



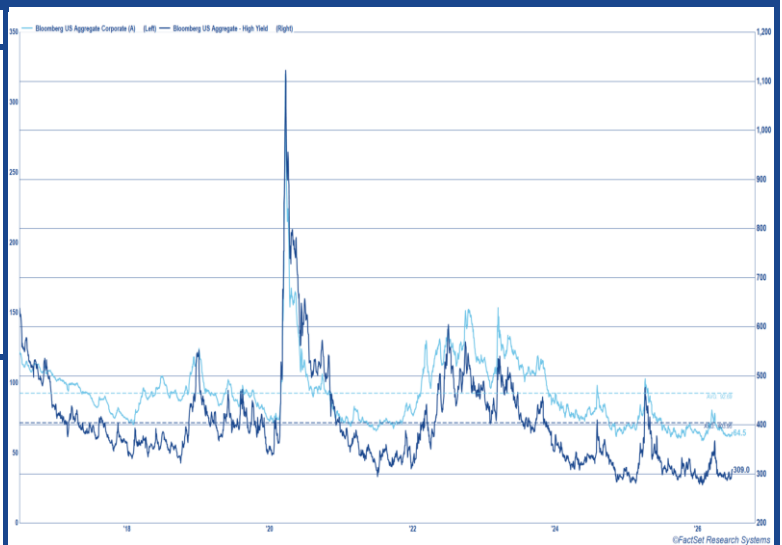
**Economic & Market Commentary**

Equity markets finished the week mixed, while bond markets strengthened as yields moved modestly lower. Market tone reflected a continued shift in leadership and evolving expectations around inflation and monetary policy. A key development was increasing pressure on the AI narrative, which has led market performance over the past several months. Weakness in large-cap technology, particularly within semiconductor-related names, contributed to a broader rotation out of growth and into more cyclical sectors, signaling a gradual change in market leadership. This repositioning reflects both valuation considerations and sensitivity to interest rate expectations. From an economic standpoint, May PCE inflation came in largely in line with consensus, suggesting some stabilization in underlying price pressures. While this supported bond markets and contributed to lower yields, the broader inflation backdrop remains a central focus for investors, particularly as external drivers continue to influence headline readings. Despite in-line inflation, expectations for potential rate hikes later this year continued to rise, reflecting a still-resilient economic backdrop and ongoing uncertainty surrounding the path of inflation. In commodity markets, oil prices declined sharply, falling back to pre-conflict levels, which helped alleviate some near-term inflation concerns tied to energy. The decline suggests easing supply-related pressures and a potential stabilization in energy markets, though the Iran war remains a key underlying factor. Elsewhere, private credit markets remain under pressure, with continued withdrawal activity highlighting tightening financial conditions beneath the surface, despite the strength seen in public markets. Many private funds are still limiting withdrawal rates as liquidity demand (investor's want out) exceeds supply (funds need to sell illiquid assets to raise \$\$). Credit spreads widened on mounting concern but remain well below historical average.

**Index Total Returns - June 26, 2026**

	1-Wk	YTD	1-Yr
MSCI-Emerging	-4.64	22.61	41.70
Russell 2000	1.03	21.94	40.33
S&P 400	0.66	16.18	25.05
NASDAQ	-4.59	9.18	26.21
Dow Jones	0.60	8.82	21.57
MSCI-Developed	-1.76	8.31	20.28
S&P 500	-1.94	8.06	21.21
<b>Barclay's U.S. Bond Index</b>			
Municipal	0.15	2.15	6.99
High Yield	-0.06	1.75	6.03
Aggregate	0.49	0.98	4.31
5-year Muni	0.02	0.98	3.82
Int. Gov. Credit	0.42	0.61	3.45

**Credit Spreads**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.92	3.98	3.96
U.S. 2-Yr	4.08	4.18	3.71
U.S. 3-Yr	4.09	4.19	3.68
U.S. 5-Yr	4.13	4.23	3.79
U.S. 10-Yr	4.37	4.45	4.24
U.S. 30-Yr	4.86	4.90	4.80

**S&P 500 Sector Total Returns - June 26, 2026**

Sector	1-Wk	YTD	1-Yr
Energy	0.73	21.17	29.15
Industrials	0.50	17.58	26.48
Info Tech	-5.38	14.84	33.26
Real Estate	3.97	14.70	15.68
Materials	-0.12	13.45	18.44
Consumer Staples	1.61	10.12	8.80
Utilities	3.96	9.83	17.25
Health Care	7.92	4.65	21.86
Financials	0.48	-1.17	5.32
Comm. Services	-6.22	-2.26	19.68
Con. Discretion	-2.72	-3.43	7.51

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.45	3.46	3.78
U.S. AA	3.48	3.48	3.85
U.S. A	3.83	3.83	4.24
U.S. Baa	4.37	4.40	4.75
U.S. Municipal	3.60	3.60	3.97
Michigan	3.71	3.72	4.11

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.23	19.42	1.05
S&P 400 - Mid Cap	16.48	16.52	1.19
S&P 600 - Small Cap	15.94	16.53	1.39