GREENLEAF TRUST

Perspectives

A Greenleaf Trust Newsletter

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President
Chief Executive Officer

Summertime and Friendship

Happy summer! Considering it is already July; somebody exclaimed to me for summer to slow down. I agree. I hope you are enjoying days being outside in the sun, farmers' markets, opportunities to go to the lake, grilling, fireworks, and simple time with family and friends.

I had the opportunity last weekend to enjoy one of my favorite summer pastimes. I played golf with a long-time client of Greenleaf Trust. And, by long-time I mean 25 years. But he is more than a client, he is a very good friend of mine. He became a client in 2000, and I was fortunate enough to serve as his family's Wealth Management Advisor for over 13 years. During that time, we worked together on managing his family's investment portfolios, retirement planning, business opportunities, tax optimization strategies, estate planning, and philanthropic giving.

While doing all of this, we also shared a lot of life's twists and turns together. My wife and I were building our family of two boys while he and his wife were navigating three boys in high school and beyond. Now that my boys are older, I share his words of wisdom with teammates of mine with young children – enjoy those days because it goes by like a freight train. We had meaningful discussions about the different stages of our busy careers, our families, and what we each hoped to be doing in the future. When he and his wife bought a condo in South Haven, they graciously had the whole Odar family out to swim and have dinner.

Our Illinois upbringing created a common fandom of the Monsters of the Midway (Da Bears) and the Chicago Cubs. Those allegiances were carefully put aside though whenever the University of Illinois played Michigan State in basketball. In fact, it was at one of those basketball games in East Lansing that I had to tell him through my tears that I was being promoted and would not be able to serve his family in the same way I had been over the last 13 years. My tears were not tears of joy, but of course his were.

I believe every friendship has a unique story. That said, I don't think the story of our friendship is necessarily uncommon here at Greenleaf. We deeply value the trust our clients put in us and understand the work we do for them is important. Our core values drive us to put their needs before ours. We get to know our clients on a unique level and build meaningful relationships with them. Not because we have to but instead because we want to. Our goal is to serve their families from generation to generation. This is why I became a financial advisor and helped build a culture

Summertime and Friendship, continued

focused on relationships with teammates who value the same thing.

Over the last 12 years, we have made sure to get together as often as possible outside of Greenleaf to play golf and have dinner. The discussions are lighter but just as meaningful to me. So is the fact that each of his sons are now clients as well.

What a great way to spend a Sunday in the summer.

Epilogue: What's not as meaningful is how that guy (I mean my friend) beat me on every single hole. He even asked if I was playing "client golf"!

Nicholas A. Juhle, CFA®
Chief Investment Officer

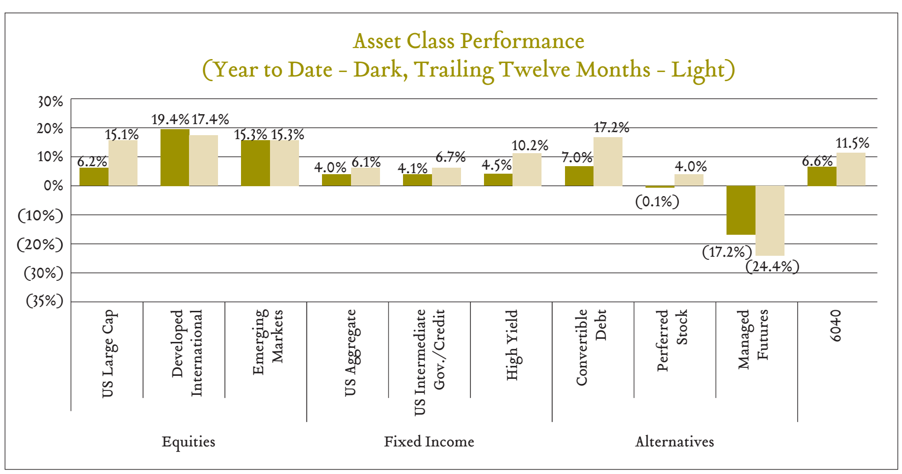
2025 Mid-Year Update

The first half of 2025 was a volatile period characterized by economic and geopolitical uncertainty. However, if you closed your eyes on the first of January and reopened them on the first of July, you would probably be pretty pleased with your portfolio. Expectations for 2025 have shifted, but not to the extent one might imagine. Meanwhile, a moderating but solid labor market and stalled progress on inflation have created a challenging environment for Fed policymakers. Looking ahead to the second half of the year, trade and monetary policy decisions are likely to remain centerstage.

