

Market Facts and Figures from Q4 2025

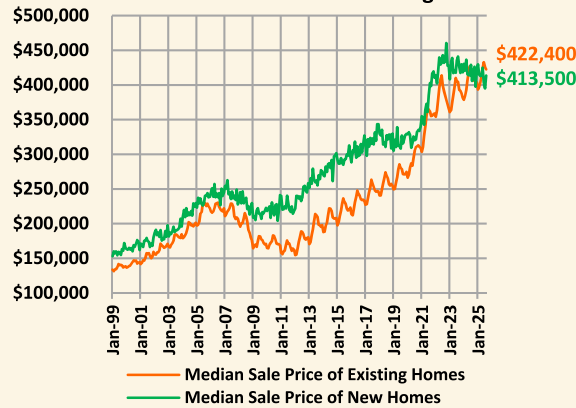
Value stocks outperformed Growth stocks to close out the year.

2025 4Q US Returns (Russell Indices)

	Value	Core	Growth
Large	3.8%	2.4%	1.1%
Mid	1.4%	0.2%	-3.7%
Small	3.3%	2.2%	1.2%

In mid-2025, the average sale price of a new home fell below the average price of an existing home.

Median Sale Price of New & Existing Homes



Best and Worst Markets

Developed Markets

Top 3	2025 4Q	Bottom 3	2025 4Q
Austria	17.9%	Portugal	0.7%
Ireland	14.1%	New Zealand	-0.4%
Finland	14.1%	Australia	-1.0%

Emerging Markets

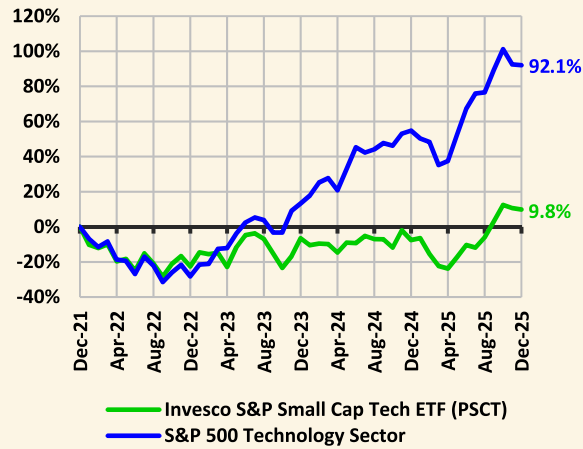
Top 3	2025 4Q	Bottom 3	2025 4Q
Korea	27.3%	Turkey	-3.5%
Chile	25.3%	China	-7.4%
Hungary	18.4%	Saudi Arabia	-7.6%

Frontier Markets

Top 3	2025 4Q	Bottom 3	2025 4Q
Jordan	15.2%	Morocco	-3.1%
Romania	14.6%	Mauritius	-4.7%
Bahrain	12.6%	Bangladesh	-5.7%

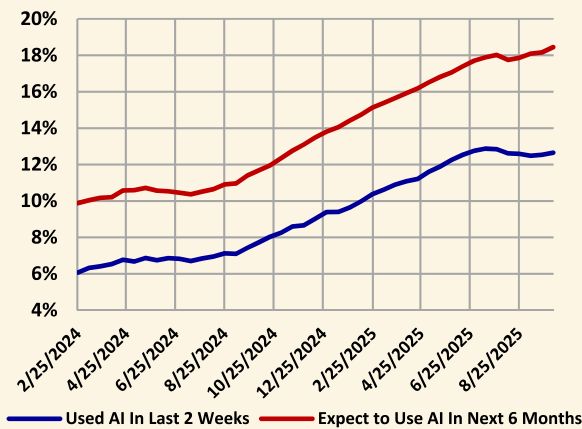
Small cap Technology stocks only recently recovered from their 2022 bear market.

Cumulative Return Since Jan 2022
US Large Cap Tech vs US Small Cap Tech



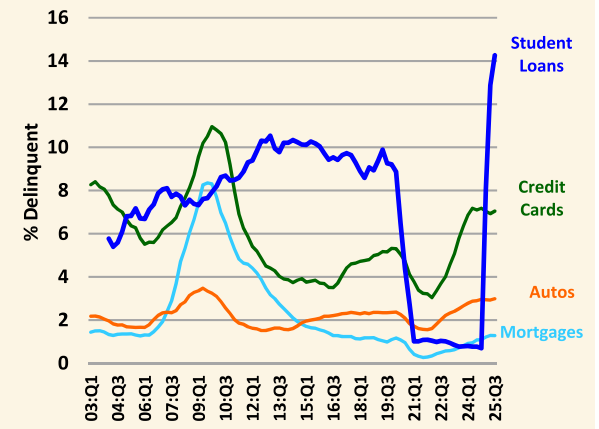
The actual adoption rate of AI technology among large companies has been levelling off.

% of Companies With 250+ Employees
Adoption of AI Technology
Rolling 6-Month Average, Sept 2023 - Oct 2025



The rate of student loan delinquencies has risen to over 14%, well above the pre-pandemic level.

