

OCTOBER 2026

The Janney View

Market Outlook and Portfolio Positioning

Janney Chief Investment Office



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Asset Class Performance

Asset Class	MTD	QTD	YTD	1-YR	3-YR	5-YR	10-YR
Large Cap Growth	2.2%	0.9%	6.3%	7.5%	24.2%	13.6%	18.1%
Large Cap Value	(3.1%)	2.6%	19.2%	23.8%	20.0%	11.9%	11.4%
Small Cap	(5.3%)	(7.2%)	13.9%	16.4%	17.7%	6.3%	9.8%
Developed International	(3.0%)	0.9%	10.9%	16.4%	19.1%	10.0%	9.8%
Emerging Markets	(0.7%)	(0.4%)	23.5%	29.5%	24.6%	9.4%	9.5%
Investment Grade Bonds	(2.6%)	(3.5%)	(2.9%)	(1.8%)	4.0%	(0.6%)	1.1%
High Yield Bonds	(2.5%)	(1.8%)	0.1%	1.4%	8.0%	3.6%	5.0%
Commodities	0.6%	16.2%	32.9%	40.6%	15.6%	11.3%	7.8%

Source: Bloomberg, MSCI, FTSE Russell, Janney CIO. Russell 1000 Growth, Value, and Russell 2000 are used for Large Cap Growth, Value, and Small Cap, respectively. MSCI EAFE and MSCI Emerging Markets are used for Developed International and Emerging Markets, Bloomberg Aggregate for Investment Grade Bonds, Bloomberg US Corporate High Yield for High Yield Bonds and Bloomberg Commodity (BCOM) for Commodities. All data is total return in USD as of September 30, 2026.

We Currently Favor Overweighting Stocks; Rising Rates Remain a Headwind for Bonds

Macro Outlook

Base case: The economy keeps growing, driven by spending on AI and by the consumer.

Jobs: Hiring is steady and unemployment is low. Pay is rising a little faster than prices.

Inflation: Still above target. Markets expect the Fed to raise rates again.

Investment Perspective

Stocks over bonds. Valuations are full, but a growing economy supports company profits. We prefer larger U.S. companies.

Bonds face a headwind. The income is attractive, but strong growth keeps pushing rates up, which pushes bond prices down.

What would change our view: A Federal Reserve (Fed) that moves faster than expected, or signs the economy is slowing.

Alternatives add ballast. Private infrastructure benefits from AI spending; hedge funds help when stocks and bonds fall together.

Risks Worth Watching

1. Oil climbs above \$150 a barrel.
2. The 10-year Treasury yield moves toward 6%.
3. Earnings growth slows.

The Janney View: Bullish, but Keeping a Leash on Risk

The global economy is solid, and strong profit growth continues to support stocks.

