



# **Market Outlook: The “K” Divide**

*Q1, 2026*



**It's the K-shaped economy without question. You're seeing significant stability and growth at the high end and some moderate signs of stress at the low end."**

**Brendan Coughlin, Citizens Financial President**



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# Summary

A concise review of the prior quarter, portfolio positioning and rationale, and an outline of the key themes and asset allocation priorities for the quarter ahead.

## Market Commentary:



### Equity

U.S. corporate earnings remain resilient, supported by the fiscal backdrop, declining rates, and continued AI-related investment. Valuations for U.S. large-cap stocks are at historically elevated levels, while small caps have staged a sharp rebound, underpinned by constructive forward earnings expectations.



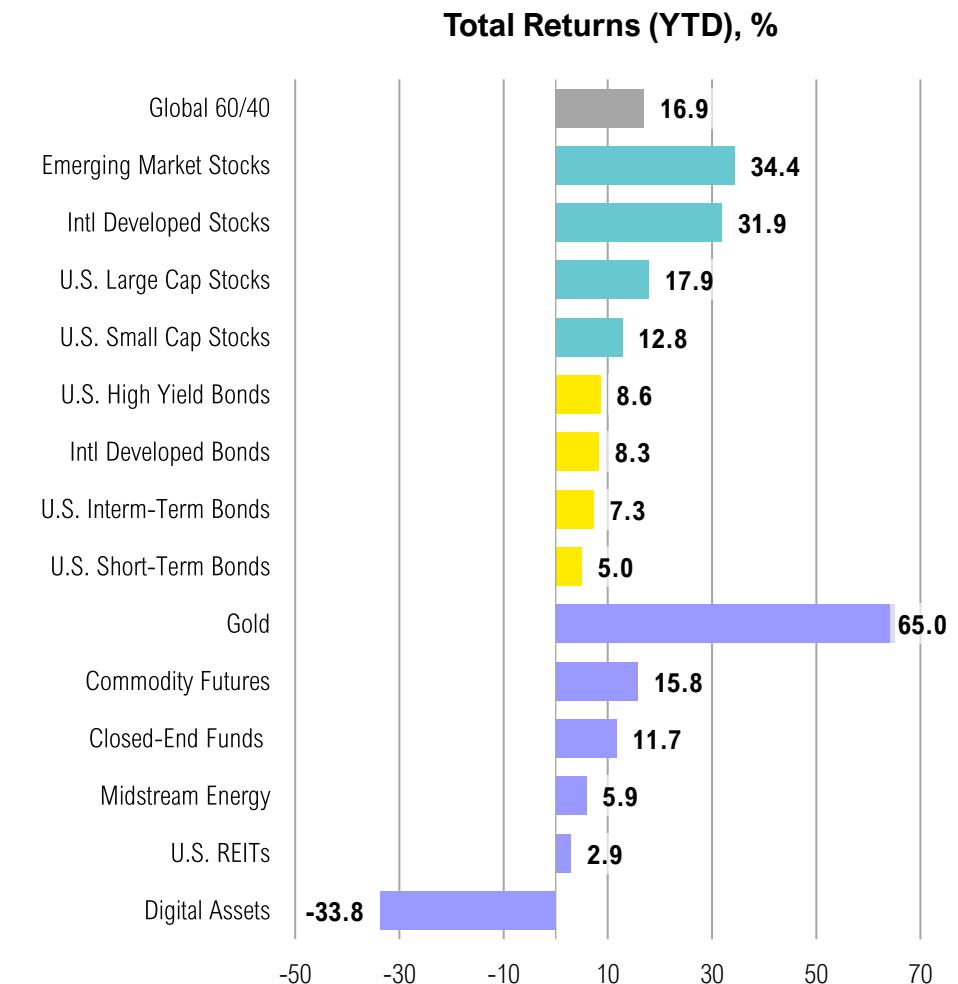
### Fixed Income & Credit

Bond yields remained contained over the quarter, with the yield curve steepening slightly as markets responded to modest improvements in the fiscal deficit, contained inflation, and easier monetary policy. Credit spreads remain tight suggesting continued economic resilience and markets still comfortable with current levels of fiscal spending.



### Diversifiers

While previously underowned themes like uranium, gold, and cryptocurrencies have attracted flows as the 'debasement' theme has become more popular, fundamentals remain constructive. We continue to see opportunities in biotech, discounted closed-end funds, and select countries and sectors. Recent private credit concerns are creating opportunities in select BDCs.



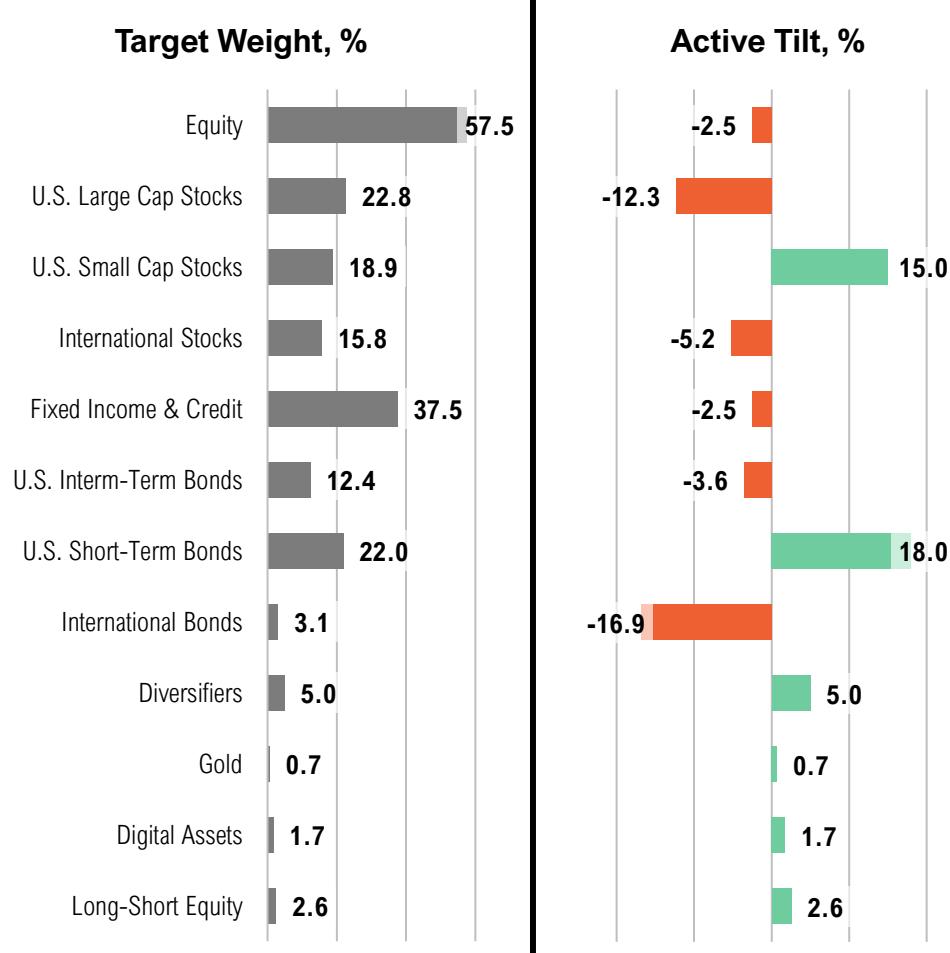
## Positioning:



## Equity

We remain risk-on, given fiscal and monetary tailwinds to nominal growth, but have emphasized active managers and are taking incremental steps to reduce risks, and redeploy to out-of-favor parts of the market and managers.

- **Late Q3: Added to Brazil on breakout of long-term resistance; trimmed EM, ACWI, given rally.**



## Fixed Income & Credit

Moderating inflation has stabilized yields and stopped the yield curve from steepening, reducing the attractiveness of longer-term bonds. Absent a meaningful inflation shock, political and policy dynamics suggest a very market-friendly Fed by the middle of 2026.

- **Late Q3: Trimmed duration by ~1 year given significant move lower in yields.**
- **Q4: Added to BDCs given attractive valuations.**



## Diversifiers

While previously underowned themes like uranium, gold, and bitcoin have attracted flows as the 'debasement' theme has become more popular, fundamentals remain constructive. We continue to see opportunities in biotech, discounted CEFs, and select countries. Recent private credit concerns are creating opportunities in select BDCs.

- **Early Q4: Added to long/short equity given mean reversion potential.**
- **Late Q4: Exited platinum; rotated silver into gold.**
- **Early Q1,26: Initiated Basic Materials, added to China tech and robotics.**

Target weights represent look-through allocations for SpringTide Global Opportunities and SpringTide Tactical Opportunities in an 85/15 blend. Figures shown may be rescaled or an approximation and are not reflective of actual trade sheets. Please refer to the portfolio look-through reports and trade sheets for further detail.

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**As long as inflation is near 3%, they keep going, as long as the 10-year yield is 4.5% or lower, they keep going. And they'll keep cutting as much as the internal dynamics allow them to. That's how I think about where rates are going.”**

*Jon Hilsenrath, StoneX Senior Advisor & former Wall Street Journal editor*

Theme	Commentary	Positioning
<b>Fiscal: 'Nothing Stops this Train'</b>	<ul style="list-style-type: none"> <li>Structural fiscal spending remains a key driver of the economy, sustaining nominal growth.</li> <li>Marginal deficit reduction has removed discrete inflationary risk &amp; helped contain bond yields.</li> <li>Low credit spreads, a low unemployment rate, low gas prices, strong tax receipts, and a healthy high-end consumer all suggest the U.S. economy has runway for growth.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a healthy balance of risk, tilted towards areas with strong fundamentals and policy tailwinds.</li> </ul>
<b>Inflation: Lukewarm, not Hot</b>	<ul style="list-style-type: none"> <li>Inflation cooling, but still warm, and Fed cuts should continue to support nominal growth, which generally supports asset prices absent a shock.</li> <li>It is unlikely inflation runs out of control given marginal softening in the labor market, contained energy prices, and several months of disinflation in housing rents.</li> </ul>	<ul style="list-style-type: none"> <li>Keep duration below benchmark.</li> <li>Warm inflation supports nominal growth and asset prices.</li> </ul>
<b>A Dovish Fed</b>	<ul style="list-style-type: none"> <li>Absent an inflation shock, the White House, policymakers, and most voters will likely prefer lower interest rates later this year. Markets are currently pricing in two cuts starting as soon as Powell leaves the Fed in June, but there is room for additional cuts.</li> <li>Bond markets may continue to ratify this view if inflation stays contained.</li> </ul>	<ul style="list-style-type: none"> <li>Lower rates will help the deficit and should support risky assets.</li> <li>The yield curve should steepen.</li> </ul>
<b>Flipping the 'K'</b>	<ul style="list-style-type: none"> <li>The wealthiest 10% of consumers now control over 50% of all wealth; approximately 40% of consumers own neither a home nor any stocks. Consumer sentiment of this cohort is extremely low and Trump's approval rating is 36% (Gallup).</li> <li>Growing frustration from lower income households is spilling over to politics, and to policy.</li> <li>Watch for a continued shift to more populist policy from the Trump administration in 2026.</li> </ul>	<ul style="list-style-type: none"> <li>Stay the course in diversified portfolios.</li> <li>Expect possible heightened volatility due to midterm elections.</li> </ul>
<b>AI Boom, Bubble... or Both</b>	<ul style="list-style-type: none"> <li>Strong earnings growth, and supportive policy underpin higher U.S. equity valuations—but only if bond yields stay contained.</li> <li>Big Tech faces slower revenue growth, rising competition, and rich valuations, yet earnings continue to defy expectations. Most AI leaders have funded capex with internal cash flow, but late entrants to the boom are increasingly relying on debt, which raises the stakes</li> </ul>	<ul style="list-style-type: none"> <li>Maintain risk-on preference until policy backdrop sours.</li> <li>Emphasize high-quality active managers.</li> </ul>
<b>Small Caps Time to Shine</b>	<ul style="list-style-type: none"> <li>Recent breakouts to all-time highs are a promising sign for U.S. small caps. If Fed policy becomes more supportive &amp; earnings growth materializes, small caps should outperform.</li> <li>Lower rates disproportionately benefit small cap due to their higher leverage.</li> </ul>	<ul style="list-style-type: none"> <li>Overweight U.S. small cap.</li> <li>Active management remains key.</li> </ul>



Growth, Inflation &amp; Policy



Equity



Fixed Income &amp; Credit



Diversifiers

Theme	Commentary	Positioning
<b>Ex-U.S.: Valuation vs. Innovation</b>	<ul style="list-style-type: none"> <li>Lower valuations in foreign developed and emerging markets create select opportunities, but few countries offer sufficient growth, innovation, and geopolitical stability to justify overweights.</li> <li>We prefer high quality active managers and, where possible, discounted closed-end funds to implement select country views.</li> </ul>	<ul style="list-style-type: none"> <li>Slightly overweight emerging markets; underweight DM.</li> <li>Select CEFs to implement country-specific views.</li> </ul>
<b>Opportunities Outside the Mega Caps</b>	<ul style="list-style-type: none"> <li>Outside U.S. large caps, selective opportunities exist in basic materials, biotech, power generation, emerging markets, and second-wave beneficiaries of U.S. industrial policy and resource security.</li> </ul>	<ul style="list-style-type: none"> <li>Overweight small cap, basic materials, utilities, and biotech</li> </ul>
<b>Shorter duration still prudent</b>	<ul style="list-style-type: none"> <li>Structural, bipartisan fiscal deficits now define the policy backdrop, constraining future choices and reshaping long-term investment outcomes.</li> <li>Expected Fed cuts could boost nominal growth, lift inflation expectations, and weigh on the long end if viewed as politically motivated.</li> </ul>	<ul style="list-style-type: none"> <li>Keep duration below benchmark.</li> </ul>
<b>A “Curious Balance” in Bonds</b>	<ul style="list-style-type: none"> <li>Bonds are caught between resilient nominal growth and persistent inflation. Fed cuts and firm growth keep yields elevated, but falling oil prices, a softening labor market, and slower rents limit runaway inflation.</li> <li>Bond supply adds another headwind, making Treasuries less attractive.</li> </ul>	<ul style="list-style-type: none"> <li>Tactically manage duration, extending or reducing duration on meaningful moves up or down in yields, respectively.</li> </ul>
<b>Credit is the “Tell”</b>	<ul style="list-style-type: none"> <li>Credit markets remain the key signal of economic stress; so far, conditions are contained.</li> <li>Recent issues (First Brands, Tricolor) appear fraud-driven and/or idiosyncratic rather than systemic, with limited spillover to date, including within private credit.</li> </ul>	<ul style="list-style-type: none"> <li>BDCs remain attractive, over-discounting a recession.</li> <li>High yield bond spreads at current levels remain un compelling.</li> </ul>
<b>QE in All but Name</b>	<ul style="list-style-type: none"> <li>The Fed is expanding its balance sheet via reserve management operations, increasing system liquidity despite avoiding the QE label.</li> <li>While framed as technical, these actions functionally ease financial conditions, offsetting a portion of Treasury issuance.</li> </ul>	<ul style="list-style-type: none"> <li>On the margin, this is risk-supportive</li> </ul>



Growth, Inflation &amp; Policy



Equity



Fixed Income &amp; Credit



Diversifiers

Theme	Commentary	Positioning
<b>Gold &amp; Precious Metals</b>	<ul style="list-style-type: none"> <li>After rallying 65% in 2025, gold has made new highs in 2026; silver and platinum have outperformed on favorable supply–demand dynamics; miners will benefit from high bullion prices and lower energy costs.</li> <li>The bull market likely ends when Western investor participation peaks; to date, buying has been dominated by central banks.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain reduced tactical position in precious metals, emphasizing gold given recent dramatic outperformance of platinum and silver.</li> </ul>
<b>Biotech</b>	<ul style="list-style-type: none"> <li>Big pharma faces a looming “patent cliff” that could impact over \$200 billion in annual revenue by 2030, positioning the biotech sector for potential M&amp;A activity.</li> <li>Opportunities persist within biotech, but with growing risks as the space has rebounded 58% since the April 8 lows; there will be outlier winners, and losers.</li> </ul>	<ul style="list-style-type: none"> <li>Active management remains critical given dynamic and often binary nature of the sector.</li> </ul>
<b>Power Play</b>	<ul style="list-style-type: none"> <li>AI data centers are straining power grids, with U.S. demand set to double by 2030. Their need for reliable baseload power boosts utilities companies as key AI beneficiaries.</li> <li>Strong sentiment, solid fundamentals, and policy tailwinds keep uranium and nuclear stocks outperforming. While the long-term thesis remains intact, valuations appear stretched.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain reduced tactical position in uranium and uranium/nuclear equities.</li> </ul>
<b>Bitcoin &amp; Digital Assets</b>	<ul style="list-style-type: none"> <li>Recent policy announcements from a pro-crypto government pave the way for greater regularity and in turn the possibility for more conservative institutional and advisor investors to view digital assets as a legitimate asset class.</li> <li>While distant, quantum hack risks are gaining attention; privacy concerns are growing &amp; valid.</li> </ul>	<ul style="list-style-type: none"> <li>Given Bitcoin's shared characteristics with gold, we favor a diversified approach across both physical and digital assets.</li> </ul>
<b>Resource Wars</b>	<ul style="list-style-type: none"> <li>Basic materials, key commodities (copper) have broken out as strategic demand rises &amp; supply tightens; critical-mineral demand is expected to grow ~1.5× by 2040 (EVs, renewables, AI), against geopolitically fragile, China-dominated supply (&gt;60% processing).</li> <li>U.S. policy actions (Genesis Mission EO, national security strategy) reinforce supply-chain security as a strategic priority.</li> </ul>	<ul style="list-style-type: none"> <li>Tactical longs in basic materials, copper/copper miners, and other commodities</li> </ul>



Growth, Inflation &amp; Policy



Equity



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Diversifiers

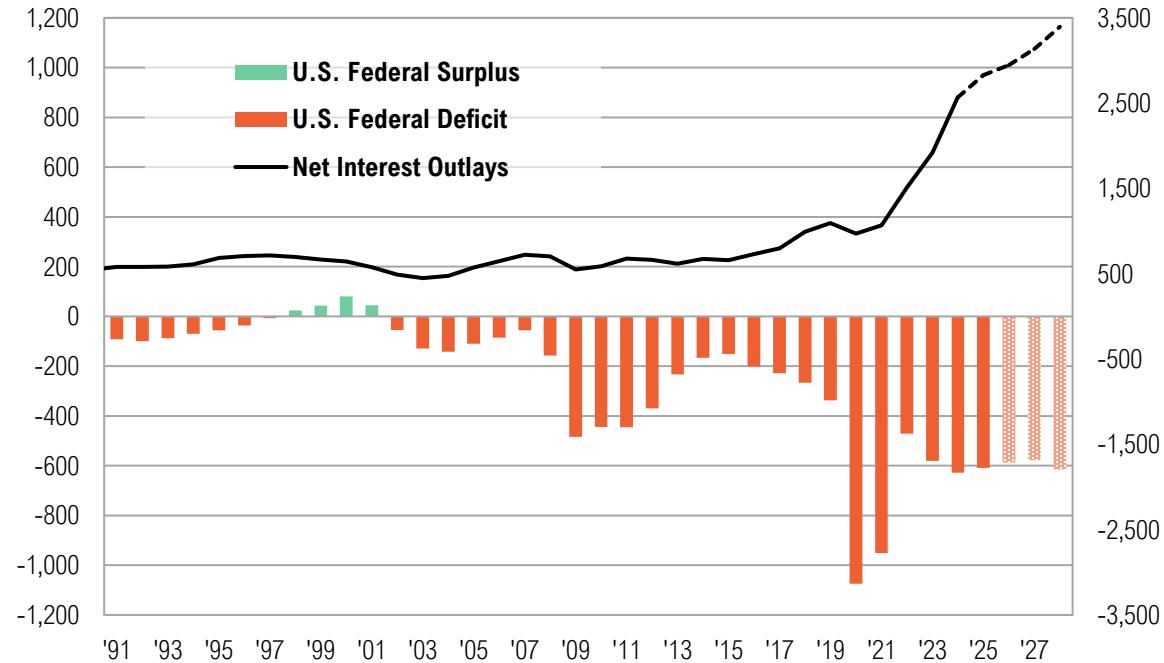


# Growth, Inflation & Policy

Structural fiscal spending remains a key driver of the economy, sustaining nominal growth—but with less of a discrete inflationary risk. While stimulative policy should keep inflation elevated, it is unlikely that inflation runs out of control given declining oil prices, softening in the labor market, and cooling shelter prices. Monetary policy expected to ease dramatically in 2026.

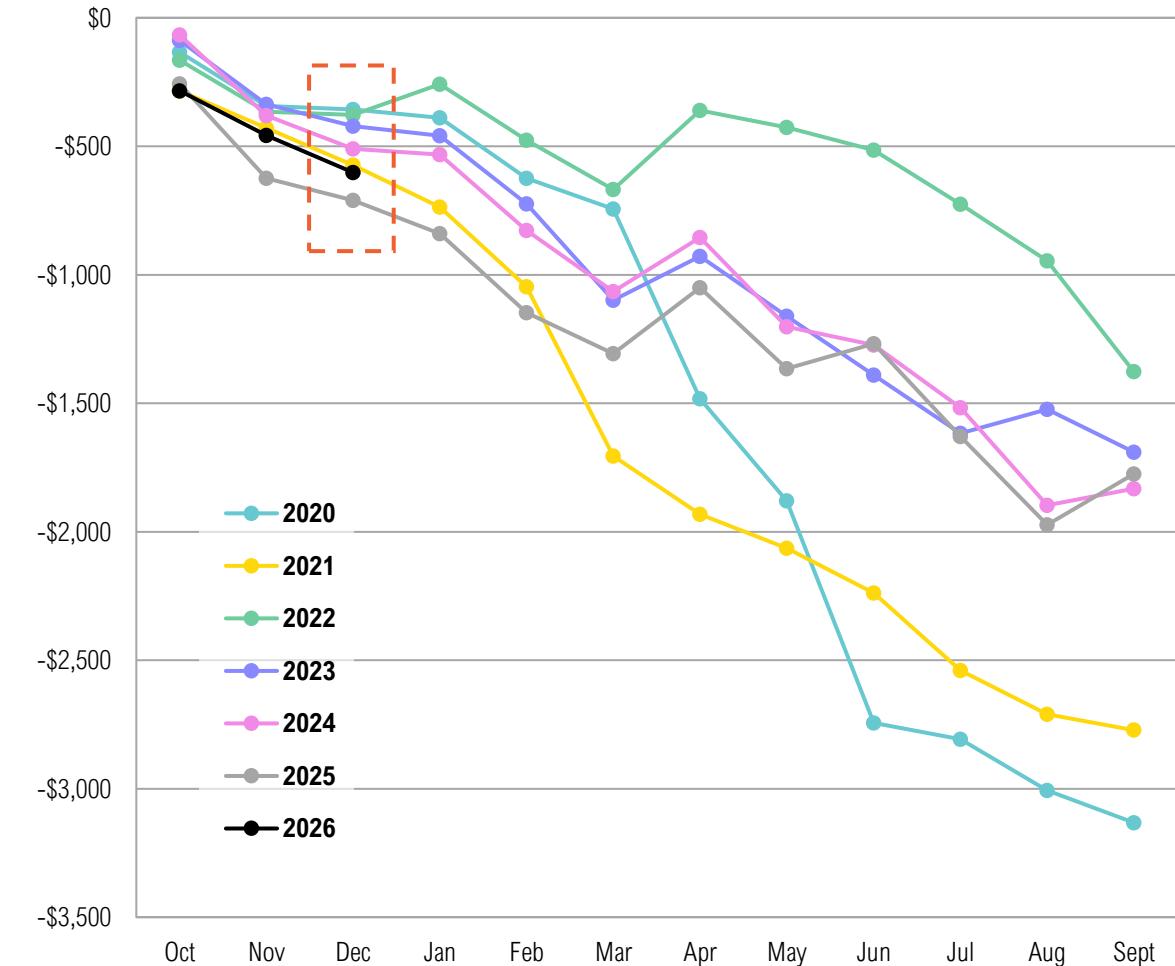
# ➤ The deficit has risen to \$602 billion in the first three months of the 2026 fiscal year; the deficit is expected to reach \$1.7Tn in FY26

Net Interest Outlays, \$Bn



U.S. Federal Surplus or Deficit, \$Bn

Cumulative Fiscal Budget Deficit, \$Bn

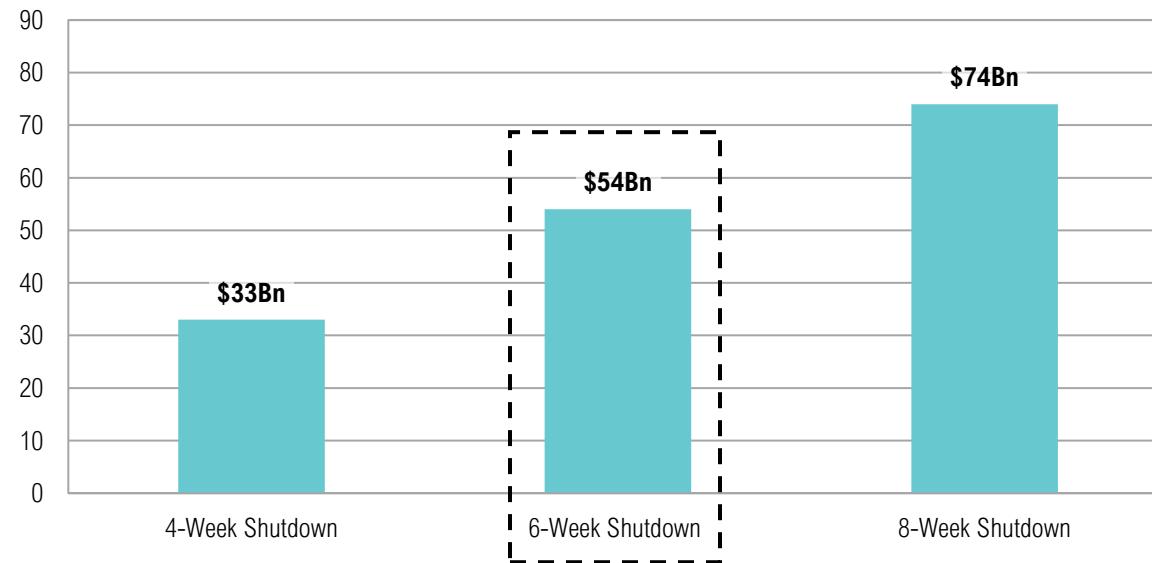


**Interviewer:** Recently you mentioned you think there are between \$300 and \$600 billion in fraud every year of federal funds.

**U.S. Treasury Secretary Scott Bessent:** So, it's about 10% of the federal budget, 1% to 2% of GDP. If we can narrow that number, President Trump has asked for a \$500 billion increase in the defense budget... If we can get rid of this waste, fraud and abuse, we can finance a safer, sounder U.S. without taking on more debt.

# ➤ Snapback: The government shutdown is estimated to have a 1.5% drag on Q4 2025 GDP growth (annualized Q/Q), but is set to add +2.2% to Q1 2026

Total Delayed Spending Attributable to the Government Shutdown, \$Bn



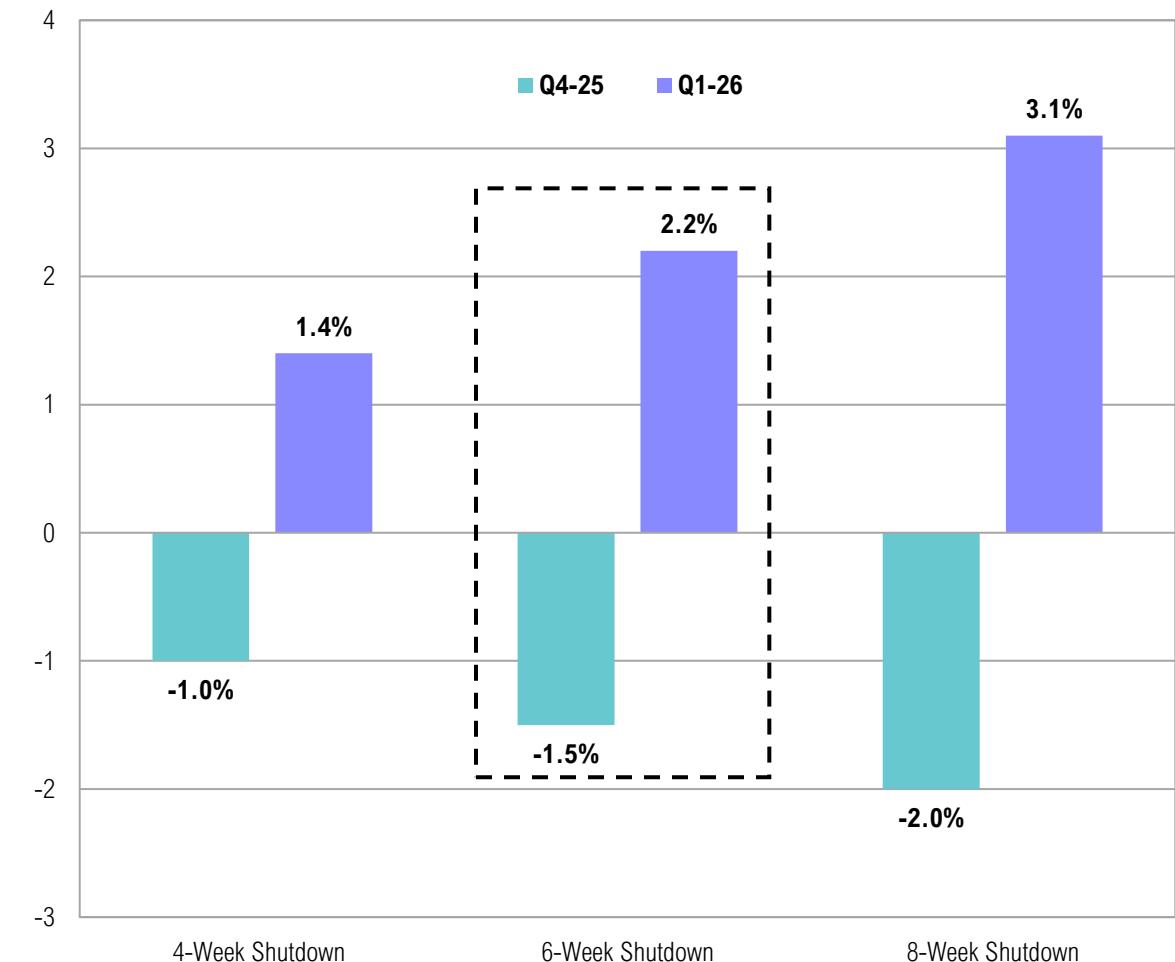
Scenario Analysis: Near-Term Delays in Federal Spending Attributed to the Government Shutdown

	\$Bn	4-Week Shutdown	6-Week Shutdown	8-Week Shutdown
Delayed Compensation for Federal Employees	9	16	23	
Delayed Spending on Goods & Services	24	36	48	
Delayed Spending on SNAP	0	2	4	
<b>Total Delayed Spending</b>	<b>33</b>	<b>54</b>	<b>74</b>	

Source: Bloomberg, Congressional Budget Office

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Estimated Effect on Annualized Q/Q GDP Growth, %

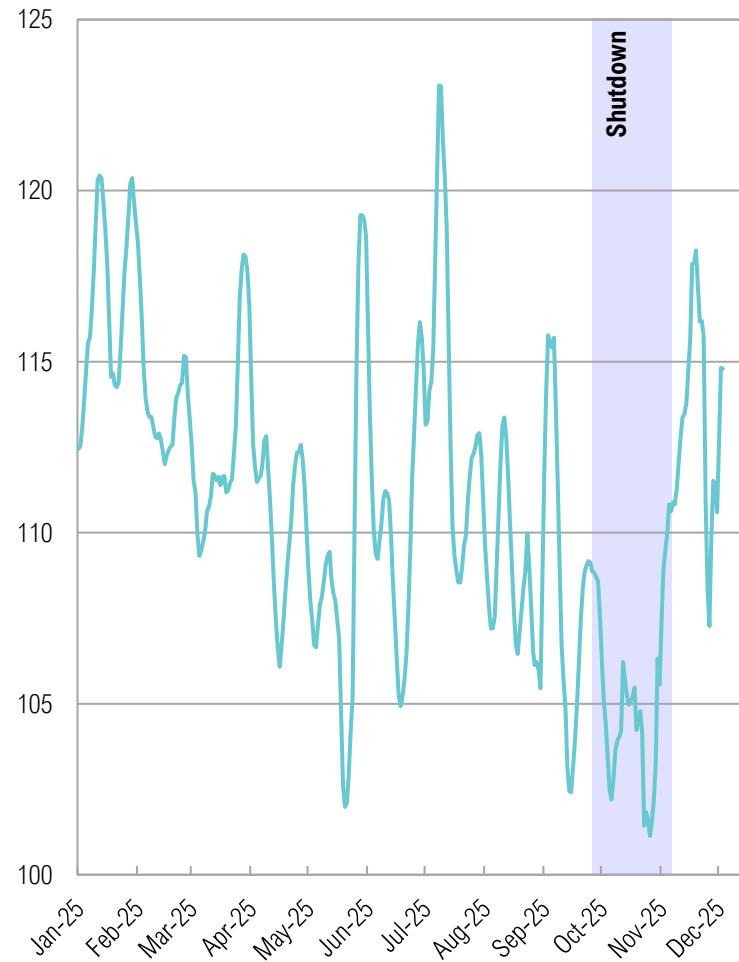


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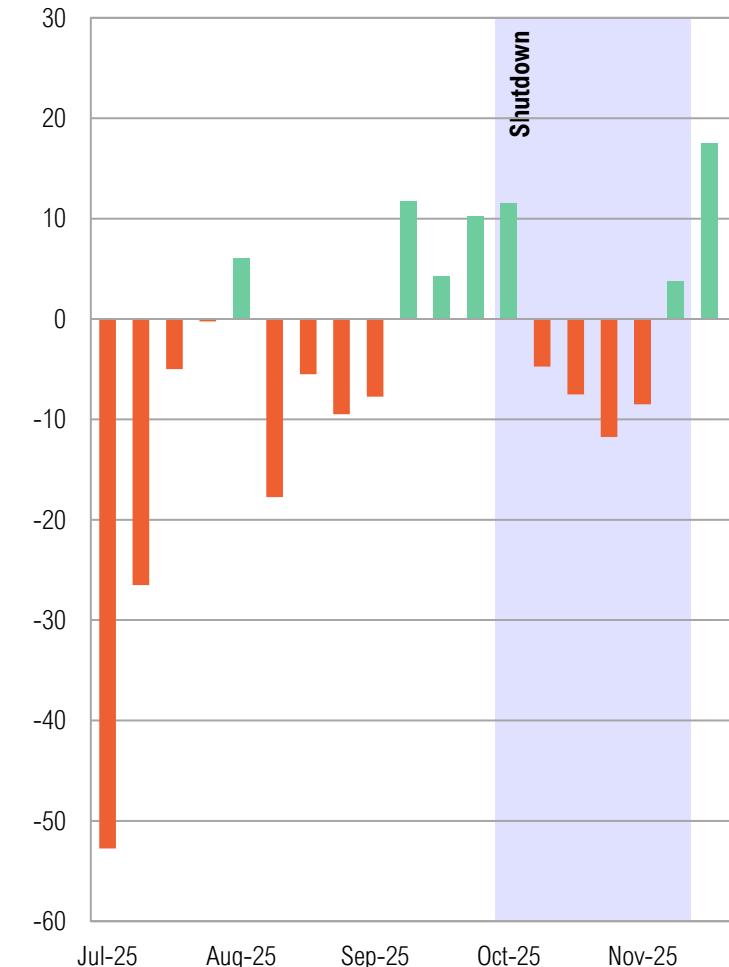
See important disclosures at the end of this presentation

# Measures of hiring and prospective hiring dropped during the government shutdown, but have largely rebounded as uncertainty resolved

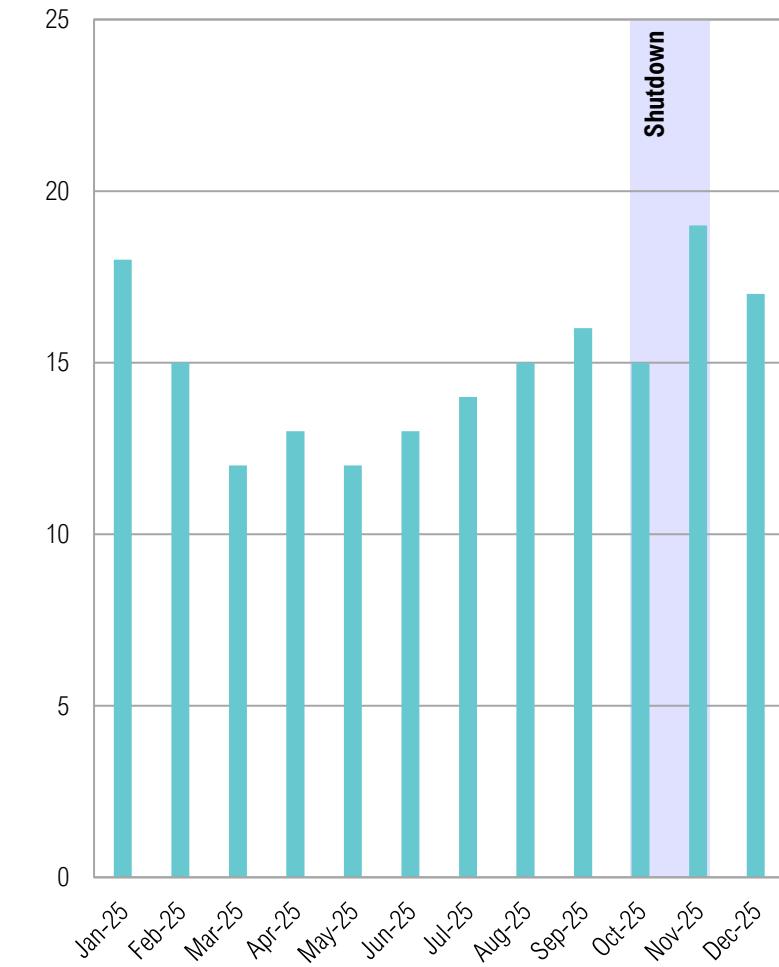
Indeed U.S. New Job Openings Index, 30-Day Moving Average



