ALTAIR

INSIGHT

Quarterly Market Review

Moraine Lake at Banff National Park in Alberta, Canada
Nicklaus J. Donovan, Consultant

Third Quarter 2025 Key Topics

1. AI is providing rocket fuel for U.S. stocks. Tech firms' profitability and a broadening market can prolong their stay in orbit.

2. International stocks are the top asset class in 2025, and improved fundamentals suggest their momentum can be extended.

3. Economy's mojo is back with tariff fears having lessened.

4. The Fed worries its rate cuts will reignite inflation, but shifting economic conditions suggest only a moderate rise is likely.

5.Private equity remains a potential land of opportunity that could benefit from a Fed loosening cycle.

See disclosures at the end of document.

Markets have responded positively to the Federal Reserve's easing cycle and eagerly await a further drop in interest rates. So does President Trump, who wants Jerome Powell and the Fed to set aside their concerns about inflation and pick up their cutting pace.

The unflappable stock market has spawned a lot of talk lately about innings and years. As in, what inning is this rally in? What year does this most resemble?

Forecasters are at odds about the sustainability of a record-breaking U.S. market that has shrugged off most recent threats: tariffs, inflation, weakening employment, a government shutdown, and high valuations. Strategists and analysts have called this the early innings, middle innings, seventh inning and late innings. Can extra innings be far behind?

Perhaps appropriately with the World Series about to begin as we publish, we believe there is likely plenty of action ahead in this rally. But identifying a year with comparable market and economic conditions could help in estimating how long it might last.

Is this like 1929? Assuredly not, despite the doomsday outlook of a hedge fund manager who stands to profit from not only a crash but the publicity from a recent Wall Street Journal article about his way-out-of-the-strike-zone call.

The 1970s? Concerns have been raised in some quarters about the risk of a return to stagflation — a period of slowing growth, quickening inflation, and rising unemployment – which would surely challenge markets. We say cue up "Free Bird" and "Bohemian Rhapsody" from that era but do not believe in this scenario based on current conditions.

Is it 1999? That possibility is behind growing concerns that another tech bubble has formed that could burst in the not-distant future.

To be sure, today's lofty stock valuations and investor fervor for companies banking on big rewards from artificial intelligence bear some similarity to the dotcom frenzy of the late '90s. But the two eras differ in key aspects, including profitability, as we discuss further below.

While we are reeling in the years, what about 1996? This would be the Goldilocks scenario, and it contains some parallels to today that make it less implausible than the other periods. A runup in tech stocks was under way, fueling a 37.6% return for the Standard & Poor's 500 in 1995 and strong follow-through in '96. But that was just the beginning; the market delivered annual returns ranging from 21% to 33% from 1996-99. Federal Reserve Chair Alan Greenspan's famous "irrational exuberance" comment about stocks came on December 5th, 1996. Yet the dotcom peak did not arrive until March 2000.

We are cautiously optimistic about the market outlook for the rest of this year and the early months of 2026, and continue to recommend that our clients remain at target portfolio allocations. Over the long term, we are believers in the AI movement that continues to push equity markets to new highs seemingly every week. But we also are wary about the market's heavy concentration among the Magnificent 7 companies that have led the way in the short term. We believe diversification remains the best play rather than overconcentration of your portfolio in the largest technology stocks.

We have plenty of thoughts to share on the outlook and what opportunities and challenges lie ahead. Please read on for our quarterly discussion of key issues involving the markets and the economy.

1. **AI is providing rocket fuel for U.S. stocks. Tech firms' profitability and a broadening market can prolong their stay in orbit.**

The bull market passed the three-year mark on October 12th with a total return of 91% over the period, raising inevitable questions about how much longer it can last. We share the concerns of many about the stretched valuations of some stocks as well as market concentration, with a small number of companies increasingly accounting for a large chunk of the gains. However, we see offsetting factors that we believe provide the rally with staying power.

This bull is not long in the tooth by historical standards. The average bull-market gain for the S&P 500 over its century-long history has been 114.4%, according to the Bespoke Investment Group (although the median is lower at 76.7%). Moreover, we see additional support in the months ahead in the form of both monetary and fiscal stimulus, including lower interest rates and a tailwind from the One Big Beautiful Bill Act.

The risks bear close monitoring.

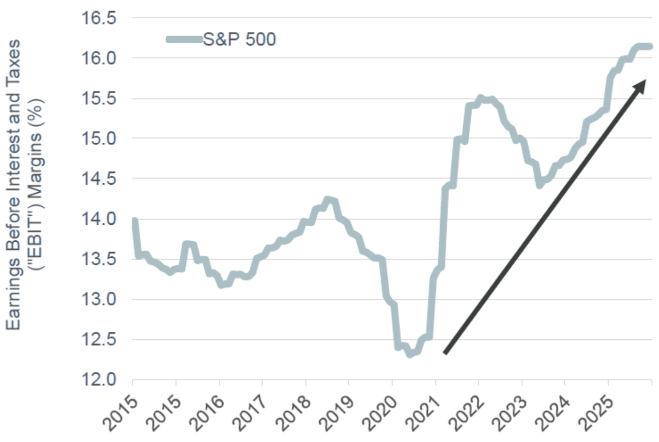
Perhaps most notably, the S&P 500's forward price-to-earnings (P/E) ratio, currently hovering around 23, significantly exceeds the average of about 17 over the past 30 years and is approaching the highest level since 2005. Its steady rise has fueled concerns about any speculative bubble that may have formed.

Rising market concentration is the other big cautionary sign. The 10 largest U.S. stocks, eight of which are tech-related, now make up nearly 25% of the global equity market and represent a collective value greater than the economic output of Germany, Japan, India, the United Kingdom, France and Italy combined. Greater concentration suggests a higher level of risk for investors.