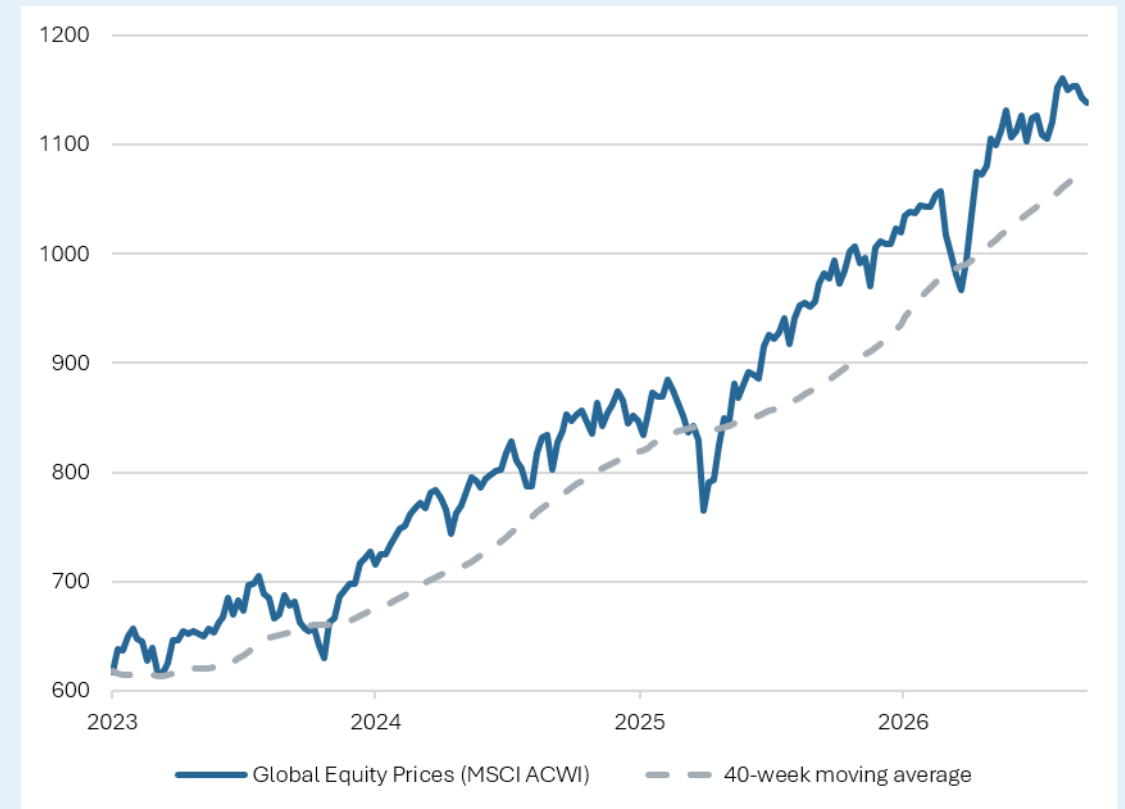
Government spending and central bank policy are still supportive.

Historically, Fed hikes lead to a range-bound market in the near term, but positive returns over the next year.

Three risks could change that view—the next slide shows where each one stands.

The Equity Uptrend Remains Intact

MSCI ALL COUNTRY WORLD INDEX

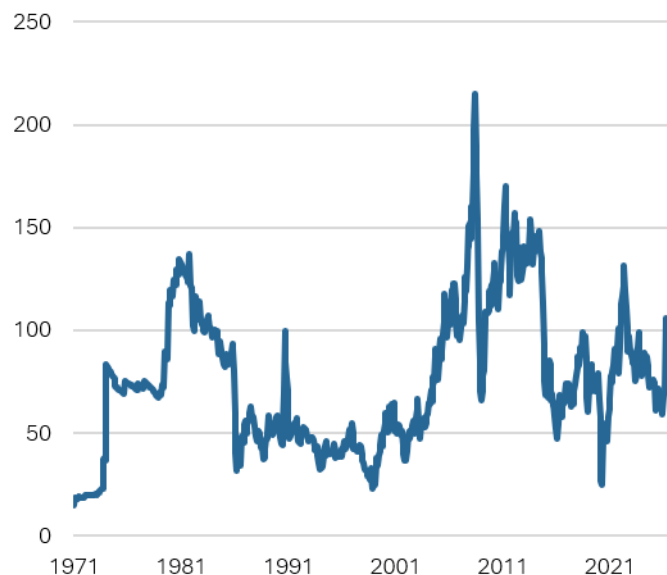


Source: Bloomberg, Janney. As of 9/22/2026

Three Risks to Monitor

1. Energy Prices

CRUDE OIL PRICE, ADJUSTED FOR INFLATION



2. Interest Rates

10-YEAR TREASURY YIELD



3. Profit Growth

S&P 500 EARNINGS GROWTH



Bottom line: A significantly higher oil price, a breakout in long-term bond yields, or downturn in earnings growth would potentially change our view.

Source: Bloomberg, Janney Chief Investment Office; As of 9/24/26.

