



Market Outlook: Dire Straits

Q2, 2026



I would start with the fact that I am probably more constructive on the consumer than what one would glean from reading the headlines of news publications. There are a lot of alarmist headlines about the impact can be on the consumer. But the consumer continues to be very resilient... I think the consumer has shown resiliency and probably is a little healthier than what one would glean just from kind of reading publications.”

John Rainey, Walmart CFO



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 and continued AI-related investment. Valuations for U.S. large-cap stocks have declined but remain elevated, while small caps have staged a rebound, underpinned by constructive forward earnings expectations.

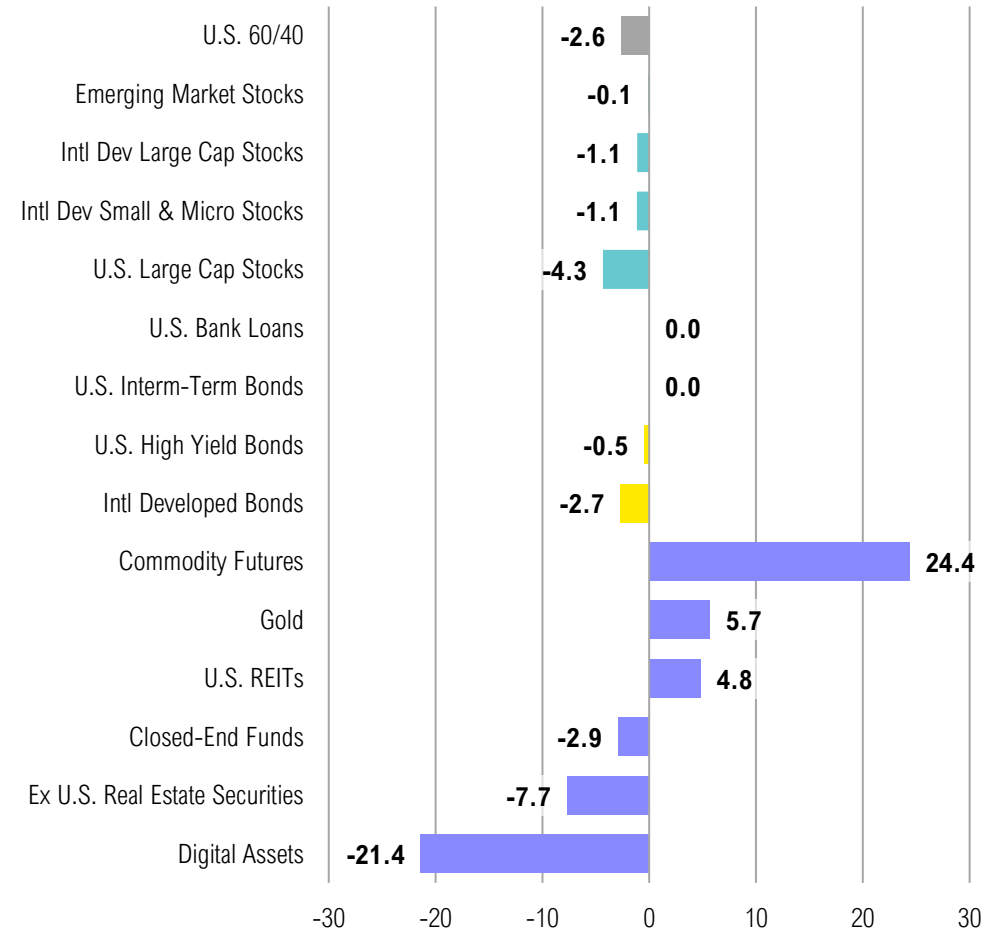
Fixed Income & Credit

Bond yields remained contained over the quarter, while the yield curve shifted higher, driven by elevated inflation expectations and amplified by the Iran-driven energy price shock. Credit spreads remain contained relative to history, 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.

Total Returns (YTD), %



Source: Bloomberg. Returns as of 3/31/2026.



Positioning:

Equity

We remain risk-on 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.

- **Q1: Exited regional banks; trimmed basic materials; sold consumer staples on technical breakdown; added to global equities.**

Fixed Income & Credit

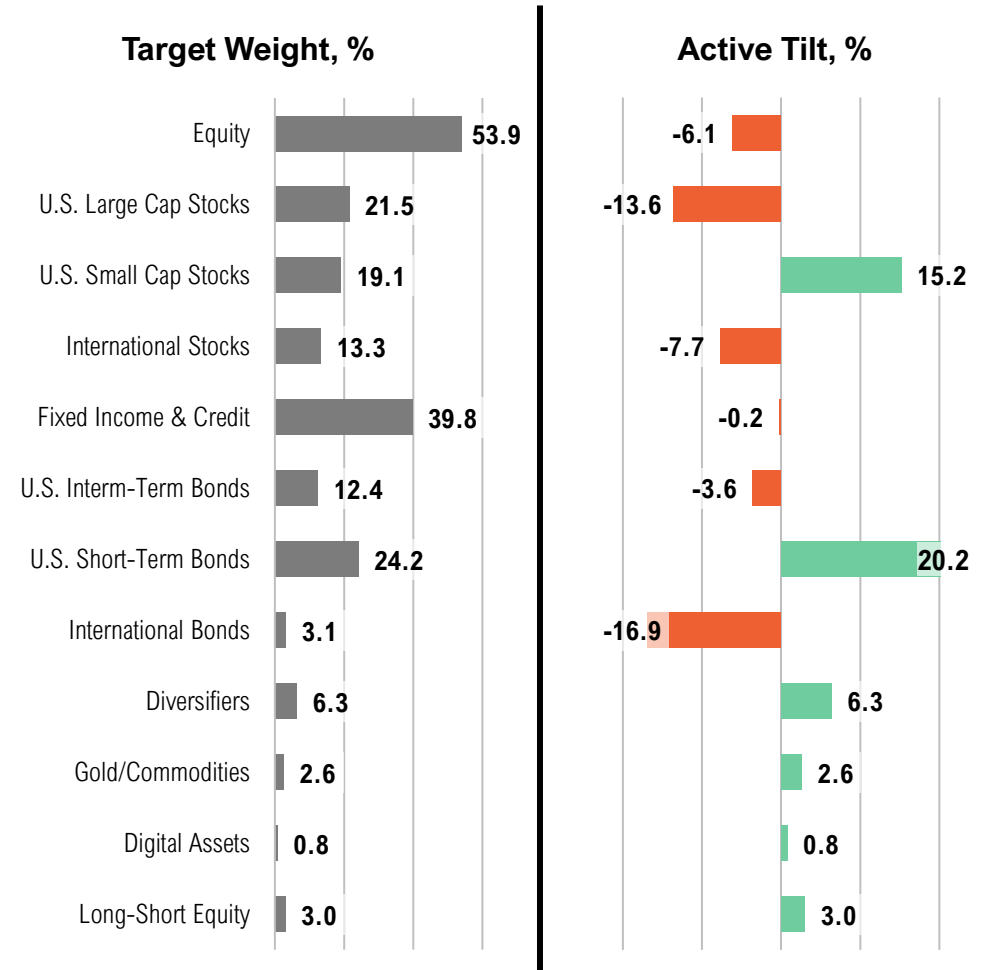
Selective credit additions have been the focus, with cash from equity sales redeployed into higher-yielding opportunities while core bond positioning remains stable.

- **Early Q1: Initiated small positions in select specialty credit funds; rebalanced BDC exposure back to target.**
- **Late Q1: Cash from equity trims held in short-term Treasuries.**

Diversifiers

Previously underowned themes like electrification, agriculture, and real assets have attracted new allocations as we build out its real-asset diversification.

- **Early Q1: Initiated a position in private real estate, added to biotech and uranium; initiated new digital assets position; rotated gold from one vehicle to another.**
- **Late Q1: Initiated new position in electrification infrastructure; trimmed copper miners given volatility; initiated new position in agricultural commodities (funded from cash).**



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.





I think the higher-end consumer, the premium consumer, is candidly immune or becoming more immune to the headlines and not delaying their investment in the experience economy.”

Ed Bastian, Delta Air Lines CEO

Theme	Commentary	Positioning
Fiscal: 'Nothing Stops this Train'	<ul style="list-style-type: none"> Structural fiscal spending remains a key driver of the economy, sustaining nominal growth. Contained credit spreads, a stable unemployment rate, strong tax receipts, and a healthy high-end consumer all suggest the U.S. economy has runway for growth, but the U.S.-Iran conflict adds a wild card. 	<ul style="list-style-type: none"> Maintain a healthy balance of risk, tilted towards areas with strong fundamentals and policy tailwinds.
Inflation: Rockets and Feathers	<ul style="list-style-type: none"> The sharp spike in inflation due to energy prices may see prices staying elevated for longer than expected. Subsequent cooling likely to be gradual and not mirror the speed of the spike. Fed cuts unlikely due to unresolved Middle East crisis and new Fed chair starting May. Rising inflation offset by relative labor market stability and continued shelter price disinflation. 	<ul style="list-style-type: none"> Keep duration below benchmark. Warm (not hot) inflation supports nominal growth and asset prices.
The Fed: Warsh '26 vs. Warsh '08	<ul style="list-style-type: none"> We've had the inflation shock we didn't want, which complicates the path to lower rates. New Fed Chair Kevin Warsh may bring some credibility and stability to Treasury markets. On the margin, it appears Warsh prefers lower rates over balance sheet expansion for easing policy. He also may be more dovish than anticipated. 	<ul style="list-style-type: none"> Lower rates will help the deficit and should support risky assets. The yield curve should steepen.
More K-Shaped Dynamics	<ul style="list-style-type: none"> The administration entered 2026 with affordability as a defining priority but involvement in Iran has clouded this. Higher gas prices pressure low-income consumers more than high-income consumers, who remain resilient. Growing frustration from lower income households is spilling over to politics, starting to show in early midterm polls and betting market probabilities. 	<ul style="list-style-type: none"> Stay the course in diversified portfolios. Expect possible heightened volatility due to midterm elections.
AI Boom, Software Bust	<ul style="list-style-type: none"> Tech faces slower revenue growth, rising competition, and rich valuations, yet earnings remain resilient. We believe valuations are being supported by a productivity tailwind. Has the 'AI Bubble' burst, but via software stocks? The Tech Bubble drawdown was ~50% over 637 trading days; we saw a 36% decline in software stocks over 113 trading days. 	<ul style="list-style-type: none"> Maintain risk-on preference until policy backdrop sours. Emphasize high-quality active managers.
Small Caps Time to Shine	<ul style="list-style-type: none"> U.S. small-cap stocks ended 2026 up 26%, and are outperforming large-cap counterparts through year-to-date. If Fed policy becomes more supportive & earnings growth materializes, small caps should outperform. Lower rates disproportionately benefit small cap due to their higher leverage. AI may help with margins later in 2026 	<ul style="list-style-type: none"> Overweight U.S. small cap. Active management remains key.

 **Growth, Inflation & Policy**
 **Equity**
 **Fixed Income & Credit**
 **Diversifiers**



Theme	Commentary	Positioning
U.S. vs. Non-U.S.: Valuation vs Energy & Innovation	<ul style="list-style-type: none"> • Lower valuations in foreign developed and emerging markets create select opportunities, but few countries offer sufficient growth, innovation, and geopolitical stability to justify overweights. • Energy dependence also plays out unevenly. Most major DM bond yields are near cycle highs. • We favor high-quality active managers and discounted closed-end funds for select countries. 	<ul style="list-style-type: none"> • Slightly overweight emerging markets; underweight DM. • Select CEFs to implement country-specific views.
Shorter Duration still Prudent	<ul style="list-style-type: none"> • Structural, bipartisan fiscal deficits now define the policy backdrop, constraining future choices and reshaping long-term investment outcomes. • Future Fed cuts could boost nominal growth, lift inflation expectations, and weigh on the long end if viewed as politically motivated. 	<ul style="list-style-type: none"> • Keep duration below benchmark.
A “Curious Balance” in Bonds	<ul style="list-style-type: none"> • Bonds are caught between resilient nominal growth and persistent inflation. The Fed is expanding its balance sheet via reserve management operations, increasing system liquidity. While framed as technical, these actions functionally ease financial conditions, offsetting a portion of Treasury issuance. 	<ul style="list-style-type: none"> • Tactically manage duration, extending or reducing duration on meaningful moves up or down in yields, respectively.
Credit remains the “Tell”	<ul style="list-style-type: none"> • Credit markets remain the key signal of economic stress; so far, conditions remain contained by historical standards, even with a slight uptick in March. 	<ul style="list-style-type: none"> • BDCs remain attractive, over-discounting a recession. • High yield bond spreads at current levels remain un compelling.
Private Credit	<ul style="list-style-type: none"> • Redemptions in non-traded/BDC-style funds have repeatedly hit 5–7% caps, gating withdrawals and leaving ~\$4.5–5bn effectively trapped. Pressure is concentrated in retail. • We do not believe this is systemic, rather a redemption-driven stress in semi-liquid private credit that exposes a structural mismatch between illiquid assets and “liquid” wrappers. 	<ul style="list-style-type: none"> • Favor closed-end or institutional private credit structures over semi-liquid wrappers; the stress is in the plumbing, not the asset class.



Growth, Inflation & Policy



Equity



Fixed Income & Credit



Diversifiers



Theme	Commentary	Positioning
Gold & Precious Metals	<ul style="list-style-type: none"> Muted performance of gold during uncertain times does not change our view of gold’s long-term store-of-value role as performance likely stemmed from profit-taking after strong returns. Gold and precious metal performance near-term returns may be more subdued; fundamental thesis remains. 	<ul style="list-style-type: none"> Maintain reduced tactical position in precious metals.
Biotech	<ul style="list-style-type: none"> 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&A activity. 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. 	<ul style="list-style-type: none"> Active management remains critical given dynamic and often binary nature of the sector.
Power Play	<ul style="list-style-type: none"> AI data centers are straining power grids, with U.S. demand set to double by 2030. Their need for reliable baseload power boosts industrial and utility companies as key beneficiaries. Strong sentiment, solid fundamentals, and policy tailwinds keep uranium and nuclear assets positioned to outperform, but we see better risk/reward in physical uranium. 	<ul style="list-style-type: none"> Maintain reduced tactical position in uranium and uranium/nuclear equities.
Agentic Economy	<ul style="list-style-type: none"> The agentic stack spans six infrastructure layers, from data and intelligence to compute, identity, payments, and stablecoin settlement, enabling autonomous economic agents. This provides a useful framework for mapping where value may accrue across the emerging agent-driven technology and financial stack. 	<ul style="list-style-type: none"> Seeking to position across the agentic stack rather than difficult-to-identify end-application winners.
Scarcity > Abundance	<ul style="list-style-type: none"> Oil-dependent economies face rising stagflation risk from potential Middle East supply shocks. The AI-driven surge in data center buildout is exposing critical bottlenecks in U.S. power infrastructure, where grid capacity, permitting timelines, and equipment lead times are years behind demand. 	<ul style="list-style-type: none"> Own the constraint.



Growth, Inflation & Policy



Equity



Fixed Income & Credit



Diversifiers



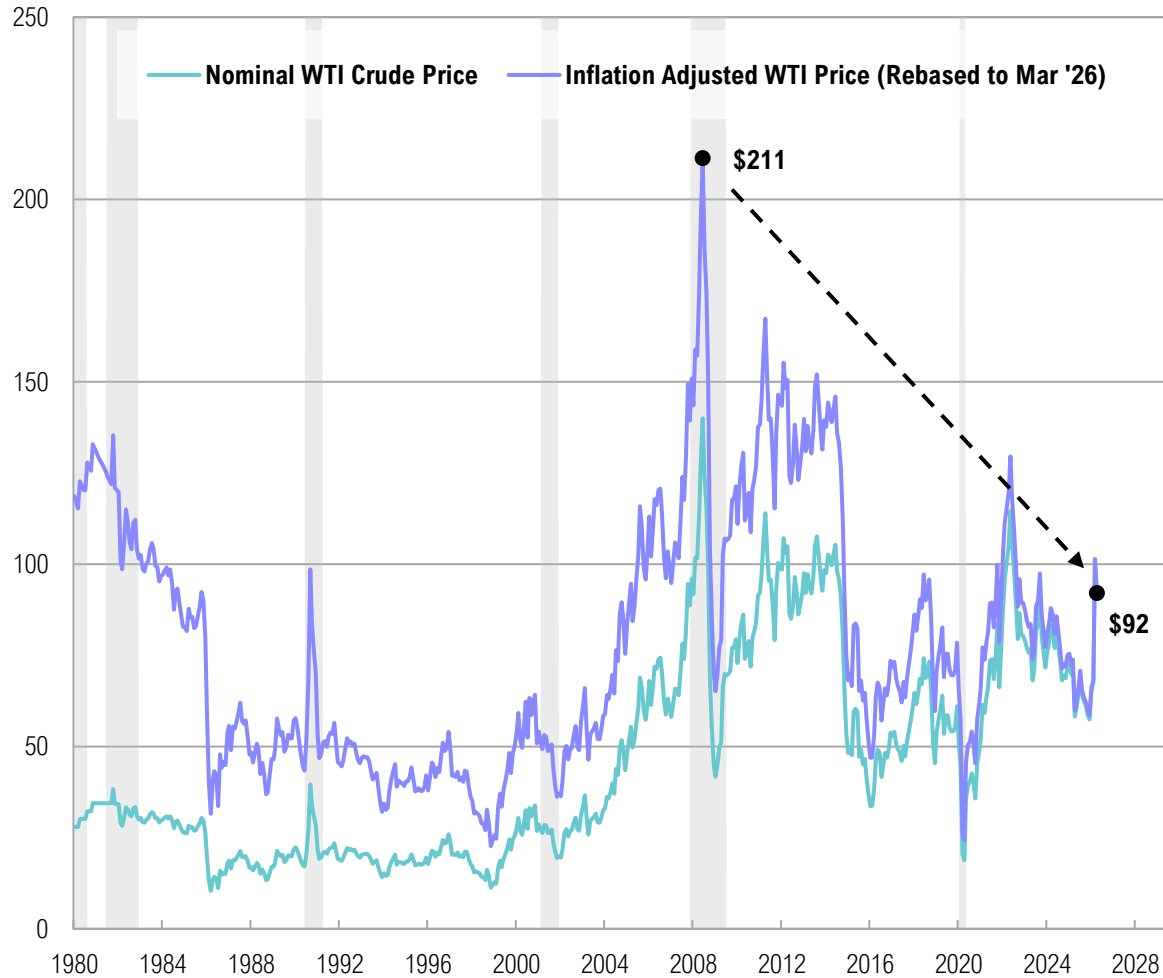


Growth, Inflation & Policy

Structural fiscal spending remains a key support to the economy, sustaining nominal growth but now interacting with a more inflation-sensitive backdrop. Recent energy-driven inflation pressures point to slower and more uneven disinflation than previously expected. While inflation is unlikely to spiral given softening labor conditions and shelter disinflation, monetary policy is likely to remain restrictive for longer, with easing delayed and less aggressive than earlier 2026 expectations suggested.

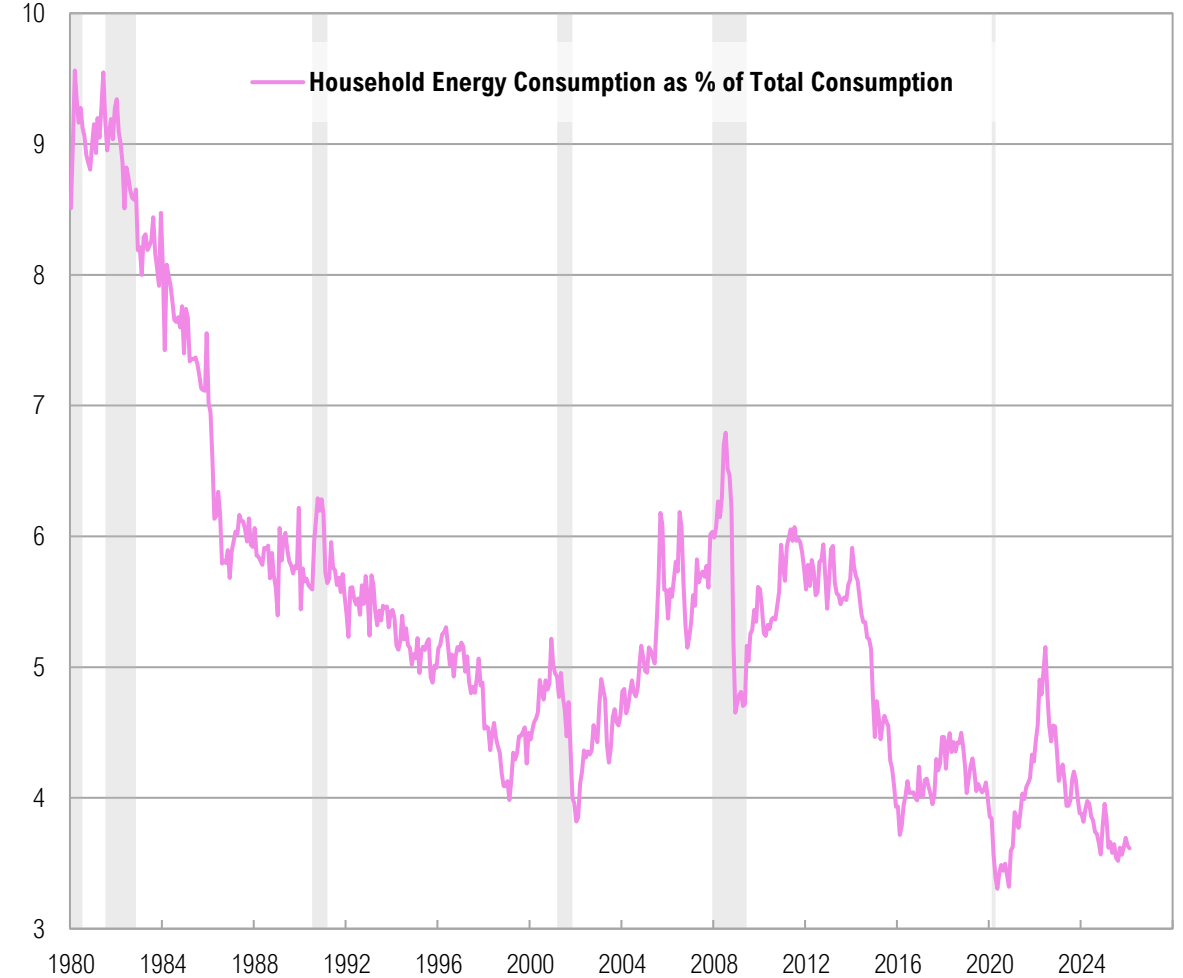
Adjusted for inflation, the recent spike in oil prices has been subdued relative to history; U.S. households are also more insulated from increases in energy prices than in the past

WTI Crude Price, \$/Barrel



Source: Bloomberg

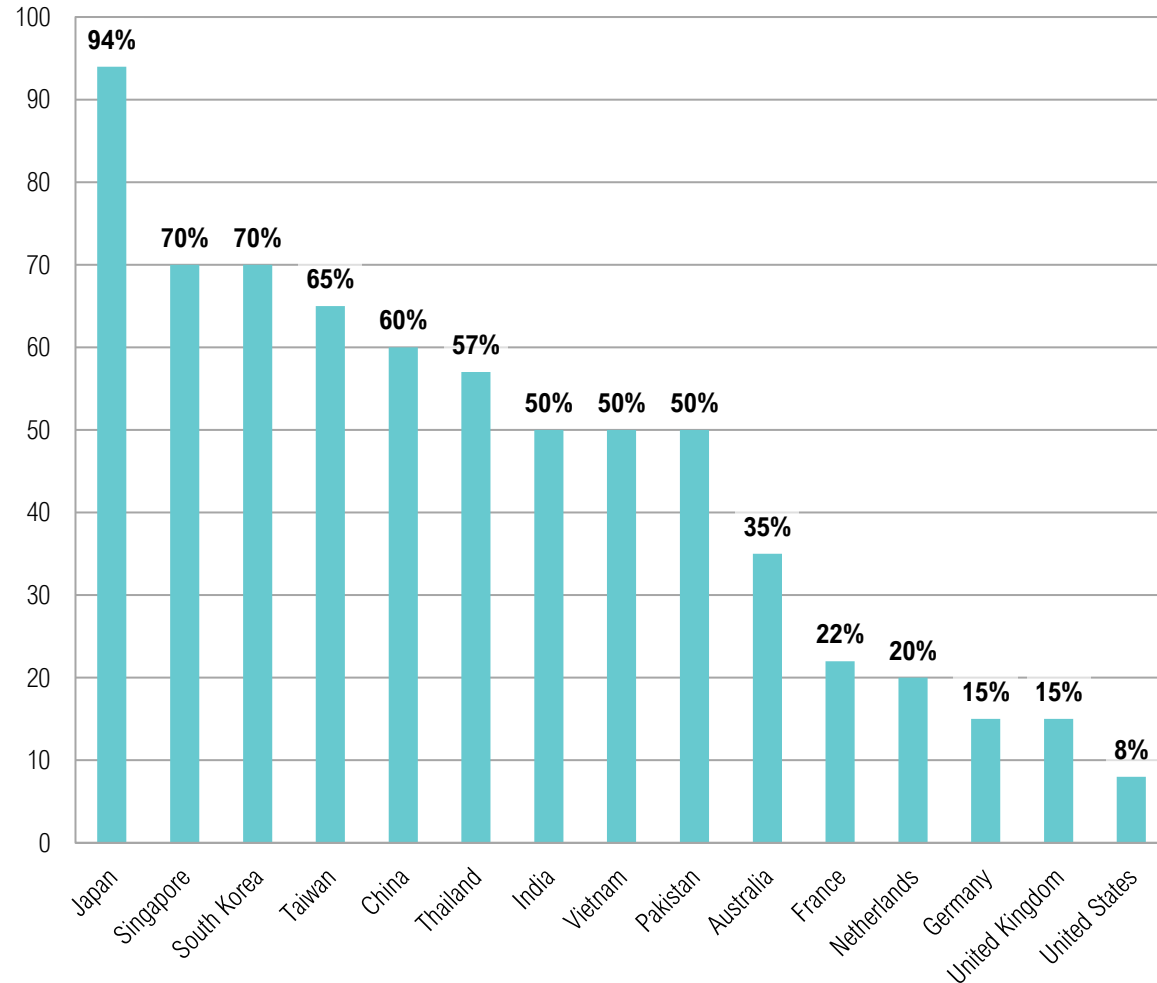
U.S. Household Energy Consumption as % of Total Consumption (As of 2/28)



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Oil-dependent countries (particularly those in Asia) are facing an oil shock; the U.S. is much more insulated to global shocks than it was in the 1970s

Middle East Oil Imports as Share of Total Oil Imports (2024), %



Source: Vortexa, EIA, IEA, Eurostat, Energy Institute, South China Morning Post, Visual Capitalist.

