First Quarter 2026 Investment Environment

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CANDOR ASSET ADVISORS

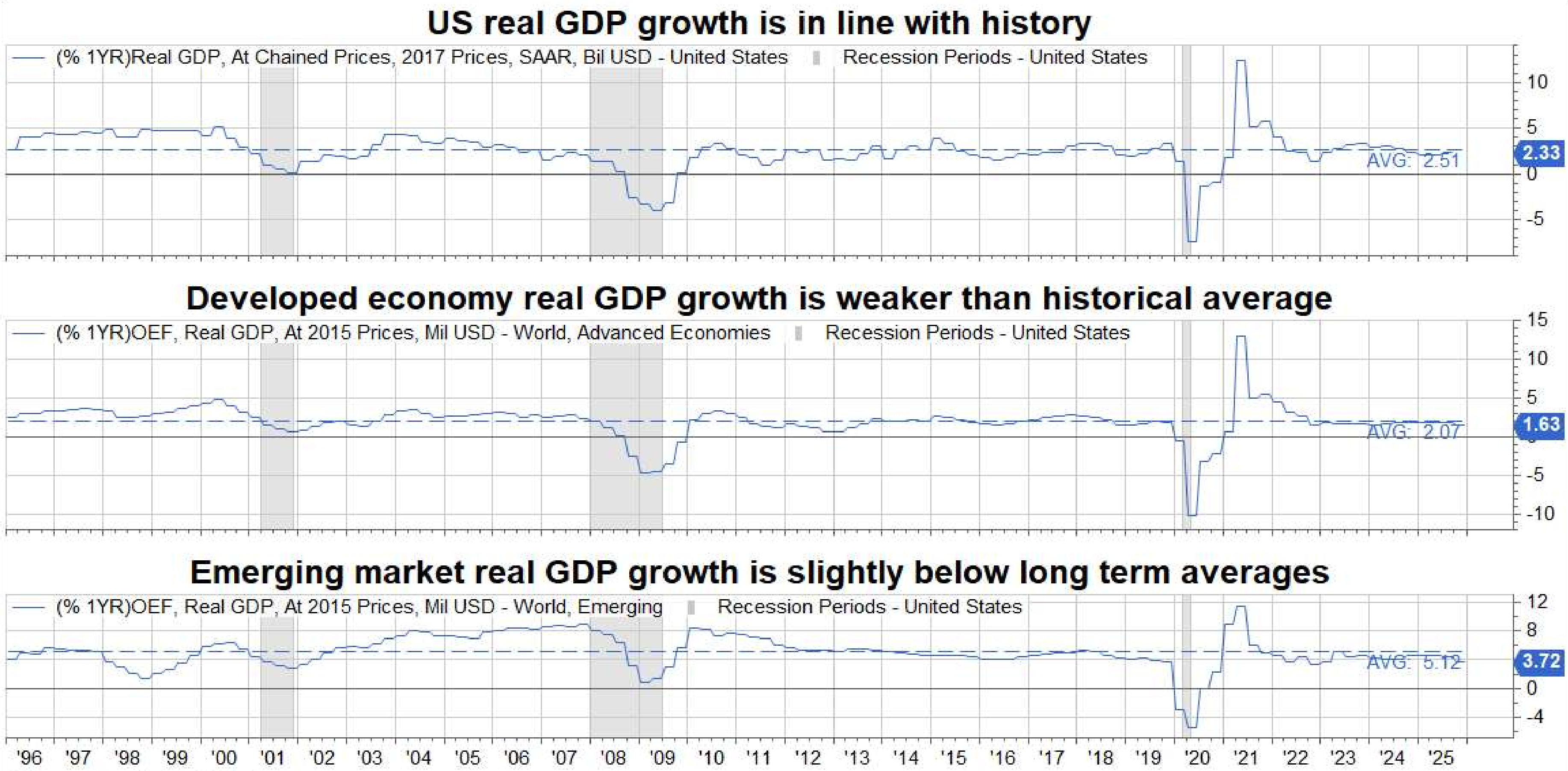
Agenda

- The Economy & Central Banks
- Equities Challenges
- Equities Opportunities
- Fixed Income

The Economy & Central Banks

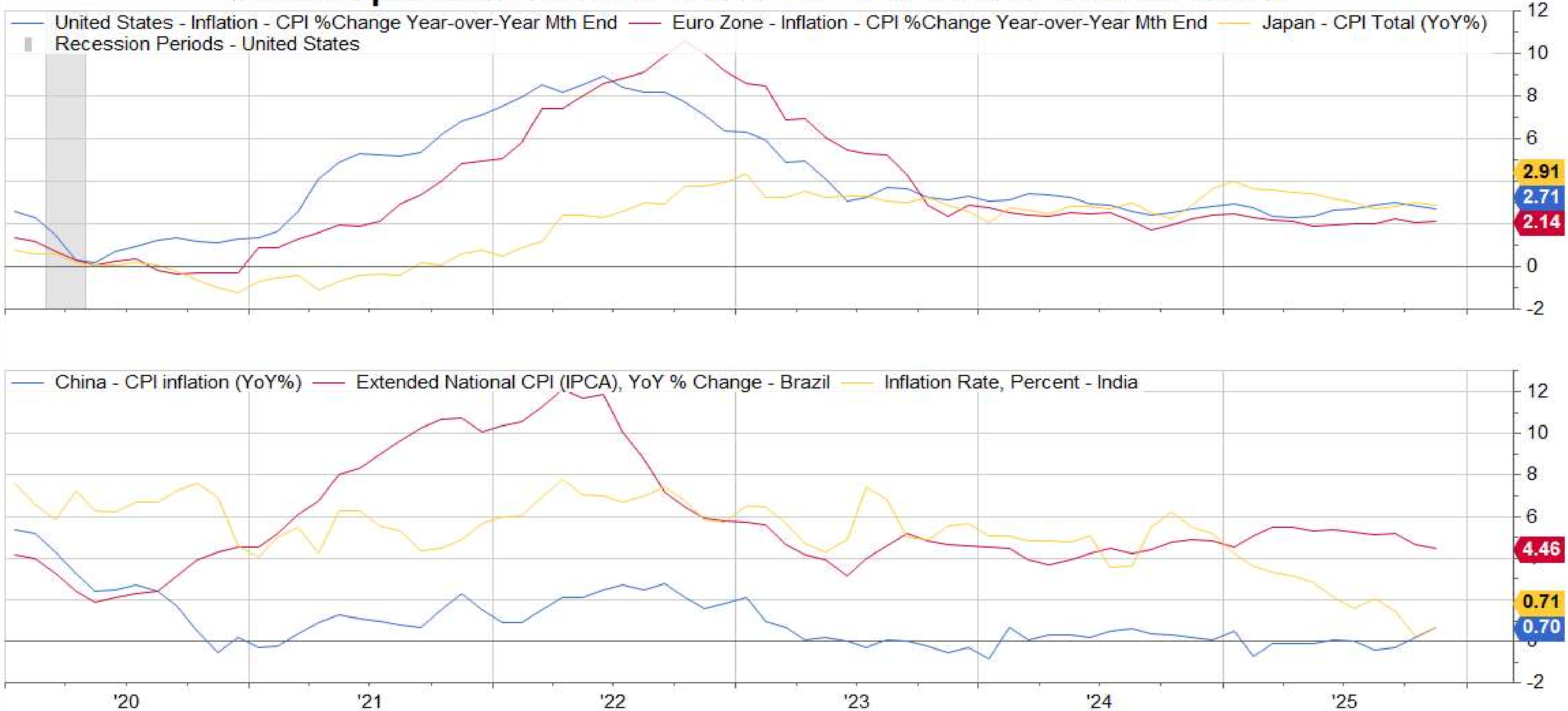
Will the economy continue to hum along?

Will the central banks overreact?



Source: FactSet

Inflation pressures have eased since 2022 and are contained now



Source: FactSet

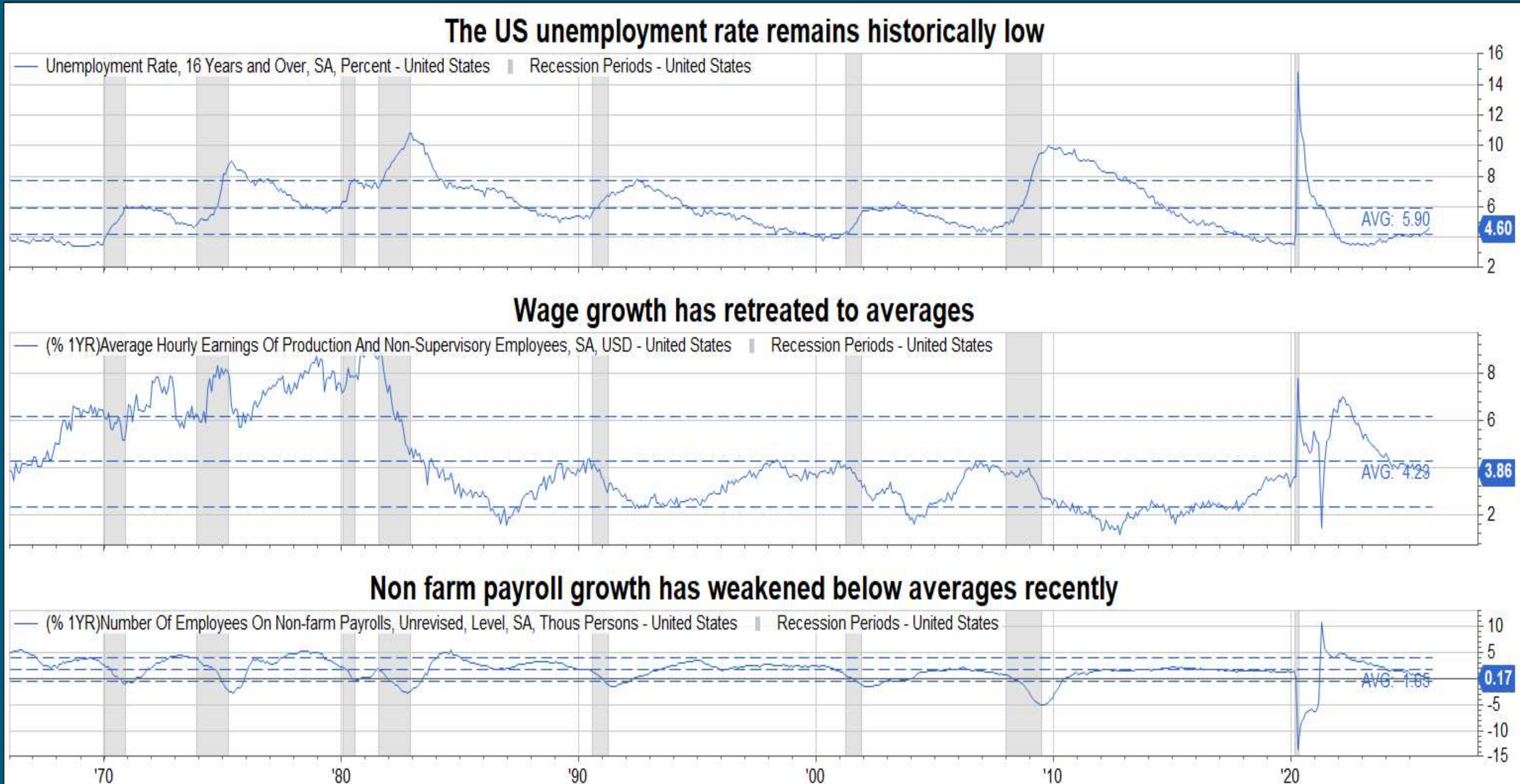
World Employment & Retail Sales

	Unemployment Rate			Retail Sales Growth		
	2 Month Ago	3 Months Ago	12 Months Ago	2 Months Ago	3 Months Ago	12 Months Ago
United States	-	4.40%	4.10%	3.38%	3.92%	4.74%
Eurozone	6.40%	6.40%	6.30%	2.48%	2.48%	2.97%
United Kingdom	-	5.10%	4.40%	2.49%	2.37%	3.17%
France	-	7.70%	7.30%	-0.39%	-0.25%	-2.56%
Germany	3.80%	3.80%	3.50%	2.22%	2.43%	4.57%
Canada	6.90%	7.10%	6.70%	2.05%	3.10%	5.58%
South Korea	2.60%	2.60%	3.70%	2.60%	4.16%	-0.55%
Japan	2.60%	2.60%	2.50%	1.77%	0.18%	3.91%
China	2.60%	5.20%	5.10%	1.97%	2.09%	3.72%
India	-	5.30%	-	-	-	-
Brazil	5.10%	5.60%	6.20%	4.37%	5.15%	9.06%
Russia	5.20%	-	-	-	-	-

Unemployment remains low in most countries

Retail sales are anemic in most countries

Source: FactSet

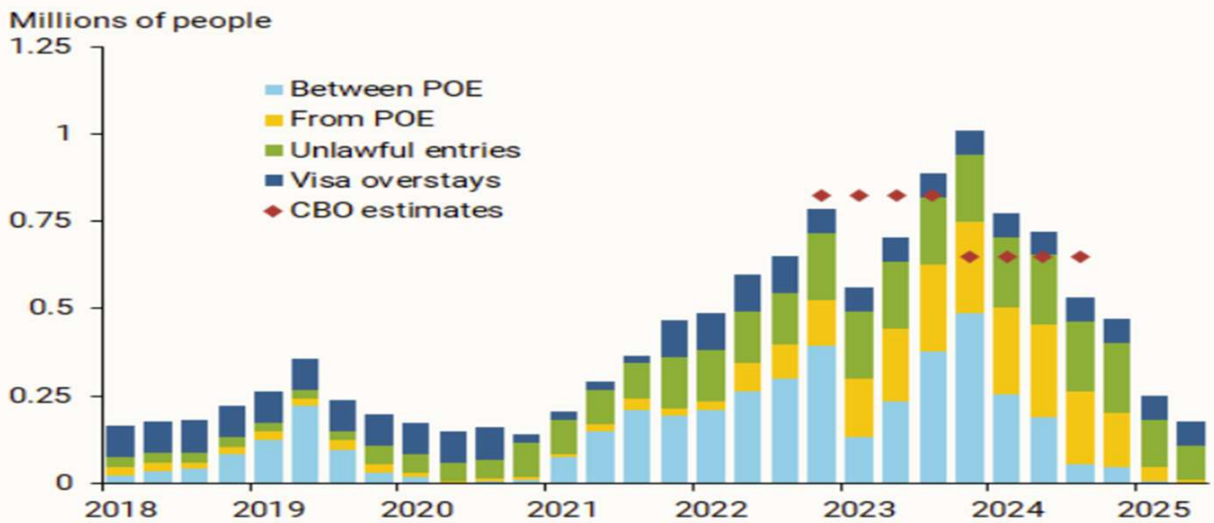


Source: FactSet

Immigration is worth monitoring as it is down under the Trump administration

Source: Federal Reserve Bank of San Francisco

Inflow of Undocumented Immigrants to the United States



Note: Congressional Budget Office (CBO) estimates are annual estimates for fiscal year 2023 and 2024 evenly divided across quarters. Visa overstays are predicted using 2022 averages. Unlawful entries are based on CBO estimates and assume a 50% decline from 2024 rates for Feb. 2025 onwards. Estimates for entries between ports of entry (POE) at non-Southwest borders after July 2022 are based on nationwide encounter data and assume a release rate one-half that at the Southwest border.

Source: CBO, Transactional Records Access Clearinghouse, U.S. Customs and Border Protection, and authors' calculations.

Lower immigration is expected to hurt GDP growth by 0.4-1.5% and cause 0.0-0.5% higher inflation in the near term

Table 1. Effects of immigration shocks on GDP and inflation by scenario

GDP growth	2025	2027
Baseline scenario	-0.81	-0.49
High interior deportation	-0.83	-0.84
Self-deportation wave	-1.01	-0.45
Mass interior deportation	-0.89	-1.49
No interior deportation	-0.75	-0.38
PCE inflation		
Baseline scenario	0.15	0.06
High interior deportation	0.15	0.12
Self-deportation wave	0.18	0.06
Mass interior deportation	0.16	0.21
No interior deportation	0.14	0.05

NOTE: Estimates are shown in percentage points relative to the counterfactual benchmark of GDP growth or PCE inflation implied by the Congressional Budget Office's immigration projection published in January 2025.

