

JULY 2025

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"THE ONE CONSTANT THROUGH ALL THE YEARS, RAY, HAS BEEN BASEBALL."
- FIELD OF DREAMS (1989)

Great Point Capital's July Markets Letter

Whether it be unique alternative investments, creative tax savings, regular income or growth potential you are considering, the Great Point Capital [Alternatives platform](#) has it. **NOTE:** Information and content compiled as of 4:00 p.m. CST July 11.

THIS MONTH'S HIGHLIGHTS

- July 15 is the MLB All-Star Game. What do Warren Buffett and Ted Williams have in common? Please see "Quick Take Before You Go" below.
- The U.S. Dollar Index (symbol DX=F) is now -14% off its multiyear high and has fallen at the fastest pace since 1973.
- Readers know the emphasis placed on "always watch credit" or AWC. The U.S. ten year rate % (symbol TNX) is currently in a tight 4.25 - 4.50% yield range, with market participants not expecting a Federal Reserve rate cut until the Federal Open Market Committee (FOMC) meeting Sept. 17. 

MARKET REVIEW & SUMMARY

- The [U.S. dollar decline](#) is now impacting global investment asset allocations and world trade. According to [NBC](#), global investors now expect the U.S. economy to no longer outperform the rest of the world as a result of Trump's tariffs and worsening fiscal issues. Will global investors keep buying U.S. treasury bonds if they believe the dollar will continue to decline?
- Carley Garner of DeCarley Trading said investors are being given a "mulligan" and explained why the bullish equity trade is unsustainable. She [outlines](#) that now is the time for investors who have gotten "too comfortable" to reassess their portfolio risks.
- [Note Bitcoin](#) - In May's previous [GPC Markets Newsletter](#), the section "On The Radar" on Page 2 outlined both views of the Bitcoin trade and how the "FOMO," or "fear of missing out," was going to probably lead the next leg up. BC has now traded at \$123,000, a new all-time high. Symbol IBIT is how institutional money is gaining access. Note - "[The Big Print](#)," a book by Lawrence Lepard, does a thorough job of explaining why Bitcoin is attractive to a certain group of large global investors.
- U.S. nonfarm payrolls increased a seasonally adjusted 147,000 for the month, higher than the estimate for 110,000 and above the upwardly revised 144,000 in May. "The solid June jobs report confirms that the labor market remains resolute and slams the door shut on a July rate cut," [Jeff Schulze at ClearBridge Investments](#) said.

On The Radar


Amidst the Trump administration's ever-changing tariff talk, President Trump quietly threatened to impose up to 200% tariffs on pharmaceuticals imported into the U.S. "very soon," according to [CNBC](#). Approximately 80% of active pharmaceutical ingredients (APIs) and 40% of finished drug products are made overseas.

Did You Know?

The U.S. stock market [Fear & Greed Index](#) at 75 and Morningstar's [US Market Fair Value](#) are both now stretched at their respective levels, often a signal of a short term correction at -5%. On July 10, JP Morgan CEO Jamie Dimon said markets are complacent about tariffs. Market rumors suggest that Dimon is advising JPM asset management clients that the markets will eventually tire of President Trump's "tariff tirades." 

Just One Book

[“The Joys of Compounding: The Passionate Pursuit of Lifelong Learning”](#) by Gautam Baid.

Amazon - "Distilling investment and life lessons into a comprehensive guide, Baid integrates the strategies and wisdom of preeminent figures whose teachings have stood the test of time. Drawing on the work of investing greats like Warren Buffett, Charlie Munger, and Ben Graham, as well as philosophers and scholars, he artfully interweaves the lessons learned from his many teachers." 

WHAT WE'RE WATCHING

Can Machines Beat Humans at Investing?


[Behavioral finance](#) suggests that irrational behavior of individuals making financial choices is associated with psychological factors or biases.

[A recent article](#) on Morningstar's website by Larry Swedroe, the author or coauthor of 18 books on investing, highlights a recent study that finds no clear winner between machines and humans, but offers plenty of insights for investors.

Summary

The rise of so-called [quantitative funds](#)—mutual funds run by algorithms and computer models—has led investors to ask: Are machines better than humans at delivering consistently good investment returns? An advantage might be that the machines are not subject to the biases that human fund managers are. Antonio Miguel and Yihao Chen, authors of the April 2021 study [“Do Machines Beat Humans? Evidence from Mutual Fund Performance Persistence,”](#) sought to answer that question by comparing the two types of mutual funds.

