We are providing the enclosed material prepared by an outside firm. Please refer to the last page for important disclosures from Benjamin F. Edwards & Co. related to the enclosed material. If you have questions regarding any of these disclosures, please contact your Financial Advisor.

by KEVIN NICHOLSON, CFA

THE WRITING TEAM

ADAM GROSSMAN, CFA
Global Equity CIO | Partner

CHRIS KONSTANTINOS, CFA
Managing Partner |
Chief Investment Strategist

KEVIN NICHOLSON, CFA
Global Fixed Income CIO | Partner

ROD SMYTH
Chairman of the Board of Directors

DAN ZOLET, CFA
Associate Portfolio Manager

SUMMARY

- The Fed pauses but still on investor's side, in our view.
- The Trend remains positive but growing at a slower pace.
- Crowd is now neutral as inflation worries slows optimism.
- Collectively, our Three Rules improved to a 'flashing green light'.

02.04.2025

Tactical Rules Turn Bullish:

Flashing Green Light – Excessive Optimism has Eroded, Now Bullish on Equities

RED LIGHT	FLASHING RED	YELLOW LIGHT	FLASHING YELLOW	FLASHING GREEN	GREEN LIGHT

Since our last update of our 'Three Tactical Rules' on November 26, 2024, equity markets are up slightly. Despite the S&P 500 closing at a record high in late January, over the past 10 weeks the equity market has stalled as the Fed pumped the proverbial brakes on further monetary policy easing. We believe this is largely due to a stronger than anticipated labor market creating the potential for higher inflation, while the Trump administration's potential use of tariffs could also expedite inflation. In both instances, the monetary and fiscal policies will operate with a lag, and the impact of the decisions will not be known until at least the second half of 2025, hence, we turn to our three 'Tactical Rules' to help guide us for the next three months. Currently, the Three Rules are a "flashing green light" which is an improvement from the "flashing yellow light" in our last update.

'Don't Fight the Fed': Central Banks Still on the Investor's Side — FLASHING GREEN

The After cutting interest rates by 100 basis points in the last three meetings of 2024, the Fed decided to hold interest rates steady at its FOMC meeting last week. Currently, the effective fed funds rate is 4.33%. The driving force behind the Fed's decision not to lower interest rates further is due to the resilience of the US economy. The strength of the economy is allowing the Fed to have the luxury of 'not being in a hurry' to make a move.

We stated in our last update that the strength of the economy would cause the Fed to be "slower to lower", and it appears that thesis is in alignment with the Fed's current thinking. The Fed communicated late last year that the risks were balanced between inflation and employment, thus refocusing the central bank on its dual mandate of price stability *and* full employment rather than being singularly focused on one or the other. With core PCE at 2.8% and the unemployment rate at 4.13%, the Fed likely wants to make sure that fiscal policy based on tariffs does not derail its efforts to fight inflation before it cuts again, in our opinion. Thus, we believe that the Fed could be on hold until mid-year. **Despite the Fed holding rates steady, it is not hiking rates and driving up borrowing costs, so it remains on the investor's side, in our opinion.**

Internationally, the Bank of England similarly (BOE) finds itself on hold, but with a different economic backdrop. The UK's economy is slowing, but the central bank has not been able to fully tamp down inflation, which has led the BOE to pause rate cuts after cutting 50-basis points in the second half of 2024. Meanwhile, the European Central Bank (ECB) has cut its deposit rate by 125-basis points since last May and is approaching its 2% inflation target. While the speed of monetary policy easing is different at each of the major central banks, we believe the major central banks remain fully aligned with "Don't Fight the Fed"

