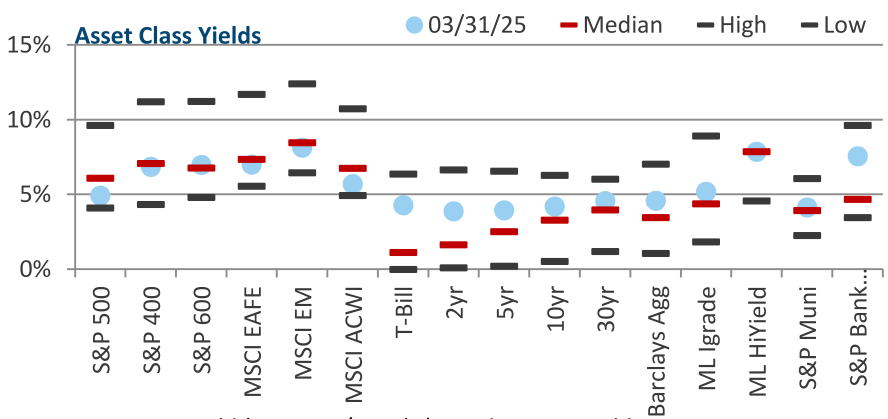
Major Asset Class Returns

Index	Q1'25	2024	2023
S&P 500	-4%	25%	26%
S&P Mid Cap 400	-6%	14%	16%
Russell 2000	-9%	12%	17%
MSCI EAFE	7%	4%	19%
MSCI Emerging Markets	3%	8%	10%
MSCI All Country World	-1%	18%	23%
T-Bill	1%	5%	5%
7-10yr Tsy	4%	-1%	4%
Barclays Aggregate	3%	1%	6%
ML Investment Grade	2%	3%	8%
ML High Yield	1%	8%	13%
S&P Muni	-1%	1%	6%
S&P Bank Loan	0%	9%	13%

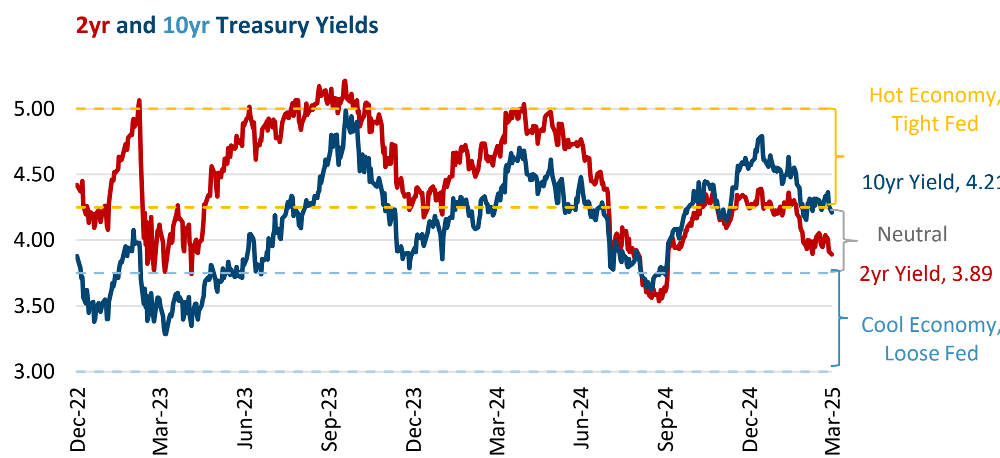
Overview: Equity markets were mixed in Q1'25. The US-centric S&P 500 (-4% Q1) and Russell 2000 (-9% Q1) were lower for the quarter, while the international MSCI EM (+3% Q1) and MSCI EAFE (+7% Q1) were higher. Reflecting this mix, the MSCI ACWI (-1% Q1) was flat for the quarter. For Fixed Income, the 10yr yield was 4.20%, down from 4.57% on 12/31/25, a tailwind to returns for duration sensitive asset classes such as the Bloomberg/Barclays Aggregate (+3% Q1), 7-10yr Treasury (+4% Q1), and ML Igrade (+2% Q1). The S&P Muni (-1% Q1) ticked down on concerns about less federal support for state budgets. With more credit than duration, the ML High Yield (+1% Q1) and the low duration S&P Bank Loan Index (0% Q1) were flat. Low duration, low credit risk T-Bills also ticked higher (+1% Q1).

Asset Class Yields: As of Q1'25, asset class yields (earnings yield for equities, yield to maturity for fixed income) for most equities are near average, except for the S&P 500, which is now near the low end of its range. For Fixed Income, short maturities (T-Bill through 5yr Treasury, Bank Loans) are well above average, while longer duration fixed income is just above average after yields ticked lower in Q1.

