

Janney

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OUTLOOK 2026

INVESTMENT STRATEGY GROUP | JANNEY MONTGOMERY SCOTT LLC

Janney Facts At-a-Glance



PRIVATE CLIENT GROUP*

900+
Janney Financial Advisors

\$195+ million
Average assets under advisement
per Financial Advisor

455,000+
Individual Client Accounts

171,000+
Household Relationships

ABOUT JANNEY

1832
Our Firm History Dates Back Over 190 Years

136
Offices in 25 States

2300+
Employees

37
Consecutive Years of Operating Profitability

\$167+ billion
Assets under Advisement

Janney Investment Strategy Group



MARK LUSCHINI,
CMT®
Chief Investment Strategist



GUY LEBAS,
CFA®
Chief Fixed Income Strategist



GREG DRAHUSCHAK
Equity Market Strategist



MIKE HALLORAN,
CFA®
Equity Strategist



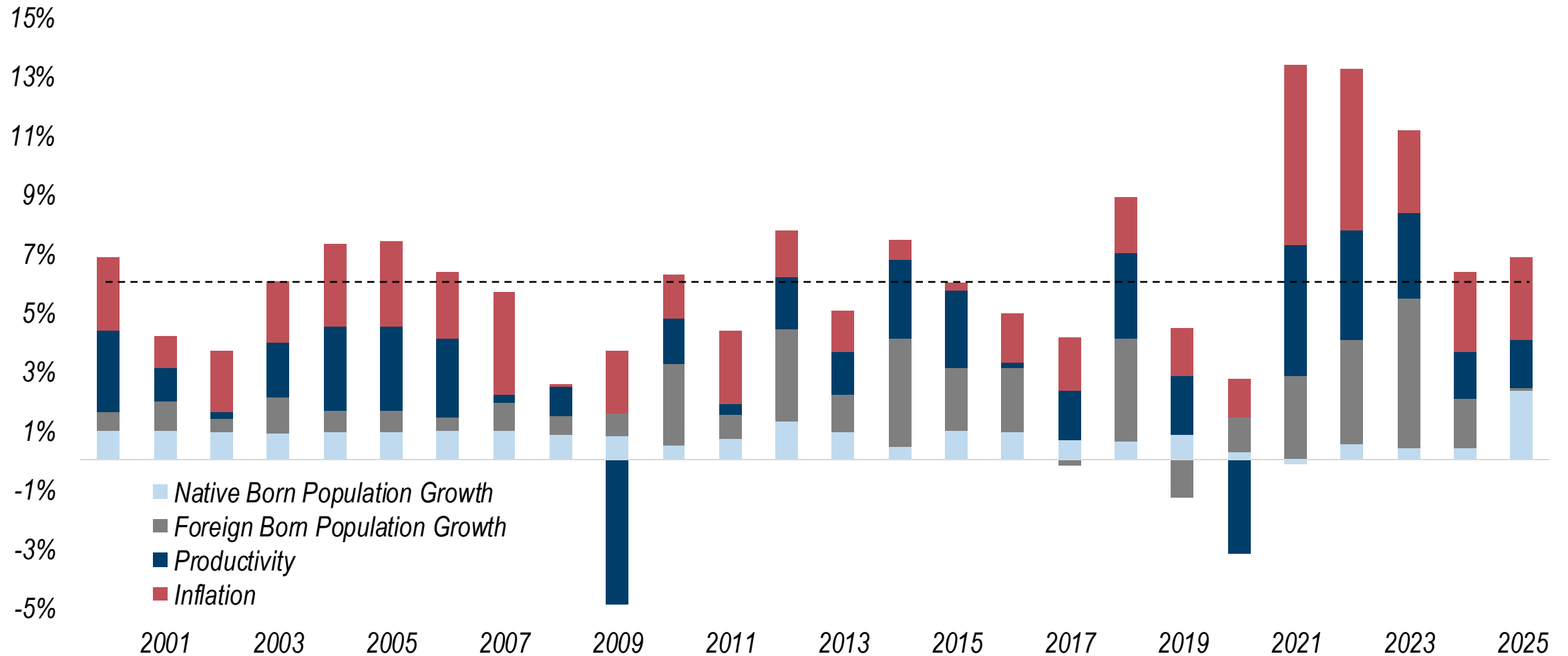
ANDREW LEGER,
CFA®
Equity Market Analyst

Thought leaders providing analysis of global economic and markets events to help our clients make informed investment decisions.

