

Policy Wildcard: Aerial Adjustments May Be Expected

“Discipline is the soul of gymnastics”

-- Pierre de Coubertin co-founder of the International Olympic Committee

Introduction: Stick the Landing or Slip on the Mat?

Despite a multitude of shocks in 2025—tariffs, immigration crackdowns, and geopolitical friction (to put the latter mildly)—risk assets have shown remarkable resilience. Equities have rallied and recovered quickly when pressured, bond market liquidity has remained orderly, and private assets have avoided blow-ups, compounding one of the best 3-year stretches in market history. Nevertheless, earnings expectations continue to suggest the equity markets path forward is robustly upward: Bloomberg consensus forecasts call for three straight years of double-digit S&P 500 earnings growth, a streak seen only twice in the past four decades, and then only after recessionary troughs. Late-cycle perfection such as this is rare, and history suggests that even minor disappointments can trigger volatility.

Last quarter we introduced an analogy—borrowed from gymnastics—that continues to capture the current mood: Investors seem to be pricing in a seamless transition to lower inflation, resilient growth, and robust earnings. As we enter 2026, the market’s confidence in a flawless “stick the landing” scenario is palpable. Yet, beneath the surface, policy, geopolitics, and late-cycle dynamics are tugging at the mat: It is exceptionally hard to stick the landing when you don’t know where to put your feet. However, the greater question is not whether the landing will indeed be perfect, but how can portfolios be positioned in a world where even a minor slip could have outsized consequences. But before we look ahead, let’s take stock of the quarter and year that has just elapsed.

Year End Asset Class Performance Summary



Source: Bloomberg.





Year End Asset Class Performance Summary

Global Equities: Stocks closed Q4 2025 with broad gains, extending the positive trend in major indexes over the last 3 years. The S&P 500 (+2.7% Q4) finished up nearly 18% for the year reflecting resilient earnings and continued investor enthusiasm for artificial intelligence and tech. The Magnificent 7 stocks (+4.5% Q4) led US equity markets for the third consecutive year returning almost 25%. However, broad market performance improved outside the concentrated mega-cap leadership amid valuation concerns on stretched multiples. On that note, our preference for global market cap weighted exposure worked well as international markets notably outperformed US markets as non-US developed equities (+4.9% Q4) climbed 32% in 2025 and emerging markets (+4.8% Q4) surged over 34%, helped by a roughly 9% decline in the US dollar and improved global growth dynamics.

Fixed Income: Bonds delivered solid returns in 2025, benefiting from a generally falling interest rate environment through the summer and the steady demand for yield despite signals of deterioration in credit markets. The Bloomberg U.S. Aggregate Bond Index (+1.1% Q4) returned over 7% for the full year, with corporate and high-yield components outperforming government bonds. Municipal bonds (+1.0% Q4) also produced positive results but trailed taxable alternatives by roughly 2% on account of record new issuance of \$580B and lower interest rate sensitivity.

Real Assets: The category posted strong absolute 2025 performance but with standouts in select categories. Overall, the S&P Real Assets Index (+1.6% Q4) produced a result between stocks and bonds with a 13% return for 2025. Precious metals were a prominent outperformer, with gold (+11.9% Q4) providing its strongest showing in decades, up nearly 65% for the year, driven by safe-haven demand and some signs of central bank accumulation. Infrastructure equities (+2.4% Q4), a secular theme we have been leaning into, also delivered strong gains for the year in line with the global equity market at almost 23%. Meanwhile, broader commodities ended the year with positive returns above 16% although the energy segment was an outlier, falling over 10% on US production hitting new highs and weaker global demand.

Diversifiers and Private Markets: Hedge funds delivered more modest results for 2025 compared to traditional risk-asset exposures (as expected in a strong equity market environment) although several multi-strategy and macro managers posted double-digit returns, outpacing traditional fixed income benchmarks and illustrating the value of downside protection in volatile periods. Private credit remained resilient, producing steady high-single-digit returns as demand for non-bank lending persisted, and spreads remained attractive. Equity-oriented private managers found ample opportunities amid market dislocations, achieving strong absolute performance where exit activity and deal flow supported realized gains. Private markets have thawed broadly: transaction activity increased, distributions rose, and buyers and sellers found closer valuation alignment in 2025.



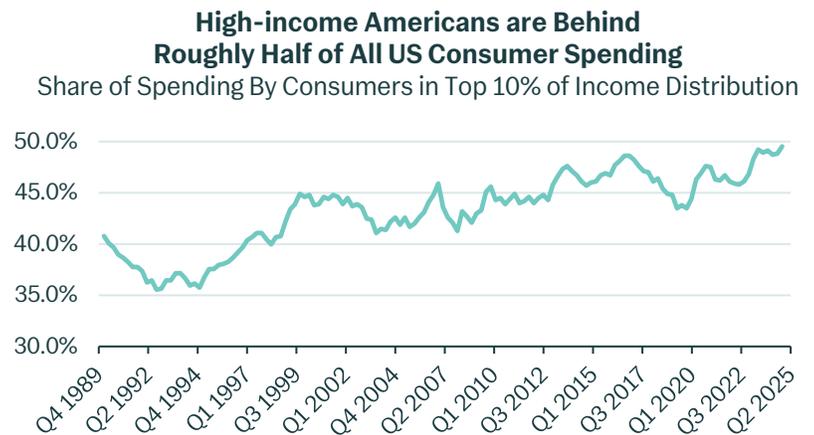
US Economy: Y-Shaped Bifurcation Persists

