

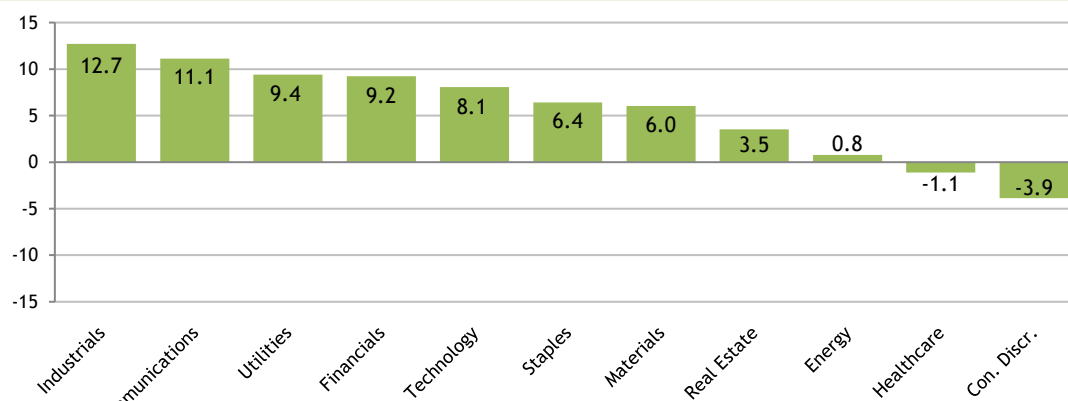
Stocks rebounded in the second quarter, propelled by strong performance in cyclical sectors—notably Technology and Communication Services. This quarter's primary themes included easing trade tensions, stronger-than-anticipated corporate earnings, and sustained investor enthusiasm for artificial intelligence. Trade policy, particularly tariffs initiated by the Trump administration, remained central, highlighted by selective tariff reductions following reciprocal announcements in April. In Washington, the GOP's reconciliation bill progressed towards approval. Although expected to pass, its anticipated \$3.3T impact on the deficit raised concerns regarding U.S. creditworthiness and long-term fiscal stability. Against this backdrop, the S&P 500 Index advanced 10.9% in the quarter.

Technology led performance, accompanied by double-digit gains in Consumer Discretionary, Industrials, and Communication Services. Conversely, defensive sectors lagged, with Energy, Healthcare, and Real Estate posting negative returns. Nine sectors have recorded positive returns year-to-date.

International and emerging markets sustained their momentum, each recording double-digit returns. The MSCI EAFE Index rose 11.8%, while the MSCI EM climbed 12.0% for the quarter.

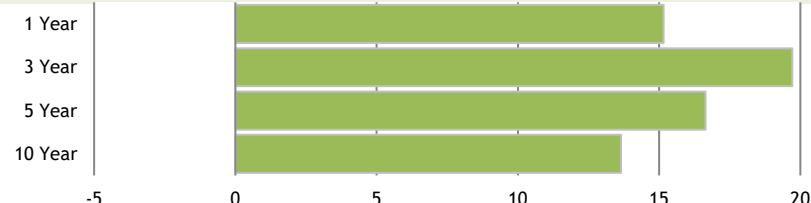
Interest rates exhibited mixed trends; the 2-year Treasury rate declined 18 basis points to close at 3.71%, while the 10-year Treasury rate edged up 2 basis points to 4.23%. Concurrently, the Bloomberg U.S. Aggregate Bond Index rose 1.2% during the quarter.

S&P 500 Index: Sector Returns Percent Year-to-Date

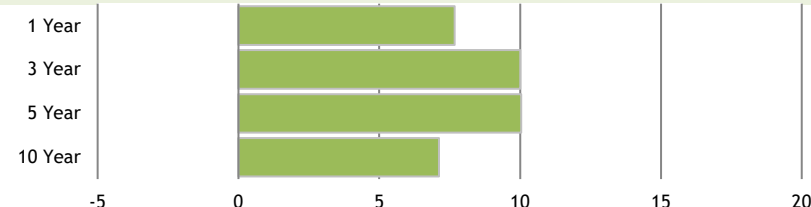


Source: Morningstar

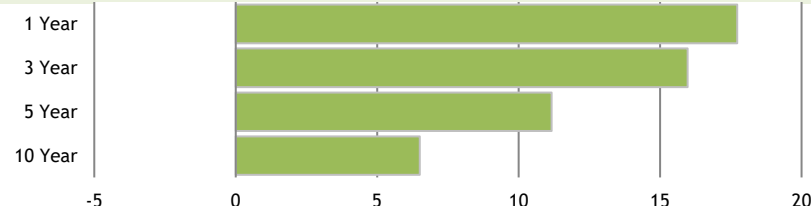
S&P 500 Average Annual Percent Total Return



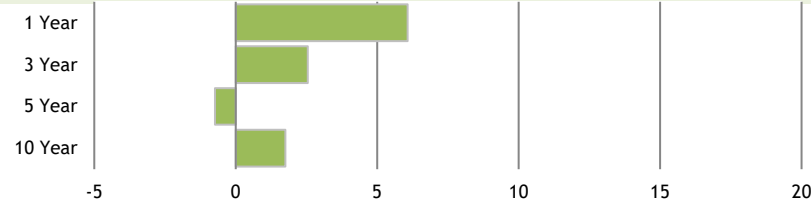
Russell 2000 Small Cap Index



MSCI EAFE International Index



Barclays Capital US Aggregate Bond Index



Barclays US Treasury Bill 1-3 Month

