

Navigator Outlook

July 2026



Investing that elevates

Navigator Outlook: July 2026

VALUATION

- Mag-7 valuations have compressed towards the lower end of the last 10-year range.
- Developed International and Emerging Markets valuations remain attractive.
- Bonds remain an attractive option when compared to the earnings yield of stocks

SENTIMENT

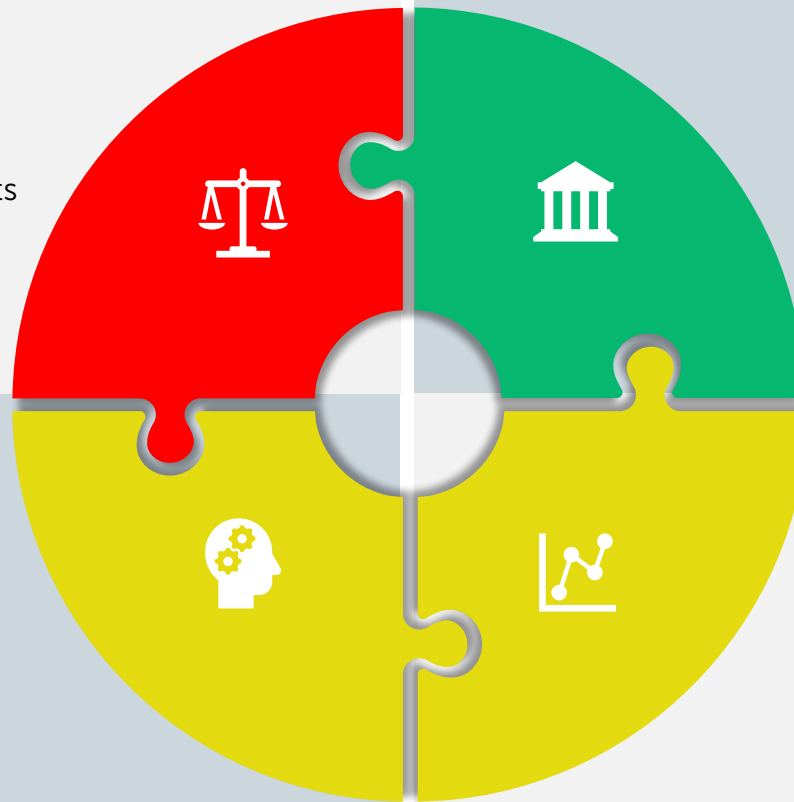
- Low consumer confidence suggests a contrarian stock purchase signal
- Fed speakers are getting more hawkish as short term rates reflect growing concerns
- AAI Investor sentiment remains neutral even with the recent bullish reversal.

ECONOMY

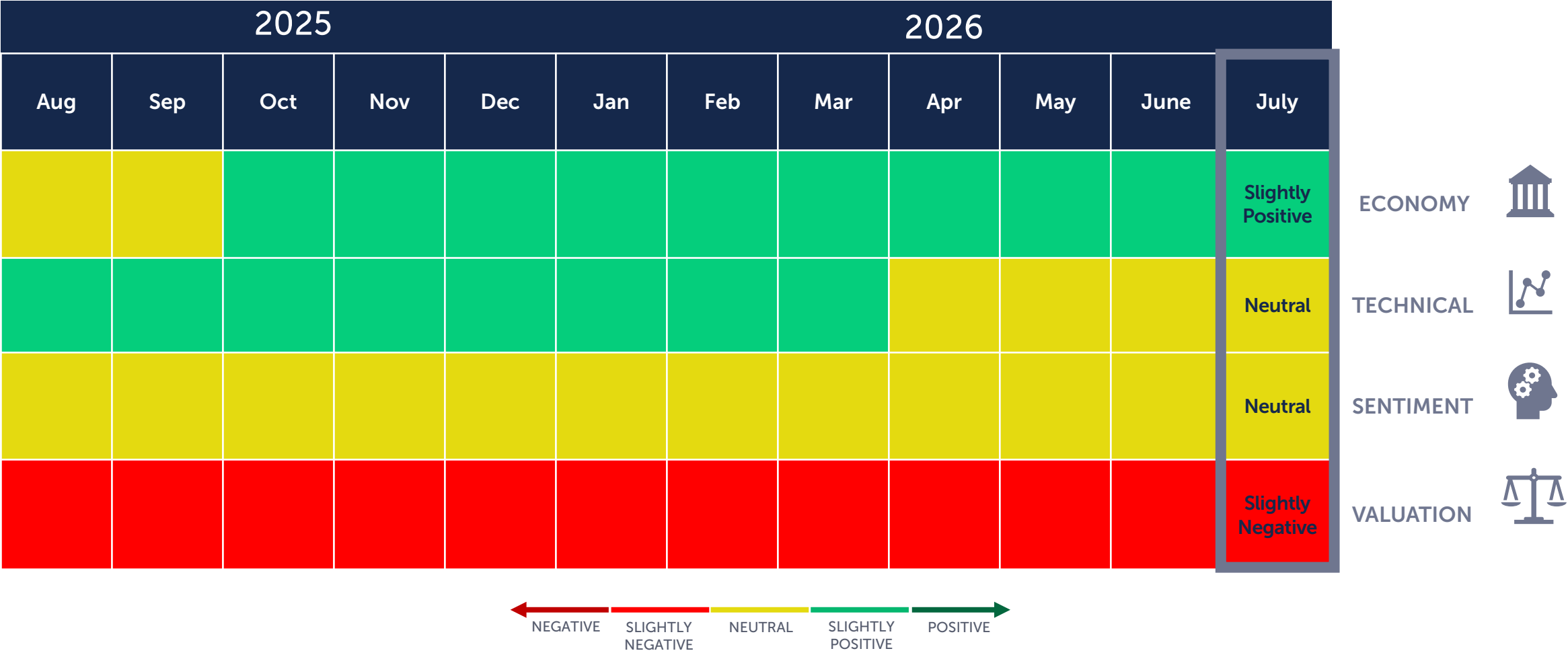
- Manufacturing activity reached 4-year high, suggesting underlying economic strength
- Supply chains continue to pressure prices, even removing food, energy and housing.
- Credit card and auto loan delinquencies are approaching 2008 levels.

