

2025 and Investments.

Markets faced several crosscurrents last year. The first half of 2025 was dominated by trade concerns, as sharply higher U.S. tariffs spooked investors and sent the S&P 500 down nearly 20%. The second half of the year told a different story: fiscal and monetary stimulus helped restore confidence, driving markets higher and creating a third consecutive impressive year for U.S. stock investors. Looking at U.S.

Treasuries, even amid concerns over budget deficits, these safe holdings finished the year as one of the top-performing bond markets, helped in part by an accommodative Federal Reserve. But it wasn't just U.S. stocks and bonds that "worked" in 2025 - confidence returned across asset classes domestically and abroad, in stocks and in bonds.

In this constructive environment, we are pleased to report that your client portfolios participated positively, gaining a strong double-digit returns. Holdings in U.S. stock vehicles delivered the greatest dollar contribution, but gains were also produced in buffered ETFs, international stock ETFs, and all bond holdings, as well.

US Stocks: Bubble or Boom? Looking ahead, the clearest risk is that stocks are "expensive." Valuations are well above historical norms in the U.S. and the ratio of market capitalization (the value of the total market) to GDP (the size of the U.S. economy) is at a record high. While the S&P 500 could see earnings grow around 13% in 2026, we are reminded that even markets with solid fundamentals can experience corrections. Success is likely, but so are occasional setbacks and keep a vigilant eye on the creaks that often precede market cracks.

2026 And Back to Basics.

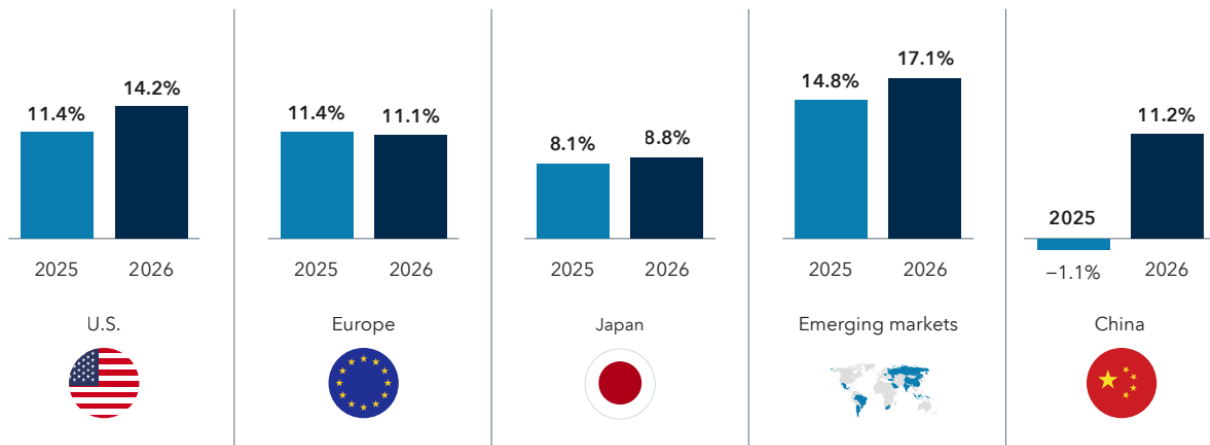
As we move into 2026, we are excited and cautious, and believe that it is time to get back to basics. Discipline, fundamentals, and thoughtful decisions matter going forward. Although we remain alert to valuation levels, we are positive on the outlook for the coming year and are positioning around the following themes:

- **Growth Engine:** Many U.S. companies remain leaders in innovation and profitability and we expect investors will continue to benefit from the fastest growing companies.
- **Defensive Balance:** Value stocks and those with strong dividends can help steady portfolios due to their lower valuation and higher income components.
- **Global Reach:** Companies outside the U.S. are seeing earnings growth accelerate. Stimulus and reforms can sustain rallies in the coming year and international equities can stand to benefit.
- **Stability:** With interest rates trending lower, high-quality bonds can help smooth out market swings.

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In sum, we are aware that valuations are high. Geopolitical risks also lurk in the background and it is a mid-term election year, which can trigger uncertainty. With knowledge of these potential hazards, we close with a graph that again accentuates our constructive view for the coming year. The chart shows earnings growth for 2025 and estimates for 2026. The takeaway? Earnings growth is picking up around the world, and that is a key factor that drives investment gains.



Thank You. We work towards our shared goals of growing wealth guarding the future. Happy New Year!



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