Stay rational.™

Beese Fulmer Private Wealth Management has a better way to invest that earns wealth in a deliberate, purposeful manner over the long term.

A Better Way

Simple common-sense axioms too often ignored.

Pages 4-5

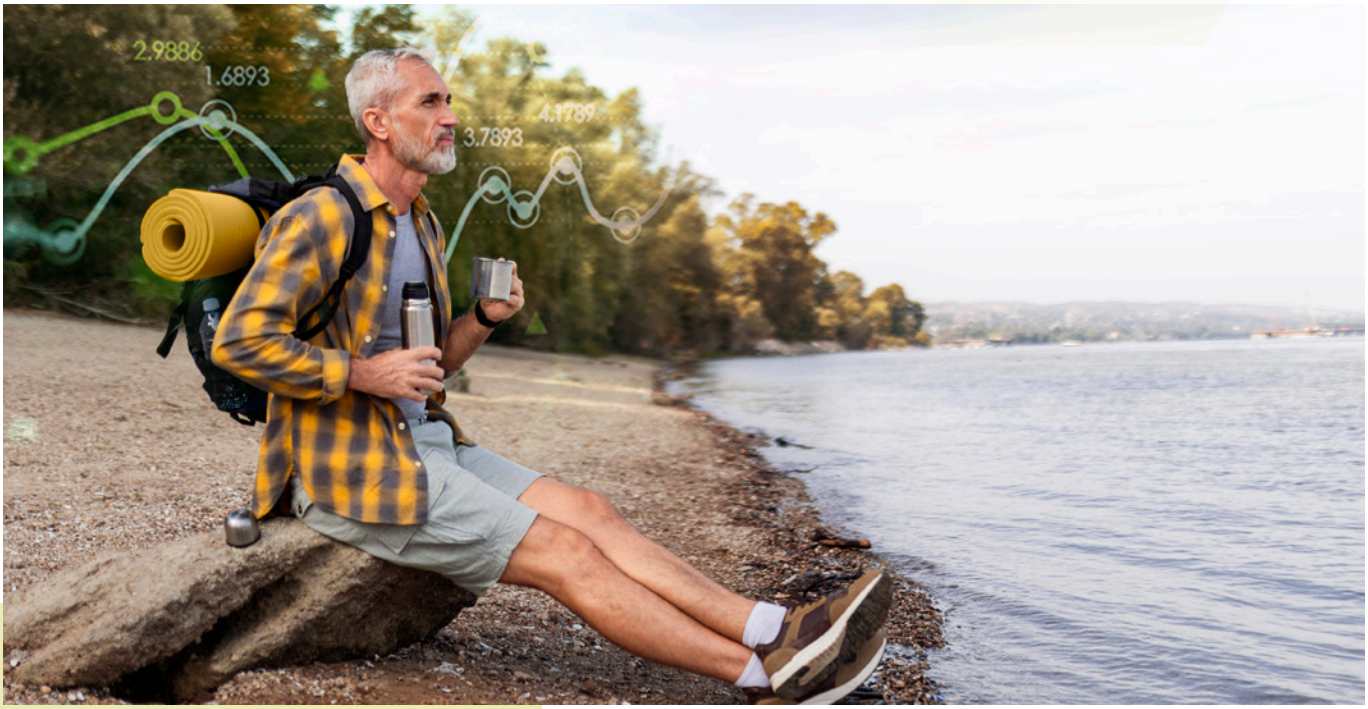
Insights

These articles unravel mysteries and expertly guide investors with information and counsel honed over decades of experience. Pages 6-7

Beese • Fulmer
Private Wealth Management

Investment Outlook

2ND QUARTER EDITION / 2025



Perspective

Ryan Fulmer / President
P 330.454.6555

What the Market Gets Wrong About Booz Allen

The market has re-rated Booz Allen Hamilton as if its business has stalled. It has not. The company remains a deeply embedded partner to the U.S. government, operating at the center of defense, intelligence, and civil technology modernization. Its recent stock price decline reflects impatience, not deterioration.

Booz Allen is not a typical consulting firm. It works inside the mission, not beside it. More than 97% of its revenue comes from the federal government. Its people often hold top-level security clearances and deliver on programs too complex and sensitive to outsource broadly. From battlefield AI to cybersecurity operations to cloud modernization, Booz Allen is one of the few firms trusted to implement critical systems at scale.

