

# Commentary

## 4<sup>th</sup> Quarter and full-year 2025 Market Review

Style Performance	Q1	Q2	Q3	Q4	2025
Large-Cap Equity	(3.9)%	11.0 %	8.0 %	2.2 %	17.8 %
Mid-Cap Equity	(0.9)%	8.2 %	4.9 %	(1.2)%	11.2 %
Small-Cap Equity	(6.7)%	6.9 %	7.3 %	1.4 %	8.5 %
International Equity	7.0 %	11.3 %	6.3 %	2.7 %	30.0 %
Fixed Income	5.8 %	0.3 %	1.1 %	(0.4)%	6.8 %
Other	10.0 %	(3.8)%	4.3 %	6.1 %	17.2 %
Cash	4.2 %	0.0 %	0.0 %	(0.3)%	3.9 %

Price Return, As of 12/31/25

2025 proved to be a dynamic and eventful year for U.S. investors. After a sharp market decline beginning late in the first quarter—culminating in a dramatic pullback following “Liberation Day” in early Q2—markets staged a strong recovery through the remainder of the year. Supported by a resilient U.S. economy, renewed expectations for interest-rate cuts, and sustained enthusiasm around artificial intelligence, equity markets finished 2025 on a notably positive note. Earnings growth, a primary driver in market performance, has continued to do well. After 2024 earnings growth for the S&P 500 was 11.7%, 2025 is expected to come in at 13.1% (and 2026 estimates are now close to 16%).

The S&P 500 Index rose more than 16% for the year, reaching 39 record highs along the way. The Dow Jones Industrial Average gained approximately 13%, while the NASDAQ Composite advanced over 20%, driven largely by continued

strength in technology-oriented companies. Technology and consumer discretionary sectors each posted gains exceeding 20% for the year, while industrials rose nearly 18%. Financials ended the year strong, and health care—after a robust fourth quarter—finished up approximately 12.5% for 2025.

After a challenging start to the year, smaller-capitalization stocks rebounded meaningfully

S&P 500 Sectors	S&P Weight	Q1	Q2	Q3	Q4	2025
	S&P 500 Index	100.0 %	(4.6)%	10.6 %	7.8 %	2.3 %
Technology	34.4 %	(12.0)%	10.1 %	10.3 %	2.1 %	23.8 %
Financials	13.4 %	(0.4)%	12.5 %	9.1 %	1.7 %	13.3 %
Communication Services	10.6 %	(11.2)%	22.6 %	11.4 %	(0.3)%	6.4 %
Consumer Discretionary	10.4 %	(0.5)%	12.6 %	4.6 %	(0.5)%	21.6 %
Health Care	9.5 %	2.2 %	2.1 %	2.1 %	11.2 %	12.5 %
Industrials	8.2 %	9.1 %	(9.3)%	5.3 %	0.6 %	17.7 %
Staples	4.7 %	3.9 %	(0.8)%	(3.2)%	(0.9)%	(1.2)%
Energy	2.8 %	6.1 %	(7.7)%	3.3 %	0.1 %	4.4 %
Utilities	2.2 %	4.2 %	3.6 %	6.8 %	(2.1)%	12.8 %
Real Estate	1.8 %	3.1 %	5.1 %	2.9 %	(4.2)%	(0.8)%
Materials	1.8 %	2.9 %	(1.0)%	1.7 %	1.2 %	7.8 %

Price Return, As of 12/31/25

in the second half. Small-cap equities advanced steadily throughout the final three quarters and reached an all-time high in mid-December, reflecting improved investor confidence and easing financial conditions.