The defining feature of the post-pandemic era remains the bifurcation of economic fortunes. I continue to see the economy as Y-shaped and it's not just a metaphor—it is a lived reality for millions—a structure that, while others may call it K-shaped, I believe is better captured by the Y. The upper left arm represents Baby Boomers and Generation X super consumers, buoyed by asset appreciation, robust balance sheets, and the wealth effect. The right arm is the AI-related buildout, and those companies and workers directly benefiting from the AI economy. At the base of the Y, is everyone else: those not participating in the asset boom or the AI surge, and for whom the economic environment remains challenging.

No, this bifurcation is not new, but it has become more pronounced. The upper left continues to spend, travel, and invest, while the base of the Y faces persistent headwinds from inflation, housing affordability, and a labor market that, while not in freefall, has lost much of its post-pandemic momentum. The outstanding question is whether the two upper parts of the Y will improve the fortunes of the base of the Y—equity market investors appear to be pricing in this scenario and only time will tell if they are correct.

Consumer Spending

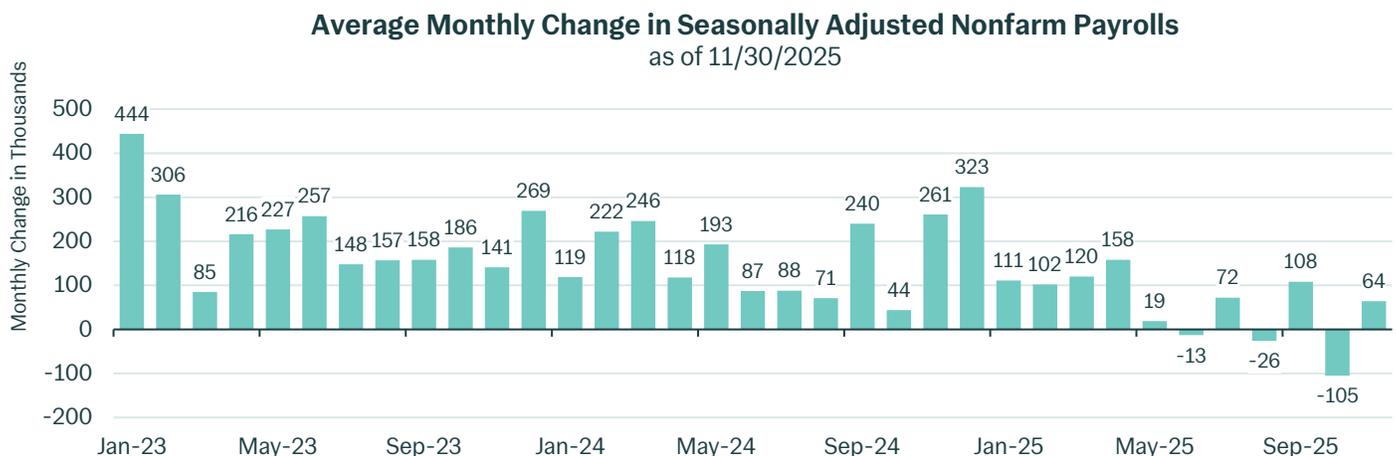
Aggregate consumer spending remains resilient, buoyed by fiscal support and the wealth effect. However, the top 10% of income earners continue to drive the bulk of spending, while lower-income households face headwinds. Tax code changes (no taxes on overtime and tips, higher standard deductions) should provide some respite, but the vulnerability of the bottom half of the income distribution persists.



Source: Bloomberg, Moody's Analytics review of Federal Reserve Data as of 6/30/2025.

Labor Market

Job creation has slowed markedly although the reduction in the foreign-born labor force could have lowered the “breakeven” job growth needed to keep unemployment steady. While headline unemployment remains contained, the underlying dynamics suggest a labor market that is more fragile than it appears. Claims data remain benign, but the risk of a more pronounced slowdown is rising.



Source: Bureau of Labor Statistics, Haver Analytics.



