NEPSIS®

2nd QUARTER
2025 UPDATE

Meet a Member of Our Growing Team

Kelly Nanasy, Vice President of Accounting and Advisory Services

For over three decades, Kelly has been providing finance leadership, serving and advising businesses with a collaborative approach to strategy, financial and operational performance and process.

Kelly joined Nepsis to lead the CFO/Controller-level services, allowing business owners to focus on front office delivery.

Kelly started her career with Arthur Anderson, one of the big four accounting firms, and has held multiple positions, including serving in CFO roles with privately and Private Equity owned companies in the startup to small and middle markets. She also has experience in consulting and coaching services.

What inspired you to pursue a career in this field?

I am a person who enjoys creating clarity through collaborating to drive improvements in process and creating insights that can be leveraged by organizations for more informed decision-making. Taking that a step further, to provide coaching and mentoring to support broadening understanding and skills to apply what was learned. I appreciate a quote from Benjamin Franklin: "Tell me and I forget. Teach me and I may remember. Involve me and I learn.".

What specific skills do you bring to clients?

In my role, I lead Nepsis' Accounting and Advisory Services practice, which provides CFO Advisory and Fractional services tailored to small and mid-sized businesses. I started with one of the large global accounting firms and have more recently focused on consulting and coaching where I can bring strategic guidance to business and finance professionals. With our family office approach, we integrate these offerings with our tax, financial planning, wealth management and estate planning teams to deliver a comprehensive solution for our clients.

"I look forward to applying the diverse skills and knowledge acquired throughout my career to the Nepsis family office framework to deliver impactful results for our business owner clients. The need for planning and analytics for business is strong and it is rewarding to bring my experience and the team's knowledge to our clients."

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

Why You Should Choose Nepsis for Business Accounting and CFO Advisory Services

Nepsis, an independent RIA firm, specializes in delivering exceptional business accounting and CFO advisory services tailored to the complex needs of entrepreneurs and family-owned enterprises. Under the leadership of Kelly Nanasy, our team provides CFO/Controller services, bookkeeping, financial oversight, and strategic leadership. These services are seamlessly integrated with tax planning and preparation, wealth management and estate planning teams to ensure your financial health and support your growth objectives. Our hands-on approach allows you to focus on leading your business while we manage the intricacies of your financial operations, offering customized solutions for multi-entity structures and diverse operations.

Precision and Clarity in Accounting

At Nepsis, our business accounting services are designed to provide precision and clarity for your enterprise. Our comprehensive bookkeeping tracks every transaction—revenue, expenses, and more—across multiple entities or locations, maintaining organized records that offer real-time insights and audit preparedness. By reconciling accounts, preparing financial statements, and managing payroll, we integrate these tasks with your broader business strategy, enhancing efficiency and reducing administrative burdens.

Why Nepsis Stands Out with CFO and Advisory Services

In today's fast-paced business landscape, growth-oriented companies need more than just bookkeeping—they require visionary financial guidance to navigate challenges, seize opportunities, and drive sustainable expansion. That's where our CFO and Advisory Services come in. A CFO goes beyond crunching numbers—they forecast future trends, model scenarios, and craft financial strategies that fuel growth. Whether it's optimizing cash flow for expansion, preparing for funding rounds, or advising on systems, processes and business planning, our team ensures your business is always one step ahead. For ambitious companies poised for scaling, a CFO isn't a luxury—it's a necessity. They serve as the strategic compass, translating financial data into narratives that inform every aspect of your business direction. Without this strategic compass, even promising ventures can stumble on hidden pitfalls like inefficient capital allocation or missed market signals. As a reliable partner, Nepsis enhances your financial stability and decision-making, providing the clarity needed to achieve long-term success.

I look forward to helping you with any questions you may have.

Kelly

Kelly Nanasy, *Vice President of Accounting and Advisory Services*

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

What do Nike, Verizon and Escalators have in Common?

