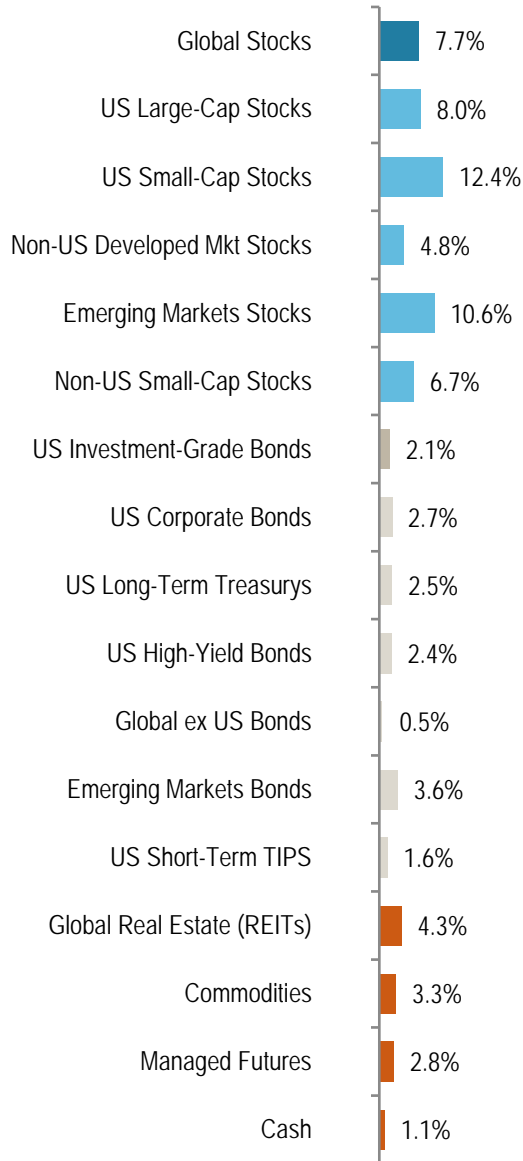


As of September 30, 2025

Third Quarter 2025



Third Quarter 2025: AI Keeps the Rally Alive as Fed Opens the Door to Cuts

Equities posted strong gains in the third quarter, even as investors wrestled with familiar headwinds: a softening job market, persistently high valuations, and political uncertainty. In a now common refrain for investors, artificial intelligence propelled the major U.S. equity indexes this quarter, which saw the S&P 500 rise over 8%. Unlike in years past, however, small-cap stocks outdid their larger counterparts, with the Russell 2000 up more than 12%. Speculative activity reminiscent of the 2021 meme-stock era reappeared. Even so, equity performance was underpinned by resilient consumer spending and steady earnings growth. Healthcare lagged as new drug tariffs were announced, while consumer staples were the lone S&P sector to lose money in the quarter.

Signs of a weakening labor market helped spur the Federal Reserve to cut rates in September for the first time this year. Two additional cuts in 2025 are anticipated. Fixed income posted modest gains this quarter, with the Bloomberg Aggregate up 2%.

