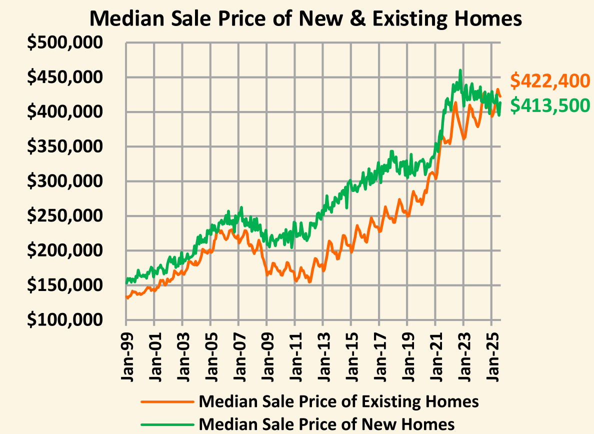
Market Facts and Figures from Q4 2025

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.



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%

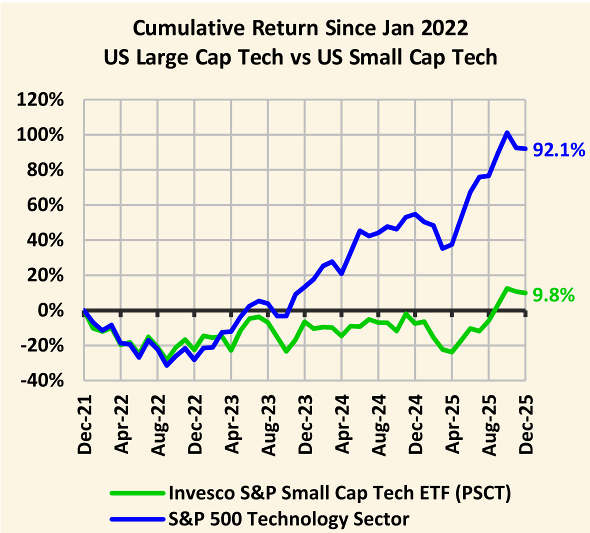
Emerging Markets

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%

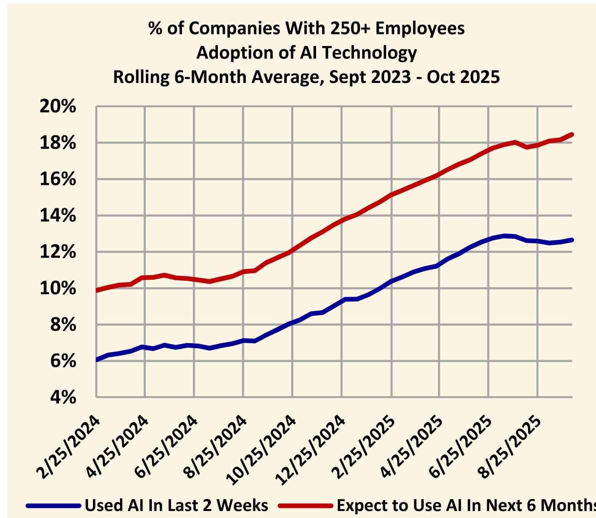
Frontier Markets

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%

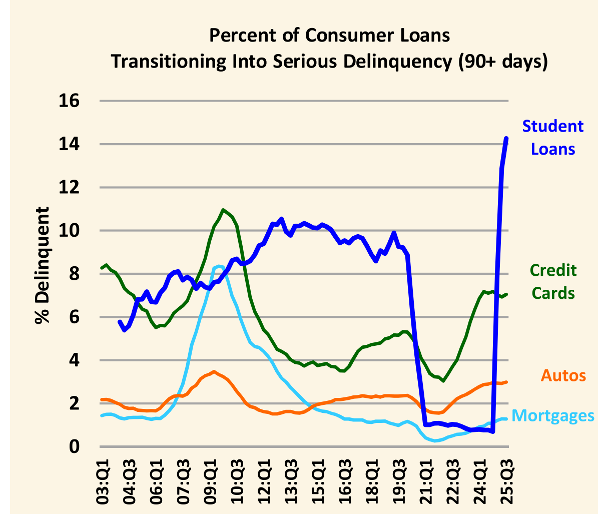
Small cap Technology stocks only recently recovered from their 2022 bear market.