Job Growth has Re-Accelerated to 80K a Month

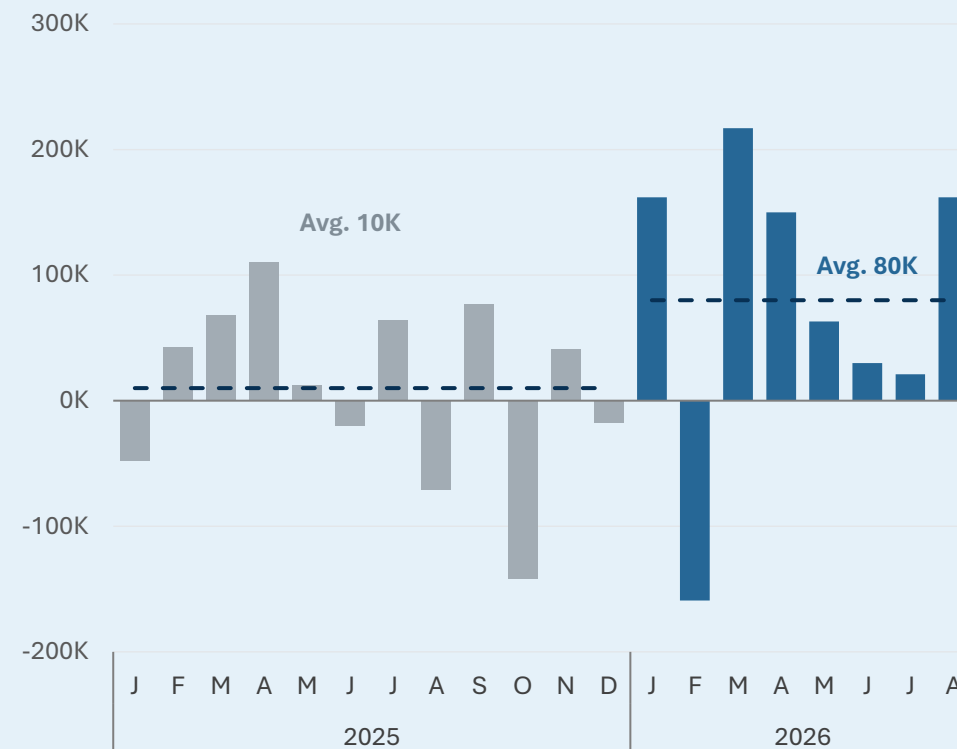
Hiring is running about eight times last year's pace, which supports consumer spending.

The economy is growing at a solid clip and could pick up further as hiring quickens.

- Pay is rising 4.1% while prices rise 3.4%—a modest but real gain in buying power.
- The job market is firm, with steady hiring and few layoffs, though month-to-month figures bounce around.
- Rising stock prices leave households feeling wealthier, which supports spending.
- Business investment shows no sign of slowing and is adding meaningfully to growth.
- Improving business confidence appears to point to stronger company profits ahead.