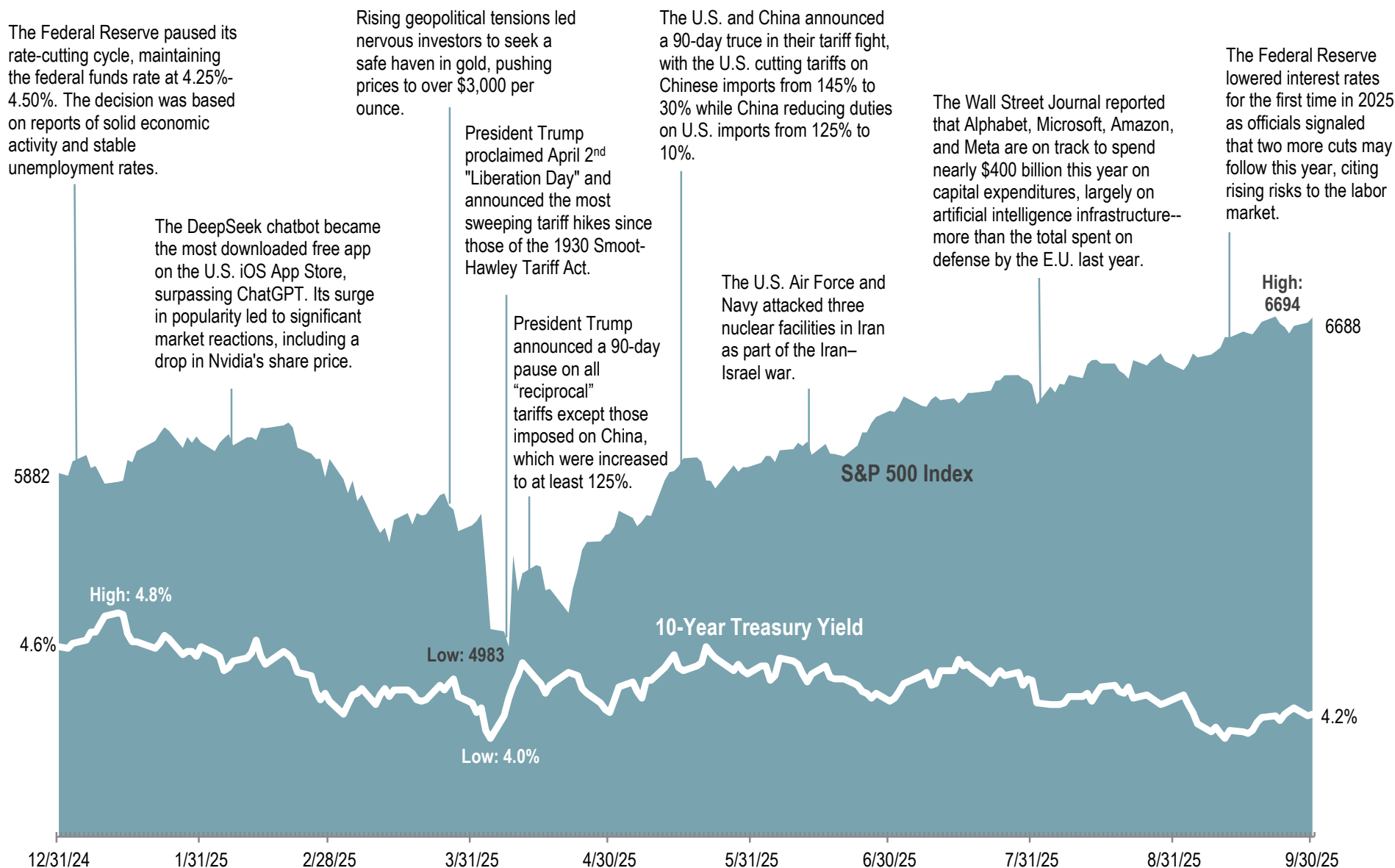
While still down roughly 10% for the year, the dollar stabilized this quarter. Meanwhile, gold surged above \$3,800/oz, up more than 40% year-to-date on its best run since 1979, as investors sought safe havens amid geopolitical tensions. In contrast, the VIX ended the quarter near 16, indicating relatively low volatility expectations, especially compared to its spike over 45 in early April when the first tariff hikes were announced.

Inflation remained above target but stable. Tariffs, while disruptive, have not (yet) triggered a recession nor meaningfully elevated inflation. Chair Powell summarized the balancing act the Fed is attempting to walk: "There is no risk-free policy path." In other words, cutting rates risks inflation, while holding steady risks perpetuating labor market weakness. Investors will be forced to navigate this policy uncertainty as well going into the final quarter of 2025.