ADP Weekly Employment



NFIB Small Business Hiring Plans Index



Source: Bloomberg

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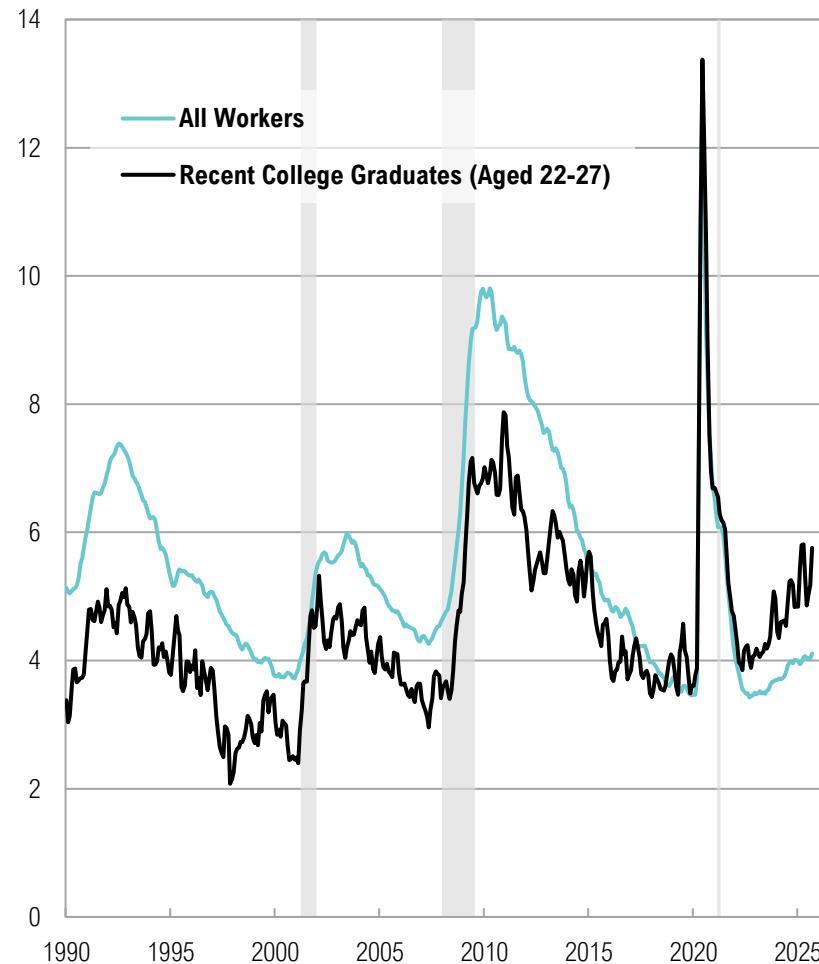
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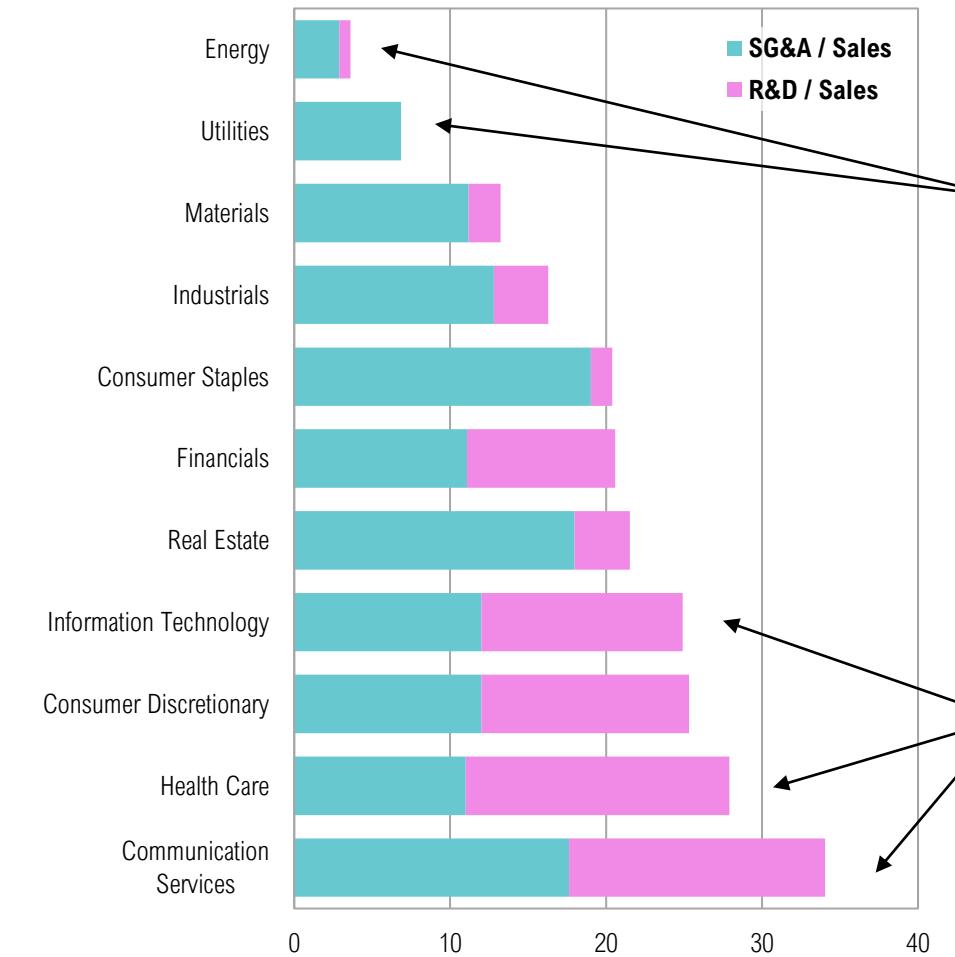


# Is AI starting to cannibalize new hiring? The unemployment rate for recent college graduates is rising; some sectors may benefit more from AI advancements than others

U.S. Unemployment Rate for College Graduates &amp; Total Labor Market, %



Human Intelligence Expenses as a % of Sales



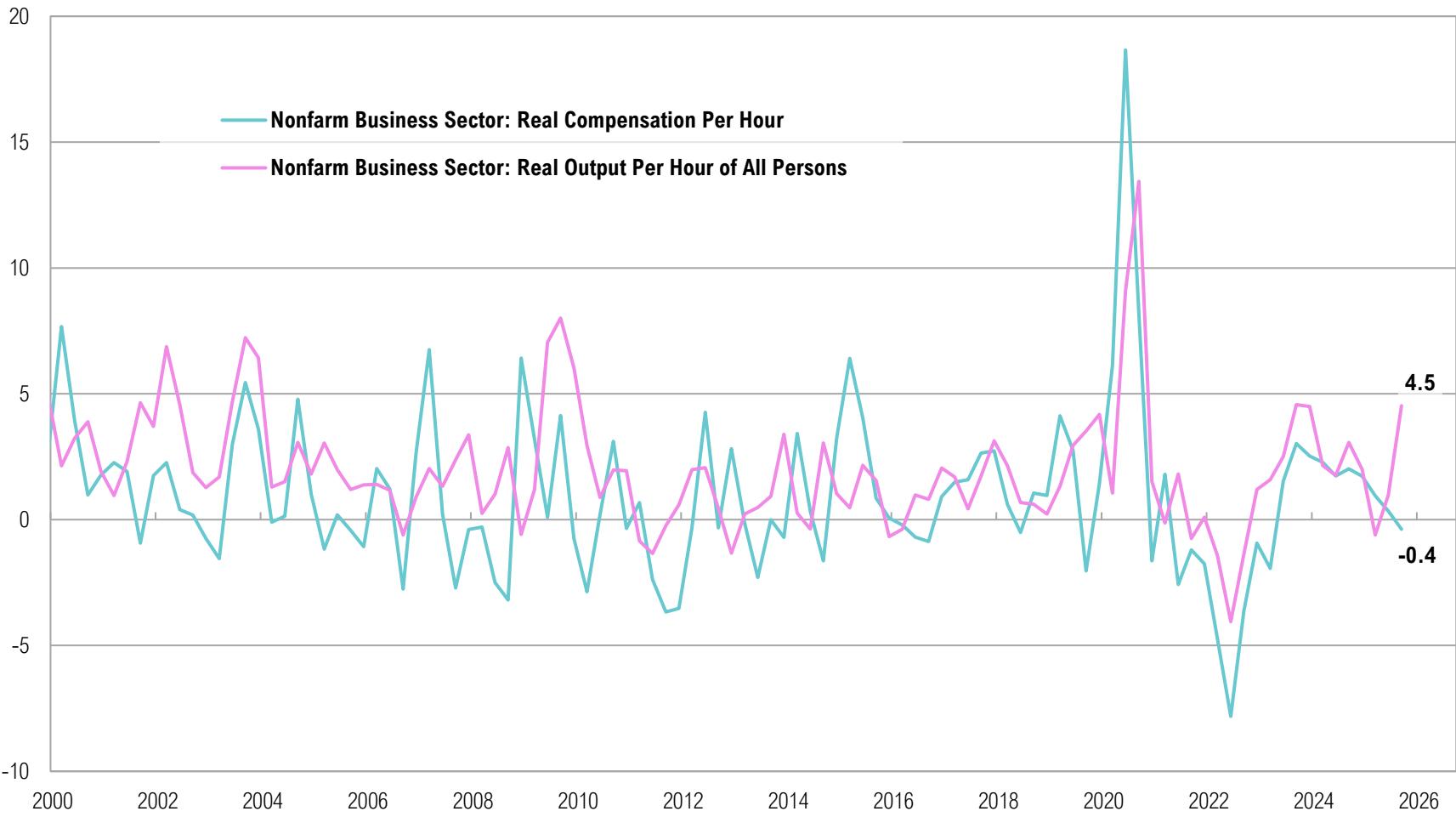
These sectors reflect capital-intensive business models where AI is more likely to drive incremental efficiency gains rather than transformational margin expansion.

**Healthcare, Communication Services, Information Technology & the Consumer Discretionary** sectors devote the highest share of sales to SG&A and R&D, underscoring their reliance on skilled labor, innovation and knowledge work relative to physical assets.

These sectors stand out for elevated R&D intensity and may be best positioned to benefit from AI through faster innovation cycles and productivity gains.

# ➤ A K is emerging between output gains and worker pay: real hourly compensation has been edging lower while productivity has increased

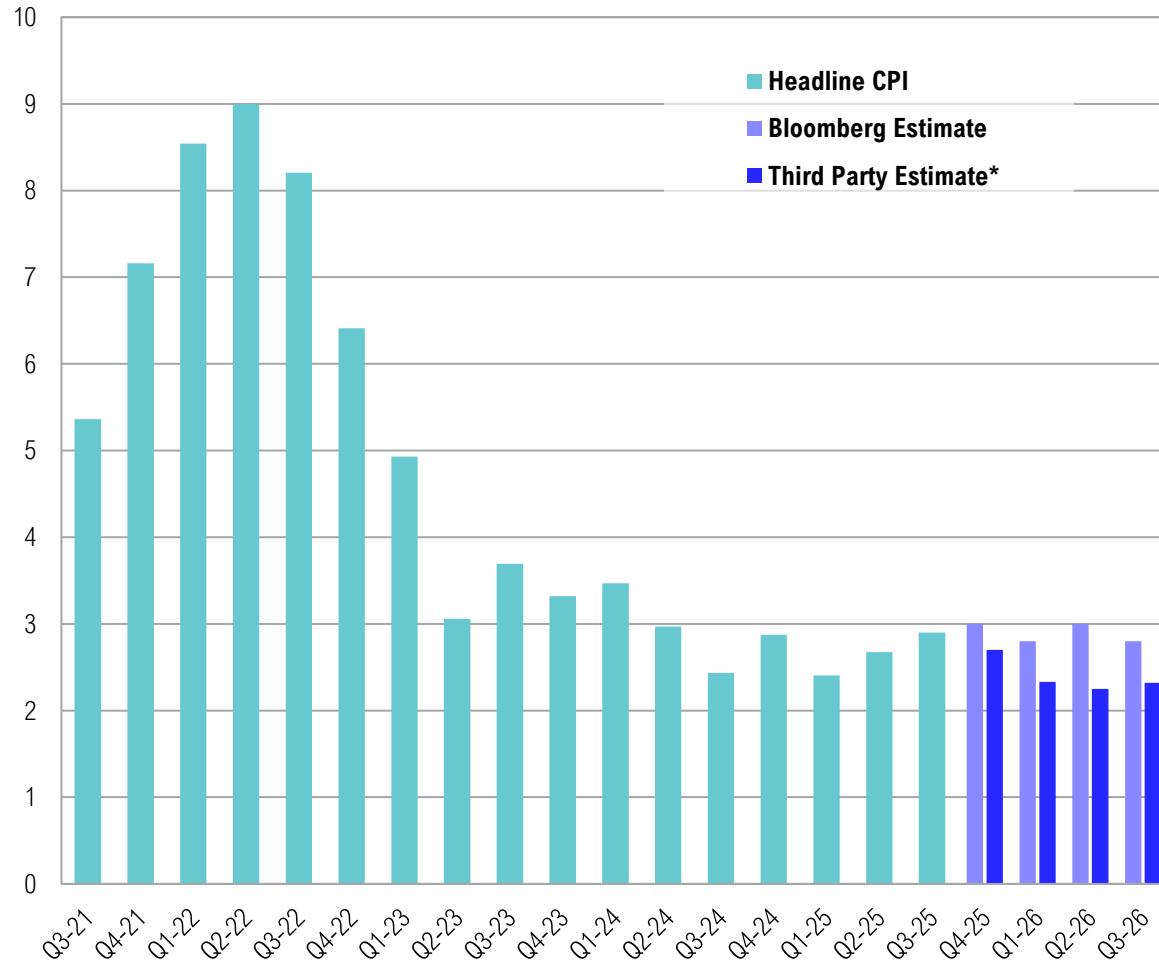
2-Quarter Annualized Change, %



- In a genuine productivity boom, real compensation should be rising.
- Instead, real compensation per hour has edged lower over the past two quarters.
- Over the same period, productivity has surged at a 4.5% seasonally adjusted annualized pace.
- This highlights a growing disconnect between output gains and worker pay.

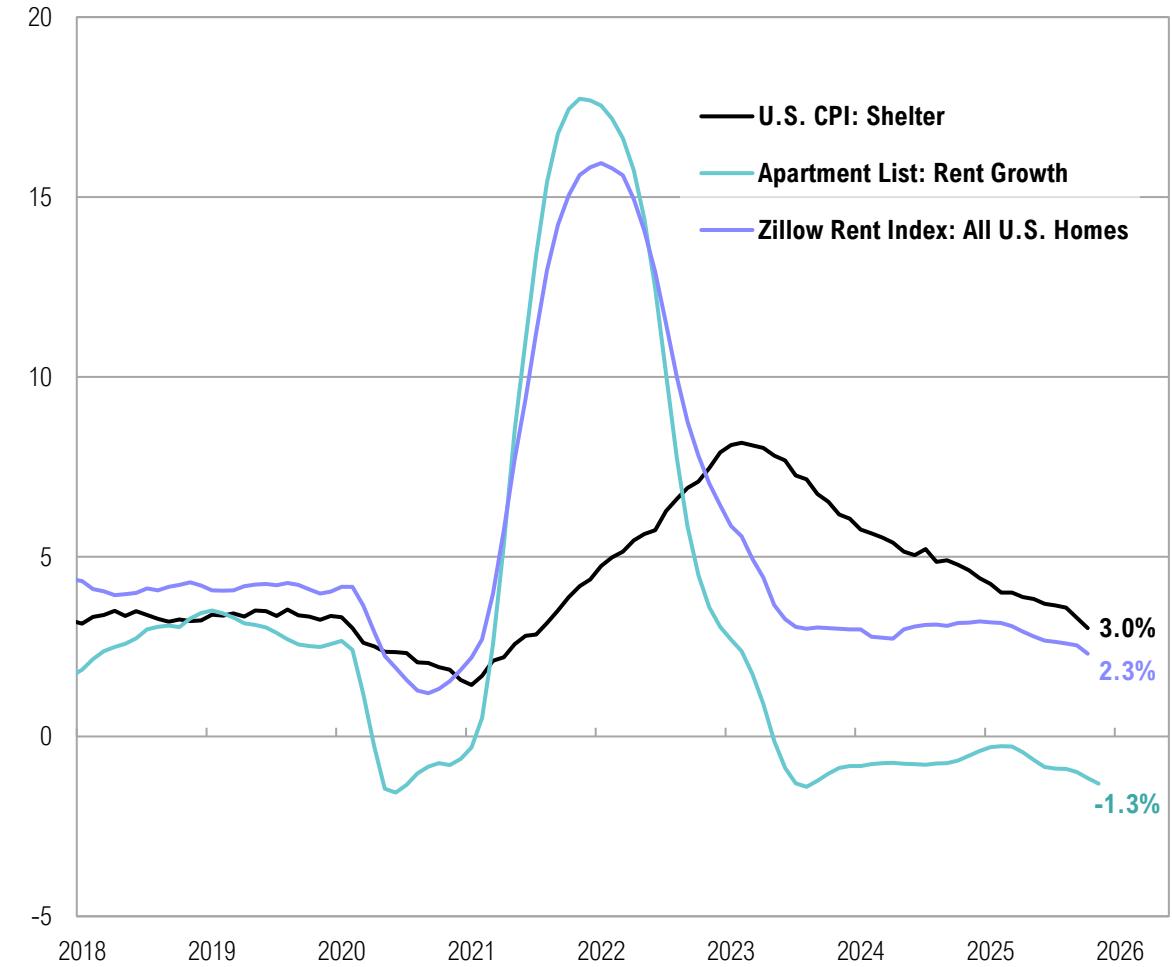
# Inflation has been above the Fed's official 2% target for 58 months but shows signs of continued cooling, led by shelter—yet structural inflationary forces remain

Headline Inflation, Y/Y%



Source: Bloomberg. \*Third Party Estimate: Hedgeye.

U.S. CPI Shelter &amp; Zillow Rent Index &amp; Apartment List Rent Growth, Y/Y %

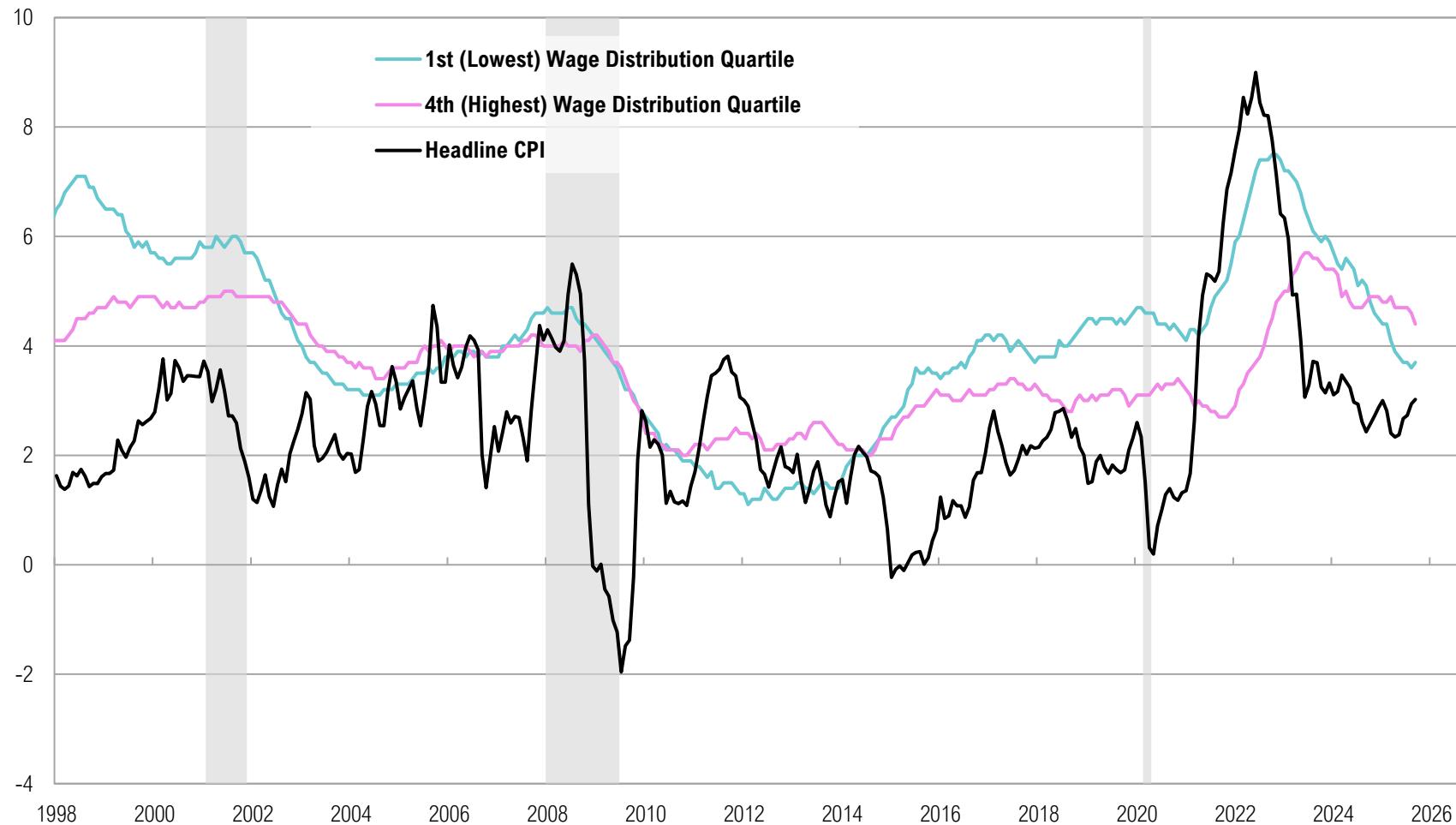


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# The K-shaped dynamic has also become increasingly visible in the labor market, particularly with wage growth

12-Month Moving Average of Median Hourly Wage Growth by Quartile\* &amp; Headline CPI (Y/Y), %



Source: Bloomberg, Federal Reserve Bank of Atlanta. \*Those in the bottom 25% of the average wage distribution are in the first quartile, while those in the top 25% are in the fourth quartile.

- Since October 2024, there has been increasing disparity in wage growth between the lowest quartile and highest quartile of wage earners.
- In October 2024, wage growth was broadly aligned across income distribution demographics.
- Low- and high-income earners recorded nearly identical 12-month gains—4.8% and 4.9%, respectively.
- By November 2025, that relationship had clearly broken down: Wage growth for high-income earners was at 4.3% relative to a 3.5% pace for low-income earners.

“

**Consumers at the lower end of the income distribution continued to reduce their discretionary spending, including on full-service restaurant dining, elective health care, entertainment, and beauty and personal services... Demand from consumers at the higher end of the income distribution was resilient.”**

Federal Reserve Bank of San Francisco

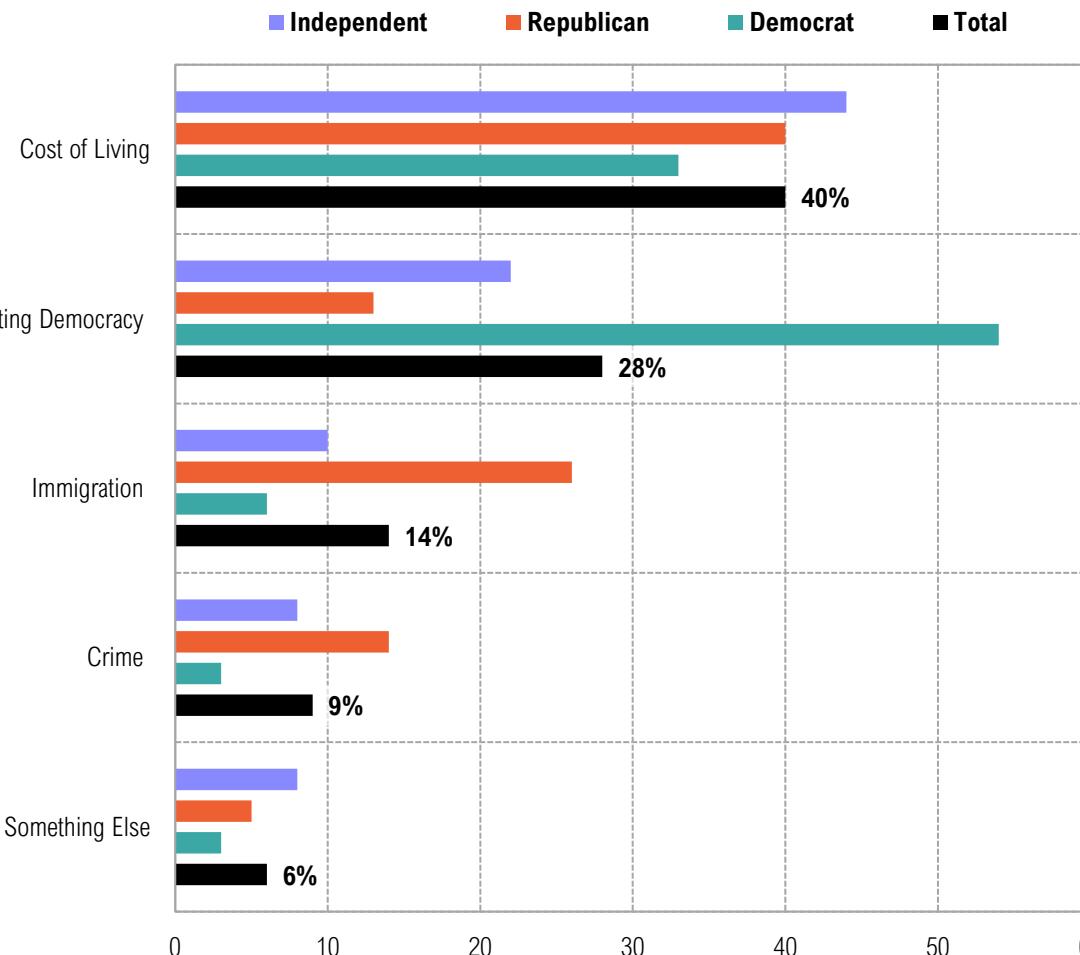
“

**Our consumer, as you know, tends to be at the higher income deciles, and those consumers continue to do well.”**

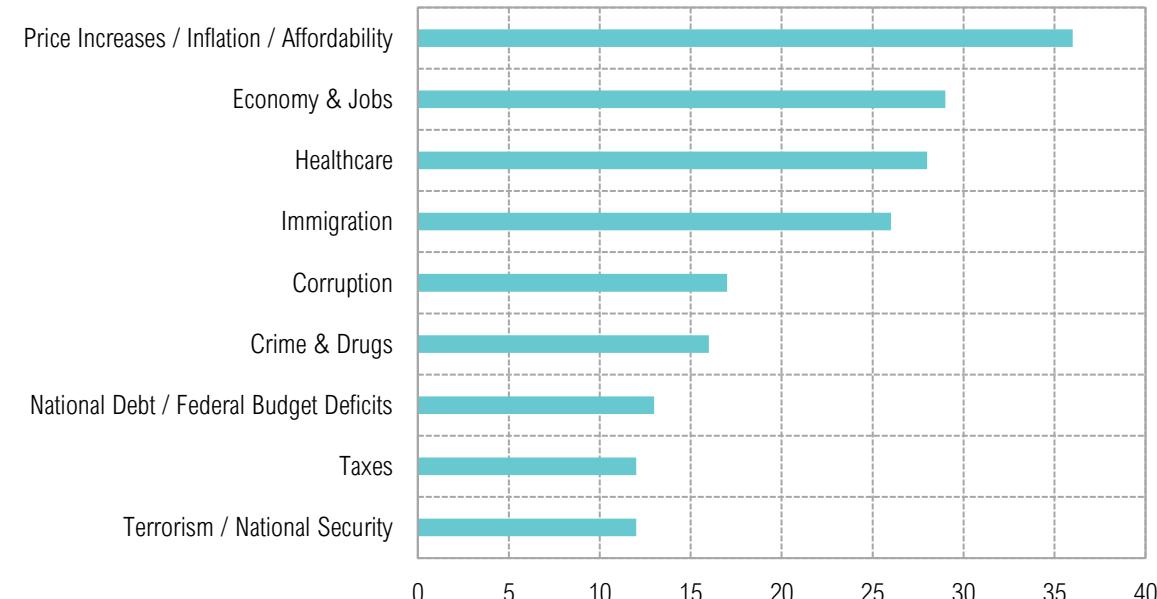
Hugh Johnston, *Disney CFO*

# Affordability and the cost of living are key issues for U.S. voters

Reuters/Ipsos Poll: "What matters most to you when voting in the 2026 Congressional elections?"



Harvard Harris Poll: "What would you say are the most important issues facing the country today?"



Harvard Harris Poll: Percentage of survey respondents who say "The country is on the right track"

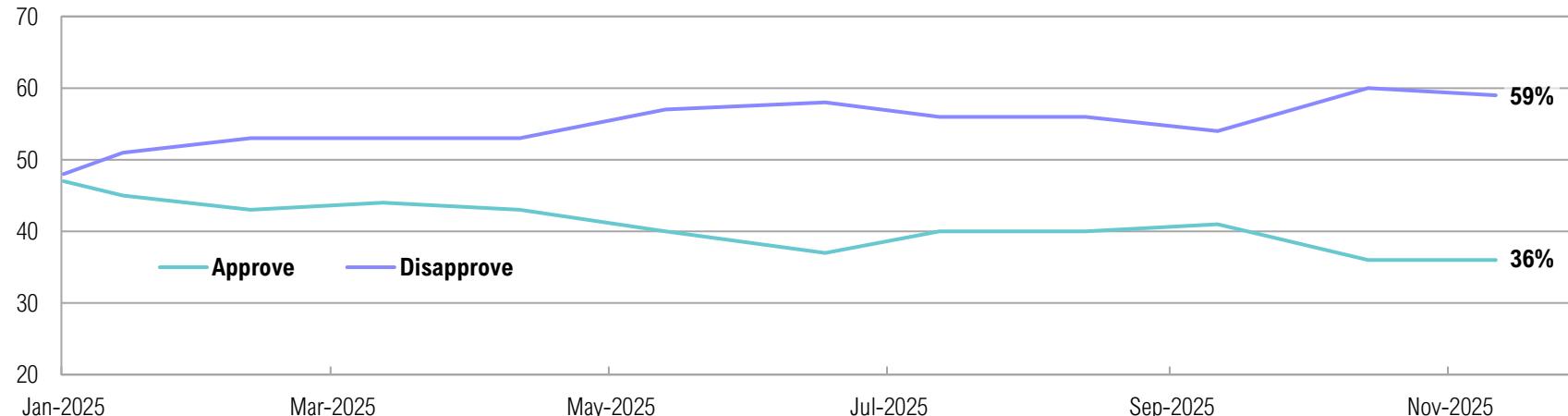
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Republican	32	34	71	69	76	71	73	72	71	-	69	74
Democrat	30	21	17	20	17	17	19	20	19	-	16	19
Independent	19	31	31	27	30	31	26	26	27	-	19	22

Source: Reuters/Ipsos, Harvard Harris CAPS. Reuters/Ipsos poll conducted 10/15/2025 – 10/20/2025 among 4,385 U.S. adults; Harvard Harris CAPS poll conducted 12/2/2025 – 12/4/2025 among 2,204 registered U.S. voters.

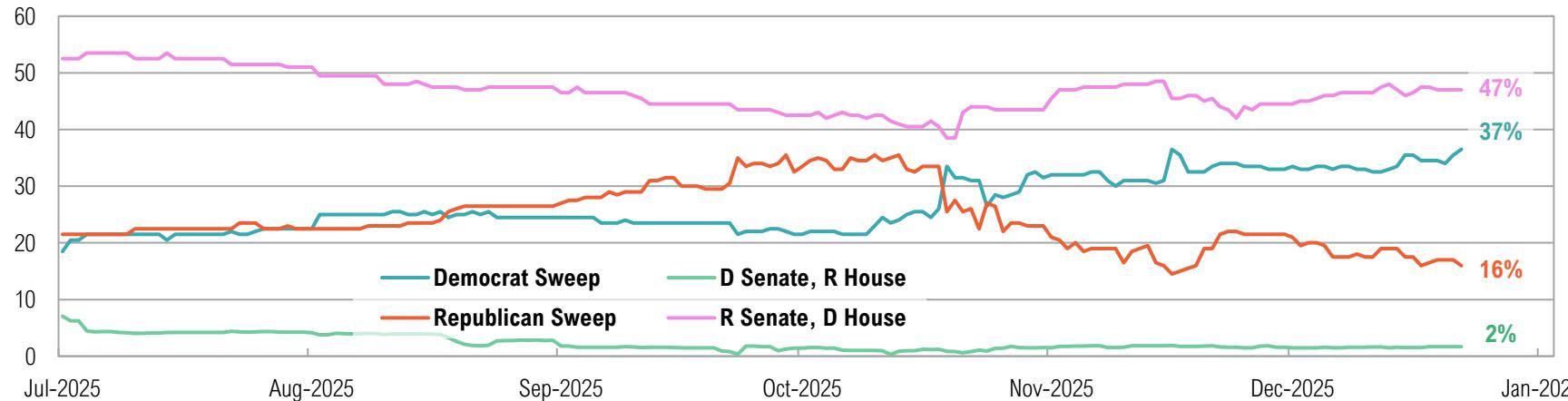
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# Approval ratings tend to have an impact on midterm outcomes; betting market odds currently point to the Republicans losing control of the House

President Trump's Term 2 Approval Rating, %



Betting Market Probability: 2026 Midterms Outcome

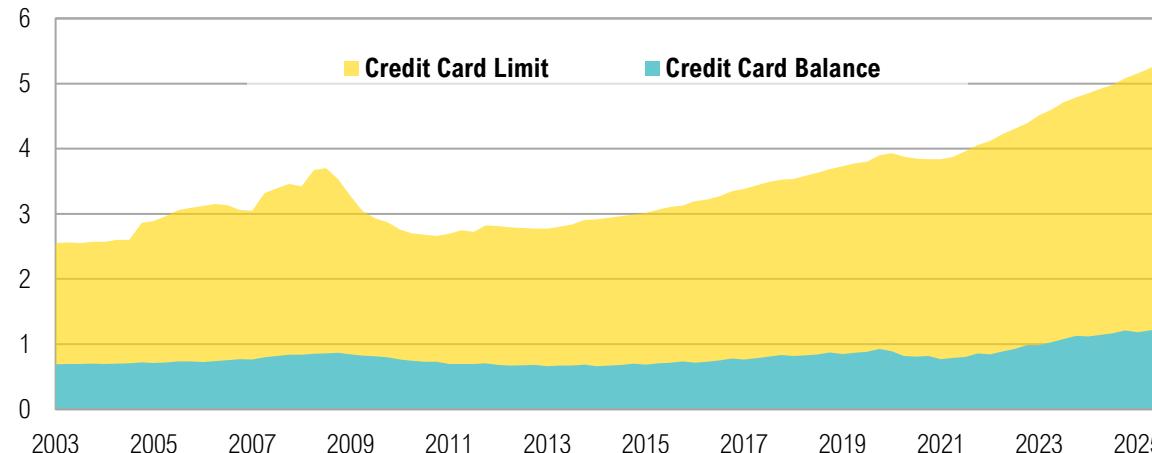


Source: Brookings, Gallup, Polymarket. Trump term 2 job approval rating as of 12/15/2025.

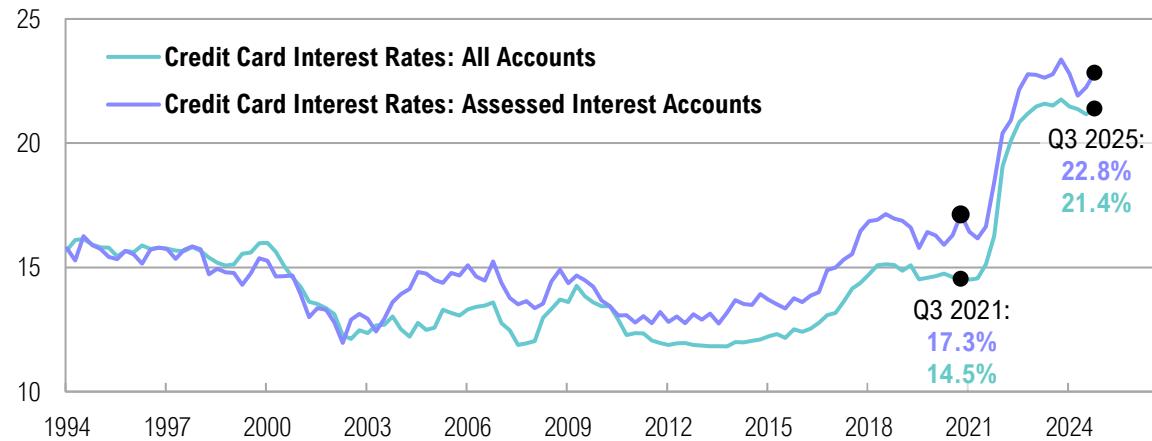
- A Brookings study from August 2025 found that a president's approval rating tends to impact the outcome of a midterm election.
- The higher the approval rating, the lower the losses that the president's party will experience.
- President Trump's approval stands at 36%—the lowest of his second term—implying elevated risk of significant House losses unless approval rises well above 50%, particularly via gains among lower-income voters, younger voters, and independents.

# Materially higher household leverage, at elevated rates: U.S. consumer credit card capacity, balances, and interest rates are at record highs

Credit Limit and Balance for Credit Cards, \$Tn

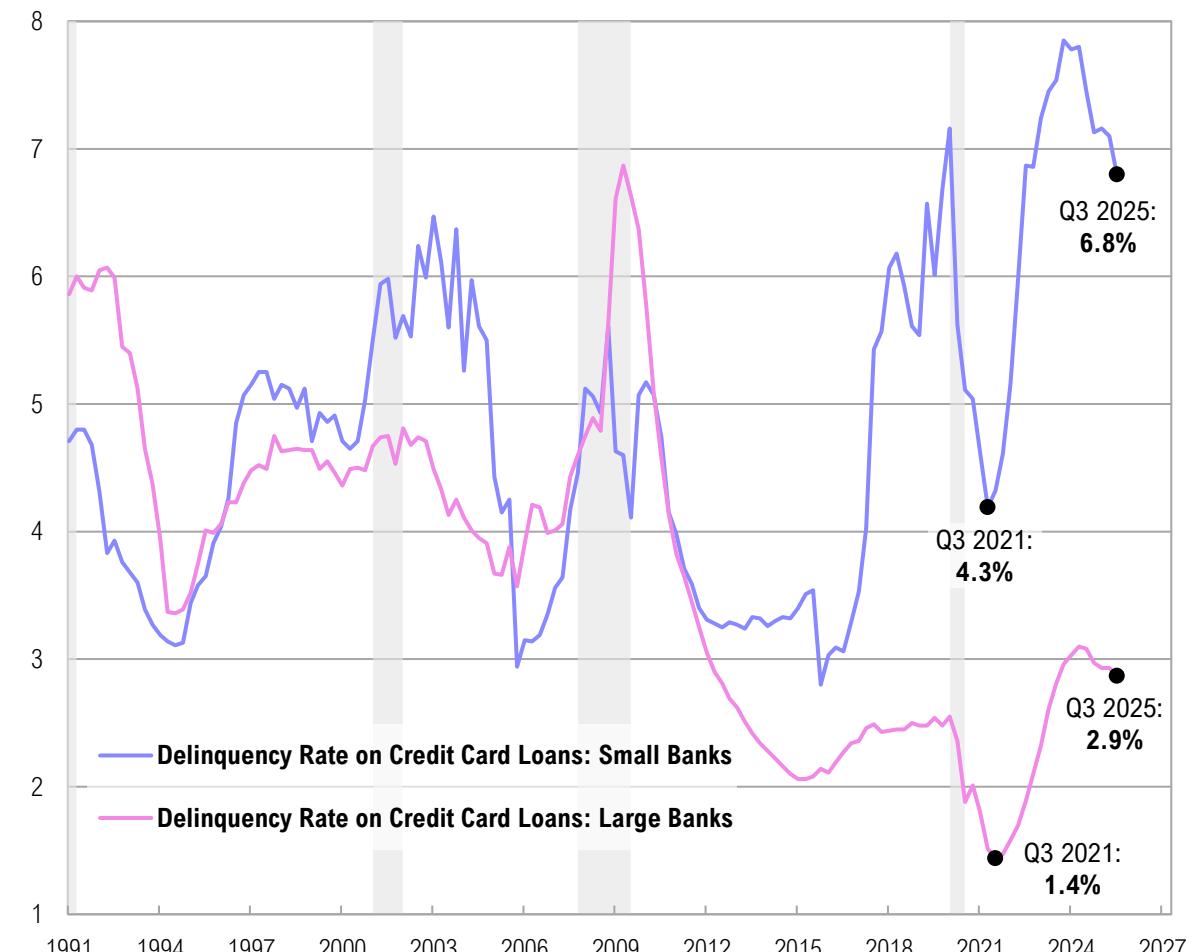


Average Domestic Commercial Bank Credit Card Interest Rates, %



Source: BankRegData, Federal Reserve Bank of St. Louis

Credit Card Loan Delinquency Rate by U.S. Domestic Bank Size, %

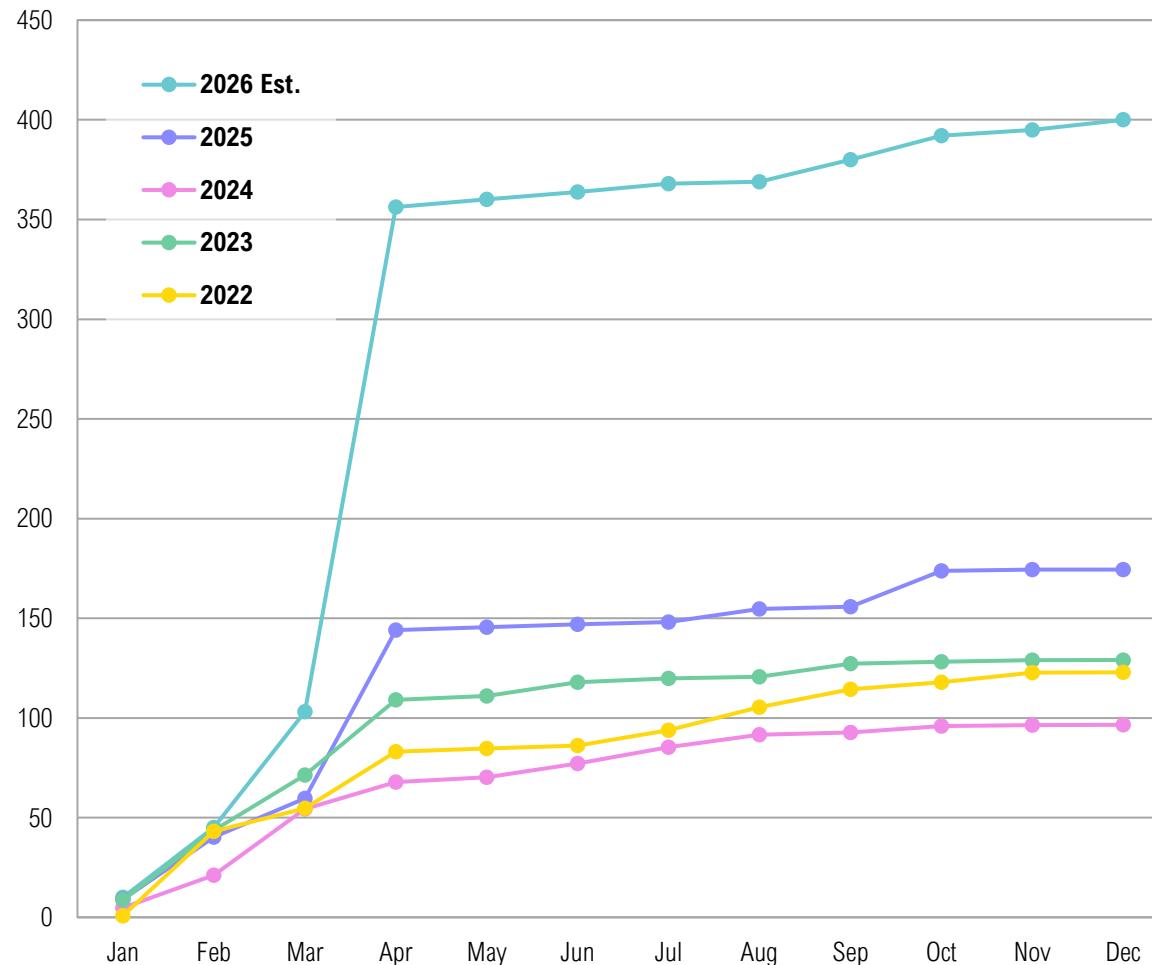


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# The government will need to shift focus to “affordability” to win potential voters; evidence of this shift is already starting to show (OBBA tax breaks, lower drug prices)

Individual Income Tax Refunds, \$Bn



Source: Bloomberg, StoneX, Truth Social, CNN, Politico, Independent

Select U.S. Government Announcements Directed at Lowering Drug Prices (2025)

Announcement	Date	Type	Details
Reducing Drug Prices for Americans & Taxpayers (MFN Pricing)	07/31/2025	Government Announcement	President Trump sends letters to leading pharma manufacturers outlining steps needed to reduce prices of prescription drugs in the U.S. to match prices in other developed nations.
First Agreement with Major Pharmaceutical Company to Offer MFN Pricing	09/20/2025	Government Announcement	Pfizer agrees to bring U.S. drug prices in line with lowest paid by other developed nations for every State Medicaid program.
Second Agreement with Major Pharmaceutical Company to Offer MFN Pricing	10/10/2025	Government Announcement	AstraZeneca agrees to bring U.S. drug prices in line with lowest paid by other developed nations for every State Medicaid program.

