Outlook & Positioning

July 2026

THE PACIFIC FINANCIAL GROUP

Page Reference

Market Overview

Overview

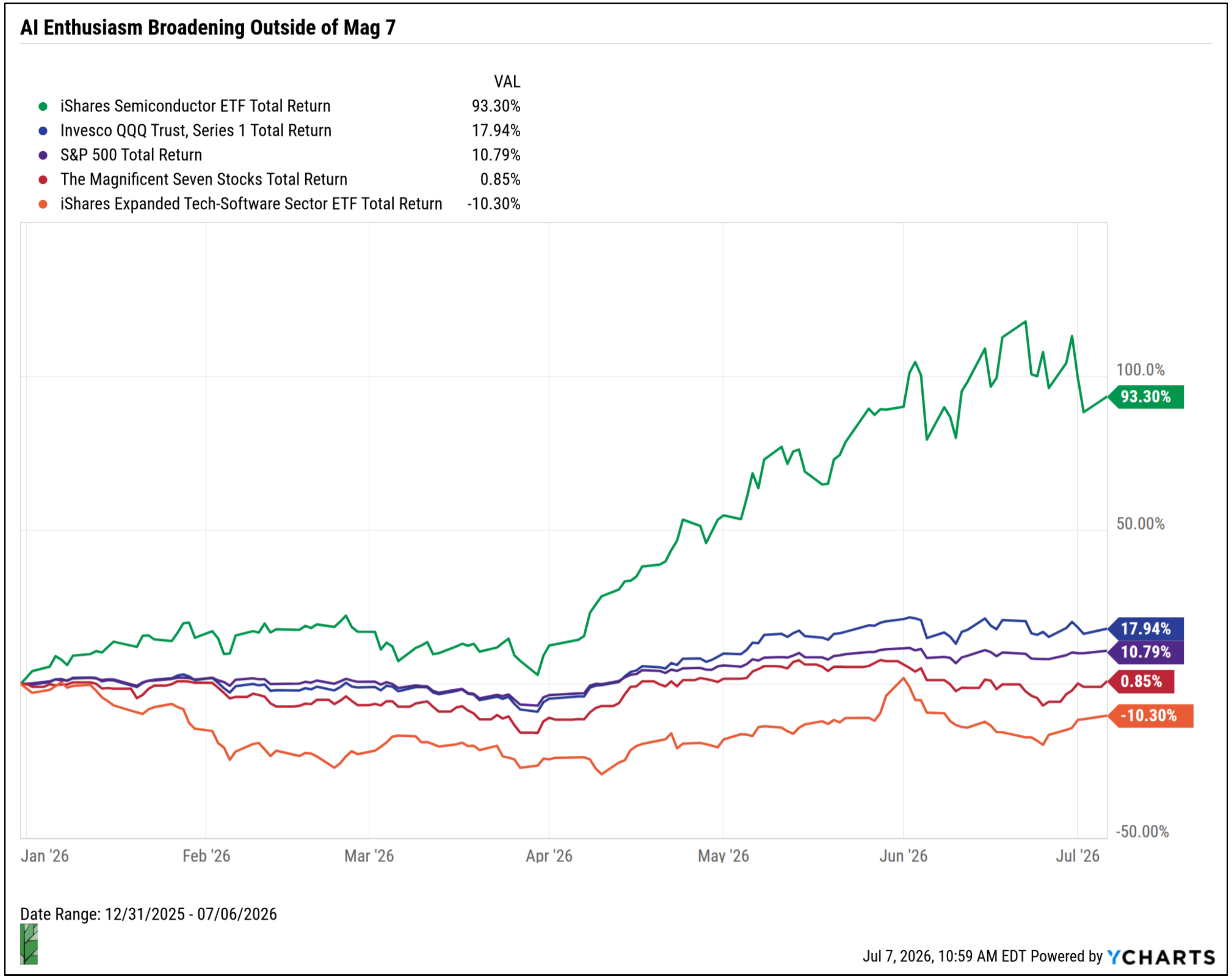
Equities	Representative Index	YTD	2025	2024	2023	2022
US Large Cap Stocks	S&P 500 Index	10.8%	17.9%	25.0%	26.3%	-18.1%
US Large Cap Stocks	S&P 500 Equally-Weighted Index	13.3%	11.4%	13.0%	13.9%	-11.5%
US Dividend Stocks	S&P Dividend ETF	12.8%	8.2%	8.4%	2.6%	-0.5%
US Small Cap Stocks	Russell 2000 Index	22.0%	12.8%	11.5%	16.9%	-20.4%
Foreign Developed Stocks	MSCI EAFE Index	11.0%	31.2%	4.4%	18.2%	-14.5%
Emerging Market Stocks	MSCI Emerging Markets Index	23.9%	33.6%	8.0%	9.8%	-20.1%
Fixed Income						
US Bonds	Barclays Aggregate Bond Index	0.6%	7.3%	1.3%	5.5%	-13.0%
High Yield Bonds	Bloomberg US Corporate High Yield Index	2.2%	8.6%	8.2%	13.5%	-11.2%
Municipal Bonds	Bloomberg US Municipal Bond Index	2.3%	4.3%	1.1%	6.4%	-8.5%
Alternatives / Commodities						
Bitcoin	iShares Bitcoin Trust ETF	-27.3%	-6.4%	99.2%*	-	-
Gold	Gold Shares ETF	-3.6%	63.7%	26.7%	12.7%	-0.8%
Commodities	Broad Basket Commodities ETF	16.4%	14.9%	5.5%	-8.8%	15.2%

- **Equity markets stalled somewhat in June but still produced positive returns through the first half of 2026**
- **Narrow market leadership in areas of AI-related tech stocks like memory and storage leading to outperformance in emerging market indices and uneven performance in the US**
- **The cooling of the Iran conflict led oil prices to fall back to pre-war levels, potentially providing some respite for customers should gas prices follow**
- **New Fed Chair Warsh left rates unchanged at his first meeting but struck a hawkish tone with an emphasis on inflation running too high for comfort**

Source: Ycharts as of July 6, 2026. *iShares Bitcoin Trust ETF 2024 performance reflects 1/11/24-12/31/24.

Magnificent Seven & Software Stocks are Lagging

Overview



AI Enthusiasm Broadening Outside of Mag 7

	VAL
● iShares Semiconductor ETF Total Return	93.30%
● Invesco QQQ Trust, Series 1 Total Return	17.94%
● S&P 500 Total Return	10.79%
● The Magnificent Seven Stocks Total Return	0.85%
● iShares Expanded Tech-Software Sector ETF Total Return	-10.30%

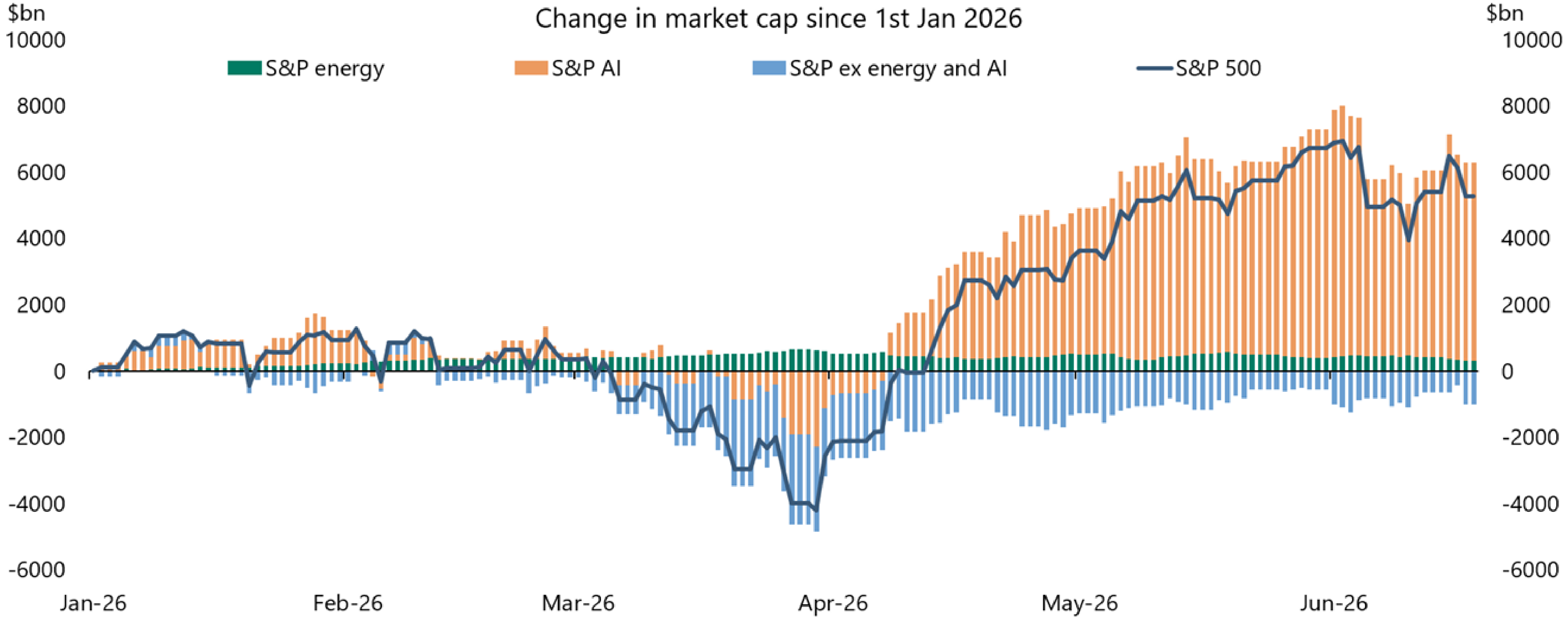
Date Range: 12/31/2025 - 07/06/2026

Jul 7, 2026, 10:59 AM EDT Powered by YCHARTS

- ➢ **Technology continues to lead equity markets, but leadership has shifted away from the Magnificent 7 to companies related to memory and storage for AI**
- ➢ **Driven by strong earnings, continued AI infrastructure spending and enthusiasm**

S&P 500 is Negative YTD Excluding Energy & AI stocks

Overview

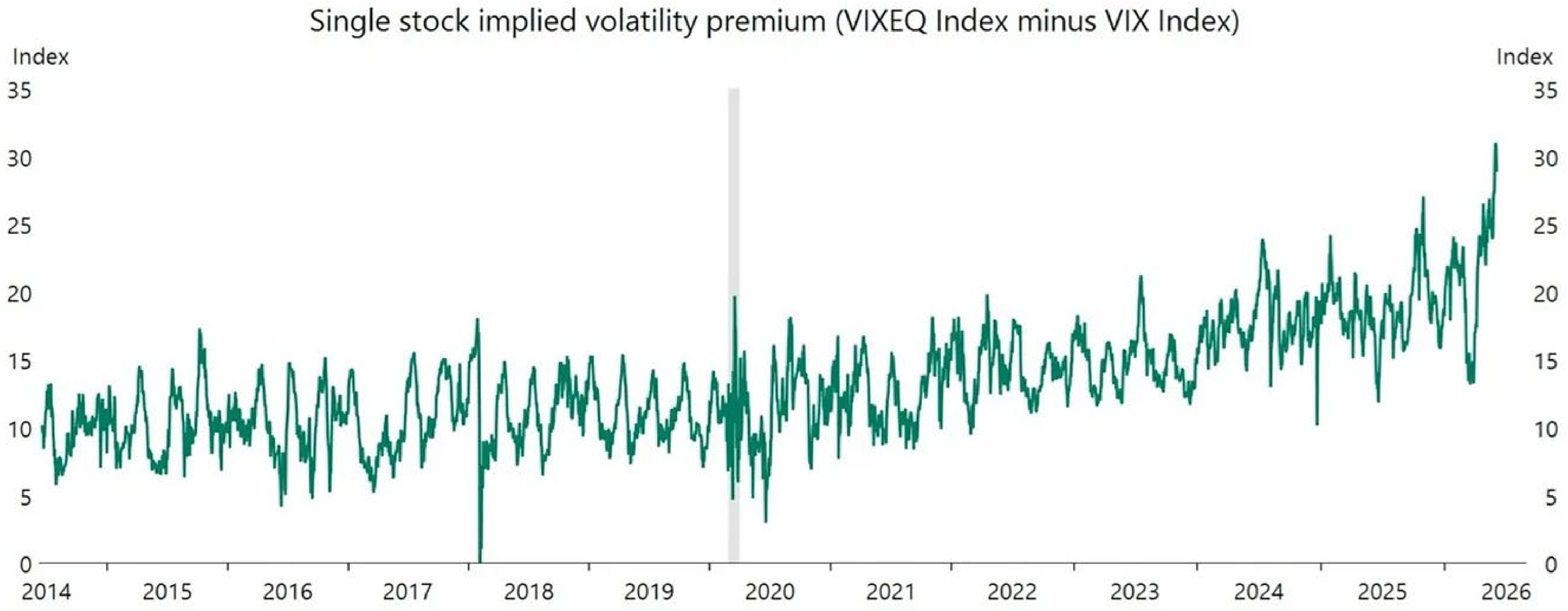


- **While overall market returns have been positive, performance drivers have been narrowly focused in AI and energy companies leading to wide dispersion in the rest of the market**

Source: Apollo as of June 19, 2026
Note: S&P AI is a representative basket of companies with exposure to artificial intelligence technologies and includes 84 companies. These include firms involved in the development and enablement of AI across areas such as semiconductors, software, internet platforms and IT infrastructure. The basket is applied consistently across the full sample period.

Significant Spike in Single Stock Volatility

Overview



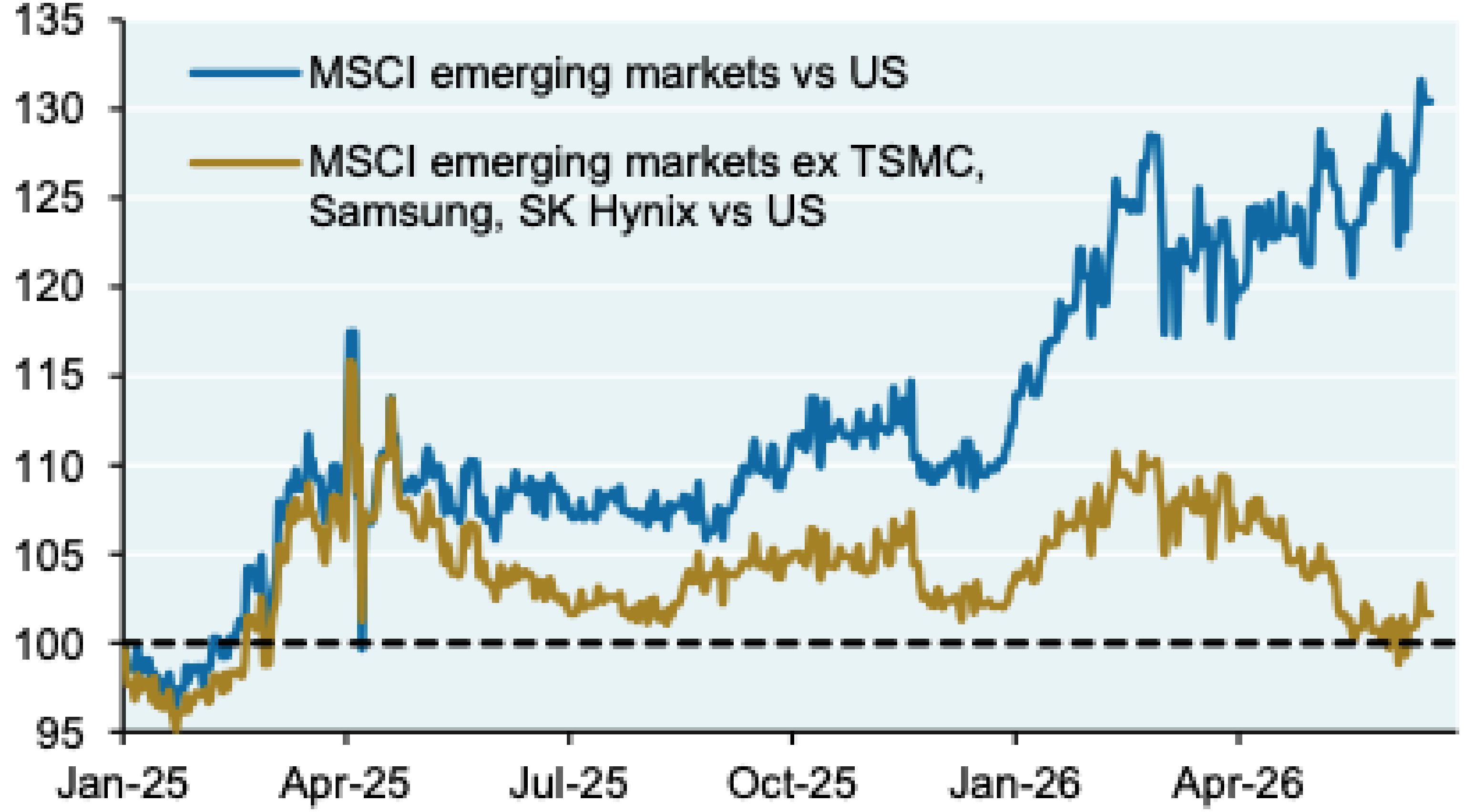
- **Overall market volatility as measured by the VIX index has been relatively low, but single stock volatility has been elevated**

Source: Apollo as of June 19, 2026

Surge in Emerging Markets Driven by Three Tech Stocks

Emerging markets equity price return relative to US

Relative to MSCI US, index (100 = January 2025)

