



# Market update

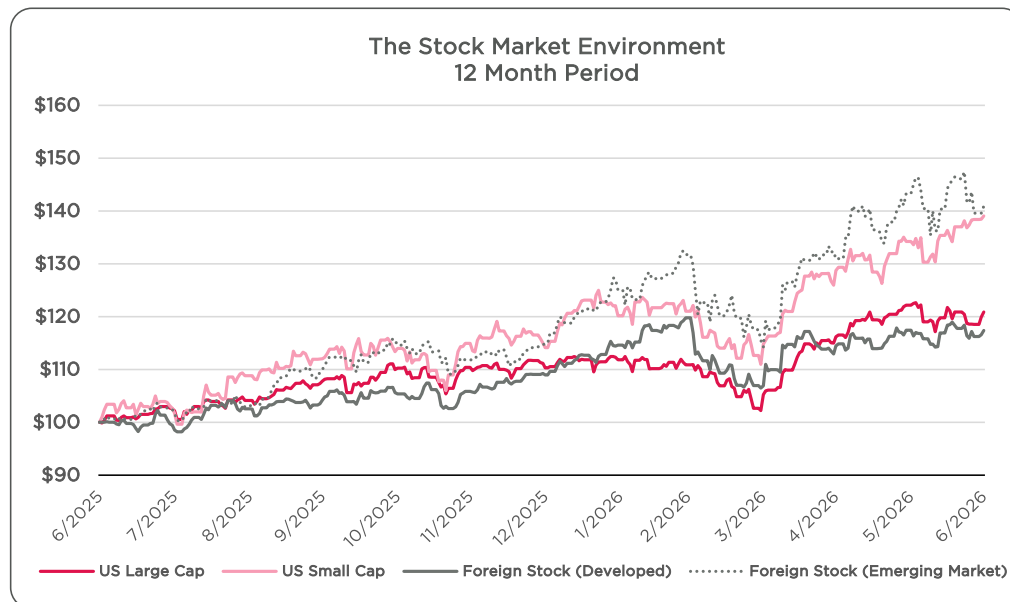
## July 1, 2026

June was marked by easing geopolitical tensions, lower energy prices, and evolving expectations for Federal Reserve policy. The reopening of the Strait of Hormuz and improving stability in the Middle East helped drive oil prices lower, reducing inflation concerns and improving the outlook for economic growth during the second half of the year.

	<u>JUNE</u>	<u>1 YEAR</u>
• U.S. Taxable Bonds	+0.2%	+3.8%
• U.S. Stocks	-0.4%	+23.0%
• Foreign Stocks	-0.6%	+28.3%

The U.S. economy remained resilient, supported by healthy consumer spending, a balanced labor market, and continued investment in artificial intelligence infrastructure. While employment remained strong, moderating wage growth suggested inflation pressures may continue to ease. As a result, the Federal Reserve left interest rates unchanged while maintaining a cautious stance, signaling that rates are likely to remain elevated until inflation moves closer to its long-term target.

Equity markets experienced periods of volatility as investors weighed interest rate expectations, geopolitical developments, and concerns surrounding AI infrastructure spending. Despite short-term weakness in some large-cap technology stocks, corporate earnings expectations remained solid, with artificial intelligence continuing to support long-term earnings growth. Market leadership broadened beyond mega-cap technology into financials, industrials, healthcare, and select small-cap companies.



Bond markets also experienced fluctuations as Treasury yields responded to changing inflation and monetary policy expectations. Overall, June reinforced the importance of maintaining a diversified investment portfolio. Improving economic fundamentals, moderating inflation, and broader market participation continue to support a constructive long-term outlook despite ongoing policy and geopolitical uncertainty.