



# AIP Monthly Chartbook

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Jason Browne, ChFC | President | October 1, 2026



# Stock Market Cycles

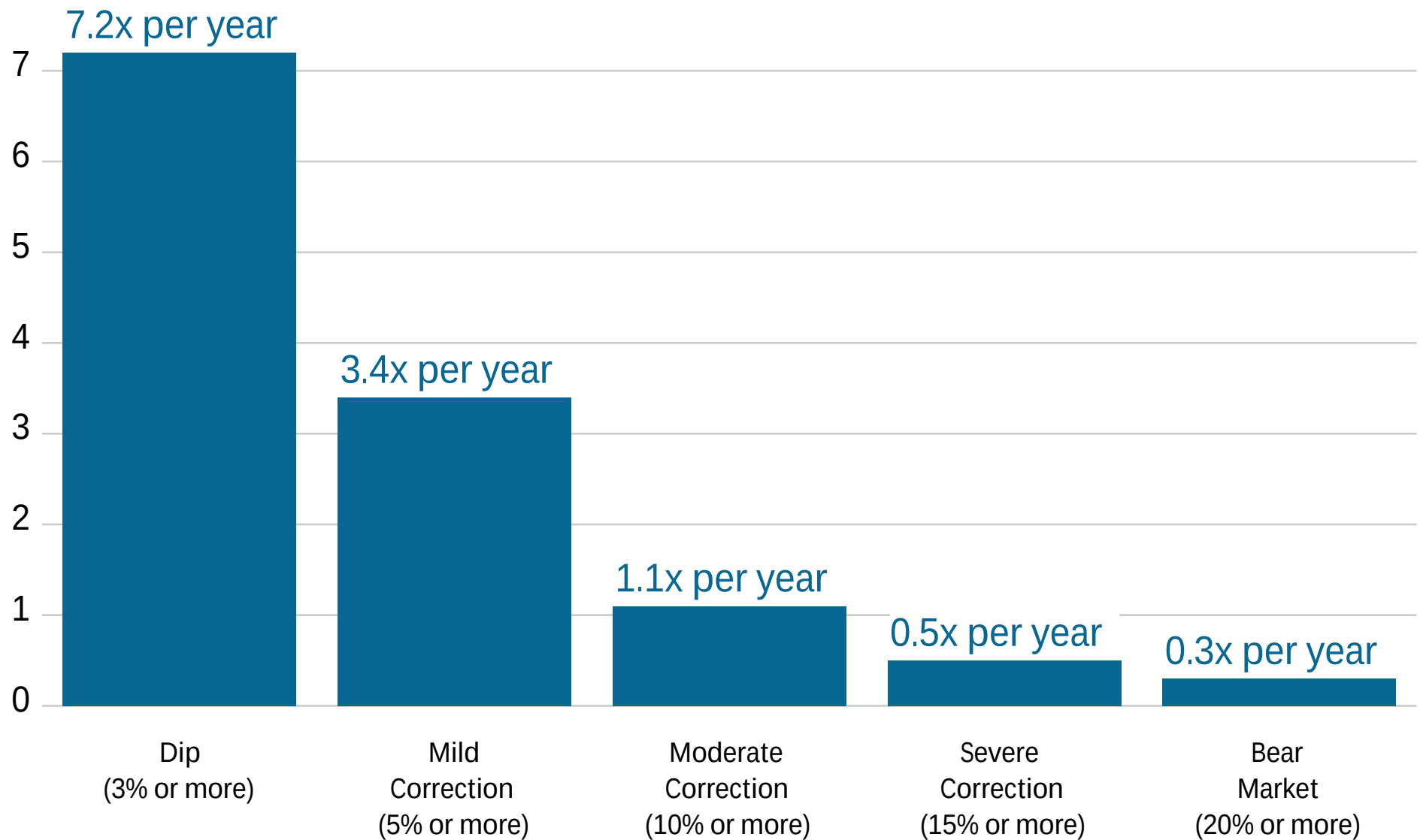
*S&P 500 Index over the past 50 years (log scale)*



*Latest data point is Sep 30, 2026*

- As this chart shows, the stock market has performed well over the past 50 years despite short-term ups and downs.
- These periods of turbulence were due to economic, political and global turmoil during those decades.
- This emphasizes the importance of staying invested, rather than focusing on days or months, especially as volatility rises.

# Stock market corrections are normal



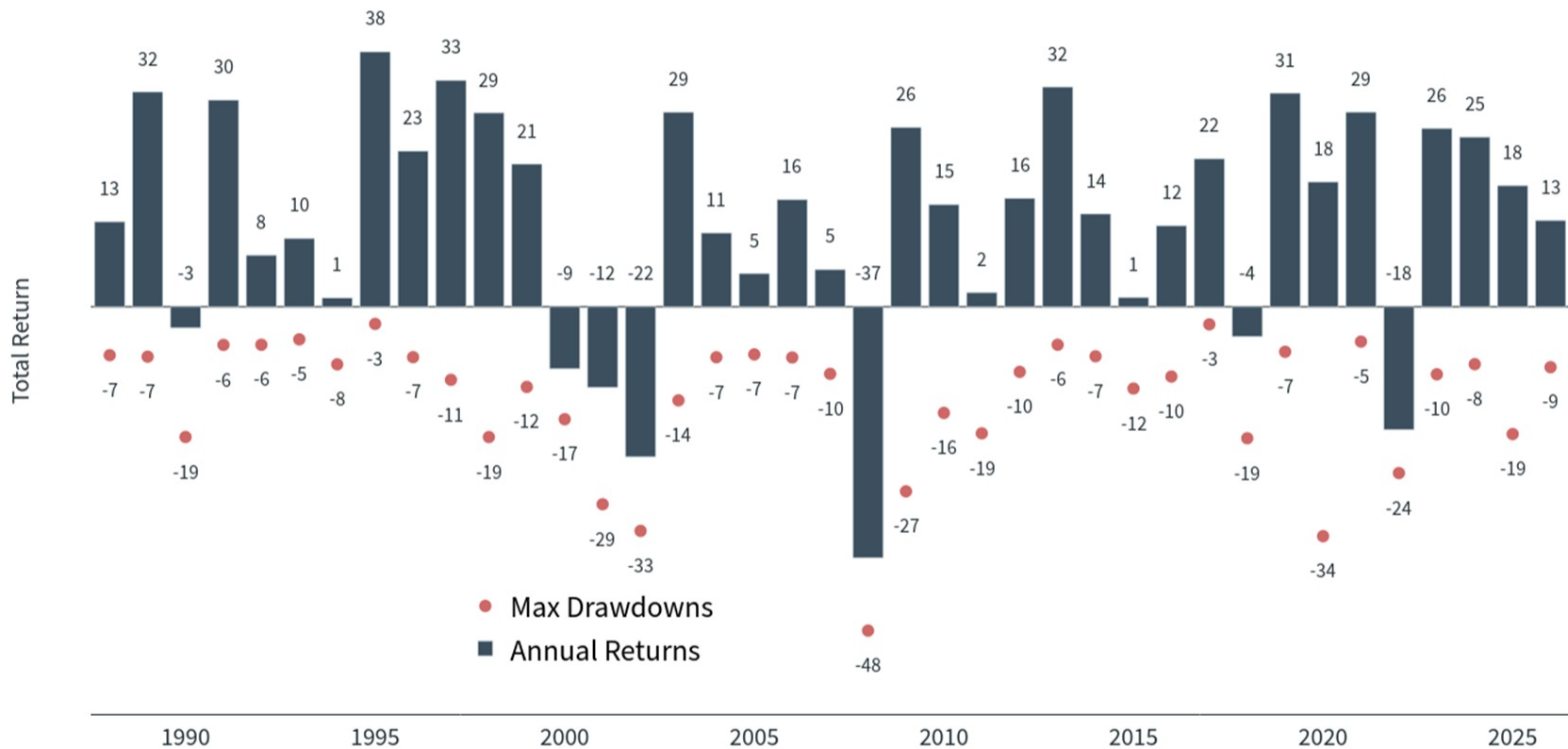
■ Average number of corrections per year

*Analysis based on S&P 500 Index daily data, price only, from 01/03/1928 to 09/30/2026.*

**Sources:** Ned Davis Research, Inc., S&P Dow Jones Indices

# Total Returns and Pullbacks

*S&P 500 Index total returns. Max drawdown represents the biggest intra-year decline*



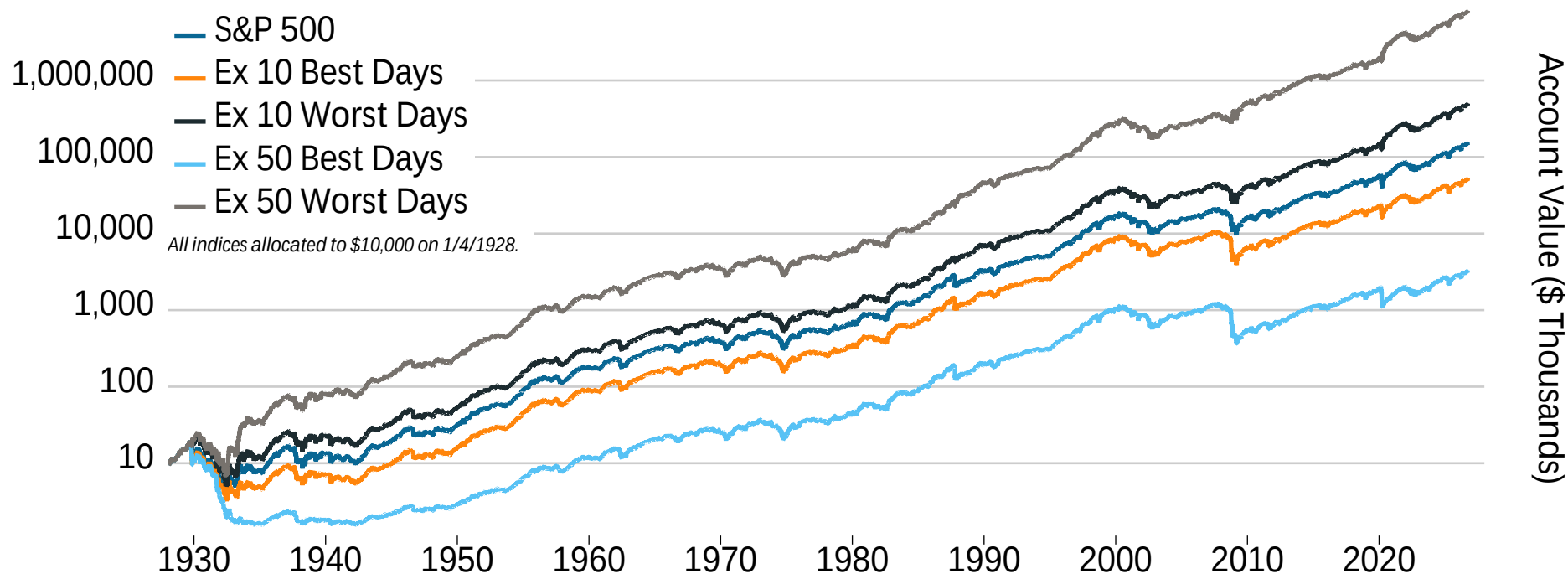
- This chart shows total returns of the stock market (bars) and the largest intra-year decline (dots) each year.
- The average year sees a significant intra-year drop. However, most years still end in positive territory, especially with dividends.
- Volatility in prices is a normal part of investing. It is important to not forget that investments also generate income.

*Latest data point is Sep 30, 2026*

Source: Clearnomics, Standard & Poor's

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# S&P 500 Index excluding best and worst days



| Investment Performance | Full History |                    | 20-Years   |                    | 10-Years   |                    | 5-Years    |                    |
|------------------------|--------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
|                        | Gain/Annum   | Growth of \$10,000 | Gain/Annum | Growth of \$10,000 | Gain/Annum | Growth of \$10,000 | Gain/Annum | Growth of \$10,000 |
| S&P 500                | 10.20%       | \$147,421,457      | 11.18%     | \$83,774           | 15.37%     | \$41,969           | 13.21%     | \$18,651           |
| Ex 10 Best Days        | 9.01%        | \$50,210,433       | 9.02%      | \$56,550           | 13.31%     | \$35,030           | 11.18%     | \$17,029           |
| Ex 10 Worst Days       | 11.52%       | \$478,313,974      | 13.51%     | \$126,912          | 18.01%     | \$52,685           | 13.21%     | \$18,651           |
| Ex 50 Best Days        | 6.00%        | \$3,164,563        | 5.82%      | \$31,109           | 10.24%     | \$26,584           | 11.18%     | \$17,029           |
| Ex 50 Worst Days       | 14.71%       | \$7,763,387,079    | 17.51%     | \$254,329          | 20.40%     | \$64,423           | 14.60%     | \$19,835           |

Analysis dates: 01/04/1928 to 09/30/2026, daily total return data.

Sources: S&P Dow Jones Indices

# Longer holding periods diminish the risk of loss

## Probability of positive investment returns

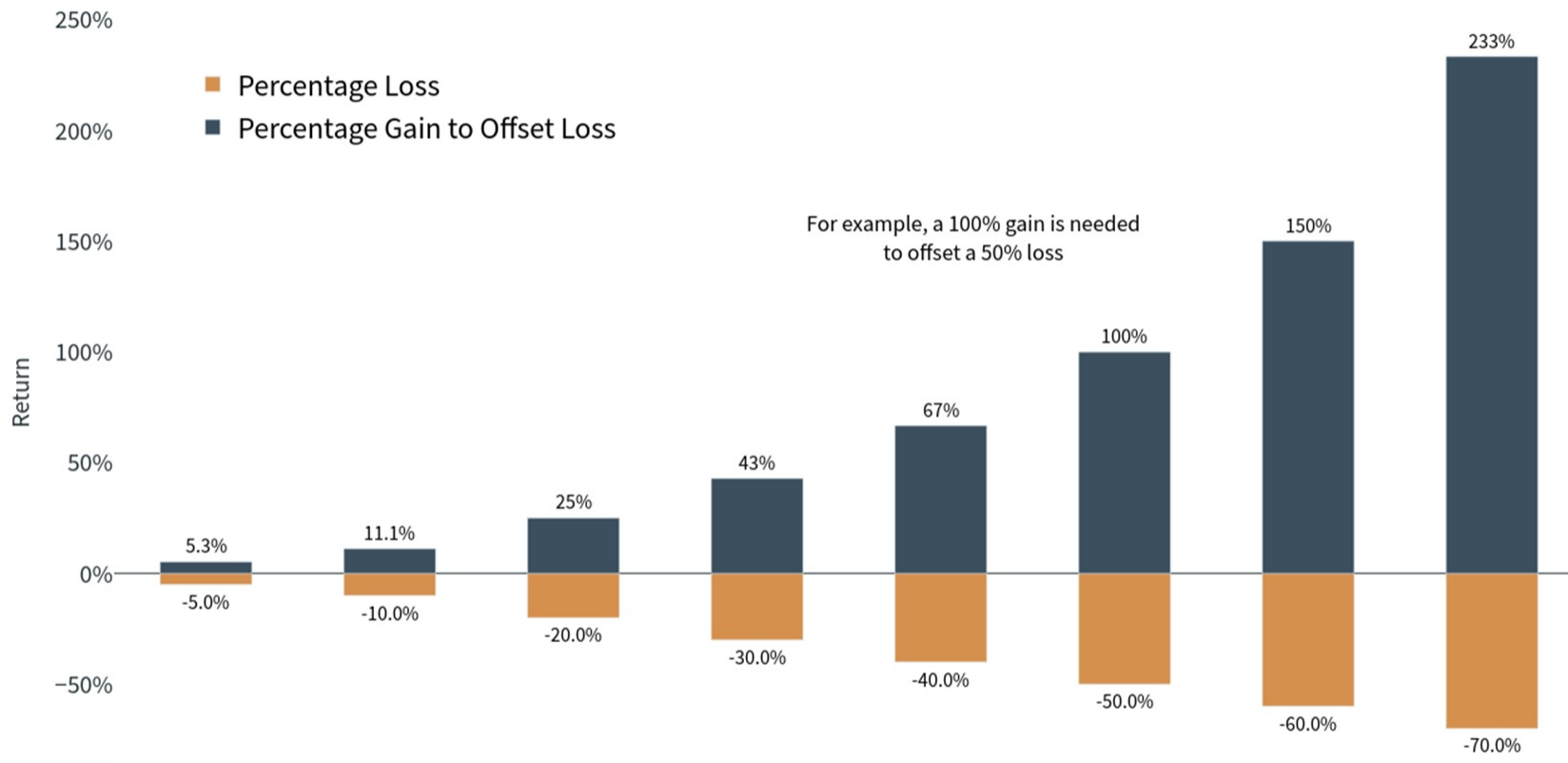
| % of Time Positive Over... | 100% Bonds | 30% Stocks/ 70% Bonds | 40% Stocks/ 60% Bonds | 60% Stocks/ 40% Bonds | 70% Stocks/ 30% Bonds | 100% Stocks |
|----------------------------|------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| 1-Month Periods            | 65.1%      | 64.3%                 | 63.9%                 | 63.7%                 | 63.6%                 | 63.0%       |
| 3-Month Periods            | 72.7%      | 73.5%                 | 72.6%                 | 70.8%                 | 70.6%                 | 68.8%       |
| 1-Year Periods             | 81.4%      | 85.3%                 | 82.9%                 | 79.7%                 | 78.2%                 | 75.7%       |
| 3-Year Periods             | 89.9%      | 96.5%                 | 95.7%                 | 89.7%                 | 88.0%                 | 85.1%       |
| 5-Year Periods             | 93.7%      | 98.9%                 | 98.1%                 | 95.1%                 | 94.3%                 | 88.8%       |
| 10-Year Periods            | 99.9%      | 100.0%                | 100.0%                | 100.0%                | 99.8%                 | 95.6%       |
| 15-Year Periods            | 100.0%     | 100.0%                | 100.0%                | 100.0%                | 100.0%                | 99.9%       |
| 20-Year Periods            | 100.0%     | 100.0%                | 100.0%                | 100.0%                | 100.0%                | 100.0%      |
| 30-Year Periods            | 100.0%     | 100.0%                | 100.0%                | 100.0%                | 100.0%                | 100.0%      |

Analysis dates: December 1925 - September 2026. Monthly data, rebalanced quarterly. Returns exclude taxes and transaction costs. Stocks are represented by S&P 500 Total Return Index. Bonds are represented by Barclays U.S. Long-Term Treasury Bond Total Return Index prior to 1976 (Ibbotson data prior to 1973) and Barclays U.S. Aggregate Total Return Index since 1976.