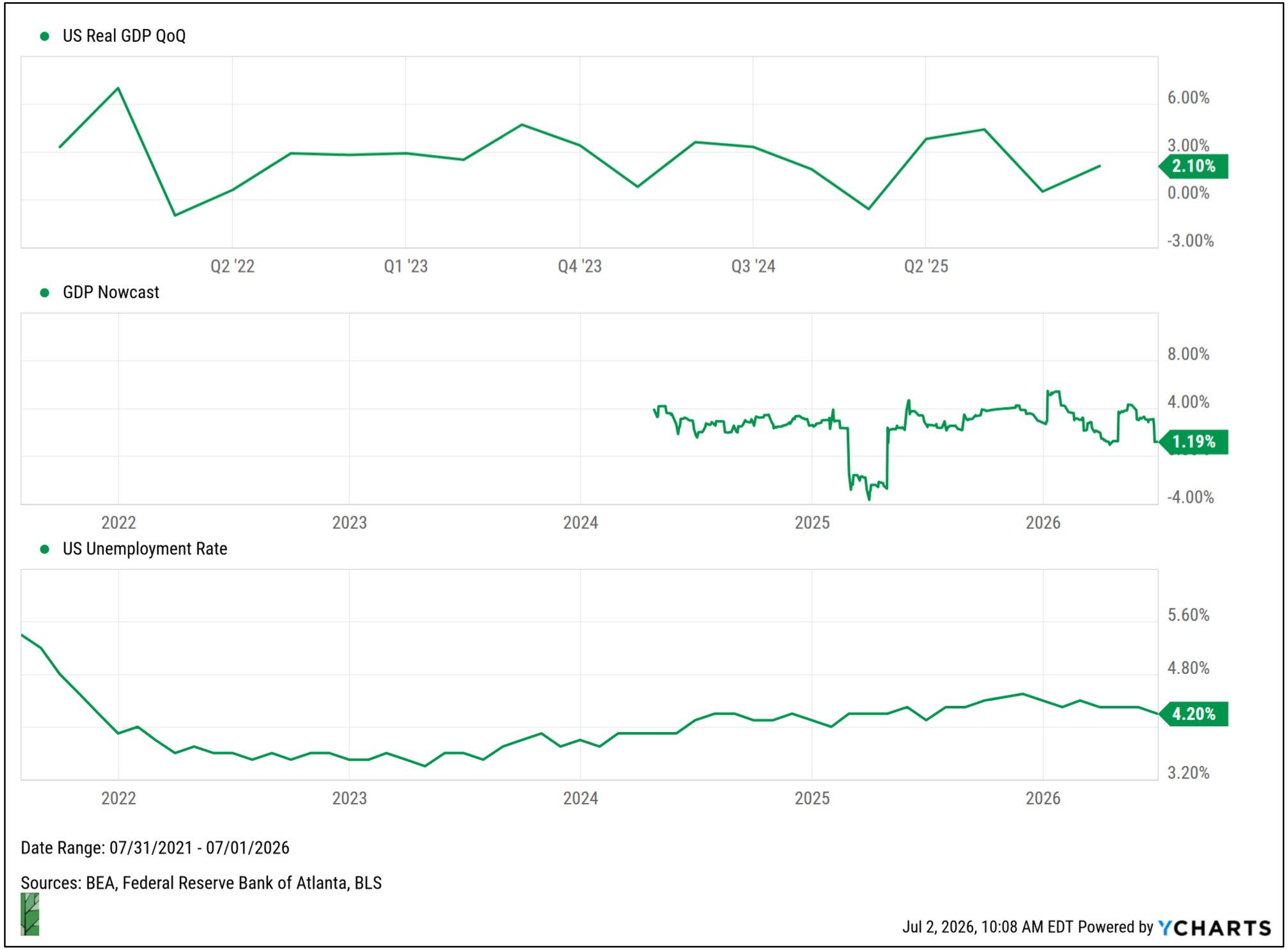


Source: Bloomberg, JPMAM, June 21, 2026

- ➢ **Handful of AI / memory related tech companies are driving significant outperformance in emerging markets**
- ➢ **Samsung, SK Hynix and Taiwan Semiconductor make up ~30%+ of MSCI Emerging Market index now**

Key Economic Indicators Remain Healthy

Overview



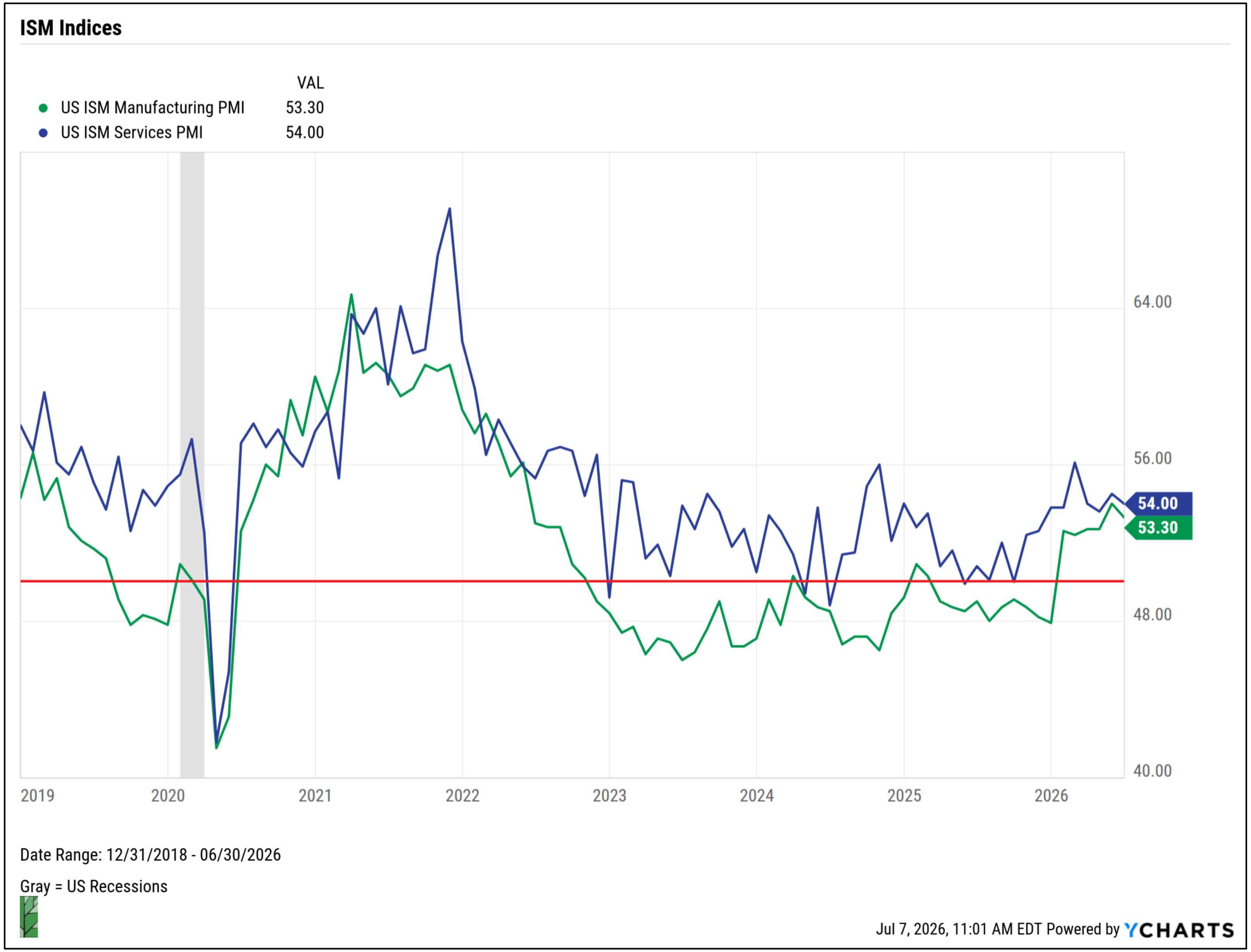
Date Range: 07/31/2021 - 07/01/2026

Sources: BEA, Federal Reserve Bank of Atlanta, BLS

Jul 2, 2026, 10:08 AM EDT Powered by YCHARTS

- ➢ **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 tracking modestly positive at 1.2%**
- ➢ **The unemployment rate remains relatively low and is showing signs of stability such as increasing job openings**

Key Economic Indicators Remain Healthy



Date Range: 12/31/2018 - 06/30/2026

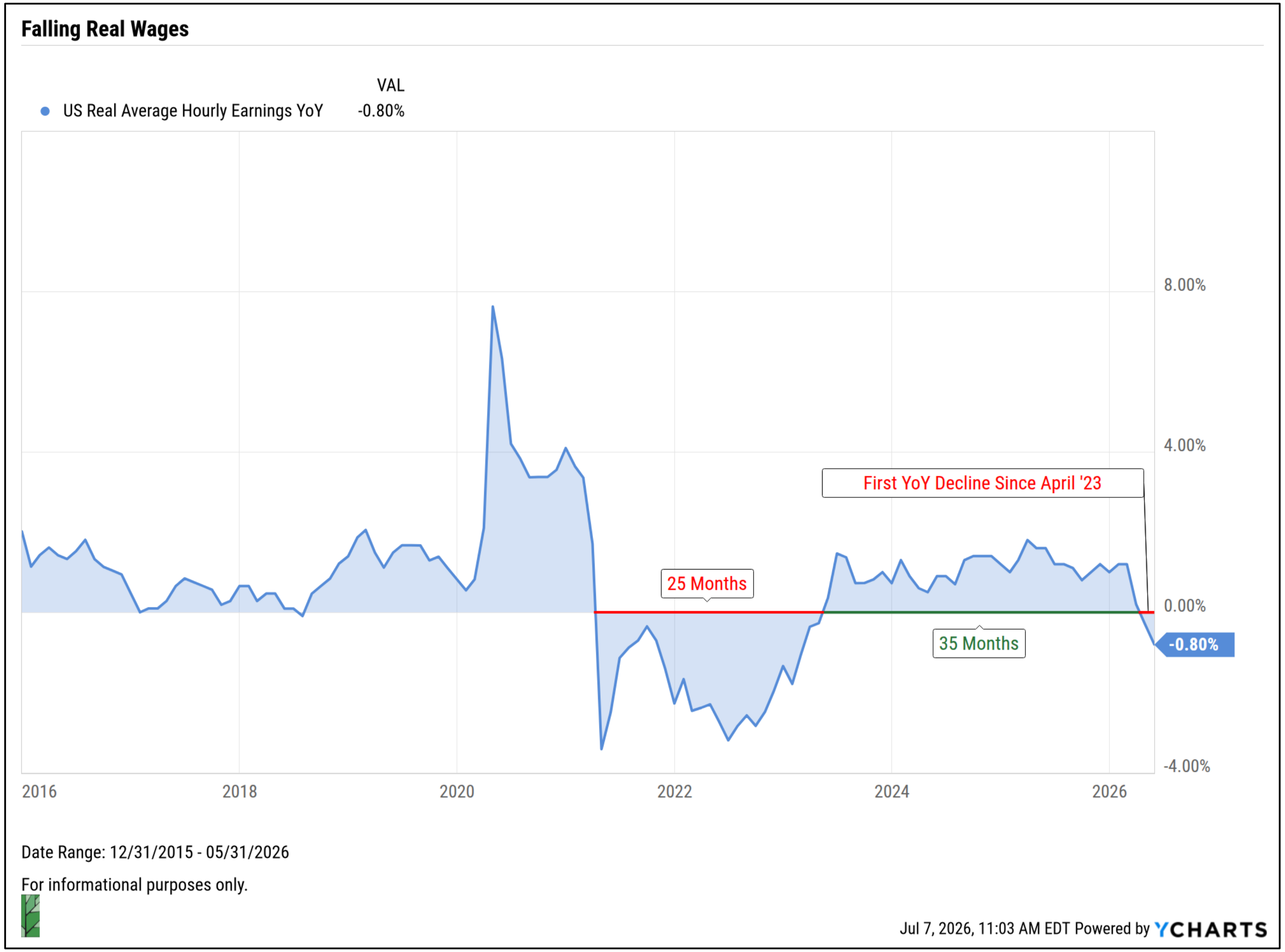
Gray = US Recessions

Jul 7, 2026, 11:01 AM EDT Powered by YCHARTS

- **ISM Manufacturing and Services PMI both positive for the last six months (a reading > 50 indicates expansion), which historically has been a good indicator for economic growth**

Falling Real Wages (after Inflation) Pressure Consumers

Overview



Falling Real Wages

Date Range: 12/31/2015 - 05/31/2026

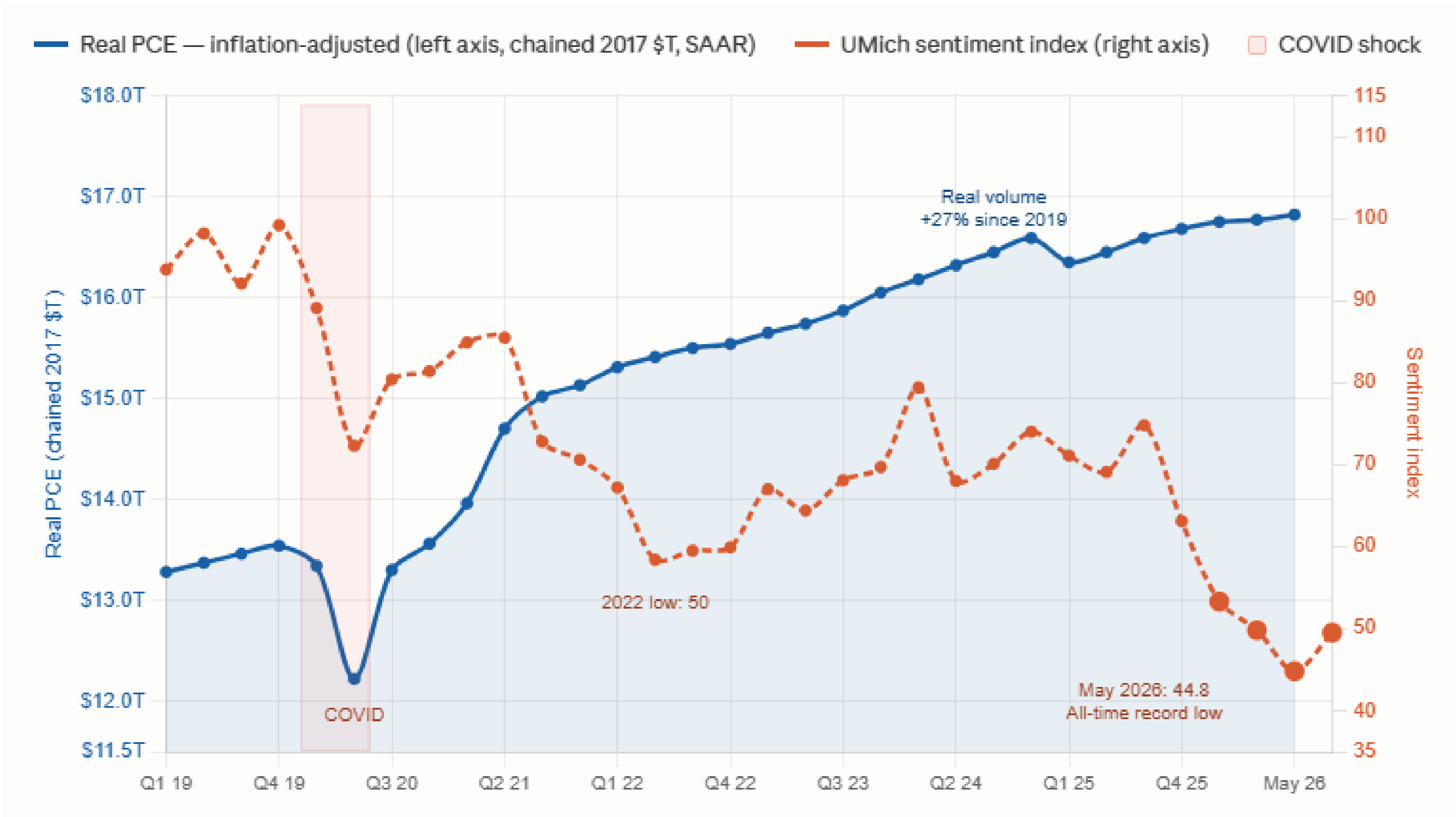
For informational purposes only.

Jul 7, 2026, 11:03 AM EDT Powered by YCHARTS

- ➢ **Consumers impacted by continually increasing prices, not just month over month changes in CPI**
- ➢ **Wage growth has struggled to keep up with prices since the inflation shock in 2022**
- ➢ **The most recent CPI spike is eating into purchasing power once again**
- ➢ **Higher gas and food prices have a disproportionate impact on lower income consumers, exacerbating the K-shaped economy**

Consumer Spending Remains Strong Despite Negative Sentiment

Overview



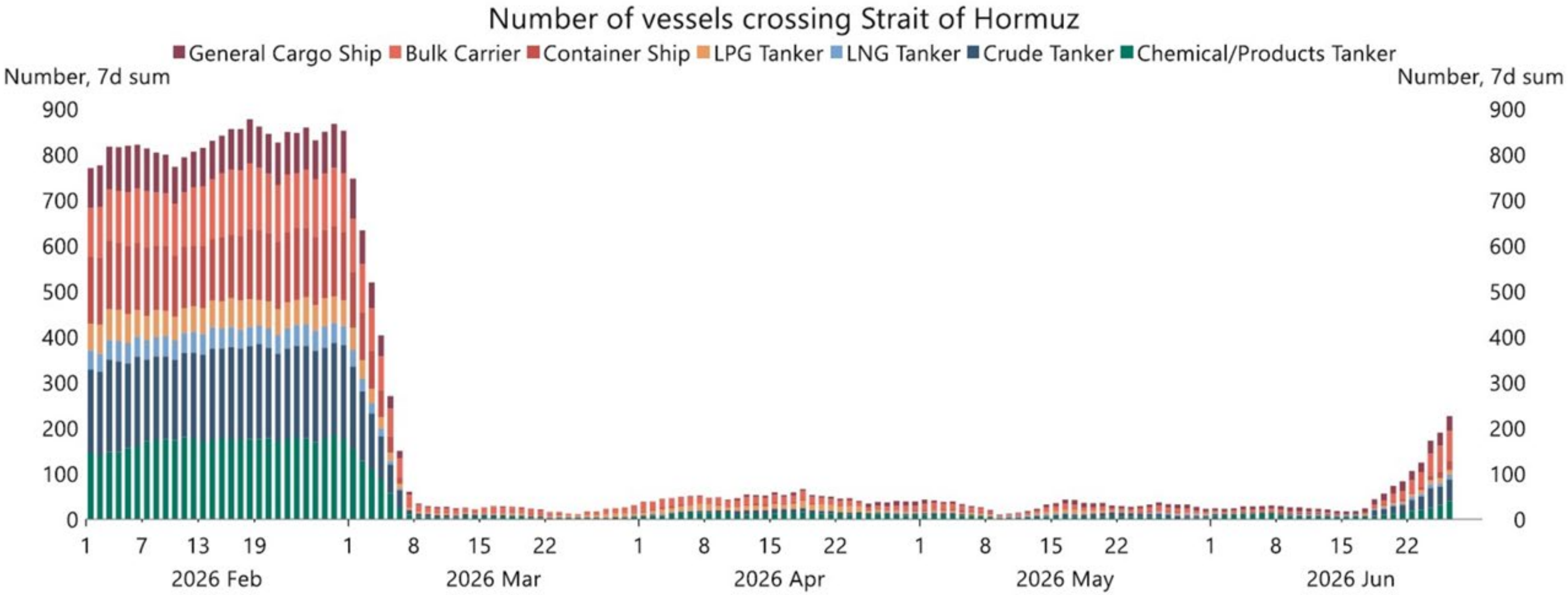
Sources: BEA (real PCE, chained 2017 dollars, SAAR; Jun 25 release through May 2026), Univ. of Michigan Surveys of Consumers (Jun 2026 final).

