

What's on Our Minds

MARKET HIGHLIGHTS

- > **The S&P 500 pulled back in June after early-month highs, but breadth has improved**, reflecting an economy still growing near its 2.0% trend. With energy-spike fears fading, resilient consumer spending and a strengthening manufacturing base should drive growth.
- > **June's S&P Global flash manufacturing Purchasing Managers' Index hit 55.8, beating the 54.8 consensus and May's 55.1—a four-year high.** But respondents cited worsening supply-chain delays, raising speculation that inventory pull-forward inflated the reading, leaving its sustainability in question.
- > **Core Personal Consumption Expenditures, the Federal Reserve's (Fed's) preferred gauge, rose 3.4% year over year in May** (from 3.3%), with headline inflation at 4.1% including energy. With both above the 2% target and rising, the Fed's bias stays toward tightening unless the energy unwind feeds through faster.
- > **Final June University of Michigan consumer sentiment rose to 49.5**, up from the 48.9 preliminary and well above May's 44.8, as easing gas prices lifted this inflation-sensitive survey.

MARKET PERFORMANCE

ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	0.49%	0.98%
Municipal Bonds 1-10Y	0.03%	1.00%
U.S. High Yield	-0.10%	1.70%
S&P 500	-1.94%	8.06%
Russell 2500 (SMID cap)	0.73%	21.90%
MSCI EAFE (International)	-1.29%	8.31%
MSCI Emerging Markets	-4.44%	22.61%
MSCI ACWI (Global)	-2.06%	9.46%
Crude Oil (NYMEX WTI)	-12.29%	20.92%
Gold LBMA PM	-2.98%	-6.77%
60/40 ACWI/Agg Portfolio	-1.04%	6.07%

WHAT CAUGHT OUR EYES THIS WEEK

A Midyear Reflection

As we approach the midpoint of 2026, the Investment Office took some time to review and revise the key themes we laid out in the beginning of the year. The biggest changes to our themes revolve around inflation and monetary policy. We came into the year expecting inflation to continue down toward the Fed's target and for a dovish Fed chair to be balanced by a more hawkish committee. Progress on inflation hit yet another speed bump with the war in Iran. Right now, we think the spike in energy prices will delay but not derail that progress. As for monetary policy, it was clear from his first press conference that new Fed Chair Kevin Warsh does not wish to be perceived as a dove, at least not initially. As of now, the jury is still out on where Warsh will fall on the hawk-dove continuum. A few other themes for the year are intact, if not stronger: The strength in corporate earnings has only grown more impressive over the year and is now extending beyond the US into international and emerging markets, despite the energy shock. Last, the AI infrastructure build-out continues to gain steam and serve as a key source of structural support for the US economy.

Our Updated Key Themes for 2026

1	Monetary policy moves to neutral or slightly restrictive and fiscal policy moves to neutral or slightly positive while the AI infrastructure build-out remains a key structural tailwind.
2	One Big Beautiful Bill Act corporate tax changes are spurring a reacceleration in non-AI business investment.
3	Global growth on net remains positive as trend-or-better US growth offsets supply shocks overseas.
4	Broader economic activity lifts employment, while labor force growth remains sluggish.
5	Inflation remains above target, but progress should resume when the current supply shock fades.
6	The jury is still out on new Fed Chair Warsh's direction regarding interest rates, the Fed balance sheet, and the inflationary versus productivity-enhancing impacts of the AI build-out.
7	We see stability or slight upward pressure for long-term rates, based on strong economic activity.
8	It's hard to fight strong fundamentals for equity markets, with double-digit profit growth balancing high earnings multiples.
9	Better earnings breadth was delayed, not canceled.
10	International stocks still offer diversification benefits and an impressive fundamental outlook considering geopolitical headwinds.

Please see important disclosures and other key information on page 4.

What's on Our Minds

OUR CURRENT OUTLOOK

- > **The U.S. economy is resilient**, but softer labor markets translate into slower (albeit still positive) trends for consumer spending.
- > **Our current expectations of a recession in the next 12 months are moderately low**, which should allow credit spreads to remain tight.
- > **Benefits from the One Big Beautiful Bill Act will accelerate in 2026**, providing a tailwind for consumer spending and capital expenditures.
- > **The resumption of monetary policy easing by the Federal Reserve** will likely be stalled for the rest of the year by the impacts of the Iran War.
- > **We expect S&P 500 profits to continue with their momentum from 2025**, growing in the low to mid-teens again in 2026, and broadening to create new sector leaders in the equity markets.
- > **AI capital spending, driven by the hyperscalers, should continue to boost the U.S. economy**, fueling productivity gains and infrastructure growth.
- > **Potential risks to our outlook include** disappointments in return on investment for AI spending, growing signs of speculative excess in certain pockets of equity markets, continued geopolitical uncertainty, and further deterioration in foreign sentiment for U.S. dollar assets.

