Rail-Splitter
Capital Management

Rail-Splitter Insights

a weekly commentary on investing

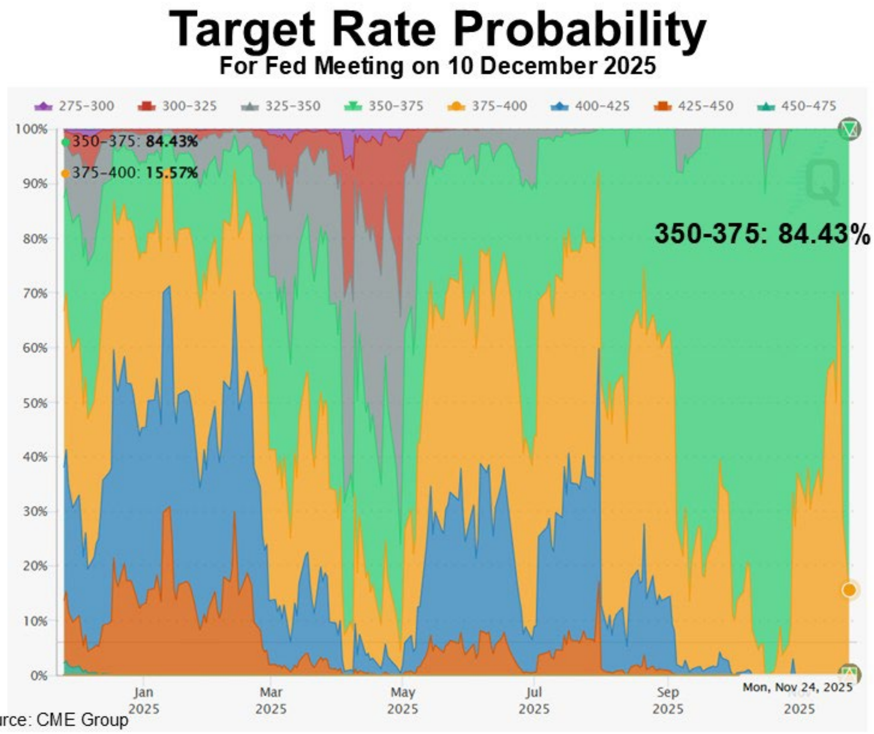
Rail-Splitter Capital Management is focused on protecting and growing wealth for our clients. Our services are provided through Delta Investment Management a registered investment advisory firm. We welcome discussions on how we can help you manage your assets and maximize your wealth. Please contact us at info@rail-splitter.com or 312-724-8722.

Sticking the Landing

November 26, 2025

The flight path of the S&P 500, which had been steadily climbing since May, hit some turbulence in November. On November 20, the intraday high-low range was 236 points (~3.5%). Investor anxiety around interest rates, consumer spending and the durability of the AI investment cycle rose. That doubt, combined with seemingly elevated valuations and a lock-in profits mentality, created selling pressure.

From about 30% last week, the market-implied odds of a December 10 Fed rate cut to 350-375 (area in green) climbed back to 84% - closer to levels the probability was before the last Fed meeting on October 29.



Source: CME Group

Following Walmart's better-than-expected results last week, Dick's Sporting Goods, Best Buy, Abercrombie & Fitch, Burlington Stores, Ross Stores, and TJX all posted beats. Even The Gap reported better-than-expected results. The holiday shopping cycle looks to be in good shape.

Nvidia grew sales 62% year-over-year and earnings 65% year-over-year in its most recent quarter and raised guidance. Revenues are projected to increase by over 75% in 2026. The secular AI super-cycle story appears to be on track.

Turbulence sellers in November are likely to be buyers in December. We do not expect significant fundamental news between now and year end to upset the generally benign economic outlook. The path looks clear for the S&P 500 to stick a third consecutive year of double-digit returns.

Happy Thanksgiving to you and your families!

"Who tipped off the turkey?"

