Main Management Market Note

August 28, 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

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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

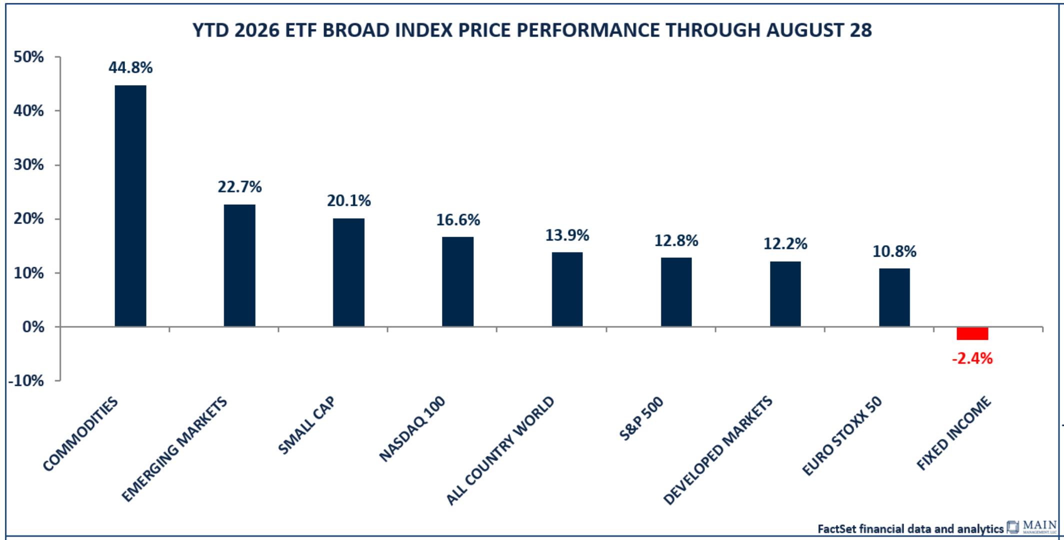
Research backed portfolios

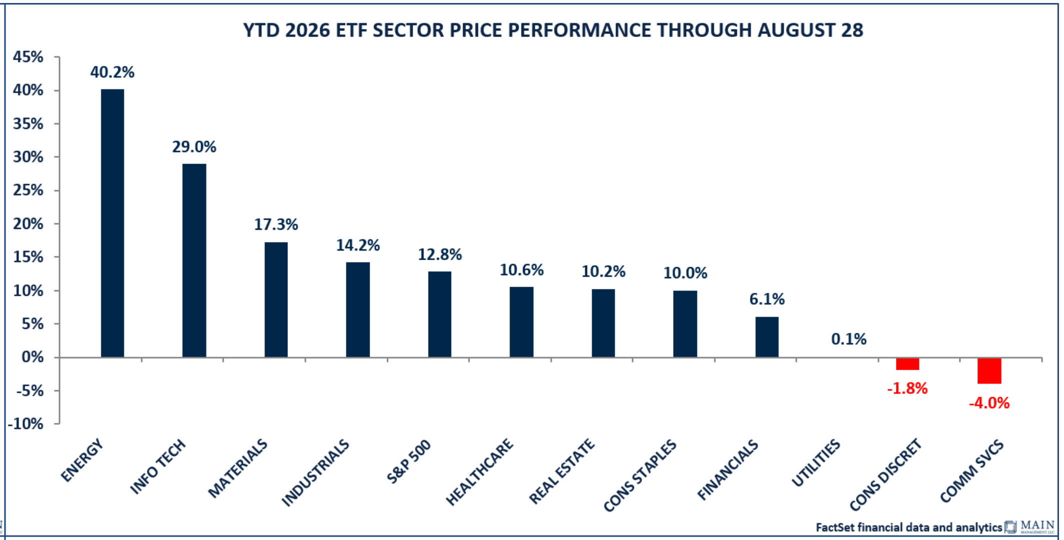
James Maxwell
Director, Research

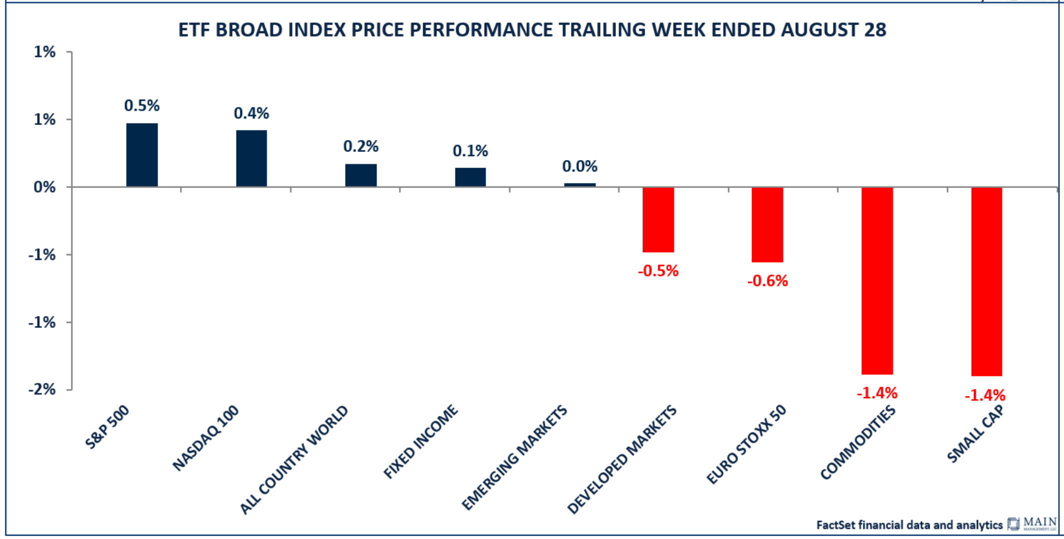
Alex Dippery
Research Analyst

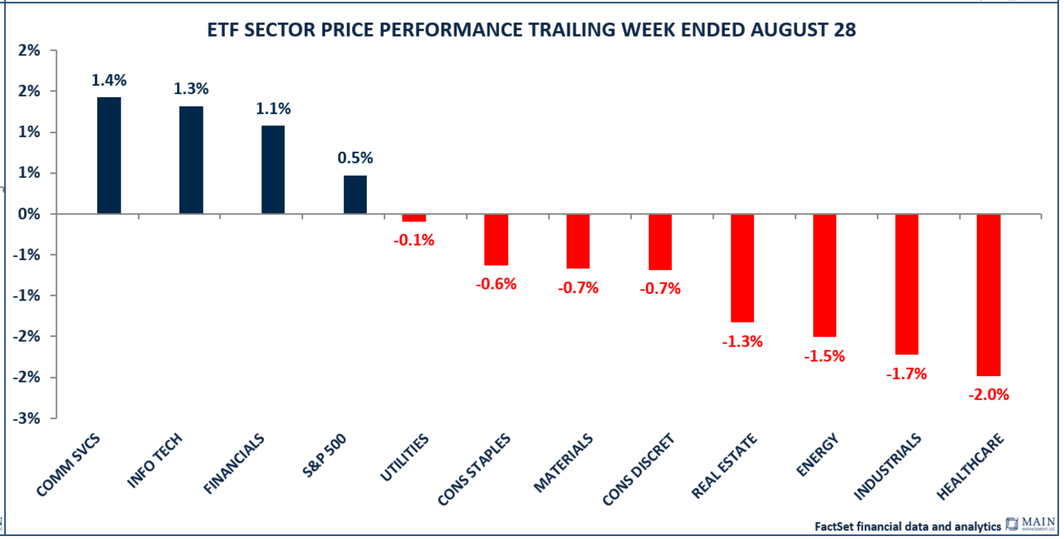
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









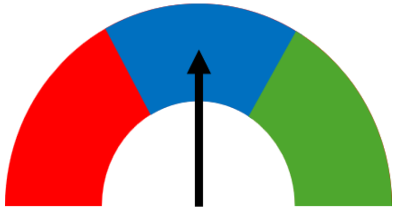
Recession Dashboard

MAIN MANAGEMENT, LLC

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	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
AUG 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*

