



Chart book

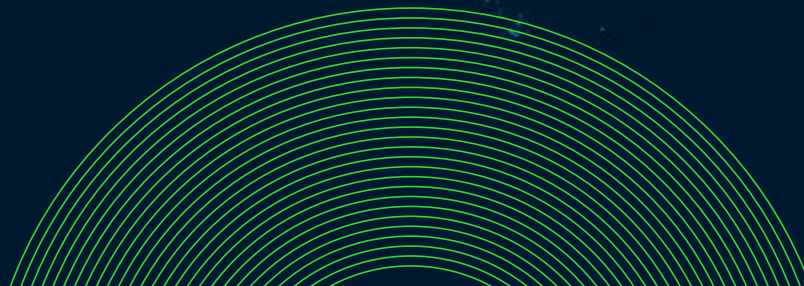
As of March 31, 2025

SECURITIES OFFERED THROUGH SANCTUARY
SECURITIES, MEMBER FINRA AND SIPC. ADVISORY
SERVICES OFFERED THROUGH SANCTUARY ADVISORS,
LLC, AN SEC REGISTERED INVESTMENT ADVISOR.





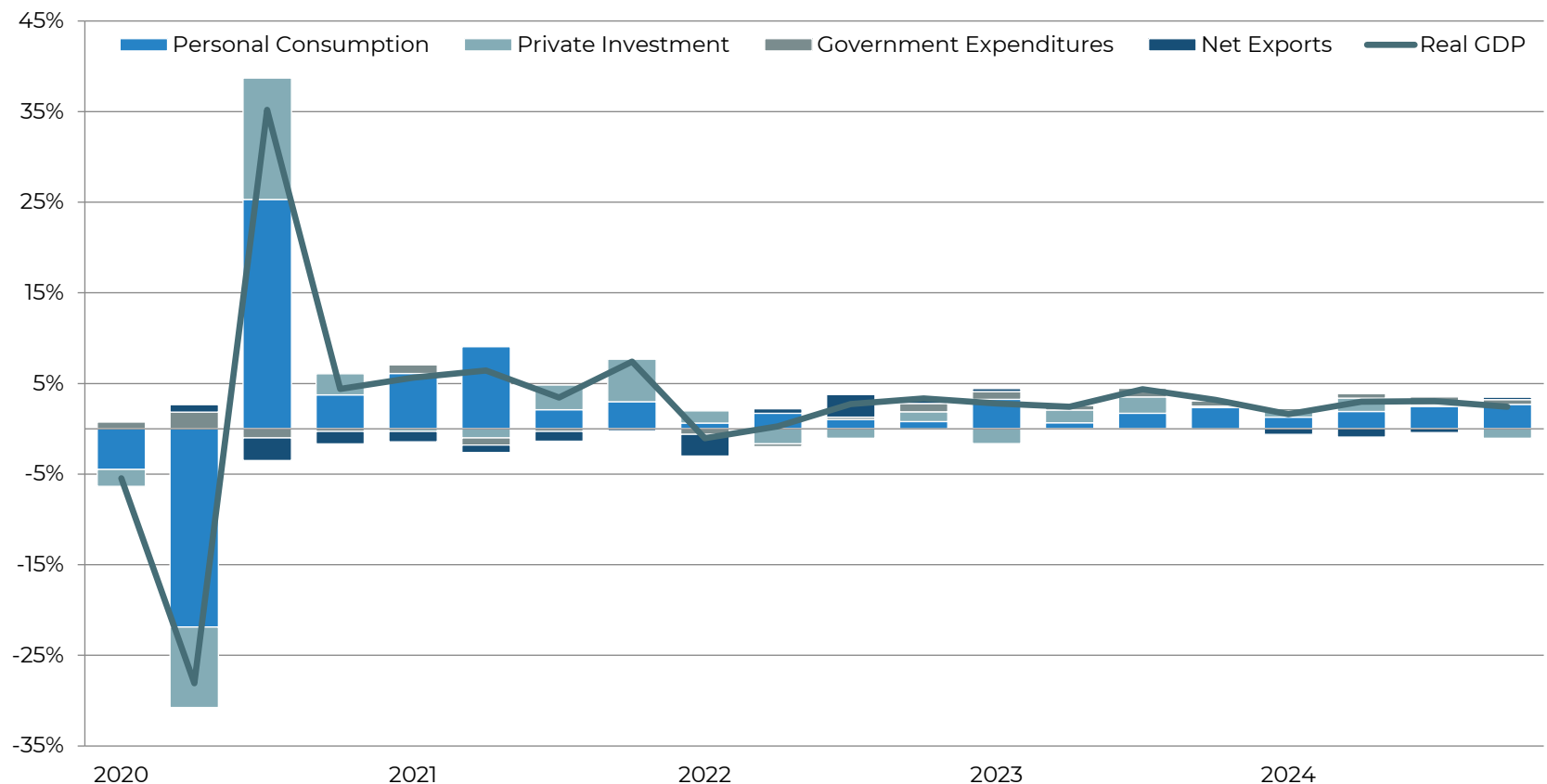
ECONOMIC PERSPECTIVE



The U.S. economy grew slightly faster than previously estimated in Q4 2024, with GDP rising at an annual rate of 2.4%, up from 2.3%, according to the Department of Commerce. The full-year 2024 GDP growth remained at 2.8%. The economy showed resilience despite high interest rates, supported by steady consumer spending and a strong job market. However, uncertainty surrounding President Trump's economic policies, particularly tariff measures, has raised concerns. Recent tariffs on major trading partners like Canada, Mexico, and China, along with newly announced duties on imported vehicles and parts, have unsettled markets and weakened consumer confidence.

Economic Growth

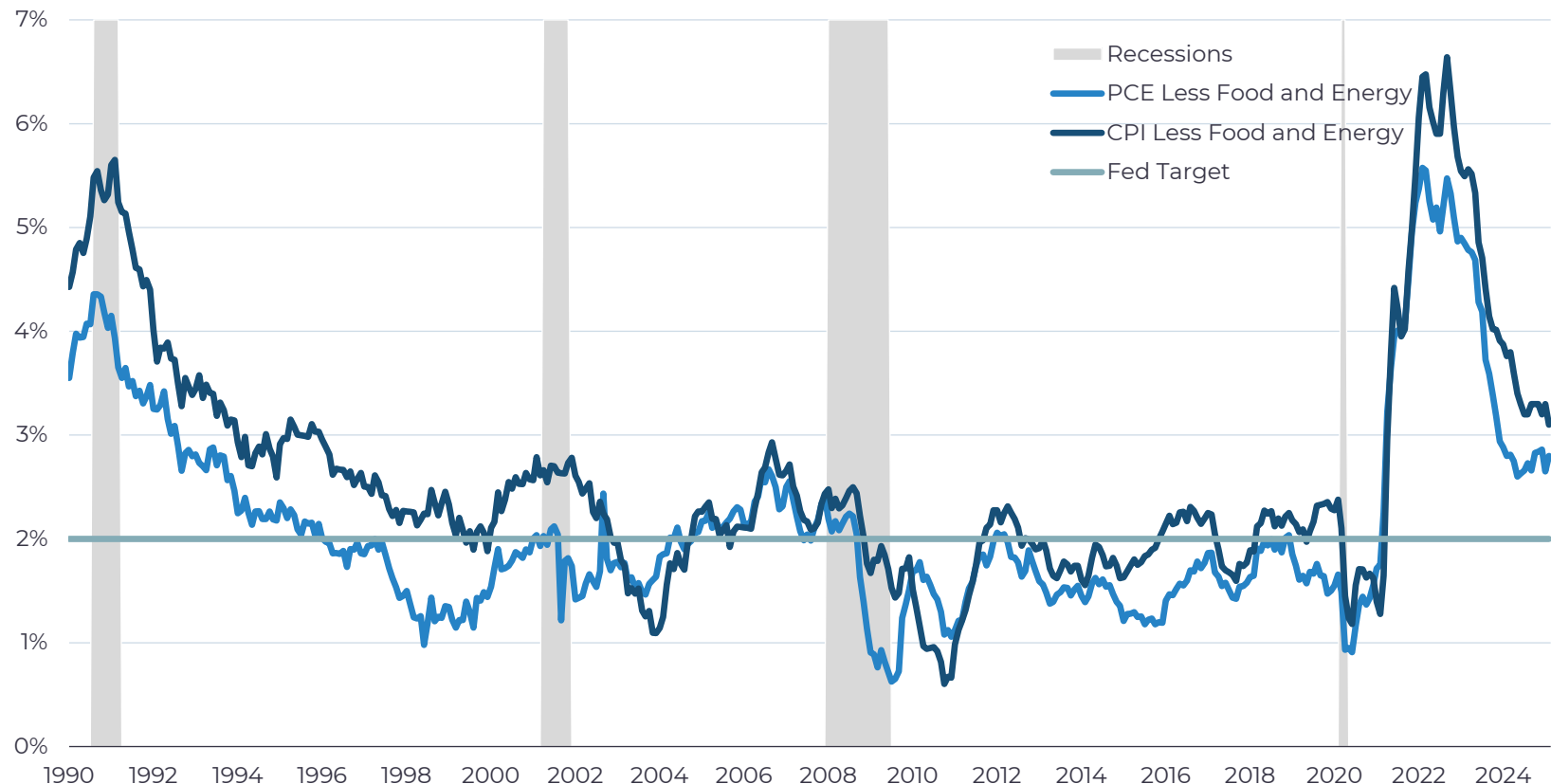
Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)



U.S. inflation slowed in February, with the consumer price index (CPI) rising 2.8% annually (down from 3% in January) and core inflation falling to 3.1%, the lowest since April 2021. Monthly inflation also eased, with both headline and core prices rising just 0.2%, below expectations. Despite the cooling inflation, new tariffs imposed by President Trump, including 25% duties on steel and aluminum, could drive future prices higher. Trump has also implemented reciprocal tariffs on countries with duties on U.S. exports. Economists warn these trade actions could sustain inflation, destabilize financial markets, and increase recession risks. The Federal Reserve, encouraged by the recent inflation data, is expected to hold off on rate cuts, but tariffs remain a key risk to the economic outlook.