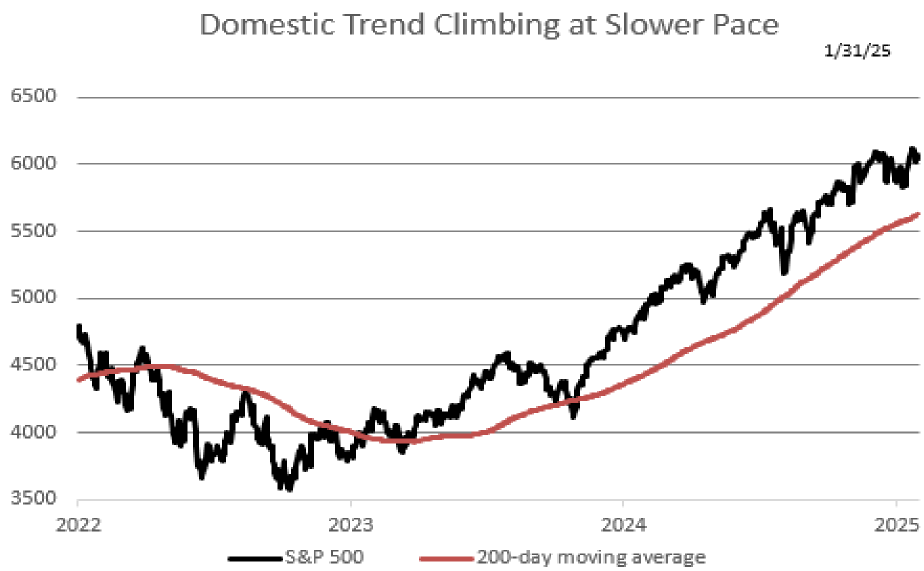
2025-0357 Exp. 02/28/2026

and are on the investor's side. The Bank of Japan (BOJ) is the one exception, as it is currently raising interest rates after leaving them artificially low for an extended period.

'Don't Fight the Trend': Slowing Down, but Still Going Strong

GREEN LIGHT

The trend on the S&P 500, which we define as the 200-day moving average, has slowed further since November. The slowdown can be attributed to the index trading within a 300-point range over last 10 weeks. We welcome the slower accent of the trend, as we deem it more advantageous to own stocks when returns are above the long-term average. The current condition of the trend rising at an annualized rate of 19% produces better historical odds of a positive return over the next 3 to 6 months than its prior pace of 27% in the last update. Historically, a positive trend is good for future stock returns, and we believe that this time will not be different, even with the threat of tariffs causing inflation to accelerate. **Domestically our rule of "Don't Fight the Trend" is signaling a "green light".**



Source: Bloomberg, RiverFront. Data daily as of January 31, 2025. Chart shown for illustrative purposes. Not indicative of RiverFront portfolio performance. Index definitions are available in the disclosures.

International Trend: Flat for Now… but Potential for Improvement

FLASHING YELLOW

Internationally, the trend of the MSCI All Country World ex-US index has decelerated since our last update in November. The international primary trend is essentially flat and continues to decelerate faster than its domestic counterpart. Despite economic headwinds internationally, the trend will turn positive in about a week if the MSCI All Country World ex-US index can remain at its current level of 338 or higher, we believe the trend will remain positive for the next three months. A positive trend increases the probability of receiving above average returns over the next 3 to 6 months. Hence, the international trend is still signaling a "flashing yellow light".

Source: Bloomberg, RiverFront. Data daily as of January 29, 2025. Chart shown for illustrative purposes. Not indicative of RiverFront portfolio performance. Index definitions are available in the disclosures.

