Community Foundation of the Ozarks (Balanced)

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Market Update & Outlook 3Q 2025

The Federal Reserve cut interest rates for the first time since December in response to labor market weakness. U.S. stocks posted another strong quarter of gains, with the S&P 500 reaching record highs. International stocks also continued to rally, posting year-to-date returns above 25%. Bonds and alternative investments also made a positive contribution to portfolio returns during the period.

Economic Crosscurrents

The first quarter surge in imports reversed during the second, resulting in a 3.8% rebound in economic growth. In the calculation of GDP, exports are an addition and imports are a subtraction. The strength in second quarter GDP wasn't caused by a flood of exports, but instead was the result of a big drop in imports as tariffs took hold. Averaging the results from the first two quarters of 2025 leads to a first half gain of 1.6%, significantly lower than the pace of the prior two years.

Consumer spending softened, but not as much as some economists expected. That said, the higher costs associated with new baseline tariffs of 15% announced in mid-August are just now starting to work through the system. Inflation rose to 2.9% in August from a low of 2.4% in May, and consumer prices are likely to rise further in coming months as the full tariff impact flows through. Given the importance of consumer spending to the U.S. economy, the impact of rising prices will be important to monitor.

A surge in capital investment toward artificial intelligence (AI) technology and data centers provided support for the economy, offsetting the decline in consumer confidence that has developed this year. This capital investment is a key factor behind strong third quarter GDP growth expectations of around 3%.

Meanwhile, the two components of the Fed's "dual mandate" are currently in tension. Several labor market indicators have weakened, which would normally steer the Fed toward further rate cuts. But recent inflation readings of nearly 3% are well above the Fed's target of 2%, arguing for the Fed to hold rates steady. Ultimately, the Fed would like to lower short term rates toward the "equilibrium" level of 3%. But the pacing of further cuts will largely depend on the near-term trends in labor markets and inflation.

Stocks Rally to New Highs

The rebound in stock prices continued during the third quarter, with most major indices climbing to all-time highs. U.S. stock returns were driven by better-than-expected profits, the extension of favorable tax rates for businesses and individuals, and continued investor enthusiasm around AI. More than 80% of S&P 500 companies exceeded revenue and earnings expectations for the second quarter.

MARKET SCOREBOARD	3Q 2025	2025 YTD
S&P 500 (Large U.S. stocks)	8.12%	14.83%
MSCI EAFE (Developed international stocks)	4.77%	25.14%
Bloomberg Aggregate Bond (U.S. taxable bonds)	2.03%	6.13%
Bloomberg Municipal Bond (U.S. tax-free bonds)	3.00%	2.64%
Wilshire Liquid Alternative (Alternative investments)	3.02%	5.68%

International stocks also extended their gains, posting year-to-date returns nearly double those of U.S. stocks. While foreign local market returns are similar to those in the U.S., the weakening dollar provided a significant return boost for U.S. owners of international assets.

As with economic activity, the full impact of tariffs on profit margins will be revealed in coming months. Most companies have indicated an intention to "absorb" a portion of tariff costs, passing the rest on to consumers in the form of higher prices. All other things equal, this will reduce profit margins and earnings. This will be an important risk factor to monitor over the next few quarters, with potential impact to the future path of stock prices.

Labor Market Weakening

One of the more startling developments over the summer was the sharp deceleration in job creation. July's report showed 73,000 jobs gained, which was moderately below expectations. However, the report also contained a combined 258,000 downward revision for May and June. Subsequent releases indicated that only 29,000 jobs were created per month from June through August. Compared with the three months ending in April when the monthly average was 127,000 new jobs, this suggests a significant slowdown in the labor market.

Historically a decline of this magnitude signals an increased chance of recession and is often corroborated by other labor market data. But the current situation is unusual as there are no significant signs of distress elsewhere. The unemployment rate, while off the post-pandemic bottom, remains low at 4.3%. Initial jobless claims also remain low, meaning that companies are not laying off workers to any major extent. Meanwhile, wage growth has been stable at about 4%.

