

2025 Mid-Year Market Outlook

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Chief Investment Officer





2025 Mid-Year Outlook – Executive Summary

We believe:

- Coming into the year we expected that animal spirits, deregulation, and pro-growth policies would support the economic expansion. The economy has remained very resilient in the face of building headwinds from tariffs, budget negotiations, and flip-flopping policies from Washington, D.C. We originally expected the economy to grow by 2.50% in 2025. We are now reducing those expectations to a more moderate 1.5% growth rate.
- Coming into the year we expected a more volatile year for both the market and from a policy perspective. We have gotten both. The sharp tariff driven declines and V-shaped recovery, along with many breadth thrust signals and depressed investor sentiment, suggests additional gains ahead. Our year-end target for the S&P 500 remains 6700, with some downside risk to that target.
- After 100 basis points (bps) of rate cuts in 2024 the path of future cuts is set to slow. The yield curve has normalized and steepened so far this year. The market is currently pricing in less than two rate cuts this year.
- We expect the 10-year Treasury Note yield to remain rangebound between 3.5% – 5.0% path dependent on inflation and policy initiatives.
- Risks to the outlook include echo inflation, policy uncertainty, tariff negotiations, the U.S. government fiscal position, the valuation landscape, and geopolitics (Russia/Ukraine, Middle East, China/Taiwan).

Perspective...

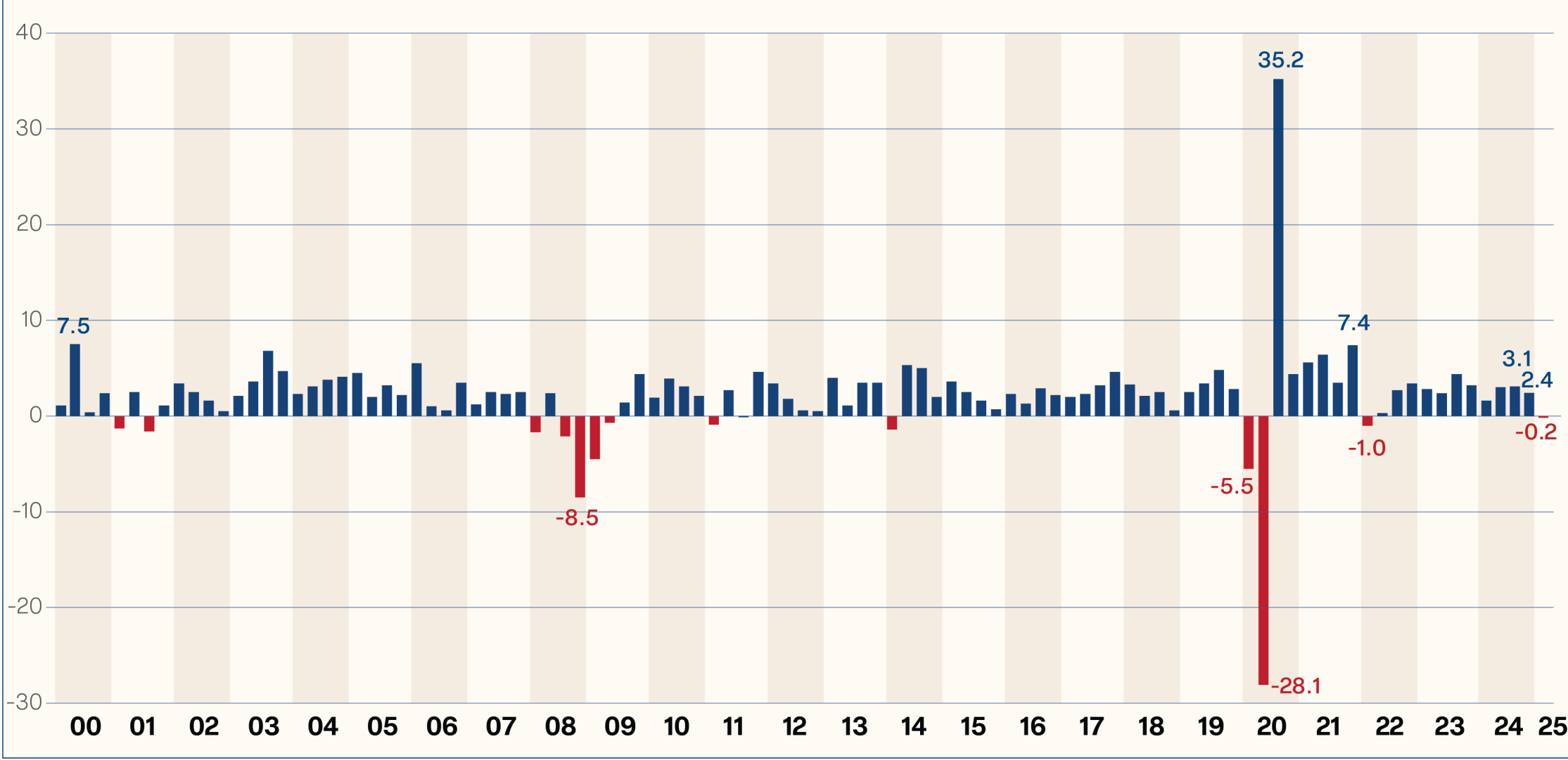


| Domestic Equity | | 2020 to 2024 | 12/31/2024 - 4/8/2025 | YTD (6/13/2025) |
|-----------------------------|-------------------------------------|---------------------|----------------------------------|----------------------------|
| | S&P 500 | 96.85% | -14.99% | 2.24% |
| | Russell 1000 | 94.74% | -15.26% | 2.12% |
| | Russell 2000 | 42.73% | -20.77% | -5.24% |
| | Russell 3000 | 91.24% | -15.52% | 1.78% |
| | Russell 1000 Value | 51.45% | -9.39% | 3.12% |
| | Russell 1000 Growth | 138.22% | -20.09% | 1.22% |
| International Equity | | | | |
| | MSCI Emerging Market | 8.78% | -6.22% | 12.04% |
| | MSCI All Country World (ex US) | 22.28% | -3.35% | 15.62% |
| Fixed Income | | | | |
| | Bloomberg U.S. Aggregate Bond | -1.62% | 1.92% | 2.69% |
| | Bloomberg U.S. Treasury | -3.36% | 2.63% | 2.57% |
| | Bloomberg U.S. Corporate | 1.52% | 0.37% | 2.70% |
| | Bloomberg U.S. Corporate High Yield | 22.92% | -1.78% | 3.17% |
| | Bloomberg Municipal | 5.05% | -2.02% | -0.80% |

United States GDP Annualized Growth

Percent Change in Gross Domestic Product

3/31/2000 to 3/31/2025

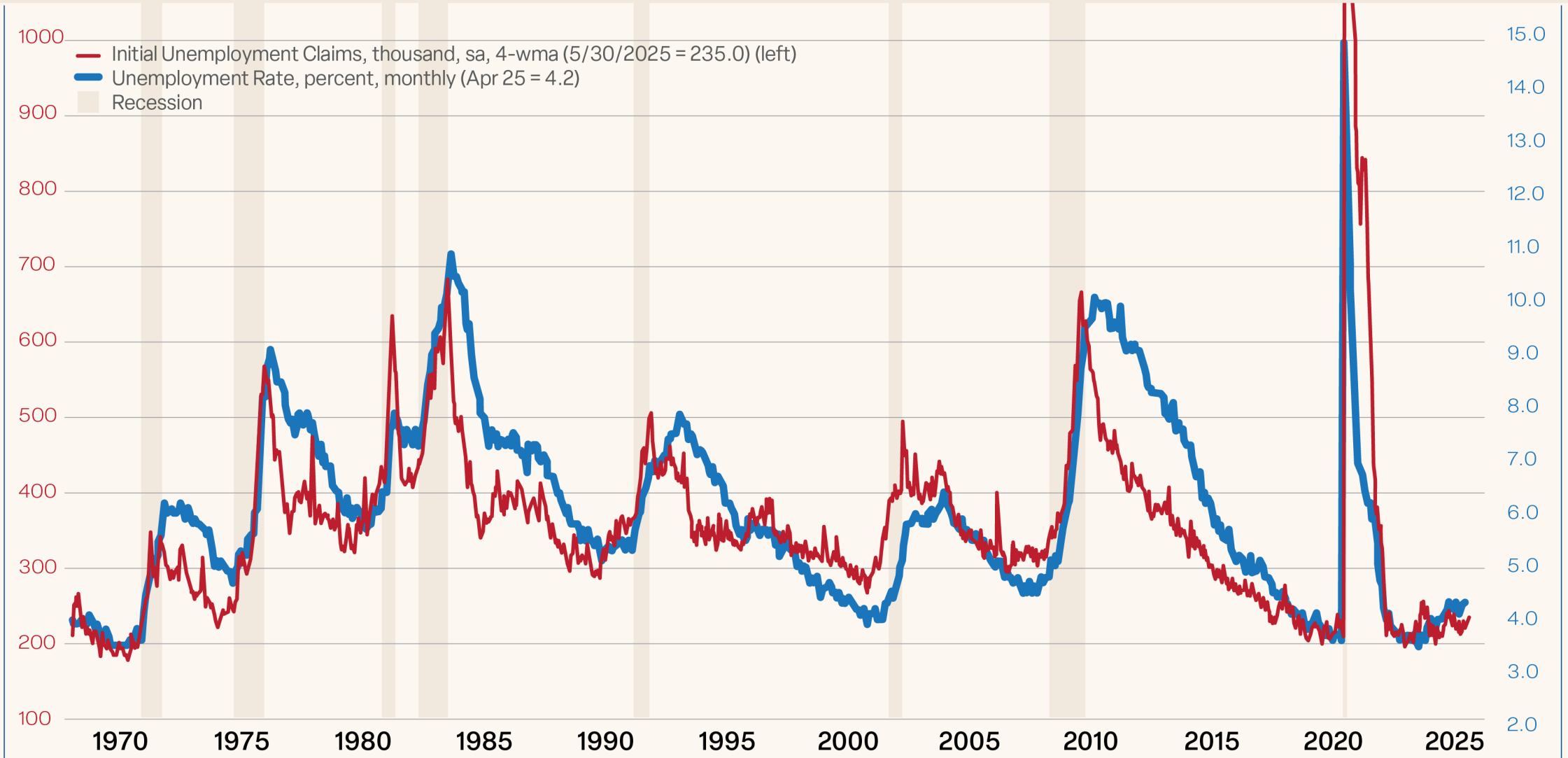


Source: Bloomberg

For illustrative purposes only. Past Performance is not indicative of future results.

