

Weekly Update - January 27, 2024

Market Returns Ending 1/24/2025						
Category	1 Week	YTD	1 Year			
<u>US</u>						
Large Cap	1.8%	3.8%	26.4%			
Mid Cap	1.4%	4.5%	18.9%			
Small Cap	1.4%	3.5%	18.4%			
<u>International</u>						
Developed	2.2%	3.5%	9.3%			
Emerging	1.1%	0.7%	12.5%			
<u>Bonds</u>						
Aggregate	0.0%	-0.1%	2.4%			
High Yield	0.3%	1.1%	9.6%			

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	US Equity Style Returns					
		Weekly				
	Value	Core	Growth			
Large	1.3	1.8	2.2			
Mid	0.7	1.2	2.5			
Small	0.8	1.4	2.0			
		<u>YTD</u>				
_	Value	Core	Growth			
Large	4.8	4.1	3.6			
Mid	4.1	4.8	7.1			
Small	2.5	3.5	4.5			
	Soul	rce: Bloom	berg			
	2.5	3.5	4.5			

Key Events: In with the new

The Trump administration commenced in force as executive orders fulfilled campaign promises, vigorously asserting his administration's intentⁱ.

Economists increased GDP growth expectations for 2025 to 2.8%, a .5% increase over the last six months; inflation expectations rose as wellⁱⁱ.

Market review: GDP growth sends stocks higher

Large cap stocks, both US and non-US, led markets higher, while other risk assets rose more modestly. January returns are quite strong; see the returns chart below for historical context.

Investment grade bonds were flat in the absence of significant data releases.

Outlook: As January goes....

Returns have been strong through the first four weeks of January. A look at the chart below illustrates the maxim "as January goes, so goes the year"iii. If the last week continues this strength we will find ourselves in a position which, historically, has led to strong gains for the rest of the year.

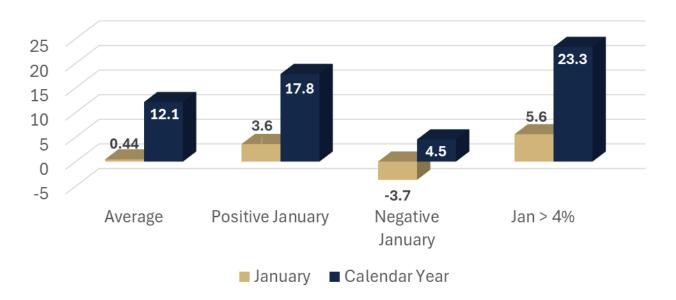
On risk is a resurgence of inflation. The second chart below shows that your views on inflation depend on your political views and those views have intensified since the election.

We suggest you keep your politics out of your portfolio. Despite the disinflationary trend, tariffs, border restrictions and current fiscal policies raise inflation risks.

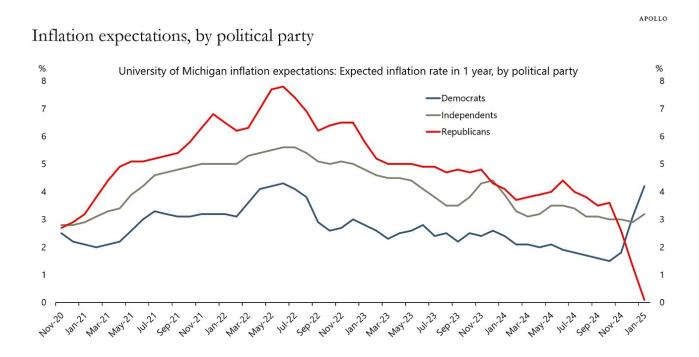
We have prepared our portfolios for a wide variety of outcomes, including an increase in inflation. We advise clients to remain broadly diversified in a portfolio which accounts for opportunity and risk.



S&P 500 January and Full-Year Returns 1990 - 2024



How you feel depends on your politicsiv



OneAscent Navigator Outlook: January 2025

VALUATION · Valuation spreads between growth and value are 4Q GDP estimates remains strong despite slowing stocks near historic extremes from strong 2Q and 3Q growth · Large cap equities have become more expensive Inflation has crept up in the fourth quarter, Ш measured by free cash flow yield, while mid caps remaining above the Fed's target level have remained cheaper. Stock earnings are expected to grow in 2025, with The equity risk premium is near 20-year lows; participation broadening beyond the Magnificent 7 bonds have become relatively attractive. TECHNICAL SENTIMENT The advance/decline line is beginning to stall, · Investor sentiment readings are shifting towards more neutral, healthier readings. limiting upside potential. While the S&P 500 remains well above it's 200-day Consumer sentiment has risen in recent months but moving average, fewer stocks are participating in remains below pre-COVID levels the upside. Small business optimism shot up during November, as Almost no stocks in the S&P 500 have made new the election results signaled a major shift in economic 52-week highs recently, highlighting the lack of breadth. NEUTRAL SLIGHTLY POSITIVE NEGATIVE

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Source: What executive orders has Trump signed so far? Week 1 full list - NBC Chicago

[&]quot;Source: Bloomberg Economic Survey

Source: NASDAW <u>As Goes January...So Goes The Year? | Nasdaq</u>, OneAscent Investment Solutions. Full-year returns have been significantly higher in years which experienced a strong January.

iv Source: Apollo Inflation Expectations by Political Party - Apollo Academy

^v Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield