



PCS
ADVISORS

Let our independence ignite yours.™

Mid-Year Outlook

July 2025

Mid-Year Outlook

24
25 $\frac{1}{2}$
26

Table of Contents

Overview

Midyear Outlook	5
2025 Themes	6
Economic Backdrop	7
Portfolio Positioning	10

Asset Class Reviews

Fixed Income	12
Equity	15
Private Markets	18

Grab Bag

One Big Beautiful Bill	19
Index Reconstitution	20

2025 Themes

2025 Midyear Outlook

Our Themes of *Fragility*, *Durability* and *The Age of Alpha* encapsulated our allocation shifts coming into 2025, predicated on concerns over full valuations, index concentration in U.S. equities and the risk of reigniting inflation.

Then reality struck. A wave of executive orders, Liberation Day and sweeping fiscal legislation aimed at reshaping the post–World War II economic order created a period of change. Volatility spiked in April as investors tried to digest shifting policies on what often felt like comically fast-moving “facts.” As cooler heads prevailed, both in Washington and in the markets, volatility subsided and markets rebounded. For now, investors appear to have grown comfortable with being uncomfortable.

Still, we remain in the early stages of potential significant and lasting shifts in economic policy. In moments like these, we rely on first order principles that guide our thinking and support our actions:

1. **Diversify with Intent, Not by Default** - Diversification is not about owning a little of everything; it is about aligning your views on opportunity and risk with the humility that the future remains unknowable. Be selective, be thoughtful and above all, be humble in times of change.
2. **Time Is Your Ally** - Compounding is the 8th wonder of the world, but only if you give it time. A long-term lens reveals value and reduces the noise that derails short-term thinkers.
3. **Price Matters** - Even the best business can be a poor investment if you overpay. Valuation is your guardrail and may not just reveal opportunity but keep you out of trouble.
4. **Compensated for Calm** - In times of uncertainty, markets test temperament even more than intelligence. When fear grips others, your discipline becomes your advantage.

As we look ahead to the second half of the year, one thing is clear: our current positioning remains prudent. We have no plans to make a mid-year shift. Our long-term capital market assumptions are largely unchanged from the start of the year and the core opportunities and risks remain intact.

In the following pages, we outline key developments across markets and asset classes as part of this mid-year check-in. This is not a comprehensive review of every allocation, but rather a focused look at where things stand. As always, if you have questions about your portfolio or anything not covered here, please reach out to your consultant. We are always happy to discuss it. Enjoy!



“
We remain in the early stages of potential significant and lasting shifts in economic policy.”

Bradford L. Long, CFA
Managing Partner
Chief Investment Officer



Fragility

Valuation, concentration and inflation have sowed the seeds for potential volatility

High valuations, concentrated equity indexes and the risk of reigniting inflation created a fragile backdrop for markets coming into the year. April served as a stark reminder of that vulnerability. Just days after “Liberation Day,” markets tumbled toward bear-market territory, recovering only after a 90-day tariff reprieve was announced. The severity of the market’s reaction, despite the extreme but not yet implemented tariff levels, underscored just how precarious investor sentiment had become. In healthier conditions, markets typically weather such shocks with more resilience. We believe fragility remains a key element to success in 2025.

Durability

Intentionality is key and durability is available at modest “cost” in markets today

Our positioning for the year emphasized durability through fixed income allocations designed to weather potential rate volatility driven by inflation, global equity allocations that placed greater emphasis on opportunities outside the U.S. and broader exposure to real assets to help buffer against a range of inflationary risks, both economic and geopolitical. Through midyear, these allocations have demonstrated to be as relevant today as they were at the start of the year.

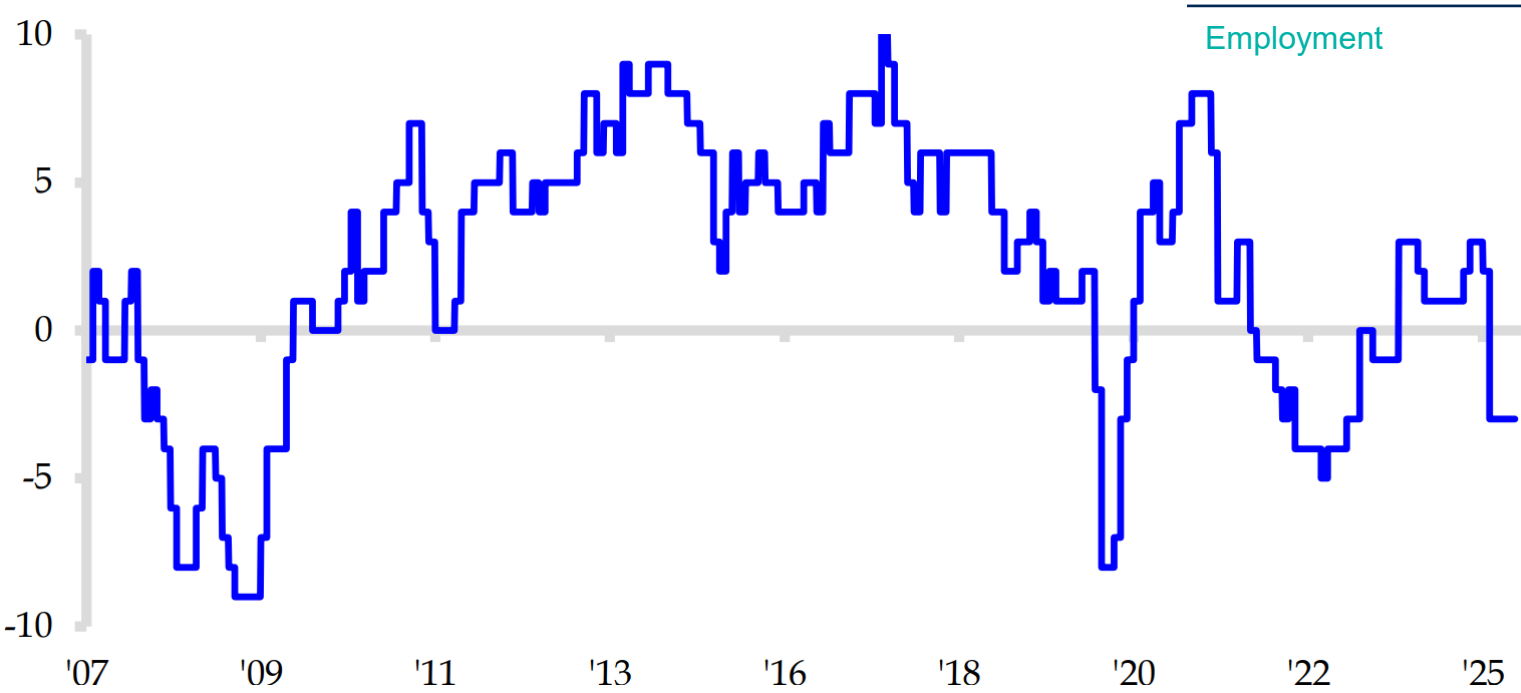
Age of Alpha

Active management and alternatives have the potential to enhance portfolio resilience

No single market environment reliably tips the scales for or against active managers. In areas where active strategies have historically lagged, they’re likely to keep facing headwinds. Where they’ve excelled, their edge often persists. That said, in a period of heightened risks derived by full valuations and concentration, we find it prudent to have even more ‘hands on the wheel’ with active management and continue to find the opportunities through active allocations more compelling in certain asset classes.

