Outlook & Positioning

May 2026

THE PACIFIC FINANCIAL GROUP

Page Reference

Market Overview

Overview

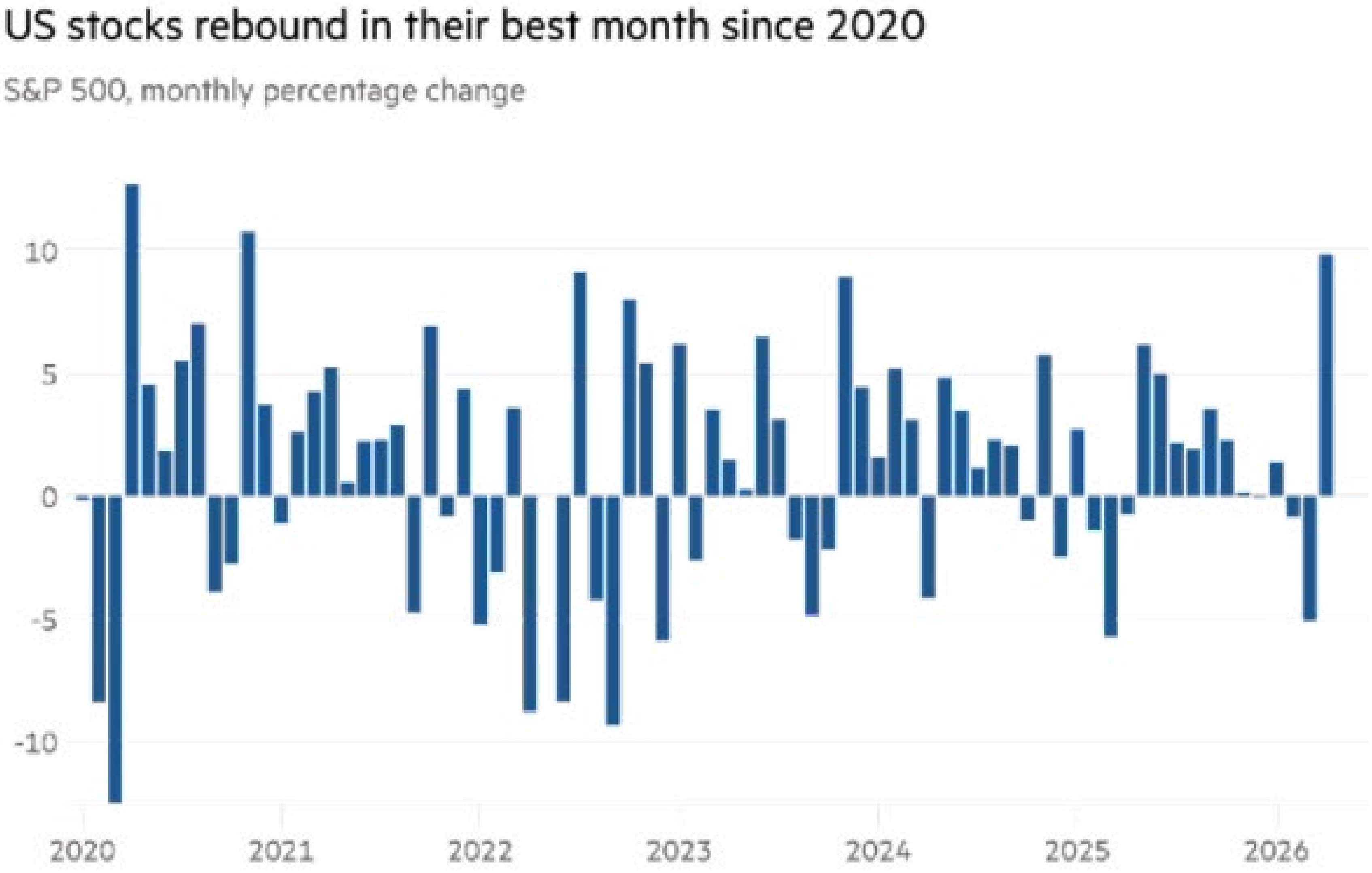
Equities	Representative Index	YTD	2025	2024	2023	2022
US Large Cap Stocks	S&P 500 Index	5.7%	17.9%	25.0%	26.3%	-18.1%
US Large Cap Stocks	S&P 500 Equally-Weighted Index	6.7%	11.4%	13.0%	13.9%	-11.5%
US Dividend Stocks	S&P Dividend ETF	8.5%	8.2%	8.4%	2.6%	-0.5%
US Small Cap Stocks	Russell 2000 Index	13.2%	12.8%	11.5%	16.9%	-20.4%
Foreign Developed Stocks	MSCI EAFE Index	6.1%	31.2%	4.4%	18.2%	-14.5%
Emerging Market Stocks	MSCI Emerging Markets Index	14.5%	33.6%	8.0%	9.8%	-20.1%
Fixed Income						
US Bonds	Barclays Aggregate Bond Index	0.1%	7.3%	1.3%	5.5%	-13.0%
High Yield Bonds	Bloomberg US Corporate High Yield Index	1.2%	8.6%	8.2%	13.5%	-11.2%
Municipal Bonds	Bloomberg US Municipal Bond Index	1.0%	4.3%	1.1%	6.4%	-8.5%
Alternatives / Commodities						
Bitcoin	iShares Bitcoin Trust ETF	-12.7%	-6.4%	99.2%*	-	-
Gold	Gold Shares ETF	6.9%	63.7%	26.7%	12.7%	-0.8%
Commodities	Broad Basket Commodities ETF	29.6%	14.9%	5.5%	-8.8%	15.2%

- **Financial markets and the economy have both shown resilience despite volatility surrounding the ongoing conflict in the Middle East**
- **Concerns remain regarding the impact of higher energy prices and global transport costs as inflation remains elevated**
- **Large tech stocks led a rebound in equity markets in April, resulting in the best single month since 2020**
- **Corporate earnings showing continued strength, and elevated spending on AI-related tech and infrastructure is supporting the economy**

Source: Ycharts as of April 30, 2026. *iShares Bitcoin Trust ETF 2024 performance reflects 1/11/24-12/31/24.

Rebound in Risk Assets

Overview



- **Large tech names rebounded in April to lead equity markets to the best monthly returns for US stocks since 2020**
- **Driven by strong earnings, continued AI infrastructure spending, and resilience despite the volatility**

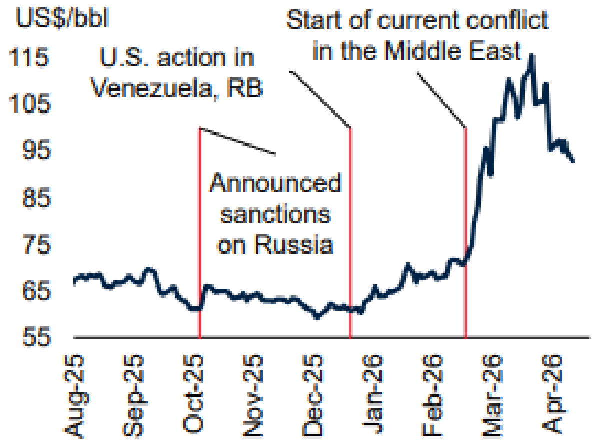
Source: LSEG, Financial Times as of April 30, 2026

Geopolitical Shock & Potential Market Impacts

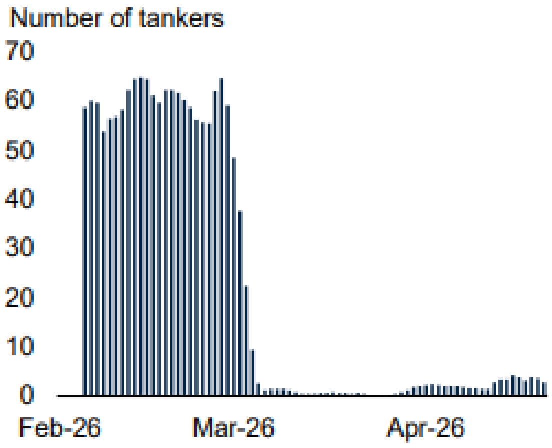
Energy Prices: Higher for Longer?

Geopolitical Shock

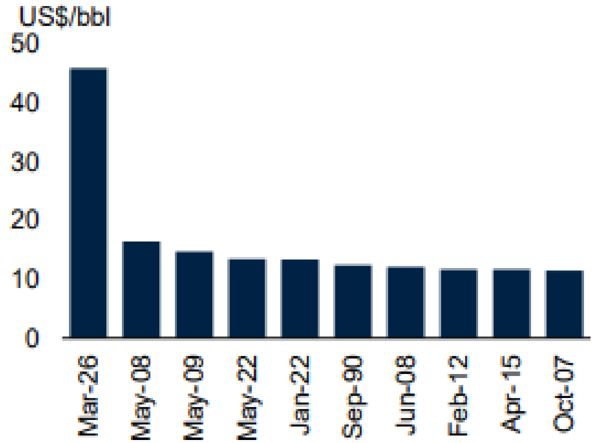
A. Brent oil price and key events



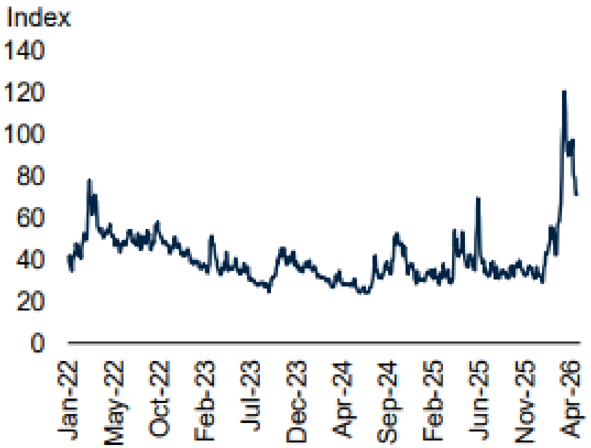
B. Tankers transiting the Strait of Hormuz



C. Monthly increases in Brent prices



D. Oil price volatility



- **Strait of Hormuz has been effectively closed since early March 2026, what the IEA has called the largest oil supply disruption in the history of the global oil market**
- **Even if the Strait reopens immediately, prices will likely remain elevated for months**
- **Damage to Gulf energy infrastructure has compounded the supply shock, along with disruptions to facilities producing helium, aluminum, fertilizer inputs, and other industrial materials mean price pressures in those markets will persist long after the Strait itself reopens**
- **Gas prices in the U.S. have risen sharply since the conflict began, year-ahead inflation expectations have surged to 4.7% (per the latest UMich survey), and the Dallas Fed projects global GDP growth could be reduced by 2–3 percentage points in 2026 if the disruption persists, a combination of rising prices and slowing demand that puts central banks in a difficult position**

Source: Bloomberg; World Bank.
Note: bbl = barrel; RB = República Bolivariana. IEA = International Energy Agency. A. Two-day moving average of Brent prices. Last observation is April 20, 2026. Vertical lines indicate major events. B. Five-day moving average of vessel transits of the Strait of Hormuz. Last observation is April 20, 2026. C. Bars show the dollar difference in the end-of-month daily price of Brent compared with the previous one. Top 10 positive changes since 1988 are plotted. D. Two-day moving average of crude oil volatility index, which measures expected 30-day volatility based on options spanning a wide range of strike prices.

Wide Range of Industries Affected

Geopolitical Shock

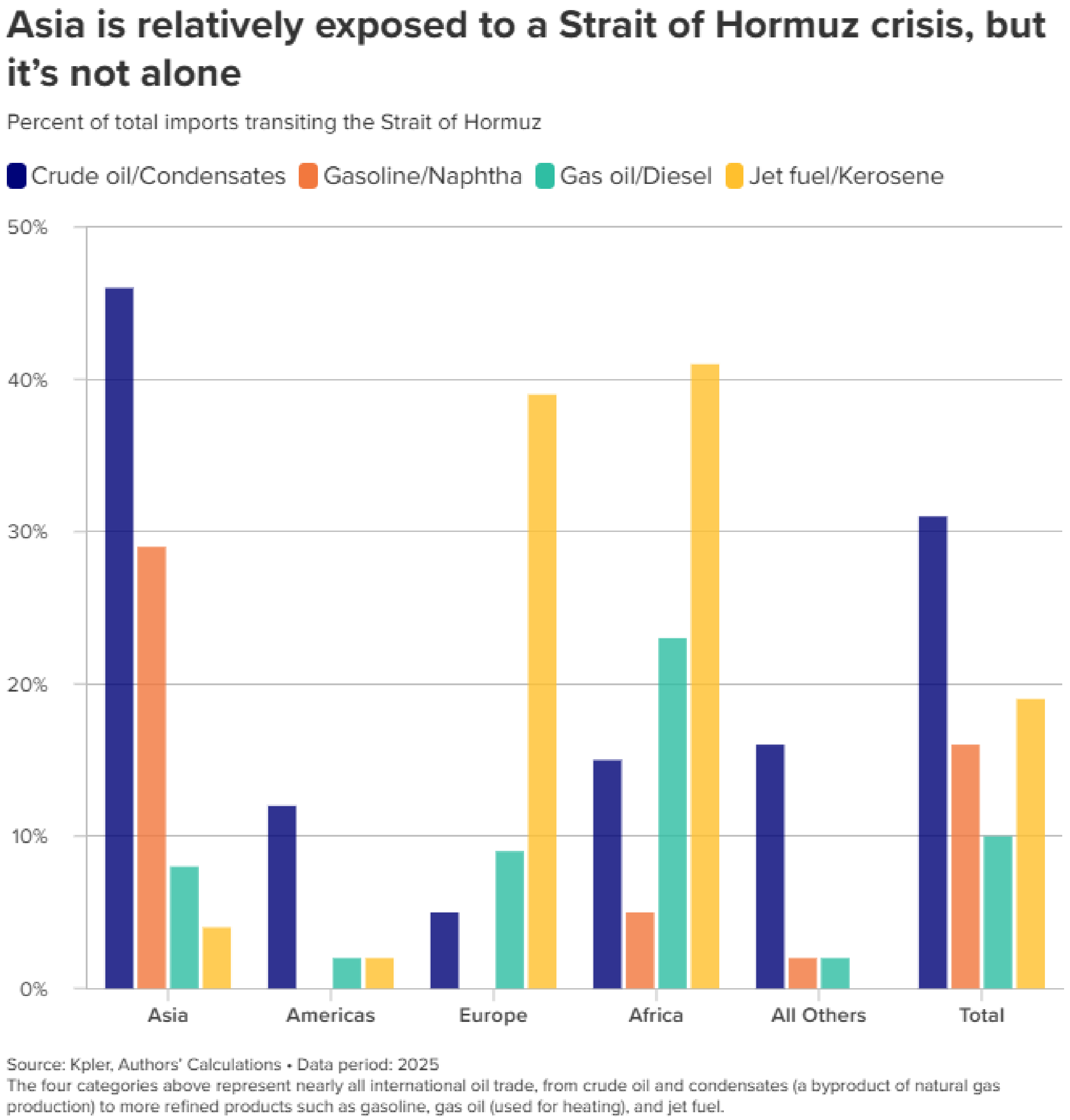
Which industries could be affected by supply disruption risks

Product	Middle East's market share	Importance	Industries Affected
Sulphur	45%	Input for sulfuric acid and fertilizer production.	• Agriculture • Chemicals • Metal processing • Lead-acid batteries
LPG (Butane/ Propane)	Butane: 44% Propane: 25%	Fuel and petrochemical cracking feedstock.	• Residential and commercial fuel • Industrial power • Petrochemicals
Crude Oil	34%	Base energy feedstock for fuels and chemicals.	• Energy
Helium	33%	Critical for semiconductors and MRI systems.	• Semiconductors • Healthcare • Aerospace
Petrochemicals: Methanol Butadiene	Methanol: 30% Butadiene: 4%	Methanol: Building block chemical for plastics and solvents. Butadiene: Building block mainly used to produce synthetic rubber and engineering plastics.	• Plastics and polymer manufacturing • Textiles & footwear • Consumer goods • Automotive • Construction • Healthcare & pharmaceuticals • Tire and rubber industry
Aluminum	24%	Lightweight metal for transport and packaging.	• Construction • Automotive • Machinery
Urea / Diammonium phosphate/ Ammonia	22%	Key crop nutrients for food production.	• Agriculture • Mining
LNG	19%	Fuel for electricity generation and industrial heat and feedstock for ammonia.	• Utilities & power generation • Fertilizers • Manufacturing & industrial processing • Chemicals • Heavy-duty road transport • Marine transportation
Light refined oil products (naphtha)	17%	Key petrochemical feedstock used to produce olefins.	• Chemicals and petrochemicals • Synthetic fibres • Automotive • Refining & fuel blending

Source: WITS, Morgan Stanley Research;
Note: Butadiene combined HS codes 400211, 400220 400241, 290124 market share, Urea/DAP/ammonia combined HS codes 310210, 310530, 281410, 281420 market share

