



# Cycle Indicators, Risk Metrics, & Portfolio Positioning

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*As of January 13, 2025*

*Prepared by:*

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# Astoria's Portfolio Management Process



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# What are we trying to accomplish in our ETF portfolios?

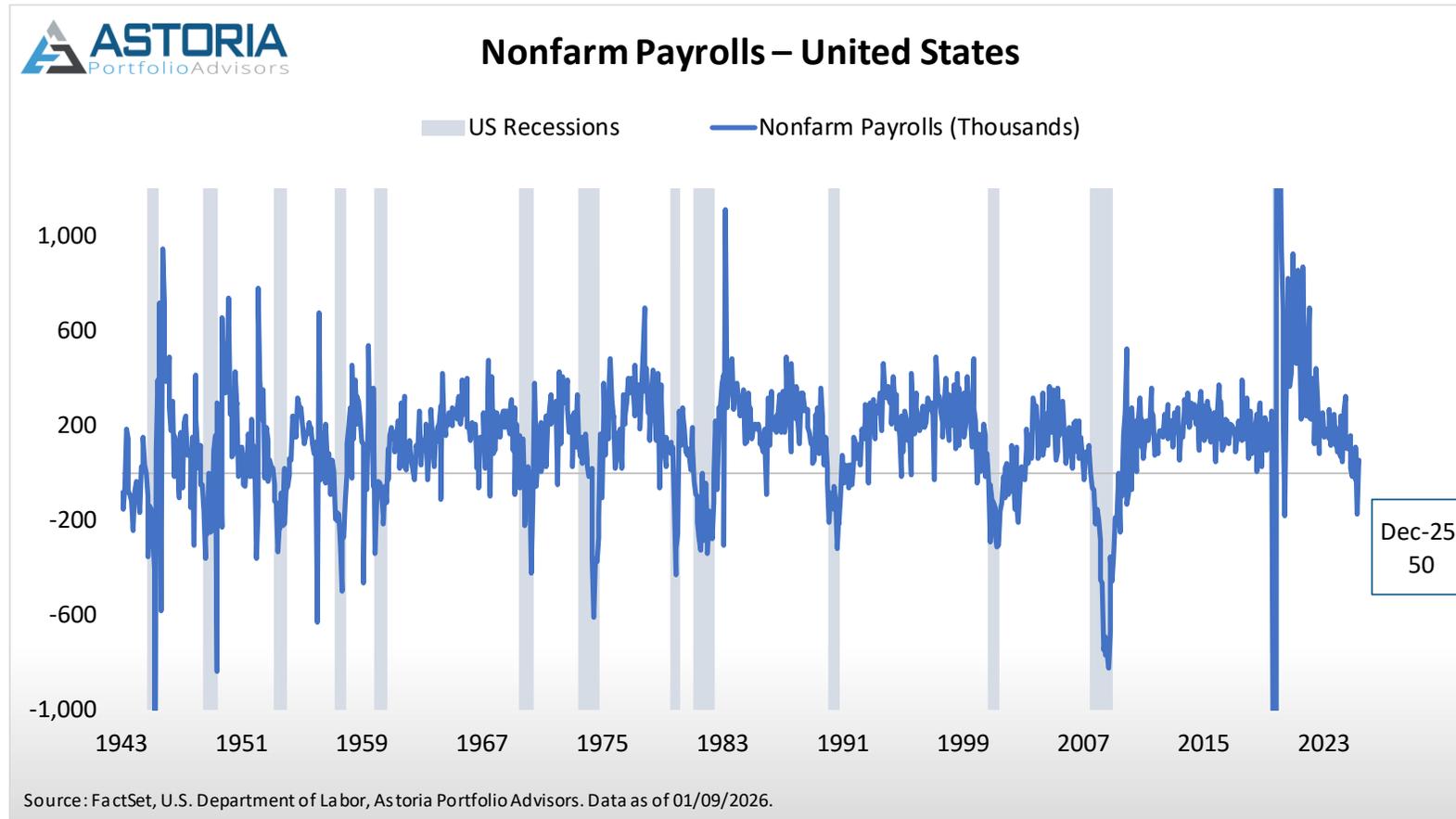
- Astoria Uses Business Cycle, Earnings/Valuations, and Sentiment & Risk to Dictate our Asset Allocation / Portfolio Positioning. We incorporate a Dynamic Overlay depending on the 3 inputs above.
- Target OW assets that have earnings that are growing, cheaper than market, poor sentiment, and have a catalyst for upside
- Target UW assets that are expensive, earnings are slowing, strong sentiment, that lack a catalyst for upside
- Diversify our factor exposures
- Utilize liquid alternatives to hedge downside risk

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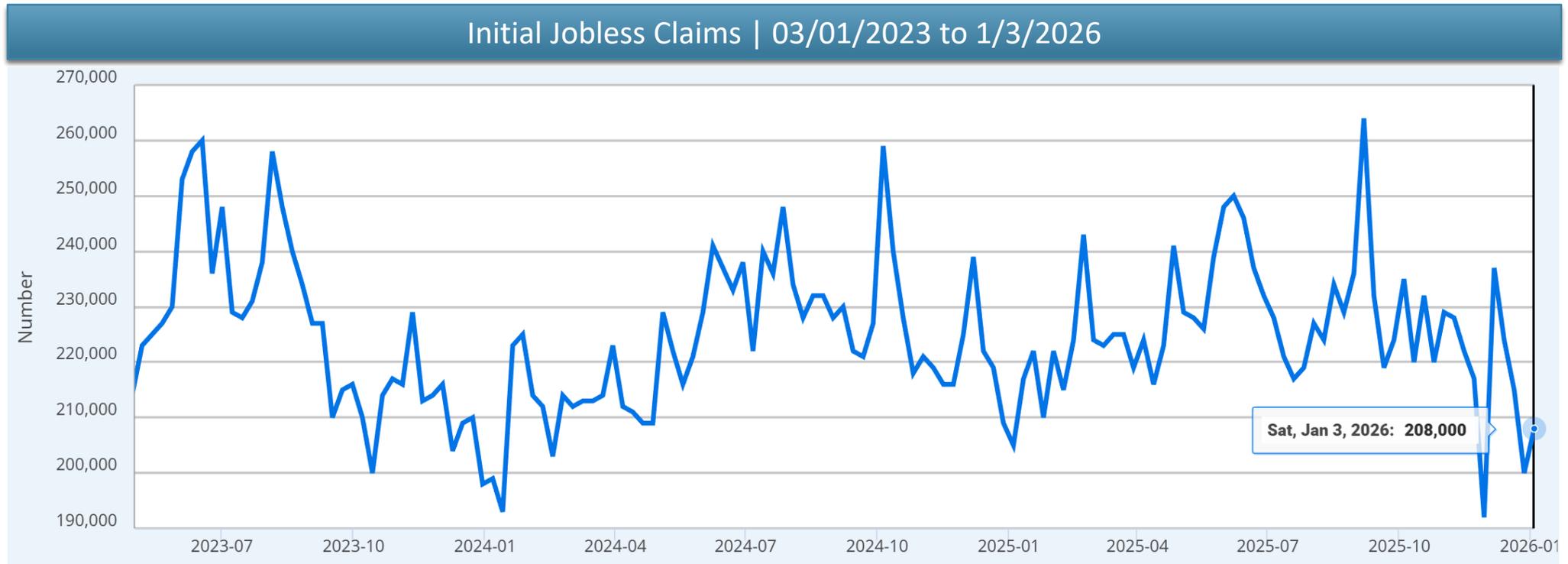
# Business Cycle Indicators



Nonfarm Payrolls missed estimates but increased in Dec. Nov and Oct prints revised down a combined 76k, making Q4 job growth nearly stalled. Unemployment rate fell to 4.4%, after hitting highest level in four years

