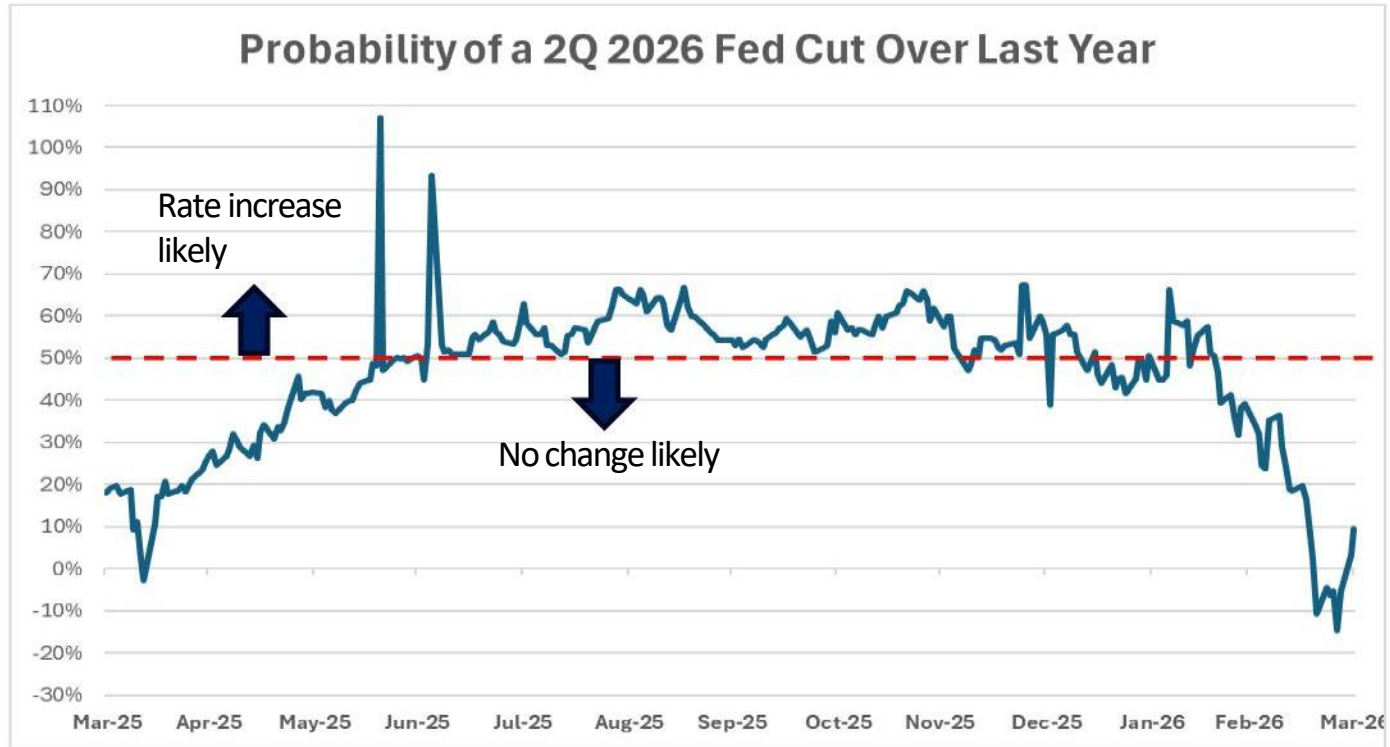




FIVE IN FIVE

April 2026

