

Markets Power Through a Wall of Worry

After a Three-year Circa 20% CAGR in the S&P, We Trim Exposure to Growth Despite changes in post WWII alliances and trade policy, global asset prices jumped in 2025. A combination of continued strong corporate earnings, dovish central banks, the specter of AI-led productivity and debt-fueled growth spurred global markets. On the margin we have reduced beta in client accounts and added “value” investments.

Rockingstone Performance

We had a strong 4Q and 2025 as both ETF and individual stocks helped outperformance vs. benchmarks. Equity accounts benefited from sufficient tech and non-US exposure. In balanced accounts, short duration fixed income and good stock picking aided performance. Despite a 2Q25 short position, absolute return strategies also performed well.

Investors Take Geopolitical Volatility in Stride & Bid Up Most Global Assets

While geopolitical headlines received extra attention, management teams delivered solid earnings and successfully navigated higher tariffs. Meanwhile, consumers kept spending, governments borrowed heavily and the US yield curve steepened. Yet investors hedged against US preeminence via precious metals and FX, and in 1H25, digital assets.

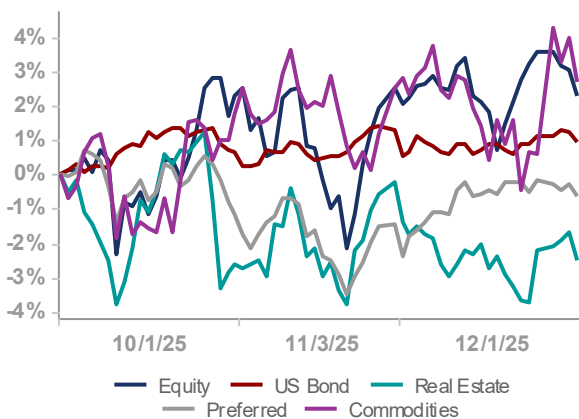
Implications for Portfolios

We remain fully invested and are relatively close to benchmark asset allocations, including fixed income exposure and non-US investments. Yet we retain our risk management discipline via more equal weight positions, having trimmed AI-related winners in 2H25 while adding more “value” names, including: EFV, OMC, TEVA, VTV. We are cautiously optimistic for 2026 but believe small- and mid-cap stocks offer the best long-term return potential.

S&P500 Forecast & Other Key Indicators

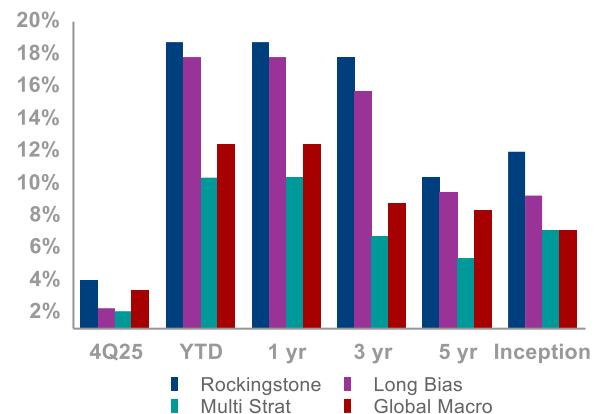
We forecast: EPS (2026: \$295), S&P500 (2026 year-end = 6345), GDP (2026: +2.5%), Gold (\$4250), Oil (\$55), 10-yr US Bond Yield (4.3%), Inflation (2.8%), 5-yr expected CAGR (US Large Cap -1%, US Mid Cap +7%, US Small Cap +8%, Developed +0%, EM +4%).

Figure 1: 4Q25 Asset Class Performanceⁱ



Source: FactSet

Figure 2: Rockingstone: 4Q25 & Historical Annualized Returnsⁱⁱ



Source: Rockingstone Advisors, Morningstar, Barclay Hedge Indices; Inception = 5/30/2009

ABOUT US

Rockingstone Advisors LLC, a boutique asset management firm founded in 2009, is co-managed by Brandt Sakakeeny and Eric Katzman, CFA.

As an SEC-registered investment advisor, we provide multi-asset investment strategies to individuals, families and small institutions through separately managed accounts.

Our investment strategies aim to capitalize on pricing inefficiencies across broad asset classes and individual securities, with a strong emphasis on fundamental research and analysis.

Investors can find more information including regulatory documents at our website:

www.rockingstoneadvisors.com

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Rockingstone: 2025 Performance

A Detailed Review of our Strategies and Performance

As we do every year at this time, Rockingstone's portfolio strategies and relative performance are reviewed in the following section. Our firm does not manage a fund where all investors are pooled into a single portfolio. We manage "separate accounts," meaning each account is customized to the individual needs of the client, but within the constraints of his or her benchmark. In turn, the benchmarks used are broadly centered around six distinct strategies:

- **Absolute Return** (a portfolio where we will be more actively short, albeit with a long bias—in attempting to achieve 6-8% annual returns with less volatility— vs. our more aggressive strategies; benchmark includes the NYLI Multi Strategy Index);
- **Balanced** (a broad-based global portfolio comprised of equities, preferreds, real estate and debt, typically benchmarked against a balanced mutual fund such as VSMGX or VASGX);
- **Best Ideas** (a US focused all-equity portfolio typically benchmarked against the market cap weighted S&P 500 by using the SPY total return ETF);
- **Global Equities** (a global equity portfolio typically benchmarked against the MSCI All-Country World index and the Vanguard VT Total World stock index);
- **Personalized Portfolios** (portfolios constructed to meet a specific client need or requirement such as no mining or gambling stocks or no high carbon energy investments; the benchmark typically used is the Impax Sustainable Allocation Fund but this can vary by client);
- **Yield** (a portfolio where we attempt to generate 4-6% annual returns without material interest rate risk; this portfolio uses a customized Rockingstone benchmark with similar characteristics of returns / yield focus).

We work with clients to get a perspective on risk tolerance vis-a-vis their total net worth and then mutually agree on the benchmark that works best for their circumstances. In general, we are benchmark agnostic.

Lastly, in the sections below, it is important to note that the portfolio management statistics detailed for each strategy are relative only to that specific strategy's benchmark. For example, in our "Best Ideas" portfolios, we use the alpha and beta figures relative to the S&P 500.

Absolute Return

Our "Absolute Return" portfolios historically used the Credit Suisse Multi-Strategy Index as the primary benchmark. But due to connectivity issues between Morningstar and the benchmark issuer, we are presently using the Barclay Long Bias as our present benchmark. When comparing both indices, the risk and return characteristics are similar and we are confident that our performance relative to the new "absolute return" benchmark is representative of our relative performance.

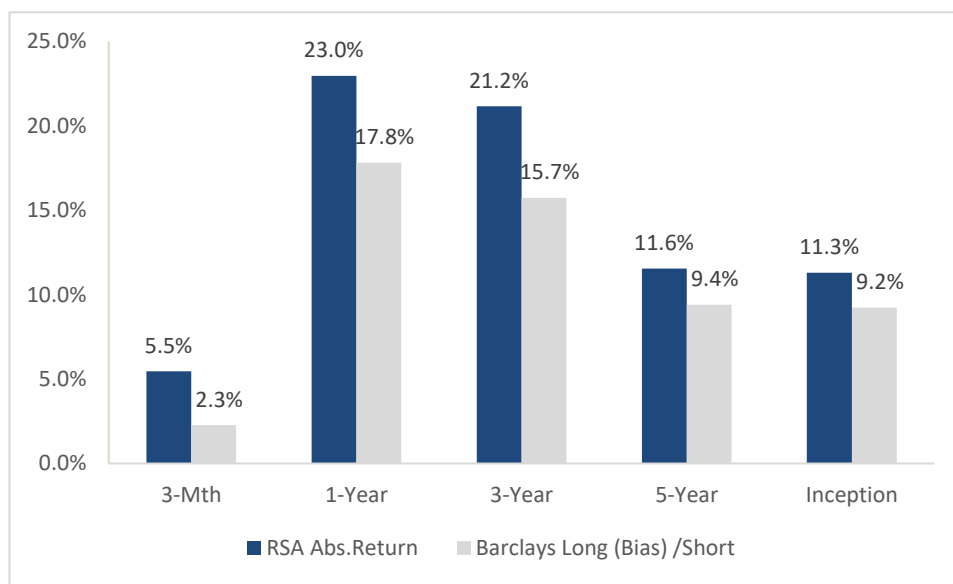
We use an unconstrained strategy to generate the highest, risk-adjusted return possible. For example, in the "Absolute Return" strategy we may short more aggressively or have

greater exposure to commodities or potentially use options to enhance returns. In some respect our “Absolute Return” strategy is like investing in a hedge fund but without the associated elevated fee structure.

Because we believe stocks generally go up over the long term, our bias is to be long and to use shorts selectively to manage through events we believe may lead to a sustained period of equity declines (primarily recessions). Given that we manage individual accounts with restrictive margin allowances, we cannot hedge to the same extent assumed in the benchmarks.

While our 2025 year-end allocation reflected the following: 77% US stocks, 18% non-US stocks, 2% fixed income 1% other and 2% cash, in the first half of the year our net exposure was roughly half of this level due to selective index shorts.

Figure 3: RSA “Absolute Return” (Blue) vs. Barclay Long Bias (Gray)



source: Rockingstone Advisors, Morningstar Office, Inception = 5/30/2009.

Our top 5 individual stock investments at the end of 2025 included: (i) NVIDIA, (ii) Alphabet, (iii) Tower Semiconductor, (iv) Apple, (iv) Amazon. The top 5 ETFs included: (i) IWM – Russell 2000, (ii) XLK – Technology, (iii) SPY – S&P500, (iv) IGV – Software, (v) VEA – Vanguard Non-US Developed Markets.

Balanced

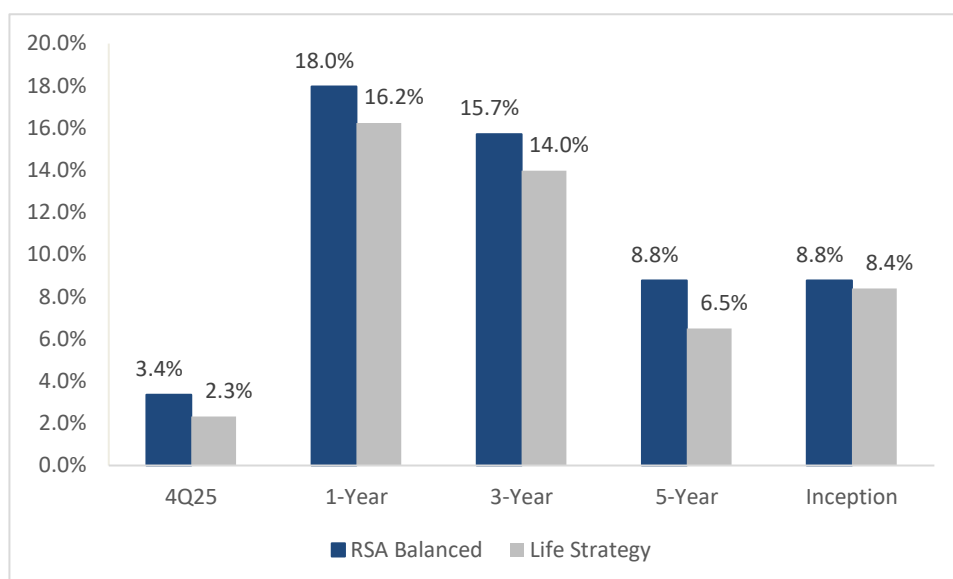
Our “balanced” portfolios include a combination of global equities, fixed income and hybrids. For comparison purposes, the benchmark is the Vanguard LifeStrategy Moderate Growth Fund (VSMGX). VSMGX has an allocation of 37% US stocks, 24% non-US Stocks, 36% global bonds and 3% cash. We note for some clients that need or are willing to take more risk, the benchmark is the Vanguard LifeStrategy Growth Fund (VASGX), which has a higher allocation to both US and non-US stocks.

In 2025 we were over-weight US stocks, slightly below non-US stock weightings and under-weight bonds vs. the benchmark. Fortunately, effective stock picking outweighed the underweight in non-US stocks, leading to strong outperformance. In terms of the equity

allocation, we had less exposure to Asia (mostly due to China) and a more modest under-weight vs. Europe. From a sector perspective, we were over-weight Defensives, such as Healthcare, under the assumption that Healthcare had underperformed the broader index and could provide ballast to some of our more aggressive names. In other sectors we were over-weight Communication Services, slightly under-weight Technology and below for Consumer Cyclical.