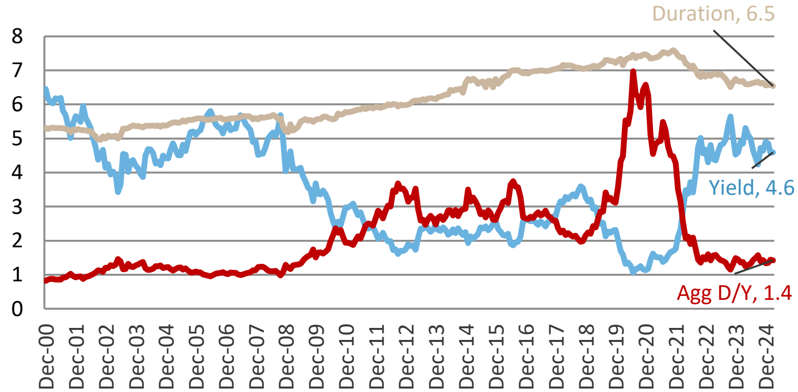
What Type of Economy and Fed Policy is Reflected in Interest Rates? Rather than speculate about the direction of Fed policy, we look at what type of economy and Fed policy is priced in the markets, then gauge if that is reasonable. Assuming 2% inflation and 2% trend growth (the Fed's two long term assumptions), we get a 4% neutral interest rate, bracketed by a 50 bps 3.75% to 4.25% neutral range. Second, we look at the 2yr yield as a proxy for Fed policy, and the 10yr yield as a proxy for the economy. Based on where the 2yr is relative to our neutral range, we can gauge the market's view of Fed policy, while the 10yr shows what type of economy the market is pricing.
The chart below shows these two rates, as well as an orange "Hot Economy, Tight Fed" range of 4.25% to 5.00%, and a blue "Cool Economy, Loose Fed" range of 3.00% to 3.75%.



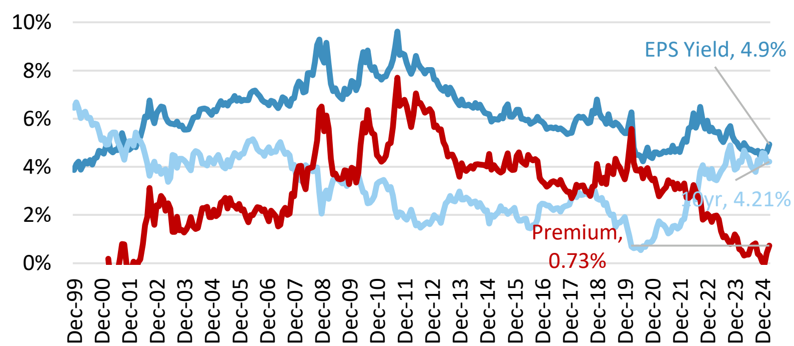
Equity earnings yield (earnings/price) | Fixed Income yield to maturity



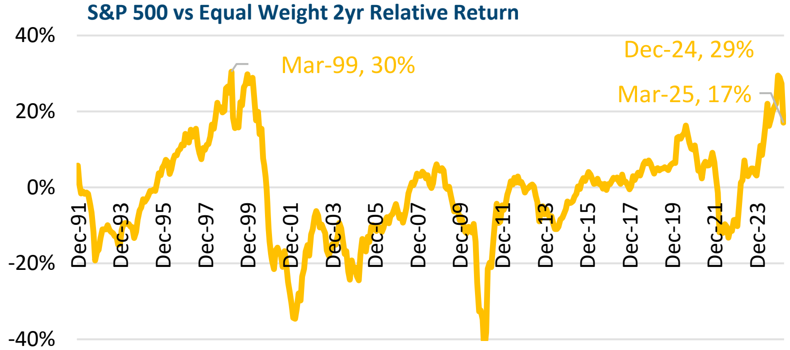
Barclays Agg Index Yield, Duration/Yield and Duration



S&P 500 Forward Earnings Yield vs 10yr Tsy, 2000 to 2024



S&P 500 vs Equal Weight 2yr Relative Return



(Fed, cont'd) This framework has provided the perspective that the markets were getting a bit extreme in their positions, laying the stage for subsequent reversals.

For example, when interest rates dropped below 4% at the start of August '24, as the market was surprised by a weaker than expected unemployment report, this model suggested the markets had once again gotten ahead of themselves and, when the economy proved resilient, set the stage for Q4'24's rate increase. And, as shown, entering 2025, the10yr and 2yr were both at reasonable levels relative to the economy and Fed expectations. Thus, bonds were in a position to provide a modest return in Q1, when there was a slight downtick in the economic outlook.

As of the end of Q1, the 10yr (at 4.21%, at the breakpoint between a Neutral and Hot Economy) and 2yr (at 3.89%, within the Neutral range for Fed policy) are still both reasonable. This suggests that rates, in general, are within reasonable ranges.