TECHNICAL

- Market breadth is improving as technology's dominance recedes
- Volatility measures signal complacency as stocks retreat from all-time highs
- Equity Allocations have reached all-time highs, suggesting modest forward returns



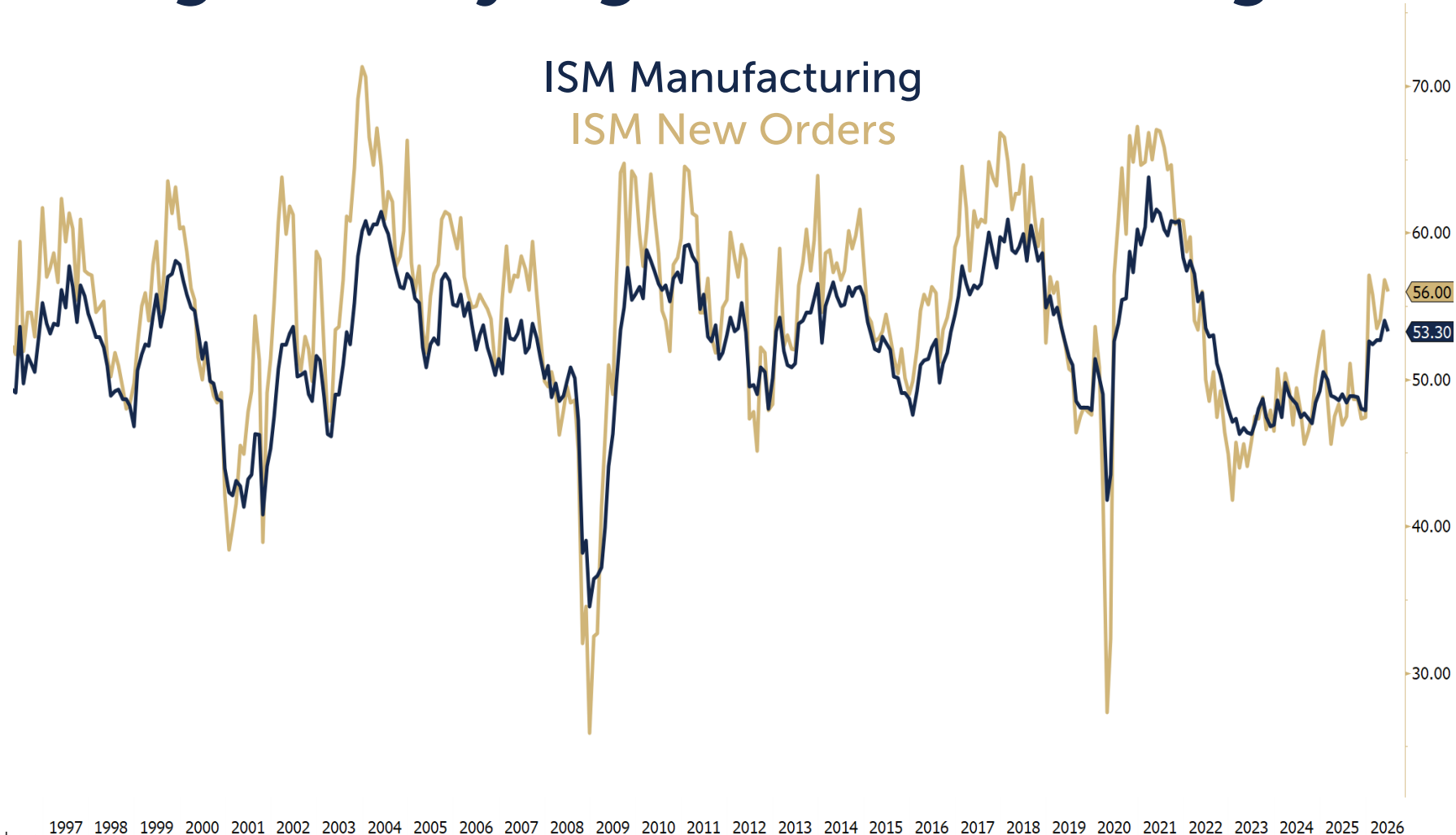
Navigator Outlook: July 2026



Asset Class Positioning: July 2026

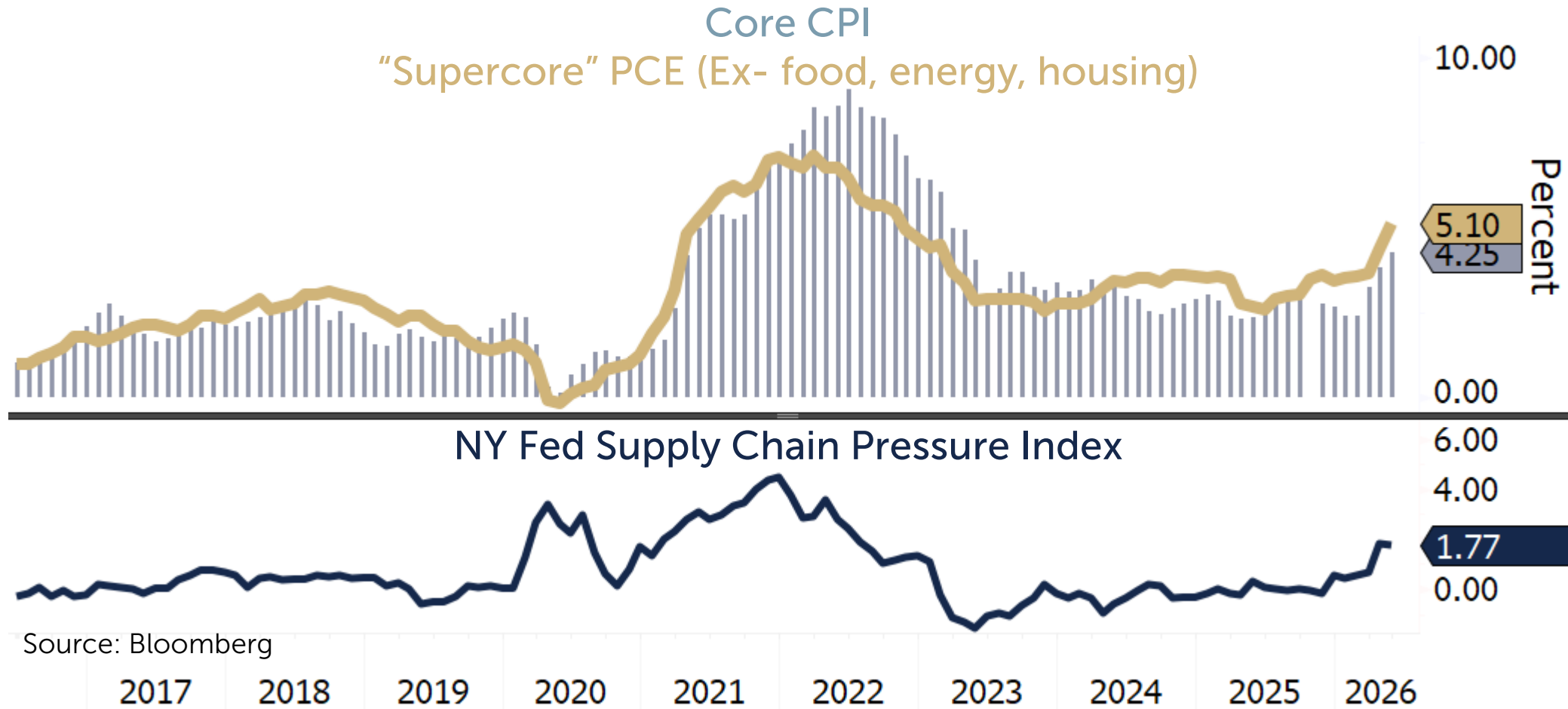
	Asset Class	Positioning	June Comment
STOCKS	US Large Cap	Neutral	Earnings revisions have skyrocketed on hyper-strong semiconductor and storage forecasts supported by AI expansion. Valuations have contracted from peak levels but remain high.
	US Mid and Small Cap	Positive	Significant valuation discounts remain in place, but earnings revisions have continued to lag large caps.
	International	Positive	Relative valuation remains attractive; however, Europe and Asia are more sensitive to the global economic outlook.
	Emerging Markets	Positive	Relative valuation remains attractive even though earnings revisions started to flatten out for 2026. Concentration risk remains high at the sector and country level.
BONDS	Core	Positive	Broad bond market yields were stable in June as the market digested a new Fed Chair and implications of a potential end to the Iran war. Yields remain compelling relative to stocks.
	Treasuries	Neutral	Treasury yields moved slightly higher in June, discounting reduced expectations for Fed rate cuts.
	Corporates	Neutral	The yield premium of risky assets rose slightly in June but remain historically low.
	Mortgages	Positive	Mortgage yield spreads remain attractive relative to their credit risk, providing improved risk/reward relative to corporate bonds.

