INVESTMENT STRATEGY QUARTERLY QUICKVIEW

THEMES

ECONOMY

Economic growth is broadening and strengthening in 2026, supported by accelerating AI infrastructure investment, stronger industrial activity, firmer government and defense spending, and improving demand for energy and industrial materials. Consumer spending remains resilient, but leadership is increasingly concentrated in higher-income cohorts. The Federal Reserve (Fed) is adjusting to new leadership under Chairman Kevin Warsh. Warsh could bring operational and communication changes, but policy is still likely to remain data dependent. The macro backdrop supports patience from the Fed, not urgency.

WASHINGTON POLICY

Shifting political and geopolitical landscapes remain key drivers of policy uncertainty. A diplomatic agreement for the US-Iran conflict is in place, but questions remain about implementation. For the midterm elections, our base case is a Democratic House and Republican Senate, a historically favorable outcome for equities. Meanwhile, the US-China relationship has stabilized modestly, and multiple Trump-Xi meetings are expected this year, creating opportunities for incremental progress, with key questions around export controls and access to advanced technology unresolved. While markets have remained resilient to geopolitical flareups so far, a prolonged conflict or sustained pressure on energy prices could weigh on economic activity and introduce greater market volatility.

EQUITIES

S&P 500 earnings durability reflects a structural shift toward asset-light, less energy-intensive, and technology-driven businesses rather than uniform strength across sectors. Reduced energy intensity, enhanced efficiency and stronger corporate pricing power have materially dampened the historical margin pressure associated with rising oil prices. A narrow group of AI-linked sectors – particularly semiconductors and cloud computing – is generating an outsized share of earnings growth, masking weaker trends across the broader index.

ENERGY

With emergency oil stockpiles playing a useful role during the Iran conflict, governments may pursue similar policies for natural gas, particularly in Asia. Energy-vulnerable economies in that region are likely to follow Europe's lead in bolstering domestic generation of renewable and nuclear power. Given that oil price shocks have a worldwide scope, electric vehicle sales around the world are getting a boost, which accentuates the importance of critical minerals.

Economic Snapshot

Economic Indicator

FAVORABLE	GROWTH
	EMPLOYMENT
NEUTRAL	CONSUMER SPENDING
	BUSINESS INVESTMENT
	MANUFACTURING
	MONETARY POLICY
	LONG-TERM INTEREST RATES
	THE DOLLAR
	REST OF THE WORLD
UNFAVORABLE	HOUSING AND RESIDENTIAL CONSTRUCTION
	INFLATION
	FISCAL POLICY

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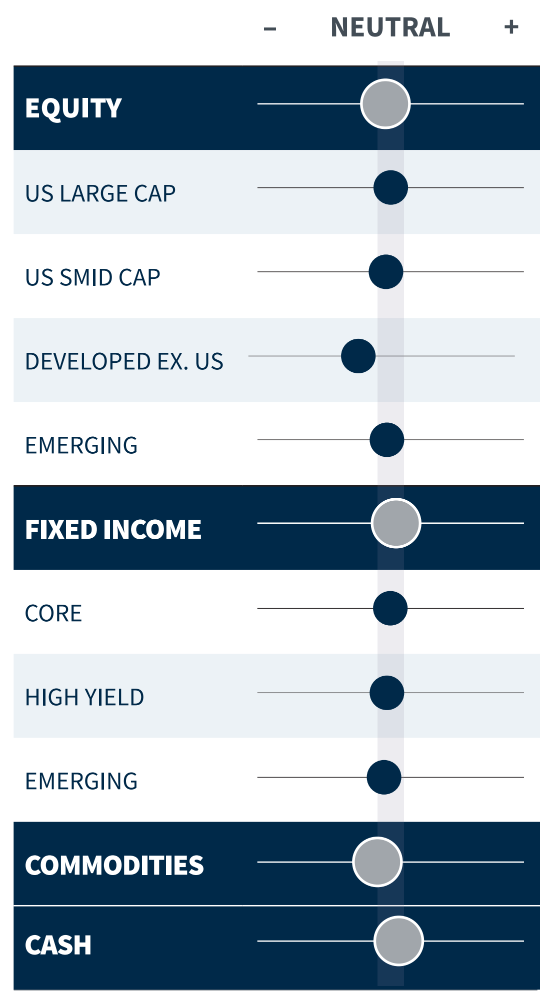
Tactical Outlook



The tactical asset allocation outlook above reflects Raymond James Investment Strategy's recommendations for current positioning. Your financial advisor can help you interpret each recommendation within this material relative to your individual asset allocation policy, risk tolerance and investment objectives.

For more information, refer to the full **Investment Strategy Quarterly**.

INVESTMENT STRATEGY QUARTERLY QUICKVIEW

Capital Markets Snapshot

EQUITY	AS OF 6/30/2026	2Q 2026 RETURN**	12-MONTH RETURN**
DOW JONES INDUSTRIAL AVERAGE	52,319.20	12.90%	18.65%
S&P 500 INDEX	7,499.36	14.87%	20.86%
NASDAQ COMPOSITE INDEX	26,213.72	21.41%	28.69%
MSCI EAFE INDEX	1,951.53	11.08%	20.80%
RATES	**AS OF 6/30/2026**	**AS OF 3/31/2026**	**AS OF 6/30/2025**
FED FUNDS RATE TARGET RANGE	3.50-3.75	3.50-3.75	4.25-4.50
3-MONTH SOFR	3.64	3.68	4.34
2-YEAR TREASURY	4.15	3.79	3.71
10-YEAR TREASURY	4.44	4.32	4.23
30-YEAR MORTGAGE	6.55	6.48	6.80
PRIME RATE	6.75	6.75	7.50
COMMODITIES	**AS OF 6/30/2026**	**2Q 2026 RETURN**	**12-MONTH RETURN**
GOLD	$4,038.50	-13.68%	22.09%
CRUDE OIL	$69.50	-31.45%	6.74%

*Price Level
**Total Return

Sector Snapshot

	SECTOR	S&P WEIGHT
OVERWEIGHT	INFORMATION TECHNOLOGY	39%
	CONSUMER DISCRETIONARY	10%
	HEALTH CARE	8%
	INDUSTRIALS	8%
EQUAL WEIGHT	FINANCIALS	11%
	COMMUNICATION SERVICES	10%
	UTILITIES	2%
	MATERIALS	2%
UNDERWEIGHT	CONSUMER STAPLES	5%
	ENERGY	3%
	REAL ESTATE	2%

DISCLOSURE