Does Duration Suggest Bonds are of Interest? The prior economic analysis suggests that interest rates are reasonable as of the end of Q1. What do valuations say about the appeal of bonds at this interest rate level? The metric we focus on is the ratio of Duration to Yield, which is in the top chart on the left. Before the Global Financial Crisis in 2009, this ratio was in a range of 1.0 to 1.4. During the two recent highs for interest rates (October 2023 and April 2024), the yield on the Bloomberg Barclays Aggregate (Agg) exceeded 5%, and the Duration/Yield rate finally returned to that range. Entering 2025, the good news was that higher yields (and a lower Duration to Yield ratio) set up the bond market for better performance, especially in its role as a portfolio diversifier. With economic concerns causing rates to fall modestly, this proved to be the case. At 1.4, the Duration/Yield ratio is still in that reasonable range.

Interest Rates Pressure the Equity Premium: The chart to the left shows the earnings yield on the S&P 500, the yield on the 10yr Treasury, and the difference between the two, known as the Equity Premium. A higher Equity Premium means stock investors are getting more compensation relative to bonds. From 2002 to 2007, prior to the Fed's QE interventions, a 1-3% Equity Premium was common. Q4's higher interest rates paired with the rising stock market taking the EPS Yield lower, has pushed the Equity Premium to near 0. This improved slightly in Q1, with the premium rising back to 0.73%, thanks to the earnings yield rising slightly (because stocks declined slightly) and the bond yield falling. That indicates stocks are a little bit more appealing than three months ago.

Market Cap vs Equal Weight: 2023 and 2024 recorded the first back to back 20% returns in the S&P 500 since 1997 and 1998. These returns have been concentrated, as illustrated by the 2-year relative returns of the S&P 500 (which is market-cap weighted) and the S&P Equal Weight (where each member contributes 0.2%). While the S&P returned 24% in '23 then 23% in '24, the EW delivered 12% then 11%, for a total gap of 30%. As shown in the chart, this is twice the size of the gap of 16% in late 2020 and is matched only by March '99, right after the last consecutive years for 20%+ returns. It is notable that after the 1999 peak, the S&P versus EW gap was at or below 0 for most of the next decade. In Q1, the S&P EW, -1.1% in Q1, outperformed the S&P 500, -4.5%, by about 3%, and the 2yr gap narrowed to 17%.

GRIMES AND COMPANY

Equity Markets Summary

Headline Indices	Q1'25	2024	2023	Fwd PE*	Avg PE**	+/- avg
Dow	-0.9%	15.0%	16.2%			
Nasdaq	-10.3%	29.6%	44.6%			
Russell 2000	-9.5%	11.5%	16.9%			
Asset Classes	**Q1'25**	**2024**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	-4.3%	25.0%	26.3%	20.3	16.4	23%
S&P Mid Cap 400	-6.1%	13.9%	16.4%	14.6	14.1	3%
S&P Small Cap 600	-8.9%	8.7%	16.1%	14.3	14.7	-3%
MSCI EAFE	7.0%	4.3%	18.9%	14.3	13.6	5%
MSCI Emerging Markets	3.0%	8.1%	10.3%	12.3	11.8	4%
MSCI AC World	-1.2%	18.0%	22.8%	17.5	14.8	18%
S&P 500 Sectors	**Q1'25**	**2024**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	-13.8%	30.1%	42.4%	25.2	20.1	25%
Consumer Staples	5.2%	14.9%	0.5%	22.6	18.2	24%
Energy	10.2%	5.7%	-1.3%	15.1	13.3	13%
Financials	3.5%	30.6%	12.1%	16.2	13.0	24%
Healthcare	6.5%	2.6%	2.1%	17.7	16.1	10%
Industrials	-0.2%	17.5%	18.1%	21.7	16.5	31%
Technology	-12.7%	36.6%	57.8%	24.4	17.8	36%
Materials	2.8%	0.0%	12.5%	20.1	15.8	28%
Communication Services	-6.2%	40.2%	55.8%	17.9	17.9	1%
Utilities	4.9%	23.4%	-7.1%	17.7	15.0	18%
Growth vs Value	**Q1'25**	**2024**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	-8.5%	36.1%	30.0%	24.0	19.1	26%
S&P Value	0.3%	12.3%	22.2%	17.3	13.5	27%
International	**Q1'25**	**2024**	**2023**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	12.3%	3.4%	23.9%	14.0	12.5	12%
Germany (DAX)	11.3%	18.8%	20.3%	14.5	12.6	15%
UK (FTSE)	5.0%	5.7%	3.8%			
Japan (Nikkei)	-9.9%	21.3%	31.0%			
MSCI Asia Pac xJapan	1.2%	10.6%	7.7%	15.8	14.5	9%
S. Korea (KOSPI)	3.4%	-9.6%	18.7%	17.7	18.2	-3%
India (Sensex)	-0.8%	9.5%	20.3%			
China (Shenzhen)	2.4%	6.5%	-7.0%	8.9	9.9	-11%
S&P Latin America 40	12.8%	-22.2%	34.0%	8.0	11.1	-28%
Brazil (Bovespa)	8.3%	-10.4%	22.3%	7.3	10.2	-29%
Mexico	6.2%	-10.7%	22.7%	11.1	14.1	-21%

