STONEGATE CAPITAL PARTNERS

AUGUST 31, 2026

POST EARNINGS NOTE

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	As of 08/31/26	Prior Month	Prior Year End	Last Year	3 Year
Domestic Rates					
Annualized Inflation (CPI)	2.92%	3.32%	2.65%	2.73%	3.72%
Personal Savings Rate	2.8%	2.8%	3.8%	5.0%	5.9%
Unemployment	4.1%	4.1%	4.4%	4.3%	3.7%
Non Farm Growth	158.9 Million	0.00%	0.27%	0.20%	1.66%
Housing					
Median Sales Price ('000s)	$ 393.8	$ 393.8	$ 429.1	$ 397.3	$ 440.9
Monthly Starts (M)	1.515	1.515	1.474	1.537	1.411
Monthly Completions (M)	1.212	1.212	1.463	1.456	1.360
Existing Sales (M)	4.350	4.350	4.350	4.010	4.080
Rental Vacancy	7.1%	7.1%	7.1%	7.0%	6.3%
Reference Rates					
Effective Fed Funds Rate	3.63%	3.63%	3.64%	4.33%	5.33%
ECB Benchmark Rate	2.40%	2.40%	2.15%	2.15%	4.25%
British Central Bank	3.75%	3.75%	3.75%	4.00%	5.25%
Bank of Japan	3.75%	3.75%	3.75%	4.50%	5.50%
Canadian Central Bank	4.45%	4.45%	4.45%	4.95%	7.20%
3 Month SOFR	3.64%	3.63%	4.01%	4.36%	5.18%
Nominal GDP Annual Growth Rate					
USD	3.07%	3.07%	5.36%	4.59%	6.45%
European Union	2.74%	2.74%	4.34%	4.28%	7.25%
Great Britan	4.06%	4.06%	4.09%	5.31%	7.87%
Japan	3.25%	3.25%	3.82%	5.39%	5.80%
Canada	7.05%	7.05%	3.39%	3.96%	1.27%
Italy	-1.30%	-1.30%	3.04%	2.42%	7.27%
Australia	4.47%	4.47%	6.09%	3.94%	4.36%
S&P 500 Sector P/E Ratios (LTM)					
S&P 500	26.5x	26.4x	29.4x	29.2x	25.0x
Consumer Discretionary	27.8x	28.2x	35.2x	33.9x	34.9x
Consumer Staples	28.3x	29.3x	28.1x	28.6x	25.9x
Energy	17.8x	19.4x	17.7x	17.5x	9.4x
Financials	16.7x	16.9x	18.9x	19.8x	15.4x
Health Care	35.4x	30.7x	28.9x	25.4x	28.6x
Industrials	28.8x	29.8x	29.8x	30.0x	22.5x
Information Technology	35.1x	35.3x	41.4x	43.8x	37.1x
Materials	33.8x	31.2x	31.1x	33.1x	22.5x
Real Estate	36.5x	36.7x	47.2x	49.3x	32.7x
Communication Services	18.4x	18.2x	24.5x	22.4x	32.9x
Utilities	19.2x	20.3x	21.1x	21.4x	20.5x
Domestic Bond Yields					
3mo Treasury Note	3.90%	3.83%	3.67%	4.23%	5.56%
1yr Treasury Bill	4.15%	4.08%	3.48%	3.83%	5.37%
5yr Treasury Bill	4.48%	4.45%	3.73%	3.68%	4.23%
10yr Treasury Bill	4.73%	4.75%	4.18%	4.23%	4.09%
20yr Treasury Bill	5.21%	5.28%	4.79%	4.86%	4.39%
30yr Treasury Bill	5.22%	5.27%	4.84%	4.92%	4.20%
1yr AAA Corp	4.44%	4.53%	3.58%	3.90%	5.54%
5yr AAA Corp	4.57%	4.58%	3.83%	3.86%	4.38%
10yr AAA Corp	5.17%	5.20%	4.62%	4.68%	4.54%
1yr BBB Corp	5.04%	5.15%	4.33%	4.70%	6.70%
5yr BBB Corp	5.17%	5.20%	4.58%	4.66%	5.53%
10yr BBB Corp	5.77%	5.83%	5.37%	5.48%	5.69%
1yr CCC Corp	25.43%	24.37%	15.55%	15.32%	16.47%
5yr CCC Corp	22.62%	21.73%	14.90%	14.47%	14.61%
10yr CCC Corp	20.67%	20.03%	14.91%	14.61%	14.22%

Returns	Current Price	MTD Return	YTD Return	LTM Return	3 Year Return
Equity					
S&P 500	$ 7,686.14	2.6%	12.3%	19.0%	70.5%
S&P 500 Value	$ 2,335.17	2.3%	11.6%	16.4%	46.3%
S&P 500 Growth	$ 5,644.97	3.5%	13.5%	21.9%	94.3%
DOW	$53,185.90	1.3%	10.7%	16.8%	53.2%
NASDAQ	$26,402.42	4.1%	13.6%	23.1%	88.1%
Russell 2000	$ 2,956.45	0.9%	19.1%	24.9%	55.6%
R2000 Value	$ 3,312.12	0.1%	21.9%	27.4%	53.7%
R2000 Growth	$ 1,925.07	1.6%	16.5%	22.6%	57.5%
Russell 3000	$ 4,368.60	2.6%	12.5%	18.7%	68.8%
MSCI EAFE Index	$ 3,246.34	2.2%	12.2%	19.2%	53.9%
MSCI World Index	$ 4,986.16	2.9%	12.5%	19.4%	67.0%
MSCI Europe Index	$ 2,897.69	1.9%	9.6%	18.3%	52.4%
MSCI Emerging Index	$ 66.99	4.5%	22.4%	34.5%	70.7%
Currency Exchange Rates					
USD/EUR	€ 0.86	-0.7%	1.1%	0.7%	-6.6%
USD/Pound	£ 0.74	-0.5%	-0.5%	-0.3%	-6.5%
USD/JPY	¥ 159.75	0.4%	2.0%	8.7%	9.8%
USD/Yuan	¥ 6.72	-0.5%	-3.9%	-5.8%	-7.4%
USD/Franc	0.81 CHF	0.0%	2.0%	1.0%	-8.5%
USD/CAD	$ 1.39	-1.1%	1.0%	0.9%	2.6%
USD/Peso	$ 17.00	-1.9%	-5.6%	-8.9%	-0.3%
Commodities					
Gold	$ 4,494.70	10.3%	3.5%	28.9%	130.9%
Silver	$ 67.00	15.9%	-5.1%	66.7%	173.8%
Copper	$ 6.59	1.9%	16.0%	45.9%	74.7%
Hot Rolled Coil	$ 1,200.00	-0.2%	25.7%	51.3%	64.6%
Light Crude	$ 83.40	-1.5%	45.2%	30.3%	-0.3%
Brent Crude	$ 88.10	0.2%	44.8%	30.6%	1.5%
Nat Gas	$ 2.89	5.1%	-7.7%	-3.6%	4.3%
Corn	$ 5.37	15.6%	21.9%	27.7%	12.2%
Wheat	$ 7.84	22.6%	54.6%	46.7%	30.2%
Soybeans	$ 12.88	8.5%	23.0%	22.1%	-5.9%

Source: CapIQ

SECOND QUARTER 2026: STUCK IN THE MIDDLE WITH YOU

Earnings season wrapped last week, with the ex-US companies across our coverage universe reporting results. Even as this earnings cycle came to a close, we remained active, including our most recent initiations on Yum! Brands (NYSE: YUM), Xperi Inc. (NYSE: XPER), and Aebi Schmidt Holding AG (NASDAQ: AEBI), all of which can be found on and downloaded from our website here.