Hiring Turned up Sharply in 2026

THOUSANDS OF JOBS; GREY = 2025, BLUE = 2026

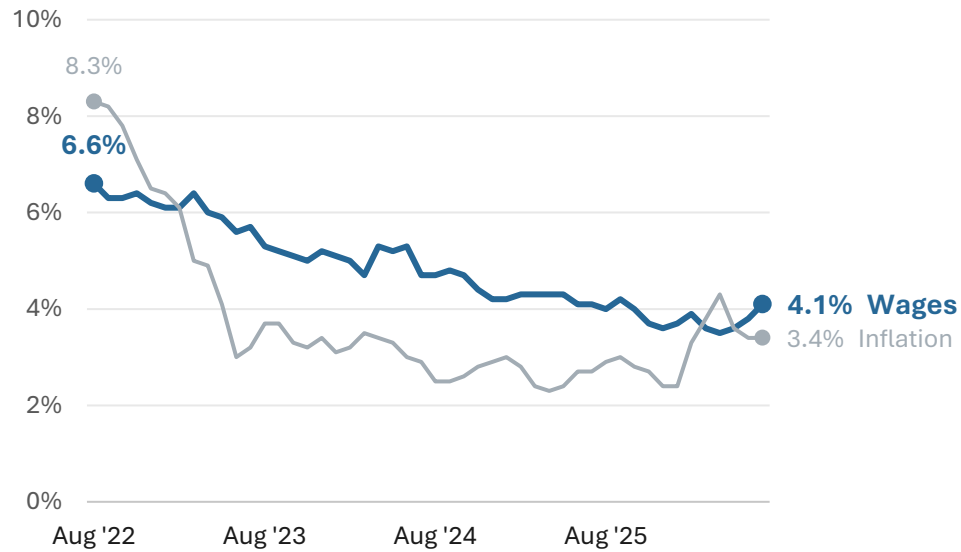


Source: U.S. Bureau of Labor Statistics, Atlanta Federal Reserve, Janney Chief Investment Office; Bloomberg

Rising Pay and a 90% Jump in Business Investment are Both Feeding Growth

Wage Gains are Outpacing Inflation

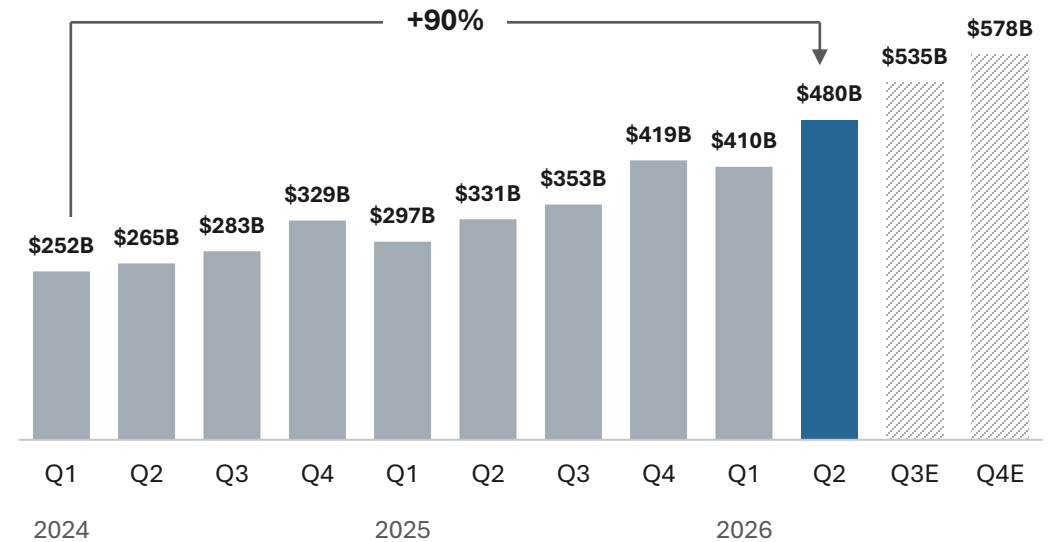
PAY GROWTH (BLUE) IS RUNNING AHEAD OF INFLATION (GREY)



Source: U.S. Bureau of Labor Statistics, Atlanta Federal Reserve, Janney Chief Investment Office

Business Investment is a Powerful Tailwind

TOTAL S&P 500 CAPITAL SPENDING BY QUARTER; SECOND HALF OF 2026 ESTIMATED



Source: Janney Chief Investment Office; Bloomberg

Households are gaining ground on inflation, and business investment is up 90% since early 2024. Consumers and companies are both driving growth.