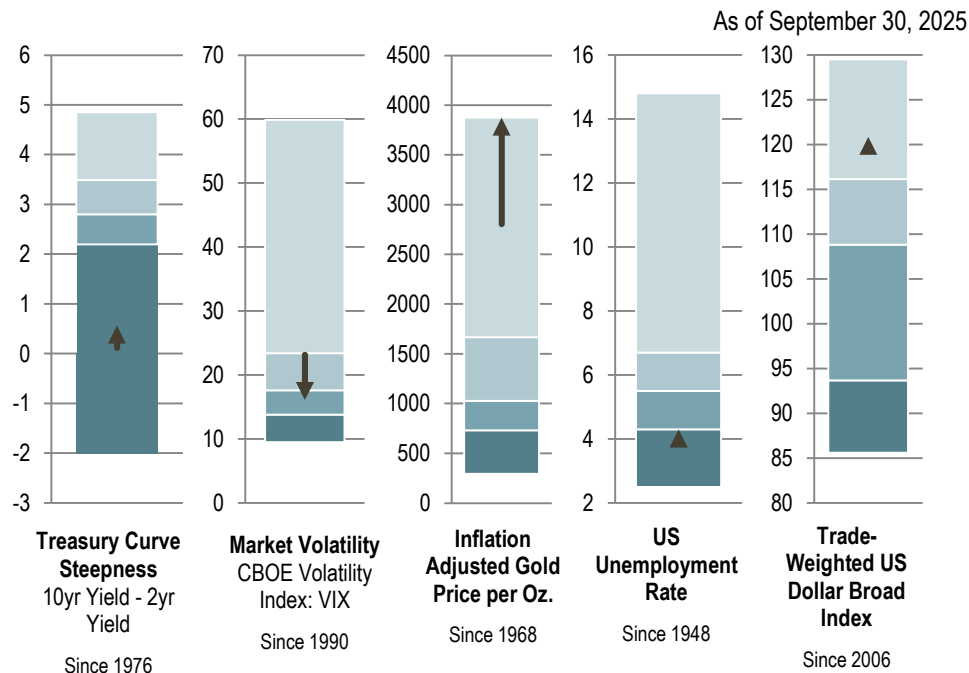
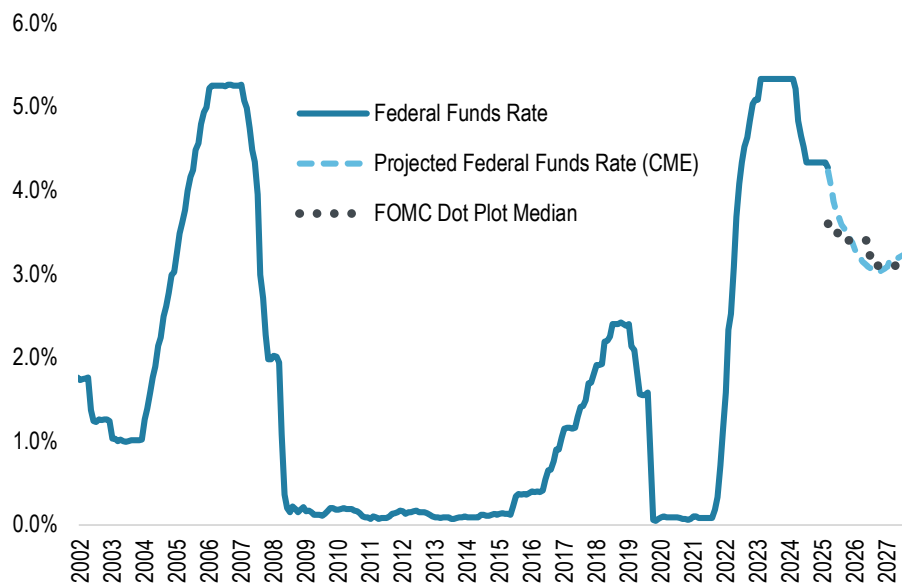
	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	7.7%	18.3%	16.8%	22.5%	13.3%	8.2%
US Large-Cap Stocks	8.0%	14.6%	17.7%	24.6%	16.0%	10.9%
US Large-Cap Value	5.3%	11.7%	9.4%	17.0%	13.9%	8.2%
US Large-Cap Growth	10.5%	17.2%	25.5%	31.6%	17.6%	13.3%
US Small-Cap Stocks	12.4%	10.4%	10.8%	15.2%	11.6%	8.1%
US Small-Cap Value	12.6%	9.0%	7.9%	13.6%	14.6%	7.3%
US Small-Cap Growth	12.2%	11.7%	13.6%	16.7%	8.4%	8.8%
Non-US Developed Markets (USD)	4.8%	25.1%	15.0%	21.7%	11.2%	5.5%
Non-US Developed Markets (Local)	5.4%	13.6%	12.9%	16.9%	12.5%	5.9%
Emerging Markets (USD)	10.6%	27.5%	17.3%	18.2%	7.0%	6.1%
Emerging Markets (Local)	12.2%	24.3%	18.8%	18.1%	8.6%	7.9%
US Investment-Grade Bonds	2.1%	6.1%	2.9%	4.9%	(0.5%)	3.2%
US Long-Term Treasurys	2.5%	5.9%	(3.1%)	0.7%	(7.4%)	3.4%
US Short-Term TIPS	1.6%	6.2%	5.7%	5.4%	3.5%	3.0%
Global Real Estate (REITs)	4.3%	11.3%	0.7%	10.5%	6.5%	5.1%
Cash	1.1%	3.2%	4.4%	4.8%	3.0%	1.7%

