



by CHRIS
KONSTANTINOS, 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

- PMI surveys suggest US economy is slowing, but not recessionary.
- Similar surveys also suggest corporate earnings are showing resilience, in our view.
- While tariff policy is a wild card, longer-term inflation expectations have stayed anchored.

04.29.2025

April 2025 Chart Pack Summary 'Headline Hell' Hits, Economy Showing Resilience

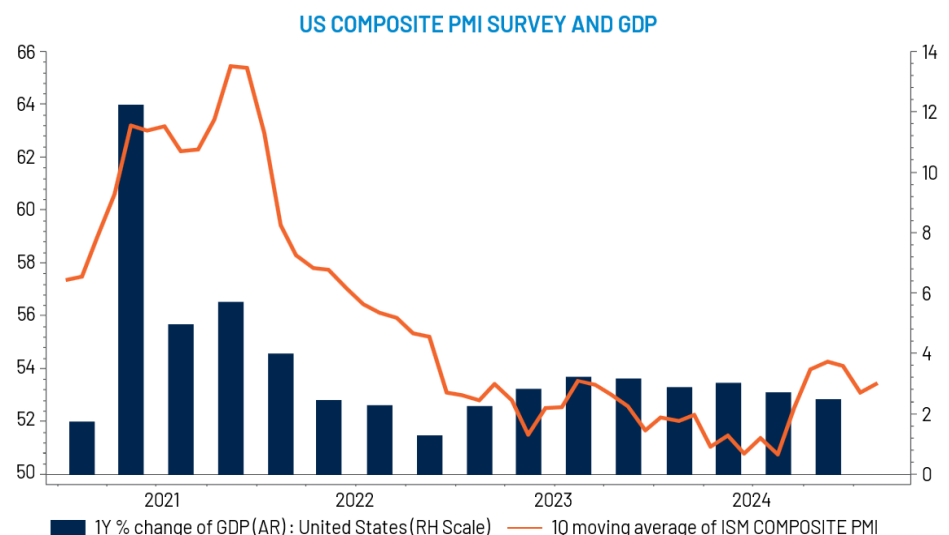
We are excited to release our April 2025 [Chart Pack](#), our visual quarterly designed to walk investors through what is happening in markets and why, what may come next, and how we are positioning RiverFront portfolios. In today's Weekly View, we picked three Chart Pack visuals to highlight.

After a promising January, this year has devolved into '[Headline Hell](#)' – a nerve-jangling twilight zone where the US stock market convulses over every White House utterance. The Trump Administration's early focus on tariff policy has ushered in a heightened state of uncertainty, as the market attempts to handicap politics' impact on US inflation and economic growth.

However, underneath the chaos of 'Headline Hell', we believe the US economy continues to show signs of resilience. Employment and credit have held in relatively well despite the uncertainty and corporate earnings thus far appear resilient, in our view.

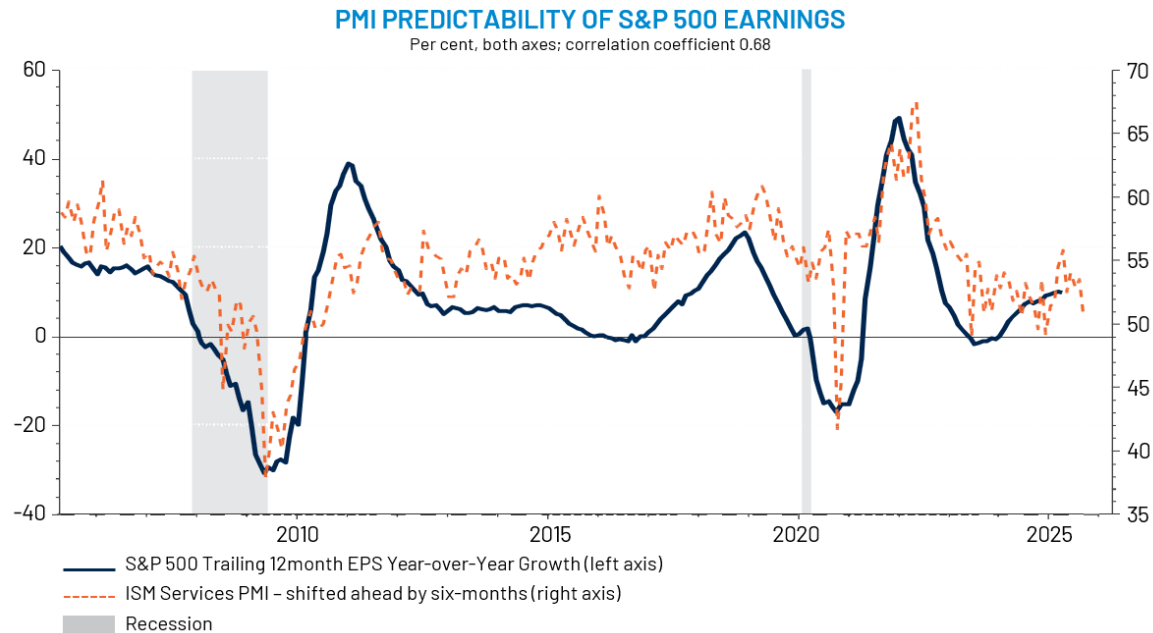
Our investment team views monthly Purchasing Manager Index (PMI) surveys as a useful forward-looking indicator of economic and earnings health, in our view. Should the economy and earnings continue to expand – as Services PMI (Chart 1) and Composite PMI survey readings over 50 (Chart 2, next page) suggest – we believe this recent pullback will end up representing an attractive opportunity for longer-term focused investors, though visibility for the market in the near-term [remains low](#). We will continue to monitor inflation expectations (Chart 3, next page) and earnings for signs of deterioration ... but for now are viewing 'Headline Hell' as a transitory phase.