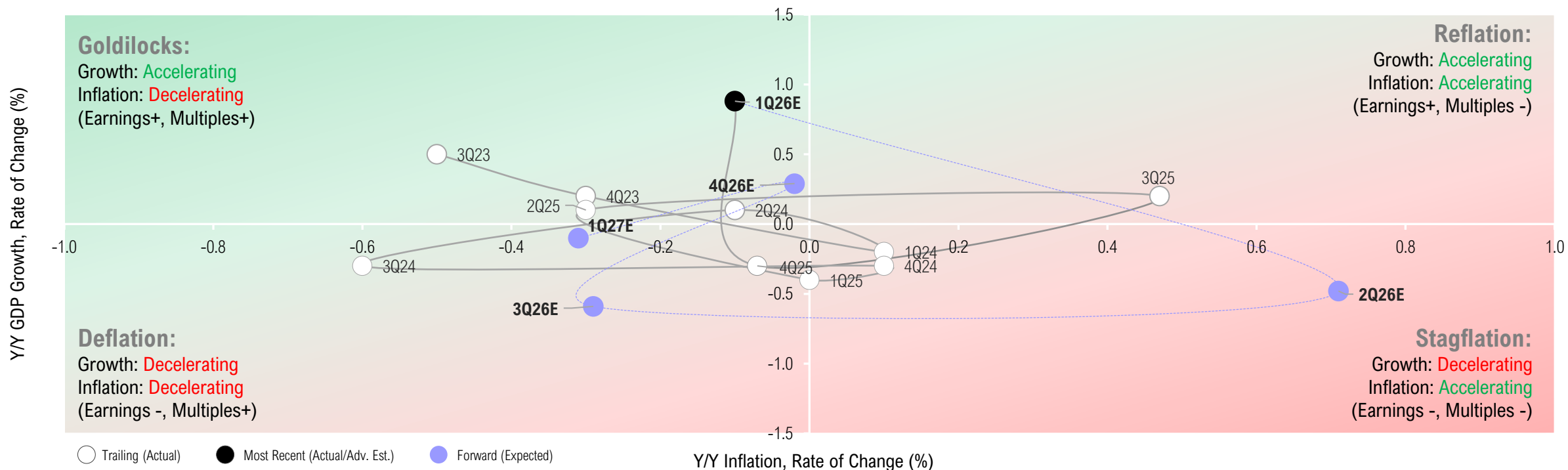
“Many of us remember the two consecutive oil crises in the 1970s: 1973 and 1979. And at that time, in each of the crises, the world lost about 5 million barrels per day. Both of them together, 10 million barrels per day. And after that, we all know that there were major economic problems around the world, the recessions. And today, only as of today, we lost 11 million barrels per day, so more than two major oil shocks put together... So the situation is, if you want to put it in context, this crisis, as it stands now, two oil crises and one gas crisis put all together.”

Dr. Fatih Birol, *International Energy Agency Executive Director* (March 20, 2026)

“When economists discuss oil price shocks in the U.S., the example is often the events of the 1970s. While informative, it is important to understand that the U.S. is in a very different position relative to a half-century ago. The U.S. now leads the world in crude oil and natural gas production and is a net exporter of energy; and Texas is the nation's largest producer of both commodities.”

Philip Jefferson, *Federal Reserve Vice Chair* (March 26, 2026)

Driven by expectations of rising inflation and slowing growth, market estimates show a shift from “Goldilocks” conditions in Q126 to a stagflationary backdrop in Q226



Q126: Goldilocks
(Growth accelerating, inflation decelerating)
TENDS TO BENEFIT
Equities, Credit Commodities
TENDS TO HURT
Fixed Income, USD

Q226E: Stagflation
(Growth accelerating, inflation decelerating)
TENDS TO BENEFIT
Gold, Commodities, Fixed Income
TENDS TO HURT
Credit

Q326E: Deflation
(Growth decelerating, inflation decelerating)
TENDS TO BENEFIT
Fixed Income, Gold, USD
TENDS TO HURT
Commodities, Equities, Credit

Q426E: Goldilocks
(Growth accelerating, inflation decelerating)
TENDS TO BENEFIT
Equities, Credit Commodities
TENDS TO HURT
Fixed Income, USD

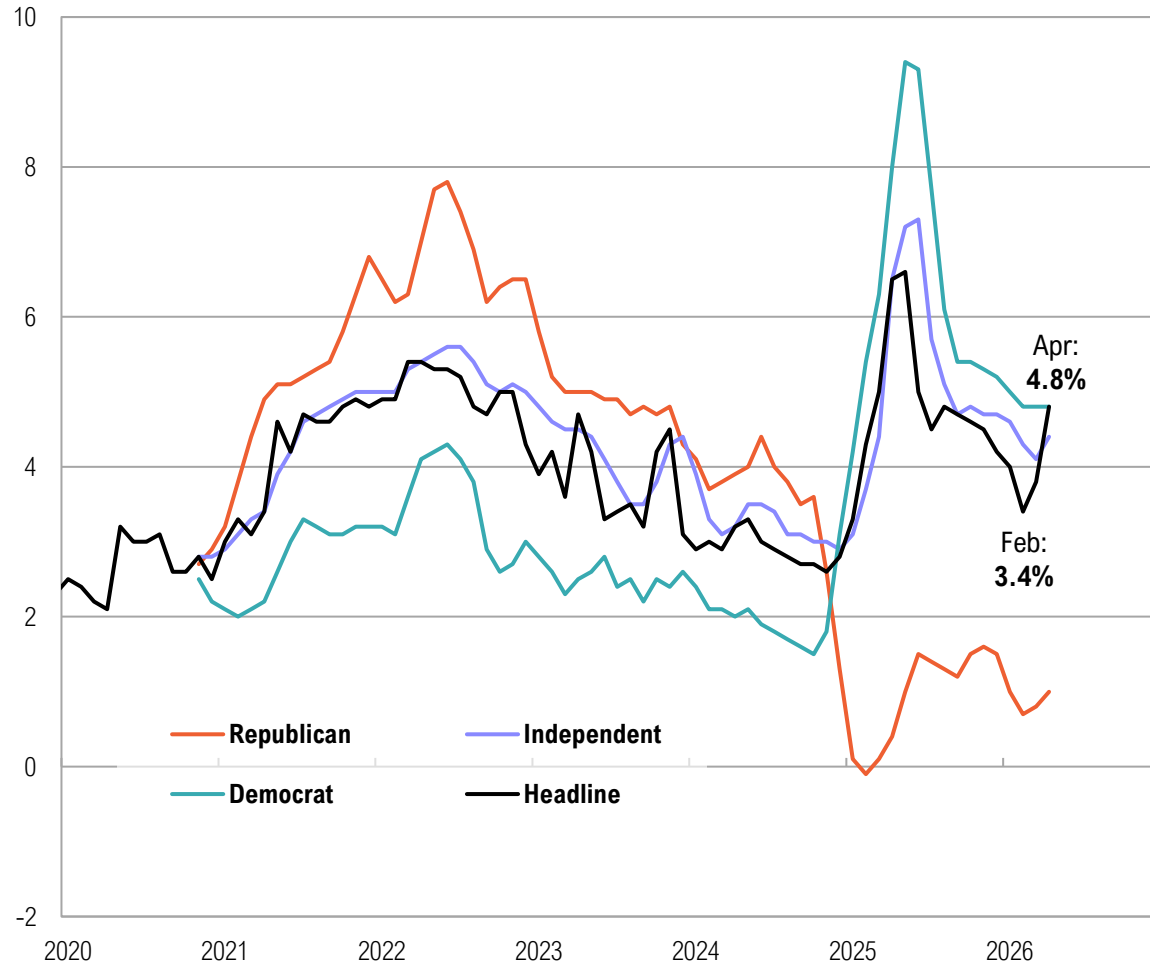
Q127E: Deflation
(Growth decelerating, inflation decelerating)
TENDS TO BENEFIT
Fixed Income, Gold, USD
TENDS TO HURT
Commodities, Equities, Credit

Source: SpringTide, Bloomberg. Change represents one-month change.

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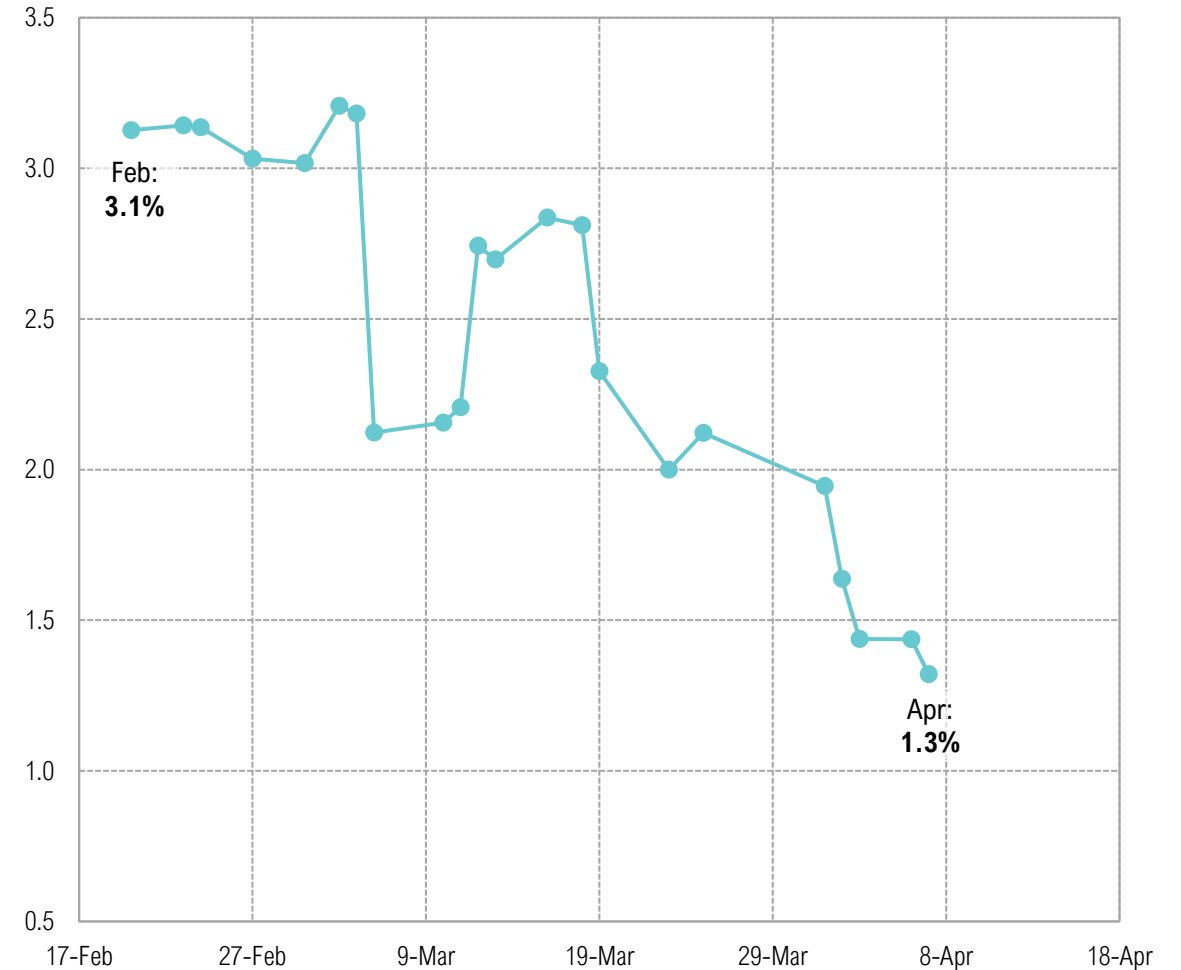
➤ Stagflationary signals: rising inflation expectations alongside declining economic growth expectations

University of Michigan 1-Year Inflation Expectations by Political Affiliation



Source: Bloomberg, Federal Reserve Bank of Atlanta. As of 4/14/2026.

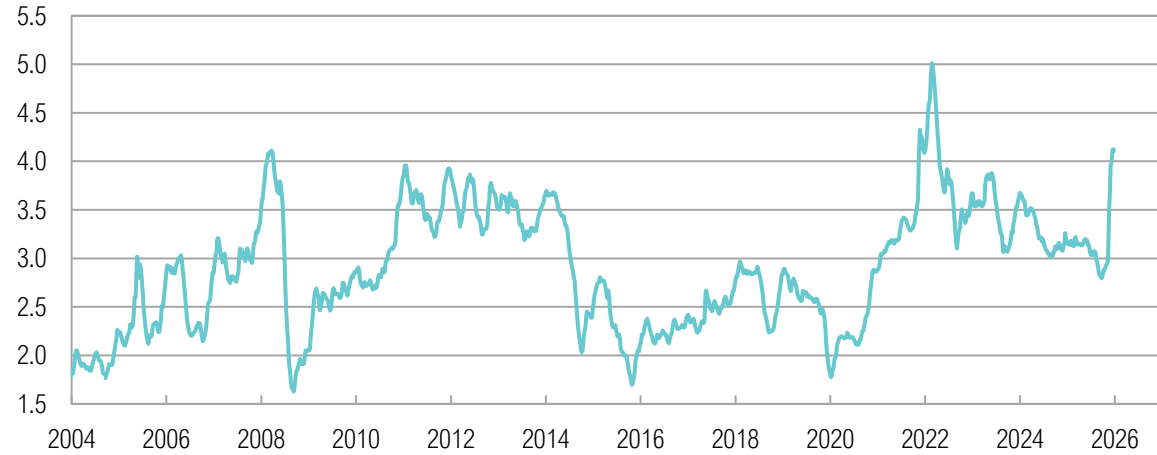
Evolution of Atlanta Fed GDPNow Real GDP Estimate for Q1, 2026



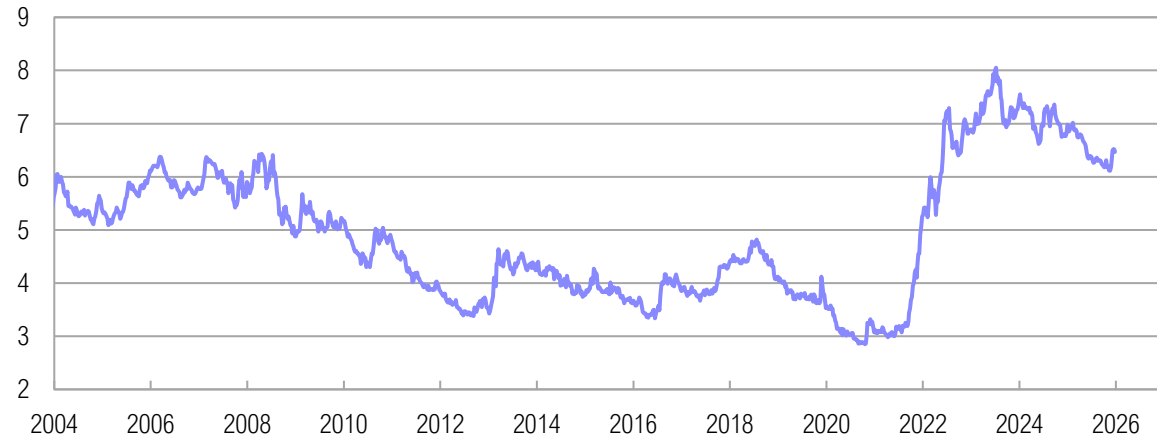
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➤ A record 54% of U.S. consumers report being worse off financially today than a year ago due to higher prices; gas prices and mortgage rates are back at 2022 levels

National Average Gas Prices (Regular Unleaded), \$/Gallon

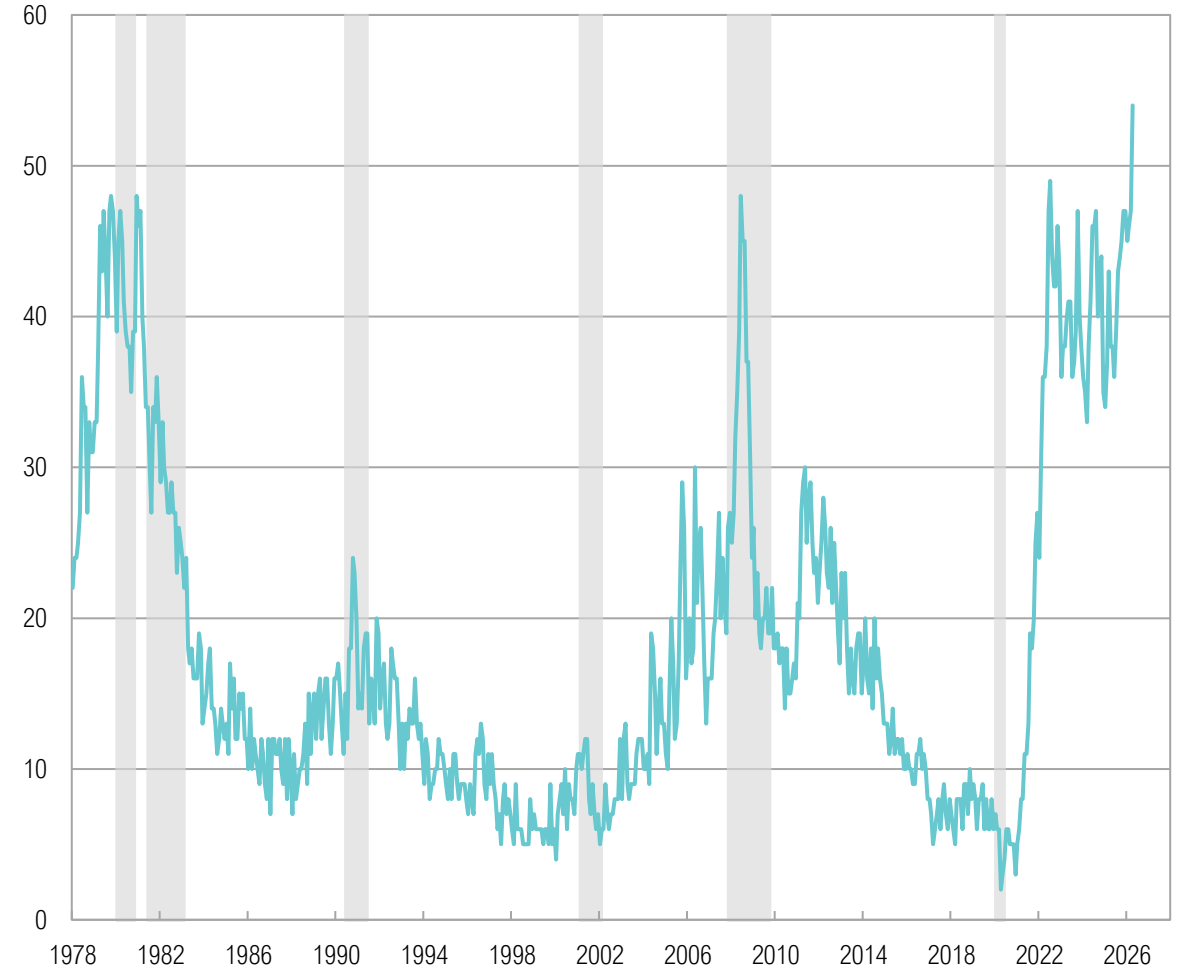


30-Year Fixed Mortgage Rate



Source: Bloomberg

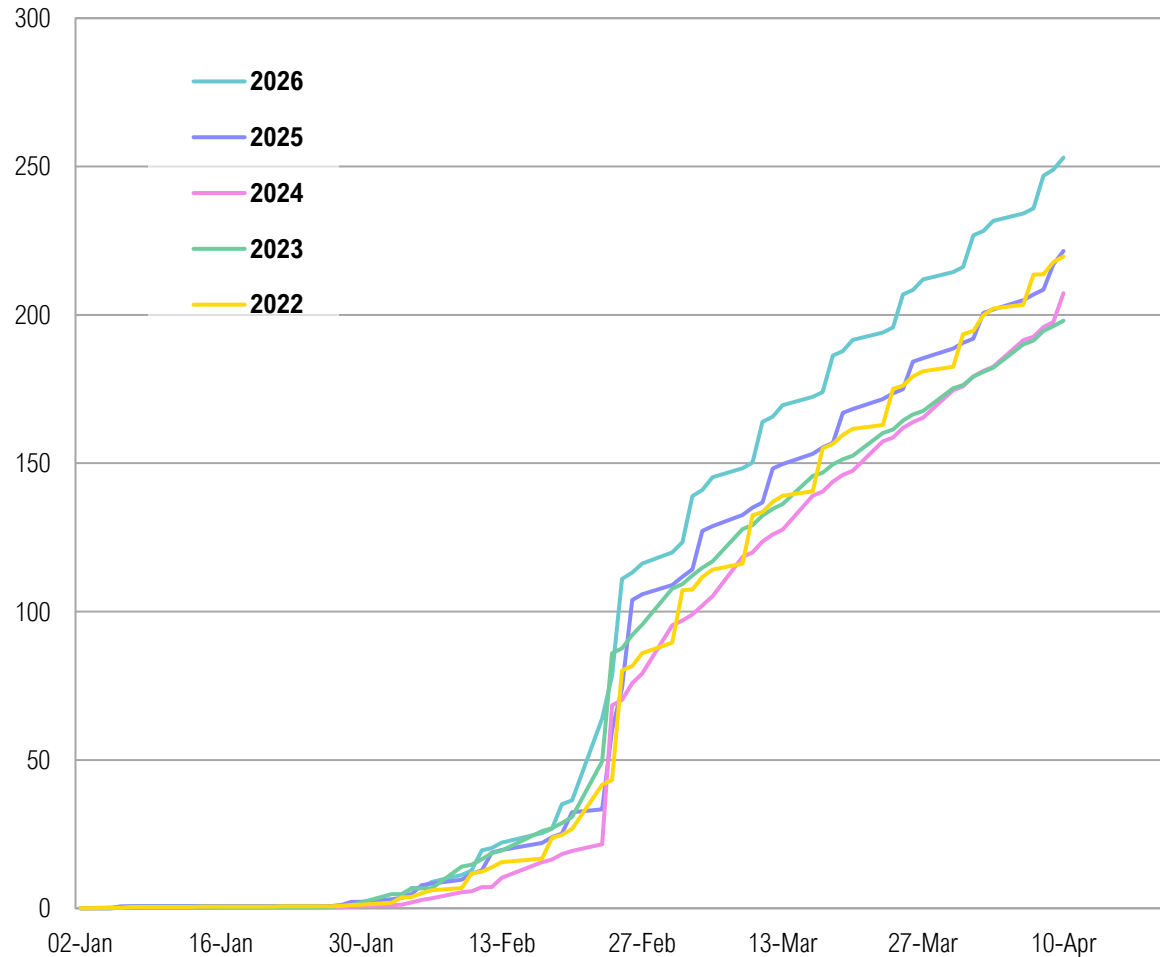
University of Michigan: Financial Situation Worse Today Than 1-Yr Ago Due to Higher Prices



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➤ Year-to-date, income tax refunds are 14.5% higher relative to 2025

