Accelerate
www.AccelerateShares.com

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Dear Investor,

Welcome to the second half of the year, where the world is changing rapidly. New technologies, global trade, and a complex geopolitical landscape have kept the market attentive to new developments, which have given investors plenty to think about. Our dedicated team at Accelerate is overseeing Standard Wealth clients' capital with a laser focus as we understand how our portfolio companies are performing in the global economy. If you have been asleep for the last six months, the good news story is that the S&P 500 is up 5.19% and the TSX 60 climbed 7.21% year to date. However, most investors were awake and saw a large drawdown in their portfolios due to Liberation Day and the impending threat of tariffs that have slowed the global economy. Many investors experienced a psychological shock to see their portfolios down 20% or more. It was swift, brutal, and fabricated by President Trump to reset the global trade playing field.

"Tariffs are about making America rich again and making America great again, and it's happening and it will happen rather quickly. There will be a little disturbance. But we're OK with that. It won't be much."

Donald Trump

Just a few days after Liberation Day, investors were given another surprise as equity markets rebounded quickly when the Americans delayed the implementation of tariffs, reduced them or found a negotiated target level that trading nations could live with. The surprise tariff announcement has caused lasting damage as the tariffs have slowed the global economy to 2.3% growth from a previous World Bank estimate of 2.7% at the start of the year.

What we quickly realized at the Accelerate headquarters is that the equity markets gave us a gift when, on April 3rd, the S&P 500 lost 6.65% and nearly initiated a trading curb. The following day, April 4th, the S&P 500 lost 5.97%, marking the worst two-day period for the S&P 500. The VIX benchmark, nicknamed "Wall Street's fear gauge", spiked 15 points to close at 45.31 points, the highest close since the 2020 stock market crash. After the markets opened on April 7, stocks continued to plunge. The three-day losses became the worst since Black Monday.

"A market downturn doesn't bother us. It is an opportunity to increase our ownership of great companies with great management at good prices"

Warren Buffett

Our attentive team at Accelerate seized the opportunity by adding 7% of our Net Asset Value (NAV) to four portfolio companies on April 7th. As shown in the chart below, all four securities have rebounded quickly, which has contributed to the excellent performance of the Standard Wealth strategy.

Active Management of the SW Proposed Trade List - April 7, 2025

These portfolio additions are a solid example of our ability to buy securities at distressed valuations without the requirement to rebalance the portfolio or hold cash on hand. Our flexibility and decisiveness have rewarded our clients, who have allowed us to steward their family wealth for future generations. Looking ahead to the second half of the year, if we see another sharp correction in the equity markets, we will be ready and prepared to buy companies that we know and love that are suddenly trading at distressed valuations.

The second half of the year is shaping up to be a pivotal moment for the bond market as we will be closely watching the $4 trillion of US Federal Government debt that needs to be refinanced in 2025. President Trump has publicly ridiculed Federal Reserve Chairman Jerome Powell for not lowering the Federal Funds rate. The President continues to apply pressure on the Fed Chair to reduce Americans' interest burden on the $36 trillion owed to creditors. Here is a letter on June 30, 2025, from President Trump to Federal Reserve Chairman Powell:

World Central Bank Rates

1	Switzerland	0.25%
2	Cambodia	0.45%
3	Japan	0.50%
4	Denmark	1.75%
5	Seychelles	1.75%
6	Thailand	1.75%
7	Botswana	1.90%
8	Barbados	2.00%
9	Eurozone	2.00%
10	Taiwan	2.00%
11	Bulgaria	2.07%
12	Cuba	2.25%
13	Sweden	2.25%
14	Morocco	2.25%
15	Cabo Verde	2.50%
16	South Korea	2.50%
17	Algeria	2.75%
18	Canada	2.75%
19	Albania	2.75%
20	Libya	3.00%
21	Malaysia	3.00%
22	China	[illegible]
23	New Zealand	3.25%
24	Trinidad and Tobago	3.50%
25	Czechia	3.50%
26	Bolivia	3.82%
27	Australia	3.85%
28	Costa Rica	4.00%
29	The Bahamas	[illegible]
30	Kuwait	4.00%
31	Papua New Guinea	4.00%
32	Bosnia and Herzegovina	4.14%
33	United Kingdom	4.25%
34	United Arab Emirates	4.40%
35	United States of America	4.50%
36	Cameroon	4.50%
37	Equatorial Guinea	4.50%
38	Gabon	4.50%
39	Guatemala	4.50%
40	Israel	4.50%
41	Mauritius	4.50%
42	Norway	4.50%
43	Republic of the Congo	4.50%
44	Vietnam	4.50%

