ARVADA WEALTH

November 2025

NEWSLETTER

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3 BIG THINGS

1. AI bubble? This was the question reappearing in markets throughout the month bringing some volatility to equity markets. Especially in the tech space. It is important to take a step back and realize we are still in the early days of AI and while it seems clear it will be a transformative technology, who the long term winners and losers is likely unknown at this point.

2. DE-FENSE *clap clap* DE-FENSE. While you may hear this chant at a football or basketball game this time of year, it was what markets put their money behind in November as well. Sectors that are typically defensive in nature such as consumer staples and healthcare led the way in what has been an otherwise difficult year for these areas of the market.

3. To cut or not to cut? With the Fed's last meeting of the year taking place in December there has been much debate on whether or not the board will choose to lower interest rates or leave them unchanged. Coming out of the October meeting odds shifted significantly lower that they would cut, but recent comments from Fed participants have moved odds and markets more favorably toward a cut. Small company stocks have been responding positively with any developments this direction as they often finance a larger portion of their operations and lower rates more meaningfully impact them.

Quote of the month: "Stock market bubbles don't grow out of thin air. They have a solid basis in reality, but reality as distorted by a misconception." - George Soros

MARKET QUICKTAKES

EQUITY

AI favorites took a back seat in November as many of these stocks suffered losses despite the S&P 500 managing a small gain during the month. Value stocks and smaller sized companies were the top performing equity markets. Could this be the change in leadership we've been expecting? One month isn't a long enough period to call it a trend, but if pressure remains on the more highly valued growth stocks we continue to see attractive opportunities in the leaders of the month of November.

FIXED INCOME

Bonds saw another positive month with all areas seeing small advances throughout the month. While rates saw some movement throughout the month, the ended November about right where they started. The 10 year US government bond ended the month slightly lower with a rate of 4.01%. Even as rates have moved lower this fall, 4% has remained a difficult level for the yield to fall below for any extended time.

COMMODITIES

Commodities were the star of November outperforming both equities and fixed income. Metals continue to be the top performers with silver moving to an all time high during the month. Gold, steel, lithium, and platinum all saw strong returns throughout November as well. Cattle prices pulled back but are still up significantly on the year.

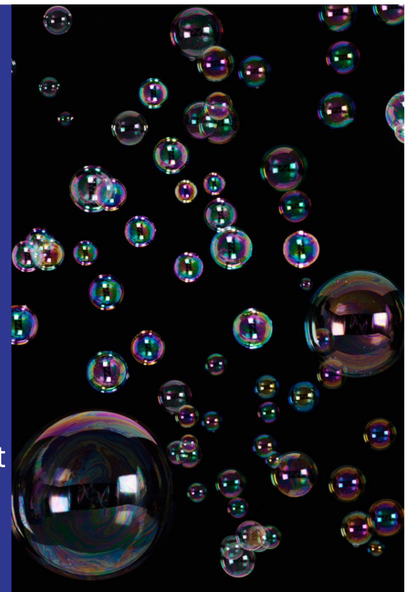
ECONOMIC INSIGHTS IN A NUTSHELL

The government opened back up in November, but data remained limited as several economic releases were cancelled during the month. This further limited the visibility we have in the broader economy. Nonfarm payrolls did come in much higher than expected, but those jobs created weren't enough to stop the unemployment rate from ticking up as well to 4.4%. That unemployment rate is the highest we've seen dating back to October 2021. The split in the economy between manufacturing and services continued as manufacturing remains in contraction while services printed a strong reading. Existing home sales did increase by 1.2% MoM in October despite slightly higher mortgage rates. How the Fed navigates this period of opaque economic activity will be interesting to see at their December meeting.