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



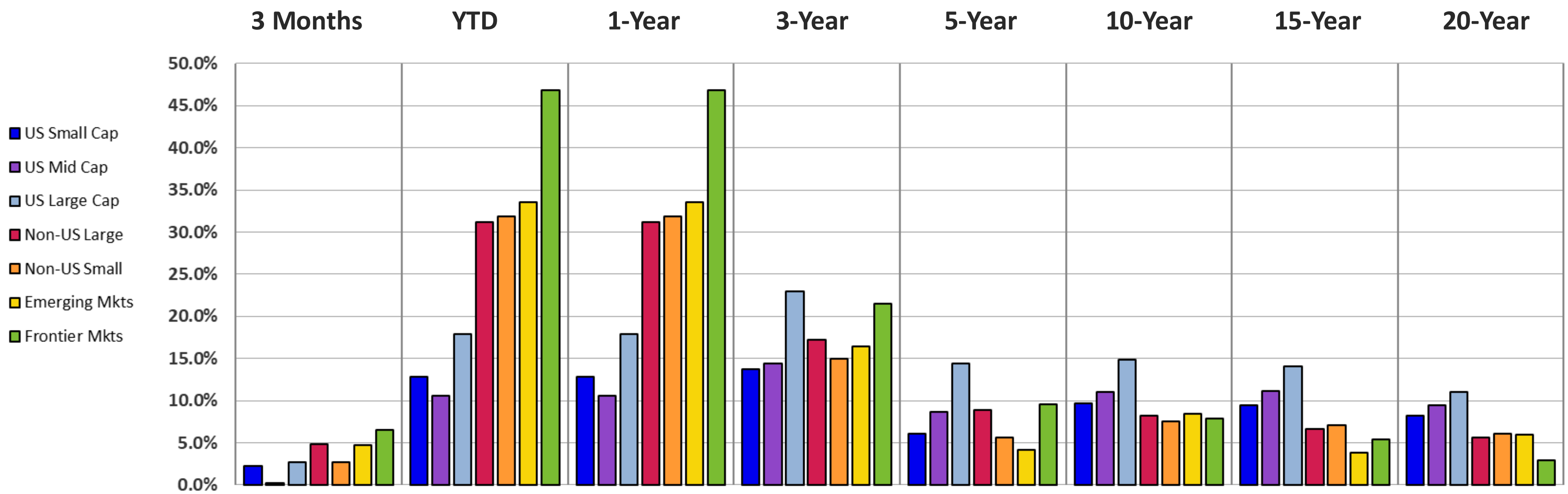
The rate of student loan delinquencies has risen to over 14%, well above the pre-pandemic level.



