# Main Management Market Note

*June 5, 2026*

# Our Offerings

MAIN MANAGEMENT, LLC

## OUR STRATEGIES

| Active | Thematic | International | BuyWrite |
|---|---|---|---|
| *Sector Rotation* | *Innovation* | *Rotation* | *Hedged Equity* |
| **SECT** | **TMAT** | **INTL** | **BUYW** |
| US CORE EQUITY | GLOBAL MID-CAP GROWTH | NON-US CORE EQUITY | ALTERNATIVE INCOME |

mainmgtetfs.com

## CUSTOM MODEL PARTNERSHIP

For over 20 years, we've led the way in diversified, top-down portfolio construction — now built to be customizable for each advisor and their clients.

*Investment Committee Leadership*

**Kim Arthur**
CEO / CIO

**Dick Fredericks**
Founding Partner

**Alex Varner**
Managing Director, Research

**Jim Concidine**
Founding Partner

**Darol Ryan**
Managing Partner

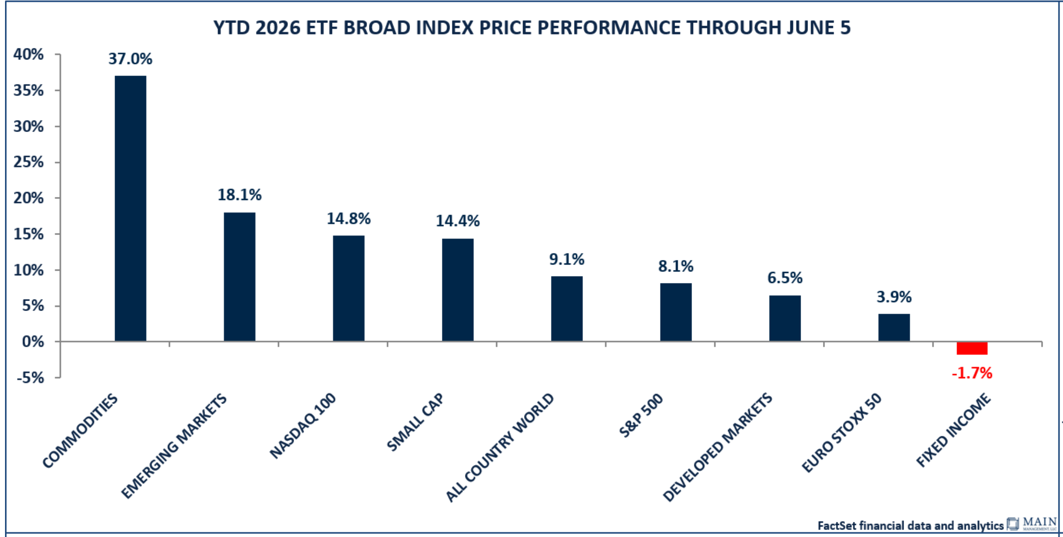
*Research backed portfolios*

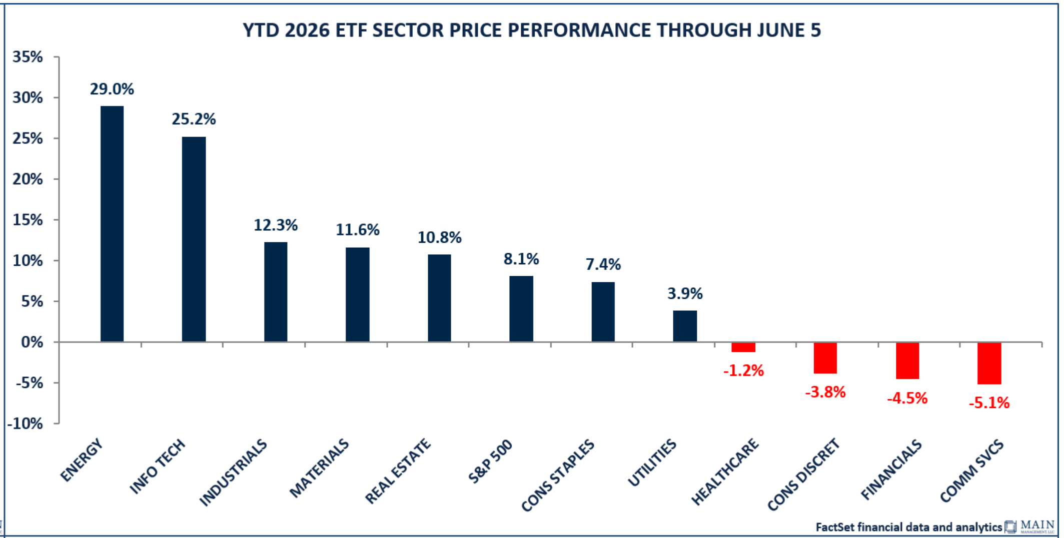
**James Maxwell**
Director, Research

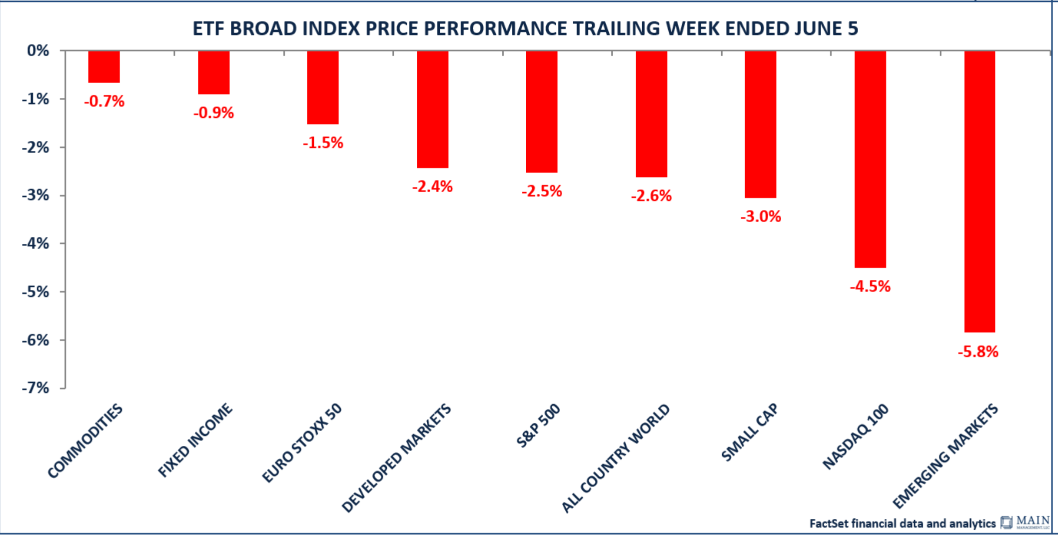
**Alex Dippery**
Research Analyst

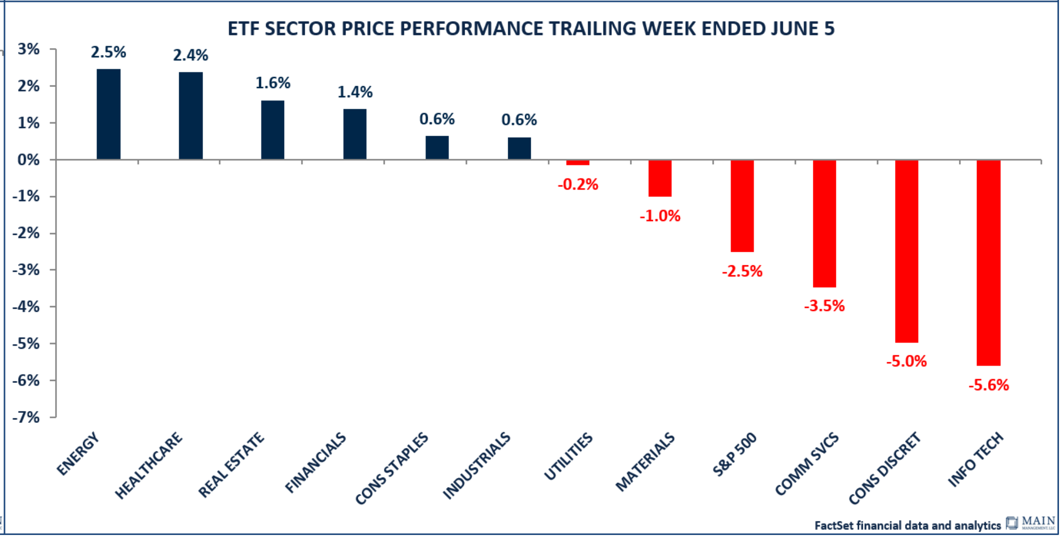
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

# Performance



# Recession Dashboard

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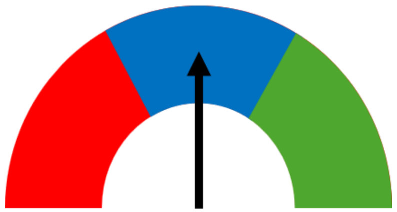
| RECESSION START | INFLATION | CONSUMER | YIELD CURVE | HOUSING | SENTIMENT | AUTOS | EMPLOY-MENT | PMI | RETAIL SALES |
|---|---|---|---|---|---|---|---|---|---|
| NOV 1973 | ↓ | — | — | ↓ | — | — | ↓ | ↓ | — |
| JAN 1980 | ↓ | ↓ | ↓ | ↓ | ↔ | ↓ | ↓ | ↓ | — |
| JUL 1981 | ↓ | ↓ | ↓ | ↓ | ↔ | ↓ | ↓ | ↓ | — |
| JUL 1990 | ↓ | ↓ | ↓ | ↓ | ↔ | ↓ | ↓ | ↔ | — |
| MAR 2001 | ↔ | ↓ | ↓ | ↔ | ↔ | ↔ | ↓ | ↓ | ↔ |
| DEC 2007 | ↓ | ↓ | ↓ | ↓ | ↔ | ↓ | ↓ | ↓ | ↓ |