In terms of individual equities that aided performance we note Alphabet (GOOGL), Constellium (CSTM), Celestica (CLS), Tower Semiconductor (TSEM) and SofWave Medical (SOFWF) all contributed meaningfully. As “balanced” accounts are inherently less risky vs. all equity portfolios, we note portfolios last year held a greater amount of short duration bond ETFs, including JPST.

Figure 4: RSA “Balanced” (Blue) vs. Benchmark Vanguard Life Strategy (Gray) Portfolio Perf.



Source: Rockingstone Advisors, Morningstar Office, Inception = 7/24/2009.

Rockingstone has outperformed over the bulk of the time periods measured, which was achieved with slightly lower portfolio risk than the benchmark. During the 3, 5, and 10-year time periods the “balanced” portfolios had a beta of 0.99, 0.96, and 0.91, respectively. In terms of alpha generation, we note the following statistics: 3-year = 2.40, 5-year = 2.95 and 10-year 2.31. Lastly, the Sharpe Ratio for the same periods were: 1.21, 0.61 and 0.81, respectively.

At the end of 2025, our top 5 individual stock investments included: (i) Apple, (ii) Alphabet, (iii) NVIDIA, (iv) Constellium, (v) Celestica. Meanwhile, our top 5 ETFs included: (i) JPST – JP Morgan Ultra-Short Income, (ii) VGK - Europe, (iii) VEA – Non-US Developed Markets, (iv) XLK – Technology, (v) IWM – Russell 2000 Small Caps.

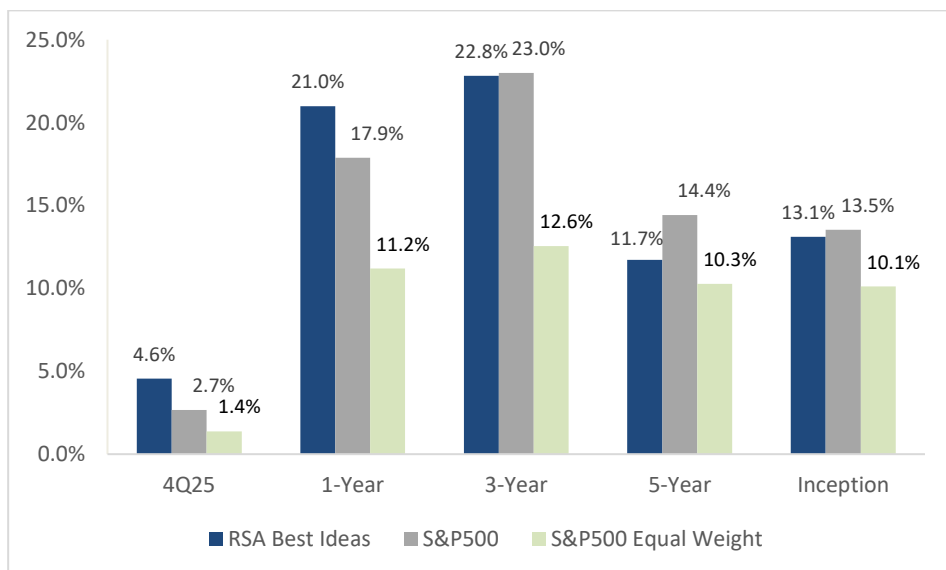
Best Ideas

Our “Best Ideas” portfolios use the S&P 500 as a benchmark. The S&P 500 is a 100% US-based market-cap weighted index, therefore with an inherent bias towards large-cap companies. In 2025 the 10 largest companies in the S&P 500 accounted for about 40% of the Index and roughly 50% of the annual return. Another way to emphasize this high level of concentration is to note the remaining 490 stocks account only for 60% of the Index!

Rockingstone’s portfolio strategy is to manage more equal weight positions among individual stocks, which creates a headwind to our returns in the current environment vs. the highly concentrated S&P 500. To this point, we display RSP (the equal weight S&P) in the figure below. Our view is that an average 2-3% weighting for each individual stock allows for better risk adjusted returns over the long term. For reference, Rockingstone’s top 10 individual positions accounted for just 32% of a typical client’s “Best Ideas” portfolio.

In keeping with our risk management guidelines, we typically start trimming an individual stock once it rises above 5% of a portfolio. As noted in recent newsletters, looking back the last few years, such risk discipline has led to marginal underperformance against the benchmark in our portfolios as market concentration around US large cap stocks continued to expand.

Figure 5: RSA “Best Ideas” (Blue) vs. S&P500 (Gray) Portfolio Performance



Source: Rockingstone Advisors, Morningstar Office, Inception = 1/1/2015.

The 3-, 5- and 10-year beta for our “Best Ideas” portfolio was 1.03, 0.93, and 0.92, respectively, which implies we have managed risk to being between 92% to 103% of the market. Although we generated no “alpha” in the last 3 years (-0.13) and 5 years (-0.94), our 10-year alpha creation is a respectable 1.70. As a reminder, “alpha” is used to measure the excess return created by a portfolio manager above whatever return is generated by the market / benchmark. Importantly, the 3, 5 and 10-year Sharpe Ratios for our “Best Ideas” portfolio include 1.33, 0.66 and 0.91, respectively.

At the end of 2025, our top five individual stock investments include: (i) NVIDIA, (ii) Mastercard, (iii) Alphabet, (iv) Tower Semiconductor, (v) Natera. Meanwhile our top 5 ETFs included: (i) IWM – Russell 2000, (ii) VO - Vanguard Mid Cap, (iii) SPY – S&P 500, (iv) XLK – Technology and (v) IGV – Software.

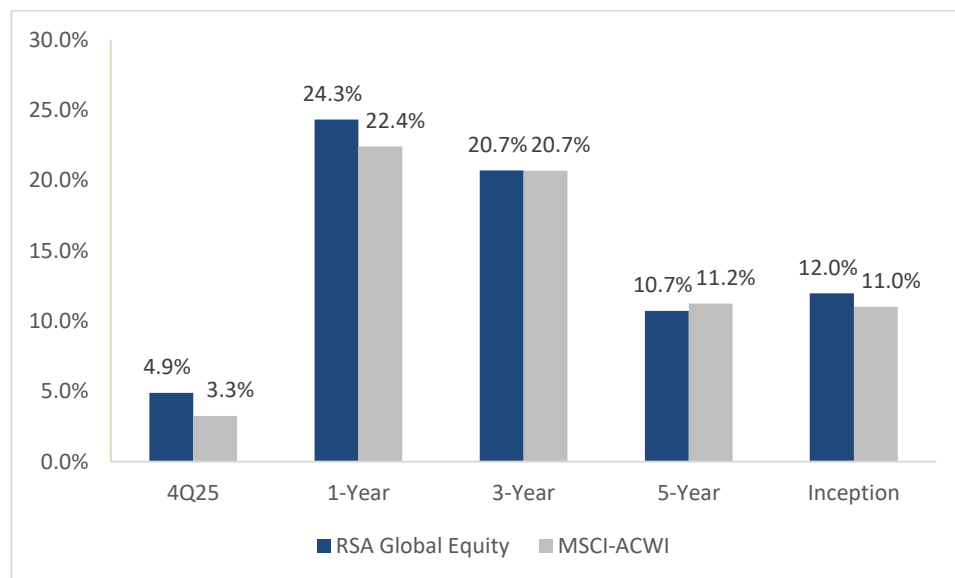
Global Equities

Our “Global Equities” portfolios use the MSCI All-Country World Index (ACWI) as a benchmark and references the Vanguard Global Stock ETF (VT) as a secondary benchmark. The MSCI-ACWI uses a non-US stock weighting of 36%. Specifically, the geographic exposure includes 16% Europe, 16% Asia and 68% Americas.

Rockingstone’s portfolios outperformed the ACWI in 2025 due to a combination of having reasonable exposure to non-US markets (albeit somewhat less than the benchmark but higher than prior years) and strong stock performance from Celestica, Tower Semiconductor, Alphabet and Constellation. A weak US dollar helped international asset prices and fortunately we had increased the non-US weighting early in 2025.

We note the 3-, 5- and 10-year beta for our “Global Equities” portfolio is 0.97, 0.94 and 0.88, respectively. This highlights that despite the presence of some single stock names, our portfolios have about 85-95% of the risk of holding the MSCI-ACWI alone. Therefore, our alpha generation over the last 3-, 5- and 10-years reflects 1.39, 0.84, and 2.79, respectively. In terms of the Sharpe Ratio over the same periods, we note client portfolios achieved on average 1.35, 0.64 and 0.86, respectively.

Figure 6: RSA “Global Equity” (Blue) vs. Benchmark MSCI-ACWI (Gray) Portfolio Performance



Source: Rockingstone Advisors, Morningstar Office, Inception = 1/2/2015.

We typically have greater ETF exposure in our “global equity” portfolios as compared to the “best ideas” portfolio. At the end of 2025, our top five individual stock investments included: (i) NVIDIA, (ii) Alphabet, (iii) Tower Semiconductor, (iv) Apple, (v) Celestica. Meanwhile our top 5 ETFs included: (i) VGK – Europe, (ii), VEA – Non-US Developed Markets, (iii) XLF - Technology, (iv) IWM – Russell 2000, (v) JPST – Short Duration Bonds.

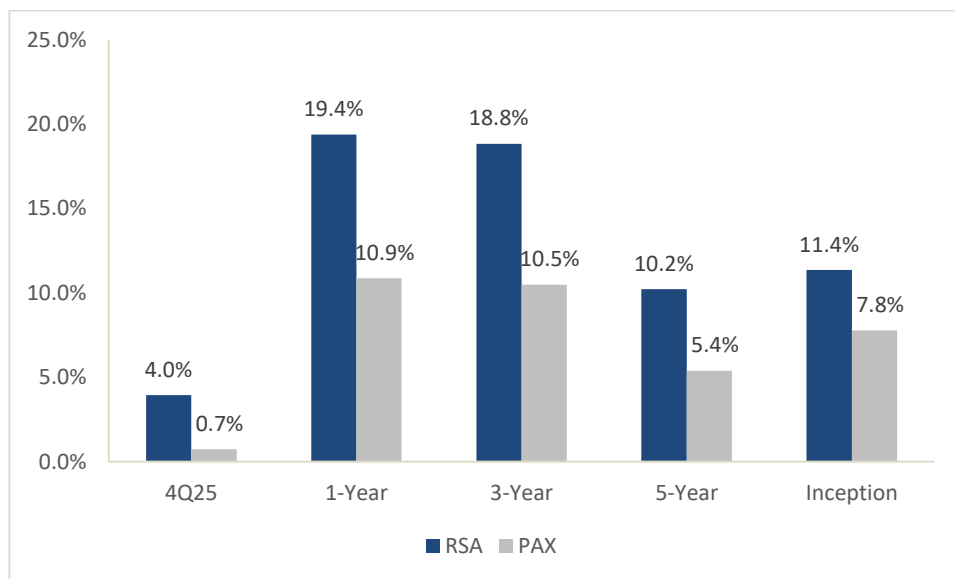
Personalized Portfolios

Rockingstone manages individual portfolios and as a result there are occasions when a particular client may want to exclude certain securities. For example, a client may want to exclude mining or gambling or hydro-carbon intensive businesses. We may also manage a portfolio for a client that has inherited a significant amount of a particular stock with a low tax basis and thus need to consider that over-weight position and the tax consequences to a greater degree than other clients.

As a result, we emphasize the “Personalized Portfolios” as a group is less indicative of performance vs. one particular benchmark. We are using the Impax Sustainable Allocation Fund (PAXWX) to reflect one client’s preference for portfolios not holding any carbon intensive individual stocks. The benchmark is a balanced fund, i.e. it includes US stocks (52% weighting), non-US stocks (9%) as well as bonds (36%) and cash (3%). Similar to other strategies, we use both ETFs and individual stocks to construct the portfolio.

Using our Morningstar portfolio software, we note the 3- and 5-year beta for these portfolios has been 1.01 and 1.06 respectively. This indicates there is about 0-5% more volatility in our “personalized portfolios” vs. the benchmark. This is a function of holding significantly less bond exposure. Alpha generation has been positive including 7.36 for the last 3-years and 4.50 for 5-years. Lastly, the Sharpe Ratio for the last 3-years has been 1.27 and for the 5-year period it has been 0.59.