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

World Equity Performance

Quarter Ending December 31, 2025

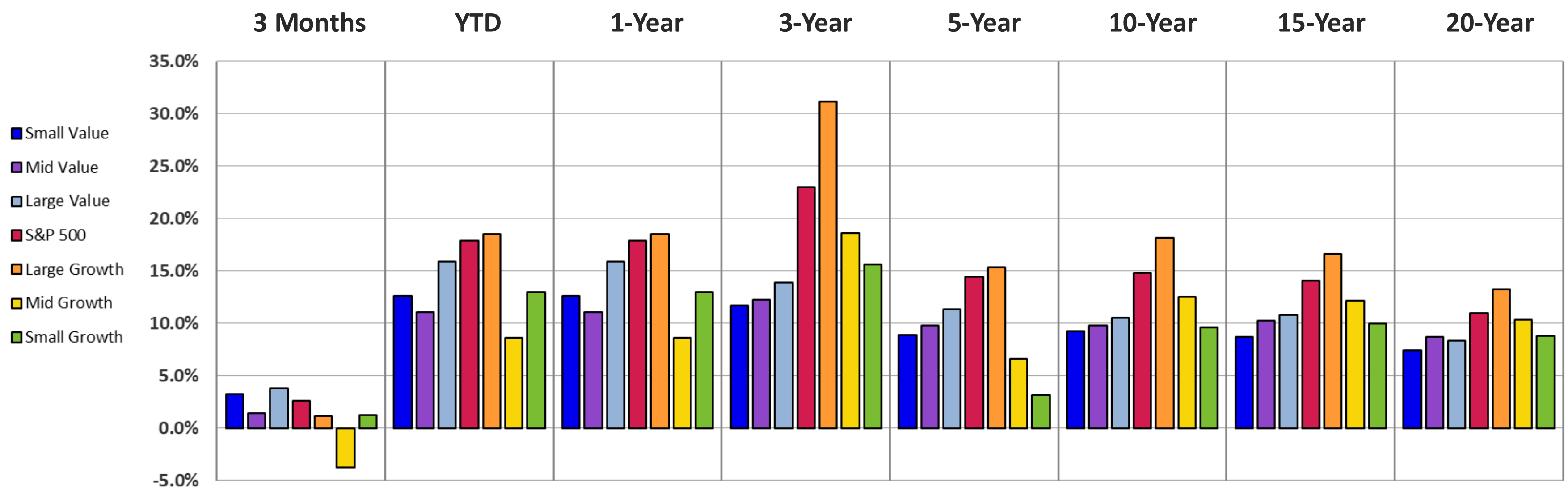


	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Small Cap	2.2%	12.8%	12.8%	13.7%	6.1%	9.6%	9.5%	8.2%
US Mid Cap	0.2%	10.6%	10.6%	14.4%	8.7%	11.0%	11.2%	9.5%
US Large Cap	2.7%	17.9%	17.9%	23.0%	14.4%	14.8%	14.1%	11.0%
Non-US Large	4.9%	31.2%	31.2%	17.2%	8.9%	8.2%	6.6%	5.6%
Non-US Small	2.7%	31.8%	31.8%	15.0%	5.6%	7.5%	7.1%	6.0%
Emerging Mkts	4.7%	33.6%	33.6%	16.4%	4.2%	8.4%	3.8%	6.0%
Frontier Mkts	6.6%	46.9%	46.9%	21.5%	9.6%	7.9%	5.3%	2.9%