Yet the market has responded to a few soft quarters as if something fundamental has changed. After peaking above 180 dollars in late

CONTINUED ON PAGE 5 >>

Investment Outlook

2ND QUARTER EDITION / 2025

OUR RATIONAL INVESTORS

DENNIS FULMER, CFA
Chairman and Co-Founder

RYAN FULMER
President

NICHOLAS PERINI, CFA
Vice President

PATRICK WILLOUGHBY
Chief Operating Officer

ROBERT SZELES, CFA
Portfolio Manager

SCOTT CAMP
Portfolio Manager

JOSEPH STRANCAR
Portfolio Manager

BRAD FERGASON
Wealth Advisor

KELSEY FRIEDT
Investment Operations Analyst

JENNIFER ART
Accounting and Benefits Specialist

DIANA HETRICK
Client Service Administrator

KELLIE HILL
Client Service Administrator

STACIE RAY
Client Service Administrator

MARIA JARVIS
Client Service Administrator

THE RULES OF THE RATIONAL™

1 Emotions and short-term thinking are the enemy of the successful investor.

2 There is NO alternative to buying high-quality stocks and bonds at the right price.

3 Eliminate the middle man and trust the expert, your investment manager.

4 Maximize wealth building and minimize taxes, expenses, and fees.

5 Viewing all assets on one statement is an asset.

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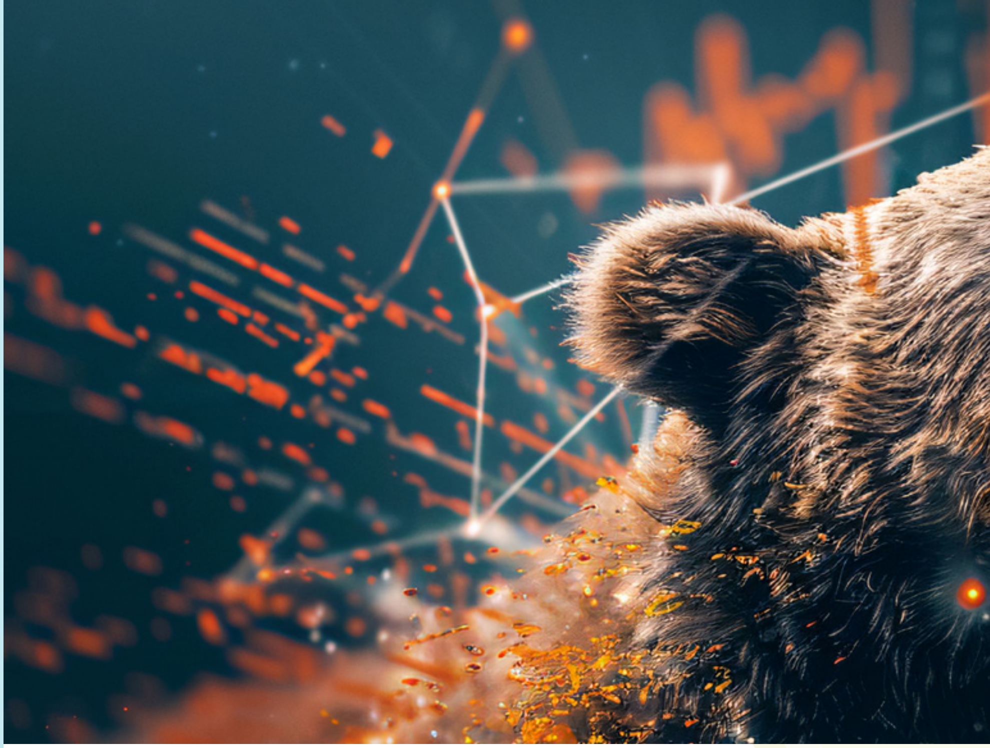
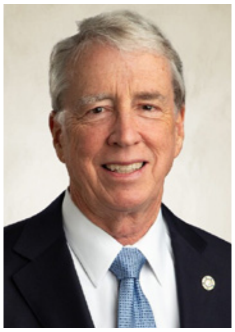