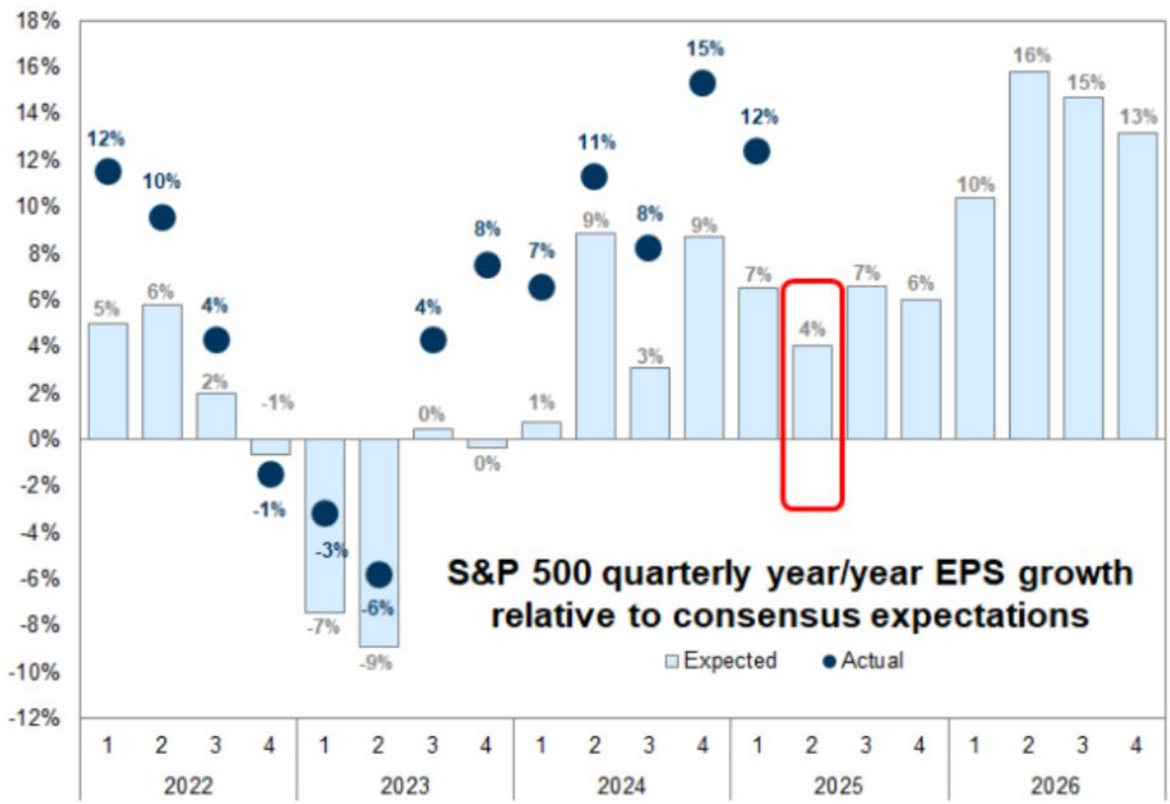
This list of nations' reserve rates is striking in several respects; let's focus on the U.S. 10-year Treasury yields, which stood at 4.22% at the end of Q2. First, this interest rate is very low given the prevailing inflation rate is 2.4%, resulting in a real yield of only 1.82%. Such a modest return is unappealing to most investors. Second, if a borrower is already $36 trillion in debt and wants to borrow a couple of trillion more for ten years, an interest payment of just 4.22% seems far too low when balancing the risk of default, the rate of inflation and rewarding investors with a fair risk/return balance. I have never been a fan of bonds, as they limit your potential gains while still bearing the full brunt of credit and interest rate risk. This presents a poor asymmetrical risk-reward trade off that does not compensate investors appropriately, especially in this current environment.

"By the time you've doubled your money in bonds, you've multiplied your money by five times in stocks… No way (bonds are) better for the long-run wealth creation."

Jeremy Siegel

With bond yields on the risk-free end of the curve so low and high yield spreads so compressed, we expect capital to continue flowing into equities until bond yields offer a higher rate of return. Investors must not forget that over $7 trillion in money market funds will mature in the next 12 months and will be looking for an attractive rate of return.

Looking ahead to the second half of 2025, the key to the success of the equity markets is as always, the health and growth of the underlying businesses that are powering the global economy. It is estimated that earnings of the S&P 500 in 2025 will be $271, which would be a 10.4% increase over 2024, according to Bloomberg. In comparison, the TSX 60 consensus earnings growth rate forecast in 2025 is 10.6%, with future S&P 500 EPS growth projecting steady gains for investors going forward, according to Goldman Sachs:



Source: FactSet, Goldman Sachs Global Investment Research

The continued expansion of earnings from our Standard Wealth portfolio companies has resulted in increased dividends declared by the Board of Directors from companies such as Goldman Sachs +33% year over year, JPMorgan +7% and Alphabet 5%. This dividend income is a key return driver for Standard Wealth, where we expect to see the portfolio grow its dividend income at an annual rate in the 3-5% range. This steady process of compounding dividends

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starts out slow in the early years but should show substantial gains for the patient investor with a long-term time horizon.

"Compound interest is the eight wonder of the world. He who understands it, earns it; he who doesn't, pays it"

Albert Einstein

At Accelerate, we take pride in our proven track record of helping families preserve their wealth and remain firmly committed to the long-term stewardship of our client's capital.

As of June 30, 2025, the Standard Wealth strategy has a dividend yield of 3.0%, with a current portfolio price to earnings ratio of 15.7. In addition, the strategy has a trailing twelve-month return, net of fees, of 20.1%.

Wishing all investors a fantastic second half of the year, and please reach out if you have any questions or thoughts.

Fred Mannix

Fund Performance NET

1 Year Return 20.1%, Net Dividend Yield 3.0% and P/E of 15.7

2020*	10.8%
2021	34.4%
2022	-11.1%
2023	20.6%
2024	30.3%
2025 YTD	2.5%
1 Yr	20.1%
3 Yr	17.8%
4 Yr	10.5%
5 Yr	18.0%
Since Inception	15.2%
S&P 500 Index CAD	15.2%
S&P TSX 60 Index	13.3%
S&P 500 / TSX 60 Blended Index	14.4%

* Inception Date: Feb 29, 2020
- all returns are net of fees
- returns for periods greater than 1 year are annualized

Sources:

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