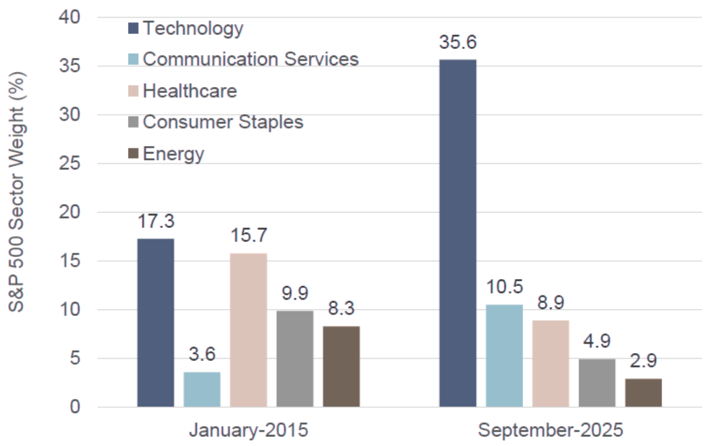
Is this a bubble? We do not believe so in the aggregate. Let us be clear, however: There is some AI overvaluation in the market. But this is hardly akin to the situation a quarter-century ago when dotcom sensation Pets.com, which racked up much publicity and sales after launching its website in 1998, traded publicly for nine months in 2000 before liquidating after failing to turn a profit.

The Magnificent 7 and other AI-focused giants have drawn their share of investor hype, too. But many stocks tied to artificial intelligence that have seen huge gains – and not all tech stocks have – also have reaped enormous earnings and revenue growth since the AI boom kicked into high gear with the debut of ChatGPT in November 2022. These companies also are investing heavily in infrastructure and other capital projects. In what has been dubbed a virtual arms race in computing resources, OpenAI, Amazon, Google, Meta and Microsoft have announced their intentions to collectively spend over $325 billion on data centers by the end of 2025. Investors may well have overreacted this fall in giving some of those stocks eye-popping price increases. But we believe all the capex will ultimately deliver more improvements in companies' productivity.

Earnings Margin Marches Higher
2015 - 2025



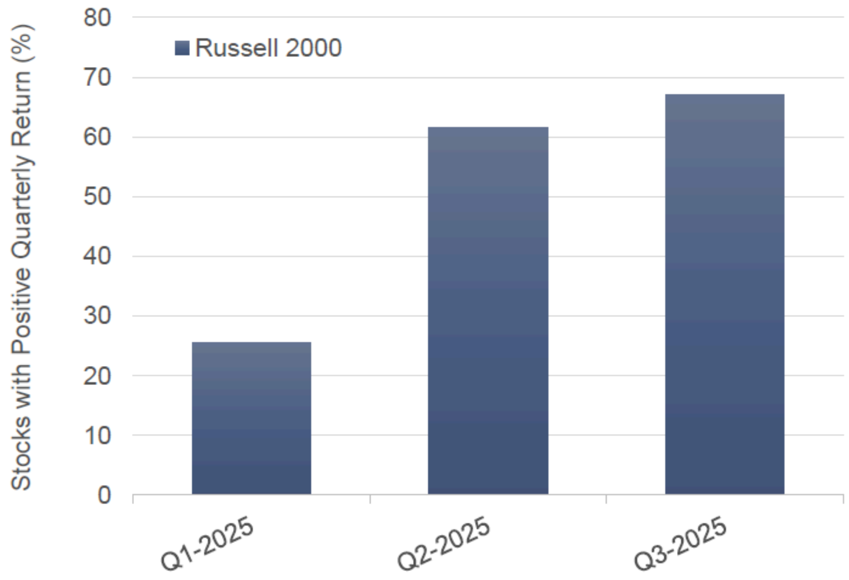
Tech's Growing Weight Lifts Index Profitability
2015 - 2025



Earnings for the S&P 500 as a whole continue to exceed expectations, too, thanks in large part to the tech companies that have been much more profitable than non-tech ones. The Magnificent 7 accounted for 44.1% of the S&P 500 Index's earnings growth over the past year based on data available through the end of September, according to Capital IQ. S&P 500 earnings for the July-through-September period are estimated by FactSet to have grown by 8% over a year ago, marking the ninth consecutive quarter of profit growth for the index.

Smaller companies have begun to play a critical role in the market rally, too. Small-cap stocks – those below the S&P 500 in market capitalization – outperformed all other asset classes with a 12.4% gain in the third quarter. After lagging large caps for years and logging a negative first half of 2025, the Russell 2000 benchmark finally closed at a new record high on September 18th for the first time in 3½ years.

Broad Strength in Small Cap
January 1, 2025 - September 30, 2025



Might this latest surge foreshadow a melt-up – a rapid, unexpected run-up that often is driven by investor herding rather than economic fundamentals and followed by a meltdown? We do not expect one any time soon. Substantial earnings growth is supporting this rise.

2. International stocks are the top asset class in 2025, and improved fundamentals suggest their momentum can be extended.

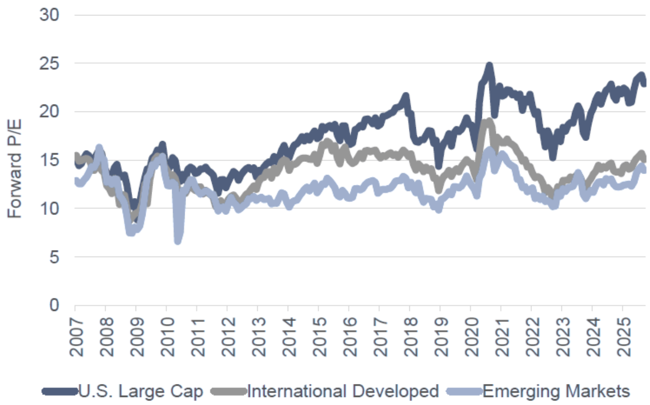
An easily overlooked development involving international stocks in the third quarter underscored their strength in 2025 and promising outlook ahead.