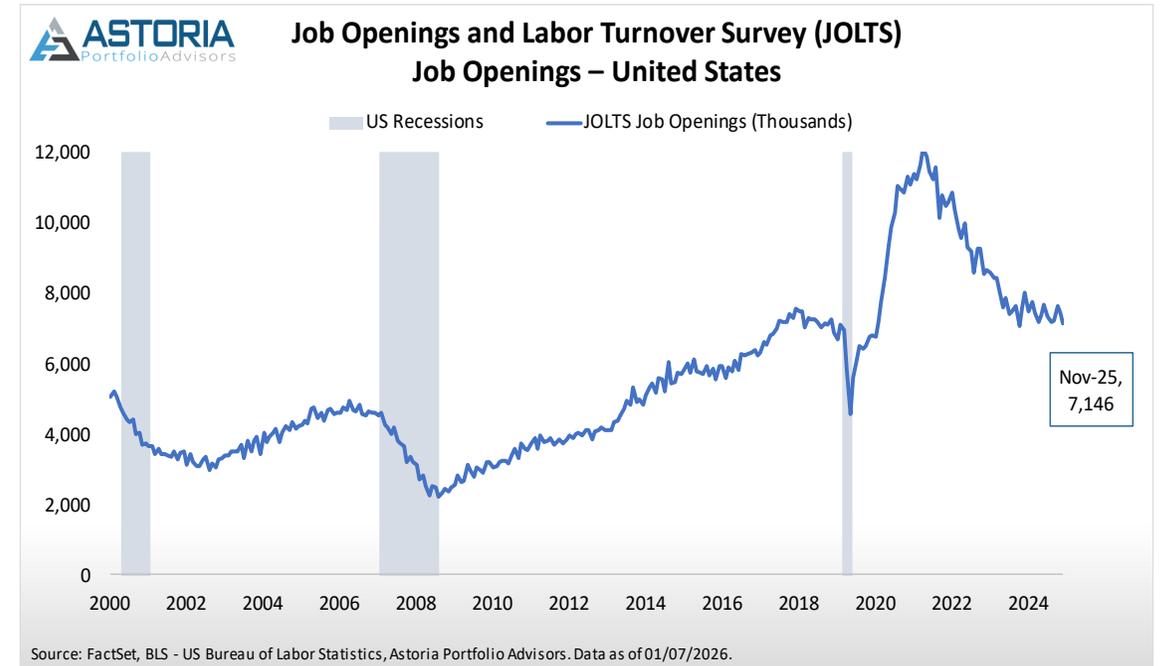
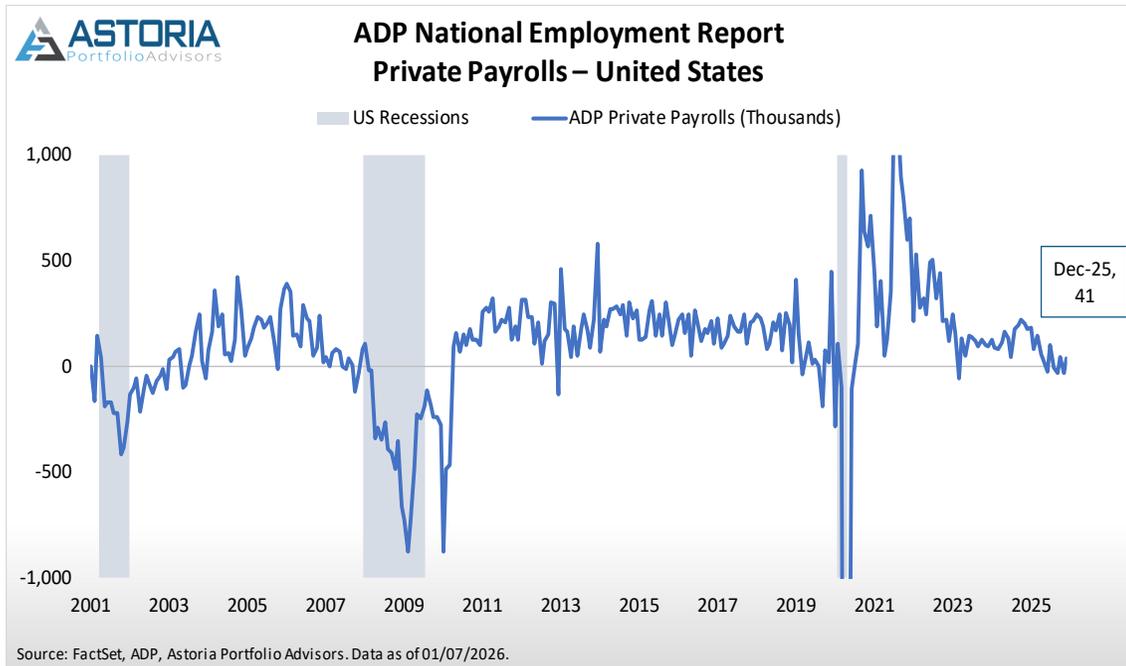


# Both Initial and Continuing Claims increased from the prior week

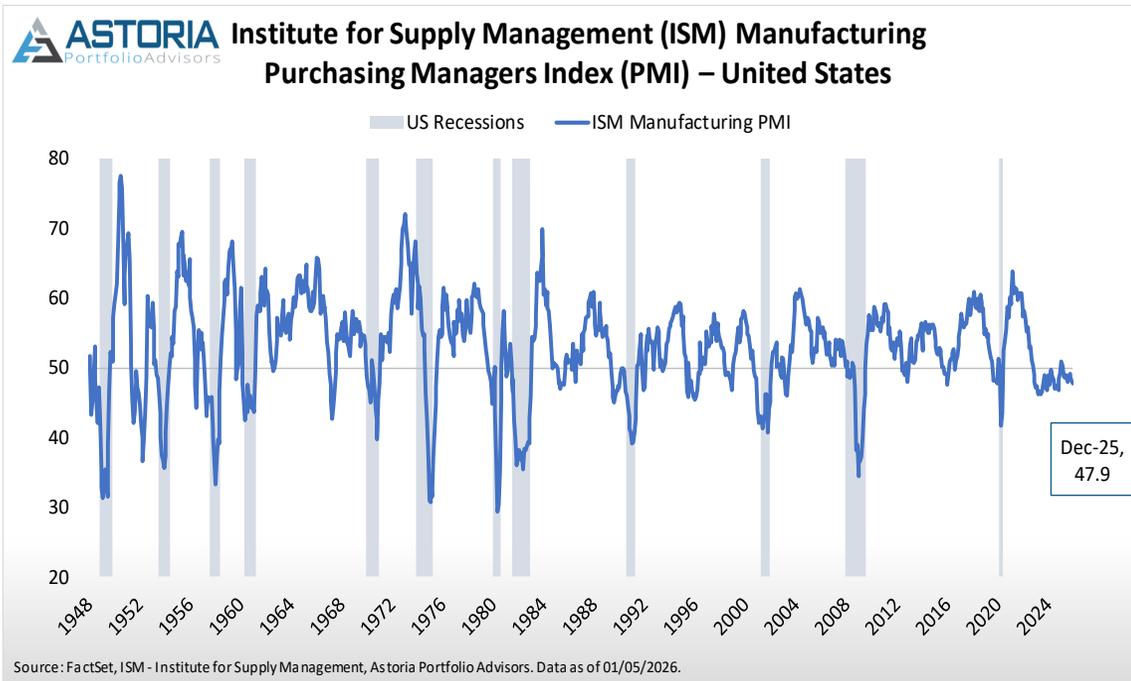


Source: FRED. Data as of January 3, 2026.

