



MARKET OVERVIEW

Q4 2025

Presented by:

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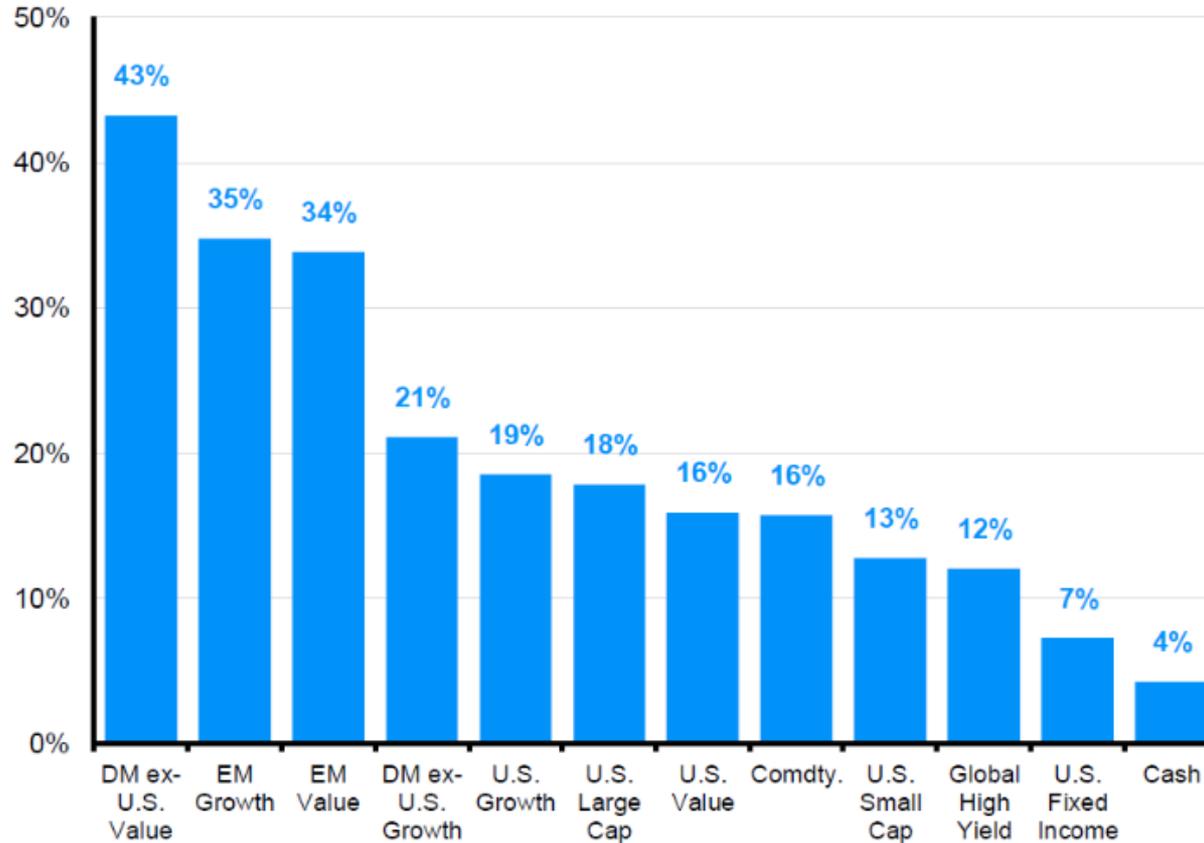
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2026 OUTLOOK

2025 asset class returns

Total return, U.S. dollars



Source: Bloomberg, FactSet, FTSE Russell, MSCI, Standard & Poor's, J.P. Morgan Asset Management.

BCA Comments

- International equities, both developed and emerging markets, significantly outperformed US equities in 2025.
- A weak dollar and fiscal stimulus through looser monetary policy drove international equities and international bond yields higher.

2026 OUTLOOK

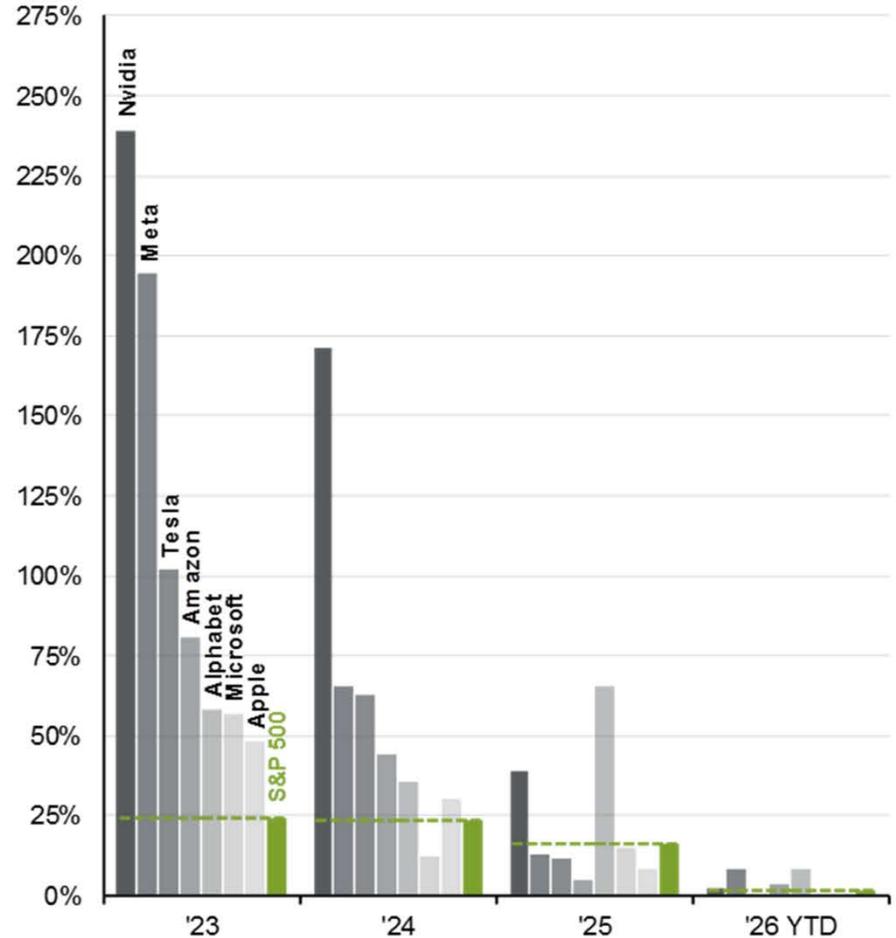
Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return

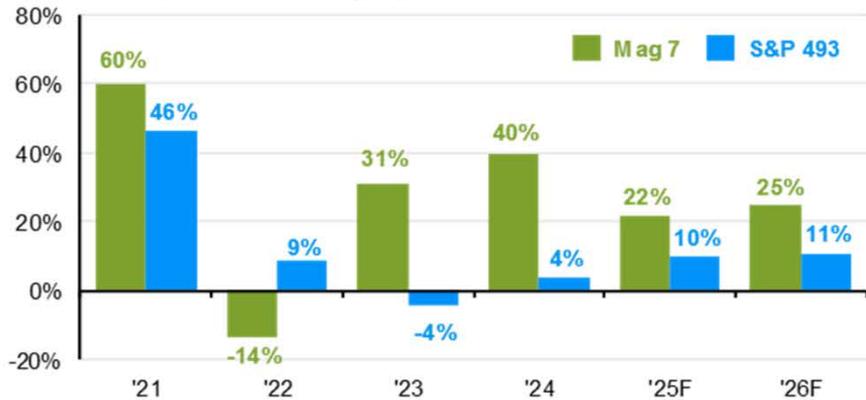


Magnificent 7 performance dispersion

Price return



Year-over-year earnings growth



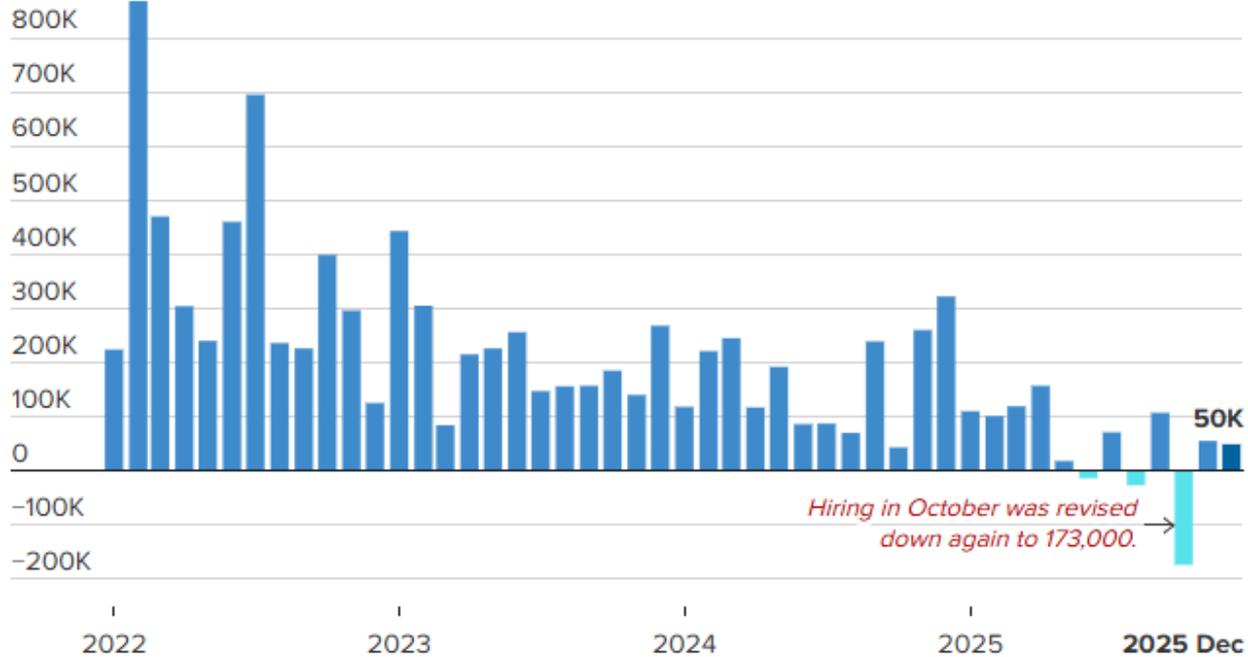
BCA Comments

- The Magnificent 7 continued to outperform the 493 in 2025, but by a much narrower margin than in 2023 and 2024.
- NVIDIA and Alphabet were the only 2 Mag 7 companies to outperform the S&P 500 in 2025.