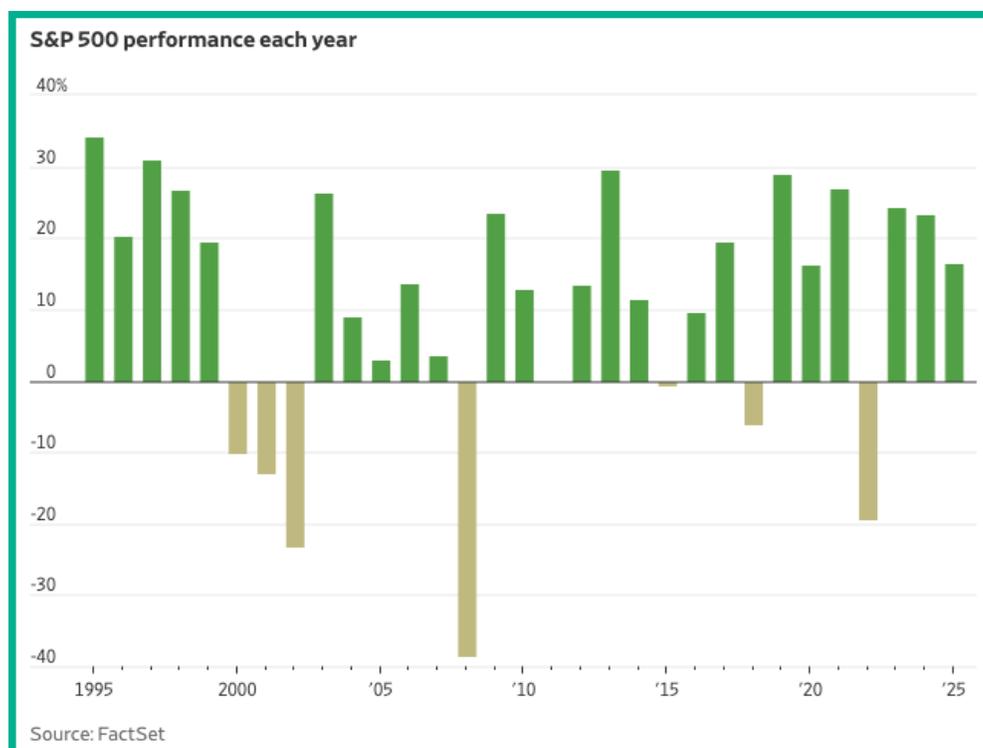
International markets also delivered impressive results. Both developed and emerging market equities performed exceptionally well, each posting gains of roughly 30% for the year. These returns were supported by stabilizing global growth expectations, more accommodative monetary policy abroad, and favorable currency movements for U.S.-based investors.

The rally in 2025 extended beyond equities. Precious metals enjoyed their strongest year since 1979, while bonds recorded their best annual performance since 2020. A renewed wave of speculation among retail investors fueled the resurgence of “meme stocks” and helped push options-trading volumes to record levels once again.

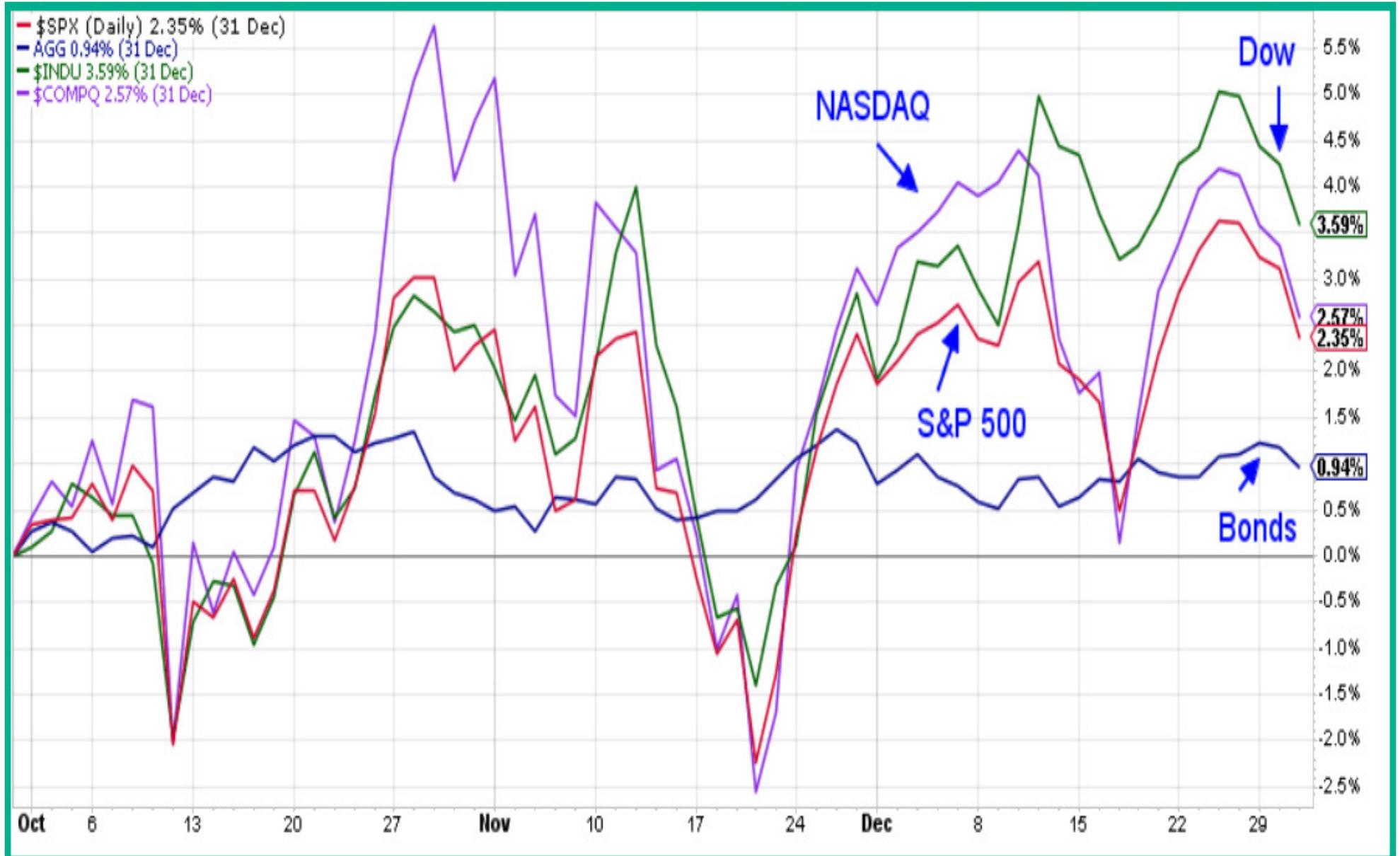
Monetary policy played a significant role in shaping market sentiment. The Federal Reserve adopted a more accommodative stance in the second half of the year, implementing three quarter-point rate cuts at its September, October, and December meetings. These moves reduced the federal funds rate from 4.5% to 3.75%. Despite briefly dipping below 4% during the fall, the 10-year Treasury yield ended the year just under 4.2%.