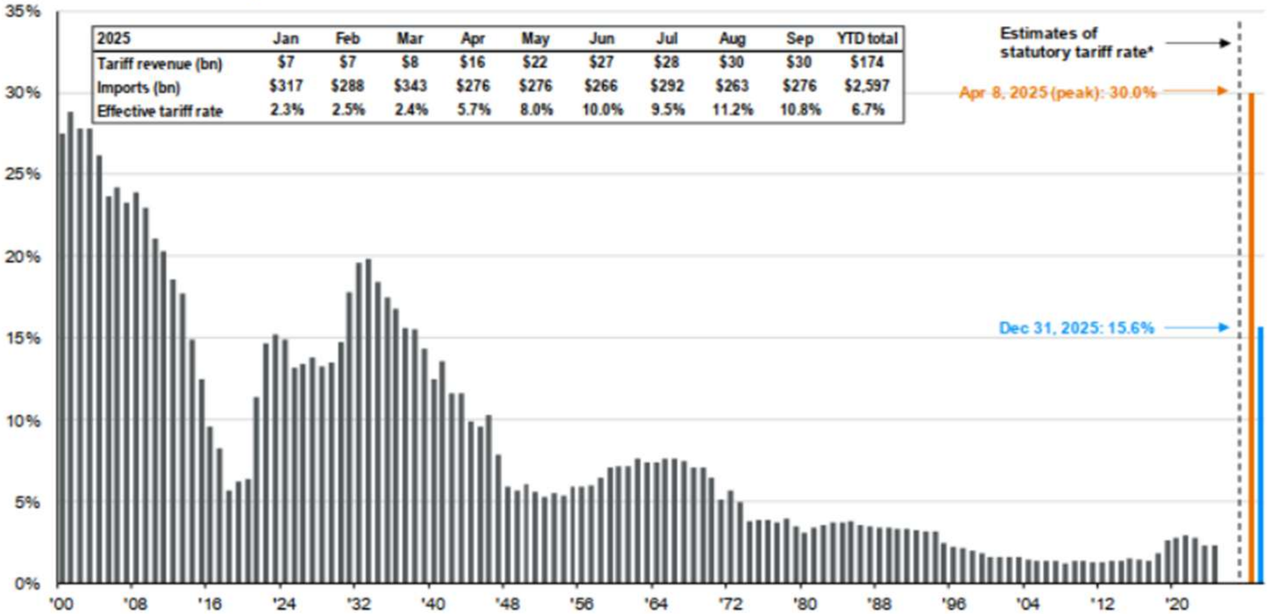
Source: Federal Reserve of Dallas and CBO

Tariffs impact on the economy remains a wild card. Fortunately, the effective tariff has been coming down from April 2025 highs.

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption, 1900 - 2024

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	YTD total
Tariff revenue (bn)	$7	$7	$8	$16	$22	$27	$28	$30	$30	$174
Imports (bn)	$317	$288	$343	$276	$276	$266	$292	$263	$276	$2,597
Effective tariff rate	2.3%	2.5%	2.4%	5.7%	8.0%	10.0%	9.5%	11.2%	10.8%	6.7%



Source: U.S. Census Bureau, U.S. Department of Treasury, U.S. International Trade Commission, J.P. Morgan Asset Management.
For illustrative purposes only. The estimated weighted average statutory U.S. tariff rate includes all tariffs that are currently in effect, not announced. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. *Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Tariff revenue shown are figures from the Monthly Treasury Statement. Import figures included in the table are from the U.S. Census Bureau. Estimates, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
Guide to the Markets – U.S. Data are as of December 31, 2025.

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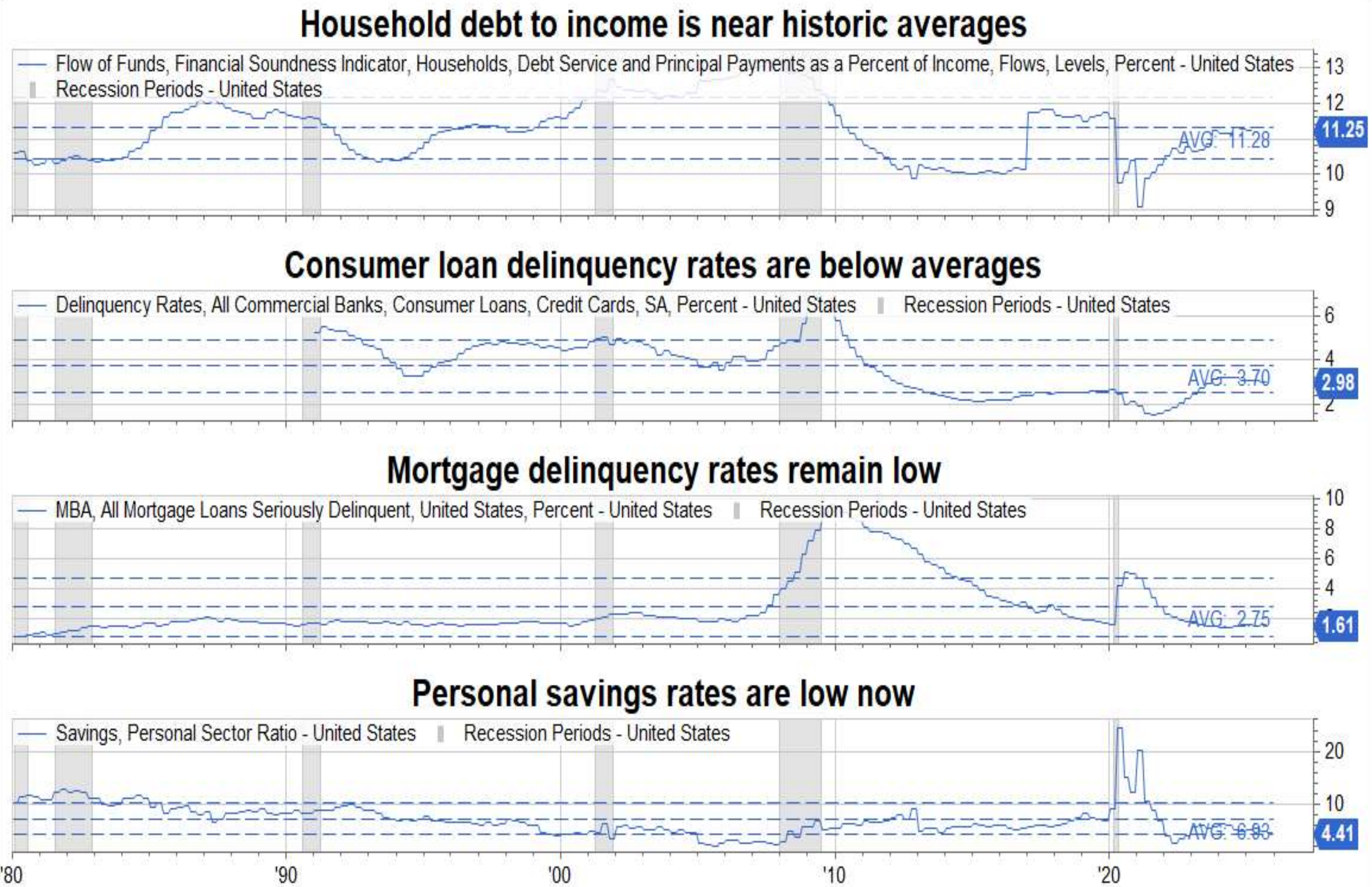
The Yale Budget Lab expects tariffs will hurt GDP growth by 0.5% in 2025 & 2026.

UBS estimates tariffs will raise inflation by 0.8% in 2026 while the St. Louis Fed expects tariffs have raised inflation by 0.4% through August YTD.

The US consumer balance sheet is solid



Source: FactSet

Central Bank Interest Rates

	Short Term Interest Rate			Long Term Rates			Term Spread		
	Latest Available	3 Months Ago	12 Months Ago	Latest Available	3 Months Ago	12 Months Ago	Latest Available	3 Months Ago	12 Months Ago
United States	3.66%	4.00%	4.36%	4.14%	4.11%	4.39%	0.48%	0.11%	0.03%
Eurozone	1.97%	1.71%	2.49%	-	2.71%	-		1.00%	
United Kingdom	3.81%	4.04%	4.72%	4.49%	4.68%	4.43%	0.68%	0.64%	-0.29%
France	2.07%	1.99%	2.77%	3.55%	3.51%	3.01%	1.49%	1.51%	0.24%
Germany	1.97%	1.71%	2.49%	2.84%	2.71%	2.21%	0.86%	1.00%	-0.27%
Canada	2.17%	2.48%	3.19%	3.37%	3.19%	3.18%	1.20%	0.70%	-0.01%
South Korea	2.34%	2.15%	2.70%	3.39%	2.85%	2.85%	1.05%	0.70%	0.15%
Japan	0.62%	0.45%	0.15%	1.97%	1.61%	1.07%	1.36%	1.16%	0.92%
China	1.27%	1.23%	1.16%	1.84%	1.87%	1.81%	0.58%	0.64%	0.65%
India	5.30%	5.50%	6.47%	6.59%	6.50%	6.78%	1.28%	1.00%	0.31%
Brazil	14.96%	14.92%	13.14%	13.68%	13.95%	14.46%	-1.28%	-0.96%	1.31%
Russia	93.16%	92.40%	84.14%	47.94%	47.94%	51.95%	-45.23%	-44.46%	-32.19%

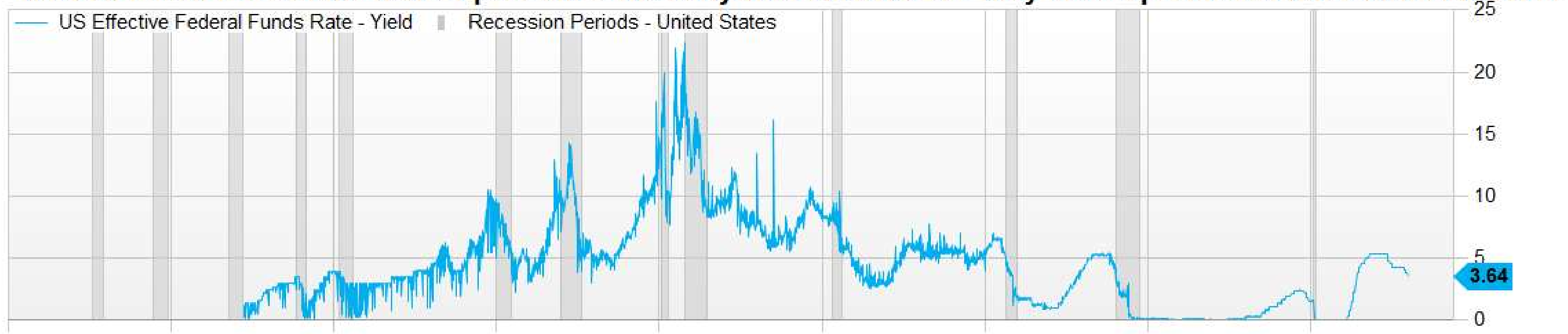
Short term rates are down YOY except in Japan, Brazil and Russia. Rates are mixed sequentially.

Long rates are mixed YOY and sequentially.

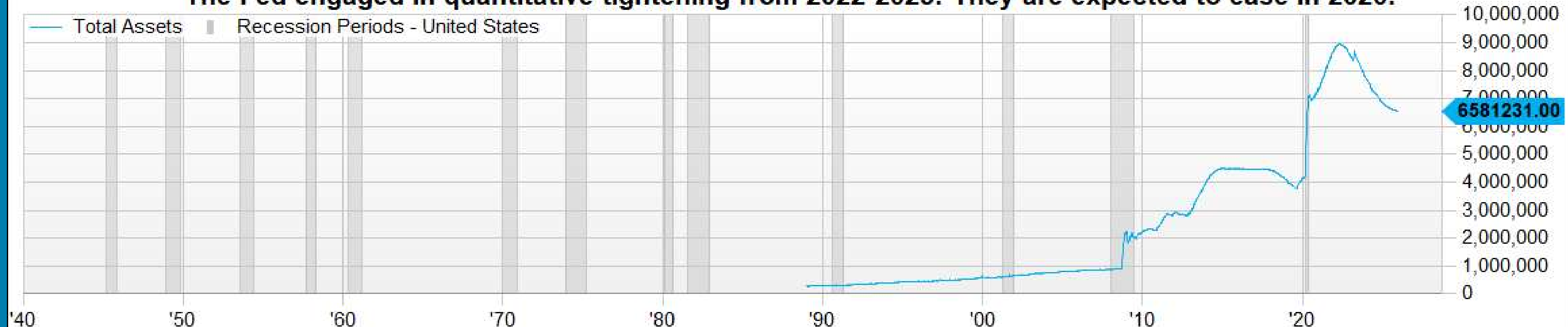
Term spreads widened out in most countries YOY and sequentially.

Source: FactSet

The Fed raised rates at the fastest pace since the early 1980s in 2022-23. They now expect to cut rates further in 2026.



The Fed engaged in quantitative tightening from 2022-2025. They are expected to ease in 2026.

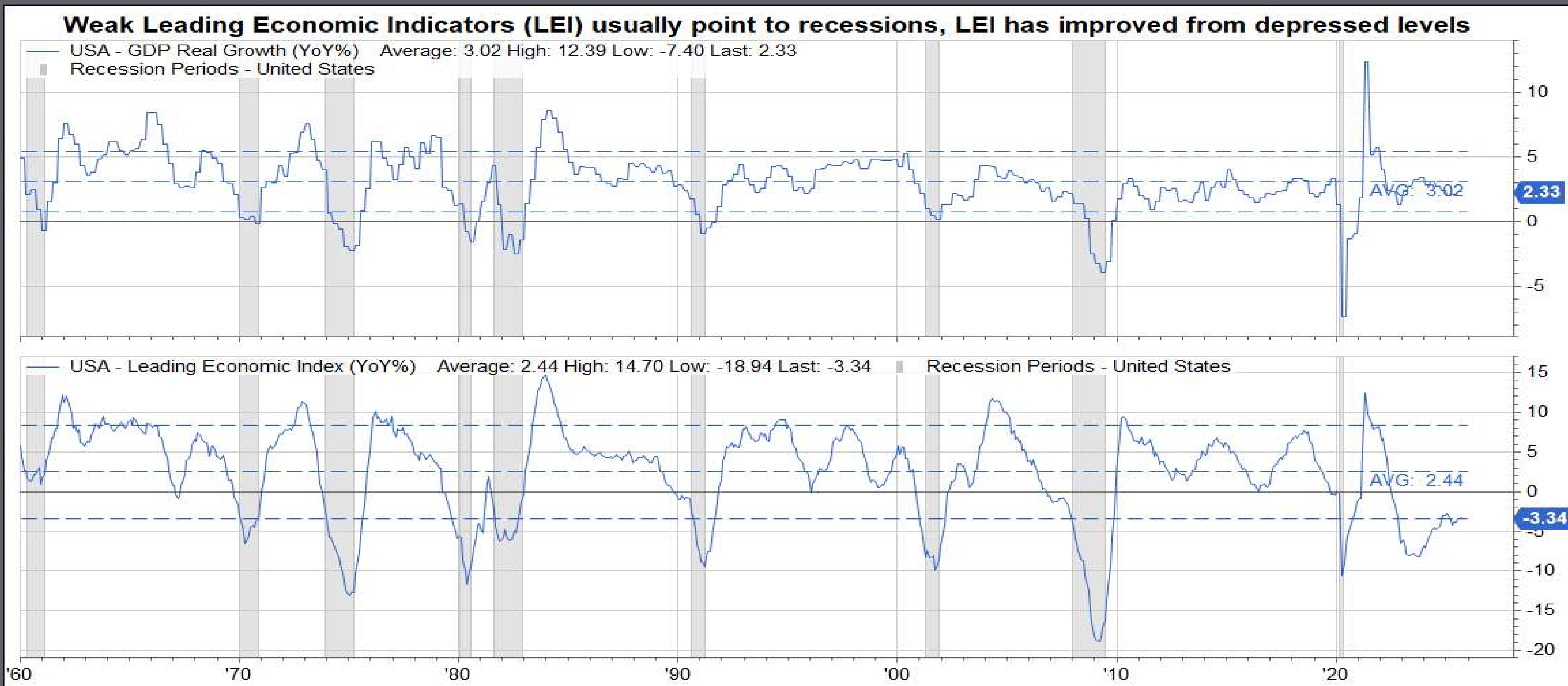


Source: FactSet

The Fed expects modest real GDP growth, a strong labor market, moderating inflation and slightly lower fed funds.

