# Quarterly Market Review & Outlook

Second Quarter 2026

As of June 30, 2026

# Market Review

Executive Summary · Market Scoreboard · Fixed Income · Equities · Economics

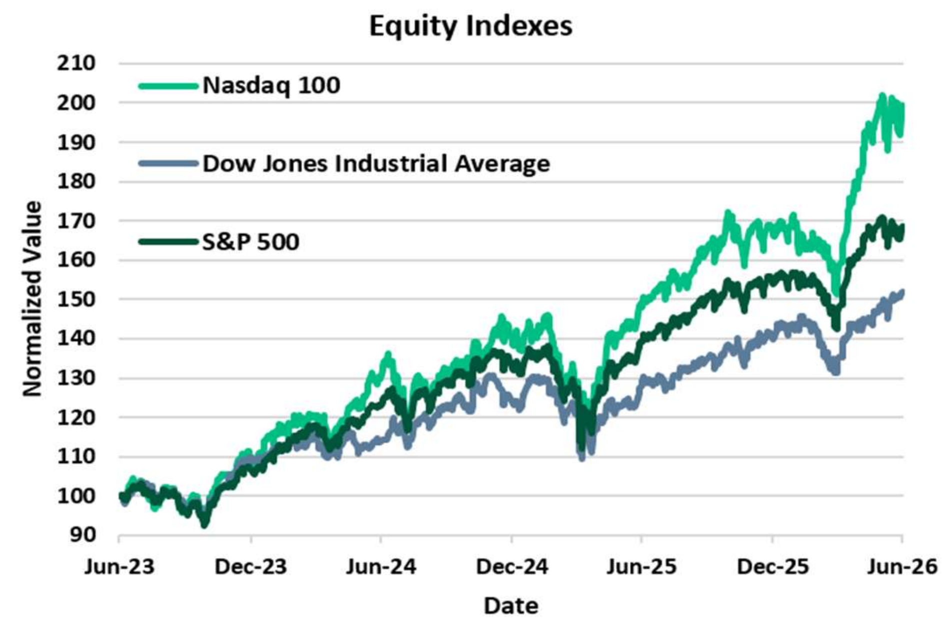
# Executive Summary

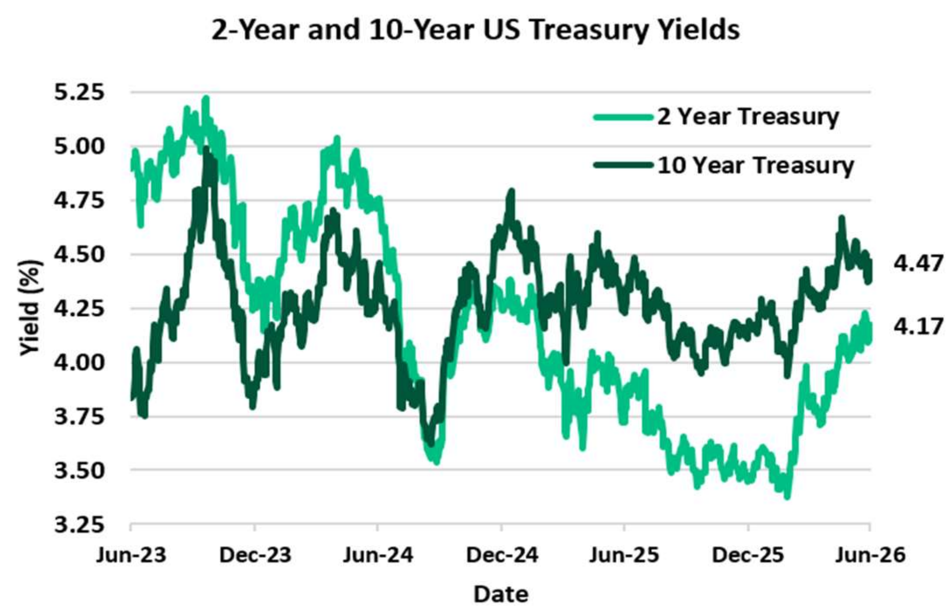
US equities delivered another strong quarter despite geopolitical headwinds, concerns of reaccelerating inflation, and overvaluation in AI/data center companies that triggered the sell-off in March.

Performance was driven by a rebound in Technology, strength in Industrials, exceptional corporate earnings and a broadening in market participation.

Bond markets were more impacted by the geopolitical headwinds and higher energy prices, causing a hawkish shift in expectations for monetary policy in 2026 from ease to hike.

The yield curve shifted higher and flattened, with the 2-year yield closing at 4.17% and the 10-year benchmark settling at 4.47%.




vectors asset management llc

*Source: VAM. As of Date: 6/30/2026*

# Market Scoreboard

| Market Summary - June 30th, 2026 | | | | | |
|---|---|---|---|---|---|
| **Bond Market** | **June** | **QTD** | **YTD** | **1 Year** | **Yield** |
| Total Bond Market | 0.2% | 0.7% | 0.8% | 3.8% | 4.7% |
| US Treasuries | 0.3% | 0.3% | 0.4% | 2.8% | 4.4% |
| High Yield Corporates | 0.2% | 2.5% | 1.9% | 5.7% | 7.0% |
| US MBS Index | 0.2% | 0.6% | 1.2% | 5.2% | 5.0% |
| Corporate Bonds | 0.2% | 1.4% | 1.0% | 4.5% | 5.2% |
| Floating Rate Corp | 0.4% | 1.3% | 2.1% | 4.7% | 4.1% |
| US TIPS (Inflation Prot.) | -0.5% | 0.9% | 1.3% | 3.3% | 2.1% |
| Merrill Muni Index | 0.8% | 2.3% | 2.2% | 6.8% | 3.5% |
| International Bonds | -1.7% | 0.0% | -2.7% | -6.2% | 3.1% |
| **Commodities/Other** | **June** | **QTD** | **YTD** | **1 Year** | **End Value** |
| Gold | -11.7% | -14.1% | -7.2% | 21.3% | $4,008.02 |
| Dollar Index | 2.3% | 1.2% | 2.9% | 4.5% | $101.19 |
| Oil (WTI) | -18.5% | -14.9% | 21.8% | 13.3% | $69.50 |

| Market Summary - June 30th, 2026 | | | | | |
|---|---|---|---|---|---|
| **Stock Market Indices** | **June** | **QTD** | **YTD** | **1 Year** | **End Value** |
| DOW Jones Avg. | 2.7% | 13.4% | 9.8% | 20.6% | $51,032 |
| NASDAQ Composite | -2.7% | 21.6% | 13.1% | 29.5% | $26,973 |
| Large Cap Core (S&P 500) | -1.0% | 15.2% | 10.2% | 22.3% | $7,580 |
| Equal Weight S&P 500 | 2.4% | 11.4% | 12.1% | 19.2% | $8,442 |
| Large Cap Growth | -1.8% | 21.9% | 12.0% | 25.7% | $5,655 |
| Large Cap Value | 0.0% | 8.0% | 8.0% | 18.4% | $2,243 |
| Mid Cap Core | 3.6% | 14.5% | 17.3% | 25.9% | $3,725 |
| Mid Cap Growth | 3.1% | 17.0% | 21.6% | 30.0% | $1,848 |
| Mid Cap Value | 4.1% | 11.9% | 13.0% | 21.7% | $1,137 |
| Small Cap Core | 3.7% | 21.6% | 22.7% | 40.9% | $2,919 |
| Small Cap Growth | 3.6% | 25.7% | 22.2% | 38.7% | $14,382 |
| Small Cap Value | 4.0% | 17.2% | 23.0% | 43.0% | $23,403 |
| Europe | 1.4% | 13.9% | 9.3% | 19.7% | $649 |
| England | -0.7% | 4.3% | 6.0% | 19.4% | $10,409 |
| Japan | 3.5% | 34.2% | 34.9% | 56.1% | $66,330 |
| Shanghi 300 | 2.0% | 14.6% | 11.9% | 36.8% | $4,892 |
| International | 0.1% | 11.1% | 9.8% | 20.8% | $3,118 |
| MSCI China | -7.1% | -6.6% | -15.0% | -4.9% | $609 |
| Emerging Markets | 0.2% | 21.1% | 25.7% | 44.6% | $69 |

# Yield Curve

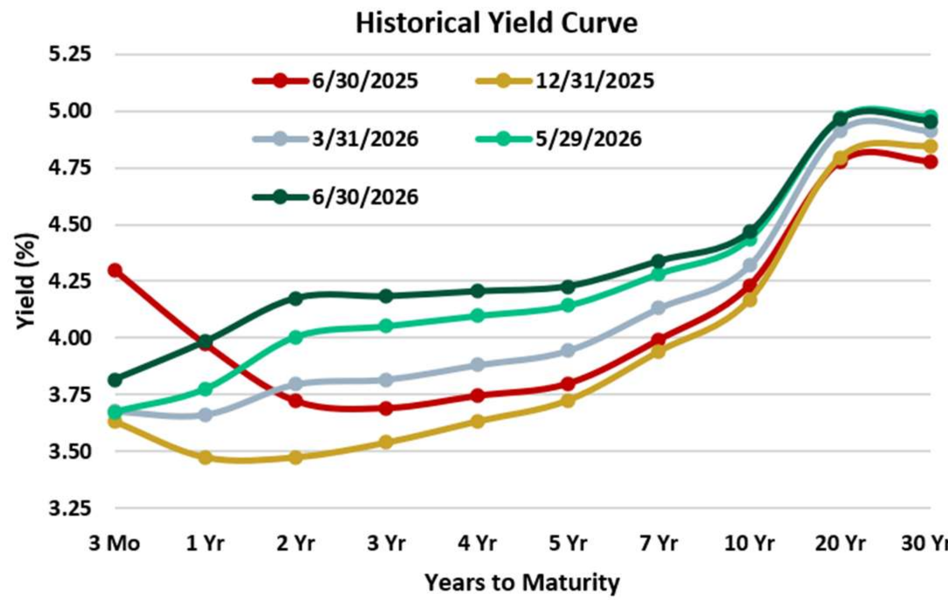
Interest rates rose in Q2, concentrated in the belly of the yield curve.

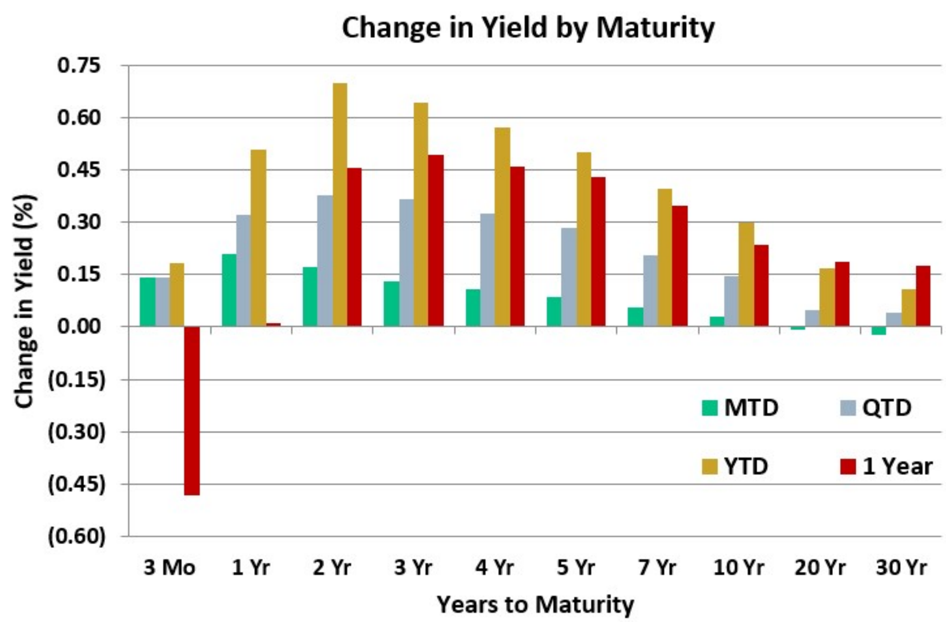
The rate rise was significant as the market priced in an additional rate hike by the Fed this year, a continued reversal from the two eases expected coming into the year.

The overall interest rate environment has normalized over the past year with the steeper yield curve; however, has recently flattened at higher rates reflecting expectations of rate hikes.

The overall level of interest rates seems to be in equilibrium with the economy and near long term averages since 1984. Rates may likely remain in a volatile, but in a relatively narrow range for 2026.

We feel the market is over-reacting to inflation concerns and we do not expect the Fed to hike rates this year.




vectors asset management llc

*Source: VAM. As of Date: 6/30/2026*

# Fixed Income Returns

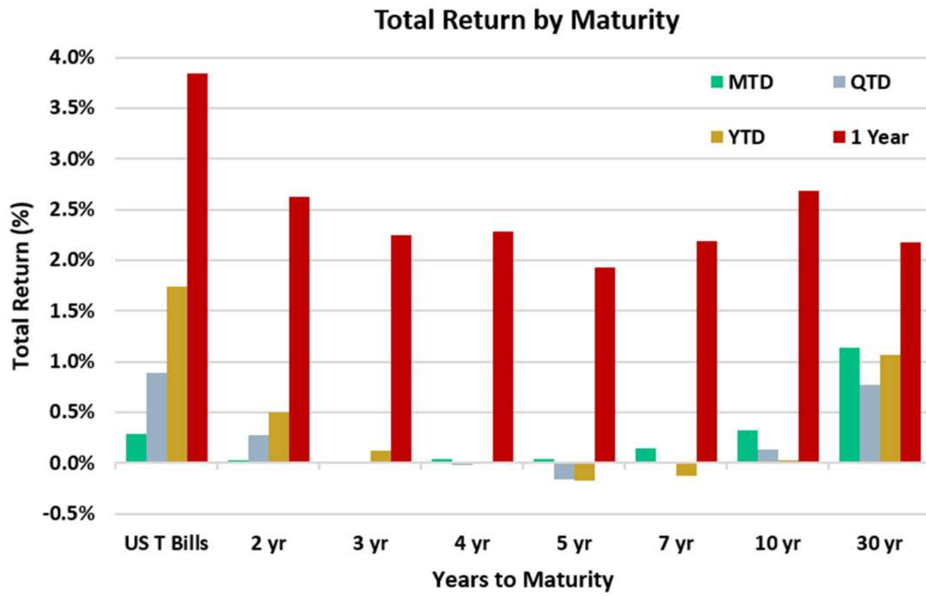
With the rise in yields in the belly of the curve, QTD returns in intermediate maturities were flat/slightly negative, while the short end and the long end had positive returns.

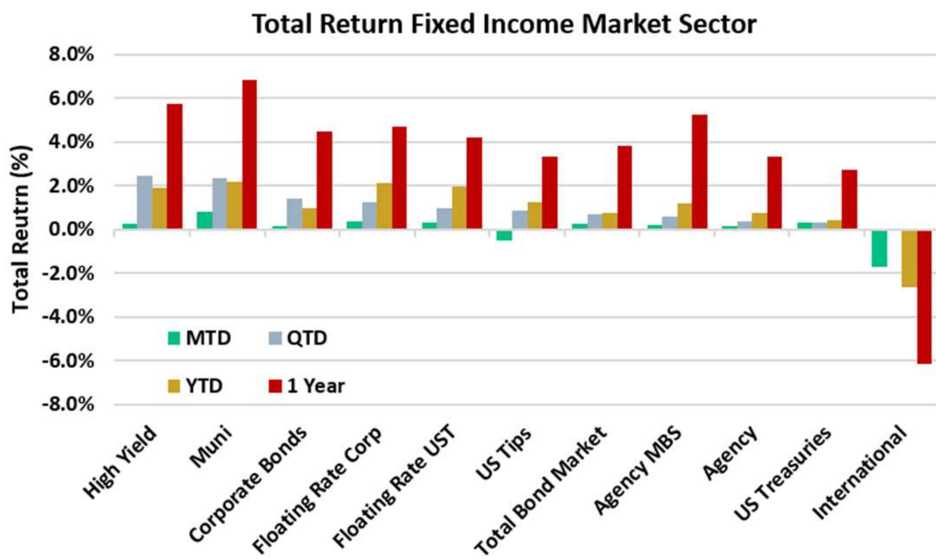
Due to the rise in rates, T-bills and floating rate notes have performed the best this year, but the long bond also has positive returns given the limited rate move.