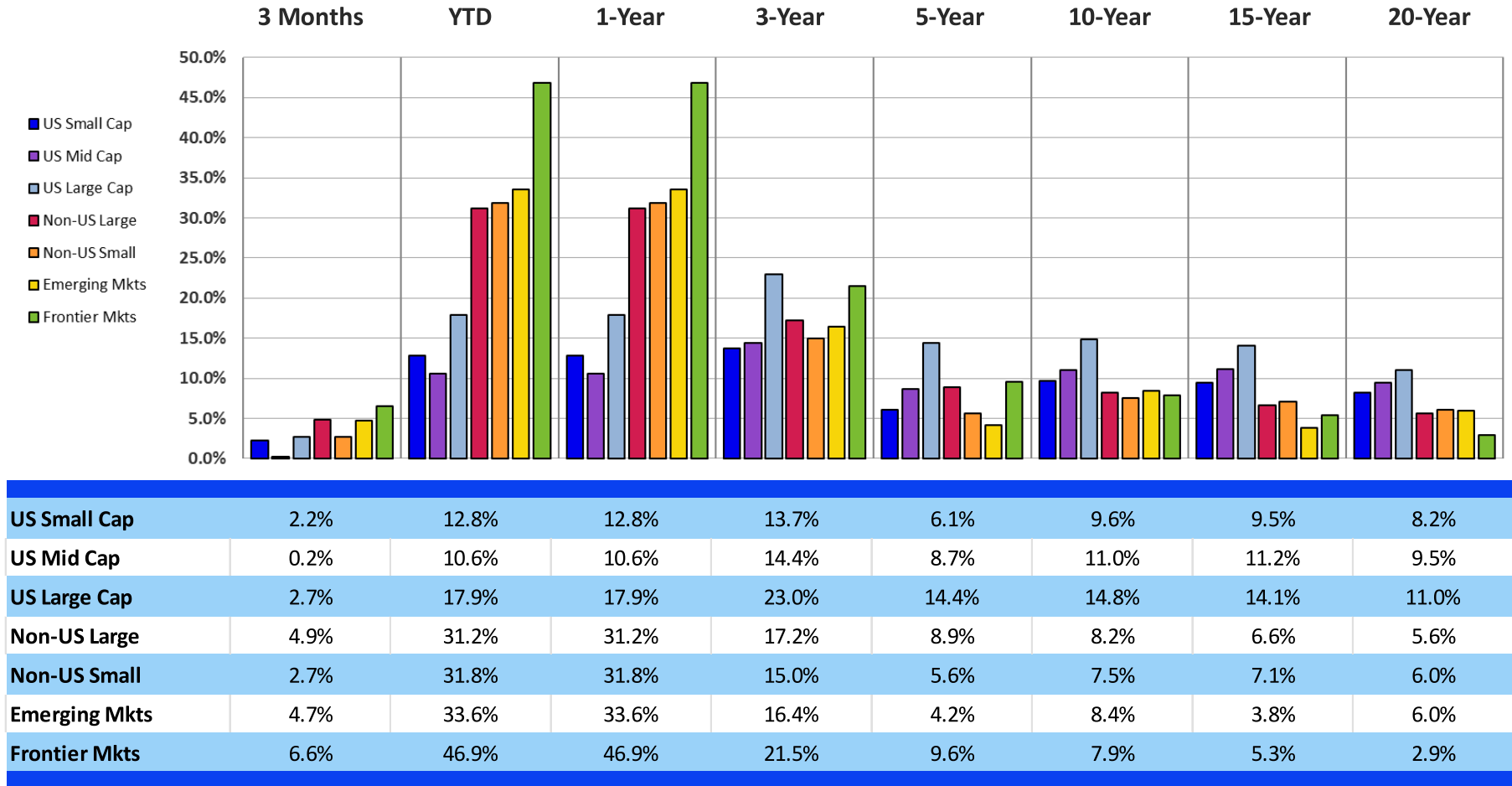
Percent of Consumer Loans
Transitioning Into Serious Delinquency (90+ days)



Sources: www.census.gov, <https://fred.stlouisfed.org>, www.newyorkfed.org, Morningstar Advisor Workstation, NASDAQ eVestment