Housing

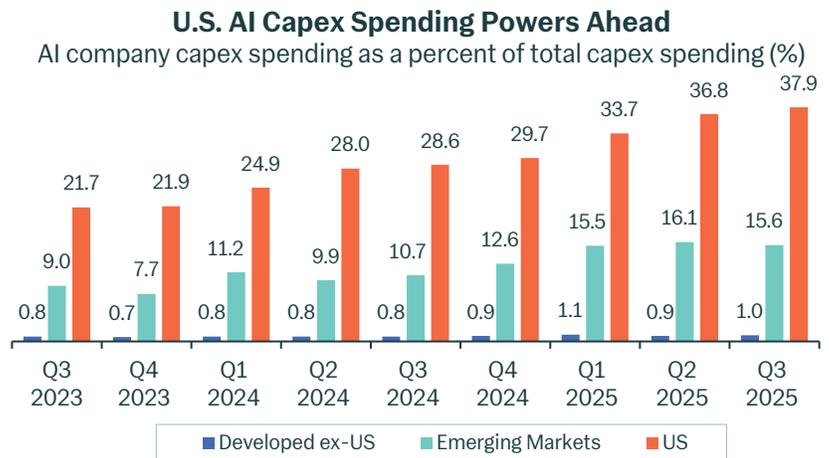
The housing market may not be a “canary in the coal mine”, but it should be attracting more attention from investors. Despite a modest improvement in mortgage purchase applications and a decline in real home prices, affordability remains at all-time lows by some measures. Meanwhile, homebuilders’ sales expectations are subdued, and new housing inventory is elevated. The contraction in residential investment appears to be bottoming out, but a meaningful recovery for home builders is not yet in the cards. Policy support—whether through lower mortgage rates, supply-side reforms, or creative solutions like 50-year mortgages—will be essential for a sustainable rebound in a sector of the U.S. economy that has an outsized impact on GDP given its wide-reaching effects across many industries (e.g. appliances, electronics, etc.).

The AI Narrative: Tailwind, Trap, and the Role of Adopters

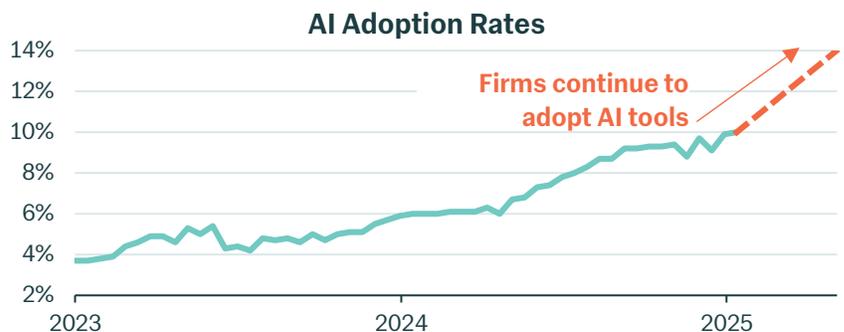
AI investment continues to drive a significant share of GDP growth, but there is growing scrutiny of the discipline exercised by major players. At the same time, there is optimism that AI-driven productivity gains will eventually broaden beyond the tech sector, supporting margins and growth across the economy. We share that optimism and are watching for increasing manifestations of AI’s benefits harvested by the broader, traditional economy.

Recent market moves have highlighted the sensitivity of valuations to any perceived slowdown in AI adoption or profitability. Some strategists have drawn parallels to the Dot-com bubble, noting that the potential for overcapacity and delayed returns on investment on capital expenditures made by the Mega-Cap technology companies could compress present values and trigger a broader market repricing. In a prior 2025 commentary, we highlighted how different financial market fundamentals are today than they were during the Dot-com build up, but the notion that the market pricing of the AI story may have run too far is a scenario that reasonably must be considered.

The good news is market participants, including us, are watching for signs of overbuilding, aggressive leverage, and the risk that cracks in the AI story could have broad market implications. I say it’s “good news” because we appear to be relatively early in the evolution of AI so markets holding companies accountable early in the cycle could mitigate the risk of a repeat of the Dot-com bubble inflating and bursting. In other words, it’s better that markets are scrutinizing companies now before overcapacity and excessive leverage become widespread and, as a result, a more acute risk to markets and the economy. The risk is particularly acute among highly leveraged tech players, but going forward, the aperture needs to widen to consider the adopters—non-tech industries where evidence of real productivity and margin expansion from AI will be the true test of the narrative’s durability.



Source: Bloomberg, Nuveen as of 9/30/2025.



Source: Census Bureau as of 10/05/2025.

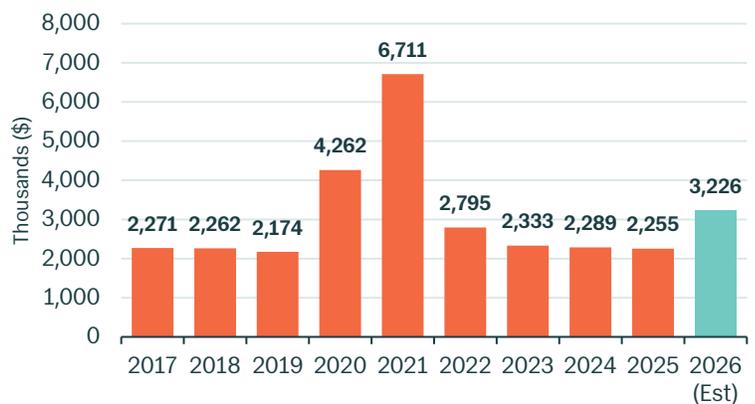


The One Big Beautiful Bill Act (“OBBBA”)—Growth Catalyst or Mirage?

