



**Blue Line  
Capital**

## **Macro & Market Trends**

1/31/2025



### Summary:

Overall, the U.S. economy remains resilient, with respectable preliminary Q4 GDP growth estimates, continued expansion in the ISM Services PMI, a durable labor market, and signs of growth in the manufacturing sector. U.S. stocks underperformed international counterparts in January, with the S&P 500 closing the first month of the new year up 2.8%. As anticipated, the Fed kept interest rates unchanged at the January FOMC meeting. Markets are expecting just one rate cut in 2025. The rise in longer-term yields over the past several months may be due to the market re-calibrating to higher economic growth as U.S. high-yield bond spreads remain at historically low levels.



### Key Themes:

#### 1. Growth, Inflation & Policy

- Largely due to sticky inflation and recent strong economic data, markets expect just one 0.25% interest rate cut in 2025.

#### 2. Equities:

- Most sectors within the S&P 500 continue to trade at premiums relative to their historical median valuations, with tech and financials at or near 10-year extremes. U.S. equities either need earnings growth in excess of 10% or persistent top decile historical valuations to generate above-average returns over the next year, but both are possible given the unusual policy backdrop and the tone of the new administration.

#### 3. Fixed Income & Credit:

- The 2- to 3-year segment of the yield curve continues to offer an attractive risk-reward profile — yields could increase by 1.5% over the next year, and total returns would still remain positive. Credit spreads remain narrow, suggesting runway for the economy.

#### 4. Real Assets & Infrastructure:

- Gold prices reached a new record high, surpassing \$2,800 for the first time, and ending the first month of the near year up nearly 7%. Midstream energy gained 8.8% in January.

#### 5. Opportunistic:

- Median CEF discounts narrowed over the month, from -7.7% at the end of December to -6.3% by the end of January, with discounts back at their historical median levels. High leverage costs continue to impact net yields.

#### 6. Asset Allocation:

- The new administration appears focused on bolstering economic growth while at the same time reducing the deficit. In light of this pro-growth and pro-business stance, we maintain that diversification should include healthy exposures to risk and reduced allocations to longer-term bonds (given that upside appears limited).

## Summary > Weekly Returns

### Total Returns by Calendar Week

	8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1
<b>Global Equity</b>																									
U.S. Large Cap Stocks	4.0	1.5	0.3	-4.2	4.1	1.4	0.6	0.3	1.1	0.9	-1.0	-1.4	4.7	-2.0	1.7	1.1	1.0	-0.6	-2.0	0.7	-0.5	-1.9	2.9	1.8	-1.0
U.S. Small & Micro Cap	3.0	3.6	0.0	-5.7	4.4	2.1	-0.1	-0.5	1.0	1.9	-3.0	0.1	8.6	-4.0	4.5	1.2	-1.0	-2.5	-4.4	0.1	1.1	-3.5	4.0	1.4	-0.9
Intl Dev Large Cap Stocks	4.1	2.8	0.6	-2.8	1.2	0.4	3.8	-3.7	0.3	-0.4	-2.0	-1.0	0.1	-2.6	0.0	1.8	1.7	-1.5	-3.6	1.8	-0.9	-0.4	1.9	3.2	0.8
Intl Dev Small & Micro Cap	3.8	2.9	0.4	-1.8	1.4	0.4	3.9	-3.8	-0.7	-0.2	-2.9	-0.6	1.1	-2.7	0.0	2.3	1.2	-1.6	-3.1	1.5	-0.3	-2.2	2.0	2.5	1.2
Emerging & Frontier Stocks	2.9	0.7	0.0	-2.2	0.8	2.3	6.2	0.4	-1.7	-0.4	-1.8	-1.2	1.2	-4.4	0.2	-0.8	2.5	0.3	-3.1	1.0	-0.8	-1.5	1.3	1.9	0.3
Global Stocks	3.9	1.7	0.3	-3.7	3.1	1.3	1.9	-0.6	0.6	0.5	-1.3	-1.2	3.4	-2.3	1.4	1.0	1.3	-0.8	-2.5	0.9	-0.5	-1.6	2.6	2.1	-0.4
<b>Fixed Income &amp; Credit</b>																									
U.S. Municipal Bonds†	0.1	0.3	0.1	0.3	0.1	0.1	0.1	0.1	-0.4	0.1	-0.8	0.0	0.2	0.1	0.1	0.5	0.3	-0.5	-0.8	0.0	0.4	-0.4	0.2	0.3	0.4
U.S. Inter-Term Bonds	0.5	0.7	-0.5	1.3	0.5	-0.2	0.0	-1.2	-0.5	0.1	-0.9	-0.6	0.8	-0.8	0.2	1.4	0.5	-1.4	-0.7	-0.3	0.2	-0.9	1.0	0.1	0.4
U.S. High Yield Bonds	0.8	0.7	0.2	0.2	0.4	0.8	0.1	-0.1	-0.3	0.3	-0.4	0.0	0.7	-0.4	0.3	0.4	0.4	-0.2	-0.8	0.1	0.4	-0.3	0.8	0.3	0.2
U.S. Bank Loans	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.3	0.2	0.1	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.1	0.2	0.1
Intl Dev Bonds	0.4	1.9	-0.9	1.5	0.4	-0.7	1.0	-2.6	-0.8	0.0	-1.1	-0.6	-0.3	-1.7	-0.3	2.8	0.0	-1.7	-1.6	-0.6	-0.7	-1.3	1.1	1.5	-0.1
Emerging & Frontier Bonds	1.1	0.9	0.0	0.4	0.7	0.7	0.0	-0.5	-0.6	0.3	-0.9	-0.6	1.0	-1.1	0.5	1.1	0.8	-0.9	-1.4	-0.1	0.3	-0.8	0.9	0.5	0.5
<b>Real Assets</b>																									
U.S. REITs	0.3	3.6	0.8	-0.7	3.8	-1.1	-0.2	-1.5	-0.4	3.0	-1.7	-2.7	3.5	-1.9	2.2	1.7	-2.5	-1.6	-4.4	0.3	0.9	-4.1	3.7	1.6	-0.5
Ex U.S. Real Estate Securities	2.0	2.2	1.5	0.7	1.3	0.2	4.1	-2.2	-2.5	-0.3	-3.1	-0.3	-0.3	-2.9	0.0	2.1	-0.1	-2.4	-2.3	1.4	-0.6	-2.6	1.9	1.0	1.5
Commodity Futures	0.3	0.9	-0.3	-2.4	2.7	2.1	2.2	1.9	-1.2	-2.5	2.1	-2.1	0.2	-2.0	3.1	-0.8	-0.6	1.3	-1.0	0.7	0.4	4.1	1.3	-0.2	-1.0
Energy Partnerships	3.4	0.0	1.1	-2.3	2.5	-0.3	-0.4	1.7	0.2	-1.6	-0.3	-1.0	4.1	1.4	4.5	4.0	-3.4	-1.5	-4.0	1.1	2.4	0.7	6.4	0.6	-0.8
Gold	2.4	1.0	0.1	-0.3	2.8	1.2	2.1	-0.4	0.0	2.4	0.7	0.5	-1.9	-4.4	4.8	-1.6	-0.5	0.8	-1.6	0.0	1.2	1.5	1.0	2.3	1.3
<b>Tactical &amp; Opportunistic</b>																									
Tactical Allocation	2.4	1.3	0.0	-2.7	2.6	0.9	0.7	-0.2	0.4	0.6	-1.3	-0.9	3.5	-2.0	1.9	0.9	0.4	-1.0	-2.1	0.3	0.1	-1.5	2.6	1.3	-0.6
Long-Short Equity	1.9	1.0	0.2	-2.5	1.9	1.0	0.4	0.1	0.5	0.5	-1.4	-0.3	2.9	-1.3	1.1	0.6	0.5	-0.8	-1.5	0.2	0.0	-0.9	2.1	1.3	-0.3
Closed-End Funds	1.7	1.6	0.5	-1.5	2.1	0.9	0.6	0.2	0.4	-0.2	-0.5	-0.4	2.1	-1.7	1.2	1.3	0.6	-0.8	-2.5	0.6	0.8	-0.8	2.1	1.3	0.0
Managed Futures	1.7	0.5	-0.9	-0.2	1.6	-0.5	1.1	-3.2	-0.3	1.4	-1.7	-0.4	0.7	0.2	1.0	-0.8	1.0	0.1	-0.5	0.7	0.2	0.7	-0.1	-0.7	0.5
Digital Assets	-1.8	13.2	-11.8	-7.0	10.2	5.7	5.3	-8.4	3.7	2.6	-4.4	0.6	13.6	21.6	15.3	5.4	16.3	-5.5	-13.5	0.3	8.4	-7.9	7.7	-1.2	-5.0
Insurance-Linked Securities	0.5	0.5	0.7	0.6	0.6	0.7	0.6	0.5	-1.3	1.1	0.6	0.4	0.3	0.7	0.2	0.1	0.4	0.2	0.4	0.3	0.2	0.0	-0.3	0.1	-0.8
<b>S-Term Bonds &amp; Cash</b>																									
Cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
S-Term Bonds (Tax-Exempt)	0.1	0.3	0.0	0.2	0.1	0.1	0.1	0.0	-0.1	0.1	-0.2	0.0	0.1	0.1	0.1	0.1	0.1	-0.1	-0.3	0.0	0.2	0.1	0.0	0.1	0.2
S-Term Bonds (Taxable)	0.1	0.3	0.0	0.5	0.2	0.1	0.1	-0.5	0.0	0.1	-0.2	-0.1	0.1	0.0	0.0	0.4	0.2	-0.2	-0.1	0.1	0.2	-0.1	0.3	0.1	0.2

LOWER ← → HIGHER

Source: SpringTide, Bloomberg. Change represents one month change.

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# Since the election, digital assets, midstream energy, and large-cap stocks have fared best, while ex-U.S. real estate and developed market bonds have lagged

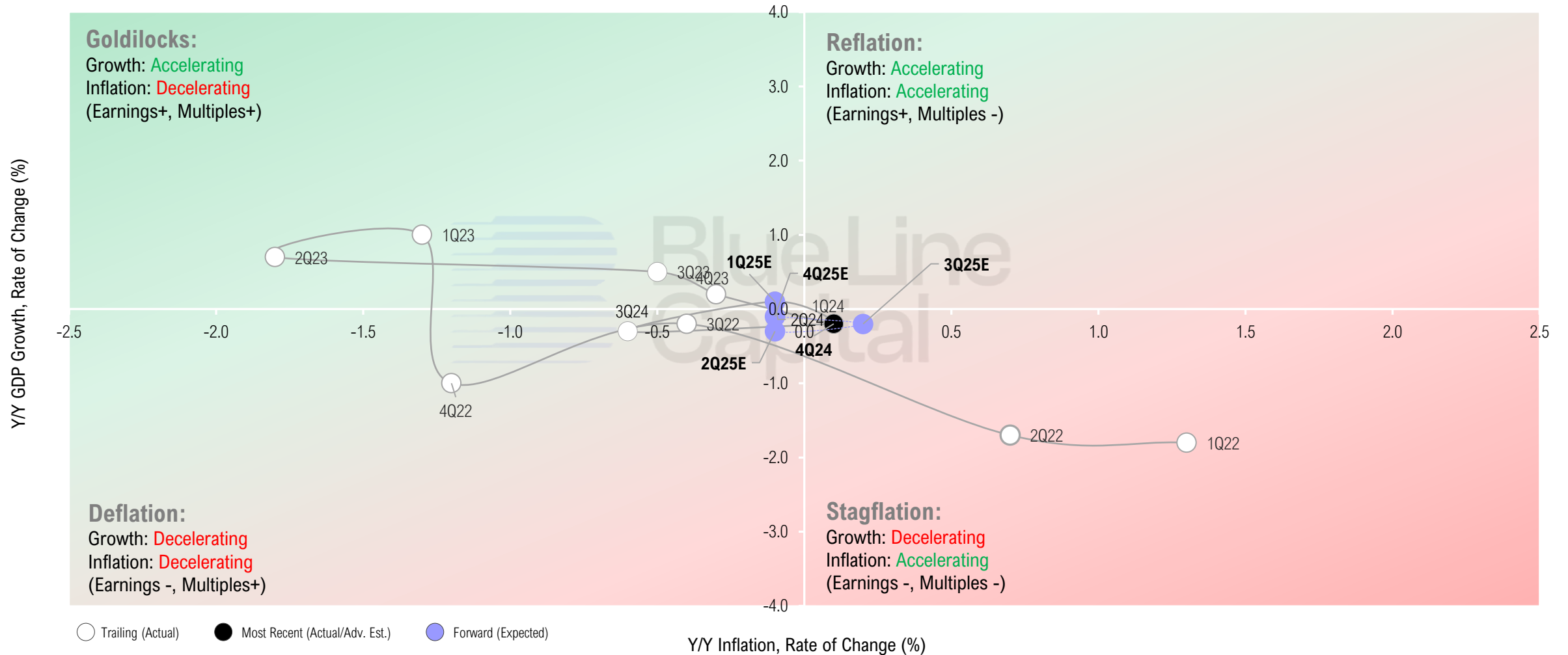
## Total Returns from Key Events to Date, %

Asset Class	Benchmark	3/10/00 (Tech Bubble peak)	10/9/02 (Tech Bubble low)	10/9/07 (Housing Bubble high)	3/9/09 (GFC low)	11/8/16 (Trump election)	9/21/18 (Sep 2018 high)	12/24/18 (Dec low)	3/23/20 (Covid-19 low)	1/3/2022 (Jan high)	2/24/22 (Ukraine war)	10/12/22 (2022 low)	10/6/23 (Israel- Hamis War)	12/12/23 (Powell Pivot)	11/5/24 (2024 Election)
■ Cryptocurrencies	MVIS CryptoCompare Digital Top 25 Index	-	-	-	-	82.3	33.5	45.7	64.7	-6.3	5.6	51.7	114.3	75.1	55.3
■ Bitcoin	S&P Bitcoin PR Index	-	-	-	-	82.8	54.3	71.3	77.9	29.4	40.1	106.5	167.2	149.1	51.1
■ Midstream Energy	Alerian MLP Index	12.3	11.0	8.0	12.1	9.7	11.0	15.4	40.6	29.9	26.8	29.4	33.2	38.9	15.4
■ US Large Cap Stocks	S&P 500 Index	8.0	11.6	10.3	16.9	15.5	13.9	18.1	23.8	9.7	14.7	27.1	31.9	32.7	6.1
■ US Micro Cap Stocks	Russell Micro Cap Index	-	9.4	6.1	13.4	8.7	4.5	10.1	19.1	-0.9	3.7	12.0	25.6	24.5	4.7
■ Closed-End Funds	S-Network Composite CEF Index	-	-	6.1	10.9	7.2	6.3	9.0	14.5	2.6	6.4	15.7	24.0	24.1	4.6
■ Commodity Futures	Bloomberg Commodity Index	1.9	1.5	-1.8	1.0	4.7	5.8	7.0	14.1	5.3	0.5	-0.2	5.7	11.4	4.5
■ US 60/40	60% S&P 500, 40% Bbg US Agg Bond	6.8	8.5	7.7	11.3	9.8	9.2	11.4	13.7	5.0	8.4	17.6	21.6	20.9	3.6
■ US Small Cap Stocks	Russell 2000 Index	6.9	10.4	7.4	14.0	9.7	6.0	11.3	19.8	2.1	7.2	15.6	25.0	23.3	3.4
■ Gold	LBMA Gold Price PM	9.5	10.2	8.1	7.2	10.0	14.2	14.1	13.9	15.4	14.2	25.4	38.7	41.5	2.5
■ US Bank Loans	Morningstar LSTA US LL TR Index	5.1	5.3	5.0	7.4	5.4	5.5	6.3	10.6	7.0	7.4	10.8	9.8	11.0	2.1
■ Global 60/40	60% MSCI ACWI, 40% Bbg Gbl Agg Bond	5.6	7.5	5.2	8.8	7.3	6.4	8.4	11.1	2.4	5.0	16.0	18.2	16.7	2.1
■ US High Yield Bonds	Bloomberg US Corporate HY Index	6.6	7.9	6.5	9.3	5.3	5.0	6.0	9.0	3.3	5.0	11.6	14.0	13.0	2.0
■ Intl Dev Ex-US Stocks	MSCI EAFE Index	4.4	8.0	3.4	9.6	7.8	6.1	8.9	15.0	3.8	6.1	20.4	17.7	14.9	1.9
■ Cash	Bloomberg 1-3 Mth Treasury Index	1.8	1.6	1.2	1.2	2.1	2.5	2.5	2.5	4.0	4.2	5.0	5.3	6.0	1.1
■ Emerging Market Bonds	Bloomberg EM USD Aggregate Index	6.8	7.1	4.9	6.4	2.4	2.7	2.8	3.6	-0.1	1.7	10.4	13.3	11.0	1.1
■ Short-Term Bonds	Bloomberg 1-3 Year Treasury Index	2.5	1.9	1.7	1.3	1.5	1.9	1.8	1.0	1.5	2.1	4.1	5.3	5.5	0.9
■ Municipal High Yield Bonds	Bloomberg US HY Muni Index	5.4	5.5	4.5	6.8	4.1	4.0	4.0	6.5	0.5	1.7	8.2	13.0	9.6	0.9
■ US Interm-Term Muni Bonds	Bloomberg Municipal Bond 1-10Y Index	3.5	3.0	2.9	2.7	1.7	2.1	1.9	2.6	0.4	1.3	3.8	5.4	2.8	0.7
■ US Interm-Term Bonds	Bloomberg U.S. Agg Bond Index	3.9	3.2	2.9	2.7	1.0	1.4	1.3	-0.2	-2.2	-0.9	4.3	7.1	4.6	-0.1
■ US REITs	MSCI US REIT Index	9.9	9.5	5.5	14.5	6.3	6.0	7.6	15.3	-1.9	2.4	13.8	21.7	16.9	-2.3
■ Emerging Market Stocks	MSCI EM Index	6.0	9.6	2.0	8.2	5.3	3.7	5.1	9.6	-0.9	-0.2	13.8	15.8	15.9	-2.8
■ Global Real Estate Sec's	S&P Global Property Index	7.8	7.8	2.6	10.8	3.8	2.4	3.6	10.1	-3.8	-1.2	11.0	16.6	11.9	-2.9
■ Developed Ex-US Bonds	S&P International Sov Ex-US Bond Index	-	2.3	0.4	0.2	-2.2	-3.2	-3.2	-3.9	-7.9	-7.1	3.5	3.5	-1.5	-3.5
■ Intl Dev Ex-US Real Est.	S&P Global Ex US Property Index	6.1	6.9	0.5	8.1	1.3	-1.0	-0.1	5.0	-6.0	-5.1	8.0	11.2	6.7	-3.6

Source: Bloomberg. Returns for periods longer than 1 year are annualized. Returns as of 1/31/2025.

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# Recent strong, but slowing economic data increases the odds of “stagflation”, unless the new administration can offset pricing pressure with lower energy prices

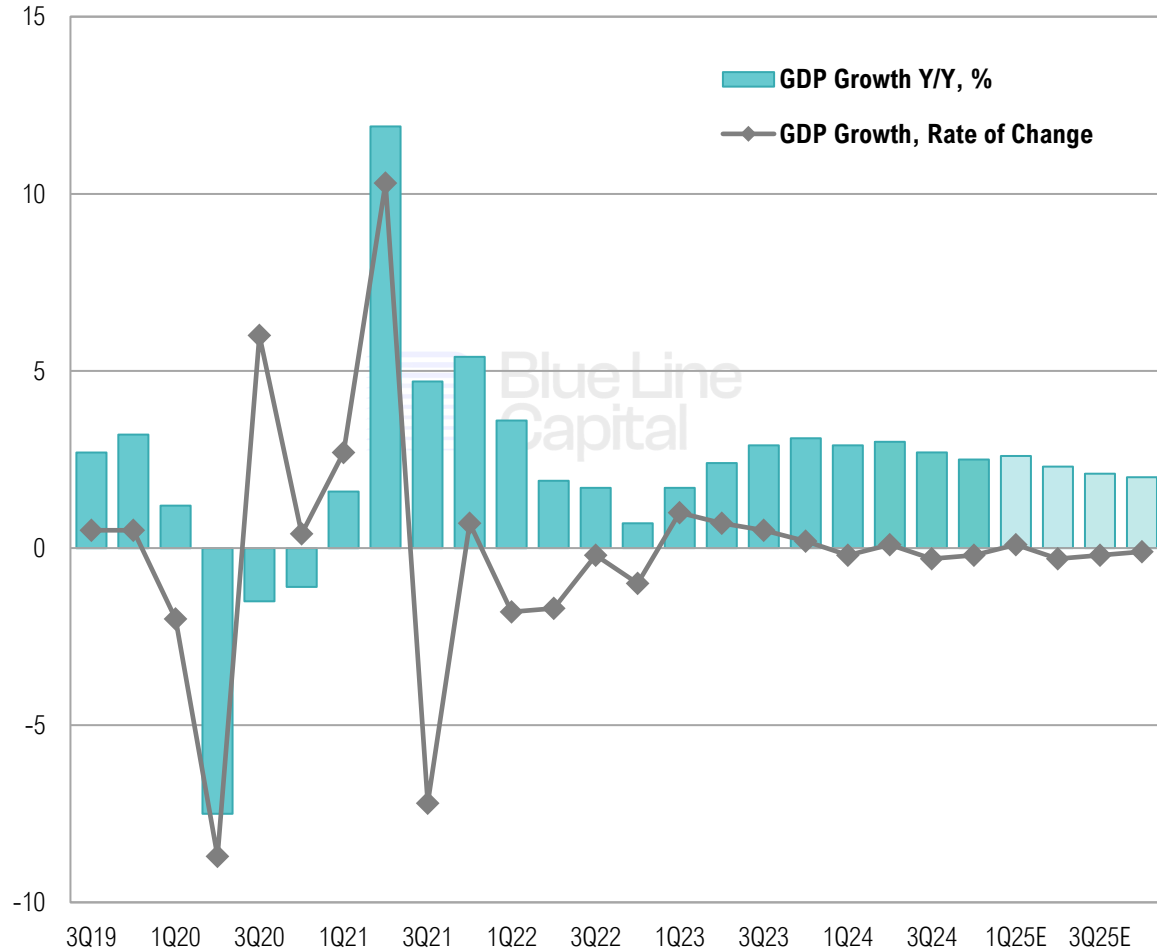


Source: SpringTide, Bloomberg. Change represents one-month change.

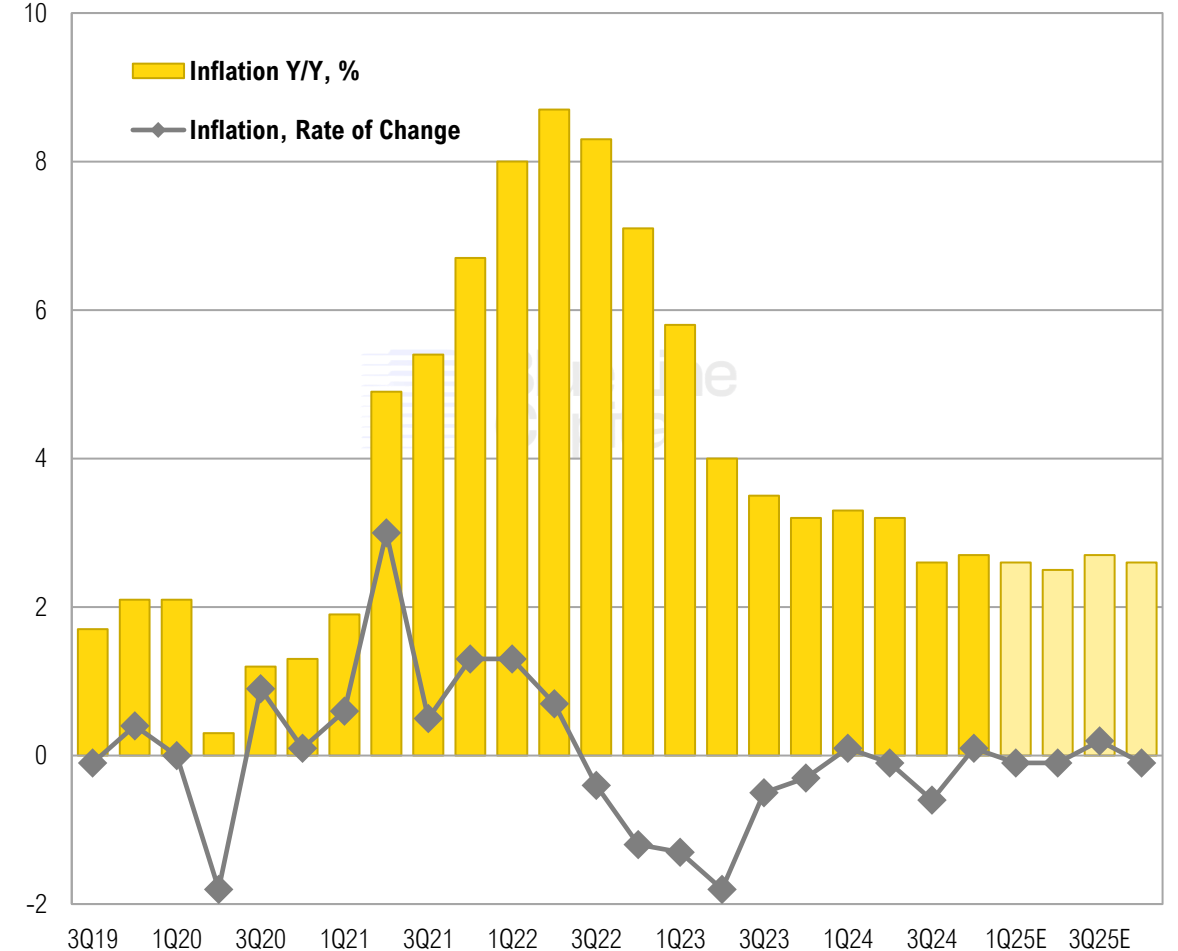
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# **Preliminary estimates show the U.S. economy growing at an annualized 2.3% Q/Q in Q4; inflation is likely to remain above 2.5% throughout 2025 while GDP growth is expected to slow**

GDP Growth & Rate of Change, Y/Y%



Inflation Levels & Rate of Change, Y/Y%



Source: SpringTide, Bloomberg. Change represents one-month change.

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# Globally, manufacturing activity ticked into in expansionary territory; EM expansion has slowed, while contraction in DM has eased, thanks to improved U.S. activity

Manufacturing PMIs by Country\* & Region

	2022												2023												2024												'25		
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J		
Global	53.2	53.7	52.9	52.3	52.3	52.2	51.1	50.3	49.8	49.4	48.8	48.7	49.1	49.9	49.6	49.6	49.5	48.7	48.6	49.0	49.2	48.8	49.3	49.0	50.0	50.3	50.6	50.3	51.0	50.8	49.7	49.6	48.7	49.4	50.0	49.6	50.1		
Developed	56.4	56.6	56.5	56.3	55.0	52.5	51.2	50.2	50.1	48.8	47.8	47.3	48.0	48.1	48.4	48.5	47.6	46.3	47.1	46.8	47.4	47.5	47.7	47.0	48.9	49.3	49.3	48.6	50.0	49.7	48.8	48.3	47.5	48.1	48.4	48.2	49.3		
Emerging	50.0	50.9	49.2	48.1	49.5	51.7	50.8	50.2	49.4	49.8	49.7	49.8	49.9	51.6	50.7	50.5	51.4	51.1	50.2	51.3	50.9	50.1	50.9	50.9	51.1	51.5	52.0	52.0	51.9	52.1	50.7	50.8	49.8	50.6	51.6	50.9	50.8		
<b>Developed</b>																																							
U.S.	55.5	57.3	58.8	59.2	57.0	52.7	52.2	51.5	52.0	50.4	47.7	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49.0	47.9	49.8	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3	48.5	49.7	49.4	51.2		
Canada	56.2	56.6	58.9	56.2	56.8	54.6	52.5	48.7	49.8	48.8	49.6	49.2	51.0	52.4	48.6	50.2	49.0	48.8	49.6	48.0	47.5	48.6	47.7	45.4	48.3	49.7	49.8	49.4	49.3	49.3	47.8	49.5	50.4	51.1	52.0	52.2	51.6		
Japan	55.4	52.7	54.1	53.5	53.3	52.7	52.1	51.5	50.8	50.7	49.0	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	48.7		
UK	57.3	58.0	55.2	55.8	54.6	52.8	52.1	47.3	48.4	46.2	46.5	45.3	47.0	49.3	47.9	47.8	47.1	46.5	45.3	43.0	44.3	44.8	47.2	46.2	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9	48.0	47.0	48.3		
Eurozone	58.7	58.2	56.5	55.5	54.6	52.1	49.8	49.6	48.4	46.4	47.1	47.8	48.8	48.5	47.3	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	46.6	46.5	46.1	45.7	47.3	45.8	45.8	45.8	45.0	46.0	45.2	45.1	46.6		
Germany	59.8	58.4	56.9	54.6	54.8	52.0	49.3	49.1	47.8	45.1	46.2	47.1	47.3	46.3	44.7	44.5	43.2	40.6	38.8	39.1	39.6	40.8	42.6	43.3	45.5	42.5	41.9	42.5	45.4	43.5	43.2	42.4	40.6	43.0	43.0	42.5	45.0		
France	55.5	57.2	54.7	55.7	54.6	51.4	49.5	50.6	47.7	47.2	48.3	49.2	50.5	47.4	47.3	45.6	45.7	46.0	45.1	46.0	44.2	42.8	42.9	42.1	43.1	47.1	46.2	45.3	46.4	45.4	44.0	43.9	44.6	44.5	43.1	41.9	45.0		
Italy	58.3	58.3	55.8	54.5	51.9	50.9	48.5	48.0	48.3	46.5	48.4	48.5	50.4	52.0	51.1	46.8	45.9	43.8	44.5	45.4	46.8	44.9	44.4	45.3	48.5	48.7	50.4	47.3	45.6	45.7	47.4	49.4	48.3	46.9	44.5	46.2	46.3		
Spain	56.2	56.9	54.2	53.3	53.8	52.6	48.7	49.9	49.0	44.7	45.7	46.4	48.4	50.7	51.3	49.0	48.4	48.0	47.8	46.5	47.7	45.1	46.3	46.2	49.2	51.5	51.4	52.2	54.0	52.3	51.0	50.5	53.0	54.5	53.1	53.3	50.9		
Netherlands	60.1	60.6	58.4	59.9	57.8	55.9	54.5	52.6	49.0	47.9	46.0	48.6	49.6	48.7	46.4	44.9	44.2	43.8	45.3	45.9	43.6	43.8	44.9	44.8	48.9	49.3	49.7	51.3	52.5	50.7	49.2	47.7	48.2	47.0	46.6	48.6	48.4		
Australia	55.1	57.0	57.7	58.8	55.7	56.2	55.7	53.8	53.5	52.7	51.3	50.2	50.0	50.5	49.1	48.0	48.4	48.2	49.6	49.6	48.7	48.2	47.7	47.6	50.1	47.8	47.3	49.6	49.7	47.2	47.5	48.5	46.7	47.3	49.4	47.8	50.2		
Greece	57.9	57.8	54.6	54.8	53.8	51.1	49.1	48.8	49.7	48.1	48.4	47.2	49.2	51.7	52.8	52.4	51.5	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	50.3	51.2	50.9	53.2	52.8		
<b>Emerging</b>																																							
China	49.1	50.4	48.1	46.0	48.1	51.7	50.4	49.5	48.1	49.2	49.4	49.0	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3	51.5	50.5	50.1		
Indonesia	53.7	51.2	51.3	51.9	50.8	50.2	51.3	51.7	53.7	51.8	50.3	50.9	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	51.9		
Korea	52.8	53.8	51.2	52.1	51.8	51.3	49.8	47.6	47.3	48.2	49.0	48.2	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3	50.6	49.0	50.3		
Taiwan	55.1	54.3	54.1	51.7	50.0	49.8	44.6	42.7	42.2	41.5	41.6	44.6	44.3	49.0	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8	50.2	51.5	52.7	51.1		
Brazil	47.8	49.6	52.3	51.8	54.2	54.1	54.0	51.9	51.1	50.8	44.3	44.2	47.5	49.2	47.0	44.3	47.1	46.6	47.8	50.1	49.0	48.6	49.4	48.4	52.8	54.1	53.6	55.9	52.1	52.5	54.0	50.4	53.2	52.9	52.3	50.4	50.7		
Mexico	46.1	48.0	49.2	49.3	50.6	52.2	48.5	48.5	50.3	50.3	50.6	51.3	48.9	51.0	51.0	51.1	50.5	50.9	53.2	51.2	49.8	52.1	52.5	52.0	50.2	52.3	52.2	51.0	51.2	51.1	49.6	48.5	47.3	48.4	49.9	49.8	49.1		
Russia	51.8	48.6	44.1	48.2	50.8	50.9	50.3	51.7	52.0	50.7	53.2	53.0	52.6	53.6	53.2	52.6	53.5	52.6	52.1	52.7	54.5	53.8	53.8	54.6	52.4	54.7	55.7	54.3	54.4	54.9	53.6	52.1	49.5	50.6	51.3	50.8	53.1		
South Africa	50.9	50.9	51.4	50.3	50.7	52.5	52.7	51.7	49.2	49.5	50.6	50.2	48.7	50.5	49.7	49.6	47.9	48.7	48.2	51.0	49.9	48.9	50.0	49.0	49.2	50.8	48.4	50.3	50.4	49.2	49.3	50.5	51.0	50.6	50.9	49.9	47.4		
India	54.0	54.9	54.0	54.7	54.6	53.9	56.4	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7		

LOWER ← → HIGHER

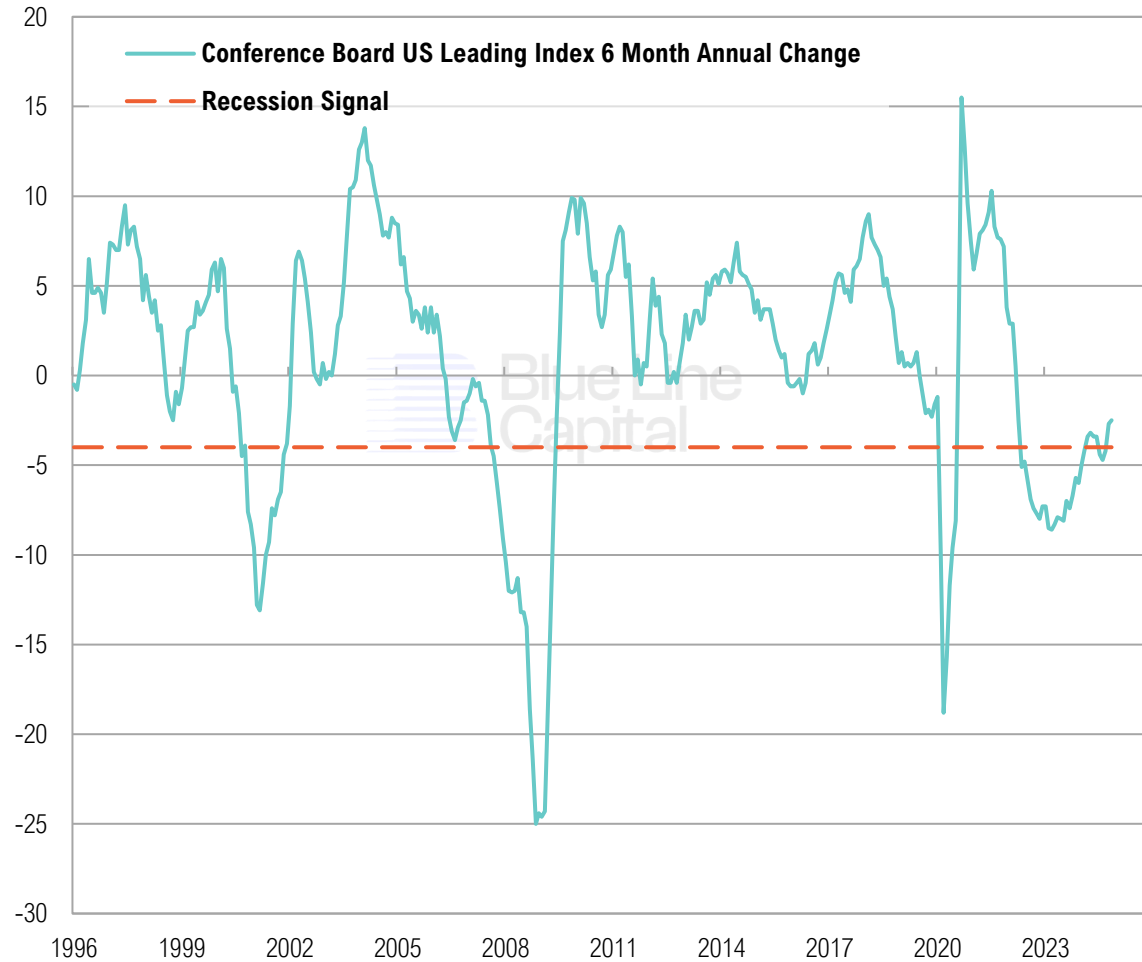
Source: Bloomberg, Markit. \*Some countries might have delayed reporting.

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# The Conference Board's LEI continues to signal headwinds to economic growth; markets tend to exhibit volatile win big/lose big dynamics when LEIs are at these levels

Conference Board U.S. Leading Economic Indicator, 6-Month Growth Rate (Annualized), %



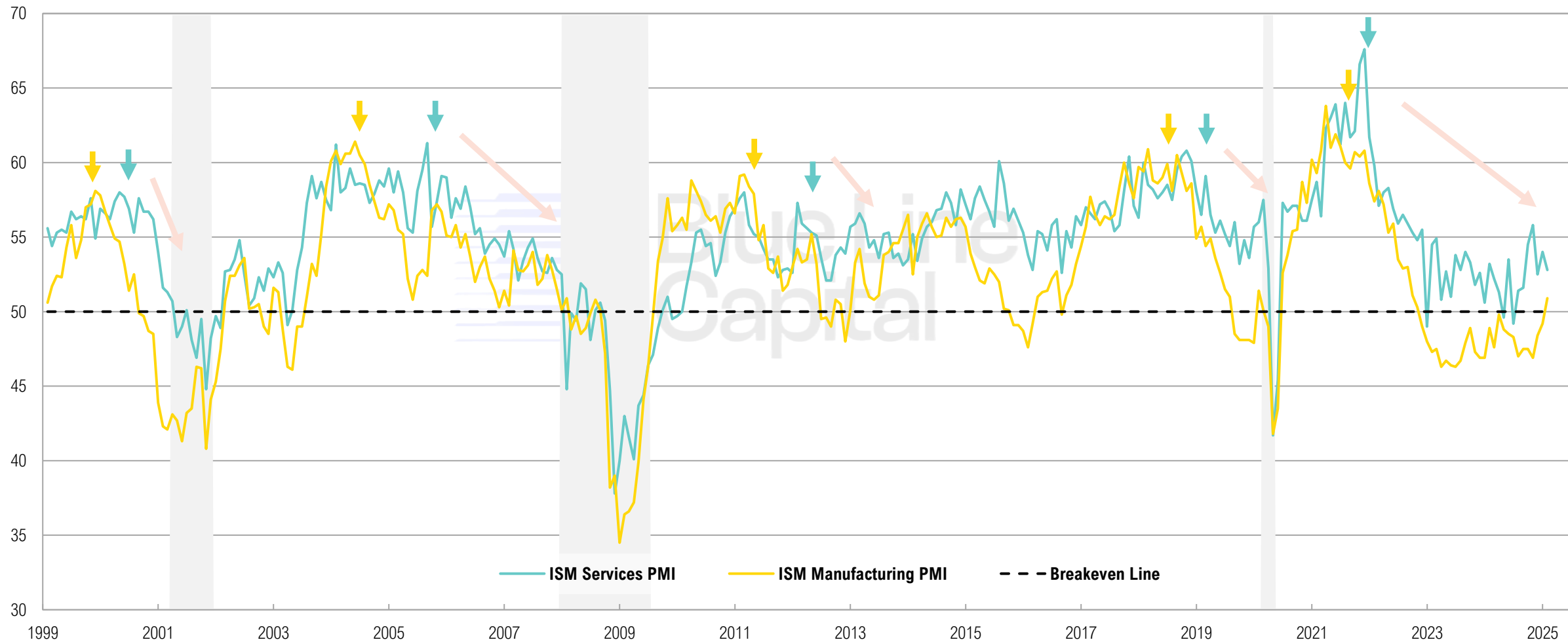
S&P 500 12-Month Forward Return vs. Conference Board U.S. Leading Economic Indicator





# After 27 months of decline, the ISM Manufacturing PMI moved into expansionary territory; services sector activity continues to grow, albeit at a slightly slower pace

ISM Services & Manufacturing PMIs

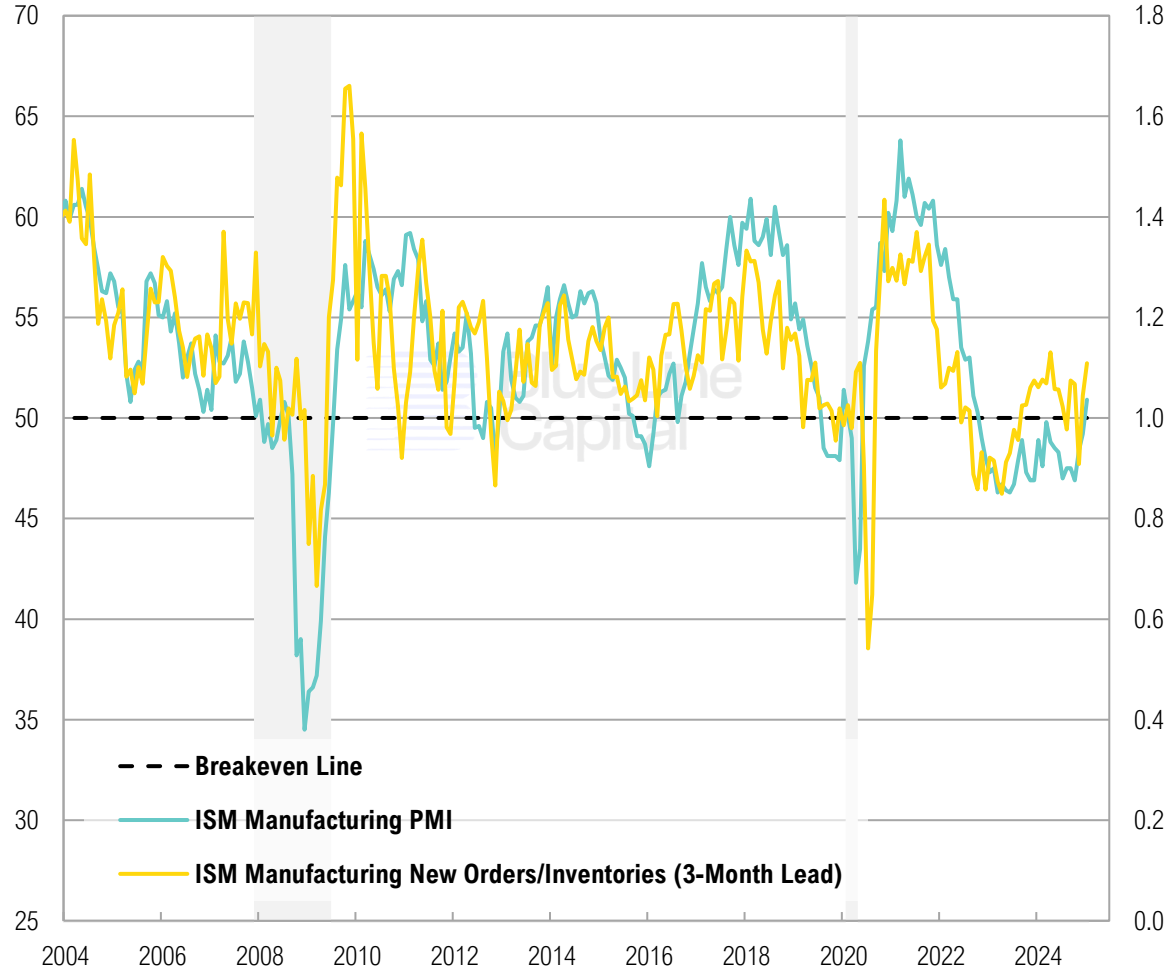


Source: Bloomberg, ISM.

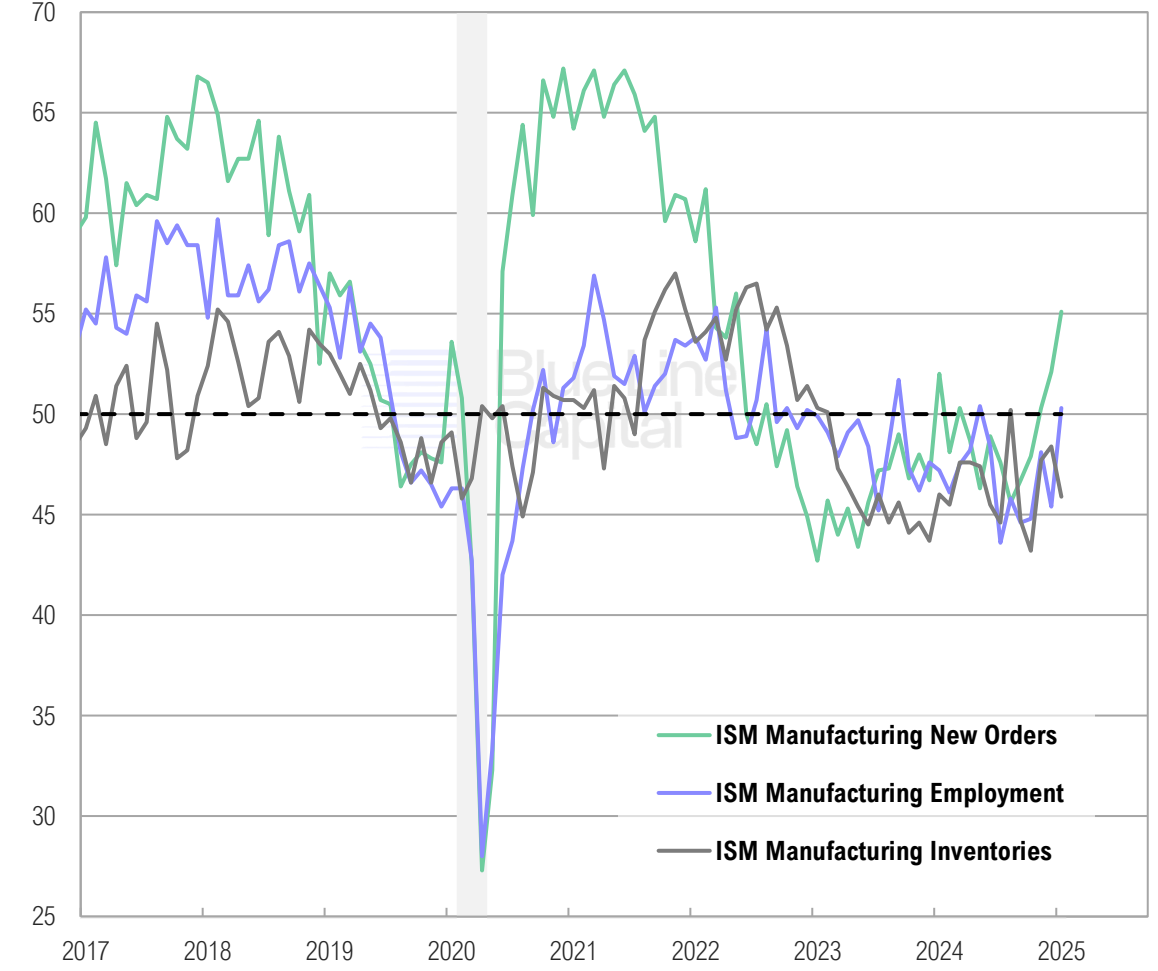
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# Manufacturing sector activity in January showed signs of growth for the first time in 27 months; new orders jumped to the highest level since May 2022

ISM Manufacturing PMI



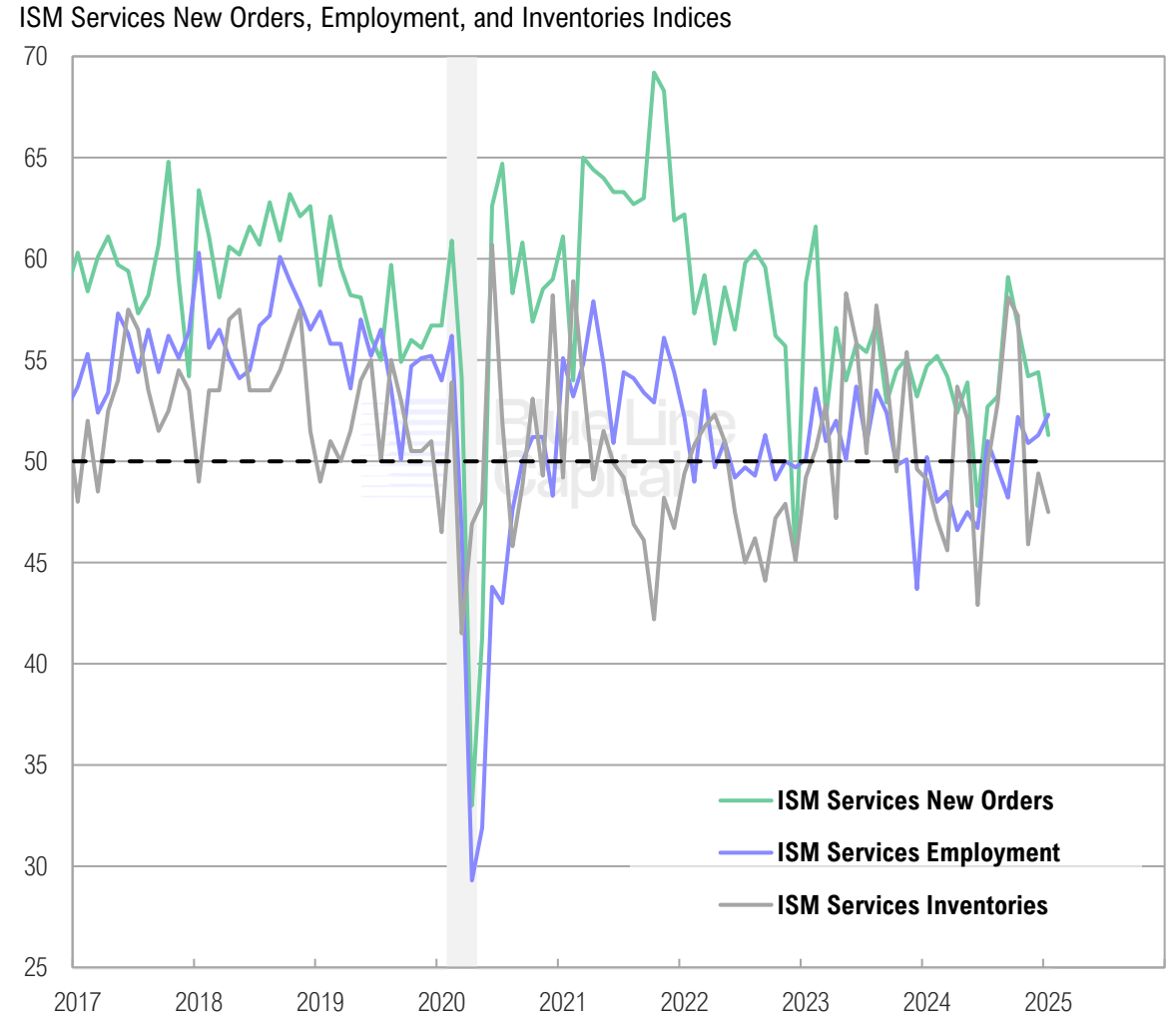
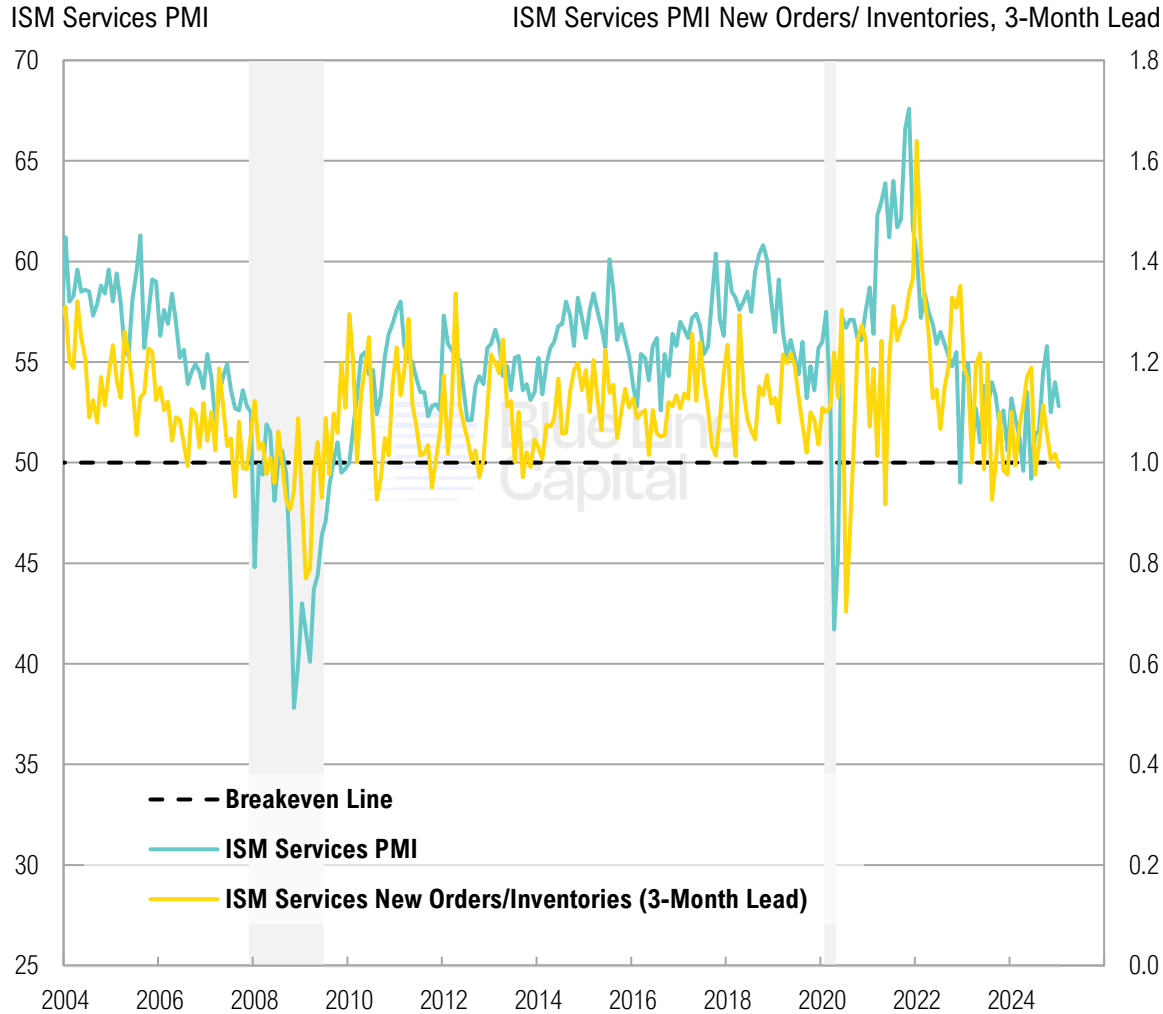
ISM Manufacturing New Orders, Employment, and Inventories Indices



Source: Bloomberg

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# The ISM Services PMI showed ongoing services sector growth in January with a reading of 52.8; new orders growth slowed, while employment increased



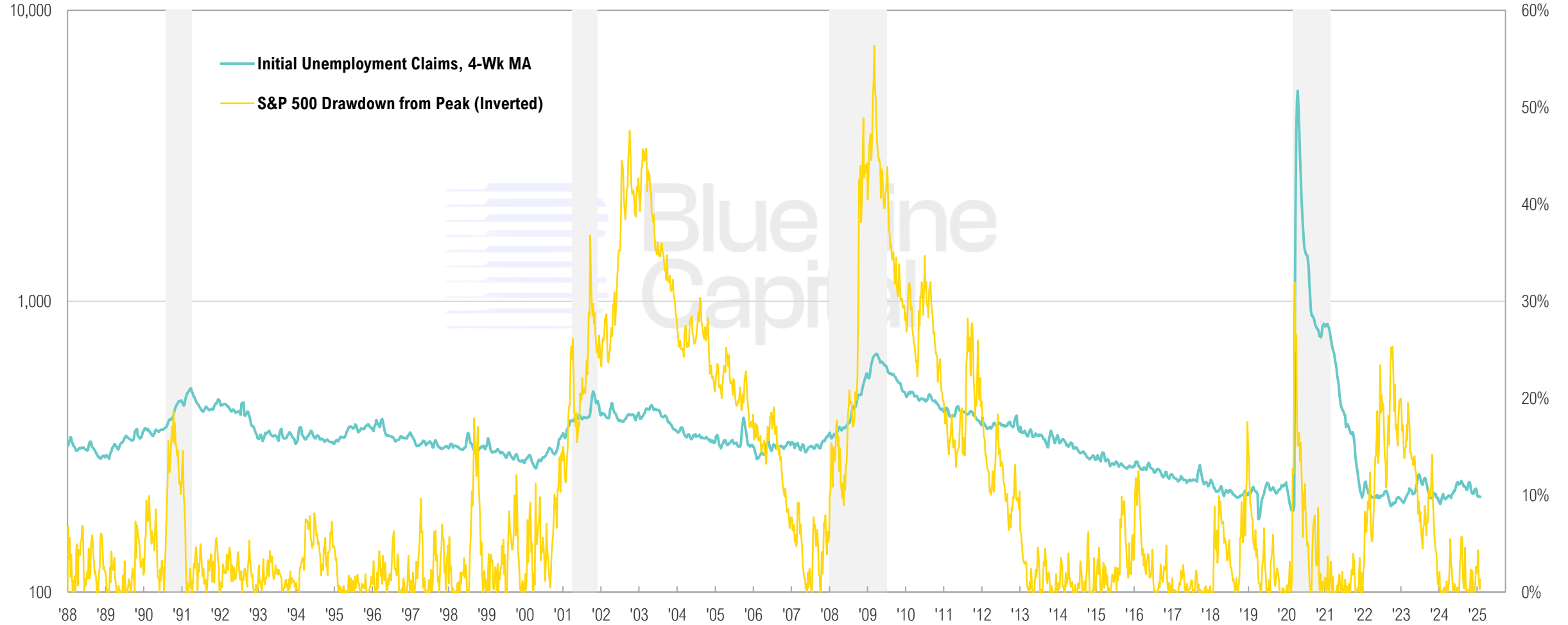
Source: Bloomberg

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# Historical trends suggests the stock market will start to price in incremental labor market deterioration before it becomes obvious; initial unemployment claims continue to tick lower

Weekly Unemployment Claims

S&P 500 Drawdown from Peak

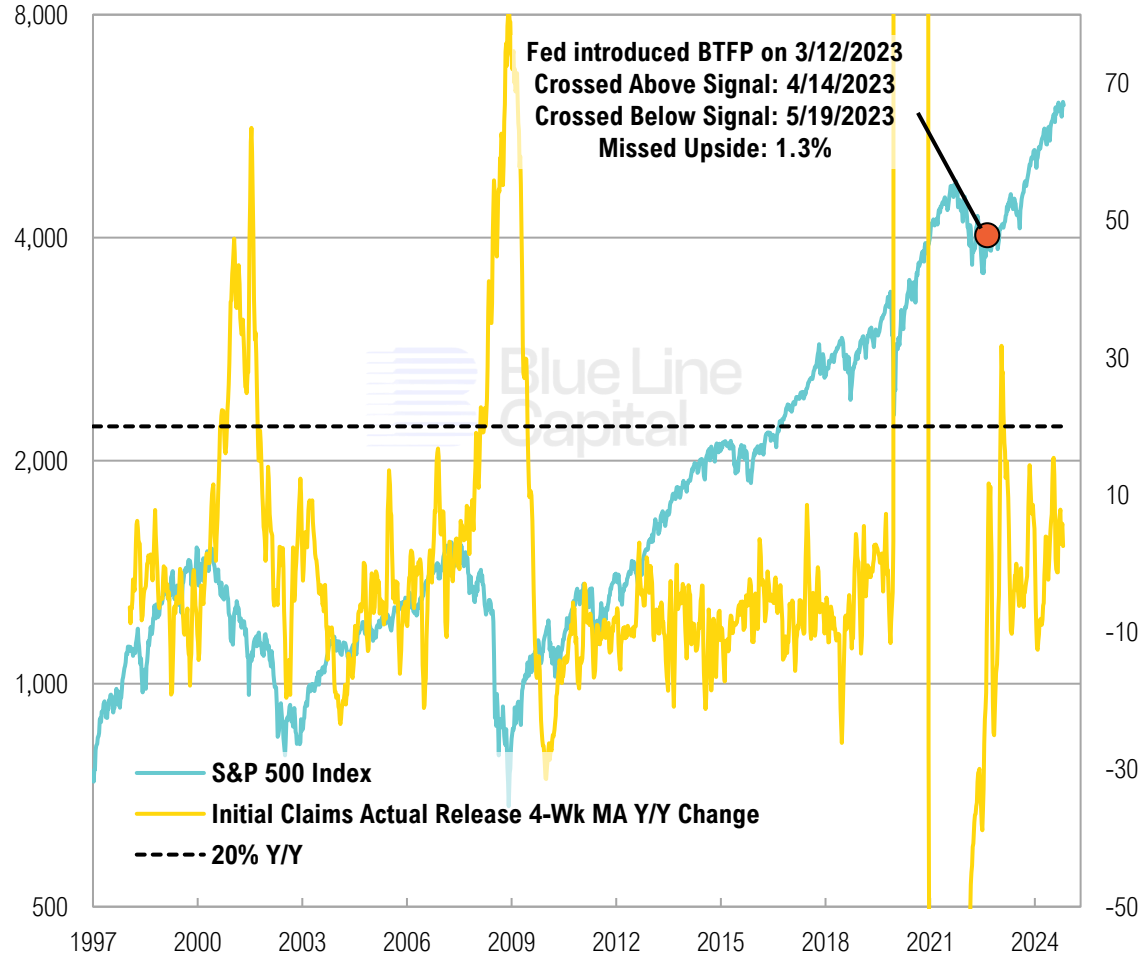


Source: SpringTide, Bloomberg, FRED.

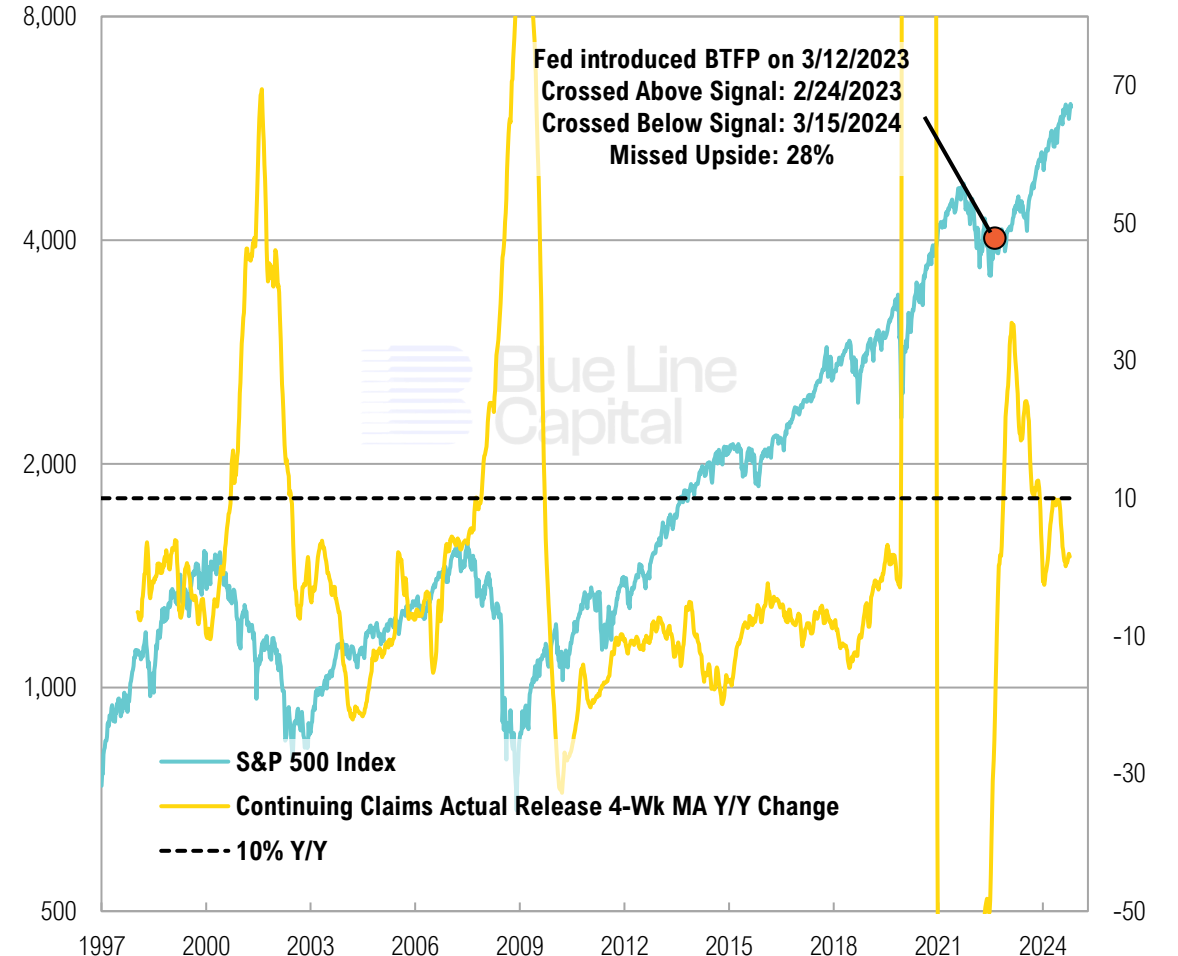
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# Higher-frequency job market data (jobless claims) has been helpful in identifying early signs of weakness in the labor market

S&P 500 Index (Log Scale) Initial Claims 4-Week MA Y/Y Change, %



S&P 500 Index (Log Scale) Continuing Claims 4-Week MA Y/Y Change, %



Source: Bloomberg

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# Globally, inflation ticked higher in Q4: inflation in emerging markets eased slightly, to 1.9%, while developed market inflation has increased to 2.6%

## Country & GDP-Weighted Regional Inflation

	2015				2016				2017				2018				2019				2020				2021				2022				2023				2024							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Global	1.9	1.9	1.8	2.1	2.0	2.0	2.0	2.2	2.2	1.7	2.2	2.4	2.4	2.7	2.5	1.9	2.1	2.1	2.1	3.1	2.5	1.8	2.0	1.3	1.9	3.3	3.5	4.7	5.9	6.8	6.7	5.8	4.3	3.1	3.2	2.7	2.6	2.5	2.1	2.3				
DM	0.3	0.3	0.1	0.5	0.5	0.6	0.9	1.5	1.8	1.4	1.8	1.8	2.0	2.3	2.1	1.6	1.6	1.4	1.3	1.8	1.2	0.4	0.7	0.6	1.8	3.7	4.2	5.5	7.1	8.0	7.9	7.0	5.5	4.0	4.0	3.3	3.1	2.8	2.1	2.6				
EM	4.1	4.1	3.9	4.2	3.9	4.0	3.5	3.1	2.7	2.1	2.6	3.3	3.0	3.2	3.2	2.4	2.8	3.0	3.2	4.9	4.3	3.5	3.7	2.4	2.0	2.7	2.5	3.3	4.1	4.9	4.8	3.7	2.4	1.5	1.8	1.8	1.9	2.0	2.0	1.9				
<b>Developed</b>																																												
U.S.	-0.1	0.1	0.0	0.7	0.9	1.0	1.5	2.1	2.4	1.6	2.2	2.1	2.4	2.9	2.3	1.9	1.6	1.7	2.3	1.5	0.6	1.4	1.4	2.6	5.4	5.4	7.0	8.5	9.1	8.2	6.5	5.0	3.0	3.7	3.4	3.5	3.0	2.4	2.9					
Canada	1.2	1.0	1.0	1.6	1.3	1.5	1.3	1.5	1.6	1.0	1.6	1.9	2.3	2.5	2.2	2.0	1.9	2.0	1.9	2.2	0.9	0.7	0.5	0.7	2.2	3.1	4.4	4.8	6.7	8.1	6.9	6.3	4.3	2.8	3.8	3.4	2.9	2.7	1.6	1.8				
Japan	2.3	0.4	0.0	0.2	0.0	-0.4	-0.5	0.3	0.2	0.4	0.7	1.0	1.1	0.7	1.2	0.3	0.5	0.7	0.2	0.8	0.4	0.1	0.0	-1.2	-0.4	-0.5	0.2	0.8	1.2	2.4	3.0	4.0	3.2	3.3	3.0	2.6	2.7	2.8	2.5	3.6				
UK	0.1	0.0	0.0	0.1	0.3	0.4	0.7	1.2	2.1	2.7	2.8	3.0	2.7	2.4	2.5	2.3	1.9	2.0	1.8	1.4	1.7	0.6	0.6	0.5	0.6	2.1	2.8	4.9	6.2	9.2	10.0	10.7	10.2	8.4	6.7	4.2	3.5	2.1	2.0	2.5				
Eurozone	-0.1	0.5	0.2	0.3	0.0	0.0	0.4	1.1	1.5	1.3	1.6	1.3	1.4	2.0	2.1	1.5	1.4	1.3	0.8	1.3	0.7	0.3	-0.3	-0.3	1.3	1.9	3.4	5.0	7.4	8.6	9.9	9.2	6.9	5.5	4.3	2.9	2.4	2.5	1.7	2.4				
Germany	0.2	0.9	0.6	0.2	0.3	0.3	0.6	1.5	1.4	1.4	1.7	1.4	1.5	1.9	1.9	1.6	1.3	1.6	1.2	1.5	1.4	0.9	-0.2	-0.3	1.8	2.4	4.1	4.9	5.9	6.7	8.6	8.1	7.4	6.4	4.5	3.7	2.2	2.2	1.6	2.6				
France	-0.1	0.3	0.0	0.2	-0.1	0.2	0.4	0.6	1.1	0.7	1.0	1.2	1.6	2.0	2.2	1.6	1.1	1.2	0.9	1.5	0.7	0.2	0.0	0.0	1.1	1.5	2.2	2.8	4.5	5.8	5.6	5.9	5.7	4.5	4.9	3.7	2.3	2.2	1.1	1.3				
Italy	0.0	0.2	0.2	0.1	-0.2	-0.2	0.1	0.5	1.4	1.2	1.3	1.0	0.9	1.4	1.5	1.2	1.1	0.8	0.2	0.5	0.1	-0.4	-1.0	-0.3	0.6	1.3	2.9	4.2	6.8	8.5	9.4	12.3	8.1	6.7	5.6	0.5	1.2	0.9	0.7	1.4				
Spain	-0.7	0.1	-0.9	0.0	-0.8	-0.8	0.2	1.6	2.3	1.5	1.8	1.1	1.2	2.3	2.3	1.2	1.3	0.4	0.1	0.8	0.0	-0.3	-0.4	-0.5	1.3	2.7	4.0	6.5	9.8	10.2	8.9	5.7	3.3	1.9	3.5	3.1	3.2	3.4	1.5	2.8				
Netherlands	0.4	1.0	0.5	0.7	0.6	0.0	0.1	1.0	1.1	1.1	1.5	1.3	1.0	1.7	1.9	2.0	2.8	2.7	2.6	2.7	1.4	1.6	1.1	1.0	1.9	2.0	2.7	5.7	9.7	8.6	14.5	9.6	4.4	5.7	0.2	1.2	3.1	3.2	3.5	4.1				
Australia	1.3	1.5	1.5	1.7	1.3	1.0	1.3	1.5	2.1	1.9	1.8	1.9	1.9	2.1	1.9	1.8	1.3	1.6	1.7	1.8	2.2	-0.3	0.7	0.9	1.1	3.8	3.0	3.5	5.1	6.1	7.3	7.8	7.0	6.0	5.4	4.1	3.6	3.8	2.8	n/a				
Greece	-1.9	-1.1	-0.8	0.4	-0.7	0.2	-0.1	0.3	1.7	0.9	1.0	1.0	0.2	1.0	1.1	0.6	1.0	0.2	0.2	1.1	0.2	-1.9	-2.3	-2.4	-2.0	0.6	1.9	4.4	8.0	11.6	12.1	7.6	5.4	2.8	2.4	3.7	3.4	2.5	3.1	2.9				
<b>Emerging</b>																																												
China	1.4	1.4	1.6	1.6	2.3	1.9	1.9	2.1	0.9	1.5	1.6	1.8	2.1	1.9	2.5	1.9	2.3	2.7	3.0	4.5	4.3	2.5	1.7	0.2	0.4	1.1	0.7	1.5	1.5	2.5	2.8	1.8	0.7	0.0	0.0	-0.3	0.1	0.2	0.4	0.1				
Indonesia	6.4	7.3	6.8	3.4	4.5	3.5	3.1	3.0	3.6	4.4	3.7	3.6	3.4	3.1	2.9	3.1	2.5	2.8	3.1	2.6	3.0	2.0	1.4	1.7	1.4	1.3	1.6	1.9	2.6	4.4	6.0	5.5	5.0	3.5	2.3	2.8	3.1	2.5	1.8	1.6				
Korea	0.5	0.7	0.5	1.1	0.8	0.7	1.3	1.3	2.3	1.8	2.0	1.4	1.2	1.5	2.1	1.3	0.4	0.7	-0.4	0.7	0.8	0.2	0.9	0.6	1.9	2.3	2.4	3.7	4.2	6.0	5.5	5.0	4.2	2.7	3.7	3.1	2.4	1.6	1.9					
Taiwan	-0.6	-0.6	0.3	0.1	2.0	0.9	0.3	1.7	0.2	1.0	0.5	1.2	1.6	1.4	1.7	-0.1	0.6	0.9	0.4	1.1	0.0	-0.8	-0.6	0.1	1.2	1.8	2.6	2.6	3.3	3.6	2.8	2.7	2.4	1.8	2.9	2.7	2.2	2.4	1.8	2.1				
Brazil	8.1	8.9	9.5	10.7	9.4	8.8	8.5	6.3	4.6	3.0	2.5	3.0	2.7	4.4	4.5	3.8	4.6	3.4	2.9	4.3	3.3	2.1	3.1	4.5	6.1	8.4	10.3	10.1	11.3	11.9	7.2	5.8	4.7	3.2	5.2	4.6	3.9	4.2	4.4	4.8				
Mexico	3.1	2.9	2.5	2.1	2.6	2.5	3.0	3.4	5.4	6.3	6.4	6.8	5.0	4.7	5.0	4.8	4.0	4.0	3.0	2.8	3.3	3.3	3.3	4.0	3.2	4.7	5.9	6.0	7.4	7.5	8.0	8.7	7.8	6.9	5.1	4.5	4.7	4.4	5.0	4.6				
Russia	16.9	15.3	15.7	12.9	7.3	7.5	6.4	5.4	4.3	4.4	3.0	2.5	2.4	2.3	3.4	4.3	5.3	4.7	4.0	3.0	2.5	3.2	3.7	4.9	5.8	6.5	7.4	8.4	16.7	15.9	13.7	11.9	3.5	3.3	6.0	7.4	7.7	8.6	8.6	9.5				
South Africa	4.0	4.7	4.6	5.2	6.3	6.3	6.1	6.8	6.1	5.1	5.1	4.7	3.8	4.6	4.9	4.5	4.5	4.5	4.1	4.0	4.1	2.2	3.0	3.1	3.2	4.9	5.0	5.9	5.9	7.4	7.5	7.2	7.1	5.4	5.4	5.1	5.3	5.1	3.8	3.0				
India	5.3	5.4	4.4	5.6	4.8	5.8	4.4	3.4	3.9	1.5	3.3	5.2	4.3	4.9	3.7	2.1	2.9	3.2	4.0	7.4	5.8	6.2	7.3	4.6	5.5	6.3	4.4	5.7	7.0	7.0	7.4	5.7	5.7	4.9	5.0	5.7	4.9	5.1	5.5	5.2				

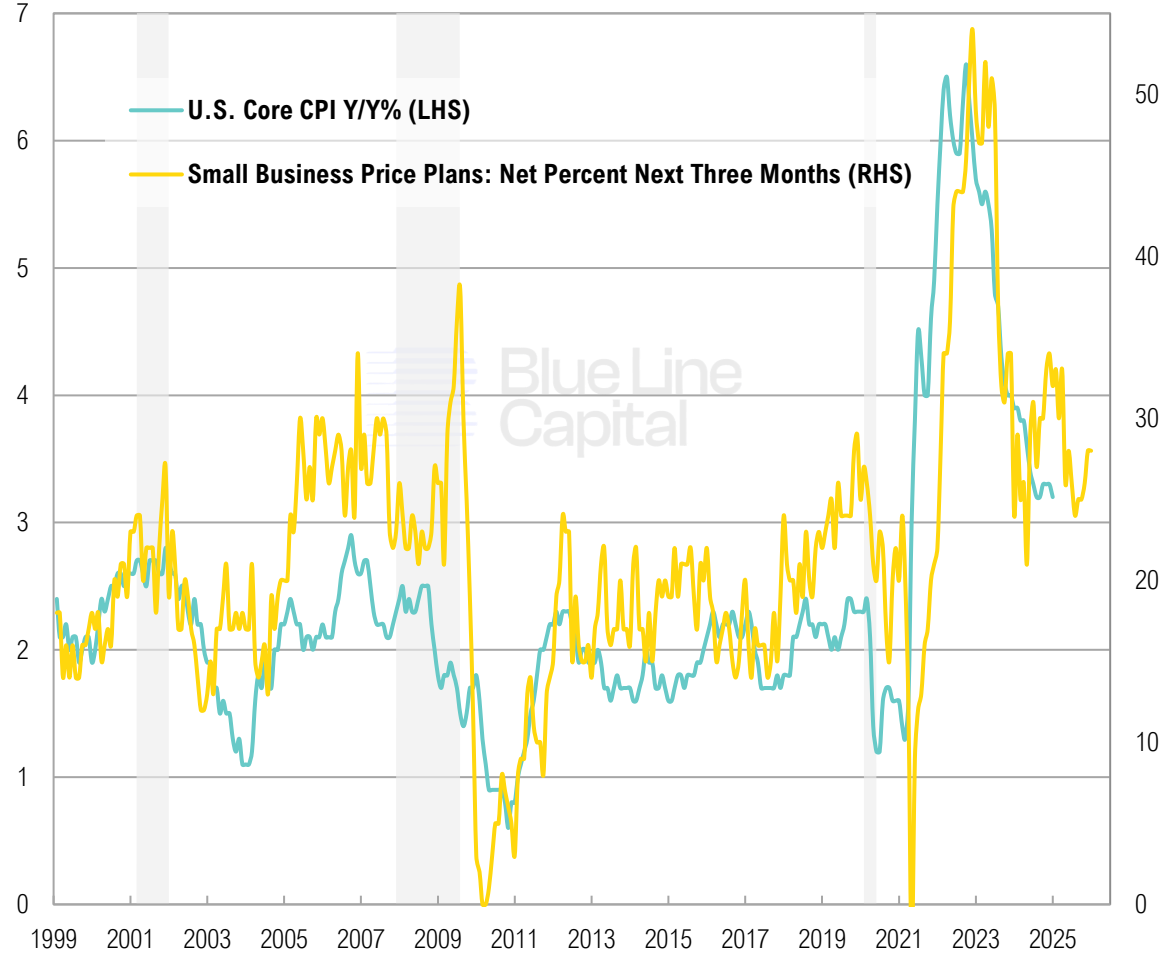
LOWER ← → HIGHER

Source: Bloomberg, SpringTide calculations. Global, Developed (DM) and Emerging (EM) inflation numbers are GDP-weighted.

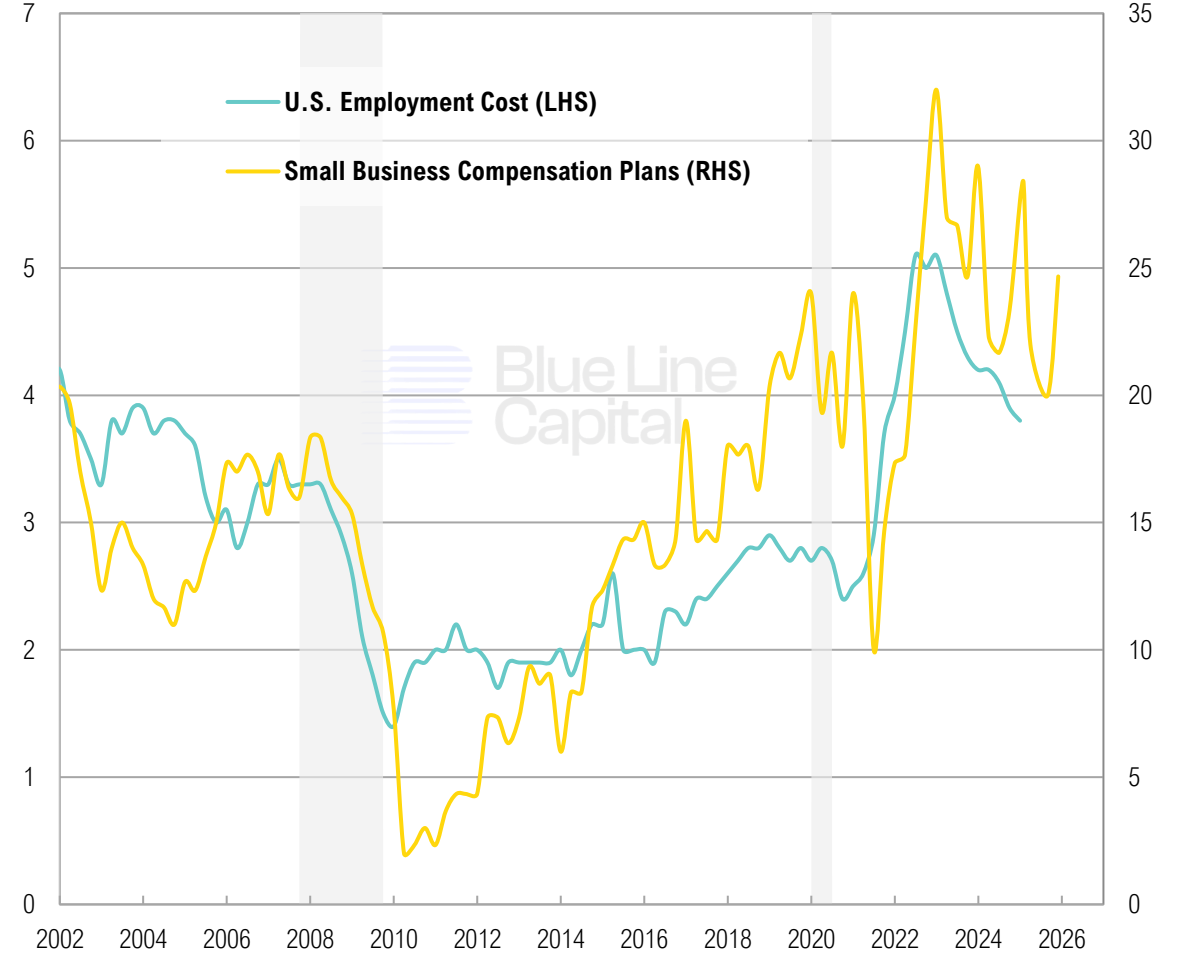
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# Small business price plans, which tend to lead core inflation by 12 months, have started to move higher

U.S. Core CPI, Y/Y %      NFIB Small Business Price Plans, Net % (12-Mo Lead)



BLS Employment Cost Index, Y/Y %      NFIB Compensation Plan, Net % (12-Mo Lead)

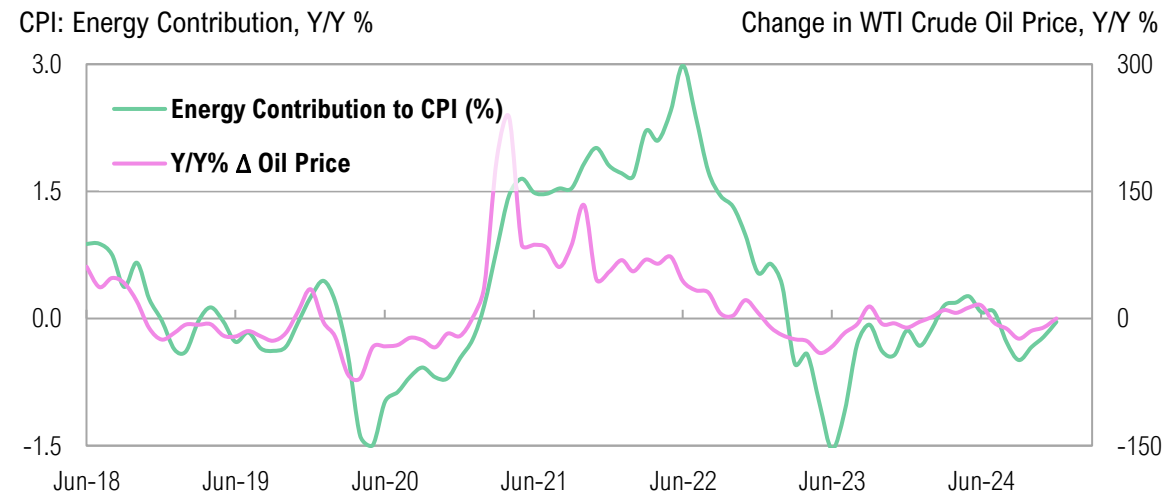
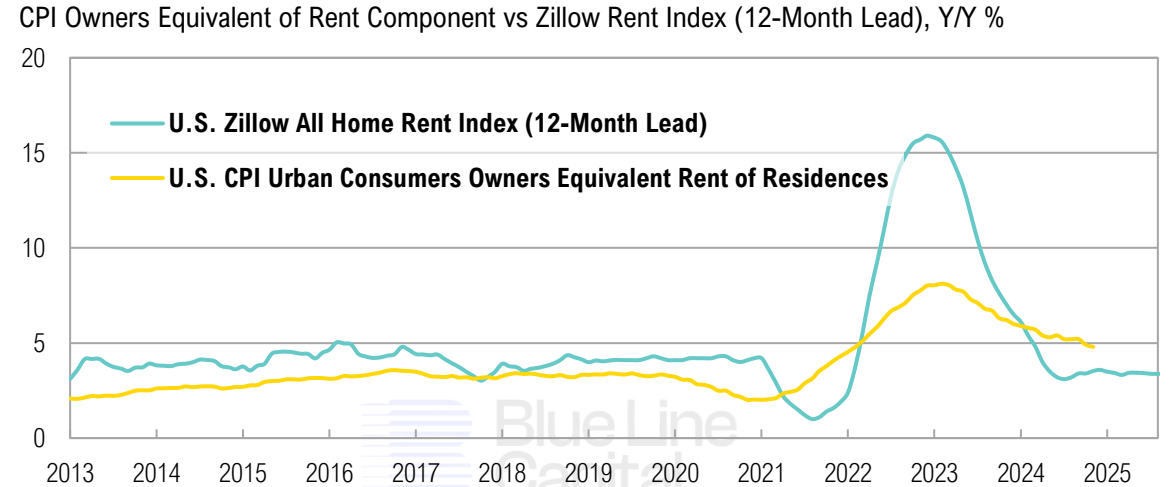
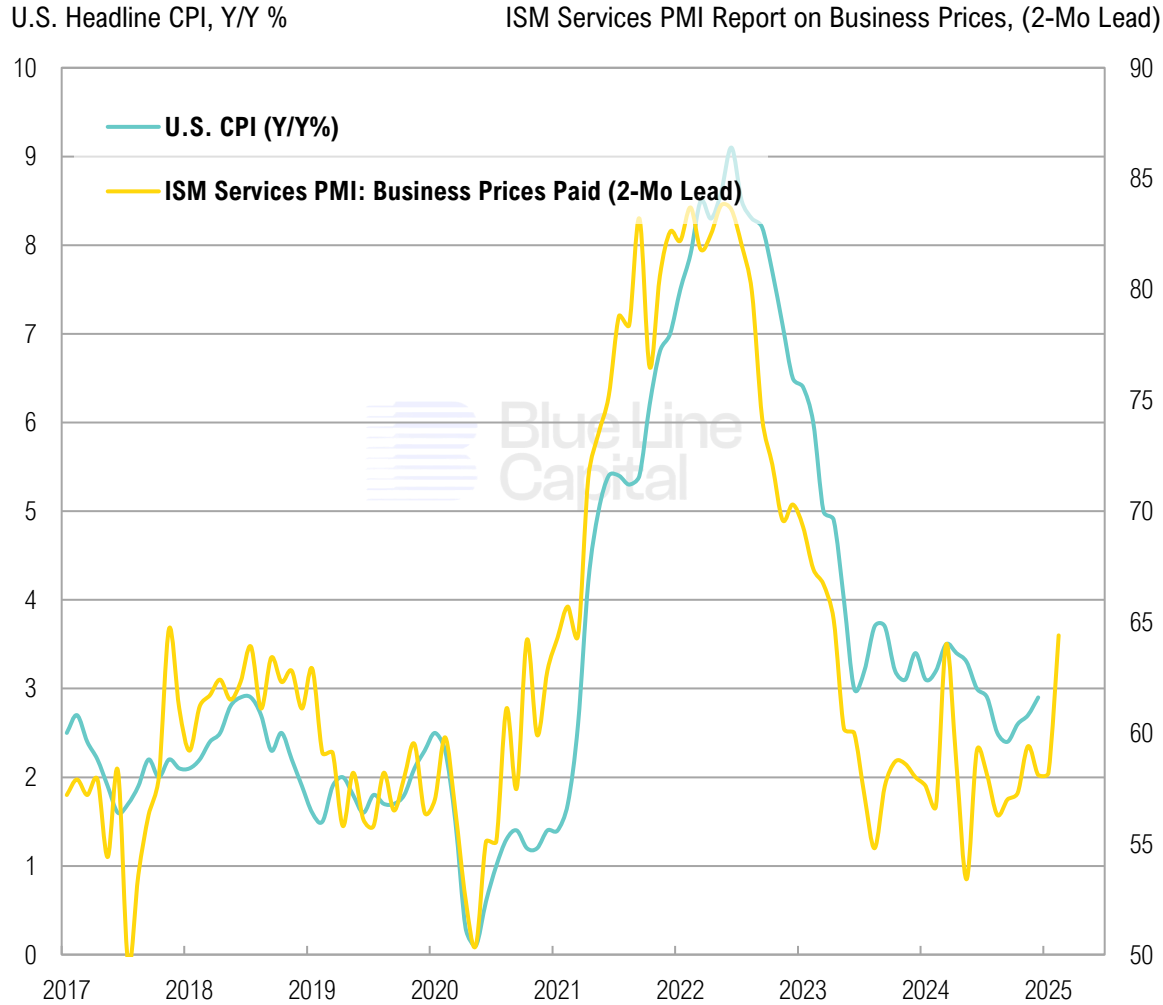


Source: NFIB, Bloomberg, BLS. CPI data as of 12/31/2024.

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# The view that core inflation nears the Fed's 2% target by mid-2025 now appears less likely, even with housing inflation trending downwards



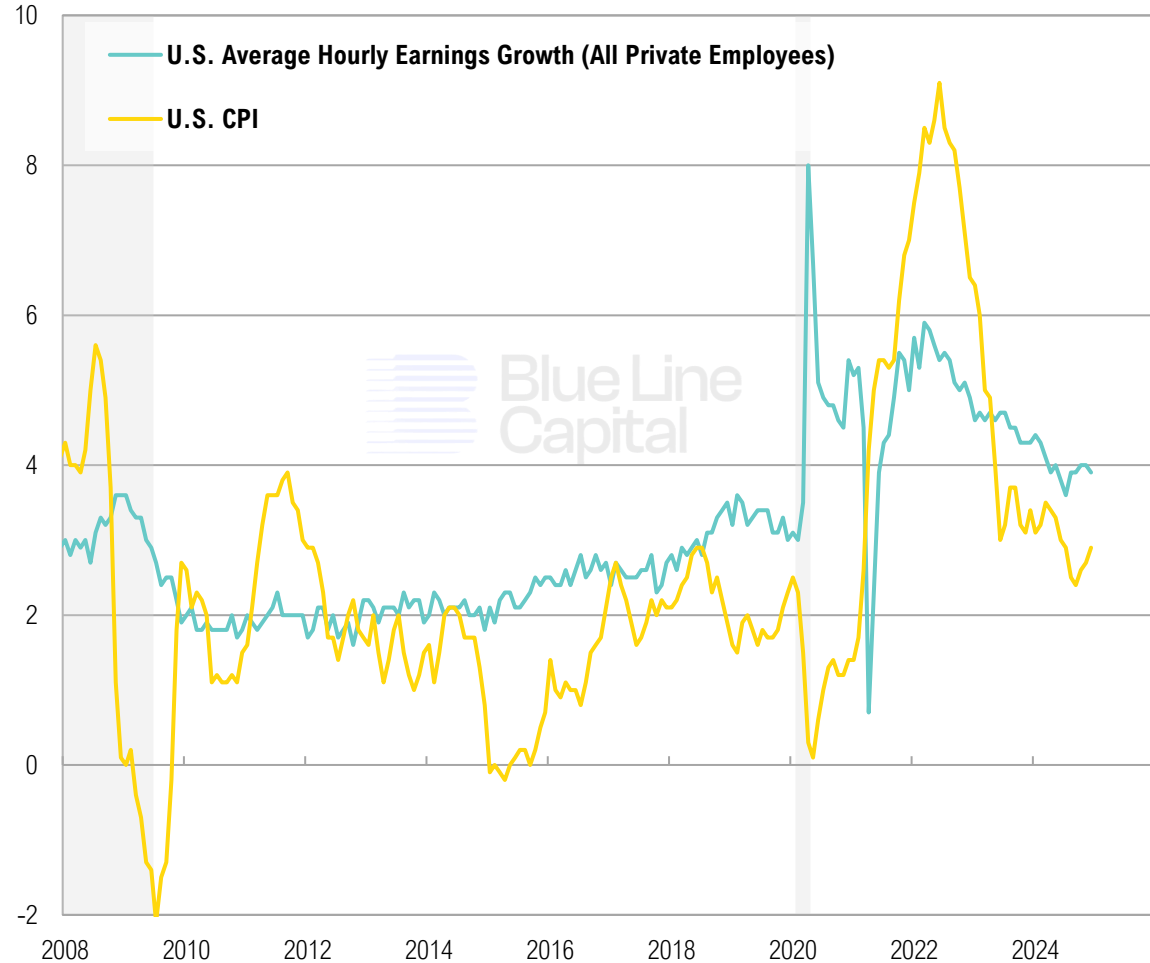
Source: Bloomberg. The projected inflation paths assumes non seasonally adjusted monthly prints. CPI as of 12/31/2024.

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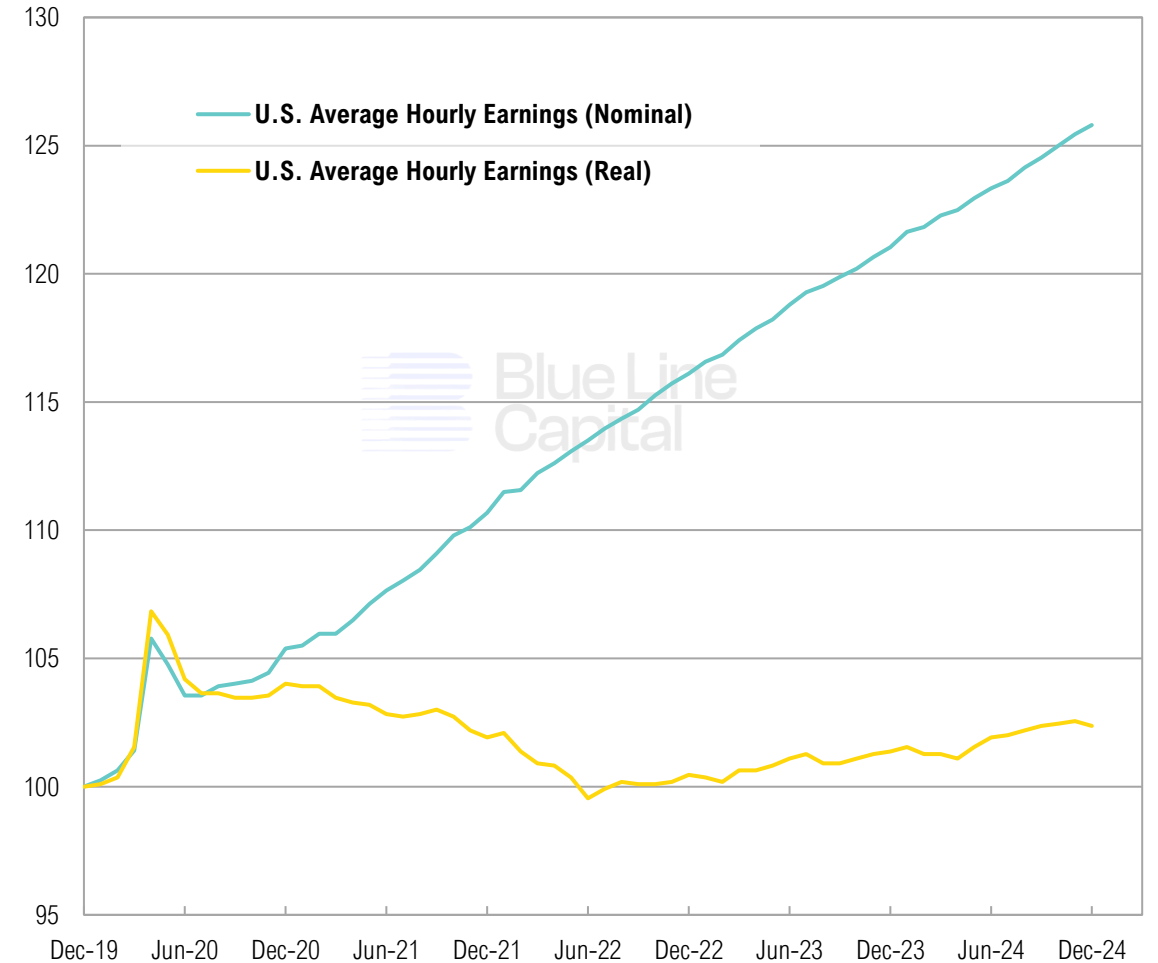


# Hourly earnings grew by 3.9% Y/Y in December and remain above CPI levels; real hourly earnings ticked marginally lower in December

CPI vs Average Hourly Earnings Growth (All Private Employees), %



Average Hourly Earnings, Growth of 100

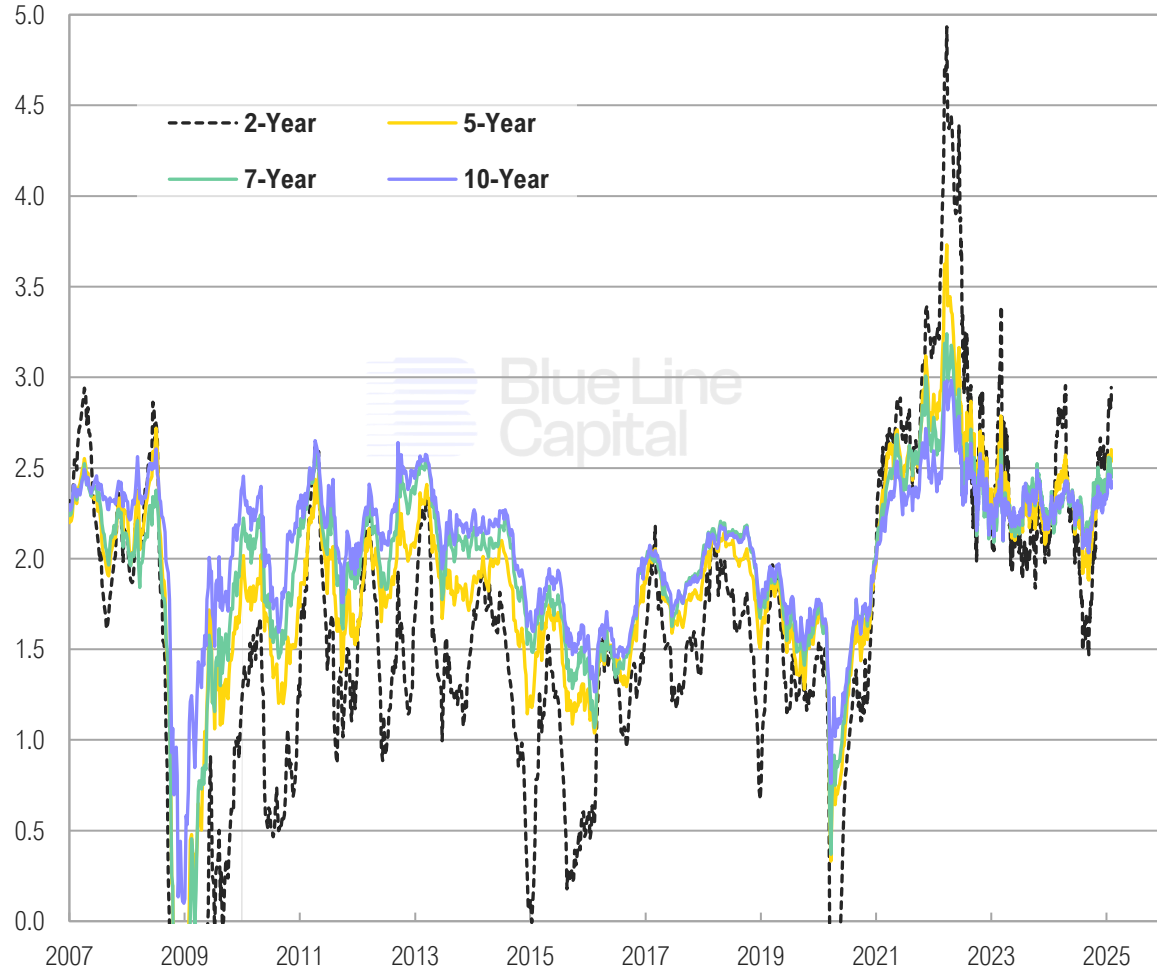


Source: Bloomberg. CPI as of 12/31/2024.

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# TIPS-implied inflation rates continued to tick higher in January, alongside reduced 2025 rate cut expectations; both short-and long-term inflation expectations are well above 2%

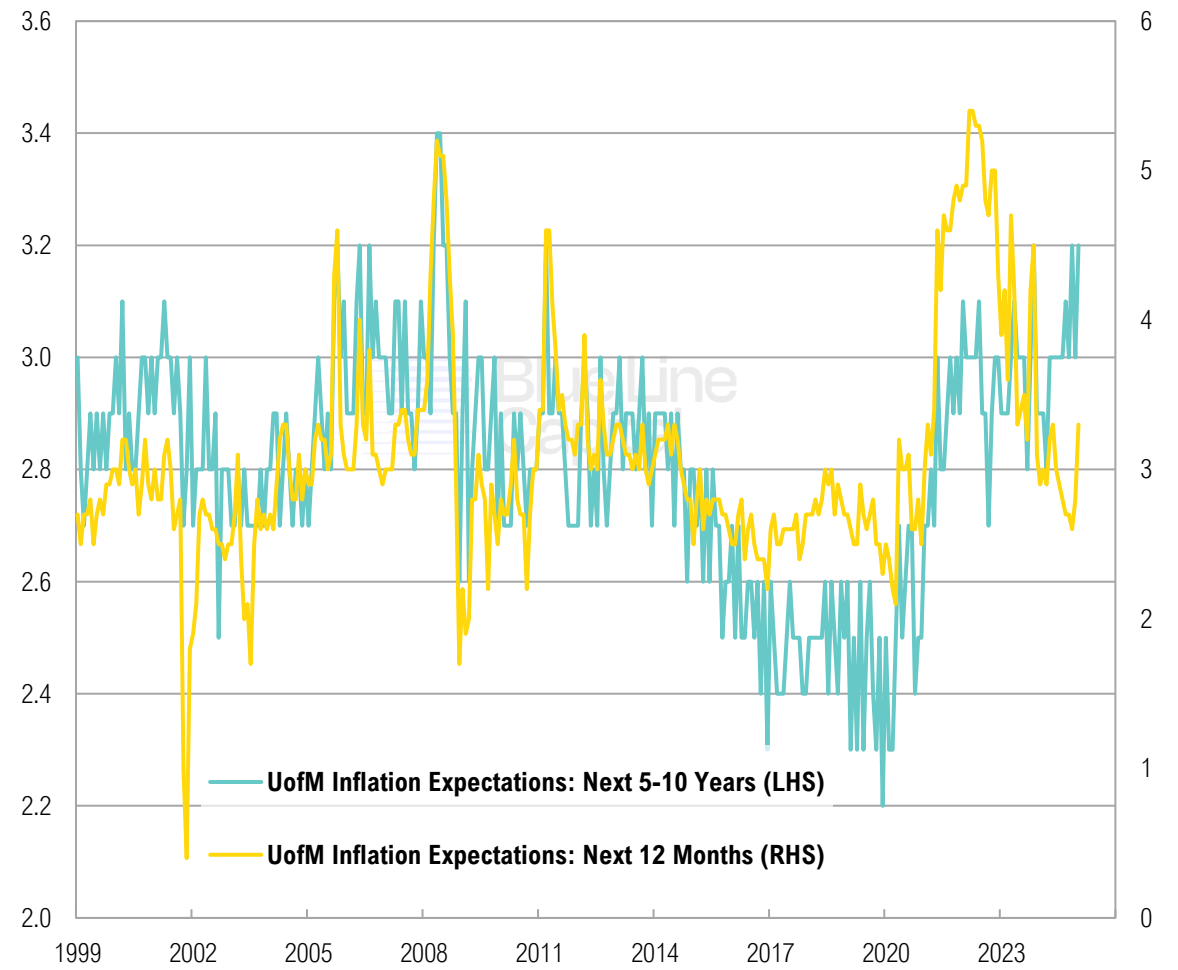
Treasury Implied Inflation Breakeven Rates, 2007 - Current



Source: FRED, Bloomberg.

Inflation Expectations (Next 5-10 Years), %

Inflation Expectations (Next 12 Months), %

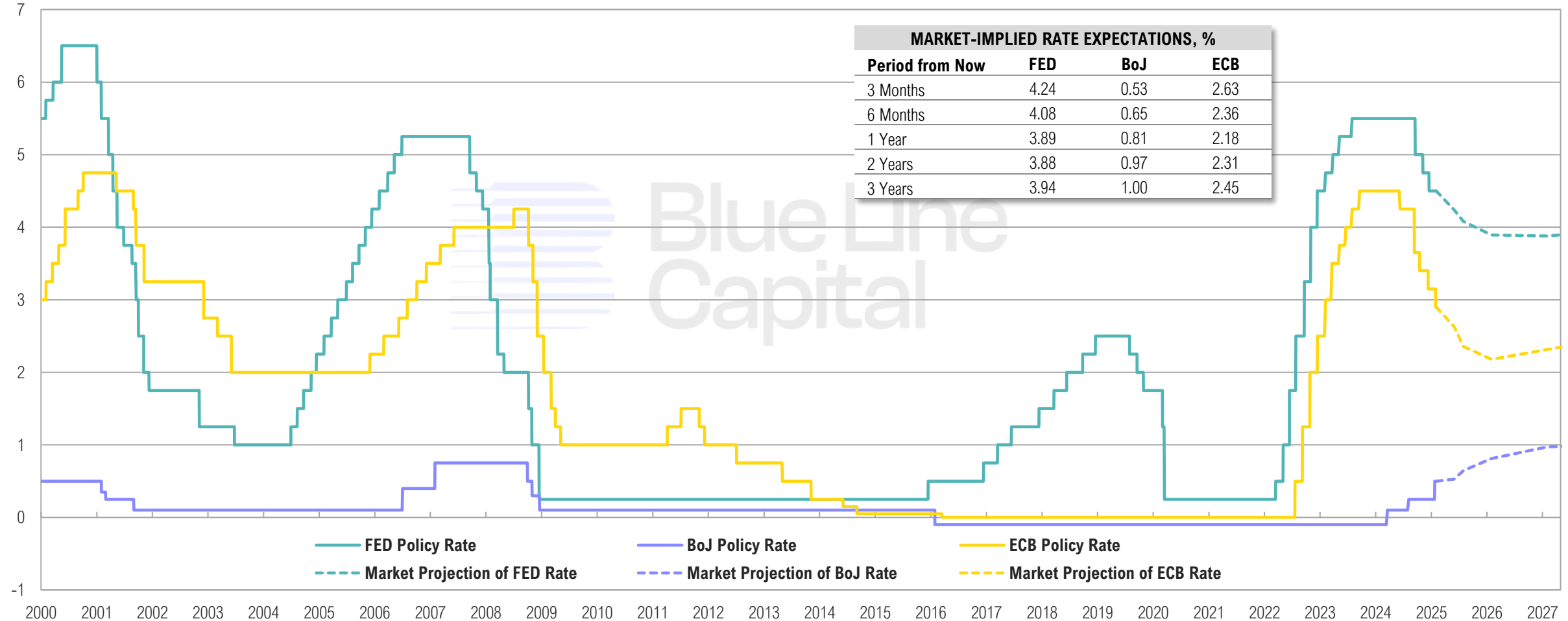


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# Expected developed market rate differentials have converged in recent years, pressuring the dollar; in contrast to most major central banks cutting rates, Japanese rates are expected to rise

FED, BoJ & ECB Policy Rates & Implied Policy Rate Expectations, %



Source: Bloomberg. As of 1/31/2025.

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# U.S. yields remain attractive relative to peers, at least on an unhedged basis; increased supply and reflation concerns, should they emerge, may be offsets

Central Bank Policy Rate & Government Bond Yields

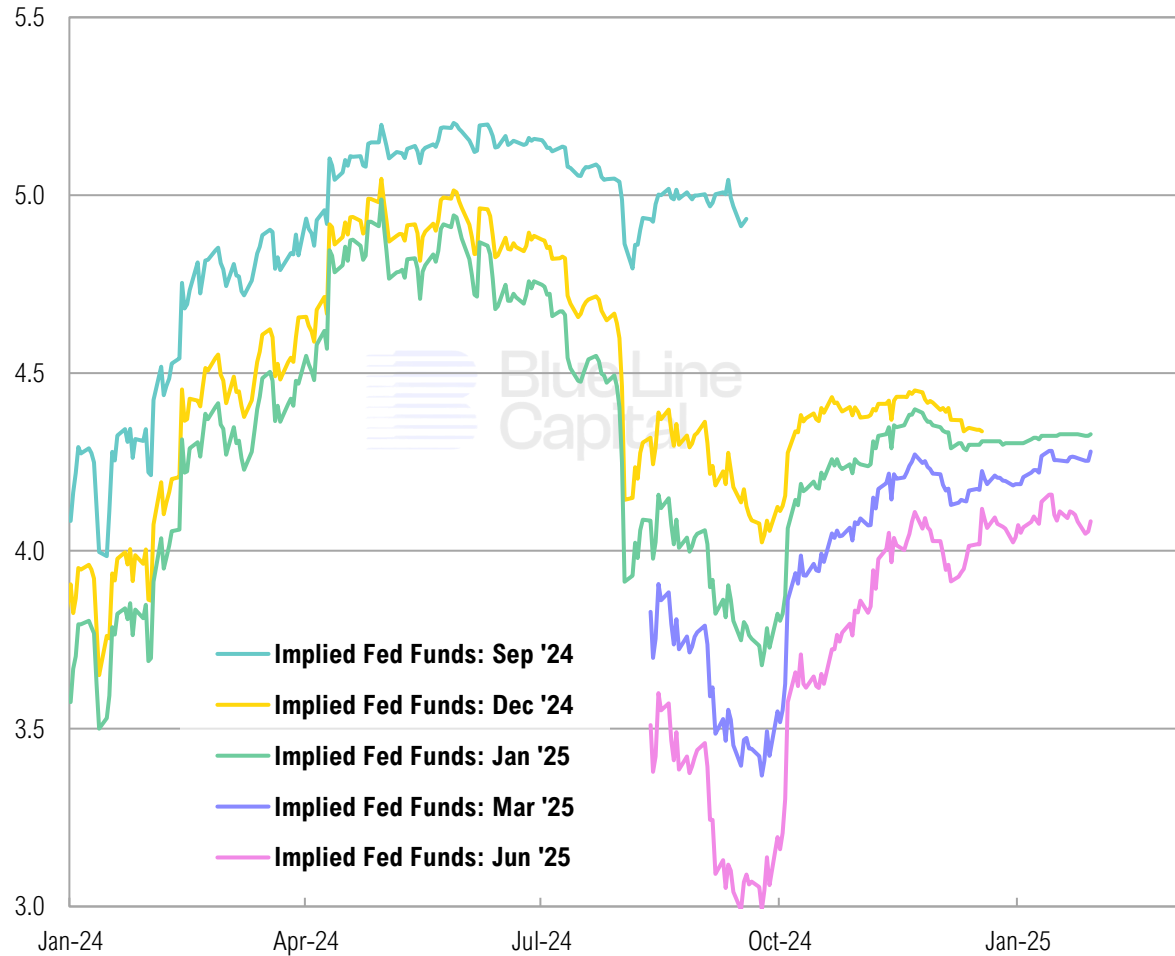
Country	Central Bank	3 Month (%)	1 Year (%)	2 Year (%)	3 Year (%)	4 Year (%)	5 Year (%)	6 Year (%)	7 Year (%)	10 Year (%)	20 Year (%)	30 Year (%)
	Rate (%)											
Hong Kong	4.75	3.33	3.30	3.28	3.29	-	3.34	-	3.39	3.59	3.94	-
United Kingdom	4.75	4.59	4.40	4.16	3.94	3.99	4.16	4.12	4.27	4.47	5.00	5.06
United States	<b>4.50</b>	<b>4.33</b>	<b>4.18</b>	<b>4.21</b>	<b>4.23</b>	-	<b>4.27</b>	-	<b>4.36</b>	<b>4.43</b>	<b>4.71</b>	<b>4.65</b>
Israel	4.50	4.42	4.25	4.17	4.12	-	4.08	-	-	4.23	4.37	4.68
Australia	4.35	-	3.95	3.80	3.77	3.81	3.90	4.03	4.13	4.38	4.79	4.85
New Zealand	4.25	3.90	3.54	3.54	-	-	3.96	-	4.10	4.55	4.93	-
Czech Republic	4.00	-	3.41	3.48	3.50	3.54	3.50	3.60	3.70	3.90	4.19	-
Canada	3.00	2.82	2.68	2.61	2.61	2.61	2.66	-	2.86	3.00	3.11	3.17
Italy	2.90	2.41	2.30	2.36	2.43	2.61	2.78	3.00	3.06	3.45	3.92	4.10
Spain	2.90	2.50	2.20	2.19	2.37	2.43	2.53	2.63	2.68	3.03	3.49	3.66
Portugal	2.90	2.50	2.26	2.02	2.17	2.24	2.29	2.45	2.55	2.87	3.32	3.43
France	2.90	2.53	2.26	2.23	2.33	2.49	2.58	2.68	2.78	3.08	3.40	3.64
Belgium	2.90	2.57	-	2.16	2.25	2.31	2.43	2.49	2.61	2.94	3.33	3.47
Germany	2.90	2.48	2.07	2.06	2.01	2.04	2.16	2.12	2.19	2.37	2.60	2.60
Austria	2.90	2.45	2.26	2.19	2.25	2.34	2.42	2.52	2.59	2.79	3.04	3.08
Netherlands	2.90	2.47	-	2.09	2.15	2.22	2.29	2.30	2.36	2.55	2.75	2.71
Ireland	2.90	-	2.74	2.11	2.14	2.16	2.27	2.34	2.38	2.63	2.85	2.93
South Korea	3.00	-	2.69	2.66	2.57	2.70	2.66	-	-	2.79	2.71	2.65
Singapore	2.38	2.99	2.82	2.75	-	-	2.76	-	-	2.83	2.83	2.81
Thailand	2.25	-	2.38	2.04	2.05	2.08	2.09	-	2.18	2.29	2.69	-
Switzerland	0.50	0.29	0.20	0.10	0.11	0.15	0.17	0.20	0.24	0.35	0.46	0.43
Japan	0.50	0.32	0.59	0.78	0.81	0.90	0.95	0.98	1.03	1.28	1.97	2.28

Source: Bloomberg

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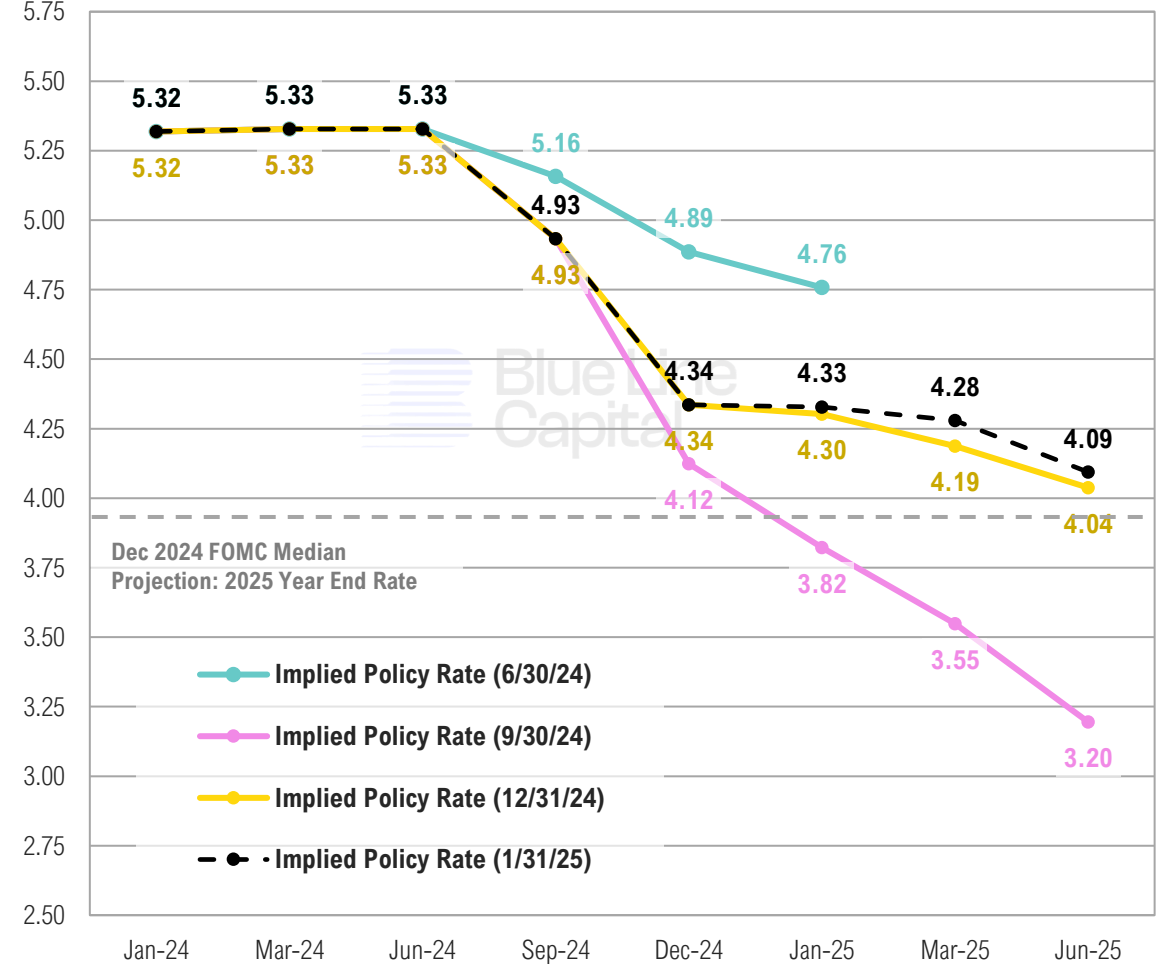
# The Fed kept rates unchanged at the January FOMC meeting; markets expect just one 0.25% rate cut this year

Implied Fed Funds Rate, %



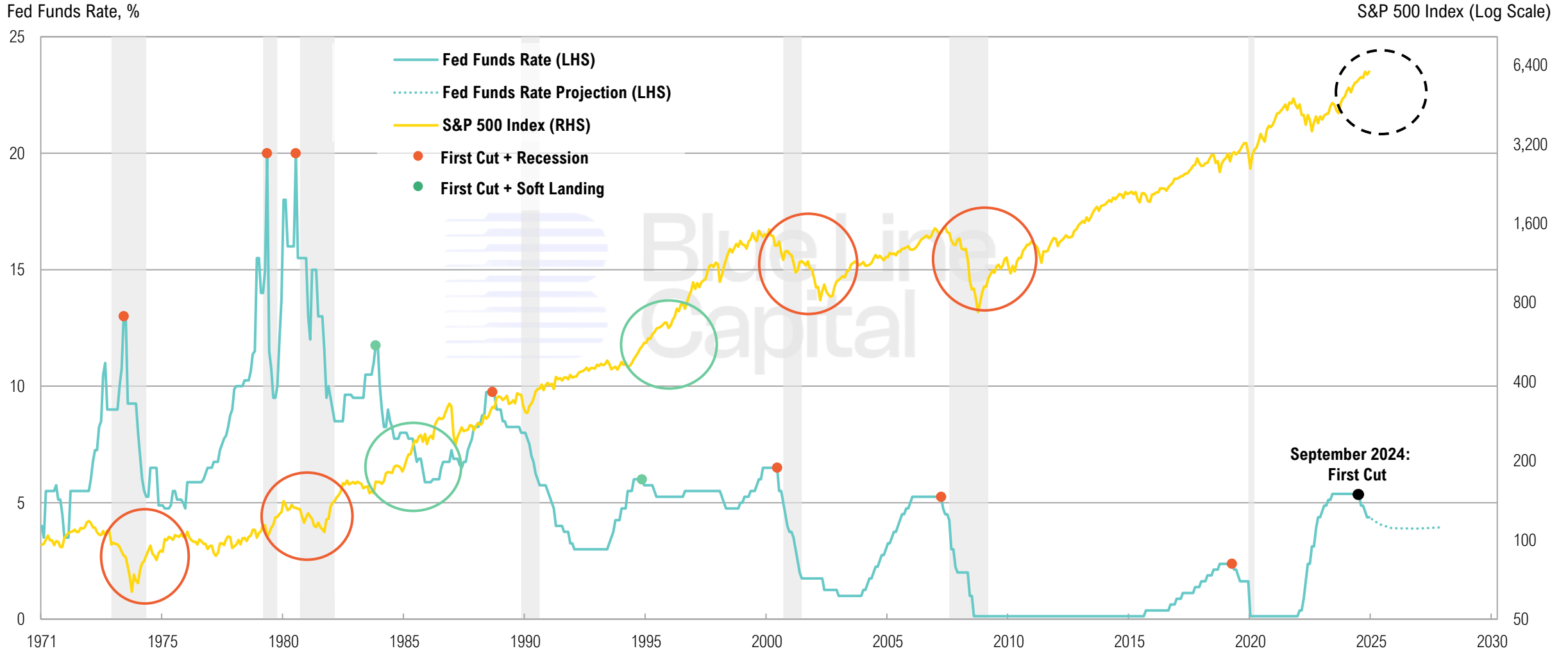
Source: Bloomberg

Implied Fed Funds Rate, %



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# ‘Soft landings’ are rare: while the rate cutting cycle has commenced, history shows that the Fed cutting rates doesn’t stop the pain from prior hikes and their ‘long and variable’ lags



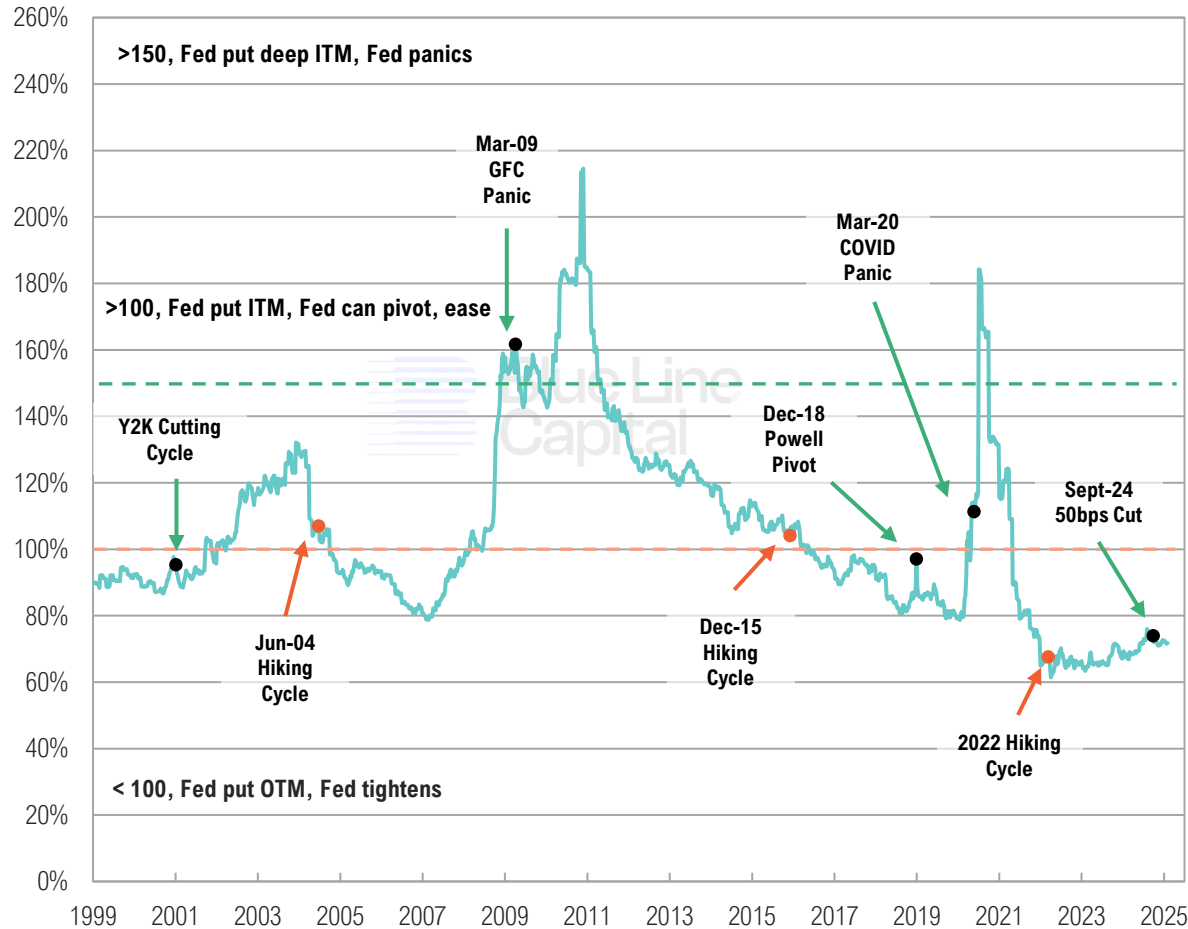
Source: Bloomberg

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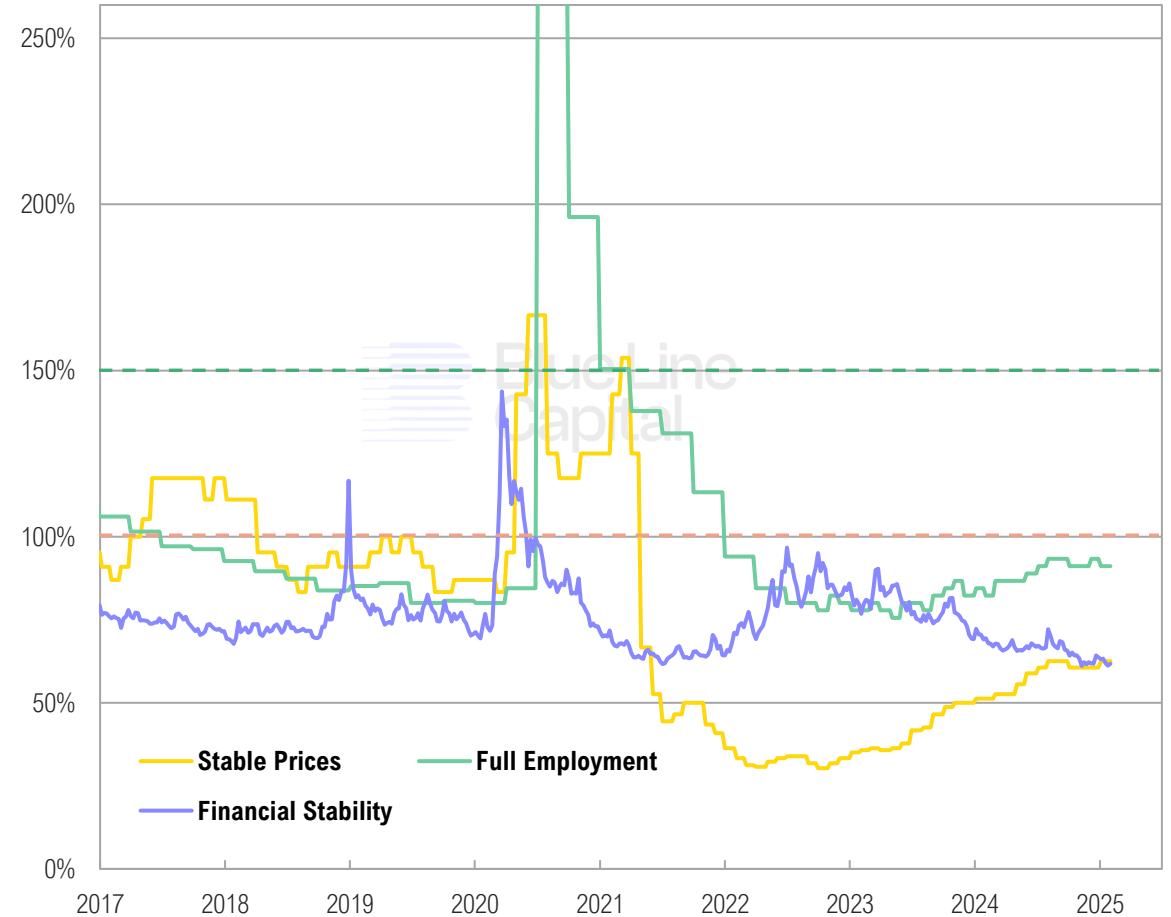


# It is still not entirely clear that the Fed's 100bps in cuts over 2H 2024 was justified; the Fed may be trying to compensate for past mistakes by acting more aggressively now

SpringTide Fed Pivot Index, Weighted Avg % Of Threshold



Fed Pivot Index Sub-Groups, % Of Threshold

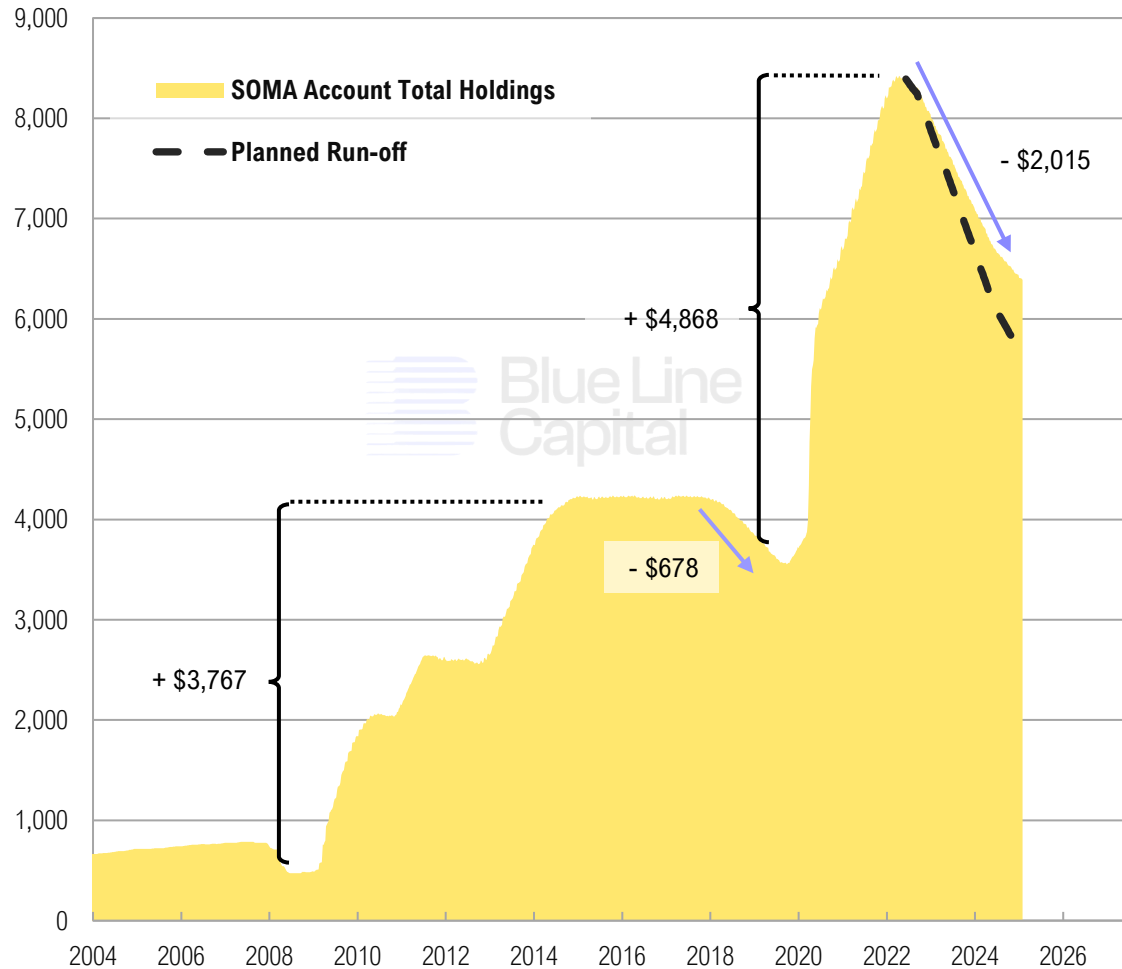


Source: Bloomberg, SpringTide. SpringTide Fed Pivot Index is an equal-weighted average of economic and market data representing the Fed's three mandates, each expressed as a percentage of pivot "trigger". Price stability's trigger is Core CPI declining below 2%; full employment's trigger is the U.S. Unemployment rate rising past 4.5%; and financial stability's trigger is the Bbg Financial Conditions Index falling past -1.5, the S&P 500 P/E declining past 16x, and the Bbg U.S. Corporate High Yield OIS spread increasing above 600bps.

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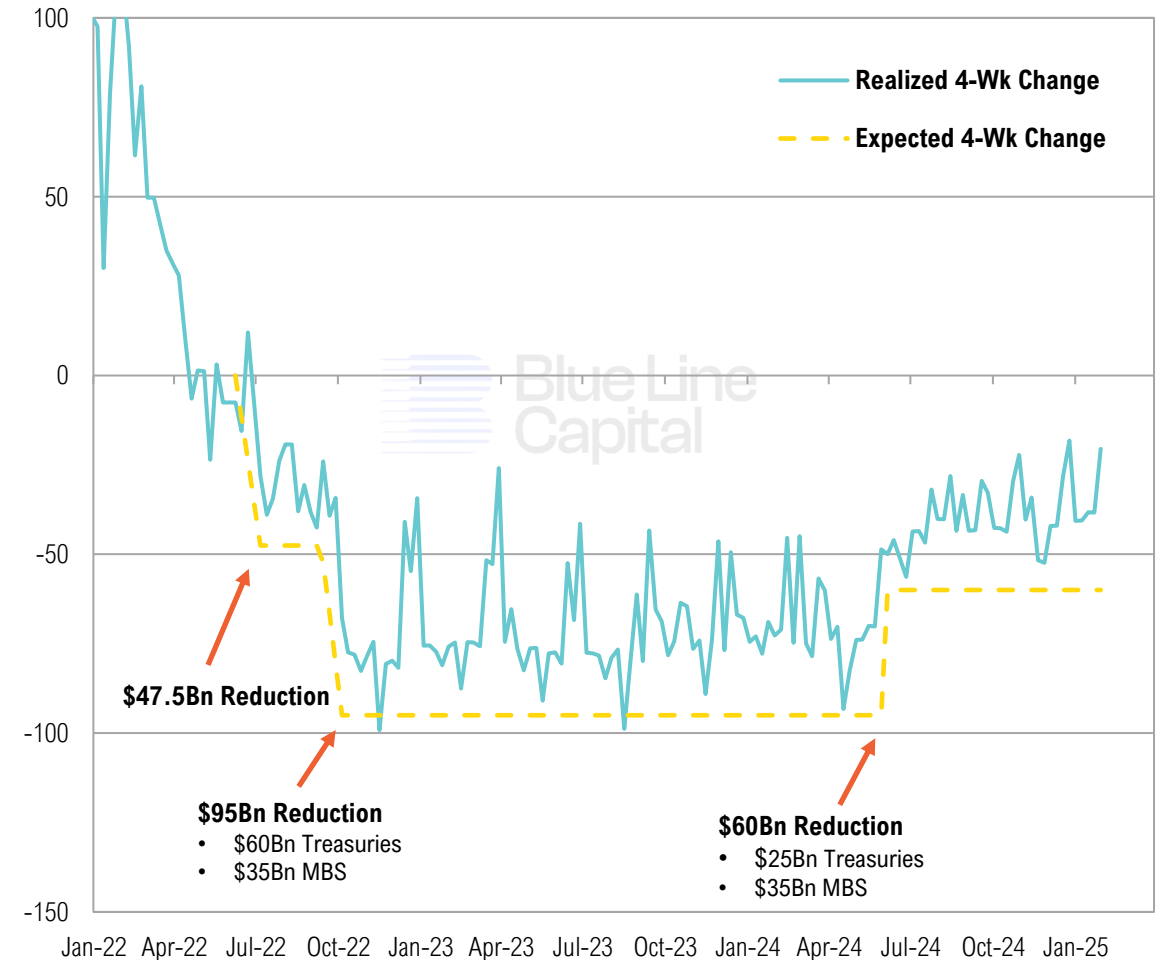
# The Fed slowed the pace of QT in June 2024, despite 3+ years of inflation >2%, having reduced the balance sheet by only ~40% of what was added during COVID and lagging planned runoff by >\$600bn

Total SOMA Holdings, \$Bn



Source: Bloomberg

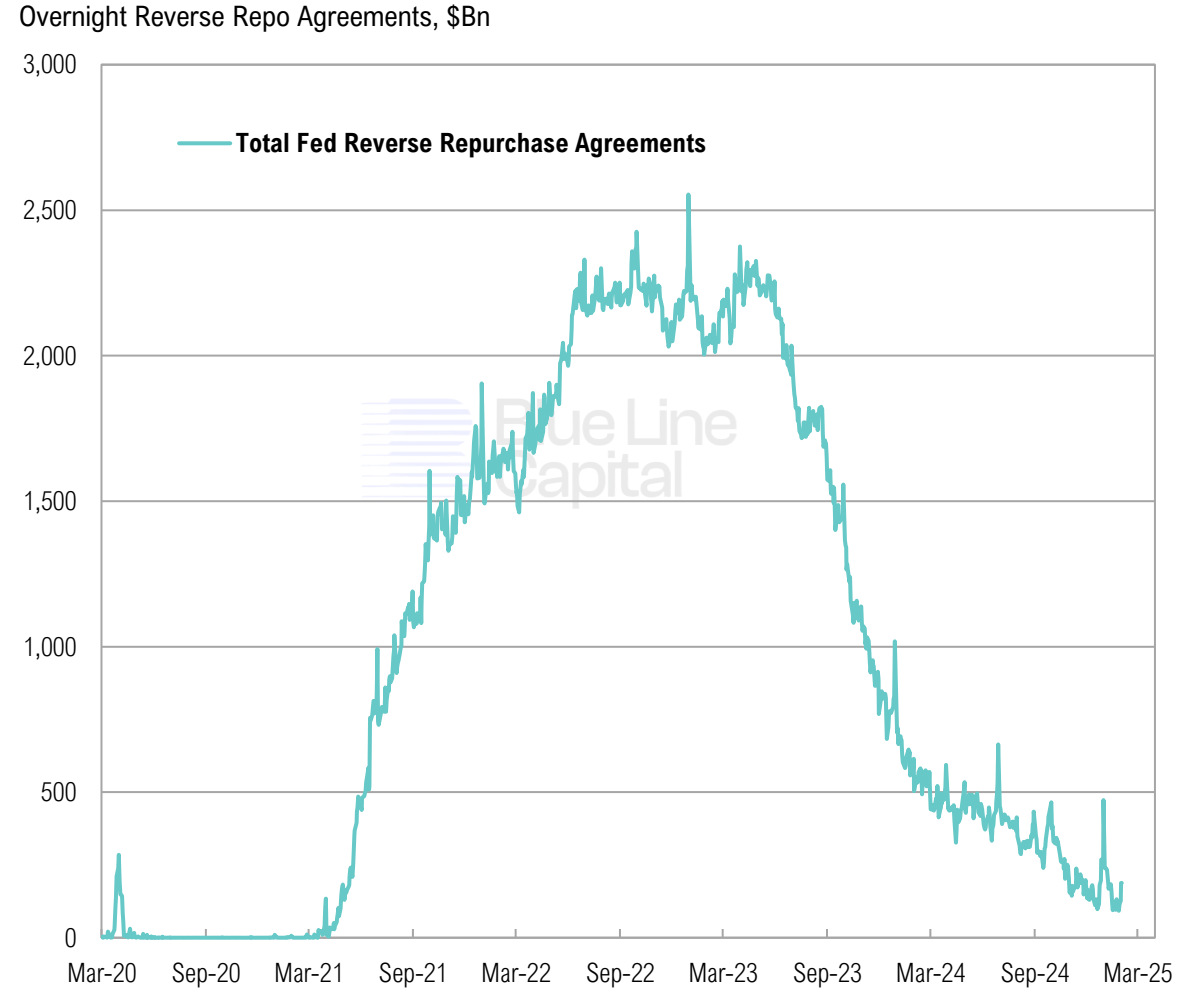
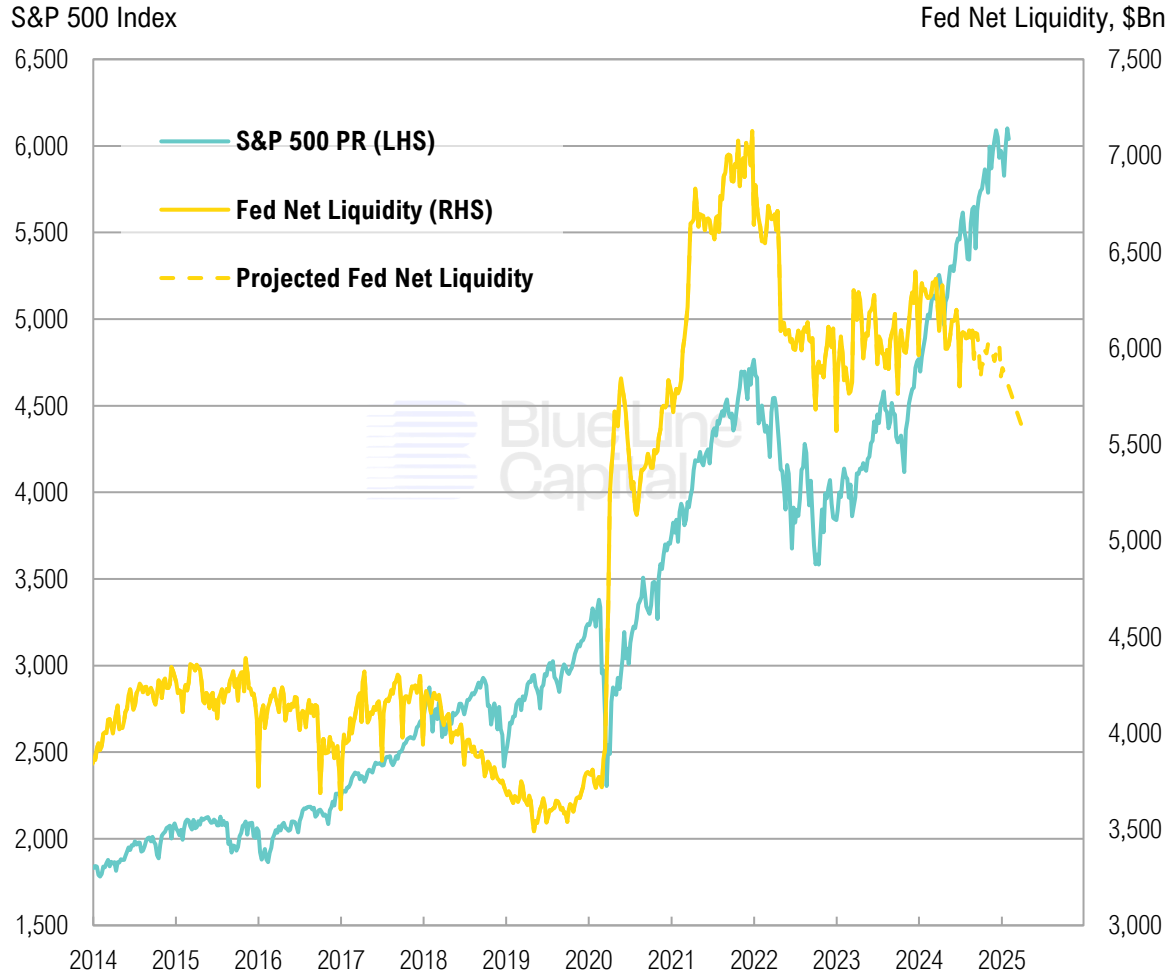
SOMA Account 4-Week Change, \$Bn



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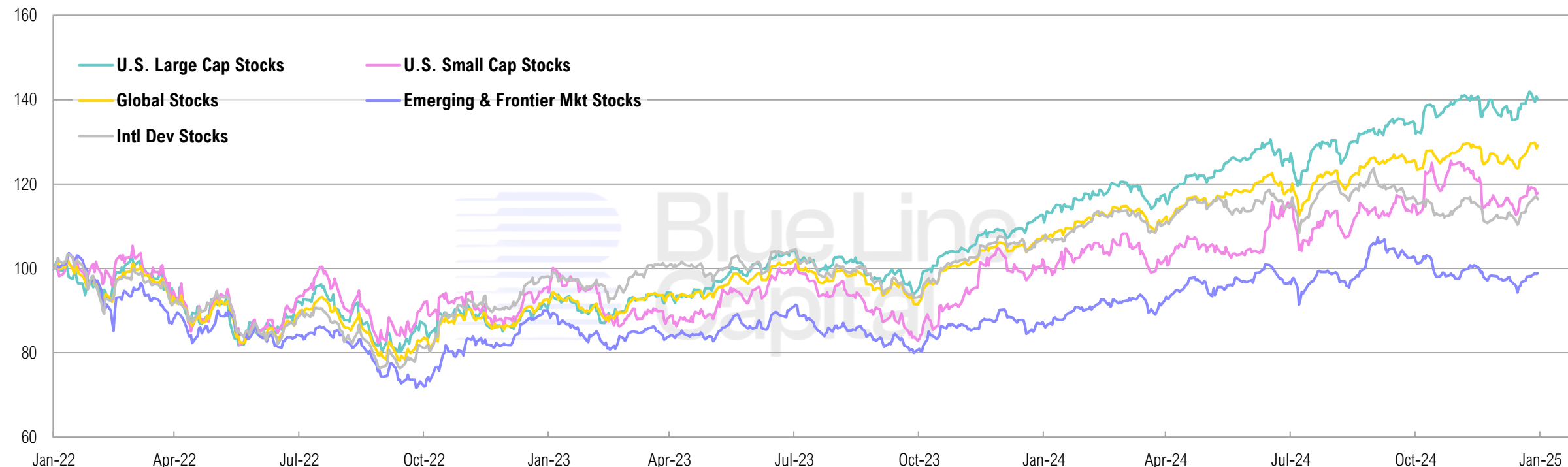
**Spurious or not, Fed net liquidity appeared to have some correlation with the stock market post-COVID; the Fed's reverse repo facility (an unusual source of liquidity this cycle) has dampened the effects of QT, but is nearing depletion**



Source: Bloomberg. Fed net liquidity is calculated by taking the Fed balance sheet and deducting reverse repo and TGA deposits. Assumptions for projected Fed net liquidity are that the balance sheet will run off at \$60bn per month starting 6/1/2024, the reverse repo balance will remain constant and TGA deposits will increase to \$850bn as per Treasury estimates.

# Developed market equities outperformed their U.S. counterparts in January; international developed market stocks (+5.3%) fared best, while emerging market stocks (+1.8%) lagged

Calendar Year &amp; Trailing Total Returns



Asset Class	Benchmark	MTD	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	2024	2023	2022	2021	2020
U.S. Large Cap Stocks	S&P 500 TR	2.8	2.8	2.8	26.3	11.9	15.2	13.8	25.0	26.3	-18.1	28.7	18.4
U.S. Small Cap Stocks	Russell 2000 TR	2.5	2.5	2.5	18.8	5.4	8.5	8.4	11.4	16.8	-20.5	14.5	20.0
Intl Dev Stocks	MSCI EAFE GR	5.3	5.3	5.3	8.6	5.1	6.3	5.7	3.8	18.2	-14.5	11.3	7.8
Emerging & Frontier Mkt Stocks	MSCI EM GR	1.8	1.8	1.8	14.7	-0.7	3.0	3.8	7.5	9.8	-20.1	-2.5	18.3
Global Stocks	MSCI ACWI GR	3.4	3.4	3.4	20.7	8.4	11.0	9.8	17.5	22.2	-18.4	18.5	16.3

Source: Bloomberg. Returns for periods greater than 1 year are annualized.

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# The 8.5% maximum S&P 500 drawdown in 2024 was below historical averages, while full-year returns were well above the long-term average; 2025 is off to a good start

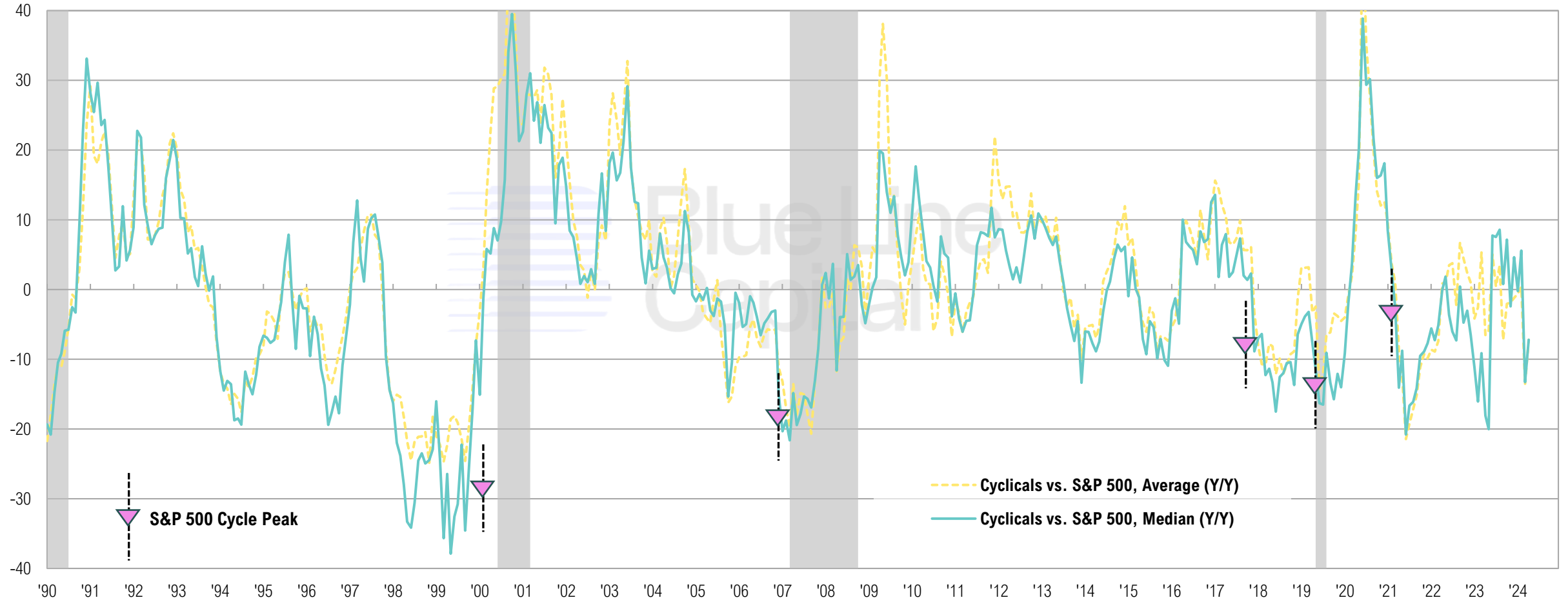
S&P 500 Annual Total Returns & Drawdowns\*



Source: Bloomberg, Ibbotson Associates, SpringTide. Averages are arithmetic. Annual Returns are total returns represented by the S&P 500 TR Index from 1971 to date. Returns prior to 1971 are represented by the Ibbotson Associates U.S. Large Cap Stock TR Index. \*Drawdown data is based on the S&P 500 Price Index. See appendix for index definitions and other disclosures.

**“No better economist than the inside of the stock market” (i.e., market internals); market internals weakened primarily driven by homebuilders & automobile components**

Cyclicals – S&P 500 Index, Y/Y Return, %



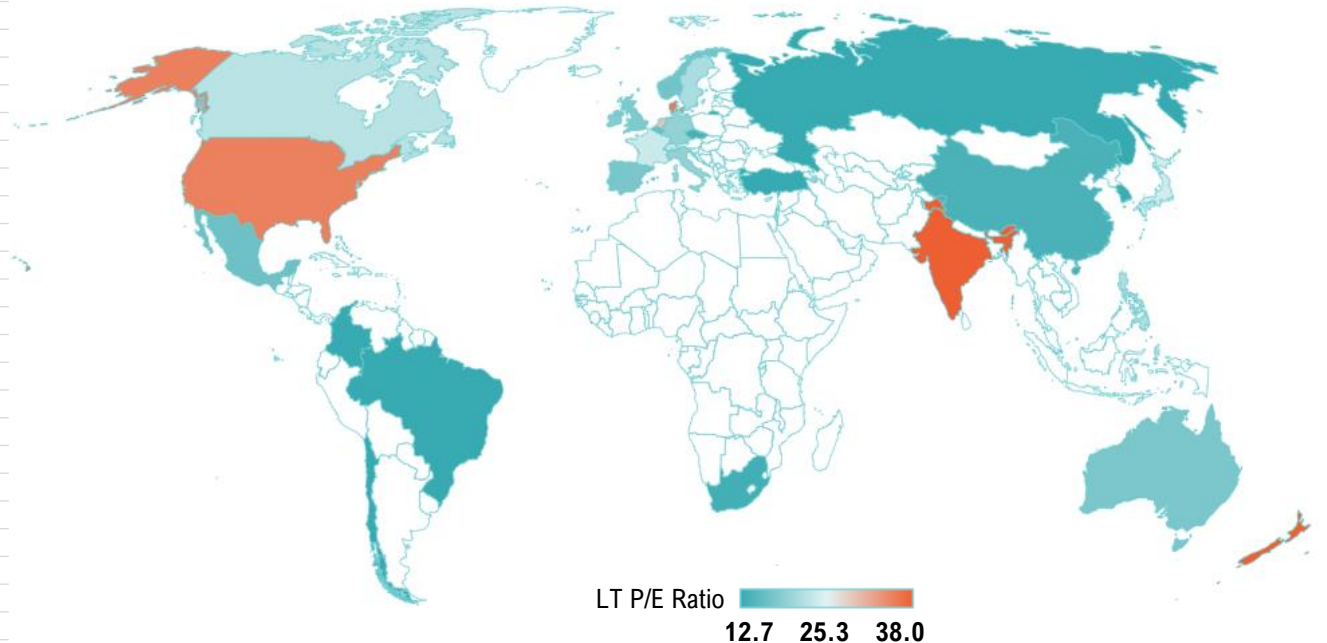
Source: Bloomberg, SpringTide. Cyclicals include U.S. Banks (S&P Composite 1500 Banks), Retail (S&P Composite 1500 Consumer Discretionary), Homebuilders (S&P Composite 1500 Homebuilders), Automobiles (S&P Composite 1500 Automobile Components) and U.S. Small Cap Stocks (Russell 2000 Index). Sector and industry data prior to 1995 derived from the S&P 500 index but using the same methodology as the S&P 1500. "Cycle" defined as a significant S&P 500/market high prior to a bear market. As of 1/31/2025.



# Divergence in global equity market valuations: U.S. valuations are among the highest, but potentially justifiably so, given the country's stronger earnings growth

Country Cape Ratio, Dividend Yields & Trailing Total Returns

	LT P/E Ratio	Div. Yld. (%)	Total Return		
			1-Year (%)	3-Year (%)	5-Year (%)
Colombia	8.4	9.1	0.7	7.1	-3.5
Turkey	10.4	3.2	43.2	76.0	54.9
Chile	10.8	3.5	-3.5	5.4	-0.8
Brazil	11.3	6.8	-28.6	4.0	-6.4
Hong Kong	11.4	4.3	2.1	-7.2	-4.3
Korea (South)	12.7	2.0	-8.1	-4.7	3.5
South Africa	14.0	3.3	16.5	8.3	7.9
Czech	14.0	6.9	18.0	14.0	16.8
China	14.6	2.9	20.1	-5.5	-3.9
Singapore	16.2	3.9	40.4	8.1	4.4
Belgium	16.7	3.2	15.7	3.9	1.0
Mexico	16.8	4.1	-26.0	0.4	3.5
Norway	16.8	6.7	10.0	8.9	9.7
Spain	17.5	4.6	18.4	15.5	8.9
Australia	17.6	3.7	15.7	11.5	10.0
Portugal	18.1	4.3	-17.8	-1.7	1.0
United Kingdom	18.2	3.9	10.6	7.8	5.5
Ireland	18.7	3.9	22.5	4.8	7.4
Italy	19.2	5.6	19.2	13.6	11.6
Germany	19.2	2.8	19.6	5.4	6.9
Israel	19.6	1.4	39.8	4.9	8.5
Sweden	21.5	2.7	11.6	2.6	9.8
Philippines	21.8	2.8	3.5	1.4	-0.4
Canada	22.9	2.8	24.4	10.1	11.6
Switzerland	23.2	3.1	6.3	-1.6	3.6
France	23.3	3.3	2.1	3.0	6.4
Japan	24.8	2.2	19.8	14.3	13.5
Netherlands	29.0	2.0	12.2	2.0	9.9
United States	35.7	1.2	28.6	9.7	14.7
Denmark	37.2	1.8	-7.7	9.5	16.3
India	39.4	1.1	17.0	13.3	18.0
New Zealand	51.4	1.8	11.2	4.2	1.8



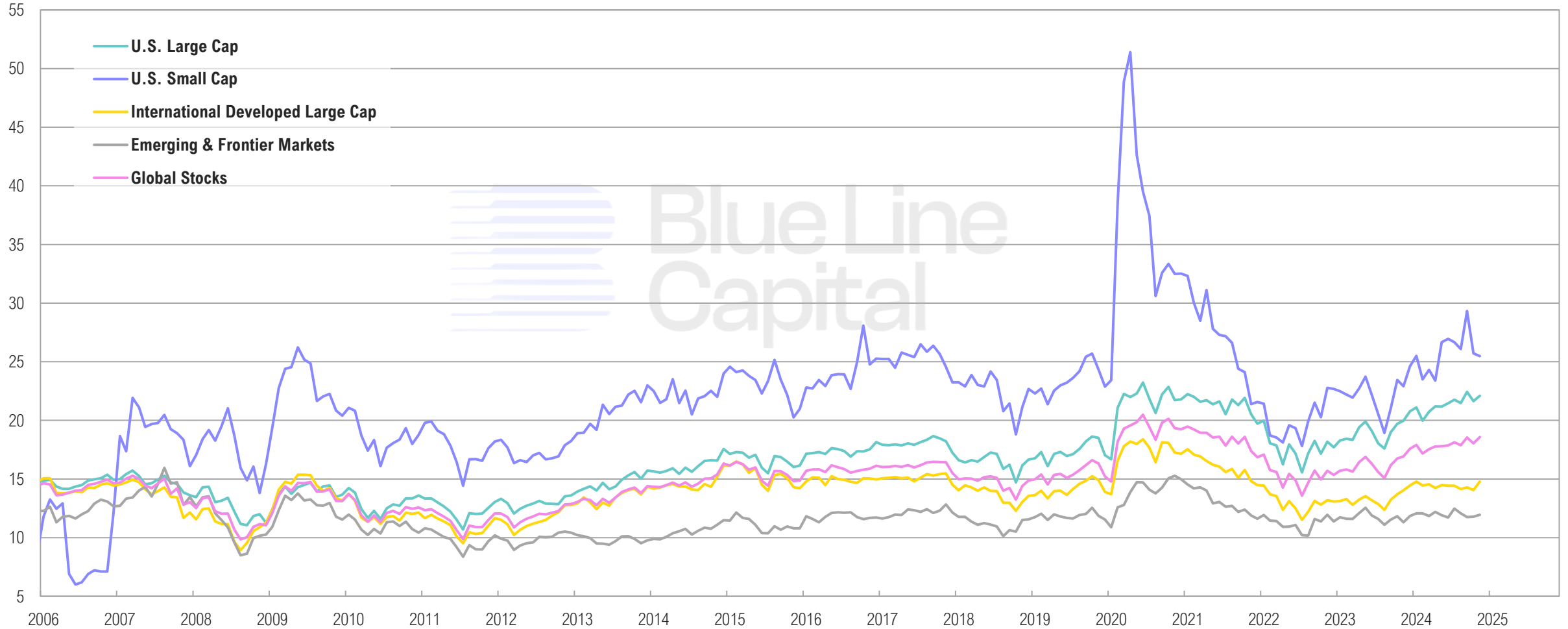
Source: Bloomberg. Long-Term P/E Ratio (LT P/E Ratio) takes the price of each index divided by the trailing 10-yr average inflation adjusted EPS. Russian exchange halted since start of war.

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# Emerging market stocks remain relatively cheap vs. developed markets; despite multi-year underperformance, U.S. small caps remain expensive relative to large caps at the index level

Forward P/E Ratios for Select Equity Indices

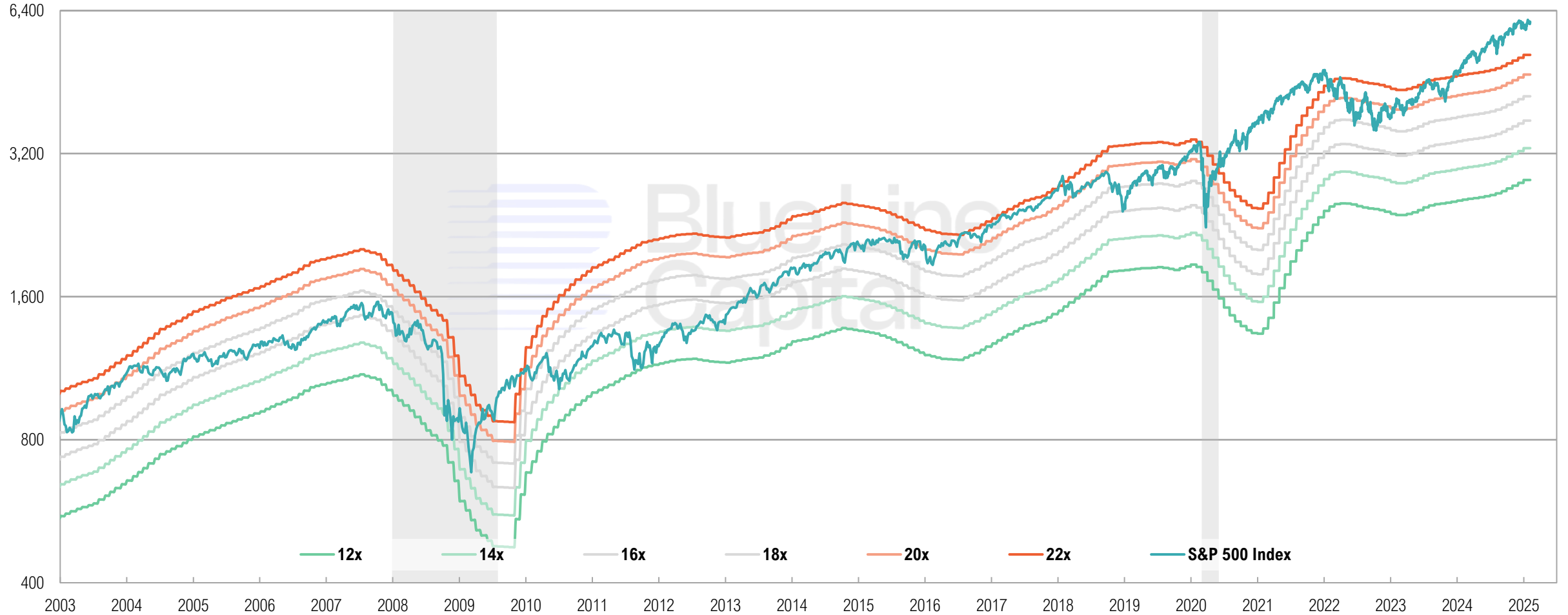


Source: Bloomberg

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# Despite a modest tick lower in mid-January, trailing U.S. large cap valuations continue to trend higher and remain extreme

S&P 500 Index vs. S&P 500 Implied at Various P/Es

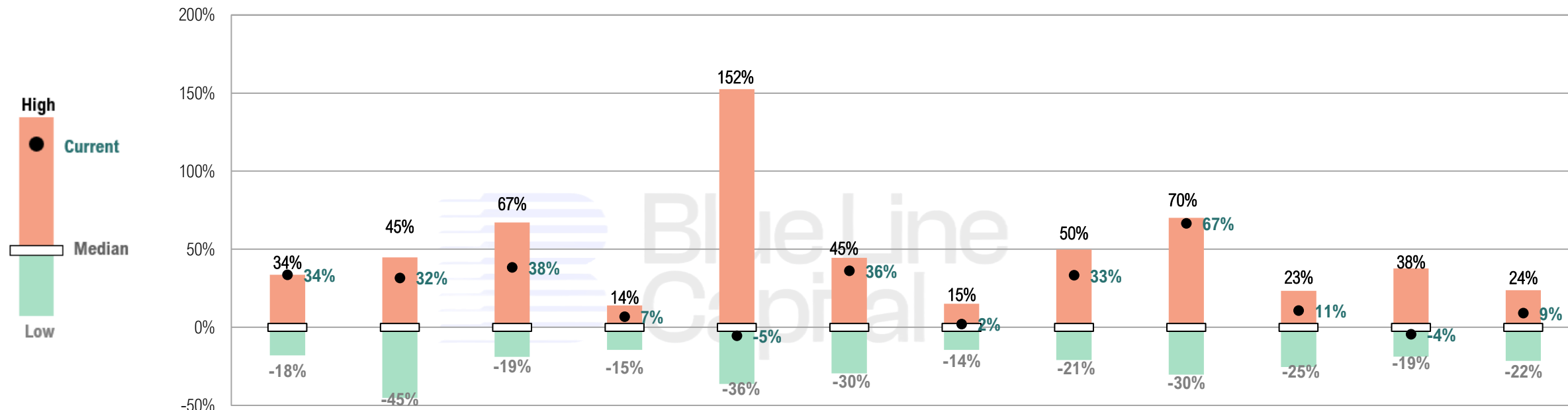


Source: Standard & Poor's. Earnings are smoothed, trailing 12-month, operating.

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# S&P 500 composite valuations are at 10-year highs; most sectors are trading at premiums relative to their internal median valuations, with Tech and Financials near 10-year highs

Current Composite Valuation Premium/Discount vs. 10-Year Median\*



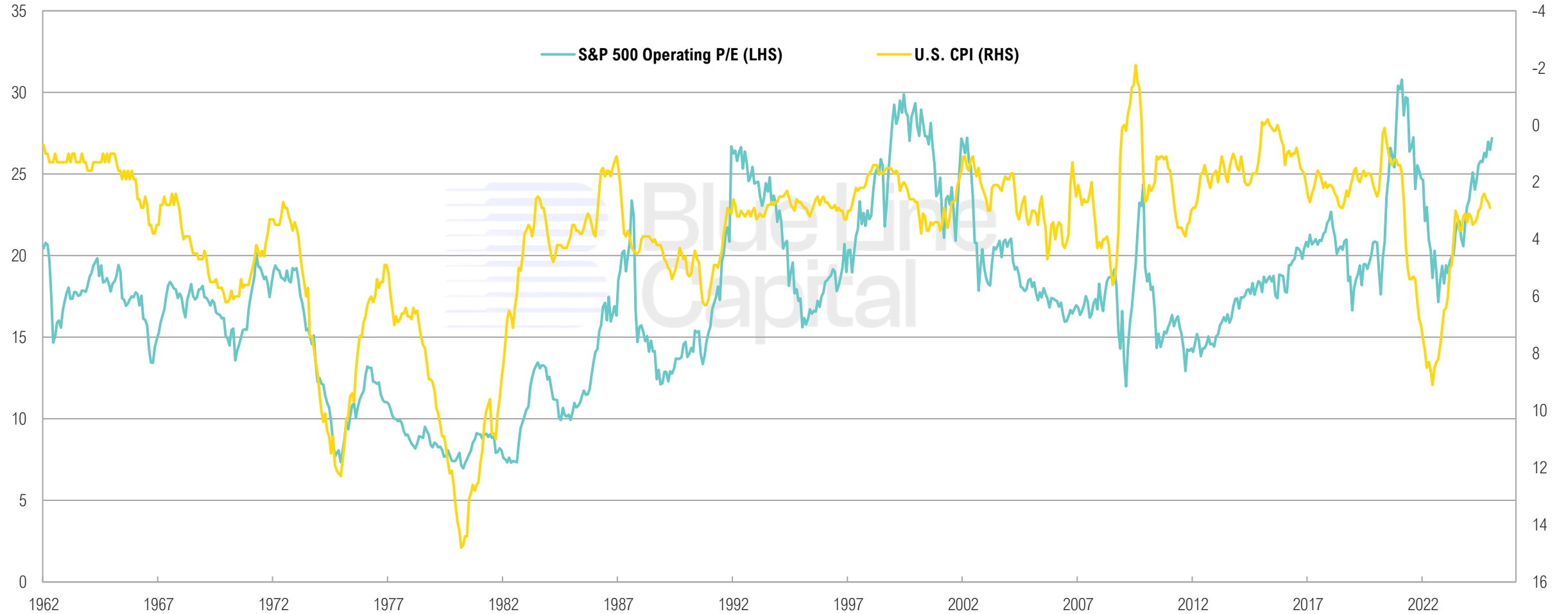
	S&P 500	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
High Valuation Date	10/31/2024	8/31/2021	4/30/2021	4/29/2022	4/29/2016	3/29/2024	7/31/2024	4/30/2021	6/28/2024	11/1/2024	12/31/2021	8/31/2022
Low Valuation Date	9/30/2015	5/31/2018	2/29/2016	4/30/2018	9/30/2022	3/31/2020	3/31/2020	9/30/2015	9/30/2015	9/30/2015	10/31/2023	6/30/2015
Valuation Premium on 12/31/2023	16%	10%	14%	-4%	-17%	22%	6%	14%	48%	14%	-2%	-3%
Valuation Premium on 12/31/2022	-2%	-13%	-10%	7%	-23%	-2%	3%	3%	6%	-5%	-10%	13%
Valuation Premium on 12/31/2021	30%	38%	55%	14%	-23%	13%	7%	26%	55%	10%	38%	23%
Valuation Premium on 12/31/2020	29%	43%	58%	9%	44%	2%	3%	37%	45%	24%	15%	14%
Valuation Premium on 12/31/2019	5%	15%	4%	5%	-1%	2%	4%	-1%	11%	5%	10%	17%

Source: Bloomberg. \*The composite valuation equal weights four valuation metrics (Fwd P/E, Fwd P/CF, TTM P/S and TTM EV/EBITDA) relative to each respective sectors' 10-year medium valuation. The Financials composite replaces EV/EBITDA with TTM P/B.

# The risks of persistently high inflation on capital markets shouldn't be ignored; inflation rising meaningfully again, maybe after a rate cut cycle and QE, could alter valuation regime

Trailing 12-Month Price-to-Earnings Ratio

U.S. CPI (Inverted), Y/Y%



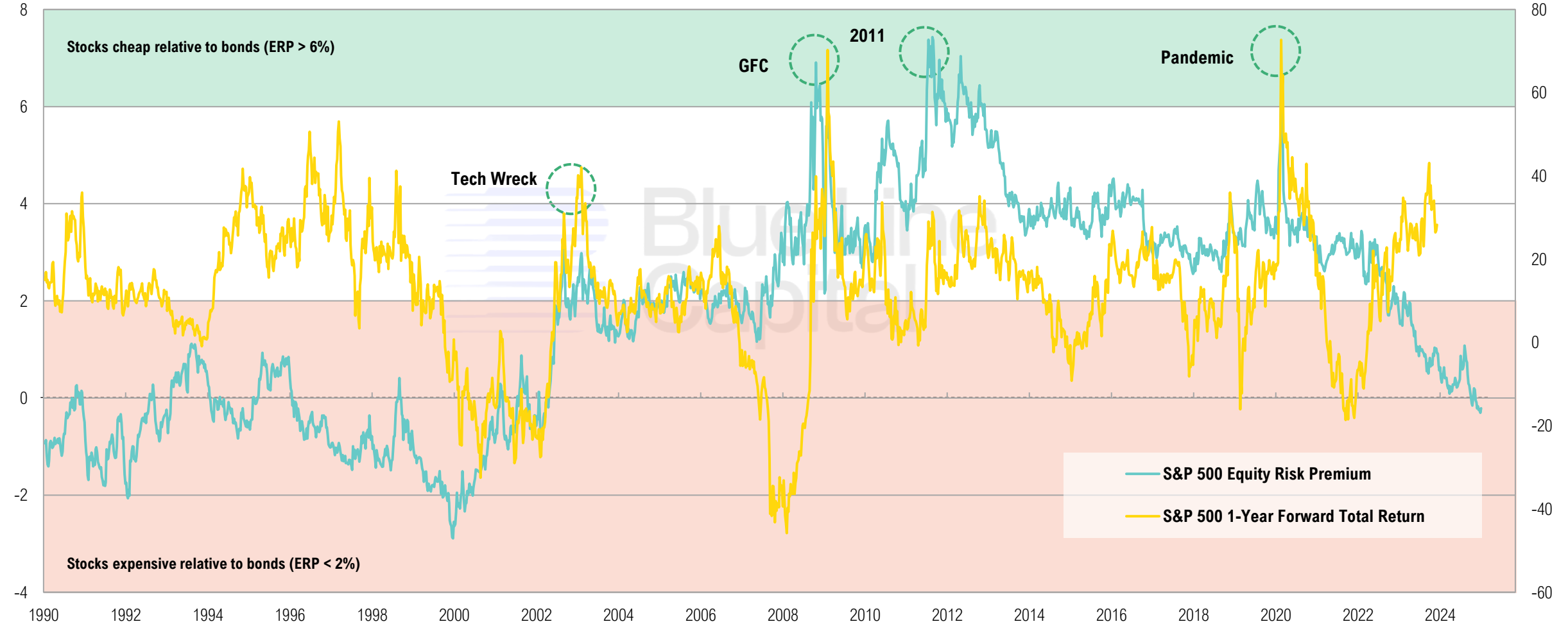
Source: Bloomberg. U.S. CPI as of 12/31/2024.

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# Using a simple yield-to-earnings yield comparison (ERP), U.S. stocks remain less attractively priced vis-à-vis bonds than at any point since the 1990s

S&P 500 Forward Earnings Yield minus 10-Year US Treasury, %

S&P 500 1-Year Forward Return



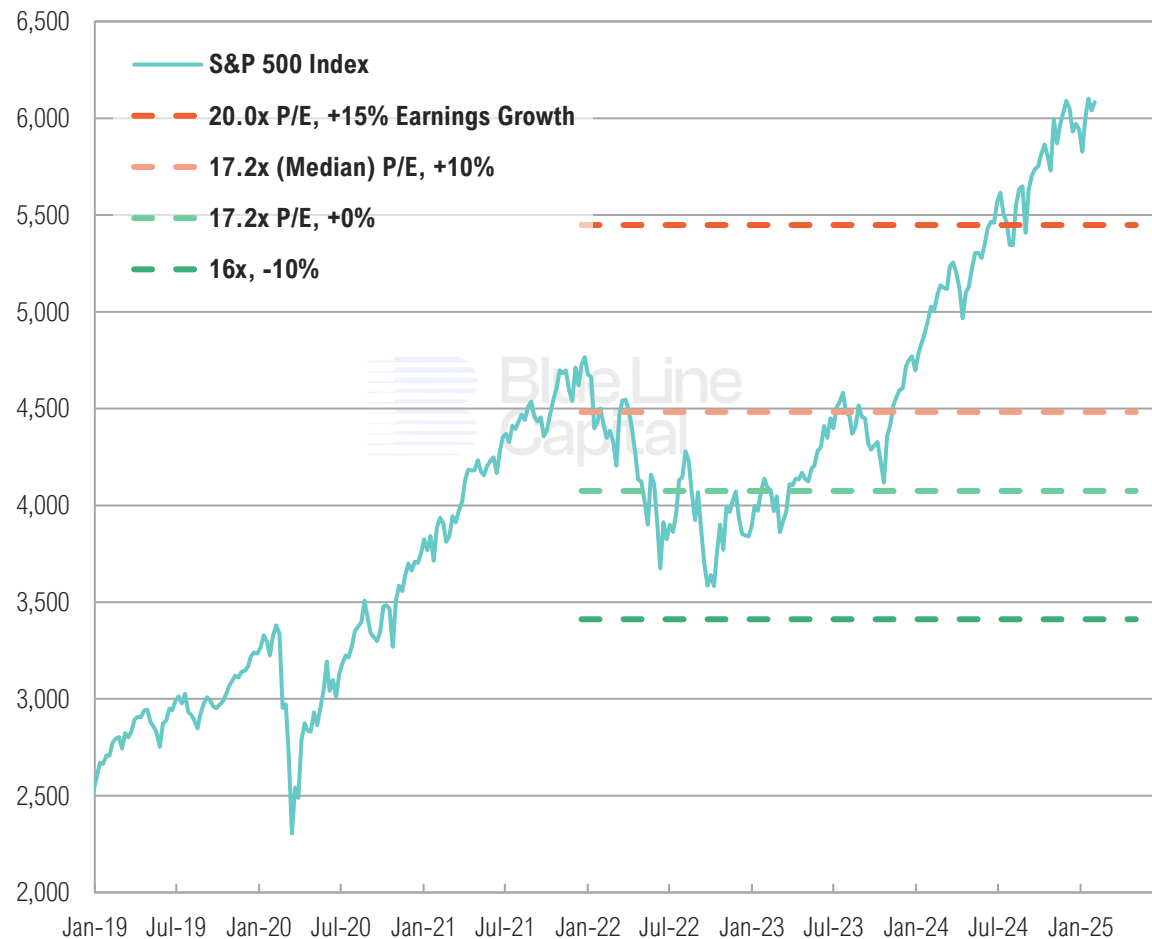
Source: Bloomberg. Equity risk premium calculated as S&P 500 earnings yield minus 10-year Treasury yield.

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# Depending on the path of inflation and earnings growth, where might the S&P 500 trend to? Markets are currently pricing in 15.8% EPS growth over the next 12 months, implying a 22.0x P/E vs LT average of 17.2x

S&P 500 Index



Implied Return Matrix, 1 Year

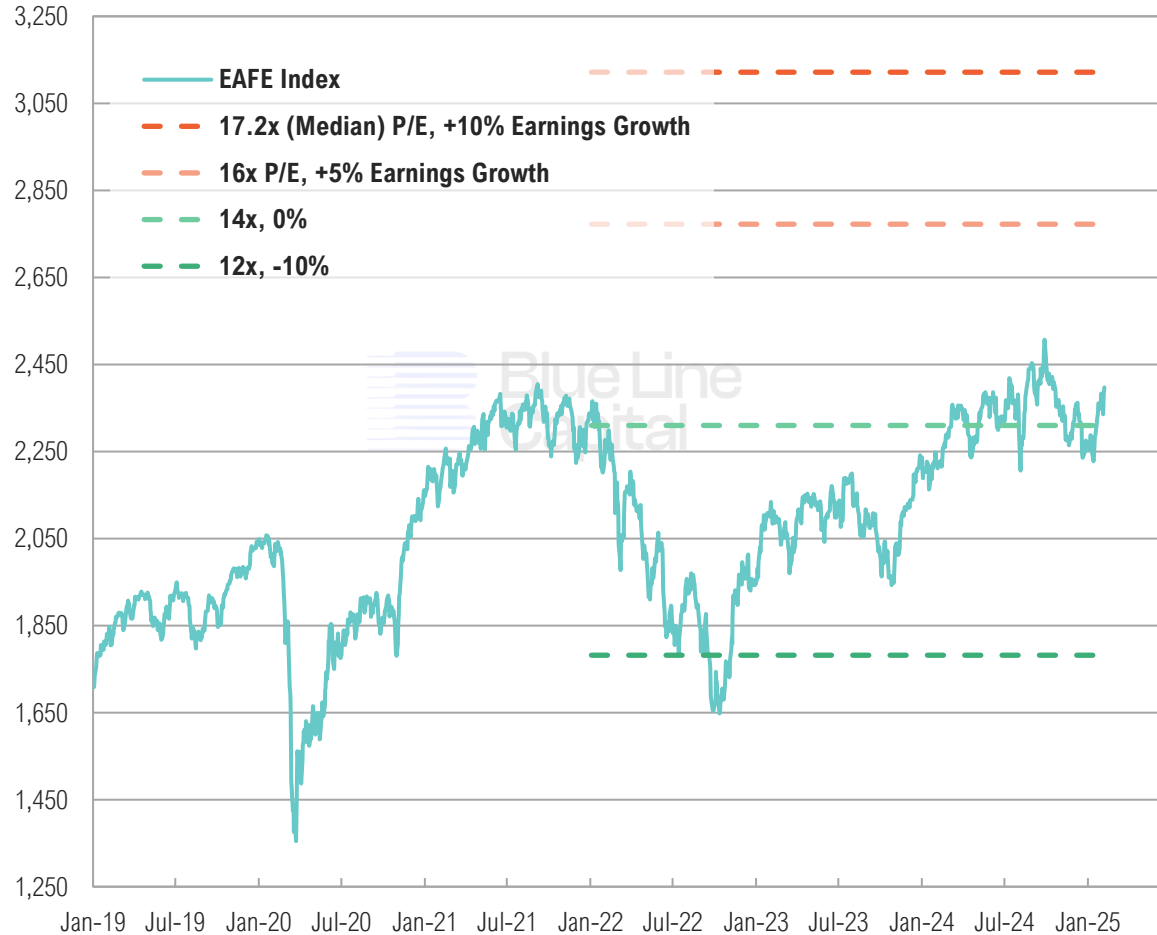
		Earnings growth										
		-25%	-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%	25%
12-Month Forward P/E Multiple	26.0	-22.3%	-17.2%	-12.1%	-7.0%	-1.9%	3.2%	8.3%	13.4%	18.5%	23.6%	28.7%
	25.0	-25.2%	-20.3%	-15.4%	-10.5%	-5.6%	-0.7%	4.2%	9.1%	14.0%	18.9%	23.8%
	24.0	-28.2%	-23.5%	-18.7%	-14.0%	-9.3%	-4.6%	0.1%	4.8%	9.5%	14.2%	18.9%
	23.0	-31.1%	-26.6%	-22.1%	-17.6%	-13.1%	-8.6%	-4.0%	0.5%	5.0%	9.5%	14.0%
	22.0	-34.0%	-29.7%	-25.4%	-21.1%	-16.8%	-12.5%	-8.2%	-3.8%	0.5%	4.8%	9.1%
	21.0	-37.0%	-32.9%	-28.8%	-24.6%	-20.5%	-16.4%	-12.3%	-8.2%	-4.0%	0.1%	4.2%
	20.0	-39.9%	-36.0%	-32.1%	-28.2%	-24.2%	-20.3%	-16.4%	-12.5%	-8.6%	-4.6%	-0.7%
	19.0	-42.9%	-39.1%	-35.4%	-31.7%	-28.0%	-24.2%	-20.5%	-16.8%	-13.1%	-9.3%	-5.6%
	18.0	-45.8%	-42.3%	-38.8%	-35.2%	-31.7%	-28.2%	-24.6%	-21.1%	-17.6%	-14.0%	-10.5%
	17.0	-48.8%	-45.4%	-42.1%	-38.8%	-35.4%	-32.1%	-28.8%	-25.4%	-22.1%	-18.7%	-15.4%
	16.0	-51.7%	-48.6%	-45.4%	-42.3%	-39.1%	-36.0%	-32.9%	-29.7%	-26.6%	-23.5%	-20.3%
	15.0	-54.6%	-51.7%	-48.8%	-45.8%	-42.9%	-39.9%	-37.0%	-34.0%	-31.1%	-28.2%	-25.2%
14.0	-57.6%	-54.8%	-52.1%	-49.3%	-46.6%	-43.8%	-41.1%	-38.4%	-35.6%	-32.9%	-30.1%	
13.0	-60.5%	-58.0%	-55.4%	-52.9%	-50.3%	-47.8%	-45.2%	-42.7%	-40.1%	-37.6%	-35.0%	
12.0	-63.5%	-61.1%	-58.8%	-56.4%	-54.0%	-51.7%	-49.3%	-47.0%	-44.6%	-42.3%	-39.9%	
11.0	-66.4%	-64.2%	-62.1%	-59.9%	-57.8%	-55.6%	-53.5%	-51.3%	-49.1%	-47.0%	-44.8%	
10.0	-69.3%	-67.4%	-65.4%	-63.5%	-61.5%	-59.5%	-57.6%	-55.6%	-53.7%	-51.7%	-49.7%	

Source: SpringTide, Bloomberg. The implied return matrix includes dividends.

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**International Developed P/Es to consider are 17.2x, 16x, 14x, and 12x, applied to various levels of EPS; markets are currently pricing in -2.6% EPS growth over the next 12 months, implying a 14.4x P/E vs LT average of 17.2x**

MSCI EAFE Index



12-Month Forward P/E Multiple

		Implied Return Matrix, 1 Year										
		Earnings growth										
		-25%	-20.0%	-15%	-10%	-5%	0%	5%	10%	15%	20%	25%
22.0	17.4%	25.0%	32.7%	40.3%	47.9%	55.6%	63.2%	70.8%	78.4%	86.1%	93.7%	
21.0	12.2%	19.5%	26.8%	34.1%	41.3%	48.6%	55.9%	63.2%	70.5%	77.8%	85.0%	
20.0	7.0%	14.0%	20.9%	27.8%	34.8%	41.7%	48.6%	55.6%	62.5%	69.4%	76.4%	
19.0	1.8%	8.4%	15.0%	21.6%	28.2%	34.8%	41.3%	47.9%	54.5%	61.1%	67.7%	
18.0	-3.4%	2.9%	9.1%	15.3%	21.6%	27.8%	34.1%	40.3%	46.5%	52.8%	59.0%	
17.0	-8.6%	-2.7%	3.2%	9.1%	15.0%	20.9%	26.8%	32.7%	38.6%	44.5%	50.4%	
16.0	-13.8%	-8.2%	-2.7%	2.9%	8.4%	14.0%	19.5%	25.0%	30.6%	36.1%	41.7%	
15.0	-19.0%	-13.8%	-8.6%	-3.4%	1.8%	7.0%	12.2%	17.4%	22.6%	27.8%	33.0%	
14.0	-24.2%	-19.3%	-14.5%	-9.6%	-4.8%	0.1%	4.9%	9.8%	14.6%	19.5%	24.4%	
13.0	-29.4%	-24.9%	-20.4%	-15.9%	-11.4%	-6.9%	-2.3%	2.2%	6.7%	11.2%	15.7%	
12.0	-34.6%	-30.4%	-26.3%	-22.1%	-18.0%	-13.8%	-9.6%	-5.5%	-1.3%	2.9%	7.0%	
11.0	-39.8%	-36.0%	-32.2%	-28.4%	-24.5%	-20.7%	-16.9%	-13.1%	-9.3%	-5.5%	-1.7%	
10.0	-45.0%	-41.5%	-38.1%	-34.6%	-31.1%	-27.7%	-24.2%	-20.7%	-17.3%	-13.8%	-10.3%	
9.0	-50.2%	-47.1%	-44.0%	-40.8%	-37.7%	-34.6%	-31.5%	-28.4%	-25.2%	-22.1%	-19.0%	
8.0	-55.4%	-52.6%	-49.9%	-47.1%	-44.3%	-41.5%	-38.8%	-36.0%	-33.2%	-30.4%	-27.7%	
7.0	-60.6%	-58.2%	-55.7%	-53.3%	-50.9%	-48.5%	-46.0%	-43.6%	-41.2%	-38.8%	-36.3%	
6.0	-65.8%	-63.7%	-61.6%	-59.6%	-57.5%	-55.4%	-53.3%	-51.2%	-49.2%	-47.1%	-45.0%	

Source: SpringTide, Bloomberg. The implied return matrix includes dividends

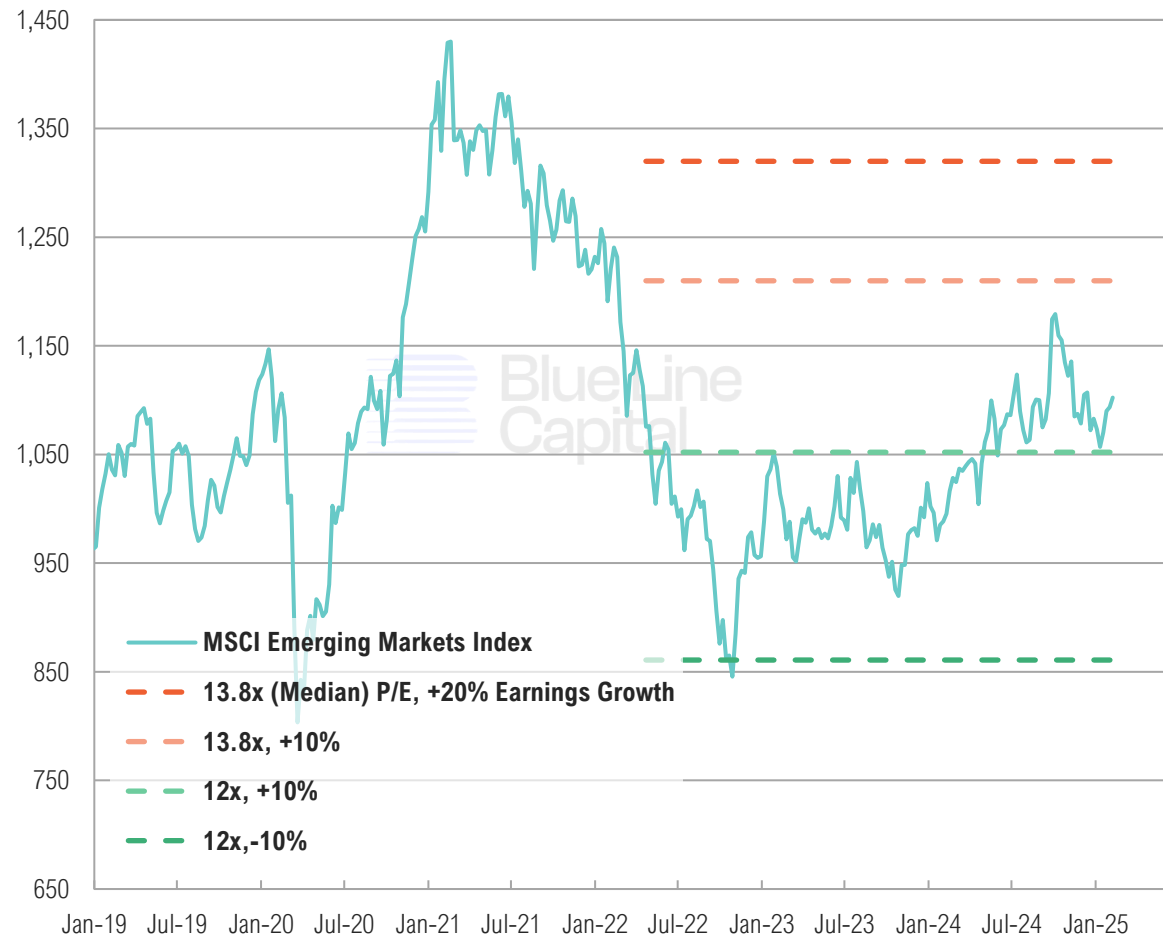
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# Emerging Market P/E's to consider are 13.8x and 12x applied to various levels of earnings; markets are currently pricing in 14.6% EPS growth over the next 12 months, implying a 12.0x P/E vs LT average of 13.8x

MSCI Emerging Market Index



Implied Return Matrix, 1 Year

		Earnings growth										
		-15%	-10%	-5%	0%	5%	10%	15%	20%	25%	30%	35%
12-Month Forward P/E Multiple	22.0	39.0%	47.1%	55.1%	63.1%	71.1%	79.1%	87.2%	95.2%	103.2%	111.2%	119.2%
	21.0	32.9%	40.5%	48.2%	55.8%	63.5%	71.1%	78.8%	86.4%	94.1%	101.7%	109.4%
	20.0	26.7%	33.9%	41.2%	48.5%	55.8%	63.1%	70.4%	77.7%	85.0%	92.3%	99.5%
	19.0	20.5%	27.4%	34.3%	41.2%	48.2%	55.1%	62.0%	68.9%	75.9%	82.8%	89.7%
	18.0	14.3%	20.8%	27.4%	33.9%	40.5%	47.1%	53.6%	60.2%	66.7%	73.3%	79.9%
	17.0	8.1%	14.3%	20.5%	26.7%	32.9%	39.0%	45.2%	51.4%	57.6%	63.8%	70.0%
	16.0	1.9%	7.7%	13.5%	19.4%	25.2%	31.0%	36.9%	42.7%	48.5%	54.4%	60.2%
	15.0	-4.3%	1.1%	6.6%	12.1%	17.5%	23.0%	28.5%	33.9%	39.4%	44.9%	50.3%
	14.0	-10.5%	-5.4%	-0.3%	4.8%	9.9%	15.0%	20.1%	25.2%	30.3%	35.4%	40.5%
	13.0	-16.7%	-12.0%	-7.2%	-2.5%	2.2%	7.0%	11.7%	16.5%	21.2%	25.9%	30.7%
	12.0	-22.9%	-18.5%	-14.2%	-9.8%	-5.4%	-1.0%	3.3%	7.7%	12.1%	16.5%	20.8%
11.0	-29.1%	-25.1%	-21.1%	-17.1%	-13.1%	-9.1%	-5.1%	-1.0%	3.0%	7.0%	11.0%	
10.0	-35.3%	-31.7%	-28.0%	-24.4%	-20.7%	-17.1%	-13.4%	-9.8%	-6.1%	-2.5%	1.1%	
9.0	-41.5%	-38.2%	-34.9%	-31.7%	-28.4%	-25.1%	-21.8%	-18.5%	-15.3%	-12.0%	-8.7%	
8.0	-47.7%	-44.8%	-41.9%	-38.9%	-36.0%	-33.1%	-30.2%	-27.3%	-24.4%	-21.5%	-18.5%	
7.0	-53.9%	-51.3%	-48.8%	-46.2%	-43.7%	-41.1%	-38.6%	-36.0%	-33.5%	-30.9%	-28.4%	
6.0	-60.1%	-57.9%	-55.7%	-53.5%	-51.3%	-49.2%	-47.0%	-44.8%	-42.6%	-40.4%	-38.2%	

Source: SpringTide, Bloomberg. The implied return matrix includes dividends

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# S&P 500 sales and earnings growth expectations for 2025 remain high, driven by the comm. services, health, and tech sectors

S&P 500 SECTOR SALES GROWTH Y/Y, %

	2019				2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E	Q1E	Q2E	Q3E	Q4E
<b>S&amp;P 500</b>	5.5	4.3	4.6	3.6	4.7	1.1	-9.8	-2.2	0.1	8.1	22.9	15.4	15.6	14.3	15.2	12.9	7.9	6.1	2.2	2.7	4.2	4.2	5.4	7.7	0.6	7.1	6.9	6.1
Communication Services	-80.9	-49.7	-44.3	9.7	-2.1	2.7	-5.3	0.9	18.4	13.5	25.3	16.7	10.7	7.8	4.4	3.7	4.5	3.7	5.5	7.4	7.9	9.7	9.2	12.4	5.1	14.8	22.1	6.7
Consumer Discretionary	15.5	10.7	12.3	5.7	2.3	-1.4	-15.7	1.1	-6.4	0.3	17.7	-1.6	10.8	10.4	11.3	12.3	8.6	1.8	4.4	0.8	-1.4	1.8	0.6	7.5	-5.5	12.2	7.9	5.1
Consumer Staples	-6.6	-3.2	-6.5	3.6	3.9	3.7	6.1	0.9	6.3	4.3	10.5	14.8	9.0	9.3	8.3	8.1	6.8	13.7	12.2	9.9	10.0	2.4	1.6	4.5	-0.3	6.4	6.0	4.0
Energy	6.5	-4.4	-7.4	-8.4	-3.4	-8.0	-32.3	-34.9	-33.8	-1.1	104.2	63.9	83.0	60.2	77.4	54.4	18.6	-0.9	-25.0	-14.1	-7.9	-1.3	9.5	-8.5	-9.5	-5.2	-0.1	-0.5
Financials	6.3	5.9	5.5	6.2	9.0	2.5	0.7	2.5	1.8	11.2	10.7	10.2	9.8	2.4	4.3	9.3	5.0	-4.5	-3.8	-11.6	-9.6	8.6	5.1	7.8	9.1	2.8	5.6	6.5
Health Care	11.9	17.7	9.2	8.1	14.2	9.7	1.3	9.6	9.5	8.7	19.6	13.5	12.4	13.8	10.3	7.9	7.4	6.6	7.0	8.2	9.0	8.1	9.0	15.0	8.5	11.9	11.8	6.2
Industrials	9.4	6.7	2.3	0.5	-2.6	-8.9	-24.7	-14.3	-8.0	0.2	28.0	17.9	15.6	16.6	18.8	17.9	14.3	8.4	3.3	1.3	-0.6	2.6	1.4	-1.8	-5.0	5.3	1.3	6.9
Information Technology	24.0	26.9	10.8	13.0	5.2	8.6	7.5	6.5	5.6	12.6	19.2	21.5	18.6	12.7	12.6	8.5	11.2	-6.5	1.2	7.1	0.8	17.8	8.6	28.9	19.2	9.5	25.7	11.7
Materials	0.4	-0.6	15.8	-6.3	1.8	-4.2	-13.5	-4.5	4.1	13.8	36.8	32.1	28.6	26.1	20.4	9.0	0.3	-2.9	-8.8	-6.7	-6.0	-6.2	-2.2	-3.4	-0.9	7.5	-1.7	3.1
Real Estate	12.1	4.0	3.7	5.2	4.0	3.0	-8.2	-6.9	-6.5	-10.4	5.4	2.5	4.3	17.4	11.0	8.6	2.2	9.7	9.5	8.1	11.6	0.0	0.4	5.4	0.1	5.7	5.4	6.0
Utilities	-1.1	-8.6	-8.1	-8.3	-9.3	-7.1	-5.9	-4.7	-3.8	14.4	8.8	10.3	17.1	7.7	18.3	19.7	20.1	14.1	-2.8	-5.0	-8.8	-8.5	4.4	0.3	9.9	-4.6	19.7	7.4

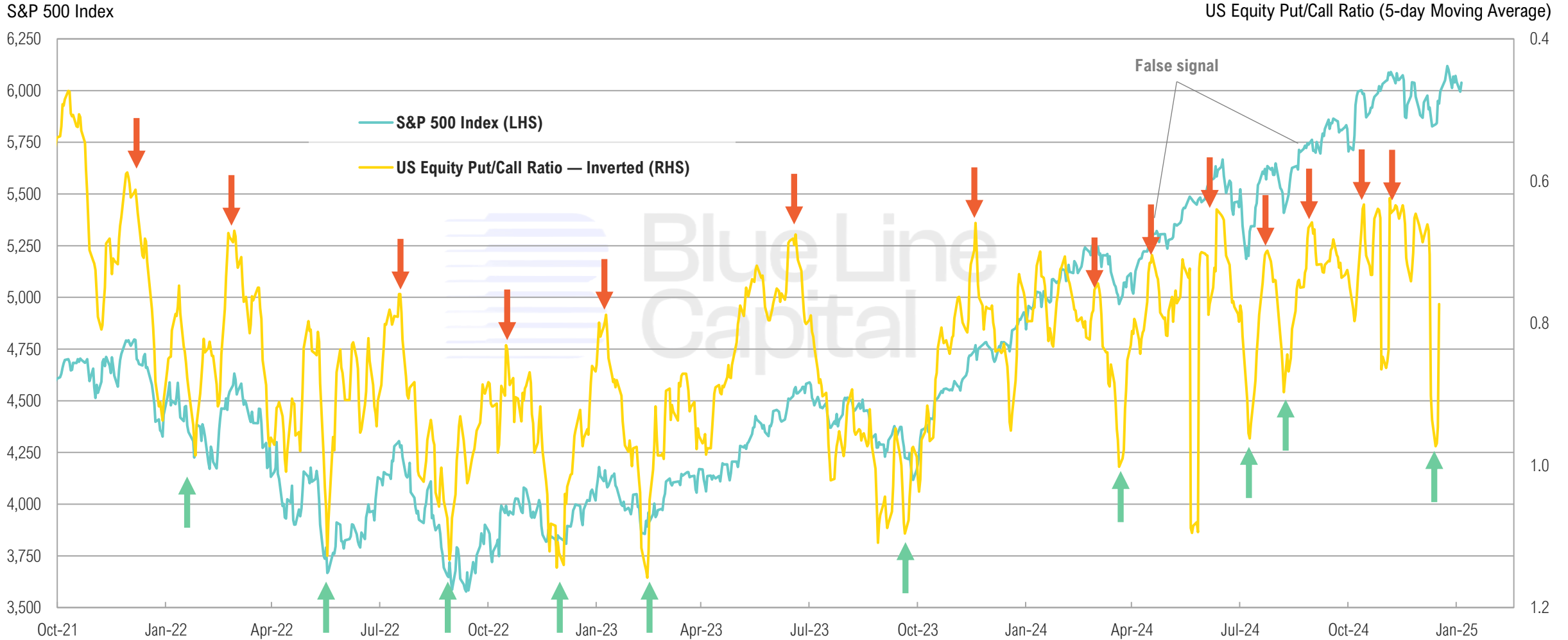
S&P 500 SECTOR SALES GROWTH Y/Y, %

	2019				2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4E	Q1E	Q2E	Q3E	Q4E
<b>S&amp;P 500</b>	10.0	1.5	-1.8	-0.9	4.1	-14.3	-31.4	-7.4	0.6	46.2	89.0	36.7	27.3	10.6	8.3	3.4	0.8	-1.2	-4.7	4.6	5.6	6.3	10.8	10.1	7.5	16.6	16.7	11.7
Communication Services	-81.6	-31.0	-41.3	5.4	23.5	-15.4	-16.1	-3.4	5.6	56.3	74.2	40.6	14.2	0.2	-16.4	-24.4	-18.2	-10.2	15.1	30.1	38.6	43.2	9.5	30.6	25.0	21.1	46.0	10.0
Consumer Discretionary	10.3	2.8	-1.9	-0.3	-5.1	-36.0	-63.5	1.4	-6.3	144.9	256.7	-1.4	44.5	-10.9	-13.3	1.5	-16.4	11.9	42.5	39.7	19.6	20.5	10.7	-6.0	2.3	29.9	16.6	8.1
Consumer Staples	-39.1	-26.5	-1.6	2.6	47.4	48.1	5.5	-10.2	7.2	6.4	19.8	32.6	4.8	fa	0.3	-0.5	3.7	6.4	9.7	7.2	1.0	7.4	3.5	-5.6	3.0	5.4	7.6	7.8
Energy	76.8	-24.6	-24.6	-47.3	-49.9	-26.1	-106.8	-107.0	-95.5	15.5	n/a	n/a	5431.1	259.5	303.2	141.6	60.4	18.3	-49.8	-34.8	-23.1	-24.2	-0.8	-36.6	-26.8	-2.3	-3.5	23.8
Financials	13.4	5.7	5.8	5.6	9.7	-39.5	-51.2	-7.3	19.7	138.5	185.9	35.0	9.9	-18.1	-22.9	-14.6	-9.9	-6.8	0.3	5.0	-3.0	12.0	10.6	11.4	16.3	6.3	14.1	12.2
Health Care	12.2	9.1	9.6	9.8	8.4	5.8	1.1	4.5	8.0	23.8	25.2	28.5	27.9	15.6	8.5	-0.6	-4.1	-14.4	-25.1	-17.9	-17.3	-25.2	18.3	4.9	23.8	46.3	16.1	17.8
Industrials	35.4	6.4	-11.9	2.9	-11.5	-26.9	-75.5	-48.2	-54.5	-8.1	305.7	75.7	114.5	38.8	36.7	17.7	41.4	23.4	10.0	11.6	-1.8	3.8	-0.4	3.6	-6.6	30.3	4.3	8.9
Information Technology	31.5	25.7	-1.2	2.3	-3.2	7.4	6.2	2.9	8.8	18.6	40.4	47.5	35.0	21.8	11.4	0.9	3.1	-18.6	-2.7	15.6	8.3	38.0	19.9	38.0	22.9	9.3	33.4	16.2
Materials	-6.8	-19.0	-19.8	-16.6	-11.6	-16.8	-26.5	-2.1	26.0	65.9	125.5	86.3	60.4	47.5	17.2	-12.8	-20.1	-20.4	-23.7	-13.4	-18.5	-23.9	-7.6	-18.0	-0.3	33.0	-6.2	24.7
Real Estate	6.7	1.1	0.7	4.5	0.6	-2.1	-16.2	-11.9	-5.1	6.2	35.0	22.3	14.0	21.7	7.2	12.1	7.3	-2.9	1.0	-4.5	-3.9	1.6	-2.8	8.6	3.1	2.4	3.5	2.4
Utilities	-8.0	-4.8	-8.6	2.3	27.8	3.7	5.8	0.3	-3.5	1.9	5.9	0.6	8.5	9.2	3.2	-0.8	-15.2	-10.3	-0.7	11.4	28.8	27.7	16.4	-22.6	42.5	-3.6	46.1	13.5

← LOWER → HIGHER

Source: Bloomberg. Real Estate included in Financials sector until 8/31/2016; other "n/a" represents a value of <100% due to earnings fluctuations between positive and negative values.

# At extremes, equity put/call ratio has a strong inverse correlation to forward equity returns; despite stocks only marginally off peak, extreme optimism has cleared

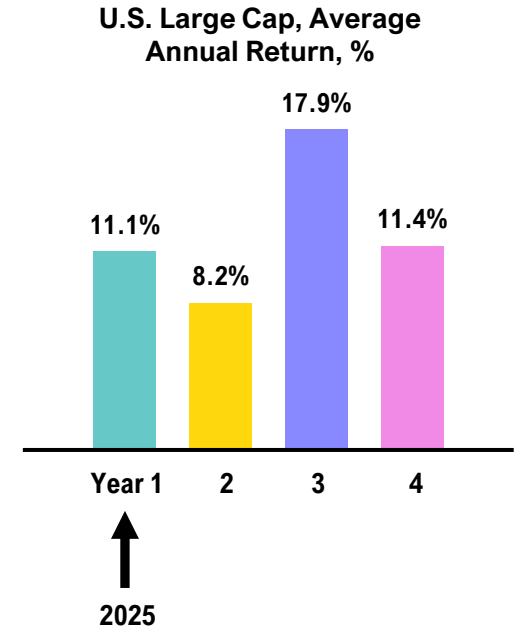
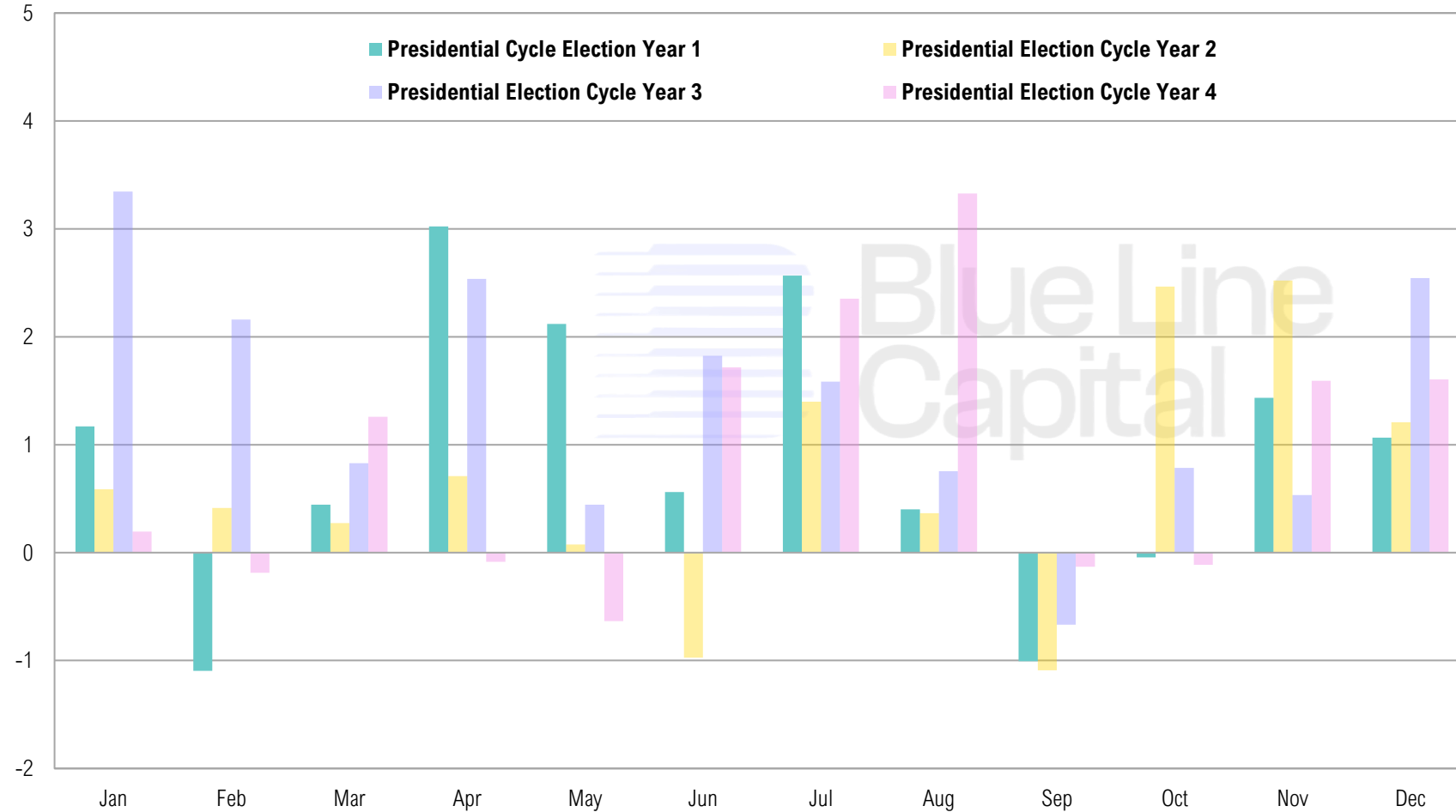


Source: Bloomberg. The U.S. Equity Put/Call Index represents the ratio of total put option volume to total call option volume. It includes equity and index options traded on Amex, CBOE, ISEC, Philadelphia and Pacific exchanges.

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# January 2025 surpassed the above-average historical returns that U.S. large cap stocks tend to enjoy in Year 1 of the Presidential Election Cycle

U.S. Large Cap Average Monthly Return, %

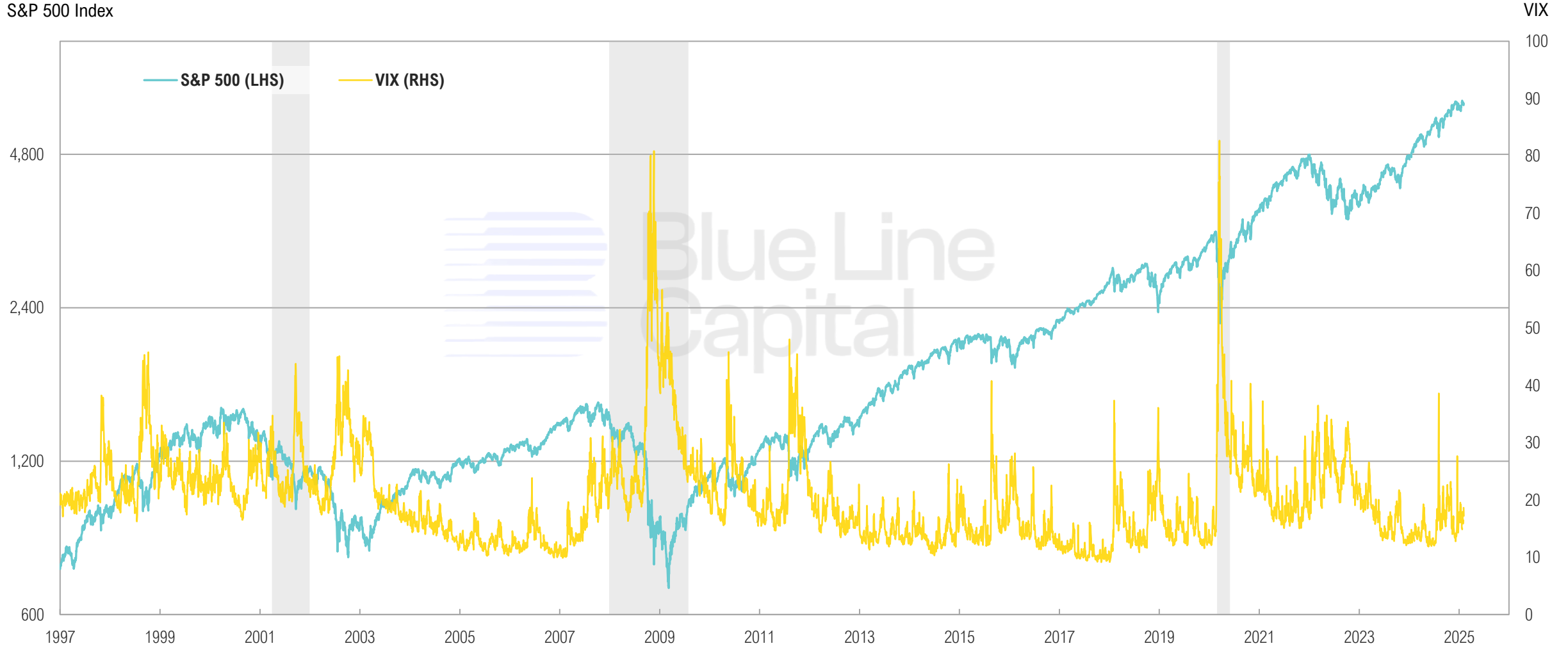


\*Returns are unannualized

Source: Bloomberg, SpringTide. Averages are arithmetic. Analysis starts on 1/31/1920. Annualized returns as of 1/31/1932. See appendix for index definitions and other disclosures.

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**implied volatility (VIX) remained relatively contained throughout January (note: the increase in 0DTE options has likely reduced the VIX's relevance)**



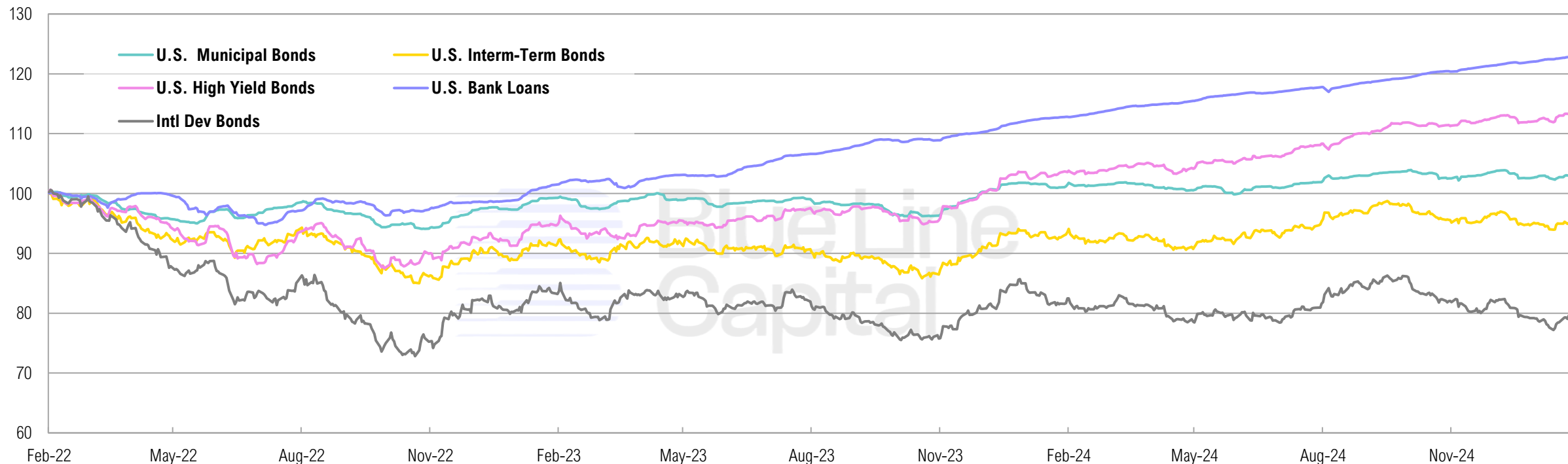
Source: Bloomberg

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# Fixed income markets saw modest returns in January: U.S. high yield bonds (+1.4%) fared best, while U.S. intermediate-term bonds (+0.5%) lagged

Calendar Year & Trailing Total Returns



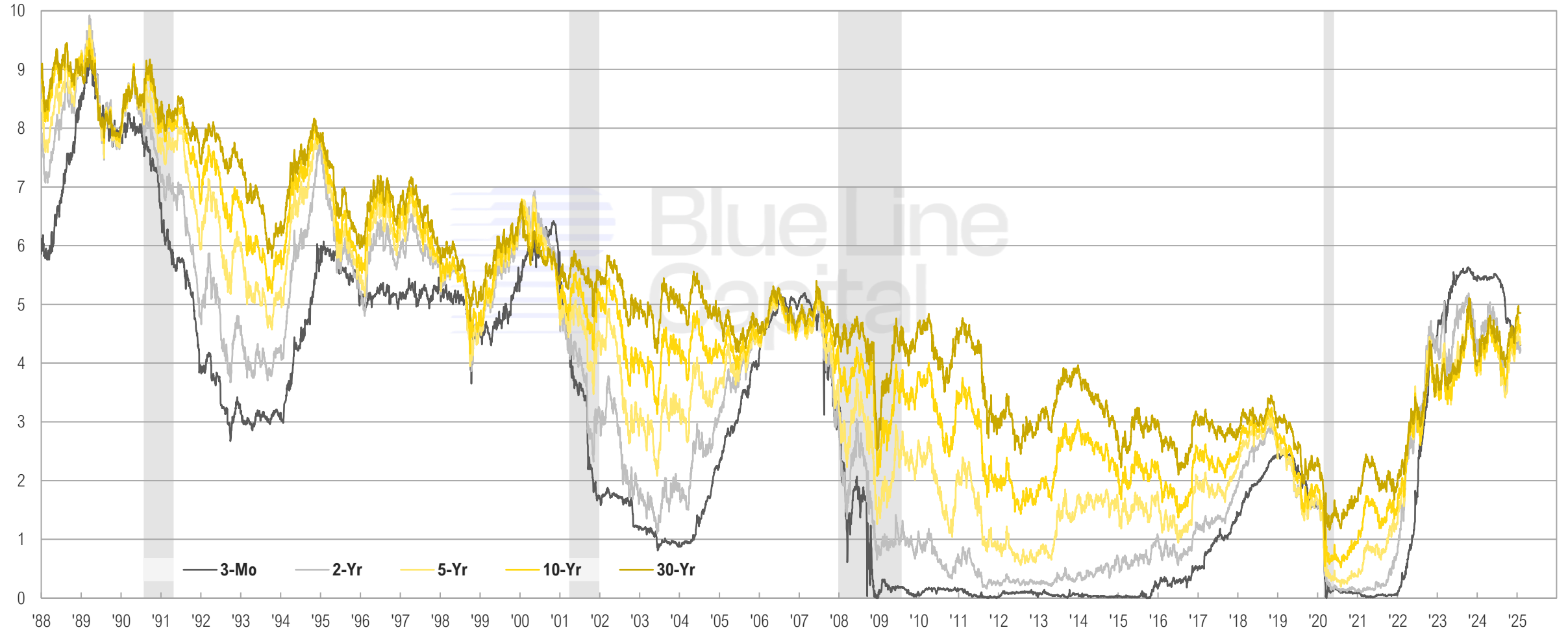
Asset Class	Benchmark	MTD	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	2024	2023	2022	2021	2020
U.S. Municipal Bonds	Bbg Municipal 1-10Y Blend 1-12Y TR	0.7	0.7	0.7	1.9	1.1	0.9	1.7	0.9	4.6	-4.8	0.5	4.2
U.S. Intermediate Term Bonds	Bbg US Agg Bond TR	0.5	0.5	0.5	2.1	-1.5	-0.6	1.2	1.3	5.5	-13.0	-1.5	7.5
U.S. High Yield Bonds	Bbg US Corporate High Yield TR	1.4	1.4	1.4	9.7	4.3	4.5	5.2	8.2	13.4	-11.2	5.3	7.1
U.S. Bank Loans	Morningstar LSTA US LL TR	0.7	0.7	0.7	9.0	7.1	5.9	5.2	9.0	13.3	-0.8	5.2	3.1
Intl Dev Bonds	S&P International Sov Ex-US Bond TR	0.5	0.5	0.5	-3.6	-7.4	-5.0	-1.5	-6.9	6.0	-21.8	-9.5	11.2

Source: Bloomberg. Returns for periods greater than 1 year are annualized.

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# Longer-term Treasury yields remained elevated throughout January as markets digested strong economic data; the 10-year has risen since the Fed started cutting rates in September

U.S. Treasury Yields by Tenor, %

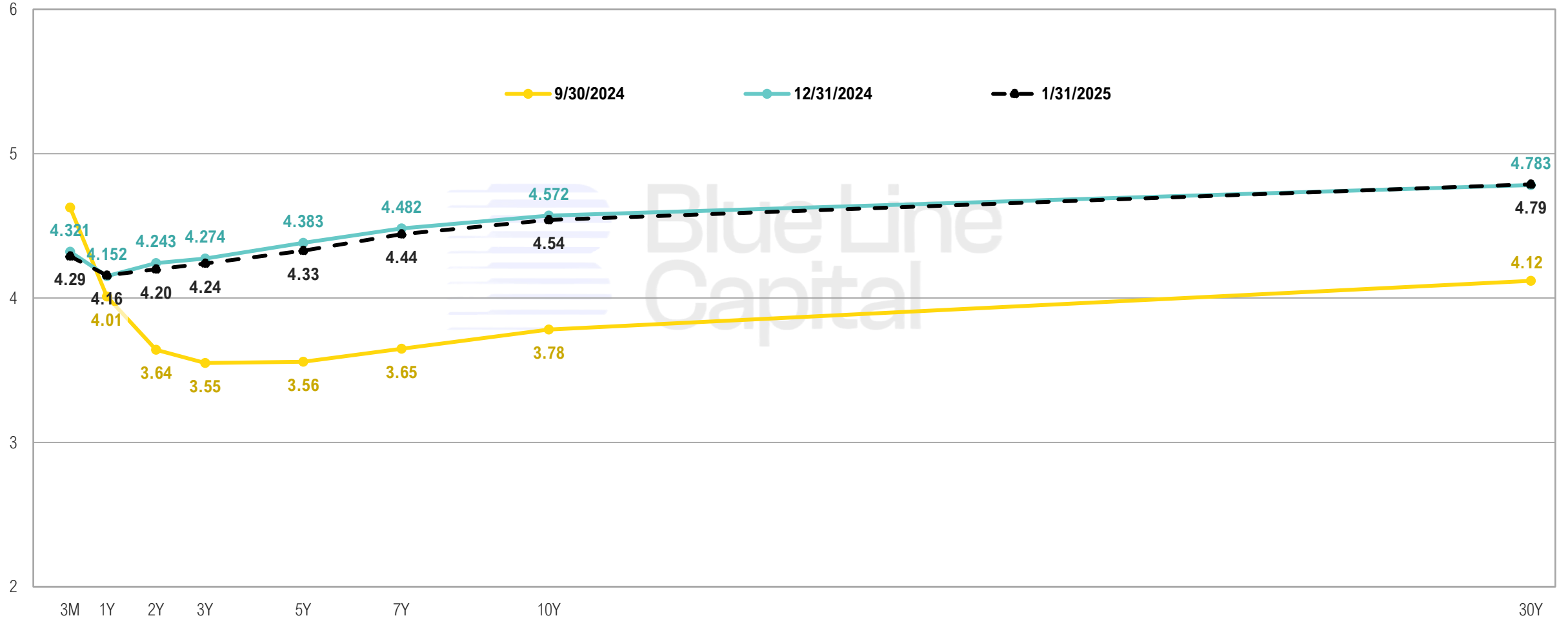


Source: Bloomberg.

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# The yield curve remained largely unchanged over January

U.S. Treasury Yield Curve by Date



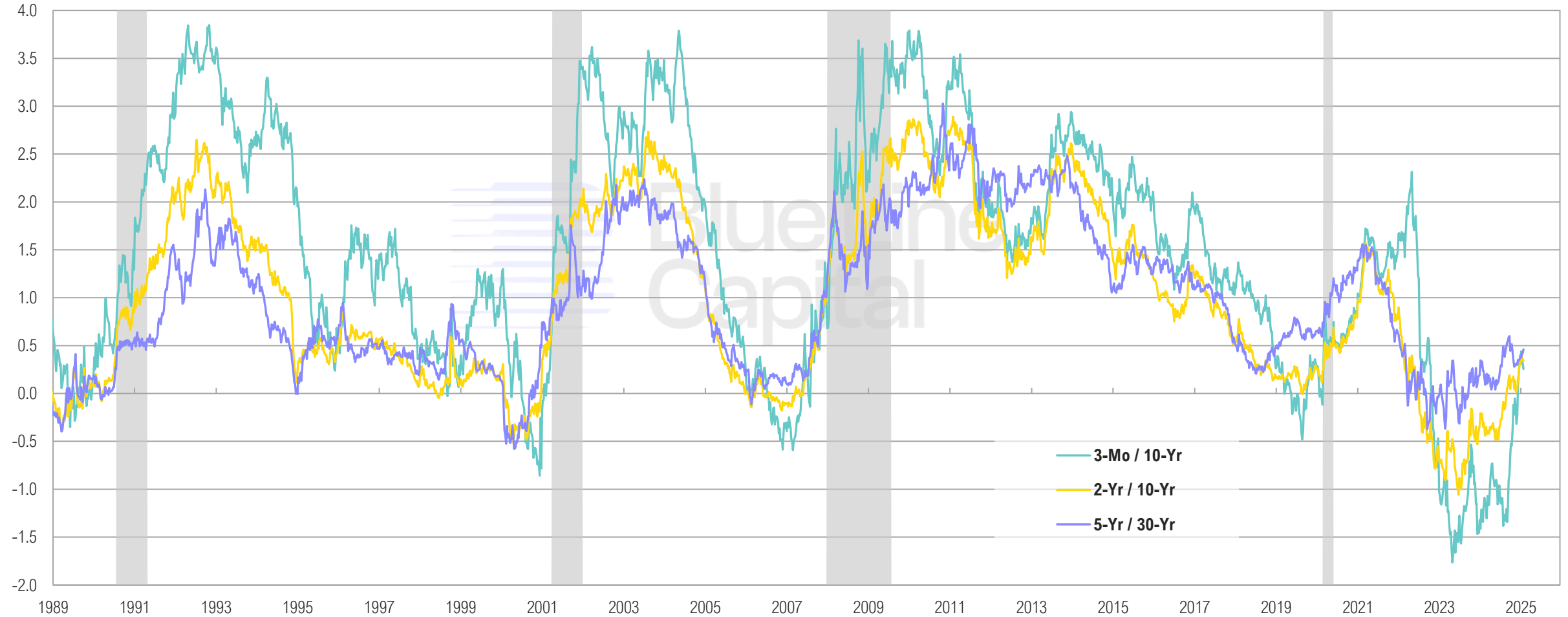
Source: Bloomberg

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# The yield curve continued to steepen over January, with the 2s10s curve ending the month at 0.34%

U.S. Treasury Spreads, %



Source: Bloomberg

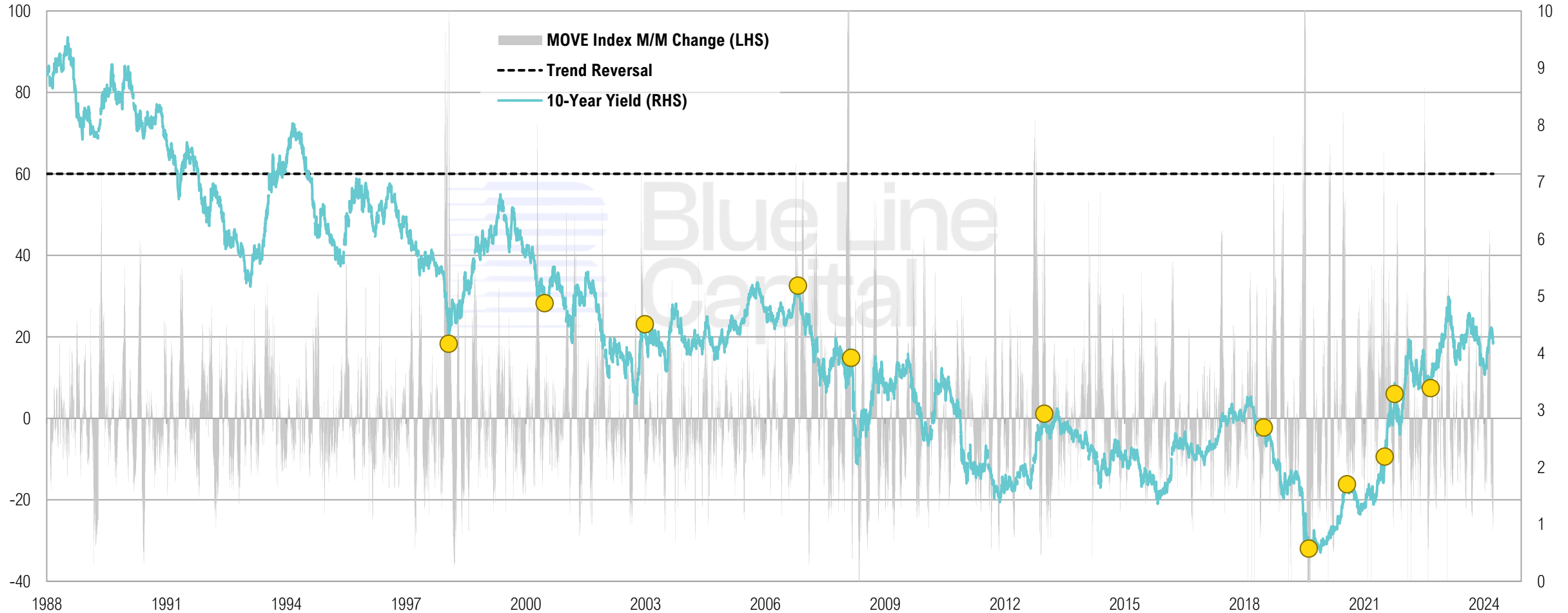
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# Historically, month-over-month changes of above 60% in the MOVE index have generally been good trend-reversal indicators for the bond market

MOVE Index M/M Change, %

10-Year Treasury Yield, %



Source: Bloomberg

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# The 2–3-year part of yield curve has an attractive risk-reward profile—yields could rise 1.5% in the next year and total returns would still be positive

**Estimated 1-Year Total Return for Given Change in Yields**

Change in Yields (%)	Tenor											
	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
3.0%	3.6%	2.8%	1.4%	-1.4%	-4.0%	-6.6%	-9.0%	-13.5%	-19.0%	-27.2%	-33.2%	-43.1%
2.5%	3.7%	3.1%	1.8%	-0.5%	-2.6%	-4.8%	-6.8%	-10.5%	-15.1%	-21.9%	-26.9%	-35.1%
2.0%	3.8%	3.3%	2.3%	0.4%	-1.2%	-3.0%	-4.6%	-7.5%	-11.2%	-16.6%	-20.6%	-27.2%
1.5%	4.0%	3.6%	2.8%	1.4%	0.1%	-1.2%	-2.4%	-4.6%	-7.3%	-11.3%	-14.3%	-19.2%
1.0%	4.1%	3.8%	3.2%	2.3%	1.5%	0.6%	-0.2%	-1.6%	-3.4%	-6.0%	-8.0%	-11.3%
0.5%	4.2%	4.1%	3.7%	3.3%	2.9%	2.4%	2.0%	1.4%	0.5%	-0.7%	-1.6%	-3.3%
0.0%	4.3%	4.3%	4.2%	4.2%	4.2%	4.3%	4.3%	4.4%	4.4%	4.6%	4.7%	4.7%
-0.5%	4.4%	4.5%	4.6%	5.1%	5.6%	6.1%	6.5%	7.3%	8.4%	9.9%	11.1%	12.6%
-1.0%	4.6%	4.8%	5.1%	6.1%	6.9%	7.9%	8.7%	10.3%	12.3%	15.2%	17.4%	20.6%
-1.5%	4.7%	5.0%	5.6%	7.0%	8.3%	9.7%	10.9%	13.3%	16.2%	20.5%	23.8%	28.6%
-2.0%	4.8%	5.3%	6.0%	8.0%	9.7%	11.5%	13.2%	16.3%	20.1%	25.9%	30.1%	36.7%
-2.5%	4.9%	5.5%	6.5%	8.9%	11.0%	13.4%	15.4%	19.3%	24.0%	31.2%	36.5%	44.7%
-3.0%	5.0%	5.8%	7.0%	9.8%	12.4%	15.2%	17.6%	22.2%	28.0%	36.5%	42.9%	52.7%

Duration (Yrs)	0.2	0.5	0.9	1.9	2.7	3.6	4.4	6.0	7.8	10.6	12.7	16.0
Yield YTM	4.3	4.3	4.2	4.2	4.2	4.3	4.3	4.4	4.4	4.6	4.7	4.7
Convexity	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.4	0.7	1.4	2.1	3.7

**Yield Increase Insulation by Tenor:**

- **2-Year: +2.0%** (rise in yields)
- **3-Year: +1.5%**
- **4-Year: +1.0%**
- **5-Year: +0.5%**

**Total Returns by Tenor (for a 1% decline in yields):**

- **15-Year: +15.2%**
- **20-Year: +17.4%**
- **30-Year: +20.6%**

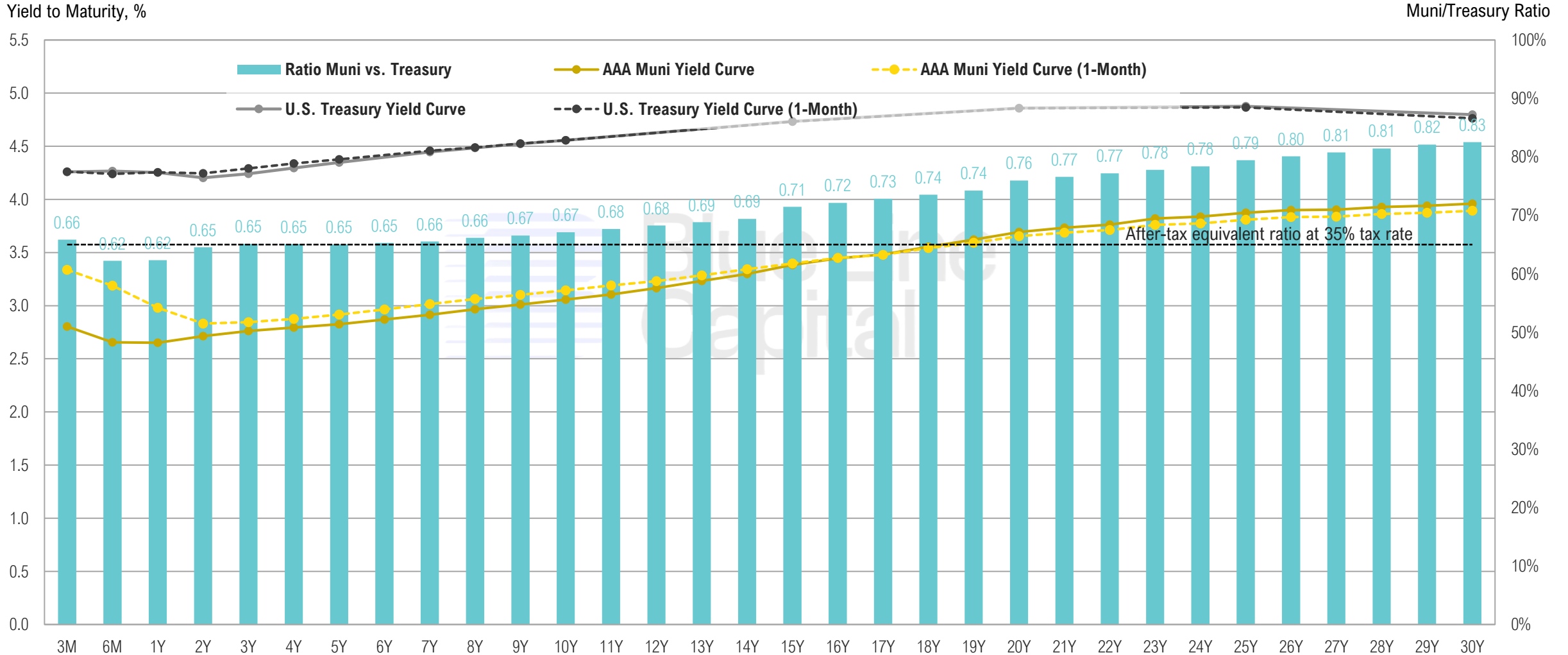
**Total Returns by Tenor (for a 1% increase in yields):**

- **15-Year: -6.0%**
- **20-Year: -8.0%**
- **30-Year: -11.3%**

Source: Bloomberg. As of 1/31/2025.

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**Muni-Treasury ratio: The muni yield curve was relatively unchanged over January, and remains relatively attractive vs. Treasuries; longer-duration munis remain particularly compelling on a tax-adjusted basis**

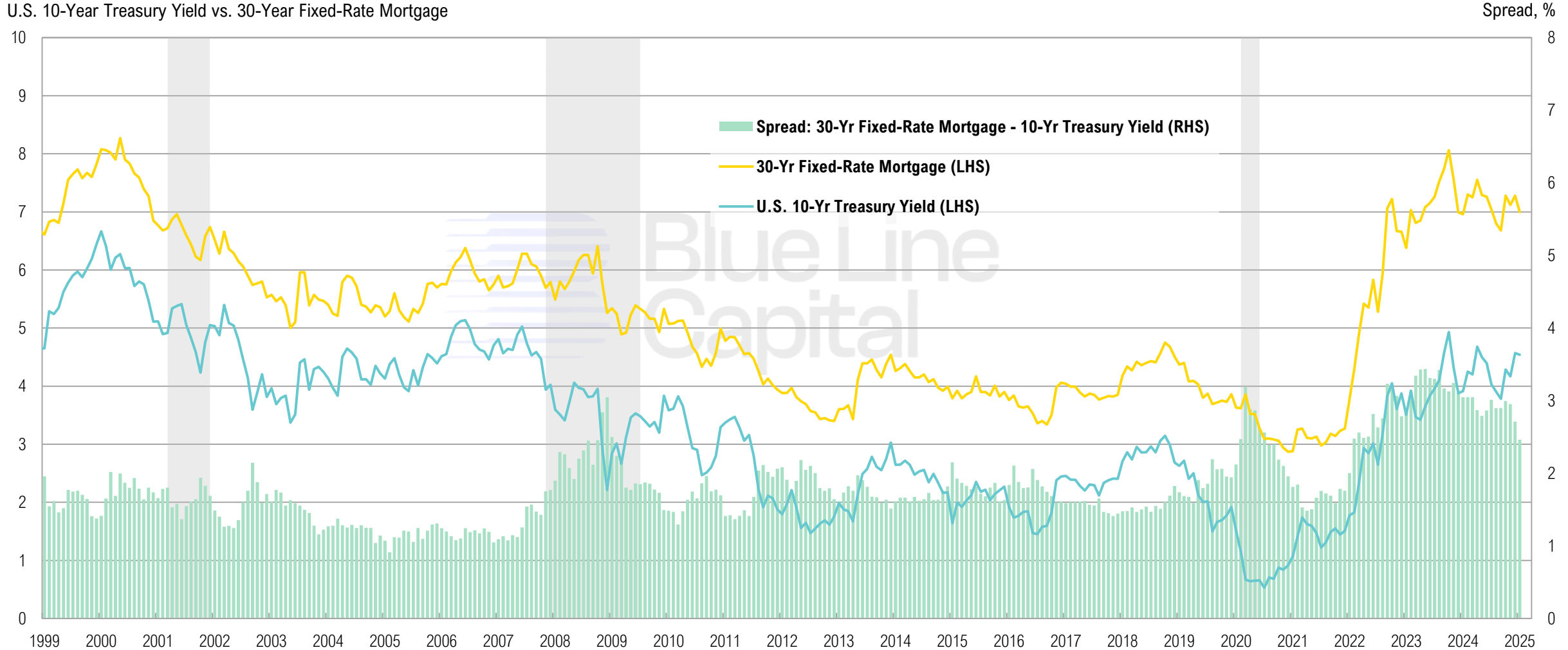


Source: Bloomberg

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# Mortgage rates ticked lower over the month, ending January at 7.0%; the 10-year Treasury yield remained relatively unchanged over the month, decreasing the mortgage spread

U.S. 10-Year Treasury Yield vs. 30-Year Fixed-Rate Mortgage

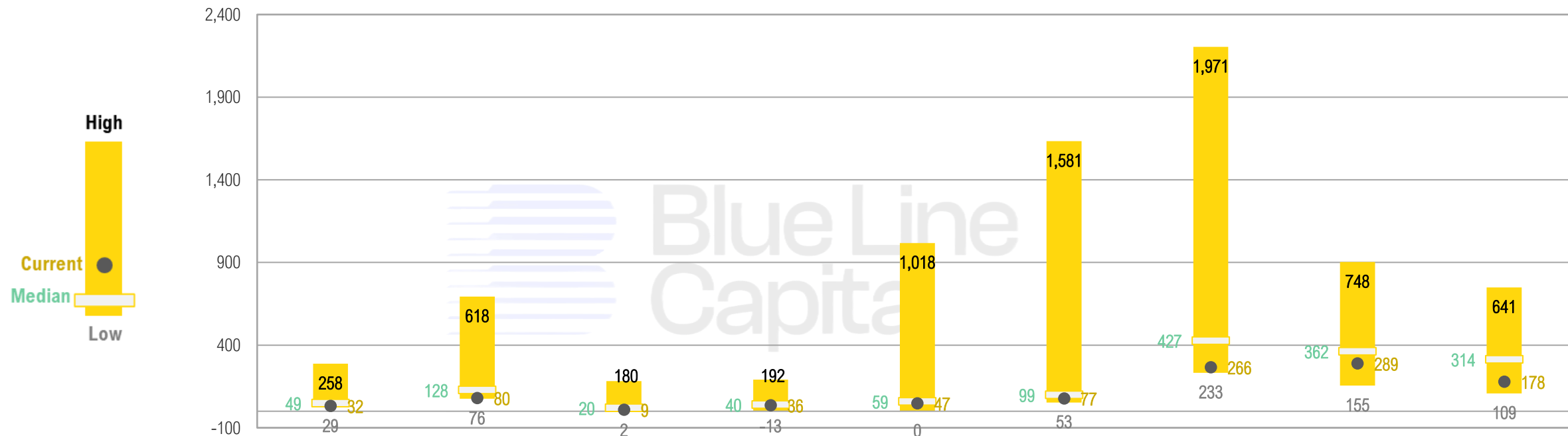


Source: Bloomberg, 30-Yr Fixed-Rate Mortgage (FRM) represented by the Bankrate.com US Home Mortgage 30 Year Fixed National Avg.