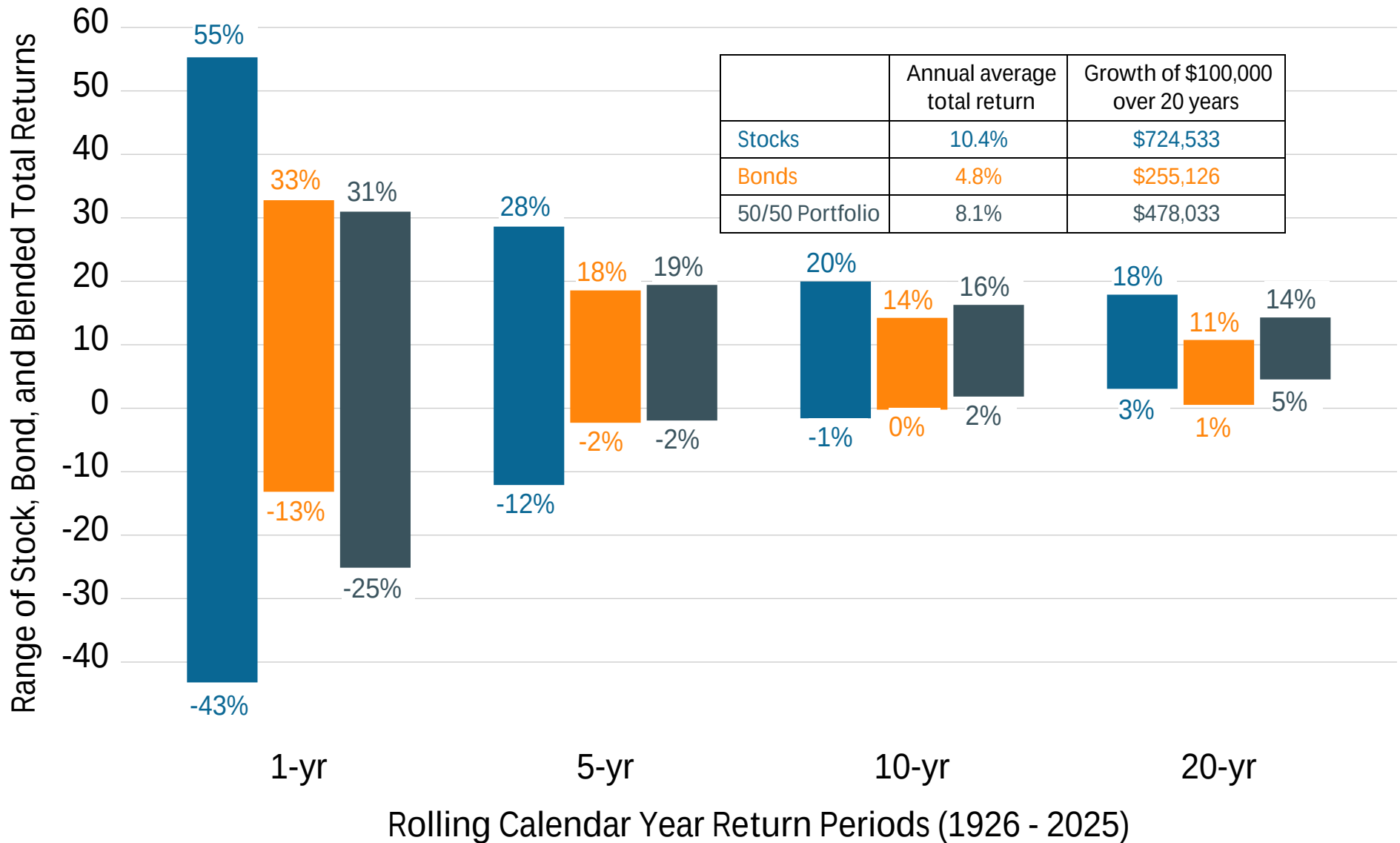
**Sources:** Bloomberg Barclays Indices, S&P Dow Jones Indices, Ned Davis Research, Inc.

# Breakeven Returns

*The percentage gain required to offset a percentage loss*



# Time, diversification, and the volatility of returns (yearly)



- Stocks
- Bonds
- 50/50 Portfolio

Rebalanced quarterly. Returns exclude taxes and transaction costs.

Stocks represented by S&P 500 Total Return Index.

Bonds represented by Barclays U.S. Long-Term Treasury Bond Total Return Index prior to 1976 (Ibbotson data prior to 1973) and Barclays U.S. Aggregate Total Return Index since 1976.

Sources: Ned Davis Research Inc., S&P Dow Jones Indices, Bloomberg Barclays Indices

Crisis Events, DJIA Declines And Subsequent Performance

- Study Name = T\_900
- Run Date = 10/01/2026

| Event                           | Reaction Dates          | Reaction Date<br>%Gain/Loss | DJIA Percentage Gain<br>Days after Reaction Dates |       |       |       |
|---------------------------------|-------------------------|-----------------------------|---------------------------------------------------|-------|-------|-------|
|                                 |                         |                             | 22                                                | 63    | 126   | 253   |
| Panic of 1907                   | 02/15/1907 - 11/20/1907 | -42.9                       | 6.9                                               | 14.7  | 29.9  | 48.3  |
| Exchange Closed WWI             | 07/22/1914 - 12/24/1914 | -10.2                       | 10.0                                              | 6.6   | 21.2  | 80.2  |
| Woodrow Wilson Stroke           | 09/25/1919 - 09/26/1919 | 1.3                         | 5.7                                               | -4.5  | -16.0 | -21.8 |
| Bombing at JP Morgan Office     | 09/15/1920 - 09/30/1920 | -5.5                        | 2.4                                               | -14.9 | -9.5  | -17.3 |
| Market Crash of 1929            | 10/11/1929 - 11/13/1929 | -43.7                       | 27.3                                              | 34.1  | 46.0  | 11.8  |
| Germany invades France          | 05/09/1940 - 06/22/1940 | -17.1                       | -0.5                                              | 8.4   | 7.0   | -5.2  |
| Pearl Harbor                    | 12/06/1941 - 12/10/1941 | -6.5                        | 3.8                                               | -2.9  | -9.6  | 5.4   |
| Truman Upset Victory            | 11/02/1948 - 11/10/1948 | -4.9                        | 1.6                                               | 3.5   | 1.9   | 6.1   |
| Korean War                      | 06/23/1950 - 07/13/1950 | -12.0                       | 9.1                                               | 15.3  | 19.2  | 26.3  |
| Eisenhower Heart Attack         | 09/23/1955 - 09/26/1955 | -6.5                        | 0.0                                               | 6.6   | 11.7  | 5.7   |
| Suez Canal Crisis               | 10/30/1956 - 10/31/1956 | -1.4                        | 0.3                                               | -0.6  | 3.4   | -9.5  |
| Sputnik                         | 10/03/1957 - 10/22/1957 | -9.9                        | 5.5                                               | 6.7   | 7.2   | 29.2  |
| Cuban Missile Crisis            | 10/19/1962 - 10/27/1962 | 1.1                         | 12.1                                              | 17.1  | 24.2  | 30.4  |
| JFK Assassinated                | 11/21/1963 - 11/22/1963 | -2.9                        | 7.2                                               | 12.4  | 15.1  | 24.0  |
| Martin Luther King Assassinated | 04/03/1968 - 04/05/1968 | -0.4                        | 5.3                                               | 6.4   | 9.3   | 10.8  |
| U.S. Bombs Cambodia             | 04/29/1970 - 05/14/1970 | -7.1                        | 0.4                                               | 3.8   | 13.5  | 36.7  |
| Kent State Shootings            | 05/01/1970 - 05/26/1970 | -14.0                       | 9.9                                               | 20.3  | 20.7  | 43.7  |
| Penn Central Bankruptcy         | 06/19/1970 - 07/07/1970 | -7.1                        | 8.0                                               | 16.0  | 24.9  | 33.8  |
| Arab Oil Embargo                | 10/16/1973 - 12/05/1973 | -18.5                       | 9.3                                               | 10.2  | 7.2   | -25.5 |
| Nixon Resigns                   | 08/07/1974 - 08/29/1974 | -17.6                       | -7.9                                              | -5.7  | 12.5  | 27.2  |
| Iranian Hostage Crisis          | 11/02/1979 - 11/07/1979 | -2.7                        | 4.7                                               | 11.1  | 2.3   | 17.0  |
| U.S.S.R. Invades Afghanistan    | 12/24/1979 - 01/03/1980 | -2.2                        | 6.7                                               | -4.0  | 6.8   | 21.0  |
| Hunt Silver Crash               | 02/13/1980 - 03/27/1980 | -15.9                       | 6.7                                               | 16.2  | 25.8  | 30.6  |
| Falkland Islands War            | 04/01/1982 - 05/07/1982 | 4.3                         | -8.5                                              | -9.8  | 20.8  | 41.8  |
| Beirut Bombing                  | 10/21/1983 - 10/23/1983 | 0.0                         | 2.1                                               | -0.5  | -6.9  | -2.9  |
| U.S. Invades Grenada            | 10/24/1983 - 11/07/1983 | -2.7                        | 3.9                                               | -2.8  | -3.2  | 2.4   |
| Continental Illinois Bailout    | 05/08/1984 - 05/27/1984 | -6.4                        | 2.3                                               | 11.5  | 10.1  | 18.3  |
| U.S. Bombs Libya                | 04/14/1986 - 04/21/1986 | 2.8                         | -4.3                                              | -4.1  | -1.0  | 25.9  |
| Financial Panic '87             | 10/02/1987 - 10/19/1987 | -34.2                       | 11.5                                              | 11.4  | 15.0  | 24.2  |
| Invasion of Panama              | 12/15/1989 - 12/20/1989 | -1.9                        | -2.7                                              | 0.3   | 8.0   | -2.2  |
| Iraq Invades Kuwait             | 08/02/1990 - 08/23/1990 | -13.3                       | 0.1                                               | 2.3   | 16.3  | 22.4  |
| Gulf War                        | 01/16/1991 - 01/17/1991 | 4.6                         | 11.8                                              | 14.3  | 15.0  | 24.5  |
| Gorbachev Coup                  | 08/16/1991 - 08/19/1991 | -2.4                        | 4.4                                               | 1.6   | 11.3  | 14.9  |
| ERM U.K. Currency Crisis        | 09/15/1992 - 10/16/1992 | -4.6                        | 0.6                                               | 3.2   | 9.2   | 14.7  |
| World Trade Center Bombing      | 02/25/1993 - 02/27/1993 | -0.3                        | 2.4                                               | 5.1   | 8.5   | 14.2  |
| Oklahoma City Bombing           | 04/18/1995 - 04/20/1995 | 1.2                         | 3.9                                               | 9.7   | 12.9  | 30.8  |
| Asian Stock Market Crisis       | 10/07/1997 - 10/27/1997 | -12.4                       | 8.8                                               | 10.5  | 25.0  | 16.9  |
| U.S. Embassy Bombings Africa    | 08/06/1998 - 08/14/1998 | -1.8                        | -4.0                                              | 4.8   | 10.4  | 32.0  |

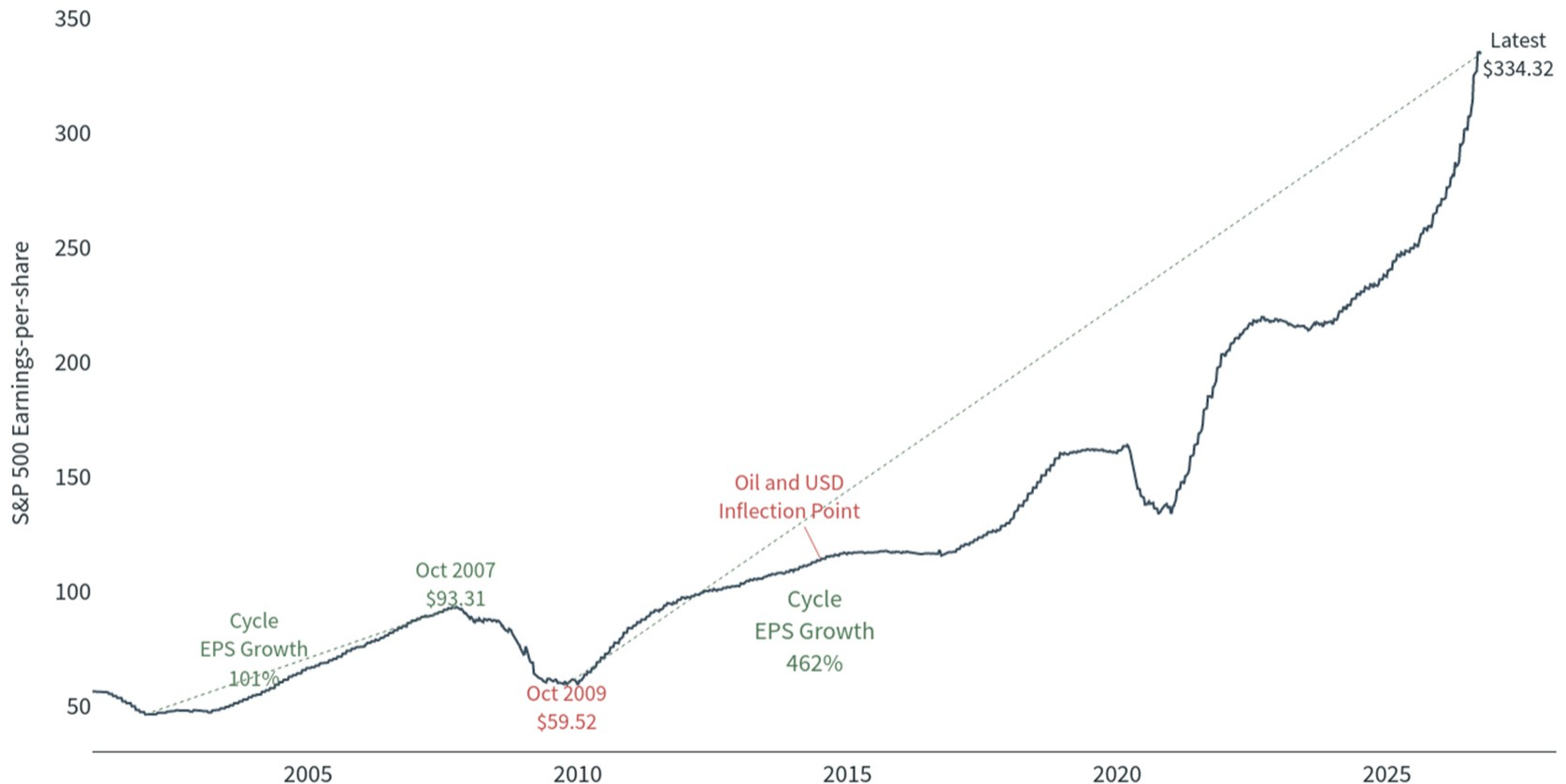
|                                    |                         |       |       |       |       |       |
|------------------------------------|-------------------------|-------|-------|-------|-------|-------|
| U.S.S. Cole Yemen Bombing          | 10/11/2000 - 10/18/2000 | -4.2  | 6.6   | 6.1   | 6.1   | -5.1  |
| WTC and Pentagon Terrorist Attacks | 09/10/2001 - 09/21/2001 | -14.3 | 13.4  | 21.2  | 24.8  | -6.7  |
| War in Afghanistan                 | 10/05/2001 - 10/09/2001 | -0.7  | 5.9   | 11.5  | 12.4  | -16.8 |
| Bali Nightclub Bombing             | 10/11/2002 - 10/13/2002 | 0.3   | 6.6   | 12.3  | 6.7   | 24.4  |
| Iraq War                           | 03/19/2003 - 05/01/2003 | 2.3   | 5.5   | 9.2   | 15.6  | 22.0  |
| Madrid Terrorist Attacks           | 03/10/2004 - 03/24/2004 | -2.4  | 3.9   | 3.9   | -0.1  | 4.4   |
| London Train Bombing               | 07/06/2005 - 07/07/2005 | 0.3   | 2.3   | 0.1   | 5.6   | 7.8   |
| India Israel and Lebanon Bombings  | 07/11/2006 - 07/18/2006 | -3.0  | 5.0   | 10.9  | 16.4  | 28.3  |
| Bear Stearns Collapse              | 03/13/2008 - 03/14/2008 | -1.6  | 5.6   | 3.0   | -4.4  | -38.1 |
| Russia Invades Georgia             | 08/08/2008 - 08/16/2008 | -2.2  | -4.0  | -26.0 | -34.2 | -19.2 |
| Lehman Brothers Collapse           | 09/15/2008 - 09/16/2008 | 1.3   | -18.8 | -22.6 | -32.3 | -11.5 |
| Israel Invades Gaza                | 12/27/2008 - 01/21/2009 | -3.0  | -13.5 | -4.2  | 7.9   | 23.6  |
| Boston Marathon Bombing            | 04/12/2013 - 04/15/2013 | -1.8  | 4.6   | 6.1   | 4.4   | 11.4  |
| Russia Invades Crimea              | 03/07/2014 - 03/14/2014 | -2.4  | 1.2   | 4.4   | 5.7   | 11.1  |
| Chinese Market Turmoil             | 08/21/2015 - 08/25/2015 | -4.8  | 4.1   | 13.6  | 6.6   | 17.8  |
| U.K. Votes to Leave E.U.           | 06/23/2016 - 06/27/2016 | -4.8  | 7.7   | 5.6   | 16.3  | 25.2  |
| COVID-19 Crash                     | 03/4/2020 - 03/23/2020  | -31.4 | 26.5  | 40.0  | 46.0  | 74.4  |
| Russia Invades Ukraine             | 02/09/2022 - 03/08/2022 | -8.8  | 6.0   | 1.7   | -3.2  | -2.2  |
| Silicon Valley Bank Collapse       | 03/8/2023 - 03/13/2023  | -3.0  | 6.9   | 7.1   | 8.9   | 22.3  |
| Liberation Day Tariff Announcement | 04/2/2025 - 04/8/2025   | -10.8 | 9.6   | 18.6  | 23.8  | 28.1  |
| Israel-Iran 12-Day War             | 06/12/2025 - 06/18/2025 | -1.9  | 5.5   | 9.4   | 13.6  | 22.5  |
| Israel/U.S.-Iran Conflict          | 02/27/2026 - 03/30/2026 | -7.7  | 9.8   | 15.7  | 13.6  | N/A   |
|                                    |                         |       |       |       |       |       |
|                                    | Mean                    | -7.0  | 4.5   | 6.4   | 9.8   | 15.4  |
|                                    | Median                  | -3.0  | 5.2   | 6.5   | 9.7   | 17.8  |

## Notes

- The 22, 63, 126 and 253 day rate-of-change is calculated from the last day in the reaction dates column.
- The first date in the reaction dates column indicates the start of the market reaction or the trading day prior to the event.
- 1914 data - In 1916 a new list of 20 stocks for the DJIA was adopted and computed back to the reopening of the exchange on 12/12/1914. NDR analysis for this study adjusted the DJIA index level prior to 12/12/1914 to reflect an accurate and consistent data set. Source: The Dow Jones Averages 1885-1990, Edited by Phyllis S. Pierce.
- Days = Market Days