The OBBBA offers a mixed bag both near term and potentially longer-term if growth isn't stoked as hoped. While bonus depreciation and R&D expensing under the OBBBA are supportive of capex, the real-world impact may be more muted. The average household incremental tax refund (estimates range widely from \$600 to more than \$3200 per non-farm payroll worker) could be a strong stimulus to consumption but also could be absorbed by essentials that have experienced significant inflation over the past few years—rent, utilities, credit-card repayments, and health premiums. Meanwhile, the changes to state and local tax deductions primarily benefit wealthier households, whose spending is more closely tied to market performance than to incremental income. For businesses, accelerated depreciation may lift capex at the margin, but the overall impact on GDP is difficult to determine and has the risk of coming in as basis points, not percentage points.

Longer-term, layering on large new deficits on an already heavy U.S. debt load may become a headwind to government spending and fiscal credibility. To date, the perception that the U.S. government shrugs at fiscal responsibility hasn't yet impacted financial markets in a sustained way. However, the potential that it will has risen as we enter a period where government policy of all kinds, both in the U.S. and internationally, may be more impactful than it ever has been. Steepening yield curves around the world could be an early warning sign to that effect.

Average Federal Tax Refund Per Non Farm Payroll Job



Source: Strategas as of 10/14/25.

Policy Matters More Than Ever?

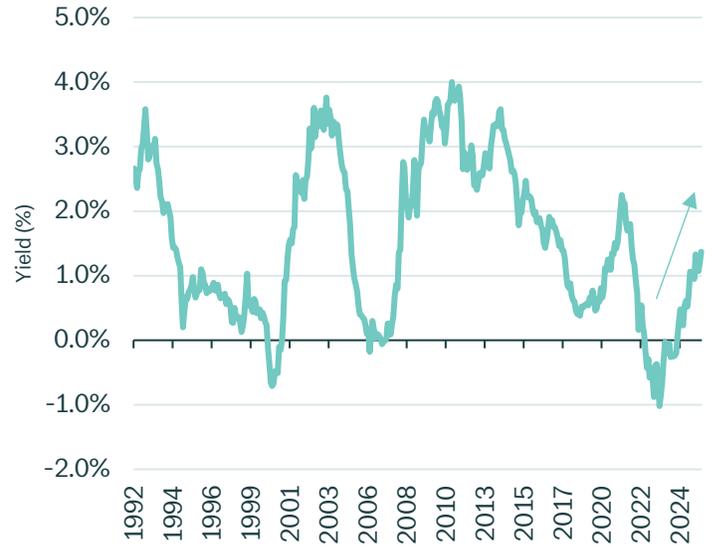
The Eccles Building, the home of the Federal Reserve, is under renovation—literally and figuratively. As Jerome Powell's term as Chair draws to a close in May, the shortlist for his successor reads like a who's who of monetary policy pragmatists: Chris Waller, Kevin Hassett, Kevin Warsh, Rick Reider, Stephen Miran, or even Scott Bessent. Each brings a different perspective, but regardless of the selection, the old philosophy of leadership by consensus is breaking down. The Fed's policy setting Federal Reserve Open Market Committee (FOMC) has increasingly become a forum for open dissent, with multiple governors voting against the Chair in recent meetings. The question is – is this a sign of institutional stress and dysfunction or, perhaps, a healthier diversity of views? While the new Fed Chair may be perceived as too close to the current administration, the possibility of the latter cannot be ignored – investors shouldn't forget the FOMC is a 12-member body consisting of the seven Board of Governors members, the New York Fed president, and four rotating regional Fed Presidents and seven of the 12 members need to vote in favor of a Fed action.

With that said, while the implications related to the transition at the Fed for markets are profound, whoever gets the job will inherit a Fed that may be losing its ability to control the long end of the curve, with short-term policy signals increasingly disconnected from the realities of economic fundamentals, fiscal dominance and global capital flows. The risk is not just unpredictability, but a loss of credibility—a genie that, once out of the bottle, is hard to recapture. The Department of Justice's investigation into Chair Powell's Senate testimony is disturbing and only adds to the destabilizing potential in terms of that loss of credibility. As a result, we are seeing the term premium, the excess yield demanded by investors for investing in longer-term U.S. Treasuries, drifting higher, where even a modest,



persistent increase in long yields could compress equity multiples and disrupt the assumptions upon which portfolios are built. Credibility aside, if inflation rises without a meaningful policy response, long-term interest rates continuing to rise and creating some measure of an economic drag is a probable consequence. Meanwhile, the midterm elections this fall promise to be a referendum on both the administration and the broader policy regime. The threat of the “midterm curse” appears alive and well: some experts claim Democrats have an 80% subjective chance of retaking the House, while the Senate is likely to remain in Republican hands barring a major shock. Gridlock is generally good for markets, but this time may be different if that gridlock means the inability to respond to market, political and economic shocks or that ill-conceived policies can’t be unwound: immigration and trade restrictions are set to escalate in 2027 even if they are temporarily lowered in 2026.

