

MARKET HIGHLIGHTS

- On Friday, President Donald Trump posted a message on Truth Social **calling out China's hostile trade attitude in controlling rare earth mineral exports. He said the U.S. is considering a "massive increase" in tariffs** and sees no reason to meet with President Xi Jinping at the upcoming Asia-Pacific Economic Cooperation (APEC) conference at the end of the month.
- Equity markets turned down immediately after Trump's post and continued to fall through the afternoon.** The traditional havens of Treasuries and gold were the beneficiaries of the volatility spike, while bitcoin and the rest of the cryptocurrency universe dropped sharply.
- With seemingly ever-growing fiscal deficits in France, Japan, the U.K., and the U.S. discussed almost daily in the financial media, **investors are aggressively seeking to hedge against any further dilution of currency values.** They tend to turn to commodities and potentially cryptocurrencies as ways to hedge bond and stock market risk.
- Gold broke above \$4,000 for the first time** earlier in the week and is now up over 50% year to date. Meanwhile, cryptocurrencies are acting more like high beta stocks, selling off at three to five times the magnitude of the S&P 500.
- Over the weekend President Trump and other members of his administration attempted to tone down the anti-China rhetoric** with the implication that the U.S. would be open to negotiation. Trump did not rule out meeting President Xi at the APEC summit.

MARKET PERFORMANCE

ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	0.33%	6.75%
Municipal Bonds 1-10Y	0.13%	4.36%
U.S. High Yield	-0.80%	6.35%
S&P 500	-2.41%	12.54%
Russell 2500 (SMID cap)	-3.56%	6.98%
MSCI EAFE (International)	-1.86%	24.77%
MSCI Emerging Markets	-0.58%	29.42%
MSCI ACWI (Global)	-2.09%	16.96%
Crude Oil (NYMEX WTI)	-5.68%	-18.64%
Gold LBMA PM	0.63%	52.33%
60/40 ACWI/Agg Portfolio	-1.12%	12.88%

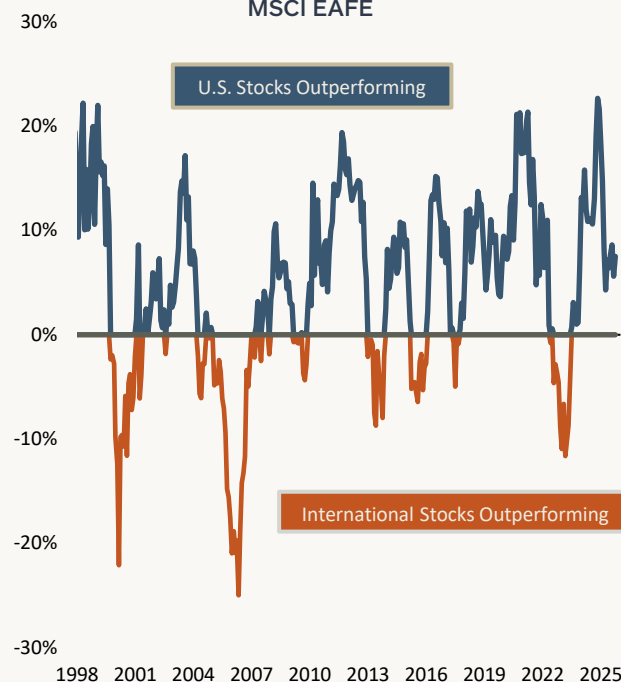
WHAT CAUGHT OUR EYES THIS WEEK

The Case for International Equities

International markets have been catching investors off guard in 2025, shrugging off tariffs and geopolitical tensions to soar ahead of U.S. markets—cutting into the lead that U.S. stocks built over them in 2023 and 2024. We think they can play a valuable role in a diversified portfolio for several reasons:

- They can help diversify U.S. market concentration. It's no secret that the S&P 500 is dominated by a handful of companies, with the top 10 now representing nearly 40% of overall market capitalization.
- Even before this year, they've performed better than you might think. In fact, when excluding Nvidia, European and Japanese stock markets have outperformed the rest of the S&P 500 in dollar terms since the market low of October 2022.
- They can hedge against further U.S. dollar weakness. Dollar cycles tend to be multiyear trends. We don't know whether the weakness we've seen will continue, but if it does, international stocks would benefit.
- The earnings outlook is supportive. Despite tariff threats, 2025 is shaping up to be a solid year of earnings for many international markets, with that strength projected to continue into 2026.
- They're still cheap. Even after strong performance in 2025, the valuation discount to the United States is substantial.

One-Year Rolling Price Performance, S&P 500 Minus MSCI EAFE



Please see important disclosures and other key information on page 4.

OUR CURRENT OUTLOOK

- > **The U.S. economy is resilient**, but labor markets are showing signs of slowing that could impact consumer spending in the back half of this year.
- > **Uncertainty works both ways.** Companies appear hesitant to embark on new projects but equally hesitant to lay off workers. Recent tariff announcements should help clear some of this confusion.
- > **Our current expectations of a recession in the next 12 months are moderately low.**
- > The One Big Beautiful Bill Act can **offset some of the negative impacts of tariffs on consumers and businesses.**
- > **The Federal Reserve is still looking to cut interest rates.** We expect two cuts this year.
- > **We expect S&P 500 profits to grow at mid-single-digits in 2025** and re-accelerate to low double digits by 2026.
- > **AI capital spending, driven by the hyperscalers, should continue to boost the U.S. economy**, fueling productivity gains and infrastructure growth.