Asset Classes: The S&P 500 (-4.3% Q1) and the Russell 2000 (-9.5% Q1) were lower. On the other hand, the MSCI EM (+3.0% Q1) and the MSCI EAFE (+7.0% Q1) were higher. Thus the global MSCI ACWI (-1.2% Q1) was lower.

For Q1, the tech-driven NASDAQ (-10.3% Q1) lagged the traditional Dow Jones (-0.9% Q1) for the quarter.

Valuations (based on forward PE vs their 20yr average) for the S&P 500 are 23% above average, while the rest are mostly just above average. Only the S&P 600 SmallCap index is below average, after its Q1 decline.

S&P Sectors: Sector performance was mixed in Q1. Discretionary (-14% Q1), Communications (-6% Q1), and Technology (-13% Q1) reversed course after a strong 2024 and lagged.

Utilities (+5% Q1), Industrials (0% Q1), Staples (+5% Q1), Healthcare (+7% Q1), Energy (+10% Q1) and Financials (+4% Q1), all rose.

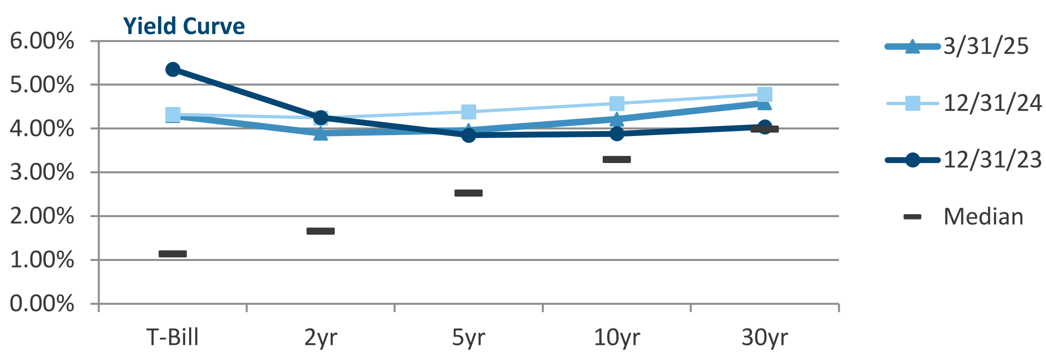
Technology sector's forward PE of 24, a 36% premium to its average, remains the highest, followed by Industrials (24 PE, 31% premium). Only Communications Services (1% premium) is near its historic average PE ratio, with other sectors between 10% and 25%.

Growth vs Value: 2024 trends reversed to start 2025, as Growth (-9% Q1) lagged Value (0% Q1). Although Growth has a higher PE, 19 versus 14, Growth's PE premium to its average is now the same as Value, at 26% versus 27%.

Global Markets: Globally, most markets were higher in Q1. In EAFE, returns were mixed, with Europe (+12% Q1) going in the opposite direction as Japan (-9% Q1), a reversal from Japan's 2024 outperformance.

Emerging Markets digested potential tariffs by the U.S., and mostly rose, with China (+2% Q1), S&P Latin America Index (+13% Q1), India (-1% Q1), and Asia xJapan (+1% q1) flat to positive.