Income Will Likely Drive Bond Returns

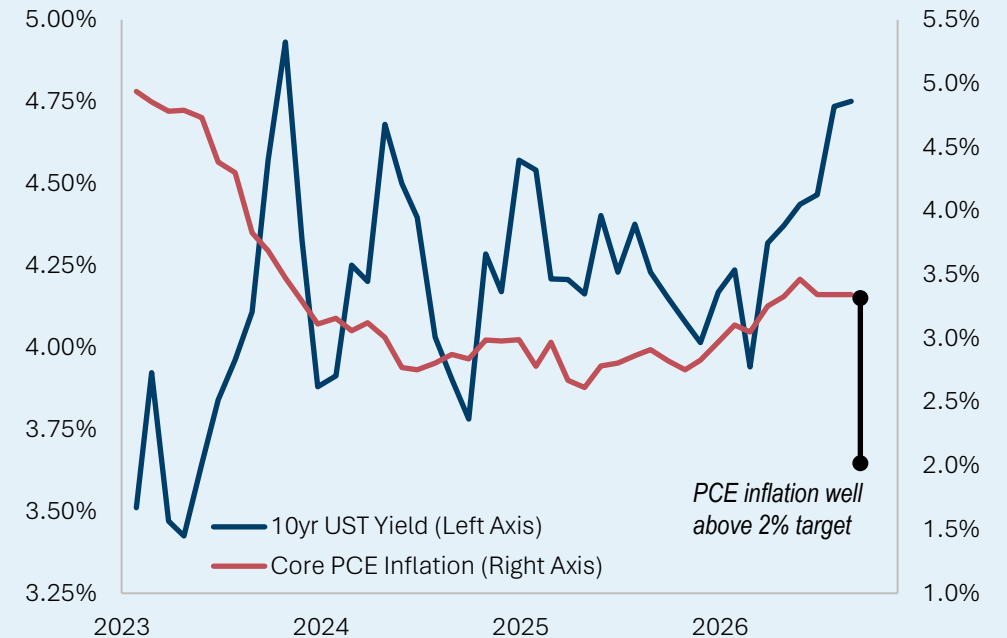
Rates have risen in 2026 as higher energy costs feed through and undo some progress on inflation.

- The Fed will likely raise rates again in 2026, which should—ironically—hold long-term rates down.
- Yields on 5- to 10-year bonds are near their highs for this cycle, so the interest payments, not price gains, drive the return.
- Price gains would need rates to fall sharply, which we don't expect. We would rather get paid to wait.

Many parts of the bond market look expensive by past standards, so choosing the right bonds matters more than betting on rates.

