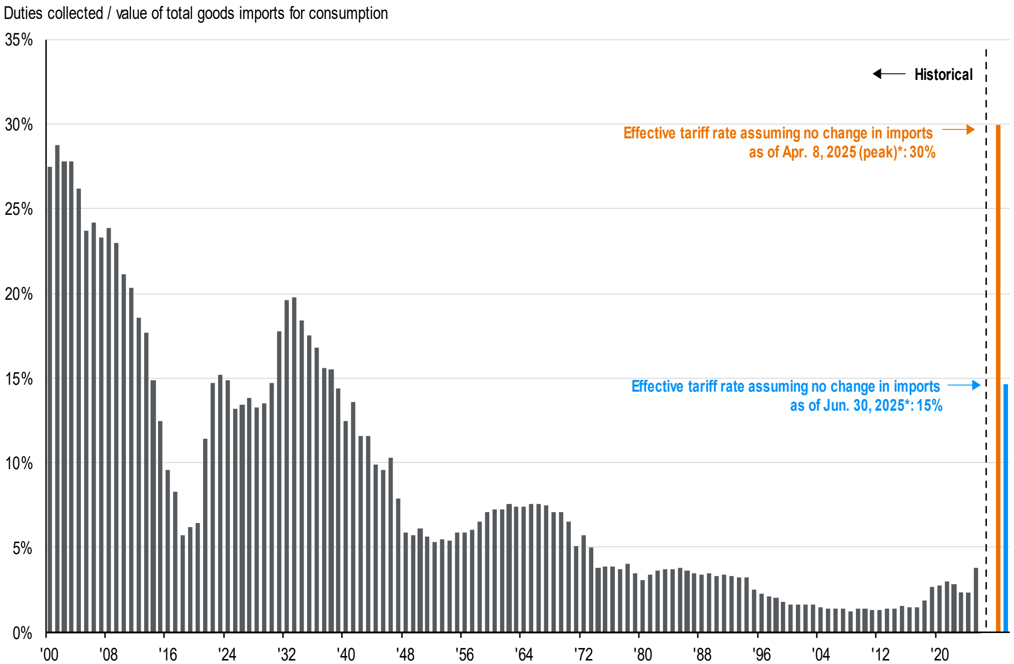
Composition Wealth

Q3 2025 Market Landscape

INSIDE

Following April 2nd, the U.S. effective tariff rate went from 3% to 30%. Further policy adjustments have reduced the effective rate down to 15%. Tariffs are most impactful to five trading partners (China, European Union, Mexico, Vietnam, and Canada), representing 61% of the trade deficit.

Average Tariff Rate on U.S. Goods Imports for Consumption



Source: J.P. Morgan Asset Management, Goldman Sachs Investment Research, U.S. International Trade Commission. As of June 30, 2025.

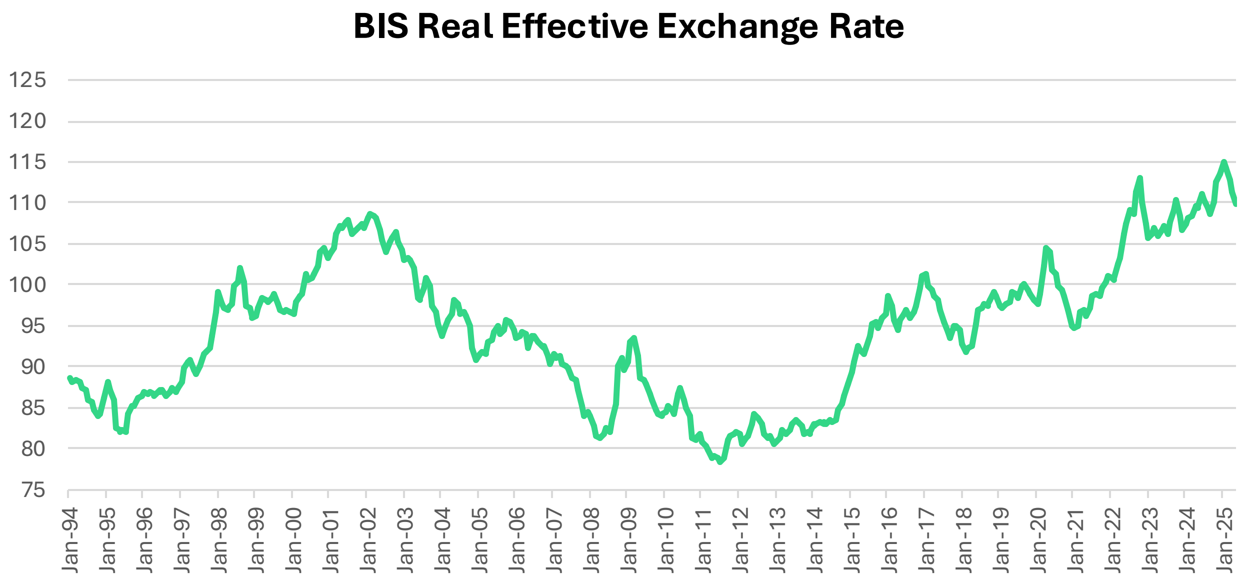
Trade Deficit by Country/Region

Rank	Region	Total Deficit ($bn)	Total Trade (Exports + Imports) ($bn)	Deficit as % of Trade	Contribution To Total Deficit (%)
1	China, Mainland	-295	577	-51%	19%
2	European Union	-236	961	-25%	15%
3	Mexico	-172	826	-21%	11%
4	Vietnam	-123	139	-89%	8%
5	Canada	-121	766	-16%	8%
6	Taiwan	-74	149	-50%	5%
7	Japan	-68	228	-30%	4%
8	Republic of Korea	-66	197	-33%	4%
9	India	-46	128	-36%	3%
10	Thailand	-46	77	-59%	3%
11	Switzerland	-38	76	-51%	2%
12	Malaysia	-25	74	-33%	2%
13	Indonesia	-18	36	-49%	1%
14	Other Europe	-15	45	-33%	1%
15	South Africa	-9	20	-44%	1%

Data as of April 5, 2025. Source: U.S. Bureau of Economic Analysis, Haver Analytics, KKR Global Macro & Asset Allocation analysis.

Portfolio Perspective: New U.S. tariff policies and the global response are creating a structural shift in the global economy. This is likely to result in gradual changes to global supply chains and influence fiscal and monetary policies.

On an inflation-adjusted basis, the U.S. dollar started 2025 at an elevated level and has moderated year-to-date, given its depreciation versus other global currencies.

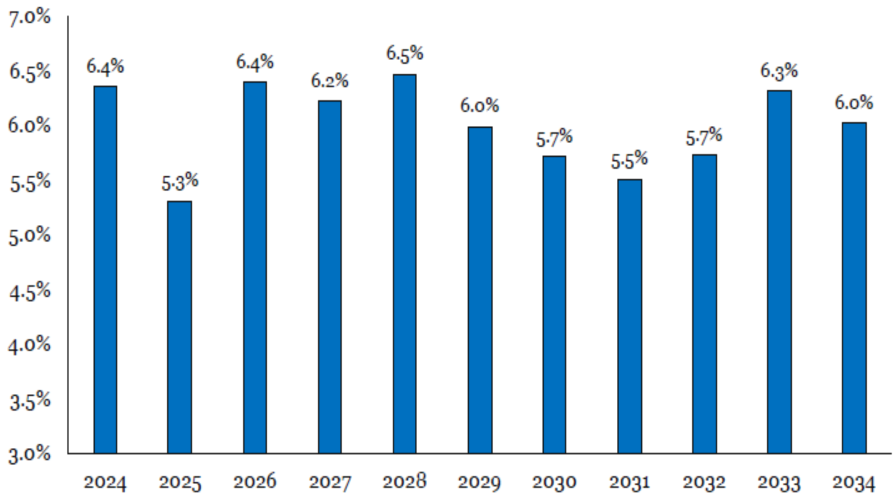


Source: Bank of International Settlements, Federal Reserve Bank of St. Louis, FRED. As of May 31, 2025.

Portfolio Perspective: The U.S. dollar remains valued above its long-term historical average. Shifts in trade policy have resulted in dollar depreciation during 2025. This presents an opportunity to benefit exports but has the risk of inflating the cost of U.S. imports.

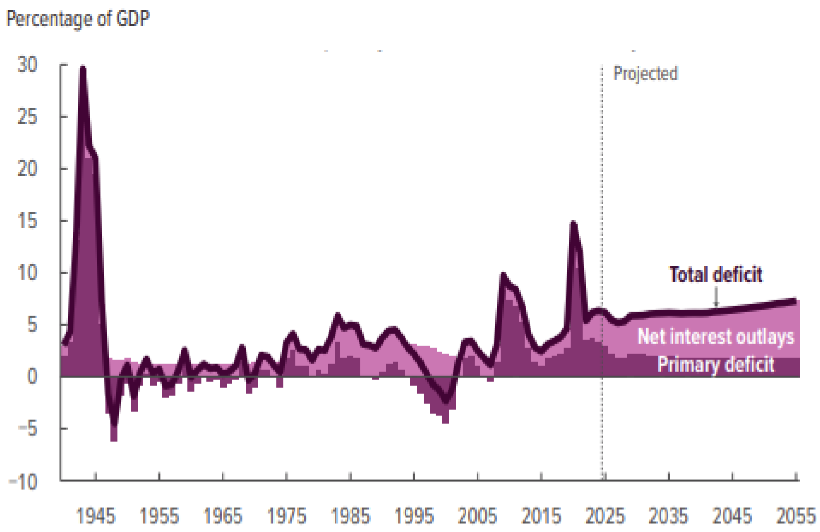
Current Federal Budget projects (including the projected impact of tariffs and the One Big Beautiful Bill) indicate that deficit spending will likely remain between 5.5% and 6.5% of GDP annually.

Budget Deficit, % of GDP, CBO Baseline +OBBB + Tariffs (CBO, Tax Foundation, Strategas)



Source: Strategas Research. As of July 1, 2025.

Long-Term Forecast of Deficit Contribution



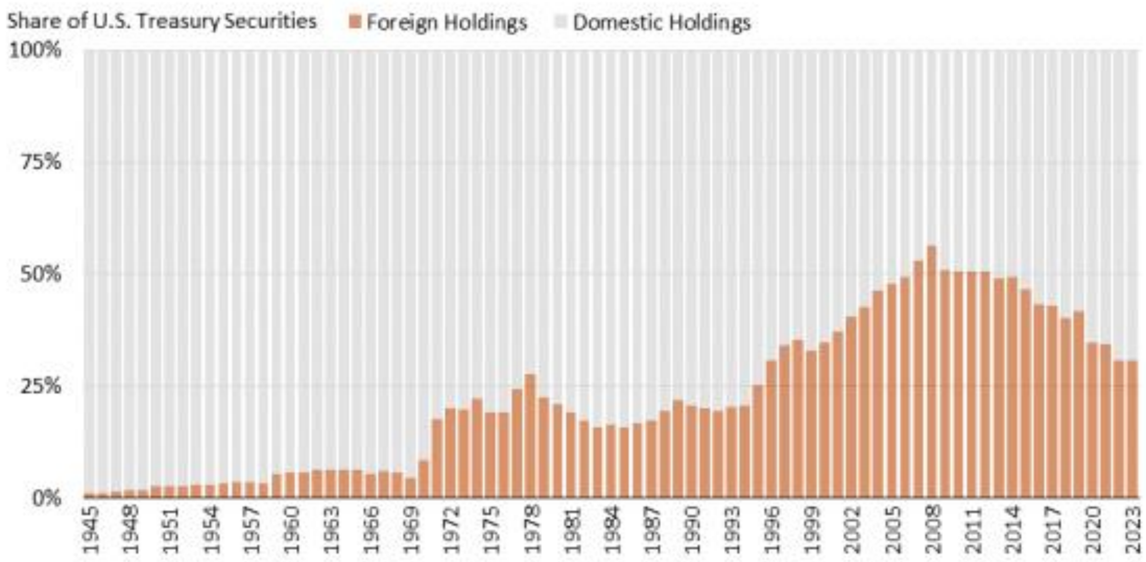
Source: Congressional Budget Office. https://www.cbo.gov/system/files/2025-03/61187-LTBO-Executive-Summary.pdf

Portfolio Perspective: Deficit levels exceeding nominal GDP growth rates (averaging 4-5%) create a risk that Treasury investors may demand additional compensation (higher yields) given elevated and growing deficit levels. This also lends to interest costs becoming a growing share of Federal spending.

The share of U.S. Treasuries held by Foreign investors has been declining since 2008. Roughly 30% of Treasuries are held by non-U.S. investors, compared with over 50% in 2008.