2026 OUTLOOK

Monthly job creation in the U.S.

Jan. 2022–Dec. 2025



Note: All employees on private nonfarm payrolls, seasonally adjusted

Chart: Gabriel Cortes / CNBC

Source: U.S. Bureau of Labor Statistics via FRED

Data as of Jan. 9, 2026



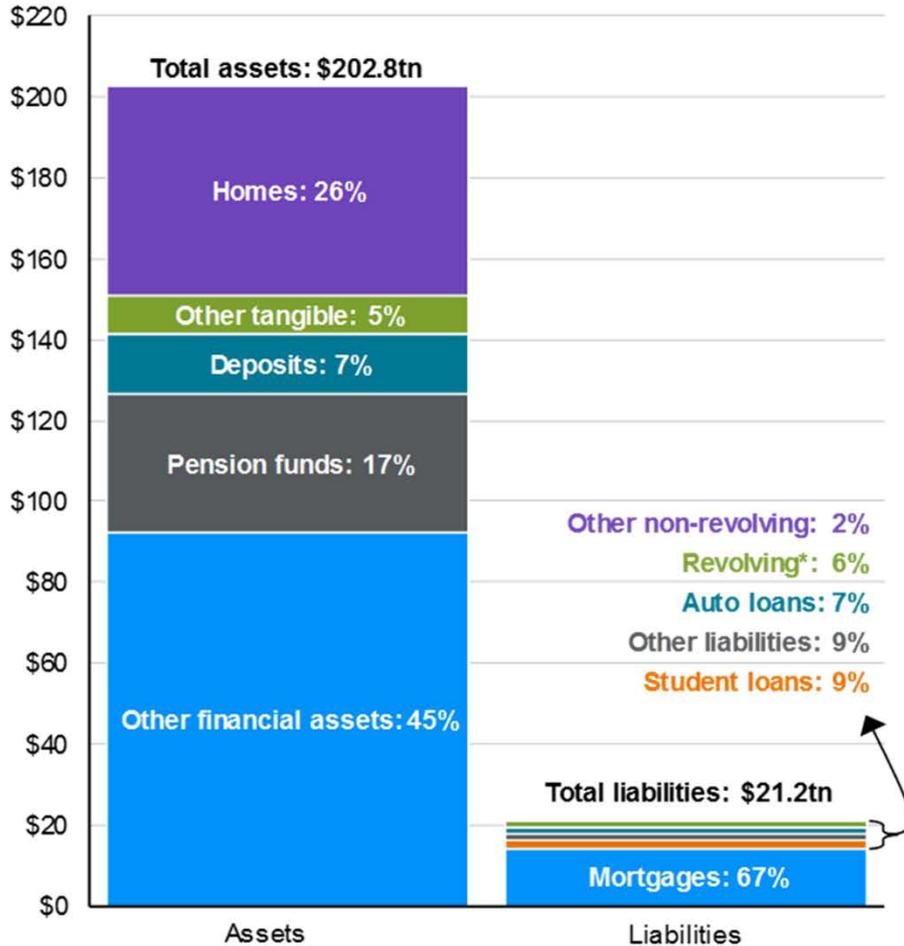
BCA Comments

- Nonfarm payrolls rose 50K in December and saw the unemployment rate fall from a high in November of 4.6%, down to 4.4% for December.
- Downward revisions for October increased job losses from -68K down to -173K, leading to a 3-month average job growth/loss of -22K.
- For the full year, payroll gains averaged 49K a month, compared with 168K in 2024.

2026 OUTLOOK

Consumer balance sheet

3Q25, USD trillions, not seasonally adjusted



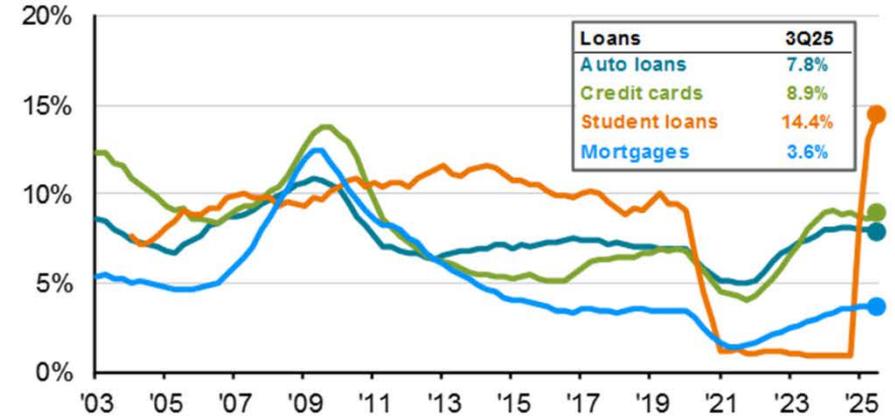
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

% of balance delinquent 30+ days



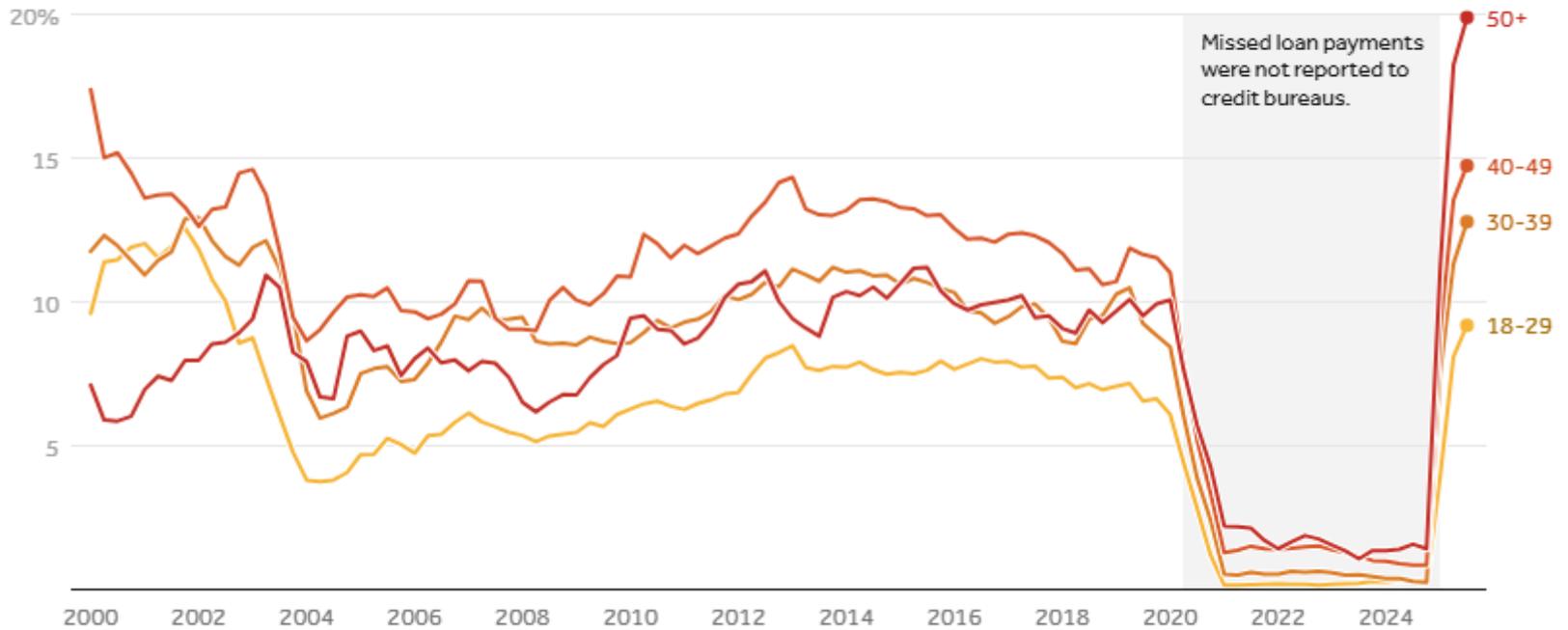
BCA Comments

- The DoE announced the Office of Federal Student Aid (FSA) will resume collections of its defaulted federal student loan portfolio on May 5th.
- Total student loan debt totaled over \$1.6 T, or about 9% of the total household debt Americans owe.

2026 OUTLOOK

Student loans entering serious delinquency by age group

Americans aged 50 and older saw the highest share of student loans enter serious delinquency from July to September 2025.



"Serious delinquency" refers to payments that are overdue by 90 or more days.

Chart: Damali Ramirez/Get the Facts Data Team • Source: [New York Fed Consumer Credit Panel/Equifax](#)