KEY TAKEAWAYS FOR INVESTORS

- Avoid recency bias and don't chase past performance. Whether a fund is managed by a person or a computer, past outperformance is not a guarantee of future success.
- Fees and other costs matter. Because neither machines nor humans have a clear, persistent edge, investors should focus on low-cost (including low turnover and patient trading) funds that have the most exposure to the risks they want to take (be they an asset class or factor.) Diversification is the prudent strategy. Avoid concentrating risks. Stay disciplined and adhere to a well-thought-out asset allocation plan. Investors should resist the urge to jump from one “hot” fund to another, whether it's run by a star manager or a fancy algorithm. 

SOMETHING TO CONSIDER

Do you as an advisor have access to the best tools to serve your clients?

John Neppel - Principal at Great Point Capital LLC, focuses on leadership, innovation, and collaboration.

He recently authored a post: "Today's independent advisors aren't just looking for tools, they're looking for platforms that reflect how they actually work."

Here's what that means in practice:

- Transparent, institutional-style due diligence that supports informed decisions—not just access
- Back-office support that anticipates advisor needs and keeps operations moving
- Systems designed to evolve with client goals, regulatory shifts and market conditions
- Advisor-branded access to the [1776ing](#) Marketplace, so clients can explore private offerings in a clear, professional format

It's not about flashy features, it's about practical infrastructure that helps advisors serve with confidence and grow without friction.

As Independent Advisor Alliance noted in their 2025 trends report:

"Advisors today expect more than tools. They want real solutions that integrate into how they serve clients."

[Read the article here](#) and know that at [Great Point Capital LLC](#), we've built our infrastructure around reality, not around demos or dashboards. 🏗️

NEED TO KNOW

The 2025 tax changes, including the impact of the recently passed "One Big Beautiful Bill" (OBBB).

KEY TAKEAWAYS

Standard Deduction

- Single and Married Filing Separately: \$15,750
- Married Filing Jointly and Surviving Spouses: \$31,500
- Heads of Household: \$23,625


Additional standard deductions for those 65 or older and/or blind:

- An additional \$2,000 for single filers or heads of household.
- An additional \$1,600 per qualifying individual for married couples filing jointly or separately.
- The OBBB introduces a temporary \$6,000 bonus deduction for those 65+ with eligibility phasing out above certain income thresholds (\$75,000 for single filers, \$150,000 for couples), which stacks on top of the normal extra deduction and is available from 2025 through 2028.

Tax brackets and rates

- The 2025 income tax brackets have been adjusted for inflation. meaning the income thresholds are higher than in 2024.
- The actual tax rates (10%, 12%, 22%, 24%, 32%, 35%, and 37%) remain unchanged for now.

Other significant changes

- Social Security benefits will see a 2.5% cost-of-living adjustment (COLA), and the income threshold for taxable Social Security income is \$176,100.
- The annual gift tax exclusion is increasing to \$19,000 per recipient.
- The lifetime estate tax exemption rises to \$13.99 million per individual. 

2025 Standard Deduction Amounts:

(Returns Normally Due April 2026)

Filing Status	2025 Standard Deduction
Single; Married Filing Separately \$15,750
Married Filing Jointly; Qualifying Widow(er) \$31,500
Head of Household \$23,625

