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Main Management Market Note

September 4, 2026

Our Offerings

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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.

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CEO / CIO

Dick Fredericks
Founding Partner

Alex Varner
Managing Director, Research

Jim Concidine
Founding Partner

Darol Ryan
Managing Partner

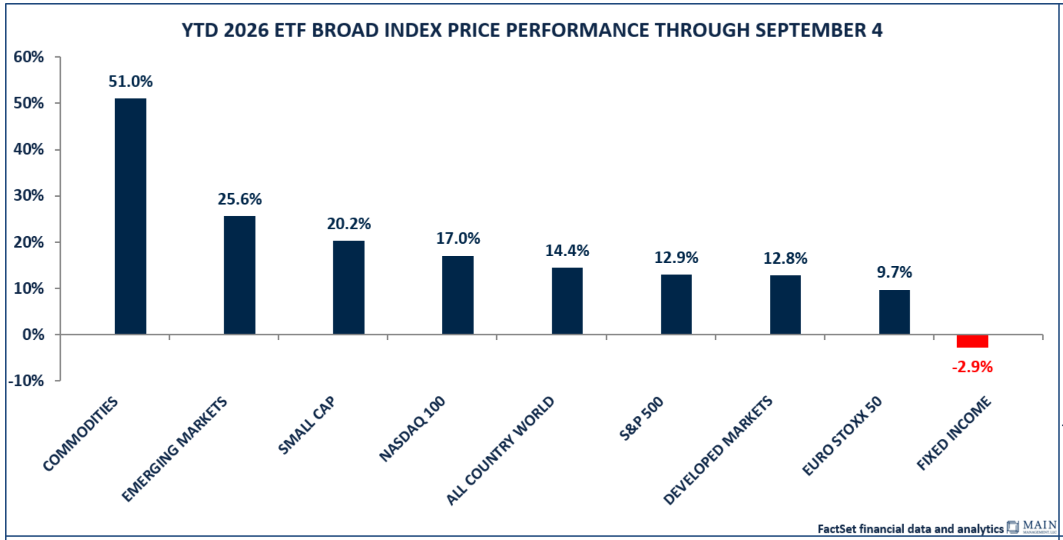
Research backed portfolios

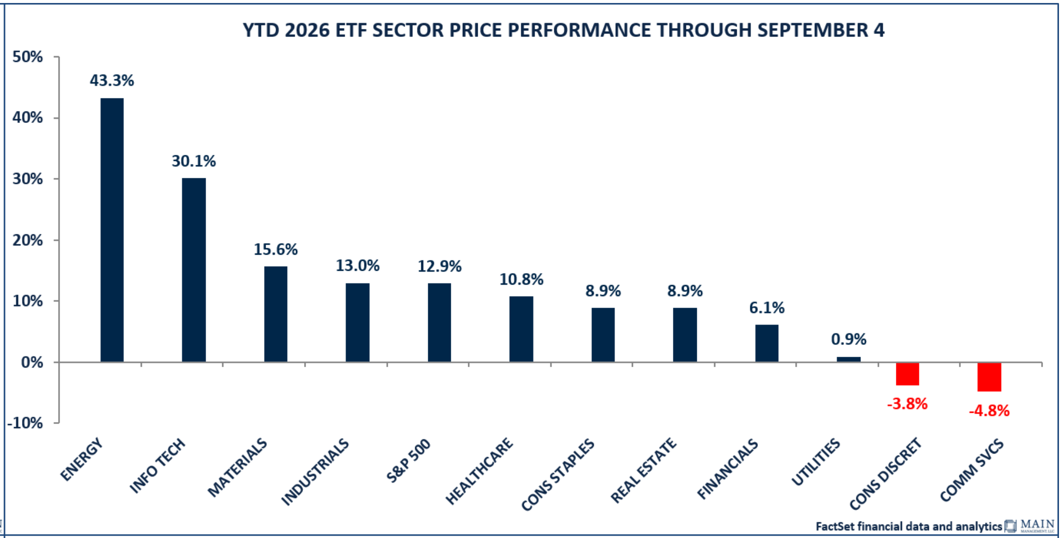
James Maxwell
Director, Research

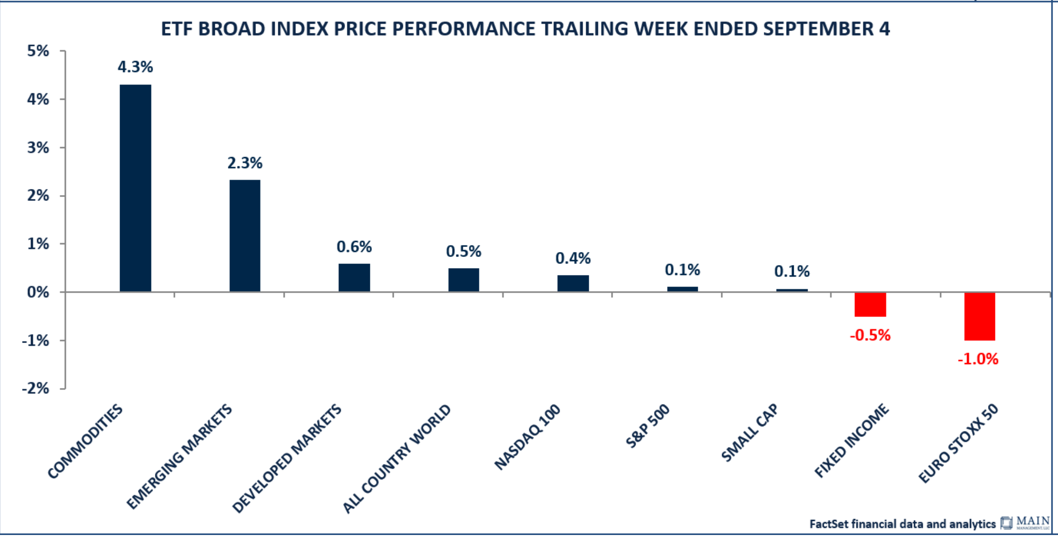
Alex Dippery
Research Analyst

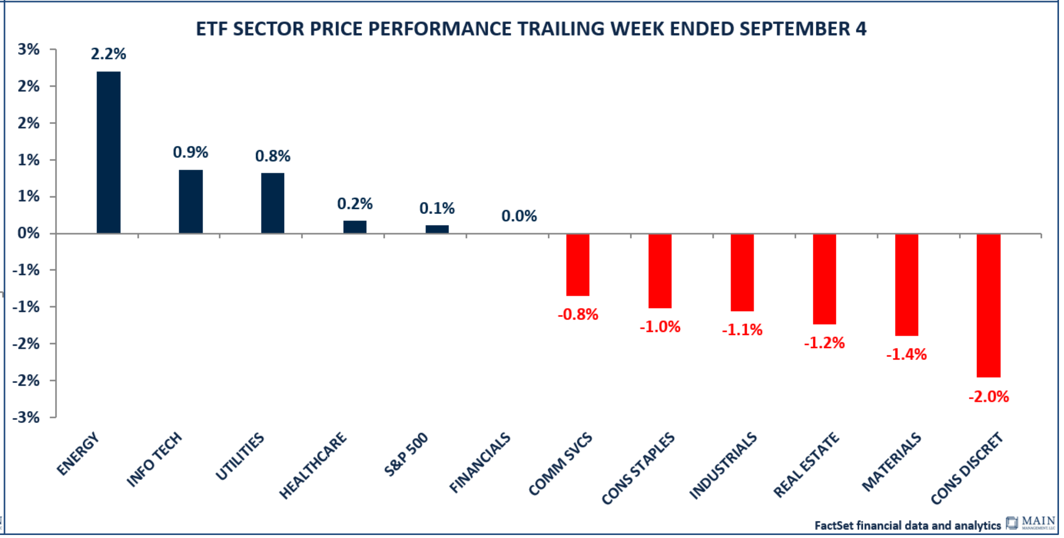
Advisors benefit from our comprehensive due diligence on other asset managers, insightful market commentary, and strategic asset class views.