World Equity Performance

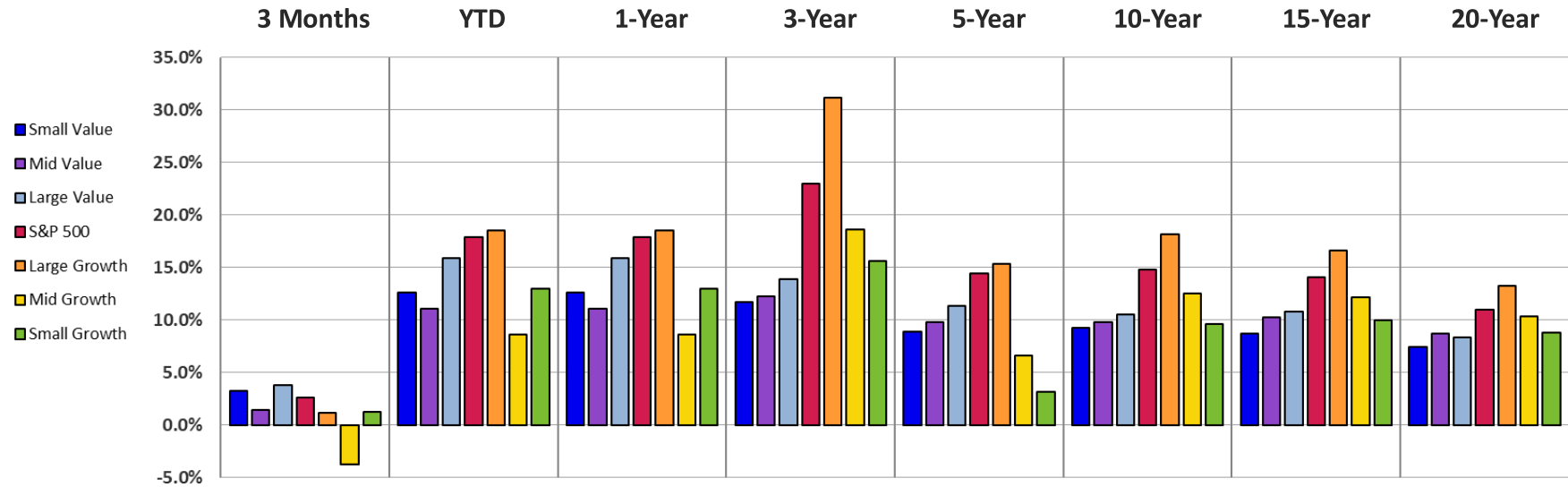
Quarter Ending December 31, 2025



Non-US markets handily outperformed US stocks for the year 2025, with all four major non-US indexes posting gains of over 30% for the year. That is not to say it was a bad year for US equities, with small, mid and large cap US stocks all returning over 10%.

U.S. Equity Style Performance

Quarter Ending December 31, 2025

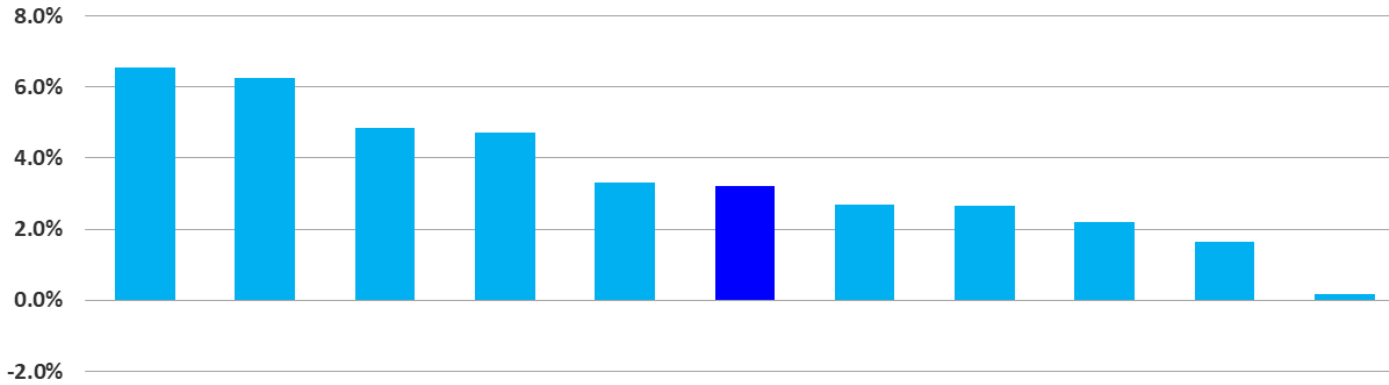


	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
Small Value	3.3%	12.6%	12.6%	11.7%	8.9%	9.3%	8.7%	7.4%
Mid Value	1.4%	11.0%	11.0%	12.3%	9.8%	9.8%	10.3%	8.7%
Large Value	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%	10.8%	8.3%
S&P 500	2.7%	17.9%	17.9%	23.0%	14.4%	14.8%	14.1%	11.0%
Large Growth	1.1%	18.6%	18.6%	31.2%	15.3%	18.1%	16.6%	13.2%
Mid Growth	-3.7%	8.7%	8.7%	18.6%	6.6%	12.5%	12.2%	10.3%
Small Growth	1.2%	13.0%	13.0%	15.6%	3.2%	9.6%	9.9%	8.8%

The fourth quarter saw Value stocks outperforming Growth to close out the year, though the top-performing segment of the US market for the full year was once again Large Growth (+18.6%). Mid Growth was the only part of the US market to not reach a double-digit return for the year.

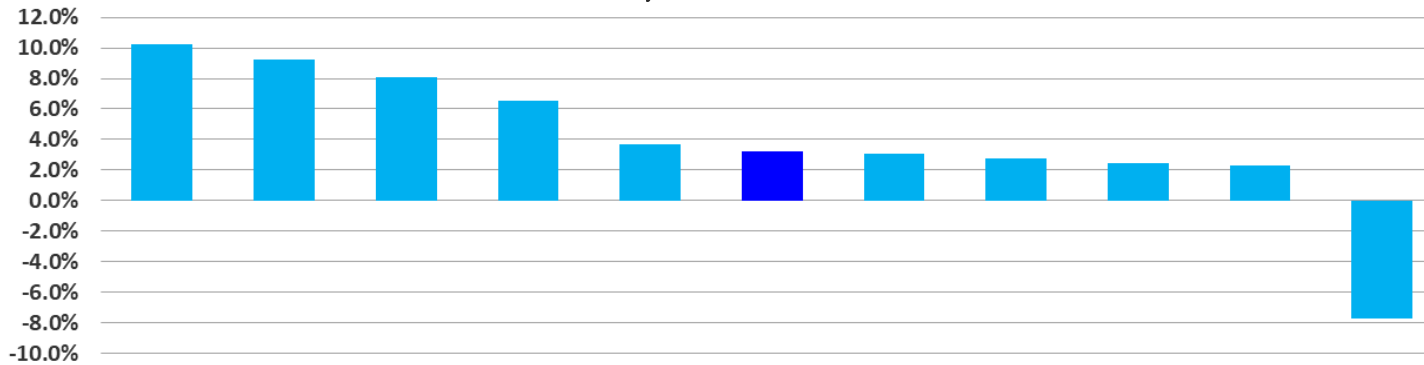
Equity Performance Breakdown

2025 4Q World Index Returns



	MSCI Frontier Markets	Russell Micro Cap	MSCI EAFE	MSCI Emerging Markets	S&P 100	MSCI ACWI IMI	MSCI EAFE Small Cap	S&P 500	Russell 2000	MSCI Emrg Small Cap	Russell Mid Cap
2025 4Q Return	6.6%	6.3%	4.9%	4.7%	3.3%	3.2%	2.7%	2.7%	2.2%	1.6%	0.2%