Over the past year, income offset negative price movement across maturities, a benefit of the current higher rate environment, particularly in sectors that carry a yield premium over Treasuries such as Mortgages and Corporates.

Corporate bonds have rebounded recently with equity markets; however, yield premiums remain near record lows.  MBS continue to perform well.

Vectors strategy has continued to reinvest into longer term maturities opportunistically out a steeper yield curve, with a focus on high quality Mortgages with high yield spreads while waiting for more attractive opportunities and less risk in Corporate bonds.




*Source: VAM. As of Date: 6/30/2026*

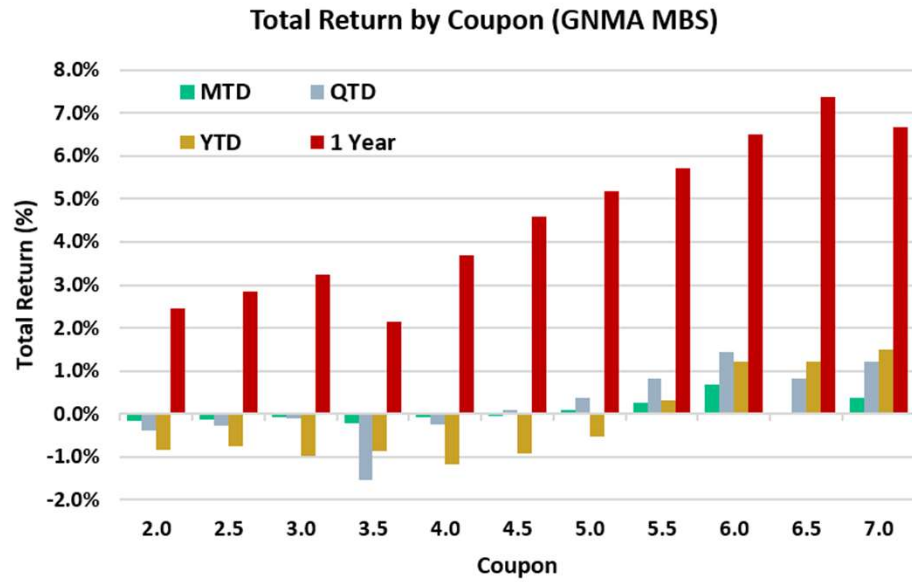
# Fixed Income Returns

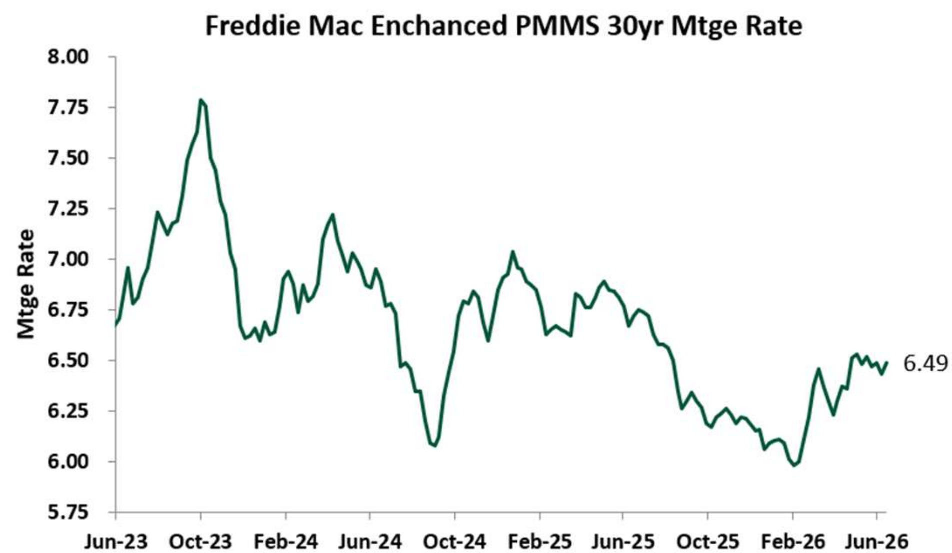
Mortgages continue to perform well, particularly in higher coupons that generate higher income.

The rise in rates has pushed the mortgage rate back to around 6.4%, reducing the likelihood of prepayment activity and boosting income on higher coupons.

Vectors has maintained a focus on 4.5% - 6% coupons while monitoring the risk of a drop in rates that would increase prepayments on high coupons as seen when rates dipped briefly below 6% in February.

5.5% to 6% mortgage rates are historically “normal”, 3% is not.  We do not expect mortgage rates to dip below 5.5%.




vectors asset management llc

*Source: VAM. As of Date: 6/30/2026*

# Fed Policy

Market expectations coming into the year were for two Federal Reserve rate cuts in 2026 and maintaining 3.125% for the foreseeable future.

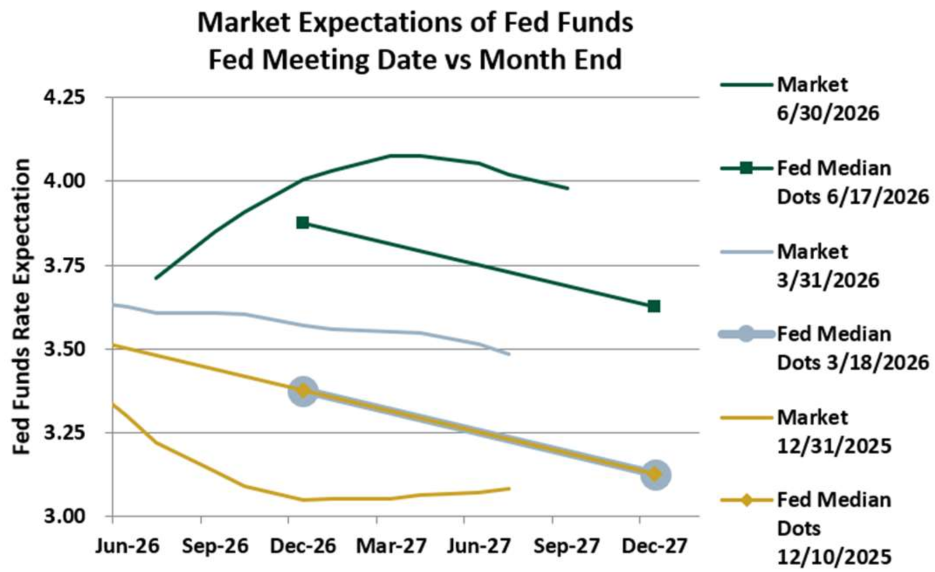
The market has incrementally erased all easing expectations and moved to a high probability of a Fed tightening by year end due to energy driven inflation expectations.

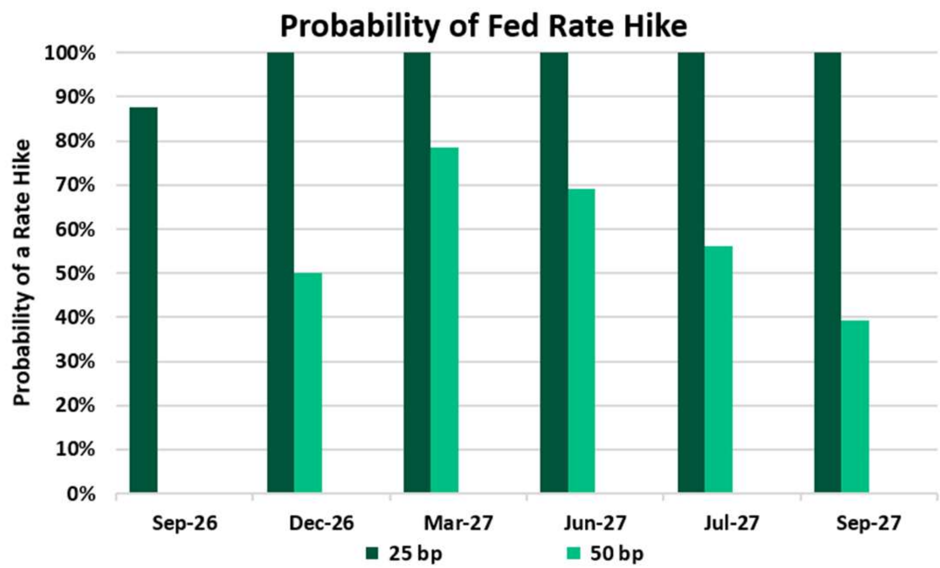
The Fed also came into the year, and reiterated as recently as their March meeting they expected to cut rates once in 2026 and again in 2027 to 3.125%.

In the June 17 Fed meeting, the median Fed projection moved to a tightening in 2026 before returning to the current level in 2027.

Fed expectations are seen via the “Dot Plot” released after each quarterly meeting.  We expect the Dot Plot to be eliminated from Fed communications.

We do not expect the Fed to hike rates this year.




*Source: Federal Reserve, VAM. As of Date: 6/30/2026*

vectors asset management llc

# Fed Policy

In their June release, the Fed has reduced real GDP growth forecasts for 2026 to reflect recent actual growth, a reversal of their previous adjustment.

Their expectations of the unemployment rate was also lowered to 4.3% to reflect the current environment of labor market stability. This projection would support the idea that an interest rate adjustment is not needed in the near term.

The Fed's expectations of PCE Inflation were raised materially again to 3.6% from 2.7%. The supply shock to oil and other energy caused by the conflicts ongoing in the Middle East have raised concerns for stickier inflation.

Core PCE Inflation expectations were also raised. This demonstrates an expectation for the higher energy prices to flow through the economy, raising core inflation indicators as well and not just the already volatile energy component.

The Fed had similar concerns about tariffs flowing through to inflation in 2025; however, those concerns did not materialize, at least not to their degree.

We feel that inflation will be less significant than the Fed, or market does as energy prices come down and core inflation continues to the 2% target.

**Federal Reserve Median Economic Projections**
**As of 6/17/2026**

| **Change in GDP** | **Actual** | **2026** | **2027** | **2028** | **Longer Run** |
|---|---|---|---|---|---|
| June 2026 Projection | | 2.2 | 2.3 | 2.2 | 2.0 |
| March 2026 Projection | | 2.4 | 2.3 | 2.1 | 2.0 |
| December 2025 Projection | | 2.3 | 2.0 | 1.9 | 1.8 |
| Actual Q1 2026 | **2.1%** | | | | |
| **Unemployment Rate** | | | | | |
| June 2026 Projection | | 4.3 | 4.3 | 4.2 | 4.2 |
| March 2026 Projection | | 4.4 | 4.3 | 4.2 | 4.2 |
| December 2025 Projection | | 4.4 | 4.2 | 4.2 | 4.2 |
| Actual May 2026 | **4.3%** | | | | |
| **PCE Inflation** | | | | | |
| June 2026 Projection | | 3.6 | 2.3 | 2.0 | 2.0 |
| March 2026 Projection | | 2.7 | 2.2 | 2.0 | 2.0 |
| December 2025 Projection | | 2.4 | 2.1 | 2.0 | 2.0 |
| Actual May 2026 | **4.1%** | | | | |
| **Core PCE Inflation** | | | | | |
| June 2026 Projection | | 3.3 | 2.5 | 2.1 | |
| March 2026 Projection | | 2.7 | 2.2 | 2.0 | |
| December 2025 Projection | | 2.5 | 2.1 | 2.0 | |
| Actual May 2026 | **3.4%** | | | | |
| **Projected Policy Path- Fed Funds** | | | | | |
| June 2026 Projection | | 3.8 | 3.6 | 3.4 | 3.1 |
| March 2026 Projection | | 3.4 | 3.1 | 3.1 | 3.1 |
| December 2025 Projection | | 3.4 | 3.1 | 3.1 | 3.0 |
| Actual March 2026 | 3.6% | | | | |

*Source: Federal Reserve, VAM. As of Date: 6/30/2026*

# Fed Policy

New Federal Reserve Chairman Kevin Warsh will have a meaningful impact on the Fed with expectations of significant changes in operations and policy drivers. He has outlined five key areas and will establish task forces to address them.

**Inflation Framework**

- Will study drivers of inflation, ways of measuring inflation
- Expects 2% inflation to remain in place
- We expect the "Trimmed Mean" method of inflation will become a primary focus

**Balance Sheet Policy**

- We expect the Fed will work to significantly reduce the balance sheet. Warsh has expressed the use of balance sheet has been excessive since the financial crisis of 2008.

**Communications**

- Fed will likely drop forward guidance. Warsh declined to provide a provide a rate forecast at first meeting.
- We see the Dot Plot going away, and the post meeting statement will shorten.
- Warsh believes financial markets should price securities based on their interpretation of the economy rather than anticipating policy makers views.

**Data Quality**

- Current survey methods are out of date, have low response rates, and have significant revisions, so are out of date relative to the current economic environment.
- Warsh is open to using new data sources and suggests using new analytic methods.

**Productivity and Jobs**

- Warsh believes inflation and employment are mutually compatible. It is possible for strong growth, low prices, and strong employment.

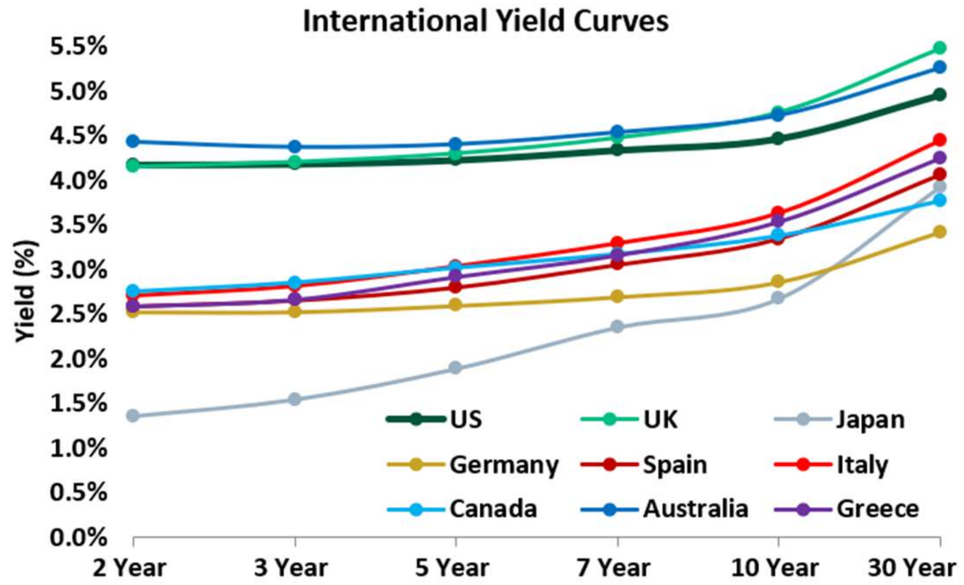
# International Yield Curve

The central banks of Japan and Europe tightened policy at their recent meeting in response to higher energy prices.  We feel this is a policy mistake.

The US and UK have held policy stable.

Long term interest rates rose across most major countries due to significant current and expected debt issuance to fund expanding deficit spending.

As US rates fall, the US dollar may again begin to weaken vs. other major currencies; however, the relative strength of the US economy may offset that influence.





*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Credit Spreads

Corporate, Municipal, and Mortgage spreads to treasuries continue to be in a tightening trend.