# S&P 500 Earnings Per Share

*Trailing 12-month earnings per share*



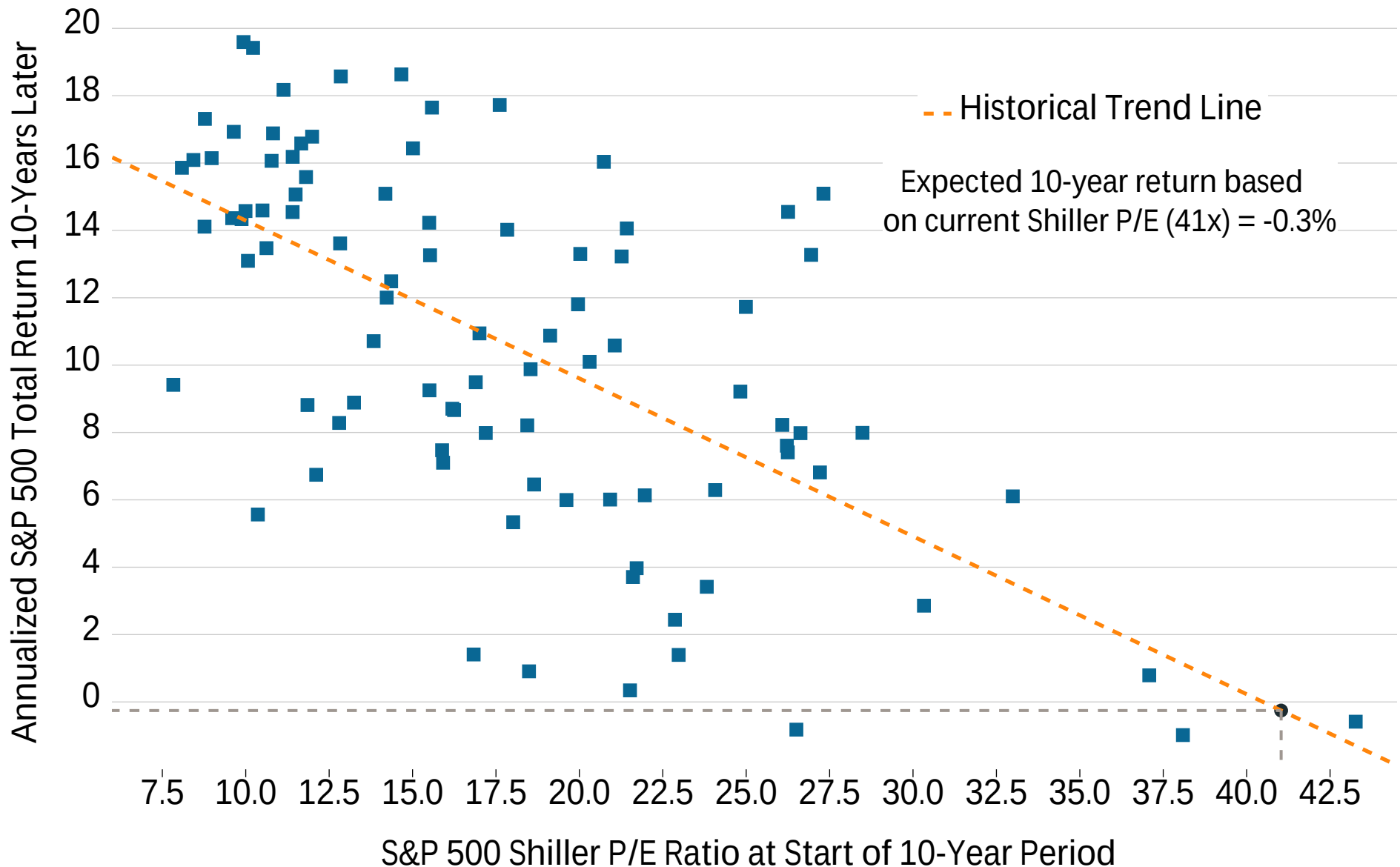
*Latest data point is Sep 29, 2026*

- The growth in corporate earnings has been a major driver of stock market returns across history.
- Earnings have been especially strong this year due to steady growth and the buildout of AI infrastructure.

Sources: Clearnomics,  
LSEG

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# Expected S&P 500 10-year return based on Shiller P/E ratio

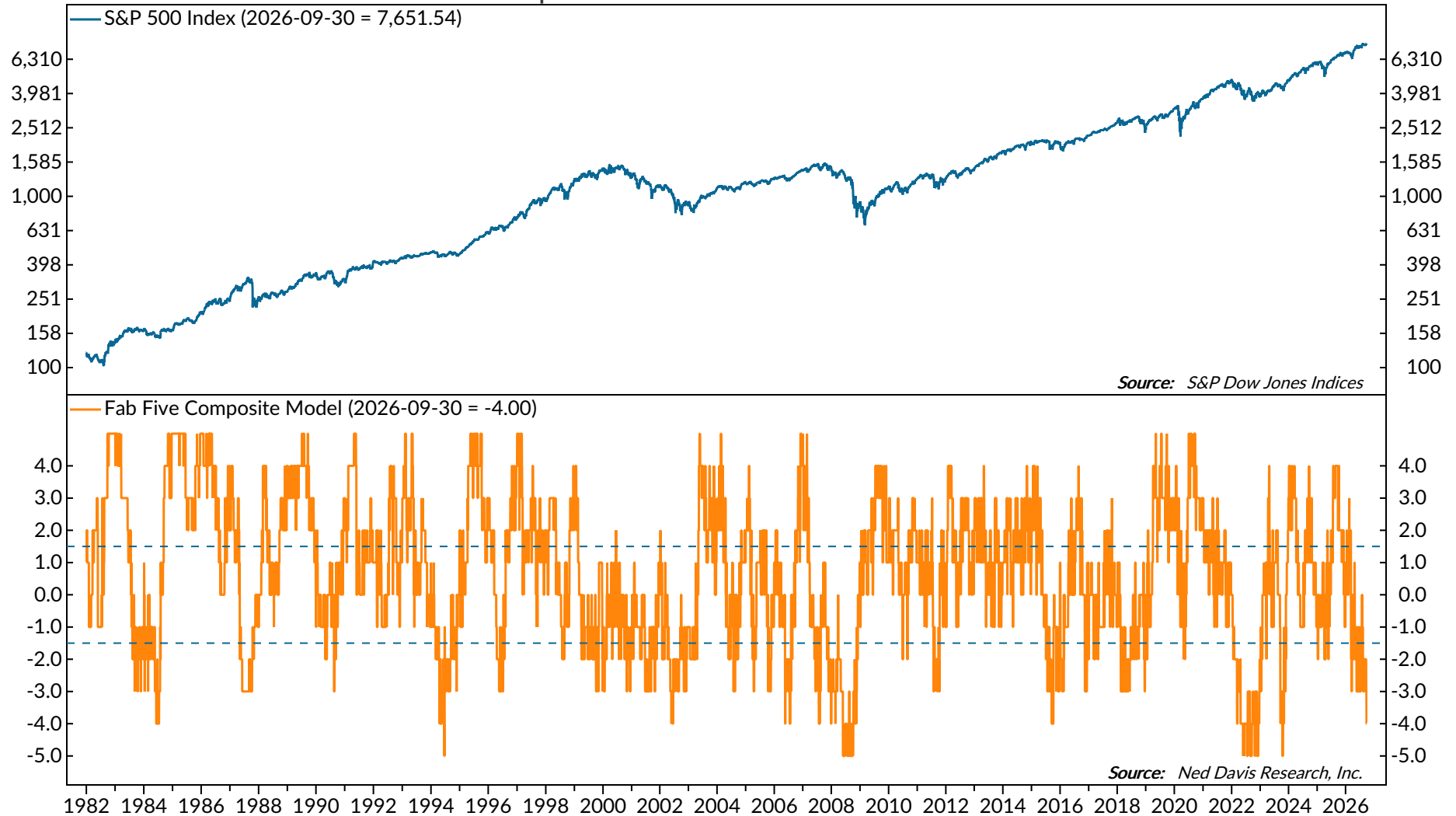


The chart above shows the relationship between current valuation, measured using Shiller's Cyclically Adjusted Price to Earnings Ratio (CAPE) and subsequent 10-year returns. The higher the valuation, the lower the 10-year return, and vice versa. Analysis based on monthly data from 1925 to 08/31/2026.

**Source:** S&P Dow Jones Indices, Robert Shiller, Irrational Exuberance

# S&P 500 Index vs. The Fab Five Composite Model

Daily Data 1981-12-31 to 2026-09-30



| Model Component | Chart    | Model Reading<br>(As of 2026-09-30) |
|-----------------|----------|-------------------------------------|
| Tape            | DAVIS501 | BEARISH                             |
| Sentiment       | DAVIS502 | NEUTRAL                             |
| Monetary        | DAVIS503 | BEARISH                             |
| Combo           | DAVIS504 | BEARISH                             |

| S&P 500 Index Performance<br>Full History: 1981-12-31 to 2026-09-30 |                  |              |
|---------------------------------------------------------------------|------------------|--------------|
| Fab Five Model is                                                   | % Gain/<br>Annum | % of<br>Time |
| Above 1.5                                                           | 26.36            | 37.39        |
| -1.5 - 1.5                                                          | 8.74             | 43.97        |
| Below -1.5                                                          | -15.76           | 18.64        |
| Buy/Hold = 9.67% Gain/Annum                                         |                  |              |

DAVIS500



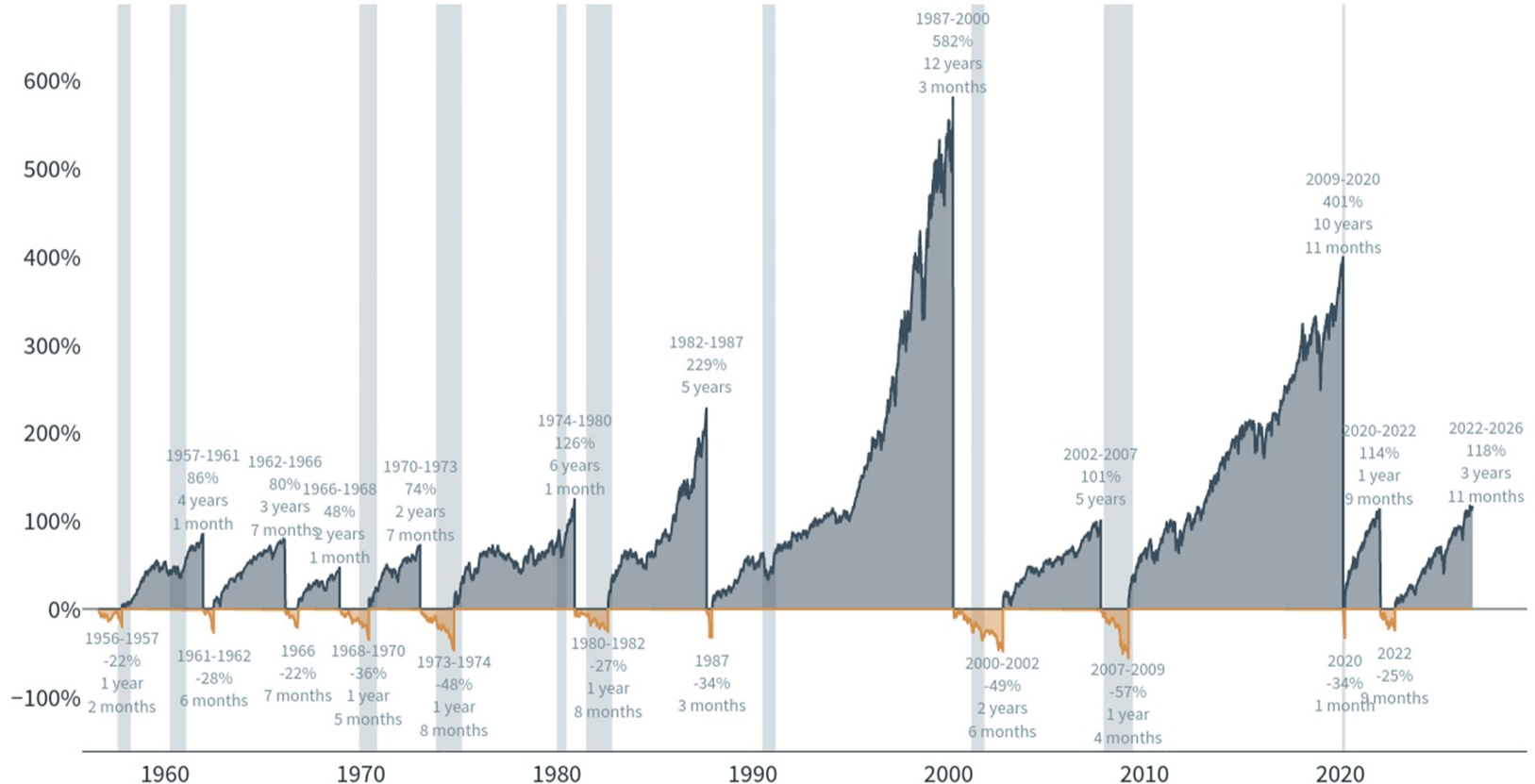
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# Stock Market Bull and Bear Cycles

S&P 500 price index since 1956 bear market with recessions shaded.

For the purposes of this chart, bear markets are 20% declines in price from prior peaks.

Bull markets begin at each market bottom.



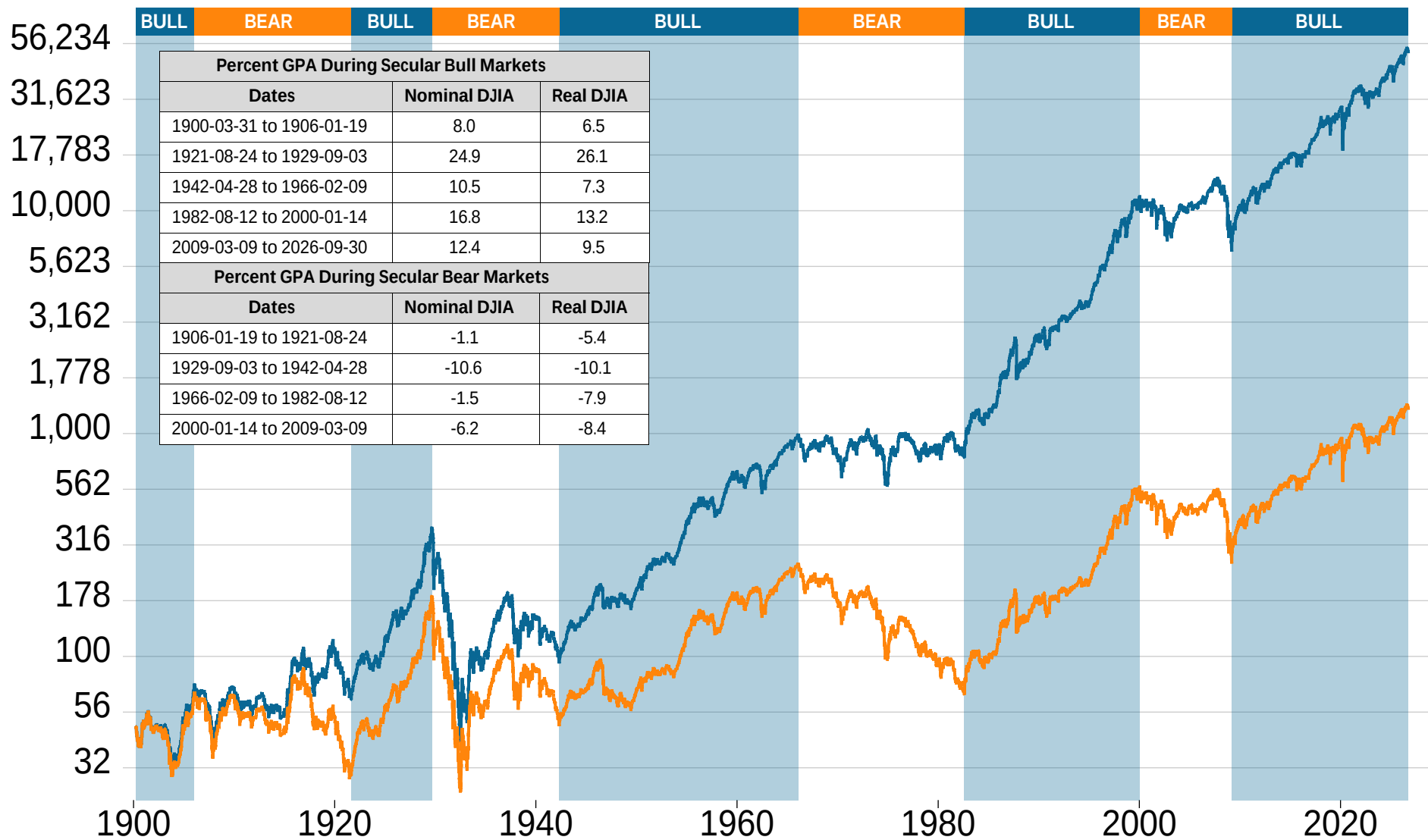
Latest data point is Sep 30, 2026

- While bear markets are unavoidable, bull markets are much longer with larger returns.
- Since 1956, the average bear market has lasted one year, two months with a decline of 36%.
- In contrast, the average bull market lasts 5 years 9 months and returns 192%.