2025 4Q Country Returns for the MSCI ACWI IMI



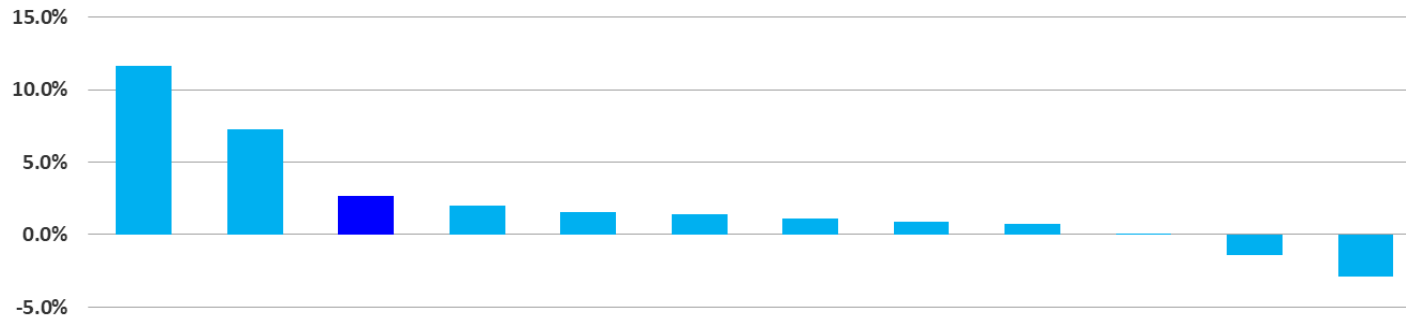
	Taiwan	Switzerland	Canada	United Kingdom	India	MSCI ACWI IMI Index	France	Japan	Germany	U.S.	China
2025 4Q Return	10.2%	9.2%	8.1%	6.5%	3.7%	3.2%	3.1%	2.8%	2.5%	2.3%	-7.7%
Weight in ACWI	2.3%	2.0%	3.1%	3.3%	1.9%	-	2.2%	5.5%	2.0%	62.8%	2.9%

Non-US stocks were the top performers in Q4, finishing off a year of strong outperformance relative to US stocks. Smaller cap stocks across the globe were relative laggards for the quarter. Entering 2026, a key question is how higher US tariffs will impact global trade. JP Morgan estimates the average tariff rate on US goods imports for consumption at the end of 2025 was 15.6%. That marks the highest tariff rate since the late 1930s and approximately 5 times the average rate since 1980.

Taiwan, Switzerland and Canada were the top performers among the major equity markets in the fourth quarter. China was the only large market to post a negative return in Q4 (-7.7%). In the US, the S&P 500 was up 2.7% for the quarter and finished 2025 up 17.9% for the year. This marks the eighth time in the past 10 years that the S&P 500 had a return of 11.9% or better.

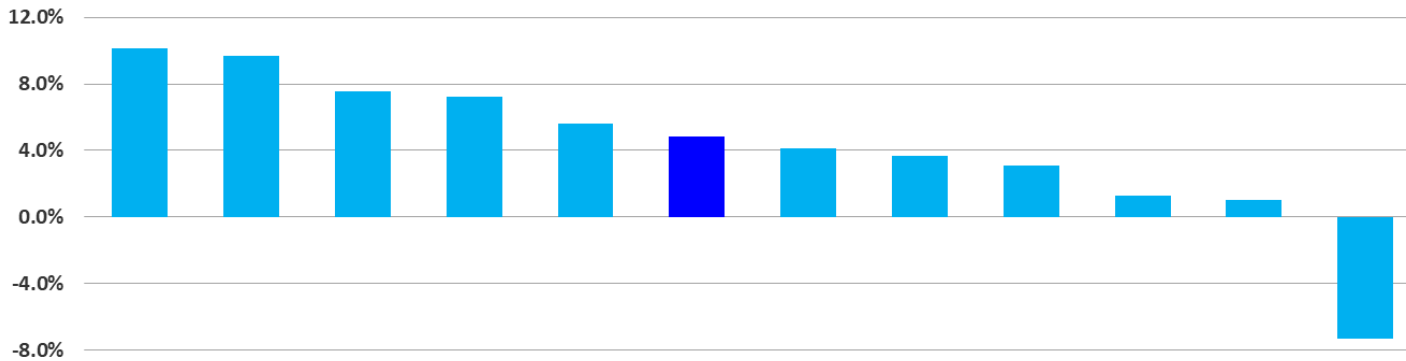
Equity Performance Breakdown

2025 4Q Sector Returns for the S&P 500



	Health Care	Communic. Services	S&P 500 Index	Financials	Energy	Technology	Materials	Industrials	Consumer Discretionary	Consumer Staples	Utilities	Real Estate
2025 4Q Return	11.7%	7.3%	2.7%	2.0%	1.5%	1.4%	1.1%	0.9%	0.7%	0.0%	-1.4%	-2.9%
Weight in S&P	9.6%	10.6%	-	13.4%	2.8%	34.4%	1.8%	8.2%	10.4%	4.7%	2.2%	1.8%