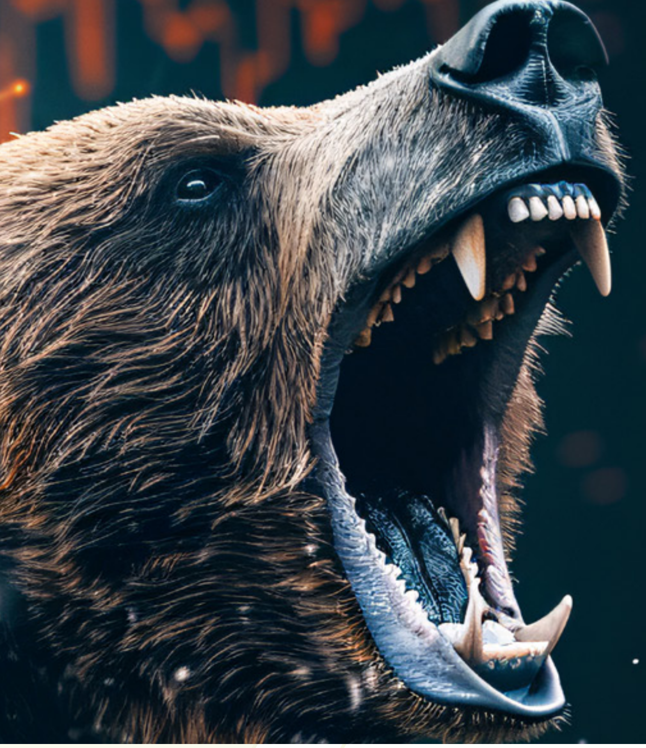
Dennis Fulmer, CFA / Chairman and Co-Founder



As I reached my 50 years as a professional researching stocks and 45 years since founding Beese Fulmer, I have had my fair share of bear markets. Stock market declines can be sorted into three categories based upon what events caused the decline. The more protracted bear markets occurred when the Federal Reserve had to keep raising interest rates to cool off the economy and stop inflation. We'll call this category *"Fighting Inflation."* The next category is a *"Panic"* caused by something that we've never seen before that scares investors into selling. The third category covers periods where asset prices lost touch with reality followed by sharp declines as these bubbles burst which we'll call a *"Mania Ending Badly."*

The worst *"Fighting Inflation"* episode was a series of ups and downs that became a sixteen-year period from 1966 to 1982 where stocks essentially went sideways while inflation and interest rates were moving higher. The inflation problems were caused by excessive government spending and easy Federal Reserve policies. This forced our country to abandon the gold standard in 1971 which unleased a decade of accelerating inflation. 1974 saw a 48% decline in stocks as interest rates climbed to 8%. Paul Volcker became the Fed Chairman in 1979. He took interest rates up to 15% and stocks down by 24%. After inflation was tamed in 1982, we then began a lengthy bull market.

The first of several *"Panics"* was the October 1987 one day crash of 22% caused by a new programmed trading strategy that didn't work so well. The next panic resulted from the 9/11/2001 attack which closed the stock market for four days. When it opened, it went down 11% but



Bear Markets

During My 50 Years of Investing

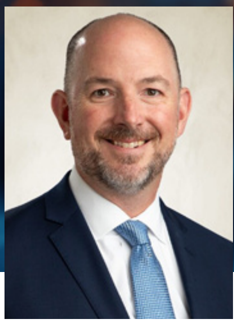
recovered quickly as the economic impact was minimal. The COVID panic in 2020 caused a 34% decline, and this past April, we had the "Liberation Day" 13% sell-off. Panics have been relatively short-term events versus the other categories.

The *"Mania Ending Badly"* category is associated with more severe bear markets. The most famous example is the Crash of 1929. It followed a very long bull market in the roaring 1920s. Stocks reached a *"Mania"* stage as many investors were buying more and more stocks using borrowed money. Collapsing stock prices led to bank failures and a downward spiral until 1932. The Federal Reserve was created in 1913 to be the "lender of last resort" to address banking panics, but the organization was missing in action in the early 1930s. President Roosevelt made dramatic changes in 1932 to increase the money supply which included buying mortgages from banks. The action led many banks to re-open, which began turning things around.