Figure I. Foreign and Domestic Holdings of Treasury Securities (1945-2023)

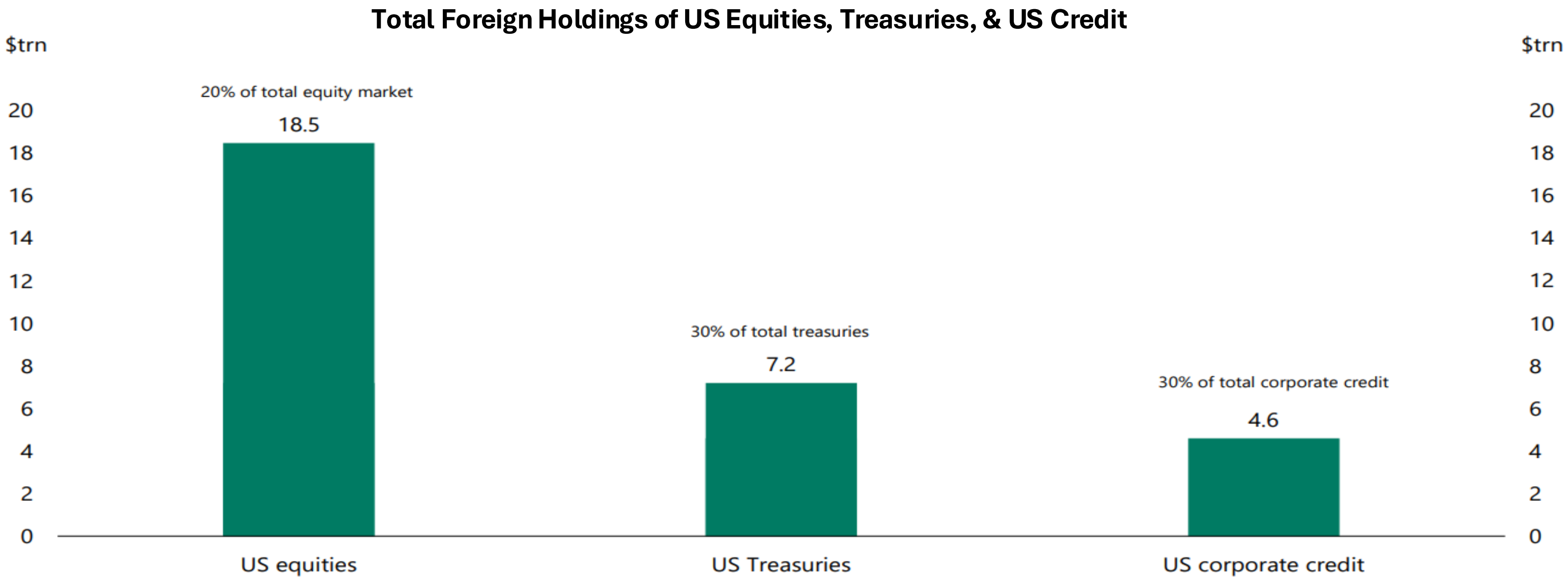
Figure is interactive in the HTML version of this report.



Source: Created by CRS. Data from Board of Governors of the Federal Reserve System, *Financial Accounts of the United States* (Z.I), Table L.210 (Treasury Securities), via Data Download Program at https://www.federalreserve.gov/datadownload. Notes: Table includes marketable Treasury securities held by the public. Data current as of June 10, 2024.

Portfolio Perspective: Reducing current demand from foreign investors could impact yields offered on U.S. Treasury debt. However, there has been a strong and persistent trend of fewer foreign buyers in the Treasury market over the past 17 years. We expect Treasury yields will not experience too severe an impact from any foreign outflows.

Foreign investors account for between 20% and 30% of U.S. stocks and bonds ownership.

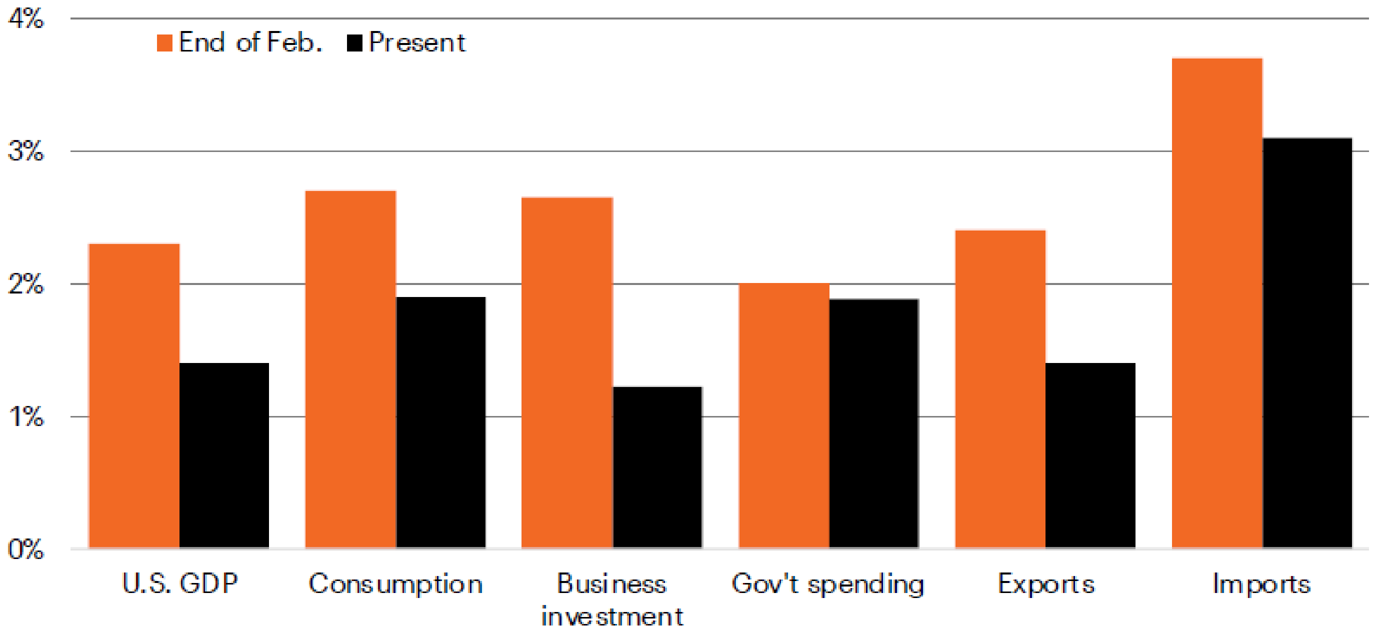


Sources: Federal Reserve, MacroBond, Apollo Chief Economist

Portfolio Perspective: Evolving trade parameters and the prospect of a weaker dollar create a risk that foreign investors will elect to reduce their U.S. holdings. We expect such an outcome to be gradual and not have a material short-term impact on asset prices.

While economic conditions remain positive, policy uncertainty has contributed to a deceleration in the economic growth expectations for 2025.

Consensus forecast growth for U.S. economy in 2025



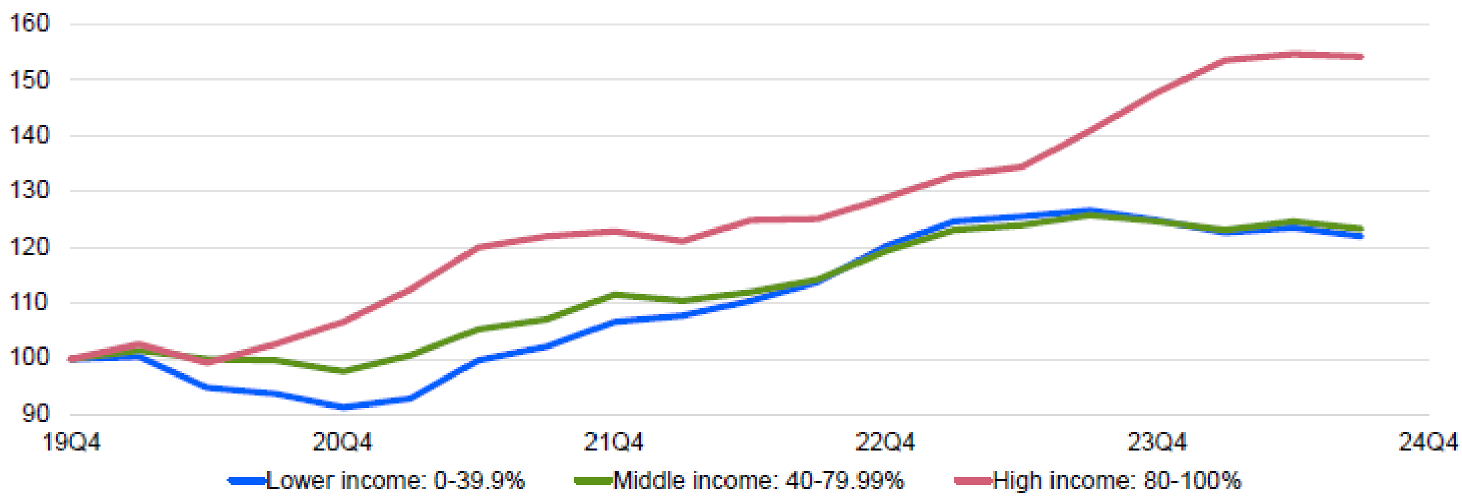
Source: FS Investments, Bloomberg consensus. As of May 16, 2025.

Portfolio Perspective: As the impacts of tariffs permeate the economy, we expect a deceleration in economic growth during the second half of 2025.

Over the last two years, higher-income households have largely driven consumer spending.

The Well-To-Do Power Consumer Spending

Personal outlays by income group, 1999Q4=100

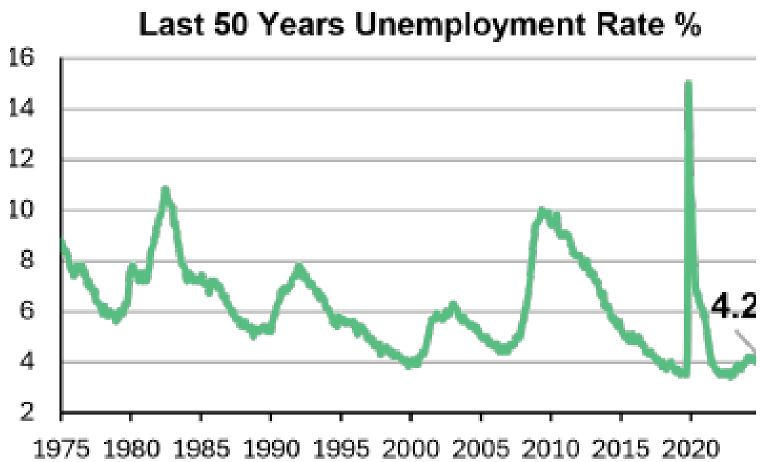


Source: Bureau of Labor Statistics, Moody's Analytics. As of Q4 2024.

Portfolio Perspective: A healthy backdrop for investment values and residential real estate prices has supported strong spending among higher-income consumers. This has left the economy more reliant on this segment continuing to spend, an outcome that could be impaired if there were a meaningful and persistent pullback in asset values.

ECONOMIC BACKDROP

At 4.2%, the unemployment rate remains low relative to historic norms. Labor conditions are favorable with more than one job opening per unemployed, a level that indicates a healthy job market.



Source: Bureau of Labor Statistics. As of July 8, 2025.

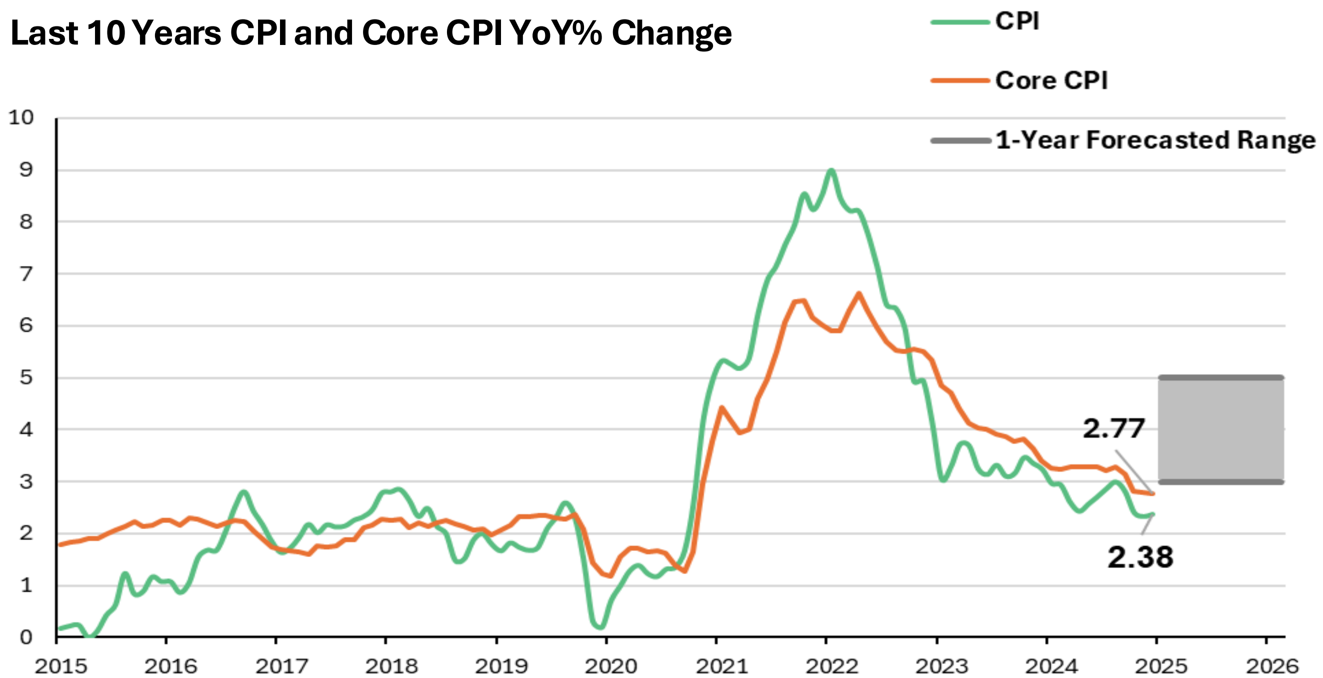
Source: Bureau of Labor Statistics. As of July 8, 2025.