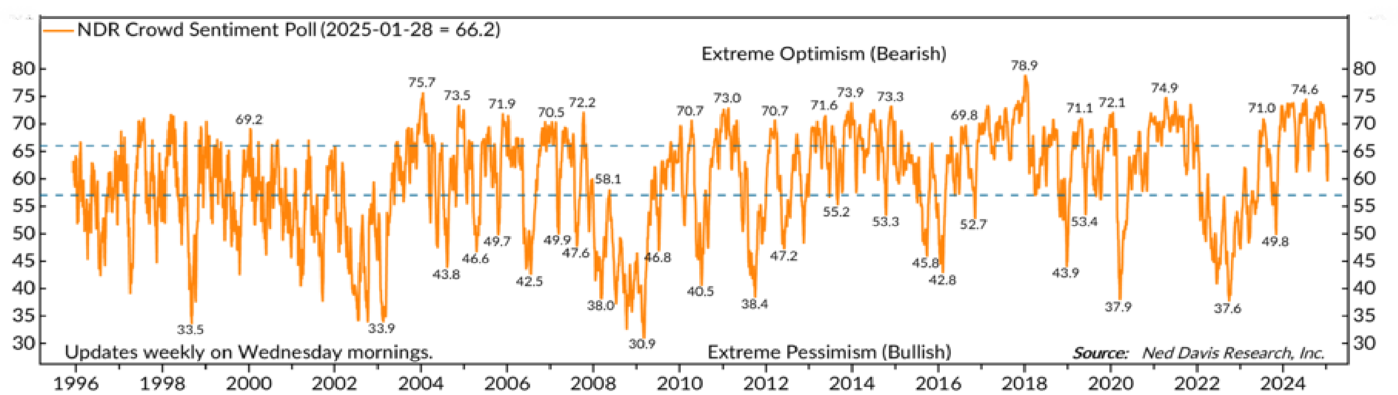
2025-0357 Exp. 02/28/2026

Beware of the Crowd at Extremes: Mixed Message Across Timeframes…but Neutral Overall

YELLOW LIGHT

We regard Crowd Sentiment as the contrary indicator of the Three Tactical Rules. The chart below shows a measure of investor sentiment as calculated by Ned Davis Research. When the line is high it shows extreme optimism, and when it is low, extreme pessimism. This is our preferred data source to measure investor psychology, though we use our own analytical framework from which to draw conclusions on sentiment.

Crowd sentiment across time frames is sending two different messages currently, as NDR Daily Sentiment is neutral, while NDR Weekly Sentiment has crossed over back into the lower end of the extreme optimism zone. Historically, we have given more weight to the Weekly for this publication, despite incorporating both measures of sentiment in our overall rating. The Daily tends to be a good indicator of the investors' 'real time' view of financial markets in our opinion, while the Weekly gives longer term perspective of the Crowd. In the review of Daily Sentiment, its current level of 53.33 ranks in the 52nd percentile of all occurrences in the dataset, whereas the Weekly Sentiment level of 66.24, in the chart below, ranks in the 73rd percentile of all occurrences. **Hence, we view the Crowd overall as neutral because it not at an extreme and rate it as a "yellow light".**



Copyright 2025 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at ndr.com/copyright.html. For data vendor disclaimers refer to ndr.com/vendorinfo/. Past performance is no guarantee of future results. Shown for illustrative purposes.

Conclusion: The Tactical Rules Signal a Flashing Green Light

FLASHING GREEN

The tactical rules signal a "flashing green light" to us, as the trend decelerates to a more sustainable pace, and the crowd becomes more neutral after being closer to the upper limits of the extreme optimism zone. The flashing green light signal serves as affirmation that current monetary and fiscal policies are positive for the stock market over the next 3 to 6 months, despite the volatility experienced thus far this year. Hence, we remain cautiously optimistic, and the tactical rules give us the confidence to maintain the portfolio's composition favoring stocks over bonds, with a bias towards domestic stocks over international stocks in our balanced portfolios.

Risk Discussion: All investments in securities, including the strategies discussed above, include a risk of loss of principal (invested amount) and any profits that have not been realized. Markets fluctuate substantially over time, and have experienced increased volatility in recent years due to global and domestic economic events. Performance of any investment is not guaranteed. In a rising interest rate environment, the value of fixed-income securities generally declines. Diversification does not guarantee a profit or protect against a loss. Investments in international and emerging markets securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability. Please see the end of this publication for more disclosures.

Important Disclosure Information:

The comments above refer generally to financial markets and not RiverFront portfolios or any related performance. Opinions expressed are current as of the date shown and are subject to change. Past performance is not indicative of future results and diversification does not ensure a profit or protect against loss. All investments carry some level of risk, including loss of principal. An investment cannot be made directly in an index.

Information or data shown or used in this material was received from sources believed to be reliable, but accuracy is not guaranteed.

This report does not provide recipients with information or advice that is sufficient on which to base an investment decision. This report does not take into account the specific investment objectives, financial situation or need of any particular client and may not be suitable for all types of investors. Recipients should consider the contents of this report as a single factor in making an investment decision. Additional fundamental and other analyses would be required to make an investment decision about any individual security identified in this report.