The 2008 Great Financial Crisis has similarities in terms of using a lot of borrowed money. However, this time, the mania was surrounding housing prices. Economist Robert Schiller called it *"Irrational Exuberance"* and a world-wide real estate bubble. This was further fueled by government policies that mandated the banks to make loans to people with weak credit histories. The investor class finally figured out how bad the mortgages were, and the panic began. Unlike the 1930s however, the Fed quickly took dramatic steps to provide liquidity and kept the banking system from collapsing. Stocks dropped 54% in this crisis but recovered those losses over the next three years.

Other *"Manias Ending Badly"* include the tech bubble of 1999-2000, with the Nasdaq technology sector down 80% where other sectors saw minimal declines. Back in 1974, we saw a similar mania where investors crowded into the "Nifty-Fifty" stocks like Xerox, Polaroid and IBM, which were hit hard in that bear market.

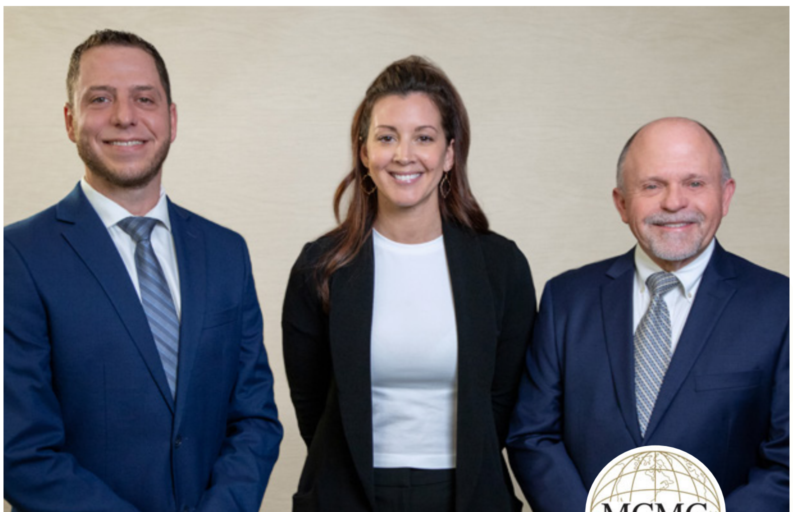
Every bear market feels different in the moment, but the patterns are familiar to those who study history. Whether driven by inflation, panic, or mania, each decline eventually gives way to recovery. Understanding the underlying cause can help investors avoid panic and stay focused on long-term objectives. As history has shown time and again, discipline and perspective are the investor's greatest assets.



Welcome Meridian Clients to the Beese Fulmer Family

Patrick Willoughby / Chief Operating Officer

We're excited to share some meaningful news about the continued growth of our firm — and the opportunity to welcome new relationships rooted in shared values and personal service.



Welcome Brad, Maria, and Joe!

As of July 1st, Meridian Capital Management Group, Inc. has officially joined Beese Fulmer Private Wealth Management. Meridian Founder Joseph Strancar and his team — Brad and Maria —have served their clients with care, discipline, and integrity. When it came time for Joe to consider the future of his firm, he chose to partner with Beese Fulmer. We're honored by his trust and thrilled to bring Meridian clients into our Beese Fulmer community.

This combination is a natural fit. Both firms are independent, locally owned, and grounded in long-term thinking. Most importantly, we share a belief that wealth management is more than managing assets — it's about relationships, trust, and doing what's right for each client.

WHAT THIS MEANS FOR CLIENTS

For our existing clients, this is another step in Beese Fulmer's careful, thoughtful growth — bringing in experienced professionals who share our commitment to serving clients with integrity and clarity.

For our new clients from Meridian, here's what you can expect:

- Same advisors, same accounts. You'll continue working with Joe, Brad, and Maria. Your accounts remain with Fidelity, and your investment strategy stays intact.
- More resources, broader support. You'll gain access to our full advisory and planning team, along with enhanced services like tax coordination, family office support, and detailed financial planning.
- Personal connection. Relationships are the heart of what we do. Whether you've been with Beese Fulmer for decades or are just getting to know us, you'll experience the same level of personalized attention and care.