Inflation Outlook

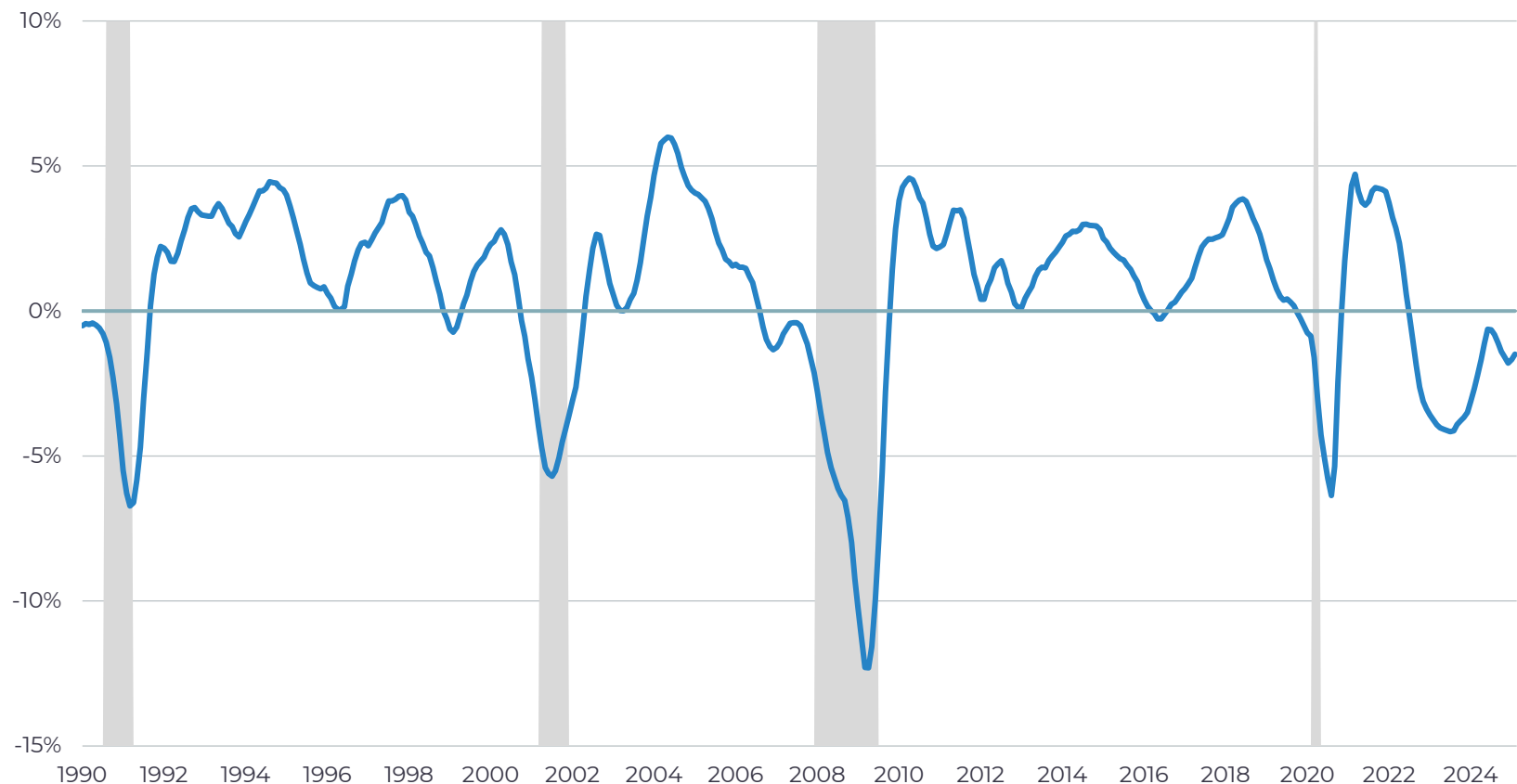
Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)



According to the Conference Board, the U.S. Leading Economic Index (LEI) fell by 0.3% to 101.1 in February, marking continued signs of economic headwinds. The LEI declined -1.0% over the past six months, a slower pace than the -2.1% drop in the previous six months. The drop was mainly due to more pessimistic consumer expectations and a retreat in manufacturing new orders. Despite this, the trend shows moderation in economic headwinds since late 2023. The Conference Board forecasts U.S. GDP growth to slow to around 2.0% in 2025, citing policy uncertainty and declining consumer sentiment.

U.S. Economic Outlook

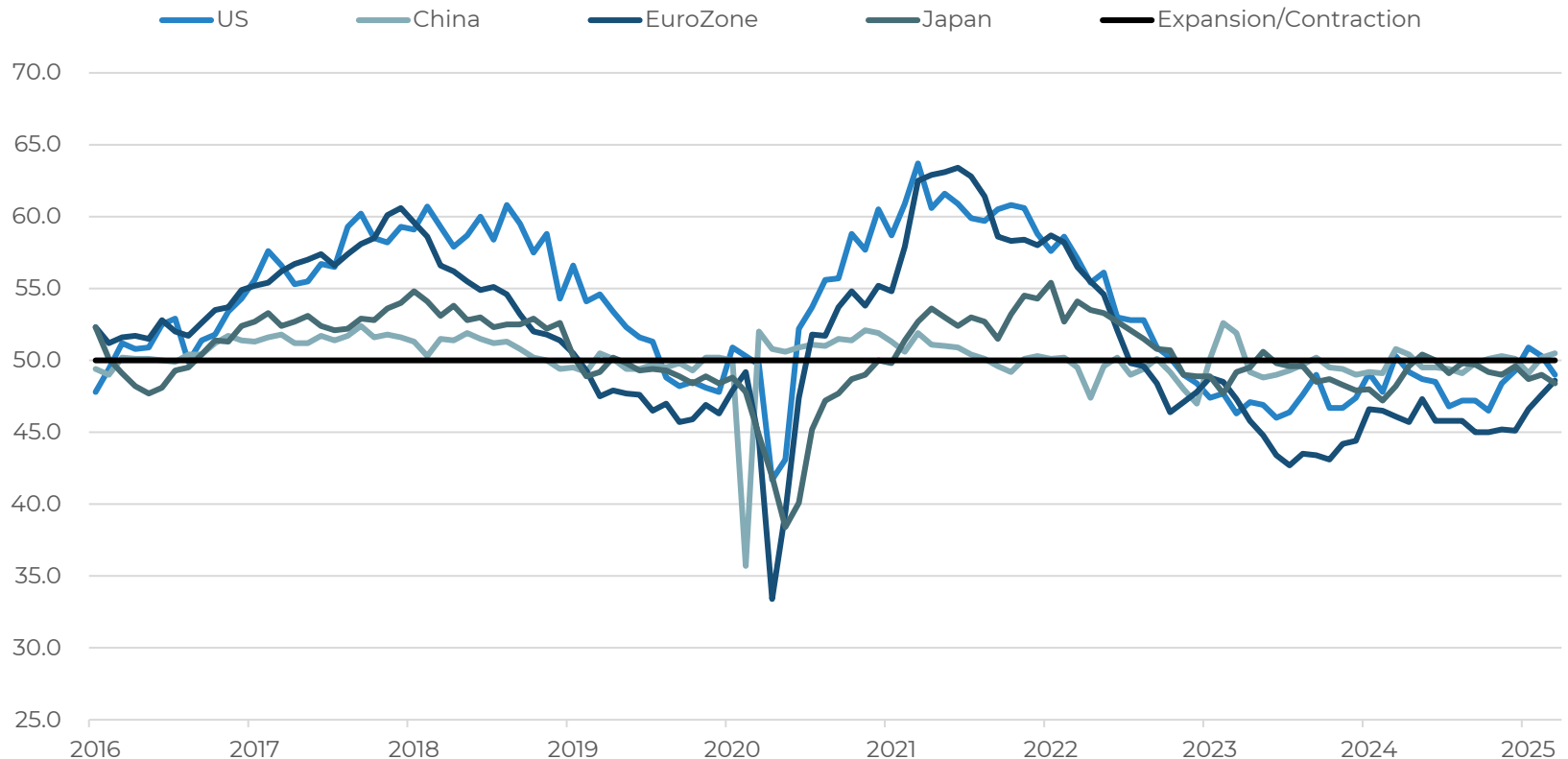
Leading Economic Index (Six-Month Moving Average of the Six-Month Rate of Change)



The March J.P. Morgan Global Composite PMI® rose to 52.1 from 51.5 in February, indicating a modest acceleration in global economic output and marking the 26th consecutive month of expansion. However, the Q1 average of 51.8 was the weakest since Q4 2023, and a drop in future output sentiment suggests the recent improvement may not last. India led global growth, followed by Ireland, Spain, and the U.S., where expansion hit a three-month high driven by services, while U.S. manufacturing slipped back into contraction. The Eurozone, UK, and Australia saw only modest gains. Canada was the worst performer, with output falling at the fastest rate since June 2020. Japan's output also declined sharply. In contrast, China and Brazil saw stronger growth.