Headline Indices	Q1'25	2024	2023	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	2.8%	1.3%	5.5%	4.60%	0.39%	0.39%	-0.01%
ML Investment Grade	2.4%	2.8%	8.4%	5.20%	0.99%	1.15%	-0.16%
ML High Yield	0.9%	8.2%	13.4%	7.88%	3.67%	4.52%	-0.86%
S&P Nat'l Muni	-0.6%	1.3%	6.2%	4.15%	-0.07%	0.75%	-0.82%
S&P Leveraged Loan	0.4%	8.8%	13.2%	7.57%	3.28%	3.92%	-0.64%
T-Bill	1.0%	5.3%	5.1%				
NYMEX 7-10yr Tsy	3.9%	-0.7%	3.6%				
Treasury Yields	**3/31/25**	**12/31/24**	**12/31/23**			**Avg***	**+/- avg**
T-Bill	4.29%	4.32%	5.35%			1.13%	3.16%
2yr	3.89%	4.24%	4.25%			1.66%	2.24%
5yr	3.95%	4.38%	3.85%			2.52%	1.43%
10yr	4.21%	4.57%	3.88%			3.29%	0.92%
30yr	4.58%	4.78%	4.03%			3.99%	0.60%
10yr Sovereign Yields	**3/31/25**	**12/31/24**	**12/31/23**			**Avg***	**+/- avg**
US	4.21%	4.57%	3.88%			2.43%	1.78%
Germany	2.30%	2.35%	2.00%			1.31%	0.99%
Japan	1.52%	1.09%	0.61%			0.26%	1.25%
UK	4.27%	4.56%	3.53%			2.02%	2.25%
France	2.71%	@NA	2.53%			2.25%	0.46%
Spain	2.64%	@NA	2.95%			2.95%	-0.32%
Italy	2.84%	3.51%	3.74%			3.74%	-0.90%
China	1.82%	1.80%	1.82%			0.00%	1.82%
Brazil	15.25%	15.33%	15.15%			0.00%	15.25%
Mexico	9.25%	9.45%	9.50%			0.00%	9.25%



Asset Classes: The bond market rose in Q1 as a modest drop in interest rates was a tailwind for prices, illustrated by the returns of the Bloomberg Barclays Aggregate Bond Index (+3% Q1).

Duration: The primary driver of fixed income performance was duration, as interest rates fell in Q1. This was evident in the Treasury market as the longer duration 7-10 yr Treasury Index (+4% Q1) rose, while the near zero-duration 90-day T-Bill (+1% Q1) just ticked higher with accrued income.

Credit: Trade related headlines caused some price volatility, but thanks to higher income, total returns in credit were mostly positive. The ML High Yield index (+1% Q1) benefited modestly from longer duration, while the low-duration S&P Leveraged Loan Index (0% Q1) was flat. With more balanced exposures to duration and credit, the ML Investment Grade Index (+2% Q1) did well. One area impacted by shifting government policy was the S&P Nat'l Muni Index (-1% Q1), as headlines over cuts to federal spending raised the risk that support to state programs could decline. Across the credit spectrum, spreads are still at or below average, which leaves less of a cushion if the economic backdrop should deteriorate.

Treasury Yields: Rates were modestly lower in Q1, as markets weighed solid economic data versus the prospect of trade or other disruptions. The 10yr Treasury yield fell 36 bps to 4.21% on 3/31, from 4.57% as of 12/31, while the 2yr declined a nearly identical 35 bps, to 3.89% from 4.24%.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. As noted above, the 10yr and 2yr declined the same amount in Q1, so the yield curve, though slightly lower, is still positively sloped. Along with interest rates returning to their pre-global financial crisis levels, an upward sloping yield curve is another example of interest rates normalizing.

Global Rates: Globally, interest rates deviated from the U.S. decline, with the German 10yr yield flat at 2.30%, and Japanese rates up 43 bps to 1.52%. This is a sign of shifting market sentiment about economic outlooks though, notably, the moves are modest.

GRIMES AND COMPANY

	2025/2026 Average Forecast				Actual		
	12m ch	Mar-25	Dec-24	Mar-24	Sep-24	Avg*	+/- avg
US GDP	0.18	2.00	2.05	1.83	2.72	2.33	0.39
EU GDP	-0.32	1.13	1.20	1.45	0.98	1.64	-0.66
Japan GDP	0.00	1.05	1.05	1.05	0.66	0.98	-0.32
UK GDP	-0.20	1.25	1.40	1.45	1.16	1.97	-0.82
China GDP	0.20	4.35	4.35	4.15	4.59	7.94	-3.35
US CPI	0.65	2.95	2.55	2.30	2.71	2.64	0.07
EU CPI	-0.15	2.05	2.10	2.20	2.24	1.97	0.27
Japan CPI	0.43	2.13	1.95	1.70	2.90	0.81	2.09
China CPI	-0.80	1.05	1.25	1.85	0.10	1.58	-1.48
US UnN	0.13	4.23	4.25	4.10	4.20	4.00	0.20
EU UnN	0.05	6.40	6.45	6.35	6.20	7.50	-1.30
Japan UnN	0.05	2.40	2.40	2.35	2.50	2.60	-0.10
UK UnN	0.10	4.58	4.30	4.48	4.27	4.13	0.14
China UnN	0.05	5.05	5.15	5.00	5.10	5.10	0.00