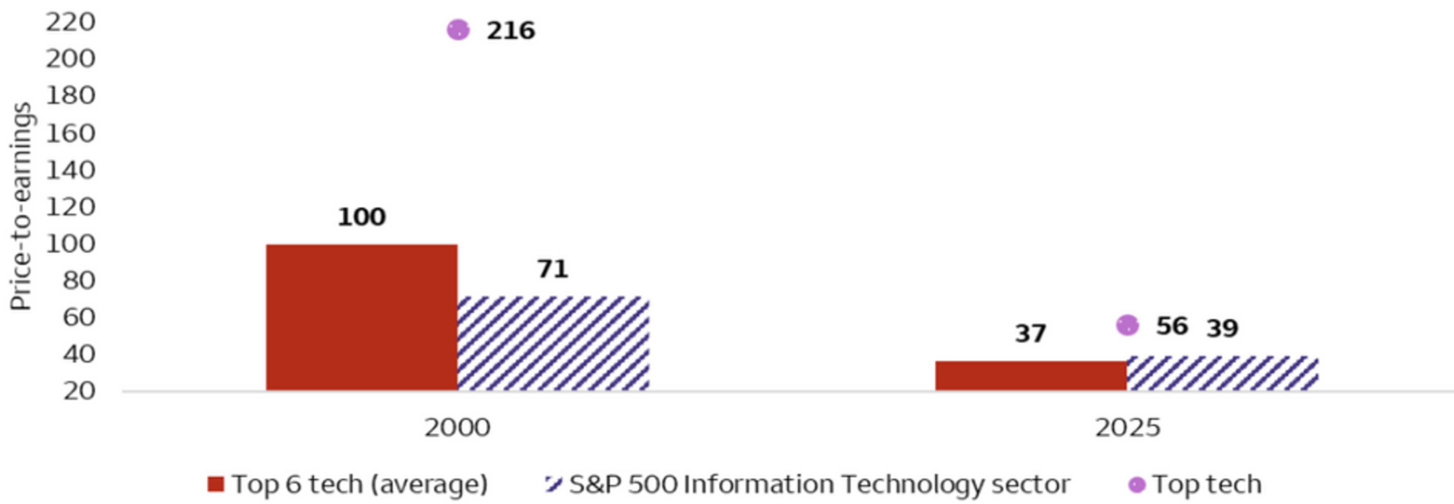
VIEWS FROM MARKET STRATEGISTS

Our research shows that there is a stark difference between today's technology stock valuations and those at the 2000 peak. The chart illustrates this by plotting price/earnings (P/E) ratios of the S&P 500 Information Technology sector, the average P/E of the largest six technology companies, and the largest technology company in both periods.

It is astonishing to think that from today's already elevated levels, valuations would need to roughly double for the Information Technology sector, triple for the top six tech companies, and quadruple for the largest tech company to reach dot-com peak P/E multiples. None of this is to deny that there are pockets of froth in the market - There are. But the notion that these metrics are currently on par with 2000 is, in our view, demonstrably incorrect.



Too early to compare AI valuations to the dot-com boom



Sources: Bloomberg, Wells Fargo Investment Institute. Daily data as of March 27th 2000, and November 11, 2025. Trailing 12-month price-to-earnings (P/E) ratio is displayed. Top six tech is represented by the average P/E of the six largest technology-related companies by market cap as of each date. Top tech is the largest technology related company by market cap as of each date. Top technology related company in 2000 was Cisco Systems Inc. and 2025 is Nvidia Corp. An index is unmanaged and not available for direct investment. For illustrative and educational purpose only. **Past Performance is no guarantee of future result.**

EVERGREEN REMINDERS

On the back of Thanksgiving, this year I am thankful for diversification. The difficult thing with diversification is that if you're doing it correctly there is likely something in your portfolio that you dislike. If everything is going up at the same pace they can equally go down in a similar fashion. The below chart looks at a variety of asset classes, but instead of over one year periods which we often discuss in reviews, it is over 10 year periods. Hopefully you can utilize the zoom button on the bottom right of this PDF, but without reading each detail the key point is that the blue boxes (US Large Cap Equity) that have dominated the last several rolling 10 year periods has not always been the case. It may be easy to fall into recency bias and think that's how it has always been and how it will always be. But those same blue boxes that are at the top right hand corner of the chart are also at the very bottom of the left hand side. Large US companies lagged the majority of markets for most of the first decade of the 21st century. They even had multiple 10 year periods of negative returns. This may be very difficult to imagine given the last 15 years, but we don't have to go back very far to see this exact scenario. Now, we are not calling for this to be the case going forward, but it is important to be aware that it is a possibility.