Performance









Recession Dashboard

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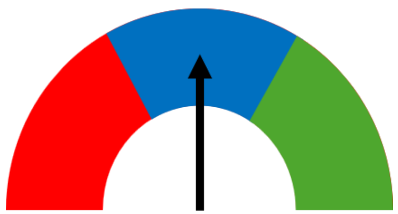
RECESSION START	INFLATION	CONSUMER	YIELD CURVE	HOUSING	SENTIMENT	AUTOS	EMPLOY-MENT	PMI	RETAIL SALES
NOV 1973	↓	—	—	↓	—	—	↓	↓	—
JAN 1980	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1981	↓	↓	↓	↓	↔	↓	↓	↓	—
JUL 1990	↓	↓	↓	↓	↔	↓	↓	↔	—
MAR 2001	↔	↓	↓	↔	↔	↔	↓	↓	↔
DEC 2007	↓	↓	↓	↓	↔	↓	↓	↓	↓
DEC 2019	↑	↑	↔	↔	↑	↔	↑	↔	↔
SEP 2026	↓	↔	↑*	↔	↔	↔	↔	↑	↑
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.*

August NonFarm Payrolls

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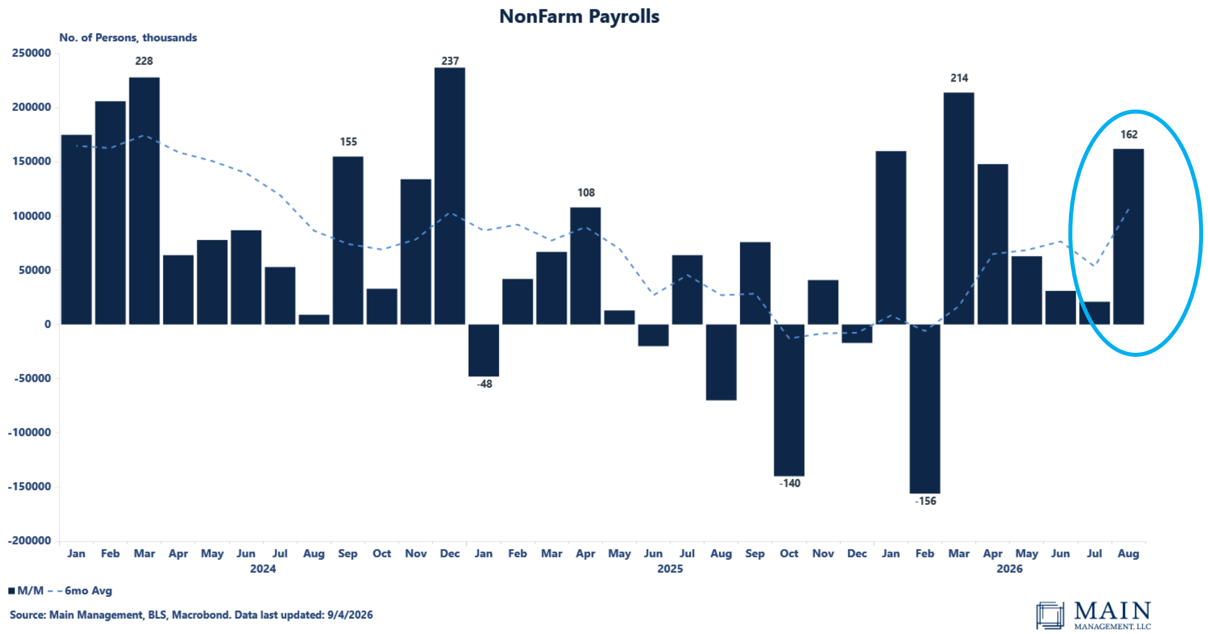
- August Payrolls jumped +162k unexpectedly (left), basically triple forecasts for a +55k figure. Additionally, July was revised up to +21k from -23k. Leisure & Hospitality added the most jobs with +62k while Information was the laggard, shedding -23k.
- The headline U3 Unemployment Rate was unchanged at 4.1%, as expected, while the broader U6 rate declined to 7.7%. The Labor Force grew by +683k, the most since Jan. 2025, while those not in the labor force fell by -551k, the most since Oct. 2020! The # of unemployed increased by +115k, which is good because it means people are re-engaging with the labor force (you have to be actively looking for work in order to be counted). The headline Participation Rate moved up to 61.6% from 61.4% while Wages slowed to +3.09% YoY. Overall, this report was quite strong and should help quell fears of a softening labor market.



US Employment

(All population/employment figures in 000s)

	August 2026	Prior Mo	12mo Ago	Y/Y	M/M
Total Nonfarm Employment	159,075	158,913	158,472	0.4%	0.1%
Total Nonfarm Employment (Δ From Prior Period)	162	21	-70		
Civilian Non-Institutional Population	275,415	275,282	274,001	0.5%	0.0%
Civilian Non-Institutional Population (Δ From Prior Period)	133	116	216		
Civilian Labor Force	169,777	169,094	170,750	-0.6%	0.4%
Civilian Labor Force (Δ From Prior Period)	683	-264	338		
Participation Rate	61.6%	61.4%	62.3%	-1.1%	0.3%
Employed (Household data)	162,746	162,177	163,370	-0.4%	0.4%
Employed (Household data) (Δ From Prior Period)	569	-87	230		
Employed / Population	59.1%	58.9%	59.6%	-0.9%	0.3%
Unemployed	7,031	6,916	7,380	-4.7%	1.7%
Unemployed (Δ From Prior Period)	115	-178	108		
Unemployment Rate (U3)	4.1%	4.1%	4.3%	-4.7%	0.0%
Unemployment Rate (U6)	7.7%	7.9%	8.1%	-4.9%	-2.5%
Part-time for Economic Reasons	4,390	4,804	4,755	-7.7%	-8.6%
Want A Job Now (Δ From Prior Period)	-374	-205	-34		
Not in Labor Force	105,638	106,189	103,251	2.3%	-0.5%
Not in Labor Force (Δ From Prior Period)	-551	381	-122		
Not In Labor Force / Population	38.4%	38.6%	37.7%	1.8%	-0.6%
Δ in NFPs Less Those Leaving the Labor Force	713	-360	52		
Average Hourly Earnings	$37.75	$37.65	$36.62	3.1%	0.3%
Average Hourly Earnings (Y/Y change)	3.09%	3.24%	3.98%		
Private Weekly Hours Worked	34.4	34.3	34.2	0.6%	0.3%
Manufacturing Weekly Hours Worked	40.5	40.4	40.0	1.3%	0.2%

Source: Main Management, BLS, Macrobond. Data last updated: 9/4/2026

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Wages & Participation

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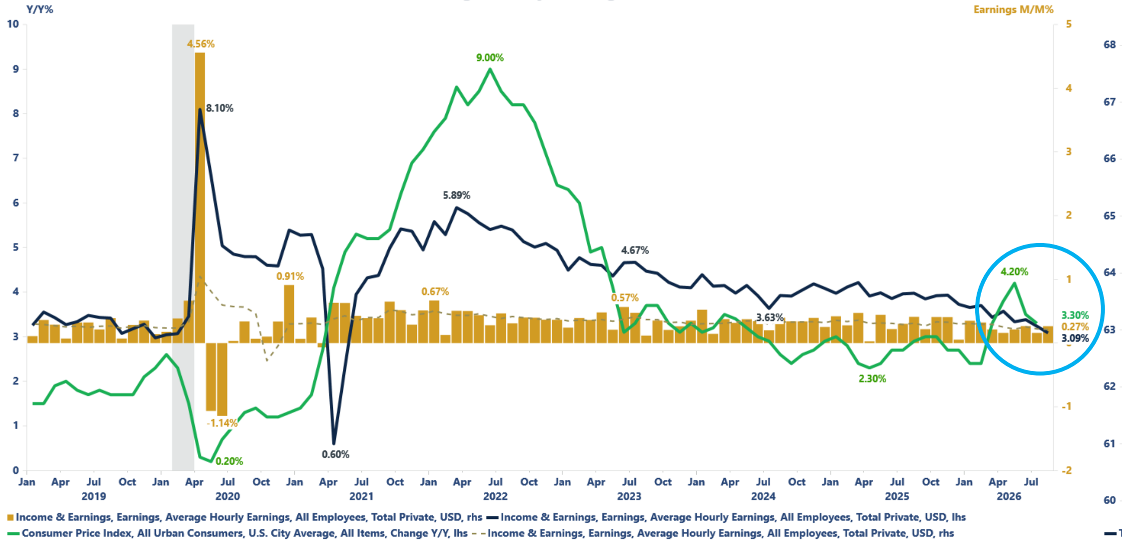
- One of the weakest parts of the NFP release was the Wage figure, which came in at +0.27% MoM (left, gold). While it was in line with expectations, the YoY figure fell to 3.09% (black), the smallest gain since May 2021! The silver lining is that coupled with the JOLTS release (next 2 slides), if the openings-to-unemployed ratio continues to rise, that should put upwards pressure on wages as employers will have to pay up to entice workers into those positions. Still, for the time being, wages have been below inflation (green) which hurts consumers. With the CPI release next week, we could see inflation decelerate further, though.
- Both the headline (right, black) and 25-54yo (right, green) Participation Rates increased in August, a welcome reversal from July's declines. The headline Participation Rate now stands at 61.6% and the 25-54yo rate at 83.4%. Remember, the 55+yo cohort (baby boomers) are weighing on the headline participation rate as they are retiring and leaving the labor force in record numbers.