Foreign Exchange		Q1'25	2024	2023	2022	2021	2020
Euro		4%	-6%	4%	-6%	-7%	9%
Yen (Japan)		5%	-10%	-6%	-13%	-10%	5%
Pound (UK)		3%	-2%	6%	-11%	-1%	3%
Yuan (China)		1%	-3%	-2%	-8%	3%	7%
Won (S. Korea)		0%	-13%	-2%	-6%	-9%	6%
Real (Brazil)		8%	-21%	9%	5%	-7%	-23%
Peso (Mexico)		2%	-19%	15%	5%	-3%	-5%
Commodities		**Q1'25**	**2024**	**2023**	**2022**	**2021**	**2020**
Oil	$71	-1%	1%	-10%	6%	56%	-21%
Gold	$3,115	19%	26%	15%	0%	-4%	25%
Copper	$5.02	26%	3%	2%	-15%	27%	26%

GDP: Shifting economic forecasts show how market expectations have changed in the past year. Compared to a year ago, U.S. GDP growth has risen from 1.83% to 2.00%. However, since just December 2024, it is flat versus 2.05%. This illustrates why markets have lost some steam in Q1. Globally, EU GDP forecasts are down, despite their stock markets moving up. It will be worth watching to see if it's the forecasts, or the markets, that need to catch up.

CPI: Even though a key to the Fed's rate cuts was falling inflation pressures, US CPI forecasts have risen over the past year, especially in the past three months. While the first 25 bps (to 2.55% on 12/31/24) was tied to things like to persistent shelter costs arising from statistical calculations, the Q1 increase of another 40 bps is due to economists penciling some impact from tariffs. EU inflation expectations, meanwhile, have been flat to lower over the past 12 months, and that is part of why the ECB remains more aggressive in its rate cut campaign.

Unemployment: Unemployment forecasts have stayed steady at about 4.20%. Steady unemployment, above 4%, is one reason why the Fed is now on pause, as it can be patient to see how fiscal and trade policy actually turn out.

Foreign Exchange: Most major currencies rose versus the dollar in Q1, partially as a bounceback from the dollar's strong close to 2024.

Commodities: Oil was 1% lower in Q1, falling from $72 to $71/bbl, as it had an overall steady quarter despite an array of headlines, ranging from economic concerns over trade to supply shifts from restrictions on Venezuela and Iran, or a return of Russian supply on Ukraine talks. Since the start of 2023 (after the Russian invasion of Ukraine in 2022), oil has been in a $65-$95 trading range, ebbing and flowing based on market sentiment on the global economy. Gold jumped 19% in Q1, as the prospect of a trade war offered a win-win for gold: a risk off / safety boost AND an inflation hedge. There was also a boost to gold due to the prospect of tariffs on imports into the U.S. causing a jump in demand. Finally, copper saw a similar boost, rising 26%% in Q1, due to the prospect of tariffs on copper imports (joining steel and aluminum).

GRIMES AND COMPANY

Index Returns | 2007 to Present

	Q1'25	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Dow	-0.9%	14.0%	16.2%	-6.9%	20.9%	9.7%	25.3%	-3.5%	28.1%	16.5%	0.2%	10.0%	29.7%	10.2%	8.4%	14.1%	22.7%	-31.9%
Nasdaq	-10.4%	15.2%	43.4%	-33.1%	21.4%	43.6%	35.2%	-3.9%	28.2%	7.5%	5.7%	13.4%	38.3%	15.9%	-1.8%	16.9%	43.9%	-40.5%
Russell 2000	-9.5%	1.0%	16.9%	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%
S&P 500	-4.3%	19.7%	26.3%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%
S&P Mid Cap 400	-6.1%	7.0%	16.4%	-13.1%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%
S&P Small Cap 600	-8.9%	-1.0%	16.1%	-16.1%	26.8%	11.3%	22.8%	-8.5%	13.2%	26.6%	-2.0%	5.8%	41.3%	16.3%	1.0%	26.3%	25.6%	-31.1%
MSCI EAFE	7.0%	11.7%	18.9%	-14.0%	11.8%	8.3%	22.7%	-13.4%	25.6%	1.5%	-0.4%	-4.5%	23.3%	17.9%	-11.7%	8.2%	32.5%	-43.1%
MSCI Emerging Markets	3.0%	11.3%	10.3%	-19.7%	-2.2%	18.7%	18.9%	-14.2%	37.8%	11.6%	-14.6%	-1.8%	-2.3%	18.6%	-18.2%	19.2%	79.0%	-53.2%
MSCI All Country World	-1.2%	16.6%	22.8%	-18.0%	19.0%	16.8%	27.3%	-8.9%	24.6%	8.5%	-1.8%	4.7%	23.4%	16.8%	-6.9%	13.2%	35.4%	-41.8%
S&P Growth	-8.5%	24.5%	30.0%	-29.4%	32.0%	33.5%	31.1%	0.0%	27.4%	6.9%	5.5%	14.9%	32.8%	14.6%	4.7%	15.1%	31.6%	-34.9%
S&P Value	0.3%	12.6%	22.2%	-5.2%	24.9%	1.4%	31.9%	-9.0%	15.4%	17.4%	-3.1%	12.4%	32.0%	17.7%	-0.5%	15.1%	21.2%	-39.2%
Barclays Aggregate Bond	2.8%	4.1%	5.5%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%
ML Investment Grade	2.4%	5.2%	8.4%	-15.4%	-1.0%	9.8%	14.2%	-2.2%	6.5%	6.0%	-0.6%	7.5%	-1.5%	10.4%	7.5%	9.5%	19.8%	-6.8%
ML High Yield	0.9%	9.2%	13.4%	-11.2%	5.4%	6.2%	14.4%	-2.3%	7.5%	17.5%	-4.6%	2.5%	7.4%	15.6%	4.4%	15.2%	57.5%	-26.4%
S&P Nat'l Muni	-0.6%	0.7%	6.2%	-8.1%	1.6%	4.9%	7.4%	1.0%	5.1%	0.4%	3.3%	8.9%	-3.3%	6.5%	11.2%	2.0%	12.2%	-2.8%
S&P Leveraged Loan	0.4%	9.2%	13.2%	-0.7%	3.5%	2.8%	10.7%	-0.6%	3.3%	10.9%	-2.8%	1.0%	5.0%	10.5%	0.6%	9.7%	52.2%	-28.2%
T-Bill	1.0%	6.4%	5.1%	1.5%	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	
7-10yr Tsy	3.9%	3.2%	3.6%	-14.9%	-3.1%	10.0%	8.5%	0.9%	2.6%	1.1%	1.6%	9.0%	-6.0%	4.2%	15.6%	9.4%	-6.0%	18.0%

