

MONTHLY VIEWPOINT

OUR CURRENT VIEW ON INVESTMENTS AND THE ECONOMY

SEPTEMBER 2025



BIG THOUGHT

Last month we mentioned markets were entering what is historically the worst period of the calendar. Fortunately, August defied history and saw generally positive gains. Under the surface it was new areas taking the lead. Strength from small caps, international and gold is noteworthy. There will be plenty of news and noise potentially creating volatility in September. Jobs and inflation data will be the final pieces for the Fed to decide what they do with rates mid-month. They are under pressure from different angles, but most importantly from the difficult combination of a weakening job market and sticky inflation. Meanwhile, the legality of tariffs is working its way through the courts as more and more companies say they are seeing their costs go up so much, they have no choice but to pass it on to customers. There is unquestionably plenty of items that could cause market volatility. However, as you review the chart on the next page remember that it is best to keep a longer-term positive view. Doing so could provide you the mindset to take advantage of any market correction with additional investment at lower levels. Let us know if you want to discuss a dollar cost averaging plan to put cash to work.

DASHBOARD

-  TREND
-  VALUATION
-  SENTIMENT
-  ECONOMY
-  CREDIT

BULLISH

- More clarity around the level of tariffs
- Fed signaling potential rate cuts
- Corporate balance sheets solid
- Market move broadening to small cap and International
- Stock market in uptrend

BEARISH

- Tariffs still a risk to hit earnings and boost inflation
- Market valuation above average
- China relations and risk of attack on Taiwan
- Housing market in much of the country is weak
- Fed could change course depending on job and inflation data

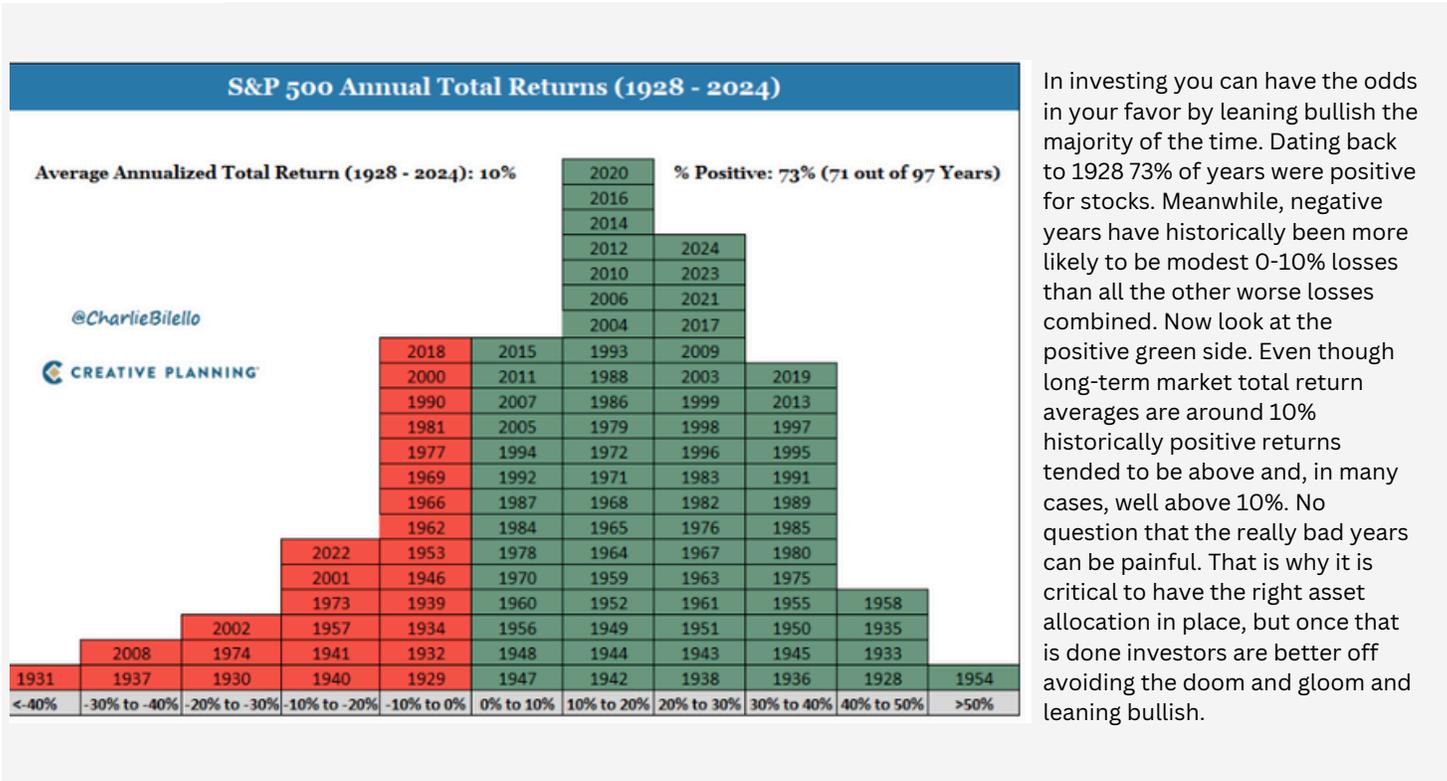
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CHART OF THE MONTH



In investing you can have the odds in your favor by leaning bullish the majority of the time. Dating back to 1928 73% of years were positive for stocks. Meanwhile, negative years have historically been more likely to be modest 0-10% losses than all the other worse losses combined. Now look at the positive green side. Even though long-term market total return averages are around 10% historically positive returns tended to be above and, in many cases, well above 10%. No question that the really bad years can be painful. That is why it is critical to have the right asset allocation in place, but once that is done investors are better off avoiding the doom and gloom and leaning bullish.

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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