Even with strong overall performance, signs of excess emerged in certain areas of the market. Bitcoin, for example, finished the year below \$88,000 after declining more than 30% from its October peak above \$126,000. Several speculative stocks that experienced rapid gains earlier in the year also retraced sharply.

It is worth noting that the current rally is aging relative to historical market cycles. Should the S&P 500 post gains again in 2026, it would mark the fourth consecutive year of positive returns—the longest such streak since 2007. Historically, the index has achieved four or more consecutive years of gains only five times.



## Q4 2025 Price Performance for Major Indexes



## 2026 Market Outlook

As I write this outlook, financial markets have already experienced a period of turbulence early in the new year. After both the Dow Jones Industrial Average and the S&P 500 reached new highs at the beginning of January, investor sentiment shifted amid renewed geopolitical uncertainty. Recent administration actions, including public comments, policy signals, and renewed tariff discussions—most notably surrounding Greenland—have contributed to short-term market volatility.

In my view, market reactions to these types of exogenous events are typically temporary. History suggests that making long-term investment decisions based on political headlines or short-term policy rhetoric is rarely a successful strategy. We saw this clearly last year, when markets rebounded impressively following the initial “Liberation Day” tariff announcements. Subsequent tariff escalations, rollbacks, and policy reversals led to short-term adjustments, but ultimately did not derail the broader market recovery.

Over time, stock prices are driven primarily by expectations for future corporate earnings and cash flows. These expectations are shaped by fundamental economic conditions—such as consumer confidence, interest rates, employment trends, and the business prospects of individual companies—rather than by day-to-day political developments.

From a fundamental standpoint, the U.S. economy remains in solid shape. The most recent GDP growth reading for Q3 came in at a strong 4.4%, and current estimates for Q4 real GDP growth are 5.4%, which would mark the strongest quarterly growth since late 2021. Inflation has continued to moderate, with core CPI (excluding food and energy) declining to 2.6% in December from 3.3% earlier in the year. Additionally, the Federal Reserve is widely expected to implement at least a couple of interest-rate cuts in 2026, which could further support economic activity and financial markets.

Geopolitical risks remain an ongoing consideration, and while such events can influence markets in the short term, they have historically had limited lasting impact on long-term asset prices. The global economy has endured wars, trade disputes, and even a global pandemic in recent years, yet markets have continued to move higher over time. Some investors note that only truly disruptive events—such as a major conflict involving Taiwan, given its central role in global semiconductor production—would likely have sustained, long-term consequences for markets.

That said, markets have enjoyed a strong run, and a period of consolidation would not be unexpected. The greater challenge for investors is filtering through the constant noise to focus on what truly matters over the long run. If the U.S. economy remains resilient and consumers continue to spend, equities should continue to offer attractive long-term opportunities, even if the path forward includes bouts of volatility.

