



2024 Reflections

Dear Friends,

As the year draws to a close, I find great value in pausing to reflect on the past twelve months. Each year, I encourage my team to take a moment to do the same—reflecting on lessons learned, professional milestones, personal growth, sources of inspiration, or a mix of all these. These reflections not only allow us to appreciate our journeys but also serve as an opportunity to better understand one another.

A few years ago, we began sharing these reflections as a collective with you. While this practice may feel unconventional and even a bit vulnerable, we believe it is precisely this openness that fosters deeper connections and relationships. By offering a glimpse into our thoughts and experiences, we invite you to see the people behind the work—a team bound by a shared passion for growth, learning, and service.

Transparency is a cornerstone of both personal and professional growth. Sharing our reflections reinforces our commitment to an intentional culture of learning, empathy, and support, strengthening the relationships we hold dear.

Below, you'll find the personal reflections from my team. We share these with immense gratitude for the relationships we've built with you and a deep sense of humility for the opportunity to serve. Your trust and engagement mean the world to us, and we look forward to continuing this journey together.

Thank you for being part of our story. Wishing you a joyful holiday season and a remarkable 2025 ahead. Let's make it the best year of our lives.

Warmly,
Gibson





Investment Team

Eric Bernum

Portfolio Manager

Expect the Unexpected

“The market always moves the direction that hurts the most people, to the biggest extent” was a favorite saying of one of my early mentors. Intuitively, this makes sense. Market moves in contradiction to consensus, driving spikes in volatility as market participants scramble to reposition. While we didn’t have many episodes of extreme volatility during 2024, there are plenty of market outcomes that surprised versus consensus.

Starting with interest rates and the Fed—coming into 2024, Fed Funds futures were pricing in multiple interest rate cuts starting as early as February. Instead, the first cut didn’t occur until September. Unexpectedly, longer-term interest rates moved counter to consensus as well. Expectations were that the Fed cutting longer interest rates would move rates lower, however, 5 yr and longer U.S. Treasuries are currently 30-40 bps higher on a yield basis from the beginning of the year.

Meanwhile, stretched credit spreads and equity multiples were another frequent topic of conversation throughout the year. As fears around the health of the U.S. consumer and corporate outlooks improved throughout the year, risk asset performance surprised to the upside despite the large rally in risk assets in late 2023. Credit spreads, which were viewed as rich entering the year, saw substantial excess returns. Investment Grade credit spreads rallied 20 bps to levels not seen since 2005, and High Yield spreads rallied ~60 bps to tights not seen since 2007. The S&P 500 was also up 25% YTD with multiples expanded from 21.5x to almost 25x.

Finally, everyone’s favorite asset class, Cryptocurrency, surpassed all but the most bullish of expectations. The Bloomberg Galaxy Crypto Index, which tracks the 11 largest cryptocurrencies, was up 80% YTD.

We’ve frequently discussed increased market volatility and compressed investment cycles resulting from the glut of liquidity in the investment system following several rounds of Fed Quantitative Easing. Despite incremental reductions in the Fed’s balance sheet over the past year, this theme continues to be central to our internal discussions. We spend considerable time thinking about the impact of this liquidity and how it can

drive outcomes contrary to market consensus. While this may change directionally in 2025, we remain convinced that unexpected outcomes will continue to shape markets.

Jonathan Aal

Portfolio Manager, Co-Head of Credit Research

Unshackling

“How shall I rid myself of fear?’

‘How can you rid yourself of what you cling to?’

‘You mean I actually cling to my fears? I cannot agree with that.’

‘Consider what your fear protects you from and you will agree! And you will see your folly.’¹

We all have fears.

From time to time, when we stop long enough for our souls to catch up with our minds—cue a fear—we can almost all certainly raise our hands to feeling the attached chains and purview of these fears. The above quote unveiled—like a weather tattered mariner seeing land through a heavy fog—the perversity which is often the case: I am the one keeping the chains locked and the key stowed.

Now can we imagine a life and world with less fear.... or is that, a life and world filled with such, something to which we cling unwittingly?