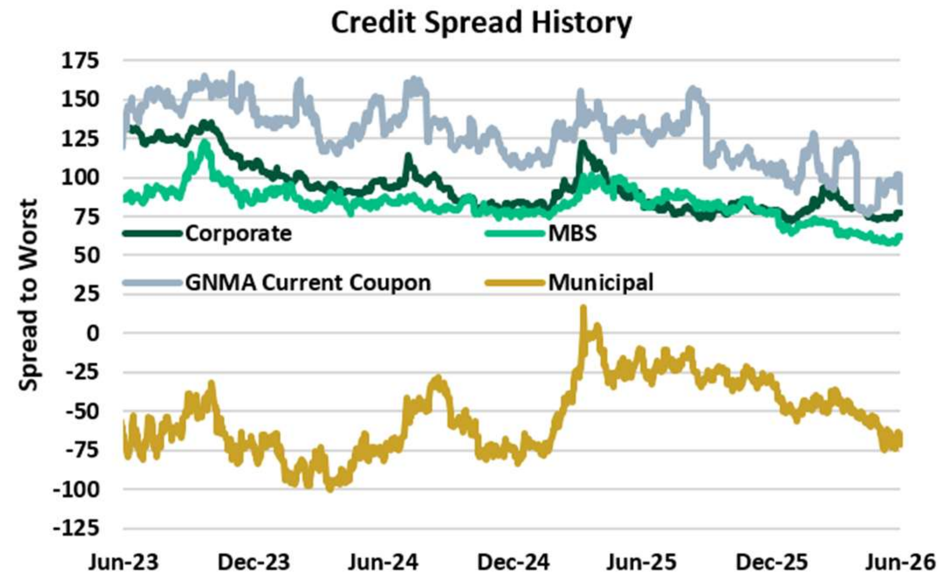
Credit concerns have risen in the private credit market, with some defaults and funds refusing to fully redeem investors.

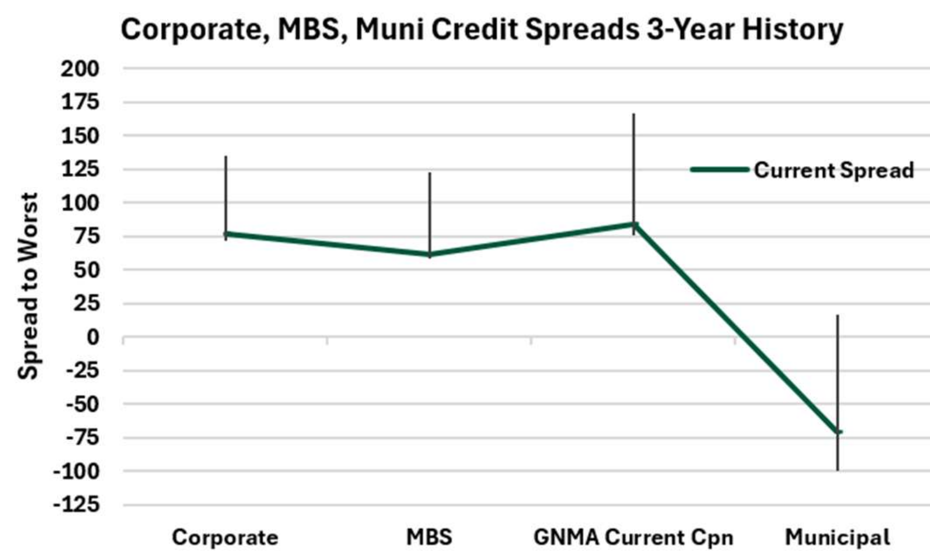
The corporate bond market is experiencing record new supply coming to market with over $1.2 trillion YTD, particularly in technology to support the data center buildout.

“The hyperscalers have issued around $244 billion year to date, up from $108 billion all of last year and $17 billion in 2024” per Dealogic as reported by the WSJ. There has also been increased equity issuance to support the over $750 billion in cap ex this year.

The combined impact has been to widen (raise) corporate spreads and dilute equity. We expect this to continue to finance the AI buildout.

Current Coupon MBS with no credit risk and limited new issuance remain better relative value than corporates, particularly in GNMA’s.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Equity Returns

Information Technology continues to lead markets higher as the primary contributor to Q2 performance, driven by the persistent secular buildout of AI and data center infrastructure, though the sector experienced a tactical consolidation and profit-taking period again in June as it did in March.

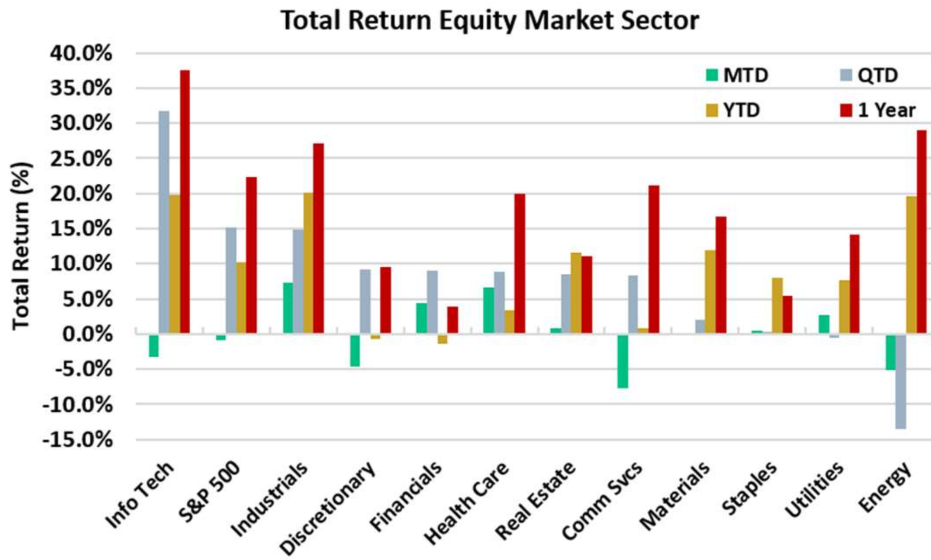
Energy corrected sharpy in Q2 as immediate geopolitical supply risk premiums abated and crude prices retraced. However, the sector remains a sector leader over both the YTD and 1-year periods.

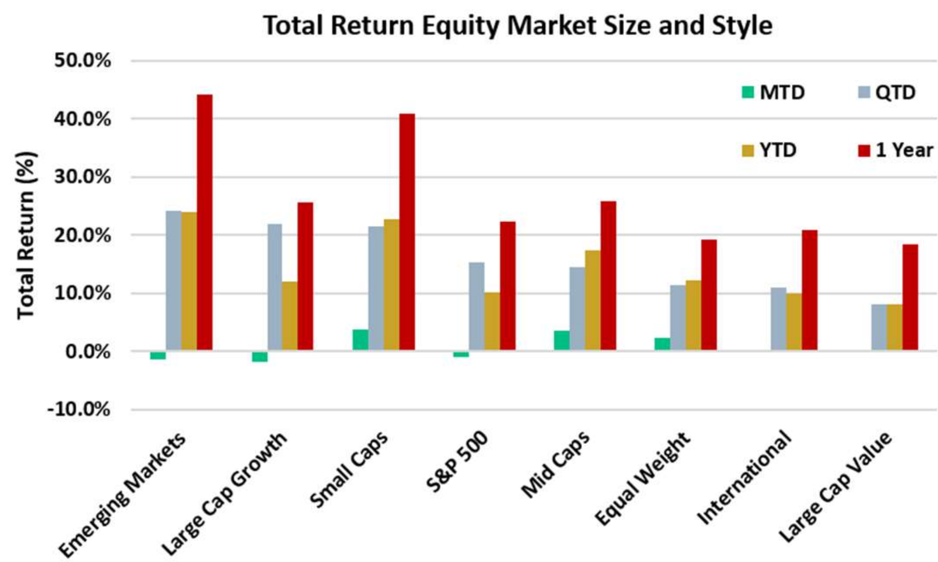
Q2 marked a clear broadening of market participation, with cyclical and defensive sectors leading performance. Industrials, Health Care, and Financials recorded strong gains as capital rotated away from extended mega-cap growth names.

Emerging Markets and Small Caps accelerated right alongside Large Cap Growth. Both segments lead performance over the last year as they have benefitted from both earnings' growth and multiple expansion.

Emerging markets are dominated by Taiwan and South Korea and the exporting of semiconductors and memory chips to the US data center buildout.

While the Equal Weight S&P 500 remains a laggard behind the market-weighted index on a 1-year basis, it demonstrated notable relative strength in June.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Performance Attribution

Due to the growing dispersion of returns across and within market sectors, active management and sector and security selection are able to generate significant performance advantages.

| Sector | S&P 500 | Model | Active Weight | S&P 500 Return | Portfolio Return | Allocation Effect | Selection Effect | Interaction Effect | Alpha Generated |
|---|---|---|---|---|---|---|---|---|---|
| Information Technology | 37.8% | 19.5% | -18.3% | 19.8% | 58.7% | -1.6% | 14.7% | -7.1% | 6.0% |
| Communication Services | 10.6% | 3.0% | -7.6% | 0.8% | 14.3% | 0.8% | 1.4% | -1.0% | 1.2% |
| Industrials | 8.4% | 13.5% | 5.1% | 20.2% | 40.3% | 0.5% | 1.7% | 1.0% | 3.2% |
| Real Estate | 1.9% | 3.0% | 1.1% | 11.5% | 36.5% | 0.0% | 0.5% | 0.3% | 0.8% |
| Materials | 1.8% | 1.5% | -0.3% | 12.0% | 23.6% | 0.0% | 0.2% | 0.0% | 0.2% |
| Utilities | 2.2% | 6.0% | 3.8% | 7.7% | 12.8% | -0.1% | 0.1% | 0.2% | 0.2% |
| RSP | 0.0% | 9.5% | 9.5% | 10.2% | 17.0% | -0.1% | 0.0% | 0.6% | 0.5% |
| IJR | 0.0% | 5.0% | 5.0% | 10.2% | 24.0% | -0.1% | 0.0% | 0.7% | 0.6% |
| VEA | 0.0% | 5.0% | 5.0% | 10.2% | 14.9% | -0.1% | 0.0% | 0.2% | 0.2% |
| IJH | 0.0% | 5.0% | 5.0% | 10.2% | 17.4% | -0.1% | 0.0% | 0.4% | 0.3% |
| VGK | 0.0% | 3.0% | 3.0% | 10.2% | 5.2% | 0.0% | 0.0% | -0.1% | -0.2% |
| PAVE | 0.0% | 2.0% | 2.0% | 10.2% | 23.5% | 0.0% | 0.0% | 0.3% | 0.2% |
| Financials | 11.4% | 6.5% | -4.9% | -1.3% | 1.5% | 0.6% | 0.3% | -0.1% | 0.8% |
| Energy | 3.2% | 7.5% | 4.3% | 19.7% | 21.0% | 0.4% | 0.0% | 0.1% | 0.5% |
| Consumer Staples | 4.6% | 2.0% | -2.6% | 8.0% | -4.1% | 0.1% | -0.6% | 0.3% | -0.2% |
| Consumer Discretionary | 9.7% | 1.0% | -8.7% | -0.8% | -1.9% | 1.0% | -0.1% | 0.1% | 1.0% |
| Health Care | 8.3% | 4.0% | -4.3% | 3.5% | -22.5% | 0.3% | -2.2% | 1.1% | -0.7% |
| **Total** | | | | | | | | | **14.7%** |

vectors asset management llc

# S&P 500 Top 10

In Q2, the continued rebound and acceleration in equities was again led by much of the top 10, but the overall market was also pushed higher by second tier players, becoming first tier. The example is a new entrant to the top 10 Micron Technology, coming in to replace Berkshire Hathaway.

The top 10 did experience a pullback in June, similar to March, falling 8% in value and to 36.3% concentration of the S&P 500.

Microsoft, Meta, and Tesla remain in negative territory Year to Date.

Earnings growth rates for physical chips have been strong and are expected to continue to be so, witnessed by growth expectations of 71%, 81%, and 335% for NVIDIA, Broadcom, and Micron respectively. These companies carry a relatively low P/E ratio, but it is because growth assumptions are so high.

We expect revisions in expected earnings growth to continue to affect P/E ratios as growth continues to be volatile and hard to predict to a high degree of accuracy, but the growth has been there to date.

The continued escalation in growth assumptions at higher prices increases the risk of disappointment.

**Top 10 Holdings vs. Rest of S&P 500**

| Company | Name | 6-30-2026 % Weight | MTD Return | QTD Return | YTD Return | 1 Year Return |
|---|---|---|---|---|---|---|
| NVDA | NVIDIA Corp | 7.50% | -5.1% | 14.9% | 7.4% | 48.3% |
| AAPL | Apple Inc | 6.58% | -7.3% | 14.1% | 6.6% | 44.6% |
| MSFT | Microsoft Corp | 4.29% | -17.2% | 1.0% | -22.5% | -18.3% |
| AMZN | Amazon.com Inc | 3.61% | -11.9% | 14.4% | 3.3% | 16.3% |
| GOOGL | Alphabet Inc | 3.24% | -6.0% | 24.4% | 14.3% | 108.9% |
| AVGO | Broadcom Inc | 2.77% | -15.3% | 22.3% | 9.5% | 57.6% |
| GOOG | Alphabet Inc | 2.58% | -6.1% | 23.2% | 12.7% | 105.2% |
| MU | Micron Technology Inc | 2.01% | 18.9% | 241.7% | 304.6% | 1125.0% |
| META | Meta Platforms Inc | 1.91% | -10.9% | -1.5% | -14.5% | -12.7% |
| TSLA | Tesla Inc | 1.83% | -3.5% | 13.1% | -6.5% | 21.4% |
| Top 10 of SPX | Top 10 S&P 500 | 36.34% | -8.0% | 17.9% | 5.2% | 38.8% |
| Rest of SPX | Bottom 490 S&P 500 | 63.66% | 3.6% | 13.7% | 13.3% | 23.0% |
| SPX Index | Market Weight S&P 500 | | -1.0% | 15.2% | 10.2% | 28.5% |
| SPW Index | Equal Weight S&P 500 | | 2.4% | 11.4% | 12.1% | 23.2% |

**Top 10 Holdings vs. Rest of S&P 500**

| Company | Name | Price | Last 12M P/E Ratio | Next 12M P/E Ratio | Last 12M EPS Growth | Next 12M EPS Growth |
|---|---|---|---|---|---|---|
| NVDA | NVIDIA Corp | $200.09 | 33.9 | 20.0 | 83.1% | 71.3% |
| AAPL | Apple Inc | $289.36 | 34.7 | 31.7 | 16.6% | 11.0% |
| MSFT | Microsoft Corp | $373.02 | 23.0 | 20.0 | 25.1% | 14.8% |
| AMZN | Amazon.com Inc | $238.34 | 28.2 | 28.0 | 36.2% | 1.0% |
| GOOGL | Alphabet Inc | $357.37 | 27.0 | 28.1 | 46.2% | -3.9% |
| AVGO | Broadcom Inc | $377.75 | 40.3 | 23.3 | 39.2% | 92.9% |
| GOOG | Alphabet Inc | $353.33 | 27.0 | 28.1 | 46.2% | -3.9% |
| MU | Micron Technology Inc | $1,154.29 | 25.2 | 7.9 | 600.6% | 220.8% |
| META | Meta Platforms Inc | $563.29 | 20.3 | 18.0 | 7.3% | 12.7% |
| TSLA | Tesla Inc | $420.60 | 247.7 | 218.9 | -19.2% | 9.8% |

*Source: VAM. As of Date: 6/30/2026*

'04 vectors asset management llc

# Equity Relative Valuation

Actual earnings growth of the market weighted S&P 500 index was 16.1% over the last 12 months, with a trailing Price/Earnings multiple of 25.5 times.

The S&P 500 sits at a forward P/E multiple of 20.9x at the end of June, back to elevated levels, while earnings growth expectations have also risen significantly to 21.7%.

There is little room for error this earnings season as valuations are at historic high levels incorporating ever escalating growth expectations.

The equal weighted S&P 500 still generated a strong 13.0% earnings growth, showing the broadening of growth beyond Technology and into Industrials and Materials.

The Equal Weight S&P 500 trades at a more reasonable forward P/E multiple of 16.7x, near its long-term average and median with relatively high growth expectations.