Manufacturing activity reached a 4-year high, suggesting underlying economic strength



Sources: Bloomberg

Supply chains continue to pressure prices, even removing food, energy and housing

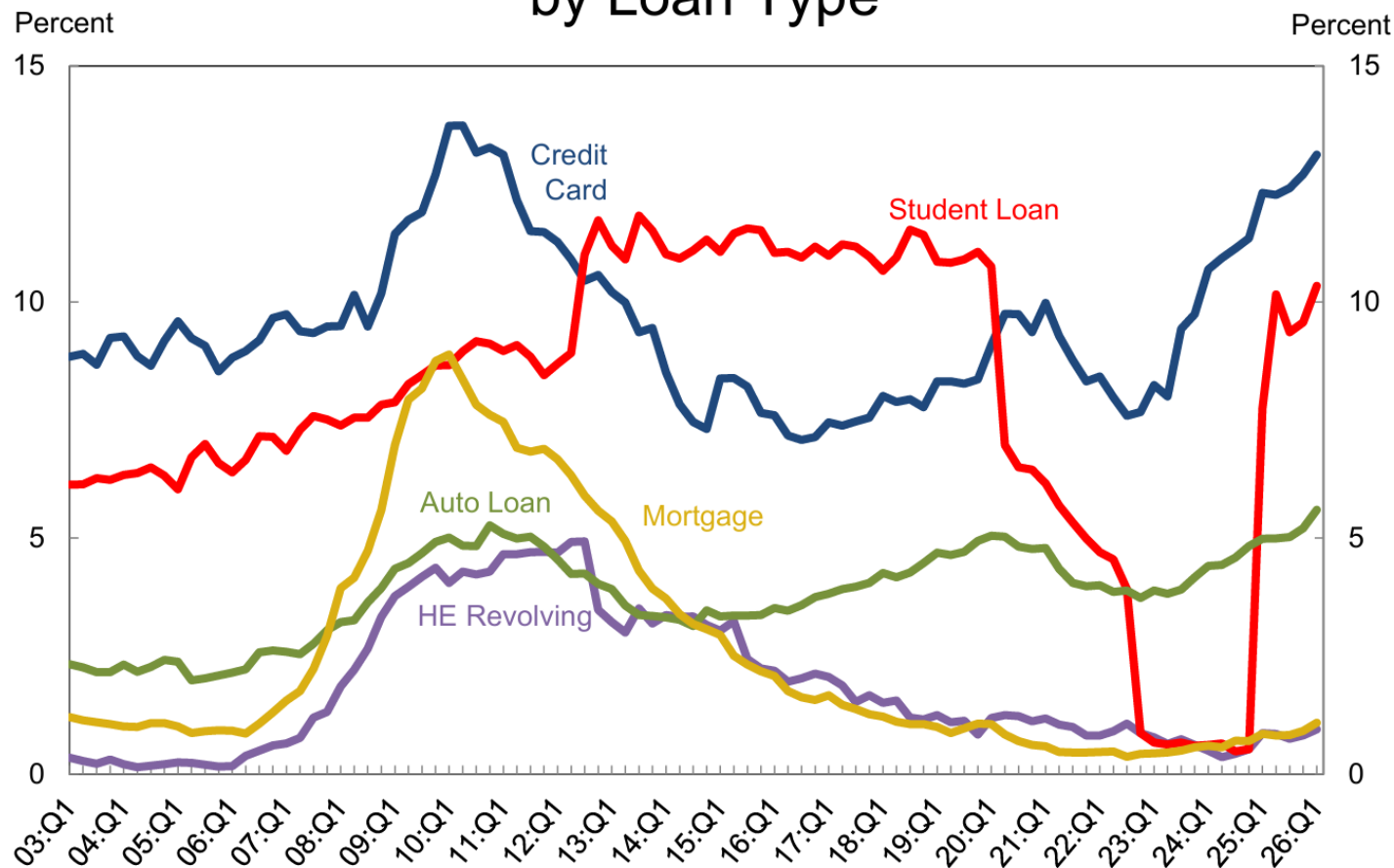


Sources: Bloomberg

Credit Card and Auto loan delinquencies are approaching 2008 levels

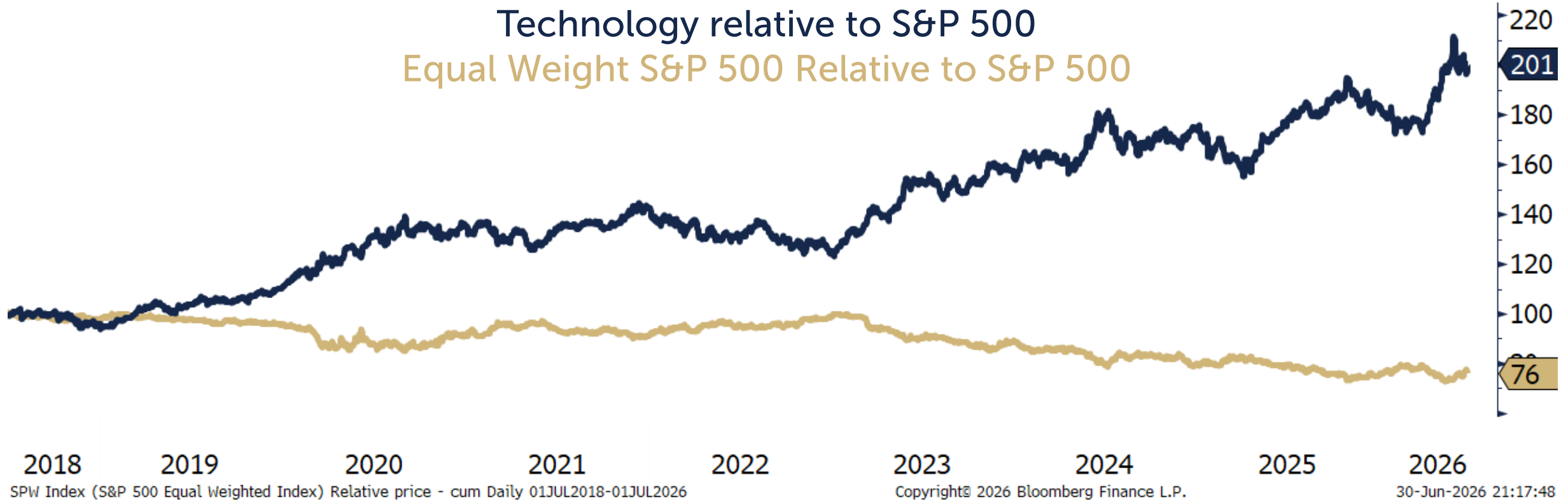