1. Anthony De Mello, *One Minute Wisdom* (New York: Doubleday, 1988), 80.

Garrett Olson

Portfolio Manager and Co-Head of Credit Research

2024 Leveraged Finance Reflections

Looking at the trailing twelve-month chart of the Bloomberg US Corporate High Yield Bond Index (HY Index), it is evident that 2024 was a good year for leveraged finance markets. After ripping higher to end 2023, the HY Index made steady progress higher throughout 2024 (returning 7.90% as of the time of this writing), with small selloffs in January, April and December. That said, the year felt anything but tranquil, with elevated rate volatility impacting all fixed income markets and no shortage of geopolitical headlines and idiosyncratic outliers. Reflecting on the year-to-date period three key themes stand out for discussion- the sizeable outperformance of lower quality credit, the widening fundamental dispersion between High Yield and Leveraged Loan issuers, and spread valuations near all-time tights.

- **Lower quality outperforming.** The Bloomberg Caa US High Yield Index has returned 14.60% for the YTD period, outperforming the BB and B Indices by 853 bps and 753 bps, respectively. Distressed debt returns are even higher. We see a few factors as particularly relevant here. These structures are typically highly levered, with relatively low interest coverage, and limited access to new capital. Therefore, these issuers also have the highest beta to upside surprises in economic growth, easing financial conditions/ interest rate cuts (lower costs of debt), and wide open primary markets (the majority of near-term maturities are from lower-rated issuers). The benign conditions are evidenced by the HY bond default rate at 1.14% including distressed exchanges, well below the long-term average. Following lower quality outperformance, spread dispersion between ratings categories is low in a historical context, a dynamic we believe presents investors with a relatively cheap option to move up in quality.
- **Widening fundamental dispersion between HY and LL issuers.** While this dynamic has been a focal point for some time, the disparity only grew in 2024. The default rate for US high-yield bonds is at a 29-month low whereas the leverage loan default rate is at a 46-month high. The 290bps difference in par-weighted default rates (1.14% in HY vs 4.04% in LL) is at levels last seen in 2000. A look at credit ratings trends tells the same story. The High Yield bond market has seen an upgrade/downgrade ratio of 1.6 for the YTD period based on volume, with upgrades outpacing downgrades on an annual basis since 2020. Conversely, the Leveraged Loan market has seen 0.7 upgrades for each downgrade in 2024, with downgrades outpacing upgrades since 2021. We are generally bearish on the leveraged loan asset class given lower fundamental resiliency but we continue to believe opportunities for idiosyncratic security selection remain.
- **Spread valuations at or near the tights.** Despite HY option-adjusted spreads (OAS) seeing multiple gaps wider in 2024, current levels are near all-time tights having tightened 39bps YTD and 97bps off the highs seen in August. Historically tight spreads are likely due to a number of factors- higher quality index composition, favorable leverage and interest coverage metrics, economic resiliency, and a bullish consensus for corporates. While we generally agree with the why behind current spread valuations, we would argue that current spread valuations offer investors little compensation for potential downside risks or exogenous shocks.

Following two years of strong performance, tight spread valuations, and a generally bullish consensus, we believe the opportunity cost of playing defense within leveraged credit is relatively low. Regardless of whether this defensive call plays out, we believe that the themes of volatility and shortening of cycles will continue to be evident in 2025 and we will look to deploy our toolkit of active management, sector rotation, and security selection to seek favorable risk-adjusted returns for investors.

Zach Tucker

Head of Trading

Slow Is Smooth, Smooth Is Fast

At a recent meeting, I was asked to reflect on “the story of my year” in both a personal and professional narrative. The concept of slowing down, being more intentional...being present...consistently littered my notes across both components. Our industry is one of acute awareness and hustle, which can be antithetical in nature to all things slow. But the ending of the phrase “slow is smooth, smooth is fast” leads us to believe that there is value in slowing down, in being intentional, in avoiding quick or rash behavior and judgment. Said in a slightly different way by a wise philosopher, “Nature does not hurry, yet everything is accomplished.”

Within markets, if 2023 was the year of mini-cycles (the topic of my previous annual piece) then 2024 would look more like the year of patience rewarded. Whether you look at a 1-year chart of the SPX steadily climbing from the lower left to the upper right, or the spread on the Bloomberg US Aggregate Average OAS (LUACOAS) grinding from ~100 at the turn of the year to the 70s as of early December, it paid to stay invested and tune out the noise (well, let’s say the August spread tantrum and JPY blowout didn’t rattle the cage too much). To that last point, the IG credit index spent all of the first week of January and first two weeks of August above 100. That’s it.