	2025	2026	2027	Long Term
Real GDP Growth	1.70%	2.30%	2.10%	1.90%
September Projection	1.55%	1.90%	1.90%	1.85%
Unemployment Rate	4.55%	4.35%	4.25%	4.50%
September Projection	4.45%	4.45%	4.30%	4.50%
PCE Inflation	2.85%	2.40%	2.10%	2.00%
September Projection	2.95%	2.55%	2.10%	2.00%
Fed Funds Rate	3.75%	3.35%	3.35%	3.15%
September Projection	3.85%	3.35%	3.35%	3.15%

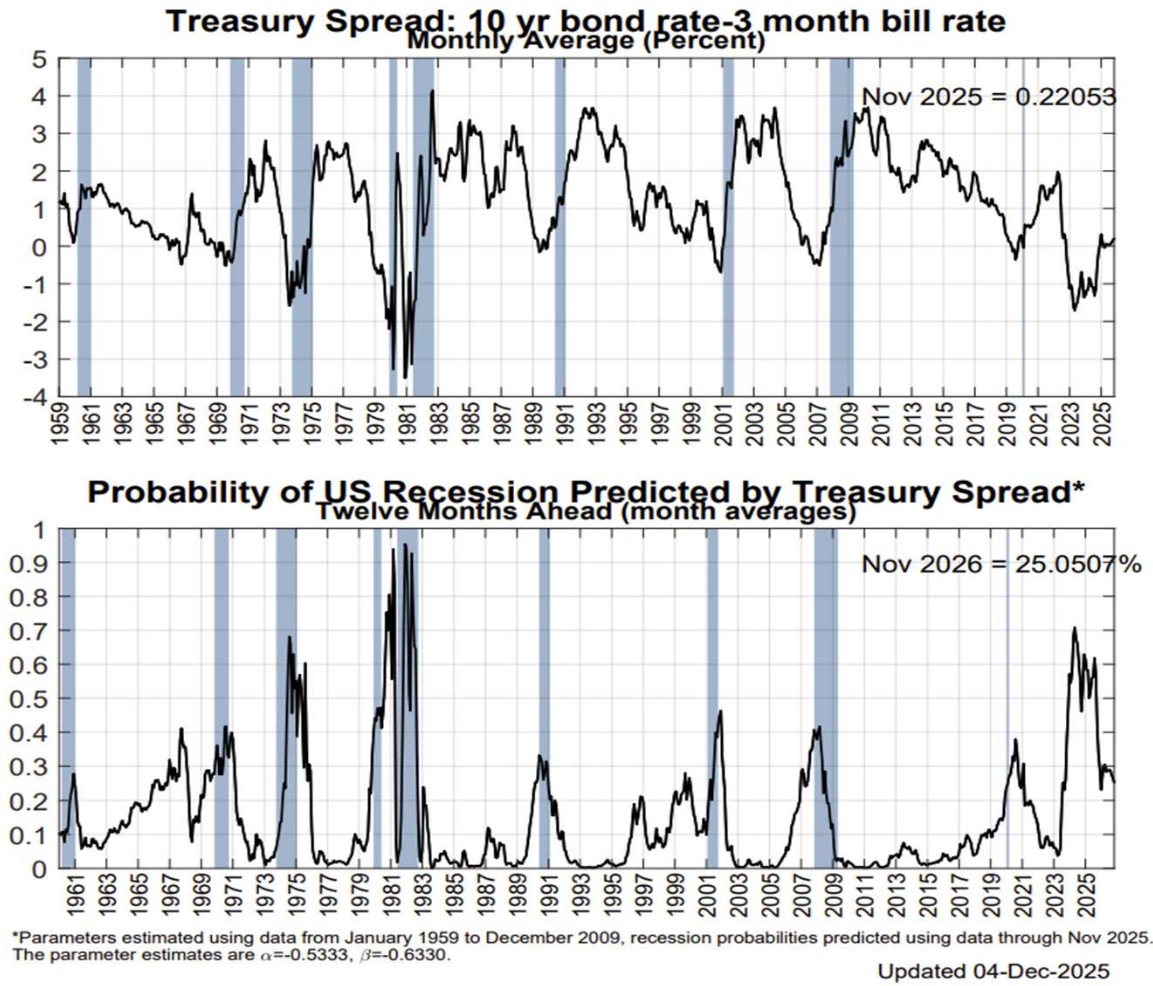
Source: Federal Reserve FOMC Projections December 10, 2025



According to NBER, a recession is defined as a significant decline in economic activity lasting more than a few months. Economic activity has slowed recently.

The New York Fed's Recession Probability Model has predicted all recessions since the 1960s.

Today's reading suggests an elevated probability of a recession.



Source: New York Federal Reserve

Recessions and Stock Bear Markets Frequently Asked Questions

What is a recession? How often does it occur?

- Recessions as defined by NBER are a significant decline in economic activity spread across the economy and lasting more than a few months. Since 1945 economic expansions have lasted 6.25 years on average while recessions have averaged 10 months. Our last recession was a two-month recession in 2020.

What is a stock bear market? How often does it occur?

- Stock bear markets are defined as a 20% decline in stock prices. Since 1945, we have had twelve stock bear markets, and they occurred every 6.7 years on average. Our last stock bear market was in 2020.

Are stock bear markets and recessions often correlated with one another?

- Yes, they are often related. We have had 12 stock bear markets since 1945 and 10 of them have occurred around recessions. 6 stock bear markets have preceded & occurred during recessions, 2 stock bear markets occurred during recessions and 2 stock bear markets happened within 12 months of after a recession.

Source: NBER, Wealth of Common Sense, Candor Asset Advisors

Recessions and Stock Bear Markets FAQ Continued

What was the average stock bear market decline since 1945 and how long did it take on average to breakeven?

- The average stock bear market decline was 33.6% and it lasted 12 months. It took 1.7 years on average for the S&P to get back to breakeven.

Provide some stats on the worst three bear markets since 1945.

- The worst three bear markets since 1945 averaged a 51.4% decline and lasted 23 months. It took 3.6 years on average for the S&P to get back to breakeven.

Source: NBER, Wealth of Common Sense, Candor Asset Advisors

Economy & Central Bank Conclusions

- Real GDP growth is 2-3% in the US, 1-2% in developed economies ex US and 3-4% in emerging markets. Growth rates are 0.2-.1.4% below 30-year averages
- Inflation has retreated to slightly above historic averages. Inflation is greater in the US than other developed economies due in part due to tariff policies.
- Unemployment remains low in most countries
- Retail sales are anemic in most countries
- US wage growth has retreated to historical averages while non-farm payroll growth has weakened
- The US consumer’s balance sheet remains strong while the savings rate is lacking

Economy & Central Bank Conclusions Continued

- Lower immigration is expected to result in lower GDP growth over the long run
- Tariffs are at historic highs, and the impact has yet to be fully felt. Fortunately, tariff expectations have come down from early 2025 highs.
- Central bank term spreads have generally widened year-over-year and sequentially suggesting investors are pricing in less recession risk
- The US federal reserve has started to lower short term rates and quantitative easing is beginning.
- US FOMC consensus forecasts call for modest real US GDP growth, stable and low unemployment, moderating inflation and slightly lower fed funds
- Leading economic indicators and the yield curve suggest elevated recession risk but an improvement from 1st half 2025
- If a recession occurs there is a good chance we will have a stock bear market. The average stock bear market decline since 1945 was 33.6% and it lasted 12 months on average. It took 1.7 years on average for the S&P to get back to breakeven.

Equities Investment Backdrop

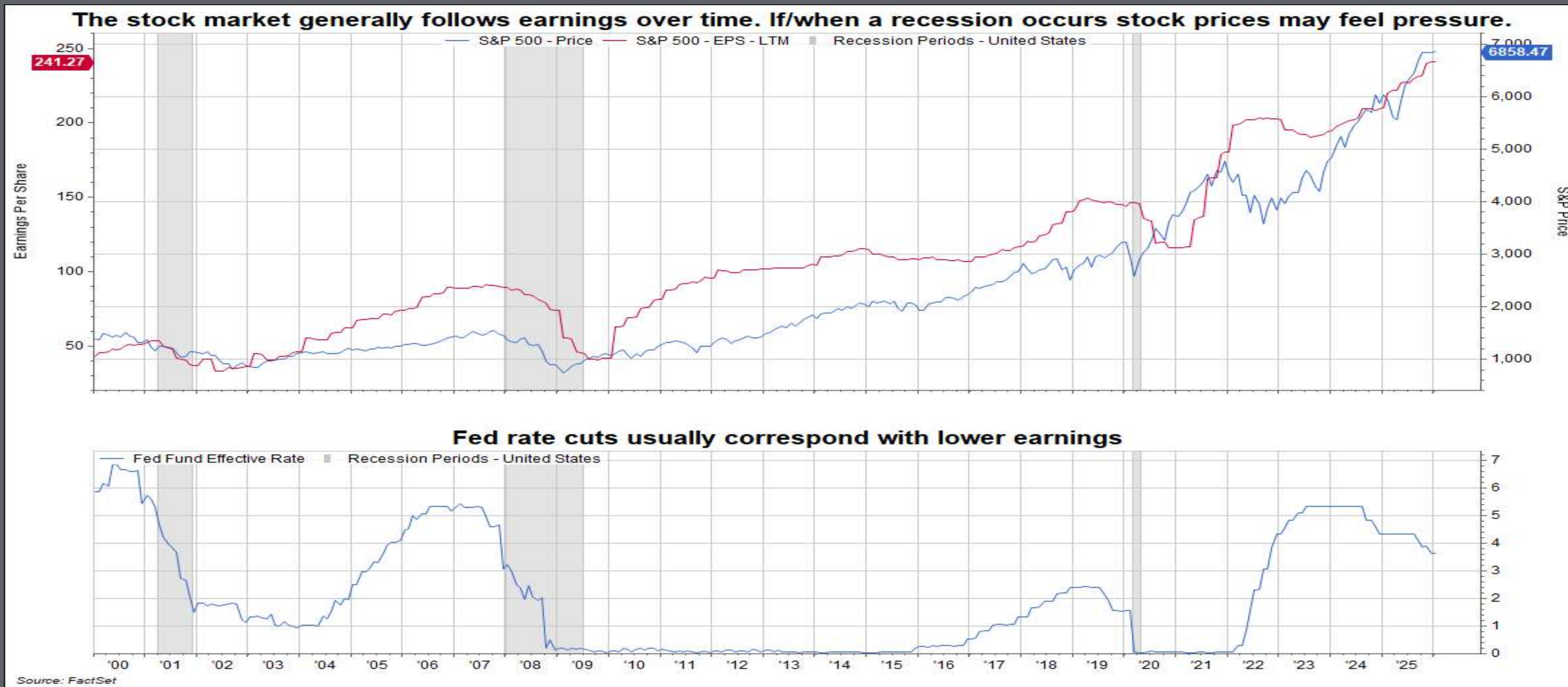
Challenges

Global stock markets rallied 2025.

The US underperformed in 2025 but outperformed most of the time from 2008-2025.

Returns	2025		2024		15-years
	Local	USD	Local	USD	Ann.
Regions					
U.S. (S&P 500)	-	17.9%	-	25.0%	14.1%
AC World ex-U.S.	25.1%	33.1%	13.2%	6.1%	6.4%
EAFE	21.2%	31.9%	11.8%	4.3%	7.1%
Eurozone	24.7%	41.3%	10.3%	3.4%	7.8%
Emerging markets	32.1%	34.4%	13.7%	8.1%	4.2%
Selected Countries					
Japan	24.7%	25.1%	21.2%	8.7%	6.9%
UK	25.8%	35.1%	9.5%	7.5%	6.4%
France	14.2%	29.5%	1.8%	-4.6%	7.8%
Canada	30.9%	37.4%	23.0%	12.7%	6.8%
Germany	20.9%	37.1%	18.4%	11.0%	7.3%
China	30.7%	31.4%	19.8%	19.7%	4.1%
Taiwan	34.0%	39.8%	44.3%	35.1%	13.0%
India	9.5%	4.3%	15.7%	12.4%	5.8%
Brazil	35.6%	50.4%	-11.4%	-29.5%	-0.3%

Source: JP Morgan Asset Management
Past performance is not a guarantee or predictor of future performance.



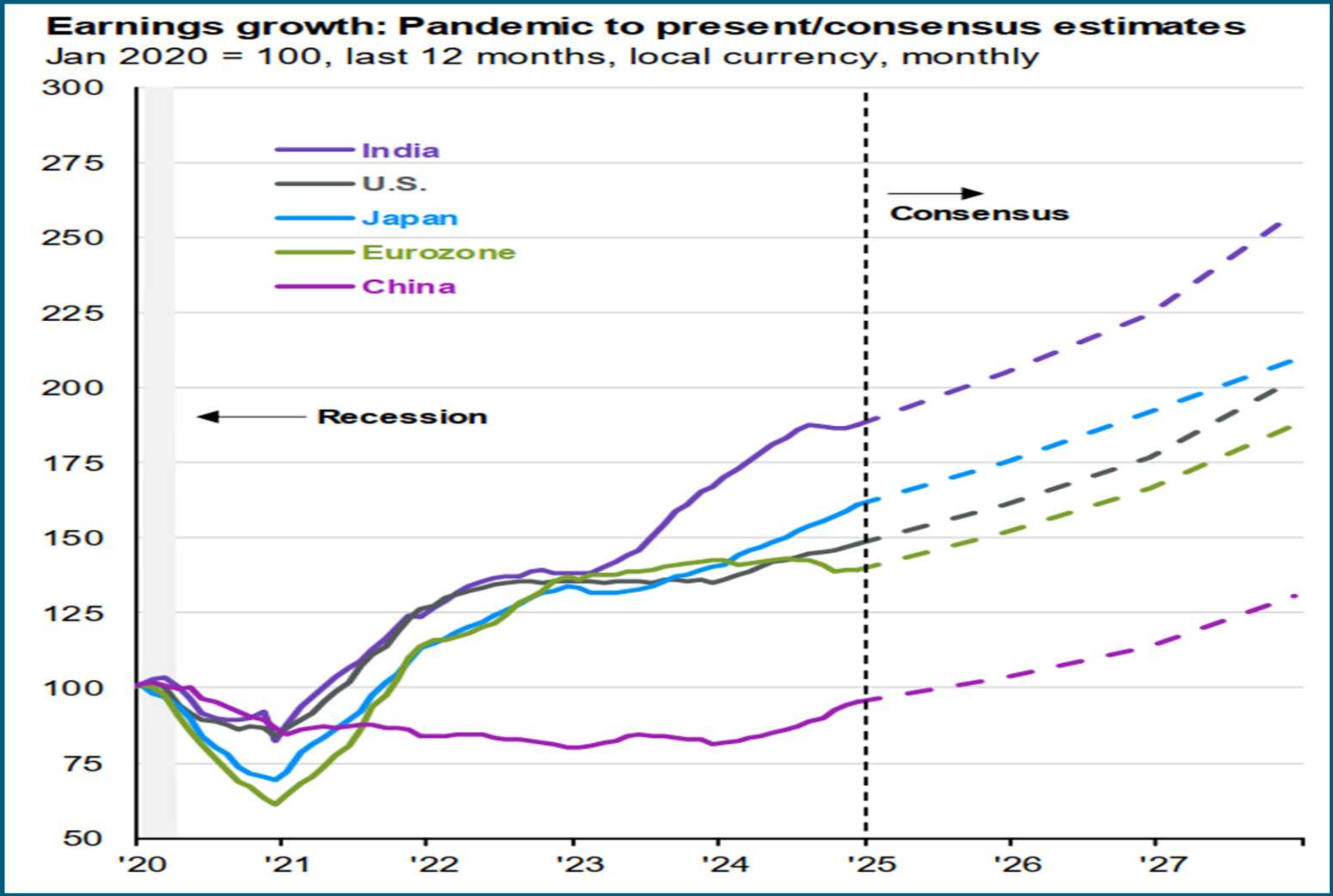
Earnings grew 11% in 2024 and 12.3% in 2025. Earnings are expected to grow 15% in 2026.