Asia and Europe are Relatively More Susceptible to the Oil Shock

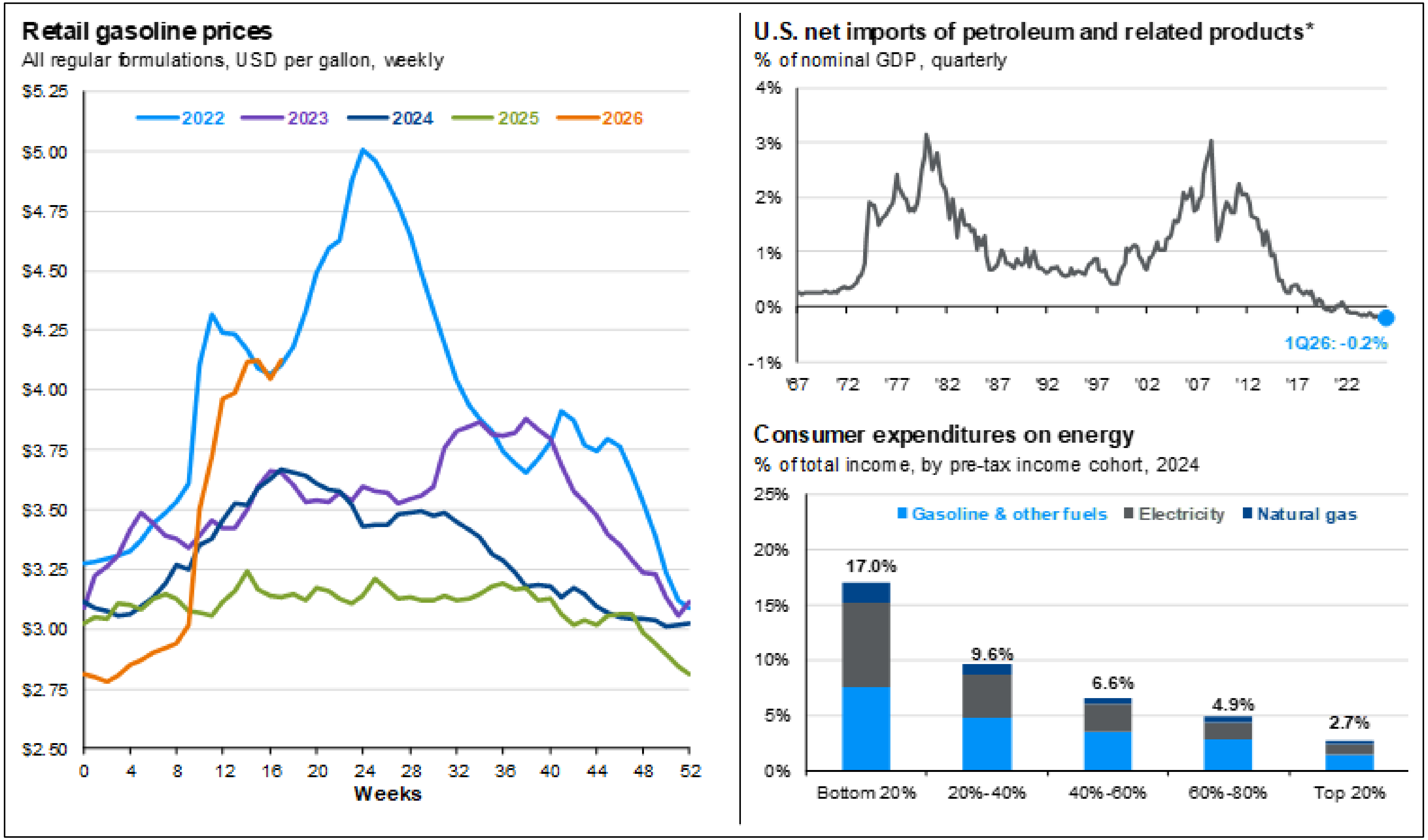
Geopolitical Shock



- As a net exporter of energy, the United States is relatively well positioned to manage the closure of the Strait of Hormuz compared to countries in Asia and Europe that are net importers

Higher Gas Prices Strain Lower End Consumers

Geopolitical Shock

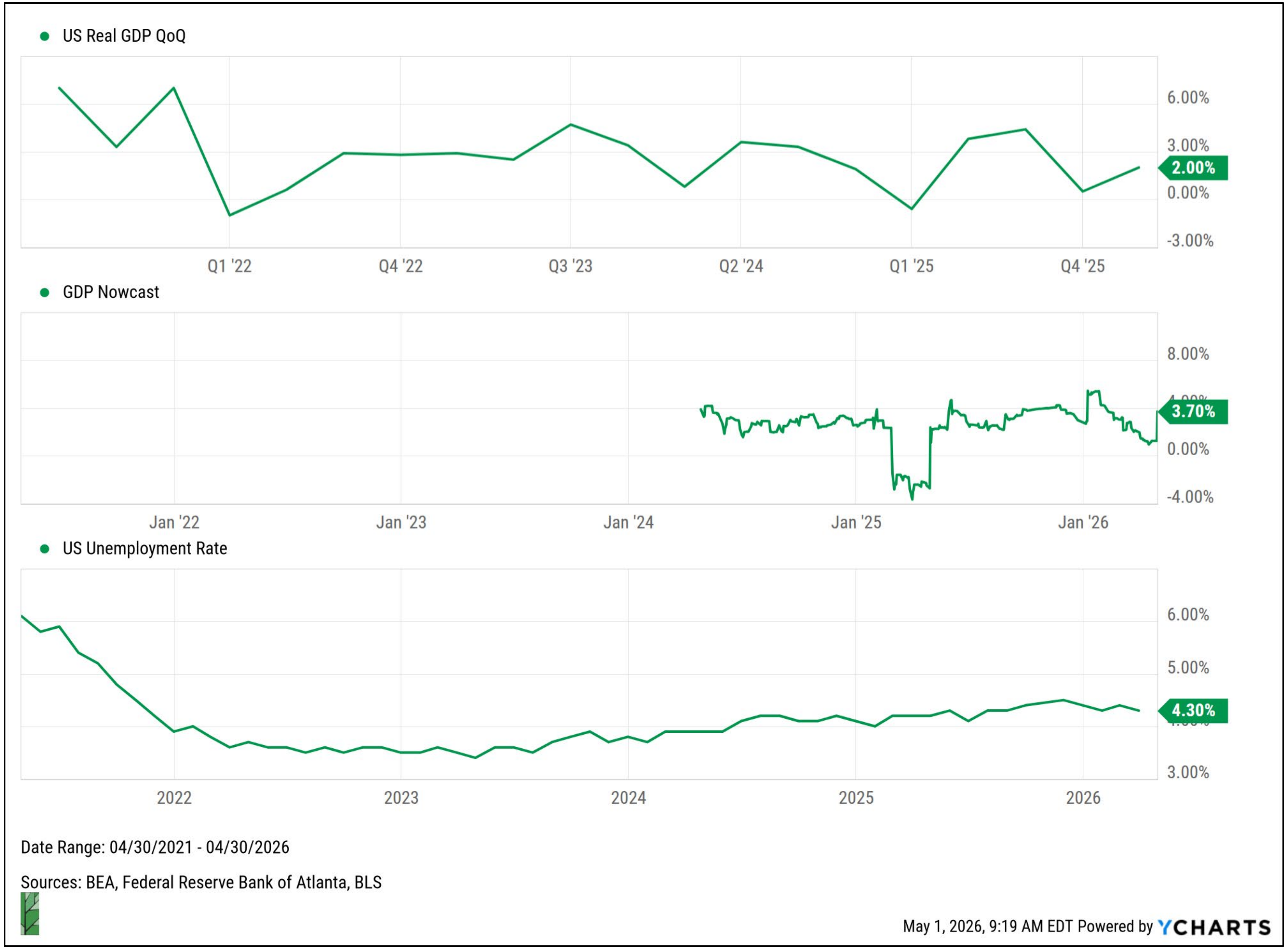


- **Effects may take several months to feed through to economic activity**

Source: J.P. Morgan Asset Management; (Left) Department of Energy; (Top right) BEA; (Bottom right) BLS.
(Bottom right) Data sourced from the 2024 Consumer Expenditure Survey. *Petroleum and related product export data from the BEA are unavailable prior to 1985. Data shown before 1985 represent petroleum and related product imports as a share of nominal GDP. JP Morgan Guide to the Markets as of April 30, 2026

Economy Showing Resilience

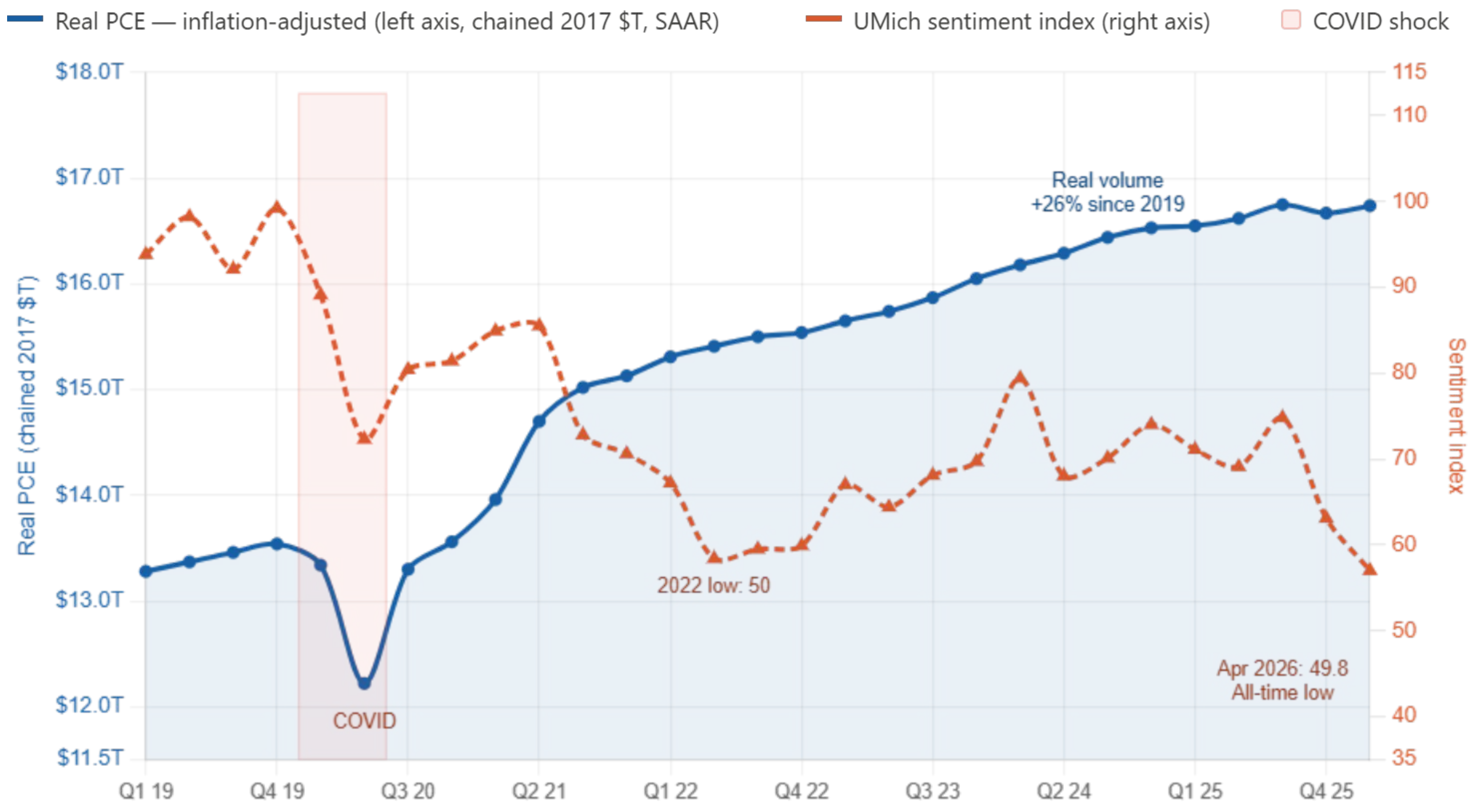
Geopolitical Shock



- **Economic growth rebounded in the first quarter of 2026 to 2%, driven by strong business investment**
- **Atlanta Fed's real time economic growth indicator is also showing a rebound in the second quarter, tracking positively at 3.7%**
- **While the unemployment rate remains relatively low, the labor market is showing signs of underlying weakness such as low job growth**

Conflicting Signals: Consumer Spending and Consumer Sentiment

Geopolitical Shock



Sources: BEA (real PCE, chained 2017 dollars, SAAR), Univ. of Michigan Surveys of Consumers via FRED. Quarterly through Q1 2026; sentiment through Apr 2026.

- **Consumer sentiment turned sharply negative during the inflation shock in 2022 and has remained historically low as consumers feel the stress of high prices**
- **Still, positive consumer spending trends during the same period show consumers have been able to endure higher prices**
- **Higher energy prices are likely to be a drag which may appear in the data with a 2-3 month delay**
- **Benefits from the stimulus bill last year may help offset higher prices, in addition to real (inflation-adjusted) wage increases that have occurred for 35 consecutive months**

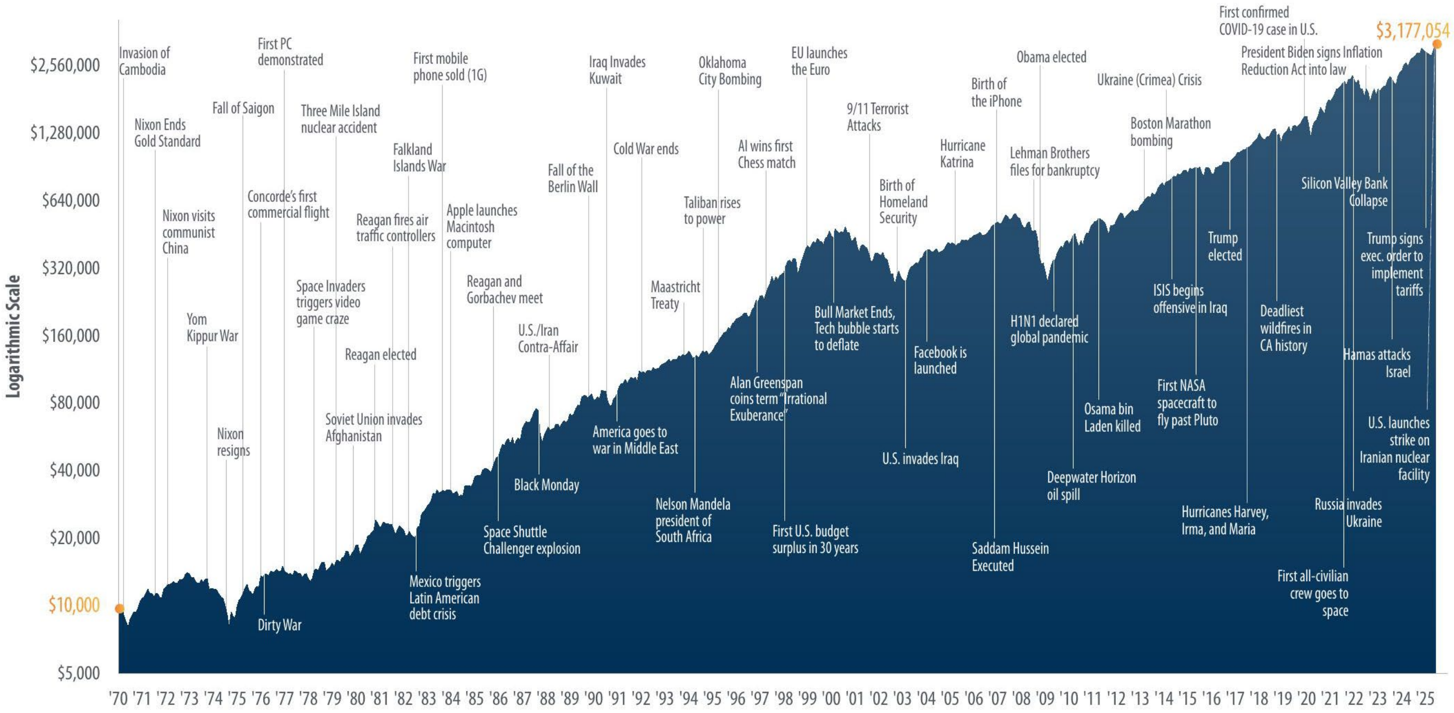
Geopolitical Shock

Geopolitical Conflict and Long-Term Market Returns

Crises and Events: S&P 500 Index Since 1970

This chart shows the growth of $10,000 based on S&P 500 Index performance over the last several decades. We believe looking at the market's overall resiliency through major crises and events helps to gain a fresh perspective on the benefits of investing for the long-term.

The average annual total return of the S&P 500 Index for the period shown below was 10.94%.



Source: First Trust, Bloomberg. Data from 12/31/1969 - 6/30/2025. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future.