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

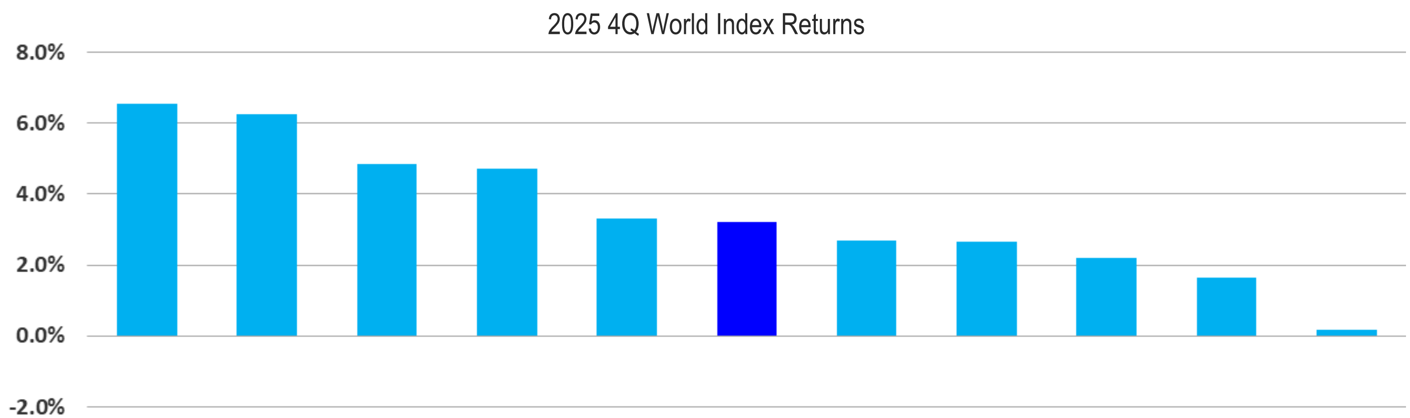
Quarter Ending December 31, 2025



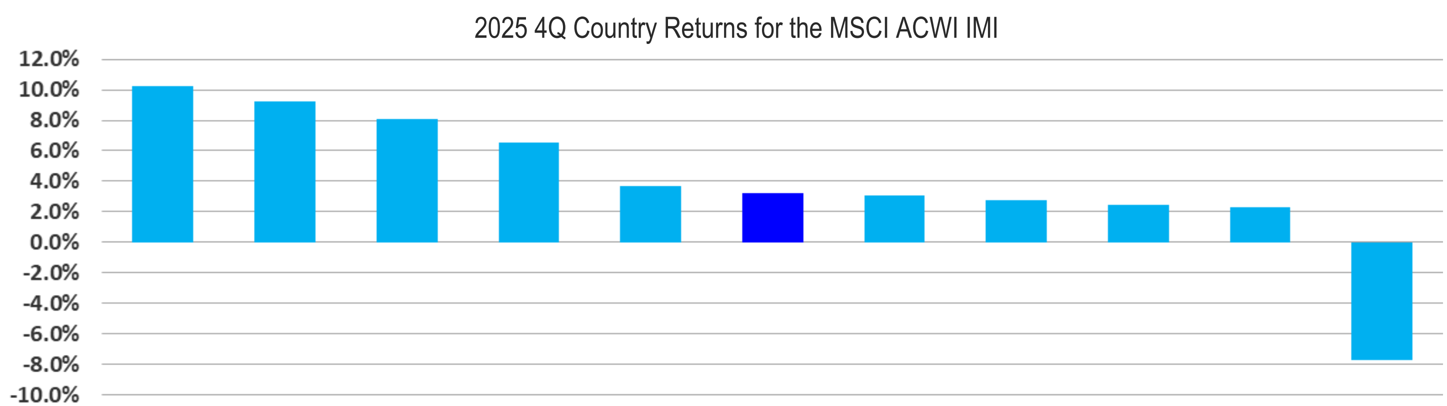
	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
Small Value	3.3%	12.6%	12.6%	11.7%	8.9%	9.3%	8.7%	7.4%
Mid Value	1.4%	11.0%	11.0%	12.3%	9.8%	9.8%	10.3%	8.7%
Large Value	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%	10.8%	8.3%
S&P 500	2.7%	17.9%	17.9%	23.0%	14.4%	14.8%	14.1%	11.0%
Large Growth	1.1%	18.6%	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



	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%



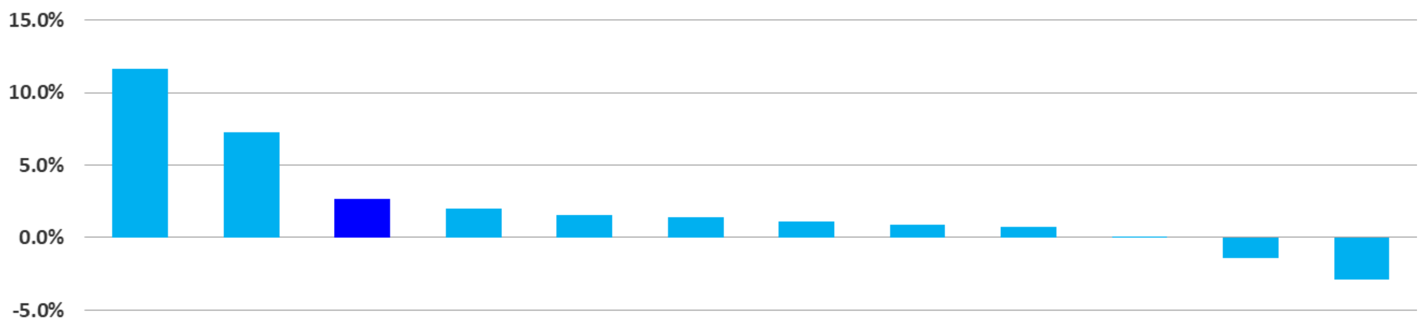
	Taiwan	Switzerland	Canada	United Kingdom	India	MSCI ACWI IMI Index	France	Japan	Germany	U.S.	China
2025 4Q Return	10.2%	9.2%	8.1%	6.5%	3.7%	3.2%	3.1%	2.8%	2.5%	2.3%	-7.7%
Weight in ACWI	*2.3%*	*2.0%*	*3.1%*	*3.3%*	*1.9%*	-	*2.2%*	*5.5%*	*2.0%*	*62.8%*	*2.9%*

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.

