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2025



IN PURSUIT

# Our View

A QUARTERLY NEWSLETTER  
from SABAL TRUST

**W**atching the Northern Lights dancing across the winter sky is a captivating and magical experience. Parallels exist between investors who navigate the capital markets and hunters of the Aurora Borealis. Just as investors analyze market trends, economic indicators, and corporate earnings to make informed decisions, Northern Lights enthusiasts study weather patterns and solar activity to predict the best viewing times. Investors and those searching for the Aurora Borealis require patience, discipline, and perseverance. *The successful pursuit of each endeavor can bring a sense of accomplishment, satisfaction and happiness.*

## Politics and Emotions

Investing is emotional. Every investor has experienced a range of emotions over the years. This is natural and normal. We were subjected yet again to a contentious political environment culminating in November's Presidential election. Politics stirs deep emotions as each of us is passionate about different issues. President-elect Trump's return to the White House spurred a wide range of emotions.

*How you deal with those emotions plays a critical role in the protection of your family legacy.*

## Happiness and Goals

How do you define happiness? Identifying what makes you happy is an important thought exercise. Each of us finds happiness in unique ways as it is truly personalized and distinctive to who we are as individuals. Similarly, defining your investment goals and objectives is also unique to each investor. Understanding why you invest is critical for success as it helps you build and maintain an investment strategy. The basic building blocks of a strategy include establishing unique goals and objectives, income needs and defining what risk means to you.

*Focusing on why you invest allows you to have a longer-term outlook, a critical part of managing your emotions during uncertain times.*

## Monetary Policy

Interest rates directly influence economic activity and the capital markets. Federal Reserve policymakers kept interest rates elevated for over two years in their battle against stubbornly high inflation. They started cutting rates last September, which was the first reduction since March 2020. We expect policymakers to continue their rate-cutting activity, albeit at a slower rate than the market expects. With the magnitude and frequency of future rate cuts uncertain, it is likely that volatility will remain the norm for bond investors. This presents an opportunity for those investors planning to rebalance portfolios and put money to work in fixed-income investments.

*Locking in yields today positions investors for solid total returns from their fixed-income investments.*

## Economy

Last year, the economy remained resilient as companies produced solid earnings and robust consumer spending fueled growth. The most anticipated economic recession is yet to materialize. We believe the stage is set for continued economic growth in 2025 with the prospects of lower taxes and less costly regulation, which should be supportive of corporate profits. However, policy risks are growing.

*Proposed trade policies and the specter of burdensome tariffs could bring unexpected consequences, elevate costs and disrupt economic growth.*

## Outlook

Even as investors seek clarity, the world around us is constantly changing and evolving. Plenty of questions surrounding domestic policy, taxes, regulation and foreign policy remain unanswered. Government transitions involve change. The manifestation of President-elect Trump's policy initiatives and their impact on financial assets and portfolios will become clearer to investors. Like investors, clarity is necessary for enthusiasts to see the Northern Lights dancing across the sky. Both pursuits involve uncertainty and unpredictability but teach us about the value of resiliency and determination.

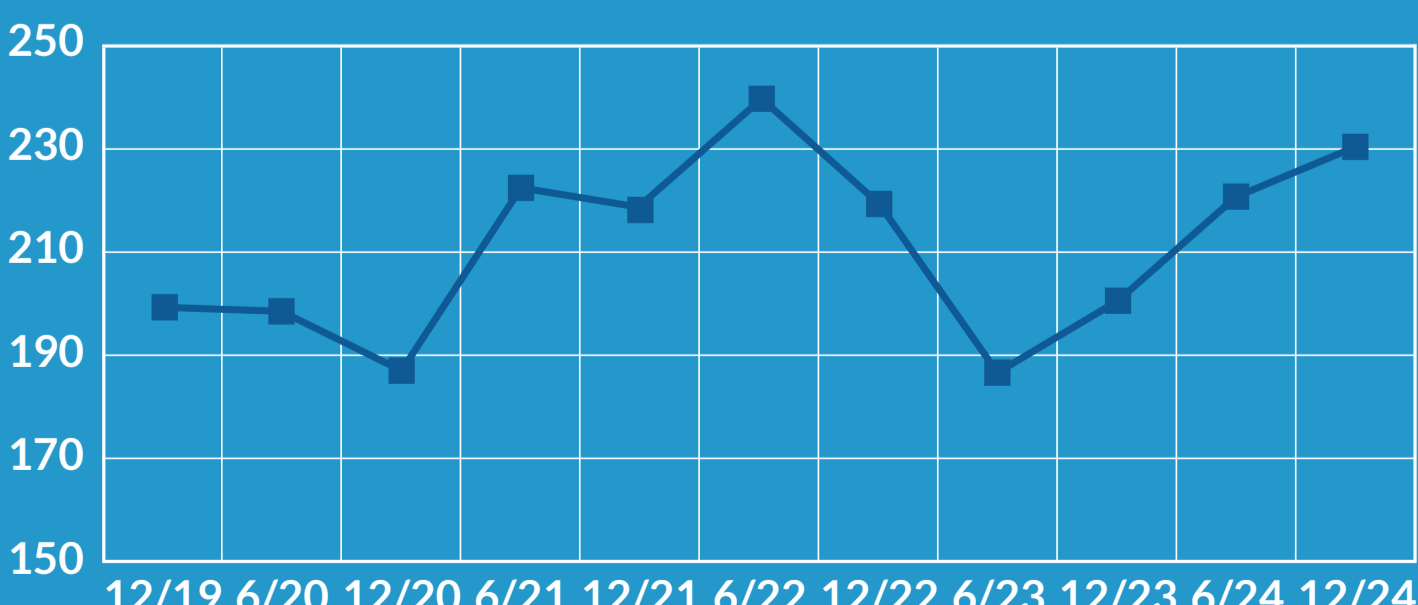
*Yet, the results can be rewarding—financial gains for investors and breathtaking natural displays for Aurora chasers.*



## STOCK FOCUS: L3Harris

Stock Symbol: **LHX** Market Capitalization: **\$46B** Dividend Yield: **1.9%**  
Long Term Earnings: **9.1%** 2025 P/E: **17.3x** Return on Equity: **13.0%**

L3Harris is an aerospace and defense contractor providing mission-critical solutions across air, land, sea, space and cyber. Space exploration and satellite communications present significant growth opportunities, as do the importance of secure communication systems for military, government and commercial applications. LHX increased its dividend for 21 consecutive years and boasts a 10-year dividend CAGR of +11.8%.



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