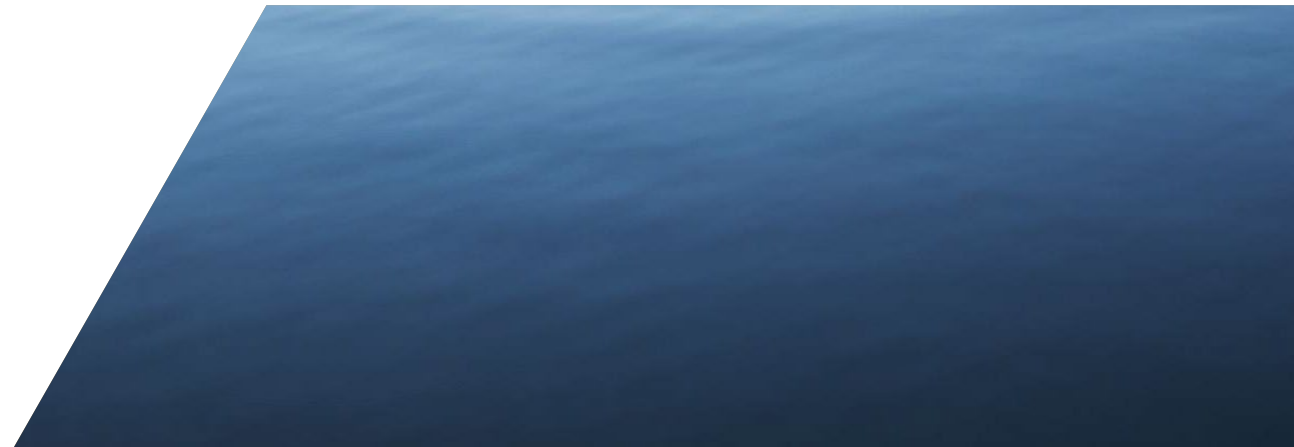




Market Update: Strategies for 2025 and Beyond

Patrick Rogers, Wealth Advisor
Brian Thorkelson, Chief Market Strategist

June 26, 2025

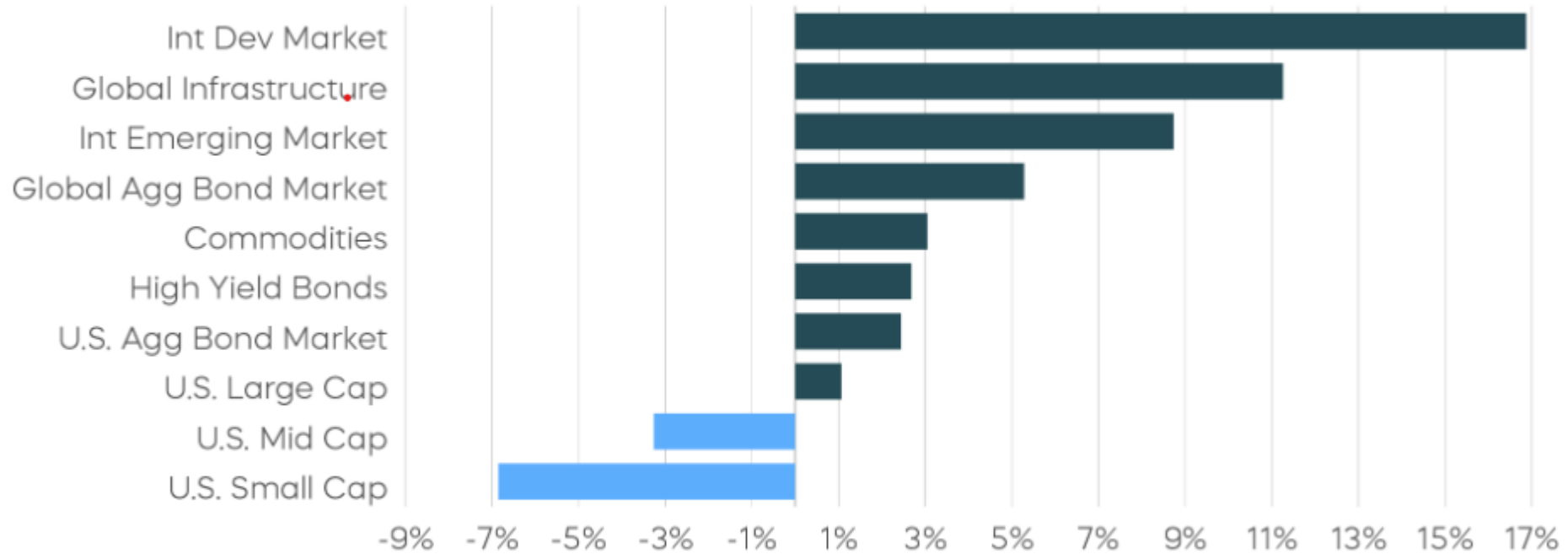


Agenda

- Global Markets
- Diversification
 - Europe
 - Fixed Income
- Inflation
 - US Debt
 - US Dollar
 - Tariffs
- Fed Policy
- Investing for the long-term

Year-to-Date Market Returns

Asset Class Returns—Year-to-Date

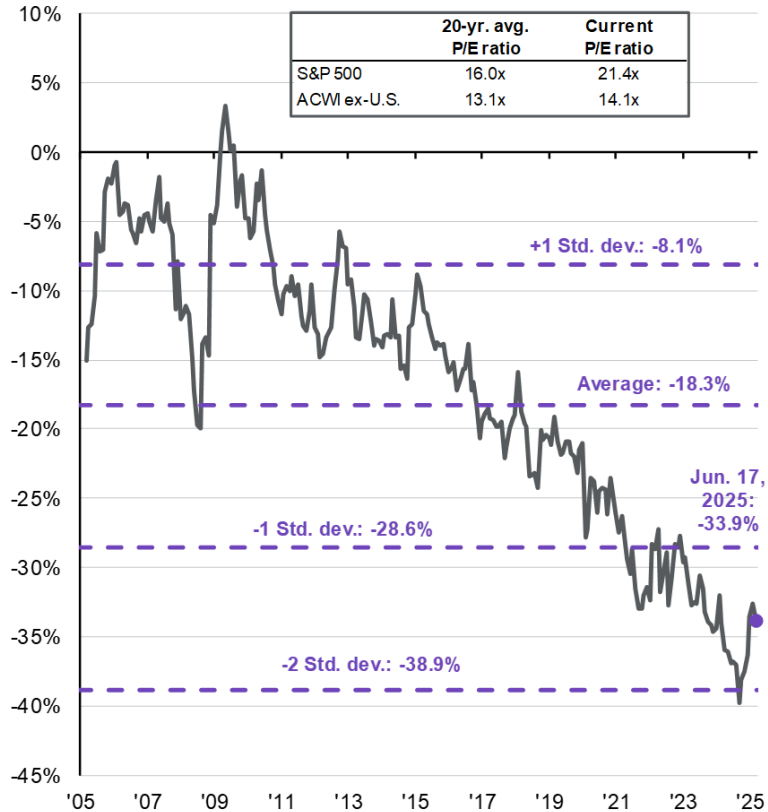


Source: Bloomberg. May returns 5/1/25–5/31/25; year-to-date returns 1/1/25–5/31/25. Index returns are for illustrative purposes only and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

Equity Market Valuations; International vs. U.S.

International: Price-to-earnings discount vs. U.S.

MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
 Guide to the Markets – U.S. Data are as of June 17, 2025.

Eurozone: Price-to-earnings discount vs. U.S.

MSCI EMU vs. S&P 500, next 12 months

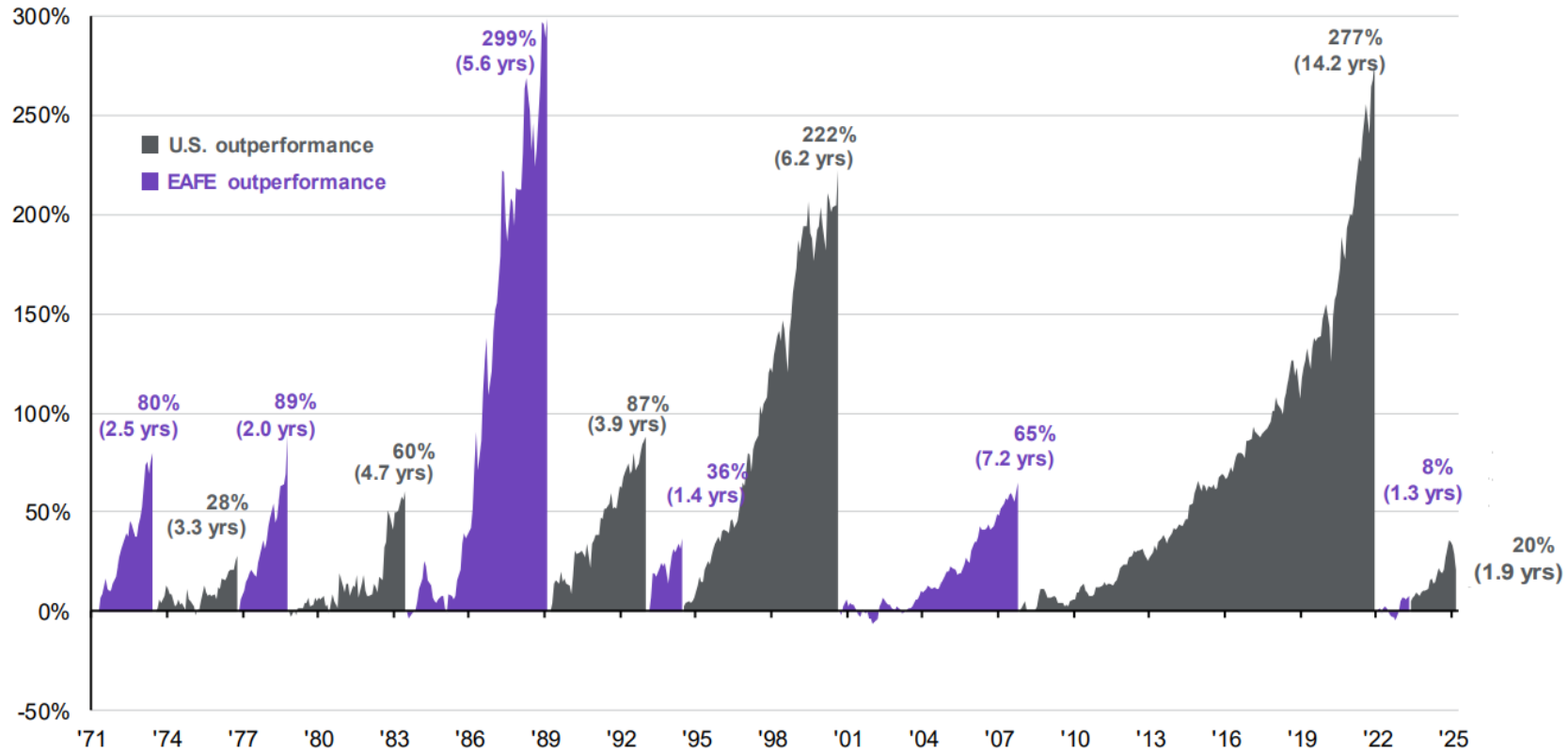


Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
 Guide to the Markets – U.S. Data are as of March 31, 2025.

Long Term Relative Performance: U.S. vs. International

MSCI EAFE and MSCI USA relative performance

U.S. dollar, total return, cumulative outperformance



Source: FactSet, MSCI, J.P. Morgan Asset Management.

Regime change determined when cumulative outperformance peaks and is not reached again in the subsequent 12-month period.

Guide to the Markets – U.S. Data are as of March 31, 2025.