Initial Unemployment Claims & Unemployment Rate

As of 5/30/2025



Source: Yardeni Research

Bloomberg Corporate High Yield Index Average OAS

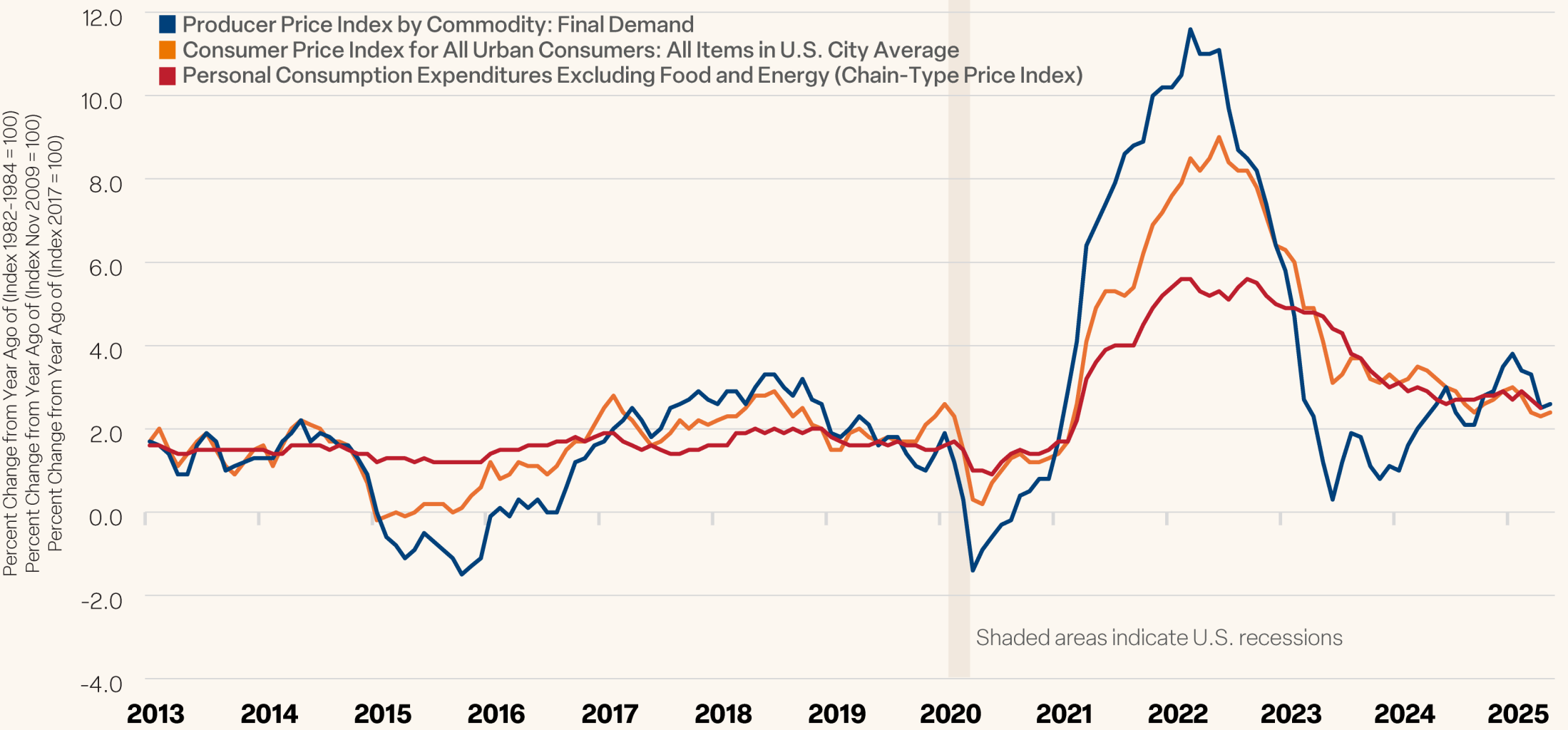
1/1/2010 to 6/3/2025



Sources: Bloomberg, Clark Capital Research

Producer Price Index vs Consumer Price Index vs Personal Consumption

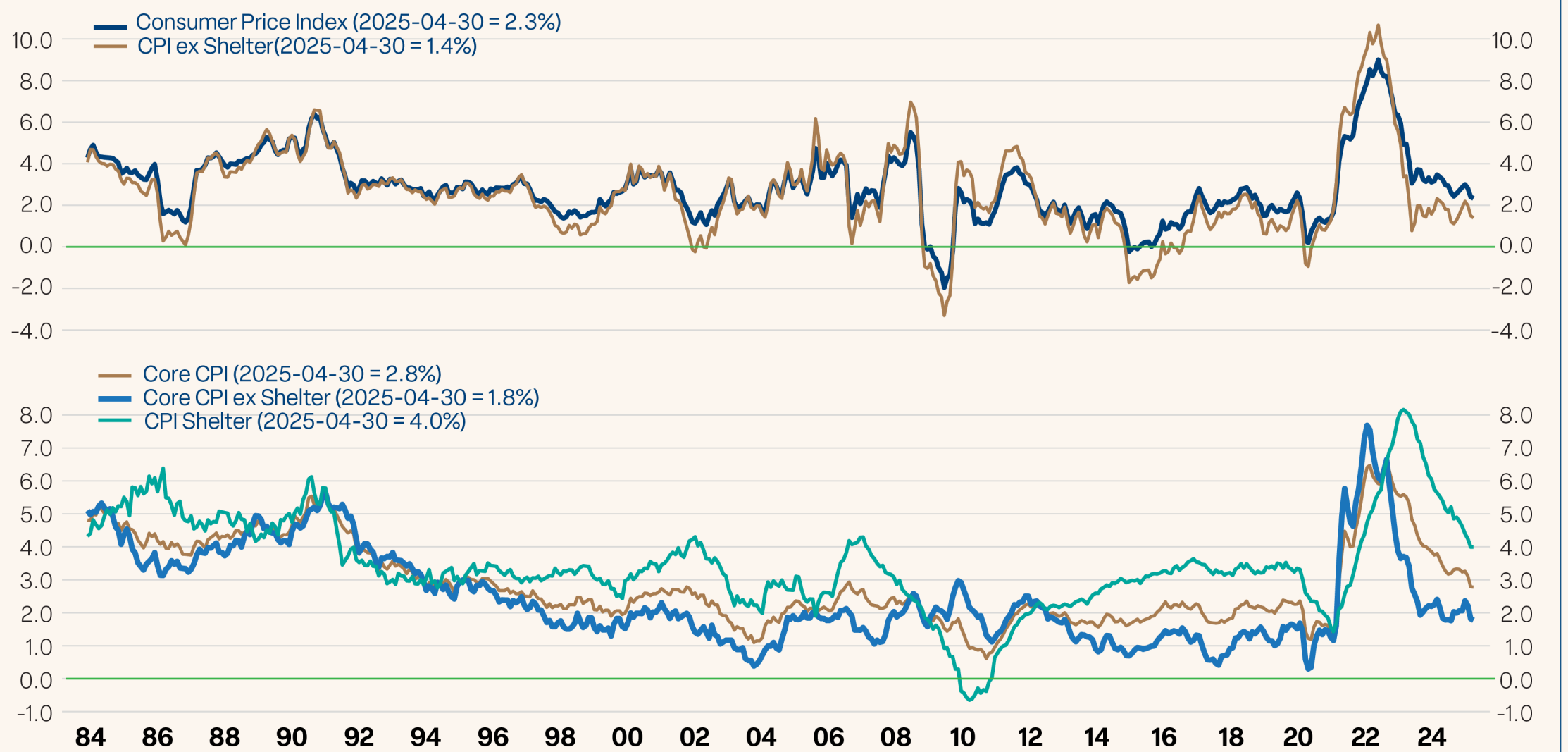
1/1/2013 to 5/1/2025



Sources: BLS; BEA; fred.stlouisfed.org

CPI and CPI ex-Shelter (Year-to-Year Changes)

Monthly Data 1984-01-31 to 2025-04-30



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All data seasonally adjusted

