Good Vibes Only

4th Quarter, 2024

Summary

- U.S. large-cap stocks hit over 50 new all-time highs in 2024, ending the year up 25%. U.S. small-cap stocks gained 11%, and U.S. intermediate-term bonds ended 2024 up 1%.
- Post-election, small business optimism recorded the largest month-over-month increase since July 1980. A similar shift in sentiment was noted in various CFO surveys.
- Despite sticky inflation and higher interest rates, the U.S. consumer remained resilient while U.S. government spending continued unchecked.
- The incoming administration appears focused on the challenging task of bolstering economic growth while simultaneously reducing the deficit.
- The most critical element of this deficit curtailment will be containing longer-term yields to avoid disrupting economic expansion.

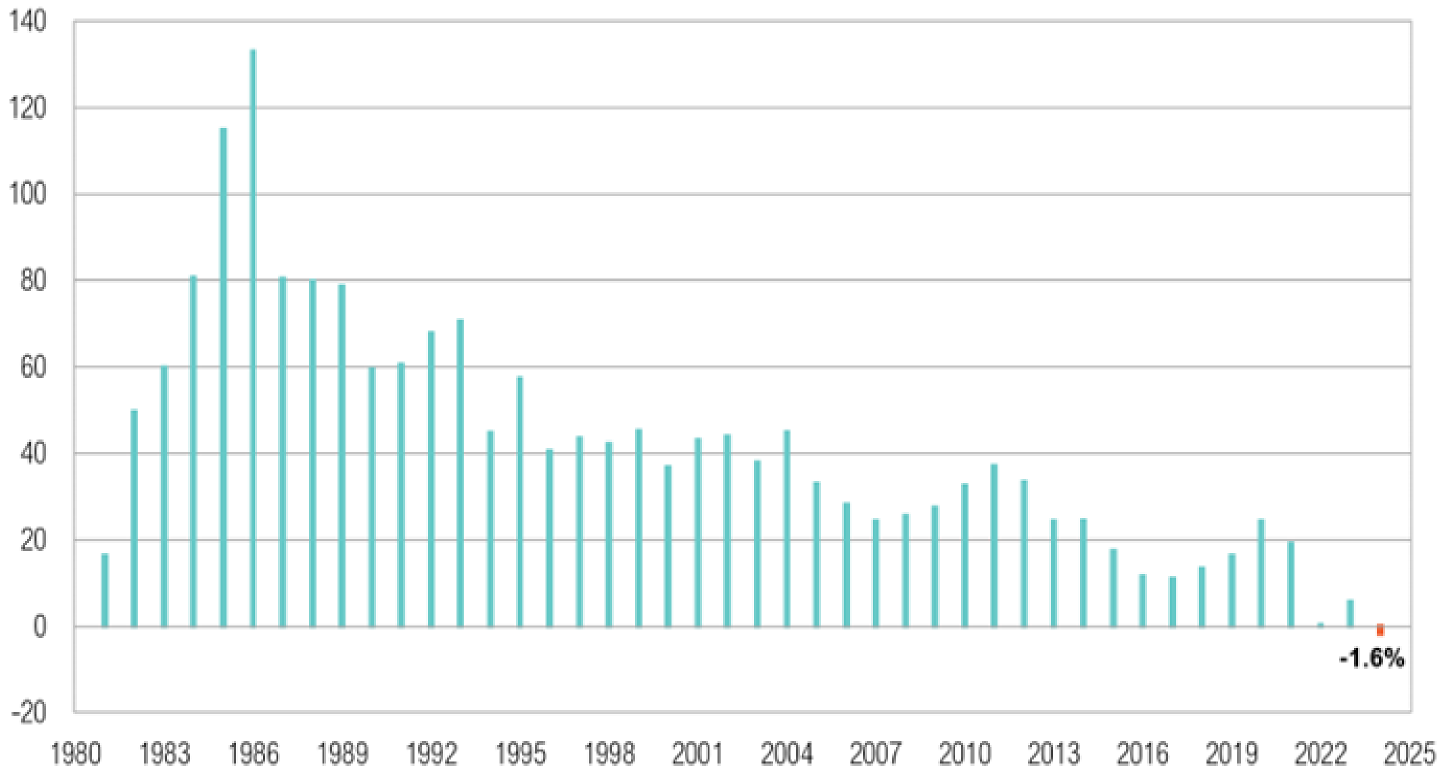
Overview

Markets ended 2024 with mixed results. U.S. large-cap stocks ended the fourth quarter up 2.4% and ended the year up 25.0%. The S&P 500 hit over 50 new all-time highs in 2024. Over the past two years, the S&P 500 has risen a cumulative 53%—the strongest performance since the nearly 66% increase experienced between 1997 and 1998. U.S. small-cap stocks gained 11.5% over the year after a fourth quarter gain of 0.3%. In contrast, U.S. bonds struggled again in 2024. After declining 3.1% in the fourth quarter, the Bloomberg U.S. Aggregate Bond Index ended 2024 up only 1.3%. This marks a cumulative decline of 1.6% over the past five years, making it the worst five-year return since at least 1980.

After easing to 2.4% year over year in September, headline inflation, as measured by the Consumer Price Index (CPI), ended the year at 2.7%, and housing inflation remained the key contributor. Core inflation, which excludes food and energy, ended 2024 up 3.3% and has been above 3% for 43 months. On September 18, with inflation still well above the official 2% target, the Federal Reserve (Fed) began to cut short-term interest rates. Across three different meetings, the Fed cut interest rates by a total of 1.0%, bringing the year-end rate to 4.25% - 4.5%. At the December 18 Federal Open Market Committee meeting, the Fed's economic projections indicated that committee members expected the equivalent of two 0.25% rate cuts in 2025, even though their year-end 2025 inflation expectations increased from 2.1% to 2.5%.

U.S. Intermediate-Term Bonds Ended 2024 with Worst 5-Year Return Since 1980

U.S. Intermediate-Term Bonds, Cumulative 5-Year Return, %



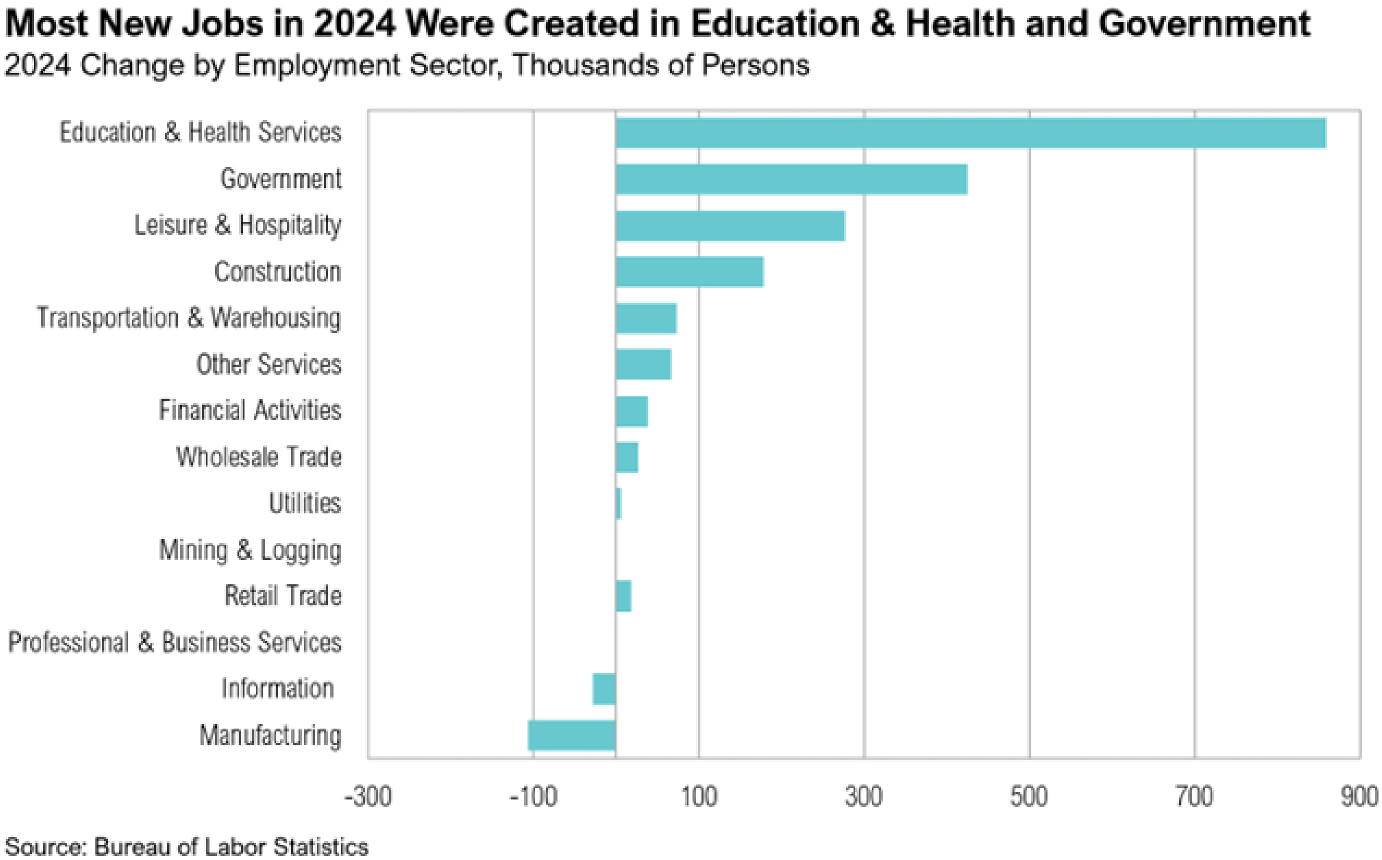
Source: Bloomberg. U.S. intermediate-term bonds proxied by the Bloomberg U.S. Aggregate Bond Index.

The 10-year Treasury yield has climbed higher since the first rate cut in September (an unprecedented move relative to historical rate-cutting cycles). This pushed 30-year mortgage rates higher to end December at 7.3%, 0.6% higher than they were prior to the first Fed interest rate cut. By early January, markets were anticipating the equivalent of only one 0.25% interest rate reduction for 2025.

Two key factors have characterized the U.S. economy: the resilience of the U.S. consumer and the alarming rate of government deficit spending. Consumer spending continues to be robust. Online sales increased by a record $241 billion (or 9% year over year) over the holiday spending period. This is despite credit card interest rates nearing record highs at an average of 24% and the personal saving rate standing at 4.4%—well below the historical average of 8.4%. According to Mastercard Economics Chief Economist Michelle Meyer:

"The holiday shopping season revealed a consumer who is willing and able to spend but driven by a search for value as can be seen by concentrated e-commerce spending during the biggest promotional periods… Solid spending during this holiday season underscores the strength we observed from the consumer all year, supported by the healthy labor market and household wealth gains."

In the 2024 fiscal year, the U.S. government fiscal deficit reached $1.8 trillion, making it the largest deficit in a non-crisis or non-recessionary year on record. Already, the fiscal deficit for 2025 (which began in October) has surpassed $620 billion and is projected to reach $1.9 trillion by the fiscal year end. With interest rates still elevated, the interest expense on U.S. public debt rose by 20% over the past 12 months, climbing to $886 billion. This is nearly on par with national defense spending ($928 billion) and spending on health care programs ($926 billion).



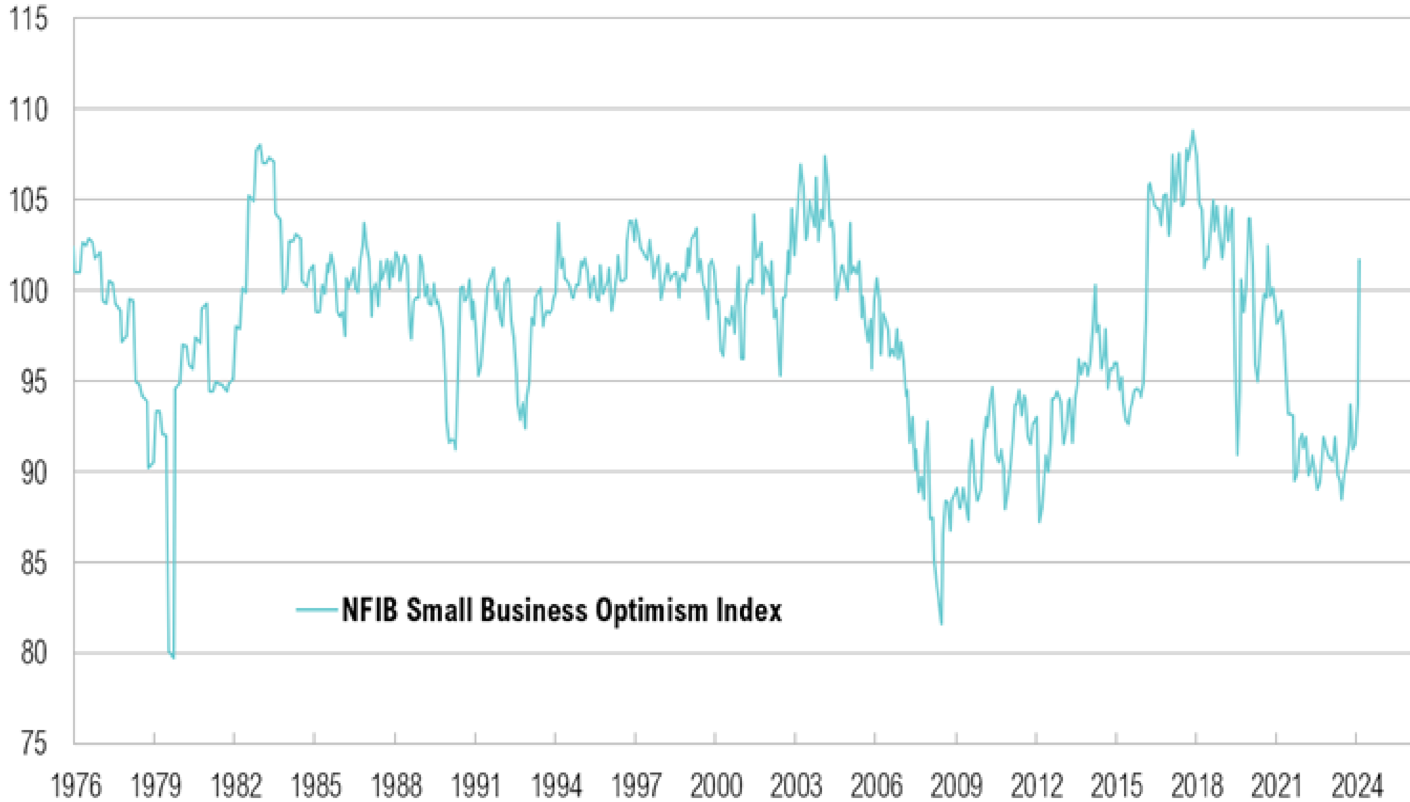
In the third quarter of 2024 the U.S. economy expanded by an annualized 3.1%, and fourth quarter growth is projected to be at 2.3%. The services sector remains the primary growth driver. The ISM Services PMI continued to expand throughout the fourth quarter and ended December with a reading of 54.1. Despite 8 consecutive months of contraction in the manufacturing sector, the ISM Manufacturing PMI ended 2024 with an improved reading of 49.3—the highest reading since April. (A reading below 50 signals contraction in the sector). The manufacturing sector experienced the largest reduction in employment in 2024, losing over 106,000 jobs during the year, followed by the information sector, which lost over 28,000 jobs. Conversely, the education and health services sectors added nearly 860,000 jobs in 2024, and the government sector gained nearly 425,000 jobs. Overall, the labor market remained robust throughout 2024, and the unemployment rate finished the year near record lows at 4.1%.