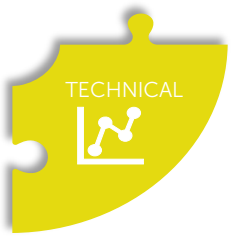


Percent of Balance 90+ Days Delinquent
by Loan Type



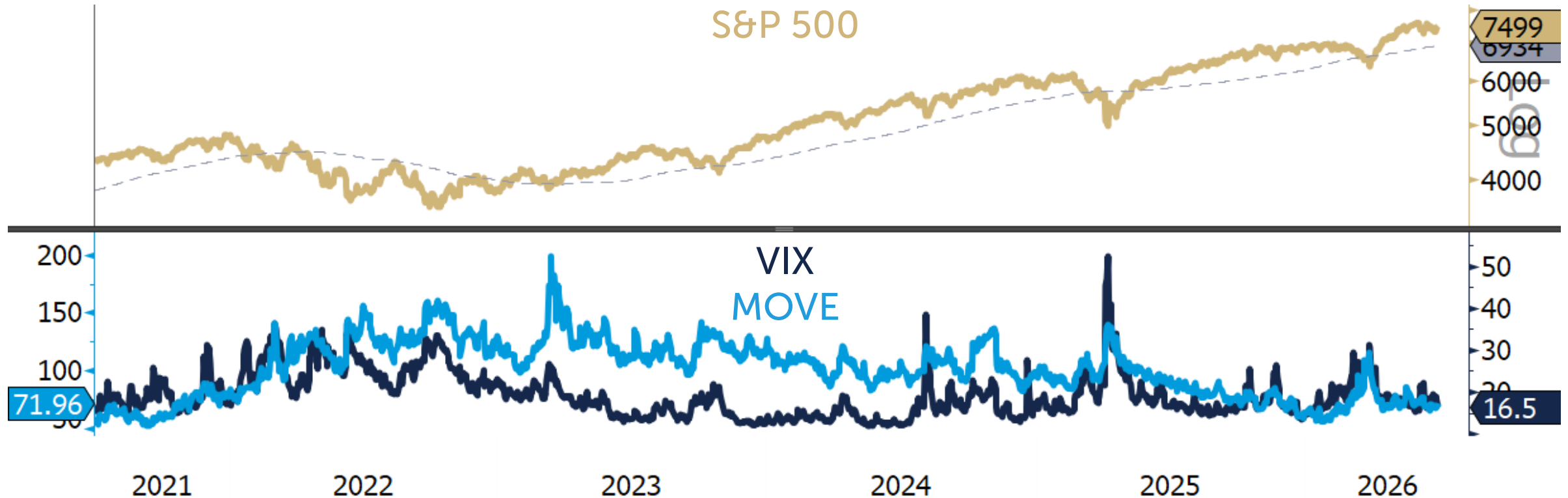
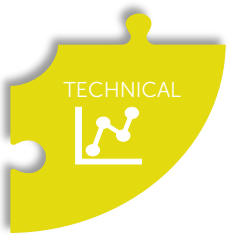
Source: New York Fed Consumer Credit Panel/Equifax

Market breadth is improving as technology's dominance recedes



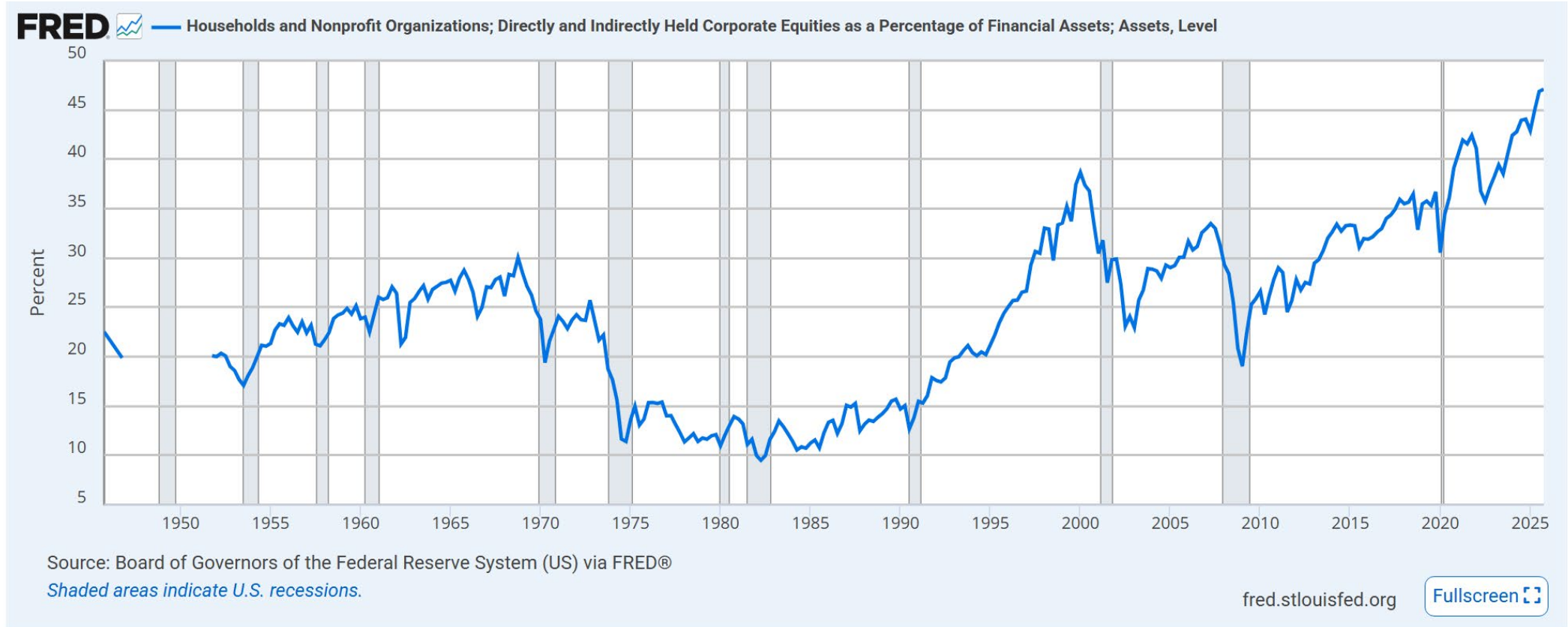
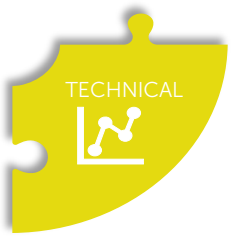
Source: Goldman Sachs.