Global Economic Outlook

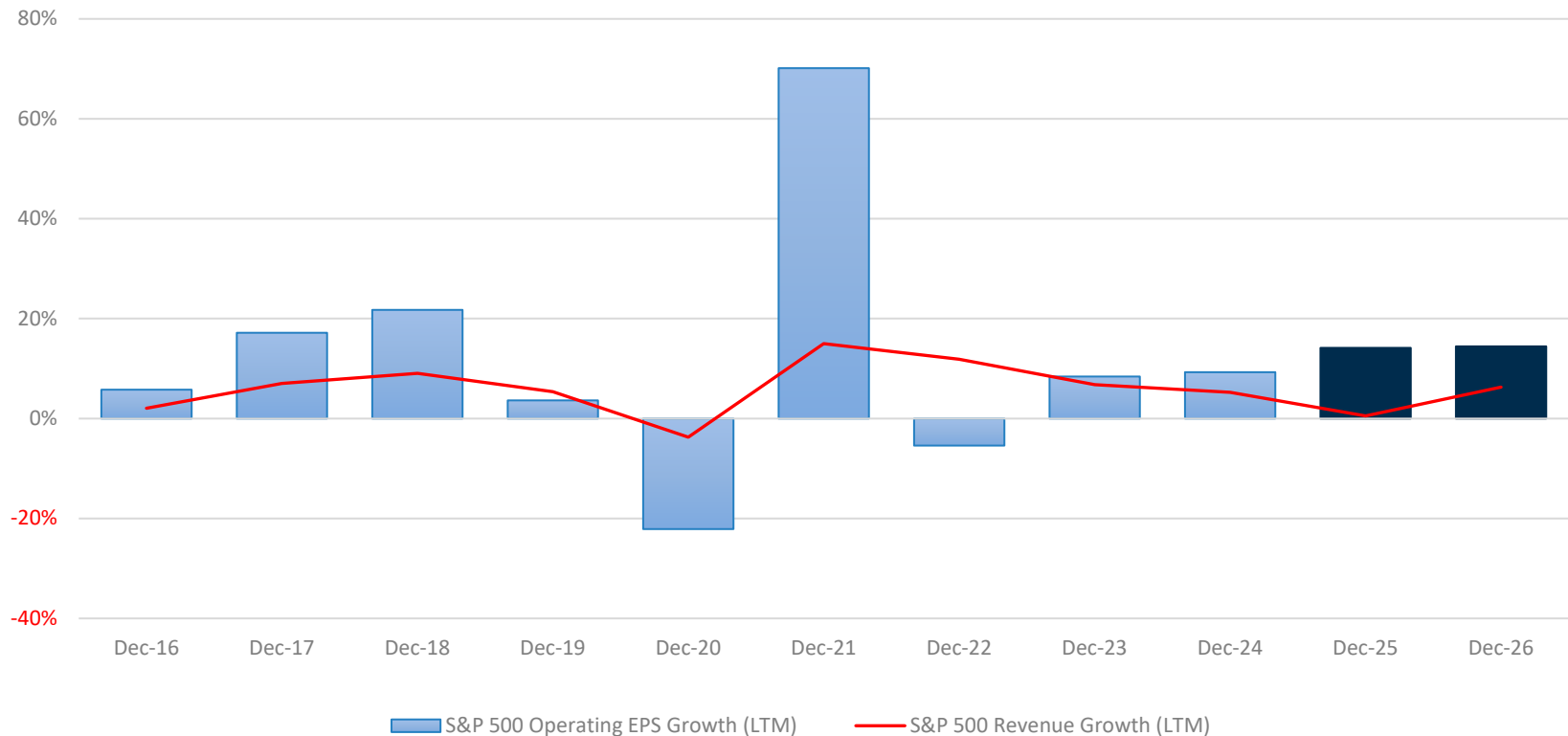
Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)



According to FactSet, the bottom-up price target for the S&P 500 over the next 12 months is 6886, which is 27.6% above the closing price of 5397. At the sector level, the Information Technology (+41.2%), Communication Services (+34.8%), and Consumer Discretionary (+34.7%) sectors are expected to see the largest price increases. On the other hand, the Consumer Staples (+9.1%) sector is expected to see the smallest price increase. Overall, there are 12,428 ratings on stocks in the S&P 500. Of these 12,428 ratings, 56.0% are Buy ratings, 38.5% are Hold ratings, and 5.4% are Sell ratings. At the sector level, the Energy (65%), Communication Services (64%), and Information Technology (63%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (40%) sector has the lowest percentage of Buy ratings.

Corporate Profitability

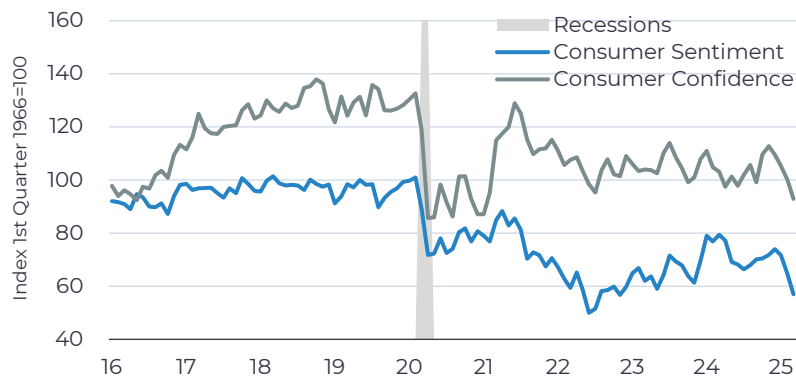
S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)



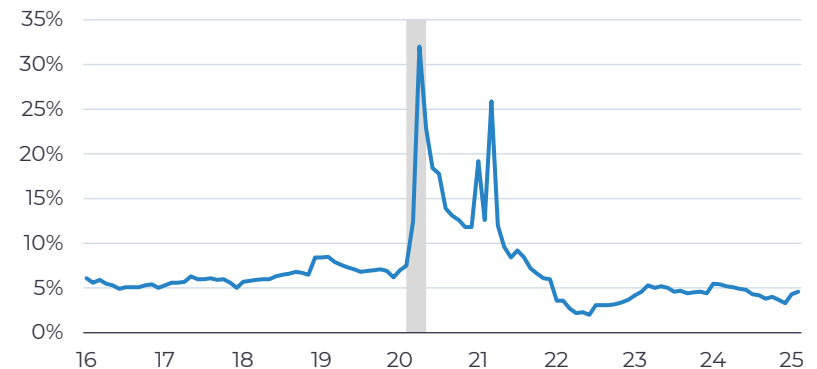
The Conference Board Consumer Confidence Index® fell by 7.2 points in March 2025, reaching 92.9, marking its fourth consecutive decline. The decline was mainly driven by pessimism among consumers over 55 years old, with gloomy expectations about business and employment conditions. Consumers' views on their current financial situation improved slightly, but expectations for the future dropped to their lowest since July 2022. A growing concern about high inflation and stock market pessimism were noted, with only 37.4% of consumers expecting stock prices to rise over the next year. Confidence varied across income groups, with those earning over \$125,000 showing increased optimism. Consumers expressed concerns about inflation, trade policies, with these topics dominating their responses about the economy.

Consumer Outlook

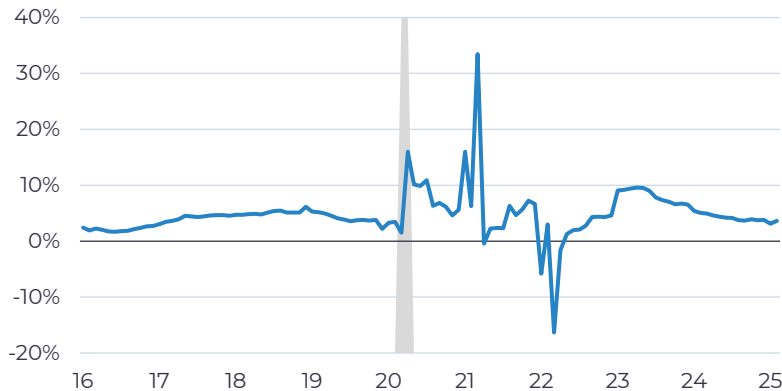
Consumer Sentiment & Confidence Indexes



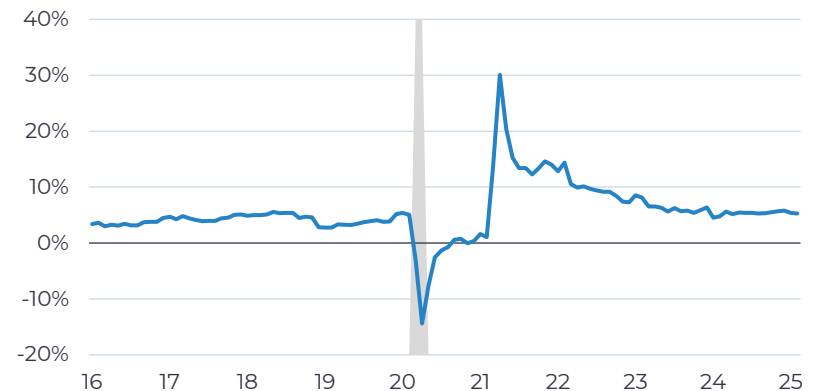
Personal Saving Rate (Seasonally Adjusted Annual Rate)



Disposable Personal Income (Y/Y % Change)



Personal Consumption Expenditures (Y/Y % Change)