Individual Income Tax Refunds, \$Bn



Source: U.S. Internal Revenue Service

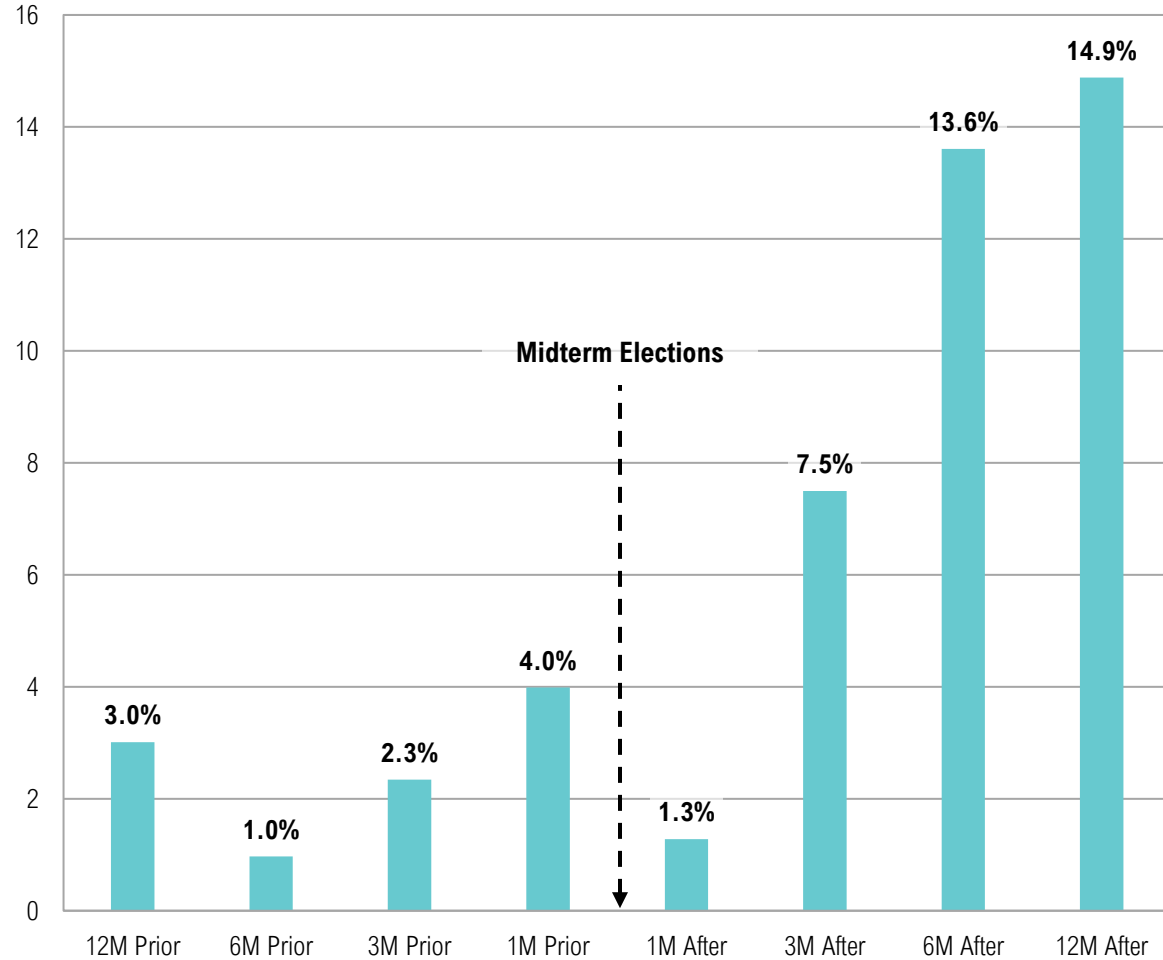
2026 Filing Season Statistics Through April 4, 2026

Return/Refund Category	2025	2026	% Change
Total returns received	101,422,000	99,802,000	-1.6
Total returns processed	100,324,000	99,034,000	-1.3
Total e-filing returns received	98,184,000	97,969,000	-0.2
E-filing returns received from tax professionals	53,392,000	52,773,000	-1.2
E-filing returns received from self-prepared	44,792,000	45,196,000	0.9
Web usage, IRS.gov visits	275,948,000	435,926,000	58.0
Total number of refunds	67,745,000	69,818,000	3.1
Total amount refunded	\$211.1Bn	\$241.7Bn	14.5
Average refund amount	\$3,116	\$3,462	11.1
Total number of direct deposit refunds	64,733,000	70,307,000	8.6
Total amount refunded with direct deposit	\$206.3Bn	\$242.9Bn	17.8
Average direct deposit refund amount	\$3,186	\$3,454	8.4

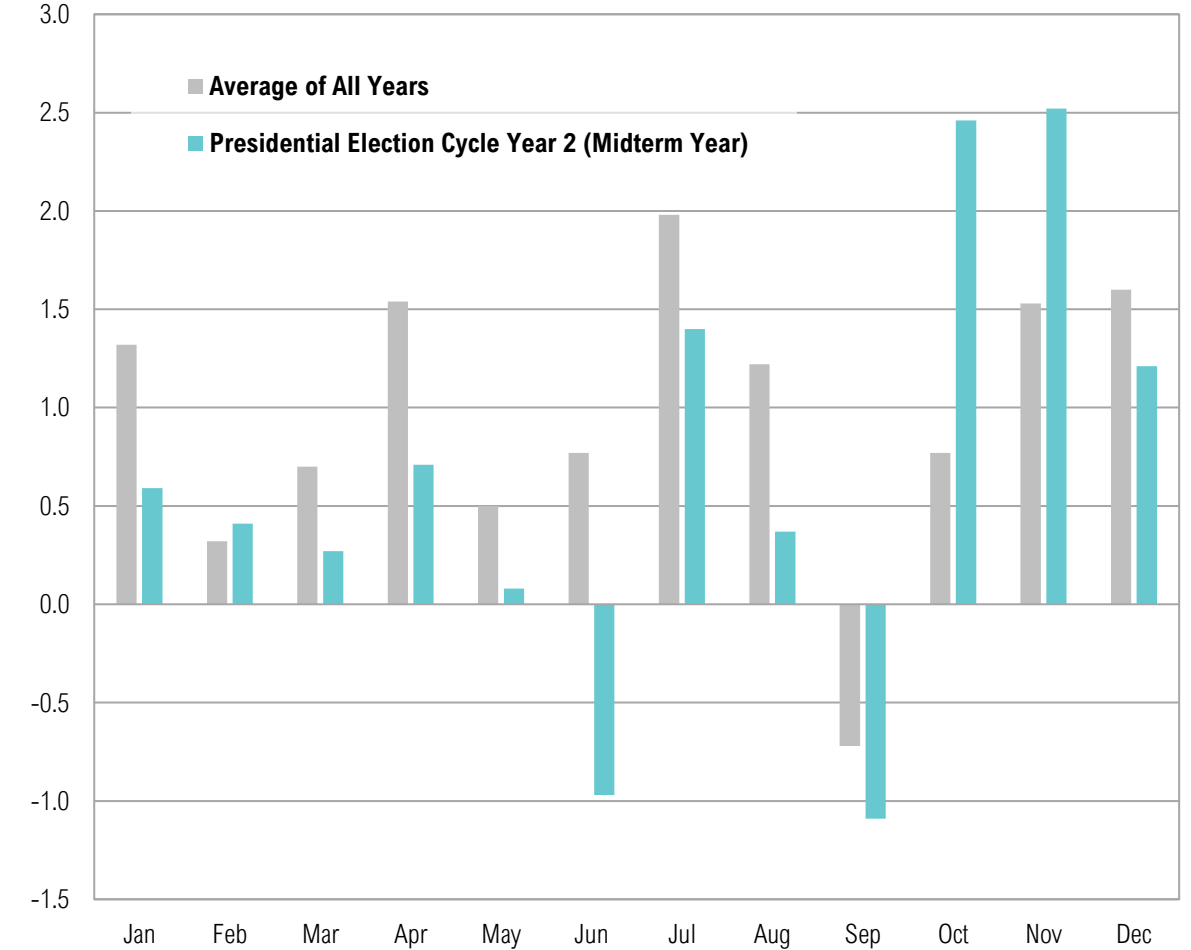
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➤ No matter the outcome (a unified or divided government), election-related uncertainty quickly clears after midterms

Average S&P 500 Returns Around a Midterm Election (1942 – 2022), %



U.S. Large Cap Average Monthly Return, %

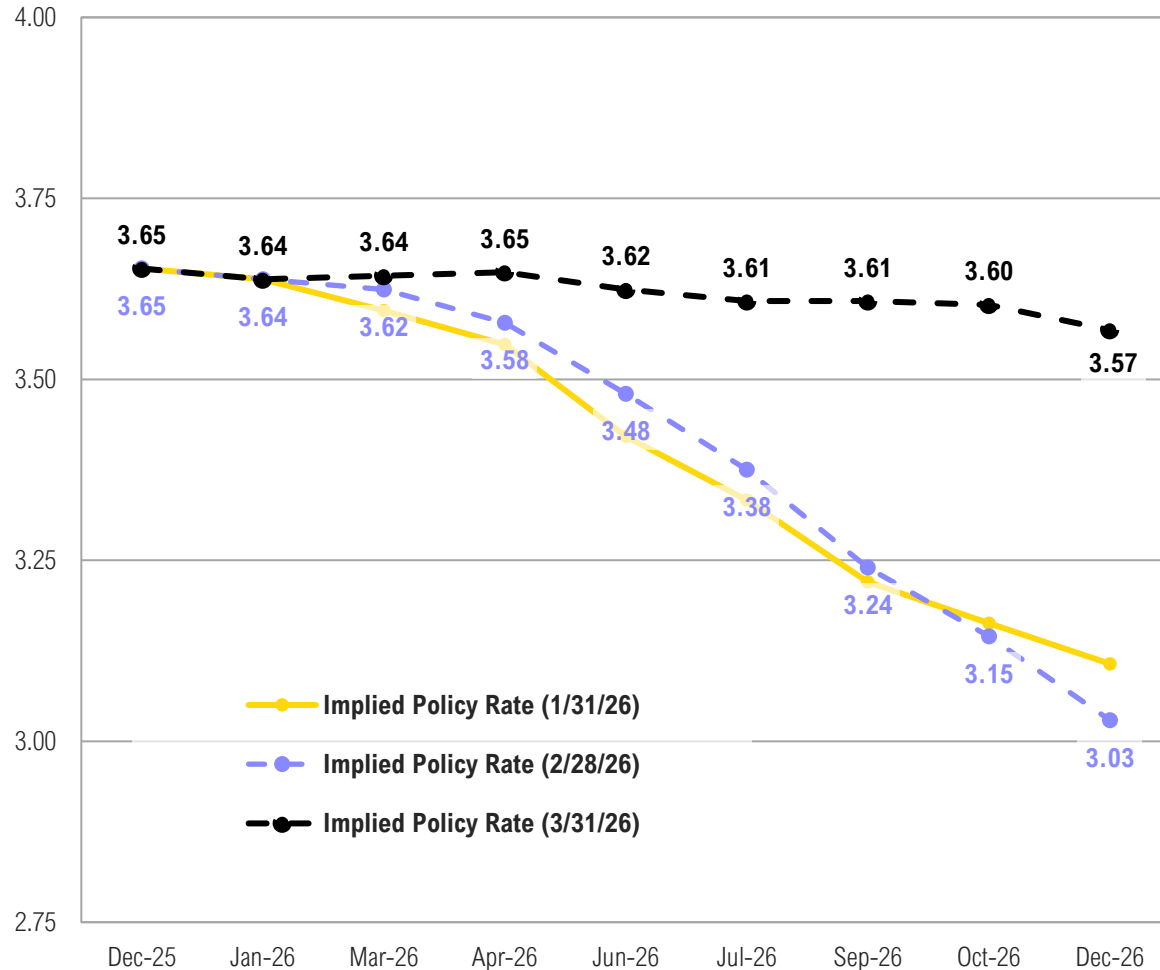


Source: Bloomberg, SpringTide. Averages are arithmetic. Analysis between 1/31/1920 and 3/31/2023. Annualized returns as of 1/31/1932. See appendix for index definitions and other disclosures.

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➤ Markets are now pricing in no change in interest rates for 2026; we do not expect any major policy changes in the first few months of Warsh’s term as Fed Chair

Implied Fed Funds Rate, %



Source: Bloomberg

“In terms of the other policy considerations, building on what you said, Mr. Chairman, about diminishing returns of the QE regime, I would say we are past the point of diminishing returns.”

Kevin Warsh, *FOMC Meeting* (June 22, 2010)

“The conduct of monetary policy in recent years has been deeply flawed.”

Kevin Warsh, *Wall Street Journal Opinion Piece* (August 24, 2016)

“My overriding concern about continued QE, then and now, involves the misallocations of capital in the economy and the misallocation of responsibility in our government.”

Kevin Warsh, *Hoover Institution Appearance with Ben Bernanke* (June 7, 2018)

“Inflation is driven by excessive government spending and money creation... The Fed should reduce its bloated balance sheet and use lower interest rates to support households and small businesses rather than just Wall Street.”

Kevin Warsh, *Wall Street Journal Opinion Piece* (November 16, 2025)

“The branding of Kevin as someone who’s always hawkish is not correct. I’ve seen him go both ways.”

Stanley Druckenmiller, *Financial Times Interview* (January 30, 2026)

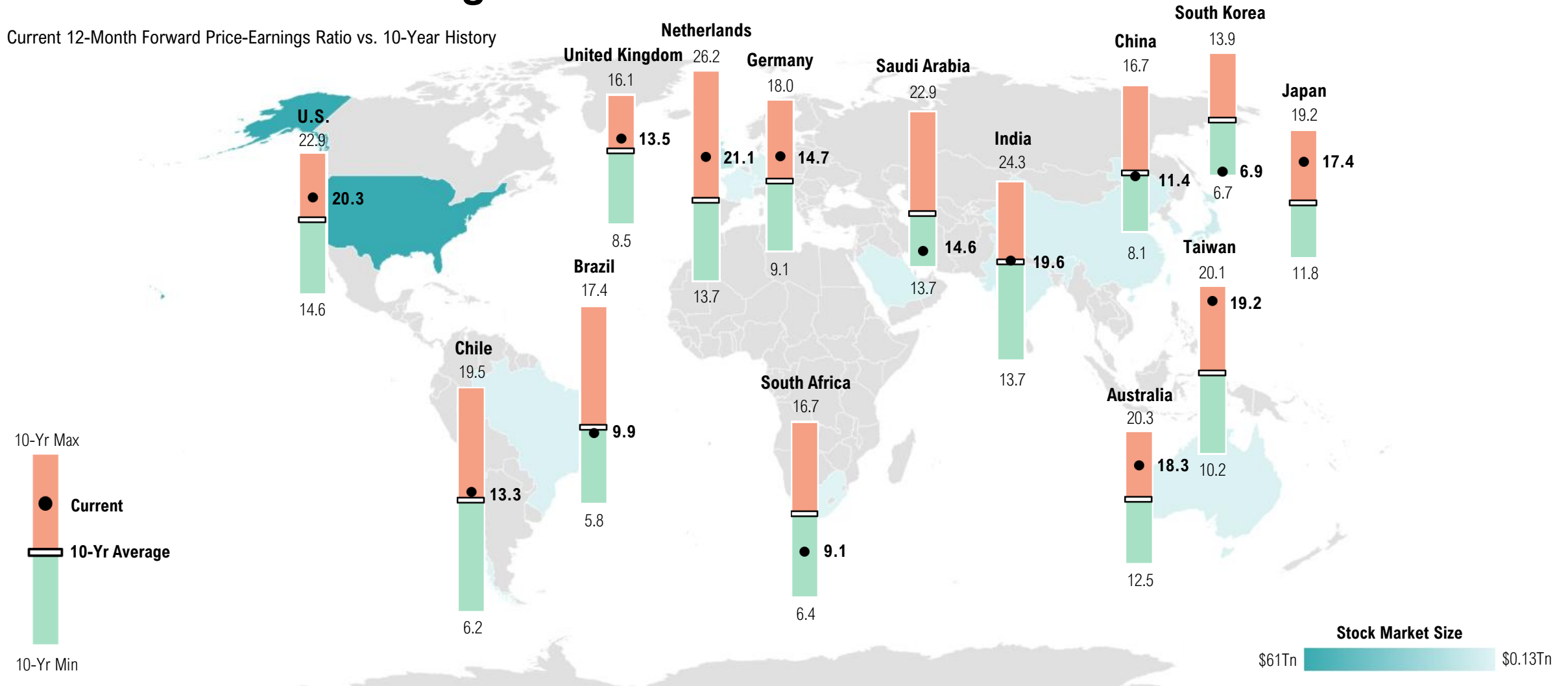


Equity

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

While U.S. valuations remain elevated, parts of Europe, Asia and emerging markets are starting to show value

Current 12-Month Forward Price-Earnings Ratio vs. 10-Year History

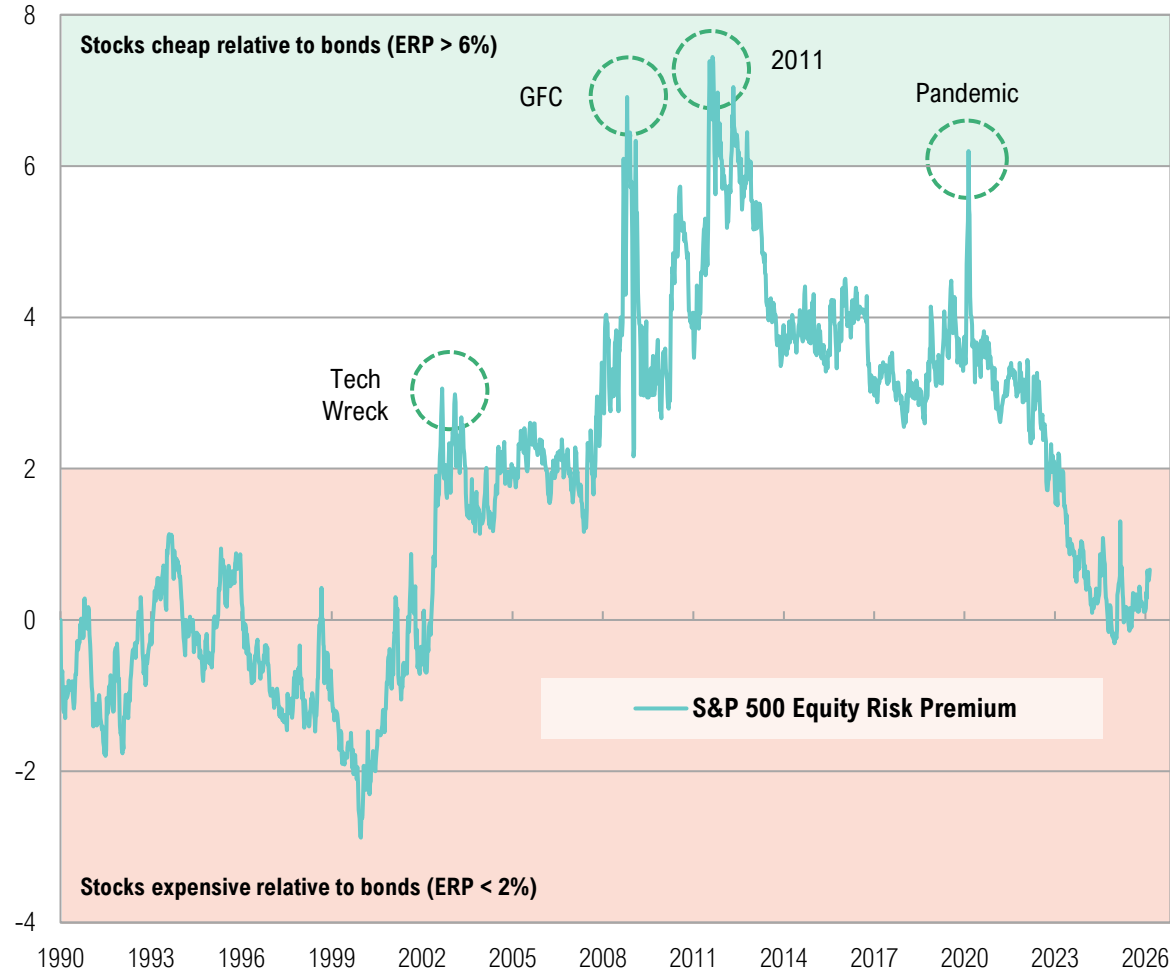


Source: Bloomberg, SpringTide. 12-month forward price-to-earnings ratio. As of 4/14/2026.



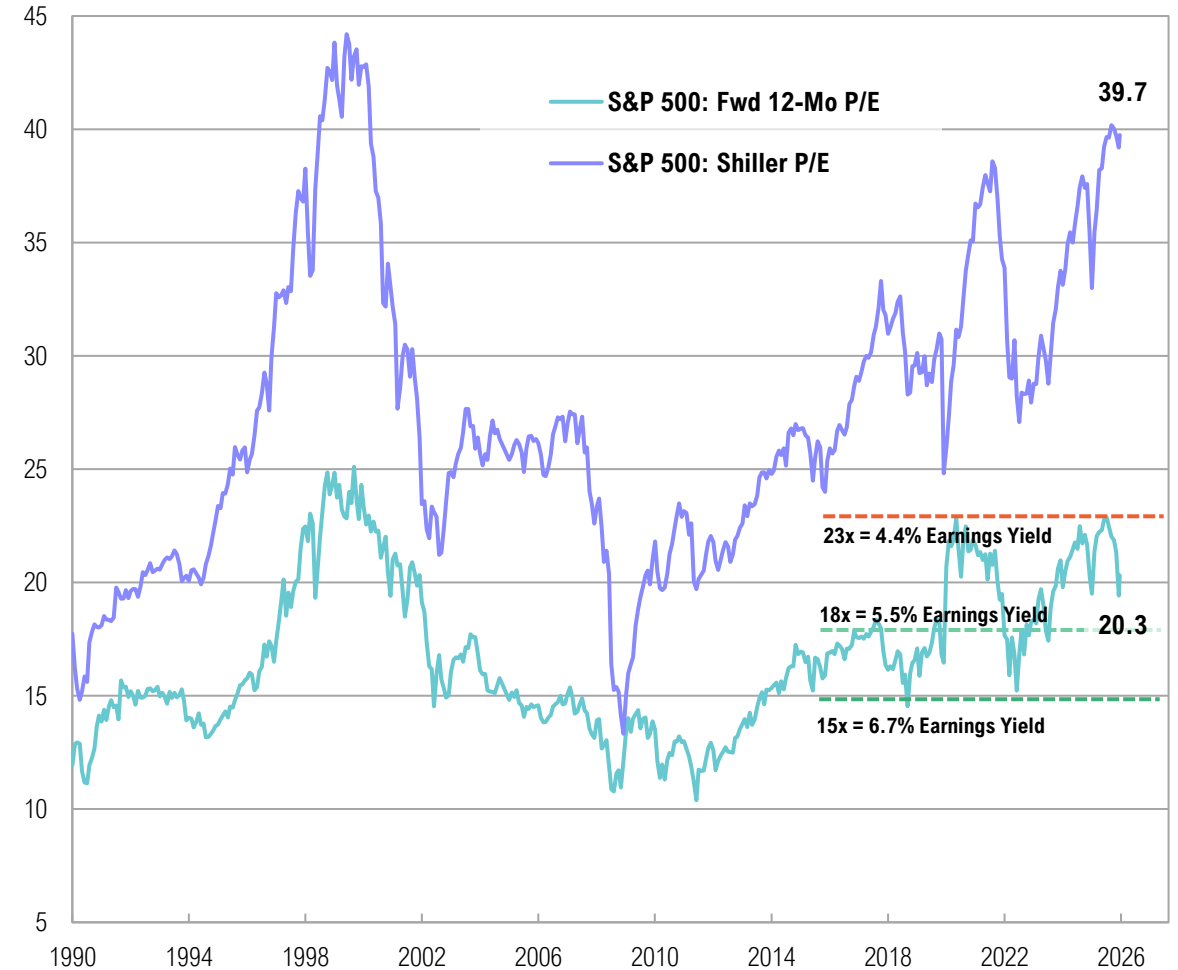
Using a simple yield-to-earnings yield comparison (ERP), U.S. stocks are less attractively priced vis-à-vis bonds than at any point since the early 2000s; U.S. large cap valuations remain near extremes

S&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.