Aside from Energy sector and an increase in volatility, geopolitical conflicts in the Middle East have not had a material impact on domestic equity markets as economic growth remains firm, currently driven by commercial investment in industrial buildout including data centers, energy, and manufacturing.

| SPX Index Headline EPS | Act. Growth Last 12M | **16.1%** | Est. Growth Next 12M | **21.7%** | 10.8% | 0.0% |
|---|---|---|---|---|---|---|
| S&P 500 Market Weight | Act. EPS | **$294.5** | Est. EPS | **$358.3** | $326.4 | $294.5 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| **6/30/2026** | **25.5** | **$7,499** | **20.9** | **$7,499** | $6,832 | $6,164 |
| (+1 Std Dev) | 23.5 | $6,917 | 20.4 | $7,297 | $6,647 | $5,998 |
| LT Average | 19.4 | $5,720 | 17.1 | $6,117 | $5,572 | $5,028 |
| LT Median | 18.6 | $5,474 | 16.3 | $5,836 | $5,317 | $4,797 |
| (-1 Std Dev) | 15.4 | $4,522 | 13.8 | $4,936 | $4,497 | $4,057 |

| SPW Index Headline EPS | Act. Growth Last 12M | **13.0%** | Est. Growth Next 12M | **15.1%** | 7.6% | 0.0% |
|---|---|---|---|---|---|---|
| S&P 500 Equal Weight | Act. EPS | **$447.6** | Est. EPS | **$515.5** | $481.6 | $447.6 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| (+1 Std Dev) | 20.4 | $9,154 | 18.6 | $9,612 | $8,980 | $8,348 |
| **6/30/2026** | **19.3** | **$8,627** | **16.7** | **$8,627** | $8,059 | $7,492 |
| LT Median | 17.5 | $7,853 | 16.5 | $8,503 | $7,944 | $7,385 |
| LT Average | 17.7 | $7,933 | 16.5 | $8,484 | $7,926 | $7,368 |
| (-1 Std Dev) | 15.0 | $6,713 | 14.3 | $7,356 | $6,872 | $6,388 |

*Source: VAM. As of Date: 6/30/2026*

# Equity Relative Valuation

Mid Cap stocks saw a 10.2% growth in earnings over the last 12 months, and expectations are for earnings to accelerate to a 13.1% growth rate.

The S&P MidCap 400 Index traded at a trailing P/E of 19.3x, dropping to a forward P/E multiple of 17.0x at the end of May reflecting stronger earnings growth expectations.

Small cap earnings also grew at a strong rate of 20.7% but are expected to slow to 15.2% over the next 12 months.

The S&P SmallCap 600 Index traded at a trailing P/E of 18.3x and a lower forward P/E multiple of 15.9x, despite expectations of lower earnings growth.

We feel small and mid cap stocks provide good relative value. Also, we feel the S&P 600 group is better than the Russell 2000 as it requires profitability as a prerequisite.

Large-cap multiples have remained steady and elevated compared to historical data, while mid and small cap stocks have begun to recover from low multiples in 2025, they remain at an attractive discount to large caps.

| MID Index Headline EPS | Act. Growth Last 12M | **10.2%** | Est. Growth Next 12M | **13.1%** | 6.5% | 0.0% |
|---|---|---|---|---|---|---|
| S&P 400 Mid Cap | Act. EPS | **$200.0** | Est. EPS | **$226.2** | $213.1 | $200.0 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| (+1 Std Dev) | 22.9 | $4,585 | 18.4 | $4,168 | $3,927 | $3,686 |
| **6/30/2026** | **19.3** | **$3,853** | **17.0** | **$3,853** | $3,630 | $3,407 |
| LT Median | 19.5 | $3,892 | 16.5 | $3,735 | $3,519 | $3,303 |
| LT Average | 19.5 | $3,897 | 16.4 | $3,710 | $3,495 | $3,281 |
| (-1 Std Dev) | 16.0 | $3,209 | 14.4 | $3,251 | $3,063 | $2,875 |

| SML Index Headline EPS | Act. Growth Last 12M | **20.7%** | Est. Growth Next 12M | **15.2%** | 7.6% | 0.0% |
|---|---|---|---|---|---|---|
| S&P 600 Small Cap | Act. EPS | **$98.4** | Est. EPS | **$113.4** | $105.9 | $98.4 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| (+1 Std Dev) | 29.4 | $2,895 | 19.1 | $2,161 | $2,018 | $1,875 |
| LT Average | 21.5 | $2,112 | 16.6 | $1,884 | $1,759 | $1,635 |
| LT Median | 20.5 | $2,022 | 16.5 | $1,868 | $1,744 | $1,621 |
| **6/30/2026** | **18.3** | **$1,804** | **15.9** | **$1,804** | $1,685 | $1,566 |
| (-1 Std Dev) | 13.5 | $1,330 | 14.2 | $1,607 | $1,501 | $1,394 |

# Equity Relative Valuation

International markets have also shown strong earnings growth with foreign exporters of technology having significant influence.

The International FTSE Developed ex US Index traded at a forward P/E multiple of 14.7x at the end of June, with next 12 months earnings growth expected to accelerate from 17.1% to 26.2%

The MSCI Emerging Index traded at a forward P/E multiple of 12.0x, down from 18.1x trailing as earnings growth is expected to accelerate to 51.7% from 17.7% - primarily due to exports of semiconductor and memory chips from Taiwan and South Korea.

South Korea and Taiwan have grown to be the 5th and 6th largest capitalization stock markets in the world, up from 13th and 10th, respectively.

| | | | | | | |
|---|---|---|---|---|---|---|
| ACDXUSR Index | Act. Growth | | Est. Growth | | | |
| Headline EPS | Last 12M | **17.1%** | Next 12M | **26.2%** | 13.1% | 0.0% |
| FTSE Developed ex US All Cap | Act. EPS | **$161.4** | Est. EPS | **$203.7** | $182.6 | $161.4 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| (+1 Std Dev) | 19.2 | $3,095 | 16.5 | $3,353 | $3,005 | $2,657 |
| LT Average | 16.2 | $2,620 | 14.8 | $3,014 | $2,702 | $2,389 |
| LT Median | 15.9 | $2,572 | 14.7 | $2,996 | $2,685 | $2,375 |
| **6/30/2026** | **18.5** | **$2,990** | **14.7** | **$2,990** | $2,680 | $2,370 |
| (-1 Std Dev) | 13.3 | $2,146 | 13.1 | $2,676 | $2,399 | $2,121 |

| | | | | | | |
|---|---|---|---|---|---|---|
| NDUEEGF Index | Act. Growth | | Est. Growth | | | |
| Headline EPS | Last 12M | **17.7%** | Next 12M | **51.7%** | 25.8% | 0.0% |
| MSCI Emerging | Act. EPS | **$94.9** | Est. EPS | **$144.0** | $119.5 | $94.9 |
| Scenario | Last 12M P/E | Price | Next 12M P/E | Price | | |
| (+1 Std Dev) | 16.2 | $1,541 | 13.8 | $1,980 | $1,643 | $1,306 |
| LT Median | 13.1 | $1,248 | 12.2 | $1,756 | $1,457 | $1,157 |
| LT Average | 13.6 | $1,293 | 12.2 | $1,755 | $1,456 | $1,157 |
| **6/30/2026** | **18.1** | **$1,723** | **12.0** | **$1,723** | $1,429 | $1,136 |
| (-1 Std Dev) | 11.0 | $1,045 | 10.6 | $1,529 | $1,269 | $1,008 |

*Source: VAM. As of Date: 6/30/2026*

# Sector Analysis

Technology, Industrials, Discretionary and Materials show the highest P/Es on a trailing basis. Staples also trade at a surprisingly high P/E on both trailing and forward basis.

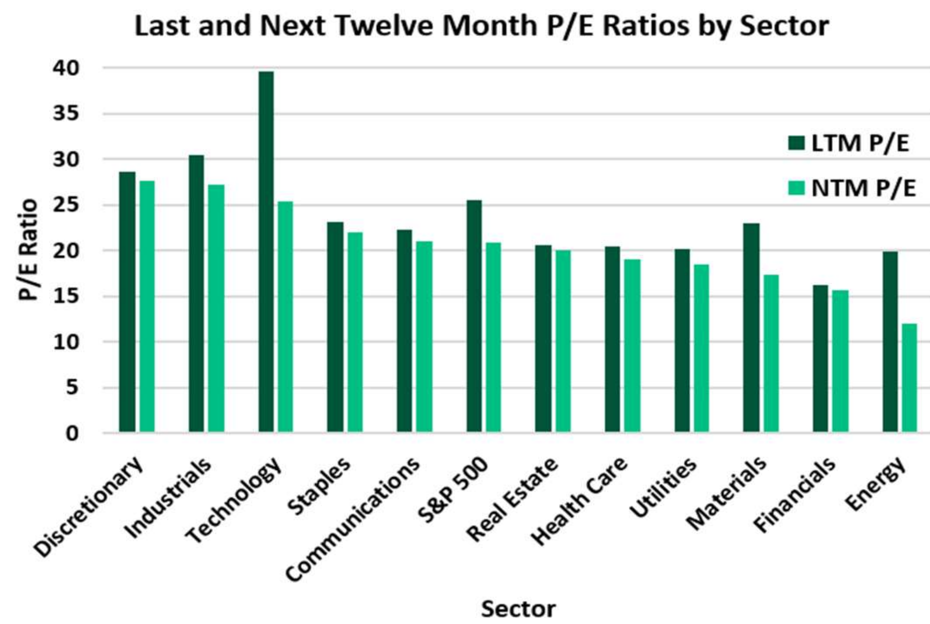
Financials carry a relatively low P/E despite showing solid earnings growth last year and low expectations looking forward.  Industrials show a higher P/E than usual, but that is where there is significant economic growth.

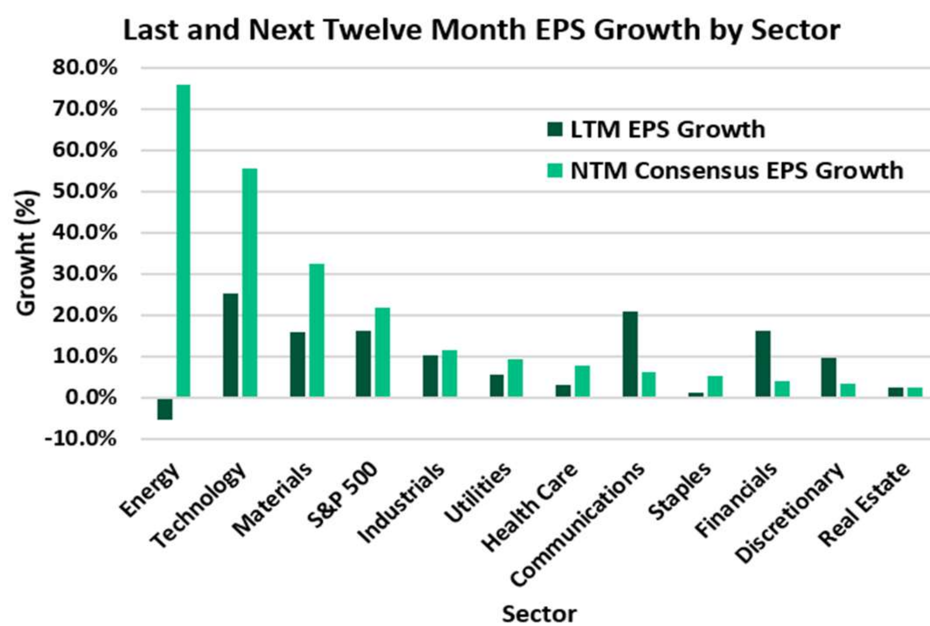
On a forward-looking basis, discretionary, industrials, and technology are the most expensive sectors where growth expectations are highest, other than Energy.

Energy earnings expectations have been volatile due to fluctuating energy prices and currently carries the lowest forward P/E and highest growth expectations.

Technology earnings growth expectations are accelerating, as are the price multiples of those earnings.

While Industrial earnings multiples are high, growth expectations are moderate relative to the level of ongoing economic activity.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Sector Analysis

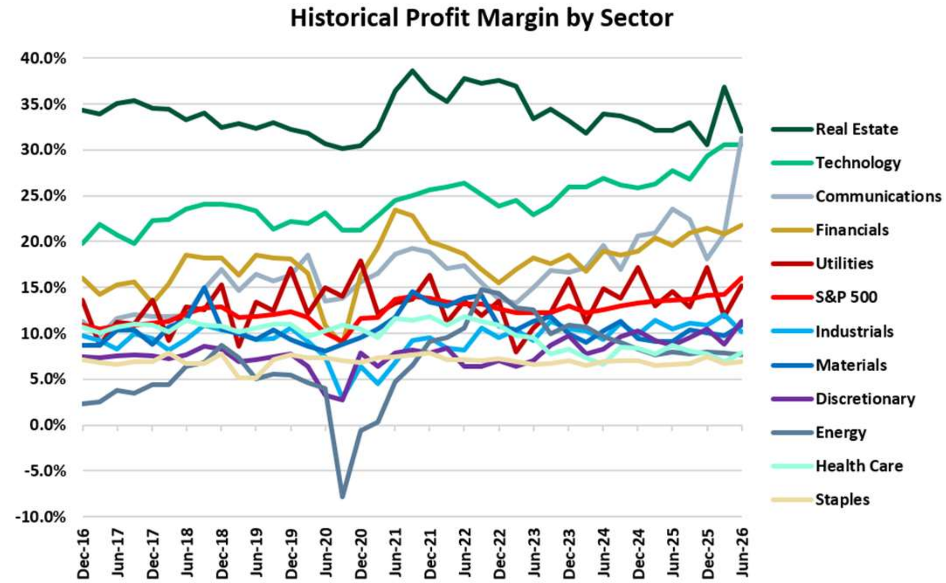
Profit margins have grown substantially over the past 10 years. The S&P 500 has seen its net profit margin increase from just over 10% to near 15%. This has largely been driven by acceleration in Technology and the recent spike in communications.

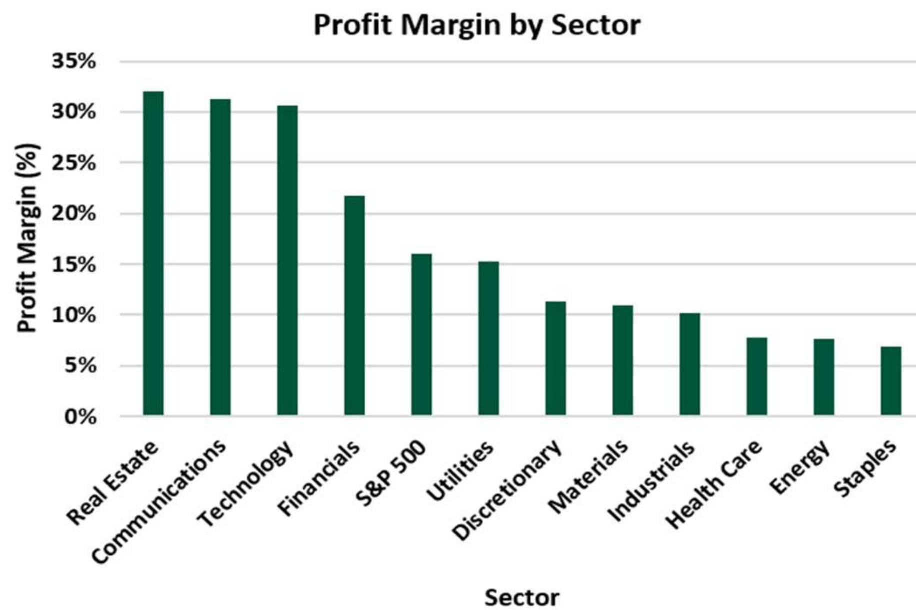
Financial firms as well as consumer sectors have also seen steady and increasing margins. This has contributed to higher-than-expected inflation; however, we see these higher margins as potentially unsustainable as consumers increasingly reject higher prices.

In certain industries, prices may have to stay constant for some time despite increasing costs, causing margin compression.

Technology and Communications margins may be reduced as supply catches up to demand, competition for products increases, and cost pressures build to create a rejection of pricing.

Real Estate margins continue to come under pressure as residential builders and sellers increasingly provide discounts to move property.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Earnings

With 499 companies reporting, earnings growth for Q1 2026 was 29.6% vs. Q1 2025 for the S&P 500 index, more than double the pre-season expectation of 12.4%. Earnings growth was 16% over the past year.

