MAIN MANAGEMENT, LLC

MAIN MANAGEMENT MARKET NOTE: June 6, 2025

601 California Street, Suite 300, San Francisco, CA 94108

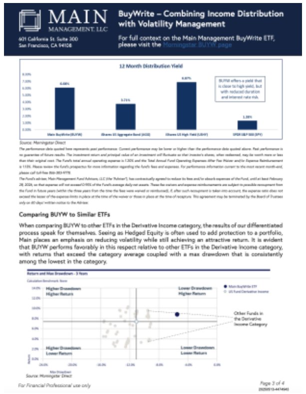
Phone: 415-217-5800 | Fax: 415-217-5809 | www.mainmgt.com

Main BuyWrite

MAIN MANAGEMENT, LLC

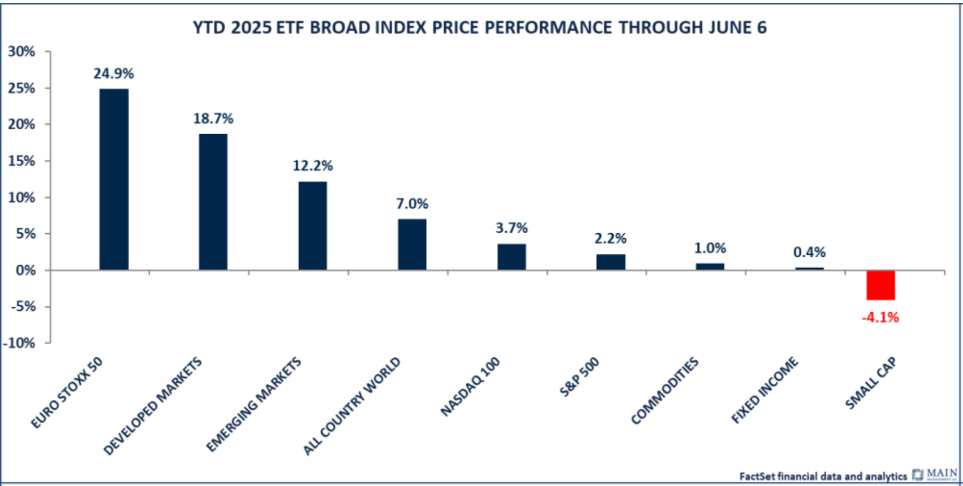
If you haven't already seen it, we would like to call your attention to a piece we recently published on our BuyWrite strategy, which combines income distribution with volatility management.

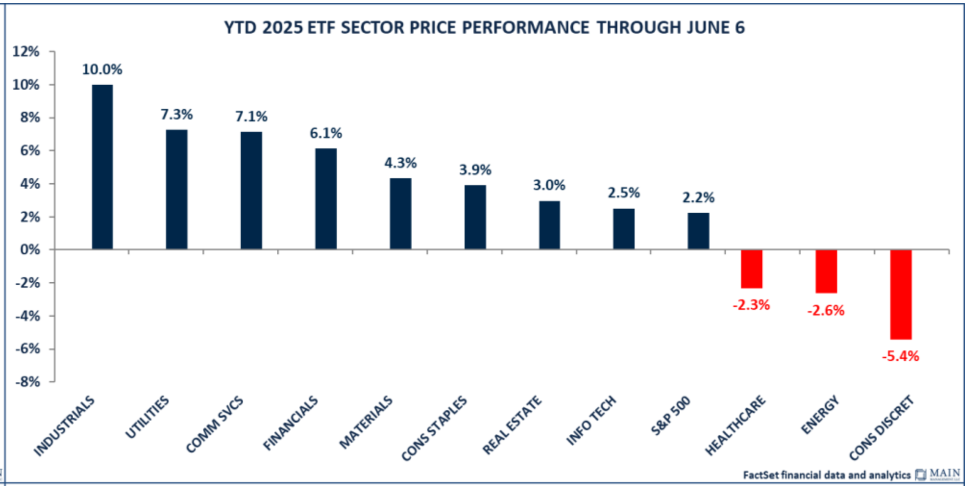
Below is a link to the piece on our website and it is also available in our Advisor Portal.

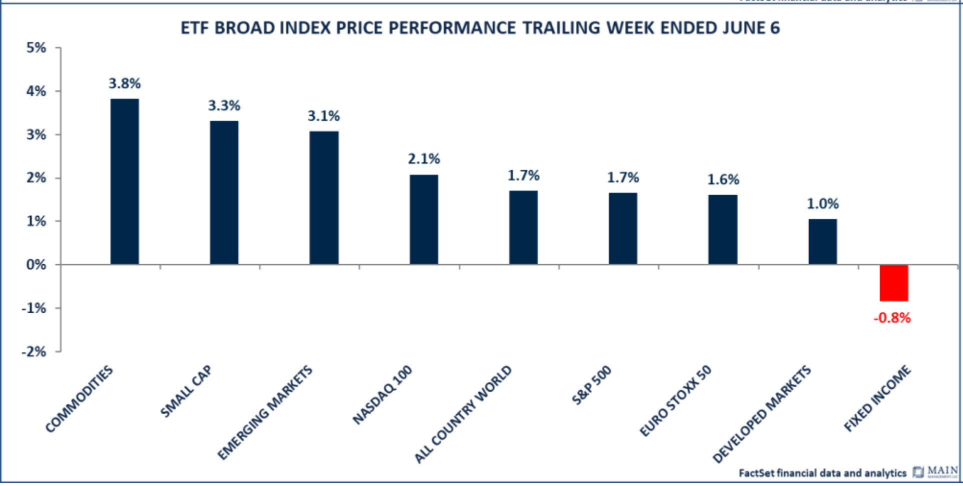


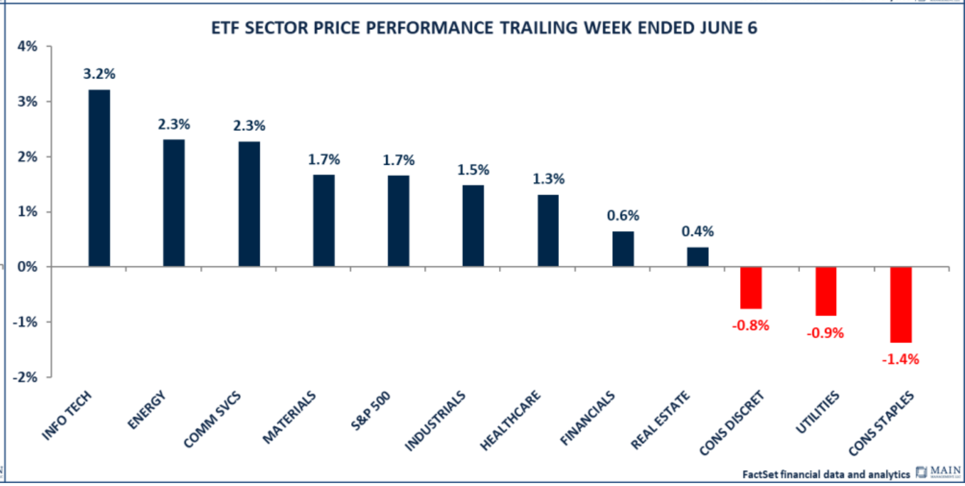
https://www.mainmgt.com/uk/wp-content/uploads/2025/06/Benefits_Of_BuyWrite_May2025.pdf