Figure 7: RSA “Personalized Portfolios” (Blue) vs. Sustainable Allocation (Gray) Performance



Source: Rockingstone Advisors, Morningstar Office, Inception = 10/20/2016.

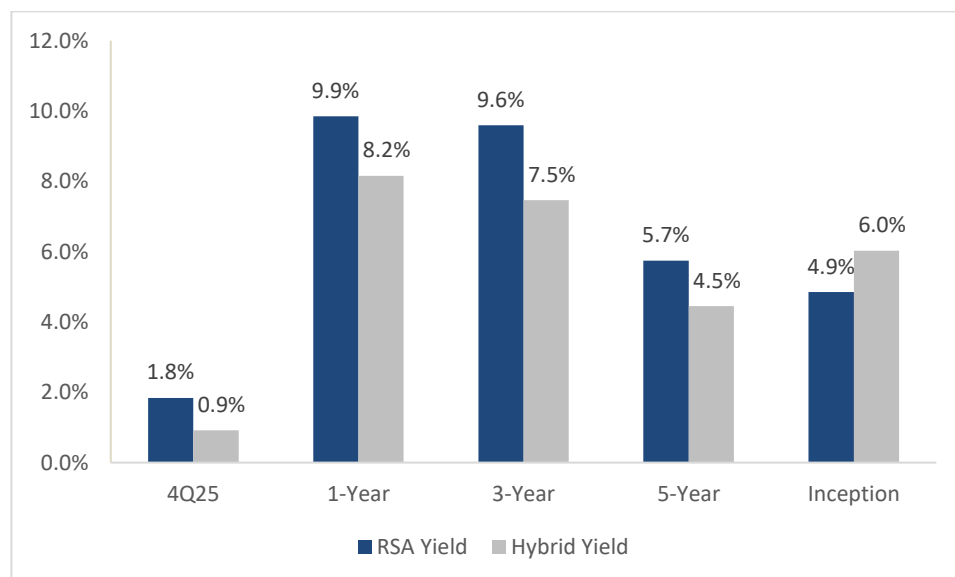
Our top 5 individual stock investments at 2025-end included: (i) Apple, (ii) Alphabet, (iii) Costco, (iv) Microsoft and (v) Celestica. Meanwhile our top 5 ETFs included: (i) KLD – MSCI Social 400, (ii) XLK – Technology, (iii) JPST – Short Duration Bonds, (iv) SPYX – S&P500 excluding Fossil Fuels, and (v) VT – Total World Stocks.

Yield

For many retirement accounts and those investors interested in generating more income, we construct portfolios using a combination of high dividend yielding stocks, business development companies, REITs and MLPs, Call/Write strategies, ETFs, select bond ETFs as well as hybrid ETFs. Our goal with these portfolios is to generate an absolute return of 4-6% over the long term, with the bulk of that return coming from dividends / income.

For “yield” accounts, we continue to invest in select short duration bond ETFs, including JPST (JP Morgan Short Duration Bonds) and VGSH (Vanguard Short Duration Treasuries). With the Federal Reserve in a more dovish stance, these ETFs will either deliver somewhat lower yield or take on more risk via duration and/or spreads to achieve the same returns. We also note many “defensive” oriented equity sectors such as consumer staples and healthcare are relatively inexpensive vs. history and can be a decent substitute for traditional bonds. Whatever the components, our goal is to create portfolios that deliver 4-6% growth / income for clients.

Figure 8: RSA “Yield” (Blue) vs. Simple Global Yield Benchmark (Gray) Portfolio Performance



Source: Rockingstone Advisors, Morningstar Office, Inception = 12/27/2011.

Our “yield” portfolios over the last 3-, 5- and 10-year periods have generated annualized returns between 5-10% which is above the stated goals but are in line since inception. We note the following portfolio statistics: Beta (3-year = 0.85, 5-year = 0.89, 10-year = 0.95), Alpha (3-year = +2.89, 5-year = +1.84, 10-year = +0.31). Lastly, the Sharpe Ratio over the same periods reflect: 0.81, 0.43, 0.44.

Our top five liquid holdings at the end of 2025 included: (i) VGSH – Vanguard Short Term Treasury, (ii) JPST – Ultra Short Income, (iii) VYMI – High Intl Dividend Yield, (iv) VYM – High Dividend Yield, (v) XLV - Healthcare. We note individual stocks make up a smaller weighting in this strategy.

NB: We note portfolio analytics generated by our Morningstar software, specifically alpha and beta referenced in the above section, are based off of gross return calculations.

Forecast: 2026

Rockingstone Advisors: Our Latest Forecasts

With 2025 in the rear-view mirror, we set our sights on 2026 and the probabilities as to how key economic metrics will play out this year. As noted elsewhere in this newsletter, the change afoot in Washington DC and around the globe makes for difficult forecasting.

Figure 9: Key Metric Forecast

Metric	Year End December	
	Band	Point
US Real GDP (2026)	+2.2% to +2.7%	2.5%
S&P 500 2025 EPS (RSA/Street)	NA	\$264 / \$263
S&P 500 2026 EPS (RSA/Street)	NA	\$295 / \$310
S&P 500 2026 Index	6250 - 6500	6345
10-Yr US Treasury Yield	4.2% - 4.5%	4.3%
Oil (WTI-2026 End)	\$50 - \$60	\$55
Gold (2026 End)	\$4,000 - \$4,500	\$4,250
Inflation (PCE - NTM)	+2.5% to +3.0%	2.8%

Source: Rockingstone Advisors, The Economist, Standard and Poor's, NYSE Arca, St. Louis Federal Reserve

A few observations and comments:

1. **S&P 500 2026 EPS.** In 2024 corporate earnings were \$233 per share and it appears as if 2025 will come in around \$263-264 a share, implying solid 13% growth. Never mind these are “operating” figures and exclude close to \$20 of one-time items that consensus tends to add back (which therefore implies true P/E and other valuation metrics are even higher)! It is important to note that in terms of trend analysis, earnings forecasts started to inflect higher around mid-2025, that is to say that analysts’ earnings revision started to rise for corporate profitability after a sustained period of lowered forecasts. At this point, consensus estimates for 2026 are quite bullish, with a \$310 forecast for S&P 500 EPS, which implies YoY growth of 18%. We believe this figure is overly aggressive considering the likelihood of more limited share repurchases, some consumer elasticity related to tariff goods pricing or AI spending that doesn’t immediately translate into productivity / margin gains. That said, our \$295 forecast does imply low double digit YoY growth (12%) in corporate profits.
2. **S&P 500 2026 Index.** We remain cautious on the total return outlook for the large-cap dominated S&P 500. Downward pressure on valuation multiples and lower profit margins will likely offset sales growth and dividend yield, thus limiting total returns, in our view. Using a 21.5x P/E multiple on the \$295 EPS forecast points to fair value for the S&P 500 of 6350 or about 10% lower vs. today’s level. With a handful of large-cap, tech-oriented companies dominating the S&P 500, we think it is prudent to be more cautious on the P/E multiple applied when deriving a price target. As detailed in the next section, we note our forecast for returns on other indices, such as the equal weight S&P and mid- and small-cap areas of the market, are more bullish.

Five Year Asset Value Forecastⁱⁱⁱ

Large-cap Returns Continue to Look Muted

In terms of capital markets, we assume over the long run that asset values mean-revert (with respect to operating margins and P/E multiples). But it is worth noting that a decade of growth, led mostly by US large cap tech companies, puts the thesis of mean reversion to the test, as such companies have incredibly strong competitive moats, high returns on invested capital and massive addressable markets with minimal evidence regarding long term margin pressure.

We analyze equities using four variables, including (i) historical sales growth, (ii) corporate profit margins, (iii) dividend yields, and (iv) valuation to determine potential long-term returns. Using valuation as an example, P/E multiples should theoretically decline (if currently above the historical mean) or expand (if currently below the historical mean) over the long term.

Based on our outlook for total returns, we expect the “give” of sales growth and dividends to be partly offset by the “take” of mean-reverting margins and broad-based contraction in valuation multiple. Indeed, it is interesting to note that “valuation” is expected to be a negative for returns across EVERY index we forecast and the same is mostly true (except for US small caps) for profit margins!

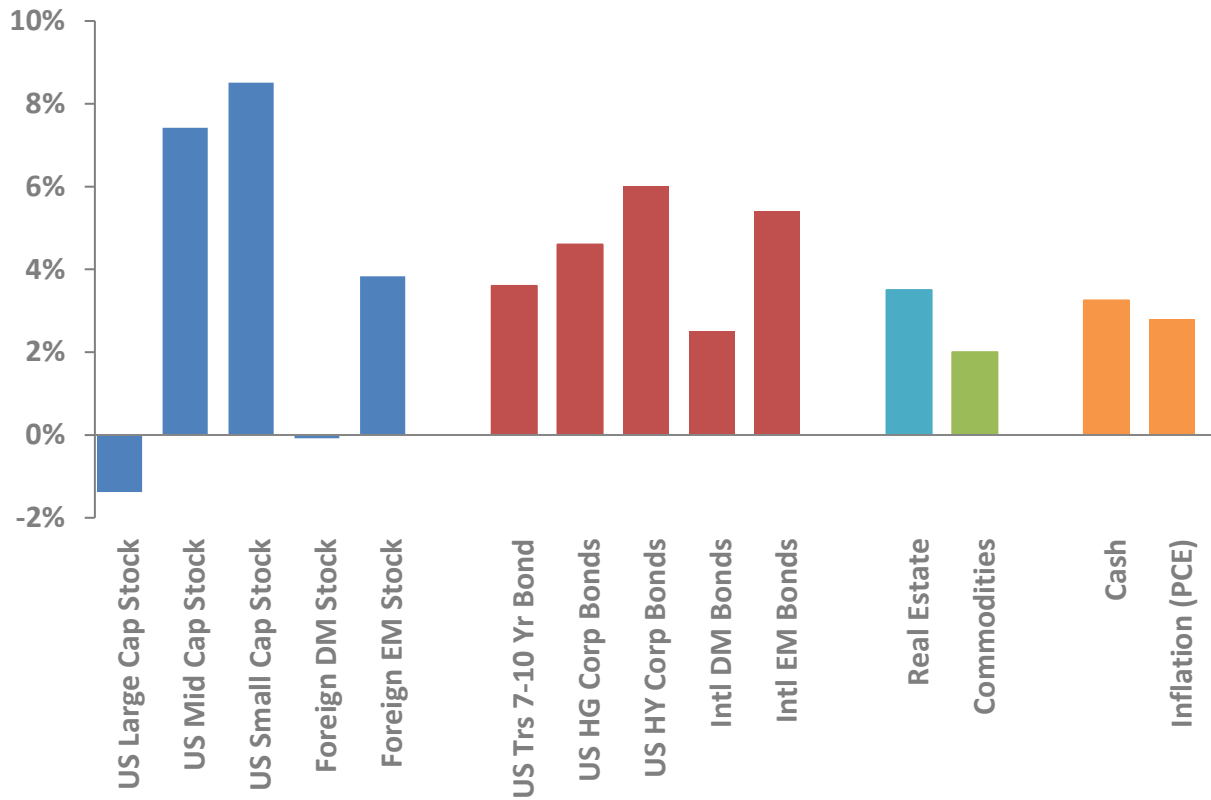
Figure 10: Five-Year Total Equity Return Calculations (Incremental Contribution)

Asset	Index	LT Exp. Return		Sales		Profit Margin		Div. Yield		Valuation
US Large Cap Stock	S&P500	-1.4%	=	6.0%	-	2.7%	+	1.4%	-	6.2%
US S&P Equal Weight	RSP	4.5%	=	3.8%	-	0.7%	+	2.3%	-	0.9%
US Mid Cap Stock	S&P400	7.4%	=	5.3%	-	0.0%	+	2.2%	-	0.1%
US Small Cap Stock	S&P600	8.5%	=	5.6%	+	0.7%	+	3.0%	-	0.8%
Foreign DM Stock	MSCI-EAFE	-0.1%	=	1.9%	-	3.4%	+	3.1%	-	1.7%
Foreign EM Stock	MSCI-EM	3.8%	=	5.6%	-	2.0%	+	2.7%	-	2.5%

Source: Rockingstone Advisors

In fixed income (see the next page for various assumptions), we are assuming the yield curve and current rates don’t change much from current levels. Thus, the existing yield on the various fixed income instruments should be close to the total return, in our view. Despite the world being awash in government debt, long term yields haven’t moved significantly higher. It is also interesting to note how non-US Developed Market bonds generally have materially lower yields vs similar duration US Treasury bonds.