Source: Ned Davis Research, Bureau of Labor Statistics

Fed Rate Cut Expectations

As of 6/10/2025

Target Rate: 4.50

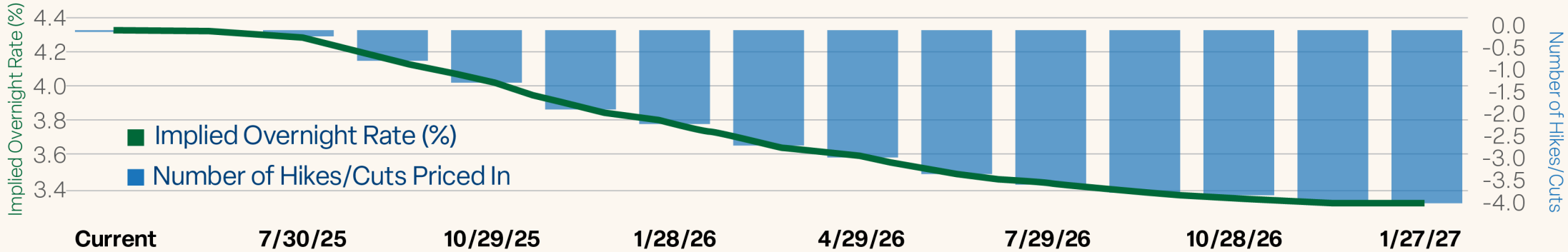
Effective Rate: 4.33

Pricing Date: 6/10/2025

Cur. Imp. O/N Rate: 4.329

| Meeting | #Hikes/Cuts | %Hike/Cut | Imp. Rate ^ | Implied Rate | A.R.M. |
|------------|-------------|-----------|-------------|--------------|--------|
| 06/18/2025 | -0.001 | -0.1 | 0 | 4.329 | 0.25 |
| 07/30/2025 | -0.145 | -14.5 | -0.036 | 4.293 | 0.25 |
| 09/17/2025 | -0.698 | -55.2 | -0.174 | 4.154 | 0.25 |
| 10/29/2025 | -1.145 | -44.8 | -0.286 | 4.043 | 0.25 |
| 12/10/2025 | -1.768 | -62.3 | -0.442 | 3.887 | 0.25 |
| 01/28/2026 | -2.125 | -35.7 | -0.531 | 3.797 | 0.25 |
| 03/18/2026 | -2.619 | -49.4 | -0.655 | 3.674 | 0.25 |
| 04/29/2026 | -2.895 | -27.6 | -0.724 | 3.605 | 0.25 |
| 06/17/2026 | -3.294 | -39.9 | -0.824 | 3.505 | 0.25 |
| 07/29/2026 | -3.525 | -23.1 | -0.881 | 3.448 | 0.25 |
| 09/16/2026 | -3.737 | -21.2 | -0.934 | 3.394 | 0.25 |
| 10/28/2026 | -3.845 | -10.8 | -0.961 | 3.368 | 0.25 |
| 12/09/2026 | -3.938 | -9.3 | -0.985 | 3.344 | 0.25 |
| 01/27/2027 | -4.015 | -7.7 | -1.004 | 3.325 | 0.25 |

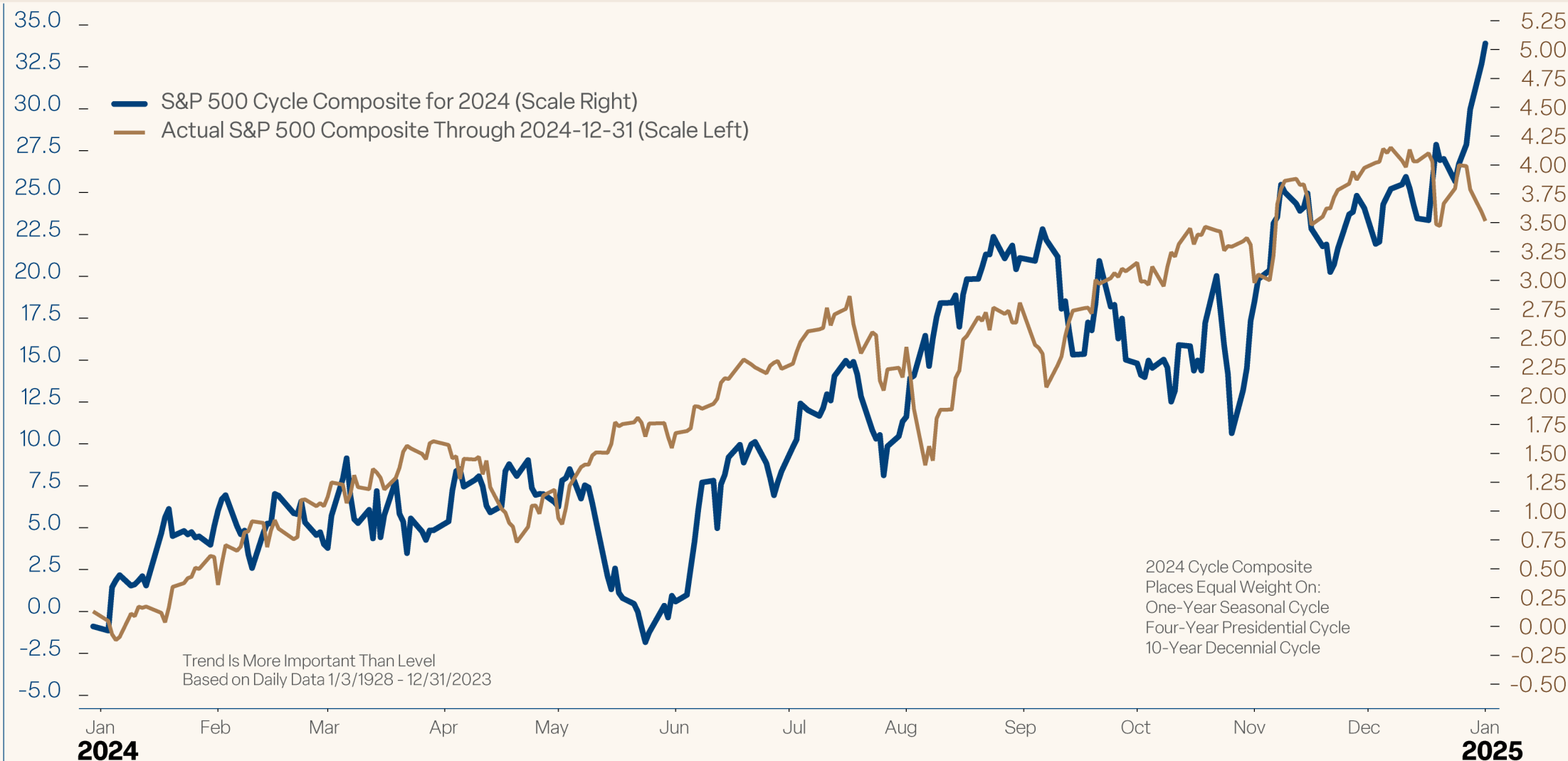
Implied Overnight Rate & Number of Hikes/Cuts



Source: Bloomberg

S&P 500 Cycle Composite for 2024

Daily Data 2023-12-29 to 2024-12-31



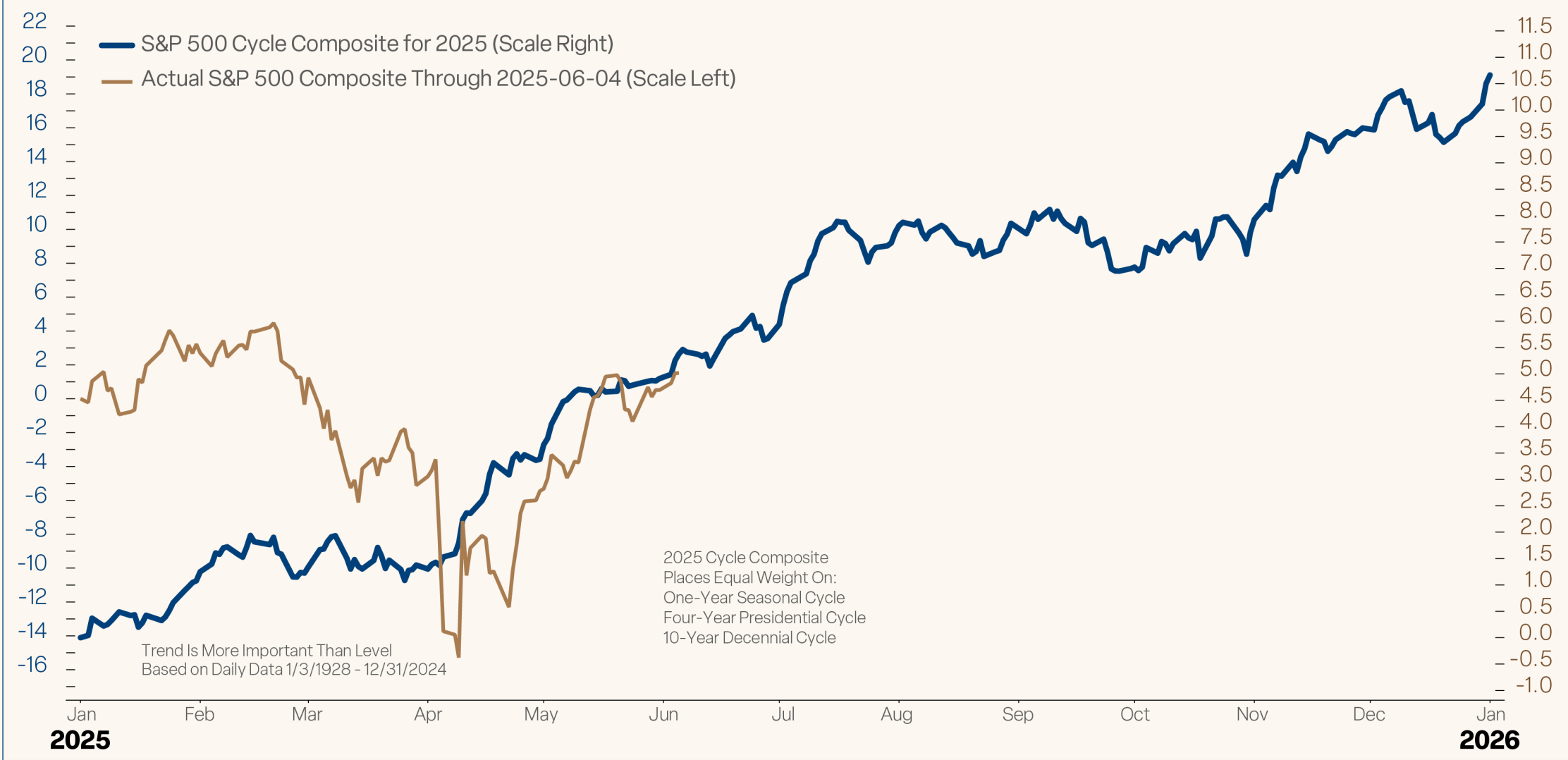
S01666

Lines represent cumulative year-to-date percent gains

Source: Ned Davis Research, S&P Dow Jones Indices

S&P 500 Cycle Composite for 2025

Daily Data 2024-12-31 to 2025-12-31



S01666

Lines represent cumulative year-to-date percent gains

Source: Ned Davis Research, S&P Dow Jones Indices

Dow Industrials Four-Year Presidential Cycle

As of 5/31/2025



S01642

Source: Ned Davis Research, Bloomberg Finance L.P.