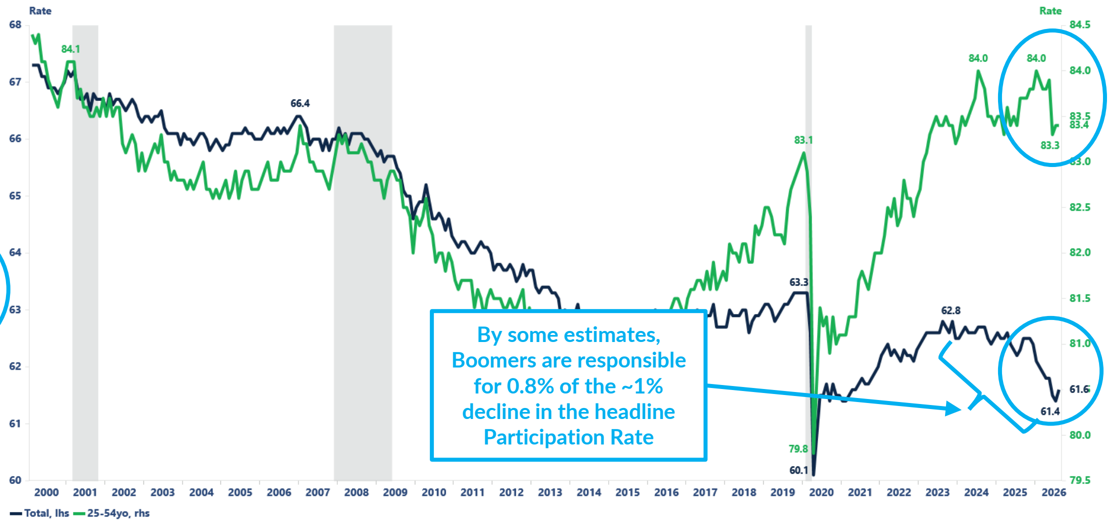
Average Hourly Earnings vs CPI



Source: Main Management, BLS, Macrobond. Data last updated: 9/4/2026

Labor Force Participation Rate

Total & 25-54yo Cohort (R)

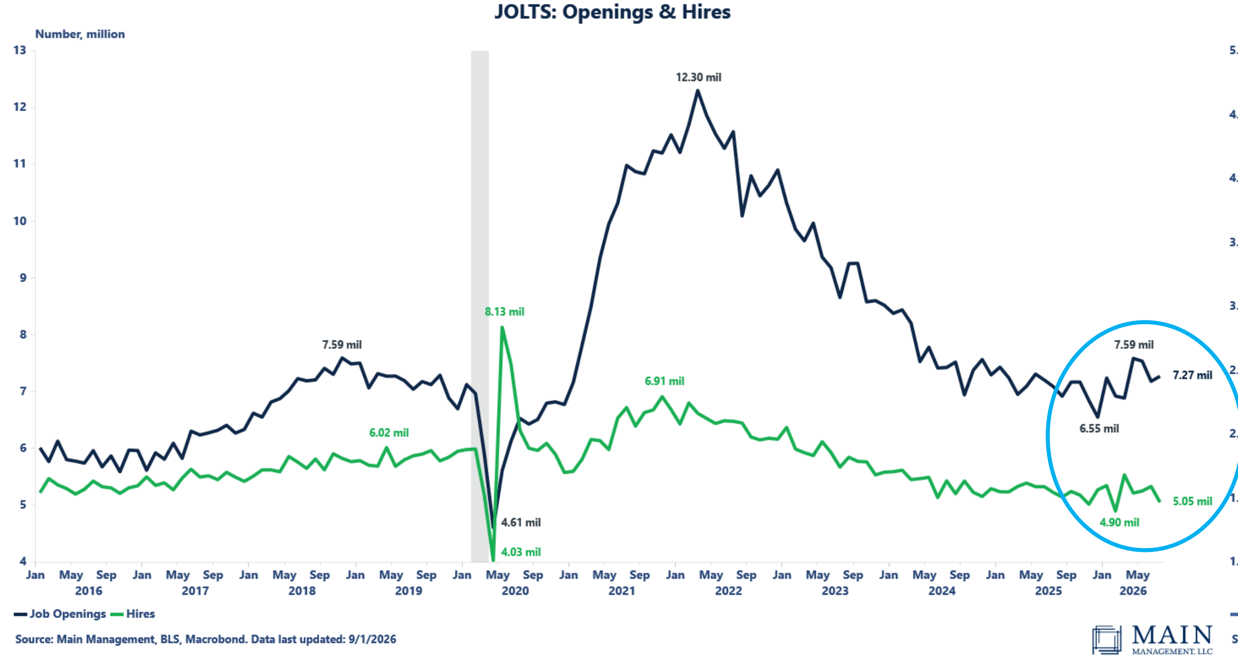


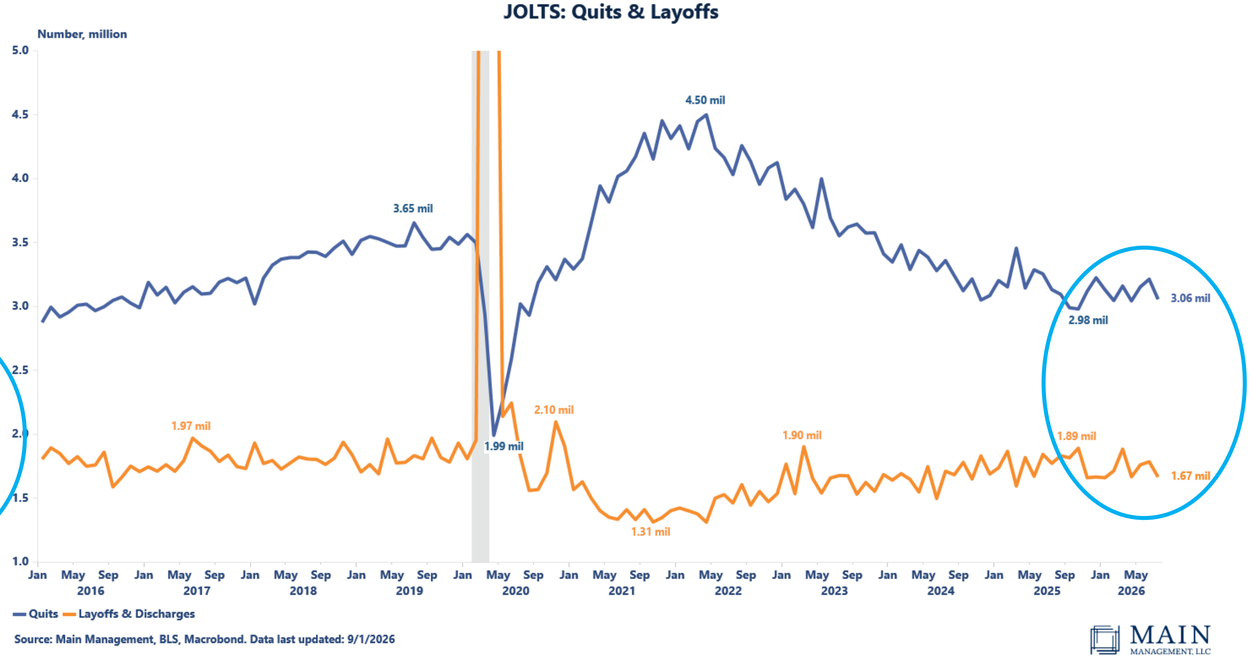
Source: Main Management, BLS, Macrobond. Data last updated: 9/4/2026

NEUTRAL

July JOLTS

- July JOLTS Openings (left, black) ticked up to 7.27mil but missed forecasts for a 7.30mil figure. Hires (green) declined to 5.05mil. On an industry basis, Manufacturing led the way for openings with +79k in July. Construction hired the most at +47k.
- Quits (right, blue) and Layoffs (orange) also moved lower to 3.06mil and 1.67mil, respectively. Wholesale Trade saw the most quits with 24k while Accommodation & Food Services had the most layoffs at 37k. Taken with the robust August NFP figure, the labor market is on solid footing.