Figure 11: Five-Year Asset Class Total Return Forecast



Source: Rockingstone Advisors

Equity Performance Review

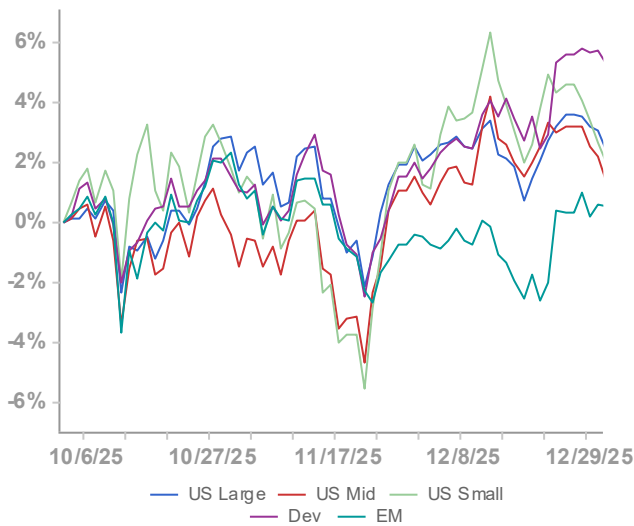
For A Change, Non-US Developed Markets Lead the Way

In part due to a weaker US dollar as well as some interest in “value” investments, non-US developed market stocks led the way in 2025 with a 35% jump in performance. Nevertheless, it remained a strong year for US large caps stocks, which recorded gains of close to 18%, capping a 3-year CAGR of around 20%.

It was a volatile year for global equities to the extent some optimism in the first quarter of 2025 was violently offset by the Trump administration’s surprising embrace of wholesale tariff changes (i.e. “Liberation Day”). But as we noted at the time, the fixed income market ultimately forced the administration to capitulate and moderate its tariff rates. The fact that companies were able to navigate the mess and deliver decent earnings growth forced investors off the sidelines.

We note the following performance regarding 4Q25 and 12M25, respectively, results: US large-cap (+2.3% and +17.7%), US mid-cap (+1.2% and +7.2%), US small-cap (+1.9% and +12.7%), Developed (+5.2% and +35.1%), Emerging (+0.5% and +25.5%).

Figure 12: 4Q25 Equity Performance ^{iv}



Source: FactSet

Figure 13: 12M25 Equity Performance



Source: FactSet

Fixed Income Performance Review

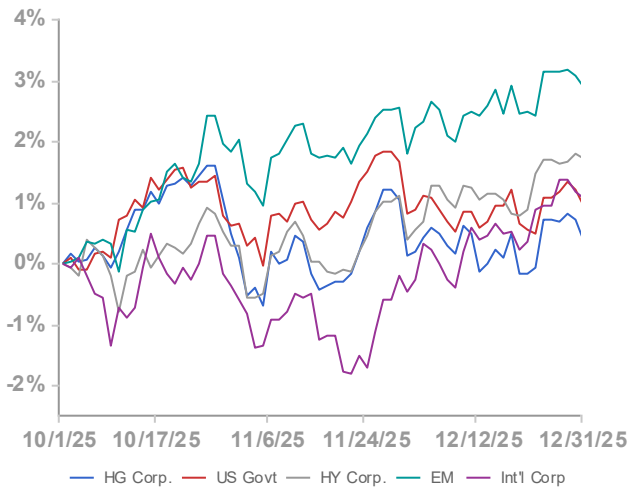
A Bullish Year for Bonds

Aside from the gyrations around “Liberation Day” in early April 2025, the backdrop for fixed income was relatively bullish. The economy continued to grow, corporate earnings were solid and central banks generally moved to more dovish positioning. Indeed, the US Federal Reserve lowered the discount rate several times and positive investor sentiment led to “spreads” narrowing on riskier parts of the fixed income market.

Despite the solid performance of the asset class, investors became more circumspect regarding the likelihood of additional cuts to the Fed Funds rate and were rattled by a threat to the Fed’s traditional independence by some members of the Trump Administration, which has been unusually aggressive in jaw-boning the Federal Reserve to lower interest short-term interest rates. We view the use of the DOJ’s subpoena power to pressure the central bank as highly dangerous to its traditional independence and a threat to long-term inflation expectations.

We focus on the following performance numbers for 4Q25 and 12M25, respectively: US High Grades (+0.7% and +8.0%), US Governments (+1.0% and +8.0%), US High Yield (+1.7% and +8.8%), Intl Developed (+1.0% and +14.3%), Emerging Markets (+2.9% and +14.2%).

Figure 14: 4Q25 Fixed Income Performance^v



Source: FactSet

Figure 15: 12M25 Fixed Income Performance



Source: FactSet

Commodity Performance Review

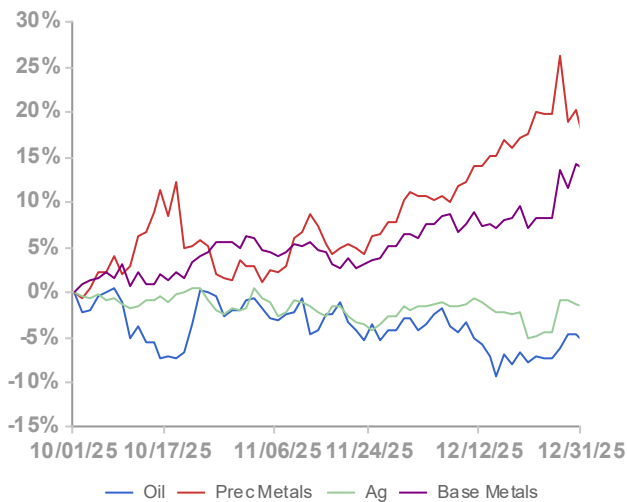
Precious Metals Have a Moment

Most of the commodity complex was relatively benign in 2025. However, the clear exception were precious metals, and to a lesser extent, base metals. Indeed, precious metals jumped more than 70% for the full year! The strength in precious metals was most likely due to bets against the US dollar— whether fueled by concerns around debasement of the dollar due to large and growing deficits or simply that the multi-year rally in the trade-weighted dollar had run its course.

Unfortunately, we had minimal direct exposure to precious metals last year. Our sense is that with inflation more moderate and precious metals having already surged, it isn't the time to add to gold positions. Given the Administration's ongoing effort at peace in Ukraine belligerence toward Iran and Venezuela, coupled with ample supply, oil prices were relatively weak against other commodity prices

We typically invest in commodities via ETFs and the graphs below display what we view as representative performance for the underlying commodities. We highlight the following returns during the 4Q25 and 12M25, respectively: Oil (-5.4% and -11.7%), Precious Metals (+17.7% and +73.3%), Agriculture (-1.1% and -0.6%), Base Metals (+14.0% and +22.4%).

Figure 16: 4Q25 Commodity Performance^{vi}



Source: FactSet

Figure 17: 12M25 Commodity Performance



Source: FactSet

Digital Asset Performance Review

In 2025, Less Correlation with the Nasdaq

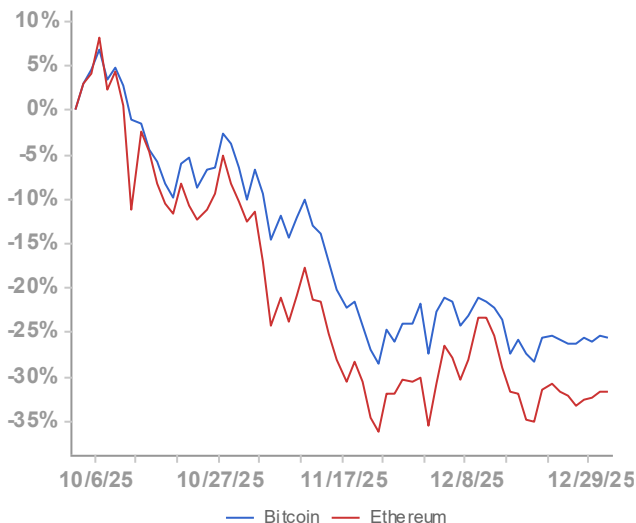
For most of their relatively recent history, digital assets have had a high correlation with technology stocks. Indeed, one could argue that digital assets were basically high beta tech-like investments for the last half decade! Yet in 2025 with the large cap technology ETF (XLK) up 24.5%, there was finally some uncoupling. We actually view this as a positive to the extent investors use digital assets as an uncorrelated asset within a diversified portfolio.

To reiterate our belief, digital assets are not a substitute for equities or bonds or other cash flow-driven securities. There is no cash flow associated with the asset class, and as value investors, we generally prefer to acquire a stream of free cash flow. Yet it is worth recognizing that many assets do not generate cash flows but are widely recognized as being stores of value, including art or precious metals or coins or rare books. We affirm our view investors should hold 1-2% of net assets in digital currencies.

With the Trump administration's embrace of digital assets and institutional acceptance that blockchain technology will prove valuable, during the first 8 months of 2025, cryptocurrencies jumped in value (as evidenced in the graph below). Yet the market rolled over during the last part of 2025 as it appears investors decided that precious metals were a better hedge against a weak US dollar and perhaps a resurgence in inflation.

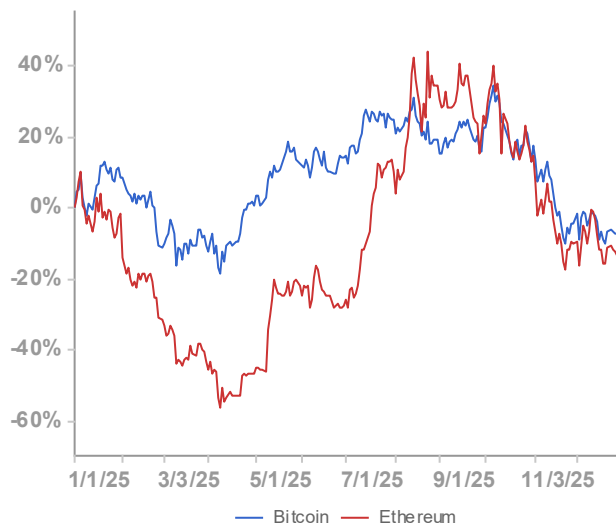
We note the following performance regarding 4Q25 and 12M25, respectively, results: Bitcoin (-25.7% and -31.6%) and Ethereum (-6.6% and -11.4%).