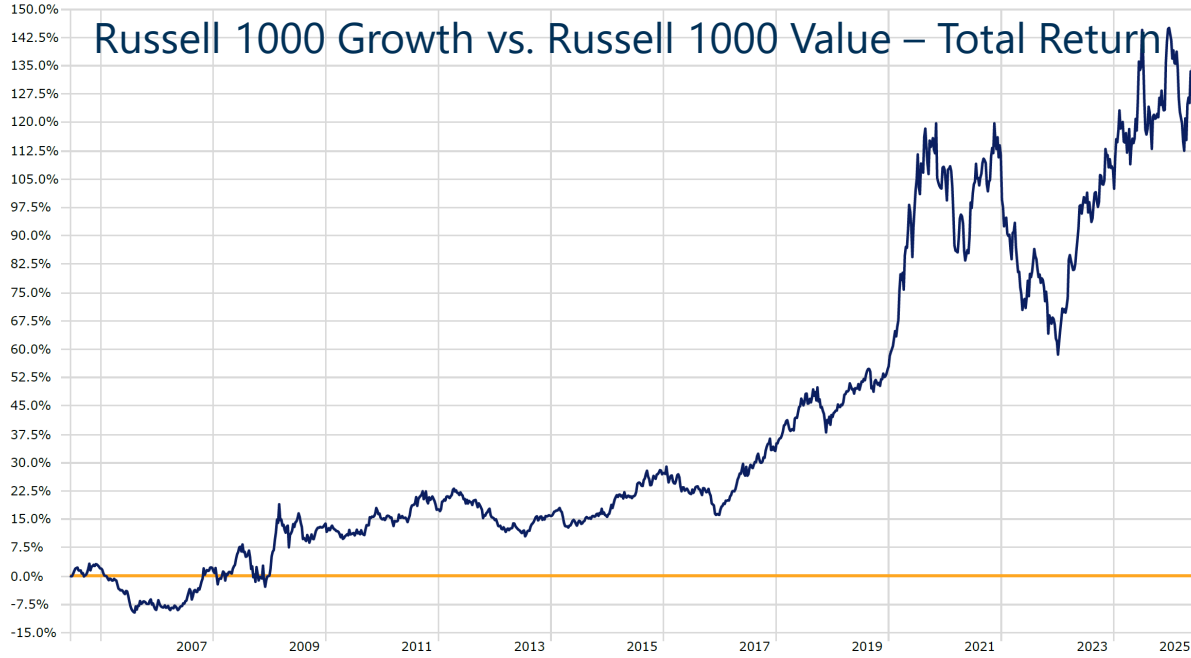
J.P.Morgan

20 Yr Relative Performance: Growth vs. Value; Large vs. Small

Relative Performance

Time Period: 6/19/2005 to 6/18/2025

Calculation Benchmark: Russell 1000 Value TR USD



— Russell 1000 Growth TR USD

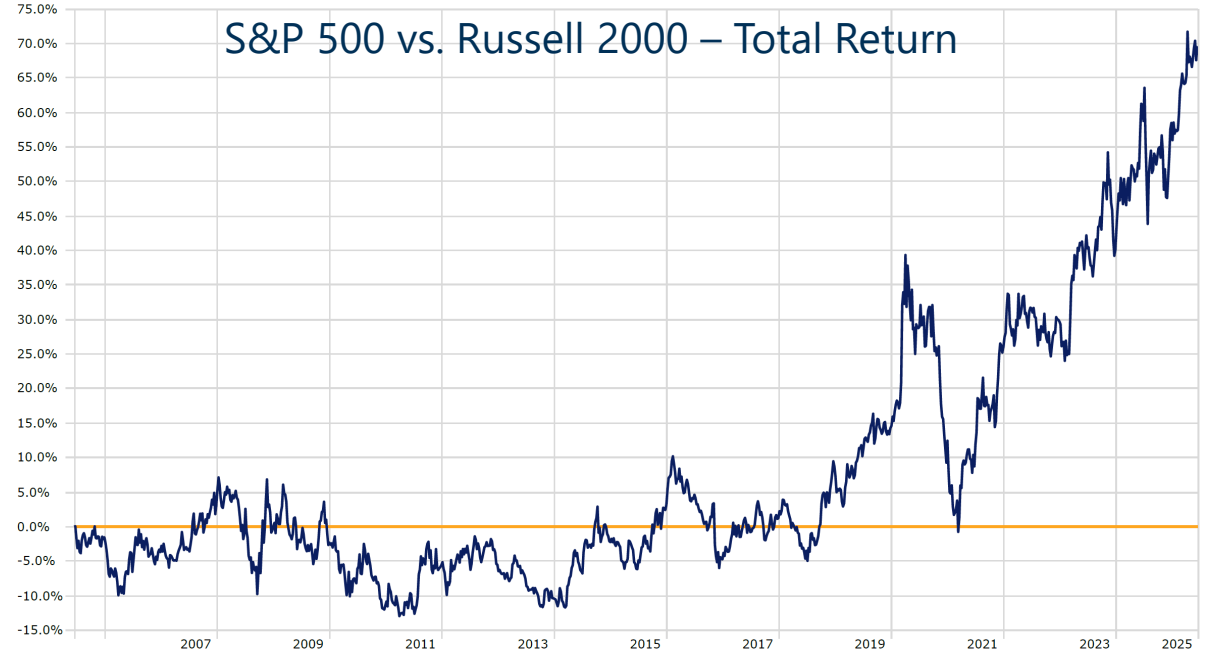
— Russell 1000 Value TR USD

Source: Morningstar Direct

Relative Performance

Time Period: 6/19/2005 to 6/18/2025

Calculation Benchmark: Russell 2000 TR USD

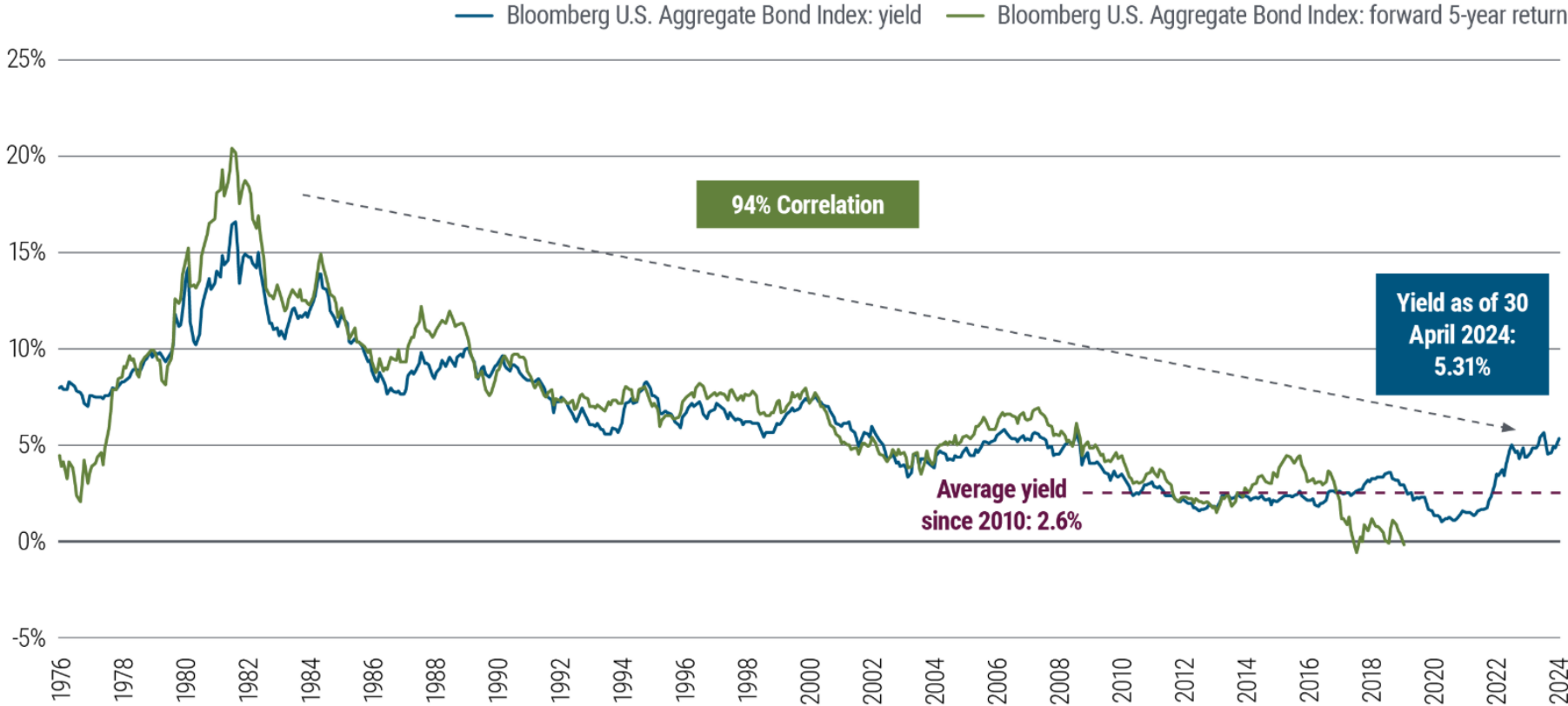


— S&P 500 TR USD

— Russell 2000 TR USD

