



D|A|DAVIDSON

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TROST
WEALTH
MANAGEMENT
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Autumn in Montana

The Trost Wealth Management team hopes everyone is having a wonderful autumn! It's been beautiful in Helena, and we're all doing our best to enjoy this lovely weather before the snow flies.





Economic Outlook

Despite recent setbacks, markets have recovered during 2023 and remain well above last year's bear market lows. The optimism pushing stocks higher seemed well-placed, as it coincided with inflation falling from its peak of nearly 10% to just under 4% over the past 12 months. Still, the Federal Reserve has a big task ahead to reach their policy goal of 2%. They've signaled further rate increases during recent meetings which has again spooked markets hoping for a quick end to this tightening cycle.

Markets often struggle with uncertainty, and we're currently facing the potential for yet another government shut-down, various labor strikes, the ongoing war in the Ukraine, and an upcoming presidential election, but inflation and interest rates remain the primary issues impacting markets. We think the Fed still has a window to get inflation back to 2% without causing a major recession. Instead, we may continue to see a "rolling recession" where industries and sectors falter and recover intermittently, which might allow inflation to continue to fall without severely impacting the labor market.

Impacts of these issues on financial markets are varied. Fixed income has certainly become more attractive with higher rates, so an allocation to bonds may be prudent for many investors, and we continue to believe that maintaining a reasonable allocation to equity markets makes sense for long term investors. Of course, market volatility is inevitable, and there are certainly more risks than those outlined above, but investors able to remain calm in the face of uncertainty have been rewarded in the long run. As always, we're happy to discuss your own unique situation in more detail.



Dan Trost, CFP®, CWS®

Financial Advisor
Senior Vice President



Team Happenings



Lexie Bass, FPQP, CWS®
Senior Associate Financial Advisor



April Cardoza
Registered Client Associate

April has stayed busy this summer and fall with paint parties and live music. She volunteered several times at Exploration Works and helped make a Lego mural, a very fun piece of art that everyone seems to enjoy. She also had a blast watching Nelly at the Last Chance Stampede and has enjoyed teaching the ladies at Touchmark, a local independent living facility, how to paint bird houses. April is looking forward to fall and the colder months coming and plans to spend lots of time under a cozy blanket with a fire blazing.

The Bass family had a wonderful summer filled with swimming, boating and lots of sun. Both girls, Vivian (7) and Hazel (5), got up on wakeboards for their first time, and Erik rode the slalom ski. While they're sad to see summer end, the family has jumped headfirst into fall activities. Hazel started Kindergarten; her favorite subjects are lunch and recess. She keeps busy with ballet, gymnastics and soccer and recently scored her first goal. Vivian entered 2nd grade and is so excited to have little sister at the same school. She recently auditioned for the Nutcracker and was cast in three roles. She is most excited to be the Mini Sugar Plum Fairy because it has the prettiest costume. Lexie and Erik recently celebrated their 9th wedding anniversary in Pray, MT. As always, the beauty of Montana astounds, and it was wonderful to explore a new part of the state.



Darbi Linder

Registered Client Associate



The Linders had a wonderful summer with lots of adventures. A highlight was a family reunion trip in the deep south in the middle of the summer. Everyone was surprised at how much fun it was touring Memphis, the Mississippi River, and spending time with extended family. Although summer was full of fun, everyone is happy to be back in the routine of school and sports where friends abound. Isabelle is in her senior year and is captain of the varsity soccer team. Brit is a sophomore and is leading the JV football team to frequent victory. Libby is in Salt Lake leaving no stone unturned with ultra-racing, socializing, and trying to stay on top of Year 3 in the Architecture department. The Linder family feels grateful for the recent opportunities they've had to live a full life.



Dan Trost, CFP®, CWS®

Financial Advisor,
Senior Vice President

Dan, Cassie, and family have had a busy fall with biking, football, and school, and they even made time for a quick weekend trip to Yellowstone Park. The boys were blown away by the beauty, the geysers, and Isaiah's favorite, the "stink pots." It had been way too long since they were in the park, and Cassie and Dan vowed to take the boys back again next year to visit the Lamar Valley. Lucas (13) started the 8th grade and decided to try football for the first time this fall, and he's really enjoying it. He's learned a lot, has played several different positions, and has scored 3 touchdowns so far! Aaron (11) entered the 6th grade at Helena Middle School where he's been happily reunited with his brother. After dreaming of a spot on the Helena Cyclones mountain bike team for the past few years, Aaron's racing for the first time this fall. With a spot on the podium at the first two events, he's taking advantage of the opportunity and loving every minute of it. Dan remains an assistant coach for the team and is having fun too. Isaiah just turned 6 and loves Kindergarten! He told his mom that he can never be late because he has a job he takes very seriously, the important task of stacking everyone's lunch boxes in the morning and then handing them out at lunch time. He's adjusting well and has mastered the monkey bars and learned to tie his shoes in the first two weeks, so it promises to be an amazing year.