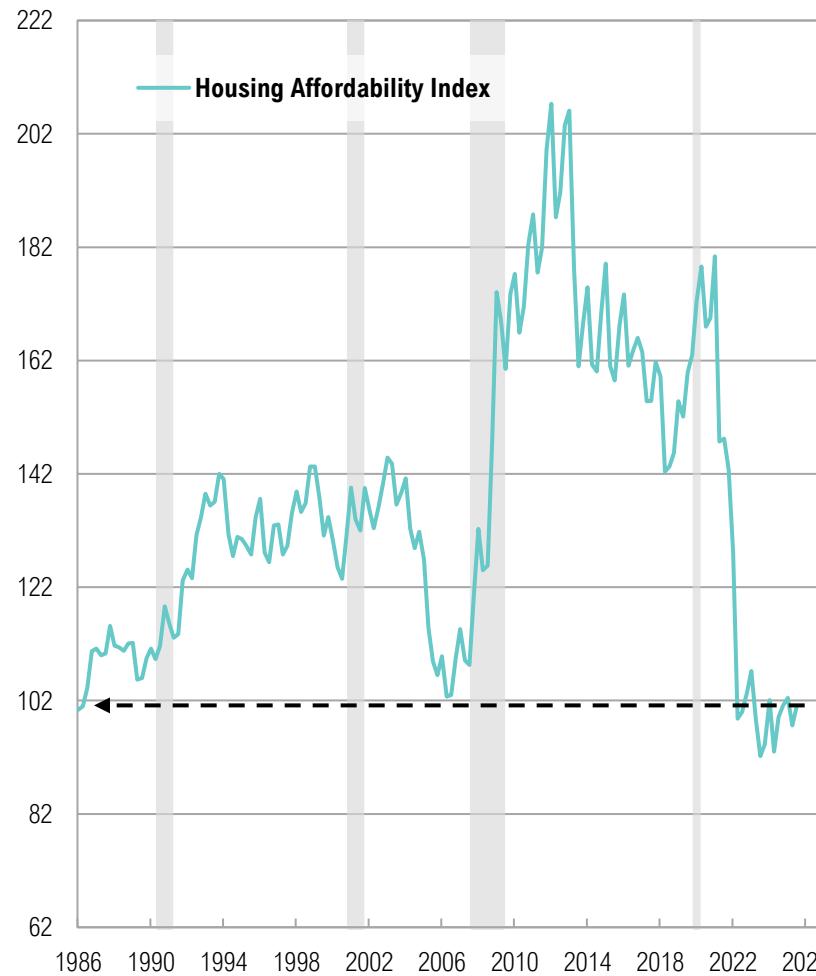
Trump has stated that 2026 is **projected to be the largest tax refund season on record**, a **view echoed by tax experts** who expect many filers to receive larger refunds. Average refunds are estimated at around \$3,000, with funds likely to be deposited into consumer accounts by the end of March.

Some states, including **New York, California, and Illinois**, are prohibiting certain **OBBA provisions**, including no tax on tips and overtime pay, citing budget deficits among other reasons.

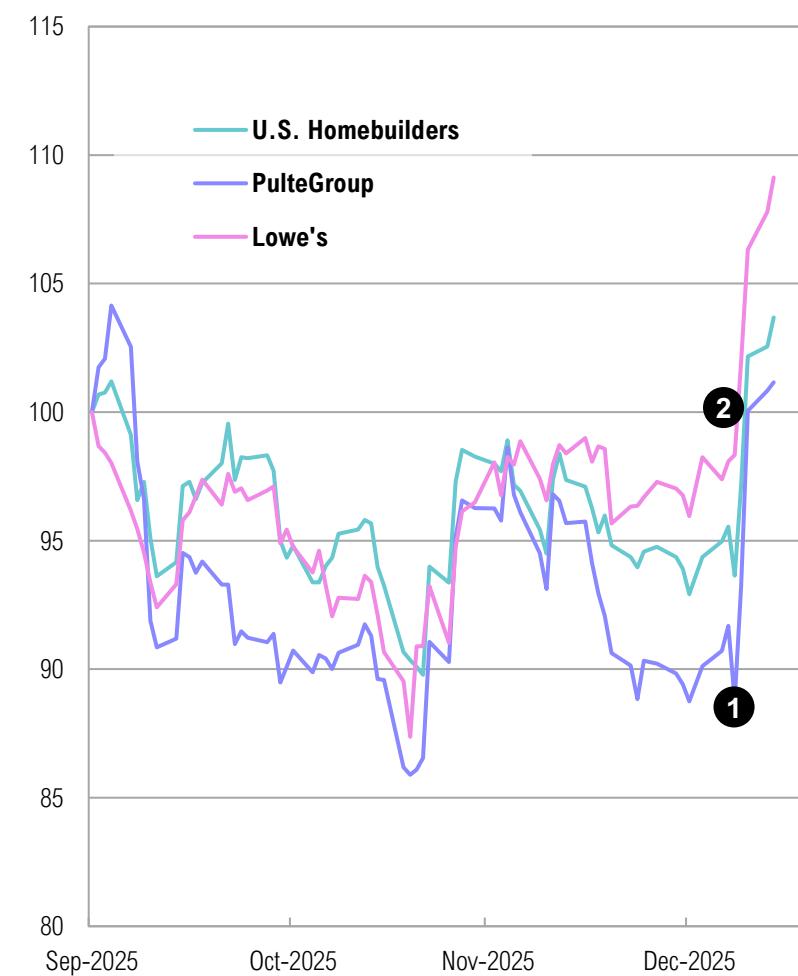


## U.S. homebuilders responded well to Trump's call to stop corporations from buying homes and his order for Fannie Mae and Freddie Mac to purchase \$200bn worth of MBS

U.S. Housing Affordability Index



Growth of 100 (9/30/2025 – 1/14/2026)

Donald J. Trump  
@realDonaldTrump

For a very long time, buying and owning a home was considered the pinnacle of the American Dream. It was the reward for working hard, and doing the right thing, but now, because of the Record High Inflation caused by Joe Biden and the Democrats in Congress, that American Dream is increasingly out of reach for far too many people, especially younger Americans. It is for that reason, and much more, that I am immediately taking steps to ban large institutional investors from buying more single-family homes, and I will be calling on Congress to codify it. People live in homes, not corporations. I will discuss this topic, including further Housing and Affordability proposals, and more, at my speech in Davos in two weeks.

13.7k ReTruths 55.5k Likes

Jan 07, 2026, 7:45 PM

1

Donald J. Trump  
@realDonaldTrump

Biden ignored the Housing Market, and instead was immersed with High Crime, Open Borders, runaway INFLATION, the Afghanistan Disaster, and a Military that he left in Chaos and Confusion. Everything was broken, but I, as President of the United States, have already fixed it! Now, I am giving special attention to the Housing Market. Because I chose not to sell Fannie Mae and Freddie Mac in my First Term, a truly great decision, and against the advice of the "experts," it is now worth many times that amount — AN ABSOLUTE FORTUNE — and has \$200 BILLION DOLLARS IN CASH. Because of this, I am instructing my Representatives to BUY \$200 BILLION DOLLARS IN MORTGAGE BONDS. This will drive Mortgage Rates DOWN, monthly payments DOWN, and make the cost of owning a home more affordable. It is one of my many steps in restoring Affordability, something that the Biden Administration absolutely destroyed. We are bringing back the AMERICAN DREAM that was destroyed by the last Administration. MAKE AMERICA GREAT AGAIN!

7.17k ReTruths 26.6k Likes

Jan 08, 2026, 11:25 PM

2

Source: Bloomberg, Truth Social

Q1, 2026 Market Outlook, Page 24

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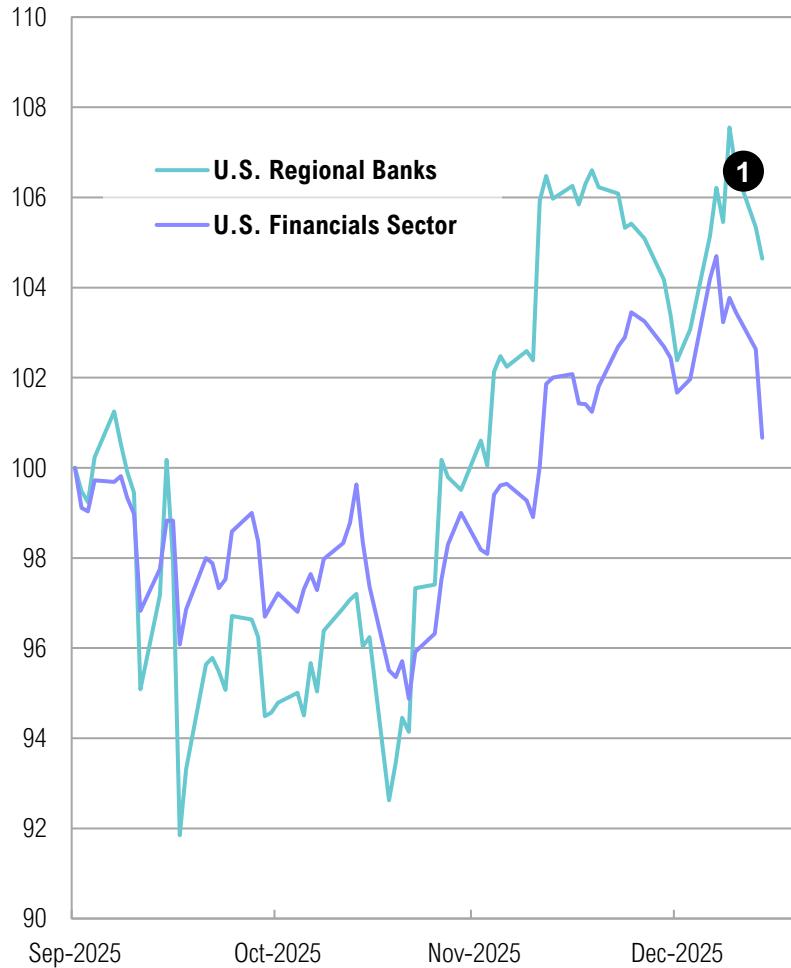
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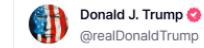
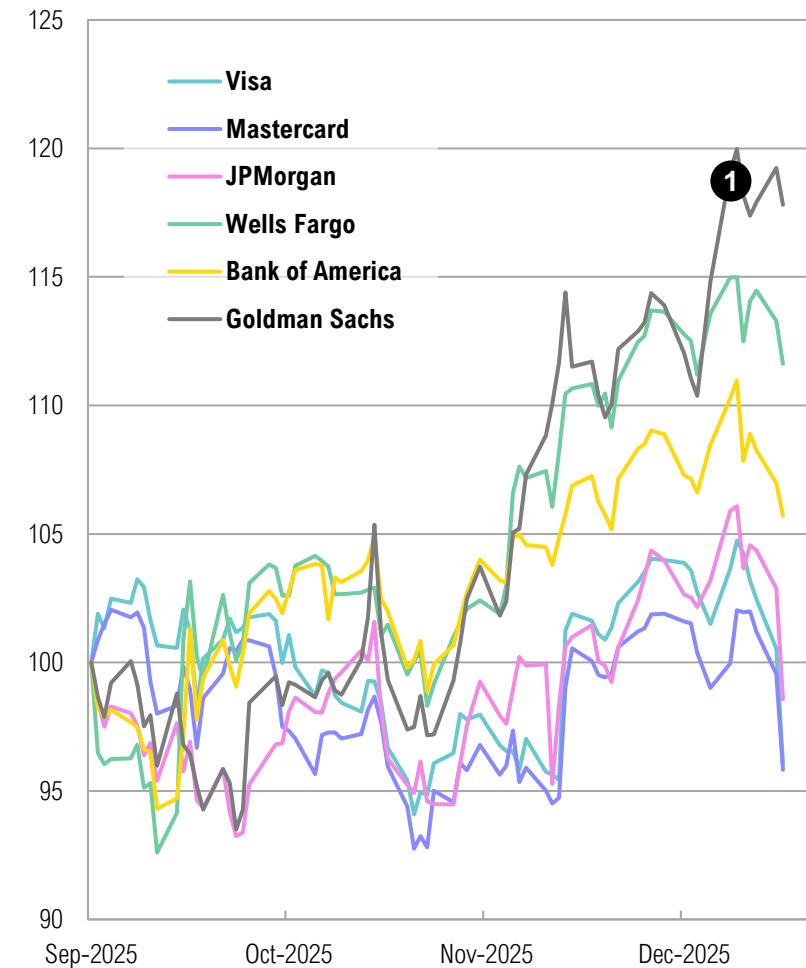


# U.S. bank stocks did not respond well to Trump's call for a one-year 10% cap on credit card interest rates

Growth of 100 (9/30/2025 – 1/14/2026)



Growth of 100 (9/30/2025 – 1/14/2026)



Please be informed that we will no longer let the American Public be "ripped off" by Credit Card Companies that are charging Interest Rates of 20 to 30%, and even more, which festered unimpeded during the Sleepy Joe Biden Administration. AFFORDABILITY! Effective January 20, 2026, I, as President of the United States, am calling for a one year cap on Credit Card Interest Rates of 10%. Coincidentally, the January 20th date will coincide with the one year anniversary of the historic and very successful Trump Administration. Thank you for your attention to this matter. MAKE AMERICA GREAT AGAIN! PRESIDENT DONALD J. TRUMP

7.96k Retweets 30.4k Likes

Jan 10, 2026, 3:10 AM



What would actually happen is that the provision of the service would change dramatically. Specifically, people would lose access to credit on a very extensive and broad basis, especially the people who need it most. That would be a severely negative consequence for consumers and, frankly, probably also a negative for the economy as a whole."

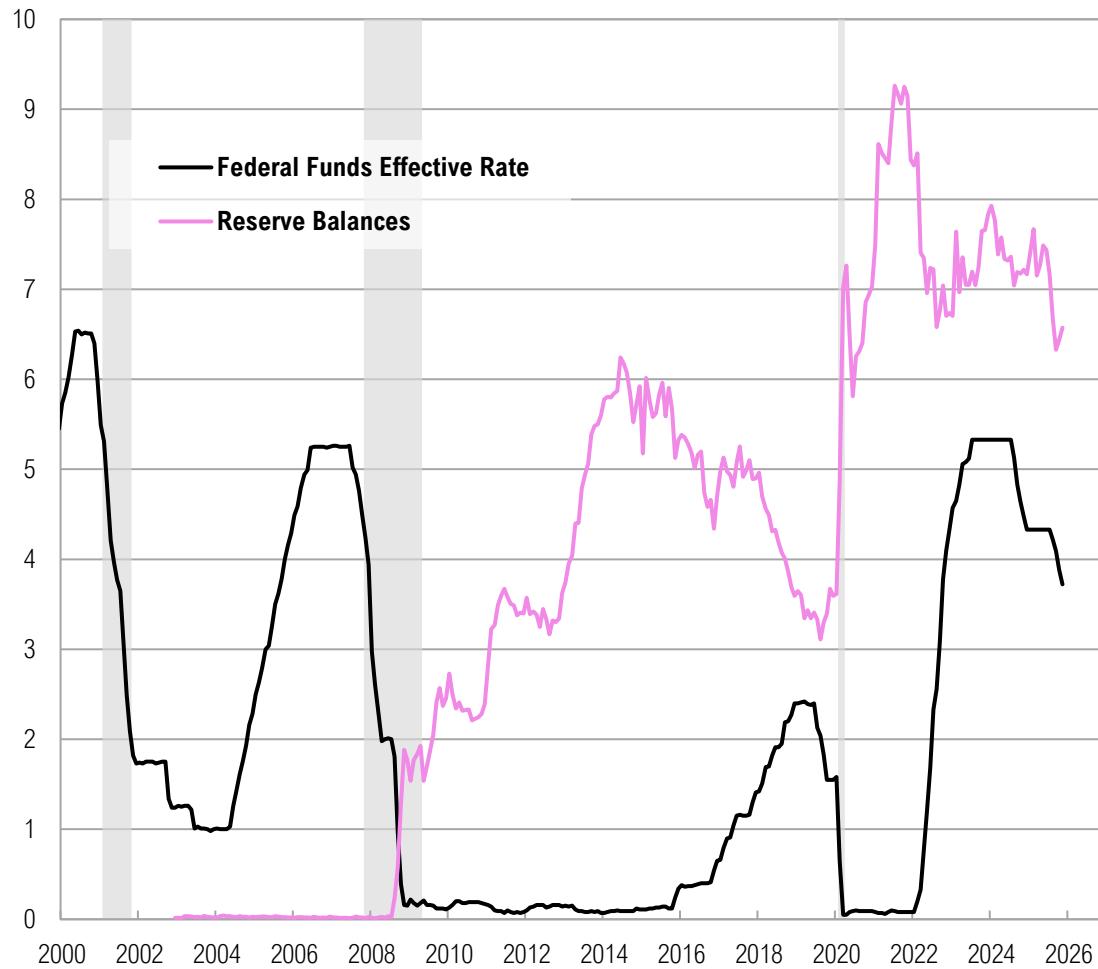
Jamie Dimon, JPMorgan CEO

Source: Bloomberg, Truth Social, JPMorgan earnings call transcript

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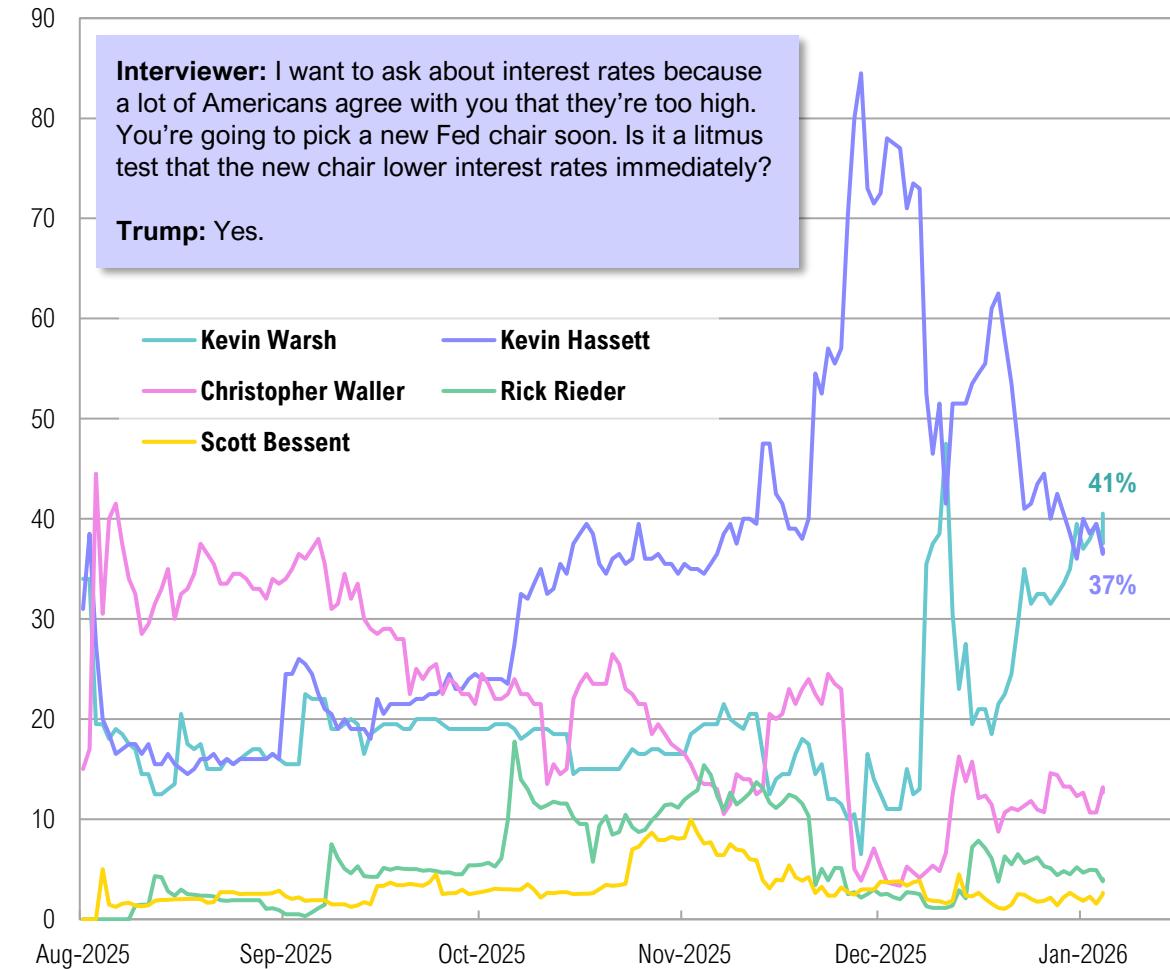
# More K's: the Fed is purchasing Treasuries while lowering interest rates, and a battle of the Kevins for the next Fed chair (per betting markets)

Federal Funds Effective Rate, %



Reserve Balances with Federal Reserve Banks, \$Tn

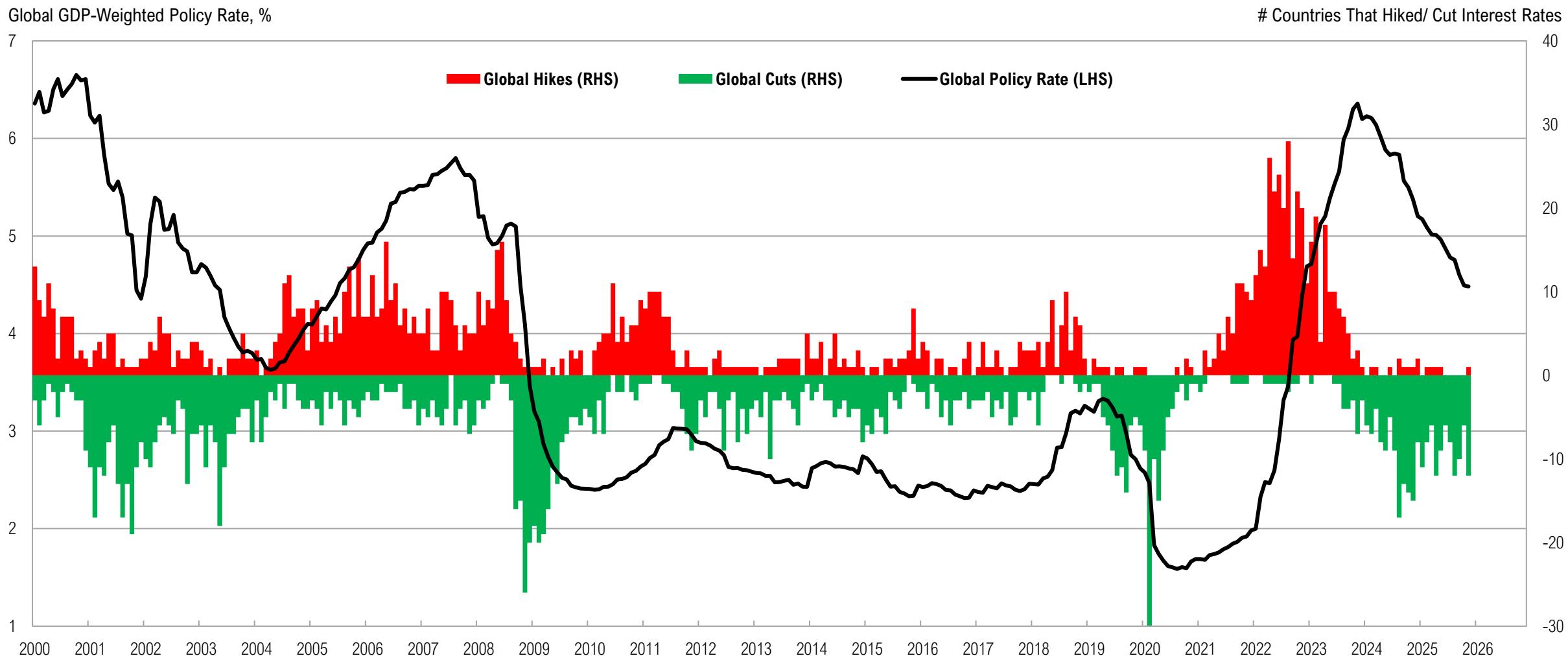
Polymarket Betting Market Probability: Who Will Trump Nominate as Fed Chair?



Source: Federal Reserve Bank of St. Louis, Polymarket

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# ➤ The global GDP-weighted policy rate now stands at 4.5% compared to 6.4% at the start of 2024



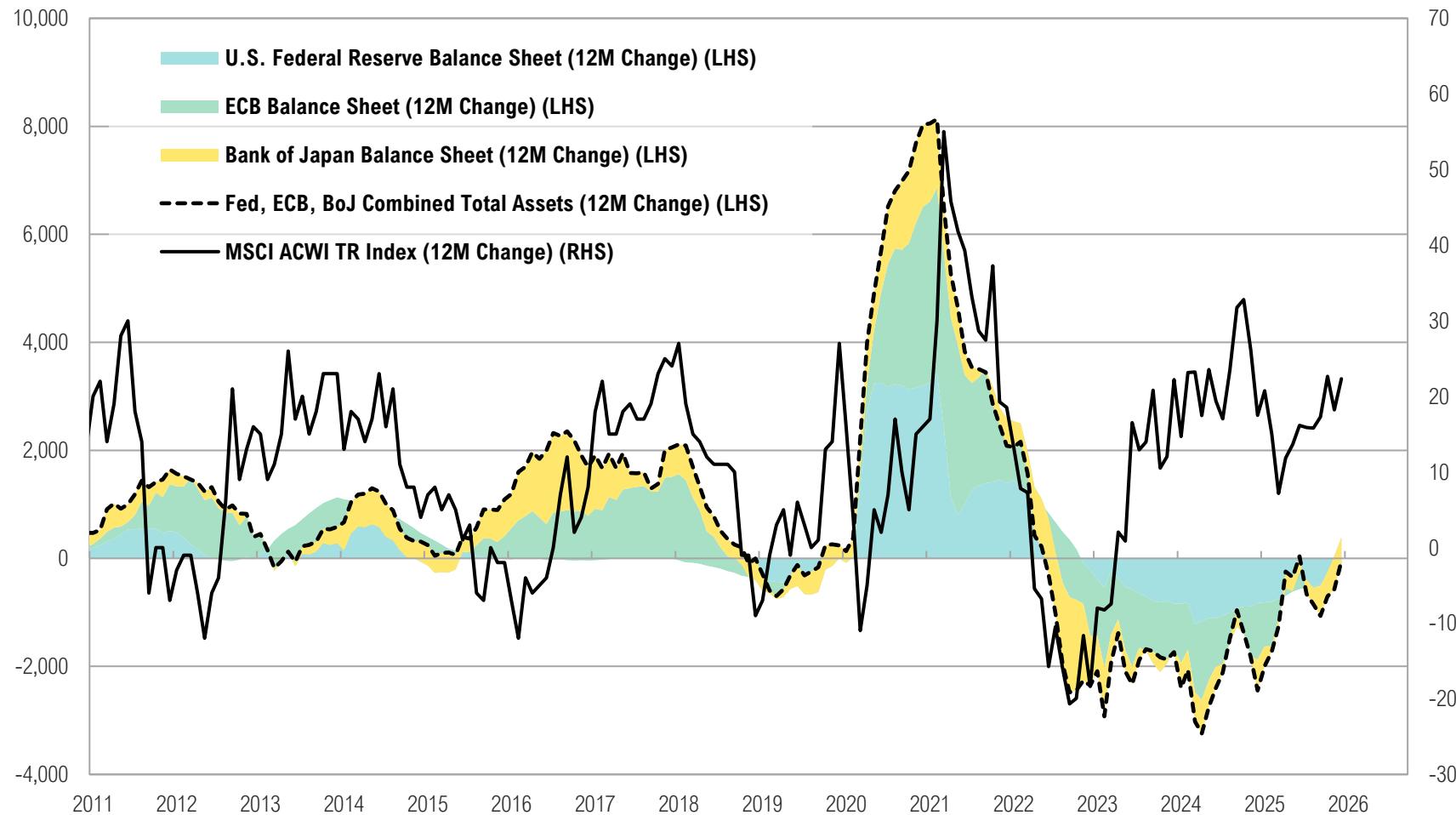
Source: IMF, BIS, Topdown Charts, SpringTide. Includes 39 countries on which data is available for. GDP weighting based on most recent 2024 GDP estimate published by the IMF. As of 12/31/2025.

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# Renewed balance sheet expansion from central banks could further boost global stock performance

Central Bank Balance Sheets, \$Bn



- Changes in the combined balance sheets of the Fed, ECB, and BoJ show a strong directional relationship with MSCI ACWI returns, most clearly during periods of aggressive balance sheet expansion (2020–2021) and contraction (2022), reinforcing the sensitivity of global equities to net central bank liquidity.
- While MSCI ACWI returns have fared well despite balance sheet contraction since 2022, historical evidence suggests sustained equity strength has historically been difficult to maintain without a supportive or stabilizing liquidity backdrop.

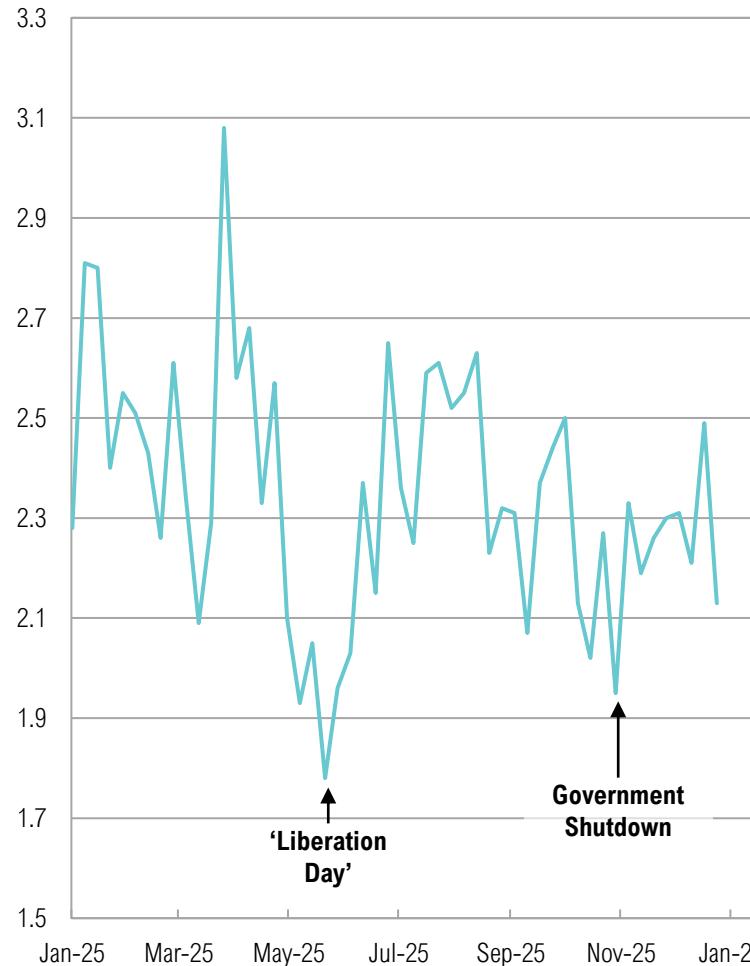
Source: Bloomberg

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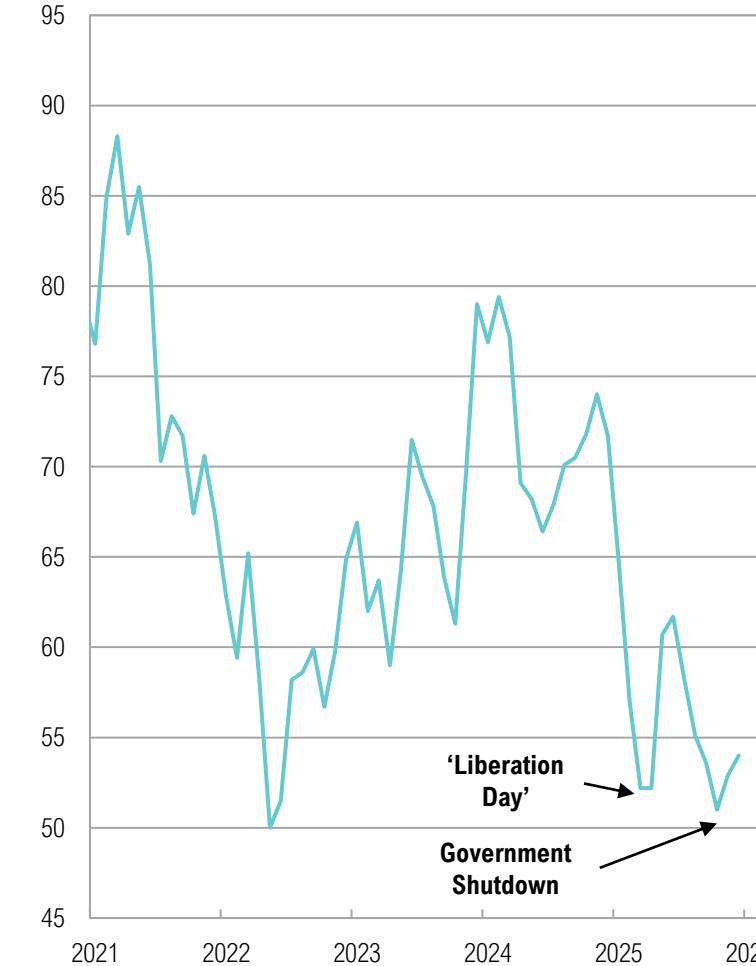


# Will the administration's attempts work? Consumer sentiment may be bottoming, and turning higher, albeit from low levels

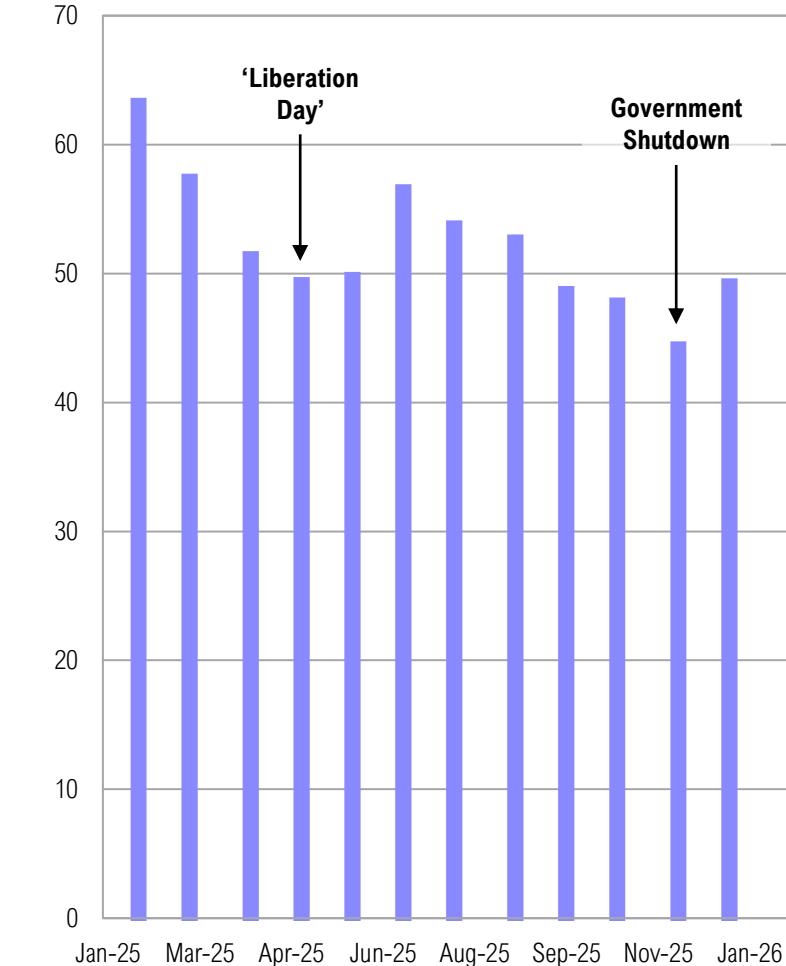
Federal Reserve Bank of Dallas: Weekly Economic Index



ADP Weekly Employment



Consumer Sentiment: Bottom 33% of Income Bracket



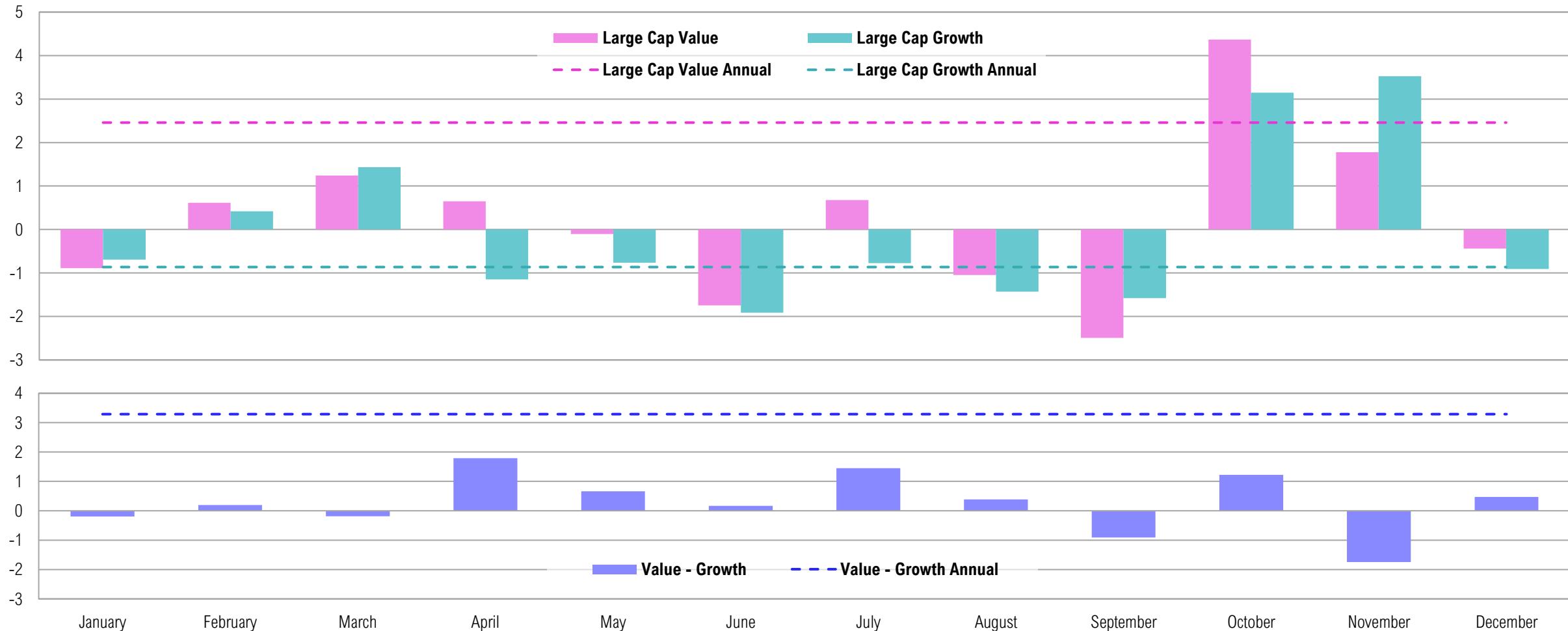
Source: Bloomberg

# ↗ Equity

U.S. corporate earnings remain resilient, supported by continued AI-related investment. Valuations for U.S. large-cap stocks are at historically elevated levels, while small caps have staged a sharp rebound, underpinned by constructive forward earnings expectations.