Returns for periods longer than 1 year are annualized.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, ICE BofA, Credit Suisse

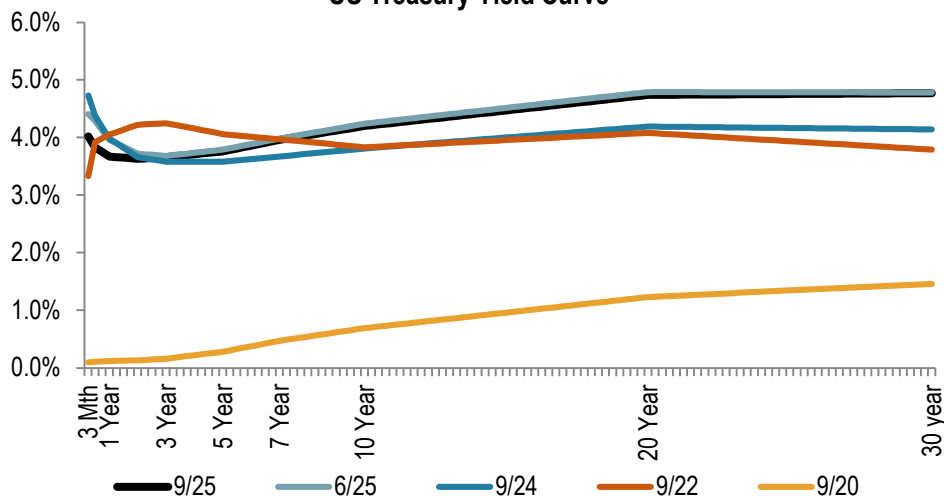


Federal Funds Rate



	9/2025	6/2025	9/2024	9/2022	9/2020
Market Inflation Expectations					
5 Year	2.4	2.3	2.1	2.1	1.5
10 Year	2.4	2.3	2.2	2.2	1.6
20 Year	2.5	2.5	2.4	2.4	1.8
CPI Year-over-Year	---	2.7	2.4	8.2	1.4
West Texas Crude Oil	62.2	66.3	68.8	79.9	40.1
Consumer Sentiment Index	55.1	60.7	70.1	58.6	78.9
S&P 500 Op 12mo EPS	249.5*	241.9	226.1	203.3	123.4
Real GDP Growth YoY	---	3.8	3.3	2.9	34.9
Federal Funds Rate	4.09	4.33	5.13	2.56	0.09

