

Raymond Capital Advisors, LLC

October 25, 2025

Stock & Bond Benchmark Total Returns (%)					
	For Periods Ending September 30, 2025				
	QTR	1-Year	3-Years	5-Years	10-Years
Standard & Poor's 500	8.12	17.60	24.94	16.47	15.30
Bloomberg Barclays U.S. Aggregate Bond	1.99	2.89	4.91	-0.46	1.84
60% Stocks / 40% Bonds TAA Composite Index	5.64	11.68	16.70	9.61	9.99
3-month Treasury Bills	1.05	4.39	4.81	3.03	2.07
Inflation (CPI)	0.69	3.01	3.05	4.53	3.16

Returns (%) include capital gains, dividends and interest. All data **annualized** for periods greater than one year.
60% Stocks / 40% Bonds TAA Composite Index is rebalanced monthly.
Sources: S&P Dow Jones Indices, Morningstar, Federal Reserve, BLS.

Review: Climbing the Wall of Worry

It's often said that a bull market "climbs a wall of worry." The new administration's **America First** policies dominated Q3 headlines—tariffs, mass deportations, questions about Fed independence, and a federal shutdown gave investors plenty to ponder.

As noted in our April 20 letter, America First represents a sharp break from the post-World War II consensus that global cooperation under U.S. leadership fosters peace and prosperity. Rooted in economic nationalism, it prioritizes reshoring critical supply chains, securing key resources and trade routes, and using tariffs as strategic tools. **Whether this shift strengthens U.S. prosperity—or risks higher rates and slower growth—remains to be seen, but the philosophy is now being tested in real time.**

During the quarter, the administration also took a more direct role in corporate deal-making, converting federal loans and subsidies into non-voting equity stakes in strategic firms such as Intel, MP Materials, and Lithium Americas—an approach marking a notable departure from traditional laissez-faire economic policy. Meanwhile, the government shutdown delayed key economic data releases—including jobs, inflation, and GDP—creating additional uncertainty. Signs of political selectivity emerged, from the \$20 billion Argentina "rescue" package (viewed by some as favoring an ideological ally) to efforts to "hold accountable" individuals perceived as past adversaries.

Despite these crosscurrents, markets proved resilient. The S&P 500 Total Return Index gained +8.12% for the quarter ended September 30—its strongest since Q3 2020—while the Bloomberg U.S. Aggregate Bond Index rose +1.99%. Gains were broad across sectors, styles, and global markets. **Gold hit record highs, and the U.S. dollar posted its weakest start to a year since 1986, reminders that underlying risks remain.**

Throughout the quarter, RCA maintained balanced stock and bond weightings slightly above benchmark equity target levels while making selective weekly adjustments to core equity portfolios. We modestly

Raymond Capital Advisors, LLC

increased exposure to ultra-mega-cap stocks (market values above \$1 trillion) and added to Consumer Discretionary and Financials, while trimming Industrials, Consumer Staples, and Energy positions.

Outlook: More Melt-Up or Stumble?

Separating political theater from economic reality remains difficult, with full policy effects potentially unknown for quarters or years. Yet equities retain an advantage: companies adapt to changes in ways fixed-income and commodity markets cannot. Here's how we see the current bullish and bearish evidence:

Economic and liquidity conditions remain supportive for stocks.