Portfolio Perspective: A healthy labor market is a positive for the sustainability in the rate of consumer spending. Tighter immigration policies are likely to lead to unemployment levels remaining below average, even if economic conditions experience some modest softening.

Refer to appendix for disclosures

Inflation has been moderating; however, we expect the inflation rate to accelerate over the next year.

Last 10 Years CPI and Core CPI YoY% Change



Source: Bureau of Labor Statistics. As of June 11, 2025.
1-year Forecasted Range based on Composition Wealth's proprietary forecasts.

Portfolio Perspective: Tariffs will have an upward impact on inflation over the next 6-12 months. Market expectations are that the rise in inflation will be one-time in nature. While we recognize that possibility, risks exist for more persistent inflation should economic activity accelerate, and the unemployment rate remain below average.

ECONOMIC BACKDROP

The stage of inflationary and economic growth has a meaningful impact on asset performance in various economic regimes.

GDP Growth

Low → High

Inflation

Accelerating ↑ Decelerating

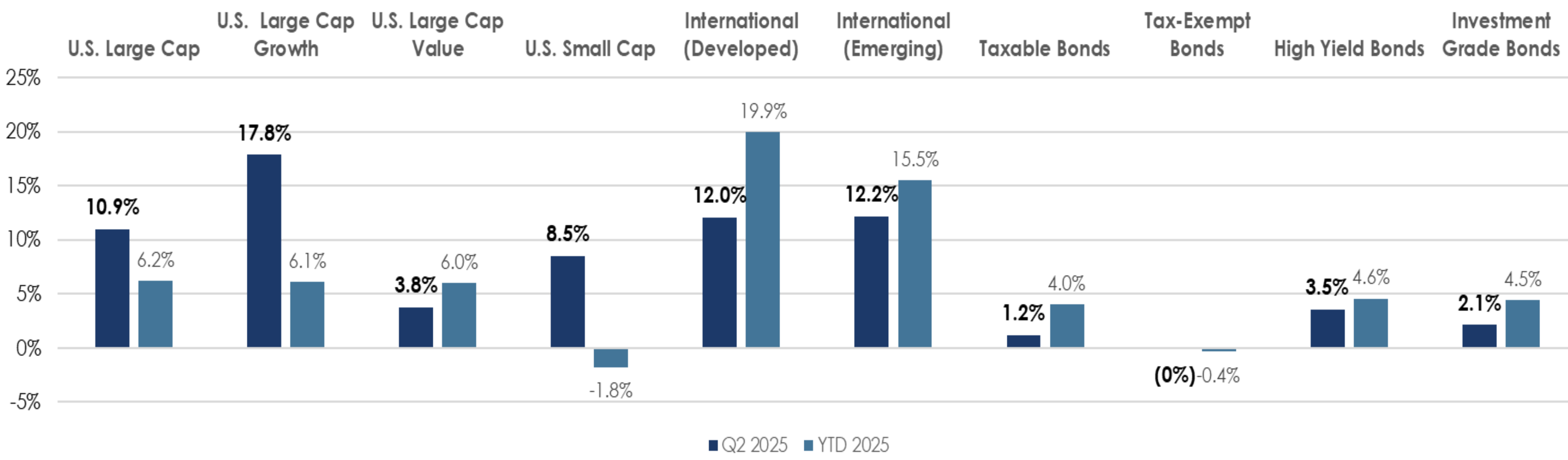
Stagflation		Reflation	
+ Gold + TIPS + Infrastructure	- Commodities - Stocks	+ Commodities + Quality Stocks + Real Estate + Natural Resource stocks	- Growth stocks - Gold - Bonds
Recession/Deflation		**Disinflation**	
+ Bonds + Infrastructure + Gold	- Commodities - Equities - Real Estate	+ Growth Stocks + Commodities	- Value Stocks - Gold

Source: Composition Wealth

Portfolio Perspective: Given the uncertainty in economic conditions, the approach to positioning portfolios for higher inflation is highly dependent on the direction of the economy. As we grow increasingly comfortable with economic resilience, especially in 2026, we are assigning a lower probability of a stagflation scenario.

Stocks rebounded in the 2nd quarter, led by large-cap growth stocks.
Year-to-date, returns are generally positive across markets.

Q2 2025 Performance



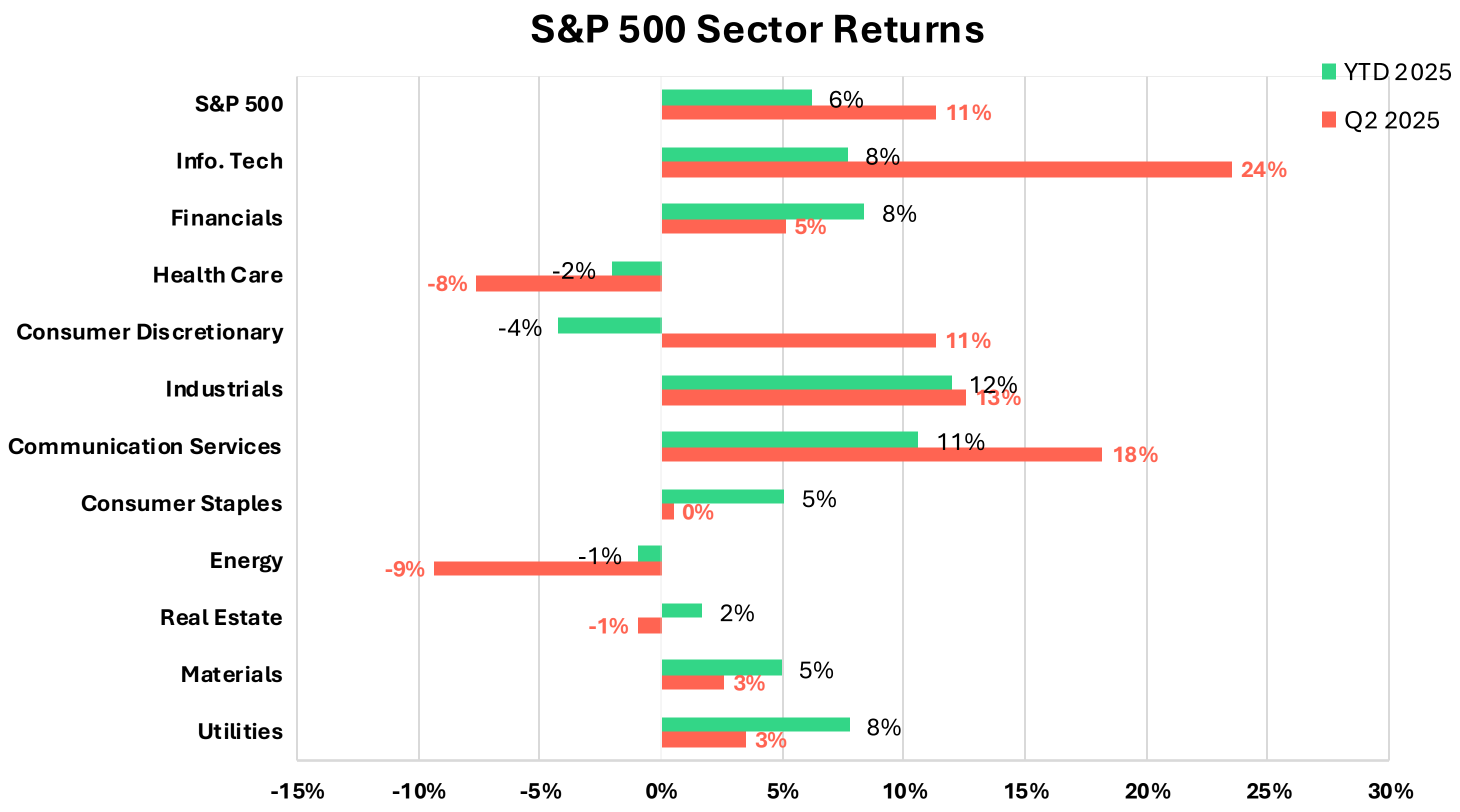
Source: Bloomberg. U.S. Large Cap represented by the S&P 500. U.S. Large Cap Growth and Large Cap Value represented by the Russell 1000 Growth and Russell 1000 Value respectively. U.S. Small Cap represented by the Russell 2000. International (Developed) represented by the MSCI EAFE, while International (Emerging) represented by the MSCI Emerging Market index. Taxable Bonds proxied by the Bloomberg U.S. Aggregate, while Tax-Exempt by the Bloomberg Municipal Bond index. High Yield Bonds represented by the Bloomberg High Yield index Investment Grade Bonds represented by the Bloomberg Intermediate Corporate Index. Returns as of June 30, 2025

Portfolio Perspective: We've experienced generally positive returns across markets, with different segments adding value at various points of the year. This has demonstrated the benefits of diversification during episodes of market volatility.

Refer to appendix for disclosures

MARKET DYNAMICS – EQUITY

In Q2, technology and communication services drove market gains.
Year-to-date returns are more evenly distributed across sectors.

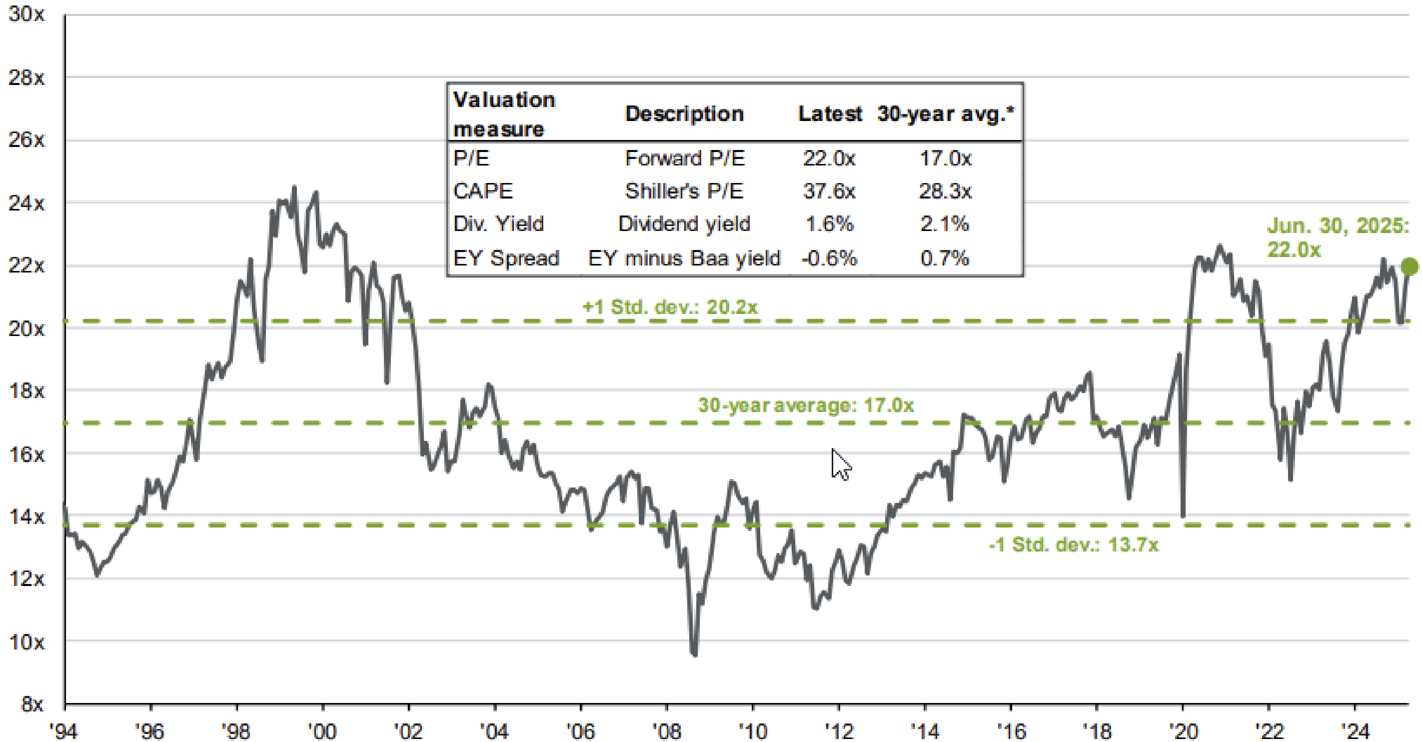


Source: Bloomberg, Standard & Poor's. Represents S&P 500 sector returns. As of June 30, 2025.

