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ASSET MANAGEMENT

Q2 2025 in Review

Mark Mowrey, CFA

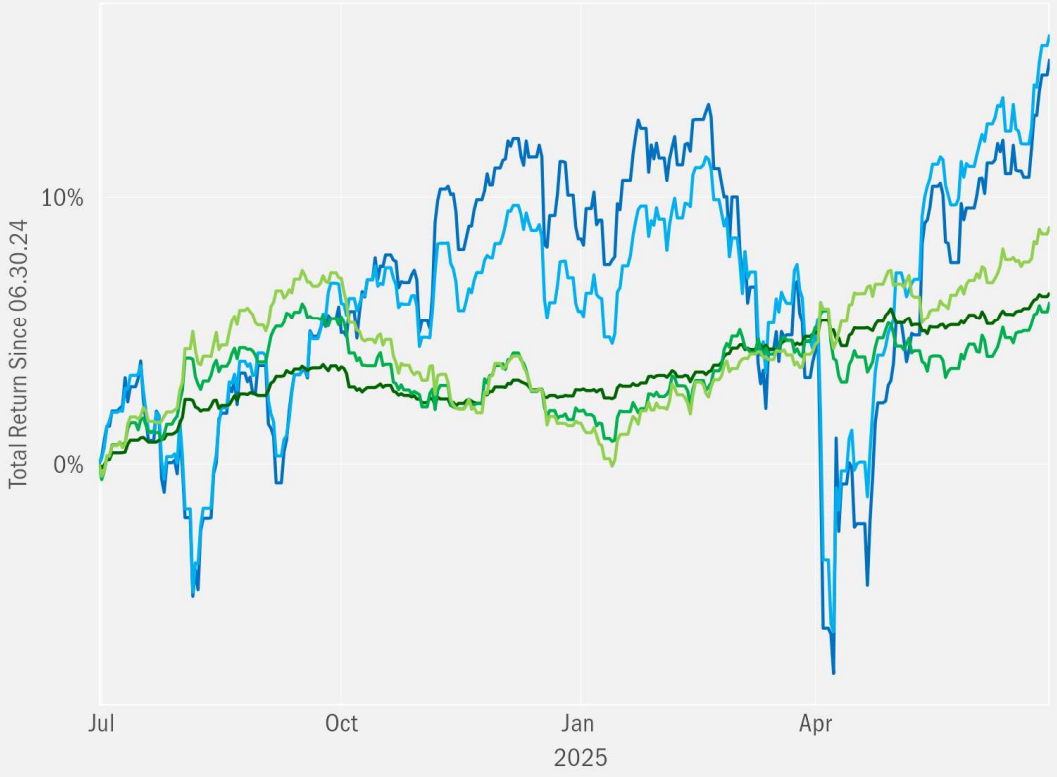
Chief Investment Officer

Global Market Overview

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Equity markets fully recovered from the tariff-induced plunge in Q1. Bond prices wavered against changing macroeconomic tides (or thoughts thereupon), while still providing handsome gains for the prior 12 months

Trailing 1-Year Total Return of Major Asset Classes (through 06.30.25)



	Total Return	Maximum Drawdown
S&P 500 Index	15.16%	-18.75%
Bloomberg World Large & Mid Cap Net Return Index	16.08%	-15.93%
Bloomberg 1-5 Year Government/Credit Index	6.42%	-1.49%
Bloomberg U.S. Aggregate Index	6.08%	-1.12%
Bloomberg Global Aggregate Index	8.91%	-6.84%

Past performance is not indicative of future results. Investing in securities involves risk, including risk of losing some or all the invested capital. There is no guarantee that any investment or investment strategy will achieve its objective. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Global Equity Market Overview

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U.S. stocks continued to lag international developed equities in the quarter, just about matching the pace of emerging market stock gains.

