

November 17, 2025

	Price	Price Returns	
Index	Close	Week	YTD
S&P 500 [®] Index	6,734	0.1%	14.5%
Dow Jones Industrial Average	47,147	0.3%	10.8%
NASDAQ	22,901	-0.5%	18.6%
Russell 2000® Index	2,338	-1.8%	7.1%
MSCI EAFE Index	2,852	2.8%	26.1%
Ten-Year Treasury Yield	4.15%	0.1%	0.3%
Oil WTI ¹ (\$/bbl ²)	\$59.96	0.4%	-16.4%
Bonds ³	\$100.00	-0.2%	6.7%

¹WTI = West Texas Intermediate Oil. ²bbl = Barrel. ³Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

Last Week:

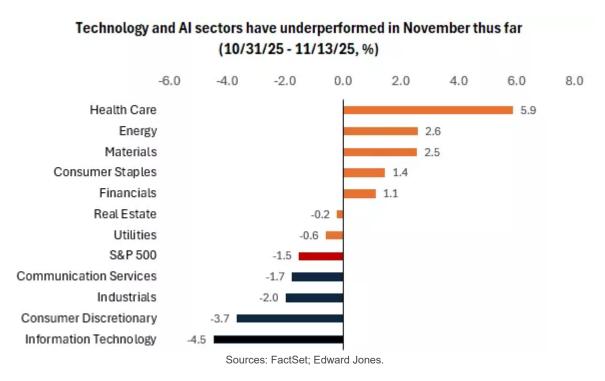
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) were modestly positive (+0.1%) as artificial intelligence (AI) -related stocks continued to decline on concerns over elevated valuations, lack of return on investment, increasing debt financing for AI capital expenditures, and cash burn associated with private AI companies (OpenAI in the news). Health care, energy, materials, consumer staples, and tech sectors were positive for the week as investors appeared to rotate into more value/defensive stocks that trade at lower valuations. The record-setting government shutdown of 43 days ended last week as Congress agreed to a stopgap spending bill running only through January 30th, with the Democrats securing a pledge that a vote on extending Affordable Care Act premium subsidies would be held in December. Expectations of a Federal Reserve (Fed) rate cut in December dropped to near 50% on hawkish Fed comments. The 10-year Treasury yield rose to 4.15% from 4.09%. Gold rose +2.1% and oil (WTI) increased +0.4%.
- S&P 500 Index Sector Returns:
 - Health care (+3.9%) rose, led by pharmaceutical and medical device stocks.
 - Energy (+2.5%) rose, with the price of oil increasing +0.4%.
 - Materials (+0.9%) rose, led by precious metal miners and rare earth companies.
 - Consumer staples (+0.6%) rose, led by Tyson Foods, Pepsi, and Phillip Morris.
 - Technology (+0.5%) rose, but was led lower by Microsoft, Apple, and NVIDIA, despite an Al-related selloff towards the end of the week for the highest valuation tech stocks.
 - Financials (-0.7%) fell, led lower by fin-tech and banks.
 - Communication services (-0.8%) fell, led lower by Disney (earnings below expectations), social media, and Alphabet.
 - Industrials (-0.9%) fell, led lower by airlines, electric infrastructure companies, and aerospace and defense companies.
 - Real estate (-0.9%) fell, led lower by data centers and industrial real estate investment trusts (REITs).
 - Utilities (-1.2%) fell, led lower by Vistra, Dominion Energy, and Southern Company.
 - Consumer discretionary (-2.7%) fell, led lower by Tesla, Amazon, and home improvement retailers.

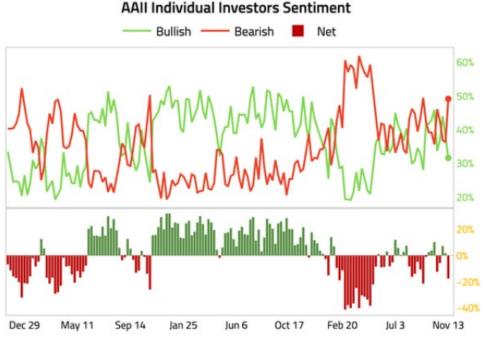
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Thus far in the month of November, the technology sector has underperformed as high-valuation AI stocks appeared to lose momentum, while lower valuation sectors like health care, energy, materials, consumer staples, and financials outperformed.



 The American Association of Individual Investors (AAII) bull-bear spread (retail investor sentiment survey) turned bearish in the past two weeks.



Sources: The Daily Shot; AAII.

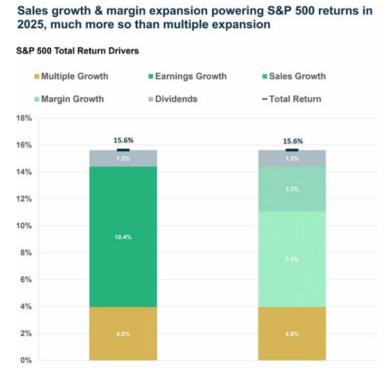


 In the third quarter, the proportion of U.S. companies beating earnings estimates was approximately 82%, well ahead of the historical median.

Figure 2: Proportion of companies beating on earnings in Q3 versus history (%) 85 85 80 80 ■ Current season ◆ Historical median 75 75 70 EM ex 70 China 64 65 65 60 60 55 55 50 50 45 45 40 40 35 35 Global Japan SN

EM = Emerging markets. Sources: Bloomberg L.P.; Deutsche Bank.

The S&P 500 Index total return in 2025 has been primarily driven by earnings growth (10.4%) with 4% multiple growth and 1.2% from dividends.

