

Rail-Splitter Capital Management

Rail-Splitter Insights

a weekly commentary on
investing

Rail-Splitter Capital Management is focused on protecting and growing wealth for our clients. Our services are provided through Delta Investment Management a registered investment advisory firm.

We welcome discussions on how we can help you manage your assets and maximize your wealth.

Please contact us at info@rail-splitter.com or 312-724-8722.

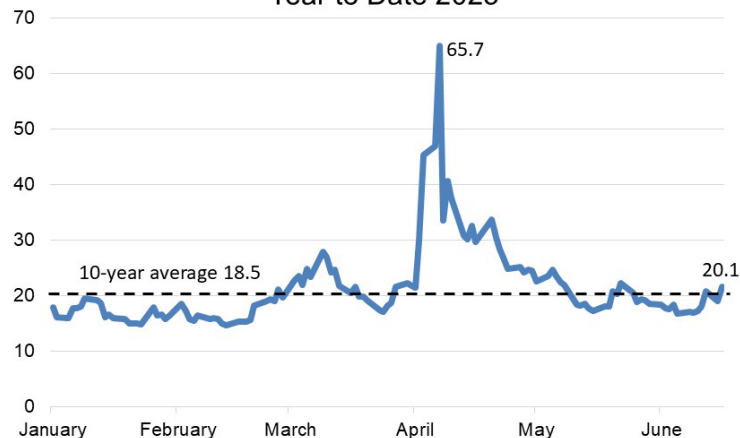
Getting Involved

June 20, 2025

A wide array of news headlines has buffeted the 2025 stock market. The Iran/Israel conflict is the latest. The news flow has created near-record levels of volatility and significant swings in the market. The volatility index sits at 20.1, up 10% from last week, but let's keep perspective: it's barely above the 10-year average of 18.5. Yes, it touched 65.7 in April, but that spike was short-lived. As of today, the S&P 500 is up ~2% year-to-date.

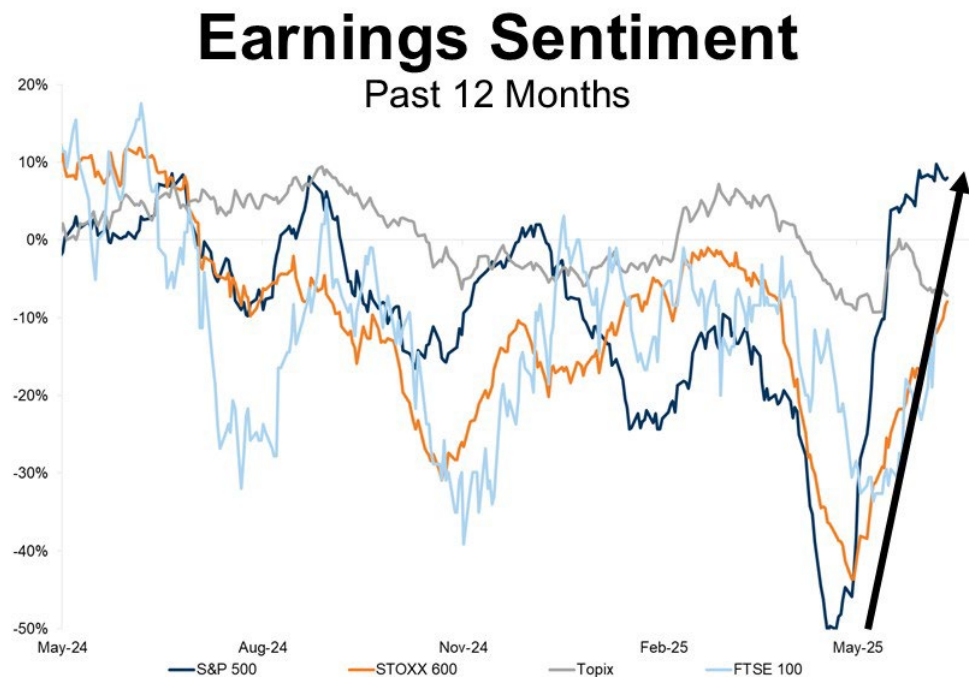
Volatility Index

Year to Date 2025



The headline news today, as it has been all year, is mixed and is adding to uncertainty. There is some speculation that the U.S. may become directly involved in the Israeli/Iranian conflict with the demolition of an underground uranium enrichment facility. May retail sales were below expectations, but much of this was due to a pullback in auto sales, as many customers rushed to buy cars in April before tariffs were implemented.

On the other hand, earnings are outpacing expectations and inflation is cooling off. The chart below shows earnings sentiment improving globally, but the US component (S&P 500) is the standout, thanks to a robust Q1 earnings season.



Goldman Sachs raised its Q2 GDP growth forecast from 3.8% to 4.2% this week (consensus ~2%), citing stronger-than-expected core retail sales (excluding automobiles). Additionally, initial jobless claims dropped by 5,000 this week, reinforcing economists' optimism about the employment landscape.

The world is inherently uncertain, and predicting short-term market movements is challenging. Timing the market is tough; staying invested is a clearer path. Let Rail Splitter help you get involved.

Retirement Investment Portfolio

Are you retired? We spend most of our lives getting ready to retire. Investment portfolios designed for retirement readiness may not be the best suited for retirement itself.

When we think about an **I-Am-Retired** portfolio, we believe it should have:

- A blend of non-correlated asset types to reduce volatility,
- A source of stable money to cover unforeseen cash expenses,
- A growth element to stay ahead of inflation,
- A yield that provides attractive steady, monthly income without pushing heavily into risky investments including below investment grade fixed income and illiquid, non-transparent private equity,
- Tax efficiency allows for the portfolio to be held in a taxable account with favorable tax advantages on monthly distributions.
- Average or below-average fund and management fees to allow your investments to perform for you over time.

