

Navigating Economic Uncertainty: Market Reflections

Presented By:

Brandon Adams | Partner, Chief Investment Officer, RKL Wealth Management



ADVISORS for
WHAT'S NEXT

Disclaimer: Investment advisory services offered through RKL Wealth Management LLC. Consulting and tax services offered through RKL LLP. RKL Wealth Management LLC is a subsidiary of RKL LLP.

Welcome and Meet Your Team



Brandon Adams, CFA®, CAIA®
Chief Investment Officer, Partner

Brandon Adams' professional journey to the position of Partner and Chief Investment Officer with RKL Private Wealth began in ninth grade when his grandmother introduced him to his first mutual fund. Sparking a curiosity that would shape Brandon's future, this early interest led him to take in books like Benjamin Graham's "The Intelligent Investor" and became both a personal and professional calling to be of service to others.

With a professional history rooted in portfolio management and analysis, as well as endowment portfolio research and reporting, Brandon brings a wealth of knowledge to RKL Private Wealth. As CIO, Brandon leads the investment team in risk management and portfolio construction, specializing in creating custom investment solutions aimed at maximizing clients' return objectives while minimizing risk. Brandon is also well-versed in Alternative Investment Allocations, encompassing all aspects of portfolio construction, manager selection, and vintage year diversification.

Beyond his role at RKL, Brandon is active in various professional organizations. He is a member of the CFA Institute and the CFA Society of Philadelphia. He also dedicates time to the Water Street Mission, where he is a member of the Finance Committee. These affiliations reflect Brandon's commitment to his professional development, industry engagement, and community service.

Presentation Outline

01.

U.S. Economic
Landscape

02.

Equity Market
Update

03.

Fixed-Income
Market Update

04.

The AI Effect on
Financial Markets

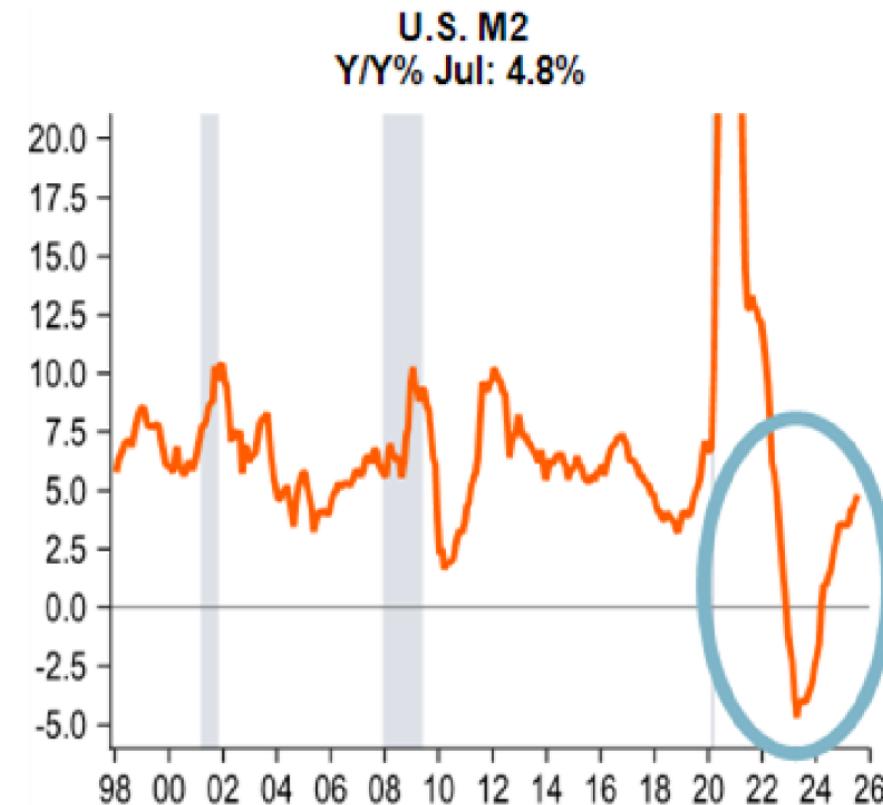
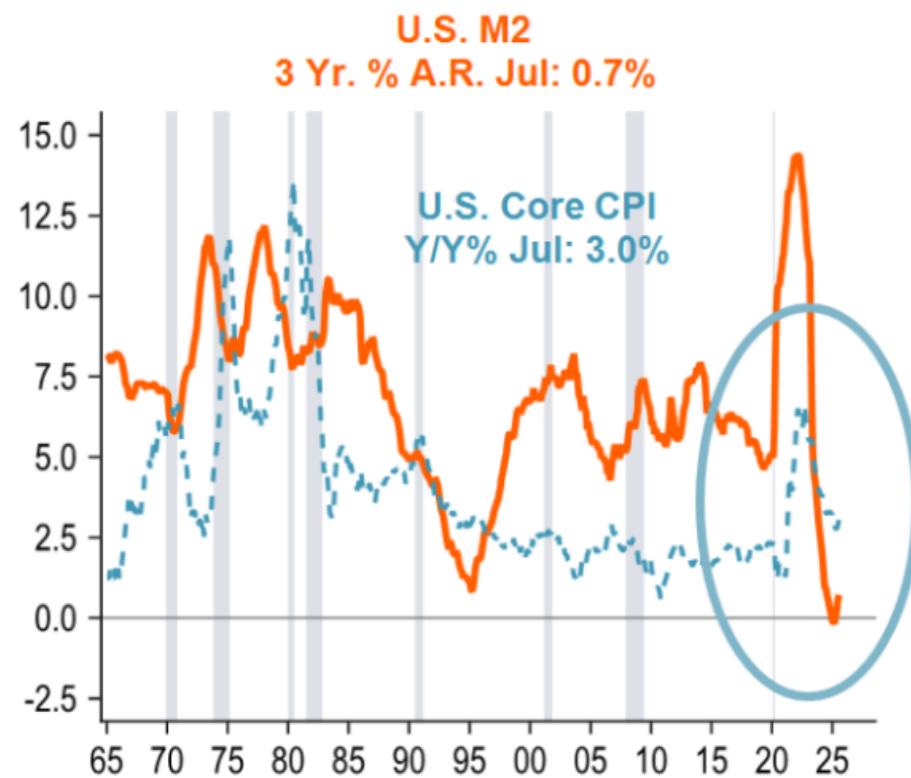


U.S. Economic Landscape

U.S. Economy

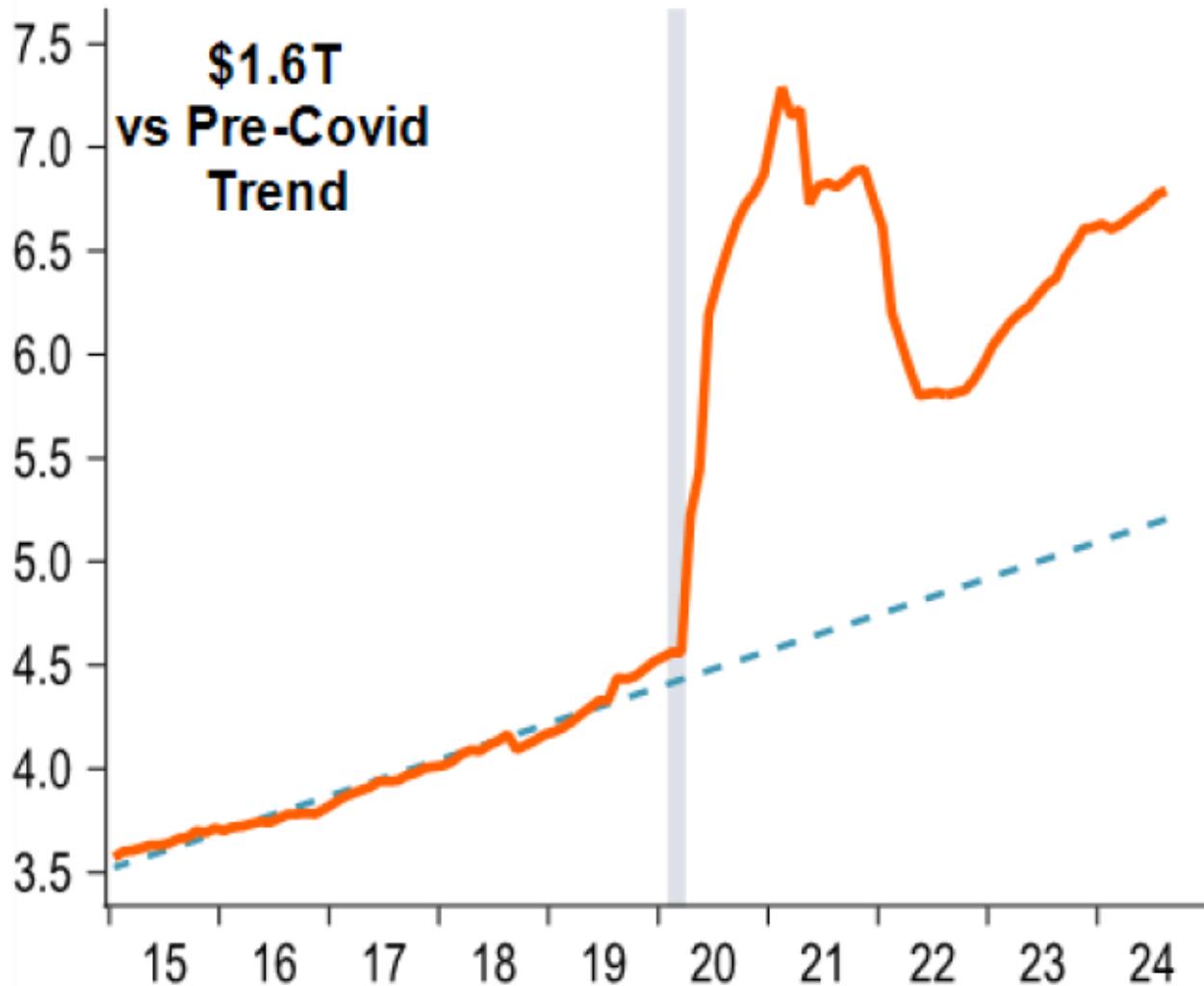
	4Q24	1Q25	2Q25	3Q25
U.S. ECONOMIC DATA				
Real GDP (QoQ%)	1.9	-0.6	3.8	-
Consumer Price Index (YoY%)	2.7	2.7	2.5	2.9
Personal Consumption Expenditures (YoY%)	2.6	2.6	2.4	-
U-3 Unemployment Rate Total (%)	4.2	4.1	4.2	4.3
U-6 Unemployed, Marginally Attached, & Part-Time (%)	7.5	7.9	7.7	8.1
Initial Jobless Claims (Thousands)	209	219	232	219
Continuing Jobless Claims (Thousands)	1871	1844	1954	1916
Federal Reserve Common Inflation Expectations (%)	2.1	2.2	2.3	2.3

Excess Liquidity

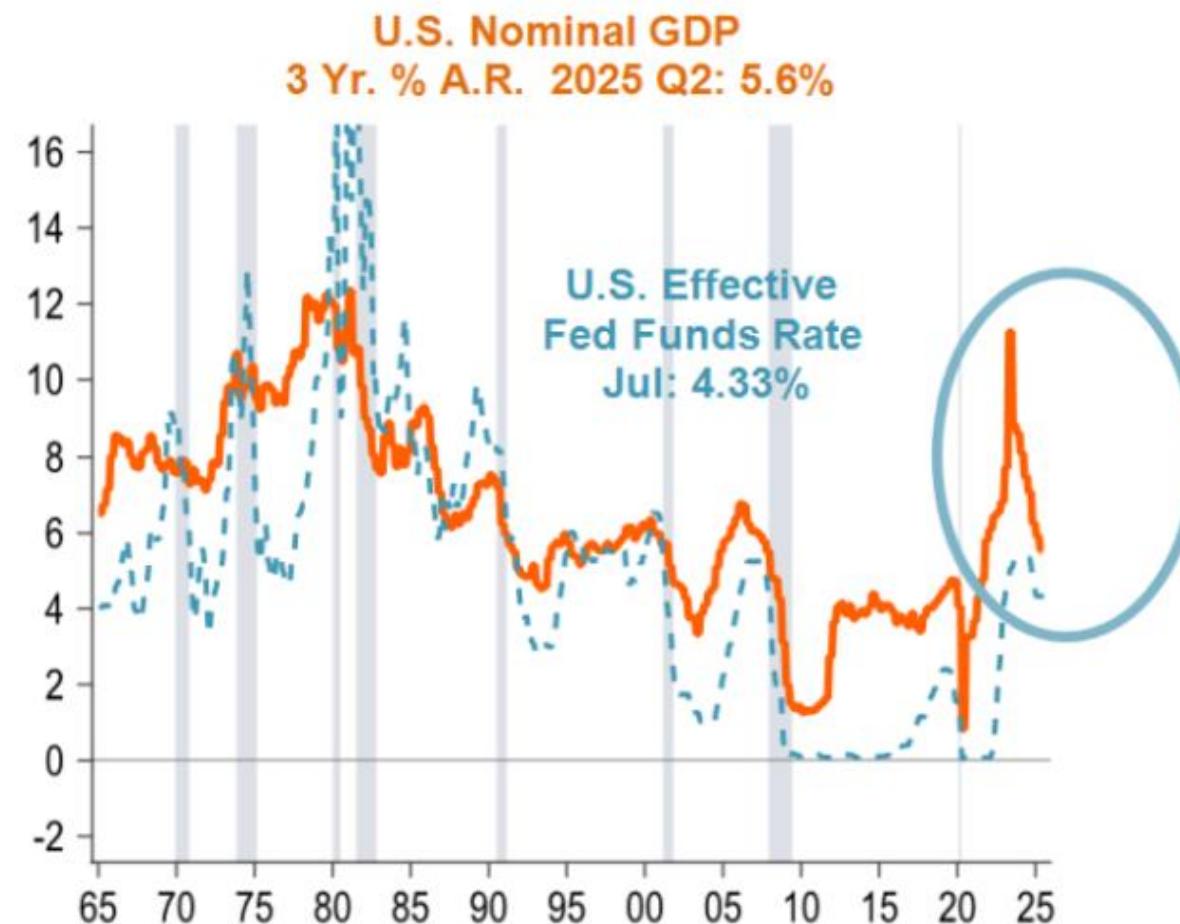


Excess Liquidity

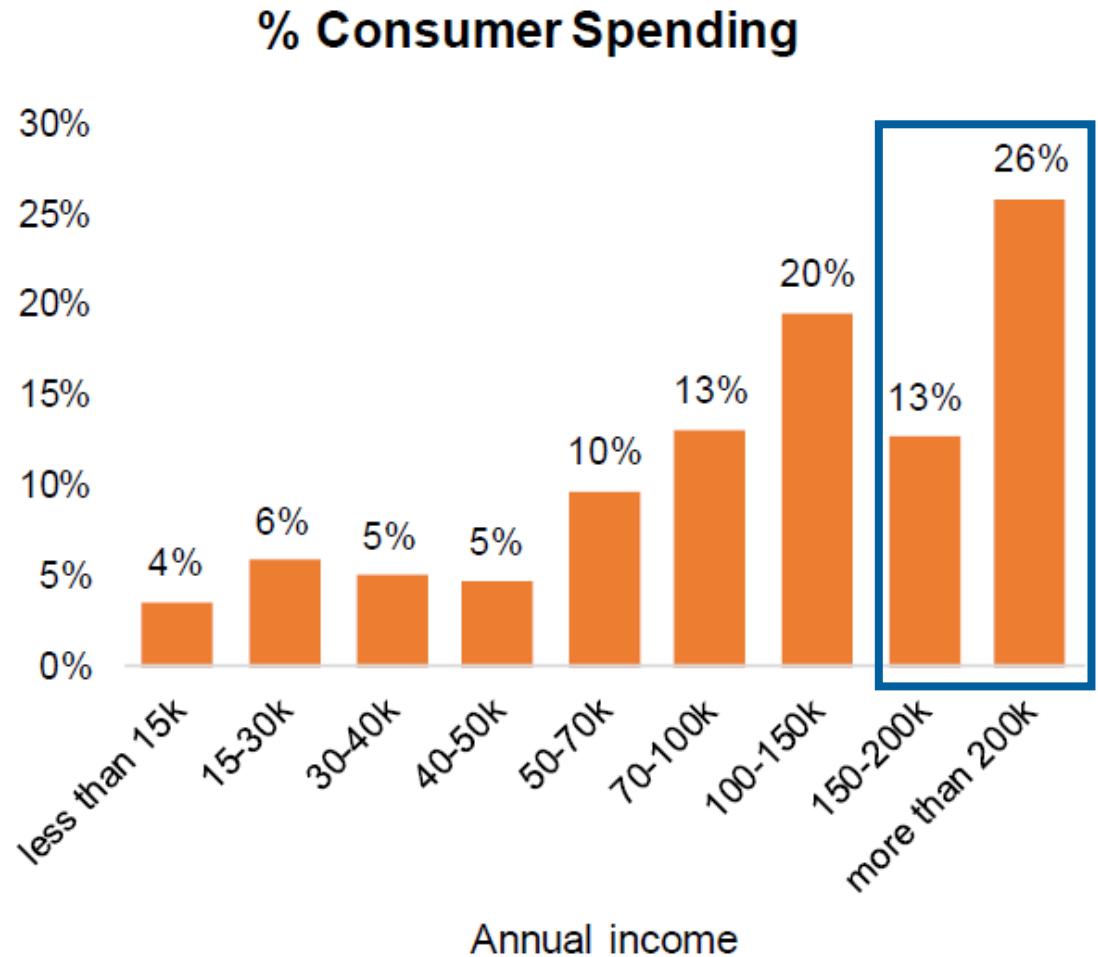
U.S. Federal Outlays
11 Mo. Avg. SAAR Aug: \$6.79 Tln