Source: Morningstar Direct

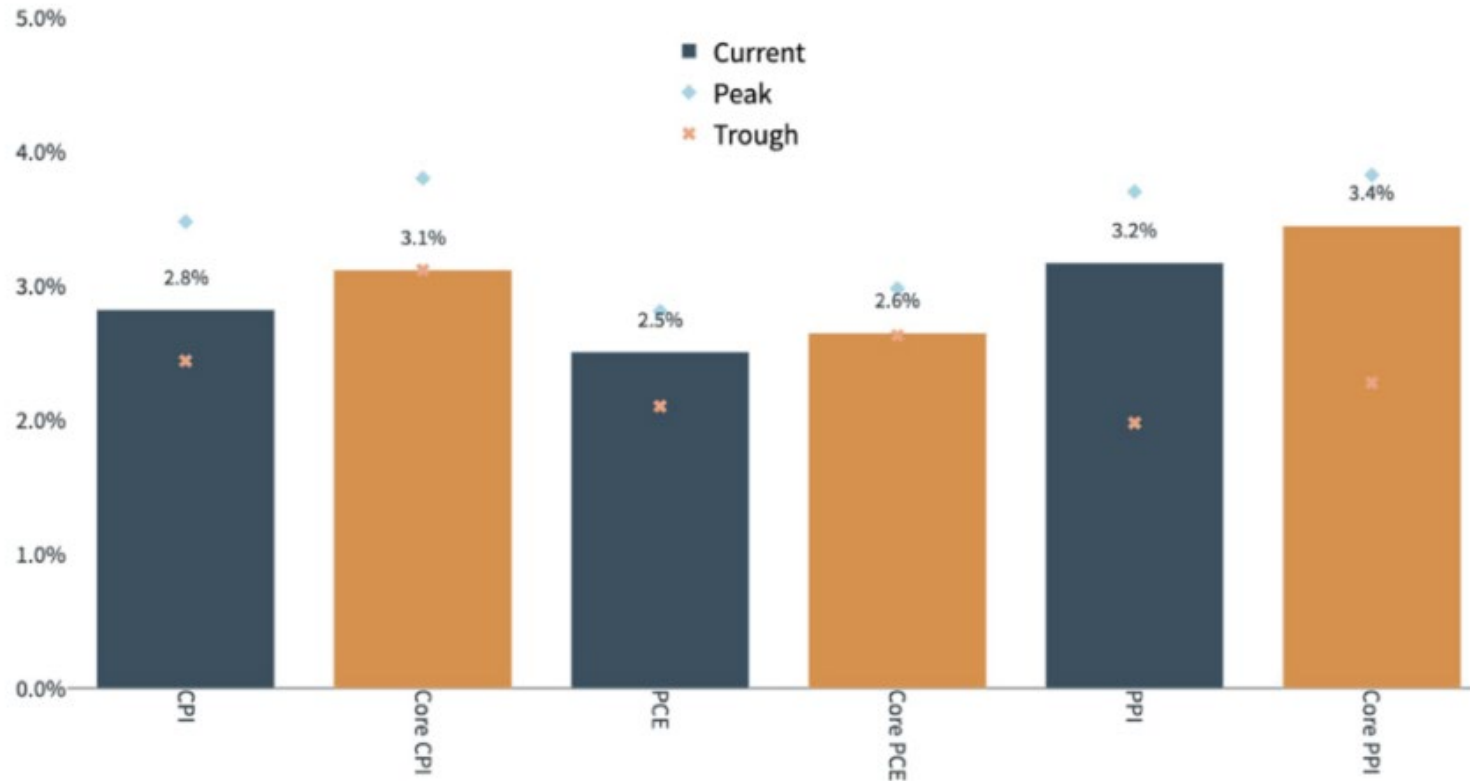
Starting yields in bond markets historically correlated with 5-year forward returns



Source: Bloomberg, PIMCO as of 30 April 2024. **Past performance is not a guarantee or a reliable indicator of future performance.** Chart is provided for illustrative purposes only and is not indicative of the past or future performance of any PIMCO product. Yield and return are for the Bloomberg U.S. Aggregate Bond Index. It is not possible to invest directly in an unmanaged index.