Source: Clearnomics,  
Standard & Poor's

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# DJIA Secular Trends

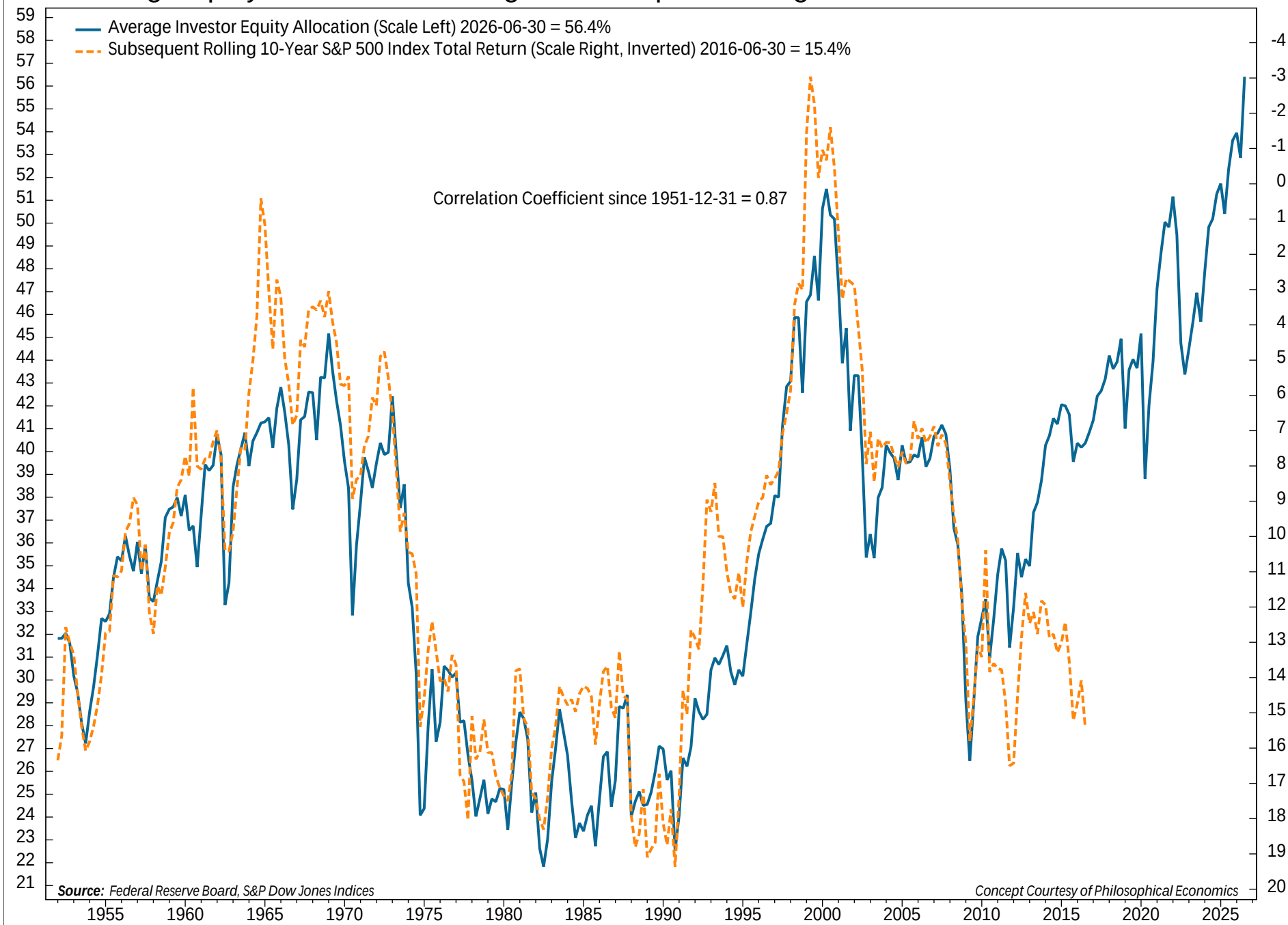


— Dow Jones Industrial Average  
— Inflation-Adjusted DJIA

Analysis dates: 03/31/1900 to 09/30/2026, daily data. A secular bull market is a period in which stock prices rise at an above-average rate for an extended period and suffer only relatively short intervening declines. A secular bear market is an extended period of flat or declining stock prices. The chart includes the dates we have identified for secular bull and bear markets in the Dow Jones Industrial Average from 1900 to present.

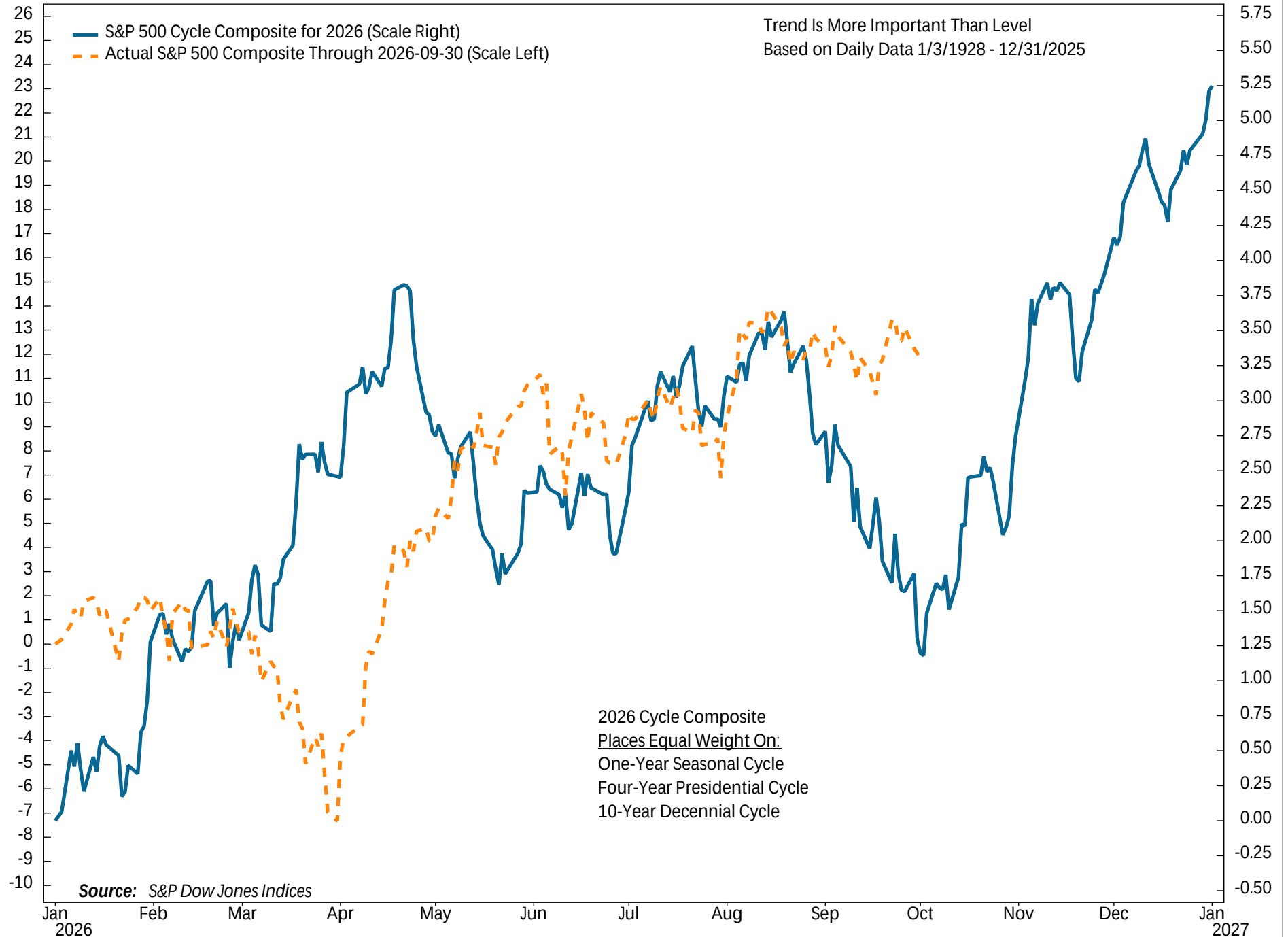
Sources: S&P Dow Jones Indices, Department of Commerce, Ned Davis Research, Inc.

# Average Equity Allocation Percentage vs Subsequent Rolling 10-Year S&P 500 Index Total Return



# S&P 500 Cycle Composite for 2026

Daily Data 2025-12-31 to 2026-12-31



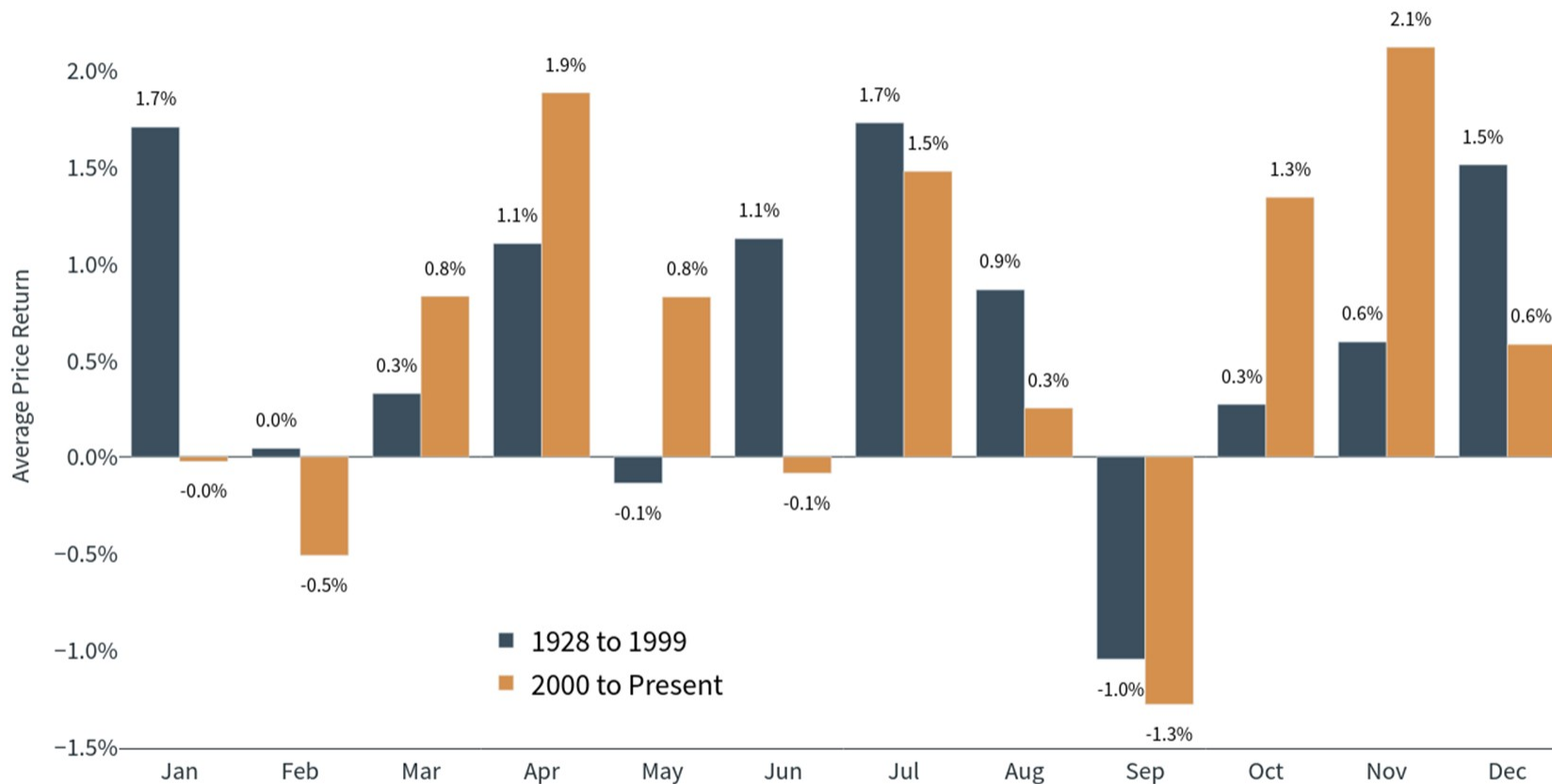
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# Large Cap Seasonal Patterns

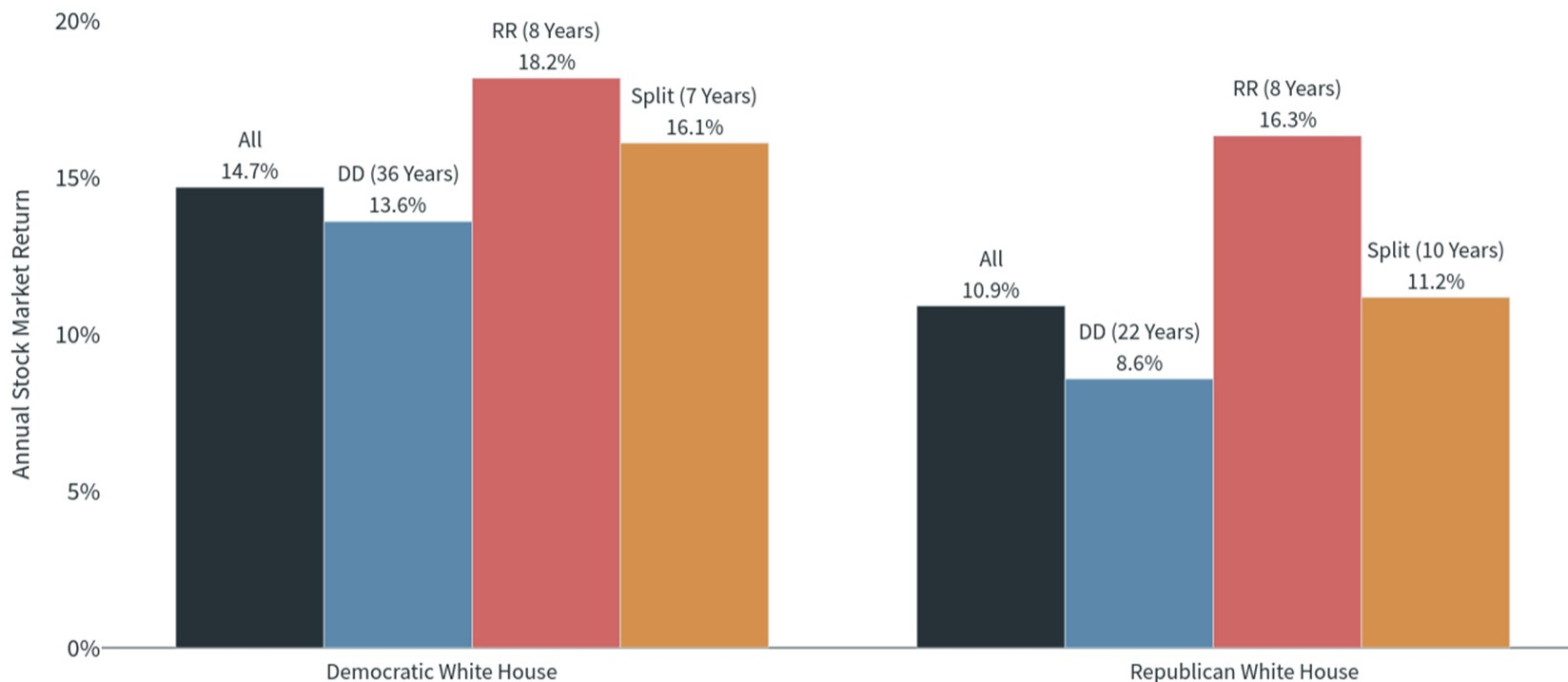
Average returns by month from 1928 to 1999 and 2000 to present  
S&P 500 Index price returns



Latest data point is Sep 30, 2026

# Political Parties and Stocks

*S&P 500 average annual total returns by government control  
Since 1933 excluding 2002 and 2008*



*Latest data point is Dec 2025*

# Historical Interest Rates

*10-year and 2-year yields since 1960*



*Latest data point is Sep 30, 2026*

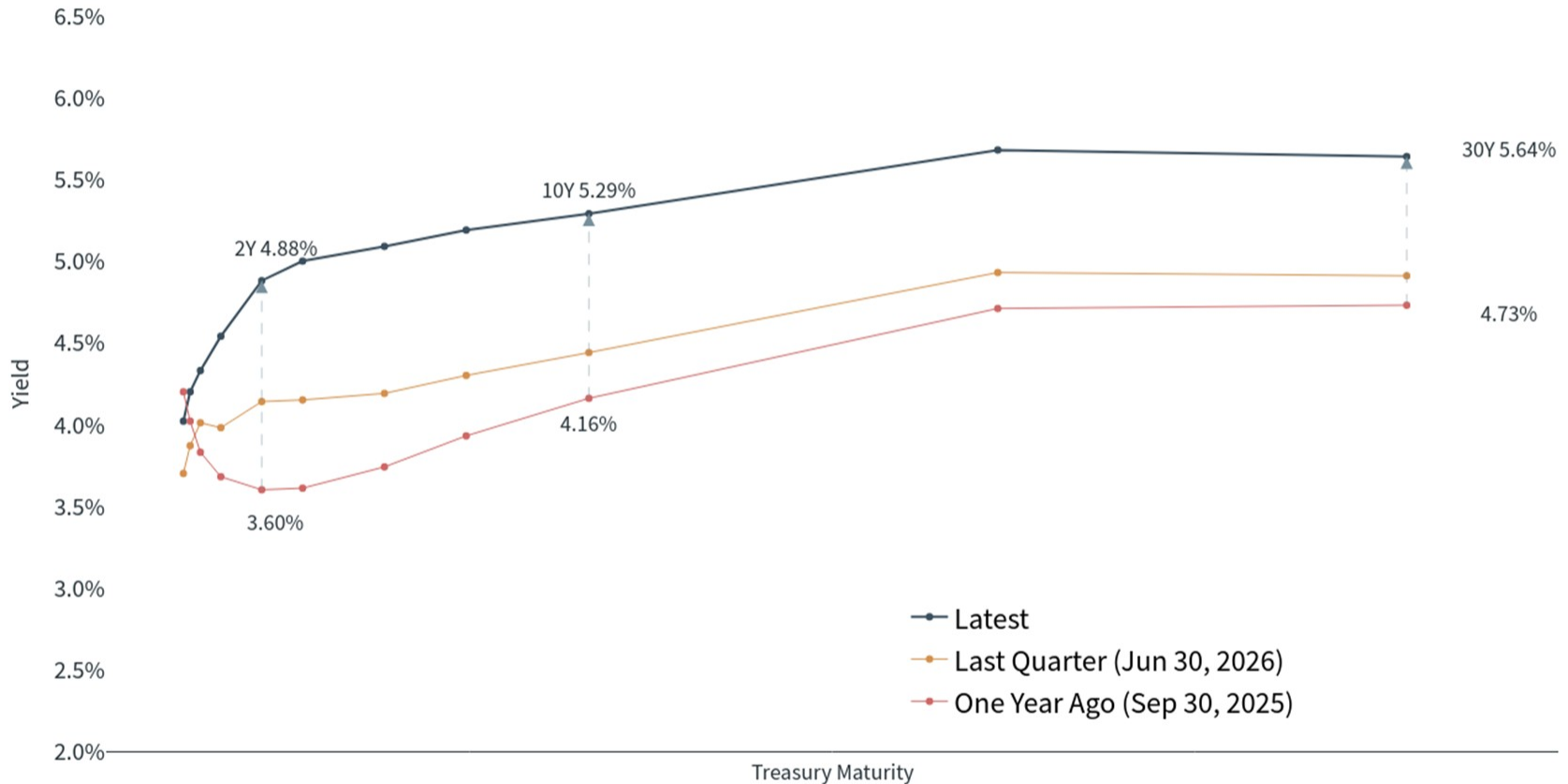
- Interest rates had been on a declining trend since the 1970s, resulting in a multi-decade bull market for bonds.
- Rates have remained high in recent years, breaking this long-term historical pattern.
- Long-term interest rates are now near their highest levels in decades due to inflation and real economic growth.

Sources: Cleonomics,  
Federal Reserve

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# Treasury Yield Curve

*The shape of the U.S. Treasury curve last year versus today*



*Latest data point is Sep 30, 2026*

- The yield curve has shifted up due to Fed rate hikes and higher long-term rates.
- The path of long-term rates will depend on policy uncertainty, oil prices, and economic growth.

