LibertyWealth®
ADVISORS
A Prime Capital Financial Company

Annette A. VanderLinde
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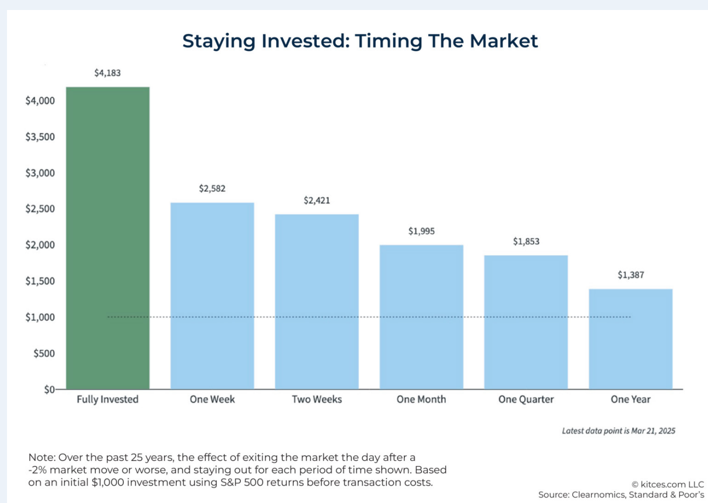
President

Dear Valued Friends and Clients,

As I write this cover letter, a mere handful of days after the quarter end, I again find myself reflecting upon the volatile nature of the markets. Tariff news, policy changes and negotiation tactics continue to rock the markets and rattle investors. During volatile times, like what we've seen during the start of this new quarter, it bears repeating and reinforcing the idea that although market pullbacks are never pleasant, they do not last forever. Market corrections, although unsettling, are part of normal market cycles. Although each correction carries its own set of circumstances, historical patterns do demonstrate that recovery eventually does happen. However, the path of that recovery and the uncertainty that comes with it certainly doesn't make the journey any more comfortable.

Now, it's more important than ever to have a trusted advisor by your side to provide you with the professional counsel and experiece needed to navigate these challenging times. It's moments like these where our team of advisors at Liberty Wealth really do shine: proactively discussing risk tolerance in combination with a financial plan can help to combat the emotional difficulty of staying invested during times of volatility. Without professional advice, investors are often tempted to engage in market timing, fear-induced, trading behavior – which could lead to underperformance of market indices in the long run. The following chart really helps to demonstrate the power of staying invested:

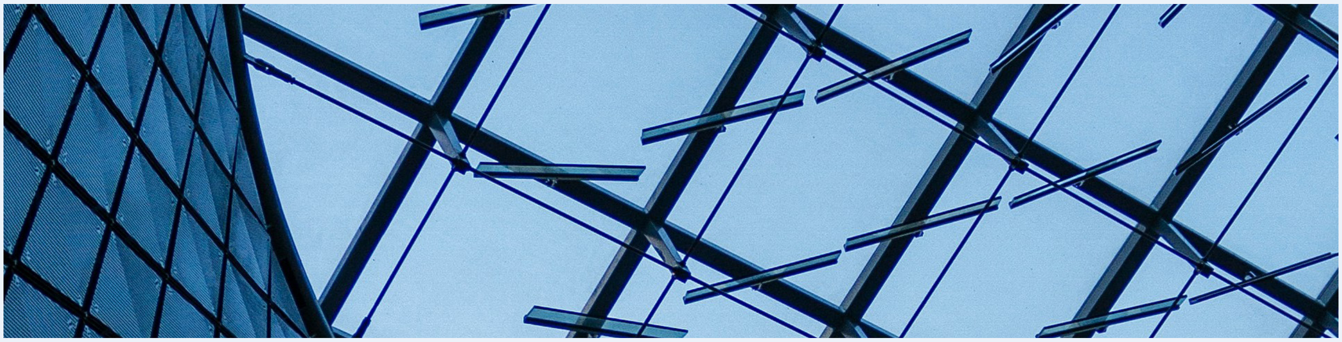


This chart shows the cost of attempting to "time" the markets, and how by exiting the market the day after a 2% downturn led to poor performance (no matter how quickly they reinvested back into the market). Simply stated: some of the best market days follow volatility, and how missing out on just a few of these moments can impact long-term returns. Consistency and discipline in your investment approach can help you in the long run. Here at Liberty Wealth Advisors®, it's how we've been managing money for decades, successfully serving the needs of our clients.