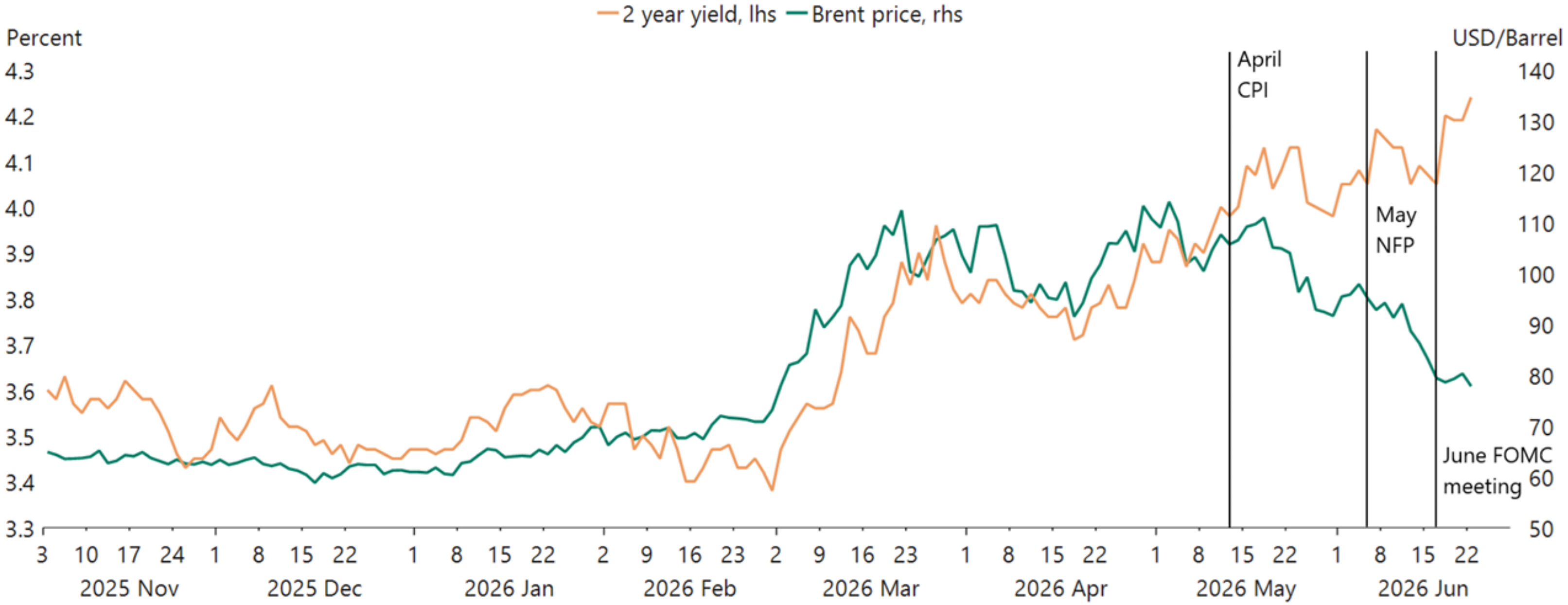
- ➢ **Consumer sentiment turned sharply negative during the inflation shock in 2022 and has remained historically low as consumers feel the stress of high prices**
- ➢ **Still, positive consumer spending trends during the same period show consumers have been able to endure higher prices**
- ➢ **Higher 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**

Energy & Commodity Market Updates

Oil Prices Dropped Significantly as Strait Reopens

Energy & Commodities



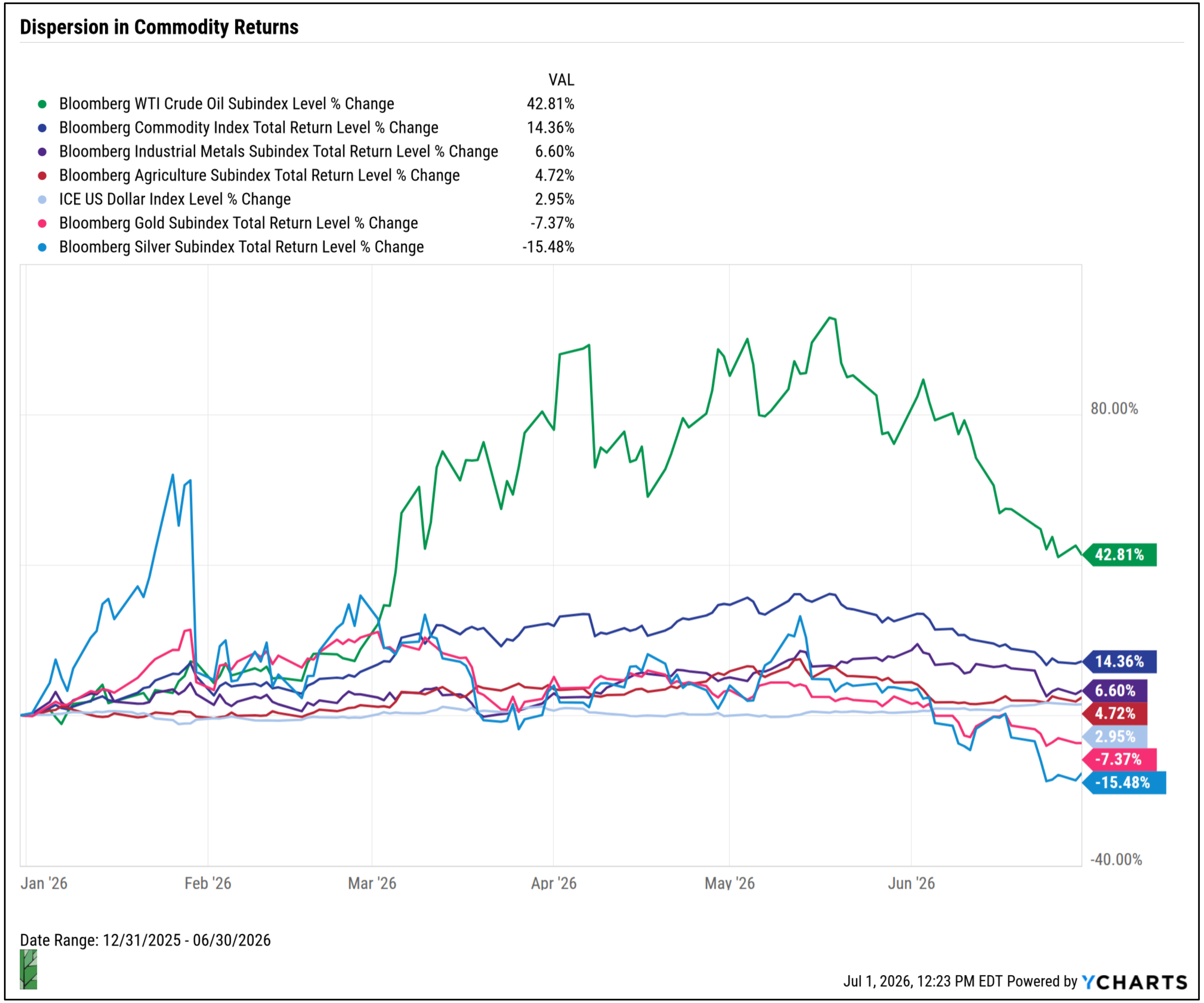


- ➢ **Optimism surrounding the end of the war in Iran and ships beginning to transit the Strait of Hormuz drove oil prices sharply lower in June**
- ➢ **While oil prices are approaching pre-war levels, inflation remains a concern and bond yields have not retreated to the same extent**

Source: Apollo as of June 29, 2026

High Level of Commodity Price Dispersion

Energy & Commodities



Dispersion in Commodity Returns

	VAL
● Bloomberg WTI Crude Oil Subindex Level % Change	42.81%
● Bloomberg Commodity Index Total Return Level % Change	14.36%
● Bloomberg Industrial Metals Subindex Total Return Level % Change	6.60%
● Bloomberg Agriculture Subindex Total Return Level % Change	4.72%
● ICE US Dollar Index Level % Change	2.95%
● Bloomberg Gold Subindex Total Return Level % Change	-7.37%
● Bloomberg Silver Subindex Total Return Level % Change	-15.48%

Date Range: 12/31/2025 - 06/30/2026

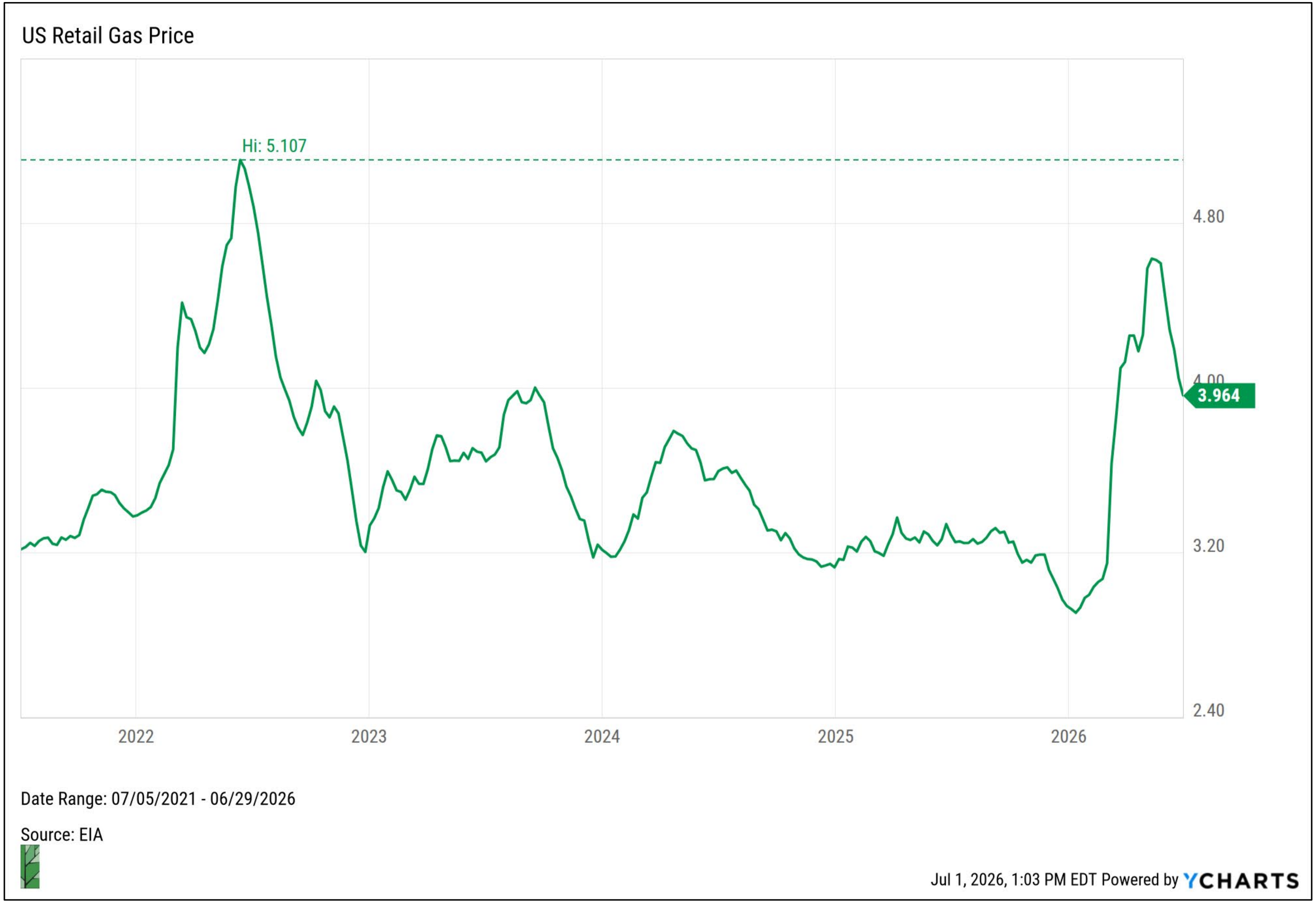
Jul 1, 2026, 12:23 PM EDT Powered by YCHARTS

- **Commodity returns this year driven by energy prices, which have come down from recent highs but still elevated for the year**

- **Precious metals are the largest detractor year-to-date**

Lower Oil Prices Starting to Provide Relief at the Pump

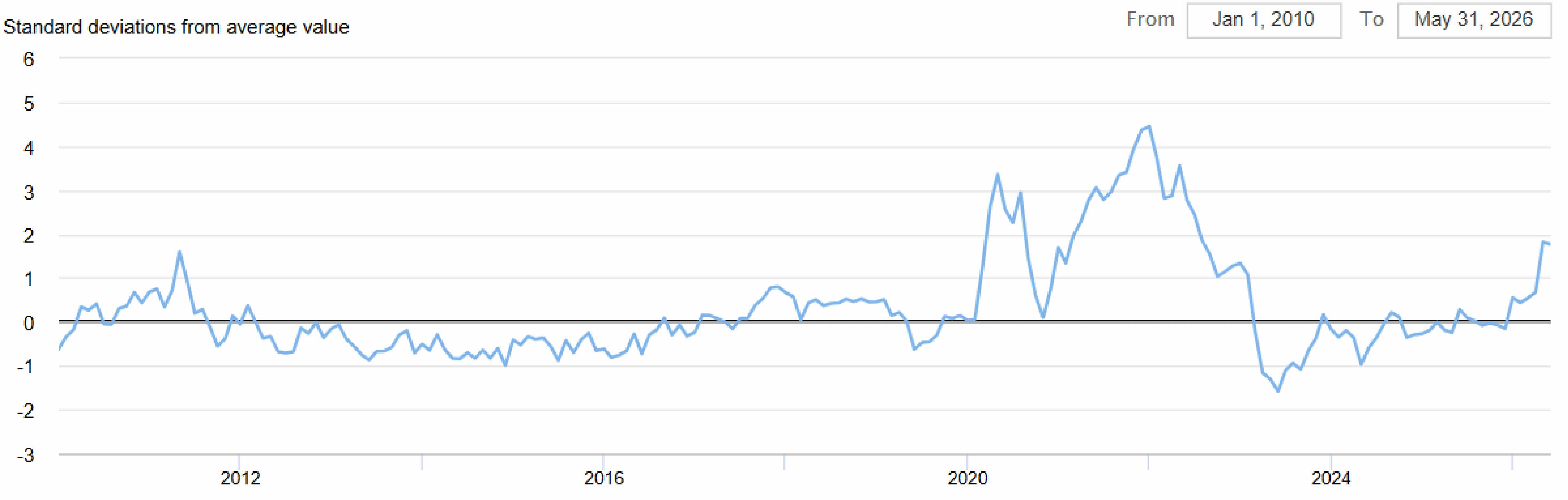
Energy & Commodities



Supply Chain Pressures Reach Highest Levels Since Covid

Energy & Commodities

Global Supply Chain Pressure Index



- ➢ **Even as the Strait of Hormuz reopens, there is likely to be continued pressure on the global supply chain as there can be a lag of several months for markets to normalize**

Source: Federal Reserve Bank of New York May 2026

Portfolio Takeaway

Implications of the Energy Shock on the 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
- Energy prices coming down post-Iran conflict are a positive, but supply chain pressures may continue to cause price increases
- Market volatility, valuation concerns, and weakness in consumer spending may be exacerbated by inflation
- 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

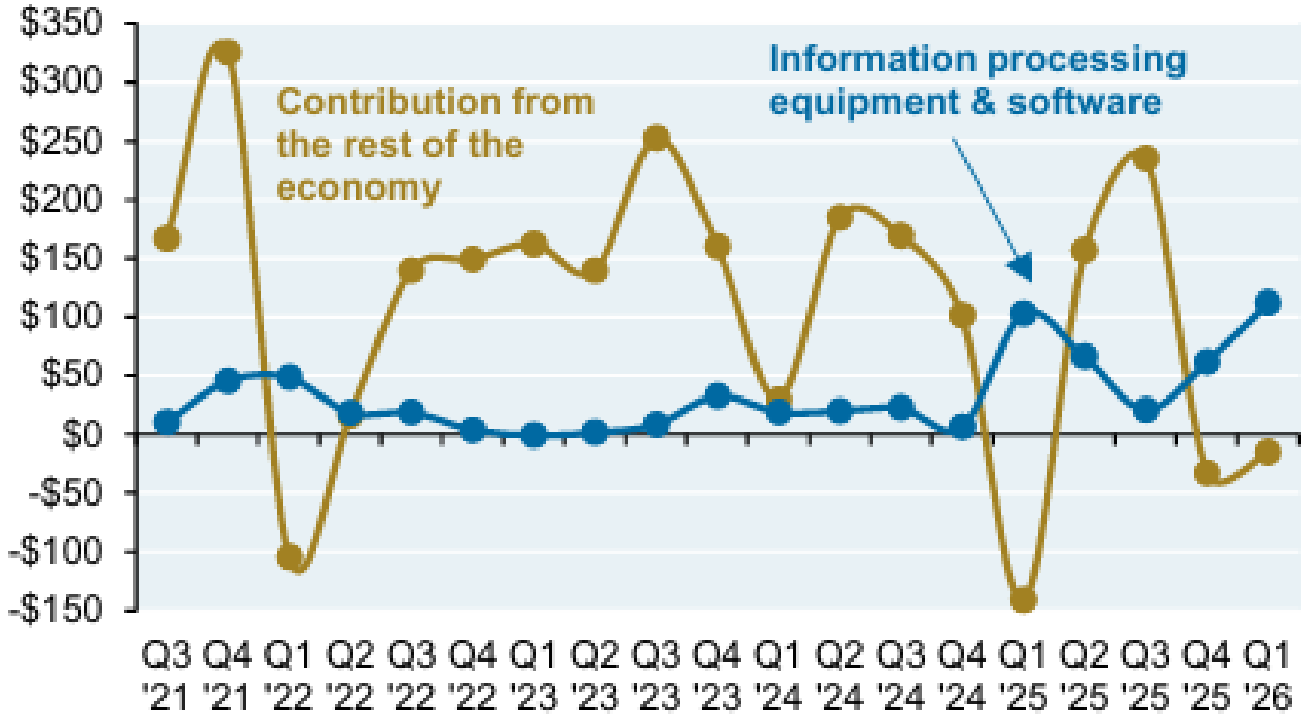
Implications of Artificial Intelligence on Markets & the Economy

