PACIFIC GLOBAL
Investment Management Company

MONTHLY *Update*

March 2025

MARKET *Highlights* — March: Tariff Concerns Roil the Markets

Tariff related inflation concerns led to an equity selloff that inflicted across-the-board losses. Investors struggled to determine the impact on inflation and economic growth of tariffs, geopolitical fears, and actions to reduce government spending. As expected, the Fed left interest rates unchanged: the updated forecast anticipates two 25-basis point rate cuts this year. The 10-year U.S. Treasury Note ended the month relatively unchanged at 4.23%.

Investor outlook remains uncertain, subject to volatility and concerns that new events may further disrupt the economy and the market. The markets will likely remain volatile until the clouds of uncertainty begin to clear. Current events highlight the importance of owning companies best positioned to weather potential changes.

See our Weekly Recap or Quarterly Investment Update for in-depth commentary. Click here to subscribe.

INVESTMENT *Spotlight* — Market Volatility: Maintaining a Long-Term Perspective

During periods of market volatility, **maintaining a long-term perspective is essential to achieving your investment objectives.** A prudent investment strategy navigates market volatility with patience and careful analysis: focusing on long-term trends and putting short-term uncertainty into context. In view of daily volatility, consider that:

- Markets extrapolate best-case and worst-case scenarios in response to headline news
- Passive investing, including index funds, controls about 85% of all stock market activity
- Computer trading and ETFs heavily influence the market response to economic or sector news
- During volatile periods, stock prices often do not reflect real value

Our investment strategies maintain a discipline which enables us to strategically respond to market volatility – and opportunities it may create - to achieve long-term goals.

To review the long-term investment strategy of your portfolio, please call Client Services at (800) 404-6693.

FINANCIAL *Planning*
Should I consider a Roth IRA Conversion?

Conversions transfer money from a pre-tax retirement account (*e.g.,* traditional IRA or 401k) into a Roth IRA. Benefits include **tax-free growth and withdrawals** with **no RMDs** (Required Minimum Distributions).

Consider a conversion if you anticipate being in a **higher tax bracket in retirement**. Tax-free growth can help maximize your estate for heirs. **In years when you have a lower income**, a conversion may reduce your tax burden.

Avoid a conversion if you're **nearing retirement** and need your pre-tax account to cover living expenses. If you're **receiving Social Security or Medicare benefits**, a conversion could impact their taxability.

Important Considerations:

- Conversions are **irrevocable** and can't be returned to a traditional IRA.
- **Taxes due** on converted funds could change your tax bracket.
- The **5-Year Rule**: to take *earnings* tax and penalty-free, you must be 59½ and the Roth IRA must have been open for more than 5 years.

To schedule a free consultation with a financial planner, call Client Services at (800) 404-6693.

PROFESSIONAL *Highlight*
Araceli Rodriguez

Client Services Administrator

- Joined Pacific Global in 1997
- Managed the firm's shareholder services dept for 20+ years

Her **extensive background and knowledge** in **financial services administration** combined with her delightful demeanor makes her a highly valued member of our team

- Works with clients, portfolio managers and custodians to oversee service requests and facilitate account reporting
- Finance degree from California State University, Northridge (CSUN)
- An avid L.A. Dodgers fan; enjoys attending concerts

Read more about Araceli and our Team at www.pacificglobal.us

Pacific Global • 101 N Brand Blvd • Suite 1950 • Glendale, California 91203 • (800) 404-6693 • www.pacificglobal.us