This is my take. Please read on for Blackrock’s market outlook for 2026 and beyond. Thanks for reading and stay tuned for more of this interesting ride!

*Frank Brannon, CFP®*  
*January 22, 2026*

# Market Outlook from Blackrock

**Blackrock**, the world’s largest money manager, is the firm KMR uses to design its model portfolios. Below is a summary of Blackrock’s 2026 Global Outlook (published December 2025):

## Summary

The global economy and financial markets are being transformed by mega forces (*see page 6*), especially AI. Technology is becoming capital-intensive, and the AI buildout could be unprecedented in both speed and scale. With a few mega forces driving markets, it is hard to avoid making a big call on their direction – and as such, there is no neutral stance, not even exposure to broad indexes. We remain pro-risk and see the AI theme still the main driver of U.S. equities. Yet this environment is ripe for active investing – picking winners and losers from among the builders now and later as AI gains start to spread, in our view.

### #1 - Micro is macro

The overall revenues could justify the spend – yet it’s unclear how much will accrue to the tech companies building AI. That’s why they are not on autopilot and could adjust plans with greater visibility on revenues and as stark energy constraints bite. The latter could slow the buildout but create other opportunities. We stay pro-risk and overweight U.S. stocks on the AI theme. This is a great time for active investing for those with insights on who will capture the revenues.

#### Investment Implications

- We stay risk-on and overweight U.S. stocks on the AI theme.
- We believe the AI theme will become an active investment story of identifying new winners as AI revenues spread across the economy.

### #2 - Leveraging up

The AI builders are leveraging up, our second theme. We think that is needed: The spending is front-loaded – and unavoidable to realize the benefits – while revenues are back-loaded. Along with highly indebted governments, this creates a more levered financial system vulnerable to shocks – including bond yield spikes tied to policy tensions between inflation and debt sustainability. We see private credit and infrastructure supporting this financing. We go underweight long-term U.S. Treasuries tactically.

#### Investment Implications

- We see rising AI exposure in public and private credit markets.
- We go tactically underweight long-term Treasuries as we see investors demanding more term premium.

### #3 - Diversification mirage

This environment also creates a diversification mirage, our third theme. Allocations made under the guise of diversification may now in fact be big active bets. We think portfolios instead require a clear plan B and a readiness to pivot quickly. We prefer idiosyncratic exposures in private markets.

#### Investment Implications

- Traditional diversifiers like long-dated bonds offer less potential portfolio ballast.
- This environment calls for seeking truly idiosyncratic return sources, such as private markets and hedge funds, and staying tactical.

Themes

## Blackrock's Mega Forces

### The Five Mega Forces BlackRock Is Tracking

According to BlackRock's Investment Institute, the core *mega forces* are: BlackRock

#### 1. Demographic Divergence

*Aging populations in developed markets versus younger, growing populations in select emerging markets — this affects labor forces, productivity, growth rates, and consumption patterns.* BlackRock

#### 2. Digital Disruption & Artificial Intelligence (AI)

*Technology transformation — led by AI and broader digital innovation — is reshaping productivity, capital intensity, and economic structures. AI investment and adoption are central themes in BlackRock's 2026 outlook.* BlackRock +1

#### 3. A Fragmenting World (Geopolitical Fragmentation)

*Shifting global trade and investment dynamics due to geopolitical rivalries, supply-chain reshoring, and strategic competition — which impacts cross-border capital flows and relative valuations.* BlackRock

#### 4. Future of Finance

*Financial systems themselves are evolving — from digital currencies and stablecoins to changes in credit markets, capital flows, and how firms and households transact and borrow.* BlackRock

#### 5. Low-Carbon Transition

*The structural shift to a low-carbon economy is driving massive reallocations of capital across energy, infrastructure, and industrial sectors.* BlackRock

## Latest Model Portfolio Changes - Target Allocation ETF Models

*Blackrock's commentary on their changes made 11/30/25:*

### Key Takeaways:

- **Increase our equity overweight to 3%**, reflecting bolder risk-on positioning supported by a constructive macro backdrop of cooling inflation, robust earnings, and an improved fiscal and trade policy outlook
- **Refresh U.S. factor tilts**, leaning further into momentum, trimming quality as signals cool, and layering in value as a deliberate counterweight to our cluster of growth bets
- **Deepen our underweight to developed ex-U.S. equities**, reallocating to the superior earnings prowess of the U.S. and the increasingly tech-centric bourses of Emerging Markets, further buoyed by stabilizing trade dynamics
- **Streamline fixed income positioning**, adding a new systematic bond strategy designed to adjust with changing market rhythms and hunt for better-valued credits, while keeping overall duration close to neutral

### Trade Rationale:

A strong recent earnings season, a more accommodative Fed, and a generally friendlier liquidity backdrop argue for staying constructively tilted toward risk. With inflation's "sticky" components beginning to roll over and forecasts projecting 4% real GDP growth in Q4 and the first half of next year, we feel the macro setup supports our decision to lean in. This rebalance does just that, nudging equity exposure higher while concentrating risk in our highest-conviction views.

