SPW Investment Strategy

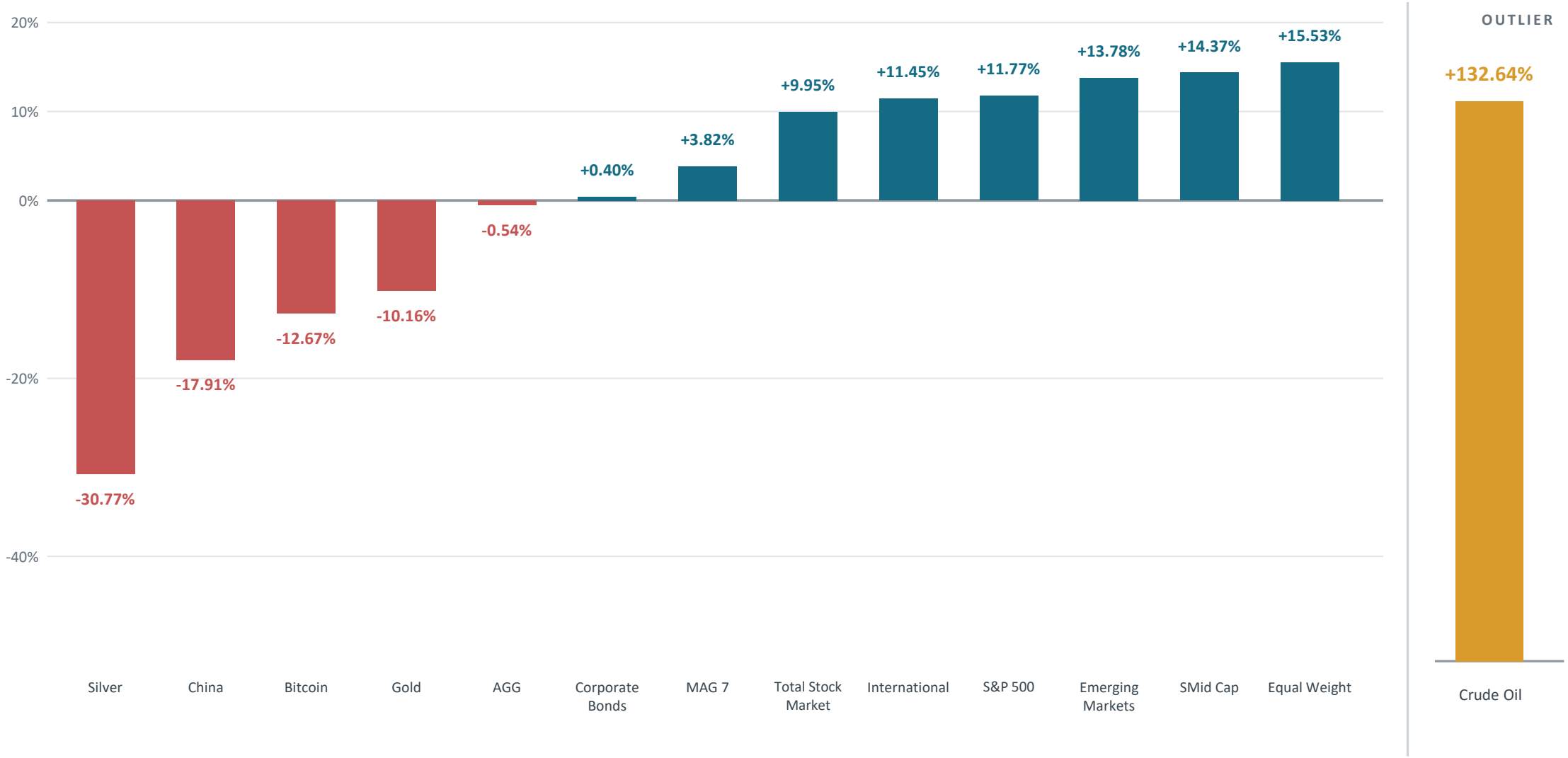
Stratos
Private Wealth

2026 Market Update

The Year-End Outlook: What We're Watching

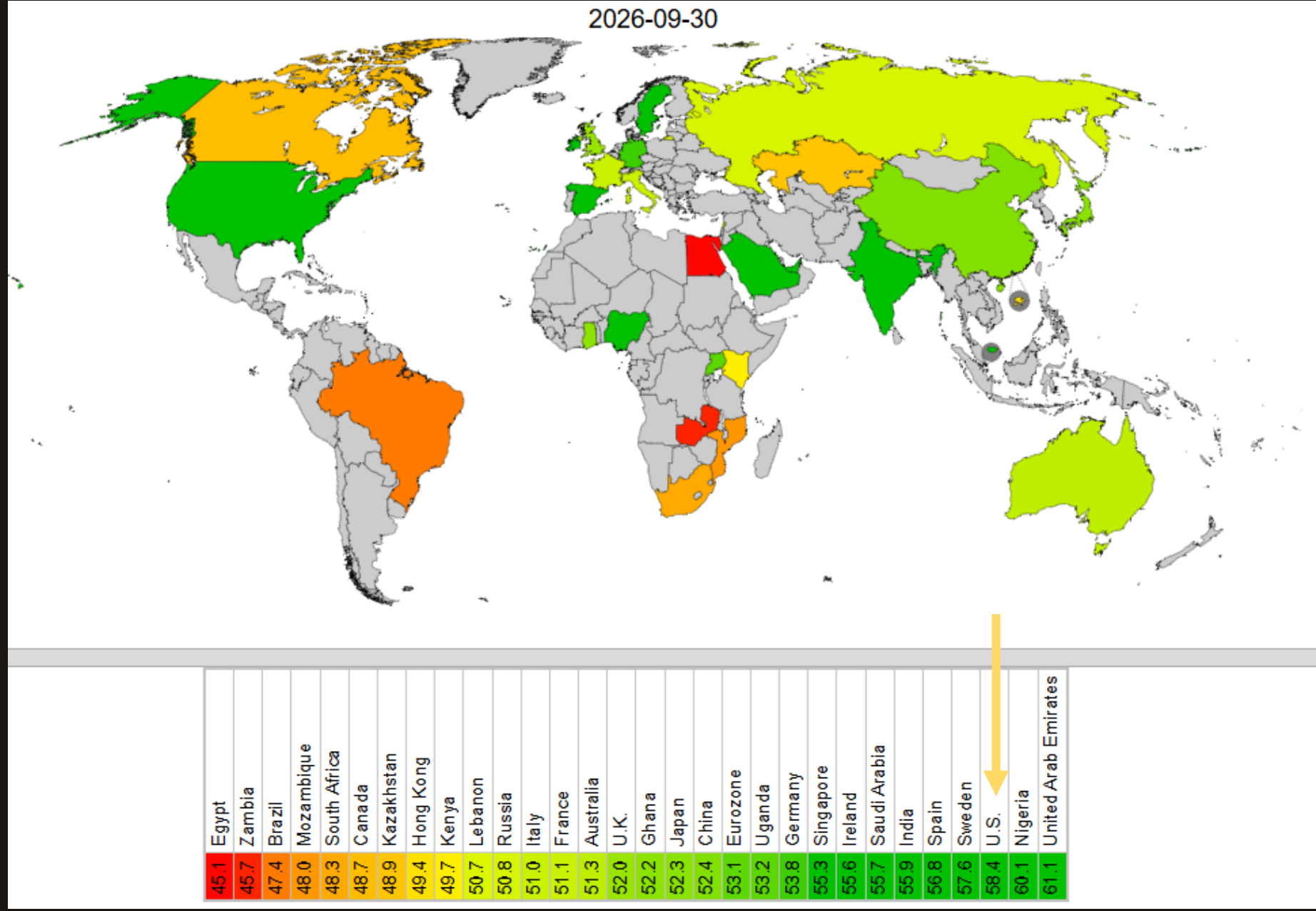
November 2026

2026 YTD Performance