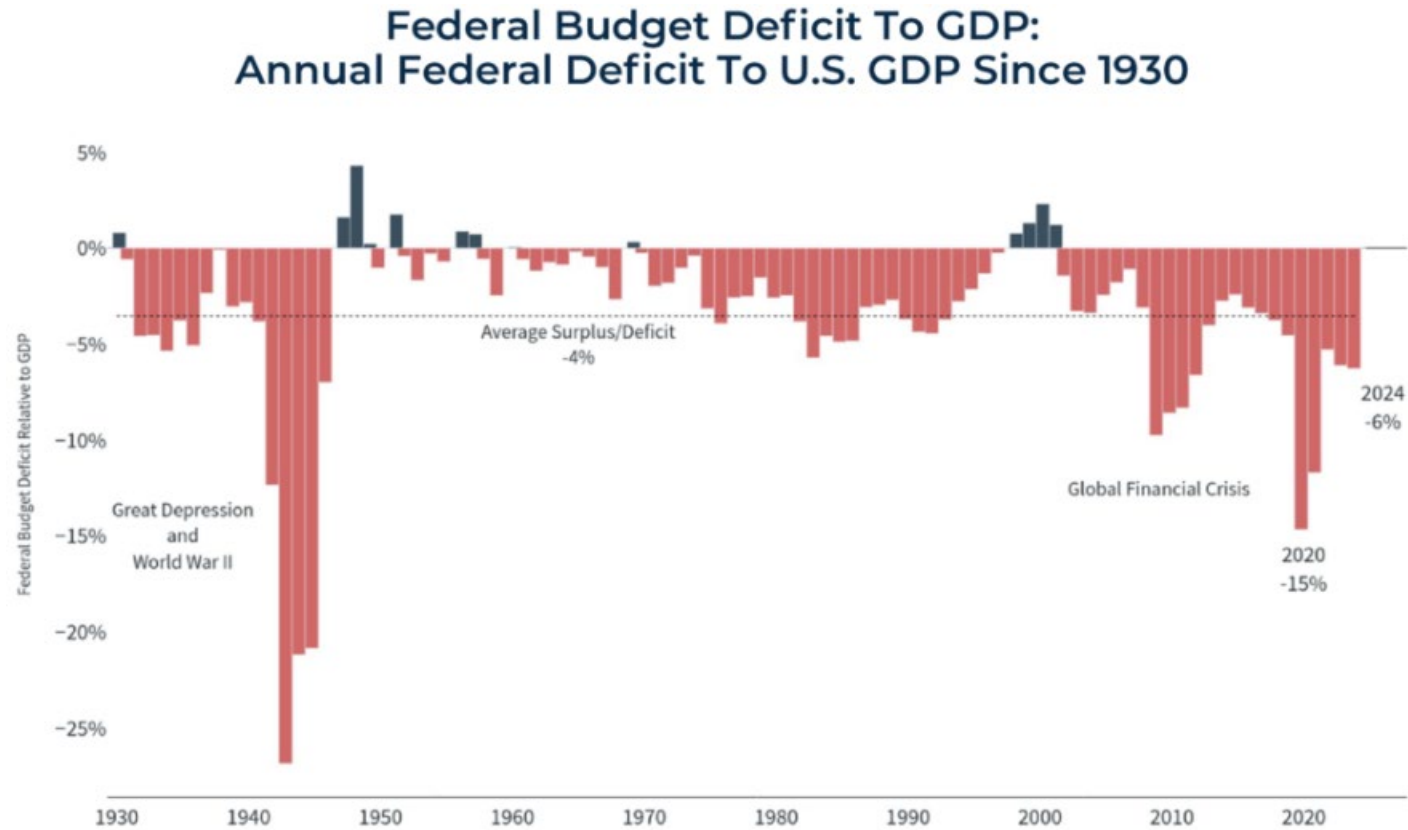
Inflation Continues To Drive Policy Decisions

Inflation Measures: Current Year-Over-Year Changes And 12-Month Peaks And Troughs



