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First Quarter 2025 Weather(ly) Report
April 2025

On the heels of multiple years of above average domestic equity returns, with the S&P 500 and Nasdaq averaging over 25.59% and 36.88% the last two calendar years, US markets peaked in early February. The first quarter of 2025 saw muted growth with the S&P off 4.26% and the Nasdaq composite down 10.42%. In contrast, international equities outperformed the US, with developed markets returning 5.89%. Gold literally flew off the shelves (Costco Bars) and prices soared up 19.02%, ending Q1 at \$3,123.57/ounce. Oil was another commodity in favor for the first quarter, with domestic oil stocks increasing 10.21%. As of this writing however, trade concerns and OPEC's decision to increase oil output by 411,000 barrels per day sent the sector down over 6%. The new administration in Washington provided daily updates with a flurry of executive orders and DOGE mandates to slim down government spending, slashing the federal workforce, agencies and associated contracts with companies and commercial real estate. Volatility surrounding tariff talk created declines in business and consumer sentiment to the lowest in years.

The Federal Reserve policy makers voted to keep the Federal Funds rate unchanged at 4.25%-4.50% at the mid-March meeting. Their economic outlook focused on a dual mandate of price stability (YOY PCE inflating at 2.8%) and unemployment (4.1%). The Fed also cut their growth forecast for 2025 and increased their inflation outlook while still considering future data and two rate cuts this year. Fixed income offered positive returns during the first quarter, emphasizing the importance of balanced portfolios. Spreads on high-quality corporates and municipals barely widened and fixed 30-year mortgage rates ended the quarter at 6.77%

On April 2nd, President Trump launched "Liberation Day," intending to rebalance America's relationships with global trading partners. The announcement laid out plans to impose minimum tariffs on imports in addition to other tariffs levied on top, often depending on each country's tariff charge on US imports. These policies are set to go into effect early April. While the intent is to realign trade relationships and bring more production and jobs onshore, many corporate executives and economists predict Trump's tariffs will lead to higher inflation and slower economic growth. What will be renegotiated versus what will stick is yet to be determined.

"Top Ten" Holdings*

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|--------------------|------------------------------------|
| 1. Apple Inc. | 6. Waste Management Inc. |
| 2. Amazon Inc. | 7. Invesco Global Water ETF |
| 3. Netflix Inc. | 8. Vanguard International Div. ETF |
| 4. Microsoft Corp. | 9. VISA Inc. |
| 5. Costco Corp. | 10. Cyber-Ark Software |

The Tax Cuts and Jobs Act (TCJA) of 2017 amended the IRS code by reducing tax rates, increasing the standard deduction, capping the SALT deduction and lowering limits on mortgage interest deduction while increasing the estate tax exemption amount. This Act is set to expire January 1st, 2026. While the current administration is largely expected to extend the TCJA, action by Congress and the President will need to occur to put this into effect by year end.

As world alliances shift and negotiations continue, ceasefires and hostage releases in both the Russia-Ukraine War and the Middle East remain fluid, impacting lives, resources, and land as leaders search for a path to resolution. The long-term implication of tariffs, how tariff income is redistributed, and how tariffs may impact taxes or the Federal Reserve's future policy decisions will be key. Appropriate asset allocation, diversification and liquidity surrounding client financial plans and investments help to create sustainability in volatile times.

*** TOP TEN DISCLOSURE**

“Top Ten” holdings consist of Weatherly’s largest stock positions as of quarter end. A full list of holdings is available upon request. It should not be assumed that any of the securities, transactions, or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account’s portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account’s entire portfolio and, in the aggregate, may represent only a small percentage of an account’s portfolio holdings.

