Oppenheimer & Co. Inc. | 9020 Stony Point Pkwy, Suite 250 | Richmond, VA 23235

The second term of Grover Cleveland, the last and only other President to serve two non-consecutive terms in office, was marred by the Panic of 1893. High commodity prices collapsed causing debt deflation, and a failed coup in Argentina lead to the near collapse of Baring Brothers, one of the world's largest banks at that time. This caused a hording of gold while at the same time new discoveries of silver in the western U.S. gave rise to the fierce debate over bimetallism that raged for many years. China appears to be experiencing debt deflation. Problems could arise in our markets in unanticipated ways. When expectations are high it does not take much for prices to fall. That said, many positives events are also getting started that hold out great hopes for the future.

It is ironic that problems in Argentina were the spark for the 1893 crisis because today Argentina appears to be a successful experiment in the kind of extreme deconstruction of the administrative state that Trump proposes with the help of Elon Musk, Vivek Ramaswamy and the so-called Department of Government Efficiency. I believe this is an enormous opportunity that will also bring with it enormous disruption. Our debt to GDP ratio is higher than at any time since the Second World War. Confidence in the government generally is at all-time lows. The opportunity to improve is enormous but the disruption may also be enormous in the short run.

This is not a prediction of anything. In fact, I remain highly optimistic in the longer term, however, expectations have risen markedly. Like many people on Wall Street I was too focused on the risk of a close, contested election. The memory of the significant sell off during the Bush v Gore contest contributed to this fear. The avoidance of that risk has lifted share prices in the U.S. very significantly. The S&P 500 rose about 6% in the weeks after the election. It is possible next year investors will focus more on the difficulty of implementing the many sweeping changes that are proposed.

I have written about Michael Howell's global liquidity index. He remains bullish and believes liquidity continues to expand among the world's central banks. However, liquidity has slowed, and while the U.S. is in a better position than the rest of the world it seems reasonable to think stock prices will not continue the kind of boom we saw in '23 and '24. Howell expects liquidity to begin rising again later in '25, but the trillions of dollars in government debt that was issued during the pandemic will have to be rolled over mostly in '26 and '27. The trade weighted dollar index appears to be in a prolonged up trend that can cause tighter credit conditions for the rest of the world at the same moment that Trump begins using tariffs as a negotiating cudgel. The new incoming Treasury Secretary, Scott Besant, wrote an Op Ed in Wall Street Journal at the end of November.

"We are going to decide whether we are going to grow our way out of this debt burden, and I think we can, through deregulation, energy independence & dominance in the US, and a growth mindset. I feel very strongly that this is the last chance to grow ourselves out of this… I also feel strongly that we are in the midst of a great re-alignment, a Bretton Woods type realignment in global policy and global trade. And I'd like to be a part of it."

We are living through an extraordinary period. The leaps in artificial intelligence, electrification and robotics are obvious to everyone now, but the multi-polarity of international relations and the realignment of the two political parties in the US are equally disruptive of the old order. So is the rise of crypto currency which holds out the opportunity for frictionless international trade at the same moment when every country appears to be turning inward away from borderless transactions. Block chain technology has the potential for use as a verification tool in a world where AI can make exact false copies of virtually everything.

According to Factset analysts expect earnings growth in calendar year ’25 of 14.8%, nearly twice the long term average for earnings growth. That may not be over optimistic, but with PE ratios at these levels one single point of contraction in the ratio can eliminate any gains even if earnings come in as expected. After bottoming in October of ’22 the S&P 500 has produced two very strong years as restrictive monetary policy and the inverted yield curve have given way to more normal policy rates. All of the methods of measuring inflation have slowed markedly from the extremes of a few years ago, but all remain ahead of the Fed’s stated target rate. Our debt to GDP remains at levels not seen since the Second World War. The absolute level of debt is less important than liquidity and our ability to refinance the debt. Today that capacity is strong. Indeed, our economy, our markets and our demographics are the envy of the world, but it is only prudent to prepare for a little turbulence after two good years.