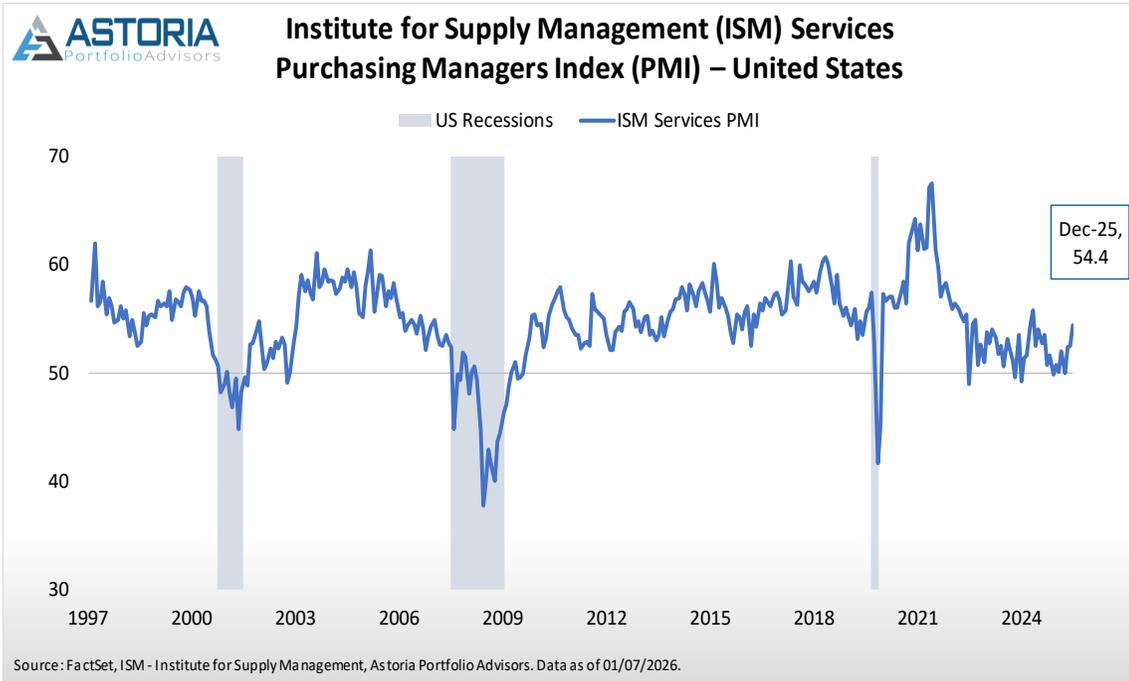
Dec ADP Private Payrolls came in below expectation , previous month slightly revised up. Nov JOLTS Job Openings came in well below consensus, with hiring fell while quit rate slightly rose



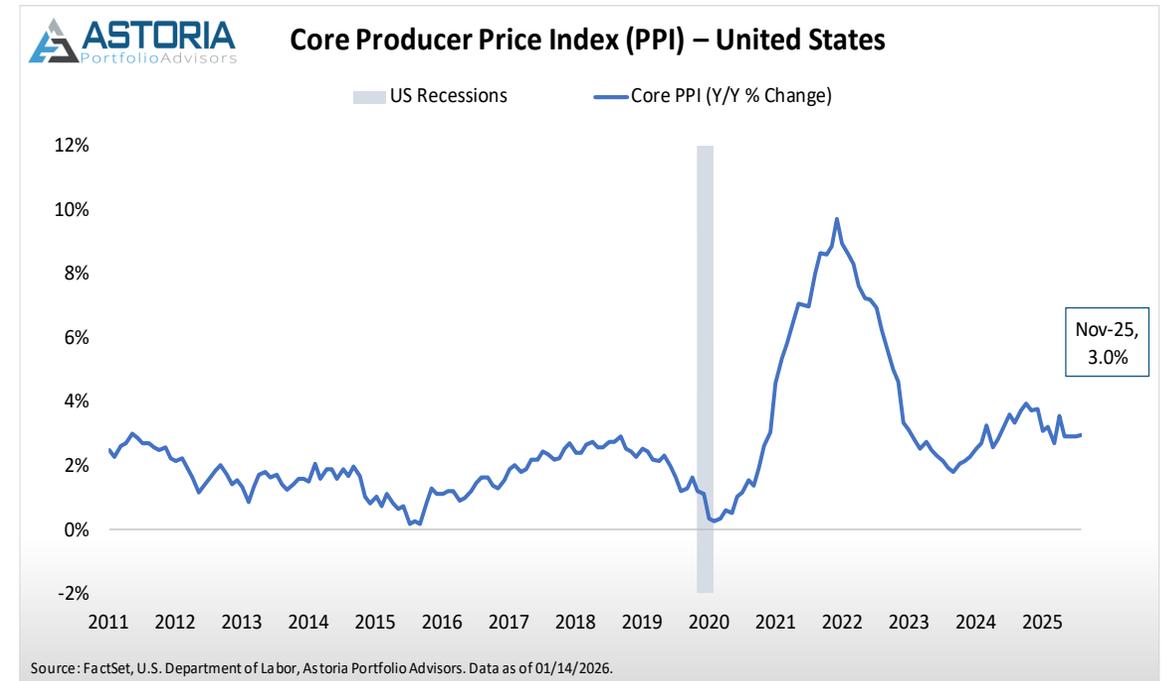
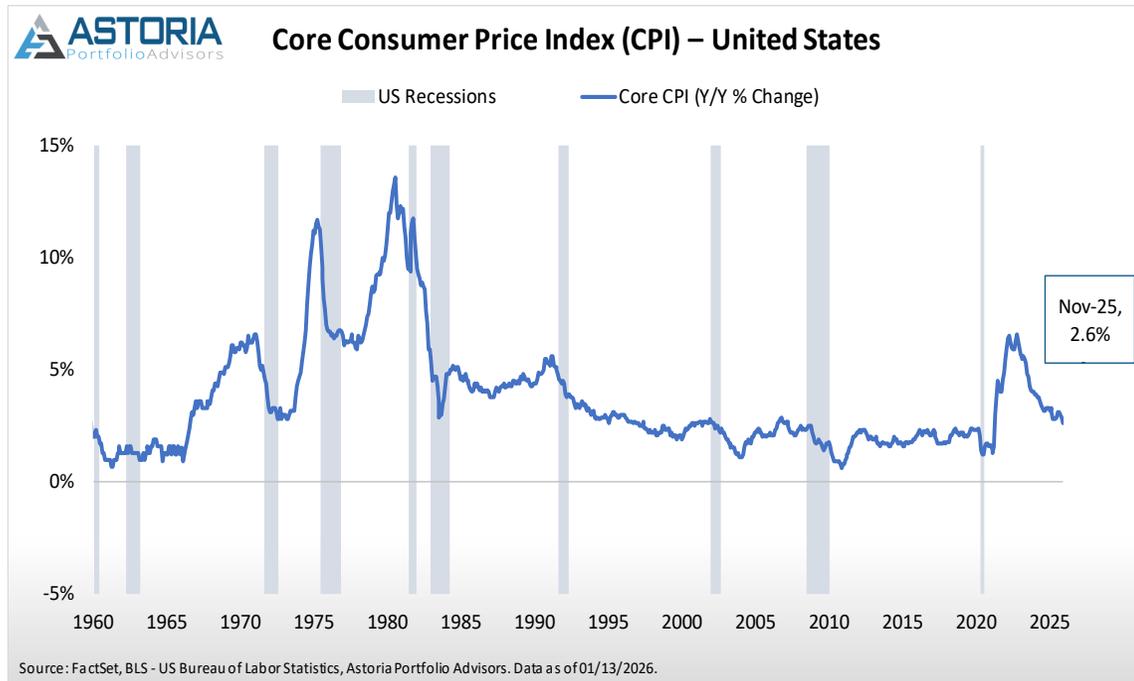
Dec ISM Manufacturing PMI missed expectations and declined slightly from Nov, hitting lowest print since Oct 2024. Dec S&P Global Manufacturing PMI (final) came in line with consensus but fell from previous month.