US Treasury Yield Curve



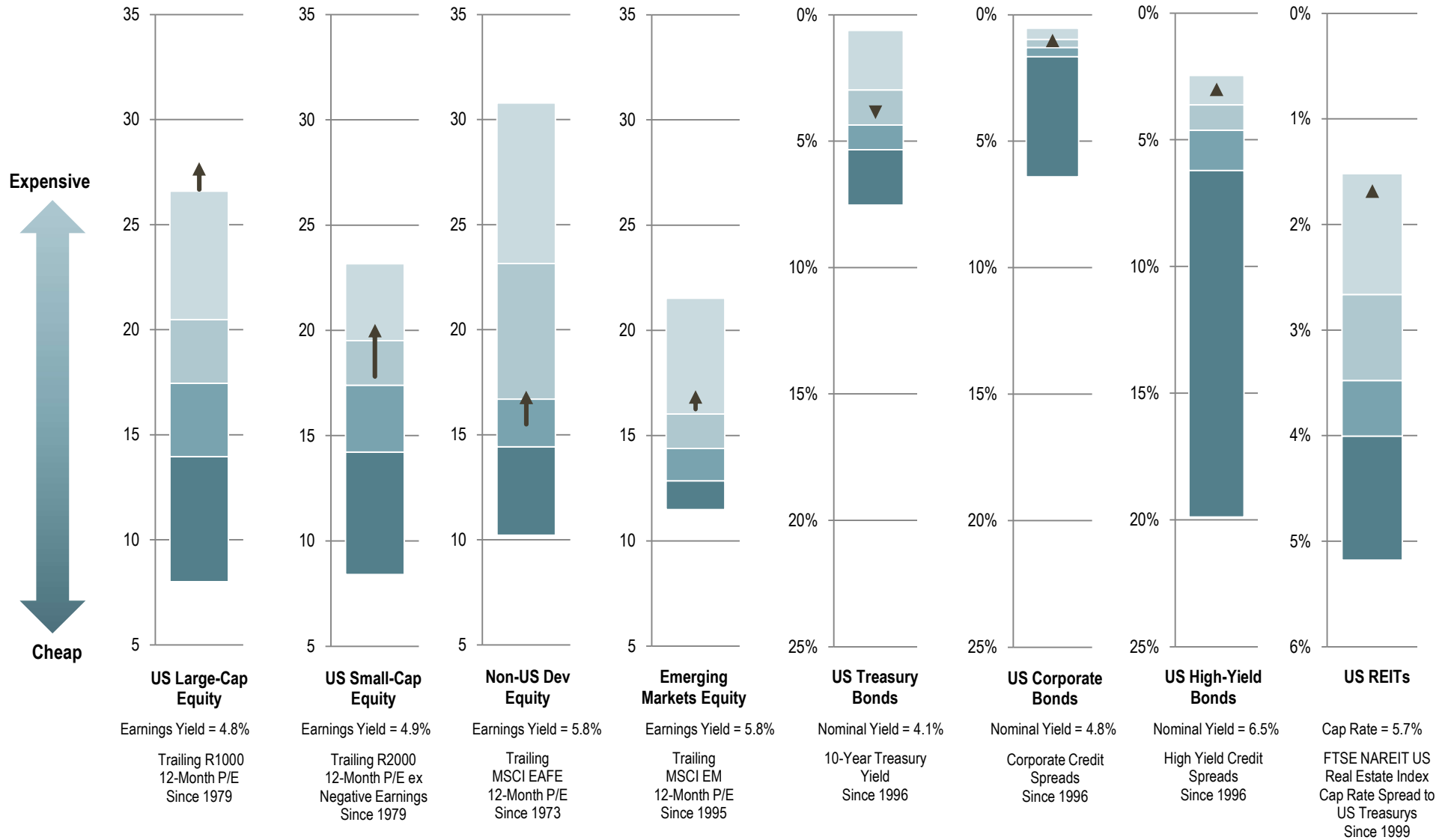
Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, CME Group, S&P Dow Jones Indices

Arrows in the top-right charts represent year on year change.

*Estimate, provided by S&P Dow Jones Indices.

Global Market Valuations - One Year Change

As of September 30, 2025



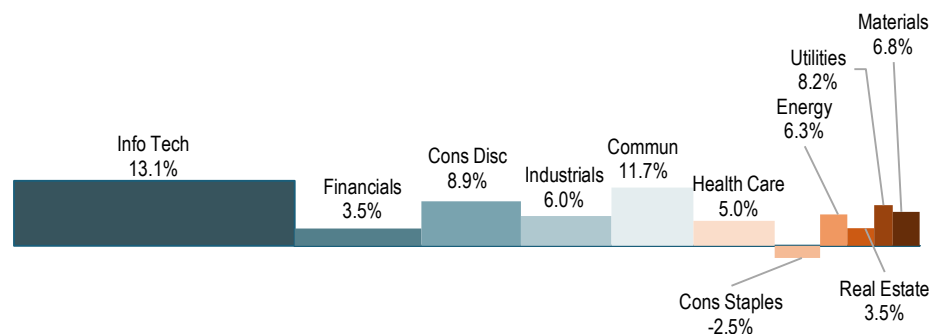
Arrows represent year on year change. Trailing 12 month P/E and cap rate metrics exclude the top and bottom 5%. P/E metrics calculated by Investment Metrics and Morningstar may use different methodology.

