Q2 2025 REVIEW AND OUTLOOK

Broad Market Indices	INDEX LEVEL	2Q 2025 RETURN (%)	YTD 2025 RETURN (%)
S&P 500® Index	6,205	10.94	6.20
Dow Jones Industrial Average	44,095	5.46	4.55
NASDAQ Composite Index	20,370	17.96	5.85
Russell 2000® Index	2,175	8.50	-1.79
MSCI ACWI ex US Index	506	12.03	17.90
Barclays U.S. Aggregate Bond Index	93	1.21	4.02
VIX Volatility Index	17	-24.91	-3.57
Baltic Dry Index – Spot (Ocean Cargo Shipping Rate)	1,489	-6.82	49.35
Gold ($ per ounce) – NY Spot	3,294	5.73	26.76
Oil ($ per barrel – West Texas intermediate)	65	-9.42	-10.13
Bitcoin ($)	107,169	30.06	14.83

U.S. Treasury Yields	6/30/2025	3/31/2025	Change over Quarter
3-Month	4.29	4.29	(0.01)
2-Year	3.71	3.89	(0.18)
10-Year	4.23	4.21	0.02

Source: FactSet Research Systems, Inc.

Quite a ride in Q2. In a quarter that opened with the tumult of a massive new tariff regime-in-formation, markets showed remarkable resilience. The arrival of "Liberation Day" on April 2 triggered pullbacks of 10% or more across the S&P 500® Index, Dow Jones Industrial Average, and NASDAQ Composite indices. However, when the president paused tariffs for three months through July 9th, the bounce back was on; the S&P 500® and NASDAQ would close the quarter at all-time highs. This rally was fueled in part by strong earnings led by technology bellwethers, important to keep in mind as earnings season moves into full swing in July.

Asset classes across the globe were strong as non-U.S. stocks built on their first half momentum, adding 12.0% in the second quarter. Gold continued to ride its appeal to a gain of approximately 27% for the first half of the year.

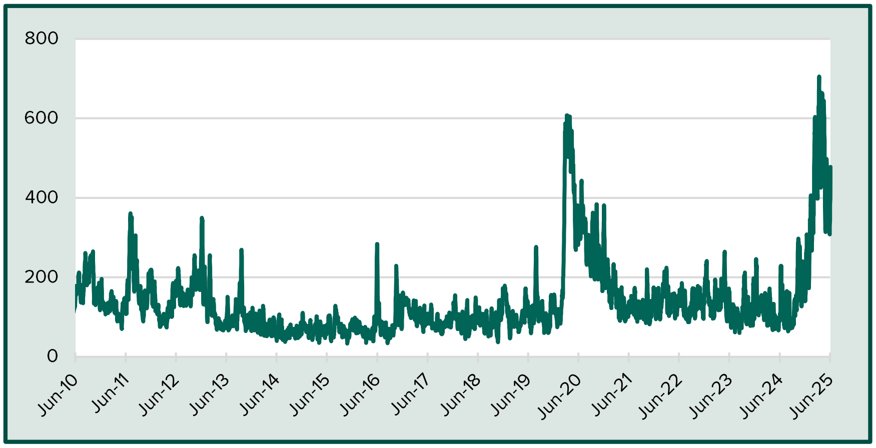
Tariffs arrive… sort of. As the Trump administration's tariffs moved from theory to reality, initial numbers were dramatic. The first iteration of the tariff schedule unveiled in April was calculated to be a $700+ billion headwind for the U.S. economy, a level that would likely have led to lead to a recession.

Over time, the administration refined its approach, applying more of a scalpel than a hammer. Total tariff levels moved closer to $300 billion. While negotiations are ongoing, we believe tariff levels will end up lower and could be shared more equitably – by exporters, U.S. businesses, and consumers – making them more digestible, with less inflationary effect.

There's a long road ahead, with August 1st as the latest deadline imposed on negotiations. While tariff levels continue to ebb down gradually, the Federal Reserve is still concerned inflation might reaccelerate with broad impact on the economy, particularly on consumers and corporate profit margins.

