

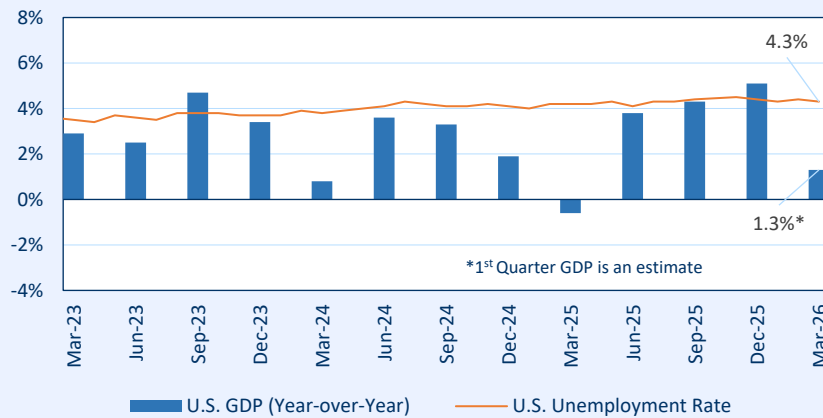
**U.S. Economic Conditions**

The U.S. economy continued to demonstrate resilience in the 1<sup>st</sup> quarter of 2026, particularly given the meaningful geopolitical uncertainty and the potential impact of higher energy prices on inflation, the Fed’s interest rate decisions, and global economic conditions. Corporate earnings strength continues to be a bright spot in the U.S. economy, with earnings growth expectations remaining quite favorable across market sectors (not just Technology).

Other key economic signals, especially those related to labor market conditions and inflation, have been more difficult to interpret due to structural influences in these areas. Specifically, a tighter supply of labor caused by changes in immigration policy is impacting the unemployment rate and wage levels, while the potential downstream influence of a rapid rise in the cost of energy on goods and services inflation has caused the Fed to pause interest rate cuts. Policymakers have shifted to a wait-and-see approach, with the duration and severity of the conflict being an obvious lead factor that will drive outcomes in the months and quarters to come. At this point, the Fed is continuing to forecast one cut in 2026, with the median market forecast less confident that this will occur before the year ends.

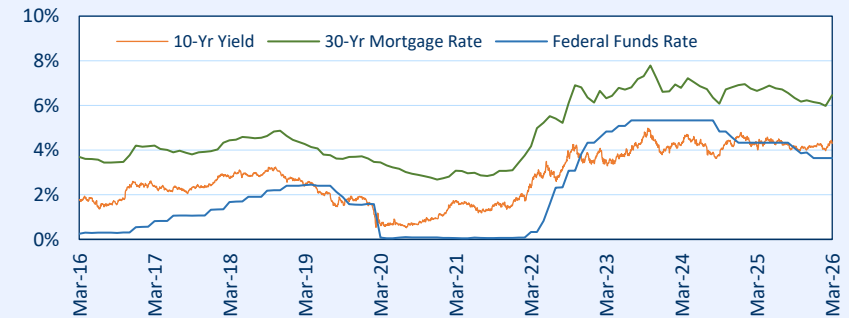
As has been the case in recent quarters, the economy appears to be navigating a balance of factors that are highly uncertain - which reinforces the importance of maintaining a long-term perspective and a well-diversified approach to investing (to prepare for a wide range of potential outcomes).

