

### 2025 Q2 Review:

EQUITIES		
Ticker	Underlier	Q2 Return
SPY	S&P 500	10.78%
QQQ	Nasdaq	17.77%
DIA	Dow Jones	5.38%
IWM	Russell 2000	8.47%
IEFA	International Markets	12.33%
IEMG	Emerging Markets	12.59%

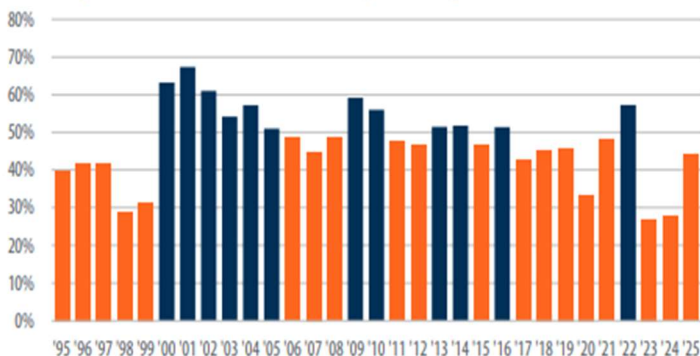
FIXED INCOME		
Ticker	Underlier	Q2 Return
AGG	Aggregate US Bond	1.27%
SHY	1-3 YR US Treasuries	1.14%
TLT	20+ YR US Treasuries	-1.99%
LQD	Corporate Bonds	2.02%
JNK	High Yield Bonds	3.80%
BNDX	International Bonds	2.07%
EMB	Emerging Market Bonds	3.62%

Q2 2025 got off to a rough start when markets were surprised by the breadth and size of tariffs announced on April 2 by President Trump; however, they did recover quickly based on the delayed implementation of the announced tariffs and trade deals that were struck. The labor market showed stability as the unemployment rate dipped to 4.1% in June. Inflation, while still not at the Federal Reserve's target, has steadied with a 2.7% CPI over the last twelve months. All of this helped ensure that the US would not slip into a recession as consensus estimates of growth for the quarter are currently at 2.1%.

### Equity:

Broad equity indexes were up across the board for the quarter. The S&P 500 and Nasdaq 100 closed the quarter at new all-time highs. Growth outperformed Value. Large-cap outperformed Small-cap. International and Emerging Markets outperformed the US. We have seen greater participation in the market as companies other than the Magnificent 7 have been leading the way.

Percentage of S&P 500 Index Members Outperforming the Index in 2025



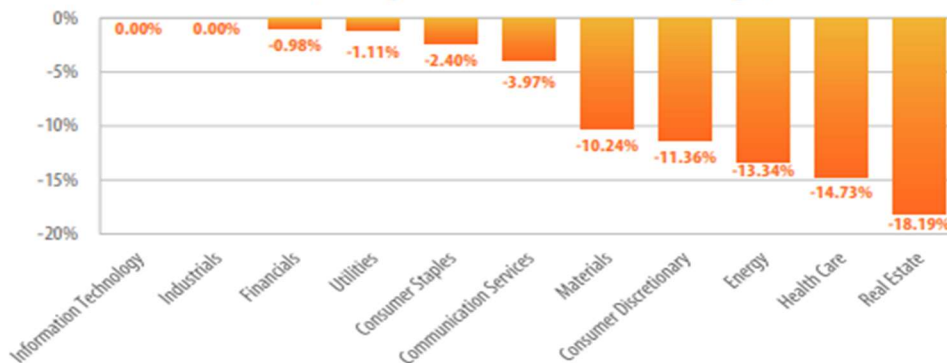
Source: Capital IQ, First Trust Advisors. Data from 12/30/95 - 6/30/25.

In 2023, only 27% of stocks outperformed the S&P 500 Index, making it the narrowest market since at least 1995. The trend continued in 2024, with just 28% of stocks beating the index—marking the second narrowest year in nearly three decades. Such extreme concentration hasn't been seen since 1998 and 1999. However, after that period in the late '90s, the market broadened out significantly over the following years. Through the first half of 2025, 44% of members outperformed the overall Index. Led by Palantir Technologies Inc., which soared 80.2% in the first half, a total of 228 members posted positive gains during the period.

Technology, Industrials, and Financials led the rally, with other sectors still working their way to new all-time highs. The market's recovery was also fueled by better-than-expected corporate earnings and surprisingly resilient business investment despite tariff uncertainties.