	<u>WAM</u> <u>Equity**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Equity</u> <u>(net fee)</u>	<u>S&P 500t</u>	<u>MSCI ACWI</u> <u>(gross USD)</u>	<u>WAM Fixed**</u> <u>(gross fee)</u>	<u>WAM Fixed</u> <u>(net fee)</u>	<u>Merrill Lynch</u> <u>1-3 year</u>	<u>WAM</u> <u>Balanced**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Balanced (net</u> <u>fee)</u>	<u>Blended</u> <u>Benchmark</u>
2008	-34.04%	-35.04%	-36.99%	-41.84%	-0.95%	-1.45%	6.61%			
2009	32.36%	31.36%	26.47%	35.41%	10.63%	10.13%	0.78%			
2010	11.93%	10.93%	15.06%	13.21%	6.77%	6.27%	2.35%			
2011	-5.58%	-6.85%	2.12%	-6.86%	4.37%	3.87%	1.55%			
2012	16.36%	15.36%	16.00%	16.80%	5.99%	5.49%	0.43%	11.84%	11.09%	8.18%
2013	28.20%	27.20%	32.41%	23.44%	-1.62%	-2.12%	0.36%	15.41%	14.66%	15.61%
2014	8.53%	7.53%	13.69%	4.71%	5.55%	5.05%	0.62%	7.43%	6.68%	7.01%
2015	4.86%	3.86%	1.38%	-1.84%	1.31%	0.81%	0.54%	3.55%	2.80%	1.09%
2016	8.70%	7.70%	11.95%	8.48%	2.79%	2.29%	0.88%	6.41%	5.66%	6.33%
2017	24.52%	23.52%	21.82%	24.62%	4.49%	3.99%	0.42%	17.01%	16.26%	10.75%
2018	-1.92%	-2.92%	-4.39%	-8.93%	0.61%	0.11%	1.59%	-0.80%	-1.55%	-1.06%
2019	32.54%	31.54%	31.48%	27.30%	7.05%	6.55%	3.55%	22.85%	22.10%	17.01%
2020	30.97%	29.97%	18.39%	16.82%	4.35%	3.85%	3.10%	21.36%	20.61%	12.08%
2021	20.55%	19.55%	28.68%	19.04%	0.69%	0.19%	-0.55%	14.34%	13.59%	13.45%
2022	-22.33%	-23.33%	-18.13%	-17.96%	-5.71%	-6.21%	-3.65%	-17.45%	-18.20%	-10.80%
2023	26.32%	25.32%	26.26%	22.81%	5.39%	4.89%	4.26%	19.10%	18.35%	15.03%
2024	21.42%	20.42%	25.02%	18.02%	3.76%	3.26%	4.10%	15.68%	14.93%	14.26%
1 st Quarter 2025	-3.20%	-3.45%	-4.27%	-1.22%	1.63%	1.50%	1.59%	-1.75%	-1.94%	-1.34%
5-Year Trailing (Ann.)	16.39%	15.39%	18.56%	15.70%	2.38%	1.88%	1.16%	11.60%	10.85%	9.93%
10-Year Trailing (Ann.)	12.48%	11.48%	12.48%	9.38%	2.49%	1.99%	1.50%	9.03%	8.28%	7.24%
Since Inception (Ann.)	10.55%	9.55%	10.65%	8.08%	4.30%	3.80%	3.22%	9.62%	8.87%	7.82%

Please see footnotes

**** PERFORMANCE DISCLOSURE**

Please note, the Weatherly Asset Management (WAM) Equity performance is a mid- to large-cap value equity approach and the WAM Fixed Income performance is a high-quality intermediate-maturity investment approach. Performance numbers up to 12/31/05 are prepared in compliance with Association of Investment Management Research Performance Presentation Standards (AIMR PPS). Periods from 12/31/05 to 12/31/10 meet the requirements of the revised version of Global Investment Performance Standards (GIPS). Periods from 12/31/10 are calculated in a similar manner but GIPS standards no longer permit carve outs, therefore we no longer claim GIPS compliance. The gross fee returns shown above are presented after deduction of all transaction costs, but prior to the deduction of advisory fees and such other possible expenses as custodial fees. The net of fee return is calculated by subtracting the advisory fees. Investment advisory fees are described in Part II of Weatherly’s Form ADV. For the 1st Quarter 2025, the maximum quarterly management fee is 0.25% for Weatherly’s Equity Composite and 0.125% for the Fixed Income Composite.