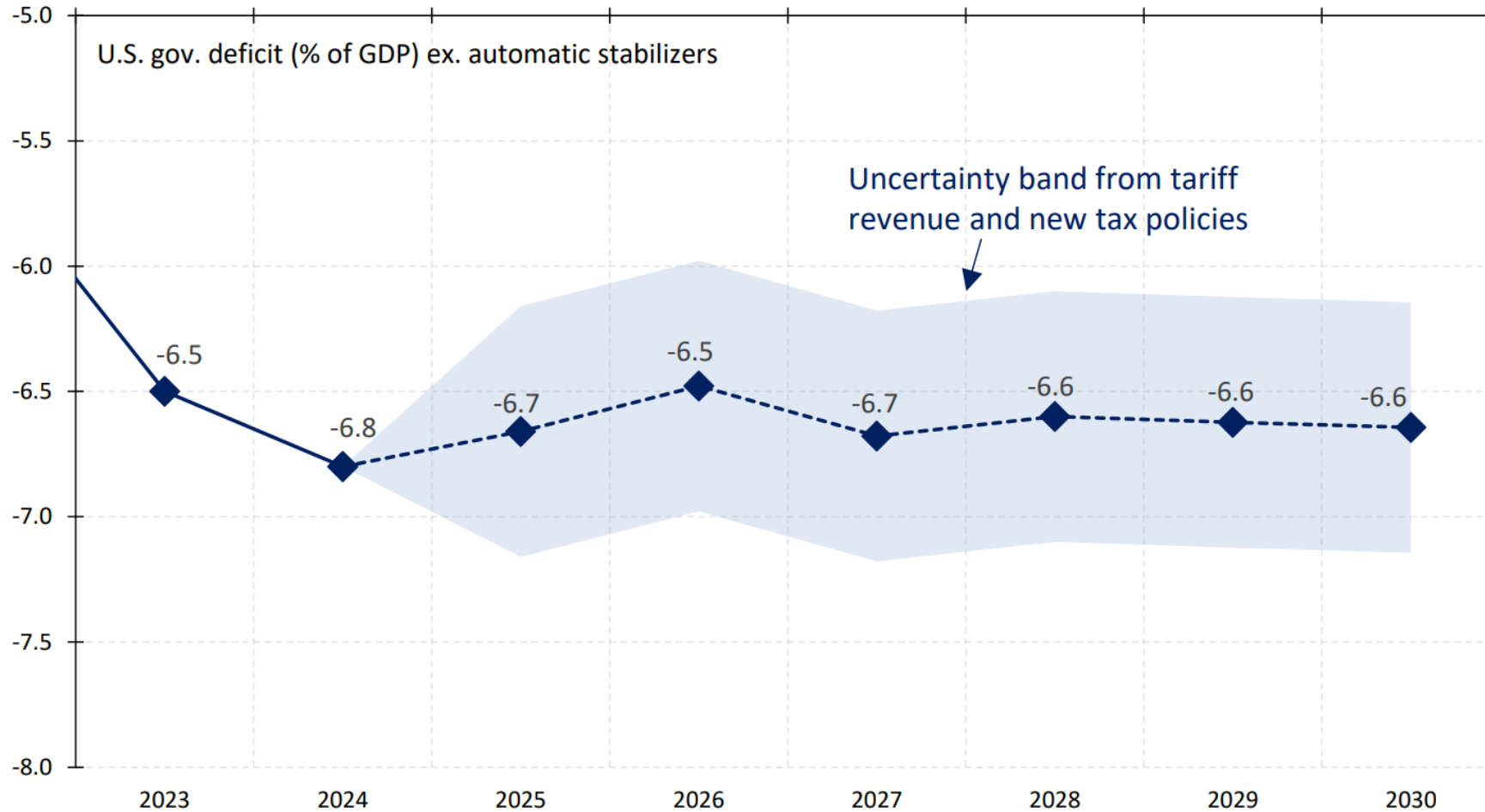
© kitces.com LLC
Source: Clearnomics, Bureau of Labor Statistics, Bureau of Economic Analysis

Government Deficit Remains A Significant Investor Concern



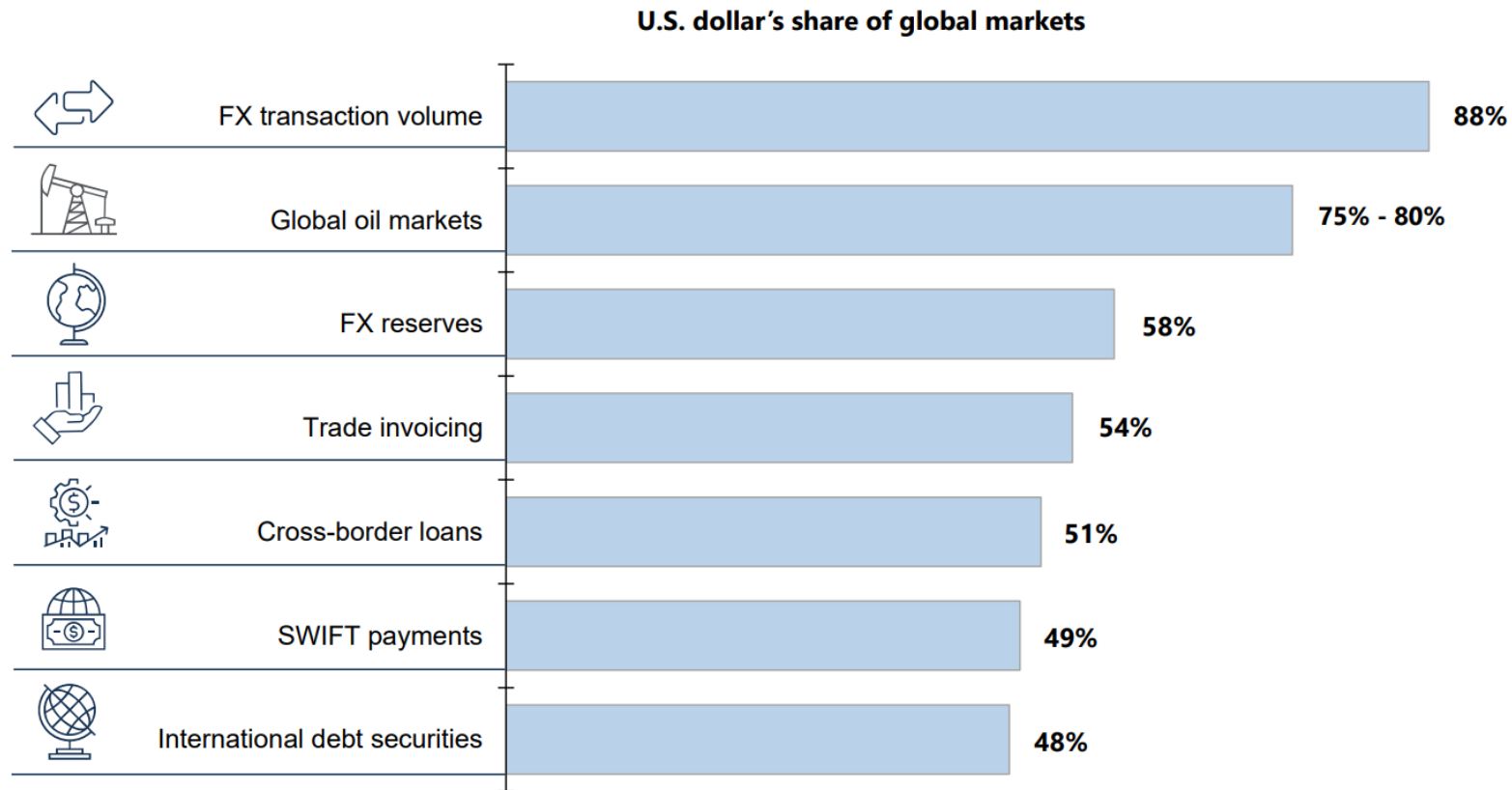
© kitces.com LLC
Source: Clearnomics, U.S. OMB

U.S. Debt as a Percent of GDP



Source: CBO as of March 2025, PIMCO calculations. Note: Chart plots federal structural deficit (% of GDP). Projections are from CBO, adjusted for the extension of the 2017 Trump tax cuts. Refer to Appendix for additional forecast, outlook and risk information.