Thank you for your continued confidence and loyalty. It is truly a privilege to serve you!

Warm Regards,

Annette A. VanderLinde, MBA, CWS®, AIF®
President



2025 Q1 Global Market Report

Executive Summary

The first quarter of 2025 opened with a sharp reversal from 2024's blockbuster equity performance. Persistent inflation concerns, announcements of unexpectedly-high tariffs, and a shifting global policy backdrop have all contributed to a challenging and volatile start to the year across major asset classes. Market leadership narrowed even further, and traditional diversification has begun to show signs of reasserting itself—particularly in the international space.

Markets Reprice Growth and Policy Risks

U.S. equities fell sharply in Q1, with the S&P 500 down 4.3%. While outside the first quarter, during the first week of April, in just two trading sessions, the U.S. equity market shed over $5 trillion in value, marking the fastest percentage drawdown since the COVID-19 shock in March 2020. This dramatic move was largely catalyzed by an aggressive new round of tariff announcements by the Trump administration. While the market is debating whether these are negotiating postures or the beginnings of a structural shift in U.S. trade policy, the message was loud and clear: investors are beginning to price in long-term implications.

The small cap Russell 2000 Index dropped 9.5%, continuing its trend of underperformance. Small caps remain pressured by rising input costs, a higher cost of capital, and limited pricing power relative to their large-cap counterparts.

KEYS TO THE QUARTER:

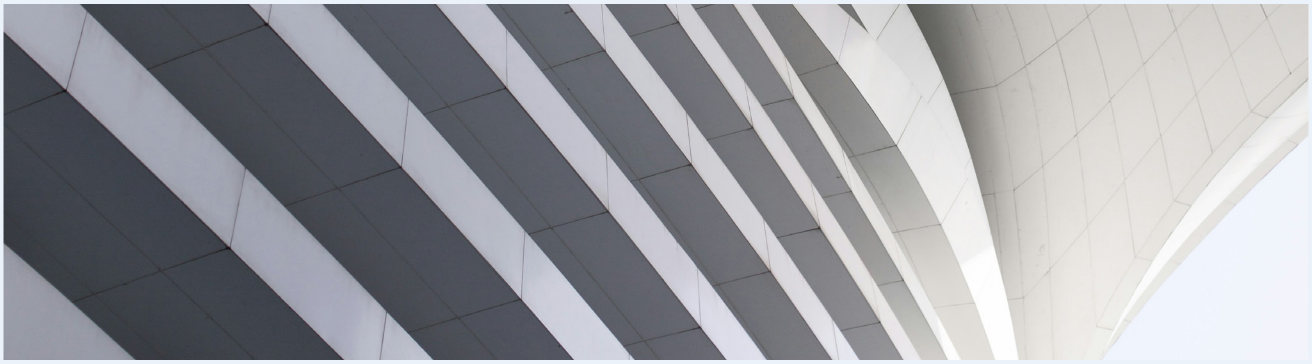
- Concerns about tariffs and policy uncertainty dominate
- U.S. growth expectations decline, risk of recession rises
- Bonds and non U.S. stocks provide diversification

International Equities: A Rebound in Relative Strength

After years of lagging U.S. markets, international equities staged a comeback, with the MSCI EAFE Index up 6.9% for the quarter. For U.S.-based investors, this outperformance was boosted by a weakening dollar, as global capital flows shifted.

Unlike the U.S., where fiscal restraint is starting to take hold, many international governments—particularly in Europe—are ramping up public investment in industrial infrastructure, renewable energy, and AI. This divergence in policy support is drawing investor capital overseas and creating tailwinds for global equity markets. MSCI Europe soared 10.8% in the quarter, while Asia Pacific (+1.0%), was incrementally positive, but outperformed U.S. stocks.

Valuation gaps remain substantial, with international equities still trading at a discount of nearly two standard deviations below their U.S. counterparts. The earnings gap has yet to close, but currency tailwinds and renewed capital investment could shift this narrative over time.



Fixed Income: Rate Volatility Reawakens

The Bloomberg U.S. Aggregate Bond Index advanced 2.8% in Q1, as interest rate volatility returned with force. The Fed remained cautious, pausing on rate cuts even as economic data softened. The market began the year pricing-in two rate cuts; by quarter-end, that expectation had grown to 5.

