SpirePoint Private Client
Quarterly Insights | Q4 2025

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From the Desk of the SpirePoint Private Client Investment Committee

To Our Clients and Their Families,

Please join us in welcoming Jamie, Rob, Kim and Amani to the SpirePoint Private Client team. Together, we successfully launched our new office located in The DiVosta Towers in Palm Beach Gardens. This team brings decades of experience and expertise to the firm and expands our ability to serve our clients.

Commentary

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Despite all the noise — the government shutdown, "Trump Rx" chatter rattling healthcare, and geopolitical uncertainty — the markets delivered a strong quarter. From June 30 through September 30, the S&P 500 (total return) gained over +7%, while the Bloomberg U.S. Aggregate Bond Index returned around +2.0%.

What Fueled the Gains

- Productivity & AI momentum continued to drive upside across sectors, not just in "tech names."
- The Fed's tone subtly tilted toward easing, with a .25% rate cut in September, which helped the long end of the curve and supported bond valuations.
- A softer dollar and resilient global demand gave international equities a tailwind.

How We Navigated

At SpirePoint, we stayed focused on what we can control: quality, liquidity, and discipline. As part of our quarterly rebalance, we made strategic shifts in equity sector allocation — leaning slightly further into a focus on higher yield and industrials, while trimming healthcare and energy exposure. These adjustments were designed to position portfolios for the balance of 2025 and into 2026, reflecting our view that productivity, innovation, and selective cyclical recovery will be key themes in the year ahead.

We also maintained diversified credit exposure, ensuring portfolios remain flexible should volatility rise as we approach the election season. Our focus remains the same: steady progress maintained by thoughtful risk management.

Forward View: Upbeat, Not Overconfident

Looking into Q4, we continue to be optimistic. Earnings remain a strong engine, the Fed has room to act if needed, and innovation is far from exhausted. Of course, surprises await — inflation, fiscal policy, global macro shifts — but with a grounded, disciplined approach, we believe we can capture meaningful upside over the next 12 months.

That said, after such strong year-to-date gains and valuations that have stretched in certain areas, a short-term pullback wouldn't be surprising — or unhealthy. In fact, it could be a welcome opportunity for the market to consolidate, refresh, and set the stage for the next leg higher. Clients with extra cash can also take advantage of moving into the market during these pullbacks.

The foundation for the long-term investor remains strong, and history reminds us that patience and discipline through periods like these can often set the stage for exceptional results ahead.

Thank you, truly, for the confidence you place in us. It is our honor to walk this path with you.

Artificial Intelligence Looking Ahead

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AI's Growing Influence — Opportunities and Caution Ahead

Artificial Intelligence (AI) remains the defining theme in markets today. In just a few short years, AI has moved from experimental technology to a powerful economic driver reshaping industries, productivity, and investment returns. The first wave of AI enthusiasm has already created meaningful winners—but as valuations rise and corporate spending soars, a thoughtful, disciplined approach is more important than ever.

1. The AI Boom: Real Growth Behind the Hype

The initial phase of AI investment has produced tangible success stories.

- **NVIDIA**, the clear leader in AI chips, has seen its profits surge as demand for computing power to train large AI models skyrocketed. Its market value has grown more than tenfold since 2020, driven by explosive revenue from data centers and cloud providers.
- **Microsoft** has benefited from integrating AI into its core products—most notably through its partnership with **OpenAI**, embedding AI tools into Office, Azure, and the Bing search engine. These capabilities are already improving productivity for millions of users and expanding Microsoft's competitive moat.
- **Amazon** and **Alphabet (Google)** are deploying AI to improve logistics, online recommendations, and advertising efficiency, translating directly into stronger margins.

These examples show that AI is not just a buzzword—it's producing measurable business gains and reshaping the economic landscape.

2. The Broader Economic Picture: Productivity with Caution

AI-driven automation and data analytics have the potential to lift productivity across sectors—helping businesses do more with less. Over time, that could ease inflation pressures and support profit growth across the economy.