**U.S. Gross Domestic Product and Unemployment**

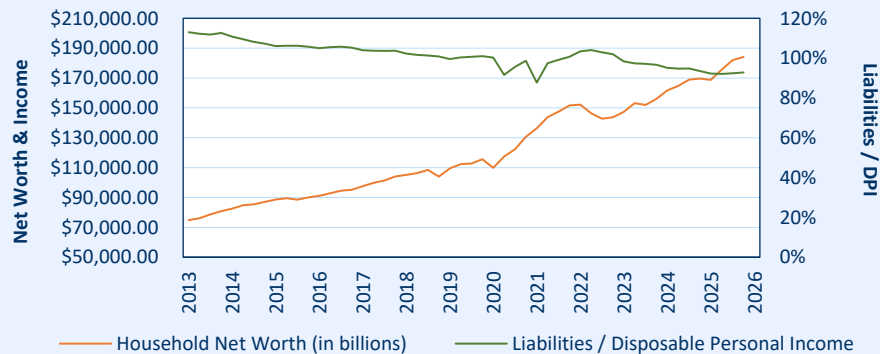


**Interest Rates and Yields**

Date	6/30/2025	9/30/2025	12/31/2025	3/31/2026
<b>10-Year Yield</b>	4.24	4.16	4.18	4.30
<b>30-Year Mortgage Rate</b>	6.77	6.34	6.15	6.46
<b>Federal Funds Rate</b>	4.33	4.09	3.64	3.64



**Consumer Finances**



**Corporate Earnings**



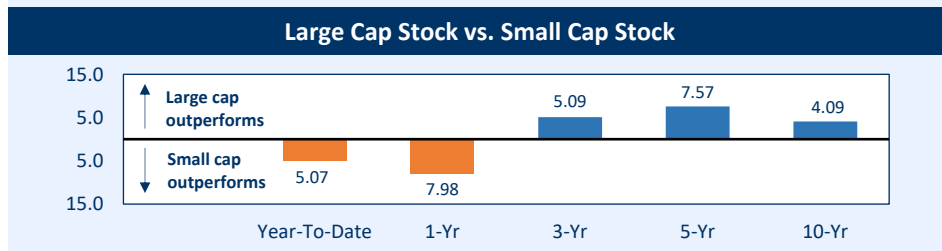
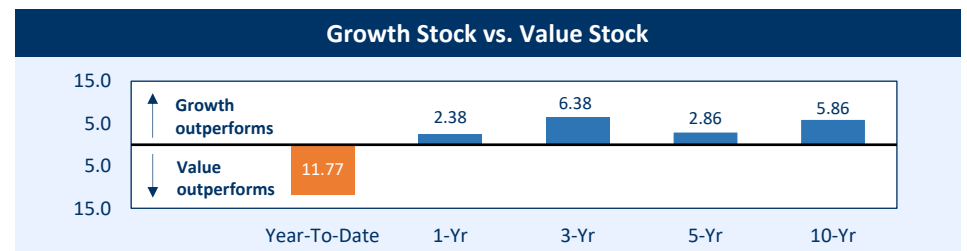
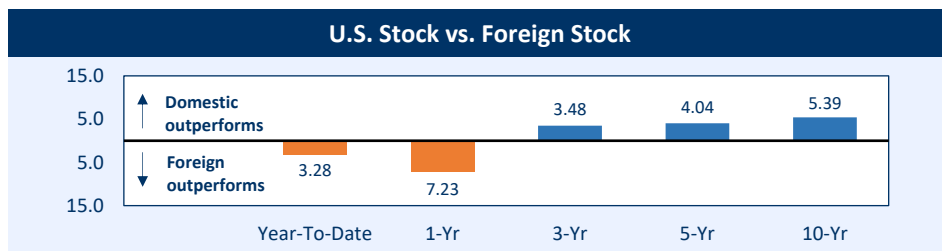
**U.S. Stock Market**

Following a multi-year stretch of double-digit returns, U.S. equities modestly declined in the 1<sup>st</sup> quarter of 2026, with the Russell 3000 Index (total U.S. market) falling -4.0%. Much of this weakness was driven by rising geopolitical tensions in the Middle East, which pushed oil and gas prices to their highest levels since 2022 and reignited concerns around inflation and the path of interest rates. This shift in the macro environment, combined with market valuation levels, led to a notable change in market leadership, with value stocks outperforming growth and small-cap stocks outperforming large caps by a wide margin - *a stark reversal of what has occurred in recent years*. From a sector perspective, Energy was a clear beneficiary of higher commodity prices, while more economically sensitive sectors lagged (e.g., Technology, Consumer Discretionary, and Communication Services).