2025 4Q Sector Returns for the MSCI EAFE



	Utilities	Health Care	Financials	Materials	Energy	MSCI EAFE Index	Technology	Consumer Staples	Industrials	Consumer Discretionary	Real Estate	Communic. Services
2025 4Q Return	10.1%	9.7%	7.6%	7.2%	5.6%	4.9%	4.1%	3.7%	3.1%	1.3%	1.0%	-7.3%
Weight in EAFE	3.7%	11.4%	25.3%	5.6%	3.1%	-	8.4%	7.4%	19.2%	9.8%	1.8%	4.4%

The Health Care sector led the US market for the quarter, returning 11.7%. The more defensive Consumer Staples (flat), Utilities (-1.4%) and Real Estate (-2.9%) sectors were the weakest parts of the market. In December, US consumer sentiment fell to its lowest level since inflation was peaking in 2022. However, while consumer sentiment may be down, consumer spending has remained resilient, with year-over-year retail sales growth hanging around 4% throughout 2025.

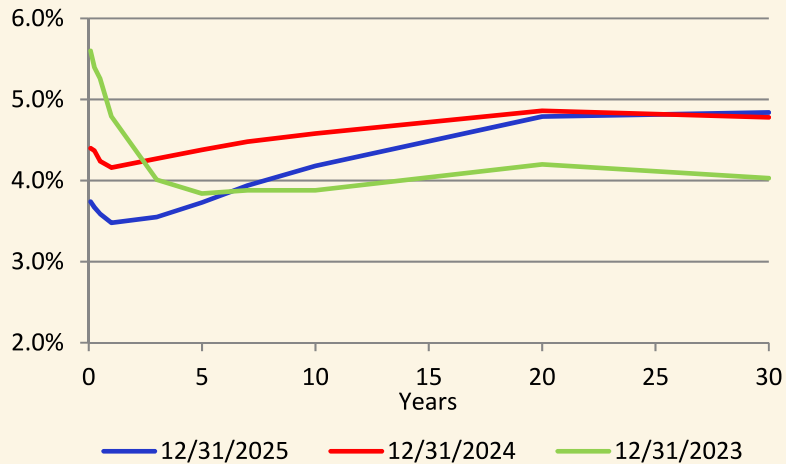
Utilities (+10.1%) and Health Care (+9.7%) led the international markets for the quarter. Unlike in the US, it was Value stocks that outperformed Growth in 2025 in the EAFE markets. The MSCI EAFE Value index was up 42.3% for the year, while the EAFE Growth was up 20.8%. Much of the difference was due to strong performance from Financial stocks – the iShares MSCI Europe Financials ETF returned 65.2% in 2025.

Fixed Income Performance

Fixed Income Rates of Return		2025 4Q	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices	Bloomberg US Aggregate TR	1.10%	7.30%	7.30%	4.66%	-0.36%	2.01%
	Bloomberg US Govt/Credit TR	0.90%	6.88%	6.88%	4.56%	-0.59%	2.16%
Intermediate Indices	Bloomberg US Int Agg TR	1.35%	7.45%	7.45%	5.01%	0.68%	2.06%
	Bloomberg US Govt/Credit Int TR	1.20%	6.97%	6.97%	5.06%	0.96%	2.29%
Government Only Indices	FTSE 3 Month Treasury	1.02%	4.40%	4.40%	5.03%	3.31%	2.23%
	Bloomberg US Govt 1-3 Yr TR	1.14%	5.17%	5.17%	4.51%	1.76%	1.84%
	Bloomberg US Govt Int TR	1.15%	6.50%	6.50%	4.40%	0.64%	1.76%
	Bloomberg US TIPS TR	0.13%	7.01%	7.01%	4.23%	1.12%	3.09%
	Bloomberg US Govt Long TR	-0.04%	5.61%	5.61%	0.65%	-7.18%	0.05%
Municipal Indices	Bloomberg US Municipal TR	1.56%	4.25%	4.25%	3.88%	0.80%	2.34%
	Bloomberg US Municipal 1 Yr TR	0.56%	3.47%	3.47%	3.19%	1.73%	1.58%
	Bloomberg US Municipal 10 Yr TR	1.74%	5.92%	5.92%	3.75%	1.05%	2.54%
	Bloomberg US Municipal 20 Yr TR	2.20%	3.12%	3.12%	4.05%	0.55%	2.68%
Mortgage Backed Indices	Bloomberg US MBS TR	1.71%	8.58%	8.58%	4.90%	0.15%	1.59%
Corporate Bond Indices	Bloomberg US Credit TR	0.87%	7.83%	7.83%	5.98%	-0.05%	3.15%
	Bloomberg US High Yield TR	1.31%	8.62%	8.62%	10.06%	4.51%	6.53%
World Bond Indices	FTSE World Government Bond	0.11%	7.55%	7.55%	3.19%	-3.53%	0.54%
	Bloomberg EM USD Sovereign TR	3.03%	13.01%	13.01%	9.65%	1.28%	3.95%