| JUN 2026 | ↓ | ↔ | ↑ * | ↔ | ↔ | ↔ | ↔ | ↑ | ↑ |
| LAST CHANGE | BLUE MAY '26 | GREEN APR '25 | BLUE JAN '26 | GREEN DEC '24 | GREEN APR '25 | RED JAN '25 | RED JUL '25 | BLUE JUL '25 | BLUE DEC '24 |

↑ *Positive* ↔ *Neutral* ↓ *Negative*

**Overall:**



**Inflation**: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis Fed.* **Sentiment**:. *Conference Board Consumer Confidence, UMich Consumer Sentiment, State Street Investor Confidence, CEO Confidence, VIX, AAII* **Autos**: *Auto Sales. Source: St. Louis Fed.* **Employment**: *Initial Weekly Unemployment Claims & Nonfarm Payrolls. Source: St. Louis Fed.* **PMI**: *Markit US Manufacturing PMI & US ISM Manufacturing PMI & Chicago PMI. Source: Markit, ISM.* **Retail Sales**: *Advance Retail Sales. Source: St. Louis Fed. * 10 year – 3 month Treasury spread inverted on 11/2/22.*

# NonFarm Payrolls

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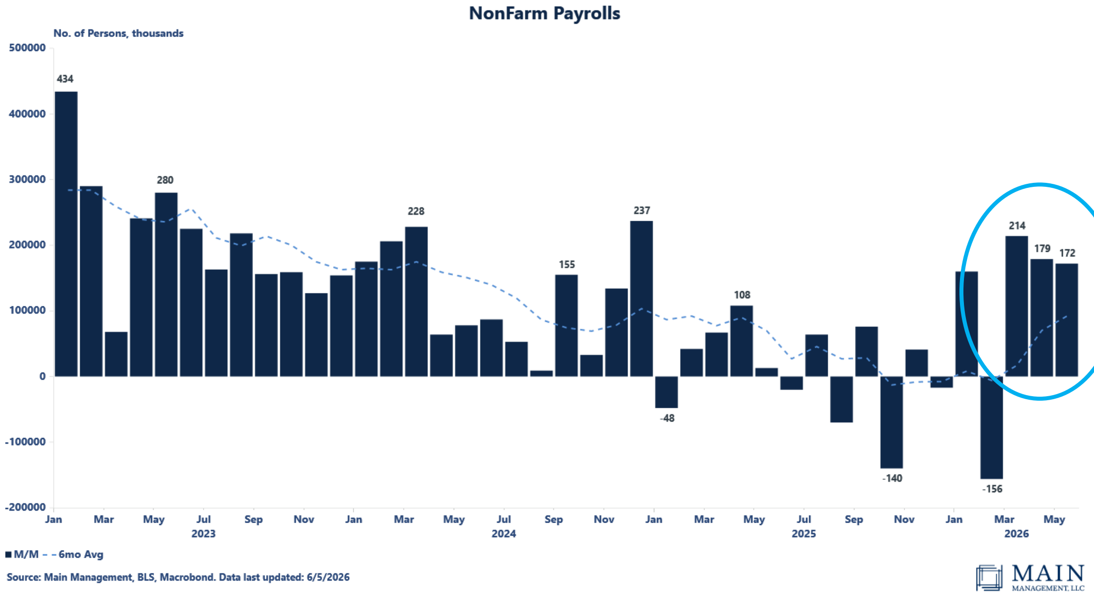
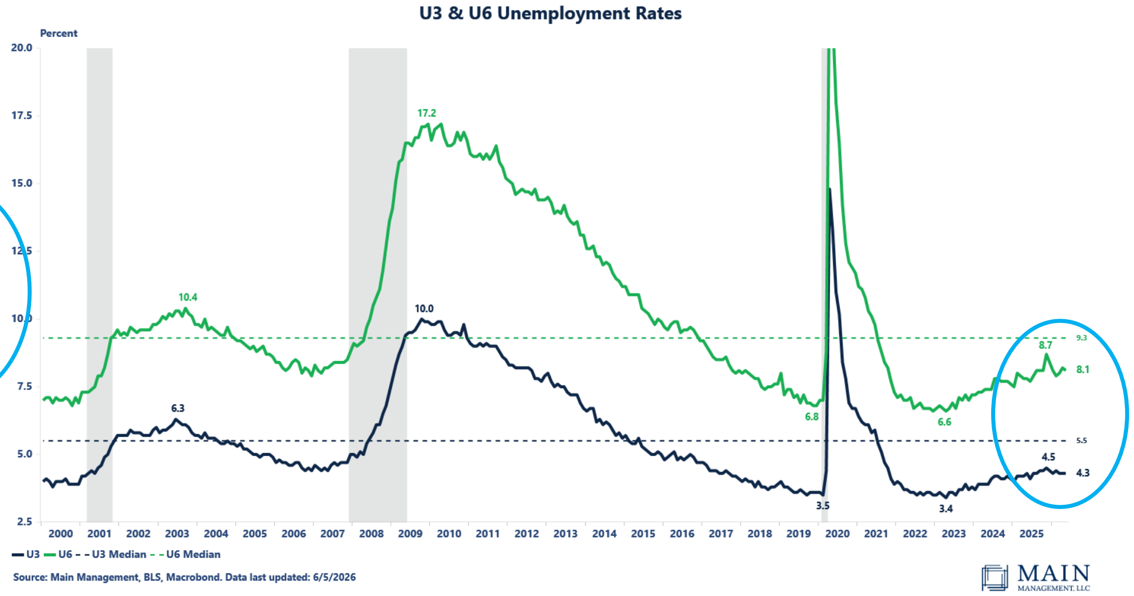
- May NonFarm Payrolls (left) posted a 3rd consecutive strong month, adding 172k jobs, solidly above forecasts for an 85k figure. April was revised up to 179k from 115k and March up to 214k from 185k, a combined +93k upward revision! All the employment data this week points to a labor market that is heating up.
- The headline U3 Unemployment Rate was unchanged at 4.3% while the broader U6 rate ticked back down to 8.1%. The U3 rate has remained relatively steady despite the recent monthly payroll gains at least in part because people are re-entering the labor force to look for work but haven't yet found it. That's good – you want to see people re-engaging, and the increase in the labor force this month was the biggest since Nov. 2025.