## S&P 500 Index Sector Prices vs. All-Time Highs

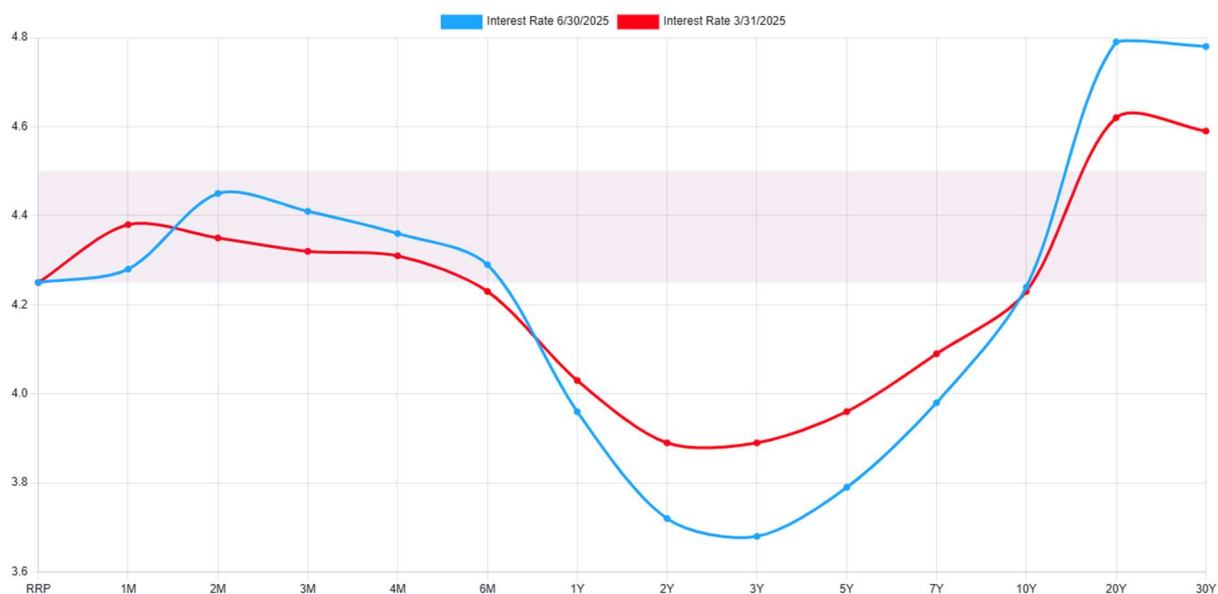
S&P 500 Index Sectors (Average Stock % From All-Time High)



Source: Bloomberg. As of 6/24/25. Past Performance is no guarantee of future results.

### Fixed Income:

Despite volatility in interest rates and concerns over government deficits, the 2nd quarter of 2025 saw generally positive returns for fixed income markets. Shorter-term yields have decreased while longer-term yields have increased over the quarter.



Much like the equity markets, International and Emerging Market bonds outperformed US Corporate bonds for the quarter. When you consider the credit quality of the Emerging Market bonds a more peer-to-peer comparison is the US High-Yield market where the bonds were more in line with returns.

***Rovin View:***

Since the November election, we have been steadily adding to our International and Emerging Markets positions which have performed well for us year-to-date. We have also been overweight equities vs. fixed income on the asset class level, which has done well. We continue to hold Buffered ETFs and other alternatives like our Rovin Funds and structured notes to temper volatility in the portfolios for events like the tariff announcements.

Looking ahead at Q3, the Markets are pricing in one to two rate cuts in the second half. This would be positive for both equities and fixed income. Analysts are still projecting corporate earnings growth this year that can support current equity valuations. Those are two of the main tailwinds pushing the market forward for the remainder of the year.

The major headwind is always uncertainty. When will the Federal Reserve cut rates? Will it be enough? Where will tariffs land? How much will be passed on to consumers? Can geopolitical fires be put out or will one erupt?

Even with so much unknown, the future is looking bright. We have dealt with different versions of these issues in the past. We will continue to learn, grow, and adapt. You and your advisor have developed a great plan to reach your goals. We continue to monitor those on your behalf. Thank you again for your continued support and trust. Your financial peace of mind is our highest priority.