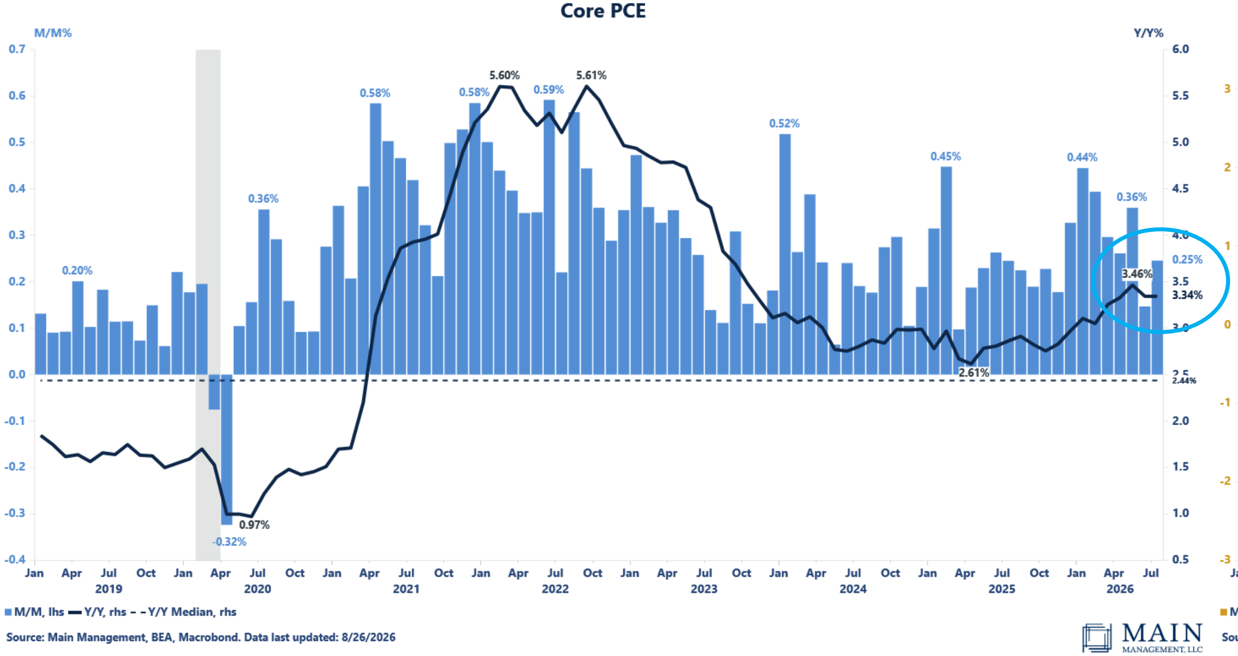
Overall:

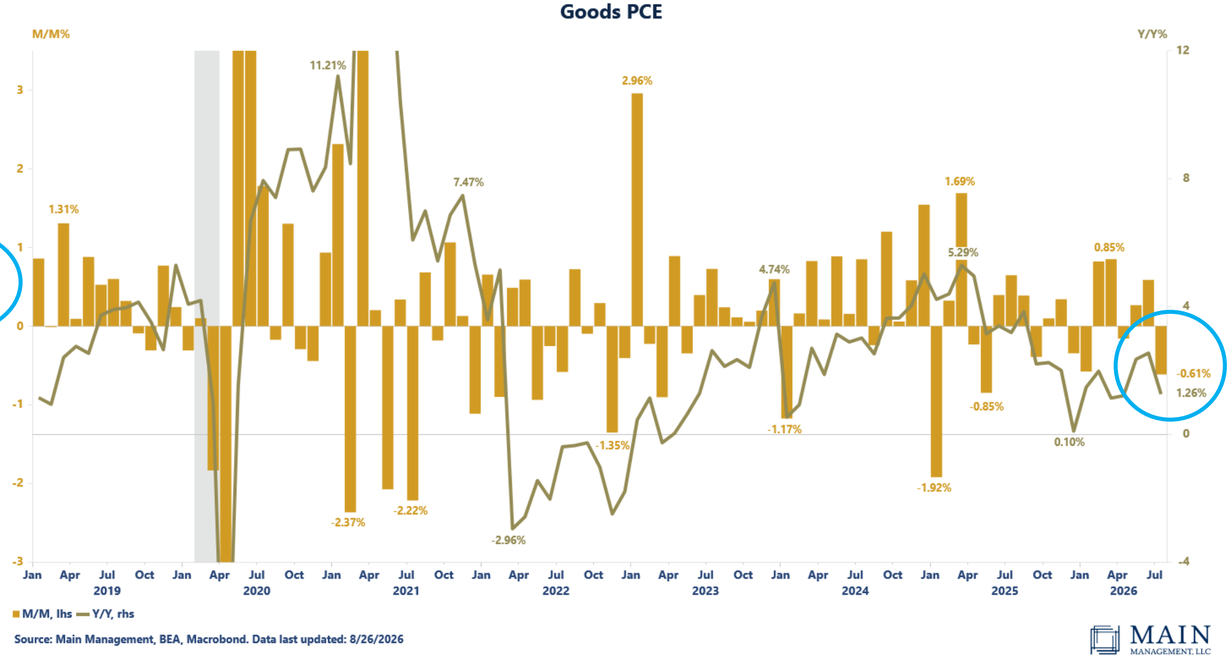


Inflation: *Headline CPI. Source: St. Louis Fed.* **Consumer**: *Conference Board Consumer Confidence. Source: The Conference Board.* **Yield Curve**: *10 year – 3 month Treasury spread. Source: FactSet financial data and analytics.* **Housing**: *Housing Starts & Existing Home Sales. Source: St. Louis 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.*

Core PCE

- Core PCE (left) posted a +0.25% MoM gain in July, basically in line with expectations. The YoY figure was unchanged at 3.34%. Markets are still pricing in 1-2 hikes between now and the end of the year.
- Goods PCE (right) helped hold down the headline figure, falling -0.61% MoM, the biggest dip since May 2025! Energy Goods (not pictured) declined another -3.0% MoM after June's -9.6% drop. The broader Goods PCE figure slowed to +1.26% YoY, the lowest in a few months. Hopefully this provides a little relief to consumers…