This may indicate the economy has entered a "jobless expansion" phase. Current workforce levels coupled with rising productivity are sufficient to sustain current economic growth, without much need for new workers. Immigration reform has simultaneously reduced the supply of labor, keeping the market in balance at the current level of 4% wage growth. Job creation at such low levels is uncomfortable, but the economy could remain in this state for the foreseeable future.

The Fed Resumes Interest Rate Cuts

The significant slowdown in job growth is the reason the Fed resumed rate cuts in September. Prior to that, the Fed's last rate reduction was in December 2024. At that time inflation was trending downward, and the economy was expected to show decent growth of 2.1% in 2025. Therefore, the Fed decided to pause after cutting rates by 1.0% in late 2024. Since then, trade policy has stunted economic growth and caused a renewed rise in inflation. But the Fed expects this inflationary bump to be temporary. And according to Fed forecasts, economic growth should revert to trend in 2026, with an expected gain of 1.8%.

Fed Chairman Jerome Powell and other Fed officials continue to express concern about the full employment component of its dual mandate, as further weakening could threaten a recession. The Fed is prepared to offer additional rate cuts to support the economy, assuming the recent rise in inflation remains contained. Powell characterized the September reduction as a "risk management cut." The likelihood is that the Fed will provide a moderate amount of additional easing to ensure the economic expansion continues, with a current expectation of two more 0.25% cuts this year.

2025 Market Outlook

2025 may be immortalized as the Year of Tariffs in financial markets. Rarely has a single policy had such a major influence on both economic and market activity. The uncertainty around tariffs continued in the third quarter, with final terms yet to be completely set and stable. After the initial April 2 levies (which averaged about 30%) were recalled by the administration, a baseline tariff rate of 10% was put in place for most of the summer. In August a higher baseline rate of 15% was announced. Combining the new baseline rate with other product-specific and country-specific tariffs, the average tariff rate rose to 19% at the end of September. For perspective, the average tariff in 2024 was less than 3%.

Importantly, the impact of these higher tariff rates is only now beginning to reflect in economic data. Tariffs are a tax on imports—this tax will primarily be paid by the U.S. companies importing goods and/or passed on to consumers in the form of higher prices. All other things equal, this will reduce profit margins and increase inflation. The extent of each of these impacts will start to become clearer over the next several quarters.

While tariff concerns have been the dominant theme for a while now, there were some positive developments in other areas during the third quarter. Current tax legislation was extended with the passage of the *One Big Beautiful Bill Act* in July. This removed an element of uncertainty for both companies and individuals and reduced the possibility of additional tax drag for the foreseeable future.

The Fed also resumed short-term rate cuts in September. Historically, "Don't fight the Fed" has been one of the more dependable investment adages. Outside of recession, financial assets have tended to perform well when the Fed is lowering interest rates. With two additional cuts expected between now and year-end, the odds are favorable for recent market momentum to continue in the near term.

As year-end approaches, we are monitoring several risk factors, including the potential for a resurgence in inflation, the risk of margin compression from tariffs, and generally high asset valuations. The government shutdown could become a more significant risk factor if not resolved soon. While economic growth is slowing, the chance of recession still seems low, particularly given the expected accommodation from Fed rate cuts.

Designing resilient portfolios that can withstand periods of market and economic volatility continues to be our priority. Staying disciplined and engaged through these periods is so important to investment success. Our diversification approach was effective in mitigating losses during the significant April downturn. As importantly, all four major asset classes have made a meaningful contribution to gains during the recovery phase that has occurred since then. Despite the challenges in the first half of the year, investment returns are now above normal across most asset classes year-to-date, setting the stage for a positive 2025 outcome!

On behalf of the entire Forvis Mazars Private Client team, thank you for your continued trust and confidence!