Charles D. Etzweiler, *MBA, CIMA®, CMT, CFP®*
Chief Research Officer & Senior Vice President

Nike — Did you know that the iconic apparel company is actually named after the Greek mythological goddess of Victory? In doing so the company sought to leverage Nike's personification of victory while her swift, wing-borne image perfectly matched a performance-sport identity. In combining both characteristics, the famed Nike Swoosh logo was developed and after filing for a trademark in 1974, a legend was born and an iconic brand created. When one takes a deeper look at the Swoosh logo, you can see a resemblance to the letter 'V.' This was done by design to capture the trait of Victory. However, the right leg of the V in the Swoosh logo is both longer and completes its line at a higher level than the left leg. This was done to capture swift, wing-borne image of the character. Hold that thought as we move to a similar logo in the famed Verizon checkmark.

https://www.nike.com/a/never-done-leaving-a-mark-swoosh

Verizon — Did you know that the legacy wireless phone carrier was created between the merger of Bell Atlantic and GTE in the year 2000 and is a portmanteau between Veritas (truth in Latin) and Vision? Thus, Veritas + Vision in one word where Veritas signaled reliability (which was critical for a utility-grade network), while Vision projected technological ambition. Within five years the Verizon name had near-universal U.S. recognition, and by 2004 the company was added to the Dow Jones Industrial Average—validation that the portmanteau had become one of the most valuable brands in telecom history. Much like the Nike Swoosh logo you see a resemblance to the letter 'V.' This was done by design to capture the trait of both Veritas (Truth) and Vision. However, just like the Nike logo, the right leg of the V is both longer and completes its line at a higher level than that of the left leg. The rationale of the longer/higher right leg of the 'V' in the Verizon promotes technological advancement and similar to the Nike Swoosh promotes progression and growth.

https://www.businessinsider.com/verizon-changed-its-logo-2015-9

(Continued next page.)

Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

"What do Nike, Verizon and Escalators Have in Common?" *(Continued from last page.)*

Escalators — Did you know that the 'moving stairway' was invented in the late 19th Century and first instituted in Coney Island in 1896 and was referred to as an "inclined elevator?" Because elevators move in a direct vertical pattern (up or down) vs. the diagonal direction of an escalator, they take on a slightly different meaning. Such is the framework for a popular investing saying, "The stock market moves downward like an elevator and moves upward like an escalator."

There is no better example of this than the COVID-19 Crash of early 2020.

As the technical chart to the right indicates, the one year pattern of the S&P from February 12, 2020, to February 12, 2021, looks very similar to the Nike and Verizon logos. Additionally, the chart also resembles the schematic above that emulates the difference between a ride down an elevator vs. a ride up on an escalator.

When we look at other market reactions to 'exogenous shocks' such as Pearl Harbor, 1987 Crash and the Cuban Missile Crisis, they resemble a very similar pattern. That being a dramatic and almost straight flush downward (the elevator) only to be followed by slower but more deliberate ascent back to the original point of descent and then off to new heights (escalator.) The logical next question is, "Why does this pattern seem to emerge following abrupt market selloffs that occur as a reaction to an unforeseen outside shock?" **We summarize:**

Metaphor	What is Means
Elevator Down	Panic selloffs, are liquidity driven shocks to the system: stop-loss orders, margin calls and fear-driven market orders all hitting at once in reaction to the Event, so prices gap lower in a matter of hours or days.
Escalator Up	Recoveries on the other hand are usually built upon a series of small, incremental buys as investors dip their toes back in the water and accumulate positions over months or years amid improving fundamentals. Daily volatility is low while liquidity is ample.

(Continued next page.)

Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

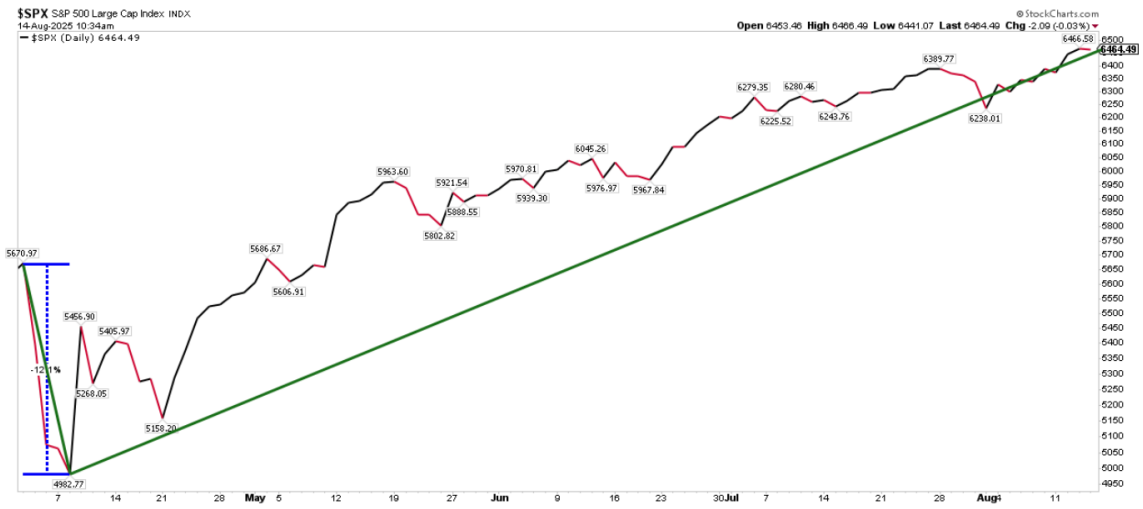
"What do Nike, Verizon and Escalators Have in Common?" *(Continued from last page.)*

As legendary investor Barry Ritholtz said it; "Put differently, confidence is built slowly but fear is explosive. This is exactly what behavioral-finance studies call "loss-aversion asymmetry" as the pain of losses is felt more intensely than the pleasure of equivalent gains, so selling cascades more violently than buying accumulates."

https://ritholtz.com/2015/08/elevator-down-stairs-up/

Commonality Between the Three —
So in closing, what do Nike, Verizon and Escalators have in common?

They all resemble a similar 'V' shape where the left leg of the letter is both at a steeper angle and a shorter distance from top to bottom than the right leg. Their commonality in shape is the focus of our article as the current trajectory of the S&P 500 as shown in the chart below looks to resemble a similar pattern that has previously occurred during panic-led selloffs. Certainly, only time will tell, but will the Tariff Shock of 2025 ultimately be viewed by market historians as another in a line of 'V' Shaped recoveries?



Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

Sell in May & Go Away or April Showers Bring May Flowers?

This is a well-known market adage based on the idea that stock market returns are historically weaker during the summer months. "Sell in May and Go Away" suggests investors should sell their equity holdings in May and reinvest in November, avoiding the historically weaker six-month period from May through October.

Although empirical studies (especially on the S&P 500 and Dow Jones) have shown that returns from November to April have, on average, outperformed those from May to October, the strategy has been more effective in some decades than others, and it doesn't work consistently every year. Reasons over the years include lower trading volumes and investor participation in summer, seasonality in corporate earnings cycles and Investors "returning" to markets after summer vacations, driving stronger performance in fall/winter. Although we find the relationship between the actual returns and the reasons to be spurious at best, *(statistical relationship between two variables that appears causal but is actually due to coincidence or a third factor)* we are intrigued at the coverage it garners from the financial press. All that being said, we lean on another well-known saying, "April Showers bring May Flowers" to help describe the phenomenon that happens when the month of May garners a return of 5% or greater.