Portfolio Perspective: Stocks have oscillated between favoring positive AI-related trends driving gains for technology and communication services sectors, alongside preferring those sectors most impacted by evolving policy objectives.

U.S. stocks remain priced at elevated valuations relative to historic norms.

S&P 500 Index: Forward P/E ratio

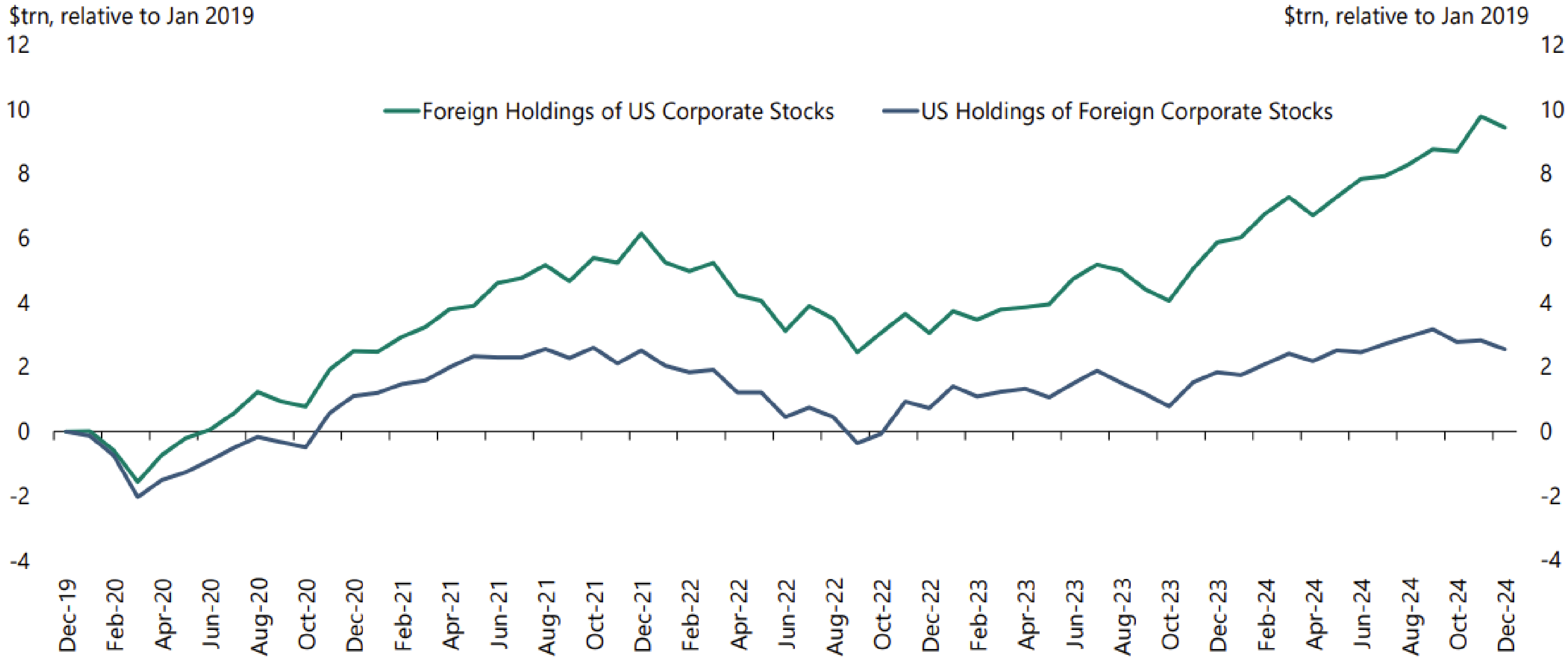


Valuation measure	Description	Latest	30-year avg.*
P/E	Forward P/E	22.0x	17.0x
CAPE	Shiller's P/E	37.6x	28.3x
Div. Yield	Dividend yield	1.6%	2.1%
EY Spread	EY minus Baa yield	-0.6%	0.7%

Source: Bloomberg, FactSet, Moody's, Refinity Datastream, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

Portfolio Perspective: The S&P 500's concentration in high-quality technology stocks supports higher valuations for U.S. stocks. However, we believe current valuations are at or near peak levels and, therefore, expect prospective returns to come from earnings growth and dividend income.

In the last five years, nearly $10 trillion in foreign capital has flowed into U.S. equities.



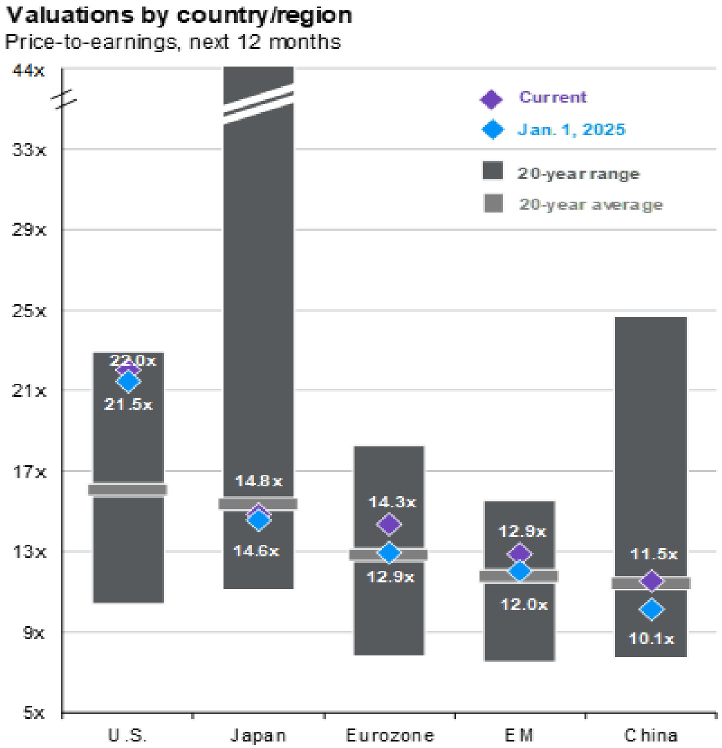
Sources: US Treasury, Haver Analytics, Apollo Chief Economist

Portfolio Perspective: After five years of substantial foreign investment into U.S. markets, shifting trade policies and evolving geopolitical alliances may prompt a reversal. Our base case anticipates some capital reallocating from the U.S. to other international markets.

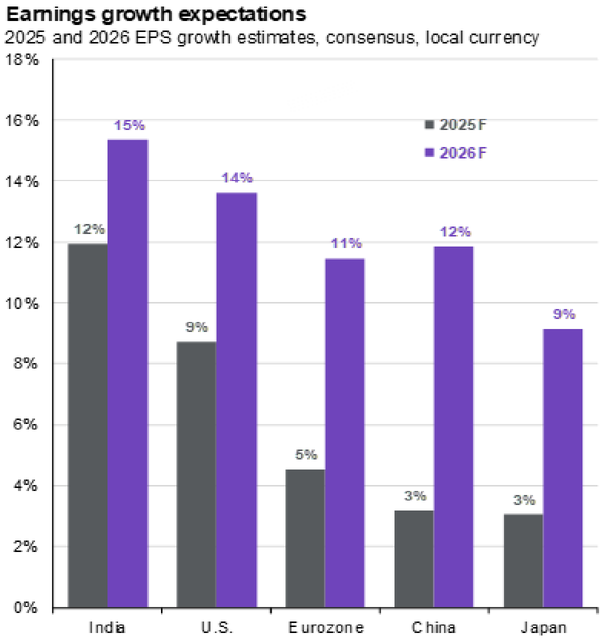
Refer to appendix for disclosures

MARKET DYNAMICS – EQUITY

International stocks are generally trading at valuations near their long-term average. Conversely, U.S. stocks that trade at valuations that are at 20-year highs. International stocks are projected to have a pronounced acceleration in earnings growth in 2026.



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. As of June 30, 2025.



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. As of June 30, 2025.

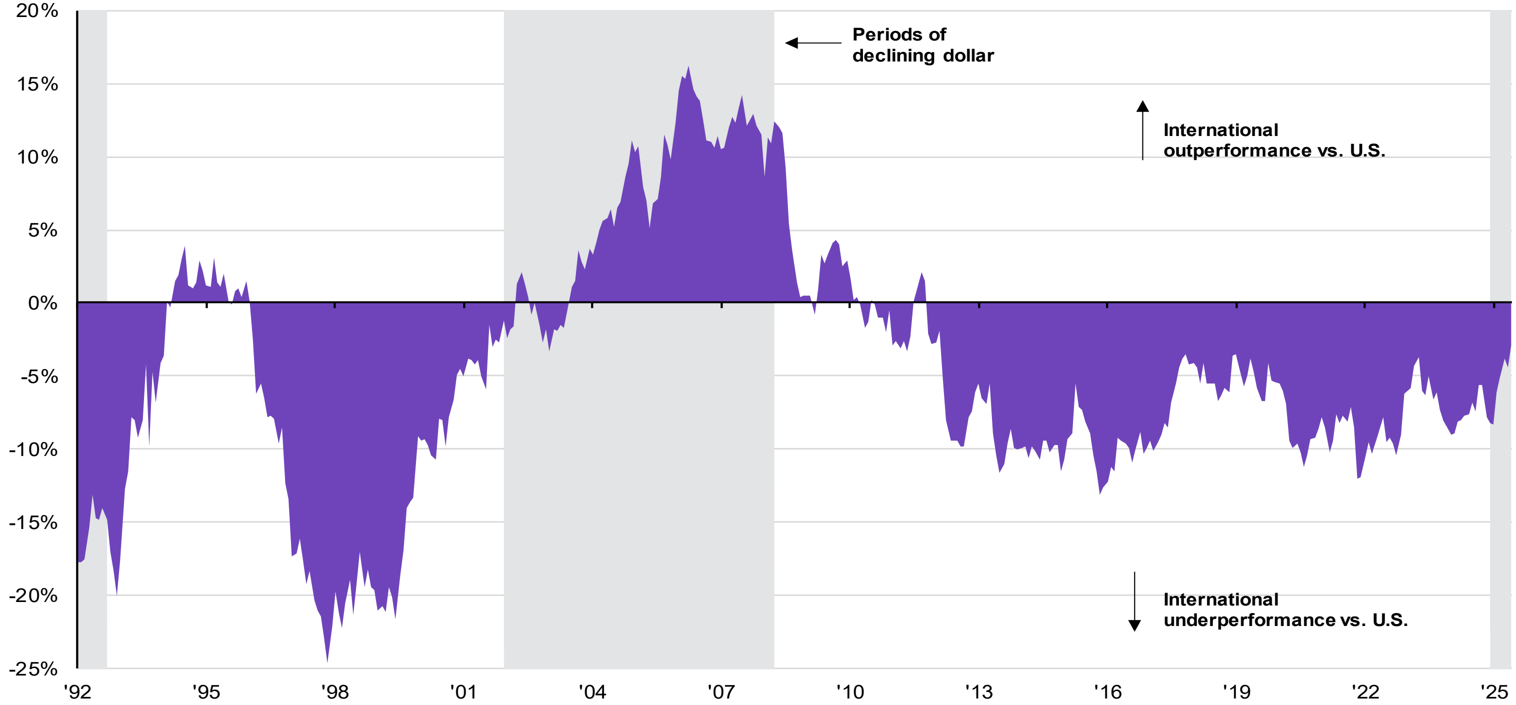
Portfolio Perspective: International stocks have been more attractively priced than U.S. stocks for several years. However, compelling valuations combined with improving sentiment and accelerating earnings growth make them a more compelling segment of the equity market.

Refer to appendix for disclosures

Historically, International stock returns (relative to the U.S.) have gone through cycles of being in and out of favor.

Cycles of international outperformance and the U.S. dollar

International out/underperformance versus U.S., MSCI AC World ex-U.S., S&P 500, total return, USD, rolling 3-yrs. ann.

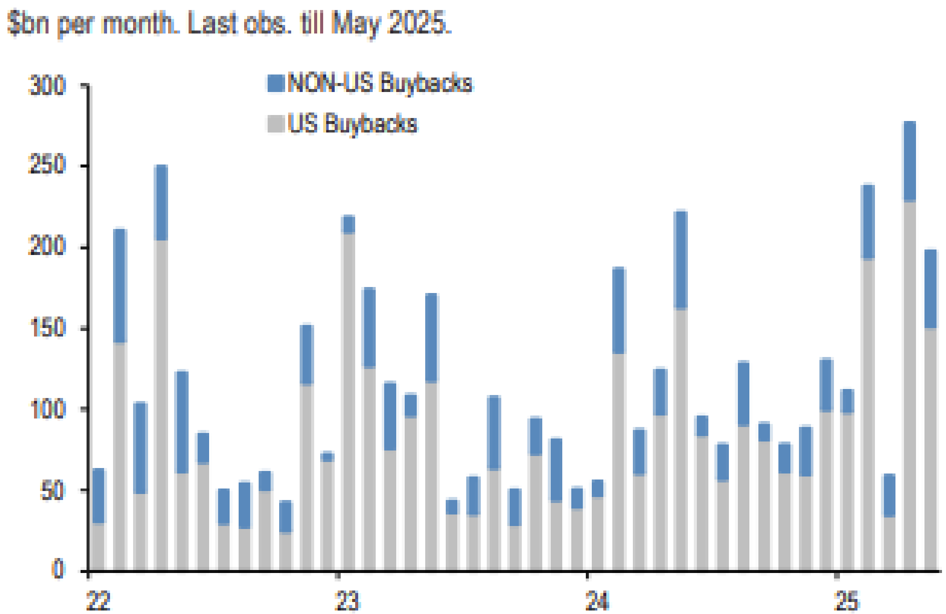


Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. *Guide to the Markets – U.S.* Data are as of June 30, 2025.