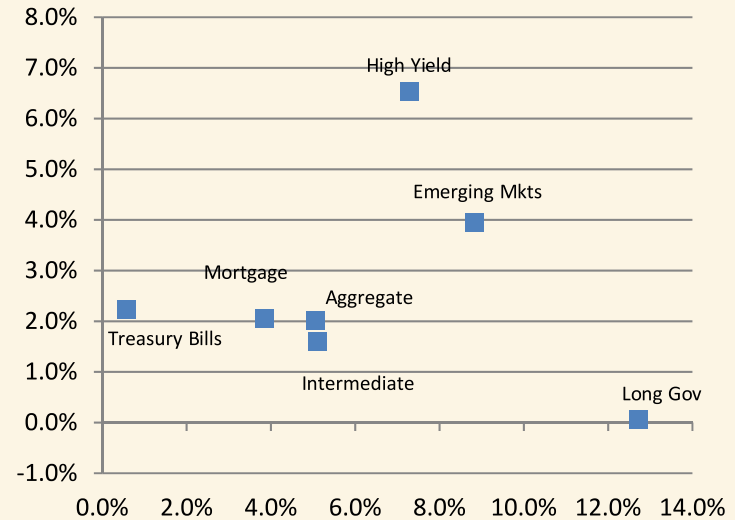
Source: Morningstar Advisor Workstation

United States Yield Curve



Source: United States Treasury

10 Yr Risk vs Return - Selected Indices

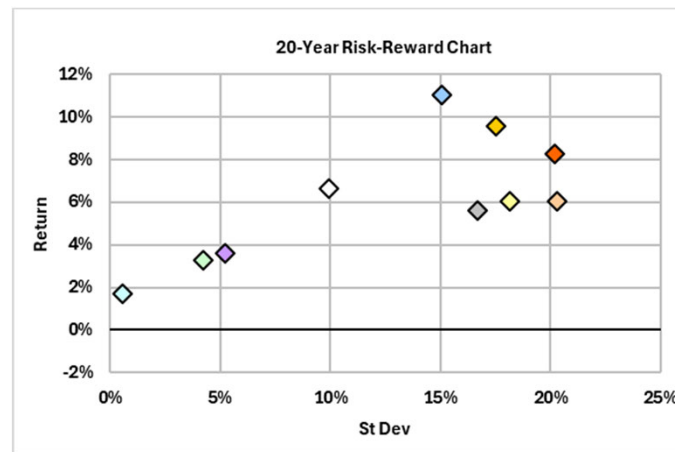


Annual Returns of Major Indices for Last 20 Years

Ranked from Highest Return to Lowest

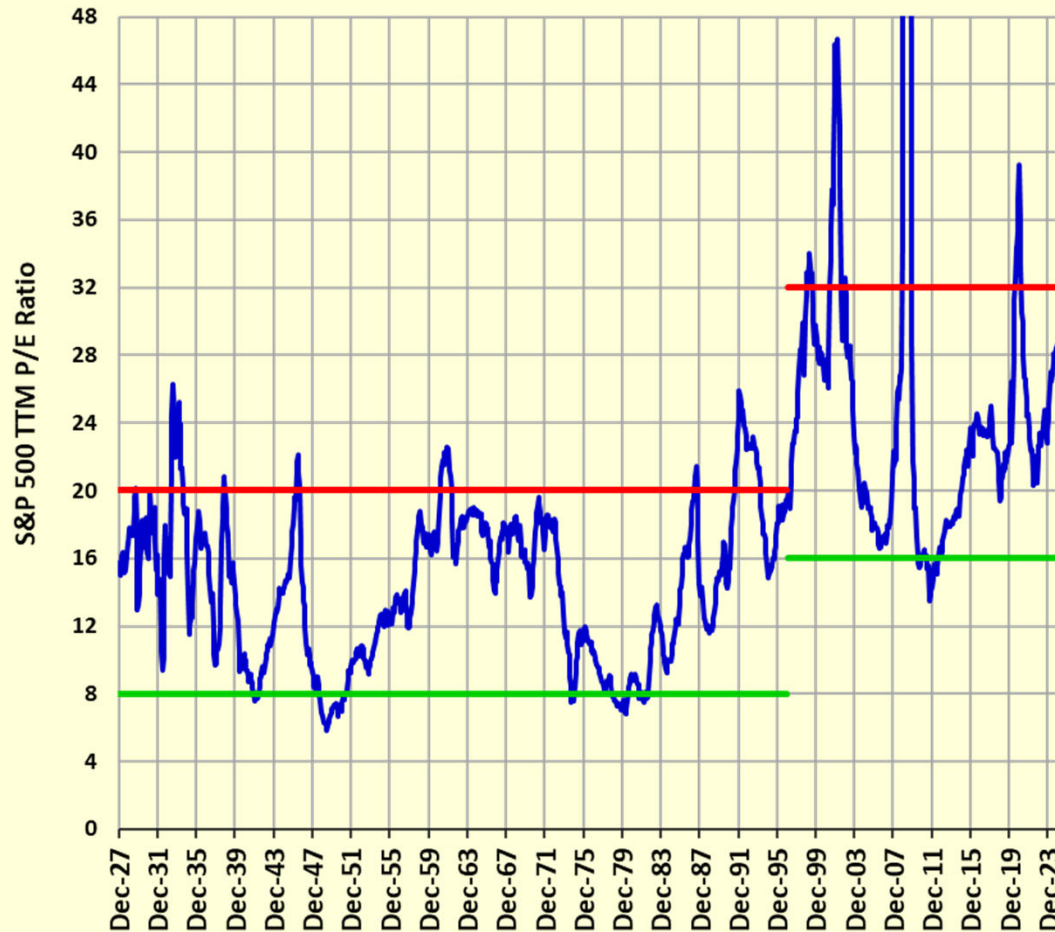
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
MSCI EmrgMkt	MSCI EmrgMkt	Barclays Aggregate	MSCI EmrgMkt	Russell 2000	Barclays Aggregate	MSCI EAFE Small	Russell 2000	S&P 500 Index	MSCI EAFE Small	Russell 2000	MSCI EmrgMkt	3-Month T-Bill	S&P 500 Index	Russell 2000	S&P GS Commodity	S&P GS Commodity	S&P 500 Index	S&P 500 Index	MSCI EmrgMkt
32.1%	39.4%	5.2%	78.5%	26.9%	7.8%	20.0%	38.8%	13.7%	9.6%	21.3%	37.3%	1.9%	31.5%	20.0%	40.4%	26.0%	26.3%	25.0%	33.6%
MSCI EAFE	S&P GS Commodity	3-Month T-Bill	MSCI EAFE Small	Russell Mid Cap	S&P 500 Index	MSCI EmrgMkt	Russell Mid Cap	Russell Mid Cap	S&P 500 Index	Russell Mid Cap	MSCI EAFE Small	Barclays Aggregate	Russell Mid Cap	S&P 500 Index	S&P 500 Index	3-Month T-Bill	MSCI EAFE	Russell Mid Cap	MSCI EAFE Small
26.3%	32.7%	1.8%	46.8%	25.5%	2.1%	18.2%	34.8%	13.2%	1.4%	13.8%	33.0%	0.0%	30.5%	18.4%	28.7%	1.5%	18.2%	15.3%	31.8%
MSCI EAFE Small	MSCI EAFE	HFRF Hedge FoF	Russell Mid Cap	MSCI EAFE Small	3-Month T-Bill	MSCI EAFE	S&P 500 Index	Barclays Aggregate	Barclays Aggregate	S&P 500 Index	MSCI EAFE	HFRF Hedge FoF	Russell 2000	MSCI EmrgMkt	Russell Mid Cap	HFRF Hedge FoF	Russell Mid Cap	Russell 2000	MSCI EAFE
19.3%	11.2%	-21.4%	40.5%	22.0%	0.1%	17.3%	32.4%	6.0%	0.6%	12.0%	25.0%	-4.0%	25.5%	18.3%	22.6%	-5.3%	13.2%	11.5%	17.9%
Russell 2000	HFRF Hedge FoF	60% ACWI/ 40% BC Agg	MSCI EAFE	MSCI EmrgMkt	60% ACWI/ 40% BC Agg	Russell Mid Cap	MSCI EAFE Small	60% ACWI/ 40% BC Agg	3-Month T-Bill	S&P GS Commodity	S&P 500 Index	S&P 500 Index	MSCI EAFE Small	Russell Mid Cap	Russell 2000	Barclays Aggregate	Russell 2000	60% ACWI/ 40% BC Agg	S&P 500 Index
18.4%	10.3%	-25.3%	31.8%	18.9%	-0.9%	17.3%	29.3%	4.9%	0.0%	11.4%	21.8%	-4.4%	25.0%	17.1%	14.8%	-13.0%	16.9%	10.8%	31.2%
S&P 500 Index	60% ACWI/ 40% LM Agg	Russell 2000	Russell 2000	S&P 500 Index	S&P GS Commodity	Russell 2000	MSCI EAFE	Russell 2000	HFRF Hedge FoF	MSCI EmrgMkt	Russell Mid Cap	60% ACWI/ 40% BC Agg	MSCI EAFE	60% ACWI/ 40% BC Agg	MSCI EAFE	MSCI EAFE	60% ACWI/ 40% BC Agg	S&P GS Commodity	60% ACWI/ 40% BC Agg
15.8%	9.9%	-33.8%	27.2%	15.1%	-1.2%	16.4%	22.8%	4.9%	-0.3%	11.2%	18.5%	-5.5%	22.0%	14.3%	11.3%	-14.5%	15.4%	9.3%	16.3%