For illustrative purposes only. Past Performance is not indicative of future results.

S&P 500 Mid-Term Year Performance Since 1934



| Prior 12-Month High | S&P 500 | Mid-Term Low | S&P 500 | % Loss to Mid-Term Low | Pre Election Year High | S&P 500 | % Gain from Mid-Term Low |
|---------------------|---------|--------------|---------|------------------------|------------------------|---------|--------------------------|
| 2/6/1934 | 11.82 | 7/26/1934 | 8.36 | -29.27% | 11/19/1935 | 13.46 | 61.00% |
| 3/10/1937 | 18.67 | 3/31/1938 | 8.5 | -54.47% | 1/4/1939 | 13.23 | 55.65% |
| 7/28/1941 | 10.47 | 4/28/1942 | 7.47 | -28.65% | 7/14/1943 | 12.64 | 69.21% |
| 5/29/1946 | 19.25 | 10/9/1946 | 14.12 | -26.65% | 2/8/1947 | 16.20 | 14.73% |
| 1/11/1950 | 17.09 | 1/14/1950 | 16.65 | -2.57% | 10/15/1951 | 23.85 | 43.24% |
| 2/3/1953 | 26.54 | 1/11/1954 | 24.8 | -6.56% | 11/14/1955 | 46.41 | 87.14% |
| 7/15/1957 | 49.13 | 1/2/1958 | 40.33 | -17.91% | 8/3/1959 | 60.71 | 50.53% |
| 12/12/1961 | 72.64 | 6/26/1962 | 52.32 | -27.97% | 12/31/1963 | 75.02 | 43.39% |
| 2/9/1966 | 94.06 | 10/7/1966 | 73.2 | -22.18% | 9/25/1967 | 97.59 | 33.32% |
| 5/14/1969 | 106.16 | 5/26/1970 | 69.29 | -34.73% | 4/28/1971 | 104.77 | 51.21% |
| 10/12/1973 | 111.44 | 10/3/1974 | 62.28 | -44.11% | 7/15/1975 | 95.61 | 53.52% |
| 12/31/1976 | 107.46 | 3/6/1978 | 86.9 | -19.13% | 10/5/1979 | 111.27 | 28.04% |
| 8/11/1981 | 133.85 | 8/12/1982 | 102.42 | -23.48% | 10/10/1983 | 172.65 | 68.57% |
| 1/7/1986 | 213.80 | 1/22/1986 | 203.49 | -4.82% | 8/25/1987 | 336.77 | 65.50% |
| 7/16/1990 | 368.95 | 10/11/1990 | 295.46 | -19.92% | 12/31/1991 | 417.09 | 41.17% |
| 2/2/1994 | 482.00 | 4/4/1994 | 438.92 | -8.94% | 12/13/1995 | 621.69 | 41.64% |
| 12/5/1997 | 983.79 | 1/9/1998 | 927.69 | -5.70% | 12/31/1999 | 1469.25 | 58.38% |
| 1/4/2002 | 1172.51 | 10/9/2002 | 776.76 | -33.75% | 12/31/2003 | 1111.92 | 43.15% |
| 5/5/2006 | 1325.76 | 6/13/2006 | 1223.69 | -7.70% | 10/9/2007 | 1565.15 | 27.90% |
| 4/23/2010 | 1217.28 | 7/2/2010 | 1022.58 | -15.99% | 4/29/2011 | 1363.61 | 33.35% |
| 9/19/2014 | 2010.40 | 10/15/2014 | 1862.49 | -7.36% | 5/21/2015 | 2130.82 | 14.41% |
| 9/20/2018 | 2930.75 | 12/24/2018 | 2351.1 | -19.78% | 12/27/2019 | 3240.02 | 37.81% |
| 1/3/2022 | 4796.56 | 10/12/2022 | 3577.03 | -25.43% | 12/28/2023 | 4783.35 | 33.72% |
| Mean | | -21.18% | | | 45.94% | | |
| Median | | -19.92% | | | 43.24% | | |

Source: Bloomberg. For illustrative purposes only. Past Performance is not indicative of future results.

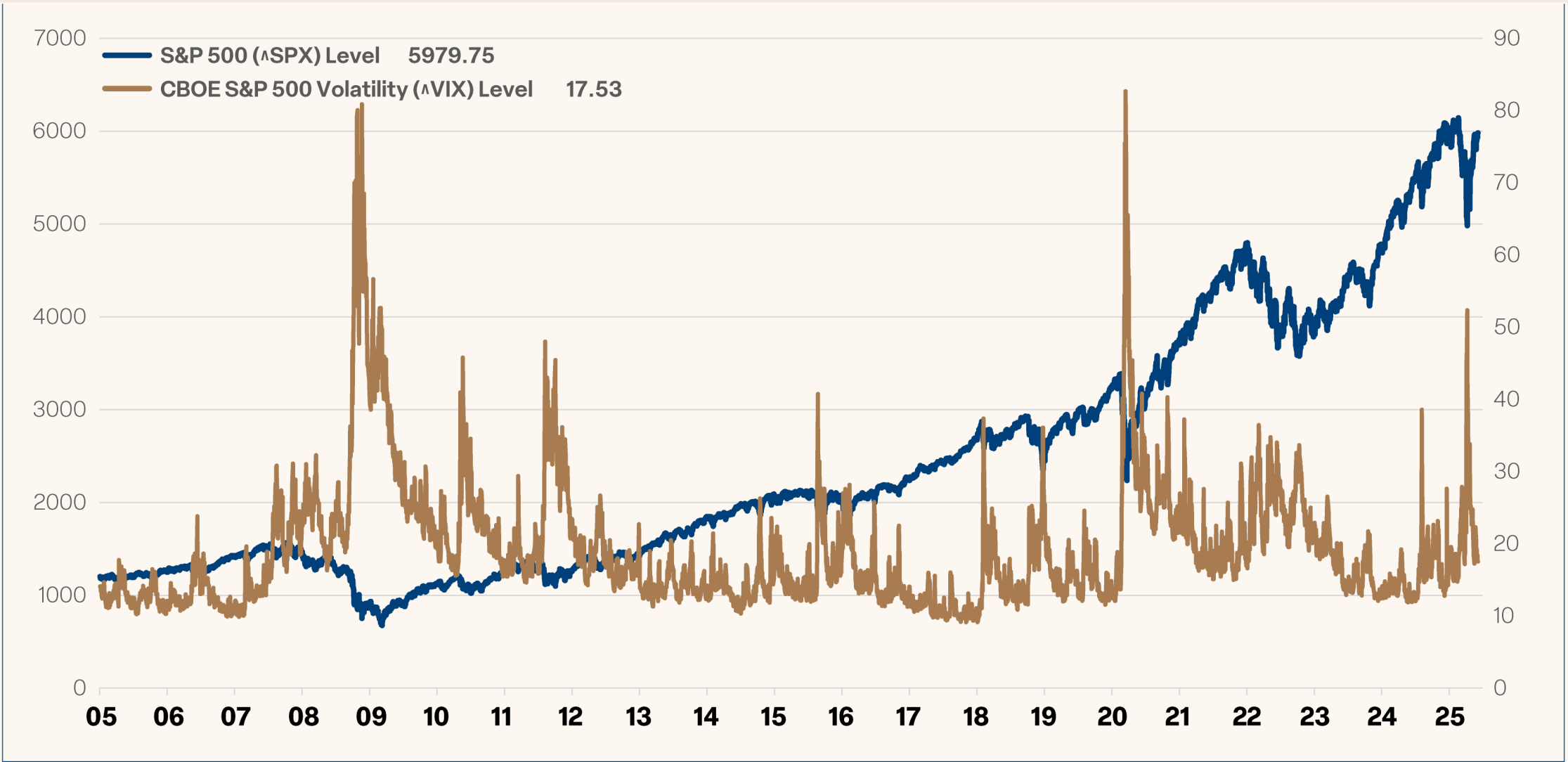


Corrections Are Normal — Frequency of Declines

| S&P 500 Declines | Occurrences Per Year | Frequency Average | Probability of Decline Moving to Next Stage | Mean Decline |
|------------------|----------------------|-------------------|---|--------------|
| -5% or more | 3.4 | Every 14 weeks | 31% | -10.8% |
| -10% or more | 1.1 | Every Year | 46% | -19.4% |
| -15% or more | 0.5 | Every 2 years | 57% | -27.8% |
| -20% or more | 0.3 | Every 3 years | N/A | -35.2% |