U.S. Nominal GDP Growth



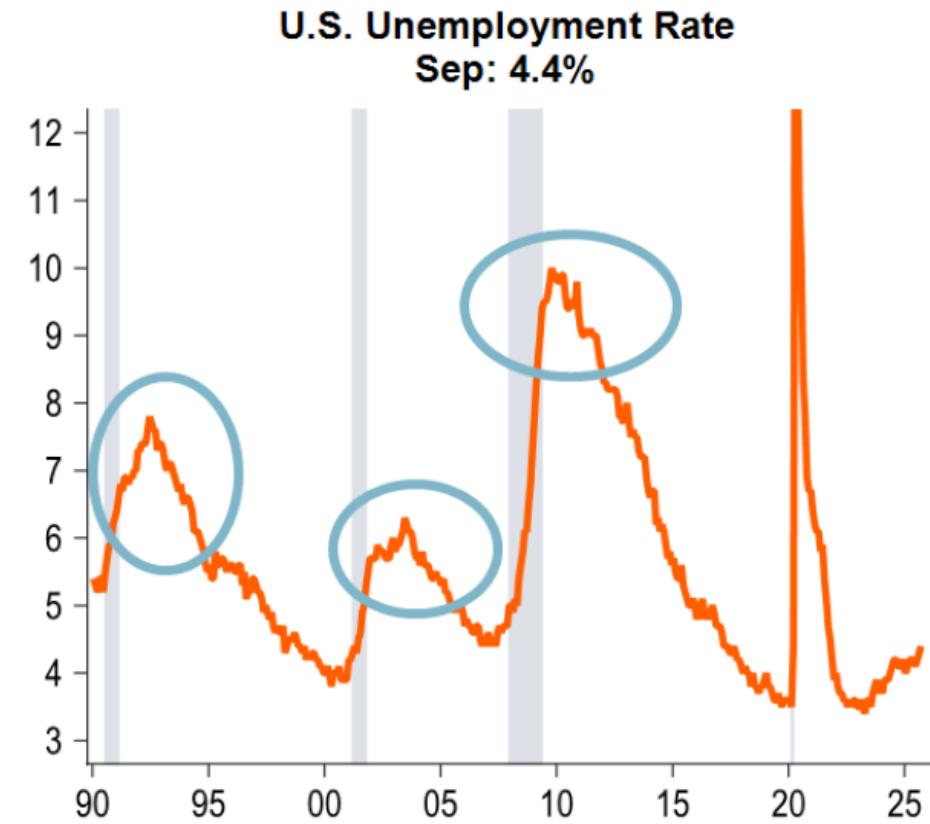
(Source: Piper Sandler, Macro Research, Economics, September 2025)



Real Consumer Spending

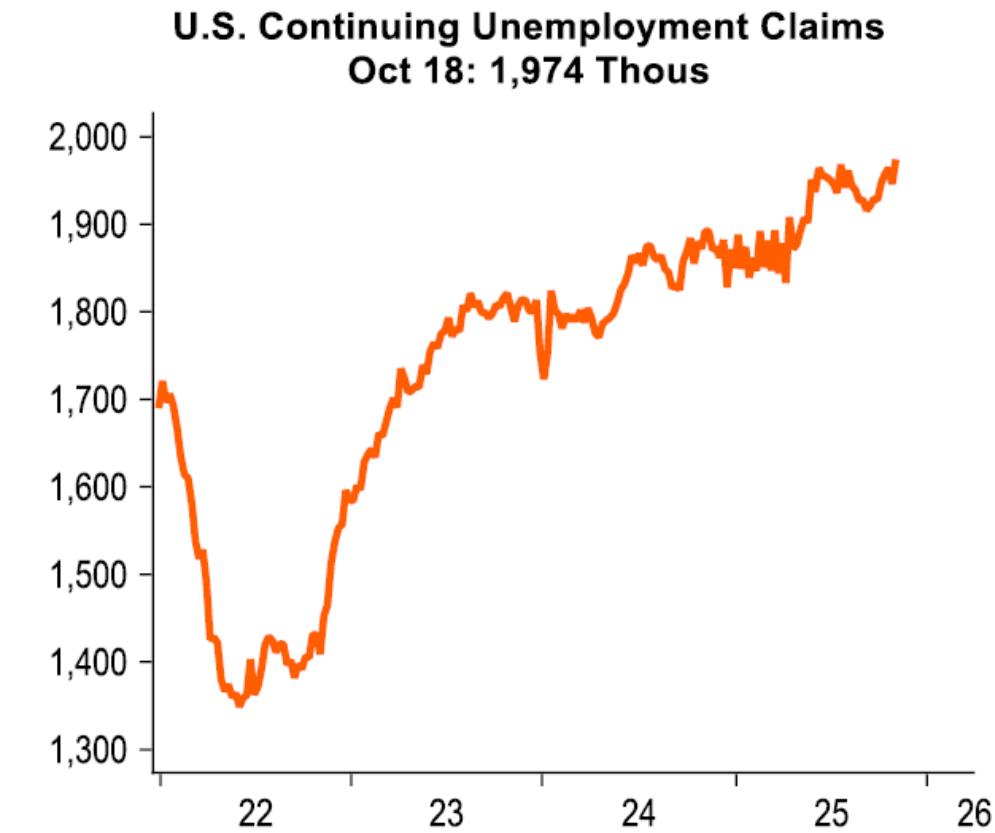
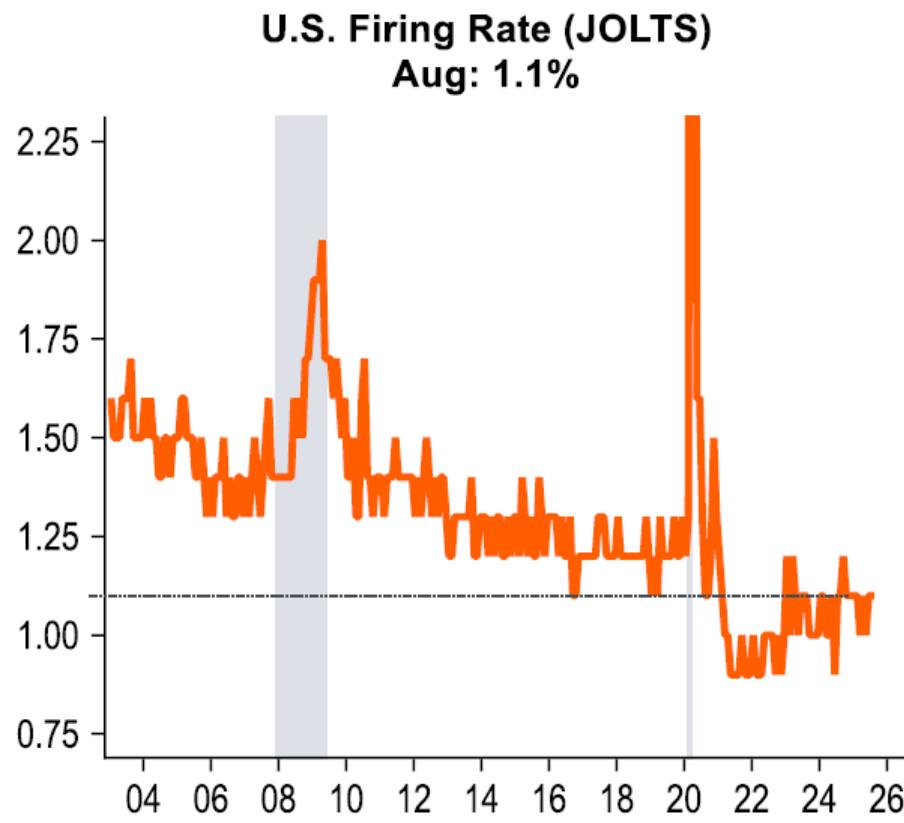
Households making
>\$150k account for almost
40% of all consumer
spending.

U.S. Unemployment Rate



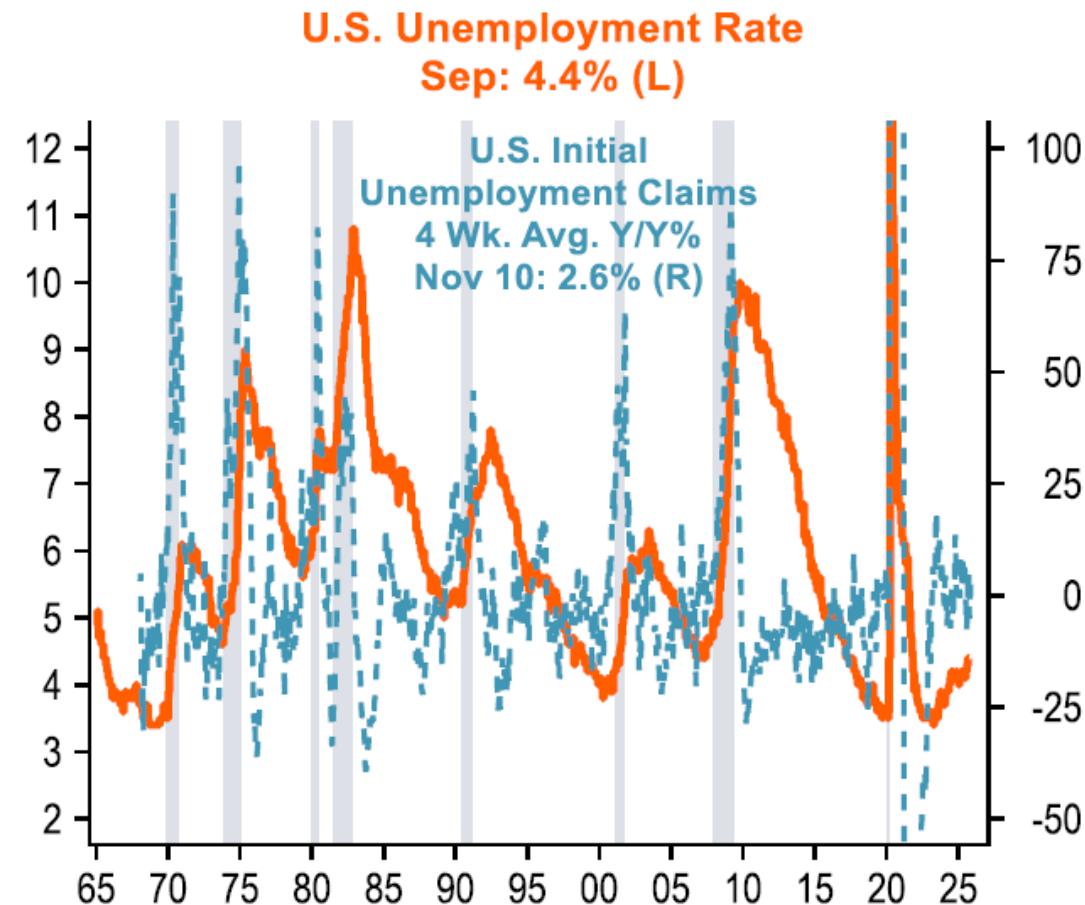
(Source: Piper Sandler, Macro Research, Economics, November 2025)

Unemployment Claims Moving Higher

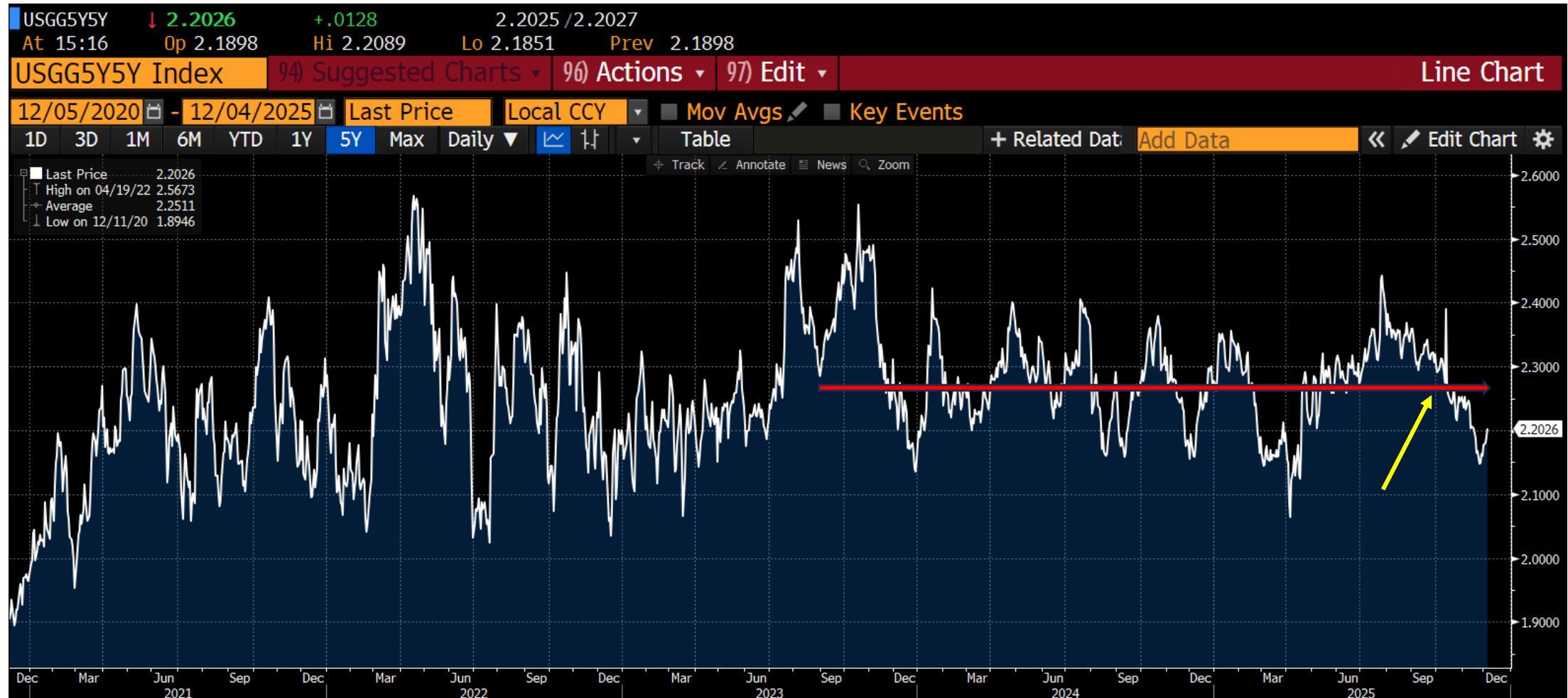


(Source: Piper Sandler, Macro Research, Economics, November 2025)

Unemployment Claims Moving Higher



U.S. 5yr Forward Breakeven



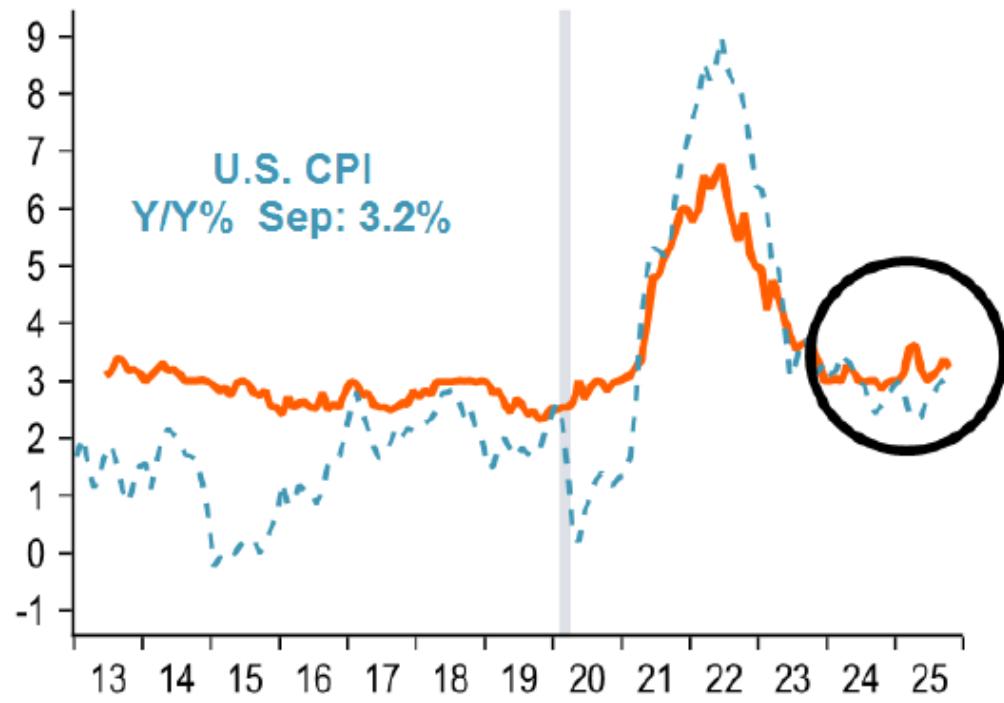
(Source: Bloomberg, as of December 4, 2025)

