Silversage® Wealth Advisors

Silversage Quarterly Outlook

January 2026

As we start the new year, we reflect on the market performance of 2025, look ahead to 2026, and share a few important planning reminders

A Brief Look Back at 2025

This past year reminded us that markets rarely move in a straight line. Investors navigated a mix of economic crosscurrents—moderating inflation, evolving interest-rate expectations, geopolitical uncertainty, and continued innovation in technology and artificial intelligence.

Despite periods of volatility, markets continued to reward long-term discipline. Diversification, thoughtful asset allocation, and staying invested through uncertainty remained critical drivers of success. While headlines often shifted sentiment from quarter to quarter, patient investors who focused on their plan rather than short-term noise were best positioned for long-term outcomes.

For example, in March–April 2025, the S&P 500 fell 19% from its high but ultimately ended the year up with a total return of 17.88%, rewarding patient investors.

At Silversage® Wealth Advisors, our focus throughout the year remained consistent:

- Aligning portfolios with your long-term goals
- Managing risk thoughtfully rather than reactively
- Being mindful of taxes and cash flow
- Helping you stay disciplined during periods of uncertainty
- Capitalizing on tax-loss harvesting when possible in taxable accounts

2026 Market Observations

Acting on forecasts often leads investors to make short-term decisions that can hurt long-term goals. For example, many investors expected international stocks to underperform in 2025 due to tariffs; however, international stocks ended up being one of the best-performing categories of the year.

The last three calendar years in the market have been positive, and historically, the fourth year of a bull market has also been positive. According to Investor's Business Daily, since 1950 the average Year-4 gain following three straight years of gains is +12.8%, advancing 6 out of 7 times.

That said, the pundits' consensus currently calls for only about a 5% rise in equity markets in 2026. In general, we believe it is healthy to moderate expectations for stock gains this year.

Mixed signals on tech and AI: While the "Magnificent Seven" comprise roughly 35% of the S&P 500, this environment is very different from the 1999–2000 dot-com era. These—and many other—technology companies are posting real earnings, which directly support stock prices. As Raymond James CIO Larry Adam notes in his year-end message (see link below), the P/E ratio for the S&P 500 Information Technology sector is roughly the same as it was five years ago, largely because earnings have grown significantly.

Broadening market leadership: International stocks led U.S. stocks throughout 2025 and have continued to do so into early 2026. Additionally, small-company stocks in the Russell 2000 have shown strong leadership since the fourth quarter of 2025. This indicates that gains in a diversified strategy are becoming more broadly based and not driven by just a handful of AI-related stocks.

Risks to be aware of: Likely increased volatility in 2026; potential Supreme Court rulings on tariffs and interest rate expectations not being met could jolt markets; technology-company earnings disappointments; midterm elections that may cause investors to pause until November; and ongoing geopolitical tensions.

Planning Tips for the New Year

For Those Still Accumulating: Increased Retirement Contributions

Updated contribution limits for 2026 may present an opportunity to strengthen your long-term plan.

Individual Retirement Accounts (IRAs):

- Traditional and Roth IRA contribution limit: $7,500 (up from $7,000 in 2025)
- Catch-up contribution (age 50+): $1,100 (up from $1,000)

401(k) Plans:

- Employee contribution limit: $24,500 (up from $23,500 in 2025)
- Catch-up contribution (age 50+): $8,000 (up from $7,500)
- Super catch-up (age 60–63): $11,250 (unchanged from 2025)

Under SECURE Act 2.0, beginning in 2026, higher-income earners—those with prior-year FICA wages over $150,000—must make catch-up contributions on a Roth (after-tax) basis.

Maximizing contributions, when appropriate, can:

- Increase tax-deferred or tax-free growth
- Reduce current taxable income (for pre-tax contributions)
- Improve long-term retirement flexibility

Silversage Wealth Advisors

Silversage Quarterly Outlook

January 2026

For Retirees: Strategies to Consider

Retirement planning doesn't stop once you've left the workforce. Here are several strategies to review as we enter the new year:

Required Minimum Distributions (RMDs): Ensure you take your 2026 RMDs by December 31, 2026, to avoid penalties. If the funds aren't needed for spending, consider reinvesting them in a taxable account aligned with your goals.

- **Tax-Efficient Withdrawals:** Review your withdrawal strategy across taxable, tax-deferred, and tax-free accounts to help manage your tax bracket and extend portfolio longevity.
- **Gifting:** The annual exclusion gift amount remains unchanged for 2026 at $19,000 per recipient.
- **Charitable Giving:**
  - Qualified Charitable Distributions (QCDs) from IRAs can satisfy RMDs while reducing taxable income. Let us know how we can help.
  - A Donor-Advised Fund (DAF) allows you to take an immediate tax deduction in the year of the contribution while retaining flexibility over the timing and recipients of your gifts. Please call us to discuss further.
- **Portfolio Rebalancing:** Market movements may have shifted your allocation. Rebalancing helps maintain your intended risk profile.
- **Healthcare Planning:** Review Medicare coverage, supplemental insurance, and potential long-term care needs to ensure adequate protection.

Looking Ahead

As we enter the new year, our commitment remains unchanged: providing thoughtful financial planning, disciplined investment management, and proactive guidance tailored to your life—not the headlines.

Thank you for your continued trust and partnership. If you have questions, are experiencing a life change, or would like to review your plan heading into the new year, please don't hesitate to reach out.

For additional insights, please CLICK HERE to read Raymond James CIO Larry Adam's Investment Strategy Quarterly. And if you know a family member or friend who could benefit from a conversation with our team, we would be grateful for the introduction.

Wishing you and your family a healthy, prosperous 2026 and beyond.

Warm regards,

Michael Campbell, CFP®

Jeff Garell, CFP®

Matthew Mendoza, CFP®

Robert Emmer, CFP®