The mild strengthening of the dollar, whose 11% plunge in the first half had fueled big gains for non-U.S. stocks, did not keep them from registering another impressive quarter. In short, we are seeing more evidence that their comeback year is about much more than a weakened U.S. currency.

As gauged by the benchmark MSCI All-Country World ex-USA index, international stocks are closing in on their best annual performance (+26.2% through October 21st) since 2009 and a rare year of dominance over the U.S. after adding 6.7% from July through September. This may well mark the end of their “long winter,” as at least one international portfolio manager called it. It is too soon to tell, however, if it will last. International stocks have largely underperformed their U.S. peers since enjoying a decade of dominance from 2000-09.

Whether the global economy remains resilient in the face of tariffs and other challenges will be a big factor in the future performance of overseas companies’ stocks. The Organization for Economic Co-operation and Development (OECD) recently forecast almost across-the-board slowing of economies in China, India, Europe, Brazil and elsewhere as the slow-motion impact of the tariffs inflicts more economic pain.

Lower Valuations for Non-U.S. Stocks
January 1, 2007 - September 30, 2025



U.S. Large Cap is represented by the S&P 500. International Developed is represented by the MSCI EAFE Index. Emerging Markets is represented by the MSCI EM Index. Forward P/E calculated as September 30, 2025 price divided by full year 2025 actual and projected earnings per share.

That said, numerous factors suggest this is more than an outlier positive year for non-U.S. stocks. Valuations remain near historical norms despite this year's big rally, which we believe leaves room for further upside. And while some countries have struggled – Indian stocks have lost ground this year and Germany's market was negative in the third quarter – multiple markets across Asia and Europe have produced high double-digit returns.

Numerous Asian countries are providing more monetary and fiscal stimulus, buoying investors. Japan, whose stocks comprise the largest share of any country in both the MSCI All-Country World ex-USA (13.7%) and MSCI EAFE (22.3%) ETF benchmarks, has hit multiple record highs this year following 30 years without one. Shareholder-friendly actions by the government have helped the market and more are likely under the rise to power of a fiscal expansionist, Sanae Takaichi, to prime minister.

China's market has surged thanks to the country's advances in high-tech industries and improved market fundamentals. Tech companies with AI interests also have delivered strong returns in South Korea (Samsung, for example) and Taiwan (Taiwan Semiconductor Manufacturing). Defense stocks, too, are doing well on the backs of fiscal stimulus in Germany (Rheinmetall) and the United Kingdom (BAE Systems).

Overseas markets stand to benefit further in 2026 from possible rate cuts by global central banks, further deregulation and increased defense spending in Europe, promised fiscal stimulus in Germany, tax reductions in India, and additional stimulus elsewhere in Asia. But the extent of any continuing international rebound will be heavily influenced by how hard U.S. tariffs hit.

3. Economy's mojo is back with tariff fears having lessened.

Dark clouds gathered on the horizon for the U.S. and global economies after President Trump announced stringent tariffs in April. Six months later, uncertainty is high and the risks remain substantial. But we see no sign a major storm is imminent despite the recent flare-up between the U.S. and China with one threatening a new round of tariffs and the other imposing restrictions on rare earth minerals.

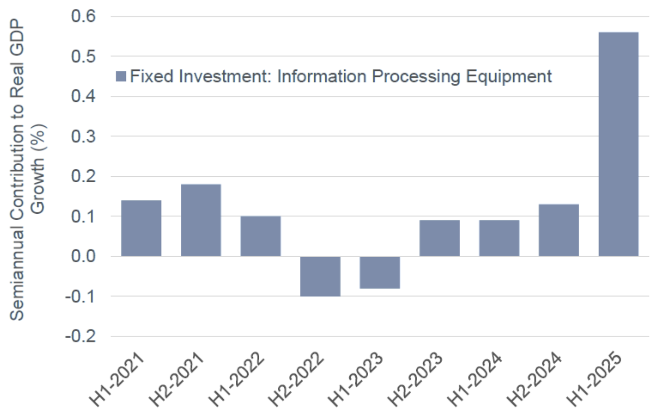
Even the head of the International Monetary Fund, which typically takes a glass-half-empty view of the world economy in its quarterly outlooks, acknowledged in October that global growth, while decelerating, is doing "better than feared" with projected medium-term annual expansion of around 3%. IMF chief Kristalina Georgieva noted that the U.S. economy has been more resilient than anticipated, while cautioning that the tariff threat has not yet passed: "The full effect is still to unfold."

The biggest sign of stress from tariffs appears to be a softening labor market. The months-long trend of data showing fewer jobs being added is on hold due to the government shutdown, which stopped the flow of reports. But private-sector measures showed continued deterioration in the number of Americans working. According to payroll processor ADP, the U.S. lost an estimated 32,000 private-sector jobs in September, when economists were expecting a substantial gain.

Additionally, the jobless rate has crept up to 4.3% from 4.1% a year ago and 3.5% in 2023. Overall, the best way to characterize the labor market is that firings remain limited but so do hirings right now. Also weighing on the economy is sluggishness in both manufacturing and home sales.