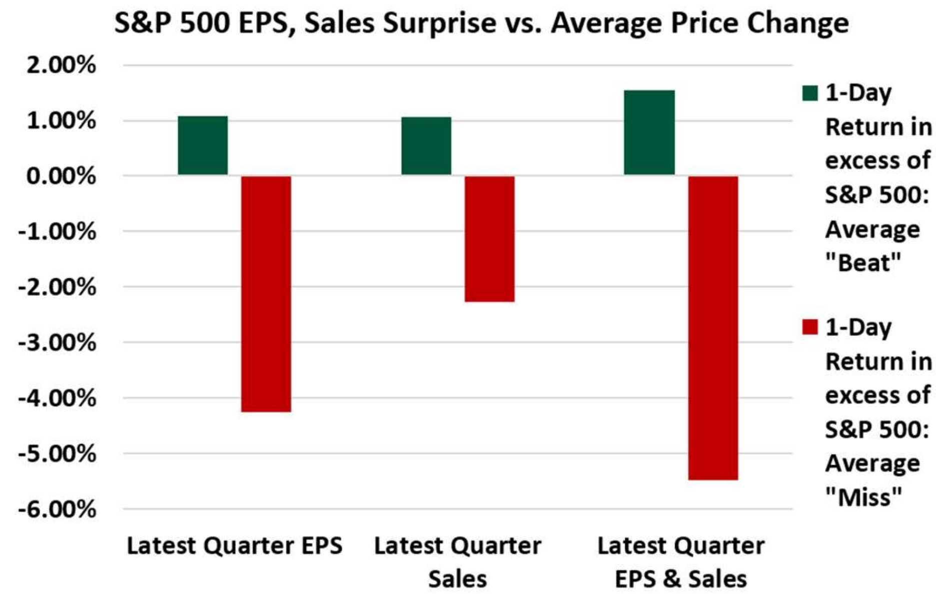
Much of the higher earnings were already priced into the market as the average "beat" was not rewarded as much as the average "miss" was penalized.

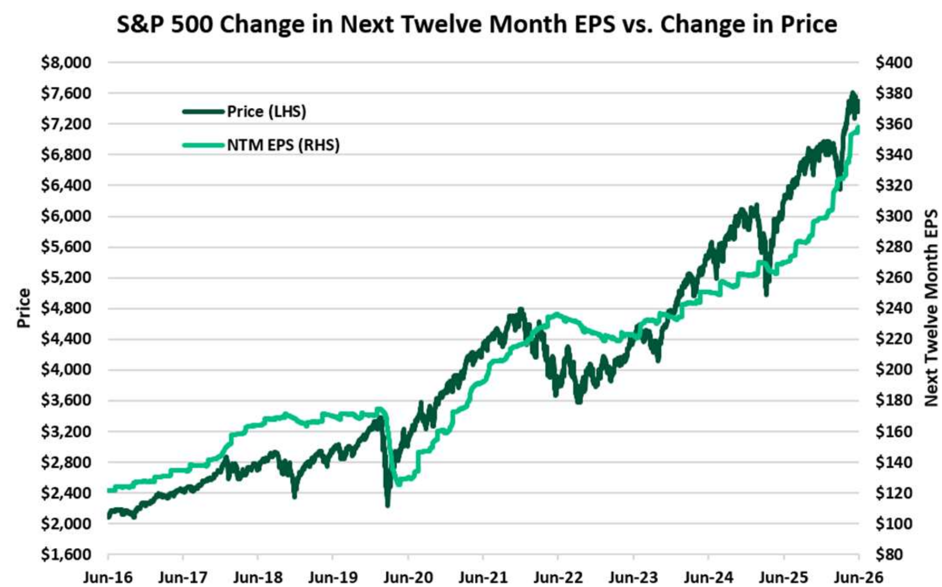
Excluding the magnificent seven, growth drops to 18.5%, still robust but underscoring the concentration.

While the index price has taken off, it has been accompanied by next twelve-month EPS estimates, which was not the case in 2024 and 2025.

S&P 500 revenue growth came in at 11.7%, also above pre-season expectations of 9.4%.

This marks the first double-digit gain for revenues since 3Q22.




*Source: VAM. As of Date: 6/30/2026*

# Economic Outlook

Economic Activity · Inflation · Labor Market · Housing Market · Commodities · International

# Economic Activity

US GDP was revised up again to 2.1% for Q1 2026, an uptick from Q4 2025 driven by business investment (data center buildout and manufacturing), consumption (services) and government spending (defense). Nominal GDP accelerated to 6.1% in Q1.

The US economy is projected to grow by 2.4% in 2026, with continued investment in infrastructure, energy, manufacturing, and the data center build out.

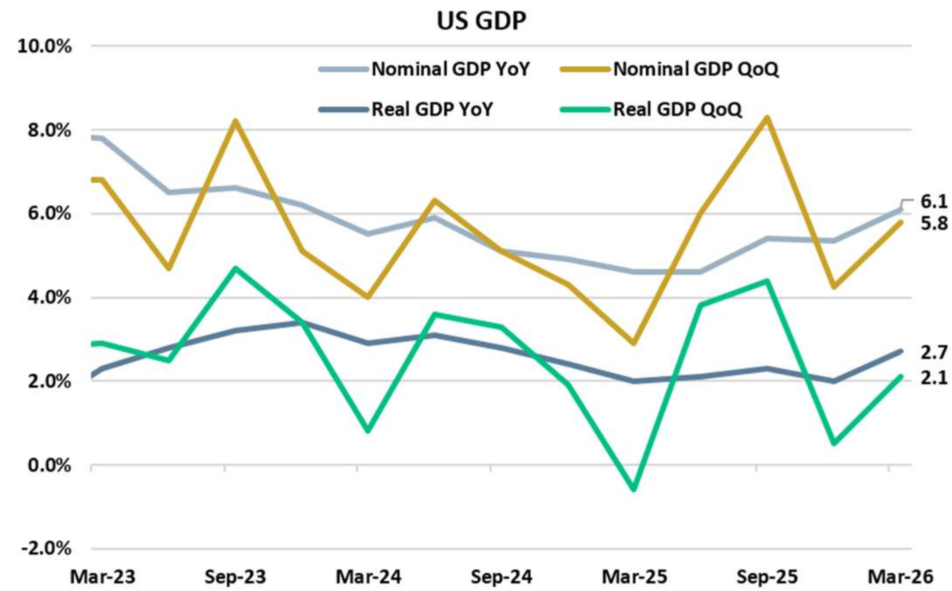
The data center buildout is facing rapidly growing opposition by communities and states due to environmental and cost pressures on energy, water, noise, and other issues presenting a threat to growth.

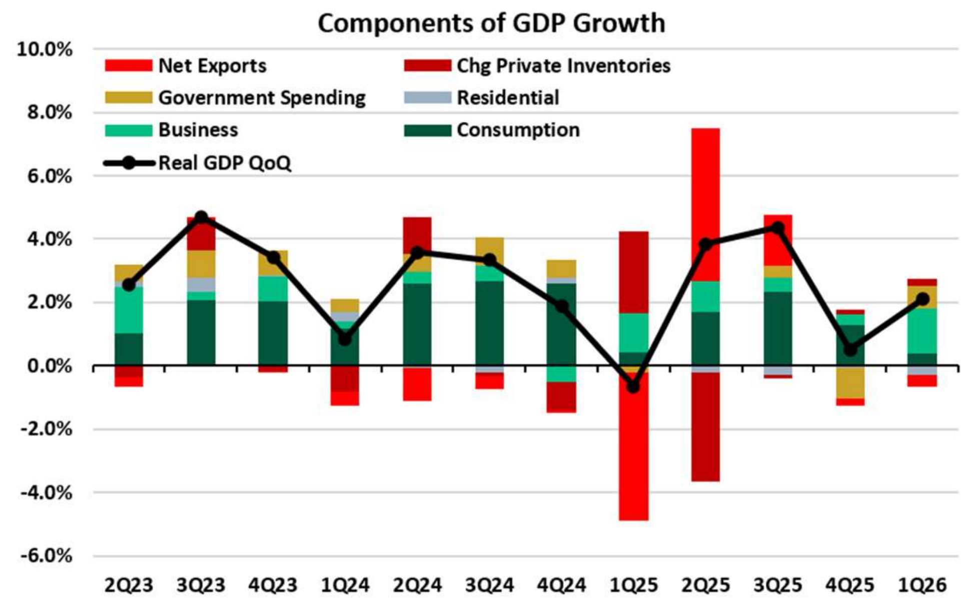
AI-related capital investment has already been committed by mega cap hyper scalers ($750B in '26) and will continue to support growth in investment, while reshoring of business should support continued growth and investment in manufacturing and construction.

Overall, consumption got a boost from tax cuts and has potential to continue and broaden amid a "K" shaped economy, with an improving labor market, continued wealth effect and spending on services by higher income earners. However, headwinds include rejection of higher prices, moderating wage gains, and the resumption of federal student loan payments.

Government spending returned to a positive contributor to GDP growth, primarily driven by the reversal of the government shutdown that occurred in late 2025.

Residential investment continues to drag on GDP while International trade returned to a deficit, also subtracting from GDP.




*Source: BLS, VAM. As of Date: 6/30/2026*

vectors asset management llc

# Economic Activity

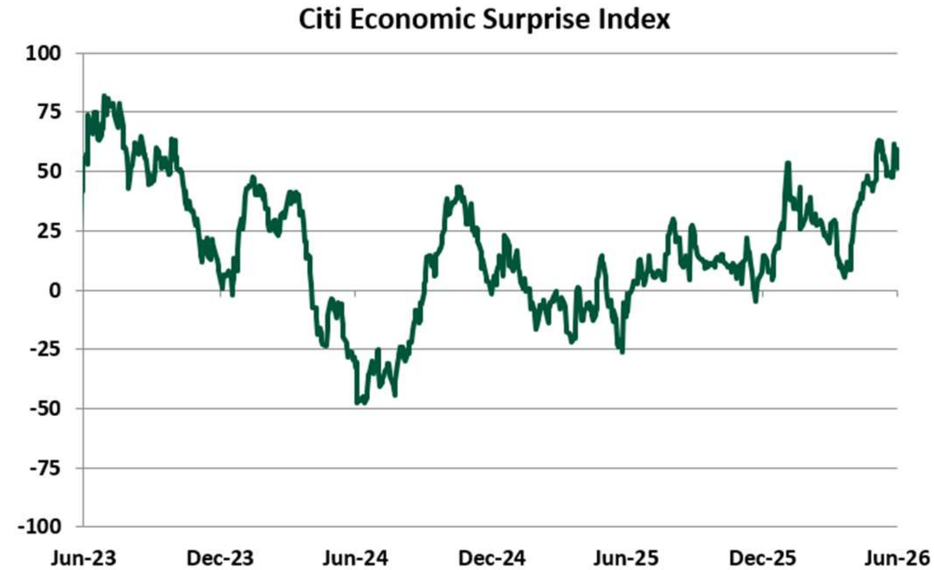
The Citi surprise Index rose to 59.5, a high level as economic statistics come in stronger than expectations, and aside from higher energy prices, US economy seems unconcerned with the geopolitical environment.

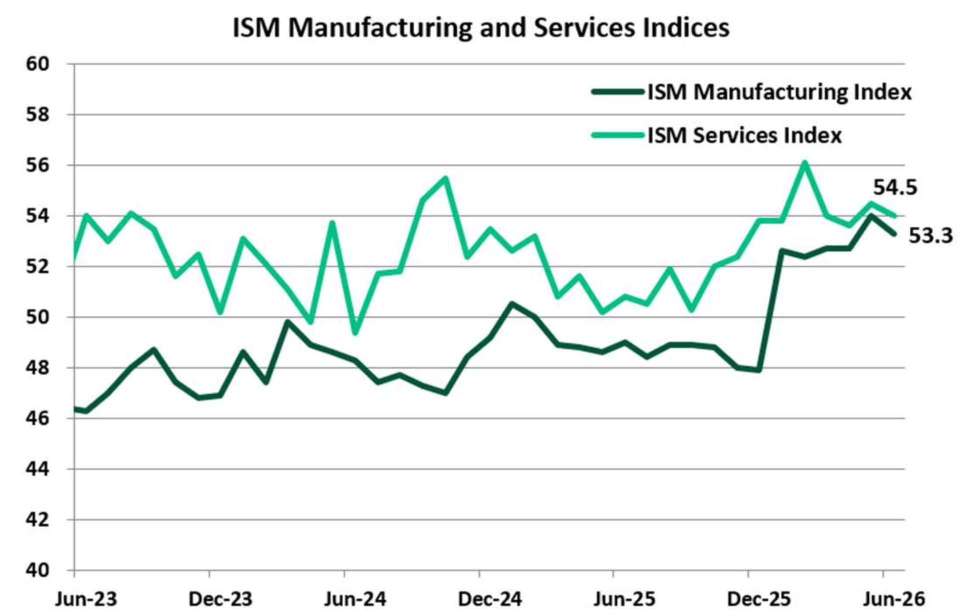
Employment, Inflation, Industrial Output and Industrial Sector Surveys continue to beat consensus estimates.

ISM Services continues to show strength, while Manufacturing has continued to strengthen. The manufacturing index has maintained a level above the expansionary level of 50 for six consecutive months.

Our expectations are coming to fruition that reshoring of domestic manufacturing infrastructure buildout will boost the manufacturing, construction, and production components of the economy.

A risk is the growing pushback on data center buildouts from communities, towns and states.




*Source: S&P Global, Citi, VAM. As of Date: 6/30/2026*

'04 vectors asset management llc

# Inflation

Headline CPI rose 4.17% year-over-year in May, lead by energy. Most subsectors showed lower levels of inflation apart from restaurants suggesting that energy price increases may not flow through to all aspects of inflation.

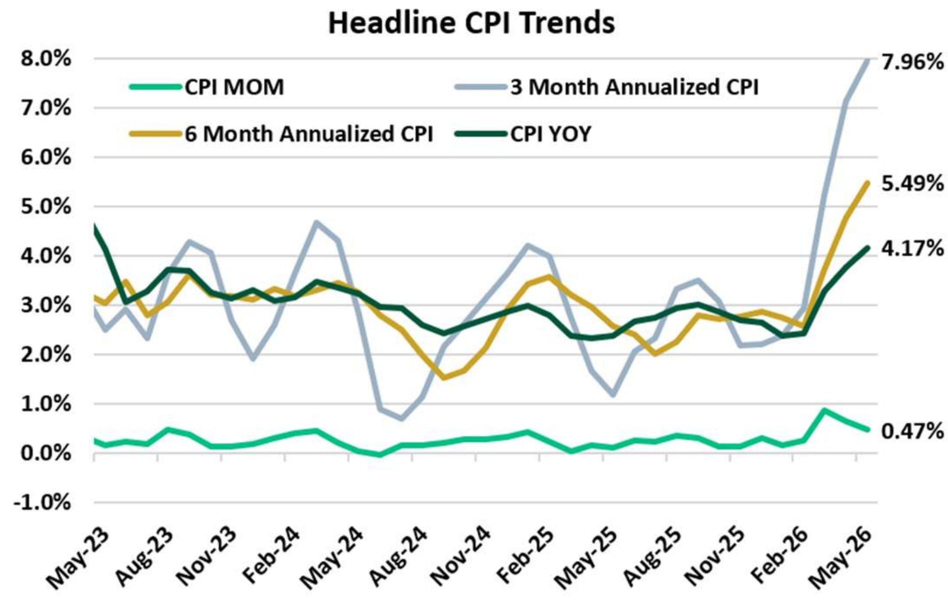
Core CPI came in cooler than expectations at 0.2% month-over-month. Commodities posted a deflationary print in May, the first time since March 2025. Household items are continuing to cool while services continue to see sticky inflation.