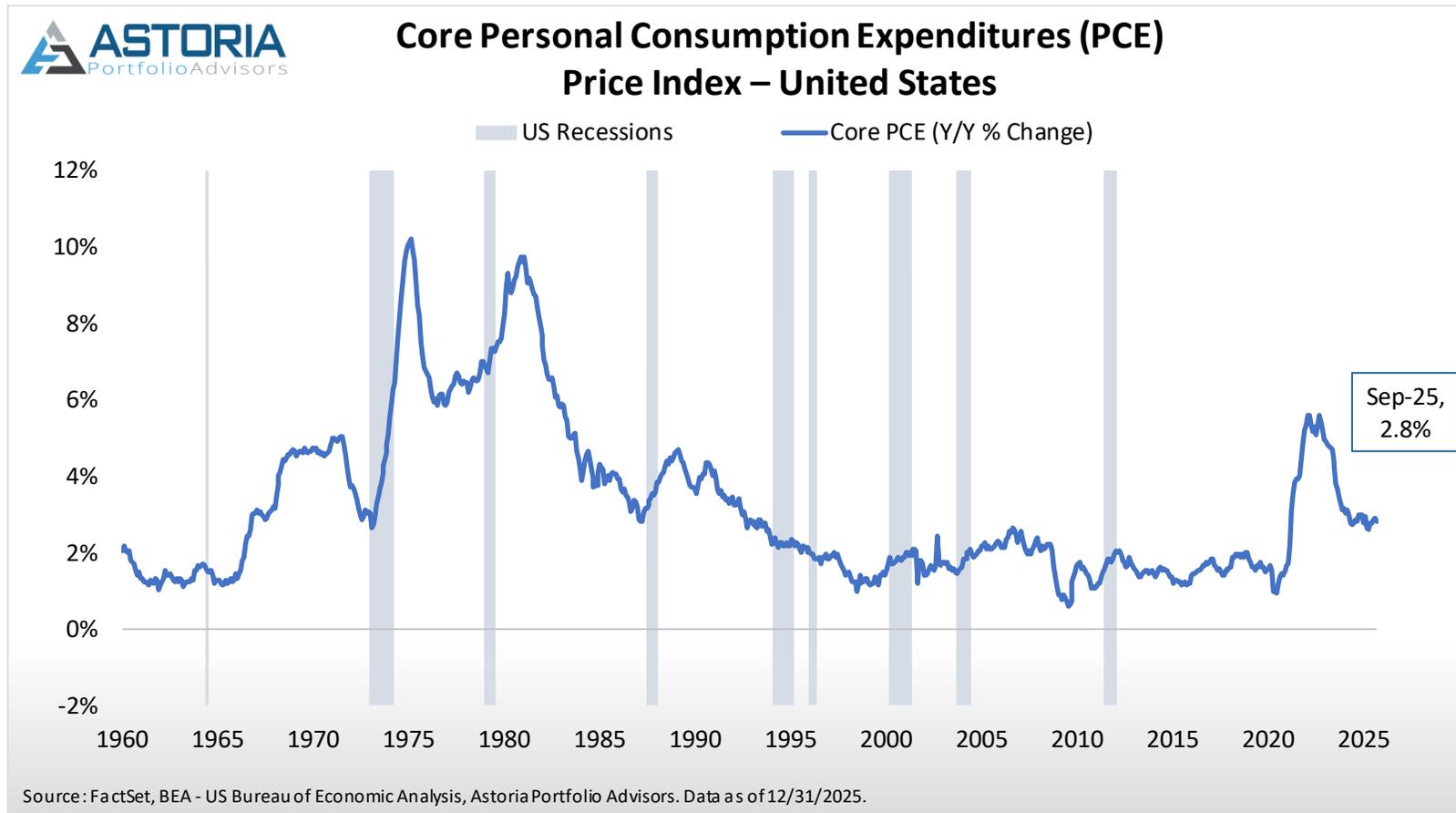
# Dec ISM Services PMI continued to exceed expectations, notching highest since Oct 2024. Dec S&P Services PMI (final) fell slightly from the prior month



Inflation via Nov CPI came in slightly cooler than expected and eased from the prior month. Meanwhile, Nov PPI came in hotter than expected. Reports showed rise in goods price while services remained flat



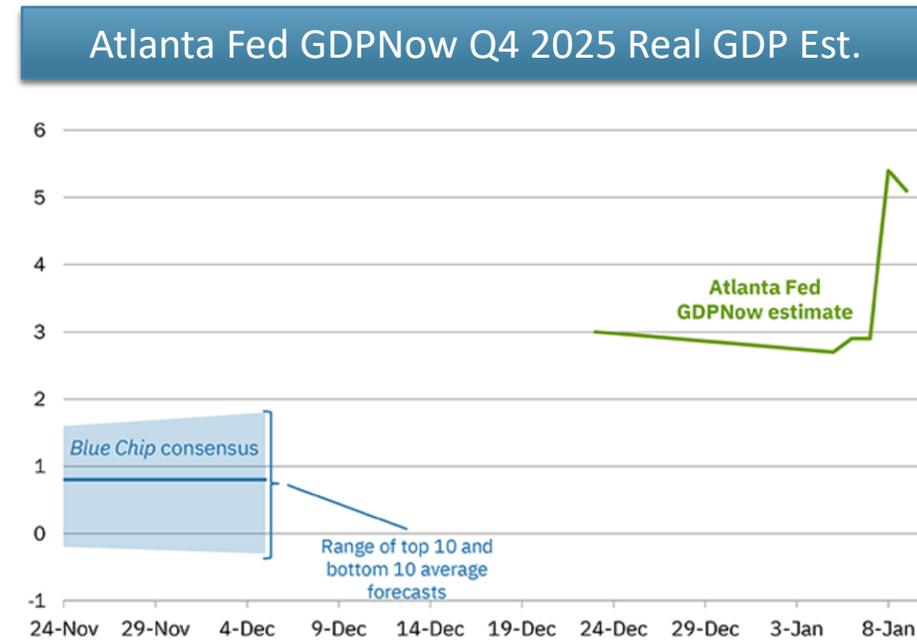
Sep PCE printed mostly in-line, marking fifth straight monthly rise. Both personal spending and personal income increased from the prior month



US Real GDP for Q3 2025 printed 4.3% per the initial estimate, above the forecast and up from Q2 2025's +3.8%. The Atlanta Fed's GDPNow expects Q4 2025 GDP to maintain the momentum via the latest 5.1% estimate...