Economic Backdrop: From Liberation To Limbo

Economic Balance Sheet Diffusion Index



Strategas as of June 27, 2025

Assets

Employment

Neutral

- Consumer Spending
- Business Confidence
- Price Inflation
- Credit Environment
- Wage Inflation
- Manufacturing
- Nonresidential Construction
- Interest Rate Environment
- Capital Expenditures

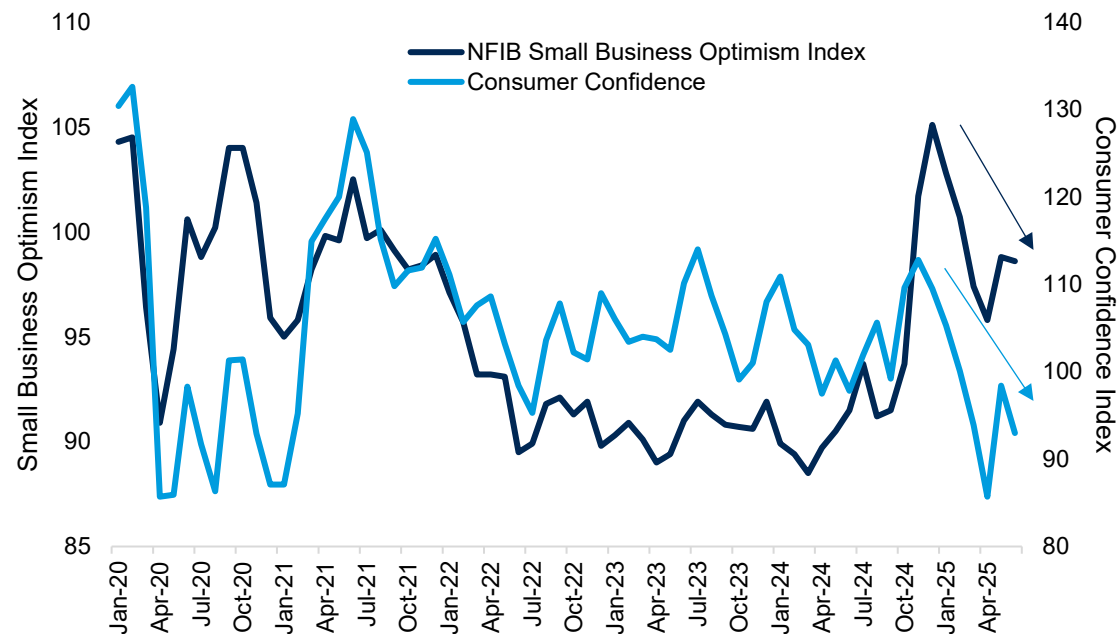
Liabilities

- Housing
- Consumer Confidence
- Government Deficit
- Trade Deficit

After a year of economic shocks and stabilizers, we remain in what can best be described as the “messy middle.” Lagging data continues to sort through the noise: an early-year surge in consumer and business spending to get ahead of tariffs, followed by a pullback as demand softened. As Strategas’ economic diffusion index shows, many parts of the economy are idling in neutral, waiting for the right push to either accelerate or slip back. On the positive side, the One Big Beautiful Bill (OB BB) blocks a \$400 billion tax hike set for January 2026, delivers targeted consumer aid and provides pro-growth incentives to boost domestic manufacturing. On the negative side, the Fed remains, rightly in our view, firmly in restrictive territory amid ongoing policy uncertainty. Meanwhile, consumers, the engine of the post-COVID recovery, appear to be running low on fuel to sustain spending. Additionally, while the pro-growth measures in the OB BB support near-term activity, they also exacerbate the U.S.’s already high deficit and debt levels, continuing to pressure the dollar and adding to potential volatility.

Economic Backdrop: Policy Uncertainty Creates Mixed Economic Signals

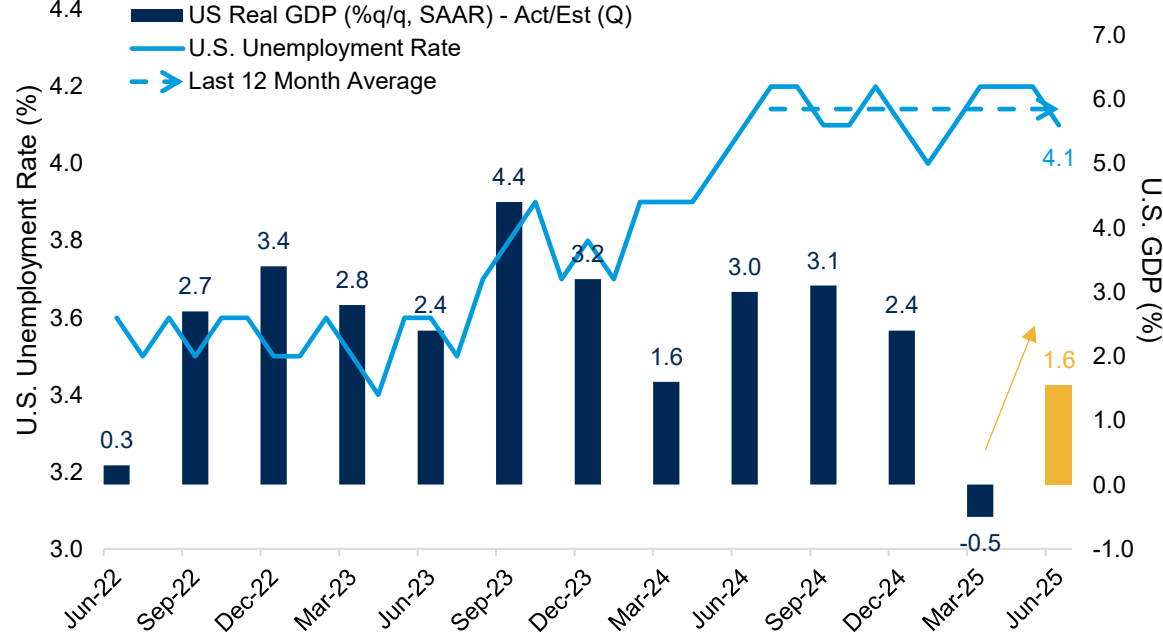
Small Business Optimism and Consumer Confidence



Sources: FactSet, NFIB, Conference Board. As of June 30, 2025

So far in 2025, the U.S. economy has shown a clear divergence between “soft” and “hard” data. This split has created uncertainty around growth prospects, labor market strength and the future of monetary policy. Soft data, drawn from surveys of businesses and consumers, has weakened this year as concerns surrounding inflation, high interest rates, geopolitical tensions and slowing demand weigh on sentiment. These indicators suggest that policy uncertainty, particularly around tariffs, has made businesses and households more cautious and more inclined to anticipate weaker activity ahead.

U.S. GDP and Unemployment Rate

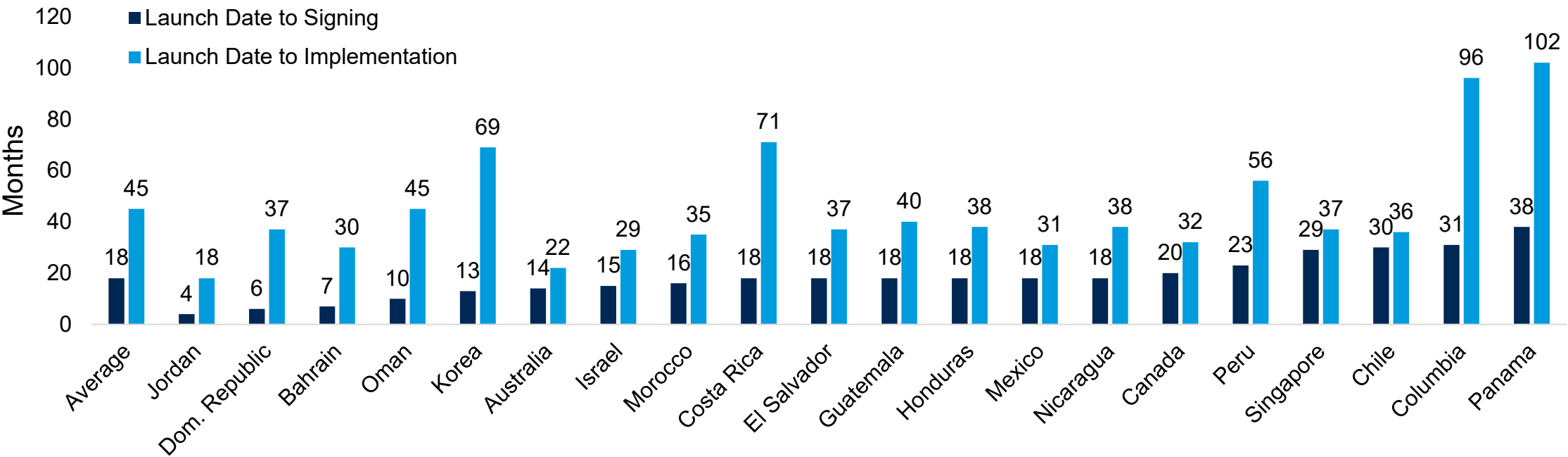


Sources: FactSet, BEA, BLS. As of June 30, 2025. June 2025 GDP value is an estimate.

