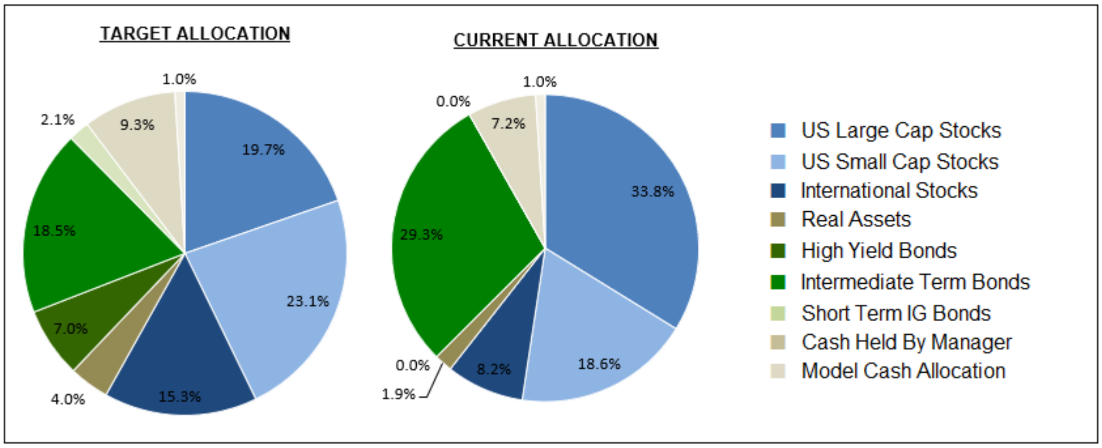
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as "Moderate Growth" throughout. Specific references to performance, current allocation, or comparison to indexes are derived from the CWA Model 5 Portfolio in the Pooled Fund Program; these specific comments will be referred to as "Model 5" throughout.

PORTFOLIO ANALYSIS

Overall Goal. We construct portfolios to generate a return that maximizes the probability that an investor will meet their retirement goals, as opposed to maximizing their asset base (which interjects significant risk). We believe that a value bias, international exposure and general diversification provide the best avenue to meet this objective. Our portfolios have lower volatility†, but can go through periods where they do not keep pace with the U.S. equity markets (the most common benchmark) because of our focus on value, fixed income and international stocks.

The **Moderate Growth Portfolio** is intended to provide a balanced allocation, with a slight overweight to equities over fixed income. The goal is to provide a balance of growth and income with lower volatility than an all-equity portfolio. Our target and current portfolio asset class allocations for Model 5 are listed below.



ACTUAL VS. TARGET

Equal Weight Equities

Under Weight International Exposure

Equal Weight Intermediate and Long-Term Fixed Income

High Cash Position

LARGEST EQUITY AND FIXED INCOME POSITIONS

In normal market environments, Moderate Growth has a target allocation of 60% stocks & 40% bonds, with approximately 20% of the portfolio in international equities and fixed income. So, the portfolio is a global one – with a U.S. tilt. By design, the holdings are broadly diversified by location/country, by company size, by credit quality/yield and by maturity/duration. The investment managers have a degree of flexibility which allows them to respond to different market environments, and our equity managers are currently holding a large amount of cash (given current valuations).

† as of 09/30/2025, the 10-year volatility (standard deviation) of Model 5 is 10.4%, versus 15.2% for the S&P 500 Index.

PERFORMANCE

The Moderate Growth portfolios in the Pooled Fund Program and the Unified Managed Account Program have slightly different investments, costs and thus returns. Accordingly, we direct you to your account statement for your individual performance.

