

Weekly Market Recap

May 26, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 [®] Index	7,474	0.9%	9.2%
Dow Jones Industrial Average	50,580	2.1%	5.2%
NASDAQ	26,344	0.5%	13.4%
Russell 2000 [®] Index	2,793	-2.4%	12.5%
International Equities ¹	103.98	2.2%	8.3%
Emerging Markets Equities ²	65.88	1.2%	20.4%
Ten-Year Treasury Yield	4.59%	0.2%	-0.3%
Oil WTI ³ (\$/bbl ⁴)	\$97.00	-8.0%	68.9%
Bonds ⁵	\$98.44	0.43%	-1.44%

¹International Equities is represented by iShares Core MSCI ETF. ²Emerging Markets Equities are represented by iShares MSCI Emerging Markets ETF. ³WTI = West Texas Intermediate Oil. ⁴bbl = Barrel. ⁵Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) gained for the eighth consecutive week, which included positive drivers such as artificial intelligence (AI) compute, ongoing AI capital expenditure (capex) spending, and healthy earnings growth. NVIDIA delivered another beat and raise in earnings driven by continued surging demand for compute, which led to the outperformance of semiconductors despite NVIDIA shares underperforming peers. Negative sentiment for U.S. stocks was linked to the uncertainty about Iran/Strait of Hormuz, ongoing concerns about high energy prices and the potential to crowd out consumer spending, and the risk of the Federal Reserve (Fed) potentially raising rates. The U.S. 10-year Treasury yield was flat at 4.59%. The dollar was flat, while gold fell 0.8%. Oil (WTI) fell 8.0% on some optimistic Iran-U.S. diplomacy headlines.
- S&P 500 Index Sector Returns:
 - Healthcare (+3.3%) and utilities (+3.3%) outperformed, as investors tend to favor more defensive sectors.
 - Real Estate (+3.1%) rose, led by cell towers.
 - Consumer discretionary (+1.9%) rose, led by housing stocks, autos, Tesla, and Amazon.
 - Financials (+1.6%) rose, led by banks.
 - Tech (+1.0%) rose, led by semiconductors and memory stocks.
 - Industrials (+0.2%) rose, led by airlines and aerospace and defense stocks.
 - Materials (0.0%) were flat, led by paint and chemical companies.
 - Energy (-0.4%) fell, as the price of oil fell 8.0%
 - Consumer staples (-1.0%) fell, led lower by consumer-packaged goods and tobacco stocks.
 - Communication services (-1.9%) fell, led lower by internet search and social media stocks.

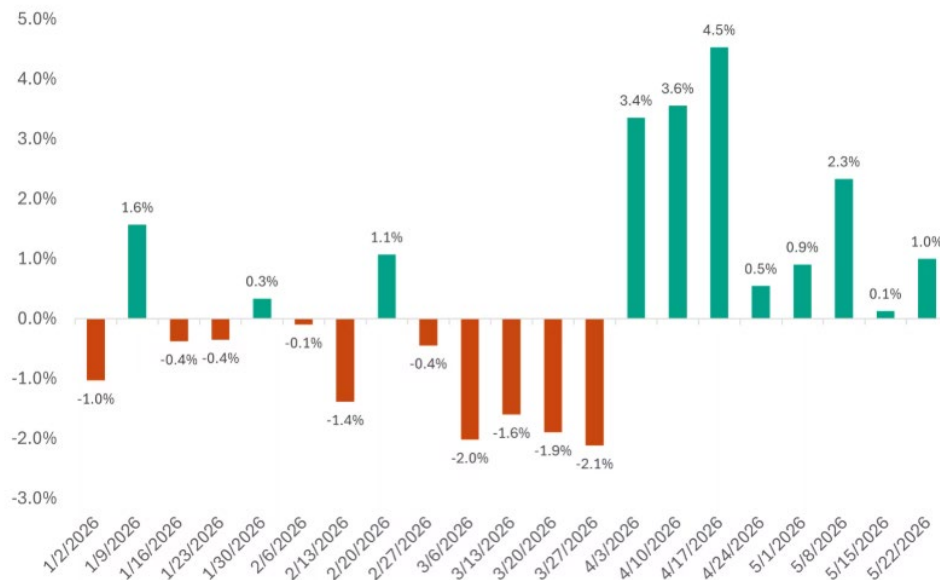
Specific securities identified and described do not represent all of the securities purchased, sold or recommended to clients. There are no assurances that securities identified will be profitable investments. The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

All data is as of 05.22.2026 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

- The S&P 500 Index has risen, extending its recent winning streak.