In contrast, hard data such as GDP growth, payroll gains and retail sales has held up relatively well. The labor market continues to add jobs albeit at a slower pace, but unemployment has remained steady over the past 12 months. Inflation has remained within a narrow range even as trade policy changes begin to ripple through the economy. A negative GDP reading in the first quarter raised alarms, largely due to a surge in imports ahead of tariffs. Since then, expectations have turned positive. Corporate profits remain up year over year, businesses are benefiting from front-loaded demand and the recently passed One Big Beautiful Bill is expected to deliver further support to economic activity in the coming quarters.

Economic Backdrop: Building Bookends

Duration of US Free Trade Agreement Negotiations



Source: World Economic Forum, Apollo Chief Economist. As of April 2025.

The tariffs announced in April were quickly placed on a 90-day reprieve, buying time for negotiations but leaving markets on edge. Historically, trade deals take far longer than 90 days to resolve as noted above, making the short window unusually ambitious. As the reprieve nears its end, where does the U.S. realistically stand? So far, the U.S. has finalized a deal with the United Kingdom, one of the few trading partners that runs a trade surplus with the U.S., which was a key factor in the original tariff calculus. That agreement set tariffs at 10%, which we view as a reasonable floor for future negotiations. At the other extreme, the U.S. is rumored to have struck a deal with Vietnam that imposed a 20% tariff, along with an additional 40% on transshipped goods. Given Vietnam’s significant trade deficit with the U.S., its close economic ties to China and its limited bargaining leverage, this outcome likely represents the ceiling. For most other trading partners, China being a notable exception, tariff rates are likely to fall somewhere between these two. Many details remain unresolved; however, recent deals provide investors with a clearer framework. By establishing realistic bookends, they may help reduce some of the uncertainty that weighed on markets in April.

2025 Allocation Shifts

Fixed Income

U.S. Bonds	▼
TIPS	▲
Dynamic Bonds	▲
High Yield Bonds	--
Global Bonds	▼▼
Muni Bond	▼
Muni High Yield	--

Global Equity

U.S. Large Cap	▼
U.S. Mid/Small Cap	--
Int'l Developed Equity	▲
Emerging Markets	▲

Real Assets & Alternatives

Real Estate	▼
Broad Real Assets	▲
Alternatives	▲

Our 2025 positioning has supported portfolios well so far, with international equity allocations contributing meaningful value year to date. Looking ahead, we believe our current exposures remain well aligned with our long-term portfolio objectives. Many of the conditions that shaped our outlook entering the year are still in place.

Fixed income remains attractive, both on an absolute basis and relative to other risk assets. Yields continue to offer compelling opportunities, with long-term return expectations ranging from 4% to 6.5%. On a risk-adjusted basis, these figures are competitive with the 5.5% to 8% returns projected for public equities. However, credit markets tell a more cautious story. Spreads remain near multi-decade tights, offering limited compensation for embedded credit risk. As a result, we continue to underweight the sector.

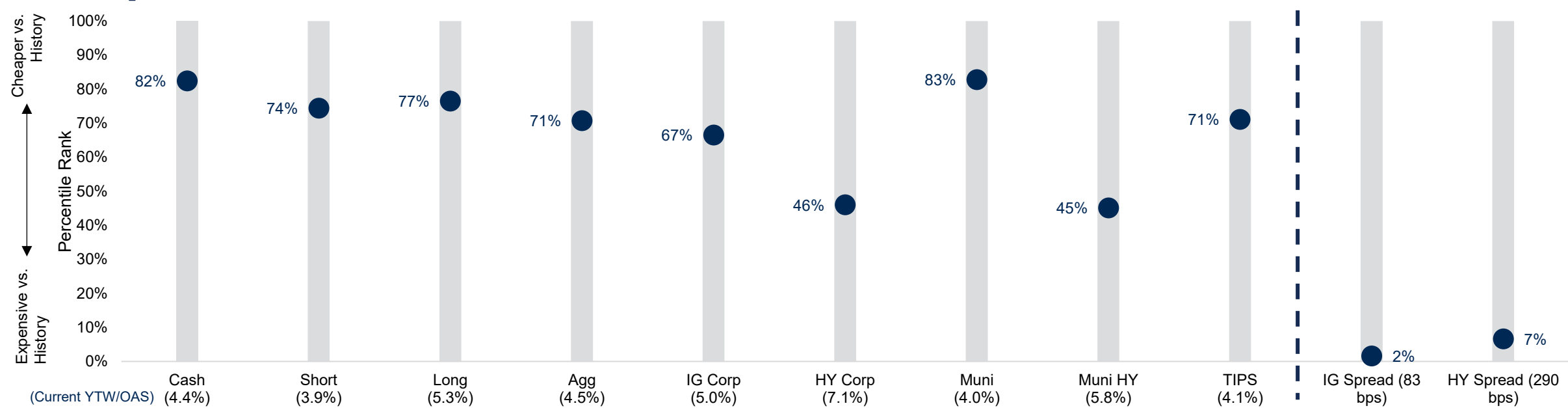
Turning to equities, the long-standing narrative of U.S. exceptionalism is being reexamined. International markets posted their strongest first-half performance in decades, driven by robust local returns and a weaker U.S. dollar. We continue to view global equity allocations as compelling, not only for return potential but also for reducing valuation and concentration risks that persist in the U.S. market.

Within alternatives, we remain constructive across real assets, hedge funds and private equity. Real assets continue to provide potential protection against inflation, while hedge funds align with our thesis that the current environment favors skilled alpha generation. Private markets, particularly lower middle-market equity strategies, also appear well positioned for clients with a long-term investment horizon.

Global Asset Classes

Fixed Income: Conflicting Valuation Signals

Yield and Spread Percentile Rank (Last 20 Years)



Source: FactSet. As of June 30, 2025. YTW = Yield to Worst, OAS = Option Adjusted Spread Cash = Bloomberg 1-3 Month U.S. Treasury Bills Index; Short = Bloomberg US Government/Credit 1-3 Year Index; Long = Bloomberg US Government/Credit Long Index; Agg = Bloomberg US Aggregate Index; IG Corp = Bloomberg US Corporate Investment Grade Index; HY Corp = Bloomberg US Corporate High Yield Index; Muni = Bloomberg Municipal Bond Index; Muni HY = Bloomberg Municipal Bond High Yield Index; TIPS = Bloomberg US Treasury Inflation Protected Securities Index. Yield is based on yield to worst and spread is option adjusted spread in basis points.

Fixed income markets remain broadly attractive. All-in yields, which reflect both the risk-free rate and a credit spread, have declined slightly since the start of the year but are still elevated by historical standards. This relative value is being driven primarily by higher base interest rates rather than by wider credit spreads. In fact, credit spreads are hovering near their tightest levels in the past two decades. Strong corporate fundamentals, a resilient economy and supportive market technicals have all contributed to this compression.

Given this backdrop, we believe a diversified fixed income allocation, anchored by core bonds, offers stability and attractive return potential relative to other asset classes. While tight spreads suggest a more muted outlook for high yield, all-in yields near 7% remain compelling. Dynamic bond strategies also continue to play a valuable role. In today's uncertain environment, the flexibility these approaches offer is, in our view, worth maintaining in portfolios.

Fixed Income: Imperfect Independence

May 2026 ends Federal Reserve Chair Jerome Powell’s term as chair. While his seat on the Board of Governors ends in 2028, the question of leadership, and by extension Fed independence, is in the spotlight following public disappointment from the executive branch with current rate policy. But it is important not to mistake the chair for a central bank autocrat. Rate decisions at the Fed are made by the 12-member Federal Open Market Committee (FOMC), where each decision requires a majority of seven votes. Even a new chair can’t dictate outcomes in isolation.