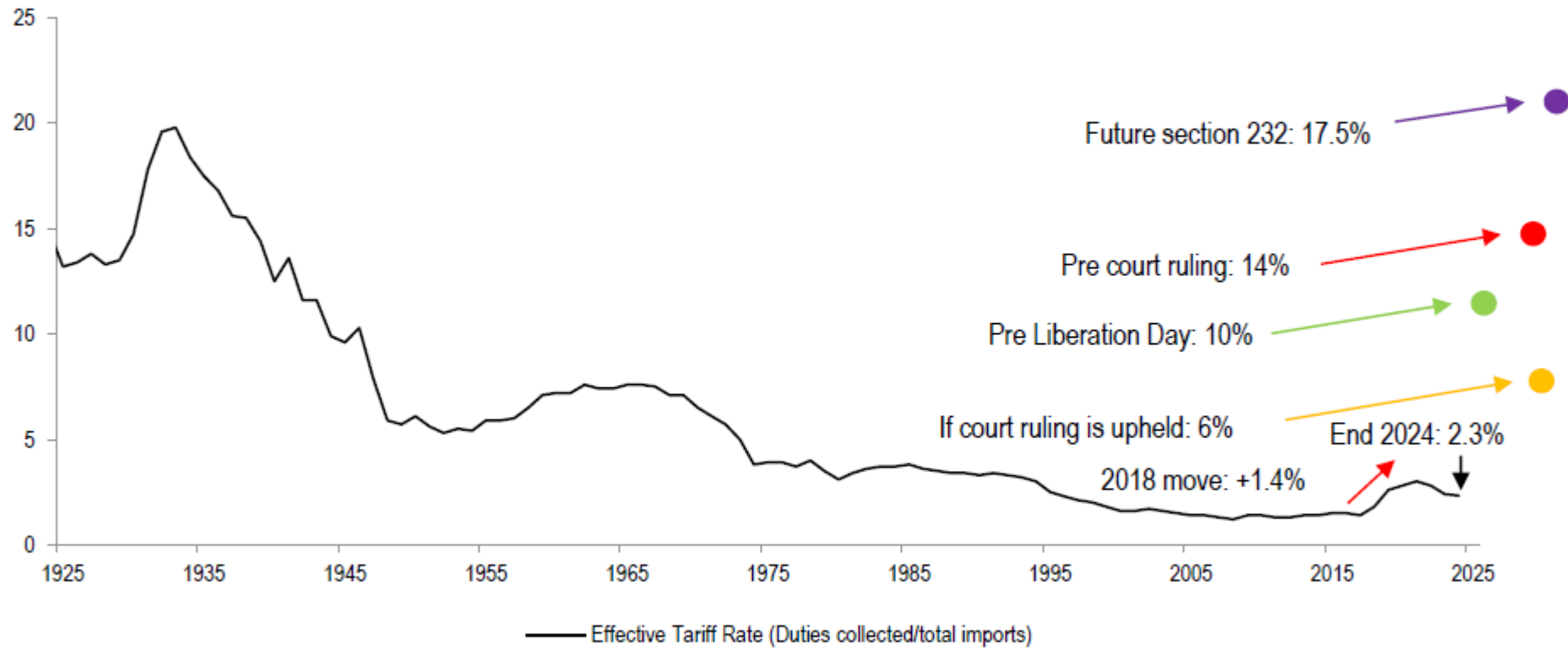
U.S. Dollar's Share of Global Markets



Source: In order from top to bottom, the source (and latest data in parentheses) is: BIS Triennial Central Bank Survey (2022); PIMCO estimate (2024); IMF's Currency Composition of Official Foreign Exchange Reserves (3Q24); BIS "Revisiting the international role of the US dollar" (2022); BIS Locational Banking Statistics (4Q24); Swift (Mar 2025); BIS Debt Securities Statistics (4Q24), as of December 2024