As we come out of 2Q and cross the Sturgeon Moon, our finger in the wind sense is that we are in the proverbial middle innings of a few different trends. If this were Super Bowl LII, which the Philadelphia Eagles won, then we are at the point where Justin Timberlake just wrapped the halftime show, the good guys have a 10-point lead, and the Pats are returning the second-half kickoff. Going into the back end of 2026 we are reminded to "run the third," as our old track coaches would say, noting that the third quarter of the race is often the most grueling and least intellectual. We expect choppiness through September and are avoiding the temptation to trust a stock move in August/September without volume, while the majority of 2026 trading volumes have been elevated, this looks like it may have been a weaker August, giving us pause on taking anything as gospel (Exhibit 1).

Looking back at what we were right and wrong about coming out of 1Q:

- The start of the Memorial Day driving season was less disruptive than we expected. SPR inventories continue to be drawn down, even as U.S. crude exports remain material, though we have seen decreasing export volumes (Exhibit 2). Going back five months, much of the commentary was that oil markets would need to begin normalizing by Labor Day to avoid political fallout, making that our next informal marker and, for lack of a better phrase, Iran vs. Labor Day. The newest concern on this front is refining, with global crude throughput remaining materially below year-ago levels and product tightness driving the 3-2-1 crack spread toward record levels. One executive we spoke with noted that current U.S. gasoline prices would historically be more consistent with crude around ~$130 per barrel, compared with current prices between $80 and $90. Much of that gap is being driven by elevated crack spreads (Exhibit 3), which are keeping prices at the pump higher than crude alone would suggest. The effect is visible globally (Exhibits 4 and 5), particularly on a pre-tax basis, while differences in fuel-tax structures appear to dampen the percentage pump-price increase in several higher-tax markets. All of this is to say that the oil market remains challenged, though not as challenged as we expected. The longer the Strait of Hormuz remains contested, the greater the risk that product tightness becomes a broader economic or political issue. As it stands, however, it feels like we are somewhere after the initial crude-price shock but still short of either a full-blown fuel crisis or meaningful normalization. The August 27 futures curve continues to price substantial normalization into year-end, implying WTI in roughly the mid-$70s by the end of 2026 (Exhibit 6).
- We were also not as close on consumer spending as we expected. The consumer has continued to spend, though recent data suggest some moderation (Exhibit 7). We remain wary, however, as even though consumers still largely have a job, participation in the labor market has declined and real wages are coming under pressure (Exhibit 8). We view the recent decline in real hourly compensation as a normalization toward its pre-COVID trend, which it is still ~3.8% above our 2000-2020 regression trendline. This could prove problematic because even though consumers have a job and are spending, they seem to be doing so at the expense of a lower savings rate and a higher credit balance leading to elevated delinquency levels (Exhibit 9 and 10). It does not seem that we are the only ones starting to notice as sell-side consensus has

been compressing Y/Y margins for FY27 (Exhibit 11) across select sectors. Of the 4 sectors that are seeing analyst change estimates to lower Y/Y margins in 2027, Energy, Comms, and Real Estate can all be attributed to strong Y/Y comparables or the fluctuating interest rate environment (discussed below). In our mind Consumer Discretionary is directionally consistent with a softer consumer backdrop, though difficult 2026 earnings comparisons are also contributing. While it may be too early to eulogize consumer spending, it once again makes us feel like we are in the middle innings of a shift in consumers' ability and willingness to spend beyond the necessities.

- We feel that we were directionally correct on defense spending coming out of 1Q, though we were not nearly specific enough on where the spending would begin showing up across our coverage. What had largely been a macro discussion around higher defense budgets is increasingly turning into actual order flow, capacity expansion, and hiring within our coverage universe.
  - BlackSky Technology Inc. (NYSE: BKSY), a provider of real-time space-based intelligence and imagery, secured up to ~$200 million of YTD bookings through 2Q26, already representing more than 80% of the $240 million of bookings generated during all of 2025, while international revenue increased 200% y/y as Gen-3 satellite adoption continues to build.
  - Electro Optic Systems Holdings Limited (ASX: EOS), an Australian defense technology company focused on counter-drone and remote weapons systems, grew its order book 84% from A$459 million at year-end 2025 to a record A$846 million at June 30, supported by major Middle East counter-drone awards.
  - Metallus (NYSE: MTUS) a high specialty metals manufacturer located in Canton, OH recently commissioned new production assets backed by nearly $100 million of U.S. Army funding following 2Q earnings print that showed aerospace and defense shipments and sales reaching record levels from munitions utilization increases.
  - SES AI Corp. (NYSE: SES), a battery technology company, is building out a dedicated drone sales team and is scaling annual NDAA-compliant battery cell capacity for drones towards one million cells.

  We are not taking a victory lap on this one, but it increasingly feels like the conflicts stretching from the Middle East through Eastern Europe are moving beyond defense budget headlines and into sustained industrial demand across munitions, batteries, counter-UAS systems, and space-based intelligence. Regardless of the duration of the current conflicts, the near-term setup increasingly centers on converting record backlogs into revenue. Longer term, we expect replenishment requirements and greater emphasis on supply-chain security to support demand even after active hostilities decline.

In the present we are focusing on a couple of things:

- Financials in our coverage had an interesting quarter and we will be monitoring them closely over the next couple of months. There are a few intersecting trends here, not least of which is Treasury's increasingly active support of the long end, something that is beginning to resemble quasi-yield-curve control.
  - Armour Residential REIT, Inc. (NYSE: ARR) provides a useful marker for how dramatically the rate backdrop has shifted, noting that futures moved from pricing at least two cuts before the Iran conflict to at least one 25-bp hike before year end during its 2Q earnings call. Given ARR's proximity to the rates market, we are increasingly sympathetic to that view.
  - Third Coast Bancshares, Inc. (NYSE: TCBX) expanded NIM by 16 bps q/q as deposit costs declined, which we view as a more nuanced and execution-driven result.
  - OppFi Inc. (NYSE: OPFI) provided the other side of the financials story, with lower refinance activity weighing on originations while materially higher charge-offs continued to highlight affordability pressure across the lower-income consumer. One of the bigger takeaways from the OPFI quarter was the swift and severe market reaction following the print, illustrating how little tolerance investors currently have for deterioration in forward earnings or credit trends after an extended period in which buying the dip left a number of names priced for near-perfect execution.

  The bifurcation between the haves and have-nots should become increasingly visible if the tide starts going out, once again making us feel like we are somewhere between 13.1 and 16 miles into the marathon that financials always feel like.

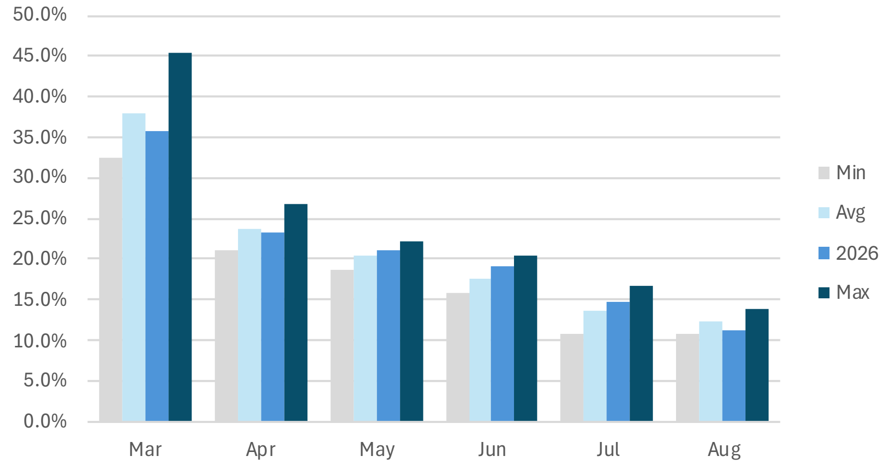
- On the subject of interest rates, in the current environment we would like to decrease inflation sensitivity. While roughly half of S&P 600 debt is currently fixed rate, small-cap companies still have considerable ground to cover relative to the S&P 500, where fixed-rate debt has consistently represented roughly 90% of the total (Exhibit 12). That gap has led us to begin experimenting with debt levels, and fixed-rate exposure specifically, as an interesting screen for small-cap names. This feels less like the messy middle and more like the cost of doing business in small-cap land.

