



SIGNATURE ESTATE & INVESTMENT ADVISORS, LLC®
Established 1997

Insights

Q4
2025

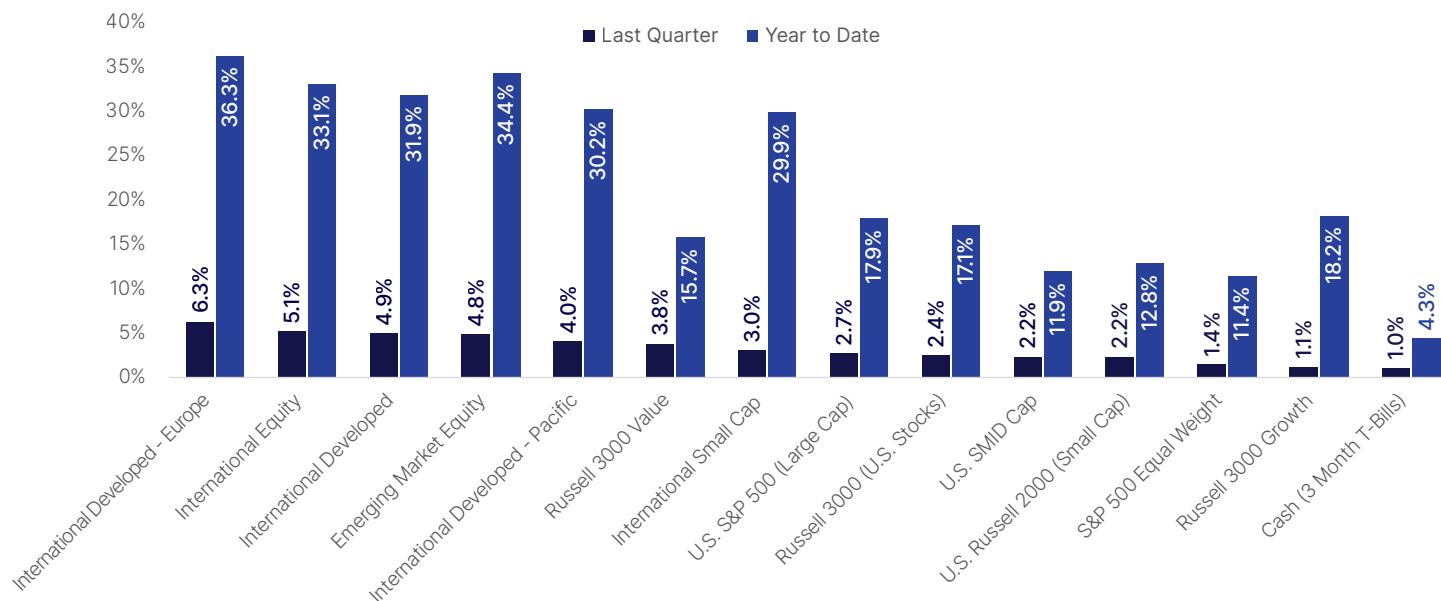
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Quarterly Newsletter Bringing You
Financial Insights from the Leaders

Great Expectations

What a difference eight months can make. Since the “Tariff Tantrum” of April, when the S&P 500 fell nearly 18%, equity markets staged a sharp recovery, with the index finishing the year up 17.9%. While the rebound was notable in its own right, the more surprising development was where leadership emerged. After more than a decade of U.S. dominance, international equities delivered some of the strongest gains of 2025, with many major overseas indices rising 30% or more.

Equity Asset Class Returns 4Q & YTD 2025



Source: YCharts. Data as of 12/31/2025. Indexes cannot be invested in directly, are unmanaged and do not incur management fees, costs and expenses. For additional information, refer to the Important Information section beginning on page nine.

Investment Committee

SEIA's Investment Committee meets frequently to discuss current market trends and potential investment managers. The Investment Committee is composed of SEIA's Senior Partners and Financial Advisors, holding a variety of advanced degrees and certifications, including Master of Science in Financial Planning, CERTIFIED FINANCIAL PLANNER®, Chartered Financial Analyst®, Chartered Mutual Fund CounselorSM, Chartered Financial Consultant® and Accredited Investment Fiduciary®.

Committee Members & Years of Experience

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Chief Executive Officer
MS, CFP®, AIF®
41 Years

David L. Johnson
Senior Partner
CFP®, AIF®
30 Years

Gary K. Liska
Founding Partner
MS, CFP®, AIF®, CMFC®,
AAMS®
31 Years

Hayley Wood Bates
Senior Financial
Advisor
MBA, CFP®
15 Years

Mark E. Copeland
Founding Partner
CFP®, AIF®
37 Years

Andrew Lin
Director of
Relationship
Management
21 Years

Paul Taghibagi
Founding Partner
CFP®, AIF®
35 Years

Matthew Kim
VP, Relationship
Manager
26 Years

Theodore E. Saade
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Senior Partner
CFP®, CMFC®, AIF®
30 Years

Samuel Miller
Executive VP of
Investment Strategy
CFA®, CFP®, CAIA®
24 Years

Eric C. Pritz
Senior Partner
CFP®
21 Years

For details on the professional designations displayed herein, including descriptions, minimum requirements and ongoing education requirements, refer to the Important Information section beginning on page nine.

Early in the fourth quarter, markets faced familiar sources of uncertainty, including a brief U.S. government shutdown and lingering trade-related concerns. However, investors increasingly viewed these disruptions as temporary rather than structural. The Federal Reserve's continued pivot toward a more neutral policy stance occurred alongside a December rate cut that marked the third reduction of the year. As borrowing costs eased and fears of "higher for longer" faded, risk assets responded positively.

Equities – Opportunities beyond AI*

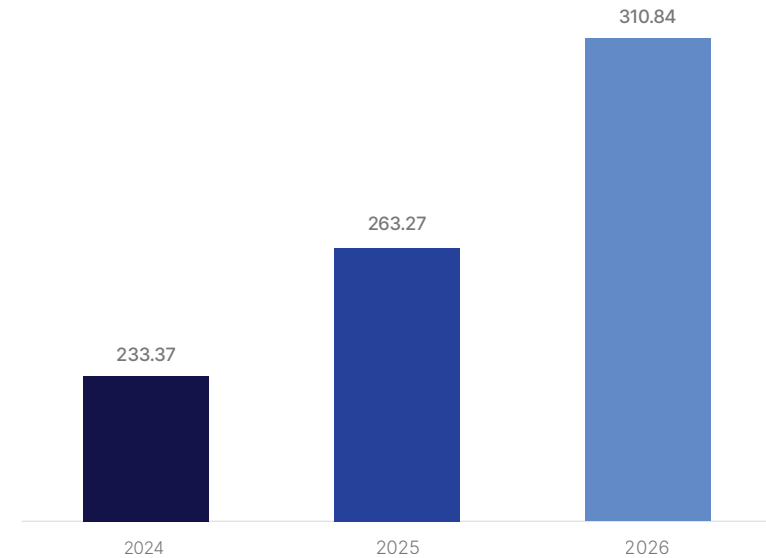
The defining equity theme of the fourth quarter was the broadening of market leadership. For much of 2025, enthusiasm around artificial intelligence dominated investor attention, driving strong returns in a narrow group of mega-cap technology stocks. As the quarter progressed, however, investors began rotating toward more cyclical and value-oriented areas of the market.

Sectors such as Health Care and Communication Services participated meaningfully in the year-end rally. While large-cap technology companies remained profitable and fundamentally strong, elevated valuations left little margin for error. Smaller and more domestically focused companies appeared better positioned in an environment of easing financial conditions and improving economic momentum. This "catch-up" trade reinforced the view that the bull market was supported by more than just one engine.

International equities also played an important role, benefiting from improving economic momentum, fiscal expansion abroad, and increased defense spending as geopolitical priorities shifted. The result was one of the broader equity rallies investors have seen in years.

Entering 2026, expectations are high. Consensus forecasts call for roughly 18% earnings growth for the S&P 500, following an estimated 12% increase in 2025. With valuations already elevated, earnings

S&P 500 Earnings & Forward Estimates



Source: YCharts

delivery—rather than multiple expansion—is likely to be an important factor in sustaining equity gains.

We are closely watching the durability of broader equity participation, particularly as economic momentum improves. Any disappointment relative to optimistic earnings assumptions could lead to periods of volatility. At the same time, leadership changes at the Federal Reserve and evolving fiscal policy may introduce new crosscurrents.

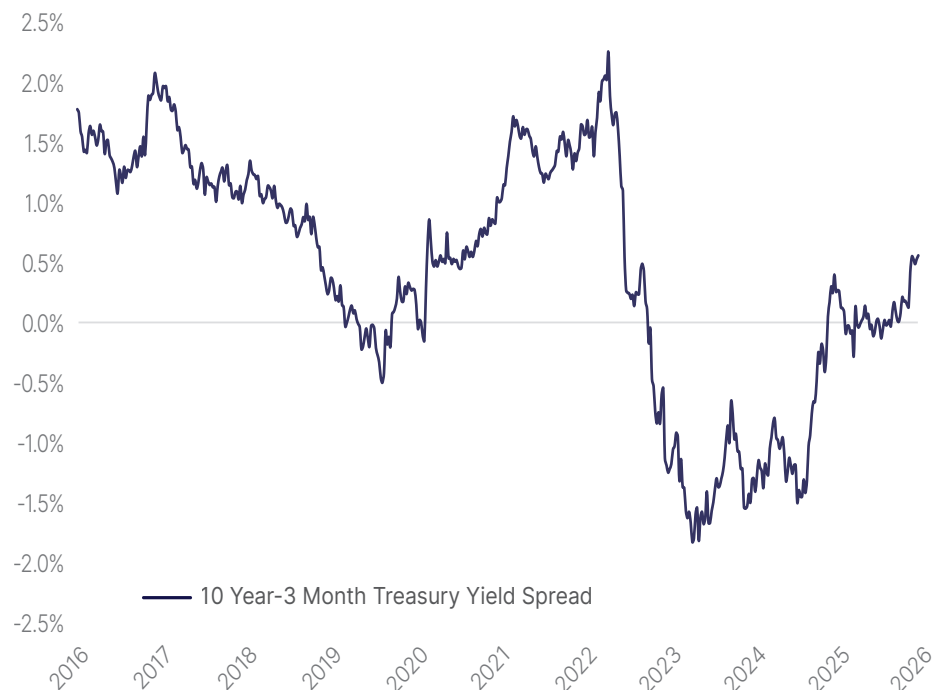
Fixed Income*

Fixed income markets delivered flat to modestly positive returns in the fourth quarter, capping a solid year in which most bond sectors posted mid- to high-single-digit gains. Performance continued to be driven by carry rather than duration, with spread sectors generally outperforming government bonds. Within core markets, agency mortgage-backed

securities led returns, followed by high yield, Treasuries, and investment-grade credit. Emerging market U.S. dollar-denominated debt was the strongest global segment, while developed ex-U.S. bonds lagged amid renewed U.S. dollar strength.

Rates markets were defined by a modest steepening of the U.S. yield curve. Short-term yields declined as the Federal Reserve cut policy rates twice during the quarter, while longer-term yields remained relatively stable amid ongoing inflation and fiscal considerations. This dynamic contributed to moderate Treasury gains for the quarter and capped a year of relative strength. Agency Mortgage Backed Securities outperformed Treasuries amid improving convexity and expectations for a slower pace of future rate cuts in 2026.

Yield Curve (10Y-3M)



Source: Department of the Treasury. Data through 1/9/26.

Credit markets were more volatile. Spreads widened earlier in the quarter before tightening into year-end, finishing near where they began. Elevated starting yields helped generate positive total returns across credit, with high yield outperforming investment grade as risk appetite remained resilient. In non-U.S. markets, emerging market bonds extended their strong 2025 performance, while developed ex-U.S. bonds were pressured by dollar appreciation and cross-market yield differentials. As a result, U.S. investors generally found better opportunities in domestic spread sectors than in unhedged international rates.

Heading into 2026, fixed income markets are likely to be influenced by two key variables: the trajectory of U.S. inflation and the evolving composition of the Federal Reserve. Chair Powell's term ends in May, with a new nomination anticipated in the first quarter. While markets appear to be pricing in a more dovish Fed, in our view the sustainability of further easing will depend on whether renewed economic momentum leads to a resurgence in inflationary pressures. With change on the horizon at the Fed, will the new Fed chair insist on cutting rates even if they're not necessary?

Alternatives*

As we look ahead to 2026, asset allocation considerations may be increasingly top of mind. The adage, "time in the market beats timing the market" is certainly relevant when investing in alternative assets, but that should not restrict fluidity when opportunities arise.

Last quarter, we highlighted the pressures facing global real estate amid a higher financing environment. Since then, policy rate cuts in the U.S. and abroad have contributed to improving conditions across the sector, supporting signs of stabilization following valuation resets.

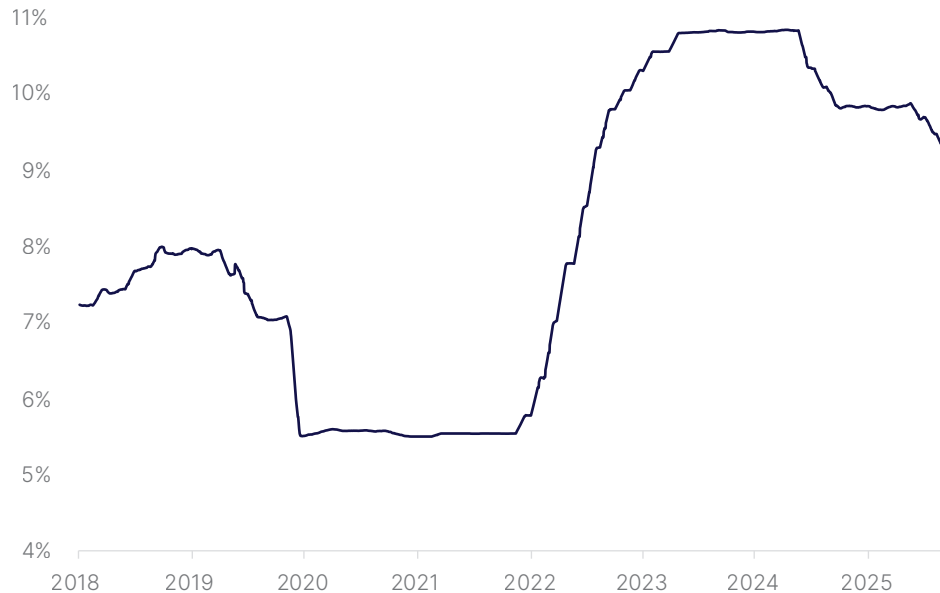
The same dynamics that have benefited real estate have presented challenges for other areas of the alternatives universe. Private Credit,

Alternative investments may not be suitable for all investors and often engage in speculative investment practices which increase investment risk; are highly illiquid; are not required to provide periodic prices or valuation; may not be subject to the same regulatory requirements as traditional investments; and often employ complex tax structures. Investing in alternative strategies may involve a significant lock up period. A period of time with no liquidity or significant penalties for early liquidity. Alternative investments may have significant fees associated with the management of the alternative strategy. These fees would be on top of the management fee paid to your Advisor. The price of commodities is subject to substantial price fluctuations over short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

*For additional information, refer to the Important Information section beginning on page seven.

direct lending in particular, derives a significant portion of its return from income tied to floating-rate benchmarks such as the Secured Overnight Financing Rate (SOFR). As global interest rates have eased, total yields on floating-rate investments have compressed.

Secured Overnight Financing Rate + 550bps Spread



Source: Federal Reserve Economic Data (FRED). Data through 1/9/26.

Lower expected yields introduce two key considerations. First, lower yields may lead investors to compare income opportunities more closely across different types of assets. Second, on the borrower side, declining interest expense can improve balance sheet health and credit fundamentals. While private credit continues to offer meaningful income, the rate environment has shifted, changing the return profile relative to recent years. In this context, investors may consider the role of other income-generating assets, such as infrastructure or certain real assets, to complement private credit allocations within diversified portfolios.

Outlook

We enter 2026 with an economy that appears to be growing at its fastest pace in nearly two years, even as traditional indicators send mixed signals. Job growth has cooled, manufacturing activity remains uneven, and construction has yet to meaningfully reaccelerate. Yet the U.S. consumer—representing roughly 70% of GDP—continues to spend at a healthy pace. Passage of the “One Big Beautiful Bill” is encouraging businesses to invest in capacity expansion, providing an important offset to softer areas of the economy.

Several tailwinds support a constructive near-term outlook. Fiscal stimulus remains a meaningful contributor, with the 2026 tax refund season expected to be among the largest on record. Additionally, central banks around the world have cut interest rates, easing financial conditions and supporting an environment conducive to stronger economic growth. Together, these influences help explain why economic momentum has held up better than many expected.

At the same time, it is important to recognize potential headwinds. Over the past three months, the U.S. economy shed approximately 66,000 jobs, a historically unusual decline outside of prior economic slowdowns. Equity markets are also entering the year with elevated earnings expectations and valuations that leave less room for disappointment. While risks have moderated relative to earlier in 2025, current prices largely reflect the improved backdrop.

Handicapping where markets will be twelve months from now is always a challenging exercise. What matters more is understanding which variables are driving markets—and being prepared to adapt as conditions change. While strong economic growth in 2026 remains plausible, investor optimism embedded in today’s valuations suggests it may not translate into the outsized returns seen in prior years.

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Important Information

Asset Class/Sector	Index Name	Last Month	Last Quarter	Trailing 12 Months	Year To Date	Index Definition
International Developed - Europe	FTSE Developed Europe NR	3.91%	6.26%	36.25%	36.25%	Index comprised of large and mid cap stocks providing coverage of the developed markets in Europe.
International Equity	MSCI ACWI Ex USA NR	3.02%	5.11%	33.11%	33.11%	Index captures large and mid cap representation across 22 of 23 Developed and 24 Emerging Market countries.
International Developed	MSCI EAFE NR	3.01%	4.91%	31.89%	31.89%	Index captures large and mid cap representation across 21 Developed Market countries around the world, excluding the US and Canada.
Emerging Market Equity	MSCI EM NR	3.02%	4.78%	34.36%	34.36%	Index captures large and mid cap representation across 24 Emerging Market countries.
International Developed - Pacific	FTSE Developed Asia Pacific NR	2.01%	3.97%	30.22%	30.22%	Index comprised of large and mid cap stocks providing coverage of the developed markets in Asia Pacific.
Russell 3000 Value	Russell 3000 Value TR	0.66%	3.78%	15.71%	15.71%	Index that measures the performance of the broad value segment of the US equity value universe.
International Small Cap	FTSE Developed Small Cap Ex US TR	1.99%	3.02%	29.88%	29.88%	Index of small-cap stocks providing coverage of developed markets, excluding the US, and based on the FTSE GEIS, which covers ~98% of the world's investable market capitalization.
U.S. S&P 500 (Large Cap)	S&P 500 TR	0.06%	2.66%	17.88%	17.88%	Index based on 500 large US companies ranked by market capitalization (size).
Russell 3000 (U.S. Stocks)	Russell 3000 TR	-0.02%	2.40%	17.14%	17.14%	Index based on 3,000 companies representing approximately 98% of the investable U.S. equity market.
U.S. SMID Cap	Russell 2500 TR	0.08%	2.22%	11.91%	11.91%	Index based on 2500 smaller US companies ranked by size (or, Russell 3000 which measures 98% of US market cap less the S&P 500 names).
U.S. Russell 2000 (Small Cap)	Russell 2000 TR	-0.58%	2.19%	12.81%	12.81%	Index based on 2,000 small U.S. companies ranked by market capitalization (size).
S&P 500 Equal Weight	S&P 500 Equal Weighted TR	0.45%	1.39%	11.43%	11.43%	Index based on 500 large US companies ranked equally.
Russell 3000 Growth	Russell 3000 Growth TR	-0.57%	1.14%	18.15%	18.15%	Index that measures the performance of the broad growth segment of the US equity universe.
Cash (3-month T-bills)	S&P Cash Composite US TR	0.35%	1.01%	4.29%	4.29%	Index comprises a composite of short-term (1-3 month) treasury bills.
Health Care	S&P 500 Sec/Health Care TR	-1.36%	11.68%	14.60%	14.60%	Index comprised of those companies included in the S&P 500 that are classified as members of the GICS health care sector.
Communication Services	S&P 500 Sec/Commun Services TR	-0.98%	7.26%	33.55%	33.55%	Index comprised of those companies included in the S&P 500 that are classified as members of the GICS communication services sector.
Mortgage Backed Securities	Bloomberg US Mortgage Backed Securities	0.21%	1.71%	8.58%	8.58%	Tracks agency mortgage-backed pass-through securities from Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC), including 15-, 20-, and 30-year fixed-rate pools.
U.S. Corporate High-Yield Bond	Bloomberg US Corporate High Yield TR	0.57%	1.31%	8.62%	8.62%	Index comprised of U.S. non-investment grade corporate bonds.
U.S. Treasuries	Bloomberg US Treasury TR (1987)	-0.33%	0.90%	6.32%	6.32%	Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.
Investment Grade	Bloomberg US Corporate TR	-0.20%	0.84%	7.77%	7.77%	Index measures the investment grade, fixed-rate, taxable corporate bond market.
Emerging Market Debt (USD)	Bloomberg Emerging Market USD Aggr TR	0.43%	2.40%	11.11%	11.11%	Index is a flagship hard currency EM debt benchmark that includes fixed and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers.
Global Bonds Ex US	Bloomberg Global Aggregate Ex USD TR	0.59%	-0.47%	8.85%	8.85%	Index provides a broad-based measure of the global investment-grade fixed income markets.
U.S. Dollar Index	Deutsche Bank Long US Dollar TR	-1.20%	0.52%	-9.40%	-9.40%	Index that reflects the return from investing in the first USD future contract listed on NYBOT.

Source: YCharts. Data as of 12/31/2025. Indexes cannot be invested in directly, are unmanaged and do not incur management fees, costs and expenses.

Sector	Definition
Stocks	Investments in stocks of small companies involve additional risks, typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.
Alternatives	Investors should be aware that there are risks inherent in all investments, such as fluctuations in investment principal. Alternative investment strategies do not assure a profit, cannot protect against losses, and may involve additional risk.
International	Non-U.S. securities markets involve possibly greater risk of political instability and greater currency risk in addition to having been more volatile. These risks can be accentuated in emerging markets.
Commodities	The price of commodities, such as gold and currency, is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities and currency is widely unregulated and concentrated investing may lead to higher price volatility. Foreign currency trading carries a high level of risk and can result in loss of part or all of your investment.
Bonds	In general, the bond market is volatile as prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.
Low Quality	Lower rated debt securities, sometimes called junk bonds, carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal.
Treasury	Treasuries are debt securities issued by the United States government and secured by its full faith and credit. Income from treasury securities is exempt from local and state taxes.

Important Information

Signature Estate & Investment Advisors, LLC (SEIA) is an SEC-registered investment adviser; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made. In particular, none of the examples should be considered advice tailored to the needs of any specific investor.

All market performance data obtained from YCharts, Inc. Return data throughout as of 12/31/2025, except as otherwise noted. Indices cannot be invested in directly, are not managed, and do not incur management fees, costs and expenses. Although the information has been gathered from sources believed to be reliable, it cannot be guaranteed, and the accuracy of the information should be independently verified.

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This material may contain forward-looking statements and projectors. There are no guarantees that these results will be achieved. It is our goal to help investors by identifying changing market conditions, however, investors should be aware that no investment advisor can accurately predict all of the changes that may occur in the economy or the stock market.

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Professional Designations

AAMS® – Accredited Asset Management SpecialistSM is issued by the College for Financial Planning. Candidates must meet the following requirements: 1) Complete the AAMS Course Info; 2) Pass the final certification exam; and 3) Fulfill the continuing education requirement of 16 hours every two years.

AIF® – Accredited Investment Fiduciary® is issued by the Center for Fiduciary Studies. Candidates must meet the following requirements: 1) Complete the AIF training program; 2) Pass the final certification exam; and 3) Fulfill the continuing education requirement of 6 hours per year.

CAIA® – Chartered Alternative Investment Analyst is issued by the CAIA Association. A Chartered Alternative Investment Analyst is a respected designation attained by an investment professional who has successfully completed both levels of the CAIA exam.

The CAIA designation is meant for a financial professional who will be primarily in the alternative investment space, which may include but not limited to hedge funds and private equity. Candidates must meet the following requirements: 1) Hold a U.S. bachelor's degree or the equivalent, and have more than one year of professional experience, or have four years of professional experience in the financial industry; 2) Successfully pass both the Level I and Level II exams; and 3) Complete the self-evaluation tool every three years.

CFA® – Chartered Financial Analyst® is issued by the CFA Institute. A Chartered Financial Analyst is a highly respected designation attained by an investment professional who has successfully completed all three parts of the CFA exam.

The CFA designation denotes that a person has a strong foundation of advanced investment analysis and real-world portfolio management skills. The CFA charter is one of the most respected designations in finance and is widely considered to be the gold standard in the field of investment analysis. CFA designees must meet the following requirements for regular membership: 1) Hold a bachelor's degree from an accredited institution or have equivalent education or work experience; 2) Complete and pass the CFA Program – a graduate-level self-study program culminating in three sequential six-hour exams; 3) Have at least four years of qualified work experience in the investment decision-making process; 4) Fulfill society requirements, which require two sponsor statements as part of each application; 5) Commit to abide by, and annually reaffirm, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct; and 6) Maintain regular membership.

CFP® – CERTIFIED FINANCIAL PLANNER® is issued by the Certified Financial Planner Board of Standards, Inc. CFP is a professional certification attained by a financial planner or advisor who has successfully completed the requirements set by the Certified Financial Planner Board.

The CFP certification denotes that a person is a competent, professional, and ethical financial planner. CFP professionals must adhere to a code of ethics, which also requires every applicant to pass a background check before obtaining his or her certification. Candidates must meet the following requirements: 1) Hold a bachelor's degree (or higher) from an accredited college or university; 2) Have at least three years of full-time personal financial planning experience; 3) Complete the CFP education program; 4) Pass the CFP certification exam; and 5) Fulfill the continuing education requirement of 30 hours every 2 years.

CMFC® - Chartered Mutual Fund CounselorSM is issued by the College for Financial Planning. Candidates must meet the following requirements: 1) Complete the self-study course; 2) Pass the final certification exam; 3) Fulfill the continuing education requirement of 16 hours every two years.

MS – Master of Science in Financial Planning is a graduate degree for the financial services industry offered by many institutions across the country.