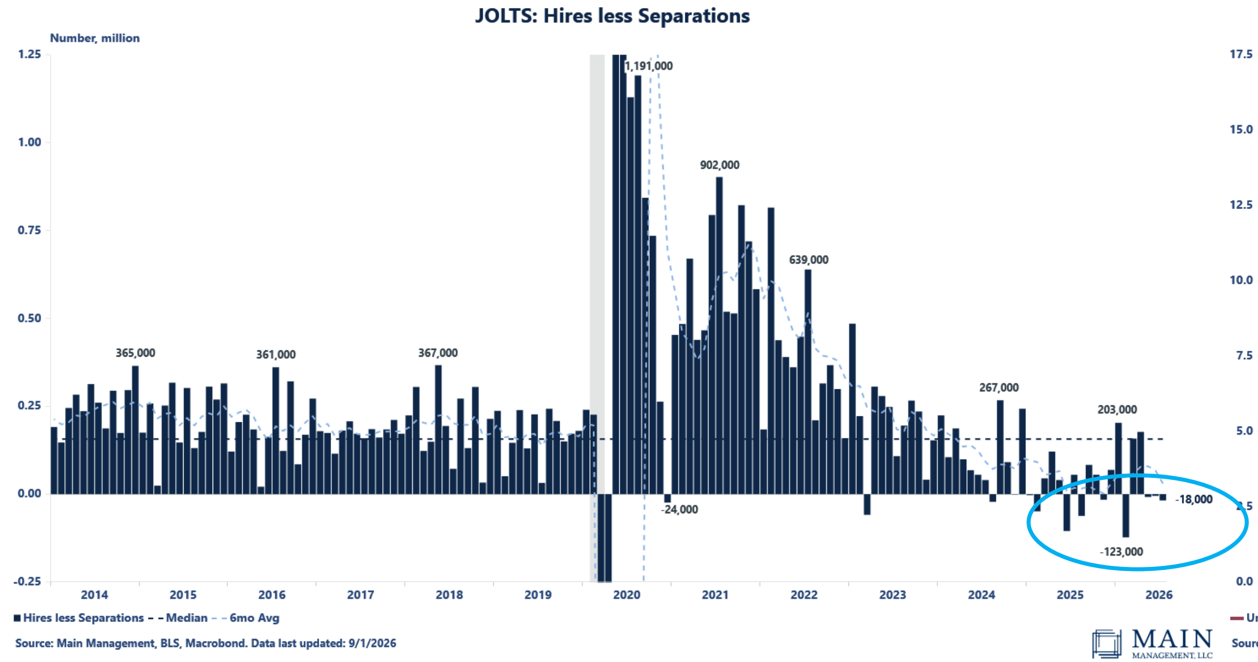


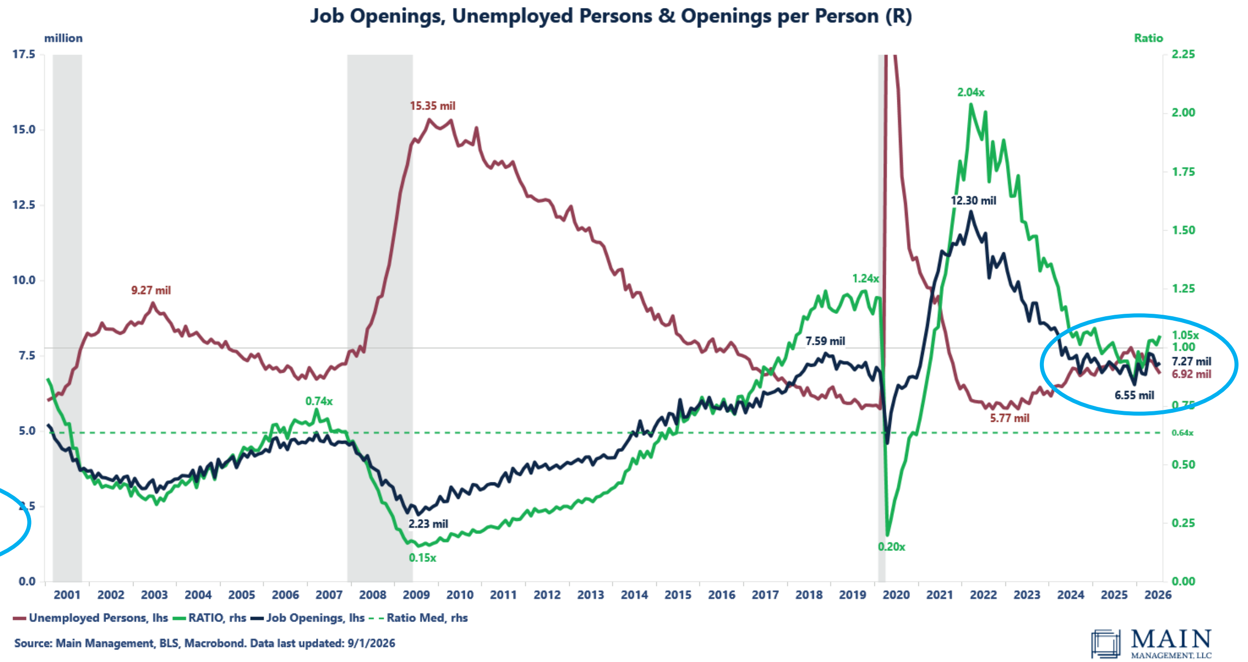


NEUTRAL

Separations & Openings

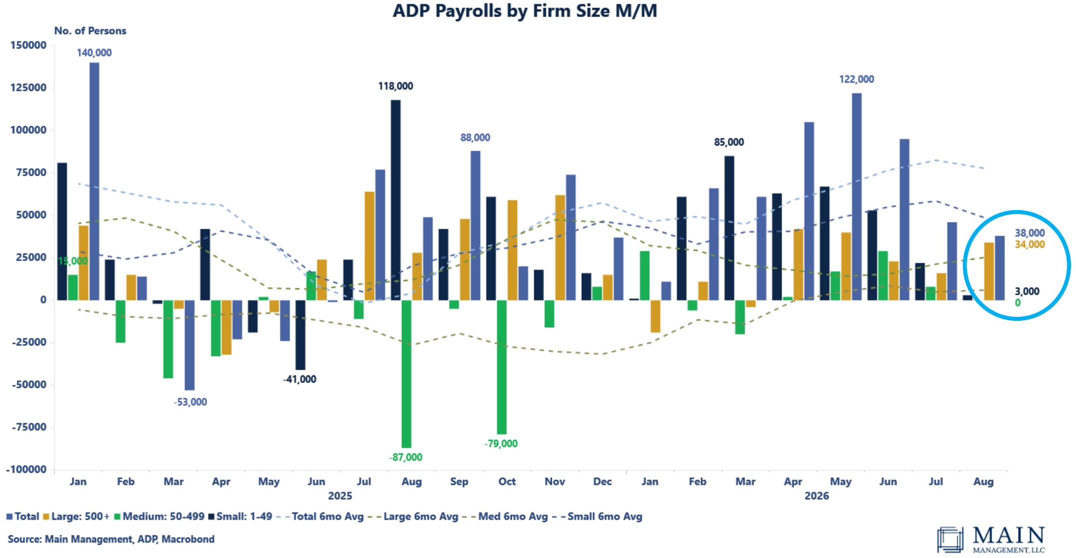
- It's worth noting that for the last 3 straight months, we have had more total separations than hires (left) while the historical median has been +157k more hires. That's the longest streak since 2010!
- On the right, we show openings and unemployed persons. The ratio of openings per person (green) has moved back up to 1.05x, the highest since January 2025! If this ratio continues to increase as unemployment declines, it should eventually stop the slowdown we've been seeing in wage growth.

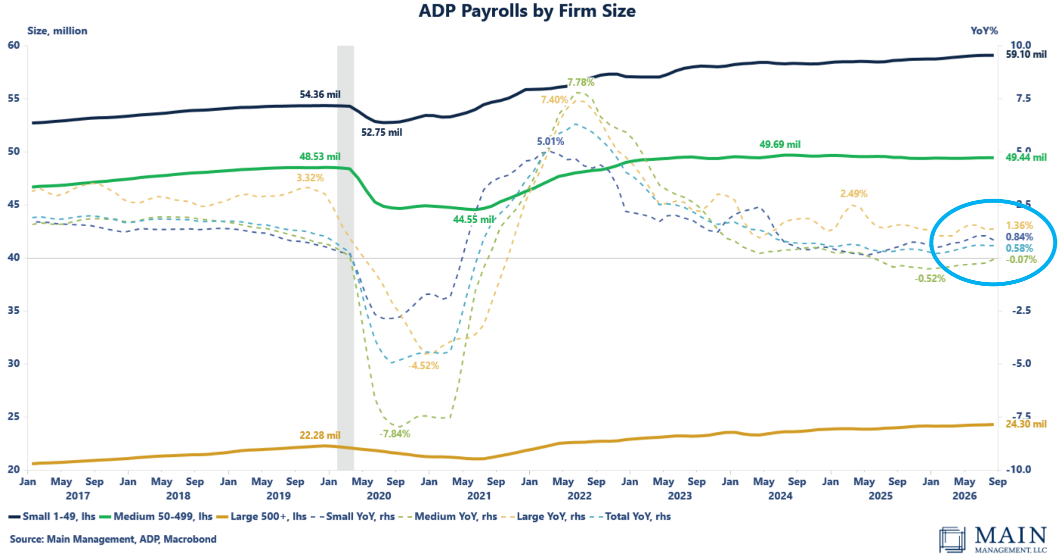




ADP Payrolls

- August ADP Payrolls came in at +38k (left, blue), below forecasts for +47k. Large firms (gold) added +34k while small firms (black) added +3k and medium (green) were flat. Rounding accounts for the difference. This reading marks first time in a few months where small firms have NOT led the way. Still, small firms have added jobs for 14 straight months (+634k over that time), and large firms have posted 5 straight months of gains (+155k).
- On the right, we show the level and YoY change for the major size categories. Small firms account for ~45% of total employment, so it's been good to see them leading the way of late. Total Payrolls are up +0.58% YoY, large firms +1.36% YoY, and small firms +0.84%. Medium firms are the only negative size category, down -0.07% YoY, but that's the least negative since May 2025. Overall, ADP wasn't as strong as the August NFPs figure, but it does have a tendency to get revised closer to the BLS figure.