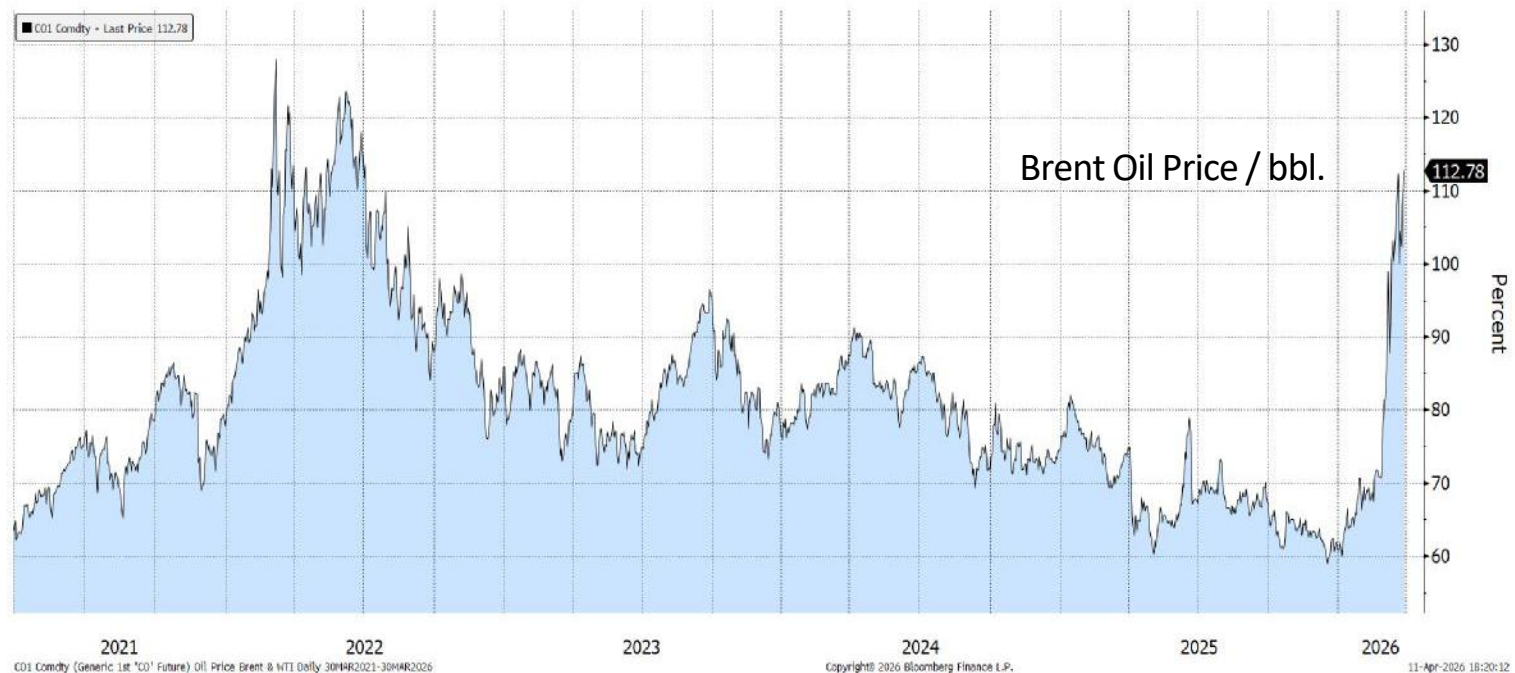
CHANGING PROBABILITY OF FEDERAL RESERVE CUTS