In September, Model 5 (net of fees and expenses) underperformed compared to the Global 60/40 Index, underperformed compared to the U.S. 60/40 Index, and underperformed compared to the S&P Moderate Growth which posted the following returns:

PERFORMANCE	SEP	COMMENTS
Global 60/40 Benchmark Index[(2)]	2.31%	Equity markets and bond markets were strong in September. However, the markets were dominated by the Mag 7 – the S&P equal weight was only up 1.1% vs 3.6% for the cap weighted index. The bond market was strongly positive after the Fed cut rates by 0.25%.
U.S. 60/40 Benchmark Index[(3)]	2.61%	
S&P Moderate Growth Index[(4)]	2.24%	

(1) "Market Perform" means within a range of +10 bps to -10 bps of the applicable index for the month (or +/- 8 bps per month for YTD performance); "Outperform" means more than +10 bps for the month (or more than +8 bps per month for YTD performance); "Underperform" means more than -10 bps for the month (or more than -8 bps per month for YTD performance). **Please note performance comparison comments are based upon Model 5 Pooled Fund Program data. There are inherent limitations in the use of model performance – please read the Model Disclosure found on page 6. Investors should consult their individual custodial statement for actual performance of individual portfolios. Actual performance comparisons may differ from model comparisons.**
(2) Global 60/40 Benchmark is 60% MSCI ACWI Index & 40% Barclays Global Aggregate Bond Index.
(3) U.S. 60/40 Benchmark is 60% S&P 500 Index & 40% Barclays U.S. Aggregate Bond Index.
(4) S&P Moderate Growth Index is 50% S&P Target Risk Moderate Index & 50% S&P Target Risk Growth Index.

MARKET PERFORMANCE

Equities

PERFORMANCE	SEP	MULTIPLE	COMMENTS
U.S. Equities[(5)]	3.44%	25.9X	The broad market appeared strong during the month – however, the bulk of the return was contained in the top 10% of companies.
International Developed[(6)]	1.96%	16.5X	International markets were up during the month.
Emerging Markets[(7)]	7.17%	15.7X	Emerging markets were up strongly during the month post the Fed decision and the dollar weakening.

(5) U.S. Equities are represented by the Russell 3000 Index.
(6) International Developed is the MSCI EAFE Index.
(7) Emerging Markets is the MSCI EM Index.

Fixed Income

PERFORMANCE	SEP	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)(8)	0.67%	-	Yields fell during the month as the Fed cut rates and intimated that further rate cuts are to come. Credit spreads remain at 25 year lows and have nowhere to go but up.
U.S. Treasuries (Longer Duration)(9)	3.60%	0.63%	
Global Fixed Income(10)	0.65%	-0.67%	
Emerging Fixed Income(11)	1.70%	1.66%	
High Yield(12)	0.82%	2.55%	

(8) U.S. Treasuries (7-10 Years), represented by the Barclays U.S.T 7-10 Yr Total Return Index
(9) U.S. Treasuries (20+ Years), represented by the Barclays U.S.T 20+ Yr Total Return Index
(10) Barclays Global Aggregate Bond Index.
(11) Barclays Emerging Markets EMEA Total Return
(12) Barclays U.S. Corporate High Yield Index.

Commodities and Real Assets. The Model 5 portfolios do not have significant exposure to commodities, except indirectly. However, commodities and real assets (real estate) provide a good sense of global demand (in the case of industrial commodities) or fear (gold).

PERFORMANCE	SEP	TREND	COMMENTS
Energy(13)	-0.19%	-	Oil was flat during the month.
Real Estate(14)	0.11%	-	RE was modestly up – RE rebounded and priced in the Fed cut in August.
Industrial Metals(15)	3.19%	-	Industrial metals rebounded during the month.
Gold(16)	11.76%	UP	Gold continues its strong move higher.

(13) S&P GSCI Energy Total Return Index.
(14) Dow Jones U.S. Real Estate Index.
(15) S&P GSCI Industrial Metals Total Return Index.
(16) SPDR Gold Shares (GLD).