Job Cut Announcements

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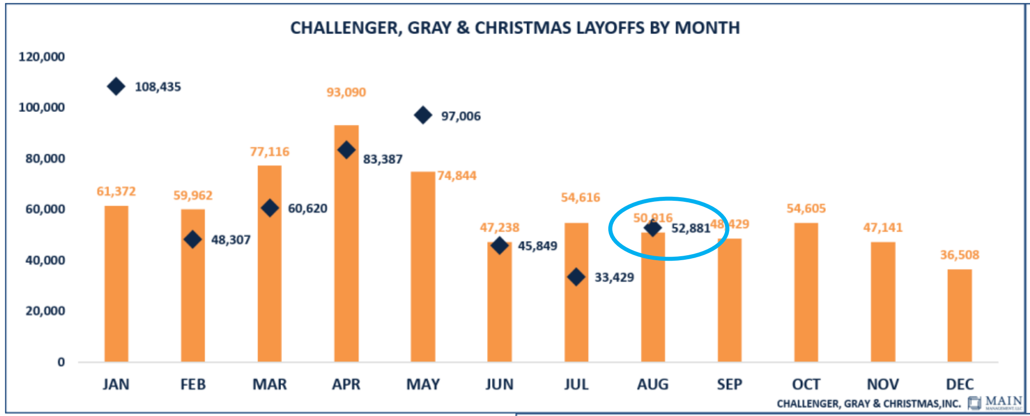
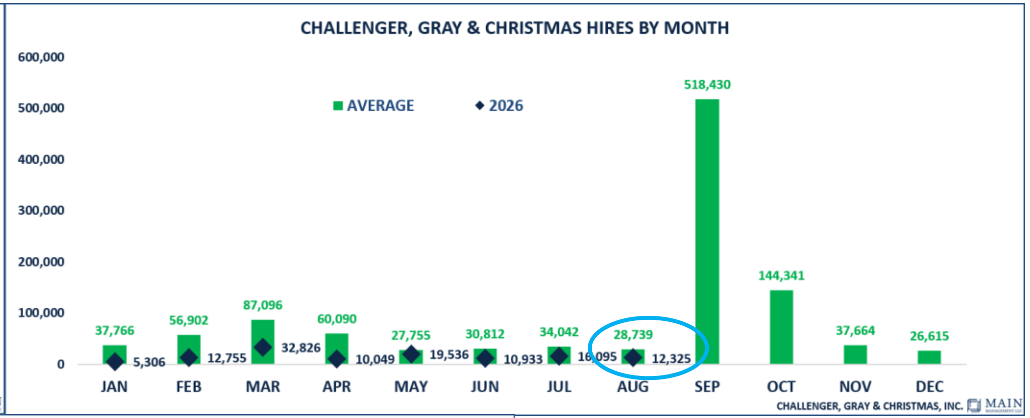
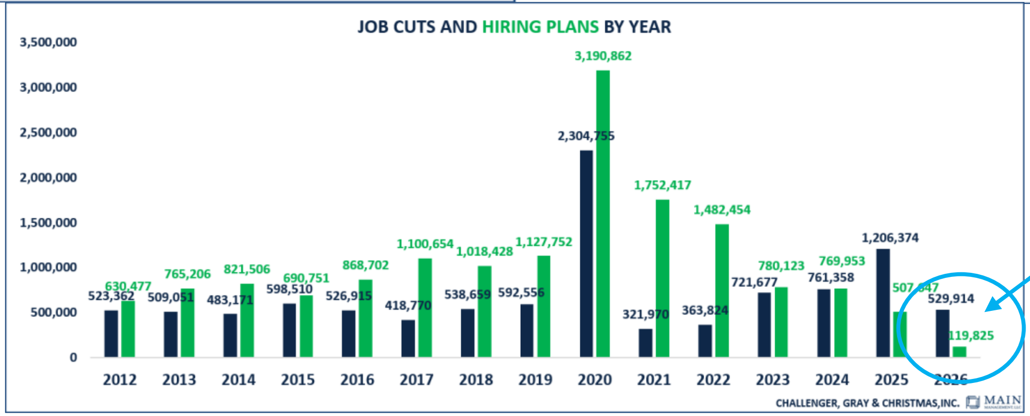
- August Job Cut Announcements came in at 52,881 (left), down from July and roughly in line with historical levels.
- Hires (right) remain anemic at just 12,325 in August, -57% below historical levels!
- Cuts now stand at 529,914 YTD versus just 119,825 hires (bottom). Relative to 2025, though, YTD cuts are down -41% while hires are up +37%! But we remain on track for cuts to outnumber hires for the full year for a second straight year. September sees a seasonal hiring bump, but unless its exceptionally strong, it's unlikely to right the ship.







Hires still -77% below cuts so far in 2026

Cuts by Reason & Industry

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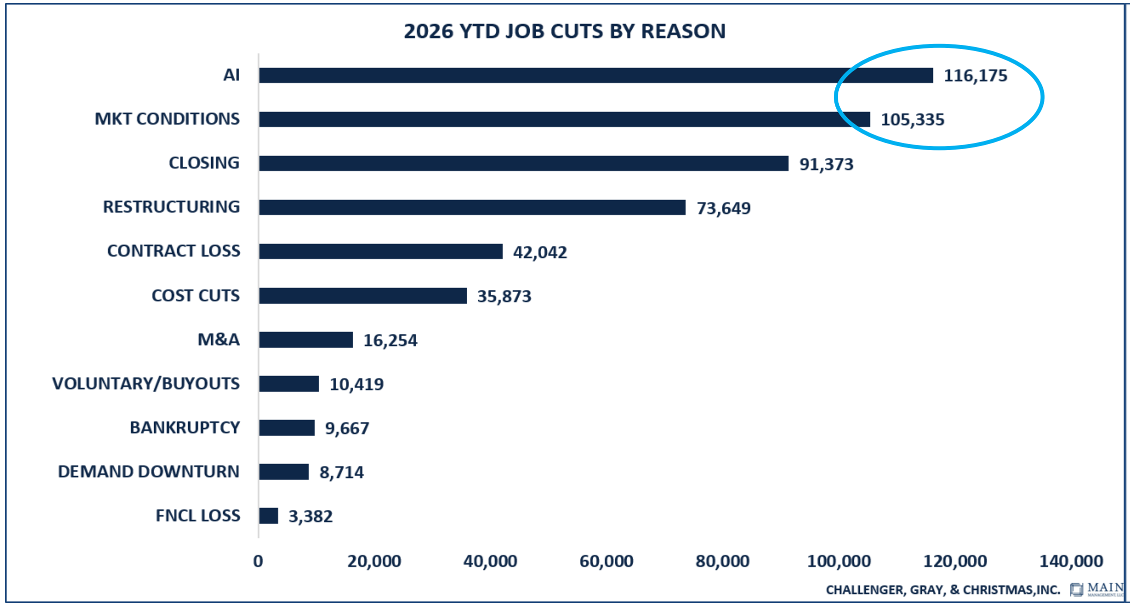
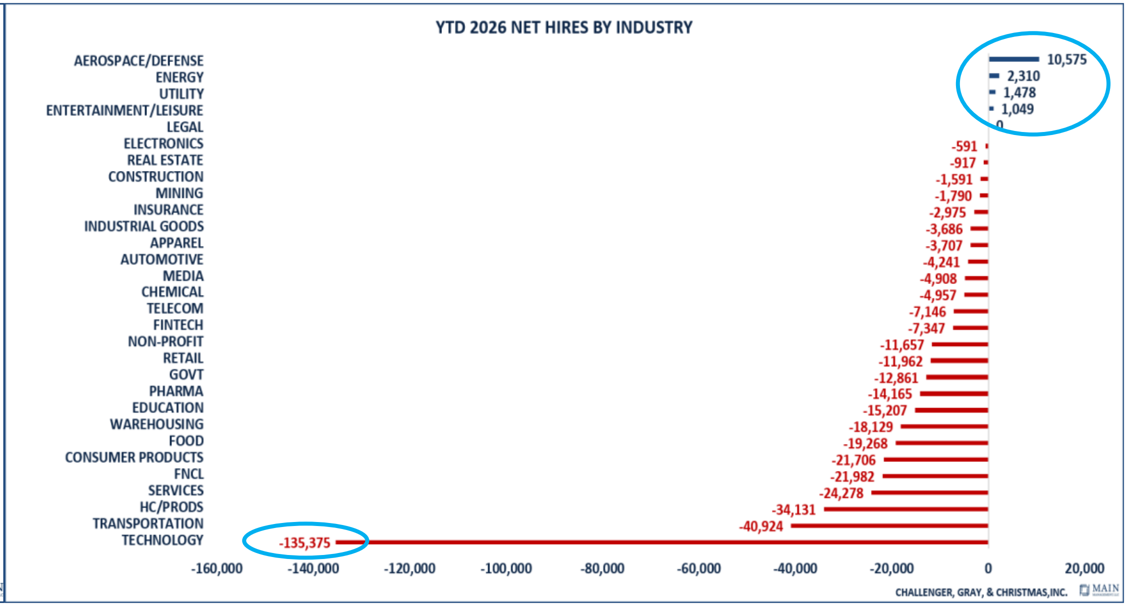
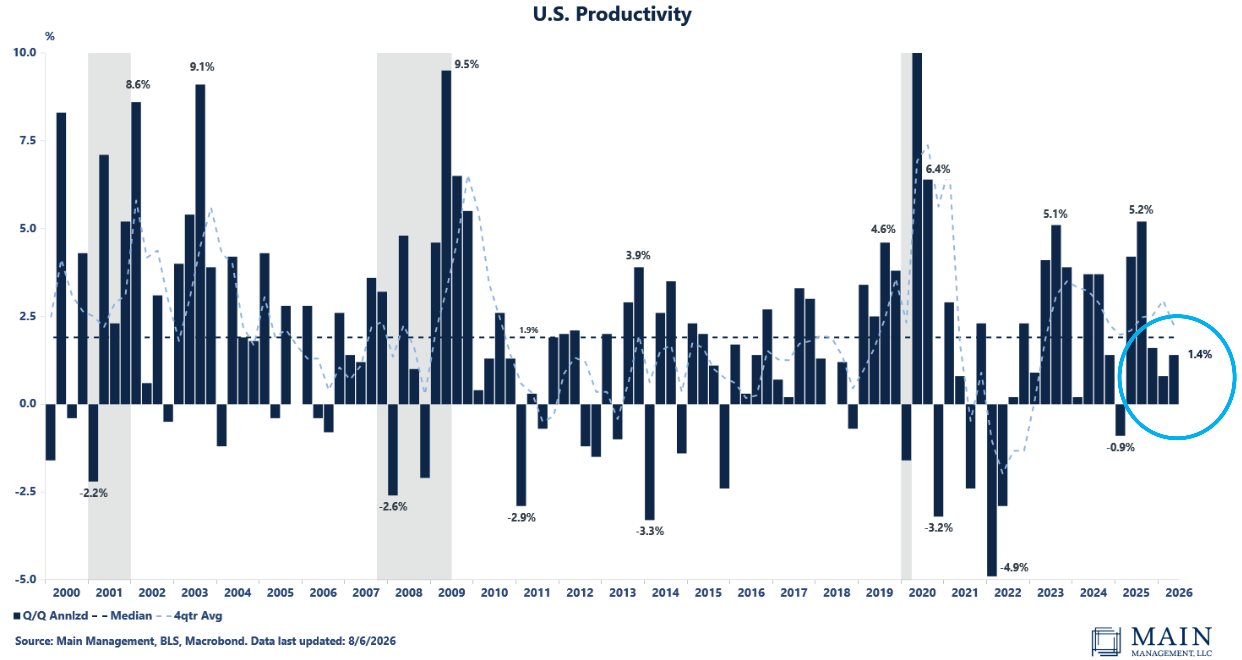
- Artificial Intelligence (left) remains the biggest reason firms are citing for job cuts, responsible for 116,175 cuts YTD. Market Conditions the are second biggest reason cited at 105,335.
- On an industry basis (right), Technology has both the most cuts (155,126 YTD) and hires (19,751 YTD), but that's a net negative of -135,375, far and away the most net negative industry. The next worst is Transportation with 40,924 more cuts than hires. Aerospace & Defense is the most net positive with 10,575 more hires than cuts. Only 3 other industries are net positive YTD: Energy, Utilities, and Entertainment & Leisure.

