

Market Update

DECEMBER 2025



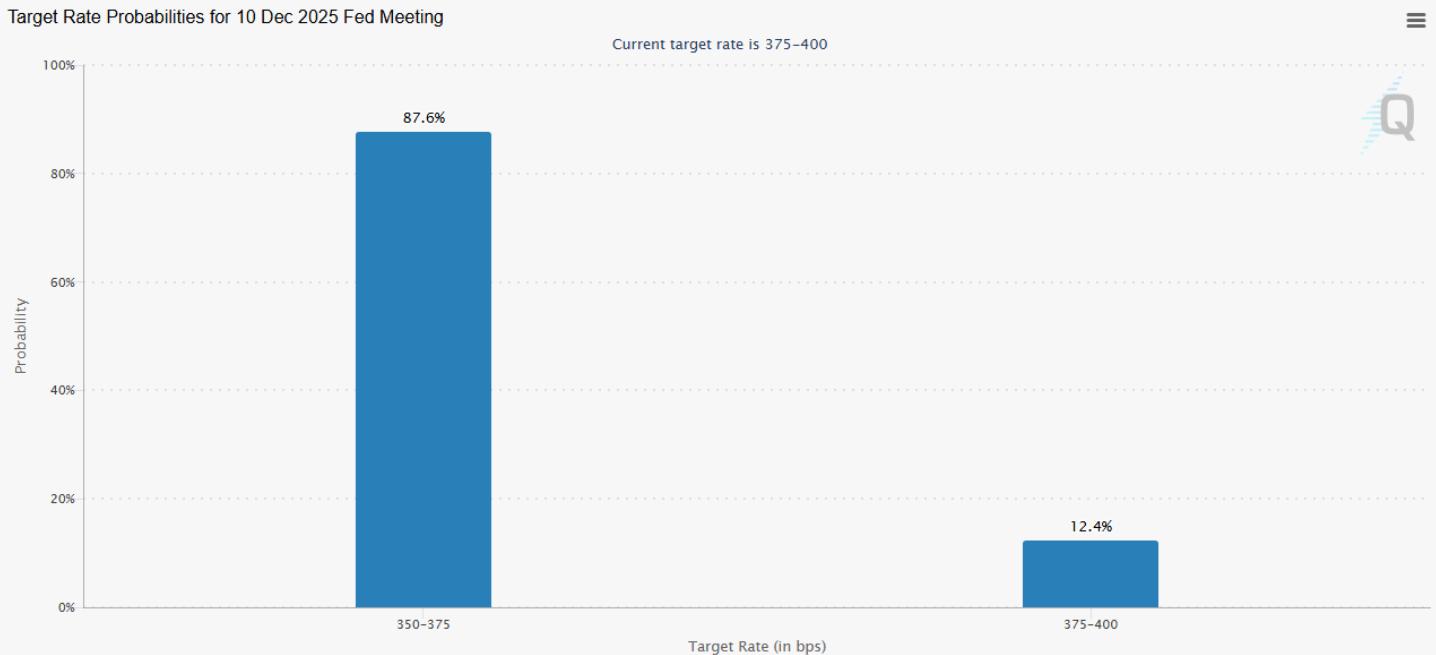
"Slow and Steady Wins the Race"
- The Tortoise and the Hare by Aesop

Index	November 2025*	2025 YTD
S&P 500	0.24%	17.8%
Russell 2000	0.96%	13.5%
MSCI World, Ex-US	1.10%	28.7%
Bloomberg AGG Bond	0.25%	7.5%

*Total Returns Source: Factset Data

November proved to be a month of contrasts for financial markets, marked by early volatility and a strong finish. Equity investors navigated sharp swings as concerns over an overheated AI sector and uncertainty around Federal Reserve policy dominated headlines. Meanwhile, fixed income markets benefited from falling yields and renewed optimism for a rate cut in December.

The month began with the steepest five-day decline since 2008, driven by profit-taking in technology and fears of an AI bubble. High-profile names in semiconductors and cloud computing saw double-digit losses mid-month. However, sentiment shifted dramatically in the final week as dovish signals from the Fed and seasonal tailwinds sparked a broad-based rally.



