



September, 2025

Market Perspectives Video

Fall is in the air, but the market keeps rising

Charles Boettcher, Southwest Divisional Managing Director & Senior Portfolio Manager

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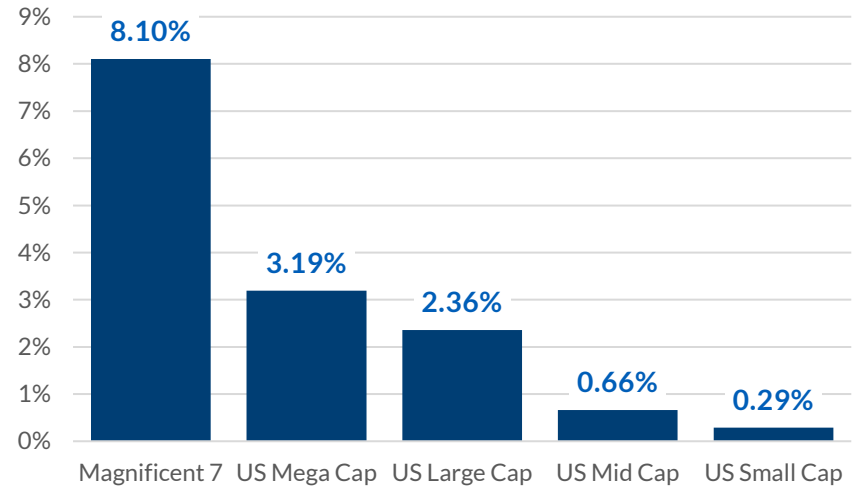
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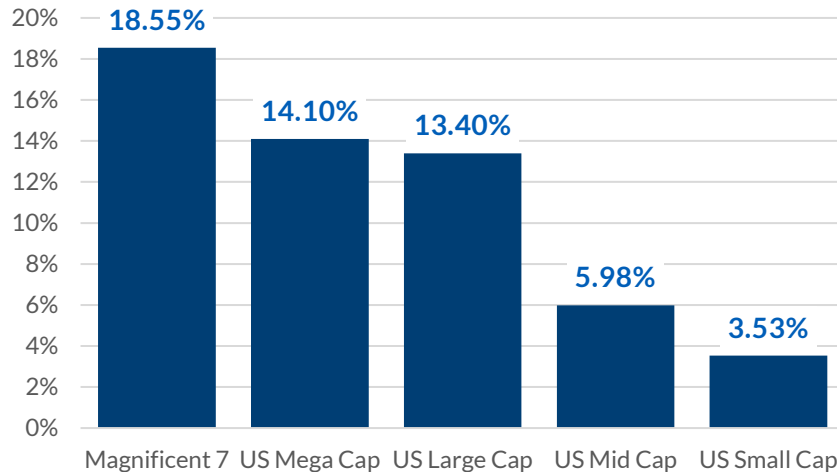
US Equity Market Performance



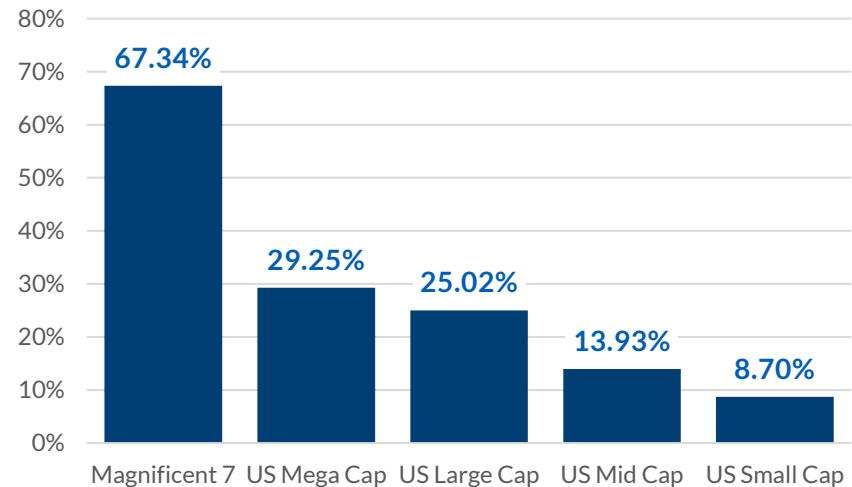
MTD US Equity Performance



US Equity Performance: 2025



US Equity Performance: 2024



Sources: Bloomberg and CNR Research. Data current as of 9/16/2025. US Mega Cap – S&P 100 Index. US Large Cap – S&P 500 Index. US Mid Cap – S&P 400 Index. US Small Cap – S&P 600 Index.