International	Q1'25	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
MSCI Eurozone	12.3%	16.1%	23.9%	-17.2%	14.3%	8.5%	24.2%	-16.2%	29.0%	2.2%	-0.8%	-7.7%	30.0%	22.5%	-16.9%	-3.4%	32.8%	-47.1%
Germany (DAX)	11.3%	32.3%	20.3%	-12.3%	15.8%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%	-40.4%
UK (FTSE)	5.0%	11.0%	3.8%	0.9%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%	-31.3%
Japan (Nikkei)	-10.7%	6.4%	28.2%	-9.4%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%	-42.1%
MSCI Asia Pac xJapan	1.2%	11.9%	7.7%	-17.2%	-2.7%	22.8%	19.5%	-13.7%	37.3%	7.1%	-9.1%	3.1%	3.7%	22.6%	-15.4%	18.4%	73.7%	-51.6%
S. Korea (KOSPI)	3.4%	-6.6%	18.7%	-24.9%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%	-40.7%
India (Sensex)	-0.8%	8.6%	20.3%	5.8%	23.2%	17.2%	15.7%	7.2%	29.6%	3.5%	-3.7%	31.9%	10.7%	28.0%	-23.6%	19.1%	83.3%	-51.8%
China (Shenzhen)	2.4%	9.1%	-7.0%	-21.9%	8.6%	35.2%	36.0%	-33.3%	-3.6%	-14.7%	63.4%	33.9%	20.0%	1.4%	-32.9%	7.1%	116.9%	-61.8%
S&P Latin America 40	12.8%	-12.2%	34.0%	11.4%	-12.7%	-11.3%	13.9%	-6.0%	26.9%	32.5%	-30.9%	-11.1%	-12.3%	6.4%	-18.3%	16.7%	97.1%	-49.4%
Brazil (Bovespa)	8.3%	-2.9%	22.3%	4.7%	-11.9%	2.9%	31.6%	15.0%	26.9%	38.9%	-13.3%	-2.9%	-15.5%	7.4%	-18.1%	1.0%	82.7%	-41.2%
Mexico	6.0%	-8.5%	18.4%	-9.0%	20.9%	1.2%	4.6%	-15.6%	8.1%	6.2%	-0.4%	1.0%	-2.2%	17.9%	-3.8%	20.0%	43.5%	-24.2%