Jeff Layman & Andrew Douglas

Community Foundation of the Ozarks (Balanced)

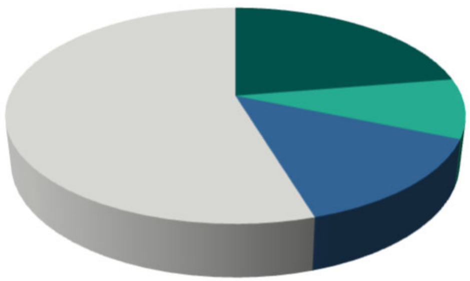
As of December 31, 2025

Summary by Account

Account Name	Account Number	Inception Date	Objective	Current Value	Weight
Community Foundation of the Ozarks (Balanced)	xxxx0172	12/2/2021	Growth & Income	$6,314,434.14	100.00%
Community Foundation of the Ozarks (Balanced)	**xxxx0172**	**12/2/2021**	**Growth & Income**	**$6,314,434.14**	**100.00%**

Community Foundation of the Ozarks 50/50 Account Asset Allocation

12/31/2025



Asset Class	Current Value	Current Percent	Target
Domestic Equity	$1,415,696.13	22.42%	38.00%
International Equity	$562,616.08	8.91%	13.00%
Fixed Income	$884,652.22	14.01%	40.00%
Real Assets	$0.00	0.00%	0.00%
Liquid Alternatives	$284,780.98	4.51%	9.00%
Liquid Capital	$3,166,688.72	50.15%	0.00%
Total	**$6,314,434.14**	**100.00%**	

Source: Morningstar Inc.
Model allocation is based on Forvis Mazars Private Client asset allocation guidelines of date of report.
*Based on Morningstar Inc. security classification.

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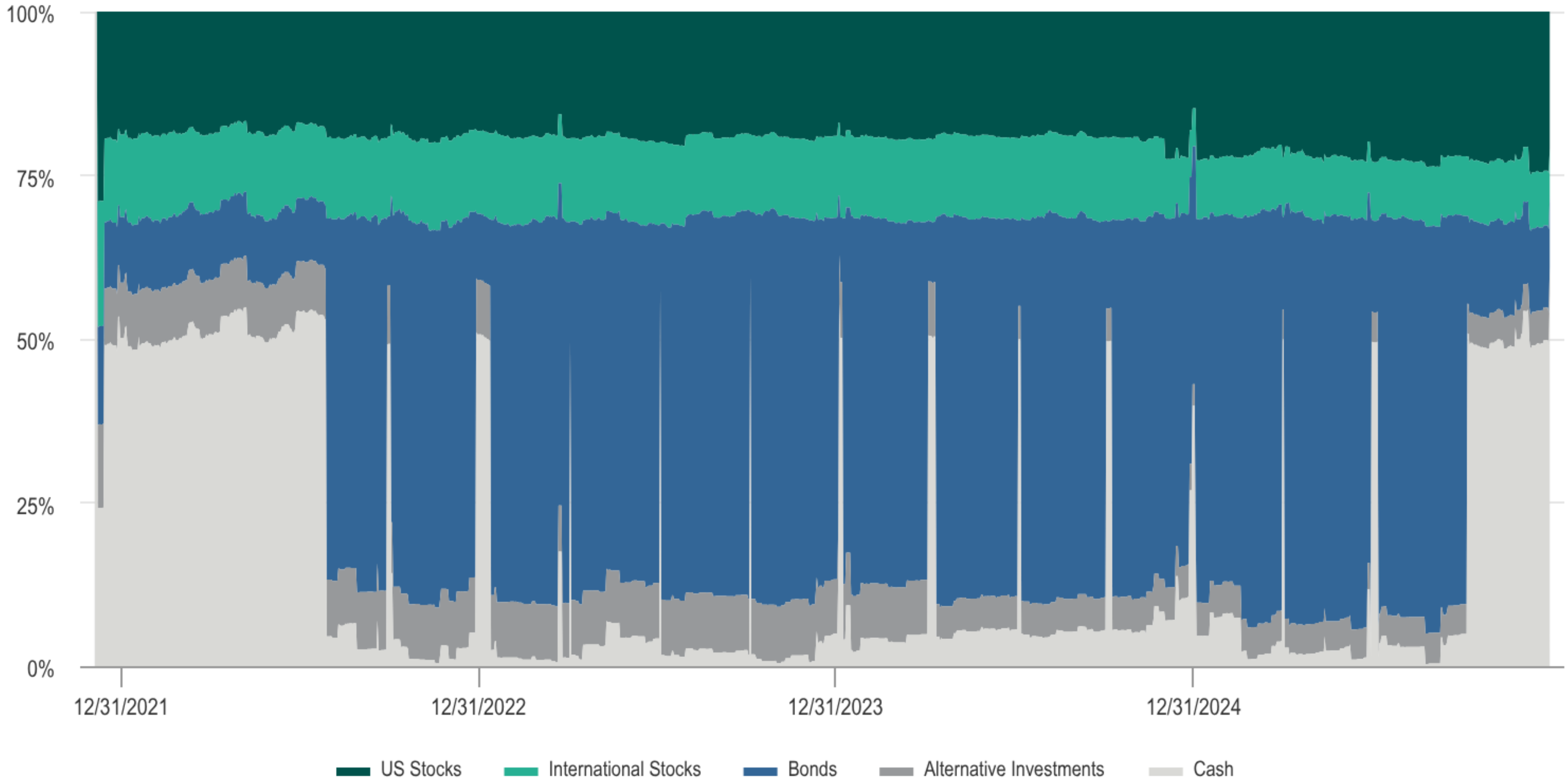
Community Foundation of the Ozarks (Balanced)