IN CASE YOU MISSED IT

INSIGHTS

[A Personal Finance Guide for US Expats Living in Canada](#)

[How to Be a Board Observer](#)

[The Post-IPO Lockup Playbook for Equity Holders](#)

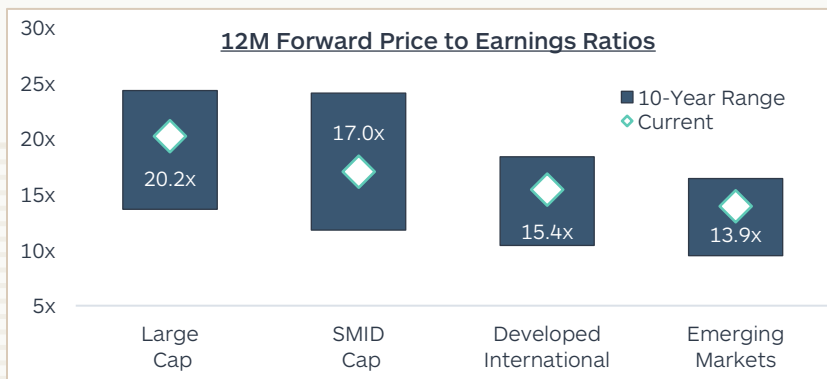
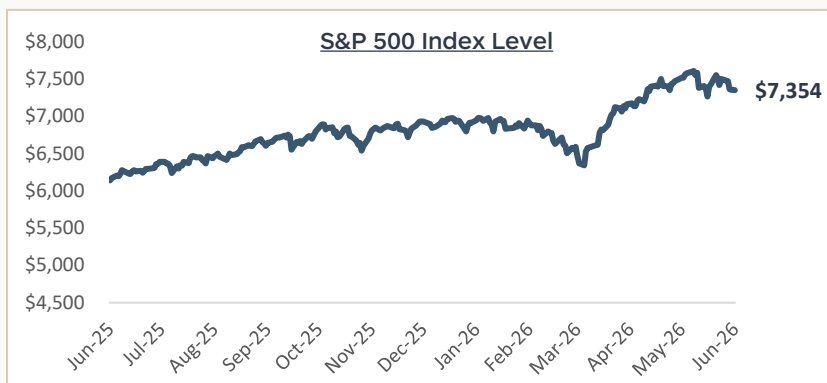
ARCHIVE

[Historical Economic and Market Outlooks Insights](#)

WEBINARS

[Recording: Q2 2026 Market & Economic Outlook](#)

EQUITIES

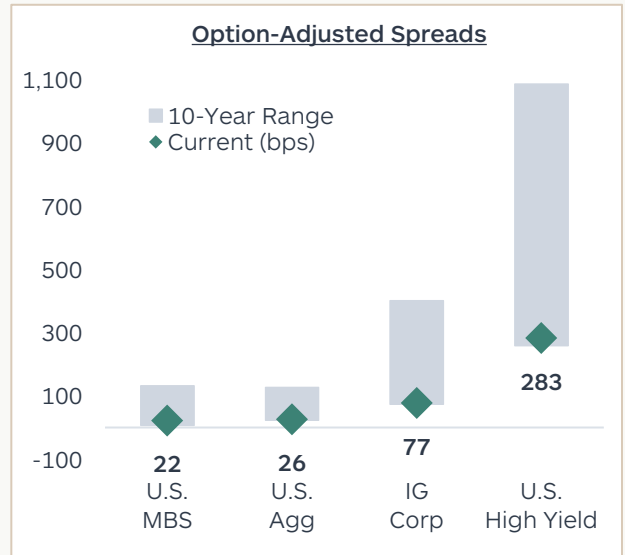


S&P 500 SECTOR	1-WEEK	YTD
Health Care	7.92%	4.65%
Real Estate	3.97%	14.70%
Utilities	3.96%	9.83%
Consumer Staples	1.61%	10.12%
Energy	0.73%	21.17%
Industrials	0.50%	17.58%
Financials	0.48%	-1.17%
Materials	-0.12%	13.45%
Consumer Discretionary	-2.72%	-3.43%
Information Technology	-5.38%	14.84%
Comm. Services	-6.22%	-2.26%

Please see important disclosures and other key information on page 4.