'98–'07 average	'99–'08 average	'00–'09 average	'01–'10 average	'02–'11 average	'03–'12 average	'04–'13 average	'05–'14 average	'06–'15 average	'07–'16 average	'08–'17 average	'09–'18 average	'10–'19 average	'11–'20 average	'12–'21 average	'13–'22 average	'14–'23 average	'15–'24 average	'98–'24 average
Emg Mkt Equity 14.5%	Emg Mkt Fixed Inc 10.2%	Emg Mkt Fixed Inc 10.5%	Emg Mkt Equity 16.2%	Emg Mkt Equity 14.2%	Emg Mkt Equity 16.9%	Emg Mkt Equity 11.5%	US Mid Cap Equity 9.6%	US Mid Cap Equity 8.0%	US Mid Cap Equity 7.9%	US Mid Cap Equity 9.1%	US Mid Cap Equity 14.0%	US Large Cap Equity 13.6%	US Large Cap Equity 13.9%	US Large Cap Equity 16.5%	US Large Cap Equity 12.6%	US Large Cap Equity 12.0%	US Large Cap Equity 13.1%	US Mid Cap Equity 9.5%
Emg Mkt Fixed Inc 10.1%	Emg Mkt Equity 9.3%	Emg Mkt Equity 10.1%	Emg Mkt Fixed Inc 10.3%	Emg Mkt Fixed Inc 11.0%	Emg Mkt Fixed Inc 11.6%	US Mid Cap Equity 10.2%	Emg Mkt Equity 8.8%	US Large Cap Equity 7.3%	High Yield Fixed Inc 7.5%	US Small Cap Equity 8.7%	US Large Cap Equity 13.1%	US Mid Cap Equity 13.2%	US Mid Cap Equity 12.4%	US Mid Cap Equity 14.9%	US Mid Cap Equity 11.0%	US Mid Cap Equity 9.4%	US Mid Cap Equity 9.6%	US Large Cap Equity 8.9%
Hedge Funds 9.9%	Commod 7.6%	Commod 7.1%	High Yield Fixed Inc 8.9%	High Yield Fixed Inc 8.9%	US Mid Cap Equity 10.6%	US Small Cap Equity 9.1%	US Small Cap Equity 7.8%	High Yield Fixed Inc 7.0%	US Small Cap Equity 7.1%	US Large Cap Equity 8.5%	US Small Cap Equity 12.0%	US Small Cap Equity 11.8%	US Small Cap Equity 11.2%	US Small Cap Equity 13.2%	US Small Cap Equity 9.0%	60%,40% Blend 8.1%	60%,40% Blend 8.6%	US Small Cap Equity 7.6%
US Mid Cap Equity 9.9%	Hedge Funds 7.4%	High Yield Fixed Inc 6.7%	Dev ex US Fixed Inc 7.6%	Dev ex US Fixed Inc 8.7%	High Yield Fixed Inc 10.6%	High Yield Fixed Inc 8.6%	High Yield Fixed Inc 7.7%	US Small Cap Equity 6.8%	US Large Cap Equity 6.9%	High Yield Fixed Inc 8.0%	High Yield Fixed Inc 11.1%	60%,40% Blend 9.8%	60%,40% Blend 10.1%	60%,40% Blend 11.2%	60%,40% Blend 8.1%	US Small Cap Equity 7.2%	US Small Cap Equity 7.8%	60%,40% Blend 7.3%