Russell Mid Cap	Lehman Aggregate	S&P 500 Index	S&P 500 Index	60% ACWI/ 40% BC Agg	Russell Mid Cap	S&P 500 Index	60% ACWI/ 40% BC Agg	HFRF Hedge FoF	MSCI EAFE	60% ACWI/ 40% BC Agg	60% ACWI/ 40% BC Agg	Russell Mid Cap	60% ACWI/ 40% BC Agg	MSCI EAFE Small	60% ACWI/ 40% BC Agg	60% ACWI/ 40% BC Agg	MSCI EAFE Small	HFRF Hedge FoF	Russell 2000
15.3%	7.0%	-37.0%	26.5%	10.8%	-1.6%	16.0%	12.4%	3.4%	-0.8%	5.8%	15.5%	-9.1%	19.3%	12.3%	10.2%	-16.1%	13.2%	9.2%	12.8%
60% ACWI/ 40% LM Agg	Russell Mid Cap	Russell Mid Cap	60% ACWI/ 40% BC Agg	S&P GS Commodity	Russell 2000	60% ACWI/ 40% BC Agg	HFRF Hedge FoF	3-Month T-Bill	60% ACWI/ 40% BC Agg	Barclays Aggregate	Russell 2000	Russell 2000	MSCI EmrgMkt	HFRF Hedge FoF	MSCI EAFE Small	Russell Mid Cap	MSCI EmrgMkt	MSCI EmrgMkt	Russell Mid Cap
14.2%	5.6%	-41.5%	23.3%	9.0%	-4.2%	11.5%	9.0%	0.0%	-1.0%	2.7%	14.7%	-11.0%	18.3%	10.9%	10.1%	-17.3%	9.8%	7.5%	10.6%
HFRF Hedge FoF	S&P 500 Index	MSCI EAFE	S&P GS Commodity	MSCI EAFE	HFRF Hedge FoF	HFRF Hedge FoF	3-Month T-Bill	MSCI EmrgMkt	Russell Mid Cap	MSCI EAFE Small	HFRF Hedge FoF	MSCI EAFE	S&P GS Commodity	MSCI EAFE	HFRF Hedge FoF	S&P 500 Index	HFRF Hedge FoF	3-Month T-Bill	HFRF Hedge FoF
10.4%	5.5%	-43.4%	13.5%	7.8%	-5.7%	4.8%	0.1%	-2.2%	-2.4%	2.2%	7.8%	-13.8%	17.6%	7.8%	6.2%	-18.1%	6.4%	5.5%	10.5%
3-Month T-Bill	3-Month T-Bill	S&P GS Commodity	HFRF Hedge FoF	Barclays Aggregate	MSCI EAFE	Barclays Aggregate	S&P GS Commodity	MSCI EAFE	Russell 2000	MSCI EAFE	S&P GS Commodity	S&P GS Commodity	Barclays Aggregate	Barclays Aggregate	3-Month T-Bill	MSCI EmrgMkt	Barclays Aggregate	MSCI EAFE	Barclays Aggregate
4.8%	4.7%	-46.5%	11.5%	6.5%	-12.1%	4.2%	-1.2%	-4.9%	-4.4%	1.0%	5.8%	-13.8%	8.7%	7.5%	0.1%	-20.1%	5.5%	3.8%	7.3%
Lehman Aggregate	MSCI EAFE Small	MSCI EAFE Small	Barclays Aggregate	HFRF Hedge FoF	MSCI EAFE Small	3-Month T-Bill	Barclays Aggregate	MSCI EAFE Small	MSCI EmrgMkt	HFRF Hedge FoF	Barclays Aggregate	MSCI EAFE Small	HFRF Hedge FoF	3-Month T-Bill	Barclays Aggregate	Russell 2000	3-Month T-Bill	MSCI EAFE Small	S&P GS Commodity
4.3%	1.5%	-47.0%	5.9%	5.7%	-15.9%	0.1%	-2.0%	-5.0%	-14.9%	0.5%	3.5%	-14.6%	8.4%	0.6%	-1.5%	-20.4%	5.3%	1.8%	7.1%
S&P GS Commodity	Russell 2000	MSCI EmrgMkt	3-Month T-Bill	3-Month T-Bill	MSCI EmrgMkt	S&P GS Commodity	MSCI EmrgMkt	S&P GS Commodity	S&P GS Commodity	3-Month T-Bill	3-Month T-Bill	MSCI EAFE Small	3-Month T-Bill	S&P GS Commodity	MSCI EmrgMkt	MSCI EAFE Small	S&P GS Commodity	Barclays Aggregate	3-Month T-Bill
-15.1%	-1.6%	-53.3%	0.2%	0.1%	-18.4%	0.1%	-2.6%	-33.1%	-32.9%	0.3%	0.8%	-17.9%	2.3%	-23.7%	-2.5%	-21.4%	-4.3%	1.3%	4.4%