- El Niño is another thing we have circled into the back half of 2026. Corn and soybeans are already up roughly 20% YTD (Exhibit 13), while NOAA now sees a greater than 90% chance that the developing El Niño becomes a very strong event this fall and winter, including a 69% chance that the October–December event reaches a level stronger than anything seen since 1950 (Exhibit 14). For U.S. markets, history suggests that this may not lead to crop damage at home, but the possibility that El Niño disrupts production elsewhere while U.S. yields remain relatively healthy is worth monitoring. This setup could leave U.S. farmers with a favorable combination of higher crop prices and decent production, supporting farm income and willingness to spend on fertilizer and crop protection. This is coming at a time when fertilizer and diesel costs remain elevated, making input cost a key watch item for those that serve the U.S. Agriculture market. We think one of the better indicators into 2027, specifically in domestic markets, is the spread between crop prices and input costs (Exhibit 15). Our expectation is that USDA prices paid could see another leg up supported by crop prices as well as potential domestic demand following a global El Niño. We should also take a moment and recognize the potential inflationary impact from rising crop prices due to the global nature of the agricultural industry (♪Avocados from Mexico ♪).
    - Stepan Company (NYSE: SCL), a speciality chemical manufacturer, gives us one way to watch this develop. Crop Productivity is a targeted growth market within its Surfactants business line, with Stepan supplying formulation products used in crop-protection products. If stronger farm economics support higher application intensity into 2027, agriculture could provide an incremental tailwind to SCL volumes. We would not underwrite an El Niño benefit today, but it is another variable for numerous end markets worth watching.

Lastly, and maybe most importantly, we enter the wonderful time of the year when the kids go back to school, the bucks start rubbing the velvet off their antlers, and the Linc comes back to life. If it is harder to contact us between now and Halloween please know we are not ignoring you, the swamps just don't have great service, and my dog (Exhibit 16) doesn't like me emailing when the ducks are migrating. We hope all of you get some much-needed rest this Labor Day, everyone wish Max luck as he starts studying for L2, and we will see you in force come 3Q earnings.

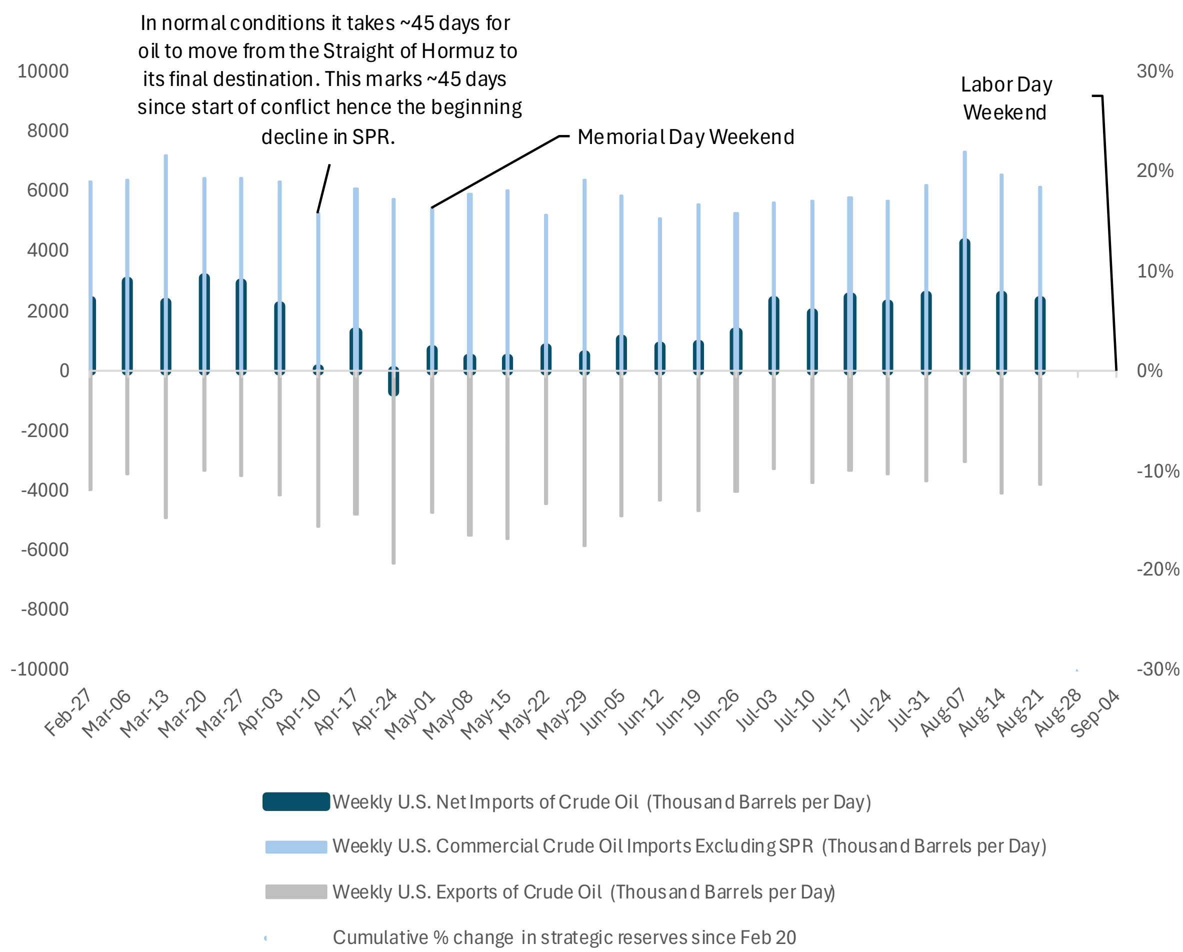
Appendix

Exhibit 1: Monthly S&P500 Trade Volumes as a Percentage of YTD Trade Volumes since 2017