Volatility measures signal complacency as stocks retreat from all-time highs



Source: Bloomberg

Equity Allocations have reached all-time highs, suggesting modest forward returns

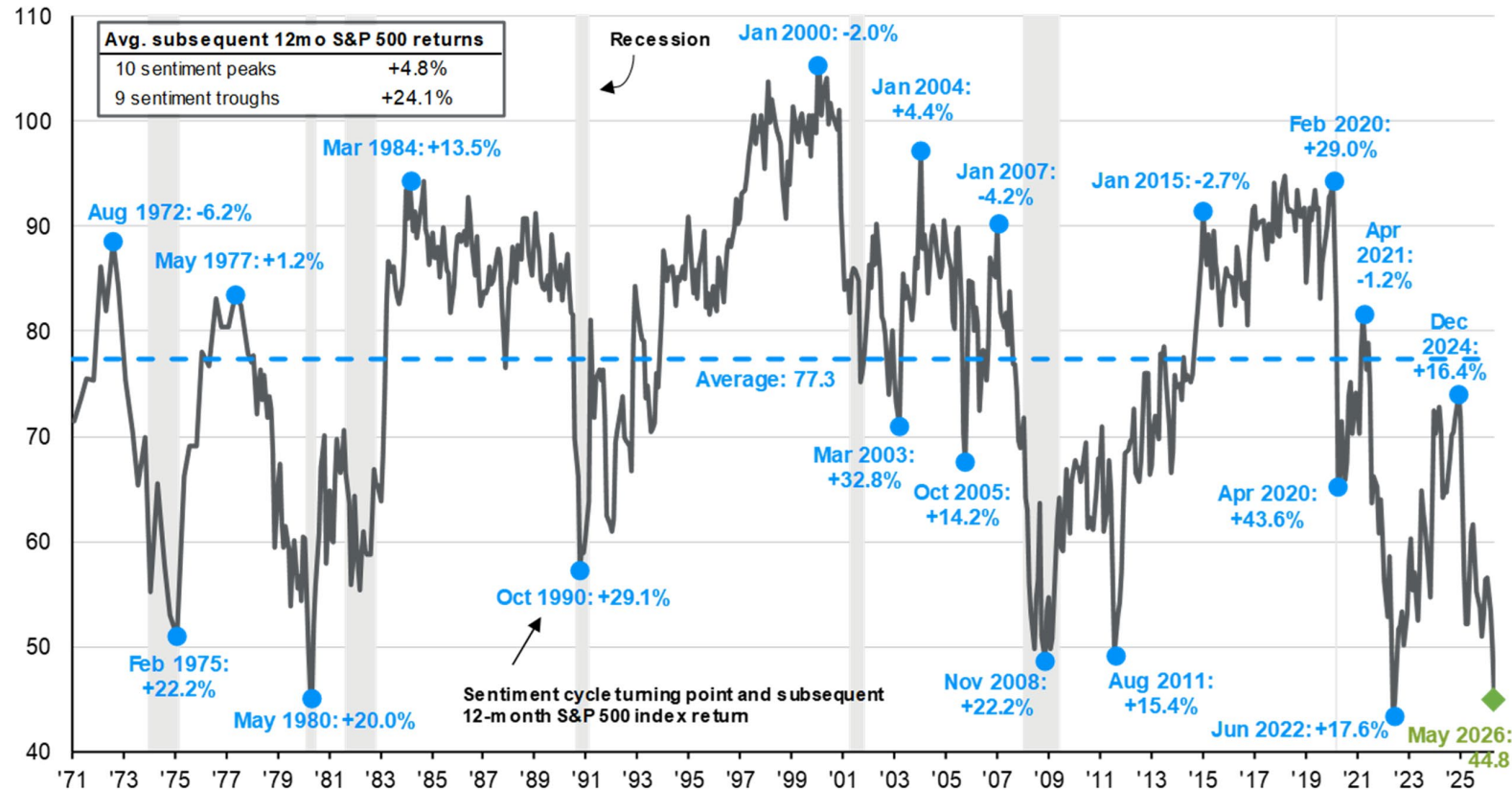


Source: Bloomberg

Low consumer confidence suggests a contrarian stock purchase signal



Consumer Sentiment Index* and subsequent 12-month S&P 500 returns

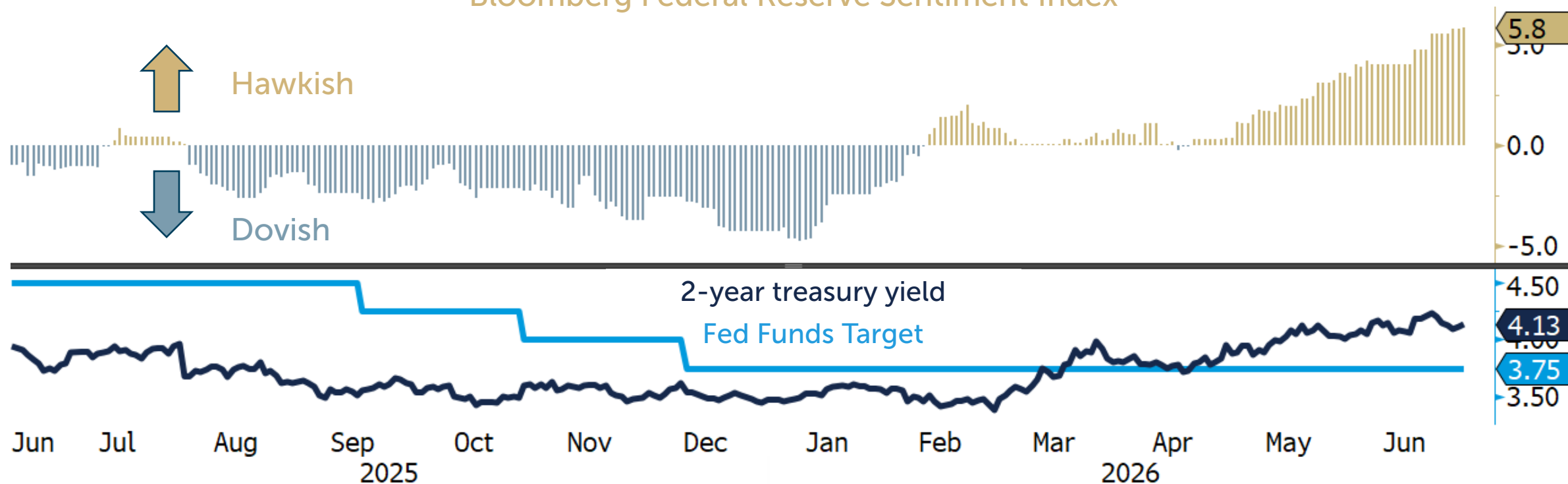


Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management. Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only starting from the end of the month and excluding dividends. Past performance is no guarantee of future results. *Data prior to August 2024 adjusted by J.P. Morgan Asset Management to account for methodological changes by the University of Michigan. *Guide to the Markets – U.S.* Data are as of May 29, 2026.

Fed speakers are getting more Hawkish, short-term rates reflect growing concerns



Bloomberg Federal Reserve Sentiment Index

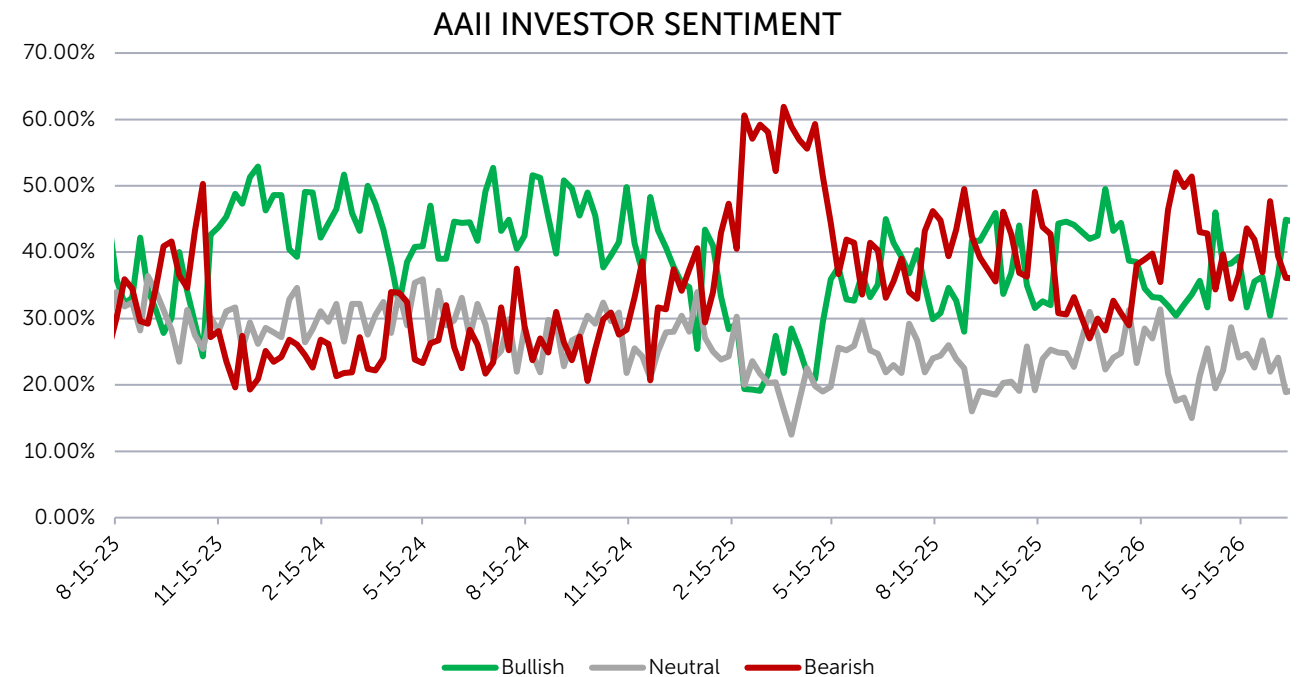
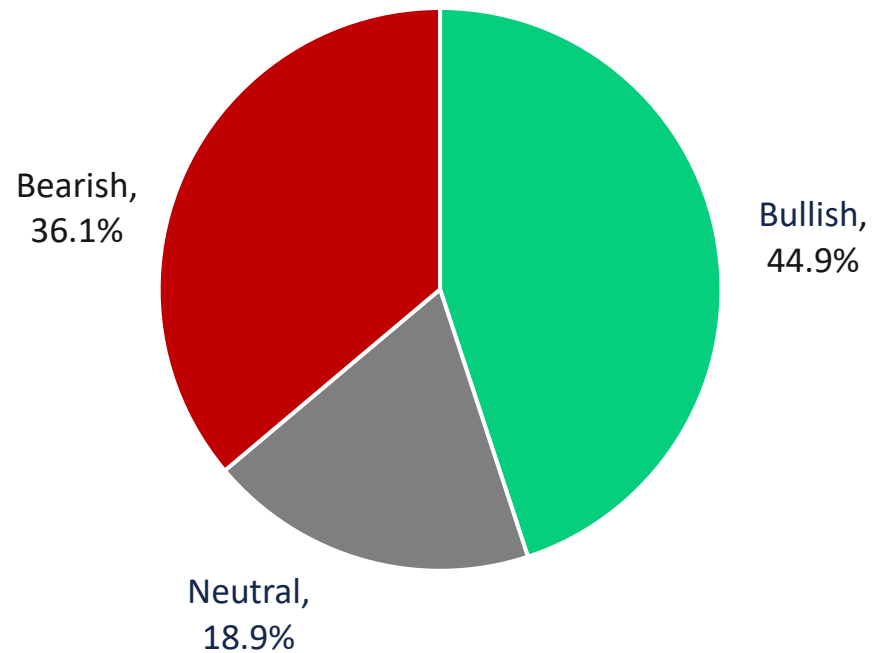