Performance









MAIN
MANAGEMENT, LLC

Recession Dashboard

RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
JUNE 2025	↔	↔	↔*	↔	↔	↔	↓	↔	↑
LAST CHANGE	GREEN DEC '24	GREEN APR '25	RED MAR '23	GREEN DEC '24	GREEN APR '25	RED JAN '25	BLUE SEP '22	GREEN APR '25	BLUE DEC '24

↑ *Positive* ↔ *Neutral* ↓ *Negative*

Inflation: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis Fed.* **Sentiment**:*. Conference Board Consumer Confidence, UMich Consumer Sentiment, State Street Investor Confidence, CEO Confidence, VIX, AAII* **Autos**: *Auto Sales. Source: St. Louis Fed.* **Employment**: *Initial Weekly Unemployment Claims & Nonfarm Payrolls. Source: St. Louis Fed.* **PMI**: *Markit US Manufacturing PMI & US ISM Manufacturing PMI & Chicago PMI. Source: Markit, ISM.* **Retail Sales**: *Advance Retail Sales. Source: St. Louis Fed. * 10 year – 3 month Treasury spread inverted on 11/2/22.*

NonFarm Payrolls

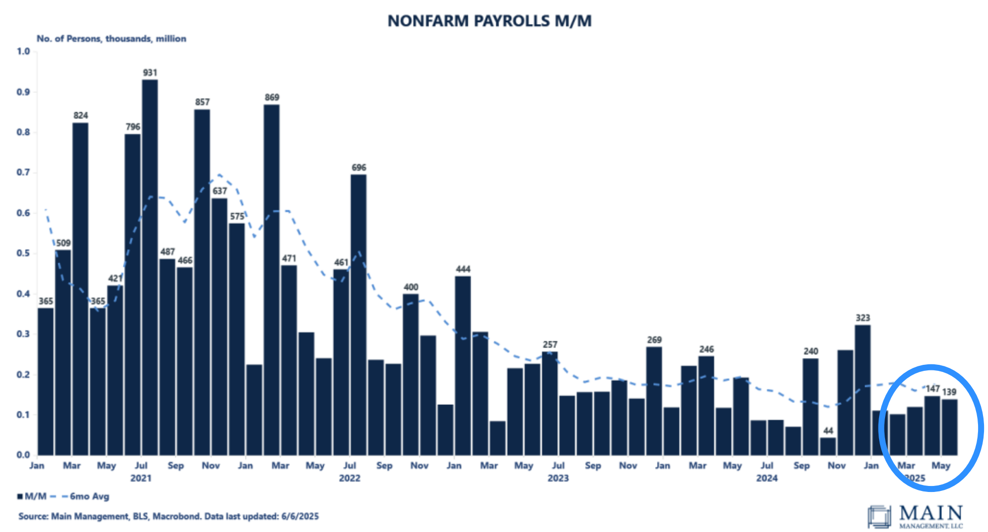
May NonFarm Payrolls came in at +139k (right), above forecasts for 125-130k. However, March and April were revised lower by a combined -95k, which isn't ideal. The Unemployment Rate was unchanged at 4.2% but the Labor Force Participation Rate declined to 62.4% as the Labor Force shrunk by -625k.

US Employment

(All population/employment figures in 000s)

	May 2025	Prior Mo	12mo Ago	Y/Y	M/M
Total Nonfarm Employment	159,561	159,422	157,828	1.1%	0.1%
Total Nonfarm Employment (Δ From Prior Period)	139	147	193		
Civilian Non-Institutional Population	273,385	273,197	268,248	1.9%	0.1%
Civilian Non-Institutional Population (Δ From Prior Period)	188	174	182		
Civilian Labor Force	170,510	171,135	167,799	1.6%	-0.4%
Civilian Labor Force (Δ From Prior Period)	-625	544	-189		
Participation Rate	62.4%	62.6%	62.6%	-0.3%	-0.3%
Employed (Household data)	163,273	163,969	161,164	1.3%	-0.4%
Employed (Household data) (Δ From Prior Period)	-696	461	-331		
Employed / Population	59.7%	60.0%	60.1%	-0.6%	-0.5%
Unemployed	7,237	7,166	6,635	9.1%	1.0%
Unemployed (Δ From Prior Period)	71	83	143		
Unemployment Rate (U3)	4.2%	4.2%	4.0%	5.0%	0.0%
Unemployment Rate (U6)	7.8%	7.8%	7.4%	5.4%	0.0%
Part-time for Economic Reasons	4,624	4,690	4,415	4.7%	-1.4%
Want A Job Now (Δ From Prior Period)	1,033	-66	757		
Not in Labor Force	102,875	102,062	100,449	2.4%	0.8%
Not in Labor Force (Δ From Prior Period)	813	-369	371		
Not In Labor Force / Population	37.6%	37.4%	37.4%	0.5%	0.7%
Δ in NFPs Less Those Leaving the Labor Force	-674	516	-178		
Average Hourly Earnings	$36.24	$36.09	$34.89	3.9%	0.4%
Average Hourly Earnings (Y/Y change)	3.87%	3.86%	4.09%		
Private Weekly Hours Worked	34.3	34.3	34.3	0.0%	0.0%
Manufacturing Weekly Hours Worked	40.1	40.0	40.2	-0.2%	0.3%
Total Private Diffusion Index (256 Industries, 1mo Span)	50.0	51.8	52.6	-4.9%	-3.5%
Manufacturing Diffusion Index (74 Industries, 1mo Span)	41.7	44.4	46.5	-10.3%	-6.1%