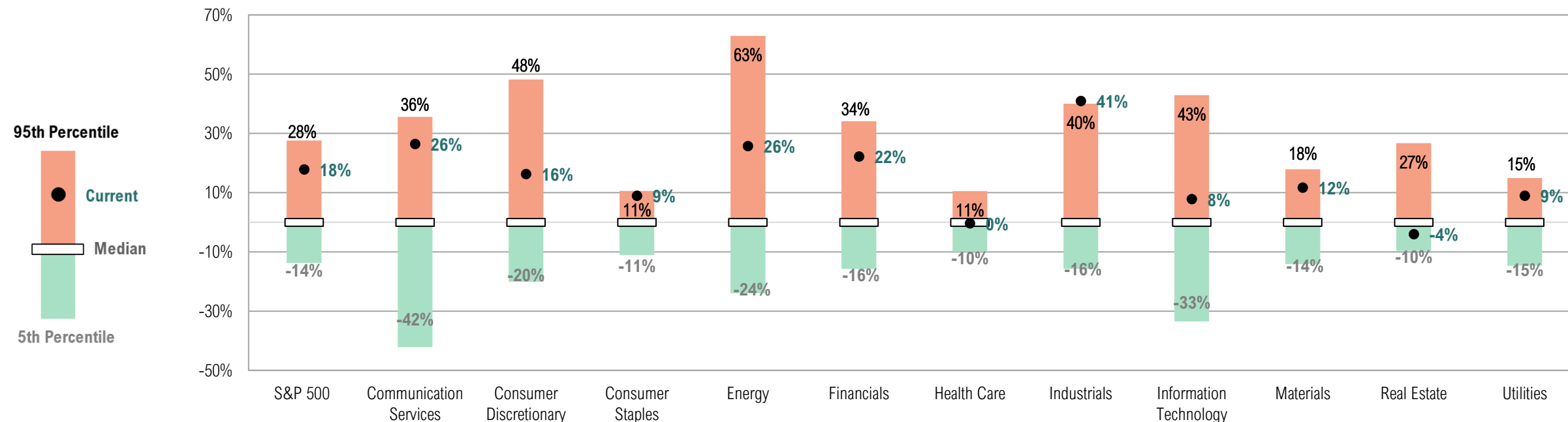
S&P 500 Price to Earnings, 12-Mo Fwd vs. Shiller



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Despite some easing, S&P 500 composite valuations remain elevated; healthcare, real estate, and tech (due to the recent software selloff) are the only sectors showing some value

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

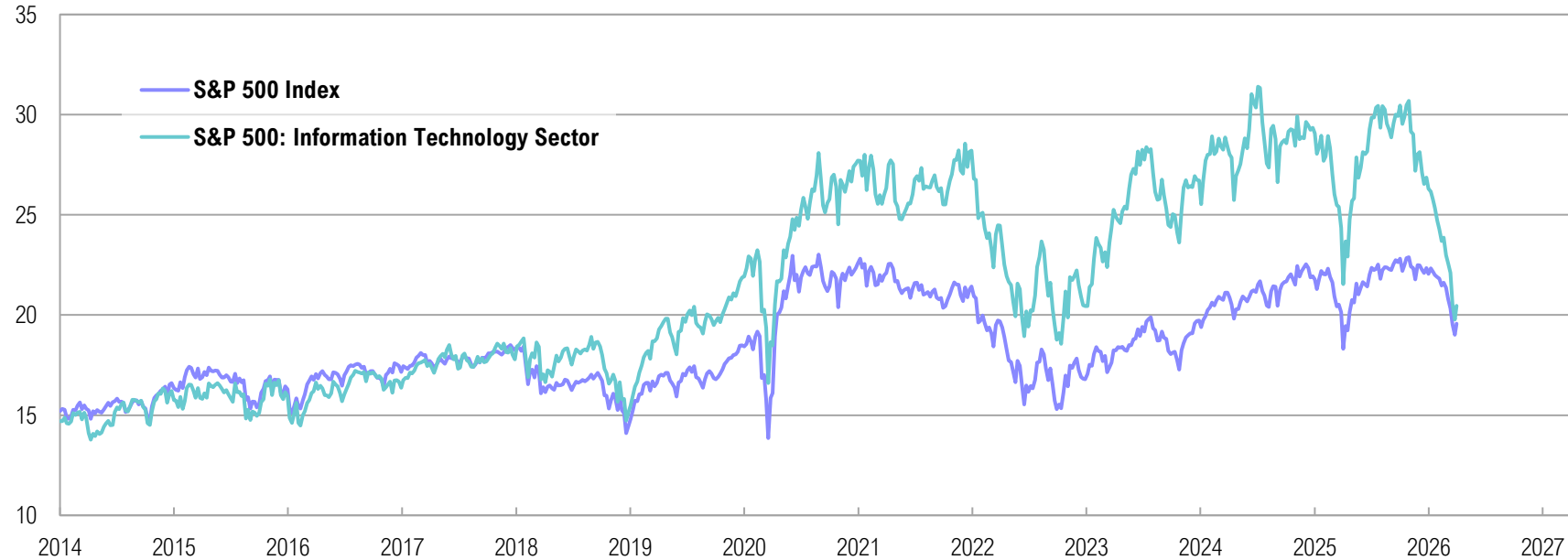


	S&P 500	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
High Valuation Date	12/5/2025	12/5/2025	4/30/2021	5/30/2025	4/29/2016	2/28/2025	7/31/2024	7/31/2025	12/5/2025	3/29/2024	12/31/2021	12/5/2025
Low Valuation Date	12/31/2018	5/31/2018	2/29/2016	4/30/2018	9/30/2022	3/31/2020	3/31/2020	12/31/2018	2/29/2016	9/30/2022	10/31/2023	11/30/2015
Valuation Premium on 12/31/2024	27%	25%	32%	6%	-5%	29%	-5%	28%	57%	7%	-4%	6%
Valuation Premium on 12/31/2023	15%	7%	10%	-6%	-17%	24%	5%	11%	37%	12%	-1%	-6%
Valuation Premium on 12/31/2022	-4%	-18%	-13%	5%	-24%	-5%	3%	0%	-2%	-6%	-10%	10%
Valuation Premium on 12/31/2021	27%	31%	50%	13%	-23%	9%	7%	23%	43%	7%	38%	19%
Valuation Premium on 12/31/2020	27%	36%	52%	7%	45%	0%	3%	33%	34%	21%	15%	10%

Source: Bloomberg. *The composite valuation equal weights four valuation metrics (Fwd P/E, Fwd P/CF, TTM P/S and TTM EV/EBITDA) relative to each respective sectors' 10-year medium valuation. The Financials composite replaces EV/EBITDA with TTM P/B.

➤ After trading at a premium for over five years, tech sector valuations have recently declined to market levels due to the software selloff (SaaSocalypse)

12-Month Forward Price-to-Earnings Ratio

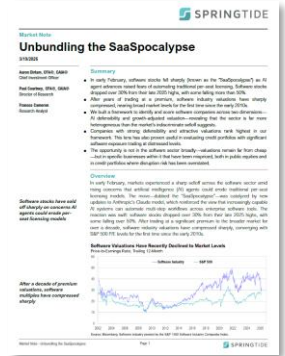


Moat Scores for Software Industry Sub-Groups

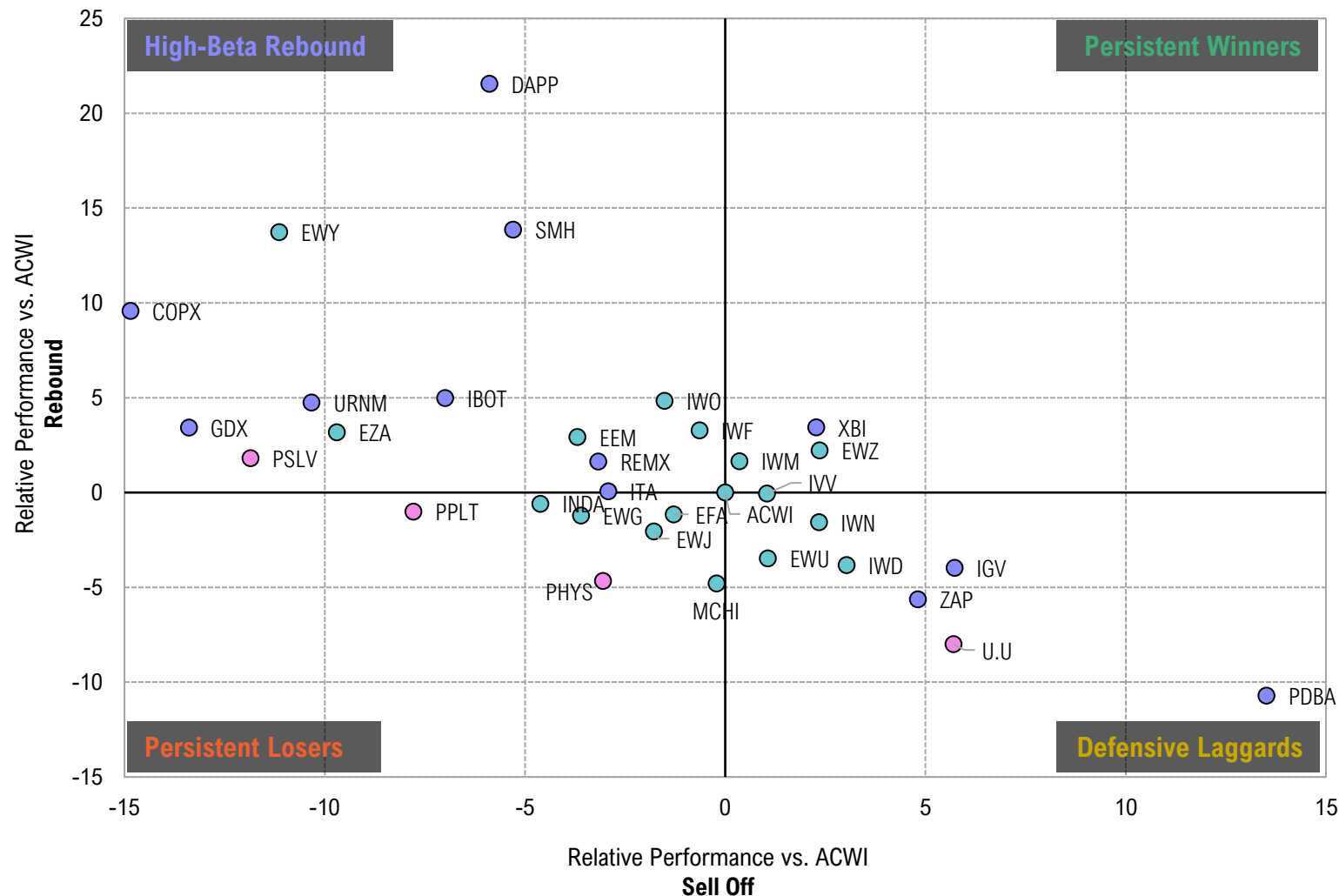
Software Groups	Digital Moat (1-10) 1=Weakest; 10=Strongest	Tangible Moat (1-10) 1=Weakest; 10=Strongest	Combined Moat (1-10) 1=Weakest; 10=Strongest
Physical-to-Digital	5.6	5.3	5.5
Infrastructure & Security	5	2.6	3.8
AI-Native/Emerging	4.8	2.4	3.6
Vertical	4.5	2.5	3.5
Horizontal Application	2.6	1.3	2

Source: Bloomberg, SpringTide

- We built a framework to identify and score software companies across AI defensibility and growth-adjusted valuation, revealing that the sector is far more heterogeneous than the market's indiscriminate selloff suggests.
- Companies with strong defensibility and attractive valuations rank highest in our framework.
- Opportunity lies in specific businesses within it that have been mispriced.
- See our market note for more:



➤ Markets that find a floor quickly and lead the rebound tend to signal strength; those that struggle to bottom and lag the recovery often reflect fragility



Relative Performance Heatmap (vs. ACWI)				
Name	Ticker	YTD Return (1/1/26 - 4/15/26)	Drawdown (2/26/26 - 3/30/26)	Rebound (3/31/26 - 4/15/26)
iShares MSCI ACWI ETF	ACWI	0.0	0.0	0.0
iShares Core S&P 500 ETF	IVV	-2.2	1.0	-0.1
iShares Russell 1000 Growth ETF	IWF	-6.0	-0.6	3.3
iShares Russell 1000 Value ETF	IWD	1.8	3.0	-3.8
iShares Russell 2000 ETF	IWM	4.5	0.4	1.7
iShares Russell 2000 Growth ETF	IWO	2.7	-1.5	4.8
iShares Russell 2000 Value ETF	IWN	6.5	2.3	-1.6
iShares MSCI EAFE ETF	EFA	2.4	-1.3	-1.1
iShares MSCI Japan ETF	EWJ	5.0	-1.8	-2.1
iShares MSCI Germany ETF	EWG	-5.6	-3.6	-1.2
iShares MSCI United Kingdom ETF	EWU	3.4	1.1	-3.5
iShares MSCI Emerging Markets ETF	EEM	8.6	-3.7	2.9
iShares MSCI Brazil ETF	EWZ	25.2	2.4	2.2
iShares MSCI India ETF	INDA	-13.0	-4.6	-0.6
iShares MSCI China ETF	MCHI	-8.7	-0.2	-4.8
iShares MSCI South Korea ETF	EWY	43.5	-11.1	13.7
iShares MSCI South Africa ETF	EZA	1.0	-9.7	3.2
Sprott Uranium Miners ETF	URNM	19.0	-10.3	4.7
VanEck Semiconductor ETF	SMH	20.7	-5.3	13.9
VanEck Robotics ETF	IBOT	7.2	-7.0	5.0
Global X U.S. Electrification ETF	ZAP	9.9	4.8	-5.6
Global X Copper Miners ETF	COPX	14.4	-14.9	9.6
VanEck Rare Earth & Strat Mtls ETF	REMX	26.4	-3.2	1.6
VanEck Gold Miners ETF	GDX	8.6	-13.4	3.4
VanEck Digital Trfmt ETF	DAPP	6.8	-5.9	21.6
iShares Expanded Software Sect ETF	IGV	-26.6	5.7	-4.0
State Str® SPDR® S&P® Biotech ETF	XBI	6.8	2.3	3.4
Invesco Agriculture Cmdty Str No K-1ETF	PDBA	1.3	13.5	-10.7
iShares US Aerospace & Defense ETF	ITA	3.8	-2.9	0.1
Sprott Physical Gold Trust	PHYS	1.0	-3.1	-4.7
Sprott Physical Silver Trust	PSLV	7.5	-11.9	1.8
abrdn Physical Platinum Shares ETF	PPLT	4.7	-7.8	-1.0
Sprott Physical Uranium Trust	SRUUF	-2.3	5.7	-8.0

Source: Bloomberg

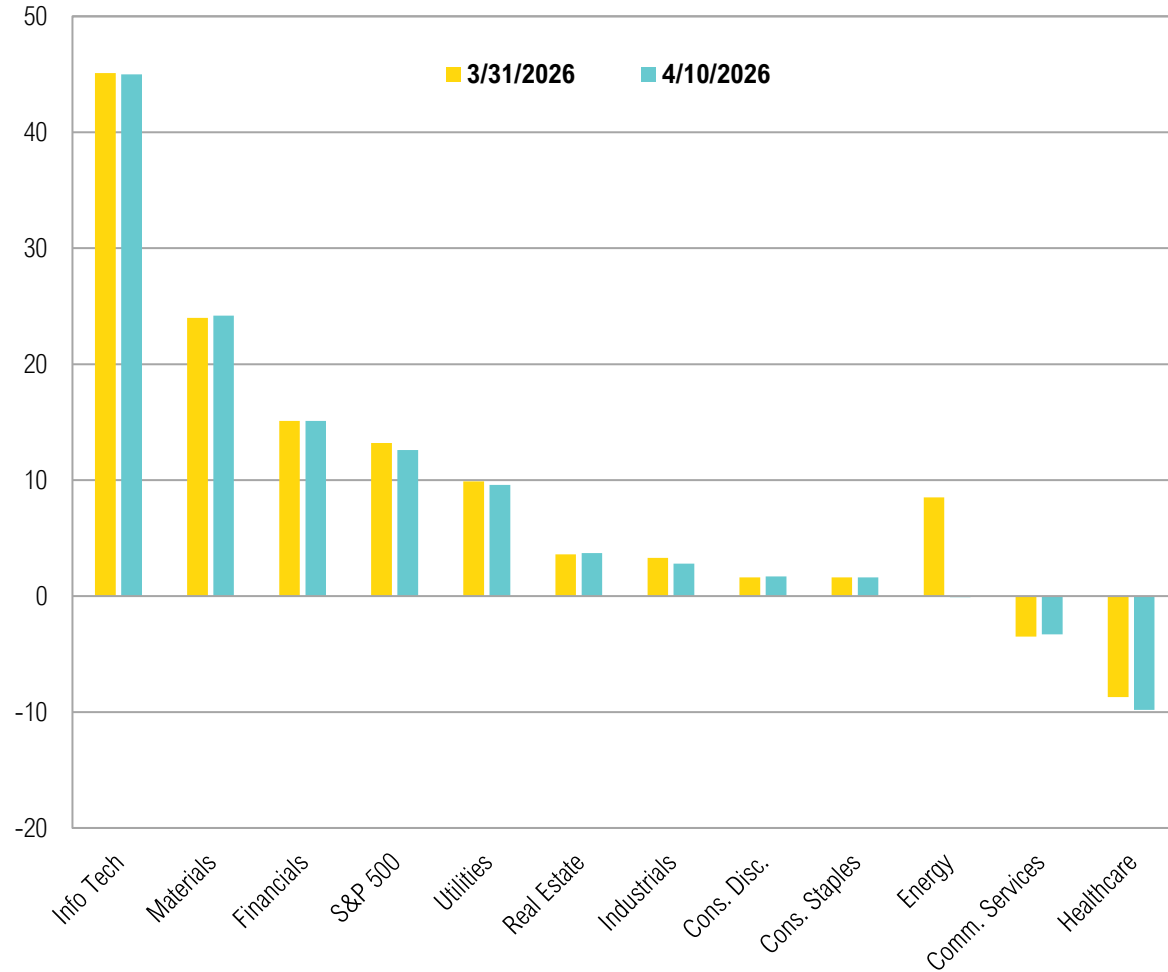
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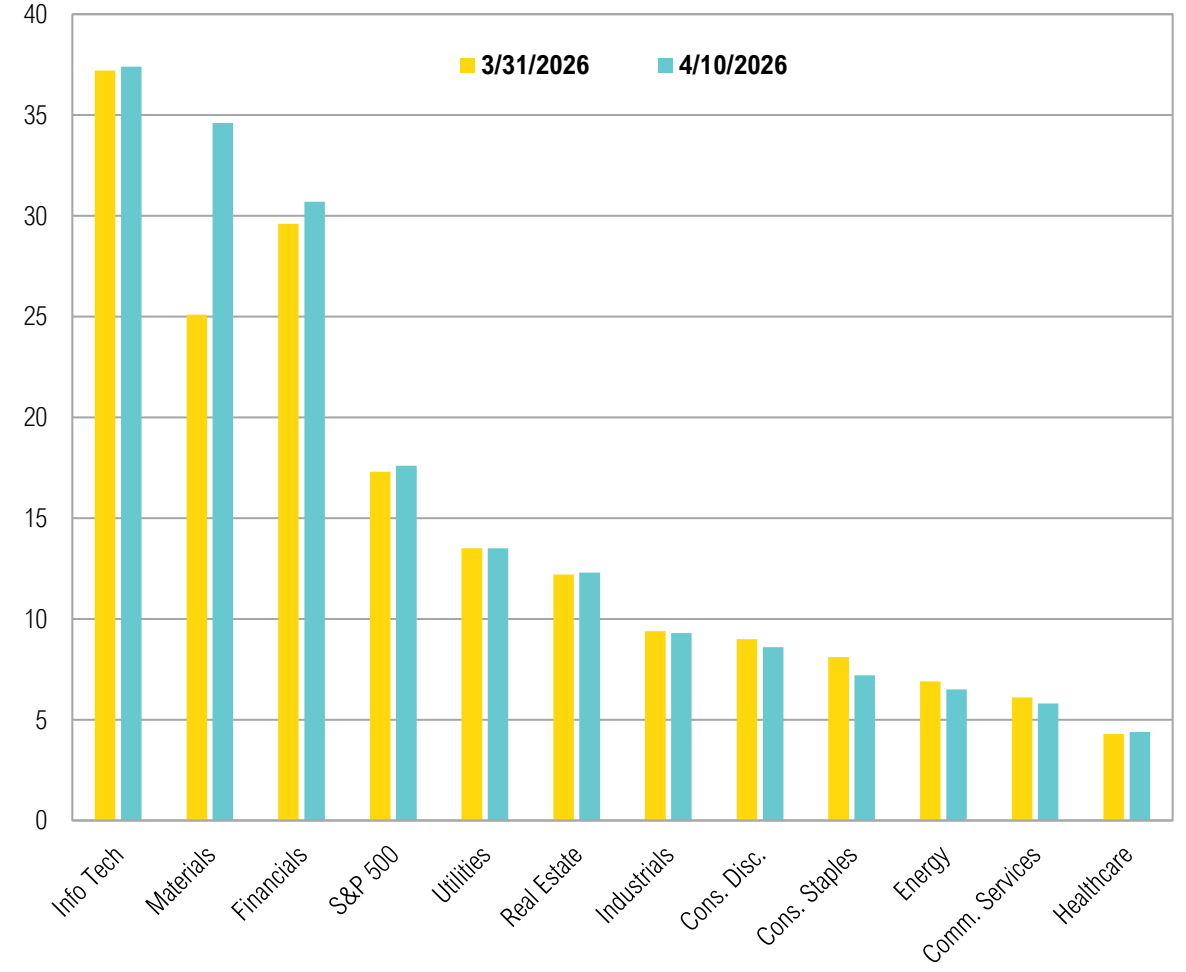


At the S&P 500 sector level, earnings growth for Q1 is expected to be concentrated in tech, followed by materials and financials (this trend is expected to continue through CY'26)

Q1, 2026 S&P 500 Sector Earnings Growth Expectations, Y/Y %



CY 2026 S&P 500 Sector Earnings Growth Expectations, Y/Y %

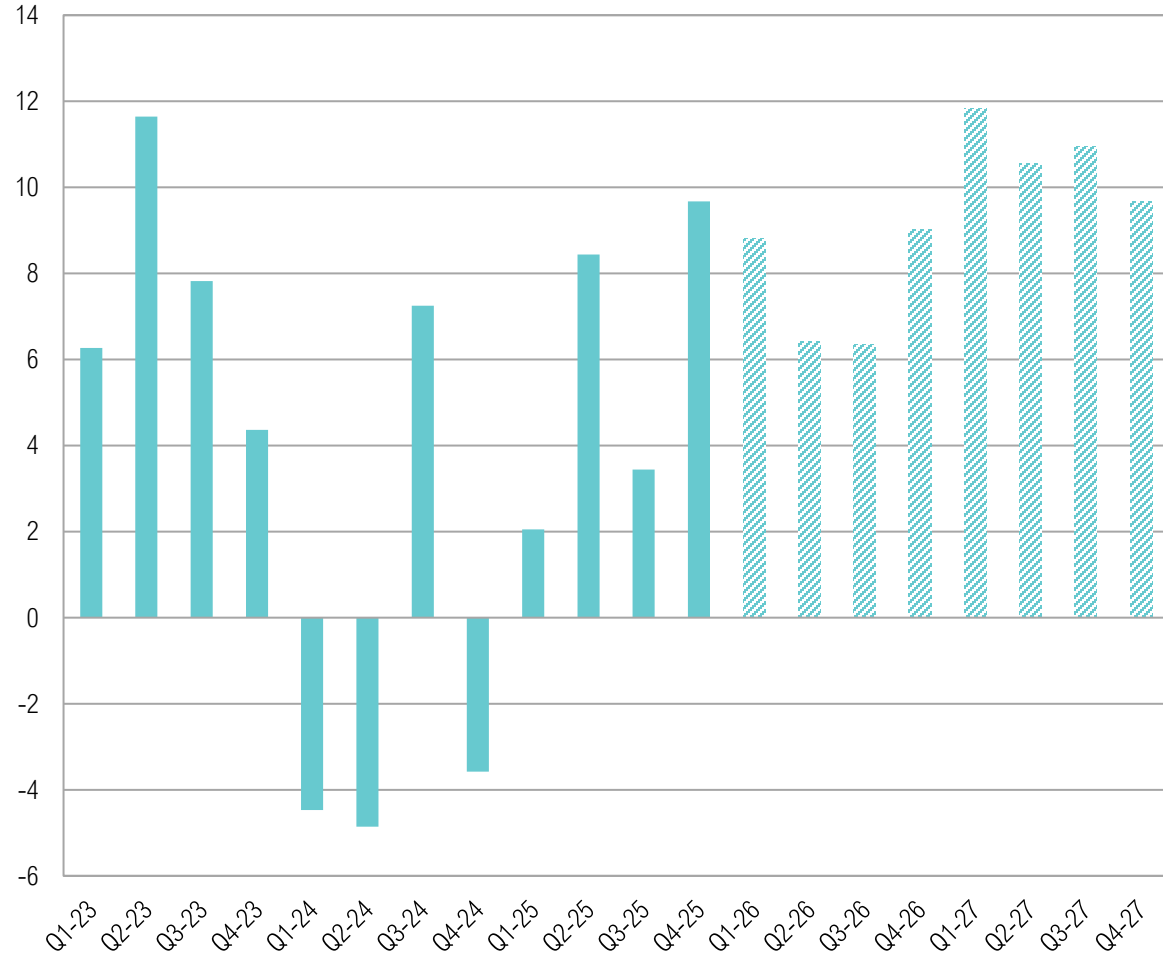


Source: FactSet. As of 4/10/2026.