S&P 500 vs CBOE S&P 500 Volatility Levels

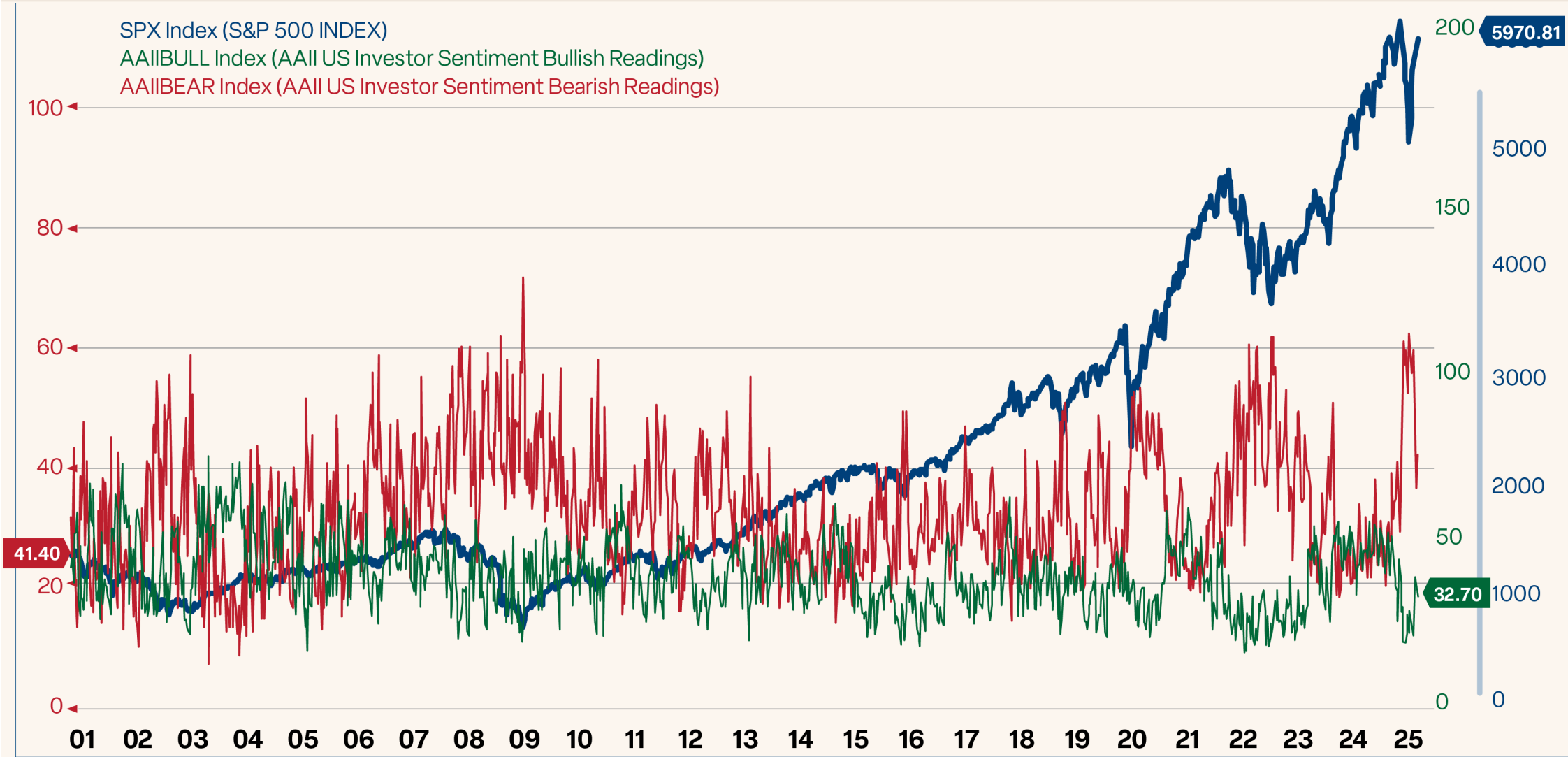
1/1/2005 to 6/4/2025



Source: Bloomberg

S&P 500 vs AAI Bull and Bear

1/1/2001 to 6/5/2025



Source: Bloomberg

For illustrative purposes only. Past Performance is not indicative of future results.

S&P 500 Index vs. AAI Bulls Less Bears — 6M Avg.

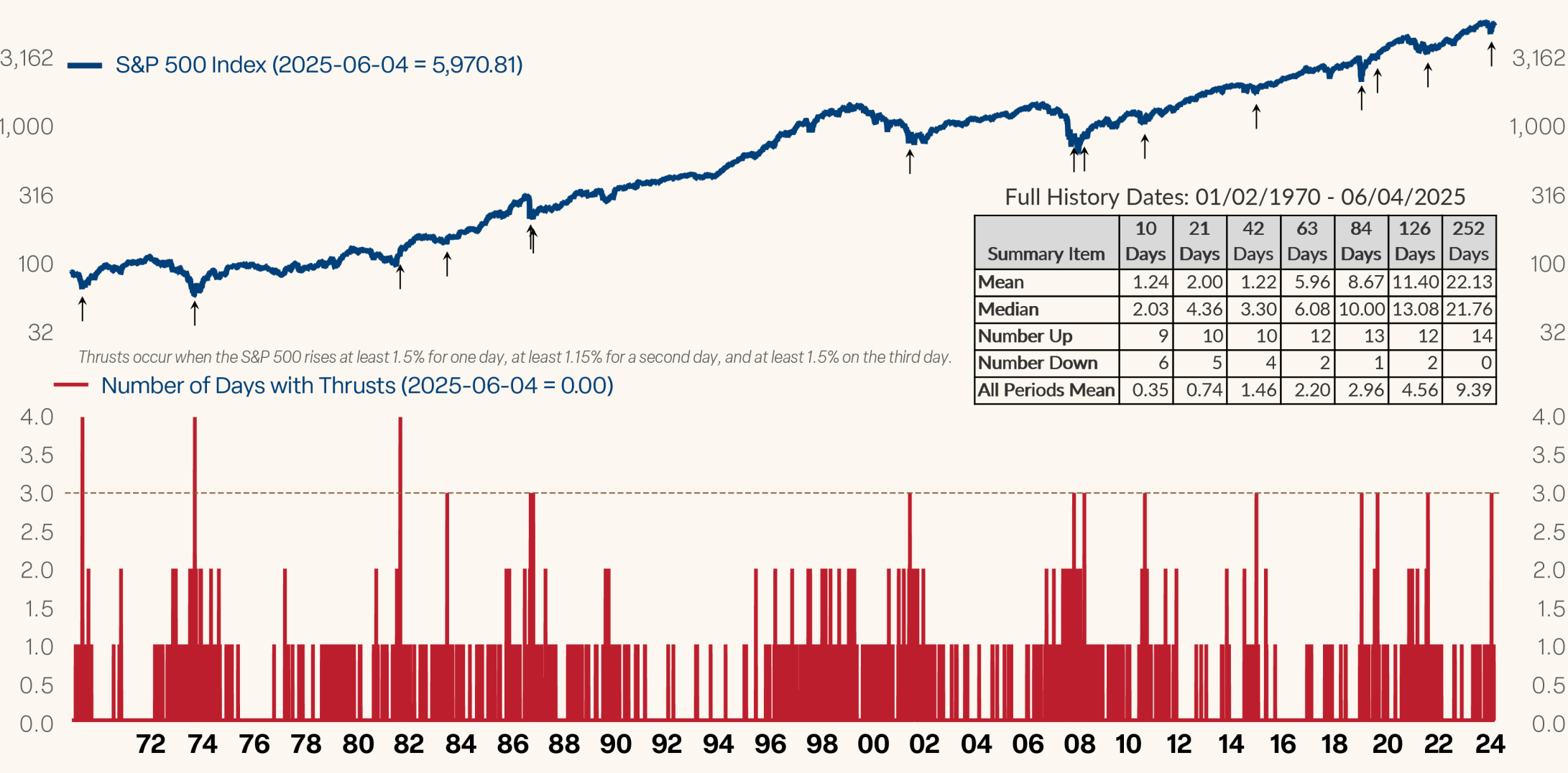
Quarterly 12/31/1995 — 04/28/2026



Source: Fundstrat, Bloomberg

S&P 500 Index vs. Three-Day Price Thrust Indicator

Daily Data 1970-01-02 to 2025-06-04

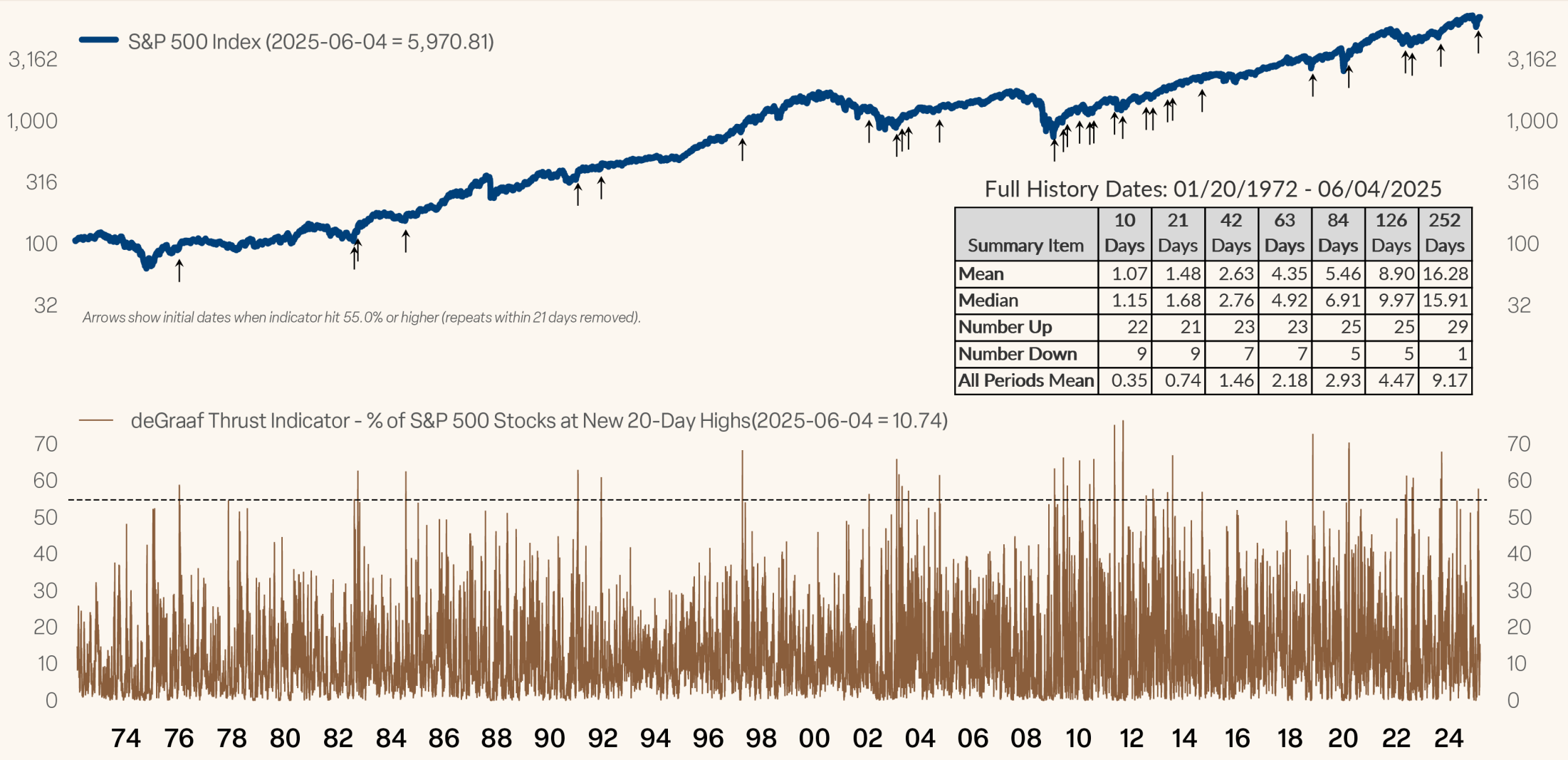


S44B

Source: Ned Davis Research, Inc.

