

INVESTMENT STRATEGY QUARTERLY QUICKVIEW

THEMES



ECONOMY: Trade Talk And Tariff Truths

Before World War II, tariffs were primarily used as a source of revenue for the federal government. They have evolved and are now also used for trade protection, with the Trump Administration demonstrating an extreme example of this on ‘Liberation Day.’ Amid the rhetoric there have been misunderstandings about what tariffs are and what they do. Tariffs are fundamentally taxes paid by importers, not foreign countries. When a company imports goods, it pays the tariff directly to the government. In addition, tariffs are regressive taxes and disproportionately affect lower-income households that have fewer options than higher-income households.



POLITICS: Has The US Lost Its Safe-Haven Appeal?

The US—particularly the US Treasury market—has long been considered a ‘safe haven’ for investors as it historically delivered a rare trifecta: enviable economic growth fueled by a resilient consumer, superior equity performance relative to the rest of the world, and a strong dollar. Recent market activity, fueled by Liberation Day and the ever-changing trade policy, in addition to fiscal concerns, have caused some to question US exceptionalism. Despite volatility, there is simply no viable alternative to the US Treasury market or to the dollar as the world’s reserve currency.



COMMODITIES: Power Prices Propel Us Data Center Buildout

The AI megatrend is a story about energy as well as chips. Hyperscale data centers, which are key enablers of AI, are examples of highly energy-intensive infrastructure. The US has nearly half of the world’s data centers, with a particularly large concentration in Virginia. Lower-cost electricity gives the US an advantage in the data center buildout, but power prices are trending up, and we also need to keep an eye on water risks.



Q&A: Rumors Of The Dollar’s Demise Are Exaggerated

Despite numerous doom-laden headlines, conflating weakness with imminent loss of special status is inappropriate, in our view. The currency maintains a dominant position in short-term funding markets, trade invoicing, and foreign exchange transactions—the key plumbing in global finance. Efforts to develop alternatives to supplant the dollar’s status are still a very long way from achieving the critical mass necessary to mount a serious challenge.

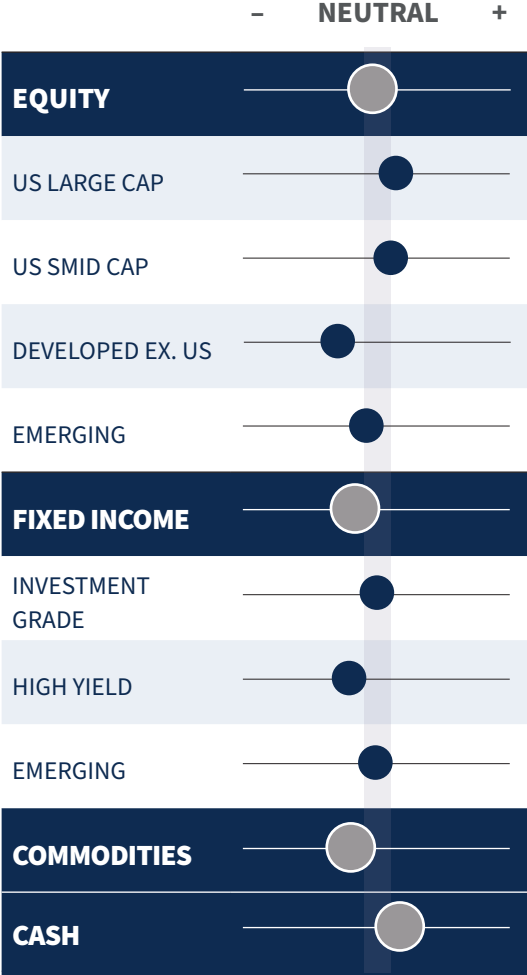
Economic Snapshot

Economic Indicator

NEUTRAL	GROWTH
	EMPLOYMENT
	CONSUMER SPENDING
	BUSINESS INVESTMENT
	MANUFACTURING
	MONETARY POLICY
	LONG-TERM INTEREST RATES
	THE DOLLAR
	REST OF THE WORLD
	HOUSING AND RESIDENTIAL CONSTRUCTION
UNFAVORABLE	INFLATION
	FISCAL POLICY

Eugenio J. Alemán, PhD
Chief Economist, Raymond James

Tactical Outlook



The tactical asset allocation outlook above reflects Raymond James Investment Strategy’s recommendations for current positioning. Your financial advisor can help you interpret each recommendation within this material relative to your individual asset allocation policy, risk tolerance and investment objectives.