Chart 1: Economy Slowing... But Not Recessionary Yet



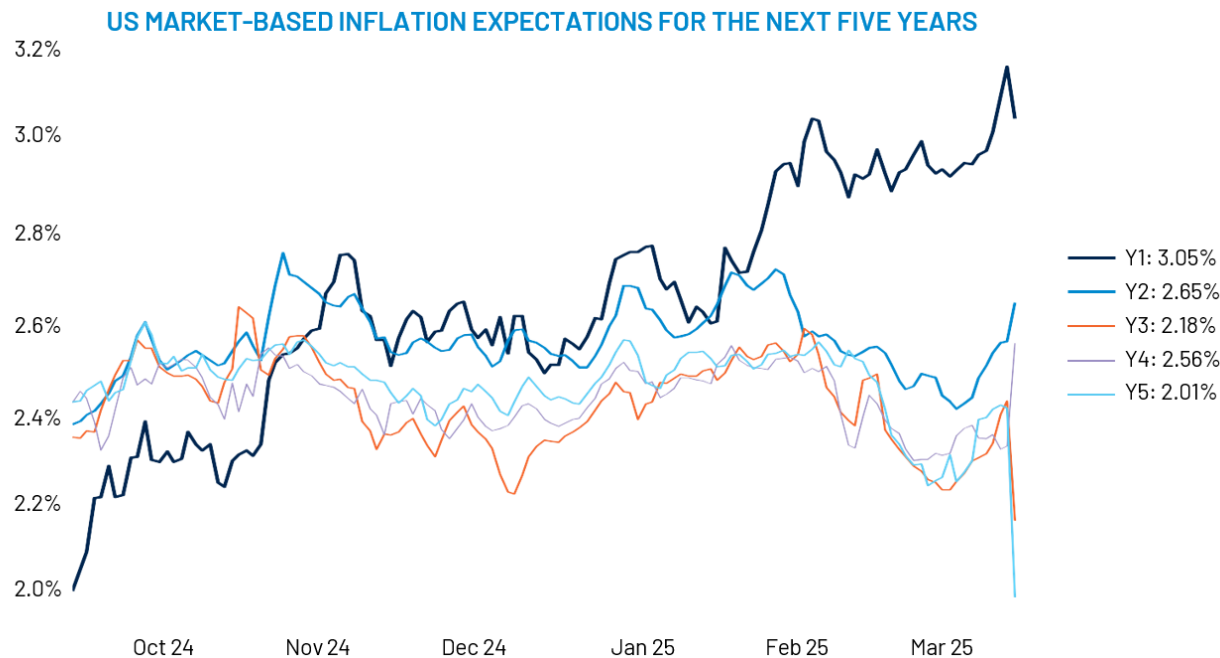
Source: LSEG Datastream, S&P Global, RiverFront, data quarterly, last data release as of 12.31.2024. Chart shown for illustrative purposes only. Past performance is no indication of future results.

Chart 2: PMI Surveys Continue to Suggest Earnings Resiliency



Source: LSEG Datastream, RiverFront, data monthly, as of 03.26.2025. Chart shown for illustrative purposes only. Past performance is no indication of future results.

Chart 3: Trade Uncertainty Impacting Inflation Expectations...but Longer-Term View Stays Anchored



Source: LSEG Datastream, RiverFront, data daily, as of 03.31.2025. Chart shown for illustrative purposes only. Past performance is no indication of future results.

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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.

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.

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.

Definitions:

The Purchasing Managers' Index (PMI) is an indicator of the prevailing direction of economic trends in the manufacturing and service sectors. The indicator is compiled and released monthly by the Institute for Supply Management (ISM), a nonprofit supply management organization.

Gross Domestic Product (GDP) is the monetary value of all finished goods and services made within a country during a specific period. GDP provides an economic snapshot of a country, used to estimate the size of an economy and growth rate.

A recession is a significant, widespread, and prolonged downturn in economic activity. A common rule of thumb is that two consecutive quarters of negative gross domestic product (GDP) growth indicate a recession. However, more complex formulas are also used to determine recessions.

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

When referring to being "overweight" or "underweight" relative to a market or asset class, RiverFront is referring to our current portfolios' weightings compared to the composite benchmarks for each portfolio. Asset class weighting discussion refers to our Advantage portfolios.

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