S&P 500 Index vs. deGraaf Thrust Indicator

Daily Data 1972-01-20 to 2025-06-04



Market Scorecard



S&P 500 20%+ Rallies in Two Months or Less: 1945 — 2025

| Date | Calendar Days Since 50-Day Low | Distance From 52-Week High (%) | S&P 500 Performance (%) | | | | | Next 12 Months (%) | |
|--------------------------|--------------------------------|--------------------------------|-------------------------|-----------|--------------|------------|----------|--------------------|-------------|
| | | | One Week | One Month | Three Months | Six Months | One Year | Max Gain | Max Decline |
| 11/5/1974 | 33 | -29.82 | -1.92 | -11.96 | 5.11 | 19.93 | 18.69 | 27.29 | -13.51 |
| 2/5/1975 | 61 | -20.84 | 1.23 | 5.00 | 14.10 | 9.22 | 27.16 | 29.08 | -0.75 |
| 9/14/1982 | 33 | -2.57 | 1.45 | 9.32 | 11.61 | 22.52 | 34.33 | 38.90 | -2.16 |
| 3/5/1991 | 55 | 0.00 | -1.78 | -0.36 | 2.22 | 3.30 | 7.91 | 11.69 | -2.70 |
| 11/19/1998 | 42 | -2.88 | 2.97 | 3.07 | 7.51 | 16.62 | 23.37 | 23.63 | -0.98 |
| 8/22/2002 | 30 | -18.75 | -4.66 | -12.19 | -3.34 | -11.90 | 3.15 | 5.09 | -19.76 |
| 11/21/2002 | 43 | -20.36 | 0.55 | -4.07 | -9.17 | -1.11 | 10.87 | 13.42 | -14.30 |
| 12/8/2008 | 18 | -39.99 | -4.25 | 0.00 | -24.88 | 3.42 | 20.03 | 22.09 | -26.24 |
| 3/23/2009 | 14 | -42.32 | -4.30 | 3.52 | 8.77 | 28.92 | 42.68 | 42.68 | -4.39 |
| 4/8/2020 | 16 | -18.79 | 1.21 | 6.54 | 15.27 | 25.34 | 48.99 | 50.14 | -0.48 |
| 6/6/2025 | 59 | -2.32 | | | | | | | |
| Average | | -18.06 | -0.98 | -0.11 | 2.72 | 11.61 | 23.72 | 26.40 | -8.53 |
| Median | | -18.79 | -0.61 | 1.54 | 6.31 | 12.92 | 21.70 | 25.46 | -3.54 |
| Percent of Time Positive | | | 50 | 60 | 70 | 80 | 100 | 100 | 0 |

Source: Bespoke Investment Group. Past performance is not indicative of future results. This is not a recommendation to buy or sell a particular security. Please see attached disclosures.

ISM Manufacturing vs. S&P 500 Index

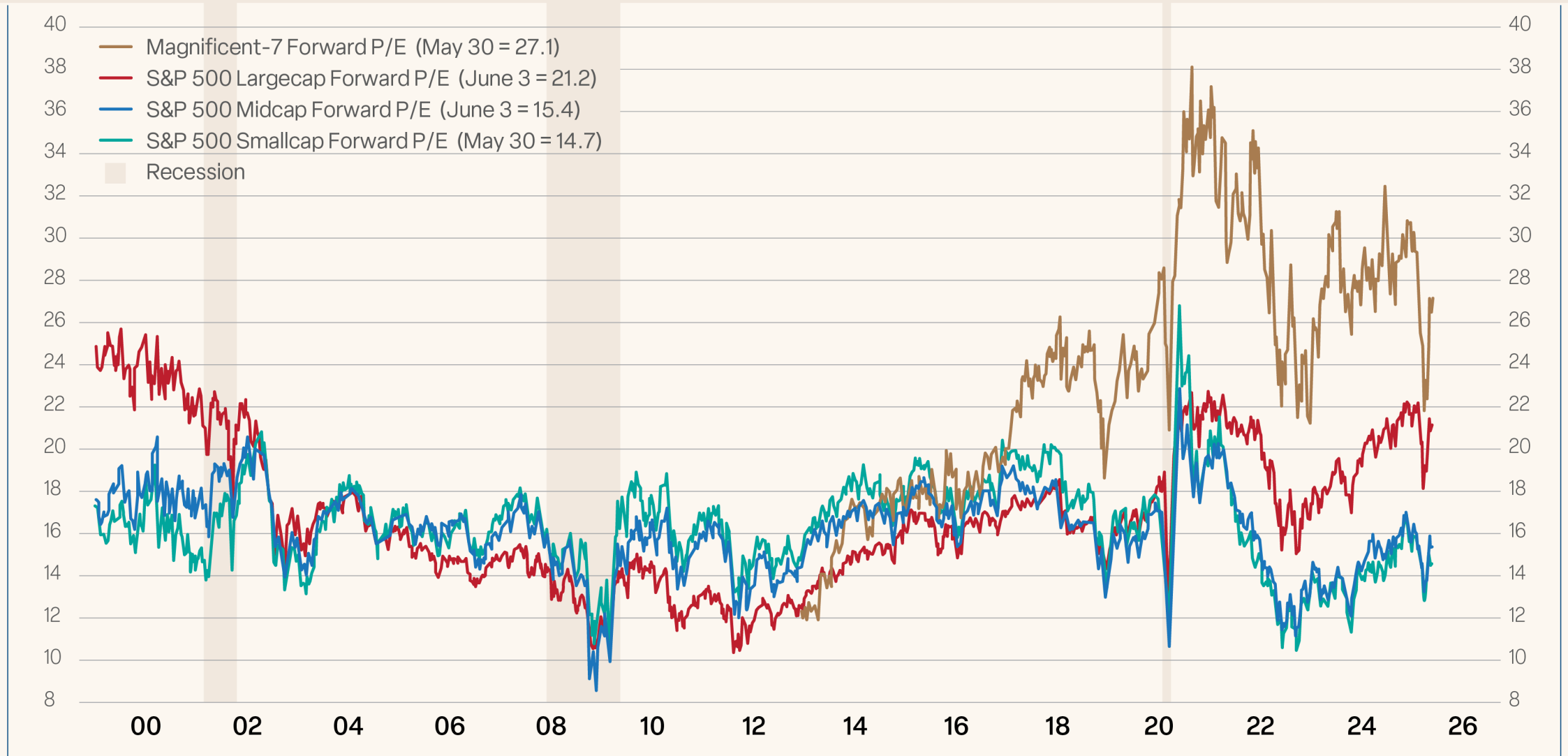
Quarterly 06/29/2005 — 05/30/2025



Source: Fundstrat, Bloomberg

Forward P/E Ratios: Largecap, Midcap, Smallcap & MAG-7

Daily Data 1/1/2000 to 6/3/2025



S44A

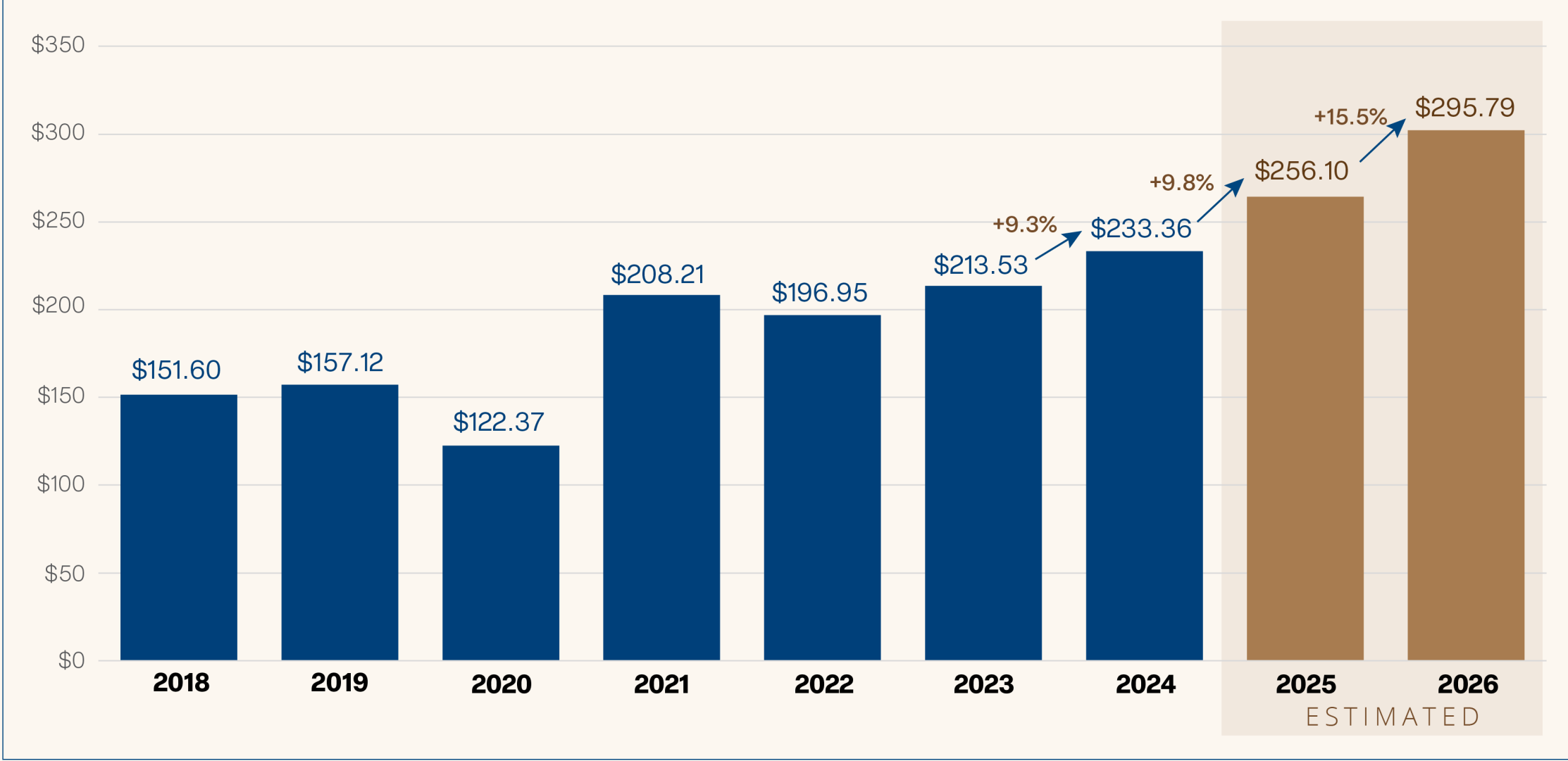
*Magnificent-7 stocks include Alphabet(Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, and Tesla. Both classes of Alphabet are included.