S&P 500 extends its winning streak despite rising yields

Weekly S&P 500 returns as of 5/22/26 intraday

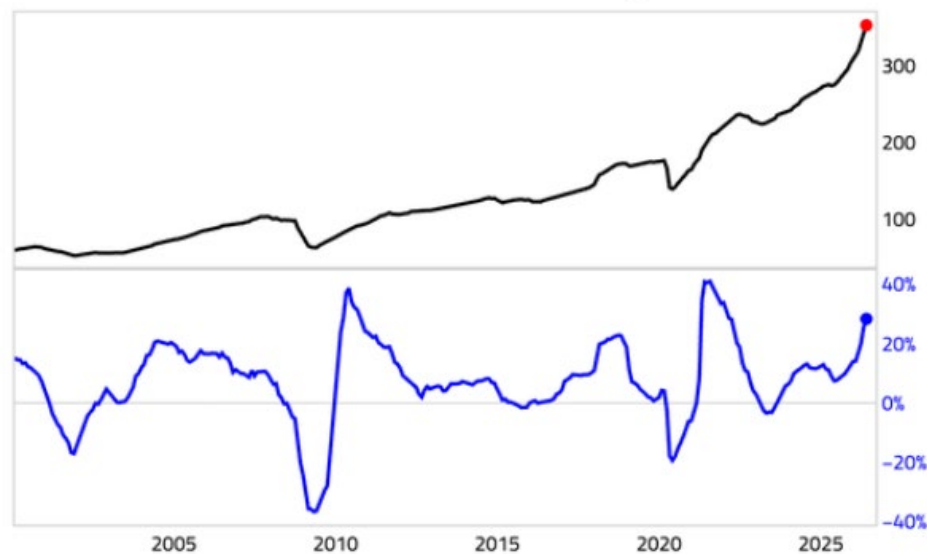


Past performance does not guarantee future results. Indexes are unmanaged, cannot be invested into directly, and are not meant to depict an actual investment. Sources: Bloomberg L.P.; Edward Jones.

- The S&P 500 forward earnings per share (EPS) appears to be accelerating, which may be contributing to the strength of U.S. equities.

S&P 500 Forward EPS

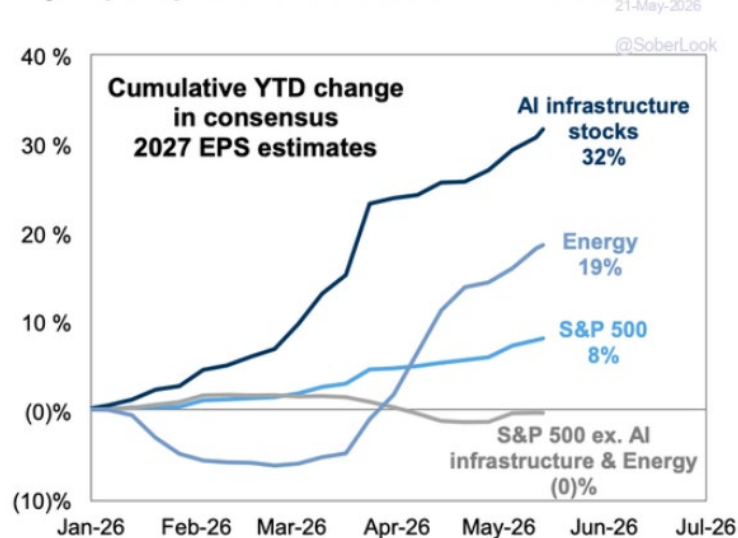
— Forward EPS — Y/Y % Change



Forward EPS is an estimate of a company's profit per share for an upcoming period, usually the next 12 months or the next fiscal year. Y/Y: year-over-year. Sources: FactSet; Edward Jones.

- AI infrastructure stocks and energy stocks have driven a vast majority of the upward revisions to S&P 500 earnings estimates, which may be contributing to the outperformance of AI infrastructure stocks and energy equities.

Exhibit 13: AI infrastructure stocks and Energy have driven majority of upward revisions to S&P 500 EPS estimates



YTD: year to date. Data is as of 05.21.2026. Sources: FactSet; Goldman Sachs; The Daily Shot.

- Dividend stocks appear to have been out of favor over the past several years.

Steady Dividends Are Out of Fashion

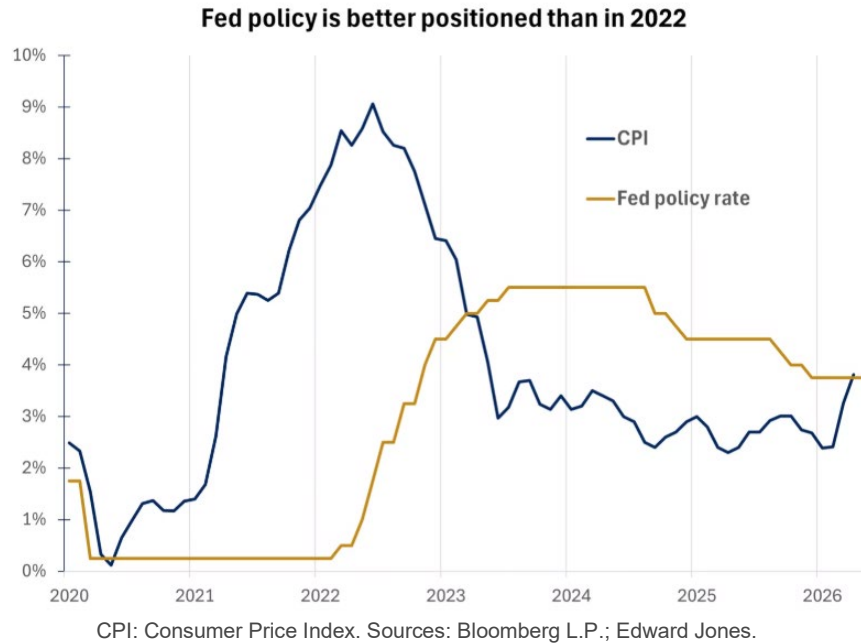
Three-year total return on S&P 500 Dividend Aristocrats relative to:



Dividend stocks are shares of publicly traded companies that regularly distribute a portion of their corporate earnings to shareholders. The S&P 500 Equal Weight Index gives each company in the S&P 500 an equal weight. Sources: London Stock Exchange Group (LSEG); The Daily Shot.

Fixed Income Markets

- The Fed appears to be in a better position today, relative to 2022, to manage the recent rise in inflation as the Fed's short-term rates are relatively high and the current rise of inflation appears to be supply-driven due to the U.S.-Iran conflict and the closing of the Strait of Hormuz.



- The Fed's Treasury holdings have risen in absolute terms but are actually below pre-Global Financial Crisis (GFC) average as a share of the overall market.

Exhibit 2: Fed UST holdings have risen in absolute terms but stand below the pre-GFC average as a share of the overall market
 Fed UST holdings as % of overall USTs outstanding



UST: U.S. Treasury. Sources: Federal Reserve; U.S. Treasury, Haver Analytics; Goldman Sachs; The Daily Shot.

International Markets Summary

- European markets (STOXX 600 Index) rose +3.0% as U.S.-Iran peace talks seemed to show signs of de-escalation despite the European Commission lowering the expected gross domestic product (GDP) growth forecast for the Eurozone to 0.9% in 2026, down from 1.4% growth in 2025.
- The Chinese stock market (Shanghai Composite A share) fell -0.5% as China's April activity data missed expectations and reinforced signs that first-quarter momentum is softening.
- Japanese equities (Nikkei 225 Index) rose +3.1% as U.S.-Iran peace negotiations appeared to show signs of progress, while technology and AI-related stocks led the advance.

This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
 - Monday: U.S. Market Holiday;
 - Tuesday: Federal Housing Finance Agency (FHFA) House Price Index, Consumer Confidence, Redbook Chain Store, American Petroleum Institute (API) Crude Inventories;
 - Wednesday: Mortgage Bankers Association (MBA) Mortgage Purchase Applications, Department of Energy (DOE) Crude Inventories;
 - Thursday: Weekly Jobless Claims, Core Personal Consumption Expenditures (PCE), Durable Orders, GDP Chain Price (first revision), GDP (first revision), Personal Spending, Personal Income, New Home Sales, Energy Information Administration (EIA) Natural Gas Inventories;
 - Friday: Wholesale Inventories, Chicago Purchasing Managers Index (PMI).

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

Important Information & Disclosures

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

The opinions contained in this presentation reflect those of Sterling Capital Management LLC (SCM), are for general information only, and are educational in nature. The opinions expressed are as of the date of publication and are subject to change without notice. These opinions are not meant to be predictions and do not constitute an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. SCM does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through SCM (CRD# 135405), an investment adviser registered with the U.S. Securities & Exchange Commission (SEC) and an indirect, wholly-owned subsidiary of Desjardins Global Asset Management Inc., which is part of the Desjardins Group. SEC registration does not imply a certain level of skill or training, nor an endorsement by the SEC. SCM manages customized investment portfolios, provides asset allocation analysis, and offers other investment-related services to affluent individuals and businesses.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depository receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

Technical Terms:

Capital expenditures (CapEx) are funds a business uses to acquire, upgrade, or maintain long-term physical assets—like property, buildings, equipment, or technology—to expand its operational capacity. **Earnings per Share** (EPS) is a common measure of profitability per share of a company's common stock. The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The **S&P 500 Dividend Aristocrats Index** is a list of companies from the Standard & Poor's 500 Index (the S&P 500) that have a track record of raising their dividends for at least 25 consecutive years. Each company is equally weighted within the index. **Gross domestic product (GDP)** is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health. The **Consumer Confidence Index (CCI)** measures how optimistic consumers are about their financial situations. The **Purchasing Managers' Index (PMI)** is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The **Core Personal Consumption Expenditure (PCE) Index** is a measure of prices that people living in the U.S., or those buying on their behalf, pay for goods and services. The **Federal Housing Finance Agency (FHFA)** is an independent U.S. federal regulatory agency established in 2008 to oversee the Federal Home Loan Bank System, Fannie Mae, and Freddie Mac. The **Chicago PMI** is a monthly measure of the level of business activity for the Chicago area in the manufacturing sector. (Technical definitions are sourced from Corporate Finance Institute.)

The **Chartered Financial Analyst® (CFA)** charter is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.