Portfolio Takeaway

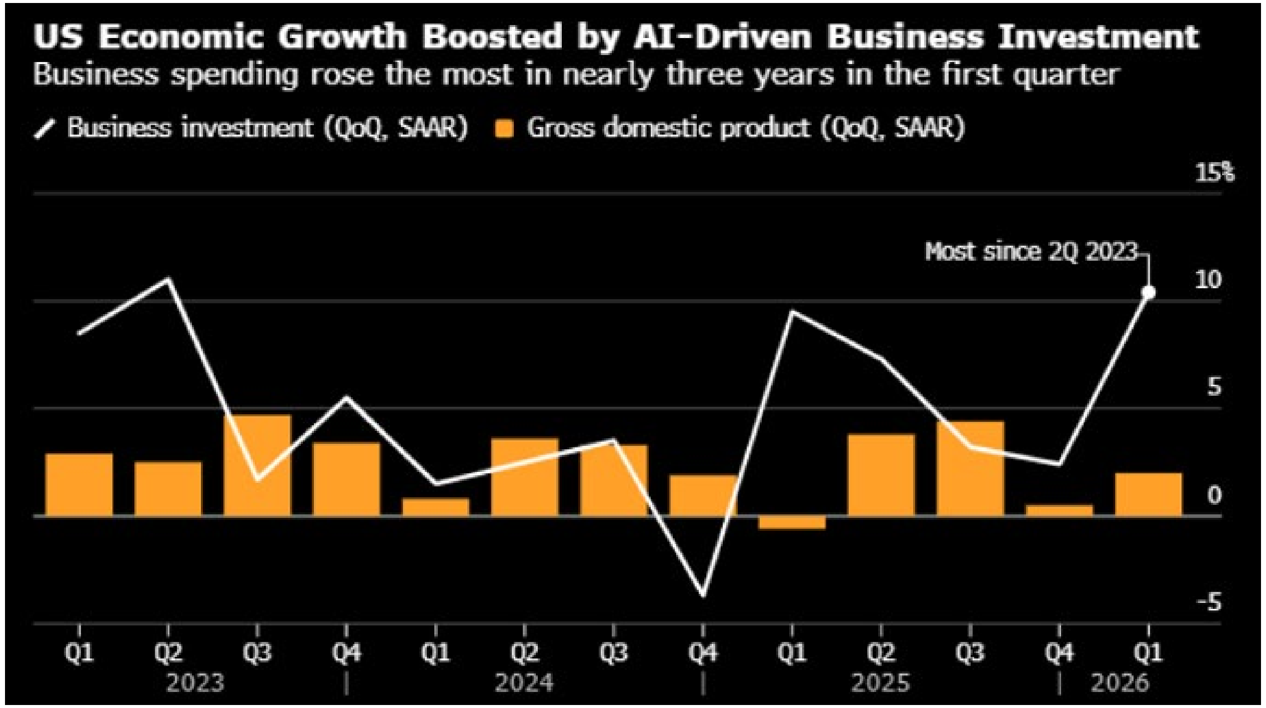
Implications of a Geopolitical Shock and Slowing Economy

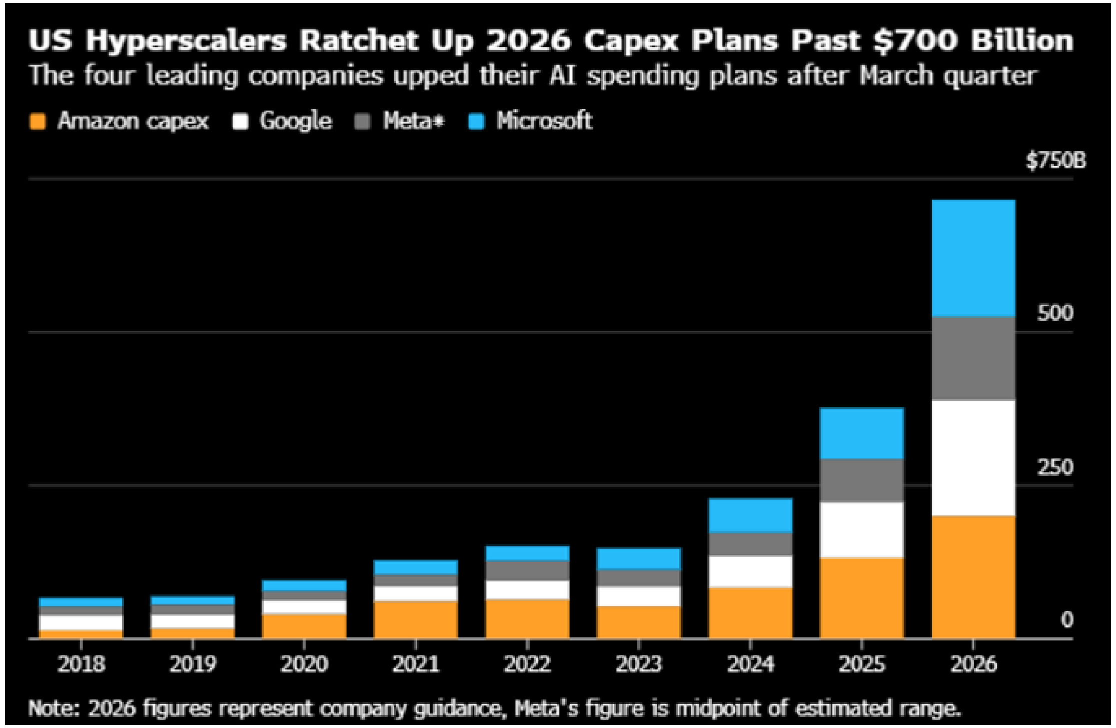
- Top-line economic data is showing modest growth, but some signs of stress are emerging, especially amongst lower end consumers
- This gives us a lower level of conviction in level of economic strength than data points such as GDP and unemployment might otherwise suggest
- Market volatility, valuation concern, and weakness in consumer spending may be exacerbated by higher energy and input costs
- With significant uncertainty surrounding the conflict in the Middle East and its impact on markets, we emphasize portfolio diversification, incorporating hedging, and market risk exposure that is lower beta (reduced risk) compared to the broader equity markets

Implications of Artificial Intelligence on Markets & the Economy

AI Investment is Supporting the Economy

Implications of AI



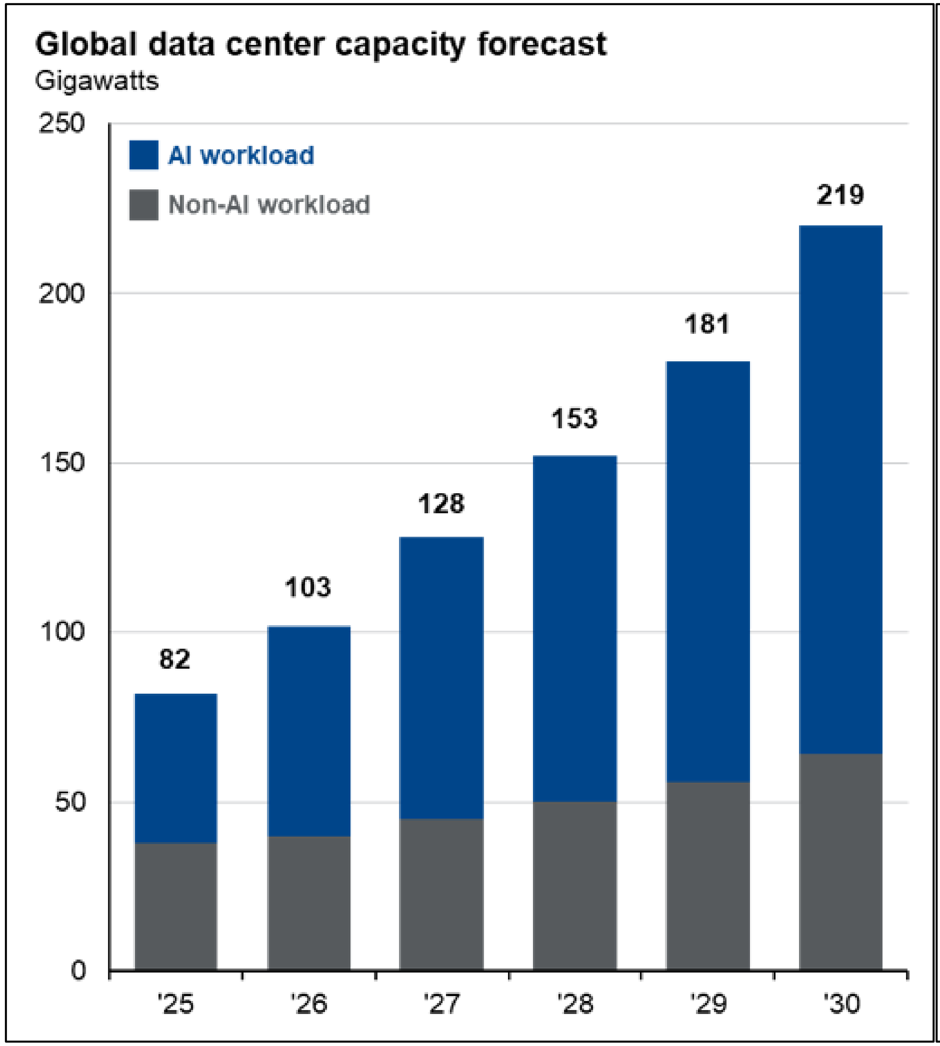


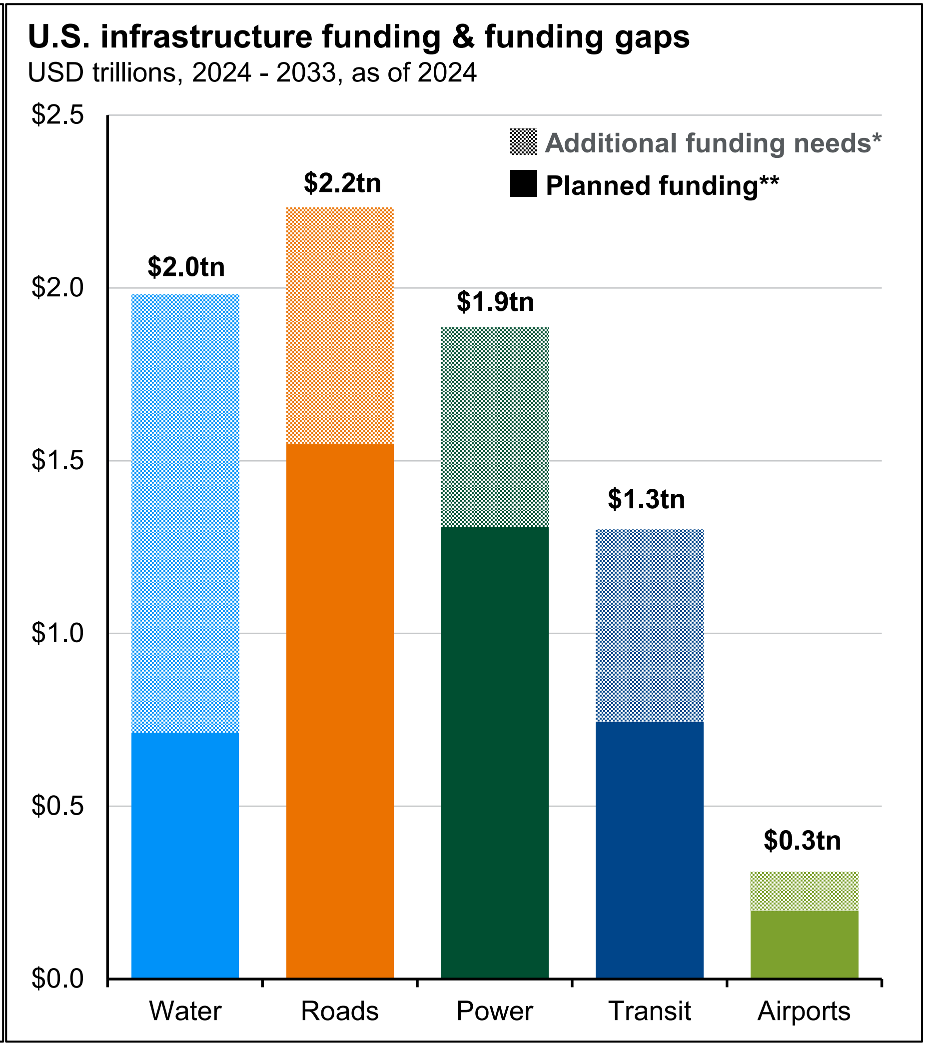
- **Hyperscaler investment in AI-related infrastructure has surged to an expected ~$725 billion in 2026**
- **That is having a real impact on economic growth, contributing to a significant portion of GDP growth in the first quarter of 2026**

Source: Bureau of Economic Analysis, Company reports, Bloomberg as of April 29, 2026

Power Demand and Infrastructure Needs Growing

Implications of AI





- **In addition to the significant power needs driven by electrification and artificial intelligence, traditional infrastructure projects in the US are also facing significant funding gaps, creating potential opportunities for investors**

Source: IEEE Communications, McKinsey & Company; American Society of Civil Engineers (ASCE), Global Infrastructure Hub by G20, J.P. Morgan Guide to Alternatives as of April 30, 2026
Categories defined by the ASCE in the March 2025 *"A Comprehensive Assessment of America's Infrastructure: 2025 Report Card for America's Infrastructure"* report. *Additional funding is the amount of funding needed to get each category to a "B" rating, or a state of "Good" repair, as defined by the ASCE. **Planned public funding is the amount of investment from 2024 to 2033 that is currently in place by U.S. law.

New Business Formation Surging

Implications of AI

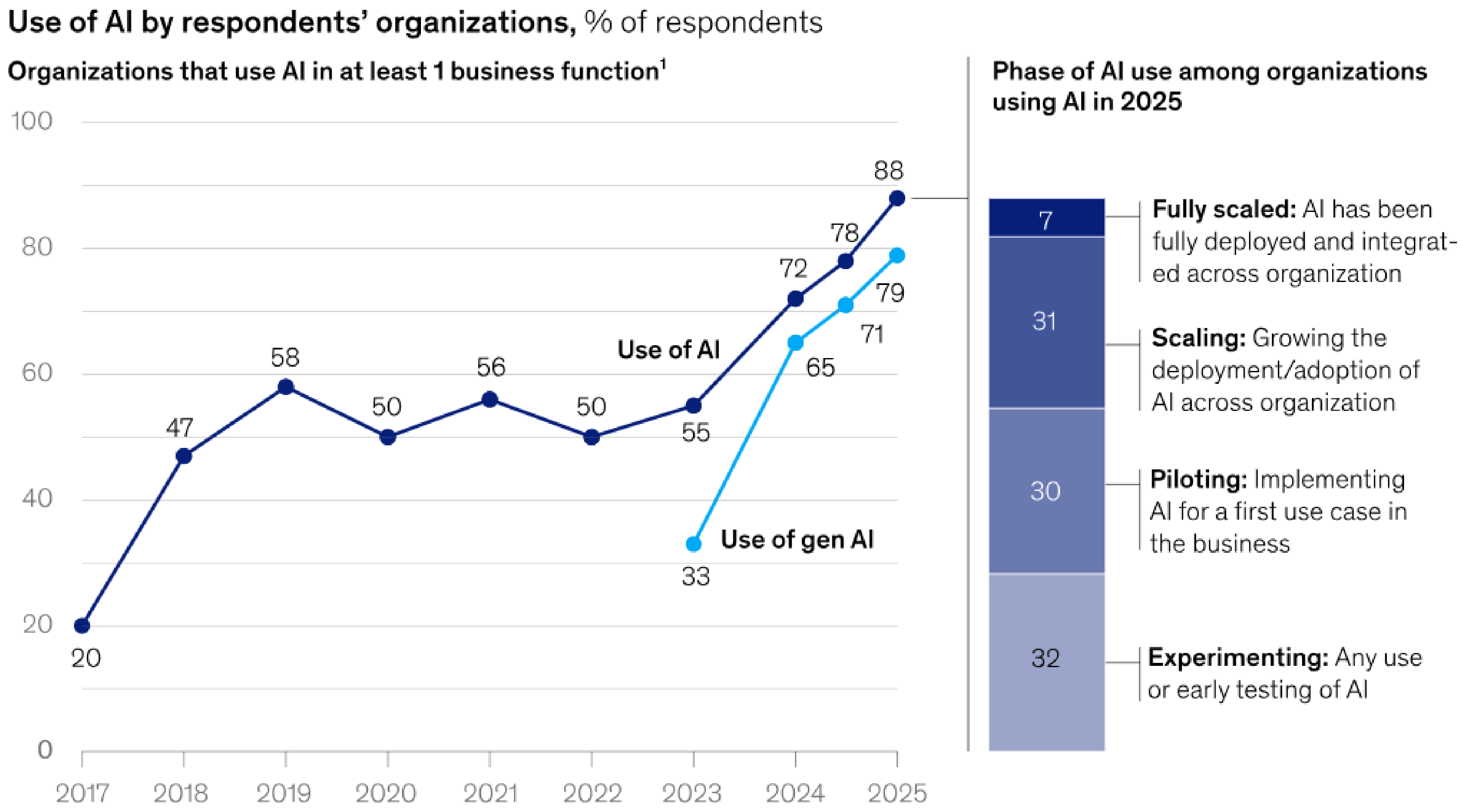
- AI and large language models are reducing the cost and complexity of launching a company
- As these firms scale, they may create jobs, underscoring that AI has the potential to strengthen the US labor market

Source: Apollo as of April 30, 2026

AI May Increase Productivity in the Long-Term

Implications of AI

Reported use of AI in at least one business function continues to increase.