International ex-U.S. equities are expected to see strong earnings growth through Q4'27 while emerging markets are expected to see a similar trend, peaking in Q4'26

MSCI EAFE Earnings Growth Expectations, Y/Y %



MSCI EM Earnings Growth Expectations, Y/Y %



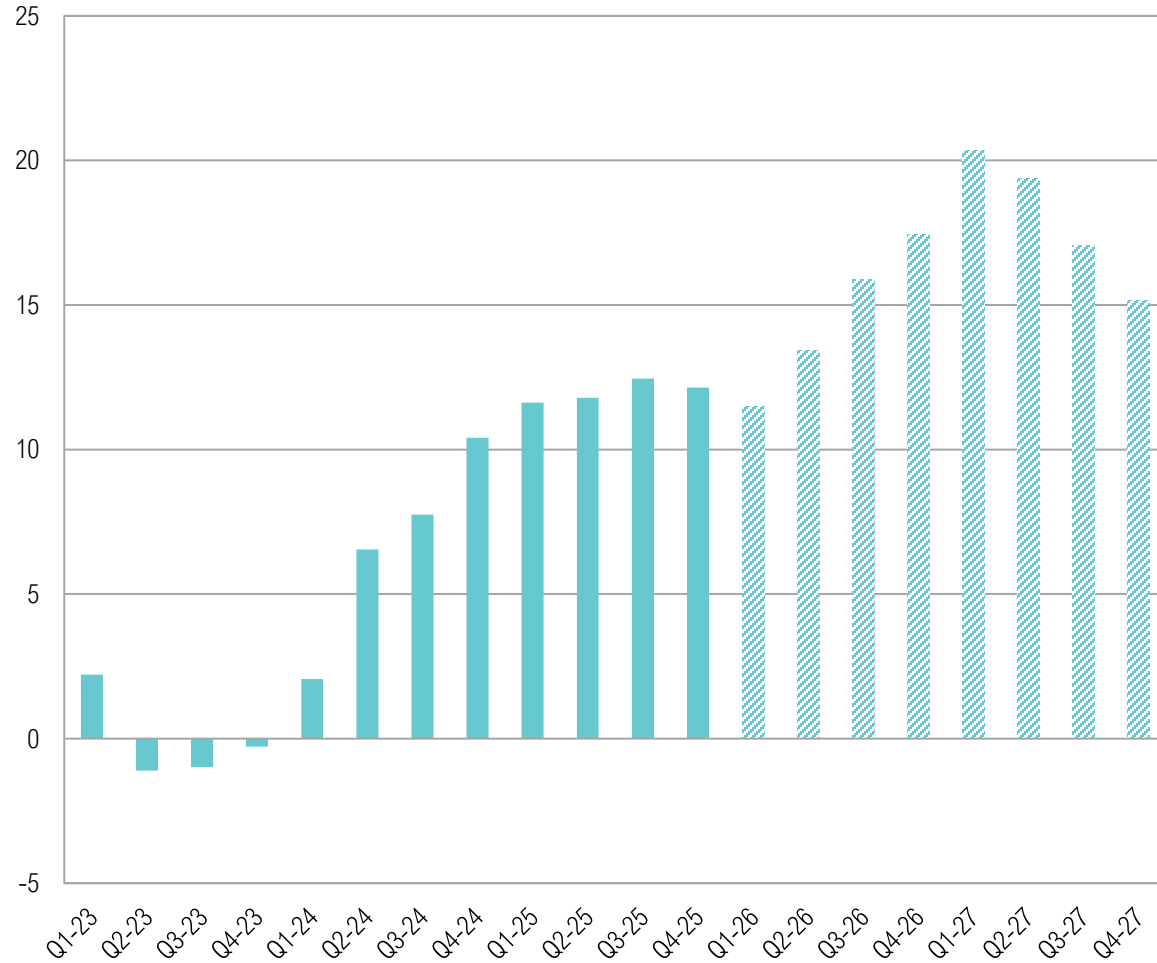
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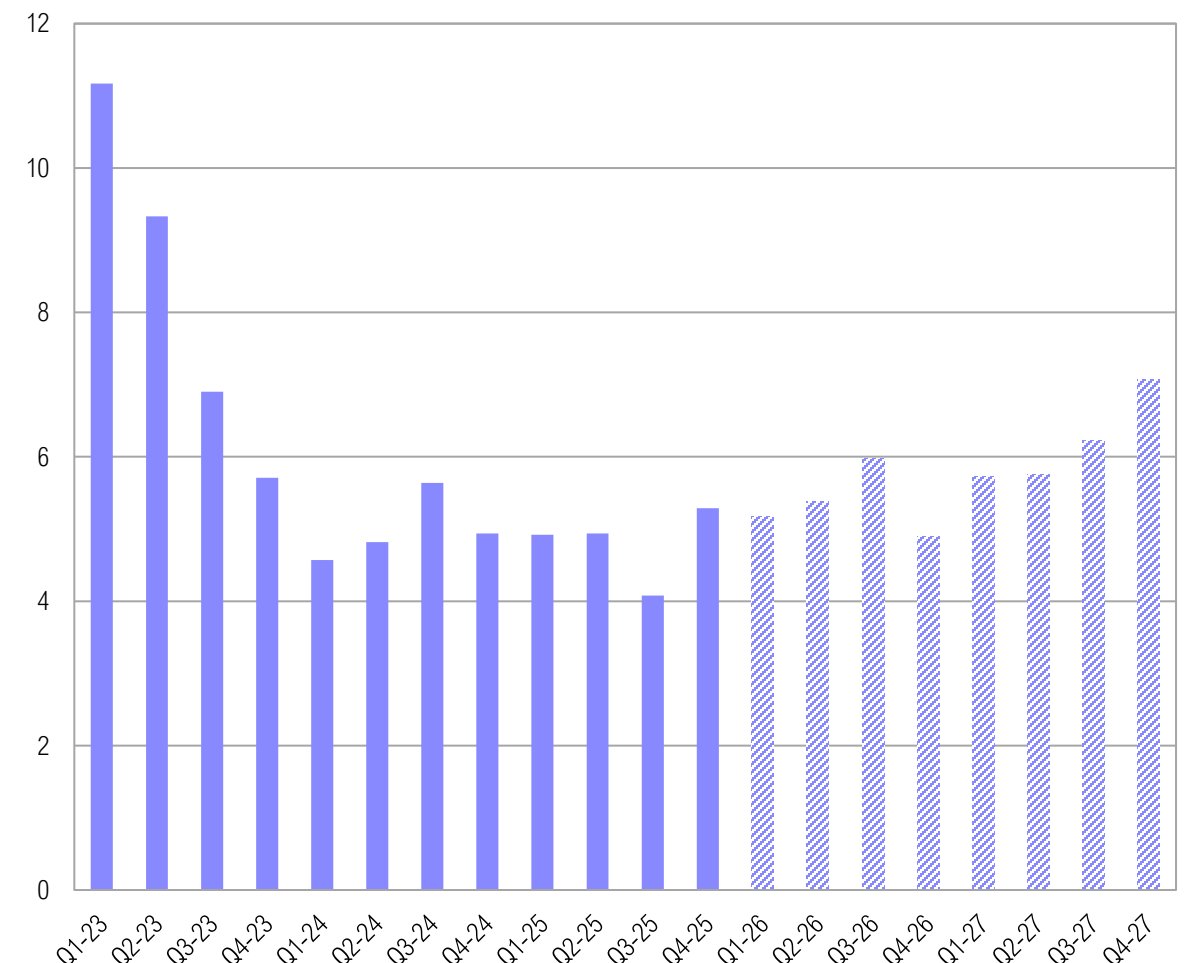


U.S. large cap earnings are expected to remain comfortably in double-digit growth through Q4'27 while sales growth is also anticipated to remain robust

U.S. Large Cap Earnings Growth Expectations, Y/Y %



U.S. Large Cap Sales Growth Expectations, Y/Y %



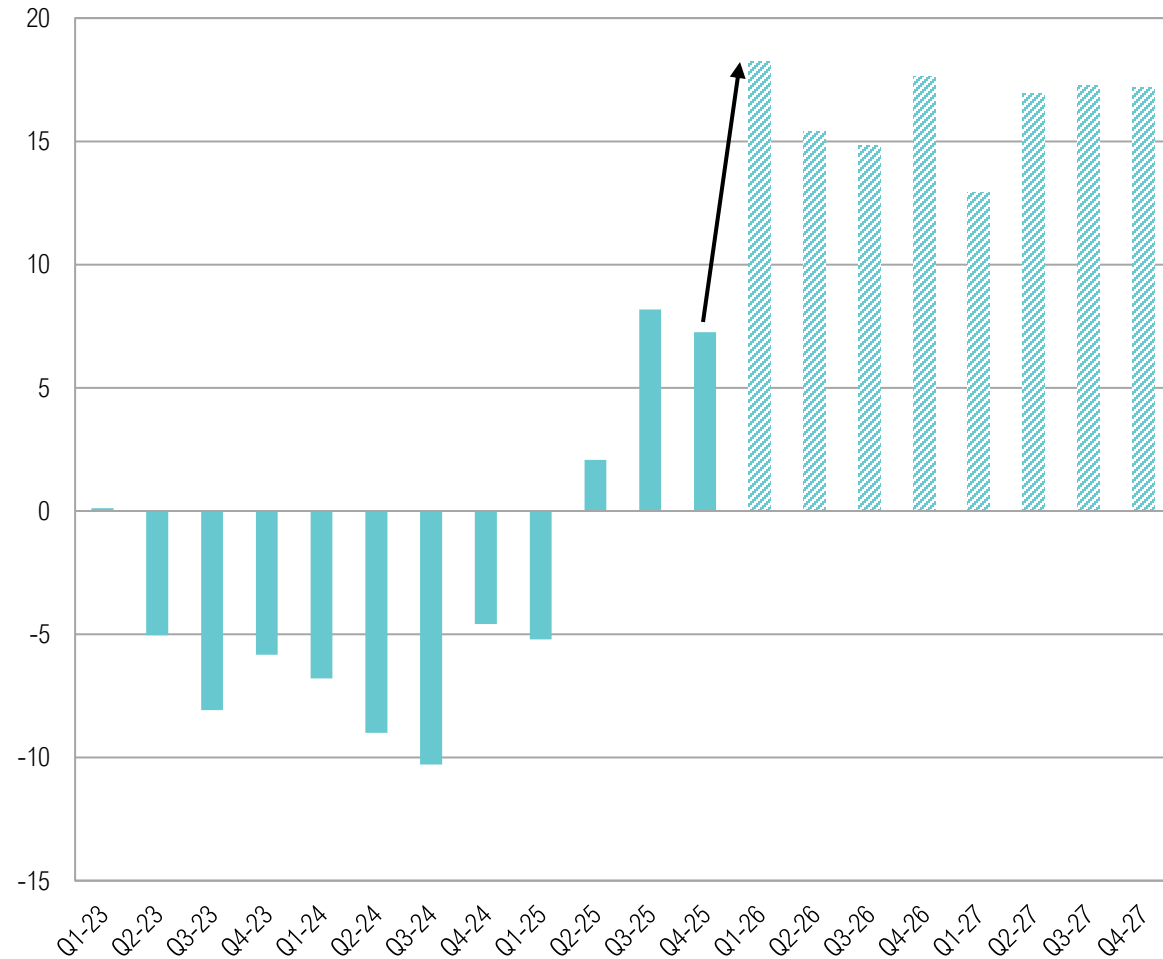
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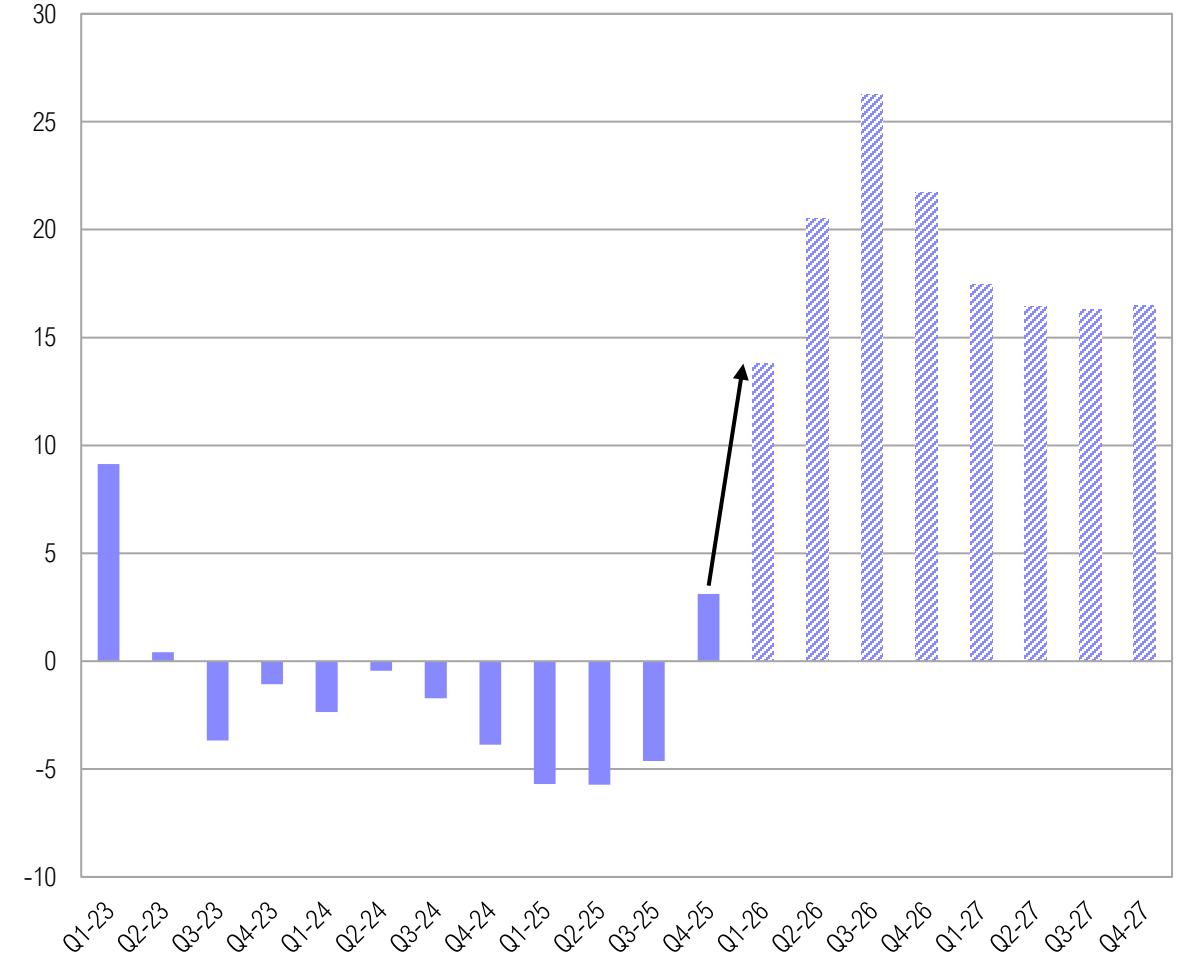


U.S. small cap earnings and sales growth estimates are expected to stair-step higher and remain well above levels seen over the past two years through Q4'27

U.S. Small Cap Earnings Growth Expectations, Y/Y %



U.S. Small Cap Sales Growth Expectations, Y/Y %

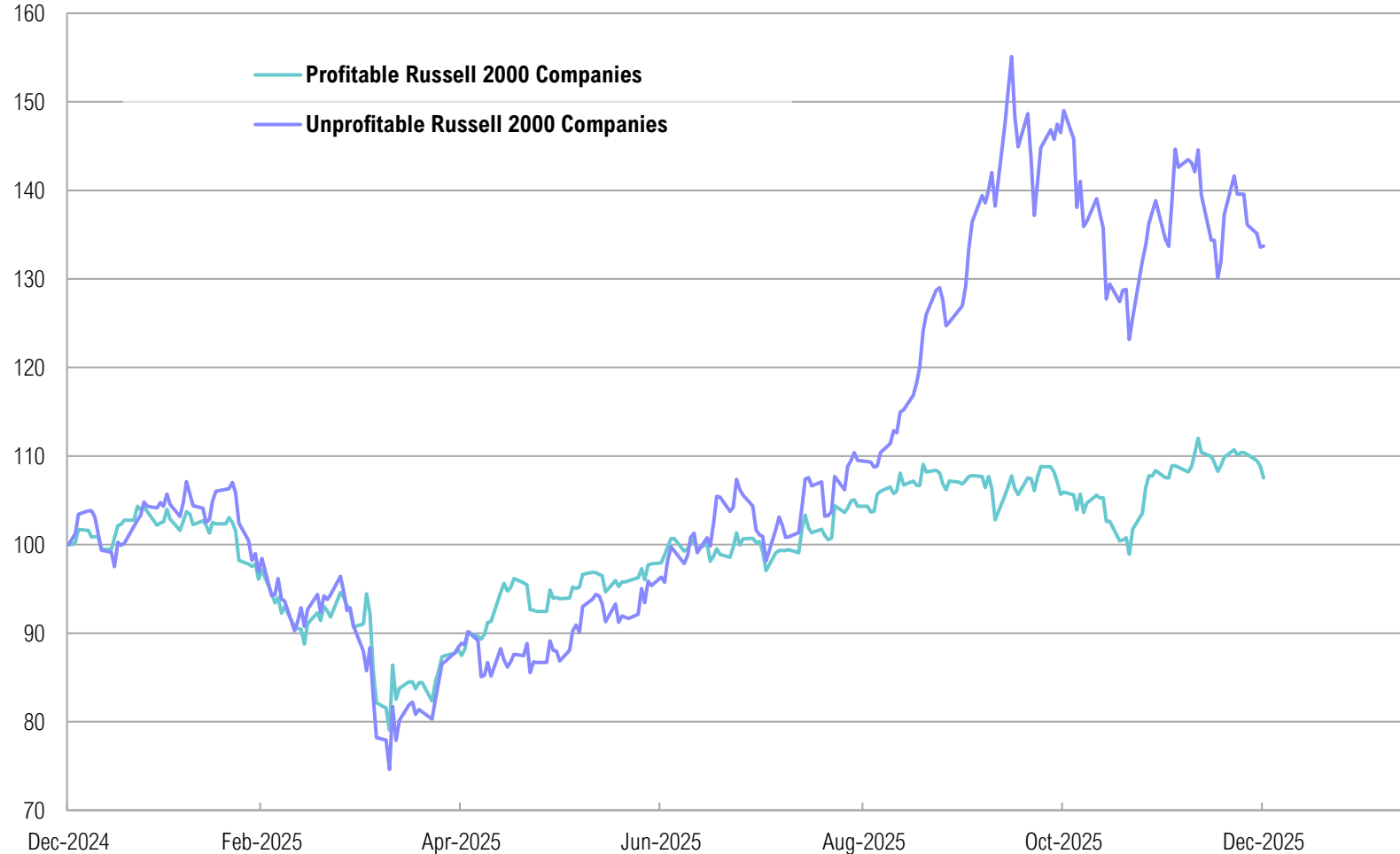


Source: Bloomberg

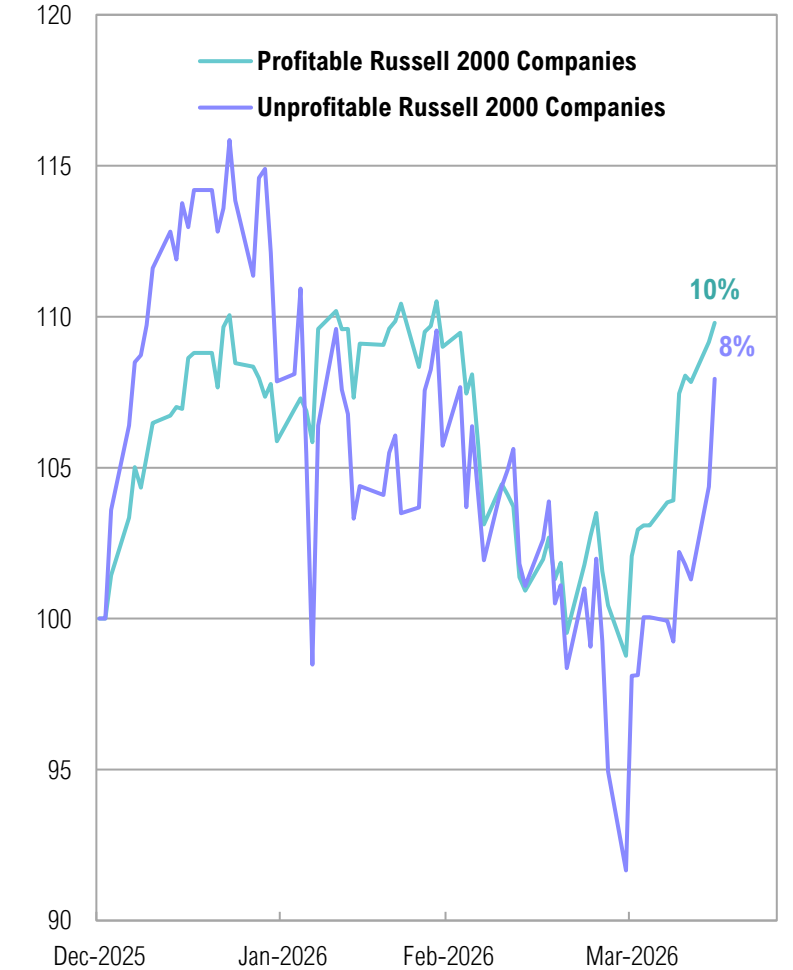
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➤ Last year, non-profitable Russell 2000 stocks (+20%) outperformed profitable ones (+10%); year-to-date, this trend has reversed, but unprofitable small caps are fast catching up

Growth of 100: Profitable* & Unprofitable Russell 2000 Companies (12/31/2024 – 12/31/2025)



Growth of 100 (12/31/2025 – 4/15/2026)



Source: Bloomberg. *Profitable companies have trailing 12-month earnings per share greater than \$0.

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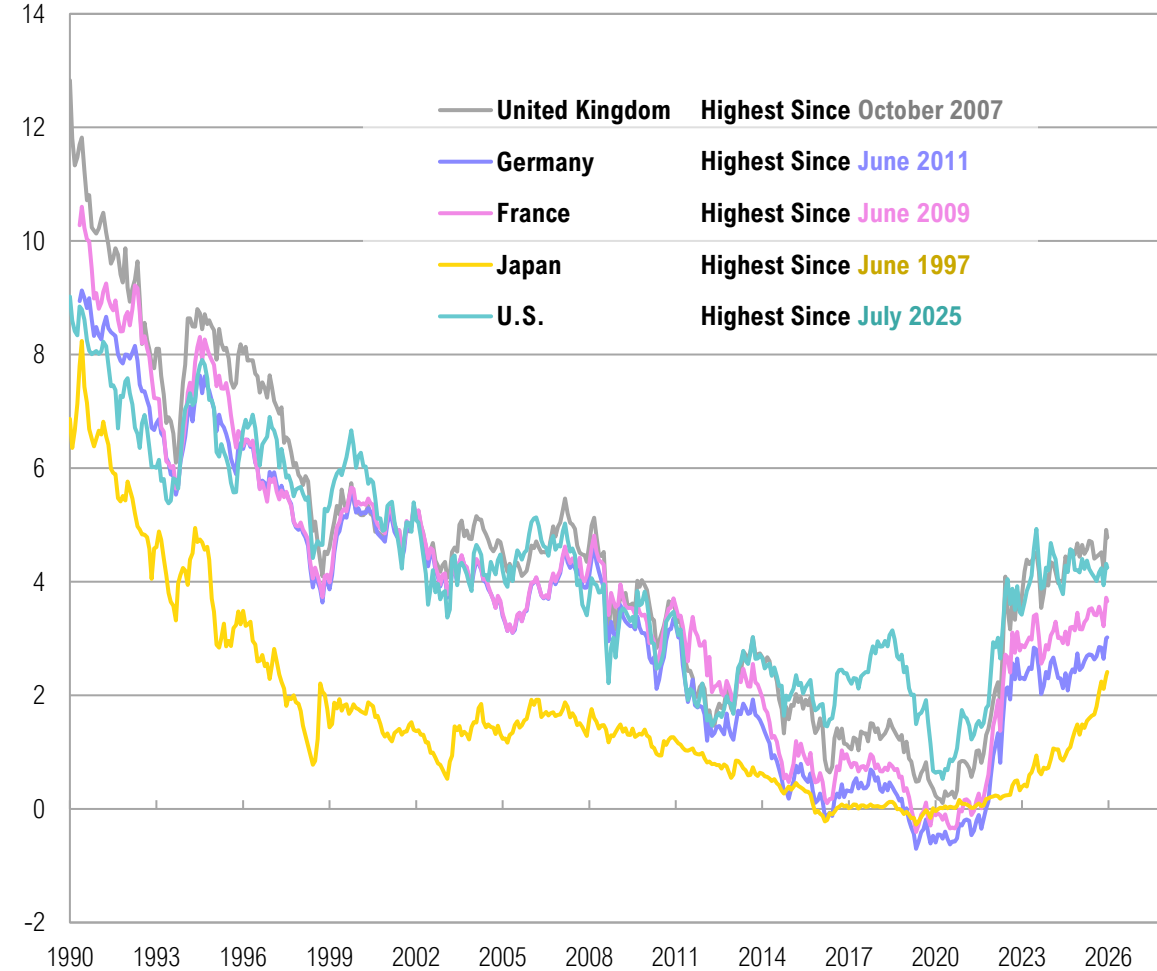


Fixed Income & Credit

Bond yields remained contained over the quarter, while the yield curve shifted higher, driven by elevated inflation expectations and amplified by the Iran-driven energy price shock. Credit spreads remain contained relative to history, suggesting continued economic resilience and markets still comfortable with current levels of fiscal spending.