Treasury Term Premium: 30-Year Minus 2-Year
as of 12/31/2025

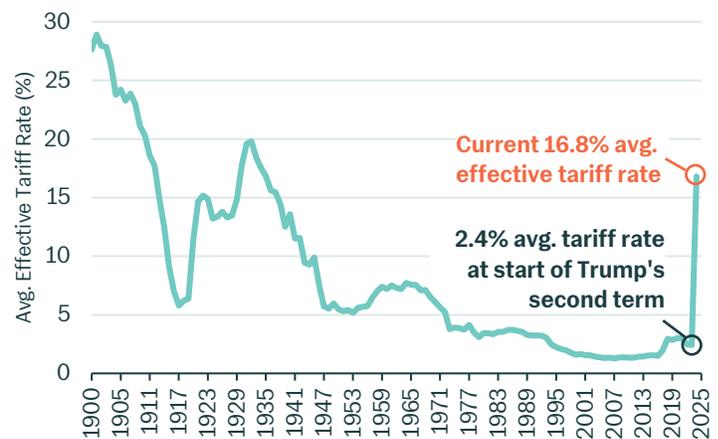


Source: Morningstar, LNW.

Tariffs and Inflation:

The effective U.S. tariff rate surged in 2025, reaching levels not seen since the 1930s. A Supreme Court ruling on the legal basis for these tariffs is expected in the first quarter, but even if the current authority is curtailed, other avenues for imposing duties remain. As pre-tariff inventories are depleted, the cost of goods sold could continue to rise, with some estimates suggesting U.S. CPI could exceed 3.5% in the first half of 2026. Decelerating shelter inflation, as indicated by the Zillow Observed Rent Index, may offset some of this pressure, but core inflation could remain sticky. Additionally, the administration, likely to curry support going into the midterms, continues to postpone the implementation of announced tariffs as a reaction to the negative sentiment related to affordability.

US Average Effective Tariff Rate on Goods Imports (%)



Weighted Average U.S. Tariff Rate—highest since 1935.
Source: Lazard, Yale Budget Lab as of November 17, 2025.

Geopolitical flare ups: Uncertainty Increases with “Absolute Resolve”

Just days into the new year, U.S. forces executed a military campaign to enter Venezuela, take President Maduro and his wife into custody, and, as a result, remove him from power. The operation almost certainly realigns the power structure in the hemisphere but it could even destabilize the region as U.S. influence shifts back toward a Monroe doctrine hegemonic enforcer stance characterized less by the diplomacy of recent decades.

One inarguable consequence is that a precedent has been set for further action against other sanctioned regimes by the U.S. and/or similar actions taken by other global powers. For example, we will be watching China-Taiwan relations closely where an emboldened China might rationalize their own exfiltration to serve their desire to reabsorb strategically critical Taiwan. To this point, China appears to be taking a subdued approach, condemning publicly but not otherwise signaling any greater military aggression.



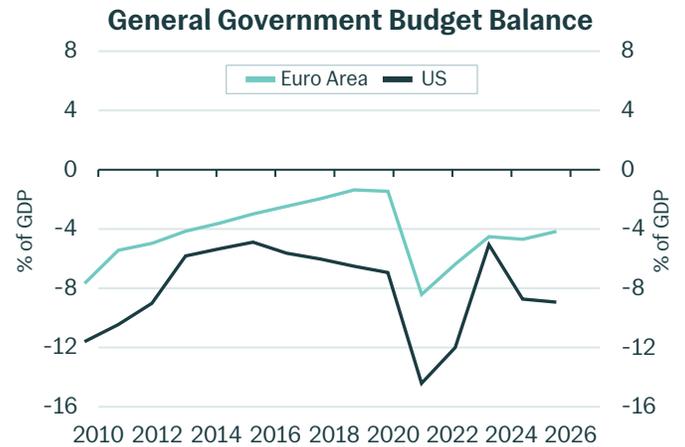
Impacts on the capital markets appear inconsequential for now; however, the long-term ramifications—the second- and third-order effects—remain unknown. What we do know is that this action aligns with the thesis we put forth four years ago regarding regime change (from a market perspective—pun intended) and the shift toward a multipolar world. Back then, we posited that this transition would lead to a higher steady state of inflation, interest rates, and, as a result, volatility.

This development only serves to deepen regional alliances as global cooperation deteriorates. Europe continues to coalesce as a region, making investments in defense and energy infrastructure that reduce reliance on global partnerships in the supply chain. Even the UK appears to be having some remorse for leaving the EU with nearly 60% of those polled in surveys suggesting rejoining under the right circumstances. Importantly, Europe has the fiscal capacity to continue to make investments in a way that could provide a competitive advantage relative to the U.S. With that said, when we met with London-based investment managers last year and asked the question whether aggressive U.S. trade policies could be a catalyst for a more unified Europe, they were generally skeptical that the EU bloc of 27 nations could create a United States of Europe given their cultural differences, bureaucratic infrastructure and lack of a track record in unified action. Time will tell but chances may be higher now than they have ever been given the clear change in U.S. policy.