Higher inflation prints and labor market resilience have created a delicate balancing act for policymakers. At the same time, the yield curve remains deeply inverted, keeping pressure on intermediate and long-duration bonds. Credit spreads have started to widen modestly, though high yield remains supported for now by its equity-like characteristics. The Bloomberg High Yield Index returned 1.0% for the quarter. Non-U.S. Bonds were incrementally negative, returning -0.2%.

Tariff Shock: Uncertainty Returns

The Trump administration's sweeping new tariff initiatives dominated headlines in March, triggering the steep selloff, which accelerated in April. Investors are now grappling with whether this marks a temporary negotiating tactic or a more structural shift in trade and industrial policy.

The proposed tariffs are based not on reciprocal trade barriers but rather on bilateral trade deficits, which has led to non-linear and arguably punitive tax levels on certain trading partners. Switzerland, for example, faces a 31% proposed tariff despite already having zero tariffs on U.S. goods.

Markets are beginning to internalize the real economic impact: these tariffs could act as a tax on consumption and production, squeezing corporate margins and household budgets at the same time. While some companies may pass on these costs, most will face margin compression, which could drive layoffs, delay capital investment, and pressure earnings forecasts.

Current 2025 GDP growth expectations (1.9%) and EPS forecasts ($270/share) are likely too high under these conditions. Wall Street forecasts for a recession now assess a probability of 50-60%, significantly higher than 3 months ago.

Investor Sentiment: Oversold and Cautious

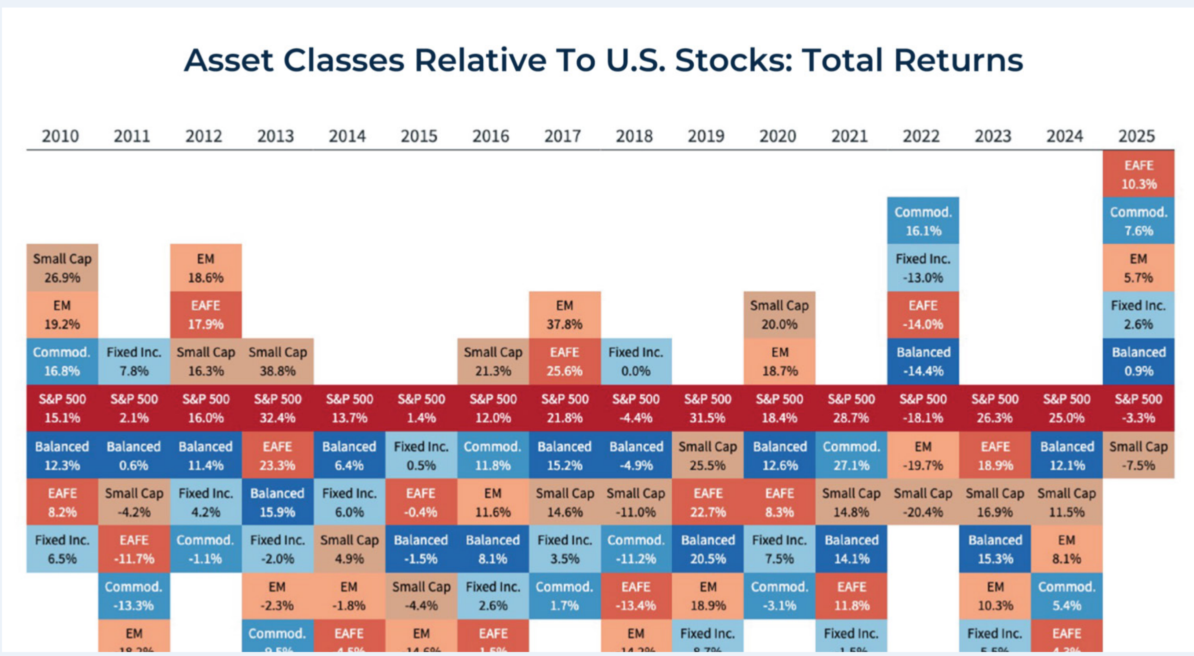
Despite the storm clouds, certain measures now point to short-term capitulation. The VIX volatility index spiked to 45. More than 75% of S&P 500 companies hit 20-day lows in early April—often a contrarian signal. The percentage of stocks trading above their 50-day moving average has also collapsed, with technical indicators suggesting we may be near a "tradeable low."