For more information, refer to the full [Investment Strategy Quarterly](#).

All expressions of opinion reflect the judgment of the Raymond James Investment Strategy Committee and are subject to change. Investing involves risk, and investors may incur a profit or a loss. Past performance is not an indication of future results. Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. Raymond James® is a registered trademark of Raymond James Financial, Inc. © 2025 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC © 2025 Raymond James Financial Services, Inc., member FINRA/SIPC.

DAWSON WEALTH MANAGEMENT LLC
www.dawsonwealth.com
Dawson Wealth Management LLC is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc. member FINRA/SIPC.

*Since 1985

INVESTMENT STRATEGY QUARTERLY QUICKVIEW

Capital Markets Snapshot

EQUITY	AS OF 6/30/2025	2Q 2025 RETURN**	12-MONTH RETURN**
DOW JONES INDUSTRIAL AVERAGE	44,094.77	4.98%	12.72%
S&P 500 INDEX	6,204.95	10.57%	13.63%
NASDAQ COMPOSITE INDEX	20,369.73	17.75%	14.87%
MSCI EAFE INDEX	1,599.66	12.07%	18.33%
RATES	AS OF 6/30/2025	AS OF 3/31/2025	AS OF 6/30/2024
FED FUNDS RATE TARGET RANGE	4.25-4.50	4.25-4.50	5.25-5.50
3-MONTH SOFR	4.34	4.35	5.35
2-YEAR TREASURY	3.71	3.89	4.72
10-YEAR TREASURY	4.23	4.21	4.37
30-YEAR MORTGAGE	6.80	6.77	7.26
PRIME RATE	7.50	7.50	8.50
COMMODITIES	AS OF 6/30/2025	2Q 2025 RETURN	12-MONTH RETURN
GOLD	\$3,307.70	5.00%	41.38%
CRUDE OIL	\$65.11	-8.91%	-20.15%

*Price Level
**Total Return

Sector Snapshot

	SECTOR	S&P WEIGHT
OVERWEIGHT	HEALTH CARE	9.7%
	INFORMATION TECHNOLOGY	32.3%
	INDUSTRIALS	8.7%
EQUAL WEIGHT	COMMUNICATION SERVICES	9.8%
	FINANCIALS	14.0%
	CONSUMER DISCRETIONARY	10.4%
	CONSUMER STAPLES	5.7%
	UTILITIES	2.3%
UNDERWEIGHT	ENERGY	3.1%
	REAL ESTATE	2.1%
	MATERIALS	1.9%

DISCLOSURE

Data is provided by Raymond James Investment Strategy. This material is for informational purposes only and should not be used or construed as a recommendation regarding any security. All expressions of opinion reflect the judgment of Raymond James & Associates, Inc. and are subject to change.

International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility. These risks are greater in emerging markets. Commodities trading is generally considered speculative because of the significant potential for investment loss. Sector investments are companies engaged in business related to a specific sector and are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification. There is no assurance that any of the forecasts mentioned will occur. Asset allocation and diversification do not guarantee a profit nor protect against loss. Dividends are not guaranteed and will fluctuate. The value of REITs and their ability to distribute income may be adversely affected by several factors beyond the control of the issuers of the REITs. There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein.

Past performance is not indicative of future results. The performance mentioned does not include fees and charges which would reduce an investor's returns. Fixed income securities are subject to interest rate risk. Generally, when interest rates rise, bond prices fall, and vice versa. Specific sector investing can be subject to different and greater risks than more diversified investments. Investing in small-cap and mid-cap stocks generally involves greater risks, and, therefore, might not be appropriate for every investor. High-yield (below investment-grade) bonds are not suitable for all investors. When appropriate, these bonds should only comprise a modest portion of your portfolio. Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

INDEX DESCRIPTIONS: Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product which attempts to mimic the performance of an index will incur expenses that would reduce returns. Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. The returns noted do not include fees and charges which will affect an investor's return.

Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices rise.