Inflation Rates & Expectations

NY Fed Survey of Consumer Expectations

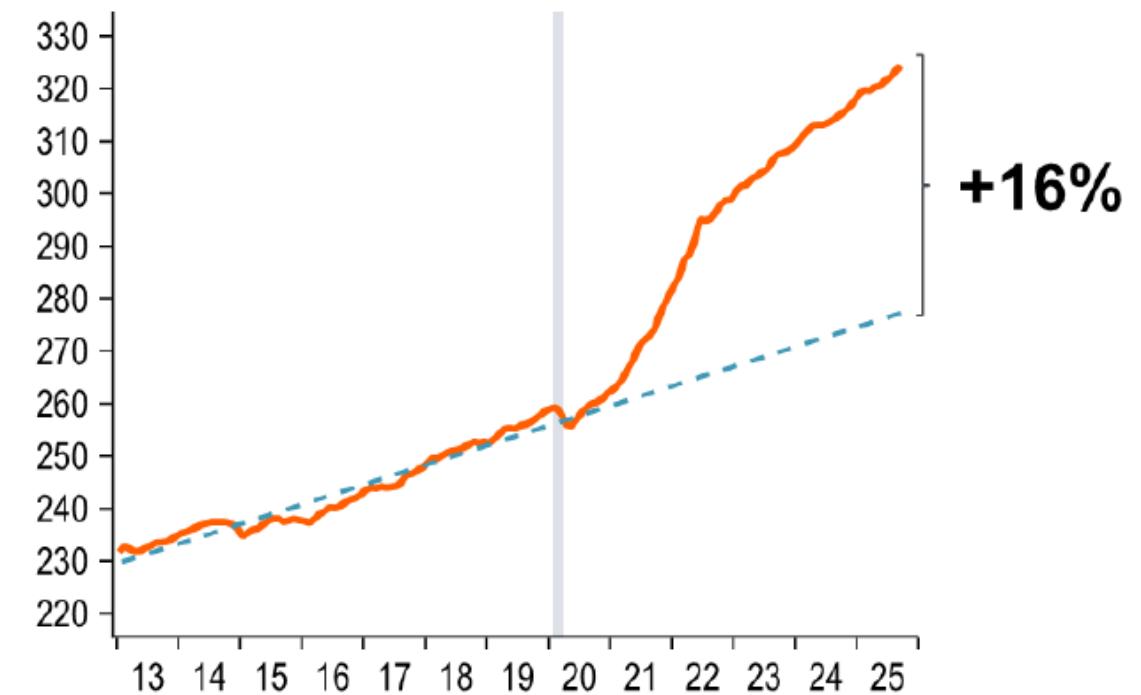
1 Yr. Ahead Inflation

Oct: 3.2%



U.S. CPI
Sep: 324.4

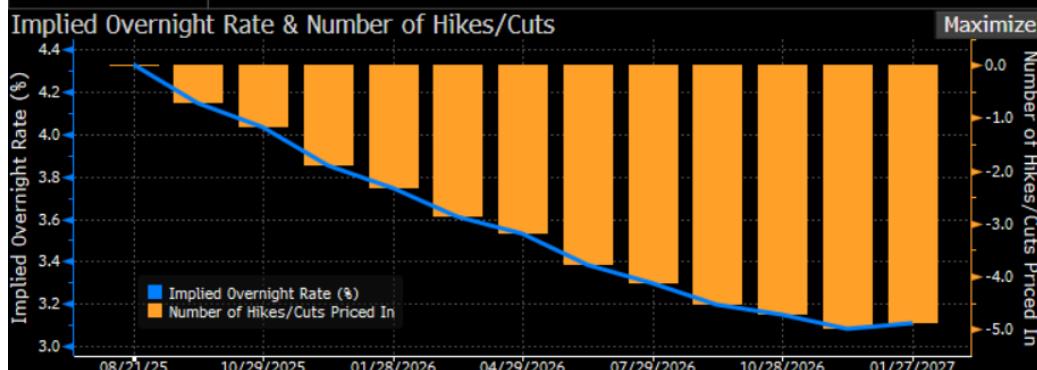
+16%



World Interest Rate Probabilities

Jackson Hole Speech

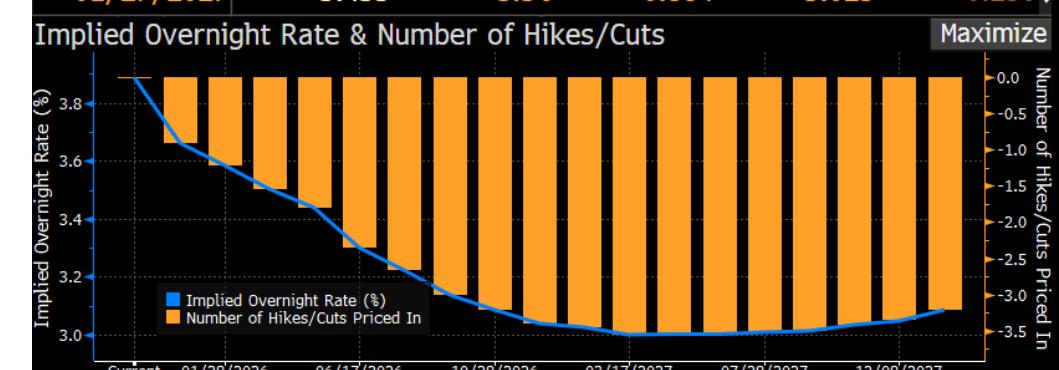
Region: United States »		Instrument: Fed Funds Futures »			
Target Rate	4.50	Pricing Date	08/21/2025	Cur. Imp. O/N Rate	4.329
Effective Rate	4.33				
Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
09/17/2025	-0.720	-72.0%	-0.180	4.149	0.250
10/29/2025	-1.185	-46.5%	-0.296	4.032	0.250
12/10/2025	-1.909	-72.4%	-0.477	3.852	0.250
01/28/2026	-2.345	-43.6%	-0.586	3.743	0.250
03/18/2026	-2.860	-51.5%	-0.715	3.614	0.250
04/29/2026	-3.205	-34.5%	-0.801	3.528	0.250
06/17/2026	-3.782	-57.7%	-0.946	3.383	0.250
07/29/2026	-4.125	-34.3%	-1.031	3.298	0.250
09/16/2026	-4.523	-39.8%	-1.131	3.198	0.250
10/28/2026	-4.735	-21.2%	-1.184	3.145	0.250
12/09/2026	-4.993	-25.8%	-1.248	3.081	0.250
01/27/2027	-4.885	+10.8%	-1.221	3.108	0.250



(Source: Bloomberg, as of December 4, 2025)

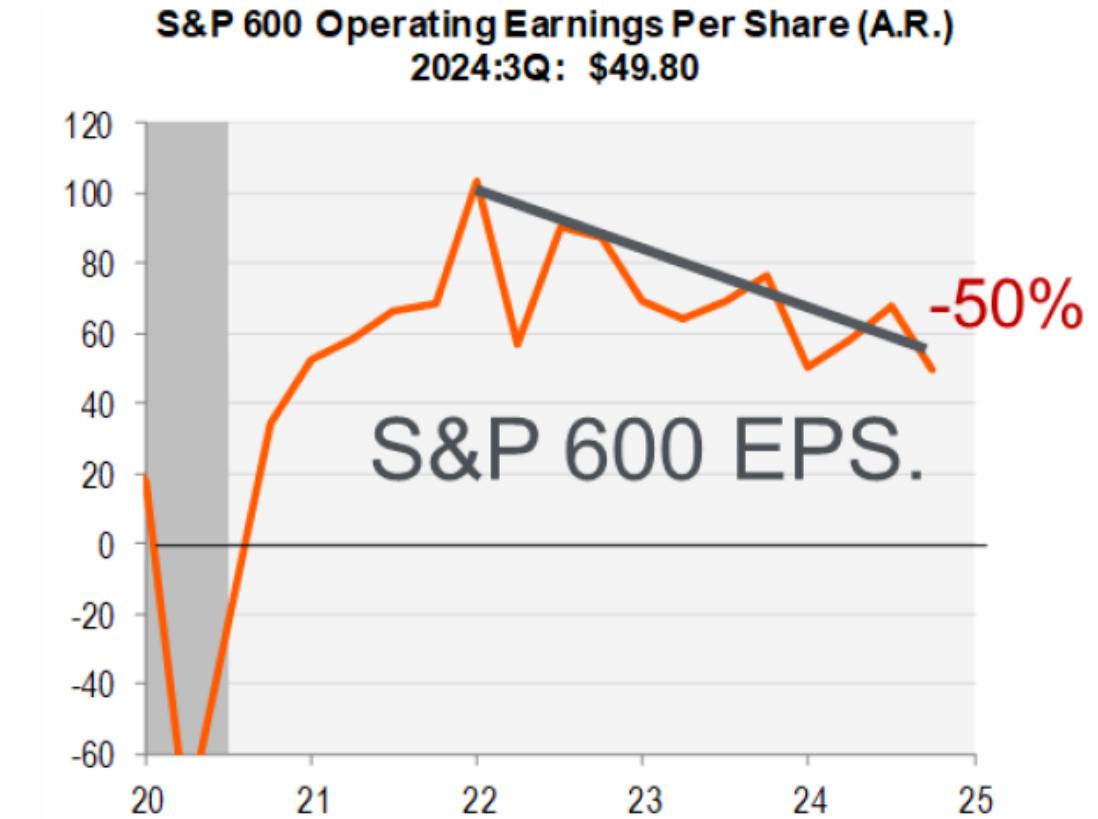
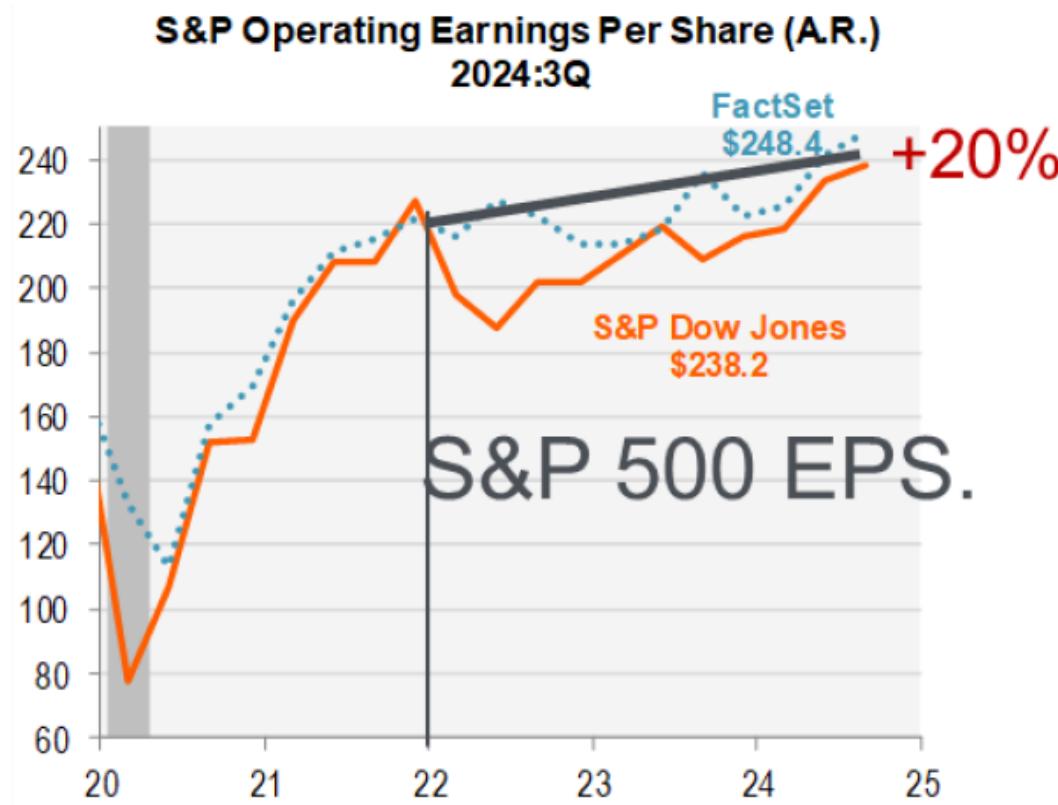
Current

Region: United States »		Instrument: Fed Funds Futures »			
Target Rate	4.00	Pricing Date	12/04/2025	Cur. Imp. O/N Rate	3.889
Effective Rate	3.89				
Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Ra...	A.R.M.
12/10/2025	-0.914	-91.4%	-0.229	3.660	0.250
01/28/2026	-1.224	-31.0%	-0.306	3.583	0.250
03/18/2026	-1.544	-31.9%	-0.386	3.503	0.250
04/29/2026	-1.804	-26.1%	-0.451	3.438	0.250
06/17/2026	-2.351	-54.7%	-0.588	3.301	0.250
07/29/2026	-2.655	-30.3%	-0.664	3.225	0.250
09/16/2026	-3.012	-35.8%	-0.753	3.136	0.250
10/28/2026	-3.205	-19.3%	-0.801	3.088	0.250
12/09/2026	-3.399	-19.5%	-0.850	3.039	0.250
01/27/2027	-3.455	-5.5%	-0.864	3.025	0.250