Source: Bloomberg

AAII investor sentiment remains neutral, even with the recent bullish reversal



AAII Sentiment Survey
6/24/2026

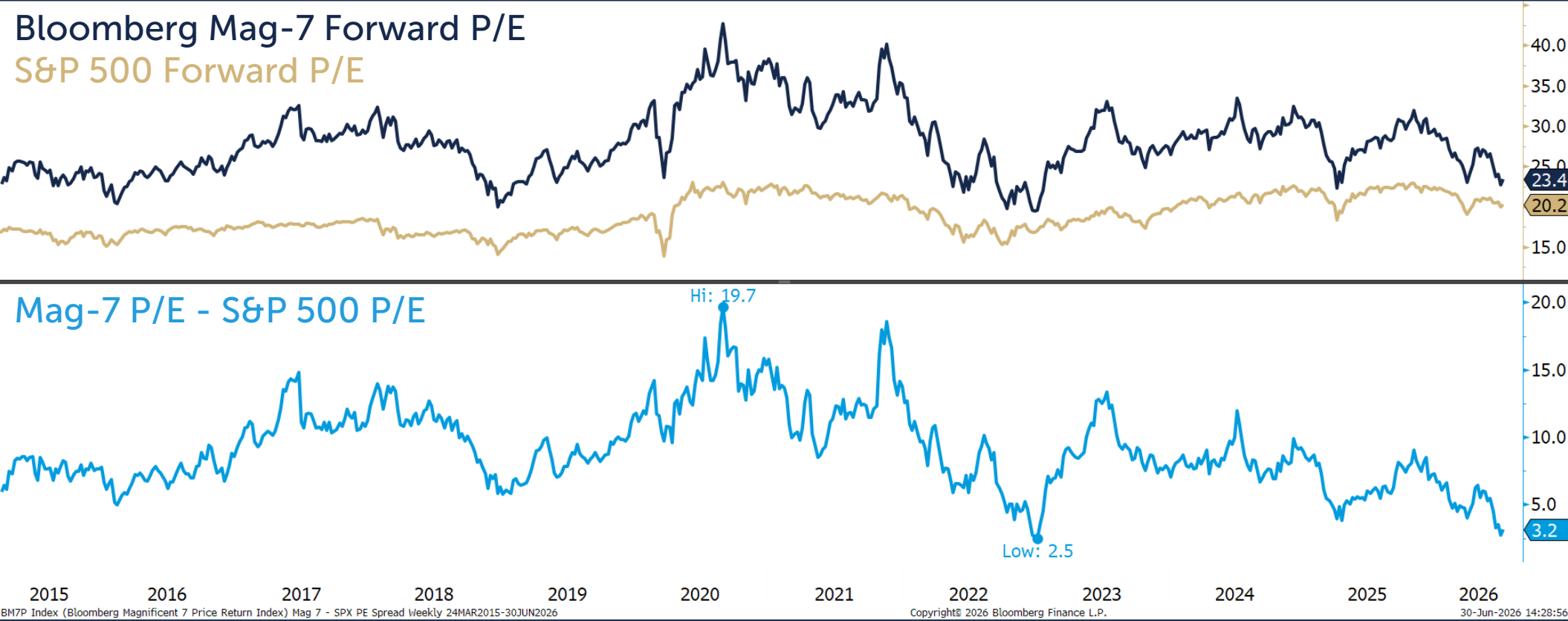


Source: AAI Sentiment Survey

Mag-7 relative valuations have compressed towards the low end of the last 10-year range

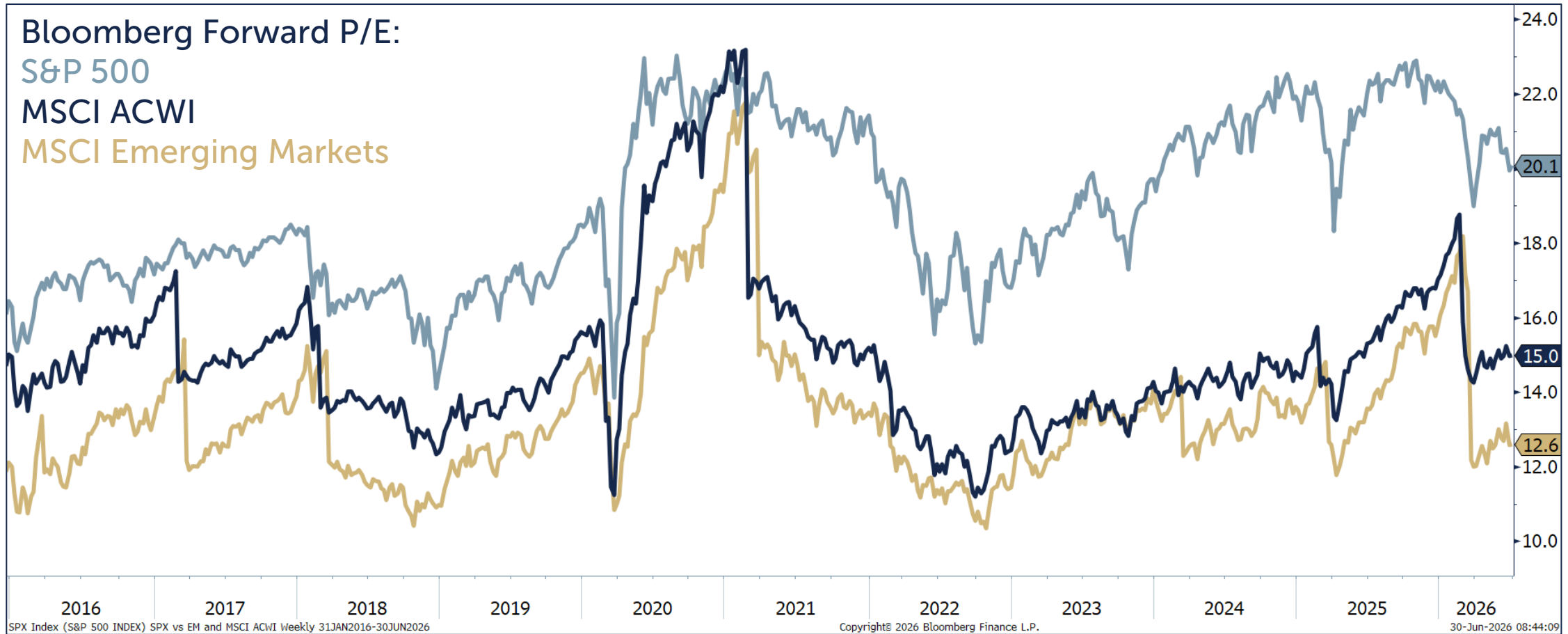


Significant free cash flow degradation from high CapEx and public offerings from Google and SpaceX IPO have contributed to the valuation compression. Not to mention the ‘broadening’ to CapEx beneficiaries – MU, SNDK, DELL, etc.



