



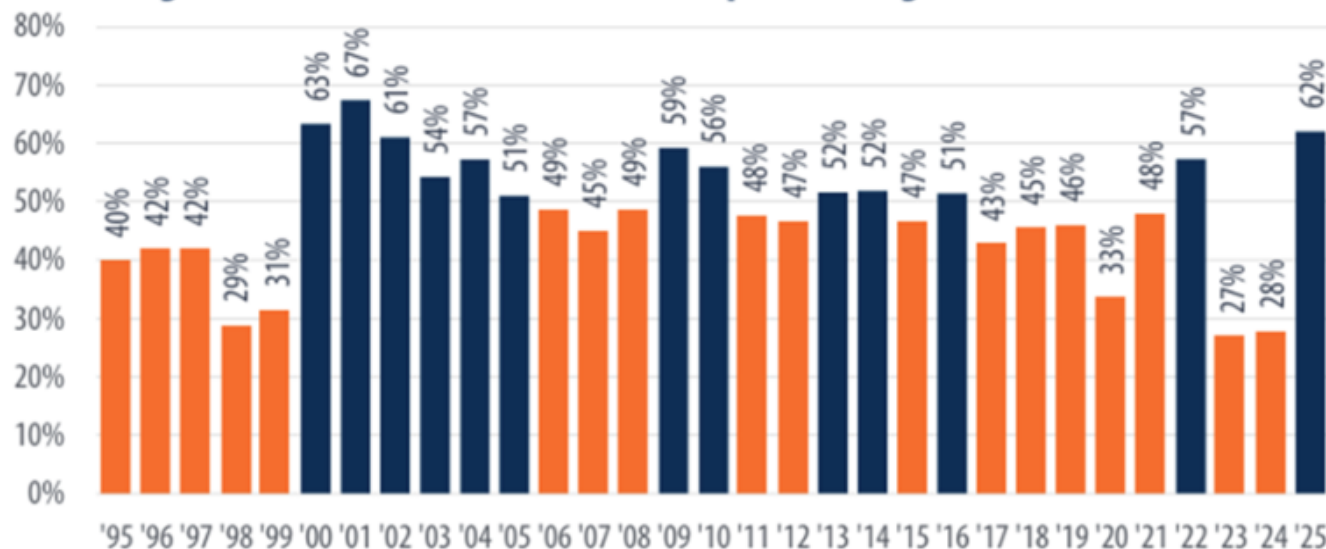
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Market Insights

June 2025

Market Breadth has improved

Percentage of S&P 500 Index Members Outperforming the Index in Q1 2025



Source: Capital IQ, First Trust Advisors. Data from 12/31/1994 – 3/31/25. The S&P 500 is an index of 500 stocks designed to reflect the risk/return characteristics of the large-cap universe.

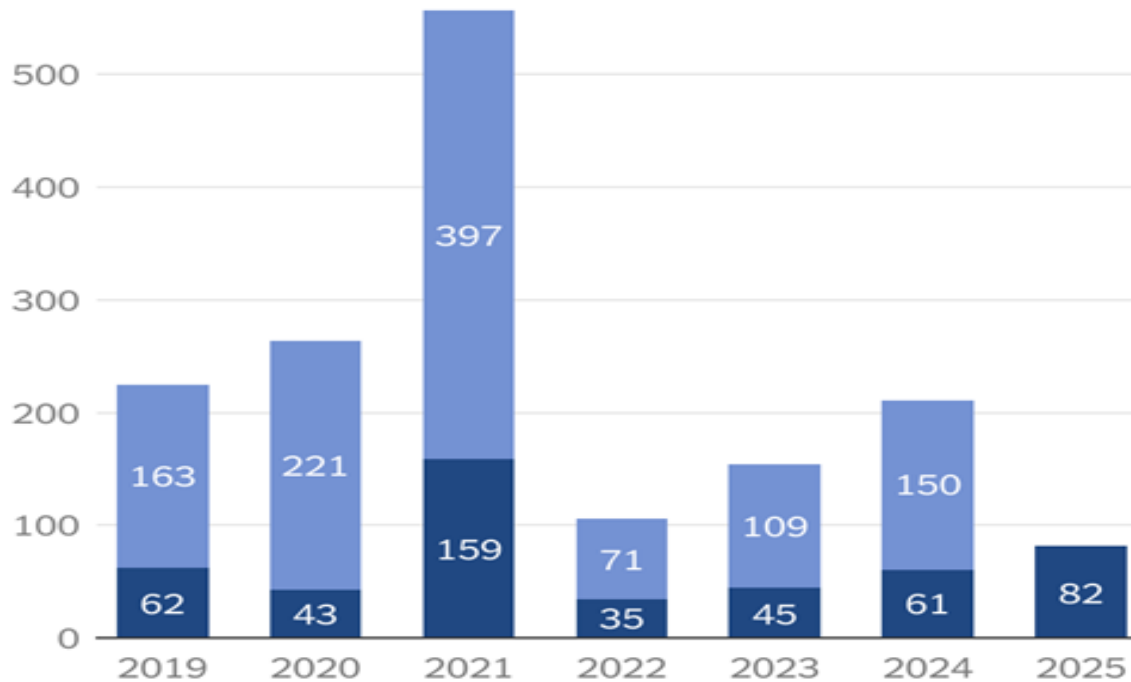
2025 has witnessed elevated volatility, marking a pronounced shift in the markets compared to 2023 & 2024. While the S&P 500 returned over 20% in each of those years, market breadth was very narrow, as a majority of those returns could be attributed back to the performance of the Magnificent 7. In Q1 this year, we've seen a much broader set of constituents within the S&P 500 outperforming the wider index, a trend not widely seen since the financial crisis.