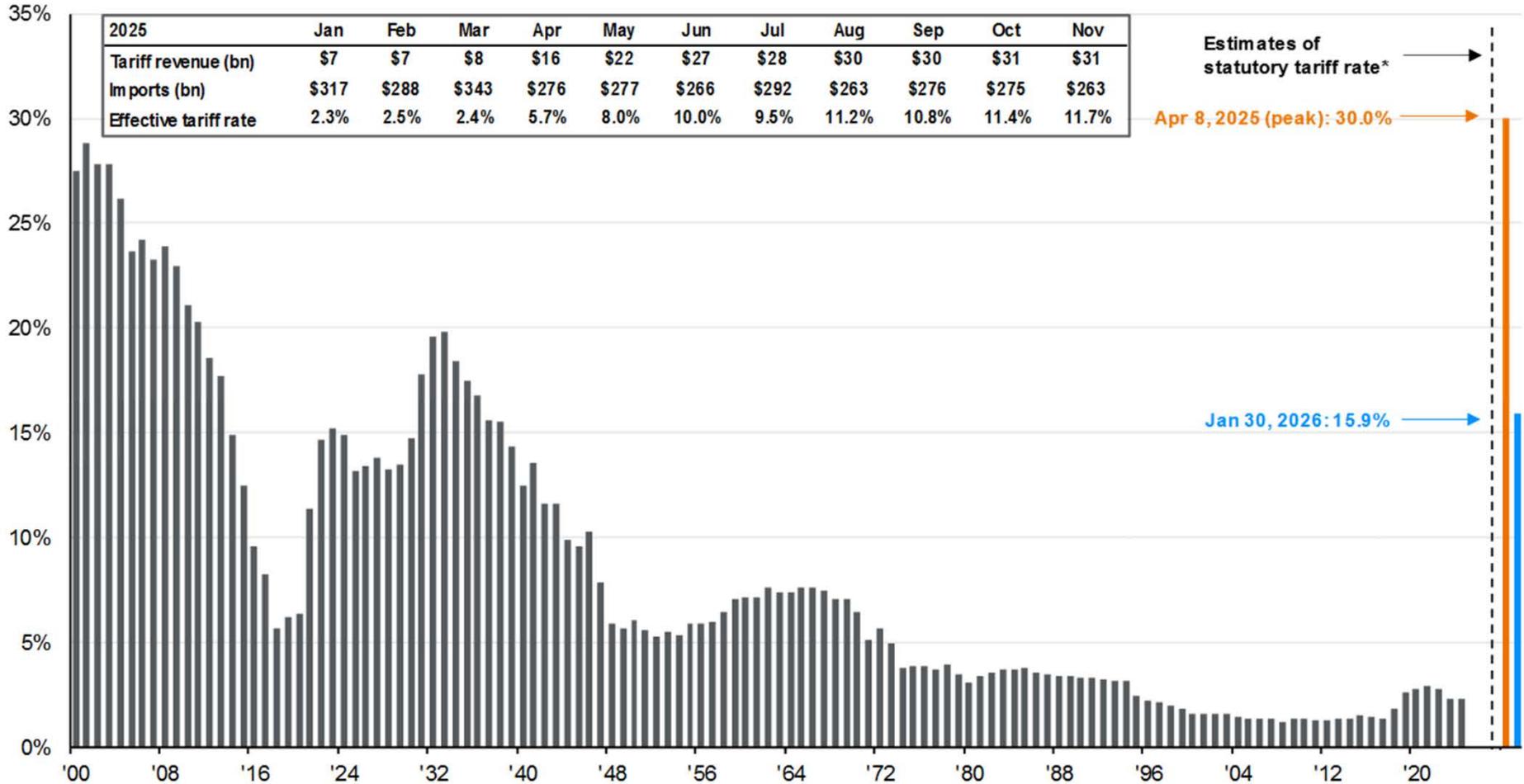
BCA Comments

- Americans aged 50 and older have the highest share of student loans in serious delinquency at nearly 20%.

2026 OUTLOOK

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption, 1900 - 2024



BCA Comments

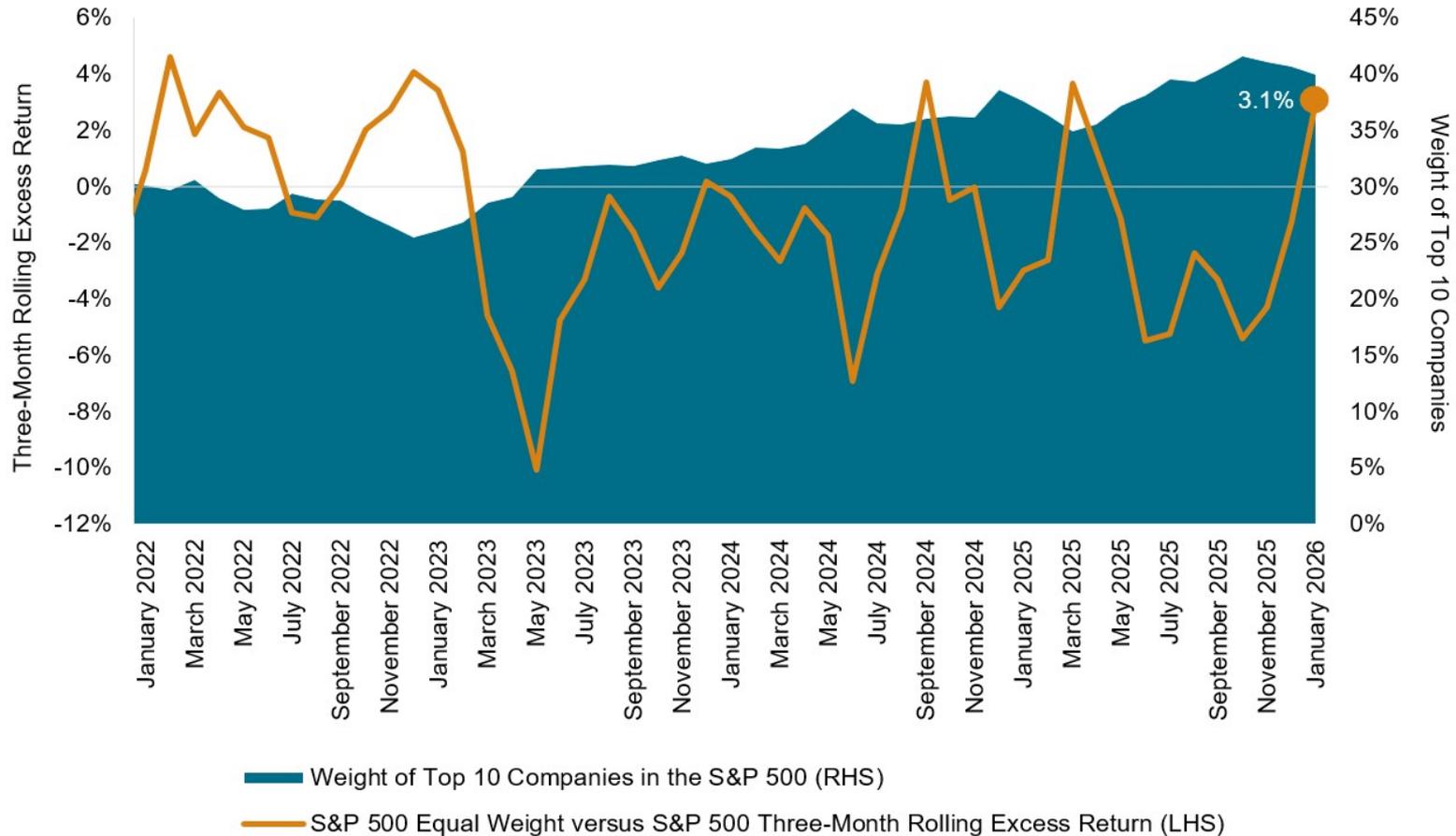
- The effective rate for tariffs continue to close the gap with statutory rates, or what the stated rates from the administration.
- Administration announced a 1-Year “Trade Truce” with China in November.

Disclosure: For illustrative purposes only. Source: J.P.Morgan Asset Management, Guide to the Markets.

PLAN UPDATES

S&P 500 VS. EQUAL WEIGHT

Exhibit 1: Equal Weight Has Outperformed and Concentration Has Declined



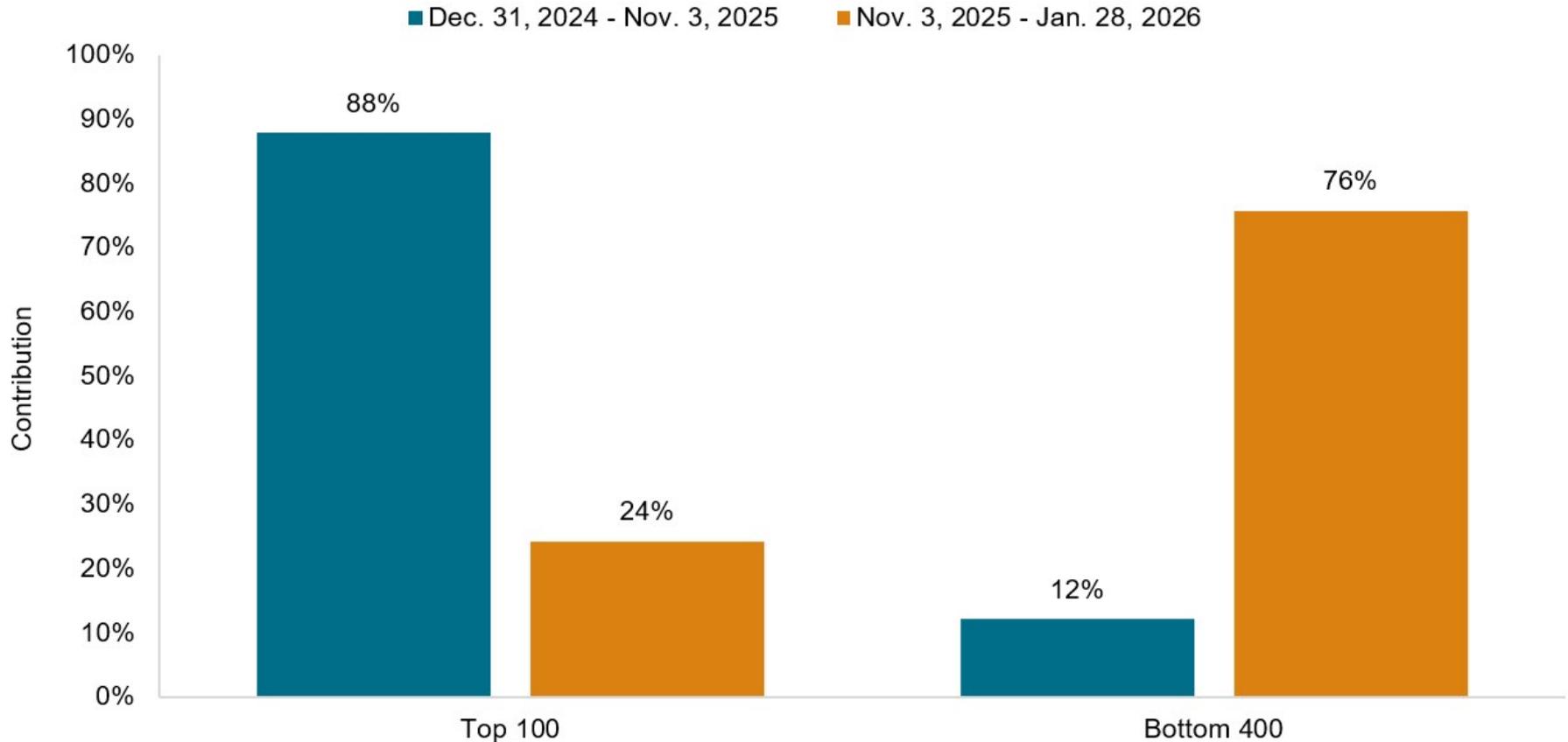
Source: S&P Dow Jones Indices LLC. Data as of Jan. 28, 2026. Index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

BCA Comments

- The S&P 500 Equal Weight has outperformed the S&P 500 Market Cap Index by over 3% for the 3 months ending January 2026.
- Concentration of the top 10 companies has fallen below 40%.

S&P 500 VS. EQUAL WEIGHT

Exhibit 2: Contribution to S&P 500 Performance Has Broadened



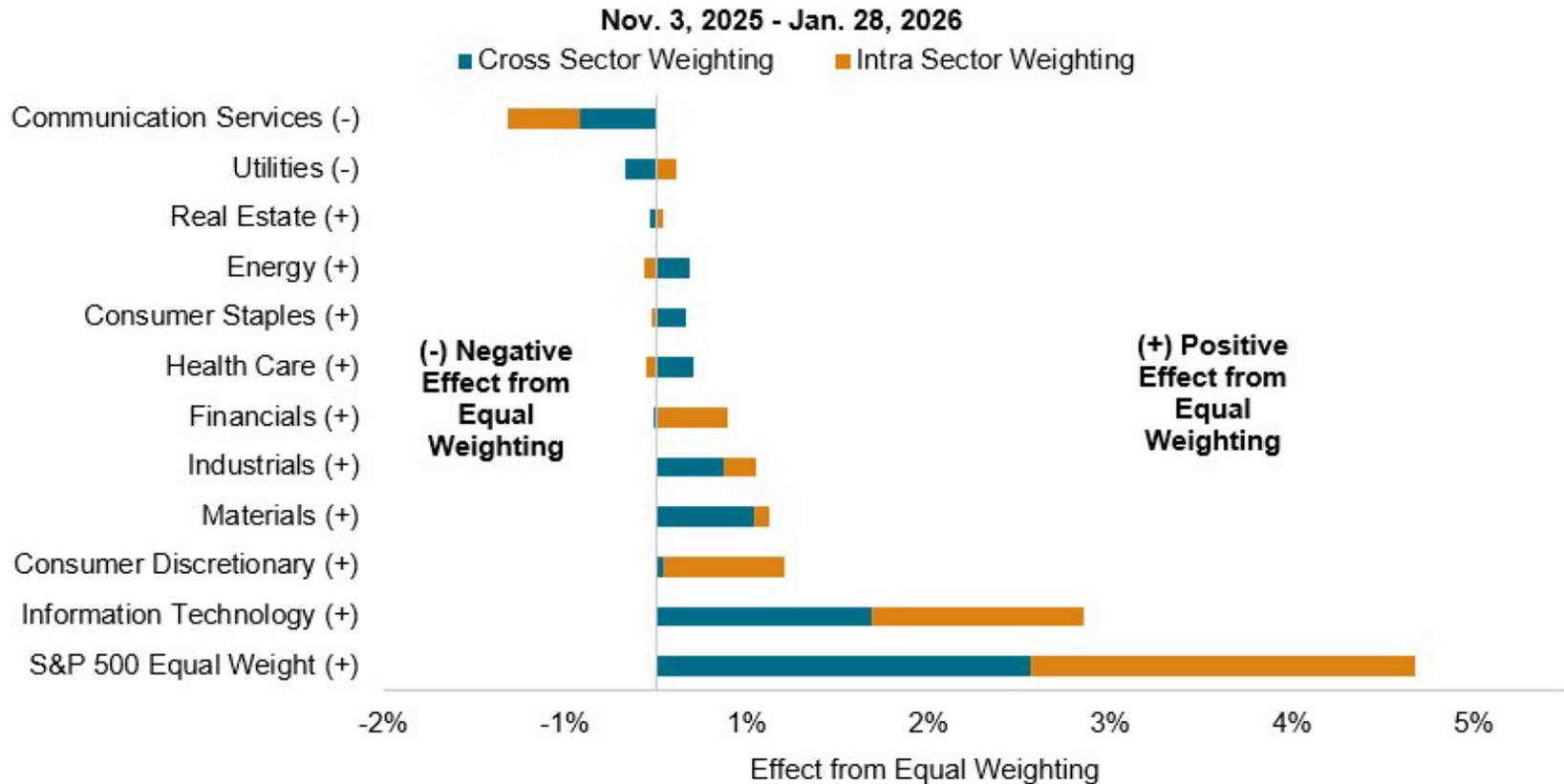
Source: S&P Dow Jones Indices LLC. Contribution data from Dec. 31, 2024, to Jan. 28, 2026. Top constituent data captured on Dec. 31, 2024, and Nov. 3, 2025. Index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

BCA Comments

- Market performance has broadened significantly since peak concentration in November, with mega cap weakness and a pull back in AI.
- Concentration of the top 10 companies has fallen below 40%.

S&P 500 VS. EQUAL WEIGHT

Exhibit 3: Underweight to Information Technology Has Been a Tailwind for Equal Weight Outperformance

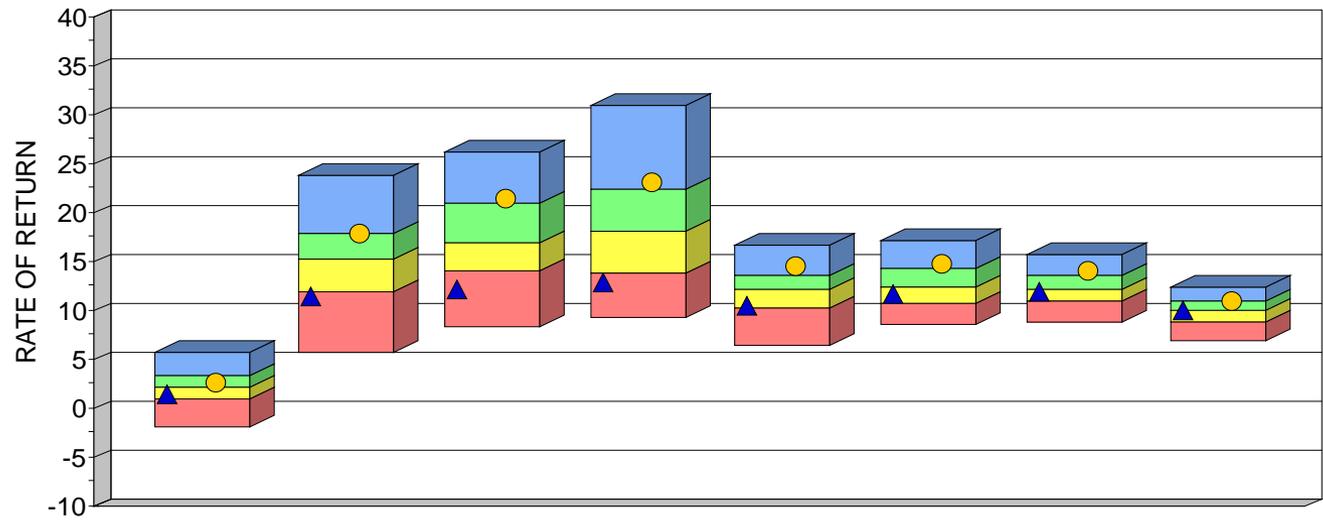


Source: S&P Dow Jones Indices LLC, FactSet. Data from Dec. 31, 2024, to Jan. 28, 2026. Index performance based on total return in USD. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

BCA Comments

- Most of the Equal Weight underperformance for most of 2025, and the subsequent outperformance since November has come from its underweight sector positioning to Technology

QUARTILE RANKING BAR PSN LARGE CAP PERIODS ENDING DECEMBER 31, 2025



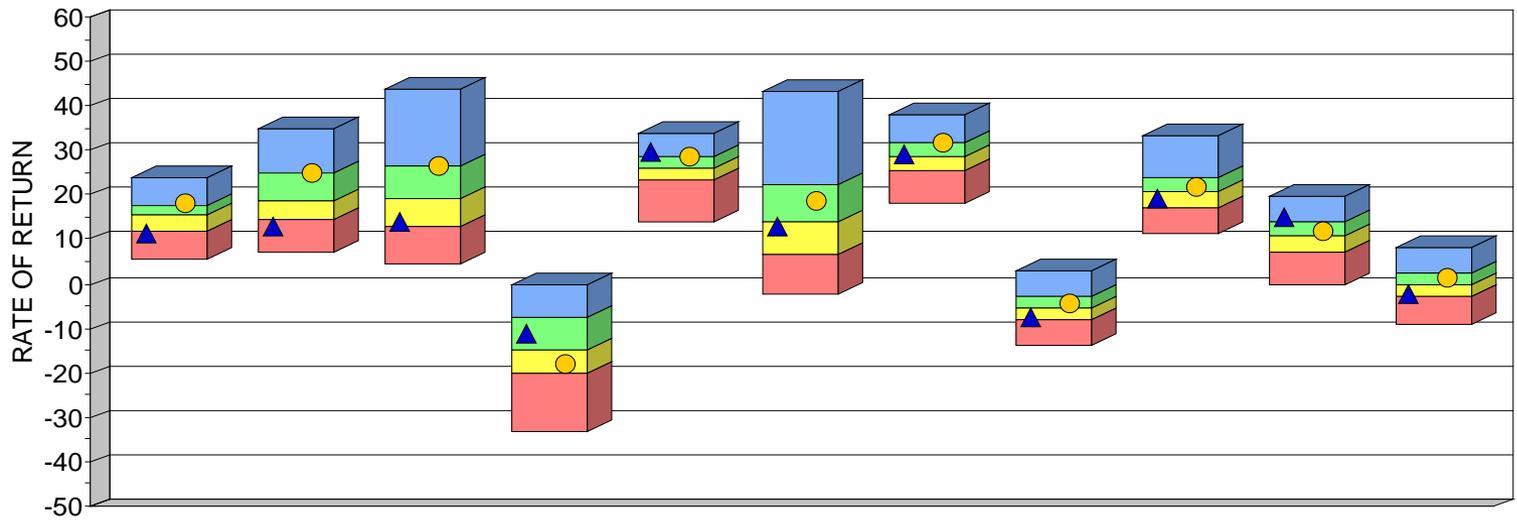
	<u>Latest Quarter</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>15 Years</u>	<u>20 Years</u>
▲ HIGH (0.05)	5.77	23.92	26.10	31.06	16.65	17.08	15.67	12.43
■ FIRST QUARTILE	3.34	17.82	21.05	22.43	13.63	14.24	13.67	10.96
■ MEDIAN	2.22	15.27	16.94	18.03	12.16	12.46	12.06	9.93
■ THIRD QUARTILE	1.05	11.83	14.02	13.91	10.17	10.83	10.99	8.78
▲ LOW (0.95)	-2.02	5.75	8.24	9.28	6.55	8.59	8.82	6.86
MEAN	2.14	14.75	17.28	18.46	11.94	12.54	12.25	9.87
VALID COUNT	648	648	642	622	597	502	415	318

	<u>Latest Quarter</u>		<u>1 Year</u>		<u>2 Years</u>		<u>3 Years</u>		<u>5 Years</u>		<u>10 Years</u>		<u>15 Years</u>		<u>20 Years</u>	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ S&P 500 EQUAL WEIGHTED	1.39	67	11.43	78	12.21	85	12.76	81	10.48	73	11.71	60	11.93	53	10.10	43
● Standard & Poor's 500	2.66	37	17.88	24	21.40	21	23.01	19	14.42	14	14.82	14	14.06	15	11.00	23

Note: Past performance is not indicative of future results.