Trailing Broad Equity-Market Performance

Percent total return, annualized for periods greater than 1 year

Index	3 Month	1 Year	3 Year	5 Year	10 Year
Global	11.30	16.08	16.97	13.38	9.87
World ex. U.S.	11.10	17.21	13.19	9.89	6.14
U.S.	11.16	15.12	19.01	15.89	12.94
Int'l Developed	11.68	18.35	15.73	11.54	6.68
Emerging	9.93	14.86	8.15	6.67	5.29

From 06.30.15 to 06.30.25. Total return data are annualized for periods greater than 1 year.
SOURCE: SRCM using data from Bloomberg

Trailing 3-Month Total Return (through 06.30.25)



Trailing 1-Year Total Return (through 06.30.25)



Notable events of the prior three months include:

- 04.09: Pres. Trump postpones "Liberation Day" tariffs for 90 days
- 06.13: Israel attacks Iran
- 06.18: Federal Reserve leaves rates unchanged
- 06.21: U.S. strikes Iranian nuclear facilities
- 06.24: Israel and Iran agree to a ceasefire

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Core Factors: U.S. Stocks

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Another Growth-led quarter for U.S. stocks, as big-cap Technology names regained some mojo lost in Q1

3-Month Period ended 06.30.25

		Value	Growth
All Stocks	11.2%	2.0%	14.3%
Large	11.6%	1.9%	16.1%
Mid	7.3%	2.7%	11.8%
Small	7.8%	3.8%	11.1%

1-Year Period ended 06.30.25

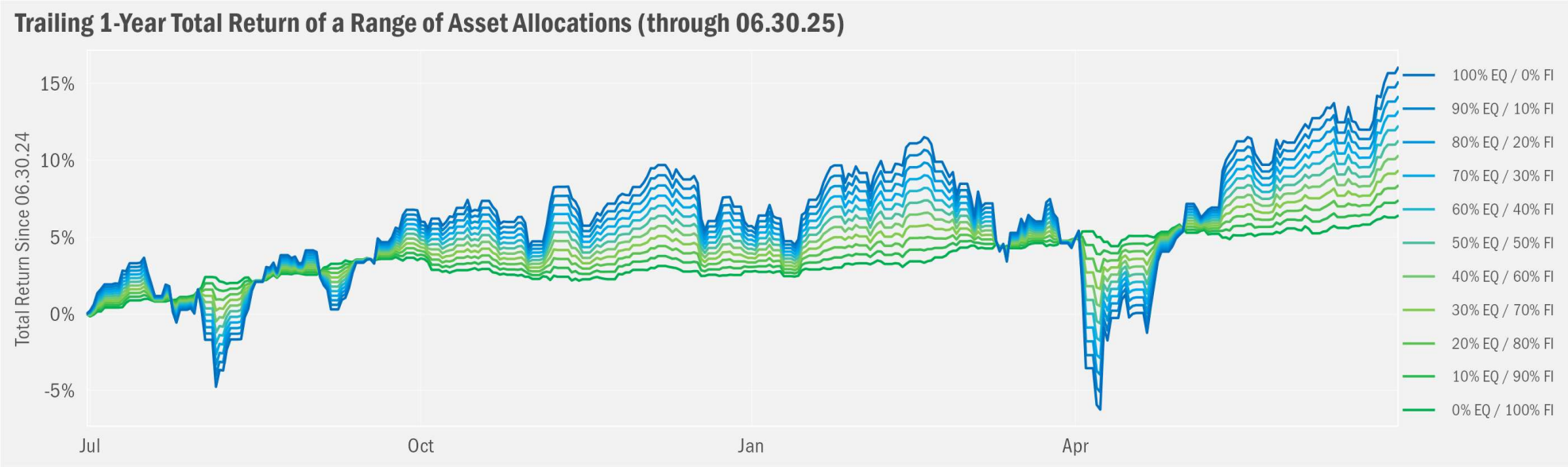
		Value	Growth
All Stocks	15.1%	12.1%	16.1%
Large	15.9%	12.8%	17.2%
Mid	13.0%	9.4%	16.4%
Small	8.0%	5.3%	10.1%

The table displays the relative performance of different indexes representing U.S. stocks. Broad market performance is shown in the upper left of each group (3-month and 1-year periods). The remainder of the table displays the performance of various indexes, including large-, mid- and small-cap stocks, Value and Growth stocks, and combinations of each. Indexes that outperformed (underperformed) the broader market are shaded in blue (grey) in depth according to their respective relative performance. Past performance is not indicative of future results. One cannot invest directly in an index. Index performance does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Range of Returns for Different Asset Allocations