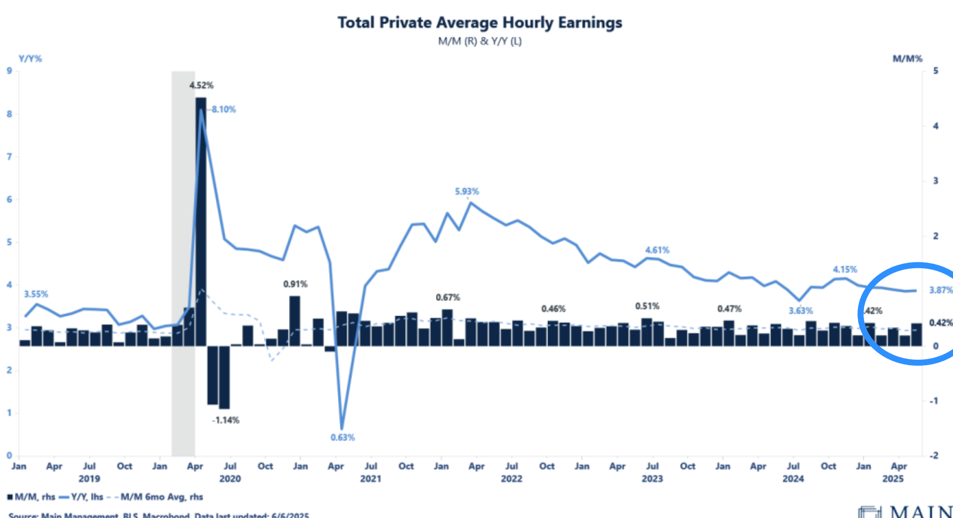
Source: Main Management, BLS, Macrobond. Data last updated: 6/6/2025



Neutral

Industries and Wages

Wages (left) were a silver lining, accelerating to +0.42% M/M, above forecasts for a +0.3% gain. On a Y/Y basis, they ticked up to +3.87%, remaining solidly above the slowing inflation figures and giving real purchasing power to consumers. On an industry basis (right), Education & Health Services (incl. HC & Social Assist) added +87k jobs, followed by Leisure & Hospitality with +48k. The biggest losers were Temporary Help Services which shed -20.2k and Manufacturing down -8k.



US Nonfarm Payrolls, per industry

(SA, in 1000s)

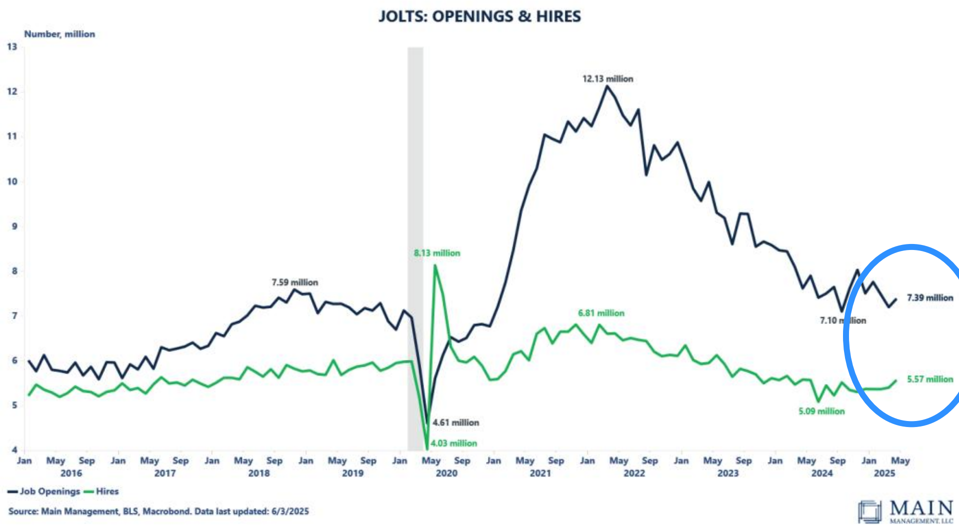
	May 2025	% of Total	M/M Change	Change 1m	Change 12m	1m ago	12m ago
Total Nonfarm	159,561	100.0		139	1,733	159,422	157,828
Total Private	135,968	85.2		140	1,463	135,828	134,505
Goods Producing	21,700	13.6		-5	39	21,705	21,661
Mining And Logging	625	0.4		-1	1	626	624
Construction	8,314	5.2		4	126	8,310	8,188
Manufacturing	12,761	8.0		-8	-88	12,769	12,849
Durable Goods	7,906	5.0		-7	-91	7,913	7,997
Motor Vehicles And Parts	1,000	0.6		0	-22	999	1,022
Nondurable Goods	4,855	3.0		-1	3	4,856	4,852
Private Service-Providing	114,268	71.6		145	1,424	114,123	112,844
Wholesale Trade	6,183	3.9		3	51	6,180	6,132
Retail Trade	15,577	9.8		-7	18	15,583	15,559
Transportation & Warehousing	6,740	4.2		6	87	6,734	6,653
Utilities	598	0.4		2	7	595	591
Information	2,940	1.8		2	-13	2,938	2,953
Financial Activities	9,254	5.8		13	95	9,241	9,159
Professional And Business Services	22,575	14.1		-18	-81	22,593	22,656
Temporary Help Services	2,510	1.6		-20	-136	2,530	2,646
Education And Health Services	27,310	17.1		[illegible]	923	27,223	26,387
Health Care And Social Assistance	23,289	14.6		78	855	23,211	22,435
Leisure And Hospitality	17,053	10.7		48	262	17,005	16,791
Other Services	6,039	3.8		9	76	6,030	5,963
Government	23,593	14.8		-1	270	23,594	23,323

