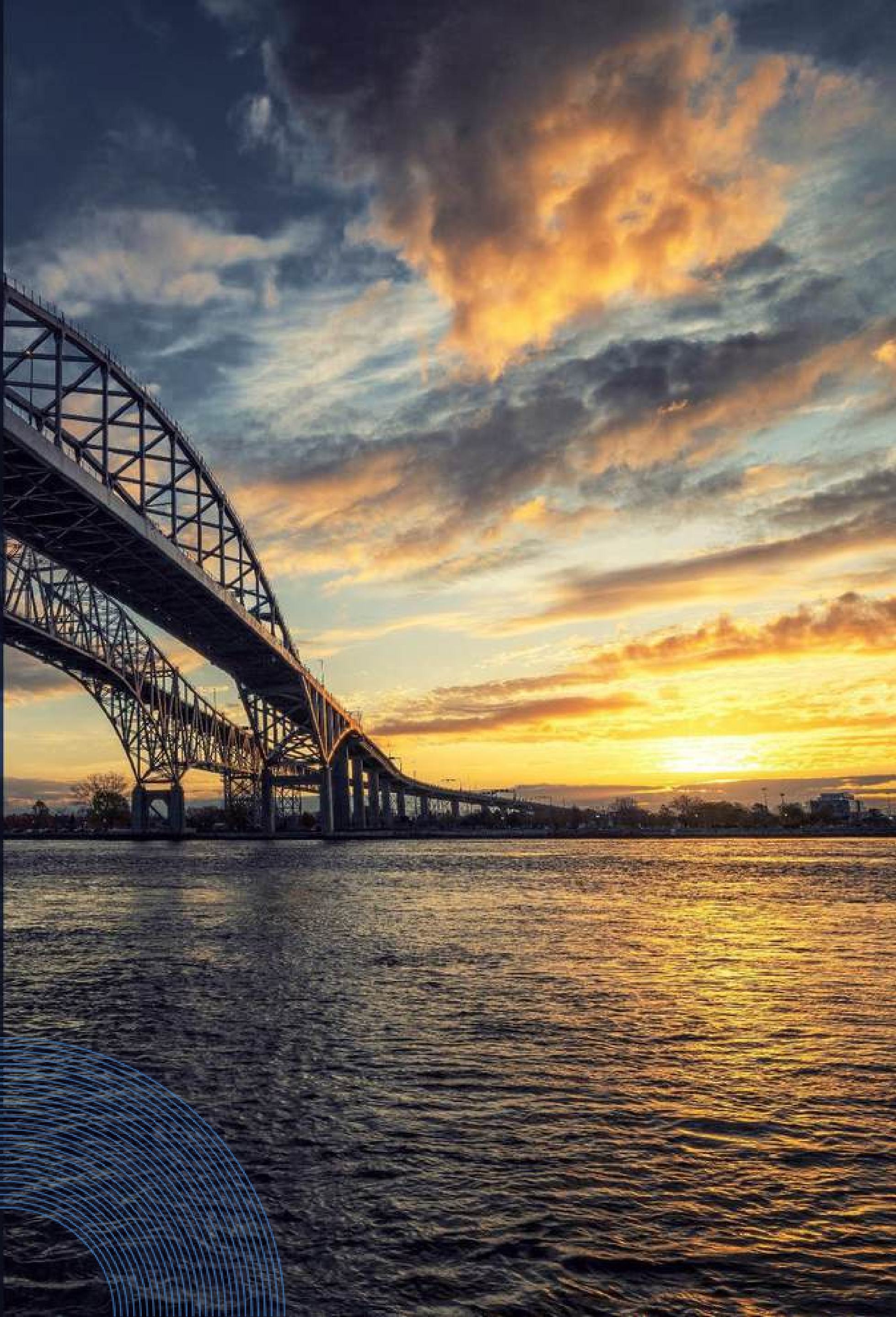
CONCENTURE
WEALTH MANAGEMENT

January Chartbook

Janurary 31, 2025

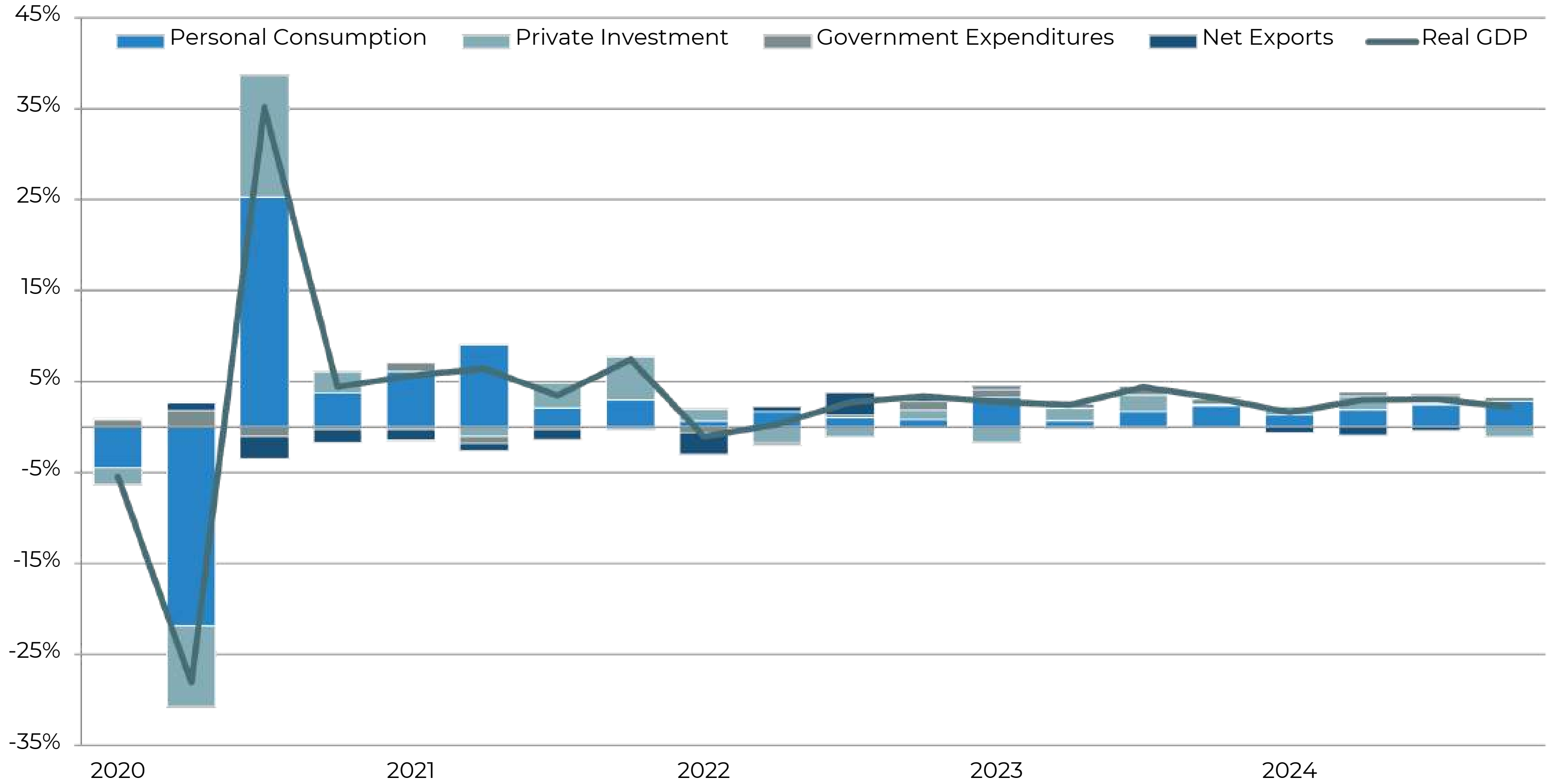


ECONOMIC PERSPECTIVE

According to the Commerce Department, U.S. economic growth slowed to a 2.3% annualized rate in the fourth quarter of 2024, down from 3.1% in the previous quarter. The slowdown was driven mostly by the Boeing strike reducing business investment. Outside of Private Investment, we saw consumer spending surge at its fastest pace in nearly 2 years reflecting strong domestic demand, which businesses struggled to meet, and inventories were depleted. A surprise drop in imports also influenced growth. Despite past fears of a recession following aggressive Federal Reserve interest rate hikes, the economy remained resilient, growing 2.8% for the year. However, uncertainty looms over the impact of new federal policies, including tax cuts, tariffs, and immigration measures, which could drive inflation higher.