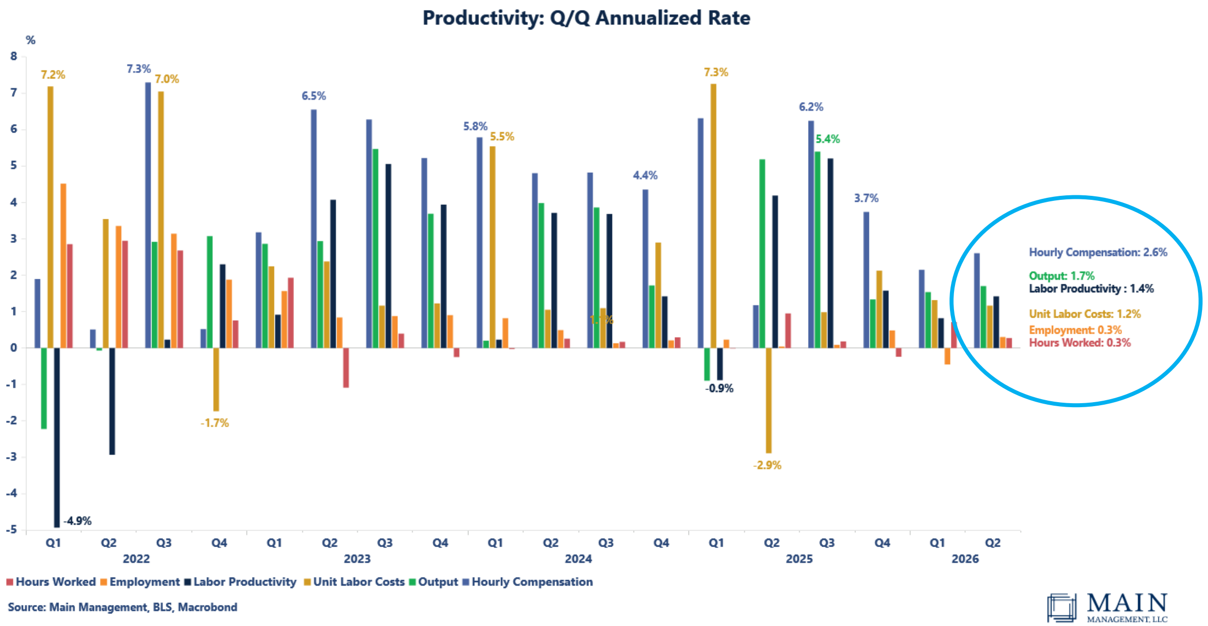




Q2 Productivity

- The final reading for Q2 Productivity (left) was unchanged from the preliminary estimate at +1.4% QoQ annualized and accelerated from Q1's +0.8% reading. Overall, productivity continues to plug forward without considerable acceleration as AI efficiency gains remain hard to capture in the data.
- For the components (right), Output was unchanged at +1.7% as were Hours Worked at +0.3%. Unit Labor Costs were revised down to +1.2% from +1.3%, a good development for inflation. Employment was also revised down to +0.3% from +0.4%, as was Hourly Compensation to +2.6% from +2.7%.





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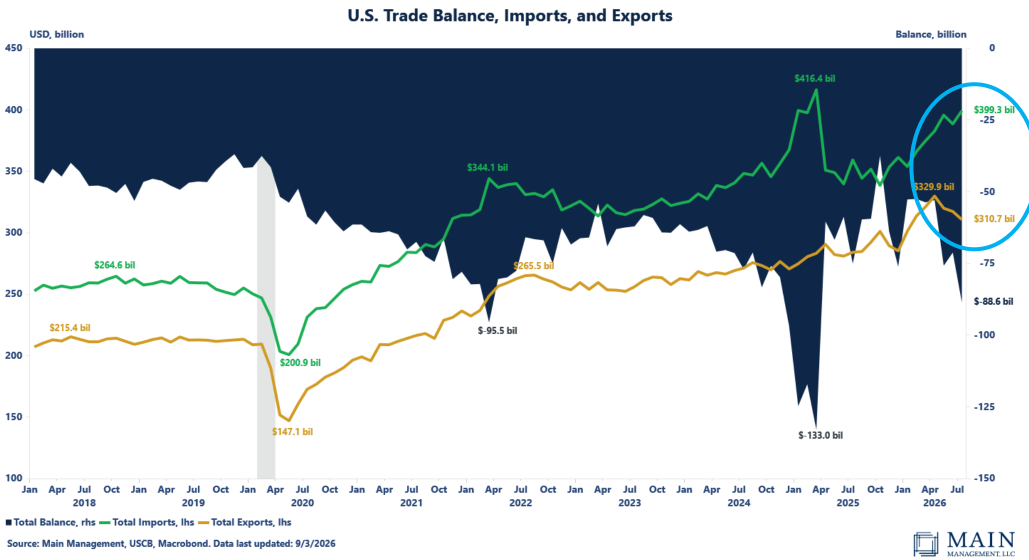
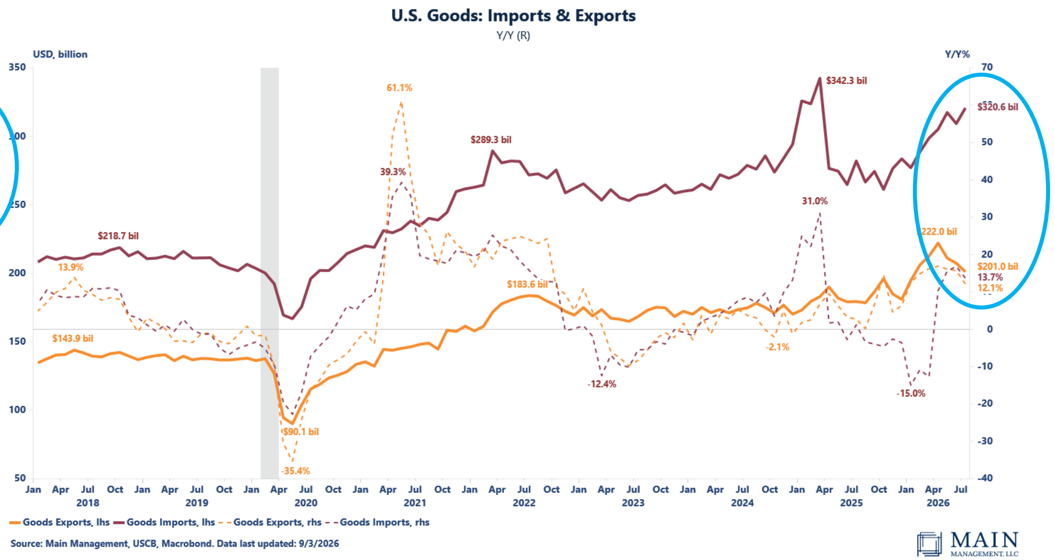
Trade Balance