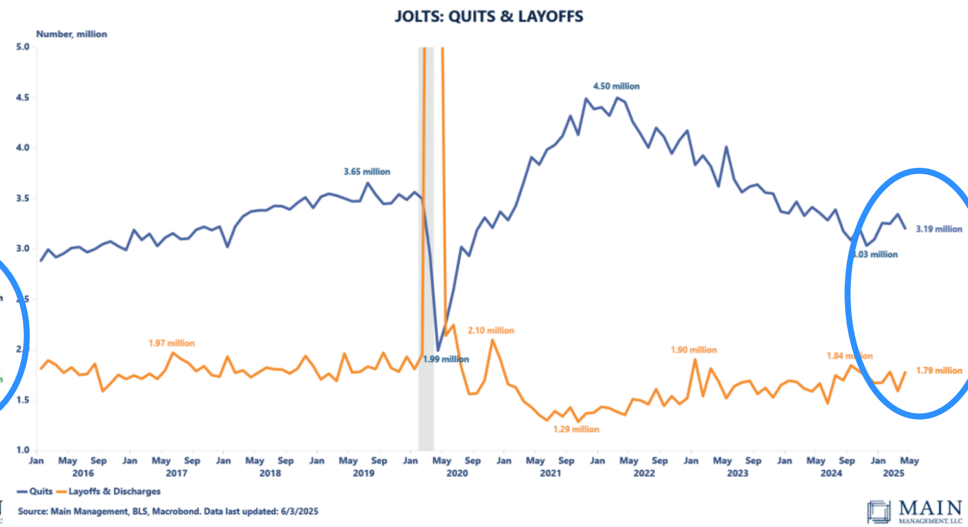
■ Latest ● Previous Month

Source: Main Management, BLS, Macrobond. Data last updated: 6/6/2025

JOLTS

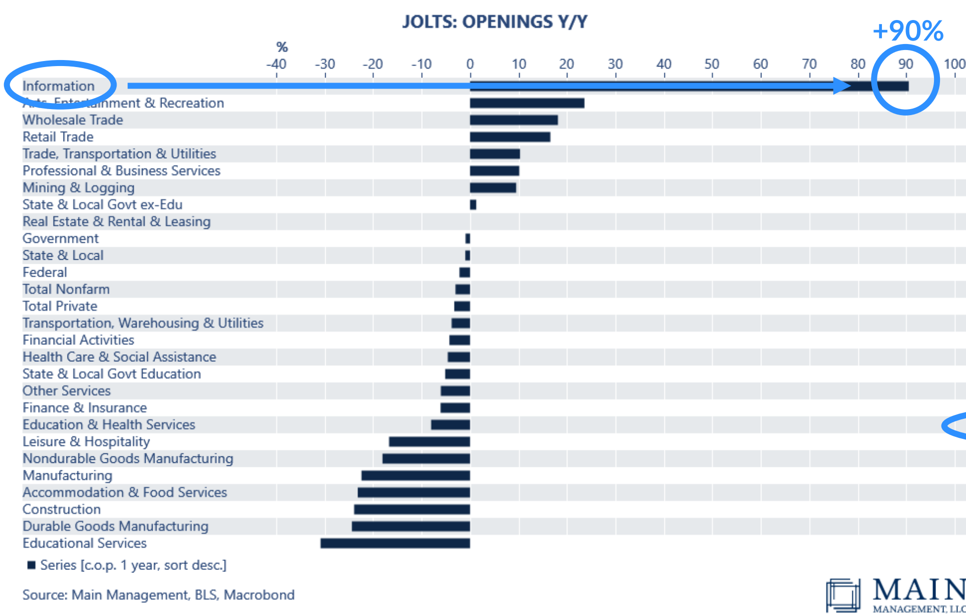
JOLTS (always delayed and ever useful) confirmed ongoing stability in the labor market in April. Openings (left) unexpectedly ticked up to 7.39mil, above forecasts for a 7.10m reading. Hires also increased, rising to 5.57m, their highest level since May 2024. Meanwhile, Quits (right) declined to 3.19m as Layoffs rose to 1.79m, choppily trending higher. The +196,000 M/M gain in Layoffs is the biggest monthly rise since July 2024.

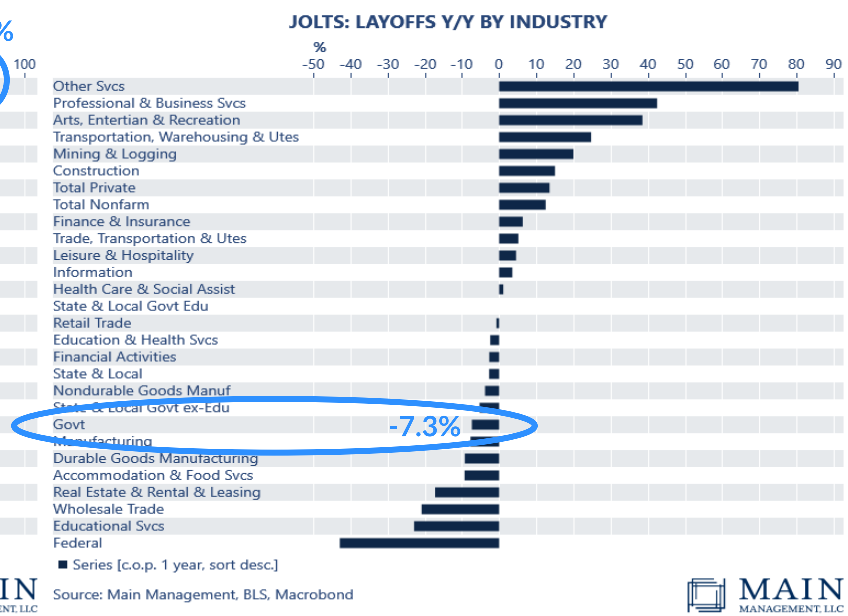




Industry Detail

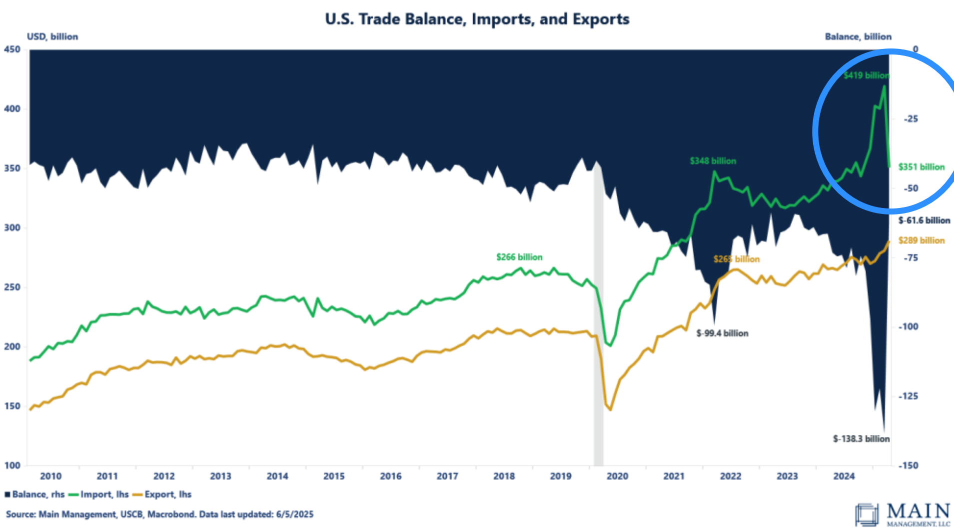
Looking through at the industry level in April JOLTS, there are a couple of items worth pointing out. Information (Tech) openings are up +90% from a year ago, the highest since April 2022! And on the Layoff side of things, despite all the DOGE and government layoff data we've been hearing about (especially from the Challenger Job Cut reports), according to this JOLTS data, Government layoffs are DOWN -7.3% Y/Y!