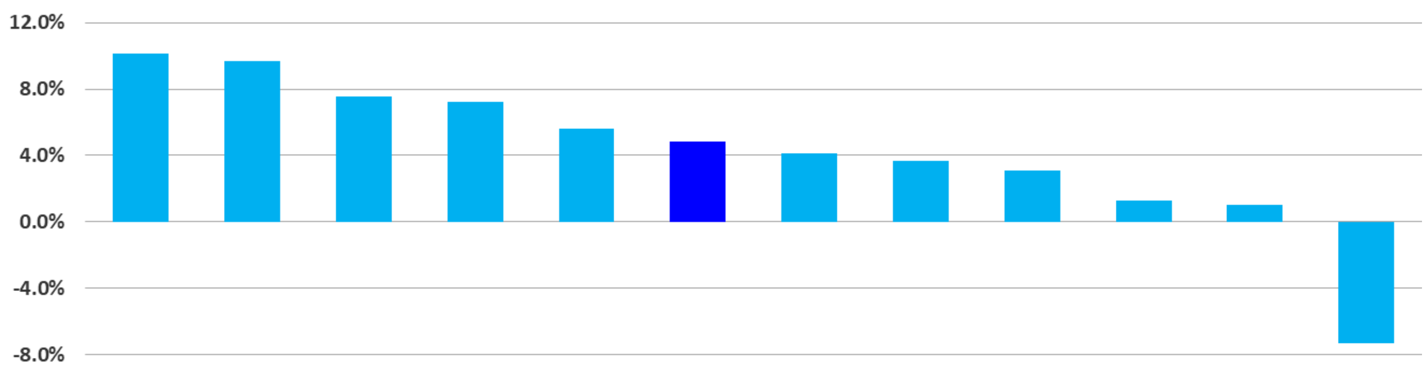
Equity Performance Breakdown

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%*

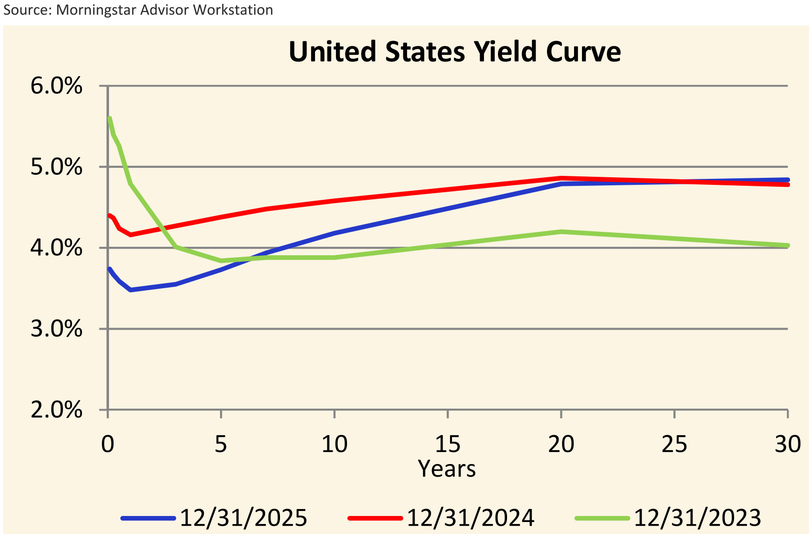
The Health Care sector led the US market for the quarter, returning 11.7%. The more defensive Consumer Staples (flat), Utilities (-1.4%) and Real Estate (-2.9%) sectors were the weakest parts of the market. In December, US consumer sentiment fell to its lowest level since inflation was peaking in 2022. 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.