The 10-year Climbs as Inflation Stays High

INFLATION IS WARM—BUT NOT 2023 WARM

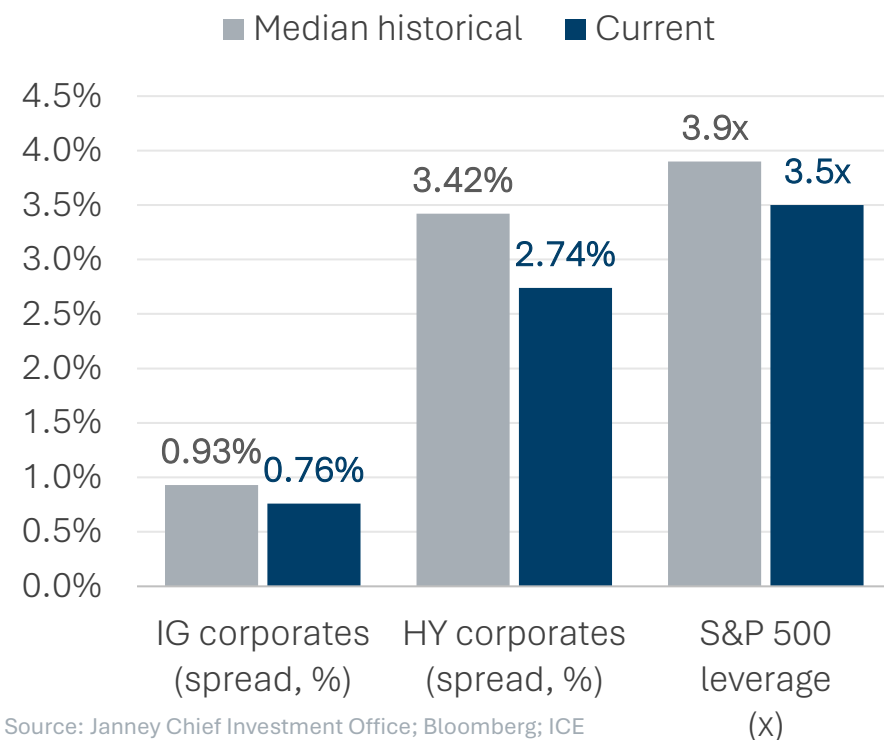


Source: Janney Chief Investment Office; Bloomberg; US Commerce Dept.

Corporate Bonds are Expensive, Municipals are More Attractive

Corporates: Expensive but Sound

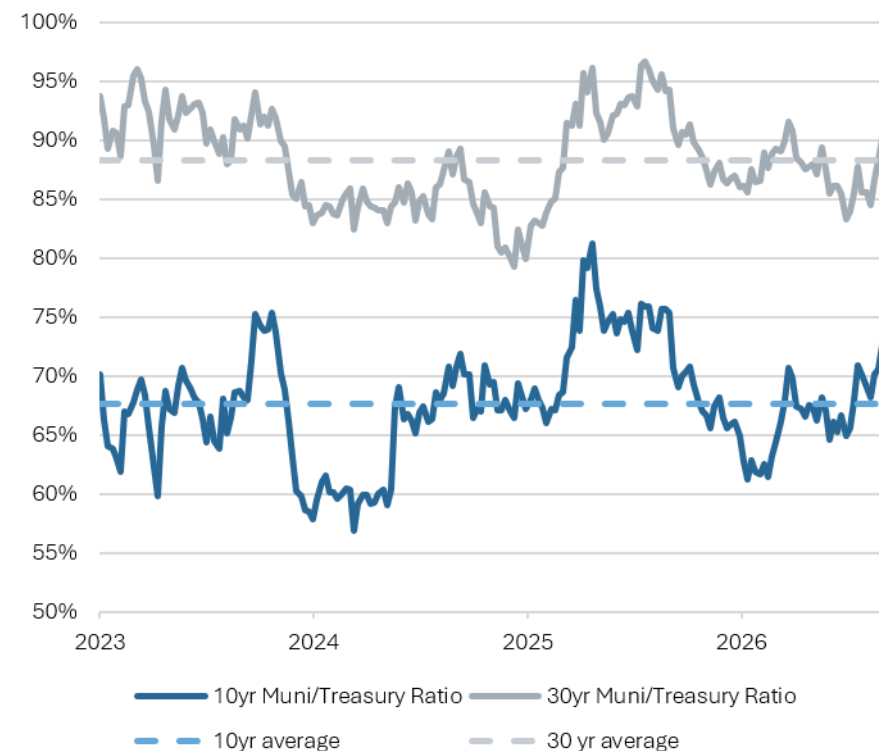
LESS EXTRA INCOME OVER TREASURIES THAN USUAL



Source: Janney Chief Investment Office; Bloomberg; ICE

Municipal Bonds: Above Recent Fair Value

BARGAINS HAVE NOT LASTED LONG



Source: Janney Chief Investment Office; Bloomberg

We favor government-backed mortgage bonds, see some value in municipals, and would not stretch for extra yield in corporates.

Growing Profits, Not Richer Valuations, Drive Our View on Stocks

We remain positive on stocks. Strong profit growth—not investors paying more per dollar of earnings—is doing the work.

Profits are expected to grow about 33% in 2026 and another 15% in 2027, a solid foundation for stocks.

We favor Energy, Health Care, and Technology.