Historically, such flushes have offered solid forward returns over the next 12–24 months—but the road will likely remain bumpy until policy direction becomes clearer.

Key Portfolio Themes

1. Diversification Matters Again:

After years of U.S. large-cap dominance, Q1's price action has reignited interest in global diversification. With U.S. policy becoming more restrictive and global spending ramping up, international equities and non-dollar exposures could provide ballast in portfolios. See Figure 1 below.



(Figure 1)

2. U.S. Equities: Still Expensive:

Valuations remain stretched. S&P 500 valuations are priced for perfection at a time when policy risks and earnings headwinds are rising. We continue to monitor leadership concentration and forward earnings revisions.

3. Bonds Are Back (But Not Easy):

The bond market remains volatile. While yields are attractive, especially for income-oriented investors, duration risk and credit selection are front and center. While stagflation remains a risk, in a recession, bonds typically provide diversification to negative equity returns. It's an environment we will continue to monitor.

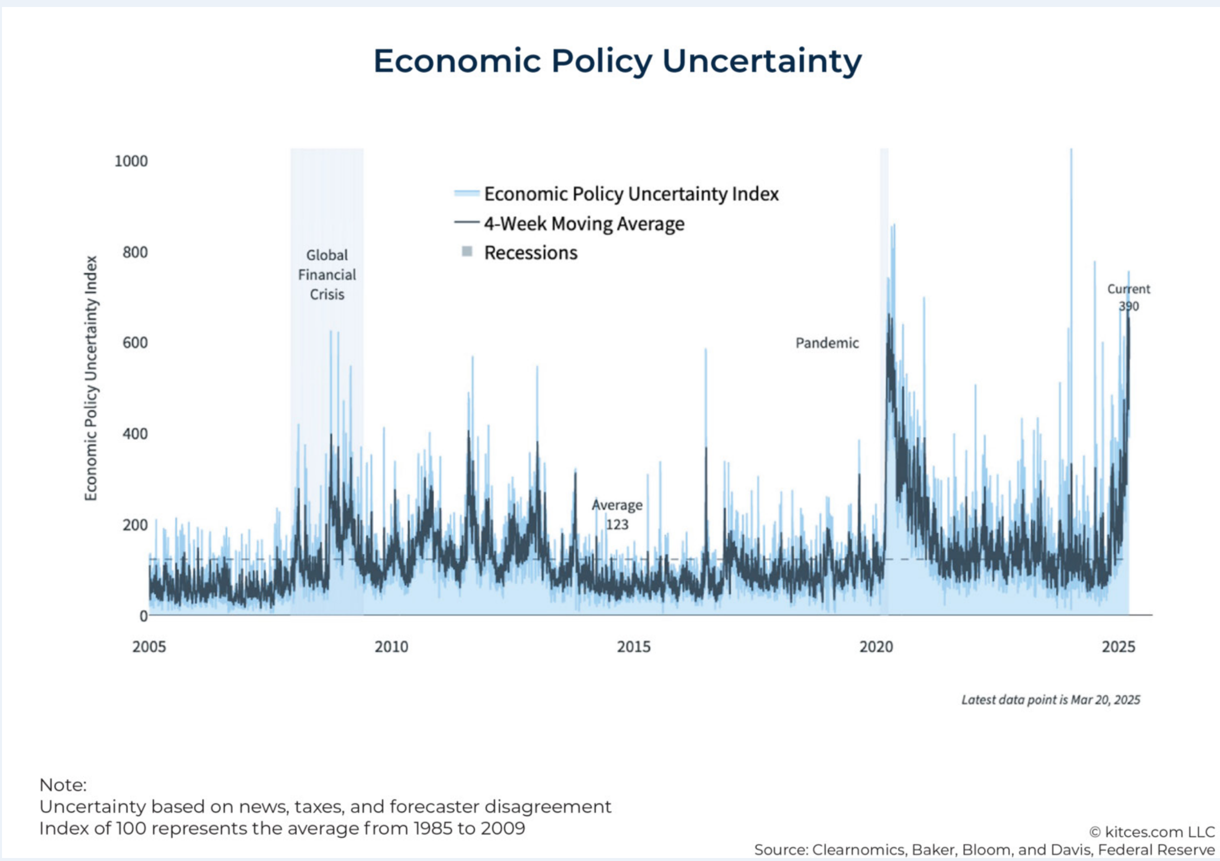
Macro Outlook: Navigating Uncertainty

- **Inflation:** Elevated inflation readings are clashing with market expectations for easing. The Fed remains data-dependent but has signaled hesitation about near-term rate cuts.