Source: FactSet Earnings Insight 12/19/25

Past performance is not a guarantee or predictor of future performance.

Analysts expect solid & similar earnings growth globally over the next 2 years.

US relative earnings growth exceeded the Eurozone and China throughout most of 2020-2025.



Source: JP Morgan Asset Management

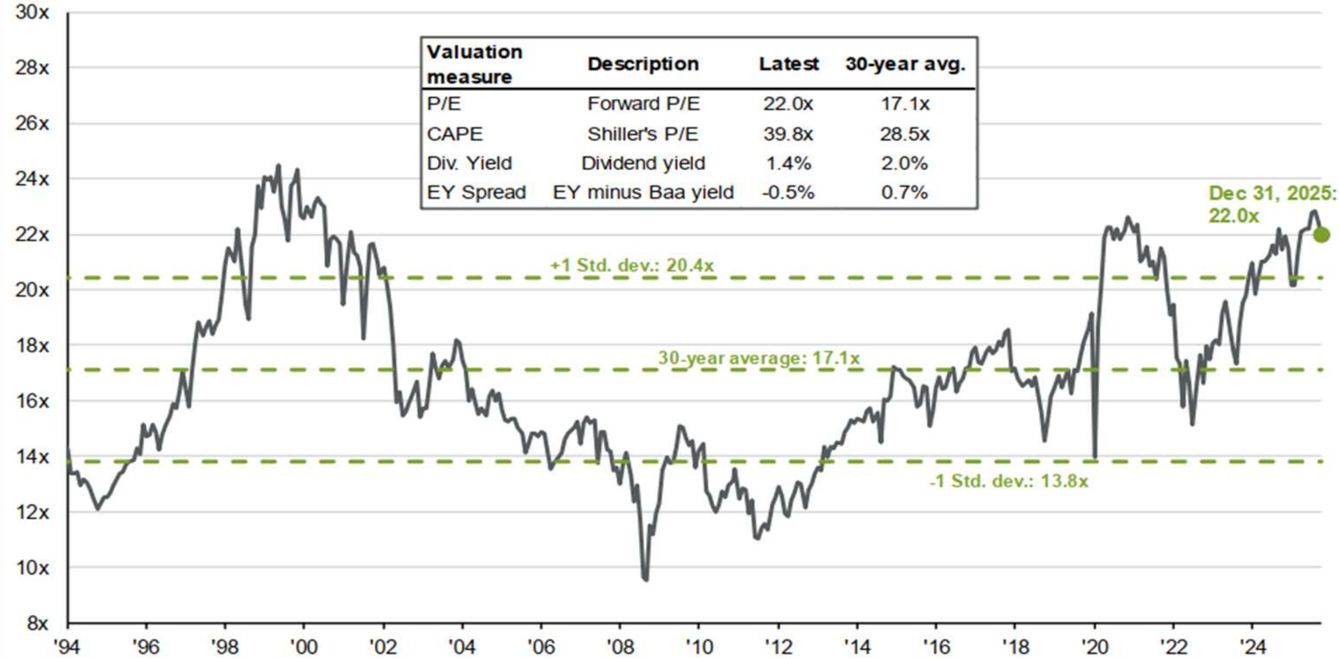
Earnings have been coming in above expectations. Consensus estimates are factoring in solid growth. Earnings risk is noteworthy if a recession occurs.

S&P Fundamental Statistics	2024	2025	2026	Average Growth Since 1991	Average Growth Since 2000	Recessions Since 1990	If Recession Starts in 2026E	Implied Revision
Sales/Shr	$ 1,919	$ 2,054	$ 2,202				$ 2,058	-6.5%
Sales Growth	5.2%	7.0%	7.2%	4.4%	4.8%	0.2%		
Operating EPS	$ 210.10	$ 235.95	$ 271.34				$ 188.95	-30.4%
EPS Growth	8.2%	12.3%	15.0%	9.3%	9.3%	-19.9%		
Dividend Per Share	$ 70.71	$ 93.29	$ 98.58				$ 93.33	-5.3%
Dividend Growth	6.7%	31.9%	5.7%	5.8%	6.7%	0.0%		

Source: Candor Asset Advisors and FactSet

The S&P is elevated versus more recent history

S&P 500 index: Forward P/E ratio



Valuation measure	Description	Latest	30-year avg.
P/E	Forward P/E	22.0x	17.1x
CAPE	Shiller's P/E	39.8x	28.5x
Div. Yield	Dividend yield	1.4%	2.0%
EY Spread	EY minus Baa yield	-0.5%	0.7%

Source: Bloomberg, FactSet, Moody's, Refinitiv Datastream, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
Forward P/E ratio is the most recent S&P500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since March 1994 and FactSet since January 2022. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as consensus estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. EY minus Baa yield is the forward earnings yield (the inverse of the forward P/E ratio) minus the Bloomberg U.S. corporate Baa yield since December 2008 and interpolated using the Moody's Baa seasoned corporate bond yield for values beforehand.
Guide to the Markets – U.S. Data are as of December 31, 2025.

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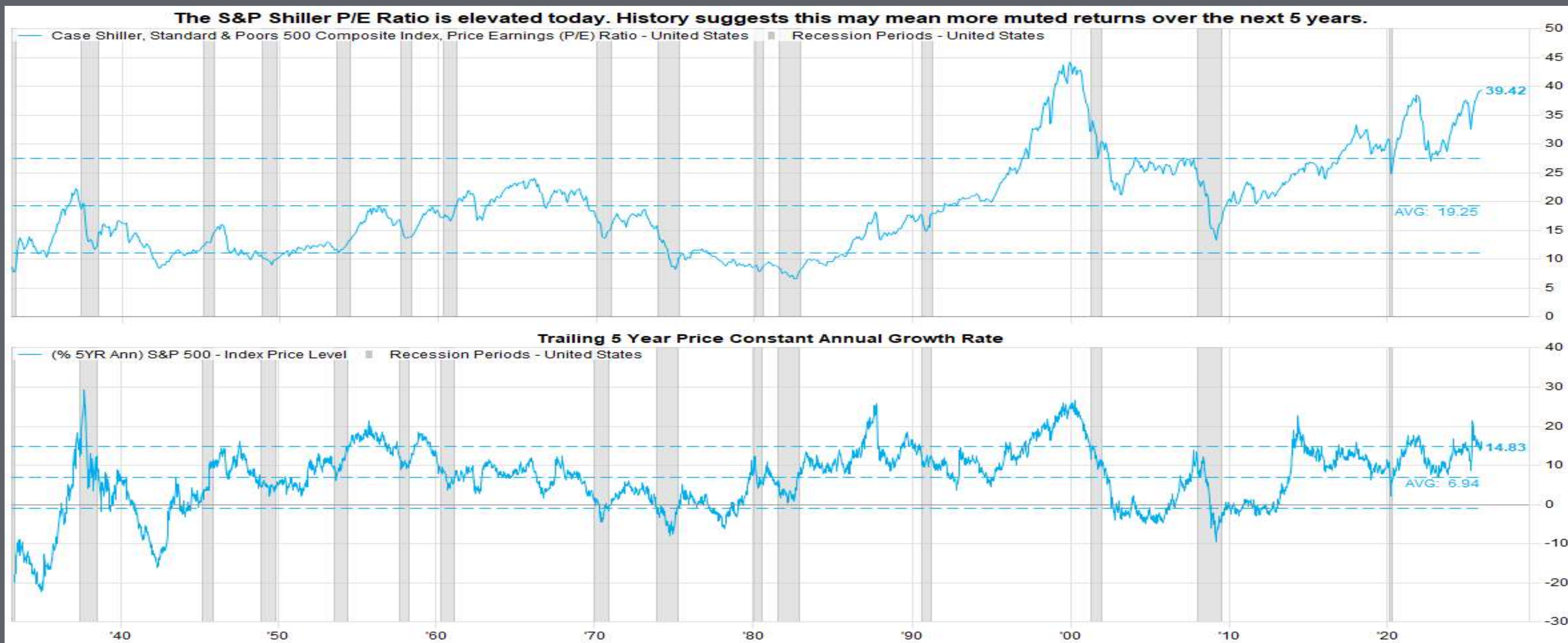
Source: JP Morgan Asset Management
Past performance is not a guarantee or predictor of future performance. Stocks are not guaranteed and have been more volatile than other asset classes.

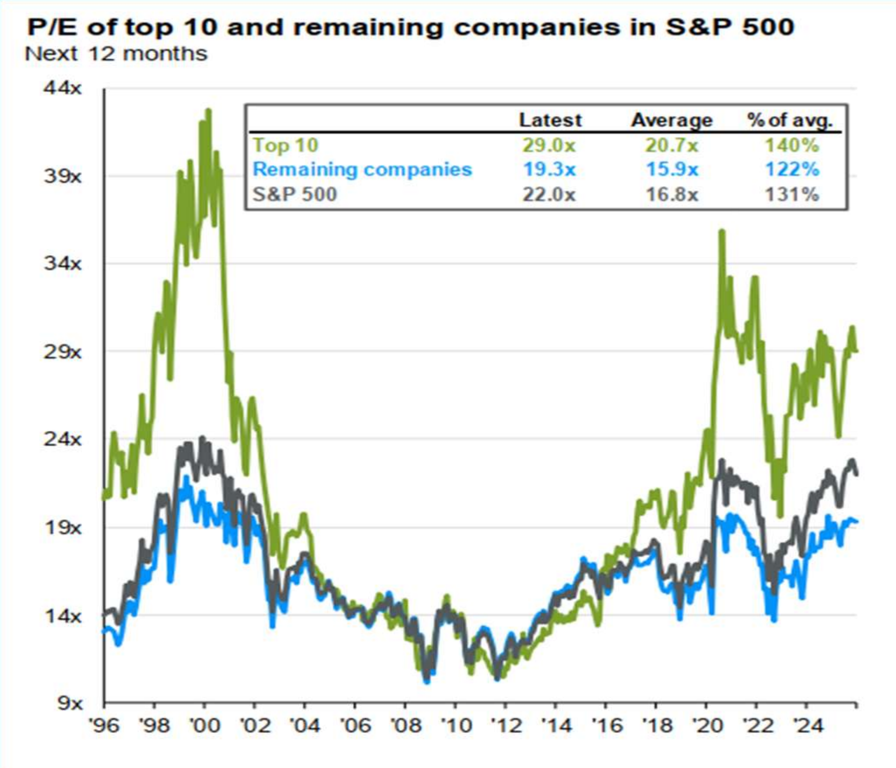
History suggest high valuations usually correlate with lower returns over the next 3-5 years

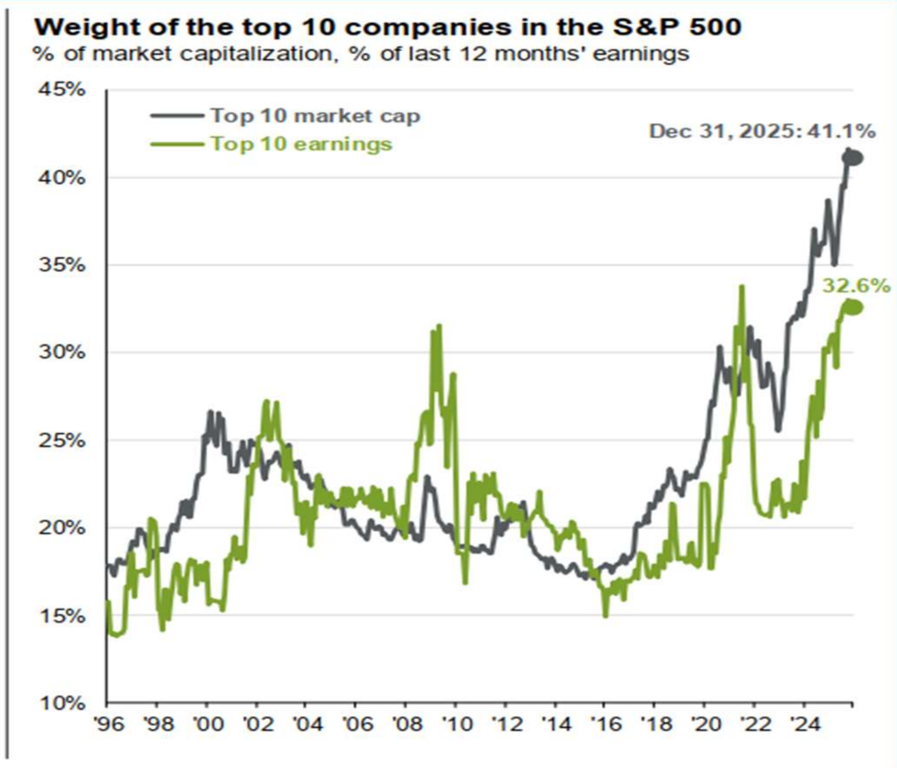


The Shiller P/E ratio is calculated by dividing the current price by the average inflation-adjusted 10-year EPS of an index or company. To calculate the Shiller P/E ratio, you adjust the past ten year's S&P 500 company earnings for inflation using CPI, sum then up and then divide them by 10. The Shiller P/E ratio is also known as the Cyclically Adjusted Price to Earnings (CAPE) Ratio or PE 10 Ratio.

Past performance is not a guarantee or predictor of future performance. Stocks are not guaranteed and have been more volatile than other asset classes.

The top 10 stocks' valuations and S&P weighting are elevated versus the broader market while the earnings contribution is also near historic highs

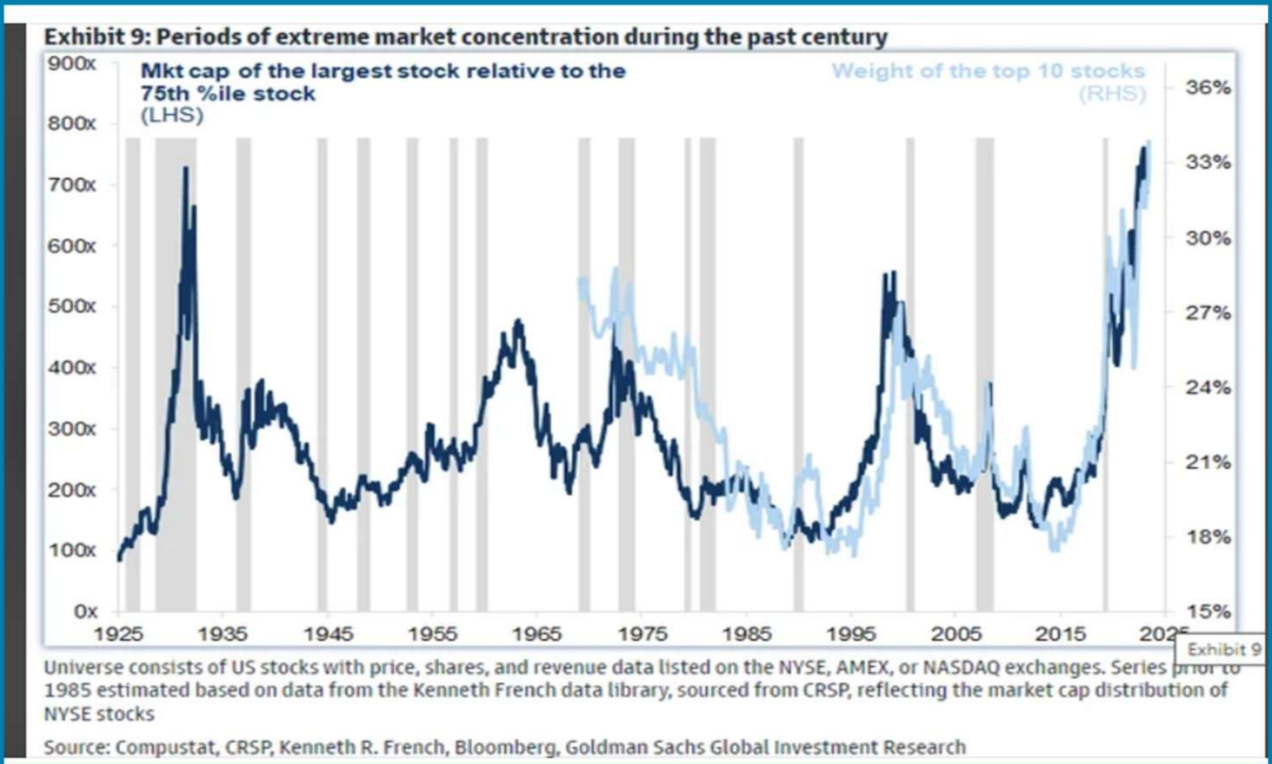




Source: JP Morgan Asset Management

Past performance is not a guarantee or predictor of future performance.