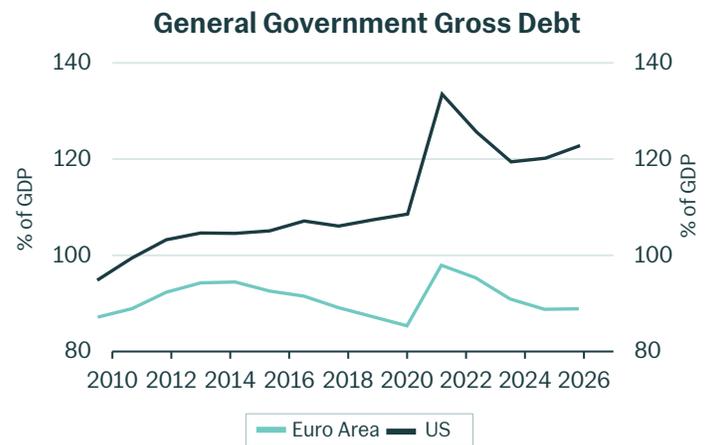
U.S. Exceptionalism and Global Rotation

2025 may have marked the beginning of a shift, with non-U.S. equities outperforming on a rolling three-year basis and valuation gaps remaining wide. Forward price-to-earnings ratios for U.S. equities remain well above those of their global peers, and policy flexibility, valuation, and currency dynamics could be creating opportunities outside the U.S. The rotation theme is supported by both market performance and underlying policy and inflation differentials.

The world is now unambiguously multipolar. The U.S. has embraced an “offshore balancing” strategy, accepting spheres of influence and professing to prioritize national interests over universal norms. Liberal internationalism is dead; so too is neoconservatism. The winners in this new order are those who can navigate complexity with Latin America, Europe, and select Asian economies as possible candidates.



Source: IMF, Macrobond, BCA Research as of 10/31/25.



Source: IMF, Macrobond, BCA Research as of 10/31/25.

3-Year Rolling Excess Return S&P 500 vs MSCI EAFE 1/1/1995 - 12/31/2025



Source: Bloomberg.



Assessing the Path Forward

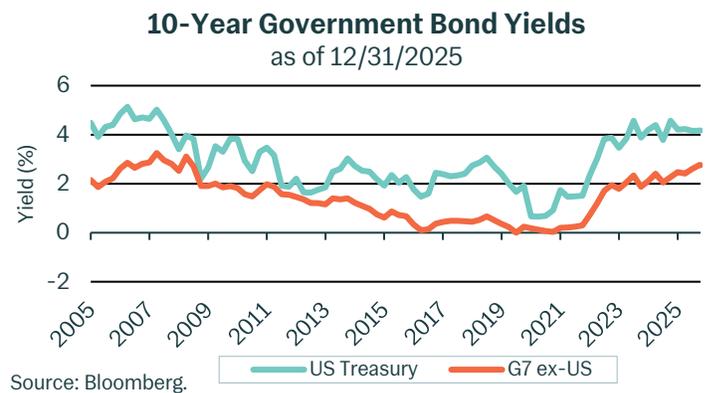
Markets have digested shocks and “sailed higher” despite tariff cliff-dives and policy uncertainty. Yet, as in past cycles, perfection is being discounted across earnings, margins, and policy steadiness. The “Mary Lou Retton” landing is possible, but late-cycle dynamics argue for friction: sticky inflation, rising term premiums, and the risk of policy missteps all loom large. The concentration of market gains in a handful of sectors and the reliance on continued AI-driven growth add to the fragility of the current environment.



The near unanimity of market forecasters and pundits should also give investors pause. The gap between the highest and lowest Wall Street forecasts for the S&P 500 hasn't been this narrow since 2017. This phenomenon tends to appear late in cycles and historically, when consensus forecasts have been huddled into such a tight range, the late '90s as a very clear example, it has actually been indicative of a mispricing in markets. Regardless, rather than forecasting, I believe it's more useful to lay out the possible Risks and Catalysts that could influence markets and the economy in the year ahead:

Risks - What Could Go Wrong

- AI Capex Disappointment:** Potential overbuilding, the overuse of leverage, and delayed monetization could force guidance resets and trigger broader market drawdowns, especially given the concentration of gains in a handful of mega-cap names.
- Private Credit Stress:** A liquidity squeeze or rising defaults—even among strong credits—could cascade through portfolios, particularly given the role of private credit in funding the AI ecosystem.
- Policy Missteps & Credibility:** Over-accommodation in the face of sticky inflation risks a bear steepening of the yield curve and dollar weakness. Legal and political uncertainty around tariffs and Fed appointments add to the risk.
- Higher Long Yields:** A persistent increase in the term premium (not only in the U.S. but globally) could compress equity multiples and destabilize risk assets.
- Trade War Redux:** Even if the current legal basis for tariffs is curtailed, other avenues remain, and sectoral duties could reignite inflation and supply-chain uncertainty.
- Crypto/Stablecoin Accident:** The growing integration of crypto and stablecoins into short-term funding markets raises the risk of retail investor stress (especially those who have invested via leverage) and forced policy responses.
- Japan Yield Spike/Repatriation:** Normalization by the Bank of Japan could pull domestic capital home, tightening global debt demand.
- Consensus Complacency:** With pessimists scarce, even minor disappointments could trigger outsized volatility.

