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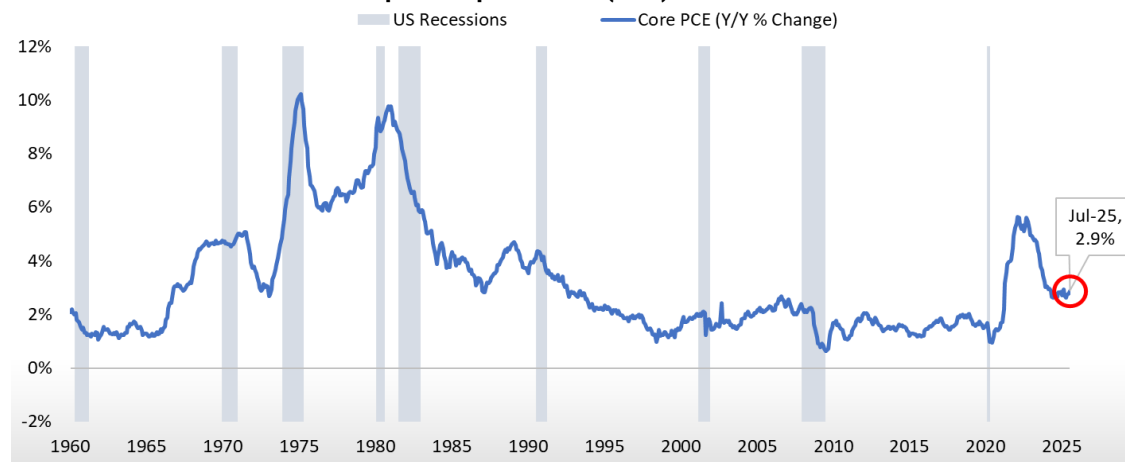
Equity Rally Broadens in August

Despite tariff uncertainty, a slowing consumer, and continued inflation worries, equities posted positive returns in August amid a healthy Q2 earnings season and renewed hopes for interest rate cuts. The S&P 500 Index gained 2% for the month, reaching a new all-time high on August 28th. With the Federal Reserve hinting at near term monetary easing, equity performance broadened in the month. Small-caps (+7.1%) were among the best performers, followed by international developed equities (+4.6%) and US value (+3.4%). Bonds also fared well as 7-10 year US Treasuries gained 1.6%, Treasury Inflation Protected Notes rose 1.5%, and high yield credits were up 1.2%. Aside from crude oil (-6.0%), commodities posted positive returns as silver increased 8.6%, gold was up 5.0%, and broad-based commodities rose 2.0%.

Fed Chair Powell's Jackson Hole Speech Leans More Dovish than Expected

At this year's Jackson Hole symposium, the Federal Reserve acknowledged a shifting in the balance of risks. Chair Powell emphasized that "downside risks to employment are rising" and noted that with policy already restrictive, the outlook may warrant adjusting the Fed's stance. Although inflation via July Core PCE (Personal Consumption Expenditures Index) printed 2.9% and increased from June's 2.8% reading, GDP growth has slowed to 1.4% in the first half of the year and job gains have weakened sharply. Such data likely caused Powell to reiterate that it is a "reasonable base case" to assume tariff effects on prices will be short-lived. Markets interpreted his remarks as opening the door to rate cuts, sparking a rally in rate-sensitive stocks and bonds. As of August 31st, markets are pricing in an 86% chance for a 25 bps rate cut at the September FOMC Meeting.

Exhibit 2: Core Personal Consumption Expenditures (PCE) Price Index



Source: FactSet, BEA - US Bureau of Economic Analysis, Astoria Portfolio Advisors. Data as of August 29, 2025.

Exhibit 1: Trailing Returns as of August 29, 2025

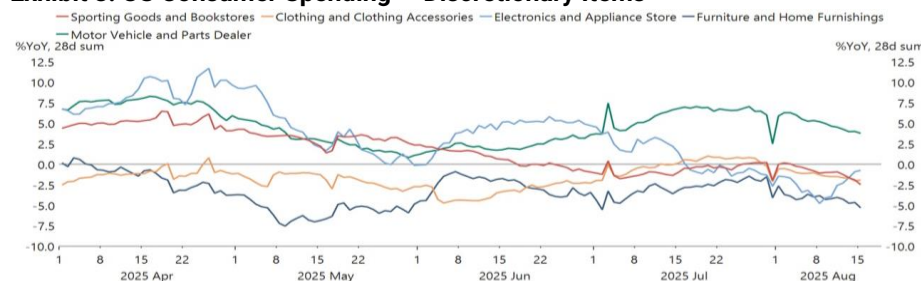
	Index/ETF	1-Mo	3-Mo	YTD	1-Y	3-Y	5-Y
Equities	US Small-Caps (SPSM)	7.12%	12.51%	3.32%	4.00%	7.73%	11.29%
	International Developed Equities (SPDW)	4.56%	6.64%	24.39%	16.21%	16.20%	10.04%
	US Value (SPYV)	3.43%	8.35%	7.75%	6.96%	14.64%	14.14%
	US Mid-Caps (SPMD)	3.37%	8.82%	5.19%	7.65%	11.17%	12.47%
	Broad-based Emerging Markets (SPEM)	3.23%	10.00%	17.19%	18.70%	11.74%	6.25%
	US Large-Caps (SPY)	2.05%	9.77%	10.72%	16.98%	18.68%	14.59%
	US Growth (SPYG)	0.94%	11.09%	13.51%	25.31%	21.61%	14.56%
US Fixed Income	US Treasury 7-10 Year (IEF)	1.64%	2.66%	6.34%	2.49%	1.47%	-2.29%
	Treasury Inflation Protected Notes (SPIP)	1.51%	2.59%	6.32%	4.33%	1.80%	1.05%
	High Yield Credit (JNK)	1.20%	3.39%	6.19%	7.64%	8.48%	4.29%
	US Aggregate Bond Index (SPAB)	1.20%	2.49%	5.10%	2.88%	2.88%	-0.65%
	Investment Grade Corporate Bonds (SPBO)	0.98%	2.99%	5.33%	3.71%	4.65%	0.21%
	Municipal Bonds (MUB)	0.84%	1.40%	-0.13%	-0.07%	2.45%	0.38%
Commodities	Silver (SLV)	8.61%	20.63%	37.45%	35.01%	27.91%	7.16%
	Gold (GLD)	4.99%	4.77%	31.36%	36.57%	25.25%	11.52%
	Broad-based Commodities (BCI)	1.99%	3.69%	6.58%	10.58%	-2.14%	9.63%
	Crude Oil (USO)	-5.97%	11.45%	-0.94%	-2.52%	-1.66%	19.48%