Learning to love the Uncertainty Index. While the ultimate tariff levels remain unknown, what is clear is their near-term impact on policy uncertainty. This is borne out in elevated levels of the Economic Policy Uncertainty Index, produced by the Federal Reserve Bank of St. Louis. This index, based on daily mentions of such sentiment in U.S newspapers, spiked in the first half of 2025. Strangely enough, this heightened uncertainty could be good news for U.S. equities as the S&P 500 Index® has often delivered above-average returns on the heels of such elevated uncertainty. From 2010 to 2024, the period following a single-day high for the index has, on average, yielded forward returns of 19.0% over 12 months and 31.6% over 24 months. This is further evidence that remaining disciplined during times of market volatility and uncertainty is a virtue that's generally rewarded.

Economic Policy Uncertainty Index for U.S.



Sources: Baker, Scott R.; Bloom, Nick; Davis, Stephen J. via FRED®

A short course in staying the course. The old market adage, "Sell in May and go away," has never been a wise approach, especially in today's dynamic global markets. While volatility can be disconcerting, the choice to remain on the sidelines can prove costly.

Over the past 30 years, if an investor missed only the 10 best trading days by sitting out the markets, their annualized return would drop by a third – from 8.0% to 5.3% in the S&P 500 Index®. Note, this is missing just 10 trading days over 30 years in total, not 10 days per year. Market timing is a fool's errand. We believe a long-term approach, focusing on highly profitable, well-run companies, can help investors stay the course and stay on the proven path to performance in the long run.

The geopolitics of oil. A new conflict between Israel and Iran cast a spotlight on oil as its price rocketed to $75 per barrel from the low $60s. Dynamics in the global energy markets have shifted over the years as the U.S. has become a *net exporter* of oil due to increased efficiencies in fracking and Iran's limited oil exports to the U.S. A historic attack against Iranian nuclear facilities by the American military has resulted in a truce pending further peace negotiations, and oil is within a few dollars of its pre-war price.

Our outlook. Looking ahead, there are new economic tailwinds. On July 4th, the president signed into law One Big Beautiful Bill (OBBB) which makes permanent many key features of the 2017 Tax Cut and Jobs Act and also adds new pro-growth individual and corporate tax incentives. For individuals, no tax on tips, expanded child tax credits, and an expanded state and local tax (SALT) deduction could stimulate consumer spending. For corporations, 100% expensing for capital equipment and for land and plant construction could be welcomed incentives for corporations to re-shore manufacturing from overseas back to the U.S.

The coming weeks should also bring greater clarity on tariffs. In addition, as inflation continues to abate there is an increasing likelihood of Federal Reserve rate cuts in the second half of the year, all potential catalysts for growth.

Cryptocurrency moved a step closer to Main Street when the Senate passed the Genius Bill requiring issuers of stablecoins to back the tokens, dollar-for-dollar, with safe asset reserves such as Treasuries and cash. If the bill passes in the House, this reserve requirement will create a substantial new base of buyers for Treasuries – yet another reason we believe reports of the death of the dollar as the world's reserve currency are greatly exaggerated.

The first six months of 2025 have been one of the most active periods of legislative changes and geopolitical upheaval in recent memory. The U.S. economy is shifting and adjusting to the enormous opportunities from Artificial Intelligence and the re-shoring of parts of the country's manufacturing base. In our view, these tailwinds combined with the prospects of lower interest rates later in the year should keep any market dislocations short lived.

Thank you for allowing us to manage your investments, which we aim to honor with service and performance.

Sincerely,
Palisade Capital Management

PRIVATE WEALTH MANAGEMENT TEAM

MICHAEL FEILER
Partner
Private Wealth Management

BERNARD PICCHI, CFA
Managing Director
Private Wealth Management

WENDY POPOWICH
Managing Director
Private Wealth Management

LORRAINE R. SALVO, CFP®, CDFA®
Managing Director
Private Wealth Management &
Head of Financial Planning

DENNISON "DAN" T. VERU
Senior Partner
Chief Investment Officer

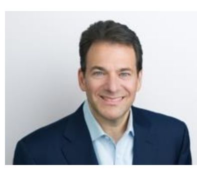
CLIENT RELATIONS TEAM

CATHERINE CARPENTER, FPQP®
Vice President
Relationship Manager

ROSEANN HEFFERNAN
Assistant Vice President
Client Relations

ARELY QUINTANILLA
Assistant Vice President
Client Relations

INVESTMENT SOLUTIONS TEAM



FRANK GALDI
Partner
Chief Risk Officer &
Deputy Chief Investment Officer

AMRITA THAPA, CFA
Managing Director
Risk Management &
Client Solutions

IMPORTANT INFORMATION

The information contained herein reflects the view of Palisade Capital Management, LP and its affiliates (collectively, “Palisade” or the “Firm”) as of the date of publication. These views are subject to change without notice at any time subsequent to the date of issue. All information provided in this letter is for information purposes only and should not be deemed as investment advice or a recommendation to purchase or sell any specific security.