The recent pullback has helped to ease some market valuation pressure, especially in large cap technology stocks. However, market valuations remain relatively tight overall, even though strong corporate earnings have justified higher prices to a degree. Moving forward, the outlook for equities remains balanced between supportive corporate fundamentals and the potential for AI to further impact earnings in the years to come - offset by a range of macroeconomic and geopolitical uncertainties that could materially impact economic and market conditions.

Market Segment		YTD	1-Year	3-Year	5-Year	10-Year
Russell 3000	Broad Indices	-4.0%	18.1%	17.9%	10.9%	13.7%
S&P 500		-4.3%	17.8%	18.3%	12.1%	14.2%
Russell 2000		0.9%	25.7%	13.0%	3.8%	9.9%
Large Growth	Category	-8.4%	16.5%	18.9%	8.9%	14.5%
Large Blend		-3.9%	15.7%	16.2%	10.3%	12.8%
Large Value		1.5%	15.0%	14.1%	9.7%	10.7%
Mid Growth		-4.1%	12.8%	10.6%	2.3%	10.6%
Mid Blend		1.1%	15.8%	12.3%	7.0%	10.2%
Mid Value		2.4%	14.5%	12.0%	8.0%	9.7%
Small Growth		-2.1%	18.4%	9.8%	1.2%	10.5%
Small Blend		1.5%	19.4%	11.4%	5.2%	9.6%
Small Value		3.6%	19.8%	11.4%	6.4%	9.1%

Sector		YTD Return	Trailing Price-to-Earnings (P/E) Ratio		
			Mar. 31 2026	20-yr Avg	Relative to 20-yr Avg.
S&P 500 Index	U.S. Market	-4.3%	25.8	20.9	124%
Basic Materials	Cyclical	9.7%	26.6	19.7	135%
Consumer Cyclical		-9.2%	29.9	22.3	134%
Financial Services		-9.3%	16.7	14.6	114%
Real Estate		2.8%	32.1	34.2	94%
Comm. Services	Sensitive	-6.9%	21.9	20.5	107%
Energy		38.2%	24.0	15.1	159%
Industrials		4.6%	29.2	19.6	149%
Technology		-9.1%	31.8	23.9	133%
Consumer Defensive		7.7%	27.8	21.1	132%
Healthcare	Defensive	-4.9%	25.8	22.0	117%
Utilities		8.3%	22.5	18.7	120%

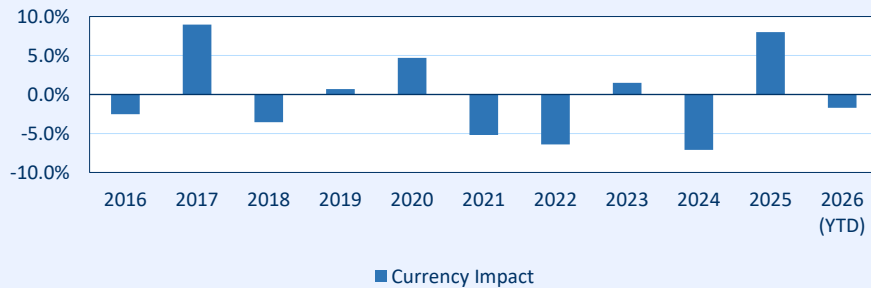


**Foreign Economic Conditions & Stock Markets**

Foreign economic growth has been generally positive, with most developed economies still expanding at a slower, more uneven pace in the face of lingering inflation pressures and the spillover effects of geopolitical tensions (especially energy prices). As in the U.S., foreign central banks have largely adopted a "wait-and-see" approach, holding interest rates steady as they continue to analyze shifting economic growth variables.

From an equity market perspective, foreign stocks continued to outperform domestic stocks in the 1<sup>st</sup> quarter of 2026 following a wide margin of outperformance in 2025. A few factors have contributed to this in 2026, and they include 1) foreign equities entering the year at more attractive starting valuations, 2) a degree of correction in some of the most overvalued stocks that had been carrying U.S. indexes in recent years, and 3) higher exposure in the foreign indexes to sectors like Energy and Basic Materials, which provided a tailwind as commodity prices rose significantly. Overall, the quarter reinforced the ongoing value of global diversification, as leadership continues to shift across regions and market segments in a less predictable macro environment.