- **Growth:** GDP expectations are being revised meaningfully lower. Market sentiment has shifted from “soft landing” to “soft patch”—with risks building on the downside.

- **Geopolitics:** Tariffs, elections, and fiscal brinkmanship are back in focus. These themes are unlikely to fade quickly and could fuel continued market volatility.

Considering all these factors, uncertainty remains strong. Figure 2 shows us where uncertainty regarding economic policy stands in comparison to other periods of time since 2005.



(Figure 2)

What It Means for Long-Term Investors

While the start of 2025 has been challenging, it's also a moment for clarity. Markets are re-pricing. Expectations are re-setting. For long-term investors, this is an environment where disciplined portfolio construction, thoughtful diversification, and risk management matter most.

This information is for general knowledge purposes only and should not be considered investment advice. If you have any questions about your portfolio, your long-term financial goals, or the ways in which Liberty Wealth Advisors® can help you achieve those goals, financial well-being, and confidence, please do not hesitate to contact your Advisor. We thank you for your continued trust and loyalty. It is truly a privilege to serve you.

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Select Index Measures
(As of 3/31/2025)

	Quarter End	Year-To-Date	Last 5 Years Annualized
CRSP US Total Market Index Total Return	-4.82	-4.82	18.09
S&P 600 Value	-9.93	-10.41	16.18
CRSP US REIT Index Total Return	2.85	2.85	9.55
MSCI Europe Total Return	10.48	10.48	13.14
MSCI Pacific Total Return	0.34	0.34	9.18
MSCI Emerging Markets Total Return	2.93	2.93	7.94
Bloomberg US Aggregate	2.78	2.78	-0.40
Bloomberg Global Aggregate ex-USD USD Hedged	1.17	1.17	0.42
Bloomberg US TIPS (Series-L)	4.17	4.17	2.36
Bloomberg US High Yield Very Liquid Index	0.85	0.85	6.50
Bloomberg Municipal 1-15 Year	0.39	0.39	1.25

Sources: Liberty Wealth Advisors® using data from Bloomberg

Appendix

MARKET UPDATE

Bloomberg

Asset Class Snapshot	3/31/25
Asset Class	YTD Return
Global Stock Ex U.S.	5.23%
U.S. Bond	2.78%
Global Bond Ex U.S.	1.17%
U.S. High Yield	0.85%
U.S. Stock	-4.82%

Region Snapshot	3/31/25
Region	YTD Return
Latin America Stock	11.44%
Europe Stock	10.48%
Global Stock Ex U.S.	5.23%
Emerging Markets	2.93%
Asia Pacific Stock	0.88%
U.S. Stock	-4.82%

Equity Style Snapshot			3/31/25
YTD	Value	Blend	Growth
Large	2.64%	-4.70%	-9.50%
Mid	-0.07%	-1.57%	-3.43%
Small	-5.42%	-7.37%	-9.91%

Asset Class Summary							3/31/25
Asset Class	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
U.S. Stock	-2.96%	-4.41%	-4.82%	-4.82%	-2.44%	4.89%	14.28%
Global Stock Ex U.S.	-2.68%	-1.31%	5.23%	5.23%	-4.23%	1.45%	8.18%
U.S. Bond	0.63%	0.44%	2.78%	2.78%	5.82%	1.14%	-0.49%
Global Bond Ex U.S.	0.47%	-0.16%	1.17%	1.17%	5.80%	2.14%	0.49%
U.S. High Yield	-0.82%	-1.14%	0.85%	0.85%	4.82%	4.17%	5.96%