What Is the Best Form of Property Ownership for Me?



In planning your estate, it is customary to consider wills and trusts (as well as intestacy) as a means of property distribution. As a matter of fact, the manner in which you hold title to your assets may supersede provisions contained in other transfer documents. Likewise, significant tax benefits can be gained (or lost) depending on the characterization of your property.

Let's take a look at the general classifications of ownership.

Sole Ownership

Sole ownership occurs when someone owns a complete interest in property. Ownership is passed by the typical transfer documents, or by the laws of intestate succession. The complete interest is included in the estate of the decedent. Because of this, the beneficiary receives a

full step-up in basis. This, in essence, brings the basis up to the fair market value at death, thereby eliminating a capital gain if the property is sold immediately after death.

Joint Tenancy

Joint tenancy exists when two or more persons share equal, undivided interests in property. Joint tenancy is not limited to spouses. Anyone can share joint interests, but there are tax benefits when this arrangement is shared only between husband and wife (qualified joint tenancy).

A joint property interest cannot be passed through traditional documents, such as a trust or a will. Ownership of a joint interest passes by "operation of law" to the surviving joint owner(s). Further, property held in joint tenancy will not be subject to probate.

Under qualified joint tenancy, half of the property is included in the first decedent's estate. Because of this, the surviving spouse obtains a stepped-up basis only on the first decedent's half of the property.

If any nonspouses participate in joint ownership, the entire value of the property is includable in the decedent's estate, reduced to the extent that the estate can prove that the surviving tenant(s) contributed to the cost of the property.

Another form of joint ownership — tenancy by the entirety — is similar to joint tenancy, but it can only be created between husband and wife. Unlike joint tenancy, an interest cannot be transferred without the consent of the spouse. Tenancy by the entirety is only recognized in certain states.

Tenancy in Common

Tenancy in common provides an undivided interest in property between two or more people. Unlike other forms of joint ownership, however, these interests can be owned in different percentages.

A tenant in common can utilize the traditional transfer documents, but interest cannot be passed by operation of law.

Community Property

Under community property statutes, all property earned or acquired by either spouse while they are married is owned in equal shares by each spouse. The essential principle of community property is that the earnings of either husband or wife and the revenue from their community property belong not to the producer but to the community of the husband and wife.

For estate conservation purposes, there are no restrictions on how each spouse can give away his or her half of the community property. There is

no law requiring one person to leave his or her half to the surviving spouse, although, of course, many do.

Currently, nine states have community property laws: Arizona, California, Idaho, Louisiana, New Mexico, Nevada, Texas, Washington, and Wisconsin. (Alaska adopted a community property system in 1998, but it is optional).

The amount includable in the estate of a decedent is based on his or her 50% of community property ownership. The beneficiary of the property interest receives a stepped-up basis on that portion of the property. The surviving spouse also receives a stepped-up basis on his or her 50% community property interest. It is important to remember that the beneficiary can be chosen by the decedent. This is in contrast to joint tenancy, under which the surviving joint tenant(s) automatically inherit the interest of the decedent.

