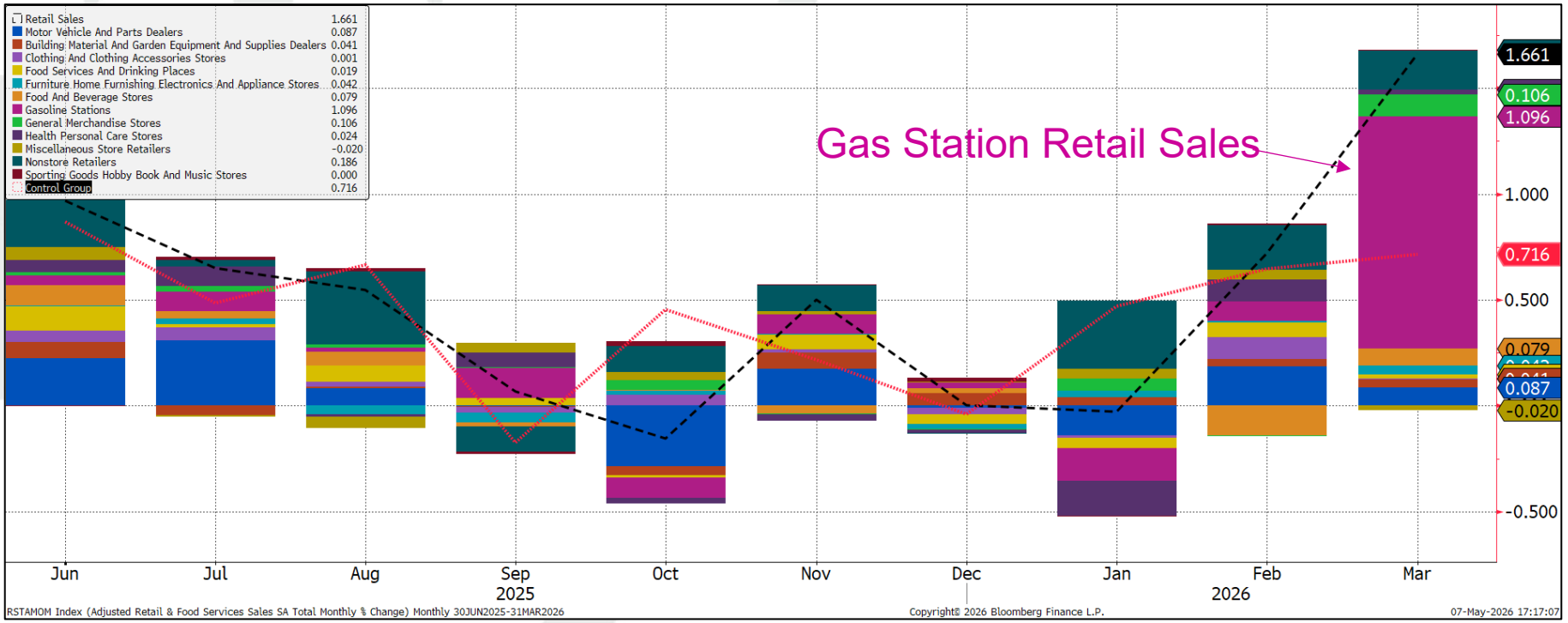
Five in Five

May 2026

BTC CAPITAL MANAGEMENT ™

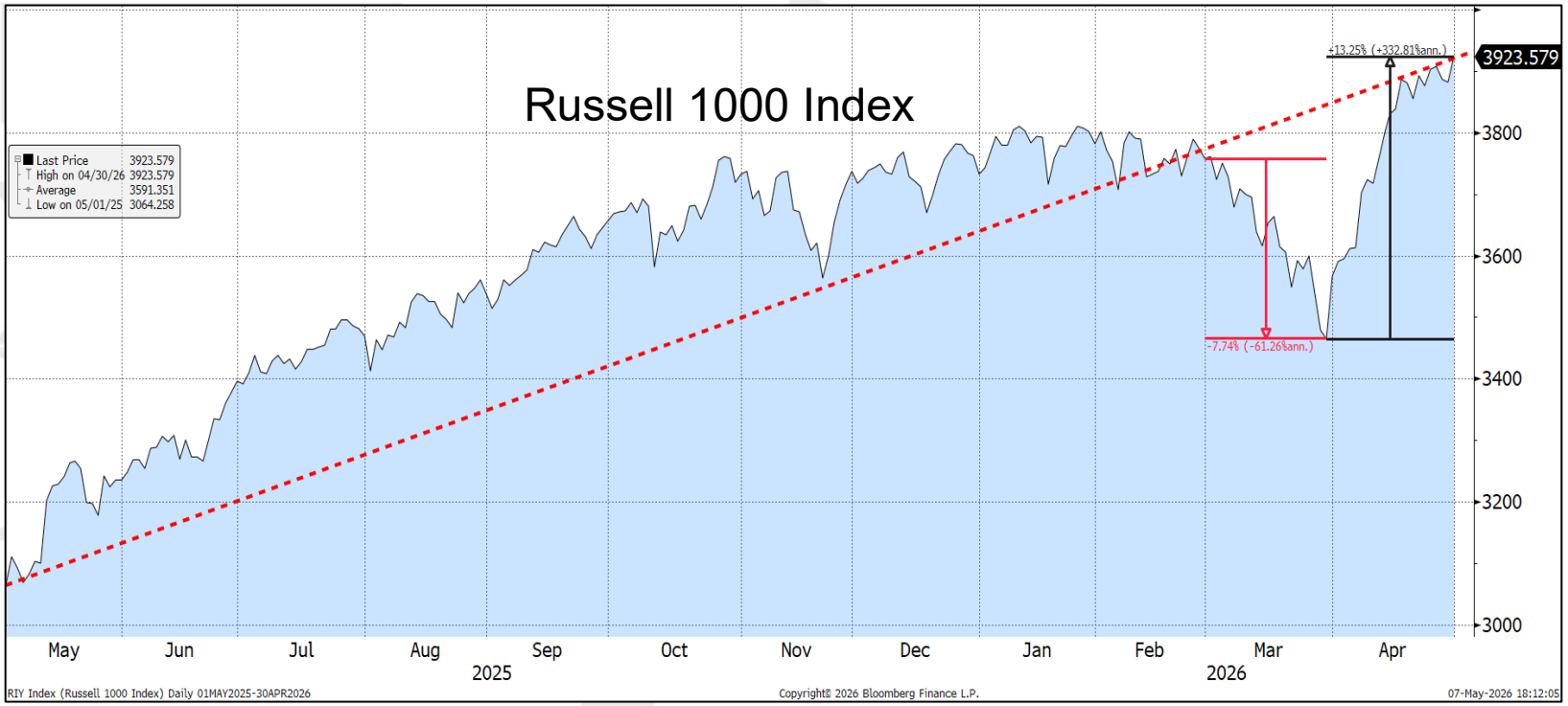
Retail Sales Rise—Consumer Resilience + Rising Price Inflation



Sources: BTC Capital Management, Bloomberg Finance L.P.

- March Retail sales climbed 1.7% compared to 0.7% over the previous month.
- Rapid rise of gasoline prices is reflected in the large change of retail sales of gas stations.
- Excluding gas sales, March retail sales would have been around 0.6%, in line with February retail sales of 0.7%.
- The economy's resilience has been demonstrated by nearly every retail sector showing increases in sales.
- Higher retail sales also reflect higher prices of goods. Inflation climbed 0.9% in the month of March.