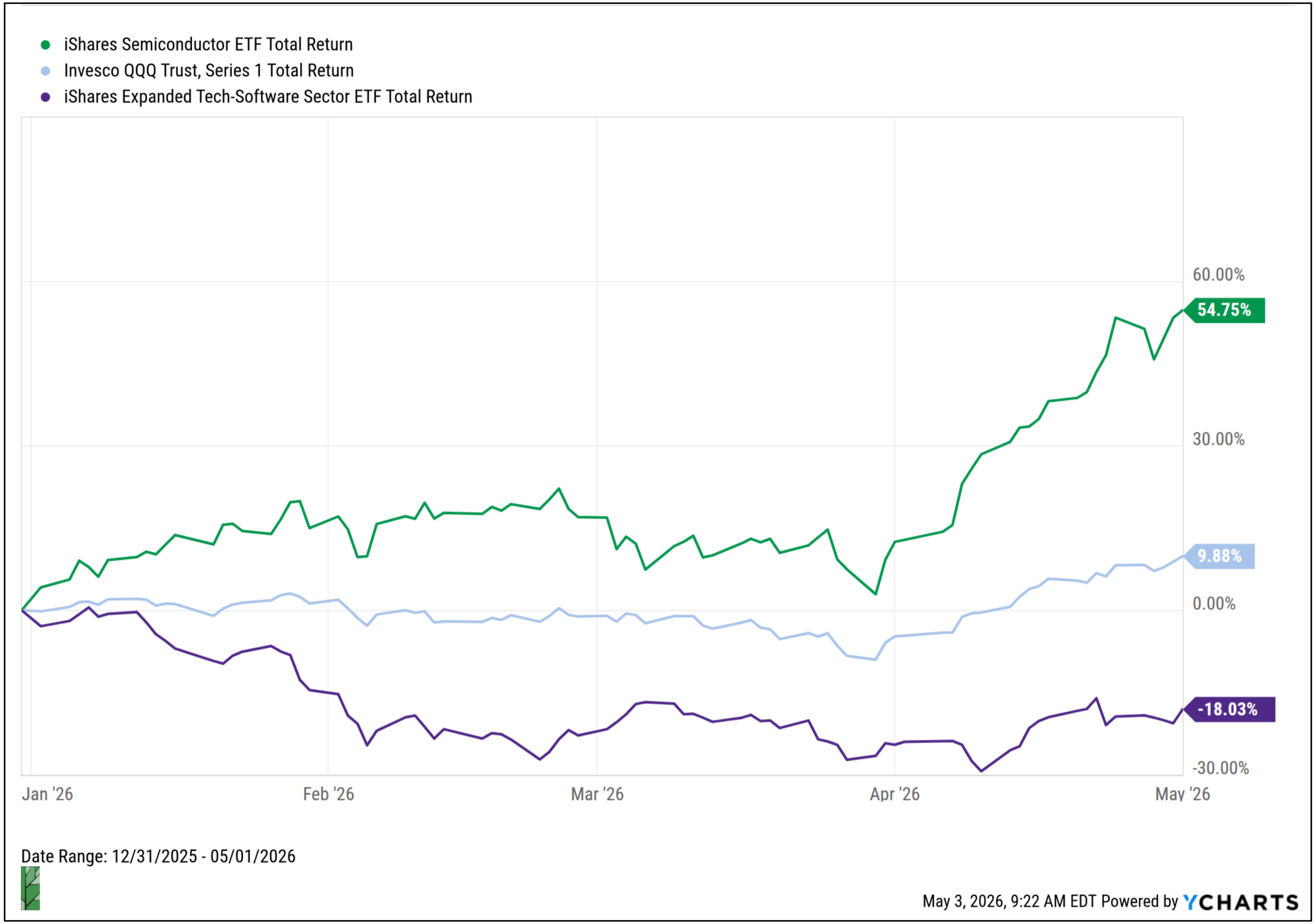


[1]In 2017, the definition for AI use was using AI in a core part of the organization's business or at scale. In 2018–19, the definition was embedding at least 1 AI capability in business processes or products. From 2020, the definition was that the organization has adopted AI in at least 1 function, and in 2025, the definition was regular use of AI in at least 1 function.
Source: McKinsey Global Surveys on the state of AI, 2017–25

- **While AI use continues to broaden, it remains in the pilot or experimental phase for most companies**
- **Over time, productivity gains from AI may benefit companies across many industries, not just US large-cap technology, by lowering costs, improving efficiency, and supporting profit margins**

AI Causing Divergence in Tech Performance

Implications of AI



- Developments in artificial intelligence such as new product announcements are causing significant disruption in the technology sector
- Semiconductor stocks have rallied as a beneficiary of the massive capex spending from the hyperscalers, in addition to supply constraints driving chip prices and margins higher
- In contrast, the software-as-a-service business model is being questioned as AI capabilities grow
  - While the immediate risk of these companies being replaced by AI may be overstated, the valuation impairment may be longer lasting via multiple compression

Portfolio Takeaway

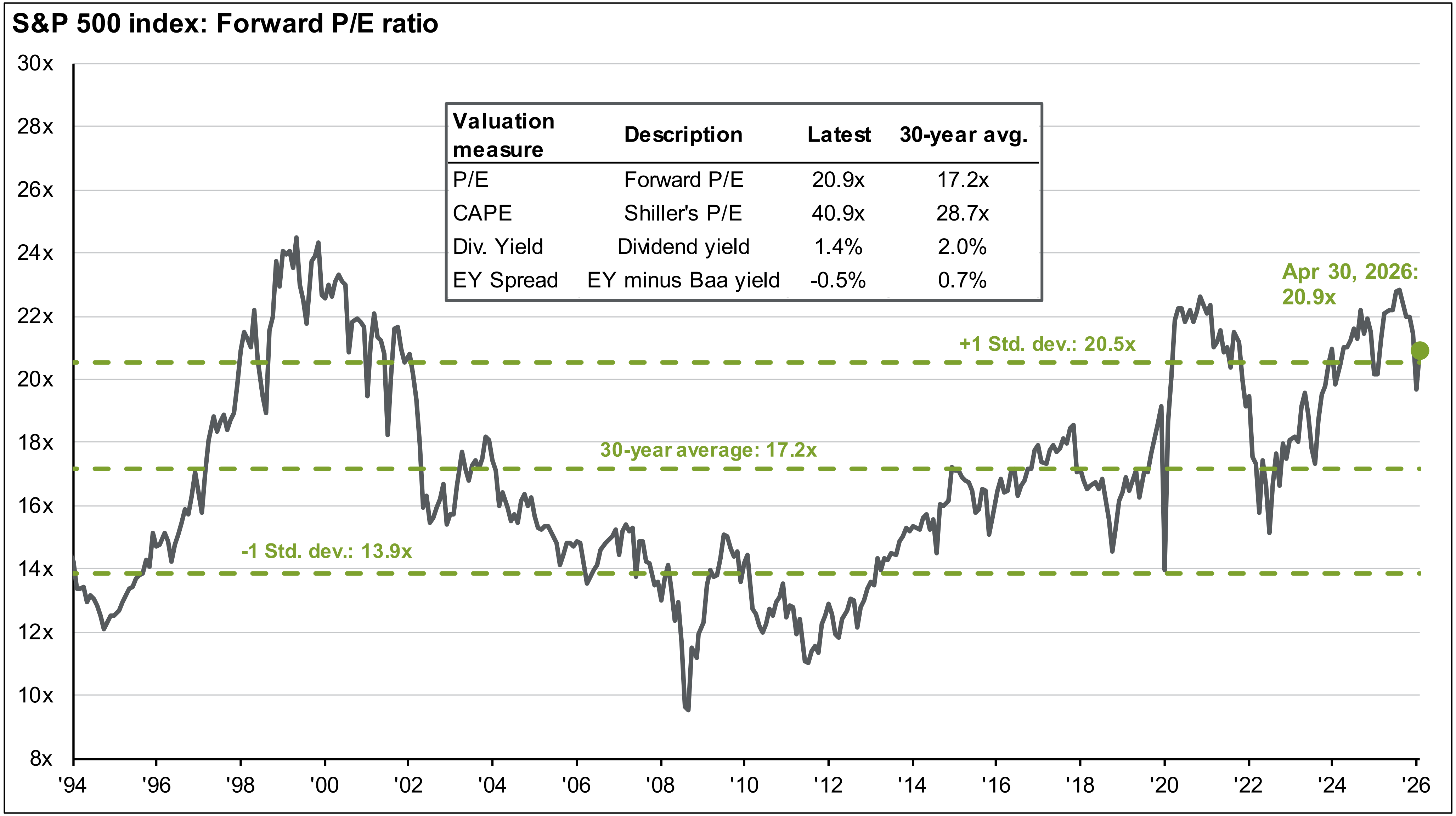
AI has Significant Long-Term Implications for Markets and the Economy

- While AI is a revolutionary technology advancement, large cap US equity markets have become highly concentrated in stocks exposed to this theme, which are top heavy and expensively valued.
- The implications of AI outside of large tech companies will be broad based to potentially include infrastructure and economic growth through data center build outs, for example, productivity growth, and market disruption such as what we are already seeing in the software sector.
- We recommend diversifying equity exposure to include areas outside of large tech / S&P 500, such as equal-weight indexes, small/mid-cap stocks, value & dividend stocks, international equity, and specific themes such as biotech.

Market Valuation & Earnings

Valuations Closer to Long-Term Average

THE PACIFIC FINANCIAL GROUP



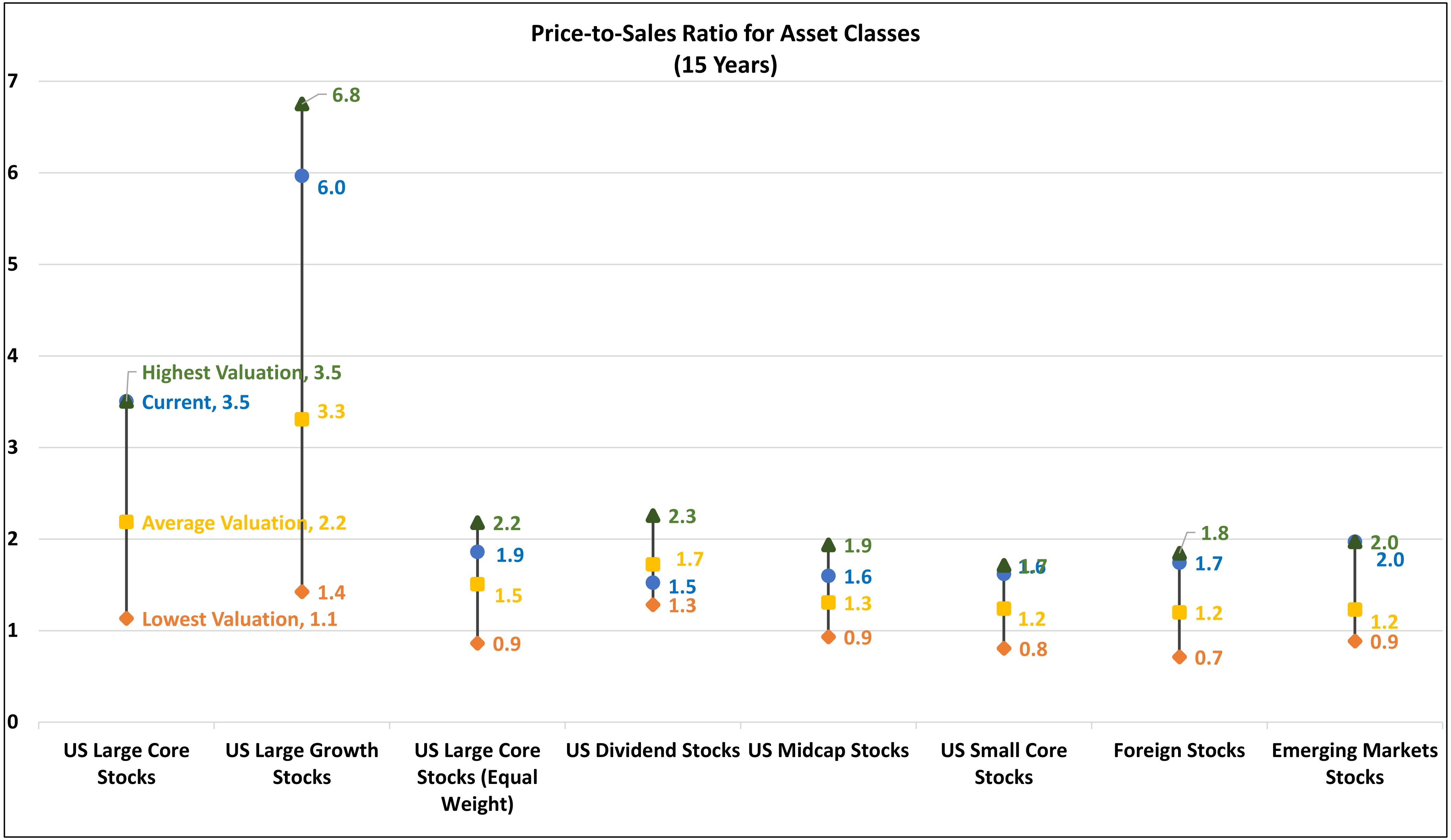
Valuation measure	Description	Latest	30-year avg.
P/E	Forward P/E	20.9x	17.2x
CAPE	Shiller's P/E	40.9x	28.7x
Div. Yield	Dividend yield	1.4%	2.0%
EY Spread	EY minus Baa yield	-0.5%	0.7%

Source: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.

Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since February 1994 and by FactSet since January 2022. Current next 12-months consensus earnings estimates are $245. Average P/E and standard deviations are calculated using 30 years of history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 30 years for each measure. *Averages and standard deviations for dividend yield and P/CF are since November 1995 due to data availability.

JPM Guide to the Markets as of April 30, 2026

Stocks Fairly Priced Outside of US Large Growth



Valuation & Earnings

Source: Bloomberg as of May 1, 2026. US Large Core Stocks represented by S&P 500 Index, US Large Core Stocks (Equal Weight) represented by S&P 500 Equal Weight Index, US Dividend Stocks represented by WisdomTree US High Dividend ETF, US Midcap Stocks represented by S&P 400 Midcap Index, US Small Core Stocks represented by Russell 2000 Index, Foreign Stocks represented by MSCI EAFE Index, Emerging Markets Stocks represented by MSCI Emerging Markets Index. The indices/ETFs presented are not intended to be benchmarks for performance. Rather, they are intended to be demonstrative of a particular sector or segment the investment universe discussed. Each ETF was selected as opposed to an index to more accurately reflect what an investor might experience. There are other ETFs or indices that might be representative of the same spaces. However, we believe the ones shown are sufficiently representative to assist us in explaining our investment thesis.

Earnings Season Positive Once Again

S&P 500 INDEX

Surprise | Growth

Sector (BICS)	Reported	Sales Surprise	Earnings Surprise
11) All Securities	315 / 499	2.05%	20.67%
12) > Materials	18 / 27	2.65%	12.70%
13) > Industrials	58 / 75	2.51%	8.86%
14) > Consumer Staples	20 / 35	1.25%	6.09%
15) > Energy	13 / 23	1.89%	23.46%
16) > Technology	28 / 65	3.39%	10.59%
17) > Consumer Discretionary	27 / 48	1.54%	53.94%
18) > Communications	12 / 26	1.87%	61.86%
19) > Financials	65 / 80	0.70%	7.14%
20) > Health Care	34 / 58	2.38%	11.51%
21) > Utilities	13 / 31	5.01%	4.34%
22) > Real Estate	27 / 31	1.97%	6.02%

Surprise | Growth

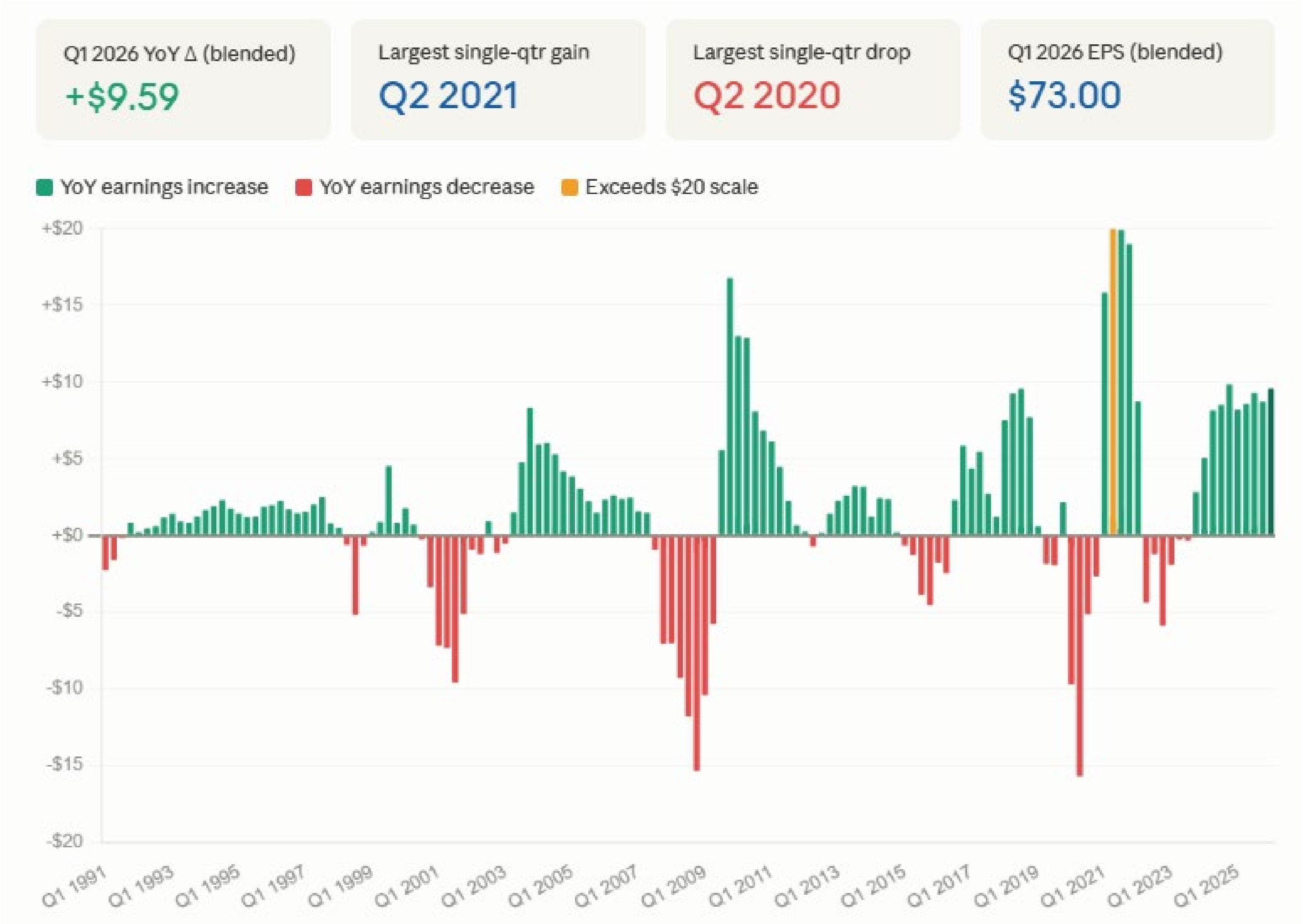
Sector (BICS)	Reported	Sales Growth	Earnings Growth
11) All Securities	315 / 499	11.18%	28.38%
12) > Materials	18 / 27	7.95%	40.36%
13) > Industrials	58 / 75	9.12%	13.82%
14) > Consumer Staples	20 / 35	12.42%	5.95%
15) > Energy	13 / 23	4.83%	-5.36%
16) > Technology	28 / 65	22.05%	42.27%
17) > Consumer Discretionary	27 / 48	10.08%	53.28%
18) > Communications	12 / 26	15.97%	54.80%
19) > Financials	65 / 80	11.14%	26.49%
20) > Health Care	34 / 58	7.98%	-4.65%
21) > Utilities	13 / 31	10.42%	9.97%
22) > Real Estate	27 / 31	11.79%	15.04%

- **Despite market volatility and geopolitical concerns, large US companies have continued to report strong earnings, and expectations for future earnings remain positive**
- **Growth is broad based, with 9 of 11 S&P 500 sectors posting year-over-year gains**
- **Net profit margins are on pace to hit more than 13%, which would be the highest since FactSet began tracking the metric in 2009**

Source: Bloomberg, FactSet as of May 1, 2026

Steady Fundamental Growth Driving Earnings

S&P 500 Earnings Growth



Source: Standard & Poor's via FactSet, Multpl, S&P Dow Jones Indices. Values represent the dollar-per-share change in S&P 500 reported EPS versus the same quarter one year prior. Y-axis capped at $20; amber bars with arrows show true values above the scale. Q1 2026 reflects blended estimate as of Apr 24, 2026 (28% reported).