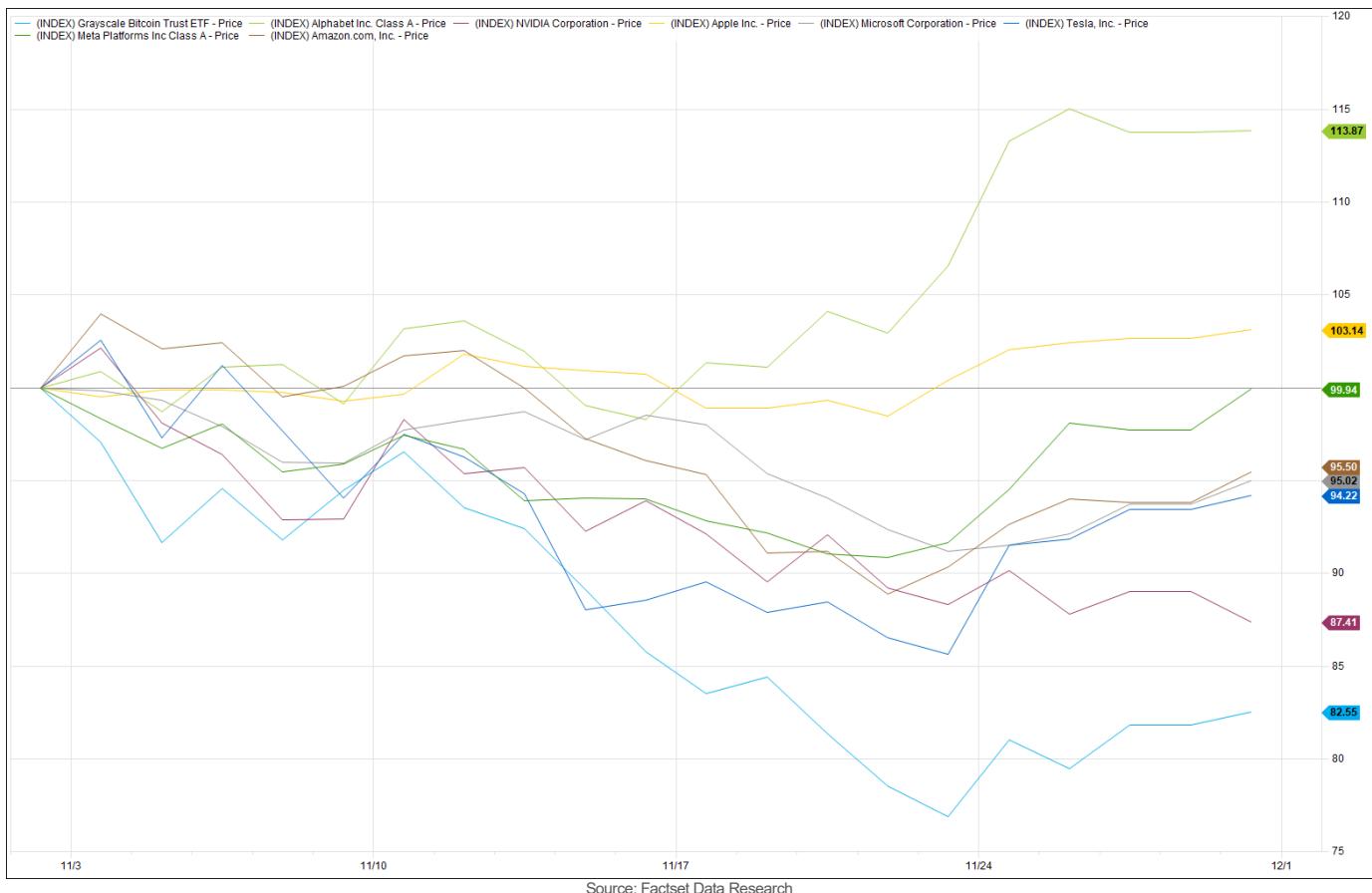
TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 28 NOV 2025	1 WEEK 24 NOV 2025	1 MONTH 31 OCT 2025
350-375	87.6%	86.4%	84.4%	63.0%
375-400 (Current)	12.4%	13.6%	15.6%	37.0%

* Data as of 1 Dec 2025 10:56:17 CT

1/1/2026 and forward are projected meeting dates

Source: CME Group

Sector performance was mixed, precisely why at Seacoast Wealth Management we preach the benefits of diversified equity portfolios. In a risk-off month like November our exposures to the Healthcare, Communications Services and Consumer Staples sectors more than offset weakness in Information Technology and Consumer Discretionary. As the chart below illustrates, only two of the so-called Magnificent Seven stocks were up in November with NVIDIA down more than 10% and Bitcoin down nearly 20%. Within the Seacoast Wealth Management large cap stock holdings, we saw strong double-digit percentage gains from Amgen, Alphabet, Allstate, Cardinal Health, and Parker-Hannifin. Moreover, core exposures to small and mid-cap US equities and international were also additive for the month.



Source: Factset Data Research

In the fixed income markets, the Bloomberg U.S. Aggregate Bond Index posted solid gains, supported by lower yields and strong demand for duration. Investment-grade corporates remained firm, with no meaningful widening of spreads. Seacoast Wealth Management fixed income investments benefited from a higher weighting of investment grade corporate bonds that more than offset our shorter-duration positioning.

Looking ahead, markets enter December with renewed optimism, but volatility may persist as investors weigh Fed action against lingering valuation concerns. Diversification and disciplined risk management remain critical as we close out the year.

As always, we appreciate the opportunity to work with you, and if you have any questions, please do not hesitate to reach out to your Seacoast Wealth Management Associate.

Disclosures:

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