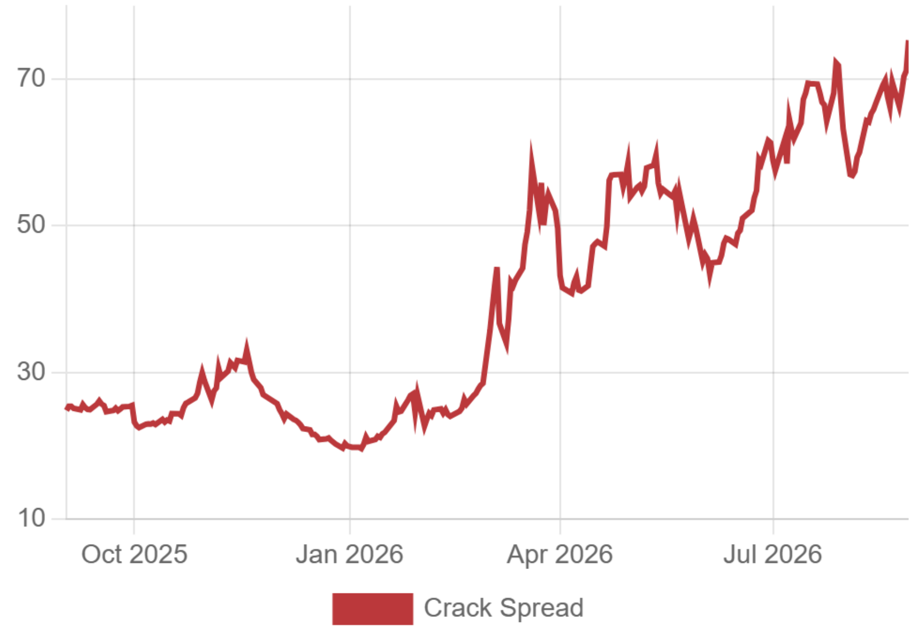
Source: Yahoo Finance

Exhibit 2: US Strategic Reserves Inventory Levels and Import/Export Levels



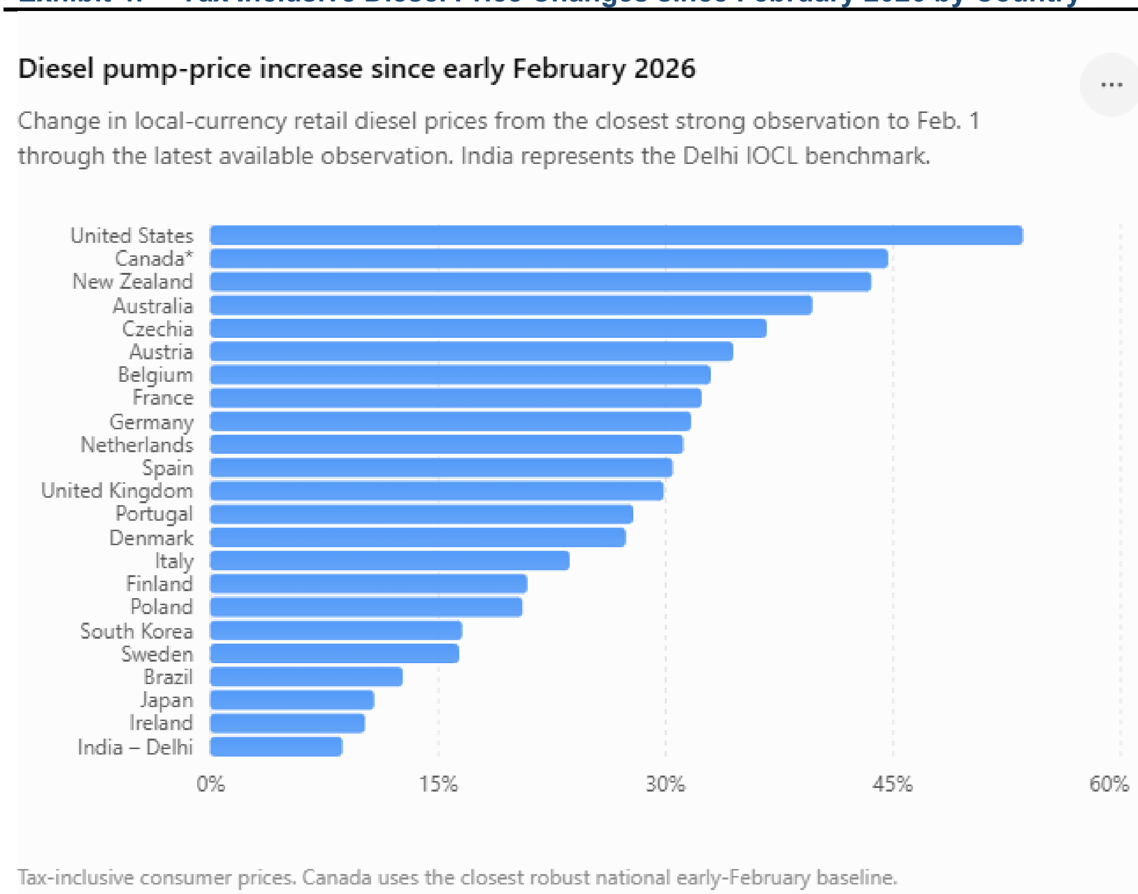
Source: U.S. Energy Information Administration, Stonegate Capital Partners

Exhibit 3: 3-2-1 Crack Spreads



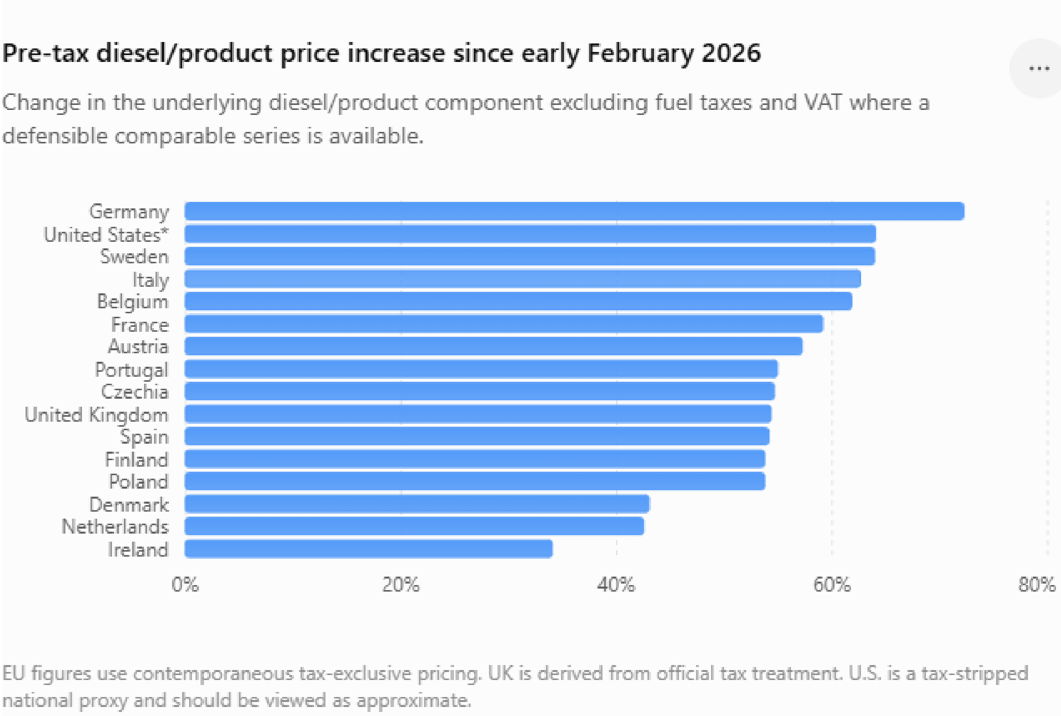
Source: RBN Energy as of 8/28/2026

Exhibit 4: Tax Inclusive Diesel Price Changes since February 2026 by Country



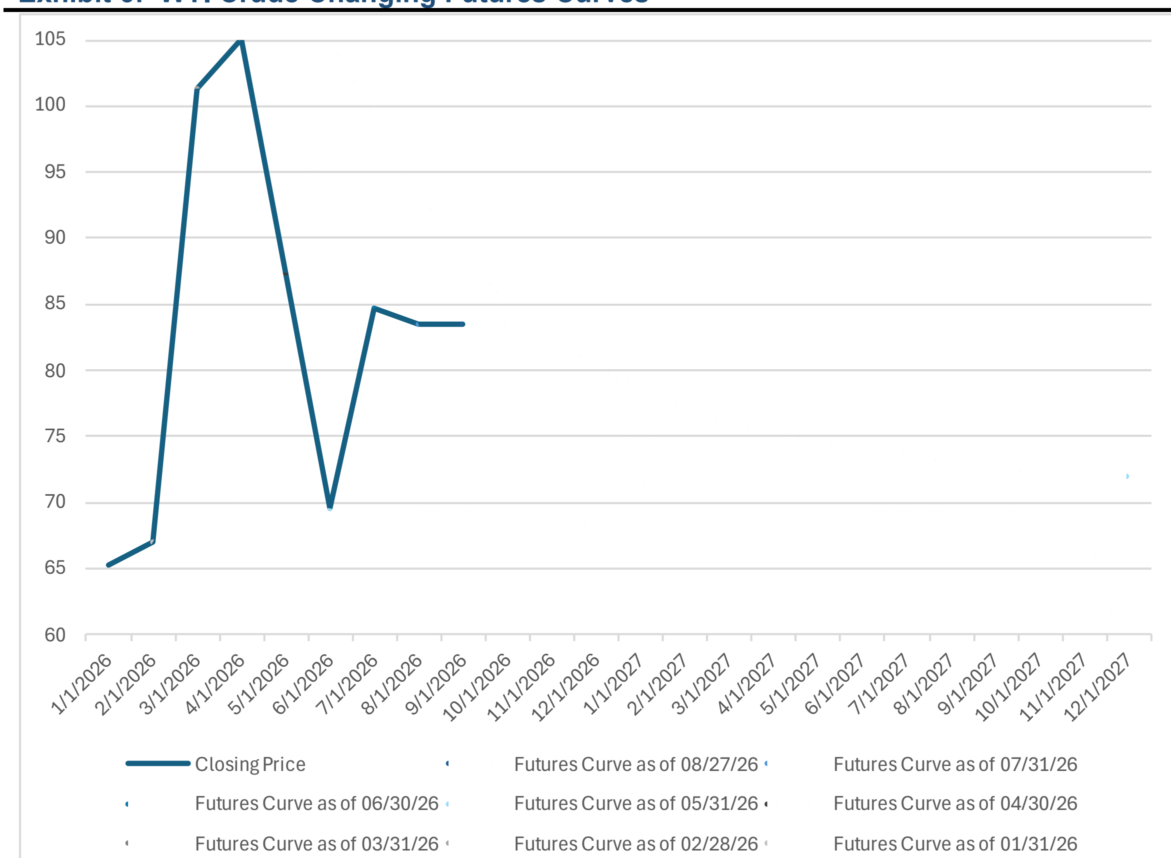
Source: Stonegate Capital Partners calculation