This brings us to the 10 trillion-pound gorilla in the room: AI. The theme that keeps on giving and continues to anchor our portfolio's equity engine. Our increases to U.S. mega-cap and momentum naturally tilt us more toward the tech titans, while our add to Emerging Markets captures more of the semiconductor supply chain symphony playing across Taiwan and South Korea. A chorus of skeptics, however, warns of excess. In our view, "bubble" chatter is background noise, mostly reflecting oversimplified analysis. We are highly attentive to industry risks, but what we see looks far less like a speculative mania and much more like a durable, cash-flow-funded investment and productivity super-cycle. This isn't the dot-com era's "build it and they will come" delusions; this is a structural build-out fueled by the staggering cash flows of the most profitable companies in market history, racing to meet voracious, real-world demand for compute. With data center vacancy rates at record lows and nearly every available GPU being snapped up, the risk likely isn't overcapacity but underinvestment and energy constraints. Yes, some of these firms sport higher valuations, but a decade of 35% compound annual earnings growth has, in our view, earned that premium.

If the U.S. and EM are the twin jet engines of global AI infrastructure growth, then the developed ex-U.S. market may be the emissions-choked station wagon wheezing along the shoulder. While the region's valuations may appear reasonable (don't they always?), they screen poorly on the metrics we care about most: earnings momentum and exposure to the defining technological shifts of our time. We're moving further underweight accordingly.

Still, we believe in hedging our enthusiasm responsibly. To keep the equity side of the portfolio somewhat balanced, we are tempering our growth bets with an increased stake in U.S. value. Our earnings analysis favors the broad growth basket bet, but less than an all-in one. Consider this risk control, not a thesis pivot – a deliberate gravitational counterweight to the high-growth, high-momentum themes that permeate the rest of the portfolio. This move softens our style concentration, ensuring we're not overly exposed to single factor risks.

Finally, we're upgrading fixed income for the regime ahead. With the great inflation scare in the rearview, we are exiting inflation-sensitive positions and consolidating into a more nimble, systematic bond strategy. This new position is equipped with a dynamic, regime-based framework to navigate shifting credit and rate cycles actively, giving us a smarter way to manage duration risk and seek attractive yield.