As of December 31, 2025

Asset Allocation Over Time



Inception to Date Allocation

* Since data availability date of 12/4/2021

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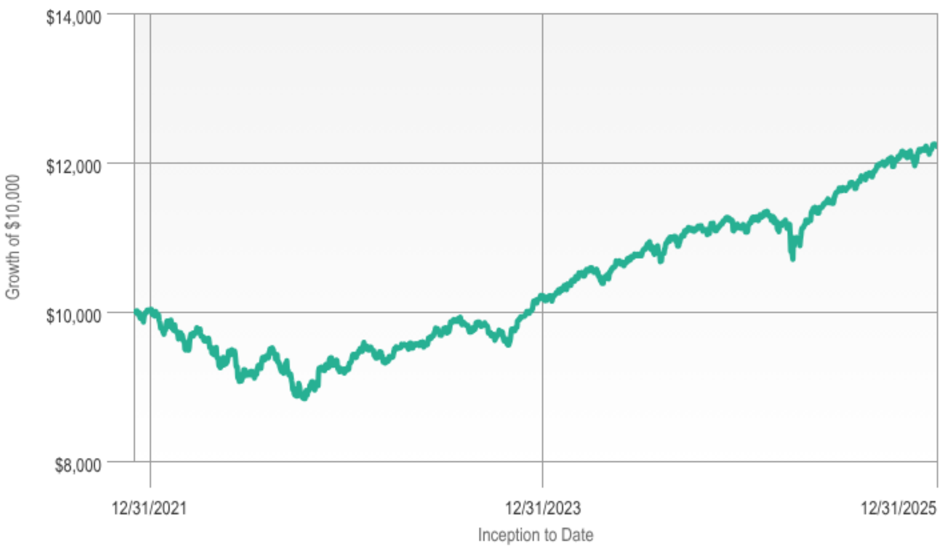
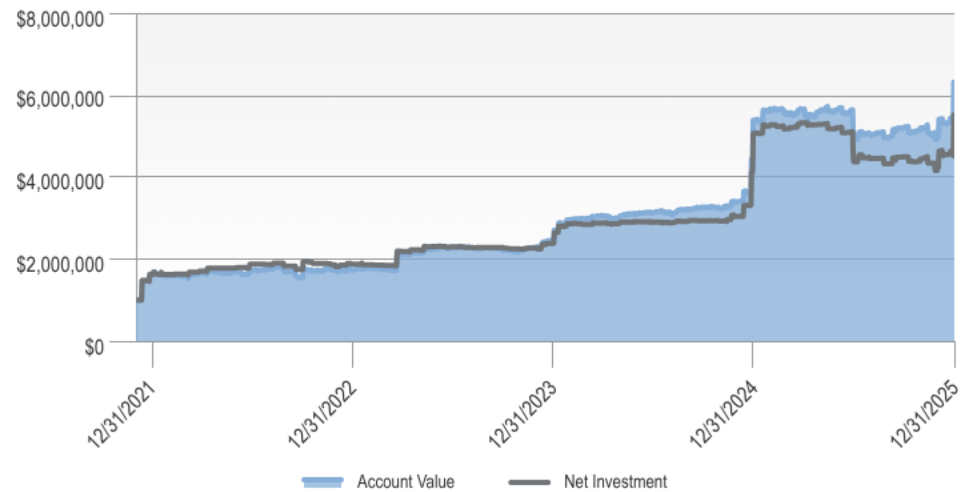
Community Foundation of the Ozarks (Balanced)