US ECONOMY

Outlook 2026 | Guy LeBas

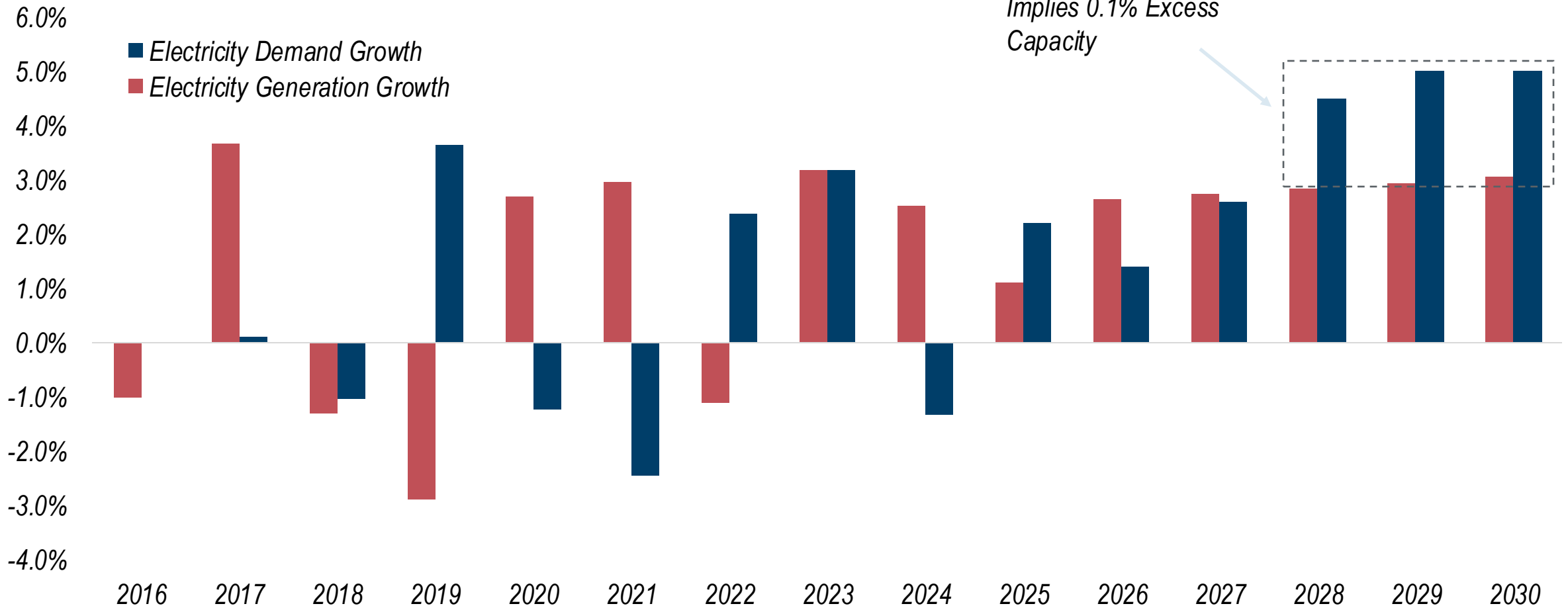
A Long-Term View of US Growth



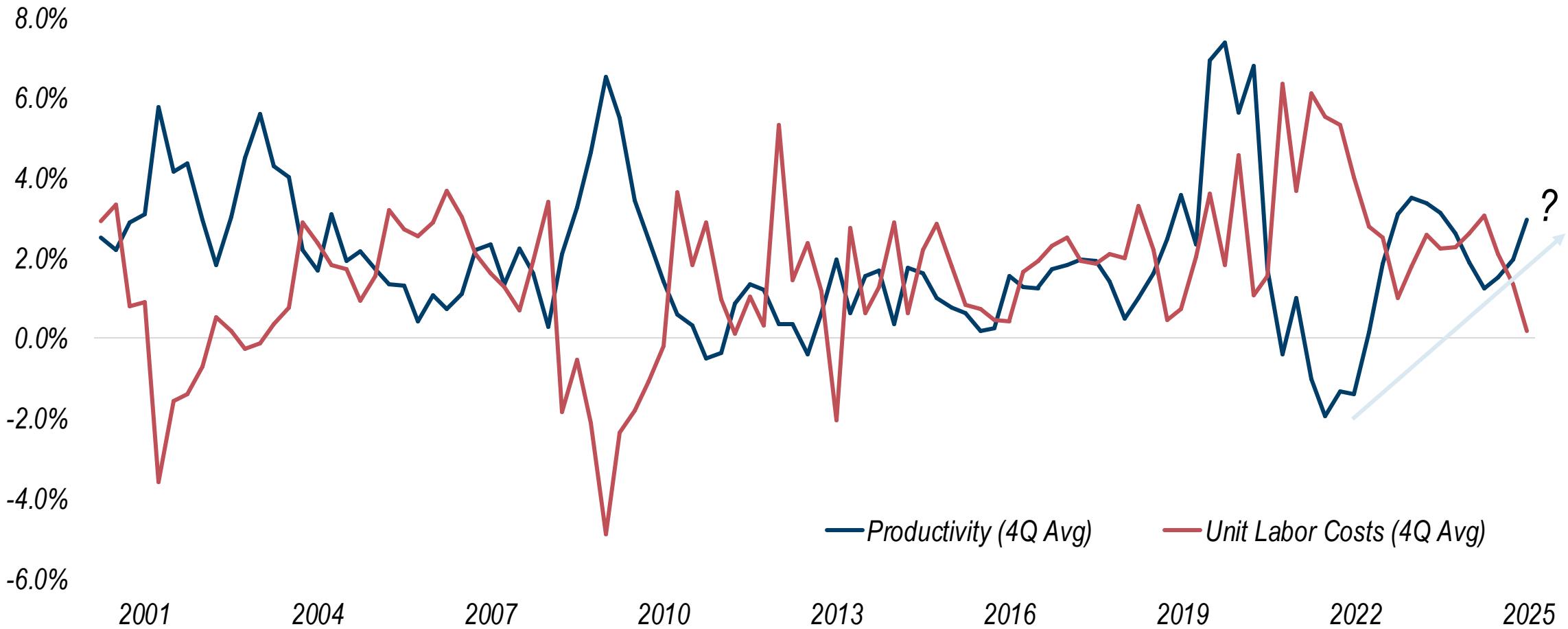
It's Not a Productivity Boom Until...



