

QUARTERLY 2Q26

TACTICAL ASSET ALLOCATION



- › Energy and credit are tightening financial conditions.
- › The zero-rate era is over; capital is more expensive.
- › Market leadership is shifting away from growth.

Global markets are adjusting to a changing environment shaped by geopolitical conflict, higher energy costs, and tightening credit conditions. Credit spreads widened during the first quarter as well. Both factors helped contribute to some downward pressure on our WCA Barometer and a modest reduction in equity exposure in tactical portfolios. These developments are occurring against a broader backdrop of transition away from the zero-interest-rate world toward a higher cost-of-capital environment. Our tactical positioning is updated as market leadership shifts, risks change, and as tactical discipline becomes more important. We continue to emphasize diversification, flexibility, and disciplined portfolio positioning as conditions evolve.

Two major developments shaped market behavior during the first quarter. The first story is geopolitical and energy-related. Since the quarter began, conflict involving the United States, Israel, and Iran has disrupted energy markets and global trade, especially through the Strait of Hormuz, a key energy shipping lane. This disruption affects oil, natural gas, and fertilizer supply. The closure will raise input prices as higher energy, fertilizer, and product costs ripple through the global economy. The impact will disrupt transportation, manufacturing, agriculture, and food production. Higher energy prices may act like a tax on the global economy. When costs rise unexpectedly, businesses face higher input expenses, and consumers have less disposable income. This combination could slow economic growth and reduce risk appetite in financial markets.

The second big story is in credit markets. Over the quarter, corporate bond credit spreads widened noticeably. For example, the Bloomberg High Yield Corporate Bond Index spread rose to about 3.4% from a January low near 2.5%, indicating a weakening of financial conditions because they reflect the market's willingness to lend to riskier borrowers. When spreads narrow, credit conditions ease, and risk-taking is encouraged. When spreads widen, borrowing becomes more expensive and financial conditions tighten. A sustained shift in credit markets would mean the environment is less supportive of risk assets than in recent years.

A Shifting Backdrop

These developments are taking place against the broader backdrop of an economy emerging from a long period of near-zero interest rates and extraordinary policy support following the pandemic. Our assumption remains that we are transitioning from a

zero-rate, easy-credit regime to one in which capital is more expensive, liquidity is scarcer, and geopolitical risks are higher amid deglobalization and regionalization.

Higher energy costs and widening credit spreads explain why our WCA Barometer registered its first decline since early 2025. At that time, tariff announcements temporarily rattled markets. The Barometer captures financial conditions, liquidity, and risk appetite. Its recent decline reflects the combined impact of geopolitical risk, higher input costs, and tightening credit conditions. The WCA Barometer's forecast path has shifted lower, leading us to reduce equity exposure in the tactical satellite portion of portfolios.

Noticeable Changes

Alongside these big-picture developments, several subtle shifts are noticeable across various asset classes during the quarter. For example, developed international markets outperformed global equity indices and U.S. growth stocks over the quarter. Outperformance occurred despite concerns about surging energy costs in Europe and elsewhere. This result is notable because U.S. growth stocks have led global equity markets for years. When growth underperforms, the environment is typically one of higher interest rates, falling growth expectations, or waning risk appetite.

Domestically, value stocks also outperformed growth stocks during the quarter. One reason is that value indices have greater exposure to energy companies, which can perform better when energy prices rise. By contrast, growth stocks tend to be more sensitive to interest rates because their earnings are expected to arrive far in the future.

The U.S. dollar has stabilized and strengthened modestly amid the conflict with Iran, which began in late February, after

a period of weakness last year. This is not surprising. During geopolitical stress or financial uncertainty, global investors often move into safe-haven assets like the U.S. dollar and U.S. Treasury securities. A sustained rise in the dollar would reduce the appeal of foreign assets to U.S. investors. In fixed income markets, bond returns were largely flat during the quarter as investors reassessed the outlook for interest rates. Markets are weighing several competing forces: changing Federal Reserve leadership, higher energy and global input costs, and the possibility that inflation could remain elevated. In this environment, cash and mortgage-backed securities generated returns modestly better than the broader domestic bond market.

One surprising development during the quarter was gold's behavior. Gold declined sharply toward quarter's end despite rising geopolitical risk and inflation concerns. It failed to serve as a hedge against either. Part of the story could be higher real interest rates and a strong U.S. dollar. Gold appears to be struggling against these factors.