Source: Bloomberg – Fed Funds Futures

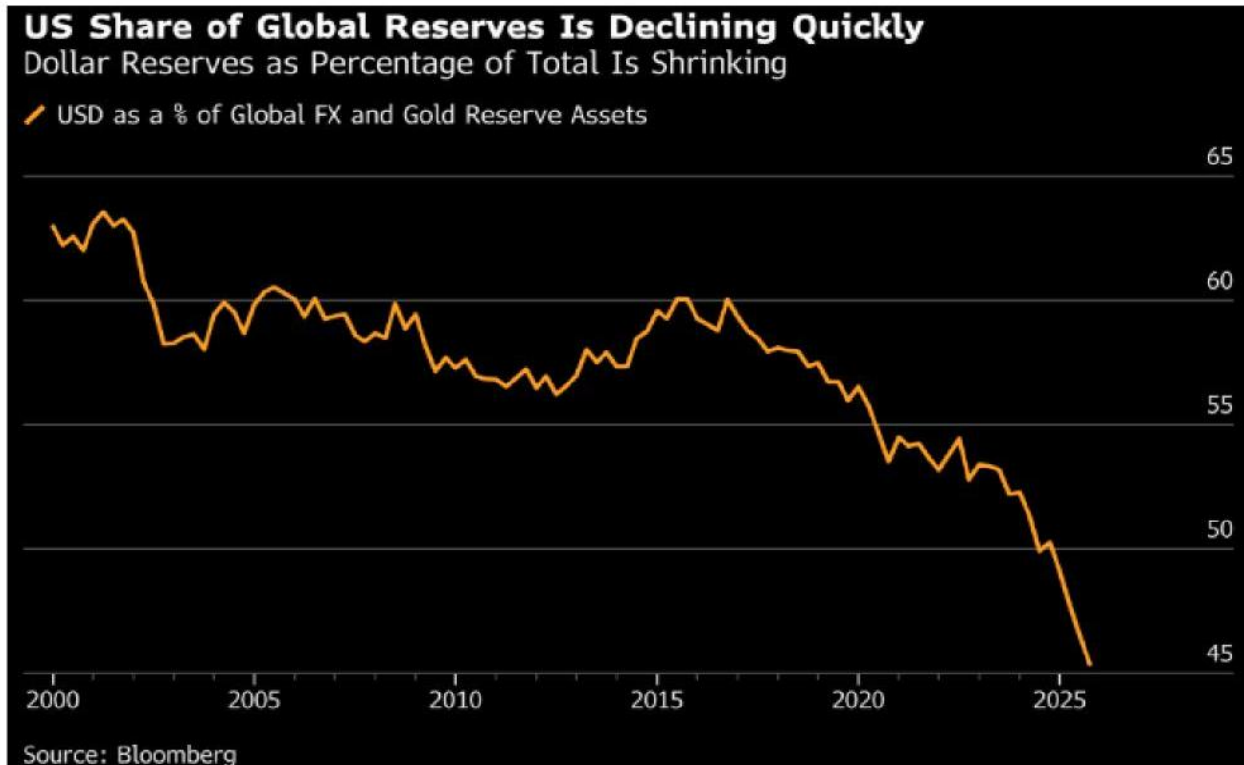
- The above chart plots the probability of a Federal Reserve rate cut.
- Above 50% indicates a rate cut is likely.
- Starting last December, an improving economic outlook reduced the chance of a 2Q 2026 rate cut from likely to unlikely.
- March's inflation shock has further pushed the chances of a cut to June 2027.
- Chances of a Fed Funds rate increase to slow inflation remains unlikely as the Federal Reserve Open Market Committee may label the recent inflation rise as transitory.