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A year of somewhat volatile gains for bonds provided a sharp counterpoint to the volatility global stocks experienced over the past year



	0% EQ / 100% FI	10% EQ / 90% FI	20% EQ / 80% FI	30% EQ / 70% FI	40% EQ / 60% FI	50% EQ / 50% FI	60% EQ / 40% FI	70% EQ / 30% FI	80% EQ / 20% FI	90% EQ / 10% FI	100% EQ / 0% FI
Total Return	6.42%	7.40%	8.38%	9.35%	10.32%	11.29%	12.25%	13.21%	14.17%	15.13%	16.08%
Maximum Drawdown	-1.49%	-1.39%	-2.27%	-3.94%	-5.71%	-7.45%	-9.19%	-10.91%	-12.6%	-14.28%	-15.93%

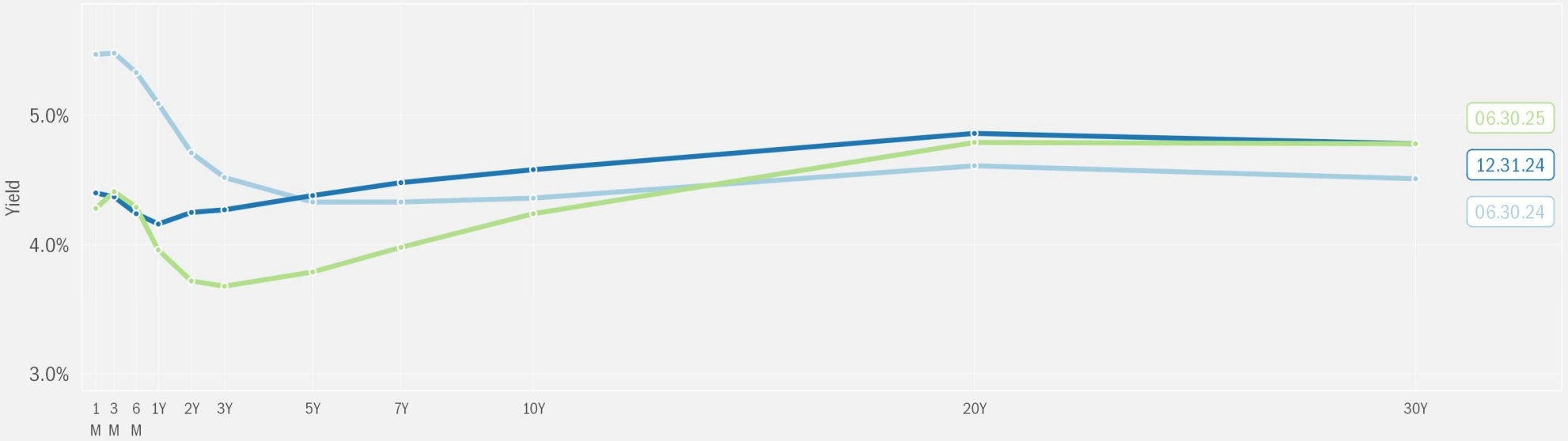
Past performance is not indicative of future results. Investing in securities involves risk, including risk of losing some or all the invested capital. There is no guarantee that any investment or investment strategy will achieve its objective. The equity index used for this presentation is the Bloomberg World Large & Mid Cap Net Return Index. The fixed income index used for this presentation is the Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Interest Rates: U.S. Treasury Rates