"Expectations for 2025 have shifted, but not to the extent one might imagine."

A Bumpy Ride

Year-to-date, global equities are up more than 10%. Domestic large caps are up 6.2%, while developed international and emerging market stocks have fared better generating returns of 19.4% and 15.3%, respectively. These results came in spite of a near-20% drawdown for the S&P 500 between February 19th and April 8th. At the same time, core bonds are up 4.1% as the 10-year Treasury yield has fallen to 4.23% compared to 4.57% starting the year. Even a balanced portfolio comprised of 60% stocks and 40% bonds is up 6.6% in the first six months of the year. Markets have proven resilient in the face of uncertainty.



Labor Market Resilience

Despite tariff uncertainty and a less-than-stable economic outlook, companies have continued hiring at a pace that roughly matches expectations coming into the year. Monthly job gains through May have averaged 124K in 2025 compared to expectations for 121K per month when the year began and compared to average gains of +150K over the prior 12 months. More importantly, the ratio of job openings per unemployed worker now stands at 1:1, down from a peak of 2:1, indicating that the labor market is in a place of balance. Over the last twelve months, the unemployment rate has been rangebound between 4.0% and 4.2% - quite low by historical standards.

“Markets have proven resilient in the face of uncertainty.”

Inflation: Coming or Going?

Despite a gradually cooling labor market and growing concerns about tariffs driving up the costs of goods, inflation, as measured by yearly changes in the Consumer Price Index (CPI), has continued to trend downward. In May, consumer prices rose 2.4% compared to a year ago, indicating that companies have found ways to limit how much of the tariff-related expenses are being passed through to consumers. Entering the year, forecasters anticipated inflation would be 2.5% in 2025. Again, expectations and reality are surprisingly close to one another. Looking forward, we see risk to the upside depending on how trade policy evolves.

A Conflicted Fed

The developments of 2025 have put the Federal Reserve in an unenvious position. On the one hand, the Fed faces a political regime that wants to see rates lowered to spur economic growth and lower debt servicing costs. On the other hand, inflation remains slightly above the Fed’s 2% target and the net impact of fiscal and trade policy changes is expected to be inflationary.

The Fed is charged with maintaining a very delicate balance with a very blunt set of tools. The goal of restrictive monetary policy is to gradually slow economic activity to bring inflation back to targeted levels without slowing it enough to impair the labor market or risk sending the economy into a recession. Entering the year, market participants priced in one-to-two quarter point rate cuts in 2025. Through the first half of the year, there have been no cuts, however, the markets continue to price in two cuts to take place in the second half of 2025. Again, despite numerous unforeseen market events, the reality on the ground six months into the year is generally in line with expectations at the beginning of the year. With the effects of tariffs and increased costs associated with geopolitical unrest not yet fully realized, the Fed is likely going to stay on the sidelines until they have more clarity on the trajectory of the labor market and inflation.

Growth Missteps and Tepid Earnings Expectations

To begin the year, corporate earnings and real growth were expected to

2025 Mid-Year Update, continued

remain strong – both have received haircuts. Corporate earnings growth for 2025 was expected to come in at 14.1%, a high bar in any market environment. Through the first half of the year expectations have been reigned in, with the market now pricing in earnings growth of just shy of 10% - reflecting base effects of stronger-than-expected earnings in 2024 and modest revisions to 2025 expectations. Similarly, real growth expectations, as measured by inflation-adjusted GDP, has gone from 2.1% to start the year to 1.4% today. Trade policy uncertainty drove a negative GDP print in the first quarter as corporations pulled forward imports in anticipation of higher tariffs. Looking to the second half, tariff negotiations, the situation in the Middle East, and the final version of the federal budget bill are likely to shape the outlook

"We believe short-term market-timing strategies are unlikely to improve long-term outcomes."

