their market gains through the currency conversion.

Global \$standard

If we're wondering whether there is an incentive to avoid investing in the United

States at this time, then I'm afraid it could be our currency.

While we expect the dollar to remain the global standard, a weaker dollar motivates U.S. investors to invest overseas.

If we have made 10% in a foreign stock and then convert our profits back into U.S. dollars a weaker dollar will allow our foreign currency to buy more U.S. dollars.

Hence, a 10% gain overseas could become a much better return upon returning to the U.S. dollar.

Am I suggesting we should all be investing internationally?

Not necessarily, however, we have always believed that if we're investing exclusively in the U.S. then we're missing out on the rest of the investment opportunities throughout the globe and that might be to our detriment.

When we order off a restaurant menu, we generally don't ignore entire sections of the choices available to us and investing globally isn't much different.

“We cannot adjust the wind, but we can adjust the sails.”
– Dolly Parton

Mom Wisdom

I'm writing this note on September 23rd which would have been my Mom's 91st birthday.

My Dad recently turned 93 but my Mom passed away in January of 2017.

I miss her every day in every way but especially her wise and worldly perspective.

On the morning of my first day in this business 43 years ago I was preparing to leave my maternal grandparents' house for work, and my Mom was visiting her parents at the time.

I had on a three-piece suit and felt like I was only impersonating a businessman as I had spent my first two years out of college working for a concrete company on the Georgetown waterfront.

My Mom saw me before I left and without any background in finance, she gave me the best career advice I've ever received.

My Mom said, “Just remember, people have to like you before they'll give you their money.”

Of course, we could replace the word “like” with the word “trust” or even “enjoy” but coming from one of the smartest people I've ever known I knew she was right.

My Mom had chosen the life of a Marine officer's wife, a homemaker and a mother but she was also a Vassar graduate who had won Washington DC “Spelling Bee's” as a child.

She didn't have a business background per se even though she was hired by IBM right out of college, but I trusted her wisdom and her excellent instincts about people.

As we find ourselves in a quandary at the moment where we seem to be straining or even severing relationships both inside and outside our country, we should keep in mind that whether it's Canada no longer buying our liquor or China no longer buying our soybeans the world can decide for itself whether they like us or not.

If they decide the latter then the value of our currency may feel the heat of their disdain.

Perhaps our political leaders should take a page from the amazing Dolly Parton who said, “We cannot adjust the wind, but we can adjust the sails.”



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