## Target Allocation ETF Models - Latest Allocations as of 11/18/25

		Allocation as of 11/18/25											
		As of Date	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
<b>Net Expense Ratio (%)</b>		11/30/25	0.13	0.14	0.16	0.16	0.16	0.18	0.19	0.20	0.20	0.22	0.22
<b>Gross Expense Ratio (%)</b>		11/30/25	0.15	0.16	0.17	0.17	0.18	0.19	0.19	0.21	0.20	0.22	0.22
<b>US Equities</b>			-	<b>9.5</b>	<b>17.0</b>	<b>24.5</b>	<b>33.5</b>	<b>39.0</b>	<b>47.0</b>	<b>53.5</b>	<b>61.0</b>	<b>67.0</b>	<b>71.5</b>
DYNF	iShares U.S. Equity Factor Rotation Active ETF		-	2.5	3.5	4.5	5.5	6.5	8.0	10.5	10.5	11.5	12.0
IVE	iShares S&P 500 Value ETF		-	1.5	5.0	5.0	5.5	7.0	8.5	10.5	12.5	13.0	13.0
IVV	iShares Core S&P 500 ETF		-	2.5	3.5	5.0	6.5	7.5	7.5	7.5	9.5	10.0	11.5
IWW	iShares S&P 500 Growth ETF		-	1.5	2.5	4.0	4.5	5.5	7.0	8.0	9.0	10.0	11.0
MTUM	iShares MSCI USA Momentum Factor ETF		-	-	-	1.5	2.5	2.5	3.5	3.5	4.0	4.5	5.0
OEF	iShares S&P 100 ETF		-	1.5	1.5	2.0	4.5	5.0	6.0	6.5	7.5	9.0	9.0
QUAL	iShares MSCI USA Quality Factor ETF		-	-	-	1.5	2.5	2.5	3.5	3.5	4.0	4.5	5.0
THRO	iShares U.S. Thematic Rotation Active ETF		-	-	1.0	1.0	2.0	2.5	3.0	3.5	4.0	4.5	5.0
<b>International/Global Equities</b>			-	<b>2.5</b>	<b>4.0</b>	<b>6.0</b>	<b>8.0</b>	<b>10.0</b>	<b>11.5</b>	<b>13.5</b>	<b>16.0</b>	<b>18.5</b>	<b>18.5</b>
EFV	iShares MSCI EAFE Value ETF		-	1.5	1.5	2.5	3.5	4.5	5.0	6.0	7.0	8.0	8.0
IEMG	iShares Core MSCI Emerging Markets ETF		-	1.0	2.5	3.5	4.5	5.5	6.5	7.5	9.0	10.5	10.5
<b>Sector Equities</b>			-	-	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>4.0</b>	<b>4.5</b>	<b>6.0</b>	<b>6.0</b>	<b>7.5</b>	<b>8.0</b>
BAI	iShares A.I. Innovation and Tech Active ETF		-	-	1.0	1.5	1.5	3.0	3.5	4.0	4.0	5.0	5.0
ITA	iShares U.S. Aerospace & Defense ETF		-	-	-	-	-	1.0	1.0	2.0	2.0	2.5	3.0
<b>US Fixed Income</b>			<b>84.0</b>	<b>73.5</b>	<b>64.5</b>	<b>56.0</b>	<b>46.0</b>	<b>37.0</b>	<b>28.0</b>	<b>20.5</b>	<b>10.5</b>	<b>1.0</b>	-
BINC	iShares Flexible Income Active ETF		10.0	9.0	8.5	6.5	6.0	5.0	3.5	2.5	-	-	-
GOVT	iShares U.S. Treasury Bond ETF		6.0	5.0	4.5	4.5	2.0	2.0	-	-	-	-	-
ICVT	iShares Convertible Bond ETF		5.0	4.5	4.0	3.5	2.0	-	-	-	-	-	-
IUSB	iShares Core Universal USD Bond ETF		38.5	32.0	26.5	22.0	20.5	17.5	14.5	11.0	6.0	-	-
MBB	iShares MBS ETF		13.0	11.5	9.5	9.0	7.5	6.0	5.0	2.5	1.0	-	-
SYSB	iShares Systematic Bond ETF		5.0	5.0	5.0	4.5	2.0	1.5	-	-	-	-	-
TLH	iShares 10-20 Year Treasury Bond ETF		6.5	6.5	6.5	6.0	6.0	5.0	5.0	4.5	3.5	1.0	-
<b>International/Global Fixed Income</b>			<b>11.5</b>	<b>10.0</b>	<b>9.0</b>	<b>7.5</b>	<b>6.5</b>	<b>5.5</b>	<b>4.5</b>	<b>2.0</b>	<b>2.0</b>	<b>1.5</b>	-
EMB	iShares J.P. Morgan USD Emerging Markets Bond ETF		4.0	3.5	3.0	2.5	2.0	2.0	1.5	-	-	-	-
IAGG	iShares Core International Aggregate Bond ETF		7.5	6.5	6.0	5.0	4.5	3.5	3.0	2.0	2.0	1.5	-
<b>Alternatives</b>			<b>2.5</b>	-									
IAU	iShares Gold Trust		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	-
<b>Cash &amp; Cash Alternatives</b>			<b>2.0</b>										
CASH-USD	UNITED STATES DOLLAR (USD) - Cash		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

## Latest Model Portfolio Changes - Target Allocation Tax-Aware ETF Models

**Blackrock's commentary on their changes made 9/16/25 (none in 4<sup>th</sup> quarter):**

### Key Takeaways:

- **Add 1% to equities to move 3% overweight**, nudging market risk higher on a friendlier policy backdrop while keeping key portfolio shock absorbers in place
- **Lean further into the relative earnings strength of the U.S. over international developed markets (DM)**, maintaining a preference for growth-over-value at home and value-over-growth abroad
- **Upping our bets on AI builders and enablers**, seeking to increase exposure to the “picks-and-shovels” of the next industrial revolution (compute, cloud, and software)
- **Initiate a thematic position in global aerospace & defense stocks**, targeting potential beneficiaries of a multi-year modernization cycle fueled by government spending
- **Maintain mostly neutral duration positioning while increasing exposure to high yield municipals** in bond-heavy portfolios

### Trade Rationale:

Our foot's back on the pedal, but still far from “full send”. Economic growth signals are mixed at best and the labor market has unquestionably softened (fewer openings, fewer quitters, and more folks filing for unemployment). This deceleration, however, has created space for more accommodative monetary policy. Sure, inflation's still limping around 3% and its descent has lost some momentum, but market history offers clear guidance: “don't fight the Fed”. We're inclined to obey and lean into that tailwind but with seat belts on, recognizing that policy and geopolitics can still jolt markets.