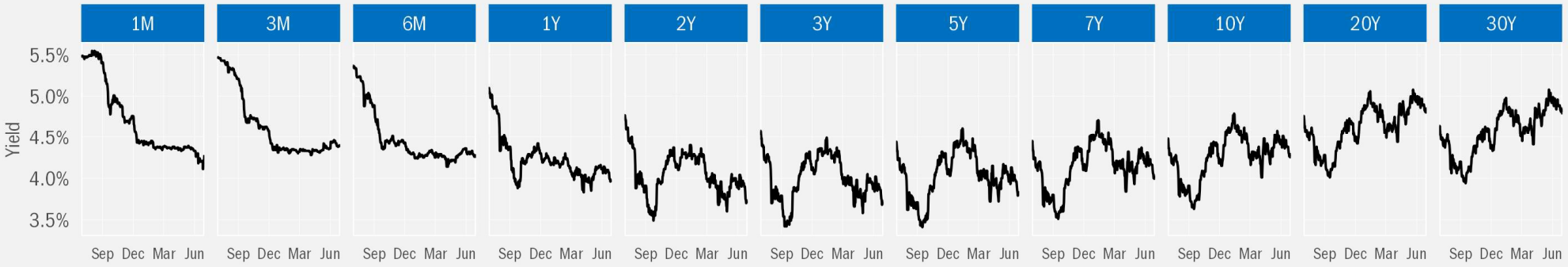
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The yield curve broadly steepened over the past year as the Federal Reserve cut interest rates early on, while investors pondered the long-term effects of a growing U.S. debt load and capricious policymaking, their concerns reflected in generally rising longer-term yields