Dev ex US Equity 9.0%	Inv Grade Fixed Inc 5.6%	Dev ex US Fixed Inc 6.7%	Hedge Funds 6.9%	US Mid Cap Equity 7.0%	US Small Cap Equity 9.7%	Emg Mkt Fixed Inc 8.3%	Emg Mkt Fixed Inc 7.7%	Emg Mkt Fixed Inc 6.7%	Emg Mkt Fixed Inc 6.8%	60%,40% Blend 7.1%	60%,40% Blend 9.5%	Mod Grwth Inc 7.8%	Mod Grwth Inc 7.8%	Mod Grwth Inc 8.7%	Mod Grwth Inc 5.8%	Mod Grwth Inc 6.1%	Mod Grwth Inc 6.5%	Emg Mkt Fixed Inc 6.7%
Commod 9.0%	Dev ex US Fixed Inc 5.6%	Hedge Funds 6.4%	US Mid Cap Equity 6.5%	Commod 6.6%	Dev ex US Equity 8.7%	US Large Cap Equity 7.4%	US Large Cap Equity 7.7%	60%,40% Blend 6.6%	60%,40% Blend 6.3%	Emg Mkt Fixed Inc 7.1%	Mod Grwth Inc 8.4%	High Yield Fixed Inc 7.6%	High Yield Fixed Inc 6.8%	Dev ex US Equity 8.5%	Dev ex US Equity 5.2%	Dev ex US Equity 4.8%	Dev ex US Equity 5.7%	Mod Grwth Inc 6.7%
Mod Grwth Inc 7.6%	Mod Grwth Inc 3.7%	Inv Grade Fixed Inc 6.3%	US Small Cap Equity 6.3%	Mod Grwth Inc 6.4%	Mod Grwth Inc 8.2%	Dev ex US Equity 7.4%	60%,40% Blend 6.9%	Mod Grwth Inc 5.5%	Mod Grwth Inc 5.1%	Mod Grwth Inc 6.0%	Emg Mkt Equity 8.4%	Emg Mkt Fixed Inc 6.6%	Dev ex US Equity 6.0%	High Yield Fixed Inc 6.8%	Hedge Funds 4.7%	High Yield Fixed Inc 4.6%	Hedge Funds 5.3%	Emg Mkt Equity 6.4%
US Small Cap Equity 7.1%	Cash Alternative 3.3%	US Mid Cap Equity 5.0%	Mod Grwth Inc 6.0%	Hedge Funds 5.9%	US Large Cap Equity 7.1%	Mod Grwth Inc 7.0%	Mod Grwth Inc 6.5%	Inv Grade Fixed Inc 4.5%	Inv Grade Fixed Inc 4.3%	Inv Grade Fixed Inc 4.0%	Emg Mkt Fixed Inc 7.8%	Dev ex US Equity 6.0%	Emg Mkt Fixed Inc 6.0%	Emg Mkt Equity 5.9%	High Yield Fixed Inc 4.0%	Hedge Funds 4.6%	High Yield Fixed Inc 5.2%	Hedge Funds 6.3%
60%,40% Blend 6.4%	US Mid Cap Equity 3.2%	Mod Grwth Inc 4.6%	Commod 5.8%	Inv Grade Fixed Inc 5.8%	60%,40% Blend 6.7%	60%,40% Blend 6.7%	Hedge Funds 5.1%	Hedge Funds 4.1%	Hedge Funds 3.4%	Hedge Funds 3.2%	Dev ex US Equity 6.8%	Hedge Funds 4.0%	Hedge Funds 4.2%	Hedge Funds 5.8%	CPI 2.6%	Emg Mkt Fixed Inc 3.1%	Emg Mkt Equity 4.0%	High Yield Fixed Inc 6.2%