QUARTILE RANKING BAR PSN LARGE CAP PERIODS ENDING DECEMBER 31, 2025



- HIGH (0.05)
- FIRST QUARTILE
- MEDIAN
- THIRD QUARTILE
- LOW (0.95)
- MEAN
- VALID COUNT

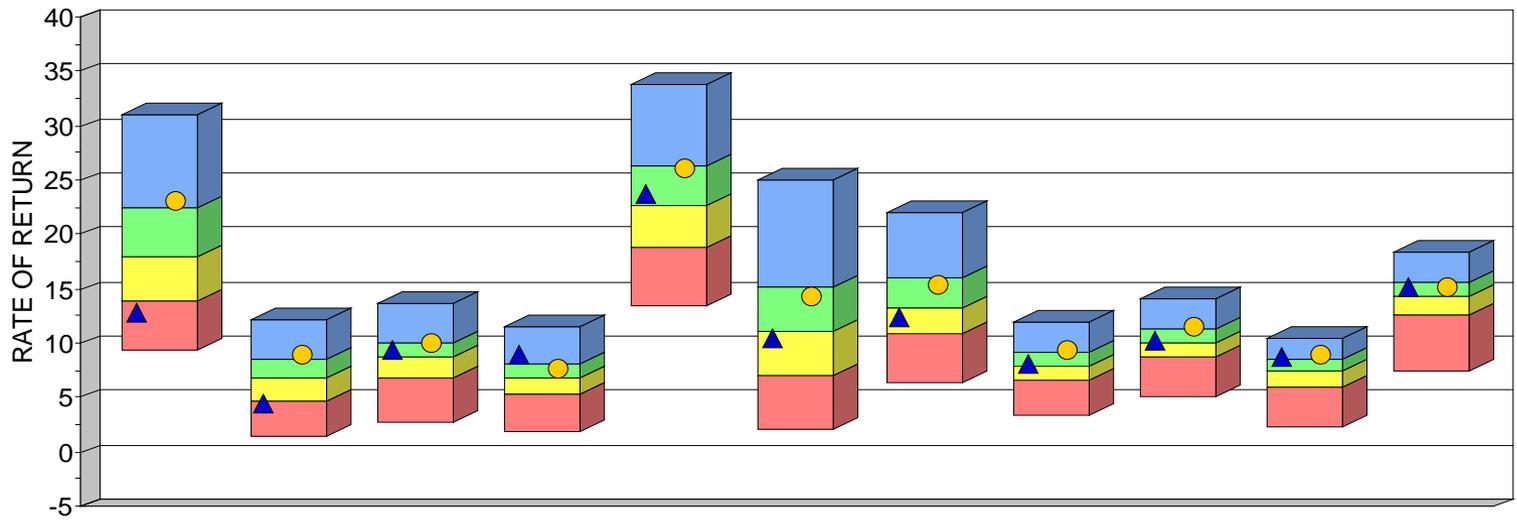
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
HIGH (0.05)	23.92	34.86	43.77	-0.05	33.68	43.41	37.88	2.74	33.09	19.85	8.28
FIRST QUARTILE	17.82	24.84	26.30	-7.37	28.62	22.36	31.82	-2.94	24.09	13.81	2.25
MEDIAN	15.27	18.86	19.08	-14.74	26.07	13.82	28.63	-5.42	20.58	10.65	-0.01
THIRD QUARTILE	11.83	14.24	12.85	-20.09	23.14	6.41	25.53	-8.20	17.04	6.88	-2.61
LOW (0.95)	5.75	7.17	4.44	-33.39	13.66	-2.34	18.03	-14.05	11.30	-0.37	-8.96
MEAN	14.75	19.54	20.49	-14.67	25.57	15.32	28.59	-5.56	20.88	10.21	-0.13
VALID COUNT	648	713	737	739	736	730	721	698	678	644	623

	2025		2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
▲ S&P 500 EQUAL WEIGHTED	11.43	78	13.01	80	13.87	70	-11.45	38	29.63	16	12.83	53	29.24	44	-7.64	70	18.90	63	14.80	18	-2.20	71
● Standard & Poor's 500	17.88	24	25.02	23	26.29	24	-18.11	63	28.71	24	18.40	36	31.49	28	-4.38	38	21.83	37	11.96	37	1.38	32

Note: Past performance is not indicative of future results.



QUARTILE RANKING BAR PSN LARGE CAP PERIODS ENDING DECEMBER 31, 2025



▲ HIGH (0.05)
■ FIRST QUARTILE
■ MEDIAN
■ THIRD QUARTILE
 LOW (0.95)
 MEAN
 VALID COUNT

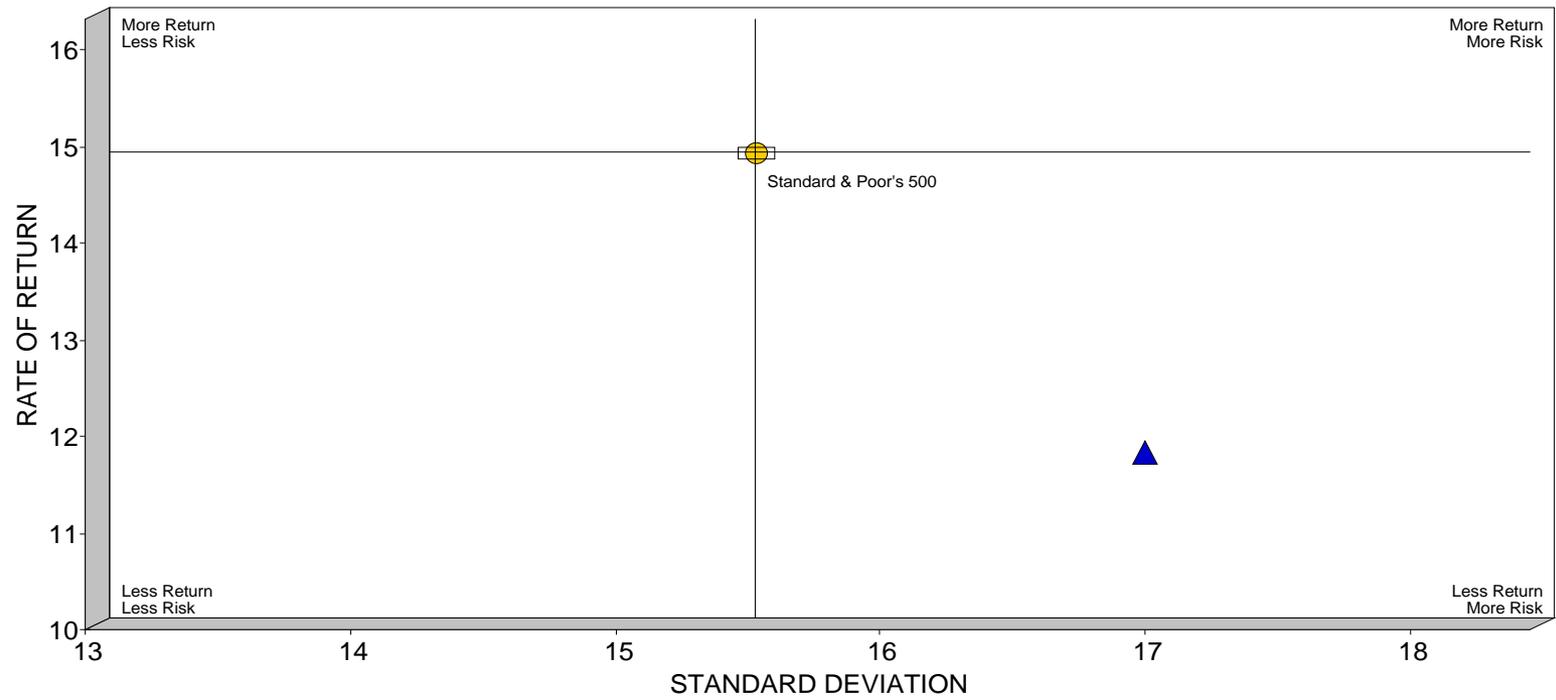
	12/2022-12/2025		12/2021-12/2024		12/2020-12/2023		12/2019-12/2022		12/2018-12/2021		12/2017-12/2020		12/2016-12/2019		12/2015-12/2018		12/2014-12/2017		12/2013-12/2016		12/2012-12/2015	
	VALUE	RANK																				
▲ S&P 500 EQUAL WEIGHTED	12.76	81	4.45	77	9.34	39	9.01	16	23.64	43	10.44	53	12.38	59	8.03	47	10.11	48	8.73	17	15.09	31
● Standard & Poor's 500	23.01	19	8.94	20	10.00	26	7.66	33	26.07	26	14.18	30	15.27	28	9.26	22	11.41	20	8.87	14	15.13	31