# >Returns in midterm election years tend to be volatile early on, with performance typically improving later in the year

Midterm Year Average Monthly Return, %

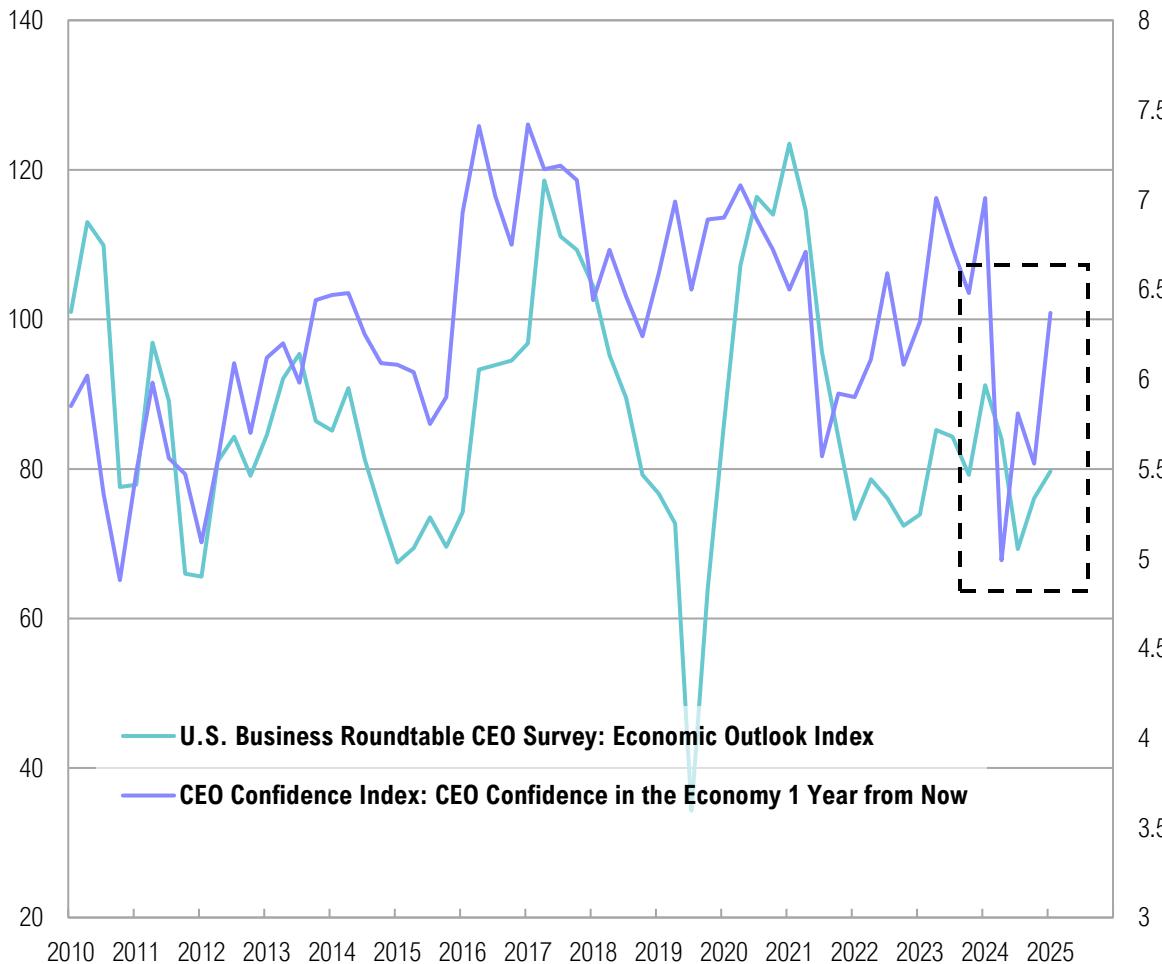


Source: Bloomberg, SpringTide. Since inception of the Nasdaq Composite in 1971. Large Cap Value = Dow Jones Industrial Average; Large Cap Growth = Nasdaq Composite. Annual numbers are geometric averages.

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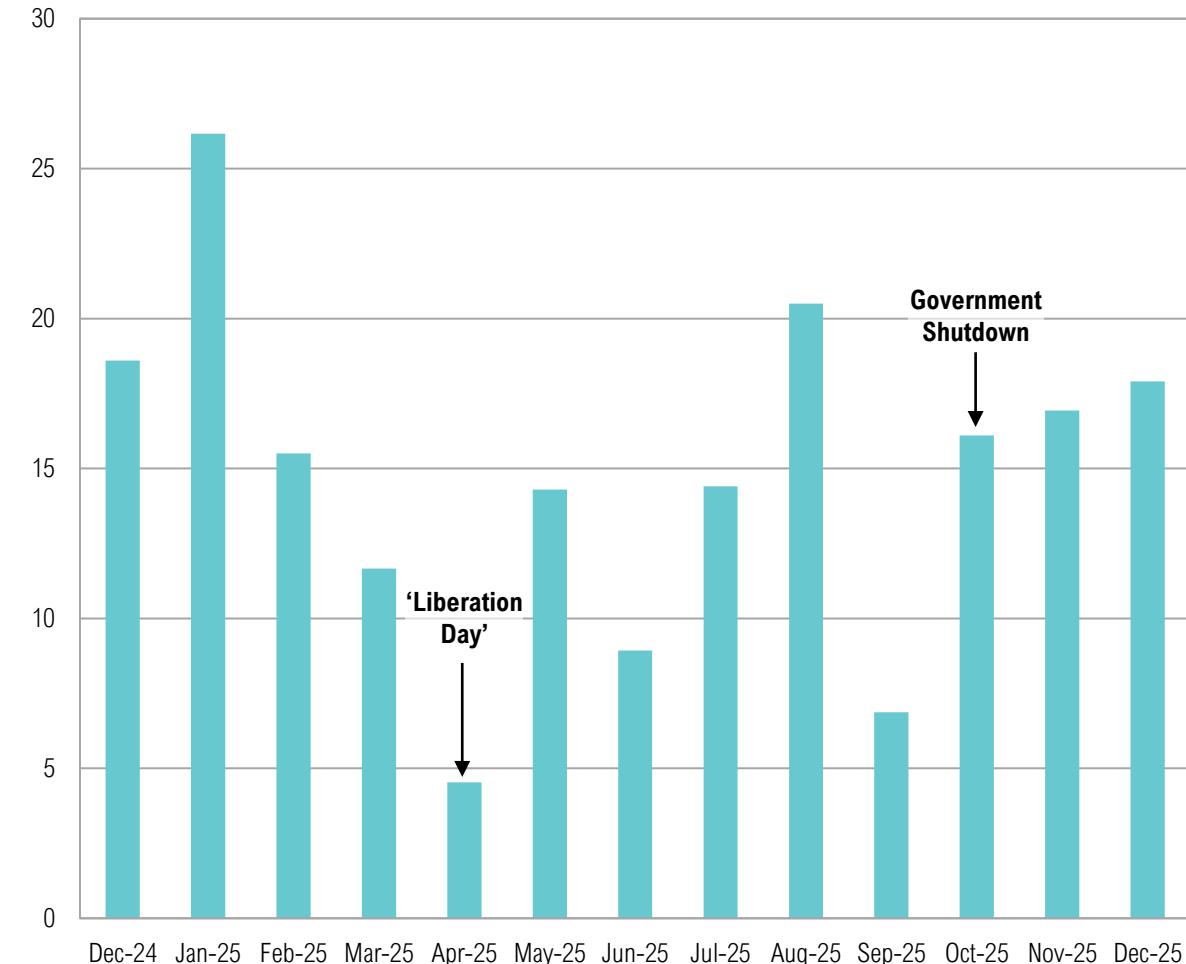
# CEO confidence is rising, with broader (non-AI-related) capex spending plans increasing

U.S. Business Roundtable CEO Survey



CEO Confidence Index

Capex Plans to Increase Spending: Fed Regional Survey Aggregate

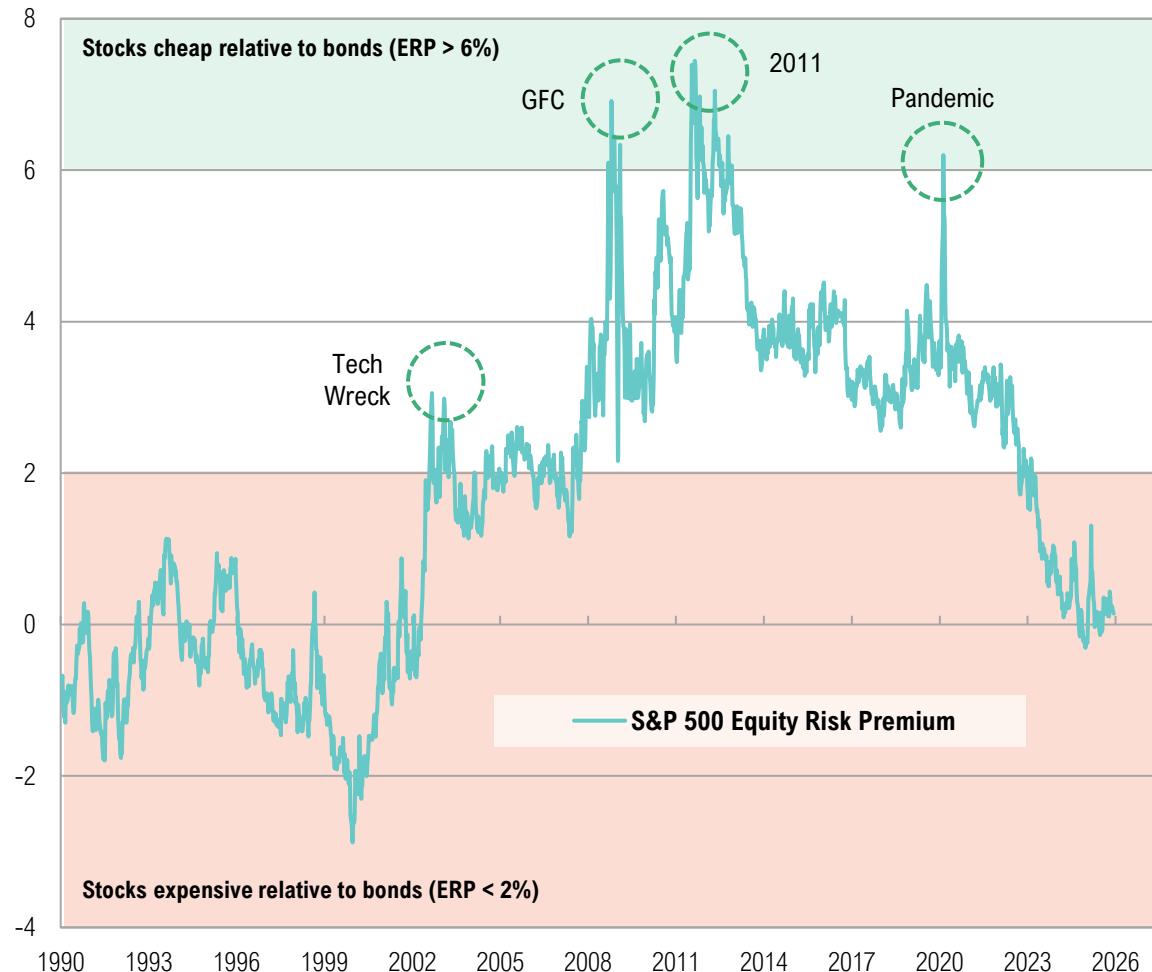


Source: Bloomberg, Federal Reserve Bank of St. Louis

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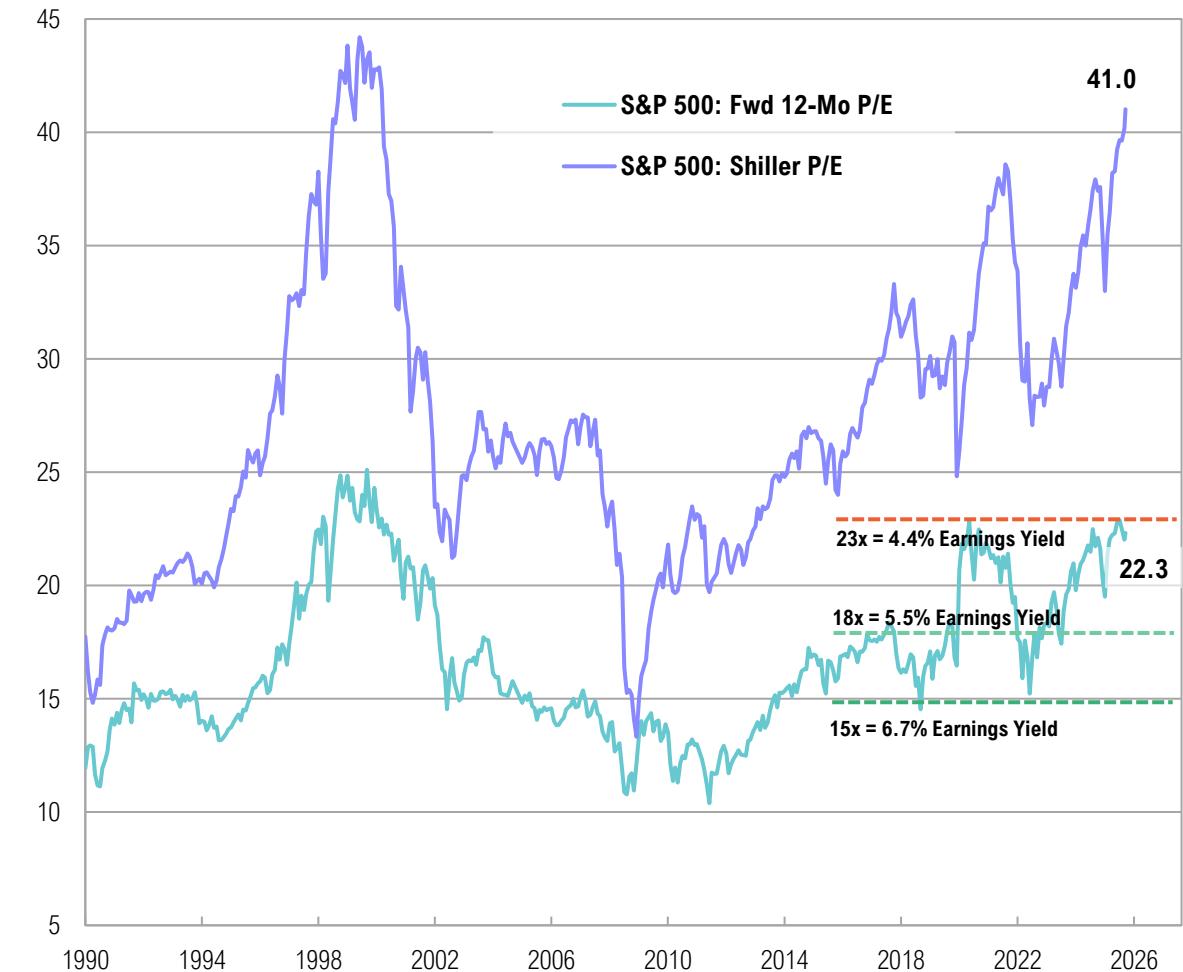
## Using a simple yield-to-earnings yield comparison (ERP), U.S. stocks are less attractively priced vis-à-vis bonds than at any point since the 1990s; U.S. large cap valuations remain near extremes

S&amp;P 500 Forward Earnings Yield minus 10-Year US Treasury, %



Source: Bloomberg. Equity risk premium calculated as S&P 500 earnings yield minus 10-year Treasury yield.

S&amp;P 500 Price to Earnings, 12-Mo Fwd vs. Shiller

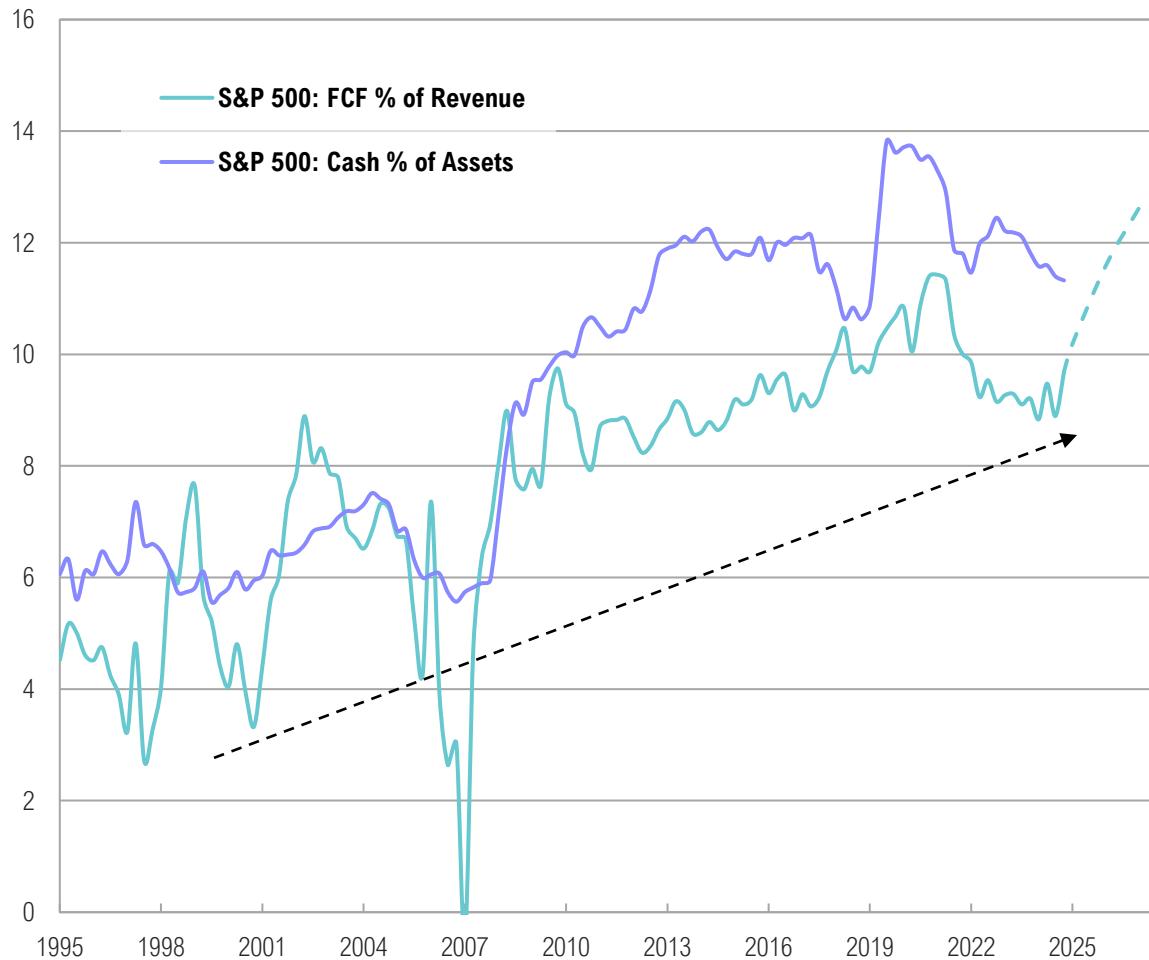


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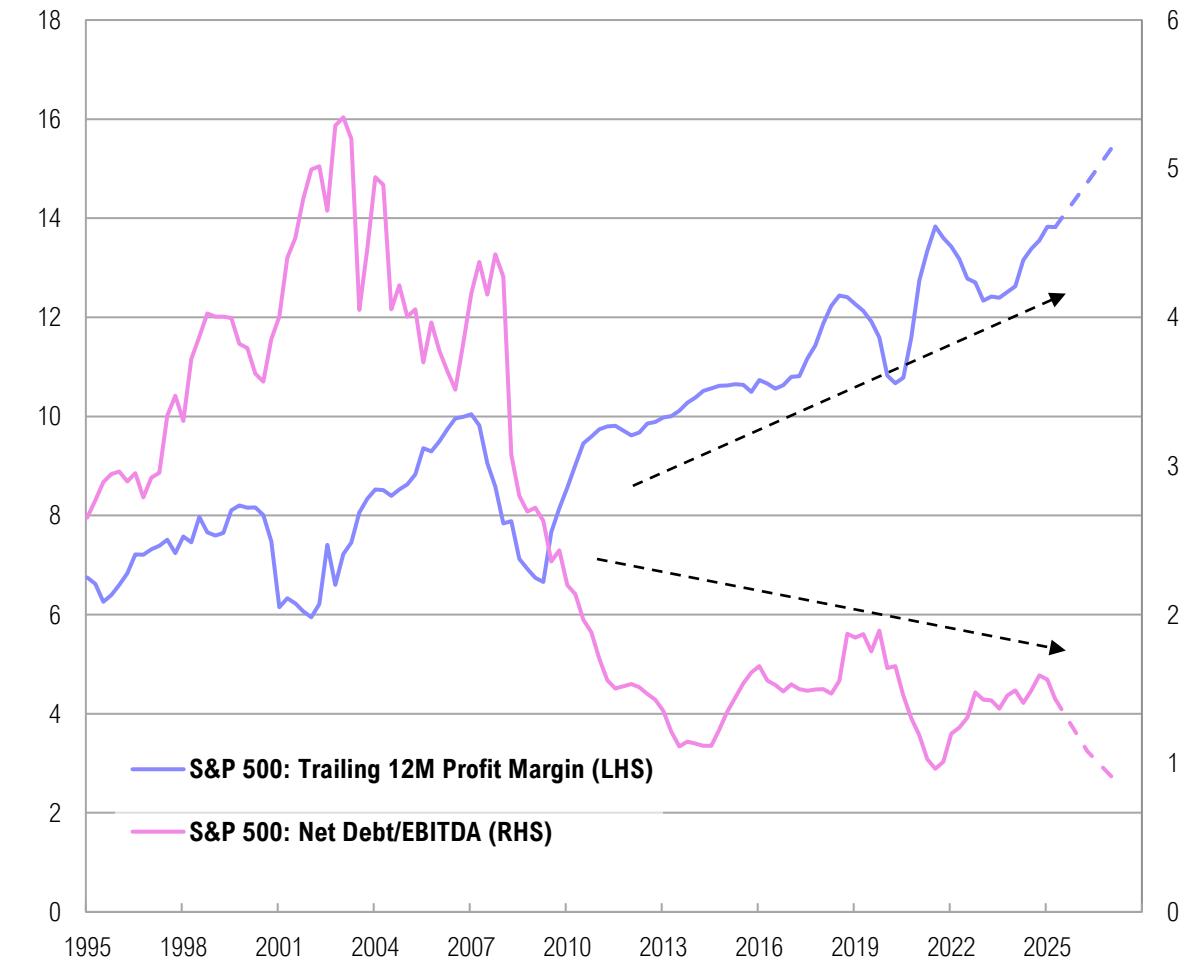
**The corporate sector is strong by historical standards: capital expenditures, R&D, and tech investment have boosted scalability and efficiency, enabling improved margins and reducing debt**

S&amp;P 500 Free Cash Flow Efficiency and Cash Levels, %



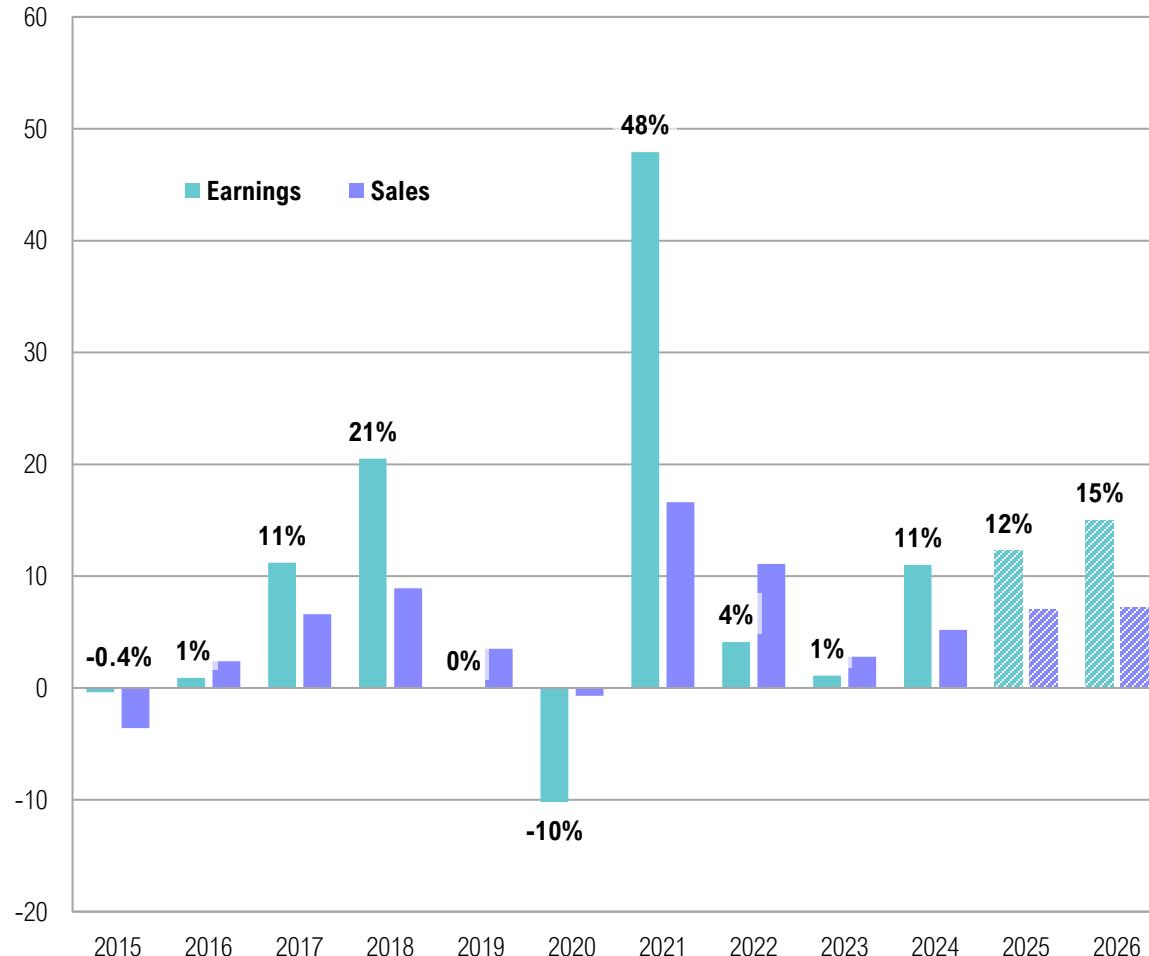
Source: Bloomberg. \*Dashed lines represent Bloomberg estimates.

S&amp;P 500 Index, Profit Margin %

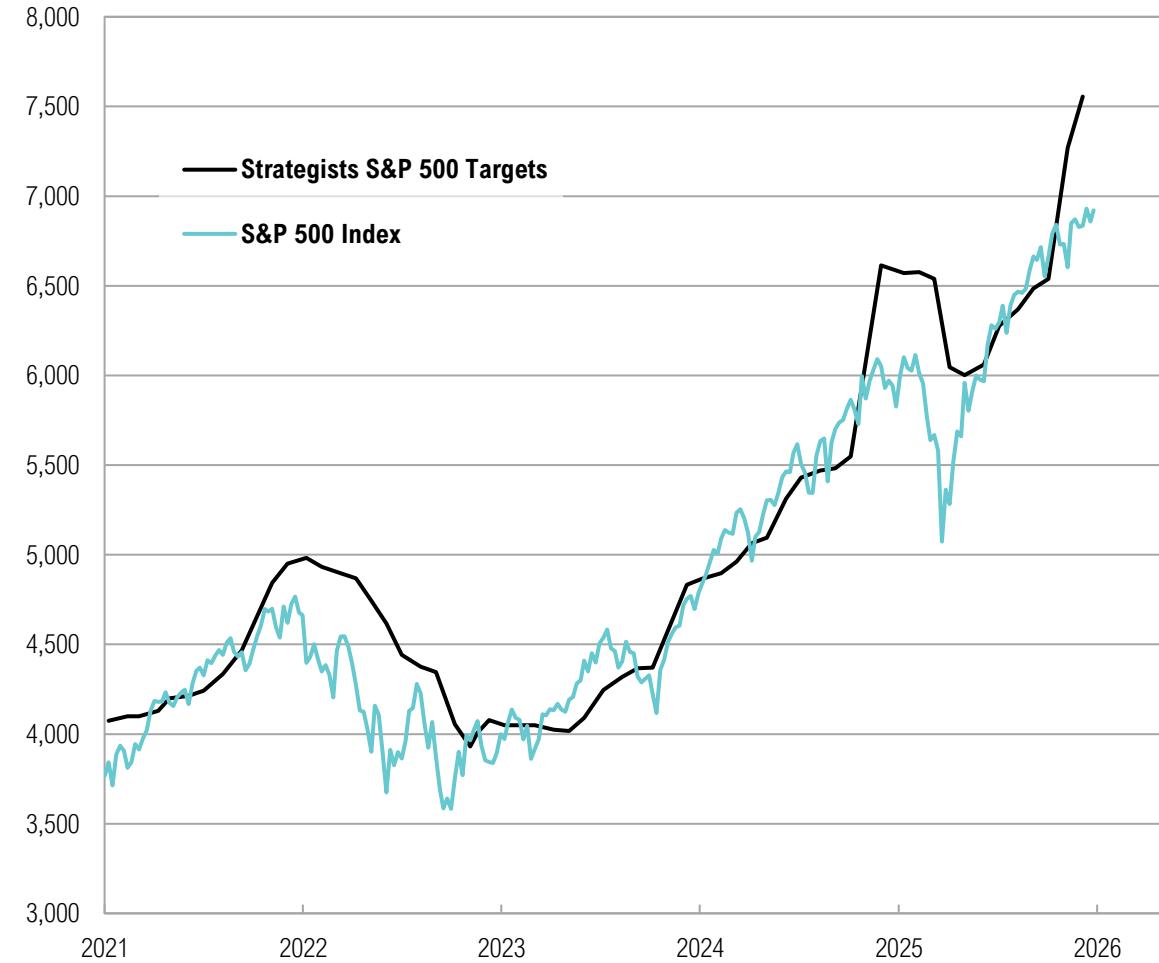


# ➤ S&P 500 earnings are expected to grow 15% Y/Y, with net margins anticipated to reach the highest level since 2008; strategists have high hopes for 2026

S&amp;P 500 Earnings &amp; Sales Growth, % (2015 – 2026)



S&amp;P 500 Index &amp; Wall Street Strategists Average Year-End S&amp;P 500 Target Forecast\*

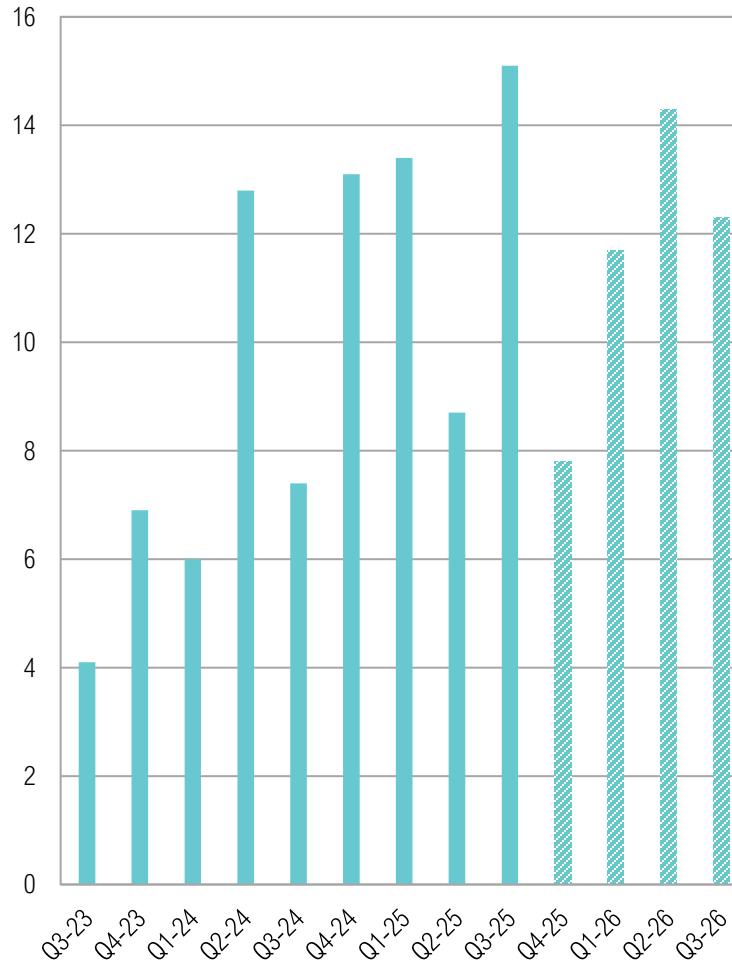


Source: Bloomberg, FactSet. \*The index is the average year-end forecast for the S&P 500 compiled from a survey of Wall Street strategists by Bloomberg reporters.