JUST CHARTS

Chart 1

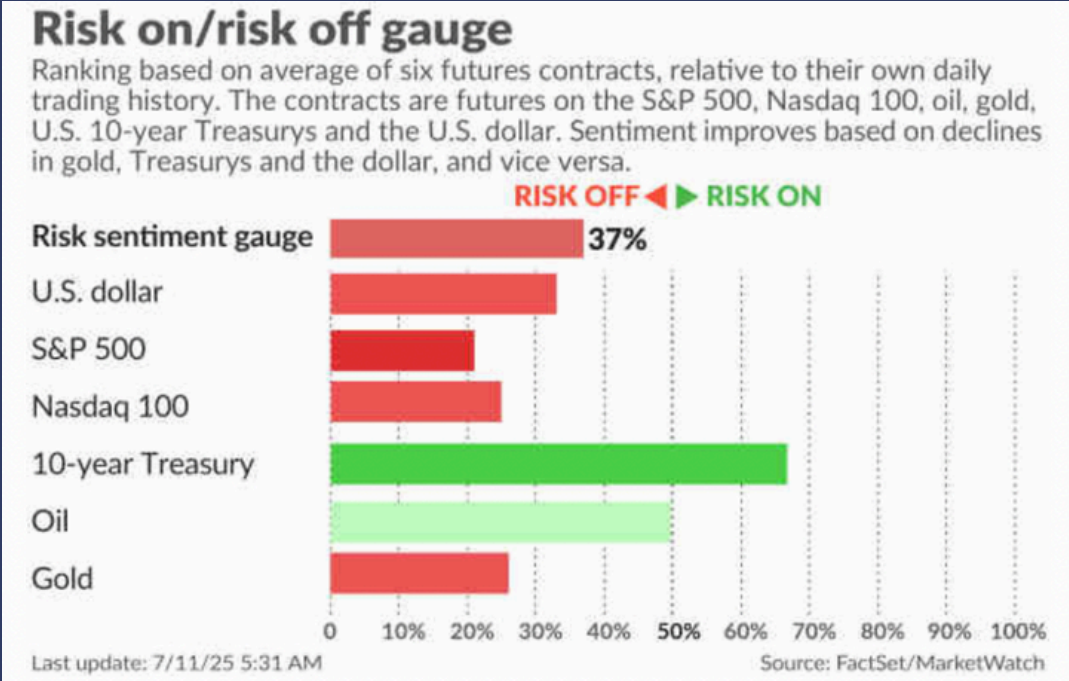


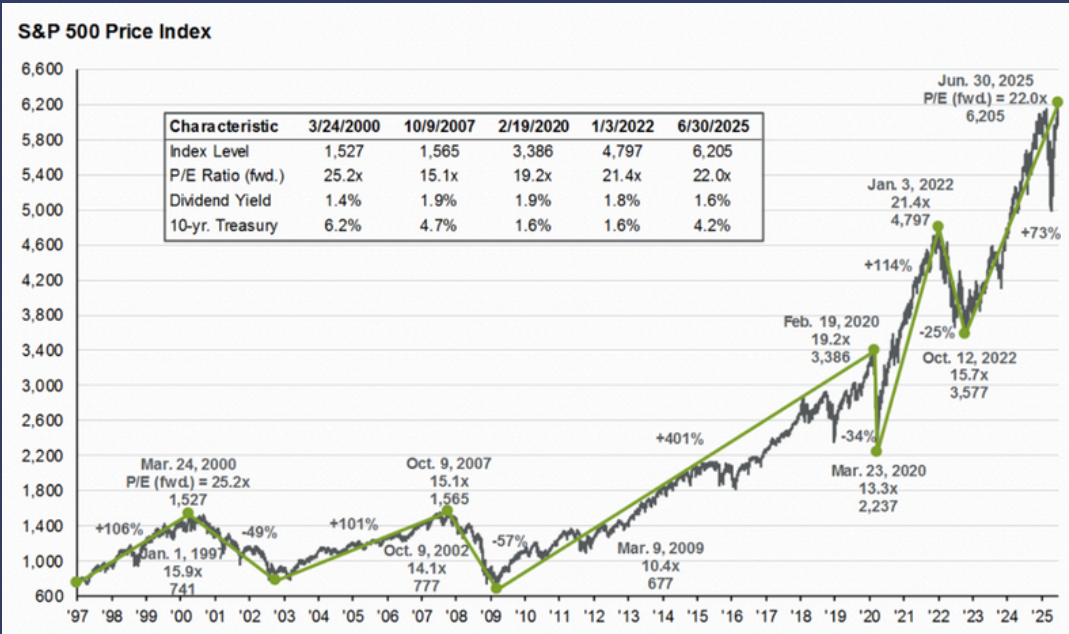
Chart 2

Data: MarketWatch. Treasury yields change expressed in basis points

Key asset performance	Last	5d	1m	YTD	1y
S&P 500	6280.46	0.02%	3.89%	6.78%	12.46%
Nasdaq Composite	20,630.66	0.14%	4.92%	6.83%	12.84%
10-year Treasury	4.392	4.10	-1.40	-18.40	20.50
Gold	3346	-0.01%	-3.09%	26.78%	38.49%
Oil	66.63	0.20%	-8.95%	-7.29%	-18.93%

Chart 3

S&P 500 index at inflection points



TERM OF THE MONTH

What Is Bitcoin? [See this video.](#)

from  Investopedia

Bitcoin (BTC) is a cryptocurrency, or virtual currency, designed to act as money and a form of payment outside the control of any one person, group or entity. This removes the need for trusted third-party involvement (e.g., a mint or bank) in financial transactions. Bitcoin was introduced to the public in 2008 and is the [most well-known and largest cryptocurrency](#) in the world. Read on to learn more about the [cryptocurrency](#) that started it all—the history behind it, how to buy it, mine it and what it can be used for.