Stock market returns are usually more muted after times of great market concentration. The 2020s have been an outlier to date.



Note, the current top 10 S&P weight as of 12/31/25 is 39%.

Average Annual Large Cap Stock Returns 1925-2024 12.2%

Average Returns During Decades When Stock Market Concentration was more pronounced
1930s 5.3%
1960s 8.7%
1970s 7.5%
2000s 1.2%
2020-2024 15.7%

Source: Ibbotson

8 of the top 10 S&P constituents are primarily tech plays

Top 10 S&P Constituents December 31, 2025					
Rank	Company Name	Ticker	Year Founded	Sector	S&P Weight
1	Nvidia	NVDA	1993	Information Technology	7.4%
2	Apple	AAPL	1976	Information Technology	6.4%
3	Microsoft	MSFT	1975	Information Technology	6.1%
4	Alphabet	GOOGL	1998	Communications	5.0%
5	Amazon	AMZN	1994	Consumer Discretionary	4.0%
6	Broadcom	AVGO	1991	Information Technology	2.6%
7	Tesla	TSLA	2003	Consumer Discretionary	2.1%
8	Meta	META	2004	Communications	2.1%
9	Berkshire Hathaway	BRK.B	1839/1962*	Financials	1.8%
10	Eli Lilly	LLY	1876	Healthcare	1.5%
				Totals	39.0%

Notice how 4 of these companies were founded in the 1990s and 2 were founded in the 2000s.

That is capitalism's creative destruction at work.

4 of the top 10 S&P constituents are betting big on artificial intelligence while Nvidia and Broadcom are heavily tied to AI growth. Oracle and OpenAI are also spending heavily.

Big AI Players Capital Spending in Millions

	2023A	2024A	2025E	2026E	2027E
Nvidia	1,133	3,053	5,552	5,857	5,743
Apple	10,571	10,277	13,075	14,458	15,357
Microsoft	36,298	54,658	82,348	108,522	118,825
Alphabet	32,251	52,535	88,979	112,391	127,556
Amazon	52,279	82,999	123,602	144,641	162,877
Broadcom	468	548	566	691	747
Meta	27,266	37,256	69,860	108,500	123,102
Oracle	7,612	15,290	29,228	39,365	54,394
OpenAI	500	5,600	8,000	29,000	45,000
Totals	**168,378**	**262,216**	**421,210**	**563,425**	**653,601**
Growth		***56%***	***61%***	***34%***	***16%***

Source: FactSet

Big AI Players Cap X/Operating Cash Flow

	2023A	2024A	2025E	2026E	2027E
Nvidia	4%	5%	6%	4%	3%
Apple	9%	9%	11%	10%	10%
Microsoft	35%	43%	54%	60%	56%
Alphabet	32%	42%	57%	60%	58%
Amazon	62%	72%	87%	80%	73%
Broadcom	3%	3%	2%	1%	1%
Meta	38%	41%	64%	84%	80%
Oracle	42%	77%	122%	129%	125%
OpenAI	-33%	-112%	-100%	-171%	-129%
Totals	**32%**	**39%**	**51%**	**55%**	**53%**

Source: FactSet

Is OpenAI
a canary in a coal mine or an elephant?

	OpenAI/ChatGPT	Gemini/Alphabet
Notable Owners	Microsoft 27%, VC Firms, Individuals	Alphabet
Description	Well connected upstart investing aggressively & early leader in AI search	Profitable incumbent with 90% share in traditional search
ChatBot Share Oct. 2025	75.10%	13.40%
Overall Search Share	10%	80%
Status	Private	Public
% of revenues from enterprise	25%	15%
Profits	In Millions	Entire Co. In Millions
2024A	(5,000)	100,118
2025E	(9,000)	129,499
2026E	(20,000)	134,786
2027E	(45,000)	153,176
2028E	(74,000)	170,701
2029E	Less Negative	198,642
2030E	Positive	230,729
Capital spending	In Millions	Entire Co. In Millions
2024A	5,600	52,535
2025E	8,000	88,979
2026E	29,000	112,391
2027E	45,000	127,556
2028E	74,000	129,311
2029E	55,000	129,918
2030E	20,000	136,527
Capital Commitments	In Millions	In Millions
Microsoft	250,000	
Oracle	300,000	
AWS	38,000	
Nvidia	100,000	
AMD	90,000	
Broadcom	350,000	
CoreWeave	22,400	
Other	249,600	
Geographic Commitments		60,500
Total Capital Commitments	1,400,000	60,500

Is Google's search moat going away or being strengthened?

Source:
Google AI overviews &
FirstPageSage.com

Will the AI investment ROIs prove attractive?

- Early data is mixed
- Bears cite: A MIT study highlighted 95% of AI pilots fail to deliver a meaningful financial return. Only 25% of AI projects yield a positive ROI, with just 16% scaling beyond pilot phase.
- Bulls cite: According to SAP, a 16% ROI is expected in one year and 31% within 2 years. According to Financial Times Longitude, successful AI implementors report a 136% ROI over 3 years in the form of strong sales and gross profit growth.

Equity Challenges

- The stock market had a strong 2025 and the US underperformed. The US outperformed most of the last 15 years.
- The stock market follows earnings growth and profitability over time
- Current forecasts assume modest economic growth and easing inflation in 2025 and 2026
- Current sales and profit estimates assume strong growth in 2025 & 2026
- Current sales and profit estimates face significant cuts if a recession occurs
- 10 of 12 stock bear markets since 1945 occurred around a recession.
- The average stock bear market decline since 1945 was 33.6% and it lasted 12 months. It took 1.7 years on average for the S&P to get back to breakeven.

Past performance is not a guarantee or predictor of future performance. Stocks are not guaranteed and have been more volatile than other asset classes.

Equity Challenges Continued

- The S&P’s valuation appears elevated
- Elevated US stock market valuations suggest muted stock returns for the next 3-10 years
- High stock market concentration usually correlates with muted stock returns over the next 3-10 years
- 8 of the top 10 S&P constituents are tech plays
- A number of the S&P’s top constituents are betting big on AI
- Open AI/GPT is an early AI search leader. The company has aggressive capital spending plans, extensive industry tie-ins and doesn’t expect to make a profit until 2030.
- AI return on investment studies are inconclusive to date.

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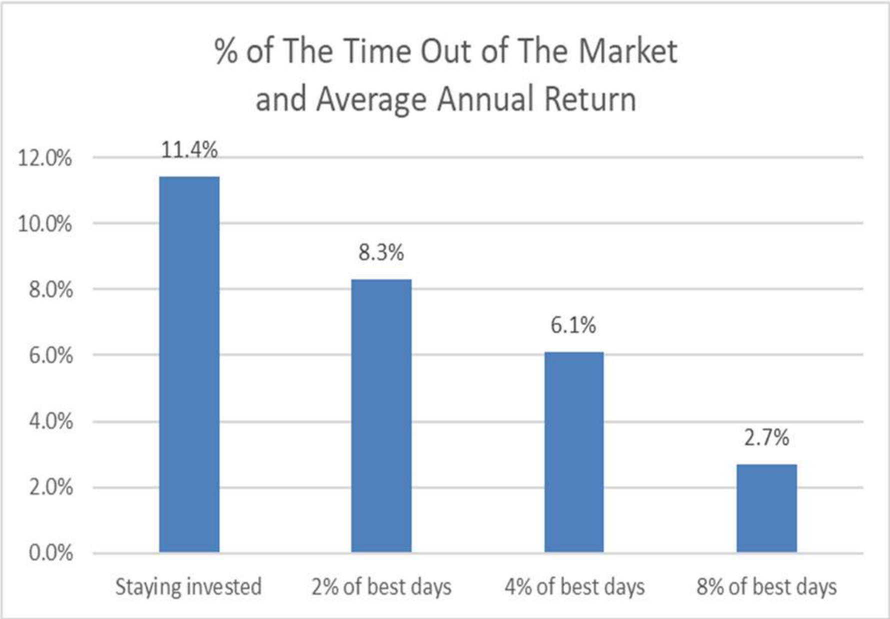
Equities Investment Backdrop

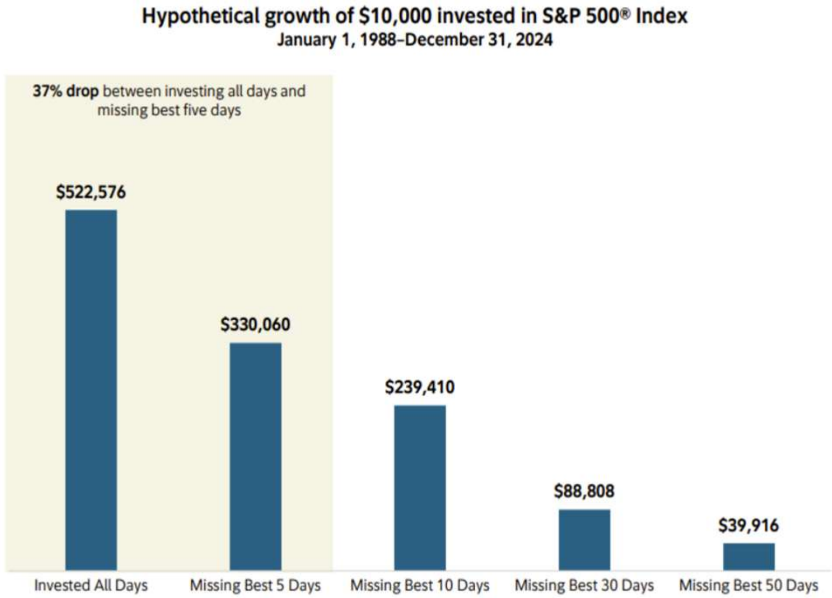
Opportunities

US stock studies since the 1950s have stressed the same thing: The importance of staying invested

1954-1994



1988-2023



Source: Peter Lynch *One Up On Wall Street*, Fidelity

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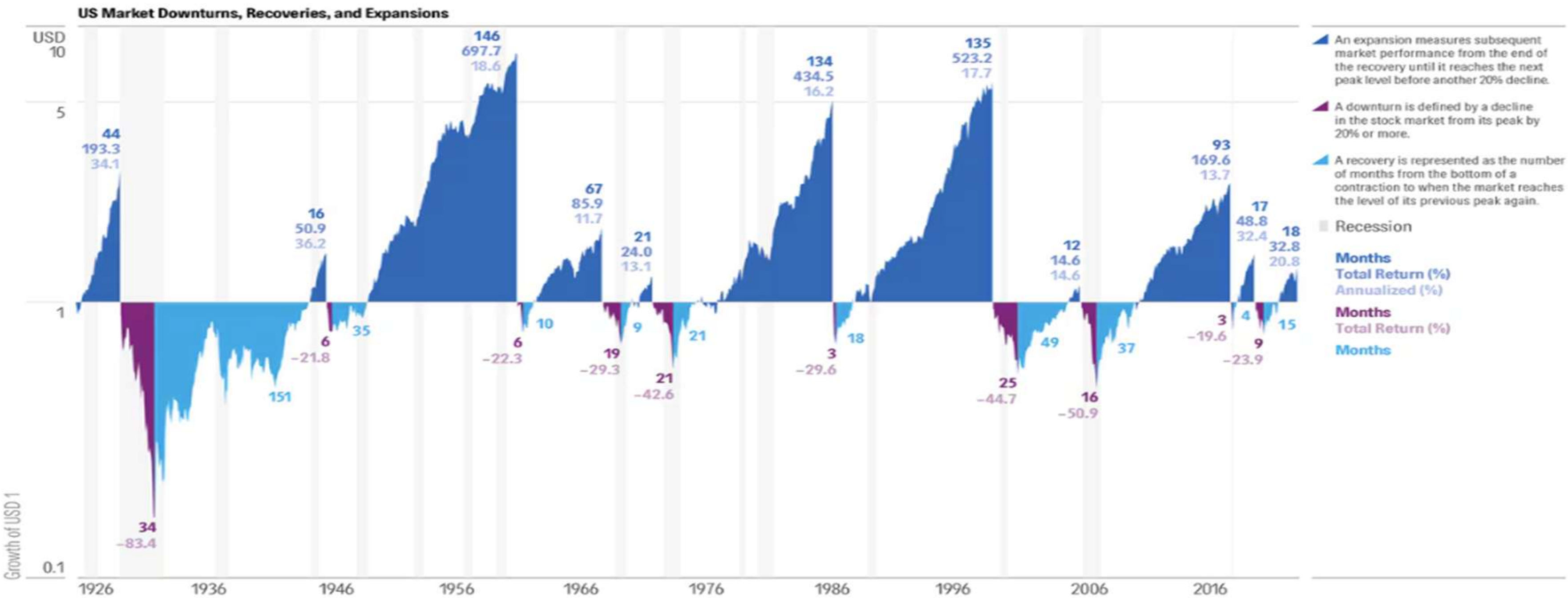
Riding out the current rough patch is usually the best advice for most stock investors. ETF to consider: Vanguard Total Stock Market <VTI> as it is a low-cost global index.

US Market Downturns, Recoveries, and Expansions

US stocks rebounded in Q2 2025 after President Donald Trump paused tariff plans. Growth stocks performed well, and commodities retreated in Q2 but remained up in the year to date.