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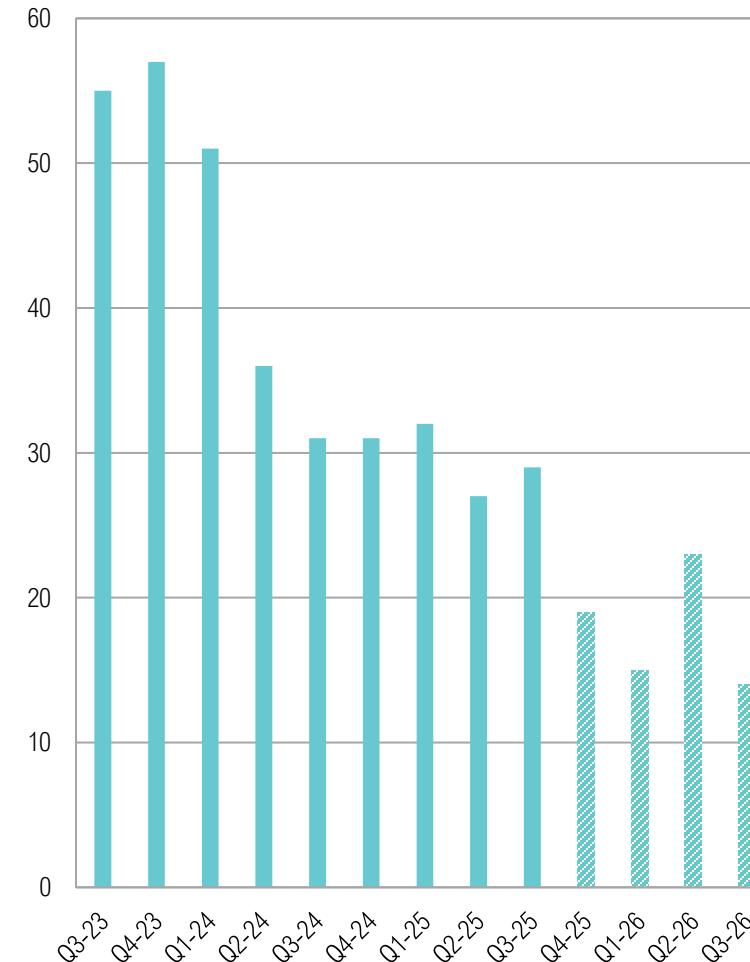
# ➤ The earnings growth broadening momentum continues

S&amp;P 500 Earnings Growth Expectations, Y/Y %

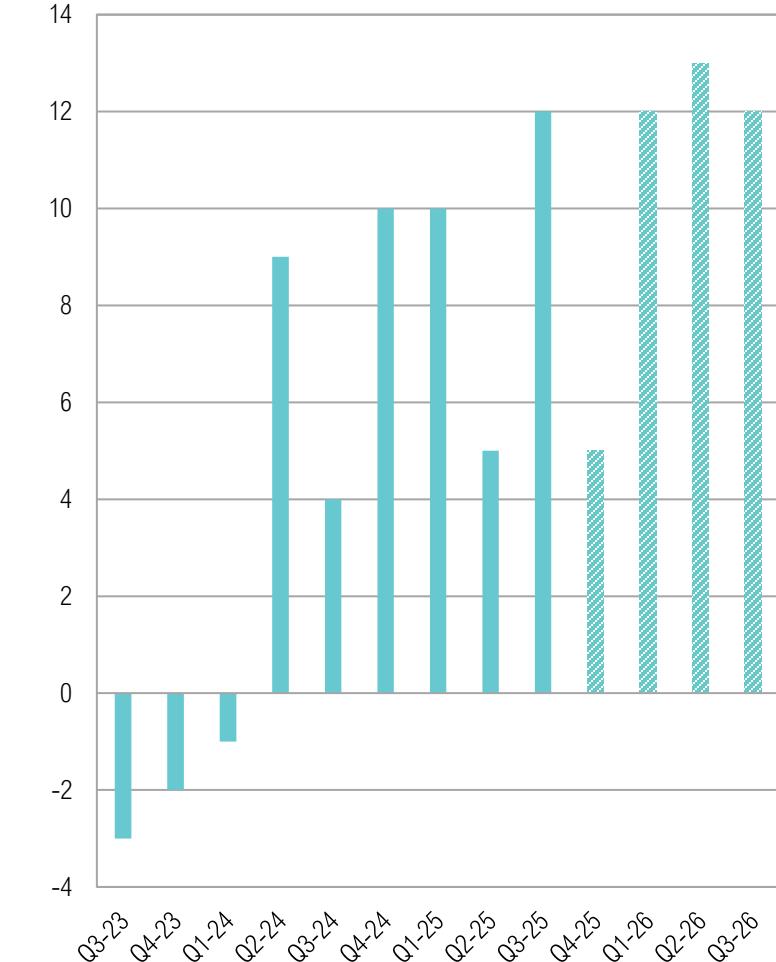


Source: Bloomberg

Magnificent 7 Net Income Growth, Y/Y %

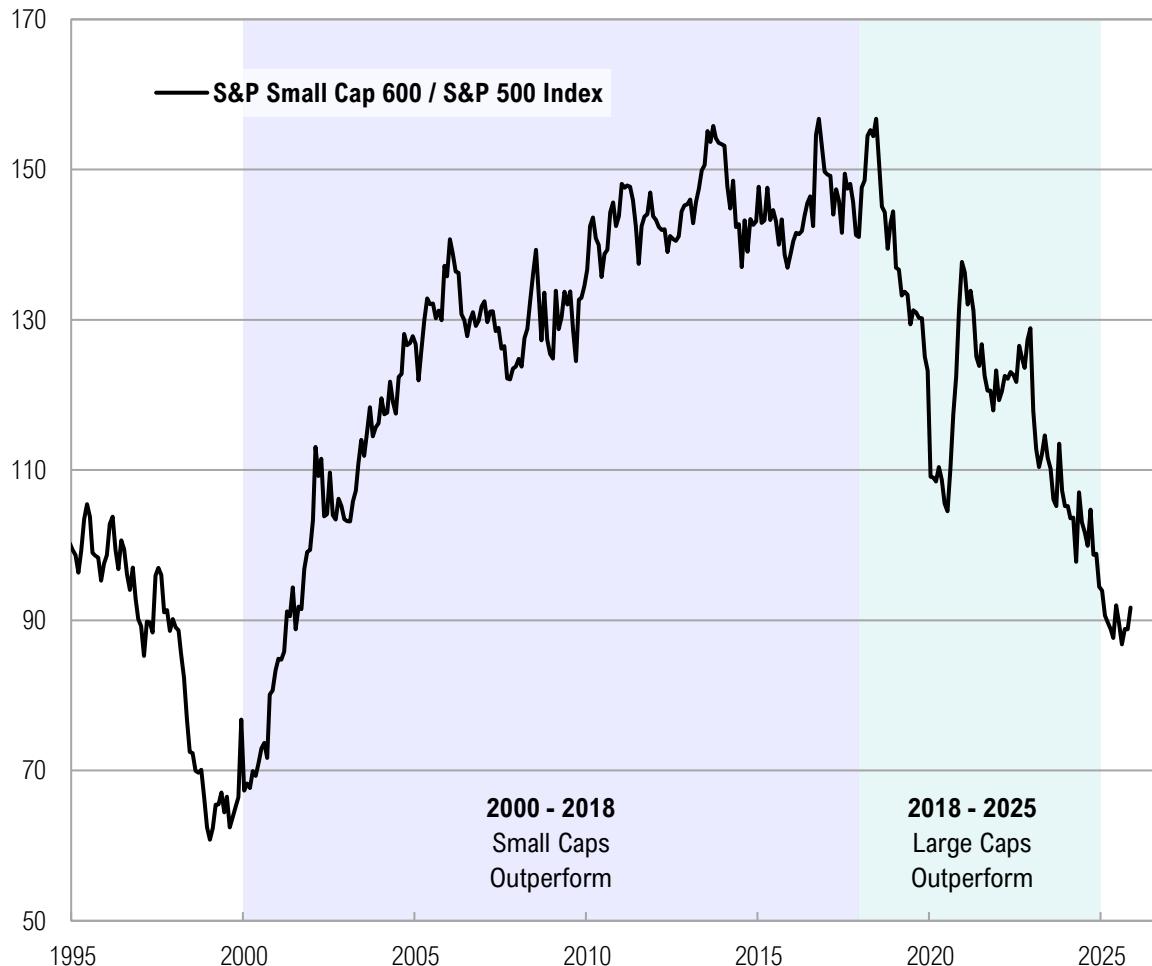


S&amp;P 493 (S&amp;P 500 ex Magnificent 7) Net Income Growth, %



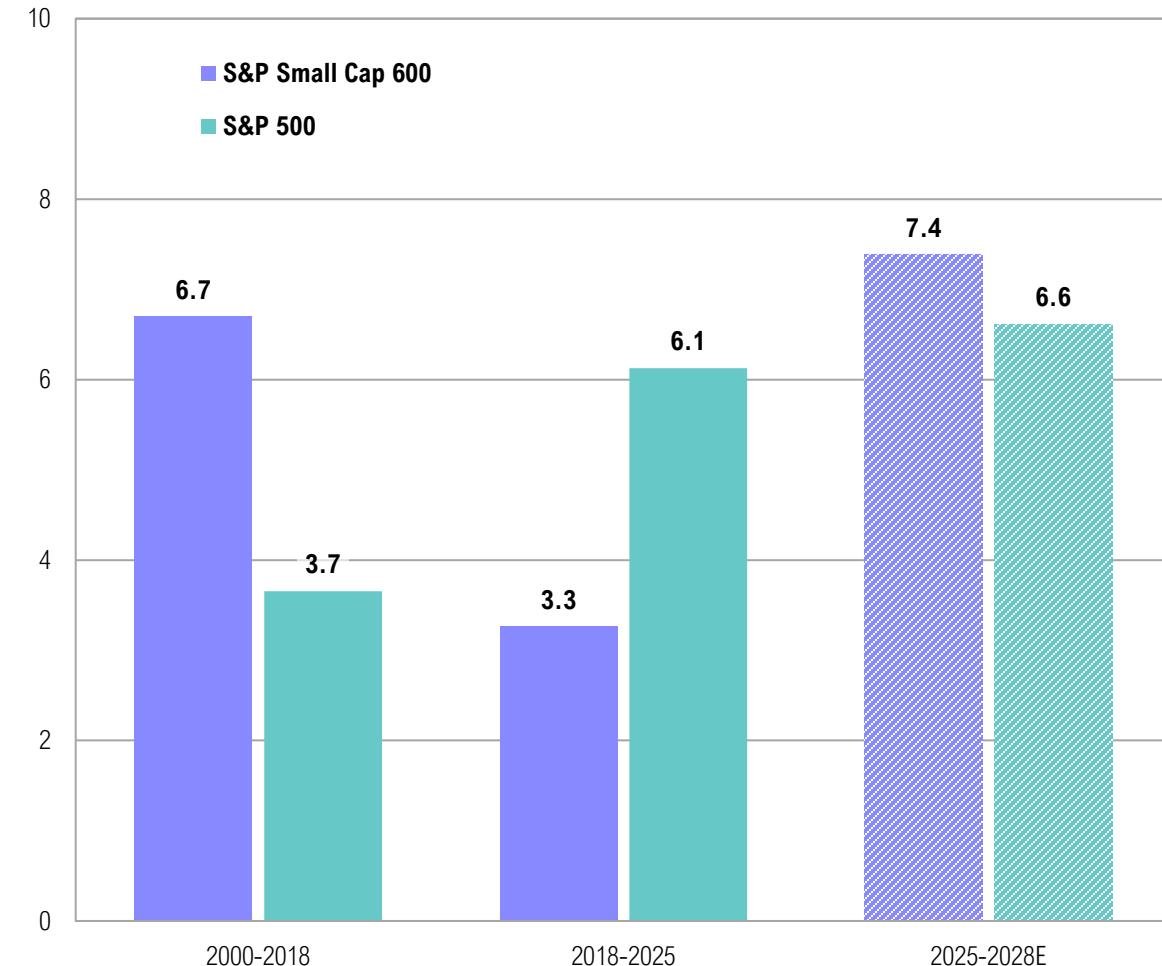
# Revenue growth has contributed to relative performance between small- and large-cap stocks, with small caps expected to outpace over the next three years

S&amp;P 600 / S&amp;P 500 Index, Growth of 100



Source: Bloomberg

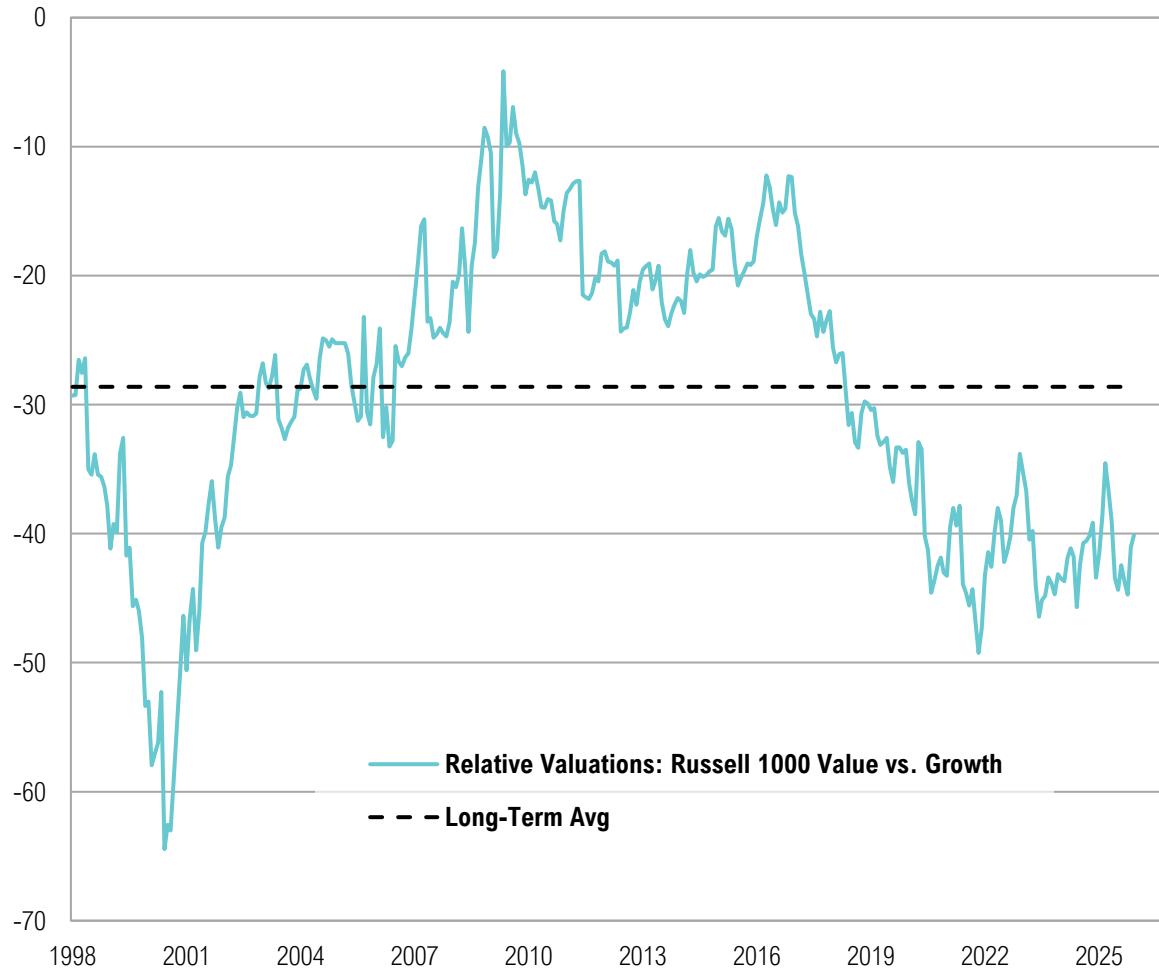
Annualized Revenue Growth, %



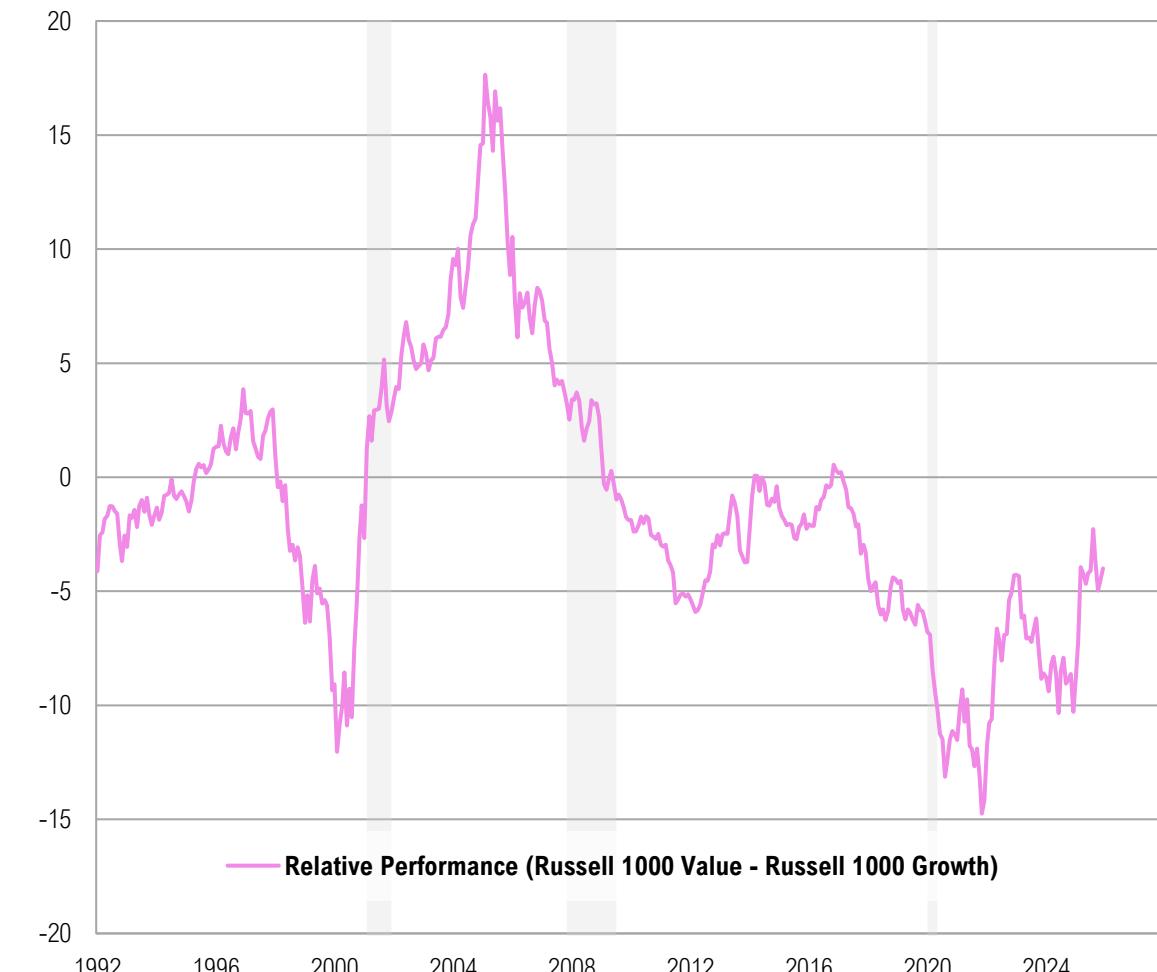


**Historically, U.S. large-cap growth and value stocks experience extended cycles of relative over- and underperformance; value currently trades at a 40% discount to growth versus a 29% LT average**

Russell 1000 Value vs. Growth Fwd P/E Discount, %



Rolling 5-Year Relative Returns, %

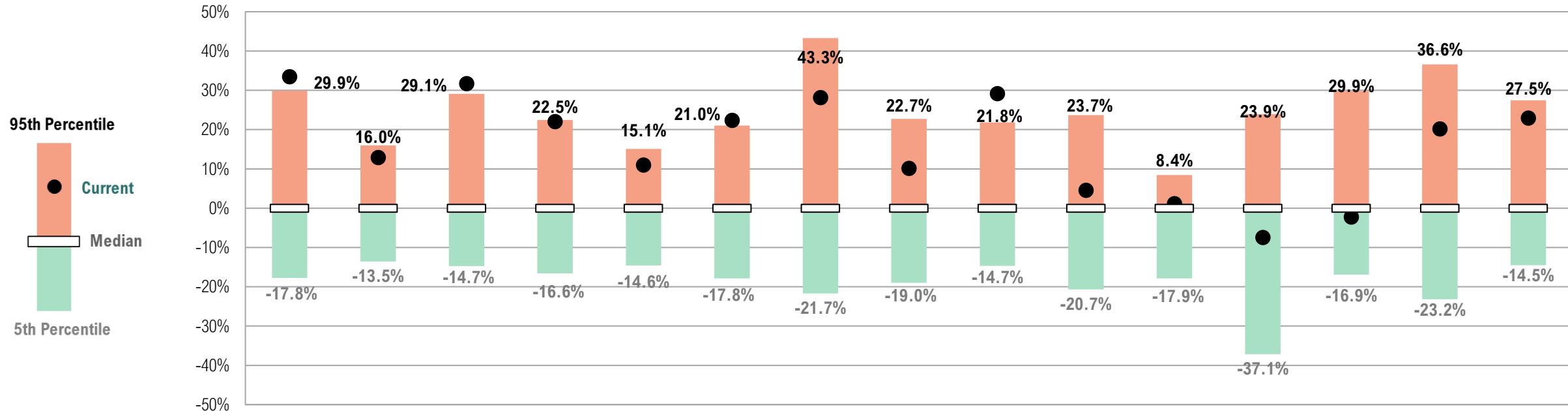


Source: Bloomberg, As of 12/31/2025.

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# ➤ Brazil & Mexico are the only countries trading below median, with Hong Kong and Australia near median valuations

Current Composite Valuation Premium/Discount vs. 10-Year Median\*



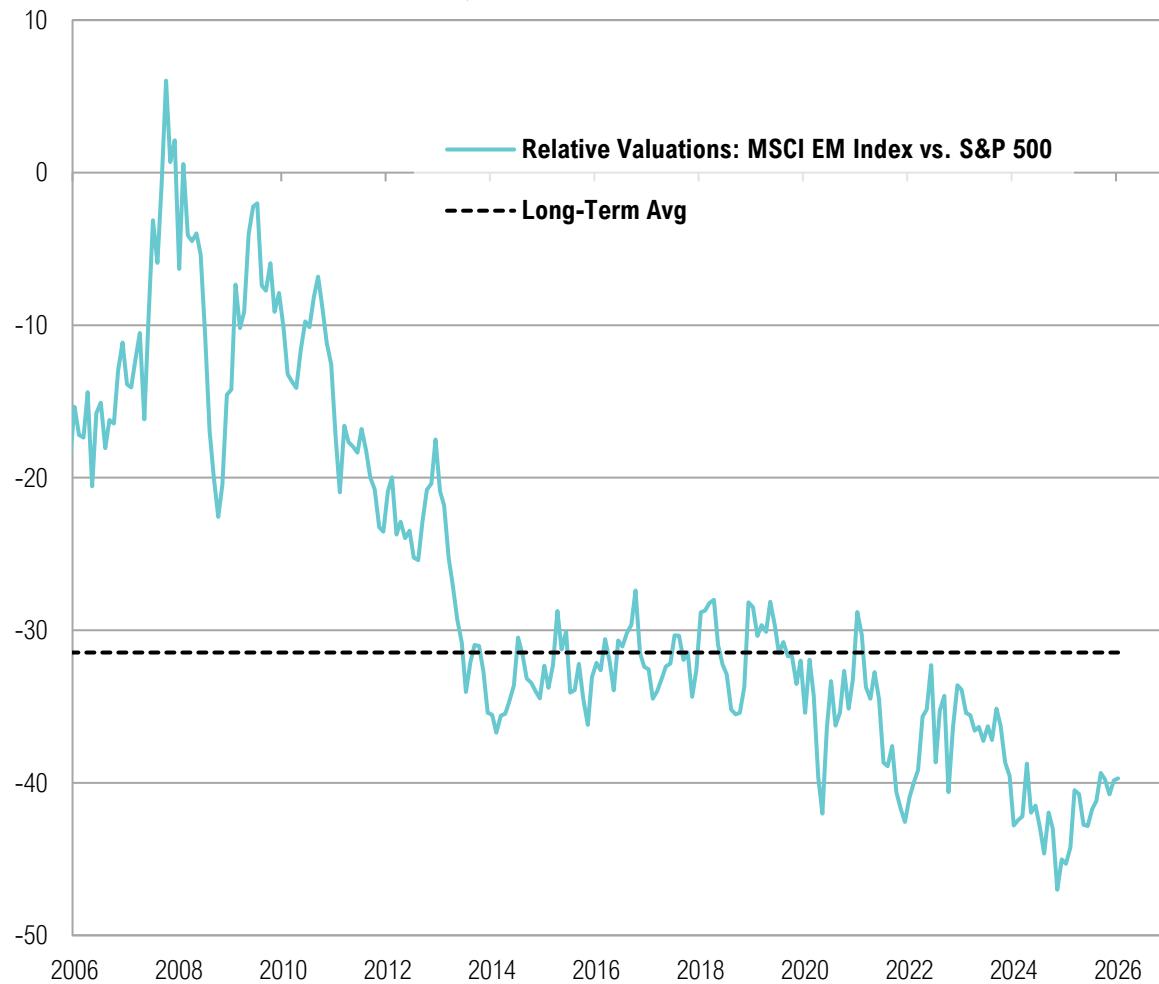
	U.S. Large Cap	EAFFE	Emerging Markets	Canada	Europe	Germany	Netherlands	United Kingdom	Japan	Hong Kong	Australia	Brazil	Mexico	China	India
High Valuation Date	10/31/2025	12/31/2020	1/31/2021	11/30/2016	6/30/2021	12/31/2020	10/31/2021	7/31/2016	1/6/2026	5/31/2021	12/31/2020	12/31/2020	5/31/2015	1/31/2021	9/30/2024
Low Valuation Date	9/30/2015	9/30/2022	9/30/2015	9/30/2022	9/30/2022	9/30/2022	2/29/2016	9/30/2022	12/31/2018	1/31/2025	9/30/2022	6/30/2022	12/31/2024	9/30/2015	3/31/2020
Valuation Premium on 12/31/2024	24%	-3%	1%	6%	-1%	6%	3%	-8%	8%	-19%	0%	-36%	-25%	-6%	22%
Valuation Premium on 12/31/2023	12%	-3%	4%	-5%	-7%	-9%	11%	-18%	-1%	-16%	-7%	-23%	1%	-17%	22%
Valuation Premium on 12/31/2022	-5%	-12%	-4%	-20%	-15%	-19%	7%	-16%	-19%	0%	-18%	-36%	-14%	-5%	14%
Valuation Premium on 12/31/2021	26%	9%	12%	6%	13%	3%	53%	-1%	5%	13%	3%	-31%	27%	9%	27%
Valuation Premium on 12/31/2020	27%	21%	33%	9%	17%	24%	21%	7%	24%	22%	11%	38%	10%	40%	18%

Source: Bloomberg. \*The composite valuation selectively weights four valuation metrics (Fwd P/E, Fwd P/CF, TTM P/S and TTM EV/EBITDA) relative to each respective countries' 10-year medium valuation. As of 1/6/2026.

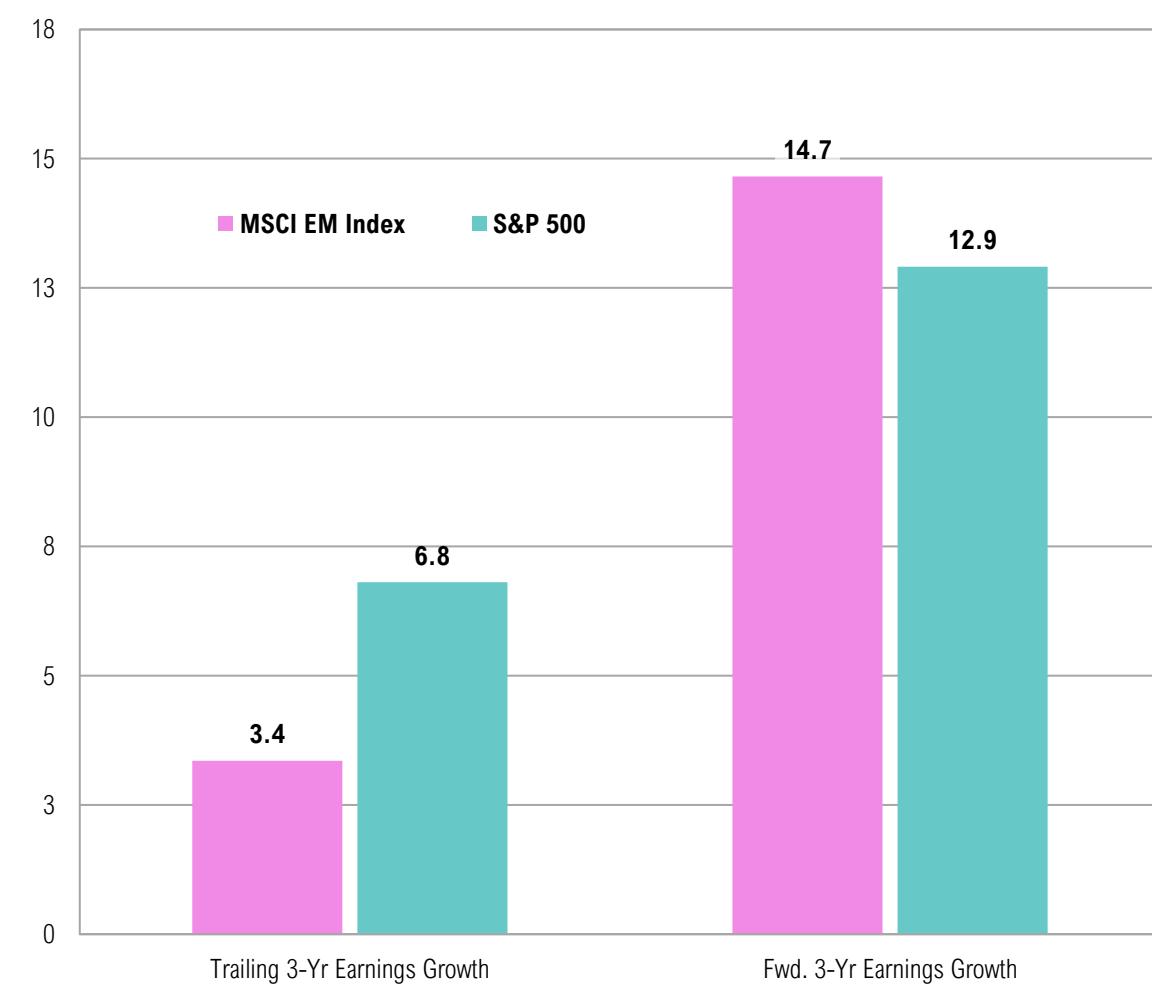
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**While EM stocks (like DM ex-US) trade at historically wide discounts to the S&P 500, earnings growth is expected to outpace U.S. equities over the next three years**

MSCI EM vs. S&amp;P 500 Fwd P/E Discount, %



Earnings Growth, %

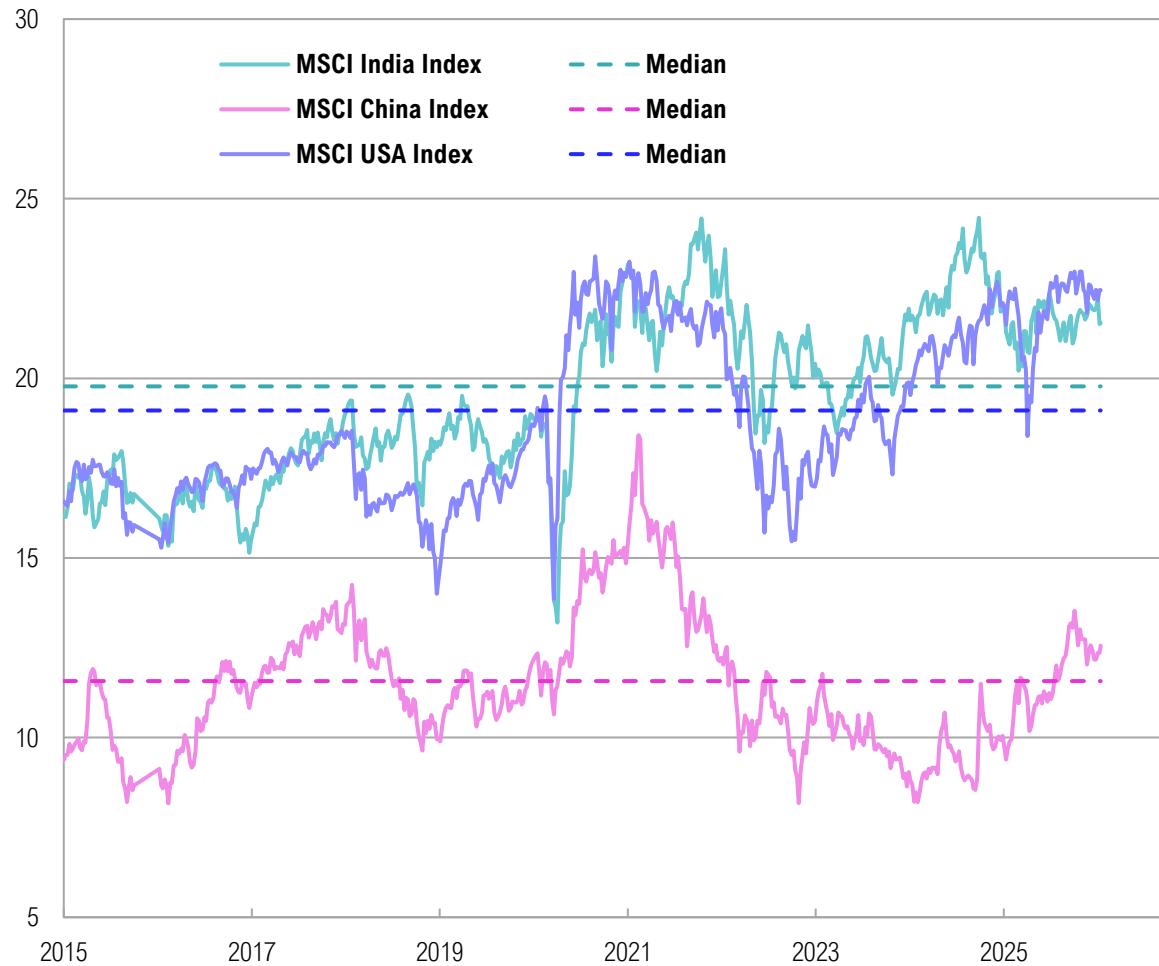


Source: Bloomberg, As of 12/31/2025.

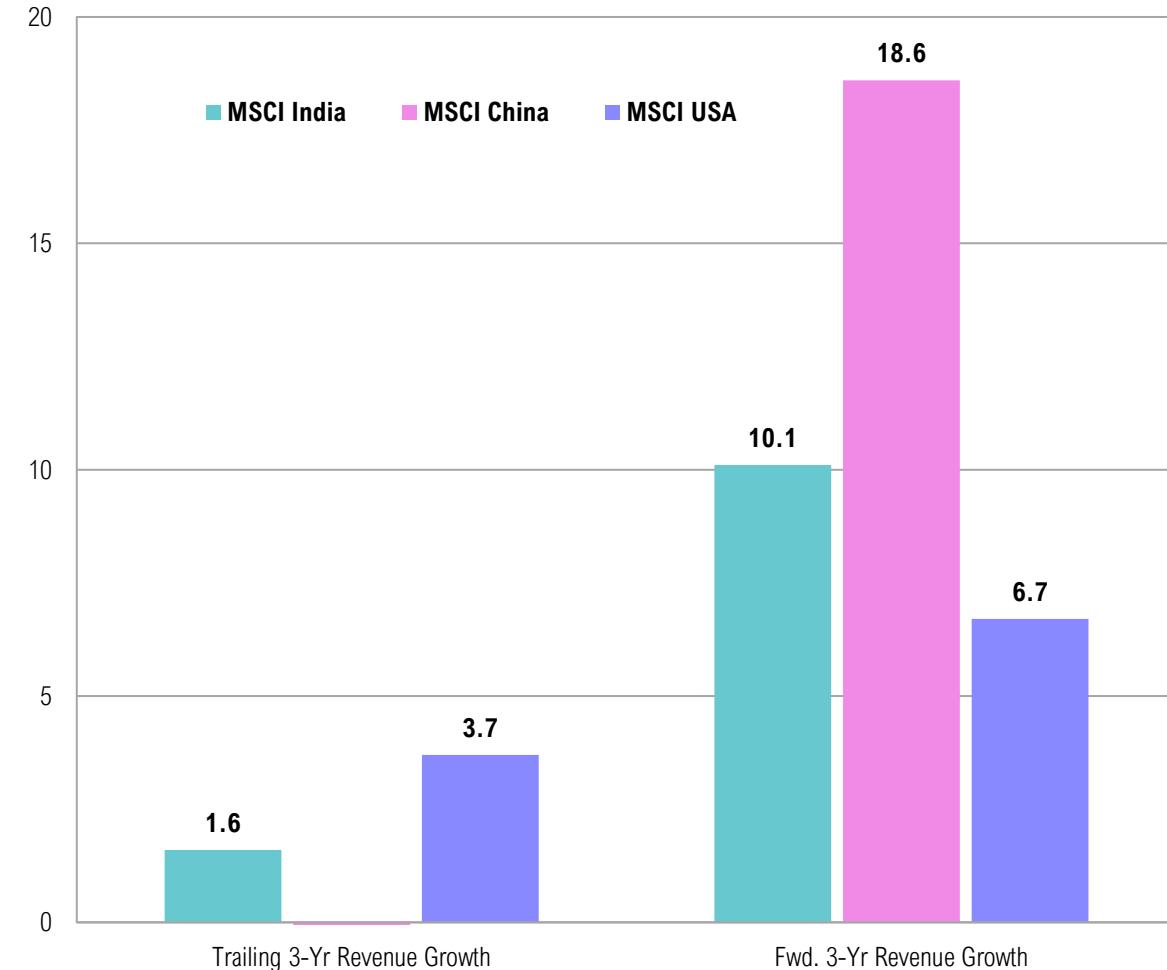
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# Like U.S. stocks, both India and China trade above their 10-year average valuations but have stronger growth expectations over the next three years

Forward P/E Ratio



Revenue Growth, %

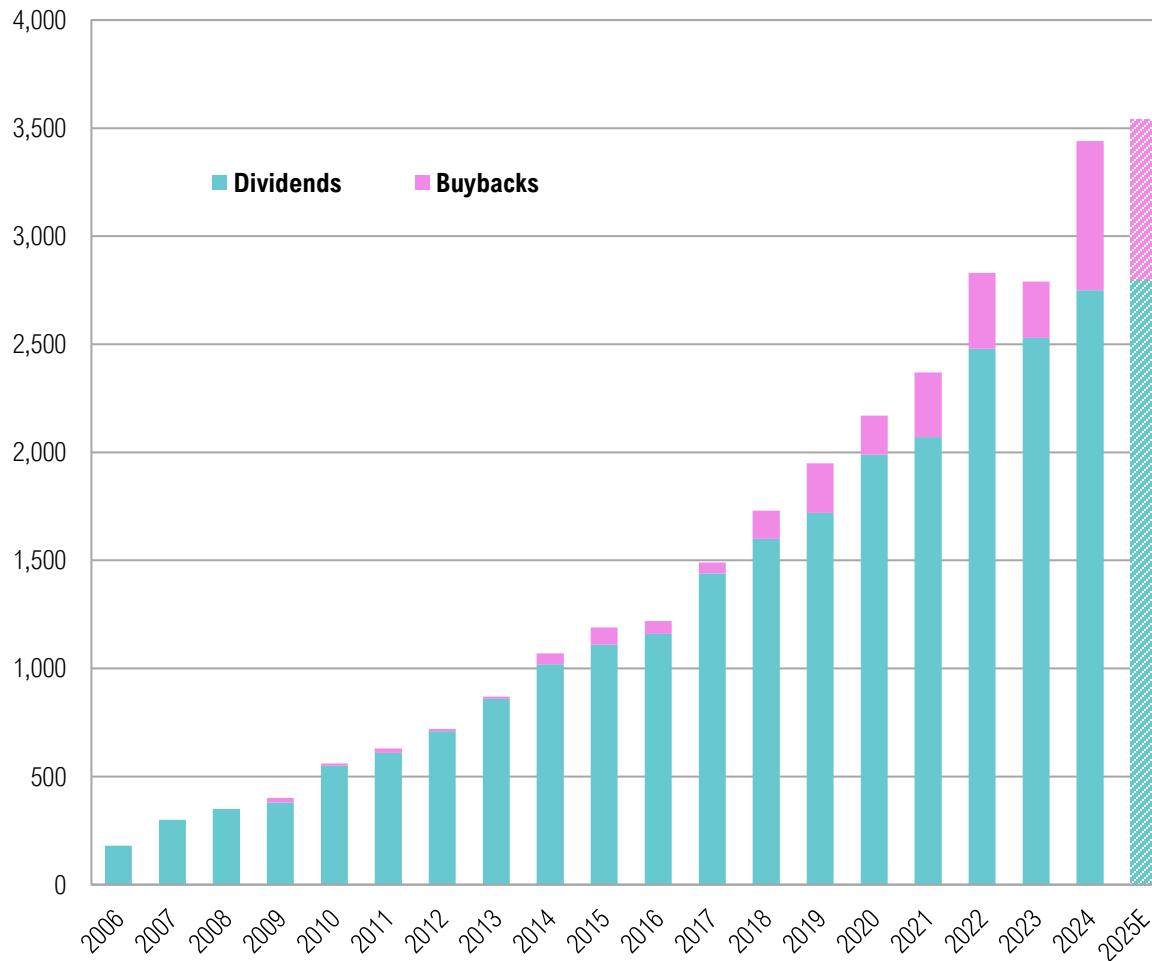


Source: Bloomberg. As of 1/13/2026.