Hawk (+)



J. Schmid
Kansas City



A. Musalem
St. Louis



M. Barr
Governor



A. Kugler
Governor

Neutral (=)



J. Powell
Chair



J. Williams
New York



P. Jefferson
Governor



L. Cook
Governor

Dove (-)



M. Bowman
Governor



C. Walker
Governor



S. Collins
Boston



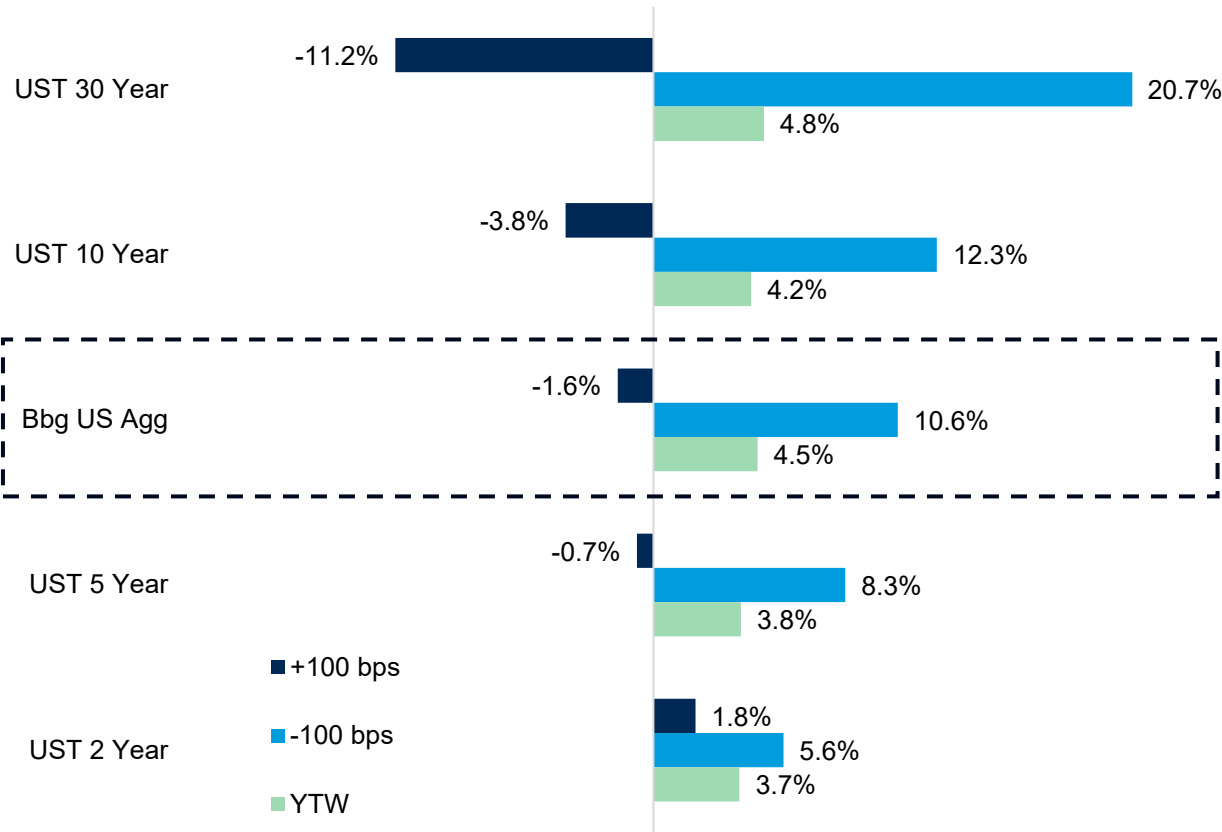
A. Goolsbee
Chicago

Dr. Adriana Kugler’s term will expire in January 2026, offering the President an opportunity to appoint a new governor, presumably the chair, and likely a Dove. Yet committee consensus is still lacking. We believe the market has conflated the President’s authority to appoint versus control. The Fed remains an independent, but not infallible, institution seeking to make important decisions with imperfect information.

Source: Board members from the Federal Reserve as of June 30, 2025. Policy stance as of June 18, 2025

Fixed Income: Intermediate Goldilocks

Potential Return of Fixed Income as Rates Move (+/- 100 Basis Points)



Source: FactSet as of June 30, 2025. Total potential return based on a parallel move in interest rates up or down by 100 basis points. Data based on respective Bloomberg Bellwether Treasury Indices and Bloomberg US Agg Bond Index. YTW = yield to worst.

In today’s environment, uncertainty surrounding fiscal and monetary policy, the macroeconomic outlook and shifting investor sentiment continues to drive volatility in interest rates.

Without a clear economic trajectory, some investors may be inclined to favor long-duration assets, given yield advantage and their historical resilience during risk-off periods when interest rates decline. We would caution against this approach. The long end of the yield curve is most exposed to the powerful structural forces shaping today’s markets, including concerns over fiscal sustainability, widening deficits, trade policy shifts, economic growth dynamics and the persistent risk of inflation. These factors are likely to exert outsized influence on long-term yields. Even a modest increase could undermine the current yield advantages. In fact, just a 0.30% rise in long-dated yields would be enough to offset today’s yield cushion.

Instead, we believe core fixed income presents a more balanced and compelling opportunity. It offers an attractive risk-reward profile across a range of outcomes: benefiting if yields fall, holding value if they remain stable and helping cushion portfolios against modest increases. In a market still searching for direction, this “just right” positioning may be the most prudent course for fixed income allocations today.

U.S. Equity: Full Valuations

Average Forward 12 Month Return by P/E Tranche

Earnings Per Share

Forward P/E

	Recession Avg (-28%)	Current	Consensus (+5.8%)	Avg 10-yr EPS Growth (+8.5%)
20-yr Peak 23.6	-23%	7%	13%	16%
Current 22.2	-28%	0%	6%	9%
10-yr Avg 19.9	-35%	-10%	-5%	-2%
20-yr Avg 16.3	-47%	-26%	-22%	-20%
Avg Recession 13.4	-56%	-39%	-36%	-34%

Sources: FactSet as of June 30, 2025. Recession average is 20 year average EPS decline peak to through decline. Consensus growth based on Strategas as of June 30, 2025. 10-yr Avg EPS growth is annual earnings growth from June 30, 2025 to June 30, 2015. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

In their simplest form, index returns can be broadly understood through two components:

- **Earnings per Share (EPS):** the net economic value generated per share of the index.
- **Multiples:** the price investors are willing to pay for that economic value.

EPS is generally more stable than multiples and closely tied to the real economy. Multiples, on the other hand, are shaped by investor sentiment and account for much of the day-to-day volatility in index prices. They also act as a forward-looking signal of how investors perceive future prospects.

At current valuation levels, with multiples above 22 times earnings, markets appear fully priced. This valuation reflects, in part, the theme of *Fragility* that we have highlighted in our broader market outlook. While high valuations do not guarantee weak future returns, they do raise the bar for continued earnings growth and sustained investor confidence. If either weakens, if earnings disappoint or if sentiment falls, the path forward becomes less compelling.

In this context, focusing on *Durability* through intentional portfolio construction becomes not only prudent but potentially advantageous. By trimming exposure to areas that have performed well over the last several years and reallocating to parts of the market with more favorable relative valuations, investors can better prepare portfolios for a less certain road ahead.

Global Equity: International Markets Shine

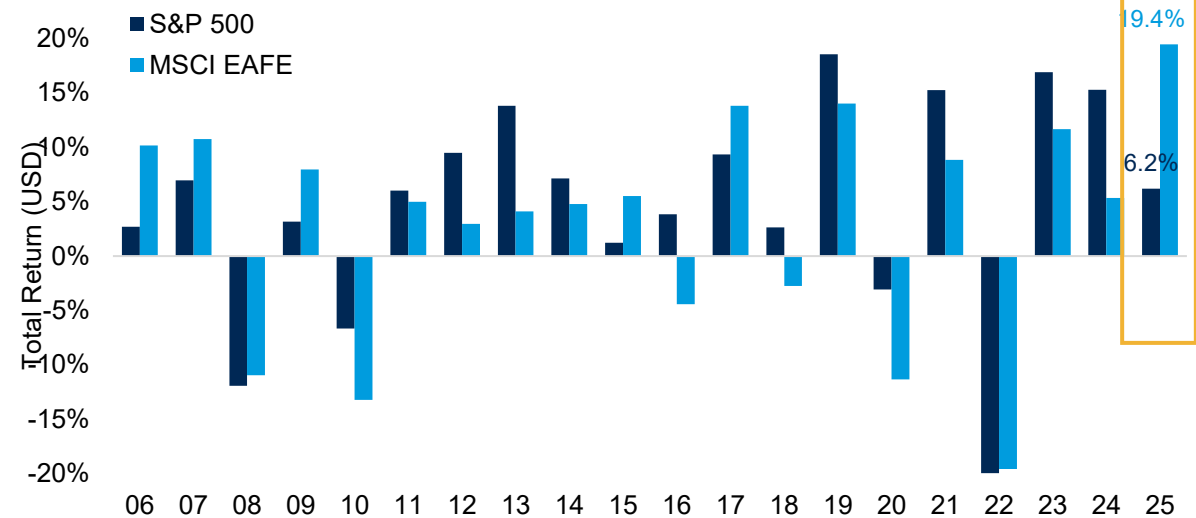
Fragility, driven by market concentration, elevated valuations and uncertain inflation expectations, remains a uniquely U.S. phenomenon. In response, we increased our relative allocation to non-U.S. equities at the start of the year, viewing this shift as a way to enhance portfolio *Durability* and capture relative value.