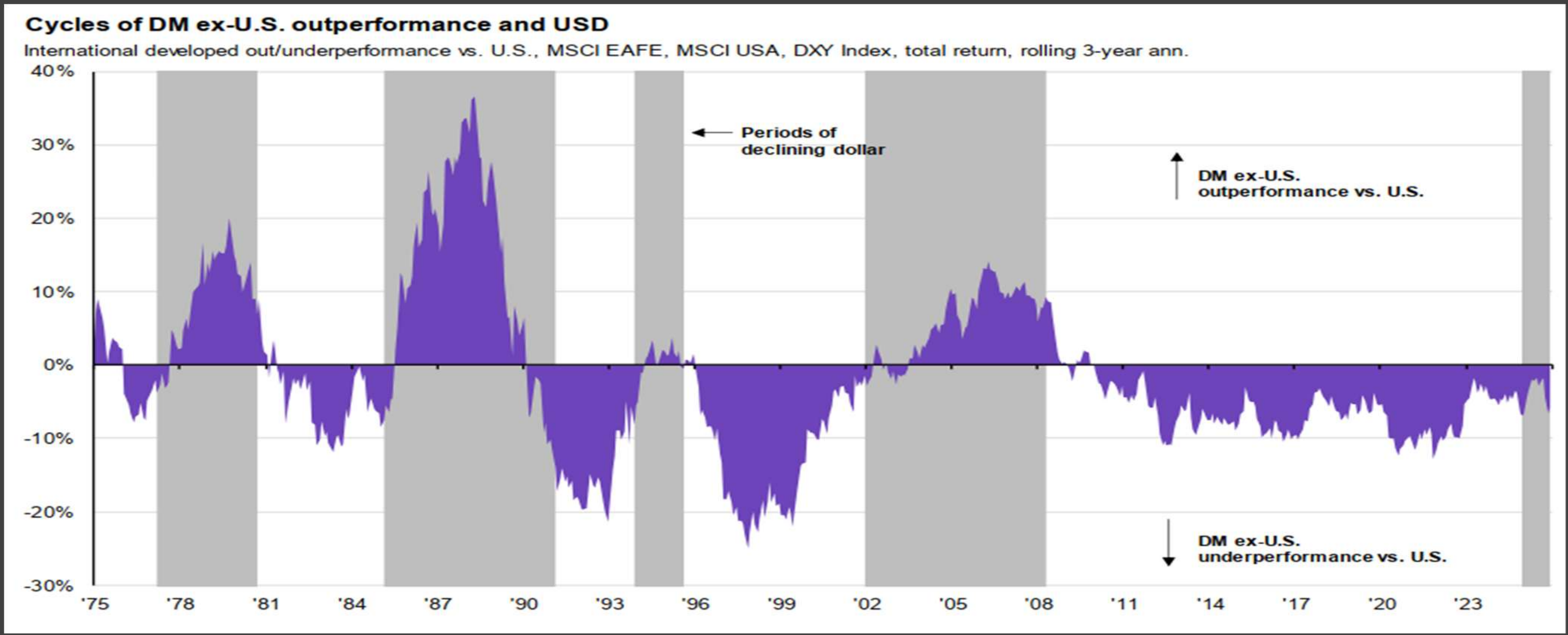
Stocks—Ibbotson Associates SBBI US Large Stock Index. Recession data from the National Bureau of Economic Research. Data as of June 30, 2025.

The US represents 4% of the world's population, 27% of GDP and 64% of world market cap

	2024 GDP	% of Total	Population	% of Total	Current % of Market Cap
US	29.17	26.5%	336,810,000	4.3%	65.00%
Advanced Economies Excluding US	64.68	58.8%	763,190,000	9.6%	25.00%
Emerging and Developing Economies	45.38	41.2%	6,820,000,000	86.1%	10.00%
World	110.06		7,920,000,000	100.00%	

Source: JP Morgan Asset Management and International Monetary Fund
Past performance is no guarantee of future results

US equities have outperformed international developed markets most of the time since 2010. US equities tend to outperform when the US $ is stronger.



Source: JP Morgan Asset Management

Past performance is no guarantee of future results

More rapid US government spending should make the US dollar less attractive over time

Fiscal Deficit/GDP.... The US Government Is Borrowing At A Great Pace Each Year											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
US	-14.1	-11.4	-3.7	-7.8	-8.0	-7.4	-7.9	-8.0	-8.1	-7.7	-7.6
EU	-6.7	-4.6	-3.1	-3.5	-3.1	-3.3	-3.5	-3.6	-3.6	-3.6	-3.6
UK	-13.2	-7.7	-4.6	-6.1	-5.7	-4.3	-3.6	-3.0	-2.7	-2.5	-2.2
Canada	-10.9	-3.1	0.6	0.1	-2.0	-2.2	-2.4	-2.1	-2.0	-1.7	-1.5
Advanced Economies	-10.3	-7.3	-2.9	-4.9	-5.0	-4.6	-4.9	-4.9	-5.0	-4.8	-4.8
Developing Economies	-8.4	-4.9	-4.8	-5.1	-5.5	-6.1	-5.9	-5.7	-5.4	-5.3	-5.2

Net Debt/GDP... US Government Debt Is Rising Faster Than Peers											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
US	96.1	95.9	92.0	94.5	97.4	99.6	103.0	106.6	110.2	113.6	116.8
EU	72.2	70.2	67.7	67.1	67.8	69.0	70.6	71.8	73.0	74.1	75.3
UK	93.1	91.7	89.8	91.8	93.7	94.6	95.9	96.4	96.8	96.9	96.4
Canada	16.3	14.2	13.6	14.4	12.5	13.3	14.1	14.8	15.5	15.8	15.9
Advanced Economies	85.1	82.2	78.5	78.8	79.8	81.0	82.6	84.5	86.4	88.2	89.8

Source: International Monetary Fund

Notable firms see more return potential abroad

Vanguard

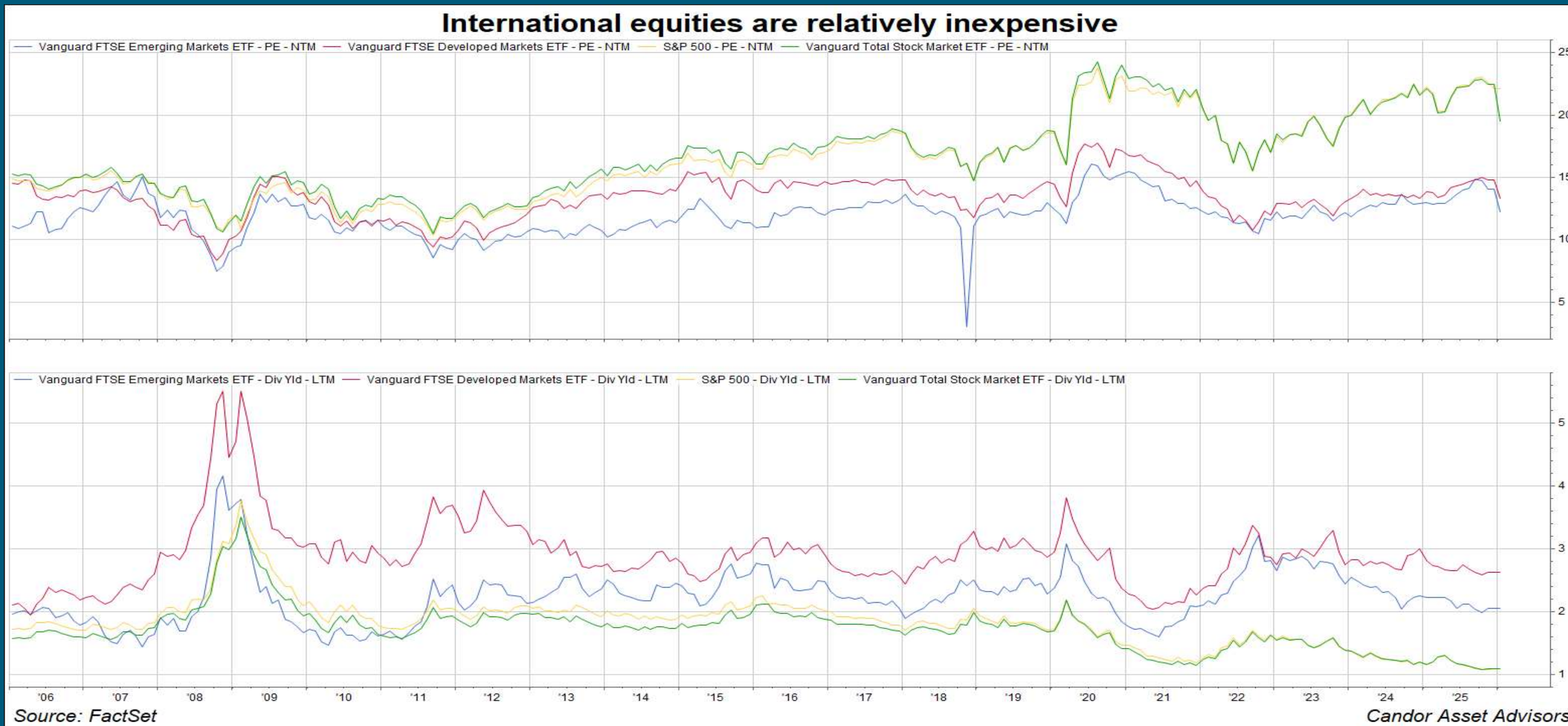
- 10 year NOMINAL average annual return forecasts
  - US Equities +2.8-4.8%
    - US large cap +2.7-4.7%
    - US small cap +4.3-6.3%
  - International Equities +4.9-6.9%
    - Developed Economies Ex US +5.3-7.3%
    - Emerging Markets +3.2-5.2%

Research Affiliates

- 10 year REAL average annual return forecasts
  - US Equities
    - US large cap +0.5%
    - US small cap +4.8%
  - International Equities
    - Developed Markets Ex US +5.5%
    - Emerging Markets +5.1%

Source: Vanguard 10/22/25 forecast, Research Affiliates Asset Allocation Interactive

Past performance is not a guarantee or predictor of future performance. Stocks are not guaranteed and have been more volatile than other asset classes.



ETFs to consider for international broad equity exposure: Vanguard FTSE Developed Market ETF <VEA> and Vanguard FTSE Emerging Market ETF <VWO>

Past performance is not a guarantee or predictor of future performance. Stocks are not guaranteed and have been more volatile than other asset classes.

Capitalism is characterized by creative destruction. Companies have a hard time staying on top by market capitalization.

Top 10 S&P 500 companies by market capitalization

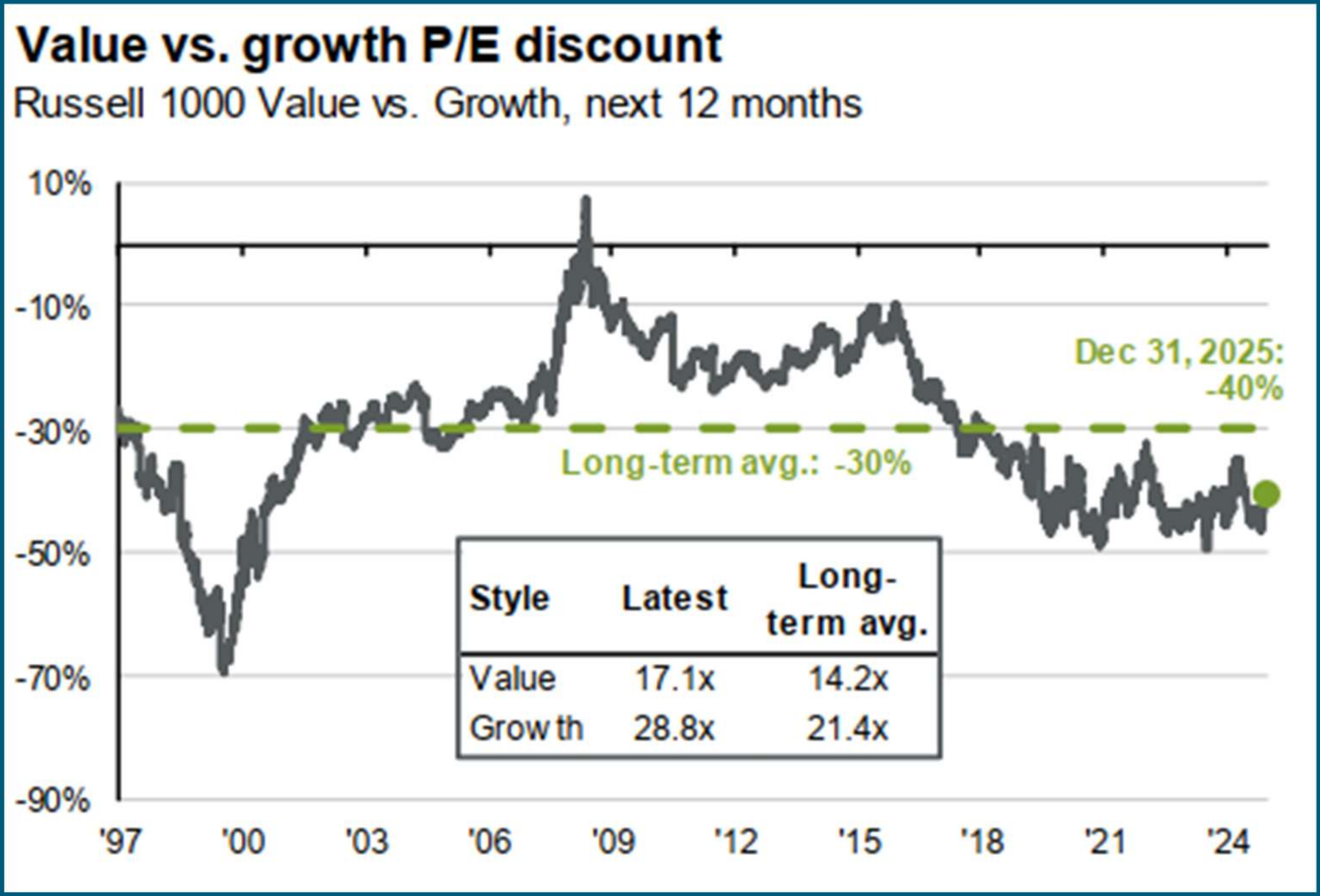
Percent of S&P 500 market capitalization as of the first day of the indicated year

Source: Bloomberg, Standard & Poor's, J.P. Morgan Asset Management.
Companies are organized from highest weight at the bottom to lowest weight at the top. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of December 31, 2025.