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# ➤ China is pushing companies to improve governance, and shareholder returns (like Korea and Japan); net buybacks have become accretive, boosting EPS

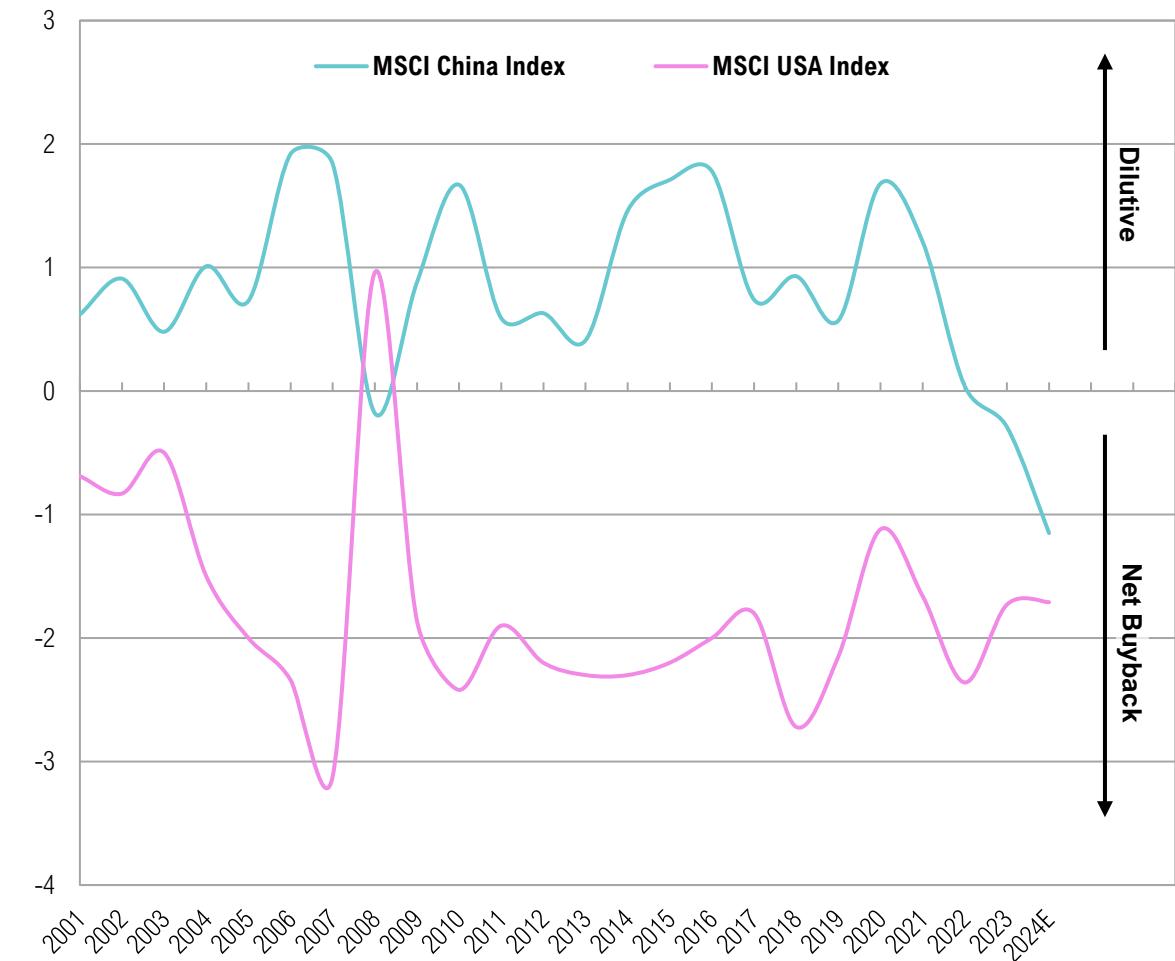
Share Buybacks &amp; Dividends for All-China Listed Stocks, RMB Billions



Source: AllianceBernstein, Goldman Sachs, Wind

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Net Issuance as Percent of Market Capitalization, %



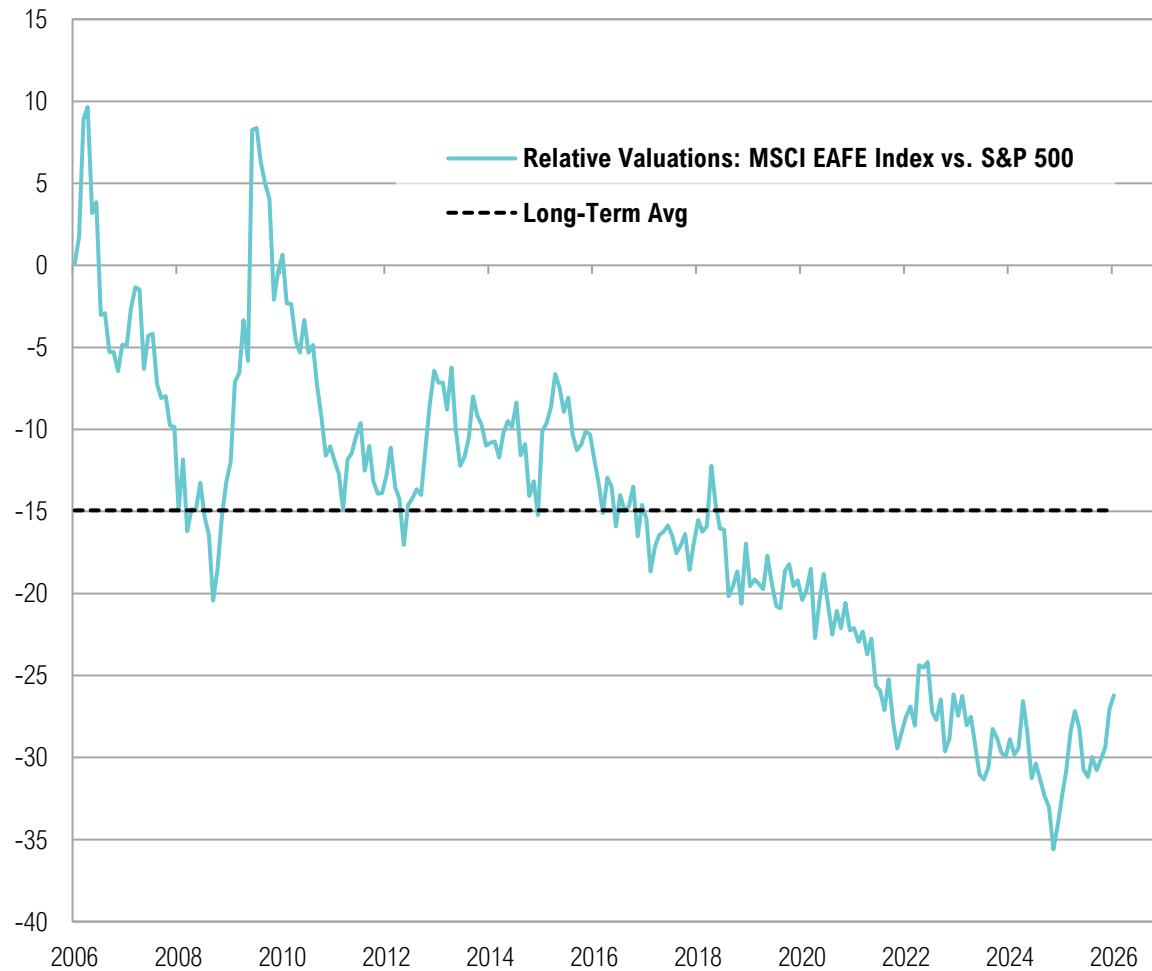
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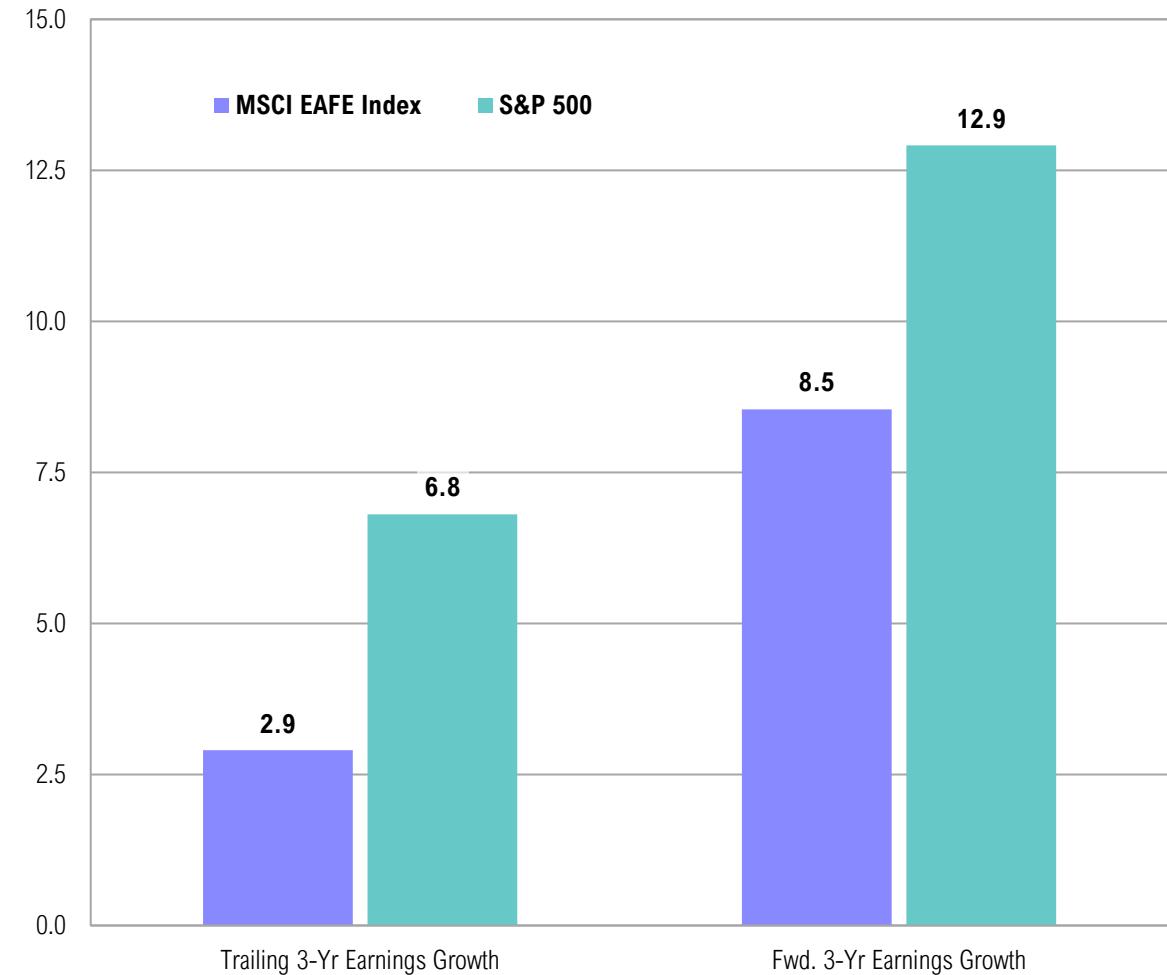


**While international developed market stocks continue to trade at historically wide discounts to the S&P 500, the dispersion in earnings growth (which has contributed to this discount) is expected to persist**

MSCI EAFE vs. S&amp;P 500 Fwd P/E Discount, %



Earnings Growth, %



Source: Bloomberg, As of 12/31/2025.

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# Big Breakout Basket Recap: Since first discussed 6 months ago, the shift in policy towards industrialization/ onshoring has led to strong follow-through

MVIS Global Rate Earth/Strategic Metals Index



Bloomberg Industrial Metals Subindex



Solactive Global Lithium Index



Albemarle Corp Share Price, \$



Source: Bloomberg. As of 1/15/2026.

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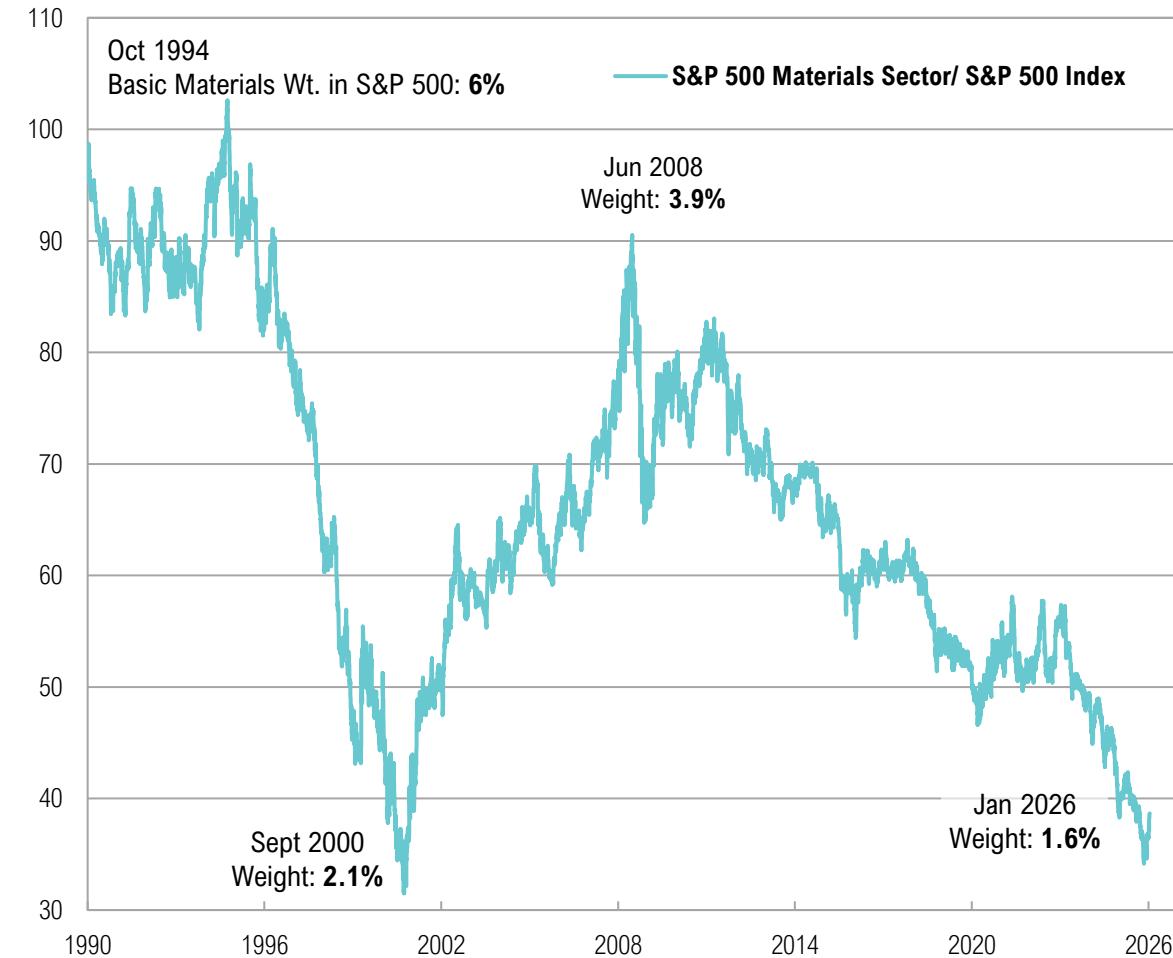
# Back to basics: Basic materials have decisively broken out against 5-year resistance; the industry currently represents only 1.6% of the S&P 500

Russell 1000 Basic Materials Index



Source: Bloomberg. As of 1/14/2026.

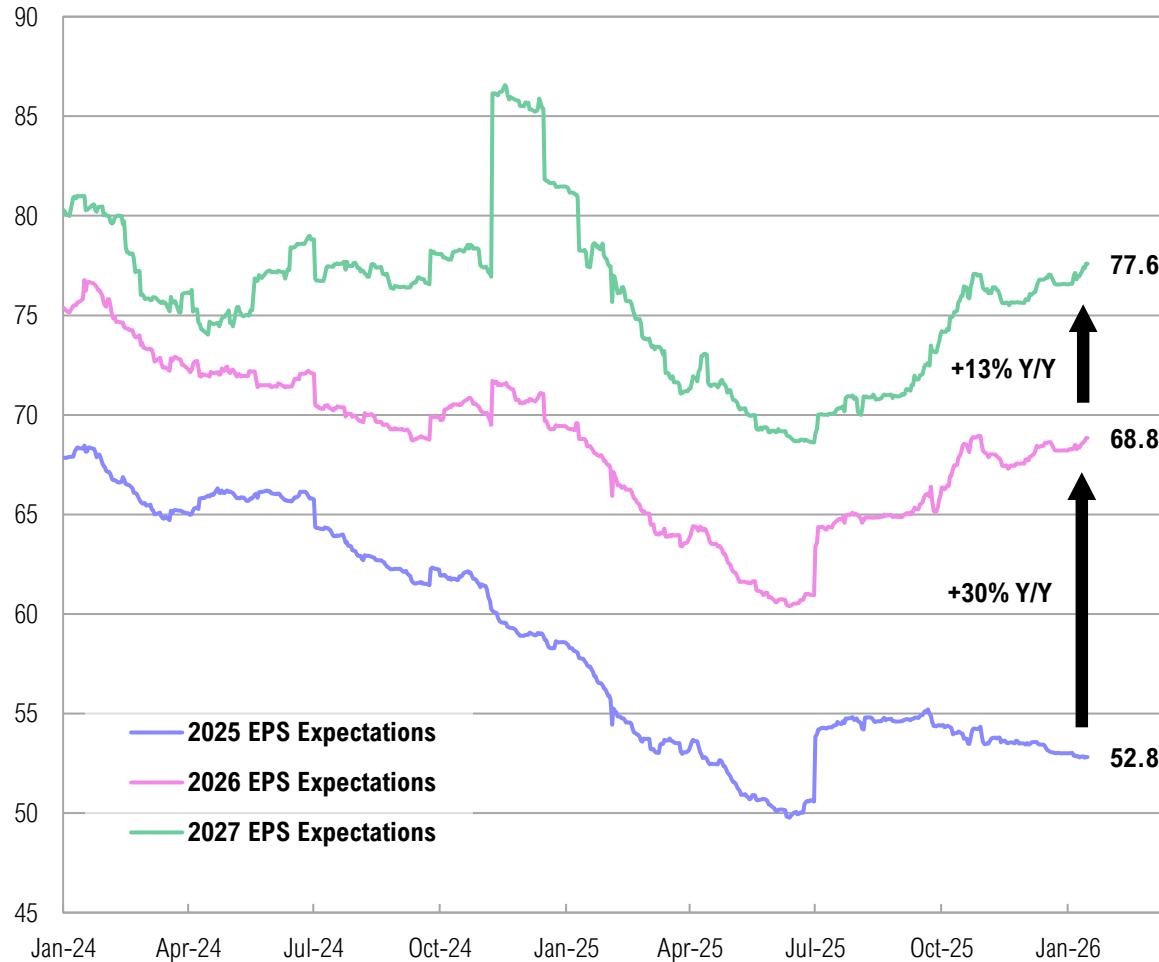
S&amp;P 500 Materials vs. S&amp;P 500 Index, Growth of 100



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After trading sideways for nearly four years, basic materials have started to break out; the sector is expected to see the second-strongest earnings growth (after tech) in 2026

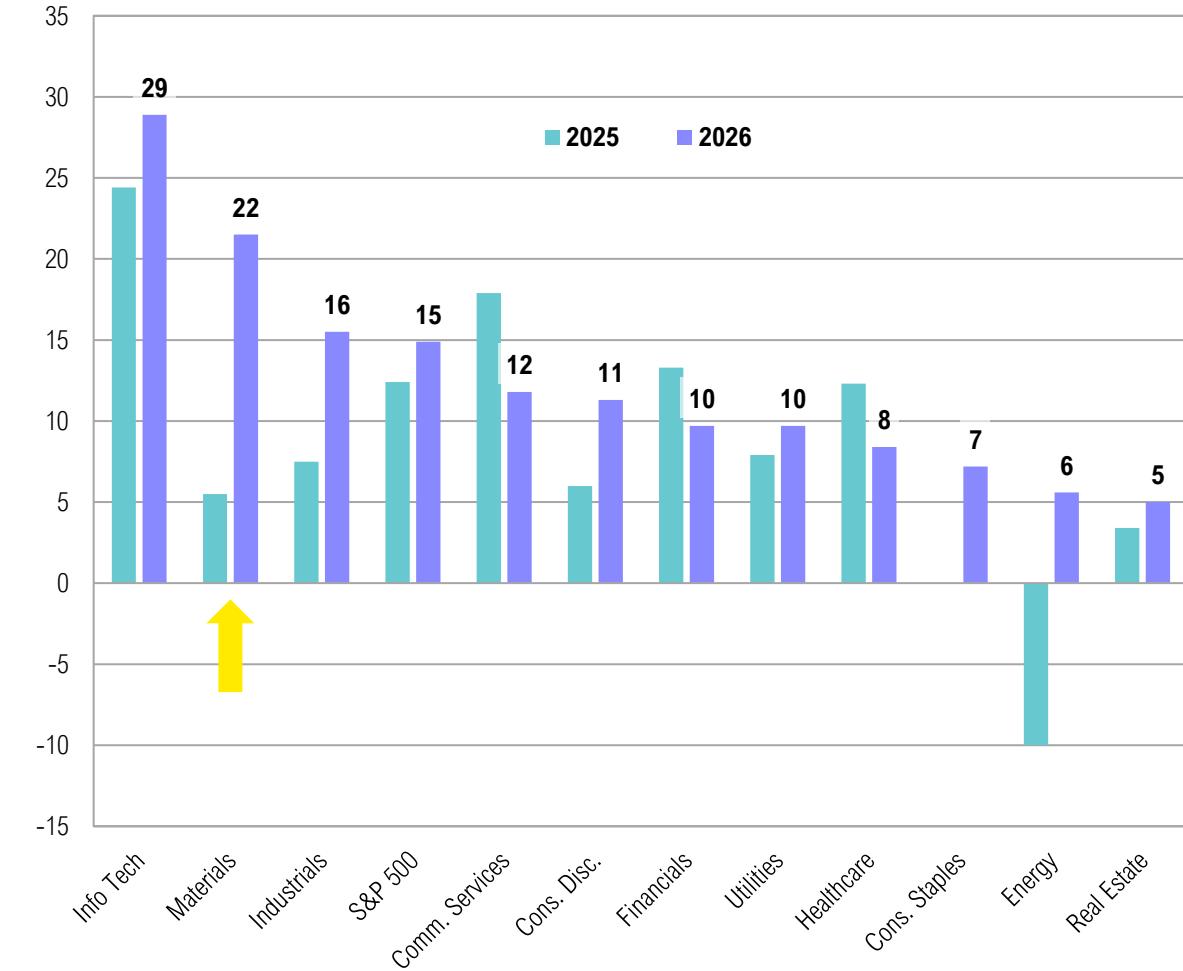
Russell 1000 Basic Materials Headline EPS Expectations



Source: Bloomberg, FactSet

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Estimated S&amp;P 500 Earnings Growth, Y/Y %

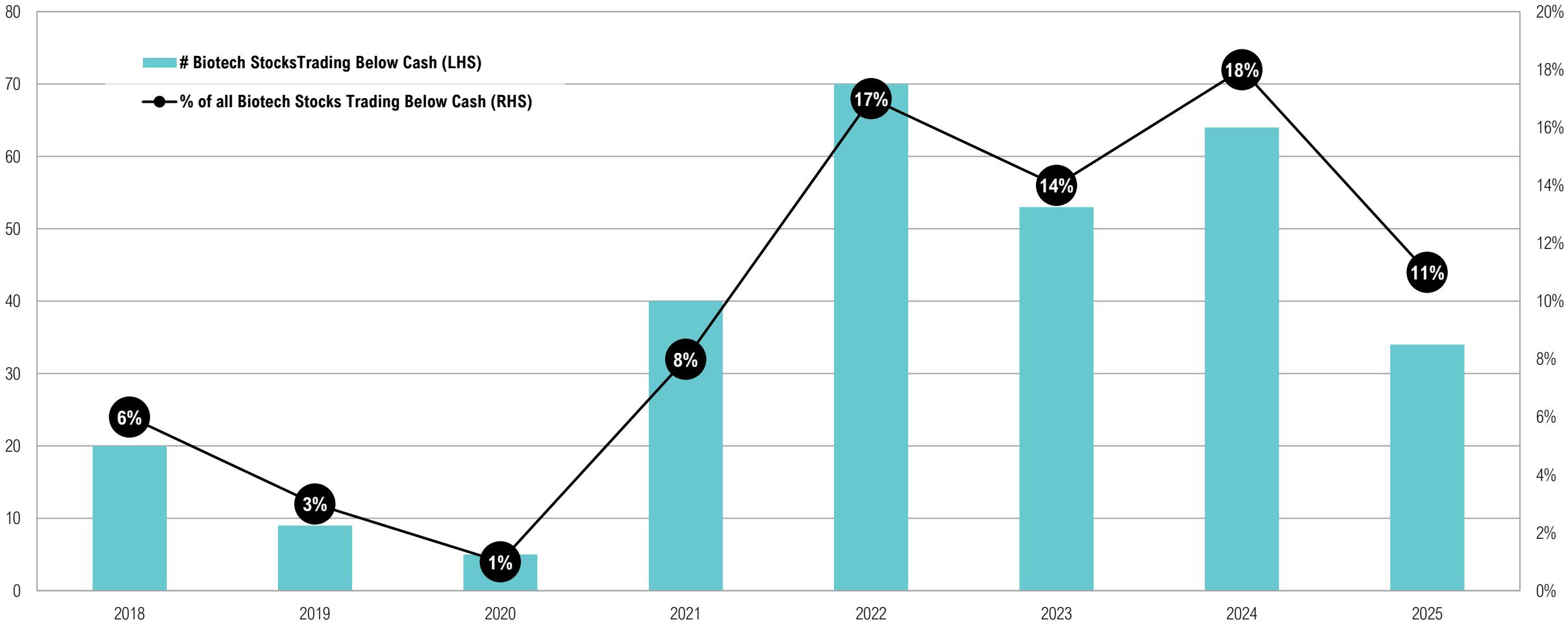


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# ➤ The sharp rally in biotech stocks has resulted in fewer stocks trading below cash balances

Number of SMID Biotech Companies Trading with Negative Enterprise Value



Source: FactSet, UBS Research. SMID biotech companies defined as companies with market capitalizations from \$50Mn - \$5Bn.

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## ➤ Despite recent strength, the healthcare sector continues to face structural headwinds from regulatory, financial, ethical pressures, and an ongoing patent cliff

S&amp;P 500 Healthcare Sector Relative to S&amp;P 500



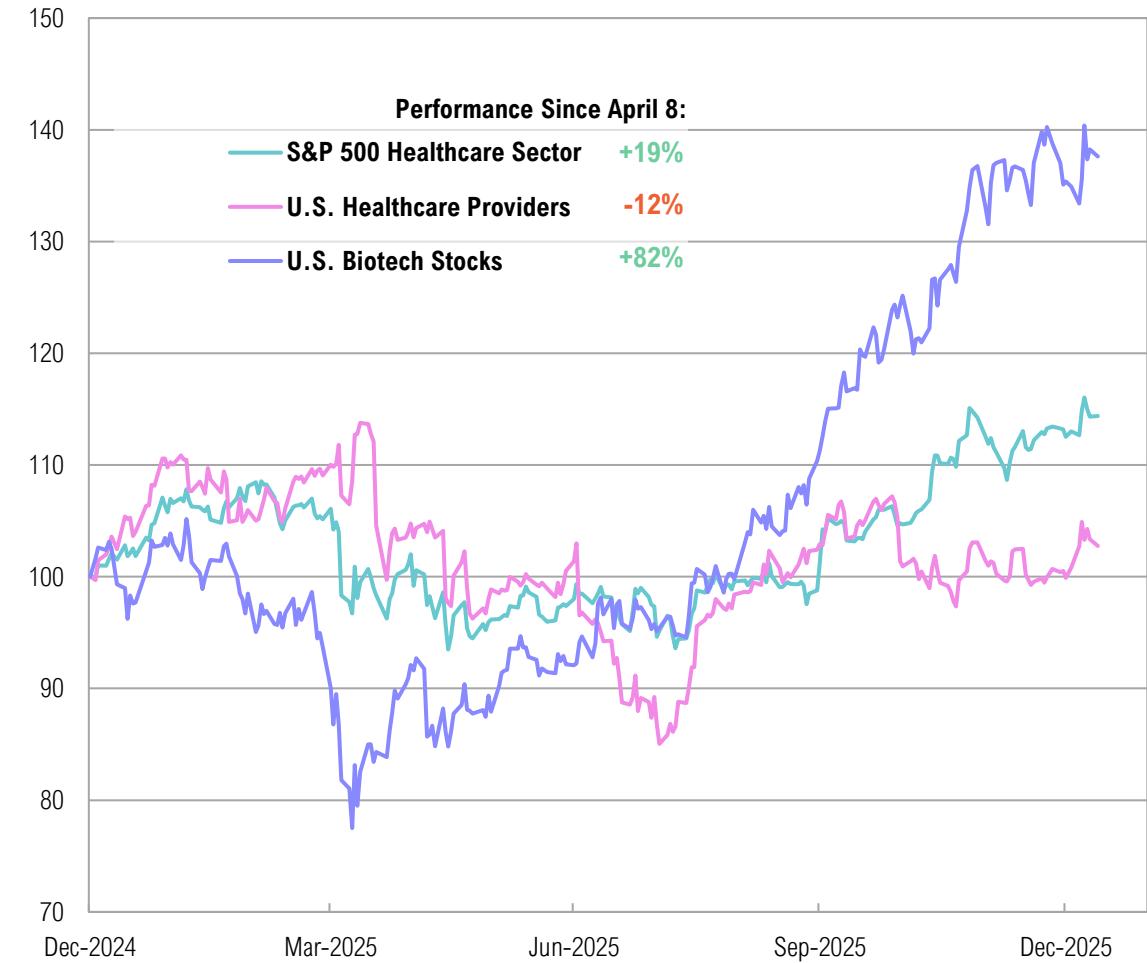
S&amp;P 500 Biotechnology Sector Relative to S&amp;P 500



Source: Bloomberg

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Growth of 100 (12/31/2024 – 1/13/2026)

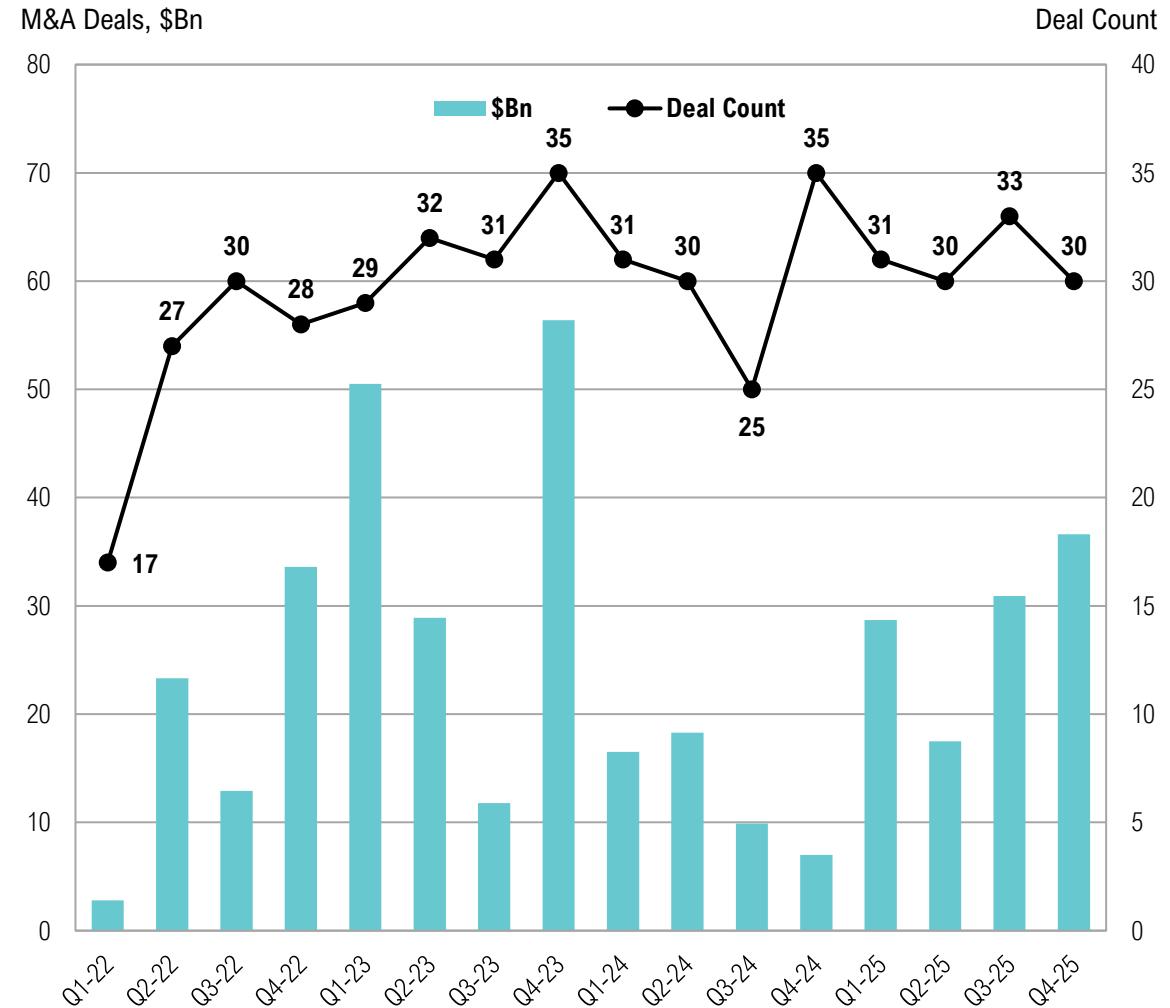
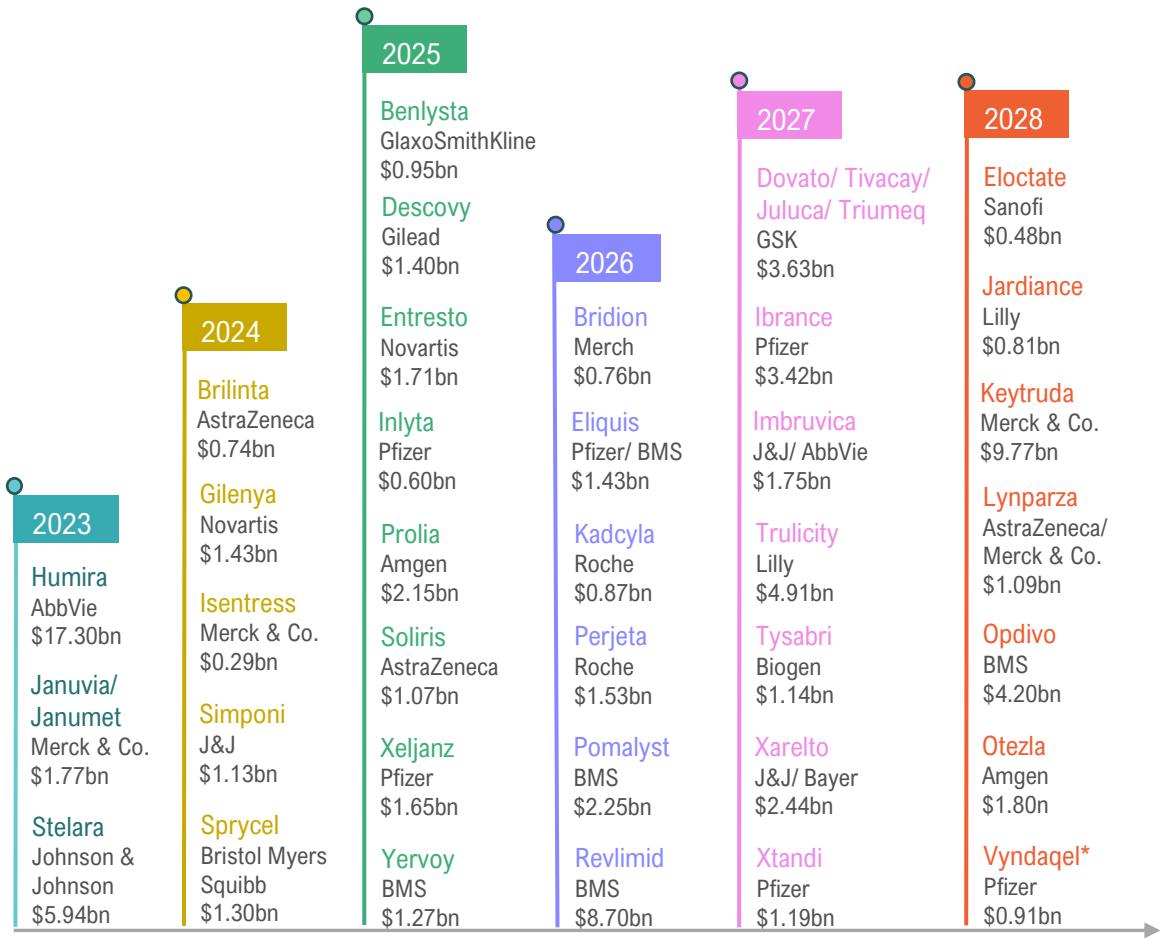


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# Big pharma's "patent cliff" is well under way, with an estimated \$200Bn in annual revenue lost by 2030—this positions the sector well for further M&A

Big Pharma Companies Expected to Lose Patent Protection



Source: Eventide, JPMorgan

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# Fixed Income & Credit

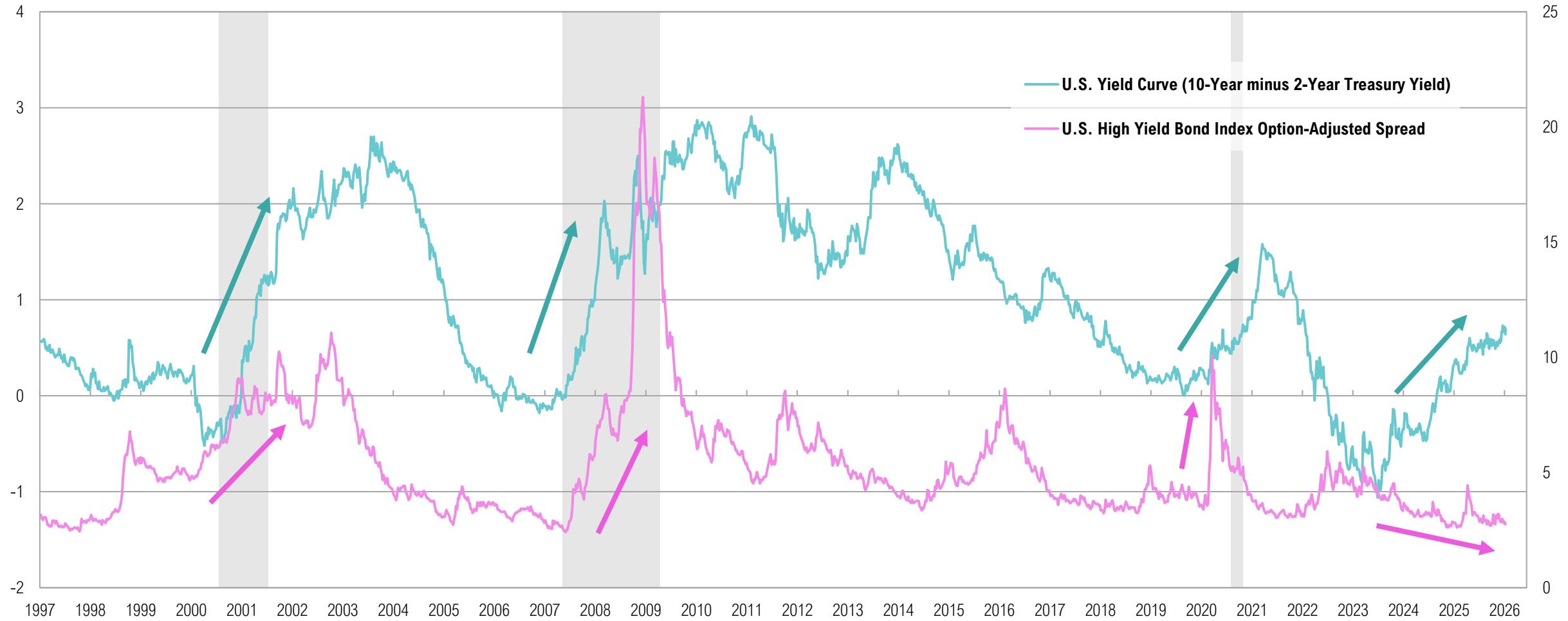
Bond yields remained relatively contained over the quarter, with the yield curve steepening slightly as markets responded to modest improvements in the fiscal deficit, contained inflation, and the prospects of easier monetary policy. Credit spreads remain tight suggesting continued economic resilience and a market still comfortable with current levels of fiscal spending.



# Yet another K-shaped divergence: while the yield curve continues to steepen, credit spreads remain low by any long-term standard

U.S. Yield Curve (10-Year minus 2-Year Treasury Yield), %

U.S. High Yield Bond Spread, %

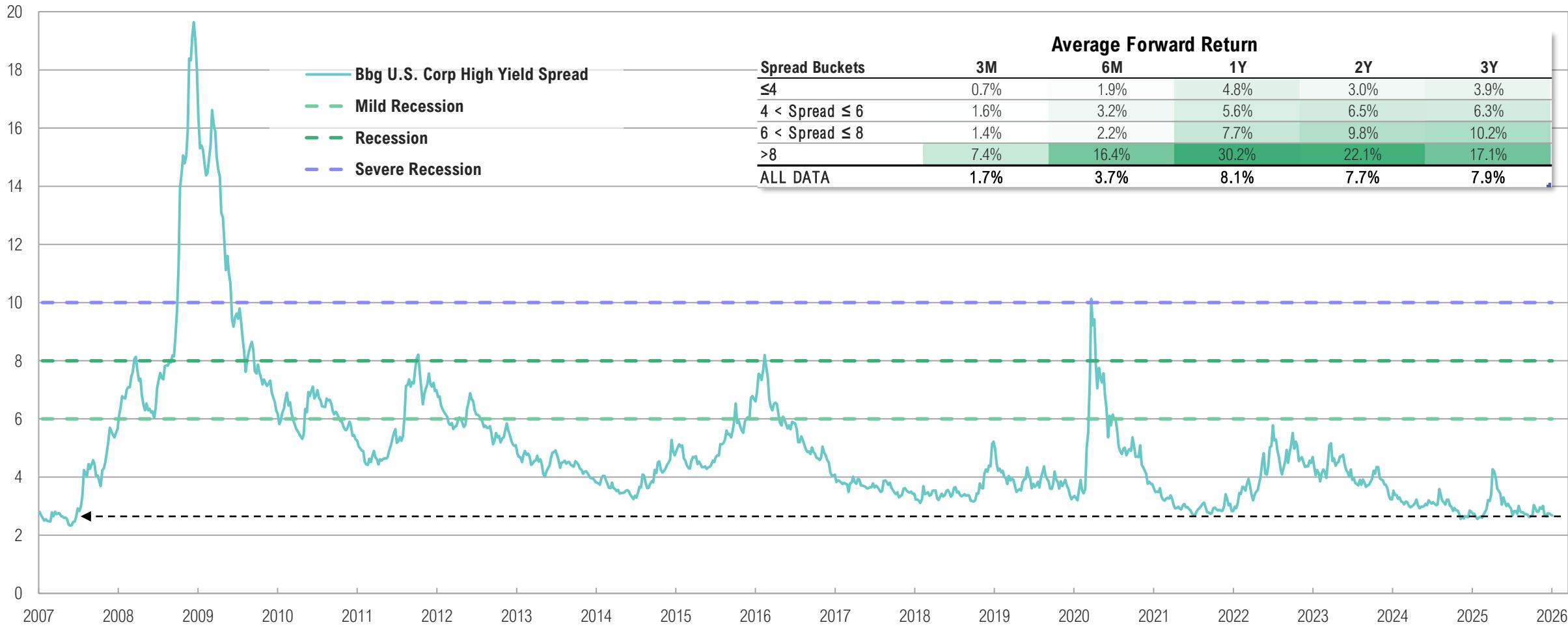


Source: Bloomberg. As of 1/12/2026.