Looking Forward - Capital Market Assumptions

As for the market experience going forward, we share our updated capital market assumptions below. These forecasts represent our expectations for average annualized returns for each asset class over the next ten years. Over the next decade, there will be years when returns exceed our expectations and years when returns trail our expectations. We believe short-term market-timing strategies are unlikely to improve long-term outcomes.

Asset Class	Historical Returns Public (94-25)	10 Year Expected Return (Jun 2025)	10 Year Expected Risk (annualized vol.)
US Large Cap	10.57%	6.75%	17.00%
US Mid Cap	11.02%	8.25%	19.00%
US Small Cap	9.78%	8.25%	21.00%
Developed International Equities	6.28%	7.25%	18.00%
Emerging International Equities	5.14%	7.75%	22.00%
Core Fixed Income	4.15%	4.25%	5.50%
Non-Core Fixed Income	7.07%	6.00%	11.00%
Diversified Alternatives	7.16%	6.25%	8.00%
Cash	2.49%	3.75%	0.50%
Inflation	2.53%	2.50%	1.50%
60/40 Public Portfolio		6.00%	11.00%

Source: Greenleaf Trust, as of 6/30/2025

We continue to recommend most of our clients hold a full weight to global equities in accordance with their individualized risk profile and we remain marginally more constructive on U.S. small- and mid-cap equities. Concurrently, in this volatile environment, we are utilizing diversifying strategies (alternative assets) that can access return drivers uncorrelated with traditional stock and bond markets.

Despite an ever-changing landscape, our disciplined approach and long-term orientation serve us well as we endeavor to create comprehensive investment solutions that help our clients reach their financial goals. On behalf of the entire team, thank you for allowing us to serve on your behalf and good luck in the second half of the year.

How to "HEET" up Gifting for Grandchildren and More Remote Descendants

Wendy Z. Cox, J.D., CTFA
Director of Personal Trust,
Chief Fiduciary Officer

Many grandparents are looking for ways to gift education and medical expenses for grandchildren and more remote descendants. The Tax Code provides that direct gifts for tuition and medical expenses are excluded from the gift tax or Generation Skipping Transfer Tax ("GSTT"). IRC 2503(e). These expenses must be made directly to the education or health care provider and can only be made during the grandparent's lifetime. A Health and Education Exclusion Trust ("HEET") is one way to fund the education and medical expenses after the grandparent's passing for future generations. A properly drafted HEET can also avoid GSTT

A short explanation of the GSTT. For estates over the applicable exclusion amount, $13.99 million in 2025, generation skipping transfers are taxed at 40%. There are three ways GSTT is imposed. A transfer made directly to a skip person, grandchildren or great-grandchildren, either during lifetime or death is a direct skip. A trust which has both children and grandchildren as beneficiaries, will pay GSTT when it makes distributions to a grandchild, known as a taxable distribution. Finally, for a trust which has both children and grandchildren as beneficiaries, when the last child dies, GSTT is imposed on the remaining value of the trust, known as a taxable termination.

The HEET seeks to avoid taxable distributions and taxable terminations. The Tax Code provides that for assets held in trust, a distribution to a provider for education or medical expenses on behalf of a beneficiary is not considered a taxable distribution for GSTT purposes because if the payment had been made while the grantor was alive it would not a be taxable gift. However, without special provisions, upon the death of the last non-skip person, distributions from the trust would become taxable terminations subject to GSTT. The HEET avoids this taxable termination by adding a charitable beneficiary to the trust. A charitable organization is classified as a non-skip person for GSTT purposes. As long as one of the beneficiaries is a charitable organization, the trust will never experience a taxable termination.

> "A Health and Education Exclusion Trust ("HEET") is one way to fund the education and medical expenses after the grandparent's passing for future generations."

