

MONTHLY VIEWPOINT

OUR CURRENT VIEW ON INVESTMENTS AND THE ECONOMY





JUNE 2025



BIG THOUGHT

The S&P 500 finished May at about the same level it was in late February, which is also the same level it was in early November. Despite high volatility, especially in the past two months, the broader stock market is approximately flat over the past seven months. Recall though that the previous two years stocks enjoyed gains well above average, so it would only be natural for the market to at least pause and even consolidate for a period. The fact that this has happened with the ever-changing message around tariffs has made it a difficult period for many investors to stay focused on their long-term plans. We see little value in trying to predict how the current environment with new headlines everyday plays out. We find more value studying the importance and rapid advancement of Artificial Intelligence and looking to increase exposure to areas that might benefit. We remain focused on building portfolios centered around **high-quality investments** that can help smooth portfolio volatility. Perhaps most important, we strive to **maintain a consistent message** to investors that may sound repetitive at times, but we feel strongly is the groundwork for financial success.

DASHBOARD

-  TREND
-  VALUATION
-  SENTIMENT
-  ECONOMY
-  CREDIT

BULLISH

- Investors starting to ignore the tariff noise
- Artificial Intelligence spending and efficiency
- Corporate balance sheets solid
- Sentiment still skeptical
- Inflation data remains moderate

BEARISH

- Tariffs still a risk to hit earnings and boost inflation
- Market valuations neutral at best
- China relations and risk of attack on Taiwan
- AI impact on job market and economy unclear
- Fed likely to move slow due to potential tariff related inflation

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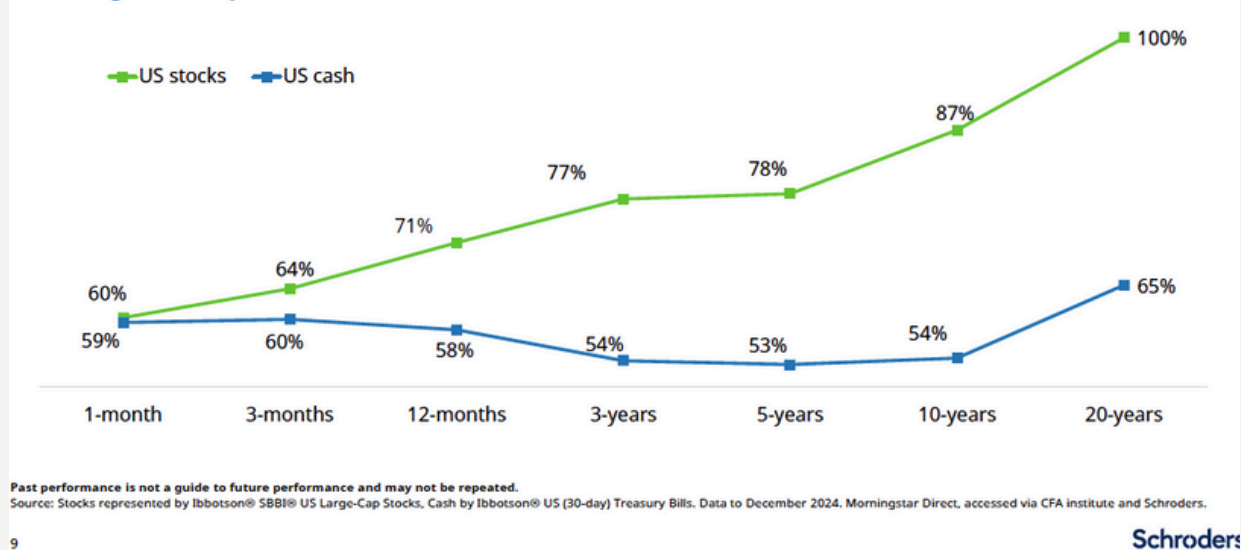
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CHART OF THE MONTH

Percentage of time periods where US stocks and cash have beaten inflation 1926-2024



With market volatility and scary headline news it can be too easy to leave cash in a money market currently yielding 4% and feel safe. However, in recent years we have all been reminded of the impact inflation can have. Going back to the 1920's over many different timeframes it is little better than a coin flip if cash returns will beat inflation. Stocks on the other hand have historically beaten inflation as the holding period increases. If you will need access to money in the short to intermediate term, hold some cash. If your objectives are longer term in nature, stocks allowed to compound should beat inflation.

GREG TOWNER, CFA, CMT

CHIEF INVESTMENT OFFICER

Mr. Towner has worked in the investment industry since 1999 and received his MBA from the University of Central Florida and BA from the University of Mount Union. At Parallel he oversees the implementation of the firm's overall investment philosophy and is the Senior Portfolio Manager for several strategies. Prior to his current role Mr. Towner was comanager of large cap core and equity income portfolios totaling approximately \$1 billion at Sterling Capital Management. He holds the designations of Chartered Financial Analyst and a Chartered Market Technician.

BRIAN BOUGHNER, CFA, CMT

PRINCIPAL

Mr. Boughner has worked in the investment industry since 2000 and holds a BS from Florida State University. He is a cofounder of Parallel, a Senior Portfolio Manager for several strategies and has developed the firm's quantitative tools. Prior to Parallel he had extensive experience with U.S. Trust, BB&T Wealth, Royal Bank of Canada (RBC Centura), Amsouth Bank, and Charles Schwab Co. Mr. Boughner holds the designations of Chartered Financial Analyst and Chartered market Technician.

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