Sources: Cleonomics,  
Federal Reserve

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# Mortgage Rates

## 30-Year Fixed Rate Mortgage



*Latest data point is Sep 24, 2026*

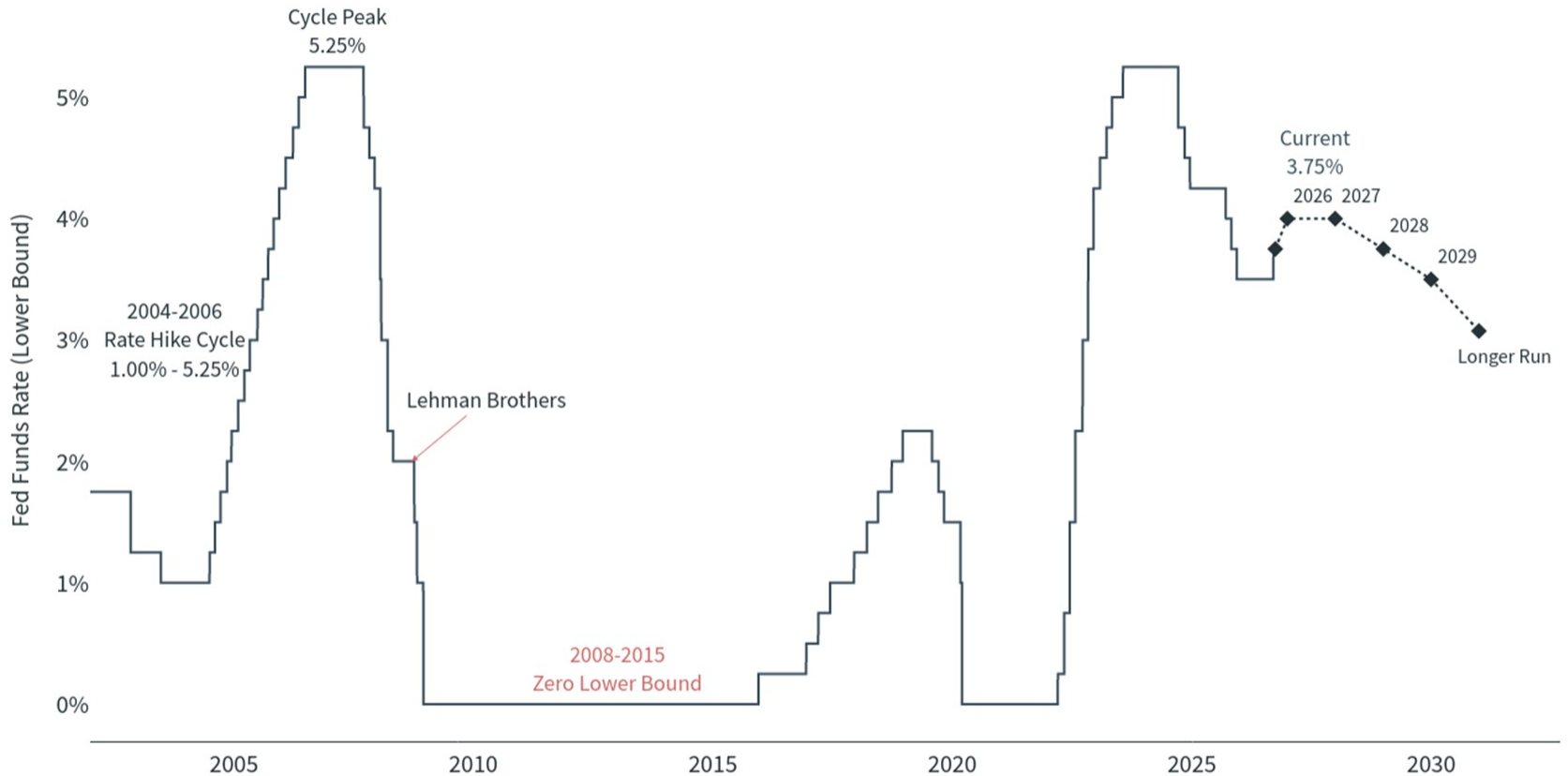
- Mortgage rates have remained high, mirroring rates at the long end of the yield curve.

Sources: Clearnomics,  
Freddie Mac

© 2026 Clearnomics, Inc.

# Federal Funds Rate

*Target range lower limit*



*Latest data point is Sep 2026*

- The Fed raised rates recently for the first time in three years, primarily due to inflation and oil prices.
- Market-based expectations now anticipate that the Fed could raise rates again later this year.

Sources: Clearnomics,  
Federal Reserve

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# Labor Force Participation

*Percentage of the population working or actively seeking work divided by the working-age population*



*Latest data point is Aug 2026*

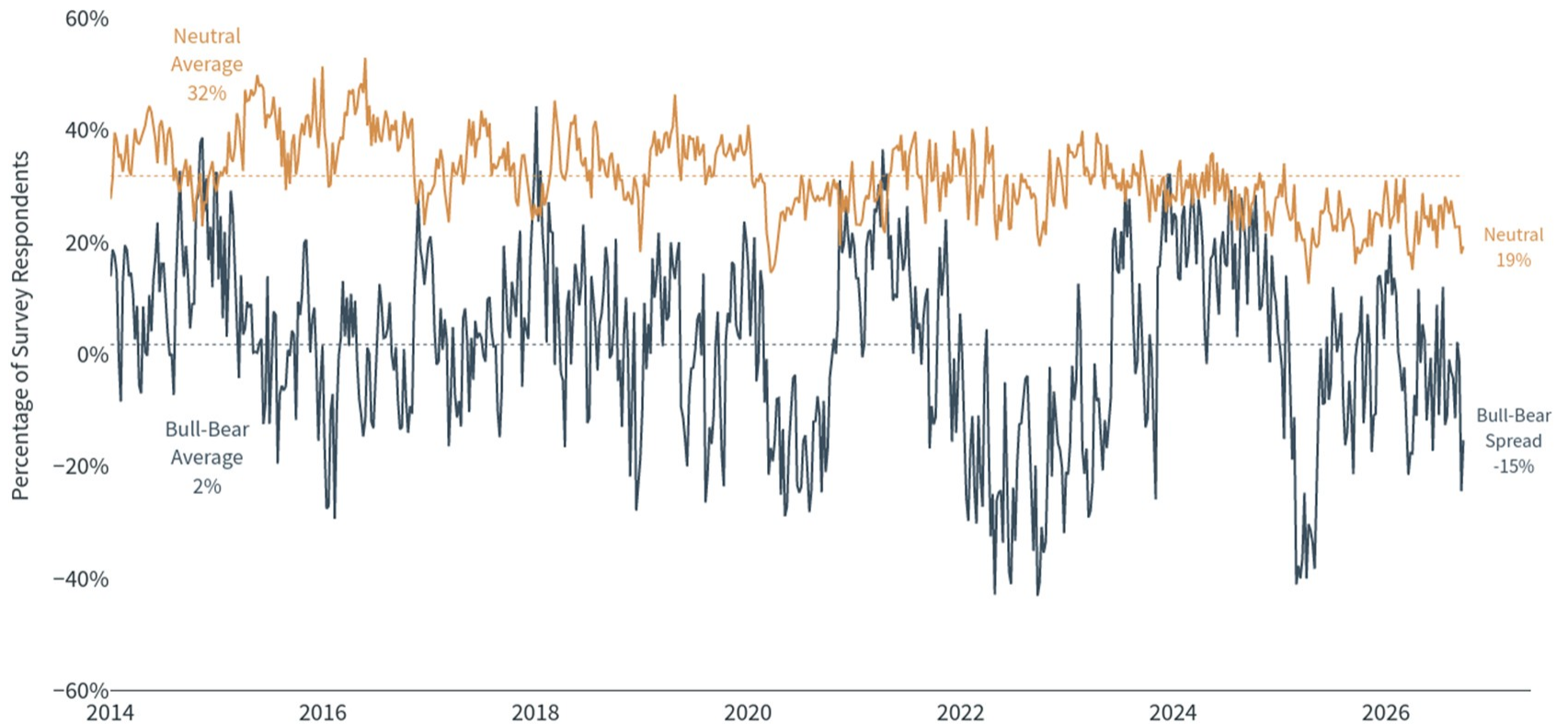
- The labor force participation rate is simply the percentage of the working age population in the labor force.
- It is the result of long-term trends such as retiring baby boomers, advances in technology, and globalization.

Sources: Cleonomics,  
Bureau of Labor Statistics

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# Investor Sentiment

## *AII Investor Sentiment Survey*



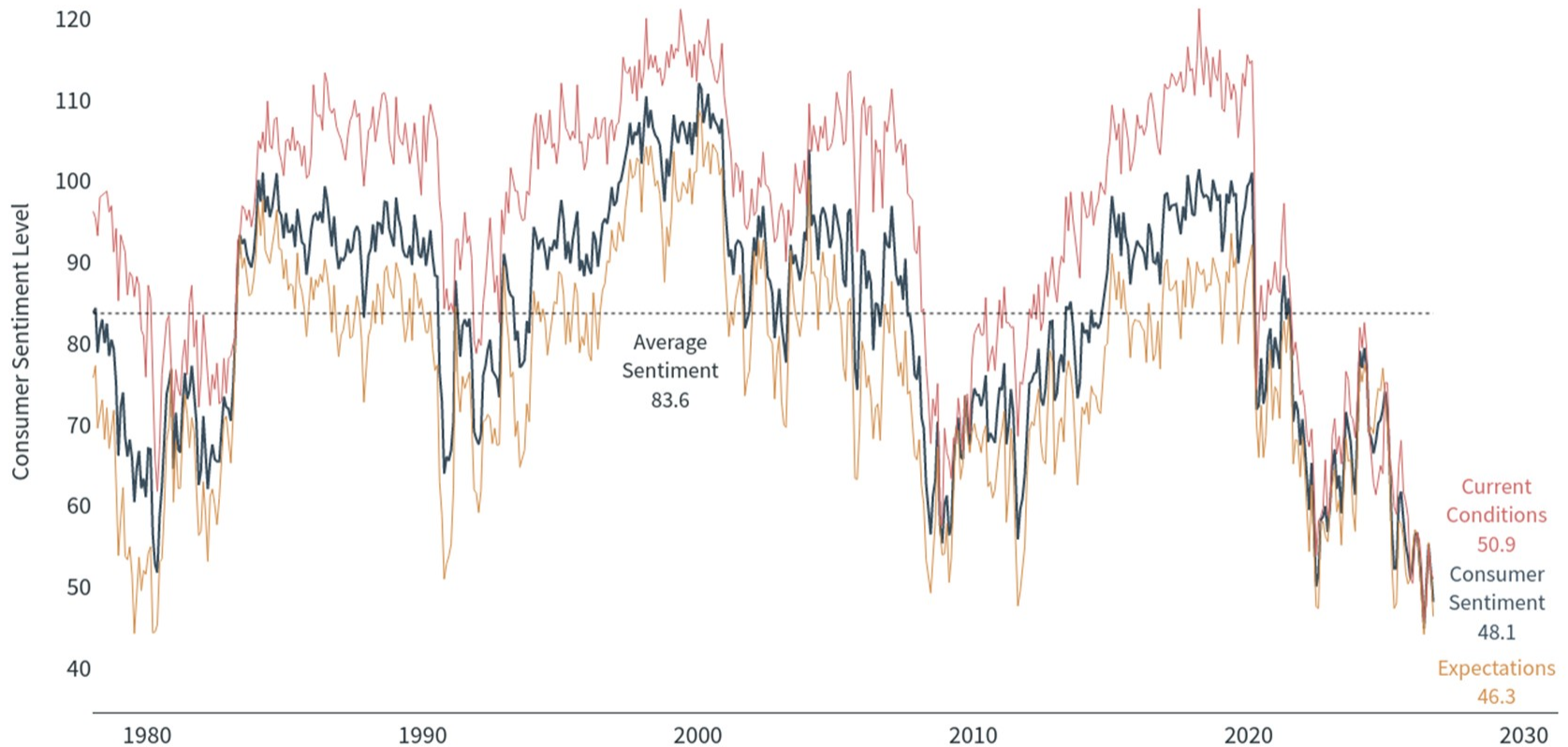
*Latest data point is Sep 24, 2026*

- Investor sentiment has swung on a weekly basis over the past few years.
- Sentiment is often a contrarian indicator since stock market bubbles are often characterized by irrational exuberance.
- Staying disciplined often means not over-reacting to short-term market movements.

Sources: Clearnomics, AII

# Consumer Sentiment

*University of Michigan Surveys of Consumers - Consumer Sentiment, Current Economic Conditions and Consumer Expectations*



*Latest data point is Sep 2026*

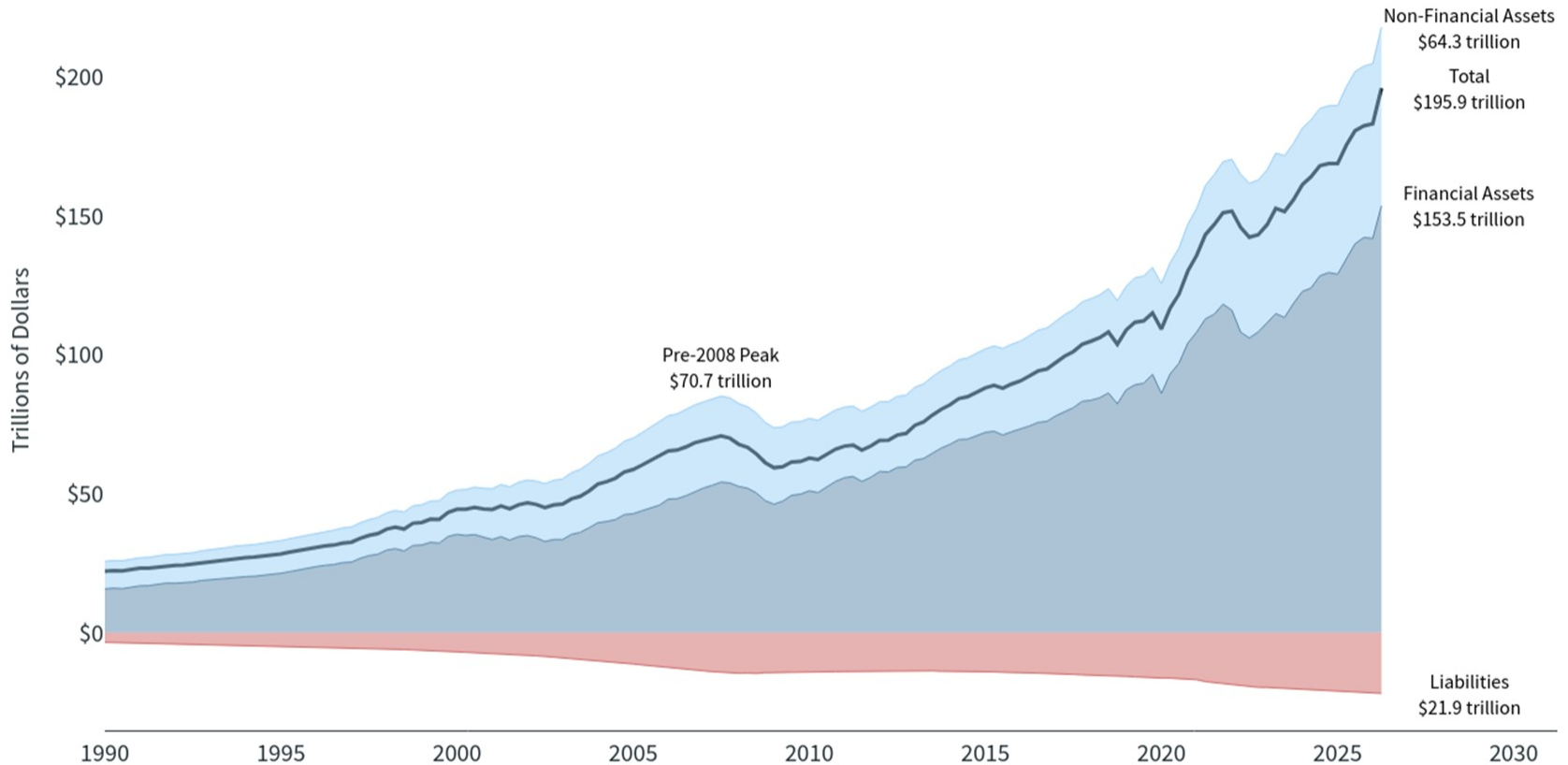
- This chart shows the University of Michigan Consumer Surveys. There are indices for sentiment, current conditions and expectations.
- Consumer sentiment is an important indicator. Consumers tend to do well when the economy and markets are doing well, and vice versa.
- Consumers have been pessimistic about the future due to inflation concerns.

Sources: Clearnomics,  
University of Michigan

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# Household Net Worth

*Federal Reserve Z.1 financial accounts report for the U.S.  
The net worth of households and nonprofits*



Latest data point is Q2 2026

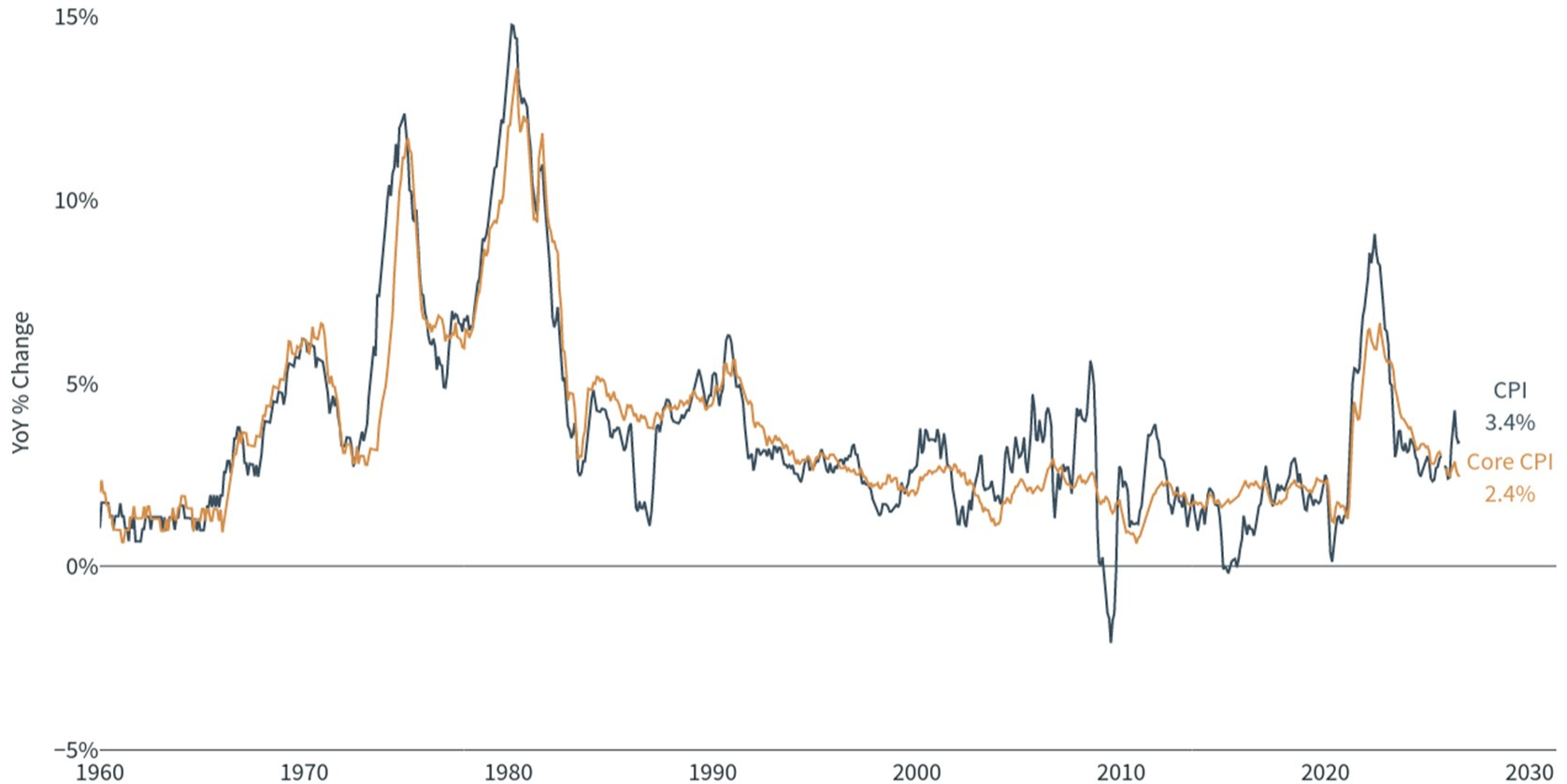
- Household net worth has reached new record levels, exceeding the pre-pandemic high of around \$150 trillion.
- U.S. net worth is sensitive to stock market returns and home prices.