AI Driving Market and GDP

January 1, 2021 - June 2025

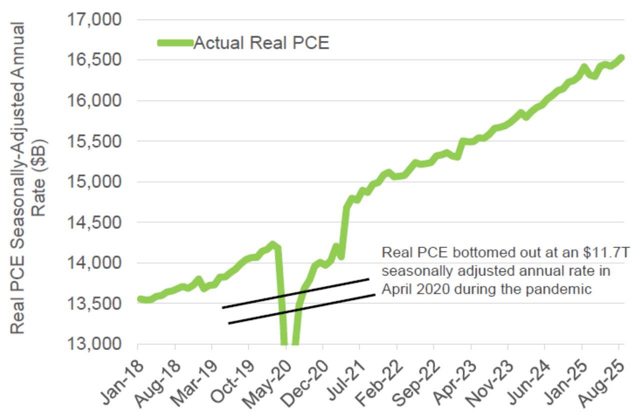


Overall, though, the economy is expanding at a robust rate – estimated by the Atlanta Fed at 3.9% annualized in the third quarter. A majority of companies have yet to be hit hard by tariffs; corporate earnings are thriving, boosted in part by megadeals supporting the nationwide build-out of artificial intelligence data centers. AI-related spending, in fact, is estimated to add an extra 0.5 percentage point to GDP growth, according to researchers at Pantheon Macroeconomics.

Small-business owners' confidence has surged to its highest level since 2017, despite the weak job market and rising inflation, as worries about tariffs lessen. Consumers, buoyed by rising household wealth, have kept spending despite surveys showing flagging sentiment. And demand for durable manufacturing goods such as factory equipment has surged recently, reflecting consumer and business confidence in the economy's future.

Employed Consumers Keep Spending

January 2018 - August 2025



Some of that lift in confidence on the business side can be attributed to enactment of the One Big Beautiful Bill Act in July. Provisions of the bill should broaden spending in 2026 through tax refunds and a boost in corporate capital expenditures. These measures should behave like a form of stimulus.

Most notable for businesses in the OBBBA is restoration of full and immediate depreciation of certain capital investments and domestic research and development. While a wide range of businesses would benefit from what's known as "100% bonus depreciation," one of its primary purposes is to increase manufacturing and other production activity in the U.S. This depreciation structure was a key element of the 2017 Tax Cuts and Jobs Act, enacted during the first Trump presidency, that was scheduled to be scaled back significantly in 2025 and eliminated entirely in 2027. In OBBBA, this provision was made permanent.

For consumers, the OBBBA locks in several key components of the 2017 legislation. These include the individual tax rates and tax brackets, which were slated to expire at the end of 2025, and a higher standard deduction (with seniors getting a generous extra deduction through 2028). The OBBBA also quadruples to $40,000 the maximum allowable deduction for state and local taxes, cuts taxes on tips and overtime pay, and expands childcare-related tax credits.

As a result of the OBBBA's tax provisions, the federal government is expected to take in many billions of dollars less in tax revenue annually. Absent major spending cuts, the federal debt – already on an unsustainable path – could grow even more substantially in the coming years. The Congressional Budget Office says the OBBBA will boost the nation's debt load by $3.4 trillion over the next decade, which could eventually lead to slower GDP growth and higher interest rates.

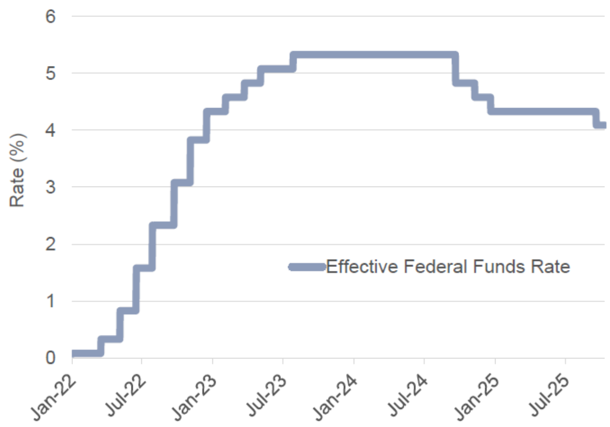
4. The Fed worries its rate cuts will reignite inflation, but shifting economic conditions suggest only a moderate rise is likely.

"If we ease too aggressively, we could leave the inflation job unfinished and need to reverse course later." – ***Federal Reserve Chair Jerome Powell***

The drama surrounding the Federal Reserve has hardly abated since a nine-month wait for lower interest rates ended in September. The weakening job market halted the central bank's long pause and initiated a rate-cut cycle that is likely to result in further reductions, including another quarter-percentage-point drop at the Fed meeting on October 29th. But questions still abound about the pace of coming rate reductions amid political pressure and the coming change in the composition of the central bank's leadership and membership in 2026.

Fed Resumes Rate Cuts

January 2022 - September 2025



Now that the rate-cut cycle is finally under way, we should examine the extent of the threat posed by inflation. Just as the government shutdown complicated the Fed's task of determining monetary policy because of the delay in the release of economic data, including the September jobs report, it effectively imposed an information blackout on inflation numbers. That left real-time trends subject to speculation about how fast inflation is accelerating.

Consumers are understandably pessimistic, feeling squeezed by higher prices from tariffs and not that far removed from the 9.1% inflation of 2022, the highest in 40 years. The University of Michigan's monthly consumer sentiment survey in October found their glum year-ahead inflation expectations at 4.6%, dramatically higher than the Consumer Price Index of 2.9% in August that was the most recent available until a new report released October 24th put it a tick higher 3.0%.

Fed officials, too, are wary. Powell noted in a recent speech that "near-term risks are tilted to the upside." Uncertainty around the path of inflation remains high, he said, as tariffs take time to work through supply chains. China-U.S. tensions, too, are putting upward pressure on inflation.

The good news is that private data shows a continued deceleration in the cost of housing, that has been the largest contributor to above-average inflation for years. A year ago, it accounted for 1.75 percentage points of CPI, or more than half of headline inflation. Most recently that had dropped by nearly a half-point. Goods prices, which had fallen last year, have driven the latest pickup in inflation. With housing and other services seeing disinflation and oil prices remaining muted, however, we feel confident the Fed can cut rates a bit further without stoking rampant inflation.