I.P.O market thawing?

I.P.O. volume, by year

■ As of June 5 ■ Full-year



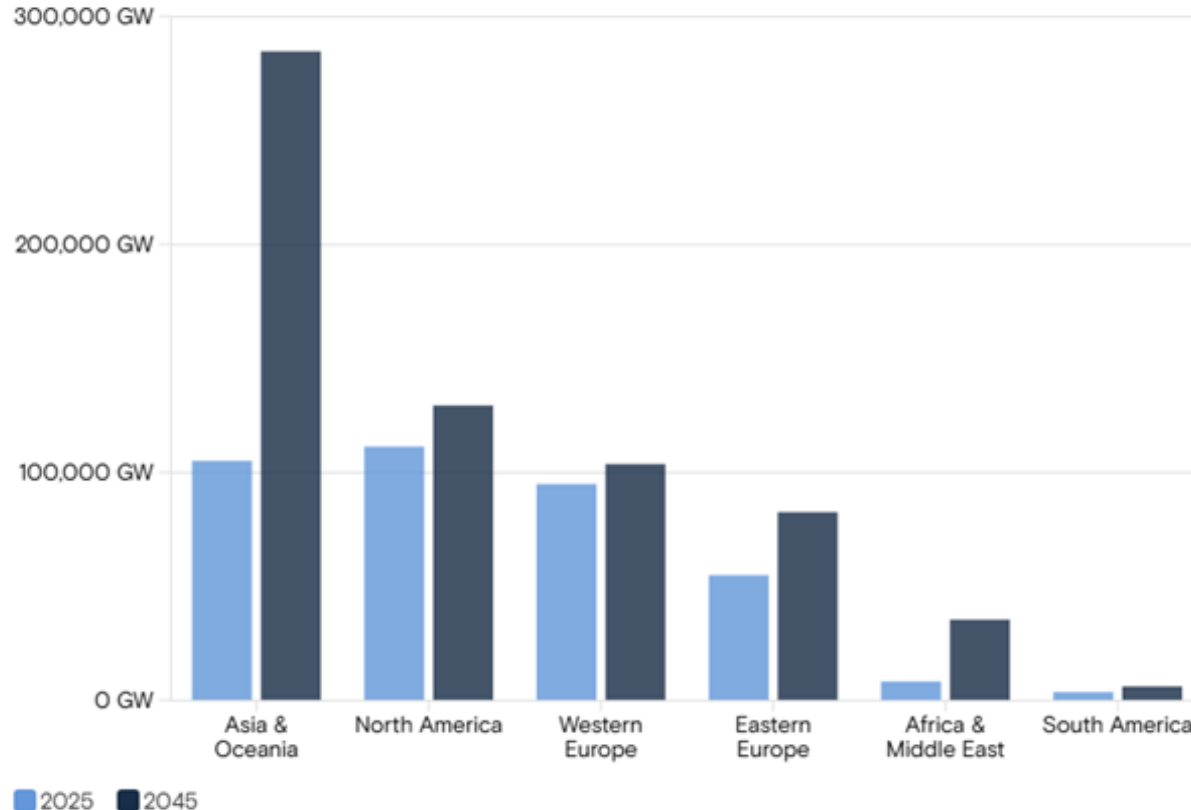
Source: Renaissance Capital • By The New York Times

