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QtrNotes

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Finding Forgotten 401(k)s

It's easier than you'd think to lose track of an old 401(k) — a job change, a company merger, or a forgotten login can leave retirement savings stranded. But the money doesn't vanish.

If you suspect you've left a 401(k) behind, you can check the Department of Labor's Abandoned Plan Database or the National Registry of Unclaimed Retirement Benefits. If the plan was terminated, assets may have been rolled into an IRA on your behalf. Reclaiming old accounts can simplify your financial picture — and potentially give your retirement plan a meaningful boost.

Comfortable ≠ Profitable

"In investing, what is comfortable is rarely profitable." — Robert Arnott

A prominent investment researcher, Arnott is known for challenging traditional thinking around markets and portfolio design. When markets are calm and gains feel easy, it's tempting to assume the good times will roll on. But real growth often requires doing what feels uncomfortable: staying invested during volatility, rebalancing away from winners, or buying when others are selling. It's not about being fearless — it's about having a plan so fear doesn't make your decisions.

Market Outlook

The past few months have been interesting and generally unpleasant for all those brave enough to follow the news cycle and ponder what happens next. Soon after President Trump came into office, correcting trade imbalances became the central focus of the administration's aims to increase domestic manufacturing.

Tariffs were announced on nearly all imported items, and hence began a daily cycle of counter-tariffs, threats, adjustments, renewed threats, delays, and general uncertainty. Currently, tariffs are near 30% on China, 25% on Mexico, and 10% on most of our other trade partners. These tariffs are not low by any means, but there is some relief that they aren't as high as levels that were hinted at earlier this year.

Financial markets have followed the ebb and flow of trade policy reactions. Markets began falling in March as trade politics took focus, then plunged in early April as we reached the climax of the trade uncertainty. However, in the weeks that followed, the intensity of trade negotiations cooled, and markets have sighed a breath of relief. As the second quarter closes, stocks have returned to all-time highs, underscoring the market's remarkable resilience despite recent volatility. In just three months, investor sentiment has shifted from panic to greater calm.

While the trade wars may be temporarily idling, real war rages on. Peace remains elusive for Ukraine and Russia, Israel and Palestine, and now the US has directly struck Iran. Is the current calm in financial markets truly warranted? The surprising answer is yes, and the simplest reason is that the US economy continues to expand. US GDP is on track to grow a bit over 3%, and corporate earnings are indicating a 9% growth.

Despite the turbulence of the past three months, the economy has stayed resilient. The largest implications of cost increases from tariffs have yet to take hold and are projected to be manageable. Consumers continue to spend, as does the government, and collectively the US steam engine continues to push forward.

Index	*06/30/2025*	*YTD*
Dow Industrials	**44,138.69**	**4.5%**
S&P 500	**6,204.95**	**6.2%**
S&P Small-Cap	**1,333.73**	**-8.9%**
MSCI EAFE	**2,654.79**	**19.9%**
Bloomberg US Bond	**2,277.06**	**4.0%**
US Treas 10-yr yld	**4.23%**	

AI Infrastructure

In the coming years, artificial intelligence (AI) is expected to be one of the biggest catalysts for economic change—transforming not just how we work, but where new jobs will come from and how industries will grow. In conversation, we often focus on how AI might replace jobs, but the other side of the story is how AI can create opportunities and fuel demand for a new kind of infrastructure.

To power AI, we need massive computing capacity, faster data centers, and upgraded energy grids. We are already seeing major tech companies pouring billions into new AI research hubs and data centers, and this buildout alone creates thousands of construction, engineering, and maintenance jobs.

Beyond the required physical buildout, the push to integrate AI across sectors will increase demand for skilled workers who can design, train, and maintain these systems. According to the World Economic Forum's Future of Jobs Report, AI and automation could create 170 million new roles by 2030. Fields like cybersecurity, data analysis, AI ethics, and regulatory compliance will likely see growth as businesses and governments alike figure out how to use AI responsibly.

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New at Firestone

It's Official, We've Moved!

The stars aligned and it all came together. Firestone Capital has moved to a new address. We remain in the heart of South Miami near the crossroads of Sunset Drive and Red Road.

7301 SW 57th Court
Suite 450
South Miami, FL 33143

Our new building is called Plaza 57 and has an attached parking garage with plenty of room for visitors. There is also ample street parking in the area. We look forward to your visit!

Upgrade to Our Portal

We're excited to introduce an upgraded online portal that will make it easy for our clients to view their accounts. In the coming weeks, we will reach out to all existing portal users about the upgrade.

If you'd like to switch from receiving paper statements to having all reports available online, please let us know. We hope this new tool makes managing your wealth simpler and more transparent!

Of course, this growth comes with challenges. AI's enormous energy demands put new pressure on power grids and highlight the need for sustainable solutions. Estimates suggest that by 2030, data centers could account for nearly 2% of global electricity use, with AI workloads being a big driver. To avoid bottlenecks, governments and private companies are working on ways to make AI processing more energy-efficient, and that, too, can create jobs in clean energy, battery storage, and smart grid technologies.

As AI becomes woven into more aspects of daily life, workers and businesses who adapt early will be better positioned to thrive. Investing in education and training programs that keep pace with the rapid evolution of AI tools will help ensure the workforce is ready to step into these new roles. In short, AI's impact on the economy is far bigger than just automation—it's a wave of opportunity that, if harnessed wisely, could power the next generation of jobs and infrastructure.

The "One Big Beautiful Bill": Key Changes for your Wealth

On July 4th, a new tax and spending package — informally known as the 'One Big Beautiful Bill' — was signed into law. While the legislation has sparked strong opinions across the aisle, our focus is on what it means for you as an investor and steward of wealth.

From expanded deductions and extended tax relief to changes in federal spending and entitlement programs, the bill brings both opportunities and uncertainties. Here is a breakdown of what was included.

The bill permanently extends the individual income tax rates and brackets established by the 2017 Tax Cuts and Jobs Act, eliminating the previously scheduled sunset at the end of this year. Additionally, the federal estate and gift tax lifetime exclusion amount is scheduled to increase in 2026 to $15 million per individual and $30 million for married couples.

On the topic of taxes, the State & Local tax (SALT) cap has been increased from $10,000 to $40,000 for households with incomes under $500,000. This is particularly impactful for taxpayers in high-tax states but be aware that this higher limit is set to revert to the original $10,000 after 5 years unless Congress takes action to extend it.

The new law increases the standard deduction to $15,750 for single filers and $31,500 for married couples filing jointly, providing an additional $1,150 and $2,300 respectively. Taxpayers age 65 and older will also benefit from an extra $6,000 bonus deduction. These increases aim to help more households reduce their taxable income, but they are temporary measures set to expire after 2028.

The One Big Beautiful Bill includes several new deductions aimed at providing relief for working taxpayers. Eligible workers can now deduct up to $25,000 per year in reported tips, and hourly employees may deduct up to $12,500 annually in overtime earnings. To be eligible for these deductions, single filers must make under $150,000, or $300,000 for married couples.

In addition to this deduction, taxpayers can deduct up to $10,000 in interest paid on a qualifying auto loan. All of these newly introduced deductions are currently set to sunset by the end of 2028 unless Congress acts to extend them.

Finally, the new law also introduced 'Trump Accounts', a newly formed savings vehicle available to any child born between 2025 and 2028. When a Trump Account is opened, the government will fund the first $1,000, and families can contribute up to $5,000 annually until the child reaches age 18. At that point, the account will automatically convert into an IRA to help continue building long-term savings.

If you have questions about how the 'One Big Beautiful Bill' may specifically impact your financial plan, please don't hesitate to reach out to us.