Within equities, we continue to view AI as a defensive hedge as much as a growth catalyst. With demand for high-performance computing infrastructure expected to nearly double annually, and the intelligence models built upon it advancing at an even more aggressive pace, we expect generative AI to compound into a force that reshapes entire industries. This represents, in our view, a durable, multi-decade structural trend that will create a new class of leaders and fundamentally alter sources of economic value, comparable to the dawn of the internet. The scale of investment to do this is staggering, with what we expect will be half a trillion dollars of flows annually into foundational infrastructure, with future commitments likely to accelerate. Companies enabling this buildout, alongside those successfully harnessing its capabilities, represent what we consider the most compelling growth opportunities of the coming decade. We seek to access this theme through dedicated active strategies that can rotate across AI-adjacent opportunities as dispersion widens, hunting for the next wave of winners as narratives evolve while striving to avoid the imprecision of broad index exposure.

Globally, easing in the U.S. typically softens the dollar, which is oxygen for Emerging Markets (EM). This dynamic underpins our shift to a modest EM overweight and our decision to tactically neutralize our China underweight. Let's be clear: this isn't a structural change of heart, but rather recognition that maintaining substantial underweight exposure to a headline-sensitive region introduces uncompensated volatility risk. Simultaneously, we've deepened our ex-U.S. DM underweight while emphasizing regional value-oriented exposures, particularly European financials, where we believe improved capital discipline, healthy buyback/dividend capacity, and supportive spread dynamics create an attractive risk-reward proposition.

Finally, we're coupling offense with defensive ballast. Lower real rates are historically friendly to precious metals, so we're keeping (and modestly adding to) that hedge against policy uncertainty, fiscal dominance, and geopolitical tail risks. And rising fiscal commitments to defense, cybersecurity, and infrastructure represent a global reality we'd rather invest alongside than pretend is not happening; hence, our thematic allocation to “national resilience” beneficiaries.

The bottom line: The Fed's giving us the green light to be selectively bold. We're pressing our advantage where the odds look good, but keeping our discipline where signals still look murky.

## Target Allocation Tax-Aware ETF Models - Latest Allocations as of 9/16/25

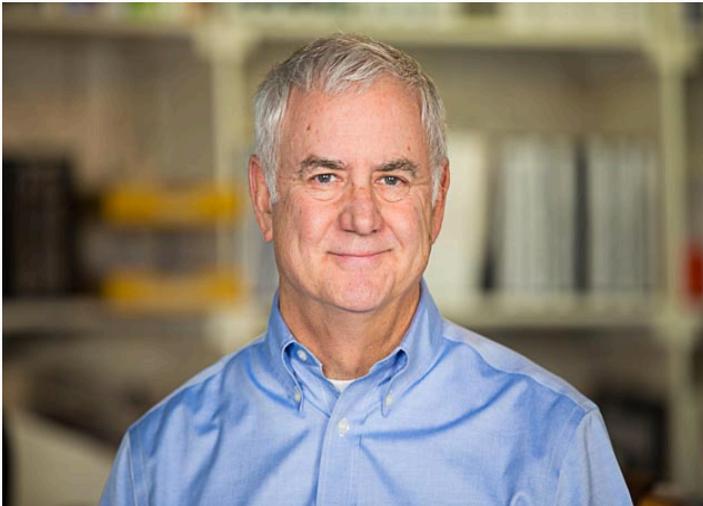
### Latest Holdings (%)