However, history teaches us that technological revolutions unfold unevenly. The productivity gains from AI may take years to fully materialize, while the costs—particularly massive investment in computing infrastructure—are immediate. Global tech firms are spending hundreds of billions of dollars on new data centers, chips, and software to support AI capabilities. Whether those investments yield adequate returns will depend on real-world adoption and the durability of demand for AI-driven products.

3. Valuations and the Risk of Overexuberance

Investor enthusiasm has pushed AI-related stocks to historically high valuations. The “AI ecosystem”—semiconductors, cloud computing, and data services—now trades at price-to-earnings ratios well above long-term averages.

This doesn’t mean opportunity is gone, but it does suggest future returns may be more moderate. As with any innovation cycle—from railroads to the internet—early winners can be overvalued before fundamentals catch up. If AI adoption proves slower than expected or competition intensifies, these high-flying stocks could experience significant volatility.

4. Sustainability of AI Spending

A key question for the coming year is whether corporate AI spending—particularly capital expenditures (CapEx)—is sustainable. Tech giants are building out infrastructure at a record pace, but those investments require ongoing demand to justify the costs.

If businesses and consumers don’t adopt AI tools as quickly as projected, companies could face declining returns on these massive investments. This dynamic could eventually lead to earnings revisions or spending pullbacks, both of which could affect market sentiment.

5. Portfolio Implications: Balance, Not Betting

Our approach remains measured and diversified. We maintain exposure to high-quality AI leaders that have proven earnings power, while avoiding concentrated bets in speculative or unprofitable areas of the market.

We are also looking beyond the “headline names” to secondary beneficiaries of AI—such as companies in energy, infrastructure, and industrial automation—that enable or benefit from the growth of digital intelligence. At the same time, we are mindful that every innovation cycle experiences phases of exuberance and consolidation.

Our goal is to capture long-term growth without assuming short-term risk that could undermine the stability of your broader portfolio.

Looking Ahead

AI will likely remain a central investment theme for years to come, influencing productivity, inflation, and corporate profitability. But as with any powerful trend, success requires selectivity, discipline, and patience.

We continue to monitor both the opportunities and the risks of this evolving landscape—working to ensure that your portfolio is positioned to benefit from innovation while protecting against overvaluation and cyclical corrections.

Lifestyle

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Navigating Private Aviation: What You Need to Know

At SpirePoint Private Client, we're frequently asked to help clients arrange private flights for business trips, family vacations, and time-sensitive situations. Over the years, we've learned that navigating the private aviation landscape requires more than simply booking a plane—it demands understanding aircraft options, safety standards, and the economics of different booking approaches.

Understanding Your Aircraft Options

Private jets aren't one-size-fits-all. The right choice depends on your specific needs:

Light Jets (Citations, Learjets) serve shorter routes well, typically accommodating 6-8 passengers for trips up to 2-3 hours. They're cost-effective for regional travel but limited in range and cabin space.

Midsize Jets offer greater comfort and range, suitable for cross-country flights with more passengers and luggage capacity.

Super-Midsize and Heavy Jets (Gulfstreams, Bombardier Globals) are necessary for transcontinental and international travel, offering the range, cabin size, and amenities required for longer journeys with larger groups.

Safety Should Never Be Negotiable

While private aviation pricing varies significantly based on aircraft type and distance, one area that should never be compromised is safety. We strongly recommend working only with operators who maintain **Wyvern or Argus ratings**—third-party safety audits that verify pilot qualifications, training standards, and maintenance protocols.

These certifications aren't mere paperwork. They represent rigorous ongoing evaluation of an operator's safety management systems, ensuring you're not just booking a flight, but booking peace of mind.

The Economics: When Fractional Ownership Makes Sense

Fractional ownership programs like NetJets offer convenience and consistency, but they come with significant capital commitments and ongoing fees. Through our analysis, we've found that **unless you're flying at least six times per year, on-demand charter typically offers better value**.