Taking Care of Business: Year-End Checklist

As the year winds down, now is a great time to review your accounts and button up year-end items. Please review the list below and reply with anything you would like help with.

Profile & Beneficiaries

- **Contact info:** Is your mailing address, email, and phone current on all accounts? If not, log in to Schwab and update your profile. Out-of-date info can trigger trading or "move money" restrictions.
- **Beneficiaries**: Confirm beneficiaries on both retirement (IRAs/qualified) and non-qualified accounts (we highly recommend doing both). If you cannot see/do not know your beneficiaries, please check with us.

Required Minimum Distributions (RMDs)

- If you're **age 73+**, you must withdraw your 2025 RMD by December 31, 2025.
- Schwab experiences heavy year-end volume; to avoid delays, please initiate RMDs as early as possible. We highly recommend submitting any RMD request no later than December 1, 2025 to help ensure timely processing.

Qualified Charitable Distributions (QCDs)

- A QCD lets individuals age 70½+ donate from an IRA directly to a qualified charity.

- QCDs do not increase taxable income and can count toward your RMD.
- If you plan to use a 2025 QCD, please let us know soon so we can prepare the paperwork.

Tax Planning & Realized Gains/Losses

- **Tax-loss harvesting:** We can review taxable accounts for opportunities. Remember, the wash-sale rule (30 days) applies.
- **Estimated taxes:** If you make quarterly payments, your next due date is January 15, 2026.
- **Roth conversions (2025):** Conversions must be completed by December 31, 2025. Given year-end activity at Schwab, we recommend submitting paperwork by December 3, 2025; after that date, Schwab cannot guarantee processing before year-end.

Contributions & Benefits

- **401(k)/403(b):** Make any final salary-deferral changes before your last 2025 paycheck.
- **IRAs/Roth IRAs:** We'll confirm eligibility and funding strategy with you (2025 limits apply).
- **529 plans:** Consider year-end contributions (state tax benefits vary).
- **FSA/HSA:** Use remaining FSA dollars if your plan is "use-it-or-lose-it"; consider topping up HSA contributions.

Housekeeping & Risk

- **Cash management:** Confirm adequate emergency reserves and a competitive yield on idle cash.
- **Estate & documents:** Ensure wills, POAs, and healthcare directives reflect your wishes; verify accounts are correctly titled (e.g., to trusts where applicable).

Please feel free to call or email us to talk about the above.

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

BEARISH

THIS WEEK'S NUMBER IS

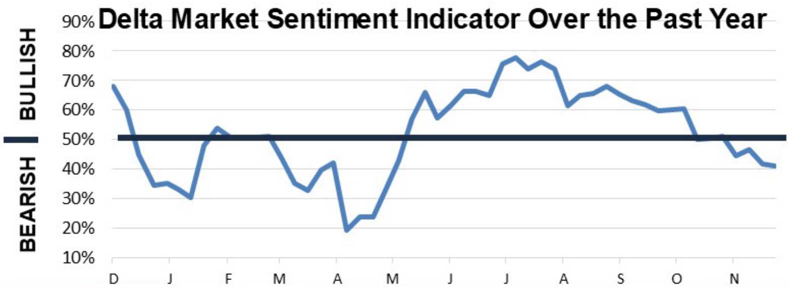
41.2

Our technical indicator decreased from 41.7 to 41.2 this week

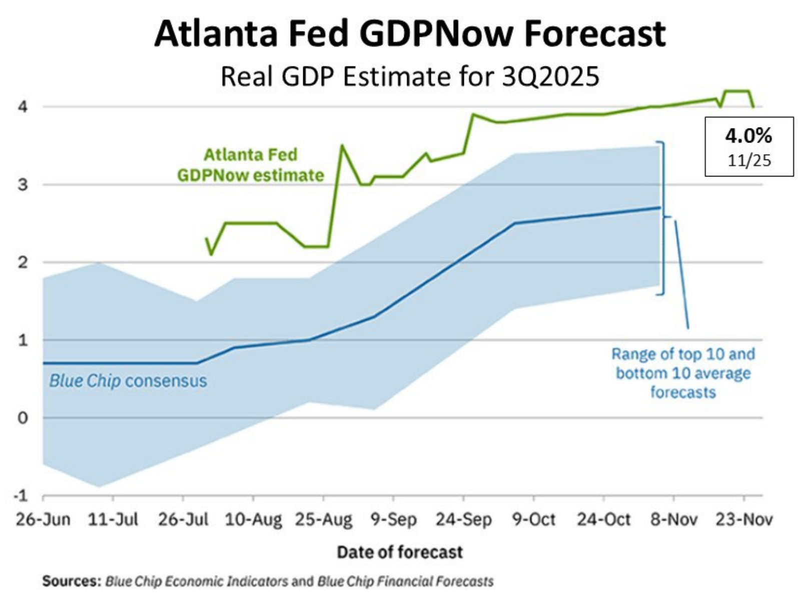
INDICATOR STATISTICS

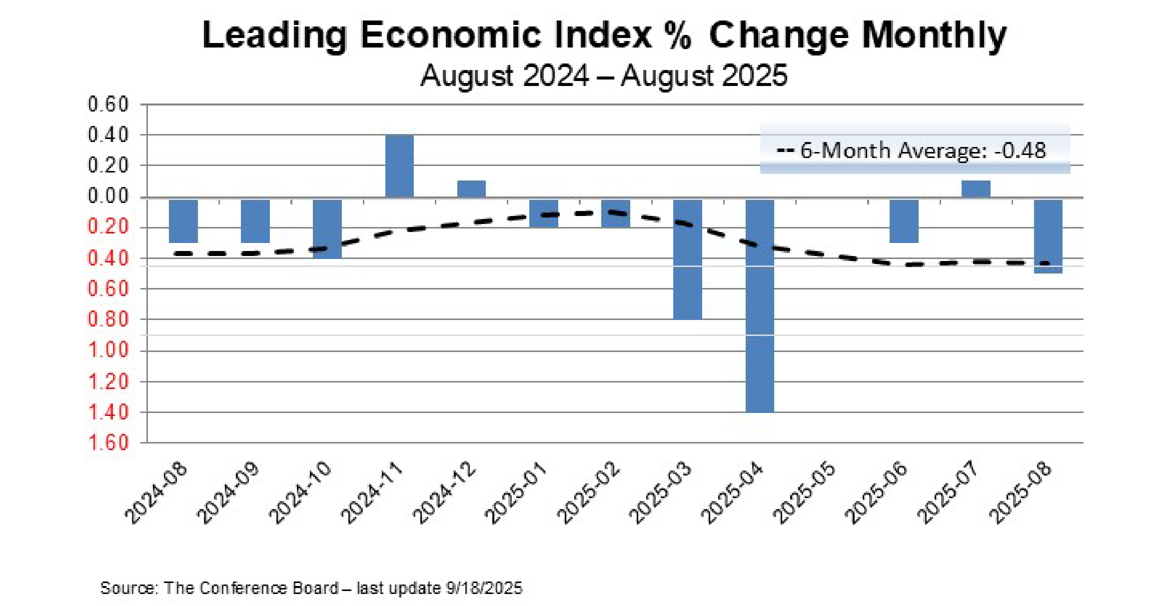
Consecutive Bearish Weeks:	4
Cycle Inception Date:	11/6/2025
Range:	41.2 -46.7
Mean::	43.5
Bullish Weeks YTD:	30
Bearish Weeks YTD:	18
*S&P 500	0.0%
*DJIA	0.0%
*NASDAQ	-0.8%

* Percentage change during current cycle



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





Our mailing address is:
Rail-Splitter Capital Management
200 S. Wacker Drive, Suite 2650
Chicago, IL 60606