MONTAG

Viewpoints

FIRST QUARTER 2025

WELCOME!

Has anyone noticed the pollen in the air? Every year it arrives to let us know that spring is here. While the pollen can be uncomfortable, our bodies adapt, allowing us to enjoy the beauty of spring flowers. This ability to adapt is essential to our progress in all aspects of life. At MONTAG, we focus and adapt with market conditions and client needs. We also prioritize educating our clients on how to protect themselves from fraud and cyber threats. In this issue of Viewpoints, we are pleased to share our market overview along with important and timely safeguards for investment fraud and cybersecurity. We hope you enjoy this issue of Viewpoints, and as always, thank you for your confidence in MONTAG.

MARKET OBSERVATIONS — *Chris Guinther, Senior Investment Strategist & Wealth Manager*

Through 3/31/25, returns for the various indices are as follows:

	Q1 2025		
S&P 500 Index	**- 4.3%**	**Nasdaq Composite**	**-10.3%**
Russell 2000 Index	**- 9.5%**	**Bloomberg US Aggregate Bond**	**+2.8%**
Dow Jones Industrial Average	**- 0.9%**		

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MONTAG *Viewpoints* is published quarterly by MONTAG Wealth

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April 14, 2025

U.S. equity indices declined slightly in the first quarter of 2025, pulled lower by the same mega-cap companies that led the market higher in 2023 and 2024. Investors rotated into large-cap value stocks, which were up about 2% for the quarter, and into Europe, where enthusiasm for fiscal reform in Germany and low valuations prompted investors to buy.

Typically, *Viewpoints* reviews the most recent quarter's financial results because they are somewhat symbolic of current economic conditions, and they can be indicative of what one might expect over the next several quarters.

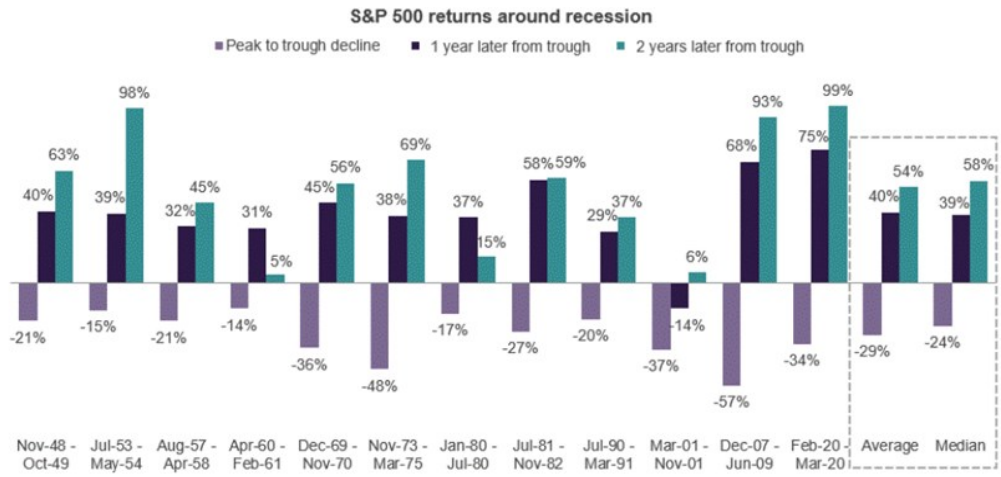
This time, however, the usual review is irrelevant as President Trump appears to be attempting to create a new world economic order. Markets are reacting sharply as investors adjust their expectations in light of the new tariff structure announced April 2 and the revisions that continue to be announced. The range of potential outcomes from all this change is broad, leading buyers and sellers to generate extreme volatility in the markets. Investors tend to de-risk when future revenue and earnings are so unknown.

The Trump Administration's tariff plans, outlined on "Liberation Day," are widely viewed as an assault on the Bretton Woods II era of globalization, an important driver of corporate margin expansion and disinflation that benefited equity prices over the last two decades. This is not music to the ears of investors who had priced the market at more than 21 times forward earnings. The size and breadth of the announced tariffs means there are lots of numbers to crunch in order to estimate the effects on the economy, the consumer, and critically, profit and free cash flow margins. **The situation is fluid and unpredictable, and the true duration of the protectionist plan is unknown and probably unknowable.**

Continued on page 2

MARKET OBSERVATIONS *continued from page 1*

In our view, this is the stuff of investing opportunities. With hindsight, we recognize that some of the most promising moments are created when the unknowns are the greatest, fear is the highest, and investors capitulate en masse by selling. History shows that investors who stay disciplined through downturns, and keep investing when others are fearful, are almost always rewarded with strong returns in years to come, with few exceptions (see chart below).



Data sources: Truist IAG, FactSet, NBER. Past performance does not guarantee future results.

It is also important to recognize that a long investment time horizon is itself a valuable asset. Most of the trading in these periods of extreme change and uncertainty is done by players in the equity market that do not have the luxury of time…traders who are focused on generating performance measured over mere days or weeks. In our view, wealth is created by long-term investing and not short-term speculation.