Economic Growth

Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)

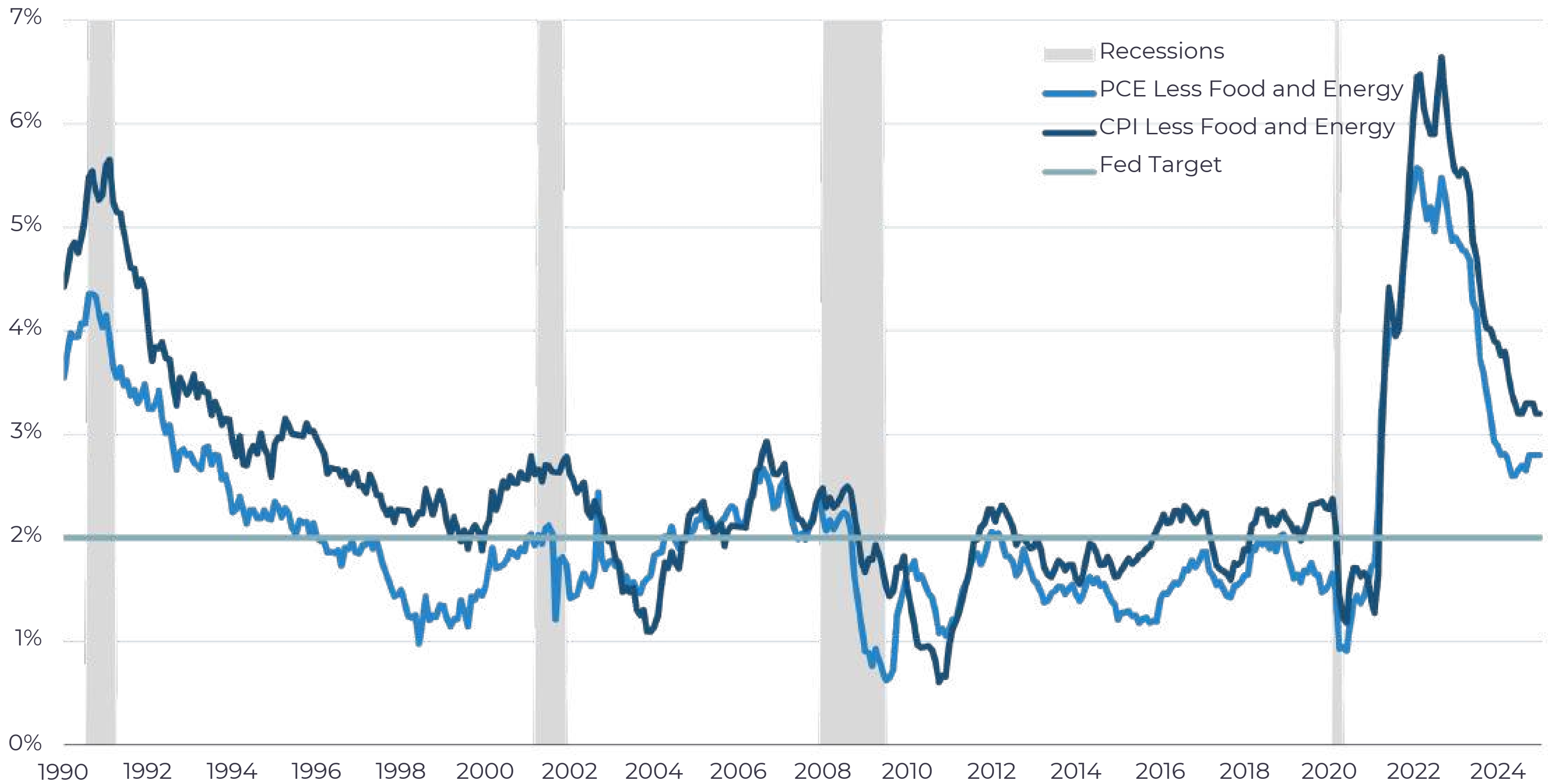


Source: U.S. Bureau of Economic Analysis (Reported quarterly)

U.S. consumer prices rose by 0.4% in December, the largest increase in nine months, driven largely by a 2.6% surge in energy costs, particularly a 4.4% rise in gasoline prices. Food prices also climbed, with egg prices soaring 3.2% due to an avian flu outbreak. Year-over-year, inflation stood at 2.9%, up from 2.7% in November. Despite the increase, underlying inflation pressures showed signs of easing, leading financial markets to anticipate a Federal Reserve rate cut in June. However, concerns remain over inflationary risks from potential tariffs, mass deportations, and tax cuts proposed by President-elect Donald Trump. The Fed has adjusted its rate-cut outlook accordingly, maintaining a cautious approach. Inflation for 2024 slowed to 2.9% from 4.1% in 2023 but remains above the Fed's 2% target, keeping consumers wary of rising prices.

Inflation Outlook

ConsumerPriceIndex(Core) and Personal ConsumptionExpendituresPriceIndex(Core) (Y/Y % Change)

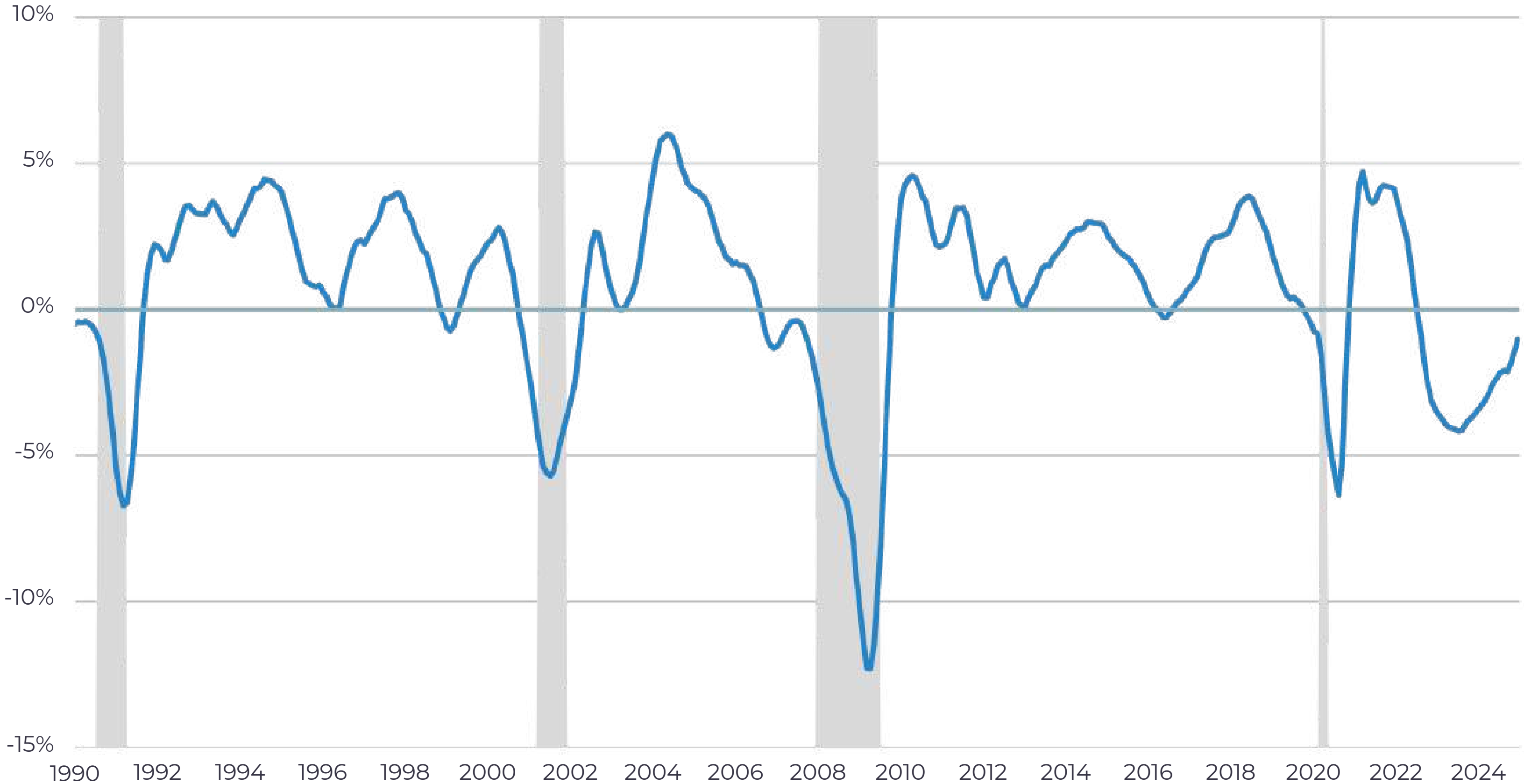


Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis (Reported monthly)

The Conference Board Leading Economic Index (LEI) for the U.S. declined slightly by 0.1% in December 2024, following a 0.4% increase in November. The LEI fell 1.3% in the second half of 2024, indicating fewer economic headwinds compared to earlier in the year. Weak consumer confidence, lower manufacturing orders, rising unemployment claims, and fewer building permits contributed to the decline, though half of the index's components showed positive trends. According to the Conference Board, economic growth is expected to remain strong, with GDP projected to grow by 2.3% in 2025.

U.S. Economic Outlook

Leading Economic Index (Six-MonthMovingAverageoftheSix-MonthRateof Change)