So far, that positioning has paid off. Non-U.S. equities are off to a strong start, with the MSCI EAFE Index climbing nearly 20% year to date. This marks the best absolute and relative performance versus the S&P 500 over the first half of a year in the past two decades. A weaker U.S. dollar has contributed meaningfully, but it is not the entire story.

Markets across developed and emerging regions have outpaced the U.S. even in local currency terms. Attractive valuations abroad, looser monetary policy, increased defense spending in Europe and targeted stimulus in China have all supported investor confidence. These tailwinds have driven strong year-to-date local returns in markets such as Germany, Italy, the UK, France, Korea and China.

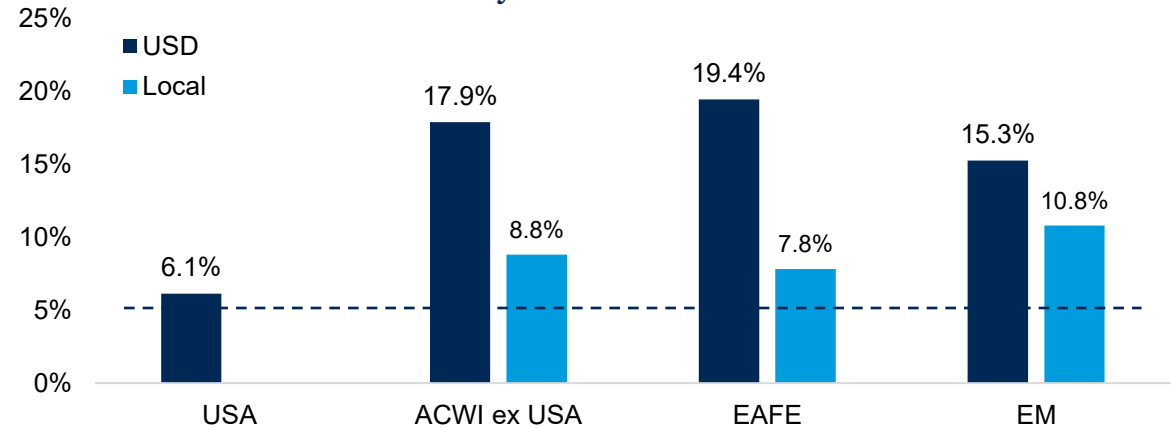
The natural question that follows is whether this outperformance is sustainable. U.S. markets remain a critical growth engine within our portfolios, and we are not suggesting that six months of relative strength marks the beginning of a new secular trend. However, we continue to believe that non-U.S. allocations will play an important role in meeting long-term investment objectives and help mitigate some of the acute risks found in U.S. markets.

First Half (6m) of the Calendar Year Performance



Source: Morningstar Direct. As of June 30, 2025. Returns are based on January 1 - June 30 for each

U.S. Dollar vs. Local Currency Performance - YTD



Source: Morningstar Direct. As of June 30, 2025. Based on respective USD and local currency MSCI

U.S. Dollar: Don't Conflate Price & Reserve Status

The U.S. dollar's weakness in 2025, alongside notable shifts in policy, has prompted some to question whether it can maintain its role as the world's primary reserve currency. It is a fair question. Reserve status is earned, not guaranteed, and the U.S. fiscal outlook does little to instill long-term confidence. Still, it is important to distinguish between short-term currency movements and the structural foundations of reserve status.

As the adjacent chart shows, the dollar has declined 11% year to date. Even so, it remains well above historical lows and above its long-term average going back to the mid-1980s. Throughout that entire period, the U.S. dollar has continued to serve as the world's dominant reserve asset. That is because reserve currency status is supported by much more than market price.

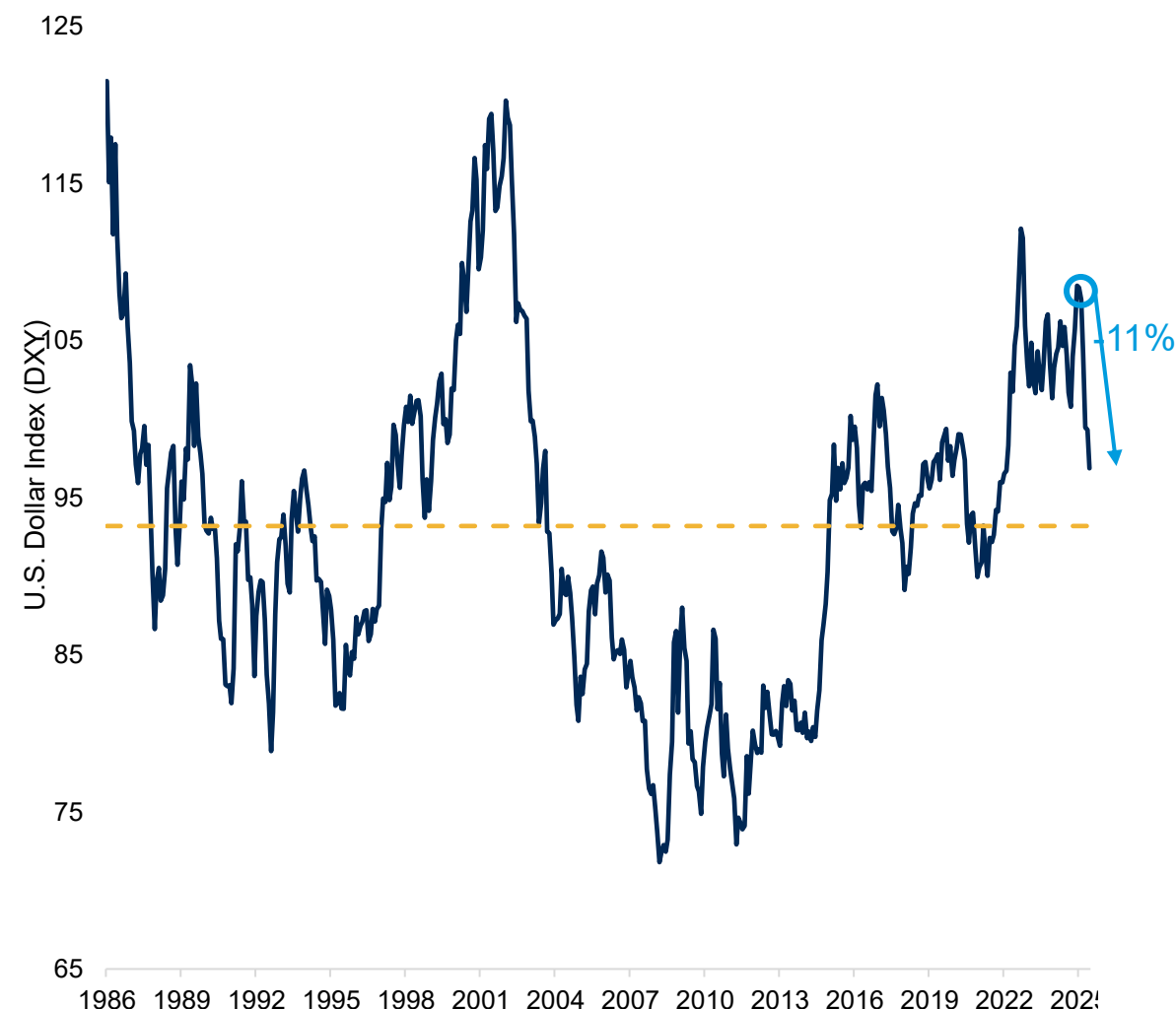
The scale and depth of the U.S. economy and financial markets are central. The dollar remains the most widely used currency for global trade and capital flows, holding a commanding share of international transactions.

Transactions	USD Share
Foreign Exchange Transactions	~88%
Global Trade Invoicing	50-60%
Global FX Reserves	~60%
Global Debt Securities (External)	~60%
SWIFT Financial Messages	~40-45%

Beyond economic factors, legal and political stability, as well as U.S. military and diplomatic influence, act as powerful reinforcements. These institutional advantages create structural resilience that rivals cannot easily replicate. In short, while the dollar may weaken at times, we believe its role as the world's reserve currency is likely to remain intact.