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

DECEMBER 31, 2015 TO DECEMBER 31, 2025



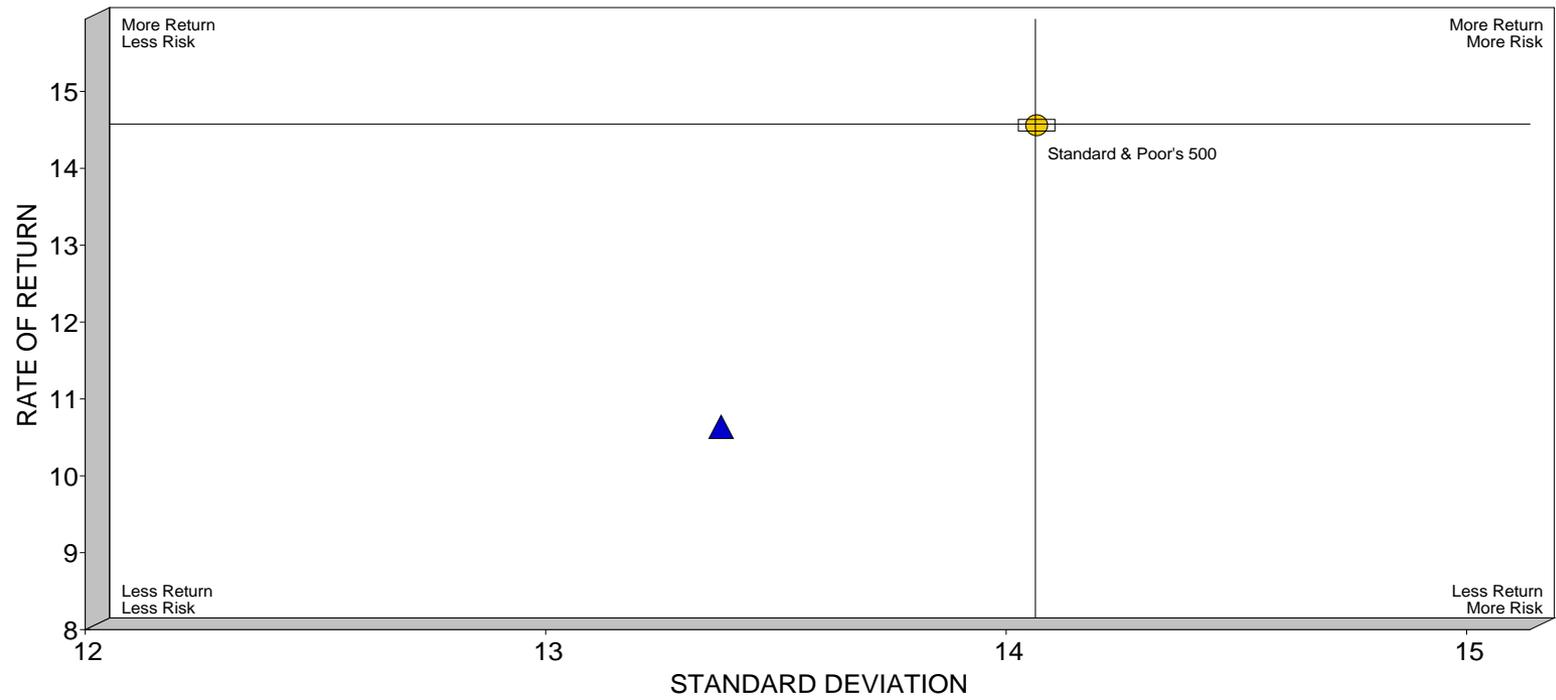
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	11.71	16.95	-2.99	1.04	0.38	104.30	87.37	0.56
● Standard & Poor's 500	14.82	15.48	0.00	1.00	0.00	100.00	100.00	0.81

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

DECEMBER 31, 2020 TO DECEMBER 31, 2025



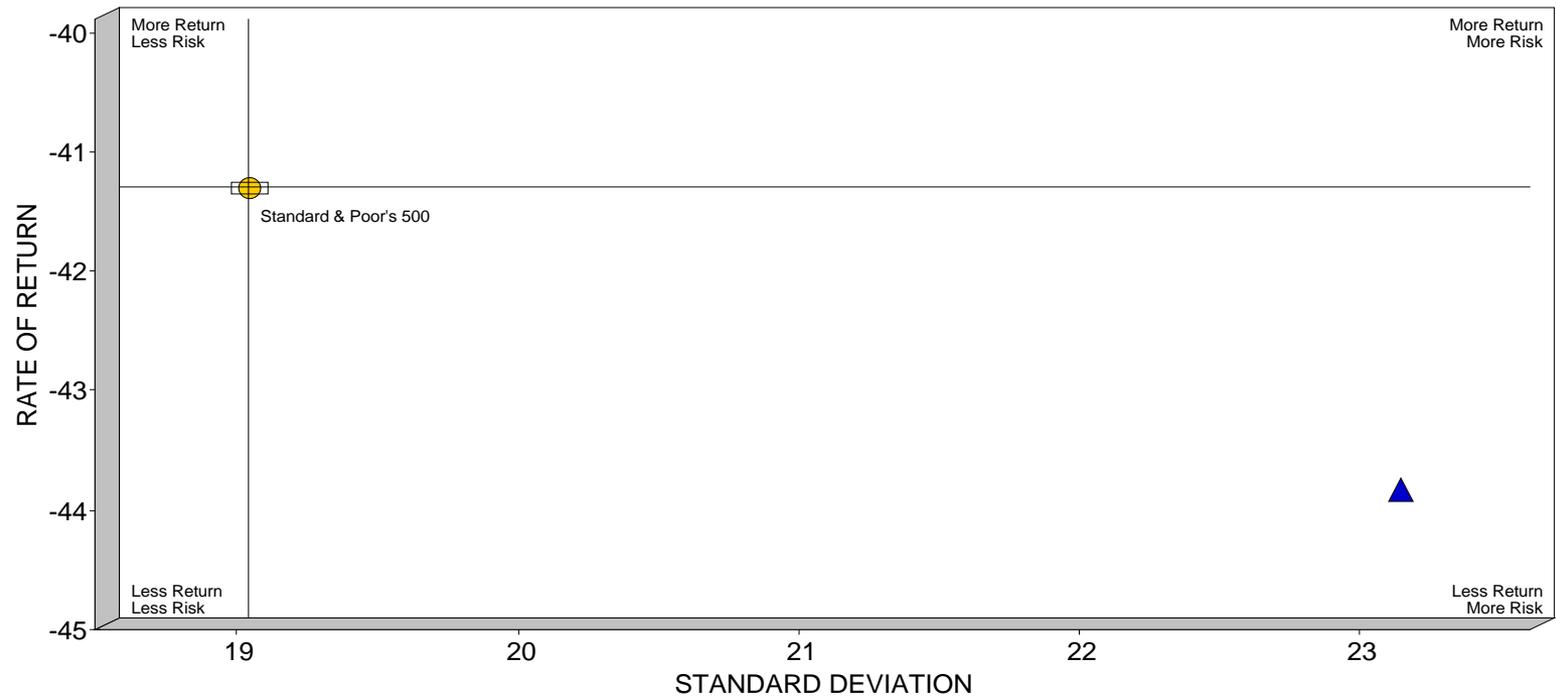
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	10.48	13.36	-1.93	0.84	0.40	84.32	74.35	0.53
● Standard & Poor's 500	14.42	14.04	0.00	1.00	0.00	100.00	100.00	0.79

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

OCTOBER 31, 2007 TO FEBRUARY 28, 2009



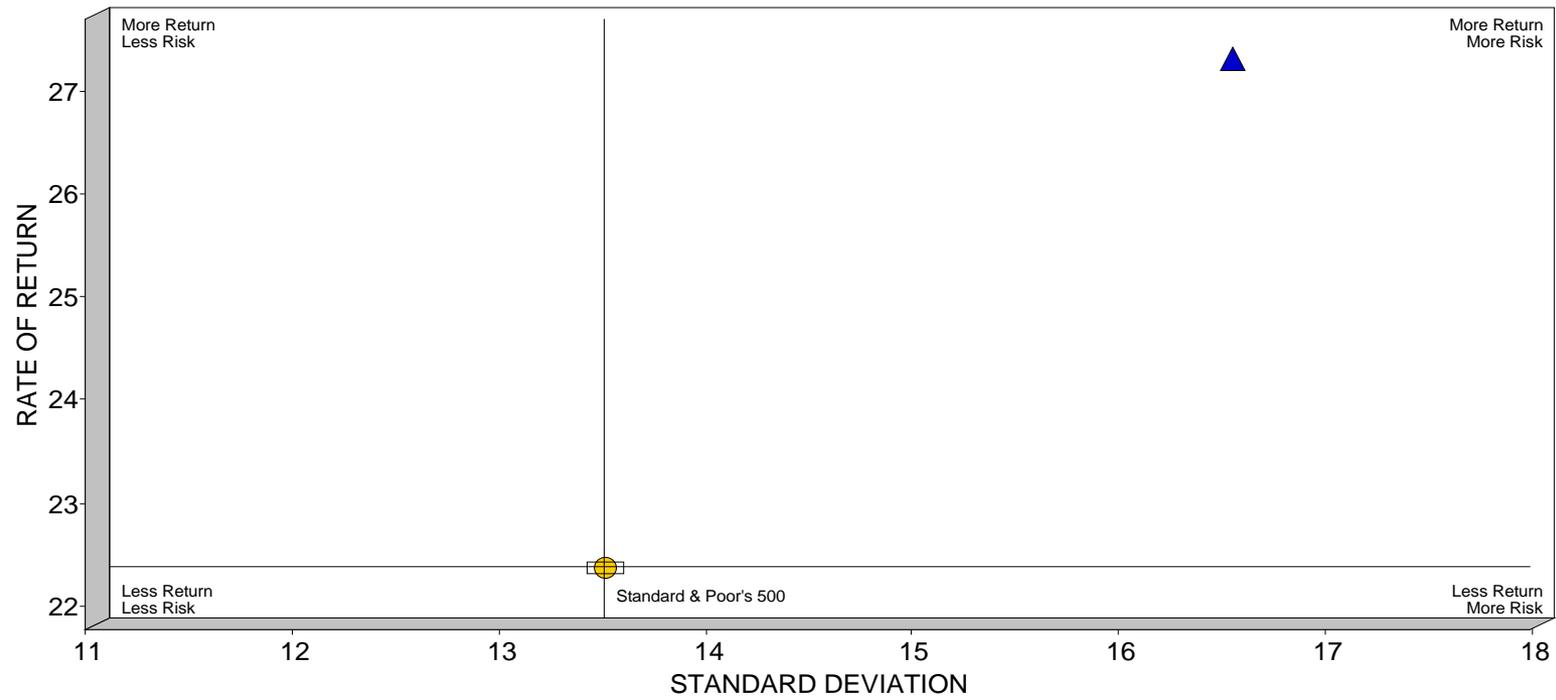
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	-43.93	23.11	7.43	1.20	0.44	108.43	161.95	-1.96
● Standard & Poor's 500	-41.39	18.99	0.00	1.00	0.00	100.00	100.00	-2.25

