Churchill Management Group AT FOCUS PARTNERS WEALTH

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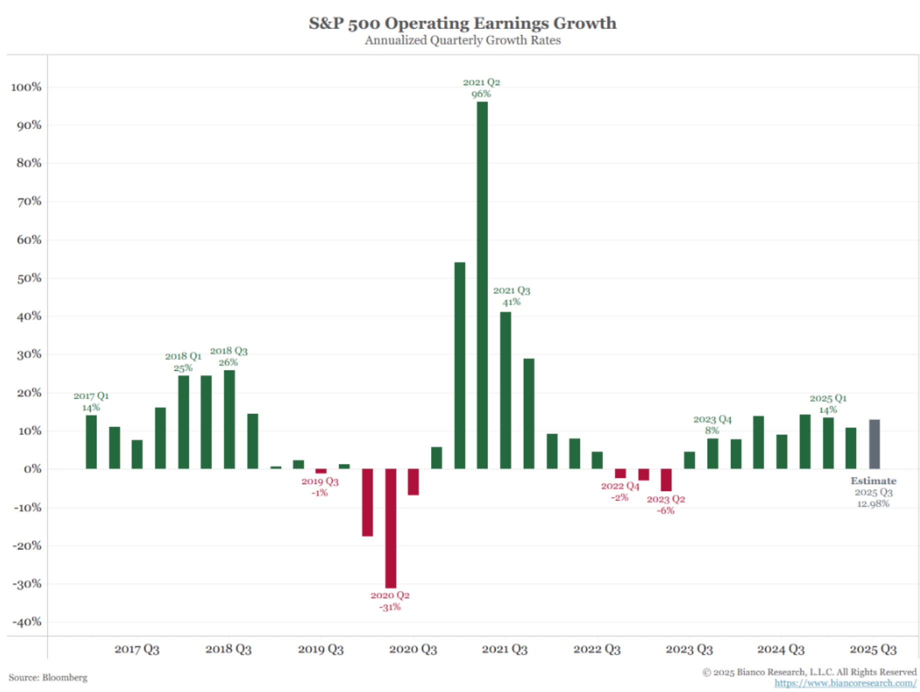
Monthly Market Update

