



OUR MISSION IS TO CHANGE LIVES. ONE "HEMINGTON" AT A TIME.

HEMINGTON NEWSLETTER

Q4 2024

Presidential Elections: What Do They Mean for Markets?

It's almost Election Day in the US once again. While the outcome may be uncertain, one thing we can count on is that plenty of opinions and predictions will be floated in the days surrounding the vote. In financial circles, this will inevitably include discussion of the potential impact on markets. But should elections influence long-term investment decisions?

We would caution investors against making changes to a long-term plan in a bid to profit or avoid losses from changes in the political winds. For context, it is helpful to think of markets as a powerful information-processing machine. The combined impact of millions of investors placing billions of dollars' worth of trades each day results in market prices that incorporate the collective expectations of those investors. This makes consistently outguessing market prices very difficult.

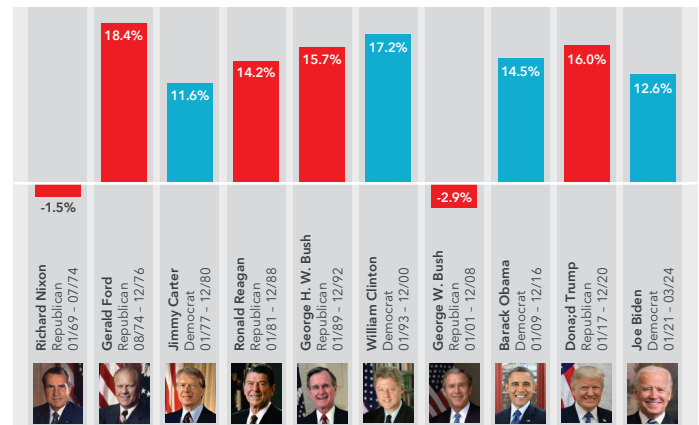
Despite heightened emotions and short-term volatility, presidential election years are not particularly special when it comes to market returns. Of the 24 election years, only four were negative years for the S&P, while the vast majority ended positively, regardless of which party was in power.

In addition, there is no direct link between the political party in office and expected returns. Elections and politics are just one piece of the many variables that impact market returns.

It's natural for investors to look for a connection between who wins the White House and which way stocks will go. But shareholders are investing in companies, not a political party. And companies focus on serving their customers and helping their businesses grow, regardless of who is in the White House.

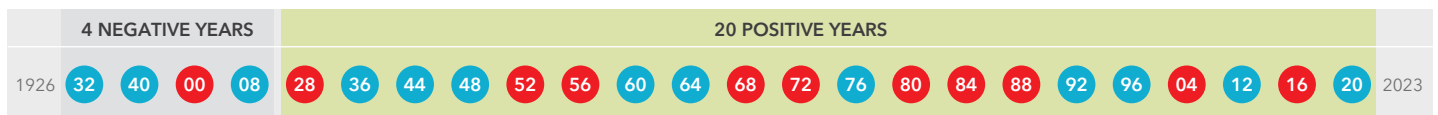
Annualized Market Returns During Presidential Terms

S&P 500 Index: January 1969-March 2024



Stocks have rewarded disciplined investors over the long term, through Democratic and Republican presidencies. Making investment decisions based on the outcome of elections, or how investors think they might unfold, is unlikely to result in reliable excess returns. On the contrary, it may lead to costly mistakes. Accordingly, there is a strong case for investors to rely on a consistent approach to asset allocation: making a long-term plan and sticking to it.

Source: S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global





WHAT'S NEW AT HEMINGTON?

IVANA: "FIVE YEARS, FIVE WEEKS" SABBATICAL

Ivana spent her summertime sabbatical having fun with her family at the pool, amusement parks and their cabin in central Wisconsin. They also went to Maui for snorkeling, jungle ziplining, a traditional luau and trips to Haleakala National Park, Wai'anapanapa State Park and the beautiful Road to Hana.



New to Hemington Kelsey Winters

Kelsey recently joined the Hemington Wealth Management Team as an Associate Advisor. While she works towards her CFP® accreditation, she is assisting with client services and supporting the planning team.

Kelsey graduated from Christopher Newport University with a Masters in Financial Analysis and a Bachelor of Science in Business Administration. During her time at CNU, she was a decorated member of the women's lacrosse team, earning All-American honors and setting NCAA records.

Kelsey lives in Harwood, Maryland, and enjoys an active lifestyle, coaching lacrosse, and volunteering with youth developmental agriculture organizations.