President Trump's newly seated representative on the decision-making Federal Open Market Committee, Stephen Miran, is pushing for more aggressive cuts and wants rates to be lowered quickly to around 2.5%. But the rest of the Fed appears united about keeping the pace modest. Like Powell, the other FOMC voters appear focused on preventing further labor market softening but are wary of letting the inflation genie out of the bottle by cutting too precipitously.

Regardless of whether this gradual easing is the best decision for the economy – we believe it is – we applaud the Fed's business-as-usual, data-dependent approach in the face of political pressure. In the same vein, we view the Supreme Court's recent decision allowing Fed governor Lisa Cook to remain in her job until it hears arguments on her case in January as a valuable affirmation of the Fed's independence.

Both the Miran appointment and the attempted Cook firing appear to stem from President Trump's push to reshape the panel in order to achieve large rate reductions. We respect the power of the presidency but we also oppose any politically motivated actions involving the central bank. We strongly believe in the necessity of an independent Fed for market stability.

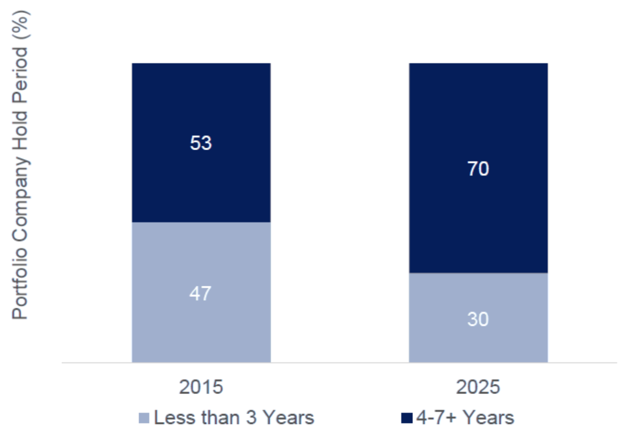
5. Private equity remains a potential land of opportunity that could benefit from a Fed loosening cycle.

The interest rate jump in 2022 cut the legs out from under the U.S. private equity market – cheap funding for dealmaking suddenly got quite pricey.

Now, with the Federal Reserve embarked on a rate-cutting journey expected to carry on well into 2026, the outlook for this asset class looks rosier.

In a nutshell, private-equity firms create funds and raise capital to buy private and sometimes public companies that they believe can be made more efficient and then sold at a higher price in the future. A wide range of investors commit to a holding period of typically 10 years – though this timeline has lengthened recently with higher interest rates making monetization more difficult.

Pressure Builds to Sell Longer-Held Companies
2015-2025



The funds also borrow money to leverage returns. More than a decade of low interest rates after the 2008-09 financial crisis provided considerable fuel for PE growth. High rates imposed by the Federal Reserve to stifle the post-pandemic inflation surge drove up the cost side for PE funds and thus reduced activity. Now, in late 2025, a rebound in deal activity is under way as Fed rate cuts reduce borrowing costs, which could enhance future performance. PE as measured by the Cambridge U.S. Private Equity Index* has delivered an 11.7% annualized return (net of fees) for the past 25 years through the first quarter of 2025.

*The Cambridge U.S. Private Equity Index is a horizon calculation based on data compiled from 1,683 US private equity funds, including fully liquidated partnerships, formed between 1986 and 2025. See disclosures at end of document.
Sources: PitchBook, Kirkland & Ellis

For clients who have a longer time horizon and less need for liquidity, we believe private equity can play an important role in a well-diversified portfolio. As a result, we will be increasing our target allocation to PE. We particularly like the “lower middle market” – private companies with annual revenue between $10 million and $150 million.

This segment includes a large opportunity set – there are roughly 200,000 private U.S. companies in the broader middle market, according to the latest figures from the National Center for the Middle Market at Ohio State University. That business count is more than 20 times greater than the total number of publicly listed companies on U.S. exchanges, which have been steadily shrinking for the past 30 years.

A big part of the decline in the number of publicly traded companies is that more startups and other young firms are opting to remain private longer – initial public offerings have rebounded slightly this year, but they are still less than half their 2021 peak. The growth of private markets and increased private equity funding have made it easier for companies to raise capital without an IPO and allows them to avoid the paperwork and expenses required to meet regulatory requirements for public companies. They can also escape the emphasis on short-term performance often characteristic of public markets.

Another positive attribute is that the middle market is not as competitive as the larger end of the market. This means it can be easier to find hidden gems and those gems may be more attractively priced, which provides a greater margin of safety for investors. Enterprising PE funds can also look to bundle a group of smaller companies with similar offerings into a larger, more efficient business worth more when it is time to sell.

Investing in private equity does not come without tradeoffs and risks. In addition to the impact of interest rates discussed earlier, not every investment in a private company turns out to be a winner, the long commitment of capital to a PE fund reduces liquidity and presents opportunity costs, and sometimes the payback to investors takes longer than initially expected. We view them as manageable downside risks that are outweighed by the diversification and potential return benefits of investing in private equity for a portion of your portfolio.

Our Outlook

- **Stocks** may be subject to temporary volatility in the near term given ongoing tariff uncertainty and trade tension coupled with higher valuations. Ultimately, however, further rate cuts and government stimulus from the One Big Beautiful Bill Act should breathe more wind into the market's sails.

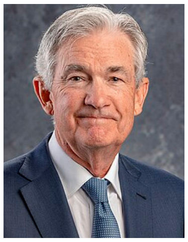
- **The U.S. economy** remains on a firm growth path, aided by a burst of business dealmaking along with record household wealth that enables consumers to keep spending vigorously. The weakening job market is a vulnerability, but the most recent data available points to gradual slowing rather than a worrisome decline.