S&P 500 Sectors	Q1'25	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Consumer Discretionary	-13.8%	12.2%	42.4%	-37.0%	24.4%	33.3%	27.9%	0.8%	23.0%	6.0%	10.1%	9.7%	43.1%	23.9%	6.1%	27.7%	41.3%	-33.5%
Consumer Staples	5.2%	20.9%	0.5%	-0.6%	18.6%	10.7%	27.6%	-8.4%	13.5%	5.4%	6.6%	16.0%	26.1%	10.8%	14.0%	14.1%	14.9%	-15.4%
Energy	10.2%	16.5%	-1.3%	65.7%	54.6%	-33.7%	11.8%	-18.1%	-1.0%	27.4%	-21.1%	-7.8%	25.1%	4.6%	4.7%	20.5%	13.8%	-34.9%
Financials	3.5%	35.2%	12.1%	-10.5%	35.0%	-1.7%	32.1%	-13.0%	22.2%	22.8%	-1.5%	15.2%	35.6%	28.8%	-17.1%	12.1%	17.2%	-55.3%
Healthcare	6.5%	9.3%	2.1%	-2.0%	26.1%	13.4%	20.8%	6.5%	22.1%	-2.7%	6.9%	25.3%	41.5%	17.9%	12.7%	2.9%	19.7%	-22.8%
Industrials	-0.2%	17.2%	18.1%	-5.5%	21.1%	11.1%	29.4%	-13.3%	21.0%	18.9%	-2.5%	9.8%	40.7%	15.3%	-0.6%	26.7%	20.9%	-39.9%
Technology	-12.7%	19.3%	57.8%	-28.2%	34.5%	43.9%	50.3%	-0.3%	38.8%	13.8%	5.9%	20.1%	28.4%	14.8%	2.4%	10.2%	61.7%	-43.1%
Materials	2.8%	2.8%	12.5%	-12.3%	27.3%	20.7%	24.6%	-14.7%	23.8%	16.7%	-8.4%	6.9%	25.6%	15.0%	-9.8%	22.2%	48.6%	-45.7%
Telecom	-6.2%	31.5%	55.8%	-39.9%	21.6%	23.6%	32.7%	-12.5%	-1.3%	23.5%	3.4%	3.0%	11.5%	18.3%	6.3%	19.0%	8.9%	-30.5%
Utilities	4.9%	29.5%	-7.1%	1.6%	17.7%	0.5%	26.3%	4.1%	12.1%	16.3%	-4.8%	29.0%	13.2%	1.3%	19.9%	5.5%	11.9%	-29.0%

Blue to orange represents best to worst return for each period. Index data is total teturn.

GRIMES
AND COMPANY

Index	Description
Equity	
S&P 500	Large US companies ($10b+ market cap)
S&P Mid Cap 400	Medium US companies ($5-10b market cap)
Russell 2000, S&P Small Cap 600	Small US companies (<$5b market cap)
MSCI Europe Australia Far East	Foreign Developed. Returns are in US$
MSCI Emerging Markets	Emerging Markets. Returns are in US$
Fixed Income	
Barclays Aggregate	Represents the entire US bond market
S&P 3mo Tbill	Short term Treasury Bills
Barclays 7-10yr Tsy	Ten Year Treasury Bonds
Barclays 10yr TIPS	Treasury Inflation Protected Securities
S&P Nat'l Muni	Municipal Bonds
BofA/ML Corp	Investment Grade (Higher Credit Quality) Corporate Bonds
BofA/ML High Yield	High Yield (Lower Credit Quality) Corporate Bonds
S&P Leveraged Loan 100	Floating Rate Bank Loans
BofA / ML EM Debt	Emerging Market Debt
Alternatives	
HFRI Fund of Funds	Represents the entire hedge fund universe

Disclosures

Please remember that past performance is no guarantee of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Grimes & Company, LLC. [“Grimes]), or any non-investment related content, made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this commentary serves as the receipt of, or as a substitute for, personalized investment advice from Grimes. Neither Grimes' investment adviser registration status, nor any amount of prior experience or success should be construed that a certain level of results or satisfaction if Grimes is engaged, or continues to be engaged, to provide investment advisory services. Grimes is neither a law firm, nor a certified public accounting firm, and no portion of the commentary content should be construed as legal or accounting advice. A copy of the Grimes’ current written disclosure Brochure discussing our advisory services and fees continues to remain available upon request or at www.grimesco.com/form-crs-adv/. **Please Remember:** If you are a Grimes client, please contact Grimes, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. Unless, and until, you notify us, in writing, to the contrary, we shall continue to provide services as we do currently. **Please Also Remember to advise us** if you have not been receiving account statements (at least quarterly) from the account custodian. Historical performance results for investment indices, benchmarks, and/or categories have been provided for general informational/comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your Grimes account holdings correspond directly to any comparative indices or categories. **Please Also Note**: (1) performance results do not reflect the impact of taxes; (2) comparative benchmarks/indices may be more or less volatile than your Grimes accounts; and, (3) a description of each comparative benchmark/index is available upon request.

The information contained herein is based upon sources believed to be true and accurate. Sources include: *Factset Research Systems Inc.,* Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Board of Governors of Federal Reserve System, Fred: Federal Reserve Bank of St. Louis Economic Research, U.S. Department of the Treasury

-The Standard & Poor’s 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor’s 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor’s 600 is a market capitalization weighted index of 600 small cap domestic stocks.
-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.
-The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.
-The Barlcays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.
-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.
-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.
-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.
-The BofA Merrill Lynch US Emerging Markets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.
-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.