- **For the first quarter of 2026, S&P 500 earnings are expected to grow 15% year-over-year, which would be the sixth-straight quarter of double-digit earnings growth**
- **Current streak indicating healthy, steady growth and is supportive of strong stock market returns**

Fixed Income Briefing

In the near term…

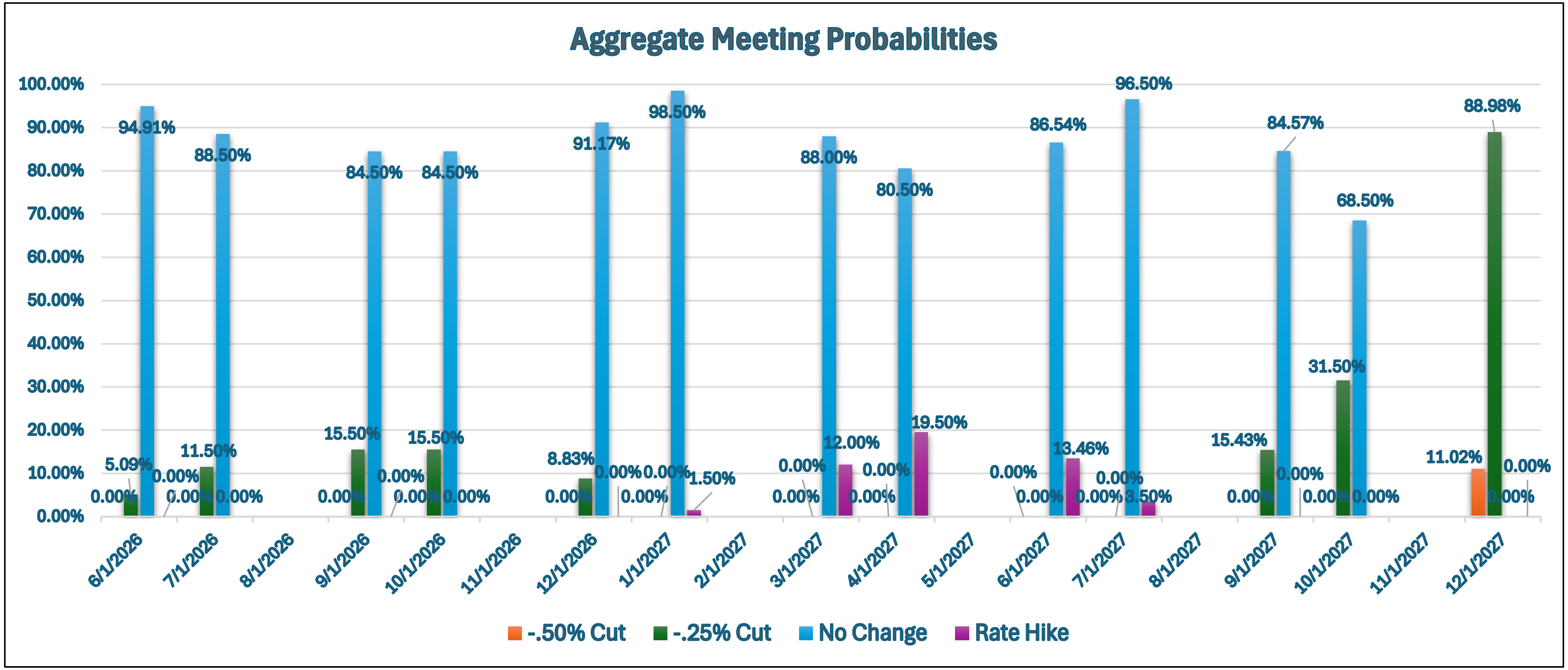
- Changing of the guard at the Fed: Warsh (the 'reformist') nominated for Chairman, likely to take over for Chair Powell on May 15
- The Fed has cut rates 6x since 2024, with the Fed Funds rate dropping from 5.50% to 3.75% currently
- Iran war has put Fed on hold due to higher inflation
- Yield curve sold off up to 10 years on the pause, long end more stable
- Corporate spreads remain resilient and near all time lows due to strong earnings

In the long run…

- Beware the deficit: US debt/GDP is over 120%, with $39 trillion outstanding at rising rates.[1]
- With Warsh, long held Fed practices may be up for review, including the general framework e.g. inflation rate used, size of balance sheet, communications such as Summary of Economic Projections, which contains the Dot Plot, less news conferences/speeches, and more coordination between Fed and Treasury

1. Debt to the Penny | U.S. Treasury Fiscal Data as of April 30, 2026

The Market's Take: Fed Funds Futures

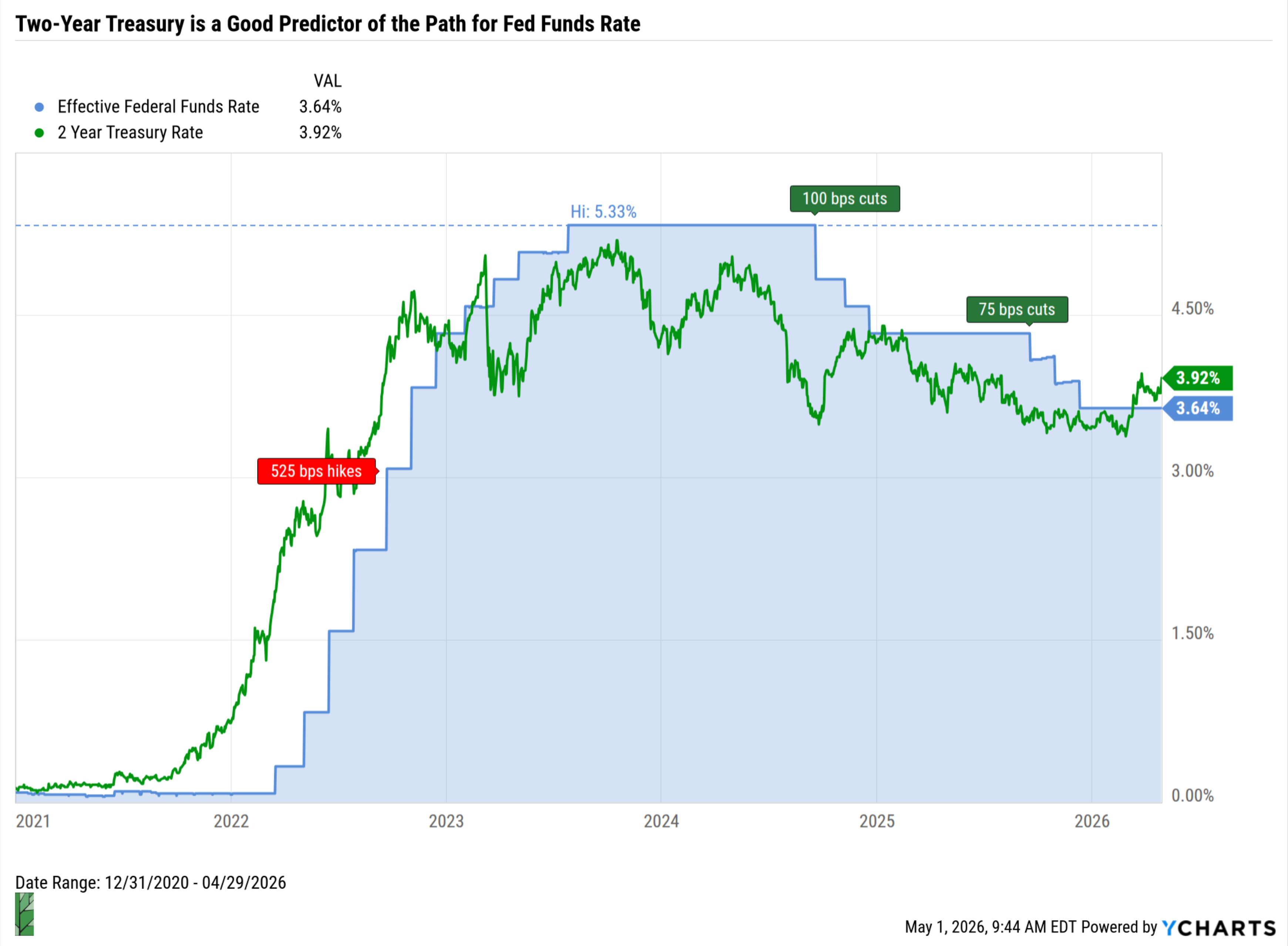


- ➢ **The market anticipates no change until 2027**
- ➢ **Given current inflation expectations, any change will be modest**
- ➢ **The two-year Treasury rate confirms the lack of change in the path of rates**

Valuation & Earnings

Source: CME as of April 30, 2026

Fed on Hold (Again) for Now

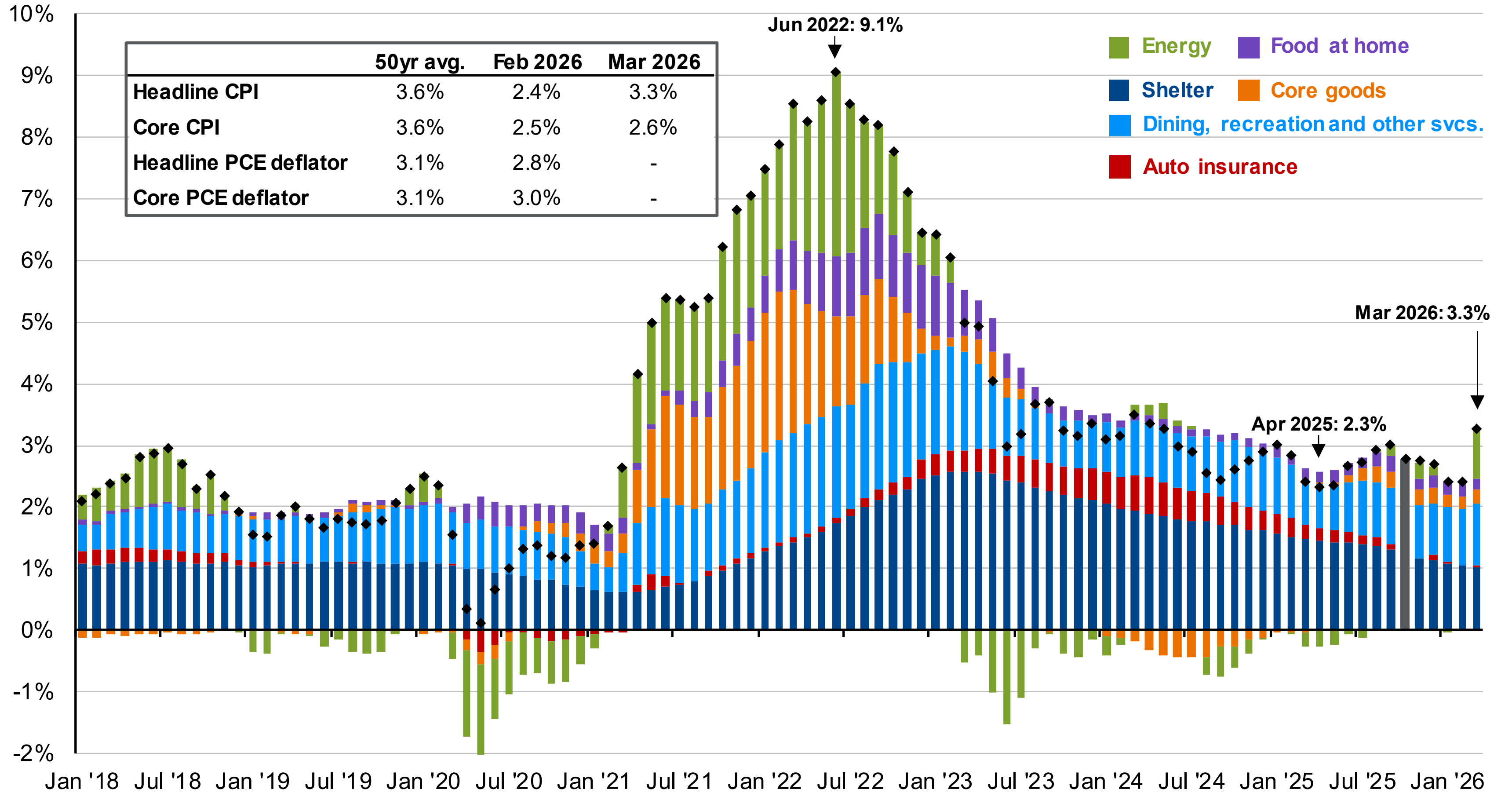


- The Federal Reserve cut the short-term target rate by 75 basis points over the last three meetings of 2025
- Markets are no longer expecting another rate cut in the near future due to increased inflation concerns
- Fed Chair Powell's term ends in May 2026, and the White House has nominated Kevin Warsh to be his successor
  - Warsh is widely respected as a credible potential Fed Chair, and he is expected to advocate for a wide range of changes to Fed policy, including lower rates

Inflation Above Fed Target Even Before Oil Price Spike

Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted



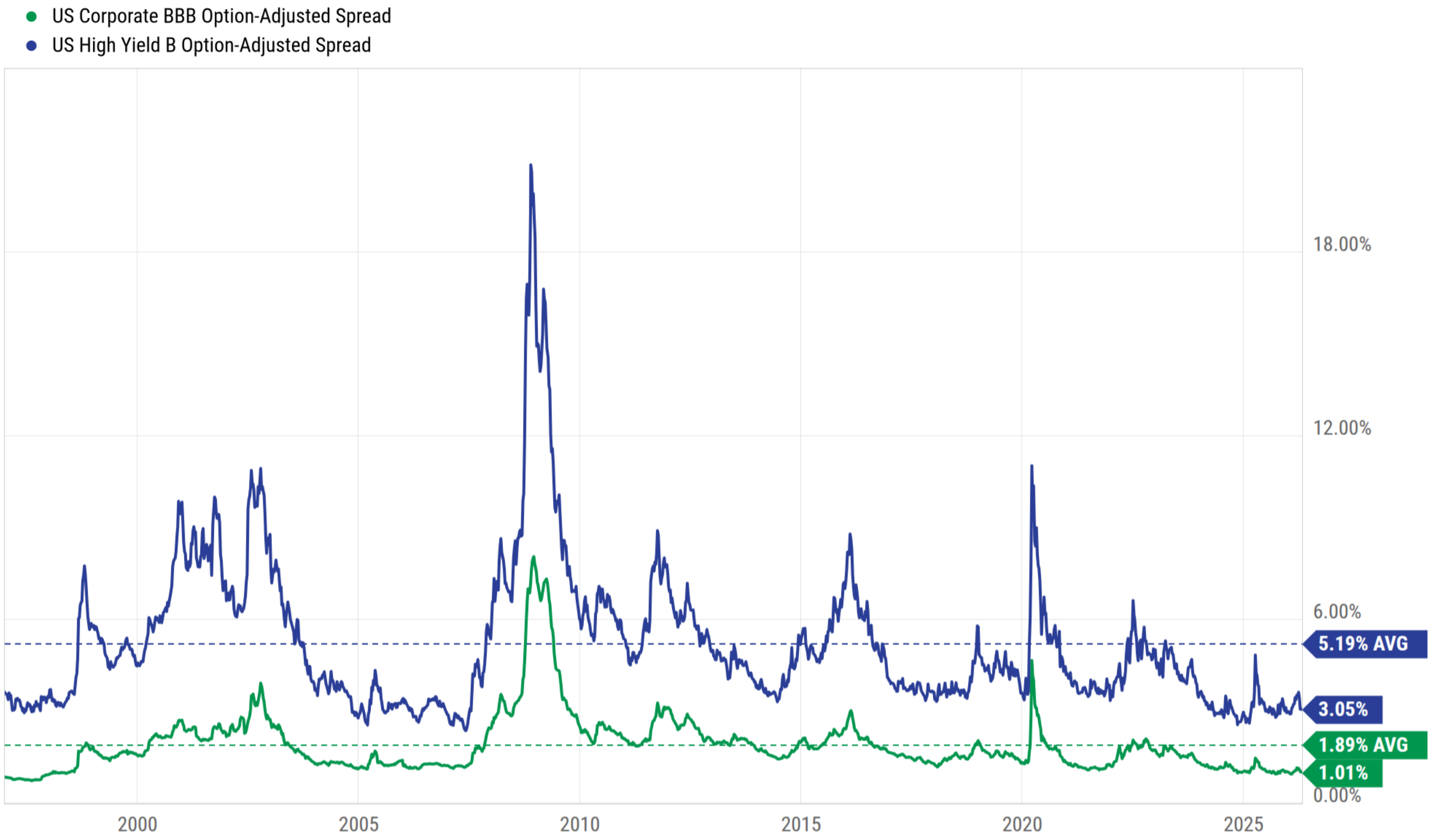
	50yr avg.	Feb 2026	Mar 2026
Headline CPI	3.6%	2.4%	3.3%
Core CPI	3.6%	2.5%	2.6%
Headline PCE deflator	3.1%	2.8%	-
Core PCE deflator	3.1%	3.0%	-