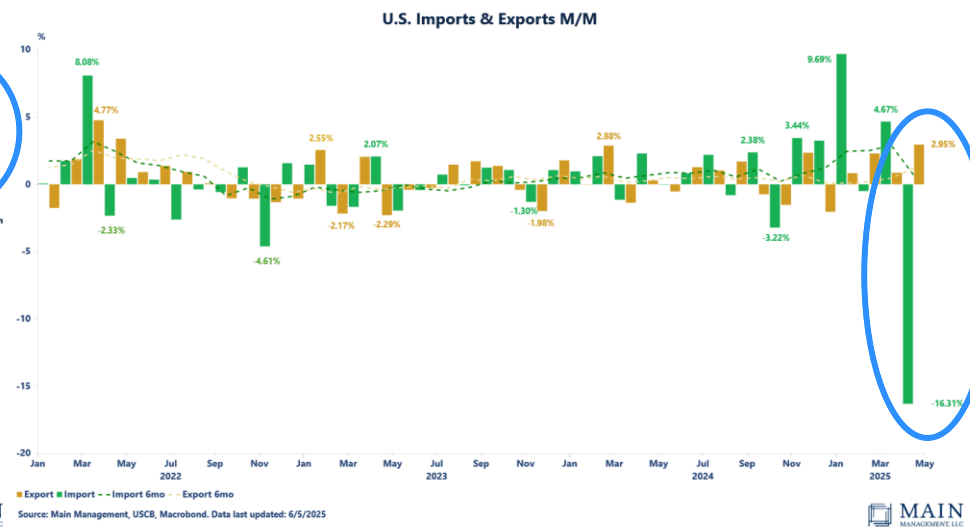




Trade Balance

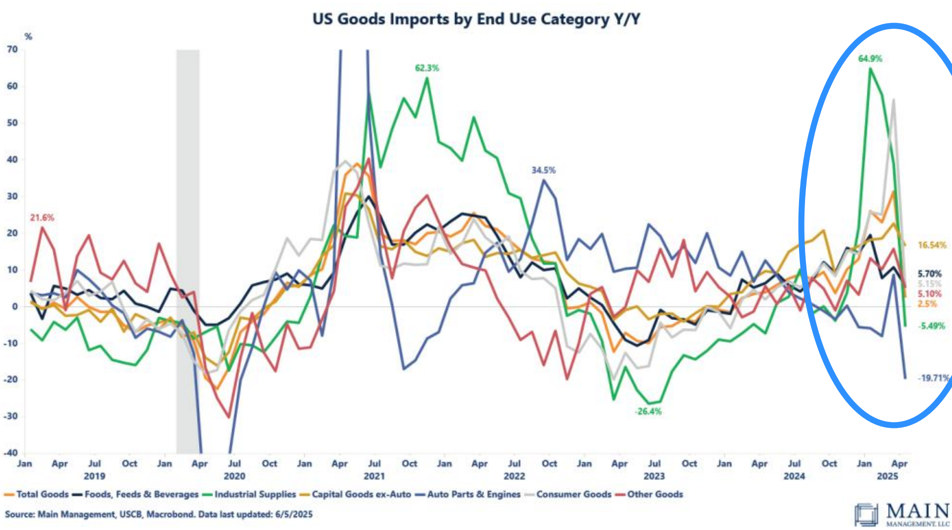
The April Trade Balance narrowed markedly to -$61.6b (left), the smallest delta since September 2023. Imports plummeted back to $351b, a clear reversal of the tariff front-running that occurred in February and March, while Exports rose to another all-time high at $289b. The -16.3% M/M drop in Imports (right) is the biggest on record, while Exports rose +3.0%, the strongest since April 2022.

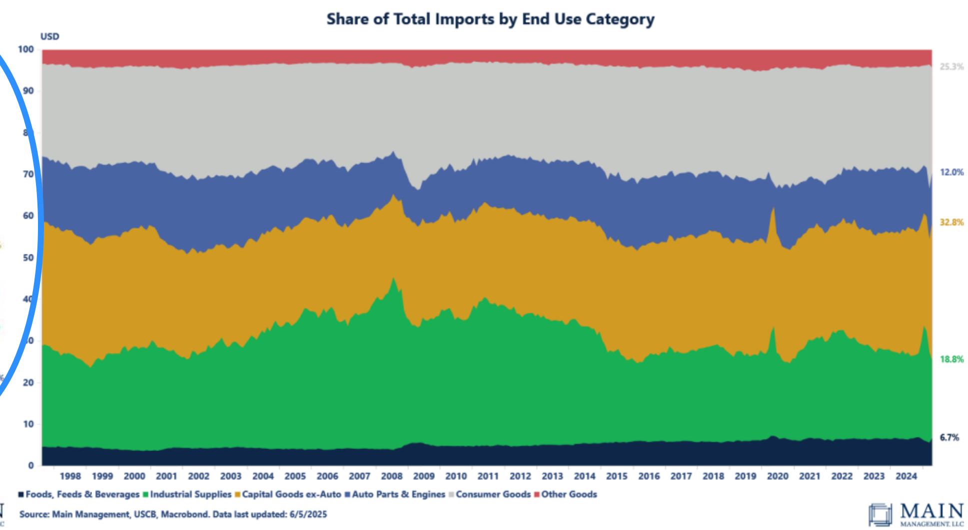




Goods Imports

Within Goods Imports, every single category decelerated on a Y/Y basis (left) with Industrial Supplies and Consumer Goods seeing the most marked slowdown. Autos lead to the downside, declining -19.7% from a year ago, followed by Industrial Supplies down -5.5%. Capital Goods slowed a bit but are still up +16.5% Y/Y and are the biggest share of Total Imports at 32.8% (right). Consumer Goods are the 2nd biggest category at 25.3% of Total Imports.