Source: LSEG Datastream and Yardeni Research, and Standard & Poor's.

For illustrative purposes. Past performance is not indicative of future results. Neither past actual, projections, nor other forward-looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.

S&P 500 Calendar Year Operating EPS Actuals & Estimates

As of 5/31/2025

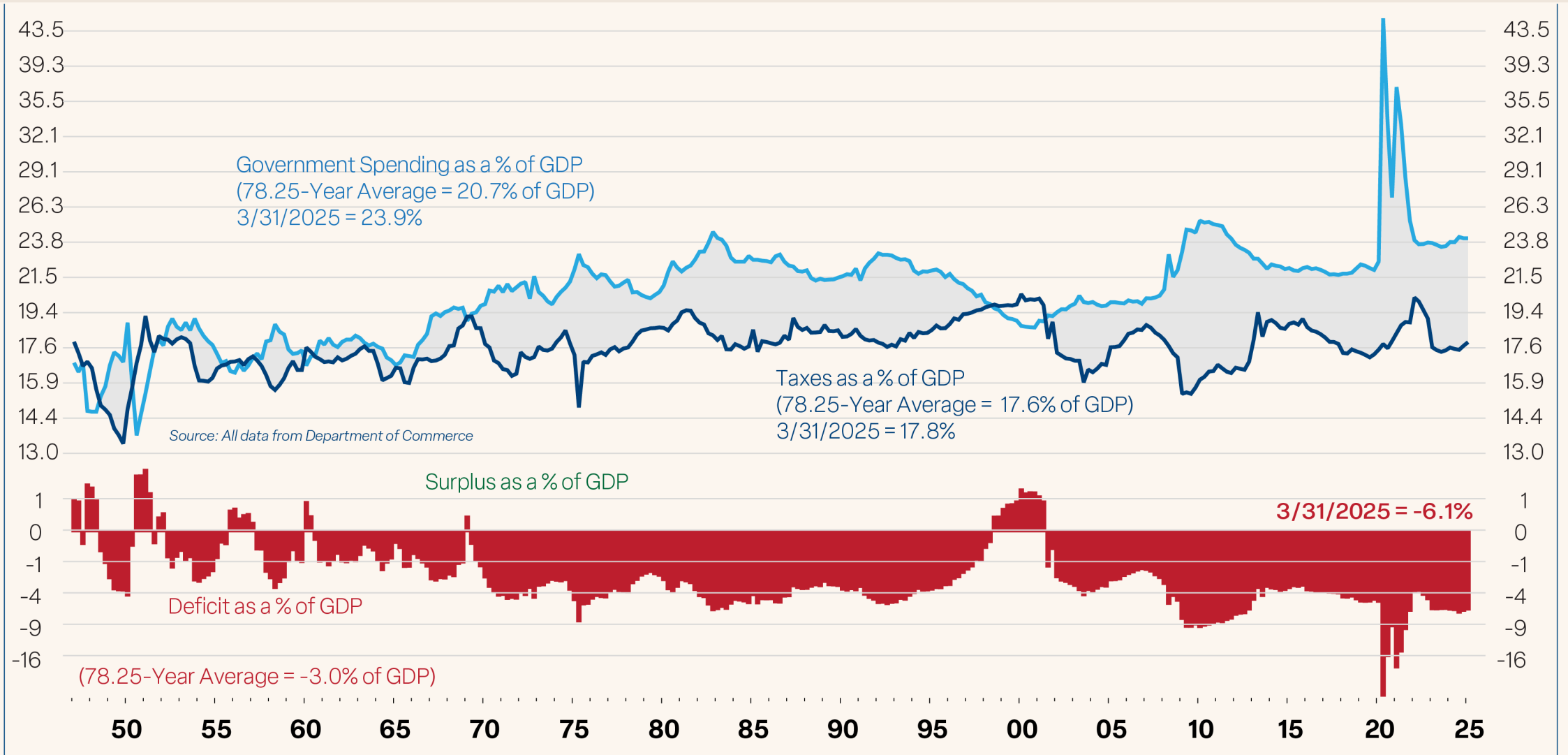


Source: S&P Global

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Taxes and Government Spending