Information is subject to change and is not a guarantee of future results.

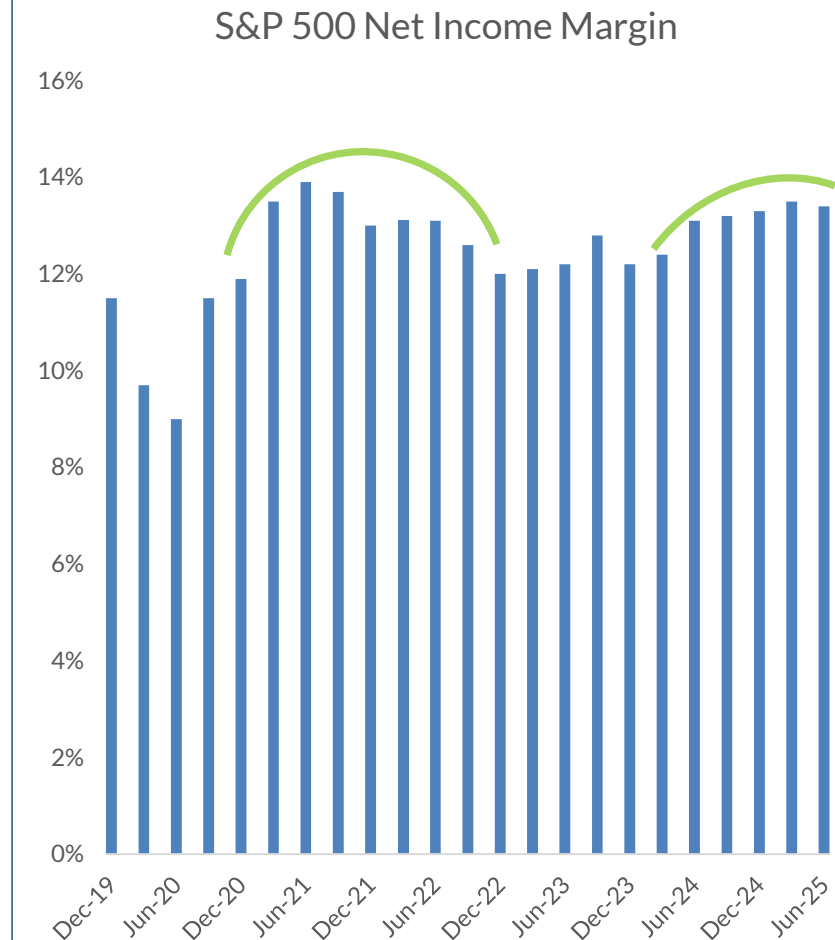
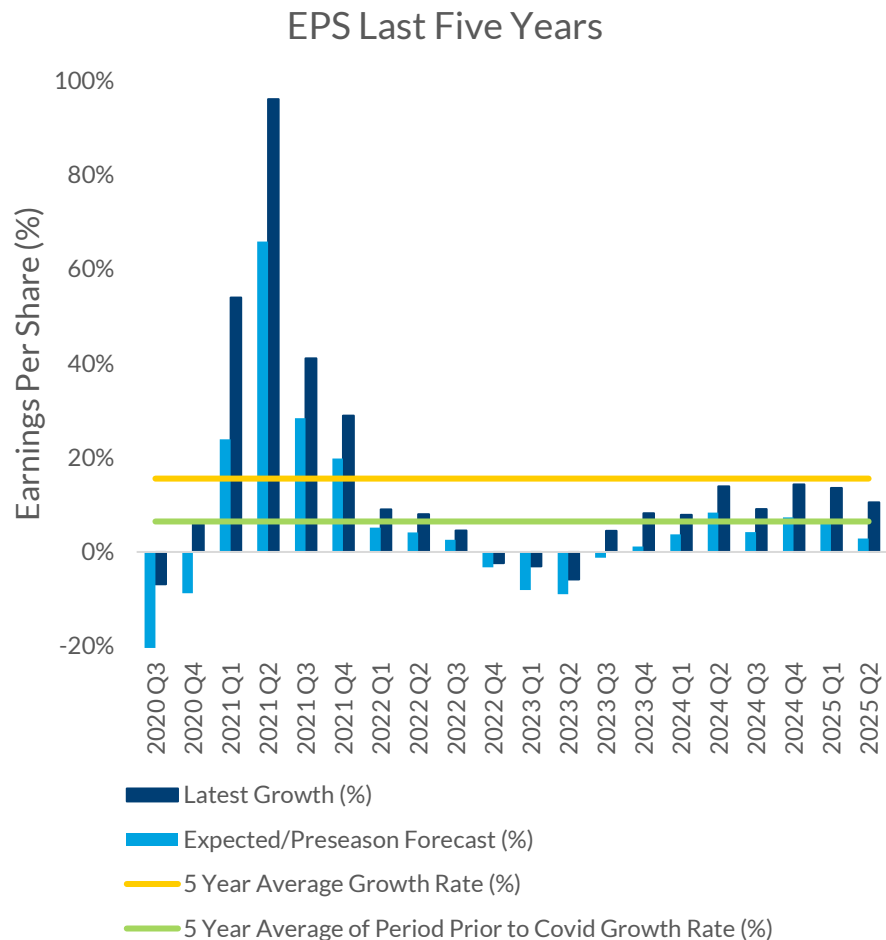
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Corporate Earnings And Margins Are Strong