Sources: Sellwood Investment Partners LLC, Robert Shiller Data, S&P Dow Jones Indices, FTSE Russell, MCSI, Federal Reserve Economic Data, NAREIT

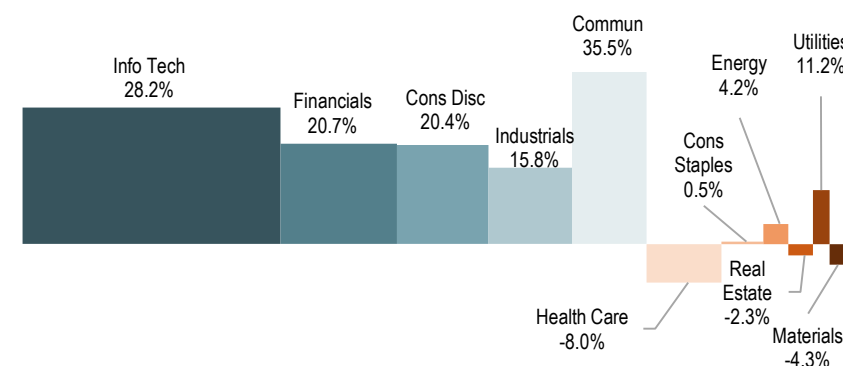
Sector and Region Returns

As of September 30, 2025

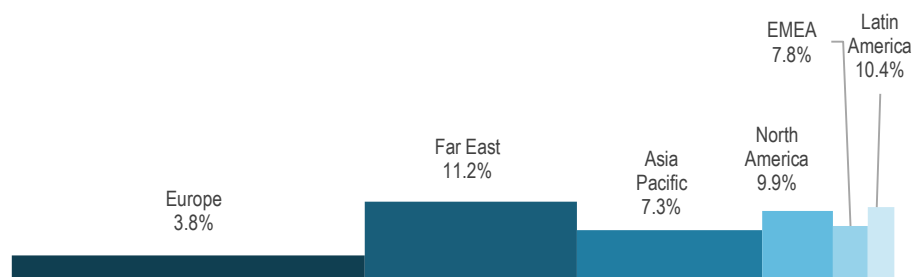
US Stocks Sector Quarter Returns



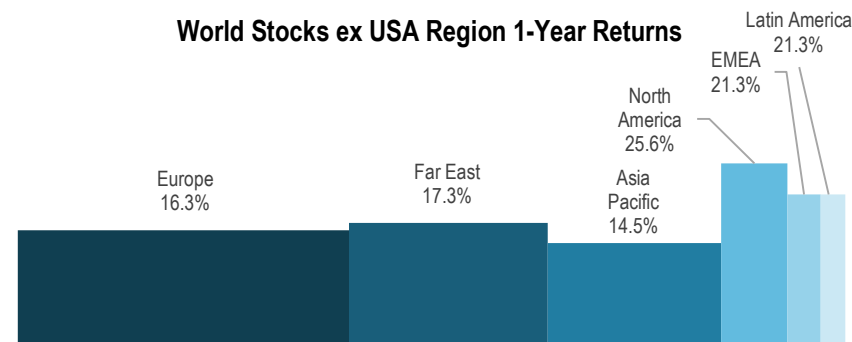
US Stocks Sector 1-Year Returns



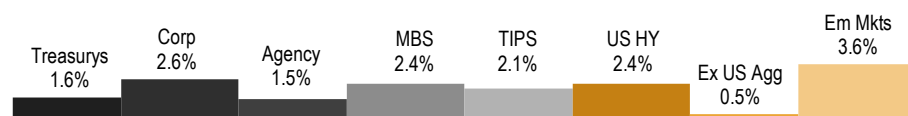
World Stocks ex USA Region Quarter Returns



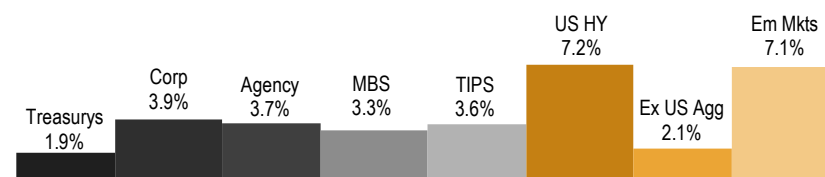
World Stocks ex USA Region 1-Year Returns



Fixed Income Sectors Quarter Returns



Fixed Income Sectors 1-Year Returns



The equity bar widths depict end of the quarter region and sector weights. Fixed income bar widths do not depict specific sector weights. The Far East includes Hong Kong, Japan and Singapore.

Sources: Sellwood Investment Partners LLC, Morningstar, S&P Dow Jones Indices, MSCI, ICE BofA