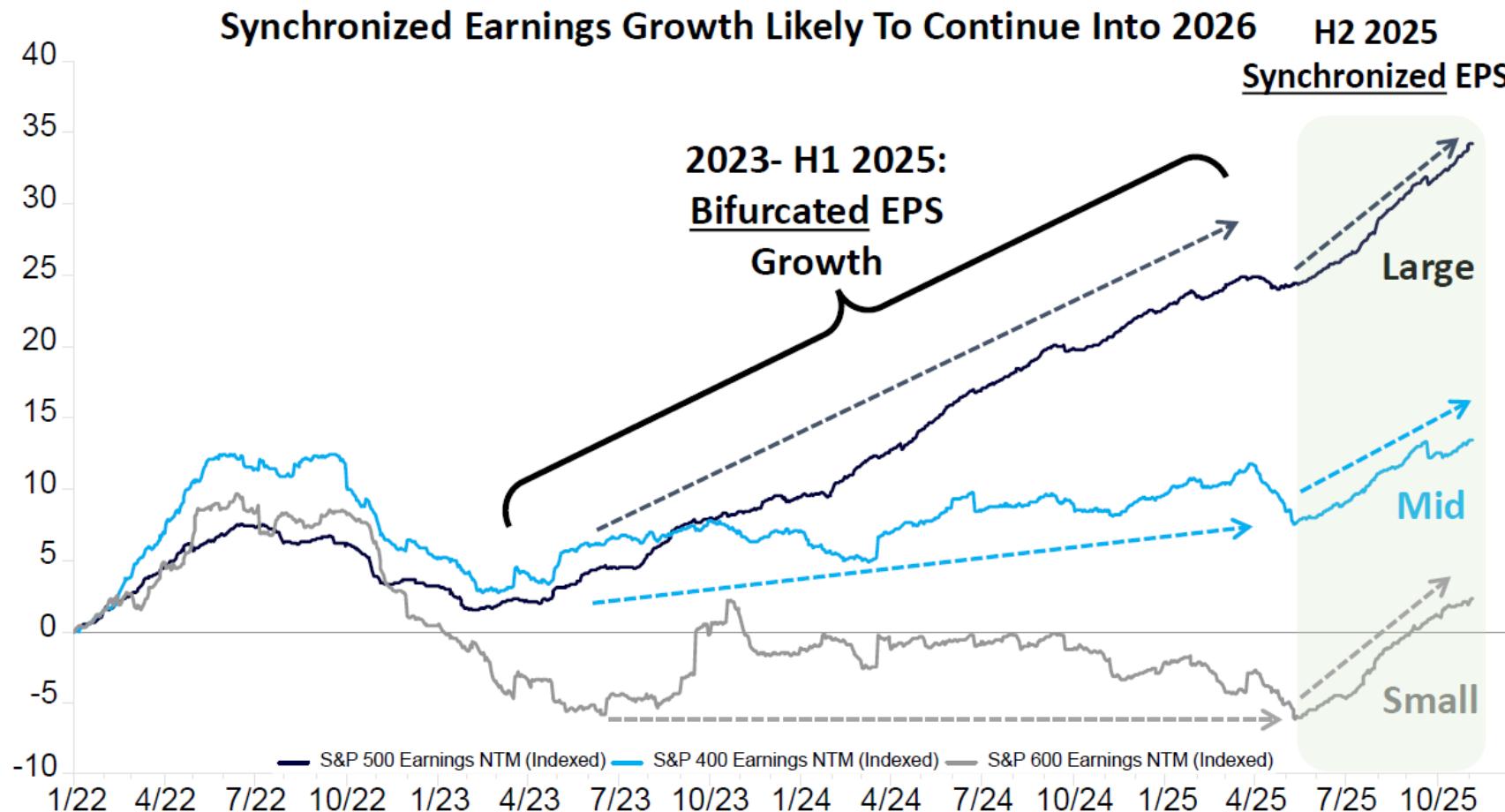


Economic Green Shoots

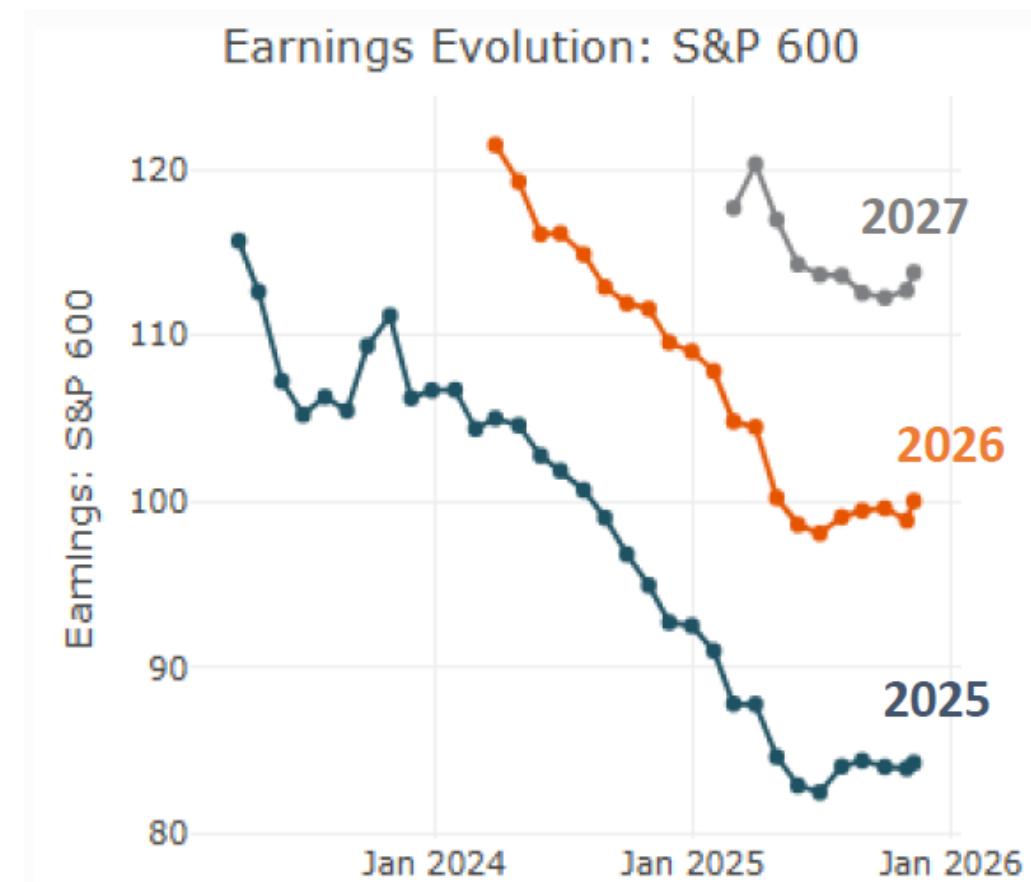
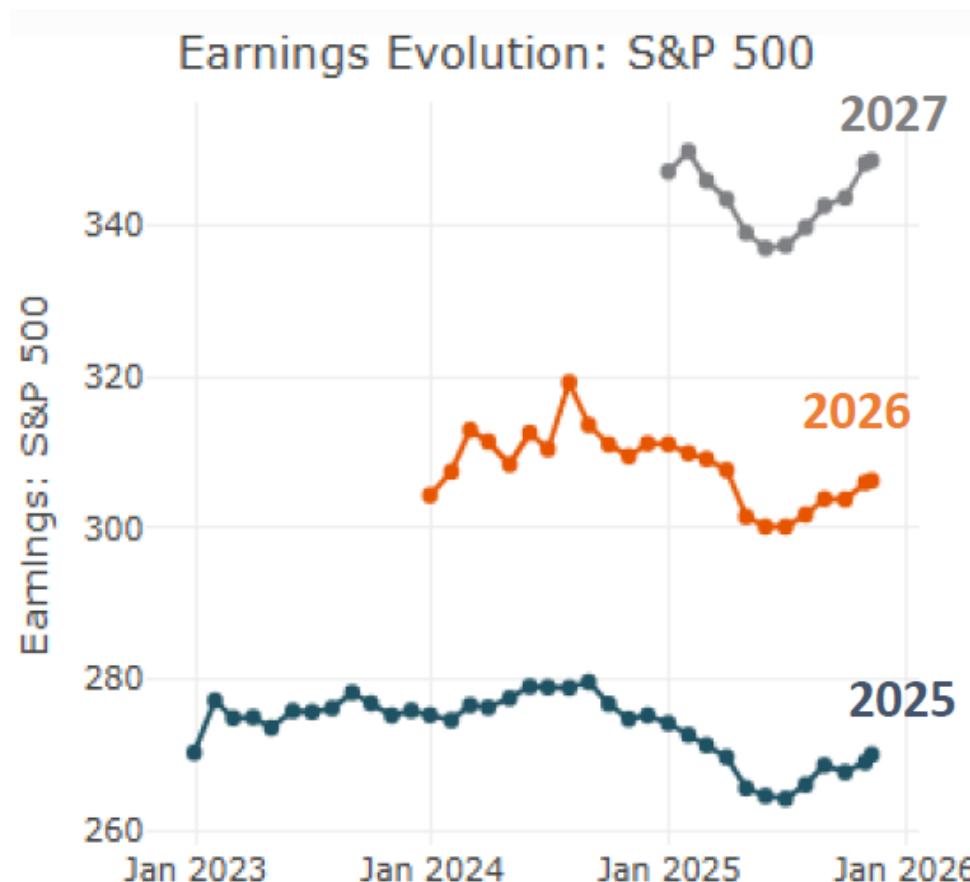
Bifurcated S&P Earnings



Synchronized Earnings Growth?

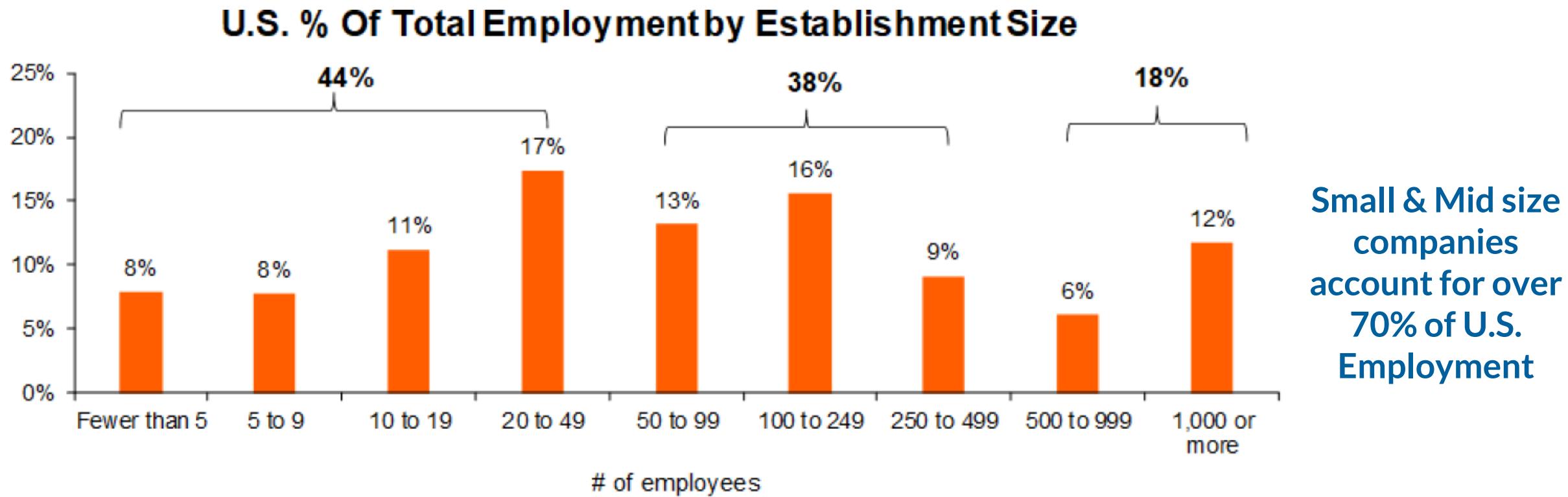


Earnings Evolution Over Time

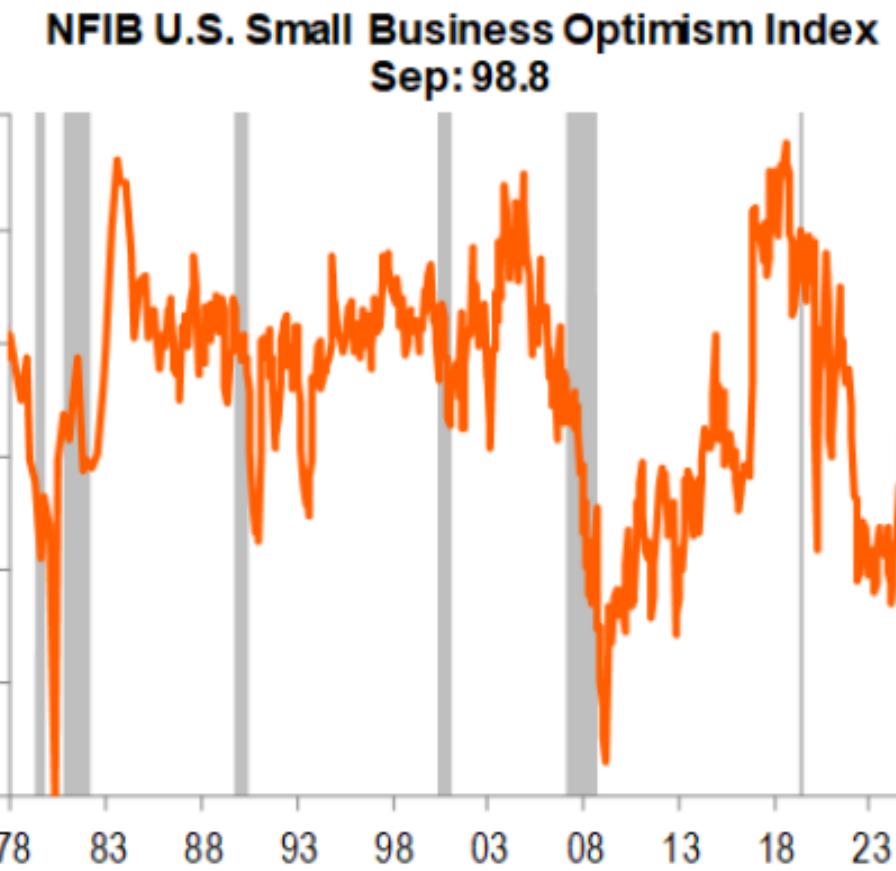
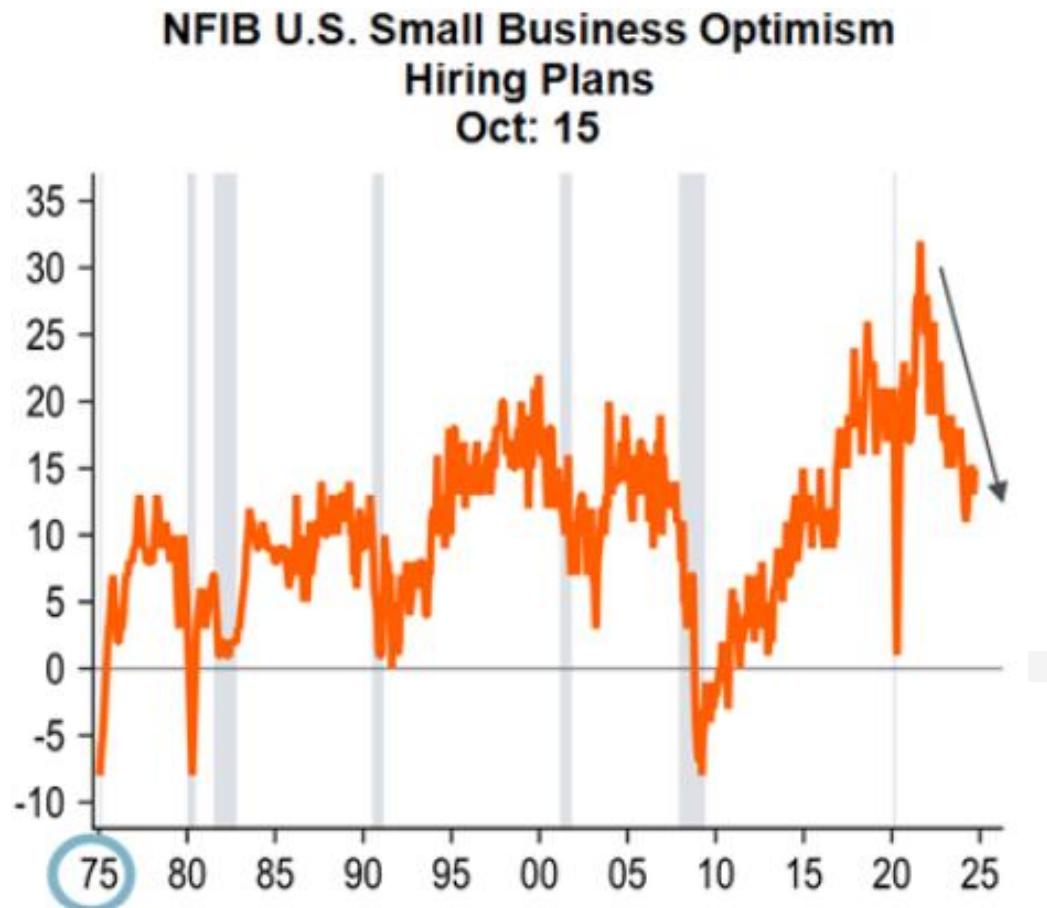


(Source: Piper Sandler, Macro Research, Economics, November 2025)

Total Employment by Establishment Size



Small Business Lack of Optimism

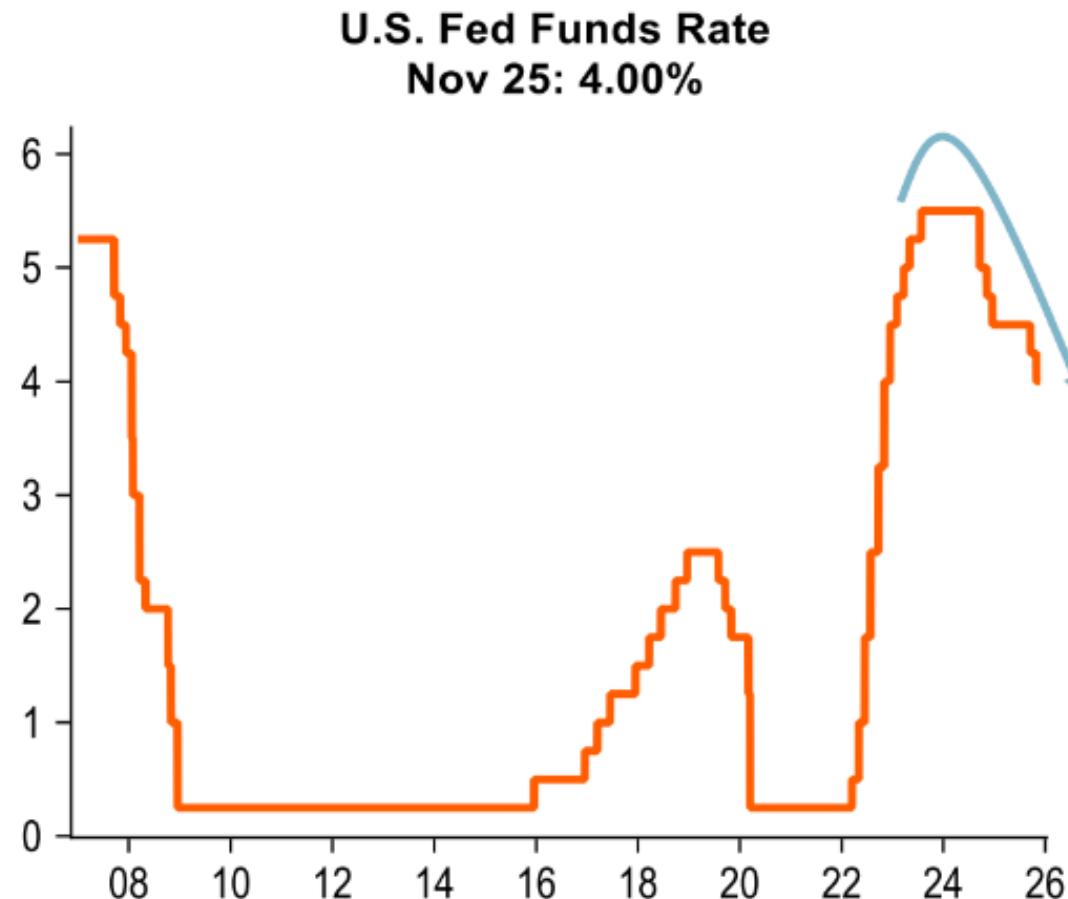


(Source: Piper Sandler, Macro Research, Economics, August 2024 and November 2025)

Potential Positives For Growth & Productivity

- Federal Reserve “Rate-Cut Cycle”
- Lower Energy Prices
- More Manufacturing “Onshoring”
- Less Regulation/Deregulation

Falling Fed Funds Rate



(Source: Piper Sandler, Macro Research, Economics, November 2025)