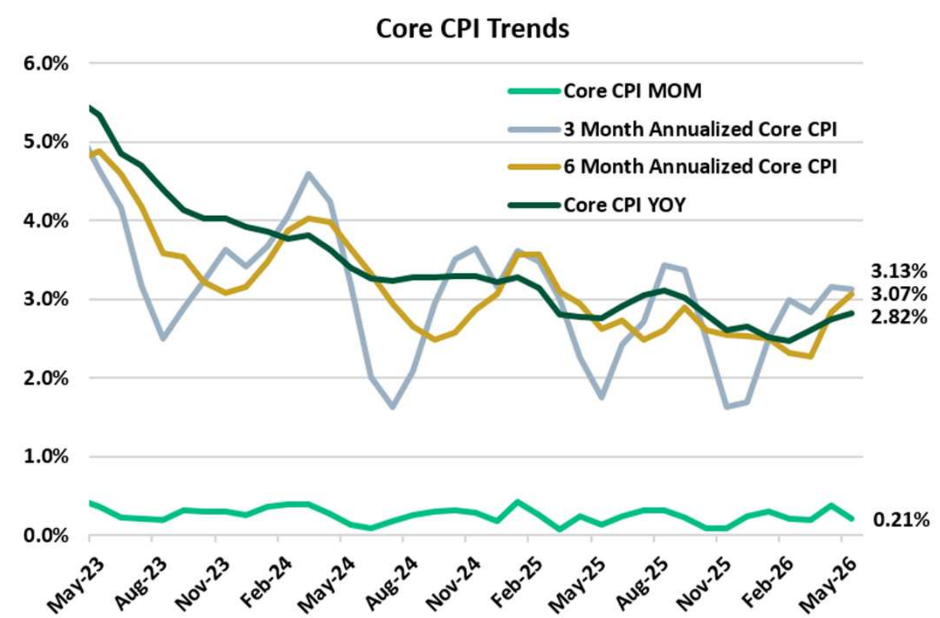
The overall market continues to focus on nominal inflation and the energy impact with potential pass through to the rest of the economy.

The higher nominal inflation due to energy has pushed the European central bank to raise rates (we feel that is a policy error) and the US markets to price in more than one rate hikes (we disagree).

We feel core inflation will continue to cool, while overall inflation will as well as energy prices normalize.  This will reduce expectations of a Fed tightening.

The additional new risk to inflation we are watching is the impact of the data center push on utilities.




*Source: BLS, VAM. As of Date: 6/30/2026*

# Inflation

The new Fed Chair Kevin Warsh has discussed his preference for the "trimmed mean" as an inflation measure.

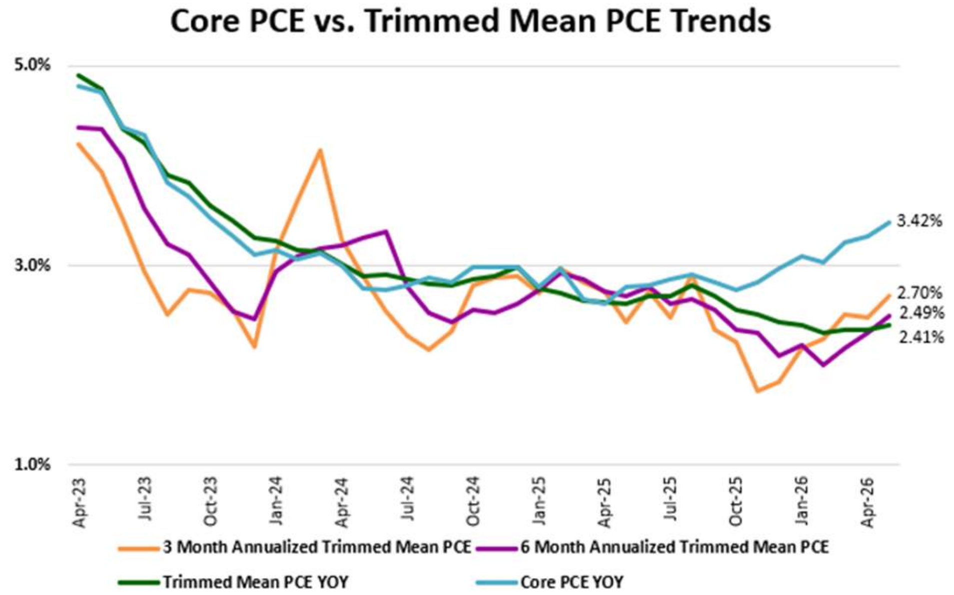
The Federal Reserve Bank of Dallas' trimmed mean PCE inflation rate takes the price change of all items, sorts them from smallest to largest, and excludes components whose share of total expenditures falls below the 24th percentile or above the 72nd percentile of the price change distribution. The inflation rate is the weighted average of all the remaining items.

Core PCE rose to 3.42% year-over-year in May, up from 3.0% in December, with a monthly rise of 0.30%.

Trimmed Mean PCE rose to 2.41% year-over-year in May, down from 2.44% in December. The 6-month annualized rate rose to 2.49%.

Trimmed Mean PCE for May excluded components with extreme price increases such as Energy, and components with extreme price decreases such as Prescription Drugs.

Trimmed Mean PCE excluded a significant portion of Food and Beverage, eliminating 72.2% of its expenditure weight.




## Components of Dallas Trimmed Mean PCE

| Category | Total Components | % Included | % Weight Excluded (Too Low / Too High) |
|---|---|---|---|
| Trimmed Mean PCE | 177 | 48.0% | (24.0% / 28.0%) |
| Energy | 6 | 0.0% | (10.2% / 89.8%) |
| Food and Beverage | 21 | 27.8% | (41.4% / 30.8%) |
| Core PCE | 150 | 51.8% | (23.3% / 24.9%) |
| Core Goods | 59 | 21.1% | (59.4% / 19.5%) |
| Core Services | 91 | 61.3% | (12.1% / 26.6%) |

*Source: Dallas Fed, VAM. As of Date: 6/30/2026*

vectors asset management llc

# Labor Market

The labor market has shown a notable rebound so far in 2026, printing 552k jobs through the first two quarters. Non-Farm Payrolls during 2025 printed 181k jobs, the lowest annual gain for a non-recession year.

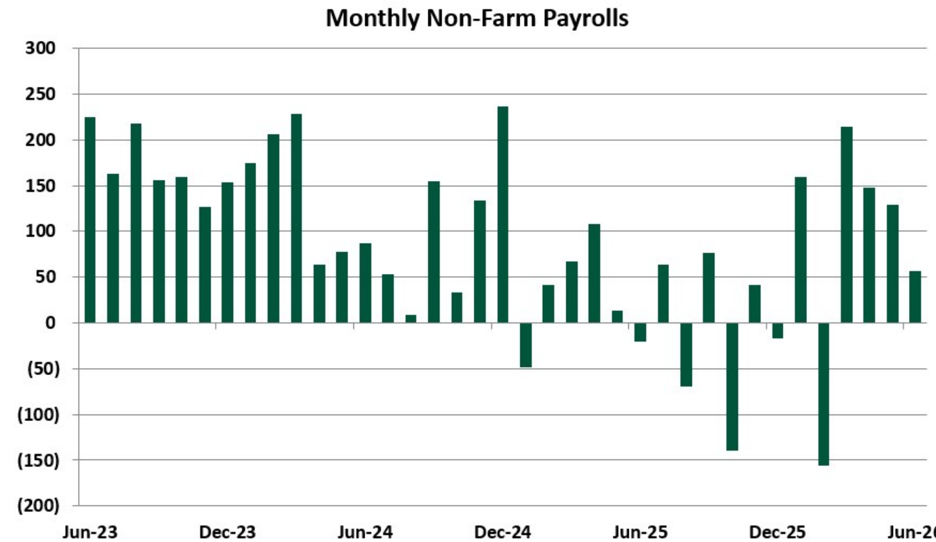
Recently, adds to services continues but an acceleration in manufacturing and (commercial) construction have been expanding as the domestic infrastructure buildout gains steam.

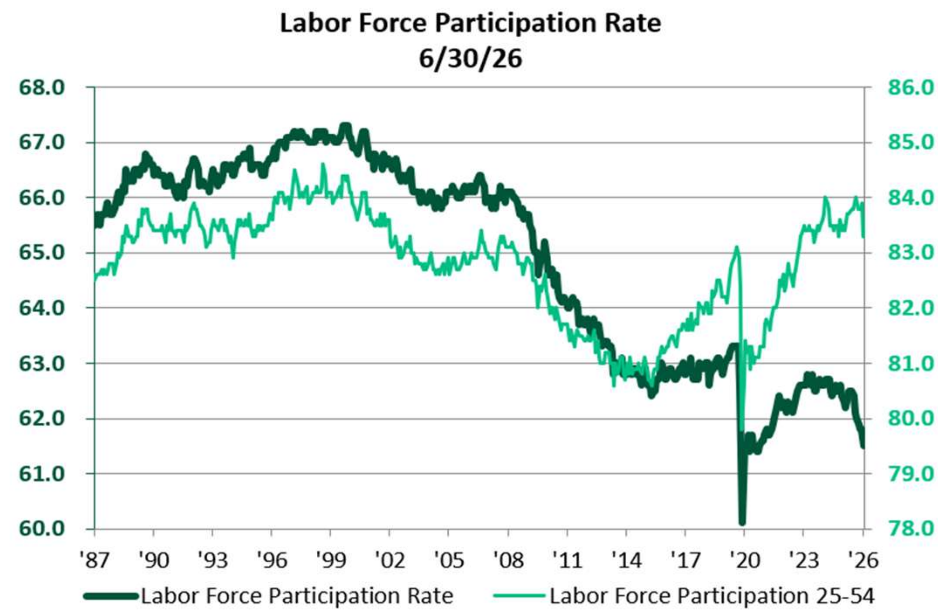
The overall labor participation rate has declined to five-year lows due to demographic trends such as an aging population and early retirements.

Prime age labor force participation at 83.3% in May, has fully recovered and exceeded its pre-pandemic level of 83.1%, reaching a cycle high of 84% in July 2024 and January 2026.

We expect that the employment picture will continue to improve as job creation grows in manufacturing and construction amid the next phase of development and buildout of infrastructure, data center, manufacturing reshoring, and energy production.

With that said, we expect the labor force will be a transition, limiting wage pressures such as what was experienced post covid return to work, so should not be an inflationary concern for the Fed.




Source: BLS, VAM. As of Date: 6/30/2026

vectors asset management llc

# Labor Market

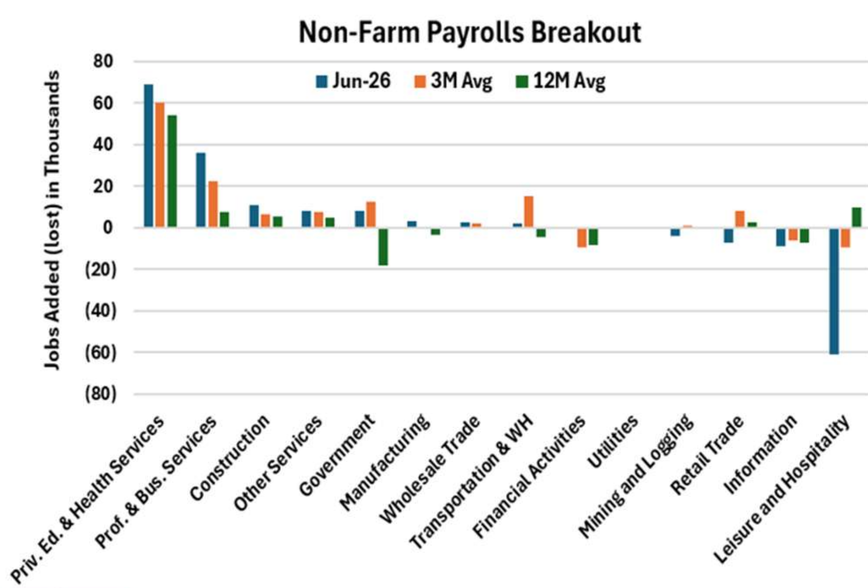
Non-Farm payrolls (NFP) printed 57k in June with a 3mo average of 111k.

The infrastructure and manufacturing expansion is shifting the labor landscape. Manufacturing data posted another positive print in June, marking the fourth positive print of the year. Prior to 2026, manufacturing jobs contracted for 23 months in a row.

The construction sector continues to add jobs in the non-residential sector, combining for 17k jobs added in June, while the residential sectors continues to decline reflecting the inactive housing market.

Company narratives have started to shift, with many expecting roles to expand or change due to AI rather than seeing reduced headcount.

With that said there have also been announcements of work force reductions due to AI related productivity gains.




| NFP Data | Jun 2026 | 3M Avg | 12M Avg | Signal Status |
|---|---|---|---|---|
| **Total Nonfarm** | 57 | 111 | 42 | → |
| Total Private | 49 | 99 | 60 | → |
| Goods-Producing | 10 | 8 | 1 | ↑ |
| Construction | 11 | 7 | 5 | ↑ |
| Manufacturing | 3 | 0 | (3) | ↑ |
| Mining and Logging | (4) | 1 | (1) | ↓ |
| Service-Providing | 39 | 91 | 59 | → |
| Private Education and Health Services | 69 | 60 | 54 | ↑ |
| Professional and Business Services | 36 | 22 | 7 | ↑ |
| Other Services | 8 | 7 | 5 | ↑ |
| Wholesale Trade | 2 | 2 | 0 | ↑ |
| Transportation and Warehousing | 2 | 15 | (4) | → |
| Financial Activities | 0 | (9) | (8) | ↘ |
| Utilities | (1) | 0 | 0 | ↓ |
| Retail Trade | (8) | 8 | 3 | ↓ |
| Information | (9) | (6) | (7) | ↓ |
| Leisure and Hospitality | (61) | (9) | 10 | ↓ |
| Government | 8 | 13 | (18) | → |

| Goods Producing Data | Jun 2026 | 3M Avg | 12M Avg | Signal Status |
|---|---|---|---|---|
| Mining and Logging | (4) | 1 | (1) | ↓ |
| Logging | (1) | 0 | (0) | ↓ |
| Mining, Quarrying, and Oil and Gas Extraction | (4) | 1 | (0) | ↓ |
| Construction | 11 | 7 | 5 | ↑ |
| Construction of Buildings | 0 | (0) | 1 | ↘ |
| Residential Building Construction | (3) | (4) | (1) | ↓ |
| Nonresidential Building Construction | 3 | 3 | 2 | → |
| Heavy and Civil Engineering Construction | 3 | 1 | 2 | ↘ |
| Specialty Trade Contractors | 8 | 6 | 2 | ↑ |
| Residential Specialty Trade Contractors | (6) | (4) | (3) | ↓ |
| Nonresidential Specialty Trade Contractors | 14 | 10 | 5 | ↑ |
| Manufacturing | 3 | 0 | (3) | ↑ |
| Durable Goods | 6 | 5 | 1 | ↑ |
| Nondurable Goods | (3) | (5) | (4) | ↓ |