Source: 1) NY Federal Reserve BIS Triennial Survey as of Nov, 2022. 2) IMF Working Paper Mar 31, 2025. 3) IMF COFER, as of Mar 31, 2025. 4) BIS Quarterly Review (2023), World Bank (2023). 5) SWIFT RMB Tracker, as of Mar 31, 2025

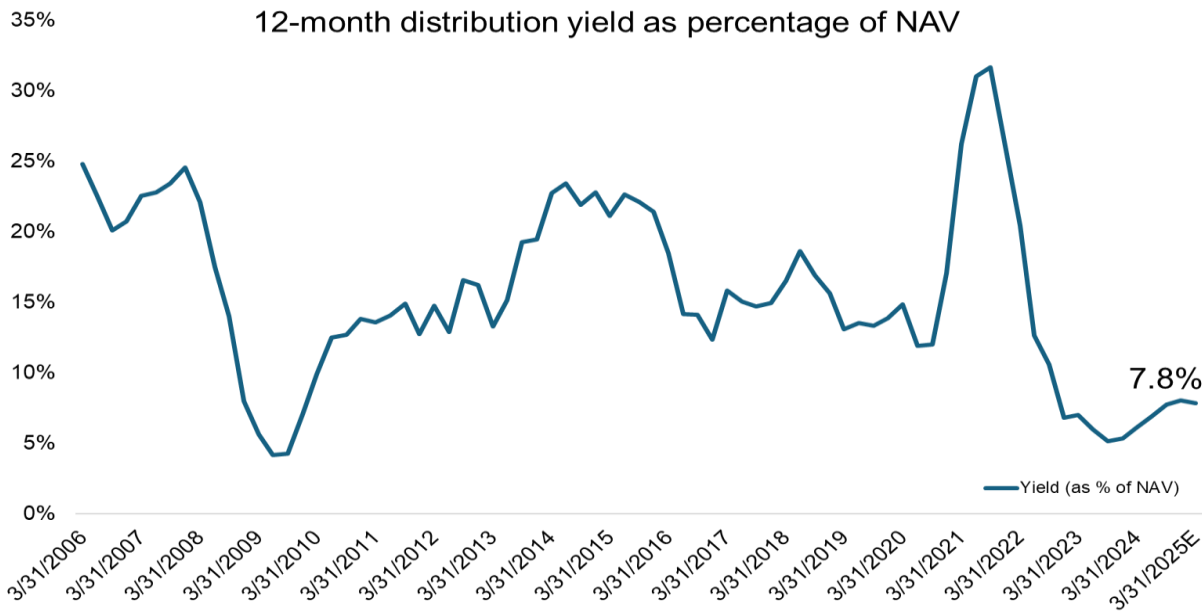
U.S. Dollar Index (DXY)



Source: FactSet. As of June 30, 2025.

Private Markets: Investment Selection in Focus

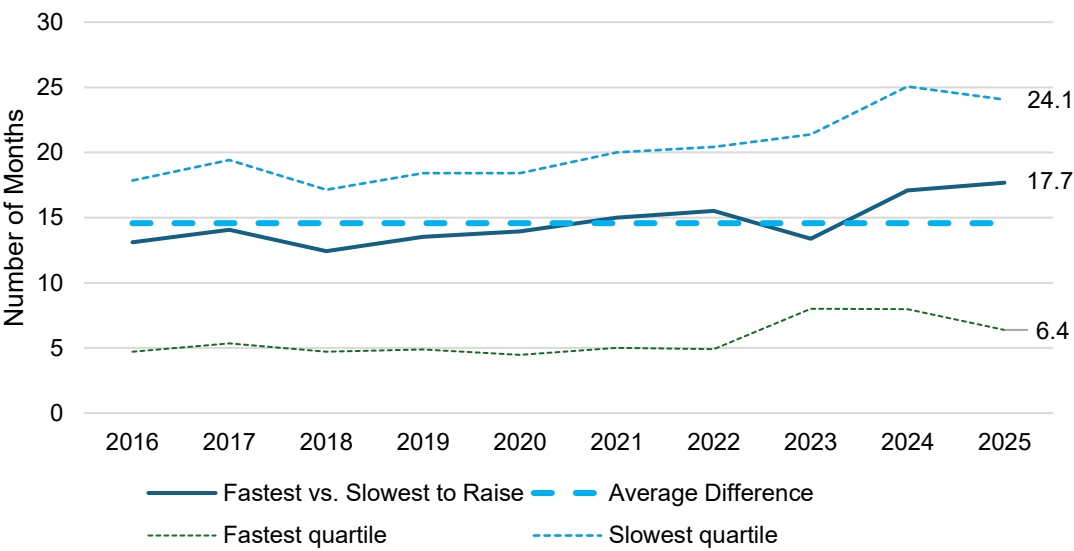
VC's Distribution Depression



Source: Pitchbook Venture Capital Outlook Midyear Update; data as of 3/31/3025

The slowdown in private equity distributions over the past few years has been most pronounced in venture capital. Venture’s decline in returning capital to investors was swift, and a meaningful recovery has yet to materialize. While some investors may be turning away from the asset class, we continue to believe that venture capital remains a valuable component of a diversified portfolio. However, allocations should be made with care. Investors must account for the asset class’s inherent volatility and episodic liquidity. Selection is also critical, given the wide dispersion in outcomes across managers and strategies. At the same time, the prolonged downturn may be creating attractive opportunities in the secondary market or access in the primary. As more investors grow frustrated by long duration holdings and limited exit activity, pricing dislocations may emerge that reward well-capitalized and patient buyers.

“Have and Have Nots” Market for Fundraising



Source: Pitchbook Global Fundraising Report; data as of 3/31/3025

The gap in fundraising timelines between the fastest and slowest managers continues to widen and has grown significantly over the past 18 months. This divergence creates mounting competitive pressure among certain funds and often leaves investors, particularly those without established relationships, at a disadvantage. Limited Partners may find themselves boxed out if they lack clear allocation plans or the ability to respond quickly. Notably, 2025 marks the first year since 2020 in which the median time to raise a fund has declined. This shift reinforces the value of maintaining a structural, programmatic allocation approach. Investors with more sporadic or unstructured outsourcing models are increasingly at risk of missing opportunities in a market that rewards preparedness and agility.

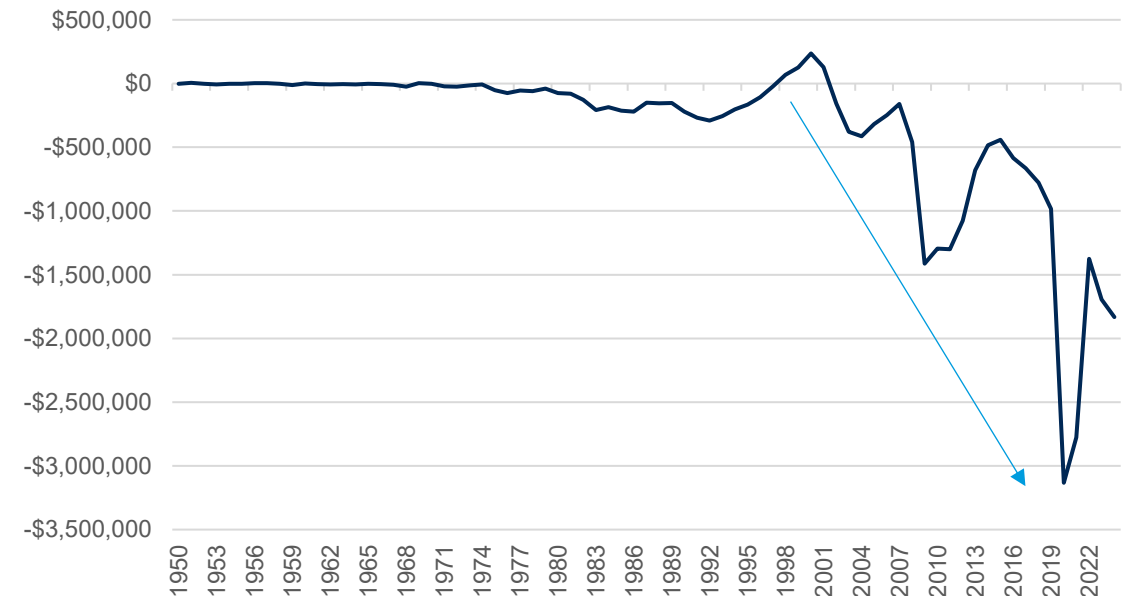
One Big Beautiful Bill (OBBB)

