The Rolling Report

Jesse Brown, CFP®
Christian Hutchins, CFP®
http://rollinghillsadvisors.com
(832) 345-5707

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Welcome to *The Rolling Report*, your monthly guide to the dynamic world of investing and the latest updates from our firm. Each edition brings you a concise overview of the stock market, highlighting key trends, opportunities, and challenges shaping the financial landscape. In addition, we'll keep you informed about important developments within our firm, including strategic initiatives, new offerings, and insights from our team. Whether you're a seasoned investor or just starting your financial journey, *The Rolling Report* is here to keep you informed and empowered. Let's roll forward together toward informed decision-making and financial success!

Umbrella Insurance

When It Rains, It Pours - Better Bring an Umbrella

by: Christian Hutchins

We all know the old saying 'when it rains, it pours,' but for many of us the saying 'it is always sunnier after the rain' feels more accurate. More often than not, bad times give way to good times and our past struggles become the roadblocks for future happiness. We shouldn't be faulted for this outlook as the big picture evidence is in our favor, and thus we leave our umbrellas at home.

The more we zoom in on the bad times, the more we are able to see examples of rain leading to more rain and manageable problems becoming catastrophic ones. Take for example your average Fourth of July party hosted at your home with friends and neighbors gathering to celebrate. Everyone is enjoying the festivities until your next-door neighbor steps on an old portion of your deck and falls through it sustaining significant injuries. What was a beautiful day with friends became you and your neighbor's worst nightmare. Not only has your neighbor sustained significant injuries, but you are now potentially liable, and your friendly neighbor may not have the same affection for you as they once did when they receive their medical bills and account for time lost at work.

The natural first reaction for the homeowner in this scenario is to lean on their homeowner's insurance policy to cover the damages, but what happens if there is not enough coverage for this type of event? The medical bills, lost wages, and emotional trauma your neighbor sustained can lead to substantial legal settlements that can quickly exceed the coverage provided by your homeowner's insurance.

This is where a good umbrella could help to shield you from a torrential downpour.

The umbrella in this scenario is actually umbrella insurance. Often overlooked and forgotten, umbrella insurance is a low cost and highly beneficial policy that provides additional coverage in excess of your home, renters, and auto policies. When a claim exceeds the limits of your primary insurance, the umbrella policy is utilized to make up the difference protecting you and your family.

The horrific and unpredictable scenarios in which umbrella insurance could be utilized are limitless and at a few hundred dollars a year per $1,000,000, it is hard to justify not considering the coverage.

Just like the stock market, life is not predictable. At Rolling Hills Advisors, we highly recommend you and your loved ones consider completing a full insurance review with us to ensure that you have the proper insurance coverage in place for that rainy day. In the event additional coverage is needed, we can get you in touch with the a local insurance broker to assist.

Q2 Market Review

How did the Markets Perform Last Quarter?

By: Kaleb Fontenot

S&P 500	NASDAQ	DOW 30
10.5%	**16.8%**	**5.45%**

All economic numbers and information discussed in this article are provided by our research partners Bespoke and YCharts.

“In the short run, the market is a voting machine but in the long run, it is a weighing machine.” — Benjamin Graham

If the second quarter of 2025 proved anything, it was Graham’s wisdom in action. While media noise and policy surprises stirred investor anxiety, the market ultimately weighed earnings, economic resilience, and forward momentum—and found substance worth rallying around. Despite a chaotic start, the S&P 500 surged 10.5%, its best quarterly performance in over a year, reclaiming and surpassing Q1’s losses to notch new record highs by the end of June. This wasn’t merely a bounce—it was a full-throated vote of confidence in a cooling inflationary environment, stable labor markets, and the possibility that the Federal Reserve’s rate-hiking campaign had finally peaked.

April lead off the quarter with a jolt to markets as President Trump’s surprise announcement of widespread tariffs caused the VIX to spike dramatically, touching levels near 50—territory last seen during the Global Financial Crisis. However, the escalation was short-lived. As the quarter progressed, many of the tariffs were scaled back, volatility subsided, and equity markets regained their footing. Those who reacted to early volatility by abandoning equity markets missed the rebound; those who held steady were rewarded. This quarter clearly distinguished the short-term “voters” from the long-term “weighers.”

Fundamentals carried the quarter. Corporate earnings were a standout, with the S&P 500 posting 13% year-over-year growth—far surpassing forecasts. Management teams largely predicted confidence, citing continued investment in artificial intelligence as a durable secular theme. Economic data bolstered the story. The U.S. June PMI came in at 52.8, showing expansion, while inflation continued its descent—annualized Consumer Price Index settled at 2.4% in the U.S. and in Europe, dropped below the European Central Bank's 2% target for the first time since the pandemic.

Sector performance showed striking divergence. Technology stocks led the way with a stunning 22.8% gain, fueled by revived enthusiasm for AI, cloud infrastructure, and semiconductors. Industrials and communication services each posted gains above 12%, benefiting from infrastructure tailwinds and digital media strength. Meanwhile, defensive sectors faltered. Real estate and consumer staples hovered around flat, while health care sank 7.2% due to weak pharmaceutical earnings and regulatory uncertainty. Energy was the worst-performing sector, dropping 8.5% as oil prices declined.

As the dust settles, the key narrative emerging from Q2 is a tale of substance over sentiment. Despite persistent policy risk, geopolitical uncertainty, and inflation that’s still above the Fed’s long-term goal, markets have rallied around what matters: earnings, innovation, and economic stability. Benjamin Graham’s quote wasn’t just a guiding principle this quarter—it was the roadmap. As short-term panic gave way to long-term perspective, it became clear: markets don’t reward the loudest signals; they reward the heaviest fundamentals. In Q2 2025, it paid to weigh—not vote.

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Sources:

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The S&P 500 is a stock index considered to be representative of the U.S. stock market in general. The NASDAQ Composite Index is an unmanaged composite index of over 2,500 common equities listed on the NASDAQ stock exchange. The Dow Jones Industrial Average is a price-weighted index that tracks 30 large, publicly traded American companies. The VIX

(Volatility Index) is a real-time market index published by the Chicago Board Options Exchange (CBOE) that measures the market's expectations for volatility over the next 30 days, often referred to as the “fear gauge” of the stock market. The CPI (Consumer Price Index) is a monthly report that measures the average change over time in the prices paid by urban consumers for a basket of goods and services, serving as a key indicator of inflation. The PMI (Purchasing Managers' Index) is a monthly economic indicator based on surveys of private sector companies, reflecting the prevailing direction of economic trends in manufacturing and services, with a focus on new orders, output, employment, supplier delivery times, and inventories.
All index returns exclude reinvested dividends and interest. Indices are unmanaged and cannot be invested into directly.

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