Joe will remain involved in the coming years to ensure a smooth and personal transition for each of his clients. We're grateful for his partnership and confident this next chapter will be a positive one for everyone.

As always, we remain focused on helping clients navigate the complexities of wealth with confidence and clarity. We appreciate the trust you place in us — and we're proud to continue earning it every day.

If you'd like to learn more about this transition or say hello to our new team members, we invite you to visit **www.beesefulmer.com,** or reach out to your contact on the team.

CONTINUED FROM PAGE 1 >>

Perspective

What the Market Gets Wrong About Booz Allen

2024, the stock now trades near $100. That decline of more than 40% has not been driven by business failure but by short-term softness in margins, revenue, and contract awards.

The company missed earnings expectations in recent quarters. Its most recent quarterly book-to-bill ratio fell to 0.71, the lowest in several years. Margins came under modest pressure. Analysts lowered forward estimates. One major bank downgraded stock, citing slower procurement and flat near-term growth. The reaction was swift. But the full-year picture remains sound. Booz Allen ended its fiscal year with a book-to-bill ratio of 1.39 and a record 37 billion-dollar backlog, providing nearly three years of forward revenue visibility.

That disconnect between quarterly performance and annual fundamentals reflects a broader issue. Booz Allen has become a case study in what happens when markets focus more on the rhythm of headlines than the durability of the enterprise. At approximately 15 times forward earnings, the stock now trades well below both the S&P 500 and its own five-year average. For a business with recurring revenue, strong free cash flow, and a growing strategic footprint, that is a valuation that prices in more fear than fact.

Importantly, the firm is aligned where federal investment is increasing. Booz Allen supports over 300 active cybersecurity missions within the government. It is helping agencies deploy zero trust security architectures, respond to threats in real time, and build cyber-resilient systems across defense and civilian agencies. Revenue from cybersecurity is expected to exceed $2.5 billion this year.

In artificial intelligence, the company is not on the sidelines. It is building and delivering. Through its partnership with Palantir Technologies, Booz Allen is implementing field-tested platforms inside defense programs. It is also investing in early-stage dual-use technologies, including autonomy and edge AI applications through its venture arm. These are not speculative efforts. They are funded, integrated, and in use.

What distinguishes Booz Allen is not just what it does, but how it does it. This is a company with real institutional access. Its people are embedded inside agencies. It competes not on price but on trust, track record, and clearance. That makes it difficult to replace. While others are trying to enter the federal services space, Booz Allen has already been there for decades. Its advantage is not about sales growth. It is about relationship depth, domain knowledge, and execution history.

Of course, the risks are real. Budget politics remain uncertain. Contract timing can be lumpy. Civilian procurement has been slower this year. But the structure of the business is built to navigate those cycles. The U.S. government's fiscal year ends September 30. Historically, awards accelerate in the second half as agencies use available funding. Booz Allen is well positioned for that cadence. It has also demonstrated discipline across cycles, returning capital while maintaining capacity for growth.

This is not a speculative turnaround. It is a fundamentally strong business that is temporarily out of favor. The market is reacting to quarterly volatility, while the underlying engine continues to perform. The company has scale, backlog, and embedded positioning in the two areas where federal spending is rising fastest. It has relationships that take decades to build and capabilities that cannot be commoditized.

The stock is down. Sentiment has cooled. But the mission is unchanged. The client remains the most durable in the world. And the moat around this business has only grown deeper.

For investors willing to take a measured view, Booz Allen represents exactly what the market often misjudges.

Sources: Company Reports

War and the Markets: Lessons from a Century of Conflict

Nick Perini, CFA / Vice President

War is terrible for humanity. But for the stock market, it's usually just a stumble, not a fall. Looking back over the past century, regional and global conflicts have certainly shaken investor confidence, but rarely have they derailed the long-term upward trajectory of equity markets. While headlines can trigger sharp declines, history shows that rebounds often come faster than expected.

Shock First, Recovery Later

The playbook is familiar: conflict erupts, markets drop, panic builds, and then markets climb back.