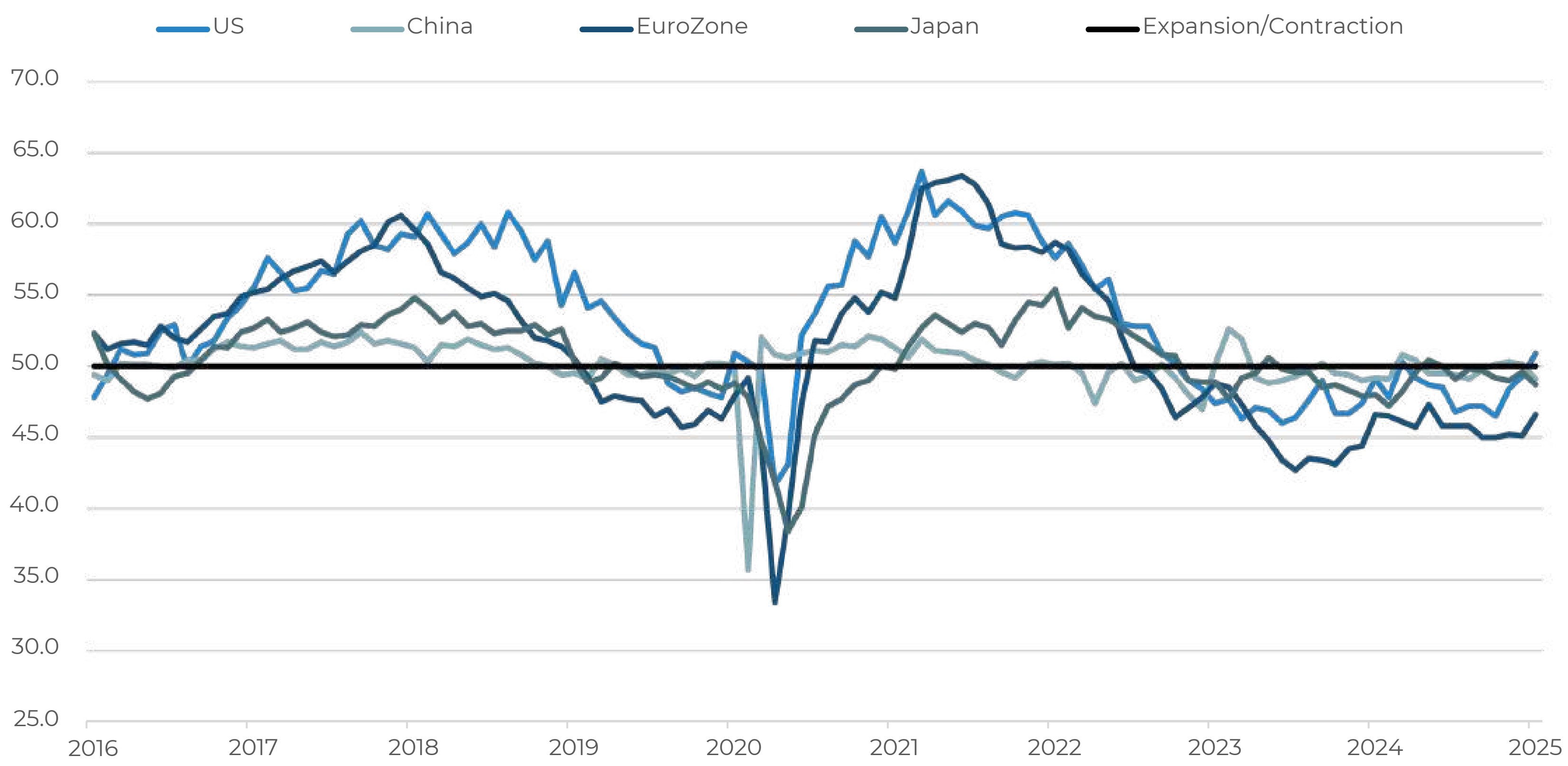


Source: Conference Board (Reported monthly)

Global economic growth slowed at the start of 2025 as manufacturing rebounded, but service sector expansion eased. The J.P. Morgan Global Composite PMI® fell to a 12-month low of 51.8 in January from 52.6 in December, though it remained above the neutral 50.0 mark. Service sector activity, which has outpaced manufacturing for 25 months, slowed to a 13-month low, with financial services seeing the sharpest decline. Meanwhile, manufacturing showed signs of recovery, with production and new orders returning to growth. Consumer goods output rose at its fastest pace in seven months, while intermediate goods saw marginal growth. However, investment goods production continued to decline for the eighth consecutive month. Despite the slowdown, job creation and business optimism reached their highest level since May 2024.

Global Economic Outlook

ManufacturingPurchasing ManagersIndex(PMI) (APMIover50representsgrowth inmanufacturing)

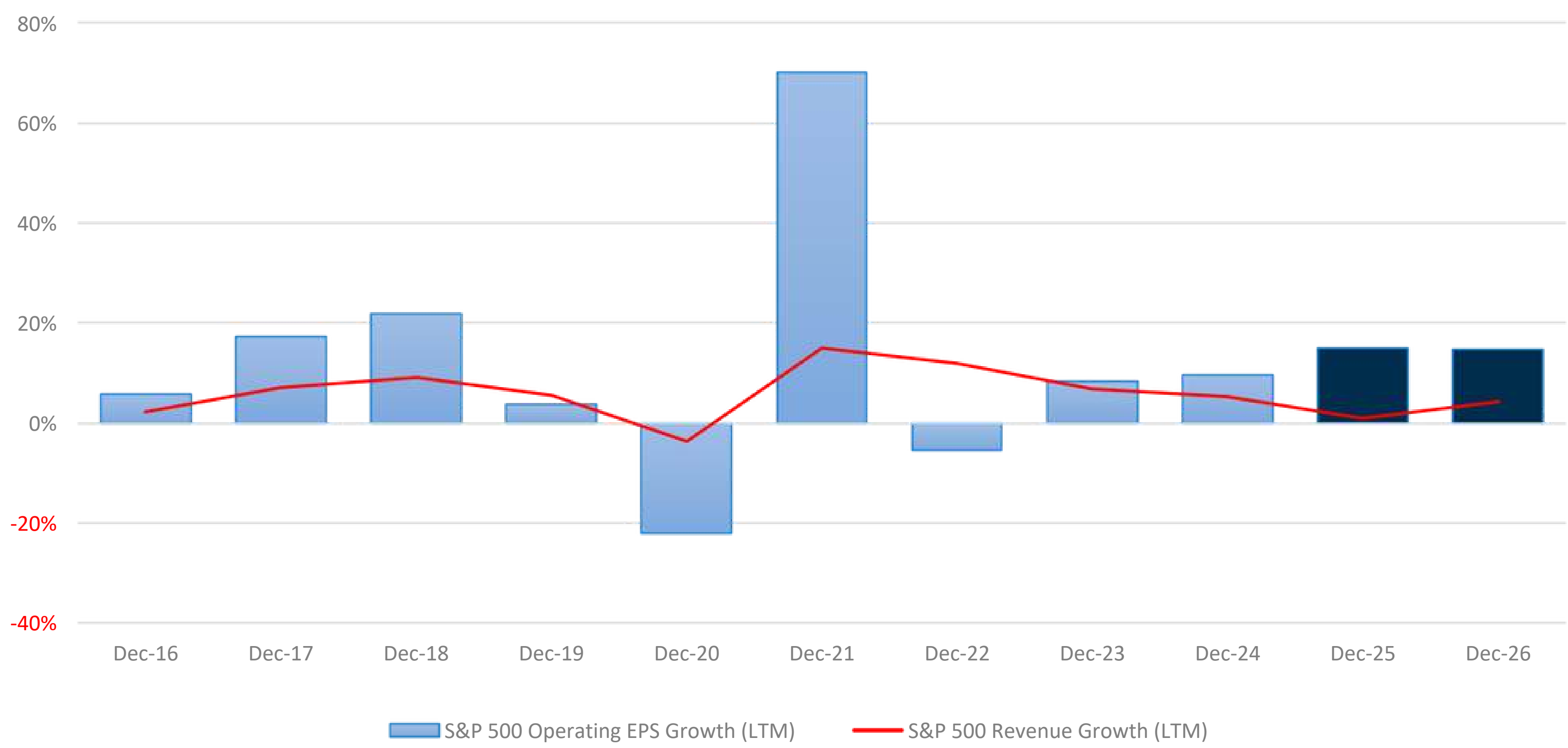


Source: ISM, Markit

AccordingtoFactSet,thebottom-upprice target for the S&P 500 over the next 12 months is 6888, which is 13.2% above the closing price of 6083. At the sector level, the Information Technology (+18.3%) and Energy (+18.1%) sectors are expected to see the largest price increases. On the other hand, the Consumer Staples (+7.2%) and Financials (+7.6%) sectors are expected to see the smallest price increases. Overall, there are 12,342 ratings on stocks in the S&P 500. Of these 12,342 ratings, 54.6% are Buy ratings, 39.6% are Hold ratings, and 5.8% are Sell ratings. At the sector level, the Communication Services (63%), Energy (63%), and Information Technology (61%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (41%) sector has the lowest percentage of Buy ratings.

Corporate Profitability

S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)

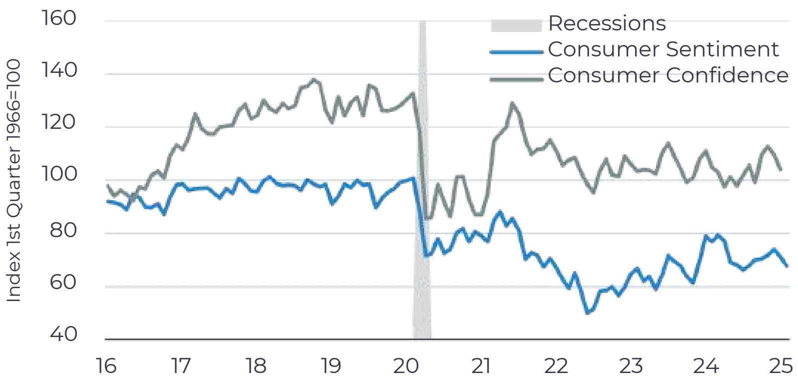


Source:S&PDow JonesIndices(Reportedmonthly)

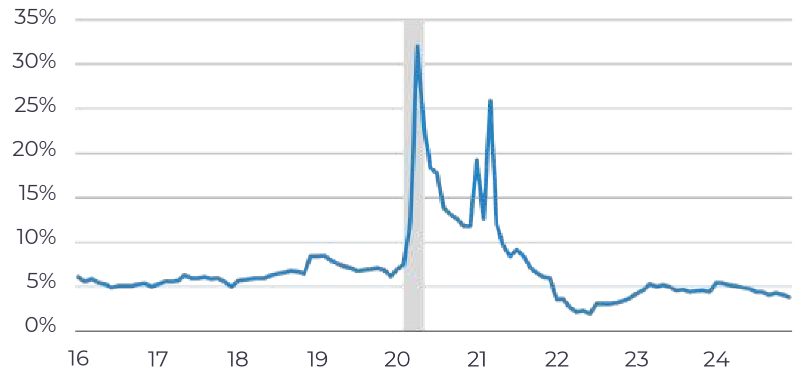
The Conference Board Consumer Confidence Index® fell to 104.1 in January, down 5.4 points from December. The Present Situation Index saw a sharp drop of 9.7 points due to weaker assessments of business and labor market conditions, while the Expectations Index declined slightly but remained above recession-warning levels. Younger consumers (under 55) and high-income households (over $125K) saw the largest decline in confidence, while lower-income households reported gains. Despite the overall decline, consumers had a more positive view of their family's financial situation, with expectations for family finances reaching a record high. Inflation expectations ticked up from 5.1% to 5.3%, and over half of consumers expect higher interest rates in the next 12 months, aligning with the Fed's cautious stance on rate cuts.