A HEET can be created while living, inter vivos, or at the grantor's death. An inter vivos HEET is typically funded with the grantor's annual and lifetime gift exemptions currently $19,000 per year or $13.99 million lifetime. It can also be an irrevocable life insurance trust drafted as a HEET. Assets used to fund a testamentary HEET would be subject to the estate tax, but not GSTT. Distributions made from the HEET on behalf of beneficiaries must be qualified transfers. For educational expenses, this means payments for tuition. The cost of room and board and books are not covered. For medical expenses, distributions may be made for hospital care, nursing care, laboratory, surgical, dental, diagnostic services, drugs, and ambulance

How to "HEET" up Gifting for Grandchildren and More Remote Descendants, continued

among others. Distributions may also be made for medical and dental insurance premiums. However, distributions may not be made for elective surgeries. It is recommended that an independent trustee be appointed and that distributions from the trust be fully discretionary so that the trustee can confirm that the distributions are appropriate.

As noted, the HEET must also contain a charitable interest which must be substantial. There is no official guidance on what constitutes a substantial interest; however, many practitioners recommend that 10% be distributed annually to the charity. The charitable interest can also be a family foundation. There is no charitable deduction when an inter vivos HEET is established nor is there a charitable deduction when it is created at death. However, by making the HEET a grantor trust during the grantor's lifetime, the grantor will pay the trust's income tax and will also receive the charitable deduction subject to the normal limitations. At the grantor's death when the trust becomes a separate taxpayer, the trust will take the charitable deduction.

"Like any other dynasty trust, it is established for the benefit of multiple beneficiaries over multiple generations."

A HEET generally works best for very wealthy individuals who have fully used their GSTT exemption. Like any other dynasty trust, it is established for the benefit of multiple beneficiaries over multiple generations. Grandparents wishing to provide for grandchildren and more remote descendants who also have charitable inclinations should consider if a HEET is right for their family.

Investing with Purpose: Aligning Your Portfolio with Your Life

Sam Ellis, CFP®
Wealth Management Advisor

Picture yourself getting ready for a two-week trip to Europe. You're not just tossing whatever into your suitcase and hoping it works out. Instead, you're thinking about the weather, all the walking you'll do, and the different things you'll be doing each day. So, you choose clothes that can be mixed and matched, comfortable shoes that still look nice enough for dinner, and layers to handle whatever the weather throws at you. You pack this way because you know being prepared means a smoother and more enjoyable vacation.

Your investment portfolio works much the same way, except instead of packing for a two-week vacation, you're planning for decades. Yet many people spend more time planning what to bring on vacation than thinking about how their investments should work for them. The truth is, how you divide your portfolio between stocks, bonds, cash, and other investments isn't just some technical detail, it's the foundation for whether you'll be able to afford the life you want.

The foundation for choosing the correct asset allocation starts with a simple question: when the time comes, how much money will you need to draw out of your portfolio on an annual basis? Portfolio withdrawals and their timing, also known as "demand on capital," are one of the biggest drivers in determining what the overall asset allocation should be within your portfolio. It's no secret that it can be difficult to pinpoint the exact amount you will need to draw from the portfolio, however, determining a relatively accurate target can make all the difference in making sure your portfolio is working as efficiently as possible.

For many people, proper asset allocation is difficult to determine. One reason it can be tough is that it's not a "set it and forget it" part of your financial picture. Determining your asset allocation can be boiled down to one simple rule: As your situation changes, including your spending needs, so should your allocation.

There is a common misconception that an investor should be aggressive during their working years (commonly called the "accumulation phase") and progressively less risky as they near retirement. This approach makes sense in many cases, but certainly not in all cases.

"It's not surprising that portfolio needs vary among people; there is no one-size-fits-all solution."

We have already established that spending from the portfolio is one of the biggest drivers of your ideal asset allocation. It's not surprising that portfolio needs vary among people; there is no one-size-fits-all solution. Maybe you have a pension providing you with a regular income, or income from a rental property and so your demand for capital from the portfolio is low. In this case, it might make sense to have a more aggressive portfolio. Simply put, if there is not an inherent need for a portion of the portfolio in the near term, you have the financial flexibility to take additional short-term risk via a higher allocation to stocks in the pursuit of higher long-term returns.

On the flip side, aside from social security, let's say the primary source for spending in retirement will come from the portfolio. This likely means your demand on capital is larger relative to your portfolio all else equal. In this case it would make sense to have a more conservative allocation.