Your Portfolio Management Team,

Chris Heyman, Dave Dietz, and Dave Fraser

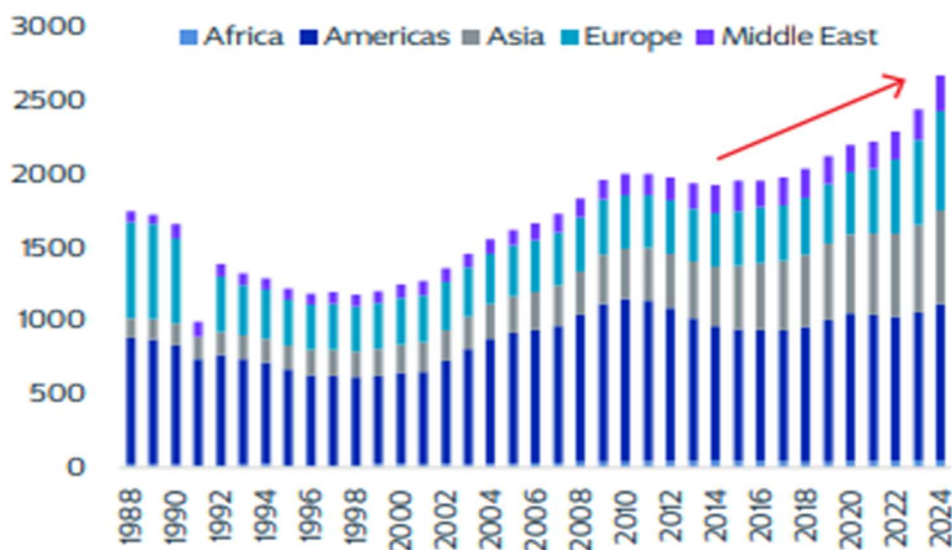
## APPENDIX A

### Q2 2025 U.S. Tariff Timeline

Date	Event
Apr 2	"Liberation Day" tariffs announced: <b>10% universal import tariff effective Apr 5</b> , plus income-based <b>reciprocal tariffs</b> from Apr 9. <a href="#">Wikipedia +2</a> <a href="#">Wikipedia +4</a>
Apr 3–4	Launch of Section 232 investigations into <b>pharmaceuticals, semiconductors, critical minerals, timber, trucks and vehicle parts</b> announced Apr 1–4.
Apr 3	<b>25% tariffs on automobiles and auto parts</b> go into effect Apr 3, applicable broadly.
May 1–8	Aircraft, jet engine, and parts tariffs investigation initiated May 1; EU threatens retaliation on \$100B U.S. exports.
May 23	Trump threatens a <b>50% tariff on all EU goods</b> starting June 1 unless a trade deal is reached.
May 28	Court of Int'l Trade blocks enforcement of <b>Liberation Day tariffs</b> , ruling them beyond executive authority—case in appeals.
May 31	Tariffs on <b>steel and aluminum</b> raised to <b>50%</b> , including increases on UK-origin products. Effective June 4.
June 4	Steel tariffs rise; "stacking" exemptions applied to avoid double duty for overlapping goods.
June 12	Federal register notice expands steel derivative products subject to tariffs, tightening exclusions.
June 16	Executive Order 14309 formally updates tariff scope—including autos, parts, steel, aluminum adjustments.
June 27	U.S. halts trade talks with Canada over its digital services tax (DST); new Canada-specific tariffs imminent.

Theme	Key Takeaways
<b>Monetary Stance</b>	Paused for now, with potential easing later—likely <b>September</b> over July. Markets should adjust expectations accordingly.
<b>Inflation Watch</b>	Persistent tariff-related prices are a concern; the Fed will remain data-dependent.
<b>Economic Risk Balance</b>	The committee is walking a tightrope between inflation control and supporting a slowing economy.
<b>Communication Strategy</b>	More transparent tools and scenarios ahead, aiming to stabilize expectations and reduce volatility.