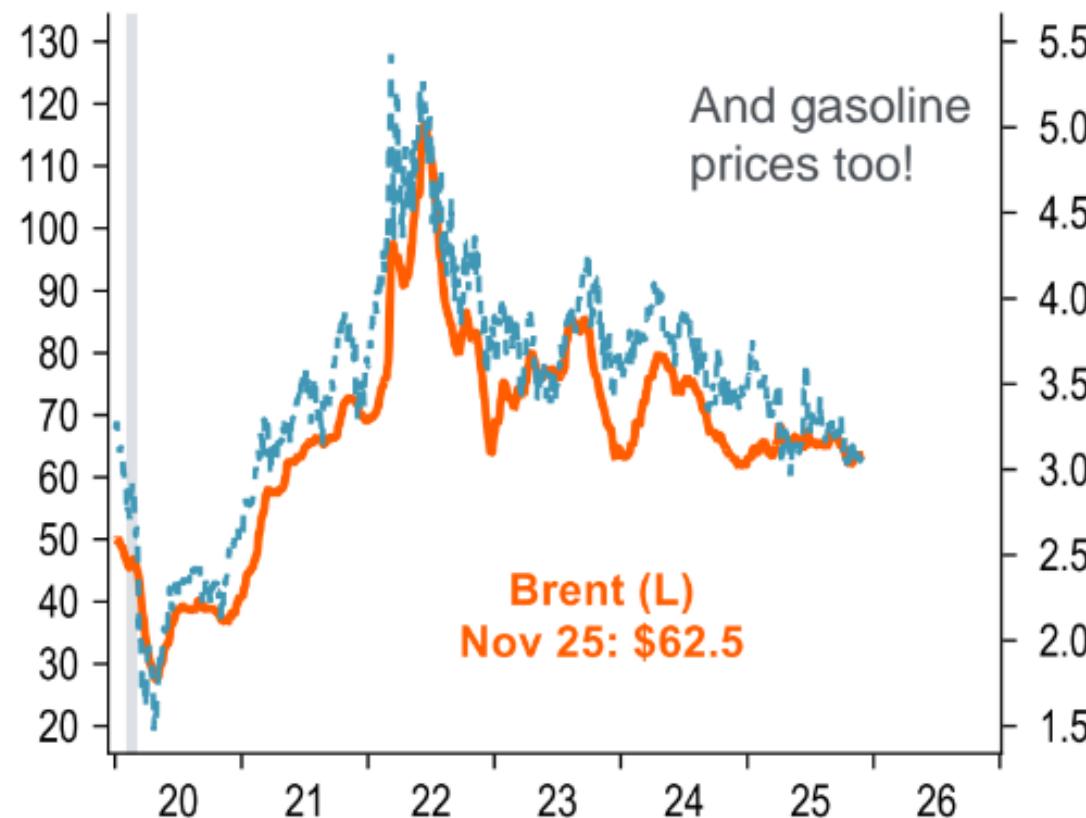
Banks Easing Lending Standards



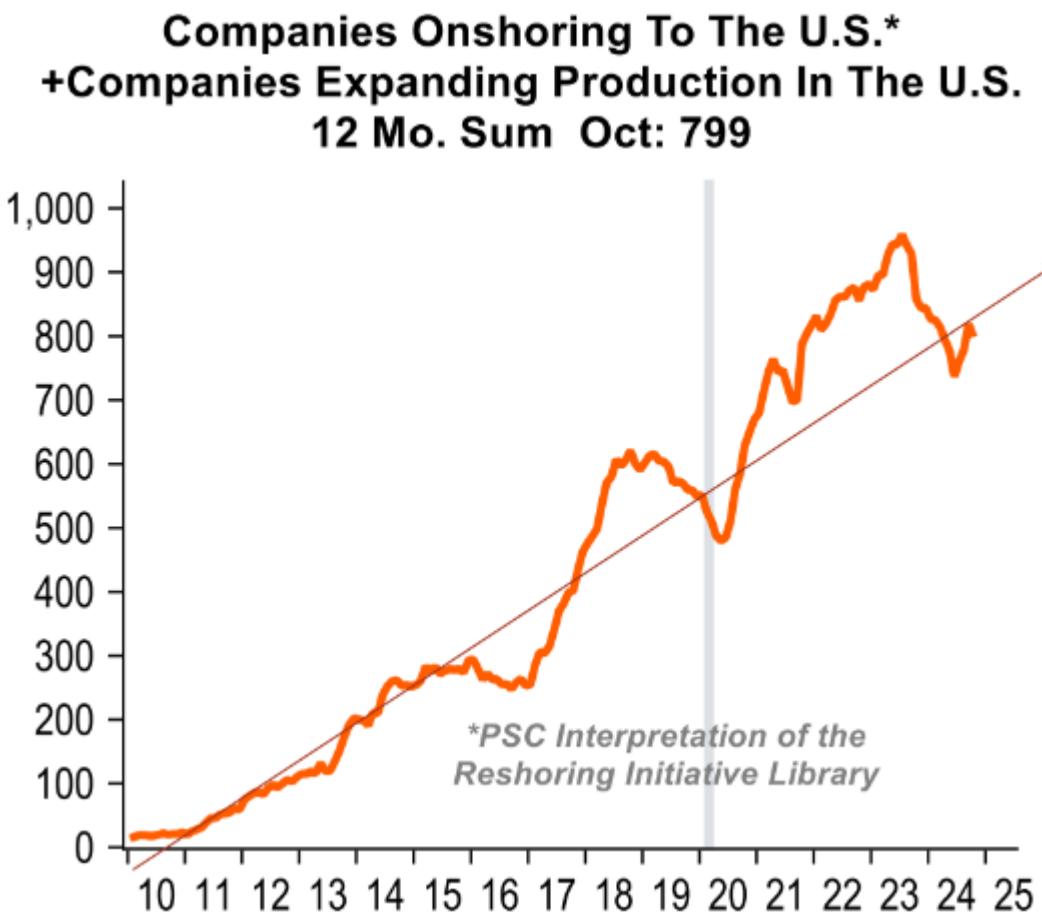
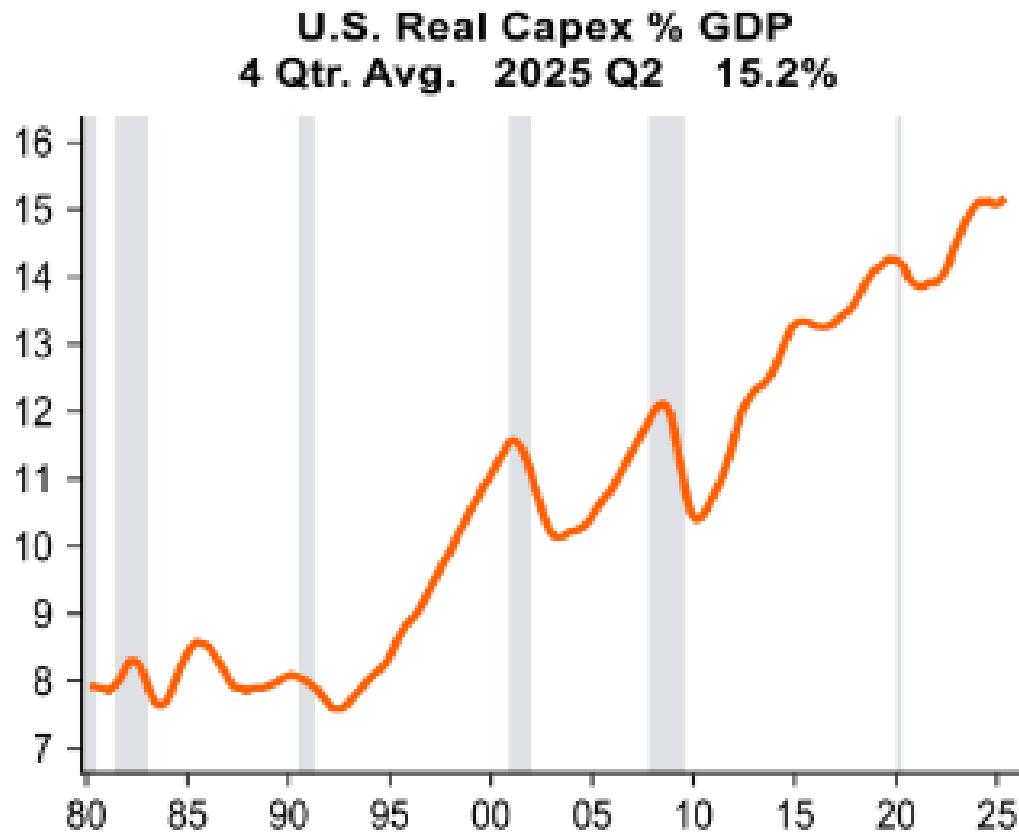
(Source: Piper Sandler, Macro Research, Economics, November 2025)

Falling Oil Prices

U.S. Retail Regular Unleaded Gasoline Price
Nov 24: \$3.06

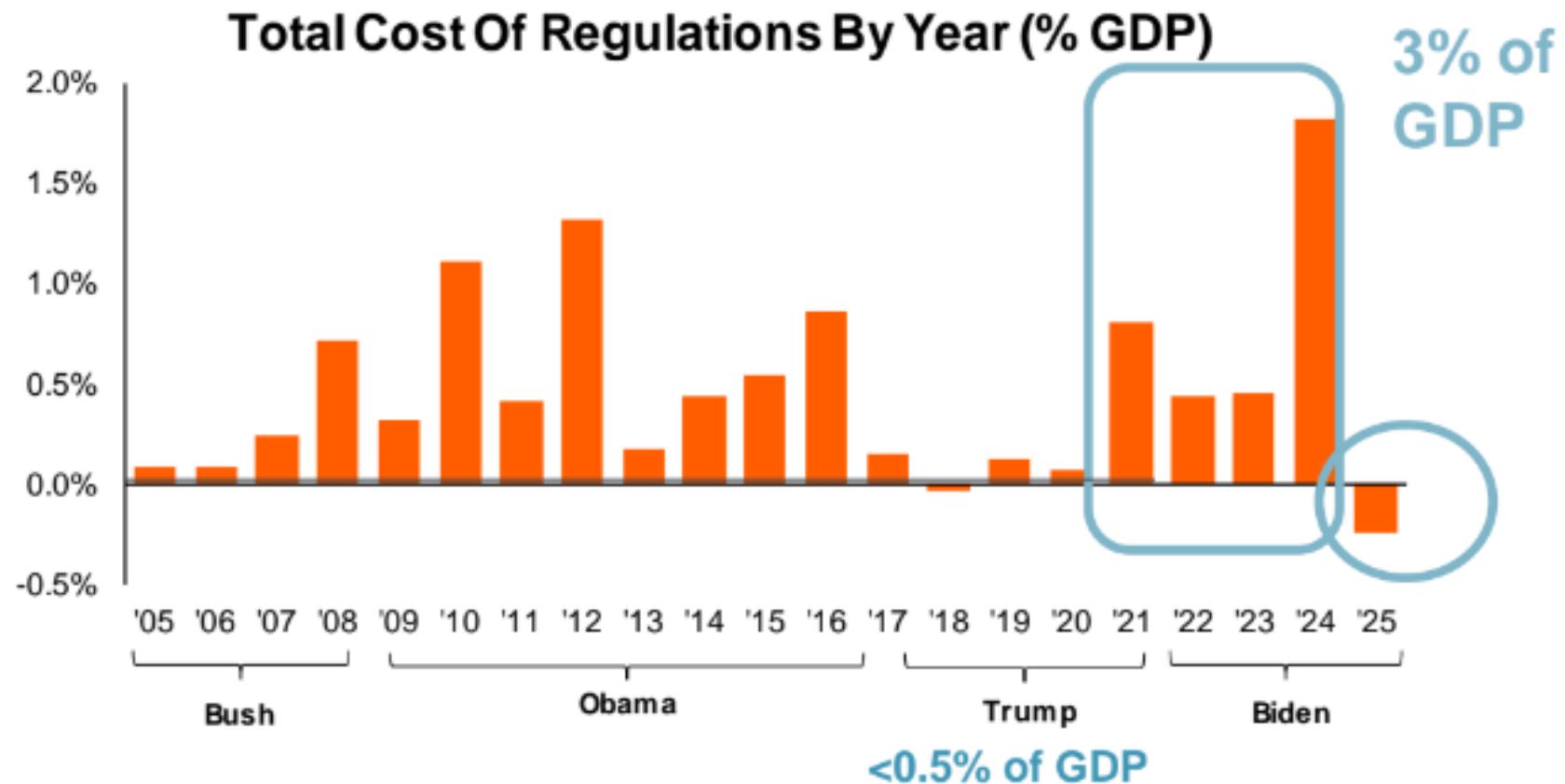


Capex & Companies Onshoring



(Source: Piper Sandler, Macro Research, Economics, November 2025)

Cost of Regulations

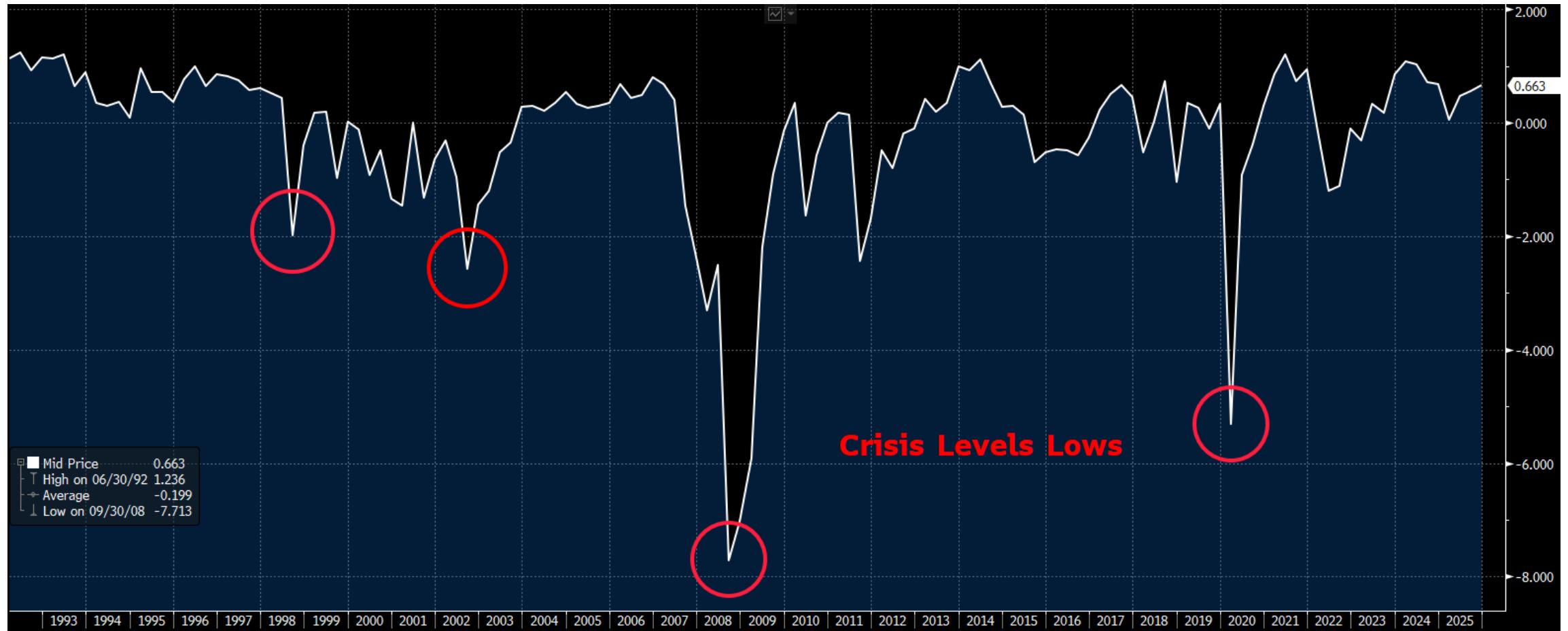


Source: Doug Holtz-Eakin,
American Action Forum

(Source: Piper Sandler, Macro Research, Economics, November 2025)

Equity Market Update

U.S. Financial Conditions



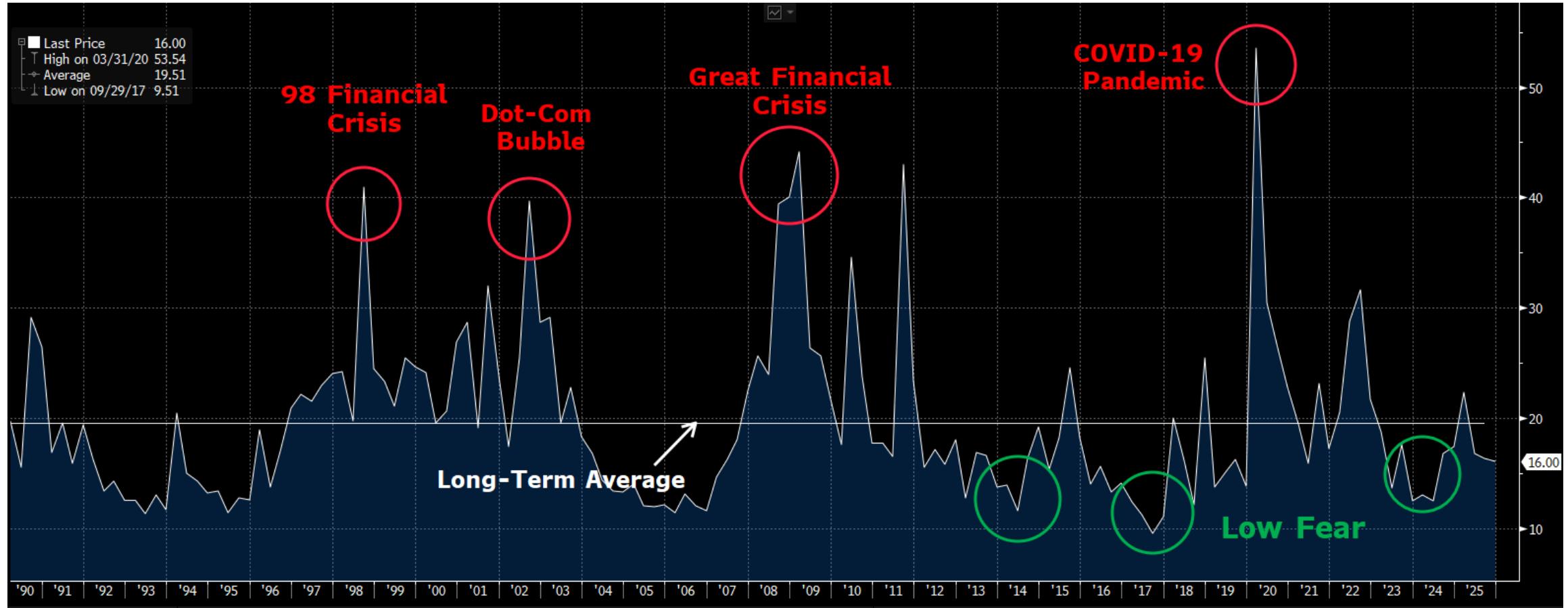
(Source: Bloomberg, Bloomberg United States Financial Conditions Index, as of December 4, 2025)