OIL PRICE RISE, GDP FALLS



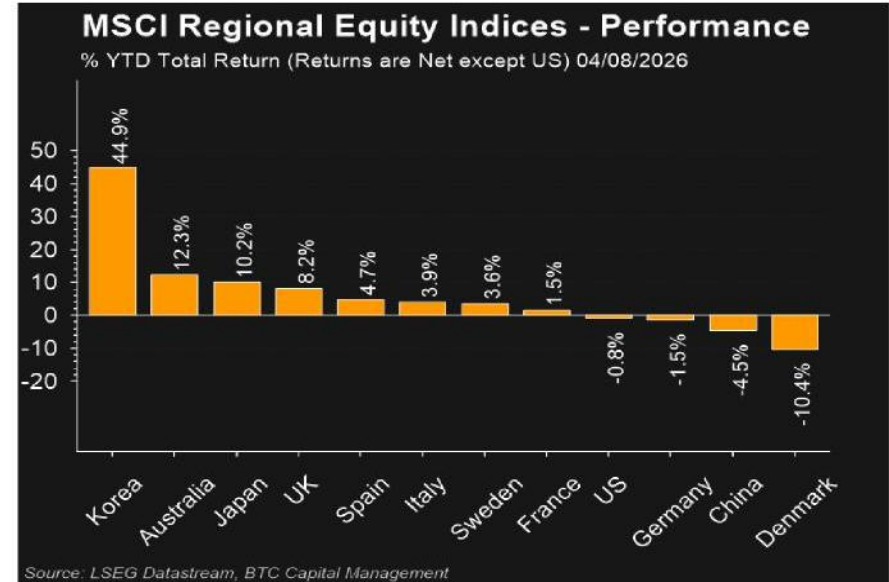
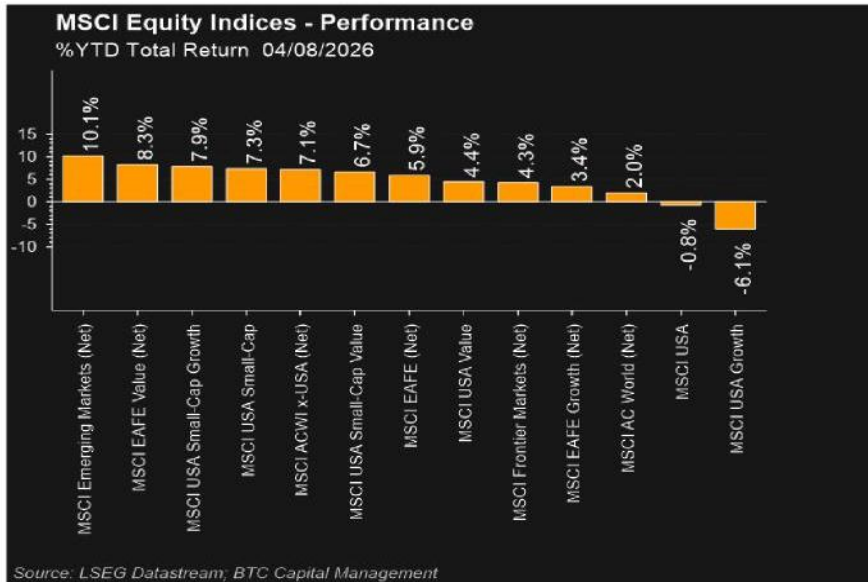
- Oil prices climbed from \$62 /bbl. to \$72 /bbl. prior to March 2026 as an improving global economic outlook was expected to increase demand.
- The Middle East conflict further pushed up oil prices to levels not seen since start of Russian Oil sanctions began in 2022.
- Supply chain issues: Other goods supplied from, or shipped through, the region have caused firms to seek new supply sources at higher cost.
- Economists have reduced their outlooks for real GDP from 2.8% to 2.4% for Q2 2026 and from 2.5% to 2.3% for all of 2026.
- Oil prices are expected to remain elevated, but this is not likely to tip the economy into recession.