Good Vibes Only

One of the defining events of 2024 was the 60th U.S. presidential election, held on November 5. After the election, which saw the Republican party emerge as the decisive winner, consumer sentiment ticked up from 72 in November to 74 in December. This was largely driven by the 16-point spike in Republican sentiment, which offset the nearly 12-point drop in Democrat sentiment. Similarly, small business optimism jumped by eight points in November—the largest month-over-month increase since July 1980. A similar (7.4 points) spike in small business optimism was recorded in 2016. After that, the Russell 2000 Index gained 25% over the next 12 months and an annualized 13% over the next four years. The S&P 500 gained 24% over the next 12 months and an annualized 20% over the next four years.

Small Business Optimism Saw the Largest Monthly Rise in November Since 1980

National Federation of Independent Business (NFIB) Small Business Optimism Index

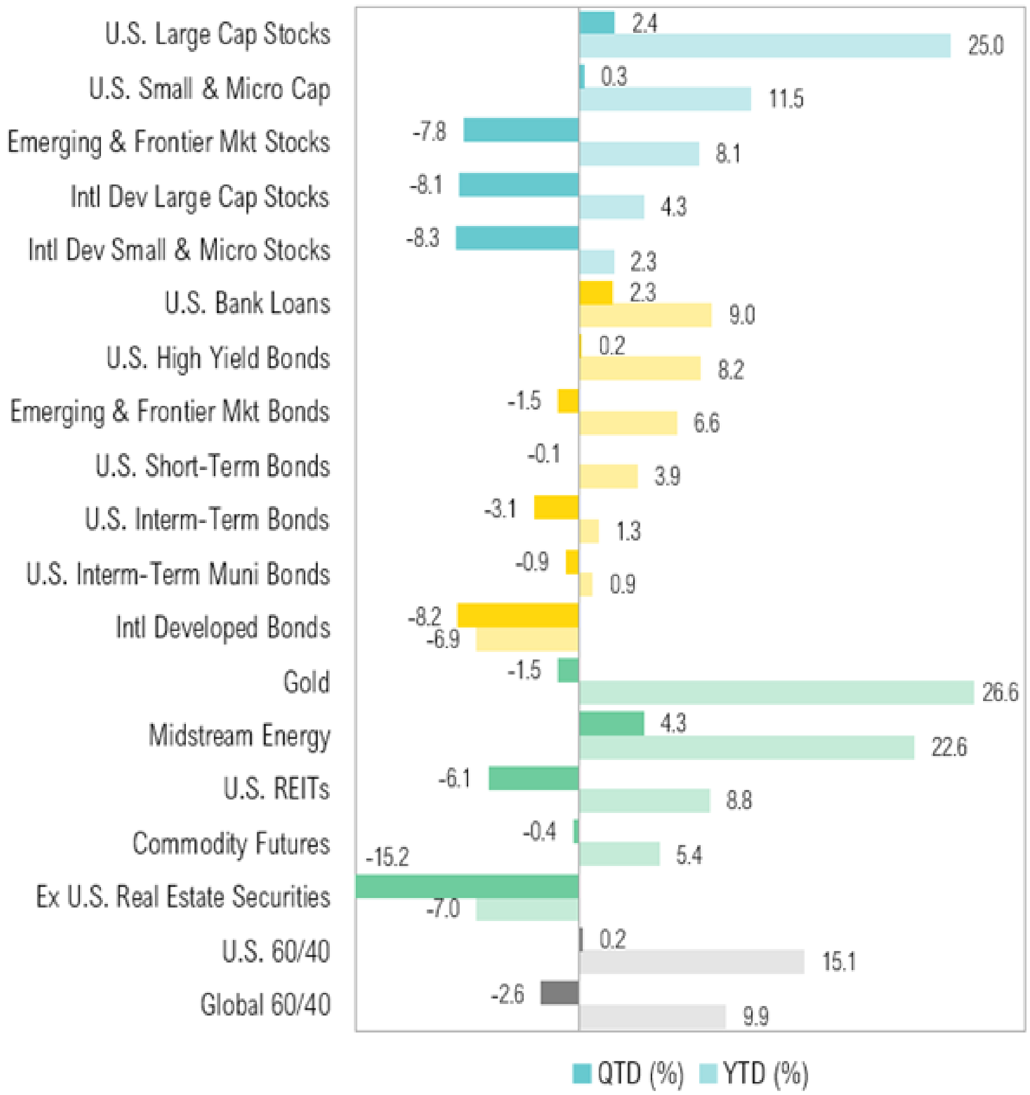


Source: Bloomberg

According to the November 2024 National Federation of Independent Business (NFIB) Small Business Survey, 36% of respondents expect the economy to improve, 18% of respondents plan to increase hiring, and 28% plan to make capital outlays. Surveys of larger companies' CFO's conducted between October and November 2024 show a similar optimism about the U.S. economy, as concerns about the health of the economy, company sales, and revenue declined sharply compared to surveys conducted between August and September 2024. U.S. high yield credit spreads also signaled economic optimism, ending December near historical lows, at 2.7%, and continuing to suggest that the economy may achieve a "soft landing." Further, the November Job Openings and Labor Turnover Survey (JOLTS) report, released in early January, showed signs of stability. Job openings ticked higher for the second consecutive month and the total number of job openings surpassed the 8-million mark for the first time since May 2024.

Even before post-election economic sentiment surveys showed increased optimism, equity valuations remained elevated throughout the year and even climbed back to extreme levels. Despite valuations at extremes, U.S. large-cap returns were once again above average. With only 19% of S&P 500 constituents outperforming the broader index over the past year, returns remain substantially driven by a handful of mega-cap technology stocks, including Nvidia (up 171% in 2024), Meta (up 65%), Tesla (up 63%), and Amazon (up 44%). The Magnificent Seven now account for over a third of the S&P 500, up from a fifth of the index in 2022. Earnings growth for the S&P 500 is expected to be 15% for 2025. In contrast, earnings growth for the Russell 2000 index is expected to accelerate by 40% in 2025.

Q4 2024 Key Market Total Returns



Source: Bloomberg

With the new administration taking office on January 20, President-Elect Donald Trump has already announced several key nominations for Cabinet posts and White House roles. Among these is Treasury Secretary nominee Scott Bessent (a former Democrat donor), who has outlined a "3-3-3" target that includes 3% economic growth, reducing the federal deficit to 3% of GDP by 2028, and increasing daily energy production by the equivalent of 3 million barrels of oil—approximately a 20% increase from current levels. When asked about his decision to accept the nomination, Bessent remarked:

"This election cycle is the last chance for the U.S. to grow our way out of this mountain of debt…"

Bessent's remark shows a stark contrast between the incoming and outgoing administrations' perspectives on the U.S. fiscal deficit burden and how to address it. At a Wall Street Journal CEO Summit, held on December 10, current Treasury Secretary Janet Yellen remarked:

"Well, I am concerned about fiscal sustainability, and I am sorry that we haven't made more progress. I believe that the deficit needs to be brought down, especially now that we're in an environment of higher interest rates."

Despite the daunting size of the fiscal deficit, there is reason for optimism. In addition to Bessent's nomination, Trump has also tapped Elon Musk and Vivek Ramaswamy to lead the newly created Department of Government Efficiency (DOGE), which will seek to improve accountability and efficiency within federal agencies. While DOGE will be an advisory board rather than an official government department, it aims to illuminate inefficiencies and subsequently lighten the U.S. fiscal deficit burden.

The new administration is also expected to usher in a more supportive regulatory environment for digital assets. Bitcoin surged 43% in the fourth quarter and ended 2024 up 130%. In a noteworthy move, Trump has appointed David Sacks as the nation's first Crypto and Artificial Intelligence (AI) Czar. In this advisory role, Sacks will facilitate communication between government officials and tech industry leaders while working to establish a regulatory framework that supports the growth of digital currencies.

Markets

U.S. equity markets fared significantly better than their international counterparts over the fourth quarter. U.S. large-cap stocks gained 2.4% while international developed large-cap stocks ended the quarter down -8.1%. Similarly, while U.S. small-cap stocks ended the quarter flat after gaining only 0.3%, international developed small-cap stocks dropped -8.3% over the quarter. Emerging and frontier market stocks ended the fourth quarter down -7.8%, driven by declines in South Africa (-12.1%), India (-11.3%), and Turkey (-10.1%). Plus, the U.S. dollar ended the month at its highest level since November 2022. Fixed income markets exhibited similar dynamics: while U.S. intermediate-term bonds ended the fourth quarter down -3.1%, international developed market bonds ended the quarter down -8.2%.

Despite ending the fourth quarter down -1.5%, gold ended 2024 up 26.6%, setting over 30 new record highs. After reaching a one-year low of $65.8 per barrel on September 10, West Texas Intermediate (WTI) crude oil ended the year at $71.7 per barrel. Despite rising oil prices, U.S. national average gasoline prices reached a three-year low of $3.02 on December 12.

In September, the People's Bank of China unveiled a series of economic stimulus measures, including interest rate cuts, increased government spending, and relaxed property market restrictions aimed at revitalizing sluggish growth in the face of a weak real estate sector and declining consumer confidence. However, progress has been underwhelming, and announcements have been delayed pending further clarity on tariffs and other policies of the incoming Trump administration. On December 20, a week after the Chinese government announced its first loosening of monetary policy in 14 years, short-term Chinese sovereign bond yields fell to 0.92%—their lowest level since the Global Financial Crisis. The MSCI China Index ended the fourth quarter down -7.7%.

In global fixed income markets, 10-year Japanese government bond (JGB) yields ended early January at the highest level since 2011, reaching 1.18%. Similarly, in early January, UK 10-year Gilt yields reached the highest level since August 2008, rising to 4.76%. 30-year UK Gilt yields reached the highest level since August 1998 in early January, rising to 5.3%.

Looking Forward

The incoming administration appears focused on bolstering economic growth while simultaneously reducing the deficit. The most critical element of this endeavor will be curtailing the deficit while keeping longer-term yields contained. Unless driven by higher long-term growth prospects, we believe an uncontained rise in bond yields could negatively impact risk assets.

As always, if you have any questions or would like to schedule a meeting with one of our investment professionals, please don't hesitate to call us at 508-693-8850.

Sincerely,

Luke Murphy
Managing Director,
Martha's Vineyard Investment Advisors

Martha's Vineyard Investment Advisors

496 State Road
West Tisbury, MA 02575
(508) 693-8850
www.mvinvestmentadvisors.com

Performance Disclosures

All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

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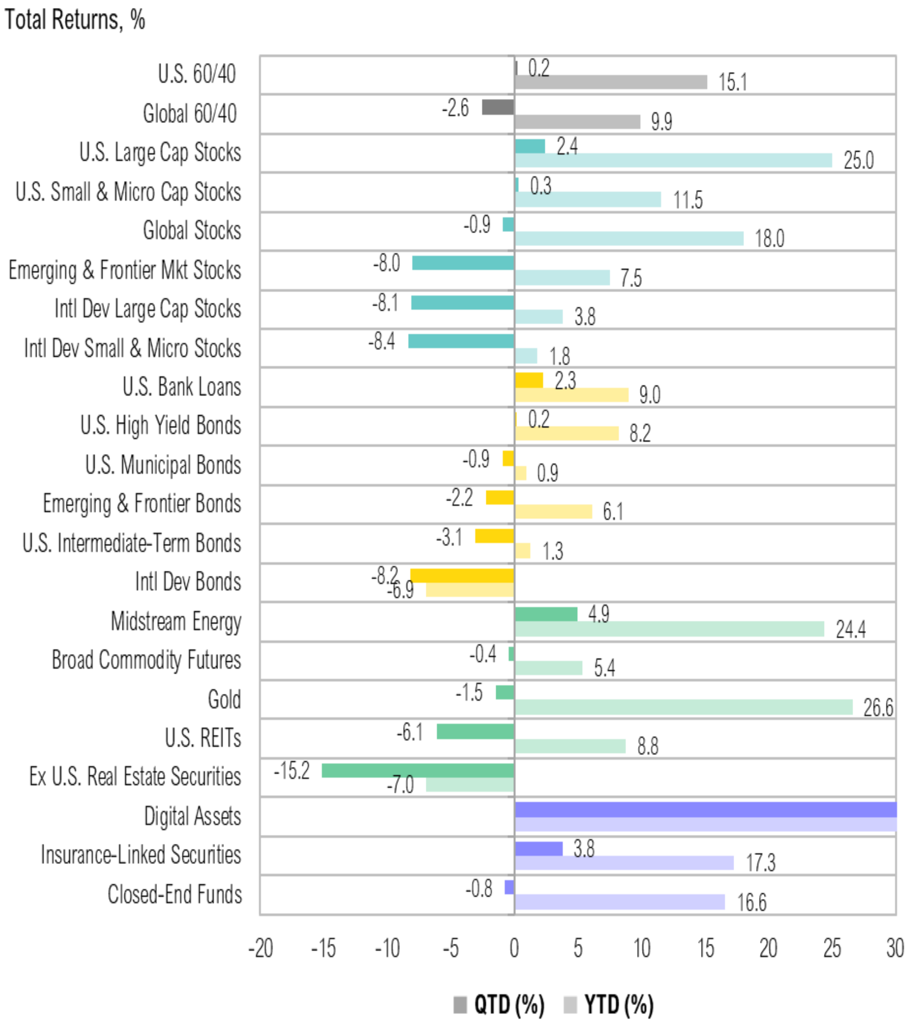
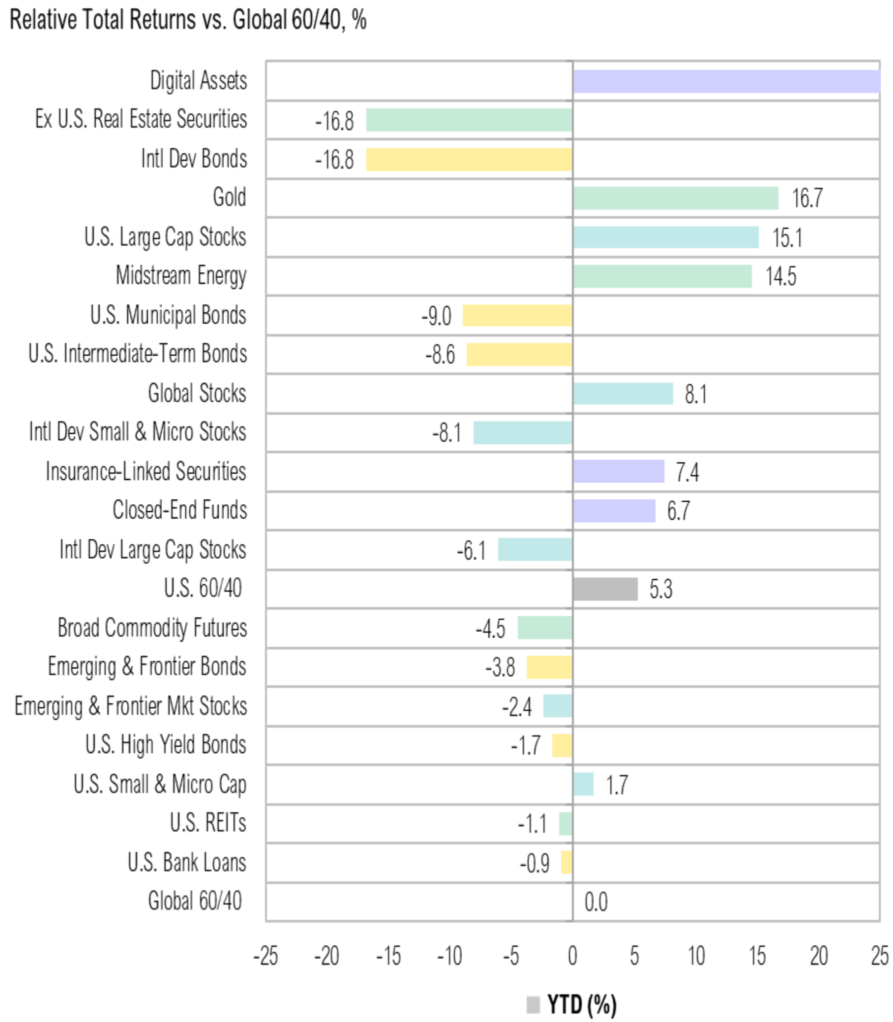
MVIA Market Outlook

1Q, 2025

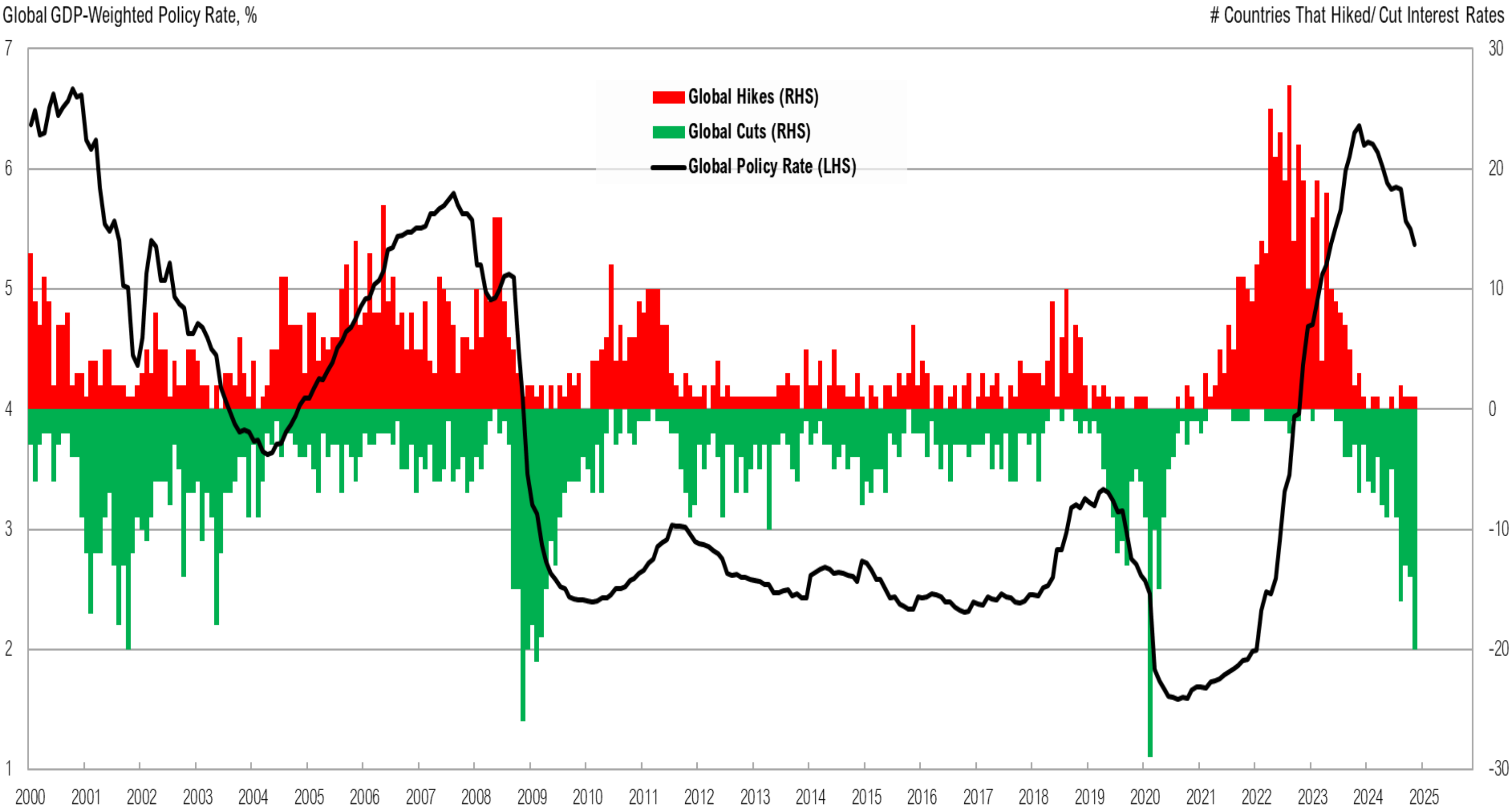
Major winners over Q4 included digital assets (+52.0%) and midstream energy (+4.9%) while ex-U.S. real estate (-15.2%) and international small cap stocks (-8.4%) lagged





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

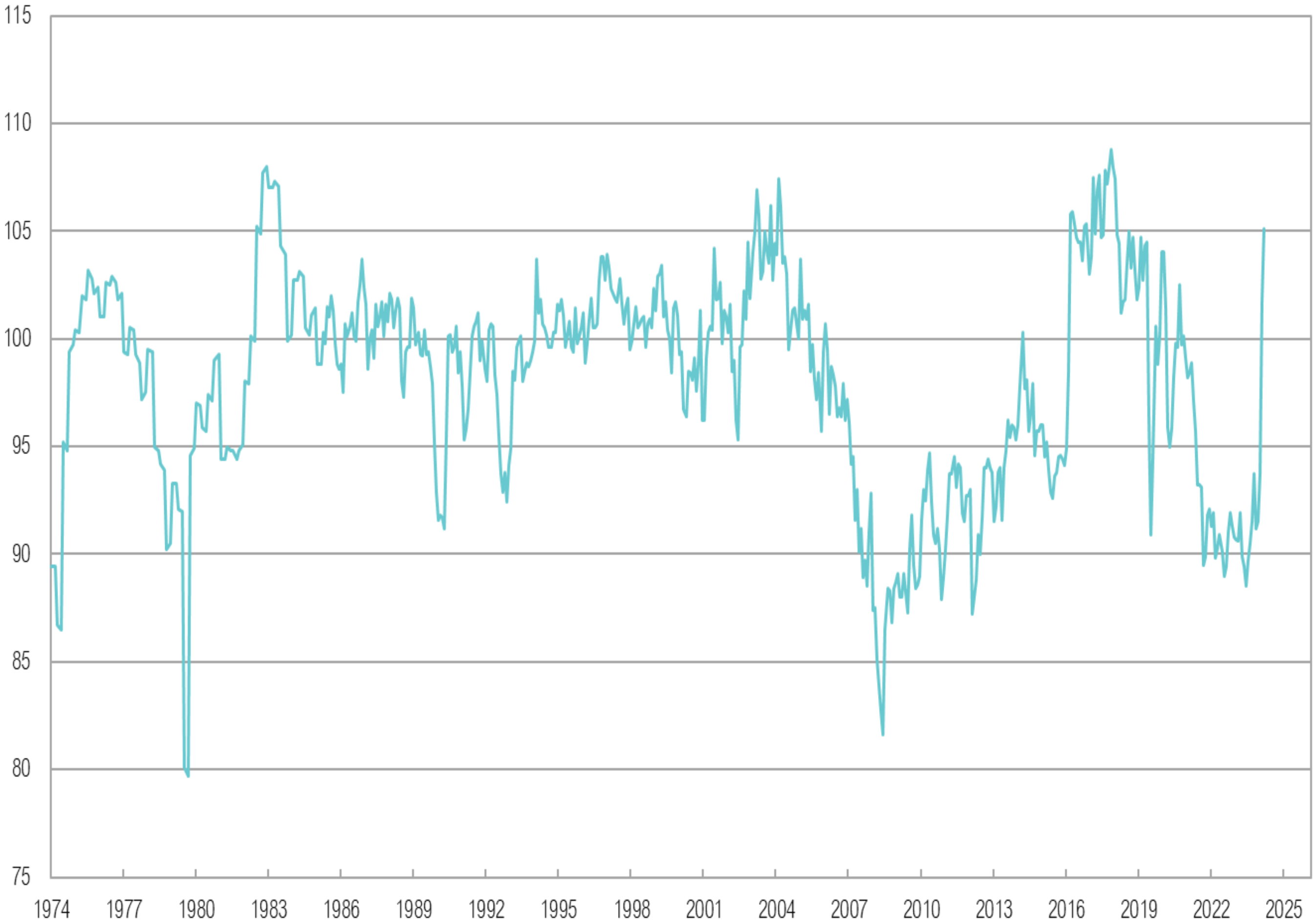
Globally, December 2024 saw the highest number of interest rate cuts and the largest drop in policy rates outside of a major crisis or pandemic



Source: IMF, BIS, Topdown Charts, SpringTide. Includes 39 countries on which data is available for. GDP weighting based on most recent 2024 GDP estimate published by the IMF.

Small business optimism jumped to a six-year high in December in anticipation of pro-business policies and legislation from the incoming administration