POSITIVE

# Wages & Participation

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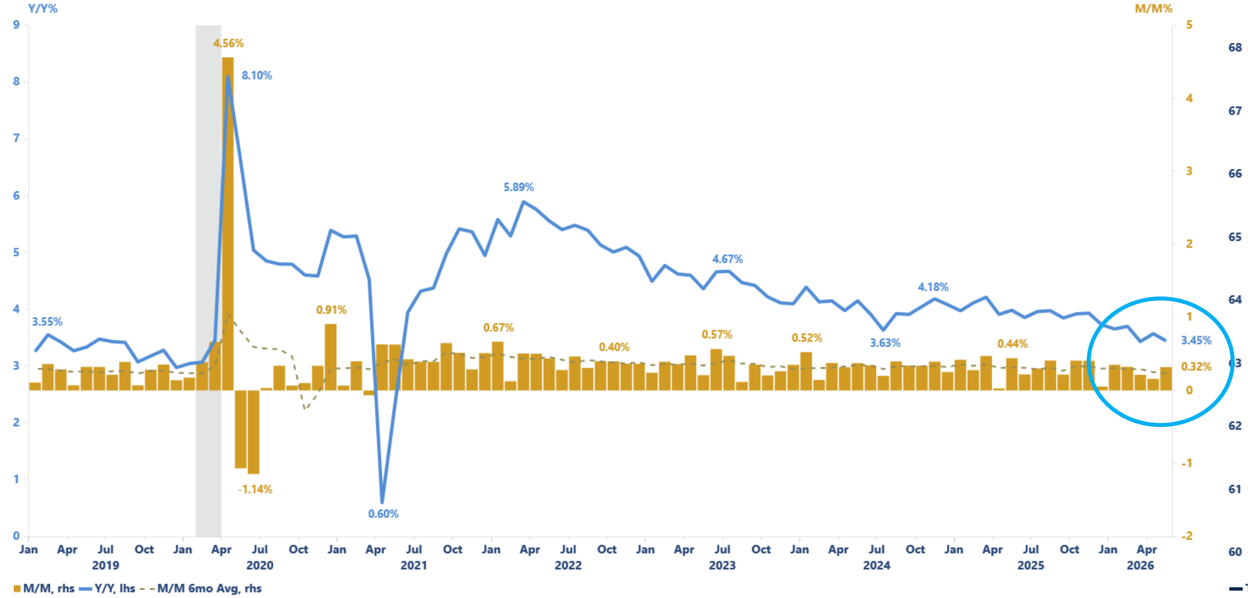
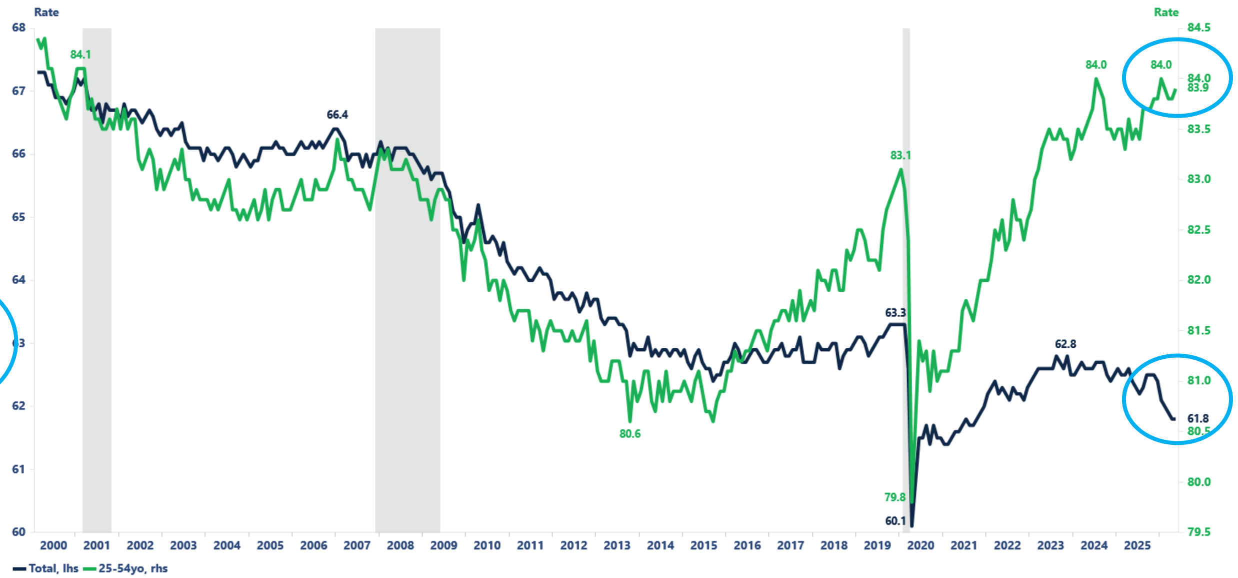
- Wages (right) posted a +0.32% MoM gain, in line with forecasts and accelerating from April's +0.2% figure. However, the YoY reading slowed to +3.45%, the 2nd smallest increase since May 2021. The concern here is that inflation is now running above wage growth, which means real wages are negative.
- On the right, we show the Total Participation Rate (black) and the 25-54yo Rate (green). The Total Rate was unchanged at 61.8% but has been declining as the boomer generation is retiring in record numbers. However, the 25-54yo rate moved back up to 83.9%, indicating that the prime working age cohort remains quite engaged.