U.S. Yield Curve Shift



Change in Key Rates Over the Period

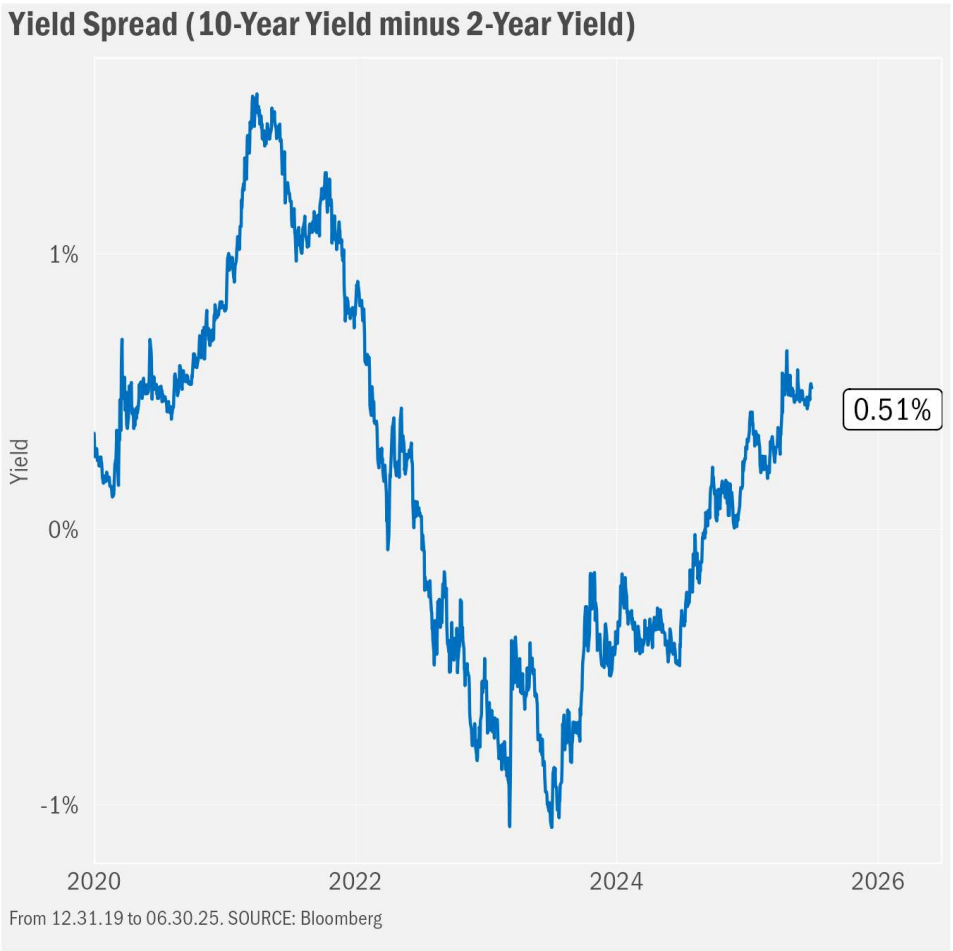


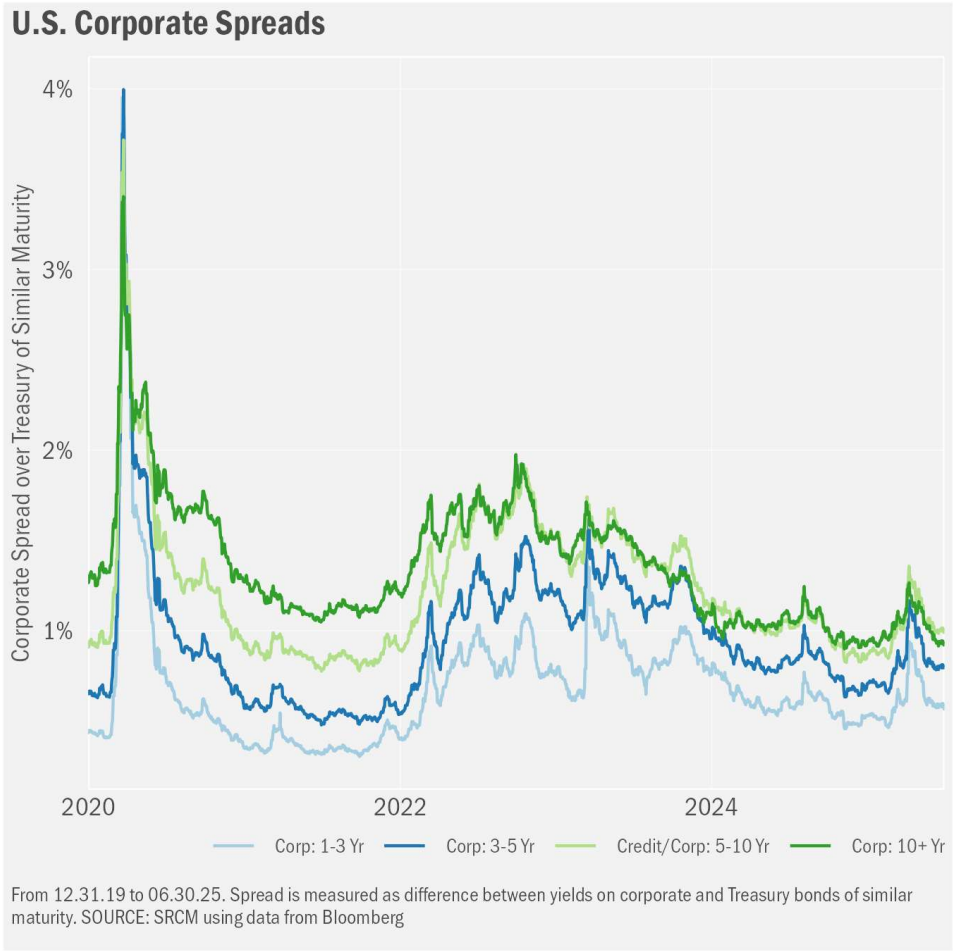
From 06.30.23 through 06.30.25. SOURCE: SRCM using data from Bloomberg

Interest Rates: Spreads

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Yields spreads continued to rise as the yield curve steepened. Meantime, credit spreads rebounded (narrowed) after a tariff-induced surge earlier in the year