National Federation of Independent Business (NFIB) Small Business Optimism Index

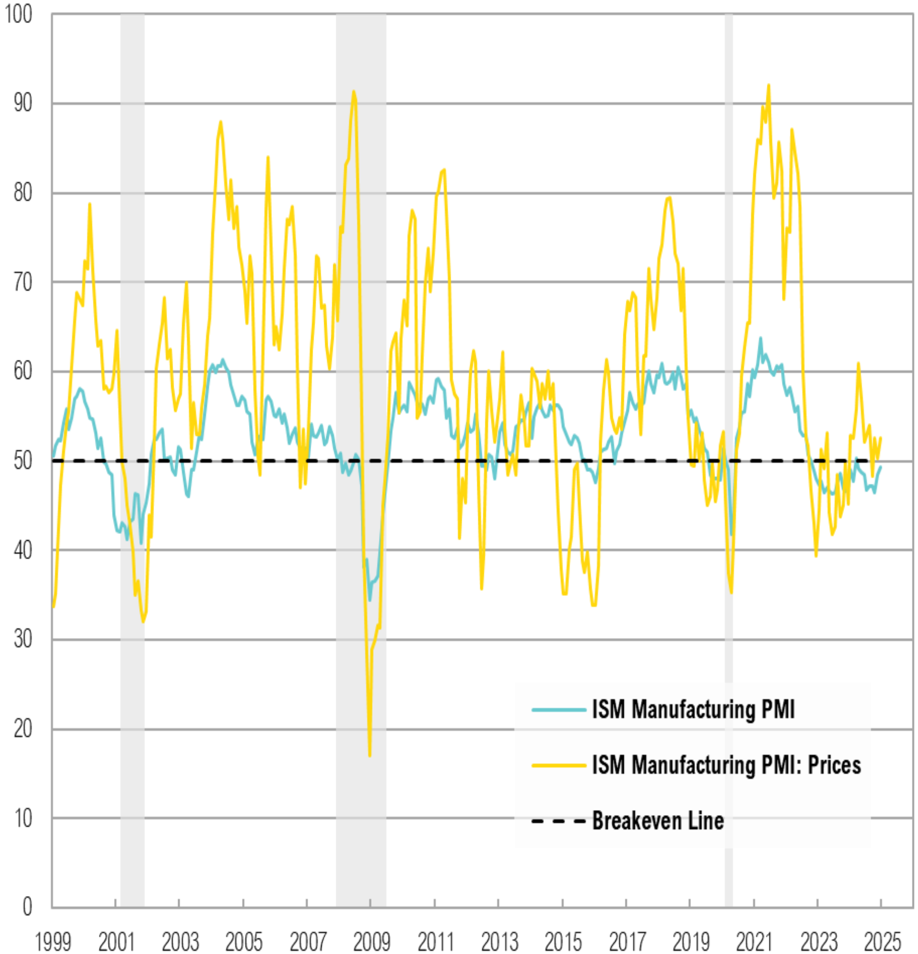


Source: NFIB

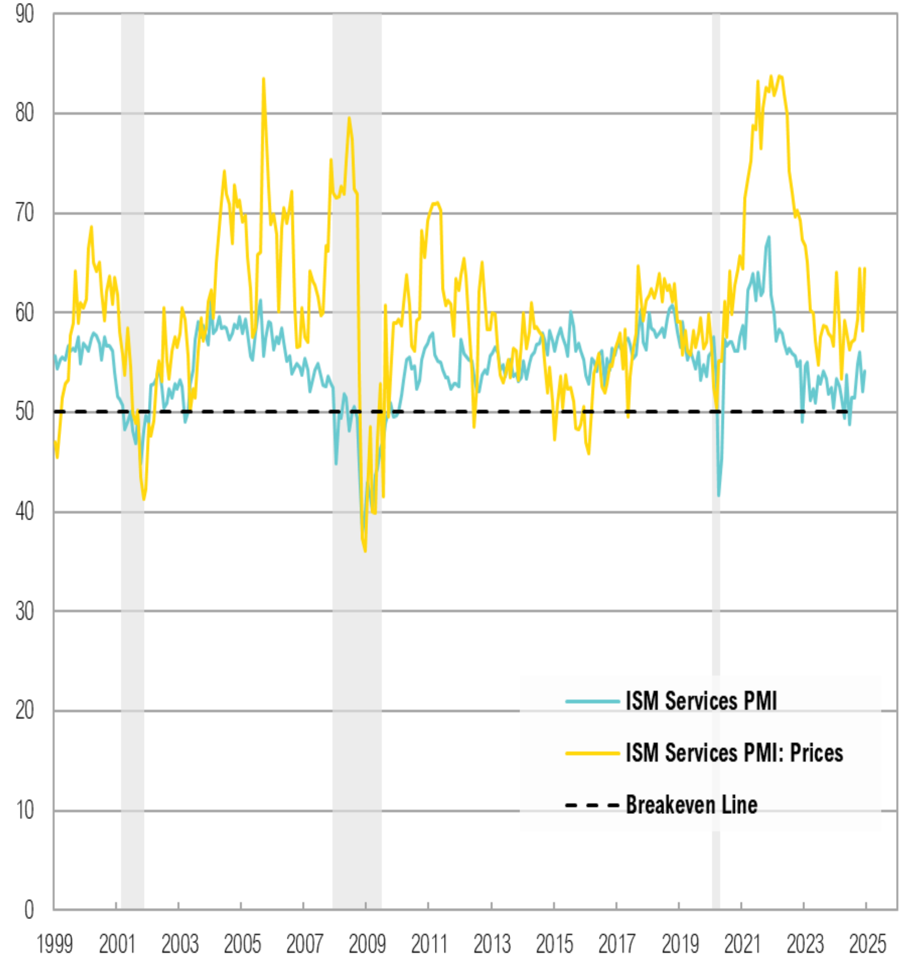
- 52% of small business owners expect the economy to improve, rising to the highest level since December 1982.
- 20% of survey respondents believe now is a good time to expand their business—the highest percentage since February 2020.
- 22% of small business owners expect higher real sales volumes. This is the highest number since January 2020.
- Inflation and labor quality remain key concerns for small business owners.

While the manufacturing sector remains in contractionary territory, the services sector remains strong; services prices paid continues to increase

ISM Manufacturing PMI



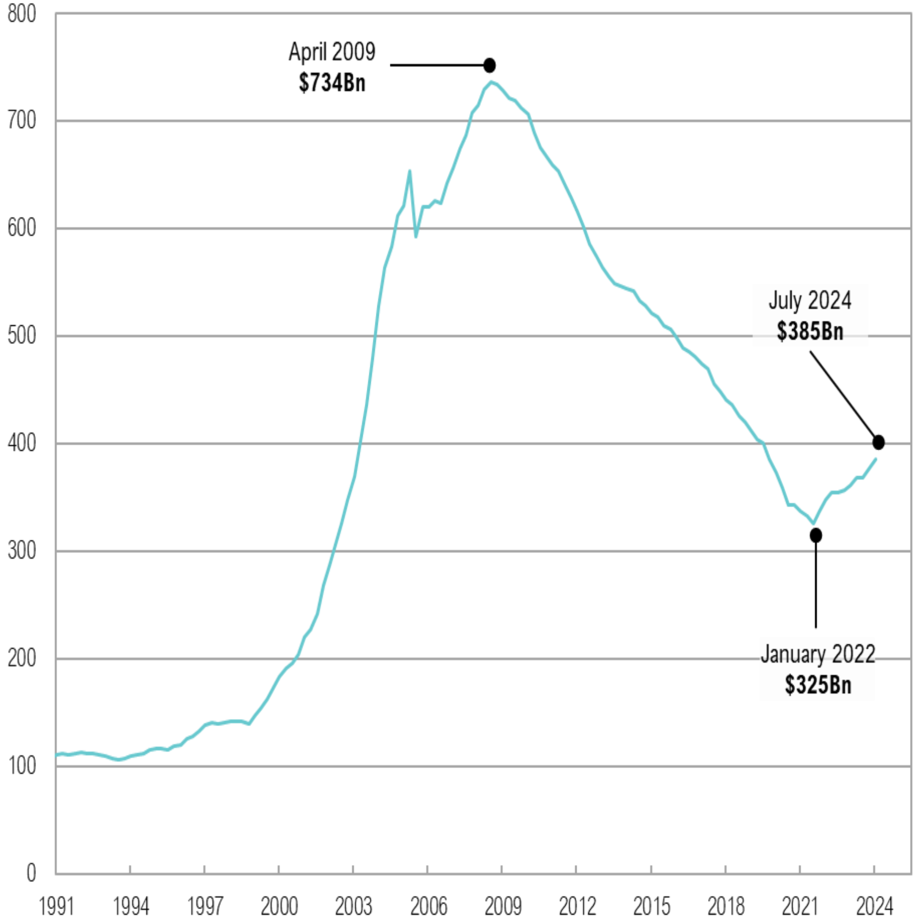
ISM Services PMI



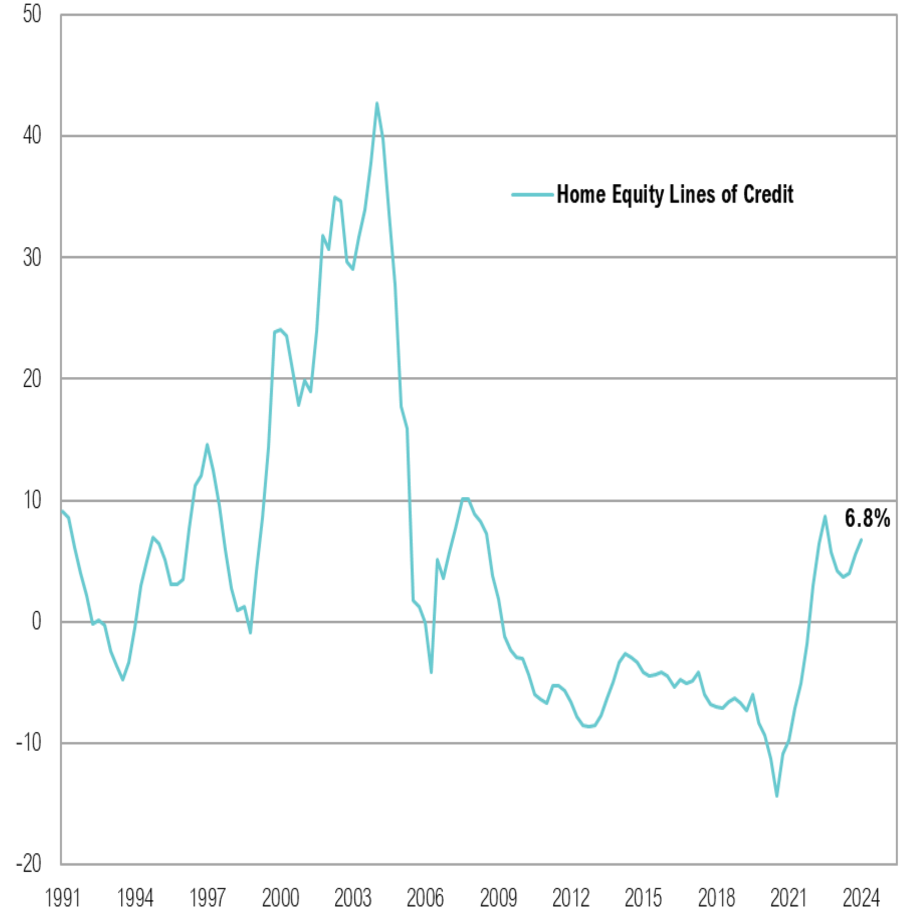
Source: Bloomberg. As of 12/312024.

HELOC balances, which declined from 2009 to 2022, have started to climb higher again, and remain largely untapped as a source of consumer credit

Aggregate Balance on Total Home Equity Lines of Credit, $Bn



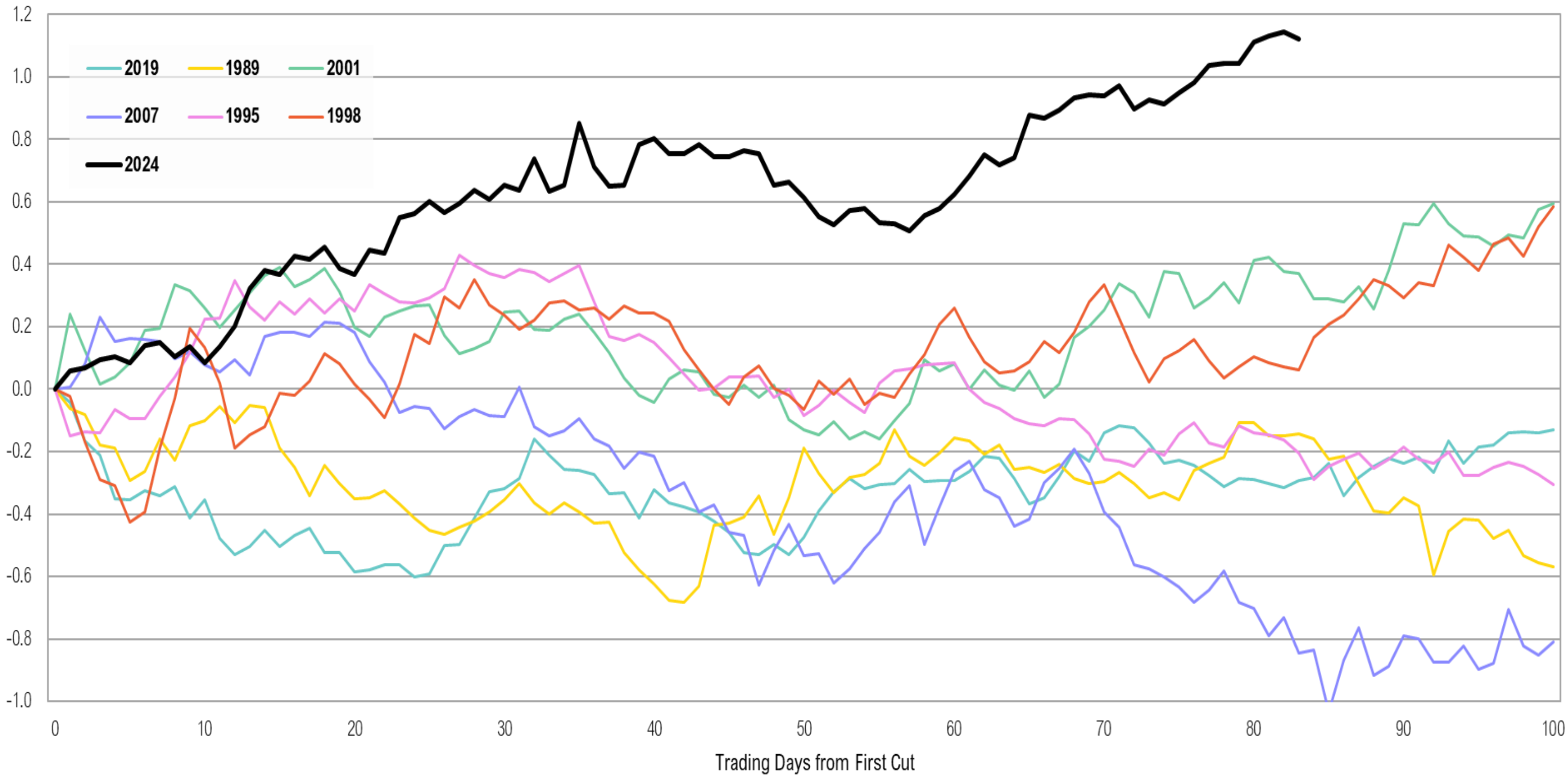
Total Home Equity Lines of Credit, Y/Y %



Source: Federal Reserve Bank of St Louis

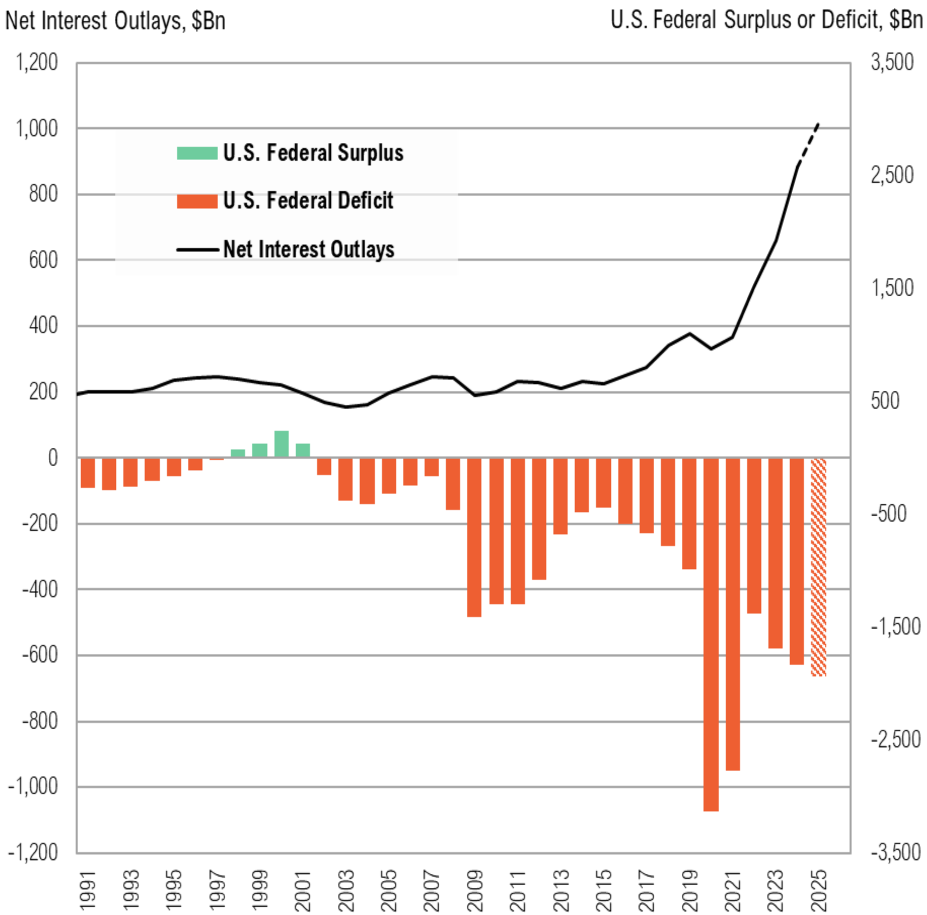
Relative to prior major rate cutting cycles, the 10-year Treasury yield remains elevated since the first cut

