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**Third Quarter 2025 Weather(ly) Report  
October 2025**

World news exploded like fireworks during the third quarter, keeping investors on their toes even while markets continued to rise. Tariff talks and negotiations mostly slowed, however negotiations surrounding geopolitical conflicts continued between Russia and Ukraine and the 20-point peace proposals in the Middle East. While U.S. markets hit new highs, international indices continued to outperform during the quarter. Year-to-date the S&P500 delivered 14.81%, MSCI ACWI 18.86% and the Nasdaq Composite 17.96%. Artificial intelligence drove gains in sectors like information technology and communications. The U.S. Dollar appeared to stabilize in the third quarter but remains down 10% for the year.

Gold remained strong throughout the quarter ending at \$3,858.96/ounce. Silver delivered particularly strong returns, ending at \$46.65/ounce after a 29% increase over the course of the quarter, but still lower than the all-time high of \$48.44 set back in 2011. The U.S. federal government entered a shutdown at midnight on October 1, after lawmakers failed to pass a funding bill. Essential operations remain active, but many agencies are closed, and federal workers are furloughed. As of this writing, we are in day 6 of the shutdown and budget negotiations are ongoing.

The Federal Reserve cut rates by 25 basis points in September to 4-4.25%. While this was the first rate cut in 9 months and widely anticipated, the softening of labor markets over inflation concerns were cited. Further rate cuts are anticipated, but the Federal Reserve maintains cuts will be data dependent. Yields shifted downward to end the quarter with many Treasuries under 4%, with exceptions at 2-month or shorter and 10-year or longer maturities. Thirty-year mortgage rates dropped to 6.3-6.4% nationwide. Rental rates and average home sales slowed during the quarter. Weatherly continued to put cash to work throughout the quarter in Treasuries, Agencies, and high-quality municipal and corporate bonds.

Weatherly also added to select equities in client portfolios in sectors such as cyber security, healthcare, data centers and energy holdings as well as developed international companies. Simultaneously, Weatherly rebalanced portfolios to a more neutral asset allocation as we head into the fourth quarter.

While corporate earnings have generally exceeded expectations, the state of economic growth appears to be slowing, making it especially tough on the lower end consumers.

**"Top Ten" Holdings\***

- |                    |                                |
|--------------------|--------------------------------|
| 1. Apple Inc.      | 6. Nvidia Corp.                |
| 2. Microsoft Corp. | 7. Invesco Global Water ETF    |
| 3. Amazon.com Inc. | 8. Alphabet Inc.               |
| 4. Netflix Inc.    | 9. CyberArk Software Ltd.      |
| 5. Costco Corp.    | 10. Vanguard Intl Dividend ETF |

Conversations with individuals, families and businesses are centered on planning before year end and into 2026 after the July 4<sup>th</sup> signing of the [One Big Beautiful Bill Act](#). Unique opportunities surrounding accelerated charitable giving, the ability to utilize the increased SALT deduction, enhanced senior deduction and limitations to itemized deductions have been a focus, incorporating our clients' team of professionals to implement as appropriate. For clients with taxable accounts, our team is balancing capital gains before year end, utilizing year-to-date and projected income alongside the prior year's tax returns.

We look forward to scheduling dialogues with clients during the final quarter of 2025. Please contact us to help facilitate our work together.

**\* 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 Equity**</u><br><u>(gross fee)</u> | <u>WAM Equity</u><br><u>(net fee)</u> | <u>S&amp;P 500t</u> | <u>MSCI ACWI</u><br><u>(gross USD)</u> | <u>WAM Fixed**</u><br><u>(gross fee)</u> | <u>WAM Fixed</u><br><u>(net fee)</u> | <u>Merrill Lynch</u><br><u>1-3 year</u> | <u>WAM Balanced**</u><br><u>(gross fee)</u> | <u>WAM Balanced</u><br><u>(net fee)</u> | <u>Blended</u><br><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%                             |
| 3 <sup>rd</sup> Quarter 2025 | 5.81%                                     | 5.56%                                 | 8.12%               | 7.74%                                  | 1.79%                                    | 1.66%                                | 1.12%                                   | 4.52%                                       | 4.33%                                   | 4.62%                              |
| Year-to-Date 2025            | 12.92%                                    | 12.17%                                | 14.83%              | 18.86%                                 | 4.64%                                    | 4.26%                                | 3.93%                                   | 10.21%                                      | 9.65%                                   | 9.47%                              |
| 5-Year Trailing (Ann.)       | 12.76%                                    | 11.76%                                | 16.44%              | 14.06%                                 | 1.95%                                    | 1.45%                                | 1.57%                                   | 9.28%                                       | 8.53%                                   | 9.09%                              |
| 10-Year Trailing (Ann.)      | 14.85%                                    | 13.85%                                | 15.27%              | 12.46%                                 | 2.80%                                    | 2.30%                                | 1.69%                                   | 10.68%                                      | 9.93%                                   | 8.68%                              |
| Since Inception (Ann.)       | 10.93%                                    | 9.93%                                 | 11.13%              | 8.60%                                  | 4.33%                                    | 3.83%                                | 3.25%                                   | 10.17%                                      | 9.42%                                   | 8.35%                              |

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 3<sup>rd</sup> 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.