Region Summary							3/31/25
Region	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
U.S. Stock	-2.96%	-4.41%	-4.82%	-4.82%	-2.44%	4.89%	14.28%
Global Stock Ex U.S.	-2.68%	-1.31%	5.23%	5.23%	-4.23%	1.45%	8.18%
Emerging Markets	-2.99%	-1.76%	2.93%	2.93%	-2.25%	-1.31%	5.30%
Europe Stock	-2.48%	-0.36%	10.48%	10.48%	-3.73%	3.90%	10.54%
Asia Pacific Stock	-3.17%	-2.74%	0.88%	0.88%	-5.42%	-0.19%	5.47%
Latin America Stock	-2.23%	2.36%	11.44%	11.44%	-19.55%	-2.79%	9.76%

Equity Style Summary							3/31/25
Region	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
Large Growth	-4.64%	-6.78%	-9.50%	-9.50%	-1.84%	6.94%	15.75%
Large Blend	-2.85%	-4.39%	-4.70%	-4.70%	-1.28%	5.67%	14.68%
Large Value	-0.51%	-1.09%	2.64%	2.64%	-0.71%	3.97%	13.12%
Mid Growth	-3.63%	-4.20%	-3.43%	-3.43%	-4.71%	1.21%	10.92%
Mid Blend	-2.09%	-2.65%	-1.57%	-1.57%	-4.23%	1.26%	12.18%
Mid Value	-0.90%	-1.43%	-0.07%	-0.07%	-4.07%	1.16%	13.15%
Small Growth	-5.09%	-6.77%	-9.91%	-9.91%	-11.02%	-1.28%	8.03%
Small Blend	-3.66%	-5.36%	-7.37%	-7.37%	-10.10%	0.26%	11.96%
Small Value	-2.59%	-4.31%	-5.42%	-5.42%	-9.49%	1.30%	14.63%

Sources: Liberty Wealth Advisors® using data from Bloomberg

Appendix

MARKET UPDATE

Bloomberg

Sector Snapshot	3/31/25
Sector	**YTD Return**
Energy	9.09%
Health Care	6.14%
Utilities	4.17%
Consumer Defensive	3.89%
Financials	3.06%
Real Estate	2.90%
Materials	2.19%
Comm. Services	-0.37%
Industrials	-0.52%
Technology	-11.20%
Consumer Cyclical	-11.99%

S&P 500 Sector Weights	3/31/25
Sector	**Weight**
Technology	29.18%
Financials	14.40%
Health Care	11.41%
Consumer Cyclical	10.48%
Comm. Services	9.41%
Industrials	8.41%
Consumer Defensive	6.38%
Energy	3.42%
Utilities	2.62%
Real Estate	2.28%
Materials	2.00%

Sector Summary							3/31/25
Sector	**1 Week**	**1 Month**	**3 Month**	**YTD**	**1 Year**	**3 Year**	**5 Year**
Cyclical							
Consumer Cyclical	-3.34%	-7.05%	-11.99%	-11.99%	0.93%	1.10%	12.41%
Financials	-0.68%	-2.58%	3.06%	3.06%	7.24%	7.10%	16.87%
Materials	-0.65%	-2.31%	2.19%	2.19%	-15.87%	-2.67%	11.41%
Real Estate	0.07%	-2.33%	2.90%	2.90%	1.60%	-5.28%	5.87%
Sensitive							
Comm. Services	-2.27%	-4.06%	-0.37%	-0.37%	7.03%	9.75%	14.61%
Energy	0.65%	4.29%	9.09%	9.09%	-17.11%	3.09%	22.93%
Industrials	-2.40%	-2.57%	-0.52%	-0.52%	-5.04%	7.37%	15.30%
Technology	-5.12%	-7.24%	-11.20%	-11.20%	-10.41%	7.26%	17.55%
Defensive							
Consumer Defensive	2.86%	-0.39%	3.89%	3.89%	7.19%	2.18%	8.95%
Health Care	-0.77%	-0.82%	6.14%	6.14%	-4.30%	-0.40%	9.05%
Utilities	0.87%	1.05%	4.17%	4.17%	15.29%	1.55%	8.10%

