

Weekly Update – March 31, 2025

Market Returns Ending 3/28/2025			
Category	1 Week	MTD	YTD
US			
Large Cap	-1.5%	-6.2%	-4.8%
Mid Cap	-1.2%	-6.2%	-7.4%
Small Cap	-1.6%	-6.3%	-9.0%
International			
Developed	-1.0%	1.8%	9.3%
Emerging	-0.9%	2.4%	4.8%
Bonds			
Aggregate	0.0%	-0.2%	2.5%
High Yield	-0.4%	-1.0%	1.1%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	0.6	-0.9	-2.3
Mid	0.3	0.1	-0.6
Small	-0.6	-1.0	-1.3
	YTD		
	Value	Core	Growth
Large	1.2	-5.0	-10.1
Mid	-2.8	-3.9	-6.9
Small	-7.5	-9.0	-10.4

Source: Bloomberg

Key Events: Liberation from low prices

President Trump's announcement of new "liberation day" tariffs on auto imports sparked market disruption and concerns of rising inflation.

Inflationary pressures showed up in data releases, while long-term inflation expectations rose to multi-decade highs, as shown in the chart belowⁱ.

Market review: Tariff uncertainty hits stocks

US stocks sold off as worries over inflation, tariffs and slower growth took hold, continuing the trend of US losses and international gains in a stark reversal from prior years.

The broad bond market was flat as inflation and slower growth fought to a stalemate. Gold hit new highs as uncertainty increased safe-haven demand.

Outlook: What we can – and can't - predict

There is much we cannot predict; what President Trump will do is at the top of the list – regardless of your political bent. We also can't predict short-term market moves, driven by emotion, technicals, corporate earnings and geopolitics.

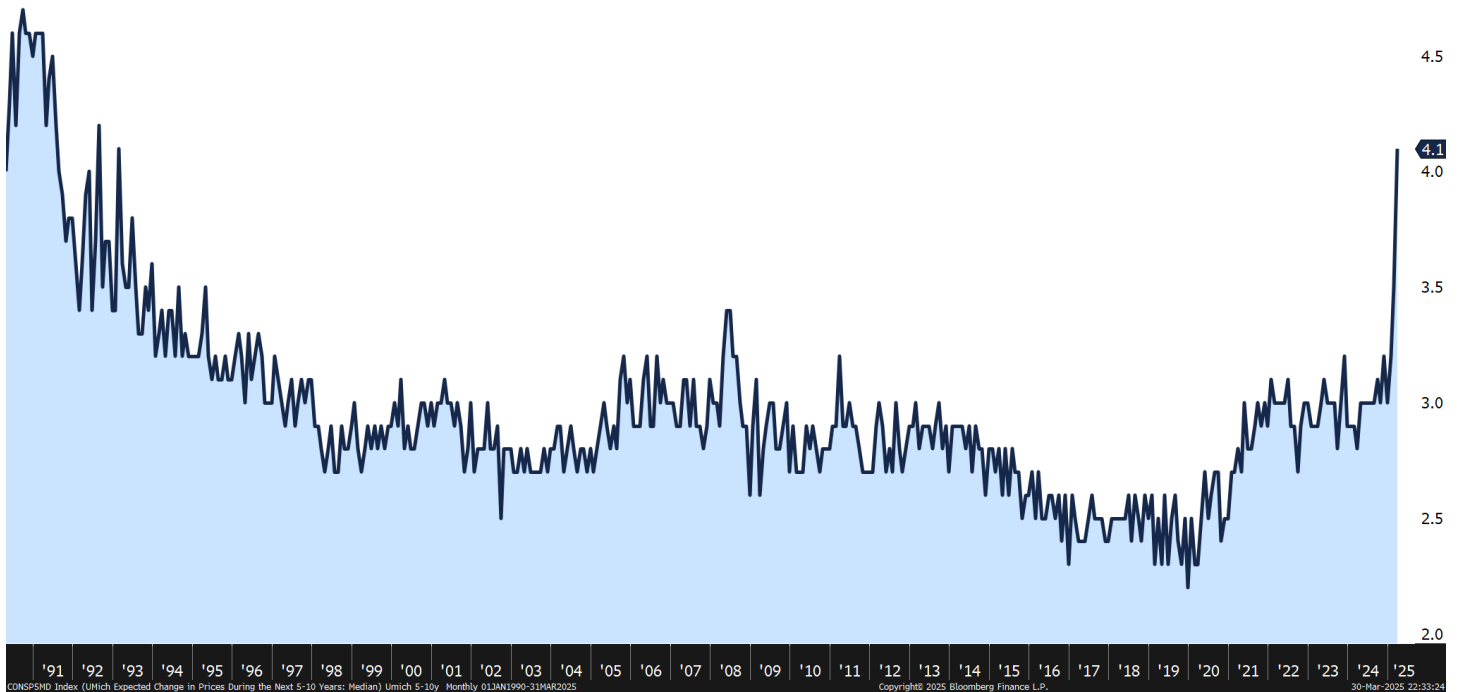
What can we predict? One thing we can be certain of is that we won't be successful if we don't have a process in place to tame our emotions.

The Navigator puzzle pieces below show that our process was neutral, with some positives and some negatives, coming into the month. There has been a slight worsening in the economy, as growth appears to be slowing, and inflation is rearing its ugly head. Sentiment has gotten remarkably bearish, something our process views as a positive sign.

We remain fully invested in a diversified portfolio of stocks and bonds, with the flexibility to react to market opportunities. We encourage investors to stick to their plan.



Long-Term Inflation Expectations Spike as Tariffs Create Uncertainty



OneAscent Navigator Outlook: March 2025

VALUATION

- P/E ratios have contracted sharply over the past month. Spreads are still at extremes.
- Price to cash flow multiples for international stocks remain compelling relative to US stocks.
- Yields available in the broad investment grade bond market provide a compelling alternative to the S&P 500 earnings yield.

ECONOMY

- Manufacturing new orders activity pushed GDP forecasts higher.
- US economic data is beginning to come in below expectations.
- Recent data points to accelerating inflation.
- Earnings growth remains strong but has declined since the beginning of the year.

SENTIMENT

- Investor sentiment quickly turned negative during February's technology selloff.
- Trump tariff announcements led to a sharp increase in economic policy uncertainty.
- Long-term inflation expectations hit their highest level in 30 years.

TECHNICAL

- The equal-weighted S&P 500 index is outperforming the capitalization weighted index, a potentially significant change following two years of narrow stock gains.
- January's "Deep Seek Crash" foreshadowed a February Mag 7 drawdown; the index has dropped into correction territory.

← NEGATIVE SLIGHTLY NEGATIVE NEUTRAL SLIGHTLY POSITIVE POSITIVE →

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approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. OneAscent can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

ⁱ Source: Bureau of Economic Analysis showed an increase in Core PCE. University of Michigan survey showed 5-10 year expectations at 4.1%, the highest level since the 1990s.

ⁱⁱ 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