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# Credit spreads are near or below median across most sectors; high yield bond spreads at current levels continue to suggest that the economy may achieve a ‘soft landing’

Current Credit Spread vs. Long-Term High/Low Range

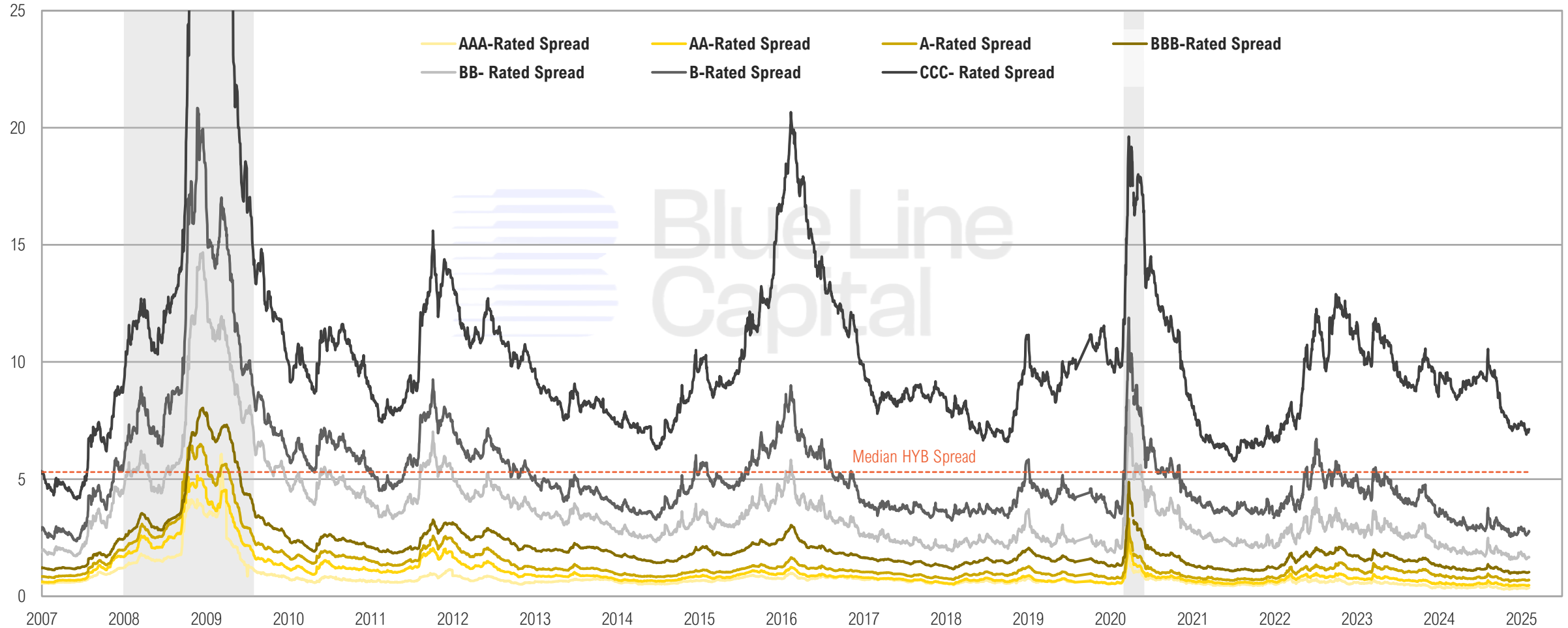


	Aggregate	Corporate	Agency	MBS	ABS	CMBS	High Yield	Emerging Markets	High Yield Muni Spread*
Max Spread Date	12/3/2008	12/3/2008	11/20/2008	12/3/2008	1/6/2009	11/21/2008	12/16/2008	11/28/2008	1/12/2009
Min Spread Date	4/14/2021	3/8/2005	4/19/2021	7/27/2010	10/1/2009	12/8/2004	5/22/2007	5/31/2007	6/11/2007
Spread on 12/31/23	42	99	17	47	68	126	323	319	235
Spread on 12/31/22	51	130	26	51	76	120	469	374	228
Spread on 12/31/21	36	92	8	31	38	68	283	330	200
Spread on 12/31/20	42	96	10	39	33	81	360	323	275

Source: Bloomberg. High Yield Muni Spread data is relative to Bloomberg Municipal Bond Index. Yield spread data is from 2004 – current.

# Credit spreads ticked marginally lower over January and remain well below the 20-year median spread levels

Credit Spreads by Rating, %



Source: Bloomberg

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# Credit spreads remain unattractive, ending January at 2.61%, continue to suggest runway for the economy

Credit Spreads, %



Source: SpringTide, Bloomberg. Forward return analysis from 2/4/1994 through 8/26/2022.

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# High yield-to-investment-grade municipal spreads remained largely unchanged over January and remain very low relative to historical levels

High Yield – Investment Grade Muni Spread, %

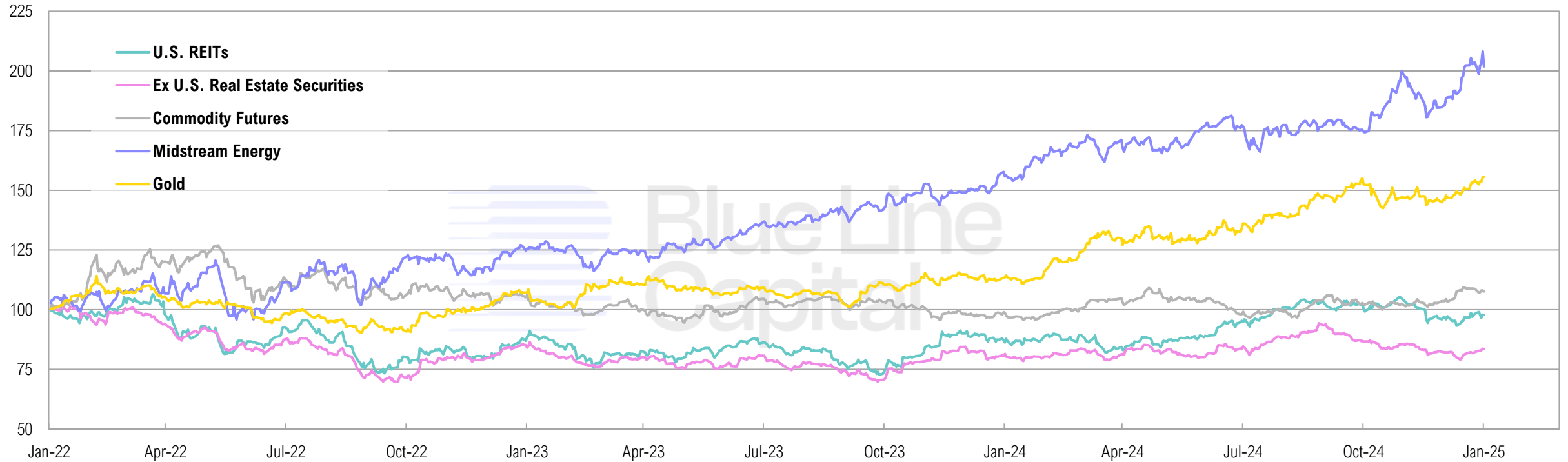


Source: Bloomberg

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# Midstream energy (+8.8%) and gold (+6.9%) led the gains in January, while U.S. REITs (+1.0%) lagged

Calendar Year & Trailing Total Returns

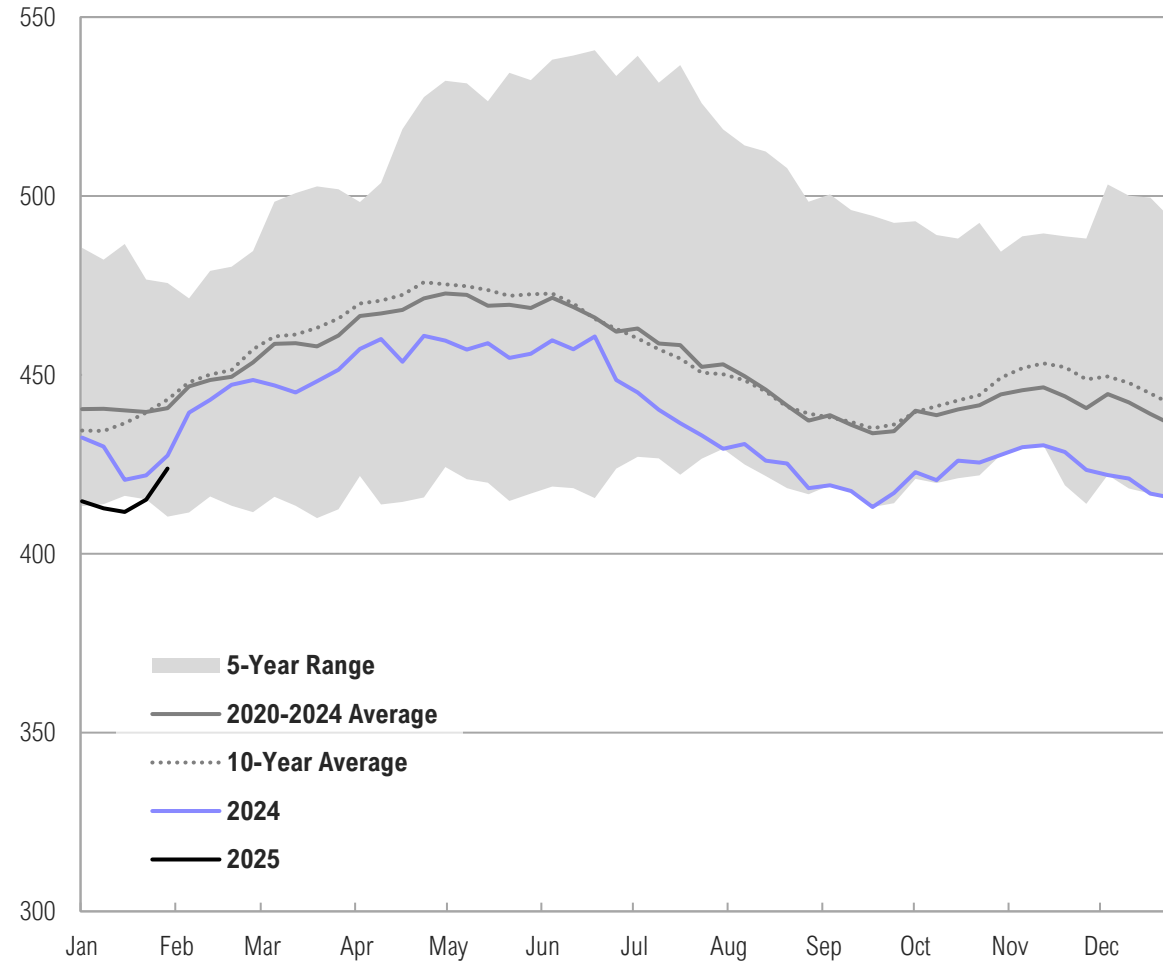


Asset Class	Benchmark	MTD	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	2024	2023	2022	2021	2020
U.S. REITs	MSCI US REIT GR	1.0	1.0	1.0	14.6	0.5	4.3	5.1	8.8	13.7	-24.5	43.1	-7.6
Ex U.S. Real Estate Securities	S&P Global Ex US REIT TR	3.5	3.5	3.5	-0.2	-5.2	-3.8	0.9	-7.0	6.6	-21.9	13.5	-9.3
Broad Commodity Futures	Bloomberg Commodity TR	4.0	4.0	4.0	9.1	2.5	9.3	2.0	5.4	-7.9	16.1	27.1	-3.1
Midstream Energy	Alerian MLP TR	8.8	8.8	8.8	29.5	26.4	18.9	4.9	24.4	26.6	30.9	40.2	-28.7
Gold	LBMA Gold Price AM	6.9	6.9	6.9	36.9	15.9	12.0	8.2	26.6	13.8	-0.4	-3.8	24.2

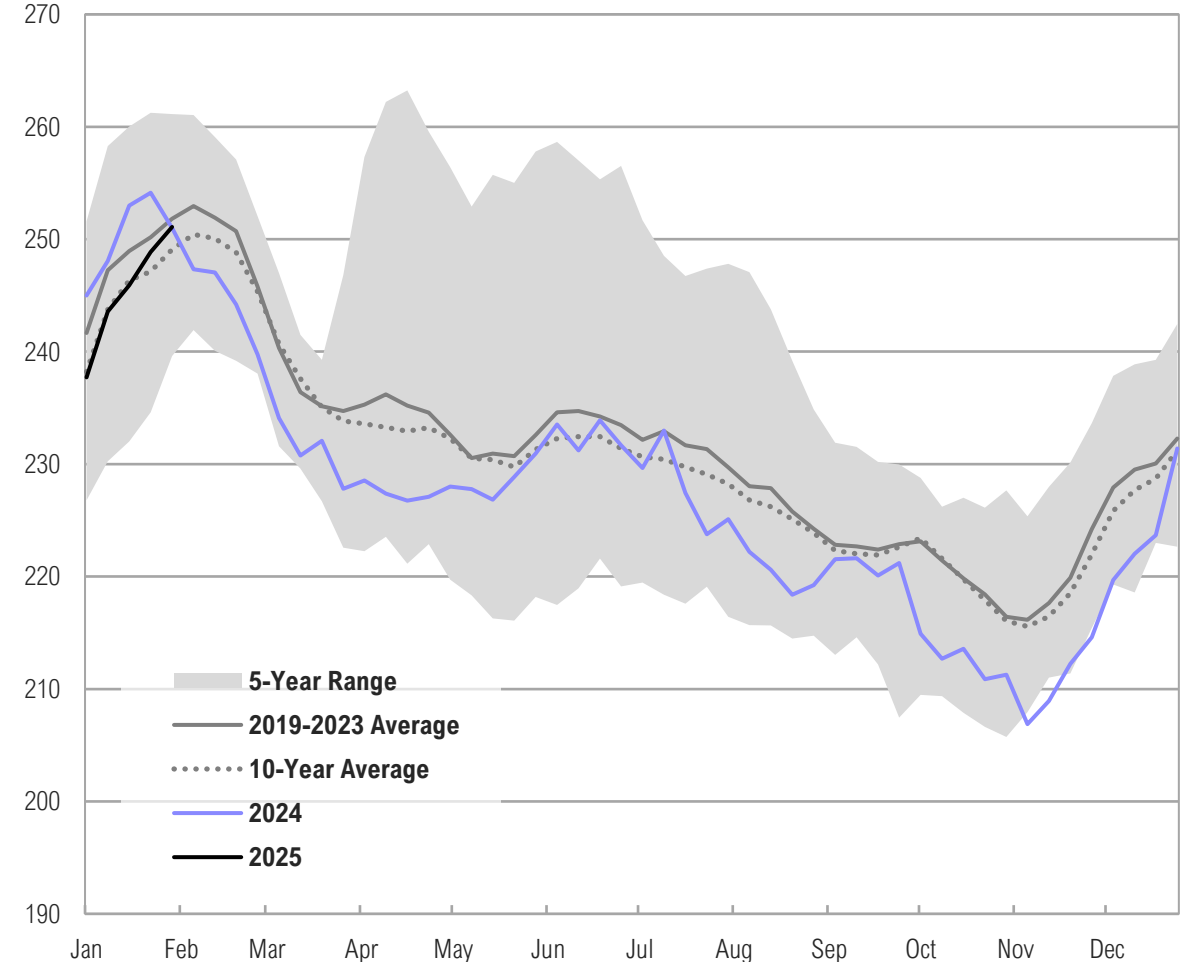
Source: Bloomberg. Returns for periods greater than 1 year are annualized.

# Crude inventories moved higher over the month but remain historically tight; gasoline inventories, however, are more balanced, in line with average seasonal levels

U.S. Crude Inventories, Millions of Barrels



U.S. Gasoline Inventories, Millions of Barrels

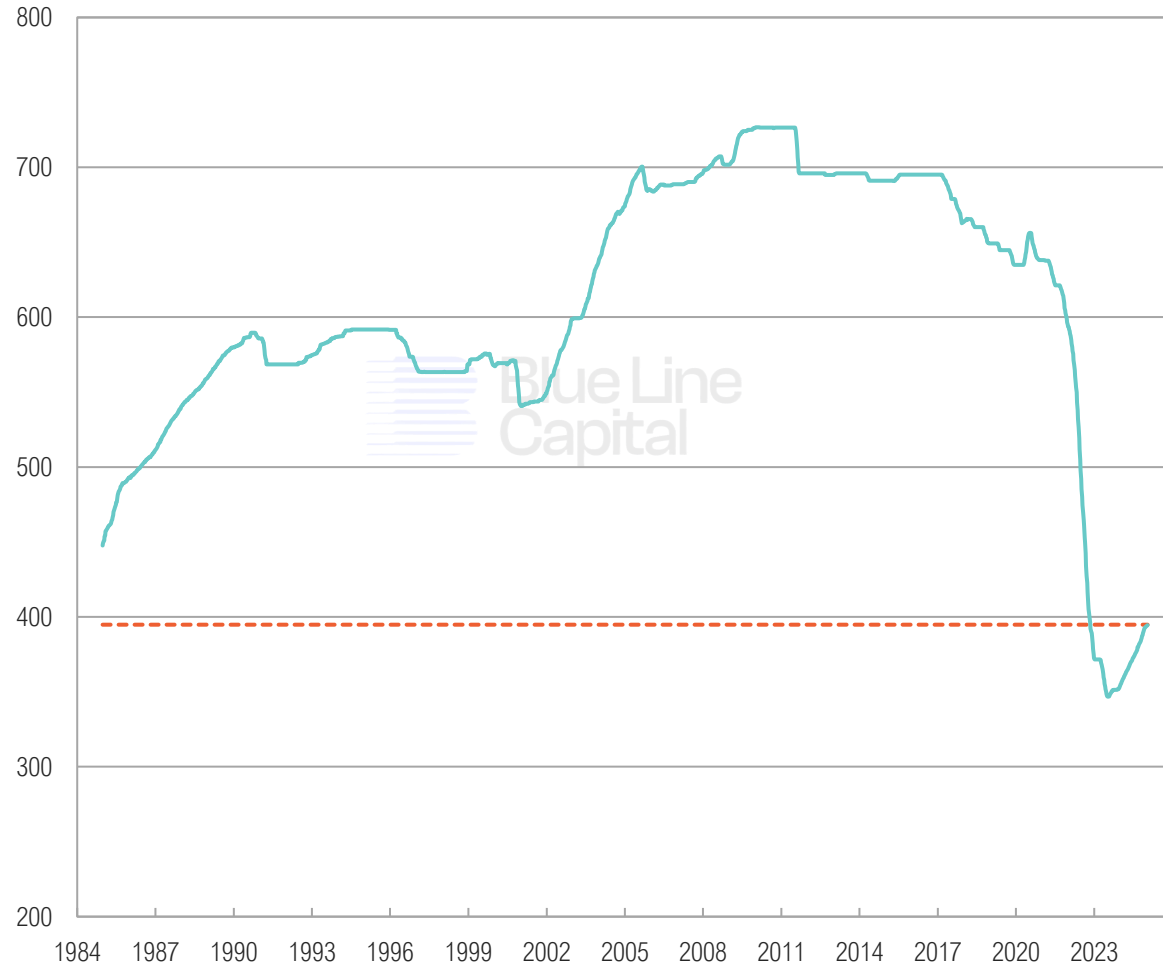


Source: EIA. SpringTide calculations. As of 1/31/2025.

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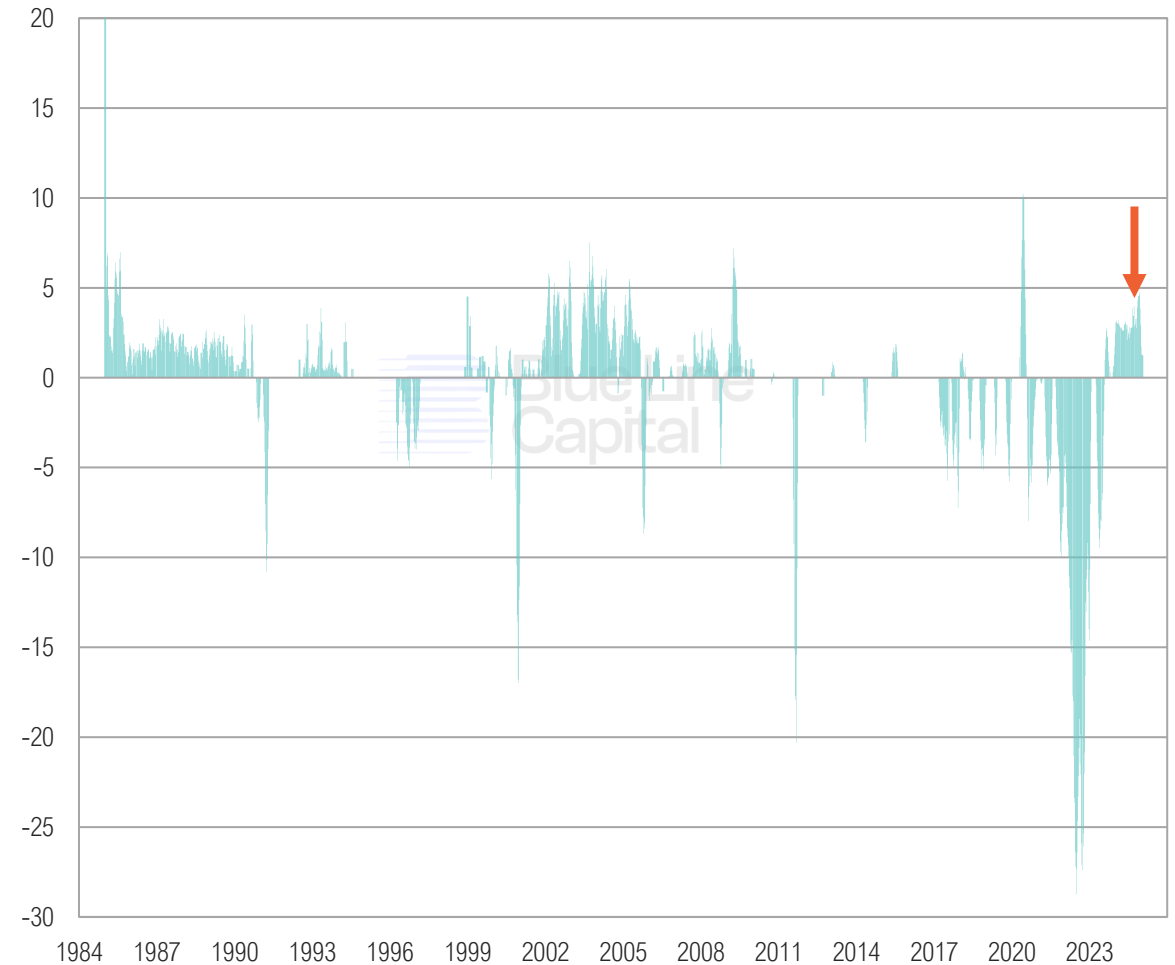
# Following the historic 2022 stockpile depletion, SPR replenishment has started to pick up, but still has a long ways to go before reaching 2021 levels

U.S. SPR Inventory, Millions of Barrels



Source: Bloomberg

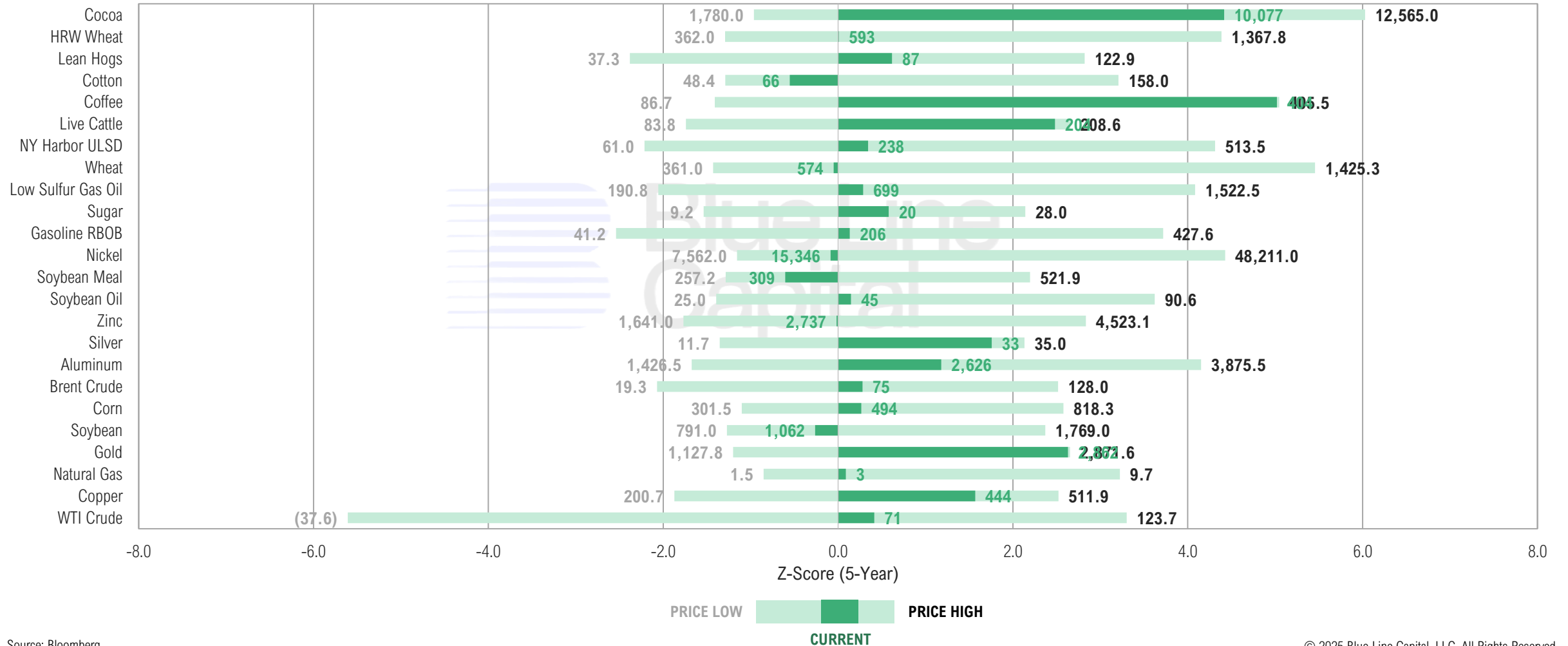
4-Week Change in SPR Reserves, Millions of Barrels



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# Aggregate commodity prices, as proxied by the Bloomberg Commodities Index, ended January up 4.0%, driven by record gold and coffee prices

Price Z-Scores vs. Historical Ranges

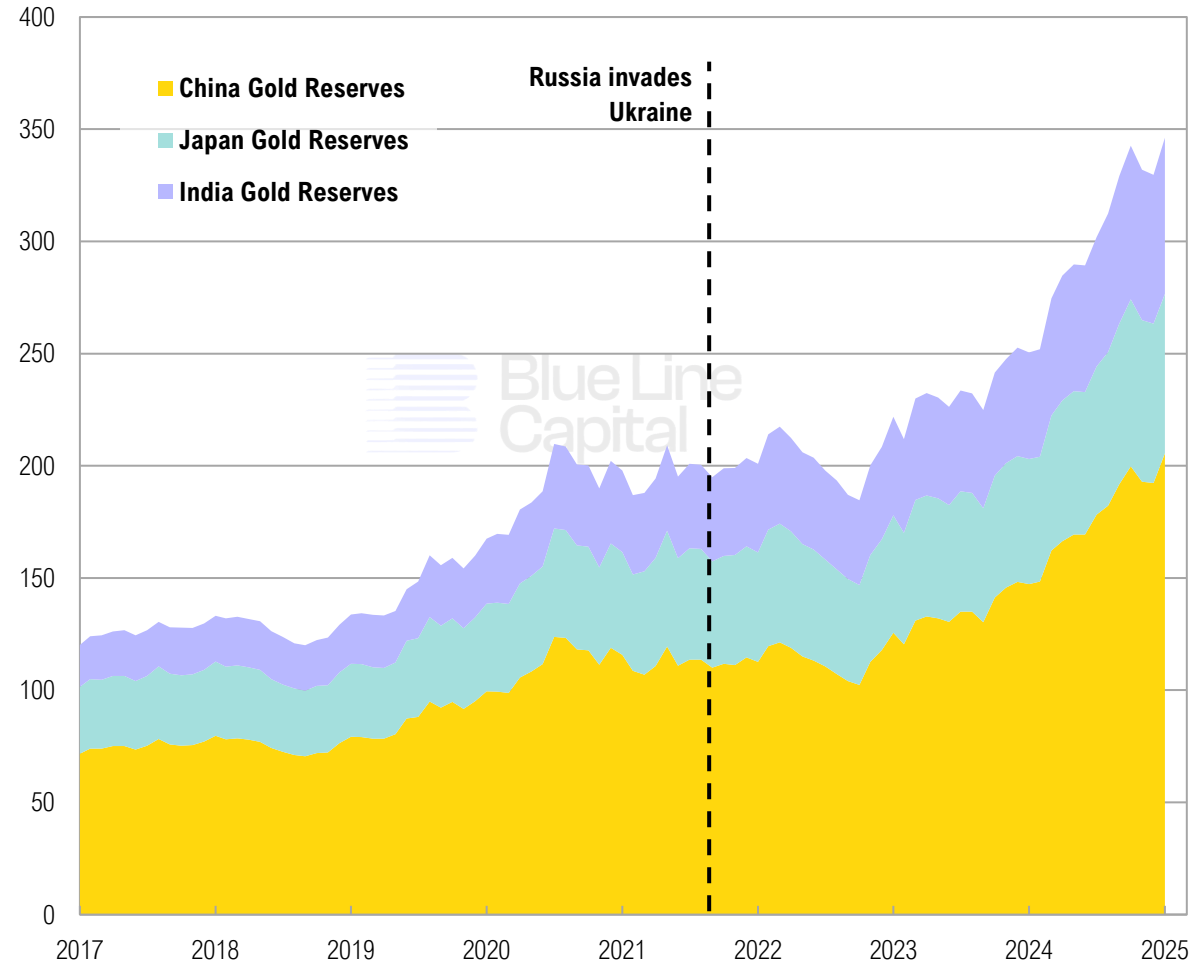


Source: Bloomberg

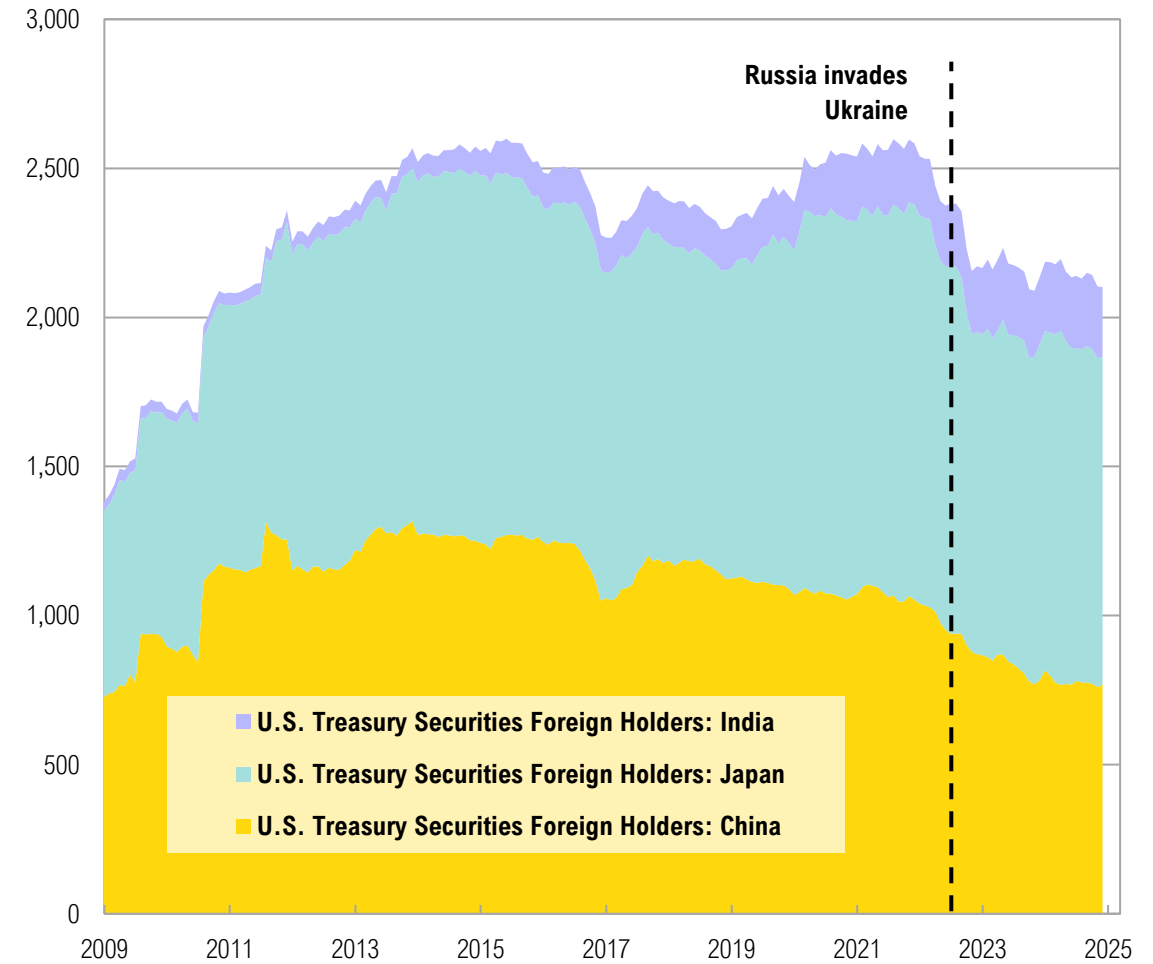
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**Accompanied by ‘flight to safety’ (geopolitics, U.S. fiscal situation), gold’s resilience despite higher real rates likely reflects sovereigns favoring gold; higher real rates remain a risk**

Central Bank Gold Reserves, \$Bn



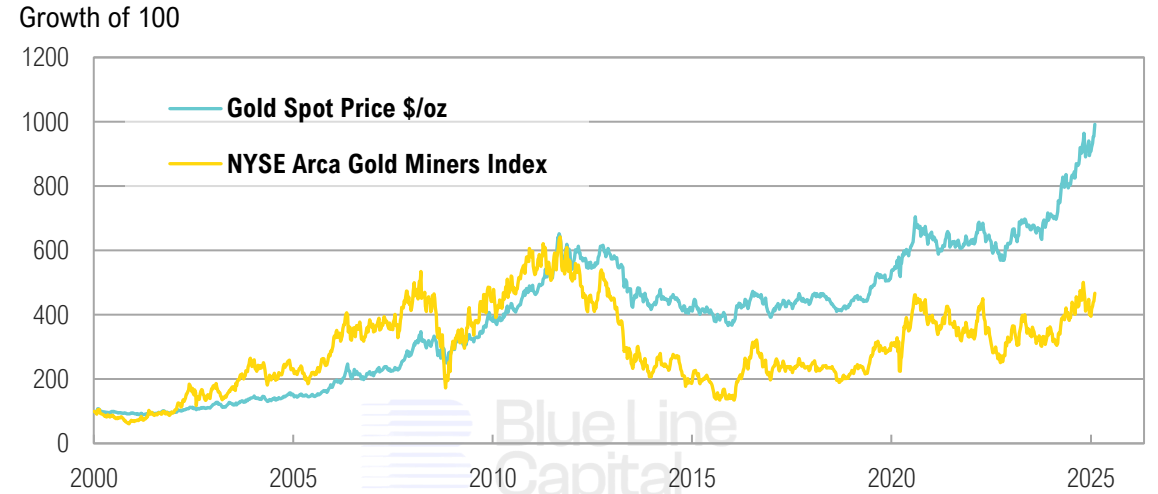
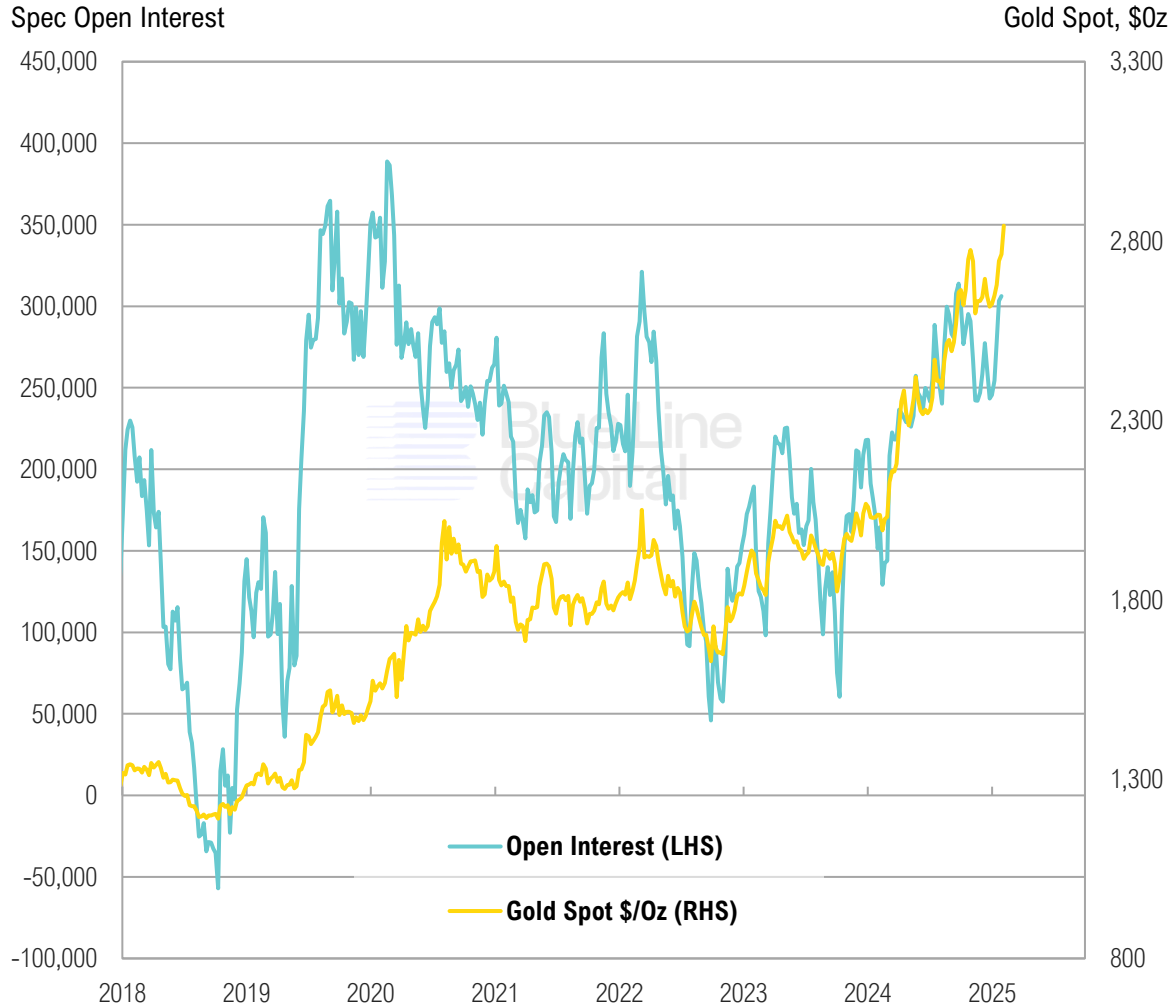
Foreign Holders of U.S. Treasury Securities, \$Bn



Source: Bloomberg. Gold reserve data as of 11/30/2024. Foreign Treasury holdings as of 10/31/2024.