Consumer Outlook

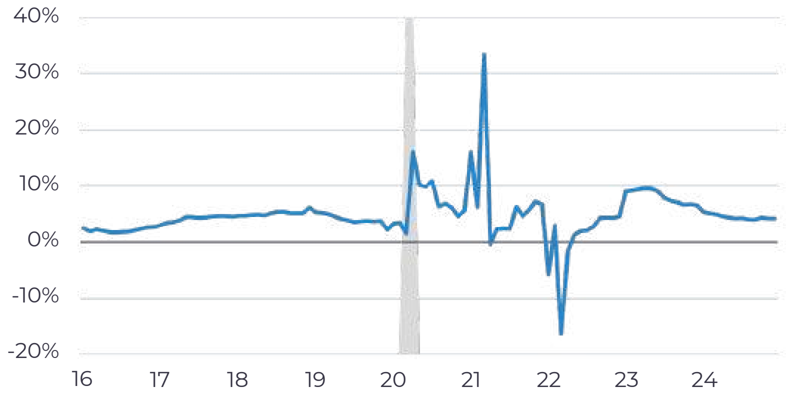
Consumer Sentiment & Confidence Indexes



PersonalSavingRate (SeasonallyAdjustedAnnual Rate)



DisposablePersonal Income (Y/Y% Change)



Personal Consumption Expenditures (Y/Y % Change)

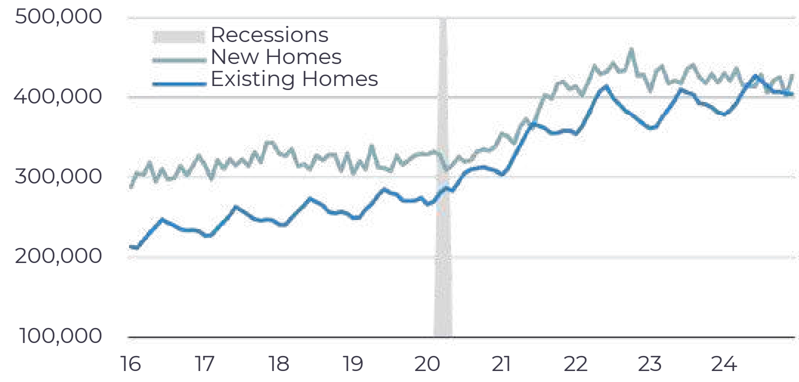
Source: Thomson Reuters/University of Michigan, Conference Board, U.S. Bureau of Economic Analysis (Reported monthly)

Despite strong housing demand, homebuying activity in 2024 declined due to affordability issues tied to rising home prices and higher mortgage rates. In early 2025, 30-year mortgage rates remain around 7%, lower than 2024's peak but still above pre-2022 levels. Existing home sales saw a 2.2% monthly increase in December, though 2024 marked the lowest annual sales level in nearly 30 years. Low inventory remains a concern as homeowners with low mortgage rates hesitate to sell. New home sales rose 3.6% in December and were up 6.7% year-over-year, but homebuilder sentiment remains neutral due to market uncertainties, including potential immigration crackdowns, tariffs affecting building costs, and interest rate shifts.

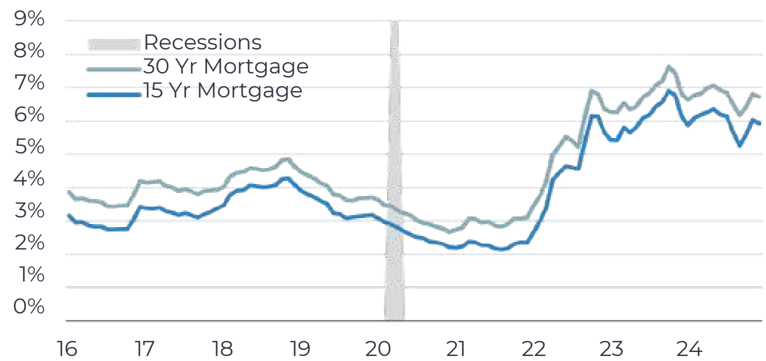
Housing Market Outlook

HousingAffordability(higher =more affordable)

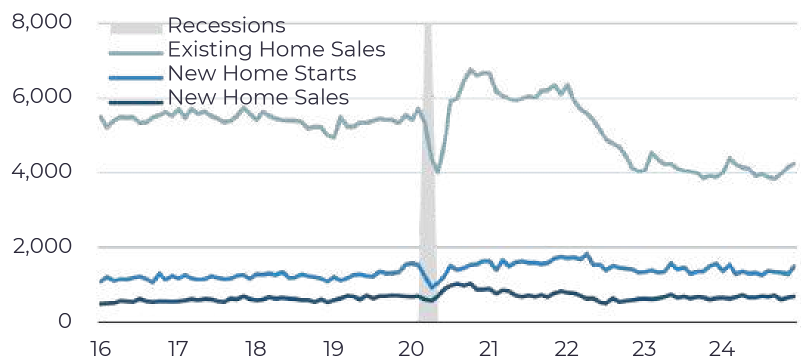
MedianSellingPriceof NewandExistingHomes



AverageFixedRate Mortgageinthe U.S.©



HousingStarts,Existing HomeSalesand New Home Sales(000's)

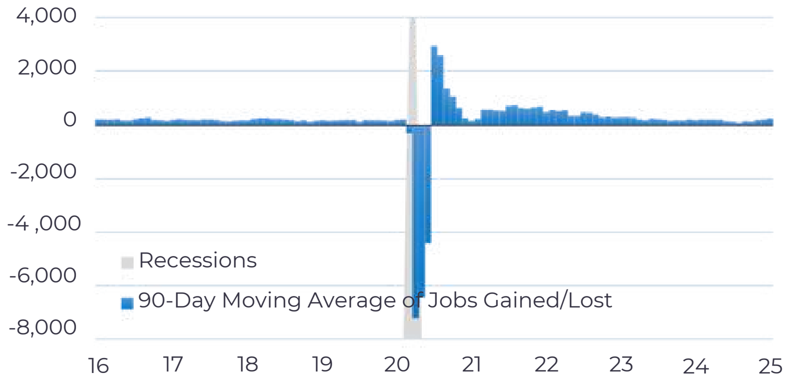


Source:NationalAssociationofRealtors,FreddieMac,U.S. BureauoftheCensus(Reportedmonthly)

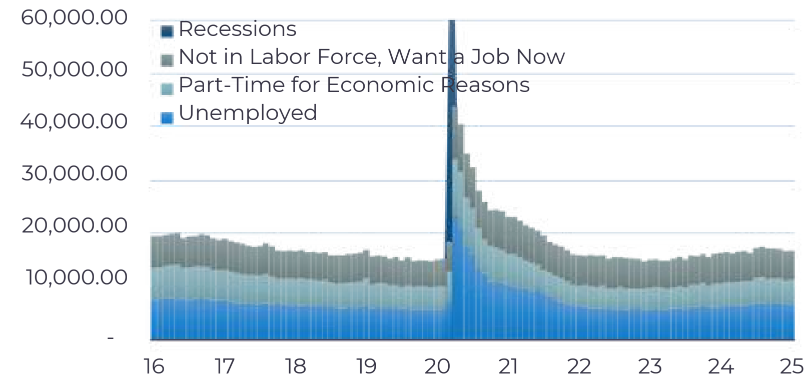
U.S. job growth slowed in January, with 143,000 jobs added - lower than expected - following strong upward revisions of the previous two months. Unemployment fell to 4.0%, giving the Federal Reserve reason to delay interest rate cuts until at least June. Wage growth was strong, with average hourly earnings rising 0.5%, the highest in five months, helping to sustain consumer spending. Concerns over immigration policies and tariffs under President Trump could impact labor and economic growth. January's job gains were led by healthcare (+44,000), retail (+34,000), and government (+32,000), while employment in key sectors like construction and manufacturing remained stagnant. Despite downward revisions showing 598,000 fewer jobs created in the past year, the labor market remains resilient.