S&P 500 Index (5 Yr. Movements)



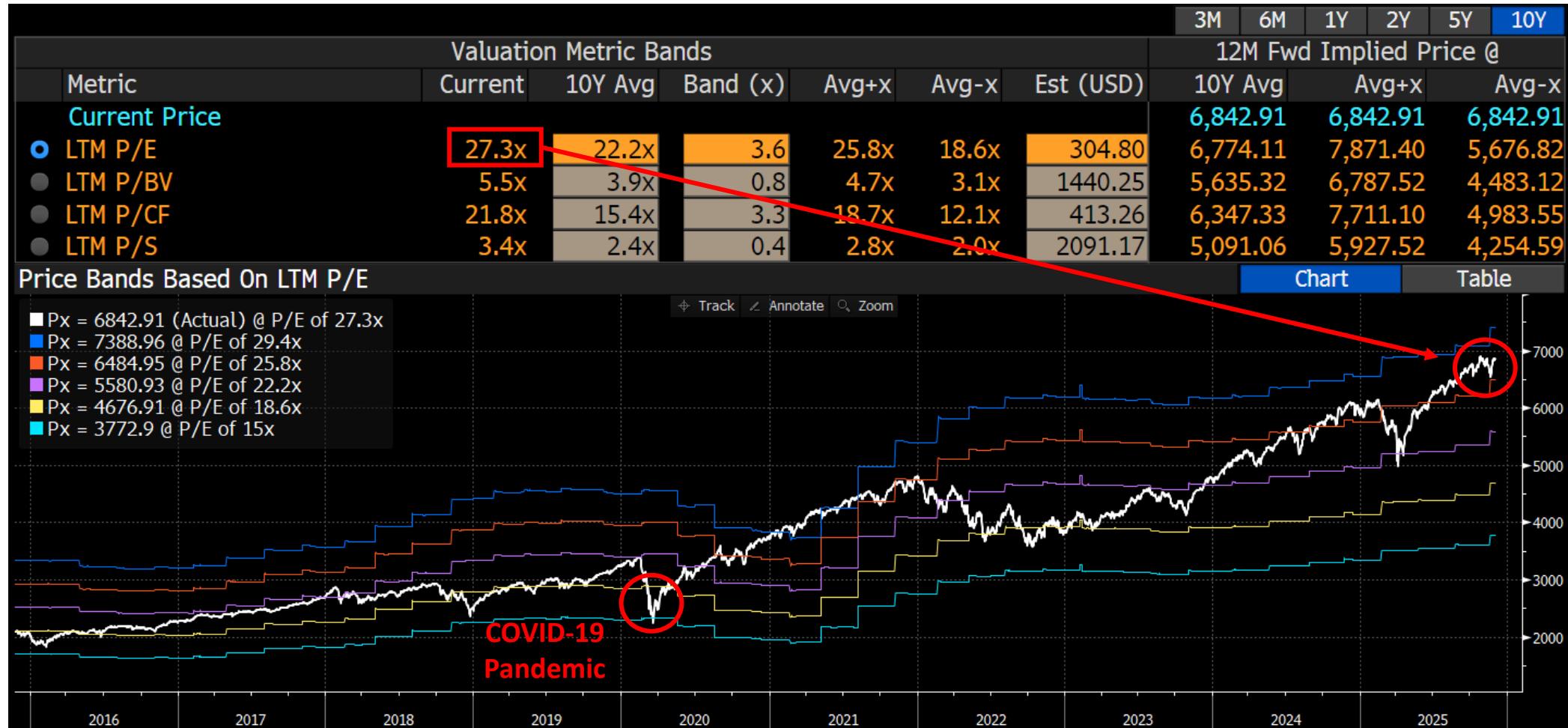
(Source: Bloomberg, S&P 500, as of December 4, 2025)

VIX Index (1990-Present)



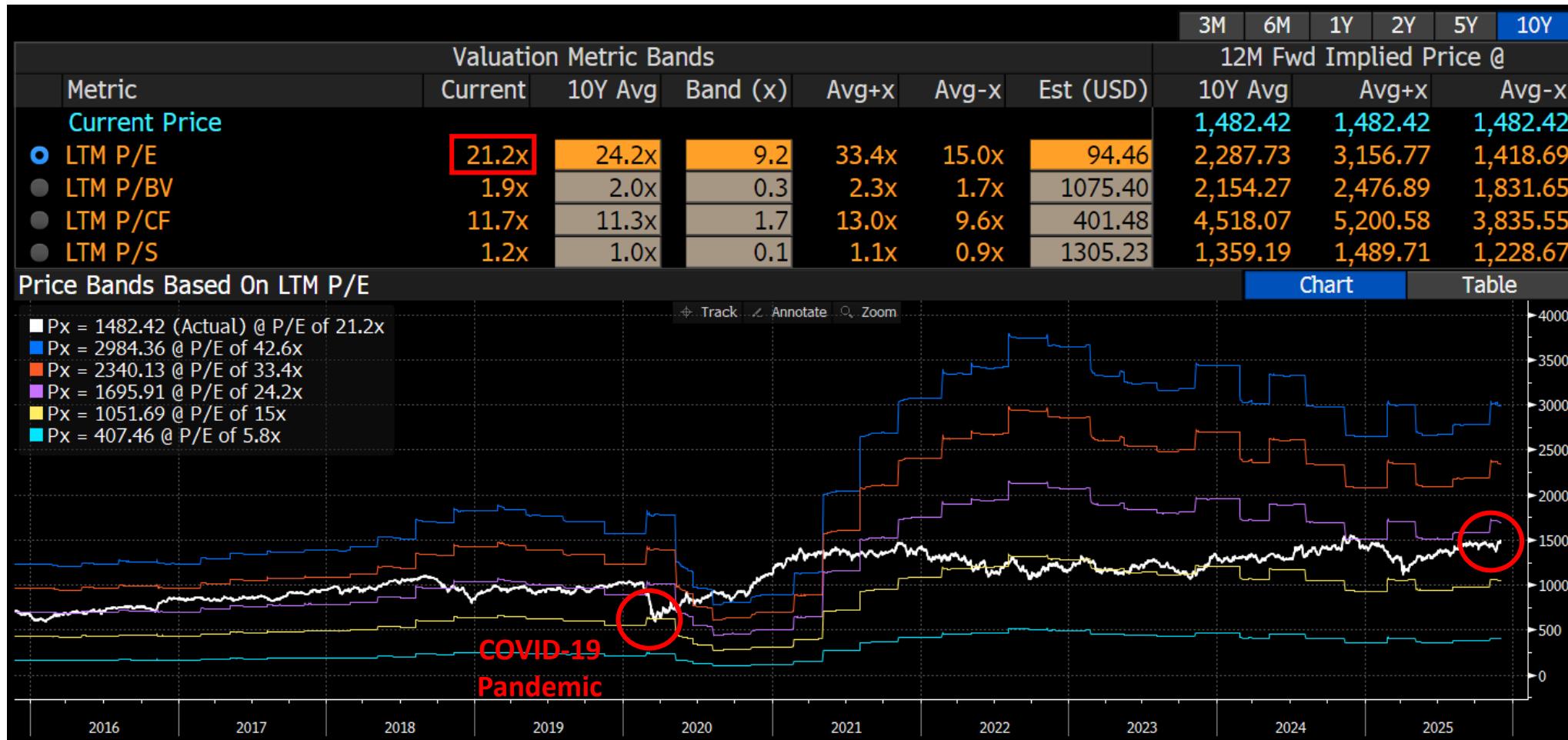
(Source: Bloomberg, VIX Index, as of December 4, 2025)

U.S. Equity Valuations (S&P 500)



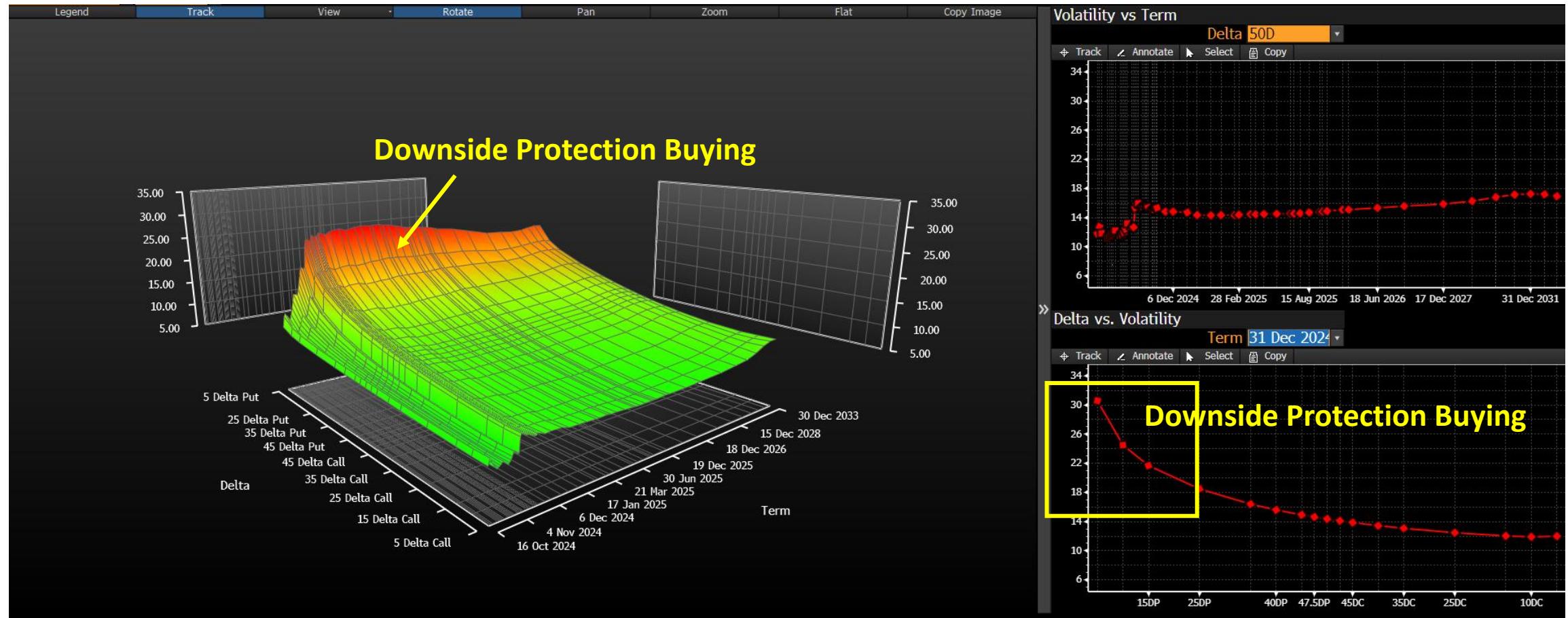
(Source: Bloomberg, S&P 500, as of December 4, 2025)

U.S. Equity Valuations (S&P 600)



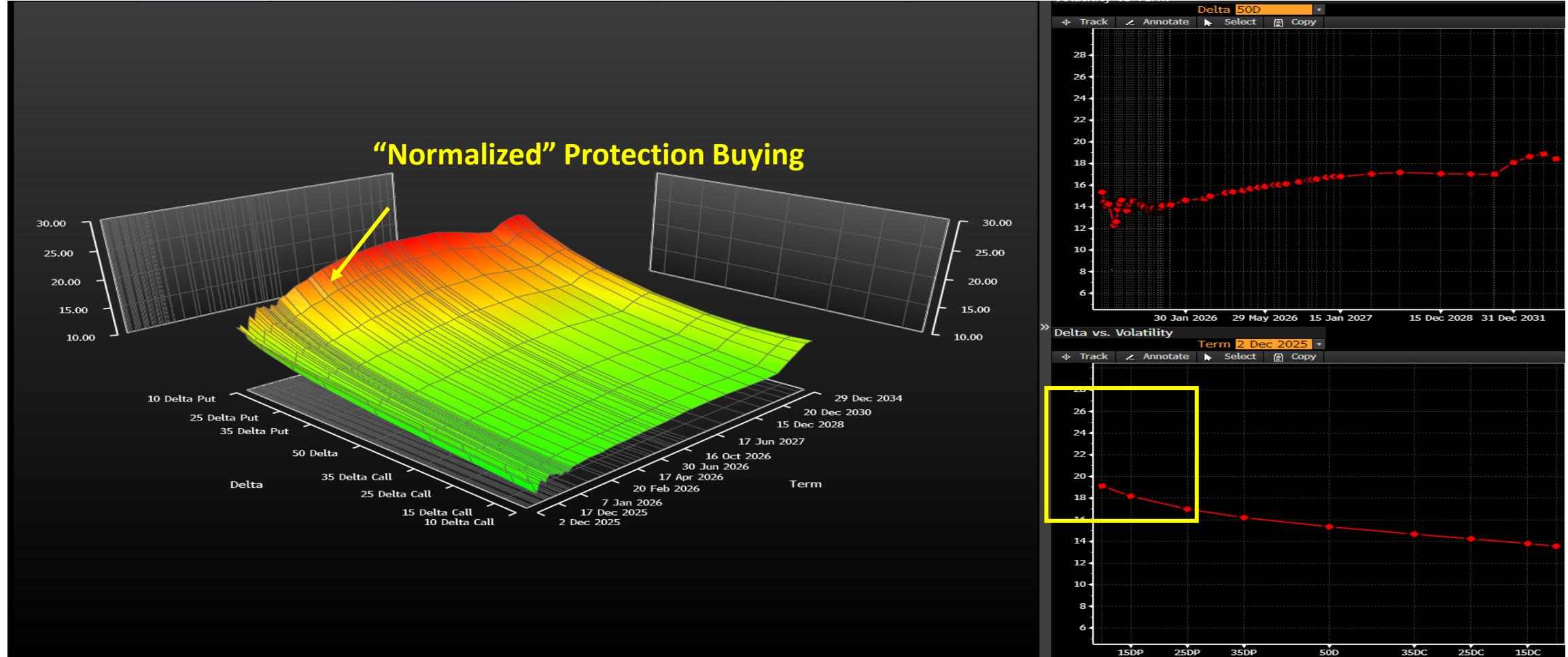
(Source: Bloomberg, S&P 600, as of December 4, 2025)

S&P 500 Option Pricing (Previous Surface)



(Source: Bloomberg, S&P 500, as of October 1, 2024)

S&P 500 Option Pricing (Current Surface)



(Source: Bloomberg, S&P 500, as of December 1, 2025)

Asset Class Returns: Core

	Total Returns				
	YTD %	1 Year %	3 Year (Ann) %	5 Year (Ann) %	10 Year (Ann) %
Core Asset Classes - Global Equity					
U.S. Large Cap (S&P 500 Index)	17.69	13.84	20.52	14.73	14.53
U.S. Mid Cap (S&P 400 Index)	7.65	0.24	10.48	9.72	10.33
U.S. Small Cap (S&P 600 Index)	6.86	-1.60	7.80	8.10	9.39
International Markets (MSCI EAFE Index)	29.50	24.97	16.42	9.69	8.57
Emerging Markets (MSCI EM Index)	31.35	28.61	15.44	4.88	8.41
Core Asset Classes - US Fixed Income					
Fixed Income (US Aggregate Bond Index)	7.31	5.33	4.03	-0.24	1.99
U.S. Treasury	6.45	4.61	3.06	-0.85	1.38
Agencies	6.27	5.55	4.65	1.02	2.00
Municipal Bond	4.01	2.20	3.72	0.87	2.39
Corporate	7.80	5.36	5.36	0.11	3.21
U.S. MBS	8.34	6.40	4.18	0.16	1.57

(* Dividends reinvested in the index) (Source: Bloomberg, as of December 4, 2025)