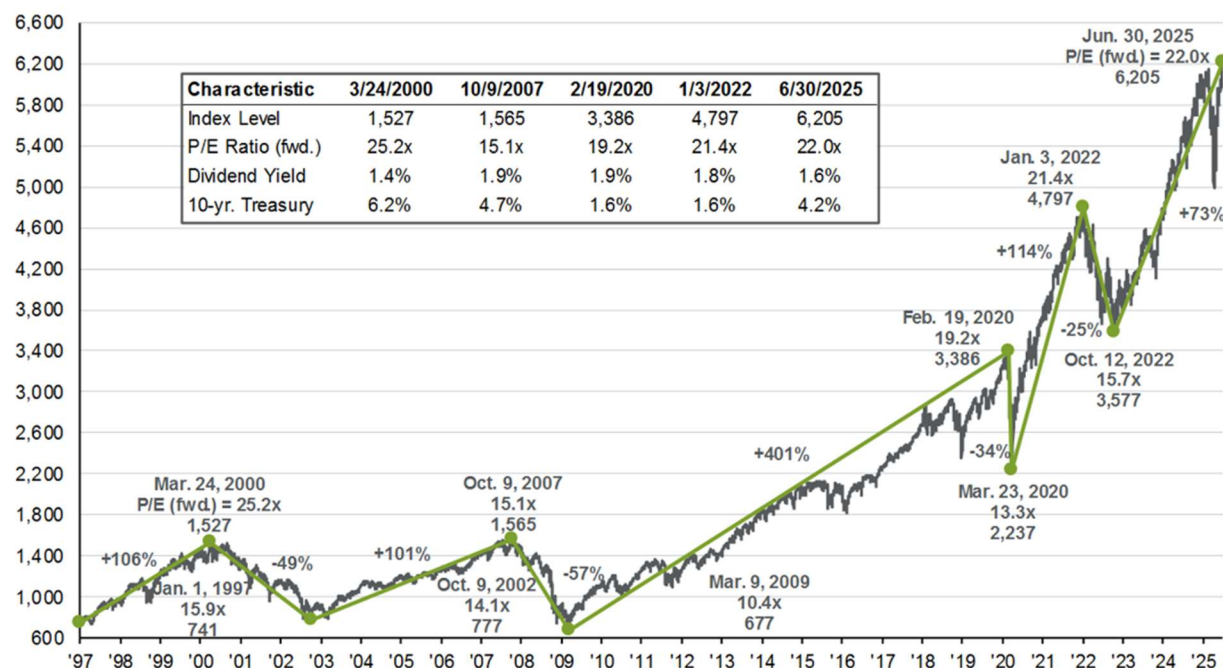
### Military Expenditure by Region, US\$ Billions in 2023 Prices and Exchange Rates



For full details and disclosures on calculation refer to <https://www.sipri.org/databases/milex>. Data as at December 31, 2024. Source: Stockholm International Peace Research Institute, Goldman Sachs Research.