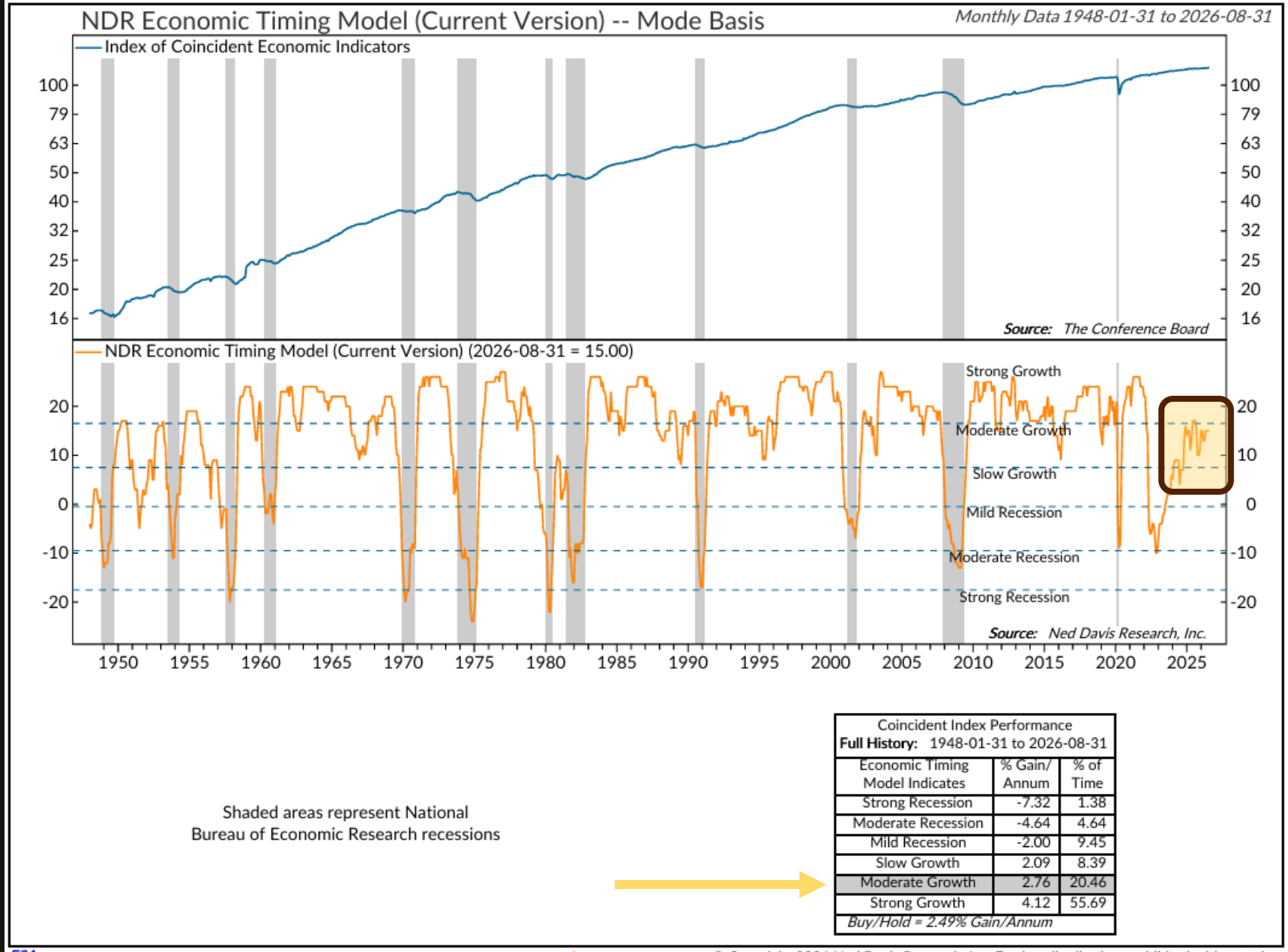


* Performance through 10/30/2026

Most Major Economies Continue to Expand



The US Economy Remains Resilient



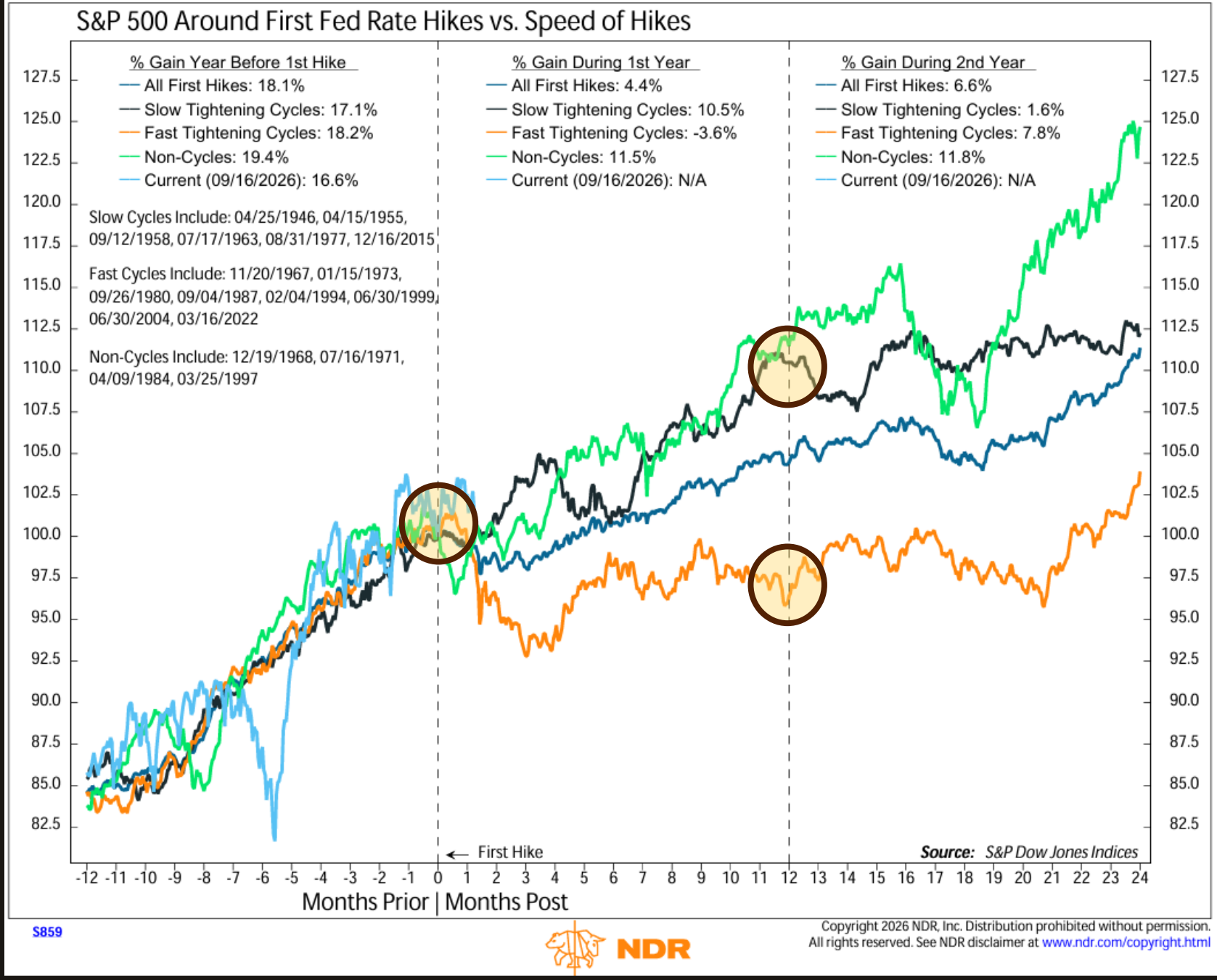
Shaded areas represent National Bureau of Economic Research recessions

