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SUMMER 2025

TROST
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Summer 2025

Welcome

Happy summer from the Trost Wealth Management Team! As usual, spring was on-again, off-again in Montana, but the weather has recently turned for the better and the wildflowers are absolutely beautiful this year. This is a wonderful time to enjoy the outdoors here in Montana, and we're all excited for some fun adventures.



Economic Outlook



The first half of the year has been volatile for equity markets. The S&P 500 hit an all-time high in February, but rumors about potential tariffs weighed on markets, and they drifted lower throughout March. When the tariff plan was formally announced on April 2nd, investors were surprised by its unprecedented scale, and the S&P 500 quickly declined further, nearly into a bear market. About a week later, the president paused the increased tariffs on all countries except China for 90 days, possibly because bond markets had joined the fray with yields spiking and prices down. Since then, financial markets have recovered on optimism over potential trade deals and an additional pause on China tariffs.

Most economists hope the threat of high tariffs is more about negotiating for better trade deals than an ideological shift in policy. It's possible that trade will return to normal as new deals are reached over the next few months. If not, there's a real concern that broader and more significant tariffs may increase inflation and slow growth. All the uncertainty has already caused some damage and increased the odds of a recession,

although most still see slower GDP growth as the base case scenario. Either way, there's likely to be continued volatility as these complicated negotiations rarely play out in a straight line, and hints of escalating tension between countries could lead to greater economic disruption. Because market declines are common, we've incorporated several risk management strategies within our investment and financial planning process. As markets adjust, we will look to take advantage of any opportunities and will continue to manage risk within portfolios. As always, investors able to remain calm in the face of uncertainty have been rewarded in the long run, and it's easier to remain calm when you have a long-term plan and a solid strategy. Please reach out if you'd like 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



The Bass family has been enjoying the beautiful spring weather. With the first warm Memorial Day in recent memory, they spent time on the lake and both girls even went swimming and wakeboarding, brrrr! Vivian is finishing up 3rd grade and is so excited for 4th! She loves reading and writing, especially writing stories and songs. She hopes to be a singer/songwriter like Taylor Swift one day. She's keeping busy outside of school with ballet, soccer and track. While ballet is her favorite, track is coming in a close second, much to Lexie's delight! She's gravitated towards the longer distances, and she recently ran the Prickly Pear 5K trail run and placed 2nd in her age group! She's excited to start summer and spend time surfing on the lake.



Hazel is wrapping up 1st grade, and it has been an amazing year for growth and learning. Her favorite subject is still recess, but math is a close second! She's so excited for second grade, especially because the class has a special classmate, a labradoodle. Hazel is also in track and soccer and loves both. Unlike her sister, she prefers to stick to the short distances. She mentioned she would try running the 400 this year, but only if she could bring a water bottle and take a break half-way through. 😊 She's had an amazing year in soccer, with a couple hat tricks. She's looking forward to wakeboarding this summer and spending time on a new bike!



Lexie and Erik and both excited for the summer sunshine. Erik is picking up his clubs again. After a broken wrist last summer, he's excited to be able play again. Lexie is finally healed from her skiing injury (knee) and excited to be back running, especially now that she has new running partners.



Dan Trost, CFP®, CWS®
Financial Advisor, Senior Vice President

Spring is a busy time for the Trost Family with track meets, soccer and baseball games, and mountain bike races. The boys love to play and race, and Dan & Cassie love watching them. 😊

Lucas (15) is finishing his freshman year. He's planning to play football and basketball again next year, and the weight-training and open gyms keep him busy. He's also playing baseball this summer and perhaps even more exciting, he's learning to drive. Dan and Cassie can't wait to have another chauffeur in the house, but it's pretty nerve-wracking to have your kid behind the wheel with no safety brake! Luckily, he's doing very well so far. Aaron (13) had a wonderful 7th grade year. He earned an award for his good grades and citizenship, and he really excelled in math and band (trumpet). He's also playing soccer and baseball, and he's gearing up for the NICA mountain bike team, which starts later this month. Isaiah (7) really enjoyed the 1st grade, where he learned so much. Although it's an ordinary part of growing up, seeing a child learning to read and write may be one of the most inspiring and delightful things a parent can witness, and we owe most of Isaiah's progress to his wonderful teachers. He's playing soccer again this year and loving it, but his favorite activity is getting to be the bat boy for Lucas and Aaron's baseball team, and he



takes his job very seriously. The kids and parents from both teams get a kick out of seeing him sprint as fast as he can to grab the bats between hitters. 😊