Source: Main Management, BLS, Macrobond. Data last updated: 6/5/2026

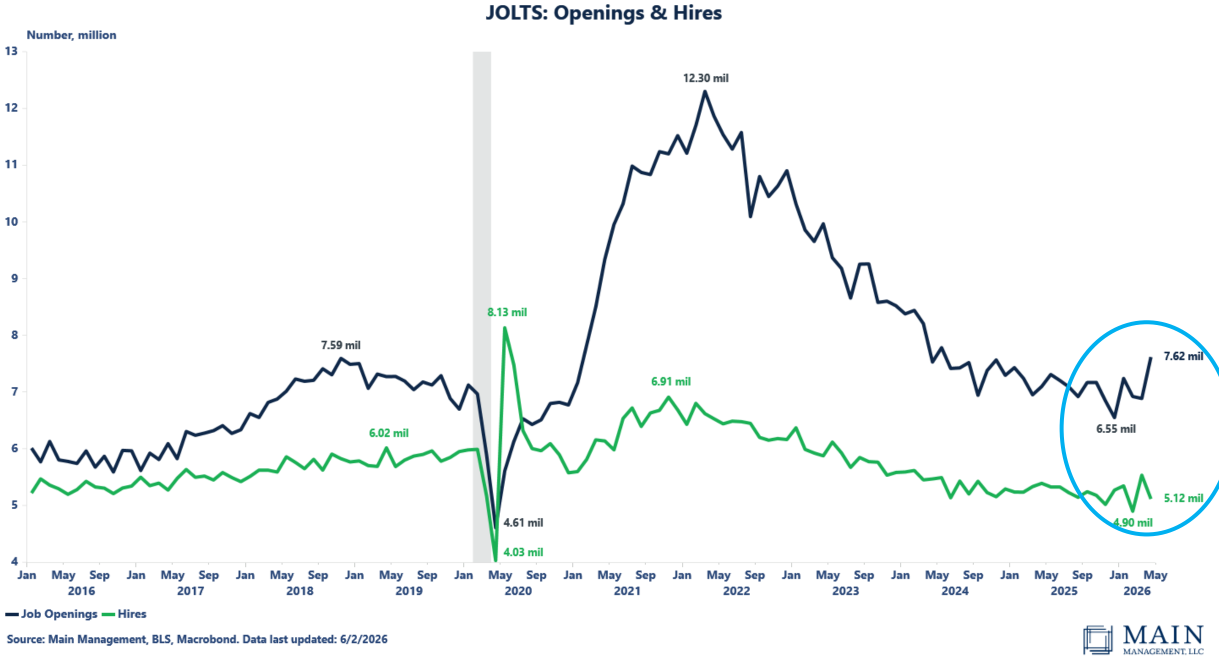


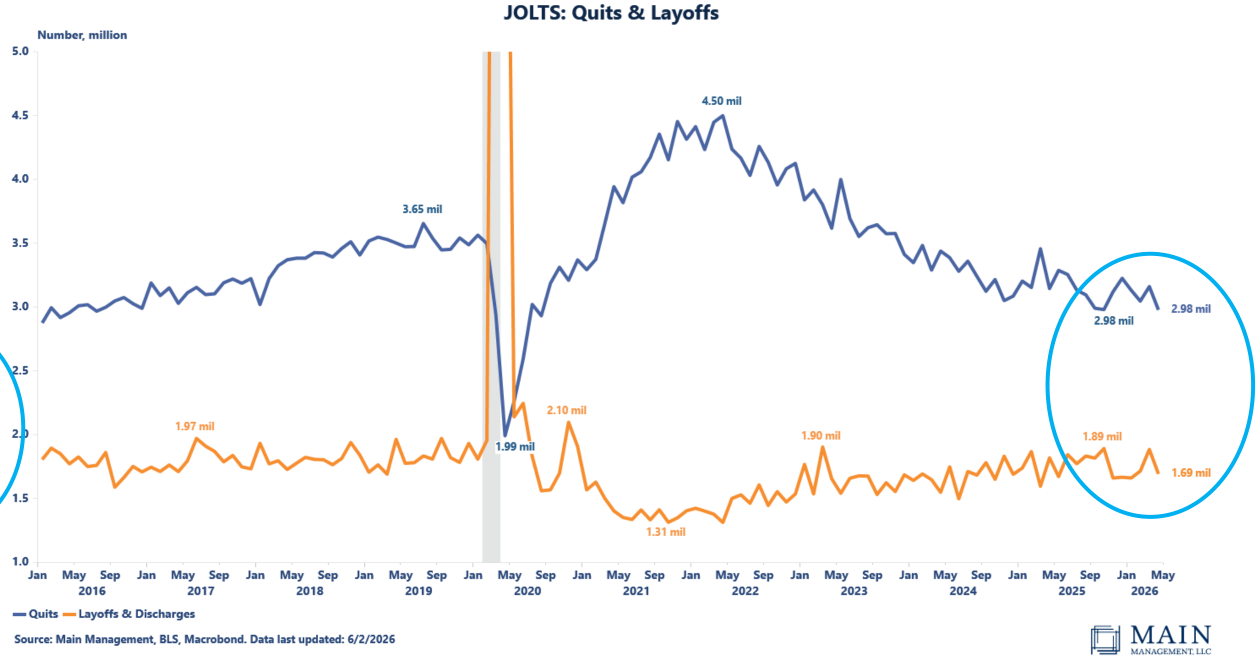

Source: Main Management, BLS, Macrobond. Data last updated: 6/5/2026

NEUTRAL

# JOLTs Job Openings

- Job Openings (left, black) surged to 7.62m in April, well above market expectations and an increase of  over 700k from the prior month, the biggest monthly increase since April 2021! Hires (left, green) ticked back down to 5.12mil but are perhaps putting in a bottom.
- Quits (right, blue) and Layoffs (right, orange) both declined in April. Amidst some concerns over negative impacts on employment from increased AI adoption, this report points to a healthier labor market.

