

Performance Update

as of 07/31/2025

Fixed Income			Equity Sectors		
	July	YTD		July	YTD
US Treasury Index	▼ -0.39%	▲ 3.39%	Utilities	▲ 4.94%	▲ 14.81%
Core Bonds	▼ -0.26%	▲ 3.75%	Technology	▲ 3.63%	▲ 13.34%
Aa Corporate Bonds	▼ -0.13%	▲ 3.65%	Industrials	▲ 3.01%	▲ 16.11%
High Yield Corporate	▲ 0.40%	▲ 4.97%	Energy	▲ 2.81%	▲ 3.49%
US Equities			Consumer Discretionary	▲ 1.85%	▼ -0.77%
S&P 500	▲ 2.24%	▲ 8.59%	Financials	▼ -0.05%	▲ 9.18%
US Mid Caps	▲ 1.86%	▲ 6.78%	Materials	▼ -0.08%	▲ 5.40%
US Small Caps	▲ 1.73%	▼ -0.08%	Real Estate	▼ -0.09%	▲ 3.42%
Non-US Equities			Communication Services	▼ -1.01%	▲ 11.69%
International Developed	▼ -1.40%	▲ 17.77%	Consumer Staples	▼ -1.49%	▲ 2.79%
ACWI ex-US	▼ -0.29%	▲ 17.56%	Health Care	▼ -3.26%	▼ -4.33%
Emerging Market Equities	▲ 1.95%	▲ 17.51%			

Equity Style: Month | Year-to-Date

Equity Style	Month Year-to-Date		
	Value	Core	Growth
Large Cap	0.57%	2.24%	3.78%
	6.61%	8.59%	10.10%
Mid Cap	1.79%	1.86%	2.03%
	4.97%	6.78%	12.02%
Small Cap	1.77%	1.73%	1.70%
	-1.45%	-0.08%	1.21%

Commentary & Outlook

Economic Churning or Turning Point?

Long-time readers know that we have been cautious of a slowdown in consumer spending at a time when the consumer was the primary factor keeping the economy afloat. In hindsight, we were too early in that call: the consumer remained resilient much longer than expected, defiant in the face of rapid inflation. But this week's GDP report suggests consumption has indeed slowed, growing at less than 1% annualized rate in 2025 versus 3% in each of the two prior years.

However, the rest of the economy (total GDP excluding private consumption) showed signs of recovery in the first half of the year, growing at a 1.8% rate versus 1.3% in 2024. The growth was driven by business investments in physical assets (3.4% vs. 2.2%) and intellectual property (6.2% vs 2.7%). The boost is consistent with bank lending data which shows commercial and industrial loan growth at four times the prior year's growth (3.8% vs 0.9% in 2024).

In short, the economy is getting a much needed boost in sectors that have been less resilient since the COVID pandemic. And fortunately the rebalancing is happening at a time when consumer spending is slowing. Have we reached a turning point?

Real GDP Growth, annualized