As of December 31, 2025

Portfolio Value Summary





	Year to Date	Last 12 Months (D)	Previous 3 Years (D)	Inception to Date (12/2/2021)
Beginning Value	$5,386,980	$5,386,980	$1,739,323	$0
Net Contribution	$451,829	$451,829	$3,644,941	$5,519,763
Capital Appreciation	$410,431	$410,431	$811,799	$655,642
Net Income	$65,194	$65,194	$118,372	$139,030
Ending Value	$6,314,434	$6,314,434	$6,314,434	$6,314,434
Investment Gain	$475,625	$475,625	$930,171	$794,672

Figures are net of fees, including management fees.

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Community Foundation of the Ozarks (Balanced)

As of December 31, 2025

Account Performance

Asset Class	Value	Year to Date Gross Return	Last 12 Months (D) Gross Return	Previous 3 Years (D) Gross Return	Inception to Date (12/2/2021) Gross Return
US Stocks	$1,415,845.21	16.53%	16.53%	21.98%	* 10.24%
International Stocks	$562,736.14	30.77%	30.77%	16.53%	* 6.53%
Bonds	$884,356.42	4.40%	4.40%	4.93%	* 1.12%
Alternative Investments	$284,530.21	10.48%	10.48%	12.89%	* 6.42%
Cash	$3,166,966.16	4.95%	4.95%	4.29%	3.38%
Total	**$6,314,434.14**	**9.86%**	**9.86%**	**9.86%**	**5.03%**
CPI - Seasonally Adjusted		2.34%	2.34%	2.83%	3.86%
S&P 500 Composite		17.88%	17.88%	23.03%	12.01%
S&P 400 MidCap		7.50%	7.50%	12.57%	6.42%
Russell 2000		12.81%	12.81%	13.75%	4.41%
MSCI EAFE Net		31.22%	31.22%	17.24%	9.27%
MSCI EM (Emerging Markets) Net		33.57%	33.57%	16.41%	5.79%
Bloomberg US Aggregate		7.30%	7.30%	4.67%	(0.12%)
Bloomberg Municipal Bond		4.24%	4.24%	3.88%	0.65%
Wilshire Liquid Alternative		6.04%	6.04%	5.58%	2.72%

* Partial period return
Returns for periods exceeding 12 months are annualized.