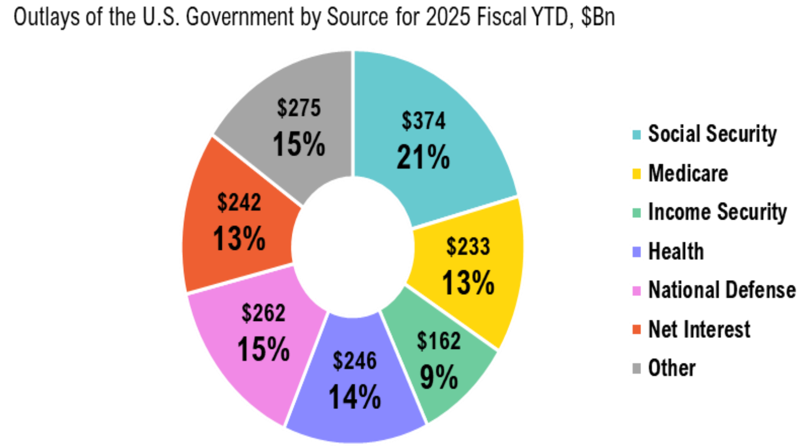
Absolute Change in 10-Year Yield During Major Cutting Cycles, %

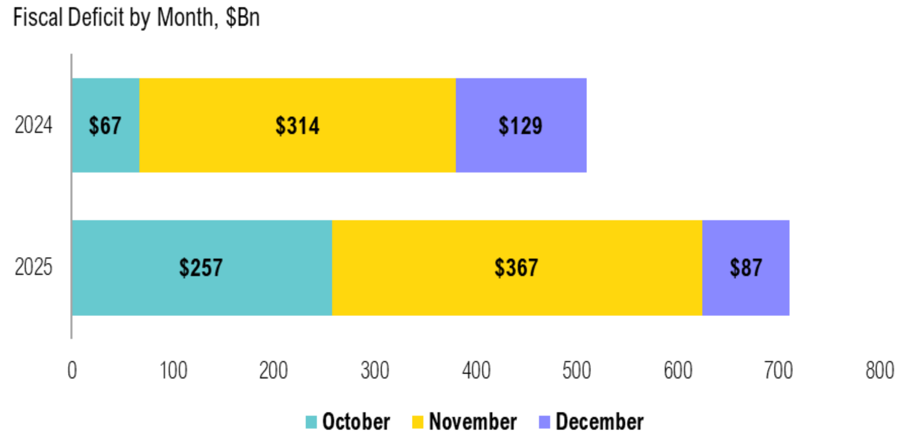


Source: Bloomberg. As of 1/15/2025.

At $1.8 trillion, 2024 was the largest non-crisis/pandemic deficit on record; the CBO estimates the 2025 fiscal deficit to reach $1.9 trillion

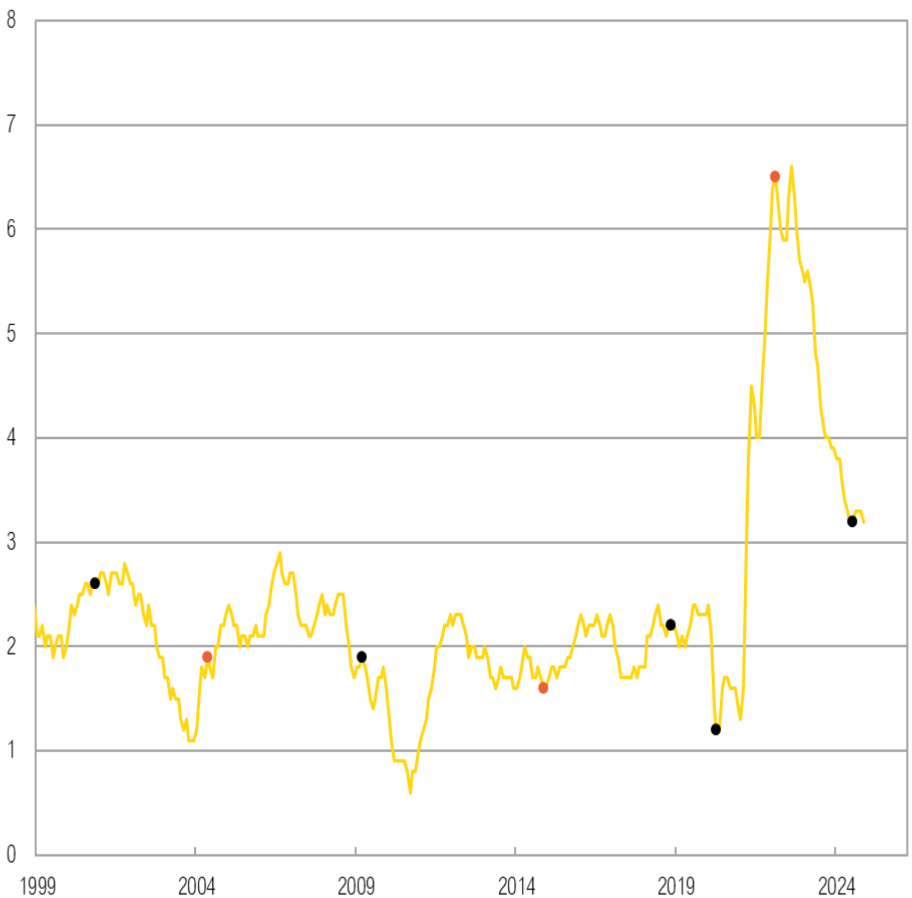


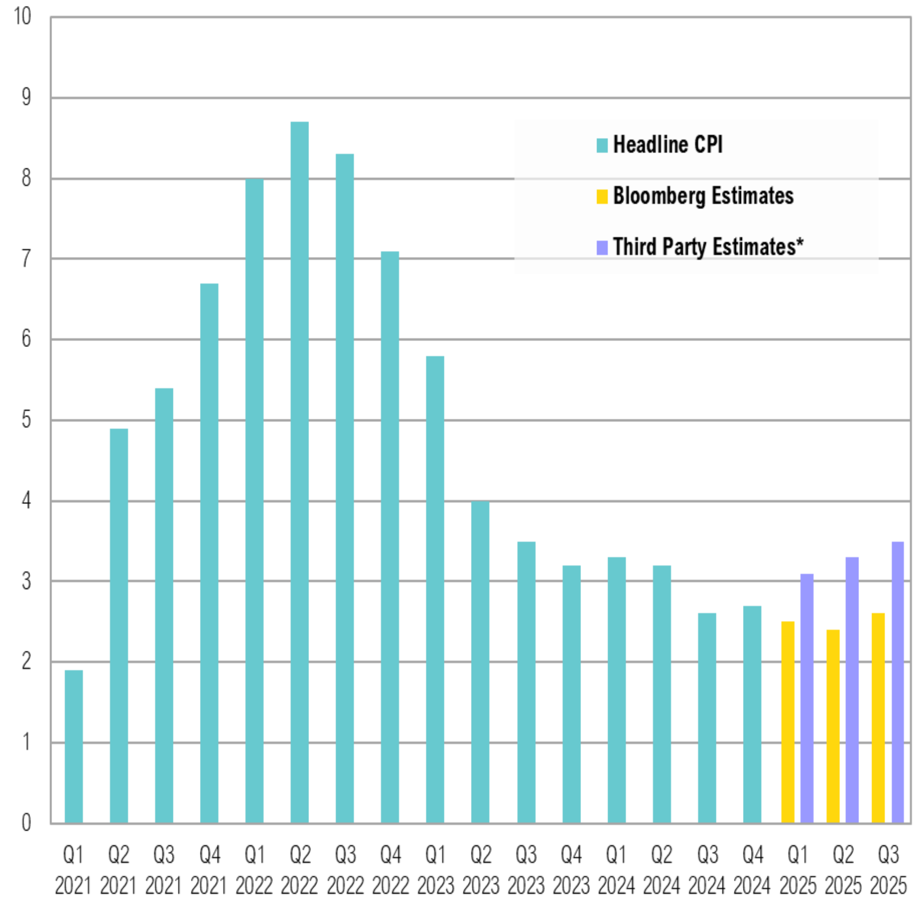




Source: Bureau of the Fiscal Service, Congressional Budget Office. Fiscal 2025 year started on 10/1/2024. As of 12/31/2024.

Inflation's last mile: At 3.2%, core inflation remains well above target; estimates show that headline inflation is likely to remain above 2% through the Q3 2025

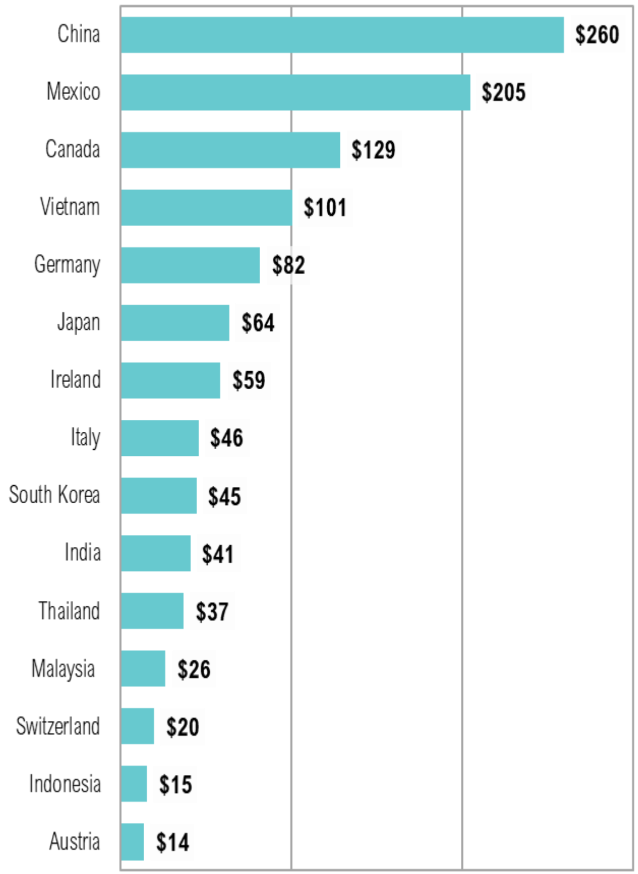




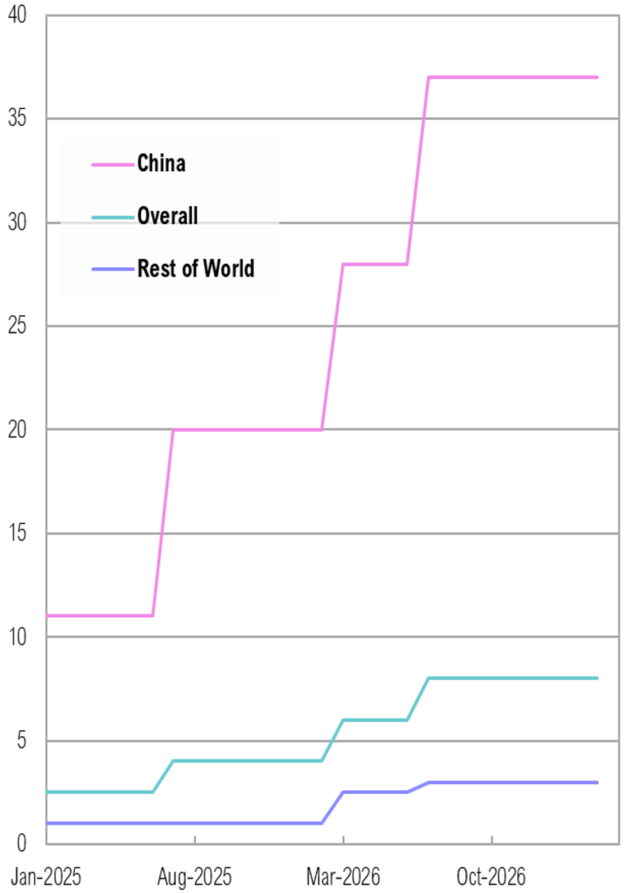
Source: Bloomberg. *Third party estimates: Hedgeye.

It remains to be seen to what extent the universal tariffs proposed by Trump will be implemented

U.S. Largest Trade Deficits in 2023, $Bn



Estimated U.S.-Weighted Average Tariffs, %



- **Tariff hikes are widely anticipated to start in summer 2025.**
- **Estimates are for tariffs on China to triple by the end of 2026.**
- **Smaller tariff increases are likely to apply to other countries (predominantly Mexico and Canda) with a key focus on targeting intermediate and capital goods.**
- **The average U.S. tariff rate is expected to rise to 8% by the end of 2026.**
- **Most economists anticipate U.S. imports and exports as a share of global trade to drop from 21% to 18%.**
- **A decline in U.S.-China trade is likely.**
- **Unless the domestic economy can offset issues, U.S. economic growth may slow due to reduced trade activity, with increasingly complex inflation dynamics.**

Source: Bloomberg

Post-election performance provides insight into the market's expectations, but there are multiple cross-currents (how much was front-run, impact of rates, etc.)