Figure 18: 4Q25 Digital Asset Performance ^{vii}



Source: FactSet

Figure 19: 12M25 Digital Asset Performance

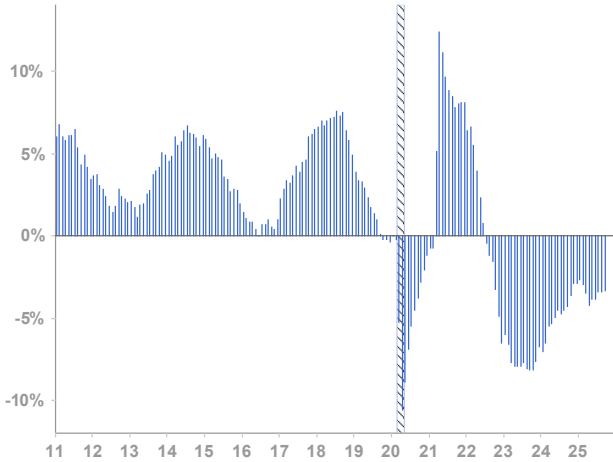


Source: FactSet

Chart Book

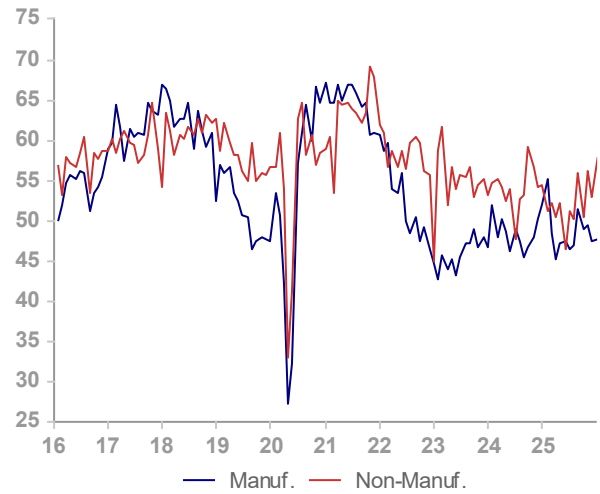
Leading Indicators

Figure 20: Index of Leading Economic Indicators



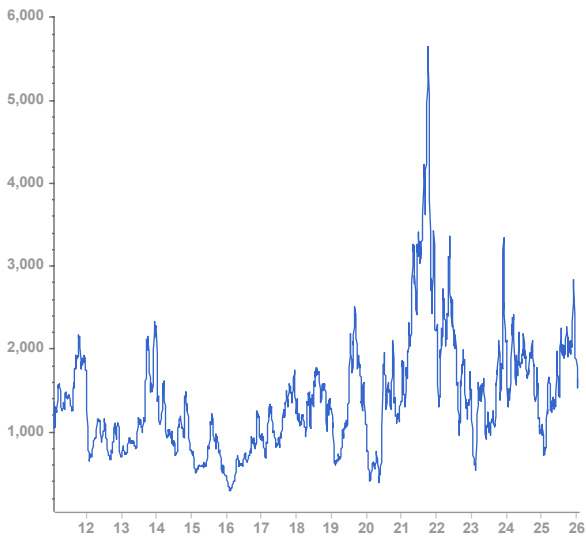
Source: FactSet

Figure 21: ISM New Orders



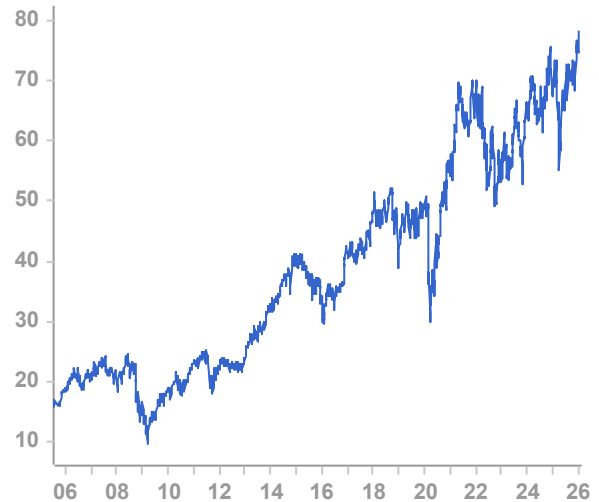
Source: St. Louis Federal Reserve, FRED Database

Figure 22: Baltic Freight Index



Source: FactSet

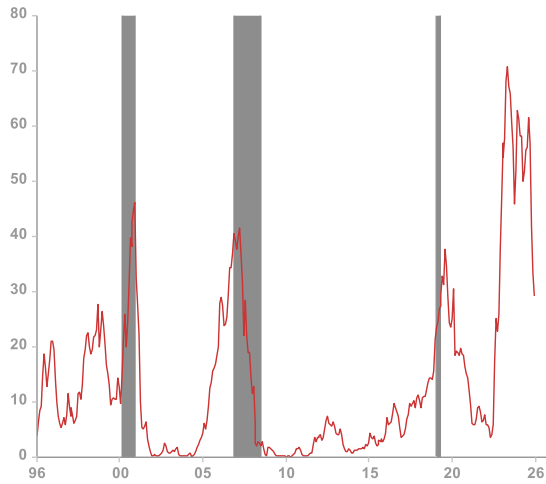
Figure 23: DJ Transports



Source: FactSet

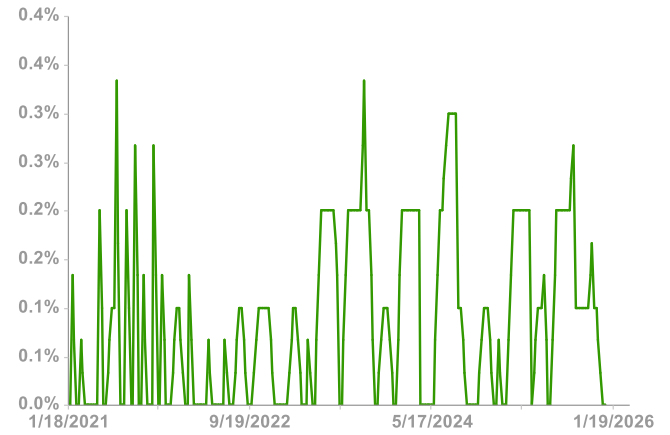
Real-time Recession Risk Indicators

Figure 24: Treasury Spread Recession Predictor



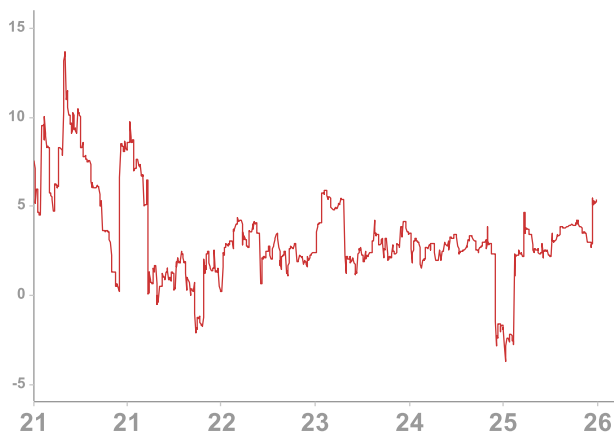
Source: FactSet, FRED Database

Figure 25: Sahm Real-time Recession Predictor



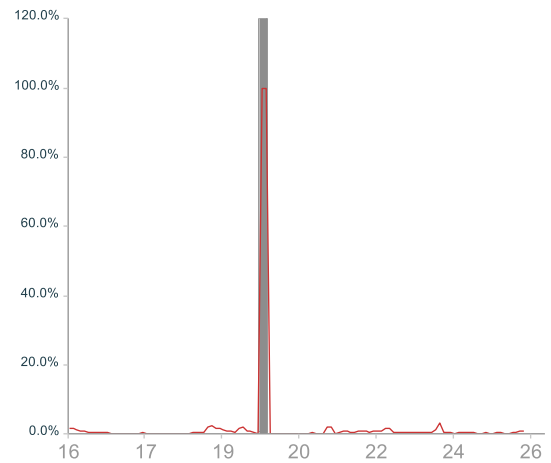
Source: St. Louis Federal Reserve, FRED Database

Figure 26: GDP Now (Atlanta Fed)



Source: FactSet, FRED Database

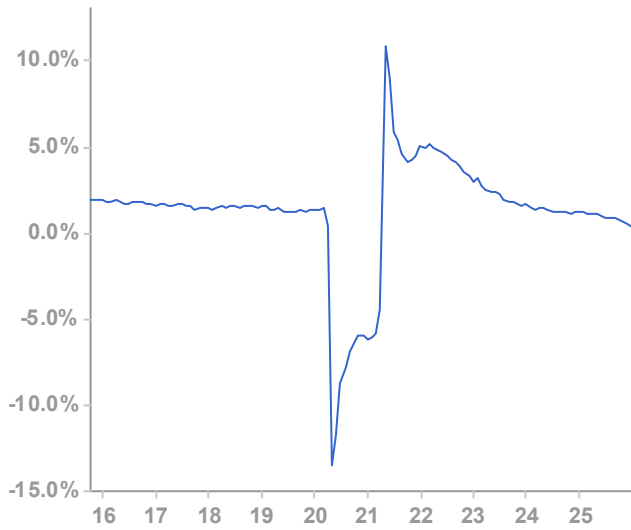
Figure 27: Smoothed US Recession Probabilities



Source: FactSet, FRED Database

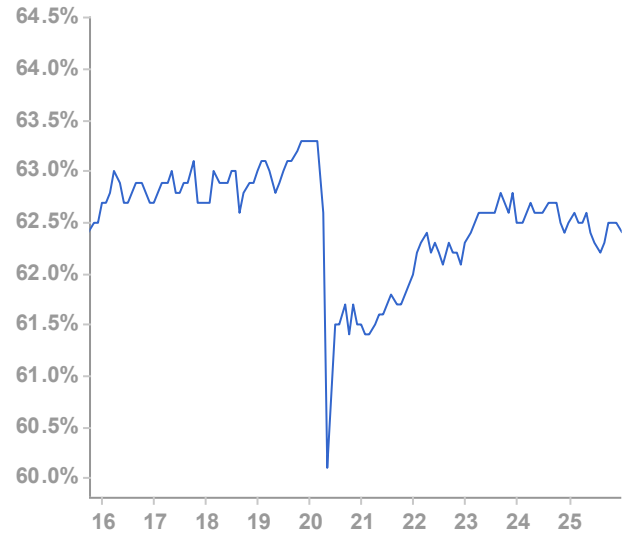
Labor Market Indicators

Figure 28: Payroll Growth (Establishment Survey, % Chg YoY)



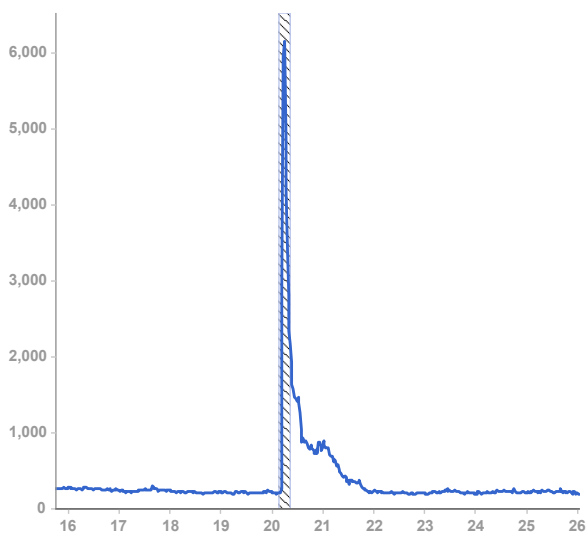
Source: FactSet

Figure 29: Labor Participation Rate (% of Workforce)



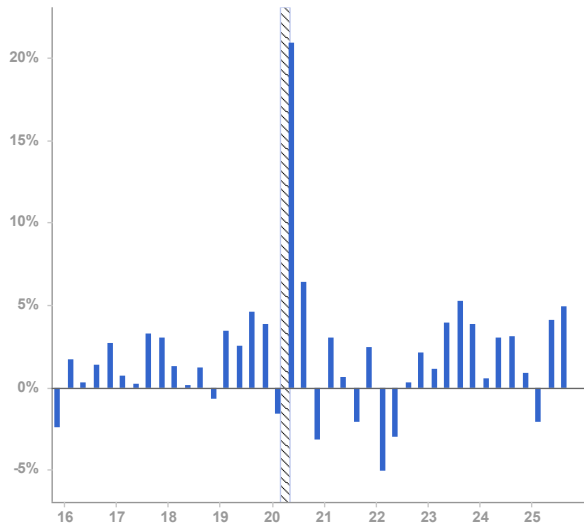
Source: FactSet

Figure 30: Initial Unemployment Claims



Source: FactSet

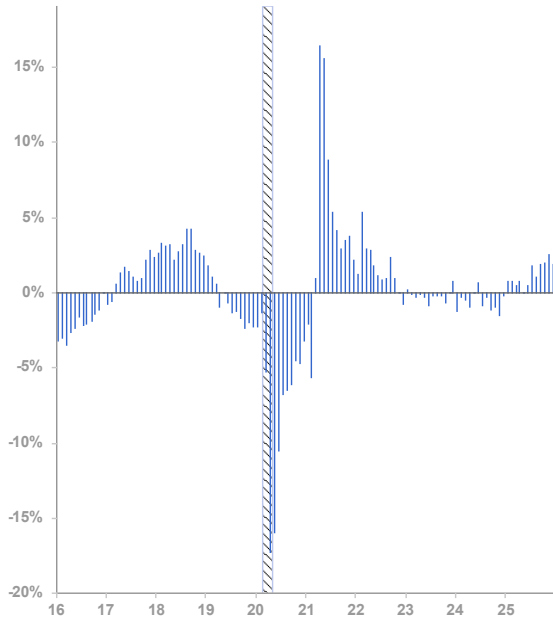
Figure 31: Non-Farm Productivity (% Chg YoY)