These weights describe how we differ from the Index. The long-term themes behind our growth tilt cut across industry lines and show up in the individual companies we own, so a neutral sector weight does not mean no exposure to a theme.

Valuations leave little room for error: most sectors now cost more than their five-year average, so, in our view, profits should arrive.

Sector Weights and Preferences

Sector	Weight	Unattractive	Neutral	Attractive
Consumer Discretionary	9%	⊖		
Consumer Staples	4%	⊖		
Energy	3%			⊕
Financials	12%		⊖	
Health Care	9%			⊕
Industrials	8%	⊖		
Information Technology	39%			⊕
Communication Services	10%	⊖		
Materials	2%	⊖		
Real Estate	2%	⊖		
Utilities	2%		⊖	

Symbols show our view versus the benchmark weight: ⊖ Unattractive ⊖ Neutral ⊕ Attractive

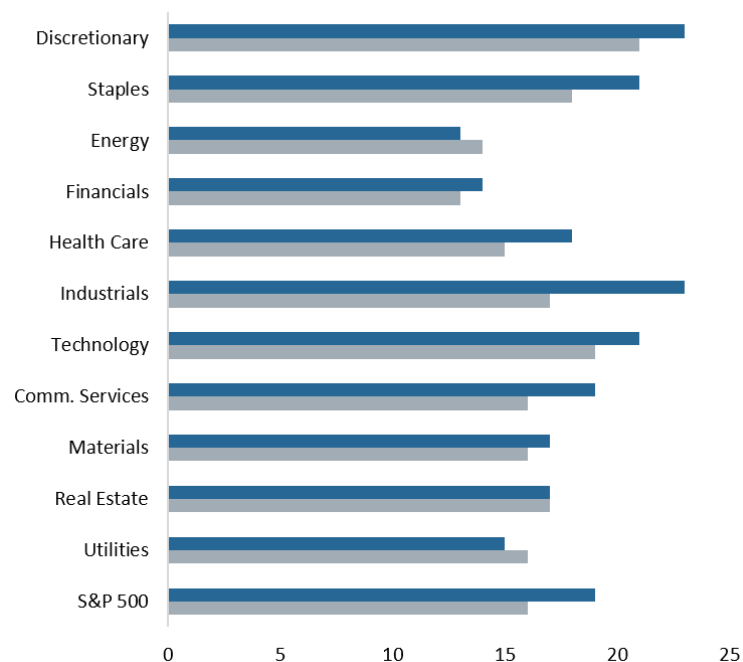
Source: Janney Chief Investment Office. As of 9/30/2026.

Technology is Again Expected to Lead Exceptional Profit Growth

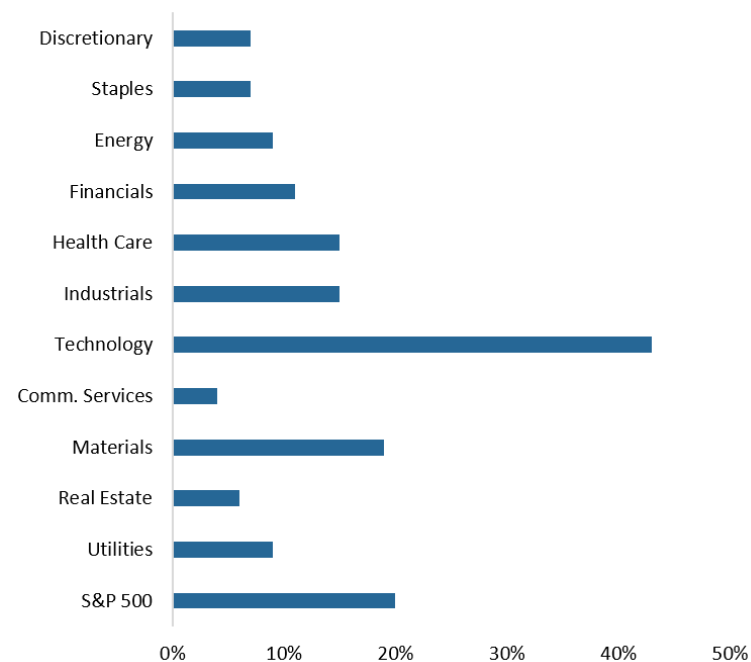
But nearly every sector now costs more than its 5-year moving average.