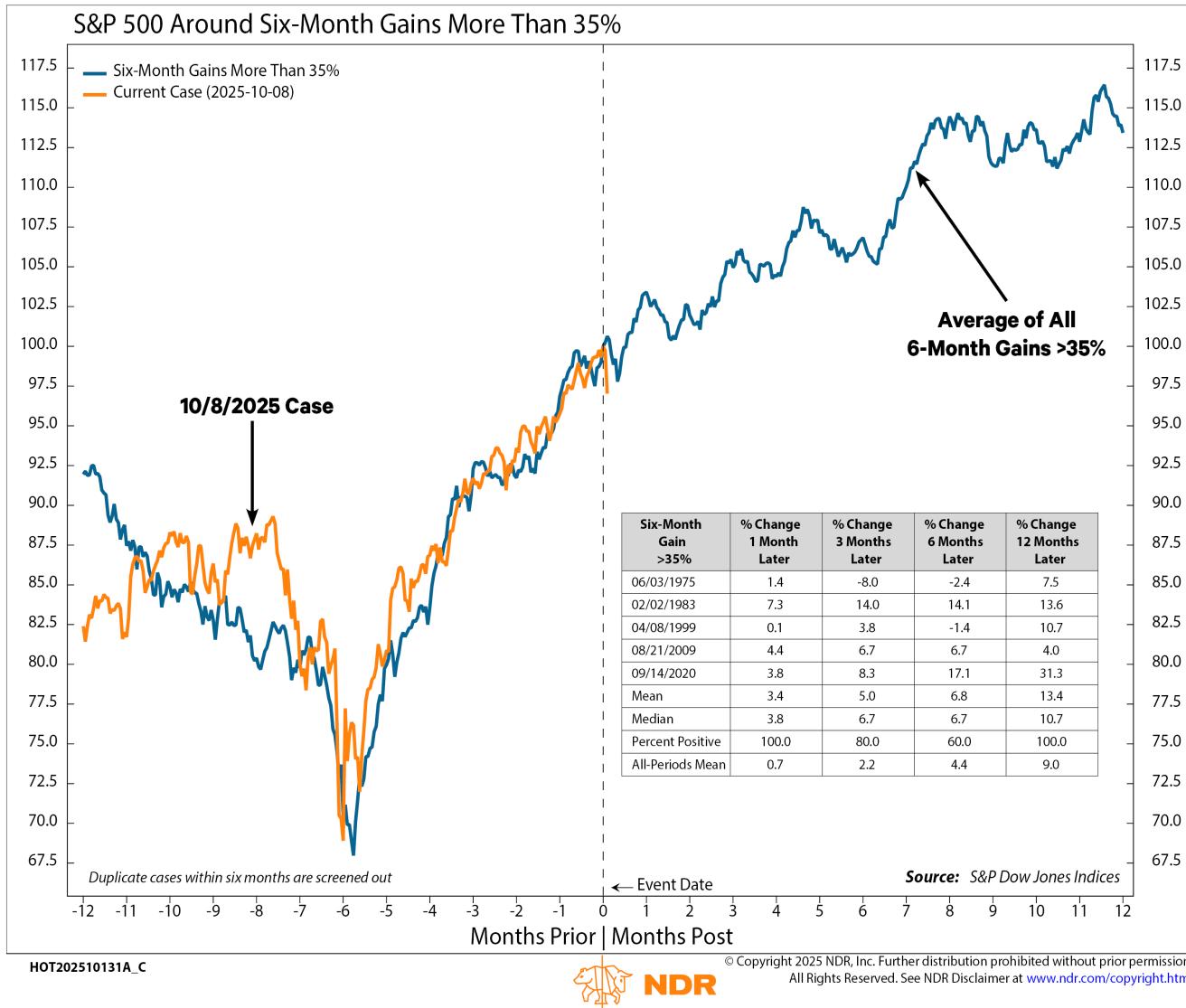
- **Earnings and Growth.** The Fed's GDPNow model projects +3.9% real economic growth, driven by productivity gains and resilient corporate profit margins, especially in AI and technology. As Q3 earnings season begins, consensus analysts' S&P 500 forecasts call for +6.6% growth (Q3 2025 vs. Q3 2024), with large banks and AI leaders likely to exceed estimates. Annual earnings growth estimates for 2026 are +14.0% (vs. 2025).
- **Liquidity Conditions.** Liquidity improved as the Federal Reserve cut rates by 0.25% to a 4.00–4.25% range, with markets expecting one or two more reductions before year-end. While tariffs could limit further easing by keeping inflation "sticky," policymakers view these as one-time increases rather than a renewed trend. Globally, monetary and fiscal policy is accommodative—Europe and Japan are expanding stimulus, U.S. banks plan to expand infrastructure loans, and corporate AI investment drives liquidity and capital spending.

Heightened valuation risks accompany improving earnings. The S&P 500's forward P/E has risen to 22.6 (vs. 15.6 42-year average), led by the "Magnificent Seven." While today's AI boom is largely financed by profits and cash flow, distinguishing it from the 1990s tech bubble, circular vendor financing among some of the AI giants has also recently emerged as a concern (i.e. company A loans money to or takes an equity stake in company B to purchase company A's products). **Enthusiasm can always outpace fundamentals if growth expectations stretch too far.**

Information Technology and Communication Services now account for nearly 45% of S&P 500 market cap and 37% of forward earnings, leaving less room for error. This underscores a timeless truth: **there is no return without risk.**

Momentum Support: "The Trend Is Your Friend." Strong rallies invite interim volatility but rarely end bull markets. October 8 marked six months since the post-"Liberation Day" rebound began—the S&P 500 up +35.5%, its best six-month stretch since 2020. Per Ned Davis Research, it's only the sixth such surge since World War II; in every prior case, gains continued—more moderately, but above long-term averages.

Raymond Capital Advisors, LLC



Concluding Perspective

The market's resilience rests on pillars of earnings growth, ample liquidity, and broad global participation. Further gains hinge on continued earnings performance.

As America First policies are tested, the greatest risks may lie in *unknown unknowns*—**the unintended consequences that emerge over time.**

The key is to remain **diversified, disciplined, and long-term focused**, letting fundamentals—not headlines—guide decisions. **Ensure your strategic long-term allocations align with retirement income, spending goals, and risk tolerance.** We offer asset-allocation, retirement readiness, and review services **free of charge** to clients wishing to revisit their strategy.

Thank you for your continued support,

Raymond Capital Advisors, LLC

Geoff & Lance

*Raymond Capital Advisors, LLC
Your Retirement Wealth Advisors*

[Raymond Capital Advisors, LLC](#)
[A Retirement Wealth Advisor](#)

This market commentary is for informational purposes only and does not constitute a solicitation or offer to buy or sell any security, future, option or other financial instrument or to offer or provide any investment advisory or other services to any person in any jurisdiction by Geoffrey P. Raymond, CFA®, Lance J. Stonecypher CFA®, RMA® or Raymond Capital Advisors, LLC. Nothing contained in this market commentary constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed in this commentary should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this commentary, we have not considered the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient of this information. Any views expressed by us were prepared based upon the information available at the time and we are under no obligation to review or update our views. Changed or additional information could cause such views to change. Information may quickly become unreliable for various reasons, including changes in market conditions or economic circumstances. Investors should carefully consider the investment objectives, risks, charges and expenses of Raymond Capital Advisors strategies. This and other important information about our Strategies are contained in our brochure, which can be obtained by calling (941) 504-1842 or emailing us at raymondcapitaladvisors@gmail.com.