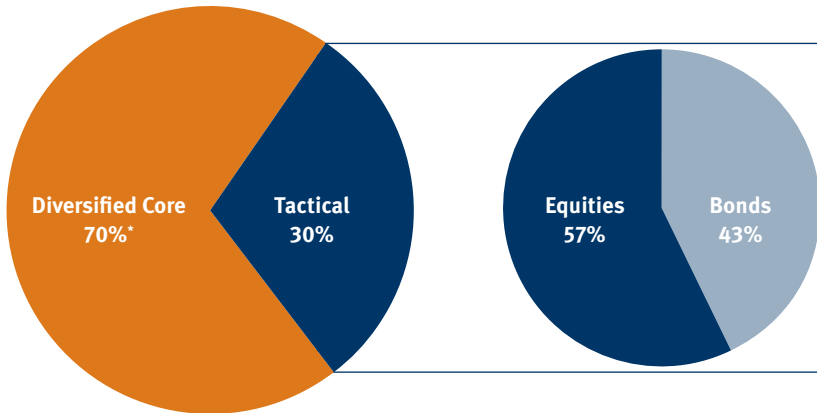
Navigating a Complex Environment

Overall, markets are shifting toward a more complex environment with higher energy costs, tighter credit, changing market leadership, and interest rate uncertainty. This calls for diversification, discipline, and a focus on quality over aggressive risk-taking. The investment environment is shifting away from the zero-rate, liquidity-driven environment of the past decade toward a higher-cost-of-capital world where energy, credit, and geopolitics matter more and valuations matter again.

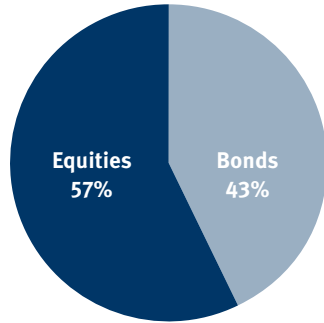
In summary, the main story is the intersection of geopolitics, energy, credit, and market leadership. We will continue to adjust tactical positioning as conditions change.

PORTFOLIO STRUCTURE

DIVERSIFIED CORE Longer-Term Focus



SATELLITE Shorter-Term Focus



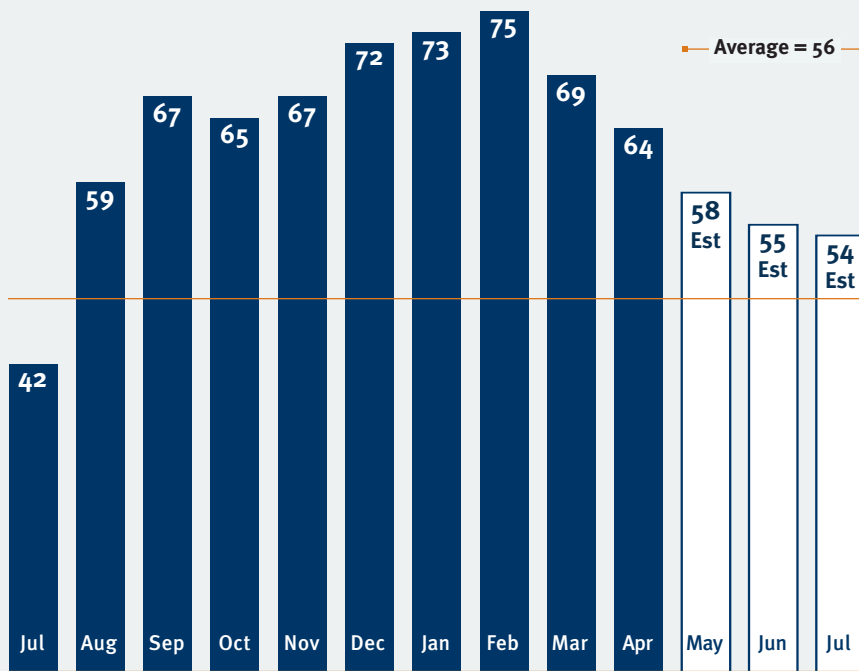
COMBINING LONGER- AND SHORTER-TERM PERSPECTIVES IN ONE ACCOUNT

We think of portfolios as having two parts. At the “core” of the portfolio is a diversified equity and diversified bond allocation. The forecasts, valuations, and trends on page 4 guide these allocations. Because these factors are longer term, changes in the core tend to be slower than the satellite, reducing turnover.

The smaller 30% (blue circle) is the “satellite.” As fundamental conditions change, shorter term “tactical” tilts between stocks and bonds are implemented here.