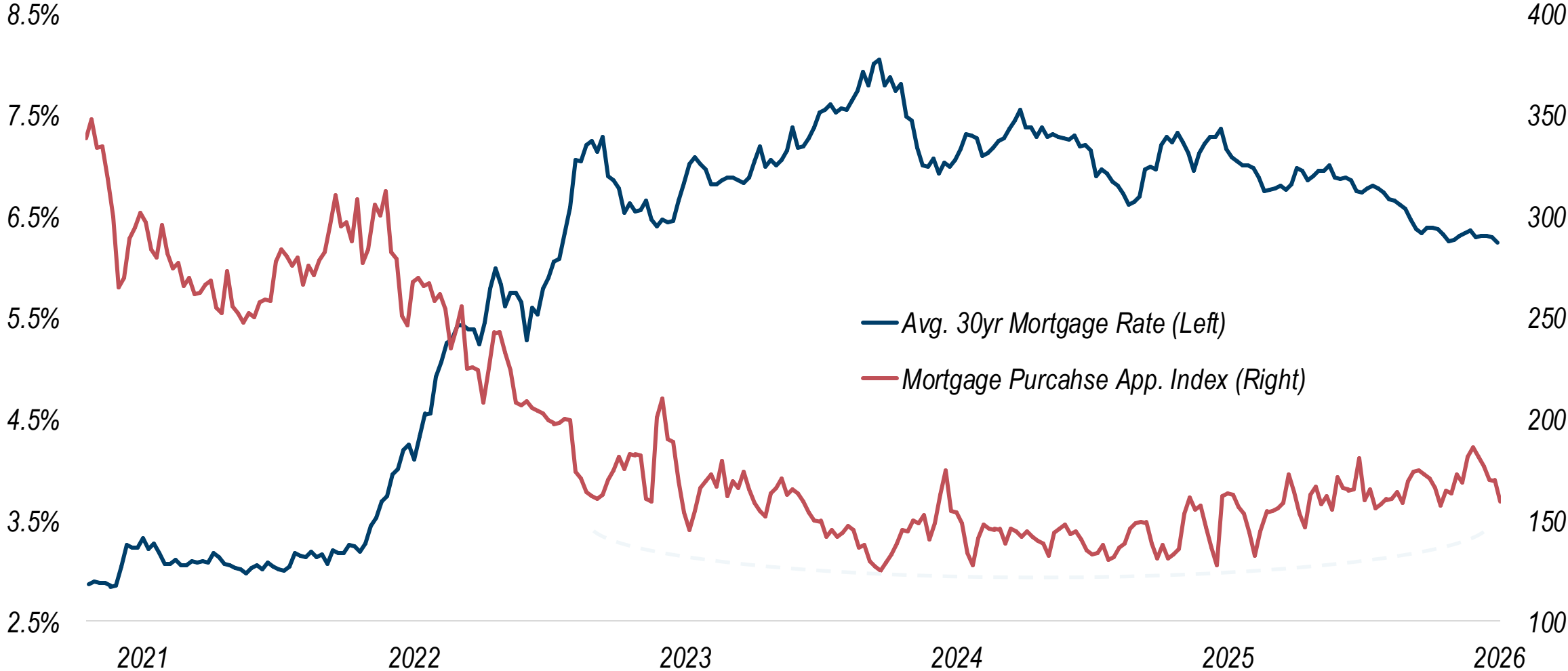
...You Run out of Energy



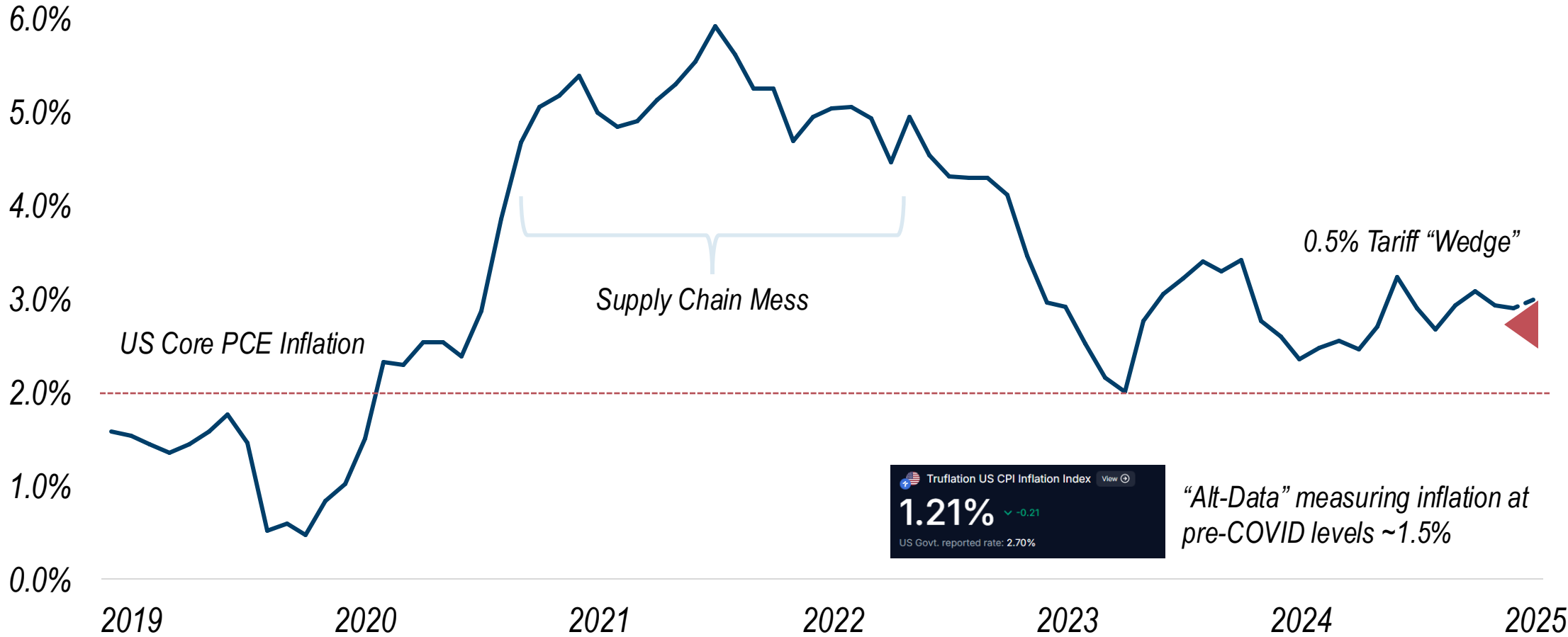
But data on Productivity Inconclusive by Nature