On the personal front, with toddlers transitioning to pre-school and kindergartners, we found the increased demands on our time and constant distractions to be a wake-up call. Our environment is one that will invite more distraction, not less, in the coming years. It became clear that it was incumbent upon our family to pro-actively manage the volatility. It seemed in the past that the more planning, the more saying yes to more things, could lead to a greater command on our time and experiences. Upon reflection it did not. So this year I inhaled a phrase, likely from a podcast or parenting article, that “if you aren’t being intentional, you are playing catch up.” My interpretation was this: more Hot Wheels with my son, more sounding out words with my daughter...and less cell phone check-ins. My life had become a cage of mini-cycles and I realized I needed more “from the lower left to the upper right.”

Lindsay Bernum

Head of Macro & Rates | Philanthropy Chair

We Really Can Will Anything Into Existence

When I reflect on the journey from the beginning of SCI to where we are now, I am continually amazed by the power of vision, hard work, and the unwavering belief that

anything is possible if we are determined enough. From day one, we had a dream—an idea sketched on paper that, at the time, seemed like a big, audacious goal. Yet, there was never a moment of doubt that it would be successful. With relentless dedication, innovation, and an unshakable belief in our ability to achieve, we brought that vision to life. It wasn't always easy, but every challenge reminded us that success isn't just about luck; it's about effort, persistence, and the firm conviction that with enough hard work, anything can be achieved. Watching SCI grow from a mere concept into a thriving reality has only deepened my belief that we truly can will anything into existence.

This mindset isn't something I carry solely in my professional life—I watch in awe as it's reflected every day in my personal life. My greatest joy is watching my family set ambitious goals, pour their hearts into achieving them, and celebrate their victories. Whether it's a baby learning to roll over, the pursuit of acceptance into a specific college, overcoming adversity, or chasing a personal passion, the same truth holds: we are capable of turning any vision into reality. With fight, grit, and determination, all that's needed is the belief that we can make anything happen. It's a powerful reminder that success isn't defined by circumstances, but by our dedication and commitment. When you set your sights on a goal and put in the effort, you realize that you truly can will anything into existence.

Will McCurdy

Credit Analyst | Risk Analyst | Trader

Living in the Moment

As investors, each decision we make is a culmination of past experiences and present information. While these inputs into decision-making are not unique to investing, the pursuit of risk-adjusted returns requires an almost obsessive focus on the information available to us to properly assess the opportunities and risks associated with an investment. This pursuit also requires an obsession with the future. As an analyst, a large part of my responsibility is to determine whether today's valuations are appropriately pricing in tomorrow's potential outcomes; therefore, much of my reading (my set of inputs) is focused on what is to come. Focusing on the future is vital for investing, but this year I've realized that in my personal life, I may focus too much on what lies ahead and not enough on the present moment.

2024 was a year of great personal growth and milestones for me. I married my beautiful bride after spending five years together and nearly a year planning for our big day. Looking back, the best wedding day advice I received was: "Your wedding day will fly by faster than you can imagine. Don't forget to stop, breathe, look around, and take it all in." While simple, this advice proved to be powerful. The wedding day passed quickly, but the moments when I slowed down are the most vivid in my memory, and I will cherish them forever.

Nearly six months after the wedding, I often find myself looking forward to the future my wife and I will share together. We talk about our dreams for the future—a family, a home,

and making the right investments today that can grow as we grow. Those are the easy conversations. The future can be an immense source of joy, with endless moments to look forward to, full of adventures that we have not yet embarked on. In fact, it's so easy to focus on the future that we find ourselves living in it. What should we do this weekend? What neighborhood might we want to buy a house in? What will my next week at work look like? We often focus so much on the future that we neglect the importance of being present in our daily lives. How can we focus more on today when tomorrow is so exciting and full of promise?

In investing, balancing the present and the future is crucial. I am learning that a similar mindset holds true for life: cherishing today while building toward tomorrow ensures we don't lose sight of the joy and value in the here and now.