KEY TAKEAWAYS

- Bitcoin is the end product of the work of many people, but it is generally accepted that Satoshi Nakamoto created it and introduced it in 2008.
- Bitcoin mining is the race between miners to hash block information, find the solution to a hashing problem and add a block to the blockchain. The winning miner is rewarded with bitcoins.
- Bitcoin can be used by speculators, investors for investing purposes and consumers for purchases or value exchange.
- There are many risks involved with investing in and using bitcoins, including volatility, fraud and theft.
- [Where and how does one gain exposure](#) to Bitcoin ETFs? 

ONE GREAT POINT

"Never let the fear of striking out keep you from playing the game." - Babe Ruth

QUICK TAKE BEFORE YOU GO

Warren Buffett's investing philosophy is often compared to baseball, specifically referencing Ted Williams' "[The Science of Hitting](#)." Buffett believes in patience and discipline, waiting for the "fat pitch" or the right opportunity to invest, similar to how a baseball player waits for a good pitch to swing at. This analogy emphasizes avoiding hasty decisions and focusing on opportunities within one's "circle of competence."

Waiting for the Right Opportunity:

Buffett advises against making rash investment decisions. Just as a baseball player doesn't swing at every pitch, investors shouldn't invest in every opportunity that comes along.

Discipline and Patience:

This is a key element in both baseball and investing. Waiting for the right pitch and the right investment opportunity requires patience and discipline. T

FREE RESOURCES & INSIGHTS: WORTH EXPLORING!

- [Advisor Perspectives](#) - An excellent resource.
- Kiplinger's Tax guides - [2025 changes you need to know.](#) T



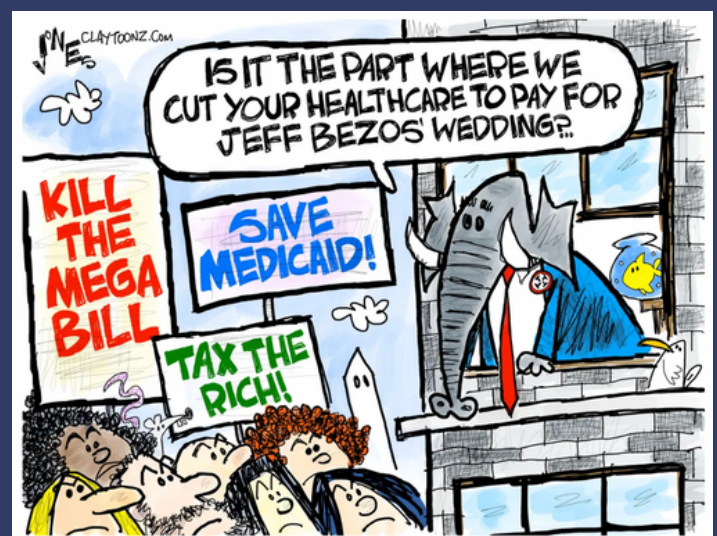
CALL TO ACTION CALENDAR:

JULY 2025

- In 2025, one can contribute \$7,000 to an IRA if under the age of 50. One can contribute \$8,000 if age 50 or older. One must meet [income limits](#) to contribute to a [Roth IRA account](#).
- How much can one contribute to a 401(k) in 2025? One can contribute \$23,500 to a 401(k), or \$31,000 for those over age 50.
- What are financial advisors currently charging for their services? [Here is a good reference guide.](#)



CARTOONS



RIP - FedEx architect Fred Smith, who turned a college term paper on time-sensitive shipments into a global brand with a \$54B+ market cap, recently passed away at 80. In 1971, he founded Federal Express in Little Rock, Arkansas and legend has it, in its early years, the company was down to its last \$5k when Smith, dejected by investors, stopped in Las Vegas and won \$27k at the blackjack table, which he put back into the company's coffers. Smith's work changed how the world did business, but his Yale professor wasn't impressed: the term paper that was the foundation for FedEx got a C. **T**



Courtesy of [WSJ](#)

THIS MONTH'S THANK-YOUS

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