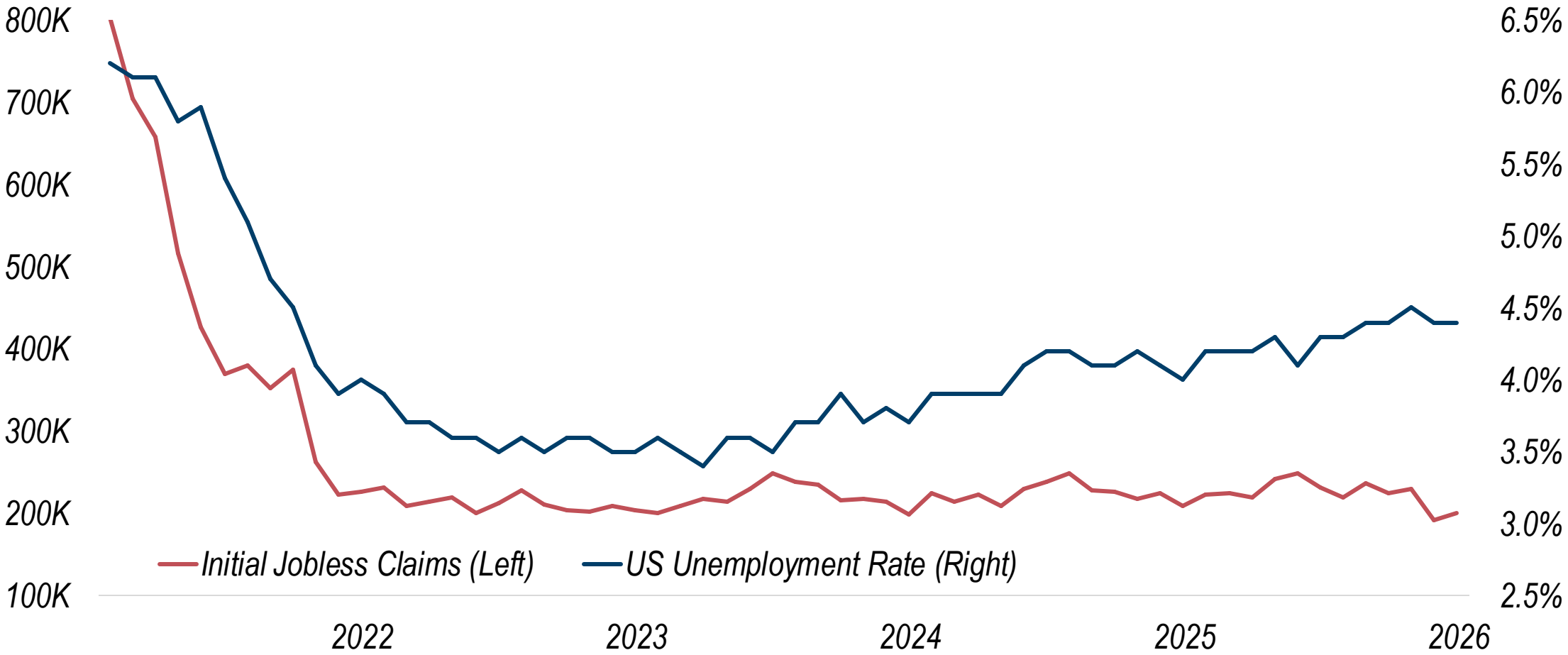
Housing a Mixed Bag



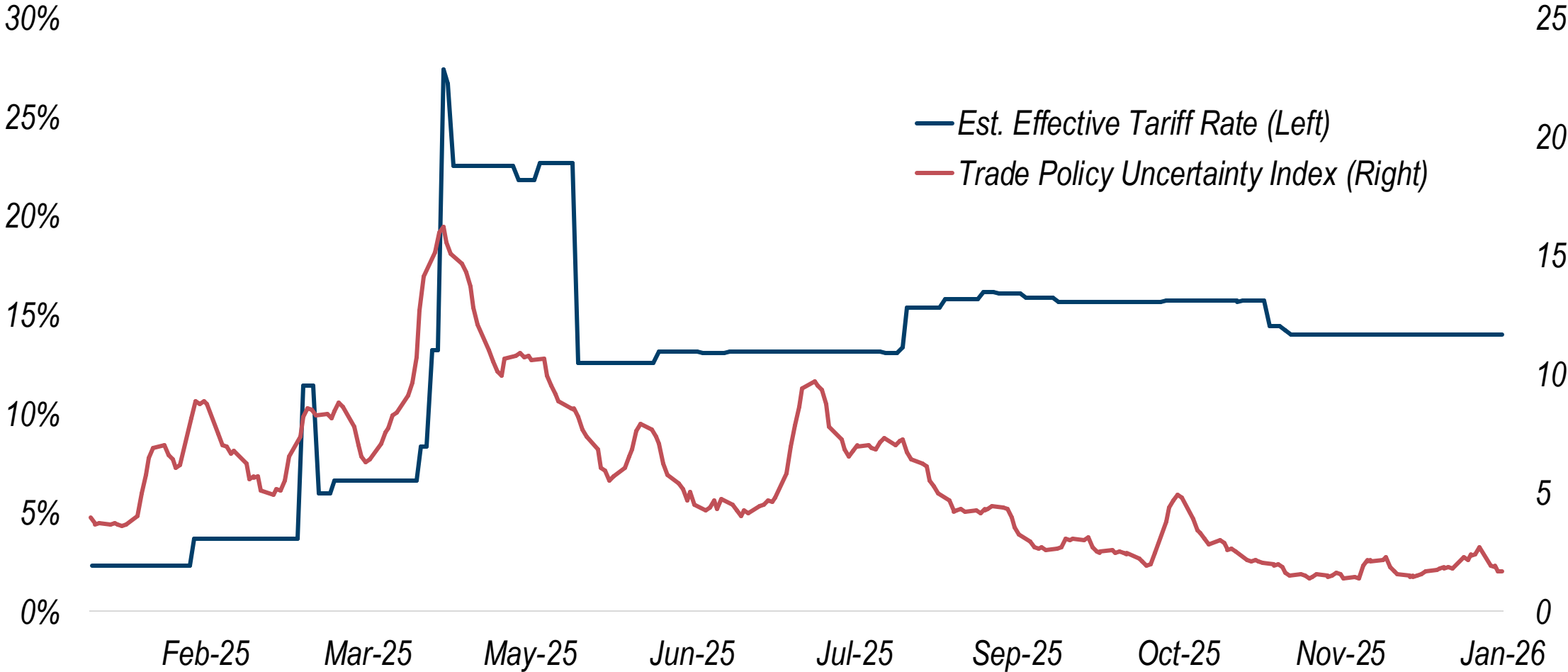
Inflation is Generally Decelerating



In Short Term Labor Market is the Key



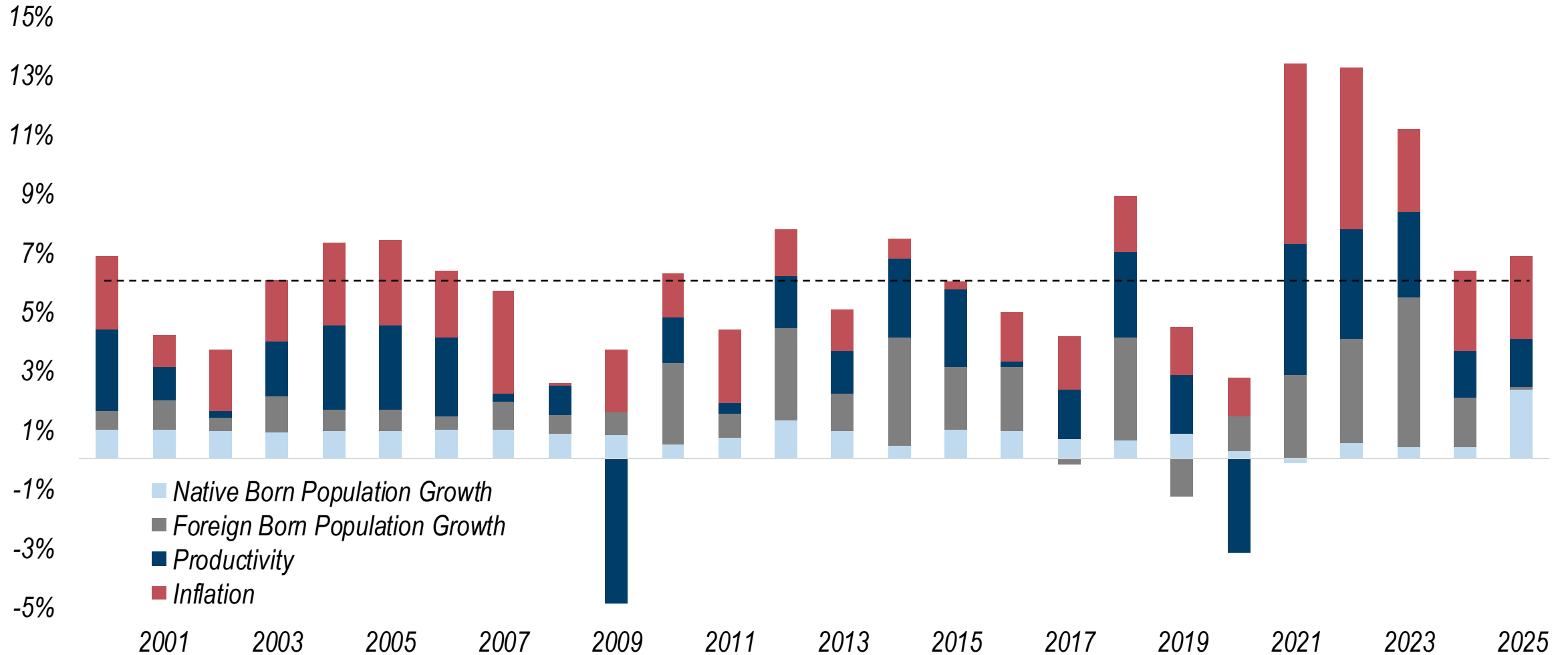
While Trade Uncertainty Persists



A Few Forecasts Before Returning...

| | 2025 (Proforma) | 2026 (Proj) | | 2027 (Proj) | |
|--------------------------|--------------------|----------------|-----------|----------------|-----------|
| | | Most Likely | Alternate | Most Likely | Alternate |
| <i>GDP Growth (Real)</i> | 2.4% | 1.7% | 2.2% | 2.1% | 2.5% |
| <i>PCE Infl. (Core)</i> | 2.8% | 2.5% | 2.1% | 2.1% | 2.2% |
| <i>Unemployment</i> | 4.3% | 4.5% | 4.0% | 4.2% | 4.0% |
| <i>Recession Risk</i> | - | 20% | | 35% | |