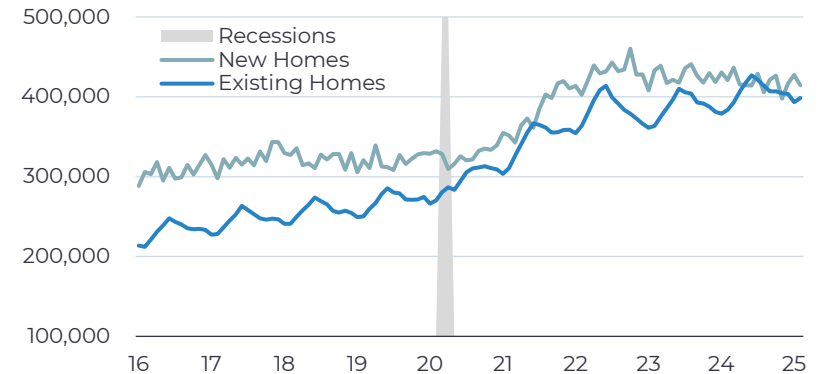
Tariffs could increase construction costs for homebuilders, as many building materials, such as lumber and gypsum, are imported from countries like Canada and Mexico. The National Association of Home Builders (NAHB) estimates 10% of building materials are imported, and the tariffs could add about \$10,000 to the cost of a new home, especially with ongoing tariffs like the 14.5% tariff on Canadian lumber. This could make it harder to build affordable homes, adding to challenges for buyers already facing high listing prices and mortgage rates. The average price for new homes in February was \$414,500, higher than previously owned homes at \$398,400. Tariffs could also keep inflation high, potentially prolonging high mortgage rates.

Housing Market Outlook

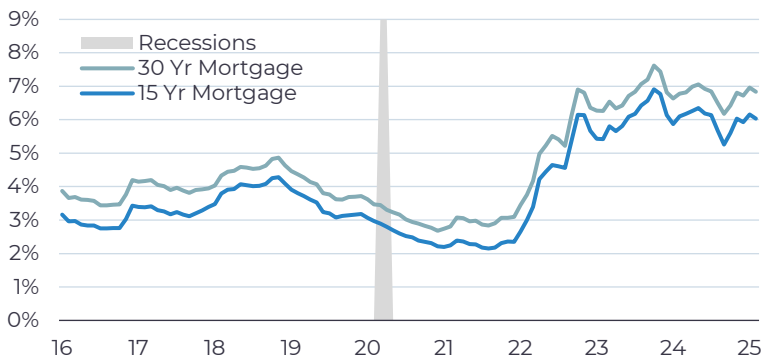
Housing Affordability (higher = more affordable)



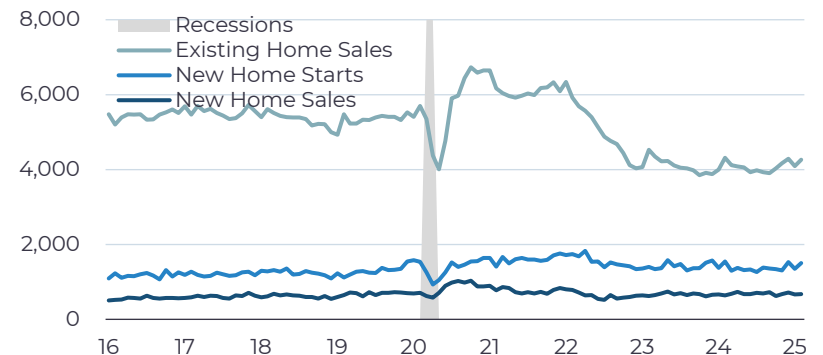
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.®



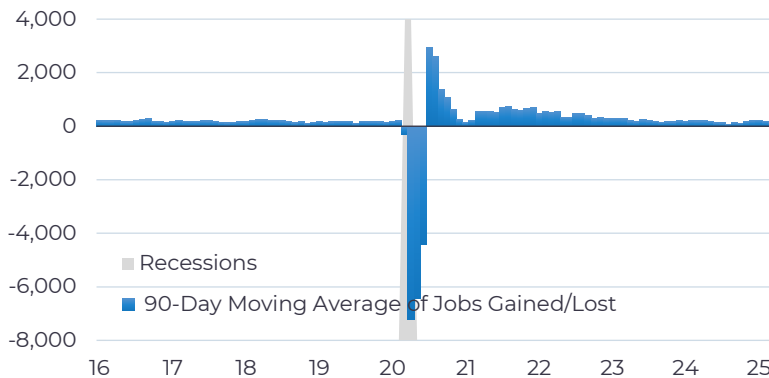
Housing Starts, Existing Home Sales and New Home Sales (000's)



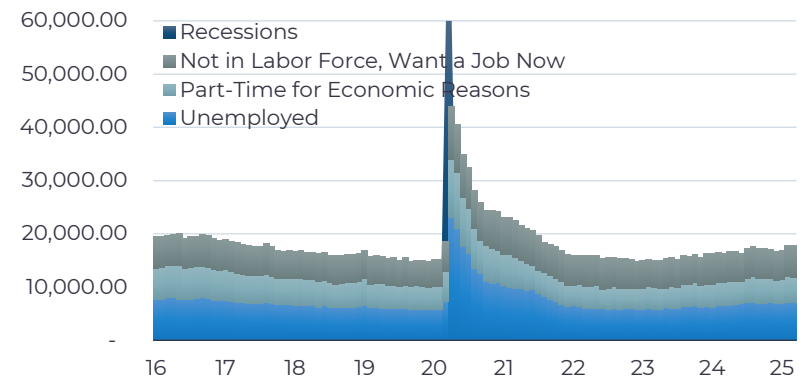
In March, the U.S. labor market showed growth by adding 228,000 jobs, a significant increase compared to February's 111,000. The unemployment rate rose slightly to 4.2% as 232,000 people reentered the workforce. Jobs were added in sectors like health care, hospitality, and construction. Average wages also rose 3.8% year-over-year. However, concerns about the economy are rising, with a sharp decline in the stock market following new tariffs imposed by President Trump. Additionally, spending growth has slowed as consumers become more cautious due to economic uncertainty. The federal government also experienced job cuts, with more expected in the coming months. Surveys indicate reduced demand for workers in both manufacturing and service sectors.

Labor Market Outlook

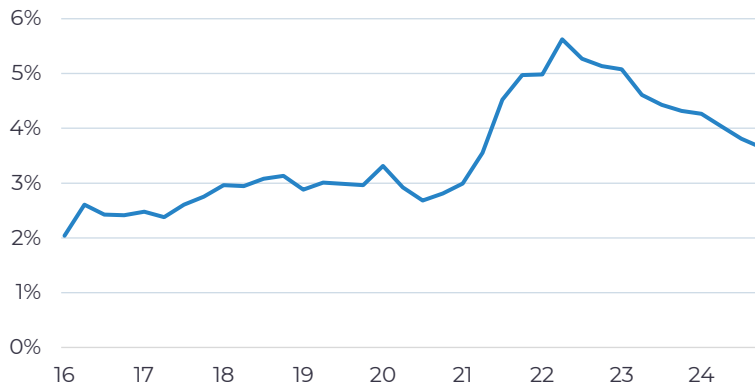
Jobs Gained/Lost (000's) with 12-Month Moving Average



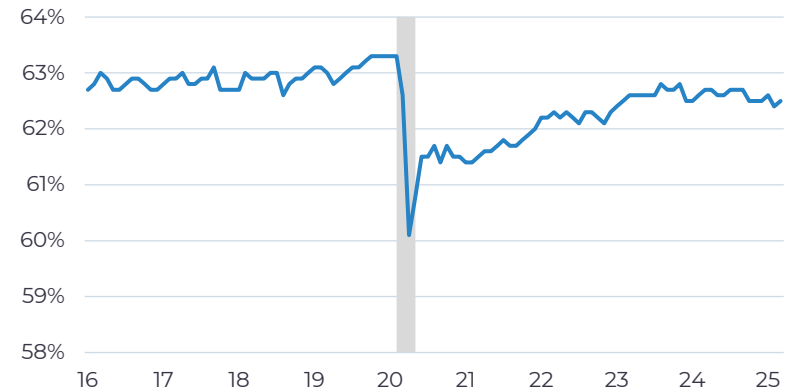
Labor Market Slack (000's)



Wage Growth (Y/Y % Change)



Labor Force Participation Rate



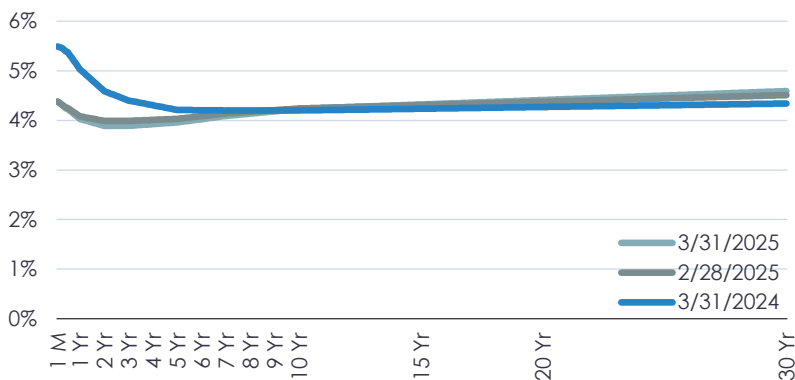


BOND MARKET PERSPECTIVE

In the fixed income markets, the Federal Reserve has kept interest rates unchanged at 4.25%-4.50% for the second consecutive month. The Fed has maintained its outlook for two rate reductions by the end of the year. The decision to pause rate changes was influenced by concerns regarding the economic repercussions of new tariffs and political uncertainty. Treasury yields remained stable, with the 10-year yield holding at 4.23%. The U.S. Aggregate Bond Index showed minimal change, increasing by only 0.04%. Credit markets, initially muted, began reacting with high-yield spreads widening, causing credit to underperform in March.

