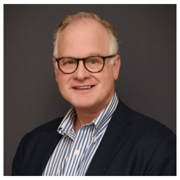
September 2025

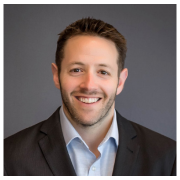
3EDGE ASSET MANAGEMENT

View From the EDGE®

Buckle Up! It Could be a Wild Ride



DeFred Folts III
Managing Partner
Chief Investment Strategist



Eric Biegeleisen, CFA®
Partner, Deputy Chief Investment Officer

Asset Class	Negative		Mixed		Positive
Equities:					
U.S.			■ →	■	
Europe		■	← ■		
Dev. Asia				■ →	■
EM / China			■ →	■	
India				■	
Fixed Income:					
Rates			■		
Credit	■				
Short Term Fixed Income & Cash				■	
Hard Assets:					
Gold					■
Commodities				■	

About 3EDGE

3EDGE Asset Management, LP, is a multi-asset investment management firm serving institutional investors and private clients. 3EDGE strategies act as tactical diversifiers, seeking to generate consistent, long-term investment returns, regardless of market conditions, while managing downside risks.

The primary investment vehicles utilized in portfolio construction are index Exchange Traded Funds (ETFs). The investment research process is driven by the firm's proprietary global capital markets model. The model is stress-tested over 150 years of market history and translates decades of research and investment experience into a system of causal rules and algorithms to describe global capital market behavior. 3EDGE offers a full suite of solutions, each with a target rate of return and risk parameters, to meet investors' different objectives.

As Summer draws towards a close, a transition to Fall begins. Our 3EDGE Seasons of the Market also finds the same transition may be underway as the U.S. equity market remains overvalued, threats remain for a return to inflation and/or stagflation, and September and October are notoriously volatile months. Often times, tightening financial conditions or an unpredictable black swan event can be the catalyst that turns Summer to Fall, when the markets and economy face strong headwinds while Hard Assets may continue to rise, credit spreads widen, and lower-quality Bonds suffer. A prolonged Fall phase may eventually turn to Winter which corresponds to a prolonged Recession. Expectations for a Fed rate cut in September have increased potentially to the point that no cut or a so-called 'hawkish' cut may be met with investor disappointment.

Equities:

- **U.S. Equities:** Our model research has maintained the current outlook for U.S. equities in the mixed to slightly positive camp. While U.S. equities remain significantly overvalued by our measure, investor exuberance remains despite the Trump administration's tariff levels being set to the highest they've been since the 1930s. This is likely to be a drag on growth as it is U.S. corporations and/or U.S. consumers that are paying these additional taxes, though with a lag that is likely still underway. Ultimately, this may lead and/or contribute to a rise in inflation leading to an economic slowdown or even recession, i.e., a stagflationary environment. Given these risks, our research continues to find the potential for U.S. equity momentum to continue in the short term.

- **European Equities:** Market momentum and positive investor psychology may have stalled out in August as investors reconsider this region. As we've noted, the yield curve while steepening is not yet sufficiently steep to be indicative of longer-term growth. Continued interest rate cuts by the European Central Bank would likely be beneficial to our overall mixed to slightly negative outlook.

- **Japanese Equities:** We continue to favor Japan with the dry ink on the favorable trade deal between the U.S. and Japan. Japan continues to emerge from a long period of stagnation and has a positive growth outlook on the heals of raising their short-term interest rates into positive territory. Tightening credit spread measures along with continued positive investor psychology measures will need to stay entrenched for this outlook to remain into the future.

- **Emerging Market / Chinese Equities:** We maintain a slightly positive outlook for emerging market equities, though this space may be volatile in the period ahead with ongoing geopolitical interruptions, i.e., China-India-Russia summit, etc. The weakening U.S. dollar continues to be supportive for emerging market and Chinese equities making it easier to repay U.S. Dollar-denominated debts with an appreciated currency.