More Clues The Bulls Are In Charge

S&P 500 Performance After >5% In May

		S&P 500 Future Returns			
Year	Return In May	1 Month	3 Months	6 Months	12 Months
1985	5.4%	1.2%	-0.5%	6.7%	30.5%
1986	5.0%	1.4%	2.3%	0.8%	17.3%
1990	9.2%	-0.9%	-10.7%	-10.8%	7.9%
1997	5.9%	4.3%	6.0%	12.6%	28.6%
2003	5.1%	1.1%	4.6%	9.8%	16.3%
2009	5.3%	0.0%	11.0%	19.2%	18.5%
2025*	6.0%	?	?	?	?
Average		1.2%	2.1%	6.4%	19.9%
Median		1.2%	3.4%	8.2%	17.9%
% Higher		83.3%	66.7%	83.3%	100.0%
All Years Since 1950					
Average		0.7%	2.2%	4.5%	9.2%
Median		1.0%	2.6%	4.9%	10.4%
% Positive		60.7%	66.0%	70.1%	73.8%

One month later, an additional 5.4%

Source: Carson Investment Research, FactSet 05/30/2025
@ryandetrick
* There are still five hours left in May

CARSON

The phrase "April showers bring May flowers" is a traditional English proverb with a long history rooted in both meteorology and poetry. The proverb suggests that the rainy weather of April leads to the blossoming of flowers in May, symbolizing how difficult or unpleasant situations can lead to better things. The concept may have been common knowledge even earlier in agrarian medieval England, where people observed seasonal patterns and relied on folklore to understand weather and planting cycles. Beyond weather, it's often used metaphorically to indicate that Hardship leads to growth or reward. With the past month of April 2025 experiencing a one week plunge of -13% when the S&P 500 fell from a high of 5,695 on April 2nd to a low of 4,948 on April 9th, the gloomy weather metaphor reached epic heights. However, as the chart above compiled by the good folks at Carson Investment Research shows, the month of May rebounded to the tune of a 6% gain. As a matter of fact, going back to 1950 there were only six previous times when the S&P 500 Index recorded a return of 5% or greater. Furthermore, when it did so, the results were an average forward twelve-month return of 19.9% and one no less than 7.9%.

Certainly, there are no guarantees on what will happen over the next twelve months, but just maybe the Investing World will look for a new idiom on which to pin its hopes.

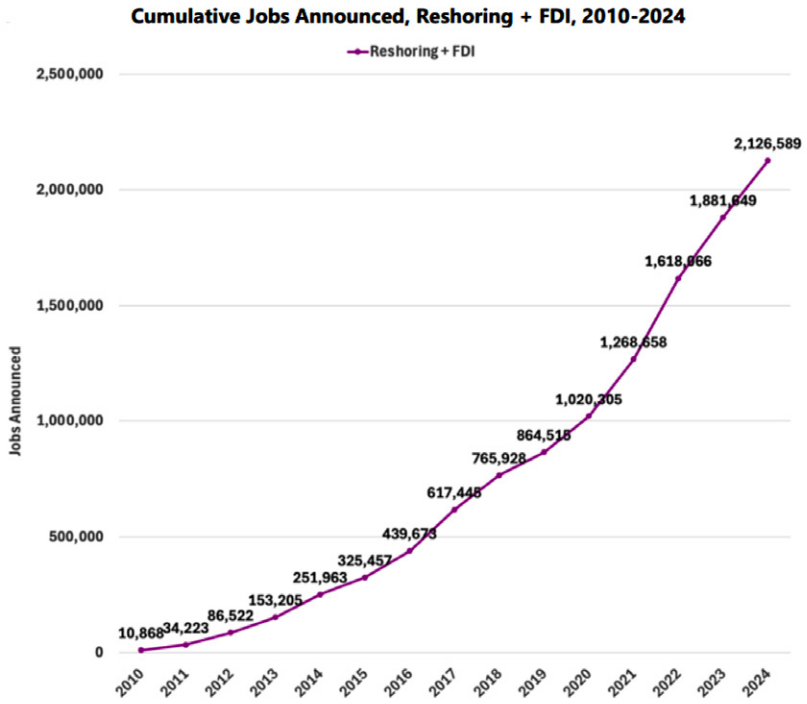
Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

Reshoring Initiative Update

Because we deem the subject matter to be of the utmost importance, we have included its focus in our last two annual acronyms. In 2024 it signified the 'R' in F.O.U.R. and in 2025 the 'R' in P.O.W.E.R. As they released their 2025 results a few weeks ago we felt compelled to reference some highlights.