It is generally prudent to make sure there are at least a few years' worth of spending needs tucked away in short-term assets (bonds and cash) to ensure you aren't forced to sell riskier assets like stocks at an unfavorable time. Keeping in mind that unexpected expenses may arise, it also generally makes sense to build in an additional buffer of conservative assets, especially during your retirement years.

Say you have just retired and for the first time you will need to start pulling money from the portfolio to supplement your spending needs. Now more than ever, you need to be intentional about the overall makeup of your portfolio. You need to make sure your portfolio allocation reflects the need to begin drawing assets from the portfolio. This is why having money in safer places, like cash or bonds, isn't just being cautious; it's being smart. When (not if) the broader stock market experiences short-term volatility, you can live off these safer investments while waiting for stocks to bounce back.

Of course, life rarely goes according to plan. Perhaps you have a large, unexpected home repair, or discovered you needed more help as you get older. Your investment strategy should be flexible enough to handle these curveballs. This is why regular

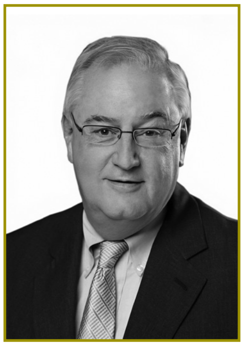
Investing with Purpose: Aligning Your Portfolio with Your Life, continued

conversations with your client centric team matter so much. They can help you adjust your investments when life changes, instead of sticking to a plan that no longer fits.

At the end of the day, your investments aren't just numbers on a screen. They're your future freedom, your ability to help people you care about, and your ticket to doing things you love. The best investment strategy is one that actually works for your life, not one that looks good on paper or sounds impressive at dinner parties. It's the one that lets you sleep well at night, knowing you've got a plan that can handle whatever comes next.

So, think about what you really want your money to do for you. Given the recent market volatility, now is a great time to work with your client centric team to ensure your portfolio can deliver on those needs, wants and desires. Based on your unique situation, your team can help you see the big picture, avoid common pitfalls, and make adjustments when needed. Because, just like packing for that European vacation, getting your investment portfolio right means thinking ahead, and staying flexible.

Dead Hand or Helping Hand



George F. Bearup, J.D.
Senior Legal Trust Advisor

"...estate planning often involved the use of trusts where the beneficiary was given the right to receive income for life."

The approach to, and philosophy behind, estate planning seems to be headed in a different direction these days, a concept informally called Wealth 3.0.

Several decades ago, when I first started to practice law, estate planning often involved the use of trusts where the beneficiary was given the right to receive income for life. This was informally called Wealth 1.0. As the decades passed, and the amount of wealth expected to be held in trust increased, coupled with states loosening their rules on how long a trust relationship could exist to attract trust 'business', more trusts began to be drafted as discretionary trusts where the trustee possessed the discretion to distribute income, or principal, to or for the beneficiary. This change in approach with discretionary trusts was called Wealth 2.0

Often the focus of Wealth 2.0 focused on a negative, a fear-based approach, where the trust's creator believed that too much wealth could deter the beneficiary from the pursuit of a positive and productive lifestyle. This concern, reflected in the trust's terms was often expressed as the fear of creating a 'trust fund baby.' This fear then began to manifest itself with dynasty trusts (where assets were held in trust almost in perpetuity) an interest in silent trusts (where the beneficiary is kept in the dark regarding either the trust's existence or the amount of assets held in the trust for the beneficiary) or where the trustee fully controlled the beneficiary's access to the trust's assets (to shield the trust assets from claims of creditors or divorcing spouses.) The philosophy behind Wealth 2.0 was, 'the less the beneficiary knows about the trust, the less likely it is that the presence of the trust will do damage to the beneficiary's growth and financial maturity.'

Unfortunately, this fear-based approach to estate planning, often referred to as the trust creator's dead hand which controls the assets held in trust long after the creator is in the grave, seemed to predominate the approach to estate planning in the latter half of the 20th century and earlier into the 21st century. Many observed that this fear-based, control over inherited wealth through the restrictive terms of the trust often kept the beneficiary in an arrested stage of development, with little incentive (or opportunity) to learn about trust resources and little ability to gain personal control over his or her own life. Wealth 2.0 thus focused on over-protection rather than possibility, secrecy over transparency, and control over communication.