Exhibit 5: Tax Exclusive Diesel Price Changes since February 2026 by Country



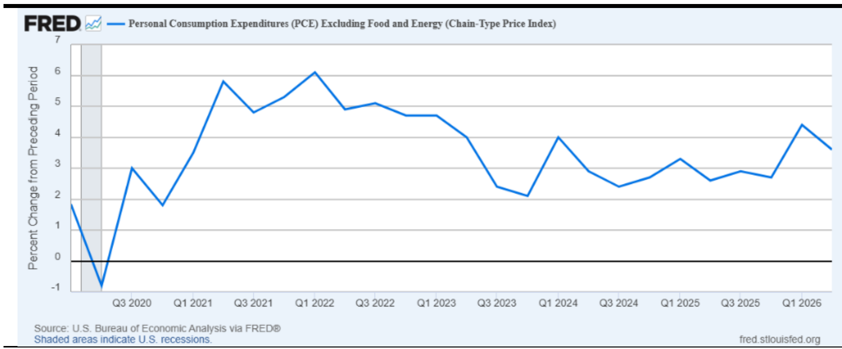
Source: Stonegate Capital Partners calculation

Exhibit 6: WTI Crude Changing Futures Curves



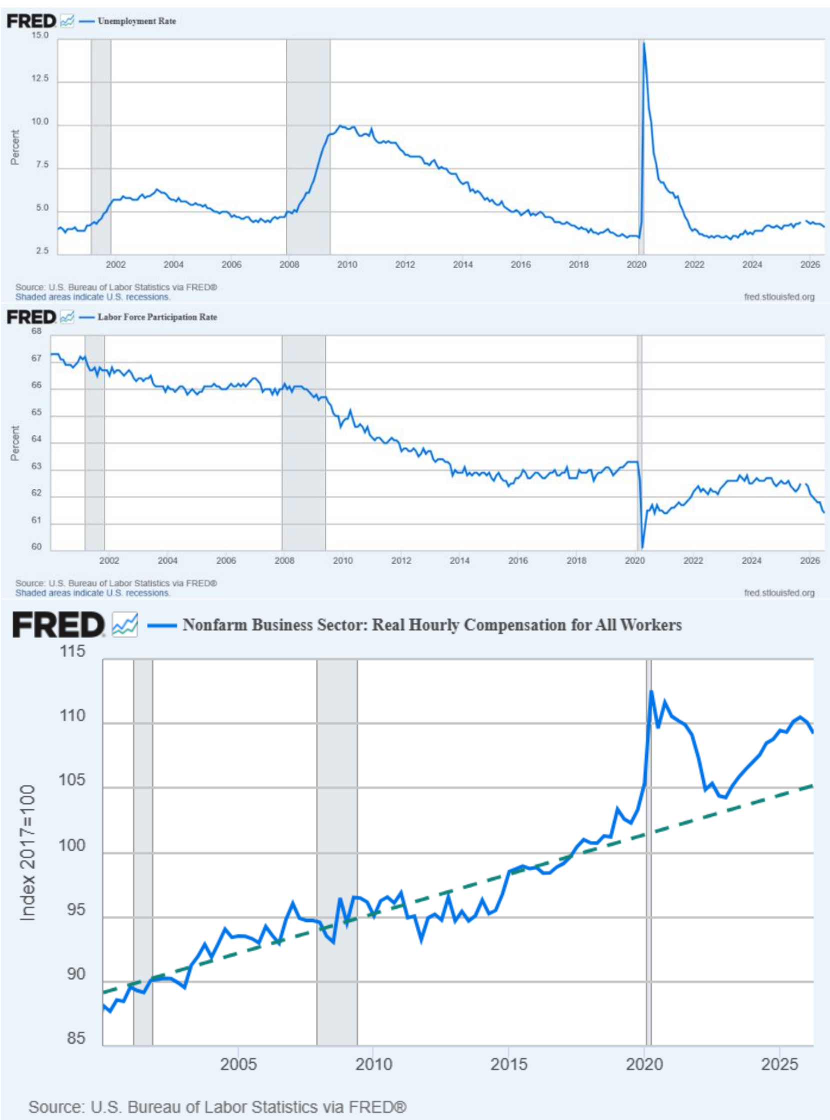
Source: CapIQ

Exhibit 7: PCE Rates Since COVID



Source: U.S. BEA via FRED

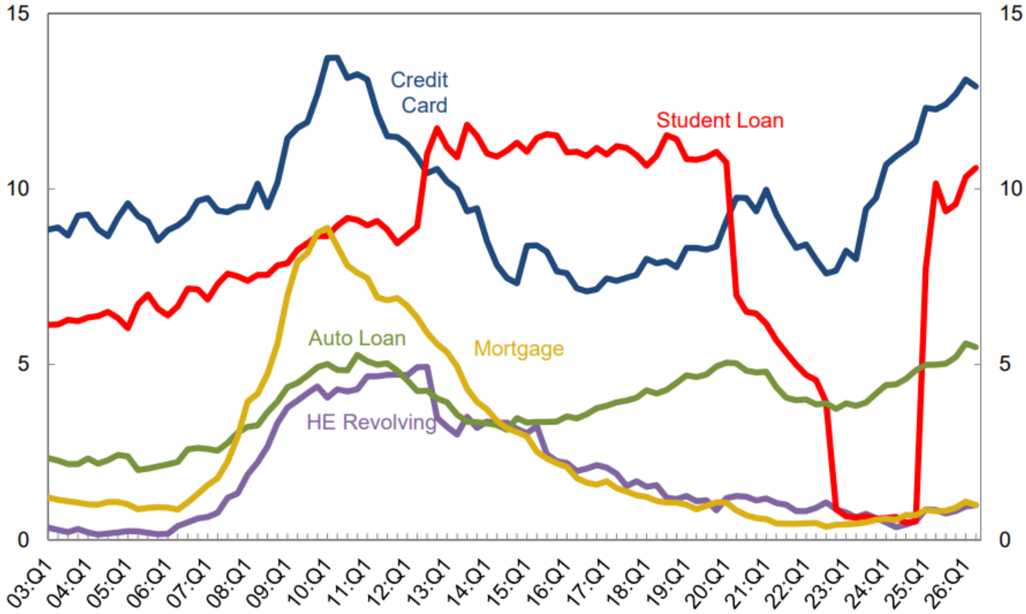
Exhibit 8: Labor Force and Real Wages



**Regression line based on growth between 2000 and 2020*

Source: U.S. BEA via FRED, Stonegate calculated regression line

Exhibit 9: Percent of Balance 90+ Days Delinquent by Loan Type



Source: New York Fed Consumer Credit Panel/Equifax

Exhibit 10: Personal Saving Rate

Source: U.S. BEA via FRED

Exhibit 11: Sector Level Consensus Estimates Changes as of Month End

2026 Revenue ($B) Estimates as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrials	1,885.0	1,896.2	1,901.3	1,908.7	1,926.0	1,941.8	1,847.5	1,873.9	1,880.8
Health Care	3,800.2	3,789.0	3,799.4	3,802.7	3,812.2	3,799.5	3,801.0	3,815.9	3,827.8
Information Technology	2,664.9	2,707.4	2,777.6	2,853.9	2,893.5	2,967.4	3,014.7	3,037.8	3,078.2
Financials	2,412.4	2,429.2	2,426.6	2,426.7	2,417.2	2,431.9	2,430.9	2,462.3	2,483.6
Materials	505.8	509.1	509.3	515.9	525.5	530.9	531.7	532.0	528.4
Consumer Discretionary	2,325.4	2,325.1	2,338.2	2,339.1	2,345.2	2,347.8	2,347.2	2,350.3	2,354.9
Real Estate	180.1	180.3	182.6	182.3	184.6	184.7	184.8	186.6	186.9
Utilities	502.1	501.4	507.9	508.7	511.5	516.1	517.6	515.2	517.6
Communication Services	2,058.6	2,076.6	2,106.2	2,108.0	2,135.8	2,139.7	2,142.2	2,160.3	2,160.9
Consumer Staples	2,261.5	2,260.5	2,272.5	2,275.7	2,278.5	2,289.4	2,291.6	2,293.1	2,295.2
Energy	1,204.3	1,188.4	1,193.5	1,292.2	1,398.6	1,455.4	1,447.1	1,442.5	1,496.9
Total SP500	**19,800**	**19,863**	**20,015**	**20,214**	**20,429**	**20,605**	**20,556**	**20,670**	**20,811**

2026 Revenue Estimates Growth Over 2025 Actuals as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sparklines
Industrials	3.4%	4.0%	4.3%	4.7%	5.6%	6.5%	1.3%	2.8%	3.2%	
Health Care	5.3%	5.0%	5.3%	5.4%	5.6%	5.3%	5.3%	5.7%	6.0%	
Information Technology	17.1%	18.9%	22.0%	25.4%	27.1%	30.4%	32.4%	33.4%	35.2%	
Financials	5.0%	5.7%	5.6%	5.6%	5.2%	5.8%	5.8%	7.1%	8.1%	
Materials	5.2%	5.9%	6.0%	7.3%	9.3%	10.4%	10.6%	10.7%	9.9%	
Consumer Discretionary	7.2%	7.2%	7.8%	7.9%	8.1%	8.3%	8.2%	8.4%	8.6%	
Real Estate	5.1%	5.3%	6.6%	6.4%	7.8%	7.8%	7.9%	8.9%	9.1%	
Utilities	5.9%	5.8%	7.1%	7.3%	7.9%	8.9%	9.2%	8.7%	9.2%	
Communication Services	9.8%	10.8%	12.4%	12.5%	14.0%	14.2%	14.3%	15.3%	15.3%	
Consumer Staples	5.1%	5.0%	5.6%	5.7%	5.9%	6.4%	6.5%	6.5%	6.6%	
Energy	-1.2%	-2.5%	-2.1%	6.0%	14.7%	19.4%	18.7%	18.3%	22.8%	
Total SP500	**6.8%**	**7.1%**	**7.9%**	**9.0%**	**10.1%**	**11.1%**	**10.8%**	**11.4%**	**12.2%**	

