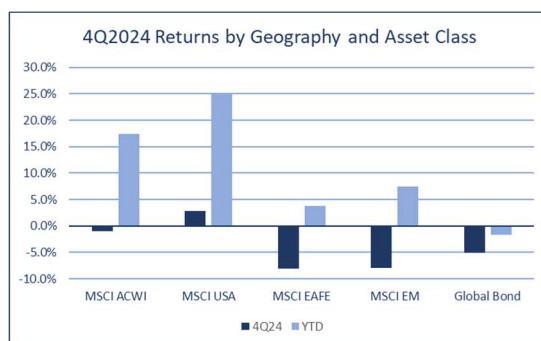


## **A Look Back...4<sup>th</sup> Quarter 2024**

We call our quarterly review “A Look Back” to remind our readers that is all it is – backward looking. While it is important to keep tabs on what your portfolio is doing, it is equally important to ignore short-term results. Keep focused on the long-term goals of your portfolio and whether it is achieving them.

### ***The Markets***

2024 went out with a whimper for financial markets. Despite a strong showing for US stocks in the fourth quarter, shares were dragged down globally by struggles overseas. That was primarily attributable to Donald Trump’s victory in the US presidential election. Much of Trump’s platform centered around raising tariffs on non-US goods, which created fears over the outlook for foreign economies and their stock indexes suffered. Within the US, October and December were weak as concerns lingered about inflation remaining above the Federal Reserve’s target and whether or not the central bank will keep cutting rates. But a strong November helped the US to a positive fourth quarter. Courtesy of economic and inflation concerns, global fixed income, as measured by the Bloomberg Barclays Global Aggregate Index, also fell for the quarter.



Source: Morningstar; As of 12/31/24

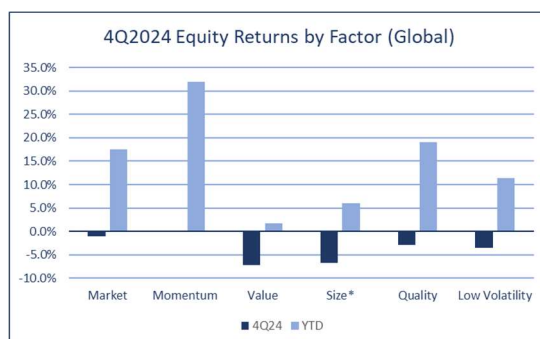
### ***Outlook***

After a very strong 2024, at least for stocks (bonds didn’t fare so well for the year), the focus will now be on President Trump’s first 100 days as well as inflation and the Federal Reserve. Trump has always been considered very business-friendly and that tends to be good for corporate profits, which in turn should be good for stock prices. Our only concern is just how much stocks have risen in the last year, leaving major indexes at or near all-time highs. How much room does that leave them to run? Furthermore, it may be difficult for the Federal Reserve to continue too far with its rate-cutting campaign. Although inflation has continued to drop closer to its target range, it still remains over 3% and the jobs market remains strong – the US added 100,000 more jobs than expected in December and wage growth was solid as well. As such, our expectation is for relatively temperate financial market returns in 2025, with the potential for some volatility given the aforementioned lofty recent performance.

### ***The Factors***

On the equity front, it was a decidedly weak quarter for the factors as all but Momentum underperformed the broader MSCI All Country World Index (ACWI). This was largely due to concerns about more traditional companies in an economy overseen by a new technology-friendly administration. Nonetheless, our portfolios were able to outperform the ACWI

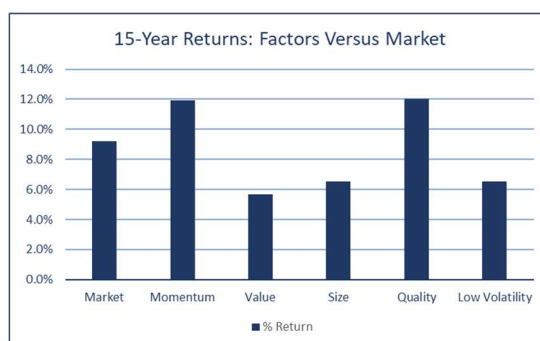
for the year, courtesy of our overweight to US stocks, exposure to the Momentum and Quality factors, and our overweight to Technology.



Source: Morningstar; As of 12/31/24

### The Long-Term Record

While factors can be cyclical in that they will go through periods of doing better and worse than a simple market index like the MSCI ACWI, the long-term track record is clear as shown below. Although some of the record includes back-tested returns (i.e. before the indexes were actually created), the methodologies (how they screen for stocks) remain consistent. We include for full disclosure the inception dates of all indexes.



Source: Morningstar; As of 12/31/24

Global Stocks = MSCI ACWI NR USD Index (Inception: 1/1/01)

Global Momentum= MSCI ACWI Momentum NR USD Index (Inception: 11/30/95)

Global Value = MSCI ACWI Enhanced Value NR USD Index (Inception: 5/29/15)

Global Quality = MSCI ACWI Quality NR USD Index (Inception: 5/29/92)

Global Low Vol = MSCI ACWI Minimum Volatility (USD) NR USD Index (Inception: 5/28/93)

Global Size = MSCI ACWI Risk Weighted NR USD Index (Inception: 4/6/11)



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## Disclosures

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal the corresponding indicated performance level(s). Moreover, you should not assume that any of the above content serves as the receipt of, or as a substitute for, personalized investment advice from Metric Financial. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and, unless otherwise noted, do not reflect the deduction of transaction, custodial, or investment management fees, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings do or will correspond directly to any comparative indices. Investing involves risk, including loss of principal.

## The Factors

**Momentum:** Data suggests that stocks that have outperformed recently may continue to do so in the near-term.

**Value:** Data suggests that relatively cheap stocks may outperform more expensive ones over time.

**Size:** Data suggests that smaller company stocks may outperform those of larger ones over time.

**Quality:** Data suggests that stocks of high quality companies may outperform those of lesser quality over time.

**Low Volatility:** Data suggests that low volatility stocks may outperform on a risk-adjusted basis over time.