Coincident Index Performance **Full History:** 1948-01-31 to 2026-08-31		
Economic Timing Model Indicates	% Gain/ Annum	% of Time
Strong Recession	-7.32	1.38
Moderate Recession	-4.64	4.64
Mild Recession	-2.00	9.45
Slow Growth	2.09	8.39
Moderate Growth	2.76	20.46
Strong Growth	4.12	55.69
Buy/Hold = 2.49% Gain/Annum		

E2A

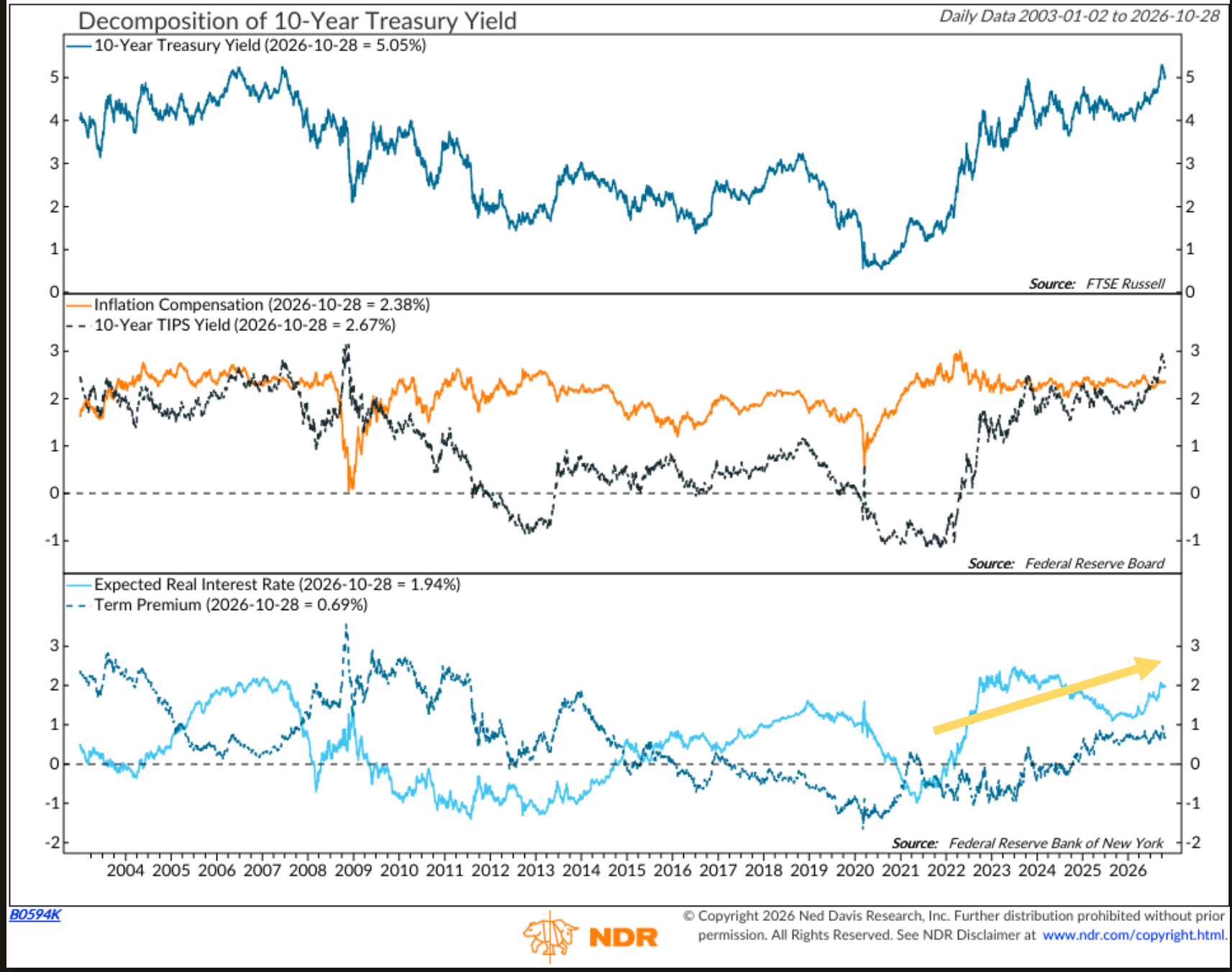
© Copyright 2026 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html.