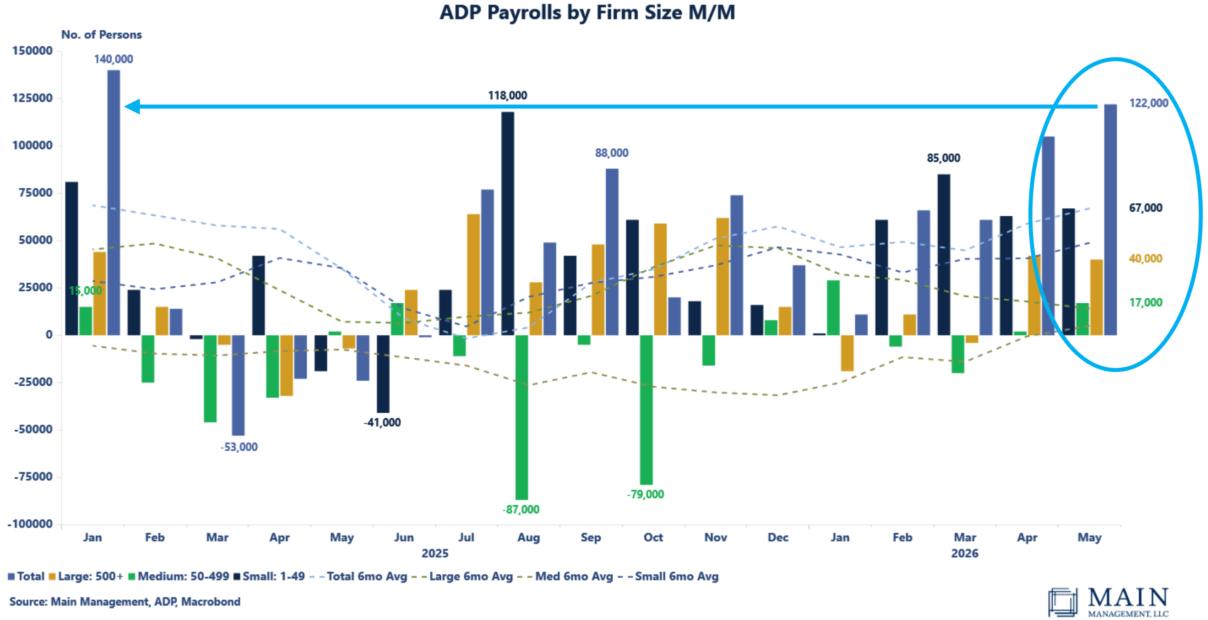


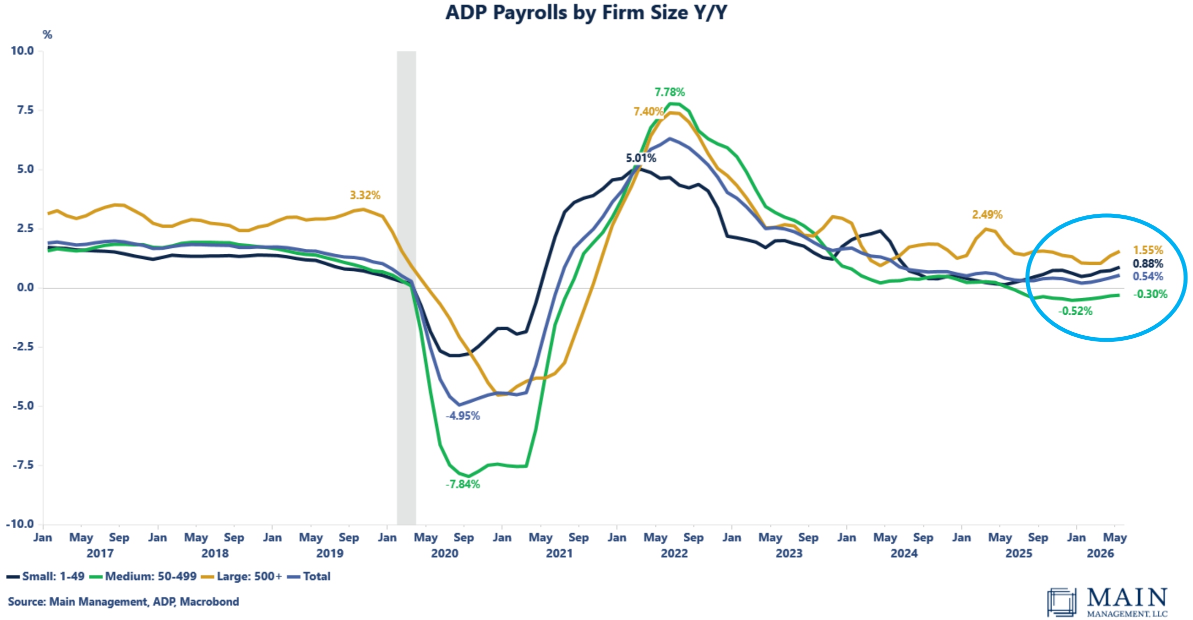




POSITIVE

# ADP Payrolls

- ADP Payrolls were out 2 days ahead of NFPs and posted a solid +122k increase (left, blue), the biggest monthly increase since January 2025! Small firms (black) led the way for the 4th month in a row, a good sign for the labor market as it means Main Street is hiring. Small firms account for 44.5% of all employment, so this is encouraging.
- All of the size groups are accelerating on a YoY basis (right). The employment releases this week all point to a strengthening labor market and will likely give the Fed more room to focus on the inflation side of the Dual Mandate.