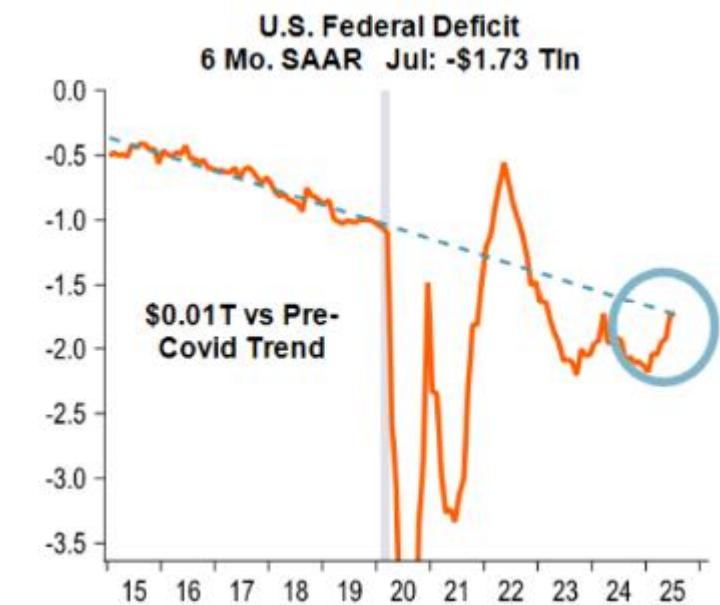
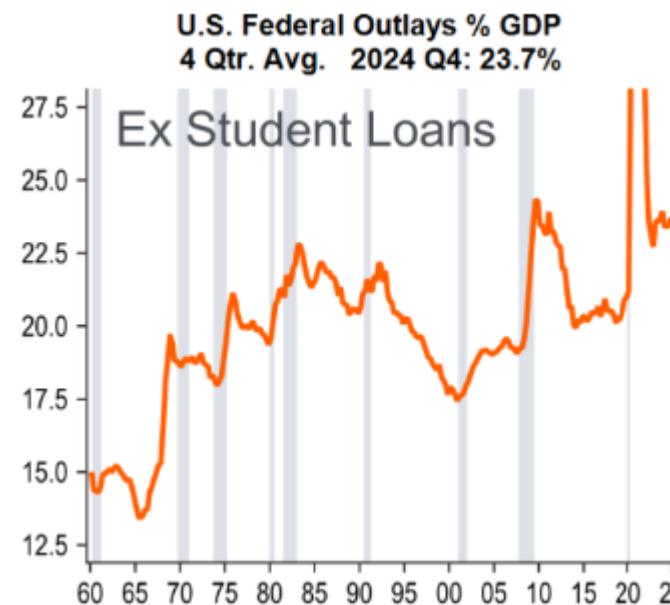
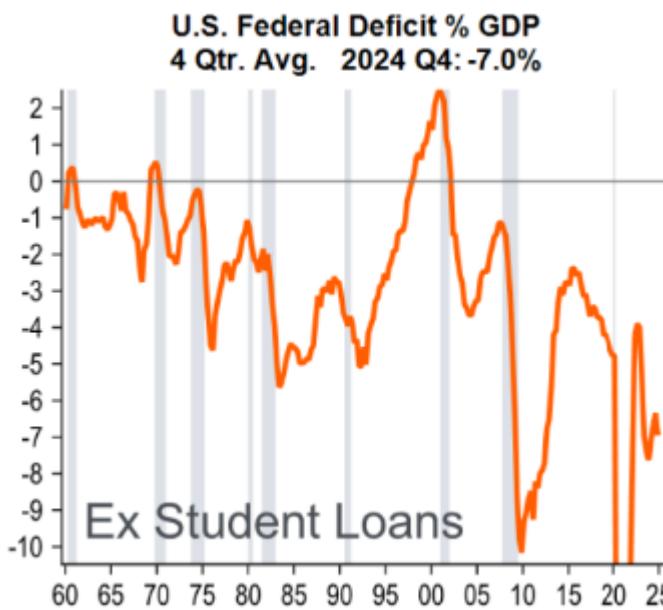
Asset Class Returns: Satellite

	Total Returns				
	YTD %	1 Year %	3 Year (Ann) %	5 Year (Ann) %	10 Year (Ann) %
Satellite Asset Classes					
U.S. Corporate High Yield Index	8.13	7.38	9.30	4.63	6.23
Global High Yield Index	11.27	10.40	11.21	4.35	5.72
S&P Preferred Stock Index	-2.21	-5.09	-0.69	-4.13	-2.26
FTSE NAREIT U.S. REIT Index	3.71	-1.85	6.90	6.74	6.03
Alerian Master Limited Partnership (MLP) Index	12.54	7.86	18.97	23.89	9.78
Dow Jones Commodity Index	15.06	18.27	6.31	14.62	7.59
ThomsonReuters Private Equity Index	24.75	16.83	18.05	9.41	12.33
BBG Galaxy Bitcoin Index	-1.57	-7.01	75.17	37.09	73.88

(* Dividends reinvested in the index) (Source: Bloomberg, as of December 4, 2025)

Fixed-Income Market Update

Elevated Spending Leading to Sticky Inflation



Importers Covering ~60% of Tariff Costs....

Who Is Paying The Tariffs On Consumer Goods

	consumer prices vs trend	consumer import prices vs trend	consumer tariff revenue \$b vs trend (ann.)	consumer % tariff paid	exporter to US % of tariff paid	US importer % tariff paid
Apr	0.4%	-0.9%	47	34.0%	24.1%	42.0%
May	0.5%	-1.2%	82	22.6%	18.4%	59.0%
Jun	0.8%	-0.9%	106	30.8%	10.5%	58.6%

U.S. 10yr Treasury Yield (5Y)



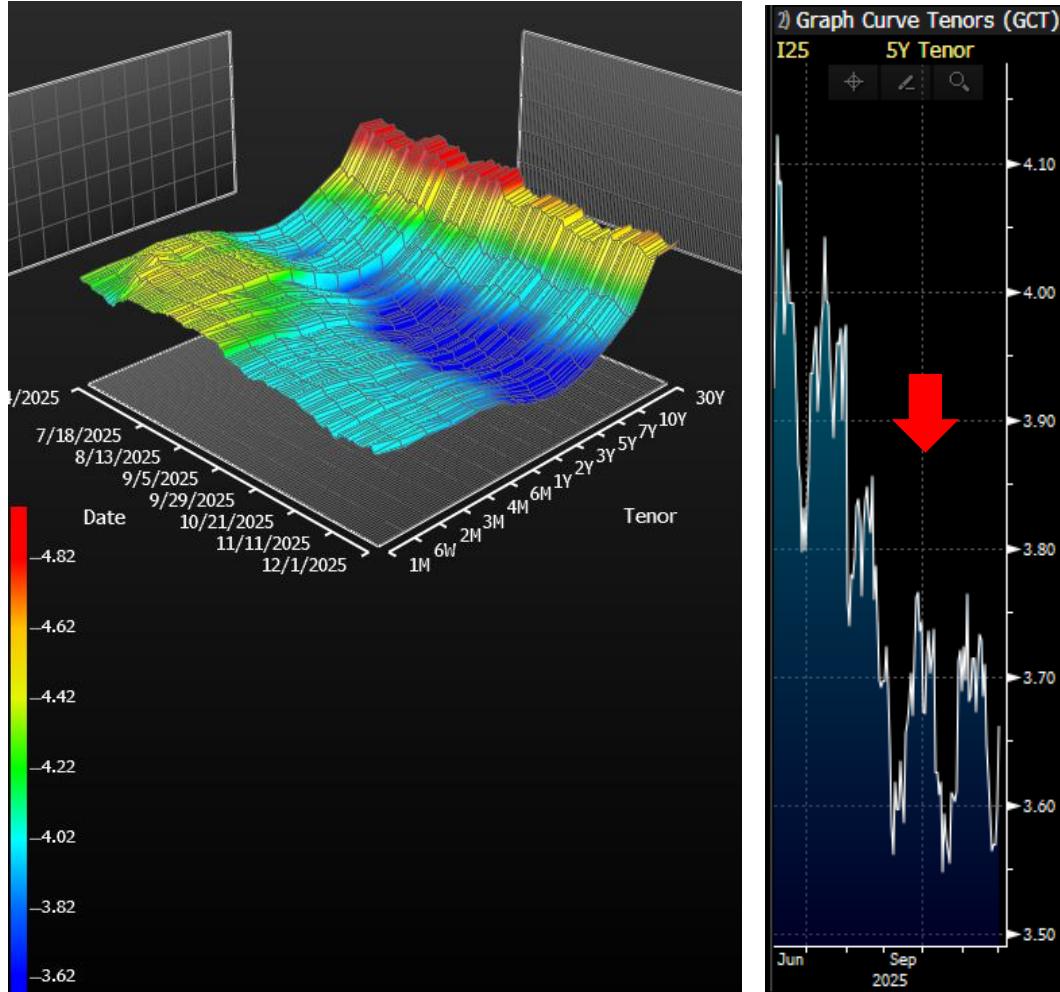
(Source: Bloomberg, USGG10YR Index, as of December 4, 2025)

U.S. 10yr Treasury Yield



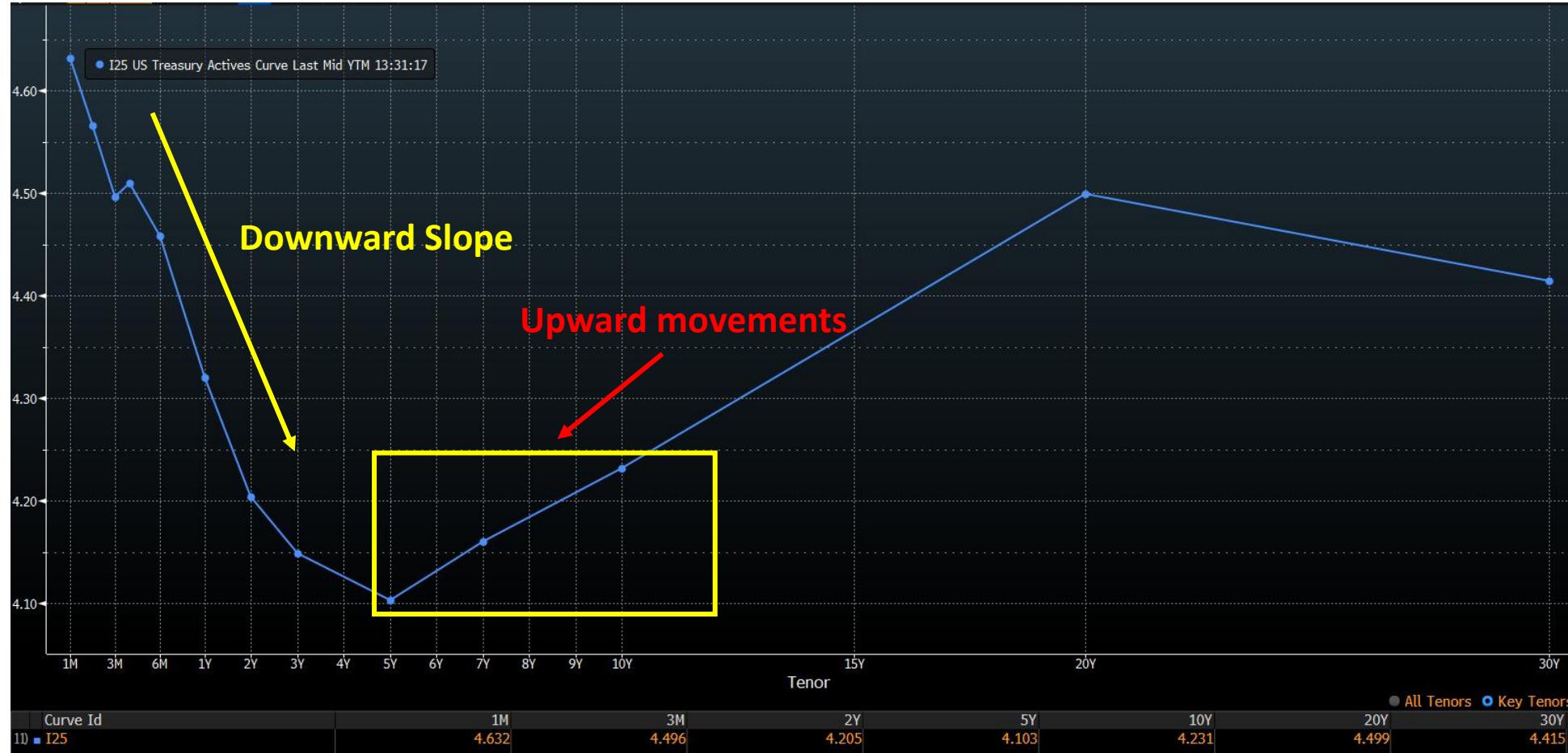
(Source: Bloomberg, USGG10YR Index, as of November 2025)

U.S. Treasury Yield Curve (1Yr Movement)



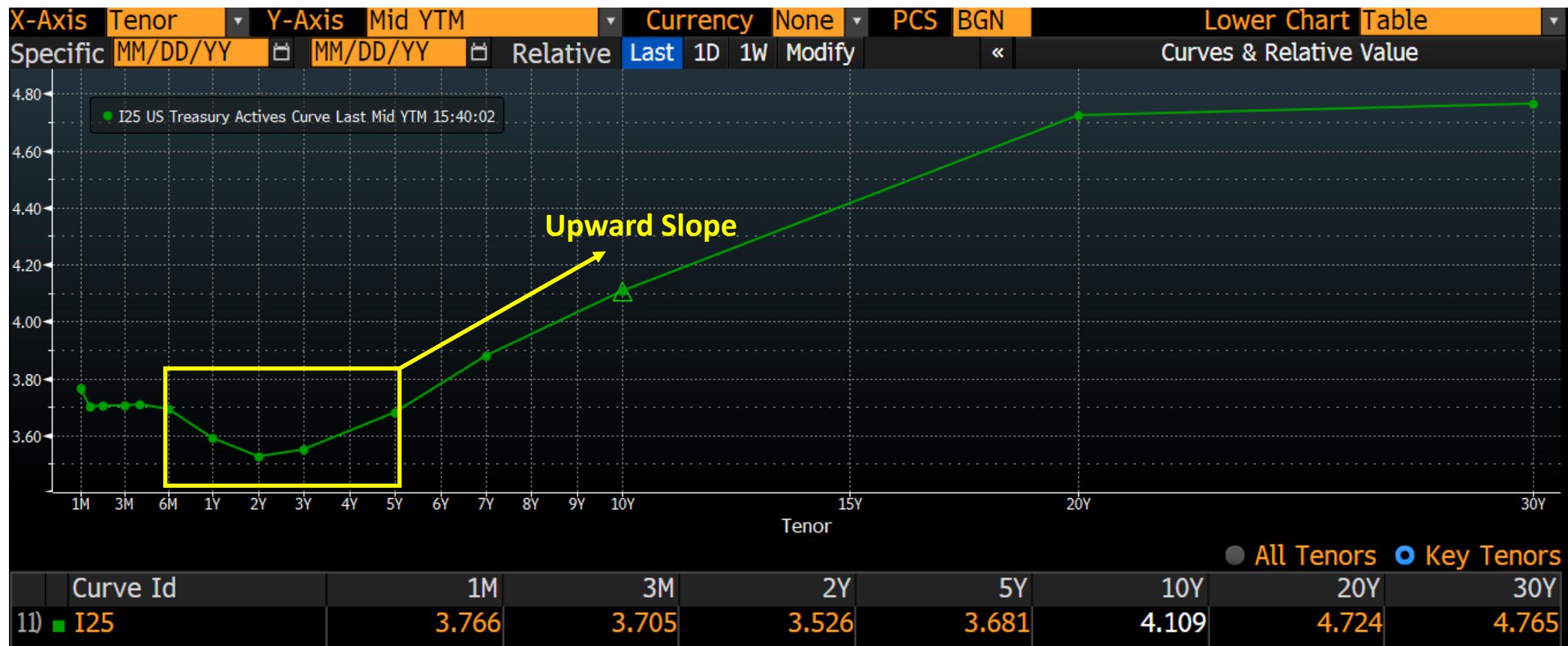
The interest rate environment looks to remain volatile!

U.S. Treasury Yield Curve (11/11/24)



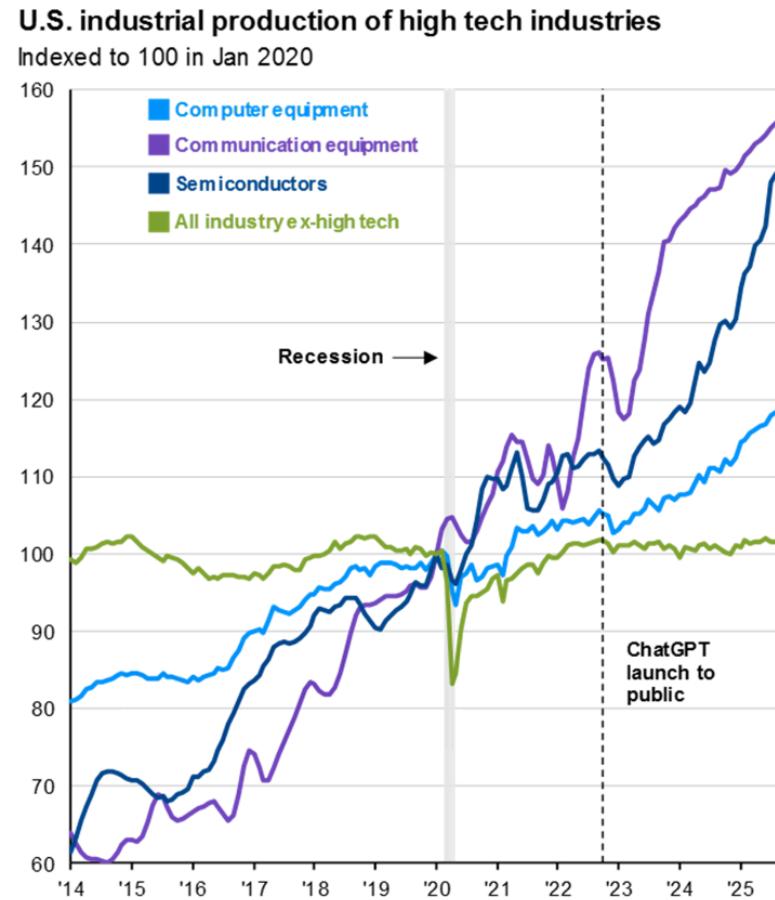
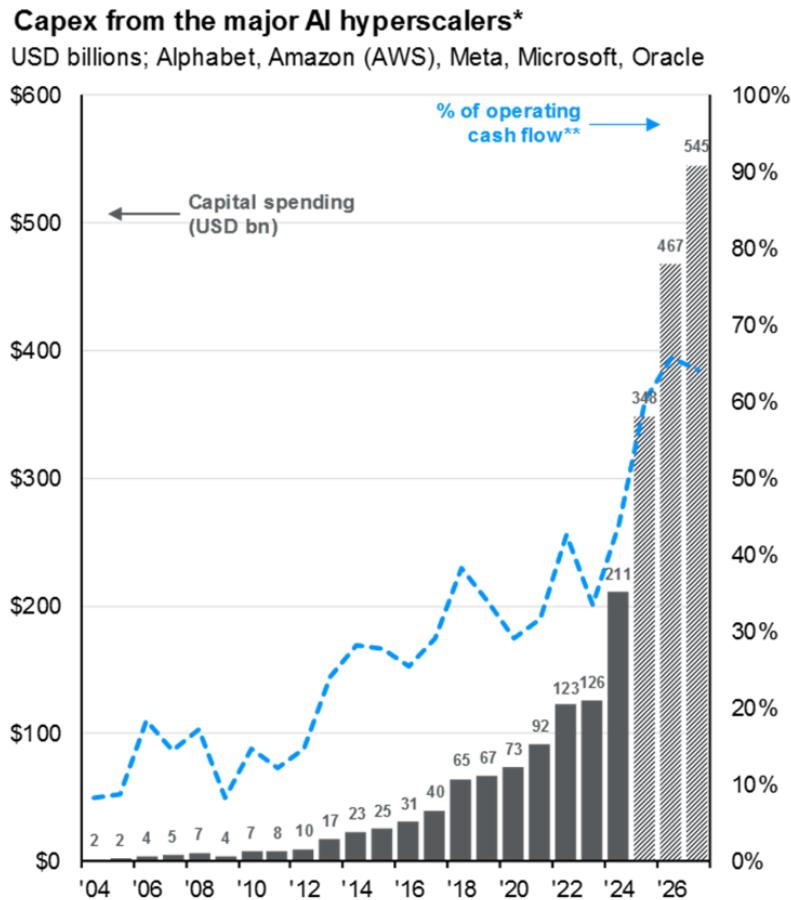
(Source: Bloomberg, U.S. Treasury Actives Curve, as of November 11, 2024)