The Trost family recently visited Nevada to visit friends and go mountain biking in the Red Rock Canyon area. While they had a great time overall, Dan came home with a brace on both his left foot and right arm from a bike accident. He's almost healed-up and can't wait to get back on two wheels. Cassie has been training all spring and recently got first place in her age group in the Montana Marathon in Billings, which was her 13th full marathon. She's also planning to run in the Bridger Ridge Run in August, a 20-mile trail race with almost 7,000 feet of elevation gain! In between, the family has a couple of trips planned to Big Sky and the Flathead Valley, and they're looking forward to some quality time at the lake!



Kyle Olson
Client Associate



Kyle is enjoying the bright colors and fragrances the spring flowers have displayed this season. With the weather changing, she has directed her attention from the slopes to the hills. She recently explored Avalanche Gulch and was pleasantly surprised by the number of mountain goats grazing in the pasture. Although a little out of practice, she looks forward to trying some of the rock climbing routes in the area sometime this summer.

Kyle also is excited to welcome in a new sister to her family. Her twin brother, Bryce, proposed this past winter and will be getting married in Colorado this July. They recently hosted a pre-wedding reception in Montana so those who are unable to travel could visit with the happy couple. It was a beautiful gathering, but Kyle realized she needs to work on her dance moves a bit before the real wedding. Overall, 2025 is off to a great start and Kyle's excited to see what the rest of the year may bring.



Auriana Kent
Registered Client Associate



It's been a rewarding and exciting spring for Auri this year. She completed her final exams to become fully registered, and went on a celebratory "no more studying" trip with her boyfriend out to the Oregon Coast for some much-needed respite! She's excited to be done and ready to get back to life as usual – just in time for summer.

They have a couple weekend road trips and kayaking adventures planned and more than a few days set aside to get to the shooting range. She also purchased a new gaming computer and has been working on getting her perfect setup at their two-person desk where they spend quiet evenings. Their cat Cleo often supervises from a nearby windowsill to make sure no one is cheating – though she's still not sure what to think about them using a mouse to play!





Will Social Security Retire Before You Do?



Social Security benefits have historically been the foundation for most Americans' retirement plans.

Starting in 1935 as part of a larger safety net, contributions deducted from workers' paychecks have served as a government-enforced retirement savings plan. When the program began, relatively low life expectancies meant that benefits only needed to last for a few years per retiree, on average.

However, over the past few decades the Social Security system has come under increasing strain. Better health care and longer life spans have resulted in a larger number of people drawing on benefits. More recently, with the baby boom generation (those born between 1946 and 1964) reaching retirement age, even greater demands are being placed on the system. In 1950, there were 16.5 active workers to support each person receiving Social Security benefits. In 2024, there were only 2.7 workers, and it's projected that there will be only 2.3 active workers to support each Social Security beneficiary by 2040.¹

The Social Security Administration's most recent actuarial report shows that the "Trust Fund," created to hold excess contributions from earlier years of the program, may be fully depleted by 2035. Without any other changes, this would cause benefits to decline by about 20% for all retirees.¹

This is not the first time the program has been under threat of reduced benefit payments, and there are several levers that could be pulled to extend the status quo well into the future. In fact, the employer and employee contribution rates have been raised dozens of times over the years, the tax rate has been increased, and the normal (full) retirement age, which started at 62, was raised to 67.¹ Each of these levers is still available, and we think it's unlikely politicians will allow their own inaction to harm a very strong voting bloc, because Social Security remains one of the most popular Federal programs on both sides of the aisle. It is possible though, that younger workers may have to pay higher tax rates while working, or wait longer to qualify for full Social Security benefits, which will replace a smaller percentage of their pre-retirement income. As we create retirement cash flow plans for clients, we discuss and recognize how Social Security benefits may play a more limited role in the future.

Please reach out if you have any questions specific to your unique situation.

Note: You can view your statement social security statement online by visiting www.ssa.gov/my account and creating your own personal account on the Social Security website.