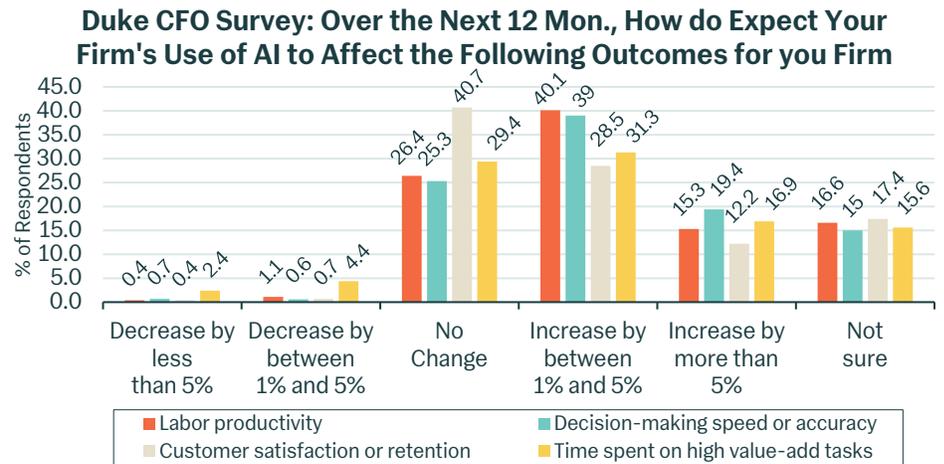




Catalysts - What Could Go Right

- **OBBBA Front-Loading:** Bonus depreciation and R&D expensing could extend capex, particularly outside the AI core, though the benefits may be transitory and concentrated.
- **Foreign Capital Inflows & Weaker USD:** Continued reallocation into non-U.S. assets and currency diversification could support returns and liquidity.

- **Europe's Multipliers/ Re-industrialization:** If defense and infrastructure commitments are delivered, supply-side gains could compound and surprise to the upside. Additionally, the current administration's bi-lateral and somewhat aggressive approach to trade has acted as a catalyst for countries to build stronger trading relationships with each other, a potential tailwind for non-US exposures.



- **AI Productivity Realization:** Broader adoption of AI in non-tech industries could validate valuations and support earnings growth beyond the mega-cap names.
- **Housing Stabilization:** Easing shelter inflation and lower mortgage rates could unlock demand later in the year.
- **Trade Recalibration:** Targeted tariff reductions and legal clarity could steady sentiment, even if average tariff levels remain elevated.

Portfolio Positioning: Beyond Conventional Diversification

In this backdrop, traditional diversification may not be enough. With AI dominating index risk, exposures that appear uncorrelated—such as Asia tech, energy infrastructure, and compute-linked resources—are often part of the same value chain. Creative diversification is essential:

- **Correlation Matters:** Diversifier exposures in hedge funds and private credit can provide complementary exposures relative to the equity factor that dominates most client portfolios. The former can take advantage of increased volatility causing price dislocations and the latter can offer ongoing cash flow to reduce total return volatility. Gold could also be a useful tail-risk hedge when central bank credibility or the dollar is in question.
- **Quality & Liquidity:** Maintaining liquidity within Core Fixed Income allocations allows for rebalancing opportunities if long yields rise or AI-related volatility increases. Even a modest, persistent increase in long yields could destabilize equities.
- **Global Flexibility & Valuation Discipline:** Market weight exposure to non-U.S. equities with lower valuations and broader earnings drivers can help manage concentration. In Japan, governance reforms and consumer support are positive, but the path of monetary policy and geopolitical risks must be monitored.



- **Inflation Hedges & Tariff Awareness:** Inflation-linked assets remain important, as tariff pass-through can re-heat core goods prices even as shelter inflation cools. Real assets and infrastructure can provide income and inflation protection.
- **Private Market Exposures.** Fundraising remained selective in the private capital markets during 2025, but the environment offers compelling entry points for patient investors and appears to have some tailwinds as we enter 2026 with valuations resisting the upward surge of public equities.
- **Strategic Not Static:** Starting a few years ago, we more broadly introduced strategies in the supply chain and infrastructure we thought would be positioned well given our multipolar world thesis. We continue to search for strategies with unique long-term return propositions for the next several years versus just the next few months.

Concluding Remarks: Choreographing for Imperfection

In closing, with lofty U.S. equity valuations, tight credit spreads and narrow and robust earnings projections, it is clear that markets at large are hoping 2026 will look much like the last few years. However, that kind of consensus doesn't often bear itself out, and inevitably the realities of policy, inflation, and/or global uncertainty will reassert themselves. The trouble is we just don't know which and when. That said, the risk factors we think carry the most weight for the relative success of financial markets in the coming year are the following:

- **AI Hand-Off.** Will the AI "Builders" execute a successful and seamless handoff to the AI "Adopters" resulting in enhanced productivity across the broader U.S. economy?
- **Policy Developments - Monetary, Fiscal, Political and Geopolitical.** The policy drivers will likely be the Federal Reserve Chair succession and its implications, the actions leading up to the U.S. midterm elections (and the results), the real-world impact of the OBBBA, and volatility on the geopolitical stage. Early in the year, the Fed will likely be the focus. Will go forward policy be as vigilant with combatting inflation? Will the Fed's credibility and its independence get reinforced or be diminished?
- **Steepening Yield Curves.** The potential for rising long-term interest rates to threaten market complacency is increasing across the developed world. Will bond investors continue to reprice fiscal stability across the developed world?