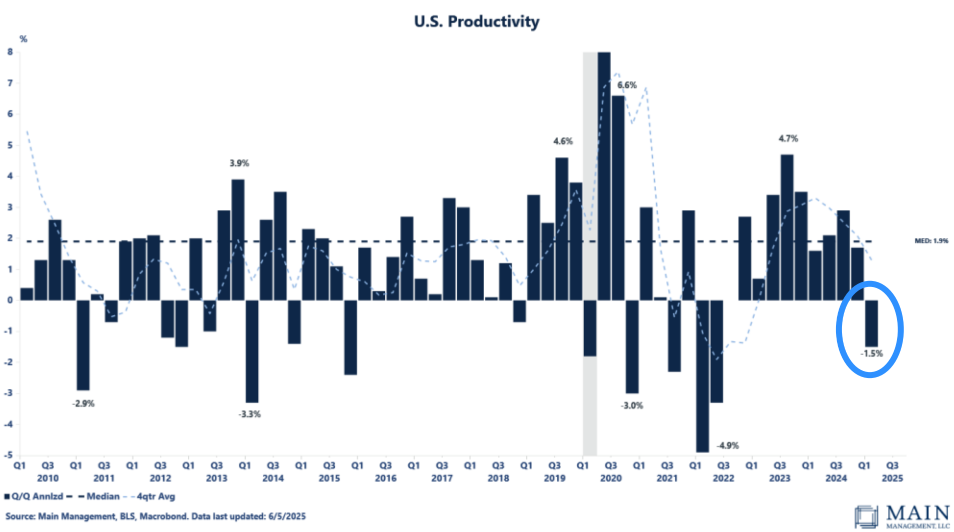


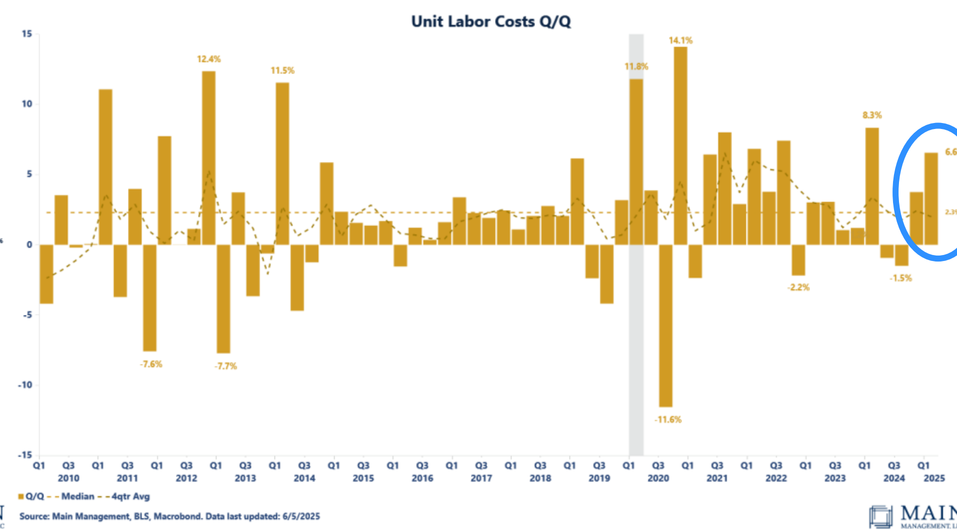


Q1 Productivity

MAIN MANAGEMENT, LLC

The final reading for Q1 Productivity was revised markedly lower to -1.5% Q/Q annualized, down from the initial reading of -0.8% and the first and biggest decline since Q2 2022. Unit Labor Costs, another inflation indicator, were revised up to +6.6% from +5.7%, but the silver lining is that this is for Q1, which is well in the rear-view mirror.