U.S. Treasury Market

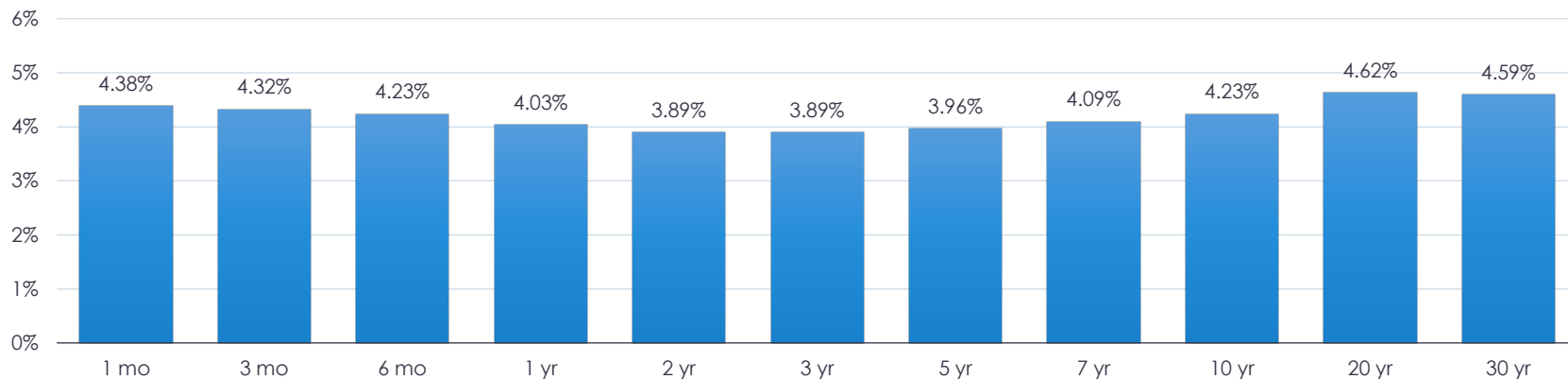
U.S Treasury Yield Curve



Historical U.S. 10-Year Treasury Rate

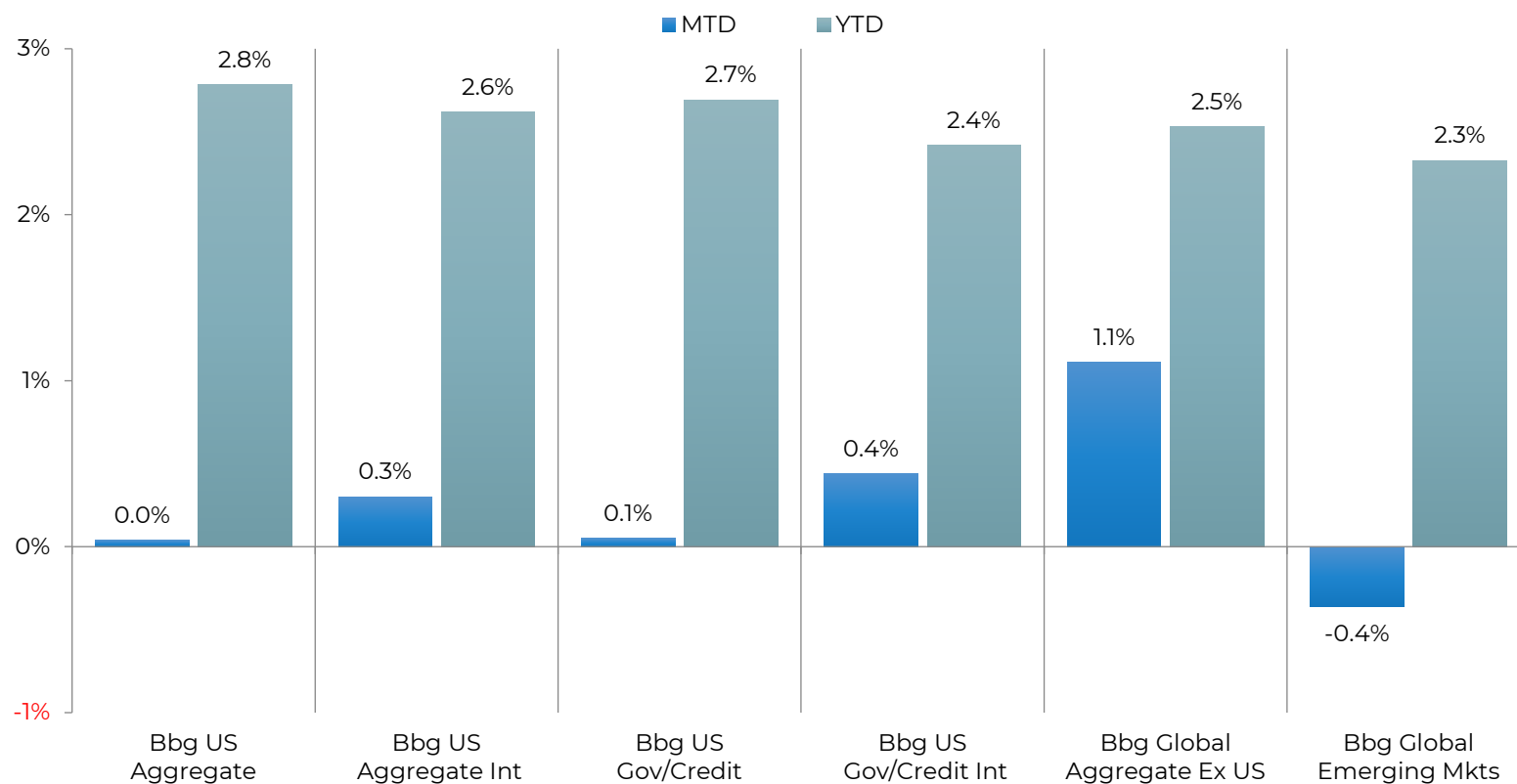


Current U.S. Treasury Yields by Maturity



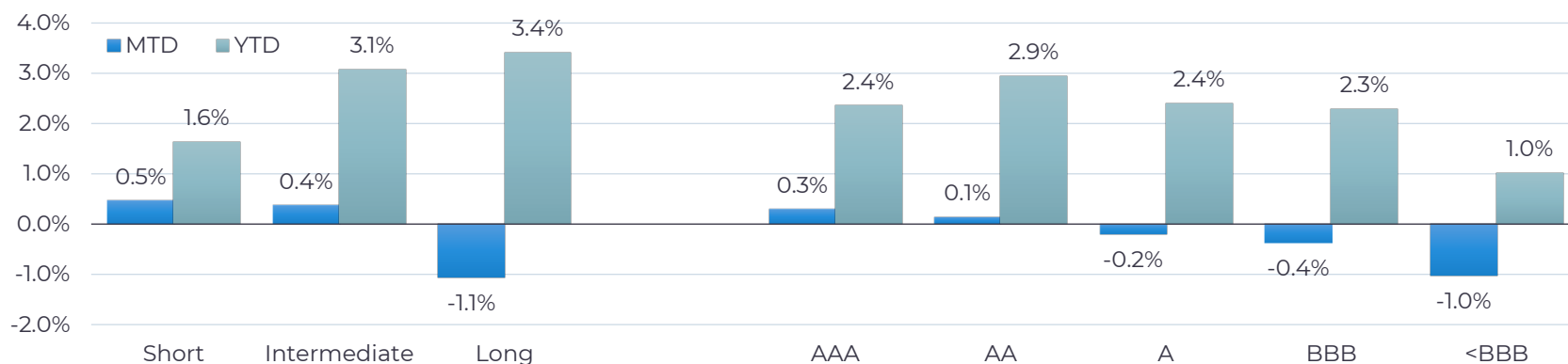
Source: U.S. Department of Treasury

Global Fixed Income Returns by Bellwether Index

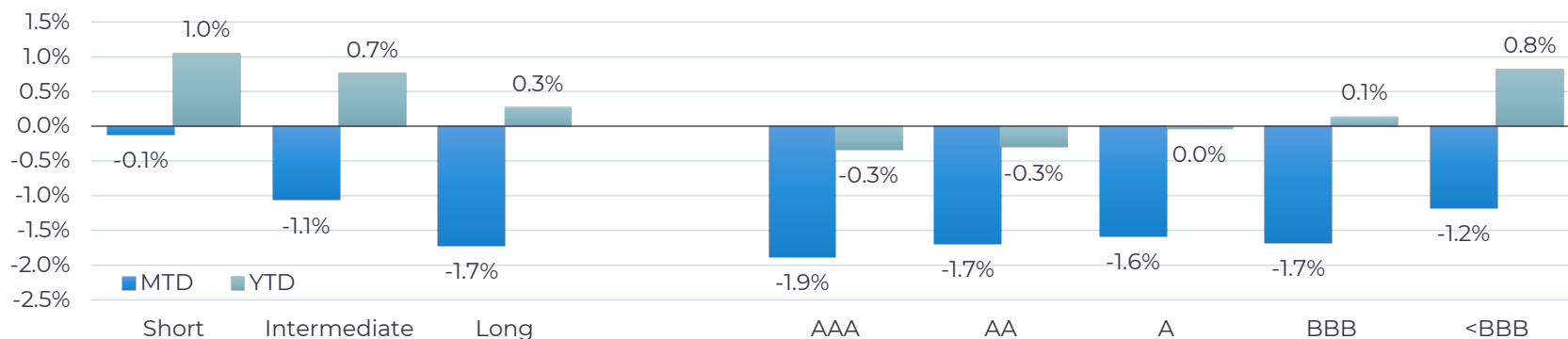


Domestic Fixed Income Returns by Maturity and Credit Quality

Domestic Bond Market - Taxable

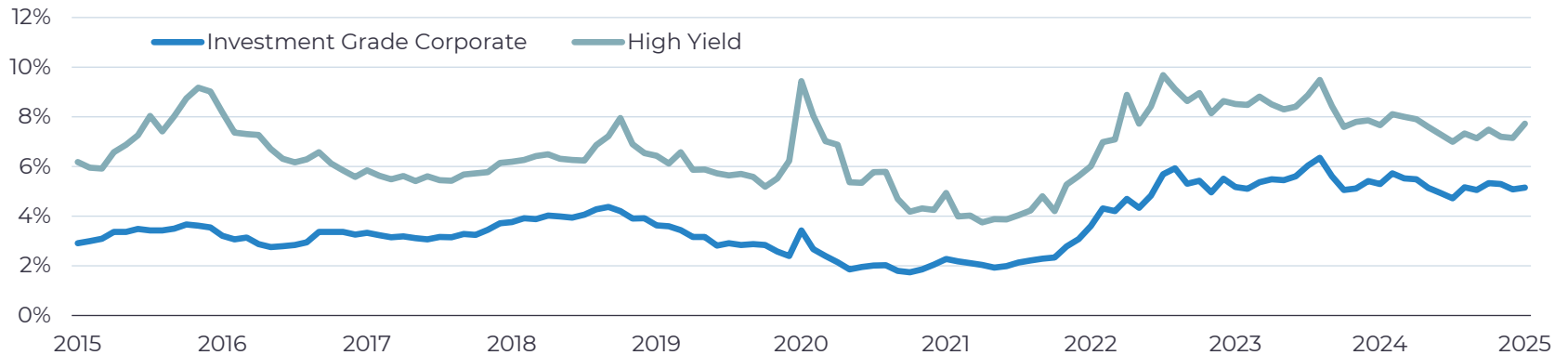


Domestic Bond Market - Municipal

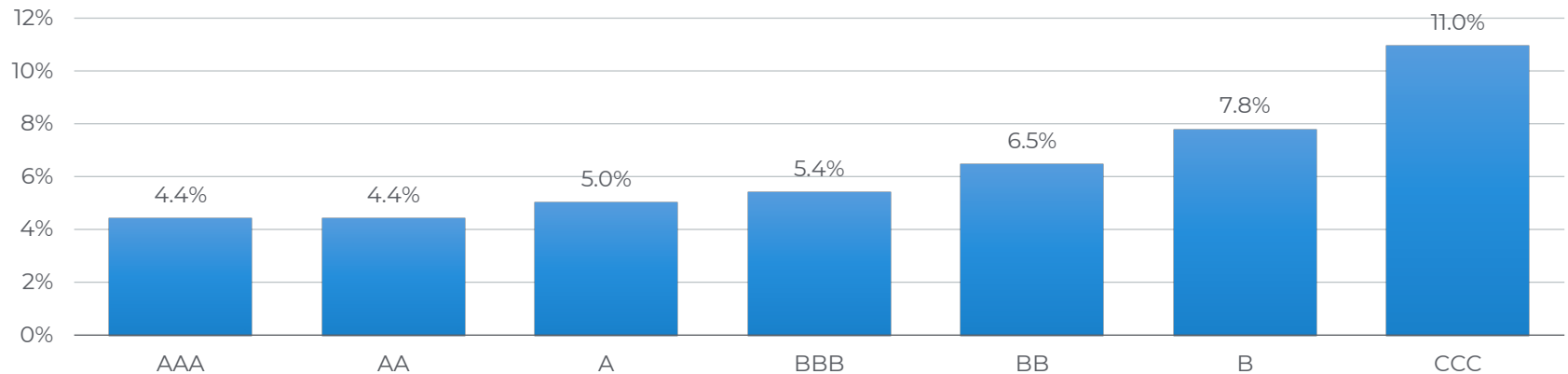


Domestic Fixed Income Bond Yields