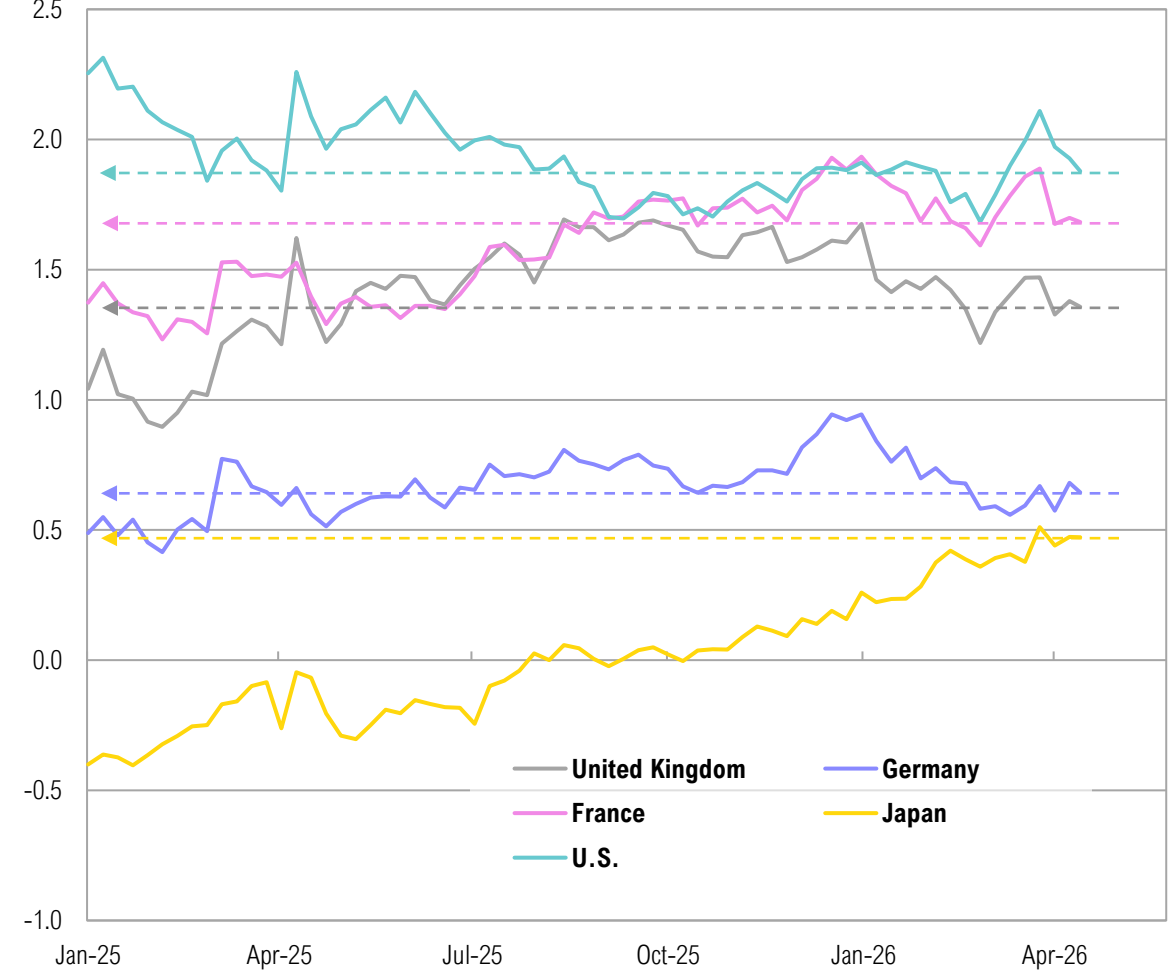
Most major developed market bond yields are at the highest level since the late 1990s/mid-2000s; the 10-year Treasury yield is the only one that is lower today than at the start of 2025

Select Developed Market 10-Year Bond Yields



Source: Bloomberg

Select Developed Market 10-Year Real (Inflation-Adjusted) Bond Yields

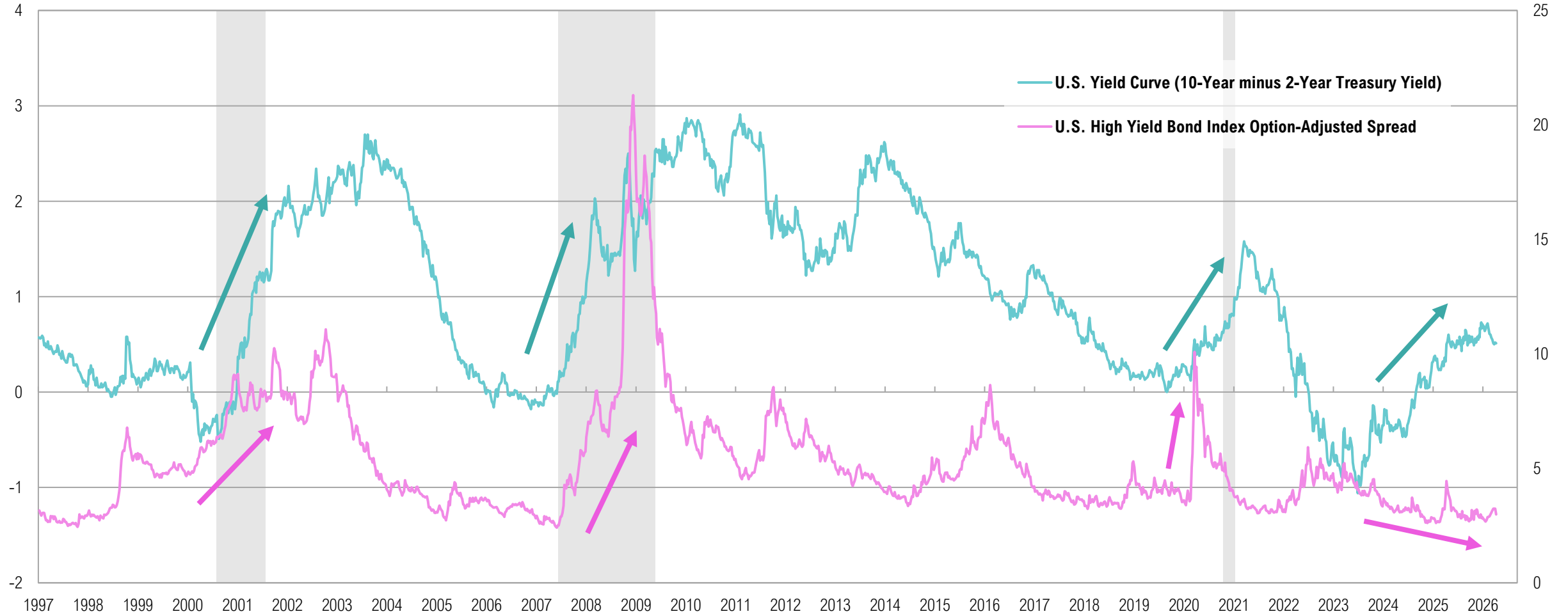


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➤ An unusual divergence: While the yield curve remains steep, credit spreads remain low by any long-term standard

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

U.S. High Yield Bond Spread, %

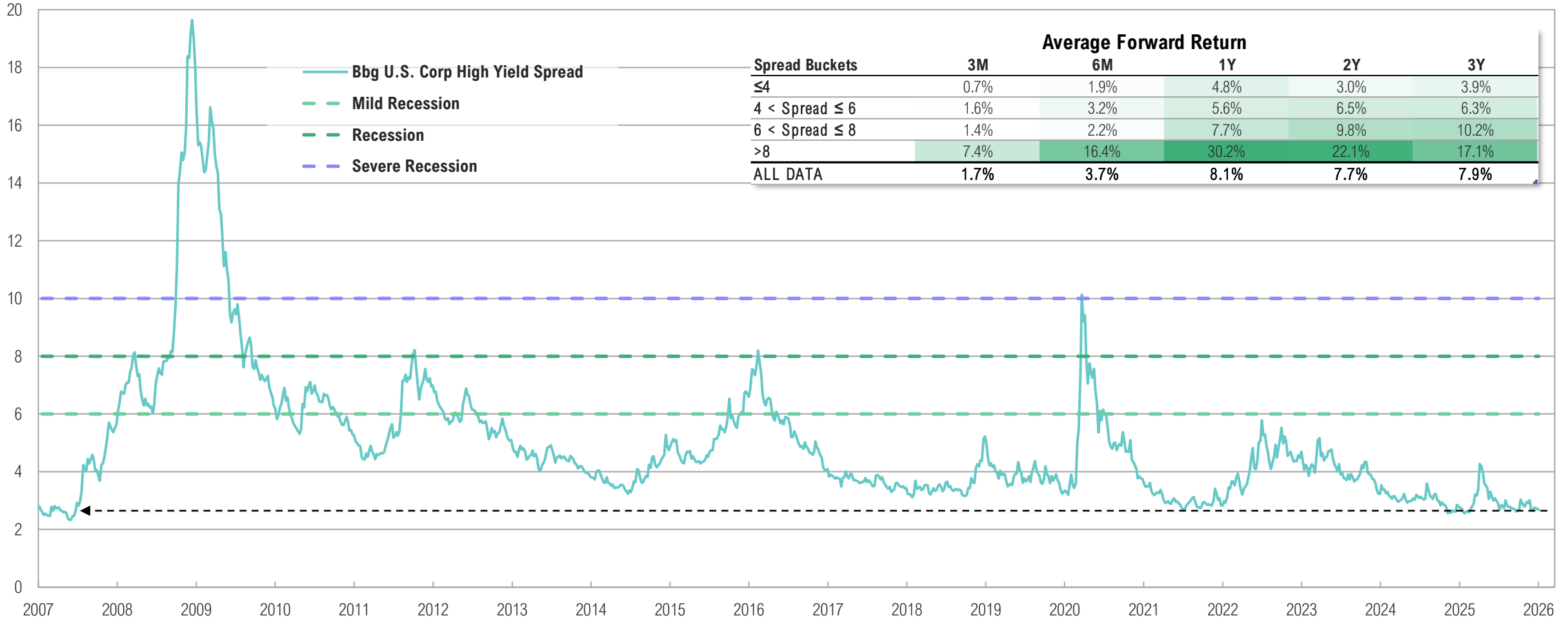


Source: Bloomberg. As of 4/15/2026.

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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, %

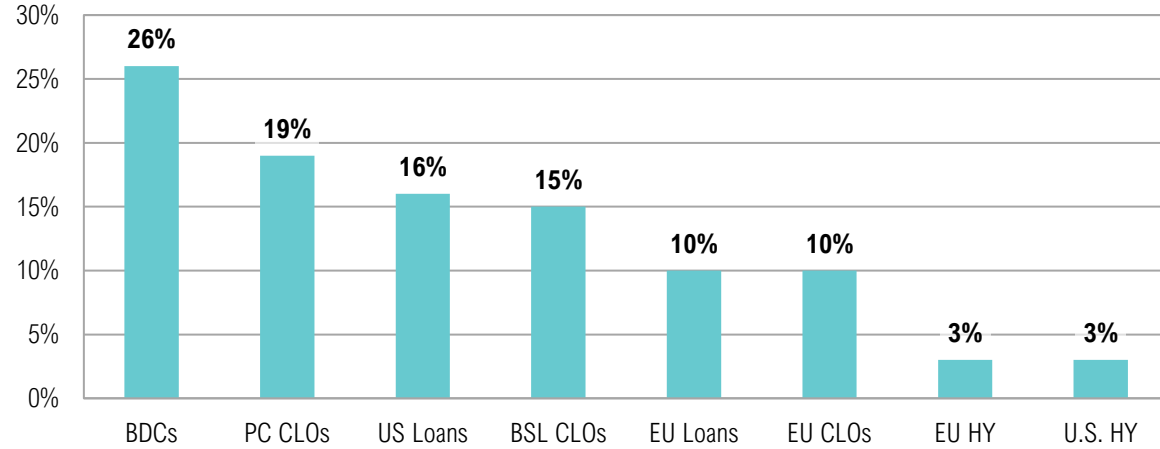


Source: SpringTide, Bloomberg. Forward return analysis from 2/4/1994 through 8/26/2022.

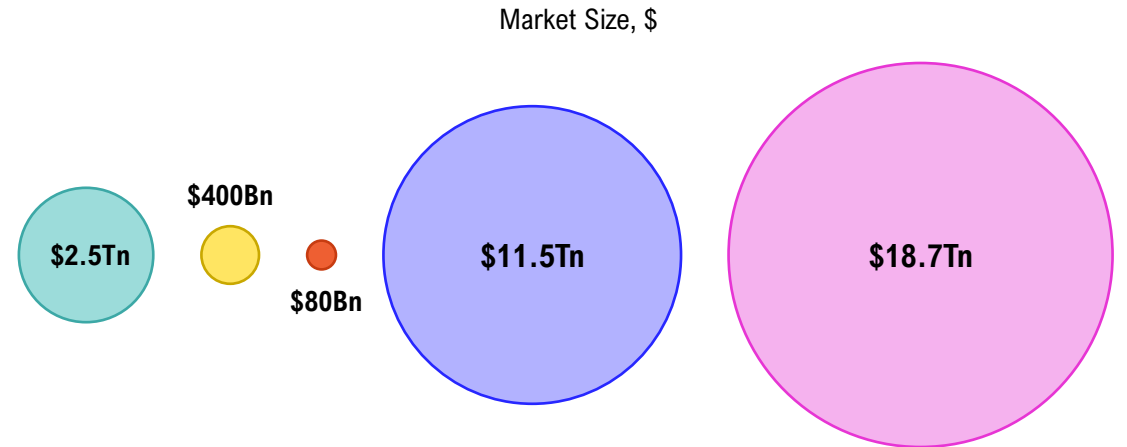
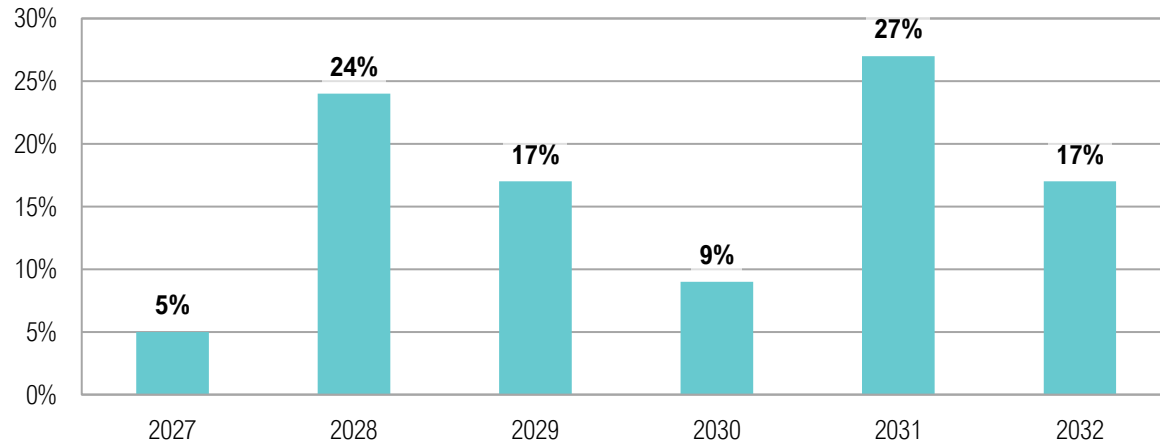
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Theoretically, even under stress, estimated potential losses from software exposure in private credit represent only around 0.03% of the total value of the U.S. private credit sector

Software Exposure Across Leveraged Credit, %



Software Loan Maturity Wall, %



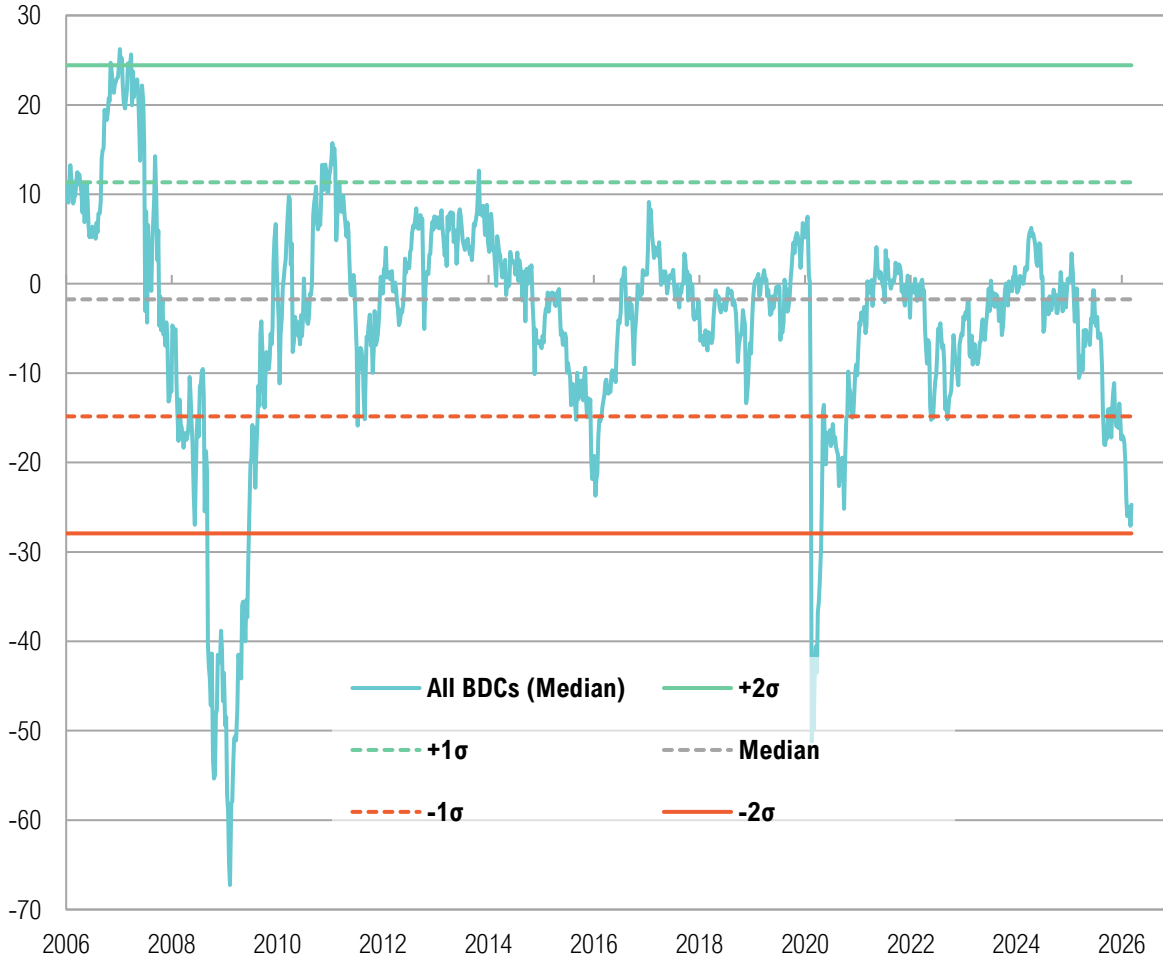
- Private Credit Market
- Private Credit Software Exposure
- Est. Losses (25% Default, \$0.20 Recovery)
- U.S. Corporate Bond Market
- U.S. Bank Deposits

Source: BlackRock, Bloomberg. Bubble size is proportional to market size in \$Bn. Estimated losses assume 25% default rate on \$400Bn software exposure with \$0.2/\$1.0 recovery = \$80Bn.

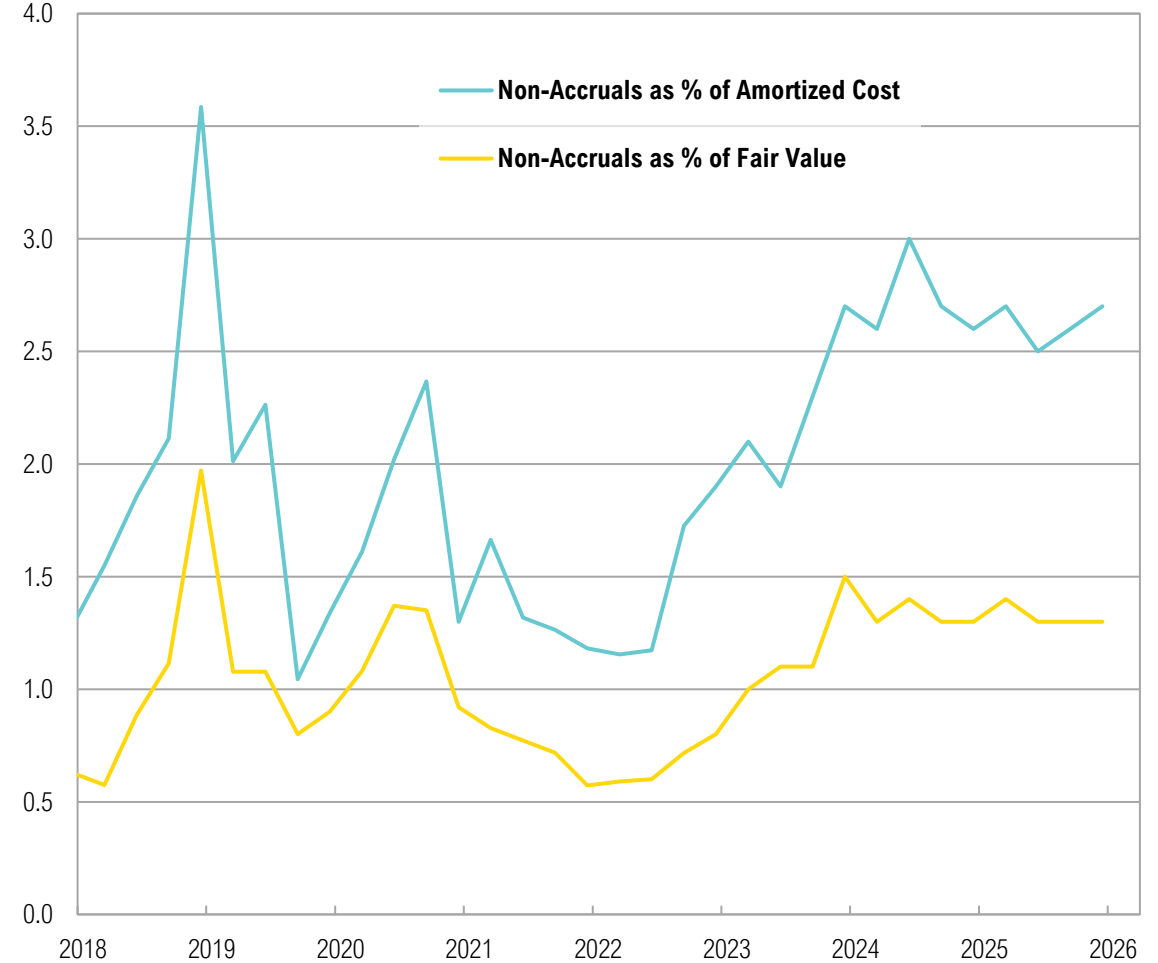


The broad BDC universe is currently trading near a 2 standard deviation discount, a level generally associated with broad economic distress; however, non-accruals as a percentage of portfolio fair value remain contained

Debt BDC Universe Pricing Relative to NAV, %



Average BDC Non-Accruals, %

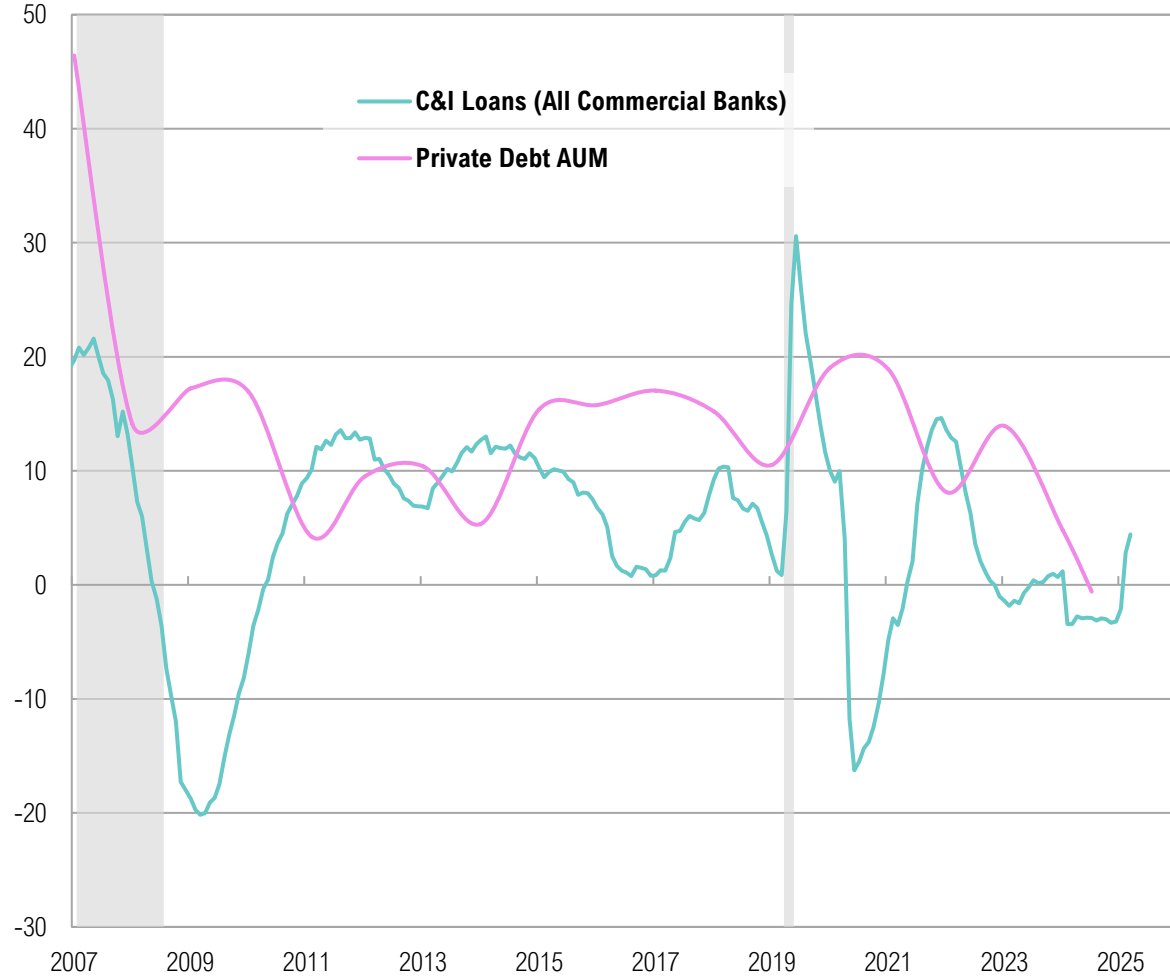


Source: Bloomberg. Universe exclude BDCs that are equity focused or don't meet liquidity & market cap requirements. Discount data as of 4/14/2026. Non-Accruals data as of 3/31/2026.