The Pace of Rate Hikes Matters

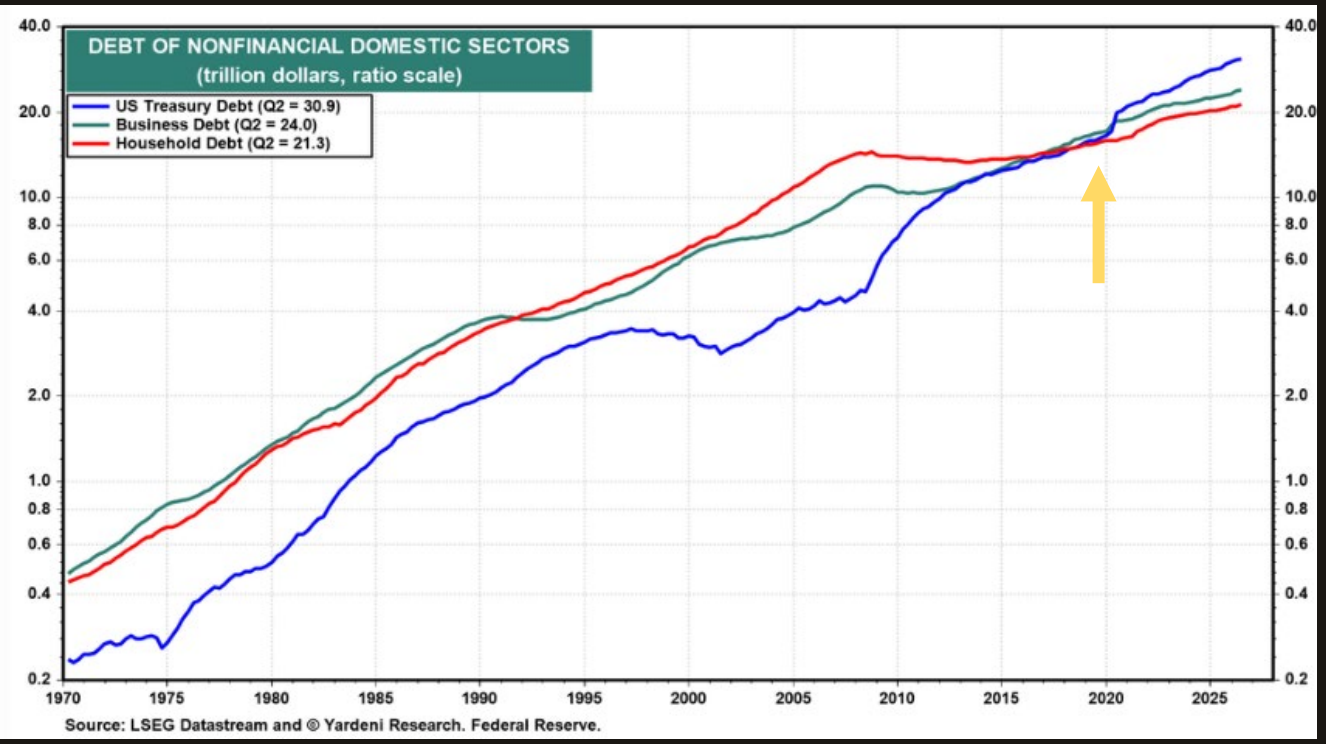


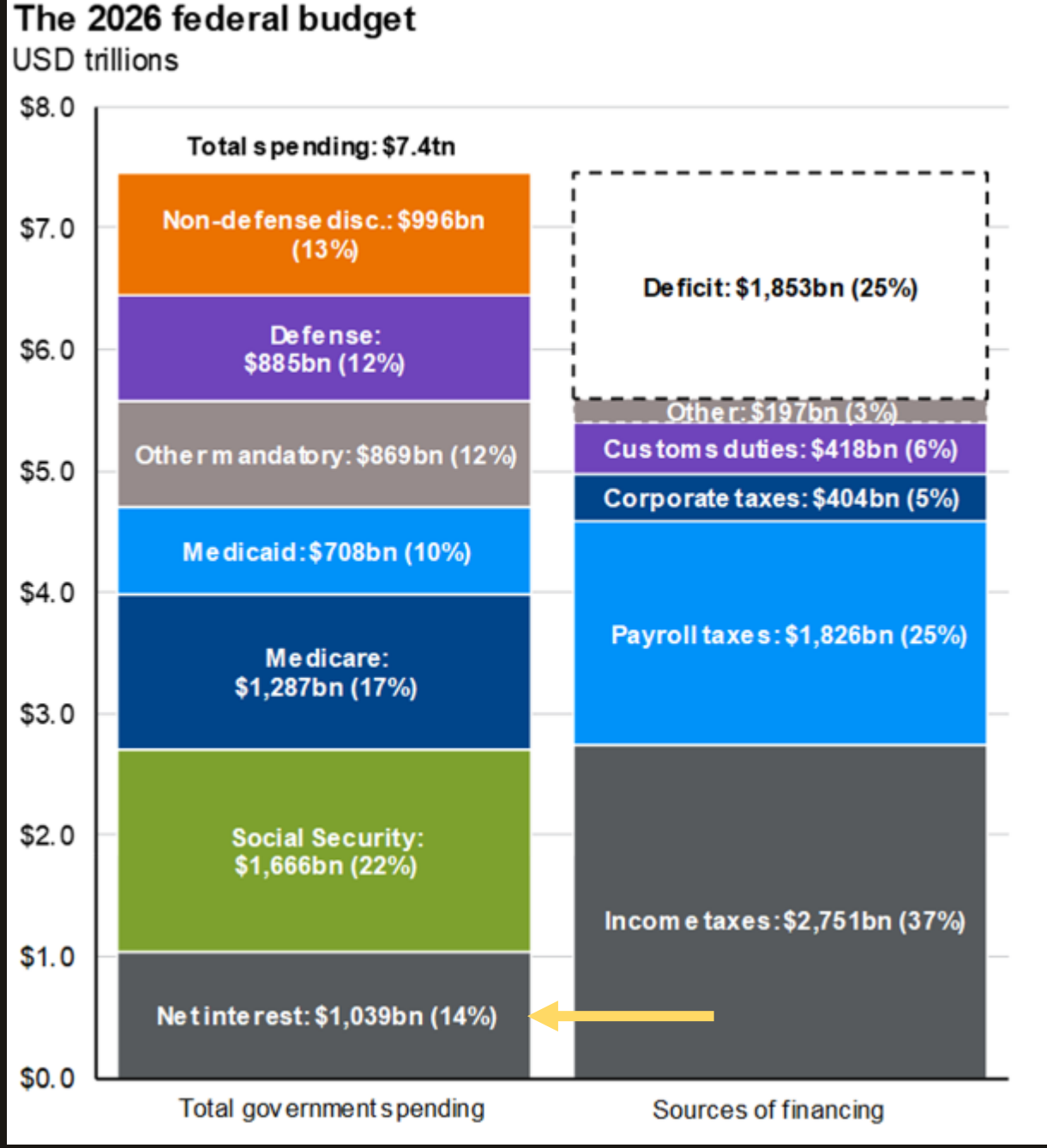
Copyright 2026 NDR, Inc. Distribution prohibited without permission.
All rights reserved. See NDR disclaimer at www.ndr.com/copyright.html