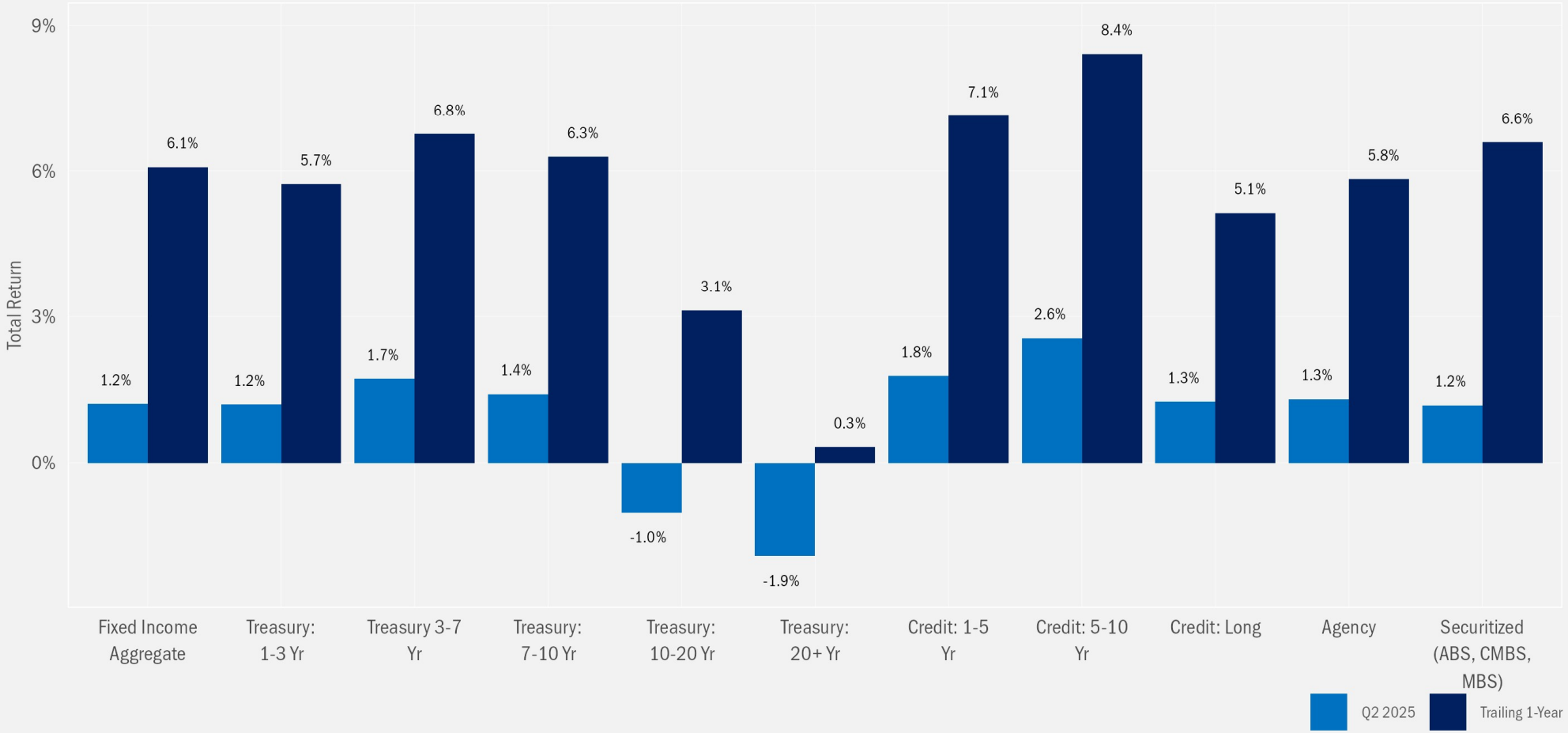


Fixed Income: Broad-Market Returns

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Though bonds broadly retained 12-month gains, the latest quarter's relative results—shorter-term bonds outperformed longer-term bonds—reflected the effects of a steepening curve

Bloomberg U.S. Aggregate Bond Index and Sub-Index Performance



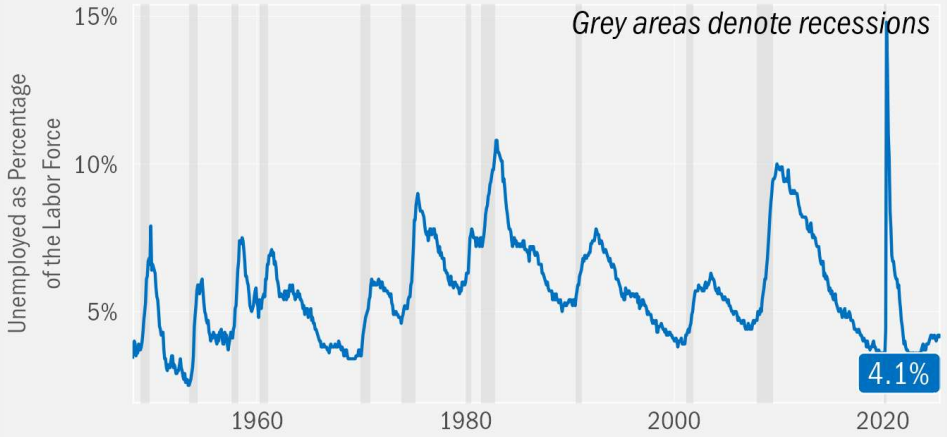
From 06.30.24 to 06.30.25. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Components of the index include Treasury, Corporate, Agency and Securitized bonds. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends, but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Macroeconomic Trends