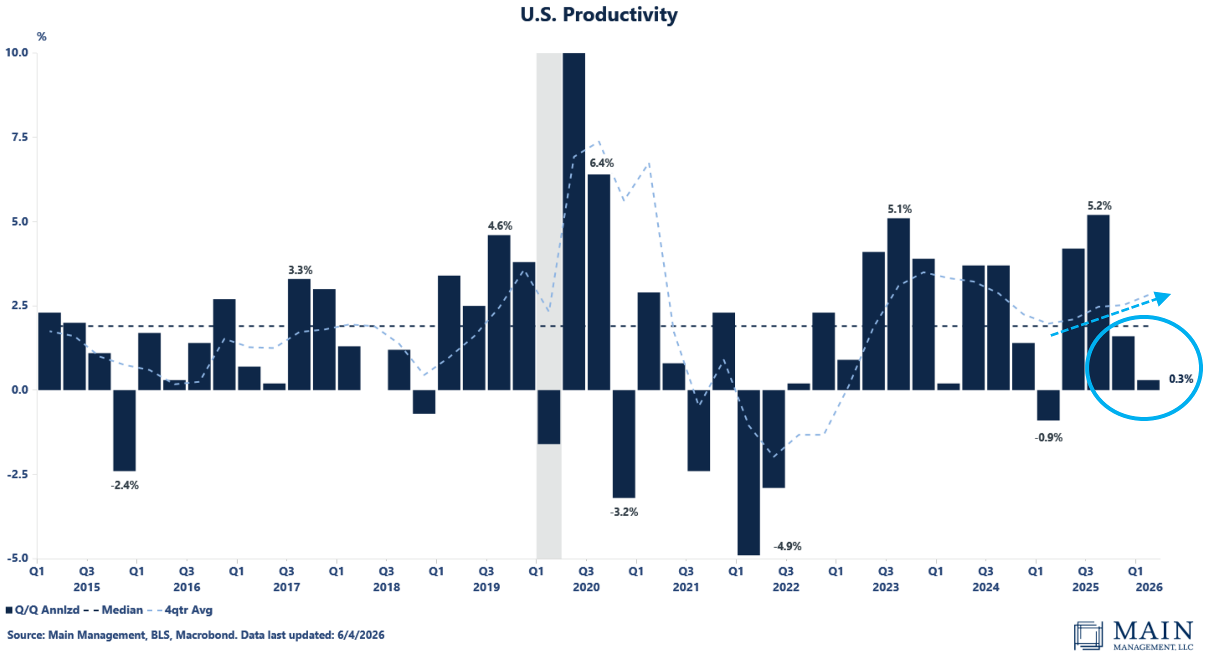


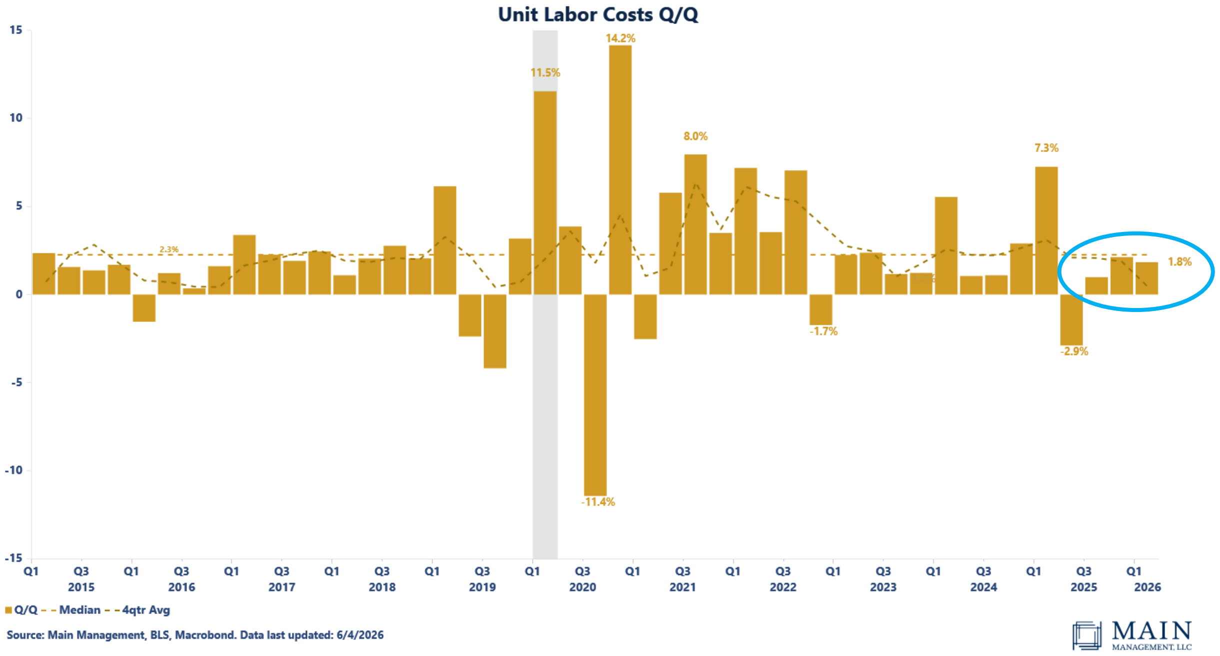




POSITIVE

# Q1 Productivity

- The final reading for Q1 Productivity (left) was revised down to +0.3% QoQ from the preliminary +0.8% figure. However, quarterly readings for productivity can be volatile, so we prefer to look at longer term rolling averages and as you can see, the 4qtr rolling average (dotted blue line) continues to accelerate. Our base case is still that we are in the midst of a longer-term productivity boom which will be bolstered by increased AI adoption.
- Unit Labor Costs (right) were revised down to +1.8% QoQ from +2.3%, a good development for the inflation picture as high labor costs can give companies another reason to raise prices.