AI Investment is Supporting the Economy

Implications of AI

Quarterly contributions to real GDP growth

US$, billions

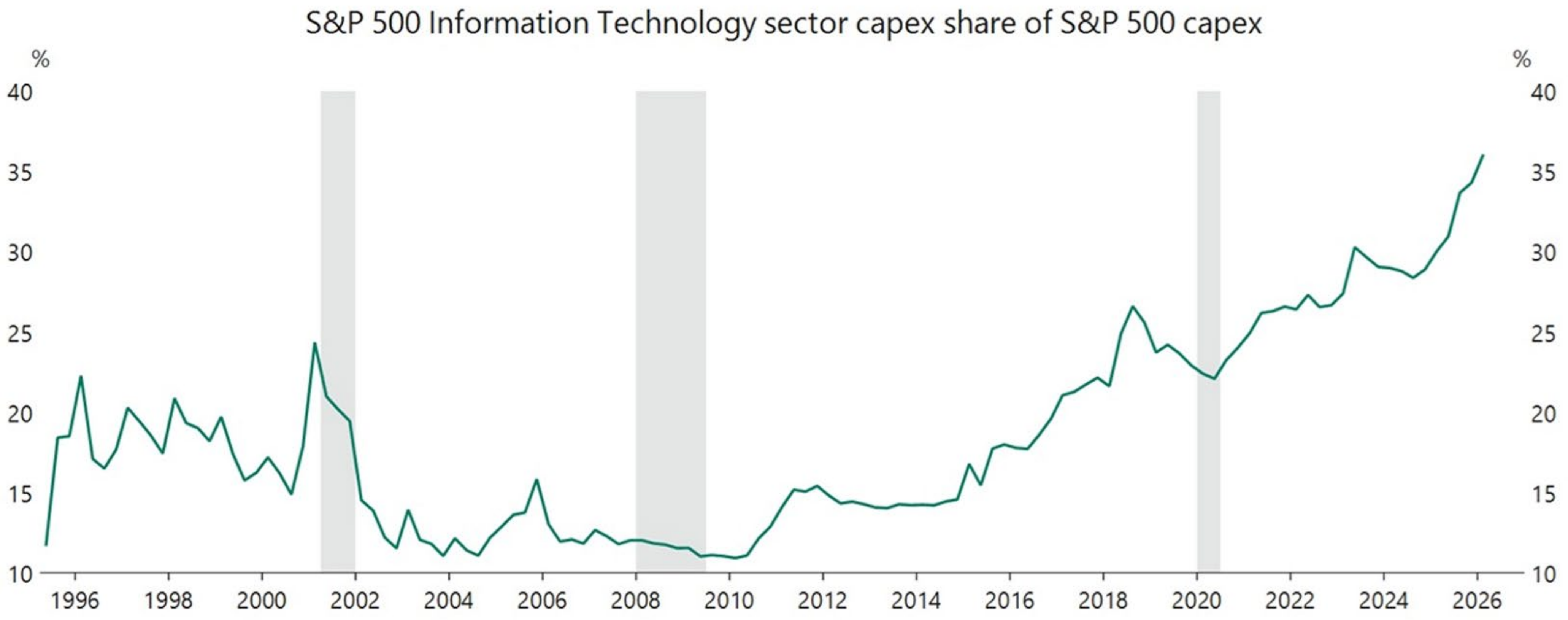


Source: Bloomberg, BEA, JPMAM, Q1 2026

- ➢ **Concentration of tech equipment and software to GDP has been increasing relative to everything else, offsetting weakness in other areas**

AI Investment is Supporting the Economy

Implications of AI

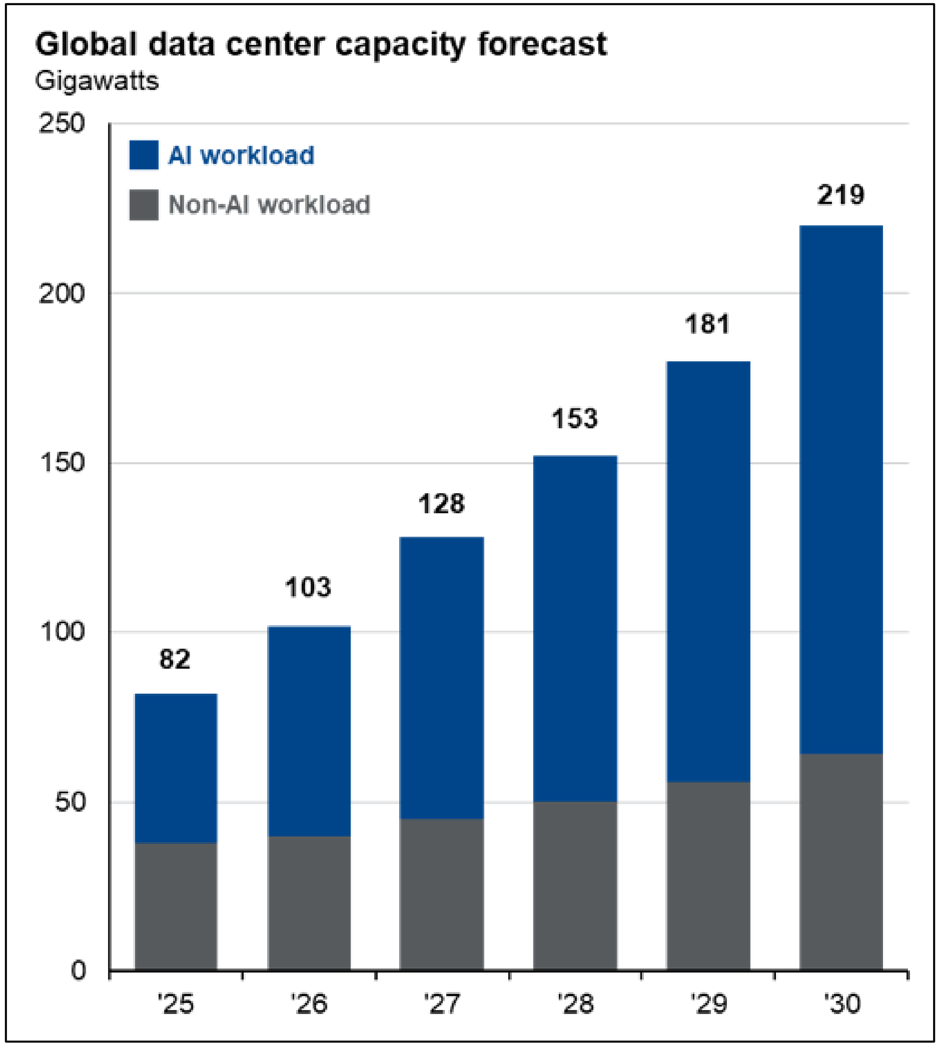


- ➢ **IT capex now accounts for more than a third of S&P 500 capex spending, a record high**

Source: Bloomberg, Macrobond, Apollo Chief Economist May 22, 2026

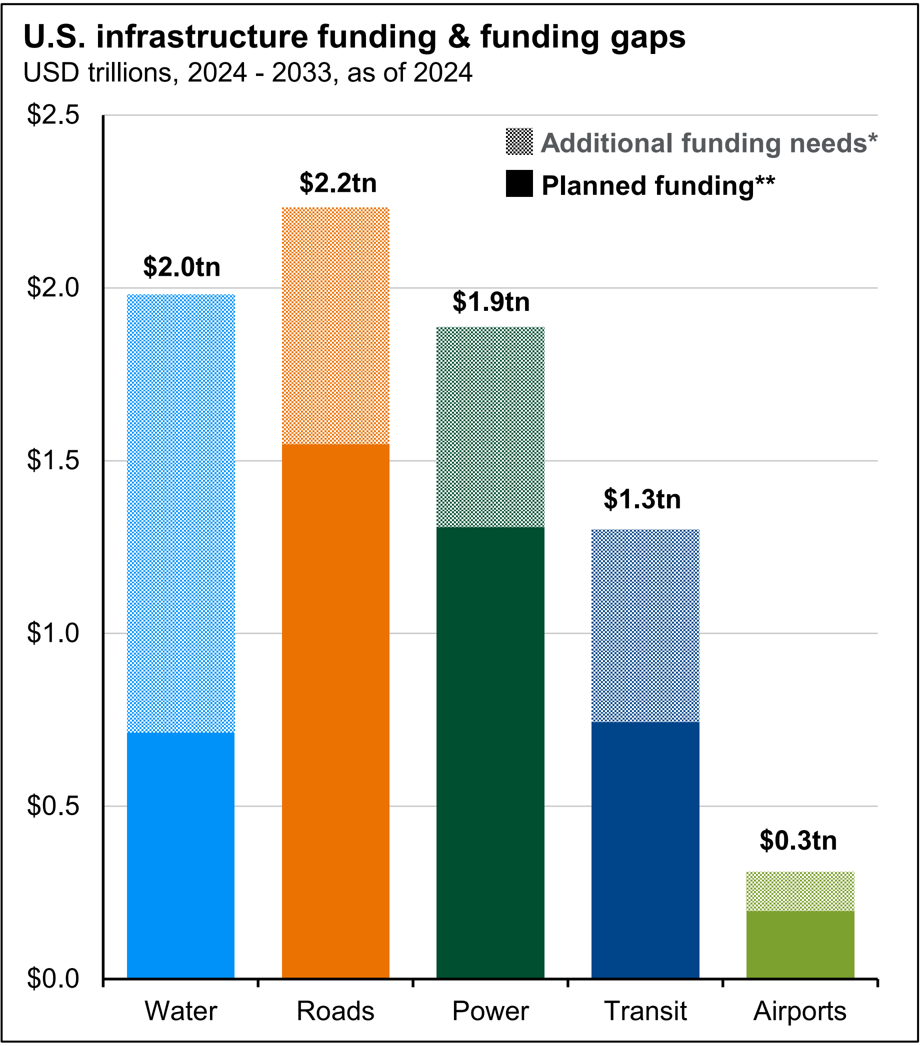
Power Demand and Infrastructure Needs Growing

Implications of AI



Global data center capacity forecast

Gigawatts



U.S. infrastructure funding & funding gaps

USD trillions, 2024 - 2033, as of 2024

- **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 May 31, 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 June 2, 2026

No Sign of Jobs Crisis Yet

Implications of AI

- **The number of job openings per unemployed has started to rise, potentially driven by AI-powered business formation resulting in more job openings**

Source: Apollo as of June 9, 2026

Portfolio Takeaway

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

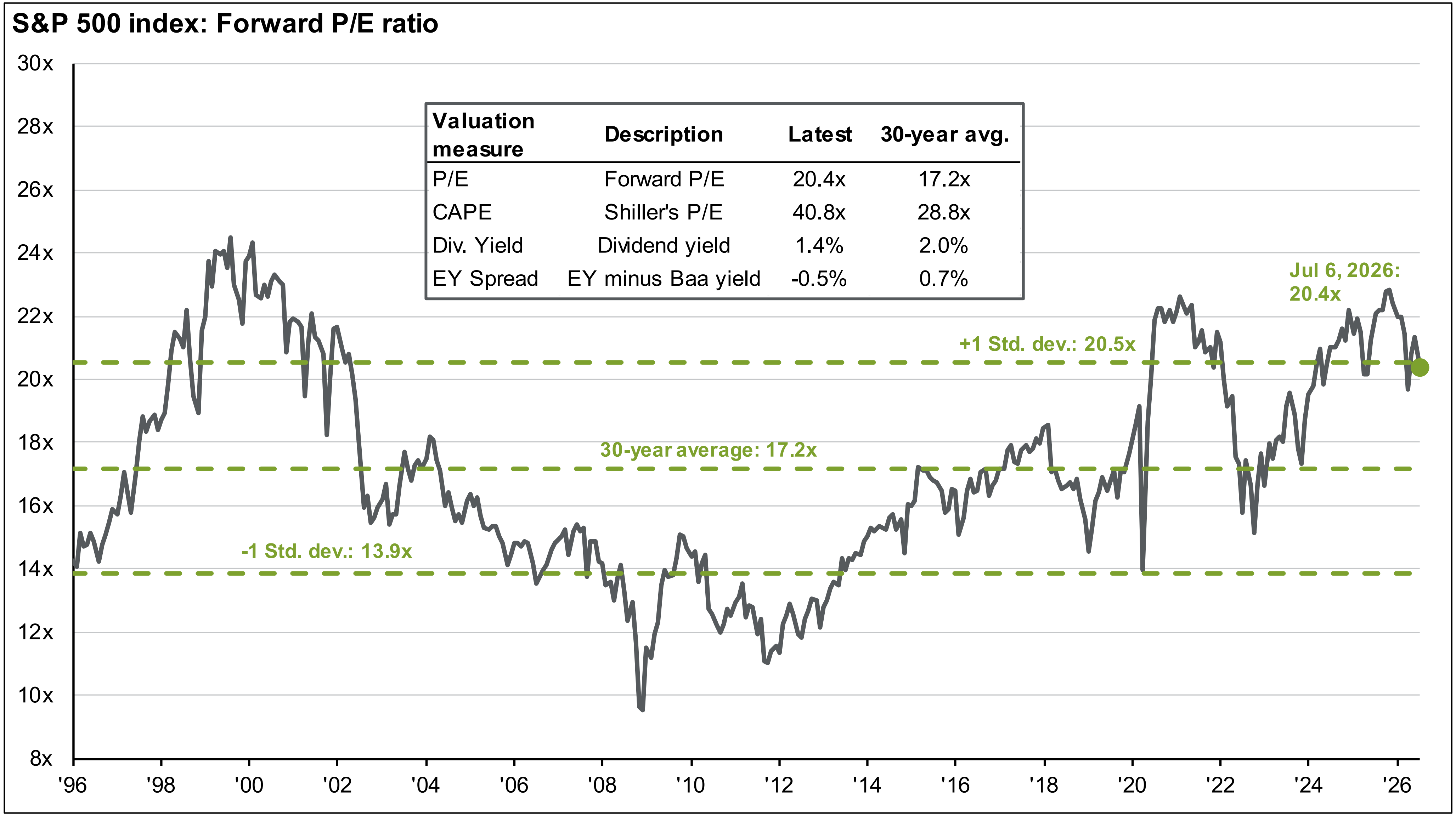
- While AI is a revolutionary technology advancement, large cap US equity markets have become highly concentrated in stocks exposed to this theme, which are top heavy and expensively valued.

- 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 Above Long-Term Average



S&P 500 index: Forward P/E ratio

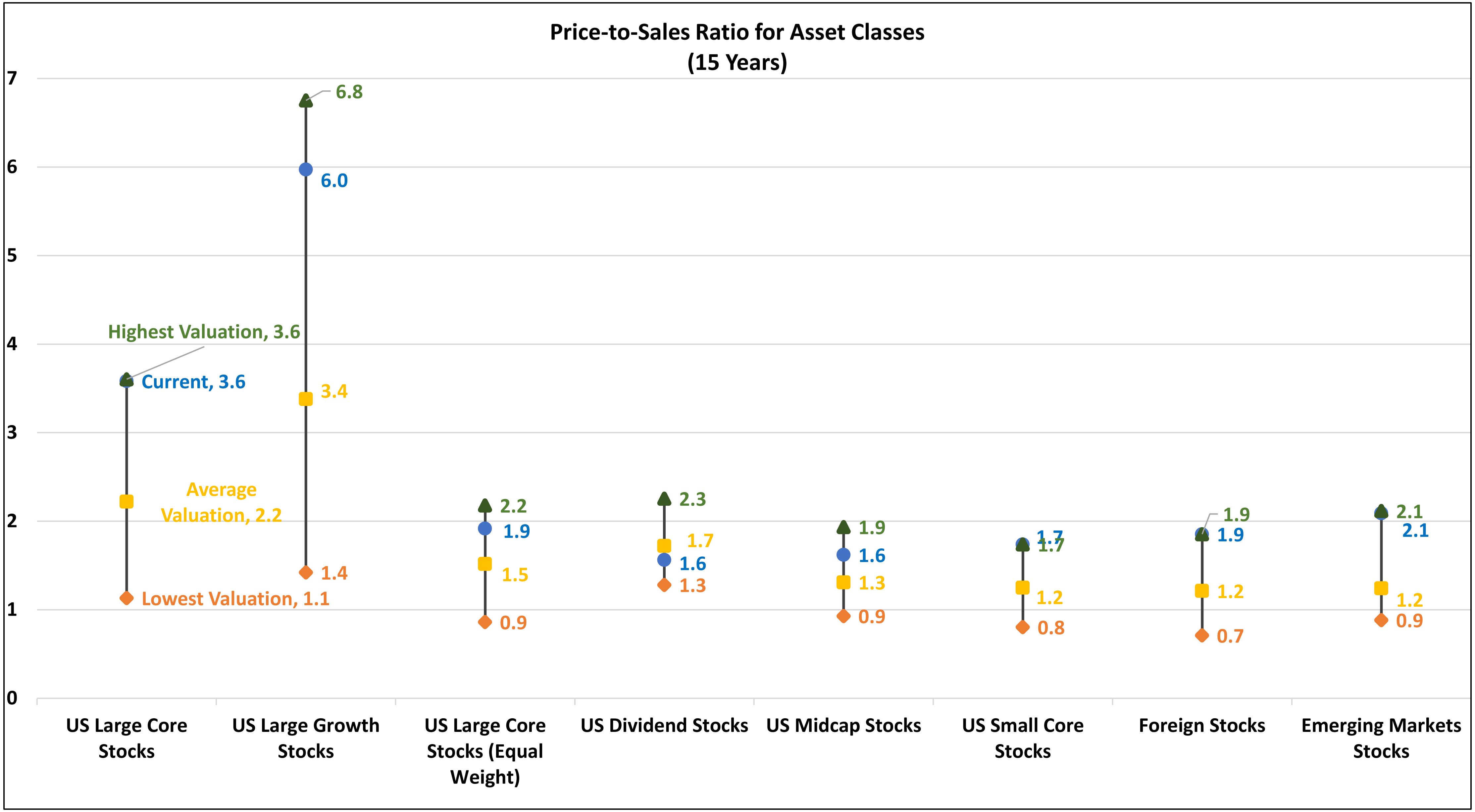
Valuation measure	Description	Latest	30-year avg.
P/E	Forward P/E	20.4x	17.2x
CAPE	Shiller's P/E	40.8x	28.8x
Div. Yield	Dividend yield	1.4%	2.0%
EY Spread	EY minus Baa yield	-0.5%	0.7%

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.