Sources: Clearnomics,  
Federal Reserve

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# Consumer Price Index

*CPI and Ex Food and Energy, YoY % Change*



*Latest data point is Aug 2026*

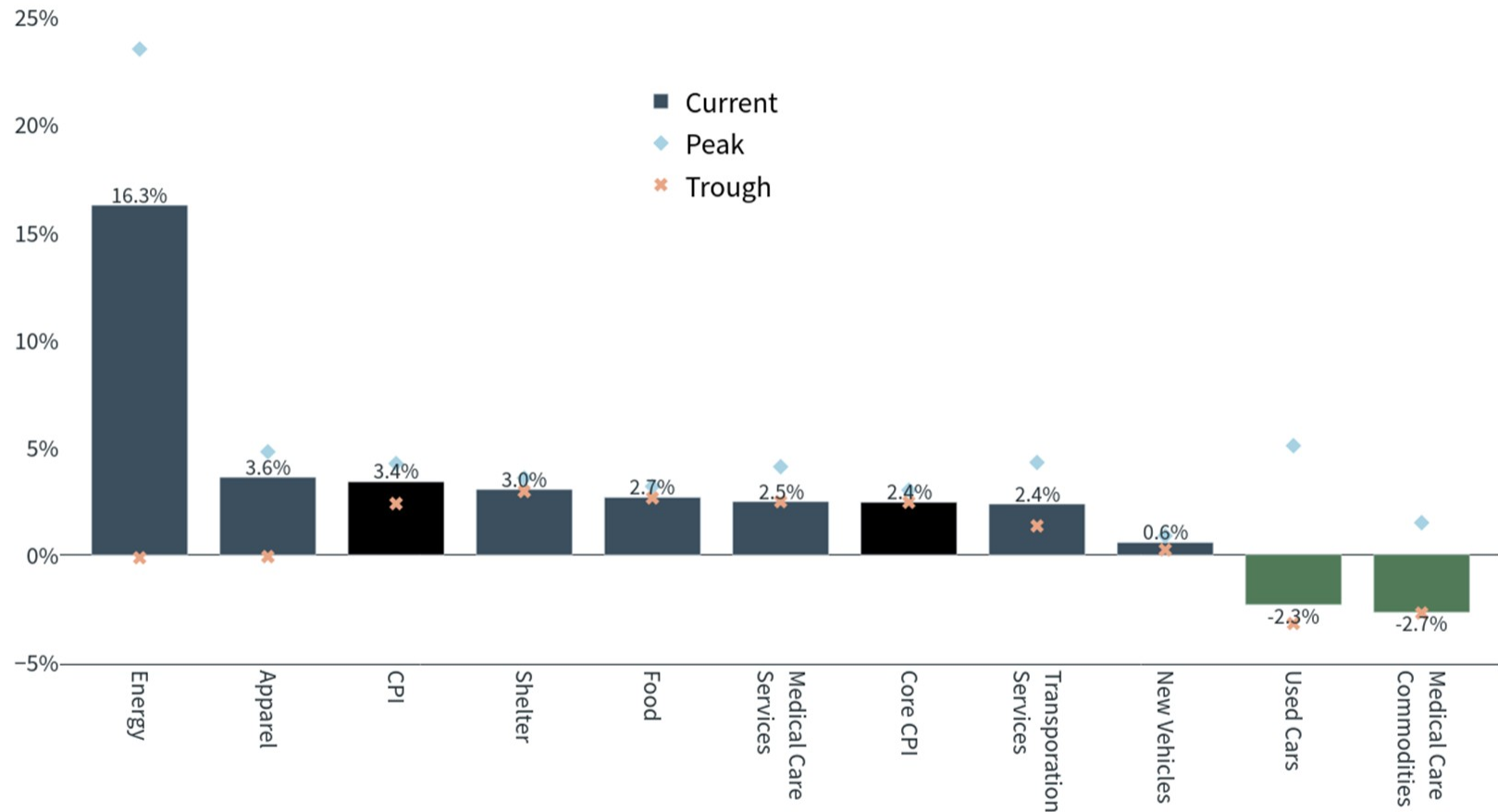
- CPI is a commonly cited measure of inflation. It uses a basket of goods and services to track price changes for consumers.
- In order to measure the underlying trend in inflation, rather than temporary shocks to food and energy, economists often focus on core CPI.
- Oil prices could keep inflation higher, extending the timeline to achieve the Fed's target.

Sources: Clearnomics,  
Bureau of Labor Statistics

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# Consumer Price Index Components

*Current year-over-year changes and 12-month peaks and troughs*



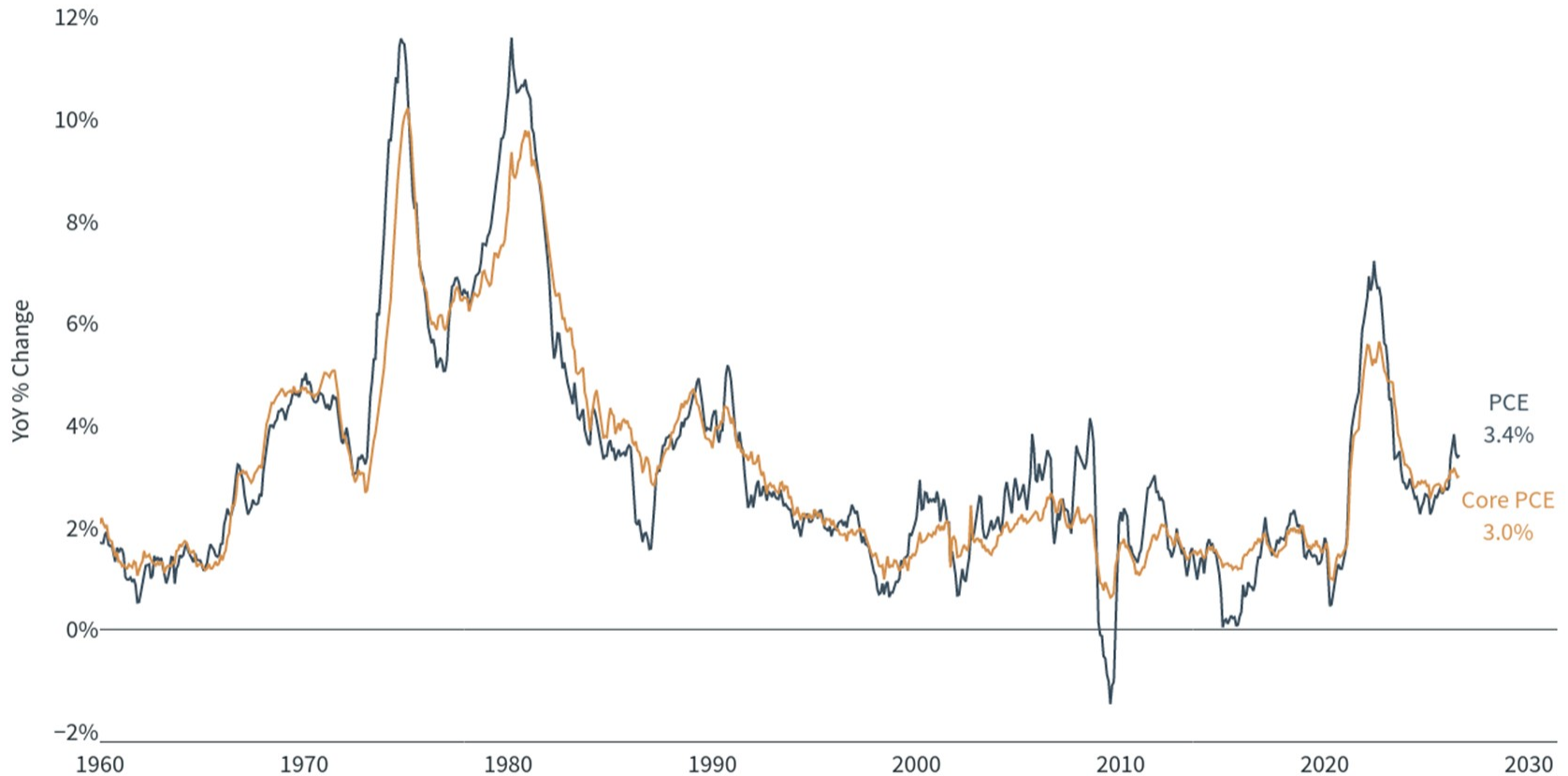
*Latest data point is Aug 2026*

- Inflation rates for many CPI components have improved dramatically since 2022.
- However, some investors are worried that gasoline prices and tariffs costs could keep inflation elevated.

Sources: Cleonomics,  
Bureau of Labor Statistics

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# PCE Inflation



*Latest data point is Aug 2026*

- The PCE price index is the official measure of inflation for the Federal Reserve. Historically it has been slightly lower than CPI.
- Similar to CPI, PCE has improved but remains stubbornly above the Fed's target, possibly due to tariffs.
- The goal of the Federal Reserve has historically been to maintain a 2% target on core PCE.

Sources: Cleonomics,  
Bureau of Economic Analysis

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# Global Equity Valuations

*Forward P/E Ratios for the S&P 500, MSCI EAFE and MSCI EM since 1995*



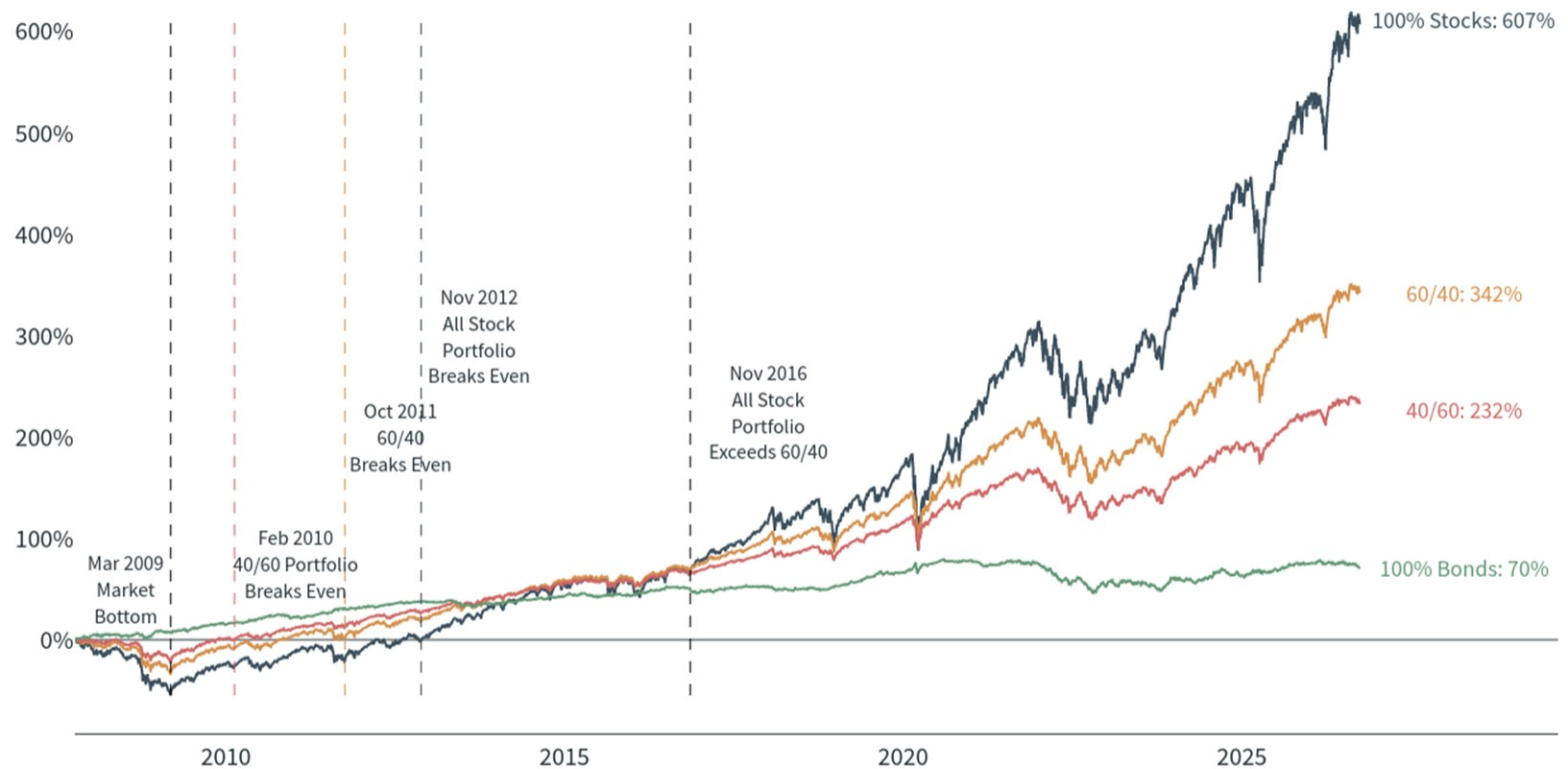
*Latest data point is Sep 29, 2026*

- Valuations for different regions have taken similar trajectories over the past 20 years, but at different levels.
- The U.S. has been the most expensive since 2008 due to its strong stock market performance.
- Throughout this time, there have been periods of opportunity for all markets, especially emerging ones.

Sources: Clearnomics,  
Standard & Poor's,  
MSCI, LSEG  
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# Asset Allocation Performance

*Total returns of historical stock/bond index performance since the 2007 pre-financial crisis peak using the S&P 500 and U.S. Aggregate Bond indices, before expenses and fees*



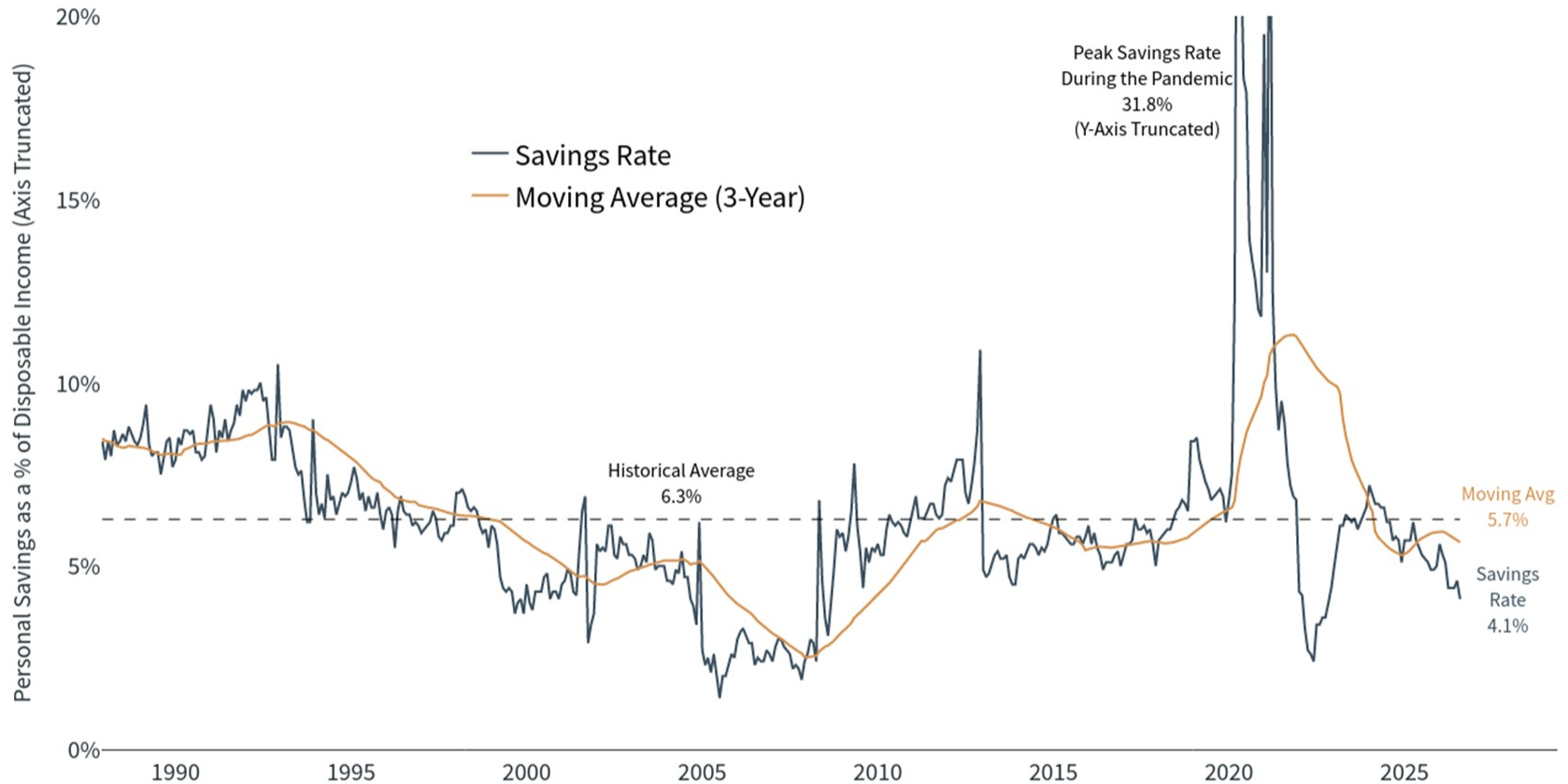
*Latest data point is Sep 30, 2026*

- This chart shows the performance of various asset allocations during bear markets.
- Holding an appropriately diversified portfolio creates a much smoother ride.
- In fact, these portfolios have done well even against a 100% stock portfolio.