Bryan Owen

Credit Analyst | Trader

Climbing the Wall of Worry

2024 has been marked by a relentless appetite for risk. As of December 5th, the S&P 500 has reached 56 all-time highs, while credit spreads remain near historic lows – with both Investment Grade (IG) and High Yield (HY) spreads sitting in the 1st percentile of the past 30 years. Policy has been supportive, economic data remains robust, consumers continue to spend, and corporate earnings are still growing. All of this has occurred despite elevated geopolitical tensions, recession fears, the brief collapse of the yen carry trade, and the uncertainty of an election year.

Risk comes in many forms, and managing it effectively is central to what we do as investors. Markets are complex, and in today's environment, valuations alone are not enough to guide investment decisions. In credit markets, the balancing act has been between tight spreads and attractive yields. While a defensive stance may not generate the same returns as those aggressively chasing risk, maintaining defensiveness and optionality in these moments is ultimately what creates opportunity. It's easy to look back with hindsight and criticize missed opportunities, but hindsight carries no risk. Improvements are made by fine tuning and strengthening the existing process. As we navigate through uncertainty, the focus should be on enhancing the approach that enables outperformance over the entire cycle, rather than any single stretch in time.

Markus Manly

Credit Analyst

The Power of Story

Looking back on 2024, it is incredible to reflect on the swings in market sentiment that occurred despite underlying fundamentals that were fairly consistent. In a year that was

widely anticipated to experience the recession that never materialized in 2023, economic growth continued to surprise to the upside. Despite this consistently robust backdrop throughout the entire year, market sentiment was fickle and resulted in another challenging period of volatility. Logic would presume that hard data and a strict analytical process would be the primary drivers of consistent returns, but during the second year of my professional career, I learned of another key element to successful investing: the power of story. Markets told many tales over the course of 2024, ranging from fears of economic contraction to outsized growth leading to a resurgence in inflation. The reality, however, was bounded within the extremes: growth was healthy but slowing, inflation showed stickiness but softened, and the Fed began cutting rates but later than anticipated. With the results of a contentious election finally solidified, the market narrative has shifted once again, and the story of a US economy that will outperform its global peers, at the cost of greater pricing pressures and a more patient Fed, is taking shape. As we saw in 2024, markets can converge around a consensus only to rebase expectations rapidly on new information. The narrative for 2025 will be impossible to foretell, but one that I have a high degree of confidence will be characterized by continued volatility. Markets will continue to be capricious storytellers, but as active managers looking for opportunities to challenge market consensus, therein lie our greatest opportunities.

The power of story became a central theme in shaping my personal life this year. Having gone through the tribulations of losing close personal friends at a young age, I've begun to understand the true gift that life is, as well as how easily it's taken for granted. A simple question best encapsulates this idea: "Would you take \$10 million today if it meant you wouldn't wake up tomorrow?" The answer seems so simple, yet I find the underlying reasoning enlightening: If I wouldn't take the money today at the expense of tomorrow, why wouldn't I treat every single day I wake up as winning the lottery? Looking back on the lives of the individuals I have lost, I realized the memories that survive are those shaped by joy, laughter, and connection. Their lives played an influential role in positively developing the narratives of so many others, but most of the time we don't even recognize the stories we are actively writing. We all have the ability to (positively or negatively) impact our own lives and the lives of others in such a profound way; all it takes is the right personal storyteller. I share these experiences because they helped me to guide my internal narration in a way that motivates me to make the most out of life: work hard, spread kindness, and pursue meaningful experiences with the ones you care about. At the end of the day, we only get one shot at life and tomorrow is never guaranteed, so we might as well make the most of it and find enjoyment in every moment along the way.

Jake Jones

Credit Analyst

Work Isn't the Enemy to a Life of Balance

Growing up in a home of over achievers, surrounding myself by type A individuals in college, and living out my own ambitions professionally, I subconsciously deployed the “work-life balance” framework society tells us we need in order to live our best life, especially over the past year as I settled into the “real world”. Upon year end reflection, I concluded that this mindset only robs us of finding satisfaction, fulfillment, and joy on a day-to-day basis.

The use of the work- life balance framework assigns a negative connotation to the concept of work, and assumes it is the antagonist to us living out the full potential of our life. On the grueling days/weeks of 2024 I often found myself believing the underlying tone of this concept. Thinking that if only I could’ve had a three-day weekend to do (fill in the blank) I would be so much happier. In reality, for as long as humans have existed, work has been present and needed for the survival and wellbeing of people. Simply based on the number of hours and mental energy we spend at and on work, work is just as much, if not more so, a part of “life” as is family, friends, vacation, or various hobbies. Therefore, society does itself a disservice to compartmentalize work as separate than the aspects of life that bring about joy, comfort, connection, and satisfaction in a traditional sense.