Labor Market Outlook

JobsGained/Lost (000's)with12-MonthMovingAverage

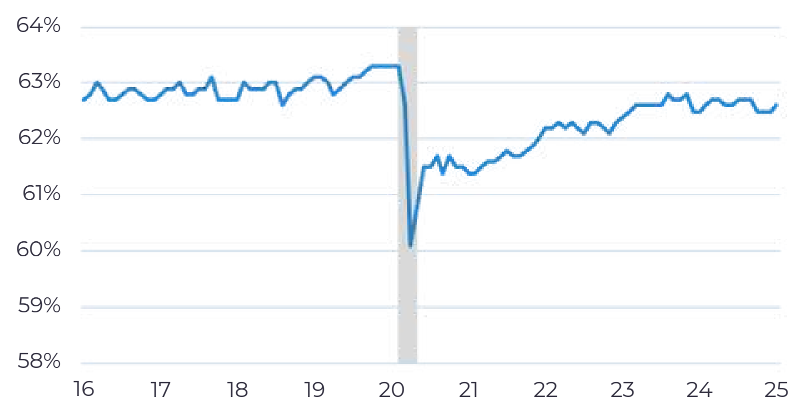


Labor Market Slack (000's)



Wage Growth (Y/Y % Change)

Labor Force Participation Rate



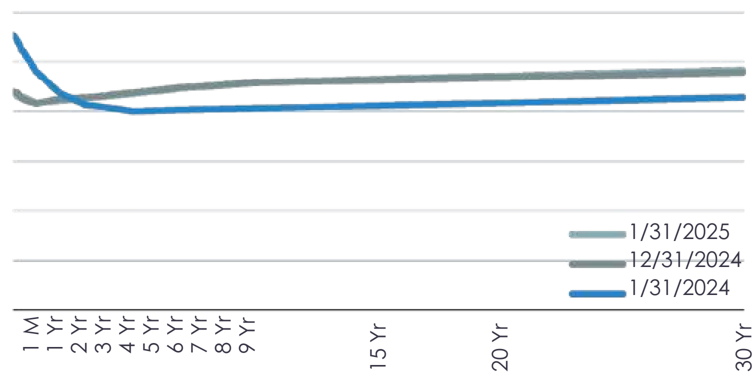
Source:U.S.BureauofLaborStatistics,(Reportedmonthly,WageGrowth reportedquarterly)

BOND MARKET PERSPECTIVE

Inflation remains a major concern for global financial markets in 2025, with five out of eleven Group of Ten countries exceeding central bank targets. U.S. inflation, measured by the CPI, rose to 2.9% in December 2024, prompting the Federal Reserve to keep interest rates steady in January 2025. Despite volatility, U.S. bond yields remained relatively stable, with the 10-year Treasury yield at 4.58% on January 31, down slightly from its recent high. The 2-year Treasury yield stood at 4.22%, reflecting market expectations that the Fed will make fewer interest rate cuts than previously anticipated. Investors remain cautious, with futures markets now pricing in fewer than two rate cuts for 2025, a significant reduction from the seven cuts expected in late 2024.

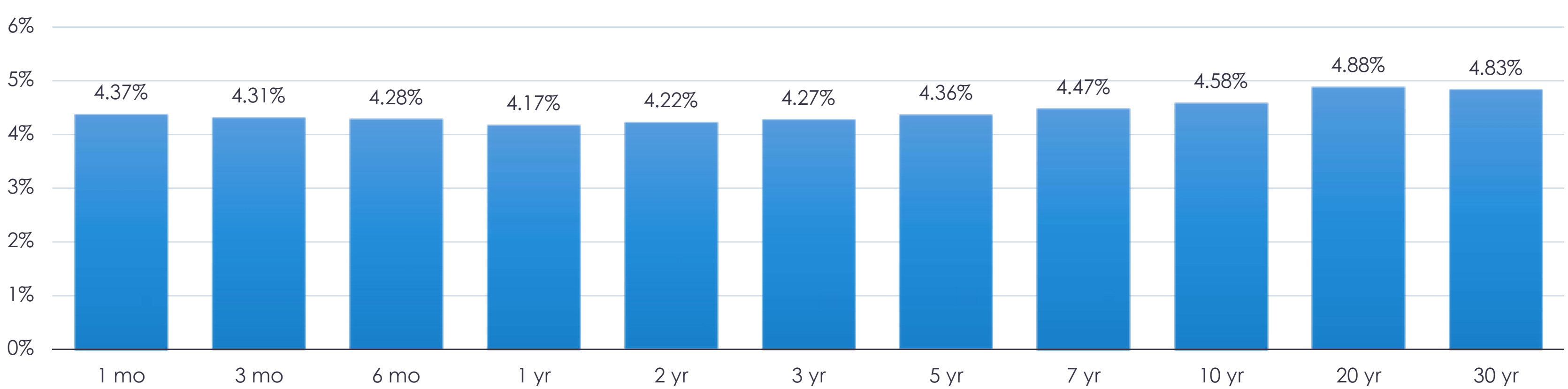
U.S. Treasury Market

U.S Treasury Yield Curve



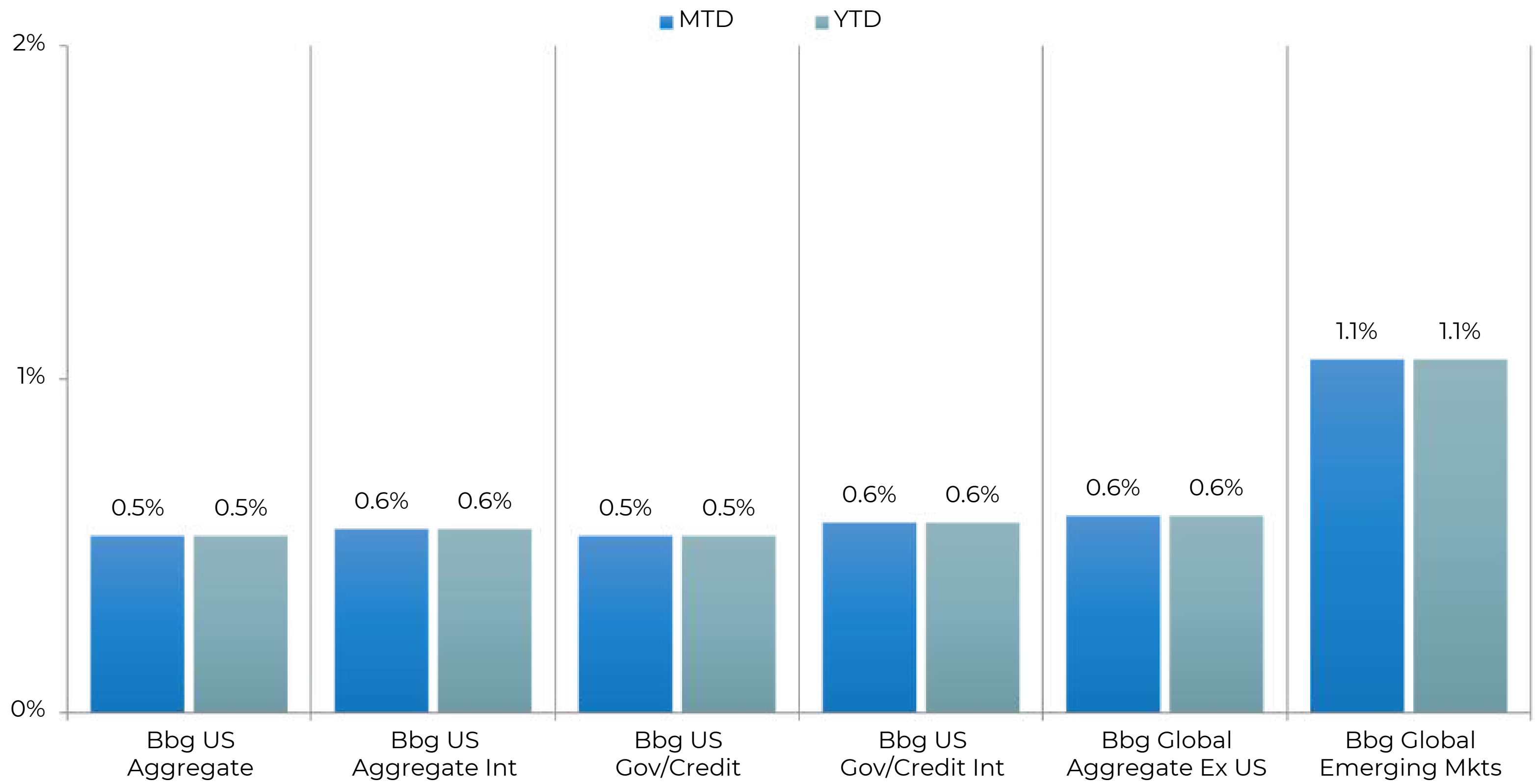
HistoricalU.S.10-Year TreasuryRate

Current U.S.TreasuryYieldsbyMaturity



Source: U.S. Department of Treasury

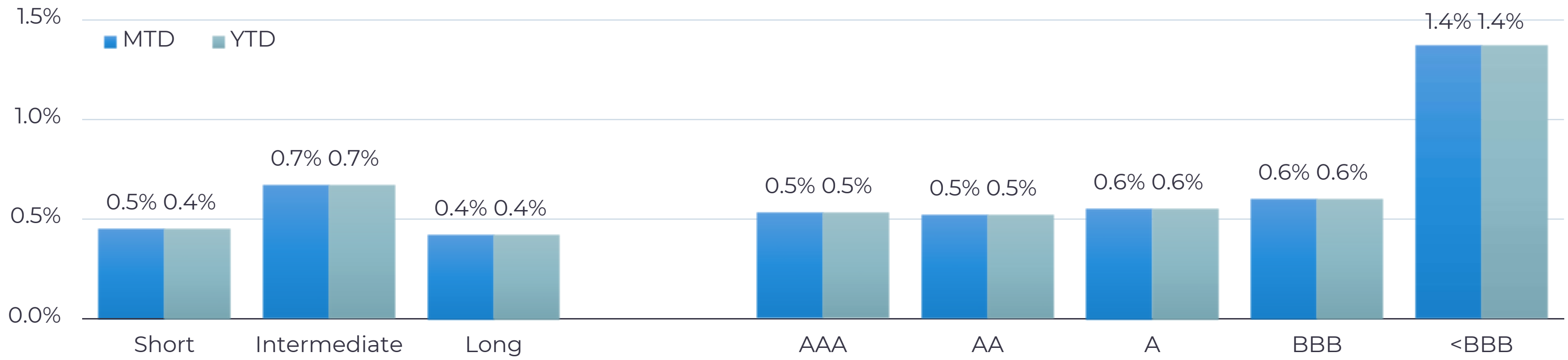
Global Fixed Income Returns by BellwetherIndex