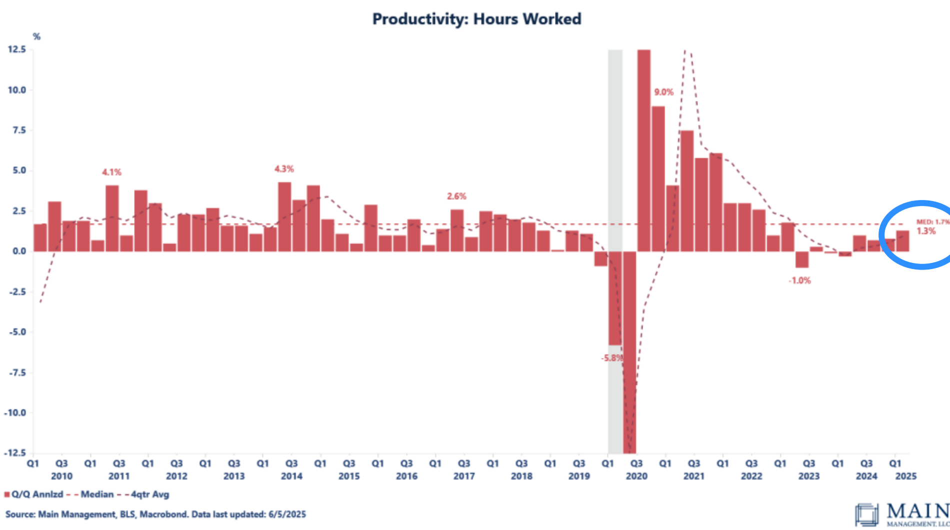


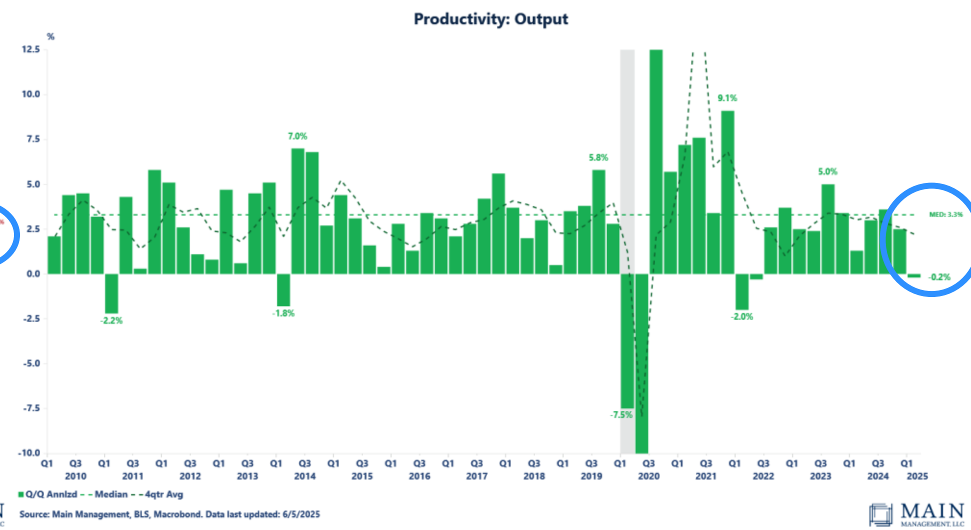


Negative

Hours Worked & Output

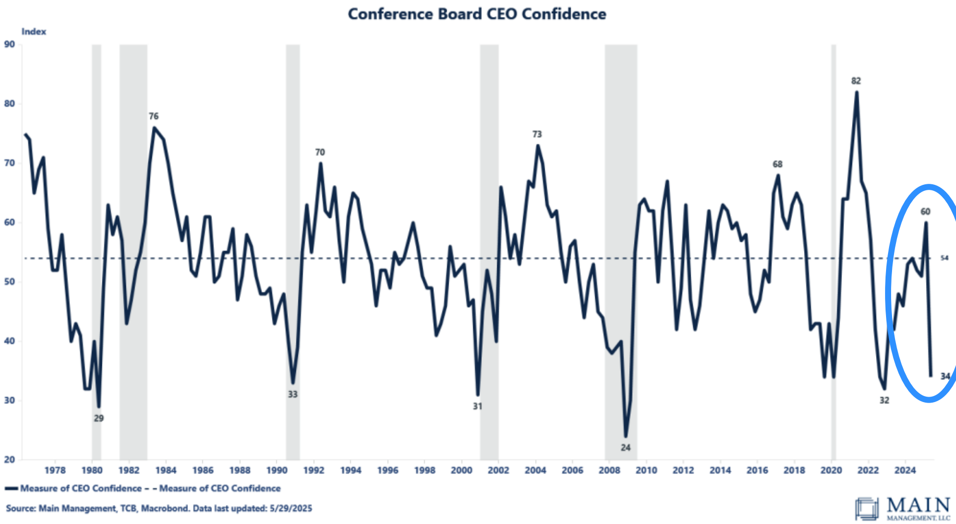
The drop in Productivity was driven primarily by a rise in Hours Worked (left) and a decline in Output (right), both of which were revised higher from the 1st estimate. Hours Worked finished at +1.3% Q/Q annualized, revised up from +0.6%, and the biggest increase since Q1 2023. Output was revised slightly higher to -0.2% from -0.3%, still marking the first Q/Q decline since Q2 2022.

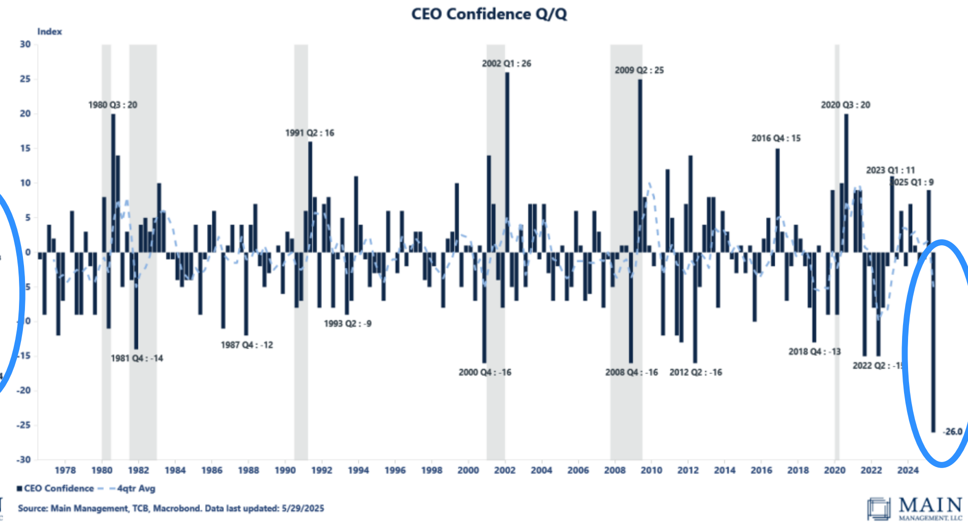




Q2 CEO Confidence

The Conference Board's quarterly CEO Confidence Index plummeted to 34 in Q2 (left), a 26-point drop from Q1's 60 reading. It's now back to its lowest level since Q4 2022. The Q/Q drop (right) of 26-points is the biggest in survey history, back to 1976! A massive 83% of respondents said they expect a recession in the next 12-18mos, nearly as high as 2022-2023. Geopolitical instability and trade & tariffs were cited as the 2 top business risks. The silver lining is that responses recorded after May 12 (China trade deal) were less pessimistic than those recorded prior to May 12.





Summary

MAIN MANAGEMENT, LLC

- NonFarm Payrolls beat expectations at +139k but March and April were revised down by -95k. The Unemployment Rate was unchanged at 4.2%.

- April JOLTS showed a picture of ongoing stability in the labor market, with Openings, Hires, and Layoffs all rising.

- The April Trade Balance narrowed markedly as Imports fell -16.3% M/M, a clear reversal of the tariff front-running we saw in February and March.

- Q1 Productivity was revised down to -1.5% Q/Q, the first drop since Q2 2022.

- Q2 CEO Confidence fell to 34, the lowest since the end of 2022.