- **Indian Equities:** The outlook for Indian equities has fallen somewhat due in part to concerns between the U.S. and India trade negotiations which is likely responsible for the recent underperformance. While overvalued by our measure, the yield curve measure we calculate for the region continues to be positively sloped which is indicative of the potential for future economic growth. For the time being, India has a mixed to positive outlook.

(continued on next page)

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Fixed Income:

- **Rates**: The outlook for inflation may be elevated in the months ahead due to the U.S. tariffs alongside the increasing possibility of a rate cutting cycle that may begin as soon as this month. In addition, the tariffs on our major trading partners may reduce demand for longer-dated U.S. Treasuries, resulting in higher yields. These factors continue to support concentrating fixed-income investments in shorter-term maturities.

- **Credit**: Corporate credit spreads remain historically tight, making the additional yield over and above so-called "risk-free" U.S. Treasuries unappealing at this time given the rising risk of an economic slowdown.

Hard Assets:

- **Gold:** Tariff measures proposed by the U.S. along with the threat of sanctions have encouraged foreign investors and central banks to seek alternatives to U.S. Dollar-based assets. As Gold is priced in U.S. Dollars, a rising Gold price is a reflection of a weakening demand for U.S. Dollars. Additionally, investors' concerns over geopolitical conflicts and relations, even among allied nations, have helped to boost the attractiveness of Gold as a haven asset. As noted in prior months, gold continuing to make new all-time highs increases the risk of a consolidation and/or profit-taking period nearer-term. However, gold may continue its upward move as weakening job numbers may encourage the Federal Reserve to begin a monetary easing cycle of lowering interest rates to combat this side of their dual mandate. Gold continues to provide a nice hedge, i.e., volatility dampening, to equity and bond investments in these more volatile times.

- **Commodities:** While the threat of a tariff and trade war reduces the potential demand for commodities, supply chains have also been disrupted, providing support to certain commodity prices. In addition, like gold, weakening demand for U.S. dollars may also benefit commodities more broadly as they are primarily priced in U.S. Dollars.

For more information about 3EDGE Asset Management or our offerings, please visit our website at 3edgeam.com

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3EDGE Solutions Designed to Smooth the Ride

Seeking to manage volatility and downside risk while providing the potential to be additive to investment returns

3EDGE Multi-Asset Investment Solutions

3EDGE Strategies	Risk Intensity	Equities	Fixed Income	Hard Assets	Short-Term Fixed Inc / Cash	Potential Use Case
Tactical Core Solutions						
Conservative Strategy *Typical time horizon: 1-3 years*	Low	6–30%	10–88%	4–22%	2–80%	Fixed income, core bond, or annuity replacement
Total Return Strategy *Typical time horizon: >3 years*	Low	13–60%	10–81%	4–35%	2–73%	Traditional 60/40 portfolio replacement
Growth Strategy *Typical time horizon: >3-5 years*	Low-Medium	13–80%	10–81%	4–35%	2–73%	Growth replacement with an emphasis on minimizing volatility
Tactical Income Solution						
Income Plus Strategy *Typical time horizon: >3 years*	Medium	Equity Income Sources 0–40%	Fixed Income Sources 55–90%		Non-Traditional Fixed Income 5–25%	Income replacement strategy targeting a high yield with emphasis on minimizing drawdowns
Tactical Equity-Focused Solutions						
Aggressive Strategy *Typical time horizon: >10 years*	Medium-High	40–100%	0%	0–60%	0–60%	Equity complement or outright replacement of equity holdings
Global Equity Strategy *Typical time horizon: >10 years*	High	98%	0%	0%	2%	Global equity complement or outright replacement of ACWI holdings
International Equity Strategy *Typical time horizon: >10 years*	High	98%	0%	0%	2%	International equity (ex U.S.) complement or outright replacement
U.S. Equity Strategy *Typical time horizon: >10 years*	High	98%	0%	0%	2%	U.S. equity complement or outright replacement of S&P 500 holdings
Tactical Crypto Solution						
CryptoPlus Strategy *Typical time horizon: >10 years*	Extreme	0%	0%	98%** *crypto ETFs*	2%	Alternative store of value (i.e. cryptocurrency holdings in place of gold/real assets)

Asset Class Ranges^

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