US Effective Tariff Rate

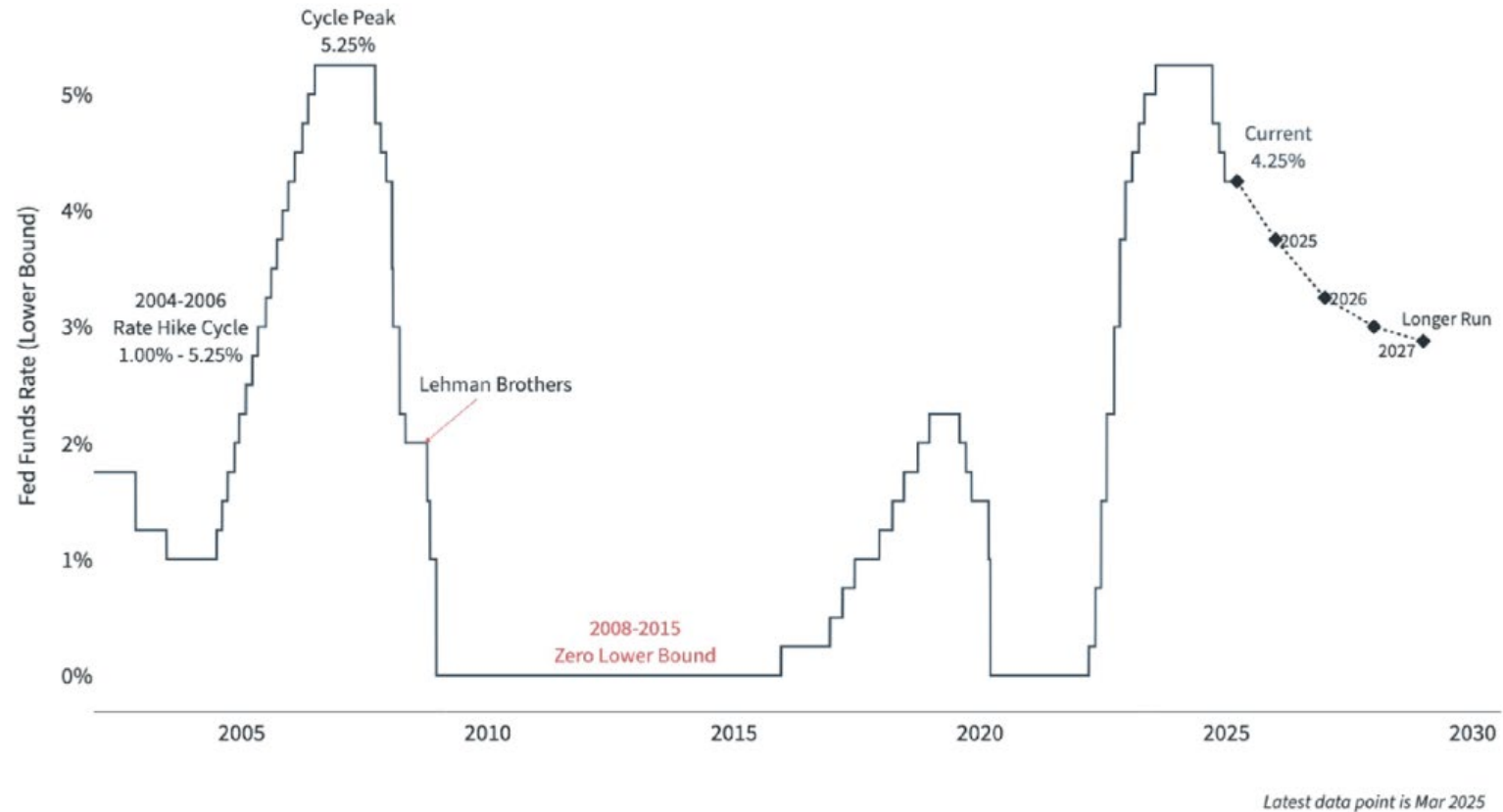
Figure 3: US Effective tariff rate



Source: J.P. Morgan.

Markets Still Expect Additional Fed Rate Cuts In 2025

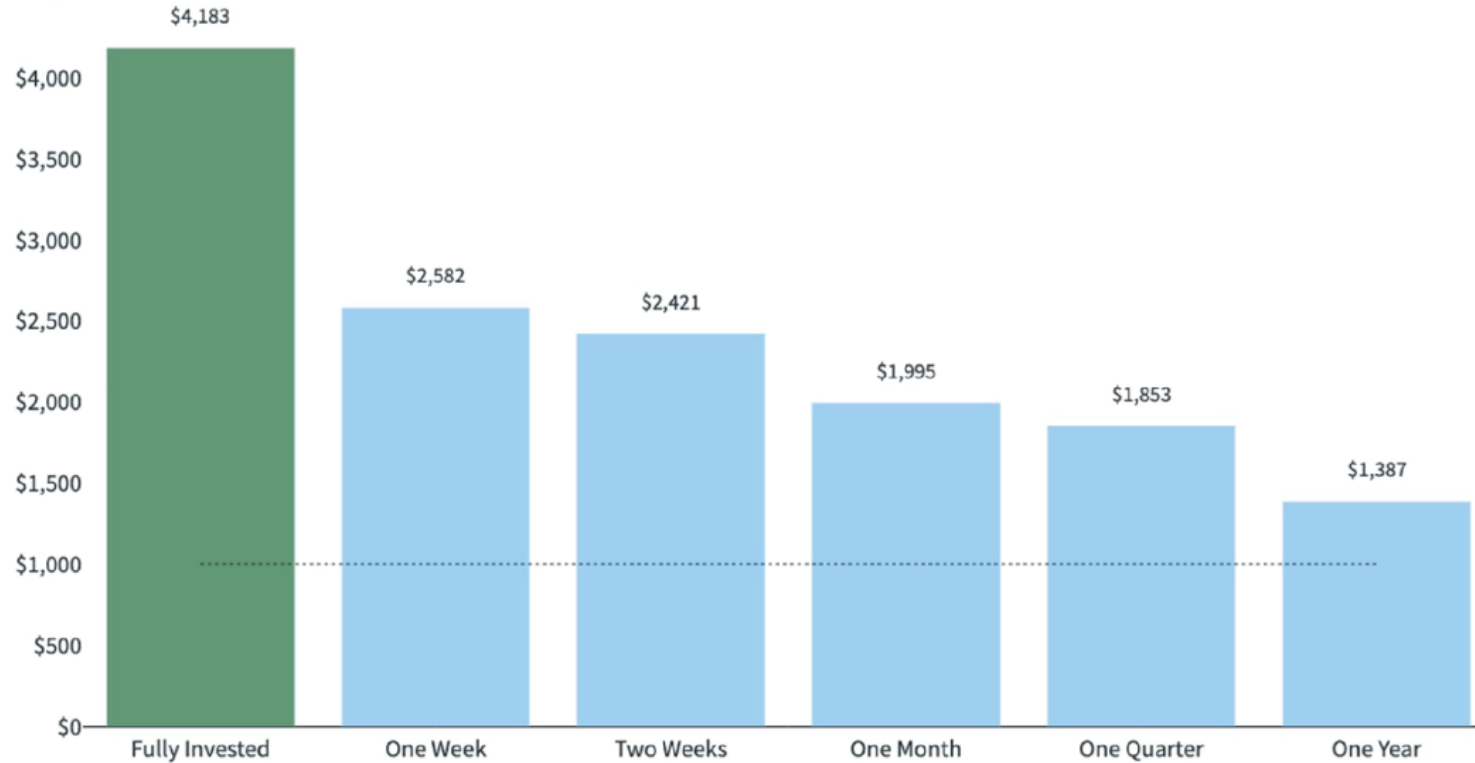
Federal Funds Rate: Target Range Lower Limit



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Source: Cleonomics, Federal Reserve

Staying Invested Is Simple, But not Easy

Staying Invested: Timing The Market



Latest data point is Mar 21, 2025

Note: Over the past 25 years, the effect of exiting the market the day after a -2% market move or worse, and staying out for each period of time shown. Based on an initial \$1,000 investment using S&P 500 returns before transaction costs.

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Source: Clearnomics, Standard & Poor's



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