November 12, 2025

TACTICAL STRATEGIES

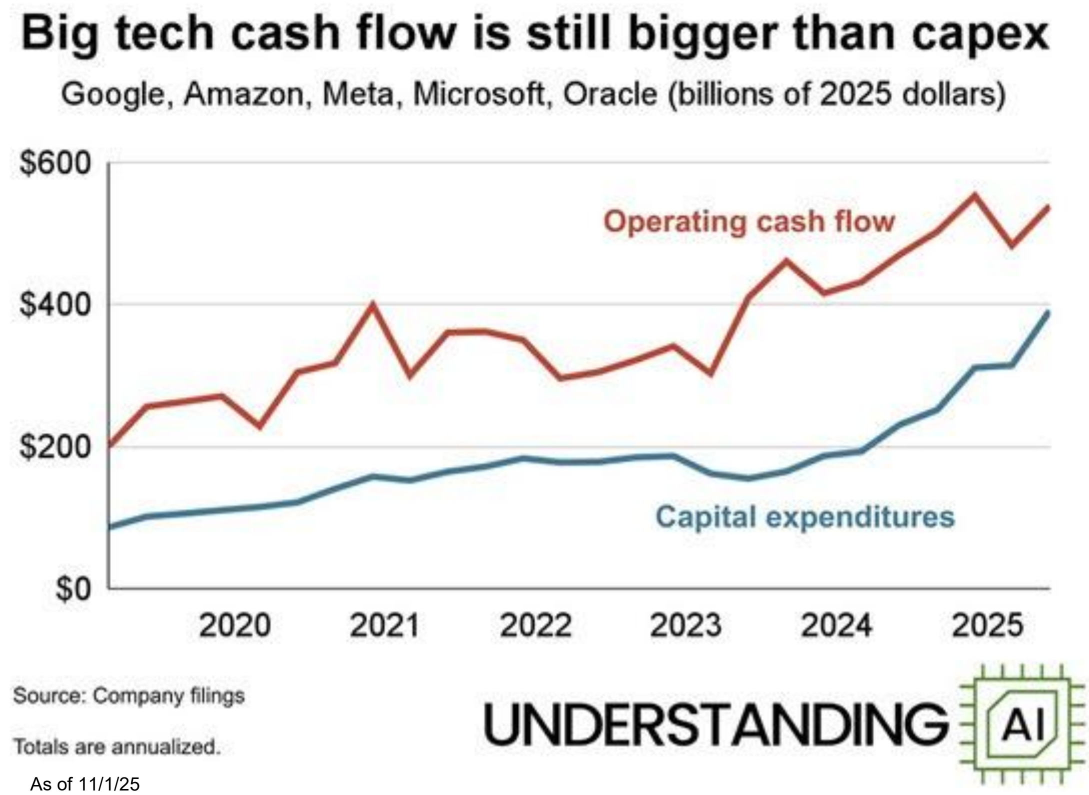
PREMIER WEALTH TACTICAL & PREMIER WEALTH TACTICAL CORE

October marked the sixth straight month of gains for the major averages, extending one of the strongest runs in recent years. Corporate earnings were the key driver, with third-quarter results far exceeding expectations. Of the 500 S&P companies, 452 have reported, and earnings growth is tracking just under 15% year over year—well above the single-digit forecasts from earlier in the quarter. Companies continue to demonstrate solid profitability and operating discipline despite higher costs and a mature market.



As of 11/7/25

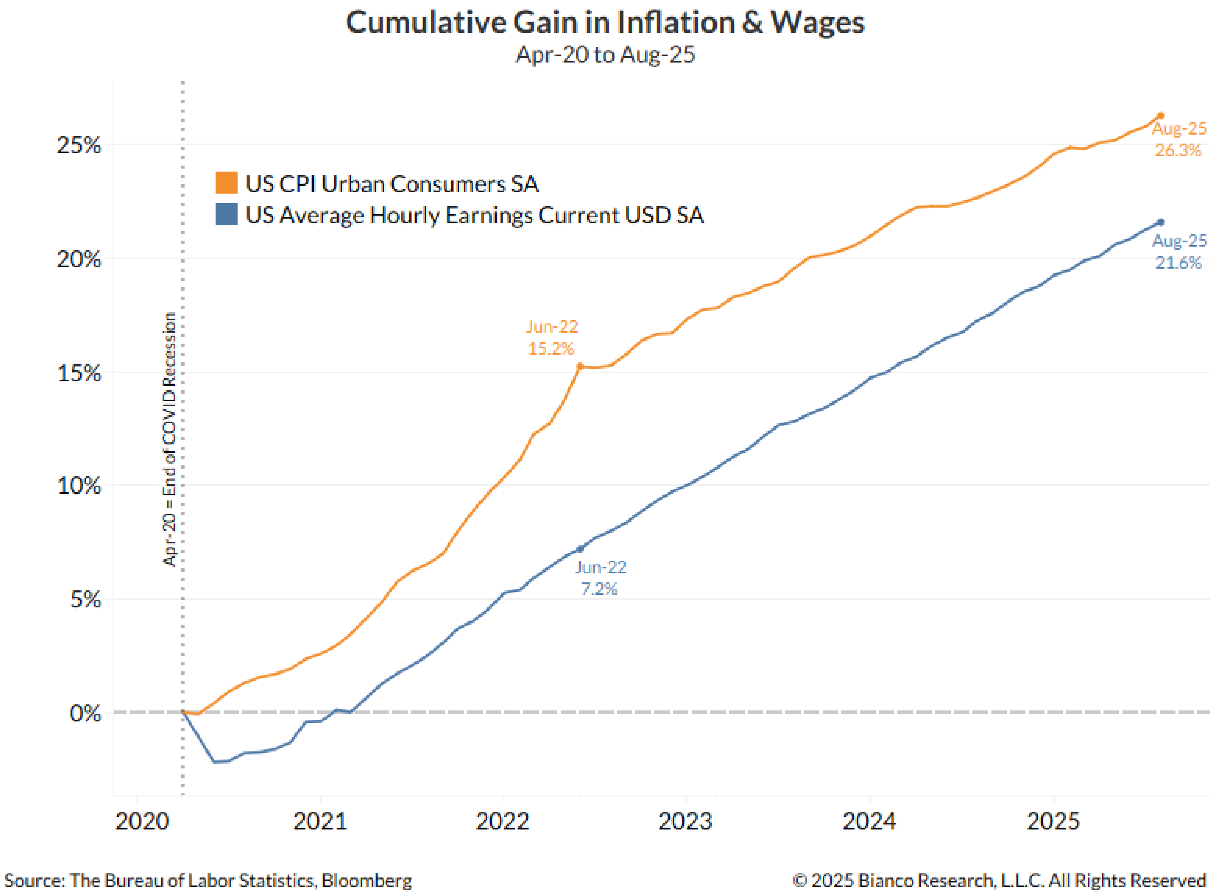
A defining theme this season has been the acceleration of AI-related capital expenditures. The largest technology and cloud firms are spending aggressively to build capacity in what has become an arms race for computing power. While comparisons to the dot-com bubble are understandable, today's environment is meaningfully different. These companies are investing from a position of strength—funding spending with massive operating cash flow and responding to tangible, growing demand rather than speculative enthusiasm. In many cases, operating cash flow now exceeds record-high capex budgets, underscoring the durability of their business models.