Quarterly 3/31/1947 - 3/31/2025



E300

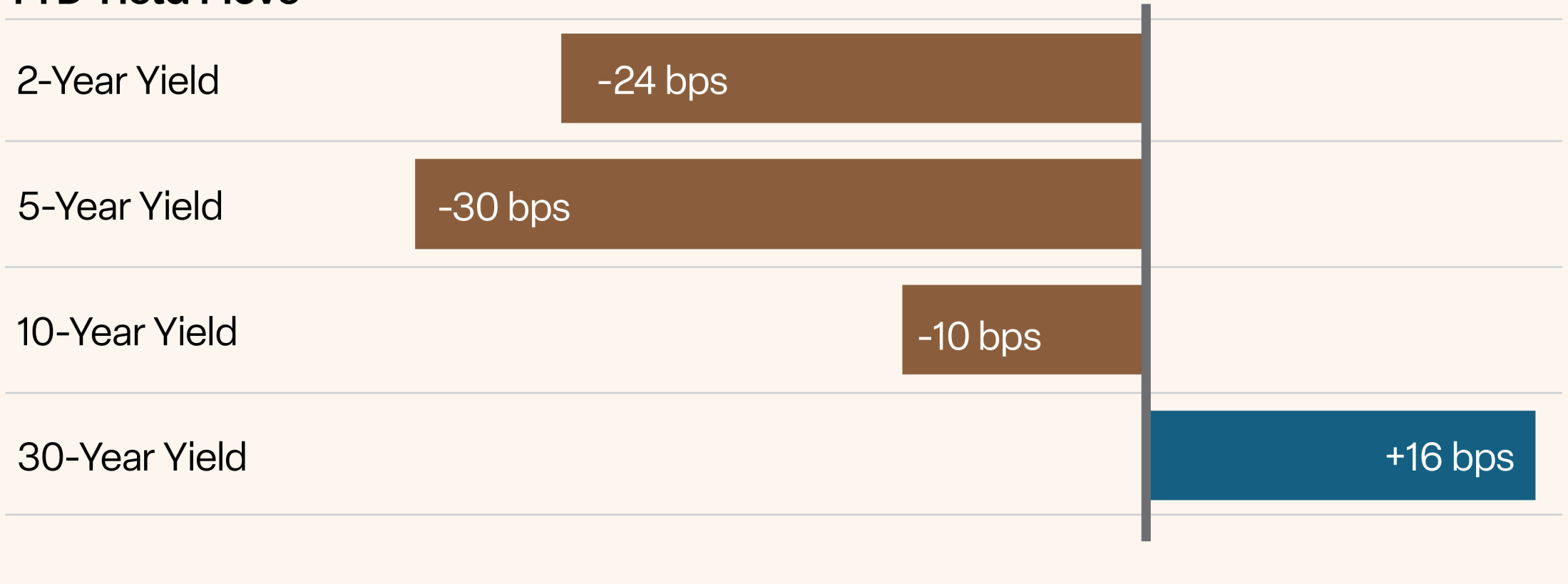
Source: Ned Davis Research

Long-Term Bonds Are Outliers This Year

As of June 9, 2025

30-Year Yields Rise While Other Maturities Fall

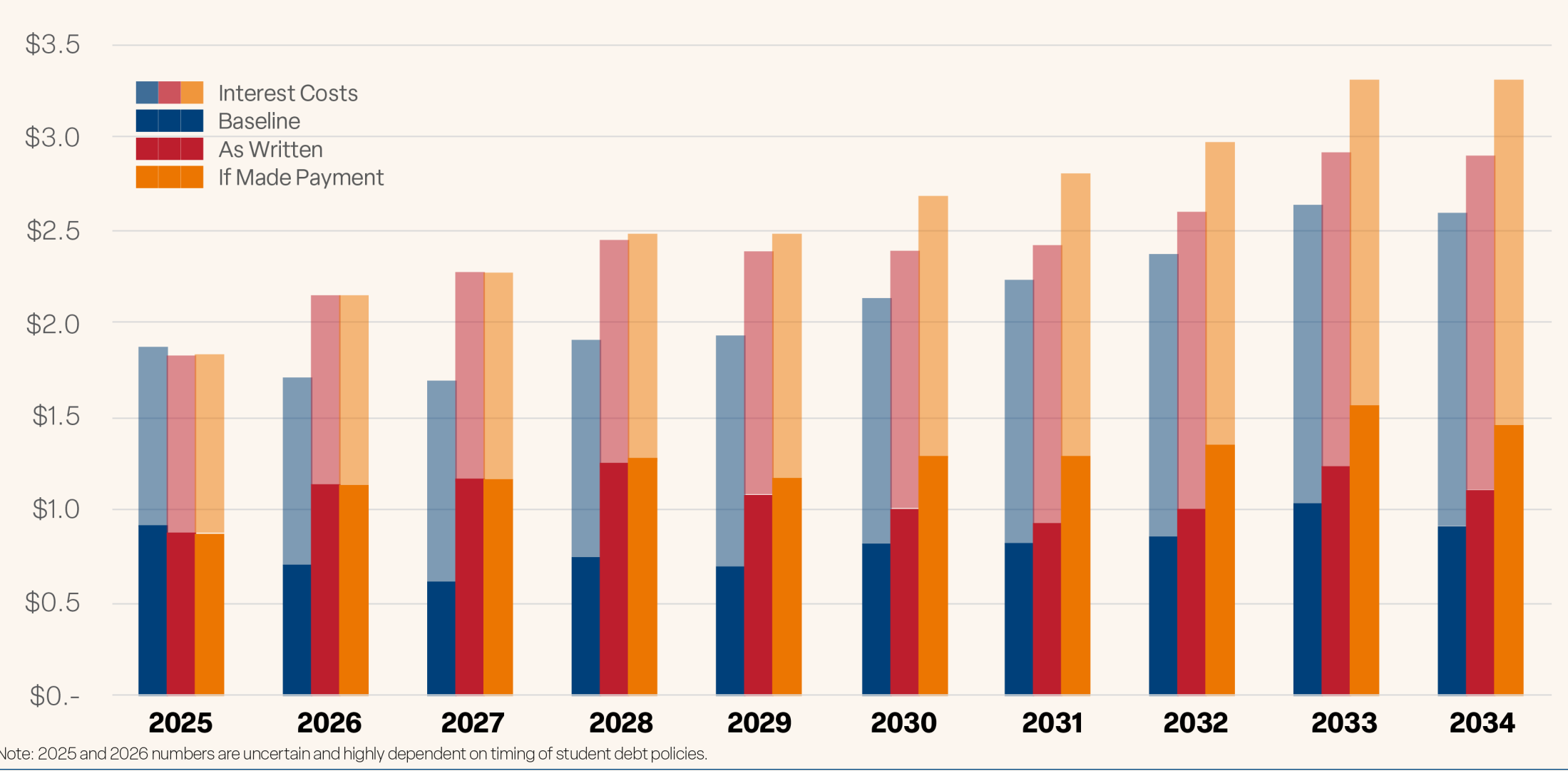
YTD Yield Move



Source: Bloomberg

Reconciliation Would Lead to \$3 Trillion Deficits

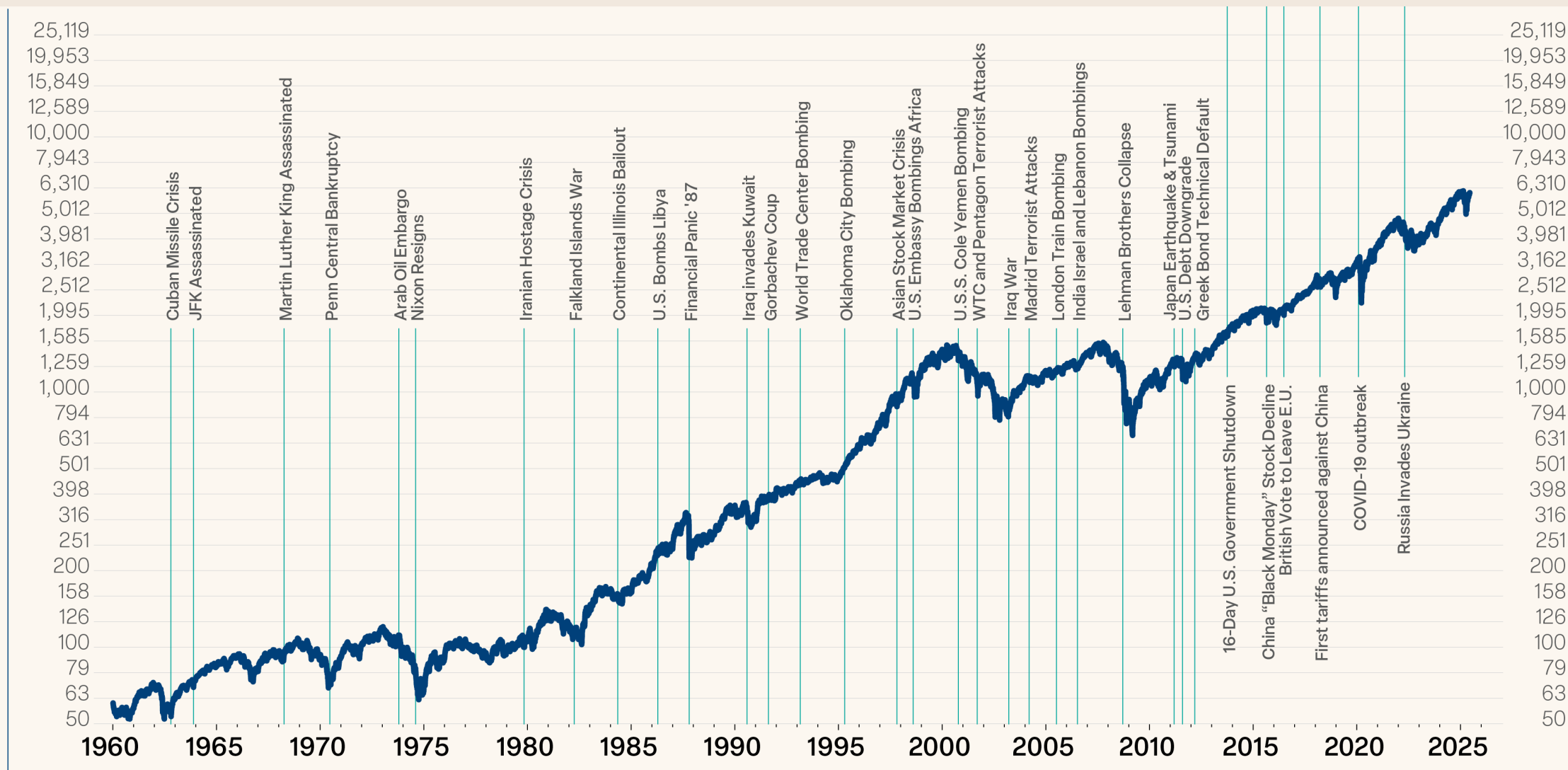
2025 — 2034



Sources: Committee for a Responsible Federal Budget, Congressional Budget Office, Joint Committee on Taxation, and House Committees.

Standard & Poor's 500 Index with Crisis Events

Daily Data 1960-01-04 to 2025-06-13 (Log Scale)



DAVIS196

Source: Ned Davis Research, Inc.

For illustrative purposes only. Past Performance is not indicative of future results.

Questions & Answers

IN THIS SECTION



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Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.

Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in market value or an investment), credit, prepayment, call (some bonds allow the issuer to call a bond for redemption before it matures), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.



Benchmark Descriptions

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 75% of U.S. equities.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

The Russell 2000 Index measures the performance of the 2000 smallest U.S. companies based on total market capitalization in the Russell 3000, which represents approximately 10% of Russell 3000 total market capitalization.

The Russell 3000 Index measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The MSCI World ex US Index is a market capitalization-weighted index designed to measure equity performance in 22 global developed markets, excluding the United States. The benchmark for this composite is used because the MSCI World Ex US Net Index is generally representative of international equities.

BBgBarc U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, and be rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and publicly issued.

The BBgBarc US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

The BBgBarc US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The US Corporate Index is a component of the US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The BBgBarc U.S. Corporate High-Yield Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The BBgBarc U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Created by the Chicago Board Options Exchange (CBOE), the Volatility Index, or VIX, is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of the S&P 500 index options, it provides a measure of market risk and investors' sentiments.

The 10-year Treasury note is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

The Dow Jones Industrial Average is the most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials. The 30 stocks are chosen by the editors of the Wall Street Journal (which is published by Dow Jones & Company), a practice that dates back to the beginning of the century. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.



Benchmark Descriptions

The volatility (beta) of an account may be greater or less than its respective benchmark.

GDP measures the monetary value of final goods and services—that is, those that are bought by the final user—produced in a country in a given period of time (say a quarter or a year). It counts all of the output generated within the borders of a country.

The nonfarm payroll measures the number of workers in the U.S. except those in farming, private households, proprietors, non-profit employees, and active military.

A leading indicator is economic data that may correspond with a future movement or change in the economy. Leading economic indicators can help to predict an occurrence or forecast the timing of events and trends in business, markets, and the economy. the U.S. stock market.

A Treasury yield is the effective annual interest rate paid by the U.S. government to a bondholder.

The Daily Moving Average is a technical indicator used to analyze price trends over a security's average closing price over a period of time.

The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 638 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

Earnings per share (EPS) is a measure of a company's profitability, calculated by dividing quarterly or annual income (minus dividends) by the number of outstanding stock shares. The higher a company's EPS, the greater the profit and value perceived by investors.

The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

The PCED price index, released each month in the Personal Income and Outlays report, reflects changes in the prices of goods and services purchased by consumers in the United States. Quarterly and annual data are included in the GDP release.

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living.

The ISM Services PMI (formerly the Non-Manufacturing NMI) is an index based on surveys of more than 400 non-manufacturing firms purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys, that monitors economic conditions of the nation.

TIPS pay a fixed rate of interest every six months until they mature. Because we pay interest on the adjusted principal, the amount of interest payment also varies. You can hold a TIPS until it matures or sell it before it matures.

E-mini S&P 500 futures are traded on the Chicago Mercantile Exchange (CME) and allow traders to gain exposure to the S&P 500 index, a widely recognized barometer of the U.S. stock market.