For clients who fly occasionally—whether for an annual family trip, periodic business travel, or unexpected situations—the flexibility and cost-effectiveness of booking flights as needed often outweighs the benefits of fractional ownership or jet card programs.

Managing Expectations: Even Private Flights Face Delays

While private aviation offers significant advantages over commercial travel, it's important to understand that delays can still occur. Congested airways, weather conditions, and other unforeseen variables impact private flights just as they do commercial ones.

The difference lies in how these situations are handled. **A quality jet broker maintains strong communication standards**, keeping you informed in real-time about any delays and working proactively to resolve issues efficiently. This is where the right broker relationship becomes invaluable—they should be problem-solvers, not just order-takers.

When Private Aviation Is Essential

While the expense of flying private isn't for everyone, it's important to know that private aviation is available and can be particularly valuable for medical situations. Whether transporting a family member who requires special medical accommodations, accessing specialized treatment in another city, or responding to a medical emergency, private aviation provides options when time and comfort are critical.

The Emerging "Less Than Truckload" Model

A new trend in private aviation is making it more accessible than ever before. Similar to the logistics concept of sharing cargo space, aircraft owners are increasingly open to sharing their flights with one or two additional passengers to offset costs.

Smart asset owners have realized that if they're making regular trips—say, a weekly Palm Beach to Teterboro flight—they can significantly subsidize their expenses by bringing along a companion or two. The combination of high operating costs and new AI-powered matching tools has created networks where owners list available seats and travelers can join existing flights at a fraction of the cost of chartering an entire aircraft.

This isn't the traditional charter model. You're essentially joining an owner on their scheduled flight, which means:

- Significantly reduced costs compared to booking your own aircraft
- Access to private aviation that might otherwise be out of reach
- Flexibility if your schedule aligns with regular owner routes

The key is knowing the right broker who participates in these networks and can match you with appropriate flight opportunities. While this concept wasn't viable years ago, technology has made it practical to connect owners looking to offset costs with travelers seeking private aviation access.

How SpirePoint Can Help

We maintain a curated list of private jet brokers whom our clients have flown with and personally recommend. These relationships have been built through direct client referrals and positive experiences, providing you with access to brokers who have proven themselves in real-world situations.

When you work through our network, you benefit from:

- Brokers recommended by clients who have actually used their services
- Access to safety-certified operators through established broker relationships
- Responsive communication when delays or changes occur
- Rapid response for time-sensitive and emergency travel needs
- Appropriate aircraft matching for your specific requirements

Whether you're planning a special trip or facing an urgent travel need, we're here to connect you with brokers who have earned our clients' trust and can ensure your private aviation experience is handled professionally.

For assistance with private aviation needs, please contact your SpirePoint advisor.

Monthly Charity Spotlight

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As part of our monthly philanthropic initiative at SpirePoint, we choose a local organization that is doing profound work in our community and spotlight them in a full-page 32963 advertisement. It is meaningful to our firm to reflect the values of our clients in giving back to the community. We are proud to share the following organizations that were chosen in the last quarter.

July: Mental Health Association in Indian River County
The Mental Health Association (MHA) is the only local mental health agency to offer a no-cost, no-appointment Walk-In and Counseling Center, MHA provides free mental health screenings to all community members in need.

August: Thrive IRC
Thrive IRC, formerly the Substance Awareness Center, is a trusted local leader in substance misuse prevention, education, and recovery support.

September: Alzheimer & Parkinson Association of Indian River County
The Alzheimer & Parkinson Association of IRC offers support, education, and connection to families affected by memory and movement disorders.

Looking Forward: Please look out for our monthly charity spotlight in the 32963 newspaper. This month's charity will be the Boys and Girls Club in an effort to spread awareness of their upcoming annual golf tournament. If you are involved with or hold any local charitable organizations close to your heart, please let us know!

Contact Us

Your dedicated wealth advisory team is always available to discuss your portfolio, planning needs, or any questions you may have.

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