- **The world economy** continues to show surprising resilience in the face of U.S.-imposed tariffs. Further interest-rate cuts expected by central banks in 2026 should provide an added boost to economic activity in Asia and Europe.

- **The Federal Reserve** is likely to lower interest rates at its October 28-29 meeting and perhaps once more in December. But we believe the Fed may pause again if the job market holds firm and inflation keeps rising, making additional easing neither needed nor advisable.

- **Inflation** is a near-term concern as more companies raise their prices to offset the cost of tariffs. However, we expect price growth to start decelerating again in 2026.

Quotes of the Quarter



"By many measures, equity prices are fairly highly valued"

Jerome Powell
Federal Reserve Chair

"The world has avoided a tit-for-tat slide into trade war – so far."

Kristalina Georgieva
International Monetary Fund Managing Director

"Growth has been a bit more resilient than we expected. But in spite of that resilience, some indicators are weakening."

Alvaro Pereira
Organization for Economic Cooperation and Development Chief Economist

Market Data

U.S. Stocks

The historically weakest quarter of the year was anything but weak in 2025. Markets' embrace of an interest-rate cut and robust corporate earnings and spending outweighed concerns about the potential impact of tariffs, resulting in a banner third quarter. The rise in the iShares S&P 500 ETF was not quite as impressive as the 10.8% of the April-through-June period, but it was close: up 8.1%, pushing the year-to-date return to 14.7%. The approach of a government shutdown loomed at the end of the quarter but failed to douse the rally. The large-cap benchmark, which has averaged about a 1% decline in a century of Septembers, rose 3.5% during the month. Technology (+11.5%) and consumer discretionary (+10.4%) stocks led the way; consumer staples (-2.5%) was the only sector that lost ground for the quarter. Small caps benefited from the prospect of lower rates; the iShares Russell 2000 ETF rebounded from a negative first half to jump 12.4% higher in the quarter for a 10.4% year-to-date return. Growth stocks outperformed value stocks by five percentage points at the large-cap level (10.4%-5.3%) while value had a fractional edge (12.6%-12.1%) among small caps. 2025 has been a good year for both investing styles so far.

International Stocks

Non-U.S. stocks extended their strong 2025 performance, and this time the gains were not tied to currency. The iShares MSCI EAFE ETF, which tracks stocks in 21 developed markets from Europe, Australasia and the Far East, pushed its year-to-date gain to 25.7% with a 4.5% rise from July through September. Little sign emerged that the stiff new U.S. tariffs are hurting overseas markets, which instead moved higher because of improved fundamentals and shareholder-friendly actions in Asia and Europe in particular. Emerging markets fared the best, thanks in part to stimulus from the government in China, whose stocks comprise a large chunk of the iShares MSCI Emerging Markets ETF. That benchmark rose 10.7% and was up 28.9% through nine months. Much of the first-half gain for international stocks came from the U.S. dollar's 11% drop against other leading currencies. In the third quarter, however, the greenback actually served as a slight headwind as it climbed 1% against the same foreign currencies. The EAFE gain was slightly higher (5.4%) in local currencies than for U.S. investors who hold shares in international markets through dollar-based funds. Notable top performers in dollar-based ETFs by country included China (12.2%), Italy (8.1%) and Japan (7.6%).

Real Estate

Real estate investment trusts posted solid gains, even as they continued to lag the broader market on concerns about the economic outlook and the impact of tariffs in some sectors, such as retail and industrials (warehouses). The Vanguard Real Estate Index Fund rose 3.7%, its best three-month gain since the third quarter a year earlier, and was up 5.7% through nine months. September's first interest-rate cut in nine months, which was widely expected, coincided with only fractional gains for REITs as investors remained cautious given the uncertain impact of a slowing economy on real estate.

Hedged/Opportunistic

Investments in publicly traded senior bank loans as benchmarked by the Invesco Senior Bank Loan ETF logged a second straight quarterly gain, albeit a modest one, following its loss at the start of the year. The gauge for direct lending rose 1.8% and was up 4.8% for the year.

Fixed Income

Bonds enjoyed modest gains in the quarter as yields came down only slightly, mirroring the Fed's 25-basis-point rate cut. The benchmark 10-year Treasury note yield edged down by a tenth of a percent to 4.1% during the quarter – down substantially from 4.6% at the end of last year but remaining above 4% for over a year now.

The Vanguard Total Bond Market ETF, a benchmark for investment-grade taxable U.S. bonds, added 2.0% and was up 6.1% for the year. Bond prices rise when their yields fall. Tax-exempt municipal bonds performed fractionally better as they had their best quarterly gain in a year. Altair's benchmark for muni bonds, a blend of the Market Vectors short and intermediate ETFs, was up 2.2% through three quarters and 3.5% for the year to date. Municipals got off to a rapid start in September en route to their best month since December 2023. They cooled with the release of data underscoring the economy's resilience, which reduced chances of rapid rate cuts by the Fed.