2027 Revenue ($B) Estimates as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrials	2,014.4	2,028.3	2,040.9	2,047.2	2,061.3	2,081.8	2,079.0	2,108.6	2,124.4
Health Care	4,035.1	4,012.5	4,019.2	4,020.8	4,012.2	3,988.2	3,991.4	3,999.6	3,989.0
Information Technology	2,983.7	3,040.5	3,130.7	3,322.5	3,385.0	3,559.0	3,674.8	3,735.9	3,894.7
Financials	2,550.0	2,569.1	2,567.4	2,564.4	2,566.0	2,561.9	2,570.7	2,581.1	2,601.3
Materials	526.3	530.5	530.8	537.2	546.2	550.2	544.4	552.2	549.4
Consumer Discretionary	2,502.2	2,503.3	2,519.8	2,520.3	2,530.2	2,536.6	2,534.8	2,546.5	2,554.8
Real Estate	192.4	193.1	195.4	194.9	198.2	197.8	198.5	201.1	202.0
Utilities	528.5	527.6	531.2	535.1	538.0	539.5	542.3	544.2	544.3
Communication Services	2,238.5	2,269.2	2,316.8	2,320.7	2,367.6	2,393.8	2,405.7	2,454.0	2,457.9
Consumer Staples	2,349.3	2,356.1	2,369.7	2,372.6	2,375.0	2,387.0	2,388.7	2,387.0	2,391.3
Energy	1,270.1	1,263.9	1,267.2	1,299.4	1,339.8	1,380.7	1,381.6	1,379.6	1,415.7
Total	**21,190**	**21,294**	**21,489**	**21,735**	**21,919**	**22,176**	**22,312**	**22,490**	**22,725**

2027 Revenue Estimates Growth Over 2026 Estimates as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sparklines Estimates	Sparklines Growth
Industrials	6.9%	7.0%	7.3%	7.3%	7.0%	7.2%	12.5%	12.5%	12.9%		
Health Care	6.2%	5.9%	5.8%	5.7%	5.2%	5.0%	5.0%	4.8%	4.2%		
Information Technology	12.0%	12.3%	12.7%	16.4%	17.0%	19.9%	21.9%	23.0%	26.5%		
Financials	5.7%	5.8%	5.8%	5.7%	6.2%	5.3%	5.8%	4.8%	4.7%		
Materials	4.0%	4.2%	4.2%	4.1%	3.9%	3.7%	2.4%	3.8%	4.0%		
Consumer Discretionary	7.6%	7.7%	7.8%	7.7%	7.9%	8.0%	8.0%	8.3%	8.5%		
Real Estate	6.9%	7.1%	7.0%	7.0%	7.4%	7.1%	7.5%	7.8%	8.1%		
Utilities	5.3%	5.2%	4.6%	5.2%	5.2%	4.5%	4.8%	5.6%	5.2%		
Communication Services	8.7%	9.3%	10.0%	10.1%	10.9%	11.9%	12.3%	13.6%	13.7%		
Consumer Staples	3.9%	4.2%	4.3%	4.3%	4.2%	4.3%	4.2%	4.1%	4.2%		
Energy	5.5%	6.4%	6.2%	0.6%	-4.2%	-5.1%	-4.5%	-4.4%	-5.4%		
Total	**7.0%**	**7.2%**	**7.4%**	**7.5%**	**7.3%**	**7.6%**	**8.5%**	**8.8%**	**9.2%**		

2026 Net Income Estimates ($B) as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrials	211.2	210.4	210.3	209.5	207.5	209.7	203.8	208.4	210.3
Health Care	308.4	302.2	302.8	302.5	303.2	287.0	287.0	286.7	290.5
Information Technology	784.5	806.7	824.5	882.0	903.8	935.8	967.8	982.6	999.0
Financials	507.8	514.3	514.6	512.6	518.3	517.0	519.3	535.4	540.7
Materials	56.0	56.8	57.8	59.9	63.4	65.3	65.6	64.6	64.0
Consumer Discretionary	228.0	228.6	226.5	225.8	235.0	235.5	235.2	265.7	274.0
Real Estate	30.8	30.5	30.3	30.4	30.9	31.2	31.0	31.9	31.9
Utilities	75.7	75.9	75.3	75.8	75.8	74.4	76.0	76.1	74.3
Communication Services	462.1	462.6	469.1	468.1	526.9	544.8	544.6	704.8	712.2
Consumer Staples	148.3	148.4	147.8	148.1	147.6	148.5	148.3	148.3	149.7
Energy	104.6	97.0	95.0	115.8	147.2	166.4	165.1	176.0	183.1
Total SP500	**2,917.4**	**2,933.3**	**2,954.1**	**3,030.5**	**3,159.7**	**3,215.5**	**3,243.8**	**3,480.5**	**3,529.7**