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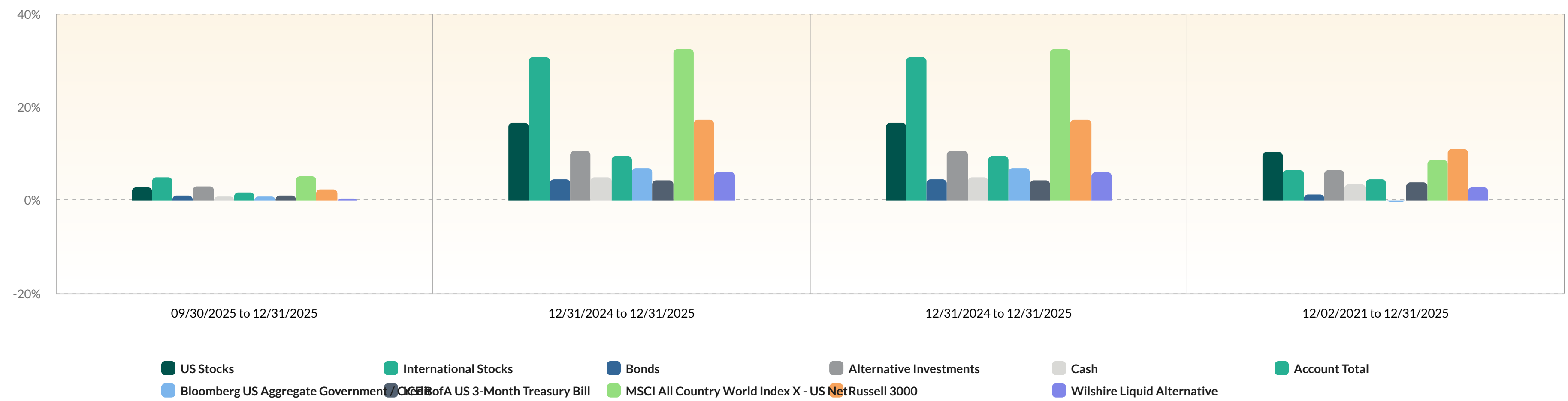
CFO Custom Performance Report

Community Foundation of the Ozarks (Balanced) (57070172, Charitable)

Historical Performance



Asset Class	09/30/2025 to 12/31/2025 Net Return	12/31/2024 to 12/31/2025 Net Return	12/31/2024 to 12/31/2025 Net Return	12/02/2021 to 12/31/2025 Net Return
US Stocks	2.76%	16.53%	16.53%	* 10.24%
International Stocks	4.86%	30.77%	30.77%	* 6.53%
Bonds	0.99%	4.40%	4.40%	* 1.12%
Alternative Investments	3.04%	10.48%	10.48%	* 6.42%
Cash	0.77%	4.95%	4.95%	3.38%
Total	**1.65%**	**9.36%**	**9.36%**	**4.53%**
Bloomberg US Aggregate Government / Credit	0.89%	6.88%	6.88%	(0.37%)
ICE BofA US 3-Month Treasury Bill	0.97%	4.18%	4.18%	3.89%
MSCI All Country World Index X - US Net	5.05%	32.39%	32.39%	8.52%
Russell 3000	2.41%	17.16%	17.16%	11.03%
Wilshire Liquid Alternative	0.34%	6.04%	6.04%	2.72%

Community Foundation of the Ozarks (Balanced)

As of December 31, 2025

Portfolio Holdings

Community Foundation of the Ozarks (Balanced) (xxxx0172)

Quantity	Description	Symbol	Open Date	Cost Basis	Value	Unrealized Gain/Loss	Annual Income	Current Yield
US Stocks								
Large Cap Funds								
4,223.00	Vanguard Total Stock Market ETF	VTI	3/22/2022	$1,170,479	$1,415,845	$245,367	$15,864	1.12%
International Stocks								
International Funds								
2,381.326	Causeway International Value Instl	CIVIX	12/2/2024	$46,713	$55,961	$9,248	$797	1.42%
2,232.00	DIMENSIONAL EMERG MARK CRE EQY 2 ETF	DFEM	9/10/2025	$71,346	$73,835	$2,488	$1,716	2.32%
4,529.893	Goldman Sachs GQG Ptnrs Intl Opps Instl	GSIMX	7/29/2022	$89,894	$101,787	$11,893	$2,591	2.55%
3,029.296	Nationwide International Sm Cp Instl Svc	NWXVX	12/2/2024	$29,033	$33,383	$4,350	$1,700	5.09%
4,048.00	Vanguard FTSE All-World ex-US ETF	VEU	5/9/2022	$241,358	$297,771	$56,413	$9,191	3.09%
	International Funds Total			**$478,344**	**$562,736**	**$84,392**	**$15,995**	**2.84%**
	International Stocks Total			**$478,344**	**$562,736**	**$84,392**	**$15,995**	**2.84%**
Bonds								
Taxable Fixed Income								
9,690.884	BlackRock Income Fund Instl	BMSIX	2/24/2023	$86,842	$88,769	$1,926	$4,848	5.46%
13,188.235	Guggenheim Total Return Bond Instl	GIBIX	10/5/2022	$311,447	$318,100	$6,653	$15,923	5.01%
1,594.00	iShares Core Total US Bond Market ETF	AGG	2/24/2023	$155,985	$159,209	$3,224	$6,193	3.89%