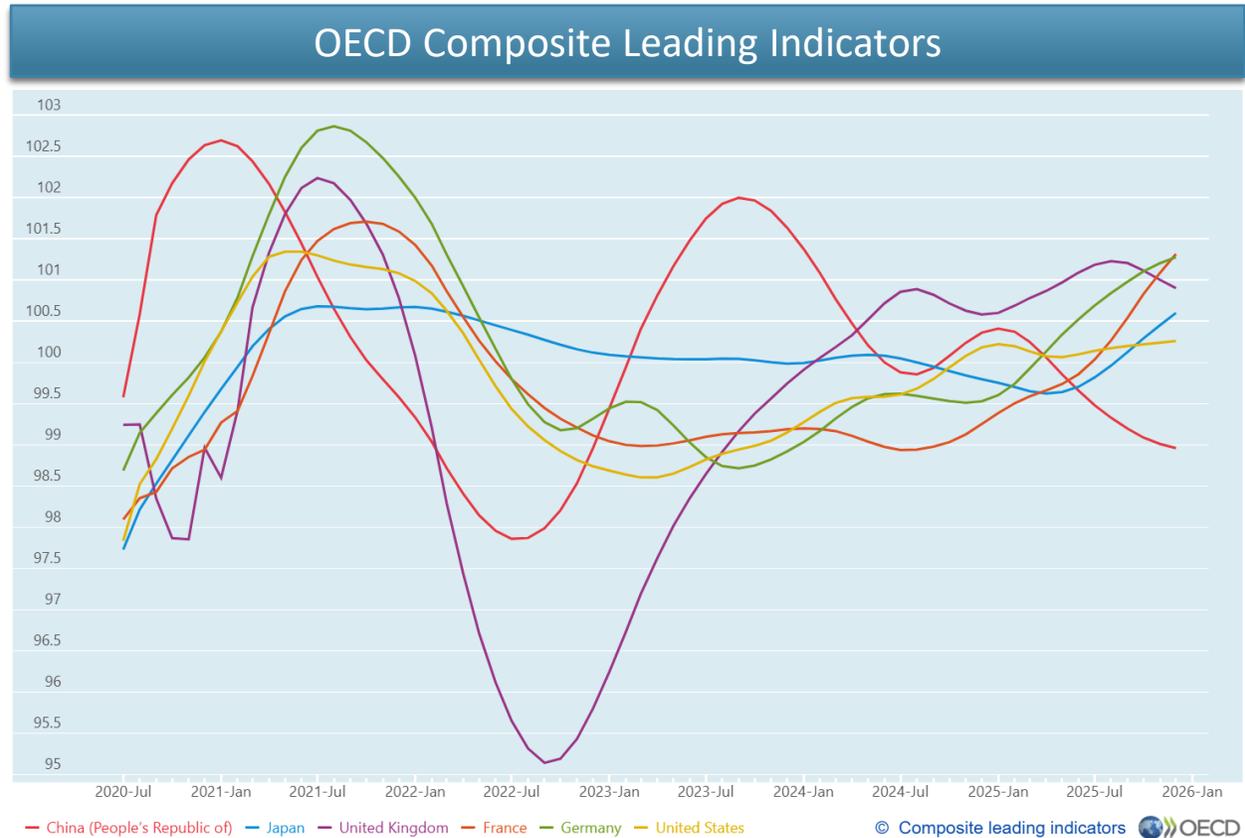


Source: U.S. Bureau of Economic Analysis. Data as of December 23, 2025.



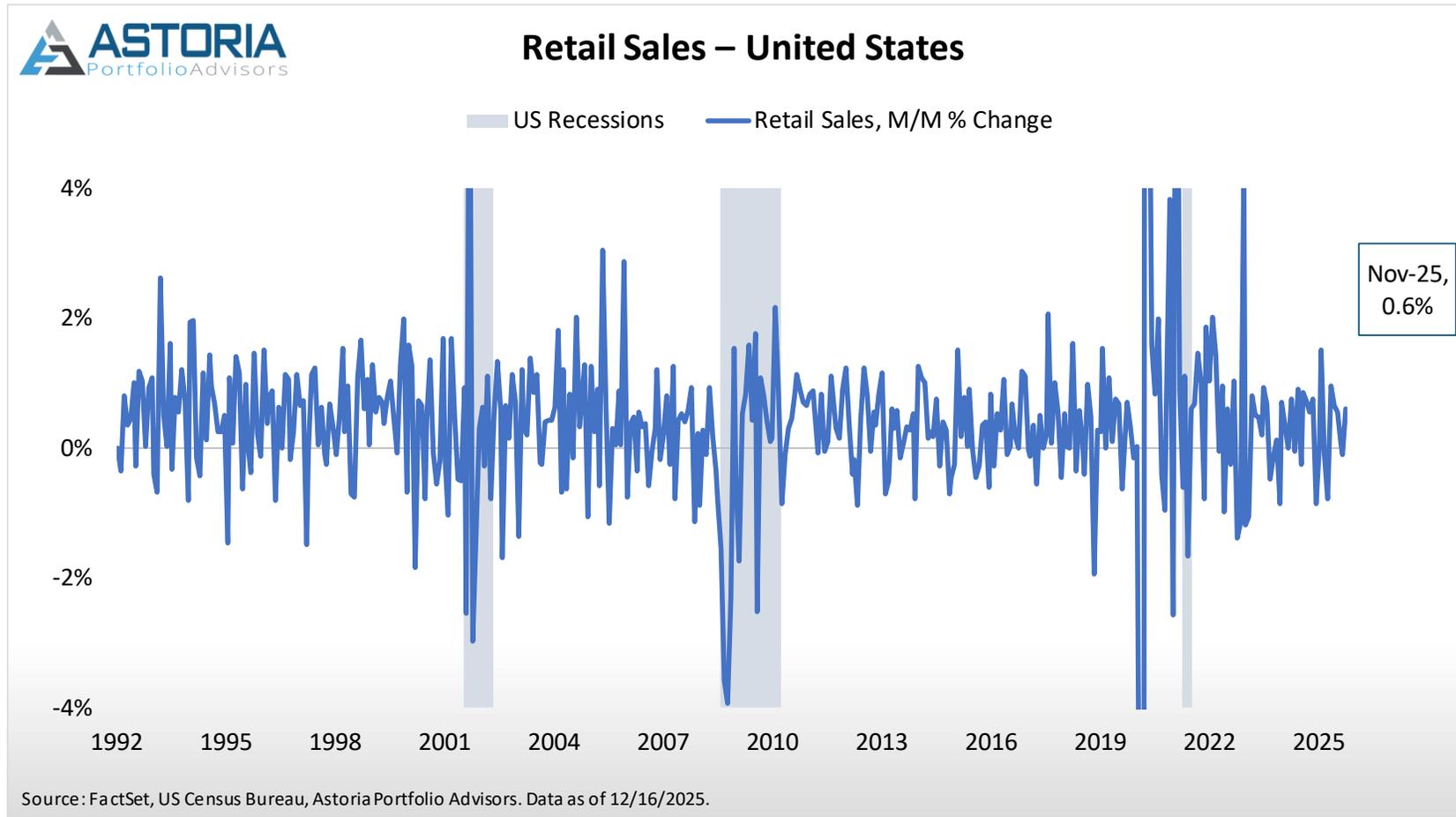
Source: Blue Chip Economic Indicators and Blue Chip Financial Forecasts. Data as of January 9, 2026.

Leading Indicators have improved in Germany (green), France (orange), and Japan (blue), and remain strong in United States (yellow). Otherwise, that of the United Kingdom (purple) and China (red) has declined (100 = hist. median)