- The July Trade Balance (left) unexpectedly widened to -$88.6bil, the biggest deficit since March 2025 (tariff distortion). Imports (green) posted a new post-tariff high of $399.3bil while Exports (gold) declined for the 3rd month in a row to $310.7bil. Imports are up +11.2% YoY and Exports up +9.3%, both solid gains indicating good underlying strength in demand, especially on the imports side which shows consumers are still spending.
- The Goods trade (right) drove the total figures (as usual), with Imports (maroon) rising to $320.6bil, up +13.7% YoY, while Goods Exports (orange) declined to $201.0bil, still up +12.1% YoY. Services imports and exports (not picture) both ticked lower. Non-monetary gold and petrol & petrol products drove the export declines.





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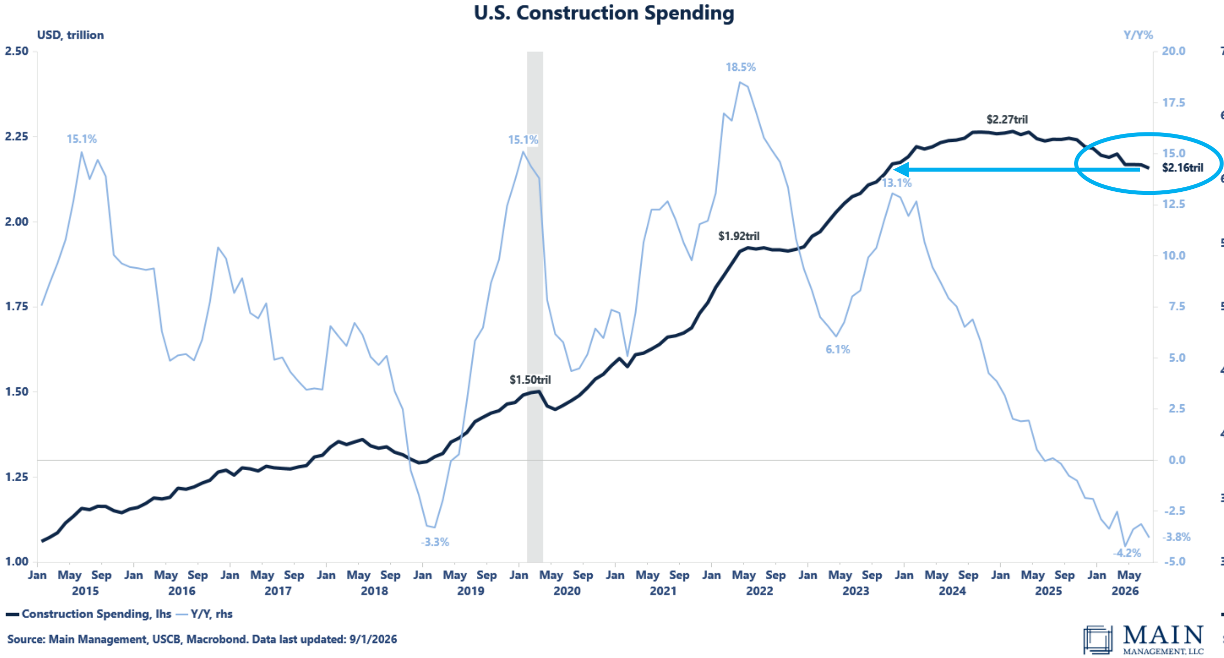
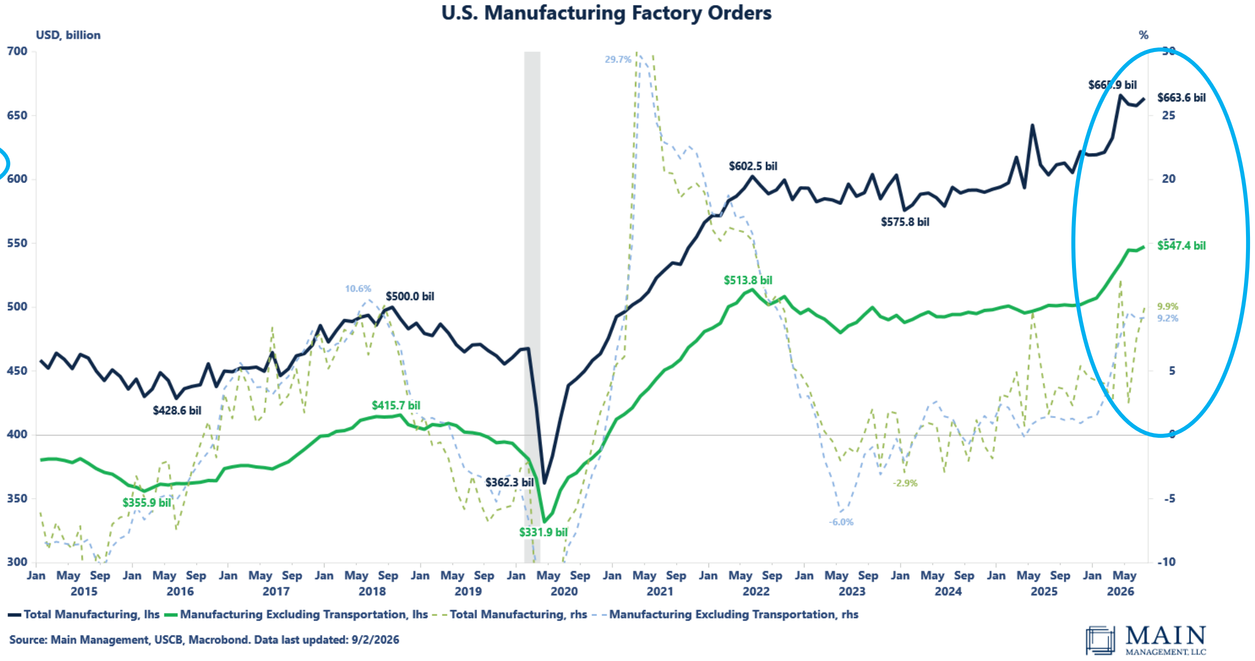
Construction & Factory Orders

- Construction Spending (right) continued its steady decline in July, slowing to $2.16tril, the lowest level since October 2023 and the 8th down reading in the last 10 months. It's down -3.8% from a year ago, weighed on by private residential fixed investment, which is at its lowest level since April 2023 and down -7.3% YoY.
- Factory Orders (right), on the other hand, posted better-than-expected gains in July as total orders rose +0.9% MoM and Orders ex-Transports were up +0.6%. Orders ex-Transports are now at a new all-time high of $547.4bil, up +9.9% YoY as Total Orders are just below their ATH at$663.6bil, up +9.2% YoY.