Total Return Since 11/5/2024, %

Asset Classes	
Cryptocurrencies	65.3
Midstream Energy	12.7
Commodity Futures	4.8
US Large Cap Stocks	2.6
US Bank Loans	1.7
Closed-End Funds	1.5
Cash	0.9
US 60/40	0.9
US Micro Cap Stocks	0.8
US High Yield Bonds	0.6
Short-Term Bonds	0.4
US Small Cap Stocks	0.3
US Interm-Term Muni Bonds	-0.4
Emerging Market Bonds	-0.7
Municipal High Yield Bonds	-1.1
Global 60/40	-1.2
US Interm-Term Bonds	-1.7
Gold	-2.8
Intl Dev Ex-US Stocks	-4.3
US REITs	-4.9
Developed Ex-US Bonds	-5.9
Global Real Estate Sec's	-6.4
Emerging Market Stocks	-6.4
Intl Dev Ex-US Real Est.	-8.1

Factors & Styles	
Large Cap Growth	5.2
Mid Cap Growth	4.4
Momentum	4.2
Large Cap Core	2.9
Mid Cap Core	1.9
Small Cap Value	1.5
Size	1.4
Small Cap Growth	1.4
Large Cap Value	0.7
Small Cap Core	0.3
Quality	0.2
Value	-0.1
Mid Cap Value	-0.4
Minimum Volatility	-1.0

Sectors	
Consumer Discretionary	11.4
Financials	4.8
Communication Services	4.0
Energy	2.8
Technology	2.0
Industrials	0.9
Utilities	-1.2
Consumer Staples	-4.1
Health Care	-4.1
Real Estate	-6.5
Materials	-7.3

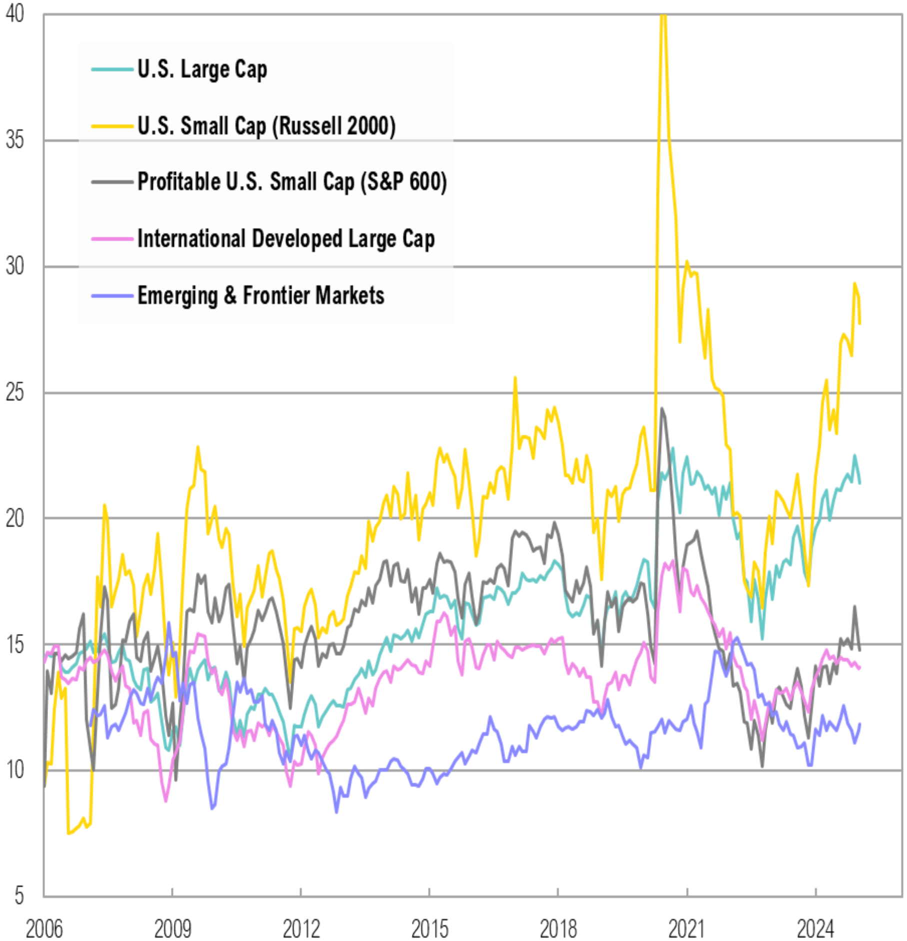
Industries	
Broker-Dealers & Exchanges	7.6
Oil Equipment & Services	7.6
Financial Services	6.6
Oil & Gas Exploration	6.4
Regional Banks	6.1
Tech Software	5.6
Expanded Technology	5.1
Aerospace & Defense	2.7
Digital Infrastructure	2.3
Medical Devices	1.3
Insurance	1.0
Transportation	0.6
Semiconductors	0.0
Global Energy Producers	-0.4
Mortgage Real Estate	-1.2
Pharmaceuticals	-3.1
Healthcare Providers	-3.2
Residential Real Estate	-5.6
Global Timber & Forestry	-6.0
Global Gold Miners	-6.5
Biotechnology	-7.8
Copper & Metals Mining	-10.2
Home Construction	-11.3
Lithium Miners	-15.4

Themes	
Quantum Computing	27.3
Blockchain	19.1
Magnificent 7	13.5
Cloud Computing	12.0
FinTech	7.0
Cybersecurity	4.4
Artificial Intelligence	3.1
Defense	2.8
Autonomous Driving	2.5
Internet of Things	1.9
Large Cap ex-Magnificent 7	0.9
Hydrogen	0.1
Social Media	-0.1
Video Games & eSports	-0.1
Robotics	-1.9
Data Centers	-2.9
Genomics & Biotechnology	-9.8
Clean Technology	-10.6
Solar Energy	-18.5
Wind Energy	-20.3

Source: Bloomberg. See appendix for asset class & index definitions. Asset class returns are based on market indexes. Other returns based on passive ETFs. As of 1/14/2025.

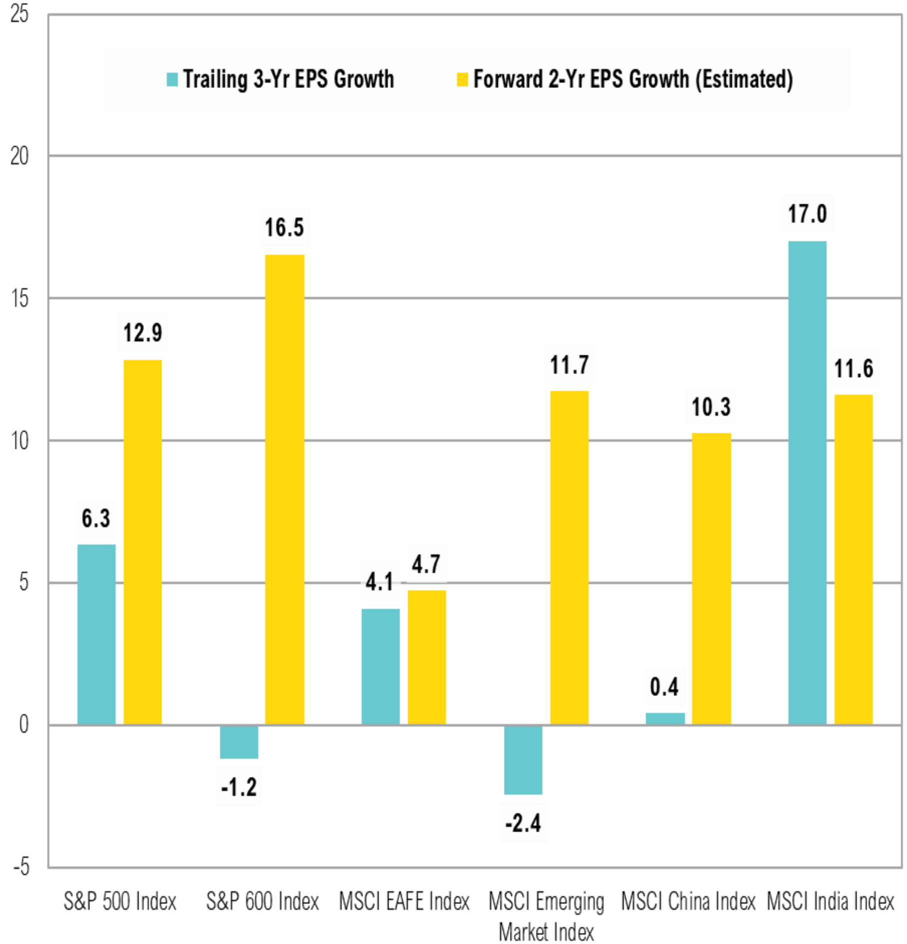
Emerging market stocks remain relatively cheap vs. developed markets; looking ahead, earnings growth for profitable U.S. small cap stocks look promising

Price-to-Earnings Ratio, Forward 12-Months

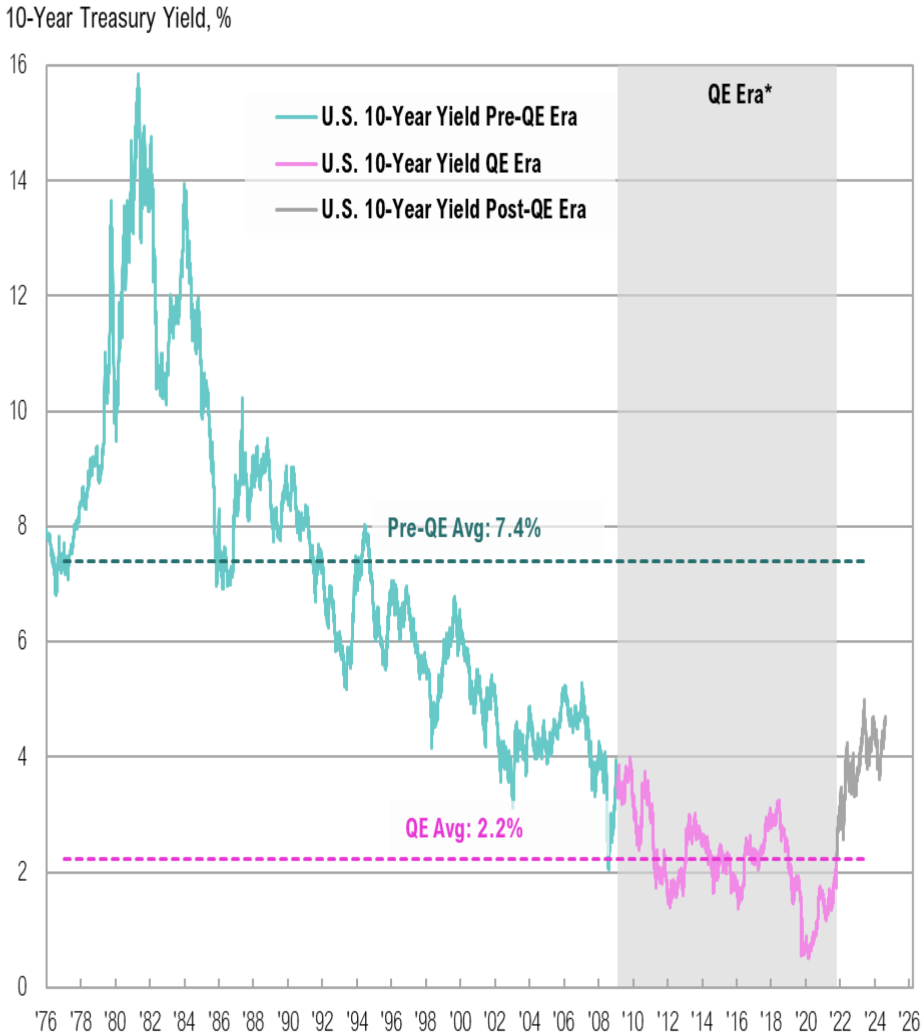


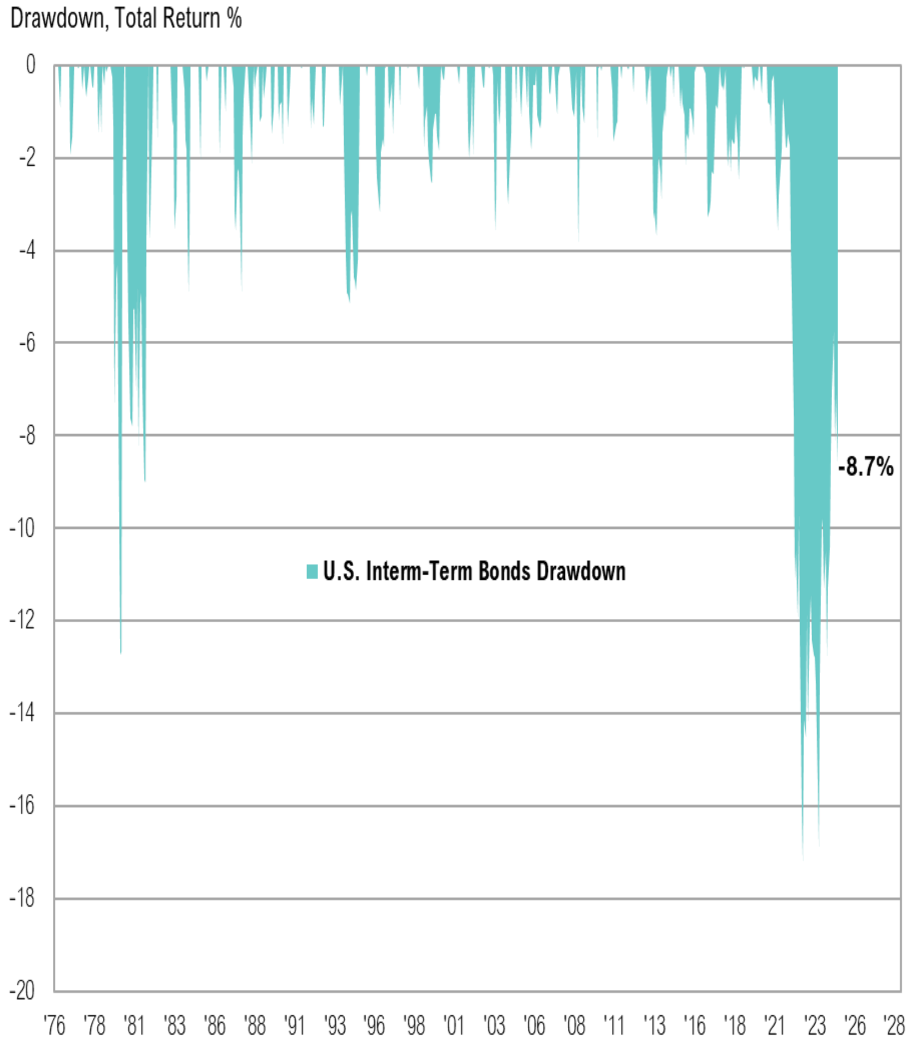
Source: Bloomberg. As of 1/14/2024.

Trailing vs Forward Earnings Per Share Growth, %



We are in the biggest bond bear market of all time; bonds peaked in August 2020 and have yet to recover





Source: Bloomberg. *QE Era defined as per Bianco Research from 6/30/2009 – 3/16/2022.