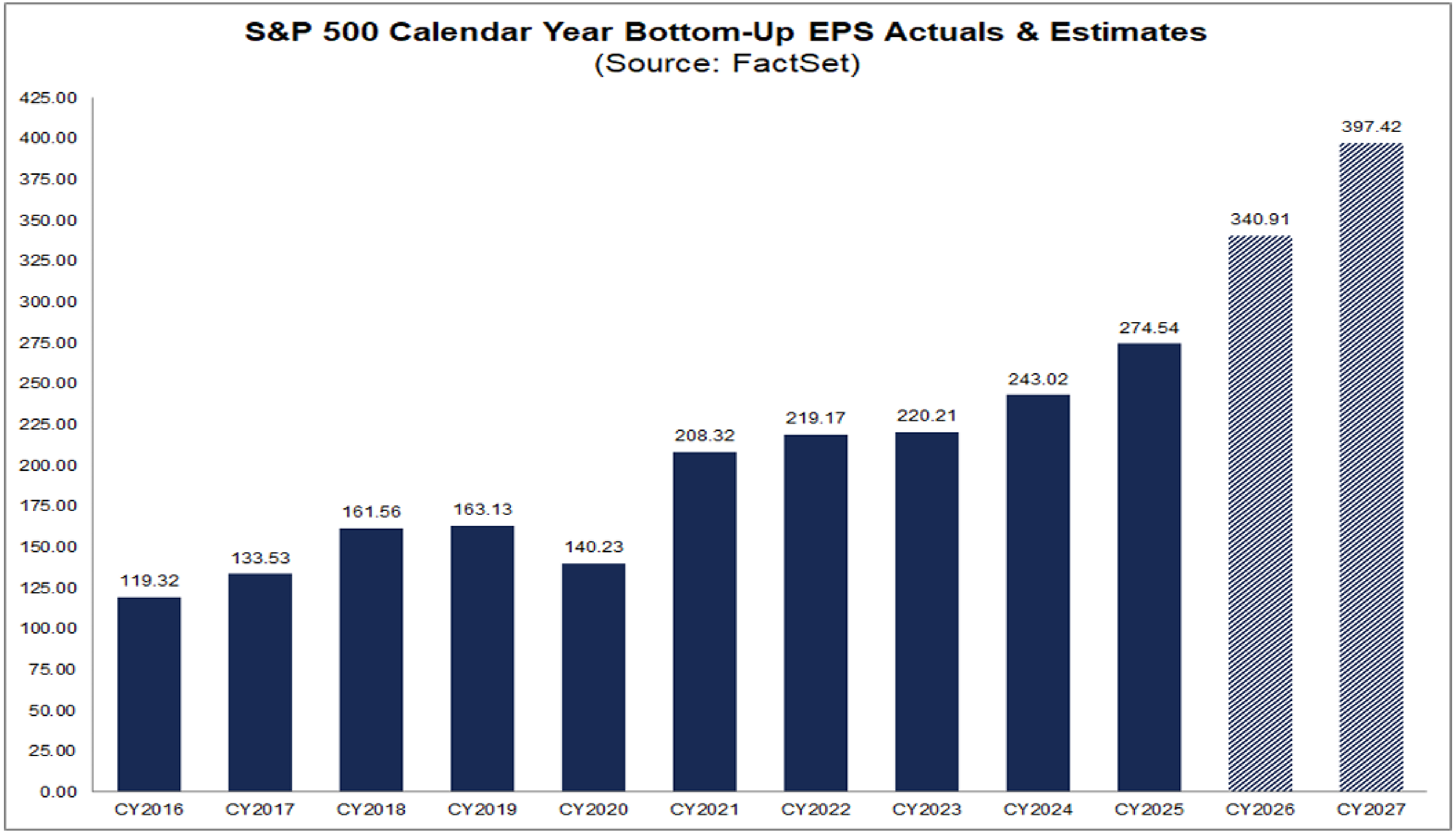
JPM Guide to the Markets as of July 6, 2026

Stocks Fairly Priced Outside of US Large Growth


Price-to-Sales Ratio for Asset Classes
(15 Years)

Source: Bloomberg as of July 7, 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 Reports & Expectations Remain Positive



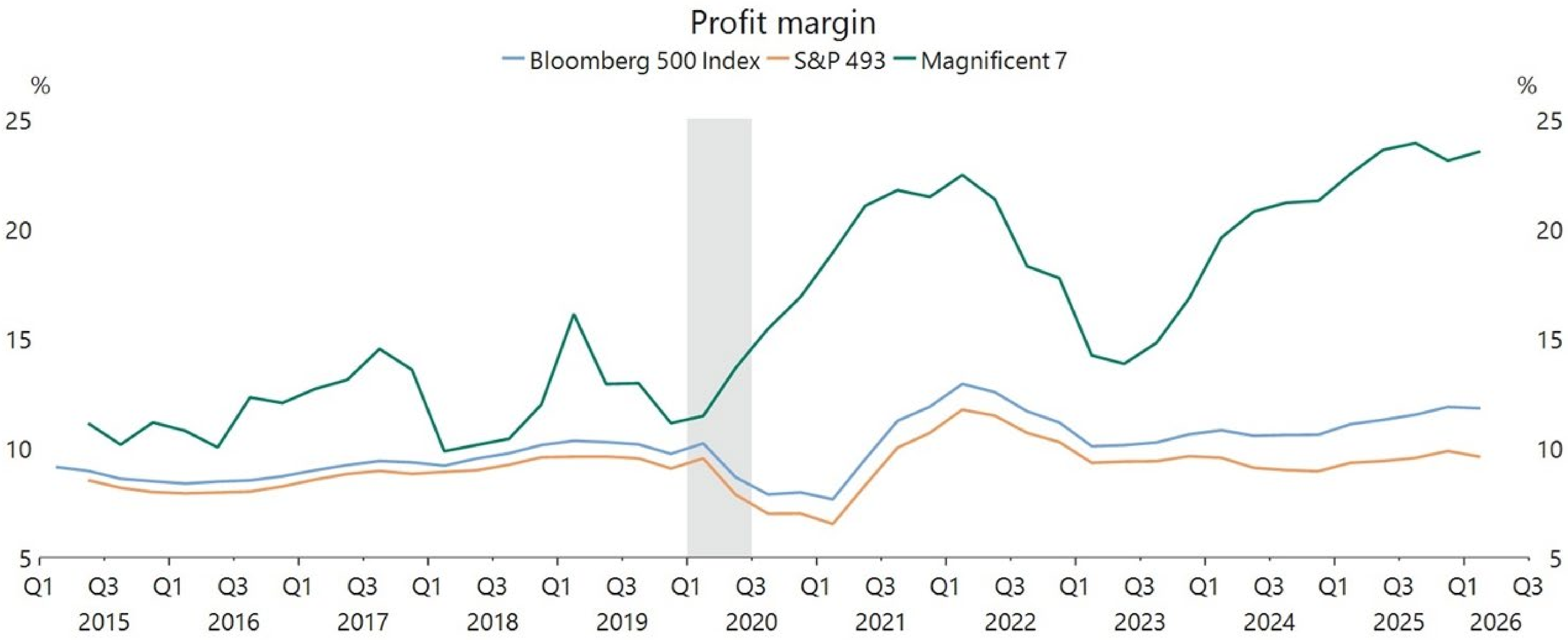
- **Despite market volatility and geopolitical concerns, large US companies have continued to report strong earnings, and expectations for future earnings remain positive**

- **Year-over-year earnings growth for Q2 2026 is expected to be north of 20% for the second straight quarter**

Valuation & Earnings

Source: FactSet as of June 26, 2026

Higher Profit Margins Driven by Tech Stocks

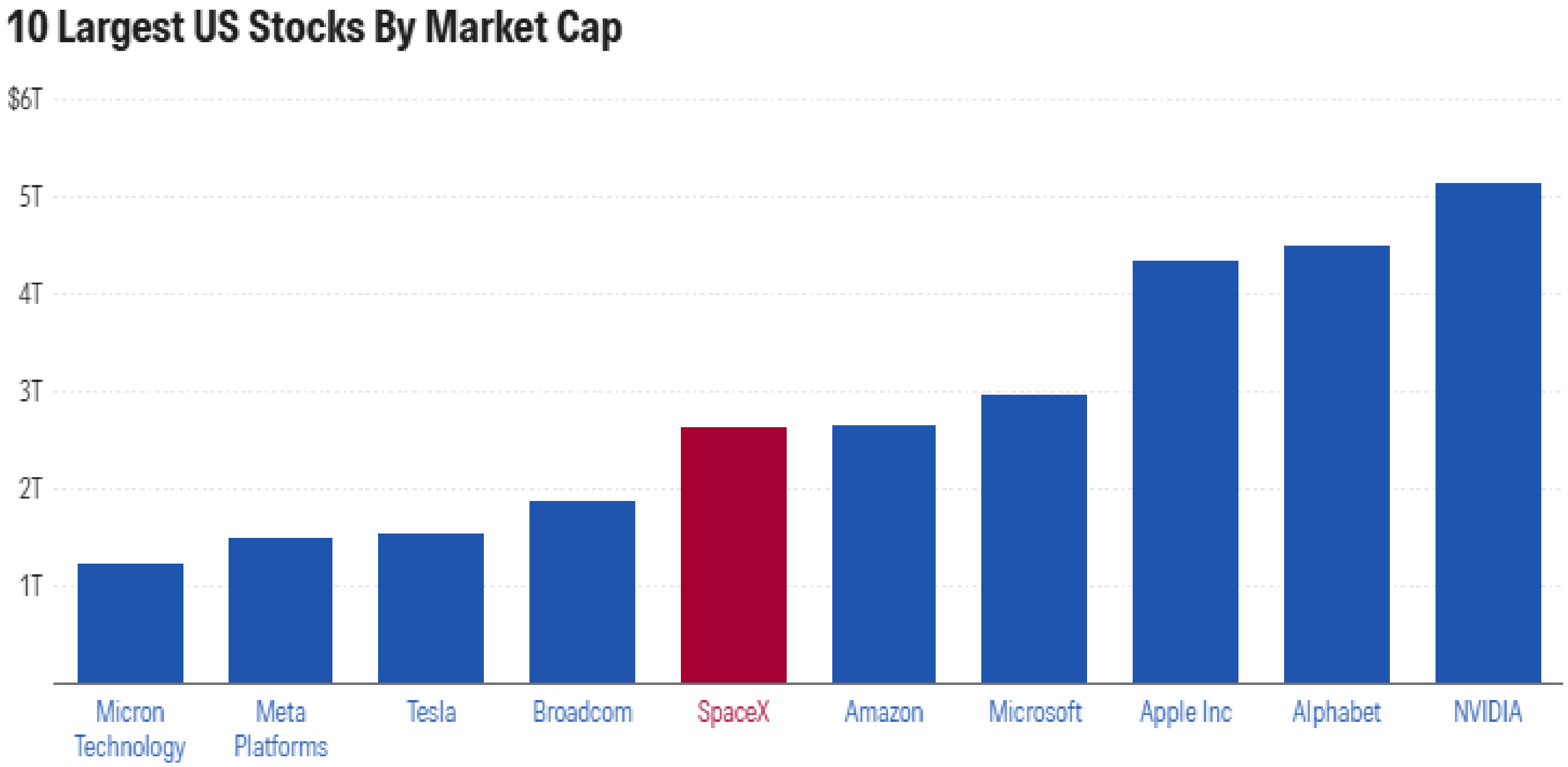


Sources: Bloomberg, Macrobond, Apollo Chief Economist

➢ **Profit margins are rising to record high levels, particularly in large tech companies**

Valuation & Earnings

SpaceX is one of the Largest US Stocks by Market Cap



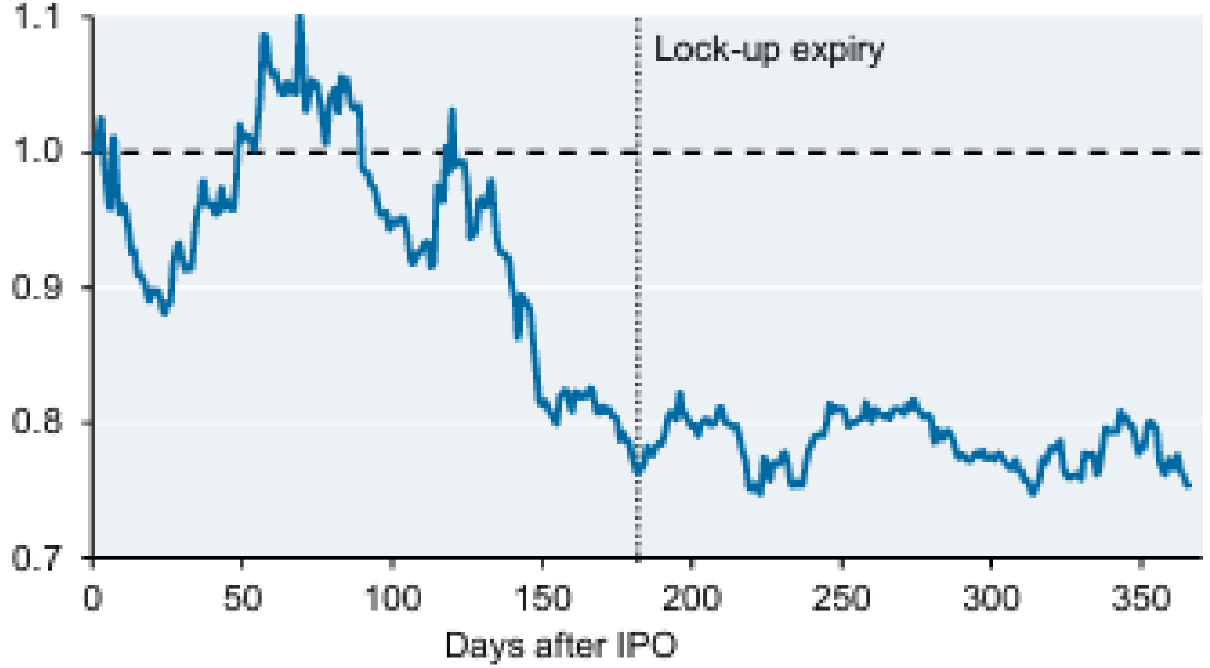
- SpaceX immediately became one of the largest public stocks in the US by market cap after its IPO in June

Source: Morningstar as of June 16, 2026

Post IPO Performance can be Volatile

10 largest IPOs since 2010 relative performance

Avg price performance relative to Nasdaq 100, index (1 = first close)



Source: Bloomberg, JPMAM, June 10, 2026

- **Stocks have tended to underperform relative to the market after the IPO heading into the expiration of the lockup period**

Fixed Income Briefing

In the near term…

- New Chair Warsh's first FOMC meeting on June 17th resulted in no changes to the Fed Funds Rate as expected but with changes to communications
    - Rate held at 3.50%–3.75% in a unanimous 12–0 vote
    - In a major regime change in Fed communication, the FOMC statement was cut from ~341 words to 132 words and stripping out all language hinting at future policy direction. Economy (+), Unemployment (=), Inflation (-)
- Corporate spreads (IG & HY) are benefitting from the strong economy and earnings and remain at multi-year lows

In the long run…

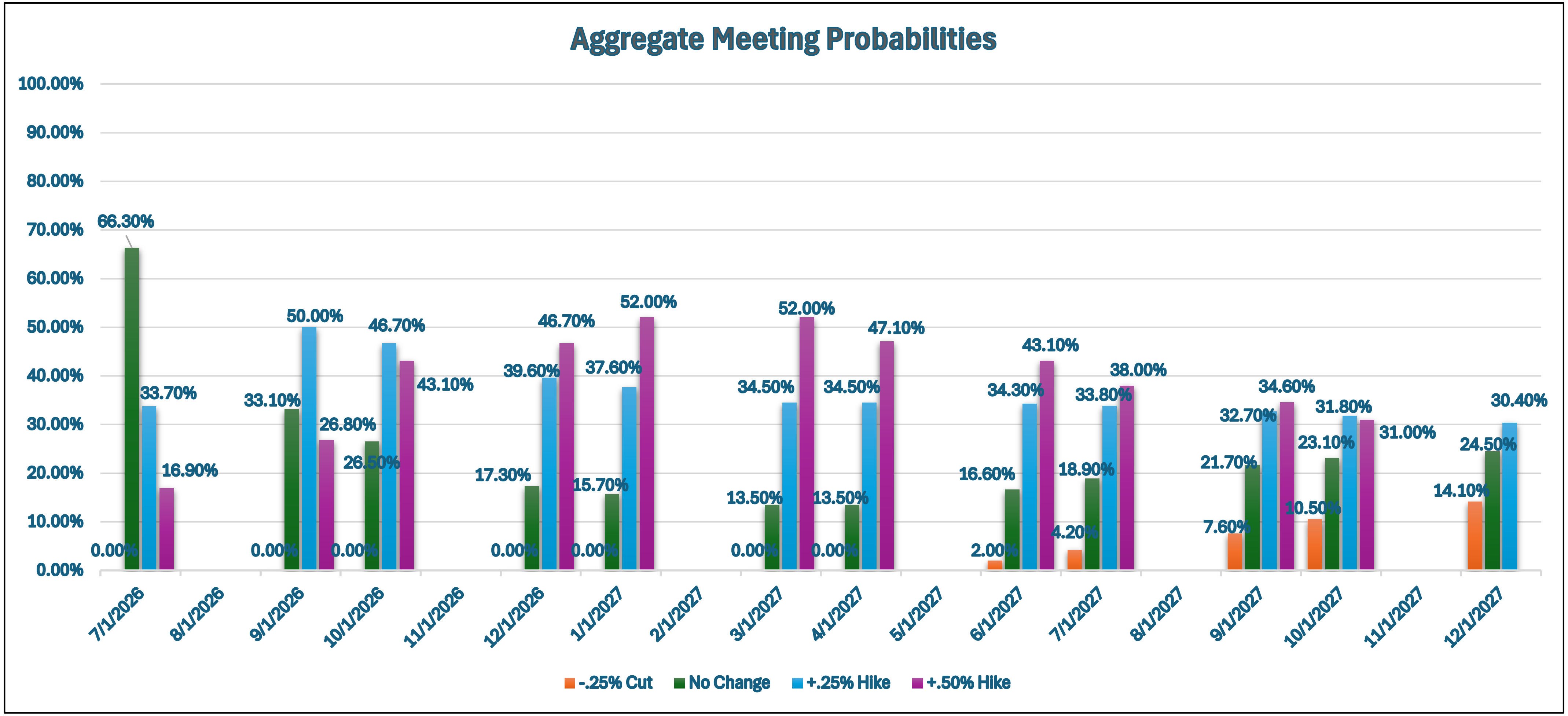
- Chair Warsh announced 5 task forces, in areas of balance sheet, communications, economic data collection, inflation measures, and AI, productivity, labor market
- Reduced Fed guidance may result in more rate volatility as market participants range from expected cuts to expected hikes though yearend 2027

Changing of the Guard at the Federal Reserve

Permanent Members	Role	Term Ends	Policy Leaning	Notes
Kevin Warsh	Chairman	2030/2040	**Hawkish**	Emphasizes credibility, financial conditions, and expectations.
Philip Jefferson	Vice Chair	2036	**Centrist**	Emphasizes balanced risks; steady communicator.
Michelle Bowman	Vice Chair for Supervision	2034	**Dovish**	Historically dissented for *smaller* hikes/cuts.
Jerome Powell	Governor	2028	**Centrist**	Typically steers middle path.
Michael Barr	Governor	2032	**Hawkish**	Focus on inflation expectations and financial stability.
Lisa Cook	Governor	2030	**Hawkish**	Concerned about geopolitical inflation channels.
Christopher Waller	Governor	2030	**Centrist / Lean Dove**	Data driven; open to easing when inflation stabilizes.
John Williams	New York President	2031	**Centrist / Slight Hawk**	Key operational voice
Rotating Members	**Bank**	**Term**	**Policy Leaning**	**Notes**
Anna Paulson	Philadelphia	2026 voter	**Hawkish**	Inflation persistence focus.
Beth Hammack	Cleveland	2026 voter	**Hawkish**	Market plumbing + inflation vigilance.
Lorie Logan	Dallas	2026 voter	**Hawkish**	Balance sheet + liquidity focus.
Neel Kashkari	Minneapolis	2026 voter	**Centrist / Lean Hawk**	More hawkish post 2021.

