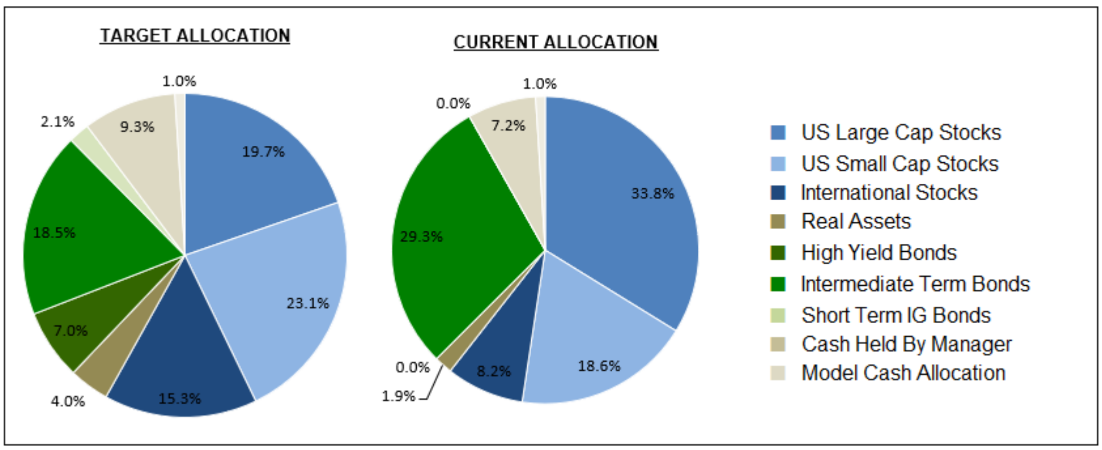
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as “Moderate Growth” throughout. Specific references to performance, current allocation, or comparison to indexes are derived from the CWA Model 5 Portfolio in the Pooled Fund Program; these specific comments will be referred to as “Model 5” throughout.

PORTFOLIO ANALYSIS

Overall Goal. We construct portfolios to generate a return that maximizes the probability that an investor will meet their retirement goals, as opposed to maximizing their asset base (which interjects significant risk). We believe that a value bias, international exposure and general diversification provide the best avenue to meet this objective. Our portfolios have lower volatility†, but can go through periods where they do not keep pace with the U.S. equity markets (the most common benchmark) because of our focus on value, fixed income and international stocks.

The **Moderate Growth Portfolio** is intended to provide a balanced allocation, with a slight overweight to equities over fixed income. The goal is to provide a balance of growth and income with lower volatility than an all-equity portfolio. Our target and current portfolio asset class allocations for Model 5 are listed below.



ACTUAL VS. TARGET

Equal Weight Equities

Under Weight International Exposure

Equal Weight Intermediate and Long-Term Fixed Income

High Cash Position

LARGEST EQUITY AND FIXED INCOME POSITIONS

In normal market environments, Moderate Growth has a target allocation of 60% stocks & 40% bonds, with approximately 20% of the portfolio in international equities and fixed income. So, the portfolio is a global one – with a U.S. tilt. By design, the holdings are broadly diversified by location/country, by company size, by credit quality/yield and by maturity/duration. The investment managers have a degree of flexibility which allows them to respond to different market environments, and our equity managers are currently holding a large amount of cash (given current valuations).

† as of 10/31/2024, the 10-year volatility (standard deviation) of Model 5 is 10.2%, versus 15.3% for the S&P 500 Index.

PERFORMANCE

The Moderate Growth portfolios in the Pooled Fund Program and the Unified Managed Account Program have slightly different investments, costs and thus returns. Accordingly, we direct you to your account statement for your individual performance.

In October, Model 5 (net of fees and expenses) outperformed compared to the Global 60/40 Index, underperformed compared to the U.S. 60/40 Index, and outperformed compared to the S&P Moderate Growth which posted the following returns:

PERFORMANCE	OCT	COMMENTS
Global 60/40 Benchmark Index[2]	-2.73%	Markets fell during the month as the yield curve steepened. A mixed bag of 'Magnificent 7' tech results caused volatility in the last few days of October. Broader markets outperformed during those volatile days.
U.S. 60/40 Benchmark Index[3]	-1.54%	
S&P Moderate Growth Index[4]	-2.22%	