Historical Corporate Bond Market Yield to Worst



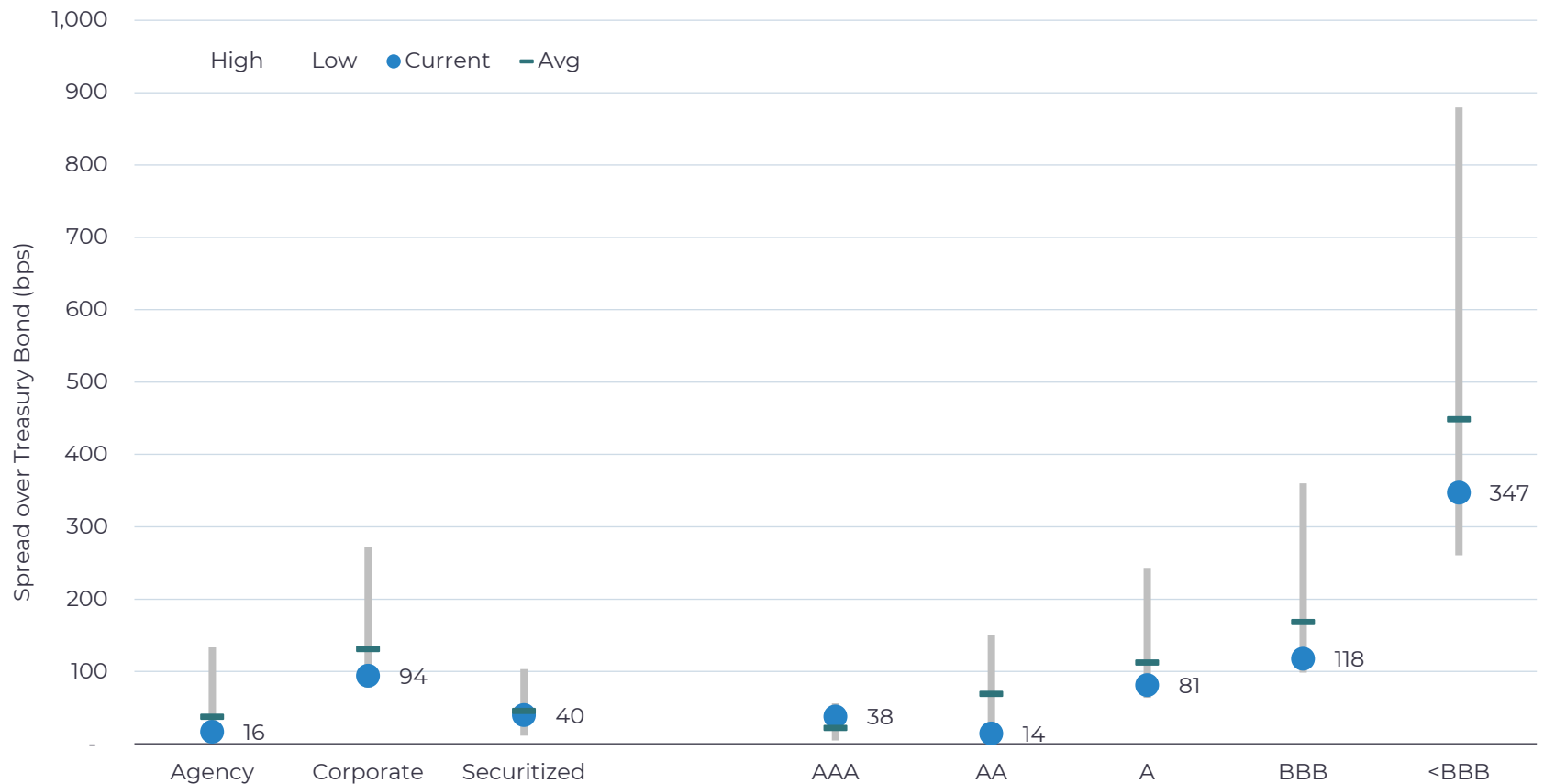
Current Corporate Bond Market Yields by Credit Quality



Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

Domestic Fixed Income Bond Spreads

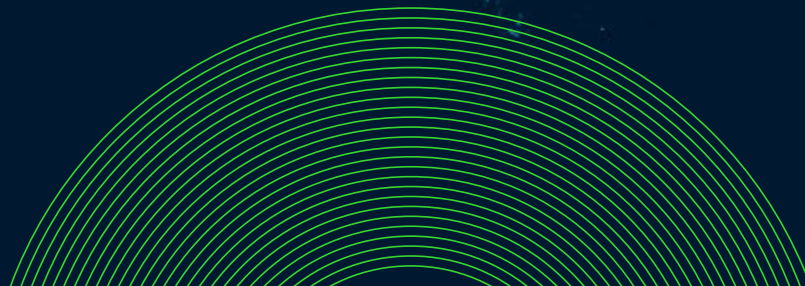
Current Bond Spreads Compared to 15-Year Range and 15-Year Average



The length of each bar represents the Range of the highest and lowest spread to the Treasury benchmark over the past 15 years. Average represents the average spread over the past 15 years. Current represents the most recent month. Source: Bloomberg Barclays