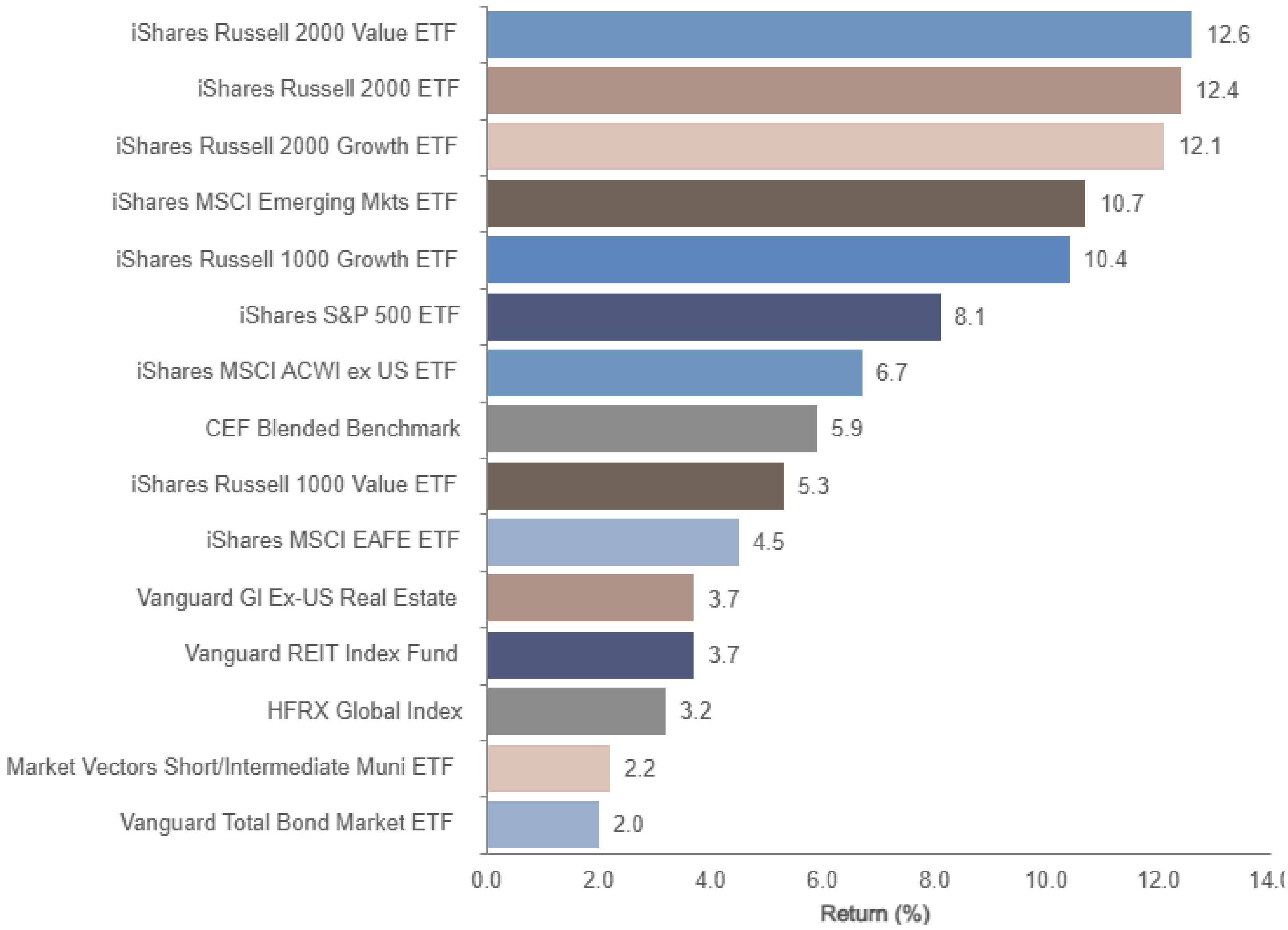
Investable Benchmark Returns through September 30, 2025

	Quarter (%)	Year-to-Date (%)	Annualized: 1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Large Cap Equity						
iShares S&P 500 ETF	8.1	14.7	17.5	24.9	16.5	15.3
iShares Russell 1000 Growth ETF	10.4	17.0	25.3	31.4	17.3	18.6
iShares Russell 1000 Value ETF	5.3	11.4	9.3	16.7	13.5	10.5
Small Cap Equity						
iShares Russell 2000 ETF	12.4	10.4	10.7	15.1	11.4	9.7
iShares Russell 2000 Growth ETF	12.1	11.6	13.5	16.6	8.3	9.9
iShares Russell 2000 Value ETF	12.6	9.0	7.9	13.3	14.4	9.1
International Equity						
iShares MSCI ACWI ex US ETF	6.7	26.4	16.9	20.8	10.1	8.1
iShares MSCI EAFE ETF	4.5	25.7	15.2	21.9	11.2	8.1
MSCI EAFE Index - in local[1]	5.4	14.2	13.5	17.5	13.1	9.2
Vanguard FTSE Europe ETF	3.2	28.4	15.9	23.9	12.3	8.4
Vanguard FTSE Pacific ETF	7.6	25.5	15.7	18.8	8.4	8.0
iShares MSCI Emerging Mkts ETF	10.7	28.9	19.6	18.2	6.3	7.4
Fixed Income						
Market Vectors Sh/Inter Muni ETF	2.2	3.5	3.0	4.2	0.8	1.8
Barclays 5 Yr Muni Index[1]	2.2	4.5	3.4	4.4	1.1	1.9
SPDR Nuveen Barclays Muni Bond	2.9	2.1	0.5	4.0	-0.3	1.7
Vanguard Total Bond Market ETF	2.0	6.1	2.9	4.9	-0.5	1.8
Gl FixedInc Investable Benchmark	-0.1	7.9	1.5	5.5	-2.0	0.8
iShares BarclaysInt Govt/Credit	1.5	5.5	3.9	5.0	0.6	1.9
Alternative						
SPDR Barclays High Yield Bond	2.4	7.3	7.1	10.8	4.7	5.0
Vanguard REIT Index Fund	3.7	5.7	-2.3	9.0	7.0	6.1
Vanguard Gl Ex-US Real Estate	3.7	21.0	6.6	11.3	3.0	3.3
HFRX Global Index	3.2	5.7	5.8	4.7	3.6	2.9
Invesco Senior Loan ETF	1.8	4.8	7.2	9.8	5.6	4.4
iPath Bloomberg Commodity ETN	4.3	10.4	9.9	2.5	12.7	3.8
CEF Blended Benchmark[1]	5.9	13.3	11.3	15.3	9.1	7.8
Other Common Benchmarks						
SPDR Dow Jones Industrial Avg	5.6	10.3	11.3	19.4	12.8	13.3
Fidelity Nasdaq Comp. ETF	11.4	17.7	25.3	30.1	16.3	18.4
iShares MSCI ACWI ETF	7.5	18.6	17.6	23.2	13.6	12.1
SPDR Barclays 1-3 Month T-Bill	1.1	3.1	4.3	4.7	2.9	1.9
Inflation - CPI[1]	0.0	2.2	2.3	2.8	4.4	3.1

[1]There is no investable equivalent for this index
Source: Financial Times Interactive Data (IDC) and Charles Schwab.