- Upcoming key data to watch:
  - CPI (Weds)
  - PPI (Thurs)
  - Preliminary Michigan Sentiment (Fri)

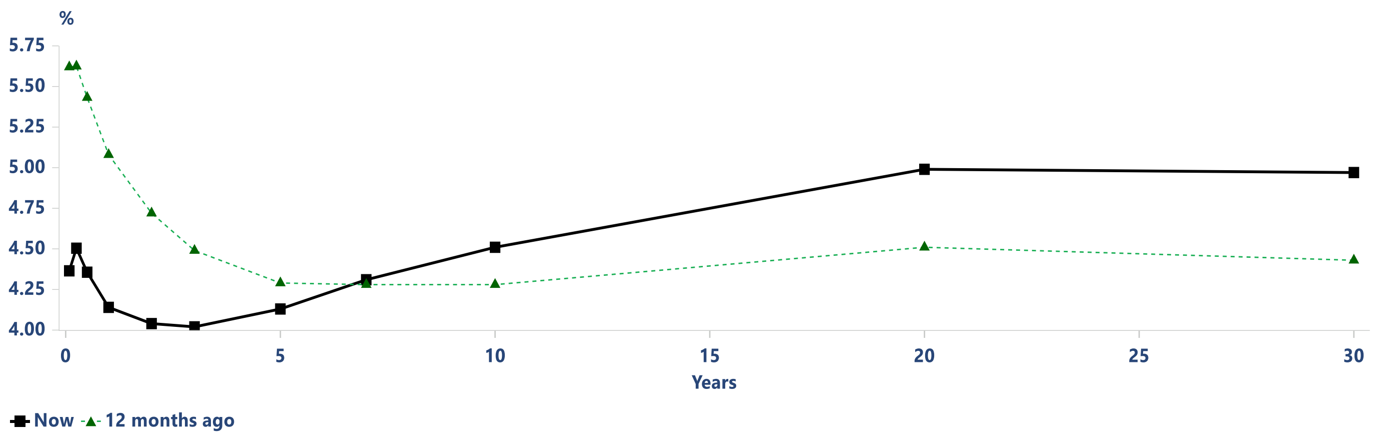
Appendix

Yields & Futures

FED FUNDS FUTURES & 2-YEAR TREASURY YIELD

Source: Main Management, CME Group, U.S. Treasury, Macrobond. Data last updated: 6/6/2025

US TREASURY YIELD CURVE

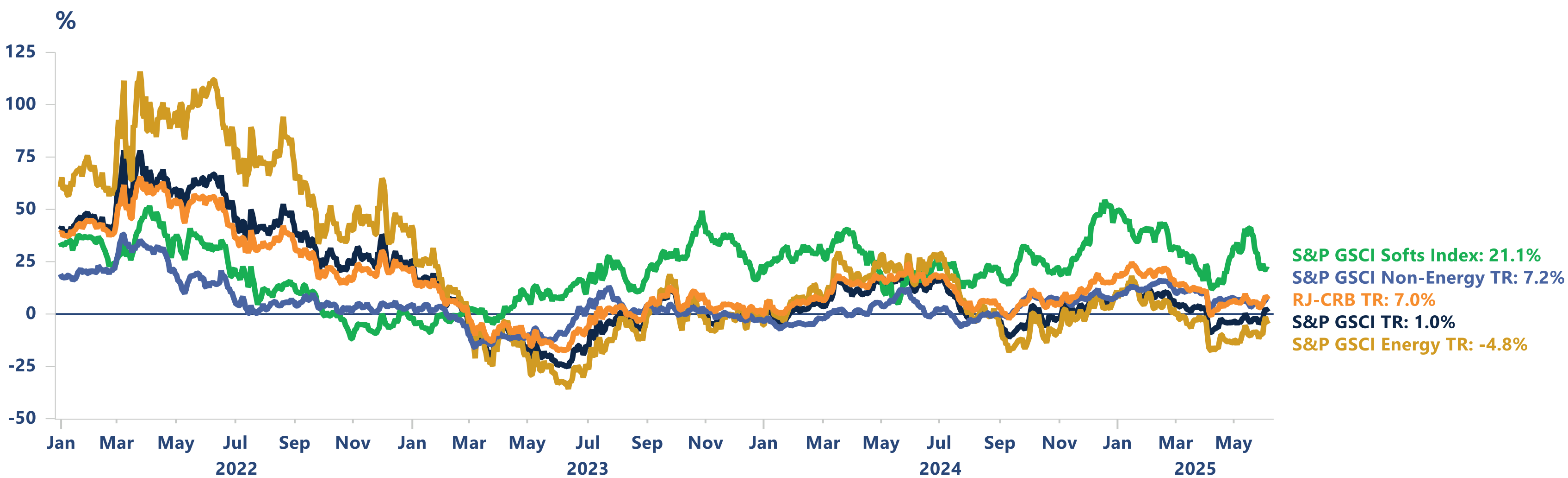


Source: Main Management, U.S. Treasury, Macrobond. Data last updated: 6/6/2025

Inflation Watch

MAIN MANAGEMENT, LLC

MAJOR COMMODITY INDICES Y/Y



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, LBMA, Macrobond, LPPM, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 6/6/2025

MAIN MANAGEMENT, LLC

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gold	3.6	14.9	28.7	44.1
Silver	10.9	11.2	23.3	21.0
Copper	6.2	5.1	13.2	-0.2
Coffee	-9.1	-10.9	12.5	53.8
Lumber	9.7	-8.5	10.1	23.9
Bitcoin	5.3%	16.5%	8.7%	43.9%
Soybeans	1.1	6.9	5.4	-10.8
BBG Commodity Index	2.0	-0.8	4.1	1.5
Gasoline	0.7	-6.0	3.1	-12.2
Natural Gas	5.7	-15.5	1.2	42.2
S&P GSCI	4.3	-0.7	0.6	3.0
Corn	-5.3	0.8	-4.2	-0.7
Cotton	-0.4	5.4	-4.4	-11.1
US Dollar (DXY)	-1.5	-6.6	-9.0	-5.2
Crude Oil	6.7	-7.5	-12.5	-14.5

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 6/6/2025

Disclosures

Main Management, LLC ("Main Management", or the "Firm") is an investment adviser registered under the Investment Advisers Act of 1940, as amended. The Firm was founded in 2002 and provides investment management services primarily to high net worth, family groups, foundations/endowments, and serves as a sub-adviser to third-party investment advisers & broker-dealers.

The information contained herein was prepared using sources that the Firm believes are reliable, but the Firm does not guarantee its accuracy. The information reflects subjective judgments, assumptions and the Firm's opinion on the date made and may change without notice. The Firm is not obligated to update this information. Nothing herein should be construed as investment advice or a recommendation to purchase or sell securities. The information is not intended as an offer to provide advisory services in any state or jurisdiction where such offer would not be permitted under applicable registration requirements. All equity investing entails risk of loss.

In preparing this material, Main Management has not taken into account the investment objectives, financial situation or particular needs of any individual investor. Many securities transactions are risky and are not suitable for all investors. All securities investments carry risk, including a risk of loss of principal.

601 California Street, Suite 200, San Francisco, CA 94108

Phone: 415-217-5800 | Fax: 415-217-5809 | www.mainmgt.com