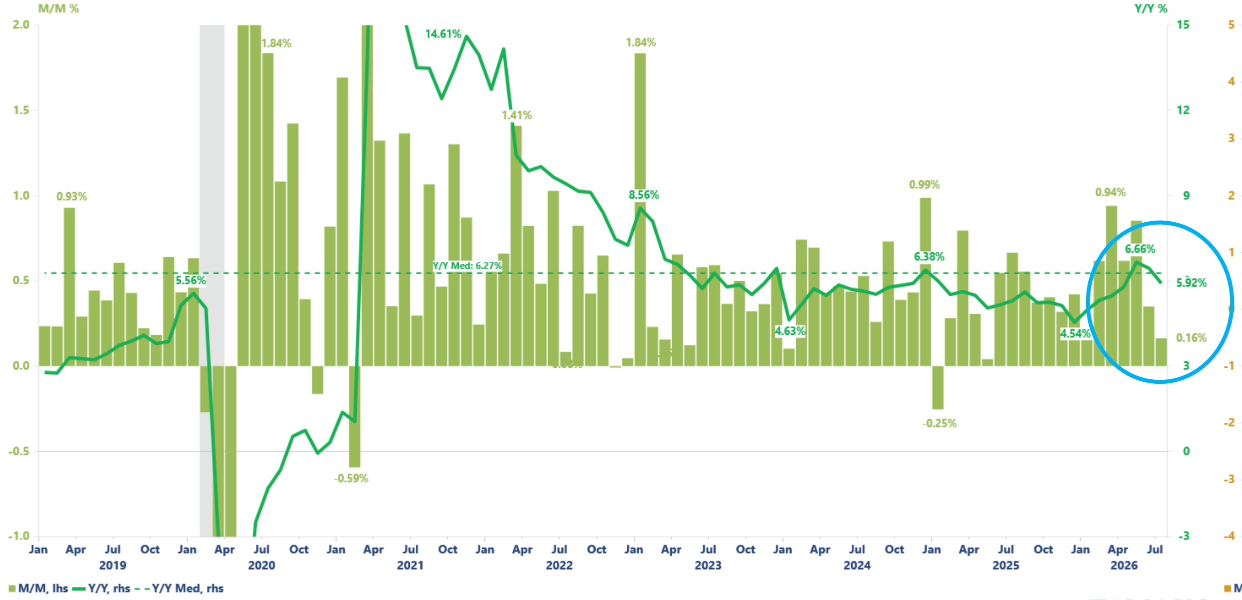




Income & Spending

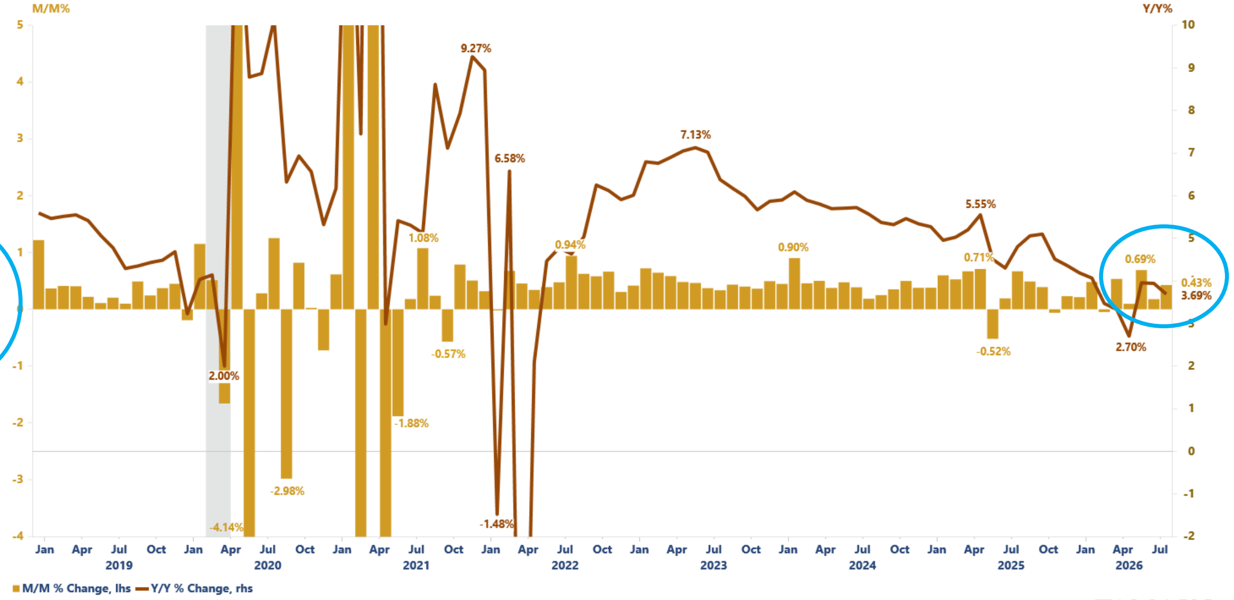
- Consumer Spending (left) slowed to +0.16% MoM, the smallest increase since January 2026 and slightly above forecasts for a +0.1% figure. Part of this slowdown is due to the decline in energy prices, which resulted in fewer dollars being spent. The YoY figure now stands at +5.92%, still above the pre-pandemic peak of +5.56%.
- Incomes (right) rose +0.43% MoM, solidly beating expectations for a +0.2% increase. However, the YoY figure slowed to +3.69% and remains in the downtrend it's been in over the last few years. Medicare and Medicaid increases contributed to the headline rise while Unemployment benefits fell.

U.S. Consumer Spending



Source: Main Management, BEA, Macrobond. Data last updated: 8/26/2026

U.S. Personal Income

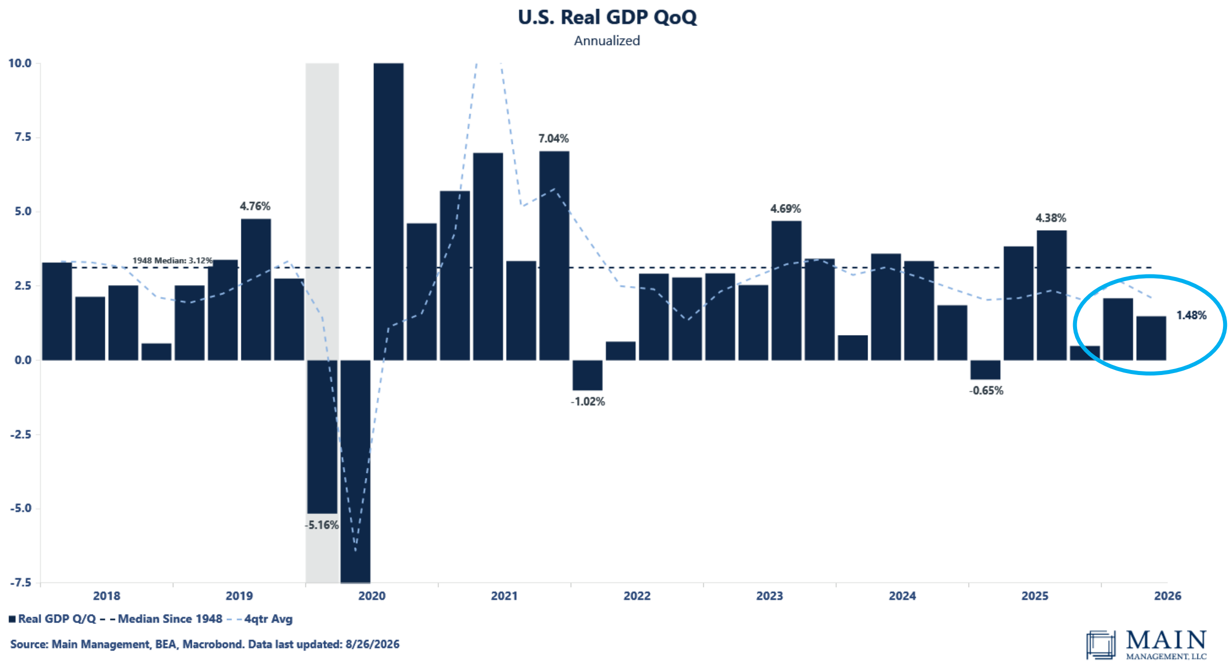


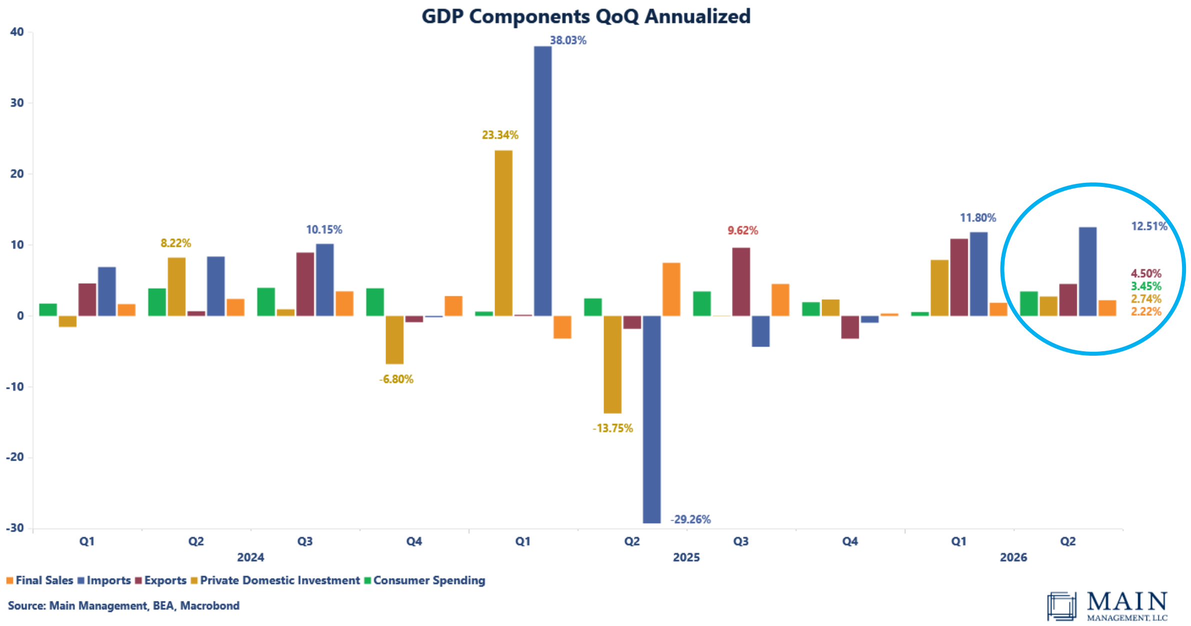
Source: Main Management, BEA, Macrobond. Data last updated: 8/26/2026

POSITIVE

Q2 U.S. GDP

- The 2nd estimate of Q2 2026 U.S. GDP (left) came in at 1.48% QoQ annualized, little changed from the 1st estimate of 1.50%. Overall, the release showed stronger consumer spending, driven more by goods than services.
- Within the components (right), Consumer Spending (green) was revised up by 0.3% to +3.4% QoQ, and Imports up by 1.0% to +12.5%. Exports and Final Sales were basically unchanged from the 1st estimates while Private Domestic Investment was revised down by 0.3% to +2.7%.