Portfolio Perspective: International stocks have largely been out of favor since 2009, an extended period of U.S. dominance. We believe the combination of evolving sentiment, more attractive valuations, and improving earnings expectations presents a catalyst for a moderation in this this trend.

An elevated level of share repurchases by U.S. corporations helped to support the recovery in equities during April and May.

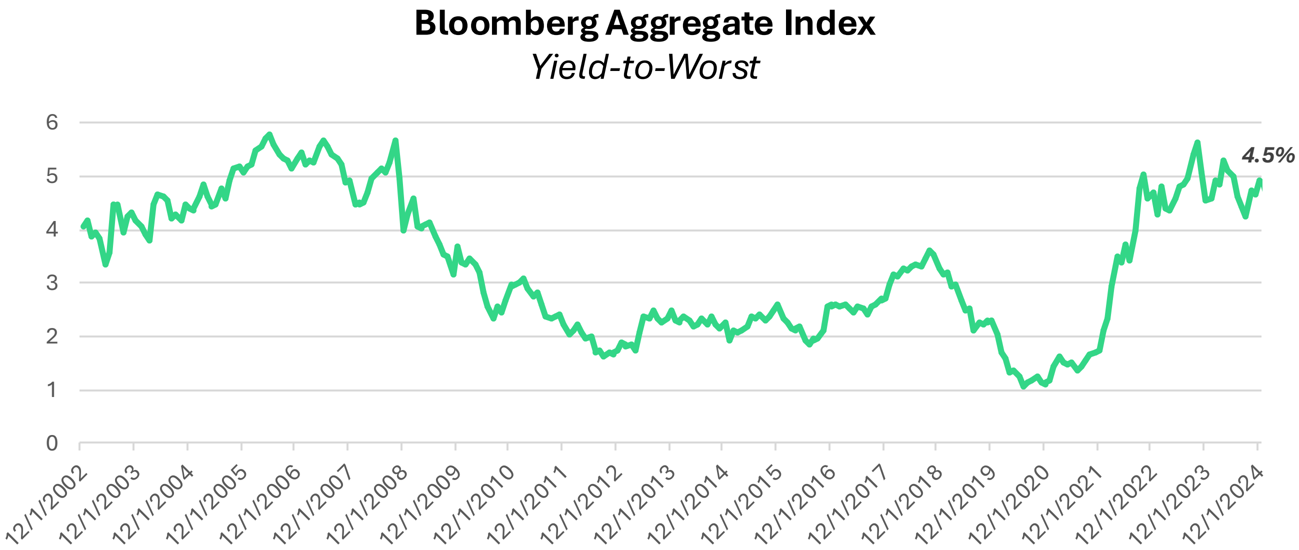
Announced Share Buybacks



Source: Bloomberg Finance L.P., LSEG, J.P. Morgan Flows & Liquidity.

Portfolio Perspective: As institutional investors cut risk during April's downturn and retail investors generally maintained their positioning, the surge in share buybacks supported the market's recovery and indicated that corporations were not as concerned about the policy impacts on the long-term prospects for business fundamentals.

Bond yields continue to offer reasonable yields relative to longer-term norms.



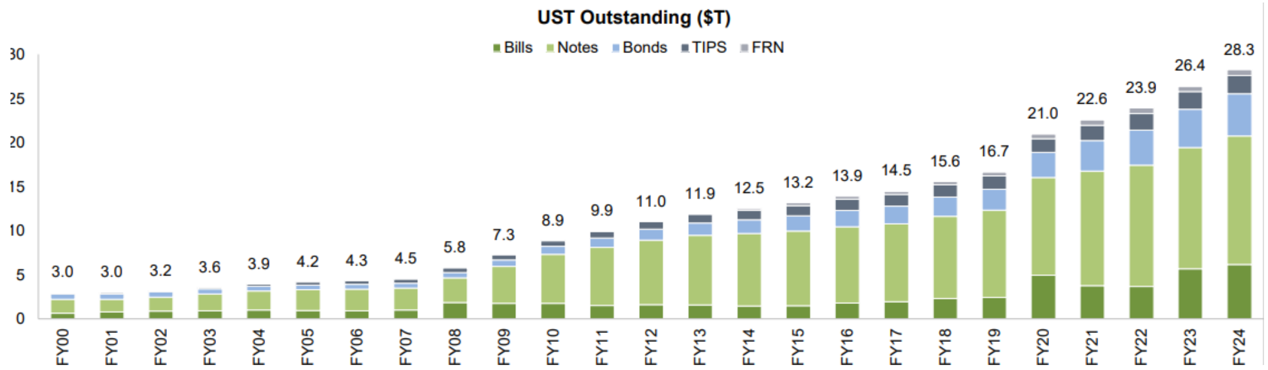
Source: Bloomberg, Composition Wealth. As of June 30, 2025.

Portfolio Perspective: Given their attractive yields and reliable diversification benefits, we see growing value in bonds.

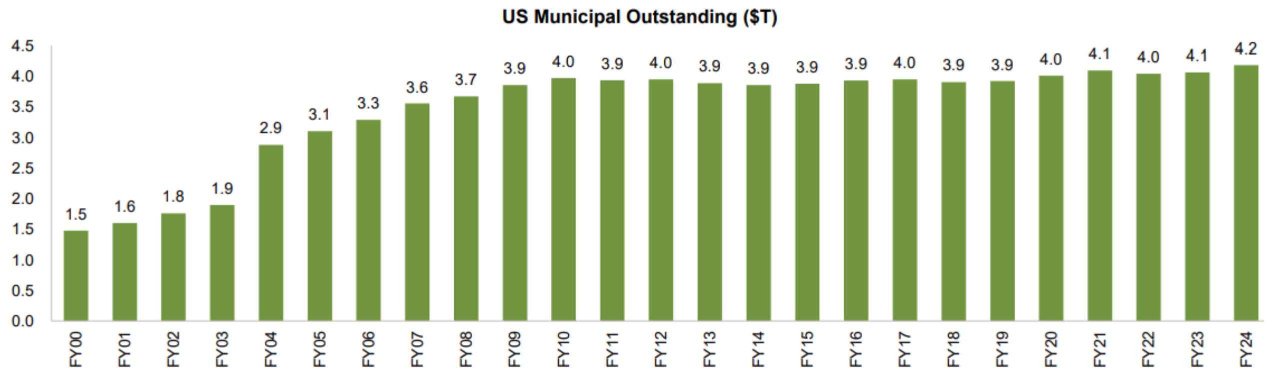
MARKET DYNAMICS – FIXED INCOME

The amount of U.S. Treasury debt outstanding has increased by 70% from pre-pandemic levels. Alternatively, the amount of municipal debt has remained static over the past 15 years.

U.S Treasury Debt Outstanding



Municipal Bond Debt Outstanding



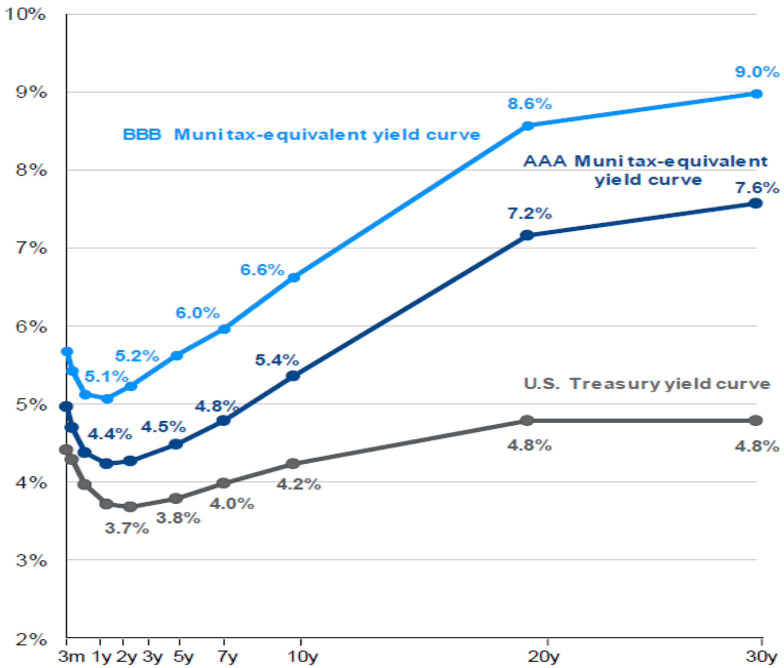
Source: U.S. Treasury, SIFMA. As of December 31, 2024.

Portfolio Perspective: The significant rise in U.S. debt outstanding and projections for continued deficit spending present a risk that Treasury bonds could face upward pressure in yields, particularly among longer-dated bonds. The stability in municipal debt could lead to a divergence in interest rate movements between taxable and municipal markets.

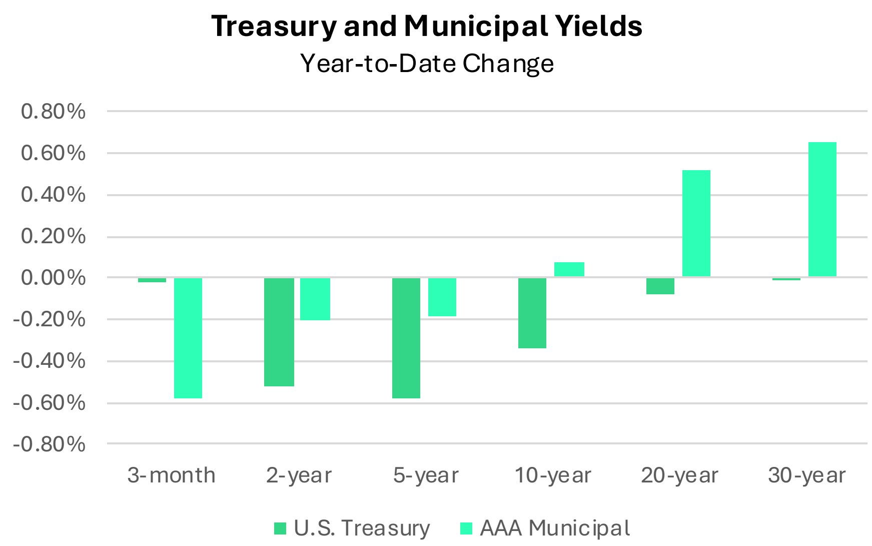
Refer to appendix for disclosures

Year-to-date, Treasury yields have been flat or down. Alternatively, municipal yields have risen on maturities of 10 years and longer.

Muni Tax-Equivalent and Treasury Yield Curves



Source: J.P. Morgan Asset Management, Bloomberg, FactSet, Federal Reserve, S&P Global. As of June 30, 2025.

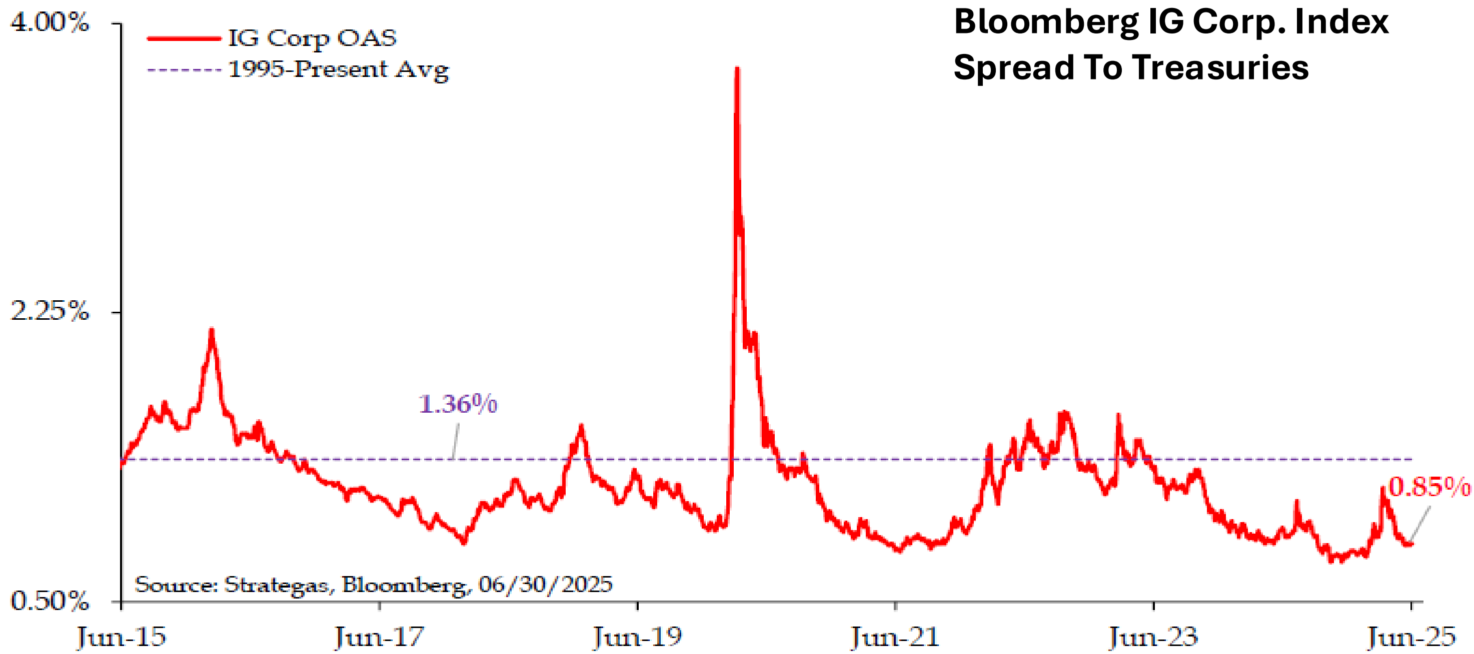


Source: Composition Wealth, Bloomberg. As of June 30, 2025.