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# Credit spreads remain tight relative to history, ending 2025 at 2.7%; forward returns from these spreads have historically been lackluster

Credit Spreads, %



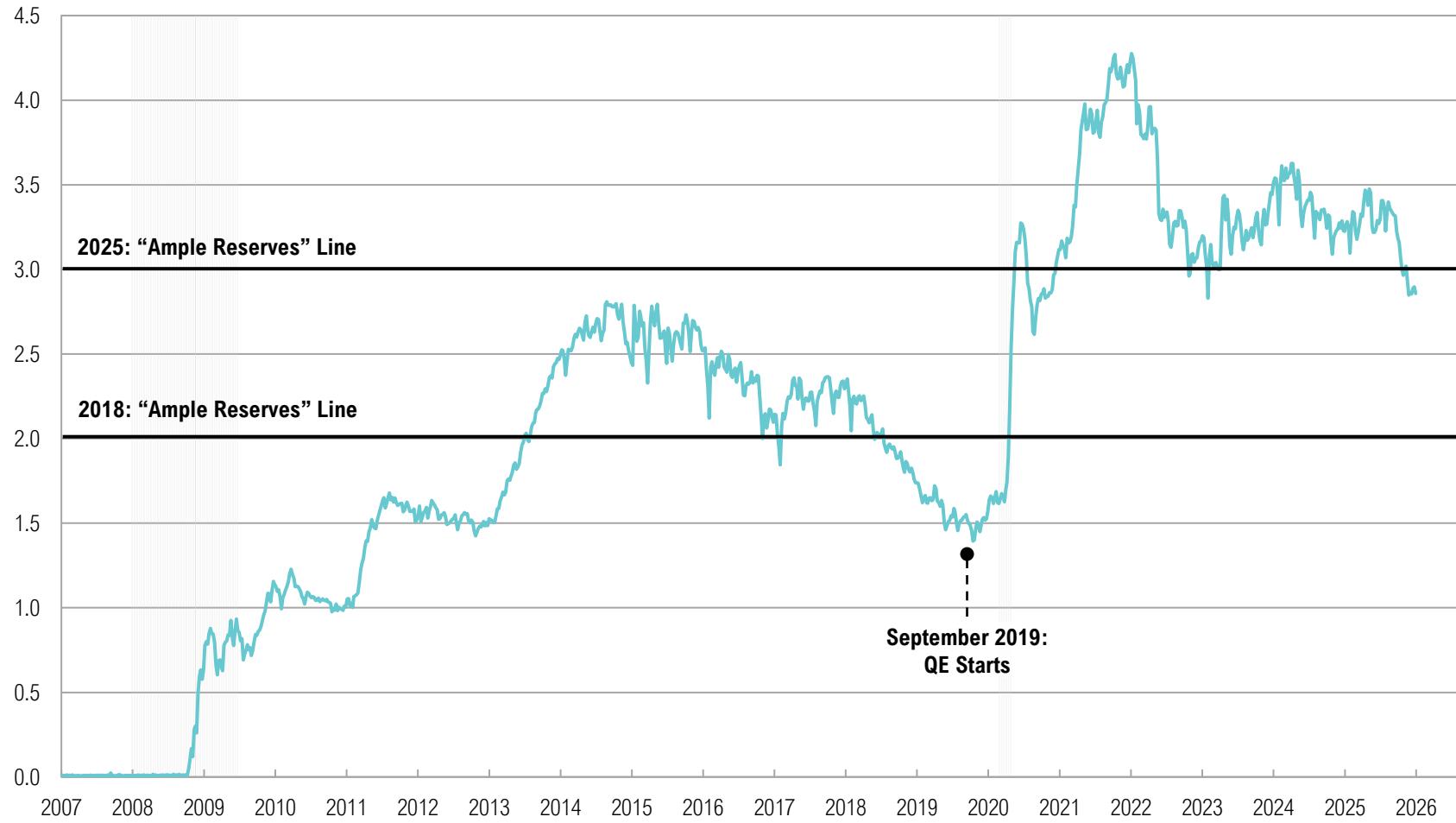
Source: SpringTide, Bloomberg. Forward return analysis from 2/4/1994 through 8/26/2022.

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## The expansion of the Fed's balance sheet, combined with expectations of further rate cuts, suggests the likelihood of substantially easing of monetary policy in 2026

Reserve Balances with Federal Reserve Banks, \$Tn



Source: Federal Reserve Bank of St. Louis

- At the December Federal Open Market Committee meeting, the Fed announced it would begin purchasing short-term Treasury securities to maintain an ample level of reserves.
- Treasury bill purchases, otherwise known as quantitative easing, began in December and are expected to run at roughly \$40 billion per month.
- The expansion of the Fed's balance sheet, combined with expectations of further rate cuts, suggests the likelihood of substantially easing of monetary policy in 2026.

# While median discounts are at -16.5%, select funds are trading at even wider discounts, akin to recession levels

Debt BDC Universe Pricing Relative to NAV, %

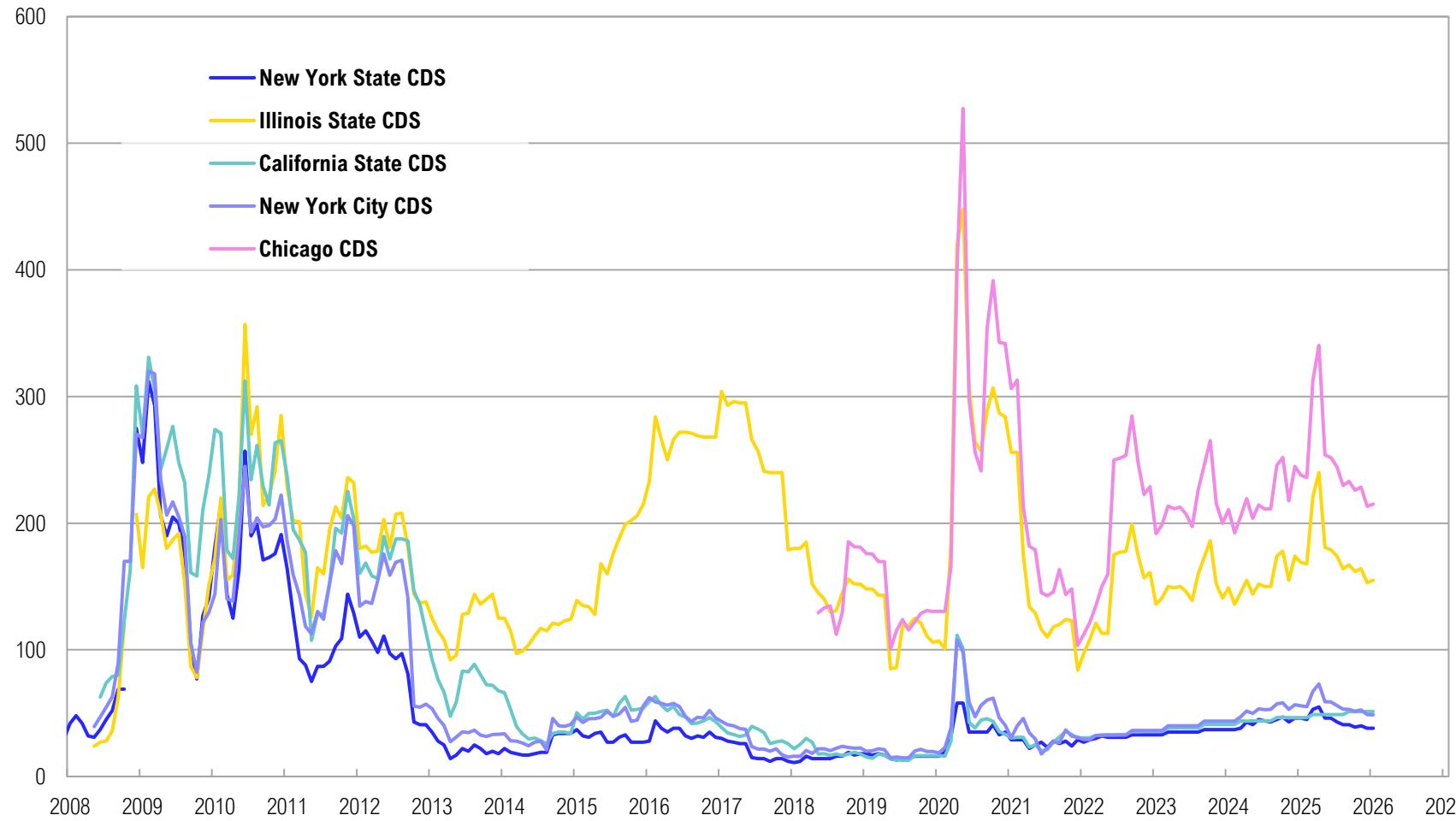


Source: Bloomberg, SpringTide. Universe exclude BDCs that are equity focused or don't meet liquidity & market cap requirements. As of 1/14/2026.

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# ➤ The state of some states...

3-Year Select State &amp; City-Level Credit Default Swap Spread, Bps



Source: Bloomberg. \*Per The New York Post.

- New York, California, and Illinois have indicated they will not conform to federal tip or overtime deductions, requiring add-backs to protect state revenues and fund public programs.
- Several other states, including Massachusetts, Connecticut, and Hawaii, have similarly signaled similar intents.
- Fears of a proposed California wealth tax have reportedly led at least six billionaires to sever ties with the state, with as many as 20 more potentially preparing to leave.\*
- The departures occurred ahead of a January 1 cutoff to avoid a possible one-time 5% tax on fortunes over \$1 billion.

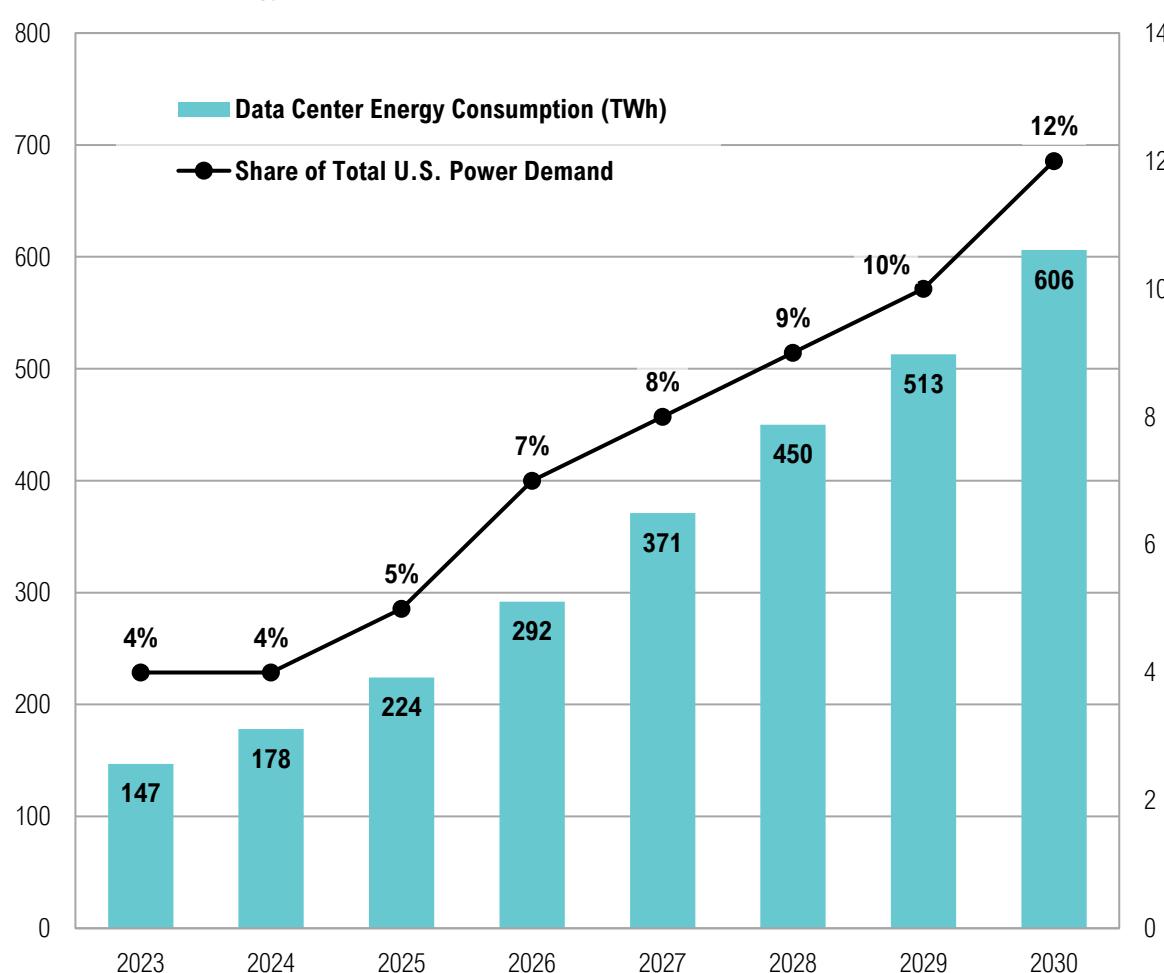


# Diversifiers

With stock and bond correlations remaining elevated, opportunity remains to improve the risk-return profile of a portfolio by finding investment opportunities that have distinct return sources—such as gold, uranium, utilities, and more.

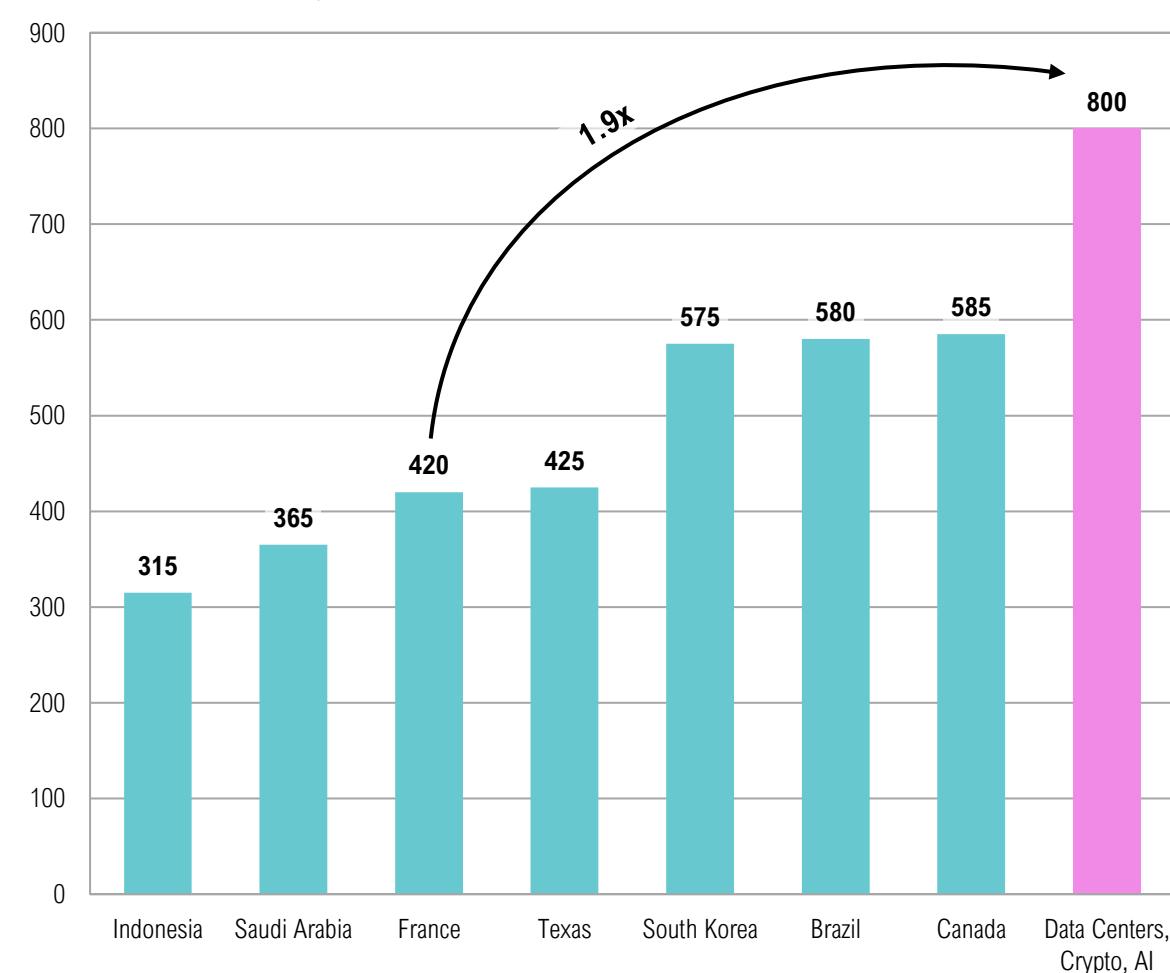
## ➤ Data centers are expected to drive U.S. power demand; in 2026, global data centers + AI + crypto energy consumption is estimated to be nearly double that of France

U.S. Data Center Energy Demand, TWh



Data Center Energy Demand, % of Total U.S. Demand

Forecasted 2026 Electricity Consumption, TWh



Source: Bloomberg, McKinsey, U.S. Energy Information Administration, International Energy Agency.

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“

**The biggest issue we are now having is not a compute glut, but it's power.”**

*Satya Nadella, Microsoft CEO*

“

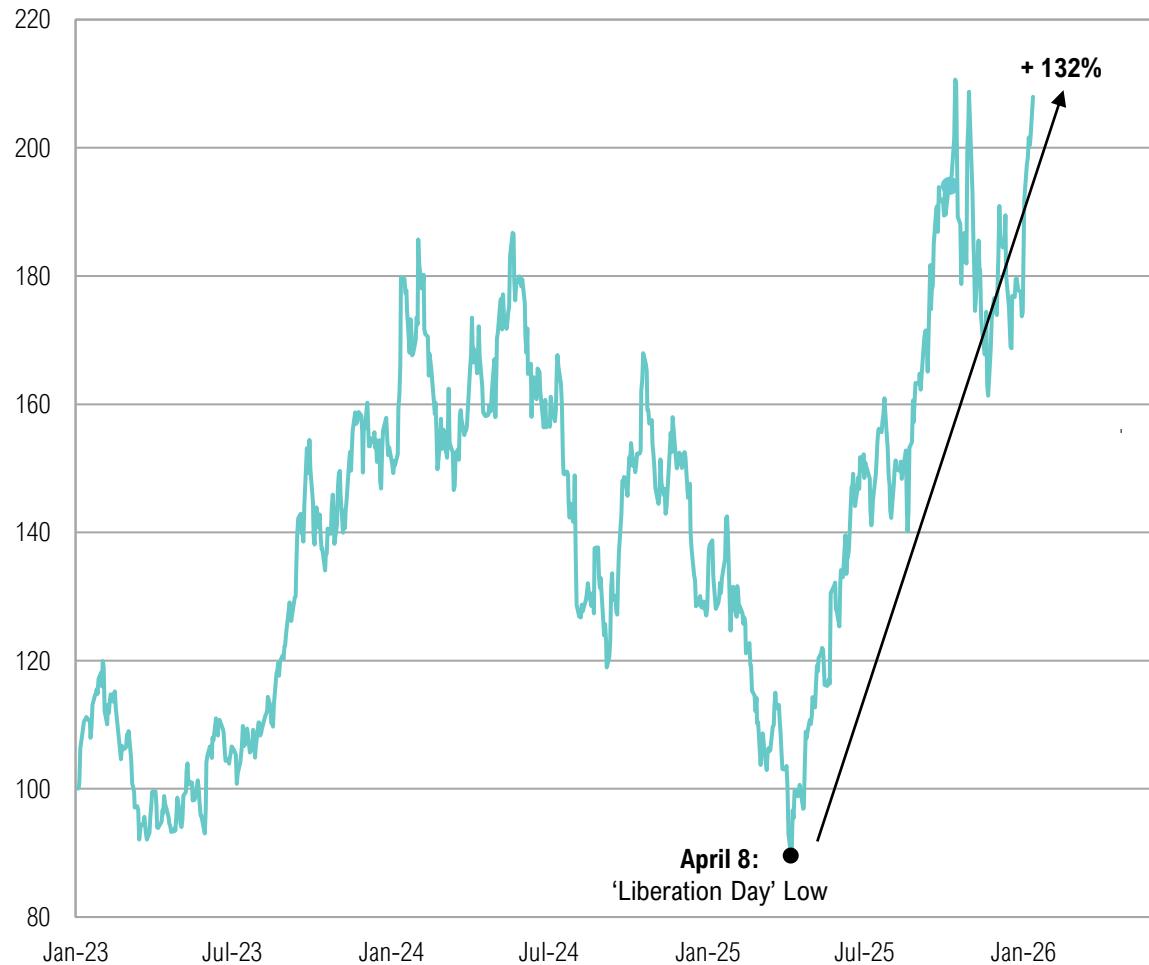
**Meta is planning to build tens of gigawatts this decade, and hundreds of gigawatts or more over time. How we engineer, invest, and partner to build this infrastructure will become a strategic advantage.”**

*Mark Zuckerberg, Meta CEO*

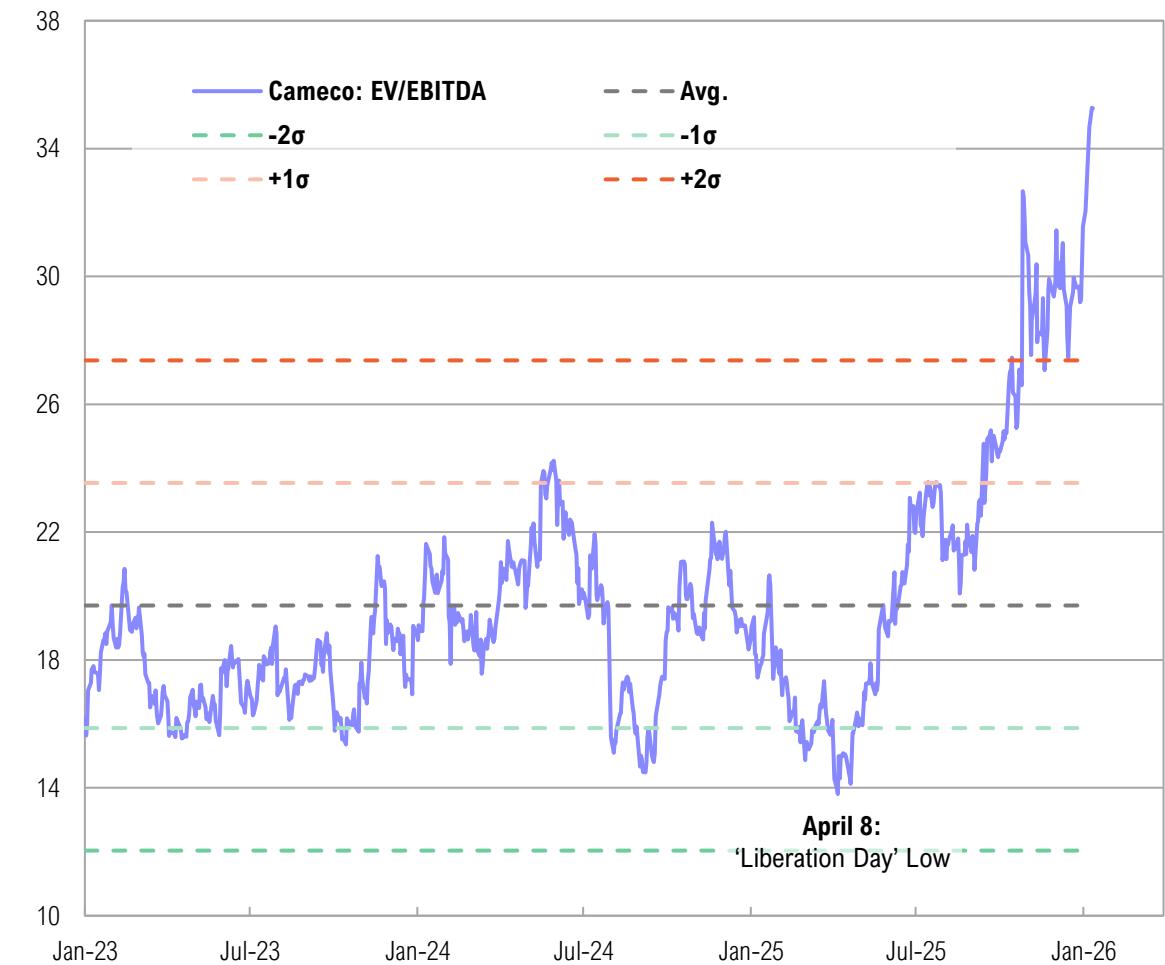


**Uranium and nuclear stocks have rallied >130% from the “Liberation Day” lows, driven by strong sentiment, solid fundamentals, and ongoing policy support; while the long-term thesis remains intact, valuations appear stretched**

Sprott Uranium Miners ETF, Growth of 100



12-Month Fwd. EV/EBITDA



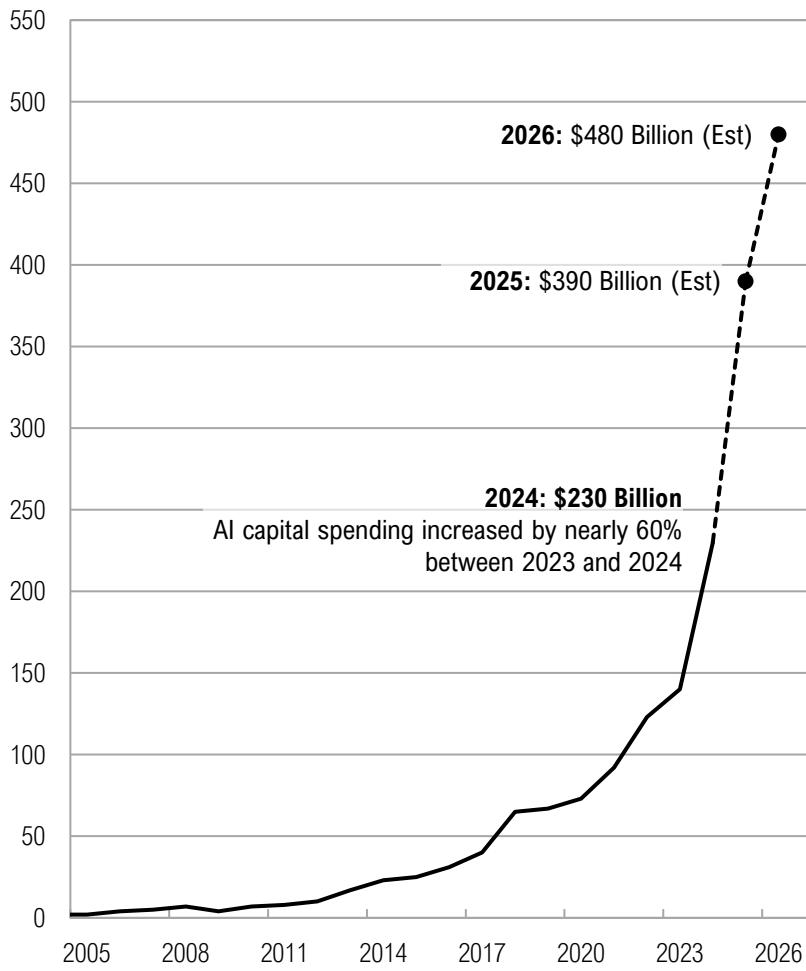
Source: Bloomberg. As of 1/12/2026.

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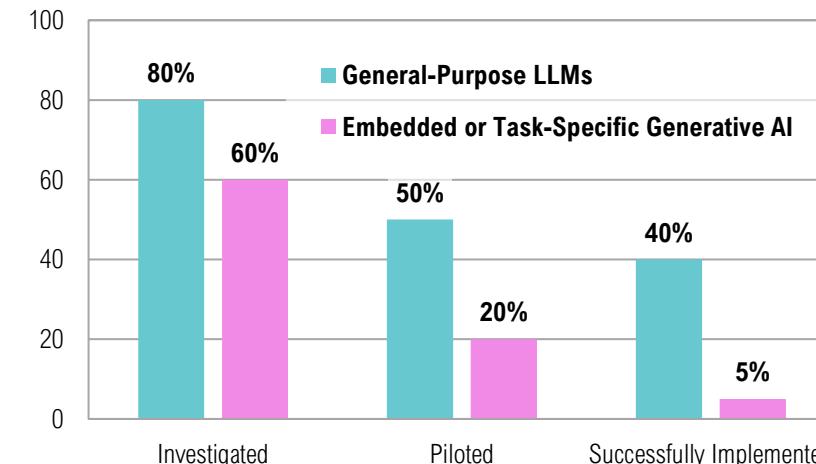


## Despite skyrocketing spending, the overall success rate of AI tools and adoption remains somewhat muted; what if access to the most advanced chips and models isn't necessary?

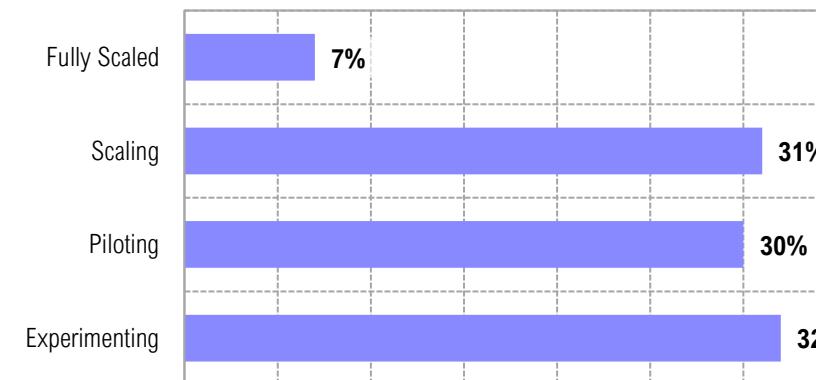
Hyperscaler\* Capital Spend, \$Bn



Success Rate of AI Tools from Pilot to Production Stage



Organizations in Each AI Adoption Phase



Source: Bloomberg, Visual Capitalist, McKinsey Global Survey on the State of AI (2025). \*Hyperscalers: Alphabet, AWS, Meta, Microsoft & Oracle.

**Airbnb CEO Says ChatGPT Not Ready For Integration Yet, Relies On Alibaba's Qwen As AI Push Accelerates**

October 23, 2025 | by Samuel Nwite | 0 □

TECH

**Airbnb CEO Chesky says ChatGPT isn't 'quite robust enough' to integrate into travel app**

PUBLISHED WED, OCT 22 2025 10:19 AM EDT | UPDATED WED, OCT 22 2025 10:25 AM EDT

Samantha Subin  
@SAMANTHA\_SUBIN

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Beebom

[DeepSeek's New AI Model Achieves Gold-Level Results, Rivals GPT-5 and Gemini 3 Pro](#)

DeepSeek's new V3.2 Speciale is a maxed-out AI reasoning model that achieved gold-level results in IMO, CMO, ICPG, and IOI 2025.

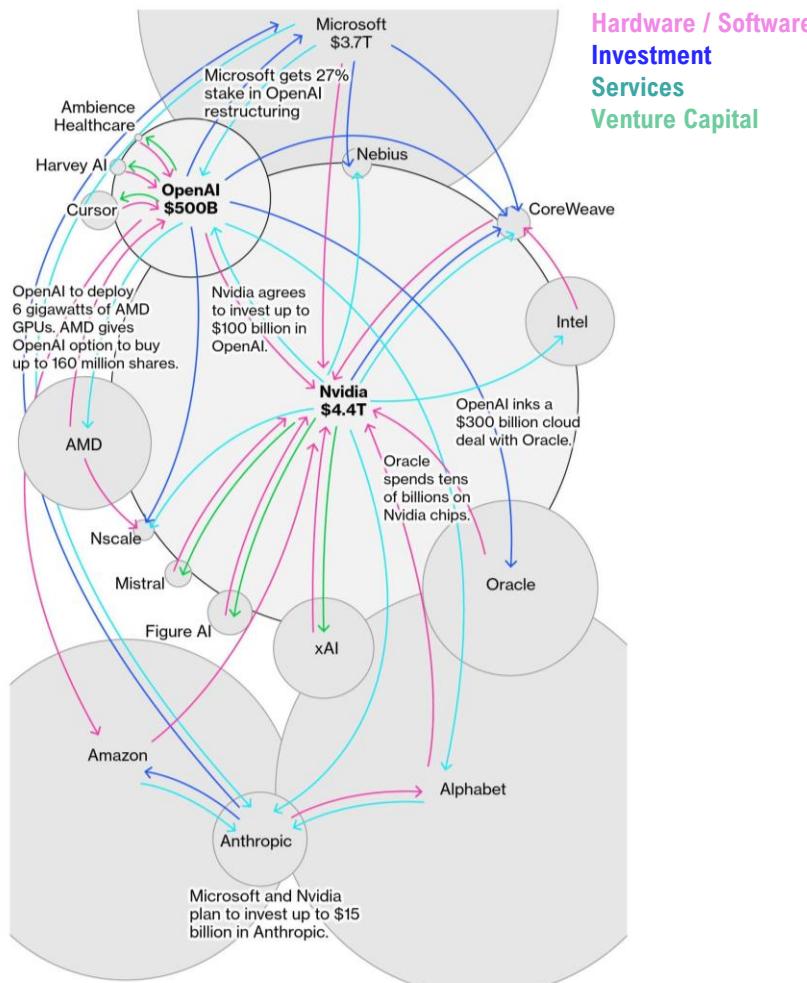
1 month ago

Technology > Artificial Intelligence

**These 7 AI Chatbots Are Better Than ChatGPT, According To Users**

By Emma Street • Nov. 23, 2025 10:02 am EST

# ➤ The circularity of AI investments continues to grow



Source: Bloomberg, CNBC, Reuters. LHS as of 11/18/2025.

## OpenAI-Related Deals:

- Amazon is in talks to invest about \$10Bn in OpenAI.
- Broadcom is partnering with OpenAI to build its first in-house AI chips.
- AMD will supply AI chips to OpenAI and may take up to a ~10% equity stake.
- Nvidia plans to invest up to \$100Bn in OpenAI while supplying data center chips.
- Oracle signed a massive cloud deal, with OpenAI expected to buy ~\$300Bn of compute over five years.
- CoreWeave signed a five-year, \$11.9Bn compute contract with OpenAI.
- Stargate: SoftBank, OpenAI, and Oracle plan up to \$500Bn in AI data center infrastructure investment.

## Meta Deals:

- Meta is acquiring Chinese AI startup Manus (valued ~\$2–3Bn) to boost agentic AI tools.
- Meta signed a \$14Bn compute supply deal with CoreWeave.
- Meta is in talks with Oracle on a ~\$20Bn multi-year cloud deal.
- Google signed a six-year, \$10Bn+ cloud deal with Meta.
- Meta bought a 49% stake in Scale AI for ~\$14.3Bn and hired its CEO to lead AI efforts.

## Nvidia Deals:

- Nvidia licensed chip technology from Groq and agreed to acquire its assets for ~\$20Bn.
- Microsoft and Nvidia will invest up to \$15Bn combined in Anthropic, tied to major cloud and chip commitments.
- A Nvidia-backed group (with BlackRock and Microsoft) is buying Aligned Data Centers for ~\$40Bn.
- Nvidia will invest \$5Bn in Intel, taking about a 4% stake.
- CoreWeave signed a \$6.3Bn initial order with Nvidia for AI chips.

## Google Deals:

- Google will invest \$40Bn in new Texas data centers through 2027.
- Google hired key staff from Windsurf and will pay \$2.4Bn in licensing fees for its technology.

## Other Notable Deals:

- Nebius will supply Microsoft with GPU infrastructure in a \$17.4Bn, five-year deal.
- SoftBank will invest \$2Bn in Intel, becoming a top-10 shareholder.
- Tesla signed a \$16.5Bn chip supply deal with Samsung for next-gen AI chips.
- Amazon doubled its investment in Anthropic with an additional \$4Bn.
- SoftBank will acquire DigitalBridge for \$4Bn to expand its AI infrastructure exposure.

And this, on January 12:

Jan 12, 2026 ➔

## Joint statement from Google and Apple

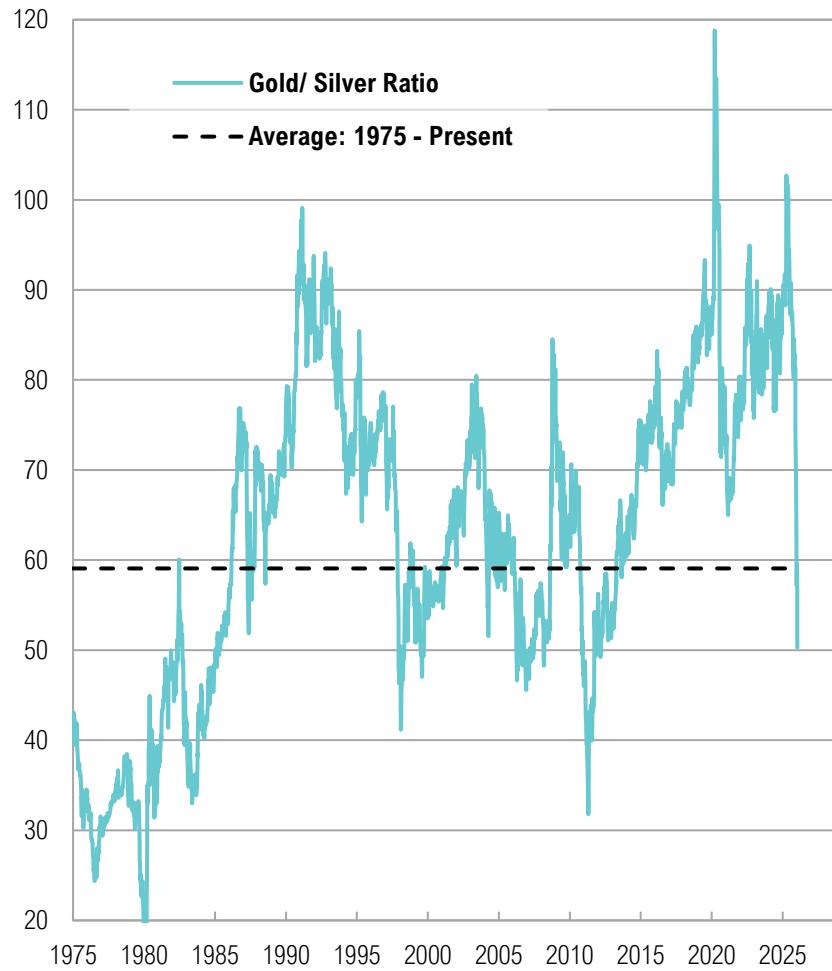
Apple and Google have entered into a multi-year collaboration under which the next generation of Apple Foundation Models will be based on Google's Gemini models and cloud technology. These models will help power future Apple Intelligence features, including a more personalized Siri coming this year.

After careful evaluation, Apple determined that Google's AI technology provides the most capable foundation for Apple Foundation Models and is excited about the innovative new experiences it will unlock for Apple users. Apple Intelligence will continue to run on Apple devices and Private Cloud Compute, while maintaining Apple's industry-leading privacy standards.