Ever since the rise in interest rates seen in 2022 as inflation peaked, volume in companies going public in the equity markets has been tepid. 2025 could be the start of a reversing of those trends, as more companies through the first half of the year had gone public since 2021.



Nuclear boost

Nuclear power generation is forecast to grow in every region



Source: Goldman Sachs Research, PRIS, WNA

**Goldman
Sachs**

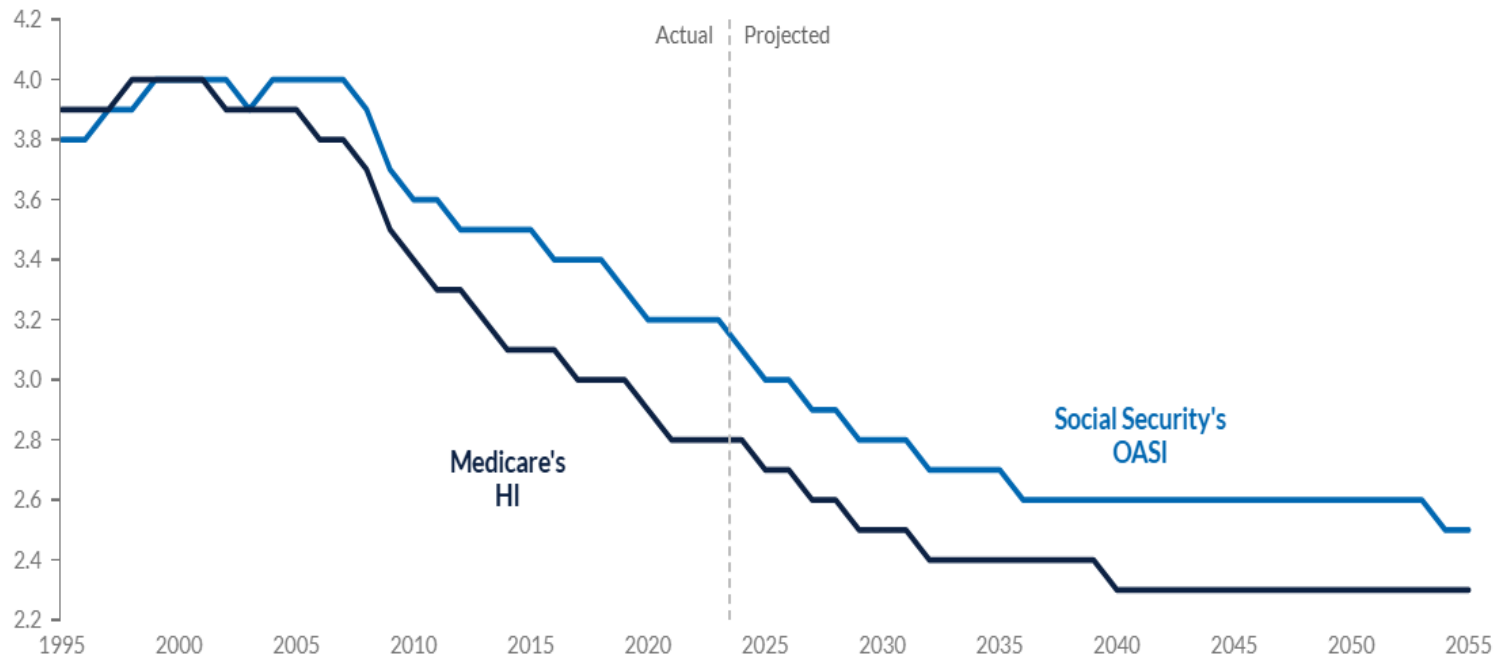
A major investment theme that has emerged of late is the growing demand for nuclear power as it is viewed as less emission-intensive. Combined with recent executive orders in the US to expand capacity, the next few decades should see global demand and growth in this space.