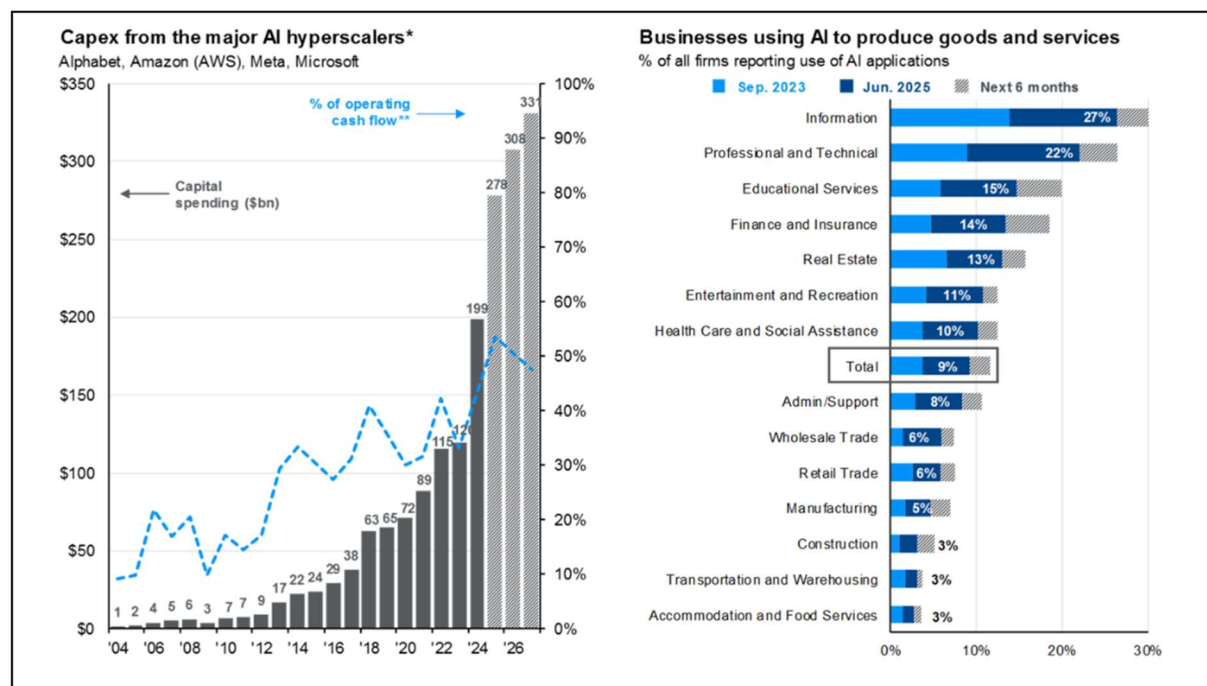


### S&P 500 Price Index



### Artificial Intelligence: Investment and implementation

Actions

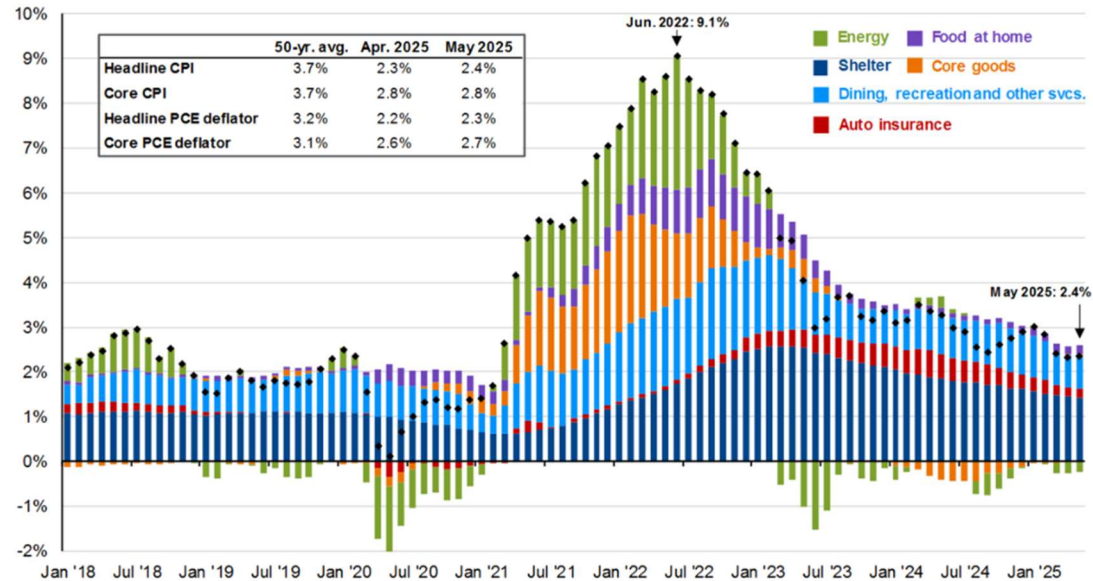


## Inflation components

Actions ▾

### Contributors to headline CPI inflation

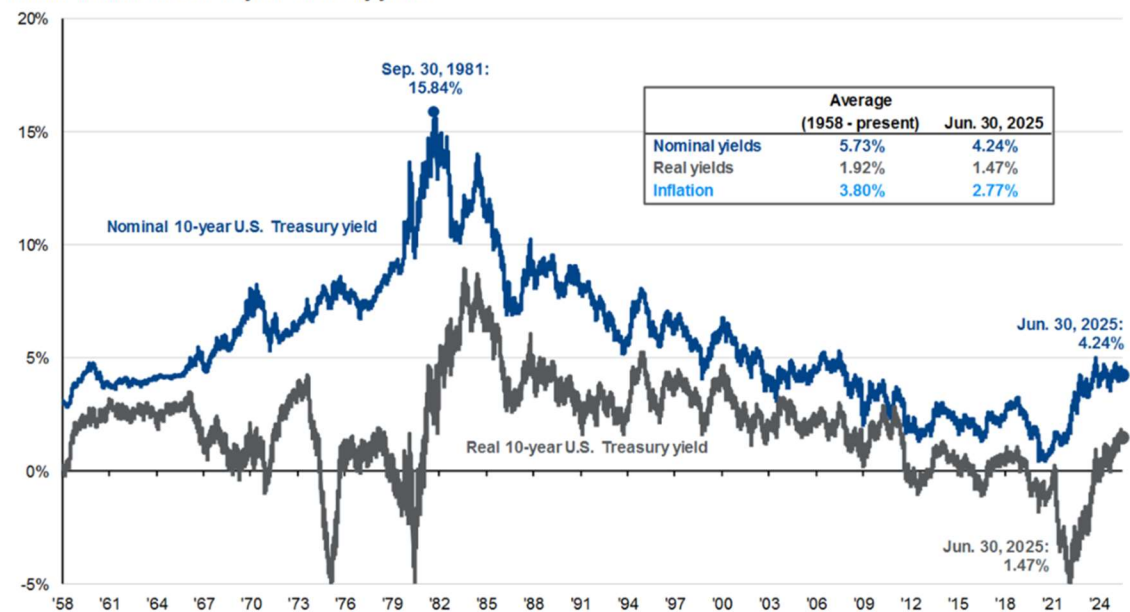
Contribution to y/y % change in CPI, non-seasonally adjusted