Take the Korean War. When North Korea crossed the 38th parallel in June 1950, U.S. markets fell hard. The S&P 500 lost over 5% in just a few days. But within three months, as the conflict stabilized and defense spending kicked in, the market had regained its footing.Fast forward to 1990. Iraq invades Kuwait, oil prices spike, and the S&P 500 tumbles 17% in the following months. But once Operation Desert Storm launched in early 1991, markets bounced back swiftly. Worst-case scenarios were priced in and then never happened.

Not Every War Moves the Needle

Some conflicts barely register with investors. The 1982 Falklands War? A blip. Russia's annexation of Crimea in 2014? A short-lived dip. In both cases, the regional nature and lack of broader economic impact kept markets calm.

That wasn't the case in 1973. The Yom Kippur War and subsequent oil embargo created a perfect storm: soaring energy prices, rampant inflation, and a shaky economy. The market fell more than 15%, and it took over a year and a half to claw back those losses.

Surprise Matters

Markets hate surprises, and history proves it. After 9/11, U.S. markets were closed for four trading days. When they reopened, the S&P 500 dropped nearly 12% in a week. But again, by late October, just six weeks later, those losses had been erased. Confidence returned quickly as the U.S. responded militarily and financial systems proved stable.

The same held true in early 2022. Leading up to Russia's invasion of Ukraine, markets fell sharply. But on the actual day of the invasion, markets bounced. While 2022 ended down, that had more to do with inflation and rate hikes than the war itself.

Some Sectors Shine in Conflict

Military conflicts don't hit all stocks equally. Defense companies and energy producers often outperform during wartime. That's exactly what we saw during both Gulf Wars and again in 2022. Supply fears boost oil prices. Government spending bolsters defense contractors. Even when the broader market struggles, these pockets can offer shelter.

Volatility Isn't Risk

If there's one lesson investors should take from a century of conflict, it's this: don't confuse volatility with long-term risk. Markets recover. They always have. Selling in a panic, especially during geopolitical events, has historically been the wrong move.

Markets despise uncertainty. But once the situation becomes more predictable, even if the news is bad, stocks tend to stabilize and rally. History rewards the patient investor.

In times of crisis, staying invested often feels counterintuitive. But time and again, that's been the right call. As war rages in headlines, the market—quietly and steadily — remembers what it's always known: the path forward is up.

Empowering Financial Clarity Through Modern Planning Tools

Robert Szeles, CFA / Portfolio Manager

At Beese Fulmer, our mission has always been to deliver high-touch, customized financial guidance with an unwavering commitment to client success. As part of that commitment, we've integrated a modern, intuitive financial planning platform into our advisory process — designed to help clients better visualize their financial lives, plan more strategically, and make informed decisions backed by real-time data and professional guidance.

A Modern Approach to Financial Planning

The planning software we provide consolidates complex financial data into easy-to-understand visuals and interactive tools that support retirement planning, tax strategy, insurance analysis, education funding, and estate planning. Clients can view everything from their current net worth to projected retirement income — all in one secure, centralized portal.

Importantly, this planning experience is fully integrated into each client's Black Diamond online portal — making it accessible anytime, anywhere. Our chosen planning solution connects seamlessly with Black Diamond, allowing clients to not only track investments but also actively engage with their financial plans within a single login. This integration was a key reason we selected this product, as it reinforces our goal of delivering a unified, user-friendly client experience.

Unlike traditional financial plans that may feel static or outdated shortly after creation, this platform is dynamic and continually updates based on evolving inputs such as spending, investment performance, and shifting life goals. Its cloud-based interface fosters real-time collaboration between clients and advisors, making financial planning an ongoing, adaptive process.

Key Benefits of Beese Fulmer's Planning Tool

1. Real-Time Visualization and Scenario Planning

Clients can model *"what-if"* situations like retiring early, downsizing a home, increasing charitable giving, or selling a business. These dynamic simulations help bring clarity to the impact of major decisions, empowering clients to plan with greater confidence and intention.

2. Tax-Efficient Strategy Development

The integrated tax module is especially valuable for clients with complex financial profiles. It enables detailed forecasting of tax liabilities under different strategies, such as capital gains harvesting or tax-efficient withdrawal sequencing — an approach that aligns with Beese Fulmer's broader philosophy of after-tax wealth preservation.