Still, the challenge for investors is not to guess at the future but to maintain a disciplined approach that prepares portfolios for a range of outcomes. The coming year may test the adherence to fundamental portfolio construction principles that haven't been as appealing as stocks have run up: keeping liquidity for rebalancing and seeking quality in core bond allocations as a few examples. However, while we remain confident that disciplined preparation with tried-and-true portfolio management discipline is the best defense against uncertainty, in today's environment, we need to lean into our creative methods for achieving diversification.

Traditional diversification alone may not be sufficient—correlations across asset classes have shifted, and exposures that once appeared uncorrelated are now often linked by common value chains, especially in the era of AI-driven market leadership. Investors must look beyond conventional strategies where possible, ensuring exposure to inflation hedges, incorporating strategies that have offered better diversification in environments like this in the past, and keeping a willingness to adapt mid-flight as the world transitions to a multipolar order. Ultimately, as advisors our goal is not to stick a perfect landing, but to choreograph for imperfection—preparing for a range of scenarios and remaining agile as conditions change, navigating whatever landing the year offers.



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The LNW investment team is comprised of 12 analysts and strategists working together to design and implement investment solutions for client portfolios. Six analysts at the firm hold the Chartered Financial Analyst[®] designation, with expertise spanning macroeconomics, public and private asset classes across the global capital markets, and impact investing. Collaborating with each other and with client advisors, the investment team's overarching goal is to help clients and their families preserve and grow their wealth over many generations.

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DEFINITION OF INDEXES

Global REITs = FTSE EPRA NAREIT Global Index

A global equity benchmark designed to track the performance of publicly traded real estate companies and REITs worldwide. It includes property owners and operators that meet strict criteria for real estate activities, liquidity, and transparency.

Intermediate Muni Bonds = Bloomberg Municipal 1-10 Year Index

A bond index measuring the performance of U.S. investment-grade municipal bonds with maturities between 1 and 10 years. It includes tax-exempt bonds issued by state and local governments and their agencies, focusing on the short-to-intermediate segment of the muni market.

US Core Taxable Bonds = Bloomberg U.S. Aggregate Bond Index

A broad, market-capitalization-weighted benchmark for the U.S. investment-grade fixed income market. It includes U.S. Treasuries, government-related bonds, corporate bonds, mortgage-backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).

Hedge Funds = HFRX Global Hedge Fund Index

An investable index designed to represent the global hedge fund industry using a rules-based selection of hedge funds. It covers multiple strategies (e.g., equity hedge, event-driven, macro, relative value) and emphasizes transparency, liquidity, and lower survivorship bias.

US High Yield Bonds = Bloomberg U.S. High Yield Bond Index

A benchmark tracking the performance of U.S. dollar-denominated, below-investment-grade corporate bonds publicly issued in the U.S. domestic market. It reflects the high-yield (or "junk") segment of the corporate bond market.

US Large Cap Equities = S&P 500 Index

A widely followed equity index measuring the performance of approximately 500 large-capitalization U.S. companies. It is market-cap-weighted and designed to represent the core of the U.S. equity market across multiple sectors.

US Small-cap Equities = Russell 2000 Index

A U.S. equity index that measures the performance of approximately 2,000 small-cap companies drawn from the broader Russell 3000 Index. It represents the small-cap segment of the U.S. stock market and is widely used as a benchmark for U.S. small-cap equities, which typically exhibit higher growth potential and higher volatility than large-cap stocks.

Global Equities = MSCI ACWI (All Country World Index)

A global equity index capturing large- and mid-cap stocks across both developed and emerging markets. It represents the broadest commonly used benchmark for global equity performance, covering roughly 85% of global investable market capitalization.

Emerging Markets = MSCI Emerging Markets (MSCI EM)

An equity index representing large- and mid-cap companies across emerging market countries. It provides exposure to faster-growing economies with higher potential returns and higher volatility relative to developed markets.

Developed Int'l Equities = MSCI EAFE

An equity index covering large- and mid-cap stocks in developed markets outside the U.S. and Canada, specifically Europe, Australasia, and the Far East. It is a standard benchmark for international developed-market equities.

Commodities = Bloomberg Commodity Index

A broadly diversified benchmark tracking the performance of futures contracts on physical commodities. It provides exposure across major commodity sectors, including energy, metals, and agriculture, with weighting constraints to limit concentration in any single commodity or sector.

Global Infrastructure = S&P Global Infrastructure Index

A global equity index designed to measure the performance of publicly traded infrastructure companies around the world. It includes firms involved in infrastructure-related businesses such as transportation (airports, toll roads, railways), utilities (electricity, gas, water), and energy infrastructure (pipelines and storage). The index is structured to provide diversified exposure across regions and infrastructure subsectors and is commonly used as a benchmark for global listed infrastructure investments.