## Interest rates and inflation

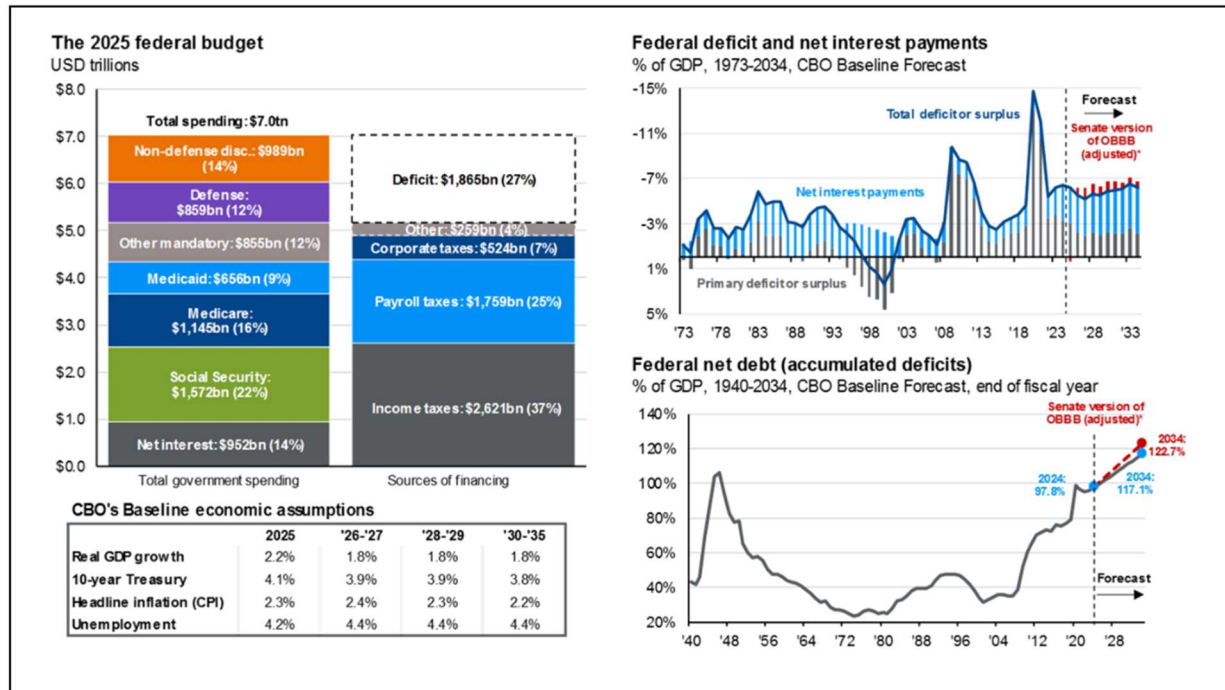
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### Nominal and real U.S. 10-year Treasury yields



Federal finances

Actions



## Interest A Larger Proportion of US Spending

### Debt servicing taking up 13% of US budget