Source: FactSet. Data as of August 29, 2025. 1Y, 3Y, and 5Y numbers are annualized.

Discretionary Spending Starts to Slow

Recent data show slowing year-over-year growth in consumer spending across tariff-impacted discretionary sectors such as autos, apparel, furniture, and sporting goods. This suggests emerging weakness in discretionary demand that could weigh on overall consumer activity.

Exhibit 3: US Consumer Spending — Discretionary Items

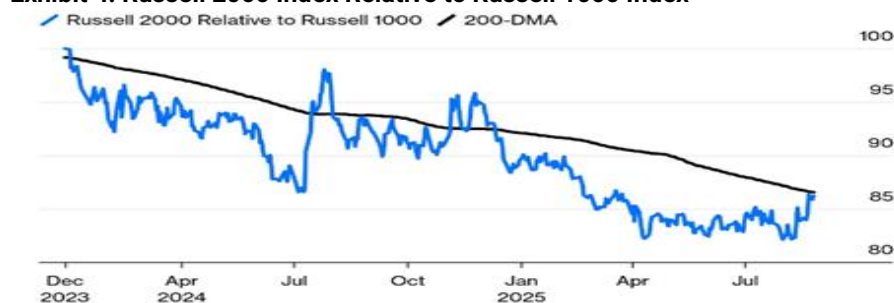


Source: US Bloomberg Second Measure Consumer Spend, Macrobond, Apollo Chief Economist.

Small-Caps Gain Ground on Large-Caps

Small-caps, as measured by the Russell 2000, have recently outperformed their large-cap counterparts in the Russell 1000 by the largest margin this year, driven in part by growing expectations of looser financial conditions ahead.

Exhibit 4: Russell 2000 Index Relative to Russell 1000 Index



Source: Bloomberg as of August 26, 2025. Data normalized with factor of 100 as of January 1, 2024.

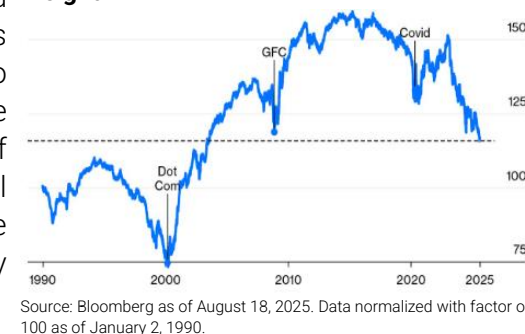
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Is Equal Weight Poised to Outperform Market-Cap Weight?

Relative to its cap-weighted counterpart, the equal-weighted S&P 500 Index has fallen to its weakest level in over two decades. This underscores the elevated concentration of market leadership in a handful of mega-cap stocks, with the average company significantly lagging the index.

Exhibit 5: S&P Equal Weight Relative to Cap-Weight



Source: Bloomberg as of August 18, 2025. Data normalized with factor of 100 as of January 2, 1990.

Early-Cycle Themes Emerging—Is It Time to Leg In?

The business cycle has started to signal its shift from a late-cycle phase to an early-cycle phase. While monetary policy remains restrictive, Chair Powell's speech at Jackson Hole opening the door to rate cuts is likely to be an important tailwind to markets. As a result, market participation has begun to broaden with small-caps, mid-caps, banks, and other rate-sensitive areas of the market trending relatively higher than the overall equity market. Moreover, earnings have been broadly resilient, helping to counter softer macro data, and we believe this strength can extend through year-end despite the potential for seasonal volatility in September. Meanwhile, the leadership of gold and Bitcoin highlights the market's ongoing search for hedges against fiscal expansion and inflation risk, while the rapid advancement of AI represents a powerful structural force that has the potential to shape long-term winners and losers. Against this backdrop, we continue to favor diversified equity exposure while legging into attractive early cycle cohorts, as well as thoughtful inflation and deficit hedges to aid in navigating both near-term risks and longer-term opportunities.