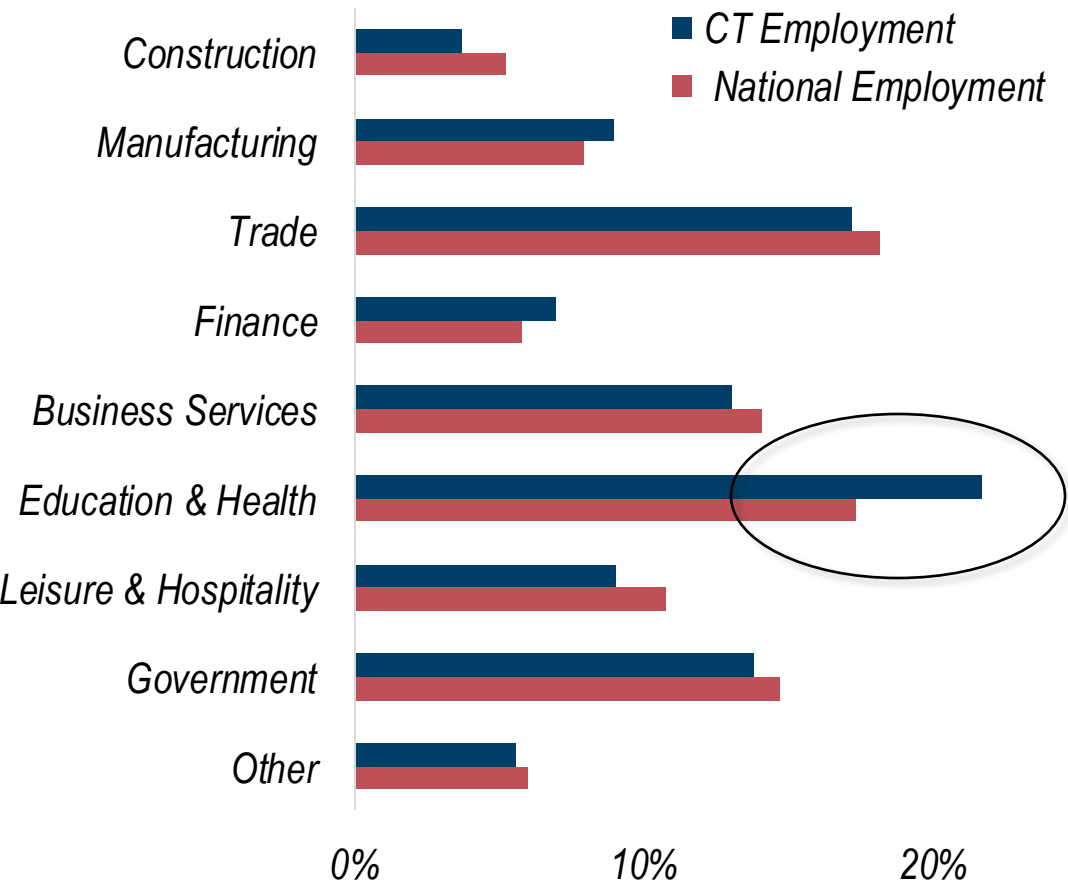
...To The Long-Term View



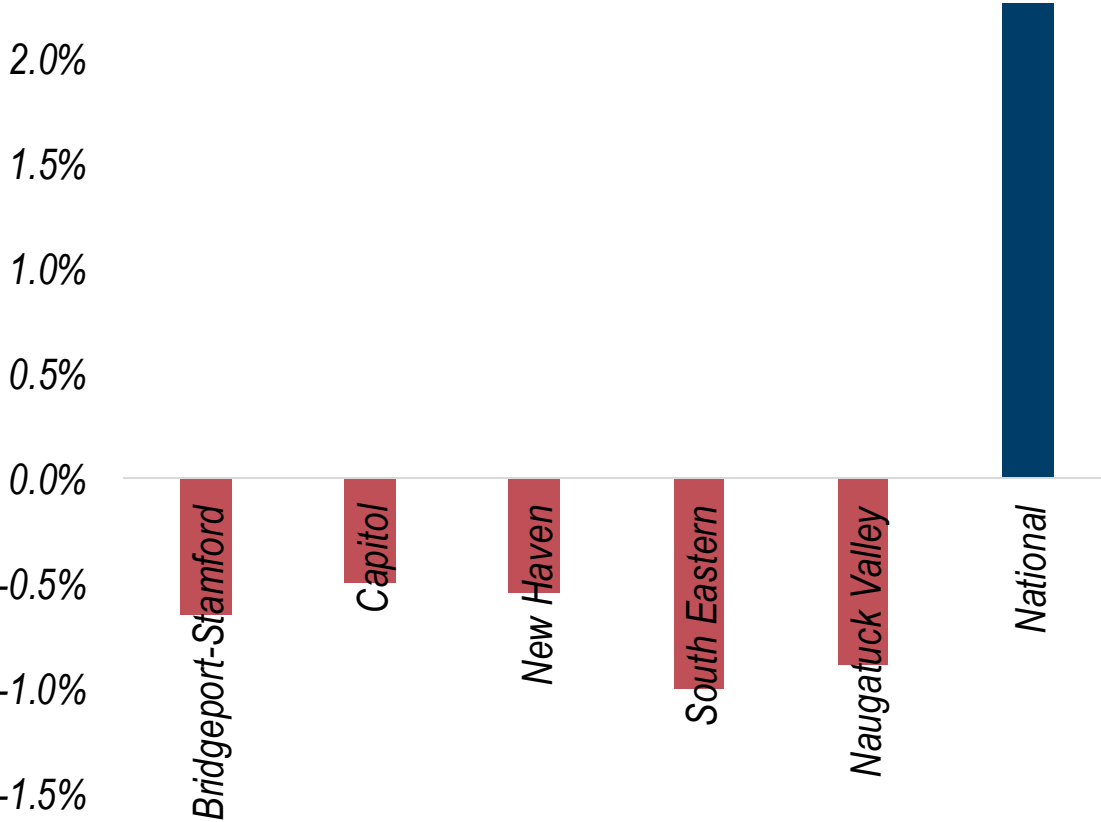
The text "CONNECTICUT CORNER" is centered in the middle of the page. It is written in a large, white, all-caps, sans-serif font. The background of the entire page is a blue-tinted photograph of a city square with a fountain and skyscrapers.

Outlook 2026 | Guy LeBas

CT Labor Demand & Supply Mismatch



2.5% Labor Force Growth (Nov 2025)