It is not the purpose of this newsletter to make predictions or forecasts. I believe it is important to remain agnostic about the near term and not become wedded to any particular forecast even though I remain optimistic about the long term future. That said, a reset of bullish sentiment will not be a surprise. There is also a risk that asset prices have been driven to these extraordinary levels by a series of events since the GFC that could reverse with the passage of time. As always, we will endeavor to navigate through all of the risks and potential opportunities the capital markets bring our way. Your trust and confidence is our greatest asset, and maintaining it is our greatest responsibility.

About Our Team

The Good & Hopper Private Client Group brings extensive expertise in Wealth Management Services together with Portfolio Management and institutional capabilities of Oppenheimer & Co. Inc. Our office is located in the Stony Point section of the City of Richmond with close proximity to Henrico, Chesterfield and surrounding counties.

Our Wealth Planning Process

Our process starts with a comprehensive understanding of our client’s unique financial situation. We gather all relevant information regarding your goals, concerns, assets, and estate plans. Next, we conduct a thorough analysis into your current financial condition and then provide a detailed wealth plan of action to help you address your goals. Our plan covers areas such as strategic asset allocation, savings rates, debt repayment, retirement income, charitable giving, and wealth transfer. Once a plan of action has been agreed upon we work with you and your other professional advisors every step.

Ward Good, CFA® CIMA®

Senior Director – Investments
Portfolio Manager, OMEGA Portfolio Management

Ward has advised wealthy individuals, endowments and trusts in Virginia for the past 35 years. The cornerstone of his process consists of valuation using discounted cash flow modeling: nevertheless, he believes that models are, at best, only representations of future events. As a result, he also emphasizes judgment based on qualitative factors. Ward manages individual portfolios using a combination of quantitative and qualitative measurement techniques. He is a firm believer that the value of any asset is the discounted present value of its future cash flows. He also believes in the creative destruction process whereby individual entrepreneurs can find ways to make money regardless, sometimes at the expense of entrenched interest. Risk management also plays a vital role in the investment process.

Ward consults each client regularly and continuously seeks to properly match each client's risk tolerance with his or her goals. He monitors all portfolios in an effort to find the proper balance among asset classes and within equity portfolios. His clients' all-equity portfolios contain a mix of stocks selected across capitalization ranges and growth rates, but always with an eye toward the companies' management and their ability to sustain their growth and replace their productive assets.

Before coming to Oppenheimer, Ward served as First Vice President at Scott & Stringfellow as well as at UBS Wealth Management.

He has been active in the Richmond financial community, serving on various not for profit boards. He is currently a Board Member of the Saint Michael's Episcopal School.

A graduate of Hampden-Sydney College, Ward earned a B.A. in English literature. He holds the Chartered Financial Analyst (CFA) designation from the CFA Institute and received the Certified Investment Management Analyst (CIMA)® designation from the Investment Management Consulting Association through coursework at the Wharton School of Business, the University of Pennsylvania.

He has four children and, in his spare time, exercise and reading historical fiction.

(804) 663-1418 | ward.good@opco.com

John Hopper

Financial Advisor

John Hopper is a Financial Advisor at Oppenheimer & Co. Inc. (Oppenheimer) in the Richmond, Virginia office. John's clients include high-net-worth individuals, families, and their closely-held businesses. With over twenty years of experience, he works closely with CPAs, estate attorneys, business brokers, and others to address each client's unique needs, and prides himself on consistently delivering exceptional service.

He provides a comprehensive approach, which begins with listening to his clients 'needs and goals, and he aligns strategies with their objectives and risk tolerance. John's holistic, goals-based method is essential to the client-advisor relationship, which he deems essential for trust and success. He strongly believes in investing with a purpose to provide practical results. Additionally, John's team approach combines collaboration, knowledge, and adaptable investment strategies.

John graduated from Hampden-Sydney College with degrees in Economics and History. He holds FINRA Series 7 and 66 registrations, and he is licensed for life and health insurance in the state of Virginia. John is also a graduate of Lead Virginia, a renowned leadership program.

Drawing on his previous career as a banker, John is passionate about his service as a Board Member for Peter Paul, a non-profit, after-school enrichment program focused on Richmond's East End families. John is a past president of his college's national alumni association and is also a certified Virginia High School League lacrosse referee. In his spare time, John enjoys golfing, snow skiing, and all things lacrosse. John grew up in the rural Tidewater area of Virginia and resides in Richmond with his wife and three children.