Similar to travel, spending time with family, skiing, hiking, or whatever it may be, work is a part of life that can be life giving when approached with the right mindset. Although I realize how blessed I am to work at a firm that values human connection, culture, personal/professional growth, and family, I strongly believe true joy is found on a day to day basis by being present wherever you are and with those around you. Whether that be with coworkers in the office, at a dinner table with family, on a ski lift with friends, or alone in the car on a daily commute, being fully present with thoughts, emotions, and relationships can remove barriers that often lead to discontent. The enemy to a life of balance isn’t work, it’s the perception that work is a means to an end and the lack of intentionality around one’s circumstances. Accordingly, I encourage you to be present with your thoughts and relationships with the understanding you are there in that moment as a result of the decisions you have made up to that point. If you don’t like where you are, change it! By living out your own priorities. Every interaction or assignment in “work” or in “life” is an opportunity to live out your true character, and by doing so you live the life that is sought via balance.



Business Excellence Team

Roberta Tucker

Chief Compliance Officer

Adversity

The Merriam-Webster Dictionary defines adversity as a state or instance of serious or continued difficulty or misfortune. A little over twelve years ago, my husband was diagnosed with a rare and aggressive form of skin cancer called Acral Lentiginous Melanoma (ALM). Within a month of his diagnosis, he underwent his first surgery. His oncologist gave us the grim prognosis of two to five years of life expectancy. Since then, we've faced countless emergency room visits and several surgeries.

At the onset of COVID, I had to drop him off at the ER for the amputation of his right leg above the knee. I then returned 48 hours later to pick him up at the same entrance. That moment symbolized a new chapter in our lives, one marked by uncertainty, hardship, and a relentless commitment to each other. To many, our life since then may seem like one of continuous adversity, and, yes, it has been difficult at times.

But I share this with you not to elicit sympathy, but to ask you to reconsider how we view adversity. Before the ALM diagnosis, our lives were built on planning and looking ahead. We thought we had control over what the future held. But in the years since, we've learned to live more fully in the present and embrace gratitude in the face of uncertainty. We have been blessed to outlive the original prognosis and to experience many unexpected blessings along the way.

I've heard it said that God uses adversity to help us grow in holiness and become more like Him. It's an aspirational idea, but I truly believe it holds some truth. Through these challenges, we've found a deeper sense of meaning and a greater appreciation for the small moments. Our story isn't one of unbroken hardship—it is also one of resilience, love, and the profound beauty that can emerge from life's darkest moments.

Kevin Branan

Head of Business Operations

Optimizing for Efficiency

In the past, I have emphasized focusing on health and its impact on efficiency. Over the

last year, I concentrated on process improvement to enhance operational efficiency. Changing processes that you've developed and refined over several years can be challenging and uncomfortable, especially given the significant time and investment involved. However, process improvement should be an ongoing commitment, with each member of an organization regularly refining their processes to boost efficiency. Over the past year, I reviewed the legacy framework of my processes, which provided data, reporting, and awareness of our business operations. I realized that the time these processes took to deliver results needed improvement. This led to identifying areas for streamlining tasks, finding better data sources for automation, and eliminating repetitive tasks across various processes. After multiple iterations, the refined workflows are now faster, more responsive, and have fewer errors, ultimately driving better results and preparing us for future changes.

Wade Clouse

Head of Investment Operations

Wrapping Up 2024: Relief, Challenges and Embracing Bright Futures

This year has been one of resolution, bringing a collective sigh of relief as the election season comes to an end. Regardless of whether your candidates won or lost, we can all appreciate the reprieve from the constant barrage of campaign ads. Meanwhile, global challenges persist, with heightened geopolitical tensions and ongoing conflicts in the Middle East adding to a sense of uncertainty. Yet, as the year winds down, it also ushers in a season of hope and optimism for the future as the stock market races into record territory and the economy is booming. And perhaps most importantly I remain hopeful about what lies ahead, especially when it comes to the Colorado Buffaloes and the Denver Broncos!