Portfolio Perspective: Tax-exempt returns have lagged those of taxable (year-to-date) given the divergence in the movement in yields. For municipal investors, we see more attractive tax-equivalent yields among longer dated bonds, while among taxable we are more reserved on the level of exposure to longer dated Treasuries.

The additional yield offered on corporate bonds (i.e. the corporate bond spread) expanded relative to Treasuries earlier in 2025, but has since moved back toward recent lows.

Bloomberg IG Corp. Index Spread To Treasuries



Source: Strategas Group. As of June 30, 2025.

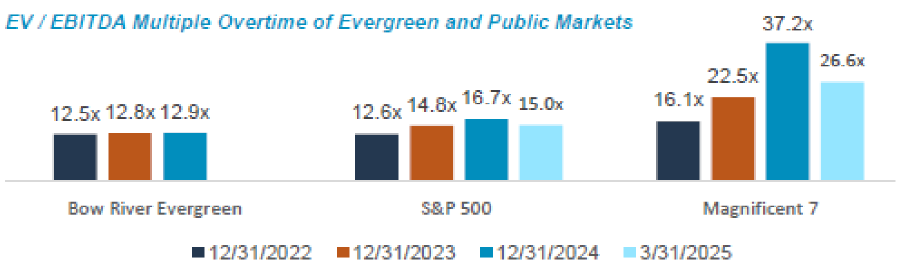
Portfolio Perspective: We view the underlying credit quality of corporate bonds to be healthy, although the compensation for taking on added credit risk is less attractive. As a result, we are biased toward higher-quality issuers and prefer to be more active in adjusting positions based on valuations, where appropriate.

Refer to appendix for disclosures

MARKET DYNAMICS – PRIVATE INVESTMENTS

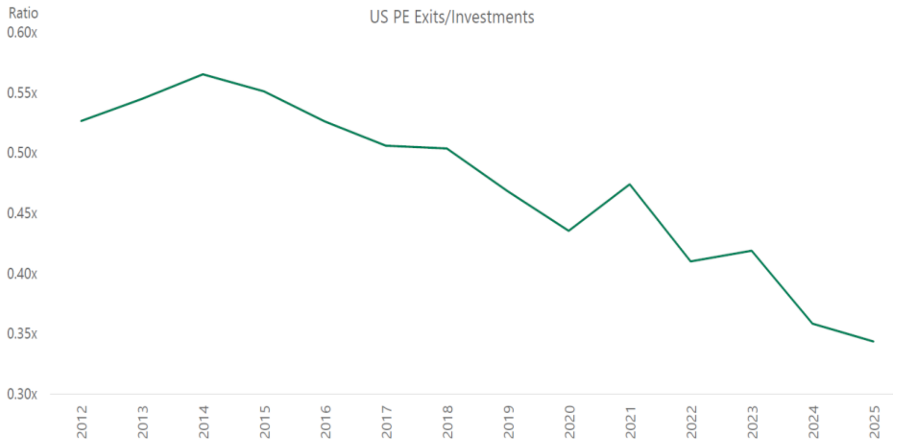
Unlike public markets, private market valuations have remained within a tight range. Elevated borrowing costs and reduced M&A activity have led private equity funds to hold onto investments longer, even at reasonable valuations.

Private Equity Valuation Ratios
(Enterprise Value/EBITDA)



Source: Bow River, FRED.org, Bloomberg and BRC Analysis. As of March 31, 2025.

US Private Equity Exits/Investments Ratio
(Number of Exits to Number of Investments)

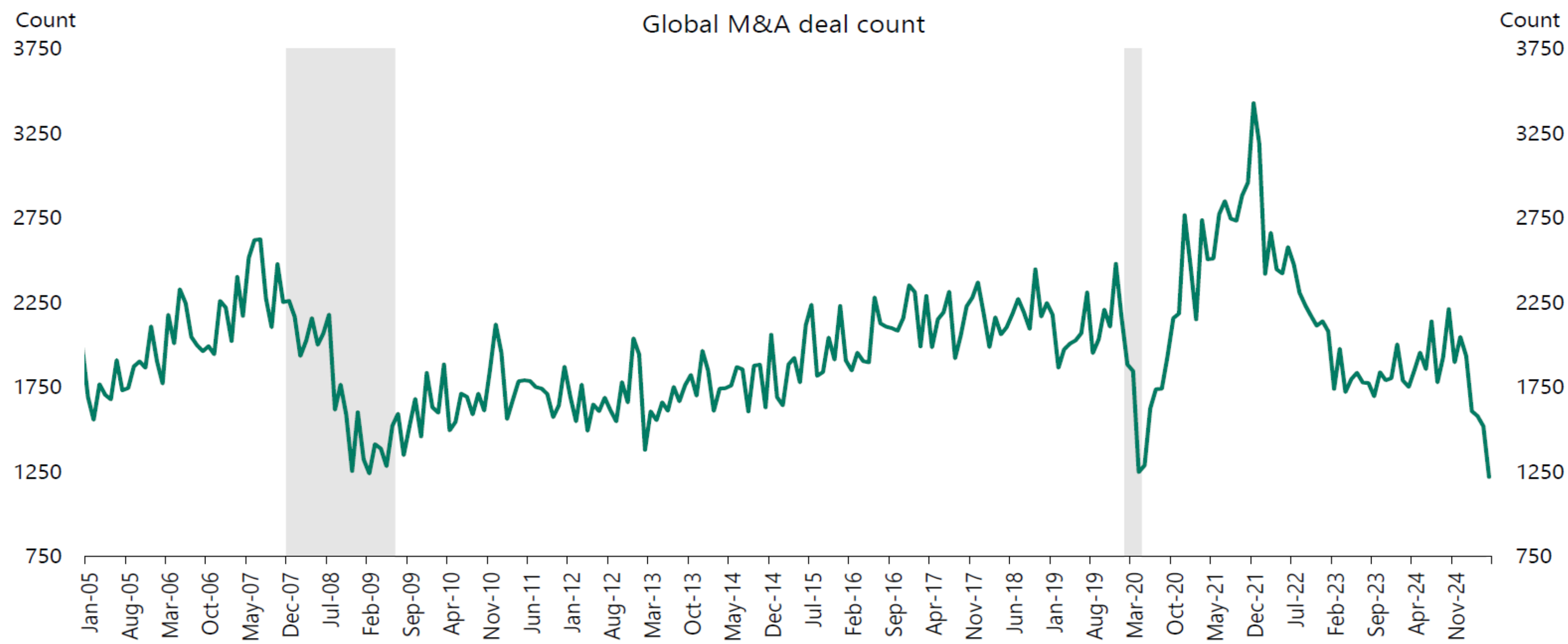


Source: Apollo Chef Economist, Pitchbook. As of March 31, 2025.

Portfolio Perspective: We view private equity valuations as more attractive than those in the public markets. Furthermore, the limited exit activity in recent years is likely to fuel a wave of deal-making and an increase in secondary fund sales, as private equity investors seek liquidity.

Mergers and Acquisitions activity has fallen considerably, given policy-related uncertainty.

M&A activity very weak at the moment



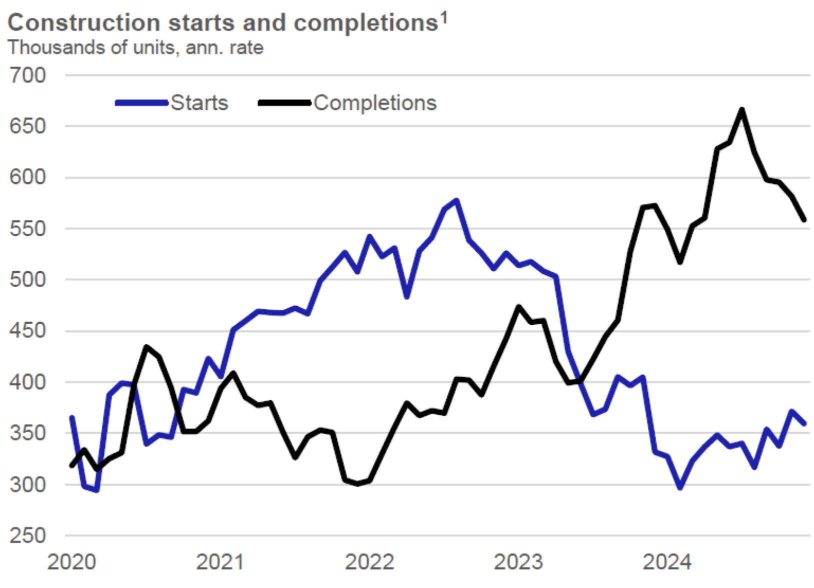
Source: Bloomberg, Apollo Chief Economist. As of April 30, 2025.

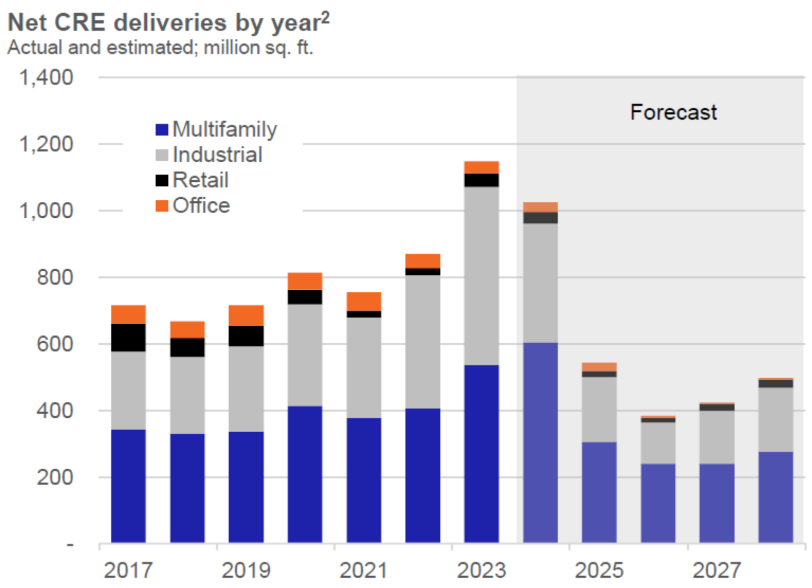
Portfolio Perspective: Private equity deal activity has slowed; however, we believe there is pent-up demand for transaction activity. We expect an acceleration in capital market activity as policy uncertainty abates, leading to more realizations and returns of capital to private equity investors.

Refer to appendix for disclosures

MARKET DYNAMICS – PRIVATE INVESTMENTS

Post-pandemic commercial real estate construction has peaked. A dearth of new construction starts are likely to lead to an imbalance of supply and demand in future years.





[1] U.S. Census Bureau as of March 31, 2025.

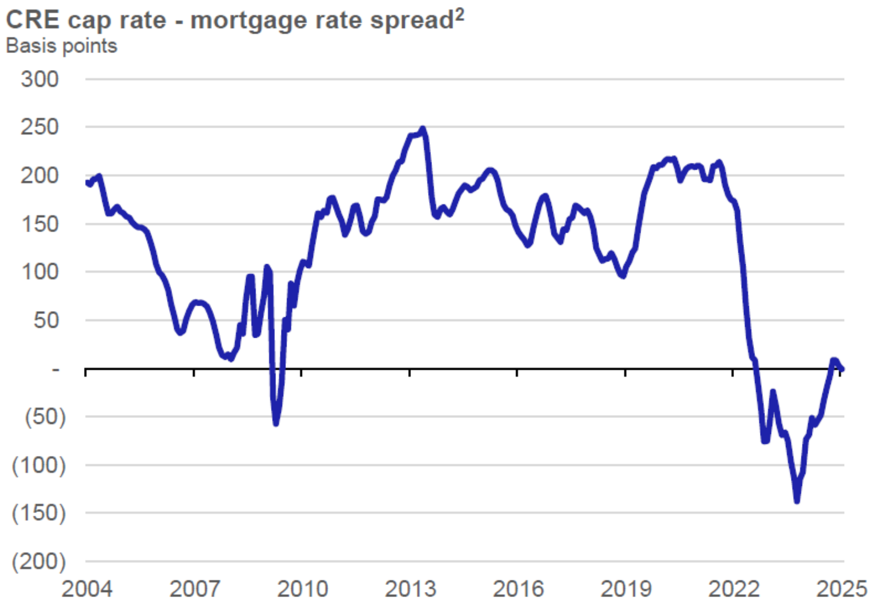
[2] CoStar, as of October 31, 2024.