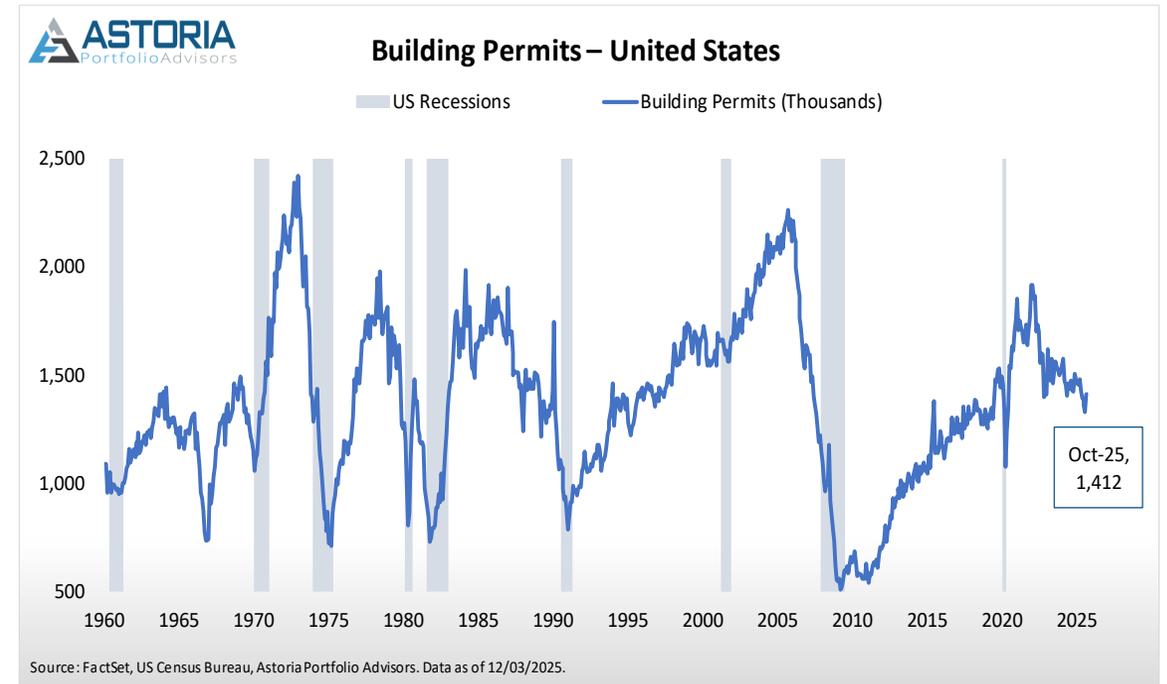
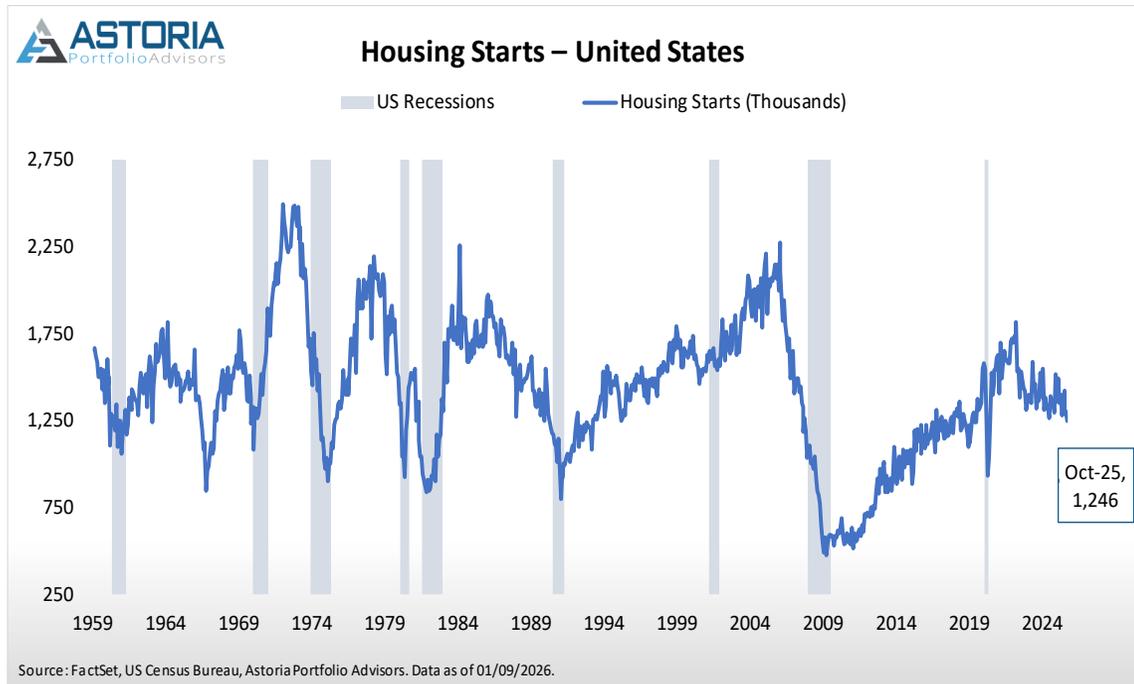


Source: OECD.org. Data as of December 31, 2025.

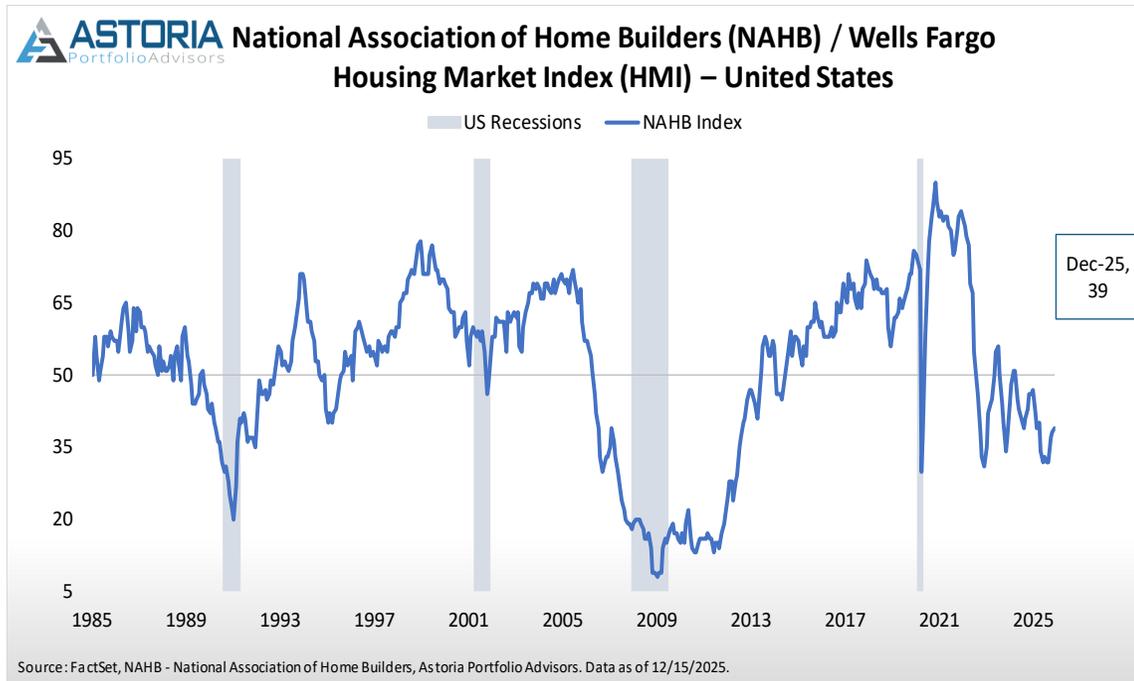
Nov Retail Sales beat expectation and increased from Oct, previous month revised downward. Annualized headline retail sales declined to 3.1% from 3.5%