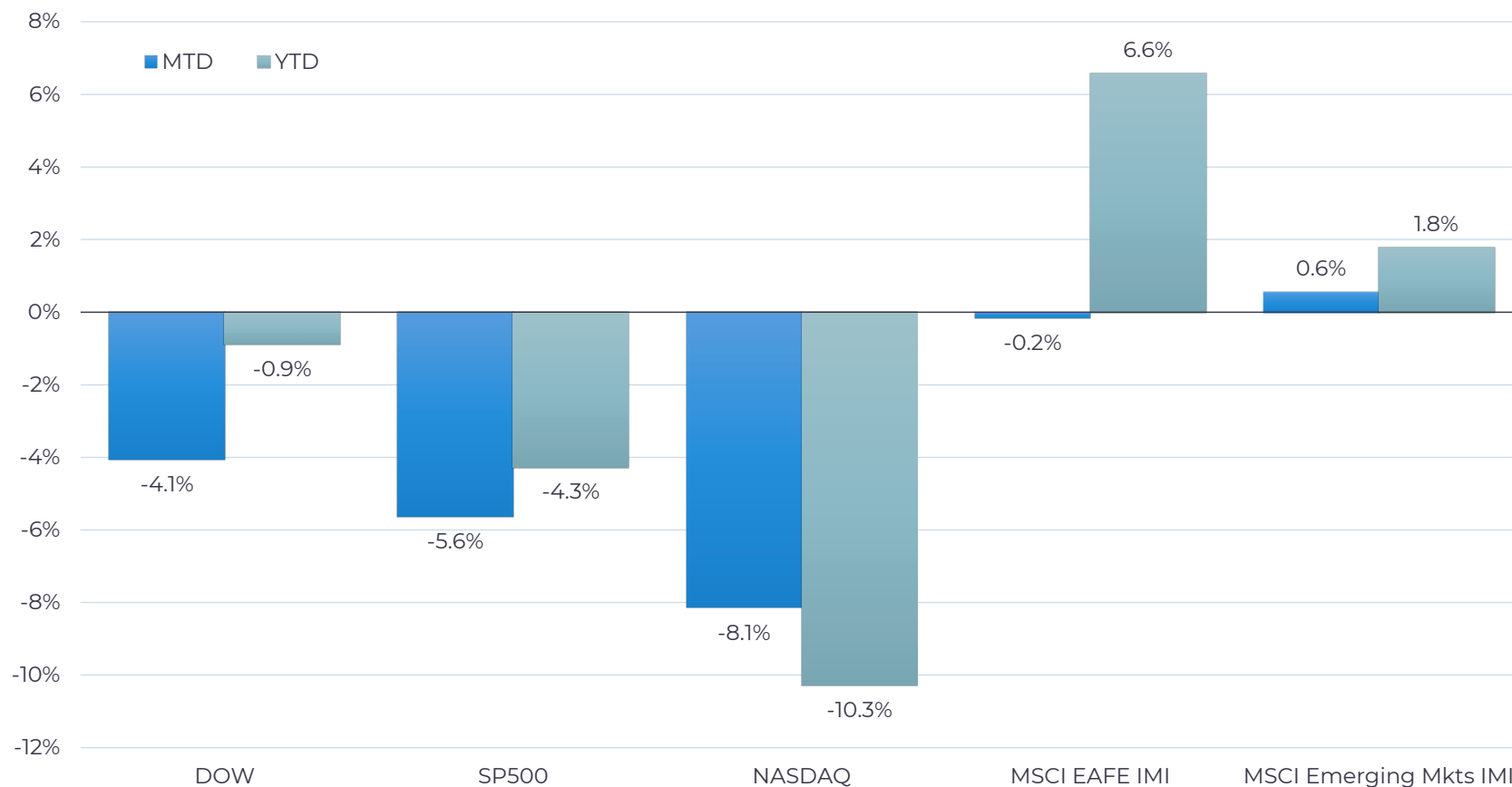
EQUITY MARKET PERSPECTIVE



The S&P 500 index experienced a decline of -5.6% in March. The “Magnificent 7” technology stocks continued their downward trajectory, returning -9.8% for the month. Conversely, the remaining 493 stocks declined by -3.7%. Collectively, U.S. Large Cap Growth stocks decreased by -8.4% in March, while Large Cap Value stocks were down -2.3%. Mid-cap and small-cap stocks exhibited similar trends to their larger counterparts, declining by -4.6% and -6.8% respectively. International markets fared better, with Foreign Developed stocks closing down only -0.2% for the month while Emerging markets ending March higher by 0.6%. The weaker U.S. dollar, which fell 3.1% during March, provided a tailwind for international and emerging market equities.

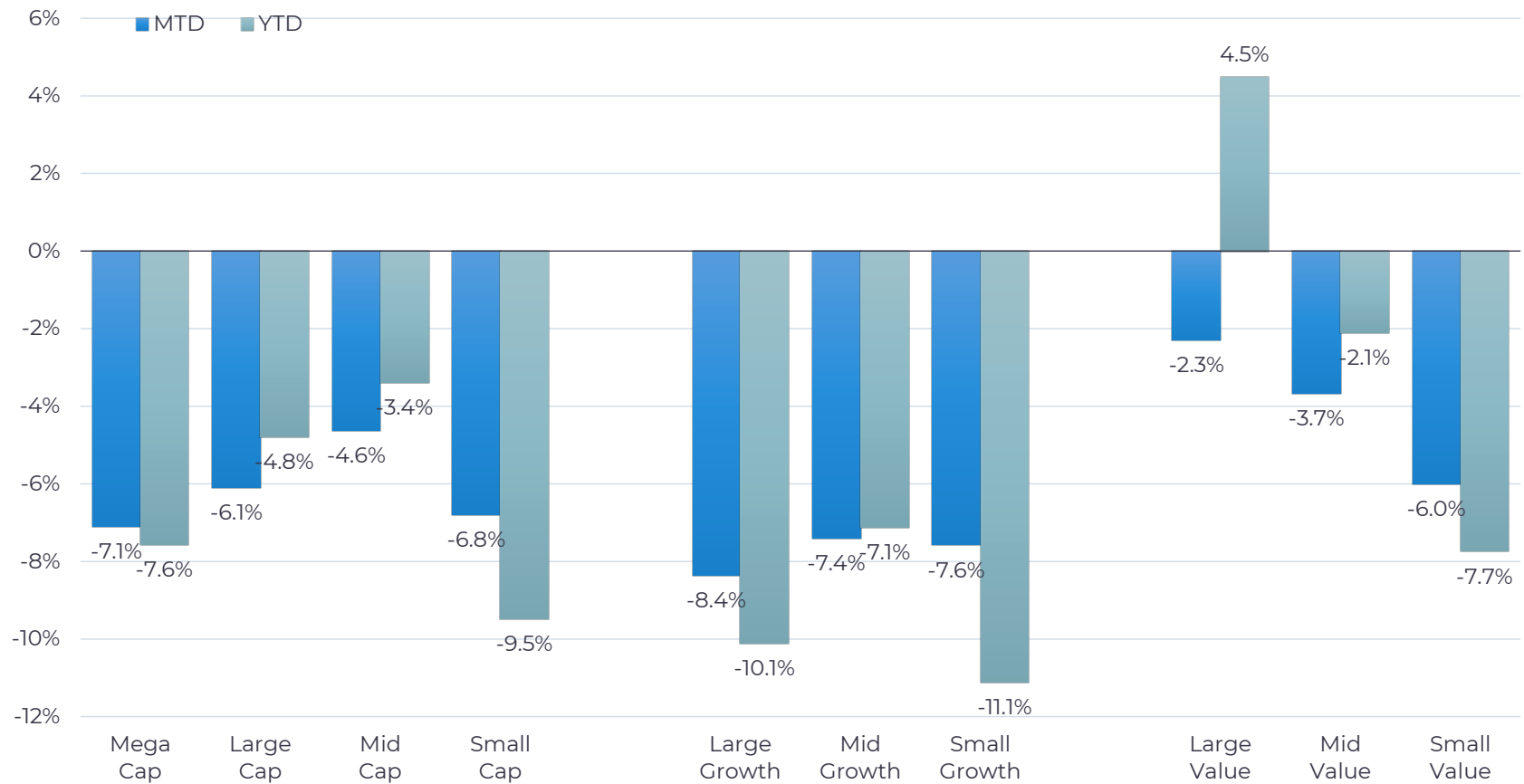
Global Equity Returns by Bellwether Index

Global Equity Markets



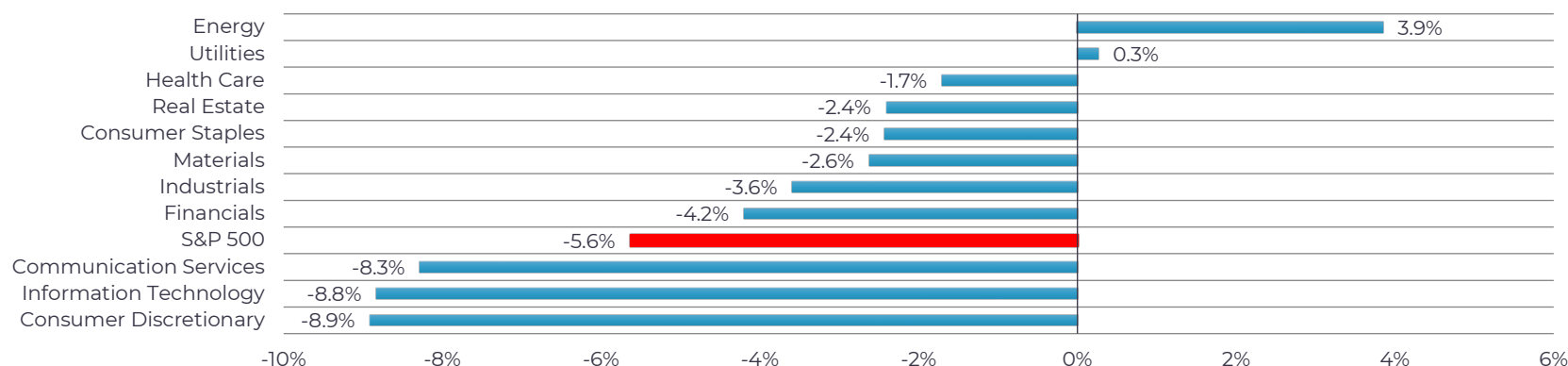
Domestic Equity Returns by Market Cap & Style

