

WAINWRIGHT INVESTMENT COUNSEL, LLC FINANCIAL MARKETS HIGHLIGHTS

Second Quarter 2026

The S&P 500 returned +10.2% for the year's first half, thanks to a second quarter that saw the index of large and mega cap stocks appreciate 15.2%, its best quarter in six years. Technology stocks performed best, +31.8%, followed by Industrial (+14.9%) and Consumer Discretionary stocks (+9.3%).

In recent previous quarters, when Technology stocks drove market returns it was, in large part, attributable to the so-called *Magnificent Seven* technology companies. While the *Seven* collectively finished the quarter up 11.0%, returns from technology stocks were not concentrated across a few big names. In fact, stocks that had previously led the sector, like Microsoft and Meta, finished the quarter down. Ed Yardeni, of the eponymous Yardeni Research, feels that the pullback in many of these stocks is the result of "AI fatigue," and he questions whether the hyperscalers' massive spending on AI infrastructure will pay off as planned. While "fatigue" may impact certain AI adjacent names, breadth seems to have returned to much of the S&P 500: a sign of a healthier, stronger market.

The tech-heavy NASDAQ index returned 27.7%, a nice bounce back after a difficult first quarter. The Dow Jones Industrial Average reached an all-time high, up 13.4% at the end of the first half of 2026. "Old-economy" stocks like P&G, Coca-Cola, and Chevron, which make up much

of the Average, continued their strong start to the year as investors sought security and stability in blue chip companies. Both value stocks and growth stocks finished the quarter up double-digits, with growth (+17.1%), as measured by the Russell 3000 Growth Index, edging out value, as measured by the Russell 3000 Value Index (+14.0%). Small cap stocks surged after a slow start to the year, returning 21.5% during the second quarter.

Earnings supported strong stock returns during the quarter. FactSet reports estimated year-over-year quarterly earnings growth of 23% for the S&P 500, the second consecutive quarter of +20% growth. Earnings surprises and upwards revisions have been strong, as the second quarter earnings growth rate was estimated to be 19% as of March 31. If earnings stay strong returns should, too. JPMorgan analysts recently upped their S&P 500 year-end forecast to 7,800. Yardeni Research also sees the index higher at year-end, with a price target of 8,250.

The Bloomberg Aggregate Bond index returned 0.7%, rebounding from a flat first quarter. Municipal bonds and high yield corporate bonds fared well, each up 2.5%, trailed by long-term Treasuries (+0.9%). Most bonds generated moderately positive returns during the quarter.

Selected Index Returns (%) as of June 30, 2026 (Source: Morningstar Direct). 3, 5, 10 year returns are annualized.

	<u>April</u>	<u>May</u>	<u>June</u>	<u>QTR</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	10.49%	5.26%	-0.95%	15.20%	10.21%	22.32%	18.69%	20.61%	15.51%
S&P 400	7.86%	2.45%	3.59%	14.47%	17.34%	25.89%	16.35%	15.41%	11.65%
Russell 2000	12.21%	4.37%	3.74%	21.49%	22.57%	40.78%	23.12%	18.60%	11.62%
Wilshire US REIT Index	9.02%	-0.12%	3.13%	12.30%	17.67%	21.16%	14.99%	12.81%	6.16%
MSCI EAFE	7.45%	3.07%	0.07%	-1.24%	9.44%	20.23%	16.44%	9.05%	9.66%
MSCI Emerging Markets	14.71%	9.69%	-1.41%	24.05%	23.85%	43.51%	28.63%	23.03%	10.07%
Bloomberg US Aggregate Bond	0.11%	0.31%	0.24%	0.67%	0.62%	3.79%	4.93%	4.16%	1.54%
Bloomberg High Yield	1.69%	0.49%	0.27%	2.47%	1.96%	5.91%	8.08%	8.86%	5.81%

The information contained herein is provided for informational and discussion purposes only. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. No representation is made concerning the appropriateness of any particular investment, security, portfolio of securities, transaction or investment strategy. **Investing involves risks, and there is always the potential of losing money.** Before entering into any financial transaction, you should ensure that you fully understand the terms, have evaluated the risks and have determined that the transaction is appropriate for you in all respects. You should consult with your personal legal, tax, or other advisors, including your financial professional, prior to making any investment decisions. **Past performance is never a guarantee of future investment results.**

Benchmarks and financial indices provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy and are shown for illustrative purposes only. Benchmarks are presented merely to show general trends in the markets for the period and are not intended to imply that the portfolio is benchmarked to the indices either in composition or level of risk. The indices are unmanaged, are not available for direct investment, have no expenses (i.e., are gross of costs, fees or expenses associated with investing in the instruments that comprise the benchmark or financial index) and reflect reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark or proxy for a particular asset class and does not reflect the actual investment strategy of any client portfolio or any of the Firm's investment strategies (or funds). In no way should the information about an index or proxy shown within this presentation be considered indicative or a guarantee of any results. Actual results differ, possibly substantially, from that shown.

Additional information about Wainwright Investment Counsel, LLC is also available at <https://adviserinfo.sec.gov/firm/summary/108711>. This information provided herein does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in connection with any offer or sale of securities. The information herein reflects prevailing conditions and Wainwright's judgments as of this date, all of which are subject to change without notice.