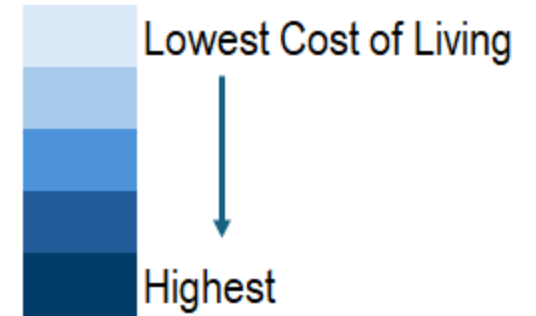
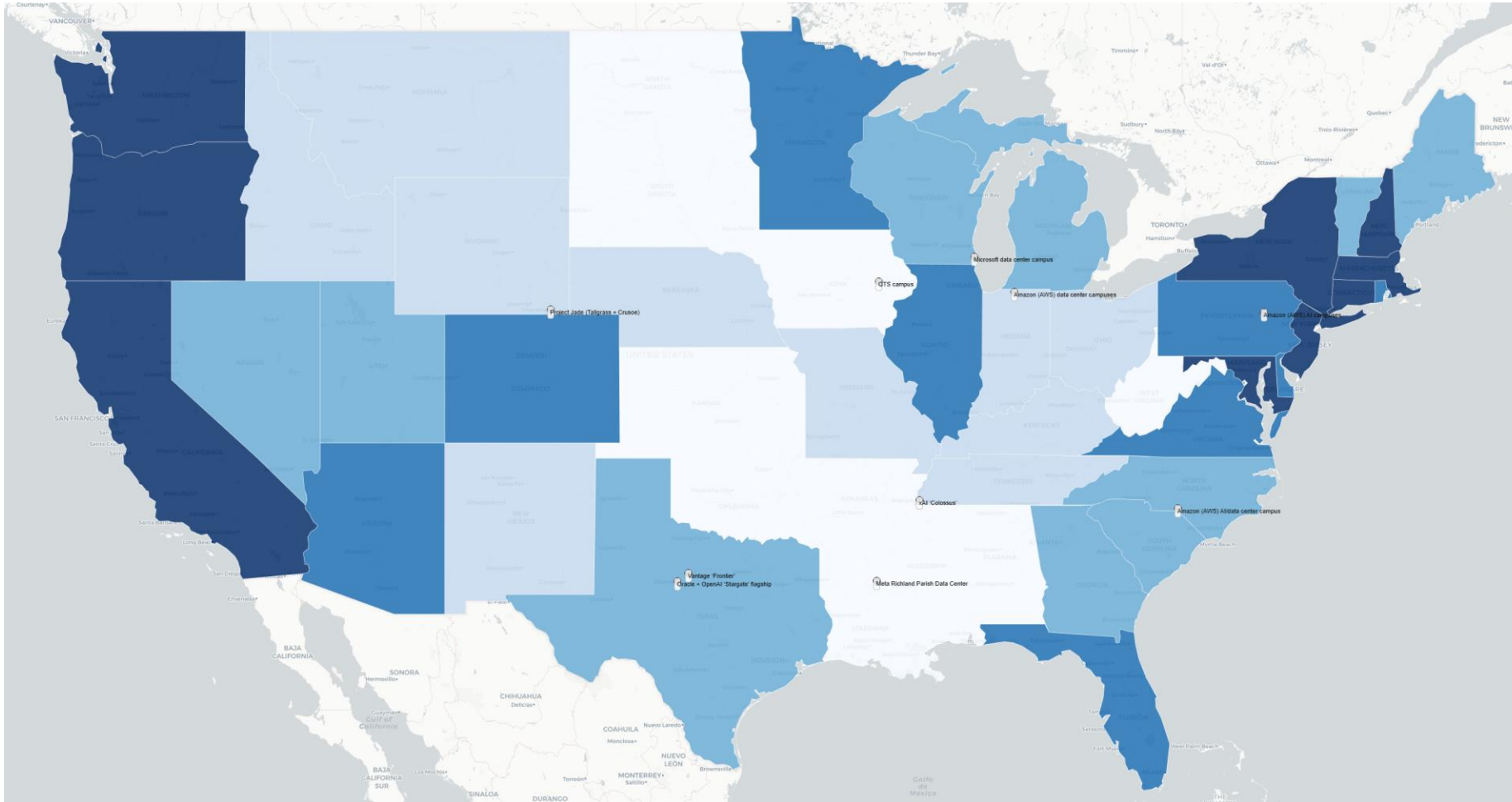


Data Center Boom Comes Home?

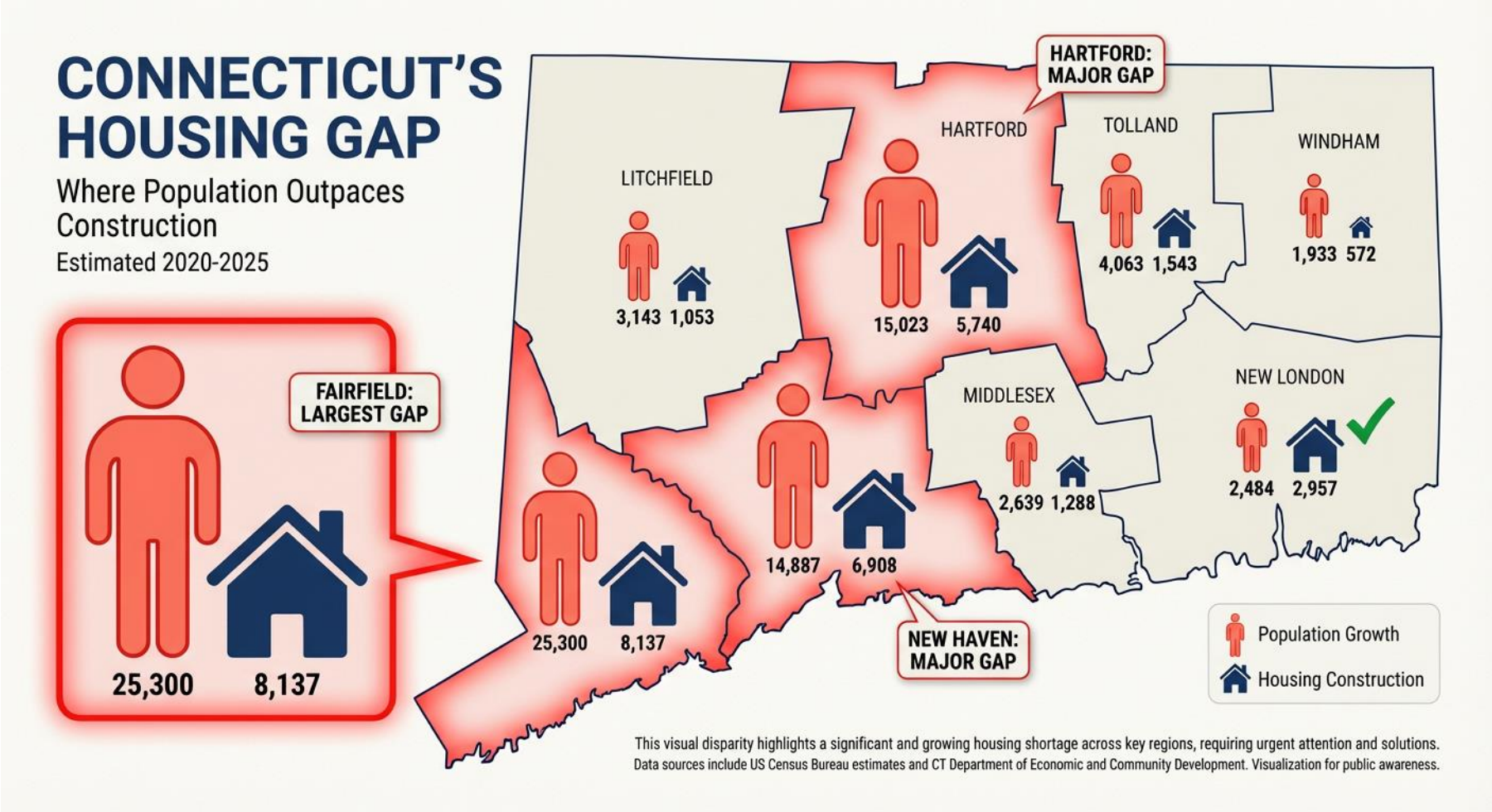


- **Five projects in works, last approved Feb 2024**
- **~25K construction jobs plus 300-500 permanent jobs**
- **Power demand 9-11% of CT's pre-2023 consumption**

Data Center Boom Comes Home?



