COMMENTARY | Q2 2025

Management Team
Jean Paul Lagarde
Chief Investment Officer

Michael L. Thomas
Senior Portfolio Manager

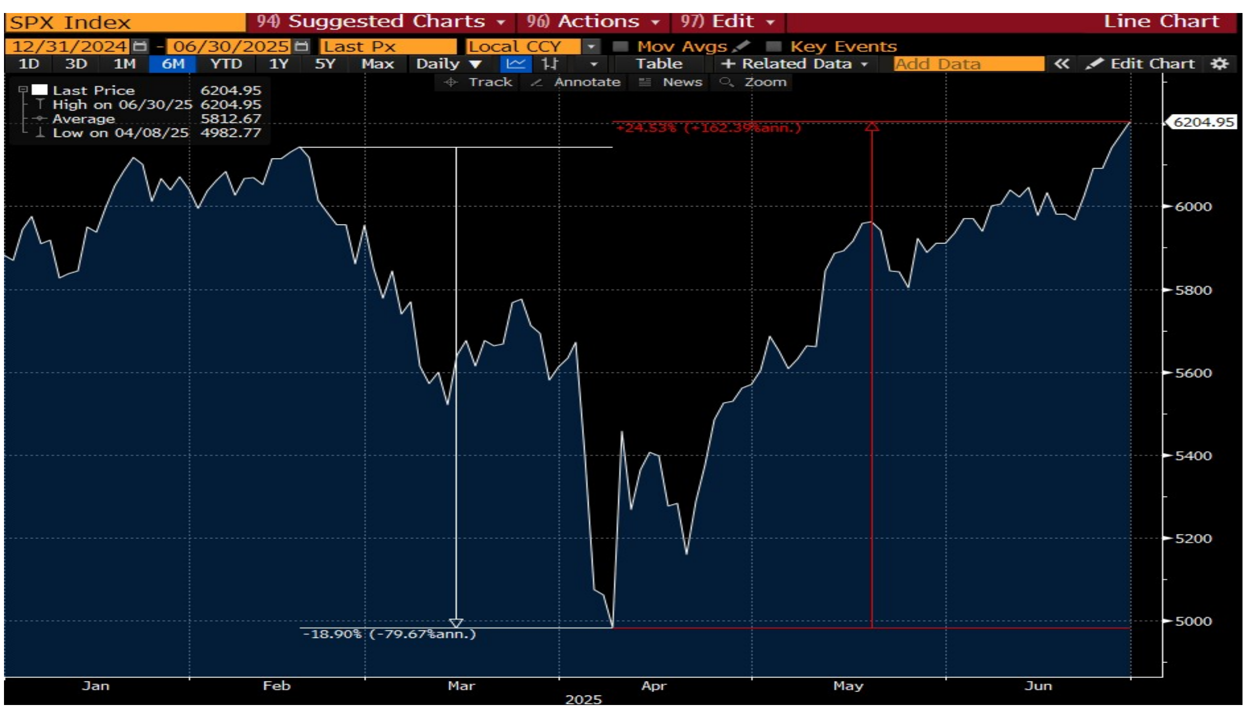
Second Quarter 2025 Market Review

It was clearly a volatile quarter with several different crosscurrents driving global markets including a massive sell-off in early April associated with the "Liberation Day" tariff announcements and a relatively quick recovery as tariff implementations were delayed to allow time for countries to negotiate a better deal with the United States.

U.S. stocks put up another strong quarter with the large cap S&P 500 ending at new highs, however, there was quite a bit of turbulence getting there. Investors entered the quarter cautiously after a difficult start to the year as concerns over President Trump's yet-to-be-announced trade policies and doubts regarding the longevity of the AI trade had investors taking profits in the large cap growth stocks that had driven markets over the last several quarters and taking a more defensive stance in Consumer Staples, Health Care, and other risk-off assets such as U.S. Treasuries. As it turns out, investors still underestimated the aggressiveness of the President's initial plan as the tariffs announced on "Liberation Day" were significantly more aggressive than most expected. This led to another material sell-off with the S&P down nearly 20% from its February highs to its lows in early April. The tone of global markets completely shifted on April 9th when the president paused the latest round of tariffs. The S&P 500 then rallied 25% to the end of the quarter. We saw similar action across the cap spectrum, but we would note the very strong rebound for the growth indices in the quarter as AI fundamentals remained strong helping alleviate some of the concerns that surfaced in the first quarter.

