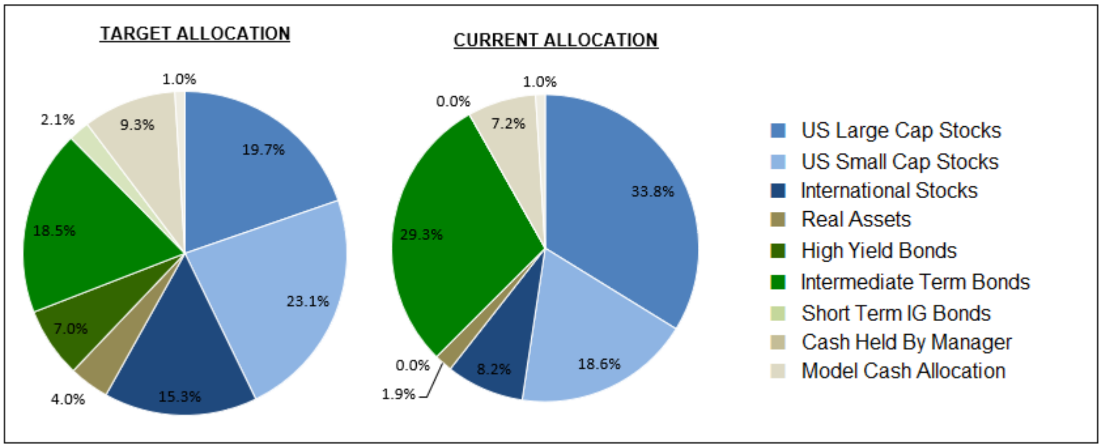
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as "Moderate Growth" throughout. Specific references to performance, current allocation, or comparison 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 12/31/2024, the 10-year volatility (standard deviation) of Model 5 is 10.4%, 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 December, Model 5 (net of fees and expenses) underperformed compared to the Global 60/40 Index, underperformed compared to the U.S. 60/40 Index, and underperformed compared to the S&P Moderate Growth which posted the following returns:

PERFORMANCE	DEC	COMMENTS
Global 60/40 Benchmark Index(2)	-2.47%	December was disappointing for the markets, but the cap-weighted indexes don't tell the whole story. While the S&P 500 ended the month down -2.4%, the S&P 500 equal weight index ended the month down -6.3%. The dominance of the Mag 7 in the cap-weighted indexes has reached historic proportions and is skewing the narrative of the health of the overall equity market.
U.S. 60/40 Benchmark Index(3)	-2.09%	
S&P Moderate Growth Index(4)	-2.09%	

(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	DEC	MULTIPLE	COMMENTS
U.S. Equities(5)	-3.06%	25.0X	Broad markets underperformed the S&P by almost a full percent during the month. A handful of 'Magnificent 7' stocks skewed the returns of the cap-weighted indexes well above the breadth of the market in December.
International Developed(6)	-2.25%	13.8X	International developed markets outperformed during the month.
Emerging Markets(7)	-0.12%	13.5X	EM markets were flat during December.

(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	DEC	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)[(8)]	-2.24%	-	The Fed cut rates by 25 bps in December. However, they changed their stance and intimated they expect a pickup in inflation – mostly stemming from tariff policy – and that rates may stay higher for longer and the pace for interest rate cuts may moderate. This caused a selloff in the bond market.
U.S. Treasuries (Longer Duration)[(9)]	-5.99%	0.33%	
Global Fixed Income[(10)]	-2.15%	-0.87%	
Emerging Fixed Income[(11)]	-1.20%	1.98%	
High Yield[(12)]	-0.43%	2.75%	

(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	DEC	TREND	COMMENTS
Energy[(13)]	5.96%	-	Oil was up firmly in December.
Real Estate[(14)]	-8.20%	DOWN	RE sold off strongly because the Fed intimates that rates may stay higher longer. Mortgage rates shot upward.
Industrial Metals[(15)]	-2.88%	DOWN	Industrial metals sold off during December.
Gold[(16)]	-1.41%	-	Gold fell during the month due to the U.S. dollar strength.

(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

While the S&P finished the year up 25% - on the back of a 25% year in 2023 – the market's underlying health tells a different story.

The S&P 500 falls flat without Big Tech

The benchmark index would have had mediocre years without the Magnificent 7, according to DataTrek Research.

Year	S&P 500	S&P 500 ex-Mag 7
2023	24.2%	4.1%
2024	23.3%	6.3%

Price return basis for 12-month returns 2023, 2024

Table: Phil Rosen, Opening Bell Daily • Created with Datawrapper

OPENING BELL DAILY

The breath of the S&P has had two rather pedestrian years if you removed the 'Magnificent 7.'

December was a poor month for the markets. While the S&P was only down -2.4%, the S&P equal-weighted index was down -6.3%. The cap-weighted index – now 40% comprised of just the top 10 companies – outperformed the equal-weighted index by 12% for the year.

The market concentration is very concerning. Historic examples of this concentration are littered with examples of it ending poorly – 1929 (the Great Depression followed), the Nifty Fifty (a severe recession followed), and the Dot Com bubble in 1999-2000. Luckily, this market most resembles the latter, which ended with a bubble in internet stocks, but the breadth of the market was up between 2000 and late 2001 before 9/11, which tipped the economy into a recession.

We believe 2025 will bring a capital reformation in the market – where the 'Magnificent 7' market cap will shrink and not be as dominant in the S&P 500. This needs to happen for capital markets to continue functioning rationally.

Less regulation, more M&A (which will bring about more competition), and higher interest rates should be the catalyst for this reformation.

In the interim, we caution investors not to take the last two years and extrapolate those over the intermediate term. History tells us that these momentum trends can end abruptly and violently.

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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Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses. All investments and strategies have the potential for profit or loss. Different types of investments involve higher and lower levels of risk. Historical performance returns for investment indexes and/or categories, usually do not deduct transaction and/or custodial charges or an advisory fee, which would decrease historical performance results. There are no assurances that a portfolio will match or exceed any specific benchmark.

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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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Model Performance Disclosure: Model performance is NOT an indicator of future or actual results. Performance does not represent the returns that any individual investor actually received. Cain Watters Investors may incur a loss. *Cain Watters Models contain allocations to several different common pooled trust funds. Each individual pooled trust fund has a defined investment strategy; usually designed around a specific asset class. Investment managers and their respective strategies are chosen to meet each of the pooled funds' objectives. Investors in the models pay a monthly asset based trust fee, based on their average investment balance during the month. Model performance is calculated using the reported net asset value of each individual pooled fund. Performance for the individual funds is then weighted according to the model target allocation. Model performance includes the reinvestment of dividends and interest. The annual trust fee of 0.65% is subtracted from gross returns on a pro-rated basis of 0.0541% per month; and includes trust fees and investment advisory fees. For time periods prior to July 1, 2016 an annual trust fee of 1.05% or 0.0875% per month was used. Model performance has inherent limitations in that it does not reflect the effects of significant cash flows, or take into account actual client asset allocation that may differ materially from the target allocation due to rebalancing policies and changes in market values. This model performance information is provided for illustrative purposes only. Cain Watters Model investors may experience materially different returns.*

Use of Comparison Benchmark or Index: Indexes cannot be invested in directly. Index performance and statistics are provided for illustrative or comparison purposes and are chosen as commonly accepted representations of the performance of a particular segment of the market.