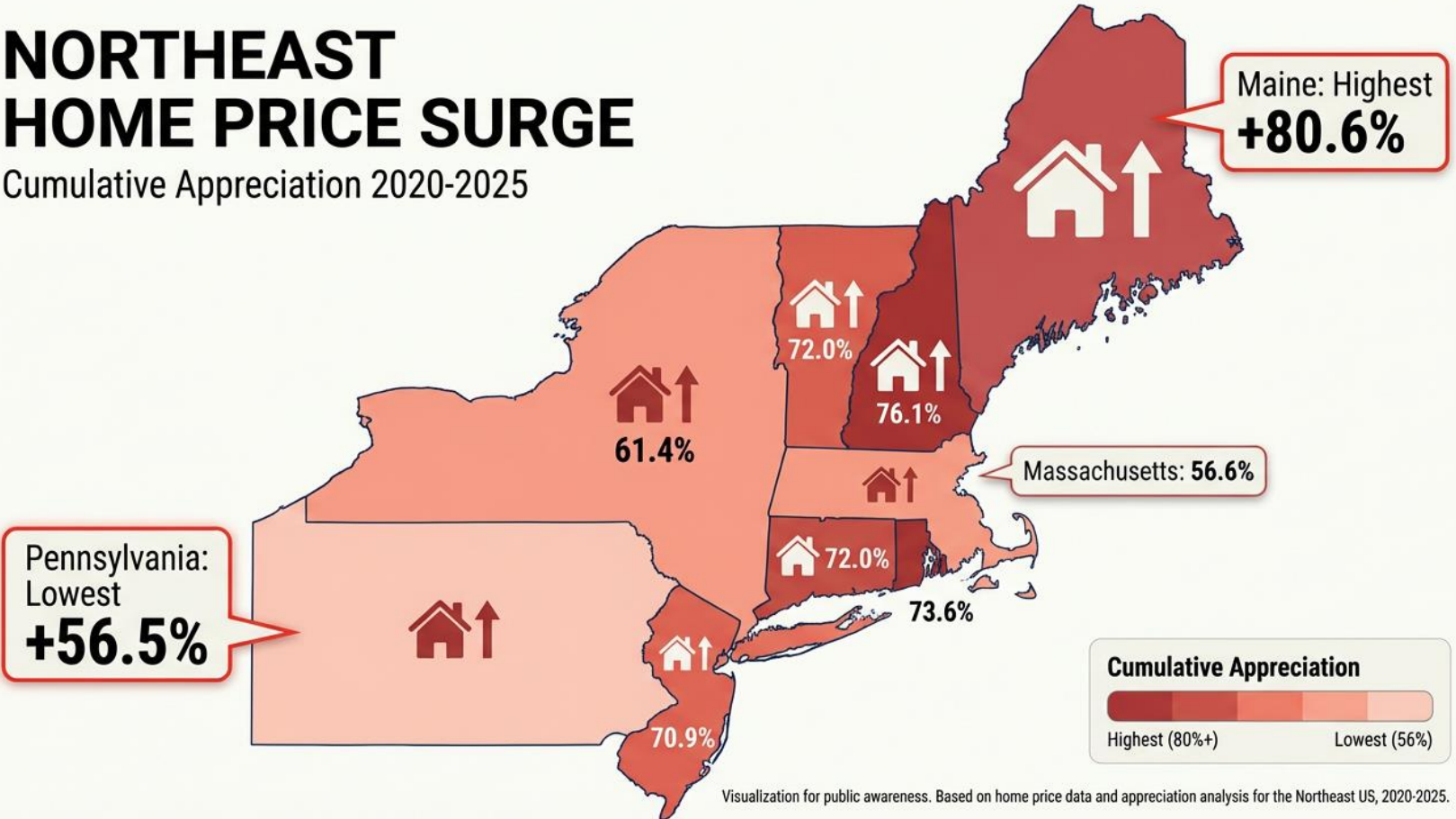
All Housing is Local



Or at the Very Least Regional

NORTHEAST HOME PRICE SURGE

Cumulative Appreciation 2020-2025



Nationwide home price appreciation over the same timeframe was 57%

Visualization for public awareness. Based on home price data and appreciation analysis for the Northeast US, 2020-2025.

The background of the slide is a solid blue color with a faint, semi-transparent image of a magnifying glass over a globe and a line graph. The magnifying glass is positioned over the globe, which shows the Americas. The line graph is on the left side, showing an upward trend.

FINANCIAL MARKETS

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Growth Produces Another Year of Equity Gains

Positive economic activity buttressed by a stable if fragile labor market

- Job creation is sufficient to hold the unemployment rate from surging

Innocuous fiscal/trade uncertainty

- Election cycle precludes large fiscal action and tariffs glide lower

Inflation recedes allowing the Fed to lean dovish

- Base effects and slowing demand conspire to reduce inflation

Benign geopolitical conditions

- No kinetic military adventures

Corporate profits rise meeting consensus estimates

- Stocks align with earnings growth to deliver handsome results



7,500 base case on the S&P 500
7,900 upside case

Potential Surprises Skew Bullish

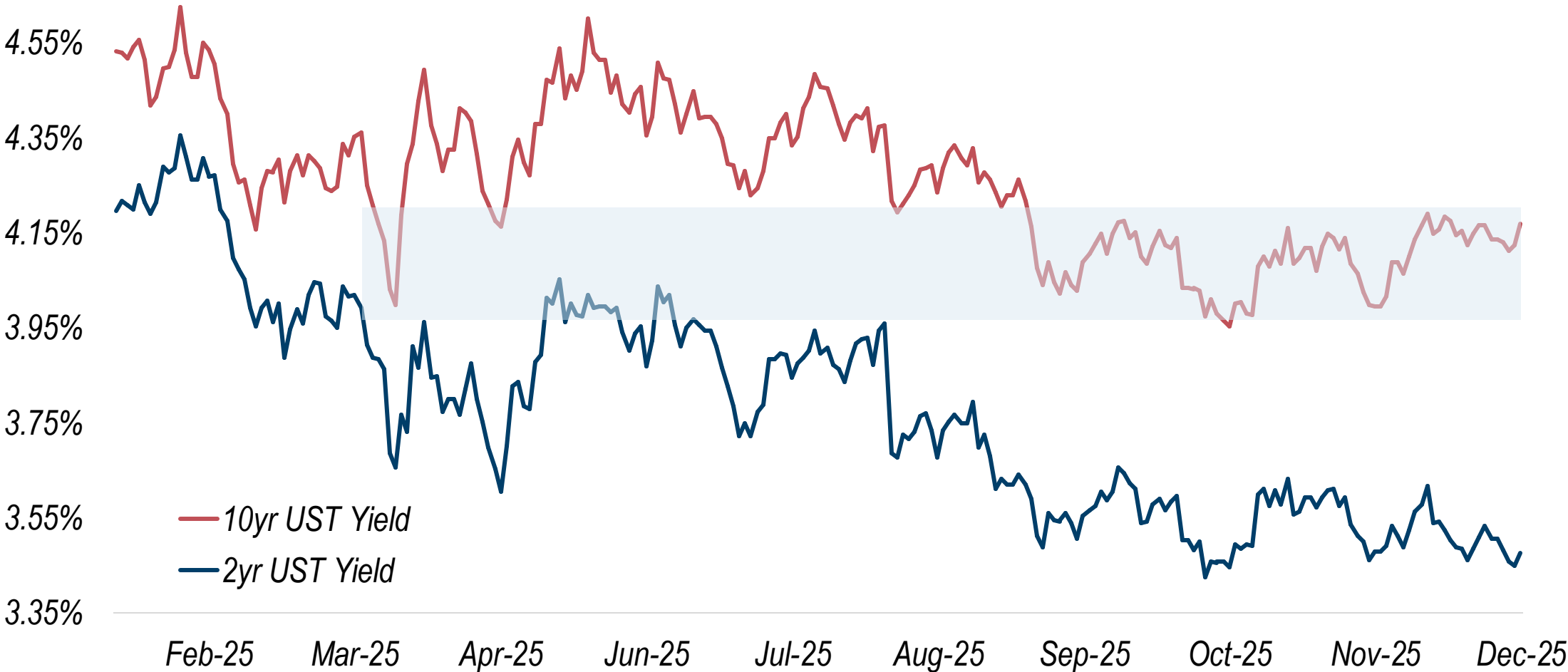
Positive (80%)