Weakness in the U.S. Dollar, more attractive valuations, and less perceived political instability drove continued strength in international markets (particularly in dollar terms).

Second Quarter S&P 500 Index



Source: Bloomberg

AIQ ASSET MANAGEMENT

Management Team
Jean Paul Lagarde
Chief Investment Officer

Michael L. Thomas
Senior Portfolio Manager

Second Quarter 2025 Returns for Magnificent Seven and Major Indices

Range 03/31/2025 - 06/30/2025 Period Daily No. of Period 91 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	SPX Index	USD	10.57%	10.94%	-8.00%	51.66%
2)	SGX Index	USD	18.74%	18.94%	--	100.49%
3)	SVX Index	USD	2.46%	3.00%	-15.94%	12.57%
4)	MID Index	USD	6.29%	6.71%	-12.23%	29.74%
5)	SML Index	USD	4.44%	4.90%	-14.04%	21.13%
6)	BM7T Index	USD	21.00%	21.00%	2.07%	114.84%

Range 04/08/2025 - 06/30/2025 Period Daily No. of Period 83 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	SPX Index	USD	24.53%	24.92%	-8.17%	166.00%
2)	SGX Index	USD	32.89%	33.09%	--	251.50%
3)	SVX Index	USD	16.13%	16.69%	-16.40%	97.16%
4)	MID Index	USD	21.16%	21.61%	-11.48%	136.39%
5)	SML Index	USD	20.58%	21.07%	-12.02%	131.84%
6)	BM7T Index	USD	36.99%	36.99%	3.90%	299.16%

Source: Bloomberg

Select Equity/Fixed Income/ Commodity Index Performance

U.S. Equity Indices	Q1-25	Q2-25	2025
S&P 500 INDEX	-4.3%	10.9%	6.2%
NASDAQ Composite Index	-10.3%	18.0%	5.9%
Dow Jones Industrial Average	-0.9%	5.5%	4.5%
Russell 1000 Index	-4.5%	11.1%	6.1%
Russell 1000 Growth Index	-10.0%	17.8%	6.1%
Russell 1000 Value Index	2.1%	3.8%	6.0%
Russell Midcap real-time Index	-3.4%	8.5%	4.8%
Russell Midcap Growth Index	-7.1%	18.2%	9.8%
Russell Midcap Value Index	-2.1%	5.3%	3.1%
Russell 2000 Index	-9.5%	8.5%	-1.8%
Russell 2000 Growth Index	-11.1%	12.0%	-0.5%
Russell 2000 Value Index	-7.7%	5.0%	-3.2%
Invesco S&P 500 Equal Weight E	-0.7%	5.3%	4.6%
Global/International Indices			
MSCI World Index	-1.7%	11.6%	9.7%
MSCI World Excluding United St	6.4%	12.3%	19.5%
MSCI World Local	-2.4%	9.9%	7.2%
MSCI Emerging Markets Index	3.0%	12.2%	15.5%
MSCI EM Local	2.1%	7.0%	9.3%

U.S. Fixed Income	Q1-25	Q2-25	2025
Bloomberg US Agg Total Return	2.8%	1.2%	4.0%
Bloomberg US Treasury Total Re	2.9%	0.8%	3.8%
Bloomberg US Corporate Total R	2.3%	1.8%	4.2%
Bloomberg US Corporate High Yi	1.0%	3.5%	4.6%
Commodities			
Bloomberg Commodity Index	7.7%	-4.1%	3.3%
United States Oil Fund LP	2.4%	-5.5%	-3.2%
SPDR Gold Shares	19.0%	5.8%	25.9%
iShares Silver Trust	17.7%	5.9%	24.6%
United States Copper Index Fun	25.6%	0.1%	25.8%
Bloomberg Galaxy Bitcoin Index	-11.7%	30.4%	15.2%

Returns Through June 30, 2025

Source: Bloomberg

Returns by Size and Style (Q2-25)