According to the Reshoring Initiative, *"244,000 Reshoring and FDI (Foreign Direct Investment) jobs were announced in 2024, continuing the strong trend of recent years. Job announcements are the key metric in measuring reshoring and FDI because they directly reflect the long-term impact on employment and local economies. Reversing job losses from offshoring signals not only economic recovery, but also revitalization of U.S. manufacturing strength, a stronger defense industrial base and a strategic reduction in our dependence on foreign sources. Furthermore, over 2 million jobs have been announced since 2010, highlighting a long-term trend toward domestic production. As the chart below shows, the initial million jobs took 10 years to come back and were driven by a gradual recognition that numerous costs and assorted risks often outweighed the substantial differences in manufacturing costs and FOB (Free On Board prices, a term used in international trade to indicate the point at which the seller's responsibility for goods ends and the buyer's responsibility begins) prices. The accelerated rate of 1 million in the last 4 years was due to the added impact of massive government funding, such as IRA and CHIPS, and corporate recognition of the dramatically increasing levels of geopolitical risk in the global supply chain."*



https://www.reshorenow.org/

More to come as the report was just released. If anyone would like to understand how the organization gathers its information we reference the following: *"Unless otherwise specified, all data and charts in this report are sourced from the Reshoring Initiative's internal Reshoring Library, which includes over 10,000 published articles, privately submitted case studies, and other verified sources. Reshoring and FDI cases are selected based on clear documentation of a specific company, product, and U.S. location. Job numbers are based on company announcements of current, recent, or future hiring. Actual hiring typically lags announcements by 12 to 24 months. Our figures include work brought in-house to OEM assembly plants and newly outsourced work to the domestic supply chain, which often accounts for a greater share of job creation than final assembly. All totals are adjusted for under-reporting, especially within the supply chain, and may vary by chart based on data availability. Additional details on our methodology are available upon request."*

Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.

WATCH OUR PODCAST – IT'S ALL ABOUT CLARITY®

Our Podcast provides investors with the insight needed to rise above the noise and confusion of the financial media's sensationalized coverage and free them from their Addiction to Prediction®.

GOT CLARITY?

Watch Mark and the Nepsis Team cover today's pressing financial issues for investors.

Tune in here »

https://nepsis.com/resource-center/its-all-about-clarity-podcast/

NEWS FROM NEPSIS

If you haven't had a chance to visit our new office, please take a look at our Nepsis Office Tour video.

Matt Pearson, President of Nepsis, Inc., gives viewers a guided tour through the new facility, highlighting key features and the inspiration behind the design.

We hope to see you at the office soon, but until then… enjoy the video tour here:

https://nepsis.com/about-us/our-office/

As Nepsis, Inc. continues to grow, we appreciate your continued confidence and support. We believe successful investing requires Investing with Clarity®. We look forward to continually providing you with the Clarity needed to be a successful investor long-term.

If you have questions or need additional information about your portfolio, please contact your advisor for more information.

Respectfully,

Mark Pearson
CEO, Founder & CIO
Nepsis, Inc.

CHECK US OUT ON SOCIAL

NEPSIS INC. | NEPSIS, INC | @NEPSISINC

"Invest With Clarity®", "Can You Put A Price On Clarity?™", "PHILOSOPHY STRATEGY FLEXIBILITY TRANSPARENCY®" and "Investing With Clarity®" are trademarks of Nepsis, Inc.

Companies/securities mentioned within are not meant to be an endorsement or a recommendation, They are used for informational purposes only.

NEPSIS, Inc.
Two Meridian Crossings, Suite 400, Minneapolis, MN 55423
(952) 746-2003 • Fax: (952) 746-2006
www.Nepsis.com I Blog: www.InvestingWithClarity.com I Podcast: It's All About Clarity®

©Copyright 2025. Advisory services offered through Nepsis, Inc.: An SEC Registered Investment Advisor.