Chartered Financial Analyst is a professional designation given by the CFA Institute (formerly AIMR) that measures the competence and integrity of financial analysts. Candidates are required to pass three levels of exams covering areas such as accounting, economics, ethics, money management and security analysis. Four years of investment/financial career experience are required before one can become a CFA charterholder. Enrollees in the program must hold a bachelor's degree.

All charts shown for illustrative purposes only. Technical analysis is based on the study of historical price movements and past trend patterns. There are no assurances that movements or trends can or will be duplicated in the future.

Ned Davis Research (NDR) is a global provider of independent investment research, solutions and tools. Founded in 1980, NDR helps clients around the world make objective investment decisions.

Stocks represent partial ownership of a corporation. If the corporation does well, its value increases, and investors share in the appreciation. However, if it goes bankrupt, or performs poorly, investors can lose their entire initial investment (i.e., the stock price can go to zero). Bonds represent a loan made by an investor to a corporation or government. As such, the investor gets a guaranteed interest rate for a specific period of time and expects to get their original investment back at the end of that time period, along with the interest earned. Investment risk is repayment of the principal (amount invested). In the event of a bankruptcy or other corporate disruption, bonds are senior to stocks. Investors should be aware of these differences prior to investing.

In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa). This effect is usually more pronounced for longer-term securities). Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

Investing in foreign companies poses additional risks since political and economic events unique to a country or region may affect those markets and their issuers. In addition to such general international risks, the portfolio may also be exposed to currency fluctuation risks and emerging markets risks as described further below.

Changes in the value of foreign currencies compared to the U.S. dollar may affect (positively or negatively) the value of the portfolio's investments. Such currency movements may occur separately from, and/or in response to, events that do not otherwise affect the value of the security in the issuer's home country. Also, the value of the portfolio may be influenced by currency exchange control regulations. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by the portfolio.

Foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the U.S. and are considered speculative and subject to heightened risks in addition to the general risks of investing in non-U.S. securities. Also, inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Index Definitions:

Standard & Poor's (S&P) 500 Index measures the performance of 500 large cap stocks, which together represent about 80% of the total US equities market.

MSCI ACWI ex USA Index captures large and mid cap representation across approximately 22 of 23 developed markets (DM) countries (excluding the US) and approximately 25 emerging markets (EM) countries.

Definitions:

The 200-day moving average is a popular technical indicator which investors use to analyze price trends. It is simply a security's average closing price over the last 200 days.

A basis point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. (bps = 1/100th of 1%)

2025-0357 Exp. 02/28/2026

The European Central Bank (ECB) is the central bank responsible for monetary policy of the European Union (EU) member countries that have adopted the euro currency. This currency union is known as the eurozone and currently includes 19 countries. The ECB's primary objective is price stability in the euro area.

The Bank of England (BoE) is the central bank of the United Kingdom. The BoE oversees monetary policy and issues currency. It also regulates banks, financial firms, and payment systems. Like other central banks, the BoE may act as a lender of last resort in a financial crisis.

The Bank of Japan (BOJ) is the Japanese central bank, which is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system, and providing settling and clearing services.

The relative strength index (RSI) is a momentum indicator used in technical analysis. RSI measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions in the price of that security.

Inflation is a gradual loss of purchasing power, reflected in a broad rise in prices for goods and services over time.

Interest rate sensitivity is a measure of how much the price of a fixed-income asset will fluctuate as a result of changes in the interest rate environment. Securities that are more sensitive have greater price fluctuations than those with less sensitivity. This type of sensitivity must be taken into account when selecting a bond or other fixed-income instrument the investor may sell in the secondary market. Interest rate sensitivity affects buying as well as selling.

Don't Fight the Fed – 'Supportive' means the Fed's monetary policy regarding inflation and employment is in what we believe based on our analysis to be the investors' best interest; 'Against' means the Fed's monetary policy, in our view, is going against the investors' best interest; 'Neutral' means the Fed's monetary policy is neither supportive or against the investors' best interest in our view. Don't Fight the Trend – Terms correlate to the 200-day moving average as it relates to the equity indexes: 'Positive' means that the trend is rising, 'Flat' means the trend is flat, 'Negative' means the trend is falling. Beware the Crowd at Extremes – Terms correlate to the NDR Crowd Sentiment Poll and its measurement of Extreme Optimism (Bearish), Neutral, or Extreme Pessimism (Bullish).