Source: FactSet

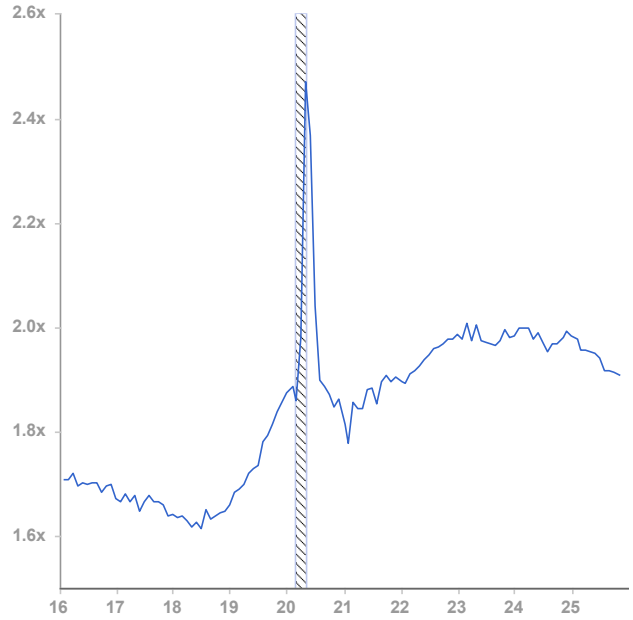
Production and Business Activity Indicators

Figure 32: Industrial Production (% Chg YoY)



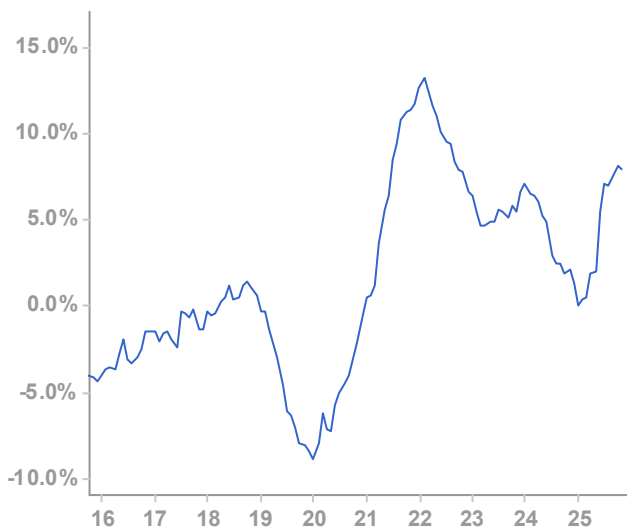
Source: FactSet

Figure 33: US Inventory to Shipment Ratio



Source: FactSet

Figure 34: Unfilled Orders (% Chg. YoY)



Source: FactSet

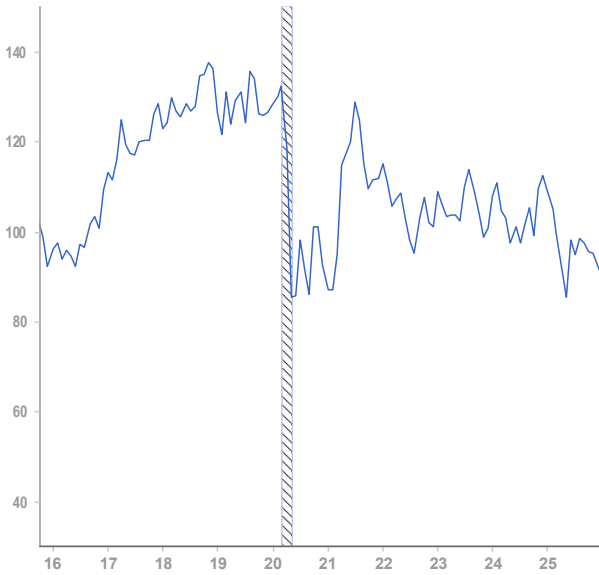
Figure 35: Business Sales (% Chg. YoY)



Source: FactSet

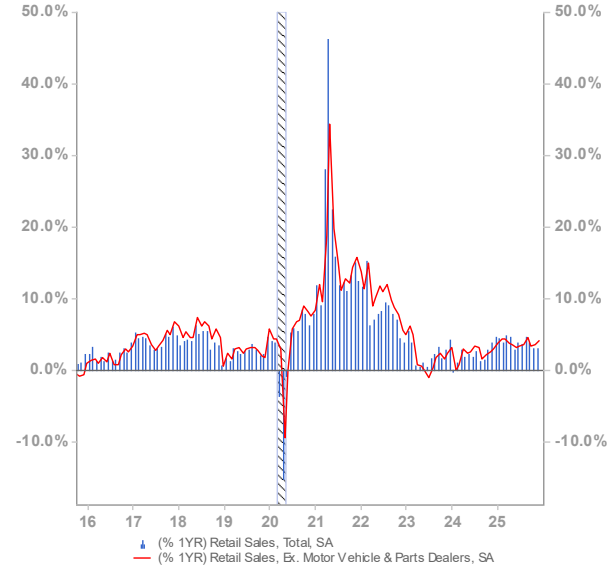
Consumer and Household Activity Indicators

Figure 36: University of Michigan Consumer Sentiment



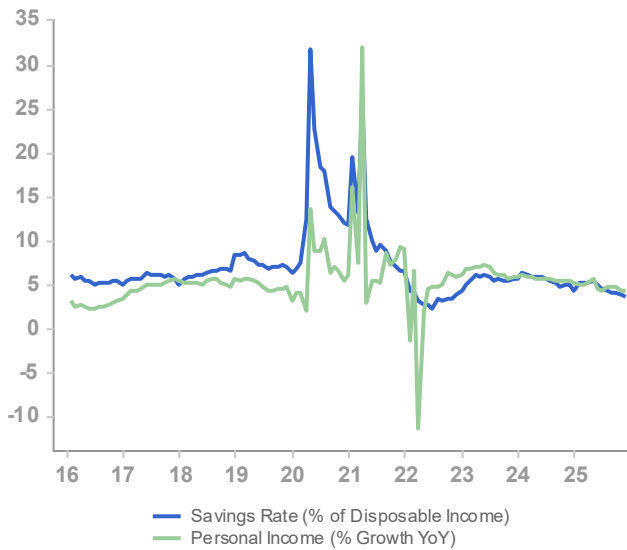
Source: FactSet

Figure 37: Retail Sales



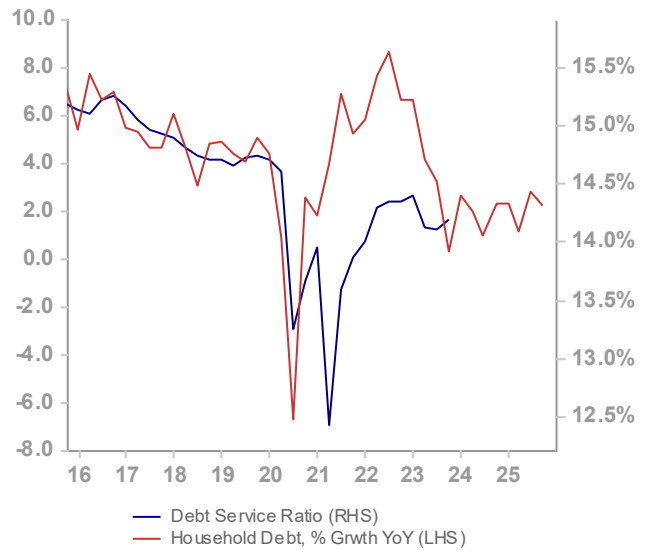
Source: FactSet

Figure 38: Personal Income and Savings Rate



Source: FactSet

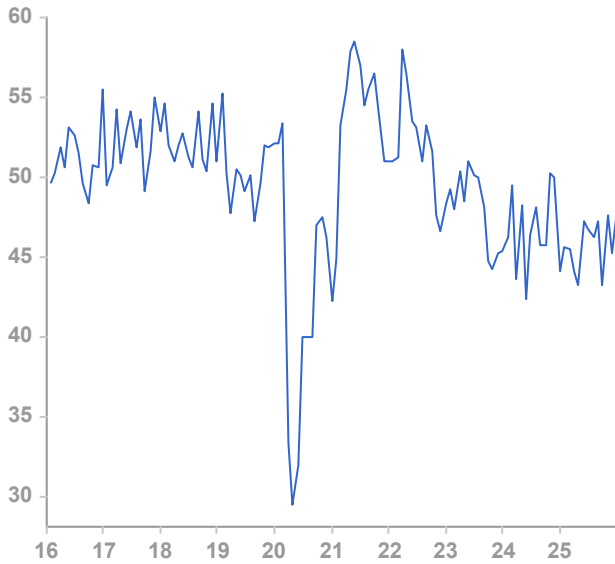
Figure 39: Household Debt



Source: FactSet

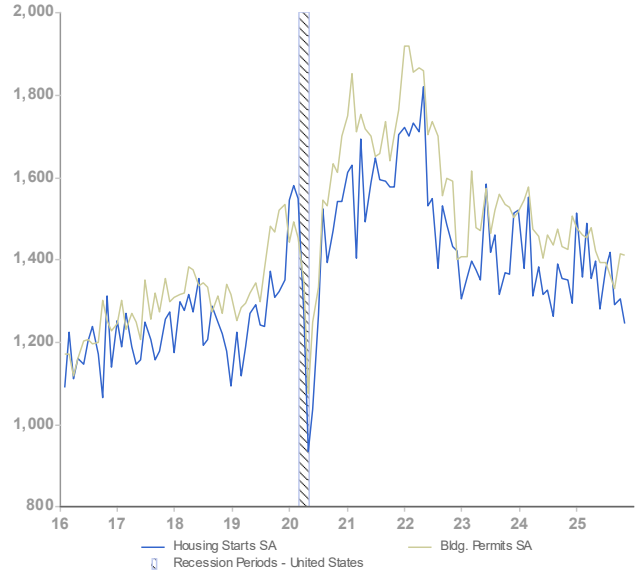
Housing and Construction Indicators

Figure 40: Architecture Billings Index



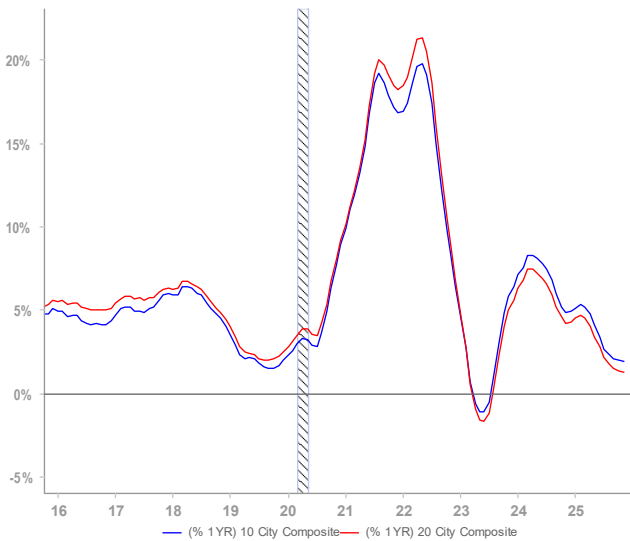
Source: FactSet

Figure 41: Housing Starts and Building Permits



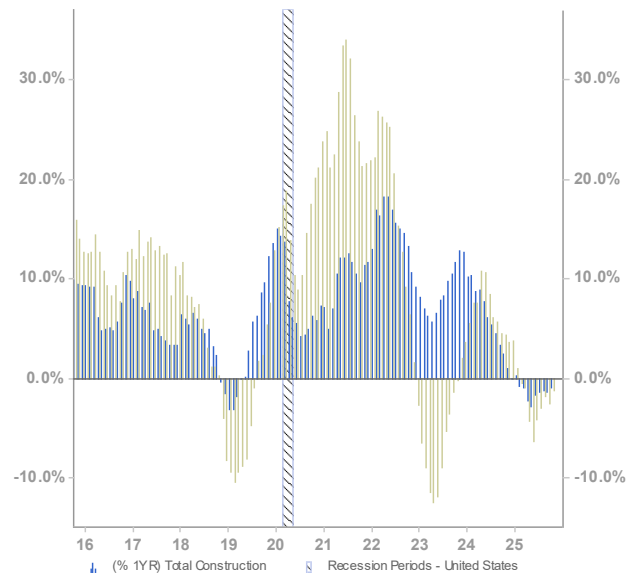
Source: FactSet

Figure 42: Case-Shiller 20-City & 10-City Index, % Chg YoY



Source: FactSet

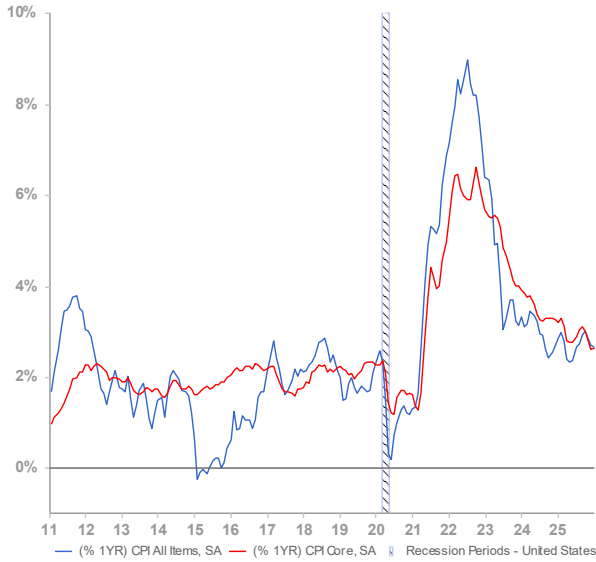
Figure 43: Private and Total Construction (% Chg YoY)