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Portfolio Holdings

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Quantity	Description	Symbol	Open Date	Cost Basis	Value	Unrealized Gain/Loss	Annual Income	Current Yield
Bonds								
Taxable Fixed Income								
4,086.00	Vanguard Core Bond ETF	VCRB	2/18/2025	$317,465	$318,279	$814	$14,182	4.46%
	Taxable Fixed Income Total			**$871,739**	**$884,356**	**$12,618**	**$41,146**	**4.65%**
	Bonds Total			**$871,739**	**$884,356**	**$12,618**	**$41,146**	**4.65%**
Alternative Investments								
Alternative Investments								
2,272.00	JPMORGN HEDGD EQTY LAD OVRLY ETF	HELO	12/16/2024	$146,802	$150,929	$4,127	$1,005	0.67%
7,985.729	Parametric Volatil Risk Prm-Defensv Insl	EIVPX	12/7/2021	$119,425	$133,601	$14,177	$2,832	2.12%
	Alternative Investments Total			**$266,227**	**$284,530**	**$18,304**	**$3,836**	**1.35%**
	Alternative Investments Total			**$266,227**	**$284,530**	**$18,304**	**$3,836**	**1.35%**
Cash								
Cash								
	CASH	CASH		$59,652	$59,652	$0	$30	0.05%
3,107,314.290	Schwab Treasury Obligations Money;Ultra	SCOXX	4/5/2024	$3,107,314	$3,107,314	$0	$113,103	3.64%
	Cash Total			**$3,166,966**	**$3,166,966**	**$0**	**$113,133**	**3.57%**
	Cash Total			**$3,166,966**	**$3,166,966**	**$0**	**$113,133**	**3.57%**
	Total			**$5,953,754**	**$6,314,434**	**$360,680**	**$189,975**	**3.01%**

Community Foundation of the Ozarks (Balanced)

As of December 31, 2025

Disclosure Statement

The performance information presented in this account statement represents the total return on your assets under our management. Returns are net of applicable advisory fees unless noted as a gross return. The return information presented does not reflect any custodian or other fees you may pay, nor does it reflect the impact of any federal, state, or local taxes on your portfolio. The performance information was provided by your custodian to Tamarac, our portfolio management system. We deduct our advisory fees from your account. The custodian does not verify the accuracy of the advisory fee calculation. You should compare this statement against your custodian statements. There may be minor differences between this statement and your custodian statements due to the timing of income accruals.

Your past performance may not be indicative of future results. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee or the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. You should not assume that your account holdings correspond directly to any index.

Please remember to contact Forvis Mazars Private Client in writing, if there are any changes in your personal or financial situation or investment objectives for the purpose of reviewing or revising our previous recommendations or services. Notify us if you want to impose, add or modify any reasonable restrictions to our investment advisory services. Unless you advise, in writing, to the contrary, we will assume there are no restrictions on our services, other than to manage the account in accordance with your designated investment objective. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available upon request.

This statement reflects the performance of the assets that we manage. If you hold other unmanaged assets in your account with us, those assets generally will not be reported with your managed assets.

Index Definitions

CPI – Seasonally Adjusted – the consumer price index is a commonly used measure of inflation
S&P 500 Composite – represents the large-cap U.S. stock market and comprises the largest 500 companies weighted by market cap
S&P 400 Mid-Cap – represents the mid-cap U.S. stock market and comprises the next 400 companies by market cap beneath the S&P 500, weighted by market cap
Russell 2000 – represents the small-cap U.S. stock market and comprises 2000 companies on the U.S. stock exchanges weighted by market cap
MSCI EAFE Net – represents the large-cap and mid-cap stock market across developed market countries, excluding the U.S. and Canada
MSCI Emerging Markets (EM) Net – represents the large-cap and mid-cap stock market across 23 emerging market countries

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