- OBBBA spurs incremental business and consumer spending
- Productivity improvement aids in producing non-inflationary growth
- Job growth accelerates
- Federal Reserve rate cuts and deregulation ignite “animal spirits”
- Housing activity begins to stir meaningfully

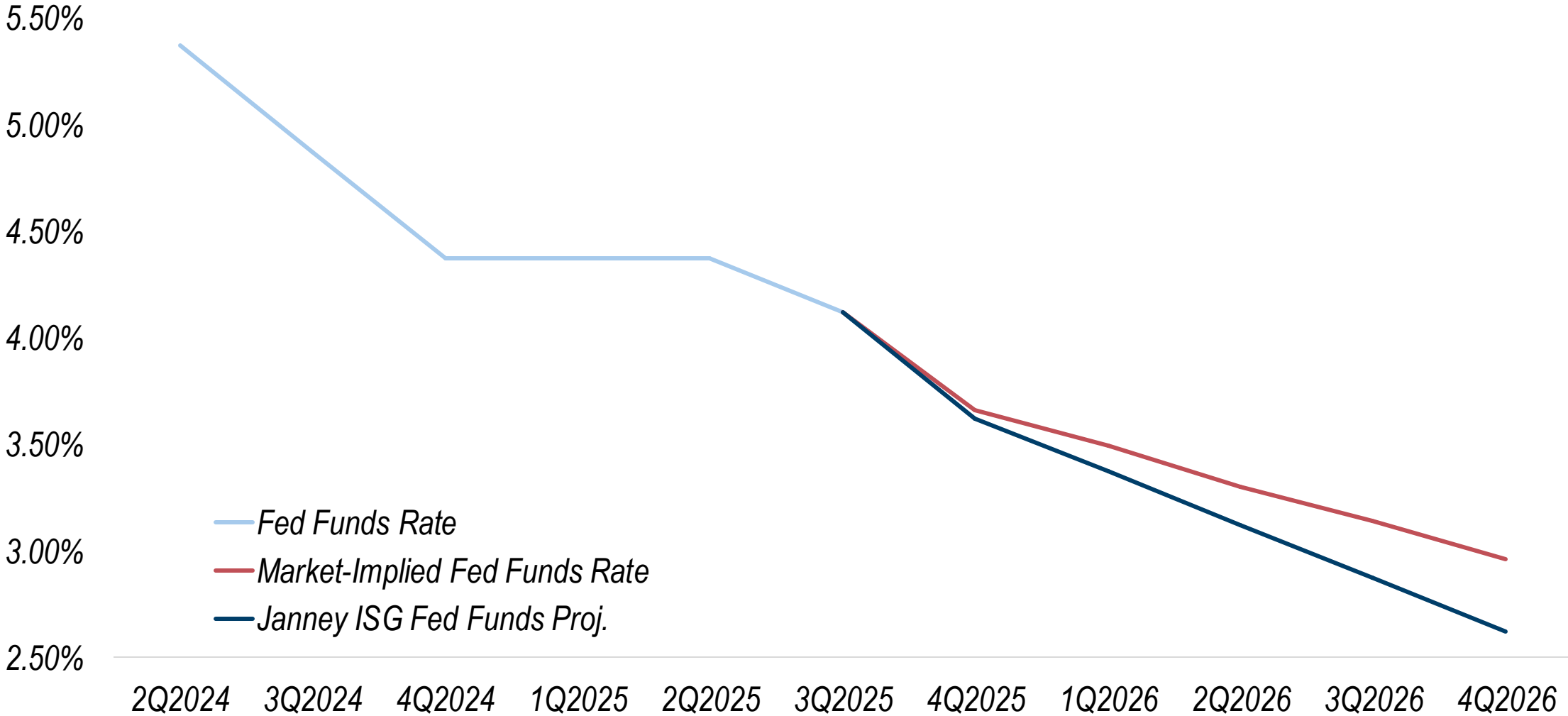
Negative (20%)

- Job growth stalls and consumers retrench
- Inflation fails to recede
- AI-related narrative chills
- Reawakened fiscal/trade policy uncertainty
- Renewed geopolitical flares

Interest Rates Unusually Stable



Fed to Continue Cutting...



...But Term Rates Won't Move as Much

| | 4Q25 (Act) | 2Q26 (Proj) | | 4Q26 (Proj) | |
|-------------------|---------------|----------------|---------|----------------|---------|
| | | Most Likely | Alt. | Most Likely | Alt. |
| <i>Fed Funds</i> | 3.63% | 2x Cuts | 2x Cuts | 4x Cuts | 6x Cuts |
| <i>2yr UST</i> | 3.53% | 3.40% | 3.10% | 3.25% | 2.60% |
| <i>10yr UST</i> | 4.10% | 4.00% | 4.30% | 3.80% | 4.50% |
| <i>IG Spreads</i> | 80bps | 90bps | 95bps | 95bps | 100bps |

Implies 30yr mortgage ~5.75%

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INVESTMENT STRATEGY GROUP | JANNEY MONTGOMERY SCOTT LLC

Comprehensive Disclosures

Investing may involve market risk, including possible loss of principal. Employing an asset allocation strategy does not guarantee a profit or protect against a loss in a declining market. Indexes are hypothetical portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. Indexes are unmanaged portfolios and do not guarantee future performance. It is not possible to invest in an index. Any charts provided are hypothetical and do not represent the performance of any particular investment.

ETFs are subject to risks similar to those of stocks and may not be suitable for all investors. Shares can be bought and sold through a broker, and the selling shareholder may have to pay brokerage commissions in connection with the sale. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Shares may only be redeemed directly from the fund by Authorized Participants via Creation Units. There can be no assurance that an active trading market for the shares will develop or be maintained, and shares may trade at, above or below their NAV.

Mutual funds and ETFs are subject to risks similar to those of individual stocks and bonds, and they may not be suitable for all investors. Investment returns and principal value will fluctuate, so that when shares are redeemed, they may be worth more or less than original cost. Past performance is not indicative of future results.

Investors should consider the contract and the underlying portfolios' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectuses, which can be obtained from your financial professional. You should read the prospectuses carefully before investing. Variable annuities are suitable for long-term investing, particularly retirement savings. Annuities are subject to investment risk. Your principal value may decline. Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your licensed financial professional can provide you with costs and complete details. Guarantees are subject to the claims-paying ability of the issuing insurance company.

Investing may involve market risk, including possible loss of principal. Past performance is not indicative of future results. For a detailed description of the program's services and fees, refer to the Janney Form ADV Part 2 disclosure document, available upon request and online at www.janney.com.

An investment in a Money Market Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Money Market Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Money Market Fund. For more complete information on the Money Market Fund, including fees and expenses, please request a brochure and prospectus. Please read the prospectus carefully before investing or sending money.

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