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Labor markets remain near as tight as they've been in the last half century

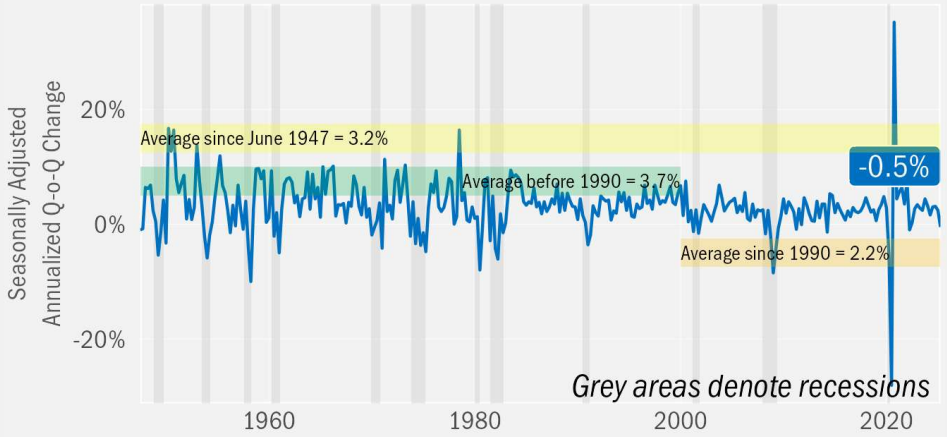
U.S. Civilian Unemployment Rate



From 01.31.48 to 06.30.25. SOURCE: U.S. Bureau of Labor Statistics via Bloomberg

Latest-data anomaly aside, GDP figures reflect a still humming economy

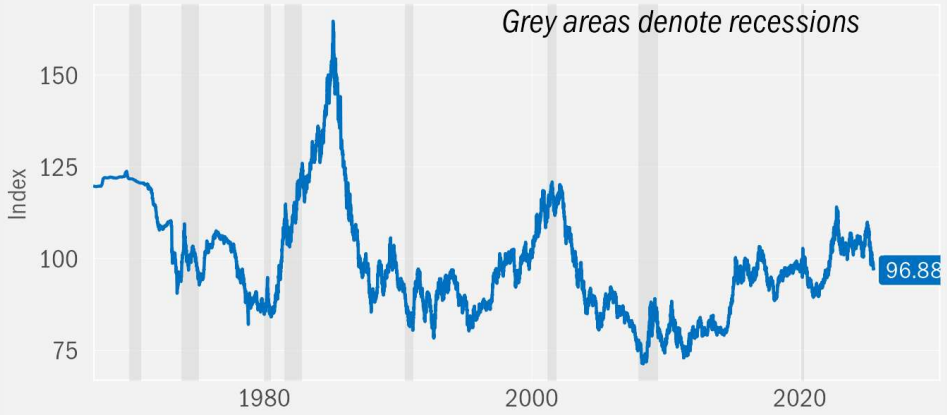
Real U.S. GDP



From 06.30.47 to 03.31.25. In 2009 dollars. SOURCE: U.S. Bureau of Economic Analysis via Bloomberg