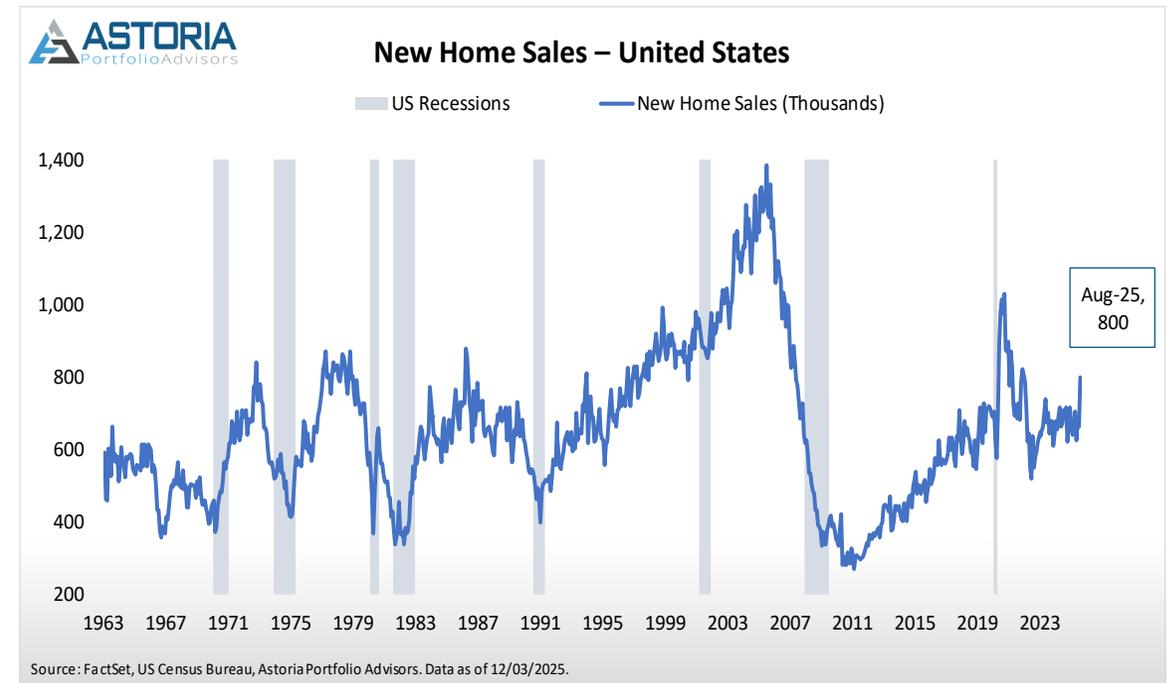
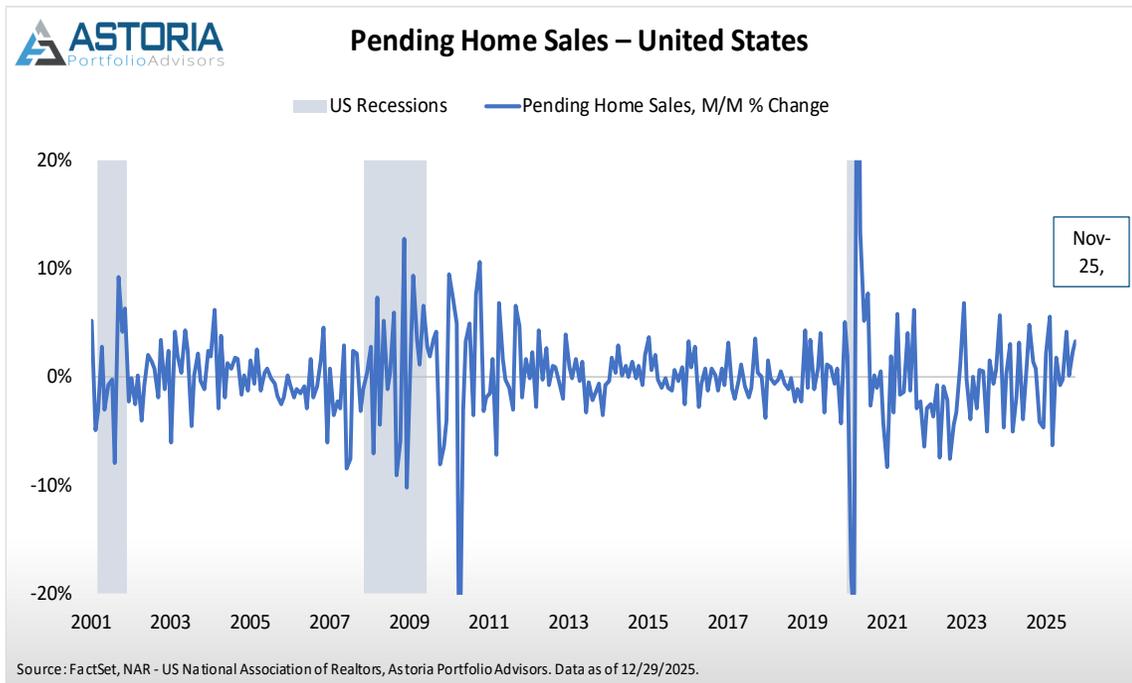
Oct Housing Starts missed expectation and declined to lowest level since May 2020 while Building Permits beat and increased from the prior month. Report noted homebuilders cutting back amid high prices and mortgage rates



# Dec NAHB HMI beat consensus and up from Nov. Nov Existing Home Sales came in line and above previous month, reaching highest level in nine months



# Nov Pending Home Sales beat expectation and rose from the previous month. In Aug, New Home Sales printed highest since 2022. Report noted improvement in housing affordability



High Yield Credit Spreads have recently come down after increasing on the back of so far isolated credit events, as well as tighter liquidity



Source: FRED. Data as of January 9, 2026.

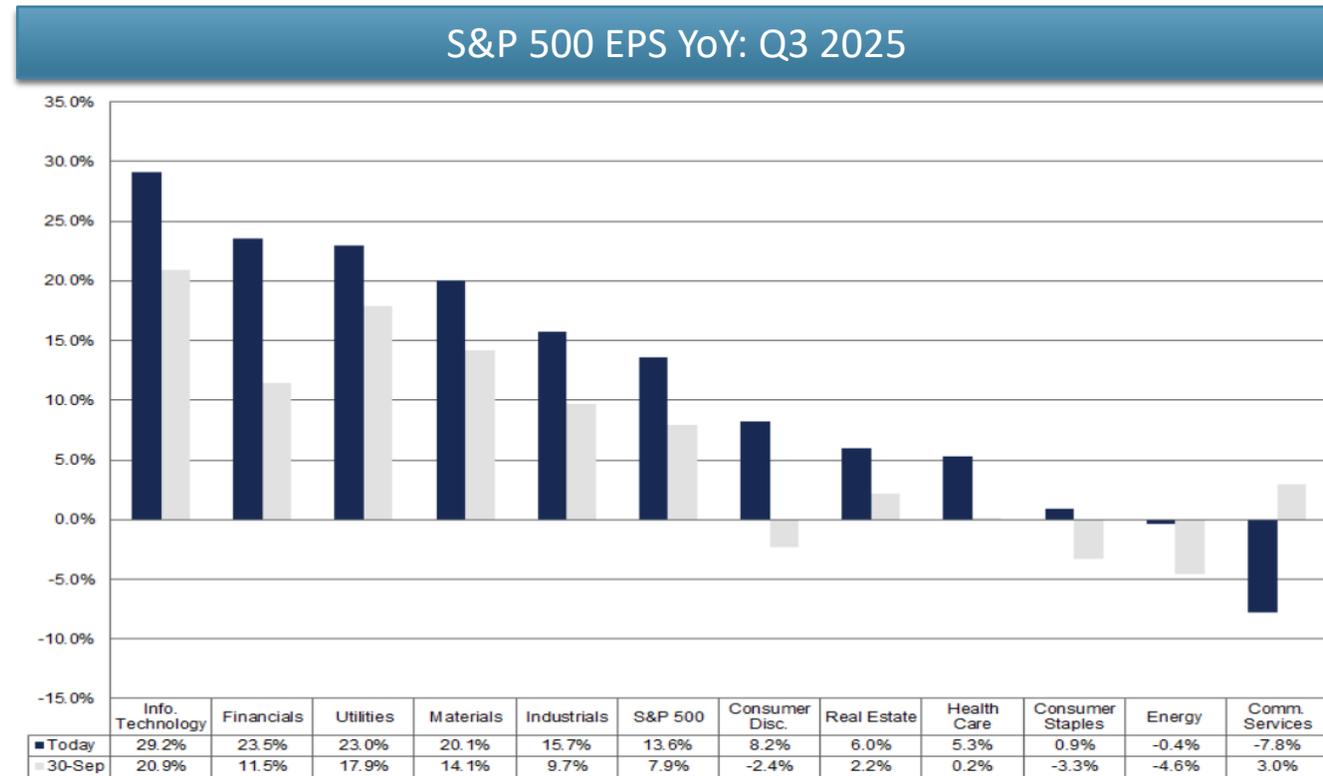


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# Earnings/Valuation Indicators