- **Inflation has lingered above the Fed's target of 2% for nearly 5 years**
- **Energy was a big contributor to the inflation spike of 2022, and the current disruption could also seep into core prices as higher inputs costs (e.g., diesel, fertilizer) may get passed through to consumers**
- **Additionally, uncertainty remains about the long-term impact of tariffs on goods prices**
- **The Fed will be wary of further rate cuts until inflation shows meaningful progress toward its goal**

Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report (Table 7. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, 12-month analysis table - 2023 M10 Results (bls.gov)). Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages. Headline and core PCE deflator inflation shown are based on seasonally adjusted data due to data availability. *Official October 2025 data unavailable due to government shutdown and data shown are J.P. Morgan Asset Management estimates.
Guide to the Markets – U.S. Data are as of April 13, 2026.

Credit Spreads Remain Close to All-Time Lows

Investment Grade and High Yield Corporate Spreads Remain Near All-Time Lows



Date Range: 12/31/1996 - 04/29/2026

Source: Bank of America Merrill Lynch

May 1, 2026, 9:47 AM EDT Powered by YCHARTS

- **Strong corporate earnings have supported investment grade and high yield spreads, which remain close to all-time lows**

Valuation & Earnings

Summary of Portfolio Takeaways

Diversification and Thematic Investments

Theme	Portfolio Rationale
Emphasis on diversity within equities	Underweight S&P 500 exposure due to high valuations, market concentration in large technology companies in favor of Equal Weight Index, Dividends, International Equities
Alternative Assets	Low correlation, reduced volatility, downside protection, tactical flexibility
Shorter Bond Duration	Uncertainty in long-term interest rates, growing deficit
Commodities	Inflation hedge, geopolitical risk diversifier, real asset exposure, energy transition
Biotech	Uncorrelated economic drivers, demographic tailwinds, M&A potential from large Pharma, positive impact on society

Dashboard Summary

Economy

- Growth
- Employment
- Households

Financial Conditions

- Monetary Policy
- Inflation & Long-Term Rates
- Credit Spreads

Market

- Valuations
- Earnings
- Trend

➢ Since our last update, we have moved the Economy dial up slightly to reflect the resilience in consumers, the labor market, and economic growth despite the ongoing concerns about higher prices and geopolitical conflict

Market and economic views are subject to change and may differ significantly from actual events.

Summary

Markets

- Showing incredible resilience despite elevated volatility as the conflict in the Middle East dominates headlines. The duration of the conflict and extent of damage in the area will be critical to determine the impact on markets and the economy.
- The effective closure of the Strait of Hormuz for more than two months, preventing a large portion of global transport of oil, gas, and other critical products, has caused a spike in energy prices and raised concerns about inflation and a possible economic slowdown.
- In addition to the war, significant uncertainty remains as markets digest events such as developments in AI disrupting software, elevated valuations, the Supreme Court ruling on tariffs, and a new incoming Fed chair.

Outlook

- Markets and the economy have shown continued strength, despite conflicting signals such as lingering inflation causing consumer sentiment to reach historically low levels.
- While strong corporate earnings and AI spending have driven equity markets to fresh all-time highs, markets will continue to be headline driven, and uncertainty is elevated.
- Investors should stay diversified, focused on long-term goals, and prepared for bouts of volatility.
- The Fed is firmly on hold for now, with the conflict in Iran contributing to elevated inflation and the labor market remaining relatively stable. Incoming Fed Chair Warsh is expected to bring a fresh viewpoint to a divided Fed, recommending a broad review of Fed practices.

THANK YOU

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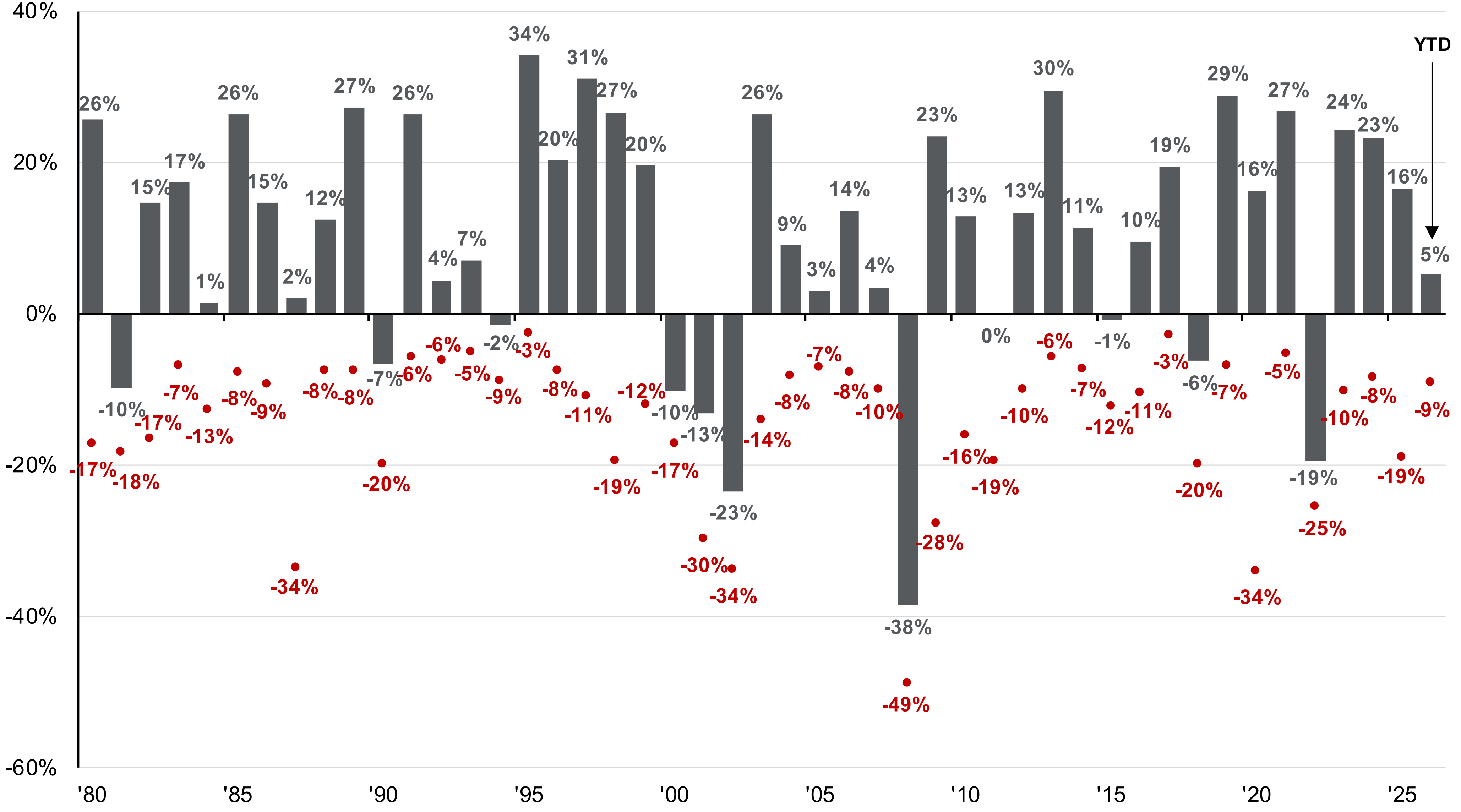
Market Volatility is a Normal Part of Investing

S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 years



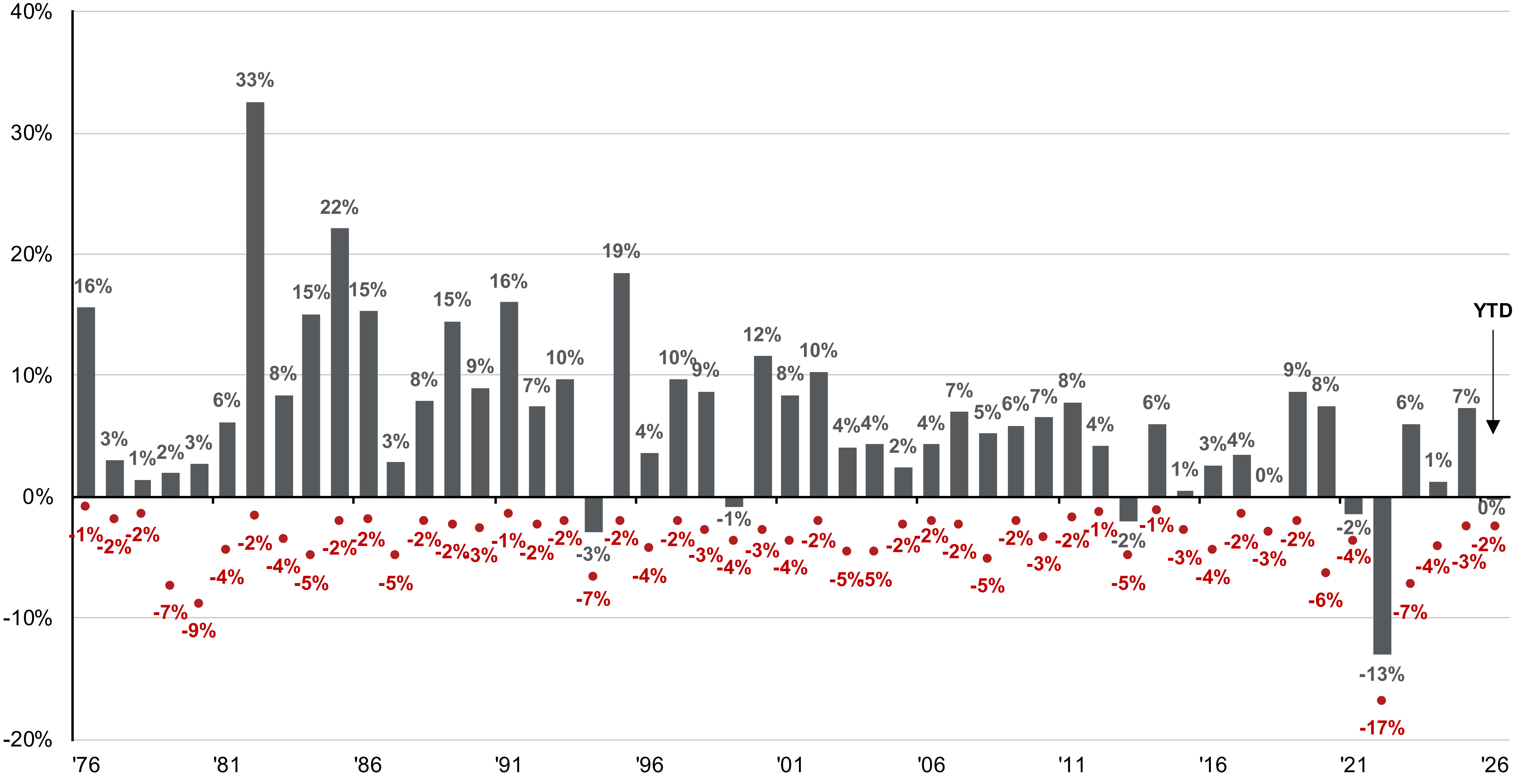
Appendix

Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2023, over which time period the average annual return was 10.3%.
Guide to the Markets – U.S. Data are as of April 30, 2026.

Market Volatility is a Normal Part of Investing

Bloomberg U.S. Aggregate intra-year declines vs. calendar year returns

Despite average intra-year drops of 3.5%, annual returns were positive in 45 of 50 years



Appendix

Source: Bloomberg, FactSet, J.P. Morgan Asset Management. Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2023, over which time period the average annual return was 6.6%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward.

Guide to the Markets – U.S. Data are as of March 31, 2026.

Market Declines are a Normal Part of the Investment Cycle

THE PACIFIC FINANCIAL GROUP

History of Market Declines

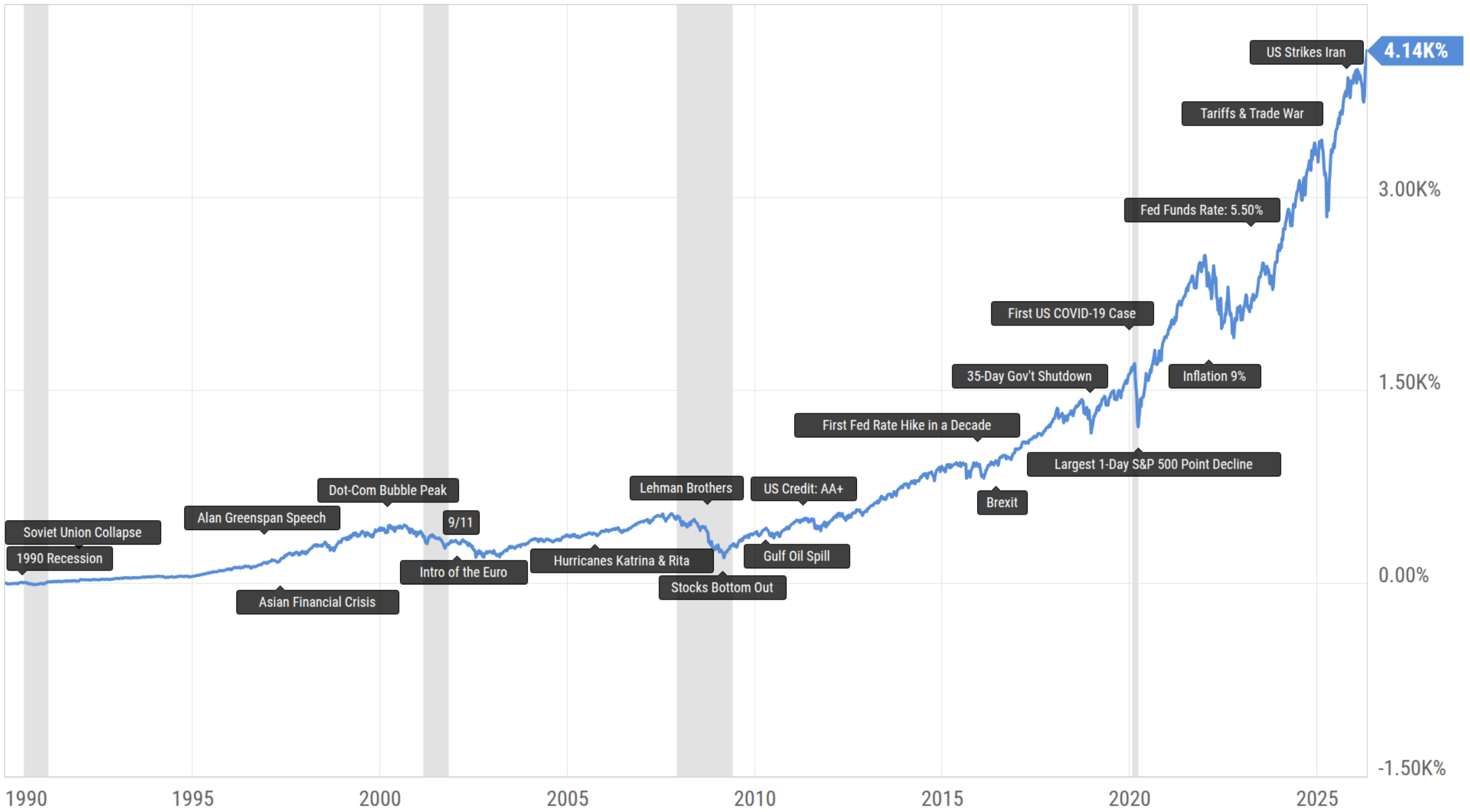
S&P 500 Index (1954-2025)

Size of decline	-5% or more	-10% or more	-15% or more	-20% or more
Average frequency	about twice per year	about once every 18 months	about once every three years	about once every six years
Average length	46	133	247	402
Last occurrence	October 2025	February 2025	February 2025	January 2022

Appendix

Source: Capital Group, RIMES, Standard & Poor's, Data cover S&P 500 price returns, 1954-2025.
Frequency assumes a 50% recovery of lost value before the clock resets.
Length measures calendar days from the market high to the subsequent low.