Market Comments

For this month, we are including a section from one of our managers – GQG. They published a piece on September 11 titled "Dotcom on Steroids". We feel the below section is very important. The entire piece is worth your time investment and can be found here: https://gqg.com/insights/dotcom-on-steroids/

Capital intensity has structurally increased

The third pillar of the big tech thesis during the 2010s was hyper scalability. Unlike most industries, big tech grew rapidly without requiring much incremental investment, allowing them to generate substantial free cash flow. For example, Google raised up to $50 million from inception through its IPO—a figure that would be unimaginable today. Similarly, Meta essentially required no incremental investment for each new subscriber. This argument no longer holds true in the AI era.

Big tech CapEx as percentage of EBITDA is now running at 50%-70%, which is similar to AT&T's 72% at the peak of the 2000 telecom bubble and Exxon's 65% at the peak of the 2014 energy bubble. Historically, companies experiencing higher capital intensity tend to be structurally poor investments. In other words, AI CapEx has already caught up to prior bubble levels, even after adjusting for big tech's initial high margins.

In both the telecom and energy bubbles, an exciting new technology (internet for telecom, shale for energy) justified unprecedented levels of investment. Eventually, supply outstripped demand, and the companies never earned a return on their investment, as discussed in our GQG Research Software is the New Shale.[15] However, customers benefited massively from cheap internet and energy.

We believe that a similar scenario could unfold with AI over the longer run, but in the short and medium term, the signs are questionable. ChatGPT launched nearly three years ago, yet revenues for the "AI Natives", estimated to be less than US$20 billion today[16], still pales relative to the approximately US$7 trillion datacenter CapEx expected by 2030. Many potential monetization angles, such as AI smartphones, have ended up being flops thus far.

In our view, this is far worse than the internet bubble, which at least generated meaningful revenue. We believe today's intensive AI CapEx may structurally reduce returns on capital for the entire sector. Indeed, this is exactly what happened to the telecom sector during the 1990s fiber rollout. Contrary to popular perception, telecom used to be a highly profitable sector made up of regional monopolies up until the mid-1990s.

Only three players controlled the long-distance and international telecom market, with AT&T leading the pack at 60% market share. To quote one analyst, "For a long time, the prices and margins for international telecommunications were better than the drug trade…because of competition, those margins are falling and have almost disappeared."[18] According to a 1999 research report, Vodafone—the largest European telecom company at the time—had an "unmatched portfolio of wireless assets and is positioned for rapid subscriber and EBITDA growth" and that the "scale and geographic scope of Vodafone's assets are almost impossible to replicate."[19] However, the combination of massive CapEx and increased competition permanently impaired the sector's economics by the late 1990s.

We think the fatal flaw was adopting a "if you build it, they will come" strategy, where telecom providers assumed new applications would get developed to take advantage of the excess bandwidth. In the end, the killer internet apps eventually popped up years later, but by then, it was already too late for the telecom sector. We believe that today's surge of datacenter CapEx and cash-burning AI startups could end similarly to the telecom bloodbath from 25 years ago.

To date, big tech has been able to mitigate the impact of massive CapEx spending on their earnings by repeatedly extending the depreciation periods for their investments. We believe that current depreciation numbers are grossly understated as the hyperscalers need to keep buying the latest Nvidia GPU models, which are released annually, to stay competitive.

In today's AI arms race, any company that does not buy the latest generation of technology may quickly be at a disadvantage. This is why companies like Oracle are now spending more than 100% of their operating cash flow on CapEx. Once reality sets in, investors may find that earnings are massively inflated due to much higher depreciation.

We may already be starting to see early signs of that. For example, Amazon quietly reduced its useful life for its assets this past quarter due to the "increased pace of technology development, particularly in the area of artificial intelligence and machine learning."[20]

For questions, or to request additional information, please contact your CWA Financial Planner

DISCLOSURES

PAST PERFORMANCE IS NOT AN INDICATOR OF FUTURE MARKET RETURNS.

Cain Watters is a Registered Investment Advisor. Request Form ADV Part 2A for a complete description of Cain Watters Advisors' investment advisory services. Diversification does not ensure a profit and may not protect against loss in declining markets. No inference should be drawn that managed accounts will be profitable in the future or that the Manager will be able to achieve its objectives. Investing involves risk and the possibility of loss, including a permanent loss of principal.

Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses. All investments and strategies have the potential for profit or loss. Different types of investments involve higher and lower levels of risk. Historical performance returns for investment indexes and/or categories, usually do not deduct transaction and/or custodial charges or an advisory fee, which would decrease historical performance results. There are no assurances that a portfolio will match or exceed any specific benchmark.

This commentary contains the opinions of the CWA Investment Committee at the time of publication and is subject to change. Market and economic factors can change rapidly, producing materially different results. This update is intended for clients currently invested in CWA Recommended Investment Programs. This is not intended to be personalized investment advice. This does not take into account a particular investor's financial objectives or risk tolerances. Any specific mention of securities is for informational purposes only and is not intended as a recommendation or solicitation to purchase.

CWA Model 5 Moderate Growth Pooled Fund Program: The target allocation and portfolio data used throughout this presentation is for the CWA Model 5 recommended for participants in the Pooled Fund Program. This Model is the most common recommendation and is used here to illustrate the CWA methodology. Other CWA Recommended Investment Program models will vary in asset allocation and underlying manager and/or security selection. Clients should discuss these models and programs with their planner prior to selection.

***The CAPE ratio is a valuation measure that uses real earnings per share (EPS) over a 10-year period to smooth out fluctuations in corporate profits that occur over different periods of a business cycle. The ratio is generally applied to broad equity indices to assess whether the market is undervalued or overvalued. While the CAPE ratio is a popular and widely-followed measure, several leading industry practitioners have called into question its utility as a predictor of future stock market returns. The CAPE ratio, an acronym for Cyclically Adjusted P/E (i.e. Price-Earnings) ratio, was popularized by Yale University professor Robert Shiller. It is also known as the Shiller P/E ratio.*

+Statements relating to Value outperforming Growth are based upon the data of the Fama-French 3-Factor Model. A pioneering study by renowned academics, Eugene Fama and Ken French, suggesting that three risk factors: market (beta), size (market capitalization) and price (book/market value) dimensions explain 96% of historical equity performance.

This report contains external materials and hyperlinks to non-affiliated Third-Party Content. Cain Watters and Associates, L.L.C. has not been involved in the preparation, adoption, or editing of Third-Party Content and does not explicitly or implicitly endorse or approve such content. The Third-Party Content providers retain sole responsibility for Third-Party Content, and Cain Watters and Associates, L.L.C. make no claims to the accuracy of the Third-Party Content nor to any opinion or statement as to the Third-Party Content providers ability or authorization to provide investment advice, or advocate the purchase or sale of any security or investment.

Model Performance Disclosure: Model performance is NOT an indicator of future or actual results. Performance does not represent the returns that any individual investor actually received. Cain Watters Investors may incur a loss. *Cain Watters Models contain allocations to several different common pooled trust funds. Each individual pooled trust fund has a defined investment strategy; usually designed around a specific asset class. Investment managers and their respective strategies are chosen to meet each of the* *pooled funds' objectives. Investors in the models pay a monthly asset based trust fee, based on their average investment balance during the month. Model performance is calculated using the reported net asset value of each individual pooled fund. Performance for the individual funds is then weighted according to the model target allocation. Model performance includes the reinvestment of dividends and interest. The annual trust fee of 0.65% is subtracted from gross returns on a pro-rated basis of 0.0541% per month; and includes trust fees and investment advisory fees. For time periods prior to July 1, 2016 an annual trust fee of 1.05% or 0.0875% per month was used. Model performance has inherent limitations in that it does not reflect the effects of significant cash flows, or take into account actual client asset allocation that may differ materially from the target allocation due to rebalancing policies and changes in market values. This model performance information is provided for illustrative purposes only. Cain Watters Model investors may experience materially different returns.*

Use of Comparison Benchmark or Index: Indexes cannot be invested in directly. Index performance and statistics are provided for illustrative or comparison purposes and are chosen as commonly accepted representations of the performance of a particular segment of the market.