Sources: Clearnomics,  
Standard & Poor's,  
Bloomberg  
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# Personal Savings Rate

*Savings as a percentage of disposable income*



*Latest data point is Aug 2026*

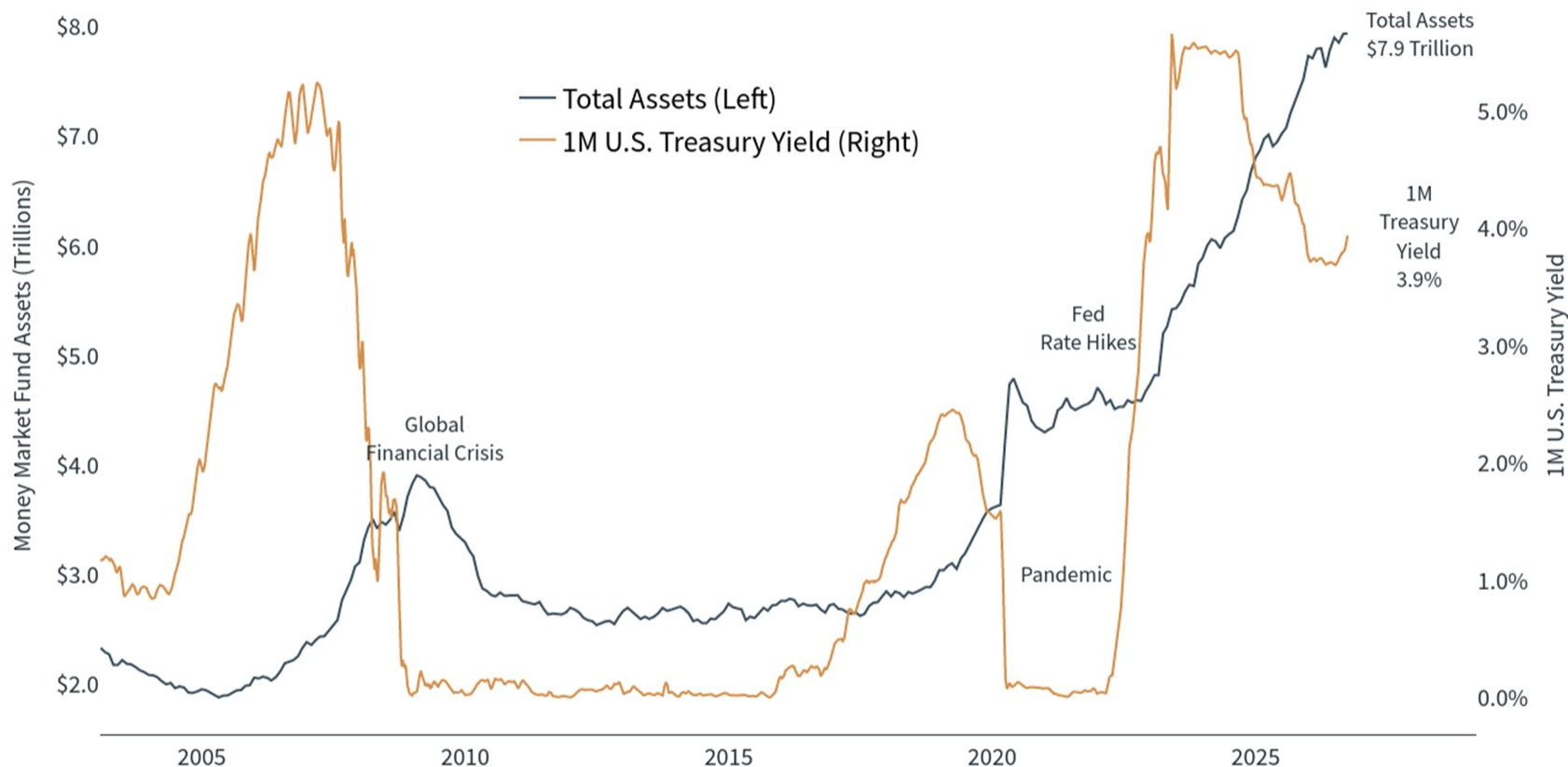
- Household savings are the flip side of spending. They are important for financial health.
- Savings rates have now fallen back below average levels.

Sources: Cleonomics,  
Bureau of Economic Analysis

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# Money Market Funds and Interest Rates

*Money market fund total assets and short-term rates*



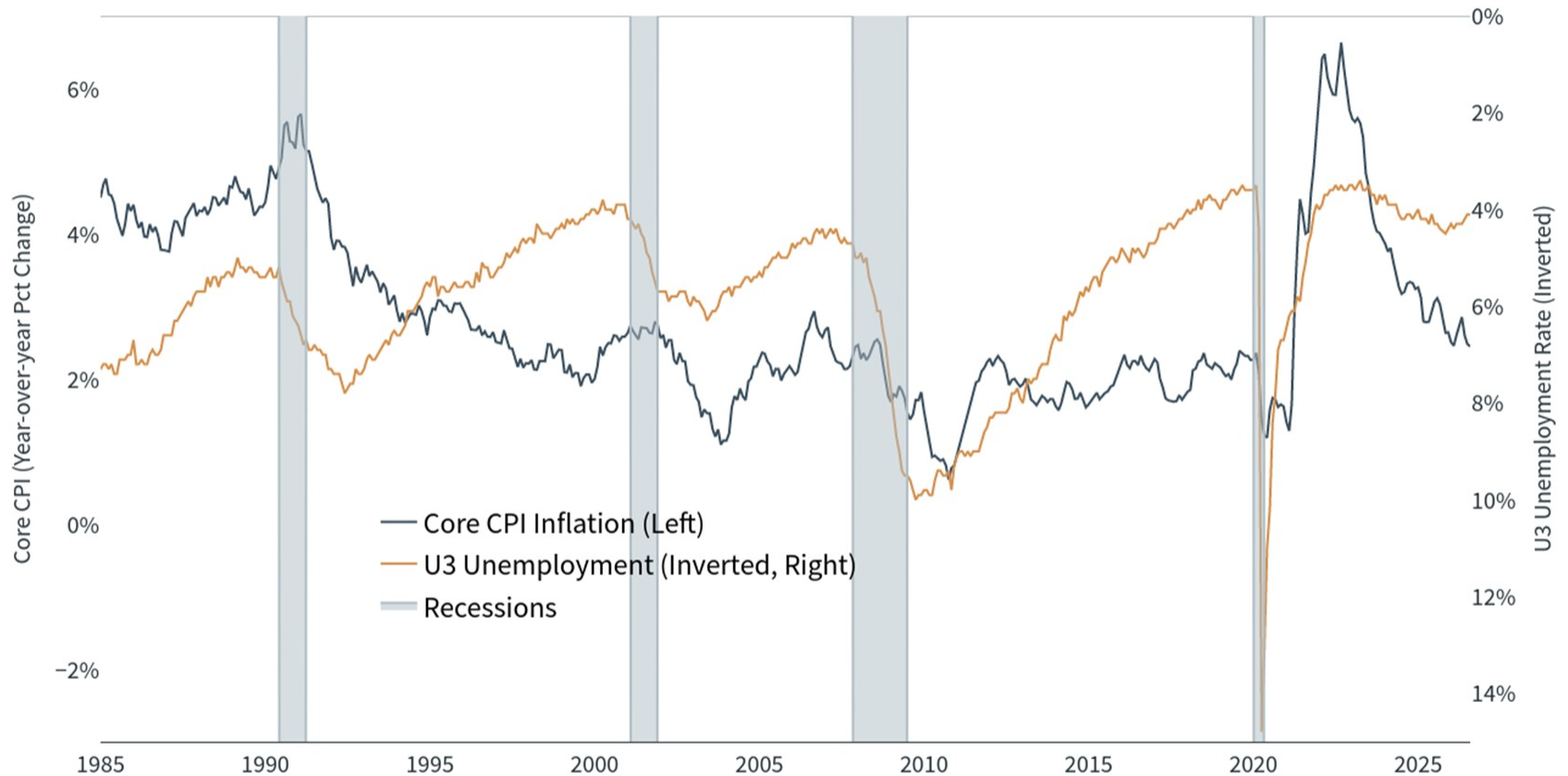
*Latest data point is Sep 30, 2026*

- Money market mutual fund assets are near all-time highs.
- Higher cash yields due to interest rate increases have attracted significant inflows to money market mutual funds.
- Money market mutual funds can provide attractive returns on cash, but are often not suitable for long-term investing.

Sources: Clearnomics, Federal Reserve, ICI

# Unemployment vs. Inflation

*U3 Unemployment Rate (Inverted) and Core CPI inflation*



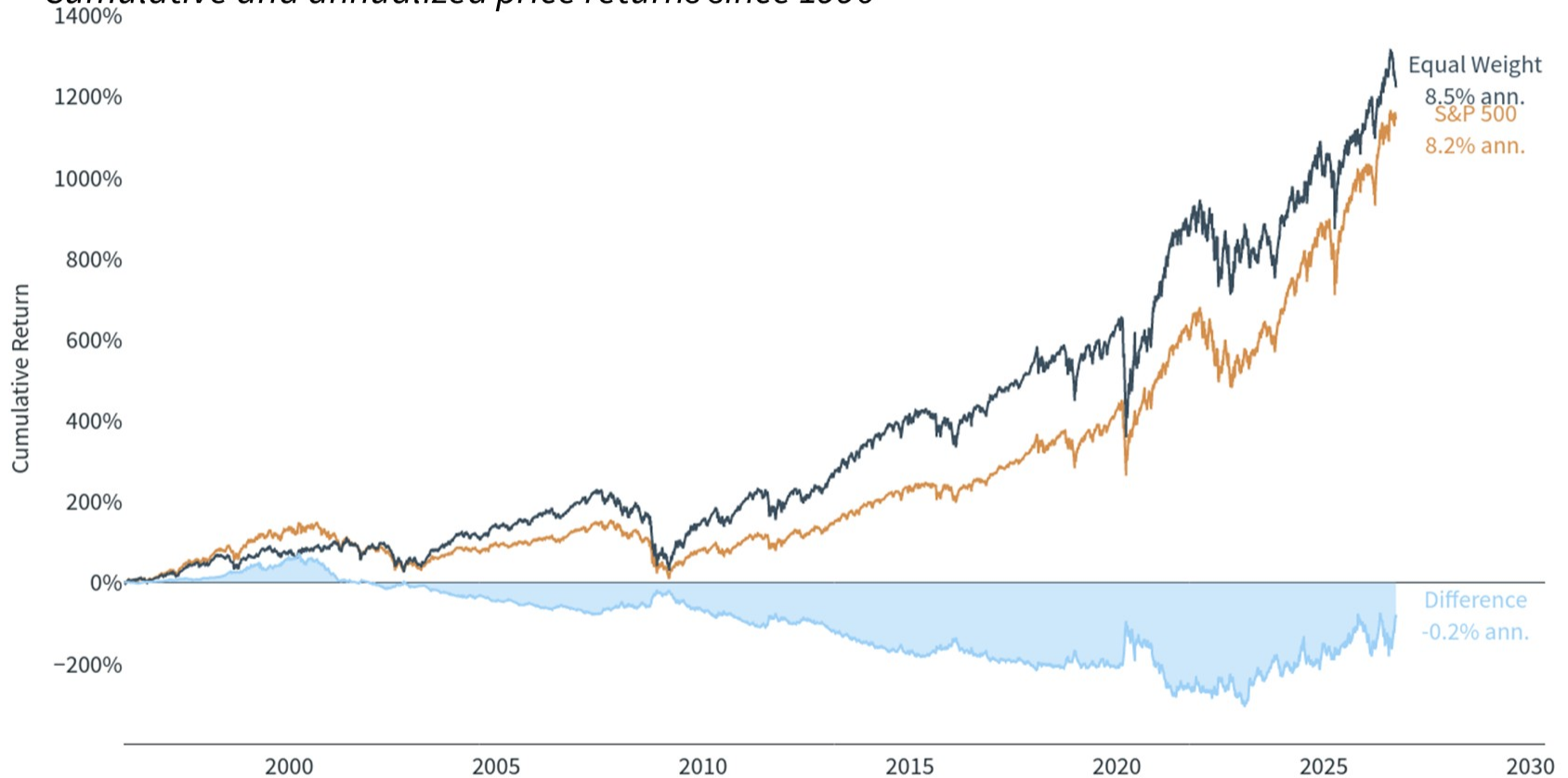
*Latest data point is Aug 2026*

- The relationship between unemployment and inflation is known as the Phillips Curve and is generally downward-sloping.
- As the unemployment rate decreases it is expected that inflation will increase, and vice-versa.
- This relationship has changed over time, especially over the past decade when both unemployment and inflation were extremely low.

Sources: Clearnomics, BLS, NBER

# S&P 500 Equal Weight Historical Performance

*Equal weight index compared to market cap weighted index  
Cumulative and annualized price returns since 1996*

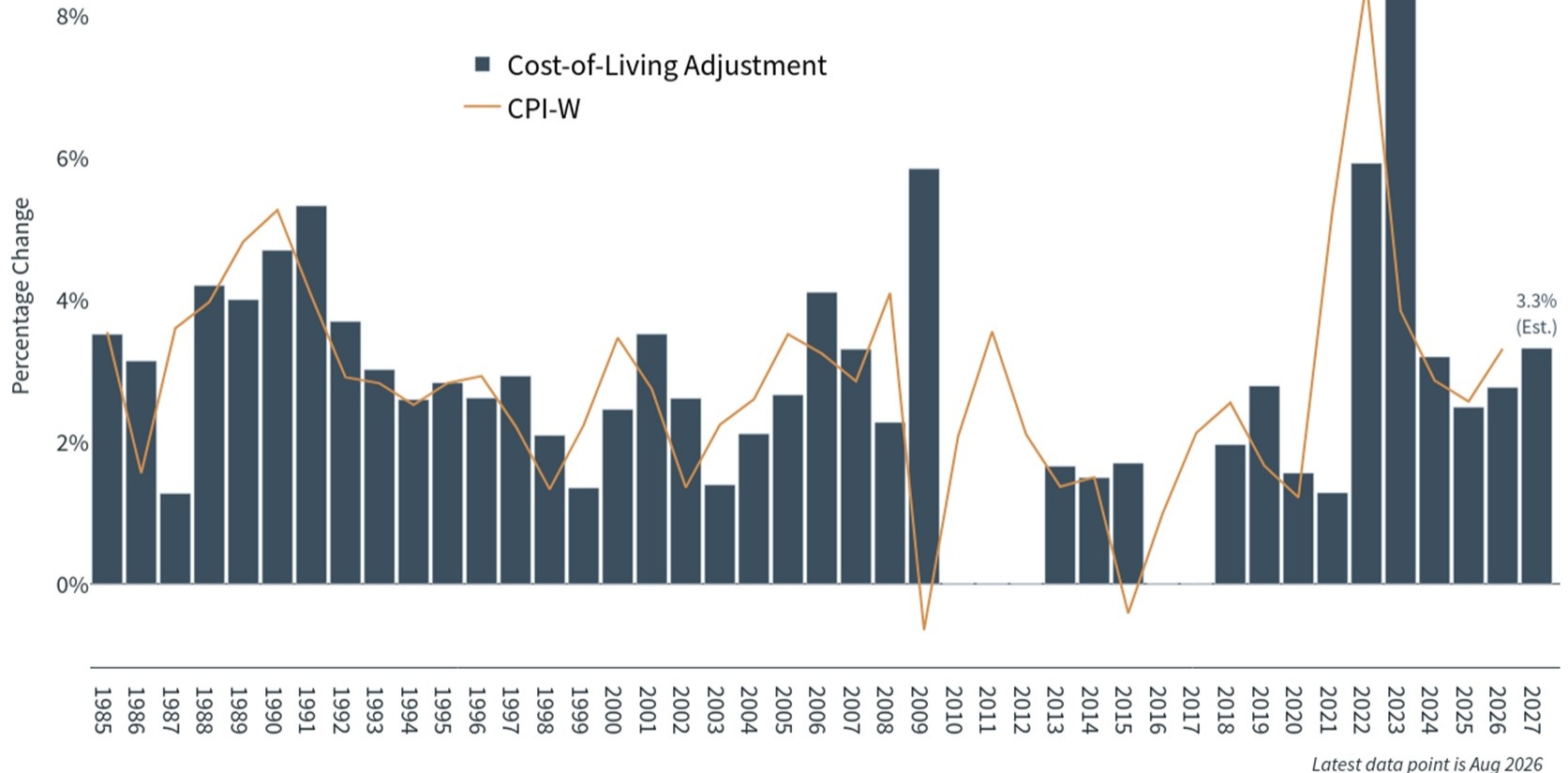


Latest data point is Sep 30, 2026

- This chart shows the difference between market-weighted and equal-weighted S&P 500 returns over time.
- Although some stocks, especially those in tech, have contributed significantly to index returns recently, this is not always the case.