As of 11/1/25

The start of November has brought a bit of volatility, particularly within the Technology sector, as investors digest strong gains from recent months. After such an extended rally, a normal and healthy breather is to be expected. Economic data has been mixed, with some signs of cooling in the labor market, though the true pace remains difficult to gauge. A sharp drop in immigration over the past year has reduced labor supply and made it harder to identify the "break-even" level of job growth needed to maintain a stable unemployment rate.

Inflation remains sticky around 3%, still above the Federal Reserve's 2% target, while wage growth has lagged since 2020. This imbalance may modestly weigh on consumer spending heading into year-end. Still, inflation's stability—rather than renewed acceleration—has kept market expectations for rate cuts anchored and reinforced confidence in a soft-landing scenario. Meanwhile, progress toward a government funding deal is reducing one lingering source of policy uncertainty. The potential end of the government shutdown should clear the backlog of delayed economic reports.



As of 8/31/25

Overall, the backdrop remains constructive. Strong earnings momentum, healthy corporate balance sheets, and continued investment in productivity and innovation suggest the expansion still has room to run. While short-term pullbacks are always possible after such a strong stretch, we remain positive on the market outlook and see no need for major portfolio changes at this stage.

TACTICAL OPPORTUNITY

Our percent invested remains high as recent volatility appears normal and has not triggered sell signals. Some volatility has been experienced from some of the more aggressive names, but nothing completely unexpected, given some of the run-ups.

FULLY INVESTED STRATEGIES

ETF SECTOR ROTATION

With markets up around 2% since the start of October, the narrow leadership has remained. Only 3 of the 11 sectors saw gains greater than the average, and 5 of the 11 sectors have been down over that period. As one would guess, Tech has been among the leaders, up around 3% since October 1. However, the top performer is probably a surprise, as it has been Healthcare, up around 5% after a long period of lagging. The other outperformer has been Energy. Our positioning remains overweight in Technology, Communications, and Discretionaries. We are underweight in Consumer Staples, Energy, Materials, and Real Estate.

For Broad markets, it was a pretty even month plus between Growth and Value. Large caps were better than both Small and Mid Caps, and Internationals performed in line with the U.S., if not slightly better.

EQUITY GROWTH OPPORTUNITY

While there has been modest rotation among lagging positions, the portfolio remains concentrated in Technology and AI-driven names. No significant adjustments have been made to target allocations as we look to take advantage of what is typically a seasonally strong period during the late fourth quarter.

EQUITY GROWTH AND VALUE

The Tech, and specifically the AI theme, continues. The biggest winners over the past month were from either Chips (companies like Advanced Micro Devices and Micron Technology) or buyers of that product (Google, Amazon). Not all Mag 7 were rewarded, however, as stocks like Meta experienced a brake tap. Routine maintenance is expected for now.

EQUITY DIVIDEND INCOME

Dividend stocks have largely traded underwater for the past month, with some, but not a lot, of volatility. There have been only minor changes in the portfolio in recent times, as for the most part, the holdings are performing as expected.

RISK BLENDED STRATEGIES

Our Risk Blended Strategies are a combination of both Premier Wealth Tactical Core and ETF Sector Rotation. Please see the above commentary for more information on each strategy.

- **Churchill Moderate:** 70% Premier Wealth Tactical Core / 30% ETF Sector Rotation
- **Churchill Moderately Aggressive**: 50% Premier Wealth Tactical Core / 50% ETF Sector Rotation
- **Churchill Aggressive:** 30% Premier Wealth Tactical Core / 70% ETF Sector Rotation

For a full description of each strategy, please click here.

Best regards,

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