With that history, there is now a growing consensus that we may be entering into a new age of estate planning, often called Wealth 3.0, which focuses not on the fear of what damage extraordinary amounts of wealth might do to a beneficiary to destroy his or her personal growth, but how such wealth should be centered on the trust beneficiary's growth and well-being. Rather than focus on the wealth creator's fears of the impact of their wealth on their beneficiary, the focus instead turns to the positive impact that wealth can have to create the beneficiary's learning, skills, and growth opportunities to promote the beneficiary's active engagement with the assets held in their trust.

Families (and now their advisors) are challenged to discard the fear-based approach to estate planning of the past, and to recognize that wealth, in and of itself, does not corrupt, but can be used effectively to engage trust beneficiaries to enable them to live a thriving life. The question then becomes: How will a trust beneficiary feel empowered if they perpetually live under the creator's dead hand?

Wealth 3.0 seeks to focus on the role of the beneficiary's personal and skill development as the central goal of the estate planning trust, by using wealth as a vehicle to learn, or to intentionally create conditions where the trust beneficiary can thrive with the wealth held in the trust. Succinctly stated, Wealth 3.0 supports, rather than inhibits, the beneficiary's engagement, education, and growth, with the goal of creating conditions where the beneficiary can thrive with wealth.

When discussing the potential terms of a trust, rather than identify fears about how substantial wealth might harm the intended beneficiary, that discussion instead focuses on how the trust's creator envisions the trust will positively impact the beneficiary's life and how the creator would like the trust to meet that goal without exclusively focusing on tax planning. Some suggestions to implement this new Wealth 3.0 approach with trusts include giving the trustee the following tools:

1. Create a board of advisors to guide the beneficiary's learning and development;
2. Implement 'earned independence' in the trust, where at each designated stage, if the beneficiary can demonstrate an increased responsibility, the beneficiary can earn increased autonomy;
3. Enable the beneficiary to become a co-trustee upon certain attained conditions or events, where the beneficiary can gain experience more about the trust and responsibility over the trust's income and assets;

"Wealth 3.0 seeks to focus on the role of the beneficiary's personal and skill development as the central goal of the estate planning trust"

Dead Hand or Helping Hand, continued

"Wealth 3.0 seeks to give trust beneficiaries a helping hand."

4. Authorize the trustee to hire others to provide beneficiary well-being programs and expressly make these costs an authorized trust expense;
5. Authorize the trustee to hire professionals to provide counseling, 'personal coaches,' or financial planning and budgeting training, or to create an awareness of philanthropy; and
6. Add provisions to the trust instrument to intentionally foster communication and connection, rather than silence, secrecy, and isolation (which often breed resentment in the trust beneficiary.)

Anyone who creates a trust wants to improve the life of the trust beneficiary. Rather than focus on fears of what that wealth might do to stunt the beneficiary's growth, Wealth 3.0 purports to focus on how that inherited wealth can open new doors, create new opportunities for the beneficiary to succeed, and provide the beneficiary a positive sense of self-worth.

Is Wealth 3.0 simply a 'flash-in-the-pan'? Who knows for sure. What we do know is that often the dead hand approach to a trust produces resentment and a passive approach to engagement with the trustee. Wealth 3.0 seeks to give trust beneficiaries a helping hand.

For further reading on Wealth 3.0, see:

James Grubman, Dennis Jaffe, and Kristin Keffeler, "Wealth 3.0: From Fear to Engagement for Families," Trusts & Estates, (February 2023).

Nike Anani, Todd A. Flubacher, Kristin Keffeler, and Philp J. Hayes, "Letting Go of the Dead Hand: Part II." Trusts & Estates, (March 2024).

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Testing, Testing 1,2,3

Business owners who sponsor a qualified retirement plan for employees may hear their provider mention "plan testing." What does this mean and why does it matter?

A 401(k) plan is one of the most popular retirement savings tools and can be a powerful way to attract talent. However, to maintain the plan's tax-advantage status and ensure it benefits employees fairly, the IRS requires annual compliance testing.

The purpose is to maintain fairness to prevent business owners and executives from receiving excessive tax-deferred benefits while lower-paid employees receive little to no benefit from the plan.