Higher Real Yields Drive the Rise in Borrowing Costs

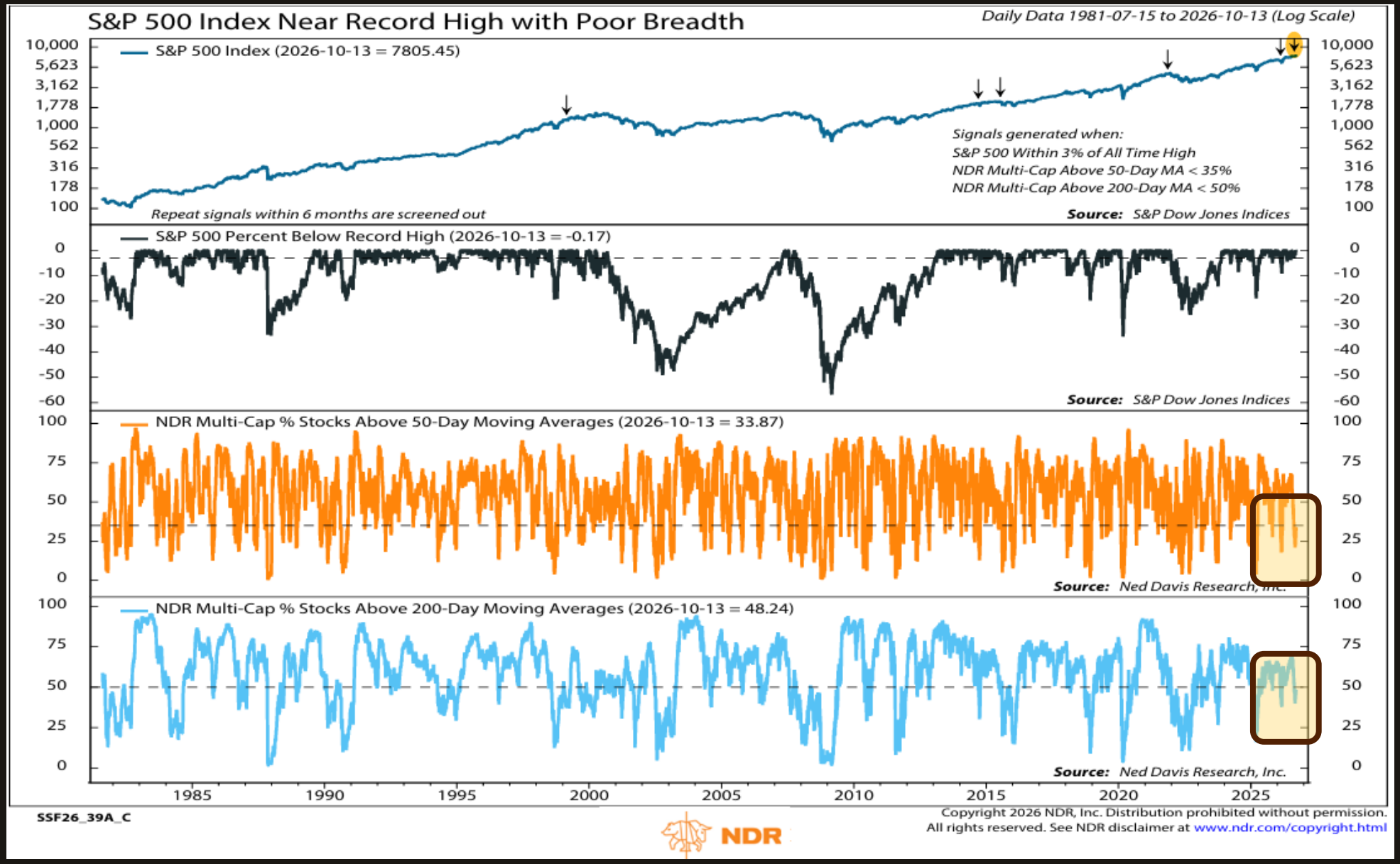


Government Debt Rises and Interest Cost Have Grown

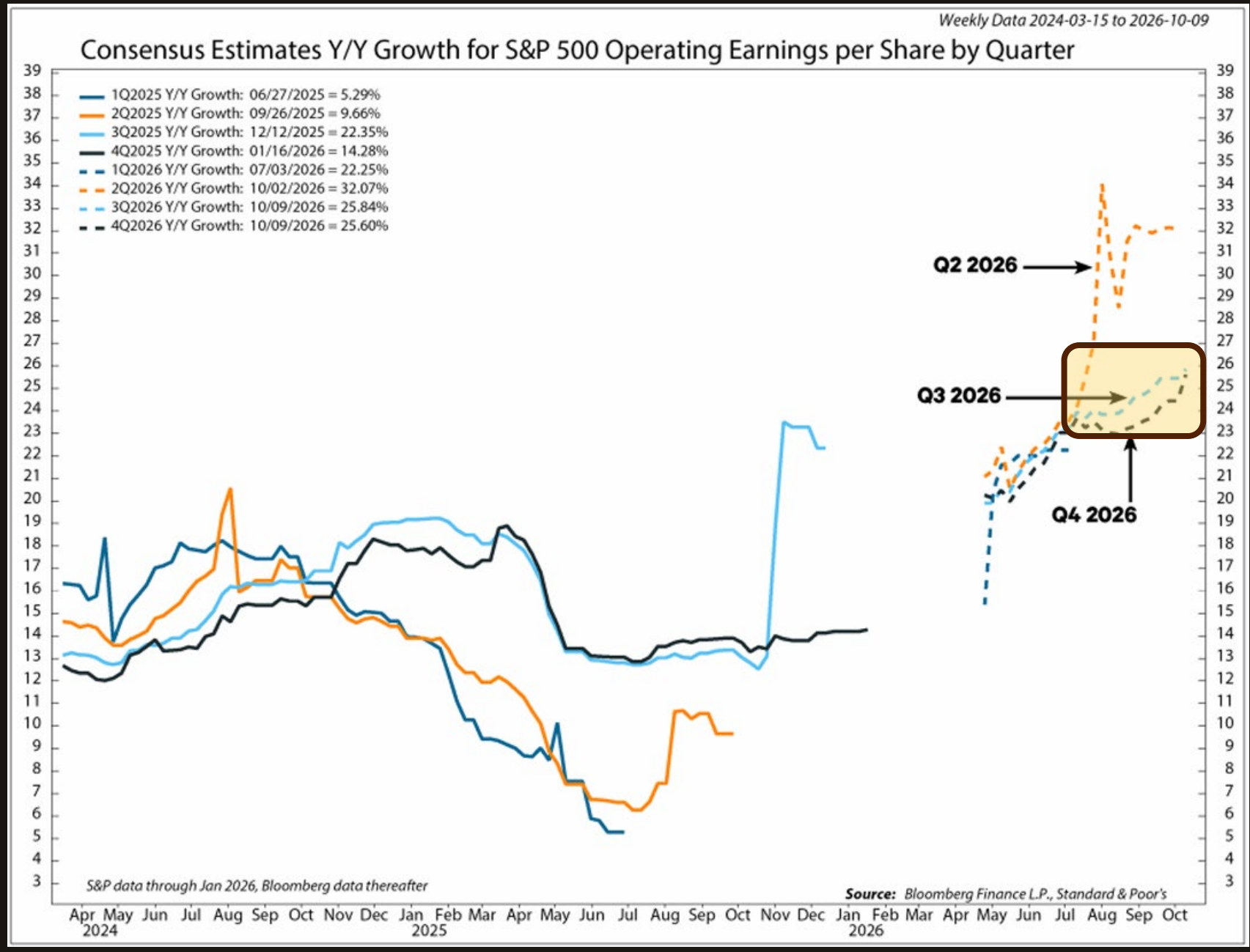




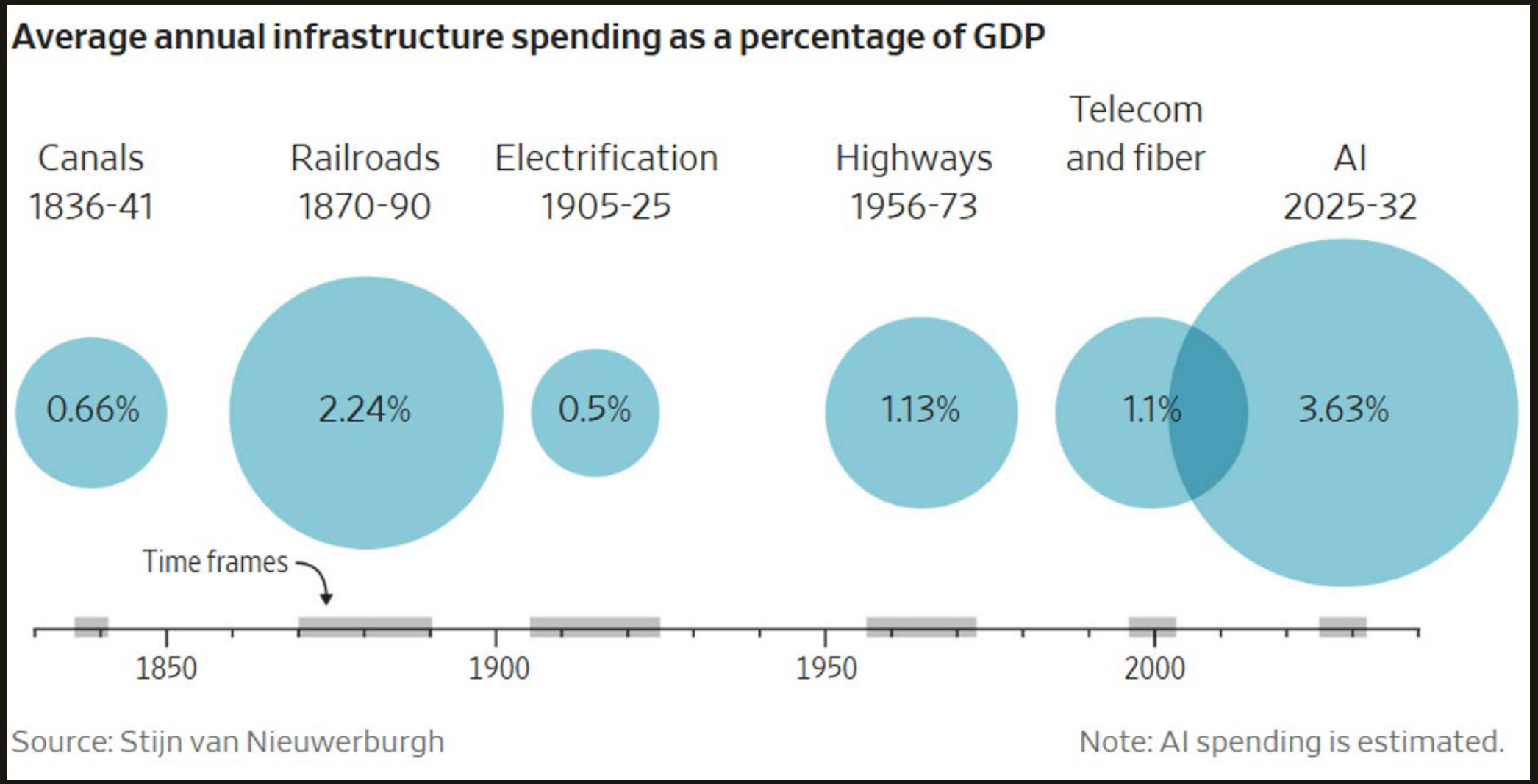
A Strong Index Masks Uneven Stock Performance



Strong Earnings Face Increasingly High Expectations



AI's Investment Scale Raises the Stakes

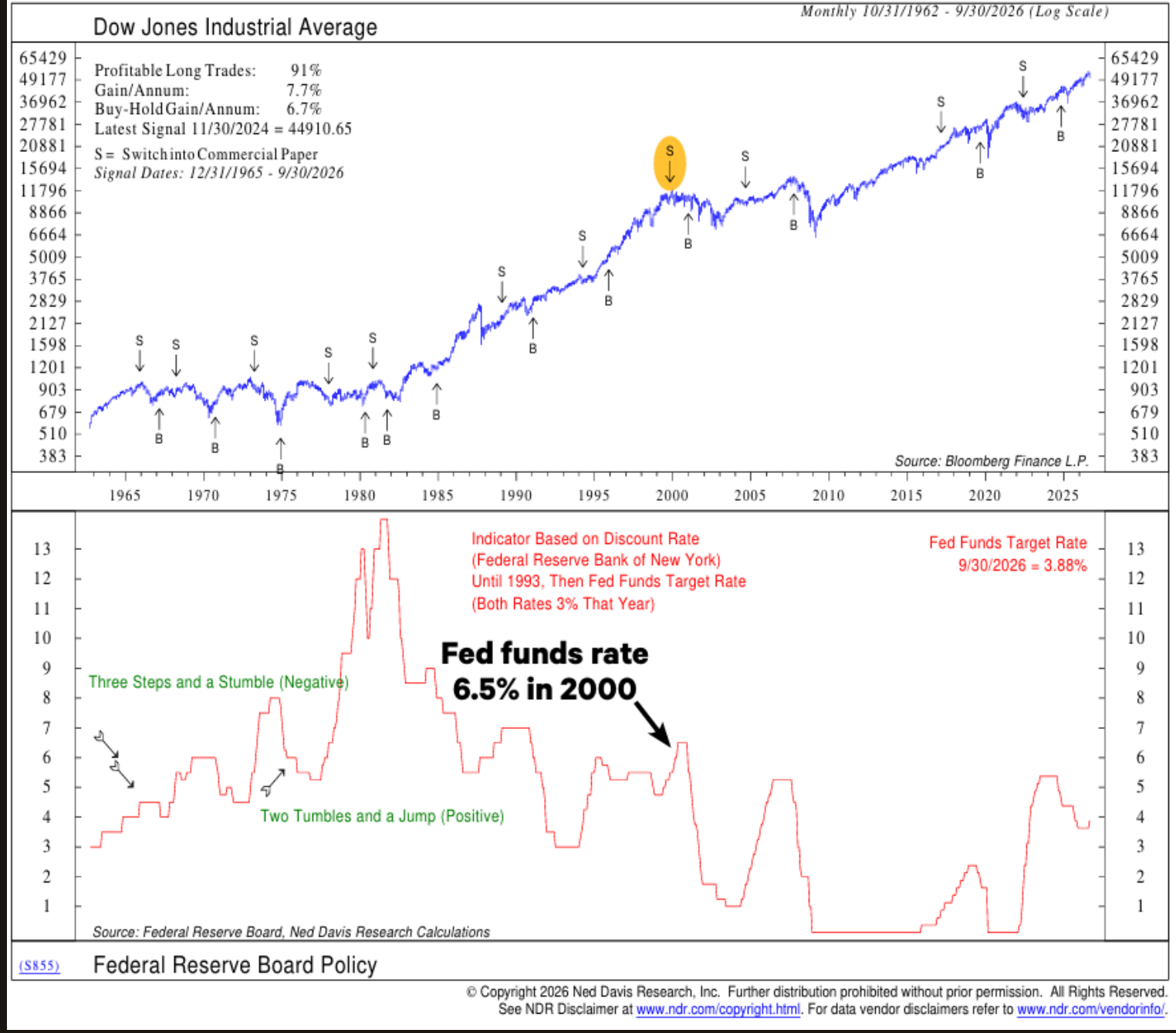


Midterms Influence Some Policies More Than Others

Policy Area	Sensitivity to Midterms	Key Issues	Primary Decision-Makers	Why It Matters for Markets and the Economy
Fiscal policy	High	Government funding, reconciliation legislation, entitlement measures	Congress	Taxes and spending affect growth, corporate profits, borrowing needs, and bond yields.
Energy transition	Medium	Tax credits and environmental permitting	Congress and federal agencies	Incentives and approvals influence energy investment, electricity supply, and project profitability.
AI infrastructure	Medium	Regulation and data-center oversight	Executive branch, states, local governments, and agencies	Rules and approvals affect construction, technology investment, and power demand.
Immigration	Medium	Enforcement funding, removal capacity, and litigation	Executive branch and courts	Labor supply and consumer demand affect growth, wages, and business costs.
Tariffs and trade	Low	White House trade policy	Executive branch and courts	Tariffs affect input costs, consumer prices, profit margins, and export demand.
Export controls	Low	Technology restrictions and China-related rules	Executive branch and Bureau of Industry and Security	Restrictions affect technology sales, supply chains, and access to overseas markets.
Geopolitics and defense	Low	NATO policy and Middle East developments	Presidency and Congress	Developments can shift defense spending, energy prices, trade flows, and investor confidence.