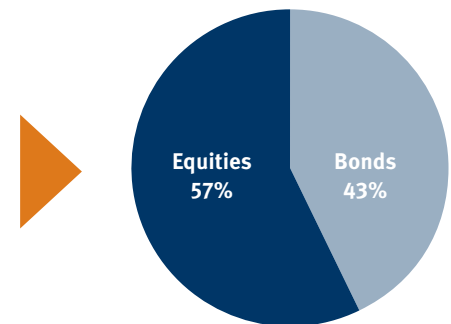
SATELLITE POSITIONING: SHORTER-TERM FOCUS

WCA FUNDAMENTAL CONDITIONS BAROMETER —Below 50: Heightened Risk of Recession



SATELLITE Shorter-Term Tactical

The equity allocation is tactically adjusted to align with the forecast barometer (see chart left).



We regularly assess changes in fundamental conditions to help guide near-term asset allocation decisions. Analysis incorporates approximately 30 forward-looking indicators in categories ranging from Credit and Capital Markets to U.S. Economic Conditions and Foreign Conditions. From each category of data, we create three diffusion-style sub-indices that measure the trends in the underlying data. Sustained improvement that is spread across a wide variety of observations will produce index readings above 50 (potentially favoring stocks), while readings below 50 would indicate potential deterioration (potentially favoring bonds). The WCA Fundamental Conditions Index combines the three underlying categories into a single summary measure. This measure can be thought of as a “barometer” for changes in fundamental conditions.

As of March 31, 2026.

* Including stocks, bonds, and other assets.

ASSET CLASS	10-YEAR VIEW			TACTICAL POSITION
	RETURN	RISK	RETURN/RISK	
BOND ASSUMPTIONS				
Core Bonds	4.3%	5.1%	0.8	UNDERWEIGHT
1-3 Year Treasury Bond	3.5%	1.6%	2.2	OVERWEIGHT ▲
Mortgage-Backed Securities	4.1%	5.2%	0.8	NEUTRAL ▼
Intermediate Government/Credit	4.0%	3.4%	1.2	UNDERWEIGHT
20+ Year Treasury Bond	4.5%	15.0%	0.3	NEUTRAL
Investment-Grade Corporate Bonds	5.1%	8.1%	0.6	NEUTRAL
High-Yield Corporate Bonds	4.5%	7.1%	0.6	UNDERWEIGHT
EQUITY ASSUMPTIONS				
Equity	6.5%	15.4%	0.4	OVERWEIGHT
Domestic Large Cap Value	5.4%	15.3%	0.4	NEUTRAL ▲
Domestic Large Cap Growth	7.6%	17.3%	0.4	UNDERWEIGHT ▼
Foreign Developed Equity Markets	4.7%	14.8%	0.3	OVERWEIGHT
Foreign Emerging Equity Markets	4.8%	15.3%	0.3	OVERWEIGHT
Gold	1.8%	14.9%	0.1	UNDERWEIGHT ▼
REITs	6.3%	17.2%	0.4	OVERWEIGHT ▲

As of March 31, 2026. Past performance does not guarantee future results.
 Up/down arrows indicate a change of >1% since last quarter in a balanced model.

■ Core ■ Satellite

CORE POSITIONING: DECISION TREE	
EQUITY vs. FIXED	Reduced overweight on slowing WCA Barometer
FOREIGN vs. DOMESTIC	Lean toward foreign over domestic on relative strength
EMERGING vs. DEVELOPED	Small overweight to developed over emerging
GROWTH vs. VALUE	Overweight value versus growth on relative momentum
CREDIT vs. SOVEREIGN	Underweight credit versus sovereign
SHORT vs. LONG DURATION	Slight underweight duration versus benchmark
NON-CORRELATED ASSETS	Overweight REITs Neutral High Yield Corporates Underweight Gold

These views are provided by Washington Crossing Advisors, LLC (WCA). Assumptions are estimates based on historic performance and an evaluation of the current market environment. These are estimates only and not intended to represent future performance. References to future expected returns and performance do not constitute a promise of performance for any asset class or investment strategy. Risk refers to an expected standard deviation of returns, a measure of uncertainty around our estimate. The forecasts contained herein are for illustrative purposes only and not to be relied on as advice or interpreted as a recommendation to engage in the purchase or sale of any security or financial product. These forecasts are based upon subjective estimates and assumptions about circumstances and events that may not have taken place and may never do so. In addition, WCA used historic index returns in evaluating past return relationships. This information was gathered from third-party sources we deem reliable, but no independent verification has been undertaken. Actual returns could be higher or lower than shown herein. Opinions are subject to change without notice.



About Washington Crossing Advisors

Washington Crossing Advisors, LLC (“WCA”) is an SEC registered investment adviser and wholly owned subsidiary of Stifel Financial Corp. WCA helps supervise and manage over \$10 billion in total assets for individuals and institutions.*

The team is managed by Kevin R. Caron, CFA, and Chad A. Morganlander, who were among the founding members of Washington Crossing Advisors.