- Earnings continue to surprise above expectations and margins are solid, but the bar was low for Q2.
- We expect elevated earnings this year but acknowledge that the overall pace is slowing.



Sources: Bloomberg and CNR Research. Data current as of August 27, 2025.
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Business Is Focused on Continued Growth

- With many of the trade deals behind us, optimism is rebounding among CEOs.
- With sales expected to grow, corporate financials should be positively impacted, incl. capital expenditures.

CEO Confidence in the Economy Index:
1-Year from Now
%, not seasonally adjusted



S&P 500: Business Spending¹
\$, millions, quarterly data



¹Business spending is defined as capital expenditures

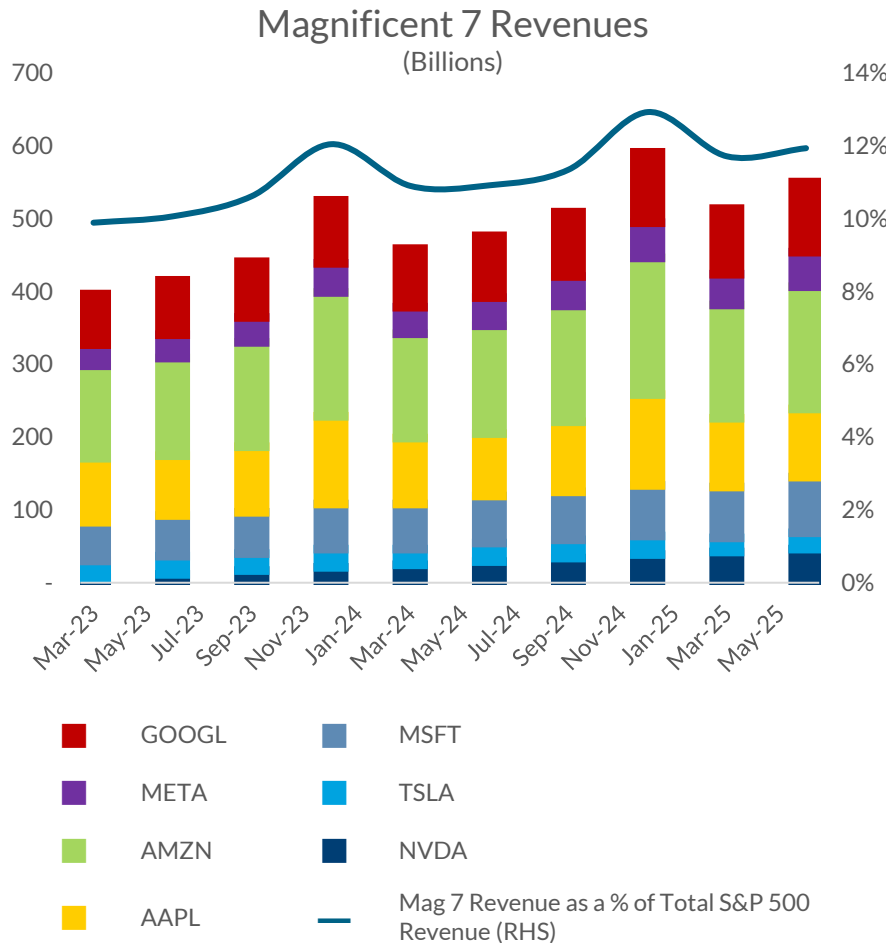
Source: Chief Executive Magazine, Bloomberg Economics. Data current as of August 28, 2025