3. Unified View of Financial Life

Many clients juggle multiple accounts — brokerage, retirement, education savings, and outside investments. Our platform pulls these together into one cohesive dashboard, improving visibility and enabling smarter, more coordinated decision making.

4. Goal-Oriented Planning

Whether planning for a child's education, preparing for retirement, or designing a legacy, clients can set goals, track progress, and visualize how their decisions today influence outcomes tomorrow. Adjustments can be made in real time, ensuring the plan remains aligned with evolving priorities.

5. Enhanced Communication and Transparency

By presenting financial data in a clear, interactive format, this tool strengthens collaboration between clients and their portfolio managers. It provides a shared language for decision making and makes even complex topics more accessible for families at every stage of life.

Why Beese Fulmer Offers This Planning Experience

At Beese Fulmer, we believe that effective planning should be customized, transparent, actionable, and forward looking. Our planning platform allows us to deliver on all those fronts. It complements our investment philosophy — one that emphasizes tax awareness, risk management, and personalized strategy.

By integrating directly into Black Diamond, we've made the planning experience more convenient, more connected, and more valuable. It gives clients another compelling reason to log in regularly, review their financial progress, and interact with their advisors in a meaningful way.

For our clients, this modern planning experience means more clarity, deeper engagement, and greater confidence in their financial journeys. In a world of constant change, having a dynamic planning tool — backed by thoughtful advice — is more essential than ever.

GET STARTED TODAY

To explore how this planning experience can support your goals, please reach out to your Beese Fulmer portfolio manager to set up a time to walk through the platform and its benefits.

SCAN ME

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Investment Outlook

Great Place To Work. Certified NOV 2024-NOV 2025 USA

About Us

- FOUNDED IN 1980
- EMPLOYEE-OWNED
- SERVING CLIENTS IN 33 STATES
- AUM $1.85 BILLION*

* as of 7/1/2025

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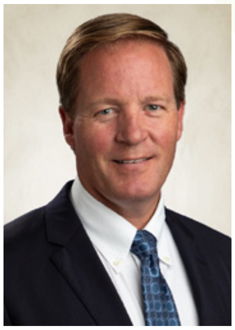
Second Quarter 2025 Market Recap

Scott Camp / Portfolio Manager



The second quarter of 2025 saw a strong and more widespread market rally, expanding beyond just big tech. Despite periods of volatility, equities recovered quickly, especially by historical standards, as trade tensions eased. Both the S&P 500 and the Nasdaq Composite reached new record highs in June. Meanwhile, the 10-year U.S. Treasury yield ended the quarter near the low end of its recent range, just below 4.25%.

Inflation, as measured by the Consumer Price Index (CPI), remained between 2.4 and 2.8 percent, with tariffs contributing to some upward pressure. The national unemployment rate held steady at 4.2%. First-quarter corporate earnings were strong, with S&P 500 earnings per share increasing by 13% However, many companies highlighted tariff-related concerns during earnings calls, signaling a more cautious outlook for the remainder of the year. The Federal Reserve also lowered its full-year GDP growth forecast to 1.4% from 1.7%, which may further temper earnings expectations. We now anticipate full-year earnings growth to slow to 9%, down from the 13% reported in the first quarter.

Benchmark Returns — Through March 31, 2025

Index	Q2 2025	YTD
S&P 500	10.94%	6.20%
Dow Jones Industrial Avg.	5.50%	4.50%
NASDAQ 100	18%	5.90%
Bloomberg Intrm Gov/Cred	1.67%	4.13%

As economic fears subsided, earnings remained solid, and optimism grew around a potentially softer approach to trade policy, investor confidence widened. A greater number of stocks in the S&P 500 closed above their 50-day moving averages, and market breadth indicators showed more advancing than declining stocks. The rally broadened to include sectors such as financials, industrials, and utilities, helping both the Nasdaq Composite and the S&P 500 achieve new all-time highs.

Despite the positive momentum, uncertainties remain for the second half of the year. These include potential conflict in the Middle East, the Federal Reserve's path for interest rate cuts, and the outcome of President Trump's evolving tariff strategy. The investment committee at Beese Fulmer remains committed to its *"Rational Investing"* approach, focusing on high-quality businesses across a range of industries and guided by a disciplined, long-term perspective.

Sincerely,

Beese Fulmer