

Stocks exhibited a challenging first quarter, characterized by weaker performance in cyclical sectors—notably technology and consumer discretionary—while defensive sectors provided stability. This quarter's narrative was shaped by uncertainty surrounding tariffs and the evolving Trump 2.0 policy agenda. The Federal Reserve's pace and scope of future actions garnered significant attention; projected cuts indicate expectations of a 50-basis-point reduction in 2025. Economic data revealed a nuanced picture, as rising concerns over disinflation and slower growth were mixed with resilient consumer spending and a relatively stable labor market. This economic environment contributed to a 4.3% decline in the S&P 500 Index for the quarter and a 0.6% decline in the Equal Weighted S&P 500 Index.

Energy led the sectors this quarter, accompanied by strong performances in Healthcare, Staples, and Utilities. Conversely, the Technology and Consumer Discretionary sectors struggled, each posting declines of more than 10%. Seven sectors have recorded positive returns year-to-date.

Small-cap stocks underperformed and international stocks outperformed the S&P 500 for the quarter. The Russell 2000 Small Cap Index declined 9.5%, while the MSCI International Index gained 6.9%.

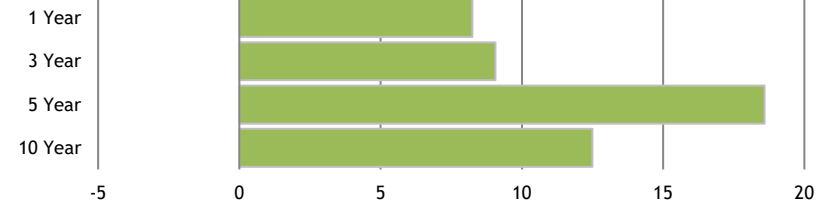
Interest rates moved lower during the quarter; the 2-year Treasury rate declined by 35 basis points to close at 3.89%, and the 10-year Treasury rate decreased by 36 basis points to end at 4.21%. Meanwhile, the Barclays Aggregate Bond Index increased by 2.8% for the quarter.

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

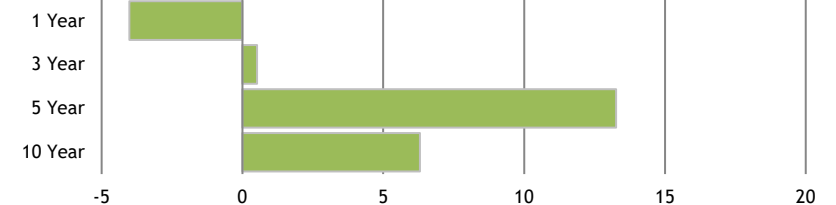


Source: Morningstar

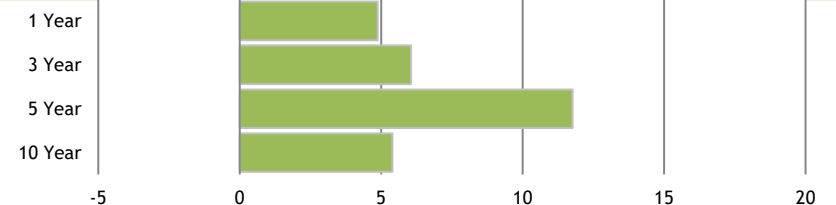
S&P 500 Average Annual Percent Total Return



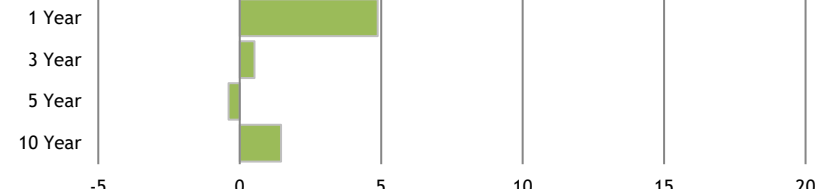
Russell 2000 Small Cap Index Average Annual Percent Total Return



MSCI EAFE International Index Average Annual Percent Total Return



Barclays Capital US Aggregate Bond Index Average Annual Percent Total Return



Barclays US Treasury Bill 1-3 Month Average Annual Percent Total Return