Composite rates of return, since inception on an annualized basis after deduction of the maximum quarterly management fee is as follows for equity accounts for 1995, 32.41%, for 1995 and 1996 combined, 28.50%, for 1995-1997 combined, 30.24%, for 1995-1998 combined, 26.15%, for 1995-1999 combined, 25.06%, for 1995-2000 combined, 18.31%, for 1995-2001 combined, 12.70%, for 1995-2002 combined, 7.44%, for 1995-2003 combined, 9.53%, for 1995-2004 combined, 9.94%, for 1995-2005 combined, 10.05%, for 1995-2006 combined, 10.48%, for 1995-2007 combined, 10.46%, for 1995-2008 combined, 6.36% for 1995-2009 combined 7.87%, for 1995-2010 combined, 8.06%, for 1995-2011 combined, 7.14%, for 1995-2012 combined, 7.58%, for 1995-2013 combined, 8.57%, for 1995-2014 combined, 8.54%, for 1995-2015 combined, 8.31%, for 1995-2016 combined, 8.29%, for 1995-2017 combined, 8.91%, for 1995-2018 combined, 8.39%, for 1995-2019 combined, 9.23%, for 1995-2020 combined, 9.96%, for 1995-2021 combined, 10.31%, for 1995-2022 combined, 8.88%, for 1995-2023 combined, 9.41%, and for 1995-2024 combined, 9.76%. For fixed income accounts 1995, 11.49%, for 1995-1996 combined, 8.35%, for 1995-1997 combined, 7.63%, for 1995-1998 combined, 7.58%, for 1995-1999 combined, 6.18%, for 1995-2000 combined, 6.50%, for 1995-2001 combined, 6.37%, for 1995-2002 combined 6.37%, for 1995-2003 combined, 5.92%, for 1995-2004 combined, 5.68%, for 1995-2005 combined, 5.33%, for 1995-2006 combined, 5.25%, for 1995-2007 combined, 5.23%, for 1995-2008 combined, 4.74%, for 1995-2009 combined, 5.09%, for 1995-2010 combined, 5.17%, for 1995-2011 combined, 5.09%, for 1995-2012 combined, 5.11%, for 1995-2013 combined 4.72%, for 1995-2014 combined 4.73%, for 1995-2015 combined, 4.54%, for 1995-2016 combined, 4.44%, for 1995-2017 combined, 4.42%, for 1995-2018 combined, 4.23%, for 1995-2019 combined, 4.32%, 1995-2020 combined, 4.31%, for 1995-2021 combined, 4.15%, for 1995-2022 combined 3.76%, for 1995-2023 combined, 3.80% and for 1995-2024 combined, 3.78%.

Composite returns consist of all 100% discretionary accounts under management utilizing individual stock and bond holdings selected by WAM. Balanced portfolio segments have been included in single asset composites. Effective 1/1/06 to 12/31/10, cash and cash returns have been allocated to the segment returns according to the procedures outlined by Association of Investment Management Research (AIMR). Effective 1/1/16, equity and fixed composite returns no longer include cash or a weighting to cash. Dividends and interest received is generally not reinvested in the same security but is included in total return calculations. Effective 2010, Equity Composite performance excludes two related family groups which hold a concentrated position that due to tax considerations cannot be managed in the same manner as the overall equity composite. The composite performance represents the performance of an aggregate of the firm’s managed accounts that align with a particular strategy. Individual account performance will vary, and some clients may have experienced returns significantly different from the composite. Investing entails risk and past performance is no guarantee of future performance.

These performance numbers are provided under the flash reports provision of these said standards. “As prospective and current clients have received past results that were in compliance with the required disclosures within a 12-month period, firms may present interim data and returns (i.e., “Flash numbers”) without quarterly disclosures.” A full presentation, including all required disclosures, is available upon request. The WAM Balanced Composite represents actual portfolios utilizing strategic asset allocation with both equity and fixed income components. The fixed income component for individual portfolios underlying the balanced composite have allocations tailored specifically for that account and client, and varies between 5% and 90%, whereas the Blended Benchmark is 50% S&P 500 Total Return and 50% Merrill Lynch 1-3 Year representing an average of a 50% Equity and 50% Fixed Income benchmark allocation in the Composite.