POSITIVE

Final Sales & Corporate Profits

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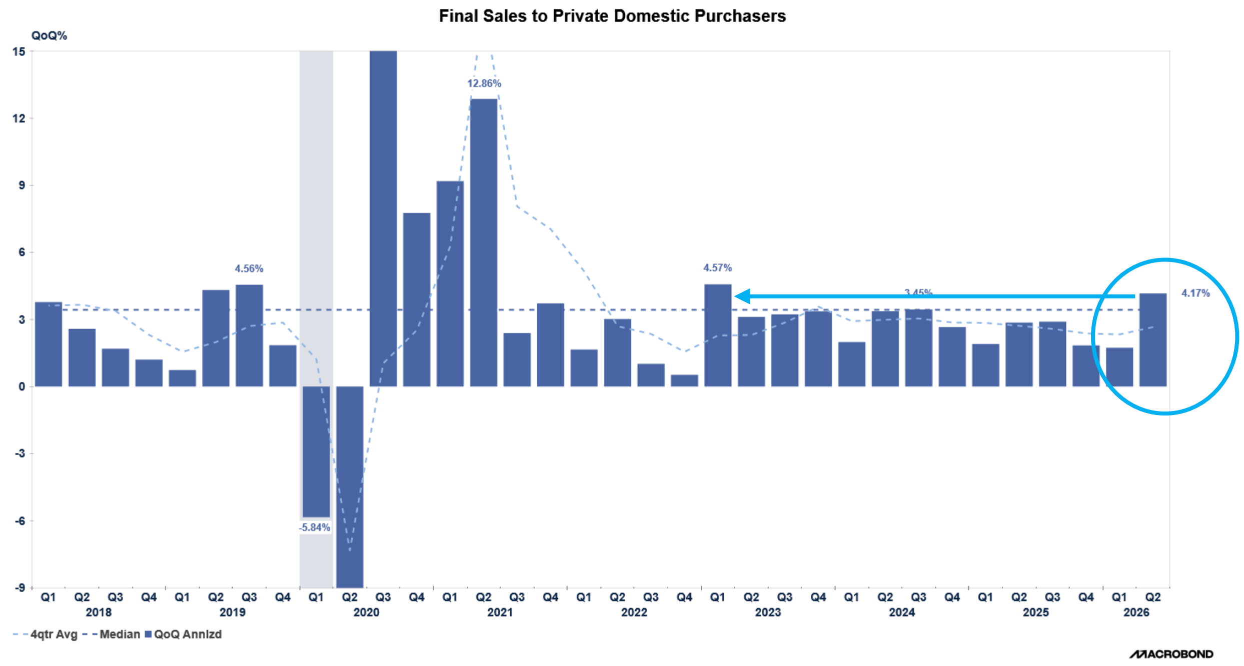
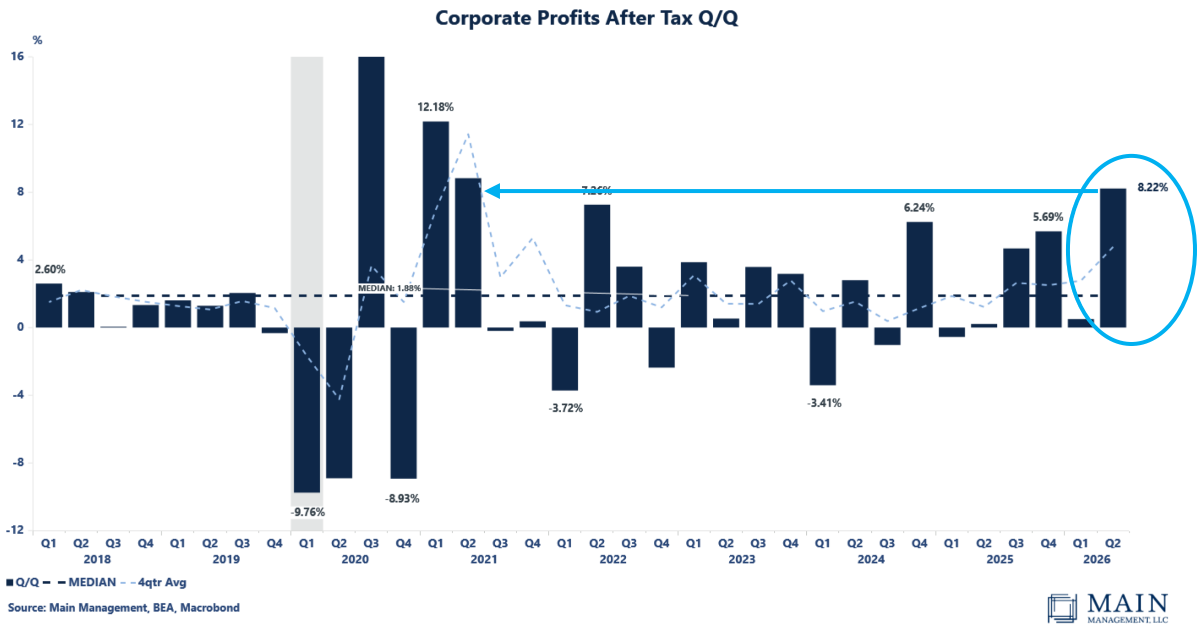
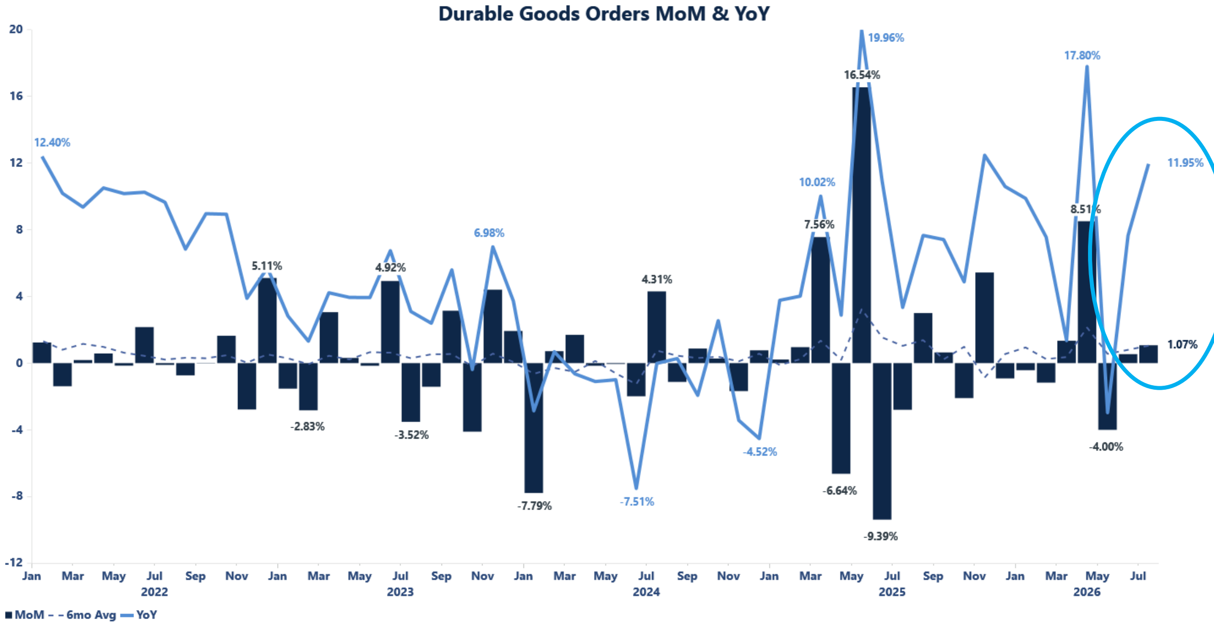
- Final Sales to Private Domestic Purchasers (left) posted a robust +4.17% QoQ gain, the biggest since Q1 2023! This reading is indicative of solid underlying demand.
- That demand is also boosting Corporate Profits (right) which jumped +8.22% QoQ, the most since Q2 2021!