The Buffs have an exciting path forward, building on their magical 2024 season under Coach Prime. With Deion Sanders staying in Boulder and the much-anticipated arrival of star quarterback Julian “JuJu” Lewis—whose name seems tailor-made for greatness—the Buffs have the potential to sustain their momentum. The national narrative about Coach Prime has shifted from skepticism to recognition, with many now speculating he could even save struggling NFL franchises like the Cowboys or Raiders. As for the Broncos, the future also looks brighter. With rookie quarterback Bo Nix stepping in, there’s hope for newfound stability and success. As a passionate sports enthusiast, I can’t help but sprinkle in a few metaphors—half joking, of course—especially with the excitement surrounding my local teams. Looking ahead, I’m thrilled about closing out 2024 on a high note and embracing the opportunities 2025 holds. This excitement extends not only to my family and friends but also to Smith Capital Investors and our incredible clients and partners!

Drew Casner

Lead Software Engineer | Portfolio Analytics

Crafting the Future, One Moment at a Time

In the past, I have highlighted technological advances and the incredible growth we've witnessed in innovation and progress. This year, however, I want to focus on personal growth—a journey that has been as transformative as any breakthrough. Among the many milestones of 2024, one stands out above all others: I got engaged. This joyous moment brought immense happiness and a renewed perspective on what it means to build a future with purpose and intention.

Planning a wedding, and more importantly, a life together, has been a deeply enriching experience. It's not just about the celebration but about laying the foundation for a future that reflects our shared values and aspirations. There is joy in envisioning this future—a chance to dream, to build, and to create something lasting and meaningful. Yet, alongside the joy comes the natural fear of responsibility: the desire to honor the significance of what we are building while navigating the countless decisions and emotions that come with it. This balance has been a humbling reminder of the care and respect required to create something truly worthwhile.

At the same time, I've learned the importance of stepping back and appreciating the moment for what it is. It's easy to get caught up in the minor details—color schemes, guest lists, and timelines—but the real beauty lies in the shared commitment to this journey. Being engaged is more than a step toward a future milestone; it's a season of celebration, growth, and connection. This moment, this season, is a gift—a reminder that growth, whether personal or professional, is most meaningful when shared with those we cherish.

Nate Palmer

Software Engineer | Portfolio Analytics

A New Chapter

Over the past year, transitioning from the fast-paced world of big tech to finance has been both challenging and rewarding. In big tech, I was used to an environment where innovation and rapid iteration were at the forefront, and product development was often driven by user needs and scalability. The shift to finance meant adapting to a more structured, regulated environment, where compliance and risk management are crucial. I had to quickly learn how financial institutions prioritize security, reliability, and the careful handling of sensitive data. The pace was different too, with longer development cycles and a greater focus on building robust, mission-critical systems. It's been a learning curve to understand the intricacies of financial products, regulations, and the impact of technology on the broader financial ecosystem.

However, this transition has opened up exciting opportunities to apply my technical skills in new ways. The financial sector is increasingly embracing advanced technologies like AI, machine learning, and big data analytics, and being able to learn about the nuances and different applications has been a challenging and fun journey. Embracing the challenges of understanding financial concepts and adapting to industry's unique needs has been incredibly rewarding. Looking back, this transition has deepened my technical expertise and broadened my perspective, offering a dynamic journey path that combines technology with impactful, real-world applications.

Carys Murphy

Head of Strategic Initiatives

"Gotta keep your hair, heels, and standards high" -Dolly Parton

As we approach the end of the year, my reflection focuses on the biggest change in my life - joining Smith Capital Investors. My search to find a new role started over two years ago. I was content with my previous firm, but it wasn't my forever home from a professional and personal standpoint. I knew I wanted to be intentional about what I wanted so as any strategist would do, I created a framework identifying the criteria that the role, the firm, and the people had to meet in order for me to change jobs. This approach and criteria set the standards almost impossibly high.

My criteria included table stakes for anyone to be engaged at work along with, what I called, aspirational "nice-to-haves". These were characteristics that would be hard to find and yet would make this next role one that would significantly improve my life. A summary of my list looked something like: a small firm, located in Denver (for a short commute), with smart, kind, fun, and high performing individuals, that allows me to do the type of work that I am passionate about – strategic and tactical work growing and running a business... in other terms the standards were high, almost a pie in the sky.