(804) 663-1424 | john.hopper@opco.com

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. Frank Russell Co. ranks the US common stocks from largest to smallest market capitalization at each annual reconstitution period. The Russell 2000 Index represents a very small percentage of the total market capitalization of the Russell 3000 Index. It is considered to be generally representative of US Equity Small and Mid Cap performance.

MSCI World ex-US Index (World ex-US): An Index in US dollars based on the share price of companies listed on stock exchanges in 21 developed countries excluding the US. This Index is created by aggregating the 21 different country Indices, all of which are created separately. It is considered to be generally representative of overseas stocks markets.

The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial securities listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies. The NASDAQ-100 Index is calculated under a modified capitalization-weighted methodology.

Risk Factors: Special Risks of Foreign Securities - Investments in foreign securities are affected by risk factors generally not thought to be present in the US. The factors include, but are not limited to,the following: less public information about issuers of foreign securities and less governmental regulation and supervision over the issuance and trading of securities.

Special Risks of Small and Mid Capitalization Companies may include being: 1) more recently formed than larger companies and may have limited product lines, distribution channels and financial and managerial resources. 2) may not be well known to the investing public 3)may not have significant institutional ownership and 4) may have cyclical, static or moderate growth prospects. 5) often less publicly available information, making it more difficult for the Portfolio Manager to analyze the value of the company.The equity securities of small and mid capitalization companies may be subject to liquidity risk, or narrow trading consequently, the Portfolio Manager may be required to sell these securities over a longer period of time (and potentially at less favorable prices and under volatile conditions)

Special Risks of Fixed Income Securities include risk that the price of these securities will go down as interest rates rise,and credit risk, which is the risk that an issuer of a bond will not be able to make principal and interest payments on time.

Exchange Traded Funds: Exchange Traded Funds (ETFs) are baskets of securities that are traded like a stock on an exchange, and may come concentrated in various styles or sectors, subject to similar risks that the underlying securities would normally face as individual stocks. . Returns may fluctuate and are subject to volatility Foreign investments have unique and greater risks than domestic investments. All ETFs are passively managed and generally have lower management fees and operating expenses than actively managed funds. ETF returns are adjusted to reflect all actual ongoing ETF fund expenses and assume reinvestment of dividends and capital gains.

INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS AND CHARGES AND EXPENSES OF A FUND OR ETF BEFORE INVESTING; THE PROSPECTUS FOR A FUND OR ETF, WHICH MAY BE OBTAINED FROM YOUR FINANCIAL ADVISOR, CONTAINS THIS AND OTHER INFORMATION. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

High Yield Funds: Generally, investments offering potential for higher returns are accompanied by a higher degree of risk. High yield, lower-rated (junk) bonds generally have greater price swings and higher default risks.

The Omega Group is a program through Oppenheimer & Co.Inc. It offers a managed money program in which experienced Financial Advisors act as portfolio managers for their clients. Clients will pay an advisory fee on a quarterly basis and will pay no commissions or additional charges for transactions. Adopting a fee based account program may not be suitable for all investors; anticipated commission costs should be compared with anticipated annual fees. Please refer to the Oppenheimer ADV Part II for information about the advisory program described herein, including program fee schedules and other fees that may apply. The Oppenheimer ADV Part II is available from your Oppenheimer Financial Advisor. Oppenheimer & Co. Inc. and its affiliates does not provide legal or tax advice.

The success of an investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a portfolio's investments.Unexpected volatility or illiquidity could result in losses. Investing in securities is speculative and entails risk. There can be no assurance that the investment objectives will be achieved or that an investment strategy will be successful.

The Standard and Poor's (S&P) 500 Index is an unmanaged index that tracks the performance of 500 widely held, large-capitalization U.S. stocks. Individuals cannot invest directly in an index.

The Relative Strength Index (RSI), developed by J. Welles Wilder, is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between zero and 100. Traditionally the RSI is considered overbought when above 70 and oversold when below 30. Signals can be generated by looking for divergences and failure swings. RSI can also be used to identify the general trend.

This material is not a recommendation as defined in Regulation Best Interest adopted by the Securities and Exchange Commission. It is provided to you after you have received Form CRS, Regulation Best Interest disclosure and other materials.