

# MONTHLY VIEWPOINT

OUR CURRENT VIEW ON INVESTMENTS AND THE ECONOMY





JULY 2025



## BIG THOUGHT

For those that have been reading our Viewpoint for years it may seem repetitive how often we mention trying to avoid the noise, focus on the long-term and other related advice. However, this year is just the latest example of why we emphasize this message so frequently. Recently the S&P 500 traded to a new all-time high, narrowly eclipsing the high in February. In fact, you can go back 9 months now and the market is only modestly higher. Of course, that ignores the substantial volatility that occurred in the late March and April period. Stocks have quickly recovered from the tariff induced selloff, but for any investors that failed to "ignore the noise and focus on the long-term" they may still be kicking themselves for having sold and missed the substantial and quick recovery. There are always plenty of items to be nervous about. Sometimes they are out in the open and sometimes they are lurking around the corner. The market typically does a great job of looking beyond such worries, often times after an initial scare. Trying to time market movements rarely works. Instead follow our other repetitive suggestions. **Invest in a diversified mix of high-quality securities with an asset allocation that aligns with your risk tolerance and timeframe.**

## 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 moving slow due to potential tariff related inflation

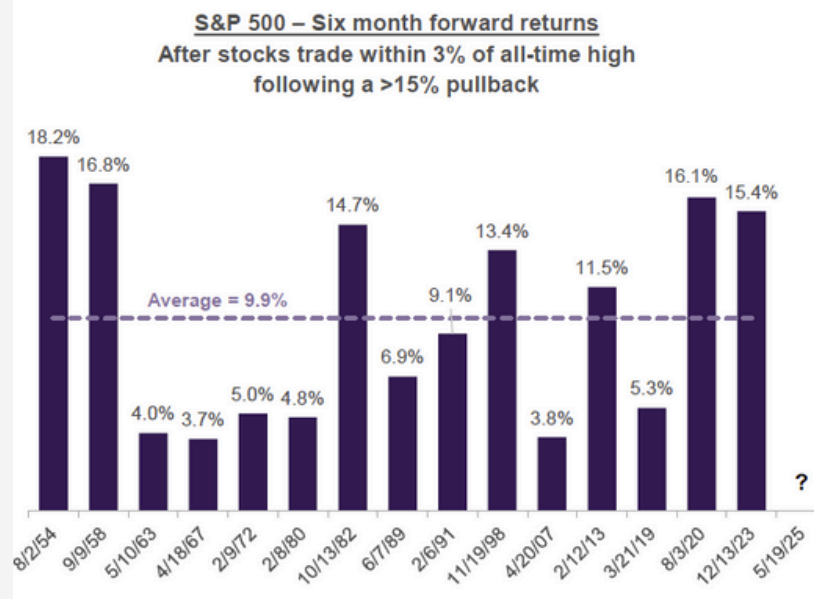
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## CHART OF THE MONTH



As mentioned on the first page stocks have recently traded to an all-time high. Looking at the nearby chart we see historically when stocks got within 3% of an all-time high after suffering a greater than 15% pullback, average forward six-month returns are well above average. We find that investors are often nervous investing when stocks are at what they perceive as a high point. However, **stocks reaching all-time highs is often a healthy sign of a bull market.**

## 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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