As I interviewed and vetted opportunities, few met all these criteria or excited me as much as the opportunity to join Smith Capital Investors. The firm's ethos, focus, and drive are unlike any I have come across. On reflection, I am glad I stuck to my criteria, took Dolly's advice and kept my standards high, accepted nothing less than the "nice-to-haves".

Charlie Smith

Operations Associate

Embracing Change

The only thing consistent in my 2024 was the constant change. I graduated from the University of Colorado in June, moved into an apartment with my girlfriend in July, and then started working for Smith Capital Investors in August. Navigating this change was

stressful, difficult, but more than anything, rewarding.

I found the most valuable part of this process was establishing a routine and, more importantly, sticking with it. I got back into playing tennis at least once a week, cooking more, and getting to bed earlier. I've found the consistency in doing these things helped alleviate the chaos in my life.

Entering the New Year, I'm hoping to maintain these routines and establish some more healthy habits. I'm incredibly grateful for 2024 and all the change that came with it. I'm especially grateful to have joined such a great team at SCI, and all the new connections I've built.



Business Development Team

Mike Scherer

Co-Head of Business Development

Return to Gratitude

2024 was an interesting year for me personally. I have shared a number of personal life situations over past reflections involving kids, divorce and abstinence from alcohol. Like any other year, this was one that consisted of ups and downs. But... I found myself mid-year searching and yearning for a renewed sense of self and purpose.

I am not a believer in New Years Resolutions. Anything worth doing, in my humble opinion, should commence immediately. As I sit here writing today, I want to share two basic concepts I am committed to. The first is "do the next right thing". The second is get "out of self and help someone else". When I find myself stuck in self, I am generally not of great use to my children, loves ones or friends. When I effectively shift my focus away from myself, I find I am a much more fulfilled person. Very easy to say, very difficult to consistently put into practice. However, when I do these basic things, I find I am filled with gratitude, am far more present, and live a more fulfilling life.

Let's have a great 2025, all!

Ryan Duffy

Co-Head of Business Development

Opportunity

As I step into my 5th year with Smith Capital Investors, I find myself reflecting on the profound sense of pride I feel in being part of this team and on the incredible journey we've shared. What stands out most to me is our unwavering commitment to service and connection. I feel very fortunate to be part of a culture that values the power of relationships which allows us all to thrive together with shared purpose and vigor. As we look forward, I'm filled with excitement and optimism, knowing that the relationships we nurture today will continue to fuel our growth and resolve for years to come. Thank you to all our wonderful clients for being an essential part of this journey!

Cassie Kneen

Client Experience | Business Development

Intentionality

"The solution to a busy life isn't more time. It's about slowing down and simplifying our lives to focus on what truly matters."

– The Ruthless Elimination of Hurry, John Mark Comer.

This year has been full of positive changes. I joined Smith Capital in January 2024, shortly after moving back to Colorado. Although exploring the complexities of the fixed income industry has been a significant part of my year, our team has also prioritized personal development. Through team dinners and early morning teach-ins, we engaged in meaningful discussions about purpose, the superego, enneagrams, and so much more. Life is often consumed by hurry. We frequently need to set aside time to be more intentional and rooted in our purpose. I'm grateful for the chance to practice this with my team at work and to strengthen the foundation for reflection and intentionality in my personal life.

In closing, I would simply like to thank our clients. Working at a company that brings so much fulfillment and joy is truly rewarding. Thank you.

Dan Reams

Business Development

Gratitude, Growth, and Connection

As I reflect on 2024, I am filled with gratitude for the opportunities this year has brought. Being unconstrained by sales territory and channel has allowed me to leverage past relationships and friendships, turning them into even deeper, more meaningful connections. These relationships have not only enriched my professional life but have also become true friendships, reminding me of the joy in building a career around my life rather than the other way around. Representing Smith Capital Investors continues to be a source of energy and fulfillment, as I work alongside a team that inspires me daily.

This year, I've also deepened my relationships with my colleagues at Smith Capital. The collaborative culture has evolved into something that feels like family—a unique blend of professional excellence and genuine camaraderie. It's an environment where I feel supported, challenged, and connected, making the work we do together even more meaningful. As I look ahead, I'm excited to continue growing personally and professionally, building on the strong foundation we've created as a team and as partners to our clients.