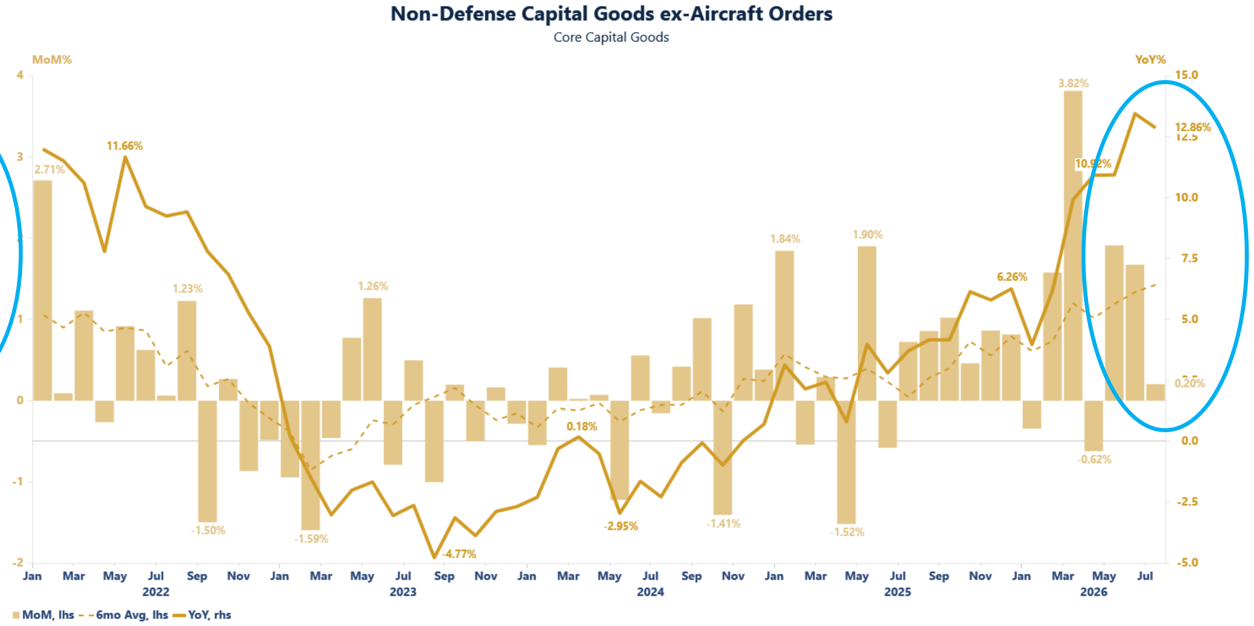


Durable Goods Orders

- Durable Goods Orders (left) posted a +1.07% MoM increase, well above forecasts for a +0.5% gain. June was revised up to +0.5% from +0.3%. On a YoY basis, orders accelerated further to +11.95%.
- Orders for Non-Defense Goods ex-Aircraft (right, aka Core Capital Goods) posted a muted +0.20% MoM gain, solidly below expectations for a +0.9% reading. Still, it's the 5th gain in the last 6 months and June was revised up to +1.7% from +0.9%. Orders for Core Capital Goods are a business spending proxy and even with the smaller-than-expected reading are still up a robust +12.86% YoY.



Source: Main Management, USCB, Macrobond. Data last updated: 8/26/2026



Source: Main Management, USCB, Macrobond. Data last updated: 8/26/2026

NEUTRAL

Goods Trade Balance

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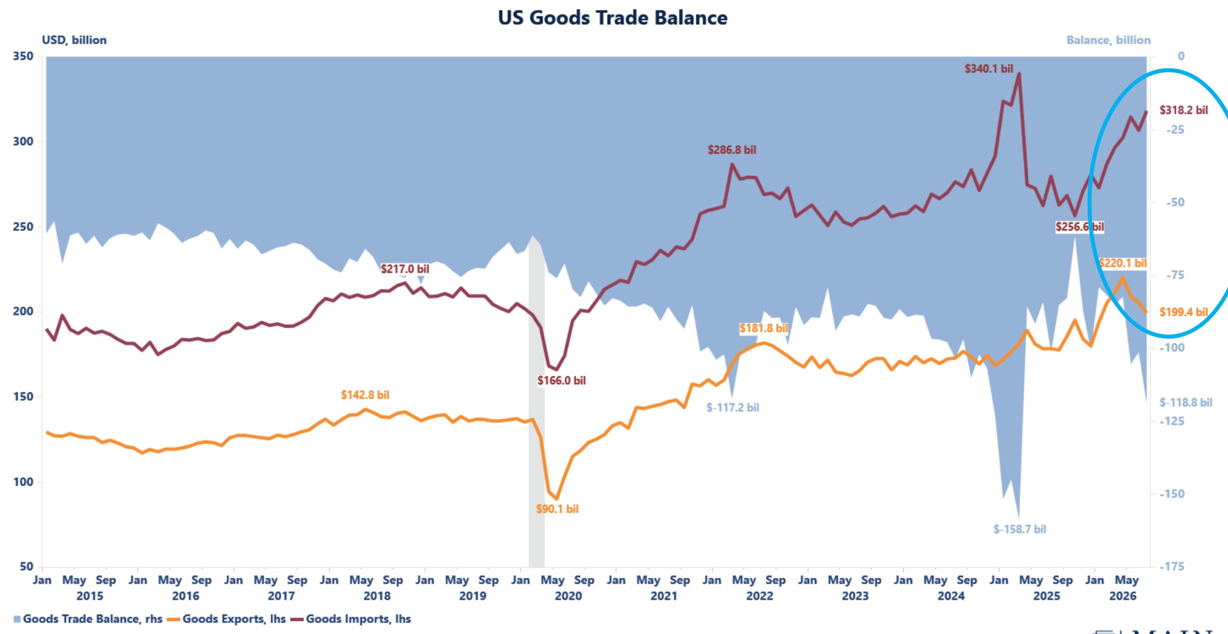
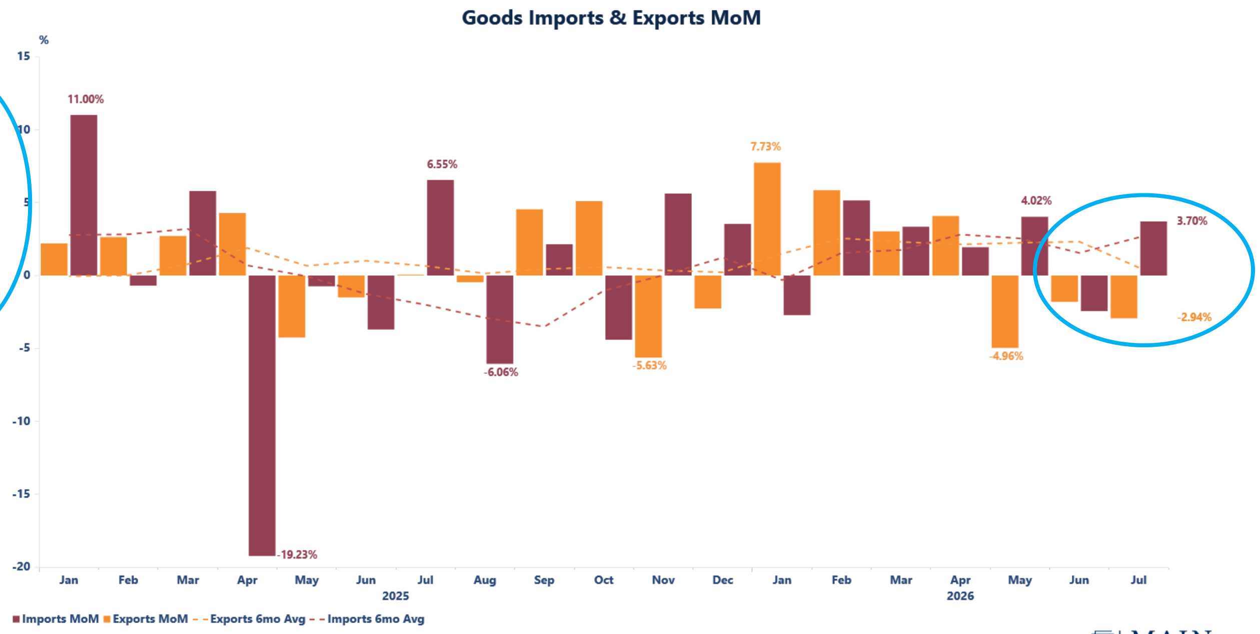
- The Goods Trade Deficit (left, blue) unexpectedly widened to -$118.8bil in July as Goods Imports (maroon) increased while Exports (orange) continued lower. Goods Imports are now back up to $318.2bil, the most since March 2025, up +13.7% YoY. Exports declined to $199.4bil but remain up a solid +11.7% YoY.
- On the right, we show the MoM figures. Imports posted a strong +3.70% increase, rebounding from June's dip. Exports were down for the 3rd month in a row at -2.94%, the longest consecutive down streak since mid-2023.