Market Indicators							
Name	**As of**	**Last Month**	**1 Month Ago**	**1 Mo. % Change**	**1 Year Ago**	**1 Year % Change**	**Freq.**
Key Interest Rates							
1 Month Treasury	3/31/25	4.38%	4.37%	0.2%	5.49%	-20.2%	Daily
2 Year Treasury	3/31/25	3.88%	4.20%	-7.5%	4.62%	-15.9%	Daily
10 Year Treasury	3/31/25	4.21%	4.54%	-7.3%	4.20%	0.1%	Daily
30 Year Mortgage	3/31/25	6.77%	7.26%	-6.7%	7.25%	-6.6%	Daily
US Corporate AAA	3/31/25	4.78%	4.97%	-3.8%	4.73%	1.0%	Daily
US Corporate BBB	3/31/25	5.35%	5.48%	-2.3%	5.50%	-2.7%	Daily
US Corporate CCC	3/31/25	10.95%	9.73%	12.5%	11.87%	-7.8%	Daily
Effective Federal Funds	3/31/25	4.50%	4.50%	0.0%	5.50%	-18.2%	Daily
U.S. Economy							
Consumer Sentiment	3/31/25	57.00	69.10	-17.5%	79.40	-28.2%	Monthly
Unemployment Rate	3/31/25	4.10%	4.10%	0.0%	3.90%	5.1%	Monthly
Inflation Rate	2/28/25	2.80%	3.00%	-6.7%	3.20%	-12.5%	Monthly
Manufacturing PMI	2/28/25	50.30	50.90	-1.2%	47.60	5.7%	Monthly
Non Manufacturing PMI	2/28/25	53.50	52.80	1.3%	52.20	2.5%	Monthly
Retail Sales	2/28/25	-0.90%	4.40%	-120.5%	6.30%	-114.3%	Monthly
Building Permits	2/28/25	1,456	1,473	-1.2%	1,563	-6.8%	Monthly

Sources: Liberty Wealth Advisors® using data from Bloomberg

Appendix

NOTES AND DISCLAIMERS

Asset Class Indices

Name	Index	Index Start Date
U.S. Stock	CRSP US Total Market Index Total Return	3/31/11
Global Stock Ex U.S.	MSCI ACWI Ex USA Net Total Return	12/31/98
U.S. Bond	Bloomberg US Aggregate	1/30/76
Global Bond Ex U.S.	Bloomberg Global Aggregate	1/31/90
U.S. High Yield	Bloomberg US High Yield Very Liquid Index	1/4/10

Region Indices

Name	Index	Index Start Date
U.S. Stock	CRSP US Total Market Index Total Return	3/31/11
Global Stock Ex U.S.	MSCI ACWI Ex USA Net Total Return	12/31/98
Emerging Markets	MSCI Emerging Markets Net Total Return	12/29/00
Europe Stock	MSCI Europe Net Total Return	12/31/69
Asia Pacific Stock	MSCI AC Asia Pacific Net Total Return	12/29/00
Latin America Stock	MSCI Emerging Markets Latin America Net Total Return	12/31/87

Equity Style Indices

Name	Index	Index Start Date
Large Growth	CRSP US Large Cap Growth Index Total Return	9/7/12
Large Blend	CRSP US Large Cap Index Total Return	3/31/11
Large Value	CRSP US Large Cap Value Index Total Return	9/7/12
Mid Growth	CRSP US Mid Cap Growth Index Total Return	9/7/12
Mid Blend	CRSP US Mid Cap Index Total Return	3/31/11
Mid Value	CRSP US Mid Cap Value Index Total Return	9/7/12
Small Growth	CRSP US Small Cap Growth Index Total Return	9/7/12
Small Blend	CRSP US Small Cap Index Total Return	3/31/11
Small Value	CRSP US Small Cap Value Index Total Return	9/7/12

Sector Indices

Name	Index	Index Start Date
Consumer Cyclical	Consumer Discret Sel Sect SPDR® ETF	12/22/98
Financials	Financial Select Sector SPDR® ETF	12/16/98
Materials	Materials Select Sector SPDR® ETF	12/22/98
Real Estate	Real Estate Select Sector SPDR®	10/8/15
Comm. Services	Communication Services Sel Sect SPDR®ETF	6/18/18
Energy	Energy Select Sector SPDR® ETF	12/22/98
Industrials	Industrial Select Sector SPDR® ETF	12/22/98
Technology	Technology Select Sector SPDR® ETF	12/22/98
Consumer Defensive	Consumer Staples Select Sector SPDR® ETF	12/16/98
Health Care	Health Care Select Sector SPDR® ETF	12/22/98
Utilities	Utilities Select Sector SPDR® ETF	12/16/98

Sources: Liberty Wealth Advisors® using data from Bloomberg