“Bull Markets Climb a Wall of Worry”



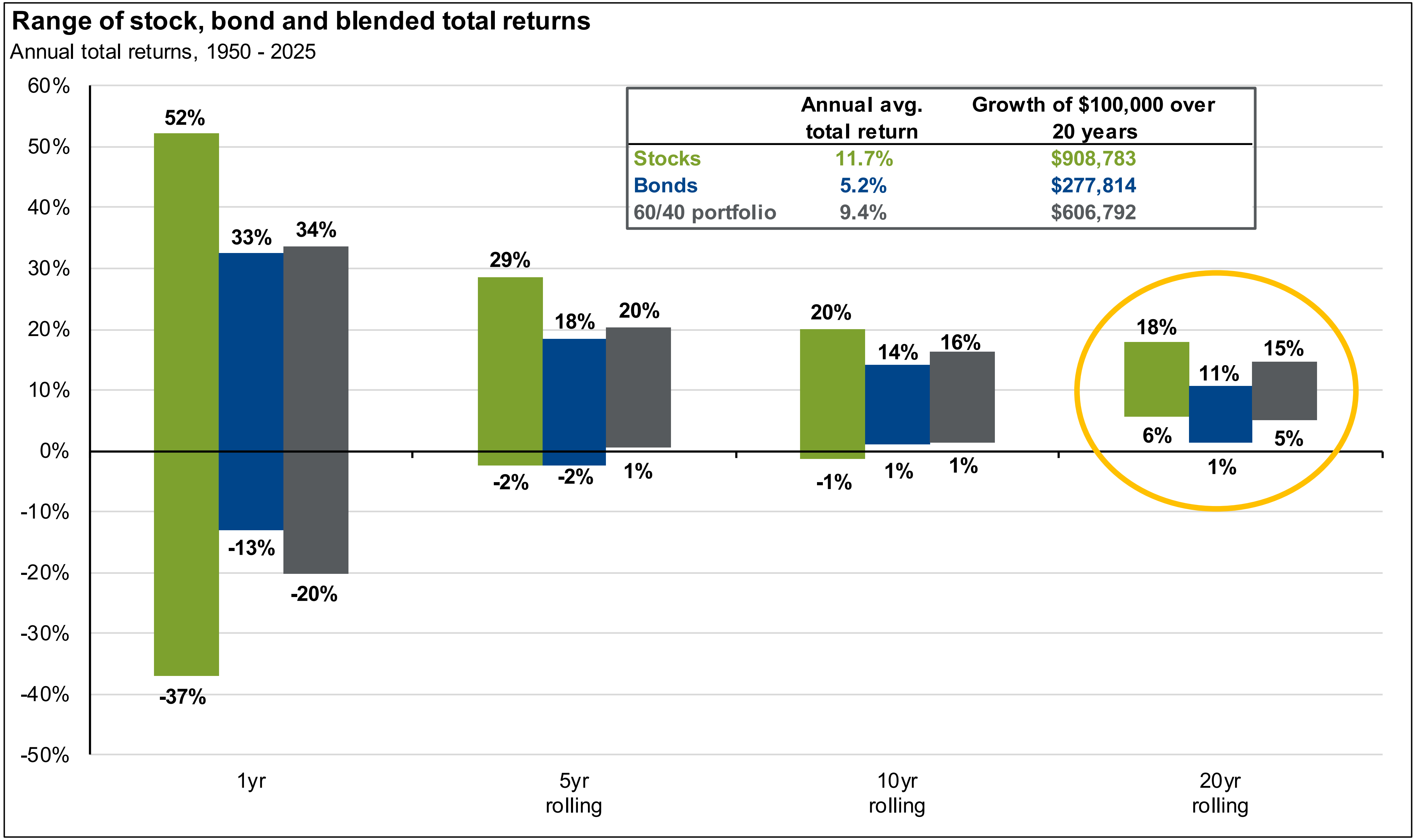
Date Range: 12/29/1989 - 04/30/2026

Gray = US Recessions; Past performance is no guarantee of future results. You cannot invest directly in an index

May 1, 2026, 9:52 AM EDT Powered by YCHARTS

Appendix

Long-Term Market Returns Have Been Positive On Average

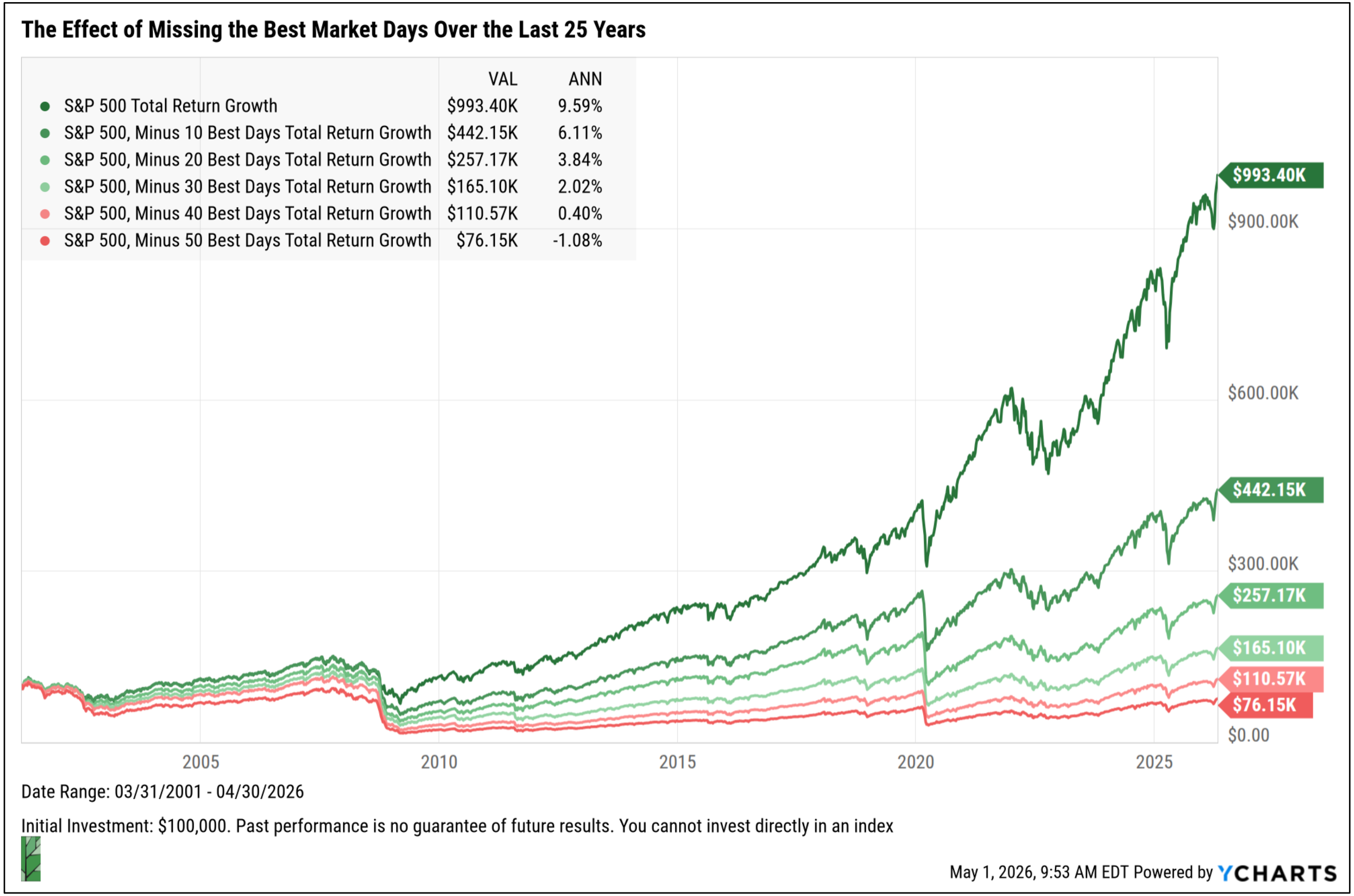


	Annual avg. total return	Growth of $100,000 over 20 years
Stocks	11.7%	$908,783
Bonds	5.2%	$277,814
60/40 portfolio	9.4%	$606,792

Appendix

Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, Strategas/Ibbotson, J.P. Morgan Asset Management.
Returns shown are based on calendar year returns from 1950 to 2024. Bonds represent Strategas/Ibbotson for periods prior to 1976 and the Bloomberg Aggregate thereafter. Growth of $100,000 is based on annual average total returns from 1950 to 2024. JPM Guide to the Markets as of December 31, 2025.

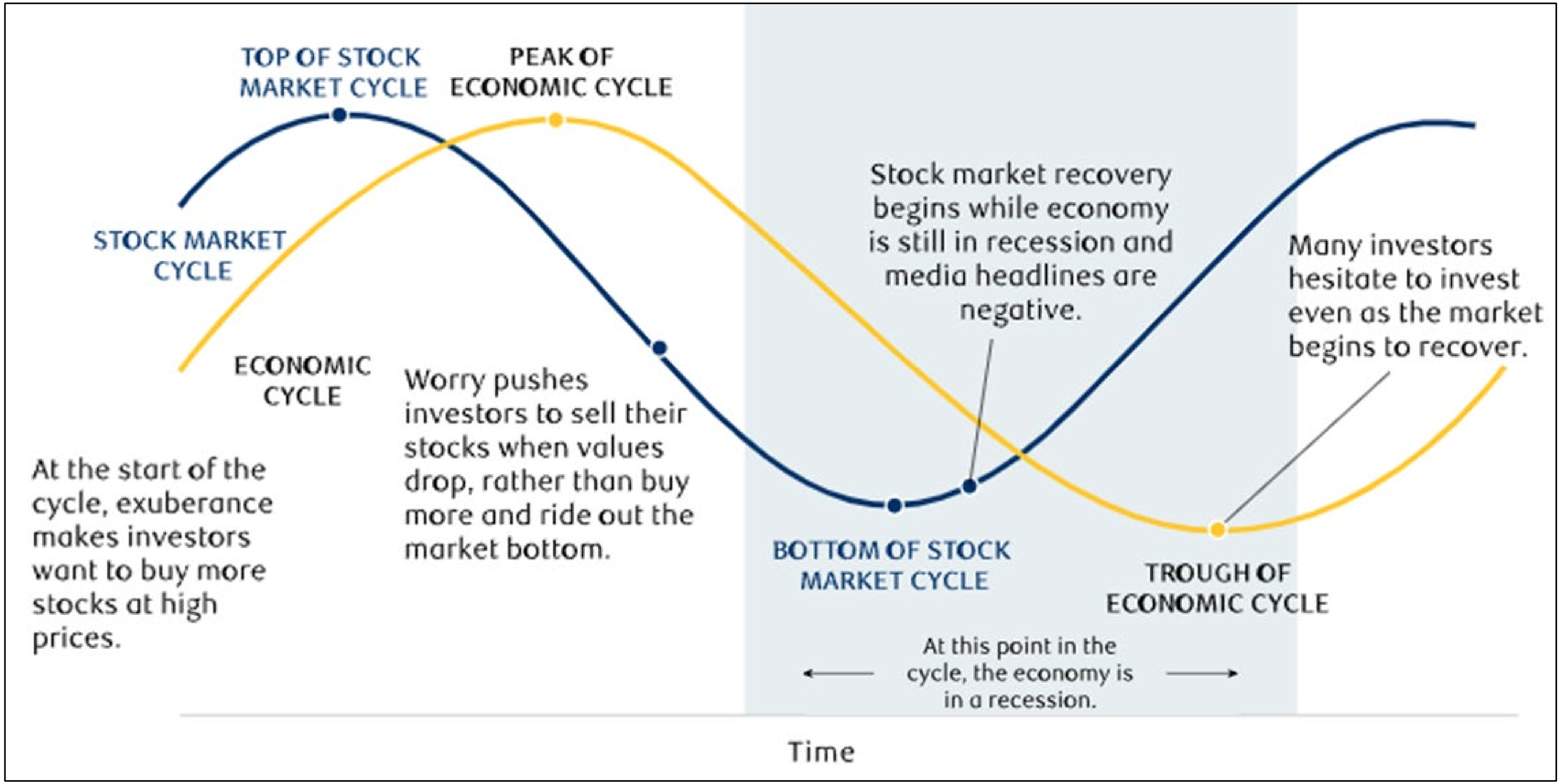
Don’t Try to “Time the Market”



Appendix

Growth of $100,000 is based on total return growth over the last 25 years for the time periods described. The S&P 500 is a market cap-weighted index of the 500 largest US publicly traded companies. The performance presented is hypothetical and is not intended to be representing any specific person or investment. The returns are calculated on a gross basis and do not account for any fees or expenses.

Economic and Market Cycles are Related but Not the Same



"The stock market has predicted nine out of the last five recessions"

-Paul Samuelson, Economist

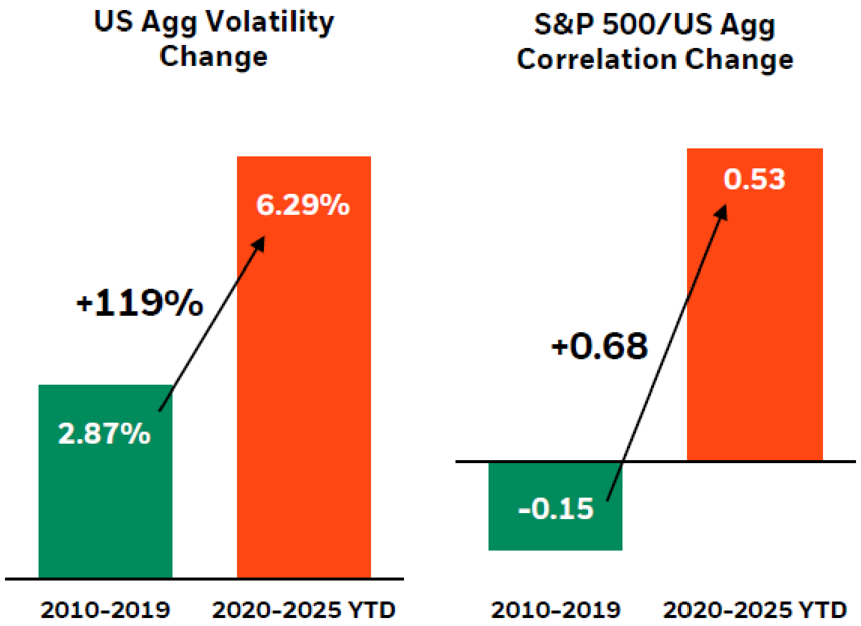
Appendix

Alternatives can help balance portfolios

Higher volatility and elevated stock/bond correlations suggest incorporating additional forms of diversification.

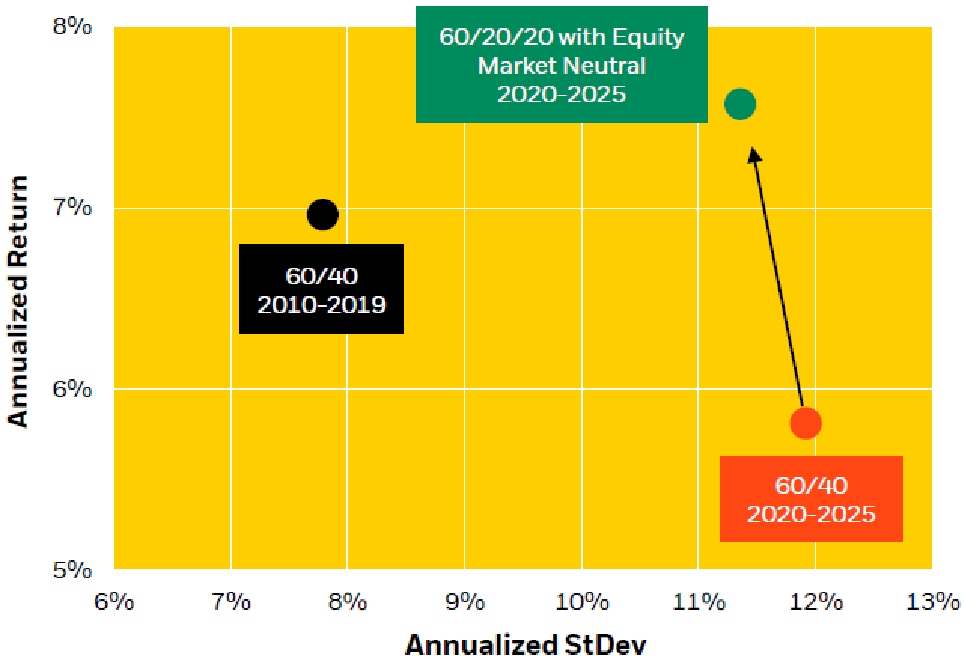
Higher bond volatility and correlations increase portfolio risk

Agg Bond Index standard deviation and correlation to S&P 500



Alternatives can help

Historical returns and standard deviations



Appendix

Source: Morningstar, MPI, and BlackRock. US Agg refers to the Bloomberg Aggregate Bond Index. The 60/40 portfolio is 60% ACWI and 40% AGG, and the 60/20/20 with Equity Market Neutral is 60% ACWI, 20% AGG and 20% BDMIX. **Performance data represents past performance and does not guarantee future results. Investment return and principal value will fluctuate with market conditions and may be lower or higher when you sell your shares. Current performance may differ from the performance shown. For most recent month-end performance see www.iShares.com. For standardized performance of the underlying funds in these portfolios, see page 25.** Portfolio performance shown is hypothetical, as the portfolio analysis for the relevant time periods assumes all of the allocations were held. Historical asset allocation changes are not reflected in the hypothetical performance shown. From a portfolio maintenance perspective, these portfolios were assumed to be rebalanced on an annual basis. Hypothetical data results are based on criteria applied retroactively with the benefit of hindsight and knowledge of factors that may have positively affected its performance and cannot account for risk factors that may affect actual portfolio performance.