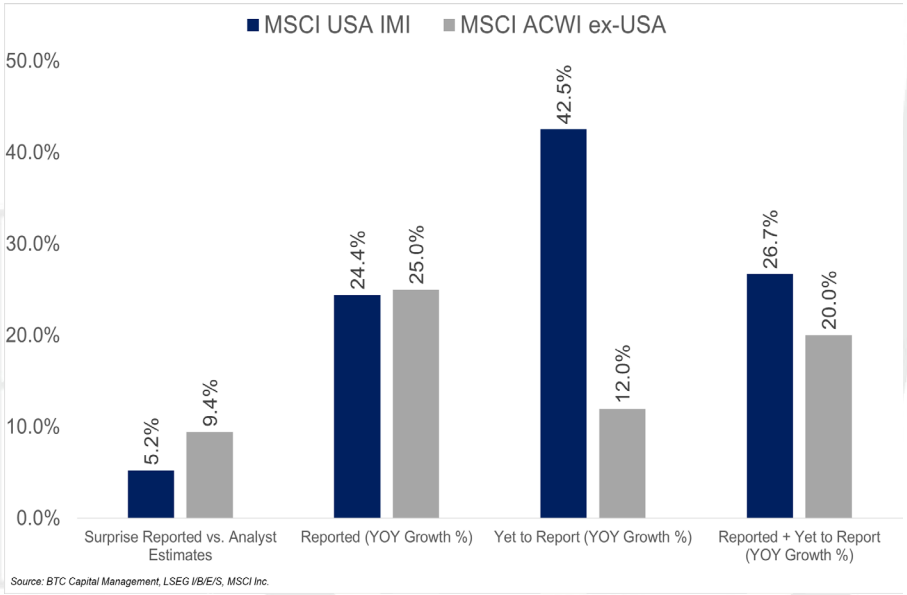
Focus on Long-term Asset Allocation

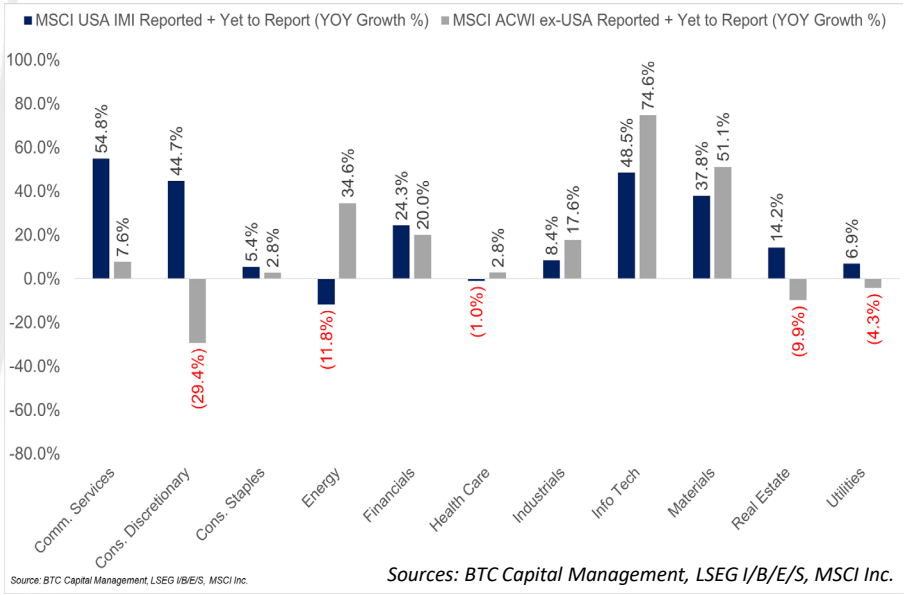


Sources: BTC Capital Management, Bloomberg Finance L.P.

- The March decline and April recovery of stock markets has provided a lesson on why focusing on the long-term stock/bond allocation is important.
- Declining stock prices led some investors to withdraw from equity markets.
- Those that did withdraw from equity markets missed a full recovery.
- A key driver for the April recovery of stocks has been strong first quarter earning reports.
- An annual review of your asset allocation is recommended.

First Quarter 2026 Earnings Overview





Sources: BTC Capital Management, LSEG I/B/E/S, MSCI Inc.

- Earnings-per-share (EPS) for the first quarter of 2026 have surprised. Data presented is for the MSCI USA IMI (Investable Market Index), a broad measure of U.S. publicly-traded companies, and for the MSCI All-Country World Index ex-USA (ACWI ex-USA), which captures both foreign developed and emerging market companies.
- The chart on the left summarizes the aggregation of first quarter earnings for each index.
  - On average, companies reported they have exceeded analyst estimates for both the USA IMI and ACWI ex-USA; a "surprise" of 5.2% and 9.4%, respectively.
  - Companies have reported EPS growth more than 20% year-over-year (YOY); 24.4% and 25.0%, respectively.
  - When aggregating the reported results with analyst estimates for companies yet to report, the USA IMI index projects EPS growth of 26.7% YOY versus 20.0% YOY EPS growth for ACWI ex-USA.
- The chart on the right presents by sector the aggregation of reported and yet to report for the USA IMI and ACWI ex-USA indexes.
  - The difference between the sector weights associated to each index has an impact on the overall measure of YOY growth in EPS.
  - The standout sector appears to be Info Tech within ACWI ex-USA, which analysts project EPS growth of 74.6% YOY. Note this sector represents approximately 18.2% of this index versus its weight of 33.0% within the USA IMI, for which analysts project EPS growth of 48.5% YOY.

Treasurys



Source: Bloomberg

- U.S. Treasurys are following global yields higher.
- Middle East rebuild could weigh on near-term Treasury auctions.
- Previous sources of long-term Treasury demand may be eroding at the margin.
- Longer dated oil futures are moving higher.
- If yields break 5.10%, it would be the highest since 2007.

Core Bonds



Source: Core Bonds

- Yields on core bonds are just under 5%.
- While longer dated yields are near cycle highs, 2-year Treasurys are more than 125 bps from cycle highs.
- Lower total yield also reflects tighter corporate and MBS spreads.
- Yields are still 1.4 standard deviations above the 20-year average of 3.36%.
- Anticipated interest rate cuts this year have been removed. No Fed action anticipated in the near-term.

Disclosures

- *Sources: BTC Capital Management, Bloomberg Finance L.P., Core Bonds, LSEG I/B/E/S, MSCI Inc.*
- *The information provided has been obtained from sources deemed reliable, but BTC Capital Management and its affiliates cannot guarantee accuracy. Past performance is not a guarantee of future returns. Performance over periods exceeding 12 months has been annualized.*
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