Source: FactSet

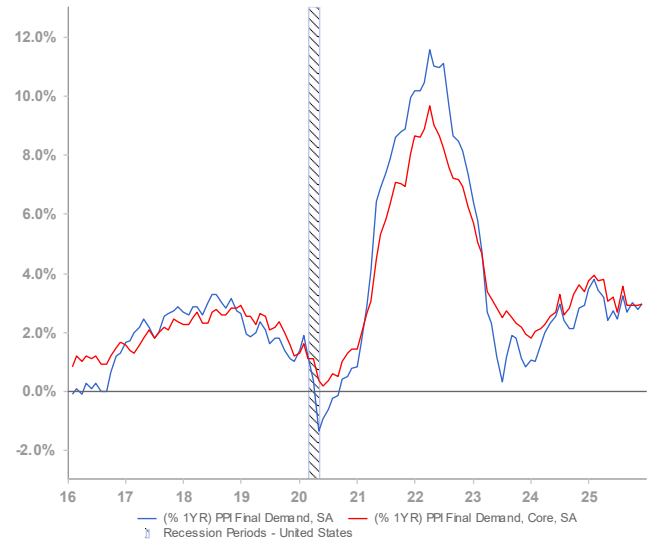
Price Indicators

Figure 44: Consumer Price Index



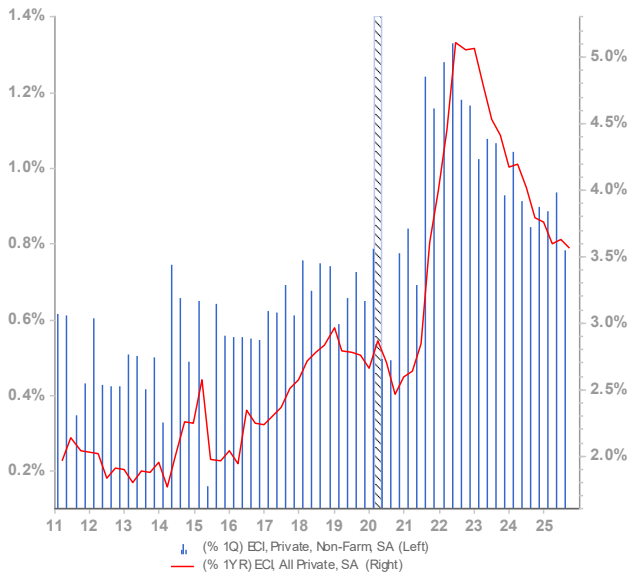
Source: FactSet

Figure 45: Producer Price Index



Source: FactSet

Figure 46: Employment Cost Index



Source: FactSet

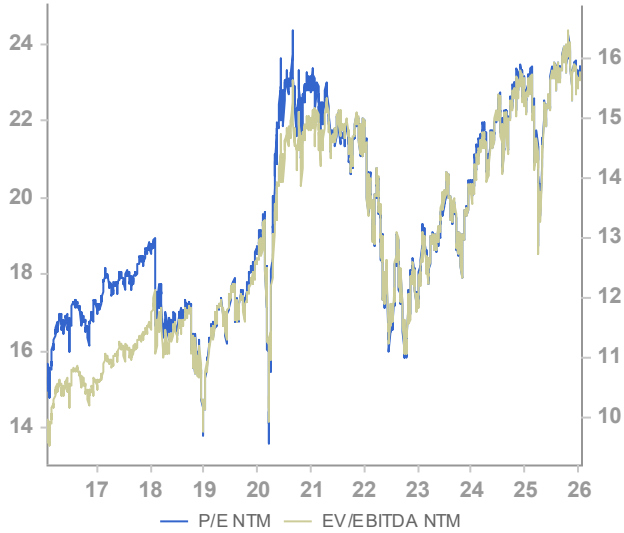
Figure 47: 10-Year, 5-Year Forward Inflation Expectations



Source: FactSet

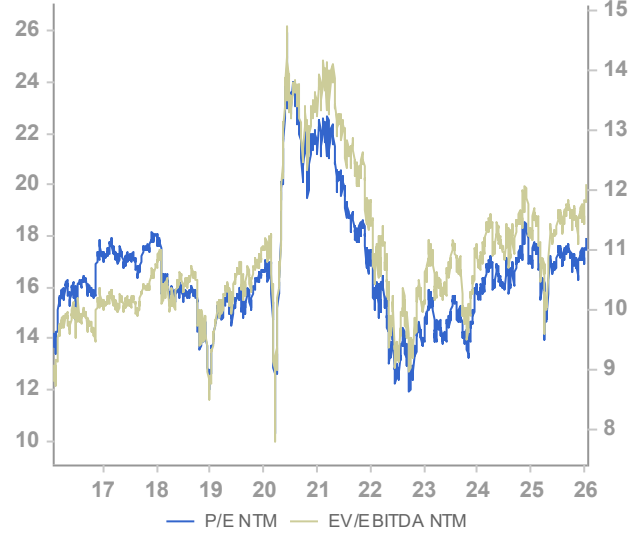
Valuation Indicators

Figure 48: S&P 500 P/E (LHS) & EV/EBITDA (RHS)



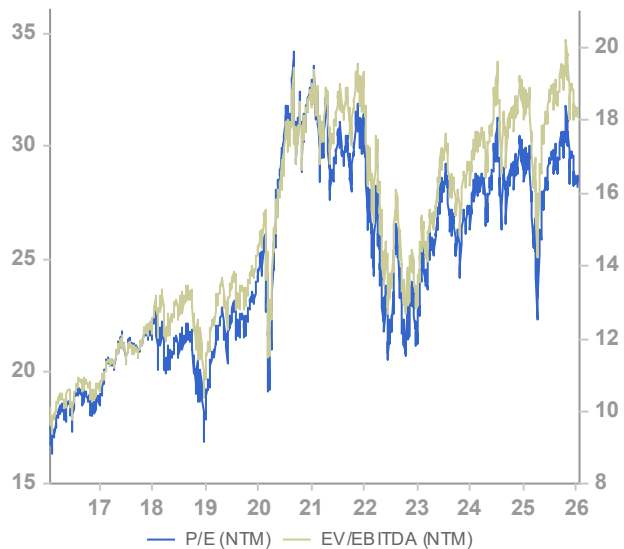
Source: FactSet

Figure 49: S&P Midcap 400 P/E (LHS) & EV/EBITDA (RHS)



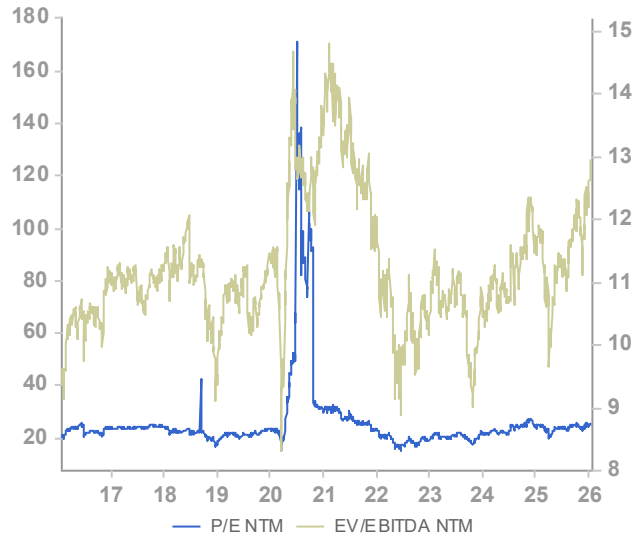
Source: FactSet

Figure 50: Nasdaq 100 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

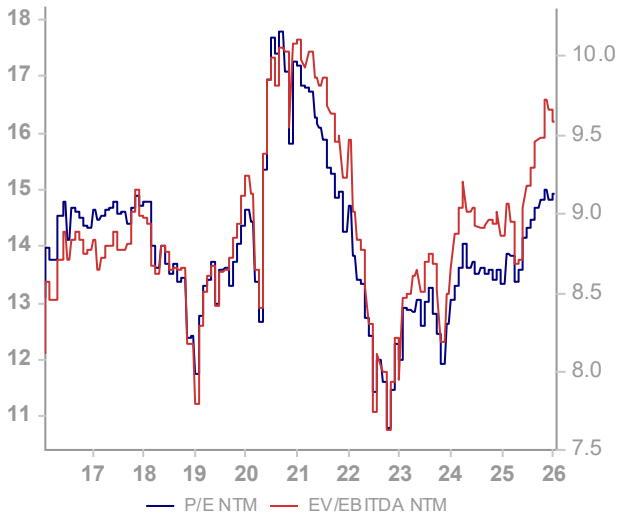
Figure 51: Russell 2000 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

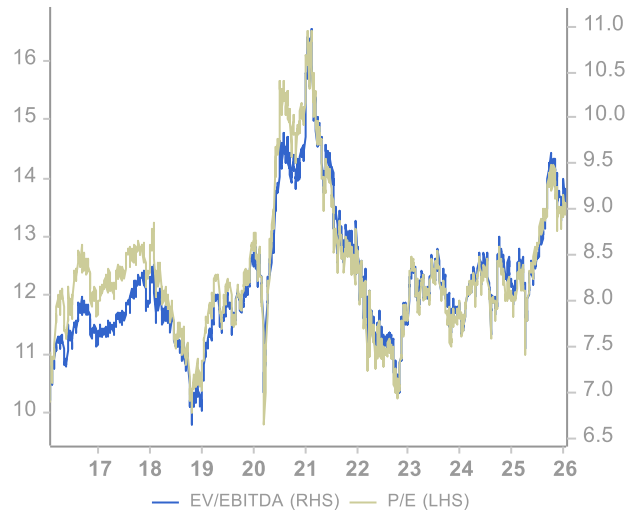
Valuation and Volatility Indicators

Figure 52: Intl Developed P/E (LHS) & EV/EBITDA (RHS)



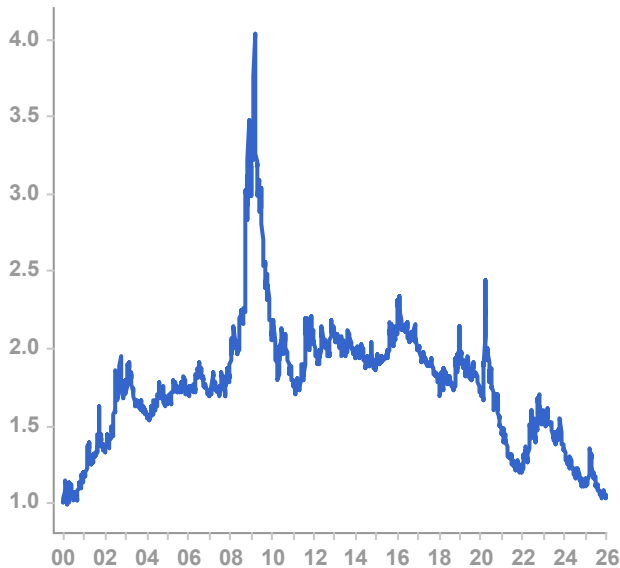
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 53: Emerging Markets P/E (LHS) & EV/EBITDA (RHS)