Diversification is a Core Principle of Investing

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Calendar year returns for asset classes centered around the S&P 500 (dark blue squares)

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
										REITS 26.40%	REITS 13.90%
			EM Equity 74.84%							Comdty. 24.21%	Fixed Income 8.44%
	EM Equity 59.91%	Small Cap 18.41%	DM Equity 32.94%	Comdty. 11.73%						Fixed Income 11.63%	Cash 4.07%
	High Yield 46.19%	High Yield 18.02%	High Yield 24.63%	DM Equity 8.06%					EM Equity 66.41%	Cash 6.08%	Small Cap 2.49%
Comdty. 10.25%	Small Cap 46.04%	REITS 14.60%	REITS 19.70%	Cash 4.12%					DM Equity 27.30%	High Yield 1.04%	High Yield 2.26%
Fixed Income 8.96%	REITS 35.70%	EM Equity 11.40%	Small Cap 18.88%	REITS 3.20%		REITS 35.30%			Small Cap 21.26%	Small Cap -3.02%	EM Equity -2.37%
S&P 500 -3.10%	S&P 500 30.47%	S&P 500 7.62%	S&P 500 10.08%	S&P 500 1.32%	S&P 500 37.58%	S&P 500 22.96%	S&P 500 33.36%	S&P 500 28.58%	S&P 500 21.04%	S&P 500 -9.10%	S&P 500 -11.89%
EM Equity -10.55%	Fixed Income 16.00%	Fixed Income 7.40%	Fixed Income 9.75%	Small Cap -1.82%	Small Cap 28.45%	High Yield 17.85%	Small Cap 22.36%	DM Equity 20.33%	Comdty. 18.60%	DM Equity -13.96%	DM Equity -21.21%
REITS -15.40%	DM Equity 12.50%	Cash 3.74%	Cash 3.14%	Fixed Income -2.92%	High Yield 20.54%	Comdty. 16.99%	REITS 20.30%	Fixed Income 8.69%	High Yield 10.43%	EM Equity -30.61%	Comdty. -22.32%
Small Cap -19.48%	Comdty. -13.13%	Comdty. 0.13%	Comdty. -4.04%	High Yield -6.16%	Fixed Income 18.47%	Small Cap 16.49%	High Yield 12.84%	Cash 5.13%	Cash 4.80%		
DM Equity -23.20%	Cash -	DM Equity -11.85%		EM Equity -7.32%	REITS 15.30%	DM Equity 6.36%	Fixed Income 9.65%	Small Cap -2.55%	Fixed Income -0.82%		
High Yield -					DM Equity 11.55%	EM Equity 6.03%	Cash 5.33%	High Yield -4.82%	REITS -4.60%		
Cash -					Comdty. 8.93%	Cash 5.27%	DM Equity 2.06%	REITS -17.50%			
					Cash 5.86%	Fixed Income 3.63%	Comdty. -8.24%	EM Equity -25.34%			
					EM Equity -5.21%		EM Equity -11.59%	Comdty. -30.52%			

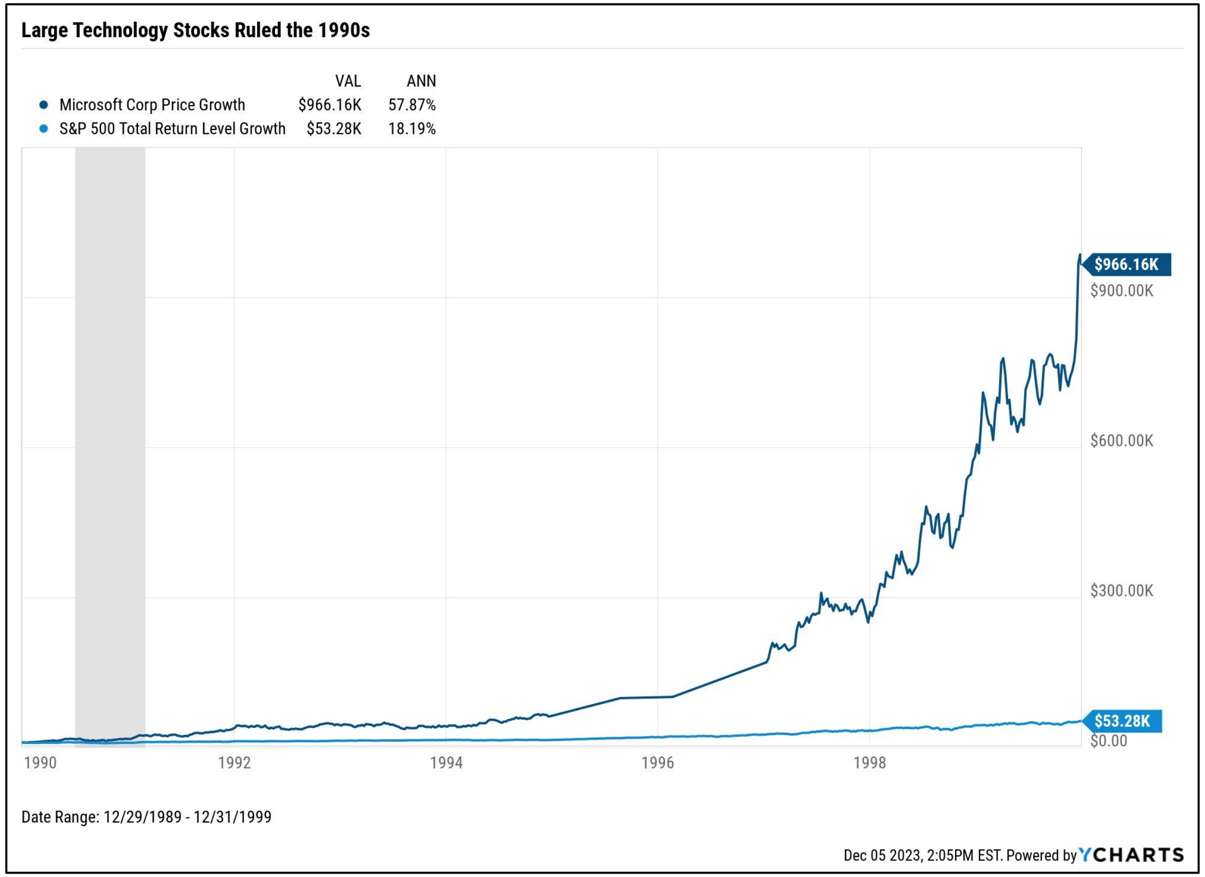
2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Comdty. 25.91%											
Fixed Income 10.26%											
High Yield 4.14%											
REITS 3.80%	EM Equity 56.28%	REITS 31.60%				Fixed Income 5.24%	EM Equity 79.02%			REITS 19.70%	
Cash 1.70%	Small Cap 47.25%	EM Equity 25.95%	EM Equity 34.54%	REITS 35.10%	EM Equity 39.82%	Cash 1.77%	High Yield 59.40%	REITS 27.90%		High Yield 19.60%	
EM Equity -6.00%	DM Equity 39.17%	DM Equity 20.70%	Comdty. 21.36%	EM Equity 32.55%	Comdty. 16.23%	High Yield -26.88%	DM Equity 32.46%	Small Cap 26.85%	REITS 8.30%	EM Equity 18.63%	
DM Equity -15.66%	REITS 37.10%	Small Cap 18.33%	DM Equity 14.02%	DM Equity 26.86%	DM Equity 11.63%	Small Cap -33.79%	REITS 28.00%	EM Equity 19.20%	Fixed Income 7.84%	DM Equity 17.90%	
Small Cap -20.48%	High Yield 32.42%	High Yield 13.17%	REITS 12.20%	Small Cap 18.37%	Fixed Income 6.97%	Comdty. -35.65%	Small Cap 27.17%	Comdty. 16.83%	High Yield 3.12%	Small Cap 16.35%	Small Cap 38.82%
S&P 500 -22.10%	S&P 500 28.68%	S&P 500 10.88%	S&P 500 4.91%	S&P 500 15.79%	S&P 500 5.49%	S&P 500 -37.00%	S&P 500 26.46%	S&P 500 15.06%	S&P 500 2.11%	S&P 500 16.00%	S&P 500 32.39%
	Comdty. 23.93%	Comdty. 9.15%	Small Cap 4.55%	High Yield 13.69%	Cash 4.78%	REITS -37.70%	Comdty. 18.91%	High Yield 14.82%	Cash 0.07%	Fixed Income 4.21%	DM Equity 23.29%
	Fixed Income 4.10%	Fixed Income 4.34%	High Yield 3.59%	Cash 4.80%	High Yield 3.16%	DM Equity -43.06%	Fixed Income 5.93%	DM Equity 8.21%	Small Cap -4.18%	Cash 0.08%	High Yield 7.33%
	Cash 1.03%	Cash 1.23%	Cash 3.00%	Fixed Income 4.33%	Small Cap -1.57%	EM Equity -53.18%	Cash 0.15%	Fixed Income 6.54%	DM Equity -11.73%	Comdty. -1.06%	REITS 2.90%
			Fixed Income 2.43%	Comdty. 2.07%	REITS -15.70%			Cash 0.13%	Comdty. -13.32%		Cash 0.05%
									EM Equity -18.17%		Fixed Income -2.02%
											EM Equity -2.27%
											Comdty. -9.52%

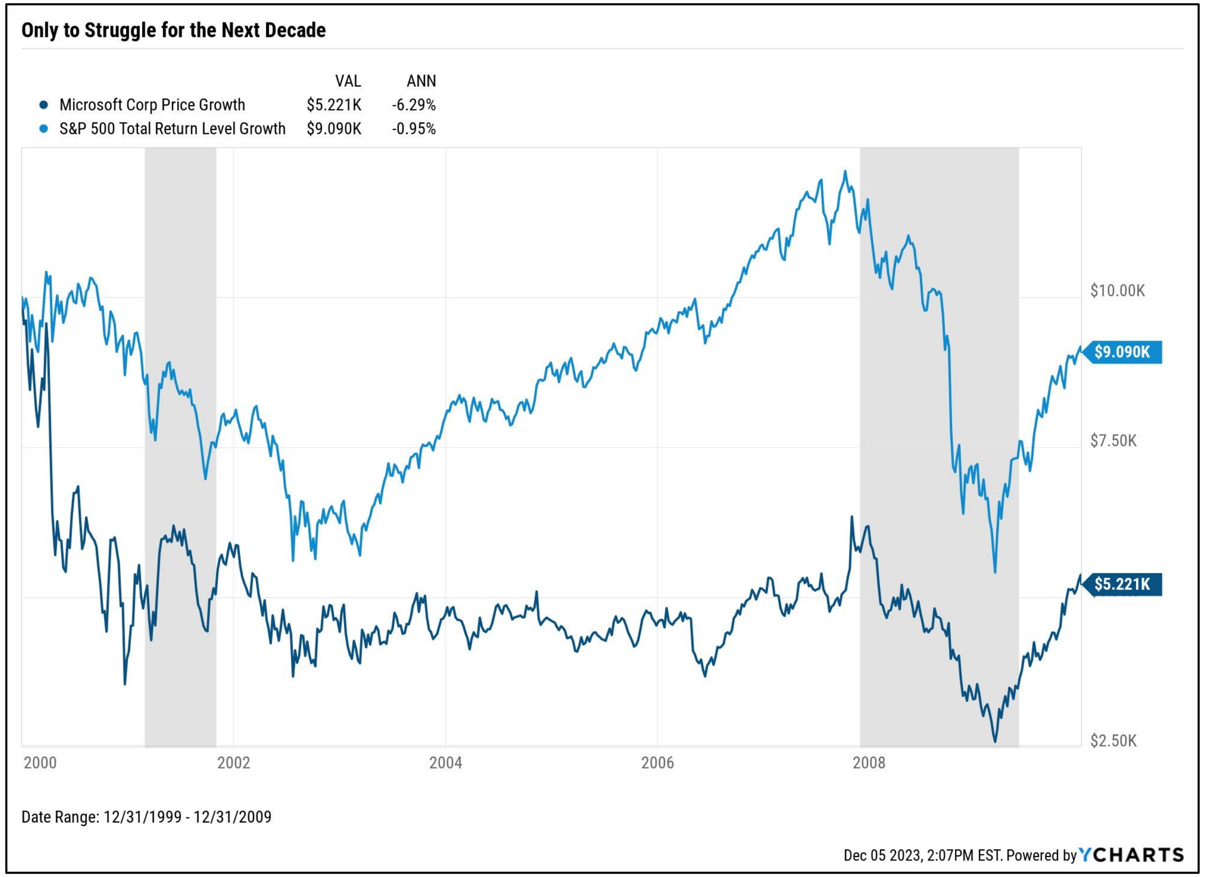
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
								Comdty. 16.09%			
				Cash 1.82%				Cash 1.52%			
				Fixed Income 0.01%				High Yield -12.71%			
		Small Cap 21.31%	EM Equity 37.75%	REITS -4.00%		Small Cap 19.96%		Fixed Income -13.01%			EM Equity 34.36%
REITS 28.00%	REITS 2.80%	High Yield 14.27%	DM Equity 25.62%	High Yield -4.06%		EM Equity 18.69%	REITS 41.30%	DM Equity -14.01%			DM Equity 31.89%
S&P 500 13.69%	S&P 500 1.38%	S&P 500 11.96%	S&P 500 21.83%	S&P 500 -4.38%	S&P 500 31.49%	S&P 500 18.40%	S&P 500 28.71%	S&P 500 -18.11%	S&P 500 26.29%	S&P 500 25.02%	S&P 500 17.88%
Fixed Income 5.97%	Fixed Income 0.55%	Comdty. 11.77%	Small Cap 14.65%	Small Cap -11.01%	REITS 28.70%	DM Equity 8.28%	Comdty. 27.11%	EM Equity -19.74%	DM Equity 18.85%	Small Cap 11.54%	Comdty. 15.77%
Small Cap 4.89%	Cash 0.03%	EM Equity 11.60%	High Yield 10.43%	Comdty. -11.25%	Small Cap 25.52%	Fixed Income 7.51%	Small Cap 14.82%	Small Cap -20.44%	Small Cap 16.93%	High Yield 9.19%	Small Cap 12.81%
Cash 0.02%	DM Equity -0.39%	REITS 8.60%	REITS 8.70%	DM Equity -13.36%	DM Equity 22.66%	High Yield 7.03%	DM Equity 11.78%	REITS -24.90%	High Yield 14.04%	EM Equity 8.05%	High Yield 12.10%
High Yield 0.01%	High Yield -2.72%	Fixed Income 2.65%	Fixed Income 3.54%	EM Equity -14.24%	EM Equity 18.88%	Cash 0.54%	High Yield 0.99%		REITS 11.40%	Comdty. 5.38%	Fixed Income 7.30%
EM Equity -1.82%	Small Cap -4.41%	DM Equity 1.51%	Comdty. 1.71%		High Yield 12.56%	Comdty. -3.12%	Cash 0.04%		EM Equity 10.27%	Cash 5.32%	Cash 4.29%
DM Equity -4.48%	EM Equity -14.60%	Cash 0.26%	Cash 0.82%		Fixed Income 8.72%	REITS -5.10%	Fixed Income -1.54%		Fixed Income 5.53%	REITS 4.90%	REITS 2.30%
Comdty. -17.01%	Comdty. -24.66%				Comdty. 7.69%		EM Equity -2.22%		Cash 5.14%	DM Equity 4.35%	
					Cash 2.21%				Comdty. -7.91%	Fixed Income 1.25%	

Source: Bloomberg, Y-Charts, REIT.com, LSEG as of December 31, 2025
Small Cap: Russell 2000, EM Equity: MSCI EM, DM Equity: MSCI EAFE, Commodity: Bloomberg Commodity Index, REITS: NAREIT Equity REIT Index, Fixed Income: Bloomberg U.S. Aggregate, High Yield: Bloomberg Global High Yield Index, Cash: Bloomberg 1-3 Month Treasury
Diversified portfolio weights: 30% S&P 500, 25% Fixed Income, 15% DM Equity, 5% Small Cap, 5% EM Equity, 5% REITs, 5% High Yield, 5% Commodity, 5% Cash
Note: Diversified Portfolio is a hypothetical asset mix and does not reflect any IRP portfolio

The Benefits of Diversification

- **Microsoft is one of the greatest companies in history, but that doesn't always mean it's a great investment.**
- **58% per year in 1990s**
- **An investment in late 2000 was underwater for nearly 15 years.**





Appendix

The companies & indices presented above are not intended to be benchmarks for performance. Rather, they are intended to be demonstrative of a particular sector or segment the investment universe discussed. There are other companies or indices that might be representative of the same spaces. However, we believe the ones shown are sufficiently representative to assist us in explaining our investment thesis.