Certain information contained herein has been obtained from third party sources and such information has not been independently verified by Palisade Capital Management, LP. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by Palisade Capital Management, LP, or any other person. While such sources are believed to be reliable, Palisade Capital Management, LP does not assume any responsibility for the accuracy or completeness of such information. Palisade Capital Management, LP does not undertake any obligation to update the information contained herein as of any future date.

Certain information contained in this letter constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results, or the actual performance of investments may differ materially from those reflected or contemplated in such forward-looking statements. Nothing herein may be relied upon as a guarantee, promise, assurance, or a representation as to the future.

The S&P 500® Index is an unmanaged index that is widely recognized as an indicator of general market performance, based on the market capitalizations of 500 large companies having common stocks listed on the NYSE or NASDAQ. The S&P 500® Index does not have a defined investment objective, nor does it charge fees and expenses.

The Dow Jones Industrial Average (The Dow), is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities.

The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock market.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. It consists of approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Source: London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. Russell 2000® is a trade mark of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group Company which owns the index or data. Neither the LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company’s express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The MSCI ACWI Ex-U.S. is a stock market index comprising of non-U.S. stocks from developed and emerging markets. The Index is made up of constituents which make up approximately 85% of the global equity market aside from the U.S.

VIX is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500® Index options.

The Bloomberg Barclays U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities.

The Baltic Dry Index (BDI), is issued daily by the London-based Baltic Exchange. The BDI is a composite of the Capesize, Panamax, and Supramax Timecharter Averages. It is reported around the world as a proxy for dry bulk shipping stocks, as well as a general shipping market bellwether.

West Texas Intermediate (WTI) is a grade of crude oil used as a benchmark in oil pricing and is the underlying commodity of the New York Mercantile Exchange’s oil futures contracts.

The Economic Policy Uncertainty Index for the United States is sourced from the Federal Reserve Bank of St. Louis (FRED). This index reflects the frequency of newspaper articles that contain terms related to the economy, policy, and uncertainty, providing a measure of economic policy-related uncertainty in the U.S. economy.

This information is confidential and for the use of the intended recipients only. It may not be reproduced, redistributed, or copied in whole or in part for any purpose without prior written consent. This document is not intended for distribution to, or use by, any party in any jurisdiction where such distribution or use would be contrary to local law or regulation. Certain information included in this document has been obtained from third-party sources believed to be reliable. No assurances can be given that such information is accurate.

Investing in securities involves risk, including the risk the entire amount invested may be lost. Securities investments are not guaranteed. Palisade’s valuation predictions may not be correct and/or achieved within the anticipated time frame. Fixed income securities are generally subject to interest rate risks. The risk is greater for long-term securities than for short-term securities. A risk in a long-term purchase strategy is that Palisade may not take advantage of short-term gains that could be profitable. Moreover, if Palisade’s predictions are incorrect, a security may decline sharply in value before being sold. Conversely, a risk in a short-term purchase strategy is that Palisade may incorrectly predict the performance of a security over a short period of time, and we may not take advantage of long-term gains that could be profitable. Equity and equity-linked securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates, and general economic environments. REITS are affected by underlying real estate values, which may have an exaggerated effect to the extent those REITs concentrate investments in particular geographic regions or property types. A company issuing convertible securities may default. Palisade’s portfolios are susceptible to operational, information security, and related risks from cyber security incidents resulting from deliberate attacks or unintentional events.

Palisade is an SEC registered investment management firm established in 1995. Based in Fort Lee, NJ, the Firm manages a variety of assets for a diversified client base, including institutions, foundations, endowments, pension and profit-sharing plans, retirement plans, mutual funds, private limited partnerships, family offices, and high net worth individuals. Registration with the Securities and Exchange Commission does not imply a certain level of skill or expertise.

Past performance is not a guarantee of future results.

Please note, each client account has different characteristics and other accounts with the same strategy may have materially different results. The actual characteristics of any particular account will vary based on a number of factors including but not limited to (i) the size of the account; (ii) the timing of investment; (iii) investment restrictions applicable to the account, if any; and (iv) market exigencies at the time of investment.