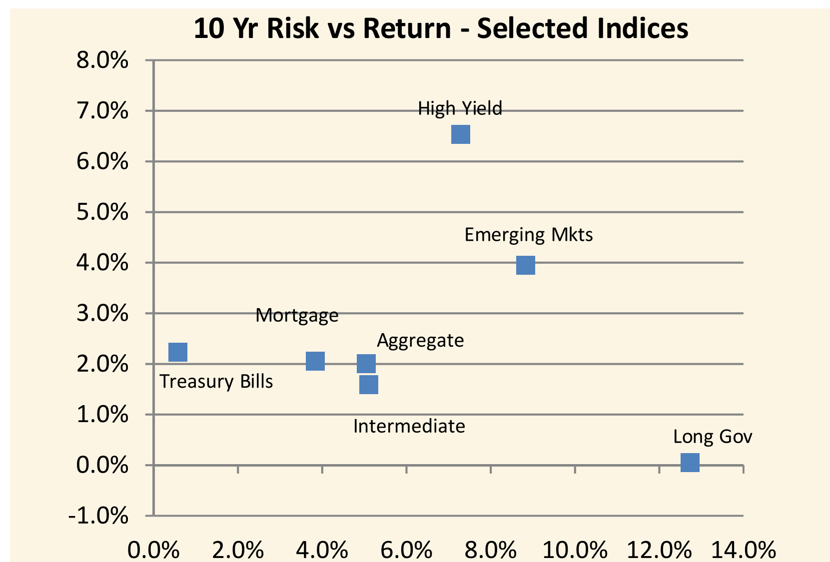
Fixed Income Performance

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



Source: United States Treasury



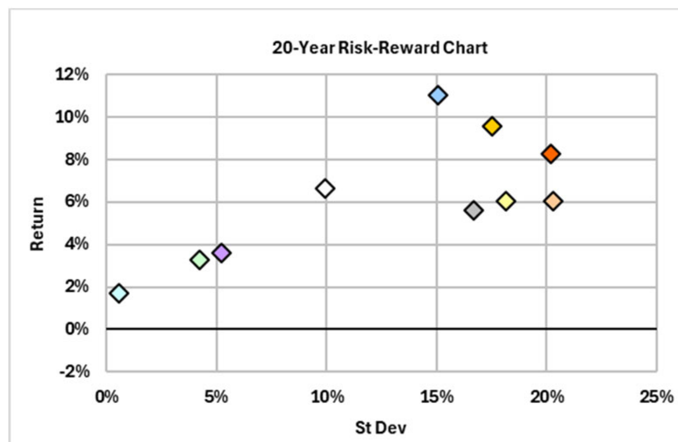
Annual Returns of Major Indices for Last 20 Years

Ranked from Highest Return to Lowest

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MSCI EmrgMkt 32.1%	MSCI EmrgMkt 39.4%	Barclays Aggregate 5.2%	MSCI EmrgMkt 78.5%	Russell 2000 26.9%	Barclays Aggregate 7.8%	MSCI EAFE Small 20.0%	Russell 2000 38.8%	S&P500 Index 13.7%	MSCI EAFE Small 9.6%
MSCI EAFE 26.3%	S&P GS Commodity 32.7%	3-Month T-Bill 1.8%	MSCI EAFE Small 46.8%	Russell Mid Cap 25.5%	S&P500 Index 2.1%	MSCI EmrgMkt 18.2%	Russell Mid Cap 34.8%	Russell Mid Cap 13.2%	S&P500 Index 1.4%
MSCI EAFE Small 19.3%	MSCI EAFE 11.2%	HFRI Hedge FoF -21.4%	Russell Mid Cap 40.5%	MSCI EAFE Small 22.0%	3-Month T-Bill 0.1%	MSCI EAFE 17.3%	S&P500 Index 32.4%	Barclays Aggregate 6.0%	Barclays Aggregate 0.6%
Russell 2000 18.4%	HFRI Hedge FoF 10.3%	60% ACWI/ 40% BC Agg -25.3%	MSCI EAFE 31.8%	MSCI EmrgMkt 18.9%	60% ACWI/ 40% BC Agg -0.9%	Russell Mid Cap 17.3%	MSCI EAFE Small 29.3%	60% ACWI/ 40% BC Agg 4.9%	3-Month T-Bill 0.0%
S&P500 Index 15.8%	60% ACWI/ 40% LM Agg 9.9%	Russell 2000 -33.8%	Russell 2000 27.2%	S&P500 Index 15.1%	S&P GS Commodity -1.2%	Russell 2000 16.4%	MSCI EAFE 22.8%	Russell 2000 4.9%	HFRI Hedge FoF -0.3%
Russell Mid Cap 15.3%	Lehman Aggregate 7.0%	S&P500 Index -37.0%	S&P500 Index 26.5%	60% ACWI/ 40% BC Agg 10.8%	Russell Mid Cap -1.6%	S&P500 Index 16.0%	60% ACWI/ 40% BC Agg 12.4%	HFRI Hedge FoF 3.4%	MSCI EAFE -0.8%
60% ACWI/ 40% LM Agg 14.2%	Russell Mid Cap 5.6%	Russell Mid Cap -41.5%	60% ACWI/ 40% BC Agg 23.3%	S&P GS Commodity 9.0%	Russell 2000 -4.2%	60% ACWI/ 40% BC Agg 11.5%	HFRI Hedge FoF 9.0%	3-Month T-Bill 0.0%	60% ACWI/ 40% BC Agg -1.0%
HFRI Hedge FoF 10.4%	S&P500 Index 5.5%	MSCI EAFE -43.4%	S&P GS Commodity 13.5%	MSCI EAFE 7.8%	HFRI Hedge FoF -5.7%	HFRI Hedge FoF 4.8%	3-Month T-Bill 0.1%	MSCI EmrgMkt -2.2%	Russell Mid Cap -2.4%
3-Month T-Bill 4.8%	3-Month T-Bill 4.7%	S&P GS Commodity -46.5%	HFRI Hedge FoF 11.5%	Barclays Aggregate 6.5%	MSCI EAFE -12.1%	Barclays Aggregate 4.2%	S&P GS Commodity -1.2%	MSCI EAFE -4.9%	Russell 2000 -4.4%
Lehman Aggregate 4.3%	MSCI EAFE Small 1.5%	MSCI EAFE Small -47.0%	Barclays Aggregate 5.9%	HFRI Hedge FoF 5.7%	MSCI EAFE Small -15.9%	3-Month T-Bill 0.1%	Barclays Aggregate -2.0%	MSCI EAFE Small -5.0%	MSCI EmrgMkt -14.9%
S&P GS Commodity -15.1%	Russell 2000 -1.6%	MSCI EmrgMkt -53.3%	3-Month T-Bill 0.2%	3-Month T-Bill 0.1%	MSCI EmrgMkt -18.4%	S&P GS Commodity 0.1%	MSCI EmrgMkt -2.6%	S&P GS Commodity -33.1%	S&P GS Commodity -32.9%