Strong through quarter end, the U.S. Dollar soon sank

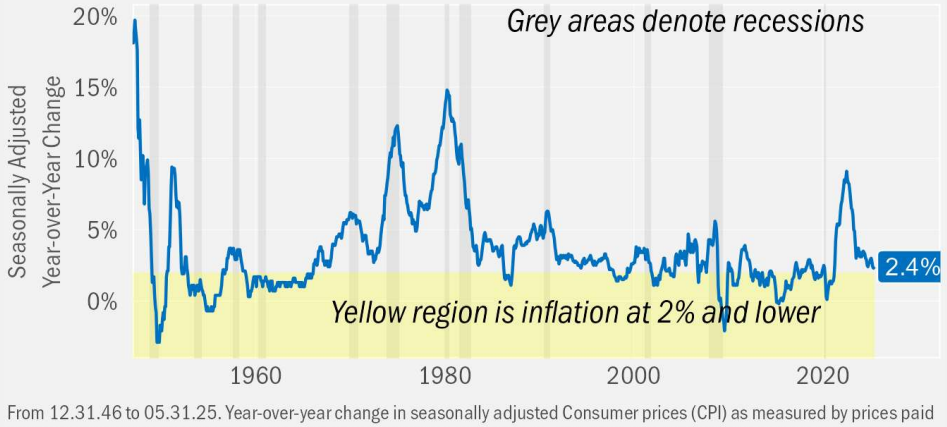
U.S. Dollar Index



From 03.31.67 to 06.30.25. The U.S. Dollar Index indicates the general int'l value of the USD as an average of the exchange rates between the USD and major world currencies.

Closing in on the Fed's preferred target of 2%?

Inflation: U.S. Consumer Price Index (CPI)



From 12.31.46 to 05.31.25. Year-over-year change in seasonally adjusted Consumer prices (CPI) as measured by prices paid by urban consumers for a market basket of consumer goods and services. SOURCE: U.S. Bureau of Economic Analysis via Bloomberg

Important Information

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Investing involves risks including the possible loss of principal. Past performance is not indicative of future results.

One cannot invest directly in an index. Index performance does not reflect the expenses associated with the management of an actual portfolio.

Asset classes and their respective indexes mentioned in this report include the following:

Domestic (U.S.) fixed income (Fixed Income Aggregate): The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Components of the index include Treasury, Corporate, Agency and Securitized bonds. The Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index is a broad-based benchmark that includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities with maturities between 1 and 5 years.

Global equity (stocks): Bloomberg World Large & Mid Cap Net Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market.

The MSCI ACWI Index captures large- and mid-cap representation across 23 Developed Markets and 23 Emerging Markets countries. The index covers approximately 85% of the global investable equity opportunity set.

Developed markets equity (stocks): Bloomberg Developed Markets Large & Mid Cap Total Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market.

Emerging markets (EM) equity (stocks): Bloomberg Emerging Markets Large & Mid Cap Total Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market.

Domestic (U.S.) equity: Bloomberg U.S. 3000 Total Return Index is a float market-cap-weighted benchmark of the 3000 most highly capitalized U.S. companies.

Domestic (U.S.) large-cap equity: Bloomberg U.S. Large Cap Total Return Index is a float market-cap-weighted benchmark of the 500 most highly capitalized U.S. companies. “Value” and “Growth” versions of this index are constructed as described in the “Bloomberg Value and Growth Indexes” note below. May be referred to as “Large” in a section specifically describing only U.S. stocks.

Domestic (U.S.) mid-cap equity: Bloomberg U.S. Mid Cap Total Return Index is a float market-cap-weighted benchmark of the lower 800 in capitalization of the Bloomberg U.S. 1000 Index. “Value” and “Growth” versions of this index are constructed as described in the “Bloomberg Value and Growth Indexes” note below. May be referred to as “Mid” in a section specifically describing only U.S. stocks.

Domestic (U.S.) small-cap equity: Bloomberg U.S. 2000 Total Return Index is a float market-cap-weighted benchmark of the lower 2000 in capitalization of the Bloomberg U.S. 3000 Index. “Value” and “Growth” versions of this index are constructed as described in the “Bloomberg Value and Growth Indexes” note below. May be referred to as “Small” in a section specifically describing only U.S. stocks.

Bloomberg Value and Growth Indexes are float market-cap-weighted indexes based on an equal-weighted combination of four factors: earnings yield, valuation, dividend yield and growth.

International equity (stocks): Bloomberg World ex U.S. Large & Mid Cap Net Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market.

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