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

FEBRUARY 28, 2009 TO NOVEMBER 30, 2014



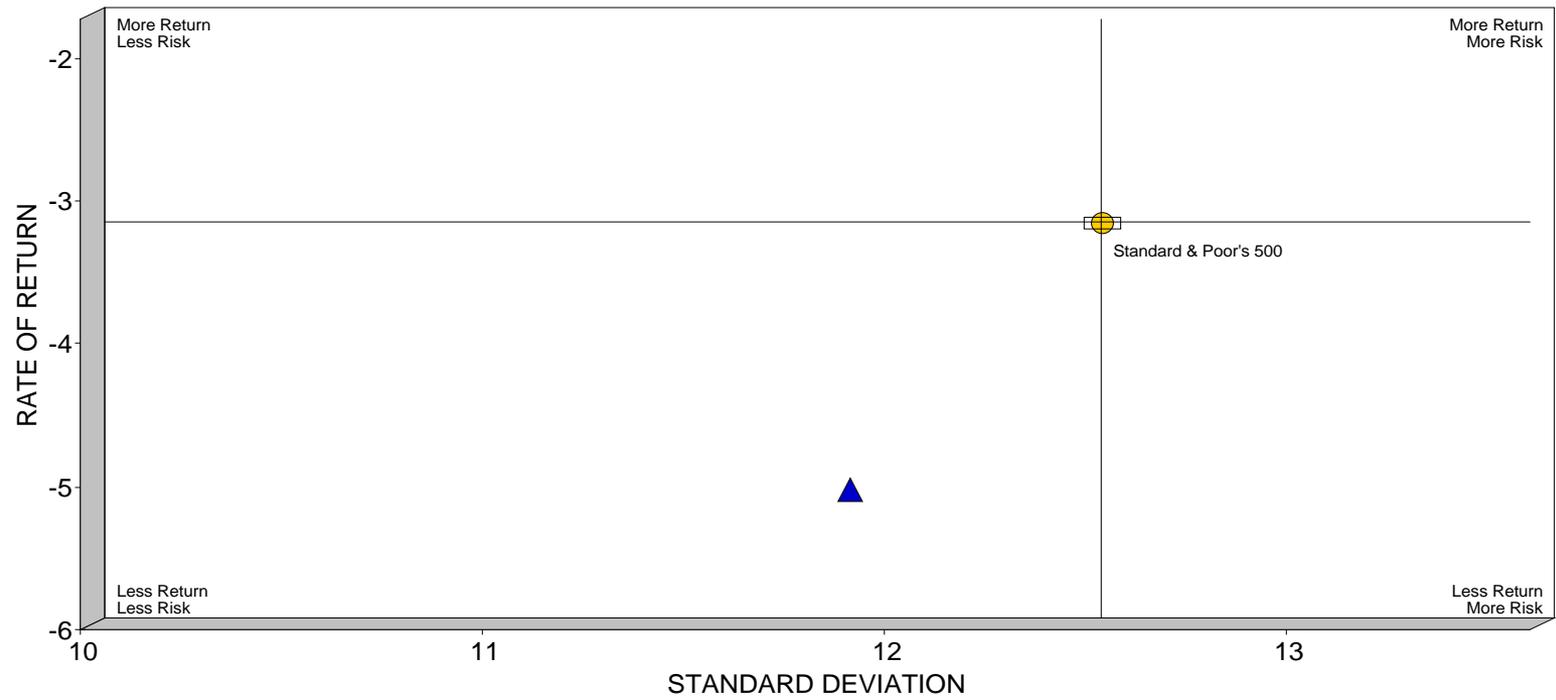
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	27.19	16.49	0.53	1.19	0.57	109.98	121.79	1.64
● Standard & Poor's 500	22.28	13.45	0.00	1.00	0.00	100.00	100.00	1.65

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

NOVEMBER 30, 2014 TO FEBRUARY 29, 2016



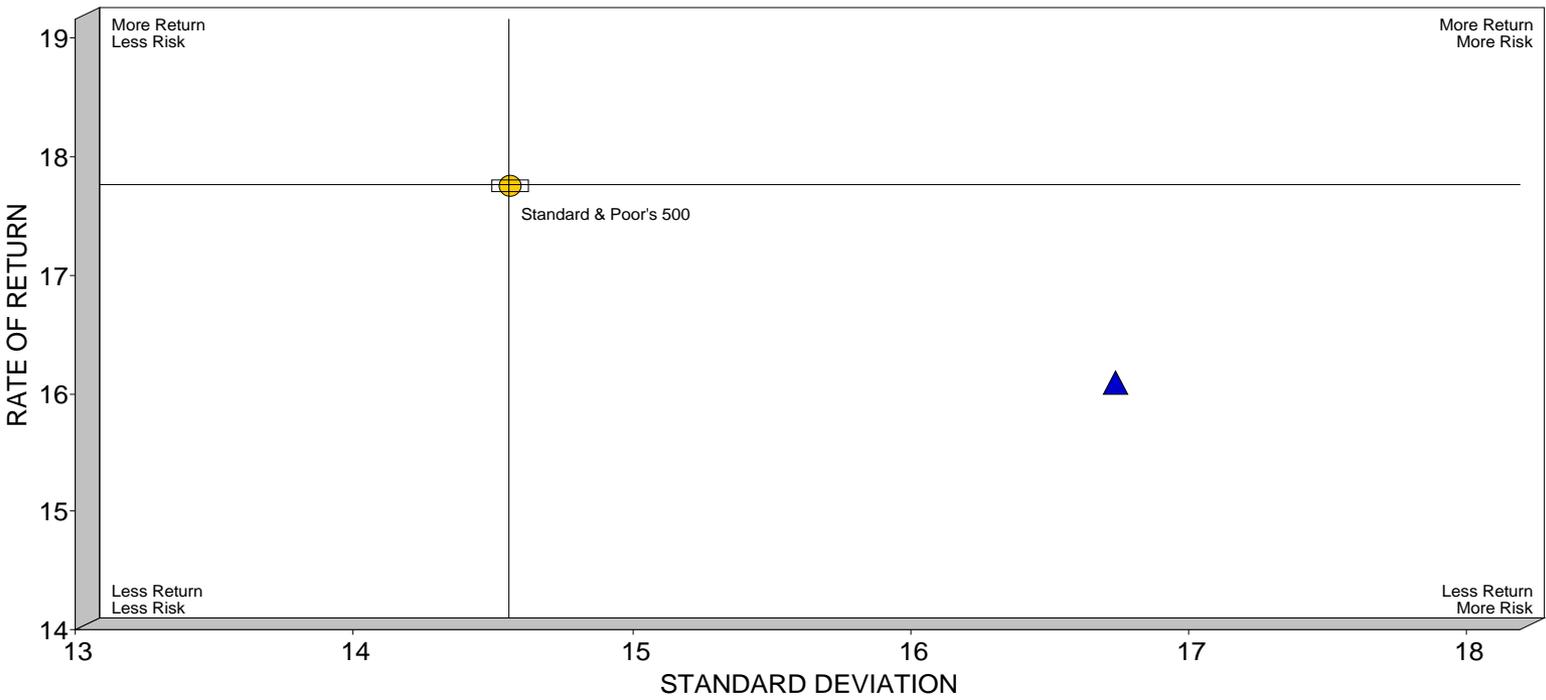
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	-5.11	11.89	-2.18	0.93	0.33	96.48	80.41	-0.44
● Standard & Poor's 500	-3.23	12.51	0.00	1.00	0.00	100.00	100.00	-0.27

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

FEBRUARY 29, 2016 TO SEPTEMBER 30, 2021



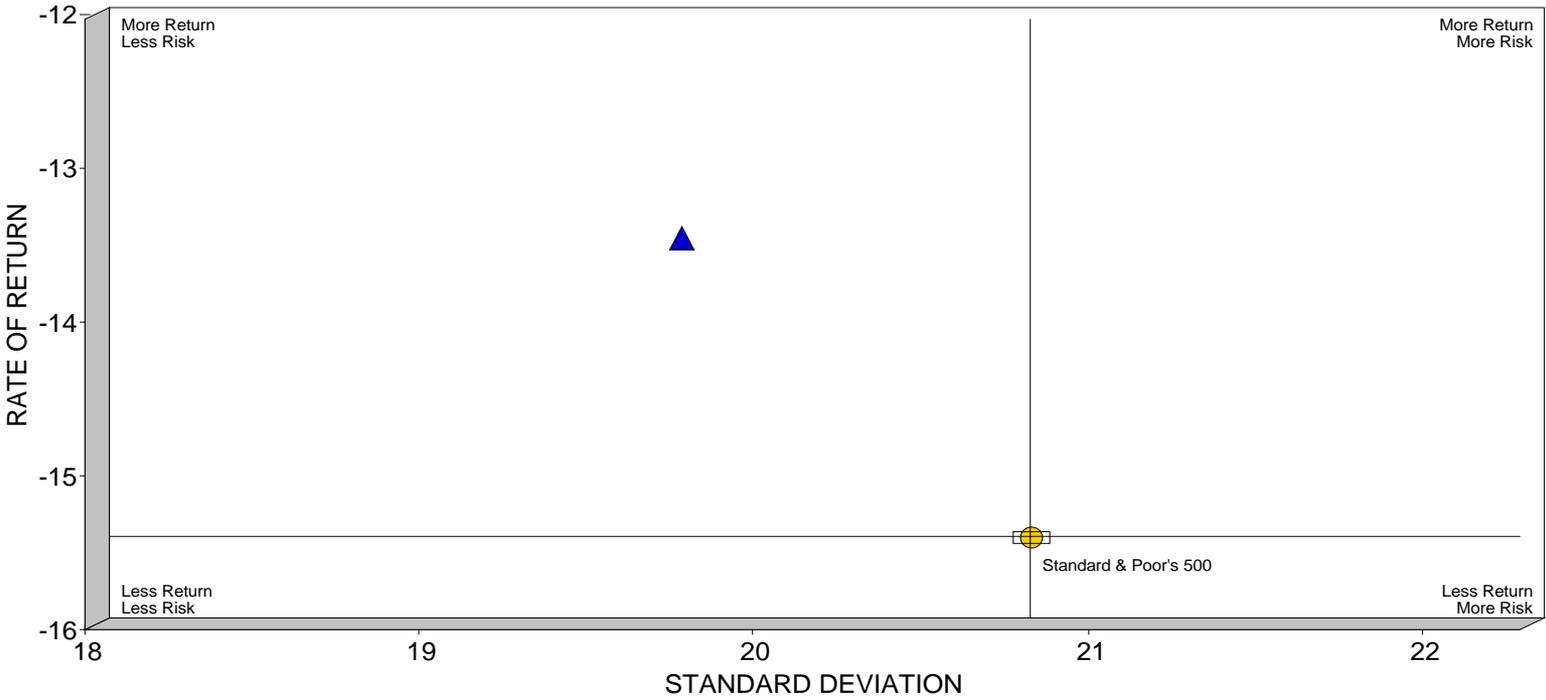
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	16.00	16.69	-2.88	1.11	0.43	108.21	99.80	0.90
● Standard & Poor's 500	17.66	14.51	0.00	1.00	0.00	100.00	100.00	1.15