	20yr Return	20yr StDev
S&P 500	11.00%	15.09%
Russell MidCap	9.49%	17.58%
Russell 2000	8.20%	20.21%
60% ACWI / 40% BC Agg	6.58%	9.98%
MSCI EAFE Small Cap	6.01%	18.18%
MSCI Emerging Markets	5.99%	20.33%
MSCI EAFE	5.58%	16.71%
HFRF FoF Index	3.57%	5.22%
Barclays Aggregate	3.25%	4.24%
3-Month T-Bill	1.70%	0.57%
S&P GS Commodity	-2.60%	22.24%



MARKET MICROSCOPE – The Two Eras Of Stock Market Valuation: Before & After The Tech Bubble

S&P 500 Monthly P/E Ratio (TTM): 1927 - 2025



For 70 years, the S&P 500's P/E ratio generally stayed in a range of 8X to 20X. However, since the rise of the Tech Bubble in 1997, the index's P/E multiple has rarely fallen below 16X and often has traded well above 20X.

While we cannot definitively state why the market today routinely trades at a higher multiple than in the past, we can identify several likely contributing factors:

- The rise of the Internet brought with it many new Technology companies that had higher growth rates and in turn commanded higher earnings multiples.
- The S&P 500 has become increasingly concentrated in the Tech & Communications sectors – those two sectors combined now represent 45% of the total index, which exceeds even the Tech Bubble peak (40.5%).
- The weight of the top 10 stocks in the S&P 500 has risen to 40% today, so a smaller number of very large, higher-growth stocks can skew the total index's P/E ratio upward.
- Interest rates have been low for much of the past 30 years, and money market funds offered little or no return for long periods of time. This may have prodded investors to keep piling assets into the stock market as seemingly the only viable option to earn a return on investment.
- A form of cognitive bias known as “anchoring” - research has shown that humans tend to overemphasize (become “anchored” to) the first piece of information they receive, even when they have no logical reason to do so. Many of today's investors have spent their entire careers in the “Internet Era.” This may have “shifted the goalposts” of what is mentally considered to be an “acceptable” valuation multiple.
- The 1990s saw 401k plans take over as the predominant retirement savings vehicle for most people. Millions of people automatically depositing a portion of each paycheck directly into stock mutual funds creates a constant source of demand for equities that did not exist in the past.

Monthly S&P 500 Valuation Source: www.multpl.com