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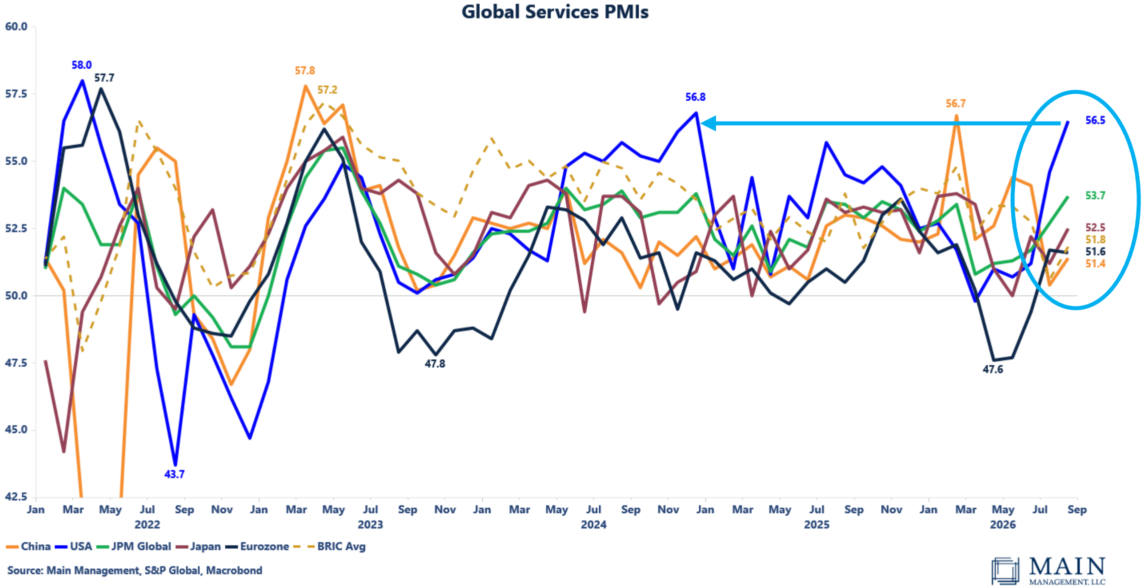
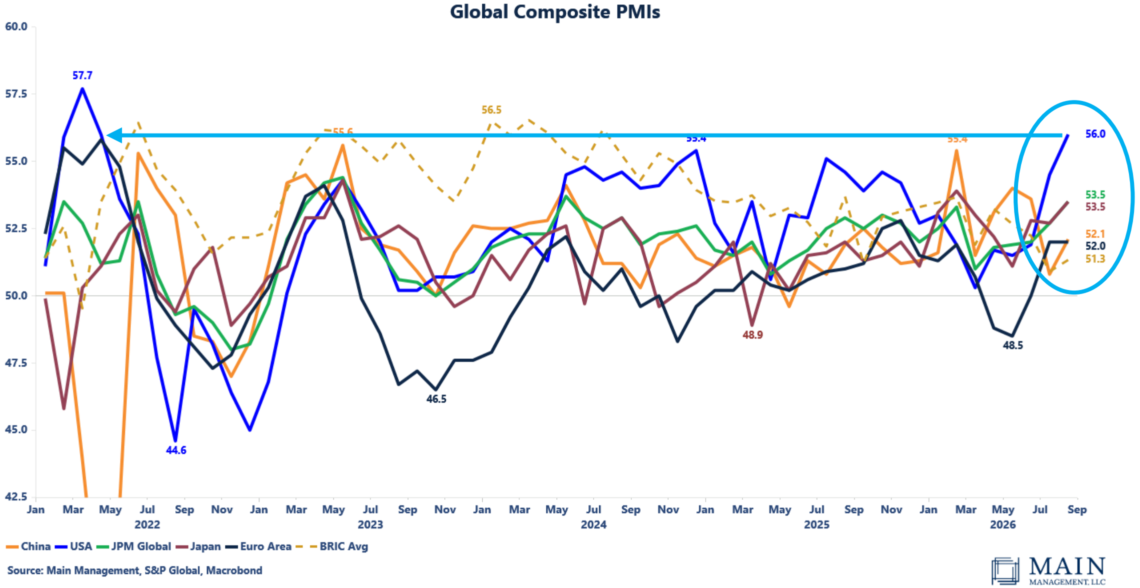
August PMIs

- August Service PMIs (left) for the global majors were much more up than down. The U.S. (blue) led the way, hitting 56.5, the highest since December 2024 despite a slight downward revision from the flash 56.8. Only the Eurozone (black) ticked lower, just slightly to 51.6. The JPM Global figure hit 53.7, its best since December 2024 as well. China moved up to 51.4, Japan to 52.5, and the BRIC average up to 51.8.
- The Composite figures (right) unsurprisingly mimicked the service figures, as most developed countries have considerably larger service sectors than manufacturing sectors. The U.S. (blue) hit 56.0, the best since April 2022! China rebounded to 52.1. The Euro Area was unchanged at 52.0. The JPM Global figure rose to 53.5, the best since May 2024. Japan improved to 53.5, as did the BRIC Average to 51.3.





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Summary

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- Nonfarm Payrolls tripled forecasts with +162k jobs added. The Unemployment Rate was unchanged at 4.1% while the Participation Rate moved up to 61.6%. Wages continued to decelerate, though.
- The July JOLTS and ADP Payrolls releases were not as strong as the NFPs but are good alternative indicators of a labor market that remains on steady footing, allowing the Fed to focus on inflation, which we get next week.
- Job Cut Announcements were pretty much as expected in August, but cuts continue to handily outpace hires.
- Q2 Productivity was unchanged at 1.4% in the final release as Unit Labor Costs were revised slightly lower.
- The Trade Balance widened more than expected as imports continue to move higher, indicating solid underlying demand.
- Construction Spending was down for the 8th month out of the last 10 while Factory Orders improved.
- August Service and Composite PMIs were much more positive than negative, with the U.S. posting multi-year highs.

- Upcoming data:
  - NFIB Small Business Optimism, Consumer Inflation Expectations, and Consumer Credit (Tues)
  - PPI, Claims, Existing Home Sales, and Wholesale Inventories (Thurs)
  - CPI and UMichigan Sentiment preliminary (Fri)

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Appendix

Inflation Watch

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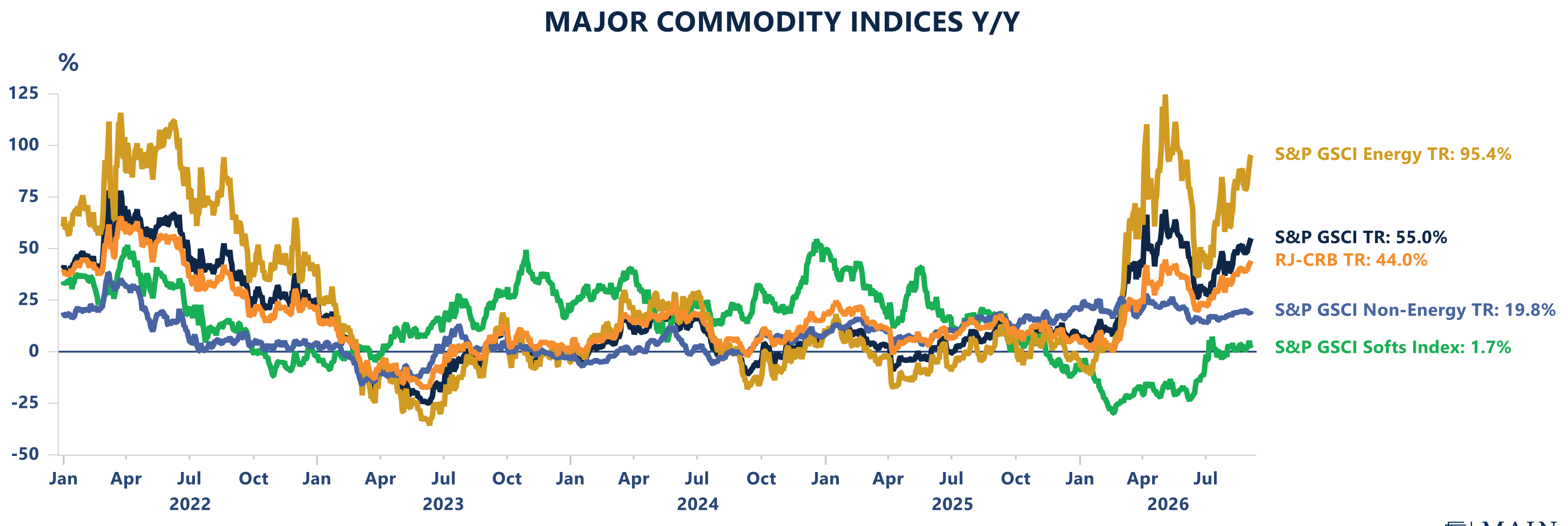

Source: Main Management, S&P Global, CoreCommodity Management, LME, EIA, Macrobond, Johnson Matthey Platinum Today, NRCan, ICCO, ICO, USDA, MIAX, TREA, TMX, Macrobond. Data last updated: 9/4/2026

Commodity	1 Month	3 Months	YTD ↓	1 Year
Gasoline	-2.7	-0.3	83.8	53.5
Crude Oil	12.8	-7.6	56.3	37.3
S&P GSCI	9.1	7.3	52.4	52.6
BBG Commodity Index	8.5	4.4	30.6	38.2
Cotton	3.6	8.2	29.7	29.1
Soybeans	11.5	12.1	26.8	27.3
Corn	16.9	17.0	17.0	27.8
Copper	4.0	2.5	15.6	45.1
Lumber	-6.5	-2.5	6.6	8.3
Gold	10.6	-0.3	3.4	26.6
US Dollar (DXY)	-1.0	-0.3	0.6	0.5
Silver	16.3	-11.1	-4.5	63.1
Coffee	-2.3	25.1	-7.0	-15.1
Bitcoin	29.4%	21.8%	-7.1%	-26.9%
Natural Gas	6.0	-8.0	-21.0	-3.2

Source: Main Management, S&P Global, CME Group, ICE, LME, Macrobond. Data last updated: 9/4/2026

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