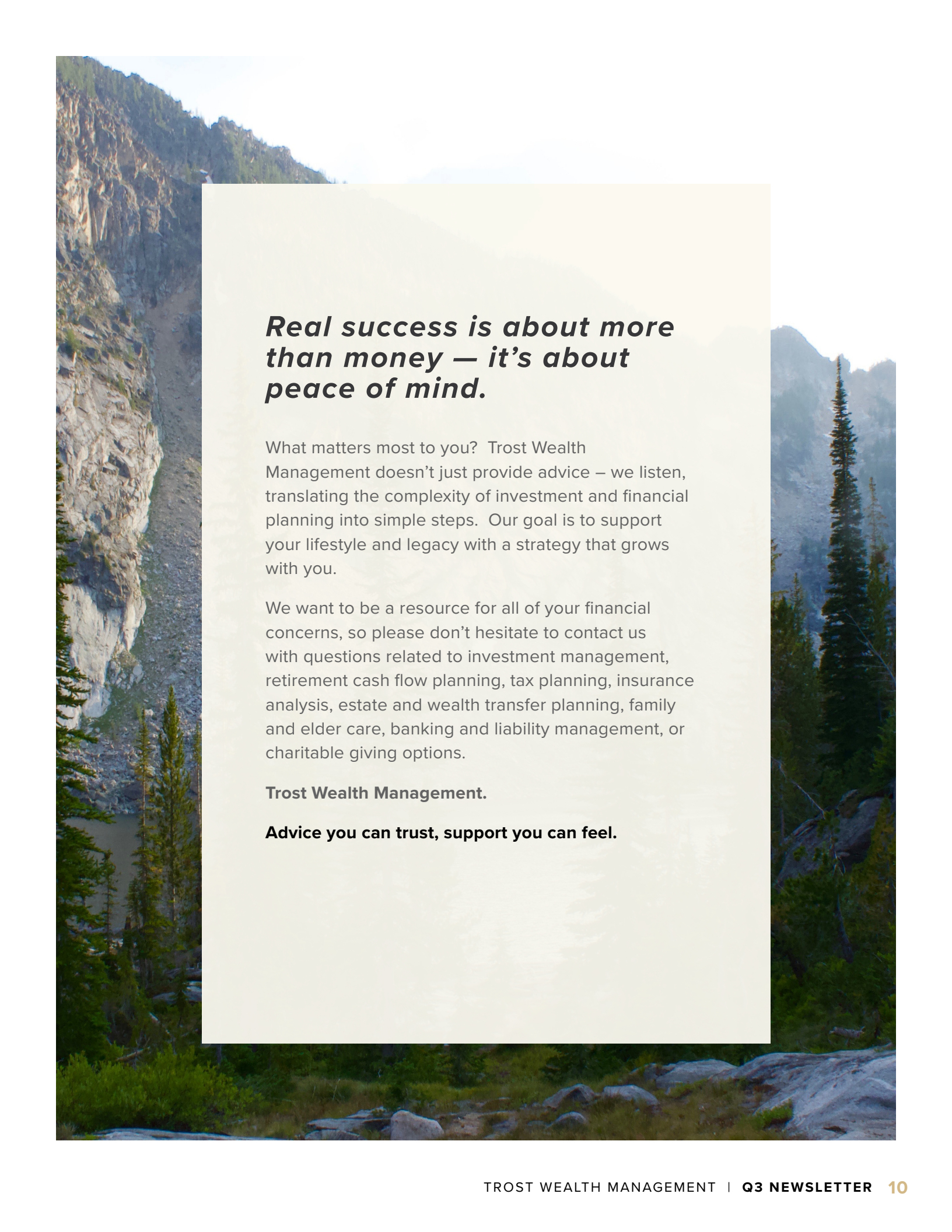
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Community

Giving Back

In an effort to give back to the community that means so much to us, we continue to support many local non-profits. Our branch recently volunteered to help Helena Area Habitat for Humanity with a building project as part of “D.A. Davidson Day,” a corporate-wide initiative to give back. We also recently sponsored and attended a fund-raising event for Prickly Pear Land Trust. Dan remains a director for the Montana Board of Investments, where he’s enjoying his role in helping to manage, protect, and grow the more than \$24 billion in investments related to Montana’s public employee pensions and other funds. Dan also continues to serve on the Teachers’ Retirement System Board, another organization he believes in wholeheartedly. Our team also helped to raise funds this past quarter the Holter Museum, the Friendship Center, and the Montana Professional Teachers’ Foundation.





Real success is about more than money — it's about peace of mind.

What matters most to you? Trost Wealth Management doesn't just provide advice — we listen, translating the complexity of investment and financial planning into simple steps. Our goal is to support your lifestyle and legacy with a strategy that grows with you.

We want to be a resource for all of your financial concerns, so please don't hesitate to contact us with questions related to investment management, retirement cash flow planning, tax planning, insurance analysis, estate and wealth transfer planning, family and elder care, banking and liability management, or charitable giving options.

Trost Wealth Management.

Advice you can trust, support you can feel.



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