(1) "Market Perform" means within a range of +10 bps to -10 bps of the applicable index for the month (or +/- 8 bps per month for YTD performance); "Outperform" means more than +10 bps for the month (or more than +8 bps per month for YTD performance); "Underperform" means more than -10 bps for the month (or more than -8 bps per month for YTD performance). **Please note performance comparison comments are based upon Model 5 Pooled Fund Program data. There are inherent limitations in the use of model performance – please read the Model Disclosure found on page 6. Investors should consult their individual custodial statement for actual performance of individual portfolios. Actual performance comparisons may differ from model comparisons.**
(2) Global 60/40 Benchmark is 60% MSCI ACWI Index & 40% Barclays Global Aggregate Bond Index.
(3) US 60/40 Benchmark is 60% S&P 500 Index & 40% Barclays U.S. Aggregate Bond Index.
(4) S&P Moderate Growth Index is 50% S&P Target Risk Moderate Index & 50% S&P Target Risk Growth Index.

MARKET PERFORMANCE

Equities

PERFORMANCE	OCT	MULTIPLE	COMMENTS
U.S. Equities[5]	-0.73%	24.5X	Broad markets performed roughly in line with the S&P 500 during the month.
International Developed[6]	-5.43%	15.1X	International developed markets strongly underperformed during the month.
Emerging Markets[7]	-4.32%	15.2X	EM markets strongly underperformed during the month.

(5) U.S. Equities are represented by the Russell 3000 Index.
(6) International Developed is the MSCI EAFE Index.
(7) Emerging Markets is the MSCI EM Index.

Fixed Income

PERFORMANCE	OCT	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)(8)	-3.34%	-	The yield on the 10-year treasury increased by roughly 60 bps during October. Strong economic growth and relatively low unemployment suggest that the Fed will have trouble cutting rates quickly enough to keep up with market expectations. This is combined with continued worry about U.S. debt service costs.
U.S. Treasuries (Longer Duration)(9)	-5.41%	0.27%	
Global Fixed Income(10)	-3.35%	-0.66%	
Emerging Fixed Income(11)	-1.62%	2.02%	
High Yield(12)	-0.54%	3.01%	

(8) U.S. Treasuries (7-10 Years), represented by the Barclays U.S.T 7-10 Yr Total Return Index
(9) U.S. Treasuries (20+ Years), represented by the Barclays U.S.T 20+ Yr Total Return Index
(10) Barclays Global Aggregate Bond Index.
(11) Barclays Emerging Markets EMEA Total Return
(12) Barclays U.S. Corporate High Yield Index.

Commodities and Real Assets. The Model 5 portfolios do not have significant exposure to commodities, except indirectly. However, commodities and real assets (real estate) provide a good sense of global demand (in the case of industrial commodities) or fear (gold).

PERFORMANCE	OCT	TREND	COMMENTS
Energy(13)	1.46%	-	Oil rebounded during October.
Real Estate(14)	-3.49%	-	RE sold off as the term structure of interest rates increased.
Industrial Metals(15)	-2.62%	-	Industrial metals sold off after a strong month in September.
Gold(16)	4.30%	UP	Gold was up markedly and is hitting new highs.

(13) S&P GSCI Energy Total Return Index.
(14) Dow Jones U.S. Real Estate Index.
(15) S&P GSCI Industrial Metals Total Return Index.
(16) SPDR Gold Shares (GLD).

Market Comments

APOLLO

The Harris Plan
(billions, 2026-2035)

Policy Proposals	Low	Central	High
Extend the TCJA for Households Making Less than $400k	-$2,050	-$3,000	-$3,600
Expand the Child Tax Credit and Earned Income Tax Credit	-$1,400	-$1,400	-$1,400
Extend and Expand the Enhanced ACA Premium Subsidies	-$350	-$550	-$600
Support Affordable Housing	-$200	-$250	-$500
Exempt Tips from Income Taxes and Raise the Minimum Wage	-$100	-$200	-$350
Improve Border Security	$0	-$100	-$200
Support Manufacturing, Research, and Small Businesses	-$150	-$150	-$200
Expand Access and Funding for Pre-K and Child Care	-$400	-$700	-$950
Establish National Paid Family and Medical Leave	-$200	-$350	-$700
Support Affordable and Quality Education	-$150	-$350	-$700
Increase Long-Term Care Funding and Support Family Caregivers	-$100	-$200	-$500
Subtotal, Tax Cuts and Spending Increases	-$5,100	-$7,250	-$9,700
Increase the Corporate Tax Rate from 21% to 28%	$1,350	$900	$750
Increase Taxes on Capital Income	$900	$850	$700
Increase NIIT/Medicare Taxes	$800	$800	$600
Reform International Tax Rules	$650	$550	$550
Reduce Prescription Drug Costs	$250	$250	$200
Other Revenues from the President's Budget, Including a Higher Book Minimum Tax, IRS Funding, and Compensation Deductibility Limits	$1,150	$900	$0
Subtotal, Revenue Increases and Spending Reductions	$5,100	$4,250	$2,800
Net Interest	$0	-$500	-$1,200
Total, Net Deficit Impact	$0	-$3,500	-$8,100