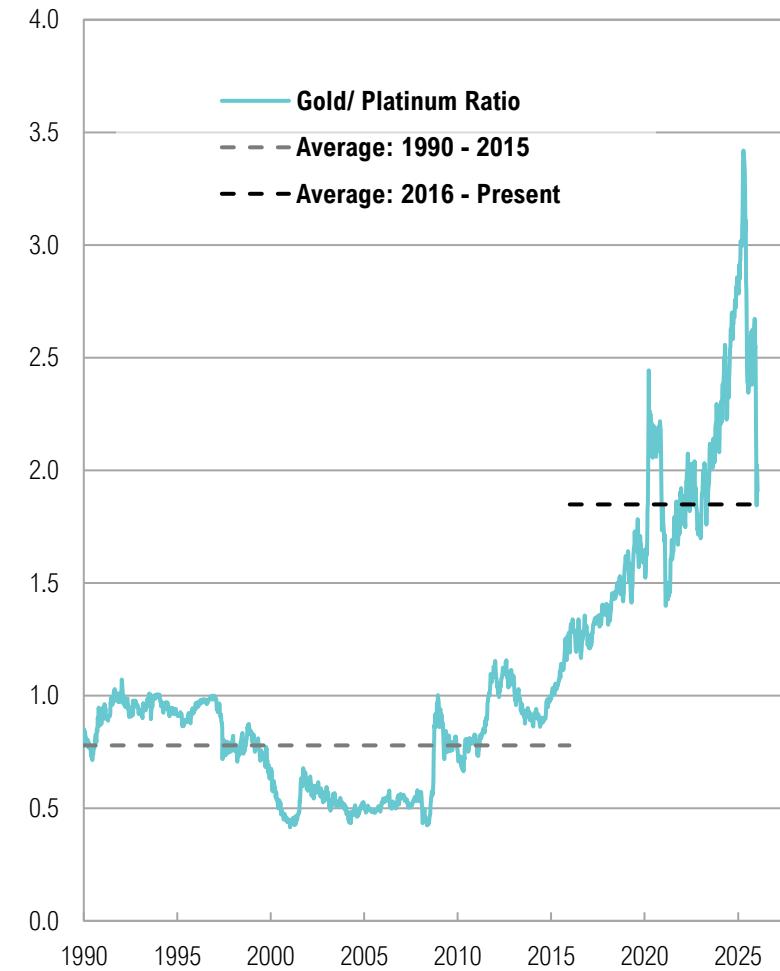


## After a parabolic December and YTD rally, silver has declined below its 50-year average vs. gold; the gold–platinum ratio (disrupted by “Dieselgate” in 2015) is back in line with its 10-year average

Gold/Silver Ratio



Gold/Platinum Ratio



- “Dieselgate” refers to the 2015 Volkswagen emissions scandal, which triggered a regulatory and consumer backlash against diesel vehicles and led to a sharp decline in diesel market share, particularly in Europe.
- Because platinum is heavily used in diesel catalytic converters, reduced diesel demand weighed on platinum prices relative to gold, breaking platinum’s historical premium and driving the gold–platinum ratio higher.
- More recently, persistent structural supply deficits, increased jewelry substitution away from gold, and renewed investment demand have contributed to a partial normalization in relative prices.

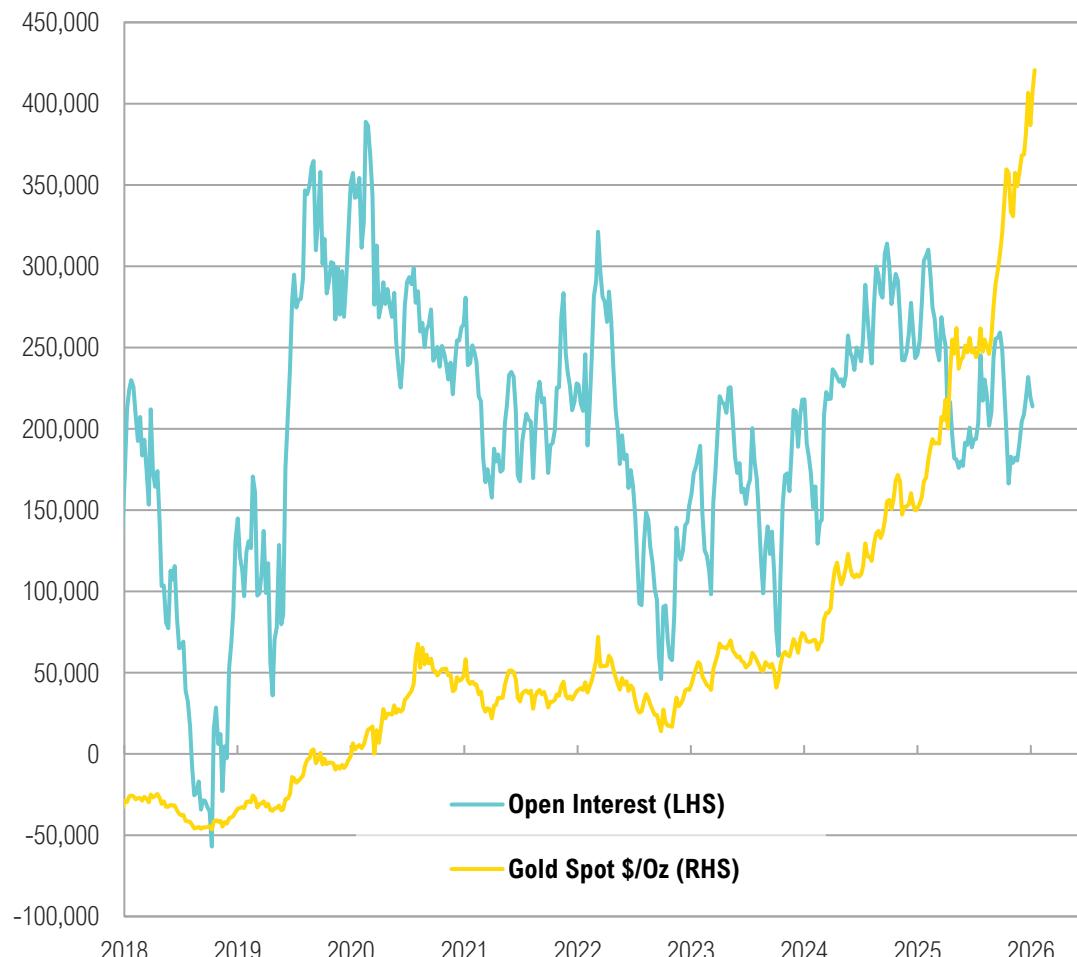
Source: Bloomberg. As of 1/14/2026.

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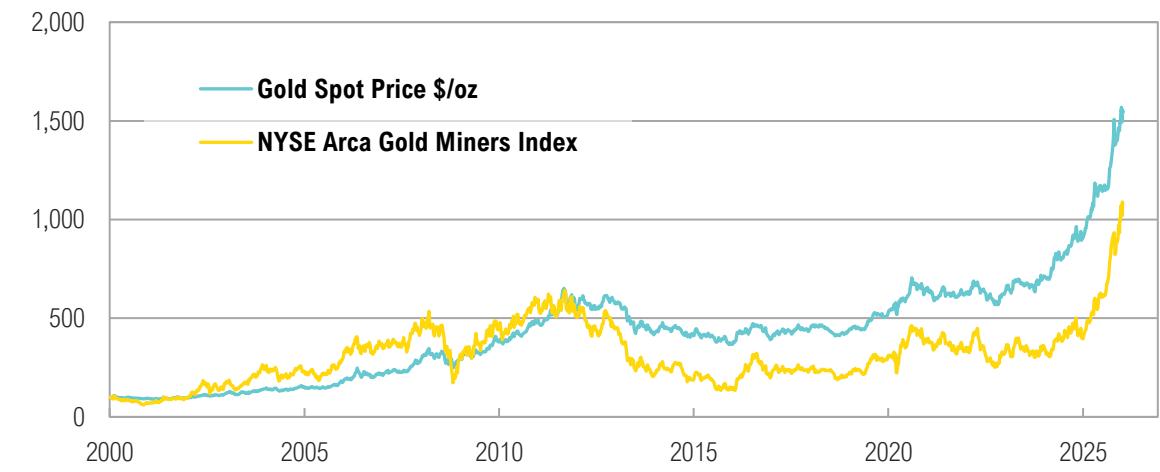
**Despite gold spot prices reaching a new record high in December, spec positioning remains contained; even after rallying over 150% in 2025, gold miner fundamentals remain compelling**

Spec Open Interest



Gold Spot, \$Oz

Growth of 100



Ratio: Growth of 100



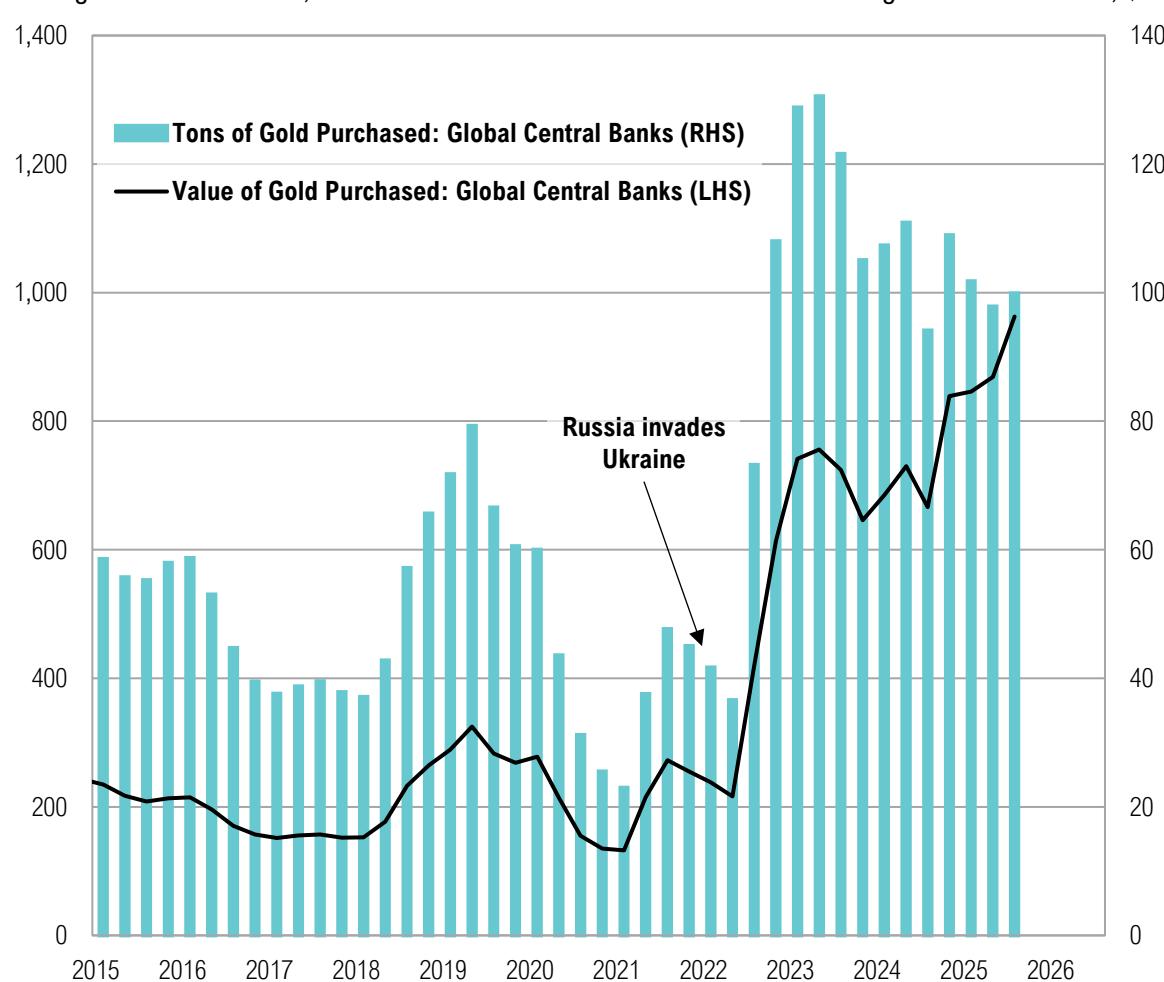
Source: Bloomberg. Spec positioning as of 1/6/2026.

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**Central banks have been a key demand driver of gold since Russia invaded Ukraine, with little slowdown evident; ETF investment demand only began ramping in Q1'25 and remains well below prior peaks (in oz)**

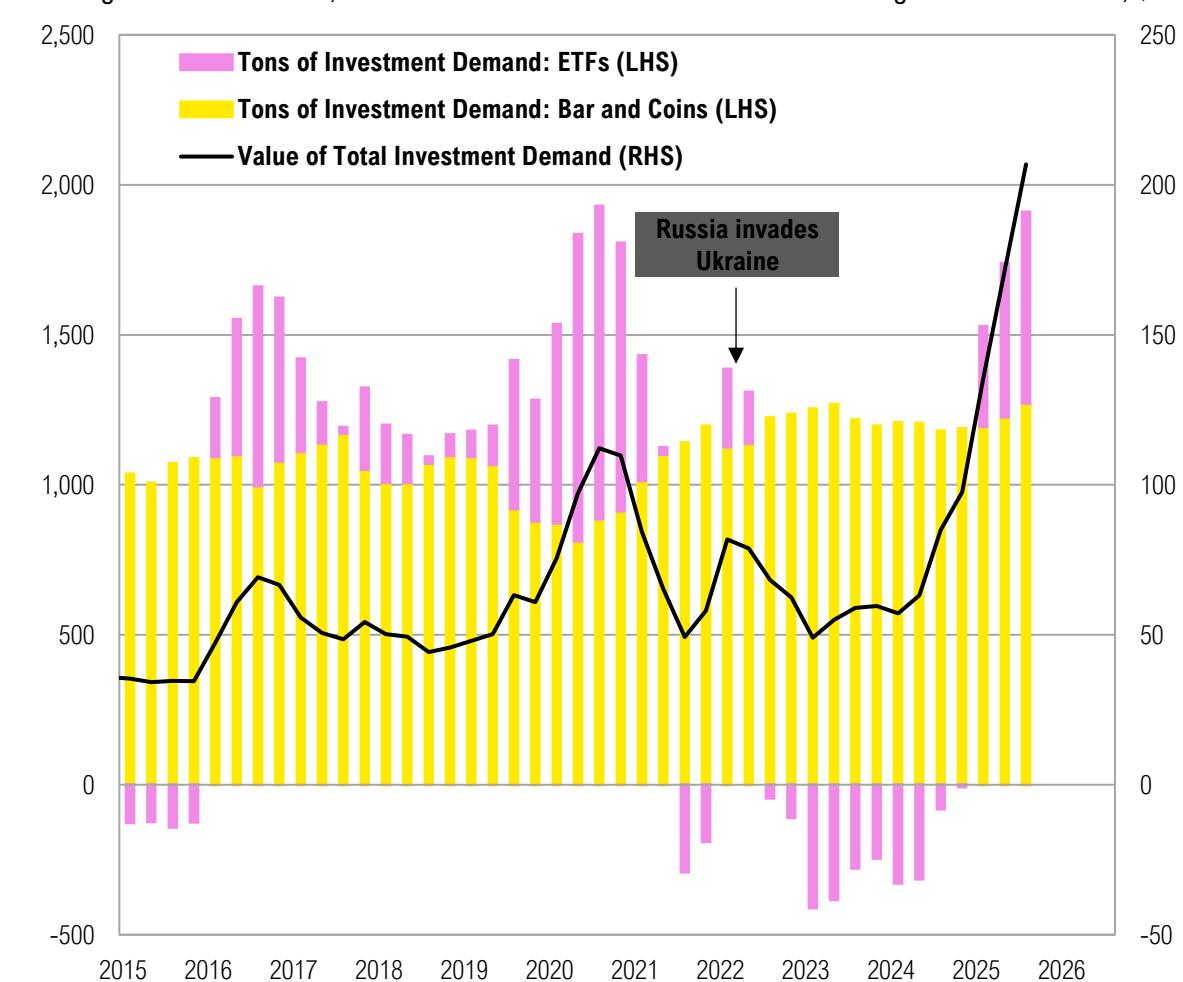
Rolling 4-Quarter Demand, Tons



Rolling 4-Quarter Demand, \$Bn



Rolling 4-Quarter Demand, Tons



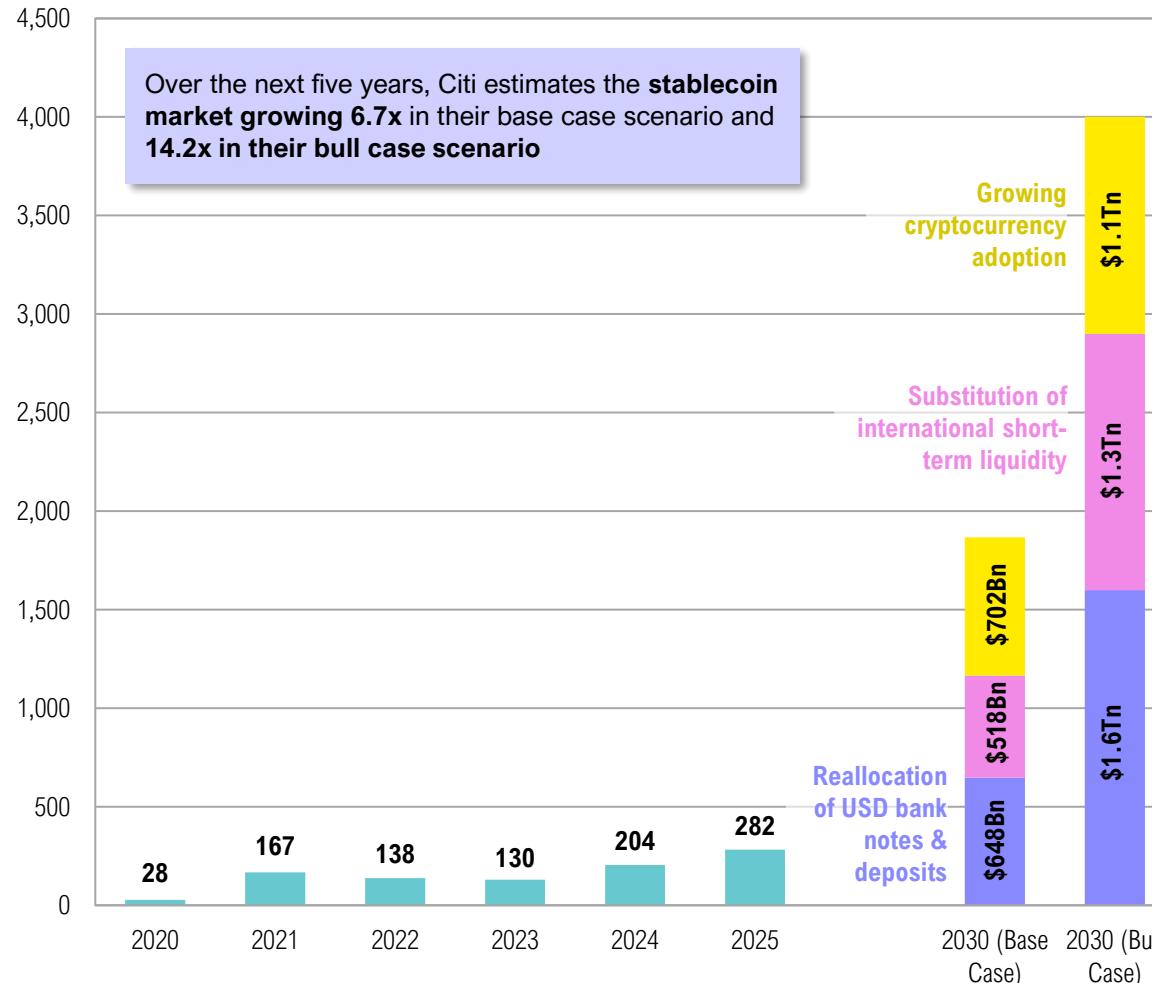
Source: World Gold Council. As of 9/30/2025.

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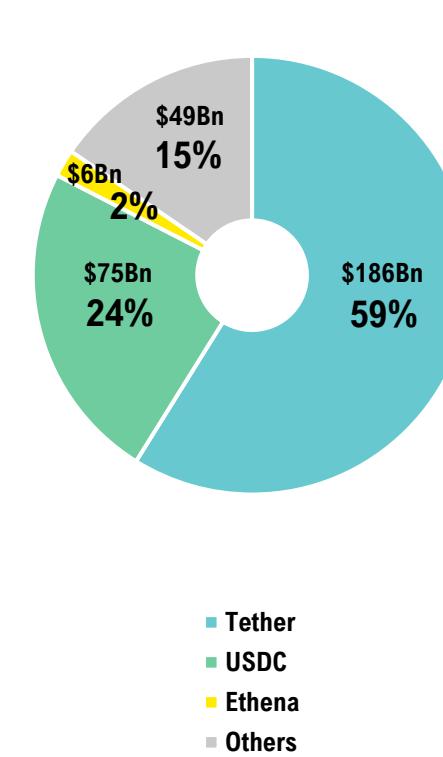


## Stablecoins could benefit from growing crypto adoption and substitution of international short-term liquidity; a markup session for the CLARITY Act is set for early January

Stablecoin Market Size, \$Bn



Stablecoin Market Breakdown, \$Bn



- The CLARITY Act defines which digital assets are regulated as commodities versus securities, reducing long-standing legal uncertainty.
- It generally places spot crypto markets under the CFTC, limiting overlapping or ad-hoc SEC enforcement.
- Stablecoins are carved out from securities law, improving their legal footing for payments and settlement use cases.
- The framework allows usage-based incentives (e.g., payments, transactions) while avoiding treatment as yield-bearing securities.
- Greater clarity and standardized rules improve confidence for banks, payment firms, and large investors to use and support stablecoins.

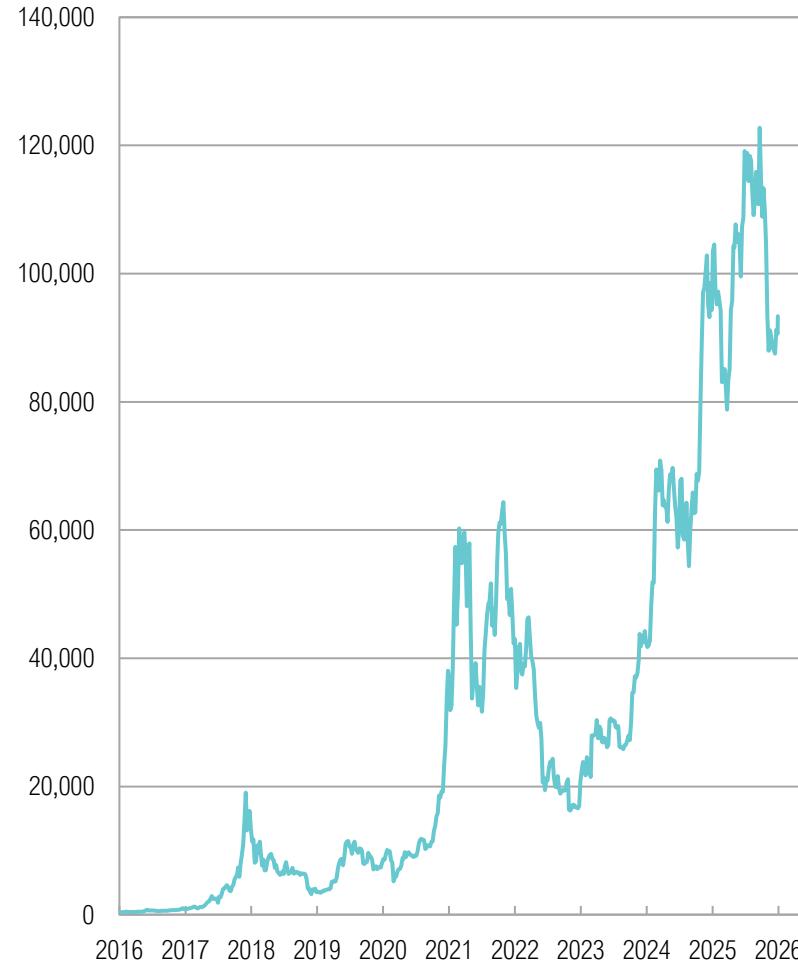
Source: Visual Capitalist, Citi Institute

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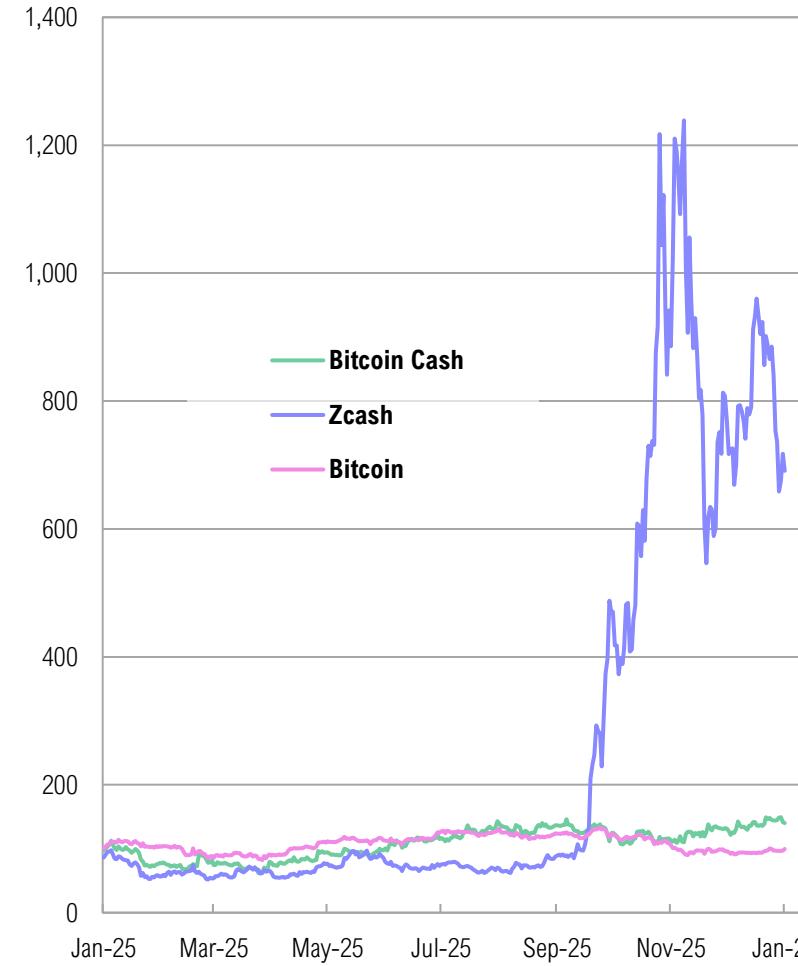


# Is bitcoin having its 'IPO' moment or are privacy and theoretical quantum risks gaining relevance? Other coins (like Zcash) act as hedges against potential risks

Bitcoin Price, \$



Growth of 100 (12/31/2024 – 1/13/2026)



Source: Bloomberg, Boston Consulting Group, U.S. Energy Information Administration, International Energy Agency.

- There is evidence that early bitcoin adopters and long-standing “OG whale” wallets are gradually distributing holdings after >1,000% gains, pointing to profit-taking rather than weakening fundamentals.
- The resulting consolidation resembles post-IPO price discovery and may ultimately support a more stable, broadly held asset base.
- Advances in quantum computing have renewed debate over long-term crypto security. While the threat remains theoretical, timelines are shortening and investor awareness is rising.
- Privacy-focused coins (such as Zcash) are seeing renewed interest, suggesting early rotation towards assets with privacy and quantum-proof advantages.

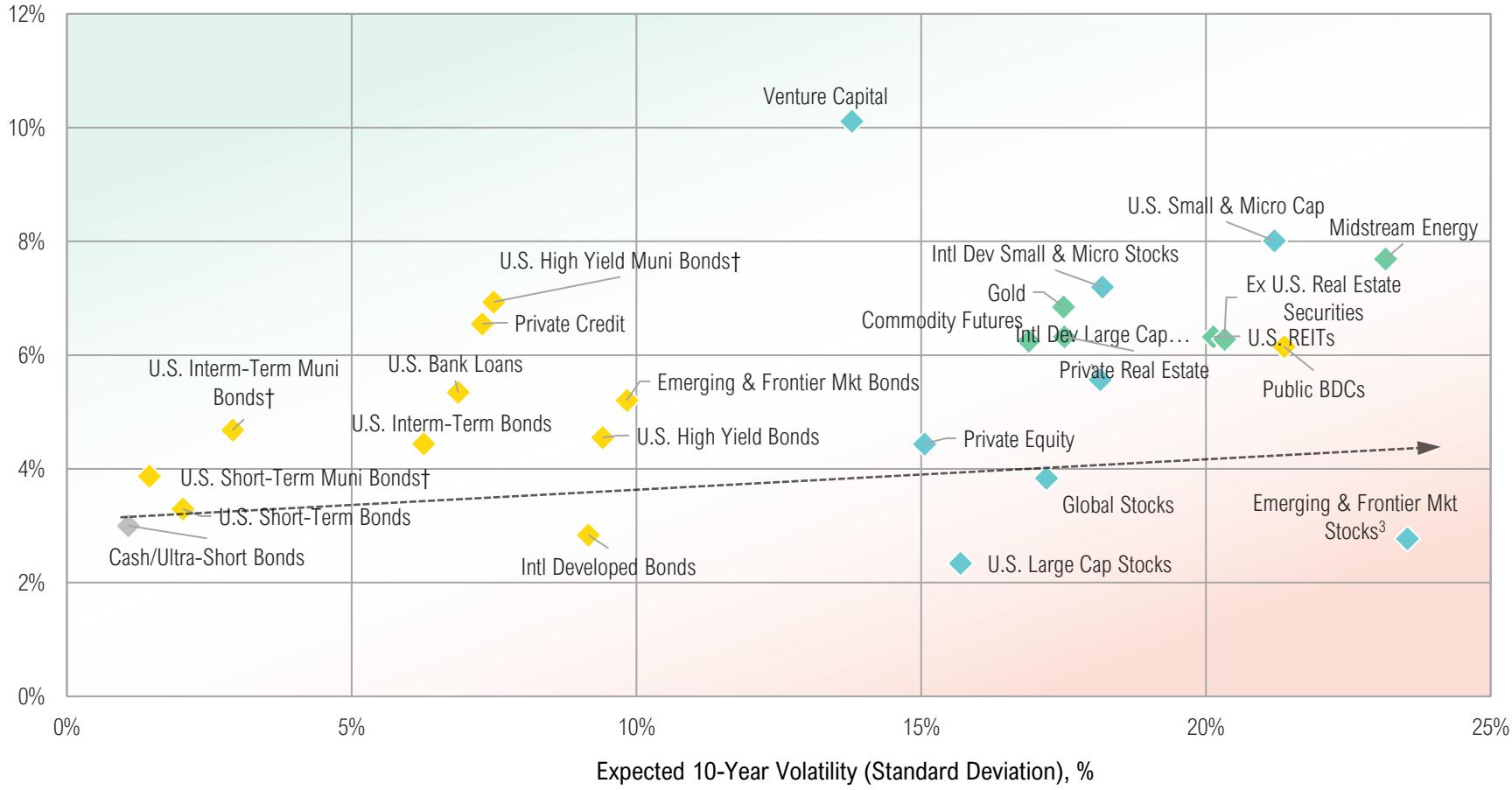


# Appendix

Supporting materials, including Capital Market Expectations and additional research referenced throughout the Market Outlook.

# With global valuations broadly stretched across asset classes, longer-term return assumptions have declined

Expected 10-Year Gross Total Return, %

<sup>3</sup> Estimated returns include impact of currency adjustment

† Reported on a taxable-equivalent basis assuming 35% marginal tax rate.

Source: Bloomberg, CA, Pitchbook, Morningstar, NAREIT, SpringTide calculations. Returns are gross of fees unless stated otherwise. As of 12/31/2025.

Asset Class	Expected Returns (%)	Expected Volatility (%)
Venture Capital	10.1	13.8
Digital Assets	8.5	29.3
U.S. Small & Micro Cap	8.0	21.2
Midstream Energy	7.7	23.2
Closed-End Funds	7.4	13.7
Relative Value	7.3	4.7
Intl Dev Small & Micro Stocks	7.2	18.2
U.S. High Yield Muni Bonds	6.9	7.5
Insurance-Linked Securities	6.9	4.5
Gold	6.9	17.5
Private Credit	6.5	7.3
Private Real Estate	6.3	17.5
U.S. REITs	6.3	20.1
Ex U.S. Real Estate Securities	6.3	20.3
Commodity Futures	6.3	16.9
Public BDCs	6.1	21.4
Intl Dev Large Cap Stocks	5.6	18.1
Global Macro	5.7	6.4
Long-Short Equity	5.5	8.0
U.S. Bank Loans	5.3	6.9
Emerging & Frontier Mkt Bonds	5.2	9.8
U.S. Inter-Term Muni Bonds	4.7	2.9
U.S. High Yield Bonds	4.5	9.4
U.S. Inter-Term Bonds	4.4	6.3
Private Equity	4.4	15.1
U.S. Short-Term Muni Bonds	3.9	1.4
Global Stocks	3.8	17.2
U.S. Short-Term Bonds	3.3	2.0
Cash/Ultra-Short Bonds	3.0	1.1
Intl Developed Bonds	2.8	9.2
Emerging & Frontier Mkt Stocks	2.8	23.5
U.S. Large Cap Stocks	2.3	15.7

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## Appendix: Asset Class Definitions

Asset Class	Benchmark	Index	Start Date	End Date	Data Source
U.S. Large Cap Stocks	S&P 500 Index	S&P 500 TR Index	01/31/1970	n/a	Bloomberg, Ibbotson Associates, NYU/Stern
		IA SBBI US Large Stock TR Index	01/31/1926	12/31/1969	
		NYU/Stern S&P 500 TR	01/31/1920	12/31/1925	
U.S. Small & Micro Cap	Russell 2000 TR Index	Russell 2000 TR Index	01/31/1979	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA SBBI US Small Stock TR Index	01/31/1926	12/31/1978	
		SpringTide U.S. Small & Micro Cap Premium-Based Extension	01/31/1920	12/31/1925	
Intl Dev Stocks	MSCI EAFE NR Index	MSCI EAFE NR Index	01/31/1970	n/a	MSCI, NYU/Stern
		NYU/Stern Developed World Indices	01/31/1920	12/31/1969	
EM & Frontier Stocks	MSCI Emerging Markets NR Index	MSCI Emerging Markets NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern Emerging World Index (Price)	01/31/1920	12/31/2000	
Global Stocks	MSCI ACWI NR Index	MSCI ACWI NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern All World Index (Price)	01/31/1920	12/31/2000	
Venture Capital	Cambridge Venture Capital	Cambridge Venture Capital	01/01/1981	n/a	Cambridge, SpringTide
		SpringTide Venture Capital Premium-Based Extension	01/31/1920	12/31/1980	
U.S. Muni Bonds	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	07/31/1993	n/a	Bloomberg
		USA Municipal AAA Bonds Total Return Index (TRUSAMUM)	01/31/1920	06/30/1993	
U.S. Long-Term Bonds	Bloomberg US Long Gov/Corp TR Index	Bloomberg US Long Gov/Corp TR Index	02/28/1999	n/a	Bloomberg, NYU/Stern
		NYU/Stern US 30Yr Government Bond TR Index	01/31/1920	01/31/1999	
U.S. Interim-Term Bonds	Bloomberg US Aggregate Bond TR Index	Bloomberg US Aggregate Bond TR Index	01/31/1976	n/a	Bloomberg, NYU/Stern
		NYU/Stern US Total Return AAA Corporate Bond Index	01/31/1920	12/31/1975	
U.S. High Yield Bonds	Bloomberg US Corporate High Yield TR Index	Bloomberg US Corporate High Yield TR Index	07/31/1983	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA Bloomberg US HY Corporate Bonds	02/28/1926	06/30/1983	
		SpringTide U.S. High Yield Bonds Premium-Based Extension	01/31/1920	01/31/1926	
Intl Dev Bonds	Bloomberg Global Aggregate ex-USD TR Index	Bloomberg Global Aggregate ex-USD TR Index	01/31/1990	n/a	Bloomberg, NYU/Stern
		NYU/Stern All World ex-USA Government Bond Index	01/31/1920	12/31/1989	
U.S. REITs	MSCI US REIT GR Index	MSCI US REIT GR Index	01/01/1995	n/a	Bloomberg, Winans
		Winans US Real Estate Index (WIREI)	01/01/1920	12/31/1994	
Commodity Futures	Bloomberg Commodity TR Index	Bloomberg Commodity TR Index	01/31/1991	n/a	Bloomberg
		Thompson Jefferies CRB Core Commodity Total Return Index	01/31/1920	12/31/1990	
Midstream Energy	Alerian MLP TR Index	Alerian MLP TR Index	01/31/1996	n/a	Alerian, Bloomberg
		S&P 500 Energy Index	01/31/1946	12/31/1995	
		ExxonMobil Corp (XOM)	01/31/1920	12/31/1945	
Gold	LBMA Gold Price	LBMA Gold Price	02/29/1968	n/a	LBMA, Bloomberg
		New York Spot Bullion	01/31/1920	01/31/1968	
Cash/Ultra-Short Bonds	Bloomberg US T-Bill 1-3 Month TR Index	Bloomberg US T-Bill 1-3 Month TR Index	12/31/1991	n/a	Bloomberg, NYU/Stern
		NYU/Stern USA Total Return T-Bill Index	01/31/1920	11/30/1991	

## Asset Class Benchmarks

Asset class performance was measured using the following benchmarks:

**U.S. Large Cap Stocks:** S&P 500 TR Index

**U.S. Small & Micro Cap Stocks:** Russell 2000 TR Index

**Intl Dev Large Cap Stocks:** MSCI EAFE GR Index

**Intl Dev Small & Micro Stocks:** MSCI EAFE GR Index

**Emerging & Frontier Market Stocks:** MSCI Emerging Markets GR Index

**Global Stocks:** MSCI ACWI GR Index

**Private Equity:** Cambridge Associates U.S. Private Equity

**Venture Capital:** Cambridge Associates U.S. Venture Capital

**U.S. Interim-Term Muni Bonds:** Bloomberg 1-10 (1-12 Yr) Muni Bond TR Index

**U.S. High Yield Muni Bonds:** Bloomberg High Yield Muni TR Index

**U.S. Interim-Term Bonds:** Bloomberg U.S. Aggregate Bond TR Index

**U.S. High Yield Bonds:** Bloomberg U.S. Corporate High Yield TR Index

**U.S. Bank Loans:** S&P/LSTA U.S. Leveraged Loan Index

**Intl Developed Bonds:** Bloomberg Global Aggregate ex-U.S. Index

**Emerging & Frontier Market Bonds:** JPMorgan EMBI Global Diversified TR Index

**Public BDCs:** S&P BDC Index

**U.S. REITs:** MSCI U.S. REIT GR Index

**Ex U.S. Real Estate Securities:** S&P Global Ex-U.S. Property TR Index

**Private Real Estate:** Cambridge Associates Real Estate

**Commodity Futures:** Bloomberg Commodity TR Index

**Midstream Energy:** Alerian MLP TR Index

**Gold:** LBMA Gold Price

**Long-Short Equity:** HFRI Equity Hedge Index

**Global Macro:** HFRI Macro-CTA Index

**Relative Value:** HFRI Relative Value Index

**Closed-End Funds:** S-Network Composite Closed-End TR Index

**Insurance-Linked Securities:** SwissRe Global Cat Bond TR Index

**Digital Assets:** MVIS CryptoCompare Digital Assets 25 Index

**Cash & Cash Equivalents:** Bloomberg U.S. T-Bill 1-3 Month TR Index

**U.S. Short-Term Muni Bonds:** Bloomberg Municipal 1-3 Yr TR Index

**U.S. Short-Term Bonds:** Bloomberg U.S. Agg 1-3 Yr TR Index

**U.S. 60/40:** 60% S&P 500 TR Index 40% Bloomberg U.S. Aggregate Bond TR Index

**Global 60/40:** 60% MSCI ACWI GR Index 40% Bloomberg Global Aggregate Bond TR Index