

Quarterly Portfolio Review

December 31, 2025

“Successful investing isn’t about reacting to the moment—it’s about staying aligned with a long-term strategy through every market cycle.”

Year in Review

- Money Market rates are still very competitive at over 3.5%. If you have cash at your bank, please check your rate and contact us with questions.
- Emergency Fund— Your emergency fund should be 3-6 months of your monthly expenses. Your checking account should be 1 month of expenses.
- Schwab 1099s will be sent out between the end of January and end of February. These can be found by logging into Schwab.com.
- If you need a withdrawal, its important to call us with enough time to get you the withdrawal in the time you need it. A distribution takes between 2-4 business days.
- We do not send money via Wires. We will send funds to your personal checking accounts via a Money link. If you have a change in your local bank account, let us know asap.

BENCHMARKS YTD THROUGH 12/31/2025

FTSE World Gov’t Bond Index 3-7 Yr. Hedged	+5.89%
Russell 2000 (US Small Cap index)	+11.29%
S&P 500 (US Large Cap index)	+16.39%
Wilshire 5000 (US Total Market index)	+15.67%
MSCI EAFE (International Stock index)	+27.89%

TAX SEASON AND TAX RATES

As we begin 2026, it’s important for investors and retirement clients to **review monthly withdrawal amounts and tax withholding** with your CPA or tax preparer. Changes in income, deductions, and life events can affect your tax liability, and updating your withholding now can help avoid surprises when you file your 2026 return (due in 2027).

Also review your financial goals and needs for 2026, including upcoming expenses such as car purchases, home maintenance, vacations, education costs, real estate investments, or any other major spending. Ensuring that your cash flow, investment goals, and tax strategies are aligned will help you preserve wealth and reduce unnecessary tax burdens.

Below are the federal income tax brackets for married couples filing jointly for tax year 2026 (returns filed in 2027): [IRS+1](#)

2026 Federal Income Tax Rates – Married Filing Jointly

- 10%: \$0 to \$24,800
- 12%: \$24,801 to \$100,800
- 22%: \$100,801 to \$211,400
- 24%: \$211,401 to \$403,550
- 32%: \$403,551 to \$512,450
- 35%: \$512,451 to \$768,700
- 37%: Over \$768,700

Because rates and brackets are inflation-adjusted annually, and other credits/deductions (e.g., capital gains thresholds, SALT caps, age-based deductions) may change, working proactively with a tax professional **before the end of the year** is strongly recommended to optimize your overall tax and financial plan.

QUARTERLY CLIENT WEBINAR

Date: Thursday, January 22nd Starting time: 12:00 pm, Eastern Standard Time

Website link: <https://events.teams.microsoft.com/event/1cfd9e4d-5eb0-4d1f-a64f-0501bb107662@6e7c39d0-19e0-457a-933e-eb95e31c0b35>

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at www.afadvisors.com.