Washington Crossing Advisors’ views on investing and markets are regularly sought by national media outlets, including *CNBC*, *Bloomberg*, *Fox Business News*, *The Wall Street Journal*, *Forbes*, and *Reuters*.

Philosophy and Process

We believe that investments should be selected only after clear and quantified measures of value, risk, and potential reward have been made. Our investment approach combines top-down analysis of the macro economy with fundamentally rooted, bottom-up security analysis.

** As of March 31, 2026. Total assets include assets under management and assets under advisement.*

Description of Indices and Terms Description of Indices and Terms: All performance calculations of indices are calculated on a total return basis (reflecting reinvestment of dividends and other earnings). Indices are unmanaged, are not available for direct investment, and have no associated management fees.

Bloomberg Aggregate Bond Index: A composite of the Bloomberg Gov't/Corp Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are investment grade or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Bloomberg Dollar Spot Index (BBDXY): Tracks the performance of a basket of leading global currencies versus the U.S. Dollar. The index represents both developed and emerging market currencies that have the highest liquidity in the currency markets and the large trade flows against the U.S. Dollar.

The Bloomberg U.S. Corporate High Yield Bond Index: Measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Consumer Price Index: A measure of the average change in prices over time for a basket of consumer goods. Asset allocation and diversification do not ensure a profit or protect against loss.

Dow Jones U.S. Select REIT Index: Intends to measure the performance of publicly traded REITs and REIT-like securities. The index is a subset of the Dow Jones U.S. Select Real Estate Securities Index (RESI), which represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S.

ICE U.S. Treasury 1-3 Year Bond Index: A market value weighted index designed to measure the performance of U.S. dollar-denominated, fixed rate U.S. Treasury securities with minimum term to maturity greater than one year and less than or equal to three years.

Moody's Baa Corporate Bond Index: An index comprised of industrial bonds rated Baa by Moody's with a minimum maturity of 20 years.

NASDAQ Composite Index: A capitalization-weighted index that is comprised of all stocks listed on the National Association of Securities Dealers Automated Quotation System stock market, which includes both domestic and foreign companies.

S&P 100 Index: A sub-set of the S&P 500, is a market capitalization-weighted index that measures the performance of large cap companies in the

United States. The Index comprises 100 major, blue chip companies across multiple industry groups.

S&P 500 Index: Capitalization-weighted composite of 500 stocks traded on the NYSE, AMEX, and NASDAQ; not the largest 500 stocks in U.S., but rather a blend of leading companies in leading industries in the U.S. economy; index comprised of 11 broad industrial sectors.

S&P 600 Index: A capitalization-weighted index that represents the U.S. small capitalization market, including companies with a market cap in the range of \$300 million to \$2 billion. This index consists of 600 domestic stocks chosen for market size, liquidity, and industry representation. The S&P index committee uses the 50th and 83rd percentile of market value of all U.S. companies as a general guideline to identify small cap. None of the companies in the S&P Small Cap overlap with those in the S&P 500 nor the S&P Mid Cap 400.

Mortgage-backed securities represent an investment in a pool of mortgage loans; thus, the yield and average life will fluctuate depending on the rate at which mortgage holders prepay the underlying mortgages and changes in interest rates. Your financial advisor should explain how mortgage-backed securities react to different market conditions.

International and Emerging Markets Investing: There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries.

Bonds and High Yield Bonds: When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. High yield bonds have greater credit risk than higher quality bonds.

Commodities and Futures: The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

Real Estate: When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance.

Opportunity Disclosure: The Washington Crossing Advisors, LLC Stifel Conquest and Conquest Alternatives Portfolios require a \$25,000 minimum investment. More information on the Stifel

Opportunity Program is included in the Stifel Consulting Services Disclosure Brochure and Part II of the Manager's Form ADV, which may be obtained from your Financial Advisor and which further outlines the fees, services, exclusions, and disclosures associated with this program. The information contained herein is believed to be reliable and representative of the portfolios available through Stifel; however, the accuracy of this information cannot be guaranteed. Investors should consider all terms and conditions before deciding whether the Opportunity Program and these strategies are appropriate for their needs.

The S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index is a value-weighted average that seeks to measure the value of residential real estate in 20 major U.S. metropolitan areas. The index is a composite of single-family home price indices for the nine U.S. Census divisions.

This commentary often expresses opinions about the direction of market, investment sector, and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance, and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed Income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees.

Any projections, targets, or estimates in this report are forward looking statements and are based on WCA's research, analysis, and assumptions made by the Adviser. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and suitability specifications.

All expressions of opinions are subject to change without notice. Clients should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed in this commentary. Registration with the SEC does not imply a certain level of skill or training.

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