Not enough workers

The worker-per-beneficiary ratio for Social Security and Medicare will continue to decline

Worker-per-Beneficiary Ratio for OASI and HI Trust Funds



Sources: Social Security Administration and Centers for Medicare and Medicaid Services • Embed • Download image



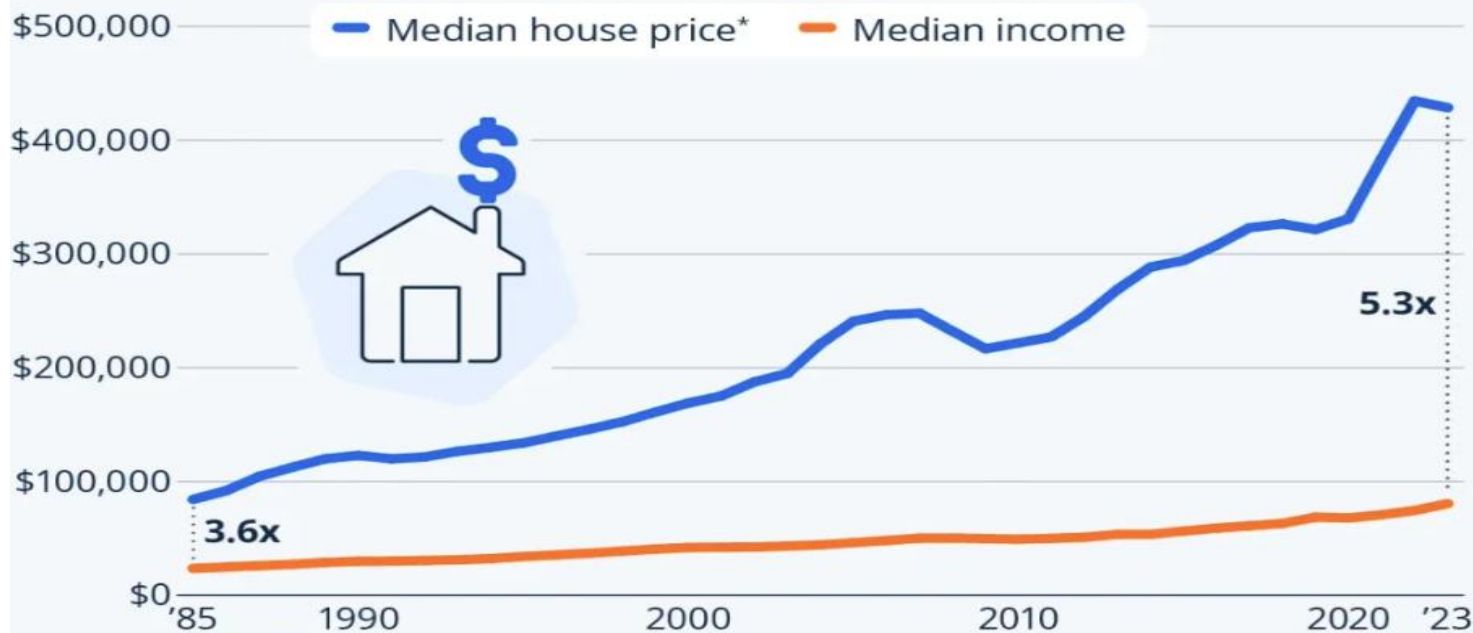
Pressure on Social Security funding is due to the number of worker per beneficiary steadily declining over the past 25 years. The number of retirement-age individuals continues to accelerate, while growth in the working-age population slows, with the trend only continuing to worsen over the next 30 years.



Housing Affordability

House Prices Outpaced Income Growth Over the Past 40 Years

Median household income and median house price in the United States (in current U.S. dollars)



* Median sales price of new privately-owned houses

Sources: U.S. Census Bureau, U.S. Department of Housing and Urban Development

Median housing prices have drastically outpaced median incomes over the past 40 years, with a very quick acceleration of that gap occurring over the past 5 years. Affordability of homes continues to prove more challenging, as housing inventory remains low, elevated pricing, and high interest rates.



Disclosures

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S&P 500: The S&P 500 is an index of 500 stocks designed to reflect the risk/return characteristics of the large-cap universe.

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