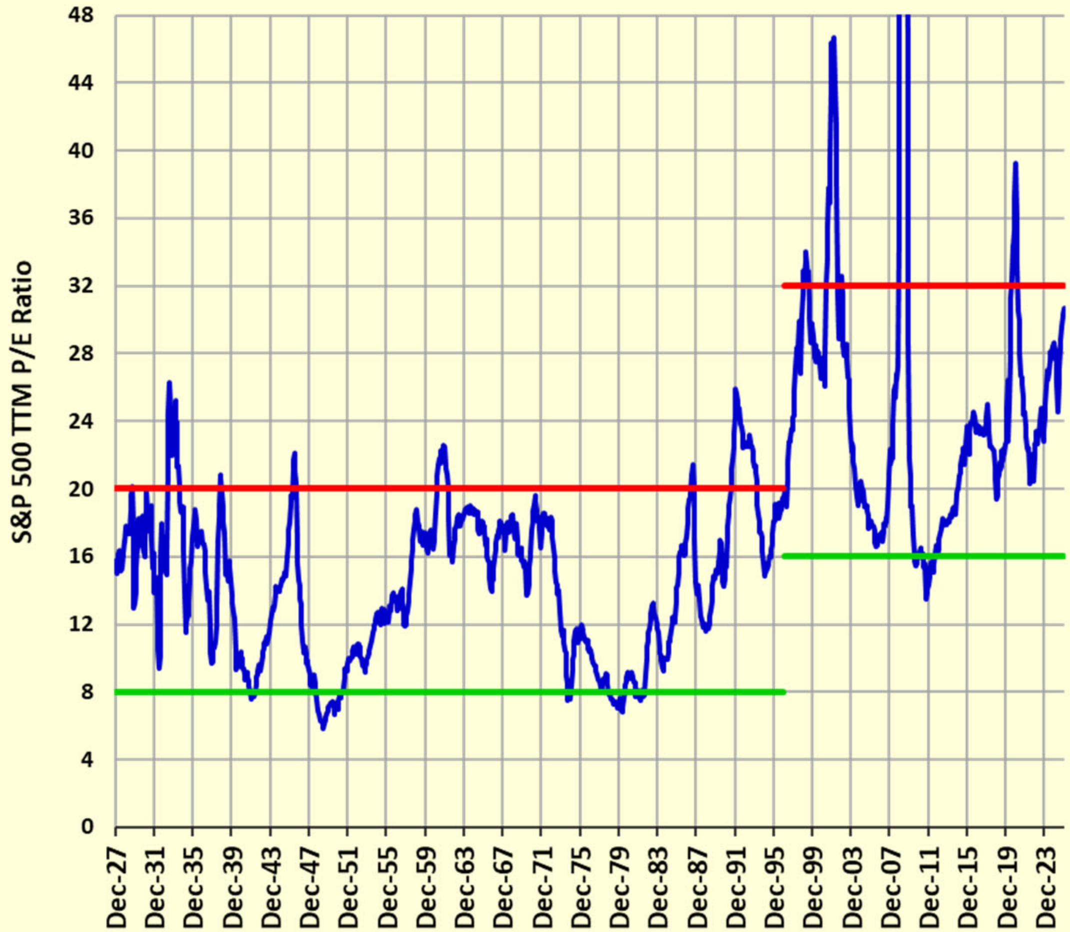
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Russell 2000 21.3%	MSCI EmrgMkt 37.3%	3-Month T-Bill 1.9%	S&P500 Index 31.5%	Russell 2000 20.0%	S&P GS Commodity 40.4%	S&P GS Commodity 26.0%	S&P500 Index 26.3%	S&P500 Index 25.0%	MSCI EmrgMkt 33.6%
Russell Mid Cap 13.8%	MSCI EAFE Small 33.0%	Barclays Aggregate 0.0%	Russell Mid Cap 30.5%	S&P500 Index 18.4%	S&P500 Index 28.7%	3-Month T-Bill 1.5%	MSCI EAFE 18.2%	Russell Mid Cap 15.3%	MSCI EAFE Small 31.8%
S&P500 Index 12.0%	MSCI EAFE 25.0%	HFRI Hedge FoF -4.0%	Russell 2000 25.5%	MSCI EmrgMkt 18.3%	Russell Mid Cap 22.6%	HFRI Hedge FoF -5.3%	Russell Mid Cap 17.2%	Russell 2000 11.5%	MSCI EAFE 31.2%
S&P GS Commodity 11.4%	S&P500 Index 21.8%	S&P500 Index -4.4%	MSCI EAFE Small 25.0%	Russell Mid Cap 17.1%	Russell 2000 14.8%	Barclays Aggregate -13.0%	Russell 2000 16.9%	60% ACWI/ 40% BC Agg 10.8%	S&P500 Index 17.9%
MSCI EmrgMkt 11.2%	Russell Mid Cap 18.5%	60% ACWI/ 40% BC Agg -5.5%	MSCI EAFE 22.0%	60% ACWI/ 40% BC Agg 14.3%	MSCI EAFE 11.3%	MSCI EAFE -14.5%	60% ACWI/ 40% BC Agg 15.4%	S&P GS Commodity 9.3%	60% ACWI/ 40% BC Agg 16.3%
60% ACWI/ 40% BC Agg 5.8%	60% ACWI/ 40% BC Agg 15.5%	Russell Mid Cap -9.1%	60% ACWI/ 40% BC Agg 19.3%	MSCI EAFE Small 12.3%	60% ACWI/ 40% BC Agg 10.2%	60% ACWI/ 40% BC Agg -16.1%	MSCI EAFE Small 13.2%	HFRI Hedge FoF 9.2%	Russell 2000 12.8%