What our tactical rules are signaling

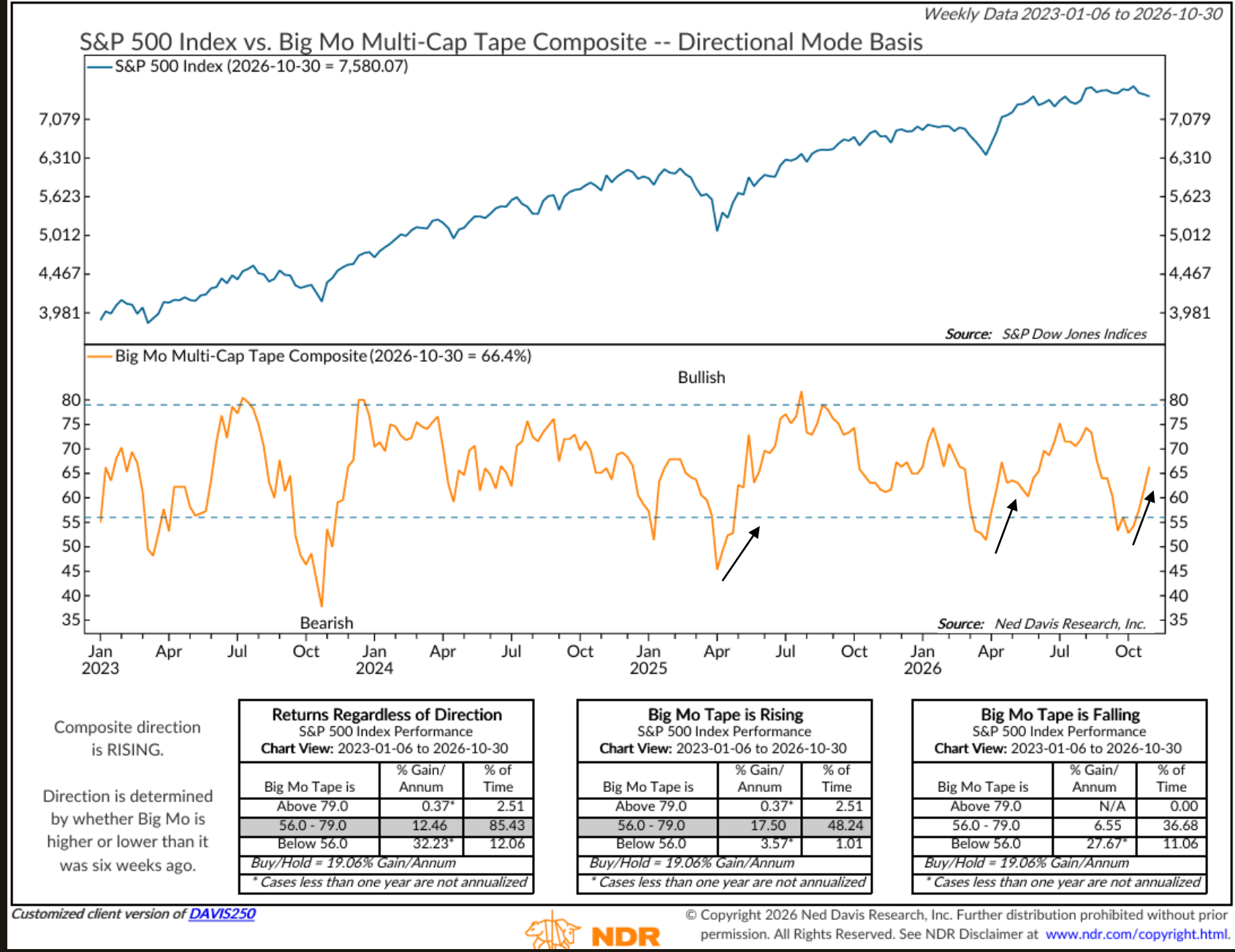
Rule #1: Don't Fight the Fed



© Copyright 2026 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved.
See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/.

What our tactical rules are signaling

Rule #2: Don't Fight the Trend



Composite direction is RISING.

Direction is determined by whether Big Mo is higher or lower than it was six weeks ago.

Returns Regardless of Direction
S&P 500 Index Performance
Chart View: 2023-01-06 to 2026-10-30

Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	0.37*	2.51
56.0 - 79.0	12.46	85.43
Below 56.0	32.23*	12.06
Buy/Hold = 19.06% Gain/Annum		
** Cases less than one year are not annualized*		

Big Mo Tape is Rising
S&P 500 Index Performance
Chart View: 2023-01-06 to 2026-10-30

Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	0.37*	2.51
56.0 - 79.0	17.50	48.24
Below 56.0	3.57*	1.01
Buy/Hold = 19.06% Gain/Annum		
** Cases less than one year are not annualized*		

Big Mo Tape is Falling
S&P 500 Index Performance
Chart View: 2023-01-06 to 2026-10-30

Big Mo Tape is	% Gain/ Annum	% of Time
Above 79.0	N/A	0.00
56.0 - 79.0	6.55	36.68
Below 56.0	27.67*	11.06
Buy/Hold = 19.06% Gain/Annum		
** Cases less than one year are not annualized*		