J.P.Morgan
ASSET MANAGEMENT

S&P equal weight is relatively attractive vs the market cap weighted S&P 500

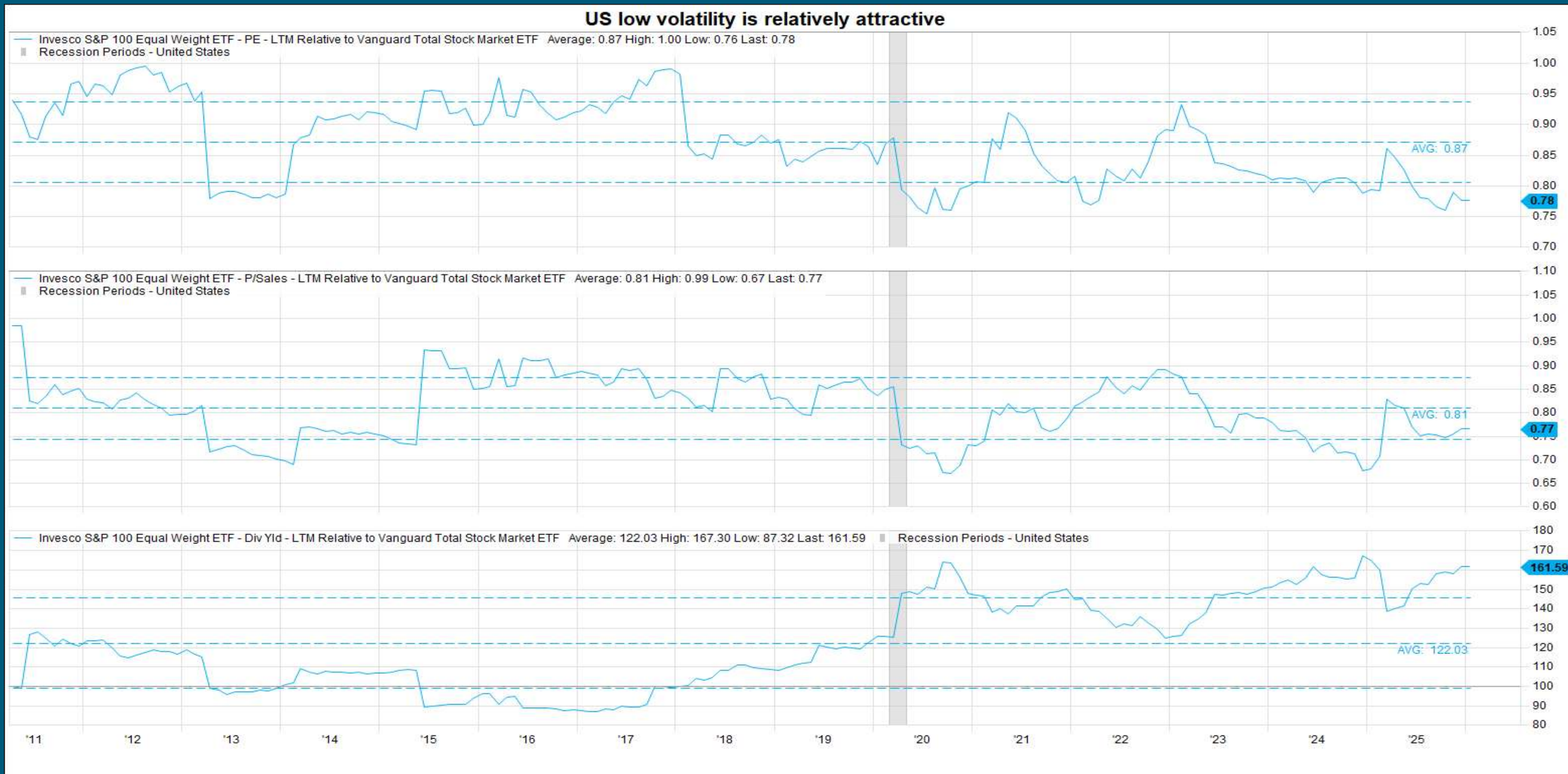
US value looks relatively attractive



Style	Latest	Long-term avg.
Value	17.1x	14.2x
Growth	28.8x	21.4x

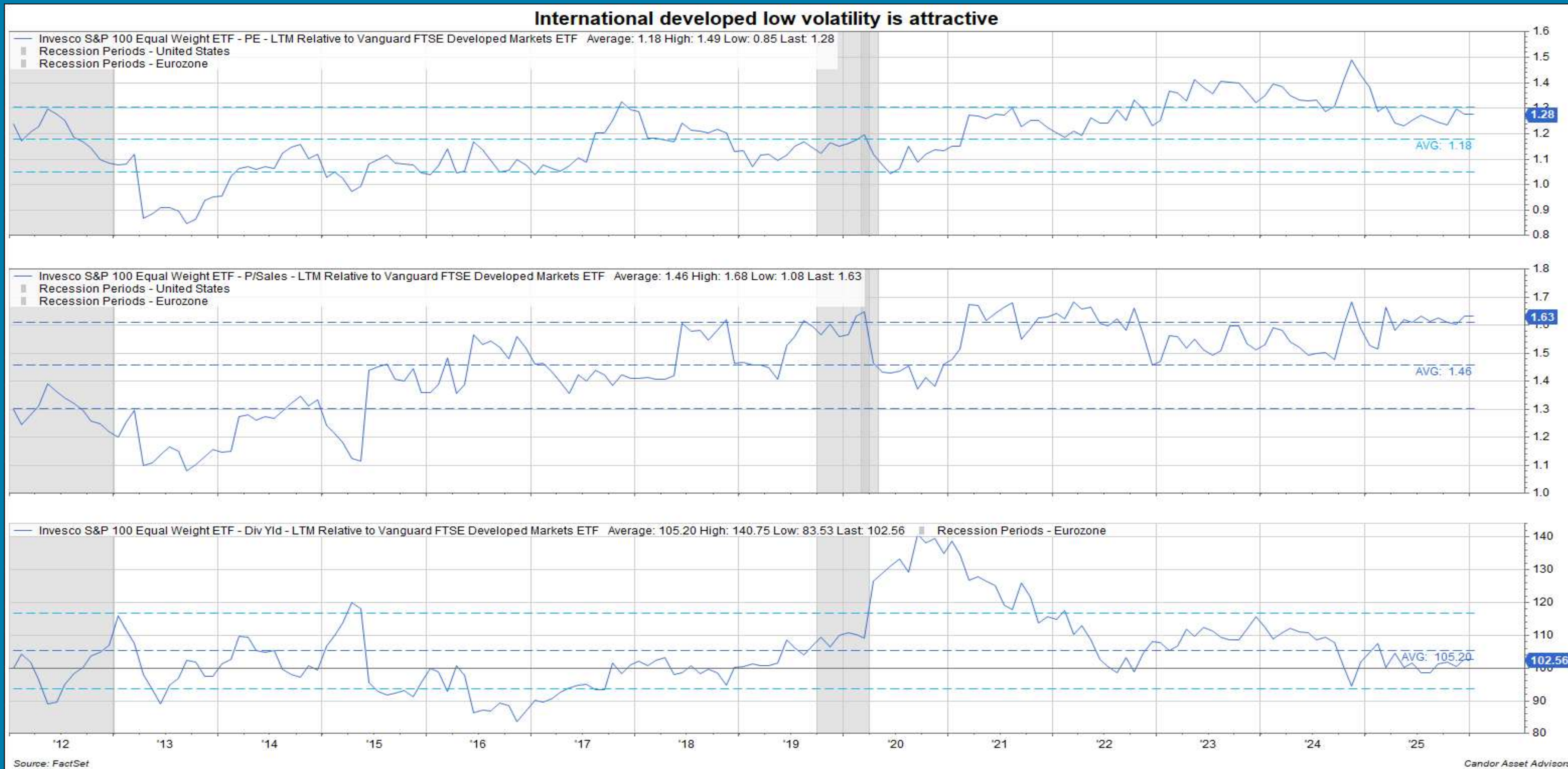
Source: JP Morgan Asset Management

Past performance is no guarantee of future results



ETF to Consider for US Low Volatility Exposure: iShares MSCI USA Minimum Volatility <USMV>

Past performance is not a guarantee or predictor of future performance.



ETF to Consider for EAFE Low Volatility Exposure: Invesco S&P International Developed Low Volatility <IDLV>

Past performance is not a guarantee or predictor of future performance.

Stocks Sector Bottom-Up Analysis
Attractive Sectors: Communications & Energy
Unattractive Sectors: Consumer Discretionary, Materials and Real Estate

	Risk-Reward Current	Down-Side	Up-Side	CAGR to Fair Value	CAGR to Sell
Total/S&P 500	**0.51**	**-37%**	**19%**	**5%**	**10%**
Materials	(0.08)	−51%	−4%	−1%	+4%
Communication Services	2.54	−21%	+54%	+13%	+18%
Consumer Discretionary	(0.10)	−49%	−5%	+1%	+5%
Consumer Staples	0.11	−43%	+5%	+3%	+7%
Energy	0.95	−33%	+32%	+10%	+15%
Financials	0.46	−37%	+17%	+5%	+10%
Health Care	0.20	−43%	+9%	+2%	+6%
Industrials	0.34	−38%	+13%	+4%	+9%
Real Estate	(0.49)	−69%	−34%	−5%	−0%
Information Technology	0.58	−35%	+20%	+5%	+9%
Utilities	0.11	−48%	+5%	+6%	+10%

Source: Candor Asset Advisors

Equity Opportunities

- Trying to time the market is often a fool's errand because a significant portion of returns occur in short periods of time
- Bull markets often exceed bear markets in duration and magnitude
- The US % of world market capitalization is near highs
- US outperformance is often cyclical and associated with a stronger dollar, and the US has outperformed for an extended period recently
- US fiscal policies may cause the US dollar to weaken over the intermediate term
- International developed and emerging markets’ valuations are only slightly elevated, and the relative valuation gap is attractive versus the US
- Consider broadening out your US equity exposure
- US & international developed low volatility stock funds and US value look relatively attractive
- Stock sector wise communications and energy look relatively attractive

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Fixed Income Investment Backdrop

Ballast for a portfolio

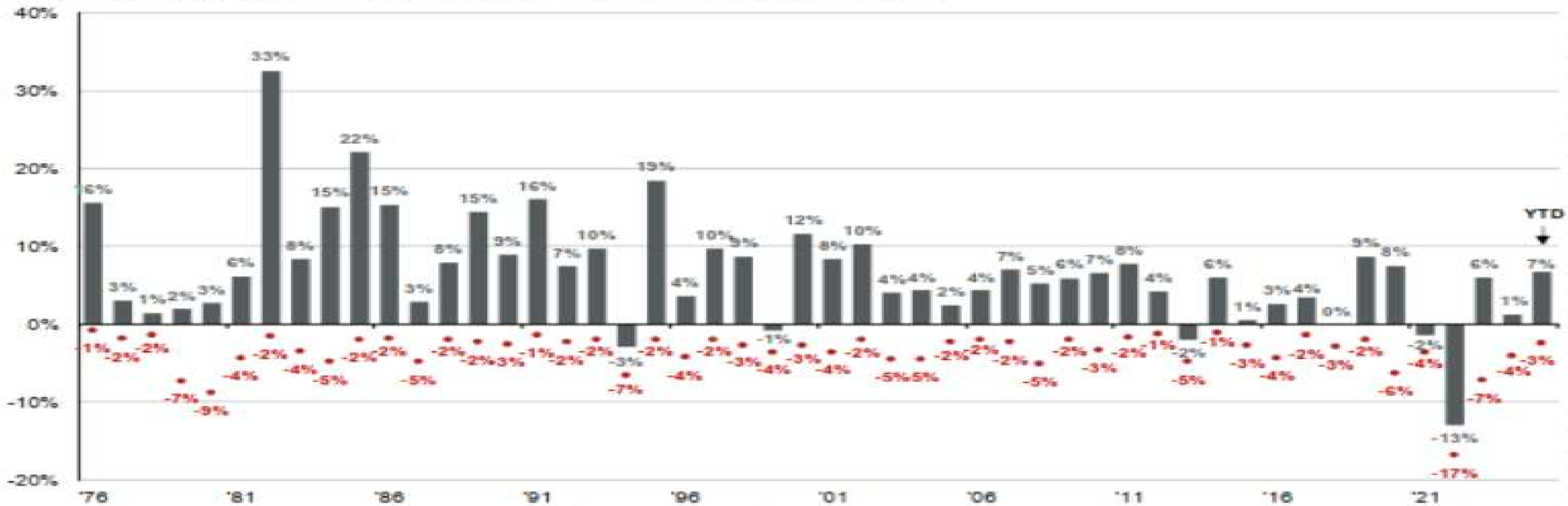
Fixed income is often less volatile than stocks

Bloomberg U.S. Agg. annual returns and intra-year declines

GTM | U.S. | 41

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

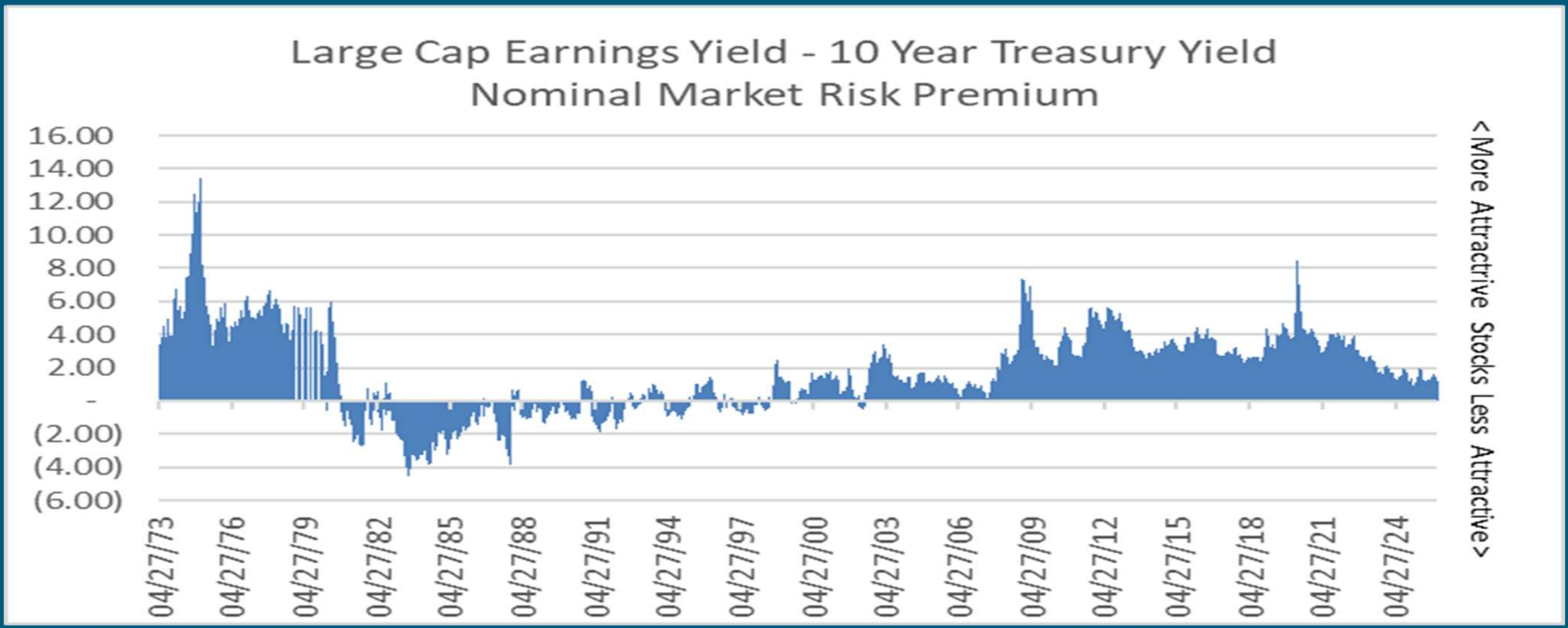
Despite average intra-year drops of 3.5%, annual returns were positive in 44 of 49 years



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. Returns shown are calendar year returns from 1976 to 2024, over which time period the average annual return was 6.5%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward. For illustrative purposes only. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of November 13, 2025.

J.P. Morgan
ASSET MANAGEMENT

With the recent rise in rates and the stock market rally, US stocks don’t look as attractive versus fixed income



Source: Value Line Investment Survey

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Fixed Income returns have been solid and have acted as a portfolio diversifier.

International debt returns were helped by a weaker US $

	Local yield		USD yield	2025 Return			
Aggregates	12/31/2025	12/31/2024	12/31/2025	Local	USD	Duration	Correlation to U.S. 10yr
U.S.	4.32%	4.91%	-	7.30%	7.30%	6.0 years	0.93
Gbl. ex-U.S.	2.99%	2.85%	-	-	8.66%	6.6	0.71
Canada	3.62%	3.75%	5.07%	2.93%	7.99%	6.6	0.57
Japan	2.04%	1.26%	4.68%	-5.40%	-5.15%	8.3	0.70
Germany	2.84%	2.70%	4.52%	-0.45%	12.90%	5.9	0.66
UK	4.38%	4.66%	4.14%	5.02%	12.79%	7.4	0.60
Italy	3.09%	3.11%	4.77%	3.10%	16.94%	6.1	0.53
China	1.79%	1.64%	3.90%	0.47%	4.94%	5.9 years	0.50
Sector							
Euro Corp.	3.23%	3.18%	4.91%	3.03%	16.86%	4.4	0.46
Euro HY	5.83%	6.03%	7.51%	4.86%	18.93%	3.4	0.06
EMD (USD)	6.80%	7.86%	-	-	14.30%	6.2	0.41
EMD (LCL)	5.87%	6.39%	-	10.12%	19.26%	5.4	0.33
EM Corp.	5.90%	6.56%	-	-	8.73%	5.2	0.32

Source: JP Morgan Asset Management
Past performance is not a guarantee or predictor of future performance.