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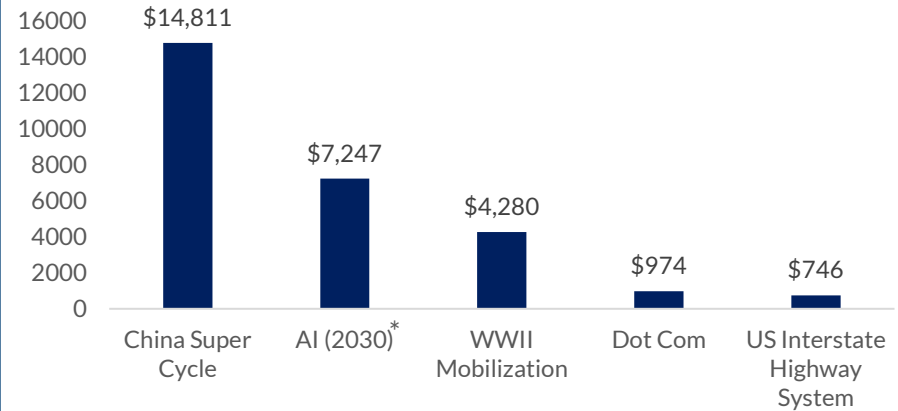
Is The AI Run Creating A Bubble?

- Nvidia CEO suggested AI infrastructure spending could reach \$3-4 trillion annually by the end of the decade.
- Despite elevated valuations, technology companies have substantial revenues supporting elevated valuations and AI infrastructure spending.



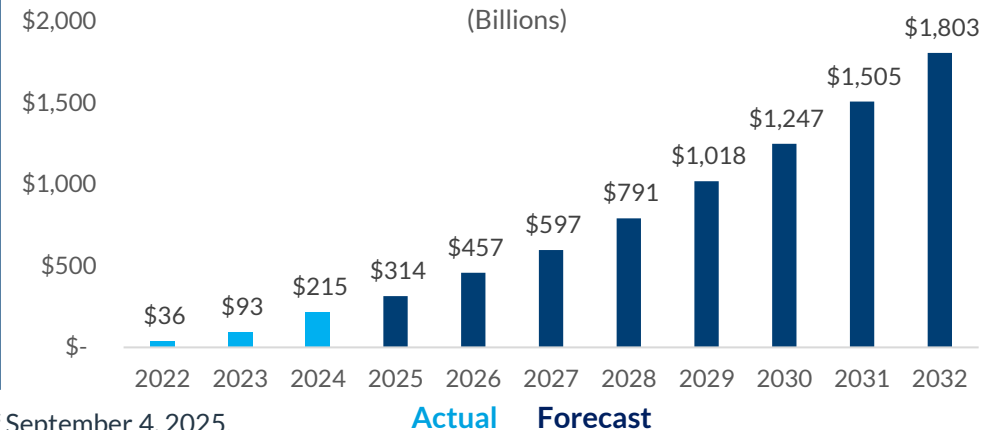
Super Cycles Throughout Time Investment

(Adjusted for 2025 Dollars, Billions)



Generative AI Revenue Forecast

(Billions)



Sources: Bloomberg, Bloomberg Intelligence, CNR Research. Data current as of September 4, 2025.

*Wolfe research Forecast, Nvidia Estimates

Generative AI revenue forecast is the Bloomberg Intelligence forecast based on data from IDC, eMarketer, Statista

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Past performance or performance based upon assumptions is no guarantee of future results.

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market.

Equity investing strategies & products. There are inherent risks with equity investing. These risks include, but are not limited to stock market, manager or investment style. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed Income investing strategies & products. There are inherent risks with fixed income investing. These risks include, but are not limited to, interest rate, call, credit, market, inflation, government policy, liquidity or junk bond risks. When interest rates rise, bond prices fall. This risk is heightened with investments in longer-duration fixed income securities and during periods when prevailing interest rates are low or negative.

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Index Definitions

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting.

The Magnificent 7 refers to a group of major tech companies with stock growth that far outpaced the high-performing S&P 500 in recent years. Coined in 2023, the group consists of Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

The S&P 100 Index is a market-capitalization-weighted stock market index that tracks the performance of 100 large-cap "blue chip" companies listed on U.S. stock exchanges.

The Standard & Poor's 500 Index (S&P 500): The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 400 TR (28 June 1991 base) Standard and Poor's Mid-cap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market. This index represents the Total return version of MID.

The Standard & Poor's Small-cap 600 Index is a capitalization-weighted index that measures the performance of selected U.S. stocks with a small market capitalization. The index was developed with a base value of 100 as of December 31, 1993.





New York Headquarters

400 Park Avenue
New York, NY 10022
212-702-3500

Beverly Hills Headquarters

400 North Roxbury Drive
Beverly Hills, CA 90210
310-888-6000

www.cnr.com

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