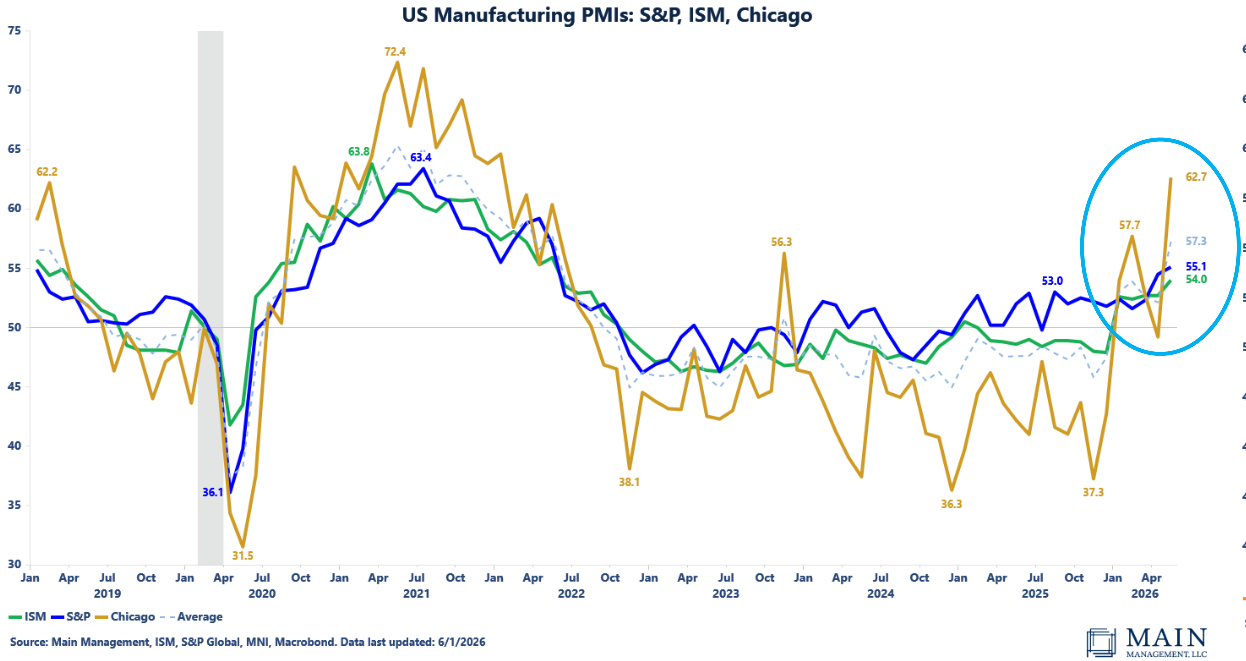


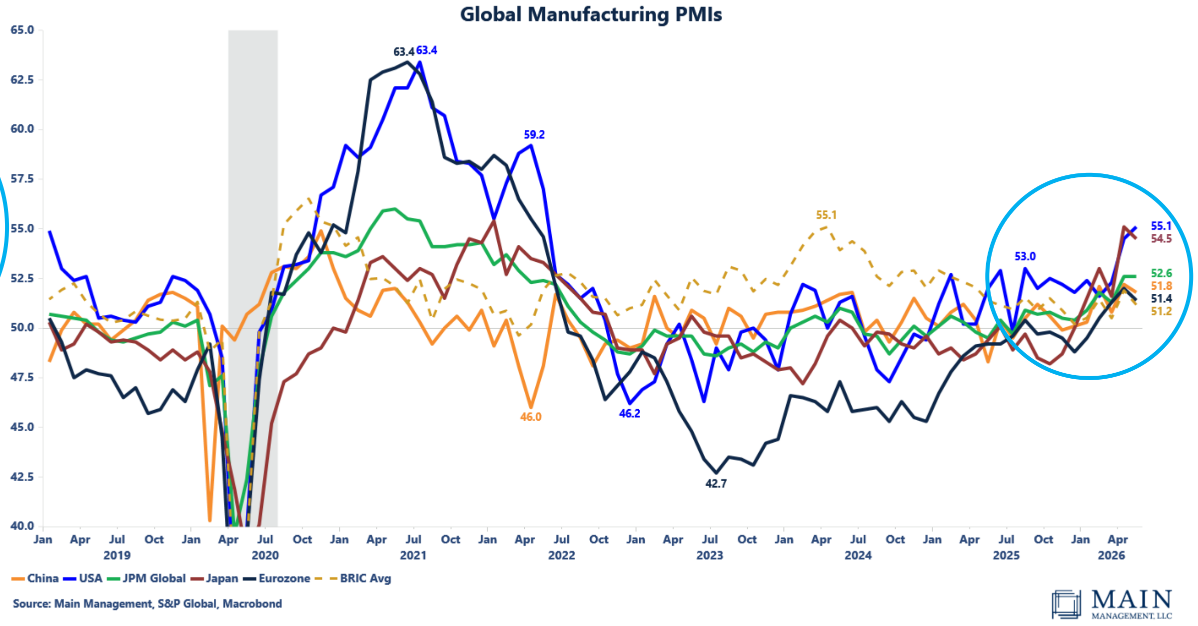




NEUTRAL

# Manufacturing PMIs

- The 3 primary U.S. Manufacturing PMI figures all increased to their highest level in over 3 years, indicative of the continued trend we are seeing towards increased manufacturing and an American re-industrialization. This trend should provide continued tailwinds for our current sector positioning, which favors asset-heavier sectors.
- On the right, you can see the U.S. has now risen to the top of the global majors, but those have also been trending higher for the most part.