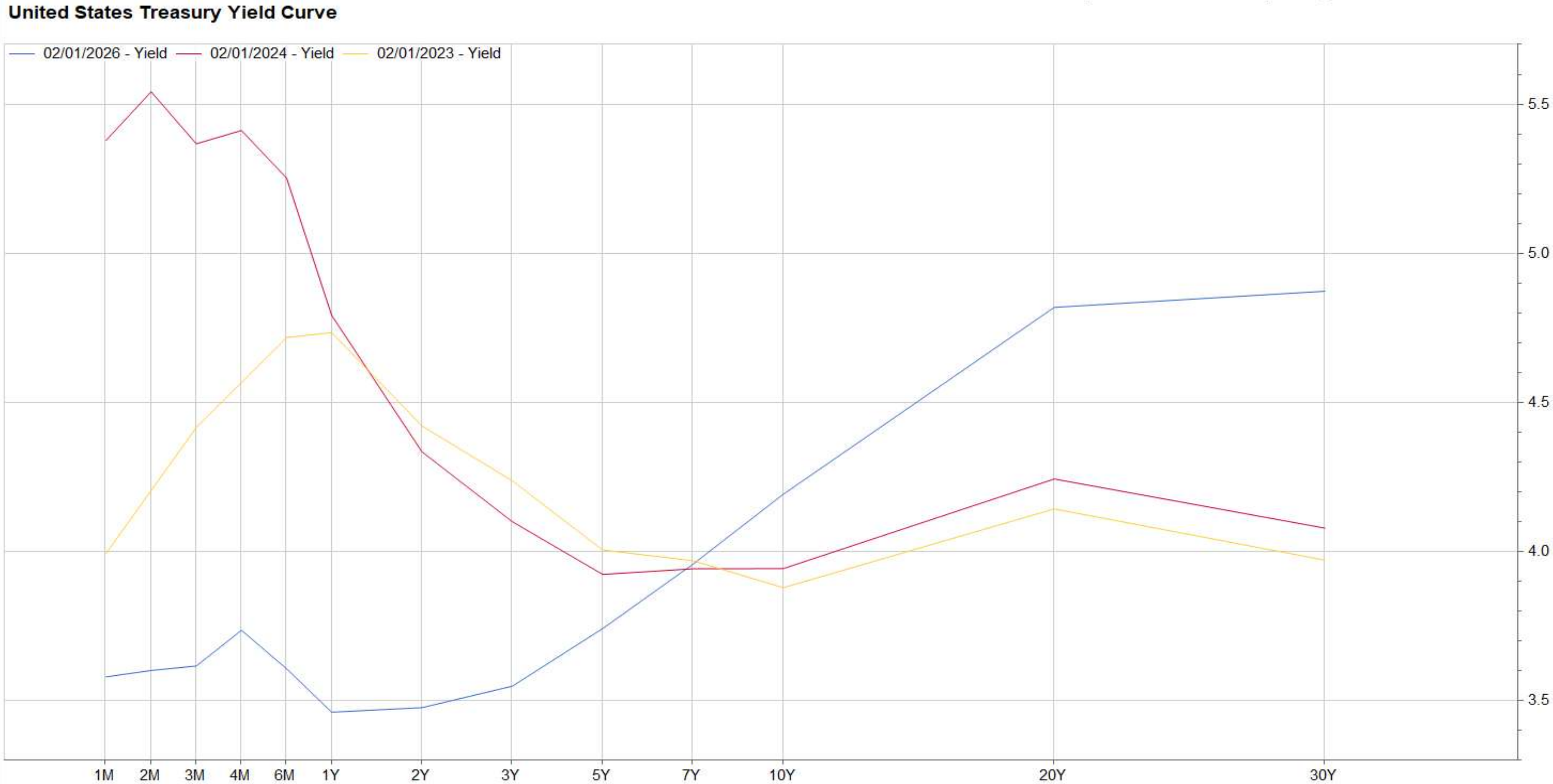
US fixed income returns were 3-9% in 2025.

US treasury debt has weak correlations to the S&P 500 while convertibles and US high yield are highly correlated to the S&P.

	Yield		Return			
U.S. Treasuries	12/31/2025	12/31/2024	2025	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	3.47%	4.25%	4.95%	2 years	0.74	0.02
5-Year	3.73%	4.38%	7.15%	5	0.94	0.02
TIPS	1.69%	2.13%	7.01%	7.1	0.75	0.37
10-Year	4.18%	4.58%	8.19%	10	1.00	-0.01
30-Year	4.84%	4.78%	3.73%	30	0.93	-0.05
Sector						
U.S. Aggregate	4.32%	4.91%	7.30%	8.2	0.91	0.29
IG Corps	4.81%	5.33%	7.77%	10.4	0.70	0.51
Convertibles	5.27%	6.13%	17.78%	-	0.01	0.86
U.S. HY	6.53%	7.49%	8.62%	4.8	0.12	0.79
Municipals	3.60%	3.74%	4.25%	13.5	0.73	0.32
MBS	4.63%	5.27%	8.58%	7.3	0.83	0.30
ABS	4.69%	5.38%	6.02%	2.2	0.39	0.29
Leveraged Loans	8.13%	8.68%	5.99%	4.7	-0.20	0.61

Source: JP Morgan Asset Management; Past performance is not a guarantee or predictor of future performance.

The Yield Curve Has Gone From Inverted To Upward Sloping



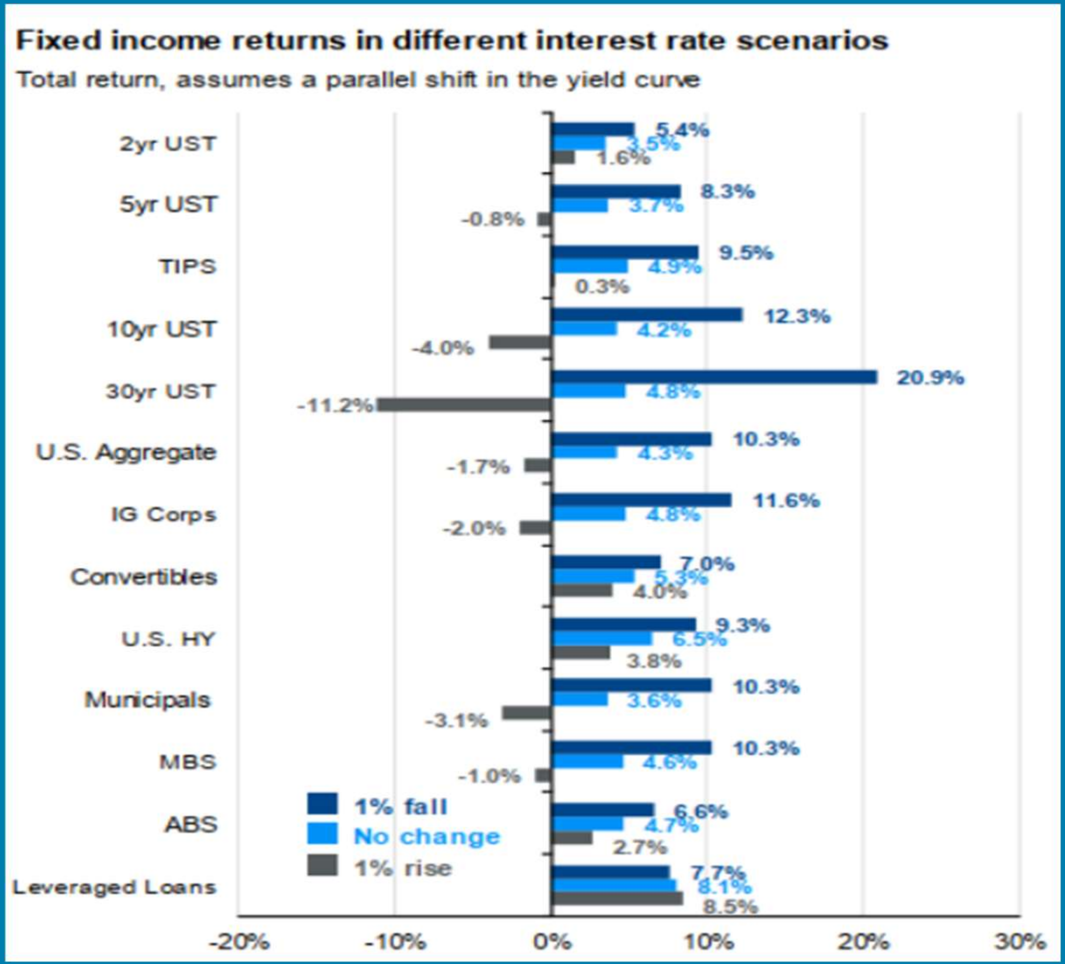
Source: FactSet

In treasuries the short and intermediate end of the curve offer relative value.

Investment grade corporates look ok.

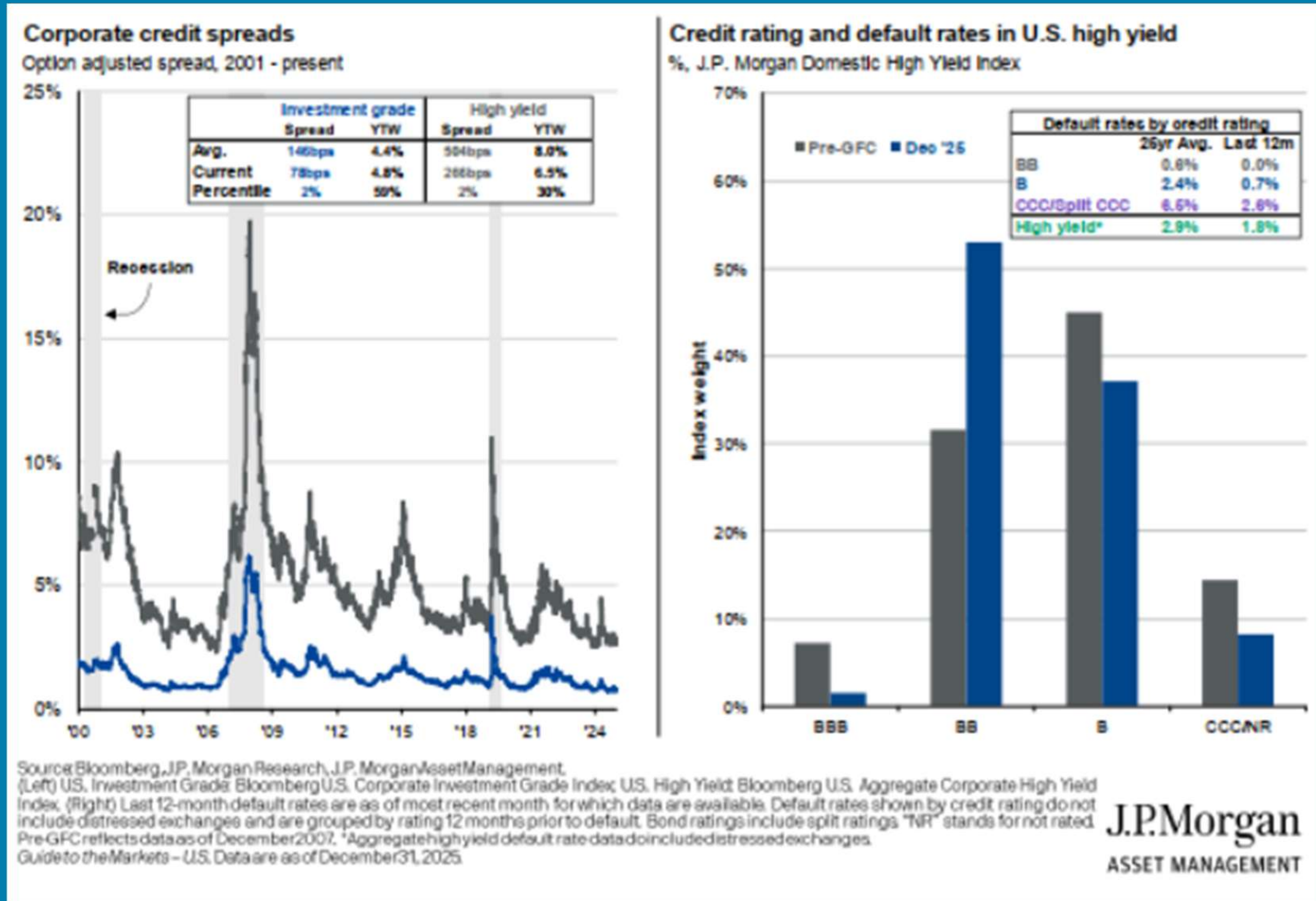
Converts and US high yield returns are more tied to equities than interest rate moves.

TIPS, MBS, ABS and leverage loans seem well positioned for a change in rates.



Source: JP Morgan Asset Management; Past performance is not a guarantee or predictor of future performance.

Fixed income corporate spreads are tight while default rates are low



Do you want to lock in real yields? If so, consider Treasury Inflation Protected Securities that offer 1.5-2.7% real rates.

Fixed Income Conclusions

- Fixed income is less volatile than stocks over the long run
- Fixed income has become relatively attractive versus stocks
- International yields have been helped by a weaker US dollar
- Short and intermediate treasuries look more relatively more attractive
- MBS and ABS appear well positioned for a change in rates
- Corporate investment grade and high yield spreads are tight now
- TIPS offer relative value

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For more information

- Check out our website at:

www.candorassetadvisors.com

- We discuss where we see opportunities in stocks, fixed income and other asset classes in our investment strategy commentaries

- Sign up to receive our insights by emailing us at:
  - info@candorassetadvisors.com

- To schedule a conversation, use the following link:
  - https://calendly.com/bhawes-1/brief_conversation

William E. Hawes, CFA, CFP®
President and Chief Investment Officer

With over 27 years of industry experience, Bill brings a wealth of knowledge in investment management and financial planning. Prior to earning his MBA, Bill worked in mortgage banking and insurance, and the insights gained provided him with a broader perspective of the financial issues facing clients.

Bill has been a Chartered Financial Analyst since 2000 and is a Certified Financial Planner. Bill also enjoys golf, travel, studying history, watching his favorite sports teams, and spending time with family.

Before founding Candor Asset Advisors®, Bill co-created and managed Century Management's Large Cap Absolute Value and Large Cap Value strategies. Bill also analyzed companies in a variety of industries for the firm's all-cap value strategy.

Prior to moving back to Texas, Bill served as an equity analyst for Engemann Asset Management in Southern California. He co-managed a mid-cap growth fund and served as a multi-sector analyst for the mid-cap and large-cap growth teams.

After graduate school, Bill served as co-portfolio manager and equity analyst at Franklin Templeton. While there he served as portfolio manager on All Cap, Large Cap Core, and Consumer Sector portfolios. Notable institutional clients included CalPers, Mitsui Trust, Norges Bank, and Penn Mutual. He also spent considerable time analyzing auto, transportation, and consumer stocks.

Bill earned his Master in Business Administration from the University of Southern California. While there he also served on USC's MBA student investment fund.

Between his graduate and undergraduate studies, Bill worked at North American Mortgage Company in California as a management trainee and later as a financial analyst and marketing coordinator. The experience gave him a better understanding of the mortgage and real estate markets which he leverages to this day.

Bill earned his Bachelor of Business Administration from the University of Texas at Austin. While a student, he also served as a special agent for Northwestern Mutual. The experience gave him an understanding of life and disability insurance and the work ethic, tools, and temperament needed to grow a financial services practice.

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Disclosures

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- Stocks are not guaranteed and have been more volatile than other asset classes. Government bonds and Treasury bills are guaranteed by the full faith and credit of the United States government as to the timely payment of principal and interest.
- **Exchange Traded Funds (ETF's) are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from the Fund Company or your financial professional. Be sure to read the prospectus carefully before deciding whether to invest. An investment in the Fund involves risk, including possible loss of principal.**
- Fixed income securities are subject to increased loss of principal during periods of rising interest rates. Fixed income investments are subject to various other risks, including changes in credit quality, liquidity, prepayments, and other factors. REIT risks include changes in real estate values and property taxes, interest rates, cash flow of underlying real estate assets, supply and demand, and the management skill and creditworthiness of the issuer.
- Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices does not account for any fees, commissions or other expenses that would be incurred. Returns do not include reinvested dividends.

Disclosures Continued

- The S&P 500 Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent US equities.
- The Bloomberg Barclays US Aggregate Bond Index, or the Agg, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Investors frequently use the index as a stand-in for measuring the performance of the US bond market.
- The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
- The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.
- Diversification does not eliminate the risk of experiencing investment losses.
- Unless otherwise stated charts came from FactSet.
- Financial plans are hypothetical in nature and intended to help you in making decisions on your financial future based on information that you have provided and reviewed. Assumptions need to be reviewed regularly.
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