IN CASE YOU MISSED IT

INSIGHTS

[“Financial Pitfalls for Anglo-American Couples”](#)

[“Fourth Quarter 2025 Economic and Market Outlook”](#)

[“How High-Net-Worth Families Pay for College”](#)

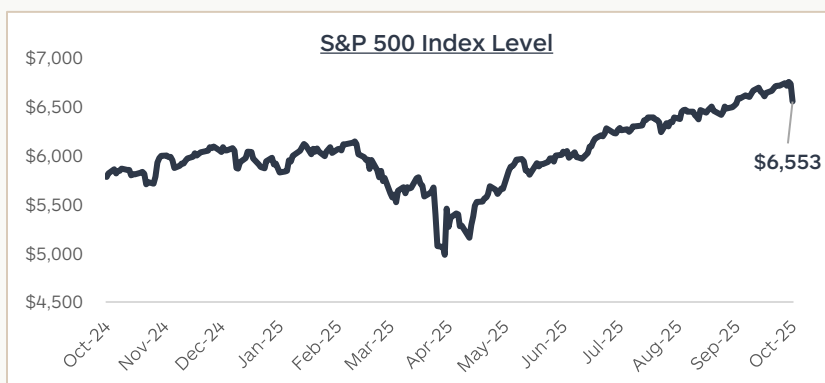
WEBINARS

[“Recording: Tax Optimization and Thoughtful Wealth Planning for Liquidity Events”](#)

SOCIAL MEDIA

[Cerity Partners LinkedIn Page](#)

EQUITIES



S&P 500 SECTOR	1-WEEK	YTD
Utilities	1.4%	21.7%
Consumer Staples	0.6%	3.8%
Health Care	-1.9%	4.7%
Comm. Services	-2.1%	20.5%
Information Technology	-2.5%	20.3%
Industrials	-2.9%	15.0%
Financials	-2.9%	9.2%
Materials	-3.1%	6.1%
Real Estate	-3.3%	2.5%
Consumer Discretionary	-3.3%	1.0%
Energy	-4.0%	2.4%

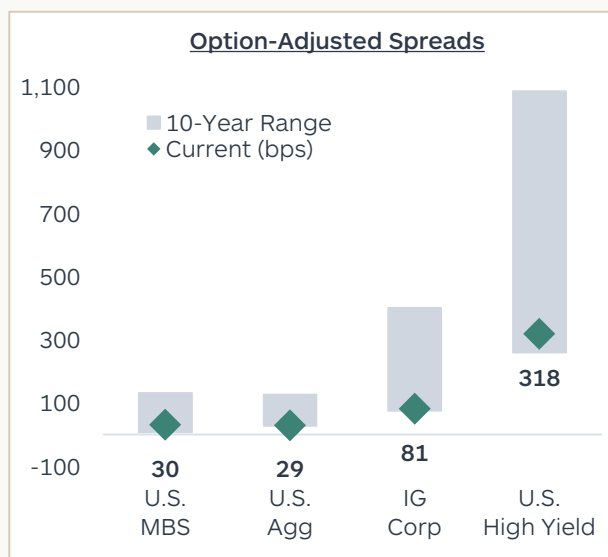
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What's On Our Minds

October 13, 2025

FIXED INCOME

KEY INTEREST RATES	10/10/25	Δ YTD
Municipal Bonds 1-10Y	2.97%	-0.39%
3M T-Bill	3.94%	-0.37%
10Y Treasury Yield	4.06%	-0.52%
Effective Federal Funds Rate	4.10%	-0.23%
U.S. Aggregate	4.30%	-0.61%
30Y Mortgage Rate	6.33%	-0.95%
Prime Rate	7.25%	-0.25%
U.S. High Yield	7.26%	-0.39%



COMMODITIES, CURRENCIES, CRYPTO

Asset Class	10/10/2025
Crude Oil	\$58.94
Gold	\$3,974.50
U.S. Dollar Index	\$98.98
Bitcoin	\$116,990.00

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THE WEEK AHEAD

Oct. 13 (Mon)	Oct. 14 (Tue)	Oct. 15 (Wed)	Oct. 16 (Thu)	Oct. 17 (Fri)	Coming Up
		Empire State Index	Initial Claims (?) PPI (?) NAHB Housing Market Index Philly Fed Index	Housing Starts (?) Capacity Utilization (?) Industrial Production (?)	CPI (confirmed 10/24) PPI (10/16?) Nonfarm payrolls & unemployment rate (11/7?)

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What's On Our Minds

October 13, 2025

ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners, JP Morgan Asset Management, FactSet, S&P Global. EAFE stands for Europe, Australasia, and the Far East. Chart as of 9/30/2025.

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 10/10/25. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 10/10/25 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 10/10/25. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 10/10/25.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 10/10/25. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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