

Trillion Wealths

## **2022 Annual Report — Extended with 2024 & 2025 Market Review**

Comprehensive review of market performance (2022) and extended updates using realtime data for 2024 and 2025 (through Aug 14, 2025).

Prepared for: Trillion Wealths

Prepared by: Investment Research — Trillion Wealths

Date: August 14, 2025

## Executive summary (key 2024 & 2025 updates)

- 2024 marked a strong rebound for U.S. equities following the 2022 drawdown; the S&P; 500 price return for calendar 2024 was roughly +23.3% while total-return measures (including dividends) were in the mid-20s. (Sources: Macrotrends, YCharts). - 2025 has been positive year-to-date through mid-August with the S&P; 500 price return ~+10.0% and Nasdaq/Nasdaq-100 also showing solid YTD gains; equity leadership has remained concentrated in large-cap tech but breadth has improved in 2025. - Inflation has moderated materially versus 2022: the U.S. headline CPI (July 2025) was ~+2.7% year-over-year, supporting a Fed that has kept the target range at 4.25%–4.50% as of July 30, 2025. - Interest rates and yields remain higher than pre-2022 norms: the 10-year Treasury yield has been trading around the low-to-mid 4% area (roughly 4.2% in mid-August 2025). These facts inform our tactical views and recommended portfolio actions in the following sections.

## 2024 Market Review — Key facts & implications

### Headline performance (calendar 2024)

- S&P; 500 (price return): +23.3% (calendar year 2024). Source: Macrotrends / market data aggregators. - S&P; 500 (total return incl. dividends): ~+25.0% (2024 total-return measures per data providers such as YCharts). - Nasdaq-100: +24.9% (2024). Source: Slickcharts / Nasdaq data. Market drivers in 2024 included improved earnings growth, narrowing recession fears, and continued strong performance among mega-cap technology and AI-exposed firms. Equity leadership was concentrated but more sectors participated versus 2023.

### Portfolio implications & edge (2024 retrospective)

- Concentrated tech and AI exposure was a major driver of index outperformance; managers with disciplined exposure to high-quality mega-cap names benefited disproportionately. - Fixed income benefited from higher income but total returns lagged due to elevated yields; shorter-duration exposure and active credit selection helped performance in some strategies. - Our edge: models that combined selective growth exposure with active risk controls and opportunistic duration management captured upside while limiting single-stock and duration risk.

# 2025 Year-to-Date Market Review (through Aug 14, 2025)

## Market snapshot — mid-August 2025

- S&P; 500 price return YTD (2025, through market close Aug 14, 2025): approximately +10.0% (Slickcharts / index trackers). ■cite■turn0search1■ - Nasdaq-100 YTD (2025): ~+13.4% (Slickcharts). ■cite■turn0search2■ - U.S. CPI (July 2025 YoY): +2.7%. This continued moderation versus 2022 supports a data-dependent Fed stance. ■cite■turn0search10■ - Federal funds target range (FOMC July 30, 2025): 4.25%–4.50% (Fed statement / implementation note). ■cite■turn0search5■turn0search12■ - 10-year Treasury yield (mid-August 2025): ~4.2% (FRED / YCharts daily series). ■cite■turn0search6■turn0search13■

## Market structure & thematic insights (2025 YTD)

- Leadership: large-cap technology and AI-related names continued to lead, but there has been broader participation in cyclical sectors at times — a signal of improving breadth that supports risk-on positioning in diversified growth sleeves. - Rates & policy: with headline inflation near the Fed's tolerance and the Fed holding rates at ~4.25%–4.50%, the market is pricing evolving probabilities of rate cuts later in 2025; however, recent PPI and labor data have kept markets cautious about the timing of cuts. - Valuation dispersion: valuation gaps between mega-cap winners and the rest of the market are still wide, creating opportunities for active managers to capture concentrated alpha while managing downside risk.

## Tactical recommendations & edge (2025)

- Maintain diversified core equity exposure but use active managers to harvest concentrated opportunities in mega-cap tech where fundamentals justify exposure. - Keep a tactical, shorter-duration bias in fixed income while locking in attractive yields for laddered cash-flow reinvestment — this captures income while leaving room to extend duration if yields fall. - Use options overlays selectively (protective puts or collars) in concentrated equity sleeves to control tail risk without fully sacrificing upside participation. - Hedge international currency exposure selectively for USD-based investors when FX volatility spikes; opportunistic unhedged exposure can be considered when non-USD growth outlooks look compelling. Our edge lies in combining data-driven macro signals (inflation, labor, yield curve) with active security selection and disciplined risk overlays to capture upside while safeguarding portfolios from regime shifts.

## Appendix: Key data sources & notes (2024–2025 updates)

Select sources used for the 2024 and 2025 market updates (examples): - Macrotrends: S&P; 500 historical annual returns (2024 price return). ■cite■turn1search0■ - Slickcharts: S&P; 500 and Nasdaq/Nasdaq-100 YTD returns for 2025. ■cite■turn0search1■turn0search2■ - U.S. Bureau of Labor Statistics: CPI July 2025 release (CPI-U +2.7% YoY). ■cite■turn0search10■ - Federal Reserve: FOMC statement & implementation note (July 30, 2025 — federal funds 4.25%–4.50%). ■cite■turn0search5■turn0search12■ - FRED / YCharts: 10■year Treasury daily yields (mid-August 2025 ~4.2%). ■cite■turn0search6■turn0search13■ Notes: All 2025 YTD numbers are through the market close on Aug 14, 2025 (latest available when compiling). Replace illustrative portfolio metrics with Trillion Wealths' account-level data for formal client reporting.

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