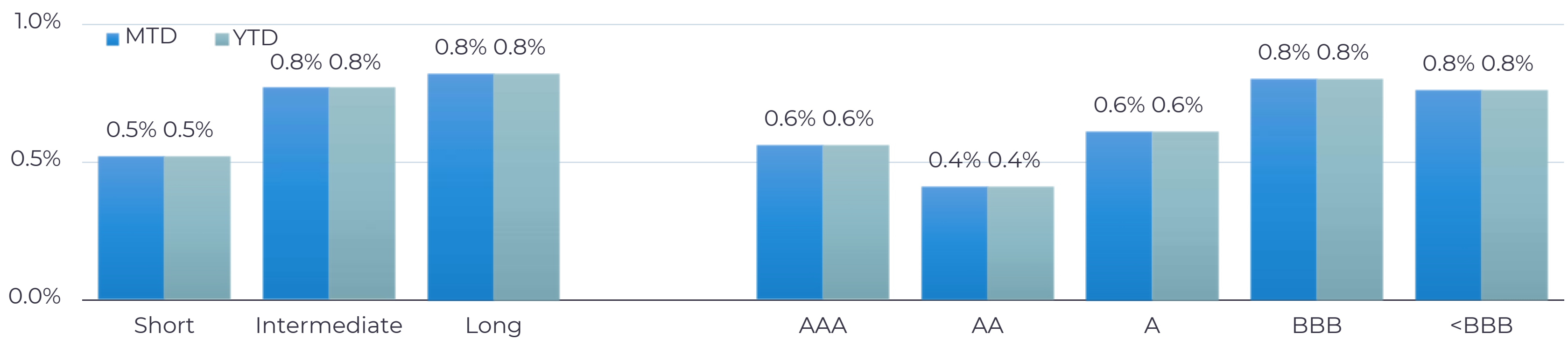
Source:Bloomberg Barclays(BB)

Domestic Fixed Income Returns byMaturity andCreditQuality

Domestic Bond Market - Taxable



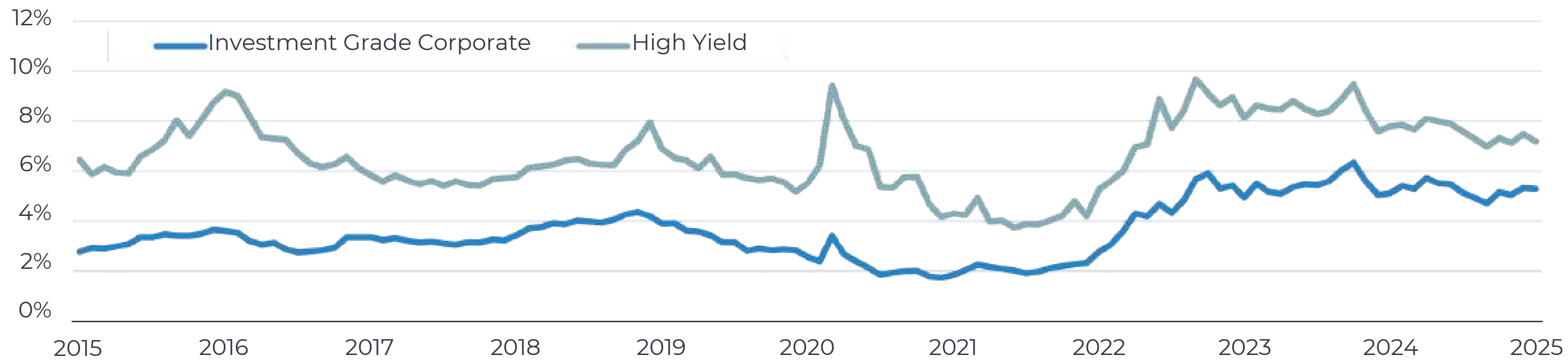
DomesticBond Market-Municipal



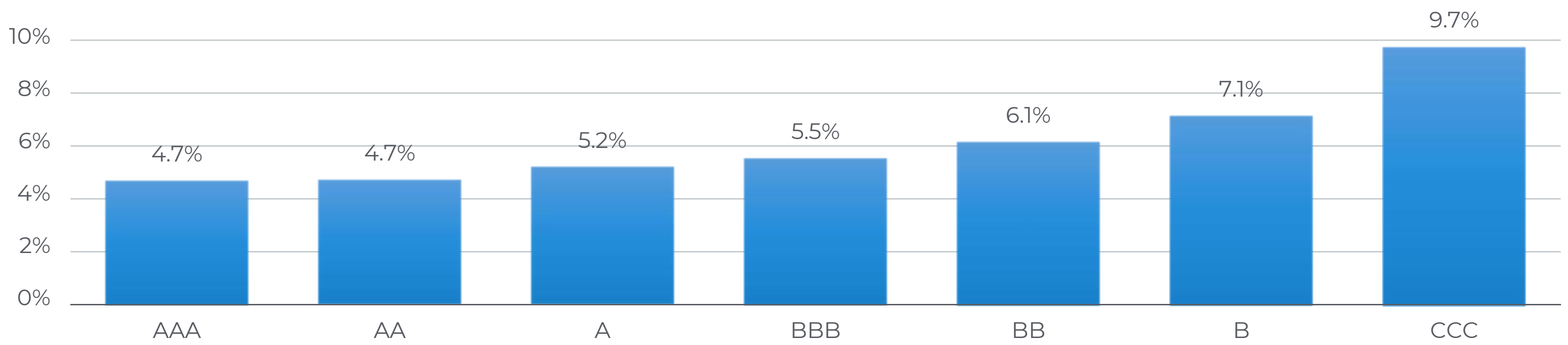
Short is defined as 1-3 years for taxable and 3 years for municipal, Intermediate is 5-7 years for taxable and 6-8 years for municipal, Long is 10+ years for taxable and 8-12 years for municipal. Source: Bloomberg Barclays Aggregate Bond Index (taxable bond market) and Bloomberg Barclays Municipal Index (municipal bond market).

Domestic Fixed Income Bond Yields

HistoricalCorporateBondMarketYieldto Worst



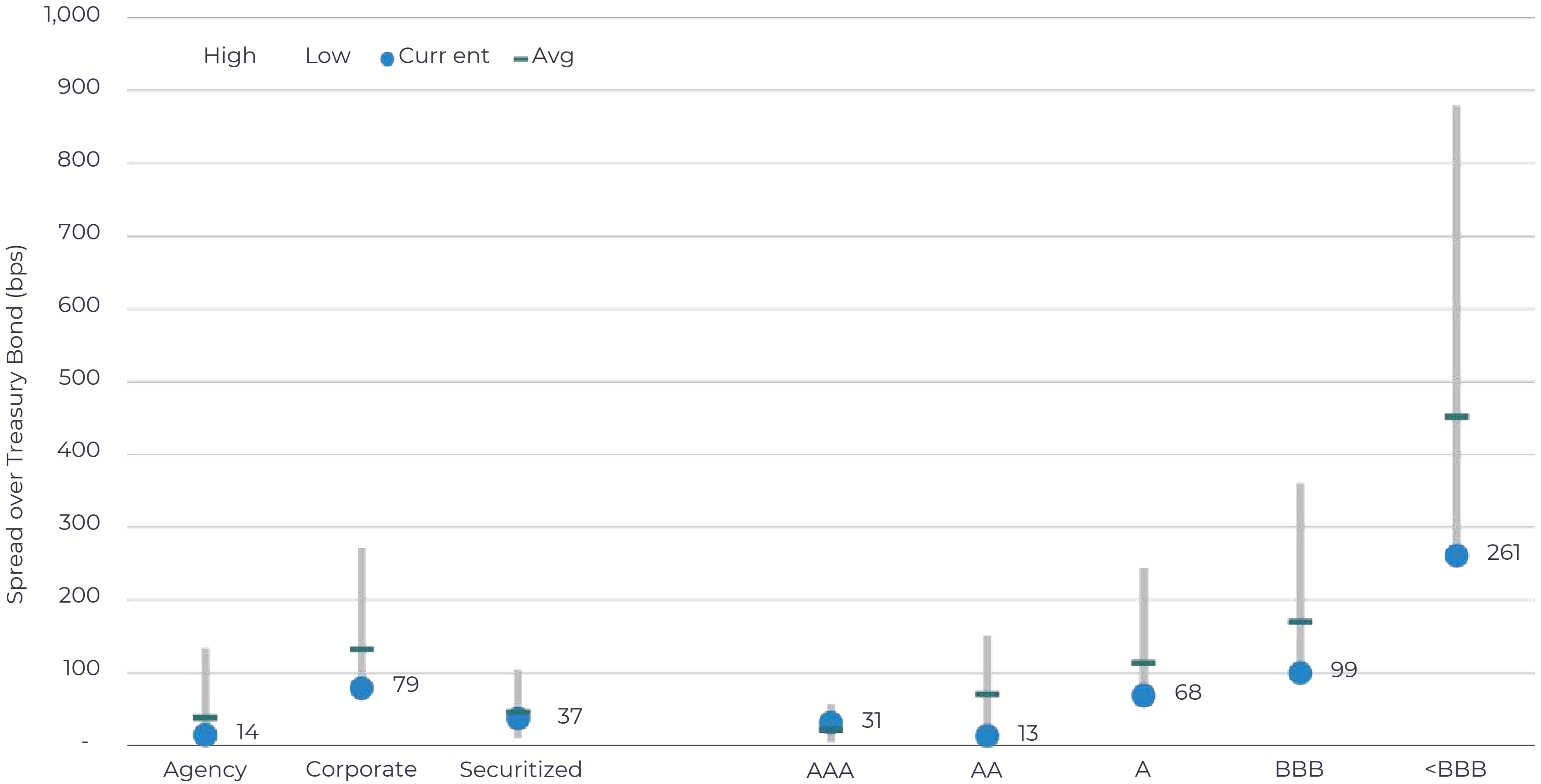
Current Corporate Bond Market Yields by Credit Quality



Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

Domestic Fixed Income Bond Spreads

Current Bond Spreads Compared to 15-Year Range and 15-Year Average



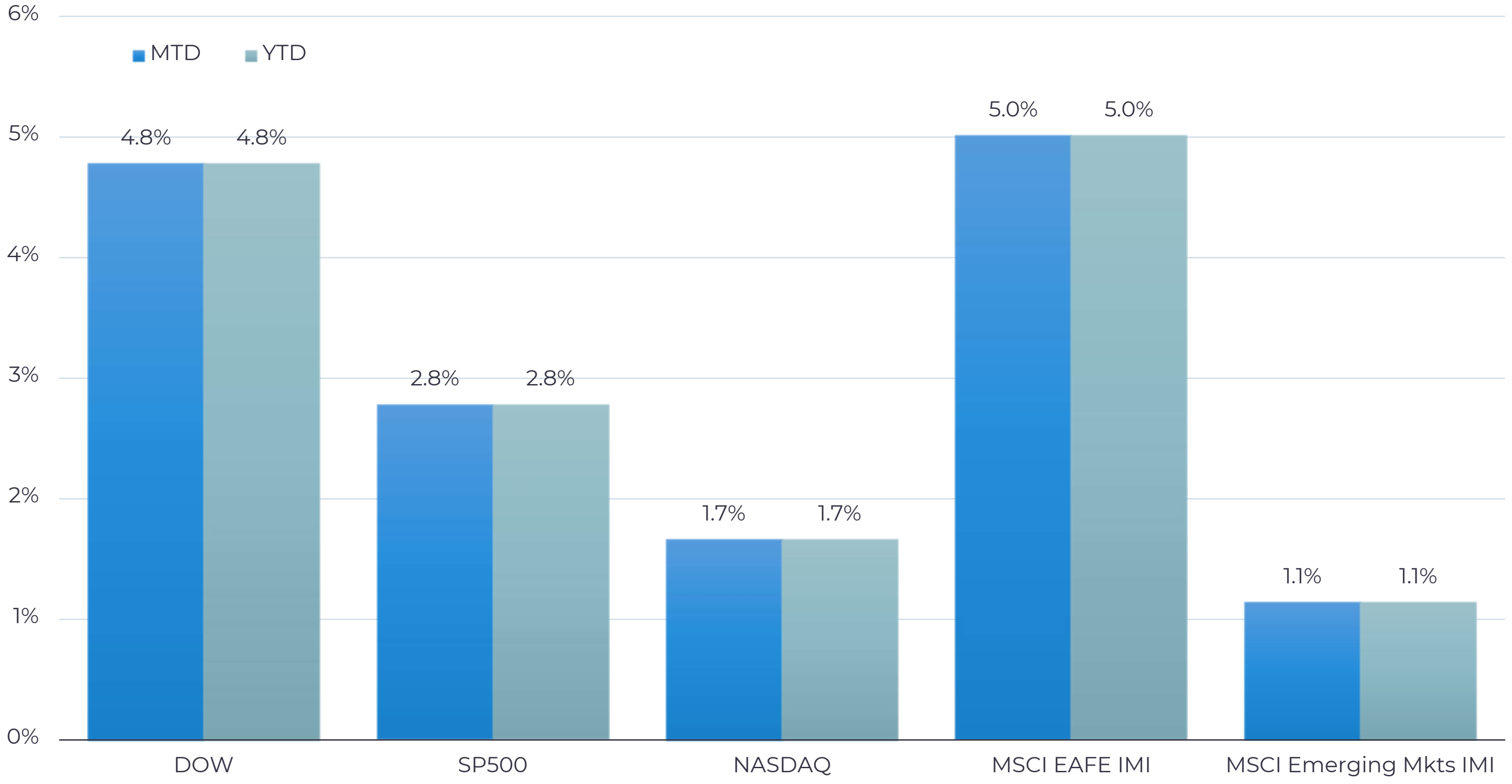
The lengthofeachbarrepresentstheRangeofthehighestandlowestspreadto theTreasurybenchmarkoverthepast15years.Averagerepresents theaveragespreadoverthepast 15years.Current representsthemostrecentmonth.Source:Bloomberg Barclays

EQUITY MARKET PERSPECTIVE

Reports of a highly efficient AI model from China triggered a sharp one day sell off in tech stocks, causing the Nasdaq to fall 3.07% on January 27. The S&P 500 ended January with a 2.8% total return, with ten of eleven sectors seeing gains. Communication Services led with a 9.1% increase, while Information Technology fell 2.9%. Mid-Cap and Small-Cap indices also posted gains of 4.3% and 2.6%, respectively. Despite concerns over valuation, the S&P 500's high price-to-earnings (P/E) ratio of 27 is driven largely by the largest companies. The bottom 450 stocks have a more modest forward P/E of 18, while the top 10 stocks have a forward P/E of 31. Market breadth remains narrow, with ~28% of S&P 500 stocks outperforming the index in the past two years, a level last seen in 1998.