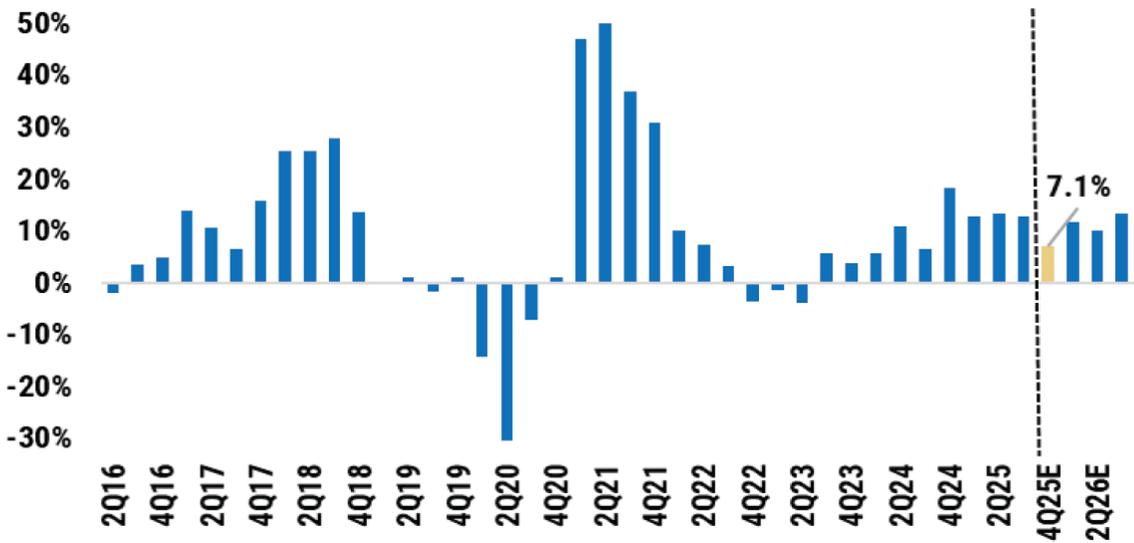
Q3 2025 Earnings: 100% of S&P 500 company have reported actual results, 83% of companies beat; blended earnings growth = 13.6%, above the Sep end estimate of 7.9%



Source: FactSet. Data as of December 12, 2025.

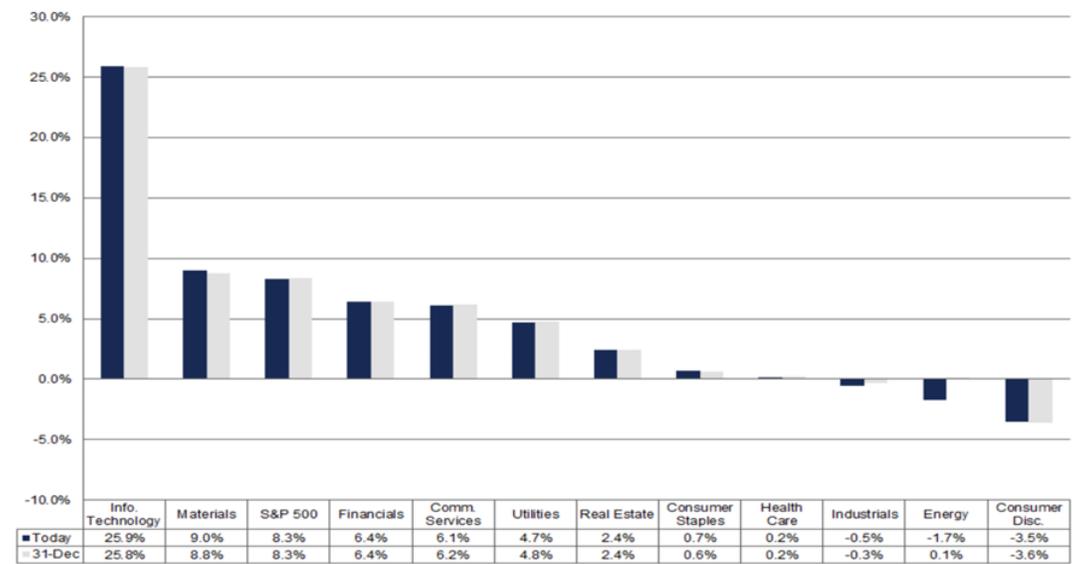
Earnings for the S&P 500 for the next quarter is estimated to be high single-digit. In Q4, Information Technology, Materials, and Financials are forecasted to lead while Consumer Discretionary, Energy, and Industrials are expected to lag

### S&P 500 Quarterly EPS YoY



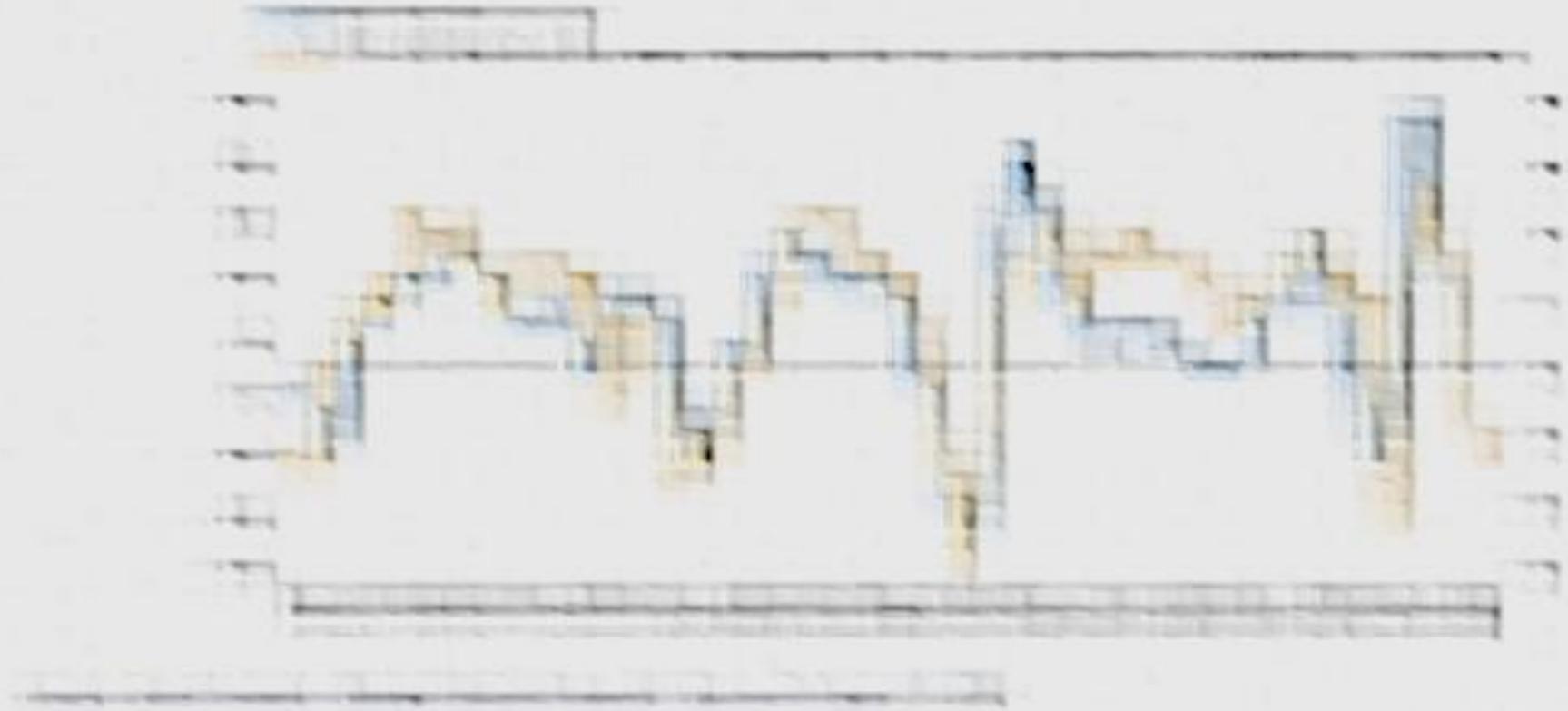
Source: FactSet, Morgan Stanley Research. Data as of January 12, 2026.

### S&P 500 EPS YoY: Q4 2025 Expected



Source: FactSet. Data as of December 31, 2025

To access more of our macroeconomic insights and business cycle indicators on slides 22-46, please contact Frank Tedesco (ftedesco@astoriaadvisors.com).



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