Source: Main Management, USCB, Macrobond. Data last updated: 8/27/2026



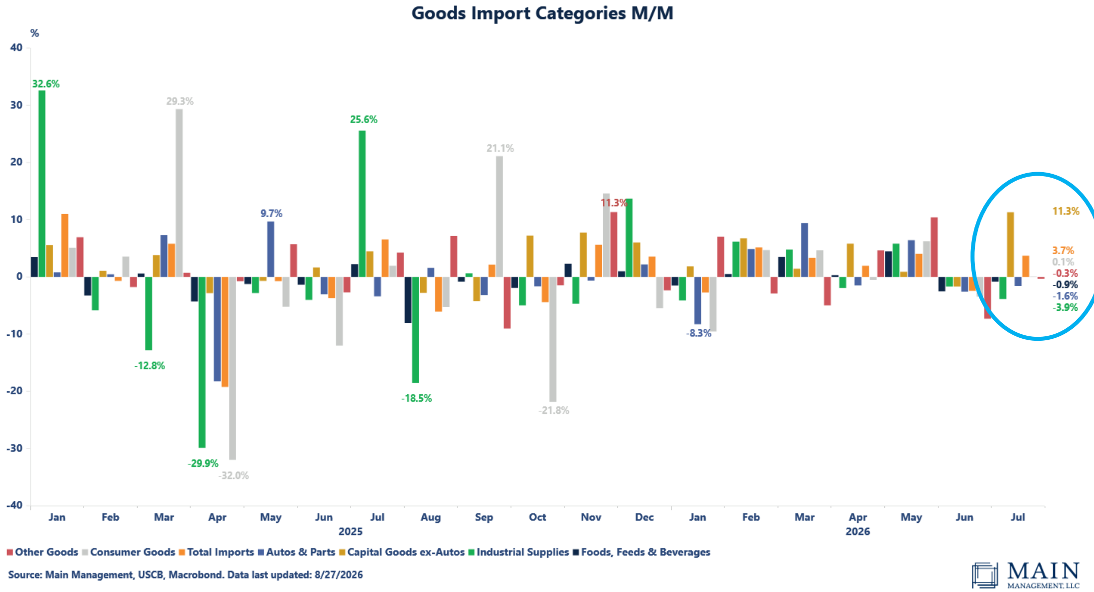
Source: Main Management, USCB, Macrobond. Data last updated: 8/27/2026

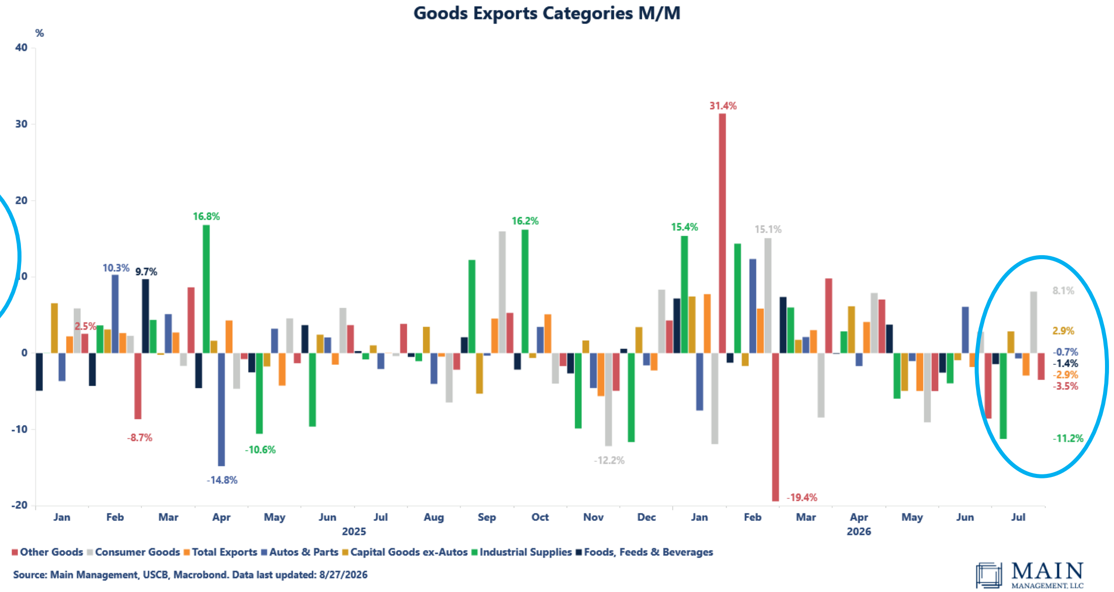
NEUTRAL

Goods Imports & Exports

MAIN MANAGEMENT, LLC

- Looking through at the categories in July, we show Imports on the left and Exports on the right. Capital Goods ex-Autos were really the only driver for the positive headline imports figure in July, jumping +11.3% MoM, the most since June 1993! They are the biggest imports category at 44%, which is how they outweighed all of the other categories declining MoM in July, except for Consumer Goods which were up just +0.1%.
- For exports by category, Consumer Goods were up the most at +8.1% MoM and then Capital Goods ex-Autos at +2.9%. Industrial Supplies were the biggest drag in July, falling -11.2% MoM, the most since Dec. 2025. Industrial Supplies are the biggest goods exports category at 35.8% and clearly weighed on the total exports figure.





NEUTRAL

Consumer Sentiment

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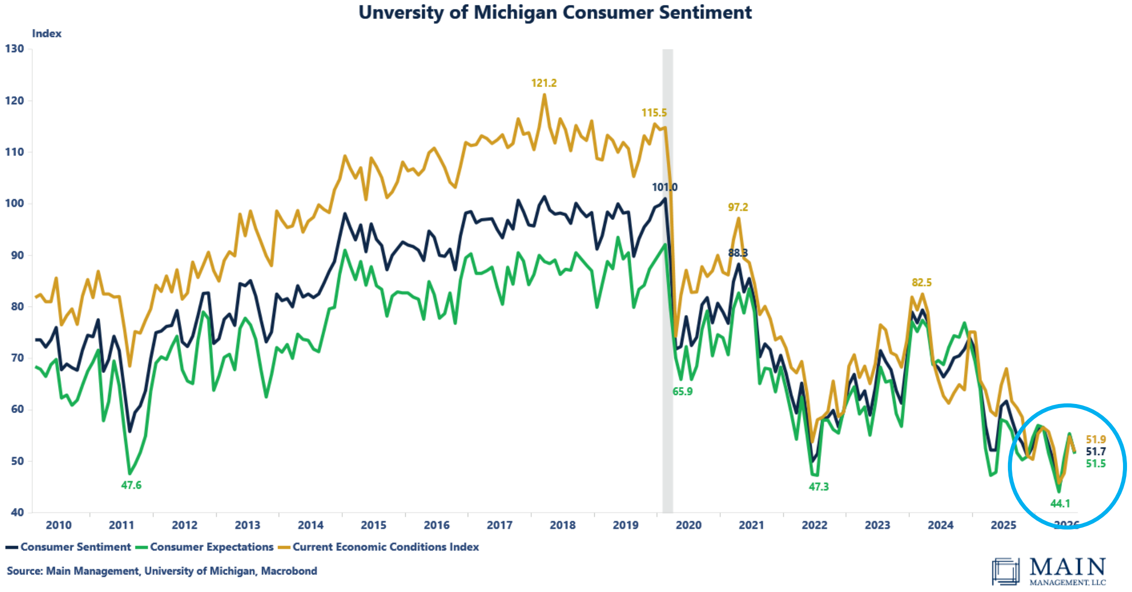
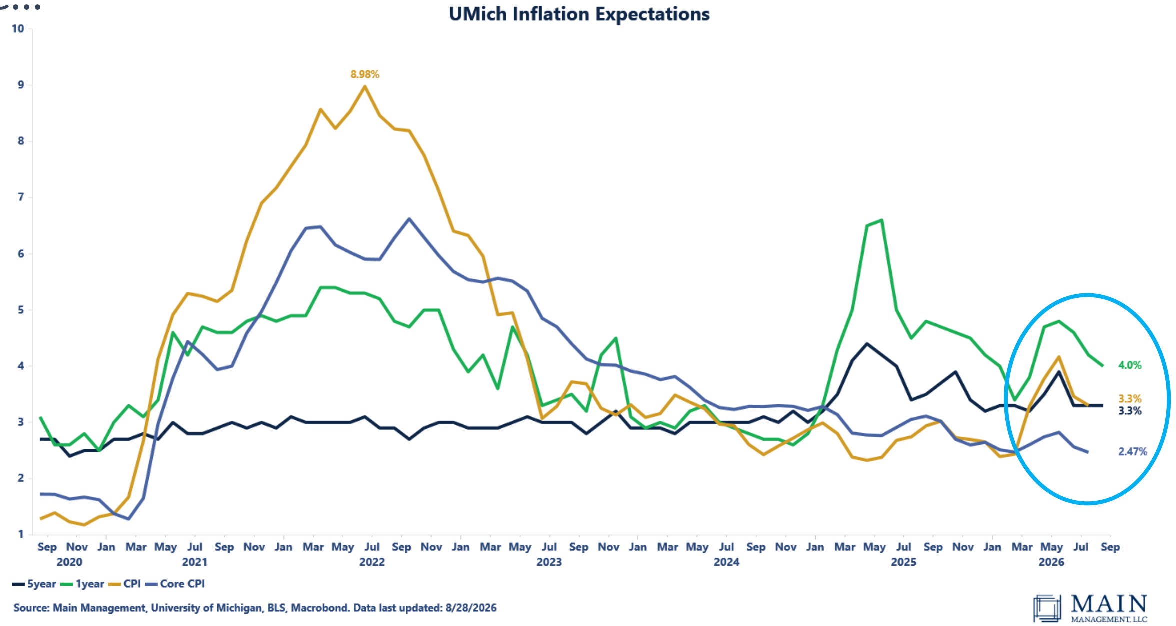
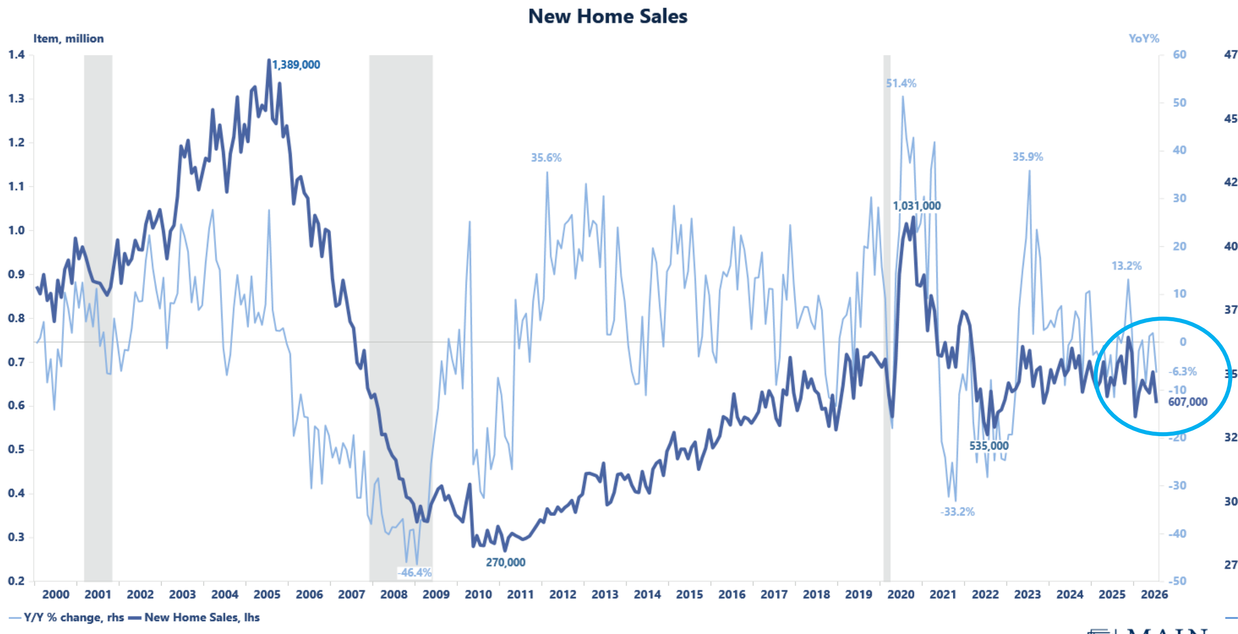
- The final reading for Michigan Consumer Sentiment (left, black) was revised slightly higher to 51.7 from the preliminary 51.0. Consumer Expectations (green) were also revised up to 51.5 from 50.6, as were Current Economic Conditions (yellow) to 51.9 from 51.8. Still, these readings declined relative to July as consumers remain concerned about prolonged elevated inflation and gas prices.
- 1yr Inflation Expectations (right, green) were revised down to 4.0% from 4.3% while 5yr (black) were unchanged at 3.3%. It's interesting to see the inflation expectations revised lower alongside consumer sentiment. Usually, sentiment improves when inflation expectations decline…