2026 NI Estimates Growth Over 2025 Actuals as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sparklines
Industrials	13.6%	13.2%	13.1%	12.7%	11.6%	12.8%	9.6%	12.1%	13.1%	
Health Care	61.1%	57.9%	58.2%	58.1%	58.4%	49.9%	50.0%	49.8%	51.8%	
Information Technology	41.0%	44.9%	48.1%	58.5%	62.4%	68.1%	73.9%	76.5%	79.5%	
Financials	7.6%	9.0%	9.0%	8.6%	9.8%	9.5%	10.0%	13.4%	14.6%	
Materials	86.7%	89.4%	92.9%	99.9%	111.5%	117.8%	118.9%	115.5%	113.6%	
Consumer Discretionary	31.8%	32.2%	31.0%	30.6%	35.9%	36.1%	36.0%	53.6%	58.4%	
Real Estate	11.0%	10.0%	9.4%	9.5%	11.6%	12.3%	12.0%	14.9%	15.0%	
Utilities	19.5%	19.7%	18.8%	19.5%	19.6%	17.3%	19.9%	20.1%	17.2%	
Communication Services	11.1%	11.2%	12.8%	12.6%	26.7%	31.0%	31.0%	69.5%	71.3%	
Consumer Staples	35.9%	36.0%	35.5%	35.8%	35.3%	36.1%	36.0%	35.9%	37.2%	
Energy	9.5%	1.5%	-0.6%	21.2%	54.1%	74.1%	72.8%	84.2%	91.6%	
Total SP500	**25.7%**	**26.4%**	**27.3%**	**30.6%**	**36.2%**	**38.6%**	**39.8%**	**50.0%**	**52.1%**	

2027 Net Income Estimates ($B) as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrials	236.2	240.1	241.8	242.5	243.7	245.9	244.5	249.0	250.8
Health Care	343.6	343.3	343.9	344.3	347.1	347.9	348.4	350.6	353.5
Information Technology	930.3	964.0	987.4	1,094.9	1,125.7	1,206.4	1,270.8	1,288.9	1,368.1
Financials	548.4	554.6	554.6	553.8	555.2	553.5	555.5	564.8	568.3
Materials	63.0	64.7	65.2	67.6	69.3	70.7	70.0	70.5	70.2
Consumer Discretionary	265.9	266.4	263.4	259.4	264.1	265.7	265.2	266.9	268.5
Real Estate	34.5	34.1	33.8	33.7	33.9	33.8	33.5	33.2	33.4
Utilities	83.6	83.9	83.9	84.1	84.2	84.3	84.3	84.2	83.7
Communication Services	520.4	527.1	540.4	540.6	564.2	576.7	579.9	586.3	589.7
Consumer Staples	159.1	159.3	159.5	159.8	158.4	159.1	159.0	159.1	159.4
Energy	120.6	113.5	112.5	123.6	138.6	148.2	147.9	149.6	154.2
Total SP500	**3,306**	**3,351**	**3,387**	**3,504**	**3,584**	**3,692**	**3,759**	**3,803**	**3,900**

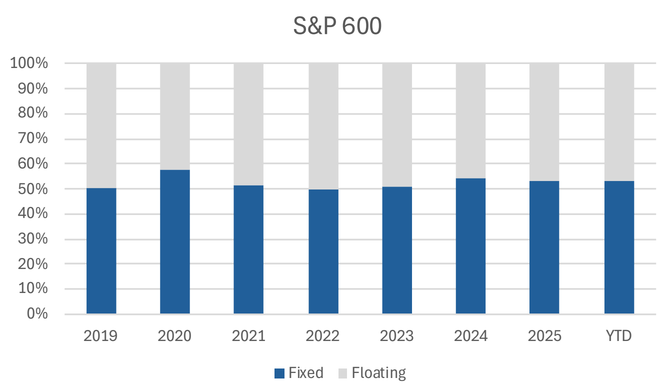
2027 NI Estimates Growth Over 2026 Estimates as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sparklines Estimates	Sparklines Growth
Industrials	11.9%	14.1%	15.0%	15.8%	17.4%	17.2%	20.0%	19.5%	19.3%		
Health Care	11.4%	13.6%	13.6%	13.8%	14.5%	21.2%	21.4%	22.3%	21.7%		
Information Technology	18.6%	19.5%	19.8%	24.1%	24.6%	28.9%	31.3%	31.2%	36.9%		
Financials	8.0%	7.8%	7.8%	8.0%	7.1%	7.0%	7.0%	5.5%	5.1%		
Materials	12.6%	14.0%	12.7%	12.8%	9.4%	8.3%	6.7%	9.2%	9.6%		
Consumer Discretionary	16.6%	16.5%	16.3%	14.8%	12.4%	12.8%	12.7%	0.4%	-2.0%		
Real Estate	12.0%	11.6%	11.4%	11.1%	9.5%	8.4%	7.9%	4.1%	4.7%		
Utilities	10.4%	10.5%	11.5%	11.0%	11.0%	13.4%	10.8%	10.6%	12.7%		
Communication Services	12.6%	14.0%	15.2%	15.5%	7.1%	5.8%	6.5%	-16.8%	-17.2%		
Consumer Staples	7.3%	7.4%	7.9%	7.9%	7.3%	7.1%	7.2%	7.3%	6.5%		
Energy	15.3%	17.0%	18.5%	6.7%	-5.8%	-10.9%	-10.4%	-15.0%	-15.8%		
Total SP500	**13.3%**	**14.2%**	**14.6%**	**15.6%**	**13.4%**	**14.8%**	**15.9%**	**9.3%**	**10.5%**		

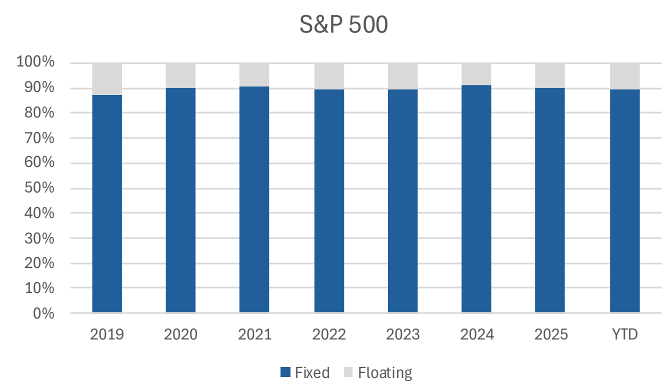
Est 2026 NI Margin Expansion over 2025 Actuals (bps) as of:	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrials	101	90	87	78	58	61	84	93	99
Health Care	281	267	267	265	265	225	225	221	229
Information Technology	499	535	524	646	679	709	765	790	801
Financials	52	63	67	59	91	73	83	121	124
Materials	483	491	512	538	583	606	610	590	588
Consumer Discretionary	183	186	171	168	204	205	204	333	366
Real Estate	90	73	42	47	58	68	62	89	87
Utilities	171	177	145	152	146	103	132	140	98
Communication Services	26	9	8	2	248	328	323	1,044	1,077
Consumer Staples	149	150	144	144	141	142	140	140	145
Energy	85	33	12	112	269	359	357	437	440
Total SP500	**222**	**226**	**225**	**248**	**296**	**310**	**327**	**433**	**445**

Est 2027 NI Margin Expansion/(Compression) over 2026 estimates as of	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sparklines 2026	Sparklines 2027
Industrials	52	75	79	87	105	101	73	69	63		
Health Care	40	58	59	61	70	117	118	125	127		
Information Technology	174	191	185	205	202	236	248	215	267		
Financials	45	42	40	47	19	34	25	14	7		
Materials	91	105	93	97	63	55	52	63	66		
Consumer Discretionary	82	81	76	64	42	45	44	(83)	(112)		
Real Estate	83	72	69	65	34	21	7	(58)	(53)		
Utilities	74	76	97	83	82	122	85	69	103		
Communication Services	80	95	105	109	(84)	(137)	(132)	(874)	(897)		
Consumer Staples	21	20	23	23	19	18	18	20	15		
Energy	81	82	92	55	(18)	(70)	(70)	(136)	(134)		
Total SP500	**87**	**97**	**100**	**113**	**89**	**104**	**107**	**7**	**20**		