Source: www.federalreserve.gov/aboutthefed

The Market's Take: Fed Funds Futures

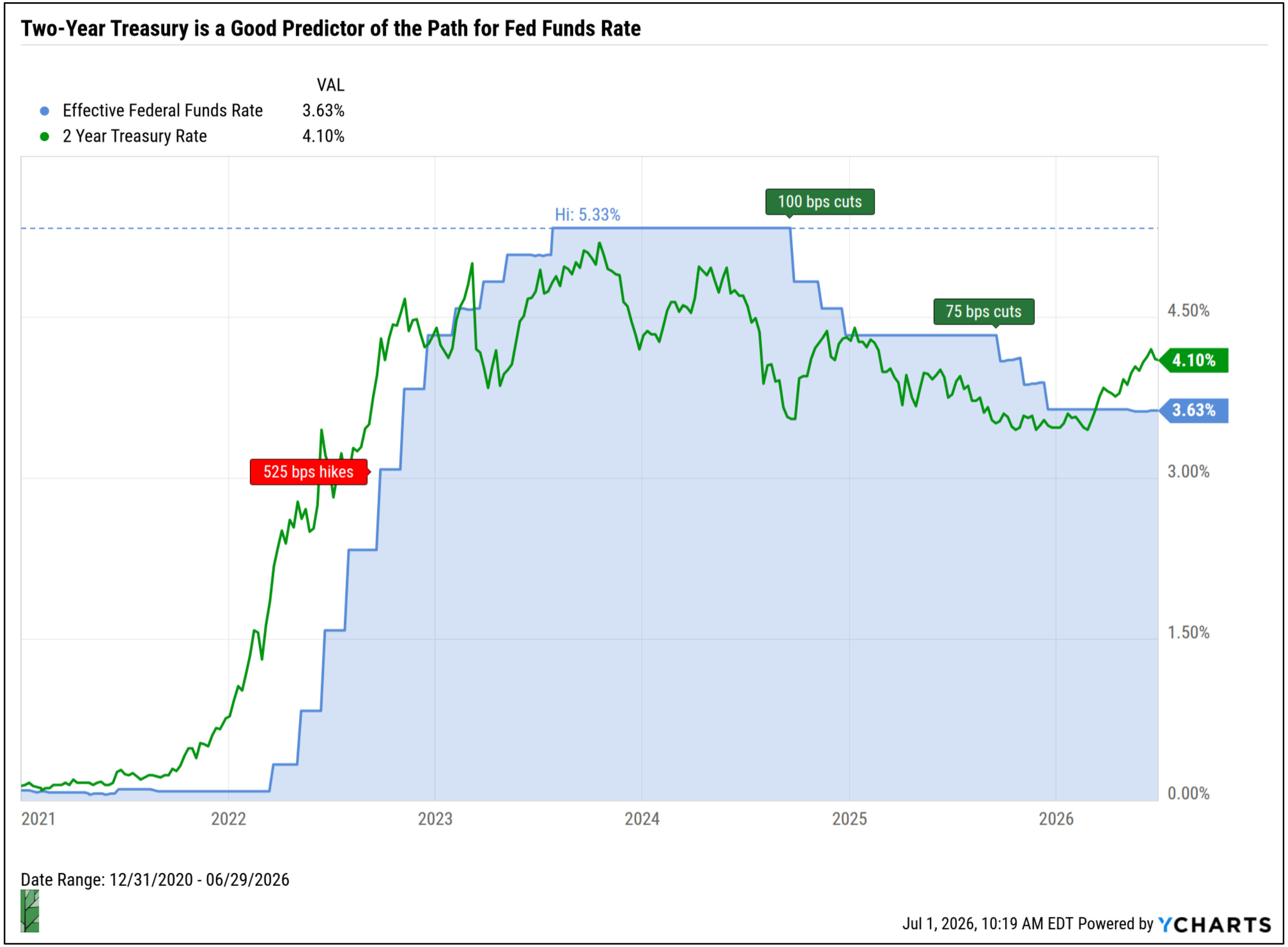


- Markets are still pricing in a possible rate hike at the next Fed meeting on July 29th despite the drop in oil prices

Valuation & Earnings

Source: CME as of June 30, 2026

Two Year Treasury Yield Remains Elevated


Two-Year Treasury is a Good Predictor of the Path for Fed Funds Rate

Date Range: 12/31/2020 - 06/29/2026

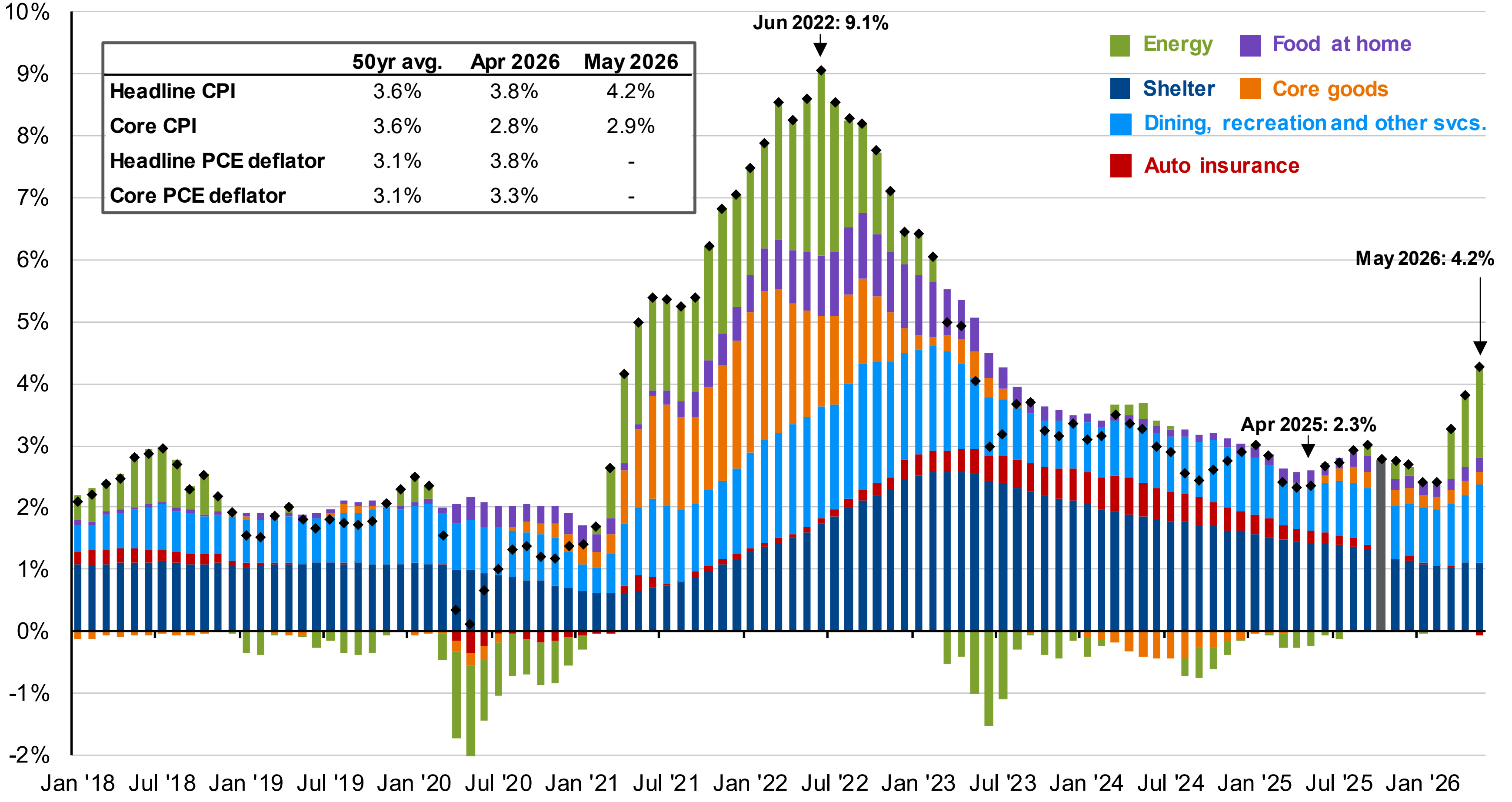
Jul 1, 2026, 10:19 AM EDT Powered by YCHARTS

- **The Federal Reserve cut the short-term target rate by 75 basis points over the last three meetings of 2025 and has been on hold in 2026**
- **Markets are expecting the next move may need to be a rake hike due to increased inflation concerns**
- **Fed Chair Kevin Warsh struck a hawkish tone at his inaugural meeting, signaling the Fed is concerned about inflation despite leaving rates unchanged**

Inflation Above Fed Target Even Excluding Energy

Contributors to headline CPI inflation

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

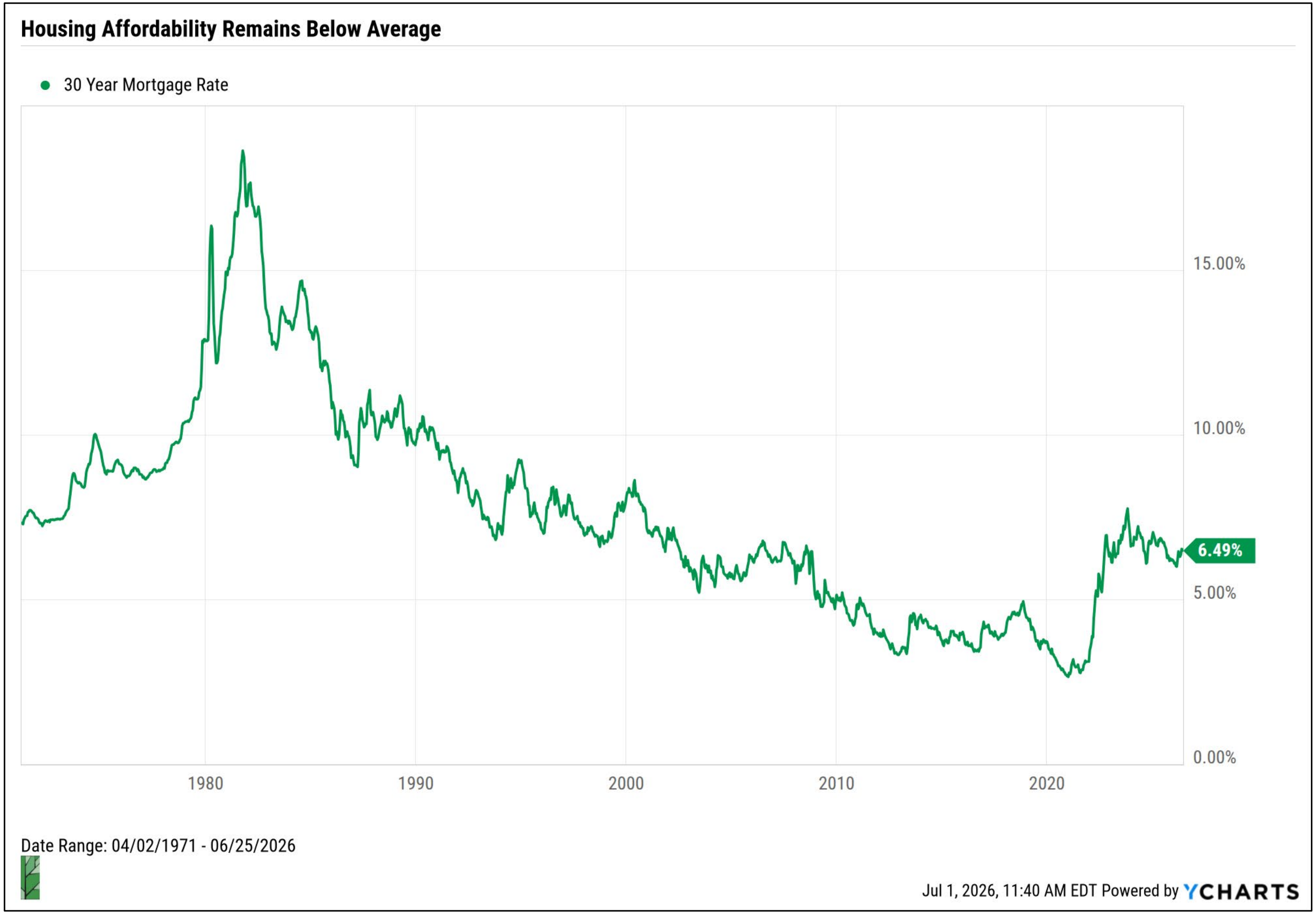


	50yr avg.	Apr 2026	May 2026
Headline CPI	3.6%	3.8%	4.2%
Core CPI	3.6%	2.8%	2.9%
Headline PCE deflator	3.1%	3.8%	-
Core PCE deflator	3.1%	3.3%	-

- **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 June 10, 2026.

Mortgage Rates



Housing Affordability Remains Below Average

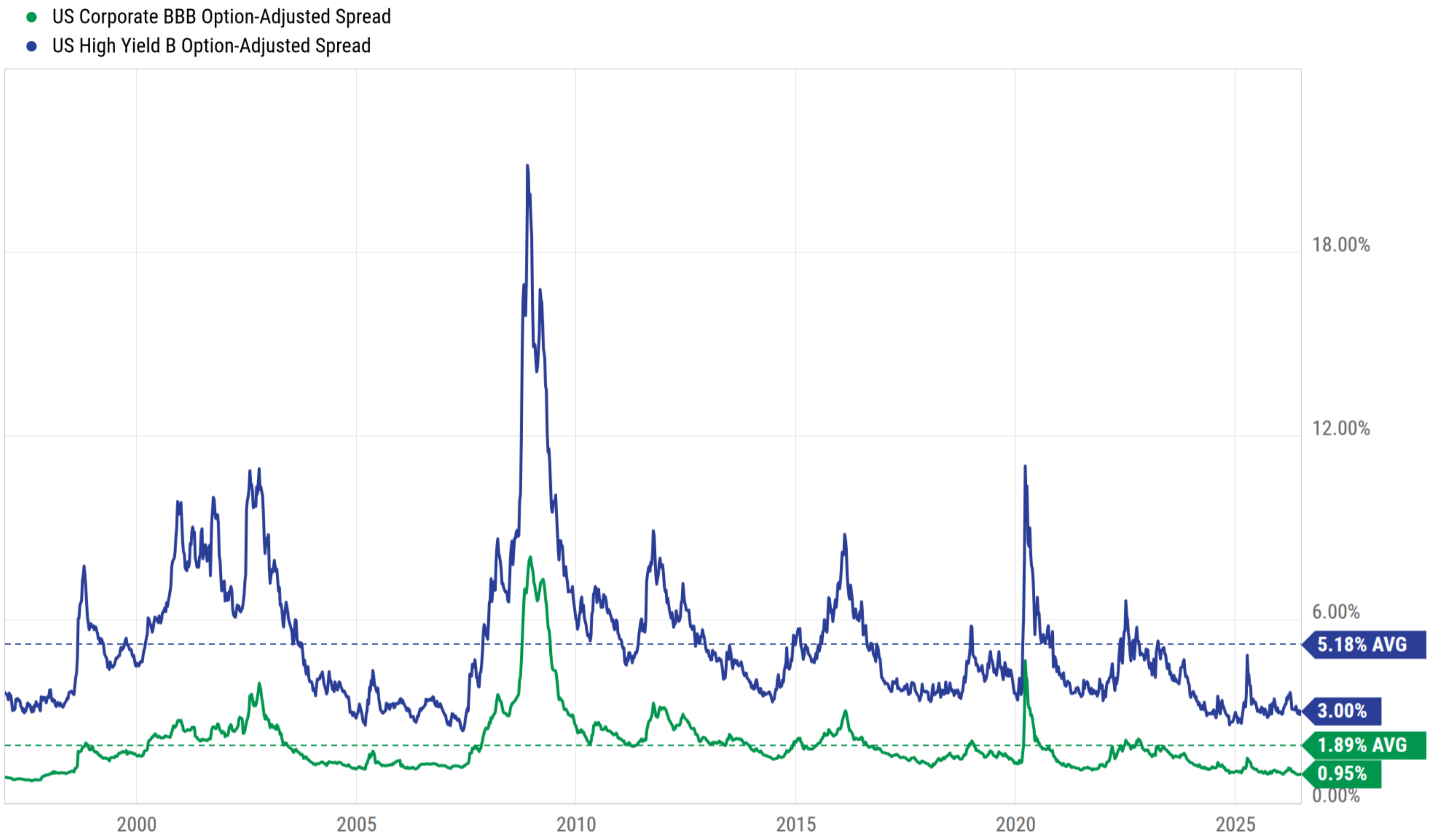
Date Range: 04/02/1971 - 06/25/2026

Jul 1, 2026, 11:40 AM EDT Powered by YCHARTS

- **Mortgage rates have plateaued in the mid-6% range, which is roughly double the pre-pandemic level but below the long-term average**
- **Typically priced based on a spread long-term Treasury rates (not directly related to the Fed)**
- **Housing affordability has rebounded slightly but remains well below the pre-pandemic levels driven in part by supply shortages**

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 - 06/29/2026

Source: Bank of America Merrill Lynch

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

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

Summary

Markets

- Showing incredible resilience despite the ongoing conflict in the Middle East, driven by strong corporate earnings and artificial intelligence enthusiasm.
- Technology stocks continue to lead the rally to new all-time highs, and performance has broadened to AI-related companies outside of the Magnificent 7.
- While not fully resolved, the cooling of the Iran conflict led to oil prices falling back to pre-war levels.
- Still, inflation and bond yields remain elevated, and markets are pricing in a potential rate hike from the Federal Reserve before the end of the year.

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.
- Newly appointed Fed Chair Warsh is expected to bring a fresh viewpoint to a divided Fed, recommending a broad review of Fed practices.