RiverFront Investment Group, LLC ("RiverFront"), is a registered investment adviser with the Securities and Exchange Commission. Registration as an investment adviser does not imply any level of skill or expertise. Any discussion of specific securities is provided for informational purposes only and should not be deemed as investment advice or a recommendation to buy or sell any individual security mentioned. RiverFront is affiliated with Robert W. Baird & Co. Incorporated ("Baird"), member FINRA/SIPC, from its minority ownership interest in RiverFront. RiverFront is owned primarily by its employees through RiverFront Investment Holding Group, LLC, the holding company for RiverFront. Baird Financial Corporation (BFC) is a minority owner of RiverFront Investment Holding Group, LLC and therefore an indirect owner of RiverFront. BFC is the parent company of Robert W. Baird & Co. Incorporated, a registered broker/dealer and investment adviser.

To review other risks and more information about RiverFront, please visit the website at riverfrontig.com and the Form ADV, Part 2A. Copyright ©2024 RiverFront Investment Group. All Rights Reserved. ID 4206112

2025-0357 Exp. 02/28/2026

ImportantDisclosures

This material is for use with investment advisory clients or prospects only

The information contained herein represents the opinions of the author and not necessarily Benjamin F. Edwards®. Benjamin F. Edwards® is providing it for informational purposes only, not as investment advice or a solicitation for the purchase or sale of any security or class of securities. Benjamin F. Edwards® & Co. (BFE) is a dually-registered broker-dealer and investment adviser and member of FINRA and SIPC, and its affiliate Benjamin F. Edwards SM Wealth Management, LLC, d/b/a Edwards Wealth Management (EWM) is an SEC-registered investment adviser. BFE and EWM are affiliates through their common ownership by Benjamin Edwards, Inc. Depending on the context, the name Benjamin F. Edwards® refer to either EWM, BFE or both.

As a registered investment adviser, Benjamin F. Edwards offers clients a variety of advisory portfolio options. Any portfolio discussed is offered at Benjamin F. Edwards as an investment advisory account. To participate, investors must sign an investment advisory agreement, select a manager, and pay an advisory fee. For additional information regarding fees, please refer to the third-party asset manager's (asset manager) applicable disclosure documents and Benjamin F. Edwards' disclosure documents, which may be obtained through your advisor or found on Benjamin F. Edwards' website, www.benjaminfedwards.com, under the Important Disclosures section.

Participating in advisory programs may cost the client more or less than if the client were to implement his or her selected program separately, such as by using a different program sponsor, pursuing the strategy through a brokerage account, or investing directly with the asset manager. Some factors that might impact the total cost to a client who implements a program separately include the frequency of trading activity; whether a client might be successful in negotiating a lower fee with a sub-advisor; rate of commissions, markups or other transaction-related compensation; or whether account fees, transaction fees or similar charges would be incurred.

Investing in securities entails certain risks, including the potential loss of all or a portion of the proceeds invested. Individuals should consider their specific financial needs, investment objectives and risk tolerance before making an investment. Investments can be significantly affected by certain events, including international political and economic developments, inflation, and other factors. Dividends are not guaranteed and are subject to change or elimination.

Exchange traded funds (ETFs) and mutual funds are sold by prospectus only, which should be read carefully before investing. Please consider the investment objectives, risk, charges and expenses before investing. The liquidity of ETFs may not reflect the level of liquidity of other instruments on listed exchanges such as well-recognized, large cap stocks. The prospectuses, which contain this and other information, can be obtained from your advisor.

Investing in fixed-income securities involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high-yield or "speculative-grade" bonds, which have lower ratings and are subject to greater price volatility. All fixed-income investments are subject to availability and change in price and may be worth less than original cost upon redemption or maturity.

There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions. Distributions from REIT investments are taxed at the owner's tax bracket.