Source: CapIQ, Stonegate Capital Partners, as of 8/31/2026

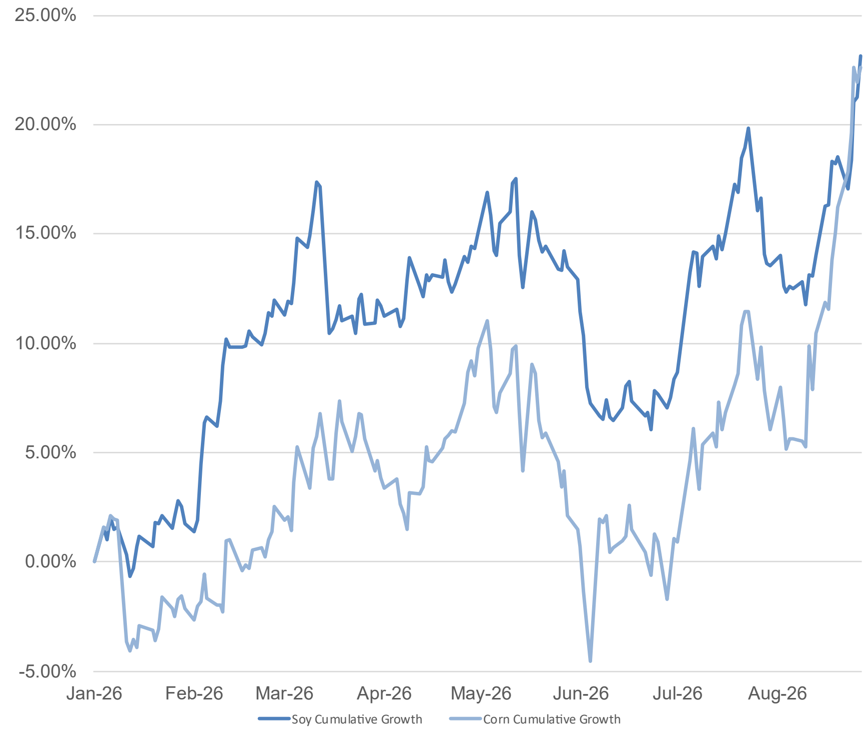
Exhibit 12: Fixed vs Floating Rate Debt by Year for Small Cap and Large Cap Companies





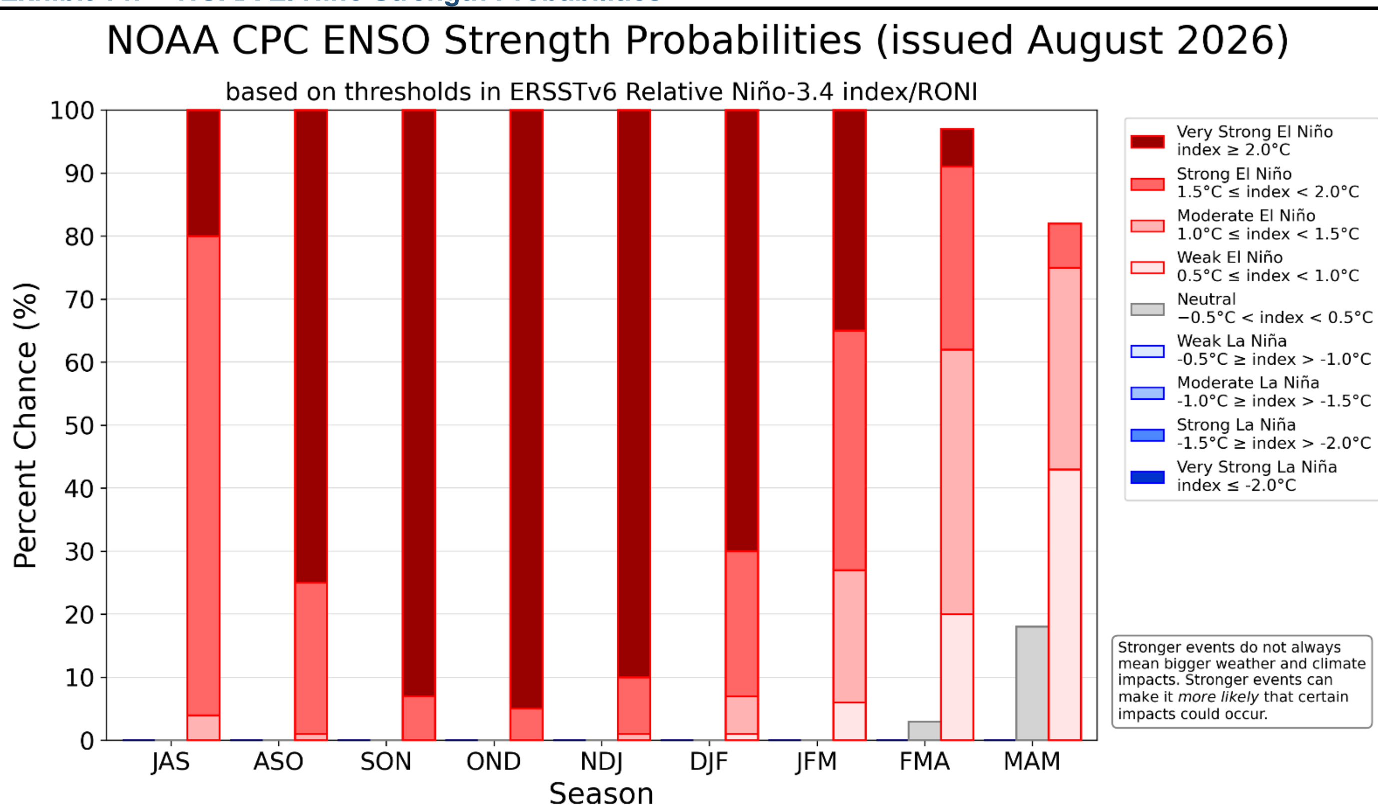
Source: CapIQ, Stonegate Capital Partners

Exhibit 13: Corn and Soybean Commodity Price Growth YTD



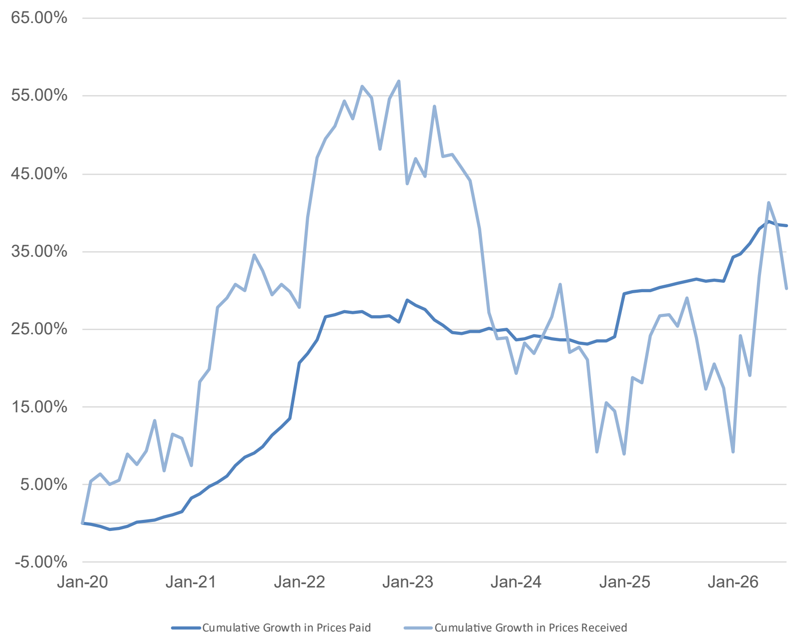
Source: CapIQ

Exhibit 14: NOAA El Niño Strength Probabilities



Source: NOAA

Exhibit 15: U.S. Farmer Prices paid vs. Prices Received Growth since COVID



Note: These are indexed prices; as such, the gap is directional rather than a direct margin measure.

Source: USDA

Exhibit 16: Hoagie, arguably one of the goodest boys

Source: Dave Storms

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