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Market Volatility is a Normal Part of Investing

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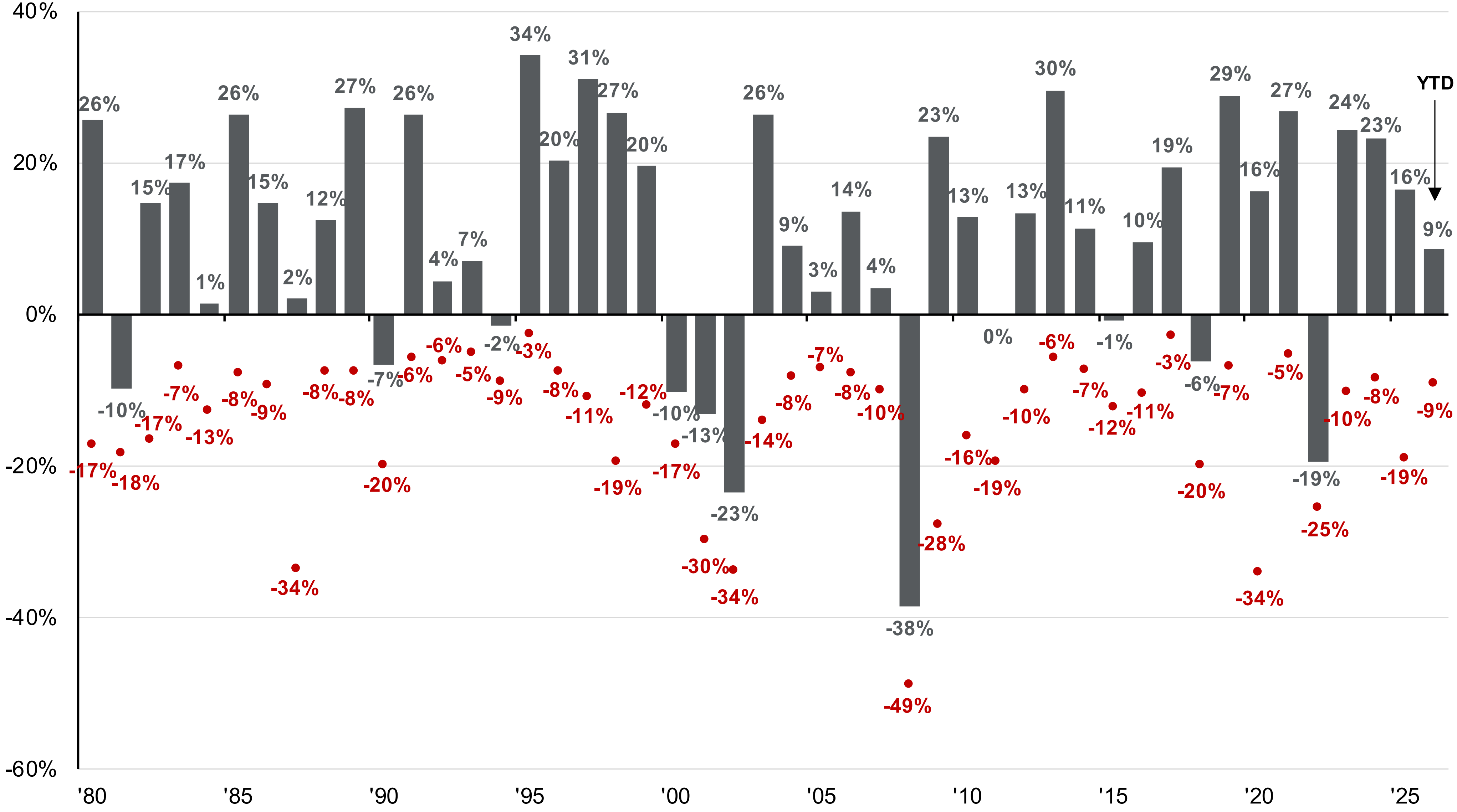
S&P 500 intra-year declines vs. calendar year returns

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



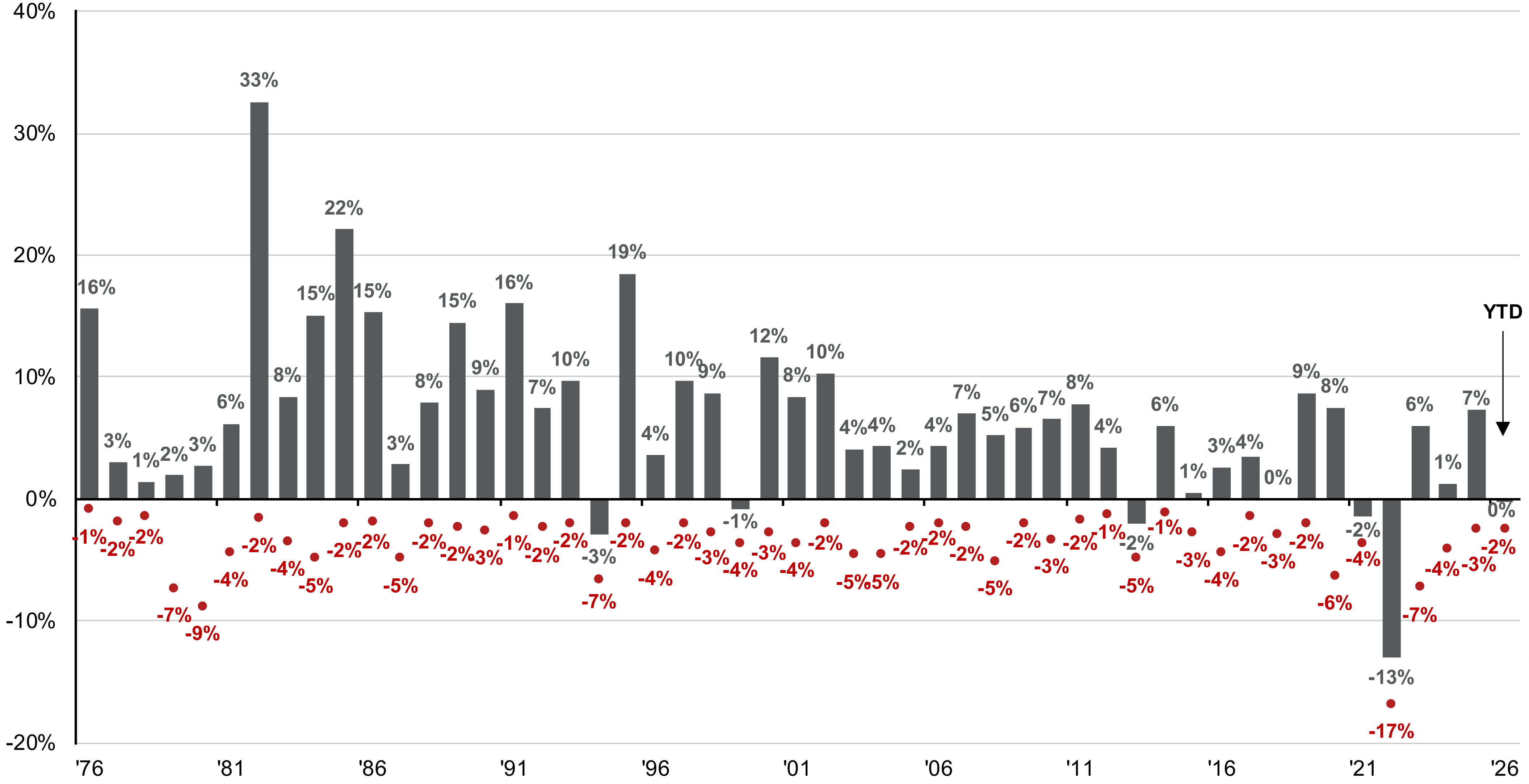
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2023, over which time period the average annual return was 10.3%.
Guide to the Markets – U.S. Data are as of June 29, 2026.

Appendix

Market Volatility is a Normal Part of Investing

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

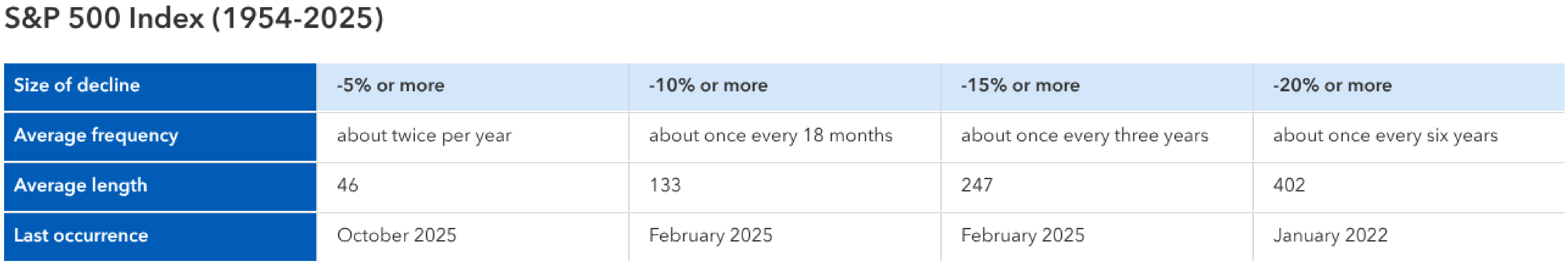
Despite average intra-year drops of 3.5%, annual returns were positive in 45 of 50 years



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

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”

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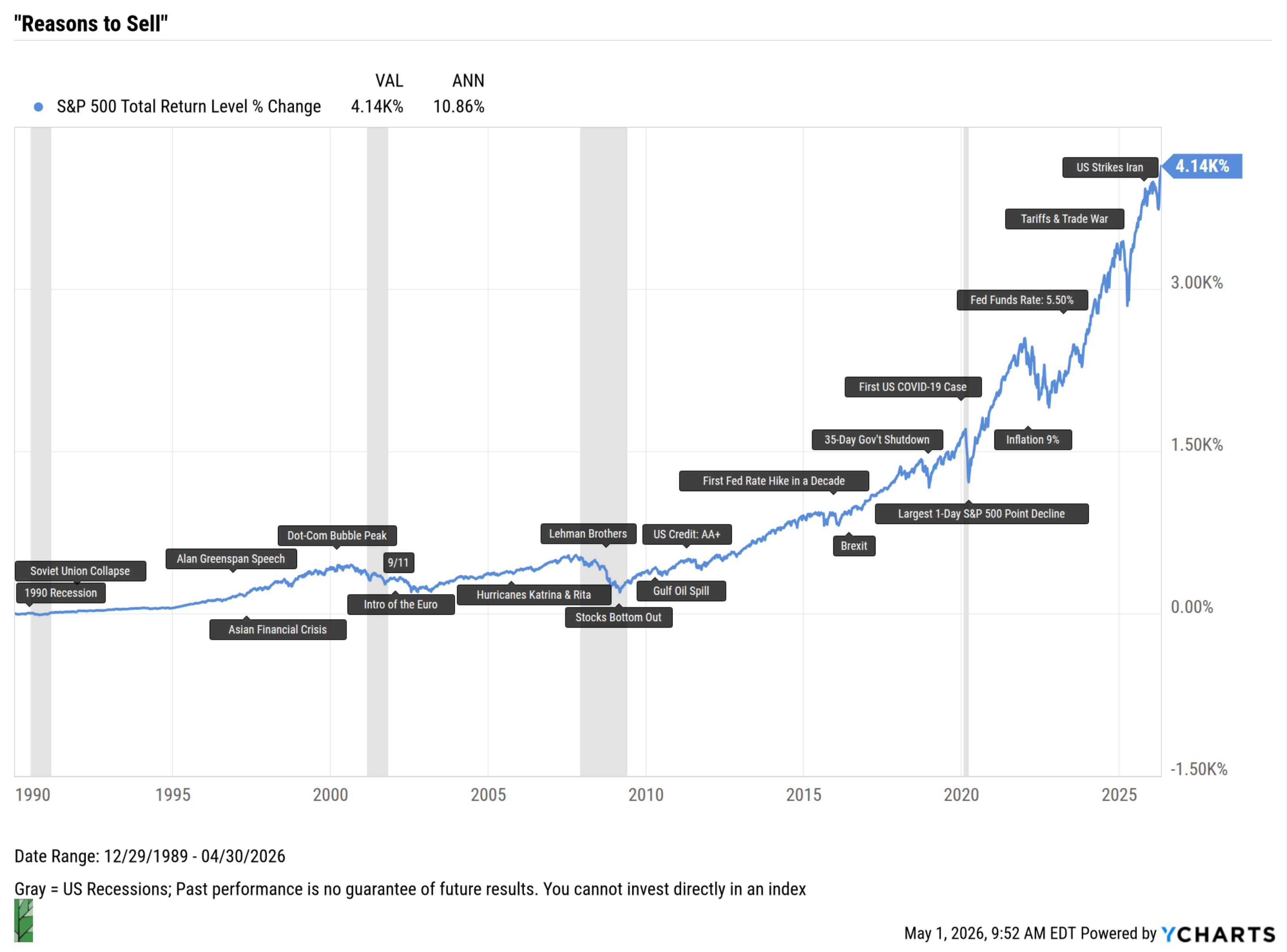

"Reasons to Sell"

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

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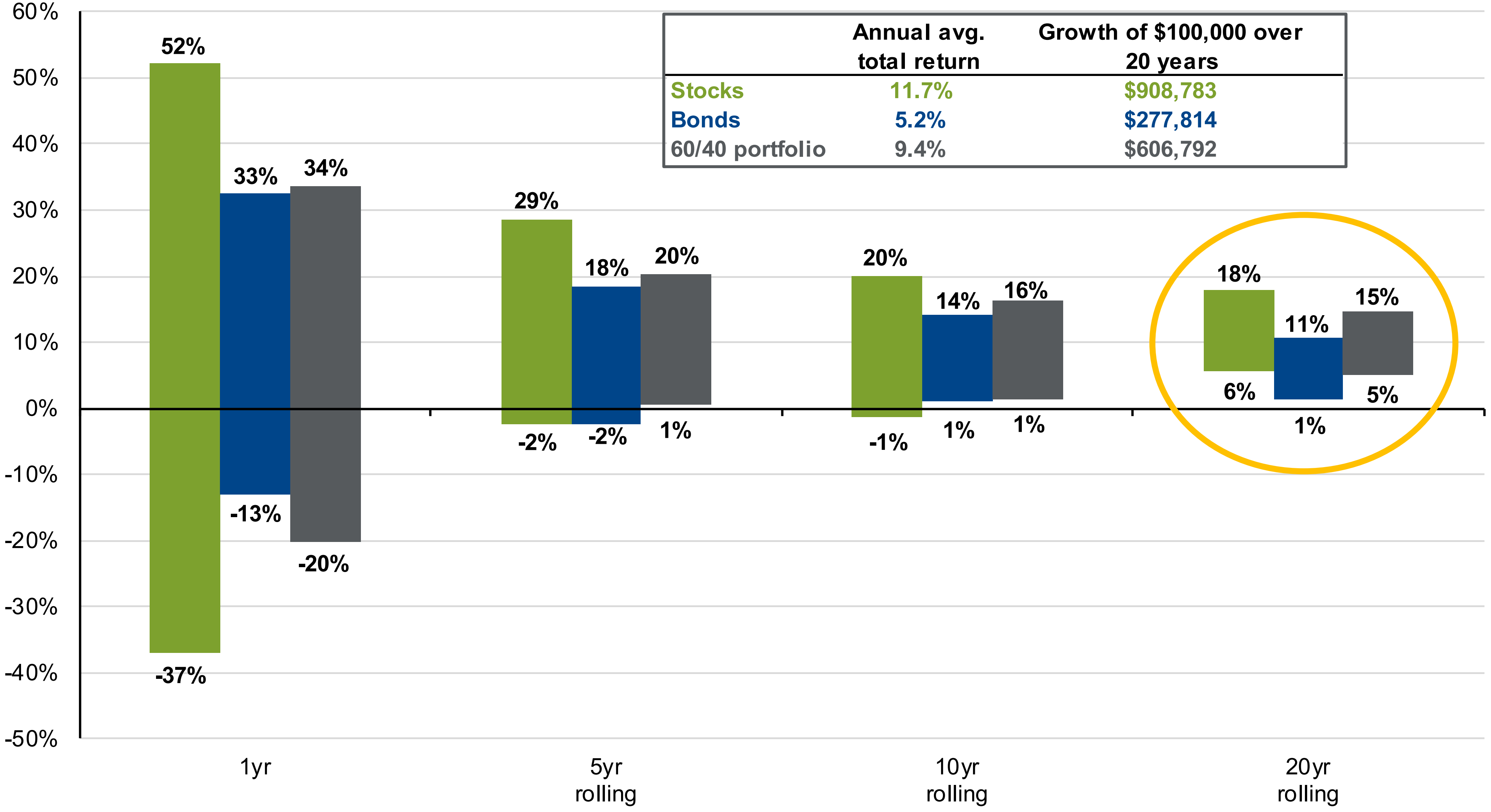
Appendix

Long-Term Market Returns Have Been Positive On Average

Range of stock, bond and blended total returns

Annual total returns, 1950 - 2025



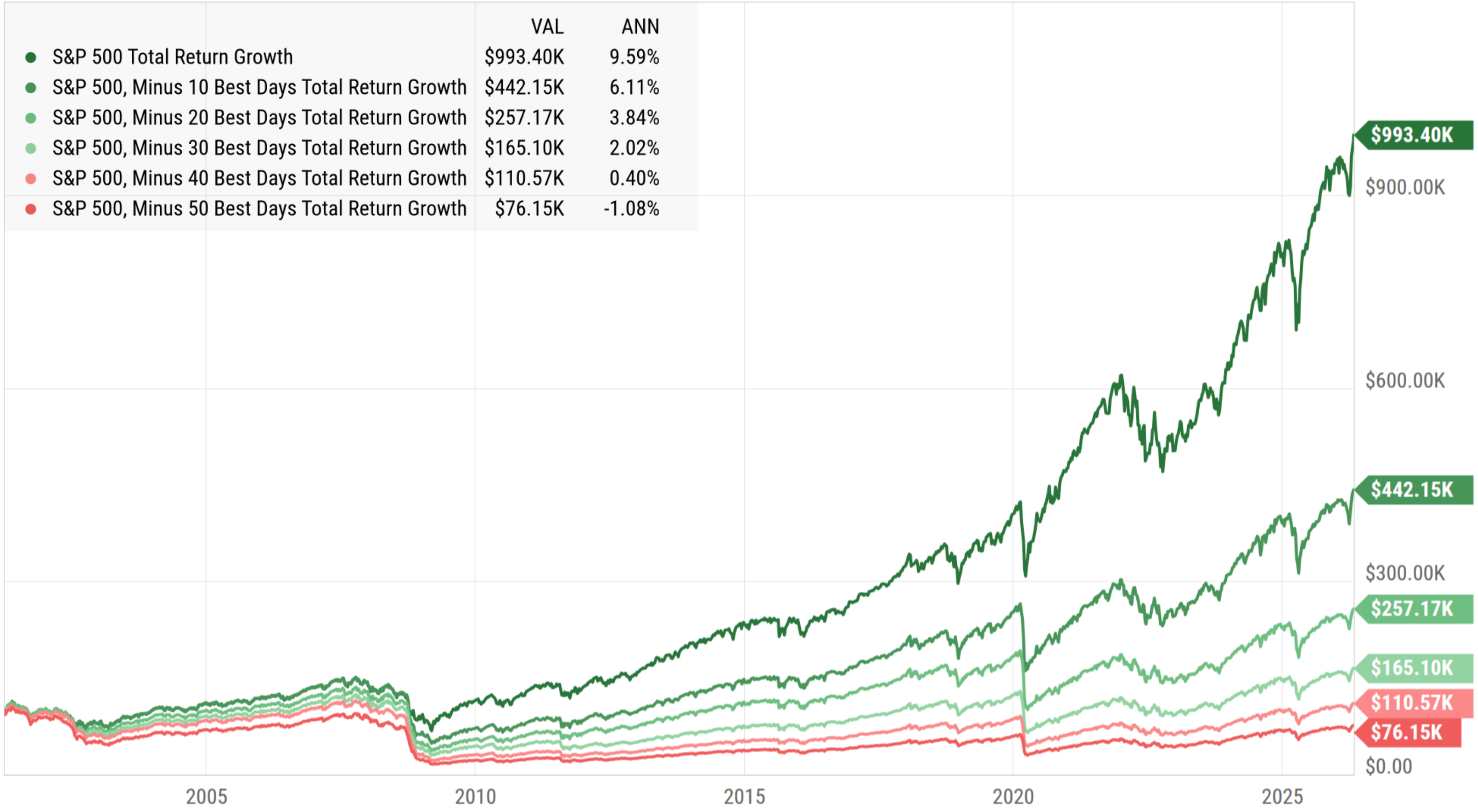
	Annual avg. total return	Growth of $100,000 over 20 years
Stocks	11.7%	$908,783
Bonds	5.2%	$277,814
60/40 portfolio	9.4%	$606,792

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”

The Effect of Missing the Best Market Days Over the Last 25 Years



	VAL	ANN
● S&P 500 Total Return Growth	$993.40K	9.59%
● S&P 500, Minus 10 Best Days Total Return Growth	$442.15K	6.11%
● S&P 500, Minus 20 Best Days Total Return Growth	$257.17K	3.84%
● S&P 500, Minus 30 Best Days Total Return Growth	$165.10K	2.02%
● S&P 500, Minus 40 Best Days Total Return Growth	$110.57K	0.40%
● S&P 500, Minus 50 Best Days Total Return Growth	$76.15K	-1.08%

Date Range: 03/31/2001 - 04/30/2026

Initial Investment: $100,000. Past performance is no guarantee of future results. You cannot invest directly in an index