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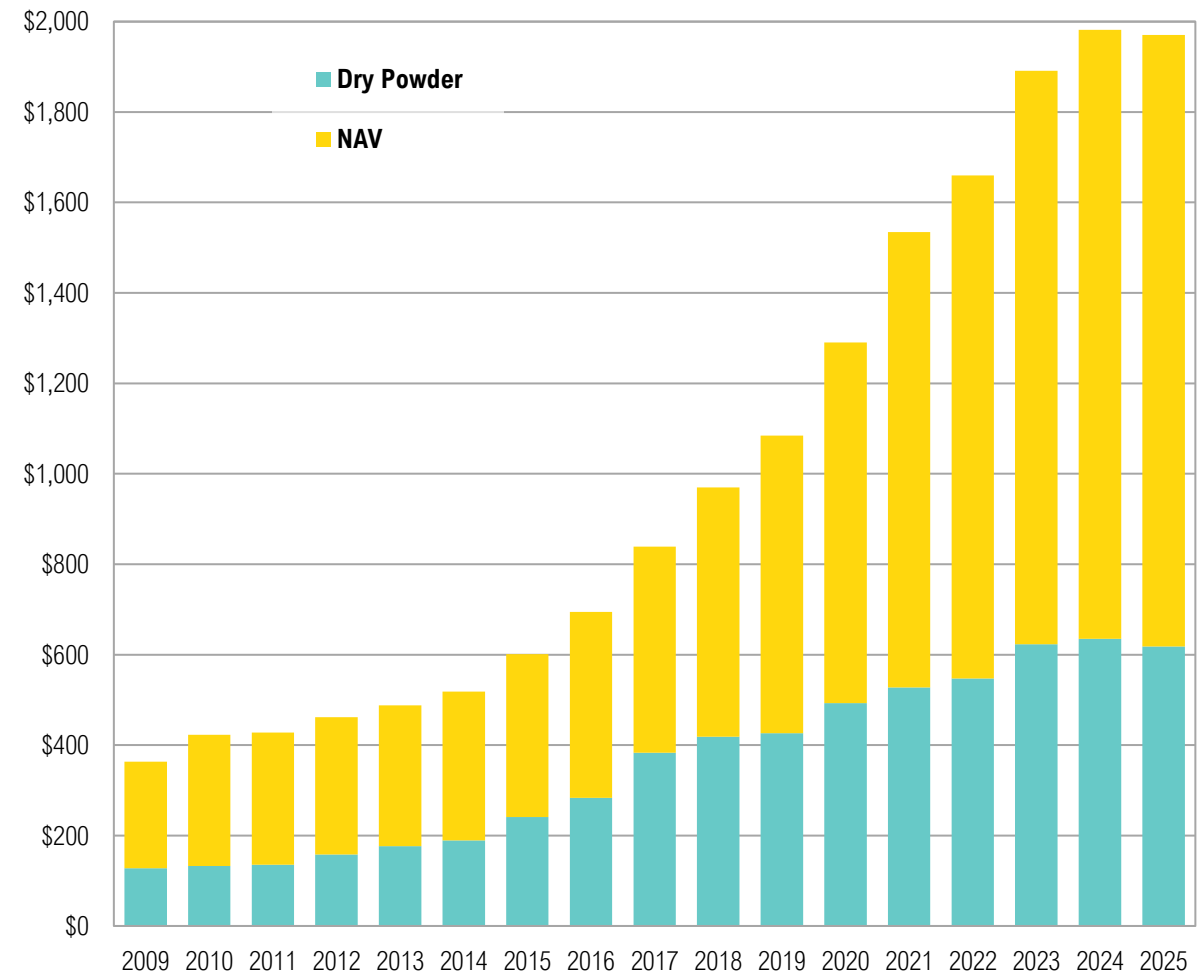
➤ Private credit assets under management saw a year-over-year decrease for the first time, at the same time C&I loans saw a pickup

Commercial & Industrial Loans, All Commercial Banks, Y/Y % Change



Source: Bloomberg, Pitchbook. C&I loan data as of 2/28/2026. Private Debt AUM data as of 6/30/2025.

Private Debt AUM, \$Bn



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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.

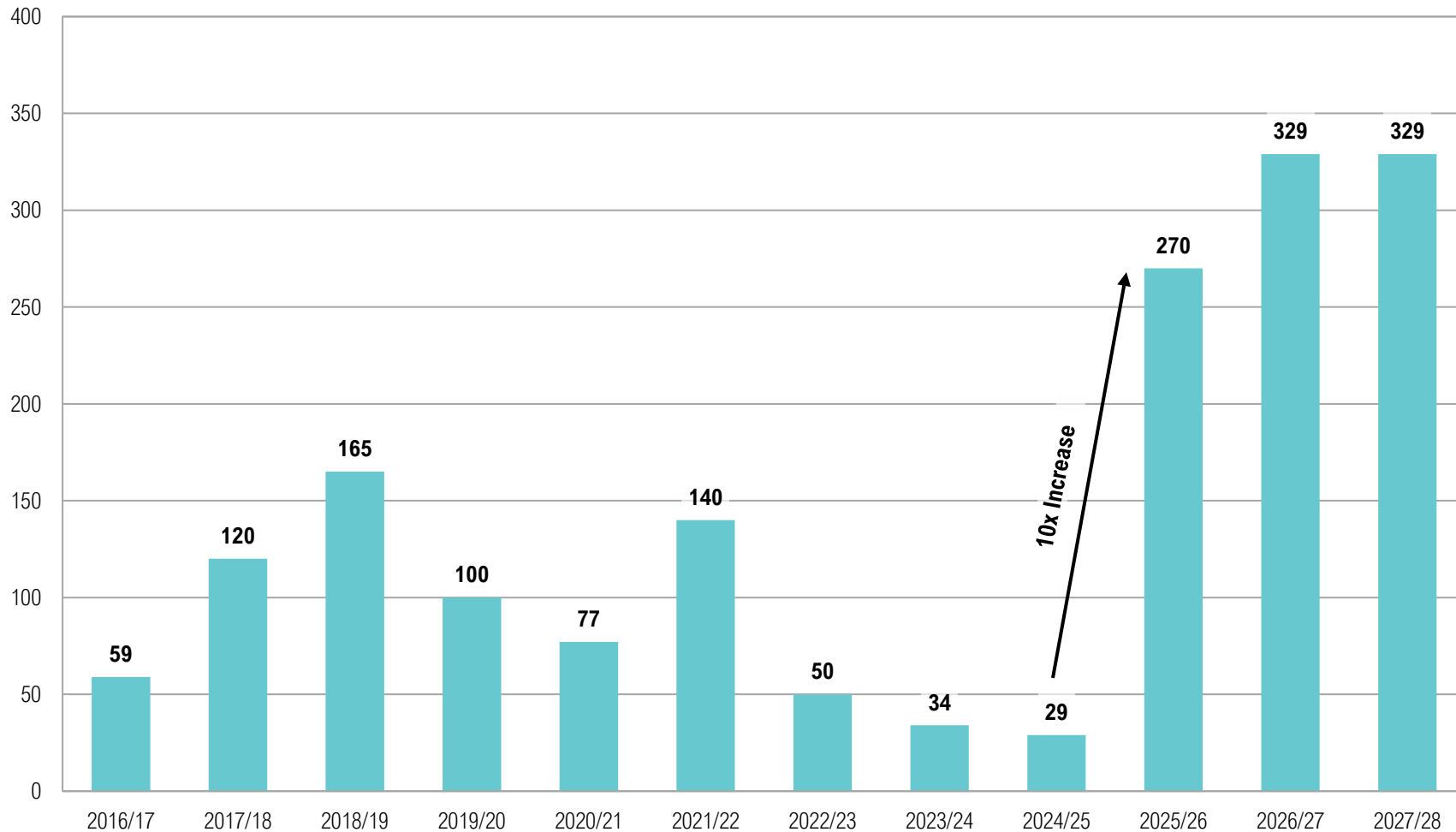


The next mega trend is higher power prices, and as you saw some of the data there, perhaps that was not a trend up until maybe five years ago. We started to see power prices rise up 32% in the last five years. Projection for the next five years is at 40%.”

Aaron Jagdfeld, Generac Holdings CEO

➤ PJM capacity prices have surged to record highs, signaling a rapid shift from power surplus to sustained scarcity in U.S. electricity markets

PJM Auction Clearing Price, \$/MW-Day

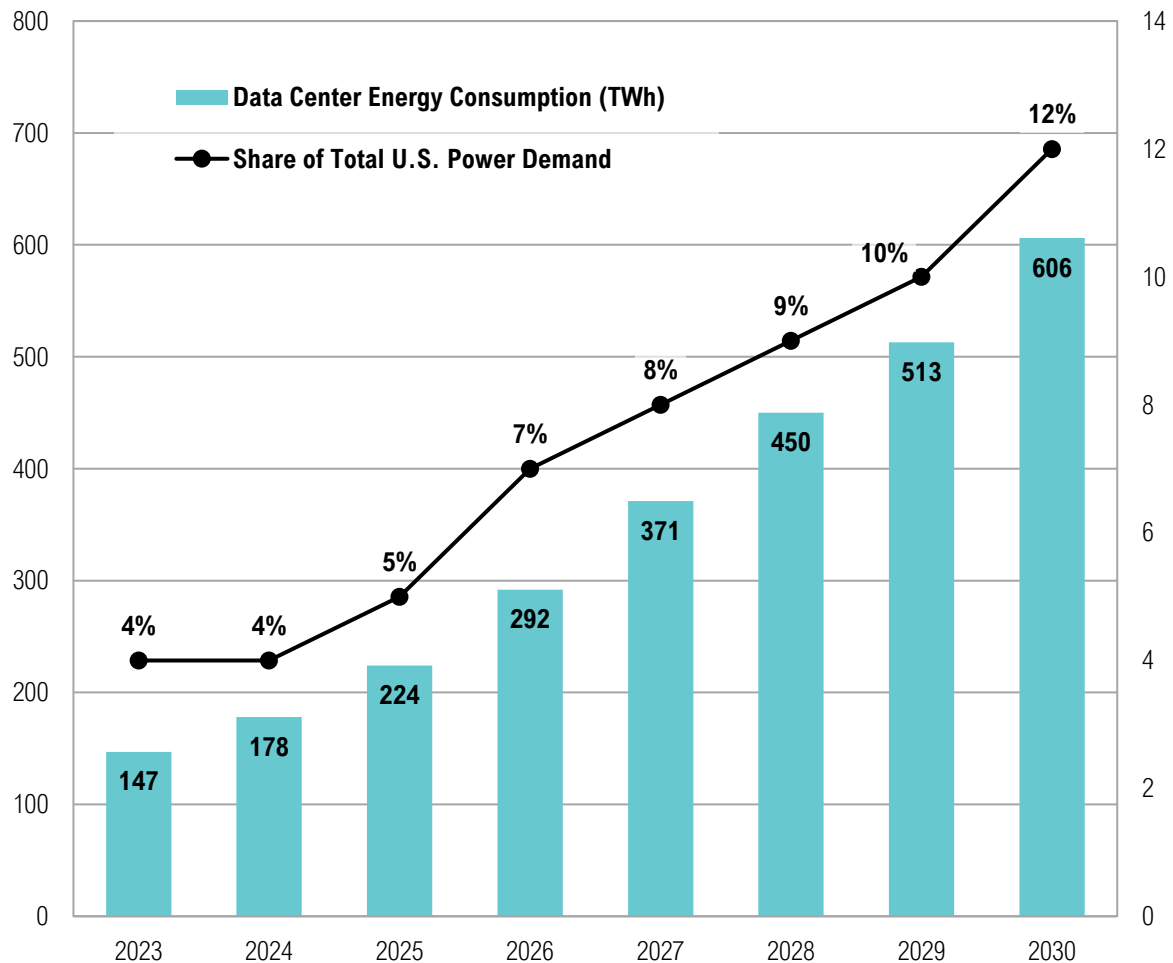


Source: PJM Interconnection. As of 12/31/2025.

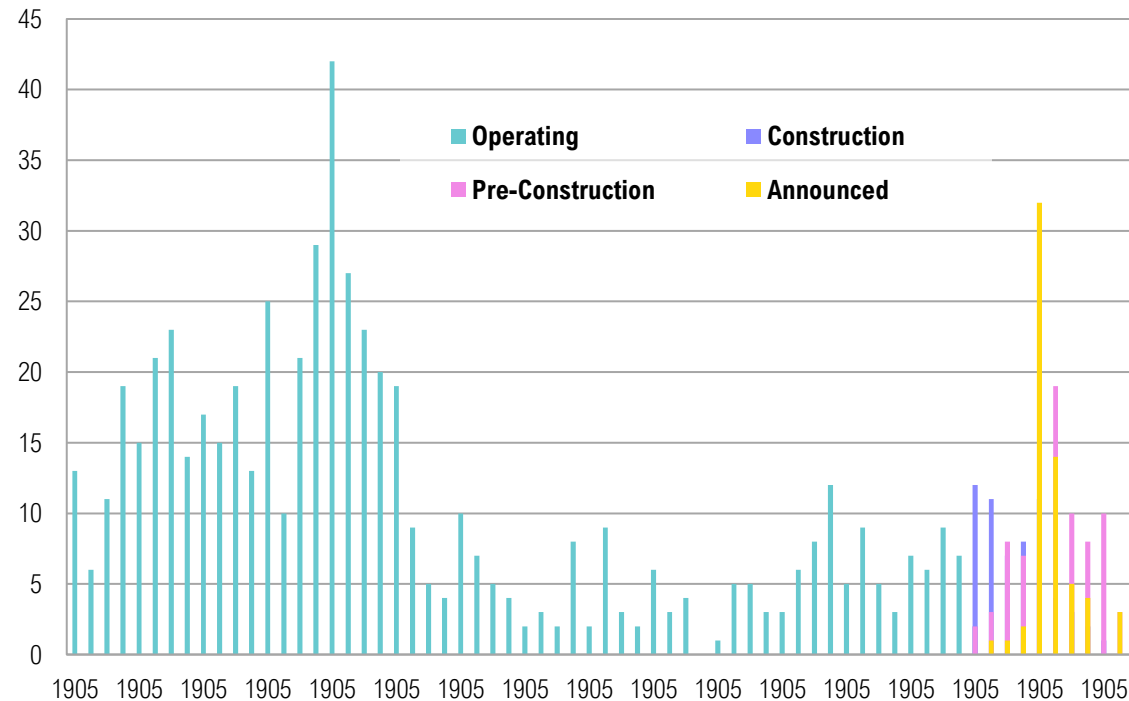
- Prices were low for years (ample supply) but have surged to record levels, signaling a tight power market.
- New supply is not keeping up due to retirements, delays, and grid constraints, keeping conditions structurally tight.
- Capacity prices reached \$329 in 2026/27 and remained at \$329 in 2027/28, indicating persistent scarcity rather than a one-off spike.
- Sustained high prices point to higher future electricity costs and strong investment incentives in generation and grid infrastructure.
- \$329 reflects the capacity auction clearing price in PJM Interconnection (the largest grid operator in the U.S.), which secures future electricity reliability.

➤ Data centers are expected to drive U.S. power demand; policy and rapidly rising demand for consistent energy output are leading to a nuclear renaissance

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



Global Nuclear Reactor Pipeline



Operating: The unit has been formally commissioned; commercial operation has begun.
Pre-Construction: The unit is actively moving forward in seeking governmental approvals, land rights, or financing.
Construction: The unit has site preparation and equipment installation underway.
Announced: The unit has been described in corporate or government plans but concrete steps such as applying for permits have not yet been taken.

Source: Bloomberg, McKisney, U.S. Energy Information Administration, International Energy Agency, Global Energy Monitor. RHS as of 9/30/2025.

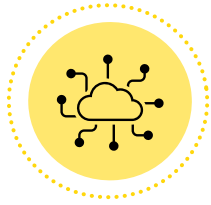




There's companies that have said, wow, this stuff [AI] is a total game-changer, and we better do this, or we're going to have a big problem if our competitors do it and we don't. And then there's other companies or organizations that say, well, okay, this is our budget, and it doesn't really matter what's happening in the outside world. We're sticking with our budget, okay?"

Michael Dell, Dell Technologies CEO

➤ The agentic stack spans data and indexing, intelligence, decentralized compute, agent identity, payment protocols and stablecoins



1. Data & Indexing

- Provides structured data for agent decision-making
- Enables fast access to blockchain and private datasets
- Supports privacy and data monetization
- Key Players: The Graph, Ocean Protocol, Grass
- Est. TAM: \$300Bn global data market



2. Intelligence & Model Markets

- Open marketplaces for AI models and intelligence
- Models compete and earn based on performance
- Enables decentralized AI development
- Key Players: Bittensor, ASI Alliance, SingularityNET
- Est. TAM: \$47Bn enterprise agentic AI market by 2030



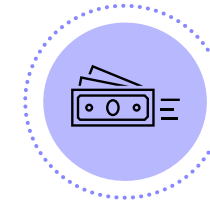
3. Decentralized Compute

- Distributed GPU networks for AI workloads
- Reduces reliance on big cloud providers
- Lower cost alternative for developers
- Key Players: Render, io.net, Akash Network
- Est. TAM: \$500Bn global AI compute market



4. Agent Identity & Compliance

- Verifies who/what an agent represents
- Critical for regulation, trust, and liability
- New standards enable on-chain identity + reputation
- Key Players: ERC-8004 ecosystem (Ethereum/Google/Coinbase), World ID, Catena Labs
- Est. TAM: \$80–120Bn compliance and identity market



5. Payment Protocols

- Infrastructure that lets agents pay via APIs
- Enables transactions without accounts or subscriptions
- Emerging open standards (e.g. x402) gaining traction
- Key Players: Coinbase, Stripe, MoonPay
- Est. TAM: \$190–385Bn in U.S. agentic e-commerce alone by 2030

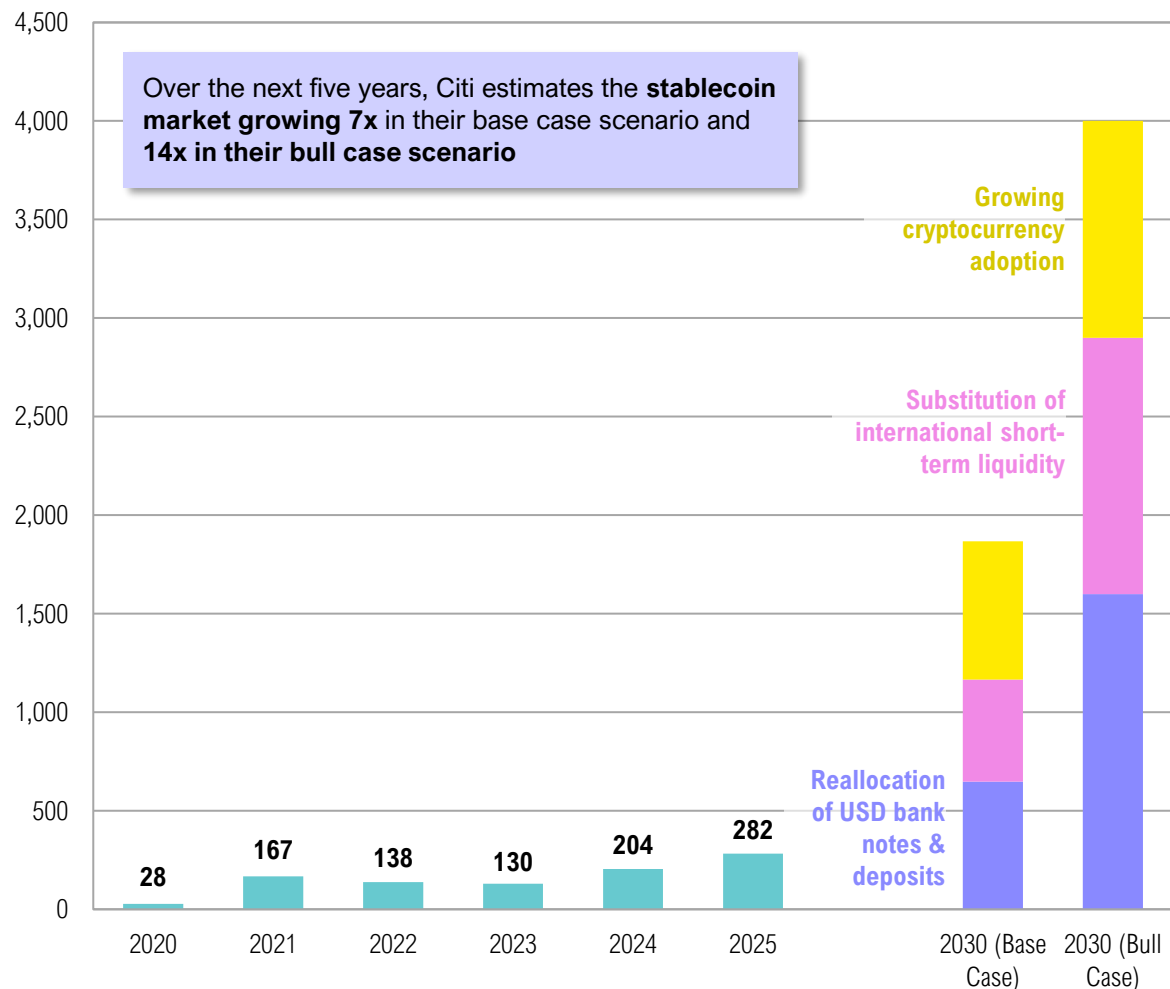


6. Settlement & Stablecoins

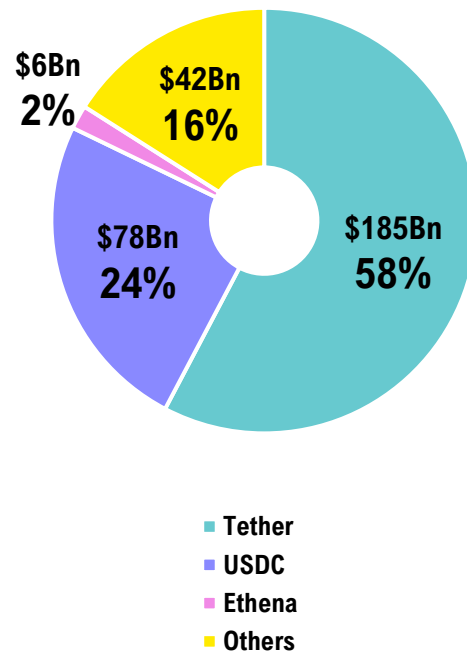
- Fast, low-cost digital dollars for instant payments
- Backbone of agent transactions (e.g. USDC)
- Replaces slow legacy systems like ACH/SWIFT
- Key Players: Circle, Tether, PayPal, Ripple
- Est. TAM: \$3–\$5Tn in agentic commerce volume by 2030

Stablecoins could benefit from growing crypto adoption and substitution of international short-term liquidity; the CLARITY Act is currently stuck in the Senate

Stablecoin Market Size, \$Bn



Stablecoin Market Breakdown, \$Bn



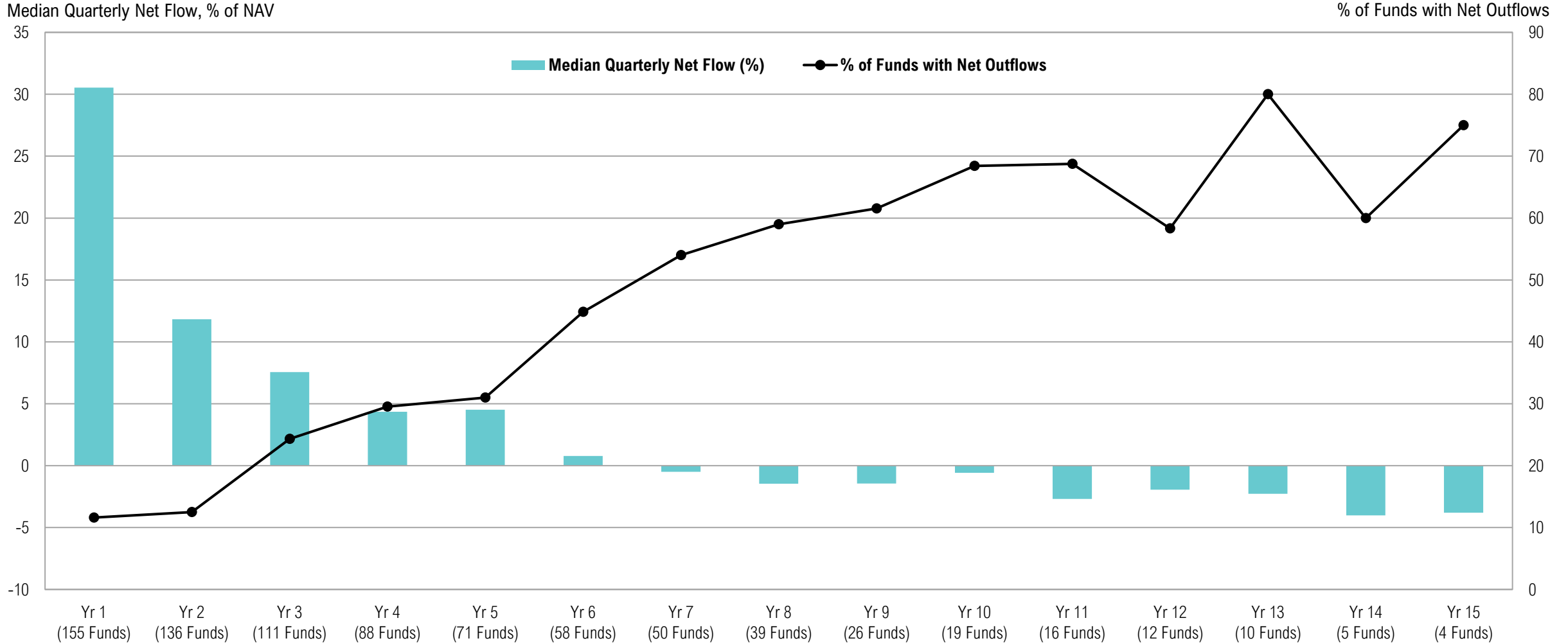
- Passed the House in 2025 with bipartisan backing; establishes a clear framework splitting oversight between SEC (securities) and CFTC (commodities)
- Currently stalled in the Senate with multiple missed deadlines and no confirmed timeline for markup or vote
- The core sticking point is yield-bearing stablecoins: banks oppose (deposit risk), crypto firms support (key use case)
- Secondary debates include tokenized equities, AML scope, and political optics, but these are not the primary blockers
- Outlook: still alive with industry/Treasury support, but slipping timelines raise risk of delay into the post-election cycle, keeping regulatory uncertainty elevated

Source: Visual Capitalist, Citi Institute, CoinMarketCap. As of 4/15/2026.