**Currency Impact on Foreign Investment (made by U.S. investors)**

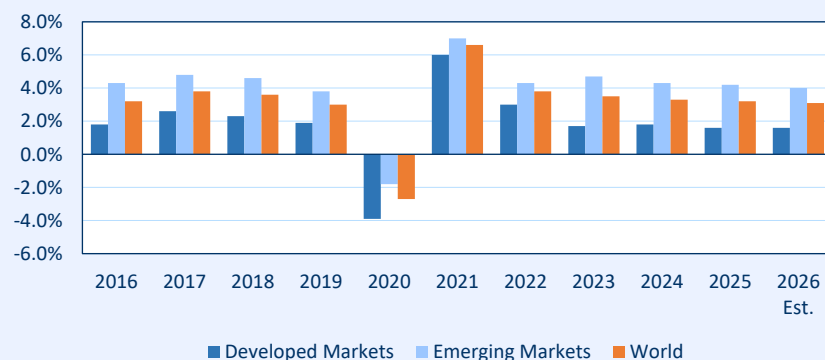


Return	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
In Local Currency	18.2%	-10.6%	20.8%	6.0%	13.0%	-9.6%	14.1%	12.6%	24.4%	1.0%
Currency Impact	9.0%	-3.5%	0.7%	4.7%	-5.2%	-6.4%	1.5%	-7.1%	8.0%	-1.7%
Net In U.S. Dollars	27.2%	-14.2%	21.5%	10.7%	7.8%	-16.0%	15.6%	5.5%	32.4%	-0.7%

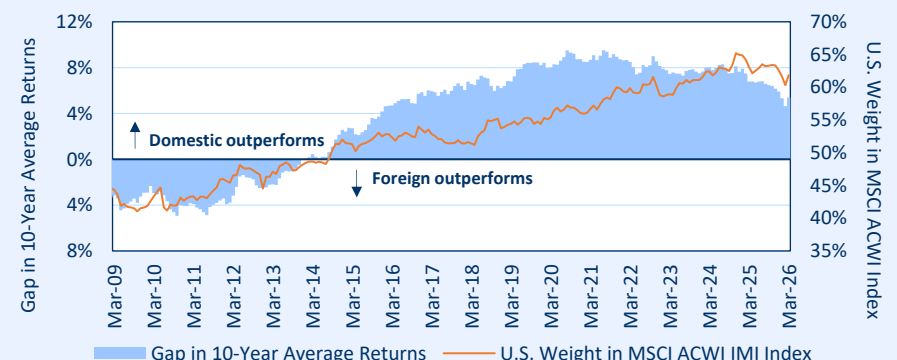
**Foreign Stock Performance**

Market Segment	YTD	1-Year	3-Year	5-Year	10-Year
MSCI ACWI ex-U.S. IM	-0.7%	25.3%	14.4%	6.8%	8.3%
Developed Markets	-1.2%	21.9%	13.5%	7.4%	8.2%
Emerging Markets					
Foreign Large Growth	-4.0%	12.5%	9.0%	2.8%	7.4%
Foreign Large Blend	0.3%	22.8%	14.0%	7.4%	8.3%
Foreign Large Value	3.4%	30.6%	17.9%	10.8%	9.0%
Foreign Small/Mid Growth					
Foreign Small/Mid Blend	0.8%	26.1%	12.9%	5.6%	7.9%
Foreign Small/Mid Value	2.3%	32.4%	17.6%	9.7%	9.1%