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# Spec positioning in gold futures increased as gold prices reached a new record high; gold miners look attractive vs. physical, but rising costs and poor production remain key issues

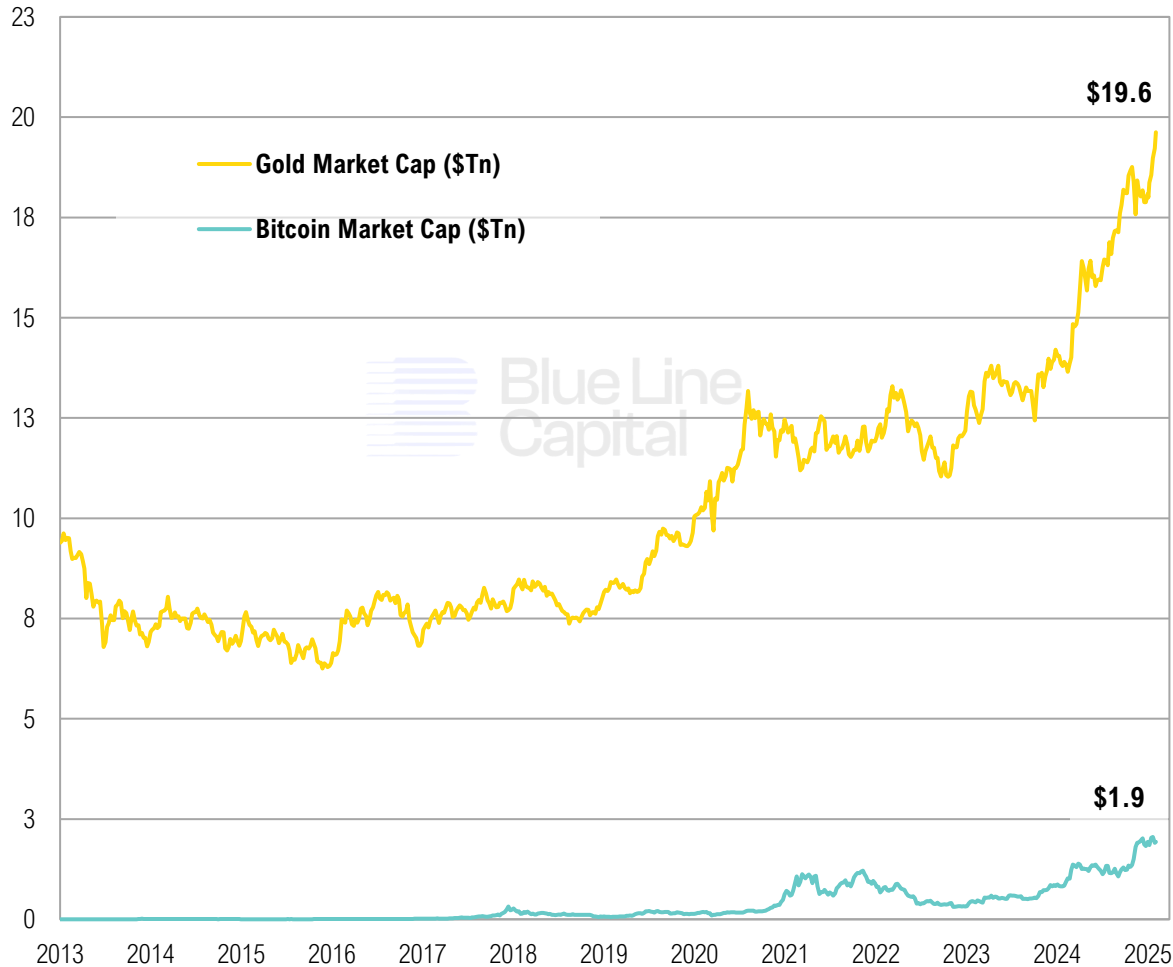


Source: Bloomberg

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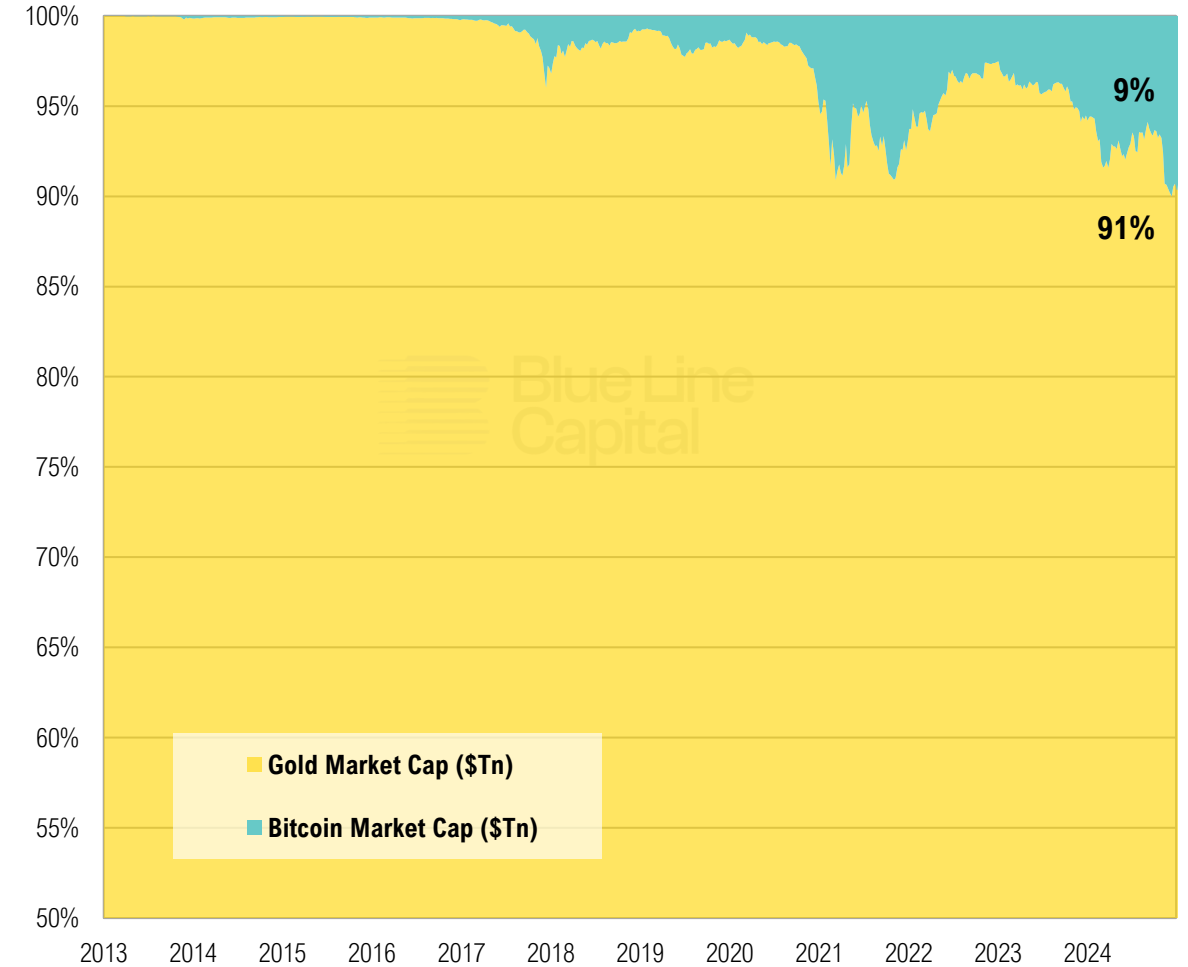
# Gold and bitcoin markets combined now represent nearly \$22 trillion (“benchmark” ratio of two is ~91/9), about a tenth of the global fixed income markets

Market Cap, \$Tn



Source: Bloomberg, World Gold Council, Blockchain.com.

Gold vs Bitcoin Relative Market Cap Size, %

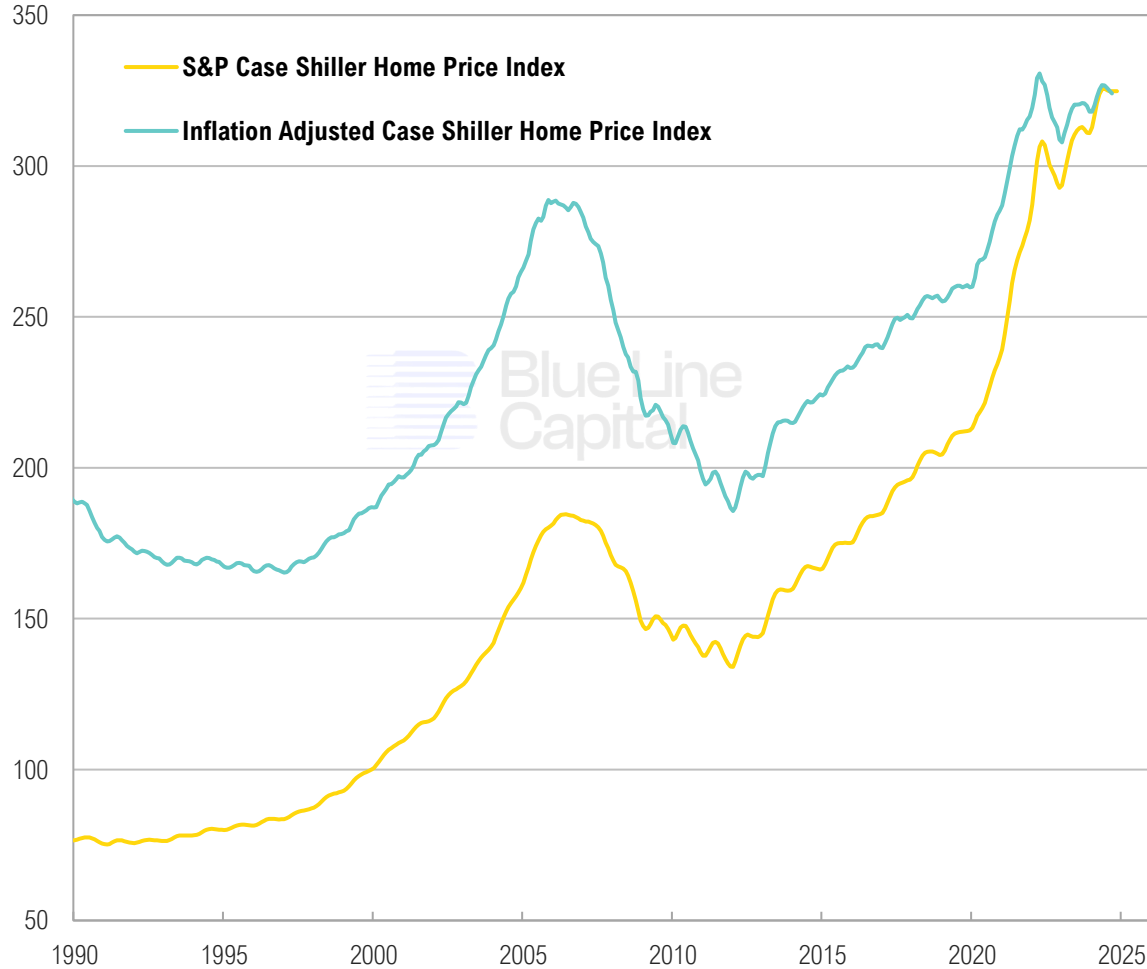


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# Housing inflation is well below peak in Y/Y terms; shelter CPI lags home prices by ~16 months, implying that shelter CPI should continue to moderate in coming months

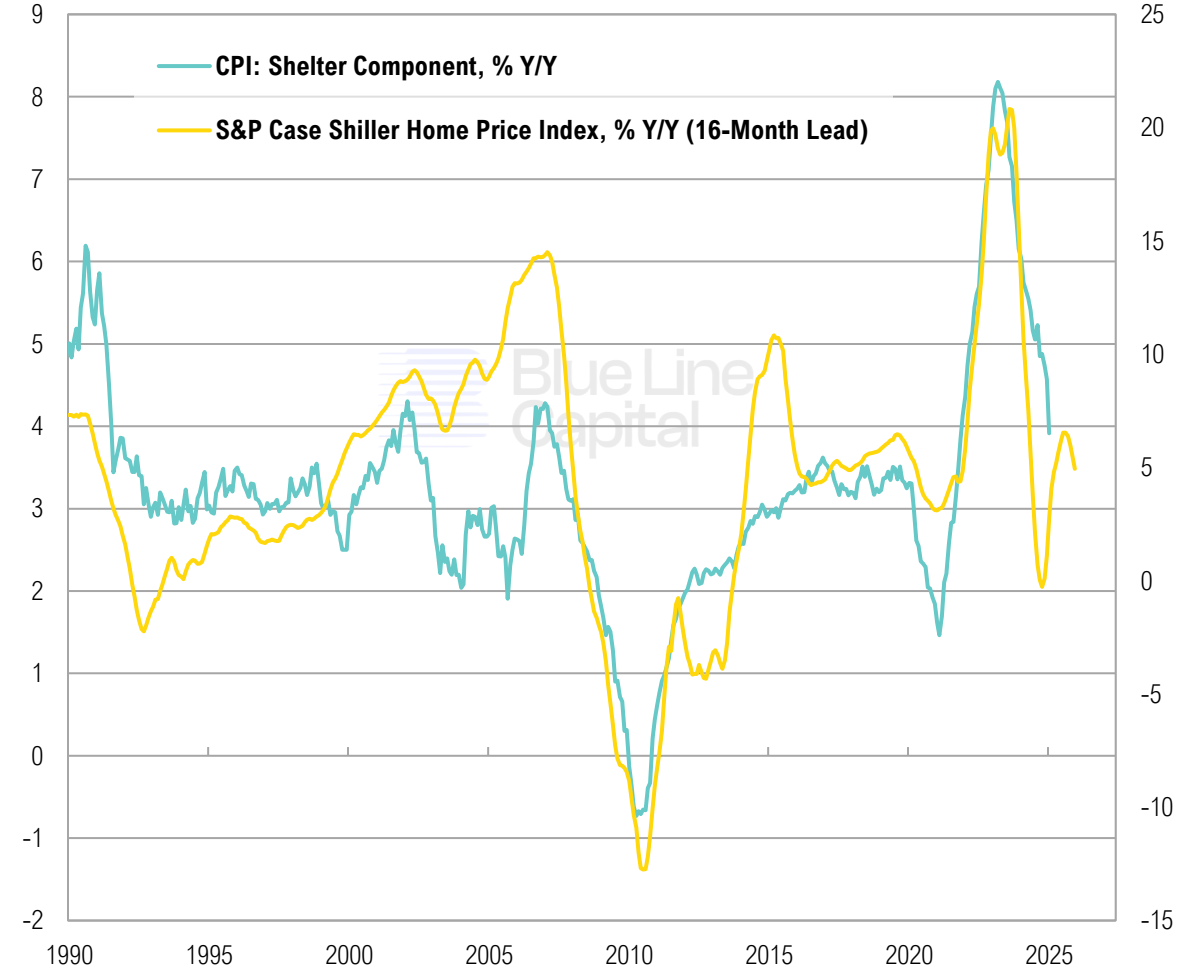
S&P 500 Case-Shiller Housing Price Index vs. Inflation-Adjusted Index In Current Dollars



Source: Bloomberg. S&P Case Shiller Home Price Index data as of 11/30/2024, while CPI data is as of 12/31/2024.

CPI: Shelter Component, Y/Y %

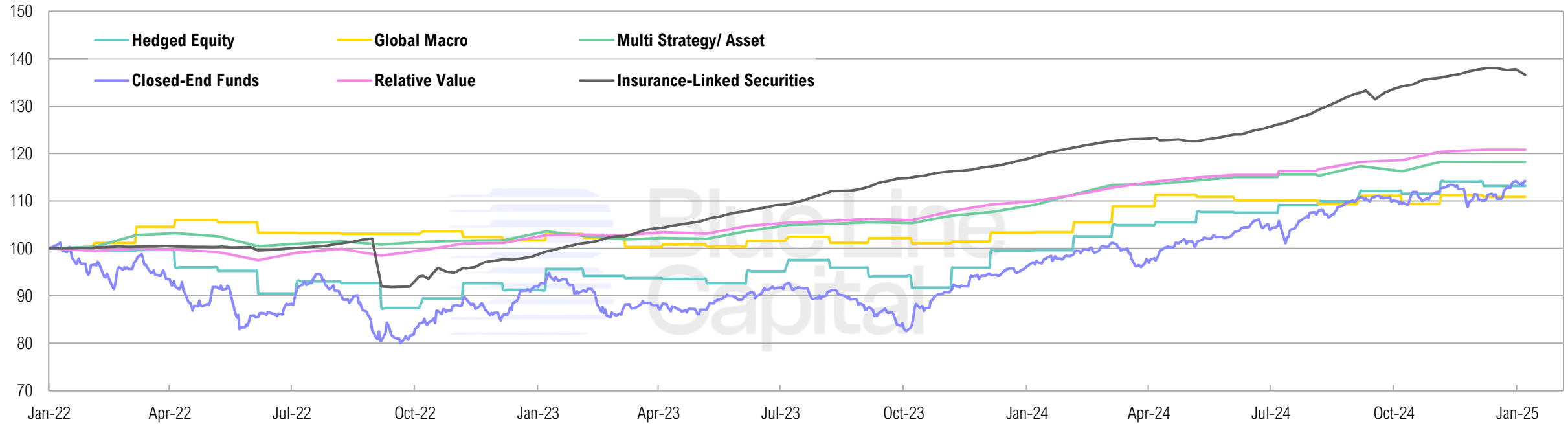
Case-Shiller Home Price Index, % Y/Y (16-Month Lead)



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# Insurance-linked securities (+1.5%) fared best in December, while closed-end funds (-2.3%) lagged

Calendar Year & Trailing Total Returns



Asset Class	Benchmark	MTD	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	2023	2022	2021	2020	2019
Hedged Equity	Bloomberg Equity Hedge Index	-0.8	0.9	13.7	13.7	2.8	7.1	5.3	9.1	-12.4	12.2	13.0	12.7
Global Macro	Bloomberg Macro Hedge Index	-0.4	-0.2	7.3	7.3	3.3	4.9	2.3	1.6	1.3	6.3	7.0	6.5
Relative Value	Bloomberg Relative Value Hedge Index	0.3	2.2	10.6	10.6	6.1	6.5	4.8	8.0	0.1	7.3	6.2	7.0
Multi Strategy/ Asset	Credit Suisse Hedge Fund Index	0.0	0.7	9.8	9.8	5.5	6.6	4.4	5.8	1.1	8.2	6.4	9.3
Closed-End Funds	S-Network Composite Closed-End Index	-2.3	-0.6	16.6	16.6	1.6	5.0	6.6	9.7	-18.0	15.8	4.8	24.7
Insurance-Linked Securities	SwissRe Global Cat Bond Index	1.5	3.8	17.6	17.6	11.3	9.0	6.3	20.0	-2.2	4.9	5.8	4.6

Source: Bloomberg. Due to reporting lags, Hedged Equity, Global Macro, Relative Value and Multi Strategy trailing return data in the table above is lagged by 1 month. Returns for periods greater than 1 year are annualized.

# Closed-end fund discounts to NAV narrowed from -7.7% to -6.3% in January, moving back in line with median levels

Median Premium/Discount to Net Asset Value

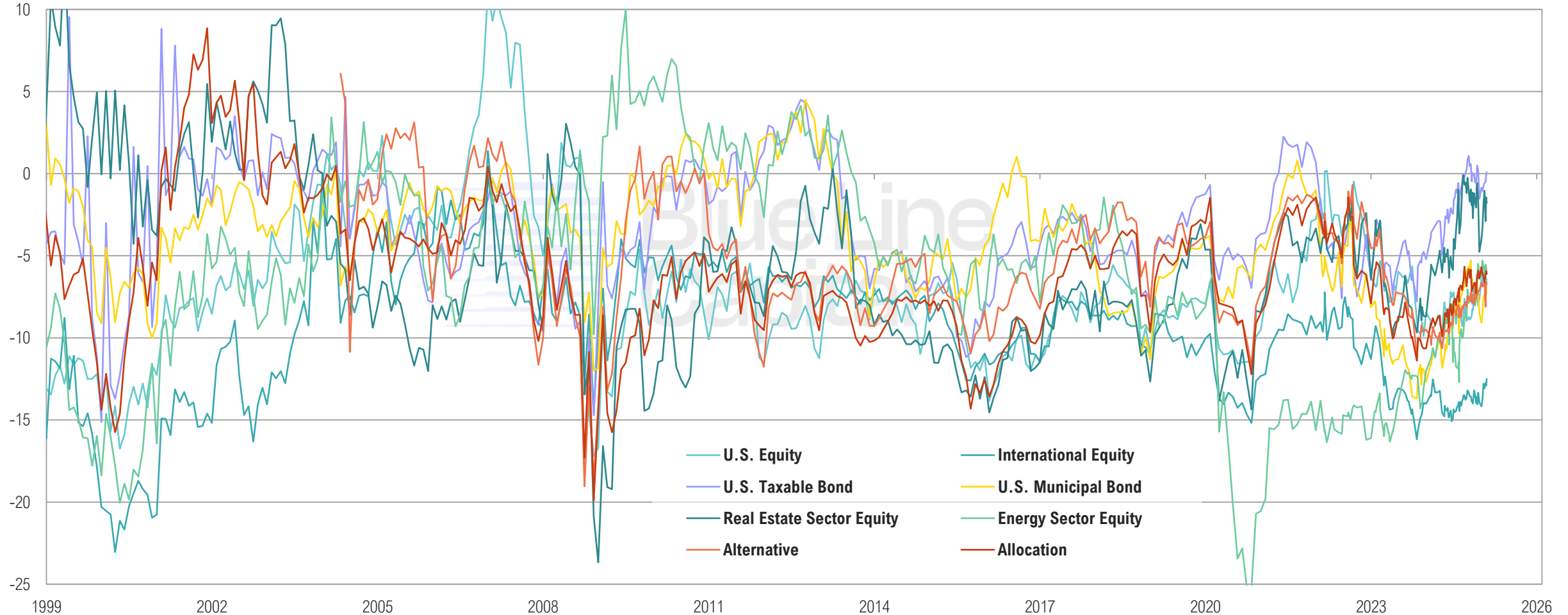


Source: Bloomberg

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**Notably, Muni CEF discounts narrowed from -9.1% to -7.4%, while international equity CEFs narrowed from -14.2% to -12.9%, but continue to lag**

Median Premium/Discount by CEF Sector

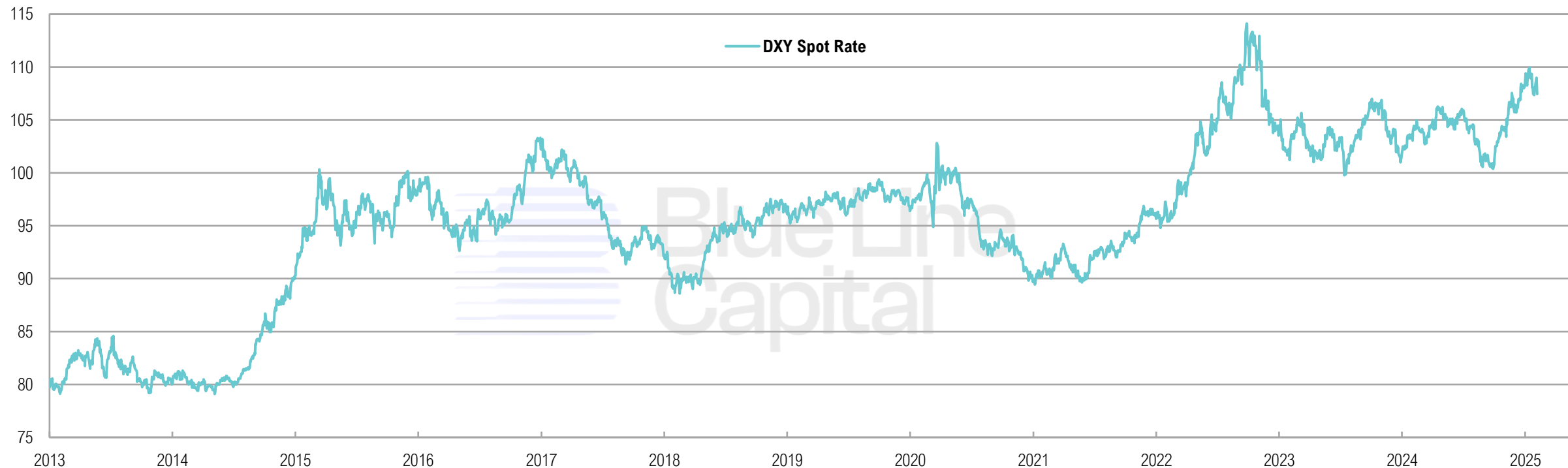


Source: Bloomberg

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# The dollar remained at elevated levels throughout January; the Japanese yen strengthened over the month, ending January at ¥155.2

U.S. Dollar Spot Calendar Year & Trailing Total Returns



Currencies	Current Rate	MTD	QTD	YTD	1-Yr	3-Yr	5-Yr	10-Yr	2024	2023	2022	2021	2020
U.S. dollar / Euro	1.0	-0.1	-0.1	-0.1	4.4	2.8	1.4	0.9	6.7	-3.0	6.2	7.4	-8.2
U.S. dollar / Japanese yen	155.2	-1.3	-1.3	-1.3	5.6	11.6	8.6	3.2	11.6	7.6	13.9	11.5	-5.1
U.S. dollar / Pound sterling	0.8	1.0	1.0	1.0	2.4	2.8	1.3	2.2	1.7	-5.1	12.0	1.0	-3.0
U.S. dollar / Canadian dollar	1.5	1.1	1.1	1.1	8.2	4.8	2.0	1.4	8.6	-2.3	7.3	-0.7	-2.0

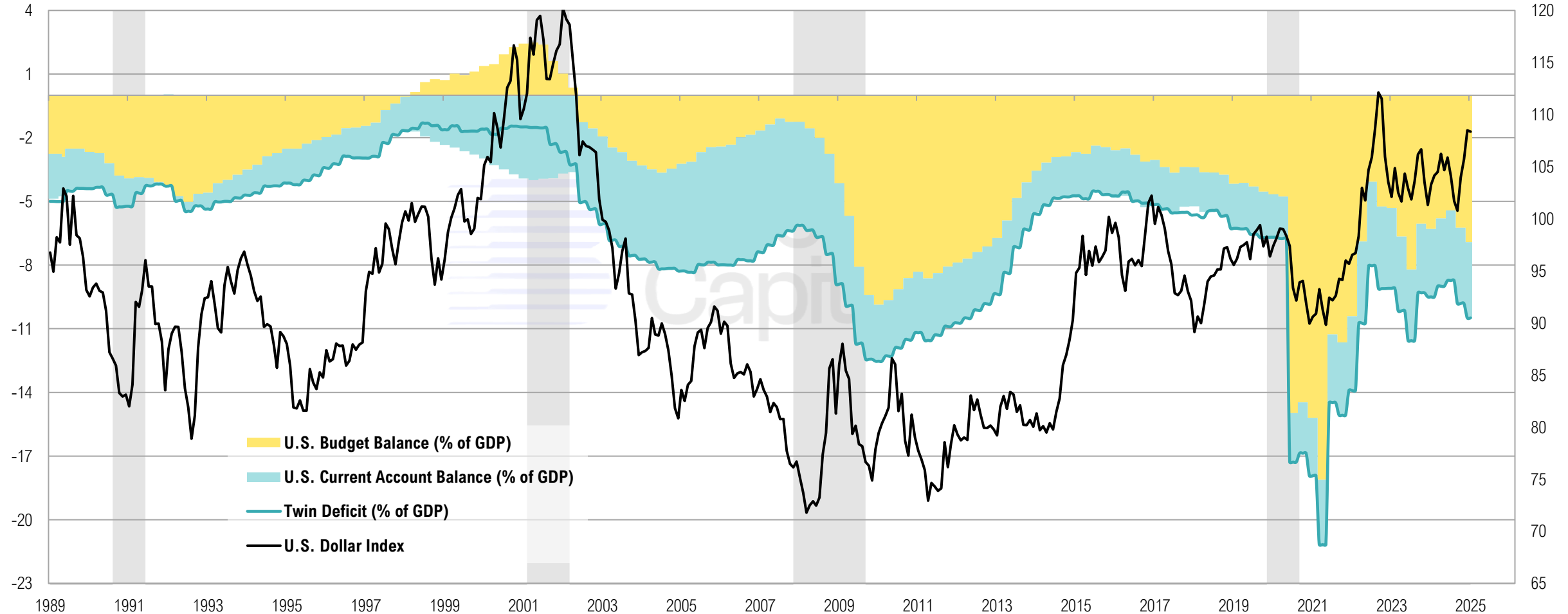
Source: Bloomberg

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# The dollar decoupled from its loose relationship with the twin deficit over the last 4 months

U.S. Budget & Current Account Balance as a % Of GDP

U.S. Dollar Index



Source: Bloomberg

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**Spec positioning in U.S. large and small cap stocks turned more bearish over the month, while gold turned significantly more bullish; positioning in U.S. Treasuries continues to experience significant swings but is likely distorted by the ‘basis trade’**

Equities	Latest	W/W Chg	M/M Chg	(5 Year)		(Z-Score)			
				Max	Min	1 Year	3 Year	5 Year	10 Year
S&P 500	(67,969)	13,016	(18,347)	248,601	(447,046)	-0.07	0.33	0.02	-0.38
VIX	(49,445)	(21,385)	(32,184)	4,025	(163,238)	-0.90	0.00	0.42	0.34
Russell 2000	(22,250)	(501)	(20,383)	53,607	(120,386)	-0.19	0.76	0.27	0.00
NASDAQ	28,513	12,093	2,019	47,085	(133,005)	1.23	1.23	0.97	0.11
Nikkei	(3,063)	(305)	1,111	4,738	(9,401)	-0.12	-0.25	-0.15	-0.39
MSCI EAFE	(28,515)	2,676	1,704	45,366	(64,174)	-0.35	-0.46	-0.97	-1.58
MSCI EM	96,059	(12,947)	(2,214)	225,507	(97,662)	1.21	1.77	0.61	-0.07
<b>Rates</b>									
2 Year UST	(1,207,220)	(26,263)	44,441	86,786	(1,494,405)	-0.38	-0.86	-1.35	-2.09
5 Year UST	(1,805,227)	19,255	(28,967)	148,962	(2,028,638)	-1.06	-1.51	-1.93	-2.76
10 Year UST	(597,191)	(66,091)	11,561	238,882	(1,147,933)	0.39	-0.20	-0.80	-1.22
30D Fed Funds	(231,996)	(41,201)	(201,071)	488,558	(320,917)	-1.43	-1.50	-1.26	-1.33
<b>Currencies</b>									
USD	14,163	(681)	7,673	44,971	(15,000)	1.01	-0.18	0.06	-0.35
JPY	(7,326)	14,625	3,619	64,063	(189,560)	0.78	1.33	0.77	0.67
EUR	(83,739)	(16,322)	(22,281)	212,535	(123,765)	-1.87	-1.99	-2.06	-1.01
GBP	(23,922)	(12,870)	(41,393)	147,196	(79,646)	-1.69	-0.60	-0.68	-0.19
<b>Commodities</b>									
Crude	281,209	(40,764)	14,891	594,465	170,119	0.85	0.08	-0.68	-0.91
Gold	306,154	2,947	62,773	388,803	45,973	1.36	1.70	1.49	1.36
Platinum	11,802	(1,444)	(3,363)	63,793	(8,246)	-0.48	-0.12	-0.34	-0.60
Palladium	(7,108)	897	970	6,239	(13,935)	0.86	-0.11	-0.69	-1.19
Copper	12,024	(3,001)	10,912	80,564	(44,421)	-0.60	0.34	-0.05	0.14
Aluminum	3,023	25	538	7,986	(1,801)	0.68	-0.73	-0.27	-0.25
Silver	41,214	(2,354)	5,977	80,646	(12,811)	-0.26	0.75	0.53	0.21
Soybeans	56,970	13,802	142,346	270,935	(194,765)	2.58	0.22	-0.09	0.06
Wheat	(104,500)	(19,252)	(11,770)	60,302	(107,489)	-2.52	-1.91	-2.16	-1.65
Live Cattle	174,774	9,752	29,910	174,774	22,221	2.34	2.54	2.93	2.31
Sugar	(58,845)	4,224	(105,728)	316,046	(63,069)	-2.33	-2.11	-2.26	-1.21
Coffee	73,766	2,337	9,952	76,932	(37,467)	1.62	1.32	1.40	1.55

**Relative +’ive Spec Positioning**

- **Live Cattle: +2.54 (3-Yr Z-Score)**
- **MSCI EM: +1.77**
- **Gold: +1.70**

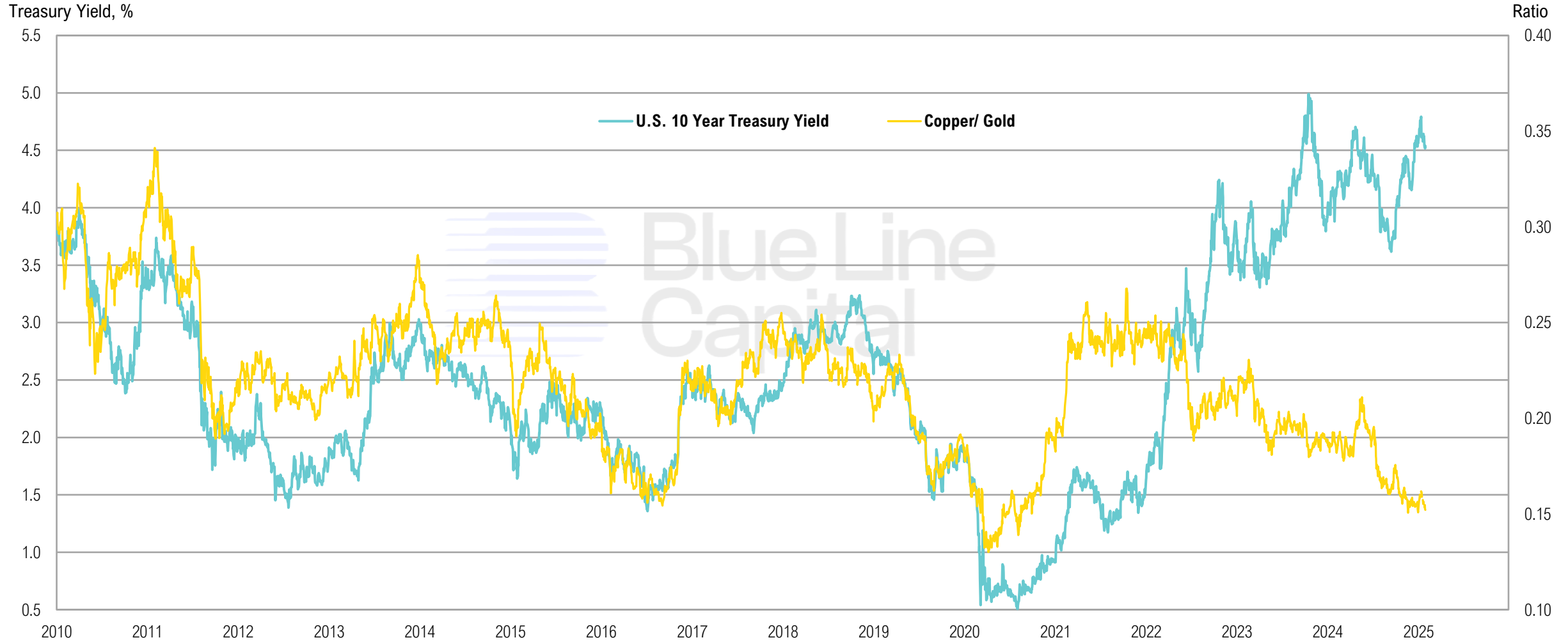
**Relative -’ive Spec Positioning**

- **Sugar: -2.11 (3-Yr Z-Score)**
- **EUR: -1.99**
- **Wheat: -1.91**

Source: Bloomberg, CFTC.

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 **Copper/gold clearly disconnected from U.S. yields as other factors drive ratio (U.S. politics, Treasury issuance, fiscal concerns, and 'Dr. Copper' influenced by uncertainties surrounding effectiveness of China stimulus and uncertain global trade policies)**



Source: Bloomberg

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## ASSET CLASS DEFINITIONS

Asset class performance was measured using the following benchmarks:

**U.S. Large Cap Stocks:** S&P 500 TR Index

**U.S. Small & Micro Cap Stocks:** Russell 2000 TR Index

**Intl Dev Large Cap Stocks:** MSCI EAFE GR Index

**Emerging & Frontier Market Stocks:** MSCI Emerging Markets GR Index

**U.S. Interim-Term Muni Bonds:** Bloomberg Barclays 1-10 (1-12 Yr) Muni Bond TR Index

**U.S. Interim-Term Bonds:** Bloomberg Barclays U.S. Aggregate Bond TR Index

**U.S. High Yield Bonds:** Bloomberg Barclays U.S. Corporate High Yield TR Index

**U.S. Bank Loans:** S&P/LSTA U.S. Leveraged Loan Index

**Intl Developed Bonds:** Bloomberg Barclays Global Aggregate ex-U.S. Index

**Emerging & Frontier Market Bonds:** JPMorgan EMBI Global Diversified TR Index

**U.S. REITs:** MSCI U.S. REIT GR Index

**Ex U.S. Real Estate Securities:** S&P Global Ex-U.S. Property TR Index

**Commodity Futures:** Bloomberg Commodity TR Index

**Midstream Energy:** Alerian MLP TR Index

**Gold:** LBMA Gold Price

**U.S. 60/40:** 60% S&P 500 TR Index 40% Bloomberg Barclays U.S. Aggregate Bond TR Index

**Global 60/40:** 60% MSCI ACWI GR Index 40% Bloomberg Barclays Global Aggregate Bond TR Index

## INDEX DEFINITIONS

**S&P 500 Index:** Widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

**MSCI ACWI:** (ACWI: All Country World Index) a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

**MSCI EAFE Index:** (EAFE: Europe, Australasia, Far East) a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

**MSCI EAFE Small Cap Index:** (EAFE: Europe, Australasia, Far East) a free float-adjusted market capitalization index that is designed to measure the small cap equity market performance of developed markets, excluding the US & Canada.

**MSCI EM Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

**Russell 1000 Index:** Measures the performance of the 1,000 largest companies in the Russell 3000.

**Russell 2000 Index:** Measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

**Russell 3000 Index:** Measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

**Cambridge Associates U.S. Global Buyout and Growth Index:** Based on data compiled from 1,768 global (U.S. & ex – U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

**Cambridge Associates Private Equity Index:** Based on data compiled from 1,468 U.S. private equity funds (buyout, growth equity, private equity energy and subordinated capital funds), including fully liquidated partnerships, formed between 1986 and 2017.

**Cambridge Associates Venture Capital Index:** Based on data compiled from 1,807 US venture capital funds (1,161 early stage, 210 late & expansion stage, and 436 multi-stage funds), including fully liquidated partnerships, formed between 1981 and 2018.

**Bloomberg Barclays U.S. Aggregate Bond Index:** A broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

**Bloomberg Barclays Global Aggregate Index:** A multi-currency measure of global investment grade debt from twenty-four local currency markets. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

**Bloomberg Barclays Global Aggregate ex-USD Index:** A multi-currency measure of investment grade debt from 24 local currency markets. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. Bonds issued in USD are excluded.

**Bloomberg Barclays Municipal Index:** Consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

**Bloomberg Barclays US High Yield Index:** Covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

**Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index:** Includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

**J.P. Morgan Emerging Market Bond Global Index (EMBI):** Includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

**Alerian MLP Index:** A composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

**Bloomberg Commodity Index:** Composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc.

**S&P Global Ex-U.S. Property Index:** Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the U.S. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment

**MSCI US REIT Index:** A free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs). The index is based on the MSCI USA Investable Market Index (IMI), its parent index, which captures the large, mid and small cap segments of the USA market. With 150 constituents, it represents about 99% of the US REIT universe and securities are classified under the Equity REITs Industry (under the Real Estate Sector) according to the Global Industry Classification Standard (GICS®), have core real estate exposure (i.e., only selected Specialized REITs are eligible) and carry REIT tax status.

**Cambridge Associates Private Real Estate Index:** Based on data compiled from 1,001 real estate funds (including opportunistic and value-added real estate funds), including fully liquidated partnerships, formed between 1986 and 2017.

**S&P Global Infrastructure Index:** Designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities.

**LBMA Gold Price Index:** The global benchmark prices for unallocated gold and silver delivered in London. ICE Benchmark Administration Limited (IBA) operates electronic auctions for spot, unallocated London gold and silver, providing a market-based platform for buyers and sellers to trade. The auctions are run at 10:30am and 3:00pm London time for gold and at 12:00pm London time for silver. The final auction prices are published to the market as the LBMA Gold Price AM, the LBMA Gold Price PM and the LBMA Silver Price benchmarks, respectively. The price formation for each auction is in US Dollars.

**Bloomberg Equity Hedge Index:** Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of strategies can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50% and may in some cases be substantially entirely invested in equities, both long and short.

**Bloomberg Macro Hedge Index:** Macro strategy managers trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom-up theses, quantitative and fundamental approaches and long and short-term holding periods.

**Bloomberg Relative Value Index:** Investment Managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

**HFRI Indices:** Equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

**HFRI Event Driven Index:** Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments.

**HFRI Credit Index:** A composite index of strategies trading primarily in credit markets. It is an aggregation of following 7 HFRI sub-strategy indices. HFRI ED: Credit Arbitrage Index, HFRI ED: Distressed/Restructuring Index, HFRI ED: Multi-Strategy Index, HFRI RV: Fixed Income-Asset Backed Index, HFRI RV: Fixed Income-Convertible Arbitrage Index, HFRI RV: Fixed Income-Corporate Index, and HFRI RV: Multi-Strategy Index.

**HFRX Indices:** Equally weighted index across all sub-strategy and regional indices. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe.

**HFRX Short Bias Index:** Short-Biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying over-valued companies. Short Biased strategies may vary the investment level or the level of short exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent short exposure and expects to outperform traditional equity managers in declining equity markets.

**HFRX Macro/CTA Index:** Macro strategy managers trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short-term holding periods.

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