Global Equity Returns by Bellwether Index

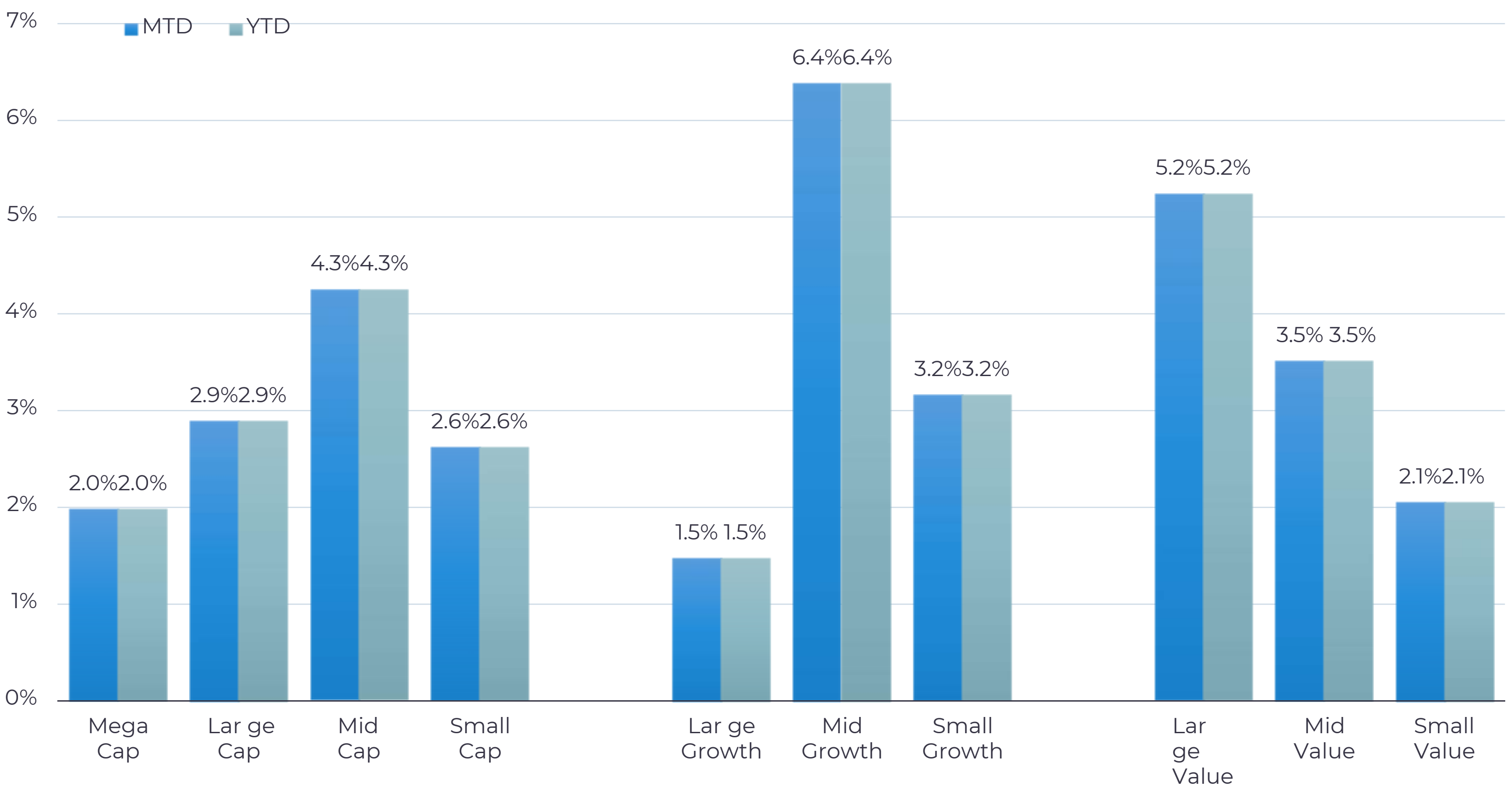
Global Equity Markets



Source:S&PDow Jones,NASDAQ,MSCI

Domestic Equity Returns by Market Cap & Style

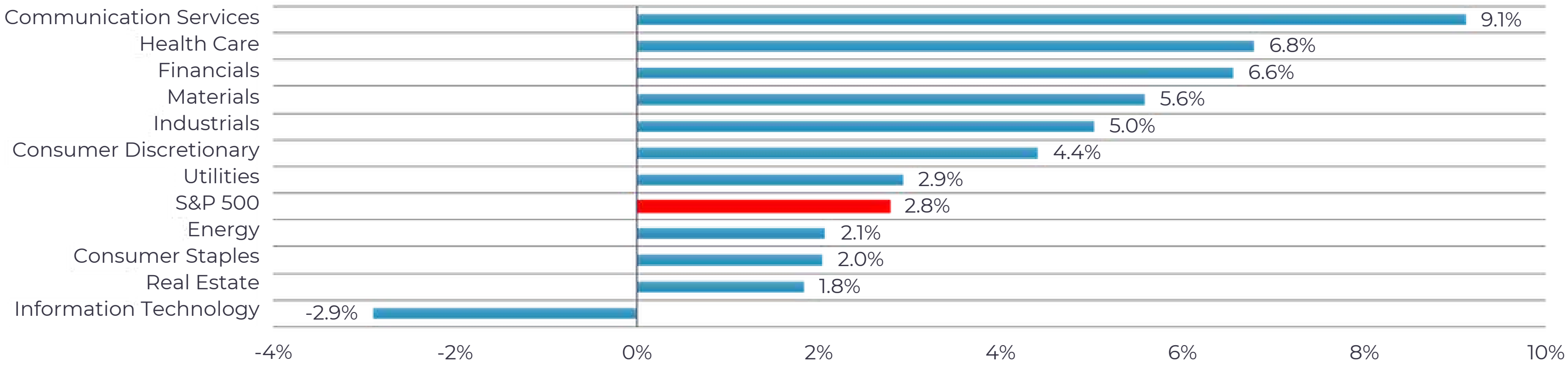
Domestic Equity Markets



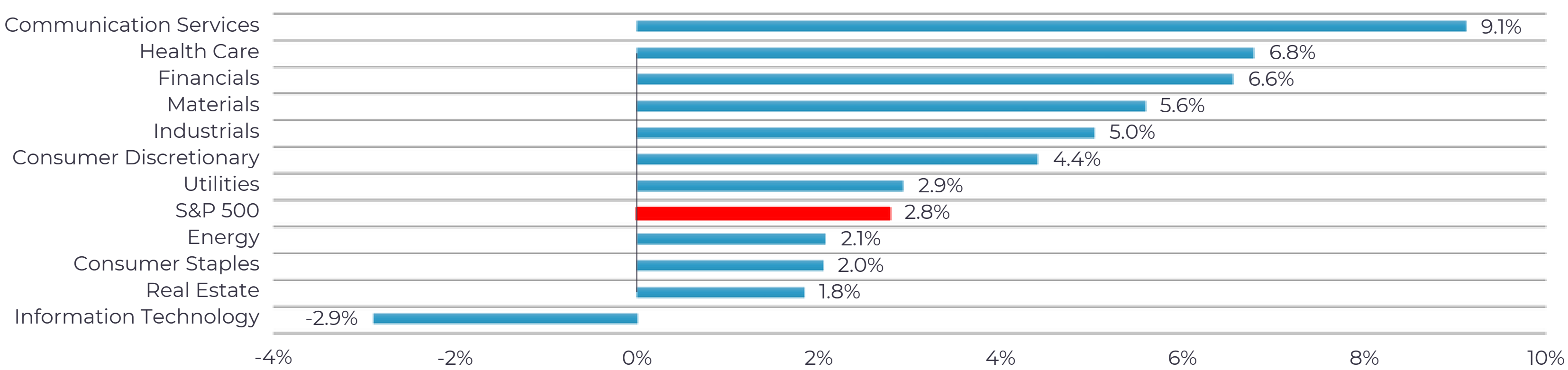
Assetclassesarerepresentedbythefollowingbenchmarks:RussellTop50(Mega),RussellTop 200 (Large),RussellMidcap(Mid), Russell2000 (Small).Source:Russell

Domestic Equity Returns by Sector

MTDS&P 500 ReturnsbySector



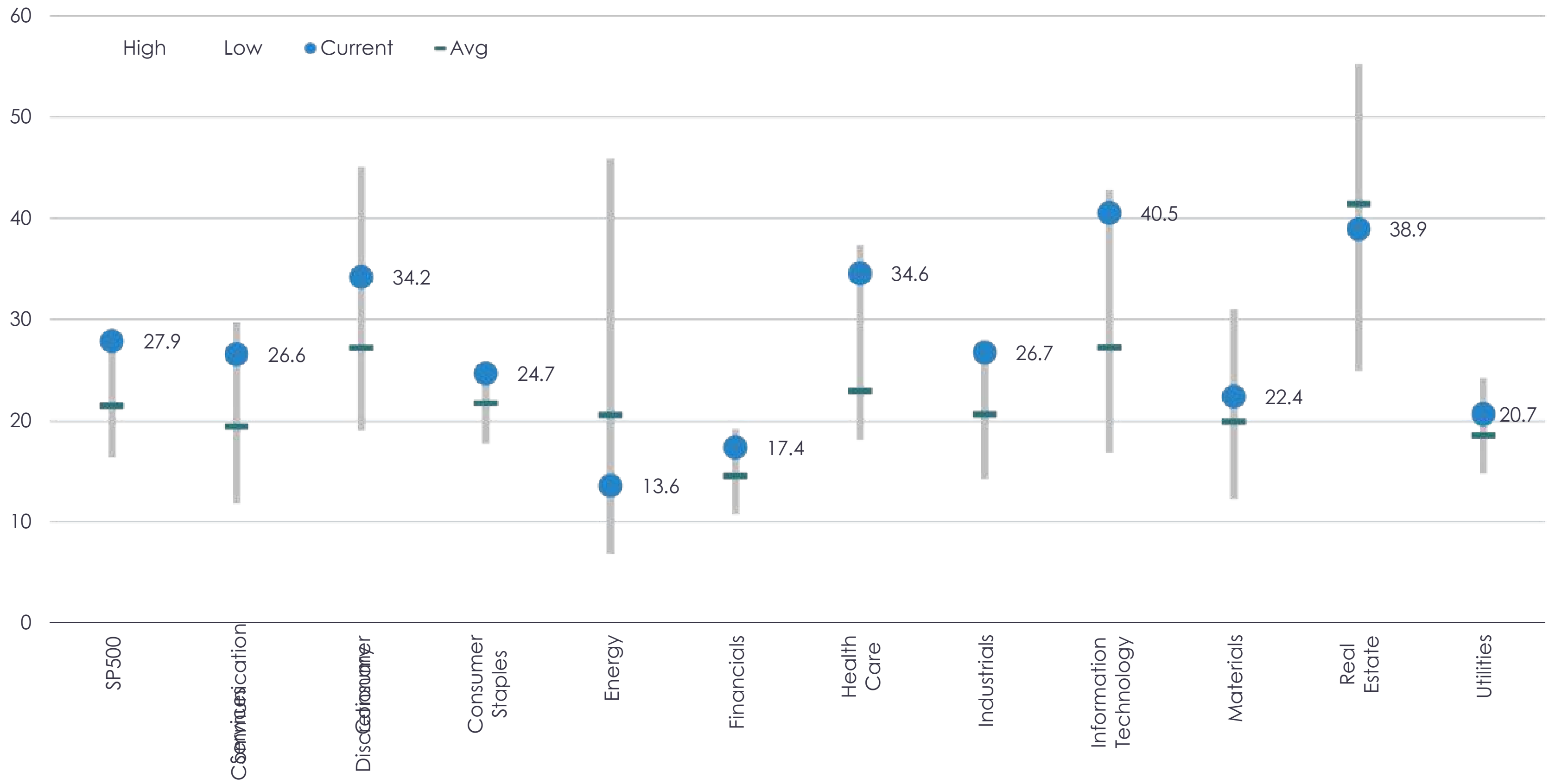
YTDS&P 500ReturnsbySector



Source: S&P Dow Jones

Domestic Equity Valuations by Sector

Trailing12 MonthP/ERatioComparedto10-YearRange and10-YearAverage



P/Eratiosarebasedontrailing12monthsearnings(LTM)excludingnegativeearnings. ThelengthofeachbarrepresentstheRangeofthehighestandlowestP/Eratiooverthepast10 years.Averagerepresents theaverageP/Eratiooverthepast10years.Currentrepresentsthemost recentmonth.Source: Bloomberg

Economic Indicator Descriptions

- Real Gross Domestic Product (GDP): GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.
- Consumer Price Index (CPI): Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.
- Personal Consumption Expenditure Chain-type Price Index (PCEPI): Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.
- Conference Board Index of Leading Economic Indicators (LEI): The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.
- The Institute for Supply Management (ISM) PMI Index: The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.
- The Institute for Supply Management (ISM) Non-manufacturing Index (NMI): The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.
- Consumer Confidence Index (CCI): The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.
- Consumer Sentiment Index (MCSI): The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MSCI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.
- Disposable Personal Income per Capita (DPI): DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.
- Personal Consumption Expenditures (PCE): PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.
- Retail Sales: The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.
- Housing Affordability Index (HAI): Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.
- Unemployment Rate: Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.
- Wage Growth: Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

Benchmark Descriptions

- U.S. Aggregate Bond: The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.
- U.S. Treasury: The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.
- U.S. Agency: The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi- federal corporations, and corporate and foreign debt guaranteed by the U.S. government.
- U.S. Corporate: The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- U.S. MBS: The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
- U.S. Municipal Bond: The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.
- General Obligation Bond Index: The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.
- Revenue Bond Index: The Barclays Revenue Bond Index measures the average market- weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.
- Investment Style: Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).
- Large Cap vs. Small Cap: Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.
- Value vs. Growth: Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.
- Mega Cap: The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 index.
- Large Cap: The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 index.
- Mid Cap: The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.
- Small Cap: The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
- Large Cap Growth: The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.
- Large Cap Value: The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
- Mid Cap Growth: The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.
- Mid Cap Value: The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.
- Small Cap Growth: The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.
- Small Cap Value: The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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