**Global Gross Domestic Product**



**Foreign vs. U.S. Performance and Allocation**



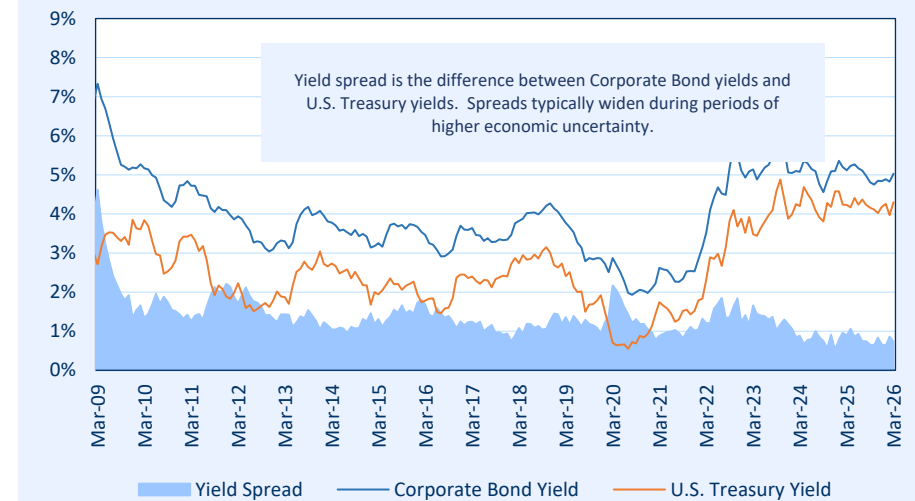
**Fixed Income Markets**

U.S. fixed income markets delivered mixed returns in the 1<sup>st</sup> quarter of 2026 (as noted in the top-left table below). While yields initially drifted lower at the start of the year, inflation readings remained somewhat elevated, raising questions about the timing and pace of expected Federal Reserve rate cuts. Those concerns were further compounded late in the quarter as escalating geopolitical tensions and rising oil prices added renewed inflationary pressure, pushing interest rates higher and dampening expectations for near-term policy easing. As a result, the 10-year Treasury yield rose from 4.18% at the beginning of the year to 4.30% at quarter end, reflecting a shift in sentiment toward “higher for longer” policy expectations. From a sector standpoint, U.S. Treasuries held up relatively well as investors sought safety during a more volatile market environment, while Corporate bonds lagged (both investment grade and high yield). Regionally, Emerging Market (EM) bonds fared the worst (opposite of what occurred in 2025) due to a stronger U.S. dollar as well as a geopolitical driven “risk off” environment. From a maturity perspective, shorter-term bonds outperformed longer-term bonds since they are less sensitive to interest rate movement.

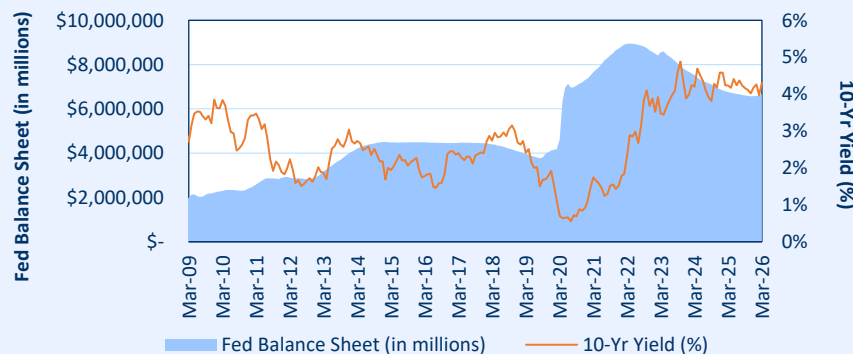
**Fixed Income Performance**

Sector, Maturity, Region	Avg. Yield	Avg. Maturity	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Agency MBS	4.83%	7.1	0.2%	4.2%	4.2%	1.3%	1.9%
U.S. Treasuries	4.08%	6.7	0.1%	3.4%	2.9%	0.3%	1.2%
U.S. TIPS	1.70%	7.2	0.3%	3.0%	3.2%	1.5%	2.7%
Municipals	3.77%	13.4	-0.2%	4.3%	2.9%	0.8%	2.2%
Invest. Grade Corporate	5.14%	10.4	-0.5%	4.8%	4.7%	0.8%	2.8%
High-Yield Corporate	7.40%	4.8	-0.5%	7.0%	8.6%	4.2%	6.1%
Emerging Markets	7.31%	11.2	-1.3%	7.1%	7.7%	1.9%	3.6%
Short-Term Bond	3.82%	3.4	0.2%	4.4%	5.1%	2.3%	2.4%
Intermediate-Term Bond	4.13%	8.4	-0.2%	4.5%	4.3%	0.7%	2.3%
Long-Term Bond	4.71%	18.4	-0.8%	3.7%	2.7%	-1.6%	2.1%
Foreign Bond	3.25%	8.5	-0.2%	2.8%	4.3%	1.1%	2.2%
U.S. Bond	4.57%	8.2	0.0%	4.3%	3.6%	0.3%	1.7%