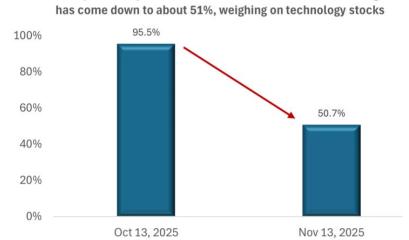


Sources: Carson Investment Research; FactSet. Data is as of 11.06.2025. Next 12-month data used for earnings, sales, margins and multiples.



Fixed Income Markets

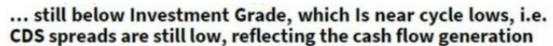
• The probability that the Fed will cut interest rates at the December 9-10 meeting dropped from 95% last month to about 50.7% as Fed comments have been hawkish.

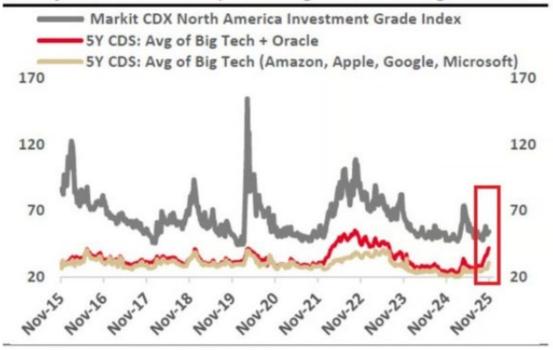


The probability of a rate cut at the Fed's December meeting

Sources: Chicago Mercantile Exchange (CME) FedWatch; Edward Jones. Data as of 11.13.2025.

• The five year credit default swap (CDS) spread for big tech and Oracle has widened in the last six months as Oracle has taken on additional debt to finance its data center infrastructure buildout.





Y axis represents CDS spreads (in basis points). Sources: Bloomberg L.P.; BNY.



U.S. Economic and Political News

 Automatic data processing estimated the U.S. lost an average of 11,250 jobs per week for the four weeks through the 25th of October.

International Markets and News

- European markets (STOXX 600 Index) rose +1.8% as weaker-than-expected economic data (higher unemployment, slower gross domestic product) for the U.K. led to investors increasing the probabilities that the Bank of England will cut interest rates in December.
- The Chinese stock market (Shanghai Composite) fell -0.2% as China's fixed asset investment shrank -1.7% for the first ten months of 2025 and China's October industrial production rose a weaker-than-expected +4.9% year-over-year.
- Japanese equities (Nikkei 225 Index) rose +0.2% as investors anticipated Prime Minister Sanae Takaichi's potential policies of loose fiscal policy and slower pace of interest rate hikes from the Bank of Japan.

This Week:

- The volume of corporate earnings reports will be lighter this week with the main focus on NVIDIA earnings reported on November 19 after the U.S. equity markets close.
- Economic data:
 - Monday: Empire State Manufacturing Index;
 - Tuesday: Export Prices, Import Prices, Capacity Utilization, Industrial Production, National Association of Home Builders Housing Market Index, Treasury International Capital Flows, American Petroleum Institute Crude Inventories, Redbook Chain Store;
 - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Building Permits, Housing Starts, Department of Energy Crude Inventories;
 - Thursday: Philadelphia Fed Index, Existing Home Sales, Leading Indicators, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories;
 - Friday: Purchasing Managers' Index (PMI) Manufacturing Preliminary, PMI Services Preliminary, Michigan Consumer Sentiment (Final).

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA® Executive Director

Griffith Jones, Jr. Executive Director



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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The **Russell 2000®** Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The Nikkei 225 is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.



Technical Terms:

Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. The Michigan Consumer Sentiment Index (MCSI) is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. A monthly Purchasing Managers Index (PMI) highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The Services PMI (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The NAHB Housing Market Index (HMI) is a monthly survey that gauges the sentiment of U.S. homebuilders regarding the single-family housing market. It is calculated as a weighted average of three components: current sales, sales expectations for the next six months, and traffic of prospective buyers. Treasury International Capital (TIC) flows are the U.S. Treasury's statistical reports on the movement of money into and out of the United States through the purchase and sale of financial assets like stocks and bonds. These reports track cross-border transactions for both private and official entities, including corporations, governments, and central banks. They are used as an economic indicator to help understand factors like the direction of the U.S. dollar and interest rates. The Philadelphia Fed Index is a monthly survey of manufacturing activity conducted by the Federal Reserve Bank of Philadelphia that gauges the general business conditions in the Third Federal Reserve District. The Markit CDX North American Investment Grade Index is a widely used benchmark for North American corporate credit risk, comprised of equally weighted credit default swaps (CDS) on 125 investment-grade companies. A credit default swap (CDS) is a derivative contract that allows one party to transfer the credit risk of a debt instrument to another party. The buyer makes periodic payments to the seller, and in return, the seller agrees to pay the buyer a lump sum if the underlying debt instrument defaults or experiences a specific credit event. The American Association of Individual Investors (AAII) is an independent, non-profit organization that provides education, information, and research to help individuals become effective managers of their own assets. The bull/bear ratio is a market sentiment indicator that compares the number of bullish investment advisors to bearish ones. The Empire State Manufacturing Index is amonthly survey conducted by the Federal Reserve Bank of New York that tracks manufacturing activity in New York state. It is a key indicator used to assess general business conditions and can be interpreted similarly to other manufacturing surveys; a reading above zero suggests expansion, while a reading below zero indicates contraction.

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