TREASURY DEMAND IMPACTS LEVEL OF INTEREST RATES



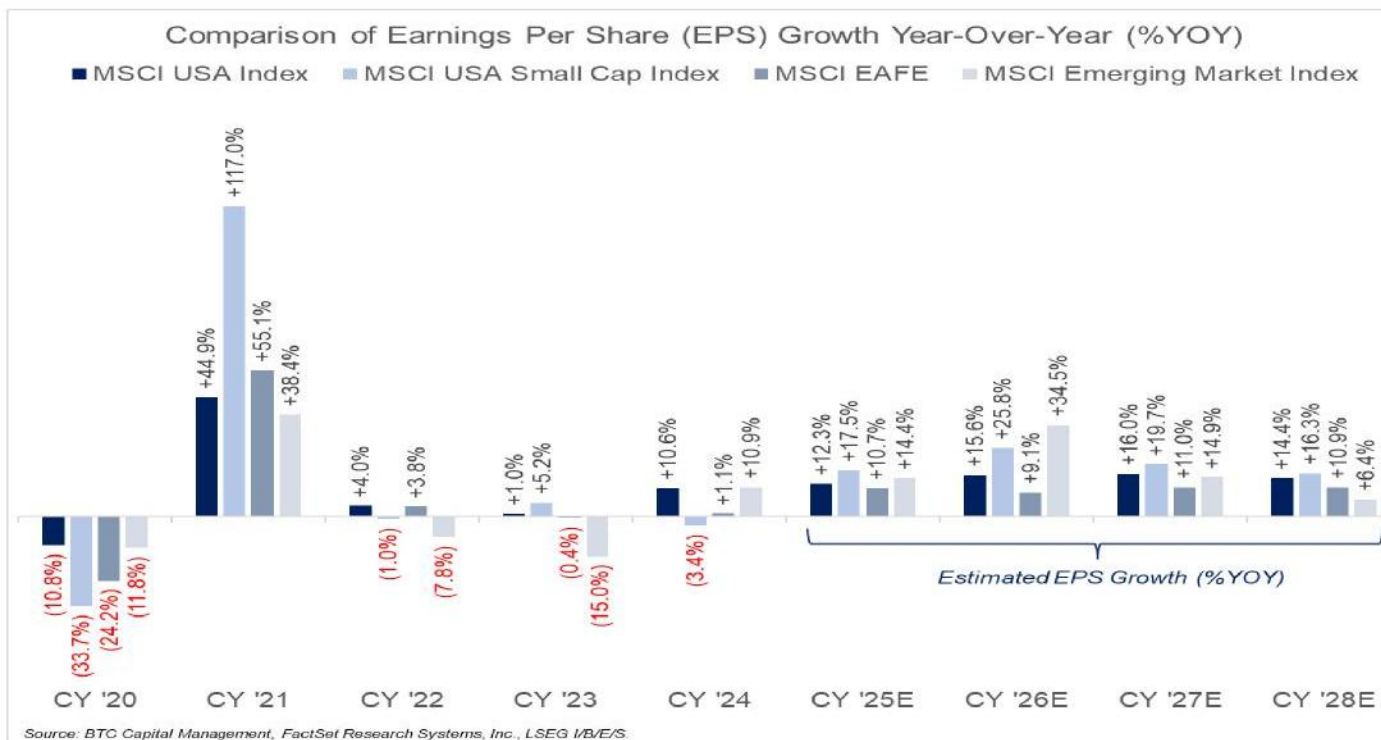
- This chart reflects the declining demand for U.S. dollar deposits, often held in the form of U.S. Treasury notes.
- U.S. Treasury debt held by foreign institutions remains unchanged for 15 years, while total global reserves (bank balances) expand.
- Previous sources of long-term Treasury demand may be eroding at the margin. The impact could be rising bond yields (interest rates).
- Rising U.S. debt levels and geopolitical events have foreign investors questioning U.S. dollar safe haven status.
- Middle East, a source for U.S. Treasury note demand may shift petrol-dollars to cost of rebuilding efforts.

INDEX PERFORMANCE – BROAD MARKET (SIZE & STYLE) & REGIONAL



- MSCI indices (left chart, data as of 04/08/2026) YTD exhibit a continuation of trends exhibited throughout Q1 2026:
 - Overall, equity performance has declined since the initiation of the U.S. – Iran conflict, with some “flight-to- safety” rotation initially from emerging markets to developed markets.
 - Foreign continues its relative performance YTD over domestic.
 - Emerging markets YTD (+10.1%), driven by Korea (+44.9%).
 - Domestically, U.S. Small-Cap Growth (+7.9%), Small-Cap (+7.3%), and Small-Cap Value (+6.7%) have exhibited the most attractive YTD returns, outpacing ACWI x-USA (+7.1%) and EAFE (+5.9%).
- Regional equity indices (right chart; data as of 04/08/2026) exhibit a surge in specific earnings & developed markets:
 - Korea continues to lead (+44.9%).
 - The Pacific region captures the top three spots, regarding YTD performance, with Korea (+44.9%), Australia (+12.3%), and Japan (+10.2%).
 - China (-4.5%) has been volatile, having turned negative YTD in February.

COMPARISON OF EARNINGS GROWTH ACROSS MARKETS



- Note for CY '26, CY '27, and CY '28 analysts currently estimate growth in EPS for U.S. large-cap, as measured by the MSCI USA Index, to materially exceed that of foreign developed, measured by the MSCI EAFE Index.
- For CY '26 and CY '27 the estimated EPS growth for U.S. small-cap (MSCI USA Small-Cap Index) is projected to exceed that of U.S. large-cap and foreign developed market EPS growth.
- Estimated EPS growth for foreign emerging markets (MSCI Emerging Markets Index) is expected to outpace that of all other measures for CY '26.
- For CY '26 and CY '27, analyst EPS revisions are positive for U.S. large-cap, foreign developed and foreign emerging as upward revisions currently exceed downward revisions. For U.S. small-cap, currently analyst downward revisions exceed upward revisions for these same periods.

Disclosures

Sources: BTC Capital Management, Bloomberg, PSC Portfolio Strategy, FactSet

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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