U.S. Treasury Yield Curve (Current)



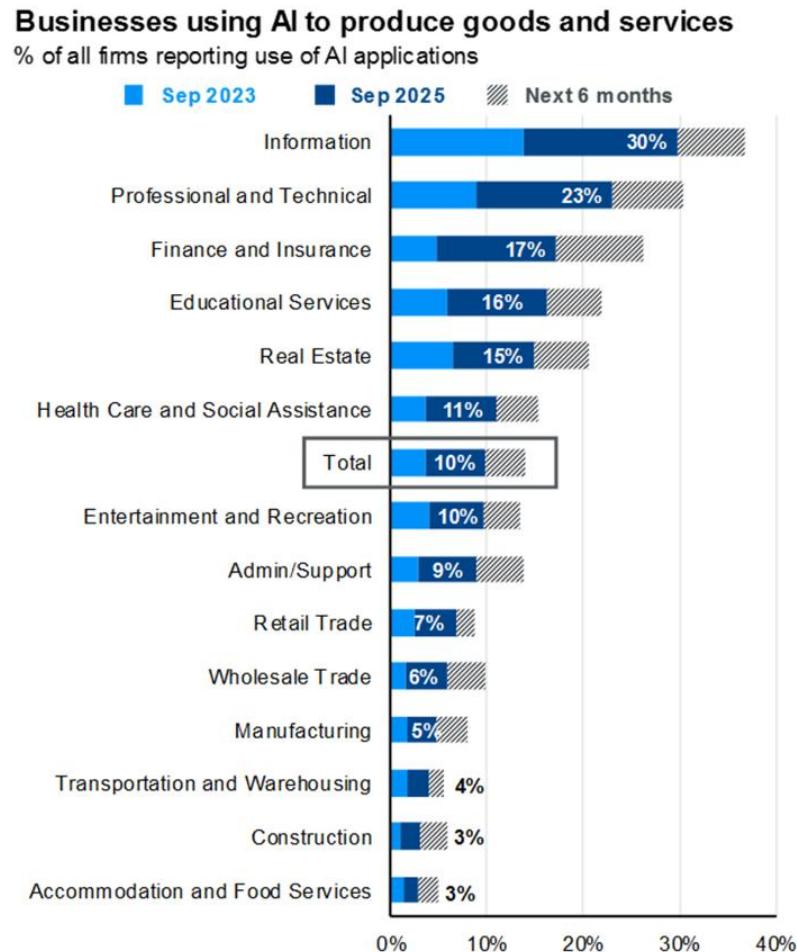
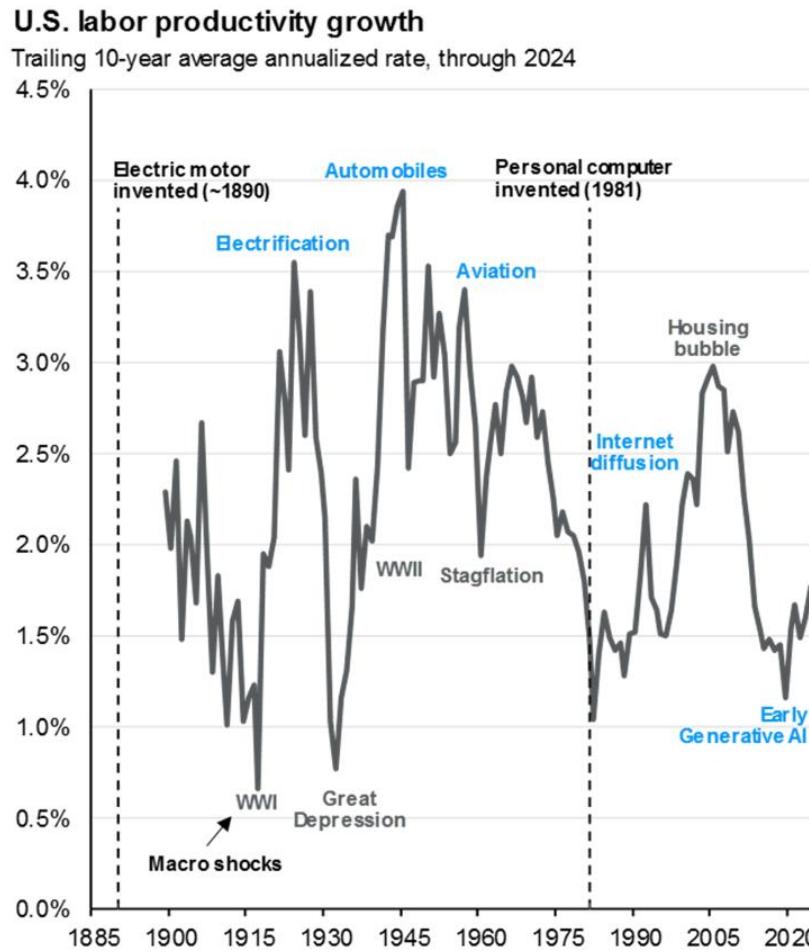
The AI Effect on Financial Markets

Capital Investment Driving AI Infrastructure



(Source: J.P. Morgan Asset Management, Guide-To-The-Markets, December 1, 2025)

Artificial Intelligence Implementation

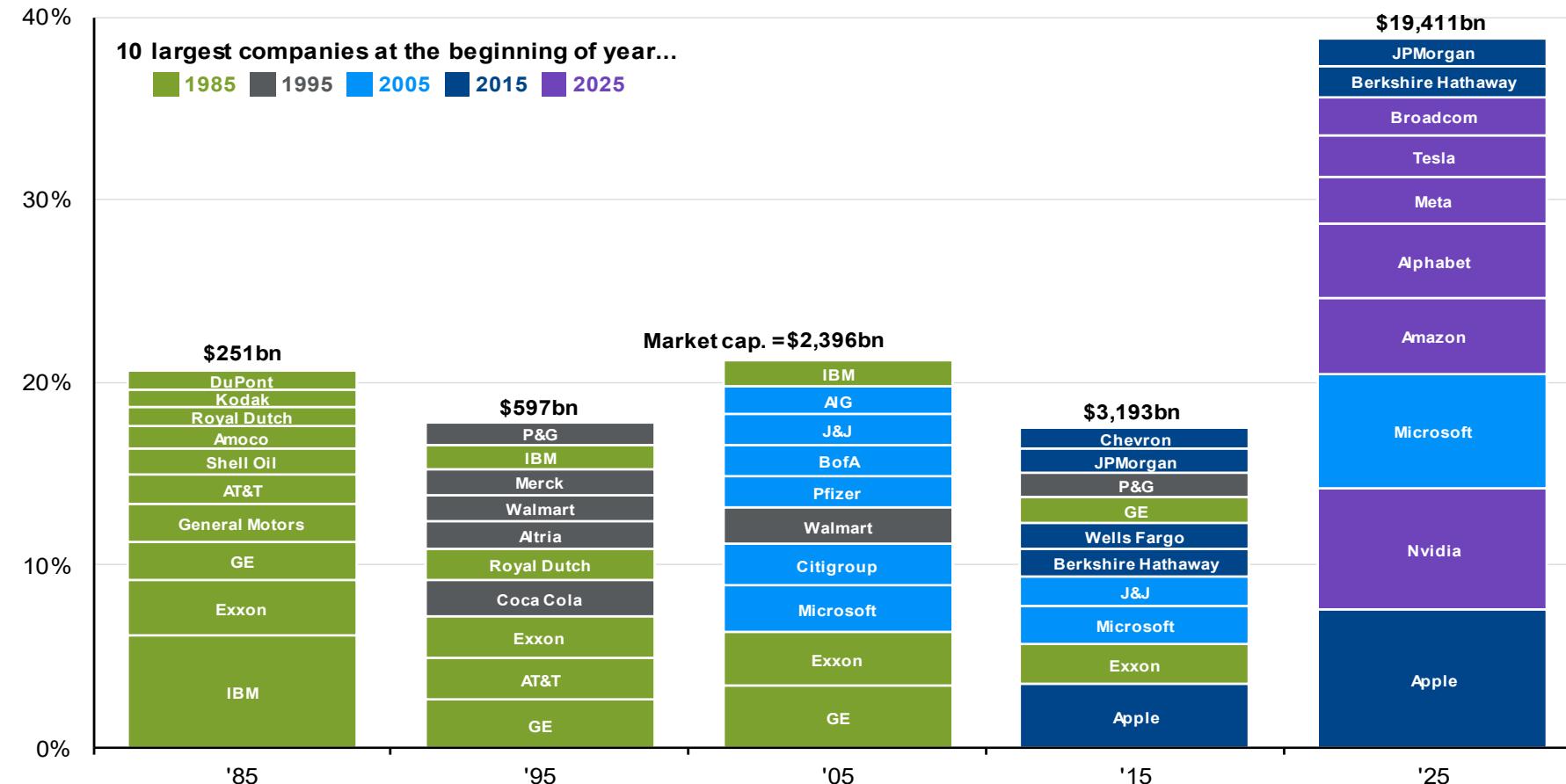


(Source: J.P. Morgan Asset Management, Guide-To-The-Markets, December 1, 2025)

Market Cap Indices As A Momentum Trade

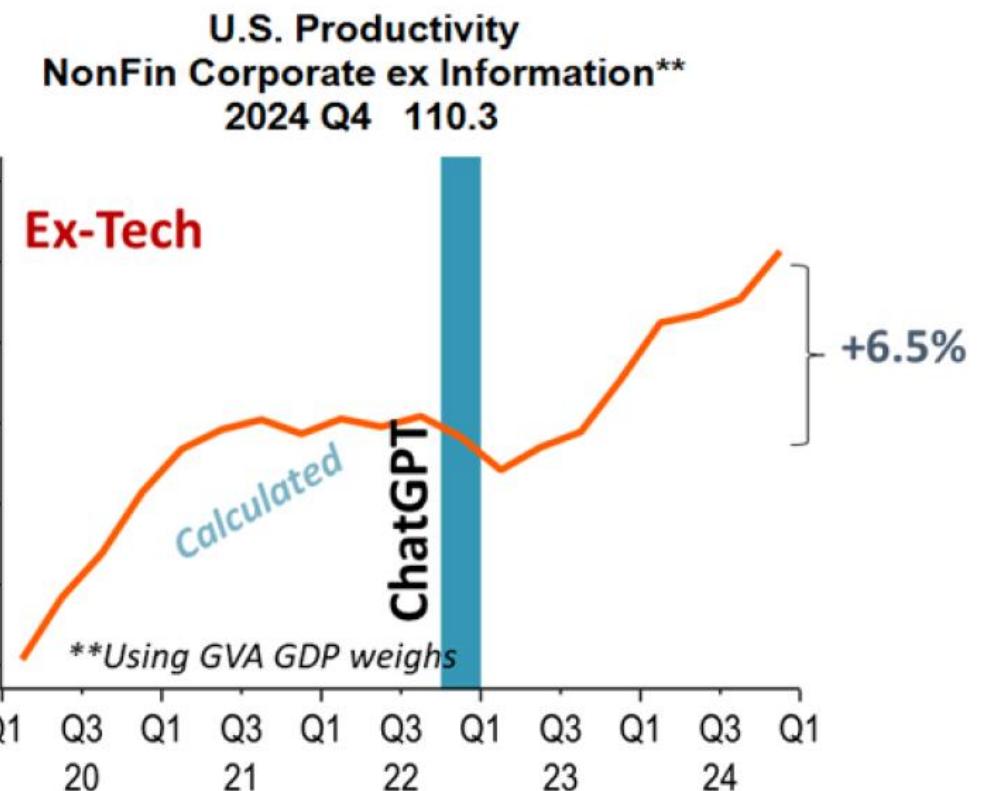
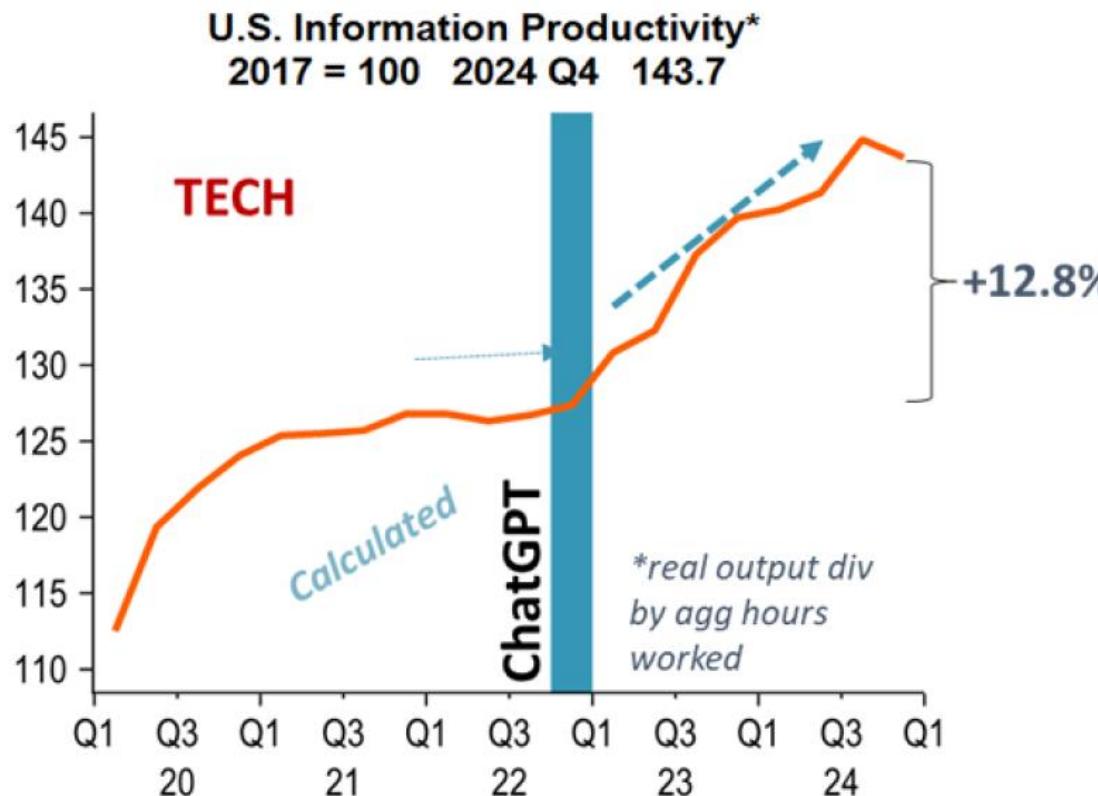
Top 10 S&P 500 companies by market capitalization

Percent of S&P 500 market capitalization as of the first day of the indicated year



(Source: J.P. Morgan Asset Management, Guide-To-The-Markets, December 1, 2025)

The AI Effect on Productivity



U.S. Economy – Potential Implications

- U.S. economy has entered a "soft patch;" we do not see a recession on the horizon.
- Anticipate potential for higher GDP growth, primarily driven by capital expenditures (Capex), in 2026.
- Current inflation data supports the possibility of rate cuts in the future. Long-term inflation expectations remain anchored.
- Tariff uncertainty will likely limit the total number of rate cuts due to its inflationary pressure.

Investor – Potential Implications

- The S&P 500 Index has recovered from its lows on April 8, 2025, climbing over 30% since that date. Price-to-earnings (P/E) valuations remain elevated compared to historical averages.
- The U.S. Treasury yield curve is currently U-shaped. According to the derivatives market, investors expect to see as many as six rate cuts through the end of 2026.
- It is important to be proactive in managing portfolio risk. Consider partial portfolio rebalancing to manage stock risk and lock in interest rates.

Disclosure

Past performance does not guarantee future results. Diversification does not guarantee investment returns and does not eliminate the risk of loss. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. The views and strategies described may not be appropriate for all investors. This material should not be relied on for, accounting, legal or tax advice. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. Investing involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

Investment advisory services offered through RKL Wealth Management LLC. Consulting and tax services offered through RKL LLP. RKL Wealth Management LLC is a subsidiary of RKL LLP.



Thank You!

Brandon Adams

badams@rklwealth.com

