

Market Overview

U.S. stocks extended their rally into the third quarter, led by strong recoveries in technology, consumer discretionary, and communication services - sectors previously pressured by tariff concerns. The S&P 500 has surged over 30% since the April 8th low, highlighting the resilience of markets and investor confidence amid ongoing uncertainties like tariffs, Federal Reserve scrutiny, cooling consumer spending, softening job growth, and the recent government shutdown. Despite volatility, our strategy remains anchored in broad diversification, deliberately avoiding overconcentration in any one sector or stock, while hedging against inflation and stagflation risks.

Portfolio Strategy

Growth stocks continue to outperform value stocks, driven by robust corporate earnings and momentum. We maintain a positive outlook on growth, while ensuring sector diversification to manage risk in a changing market environment shaped by volatility, uncertainty, complexity, and ambiguity (VUCA). With short-term Treasuries losing their yield edge, investment grade corporate bonds - particularly with medium-term maturities (3-5 years) - have become more attractive. We are positioning fixed-income portfolios toward high-quality, moderate-duration corporate bonds, aiming to lock in current rates considering the rate-cut environment anticipated ahead.

Looking Ahead

Historically, low inflation and interest rates have supported equity markets. However, we remain mindful of the delicate balance - rate cuts can stimulate growth but may trigger inflation. The question isn't whether we will face continued volatility around inflation, tariffs, Fed policy, geo-political tensions, and fiscal spending - we will. The question is how we position ourselves to weather the storms while staying focused on long-term wealth building. As always, we will continue monitoring these developments and their impact on your portfolio. In times like these, maintaining perspective and staying disciplined with our investment approach becomes even more critical.

Equity Market Returns	QTD	2025
S&P 500	2.65%	17.88%
NASDAQ Composite	2.57%	20.36%
Dow Jones Industrial Average ETF	4.02%	14.07%
Fixed Income Market Returns		
Barclays U.S. Aggregate Bond	1.10%	7.30%

As your dedicated wealth advisors, Erin and Matt are here to help you navigate today's complex financial landscape with confidence. We are committed to providing thoughtful guidance, strategic insight, and personalized support every step of the way.

Please feel free to reach out to Matt or Erin directly using the contact information provided below. We welcome the opportunity to engage with you soon.



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