Chris Butts

Business Development

Storms

Just as market volatility is a constant, so too are the storms of life that we all face. An old Spanish proverb states, "there has never been a home without its hush." Each of us has shed tears over various challenges at some point. Personally, my thoughts often turn to my sister, who has been grappling with health issues for over a year. As we navigate life's storms, I find solace in my faith, which provides comfort and peace during these difficult times. Wishing everyone a joyful Holiday Season and a thriving New Year in 2025

Danny Schwab

Business Development

Overcoming Uncertainty

It seemed that headline risk and uncertainty were the key themes of 2024. So many variables were inserted into the markets. When I look back and think about all of the issues on the minds of investors from the war in Ukraine, Israel and Palestine, the Fed, etc. all topped off with an election that was at the very least divisive, it is easy to see how there was a need for the flow of information and communication to be at an all time high. This is something that we, as a firm, put a substantial amount of time and energy in to. From my standpoint a large focus of mine was to be in constant communication and always at the ready to answer questions and provide insight for our clients.

Relationships are so important in any aspect of life and especially during times of unrest. 2024 was a great base case for this theory and as we move into 2025 and the dust begins to settle from the election, we will continue to face these same issues. I am so proud to be a part of a firm like Smith Capital that focuses on building and maintaining these relationships and truly caring for our clients and their businesses. I'm thankful and reflective for all the work it has taken to get us to this point through years of volatile markets and uneasiness. It's truly a testament to our team our philosophy and our relentless effort to be great!



Closing Remarks

Gibson Smith

Founder | Chief Executive Officer | Chief Investment Officer | Portfolio Manager

Year-End Reflections: Building on 2024 and Looking Ahead to 2025

I find myself reflecting on the moments that defined 2024 and the lessons they brought. At the heart of my reflections are the core values that I want to guide me daily—discipline, integrity, character, empathy, and service. These principles are the foundation of my work, my relationships, and my purpose and match up intentionally with the core values of the firm. They challenge me to be better, hold myself accountable, and embrace opportunities to lead with intention.

One of my major takeaways from this year has been the importance of my personal development and the personal development of the team. Growth begins with an honest evaluation of where we stand, and I've learned how vital it is to lead by example. Feedback from my team during our 'Feedback Sessions' reminded me of areas where I could improve—providing clearer guidance and direction, following through consistently, and saying 'no' more often to prioritize what truly matters to me. They kindly reminded me that to build on the strength and the vision for the firm that I need to take these to heart. I couldn't agree more! Personally, I committed to being more present and engaged in each moment, prioritizing health, and finding a better path to sleep and recovery. I am still struggling with my 2 am work sessions. These goals are a continuous journey, but they've already had a meaningful impact on how I engage with my work and those around me. Leadership requires the humility to recognize our own areas for growth and the courage to address them.

Reflecting on the markets, 2024 was a year of normalization. It was another interesting year. Post-pandemic volatility began to settle, and we saw significant milestones across the economy. Interest rates remained dynamic and the obsession with Fed policy was a key theme. The fits and starts around how many times the Fed was going to ease led to 3 sizeable moves in rates throughout the year. Thankfully inflation showed signs of stabilizing but remains a concern. Equities achieved new highs, credit spreads tightened to levels not seen in decades, and Bitcoin soared past \$100,000, becoming a true challenger to the 'Magnificent Seven' (thank you Jamie for the enthusiasm). Remarkably, it is looking more and more like the economy delivered a soft landing, defying many predictions of turbulence after years of aggressive fiscal and monetary policy. These trends underscored the resilience of markets and the power of adaptability in the face of uncertainty. I pause in saying 'it is different this time' but

maybe the unconventional monetary policy and the lack of fiscal discipline of the past have us entering a new frontier. I am very confident that the new administration is going result in some very exciting change, creating volatility in markets.

Looking ahead to 2025, I am filled with optimism and excitement. The challenges and successes of this year have set the stage for continued growth, both personally and professionally. I'm excited to see how my team can build on the foundations and momentum we've created, navigating markets with discipline and serving with passion and integrity. Together, we'll embrace opportunities to grow, lead, and contribute meaningfully to the lives of those we serve. While I philosophically believe that we cannot be everything to everyone, we can be very significant to our partners and clients.

Thank you for being part of this journey. Here's to a fulfilling, prosperous, and impactful year ahead. Let's make it the best year of our lives.

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