Portfolio Perspective: We believe this dynamic will lead to an acceleration in real estate rent growth in the back half of the decade. However, our analysis would indicate these expectations are to some degree already incorporated in current real estate valuations.

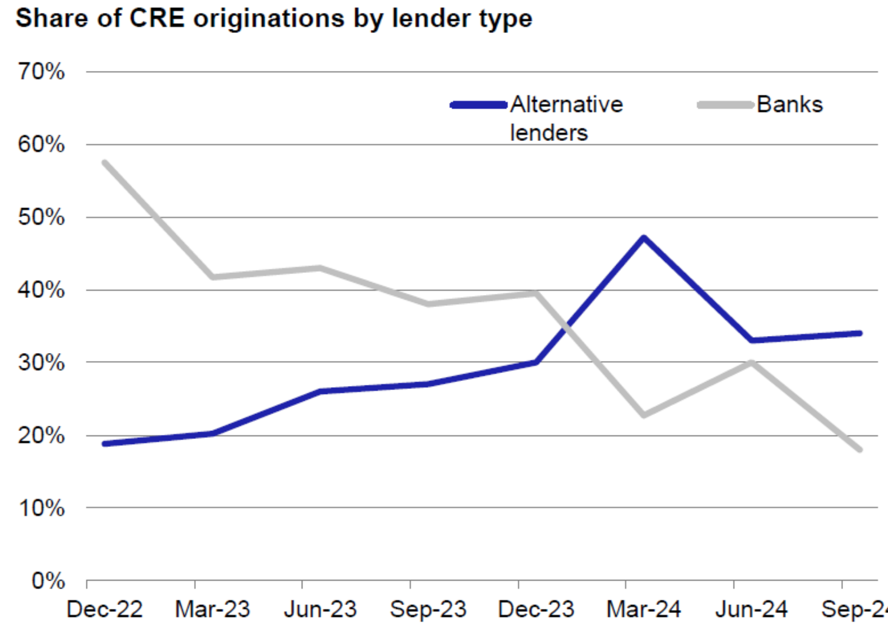
Refer to appendix for disclosures

MARKET DYNAMICS – PRIVATE INVESTMENTS

Current commercial Real Estate (CRE) cash flow yields (cap rates) are in line with borrowing costs. Real estate lending has experienced a notable shift as banks are less active, while alternative lenders have become the major source for financing commercial mortgages.



Source: FS Investments, MSCI Real Capital Analytics. As of February 28, 2025.



Source: FS Investments, MSCI Real Capital Analytics. As of September 30, 2024.

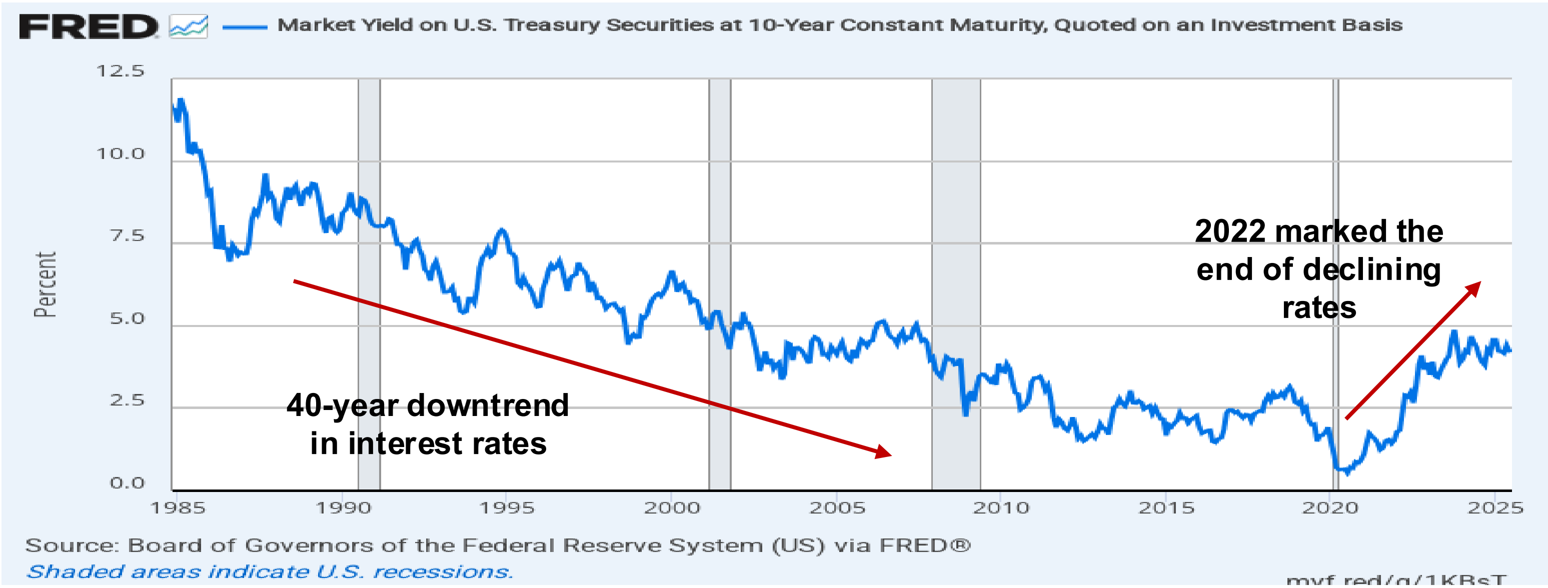
Portfolio Perspective: The economics around owning real estate are less attractive given what remains a relatively low cash flow yield (cap rate) and higher borrowing costs. We prefer real estate debt where less competition from bank capital is leading to favorable rates for borrowers. Real estate debt is higher up in the capital structure and generates returns that are on par or higher than what can be earned from investing in most core real estate projects.

Refer to appendix for disclosures

THEMATIC TRENDS – HIGHER FOR LONGER

Following a 40-year trend of falling interest rates, we do not anticipate bond yields returning to pre-2022 levels. Instead, we expect rates to stay elevated for an extended period. As a result, returns on interest rate-sensitive assets may differ significantly from those seen over the past 10 to 15 years.

10-Year Treasury Yield (Nov 1984 – June 2025)



Source: Board of Governors of the Federal Reserve System. As of June 30, 2025

Investment Impact

- Higher rates suggest stronger long-term expected returns for bonds.
- Assets and companies with higher levels of debt will be pressured by the sustained uptrend in financing costs. In this environment, we favor high-quality companies that are less reliant on leverage.
- Financial companies, notably insurance and financial advisory firms, should benefit from higher rates.

THEMATIC TRENDS – ARTIFICIAL INTELLIGENCE

Artificial Intelligence revenue, while accelerating, is modest relative to elevated capital spending related to building AI data center (hyperscaler) infrastructure.

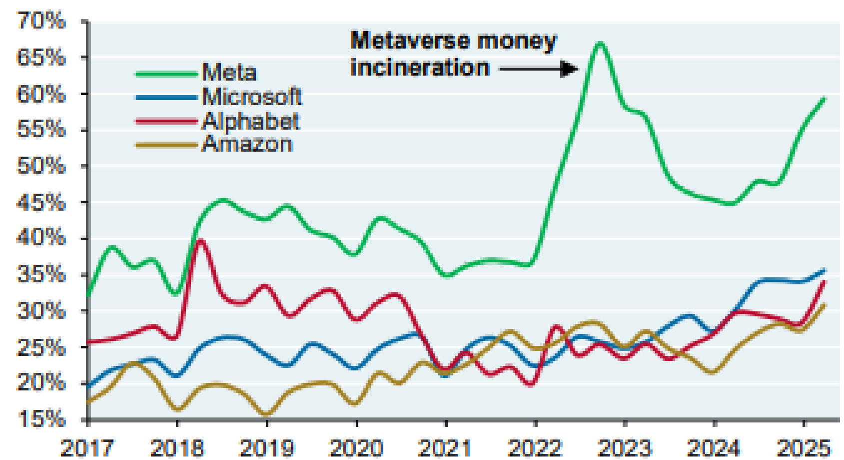
Microsoft Azure Quarterly Revenue from AI

US$, billions

Source: Bloomberg, JPMAM, Q1 2025

Hyperscaler Capex and R&D as a Share of Revenues

Percent

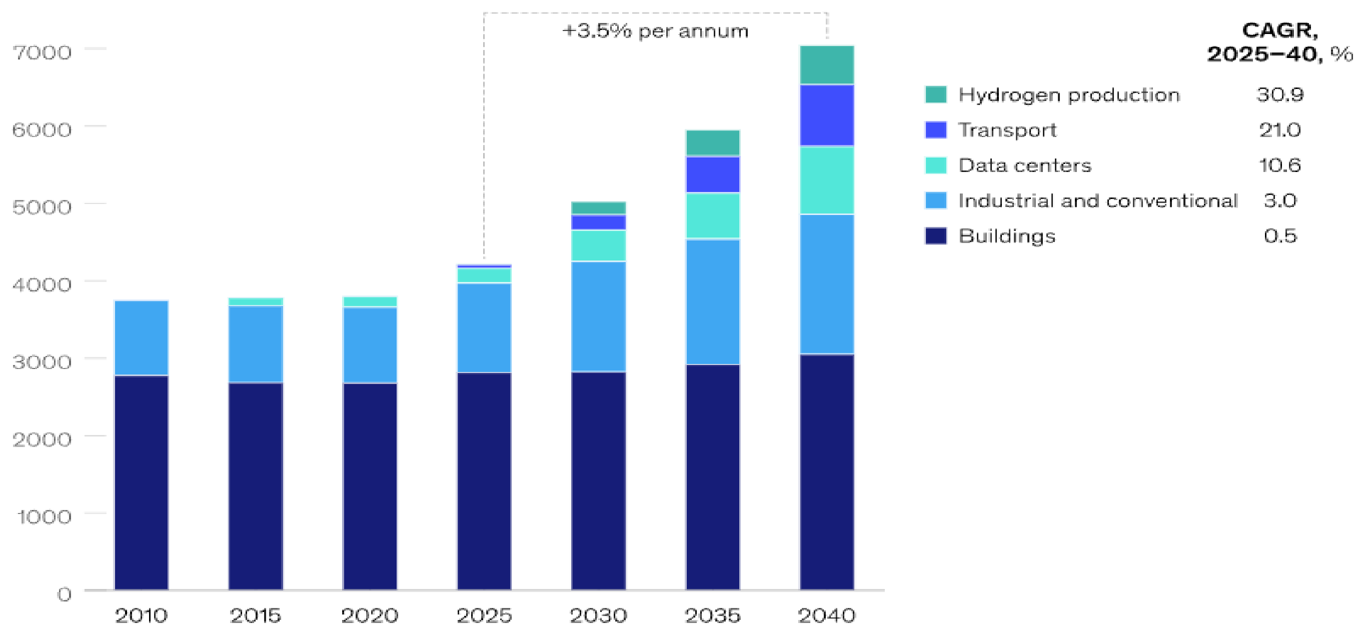


Source: Bloomberg, JPMAM, Q1 2025

Portfolio Perspective: Utilization and use cases for artificial intelligence are increasing and will have a material impact on consumer and business behavior and productivity. What remains less certain is to what extent various large language models compete against one another and whether the return on investment is sufficient to justify the magnitude of capital allocated to hyperscaler infrastructure.

THEMATIC TRENDS – INFRASTRUCTURE

After over 10 years of static usage, U.S. Power Demand is expected to grow by 3.5% per annum through 2040.



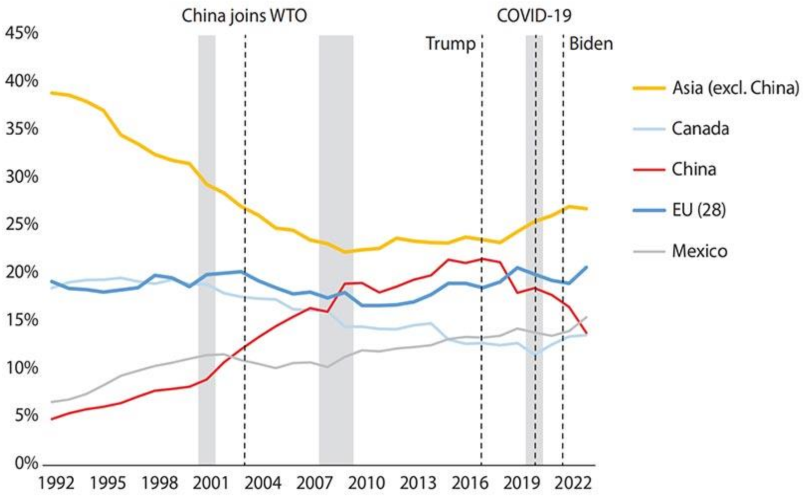
[1]Volumetric power demand load is total downstream sales, comparable to data that operators are required to provide on the US Energy Information Administration's Form EIA-861. It represents the gross of distributed generation, behind-the-meter systems, and transmission and distribution losses.
Source: McKinsey Power Model

Portfolio Perspective: Static power usage led to underinvestment in power generation capacity. We see a multi-decade trend to increase power generation to support secular trends around AI data centers, electric vehicles, hydrogen production, and increasing industrial activity.