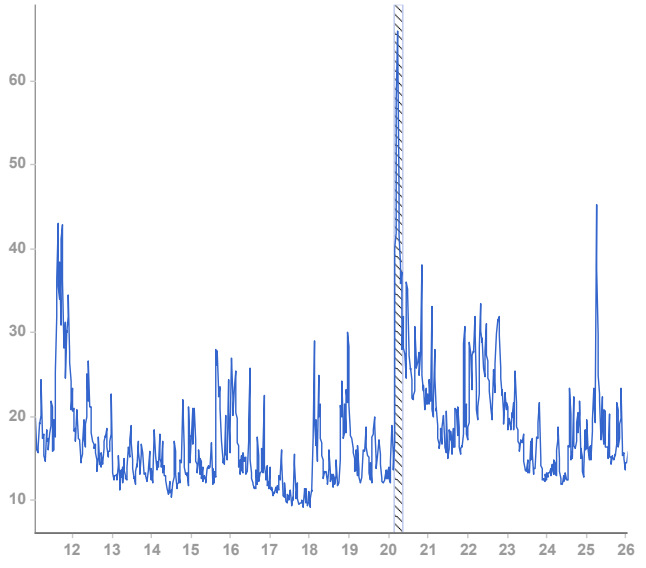
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 54: S&P 500 Dividend Yield



Source: FactSet

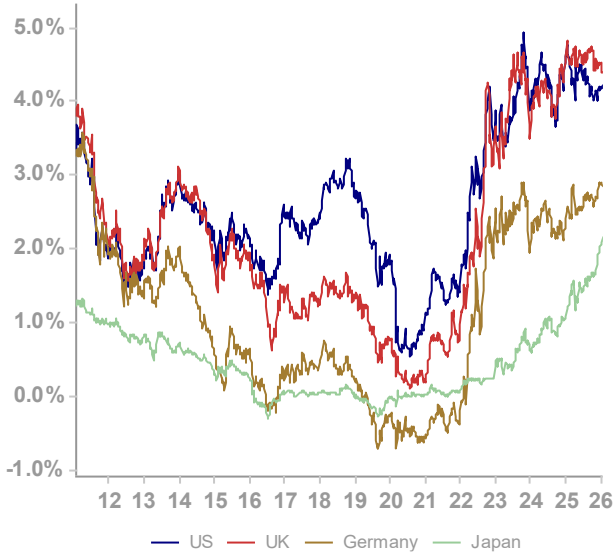
Figure 55: CBOE Volatility Index



Source: FactSet

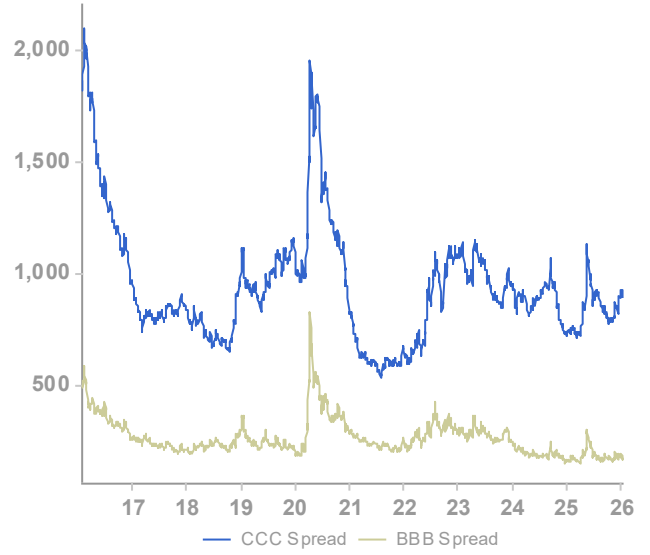
Bond Market Indicators

Figure 56: 10-Year Global Bond Yields



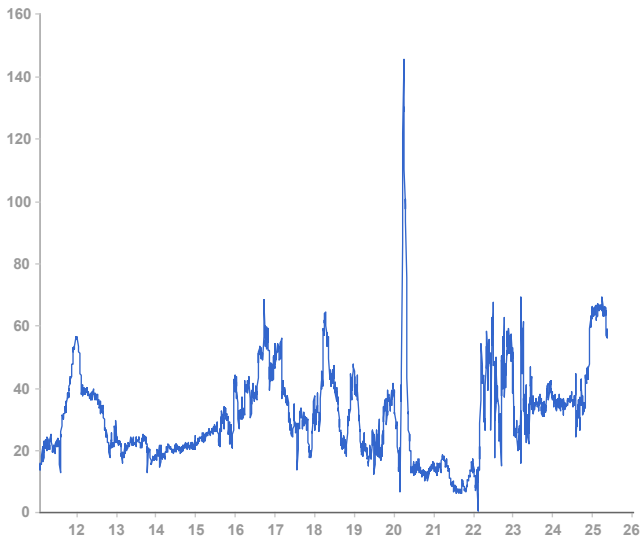
Source: FactSet

Figure 57: CCC and BBB Spreads (Option Adjusted)



Source: FactSet

Figure 58: TED Spread (bps)



Source: FactSet

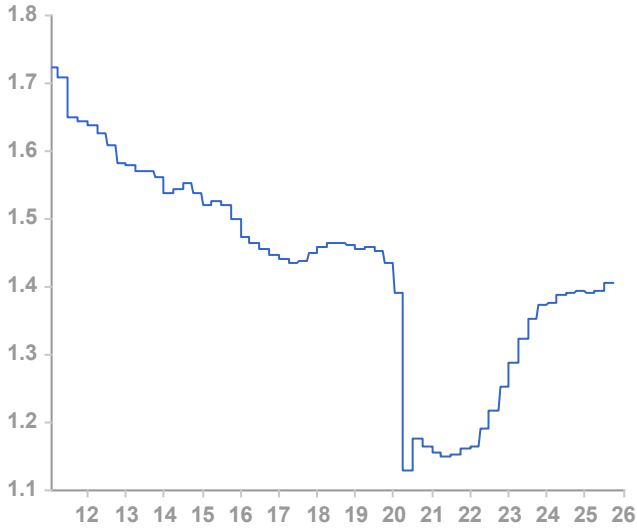
Figure 59: 10-Year Minus 2-Year Treasury



Source: FactSet

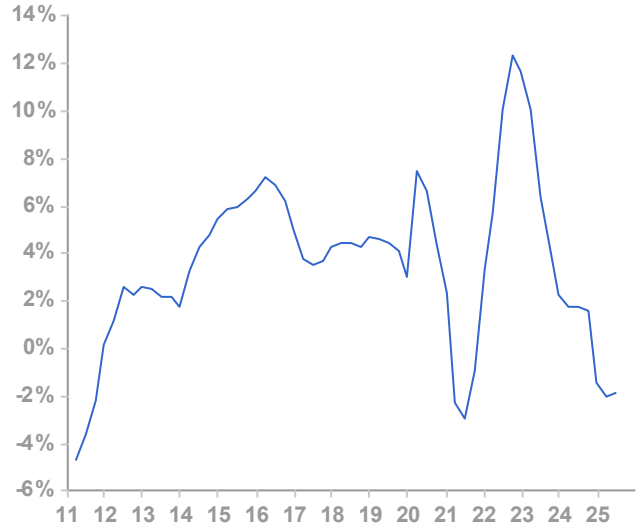
Liquidity and Other Indicators

Figure 60: Velocity of M2 Money Stock



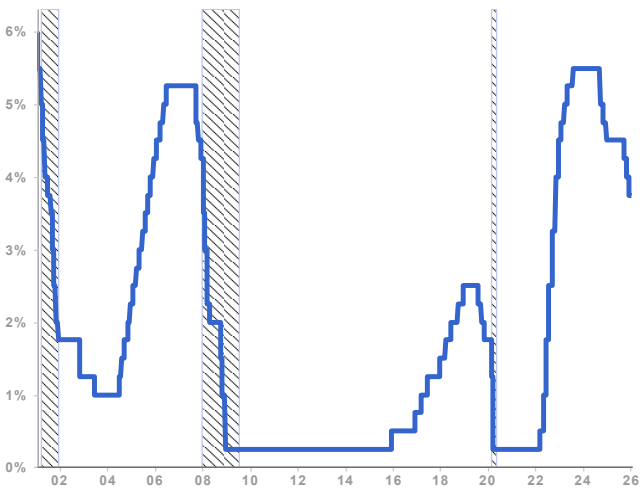
Source: FactSet

Figure 61: Loan Growth (Non-Financial, Private Sector)



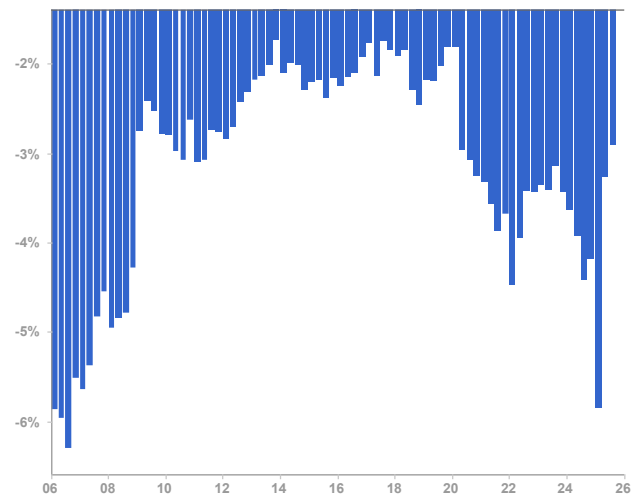
Source: FactSet

Figure 62: Fed Funds Target Rate



Source: St. Louis Federal Reserve, FRED Database

Figure 63: Current Account Deficit (as % of GDP)



Source: St. Louis Federal Reserve, FRED Database

Appendix

Important Regulatory Disclosures and End Notes

Form ADV available upon request. This quarterly is only for informational purposes and not a solicitation to buy or sell securities or as a source of specific investment, legal or tax recommendations.

Rockingstone Advisors is solely responsible for the content of this Quarterly. The information and statistical data contained herein have been obtained from sources we believe are reliable but cannot guarantee.

Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix (composition) of portfolios in any given year and the number of portfolios within the sample set. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors or at cost. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis (except for PiK securities). Annualized return is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time and the mix changes every year. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet “accredited investor” standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is neither indicative of-- nor a predictor of-- future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone’s performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

Quarterly Data prices are as of December 31, 2025; most other prices and yields are as of January 23, 2026.

We are happy to provide the raw data and source links for any of the charts or tables in this Quarterly. We are also happy to provide individual account performance data by annual cohort or by IRR (instead of TWM) so you can better understand the range of portfolio returns. We thank you for your interest and always appreciate any feedback.

Our contact information:

Brandt Sakakeeny & Eric Katzman, CFA
Rockingstone Advisors LLC
212-430-2240

brandt@rockingstoneadvisors.com
eric@rockingstoneadvisors.com

ⁱ Asset class performance charts depict Equity (SPY ETF), Bonds (BND ETF), Commodities (DBC ETF), Preferred (PFF ETF) and Real Estate (VNQ ETF) price change plus dividends and interest during the selected period.

ⁱⁱ Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix of portfolios in any given year. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis. Annualized return since inception is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet “accredited investor” standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is not indicative or a predictor of future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone’s performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

ⁱⁱⁱ Our Five-Year Forecast is updated quarterly and reflects our best judgment on future performance based on current valuations relative to historical valuations, as well as our outlook for earnings and macroeconomic conditions. We caution that predicting outcomes is inherently risky and subject to change.

^{iv} Equity performance charts depict U.S. large-cap (SPY ETF), U.S. mid-cap (VO ETF), U.S. small-cap (IWM ETF), International Developed (VEA ETF), and Emerging Markets (VWO ETF) price change plus dividends and interest during the selected period. We note that Vanguard highlighted a trading glitch in the shares of VO during March 31, 2015 that led to prices materially higher than underlying NAV. Hence you should assume VO’s valuation and total return was inflated as of the end of the first quarter.

^v Fixed income performance charts depict Intermediate Government (IEF ETF), High Yield Corporates (JNK ETF), High Grade Corporates (LQD ETF), International Corporates (PICB), and Emerging Markets bonds (EMB ETF) price change plus interest income earned over the selected period.

^{vi} Commodity performance charts depict Precious Metals (DBP ETF), Base Metals (DBB ETF), Oil (DBO ETF), and Agriculture (DBA ETF) price change.

^{vii} Digital asset performance charts depict the price changes of Bitcoin (BTC) and Ethereum (ETH) over the selected time frame.