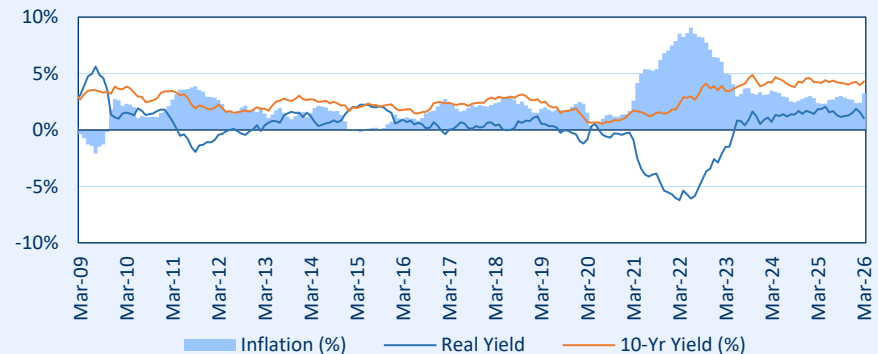
**Yield Spreads**



**Federal Reserve Balance Sheet and 10-Year Treasury Yield**



**Year-Over-Year Inflation Data and Real Yield**



**Definitions:**

**Federal Funds Rate** - The interest rate set by the Federal Open Market Committee (FOMC), the governing body of the Federal Reserve Bank, which determines the amount banks charge for overnight lending of their reserve balances to other financial institutions. **Disposable Personal Income (DPI)** - The amount of total discretionary income received by a household net of taxes. **Liabilities / DPI** - The amount of total debt owed by households in relation to their DPI, measured as the aggregate of the entire U.S. population.

**Data Sources:**Page 1:

**Gross Domestic Product (GDP)**: Second quarter 2024 GDP is an advanced estimate from the U.S. Bureau of Economic Analysis. **Unemployment**: U.S. Bureau of Labor Statistics, Unemployment Rate, retrieved from FRED, Federal Reserve Bank of St. Louis. **10-Year Treasury**: U.S. Treasury, Daily Treasury Yield Curve Rates. **30-Year Mortgage Rates**: FreddieMac, Monthly Average Commitment Rate And Points On 30-Year Fixed-Rate Mortgages Since 1971. **Fed Funds Rate**: The effective federal funds rate (EFFR) is calculated as a volume-weighted median of overnight federal funds transactions reported in the FR 2420 Report of Selected Money Market Rates. Data from the Federal Reserve Bank of New York. **Household Net Worth**: Board of Governors of the Federal Reserve System (US), Households and Nonprofit Organizations; Net Worth, Level [TNWBSHNO], retrieved from FRED, Federal Reserve Bank of St. Louis. **Median Household Income**: U.S. Census Bureau, Real Median Household Income in the United States [MEHOINUSA672N], retrieved from FRED, Federal Reserve Bank of St. Louis. **Liabilities / Disposable Personal Income**: Board of Governors of the Federal Reserve, Balance Sheet of Households and Nonprofit Organizations, 1952 - 2024. **Earnings**: Standard & Poor's Global.