*Source: BLS, VAM. As of Date: 6/30/2026*

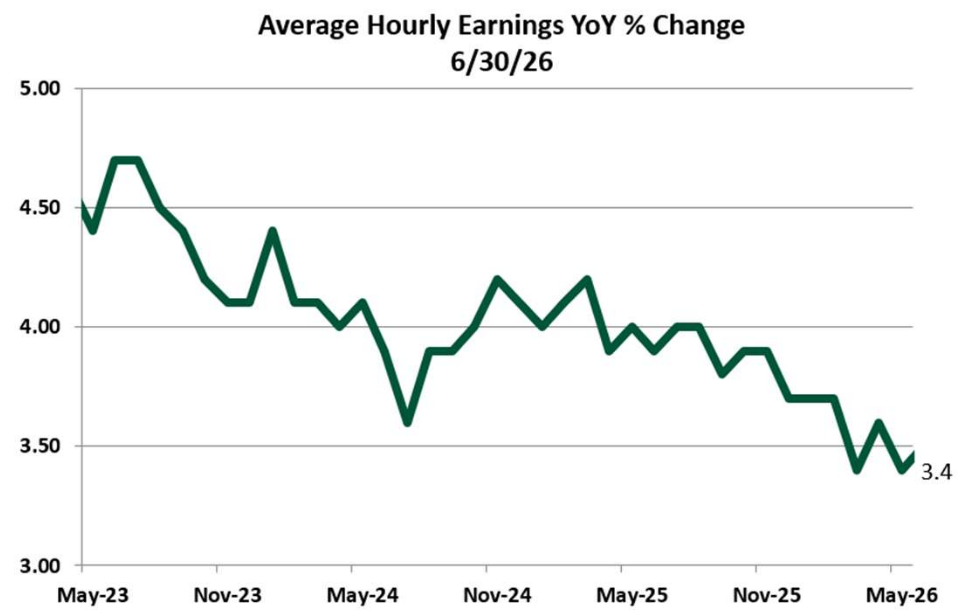
# Labor Market

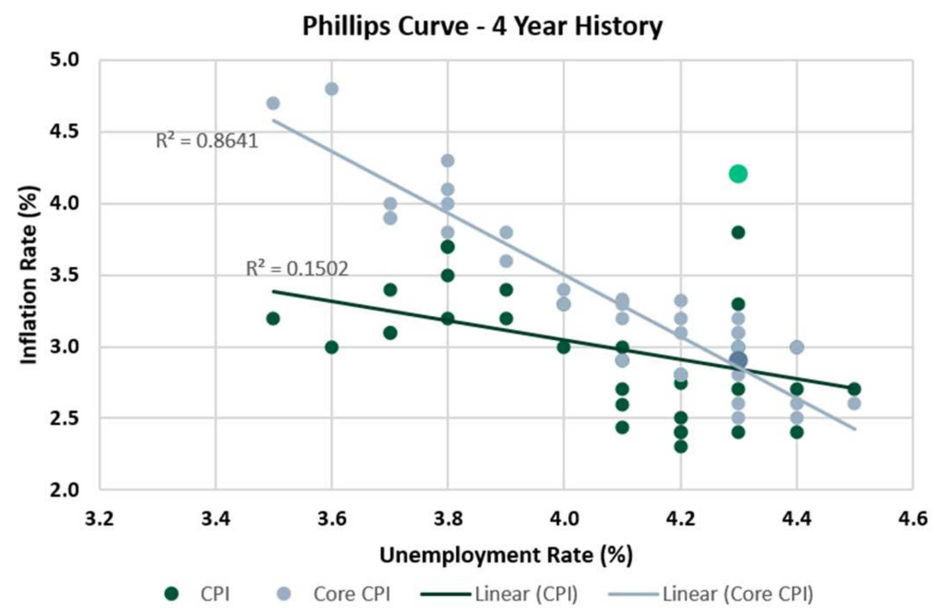
Average Hourly Earnings continues to decline from its 2022 peak of 5.9%. Should this stabilize in a 3.0-3.5% range that would be consistent with an environment supportive of the Fed's 2% inflation target.

Wage growth at 3.5% is no longer a primary inflation driver, and should support further cooling in inflation, despite heightened expectations from higher energy prices.

The Phillips Curve is temporarily out of sync, with the recent surge in headline inflation led by higher energy prices breaking the linear correlation. When viewed with core inflation, the Phillips curve is normalized.

Unemployment has stabilized at 4.2% while CPI has surged from 2.4% to 4.2% in just three months; however, we expect inflation to continue to cool, especially when looking at the core measure.




*Source: BLS, VAM. As of Date: 6/30/2026*

vectors asset management llc

Economic Outlook

# Labor Market

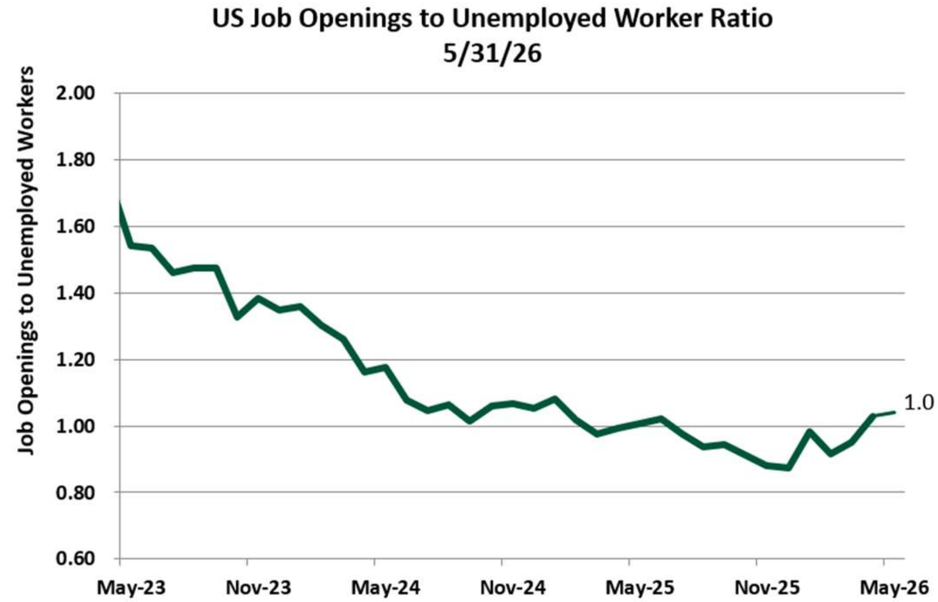
Job openings posted back-to-back upside surprises, as job openings held steady at 7.6M throughout April and May.

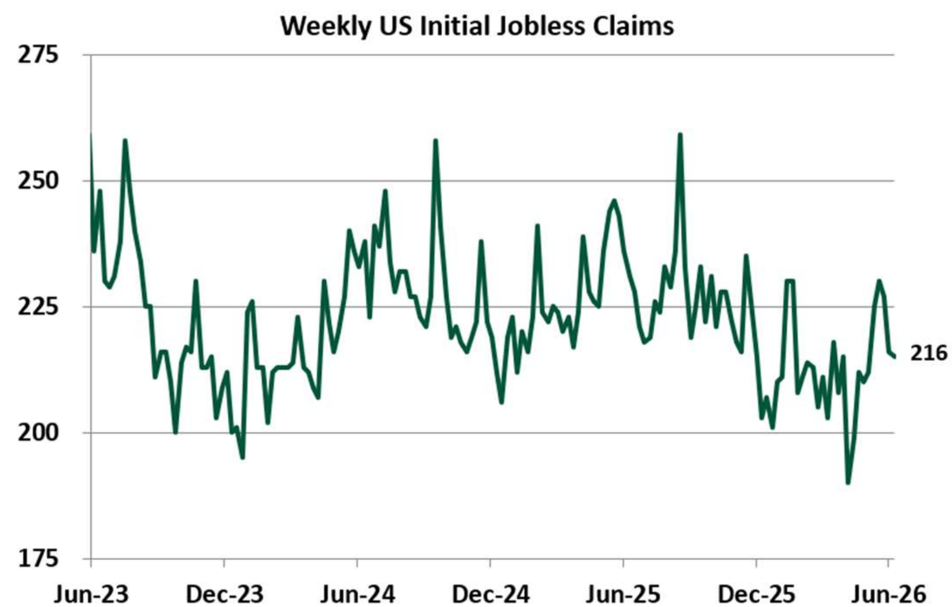
Manufacturing and construction accounted for 11% of the increase in openings.

Professional and business services, as well as education and healthcare, each accounted for 20% of the total increase in job openings. Leisure and hospitality, government, and other services contributed smaller gains. Education and health services, financial, information and other services all shed job openings.

Job openings-to-unemployed ratio rose to 1.04 in May. The supply-demand balance is not yet back to the pre-pandemic norm, around 1.25 when core inflation was 2%.

The quit rates fell to 1.9% and the layoff rate dropped to 1.1%, indicating reduced labor market churn. The labor market is in a “low hire, low fire” dynamic as weekly unemployment claims maintain a low and steady level.




*Source: BLS, VAM. As of Date: 6/30/2026*

vectors asset management llc

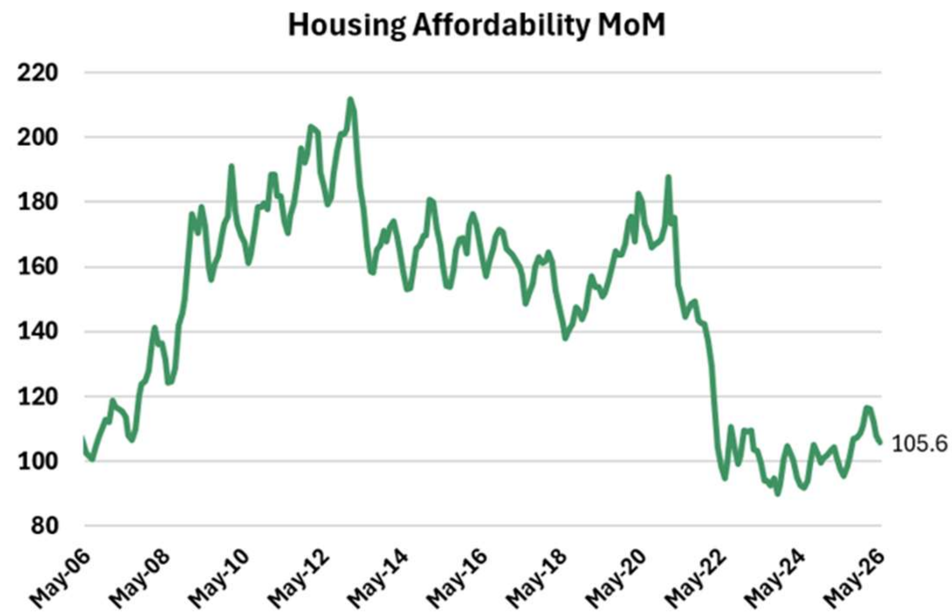
# Housing Market

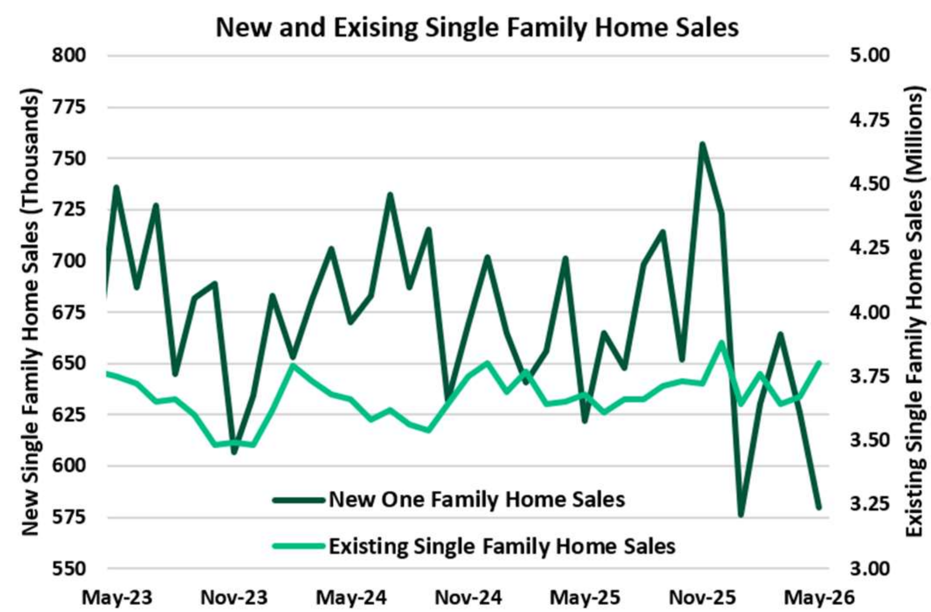
The housing affordability index has recently ticked up after a few years at depressed levels due to recent decline in home prices and mortgage rates leading to increased home sales.

Mortgage rates moved below 6% earlier in the year before the oil price driven inflation concerns brought them back above 6.5% recently.

New single family home sales have fallen sharply from recent highs as the mortgage rate has rebounded higher. Home prices remain mixed depending on geography, with the overall picture showing a continued disinflation.

Existing home sales did not see the same degree of rise, as new homes are cheaper with incentives such as builder discounts and rate buydowns, and many existing homeowners do not want to give up their lower-than-market rate to move.




*Source: VAM. As of Date: 6/30/2026*

# Housing Market

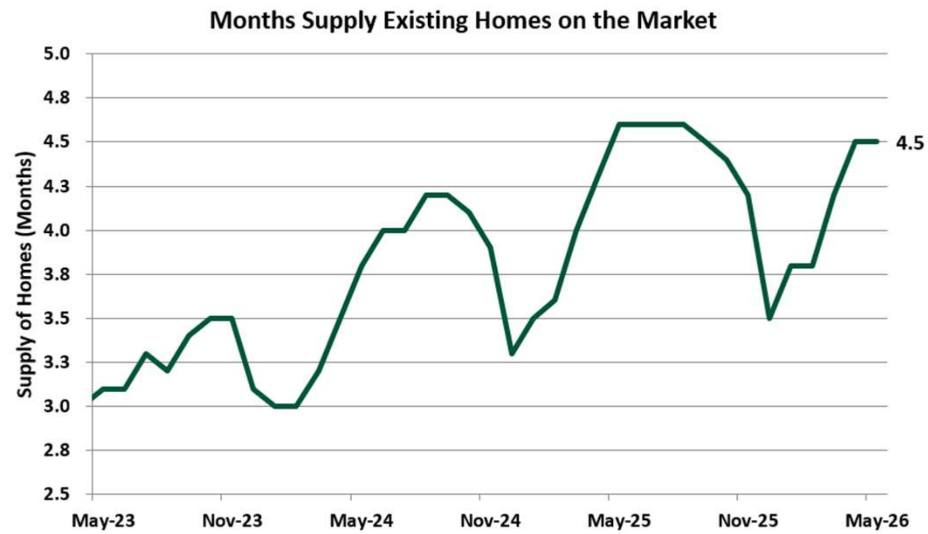
The housing market is trying to find equilibrium amid price changes, interest rates, and available housing inventory.

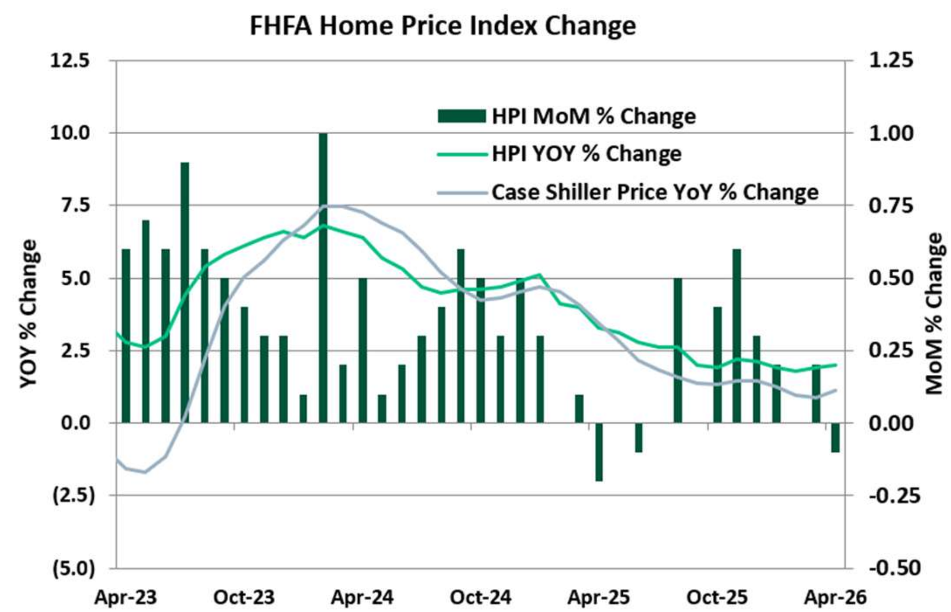
The increase in affordability and sales had taken some inventory off the market; however, the recent drop in sales restored inventory.

Home prices have also been volatile as an overall declining/stabilizing level and have been increasingly divergent across the country.

We have seen that the 6% mortgage rate provides for some incremental refinancing and housing activity, but a substantial increase in activity will need much lower rates and prices.