THEMATIC TRENDS – EVOLVING SUPPLY CHAINS

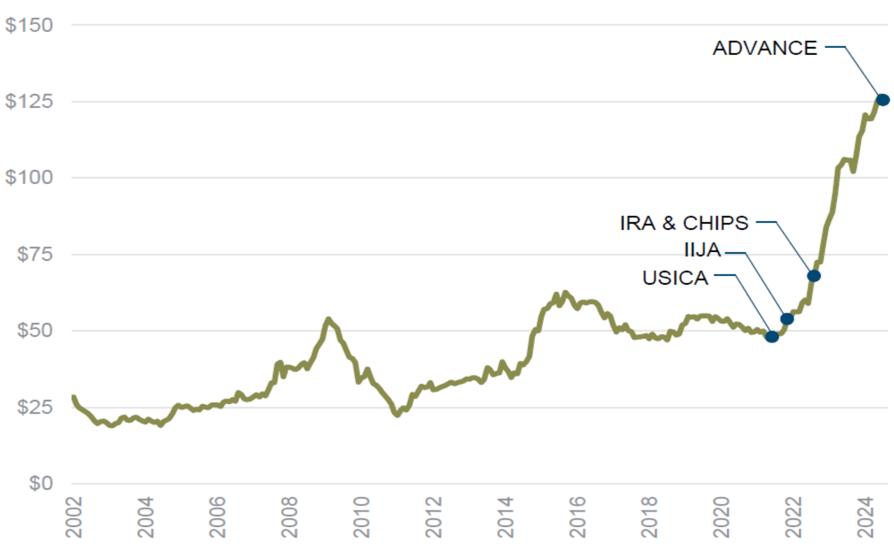
Evolving geopolitical alliances and the push for increased onshore and nearshore manufacturing are driving a significant restructuring of global supply chains.

U.S. Imports by Country



Source: St. Louis Federal Reserve, Decoupling Where it Matters? U.S. Imports from China January 19, 2024.

Real Total U.S. Manufacturing Construction Spending (Billions)



Source: Aether Investment Partners. As of August 31, 2024.

Portfolio Perspective: Trade lanes and supply chains are expected to shift, with China's ties to the West potentially weakening and countries like India and other East Asian nations standing to gain. Deglobalization reinforces the need for ongoing investment in domestic infrastructure, including bridges, roads, manufacturing plants, and distribution hubs.

APPENDIX - ASSET CLASS RETURNS

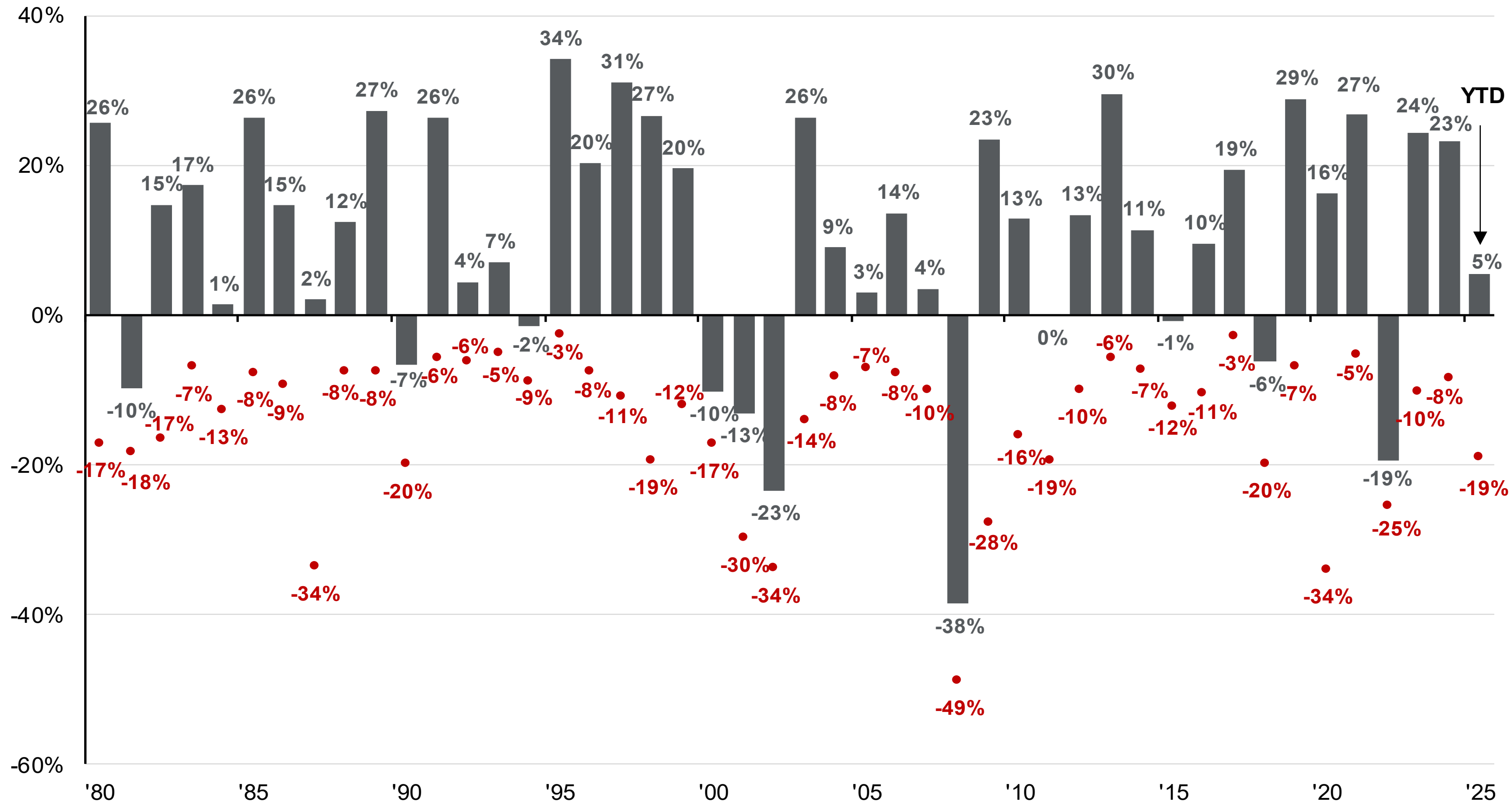
2010–2024																	
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Small Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	DM Equity 19.9%
Small Cap 10.3%	EM Equity 17.9%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	EM Equity 15.6%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Asset Alloc. 7.0%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	High Yield 6.8%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Large Cap 6.2%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Comdty. 5.5%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	Fixed Income 4.0%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Cash 2.1%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	REITs 1.8%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	Small Cap -1.8%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index, and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2009 to 12/31/2024. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is not indicative of future returns. *Guide to the Markets – U.S.* Data are as of June 30, 2025.

Since 1980, the S&P 500 has seen an average intra-year decline of 14.1%.

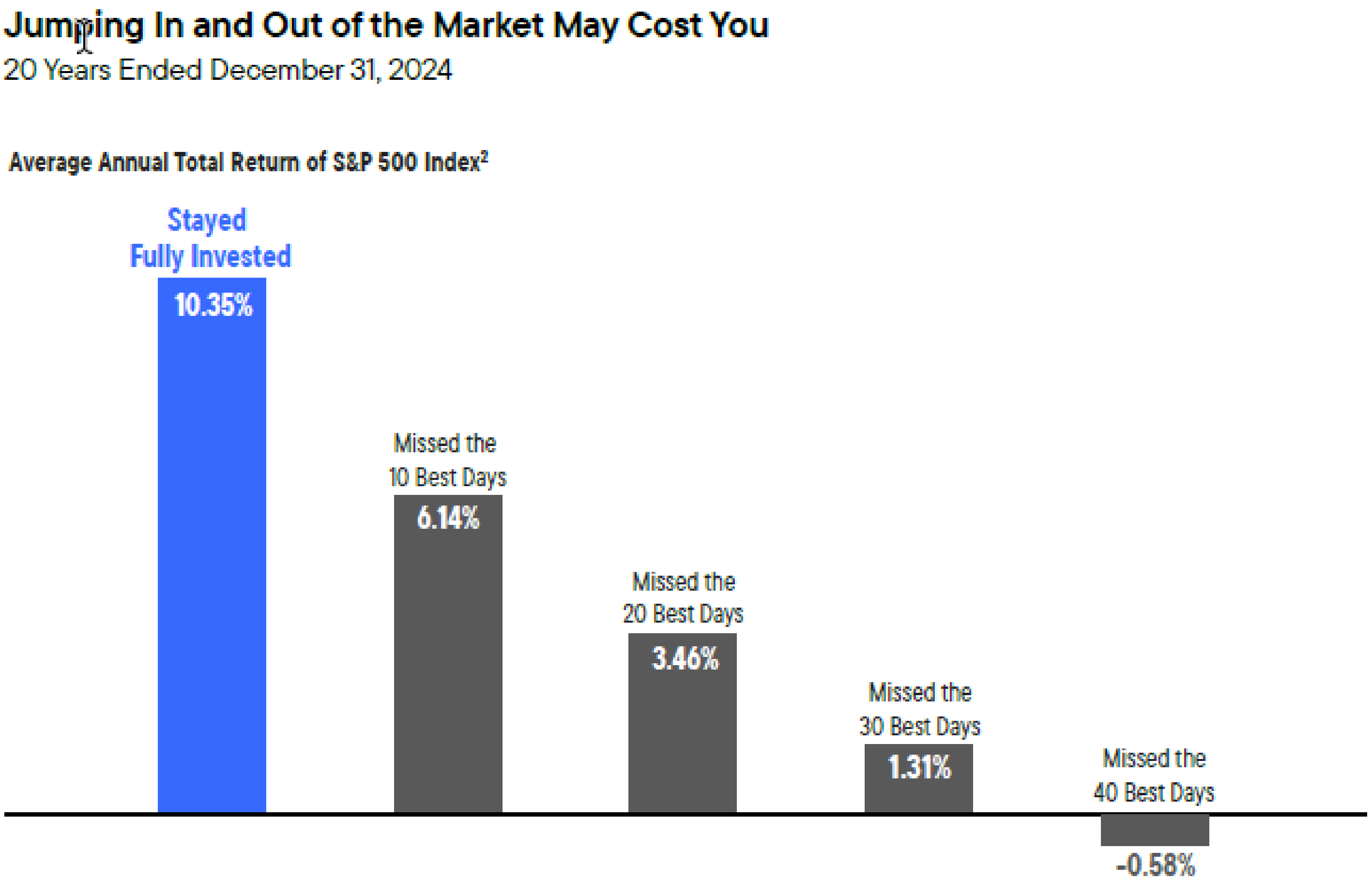
S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years



Source: JP Morgan Asset Management. As of 6/30/2025

Attempting to time the market is difficult, and missing key turning points can significantly impact long-term performance.



Source: Ned Davis Research Group. Franklin Templeton. As of 12/31/2024

IMPORTANT DISCLOSURES

Composition Wealth LLC ("CW") is a registered investment advisor. Advisory services are only offered to clients or prospective clients where CW and its representatives are properly licensed or exempt from licensure. The views expressed in this commentary are subject to change based on market and other conditions. These documents may contain certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Any projections, market outlooks, or estimates are based upon certain assumptions and should not be construed as indicative of actual events that will occur.

These materials are solely informational, based upon publicly available information believed to be reliable, and may change without notice. Our views may change depending on market conditions, the assets presented to us, and your objectives. This is based on market conditions as of the printing date. Composition Wealth, LLC shall not in any way be liable for claims relating to them and makes no express or implied representations or warranties as to their accuracy or completeness or for statements or errors contained in, or omissions from, them. All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such. Legal, accounting and tax restrictions, transaction costs and changes to any assumptions may significantly affect the economics of any transaction.

The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your attorney or tax advisor. The information and analyses contained herein are not intended as tax, legal or investment advice and may not be suitable for your specific circumstances; accordingly, you should consult your own tax, legal, investment or other advisors, at both the outset of any transaction and on an ongoing basis, to determine such suitability. Composition Wealth, LLC does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. These materials do not constitute an offer to buy or sell any financial instrument or participate in any trading strategy. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients should be prepared to bear. The principal risks of CW's strategies are disclosed in the publicly available Form ADV Part 2A. Past performance shown is not indicative of future results, which could differ substantially.