Barclays Aggregate 2.7%	Russell 2000 14.7%	Russell 2000 -11.0%	MSCI EmrgMkt 18.3%	HFRI Hedge FoF 10.9%	MSCI EAFE Small 10.1%	Russell Mid Cap -17.3%	MSCI EmrgMkt 9.8%	MSCI EmrgMkt 7.5%	Russell Mid Cap 10.6%
MSCI EAFE Small 2.2%	HFRI Hedge FoF 7.8%	MSCI EAFE -13.8%	S&P GS Commodity 17.6%	MSCI EAFE 7.8%	HFRI Hedge FoF 6.2%	S&P500 Index -18.1%	HFRI Hedge FoF 6.4%	3-Month T-Bill 5.5%	HFRI Hedge FoF 10.5%
MSCI EAFE 1.0%	S&P GS Commodity 5.8%	S&P GS Commodity -13.8%	Barclays Aggregate 8.7%	Barclays Aggregate 7.5%	3-Month T-Bill 0.1%	MSCI EmrgMkt -20.1%	Barclays Aggregate 5.5%	MSCI EAFE 3.8%	Barclays Aggregate 7.3%
HFRI Hedge FoF 0.5%	Barclays Aggregate 3.5%	MSCI EmrgMkt -14.6%	HFRI Hedge FoF 8.4%	3-Month T-Bill 0.6%	Barclays Aggregate -1.5%	Russell 2000 -20.4%	3-Month T-Bill 5.3%	MSCI EAFE Small 1.8%	S&P GS Commodity 7.1%
3-Month T-Bill 0.3%	3-Month T-Bill 0.8%	MSCI EAFE Small -17.9%	3-Month T-Bill 2.3%	S&P GS Commodity -23.7%	MSCI EmrgMkt -2.5%	MSCI EAFE Small -21.4%	S&P GS Commodity -4.3%	Barclays Aggregate 1.3%	3-Month T-Bill 4.4%

	20yr Return	20yr StDev
S&P500	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%
HFRI 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