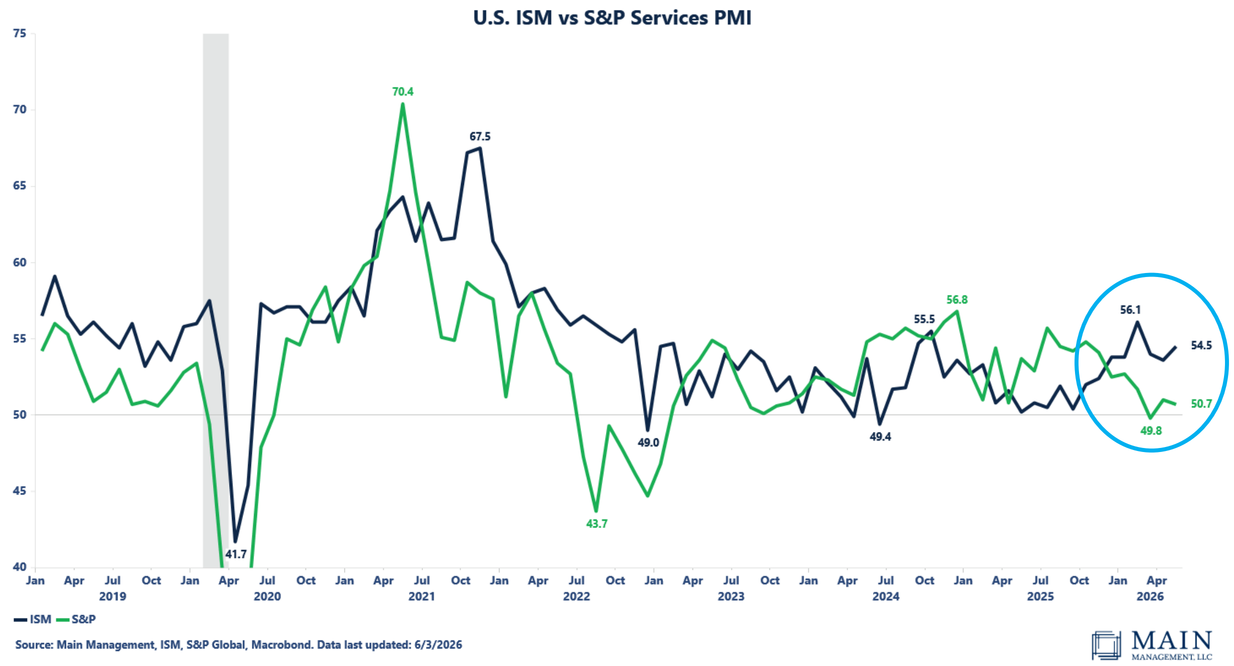


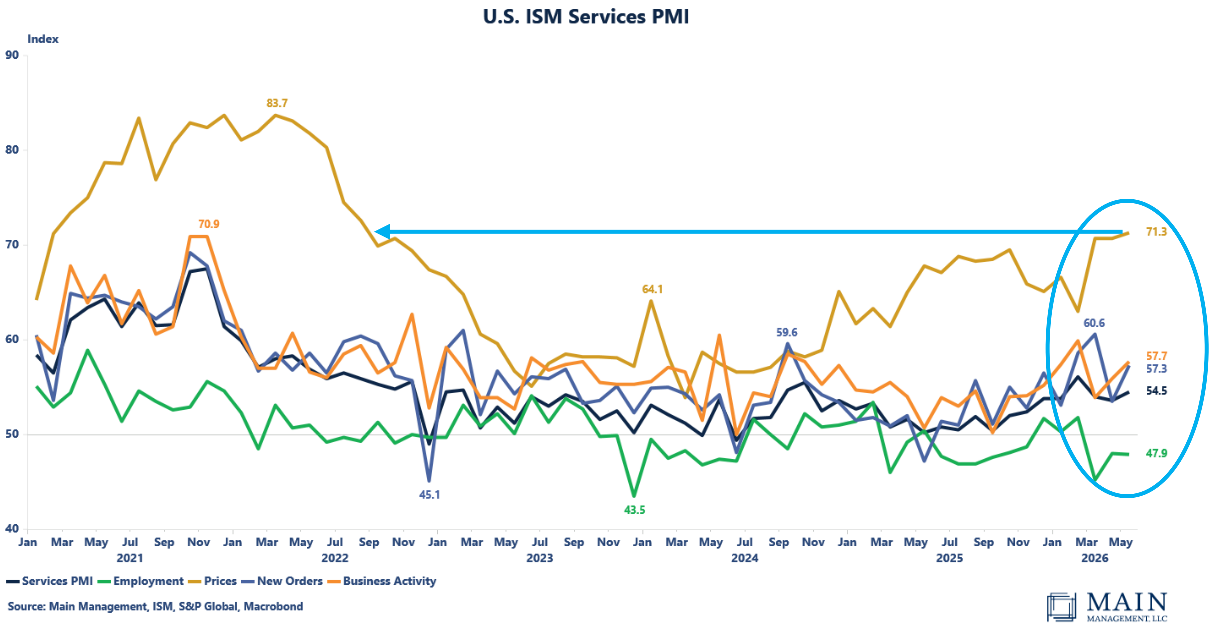

**POSITIVE**

# Service PMIs

- The U.S. ISM Services PMI bounced back to 54.5 in May, beating forecasts for a 53.8 reading. However, the S&P figure declined to 50.7, revised down from the flash 50.9. Still, both are in expansion territory, but are now looking weaker than the manufacturing sector.
- Looking under the hood of the ISM figure (right), only Employment ticked lower while the other sub-indices improved. It’s worth noting that Prices hit 71.3, their highest since August 2022!




Source: Main Management, ISM, S&P Global, Macrobond. Data last updated: 6/3/2026




Source: Main Management, ISM, S&P Global, Macrobond

NEUTRAL

# Summary

- May Nonfarm Payrolls came in well above forecasts at +172k while the Unemployment Rate was unch at 4.3%.
- The strong NFP figure was echoed by JOLTS and ADP releases, all of which point to a labor market that is heating up, allowing the Fed to focus more on inflation.
- Q1 productivity was up only +0.3% QoQ, a bit of a slowdown from previous readings, but the 4qtr moving average continues to accelerate. ULCs were revised lower which means less pressure on wage inflation.
- Manufacturing PMIs posted strong readings for the month of May, a continuation of the uptrend we've seen in US Manufacturing.
- Service PMIs are a bit more mixed, but remain in expansion territory. Prices are at multi-year highs, though.

- Upcoming data:
  - NFIB Optimism, Trade Balance, and Existing Home Sales (Tues)
  - Headline and Core CPI (Weds)
  - Headline and Core PPI (Thurs)
  - UMich Consumer Sentiment (Fri)

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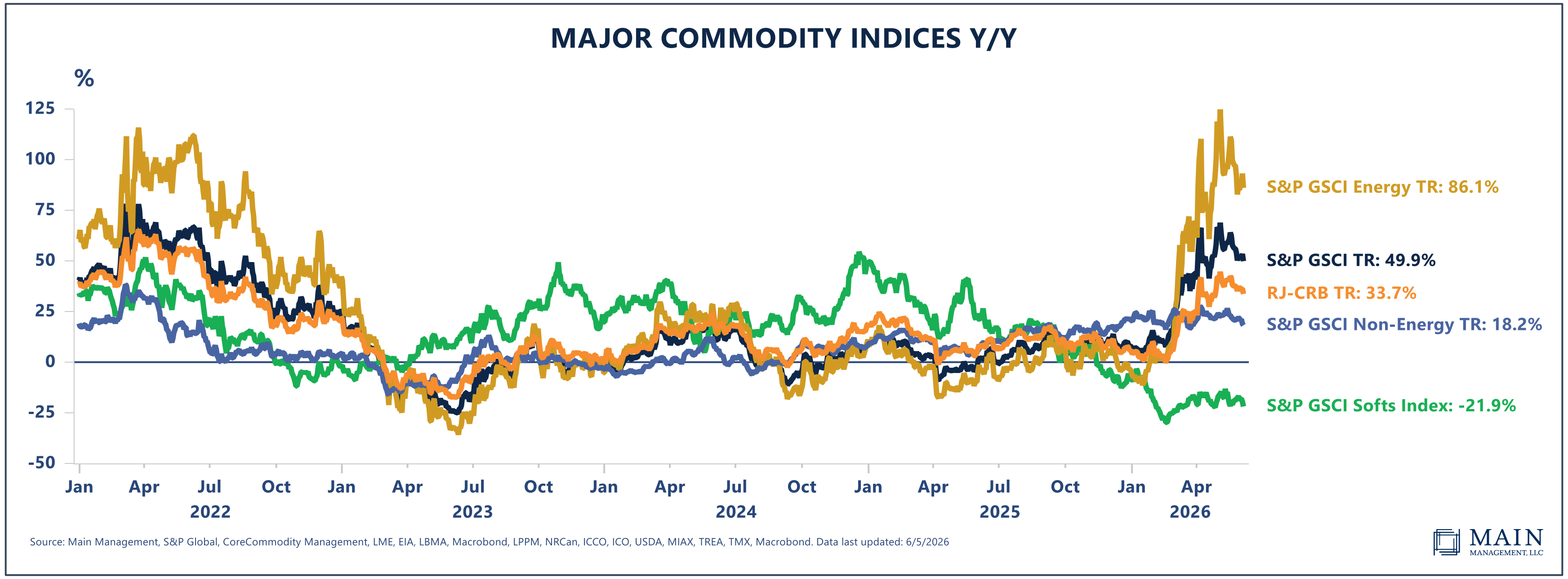
# Appendix

# Inflation Watch




| Commodity | 1 Month | 3 Months | YTD ↓ | 1 Year |
|---|---|---|---|---|
| Gasoline | -19.4 | 23.6 | 78.2 | 46.2 |
| Crude Oil | -11.9 | 26.9 | 65.9 | 51.7 |
| S&P GSCI | -5.6 | 18.0 | 40.7 | 50.5 |
| BBG Commodity Index | -3.5 | 8.7 | 23.6 | 32.6 |
| Cotton | -6.2 | 20.7 | 16.5 | 13.4 |
| Lumber | 6.2 | 9.5 | 12.6 | 1.9 |
| Copper | 7.7 | 8.0 | 11.8 | 43.7 |
| Soybeans | -4.4 | -2.3 | 9.6 | 8.5 |
| Silver | 0.3 | -11.0 | 5.2 | 113.8 |
| Gold | -3.2 | -12.0 | 3.5 | 33.5 |
| US Dollar (DXY) | 1.4 | 0.4 | 1.1 | 0.2 |
| Corn | -8.7 | -2.3 | -3.6 | -3.2 |
| Natural Gas | 20.6 | 9.2 | -9.5 | -10.4 |
| Bitcoin | -16.4% | -6.6% | -27.1% | -39.5% |
| Coffee | -17.9 | -13.9 | -29.1 | -27.5 |

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 6/5/2026