The Trump Plan
(billions, 2026-2035)

Policy Proposals	Low	Central	High
Extend and Modify the Tax Cuts & Jobs Act (TCJA)	-$4,600	-$5,350	-$5,950
Exempt Overtime Income from Taxes	-$500	-$2,000	-$3,000
End Taxation of Social Security Benefits	-$1,200	-$1,300	-$1,450
Lower the Corporate Tax Rate to 15% for Domestic Manufacturers	-$150	-$200	-$600
Exempt Tip Income from Taxes	-$100	-$300	-$550
Strengthen and Modernize the Military	-$100	-$400	-$2,450
Secure the Border and Deport Unauthorized Immigrants	$0	-$350	-$1,000
Enact Housing Reforms, Including Credits for First-Time Homebuyers	-$100	-$150	-$350
Boost Support for Health Care, Long-Term Care, and Caregiving	-$50	-$150	-$300
Subtotal, Tax Cuts and Spending Increases	-$6,800	-$10,200	-$15,650
Establish a Universal Baseline Tariff and Additional Tariffs	$4,300	$2,700	$2,000
Reverse Current Energy/Environment Policies and Expand Production	$750	$700	$550
Reduce Waste, Fraud, and Abuse	$250	$100	$0
End the Department of Education and Support School Choice	$200	$200	$0
Subtotal, Revenue Increases and Spending Reductions	$5,500	$3,700	$2,550
Net Interest	-$150	-$1,000	-$2,050
Total, Net Deficit Impact	-$1,450	-$7,500	-$15,150

On the eve of the election, it is important to view results through a market perspective rather than an emotional one. This is likely the most divided election in history, and as we often say, it is very important to keep politics out of your portfolio.

During the turbulent campaign season, the market has ground higher and is sitting near all-time highs. That is because the economy is strong, and the market anticipates gridlock in Congress post-election. Congress is where bills that affect the stock market—both positively and negatively are generated, and gridlock is something the market likes because it means not a lot will actually get done. Many of the statements on both sides of the aisle will not come to fruition with a gridlocked Congress.

Both candidates will also spend a deficit—see the chart above. Trump has been president before, and the market knows what to expect. Kamala Haris has been VP for 4 years, and the market can easily anticipate what her policy prescriptions, in aggregate, will look like.

All of this means that the election will likely not affect the market, regardless of the result. This does not mean that we couldn't have some volatility in the days following November 5th—in fact, the market was limited down at 3 am on November 9th, 2016. By the close of business that day, the market was up. However, over the intermediate term, the market likely tells us that it anticipates continued GDP growth and a backdrop supporting broader equity prices going forward.

For questions, or to request additional information, please contact your CWA Financial Planner

DISCLOSURES

PAST PERFORMANCE IS NOT AN INDICATOR OF FUTURE MARKET RETURNS.
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CWA Model 5 Moderate Growth Pooled Fund Program: The target allocation and portfolio data used throughout this presentation is for the CWA Model 5 recommended for participants in the Pooled Fund Program. This Model is the most common recommendation and is used here to illustrate the CWA methodology. Other CWA Recommended Investment Program models will vary in asset allocation and underlying manager and/or security selection. Clients should discuss these models and programs with their planner prior to selection.

***The CAPE ratio is a valuation measure that uses real earnings per share (EPS) over a 10-year period to smooth out fluctuations in corporate profits that occur over different periods of a business cycle. The ratio is generally applied to broad equity indices to assess whether the market is undervalued or overvalued. While the CAPE ratio is a popular and widely-followed measure, several leading industry practitioners have called into question its utility as a predictor of future stock market returns. The CAPE ratio, an acronym for Cyclically Adjusted P/E (i.e. Price-Earnings) ratio, was popularized by Yale University professor Robert Shiller. It is also known as the Shiller P/E ratio.*

+*Statements relating to Value outperforming Growth are based upon the data of the Fama-French 3-Factor Model. A pioneering study by renowned academics, Eugene Fama and Ken French, suggesting that three risk factors: market (beta), size (market capitalization) and price (book/market value) dimensions explain 96% of historical equity performance.*

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