Domestic Equity Markets

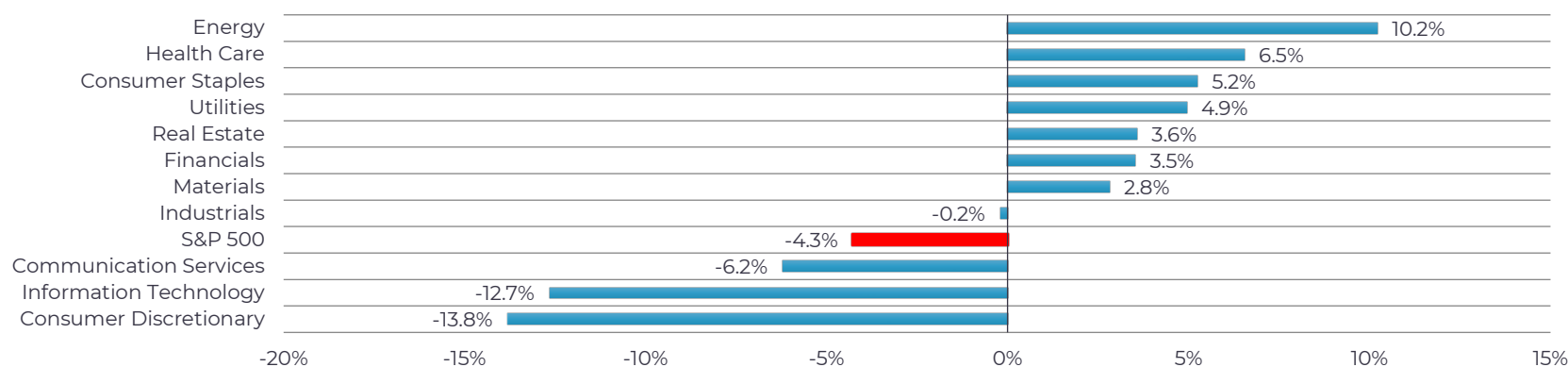


Domestic Equity Returns by Sector

MTD S&P 500 Returns by Sector

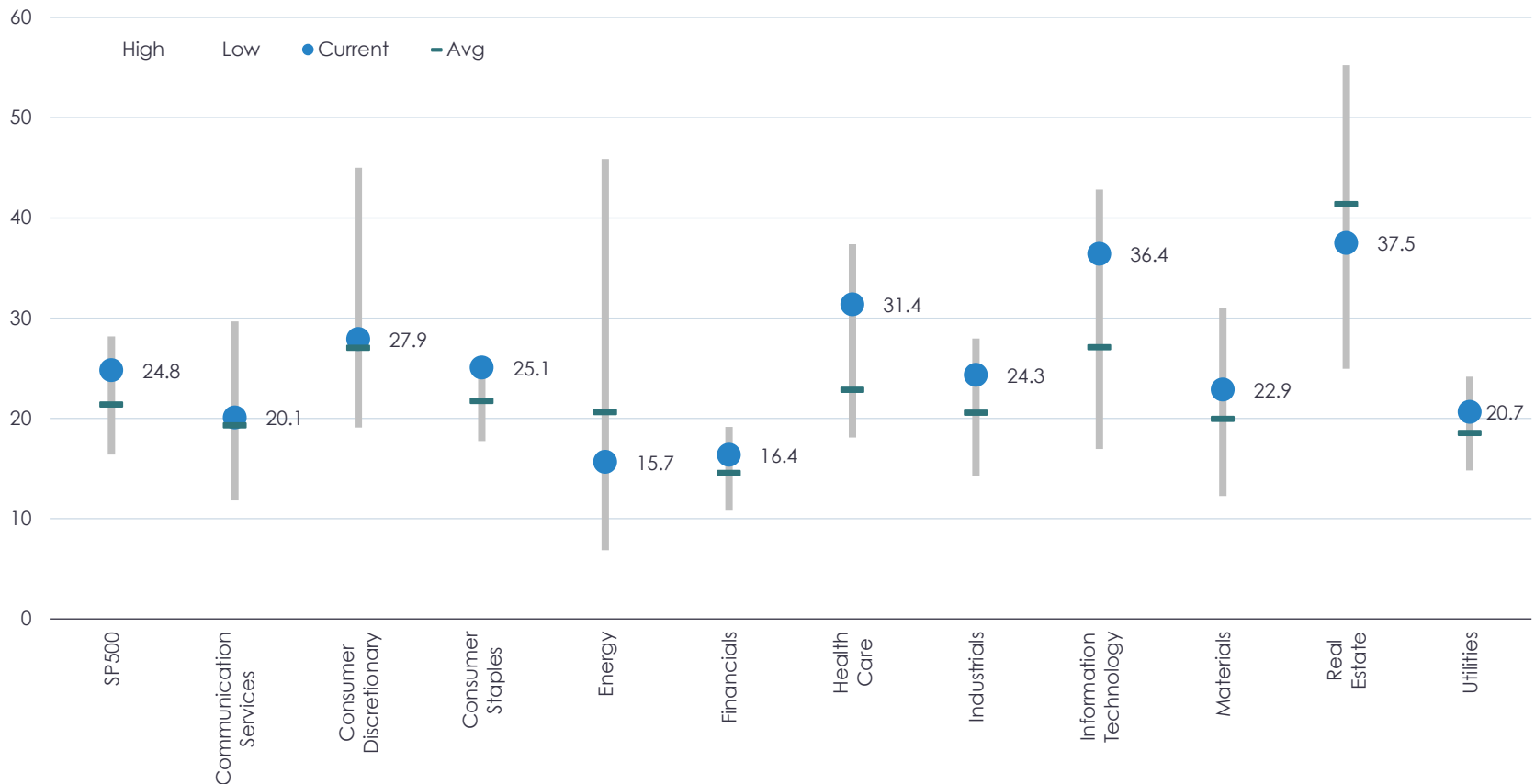


YTD S&P 500 Returns by Sector



Domestic Equity Valuations by Sector

Trailing 12 Month P/E Ratio Compared to 10-Year Range and 10-Year Average



P/E ratios are based on trailing 12 months earnings (LTM) excluding negative earnings. The length of each bar represents the Range of the highest and lowest P/E ratio over the past 10 years. Average represents the average P/E ratio over the past 10 years. Current represents the most recent month. Source: Bloomberg

Economic Indicator Descriptions

- **Real Gross Domestic Product (GDP):** GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.
- **Consumer Price Index (CPI):** Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.
- **Personal Consumption Expenditure Chain-type Price Index (PCEPI):** Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.
- **Conference Board Index of Leading Economic Indicators (LEI):** The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.
- **The Institute for Supply Management (ISM) PMI Index:** The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.
- **The Institute for Supply Management (ISM) Non-manufacturing Index (NMI):** The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.
- **Consumer Confidence Index (CCI):** The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.
- **Consumer Sentiment Index (MCSI):** The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MSCI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.
- **Disposable Personal Income per Capita (DPI):** DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.
- **Personal Consumption Expenditures (PCE):** PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.
- **Retail Sales:** The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.
- **Housing Affordability Index (HAI):** Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.
- **Unemployment Rate:** Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.
- **Wage Growth:** Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

Benchmark Descriptions

- **U.S. Aggregate Bond:** The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.
- **U.S. Treasury:** The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.
- **U.S. Agency:** The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate and foreign debt guaranteed by the U.S. government.
- **U.S. Corporate:** The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **U.S. MBS:** The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
- **U.S. Municipal Bond:** The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.
- **General Obligation Bond Index:** The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.
- **Revenue Bond Index:** The Barclays Revenue Bond Index measures the average market-weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.
- **Investment Style:** Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).
- **Large Cap vs. Small Cap:** Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.
- **Value vs. Growth:** Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.
- **Mega Cap:** The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 index.
- **Large Cap:** The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 index.
- **Mid Cap:** The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.
- **Small Cap:** The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
- **Large Cap Growth:** The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.
- **Large Cap Value:** The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
- **Mid Cap Growth:** The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.
- **Mid Cap Value:** The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.
- **Small Cap Growth:** The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.
- **Small Cap Value:** The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.



DISCLAIMER

Sanctuary makes no representation as to the accuracy or completeness of information contained herein. The information is based upon data available to the public and is not an offer to sell or solicitation of offers to buy any securities mentioned herein. Any investment discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Investments are subject to risk, including but not limited to market and interest rate fluctuations. Any performance data represents past performance which is no guarantee of future results. Prices/yields/figures mentioned herein are as of the date noted unless indicated otherwise. All figures subject to market fluctuation and change. Additional information available upon request.

Securities offered through Sanctuary Securities, Member FINRA and SIPC.

Advisory services offered through Sanctuary Advisors, LLC, and SEC registered investment advisor.