In the recent home builders survey, it was reported that “35% of builders cut prices in June, up from 32% in May. The average price reductions was 6%, same as May. The use of sales incentives was 62% in June for the 15th consecutive month at 60% or higher.




*Source: FHFA, VAM. As of Date: 6/30/2026*

vectors asset management llc

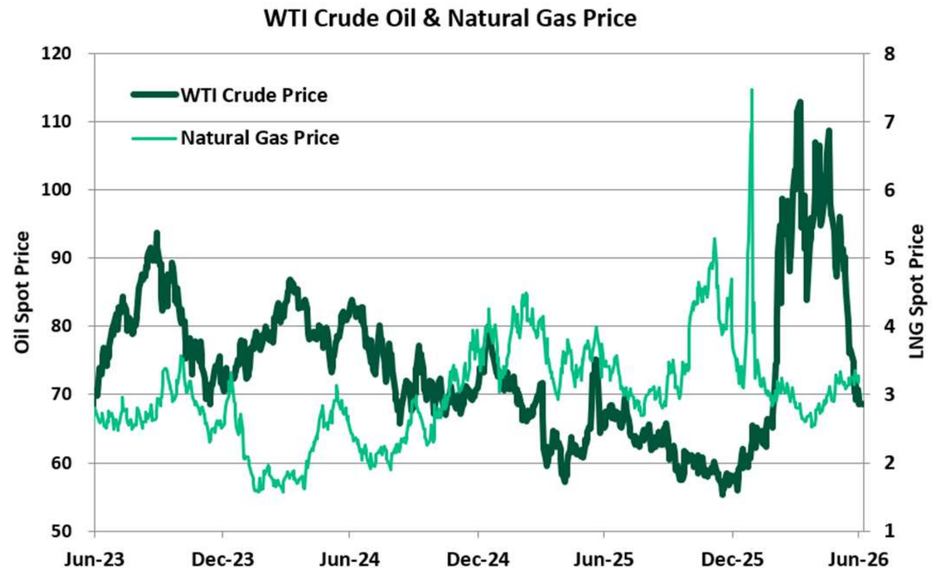
# Commodities and Currency

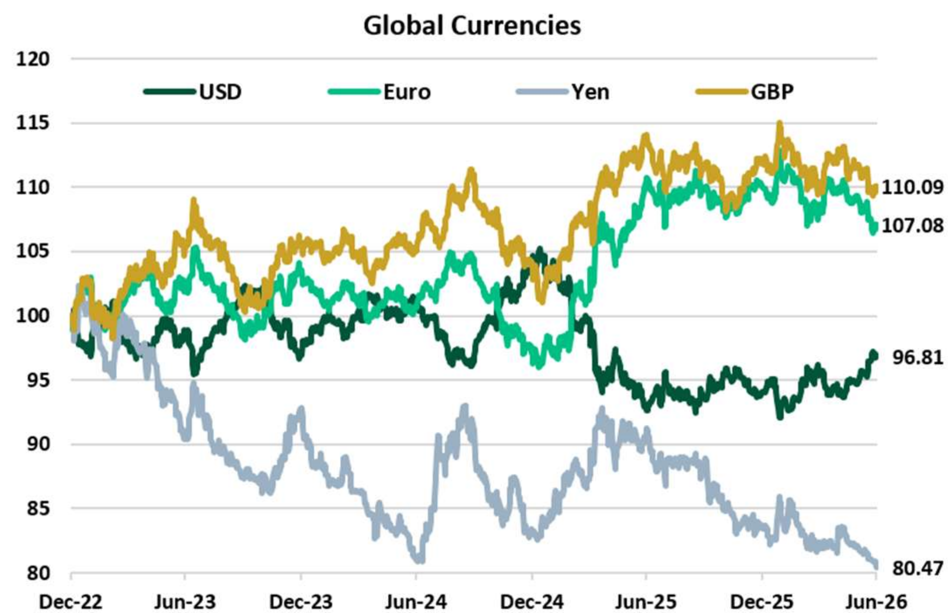
WTI crude oil prices are well off the peak of the US-Iran conflict, but are settling around $70, well above the lows to start the year. There is potential for further volatility in oil prices as the peace talks between the US and Iran continue.

Natural Gas prices rebounded off March lows and continue to stabilize in and around the $3 level.

Prices were driven by extreme weather patterns that disrupted production and distribution and have not been impacted like oil in the new geopolitical conflicts.

The US Dollar strengthened as expectations for Federal Reserve rate cuts were eliminated for 2026, and the market began to price in tighter monetary policy.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

Economic Outlook

# Fiscal Policy

The US budget deficit has stabilized after a period of massive and excessive borrowing; however, it has not receded recently.

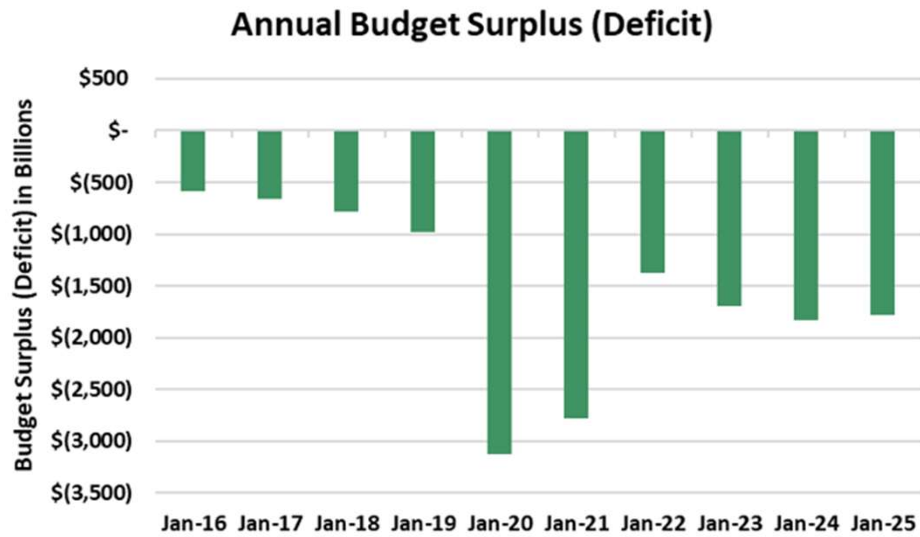
The One Big Beautiful Bill curbed Federal spending growth, which was helpful to the budget in 2025, but will also bring in tax cuts that will reduce tax revenue.

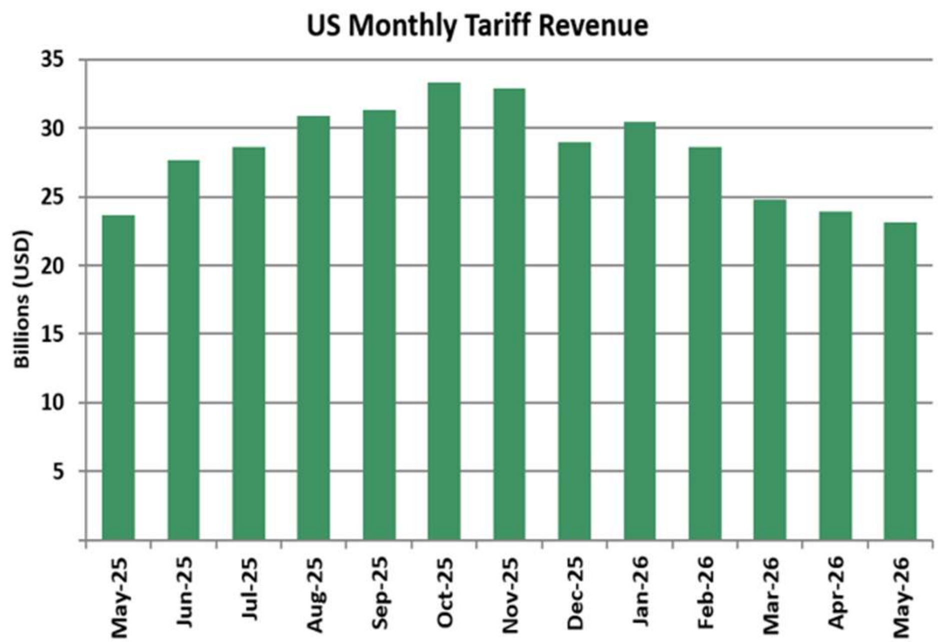
Trade policy has generated a significant increase in Tariff revenue, up to $30 Billion monthly, that has helped the budget deficit,  however that has been reduced and begun to be returned due to Supreme Court ruling.

Tariff income will be volatile as trade deals continue to be worked out, and global flows continue to shift, and all will have an impact on overall economic activity, but likely less than last year.

The overall budget deficit is still a problem as interest income continues to be a significant component of government spending at more than $1 Trillion per year.

The defense budget will be expanding.




*Source: VAM. As of Date: 6/30/2026*

vectors asset management llc

# Trade Balance

The balance of trade has shifted significantly.

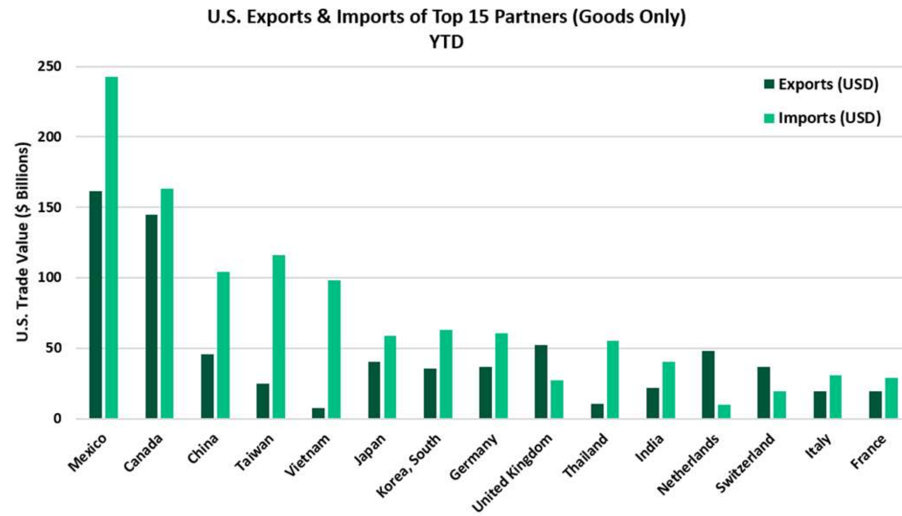
While overall level of imports has remained roughly the same, trade with China has been reduced significantly, dropping them to fourth from second.

Imports from Taiwan have increased significantly, representing the imports of all thing's chips and semiconductors.

The US continues to run a significant trade deficit with virtually all countries globally except UK, Switzerland and the Netherlands.

Tariffs and other actions have reduced imports from China, Canada, and Europe.

Reshoring of US manufacturing should continue, broadening and helping to drive growth in the US fundamental economy.




| Imports (Goods Only) in billions of $ | | | | |
|---|---|---|---|---|
| Rank | Country/Region | 2026 Imports Annualized | 2024 Imports | Change |
| 1 | Mexico | 583 | 506 | 77 |
| 2 | Canada | 391 | 412 | (21) |
| 3 | Taiwan | 279 | 116 | 162 |
| 4 | China | 250 | 439 | (189) |
| 5 | Vietnam | 235 | 137 | 99 |
| 6 | Korea, South | 151 | 132 | 19 |
| 7 | Germany | 146 | 160 | (14) |
| 8 | Japan | 141 | 148 | (7) |
| 9 | Thailand | 132 | 91 | 41 |
| 10 | India | 97 | 87 | 10 |
| 11 | Italy | 74 | 76 | (3) |
| 12 | France | 69 | 60 | 9 |
| 13 | United Kingdom | 65 | 68 | (3) |
| 14 | Switzerland | 47 | 63 | (16) |
| 15 | Netherlands | 24 | 34 | (10) |
| | **Total** | **2,684** | **2,529** | **155** |

*Source: VAM. As of Date: 6/30/2026*

# International Economic Activity

Central bank rates have fallen around the world over the past year, except in Australia, Europe, and Japan, which have raised rates. Recently, Japan has raised again, and Europe recently hiked as well, while the UK and US both held rates steady. In June Europe raised rates to 2.4% and Japan raised to 1%, the highest level since 1995.

Global GDP seems to have stabilized at a low rate, particularly in Europe and Japan, while improvement in year over year inflation seems to have stalled, and become varied by country.

Global trade has been upended with considerable impacts to regional GDP measures and will likely continue to do so for the balance of the year.

| Country | Central Bank Rate | Central Bank Rate 1 Year Ago | 2025 Debt to GDP % | 2024 Debt to GDP % | Real GDP YoY % Change | Real GDP YoY 1 Year Ago | 1 Year GDP Trend | Inflation | Inflation 1 Year Ago | Inflation Trend |
|---|---|---|---|---|---|---|---|---|---|---|
| US | 3.6% | 4.4% | 125.0% | 122.3% | 2.7% | 2.0% | 0.7% | 4.2% | 2.4% | 1.8% |
| Eurozone | 2.4% | 2.2% | | | 0.3% | 1.7% | -1.4% | 2.8% | 2.0% | 0.8% |
| Germany | | | 64.4% | 63.5% | 0.4% | 0.3% | 0.1% | 2.3% | 2.0% | 0.3% |
| France | | | 116.5% | 113.1% | 0.9% | 0.8% | 0.1% | 1.8% | 1.0% | 0.8% |
| Italy | | | 136.8% | 135.3% | 0.8% | 0.7% | 0.2% | 3.0% | 1.7% | 1.3% |
| UK | 3.8% | 4.3% | 103.4% | 101.2% | 0.9% | 1.8% | -0.9% | 2.8% | 3.4% | -0.6% |
| Canada | 2.3% | 2.8% | 113.9% | 111.3% | 1.1% | 1.8% | -0.7% | 3.2% | 1.7% | 1.5% |
| Mexico | 6.5% | 8.0% | 58.9% | 58.3% | 0.2% | 0.6% | -0.4% | 3.9% | 4.4% | -0.5% |
| Australia | 4.4% | 3.9% | 51.0% | 50.7% | 2.5% | 1.3% | 1.2% | 2.5% | 1.3% | 1.2% |
| Japan | 1.0% | 0.5% | 229.6% | 236.1% | 0.4% | 1.5% | -1.1% | 1.5% | 3.5% | -2.0% |
| China | 3.0% | 3.0% | 96.3% | 88.3% | 5.0% | 5.4% | -0.4% | 1.2% | -0.1% | 1.3% |
| Russia | 14.3% | 20.0% | 23.1% | 20.3% | -0.2% | 1.3% | -1.5% | 5.3% | 9.9% | -4.6% |
| Brazil | 14.3% | 15.0% | 91.4% | 87.3% | 1.8% | 3.2% | -1.3% | 4.7% | 5.3% | -0.6% |

Important Information

# Disclosures

- Vectors Research Management ("VRM") is an SEC registered investment adviser located in Richmond, VA. VRM and its representatives are in compliance with current registration and notice filing requirements. Registration does not imply a certain level of skill or training. The information contained herein should not be construed as personalized investment advice or a solicitation to buy or sell any security. Investing in the stock market involves risk of loss, including loss of principal invested, and may not be suitable for all investors. Past performance is no guarantee of future results. All expressions of opinion reflect the judgement of the authors as of the date of publication and are subject to change without prior notice. This presentation may contain general information that is not directly relevant to your particular account. Bonds and fixed income investing involves rate risk. Yield results are estimates and the actual yield might be lower or higher than the estimated amounts. Yield reflects the income generated by an investment. Yield does not reflect changes in its price, which may fluctuate.

- This material contains certain forward-looking statements which indicate future possibilities. Actual results may differ materially from the expectations portrayed in such forward-looking statements. As such, there is no guarantee that any views and opinions expressed in this material will come to pass. Investment products and services are not FDIC Insured, are not a deposit or bank guaranteed, are not insured by any Federal governmental agency, and are subject to investment risks, including possible loss of the principal invested. For information about VRM, including its registration, fees and services, please contact VRM or refer to the Investment Advisor Public Disclosure Website (www.adviserinfo.sec.gov).