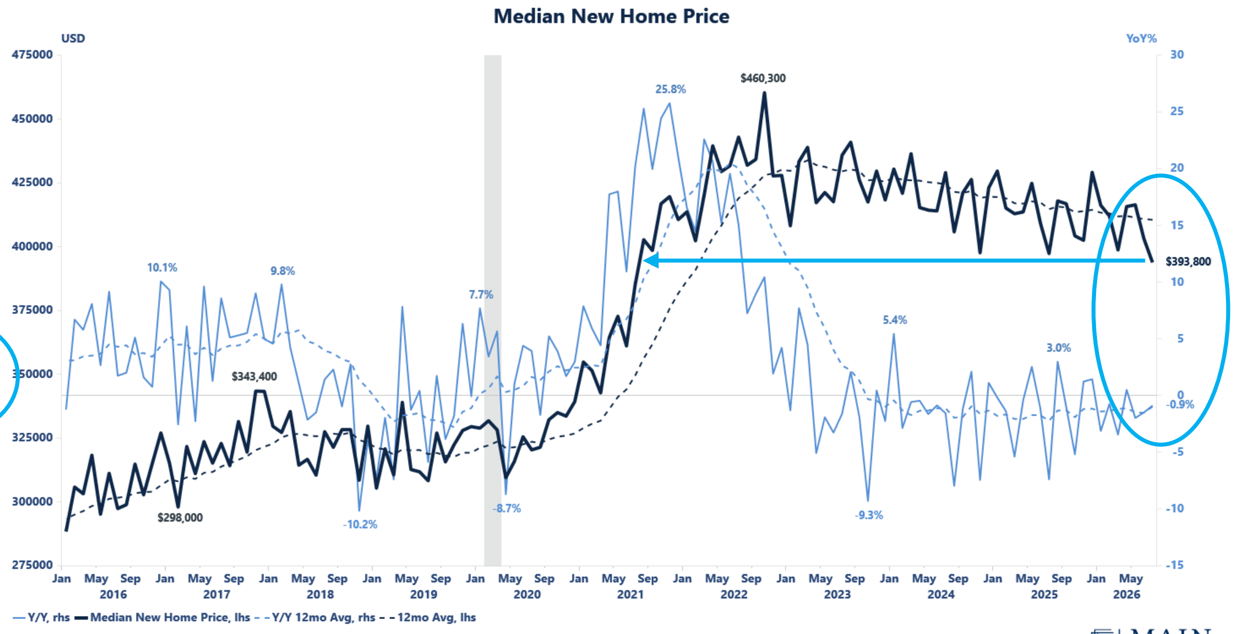


New Home Sales

- New Home Sales (left) fell -10.5% MoM in July, the biggest monthly decline since January's -20.3% drop. They slowed to 607k units SAAR, missing forecasts for a less severe decline to 620k and are down -6.3% YoY.
- The Median New Home Price (right) declined to $393,800, which is the lowest since July 2021! It's down -0.9% from a year ago. Hopefully this softening in prices will allow some buyers to come in off the sidelines…



