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**“The pessimist complains about the wind;
the optimist expects it to change;
the realist adjusts the sails.”**

-William Arthur Ward

LPL Research recently unveiled *Midyear Outlook 2025: Pragmatic Optimism, Measured Expectations*, their semi-annual report that recaps where markets and the economy have been over the first half of 2025 and where they may be going over the remainder of the year. We are pleased to bring you a few of the key highlights.

Tariff might just win word of the year. Much of this year’s market turbulence has stemmed from the assumption that President Trump’s second-term policies would closely resemble those of his first. As it became clear that this would not be the case, markets were forced to recalibrate.

While uncertainty is likely to persist for the near future, the peak of policy-driven volatility may be behind us. As clarity returns, so too should market stability — bringing with it a range of new investment opportunities. Given the economic distortions of recent months, it is a difficult time to hold strong convictions. However, some clarity is expected to emerge in the second half of the year.

LPL Research, along with many others whose research we follow, believe the economy will begin to reflect the delayed effects of trade policy, including slower labor demand, weaker growth, and a modest uptick in inflation. This challenging backdrop will likely create bouts of continued volatility in the stock market, but ultimately, equities are expected to finish the year moderately higher. We believe neither the White House nor the Federal Reserve is permanently committed to their current policy paths, which leaves room for constructive shifts.



In this environment:

- The importance of diversifying across asset classes and globally cannot be emphasized enough.
- Periods of volatility should be viewed as opportunities to selectively increase the allocation to stocks at more attractive levels.

These are just some of the insights you'll find in *Midyear Outlook 2025: Pragmatic Optimism, Measured Expectations*. To learn more, visit go.lpl.com/investormidyearoutlook.

Wishing you a safe and enjoyable summer. As always, please reach out to Bert, Katie or me with any questions. Thank you for the opportunity to be of service to your family or institution.

Sincerely,

A handwritten signature in cursive script that reads "Brian Bernatchez".

Brian Bernatchez CFP®, Managing Director, CIO