	Value	Core	Growth
Russell 1000 (Large Cap)	3.8%	11.1%	17.8%
Russell Mid Cap	5.3%	8.5%	18.2%
Russell 2000 (Small Cap)	5.0%	5.0%	12.0%

Source: Blomberg

Returns by Size and Style (YTD June 2025)

	Value	Core	Growth
Russell 1000 (Large Cap)	6.0%	6.1%	6.1%
Russell Mid Cap	3.1%	4.8%	9.8%
Russell 2000 (Small Cap)	-3.2%	-1.8%	-0.5%

Management Team
Jean Paul Lagarde
Chief Investment Officer

Michael L. Thomas
Senior Portfolio Manager

As was the case with equities, the solid returns across most fixed income indices in the second quarter masked the significant volatility present in the quarter. Nonetheless, expectations for less onerous trade policies, hopes for an additional round of rate cuts from the Federal Reserve, the seemingly insatiable demand for yield, and continued solid earnings drove bonds higher (yields lower) particularly toward the end of the quarter.

Despite the intra-quarter volatility, however, as one can see from the chart below, interest rates remain somewhat range-bound with the 10-year yield largely trading between 3.75% and 4.75% with an average of 4.28%.

U.S. 10-Year Treasury Yield

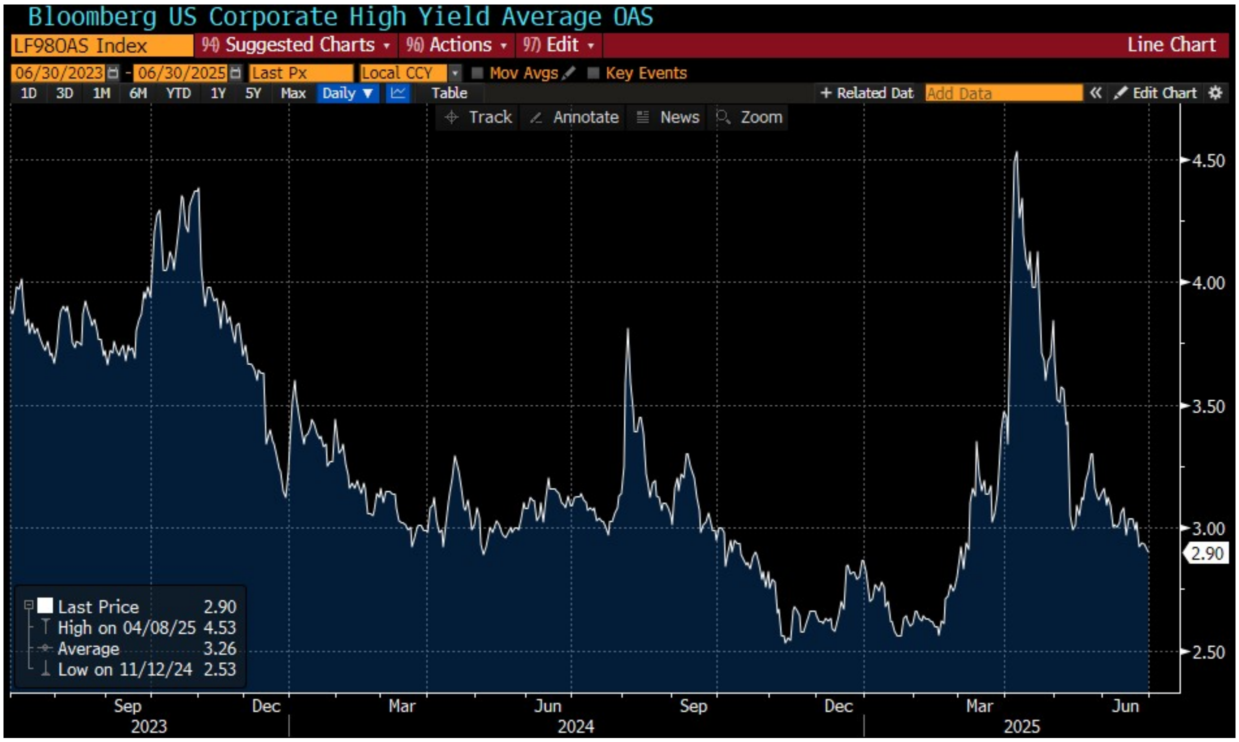
Source: Bloomberg

Credit spreads (basically the difference in yield between a specific security and the Treasury yield for the same maturity) measure the perceived credit risk of the underlying security. Spreads spiked at the end of the first quarter and accelerated their move higher with the Liberation Day announcements but quickly settled down once investors determined that the tariff announcements were primarily a negotiating tactic. Even at their worst levels of the year, it is important to note that they were still below levels seen in prior periods of stress and well below the 1,000+ basis points seen in the last few recessions. We would also point out that the yield on the high yield index increased far less than spreads might suggest during the spring sell off given the decline in treasury yields, which also suggests less fear/stress than one might think by just looking at credit spreads in isolation. The rapid decline in spreads post the Liberation Day pause was highly supportive of risk assets broadly and corporate bonds specifically.

Management Team
Jean Paul Lagarde
Chief Investment Officer

Michael L. Thomas
Senior Portfolio Manager

Credit Spread for the Bloomberg High Yield Index



Source: Bloomberg

Strategy Performance

We provide detailed second quarter performance commentary by strategy below, but we believe the volatility over the last few months provided a good reminder of why we invest the way we do. Risk-management, capital protection, and long-term compounding of returns are key elements of our investment philosophy. To that end, the vast majority of our strategies out-performed during both the April sell off and the quarter as a whole. More conservative positioning coming into the quarter followed by significant actions post the sell off to take advantage of the expected rebound (e.g., decreased put protection, in-creased allocation to both international and US large cap growth equities, more interest rate and credit risk on the fixed in-come side) were key drivers of that performance.

Management Team
Jean Paul Lagarde
Chief Investment Officer

Michael L. Thomas
Senior Portfolio Manager

IMPORTANT DISCLOSURES:

Our portfolio characteristics and holdings are subject to change at any time and are based on a representative portfolio. Holdings and portfolio characteristics of individual client portfolios may differ, sometimes significantly, from those shown. The investments presented are examples of the securities held, bought and/or sold in our strategies during the last 12 months. These investments may not be representative of the current or future investments of those strategies. You should not assume that investments in the securities identified in this presentation were or will be profitable. Diversification and asset allocation do not ensure a profit or guarantee against loss. We will furnish, upon your request, a list of all securities purchased, sold or held in the strategies during the 12 months preceding the date of this presentation. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities identified in this presentation. One or more of our officers or employees may have a position in the securities presented and may purchase or sell such securities from time to time. The benchmark shown for each model is a different weighted blend of various indexes or securities. Indexes are unmanaged, statistical composites, and their returns do not reflect payment of fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index.

Investment advice offered through Advisor Resource Council, a registered investment advisor. Additional information, including management fees and expenses, is provided on our Form ADV Part 2, available at the SEC's Investment Advisor Public Disclosure website. *Advisory services are only offered to clients or prospective clients where ARC and its representatives are properly licensed or exempt from licensure. No advice may be rendered by ARC or its representatives unless a client service agreement is in place. The services of ARC will only be provided in states where the Firm is registered or may be exempt from registration.* As with any investment strategy, there is potential for profit as well as the possibility of loss. We do not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable. The underlying holdings of any presented portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. ***Past performance is not a guarantee of future results.***

The Standard & Poor's 500 b. (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot directly invest in an index.

The Russell 1000 Index measures the performance of the large-cap segment of the US equity universe. It includes the approximately 1,000 largest US stocks, representing approximately 93% of the value of the US equities market. It is not possible to invest directly in an index.

The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. It is not possible to invest directly in an index.

MSCI EAFE: The MSCI EAFE Index (Europe, Australasia, Far East) is designed to measure the equity market performance of developed markets outside of the U.S. and Canada. You cannot directly invest in this index.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries*. With 1,330 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Aggregate Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. You cannot directly invest in an index.

Bloomberg Barclays U.S. Corporate High Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt. It is not possible to invest directly in an index."

FTSE (3M) Treasury Bill Index is intended to track the daily performance of 3-month US Treasury bills. The indices are designed to operate as a reference rate for a series of funds.