



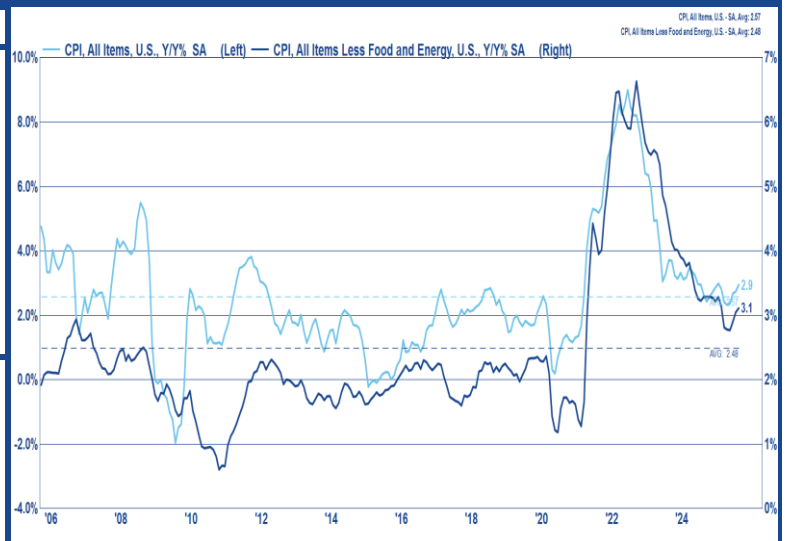
Economic & Market Commentary

Stock markets finished mostly higher last week while bonds posted moderate gains. Both were driven higher on the increasing prospect of Fed rate cuts and in-line inflation numbers. Markets remain focused on coming policy easing from the Fed, fully pricing in a 25 basis point (0.25%) cut at next week's meeting and 50 basis points (0.50%) more by year's end. Recent economic data offered support for the rate-cut narrative of fairly steady inflation but a softening labor market. Last Tuesday, the Bureau of Labor Statistics (BLS) released their annual revision to monthly employment revising down the number of jobs posted between April 2024 and March 2025 by -911,000. This release comes after a weaker-than-expected August job report that showed job growth almost stalled and the economy shed jobs in June for the first time since the pandemic. Additionally, initial jobless claims jumped w/w to 263K from 231K, its highest reading since October 2021. August Consumer Price Inflation (CPI) report saw a somewhat hotter headline reading, but the core was right in line. August core CPI, which excludes food and energy, increased 0.3% m/m, in-line with consensus and steady from July's increase. Annualized core of 3.1% was in-line with consensus. Headline CPI rose 0.4% m/m, hotter than consensus for 0.3% increase and July's 0.2% rise. Annualized headline of 2.9% was in-line with consensus though up from July's 2.7%. Shelter rose 0.4% and was the largest factor driving the headline increase. Core services firmed further while core goods again showed modest tariff impacts. Tariff-linked categories were mixed and more muted than expected. Analyst takeaways highlighted some positive implications for PCE, while at the same time noted Fed scrutiny has largely shifted to the labor market amid signs of softening. Once again, the Fed is late to the party and behind the monetary policy curve.

Index Total Returns - September 12, 2025

| | 1-Wk | YTD | 1-Yr |
|----------------------------------|-------|-------|-------|
| MSCI-Emerging | 3.96 | 25.49 | 25.78 |
| MSCI-Developed | 1.15 | 24.52 | 18.53 |
| NASDAQ | 2.05 | 15.20 | 26.88 |
| S&P 500 | 1.60 | 12.98 | 19.23 |
| Dow Jones | 0.97 | 9.07 | 13.46 |
| Russell 2000 | 0.27 | 8.50 | 14.11 |
| S&P 400 | -0.41 | 6.25 | 11.71 |
| Barclay's U.S. Bond Index | | | |
| High Yield | 0.27 | 6.98 | 8.43 |
| Aggregate | 0.41 | 6.40 | 2.87 |
| Int. Gov. Credit | 0.07 | 5.84 | 4.17 |
| 5-year Muni | 0.59 | 5.00 | 4.20 |
| Municipal | 1.48 | 2.70 | 1.78 |

Consumer Price Index (CPI)



U.S. Treasury Yields

| Treasury Yields | Latest Close | Week Ago | 1-Year Ago |
|-----------------|--------------|----------|------------|
| U.S. 1-Yr | 3.65 | 3.65 | 4.13 |
| U.S. 2-Yr | 3.56 | 3.52 | 3.65 |
| U.S. 3-Yr | 3.53 | 3.49 | 3.49 |
| U.S. 5-Yr | 3.63 | 3.60 | 3.47 |
| U.S. 10-Yr | 4.06 | 4.09 | 3.68 |
| U.S. 30-Yr | 4.68 | 4.77 | 4.00 |

Municipal Yields - Bloomberg/Barclays Index

| Issue Type | Latest Close | Week Ago | 1-Year Ago |
|----------------|--------------|----------|------------|
| U.S. AAA | 3.40 | 3.60 | 3.20 |
| U.S. AA | 3.44 | 3.65 | 3.21 |
| U.S. A | 3.83 | 4.03 | 3.59 |
| U.S. Baa | 4.49 | 4.68 | 4.09 |
| U.S. Municipal | 3.58 | 3.78 | 3.35 |
| Michigan | 3.74 | 3.93 | 3.49 |

S&P 500 Sector Total Returns - September 12, 2025

| Sector | 1-Wk | YTD | 1-Yr |
|-----------------------|-------|-----------|----------|
| Comm. Services | 0.87 | 24.97 | 45.17 |
| Info Tech | 3.10 | 17.81 | 27.41 |
| Industrials | 0.45 | 15.81 | 19.06 |
| Utilities | 2.44 | 14.58 | 13.71 |
| Financials | 1.34 | 12.19 | 23.18 |
| Materials | 0.03 | 11.43 | 2.79 |
| Consumer Staples | -0.15 | 5.84 | 2.16 |
| Real Estate | 0.39 | 5.76 | -2.41 |
| Energy | 1.58 | 5.39 | 7.23 |
| Con. Discretion | 1.29 | 5.07 | 25.25 |
| Health Care | 0.16 | 1.34 | -9.82 |
| | P/E | P/E NTM | Dividend |
| Index Characteristics | NTM | 10yr-Avg. | Yield |
| S&P 500 - Large Cap | 22.66 | 18.92 | 1.12 |
| S&P 400 - Mid Cap | 16.26 | 16.15 | 1.34 |
| S&P 600 - Small Cap | 15.53 | 15.52 | 1.51 |