FIXED INCOME

KEY INTEREST RATES	6/26/2026	Δ YTD
Municipal Bonds 1-10Y	3.10%	0.13%
Effective Federal Funds Rate	3.63%	-0.01%
3M T-Bill	3.74%	0.11%
10Y Treasury Yield	4.37%	0.20%
U.S. Aggregate	4.66%	0.35%
30Y Mortgage Rate	6.57%	0.32%
Prime Rate	6.75%	0.00%
U.S. High Yield	7.41%	0.34%

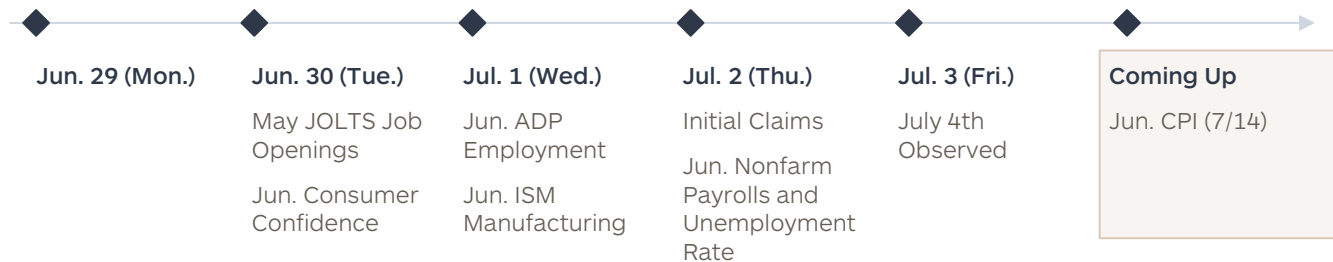


COMMODITIES, CURRENCIES, CRYPTO

Asset Class	6/26/2026
Crude Oil	\$69.24
Gold	\$4,072.05
U.S. Dollar Index	\$101.36
Bitcoin	\$59,995.00

From headlines to horizon, discover how smart insights can shape your financial future. Visit the [Cerity Partners website](#) for more information.

THE WEEK AHEAD



Please see important disclosures and other key information on page 4.

What's on Our Minds

ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners.

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 6/26/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 6/26/26 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 6/26/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 6/26/26.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 6/26/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

GENERAL DISCLOSURES

This material discusses general market activity, industry or sector trends, or other broad-based economic, market, or political conditions and should not be construed as research or investment advice. It is provided for informational and educational purposes only and does not constitute personalized investment, tax, or legal advice. The views and opinions expressed are those of Cerity Partners LLC ("Cerity Partners") as of the date indicated and are subject to change without notice.

This material is not financial research and was not prepared in accordance with legal requirements designed to promote the independence of financial analysis. The views expressed may differ from those of other professionals at Cerity Partners. Investors should consult with their financial advisors before making any investment decisions.

This content may contain forward-looking statements or forecasts that reflect assumptions and expectations as of the date indicated. These statements are inherently subject to change and involve uncertainties that may cause actual results to differ materially. These forecasts do not consider the specific investment objectives, financial situation, or particular needs of any specific person or organization and should not be relied upon as a guarantee of future performance.

Past performance is not indicative of future results. All investments involve risk, including the potential loss of principal. The value of investments and the income derived from them may fluctuate over time.

Index performance is shown for illustrative purposes only. Investors cannot invest directly in an index. Case studies and examples, if any, are for illustrative purposes only and do not guarantee future outcomes.

Any links to third-party websites are provided for convenience and informational purposes only. Cerity Partners does not endorse or guarantee the accuracy or completeness of any information provided by these third parties.

Cerity Partners LLC is an SEC-registered investment adviser with offices located throughout the United States. Registration does not imply a certain level of skill or training. For additional information about Cerity Partners, including our services and conflicts of interest, please refer to our Form CRS and ADV Part 2, available at www.adviserinfo.sec.gov.

This material is intended for general informational purposes only. Redistribution or reproduction, in whole or in part, is not permitted without prior written consent from Cerity Partners LLC.

© 2026 Cerity Partners LLC. All rights reserved.