



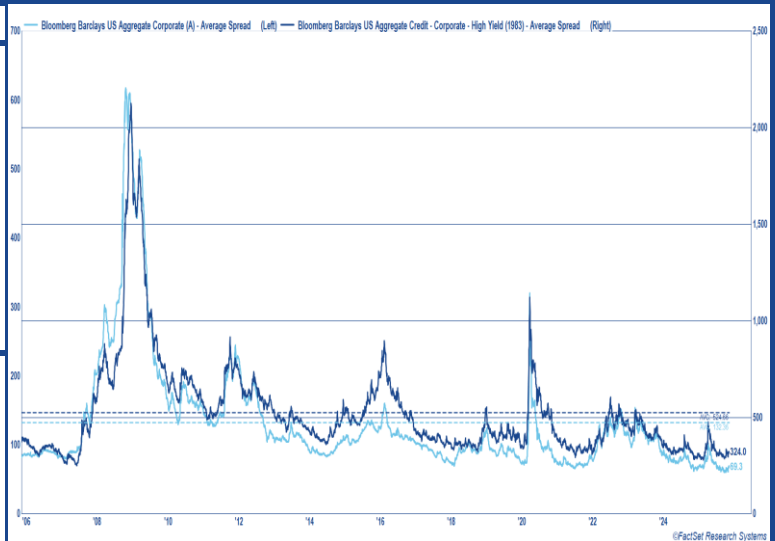
Economic & Market Commentary

Stock markets posted solid gains again in October marking the sixth consecutive month of gains for the S&P 500 and Russell 2000 and seventh straight month for the Nasdaq. Several factors have been driving the gains over the last six months including progress on trade/tariffs, lower than expected inflation rates, solid U.S. economic growth in the second (+3.8%) and third (+3.9%) quarters, Federal Reserve rate cuts and expected continued accommodative monetary policy, optimism surrounding the AI growth narrative, and improving earnings outlook. Captain Obvious ponders that the market is due for a pullback. The first week of November saw stock markets decline as pressures from the government shutdown mount, valuations for large-cap tech stocks are stretched, scrutiny surrounding the AI trade is rising, the labor market is showing signs of further weakening with layoffs ramping up in October, and surveys showing declining consumer sentiment. However, the underlying fundamentals remain supportive of further market advances. Those supportive fundamentals are aforementioned as market drivers. Normally, when markets are truly starting to come under pressure, there are indicators that build over time that financial conditions are deteriorating and getting tight. Corporate credit spreads start to widen, stock market volatility sharply rises, loan underwriting standards become more stringent, corporate bond issuance wanes, merger and acquisitions deals are delayed or start to fall through, and consumer delinquencies rise. Financial conditions right now are good as credit spreads are tight (below average), and stock market volatility is subdued. Monthly or quarterly declines are a normal part of the investment cycle. In most calendar years, an investor with a balanced portfolio typically sees at least one quarterly decline. Look no further than earlier this year when first quarter returns were pressured by tariff and trade concerns.

Index Total Returns - November 7, 2025

	1-Wk	YTD	1-Yr
MSCI-Emerging	-1.39	31.01	23.78
MSCI-Developed	-0.76	25.64	20.94
NASDAQ	-3.03	19.75	20.18
S&P 500	-1.61	15.63	14.13
Dow Jones	-1.21	11.97	9.30
Russell 2000	-1.86	10.29	3.50
S&P 400	-0.08	5.18	0.33
Barclay's U.S. Bond Index			
High Yield	-0.29	7.07	7.27
Aggregate	0.03	6.82	6.04
Int. Gov. Credit	0.12	6.29	6.21
5-year Muni	0.07	4.57	4.72
Municipal	0.09	4.01	4.46

Corporate Credit Spreads



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.63	3.70	4.27
U.S. 2-Yr	3.56	3.60	4.20
U.S. 3-Yr	3.56	3.60	4.15
U.S. 5-Yr	3.68	3.71	4.17
U.S. 10-Yr	4.09	4.09	4.33
U.S. 30-Yr	4.70	4.66	4.54

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.42	3.42	3.56
U.S. AA	3.44	3.44	3.59
U.S. A	3.82	3.81	3.95
U.S. Baa	4.45	4.47	4.40
U.S. Municipal	3.57	3.57	3.71
Michigan	3.73	3.72	3.87

S&P 500 Sector Total Returns - November 7, 2025

Sector	1-Wk	YTD	1-Yr
Comm. Services	-1.74	24.61	27.55
Info Tech	-4.24	24.43	23.74
Utilities	0.71	21.02	18.84
Industrials	-1.09	17.64	10.80
Financials	0.83	10.46	9.84
Health Care	1.33	7.71	-0.16
Energy	1.58	7.49	-0.87
Con. Discretion	-1.54	6.14	13.13
Real Estate	0.98	4.42	-0.55
Materials	0.40	4.22	-7.47
Consumer Staples	0.79	2.29	2.10
Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.57	19.03	1.11
S&P 400 - Mid Cap	15.96	16.33	1.34
S&P 600 - Small Cap	14.93	15.79	1.56