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**Index Data**: Source - Morningstar Direct. Indices listed are as follows: Russell 3000 Index (broad U.S. market), S&P 500 (U.S. large cap), Large Growth (Russell 1000 Growth), Large Blend (Russell 1000), Large Value (Russell 1000 Value), Mid Growth (Russell Mid Cap Growth), Mid Blend (Russell Mid Cap), Mid Value (Russell Mid Cap Value), Small Growth (Russell 2000 Growth), Small Blend (Russell 2000), Small Value (Russell 2000 Value). **Sector Performance Data**: Source - Morningstar Direct. Represents Morningstar sector index performance. **Price to Earnings Data**: P/E ratios are trailing 12-month, sourced from Morningstar Direct. **Factor Performance Data**: Source - Morningstar Direct. U.S. Stock vs. Foreign Stock (Russell 3000 vs. MSCI ACWI ex-U.S. IM Index), Growth vs. Value (Russell 3000 Growth vs. Russell 3000 Value Index), Large Cap Stock vs. Small Cap Stock (S&P 500 vs. Russell 2000 Index), Quality Stock vs. Low Quality Stock (S&P 500 Quality Index vs. S&P 500 Index).

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**Gross Domestic Product**: Source - imf.org. Gross Domestic Product (GDP) for Developed markets (advanced economies), Emerging markets (emerging and developing economies), and World represent year-over-year economic growth data. **Foreign Stock Performance**: Source - Morningstar Direct. In order from top to bottom, the indices used are as follows: the MSCI ACWI ex-U.S. IM Index (broad foreign market), the MSCI EAFE IM Index (Developed Markets), the MSCI EM IM Index (Emerging Markets), the MSCI ACWI ex-U.S. Large Growth Index, the MSCI ACWI ex-U.S. Large Blend Index, the MSCI ACWI ex-U.S. Large Value Index, the MSCI ACWI ex-U.S. Small/Mid Growth Index, the MSCI ACWI ex-U.S. Small/Mid Blend Index, and the MSCI ACWI ex-U.S. Small/Mid Value Index. **Currency Impact on Returns**: Source - Morningstar Direct. Represents the yearly returns for the MSCI ACWI ex-U.S. Local Currency Index (Local Currency) and the MSCI ACWI ex-U.S. USD Index (U.S. Dollar). The currency data represents the difference between the yearly returns of the MSCI ACWI ex-U.S. Index in U.S. dollars versus Local Currency. **Foreign vs. U.S. Performance and Allocation**: Source - Morningstar Direct. Represents 1) the 10-year rolling return difference between the Russell 3000 Index (domestic) and the MSCI ACWI ex-U.S. IM Index (foreign) and 2) the U.S. historical weight within the MSCI ACWI ex-U.S. Index.

Page 4:

**Fixed Income Performance**: Source - Morningstar Direct. Indices/categories listed are as follows: Agency MBS (Bloomberg US MBS Index), U.S. Treasuries (S&P/BGCantor U.S. Treasury Bond Index), U.S. TIPS (Bloomberg U.S. Treasury U.S. TIPS Index), Municipals (Bloomberg Municipal Index), Invest. Grade Corporates (Bloomberg US Corp Bond Index), High-Yield Corporates (Bloomberg High Yield Corporate Index), Emerging Markets (JPM EMBI Global Diversified Index), Short-Term Bond (Morningstar Short-Term Bond Category), Intermediate-Term Bond (Morningstar Intermediate Core-Plus Bond Category), Long-Term Bond (Morningstar Long-Term Bond Category), Foreign Bond (Bloomberg Global Agg ex USD Hedged USD), U.S. Bond (Bloomberg U.S. Aggregate Bond). **Yield Spreads**: Corporate Bond Yield - U.S. Department of the Treasury, 10-Year High Quality Market (HQM) Corporate Bond Par Yield [HQMCB10YRP], retrieved from FRED, Federal Reserve Bank of St. Louis. Treasury Yield / Real Yield - U.S. Treasury, Daily Treasury Yield Curve Rates. **Federal Reserve Balance Sheet Size & 10-Year Treasury Yield**: Fed Balance Sheet - Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations from Consolidation): Wednesday Level [WALCL], retrieved from FRED, Federal Reserve Bank of St. Louis. **Inflation Data & Real Yield**: Source - inflationdata.com. U.S. Treasury, Daily Treasury Yield Curve Rates. Real yield represents the 10-Year Treasury Bond Yield less the year-over-year change in the Consumer Price Index (CPI).

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