What Investors Pay vs. 5-year Average

PRICE PAID PER DOLLAR OF EXPECTED EARNINGS



Expected Profit Growth



Source: Janney Chief Investment Office; Thomson Reuters/IBES. 12-month forward growth expectations for P/E and earnings growth.

“Current” is previous month-end and represented in blue; “Historical” is 5-year moving average and represented in grey.

Our sector preferences tilt away from areas of the market where we believe earnings growth expectations overly optimistic.

The Long-Term Themes Behind Our Growth and Large-Company Tilt



1. AI and Digital Infrastructure

Companies are adopting AI fast, driving a build-out of computing power that is reshaping how business is done.



2. Power, Electricity, and Raw Materials

The build-out and shift in energy transition requires major investment in the power grid and in metals like copper and aluminum.



3. Bringing Manufacturing Home

Trade tension and fragile supply chains are pulling factories back to the U.S., helped along by tax incentives.



4. Health Care

An aging population is driving demand while technology reshapes how drugs and devices are developed and priced.



5. Defense and Cybersecurity

Rising geopolitical tension raises the need for advanced defense systems, and AI makes cyber defense more critical.

We believe these themes play out over many years and cut across traditional industry lines; therefore, broad index or a single sector captures them only indirectly. We believe the opportunity is in owning the individual companies best positioned within each theme.

Where We are Overweight and Underweight

Where the case above leaves us: a modest pro-growth tilt — more in stocks than bonds, with alternatives spreading risk.

In bonds, we favor government-backed mortgage bonds and tax-free municipals.

In stocks, we prefer large cap U.S. companies over mid and small cap companies.

In alternatives, we favor multi-strategy hedge funds over private lending and private real estate.

Asset Class Preferences

Asset Class	Underweight	Neutral	Overweight
Cash		●	
Fixed Income	●		
US Treasuries	●		
US Investment Grade	●		
US High Yield	●		
US MBS		●	
US Munis		●	
US Preferreds	●		
Emerging Markets	●		
Equity			●
US Large Cap Growth			●
US Large Cap Value			●
US Mid Cap		●	
US Small Cap		●	
International Developed Markets			●
Emerging Markets			●
Alternatives			
Multi-Strategy Hedge Funds			●
Private Equity		●	
Private Credit (Direct Lending)	●		
Private Infrastructure			●
Private Real Estate	●		

Source: Janney Chief Investment Office. As of 9/24/2026



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Depending on your financial needs and personal preferences, you may opt to engage in a brokerage relationship, an advisory relationship or a combination of both. Each time you open an account, we will make recommendations on which type of relationship is in your best interest based on the information you provide when you complete or update your client profile.

If you engage in a brokerage relationship, you will buy and sell securities on a transaction basis and pay a commission for these services. Our recommendations for the purchase and sale of securities will be based on what is in your best interest and reflect reasonably available alternatives at that time.

If you engage in an advisory relationship, you will pay an asset-based fee, which encompasses, among other things, a defined investment strategy, ongoing monitoring, and performance reporting. Your Financial Advisor will serve in a fiduciary capacity for your advisory relationships.

For more information about Janney, please see Janney's Relationship Summary (Form CRS) on www.janney.com/crs which details all material facts about the scope and terms of our relationship with you and any potential conflicts of interest.

By establishing a relationship with us, we can build a tailored financial plan and make recommendations about solutions that are aligned with your best interest and unique needs, goals, and preferences.

Contact us today to discuss how we can put a plan in place designed to help you reach your financial goals.



Comprehensive Disclosures

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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.

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