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

SEPTEMBER 30, 2021 TO SEPTEMBER 30, 2022



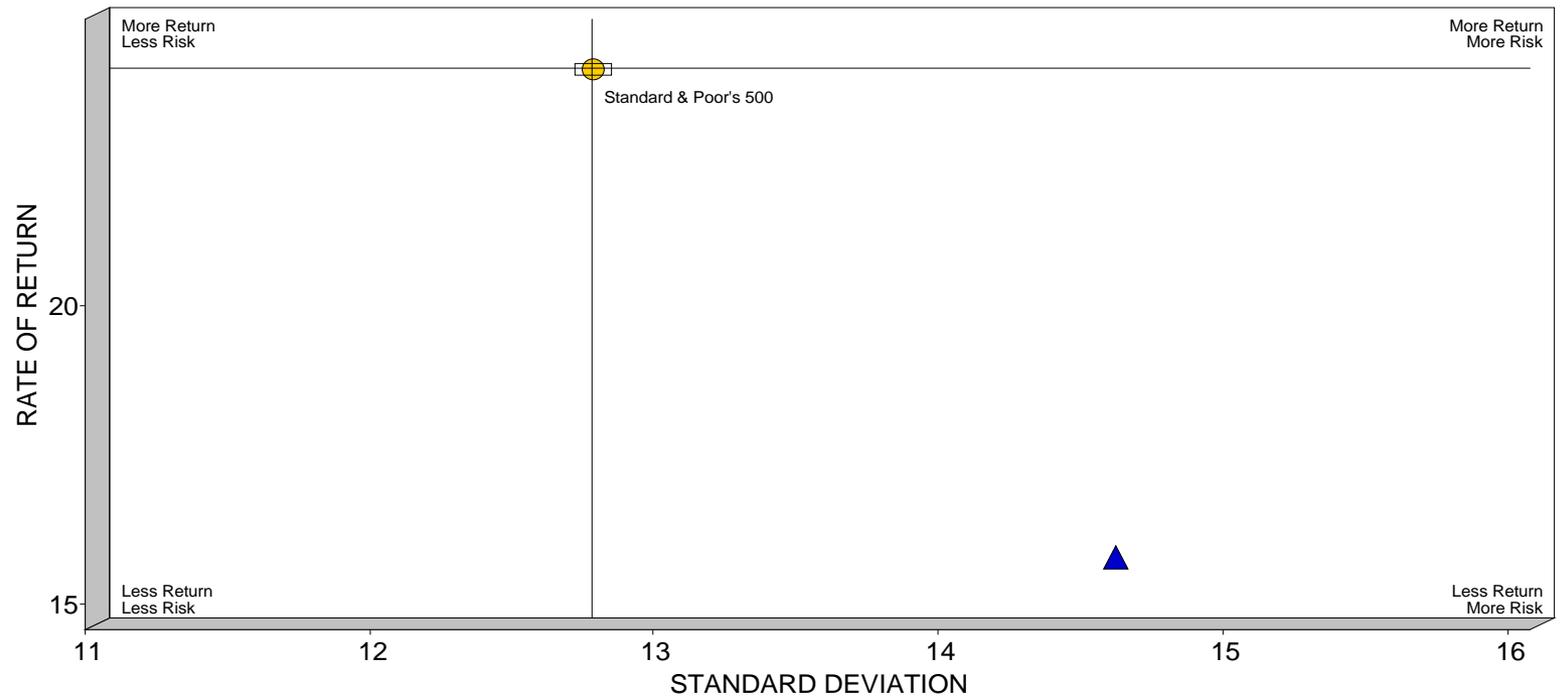
	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	-13.53	19.75	0.86	0.93	0.50	93.94	96.61	-0.74
● Standard & Poor's 500	-15.47	20.79	0.00	1.00	0.00	100.00	100.00	-0.80

Note: Past performance is not indicative of future results.



TOTAL RISK REWARD

SEPTEMBER 30, 2022 TO DECEMBER 31, 2025



	ROR	Std Dev	Alpha	Beta	Batting Avg	Dnside Cap Ratio	Upside Cap Ratio	Sharpe Ratio
▲ S&P 500 EQUAL WEIGHTED	15.58	14.58	-6.87	1.02	0.49	119.96	83.01	0.74
● Standard & Poor's 500	23.81	12.74	0.00	1.00	0.00	100.00	100.00	1.49

Note: Past performance is not indicative of future results.



Invesco Equally-Weighted S&P 500 R6 (VADFX) vs. Fidelity 500 Index (FXAIX)

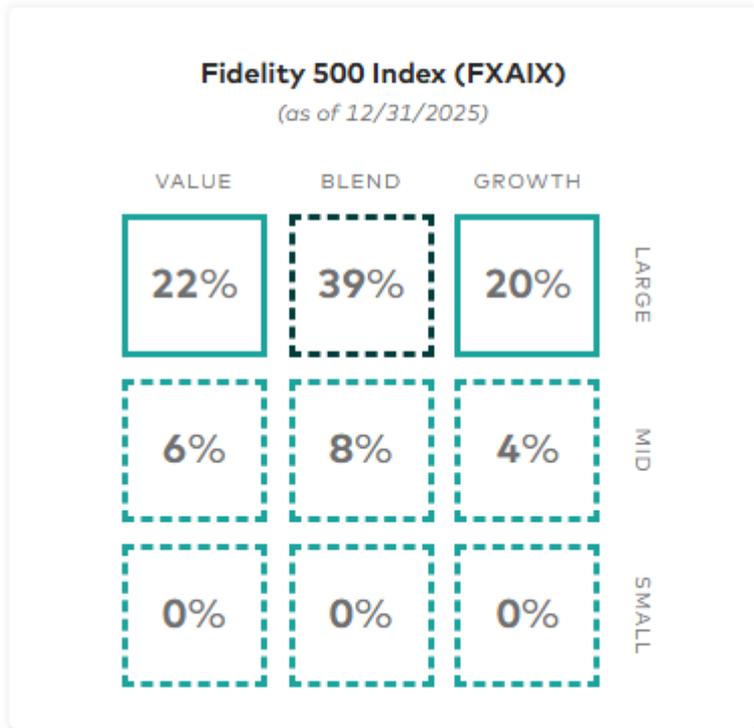
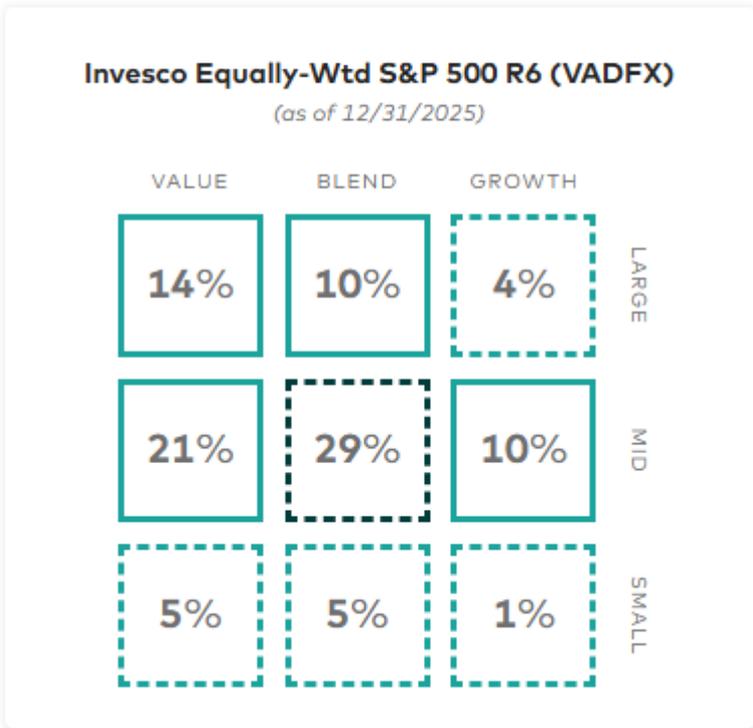
	VADFX ⓘ	FXAIX ⓘ
Fund name	Invesco Equally-Wtd S&P 500 R6	Fidelity 500 Index
Gross expense ratio ⓘ	0.1800%	0.0150%
Morningstar category	Large Blend	Large Blend
Prospectus benchmark	S&P 500 Equal Weighted TR USD	S&P 500 TR USD
SEC yield ⓘ	—	—
Distribution yield ⓘ	1.4737%	1.0980%
	VADFX ⓘ <i>(as of 12/31/2025)</i>	FXAIX ⓘ <i>(as of 12/31/2025)</i>
SEC yield ⓘ	—	—
Average market cap ⓘ	\$47.0 Billion	\$460.6 Billion
P/B ⓘ	2.6x	4.6x
P/E ⓘ	17.3x	22.4x
# of securities ⓘ	503	503
% top 10 ⓘ	3.02%	39.18%

Note: Past performance is not indicative of future results.



Invesco Equally-Weighted S&P 500 R6 (VADFX) vs. Fidelity 500 Index (FXAIX)

Equity style



Note: Past performance is not indicative of future results.



Invesco Equally-Weighted S&P 500 R6 (VADFX) vs. Fidelity 500 Index (FXAIX)

	VADFX ① <i>(as of 12/31/2025)</i>	FXAIX ① <i>(as of 12/31/2025)</i>
Basic materials	4.08%	1.65%
Communication services	4.25%	10.89%
Consumer cyclical	10.73%	10.55%
Consumer defensive	7.15%	4.71%
Energy	4.25%	2.81%
Financial services	14.19%	13.13%
Health care	12.11%	9.59%
Industrials	14.56%	7.50%
Real estate	6.29%	1.83%
Technology	16.10%	35.09%
Utilities	6.29%	2.25%

Note: Past performance is not indicative of future results.



Invesco Equally-Weighted S&P 500 R6 (VADFX) vs. Fidelity 500 Index (FXAIX)

Top Equity Holdings | [View all](#)

as of 01/31/2026

	% OF TOTAL ASSETS
Sandisk	0.48
Micron Technology	0.31
Moderna	0.29
Lam Research	0.27
Western Digital	0.27
Seagate Technology	0.26
Lockheed Martin	0.26
Huntington Ingalls	0.25
Freeport-McMoRan	0.25
Albemarle	0.25

Top Equity Holdings | [View all](#)

as of 01/31/2026

	% OF TOTAL ASSETS
Nvidia	7.61
Apple	6.28
Microsoft	5.24
Amazon	3.81
Alphabet 'A'	3.23
Alphabet 'C'	2.58
Broadcom	2.57
Meta Platforms 'A'	2.56
Tesla	1.98
Berkshire Hathaway 'B'	1.45

Note: Past performance is not indicative of future results.