WAINWRIGHT INVESTMENT COUNSEL, LLC FINANCIAL MARKETS HIGHLIGHTS

Second Quarter 2026

While the unemployment rate remained at 4.3% and the Consumer Price Index increased for a third consecutive month, up 0.5% in May (up 4.2% over the last twelve months), the Federal Reserve maintained its 3.50% to 3.75% target range on the short-term Federal Funds rate, while three and six-month Treasury yields stood at 3.83% and 3.94%, respectively, compared with 4.38% for the 10-year Treasury.

In his first few weeks as Fed Chair, Kevin Warsh has shown he will operate differently than his predecessor, Jerome Powell. At the most recent FOMC meeting operational changes were announced, including the creation of new task forces focused on communications, the balance sheet, data sources, productivity and jobs, and inflation frameworks. Warsh also did not submit his own dot-plot of economic projections, and alluded that post-meeting press conferences may not be routine. In short, it appears Warsh's Federal Reserve will be less transparent than the those of his predecessors Powell, Yellen and Bernanke, and more similar to Alan Greenspan's Fed of 1987 – 2006 (the "maestro," Alan Greenspan, passed at the age 100 on June 22). Potentially benefitting the early-days of Warsh's stewardship is the end, or more likely the "end of the beginning" to steal a phrase from Winston Churchill, of the war in Iran. Commodity prices have begun to return to pre-conflict levels as inputs such as gas, oil, and

fertilizer are beginning to flow through the Strait of Hormuz.

The Bloomberg Commodity Index fell -8.0%, as Brent oil futures traded below \$74 at the end of the quarter. Silver and gold fell sharply, declining -20.6% and -12.6%, respectively. The Alerian MLP Index was a notable exception, returning 1.1% due in part to its exposure to midstream infrastructure companies whose revenues are oftentimes contract-based. After a slow start to the year, international stocks as measured by the MSCI EAFE Index returned 10.8%. Emerging market stocks fared even better, closing the second quarter up 24.1%, beneficiaries of both a softer US dollar and the AI boom. Bitcoin, as measured by the iShares Bitcoin Trust ETF, fell -13.4% during the quarter, bringing year-to-date returns to -33.0%.

We here at Wainwright wish you a relaxing summer. Please reach out should you require anything.

Selected Index Returns (%) as of June 30, 2026 (Source: Morningstar Direct). 3, 5, 10 year returns are annualized.

	<u>April</u>	<u>May</u>	<u>June</u>	<u>QTR</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
S&P 500	10.49%	5.26%	-0.95%	15.20%	10.21%	22.32%	18.69%	20.61%	15.51%
S&P 400	7.86%	2.45%	3.59%	14.47%	17.34%	25.89%	16.35%	15.41%	11.65%
Russell 2000	12.21%	4.37%	3.74%	21.49%	22.57%	40.78%	23.12%	18.60%	11.62%
Wilshire US REIT Index	9.02%	-0.12%	3.13%	12.30%	17.67%	21.16%	14.99%	12.81%	6.16%
MSCI EAFE	7.45%	3.07%	0.07%	-1.24%	9.44%	20.23%	16.44%	9.05%	9.66%
MSCI Emerging Markets	14.71%	9.69%	-1.41%	24.05%	23.85%	43.51%	28.63%	23.03%	10.07%
Bloomberg US Aggregate Bond	0.11%	0.31%	0.24%	0.67%	0.62%	3.79%	4.93%	4.16%	1.54%
Bloomberg High Yield	1.69%	0.49%	0.27%	2.47%	1.96%	5.91%	8.08%	8.86%	5.81%

The information contained herein is provided for informational and discussion purposes only. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. No representation is made concerning the appropriateness of any particular investment, security, portfolio of securities, transaction or investment strategy. **Investing involves risks, and there is always the potential of losing money.** Before entering into any financial transaction, you should ensure that you fully understand the terms, have evaluated the risks and have determined that the transaction is appropriate for you in all respects. You should consult with your personal legal, tax, or other advisors, including your financial professional, prior to making any investment decisions. **Past performance is never a guarantee of future investment results.**

Benchmarks and financial indices provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy and are shown for illustrative purposes only. Benchmarks are presented merely to show general trends in the markets for the period and are not intended to imply that the portfolio is benchmarked to the indices either in composition or level of risk. The indices are unmanaged, are not available for direct investment, have no expenses (i.e., are gross of costs, fees or expenses associated with investing in the instruments that comprise the benchmark or financial index) and reflect reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark or proxy for a particular asset class and does not reflect the actual investment strategy of any client portfolio or any of the Firm's investment strategies [or funds]. In no way should the information about an index or proxy shown within this presentation be considered indicative or a guarantee of any results. Actual results differ, possibly substantially, from that shown.

Additional information about Wainwright Investment Counsel, LLC is also available at <https://adviserinfo.sec.gov/firm/summary/108711>. This information provided herein does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in connection with any offer or sale of securities. The information herein reflects prevailing conditions and Wainwright's judgments as of this date, all of which are subject to change without notice.