The Hemington Team Unites in DC

We had so much fun at last year's 10th Anniversary Celebration, we decided to do it again this year. The entire team came to Virginia, and we spent the morning on a private tour of the U.S. Capitol Building, followed by lunch at Astro Beer Hall in downtown DC and an afternoon of touring the National Mall monuments. We then convened at Eileen's home for dinner and an evening of catching up and enjoying each other's company.



Client Survey: Charitable Donation

For each client who participated in Hemington's recent Client Survey, we pledged a donation to the **Northern Virginia Science Center**, a world-class, interactive science center soon to break ground in Loudoun County. Many thanks to those who took the time to give us valuable feedback as we strive to provide the best wealth management experience available in the marketplace.



AWARDS & RECOGNITION



Washington Business Journal

LARGEST WEALTH MANAGEMENT FIRMS IN GREATER WASHINGTON 2024

Hemington was recognized for the 5th year in a row, ranking #14 among other wealth management firms in the Northern Virginia, Maryland and Washington DC area.



Northern Virginia Magazine

TOP FINANCIAL PROFESSIONALS 2024

Eileen O'Connor, Michael Byman and Amy Mitchell were recognized as top financial professionals in the region, receiving the most nominations from hundreds of other financial professionals in the DMV familiar with their work.



FA RIA Survey 2024

For the 9th time, Hemington ranked in Financial Advisor Magazine's annual survey of registered investment advisors. This exclusive list of the nation's largest 3% of independent advisory firms is based on their total discretionary and non-discretionary assets as reported to the SEC.

Leadership Recognition

The National Association of Personal Financial Advisors (NAPFA) featured **Jen Dawson**, Hemington's co-owner and managing director, in their series, From Numbers to Impact: Shaping the Financial Industry for Women. A NAPFA member since 2019, Jen co-founded their Leadership Development Committee and Women's Initiative's Mentorship Group. As a 10-time winner of the Five Star Professional Wealth Manager award and a Forbes/SHOOK Best-in-State Top Women Wealth Advisor, Jen has enhanced Hemington's reputation through various speaking engagements, expert spotlights and contributions, and targeted marketing.



WEBSITE REFRESH

Check out Hemington's website update at www.hemingtonwm.com

We welcome your thoughts on this refresh.



Year-end Planning Priorities

As we approach the end of 2024, below are some planning items to consider:

- » **Max out your 401(k) / 403(b) / TSP:** \$23,500, or \$30,500 if age 50+. Consider increasing contributions for the last few months of the year to maximize contributions, if needed.
- » **Contribute to a traditional or Roth IRA:** \$7,000, or \$8,000 if age 50+. You have until April 15, 2025 to contribute for 2024.
- » **Roth IRA for Kids:** If your child has earned income in 2024, from a summer job for example, then consider funding a Roth IRA. You or your child may contribute up to the child's earned income or \$7,000, whichever is less.
- » **529 Plans:** Contributions must be made by year-end to be deductible on your state income tax return (if applicable). Also, distributions from 529 plans for eligible expenses incurred in 2024 must be taken by year-end.
- » **Required Minimum Distributions (RMDs):** We assist clients with RMDs well before year-end to avoid IRS penalties.
- » **Qualified Charitable Distributions (QCDs):** Gifting IRA distributions directly to a charity is a great strategy, especially if you do not need your RMDs for current income and you do not itemize your deductions. QCDs are excluded from gross income rather than being reported as a charitable deduction. You must be at least 70 ½ and the limit is \$105,000 in 2024.
- » **Open Enrollment:** Make sure you review your options to optimize your employee benefits for 2025 or choose the right Medicare option and supplemental plan. We work with Medicare consultants to help, if needed.
- » **Health Savings Accounts (HSAs):** The limit for 2024 is \$4,150 for individuals, \$8,300 for families, and an additional \$1,000 for individuals age 55+.
- » **Gifting Securities:** If you itemize your deductions, gifting appreciated securities (rather than cash) to charities is another great strategy to maximize the value of your donation. You receive an income tax deduction for the full value of the security and avoid paying capital gains tax. Any gifts should be made by early December to ensure they are completed by year-end.
- » **Family Gifting:** In 2024, each individual can give up to \$18,000 to any other individual without filing a gift tax return.



CORRECTION

Last quarter's newsletter article on the Secure Act 2.0 misstated the year in which the RMD age increases to 75. This change takes effect in 2033, not 2025.

About Hemington Wealth Management

Hemington Wealth Management provides high net worth individuals and families with a broad range of wealth management services including portfolio management. We are collaborative, accessible and responsive, making it easy for clients to work with our team.

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