# Social Security Cost of Living Adjustment

*Annual COLA. Current year estimate is based on third quarter Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)*

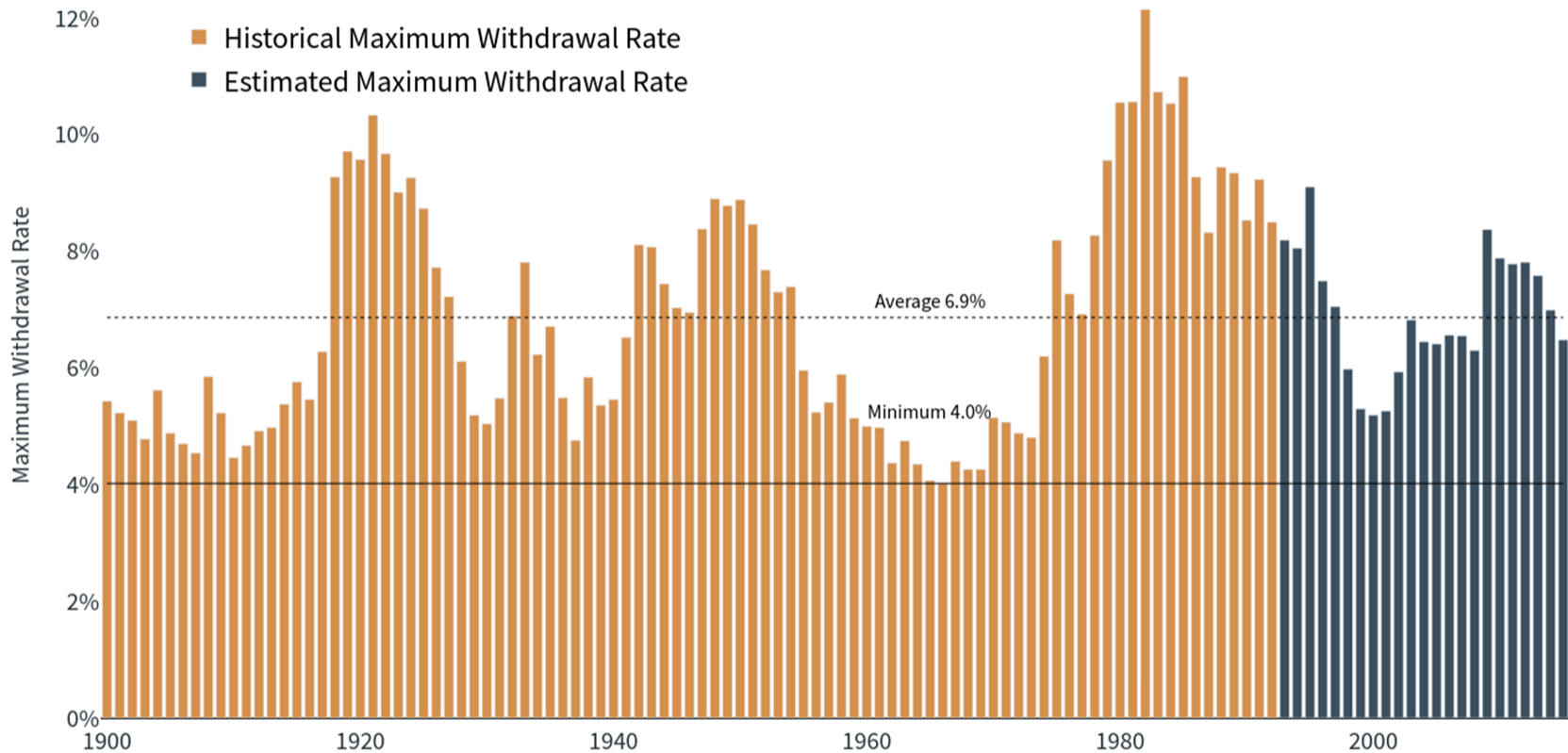


- Cost of living adjustments closely follow inflation by statute, resulting in large increases for the past two years.
- Cost of living adjustments will never be negative, even during deflationary years.

Sources: Clearnomics,  
Bureau of Labor Statistics,  
Social Security Administration

# Maximum Withdrawal Rates in Retirement

*Historical and estimated maximum withdrawal rates over a 30-year retirement based on historical 60/40 stock/bond index performance. For illustrative purposes only.*

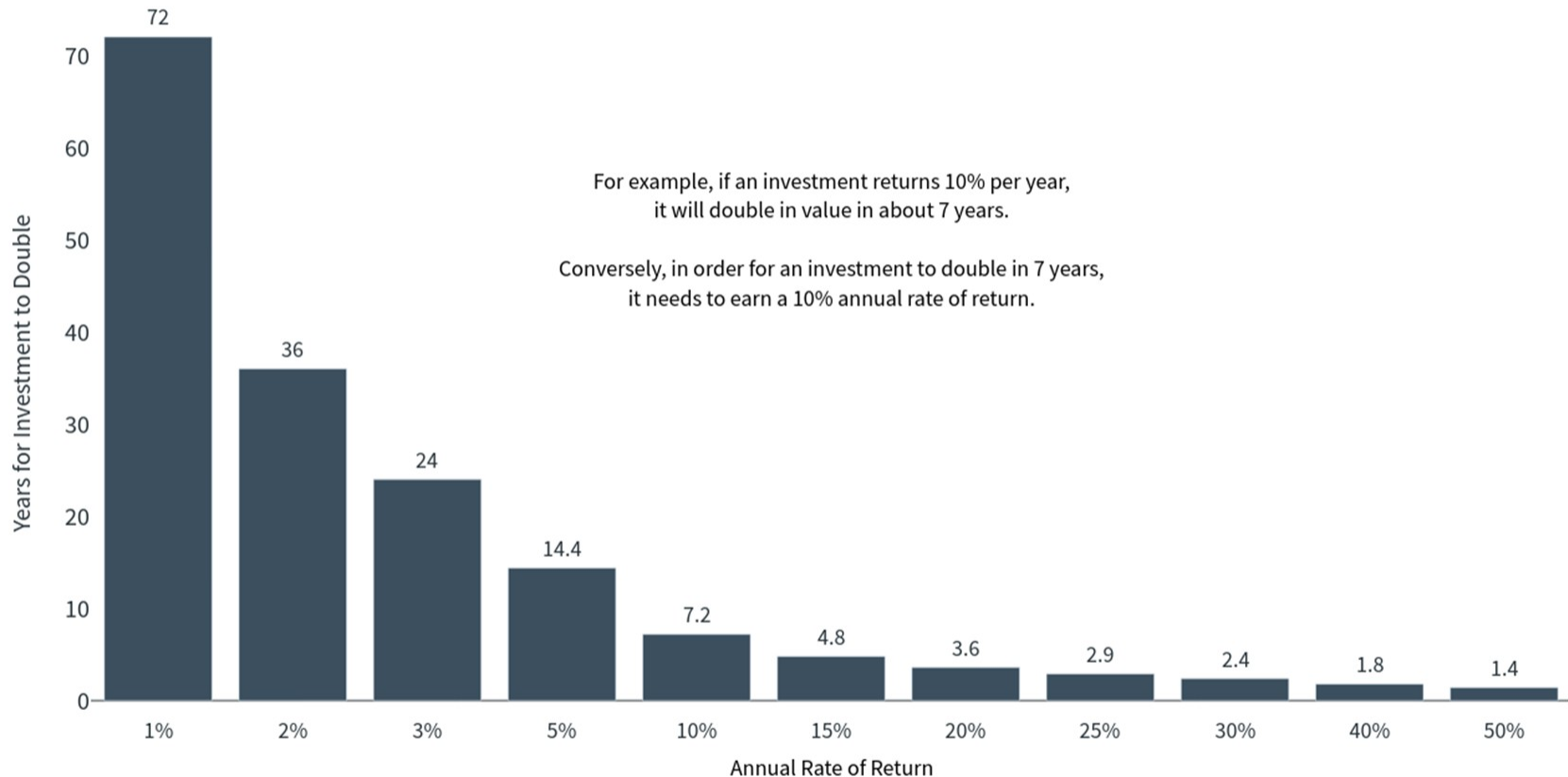


- Over time, the inflation adjusted maximum safe withdrawal rate has ranged from near 4% to over 12% based on a 60/40 stock/bond portfolio.
- The variance in safe withdrawal rates shows how the average returns over a retirement period impact how individuals can draw down on their portfolios.
- The 4% rule may act as a good starting point but should only be used as a simple rule of thumb.

Sources: Clearnomics,  
Robert Shiller

# The Rule of 72

*A helpful rule of thumb for approximating the number of years needed for an investment to double in value, or for calculating the rate of return needed for an investment to double.*



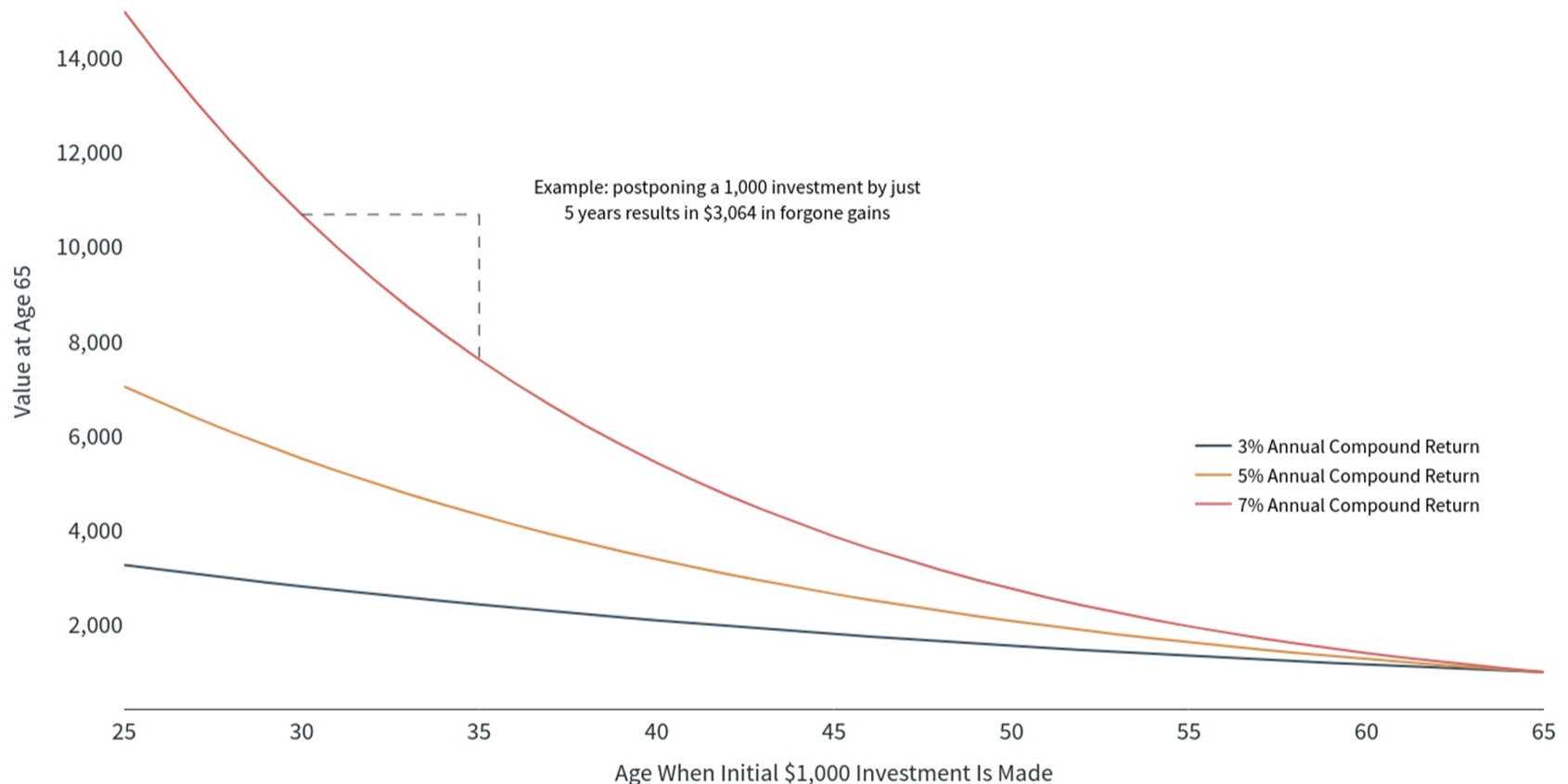
- The rule of 72 is a rule of thumb for investment returns, based on an approximation that works well with small percentages.
- Simply divide 72 by an annual rate of return (say 10%) to arrive at the number of years for that investment to double (about 7 years).
- Or if you know the number of years (say 7), you can divide 72 by this for the rate of return to double the investment (~10%).

Sources: Clearnomics

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# The Importance of Saving Early

*The value of an initial \$1,000 investment at age 65 based on starting age and the level of annual compound returns. For illustrative purposes only.*

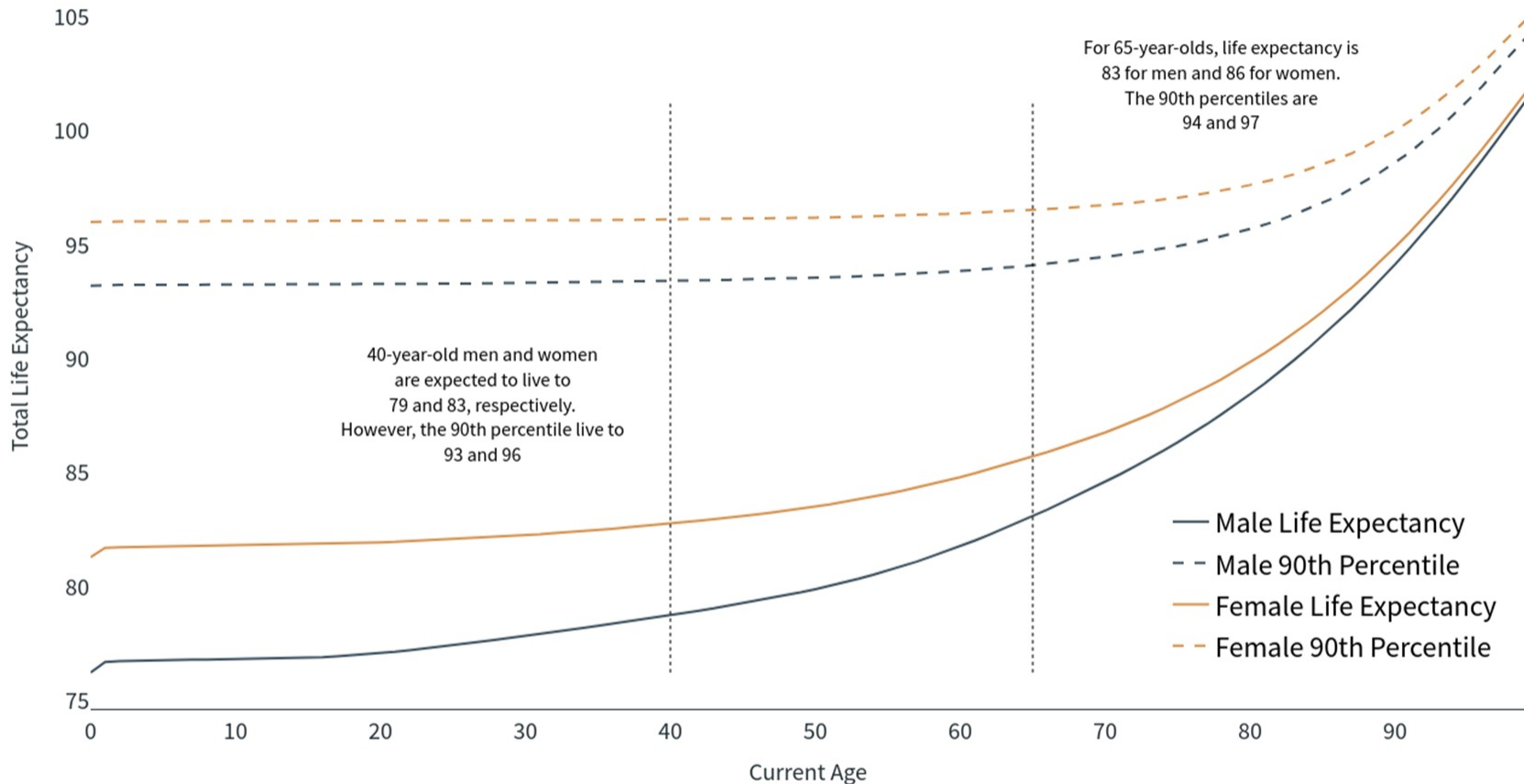


- A hypothetical investment at age 30 in an asset that compounds at 7% per year would be worth more than \$10,000 at age 65.
- Long-term investors should focus on what they can control such as how much and when they invest.
- Investing at age 30, instead of age 40, makes as big a difference as experiencing a 5% or 7% annual return over the course of one's life.

Sources: Clearnomics

# U.S. Life Expectancy

*Average and 90<sup>th</sup> percentiles of life expectancy based on current age*



*Latest data point is 2022*

- Life expectancy has grown dramatically over the past 50 years and is expected to continue to improve, albeit at a slower rate.
- Longevity risk, the risk of outliving retirement savings, is a key consideration when planning for retirement.

Sources: Clearnomics,  
Social Security Administration

# Definitions and Methodology

The **S&P 500** is a market capitalization-weighted index of large cap U.S. stocks. U.S. **mid cap** and **small cap** are the S&P 400 and S&P 600, respectively. **Value** and **growth** are the corresponding Standard & Poor's value and growth indices.

**MSCI EM** is an index of emerging market stocks. **MSCI EAFE** is an index of developed market stocks. **MSCI ACWI** is an index of global stocks.

The **forward P/E** is a ratio of the current market price of an index divided by an estimate of earnings over the next twelve months. The **Shiller P/E** is based on Robert Shiller's cyclically adjusted price-to-earnings ratio.

The **AAll Investor Sentiment** index is based on a weekly survey conducted by AAll.

Unless stated otherwise, **earnings** and **valuations** data are from LSEG indices.

The **LEI**, or Leading Economic Index, is produced monthly by the Conference Board.

**Consumer sentiment** indices are based on surveys conducted by the University of Michigan Surveys of Consumers.

## **Asset Class Performance and Asset Classes Relative to U.S.**

**Stocks charts:** The EM, EAFE, Small Cap, Fixed Income and Commodities are these indices, respectively: MSCI EM, MSCI EAFE, Russell 2000, Bloomberg U.S. Aggregate Bond Index, Bloomberg Commodity Index.

**Fixed Income Performance:** All sectors are represented by the Bloomberg bond indices except for EMD USD and Local which are the JPMorgan EMBIG Diversified Index and JPMorgan GBI-EM Core Index, respectively.

The Balanced Portfolio is a historical 60/40 index calculation consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

The **Bloomberg Commodity Index** is a broadly diversified basket of physical commodities futures contracts.

The **DXY** is a U.S. dollar index based on a basket of currencies, including the Euro, Yen, Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

**Portfolio Risk/Reward and Portfolio Drift Since 2009** charts: stocks and bonds are the S&P 500 and Bloomberg U.S. Aggregate bond index, respectively. Each portfolio represents a historical stock/bond asset allocation.

The **MSCI Factor** indices are created and maintained by MSCI to capture factor returns. They cover various factors including Quality, Size, Momentum, Volatility, Value and Yield. The Multi-Factor index tracks the performance of Value, Momentum, Quality and Size.

The **MSCI USA** index tracks large and mid cap U.S. stocks.

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## NED DAVIS RESEARCH

NDRsales@ndr.com  
www.ndr.com  
(800) 241-0621

### SARASOTA

3665 Bee Ridge Road Suite 306  
Sarasota, FL 34233

United States

800 241 0621 (U.S. & Canada)

941 412 2300

### NEW YORK

1270 Avenue of the Americas

11<sup>th</sup> Floor

New York, NY 10020

(800) 241-0621

### LONDON

4 Bouverie Street

Temple, London

EC4Y 8AX

+44 20 7779 8454

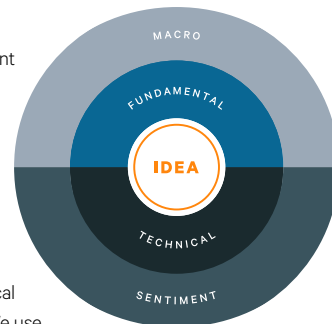


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