Source: 1) Social Security Administration, 2024

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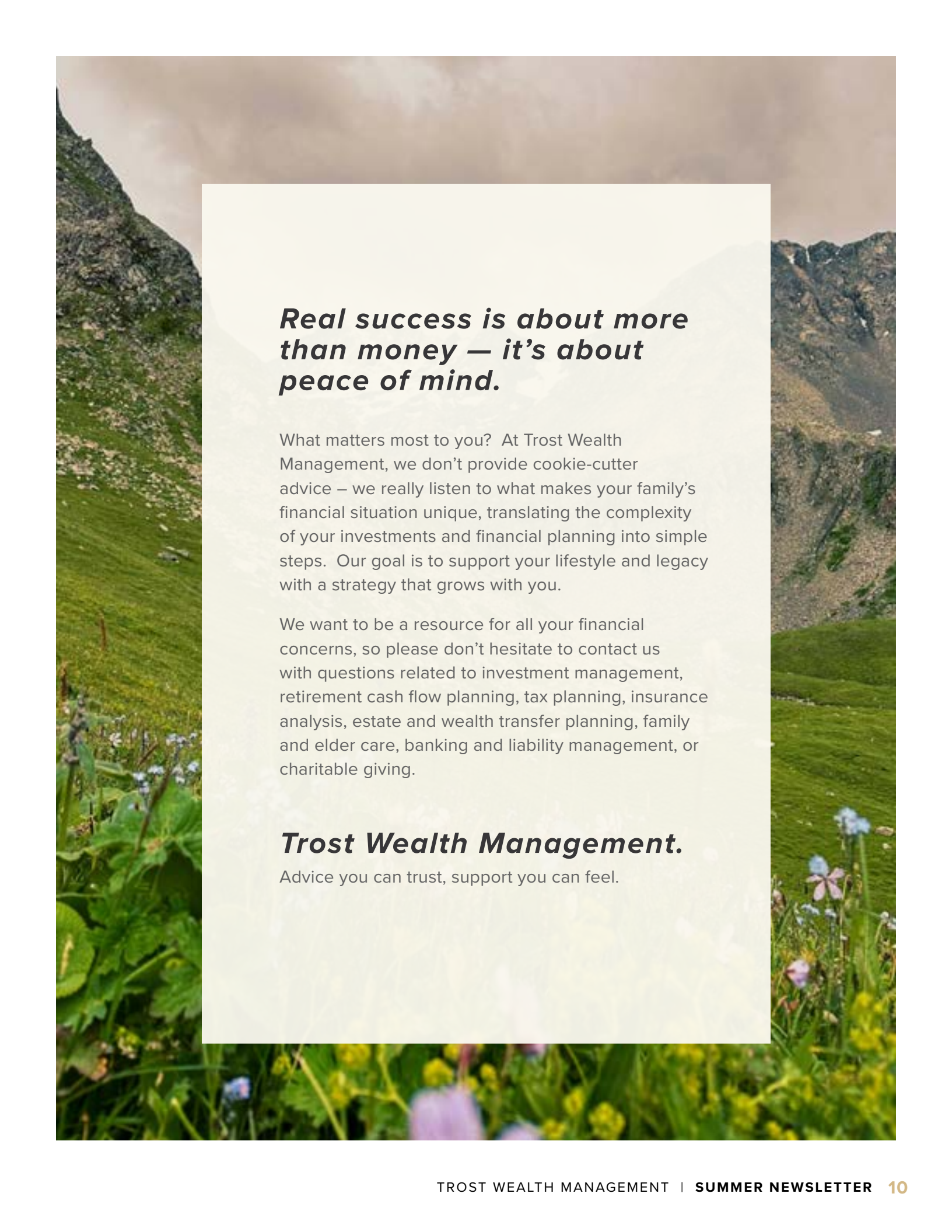


Community

Giving Back

We try to give back to the community that means so much to us by supporting several local non-profits. Most recently we sponsored and attended fund raising events for the Helena Friendship Center and Holter Museum of Art. Dan remains a director for the Montana Board of Investments, where he enjoys his role in helping to manage, protect, and grow the more than \$27 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. Last year Lexie joined the board of the Montana Justice Foundation, and this is her second year on the board of ExplorationWorks!, a unique children's learning center and a gem for the Helena Community.





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

What matters most to you? At Trost Wealth Management, we don't provide cookie-cutter advice – we really listen to what makes your family's financial situation unique, translating the complexity of your investments 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 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.

Trost Wealth Management.

Advice you can trust, support you can feel.



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