NEXADVISORS

August 2025

NEX NEWS

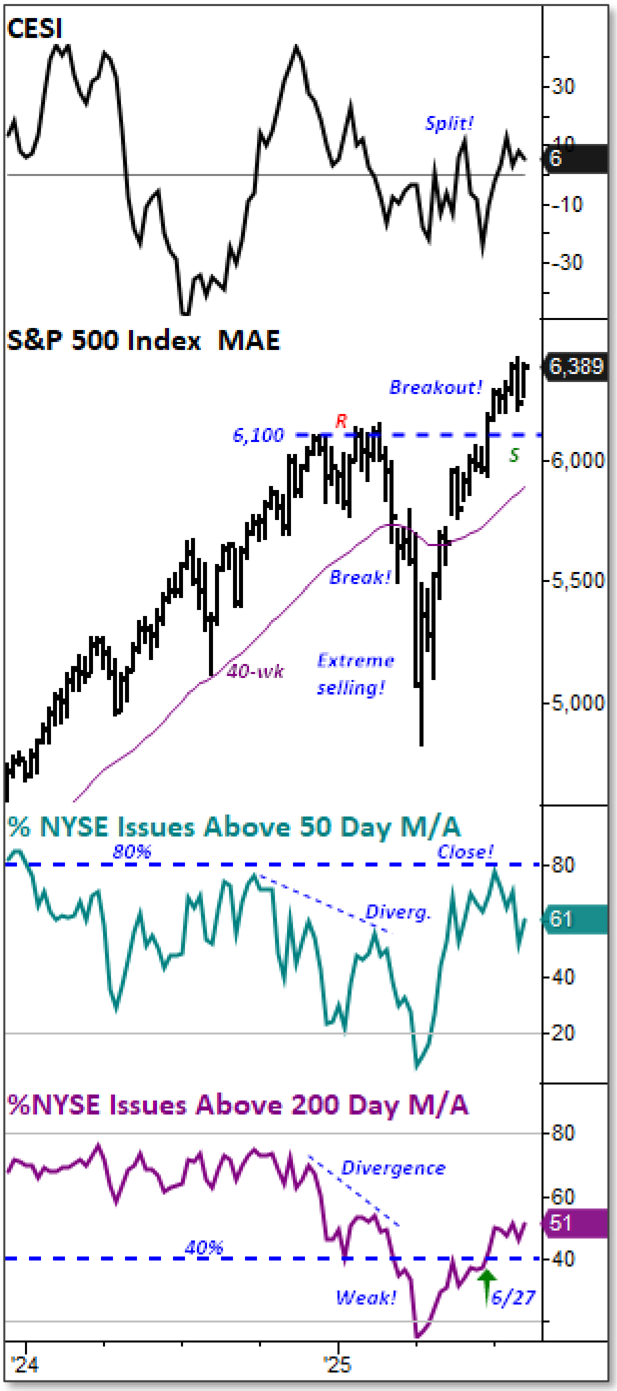
Keen monthly insights on both the economy and the markets

THE ECONOMY

A week doesn't seem to pass without majorly conflicting economic headlines. July closed with a classic example, seeing US GDP for 2Q'25 print a better than expected 3.0%. Then, a mere 2 days later, the US jobs report meaningfully disappointed.

The CESI (Citi Economic Surprise Index) shows this trend, in that it has been chopping back and forth across the zero-line for months – underscoring just how difficult it has been for economists to predict the impacts of the Trump Administration's policies.

Additionally, comparing the CESI to the S&P 500 appears to reinforce our view, that investors are best advised to avoid economic data when gauging the market's health, as no obvious, consistent, correlation looks present.



Charts courtesy of TradeStation, as of August 8, 2025

THE MARKETS

We believe market internals, however, can indeed help when trying to navigate the stock market. As shown to the right, there were clear divergences in place, well ahead of the Trump Tariff Tantrum. These indicators measure market breadth and do a great job of keeping investors on the 'right side' of the trend.

Our primary indicator of the long-term market trend is the percentage of stocks on the NYSE which are trading over their 200-day average. This indicator moved through the key 40% level June 27th, confirming the S&P's breakout through 6,100.

While the percentage of stocks above their 50-day avg. has not yet moved through the 80% level, we believe it is just a matter of time before the market gives investors final confirmation that a new bull market is underway.

Mike Hurley, CMT
Chief Investment Officer

NEXADVISORS
www.nexadvisors.com

300 Crescent Ct., Suite 700
Dallas, Texas 75201
214-550-8350
info@nexadvisors.com

Traditional Strategies

We start our process with traditional, modern portfolio theory models, then adjust them based on our outlook. Specifically, we seek to:

1) Maintain higher cash levels when we're expecting a cyclical downturn, or 'bear' market
2) Add gold to portfolios during periods of inflation
3) Tilt fixed income positions based on credit conditions and the trends in interest rates

We offer Conservative, Moderate and Aggressive models, which use stock/bond ratios of 40/60, 60/40 & 80/20, as their starting points, respectively.

Adaptive Strategy

Our 'adaptive' model breaks from modern portfolio theory, based on the observation that markets typically become highly correlated when under stress.

This strategy applies momentum and risk parity to a universe of 10 ETFs, selecting a portfolio of 5. The portfolio is rebalanced monthly using the 60-day volatility to weight the top 5 ETFs. The goal being, to provide stock like returns with lower volatility.

About NexAdvisors

NexAdvisors is a privately owned, independent wealth manager located in Dallas, Texas, comprised of professionals with over 100 years of combined experience in the industry. We provide both traditional investment strategies along with forward-thinking approaches to help our clients meet their goals. Please visit www.nexadvisors.com or call us at 214-550-8350 to learn more.

NexAdvisors is a NexAnnuity company. NexAnnuity's mission is to develop and deliver solutions for modern retirement needs. Please visit www.nexannuity.com to learn more about NexAnnuity solutions.

Disclosures

Past performance does not guarantee future results. Strategies are not suitable for all investors.

Statements in this communication may include forward-looking information and/or may be based on various assumptions. The forward-looking statements and other views or opinions expressed herein are made as of the date of this publication. Actual future results or occurrences may differ significantly from those anticipated and there is no guarantee that any particular outcome will come to pass. The statements made herein are subject to change at any time. NexAdvisors disclaims any obligation to update or revise any statements or views expressed herein.

No representation or warranty is made concerning the completeness or accuracy of the information contained herein. Some or all of the information provided herein may be or be based on statements of opinion. In addition, certain information provided herein may be based on third-party sources, which information, although believed to be accurate, has not been independently verified.

The information provided herein is not intended to be, nor should it be construed as an offer to sell or a solicitation of any offer to buy any securities. This commentary has not been reviewed or approved by any regulatory authority and has been prepared without regard to the individual financial circumstances or objectives of persons who may receive it. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. NexAdvisors encourages any person Considering any action relating to the securities discussed herein to seek the advice of a financial advisor.

The Cit Economic Surprise Index (CESI) measures data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected, while a negative reading means that the releases have been worse. The S&P 500 is a market-capitalization-weighted index that tracks the market performance of the 500 largest U.S. publicly traded companies.

Advisory services offered through NexAdvisors, LLC, a registered investment advisor.
NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.

NEXADVISORS
www.nexadvisors.com

300 Crescent Ct., Suite 700
Dallas, Texas 75201
214-550-8350
info@nexadvisors.com