		Allocation as of 9/16/25											
		As of Date	0/100	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	100/0
<b>Net Expense Ratio (%)</b>		9/30/25	0.10	0.10	0.12	0.13	0.14	0.16	0.17	0.19	0.20	0.21	0.21
<b>Gross Expense Ratio (%)</b>		9/30/25	0.10	0.10	0.12	0.13	0.15	0.16	0.17	0.19	0.20	0.21	0.21
<b>US Equities</b>			-	<b>10.0</b>	<b>15.5</b>	<b>23.0</b>	<b>31.5</b>	<b>37.5</b>	<b>44.5</b>	<b>50.5</b>	<b>58.0</b>	<b>64.0</b>	<b>68.0</b>
DYNF	iShares U.S. Equity Factor Rotation Active ETF	-	2.5	3.5	4.5	6.0	6.5	7.5	9.0	10.5	12.0	12.0	
IVE	iShares S&P 500 Value ETF	-	-	-	3.0	3.0	3.0	3.5	4.0	4.5	5.0	5.5	
IVV	iShares Core S&P 500 ETF	-	4.0	6.5	7.0	12.0	14.5	19.0	19.5	22.0	24.0	26.5	
IWW	iShares S&P 500 Growth ETF	-	1.0	2.0	3.0	3.5	4.5	4.5	6.0	7.0	7.5	7.5	
OEF	iShares S&P 100 ETF	-	1.0	1.0	2.0	2.5	3.0	3.5	3.5	4.0	4.5	5.0	
QUAL	iShares MSCI USA Quality Factor ETF	-	1.5	1.5	2.0	2.5	2.5	2.5	3.5	4.5	4.5	4.5	
THRO	iShares U.S. Thematic Rotation Active ETF	-	-	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	
USMV	iShares MSCI USA Min Vol Factor ETF	-	-	-	-	-	1.0	1.0	1.5	1.5	2.0	2.0	
<b>International/Global Equities</b>			-	<b>2.0</b>	<b>5.5</b>	<b>7.5</b>	<b>9.5</b>	<b>11.5</b>	<b>14.0</b>	<b>16.5</b>	<b>19.0</b>	<b>21.5</b>	<b>22.0</b>
EFG	iShares MSCI EAFE Growth ETF	-	-	1.0	2.0	2.5	2.5	3.5	4.0	4.5	5.0	5.5	
EFV	iShares MSCI EAFE Value ETF	-	1.0	2.5	3.0	3.0	4.5	5.0	6.0	7.0	8.0	8.0	
IEMG	iShares Core MSCI Emerging Markets ETF	-	1.0	2.0	2.5	4.0	4.5	5.5	6.5	7.5	8.5	8.5	
<b>Sector Equities</b>			-	-	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	<b>4.0</b>	<b>4.5</b>	<b>6.0</b>	<b>6.0</b>	<b>7.5</b>	<b>8.0</b>
BAI	iShares A.I. Innovation and Tech Active ETF	-	-	-	-	-	1.0	1.0	1.5	1.5	2.0	2.0	
ITA	iShares U.S. Aerospace & Defense ETF	-	-	-	-	-	1.0	1.0	2.0	2.0	2.5	3.0	
IYW	iShares U.S. Technology ETF	-	-	1.0	1.5	2.0	2.0	2.5	2.5	2.5	3.0	3.0	
<b>US Fixed Income</b>			<b>96.0</b>	<b>84.0</b>	<b>74.0</b>	<b>64.0</b>	<b>53.0</b>	<b>43.0</b>	<b>33.0</b>	<b>23.0</b>	<b>13.0</b>	<b>5.0</b>	-
HIMU	iShares High Yield Muni Active ETF	8.0	6.5	5.5	5.5	5.5	5.0	4.5	3.0	3.0	2.0	-	
MUB	iShares National Muni Bond ETF	71.0	61.5	54.5	48.0	38.5	29.5	22.0	14.0	5.5	3.0	-	
STIP	iShares 0-5 Year TIPS Bond ETF	5.0	4.0	3.5	2.0	1.0	1.0	-	-	-	-	-	
TLH	iShares 10-20 Year Treasury Bond ETF	12.0	12.0	10.5	8.5	8.0	7.5	6.5	6.0	4.5	-	-	
<b>Alternatives</b>			<b>2.0</b>	-	-								
IAU	iShares Gold Trust	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	
<b>Cash &amp; Cash Alternatives</b>			<b>2.0</b>										
CASH-USD	UNITED STATES DOLLAR (USD) - Cash	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	

Allocations for the model portfolios are targets and subject to change. If a ratio is used in the model name, the ratio corresponds to the target percentage of equity and fixed income exposure within the model. For example, "60/40" means the model targets 60% in equity exposure and 40% in fixed income exposure. The target fixed income exposure may include an allocation to cash.

# About KMR Financial Advisory, Inc.

**KMR Financial Advisory** is an independent, fee-only registered investment advisor specializing in the development of comprehensive financial plans and developing & managing investment portfolios.



Frank R. Brannon, CFP<sup>®</sup>, is the president of KMR Financial Advisory, Inc. Frank's educational background includes:

- The Lovett School
- Tulane University, BA, Economics
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Frank is a Certified Financial Planner<sup>™</sup> professional and achieved his license in 1996. Frank has worked most of his career in

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