This table was prepared using investment performance and other information obtained from third-party sources, which we believe to be reliable; however, we have not audited the data from these sources and are not responsible for its accuracy. Past performance is no guarantee of future results.

3rd Quarter 2025
Market Returns



Disclosures

The material shown is for informational purposes only. Past performance is not indicative of future performance, and all investments are subject to the risk of loss. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, and actual results may differ materially from those anticipated in forward-looking statements. As a practical matter, no entity is able to accurately and consistently predict future market activities. Information presented herein incorporate Altair Advisers' opinions as of the date of this publication, is subject to change without notice and should not be considered as a solicitation to buy or sell any security. While efforts are made to ensure information contained herein is accurate, Altair Advisers cannot guarantee the accuracy of all such information presented. Material contained in this publication should not be construed as accounting, legal, or tax advice. See Altair Advisers' Form ADV Part 2A and Form CRS at https://altairadvisers.com/disclosures/ for additional information about Altair Advisers' business practices and conflicts identified. All registered investment advisers are subject to the same fiduciary duty as Altair Advisers.

Private equity investments have different risks than public equity investments, including subjectivity in valuing investment holdings, less transparency, less regulatory oversight, liquidity restrictions and layered, often higher fees. You should perform your own due diligence before investing in any investment, including private equity investments.

ETFs and mutual funds selected by Altair are intended to approximate the performance of the respective asset class in lieu of an established index. An ETF or mutual fund is generally managed by an adviser and, therefore, can be subject to human judgment while an index is typically comprised of an unmanaged basket of instruments designed to measure the performance attributes of a specific investment category. Unlike indices, the ETFs and mutual funds selected incorporate fees into their performance calculations. There can be no assurance that an ETF or mutual fund will yield the same result as an index. Altair has no relationship with the ETFs and mutual funds selected.

The Cambridge U.S. Private Equity Index is a horizon calculation based on data compiled from 1,683 US private equity funds, including fully liquidated partnerships, formed between 1986 and 2025. The return is a pooled horizon return net of fees, expenses and carried interest. Figures are gross of any Altair Advisers' fees.

Any blended benchmark referenced is comprised of a collection of indices determined by Altair Advisers. Altair Advisers used its judgement to select the indices and relative weightings to be shown, with the objective of providing the user with a meaningful benchmark against which to compare performance. Despite its best efforts to remain neutral in selecting the indices and their relative weightings, the blended benchmark should not be viewed as bias-free as elements of human nature inherently played a role in selecting the components of the blended benchmark.

The Closed-End Fund Blended Benchmark consists of 60% First Trust Equity Closed-End Fund TR USD Index, 20% Invesco CEF Income Composite ETF, and 20% VanEck Vectors CEF Municipal Income ETF.

The Securitized Credit Benchmark consists of 65% iShares MBS ETF and 35% iShares iBoxx $ High Yield Corporate Bond ETF.

The U.S. Municipal Bonds Benchmark consists of 65% VanEck Short Muni ETF and 35% VanEck Intermediate Muni ETF.

Altair's Senior Team

Managing Directors

Rebekah L. Kohmescher
CFP®, CPA
Chief Executive Officer

Steven B. Weinstein
CFA, CFP®
Chairman

Jason M. Laurie
CFA, CFP®
Chief Investment Officer

Tim G. French
CFP®, CPA
Chief Client Officer

Claire C. Browne
Compliance

David J. Lin
CFA
Head of Investment Research

Bryan R. Malis
CFA, CFP®
Managing Director

Rachael Halstuk Mangoubi
CFP®, CPWA®
Managing Director

Michael J. Murray
CFA, CFP®, CAIA
Managing Director

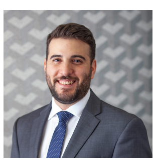
Donald J. Sorota
CFP®, CPA
Managing Director

Allison L. DiLiberto
CPA, MBA
Head of Finance and Operations

Anna E. Nichols
Head of Client Education

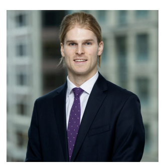
Client Service

Patrick T. Kelly
CFP®, CPWA®
Director



Benjamin H. Kresner
CFA, CFP®
Associate Director

J. Gus Miller
CFP®, CEPA®
Associate Director



Daniel J. Scherding
CFP®, CEPA®
Associate Director

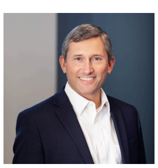
Financial Planning

Caitlin M. Dixon
CFP®, NSSA®
Director of Financial Planning

Project Management

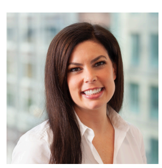
Hannah R. Koch
Director of Strategic Initiatives

Client Reporting



Jason D. Lister
CFA, CIPM
Director of Client Reporting

Firm Relations



Colleen B. Norton
Director of Firm Relations

Business Development

William C. Shannon
CIMA®, CPWA®
Director of Strategic Growth

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