Dev ex US Fixed Inc 6.2%	US Small Cap Equity 3.0%	US Small Cap Equity 3.5%	Inv Grade Fixed Inc 5.8%	US Small Cap Equity 5.6%	Hedge Funds 6.7%	Hedge Funds 5.7%	Dev ex US Equity 4.9%	Emg Mkt Equity 3.9%	Dev ex US Fixed Inc 2.8%	Dev ex US Fixed Inc 2.7%	Hedge Funds 4.9%	Emg Mkt Equity 4.0%	Emg Mkt Equity 4.0%	Emg Mkt Fixed Inc 5.0%	Emg Mkt Equity 1.8%	Emg Mkt Equity 3.0%	Emg Mkt Fixed Inc 3.1%	Dev ex US Equity 5.4%
Inv Grade Fixed Inc 6.0%	CPI 2.5%	Cash Alternative 2.8%	Dev ex US Equity 3.9%	Dev ex US Equity 5.1%	Dev ex US Fixed Inc 6.6%	Inv Grade Fixed Inc 4.5%	Inv Grade Fixed Inc 4.7%	Dev ex US Equity 3.5%	Emg Mkt Equity 2.2%	Dev ex US Equity 2.4%	Inv Grade Fixed Inc 3.5%	Inv Grade Fixed Inc 3.7%	Inv Grade Fixed Inc 3.8%	Inv Grade Fixed Inc 2.9%	Emg Mkt Fixed Inc 1.3%	CPI 2.8%	CPI 3.0%	Inv Grade Fixed Inc 3.9%
US Large Cap Equity 5.9%	High Yield Fixed Inc 2.2%	CPI 2.5%	60%,40% Blend 3.7%	60%,40% Blend 4.6%	Inv Grade Fixed Inc 5.2%	Dev ex US Fixed Inc 4.2%	Dev ex US Fixed Inc 2.8%	Dev ex US Fixed Inc 3.3%	CPI 1.8%	Emg Mkt Equity 2.0%	CPI 1.8%	CPI 1.8%	Dev ex US Fixed Inc 1.9%	CPI 2.1%	Inv Grade Fixed Inc 1.1%	Inv Grade Fixed Inc 1.8%	Cash Alternative 1.8%	CPI 2.5%
High Yield Fixed Inc 5.5%	60%,40% Blend 1.8%	60%,40% Blend 2.4%	CPI 2.3%	US Large Cap Equity 2.9%	Commod 4.1%	CPI 2.4%	CPI 2.1%	CPI 1.9%	Dev ex US Equity 1.2%	CPI 1.6%	Dev ex US Fixed Inc 1.4%	Dev ex US Fixed Inc 1.5%	CPI 1.7%	Cash Alternative 0.6%	Cash Alternative 0.7%	Cash Alternative 1.2%	Inv Grade Fixed Inc 1.3%	Dev ex US Fixed Inc 2.3%
Cash Alternative 3.6%	Dev ex US Equity 1.2%	Dev ex US Equity 1.6%	Cash Alternative 2.3%	CPI 2.5%	CPI 2.4%	Cash Alternative 1.6%	Cash Alternative 1.5%	Cash Alternative 1.2%	Cash Alternative 0.7%	Cash Alternative 0.3%	Cash Alternative 0.3%	Cash Alternative 0.5%	Cash Alternative 0.6%	Dev ex US Fixed Inc 0.3%	Commod -1.3%	Commod -1.1%	Commod 1.3%	Cash Alternative 2.1%
CPI 2.7%	US Large Cap Equity -1.4%	US Large Cap Equity -0.9%	US Large Cap Equity 1.4%	Cash Alternative 1.9%	Cash Alternative 1.7%	Commod 0.9%	Commod -1.9%	Commod -6.4%	Commod -5.6%	Commod -6.8%	Commod -3.8%	Commod -4.7%	Commod -6.5%	Commod -2.8%	Dev ex US Fixed Inc -2.2%	Dev ex US Fixed Inc -1.3%	Dev ex US Fixed Inc -1.9%	Commod 1.6%