Congress has passed the sweeping One Big Beautiful Bill Act of 2025, a nearly 900-page budget reconciliation and tax reform package. The legislation cements several campaign promises, makes permanent key tax cuts and introduces new growth incentives, all while adding to already elevated deficits. Regulatory agencies, including Treasury and the IRS, are expected to issue further guidance in the coming months. Below are highlights of the most relevant provisions:

- **2017 Tax Cuts Made Permanent** — Congress to avert a projected \$400 billion tax hike in 2026 by making the 2017 tax rates, higher standard deduction, AMT relief and estate/gift tax changes permanent. Any future changes will now require Congressional action.
- **Campaign-Driven Tax Relief** — Delivering on campaign pledges, the bill eliminates federal taxes on tips, Social Security benefits, overtime pay and auto loan interest, measures expected to free up roughly \$80 billion for consumers in early 2026.
- **Estate Tax Changes Expanded** — In addition to preserving 2017 changes, the estate tax exemption receives another increase, further reducing exposure for high-net-worth households.
- **Full Expensing & Interest Deductions** — Corporations can fully expense capital equipment, R&D costs and factory construction through looser limits on deductible interest aimed at fueling a U.S. “building boom.”
- **Targeted Spending Cuts** — The package calls for \$1.3–\$1.6 trillion in cuts over the next decade, focused on renewable energy programs, Medicaid (with most cuts delayed until after 2028), food assistance and student loans.
- **Debt Ceiling Increased** — With unified Republican control, the debt ceiling was raised by \$5 trillion without the typical brinkmanship, leaving Treasury to manage a deficit approaching 6% of GDP as post-pandemic liquidity measures expire.

On balance, the OBBB delivers a dose of fiscal stimulus, likely supporting near-term equity sentiment while reinforcing pro-growth business conditions. At the same time, it worsens already elevated deficits with spending levels which are typically only seen during recessions. Bond markets have already reacted to this tension, with long-term rates showing renewed volatility. However, this type of frivolously spending is not a new trick for politicians as deficits have grown under both parties over multiple decades.

Federal Surplus / Deficit (millions)



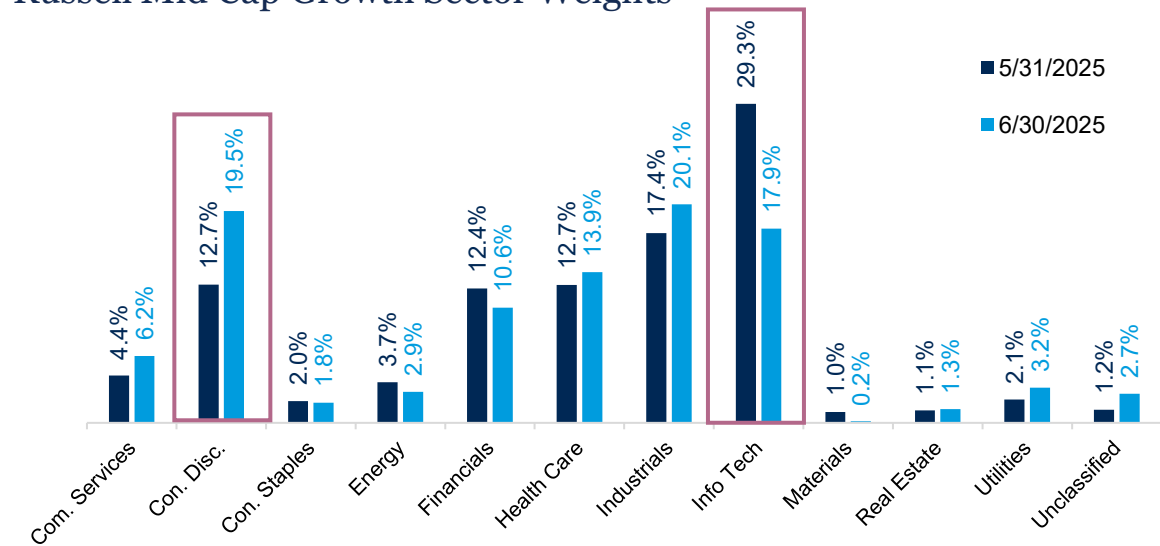
Source: Federal Reserve Economic Data Bank of Saint Louis as of June 30, 2025

Market Profile : Index Profiles Shifting with Reconstitution

Russell reconstitutes its indexes at the end of June each year. While rebalancing always brings some shifts in allocations and characteristics, several changes in 2025 stand out.

Within the Russell Mid Cap Growth Index, two prominent technology names, Palantir and AppLovin, have been removed. As of May, they represented approximately 8.6% and 3.3% of the index, respectively.¹ Combined with other underlying shifts, these removals have significantly altered the index’s profile. The technology sector, which made up nearly 30% of the index earlier this year, now accounts for just under 18%. While this change reduces concentration risk, it can also have a material impact on active managers’ relative exposures and may meaningfully reshape passive strategy behavior.

Russell Mid Cap Growth Sector Weights



Source: 1) FactSet. As of June 30, 2025.
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

In the large-cap space, the reconstitution has introduced other notable shifts. Consider this: if asked which index includes companies trading at price-to-earnings ratios of 18, 33 and 27 times earnings, many would assume a growth index. And they would be partially correct. Alphabet, Amazon and Meta are all constituents of the Russell 1000 Growth Index. However, due to the Russell methodology’s emphasis on book value rather than price-to-earnings ratios, these three names are now also included in the Russell 1000 Value Index.

Not only have they been added, but they now sit among the top 10 holdings in the value index, with a combined weight of 5.5%.¹ This shift is significant for active managers, especially those focused on value strategies, who must now navigate the increasing overlap between growth and value benchmarks.

Russell 1000 Value Top Constituents	5/31/2025	6/30/2025
Berkshire Hathaway	3.7%	3.2%
JPMorgan Chase	3.0%	2.9%
Alphabet (combined A&C)		2.4%
Amazon.com		2.1%
Exxon Mobil	1.8%	1.7%
Walmart	1.7%	1.4%
Johnson & Johnson	1.5%	1.3%
Proctor & Gamble	1.3%	1.4%
Bank of America	1.2%	1.1%
Meta		1.0%
Philip Morris	1.1%	1.0%
UnitedHealth Group	1.0%	1.0%
Cisco Systems	1.0%	1.0%

New
Top
10

Source: FactSet. As of June 30, 2025

Disclosures

This document is intended for the exclusive use of clients or prospective clients of PCS Advisors. Any additional dissemination or distribution is strictly prohibited. Information provided in this document is for informational and/or educational purposes only and is not, in any way, to be considered investment advice nor a recommendation of any investment product or service. Advice may only be provided after entering into an engagement agreement and providing PCS Advisors with all requested background and account information. In partnership with Fiducient Advisors, the included information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance and there is a possibility of a loss.

Please visit www.pcsbd.net/disclosures for other important disclosures. Private Client Services is an SEC Registered Investment Advisor doing business as PCS Advisors.

Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise noted. Each index is unmanaged, and investors can not actually invest directly into an index:

Domestic equity returns based on the following indices: Large Value: Russell 1000 Value TR USD, Large Core: Russell 1000 TR USD, Large Growth: Russell 1000 Growth TR USD, Mid Value: Russell Mid Cap Value TR USD, Mid Core: Russell Mid Cap TR USD, Mid Growth: Russell Mid Cap Growth TR USD, Small Value: Russell 2000 Value TR USD, Small Core: Russell 2000 TR USD, Small Growth: Russell 2000 Growth TR USD

Factor returns based on the following indices: Earnings Yield: MSCI USA Barra Earnings Yield NR USD, Low Leverage: MSCI USA Barra Low Leverage NR USD, Low Volatility: MSCI USA Barra Low Volatility NR USD, Momentum: MSCI USA Barra Momentum NR USD, Value: MSCI USA Barra Value NR USD

S&P 500 sector performance based on the following indices: S&P 500 Sec/Commun Services TR USD, S&P 500 Sec/Financials TR USD, S&P 500 Sec/Energy TR USD, S&P 500 Sec/Industrials TR USD, S&P 500 TR USD, S&P 500 Sec/Health Care TR USD, S&P 500 Sec/Cons Disc TR USD, S&P 500 Sec/Utilities TR USD, S&P 500 Sec/Cons Staples TR USD, S&P 500 Sec/Materials TR USD, S&P 500 Sec/Information Technology TR USD, S&P 500 Sec/Real Estate TR USD

International Developed equity returns based on the following indices: Large Value: MSCI EAFE Large Value NR USD, Large Core: MSCI EAFE Large NR USD, Large Growth: MSCI EAFE Large Growth NR USD, Mid Value: MSCI EAFE Mid Value NR USD, Mid Core: MSCI EAFE Mid NR USD, Mid Growth: MSCI EAFE Mid Growth NR USD, Small Value: MSCI EAFE Small Value NR USD, Small Core: MSCI EAFE Small Cap NR USD, Small Growth: MSCI EAFE Small Growth NR USD

International equity returns based on the following indices: Large Value: MSCI ACWI ex USA Large Value NR USD, Large Core: MSCI ACWI ex USA Large NR USD, Large Growth: MSCI ACWI ex USA Large Growth NR USD, Mid Value: MSCI ACWI ex USA Mid Value NR USD, Mid Core: MSCI ACWI ex USA Mid NR USD, Mid Growth: MSCI ACWI ex USA Mid Growth NR USD, Small Value: MSCI ACWI ex USA Small Value NR USD, Small Core: MSCI ACWI ex USA Small NR USD, Small Growth: MSCI ACWI ex USA Small Growth NR USD

Emerging Markets equity returns based on the following indices: Large Value: MSCI EM Large Value NR USD, Large Core: MSCI EM Large NR USD, Large Growth: MSCI EM Large Growth NR USD, Mid Value: MSCI EM Mid Value NR USD, Mid Core: MSCI EM Mid NR USD, Mid Growth: MSCI EM Mid Growth NR USD, Small Value: MSCI EM Small Value NR USD, Small Core: MSCI EM Small NR USD, Small Growth: MSCI EM Small Growth NR USD

Equity country returns based on the following indices: Belgium: MSCI Belgium NR USD, Canada: MSCI Canada NR USD, France: MSCI France NR USD, Germany: MSCI Germany NR USD, Italy: MSCI Italy NR USD, Japan: MSCI Japan NR USD, Netherlands: MSCI Netherlands NR USD, Sweden: MSCI Sweden NR USD, Switzerland: MSCI Switzerland NR USD, UK: MSCI United Kingdom NR USD, USA: MSCI USA NR USD, Brazil: MSCI Brazil NR USD, China: MSCI China NR USD, India: MSCI India NR USD, Mexico: MSCI Mexico NR USD, South Korea: MSCI Korea NR USD, ACWI ex US: MSCI ACWI ex USA NR USD, EAFE: MSCI EAFE NR USD, EM: MSCI EM NR USD

Commodity Performance based on the following indices: Energy: Bloomberg Sub Energy TR USD, Industrial Metals: Bloomberg Sub Industrial Metals TR USD, Precious Metals: Bloomberg Sub Precious Metals TR USD, Agriculture: Bloomberg Sub Agriculture TR USD

REIT sector performance is based on the following indices: FTSE Nareit Equity Health Care TR, FTSE Nareit Equity Lodging/Resorts TR, FTSE Nareit Equity Office TR, FTSE Nareit Equity Data Centers TR, FTSE Nareit Equity Diversified TR, FTSE Nareit Equity Specialty TR, FTSE Nareit Equity Retail TR, FTSE Nareit Equity Residential TR, FTSE Nareit Equity Industrial TR, FTSE Nareit Equity Self Storage TR

Disclosures – Index & Benchmark Definitions

Index & Benchmark Definitions

Fixed Income

- **Bloomberg 1-3 Month U.S. Treasury Bill Index** is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months.
- **Bloomberg U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **Bloomberg US Government/Credit 1-3 Year Index** is the 1-3 year component of the U.S. Government/Credit Index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg US Government/Credit Long Index** is the Long component of the U.S. Government/Credit Index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity and quality requirements.
- **Bloomberg US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg High Yield Municipal Bond Index** covers the universe of fixed rate, non-investment grade debt.
- **Bloomberg Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **JPMorgan GBI-EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.
- **ICE BofA US 3M Tbill Index** is an unmanaged index that is comprised of a single U.S. Treasury issue with approximately three months to final maturity, purchased at the beginning of each month and held for one full month.
- **Bloomberg US Treasury Bellwether Indices** are a series of benchmarks tracking the performance and attributes of eight on-the-run US Treasuries that reflect the most recently issued 3m, 6m, 2y, 3y, 5y, 10y and 30y securities.

Equity

- **The S&P 500 Index** is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **Russell 3000 Index** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000 Index** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value Index** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth Index** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value Index** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth Index** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value Index** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI USA Barra Earnings Yield Index** is a long/short (130/30) index that targets high exposure to the earnings yield factor, low exposure to other style and industry factors, and low tracking error relative to the MSCI USA Index, its parent index. The earnings yield factor combines current and historical earnings-to-price ratios with a measure of analyst-predicted earnings-to price ratios.
- **MSCI USA Barra Low Leverage Index** The index is derived from the parent index, MSCI Investable Market, and seeks to target exposure to low leverage companies as defined by the Barra Equity Model. The index is rebalanced monthly subject to tracking error and turnover constraints.
- **MSCI USA Barra Low Volatility Index** aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid cap USA equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, in USD for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI USA Index.
- **MSCI USA Barra Momentum Index** is derived from the parent index, MSCI Investable Market, and seeks to target exposure to companies with positive price momentum as defined by the Barra Equity Model. The index is rebalanced monthly subject to tracking error and turnover constraints.
- **MSCI USA Barra Value Index** is derived from the parent index, MSCI Investable Market, and seeks to target exposure to companies with value characteristics as defined by the Barra Equity Model. The index is rebalanced monthly subject to tracking error and turnover constraints.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across Developed Markets countries (excluding the United States) and Emerging Markets countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.
- **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI Emerging Markets Index** captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country.

Disclosures – Index & Benchmark Definitions

- [illegible]

Disclosures – Index & Benchmark Definitions

- **MSCI Emerging Markets (EM) Mid Growth Index** captures mid cap securities exhibiting overall growth style characteristics across Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.
- **MSCI Emerging Markets (EM) Small Value Index** captures small cap securities exhibiting overall value style characteristics across Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.
- **MSCI Emerging Markets (EM) Small Cap Index** includes small cap representation across Emerging Markets countries. The index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments. **MSCI Emerging Markets (EM) Small Growth Index** captures small cap securities exhibiting overall growth style characteristics across Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

Alternatives & Miscellaneous

- **S&P Real Asset Index** is designed to measure global property, infrastructure, commodities, and inflation-linked bonds using liquid and investable component indices that track public equities, fixed income, and futures. In the index, equity holds 50% weight, commodities 10%, and fixed income 40%.
- **FTSE Nareit Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **FTSE EPRA Nareit Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide.
- **FTSE EPRA Nareit Developed ex US Index** is a subset of the FTSE EPRA Nareit Developed Index and is designed to track the performance of listed real estate companies and REITs in developed markets excluding the US.
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to the HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollars and have a minimum of \$50 million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **HFRI Fund of Funds Composite Index** is a global, equal-weighted index of all fund of hedge funds that report to the HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollars and have a minimum of \$50 million under management or a twelve (12) month track record of active performance.
- **The Alerian MLP Index** is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.

Additional Information

- Equity sector returns are calculated by S&P, Russell, and MSCI for domestic and international markets, respectively. S&P and MSCI sector definitions correspond to the GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country indices are free float-adjusted market capitalization indices that are designed to measure equity market performance of approximately 85% of the market capitalization in each specific country.
- Currency returns are calculated using FactSet's historical spot rates and are calculated using the U.S. dollar as the base currency.

Disclosures – Material Risks & Limitations

Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.

Cash may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.

Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

International Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impact by currency and/or country specific risks which may result in lower liquidity in some markets.

Real Assets can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

Private Equity involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

Private Credit involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

Private Real Estate involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrow.

Marketable Alternatives involves higher risk and is suitable only for sophisticated investors. Along with traditional market risks, marketable alternatives are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility or the potential for loss of capital. Additionally, short selling involved certain risks including, but not limited to additional costs, and the potential for unlimited loss on certain short sale positions.