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Interval fund life cycle: interval funds typically experience strong early inflows that taper over time, with median net outflows beginning in Year 7

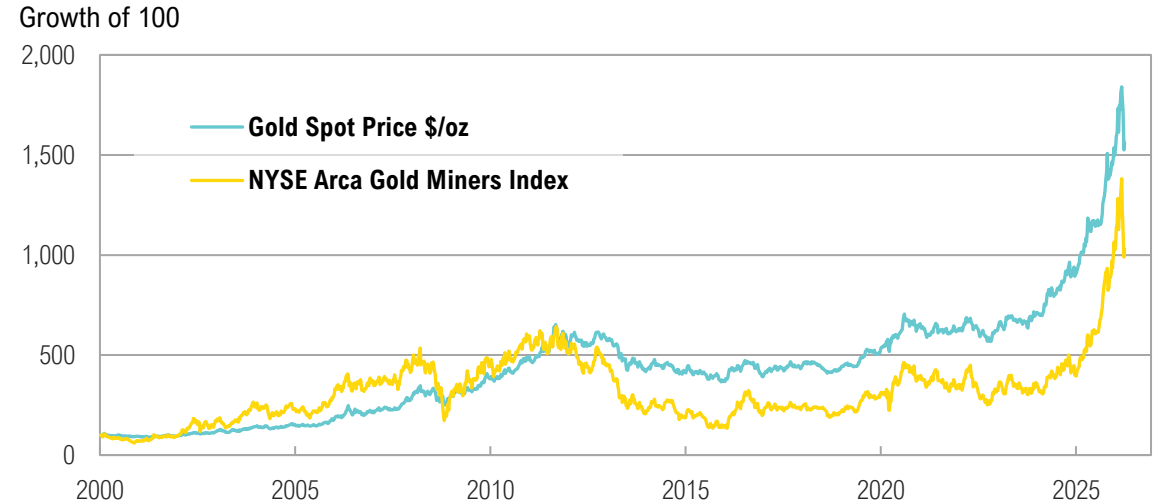
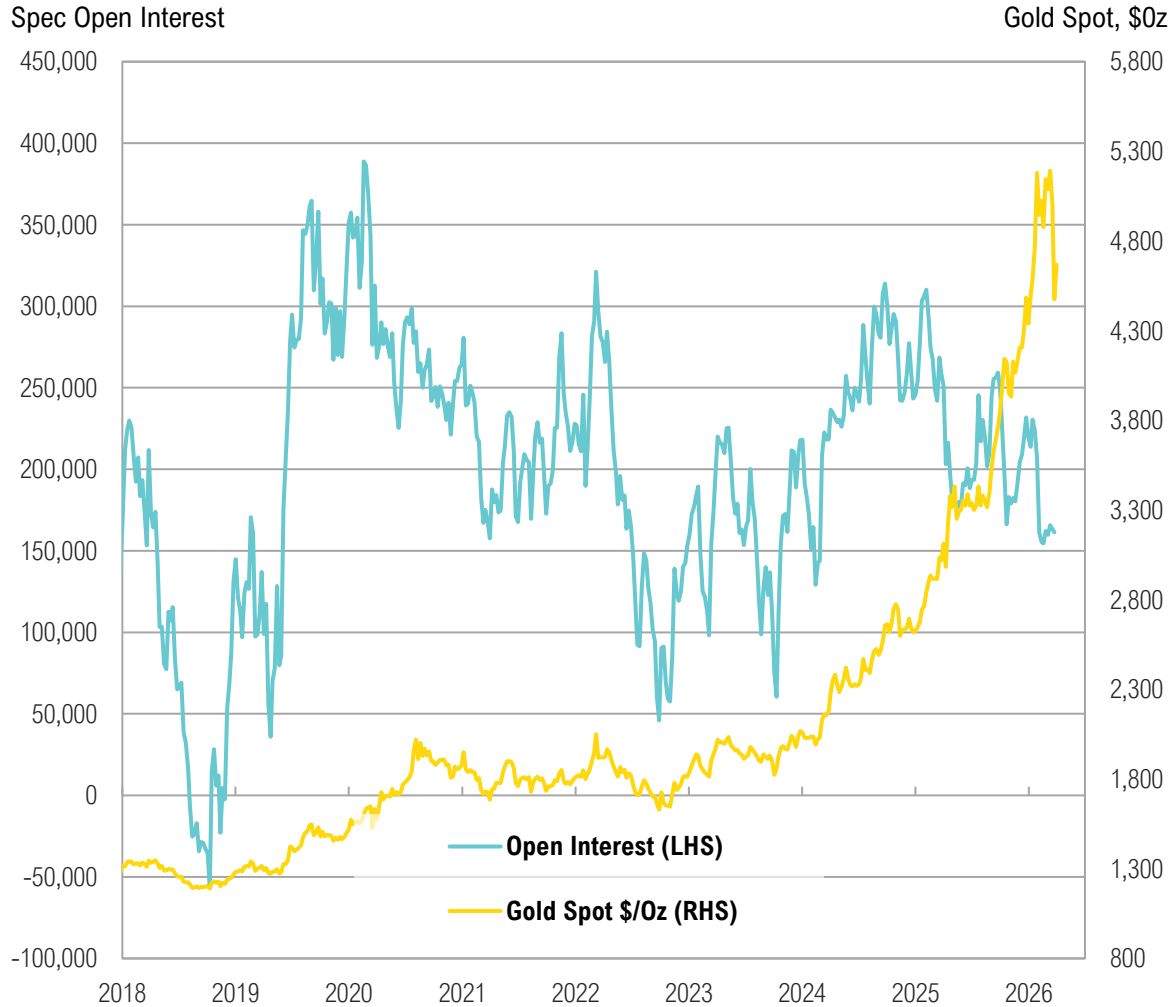


Source: Bloomberg

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After the initial safe-haven spike in the early days of the Middle East conflict, gold prices declined by 11% over the month; spec positioning dropped to the lowest level since Feb 2024



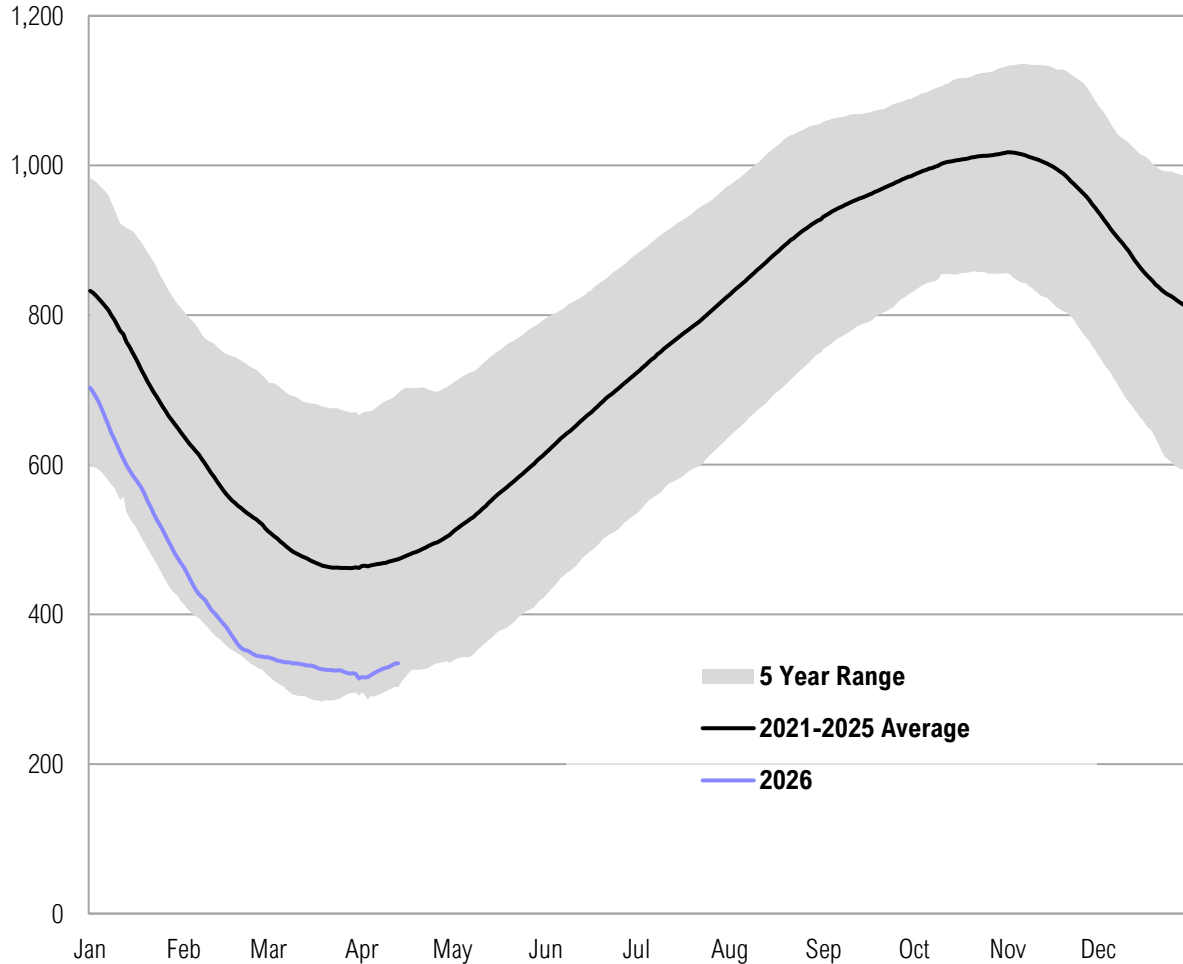
Source: Bloomberg. Spec positioning as of 3/24/2026.



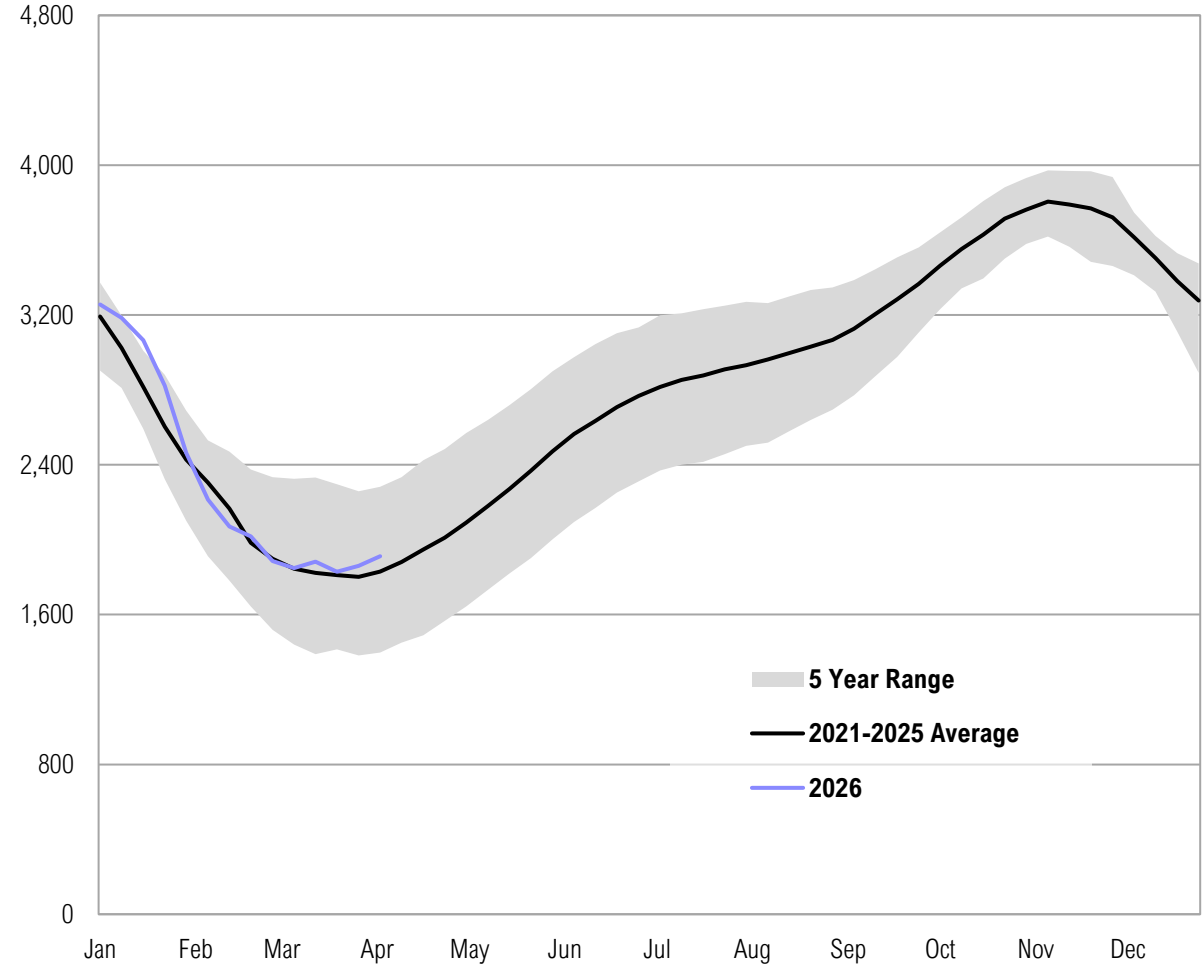


Similarly to 2022, Europe entered the current energy disruption with low natural gas inventories and limited self-sufficiency; by contrast, the U.S. entered with healthy inventories and strong domestic production capacity

EU Natural Gas Inventories, TWh



U.S. Natural Gas Inventories, Billion Cubic Feet



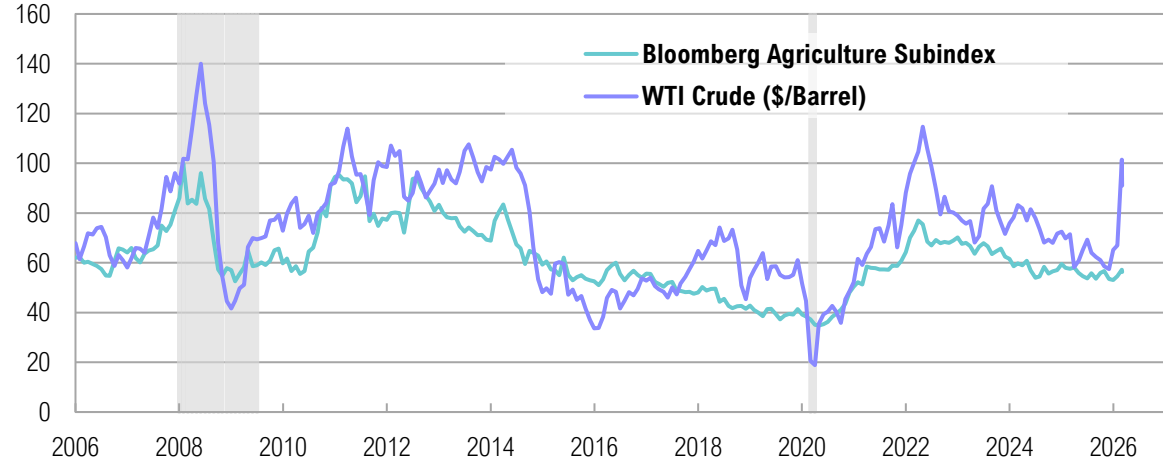
Source: Bloomberg

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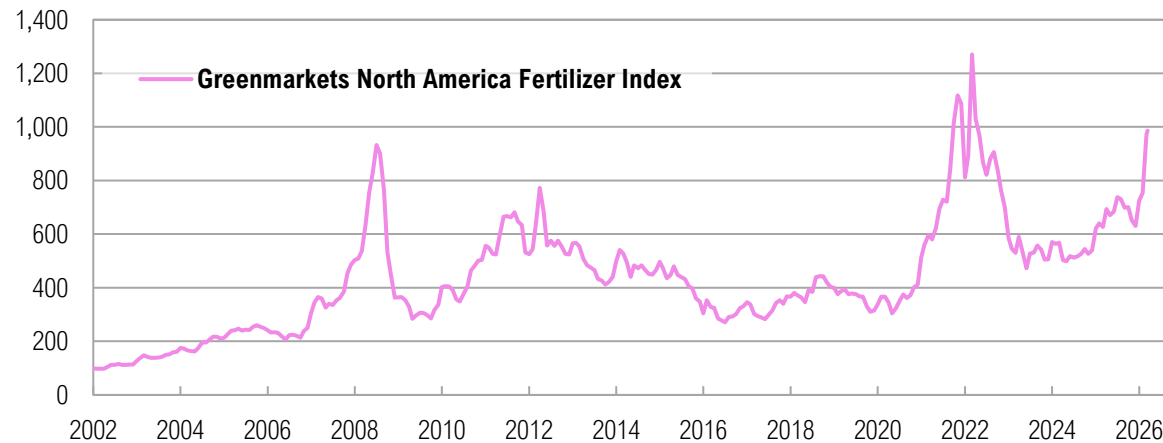


Rising oil prices often lead to rising agricultural commodity prices; alongside crude, fertilizers, polyethylene and sulfur are transported via the Strait of Hormuz

Bloomberg Commodity Subindex: Agriculture & WTI Crude, \$/Barrel



Greenmarkets North America Fertilizer Index



Source: Bloomberg, Mining.com, CNBC, CNN. As of 4/15/2026.

Key Materials Transiting Hormuz

Commodity	Share of Global Trade via Hormuz	Price Disruption	Downstream Impact
Urea/Fertilizer	30–35% of global seaborne trade	+50% by late March 2026	Crop yields at risk; spring planting season threatened
Sulfur/Sulfuric Acid	44–50% of global seaborne supply	Past \$500/tonne	Cascades into fertilizer production and copper/nickel refining
Polyethylene	85% of Middle East polyethylene exports transit Hormuz	Rising; no precise figure published	Packaging, automotive parts, consumer goods more expensive
Aluminum	20% of global primary supply	+11% vs. pre-war; 4-year high of \$3,500/tonne	Construction, transport, renewables cost increases
Copper	Indirect — via sulfuric acid shortage	Tightening; production cuts reported	20% of global copper uses acid leaching; smelters slowing
Helium	Qatar = 33% of world supply; facility struck by Iranian drones	+50%; distributors rationing	Semiconductor manufacturing, MRI machines

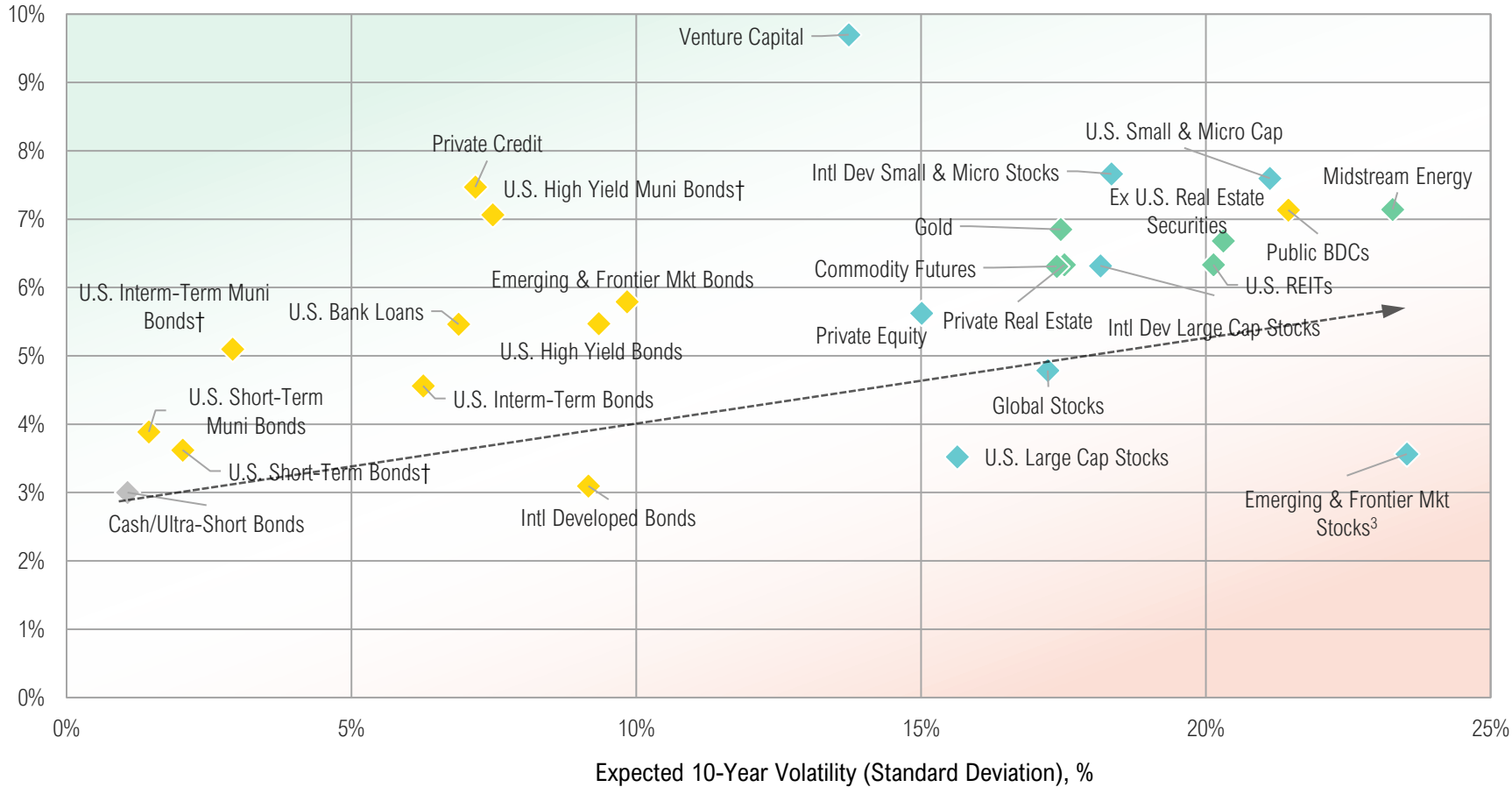
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Appendix

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, %



Asset Class	Expected Returns (%)	Expected Volatility (%)
Venture Capital	9.7	13.7
Digital Assets	8.3	29.2
Relative Value	7.9	4.6
Closed-End Funds	7.9	13.7
Intl Dev Small & Micro Stocks	7.7	18.3
U.S. Small & Micro Cap	7.6	21.1
Private Credit	7.5	7.2
Midstream Energy	7.1	23.3
Public BDCs	7.1	21.4
U.S. High Yield Muni Bonds	7.1	7.5
Insurance-Linked Securities	6.9	4.5
Gold	6.9	17.5
Ex U.S. Real Estate Securities	6.7	20.3
Private Real Estate	6.3	17.5
U.S. REITs	6.3	20.1
Intl Dev Large Cap Stocks	6.3	18.1
Commodity Futures	6.3	17.4
Long-Short Equity	6.3	8.0
Global Macro	6.0	6.5
Emerging & Frontier Mkt Bonds	5.8	9.8
Private Equity	5.6	15.0
U.S. High Yield Bonds	5.5	9.3
U.S. Bank Loans	5.5	6.9
U.S. Inter-Term Muni Bonds	5.1	2.9
Global Stocks	4.8	17.2
U.S. Inter-Term Bonds	4.6	6.3
U.S. Short-Term Muni Bonds	3.9	1.4
U.S. Short-Term Bonds	3.6	2.0
Emerging & Frontier Mkt Stocks	3.6	23.5
U.S. Large Cap Stocks	3.5	15.6
Intl Developed Bonds	3.1	9.2
Cash/Ultra-Short Bonds	3.0	1.1

³ 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 3/31/2026.

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Now, because of the war in Iran, we additionally face the potential for significant ongoing oil and commodity price shocks, along with the reshaping of global supply chains, which may lead to stickier inflation and ultimately higher interest rates than markets currently expect.”

Jamie Dimon, JPMorgan Chase CEO

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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. Interm-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. Interm-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. Interm-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