We have developed an **I-Am-Retired** Portfolio with the attributes described above. The portfolio has daily liquidity and is constructed primarily from best-idea exchange-traded funds from major sponsors including Goldman Sachs, PIMCO and Fidelity. Give us a call if you would like to explore owning the **I-Am-Retired** portfolio. recession are back down to 27% from a recent peak of 66% on May 1.

Let Us Help You Position Your Portfolio – Give Us a Call Today

We pride ourselves on our unique and sophisticated investment strategies designed to capture the gains of the stock market while minimizing drawdowns during bear markets. If you're seeking expert guidance in your financial planning journey, we're here to assist you.

Whether you're a seasoned investor looking to optimize your portfolio or someone just starting to explore investment opportunities, our team is dedicated to providing tailored solutions to meet your financial goals.

To learn more about how we can help you navigate the complexities of the financial markets and achieve your investment objectives, we invite you to reach out to us. You can give us a call at (312) 724-8722, visit our website at www.rail-splitter.com, or simply email us at info@rail-splitter.com

Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

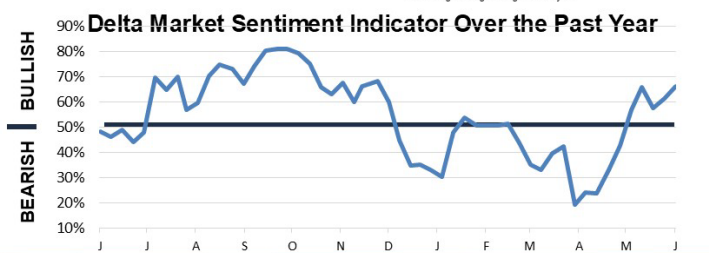
66.2

Our technical indicator increased
from 61.4 to 66.2 this week

INDICATOR STATISTICS

Consecutive Bullish Weeks:	5
Cycle Inception Date:	5/15/2025
Range:	56.9 – 66.2
Mean:	61.6
Bullish Weeks YTD:	10
Bearish Weeks YTD:	14
*S&P 500	2.1%
*DJIA	1.8%
*NASDAQ	3.0%

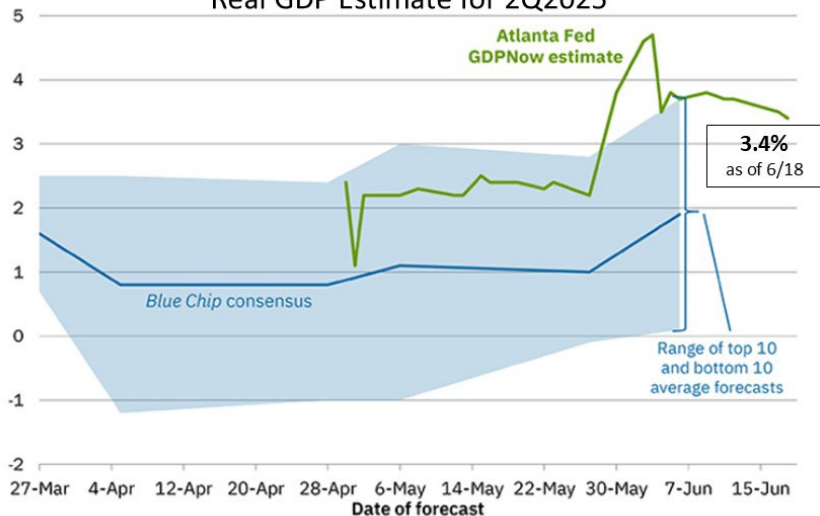
* Percentage change during current cycle



Delta Market Sentiment Indicator (MSI) is published weekly in *Barron's*

Evolution of Atlanta Fed GDPNow Forecast

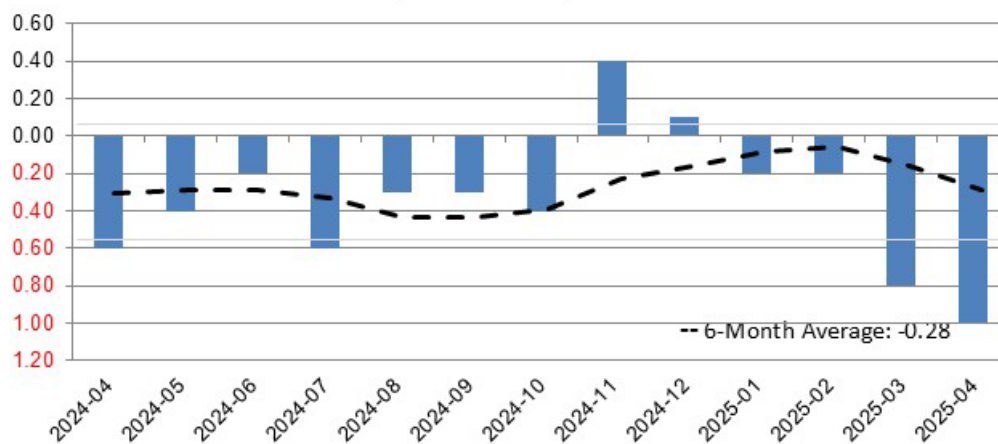
Real GDP Estimate for 2Q2025



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Leading Economic Index % Change Monthly

April 2024 – April 2025



Source: The Conference Board – last update 5/19/2025

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