Plan testing refers to a series of non-discrimination tests to ensure that the company's plan does not disproportionately favor highly compensated employees (HCEs) over non-highly compensated employees (NHCEs).

Who is an HCE? This is an employee who owns more than 5% of the company, is related to a more than 5% owner in a certain capacity, or earns over a certain compensation threshold (e.g., $160,000 in 2025). The status of each employee should be reviewed each year by the provider performing the tests.

Types of 401(k) Compliance Testing

1. Actual Deferral Percentage (ADP) Test. This test compares the average percentage of compensation that HCE's defer into their 401(k) accounts with that of NHCEs. If HCEs defer too much more than the NHCEs, the plan may fail this test.
2. Actual Contribution Percentage (ACP) Test. This test looks at employer matching contributions and after-tax contributions, comparing the average percentage contributed for HCEs and NHCEs.
   - If either the ADP or ACP tests fail, the employer must take corrective action. Common remedies include refunding the excess contributions to the HCEs, making additional contributions to the NHCEs, or recharacterizing contributions, if eligible.
   - If a plan continues to fail testing year after year, employers may consider changing to a safe harbor plan design. This plan design requires employers to make minimum contributions to employees' accounts and in return, the plan is exempt from the ADP and ACP testing.

Other 401(k) Plan Testing

3. Top-Heavy Test. This test ensures that Key employees (owners or officers earning above a compensation threshold) don't hold more than 60% of the plan's total assets. If a plan is "top-heavy", employers must generally make minimum contributions to Non-Key employees' accounts, which is typically 3% of compensation. The determination of which employees are considered Key employees should be reviewed yearly by the provider performing the tests.
4. Deduction / Contribution Limit Reviews. The dollar limit that an employee can defer annually out of their own payroll is limited, as well as the total amount of contributions into the plan, which combines deferrals with employer contributions received by an employee during the year. These annual dollar limitations are adjusted each year by the IRS and can vary based on the employee's age. It is important to do periodic reviews throughout the year to ensure that no employee exceeds these limitations.
5. Coverage Test. This test ensures the plan covers a fair cross-section of employees and focuses on who is benefiting from the plan. The plan must provide meaningful benefits to NHCEs, not just executives and owners. An employee is considered benefiting if they are eligible and participating / receiving employer contributions. There are a couple of different tests that can be run to see if coverage is sufficient. Failing coverage testing is a serious compliance issue and a plan could lose its tax-qualified status.

Plan testing is an essential part of maintaining a compliant and fair plan. The process can become very complex, and the limits are ever-changing, so it is important that the plan sponsor hires a trusted and experienced provider to perform these tests. At Greenleaf Trust, our current staff within the retirement plan division that perform these tests have a combined 108 years of experience!

> "Plan testing refers to a series of non-discrimination tests"

Stock Market Pulse

Index	6/30/2025	Total Return Since 12/31/2024
S&P 1500	1,390.47	5.60%
Dow Jones Industrials	44,094.77	4.55%
NASDAQ	20,369.73	5.86%
S&P 500	6,204.95	6.20%
S&P 400	3,102.87	0.19%
S&P 600	1,333.73	-4.48%
NYSE Composite	20,429.55	8.24%
Dow Jones Utilities	1,054.45	9.20%
Barclays Aggregate Bond	2,277.06	4.02%

P/E Multiples	6/30/2025
S&P 1500	25.7x
Dow Jones Industrials	23.4x
NASDAQ	33.9x
S&P 500	26.3x
S&P 400	19.3x
S&P 600	21.4x

Key Rates

Fed Funds Rate	4.25% to 4.50%
T Bill 90 Days	4.24%
T Bond 30 Yr	4.77%
Prime Rate	7.50%

Current Valuations

Index	Aggregate	P/E	Div. Yield
S&P 1500	1,390.47	25.7x	1.27%
S&P 500	6,204.95	26.3x	1.24%
Dow Jones Industrials	44,094.77	23.4x	1.64%
Dow Jones Utilities	1,054.45	19.1x	3.26%

Spread Between 30 Year Government Yields and Market Dividend Yields: 3.50%

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