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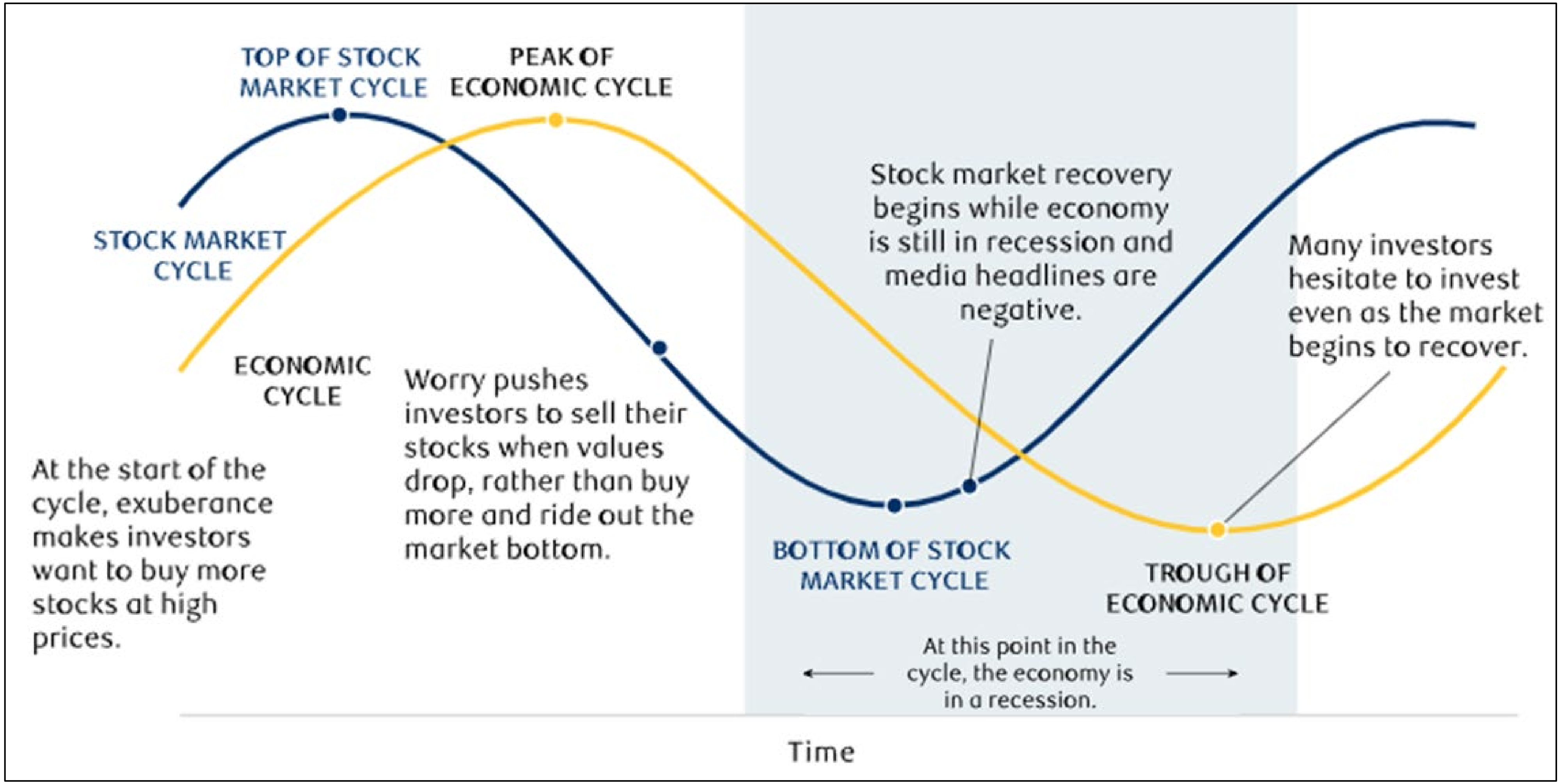
Growth of $100,000 is based on total return growth over the last 25 years for the time periods described. The S&P 500 is a market cap-weighted index of the 500 largest US publicly traded companies. The performance presented is hypothetical and is not intended to be representing any specific person or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

Appendix

Economic and Market Cycles are Related but Not the Same



At the start of the cycle, exuberance makes investors want to buy more stocks at high prices.

Worry pushes investors to sell their stocks when values drop, rather than buy more and ride out the market bottom.

Stock market recovery begins while economy is still in recession and media headlines are negative.

Many investors hesitate to invest even as the market begins to recover.

At this point in the cycle, the economy is in a recession.

Appendix

> ***"The stock market has predicted nine out of the last five recessions"***
>
> -Paul Samuelson, Economist

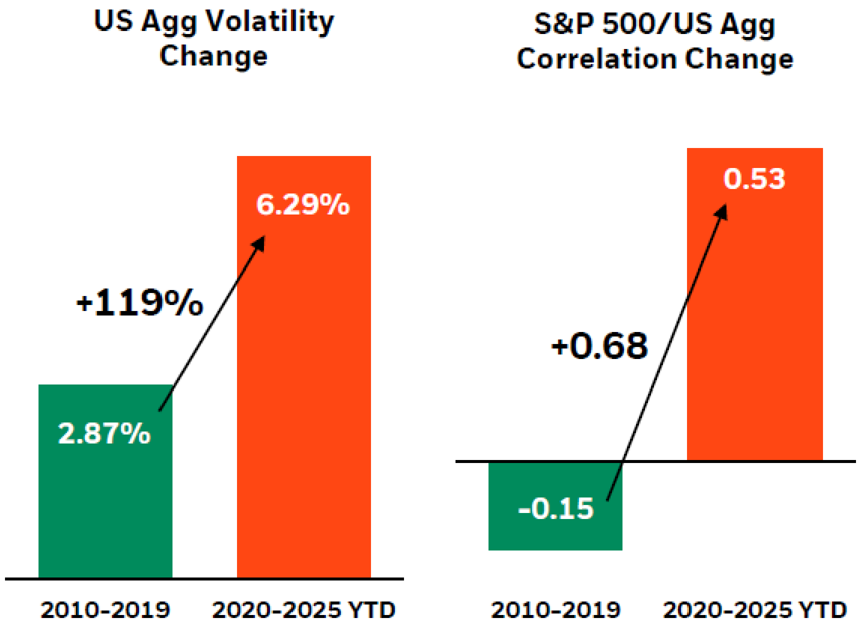
Why Alternatives

Alternatives can help balance portfolios

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

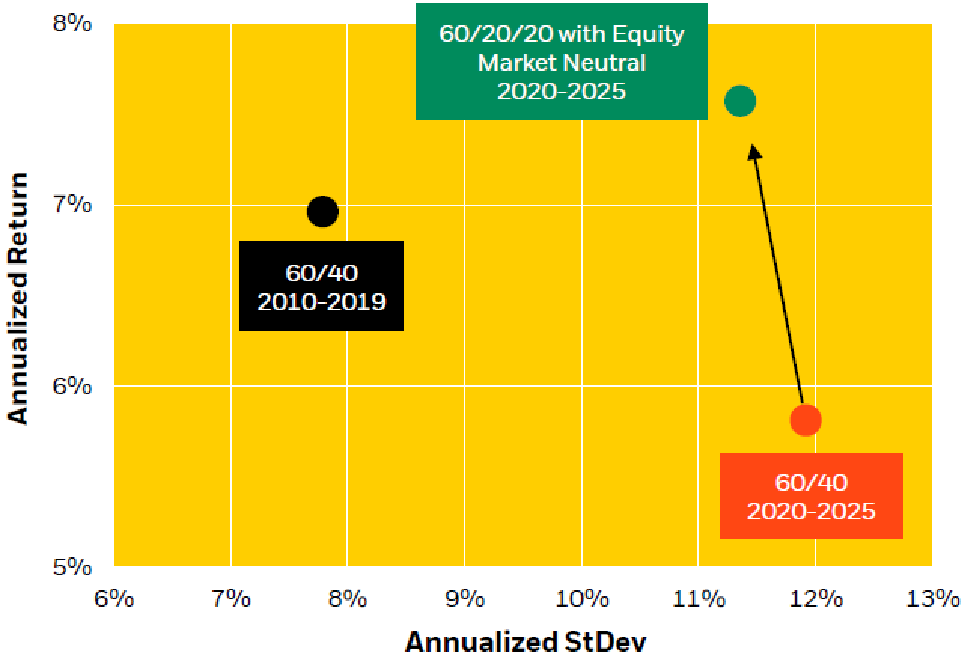
Higher bond volatility and correlations increase portfolio risk

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



Alternatives can help

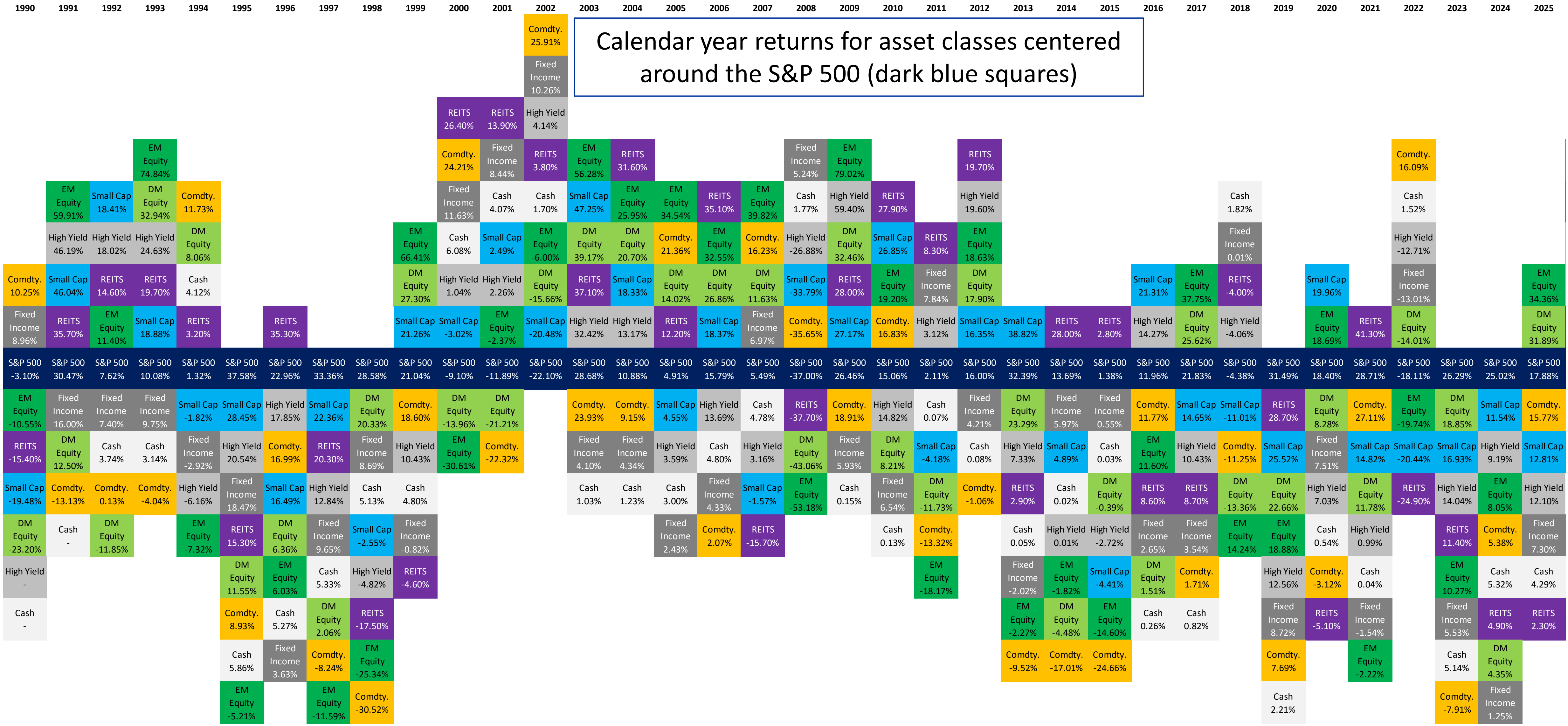
Historical returns and standard deviations



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



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%

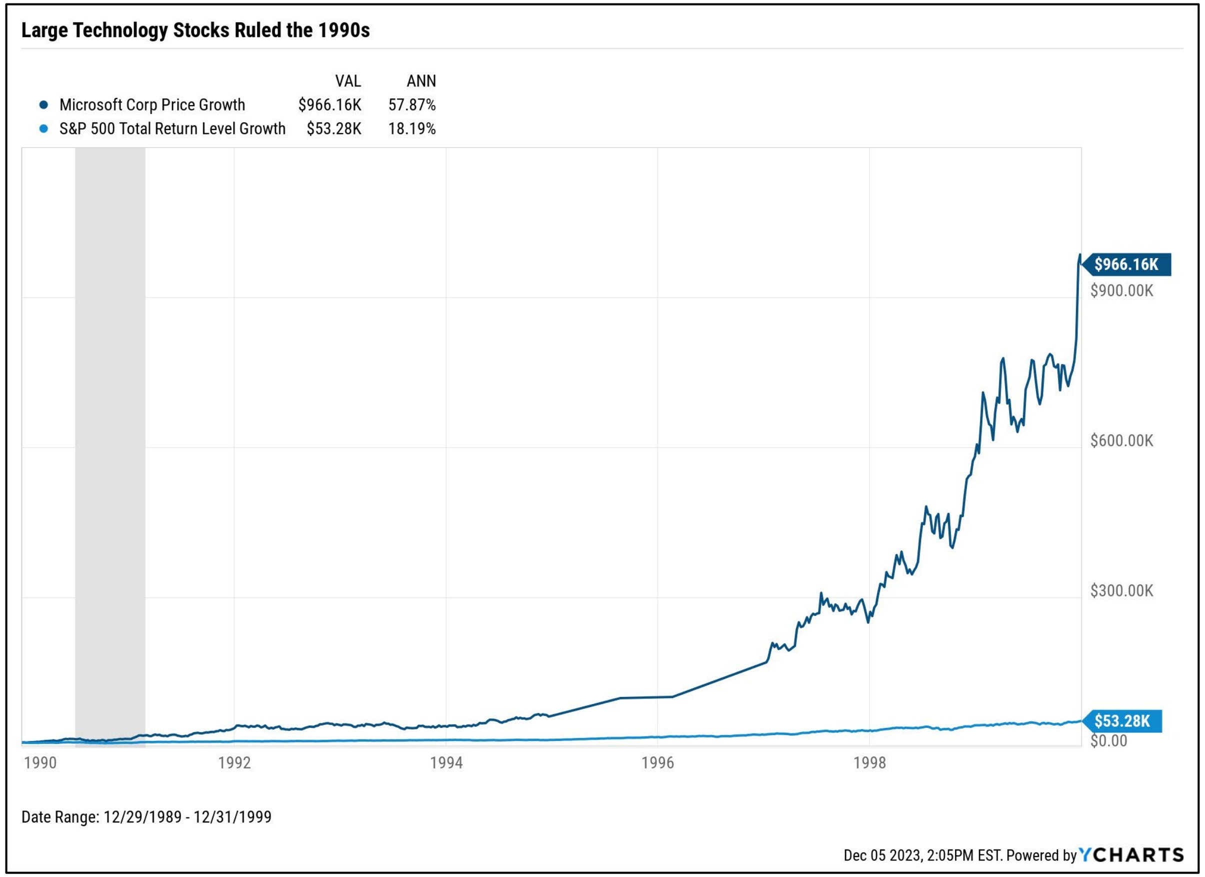
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
								Comdty. 16.09%			
				Cash 1.82%				Cash 1.52%			
				Fixed Income 0.01%				High Yield -12.71%			
		Small Cap 21.31%	EM Equity 37.75%	REITS -4.00%		Small Cap 19.96%		Fixed Income -13.01%			EM Equity 34.36%
REITS 28.00%	REITS 2.80%	High 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%	

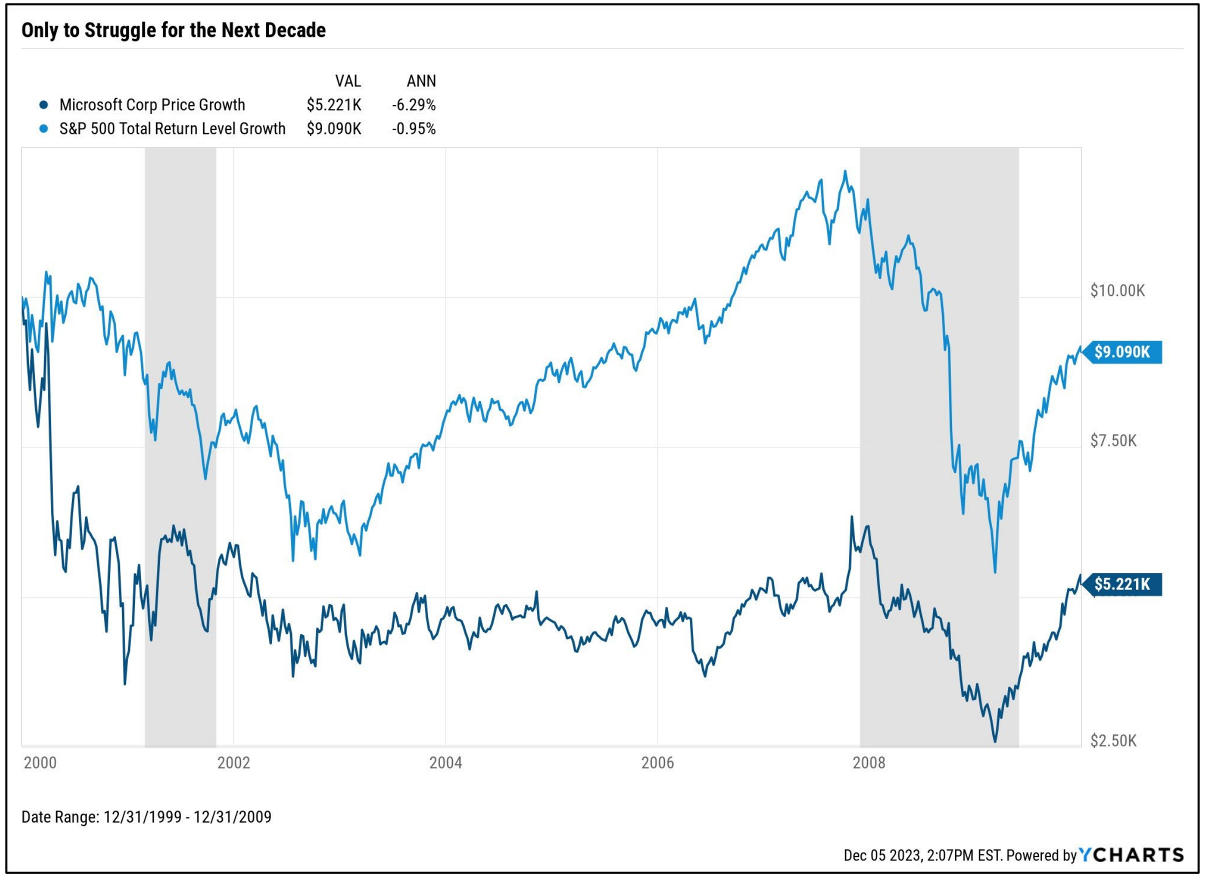
Appendix

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