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

Tenor

Change in Yields (%)	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%	2.9%	1.4%	-1.2%	-3.9%	-6.3%	-8.6%	-13.0%	-18.8%	-26.7%	-32.6%	-41.9%
2.5%	3.7%	3.1%	1.9%	-0.3%	-2.5%	-4.5%	-6.4%	-10.1%	-14.8%	-21.5%	-26.3%	-34.1%
2.0%	3.8%	3.3%	2.4%	0.6%	-1.1%	-2.7%	-4.2%	-7.1%	-10.9%	-16.2%	-20.1%	-26.3%
1.5%	3.9%	3.6%	2.8%	1.6%	0.3%	-0.9%	-2.0%	-4.2%	-7.0%	-10.9%	-13.8%	-18.5%
1.0%	4.1%	3.8%	3.3%	2.5%	1.7%	0.9%	0.2%	-1.2%	-3.1%	-5.6%	-7.5%	-10.7%
0.5%	4.2%	4.1%	3.7%	3.4%	3.1%	2.7%	2.4%	1.7%	0.8%	-0.3%	-1.3%	-2.9%
0.0%	4.3%	4.3%	4.2%	4.3%	4.4%	4.5%	4.6%	4.7%	4.8%	4.9%	5.0%	5.0%
-0.5%	4.4%	4.6%	4.7%	5.3%	5.8%	6.4%	6.8%	7.6%	8.7%	10.2%	11.3%	12.8%
-1.0%	4.6%	4.8%	5.1%	6.2%	7.2%	8.2%	9.0%	10.6%	12.6%	15.5%	17.6%	20.7%
-1.5%	4.7%	5.0%	5.6%	7.1%	8.6%	10.0%	11.2%	13.5%	16.5%	20.8%	23.9%	28.5%
-2.0%	4.8%	5.3%	6.1%	8.1%	10.0%	11.8%	13.4%	16.5%	20.5%	26.1%	30.2%	36.4%
-2.5%	4.9%	5.5%	6.5%	9.0%	11.4%	13.6%	15.6%	19.4%	24.4%	31.4%	36.5%	44.3%
-3.0%	5.1%	5.8%	7.0%	9.9%	12.8%	15.4%	17.8%	22.4%	28.3%	36.7%	42.8%	52.2%

	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
Duration (Yrs)	0.2	0.5	0.9	1.9	2.8	3.6	4.4	5.9	7.8	10.6	12.6	15.7
Yield YTM	4.3	4.3	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9	5.0	5.0
Convexity	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.2*	*0.4*	*0.7*	*1.4*	*2.1*	*3.6*

Yield Increase Insulation by Tenor:

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

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

- 15-Year: +15.5%
- 20-Year: +17.6%
- 30-Year: +20.7%

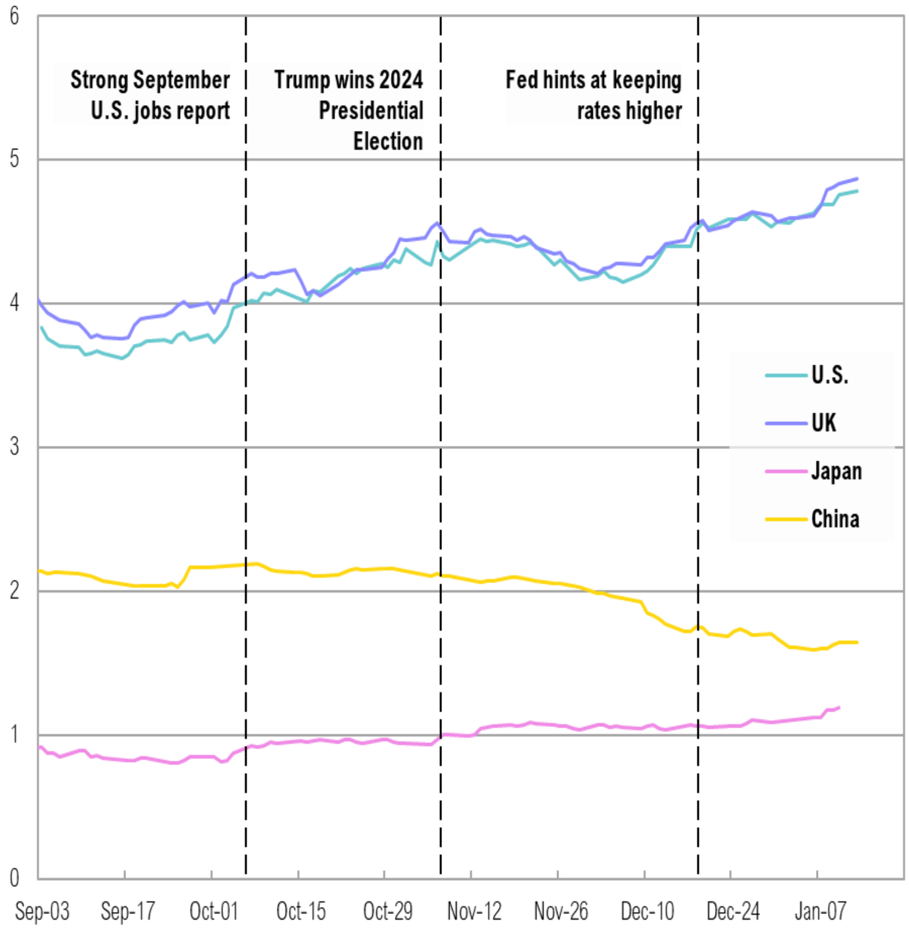
Total Returns by Tenor (for a 1% increase in yields):

- 15-Year: -5.6%
- 20-Year: -7.5%
- 30-Year: -10.7%

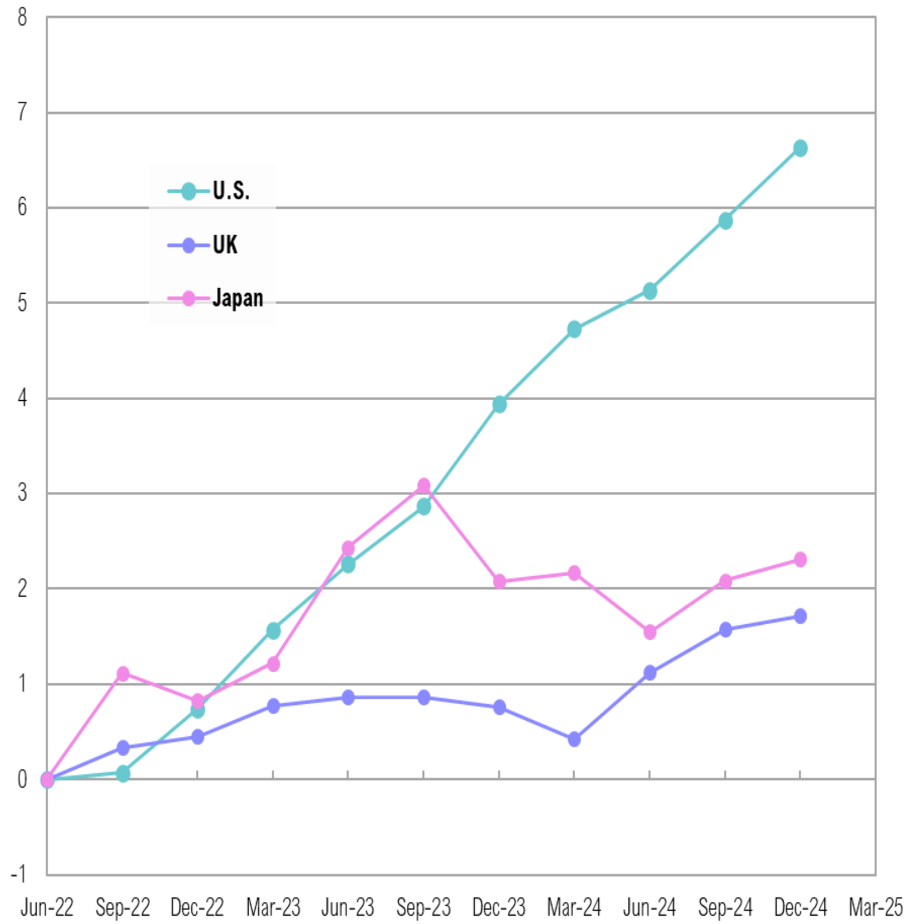
Source: Bloomberg

Are rising U.S. Treasury yields also reflecting strong economic growth? Despite inflation well above target, U.S. economic growth has been far stronger than developed peers

Yields on 10-Year Government Bonds, %



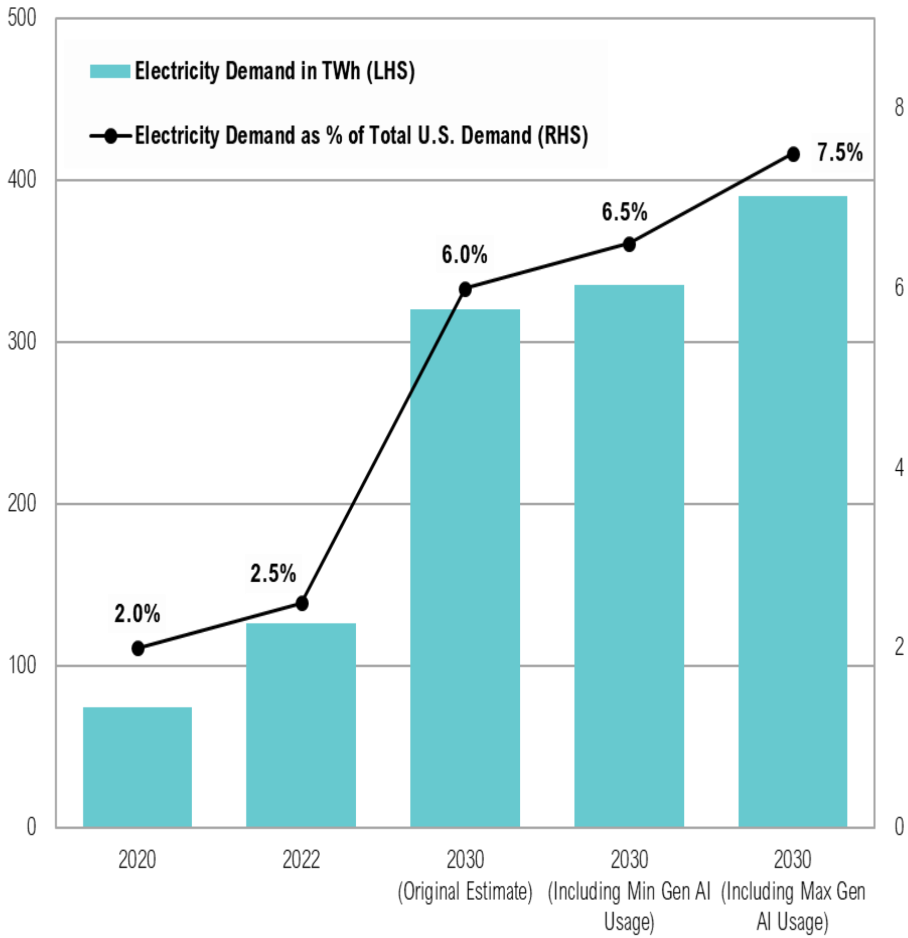
Cumulative Economic Growth Since Q2 2022, %



Source: Bloomberg, Federal Reserve Bank of St. Louis.

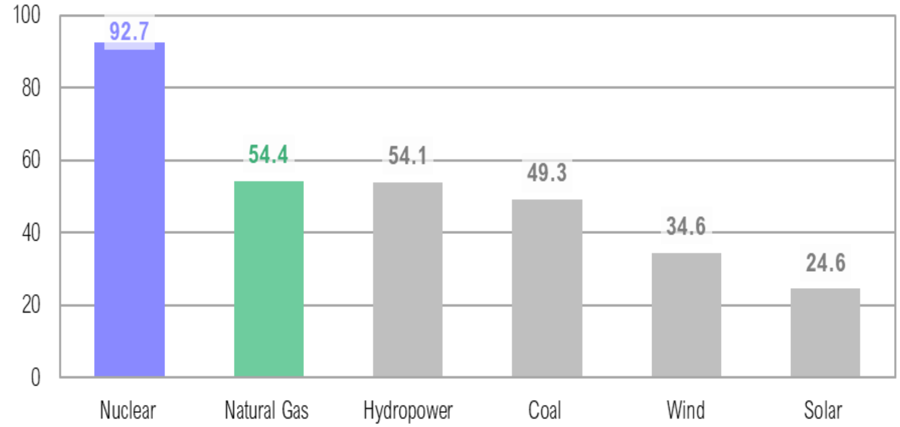
AI and data centers are expected to be key drivers of future U.S. power demand; given consistent output requirements for data centers, natural gas and nuclear are the best energy sources to meet demand

U.S. Data Center Elec. Demand, TWh Data Center Elec. Demand, % of Total Elec. Demand

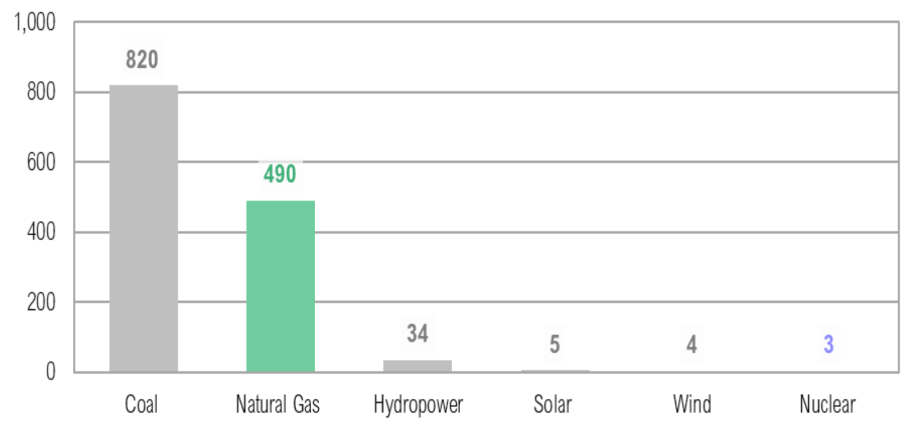


Source: Bloomberg, BCG, EIA.