Source: Main Management, USCB, Macrobond. Data last updated: 8/25/2026



Source: Main Management, USCB, Macrobond. Data last updated: 8/25/2026

NEUTRAL

Home Price Indices

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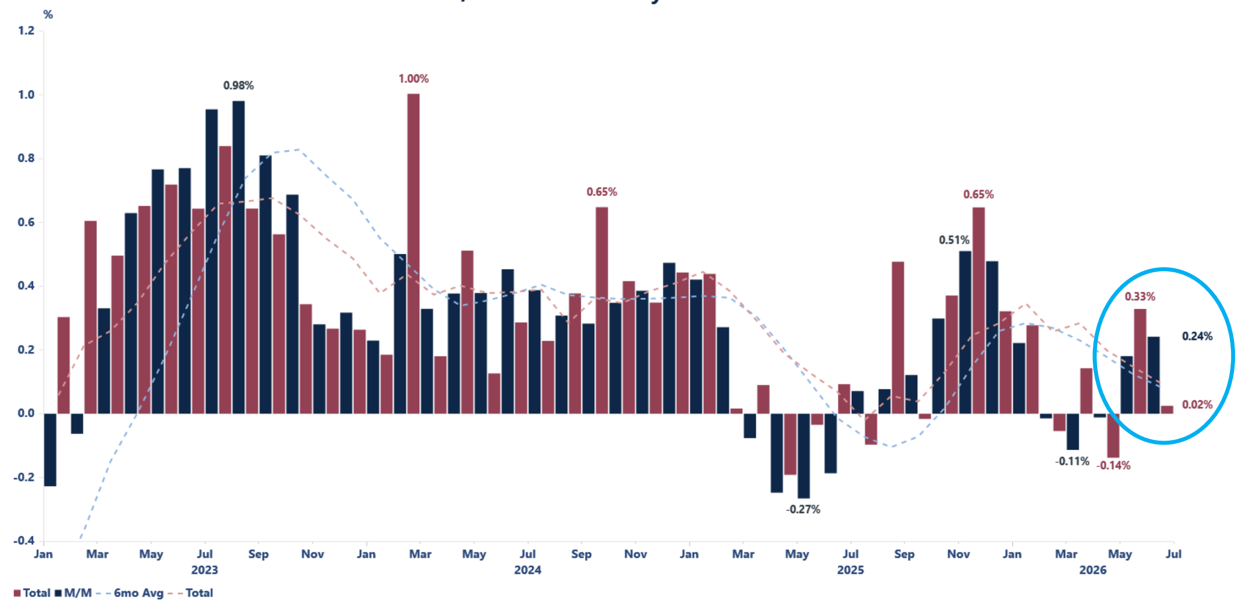
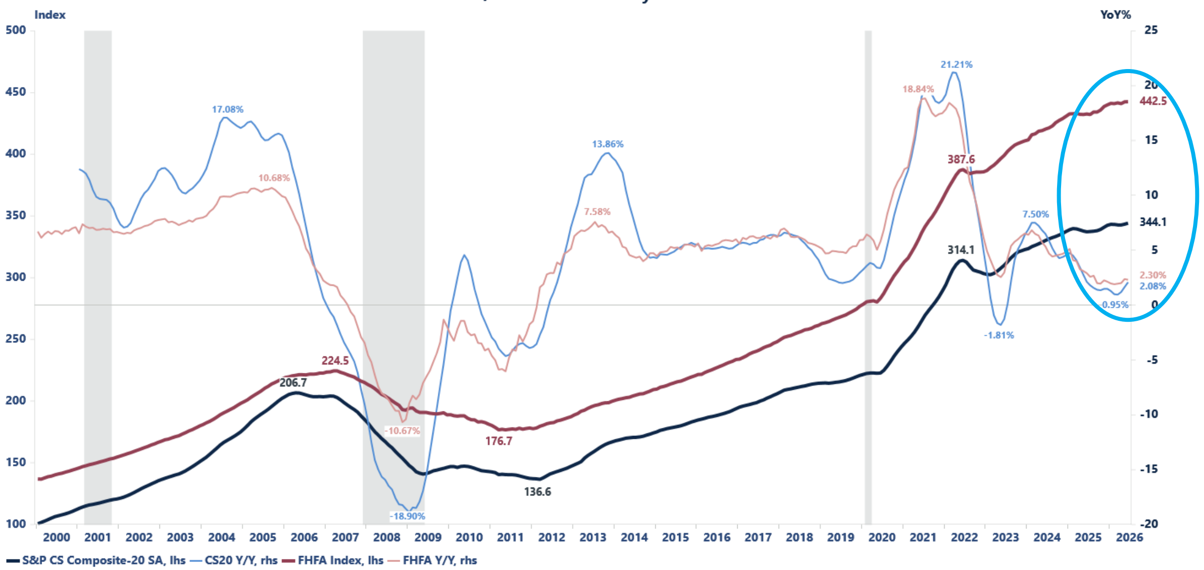
- Both the FHFA and S&P Case-Shiller 20-City Home Price Indices increased for a 2nd month in a row in July (left). The CS20 Index was up +0.24% MoM, the most in a few months, while FHFA was barely positive at +0.02%. These positive readings contrast to new home prices, which have been slowing, because existing homes make up 87% of the home sales and those prices have continued to steadily increase.
- On the right we show the indices (solid lines) and their YoY figures (dotted). Both indices posted new all-time highs in July and are re-accelerating on a YoY basis with CS20 up +2.08% and FHFA at +2.30%.

FHFA and S&P / Case-Shiller 20-City Home Price Indices MoM



Source: Main Management, S&P Global, FHFA, Macrobond. Data last updated: 8/25/2026

FHFA and S&P / Case-Shiller 20-City Home Price Indices



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

NEGATIVE

Summary

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- Core PCE rose +0.2% MoM in July, unchanged on a YoY basis at +3.34% as energy goods were a drag. Both Consumer Spending and Incomes slowed on a YoY basis to +5.92% and +3.69%, respectively.
- The 2nd estimate of Q2 2026 U.S. GDP was little changed at 1.48% QoQ vs 1.50% in the 1st reading. Final Sales to Private Domestic Purchasers and Corporate Profits posted their biggest QoQ gains in a few years.
- Durable Goods Orders were up a solid +1.07% MoM while Core Capital Goods were up just +0.20% MoM in July. They're both still up low double digits on a YoY basis, indicating continued solid growth.
- The Goods Trade Deficit unexpectedly widened in July as imports increased while exports declined.
- August Consumer Sentiment was revised up from the preliminary readings but still declined relative to July.
- New Home Sales fell more than anticipated while prices continue to soften. Still, as existing homes make up 87% of the market, the home price indices continue to post new all-time highs.

- Upcoming data:
  - JOLTS, Construction Spending, and Manufacturing PMIs (Tues)
  - Factory Orders and ADP Payrolls (Weds)
  - Q2 Productivity & ULCs, Trade Balance, and Service & Composite PMIs (Thurs)
  - Nonfarm Payrolls (Fri)

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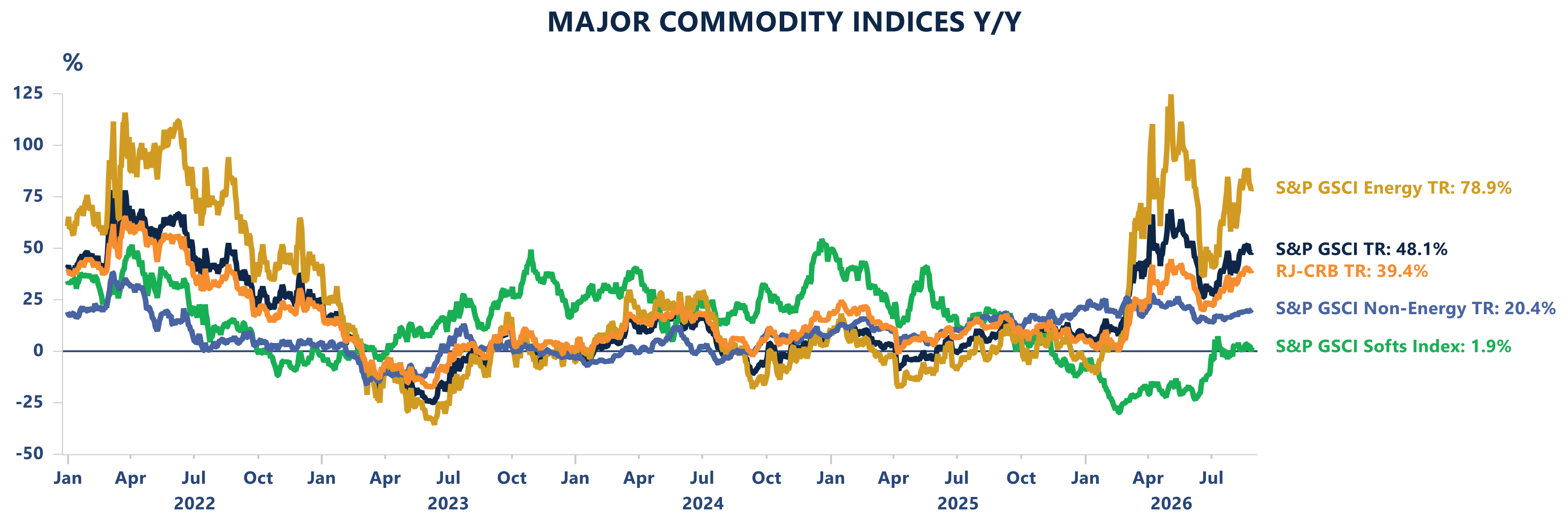
Appendix

Inflation Watch



Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, Macrobond, Johnson Matthey Platinum Today, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 8/28/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-0.3	5.1	98.4	59.5
S&P GSCI	2.1	2.4	45.5	49.7
Crude Oil	-0.8	-14.2	44.5	31.0
Cotton	15.9	17.7	41.7	39.1
BBG Commodity Index	3.8	2.3	27.7	38.4
Soybeans	0.7	5.9	21.9	22.1
Copper	5.9	6.4	16.1	48.0
Corn	9.9	11.5	15.9	31.7
Gold	13.5	2.1	6.4	35.6
Lumber	-14.5	-4.7	3.9	-2.7
US Dollar (DXY)	-2.3	0.0	0.9	1.0
Silver	18.4	-9.0	-1.0	80.0
Coffee	9.0	24.8	-2.0	-11.0
Bitcoin	25.2%	5.8%	-8.3%	-28.2%
Natural Gas	1.3	0.4	-21.1	7.0

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 8/28/2026

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Disclosures

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