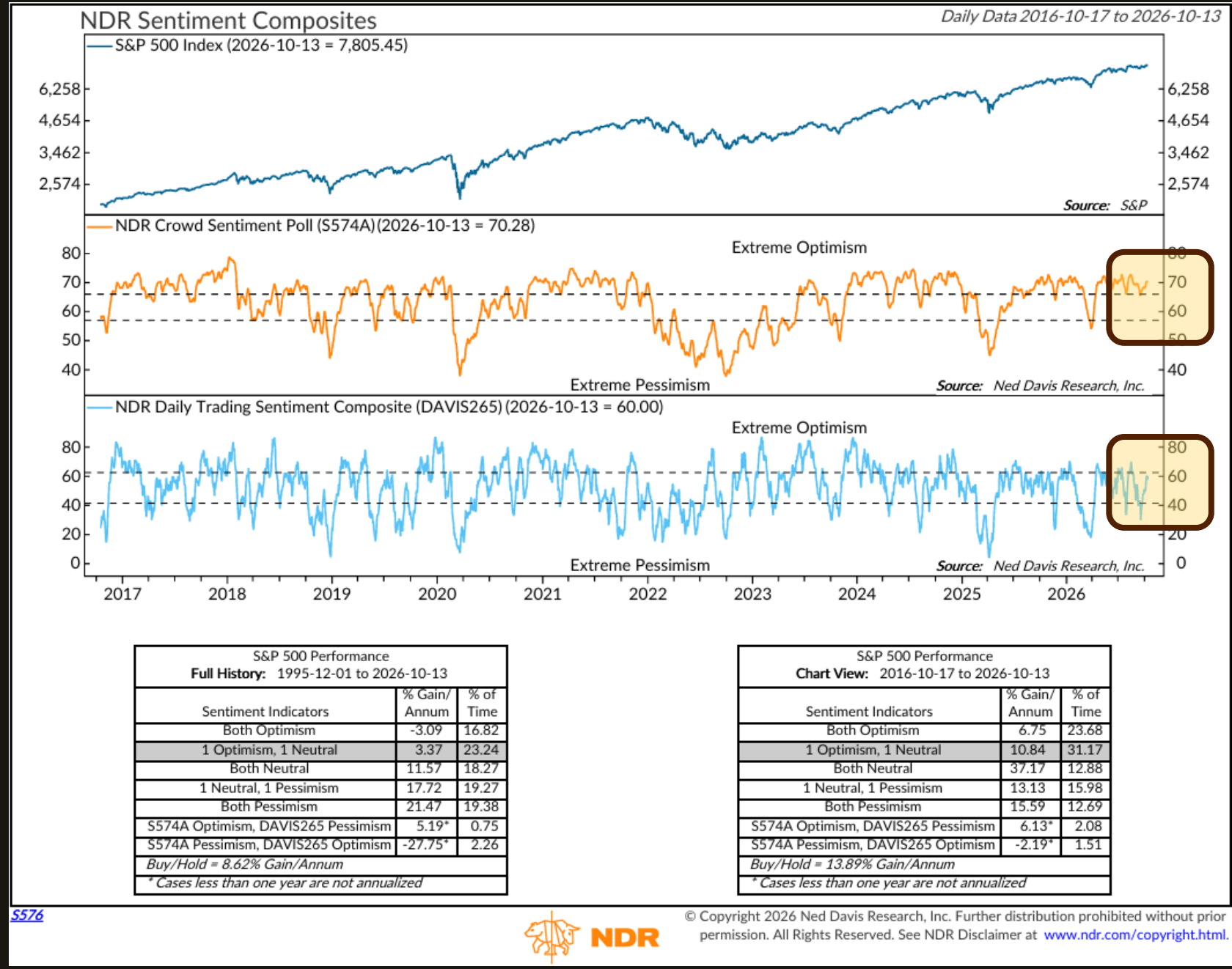
Customized client version of DAVIS250

NDR

© Copyright 2026 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html.

What our tactical rules are signaling

Rule #3: Beware of the Crowd at Extremes



S&P 500 Performance
Full History: 1995-12-01 to 2026-10-13

Sentiment Indicators	% Gain/ Annum	% of Time
Both Optimism	-3.09	16.82
1 Optimism, 1 Neutral	3.37	23.24
Both Neutral	11.57	18.27
1 Neutral, 1 Pessimism	17.72	19.27
Both Pessimism	21.47	19.38
S574A Optimism, DAVIS265 Pessimism	5.19*	0.75
S574A Pessimism, DAVIS265 Optimism	-27.75*	2.26
Buy/Hold = 8.62% Gain/Annum		
** Cases less than one year are not annualized*		

S&P 500 Performance
Chart View: 2016-10-17 to 2026-10-13

Sentiment Indicators	% Gain/ Annum	% of Time
Both Optimism	6.75	23.68
1 Optimism, 1 Neutral	10.84	31.17
Both Neutral	37.17	12.88
1 Neutral, 1 Pessimism	13.13	15.98
Both Pessimism	15.59	12.69
S574A Optimism, DAVIS265 Pessimism	6.13*	2.08
S574A Pessimism, DAVIS265 Optimism	-2.19*	1.51
Buy/Hold = 13.89% Gain/Annum		
** Cases less than one year are not annualized*		

S576

© Copyright 2026 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html.

Bottom Line

Stratos
Private Wealth

- Economic expansion and strong earnings expectations support the market backdrop. Current indicators suggest relatively low recession risk.
- Higher borrowing costs and federal interest expenses warrant attention, while higher starting yields may may support stronger long-term returns.
- A potential year-end rally could be supported by broader stock participation, solid earnings, and stable or declining bond yields.
- We remain modestly overweight equities in our tactical portfolios for now.

Chart Descriptions:

- **Slide 2: 2026 YTD performance.** Compares year-to-date performance across selected equity indexes, fixed income sectors, commodities, and alternative asset classes through October 20, 2026.
- **Slide 3: Global economic expansion.** Maps composite Purchasing Managers' Index (PMI) readings across major economies. Readings above 50 indicate expansion and below 50 indicate contraction. Source: Ned Davis Research.
- **Slide 4: U.S. economic conditions.** Shows historical NDR Economic Timing Model readings, combining indicators to assess business cycle conditions and the direction of U.S. economic growth. Source: Ned Davis Research.
- **Slide 5: Rate-hike cycles.** Compares historical stock market performance following the first Federal Reserve rate hike across monetary policy tightening cycles. Source: Ned Davis Research.
- **Slide 6: Treasury yield components.** Breaks down the 10-year U.S. Treasury yield into real yields, inflation expectations, and term premium over time. Source: Ned Davis Research.
- **Slide 7: Debt and interest costs.** Left: U.S. government outlays by category, in trillions of dollars, as of September 2025 (U.S. Treasury, Goldman Sachs Asset Management, Macrobond). Right: Treasury, business, and household debt over time, in trillions on a ratio scale (LSEG Datastream, Yardeni Research, Federal Reserve).

- **Slide 8: Index and stock performance.** Compares the S&P 500's proximity to record highs with the share of stocks in NDR's multi-cap universe near their own highs. Source: Ned Davis Research.
- **Slide 9: Earnings expectations.** Tracks consensus forecasts for quarterly S&P 500 operating earnings growth over time. Source: Ned Davis Research.
- **Slide 10: AI investment scale.** Compares estimated AI infrastructure investment with prior major investment cycles as a share of U.S. GDP. Source: Wall Street Journal, "The AI Build-Out Is Becoming the Biggest Economic Bet in U.S. History."
- **Slide 11: Midterms and policy.** Groups policy areas by sensitivity to midterm outcomes and identifies issues, decision-makers, and economic considerations. Source: Goldman Sachs Asset Management, "Elections, Policy, and Portfolio Implications."
- **Slide 12: Don't Fight the Fed.** Shows historical market performance across Federal Reserve policy environments and interest-rate regimes. Source: Ned Davis Research.
- **Slide 13: Don't Fight the Trend.** Compares the S&P 500 with NDR's Big Mo indicator, which measures the share of industry groups in established uptrends. Source: Ned Davis Research.
- **Slide 14: Crowd sentiment.** Shows investor sentiment over time, including broad market sentiment and shorter-term trading indicators. Source: Ned Davis Research.

Important Disclosure Information

Stratos Private Wealth is a division through which Stratos Wealth Partners, Ltd. markets its wealth management services. Stratos Wealth Partners, Ltd. is a registered investment advisor.

Information presented is believed to be factual and up-to-date, but we do not guarantee its accuracy and it should not be regarded as a complete analysis of the subjects discussed. Discussions and answers to questions do not involve the rendering of personalized investment advice but are limited to the dissemination of general information. A professional advisor should be consulted before implementing any of the options presented.

The information contained in this market commentary of Stratos Private Wealth. Thes opinions do not reflect the view of others and are subject to change without notice. Content in this material is intended for general information purposes only and should not be construed as specific investment advice or recommendations for any individual. Please contact your advisor with any questions regarding or specific recommendations regarding your personal investments.