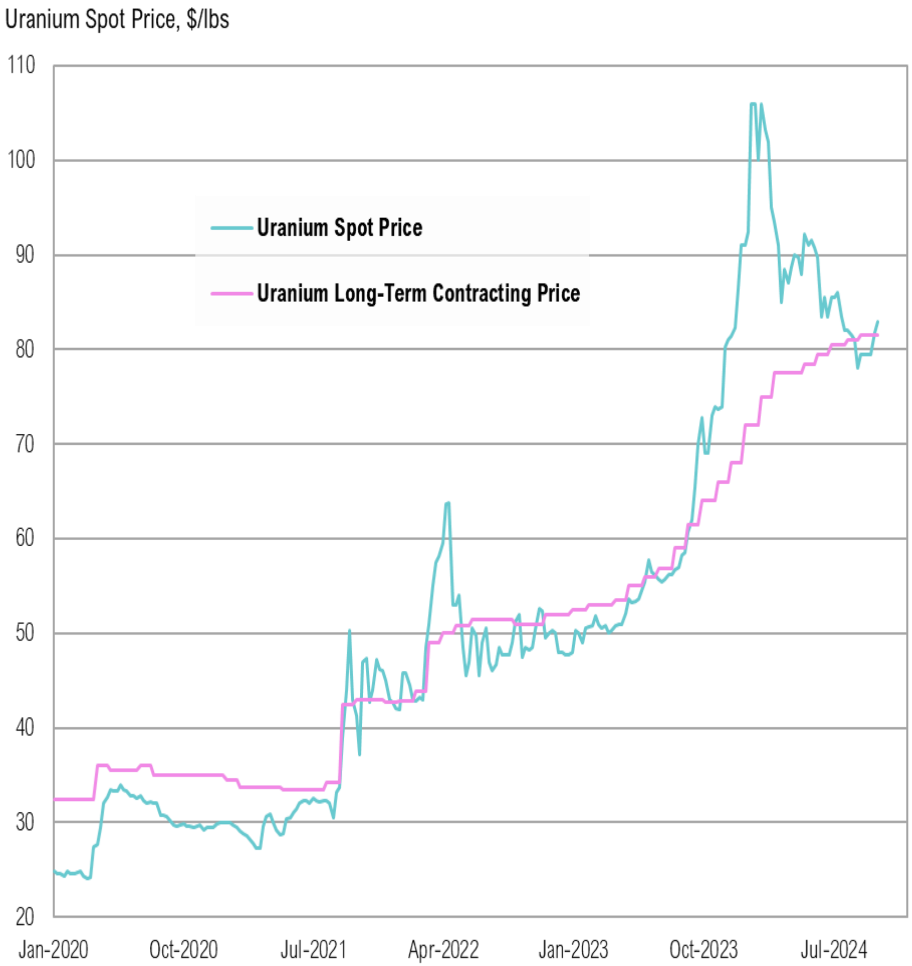
Actual Output as a % of Maximum Possible Output (Capacity Factor)

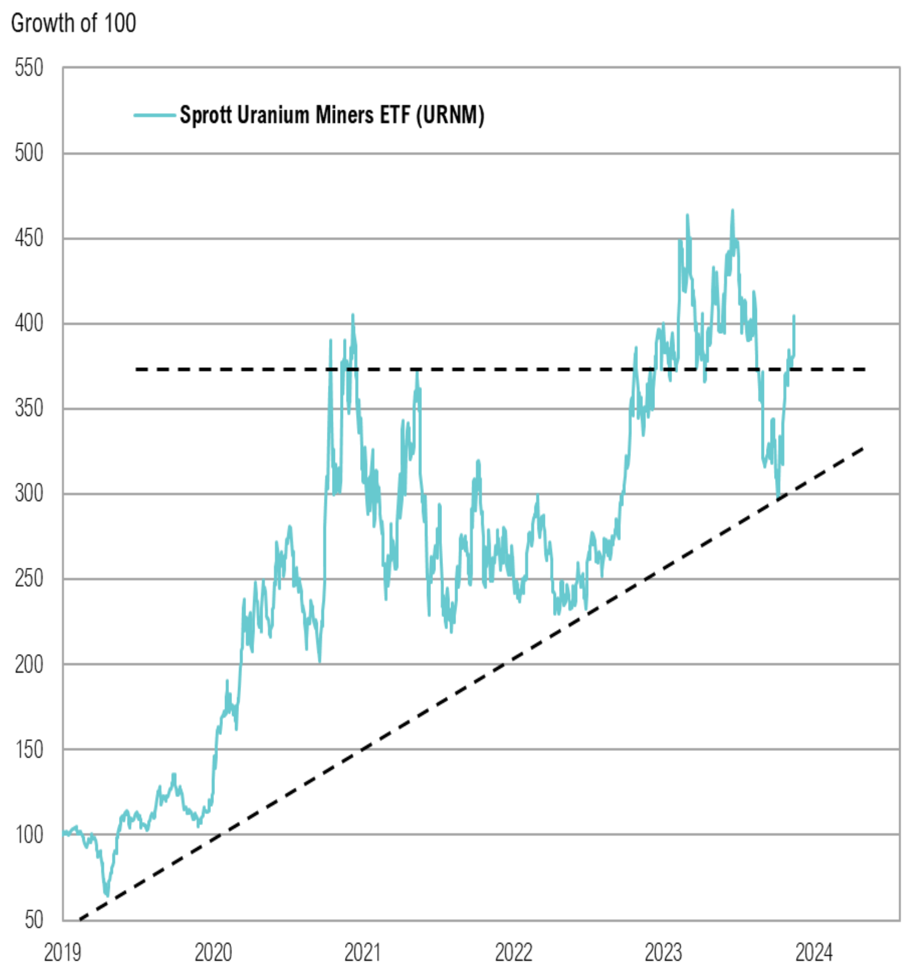


C02 Emissions, CO_2/GWh



Uranium prices have been recovering, while long-term contracting continue to move higher; uranium miners recently broke through key technical resistance levels

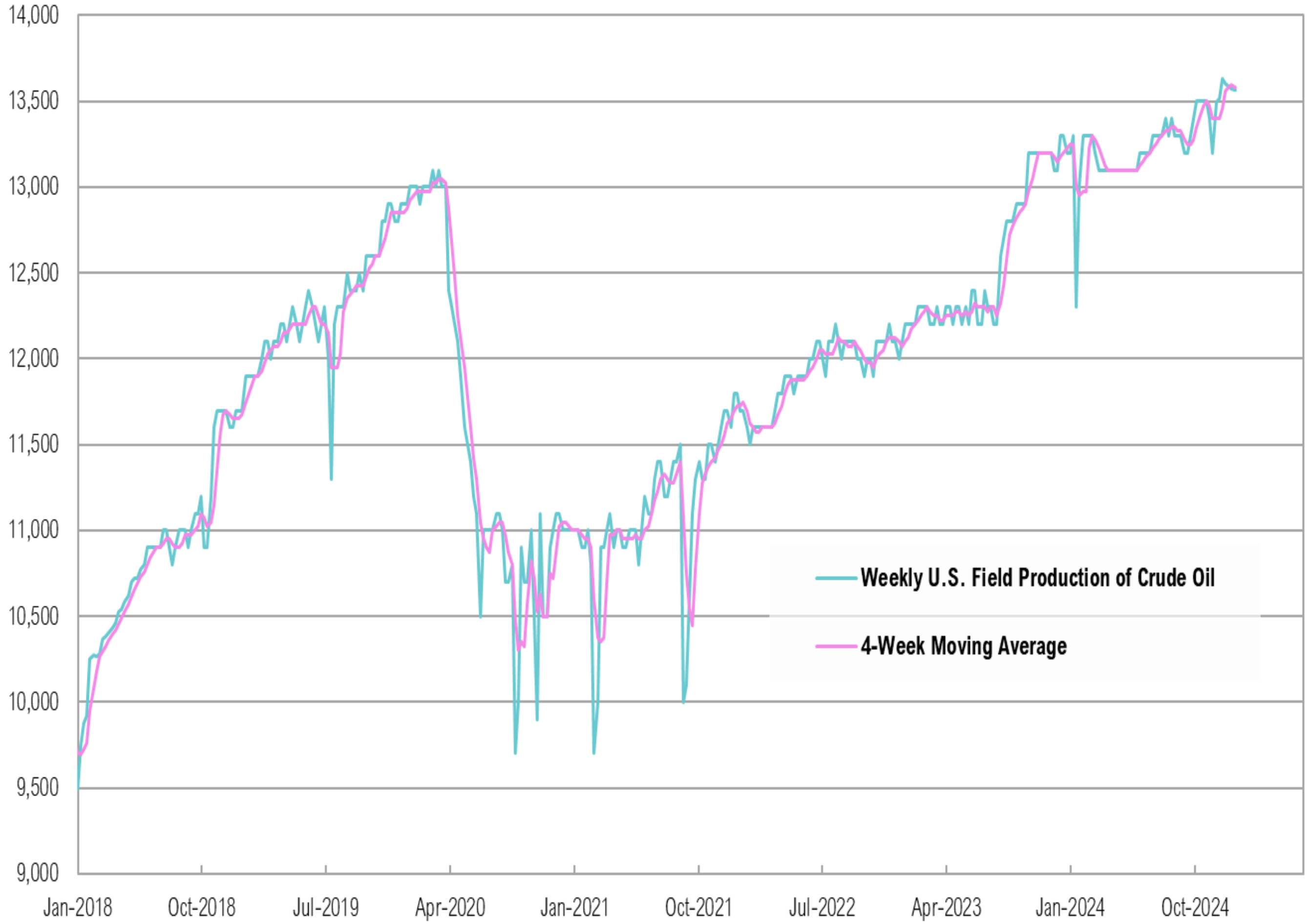




Source: Bloomberg

Part of the incoming administration's plans are to increase U.S. energy production; oil production has been rising, once again surpassing pre-pandemic levels

Weekly U.S. Crude Oil Production, Thousand Barrels/Day



Source: EIA. As of 1/3/2025.

- Scott Bessent has outlined a "3-3-3" target, which includes achieving 3% economic growth, reducing the federal deficit to 3% of GDP by 2028, and increasing daily energy production by the equivalent of 3 million barrels of oil.
- This is approximately a 20% increase from current energy production levels.
- Oil production has been trending higher, which could contribute to further bringing down energy prices (and subsequently easing inflation).

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All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

Appendix: Asset Class Definitions

Asset Class	Benchmark	Index	Start Date	End Date	Data Source
U.S. Large Cap Stocks	S&P 500 Index	S&P 500 TR Index	01/31/1970	n/a	Bloomberg, Ibbotson Associates, NYU/Stern
		IA SBBI US Large Stock TR Index	01/31/1926	12/31/1969	
		NYU/Stern S&P 500 TR	01/31/1920	12/31/1925	
U.S. Small & Micro Cap	Russell 2000 TR Index	Russell 2000 TR Index	01/31/1979	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA SBBI US Small Stock TR Index	01/31/1926	12/31/1978	
		SpringTide U.S. Small & Micro Cap Premium-Based Extension	01/31/1920	12/31/1925	
Intl Dev Stocks	MSCI EAFE NR Index	MSCI EAFE NR Index	01/31/1970	n/a	MSCI, NYU/Stern
		NYU/Stern Developed World Indices	01/31/1920	12/31/1969	
EM & Frontier Stocks	MSCI Emerging Markets NR Index	MSCI Emerging Markets NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern Emerging World Index (Price)	01/31/1920	12/31/2000	
Global Stocks	MSCI ACWI NR Index	MSCI ACWI NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern All World Index (Price)	01/31/1920	12/31/2000	
Venture Capital	Cambridge Venture Capital	Cambridge Venture Capital	01/01/1981	n/a	Cambridge, SpringTide
		SpringTide Venture Capital Premium-Based Extension	01/31/1920	12/31/1980	
U.S. Muni Bonds	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	07/31/1993	n/a	Bloomberg
		USA Municipal AAA Bonds Total Return Index (TRUSAMUM)	01/31/1920	06/30/1993	
U.S. Long-Term Bonds	Bloomberg US Long Gov/Corp TR Index	Bloomberg US Long Gov/Corp TR Index	02/28/1999	n/a	Bloomberg, NYU/Stern
		NYU/Stern US 30Yr Government Bond TR Index	01/31/1920	01/31/1999	
U.S. Interm-Term Bonds	Bloomberg US Aggregate Bond TR Index	Bloomberg US Aggregate Bond TR Index	01/31/1976	n/a	Bloomberg, NYU/Stern
		NYU/Stern US Total Return AAA Corporate Bond Index	01/31/1920	12/31/1975	
U.S. High Yield Bonds	Bloomberg US Corporate High Yield TR Index	Bloomberg US Corporate High Yield TR Index	07/31/1983	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA Bloomberg US HY Corporate Bonds	02/28/1926	06/30/1983	
		SpringTide U.S. High Yield Bonds Premium-Based Extension	01/31/1920	01/31/1926	
Intl Dev Bonds	Bloomberg Global Aggregate ex-USD TR Index	Bloomberg Global Aggregate ex-USD TR Index	01/31/1990	n/a	Bloomberg, NYU/Stern
		NYU/Stern All World ex-USA Government Bond Index	01/31/1920	12/31/1989	
U.S. REITs	MSCI US REIT GR Index	MSCI US REIT GR Index	01/01/1995	n/a	Bloomberg, Winans
		Winans US Real Estate Index (WIREI)	01/01/1920	12/31/1994	
Commodity Futures	Bloomberg Commodity TR Index	Bloomberg Commodity TR Index	01/31/1991	n/a	Bloomberg
		Thompson Jefferies CRB Core Commodity Total Return Index	01/31/1920	12/31/1990	
Midstream Energy	Alerian MLP TR Index	Alerian MLP TR Index	01/31/1996	n/a	Alerian, Bloomberg
		S&P 500 Energy Index	01/31/1946	12/31/1995	
		ExxonMobil Corp (XOM)	01/31/1920	12/31/1945	
Gold	LBMA Gold Price	LBMA Gold Price	02/29/1968	n/a	LBMA, Bloomberg
		New York Spot Bullion	01/31/1920	01/31/1968	
Cash/Ultra-Short Bonds	Bloomberg US T-Bill 1-3 Month TR Index	Bloomberg US T-Bill 1-3 Month TR Index	12/31/1991	n/a	Bloomberg, NYU/Stern
		NYU/Stern USA Total Return T-Bill Index	01/31/1920	11/30/1991	

Appendix: Asset Class Definitions

Asset Class Benchmarks

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

Intl Dev Small & Micro Stocks: MSCI EAFE GR Index

Emerging & Frontier Market Stocks: MSCI Emerging Markets GR Index

Global Stocks: MSCI ACWI GR Index

Private Equity: Cambridge Associates U.S. Private Equity

Venture Capital: Cambridge Associates U.S. Venture Capital

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

U.S. High Yield Muni Bonds: Bloomberg Barclays High Yield Muni TR Index

U.S. Interm-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

Public BDCs: S&P BDC 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

Private Real Estate: Cambridge Associates Real Estate

Commodity Futures: Bloomberg Commodity TR Index

Midstream Energy: Alerian MLP TR Index

Gold: LBMA Gold Price

Long-Short Equity: HFRI Equity Hedge Index

Global Macro: HFRI Macro-CTA Index

Relative Value: HFRI Relative Value Index

Closed-End Funds: S-Network Composite Closed-End TR Index

Insurance-Linked Securities: SwissRe Global Cat Bond TR Index

Digital Assets: MVIS CryptoCompare Digital Assets 25 Index

Cash & Cash Equivalents: Bloomberg Barclays U.S. T-Bill 1-3 Month TR Index

U.S. Short-Term Muni Bonds: Bloomberg Barclays Municipal 1-3 Yr TR Index

U.S. Short-Term Bonds: Bloomberg Barclays U.S. Agg 1-3 Yr TR Index

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