The market may not reward patience tomorrow or next month, but given time, we believe it will. We maintain our belief that, beyond the current tumult, large cap U.S. companies will retain their competitive advantages of size, scale, and profitability and continue to deliver solid investment returns for decades to come.

We remain focused and thoughtful about building and managing client portfolios to take advantage of positive themes while also protecting for the risks that present themselves.

"With hindsight, we recognize that some of the most promising moments are created when the unknowns are the greatest……."



Chris Guinther, Senior Investment Strategist & Wealth Manager

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Four Quick Tips to Help Avoid Investment Fraud

By MONTAG Wealth

It's exhausting, isn't it? Feeling like around every corner there is someone trying to separate you from your money. In today's investment landscape, opportunities that seem too good to be true often are. Scams and high-risk schemes are all too common, and it's important to stay vigilant.

At MONTAG, we aim to help you navigate these waters confidently and make informed decisions.

We can't always count on bad actors to make it so easy to spot their scams, though. Here, we've listed some common red flags you can keep an eye out for:

Continued on page 3

1) **The opportunity sounds too good to be true.** Anyone would love to invest $100 and get $100,000 back in a year. But that's simply not realistic. The S&P has gained about 10% annually since its introduction in 1957. This 10% number can be used as a very rough benchmark for what reasonable returns might be. Of course, depending on the type of investment, time horizon, etc. the returns on an investment you're considering may vary widely.

2) **You are promised "guaranteed" returns.** No investment is completely risk free. No one can guarantee that an investment will perform in a certain way. The stock market can be fickle and anyone who claims to know what it will do with complete certainty is at best naively confident and at worst trying to scam you. The degree of risk you are taking in any particular investment is typically reflected in the rate of return you would expect to receive.

3) **There is an outsized sense of urgency.** If you are being asked to send money right away, PAUSE. Scam artists want you to act now and think later so you don't have time to see through their ruse, consult with others whom you trust, or otherwise decide not to hand your money over. Take your time and do your due diligence on any investment opportunity.

4) **The person promoting the opportunity is not registered**. Did you know that it's incredibly easy to find out if someone is a registered broker or investment adviser?

The SEC provides lots of resources for investors, two of which are listed here:

4a.) **Research a broker at brokercheck.finra.org**

4b.) **Research an investment adviser at adviserinfo.sec.gov**

By visiting the websites above you can see the licenses they hold and any disciplinary history they may have. You can also look up any investment firm on these sites. If the person/firm isn't listed or doesn't have an active license, you should definitely consider that a red flag for potential fraud.

Remember that you can always turn to your Wealth Manager here at MONTAG for assistance. We are just a phone call away and are more than happy to research any questions you may have.

As you go about your day to day, keep these tips in mind. By understanding these warning signs, you can protect your hard-earned money and avoid falling victim to fraud or unrealistic promises.

Source: https://www.businessinsider.com/personal-finance/investing/average-stock-market-return

DID YOU KNOW?

How much time does it take for a single bee to collect enough pollen for just one teaspoon?

A. One day

B. One week

C. One month

D. One year

(Answer on Page 4)

OUR MONTHLY DIGITAL NEWSLETTER

keeps you up-to-date on MONTAG news.

Scan the code to sign up.

montagwealth.com/newsletter

Cybersecurity at MONTAG

Cybercrime is on the rise, and online criminals are more aggressive than ever in targeting sensitive personal and financial information. Data breaches, phishing scams, and identity theft are no longer rare occurrences—they are everyday threats.

- **1/2 of employed individuals have fallen victim to cyberattacks or scams in the past year.** [1]
- **Data breaches surged 70% from 2021 to 2024, affecting millions of individuals and businesses.**[2]

Protect Yourself with MONTAG's Secure Portal

- **Secure Document Exchange**
  Safely view quarterly statements & transmit sensitive info.
- **End-to-End Encryption**
  Your information is protected during transfer and storage.
- **Safeguards Against Cybercriminals**
  Avoid phishing scams and insecure email transmission.
- **Regulatory Compliance**
  Meets industry standards for security and confidentiality.
- **Easy & Convenient**
  Upload documents securely in just a few clicks.

Your Role in Protecting Your Information

- **Never send sensitive documents via email or text**
  These are prime targets for hackers.
- **Use strong, unique passwords**
  Reusing passwords increases your risk of being hacked.
- **Enable multi-factor authentication (MFA)**
  Adds an extra layer of protection.
- **Be cautious**
  Never click on suspicious links or provide personal information to unknown sources.

MONTAG is committed to utilizing technology solutions, consistent employee training, as well as reaching out via phone calls to safeguard your assets. We ask that you please contact your Wealth Manager for next steps on setting up your MONTAG portal.

Stay safe. Stay Secure

Source: [1] https://nypost.com/2024/09/26/lifestyle/nearly-half-of-employed-people-have-fallen-victim-to-cyberattack-or-scam
[2] https://time.com/7209611/data-breaches-increase/

DID YOU KNOW? *(from page 3)*

ANSWER:

C. One Month

It takes one bee working eight hours a day for an entire month to gather enough pollen to fill just one teaspoon, highlighting the effort involved in its collection.

Source: Facts.net

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