Sources: © Morningstar Direct, All Rights Reserved,1 and Wells Fargo Investment Institute. Asset allocation does not guarantee a profit or protect against loss. Average is calculated as annualized geometric mean. Allocation blends are rebalanced quarterly. Moderate Growth & Income (Mod Grwth Inc) and 60%,40% blend are for illustrative purposes only. Performance results for Moderate Growth & Income and the 60%,40% blend are calculated using blended index returns. An index is unmanaged and not available for direct investment. Past performance does not guarantee future results.

BEYOND THE MARKET

November 2025

LIFESTYLE HACK

As a first year homeowner my holiday decorations are lacking to say the least. The below article has several simple ideas to bring the holiday spirit to your home.

https://theeverygirl.com/holiday-decorating-hacks/

PLANNING CORNER

I've exhausted my inventory of tech tips for the year. So going forward this section will be dedicated to an investment planning quick tip!

With year end comes many tax deadlines. If you have philanthropic desires and you are not currently utilizing a donor advised fund, please reach out to the team. This can be a fantastic option to streamline donations, simplify tracking, and capitalize on the tax deduction.

LOCAL EVENTS THIS MONTH

- Merry & Bright poinsettia show taking place at Lauritzen Gardens all of December.
- Mannheim Steamroller Christmas is at the Orpheum Theater on December 20th.
- There are several light festivals happening all over town. Old Market, The RiverFront, Midtown Crossing, Aksarben, and Village Pointe just to name a few.
- Free public ice skating at Heartwood Park in the new Heartwood Preserve neighborhood.
- Creighton's men's basketball team has home games December 13th and 20th at the CHI Health Center.
- Werner Park has their Santa's Rock N Lights show up all month. Drive through the incredible light displays while tuning your radio to the music as well.
- The Zoo is in the holiday spirit with nightly hours to check out Zoolightful their holiday event.
- Wrap up the year with a Firework Spectacular down at the RiverFront on New Year's Eve.

Disclosures

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.
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An index is unmanaged and not available for direct investment.
Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

Moderate Growth & Income is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPMorgan EMBI Global, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.
60%,40% blend is composed of 60% S&P 500 Index and 40% Bloomberg U.S. Aggregate Bond Index.

Performance results for Moderate Growth & Income and the 60%, 40% blend are for illustrative purposes only. Dynamic allocations change as needed with adjustments to the strategic allocations. Results do not represent actual trading and the results achieved do not represent the experience of any individual investor. In addition, results do not reflect the impact of any fees, expenses or taxes applicable to an actual investment. The indexes reflect the historical performance of the represented assets and assume the reinvestment of dividends and other distributions. An index is unmanaged and not available for direct investment. Past performance does not guarantee future results. Different investments offer different levels of potential return and market risk. Please see below for the definitions of the indexes and risks associated with the representative asset classes.

U.S. Taxable Investment Grade Fixed Income (Inv Grade Fixed Inc):
Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

High Yield Taxable Fixed Income (High Yield Fixed Inc):
Bloomberg U.S. Corporate High Yield Bond Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market.

Taxable Cash Alternatives (Cash Alternative):
Bloomberg U.S. Treasury Bills (1–3 Month) Index is representative of money markets.

Commodities (Commod):
Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.
Hedge Funds:
HFRI Fund Weighted Index is a fund-weighted (equal-weighted) index designed to measure the total returns (net of fees) of the approximately 2,000 hedge funds that comprise the Index. Constituent funds must have either $50 million under management or a track record of greater than 12 months. Sub-strategies include: HFRI Event-Driven, Distressed/Restructuring Index, and HFRI Event-Driven (Total) Index.

Note: HFRI Indices have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI Indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

Emerging Market Fixed Income (Emg Mkt Fixed Inc):
JPMorgan Emerging Market Bond Index (EMBI) Global is a U.S. dollar-denominated, investible, market cap-weighted index representing a broad universe of emerging market sovereign and quasi-sovereign debt. While products in the asset class have become more diverse, focusing on both local currency and corporate issuance, there is currently no widely accepted aggregate index reflecting the broader opportunity set available, although the asset class is evolving. By using the same index provider as the one used in the developed-market bonds asset class, there is consistent categorization of countries among developed international bonds (ex. U.S.) and emerging market bonds.

Developed Market ex-U.S. Fixed Income (Dev ex US Fixed Inc):
JPMorgan Government Bond Index Global Ex United States (JPM GBI Global ex-U.S.) is a total return, market capitalization weighted index, rebalanced monthly, consisting of the following countries: Australia, Germany, Spain, Belgium, Italy, Sweden, Canada, Japan, United Kingdom, Denmark, Netherlands, and France.

Developed Market ex-U.S. Equity Dev ex US Equity):
MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

Emerging Market Equities (Emg Mkt Equity):
MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance of emerging markets.

U.S. Small Cap Equities (US Small Cap Equity):
Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

U.S. Mid Cap Equities (US Mid Cap Equity):
Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

U.S. Large Cap Equities (US Large Cap Equity):
S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the U.S. stock market.

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