Note: Magnificent 7 = Amazon, Apple, Google, Meta, Microsoft, Nvidia and Tesla.
Source: Bloomberg.

Developed International and Emerging Markets valuations remain attractive

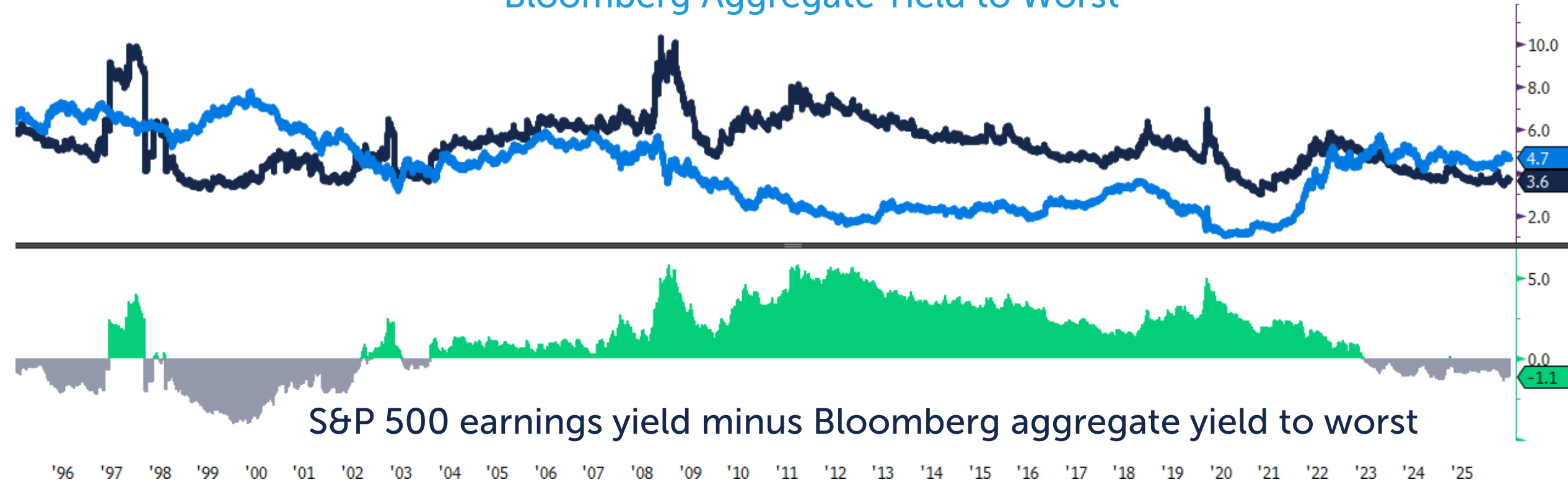


Source: Bloomberg

Bonds remain an attractive option when compared to the earnings yield of stocks

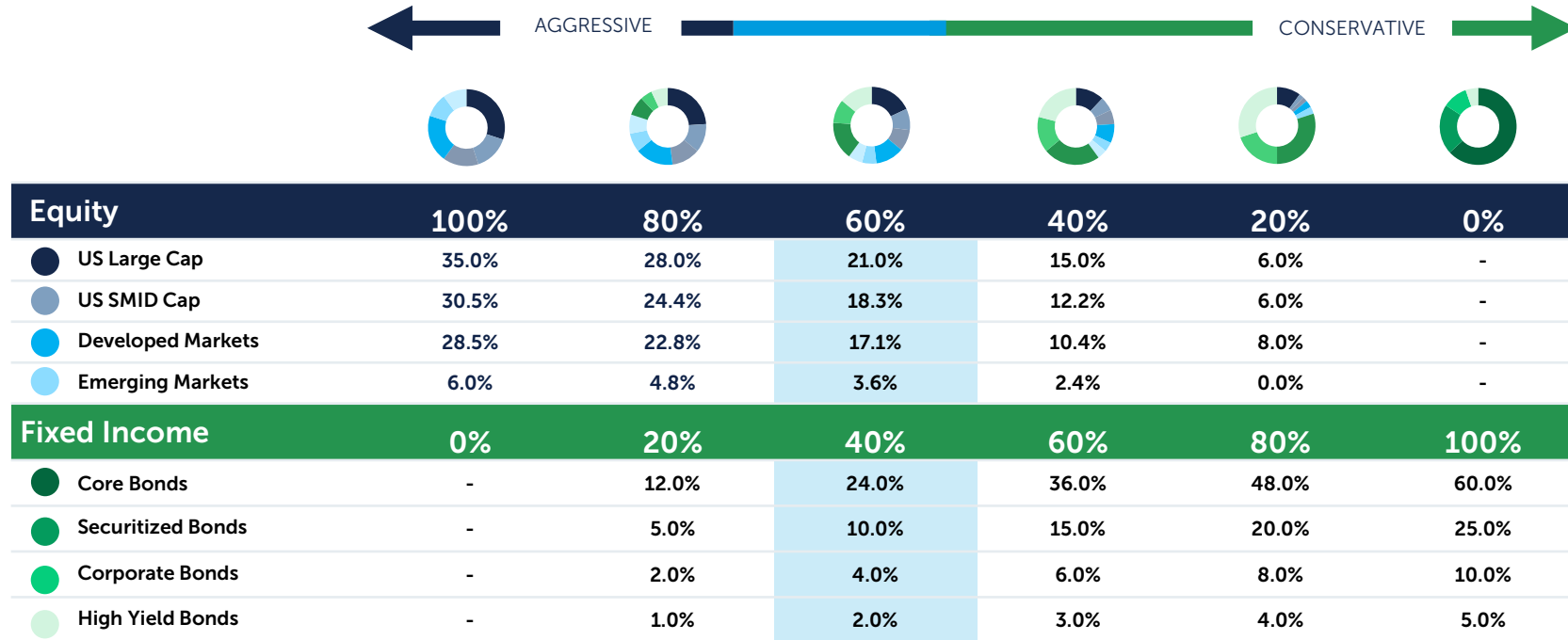


S&P 500 Earnings Yield
Bloomberg Aggregate Yield to Worst



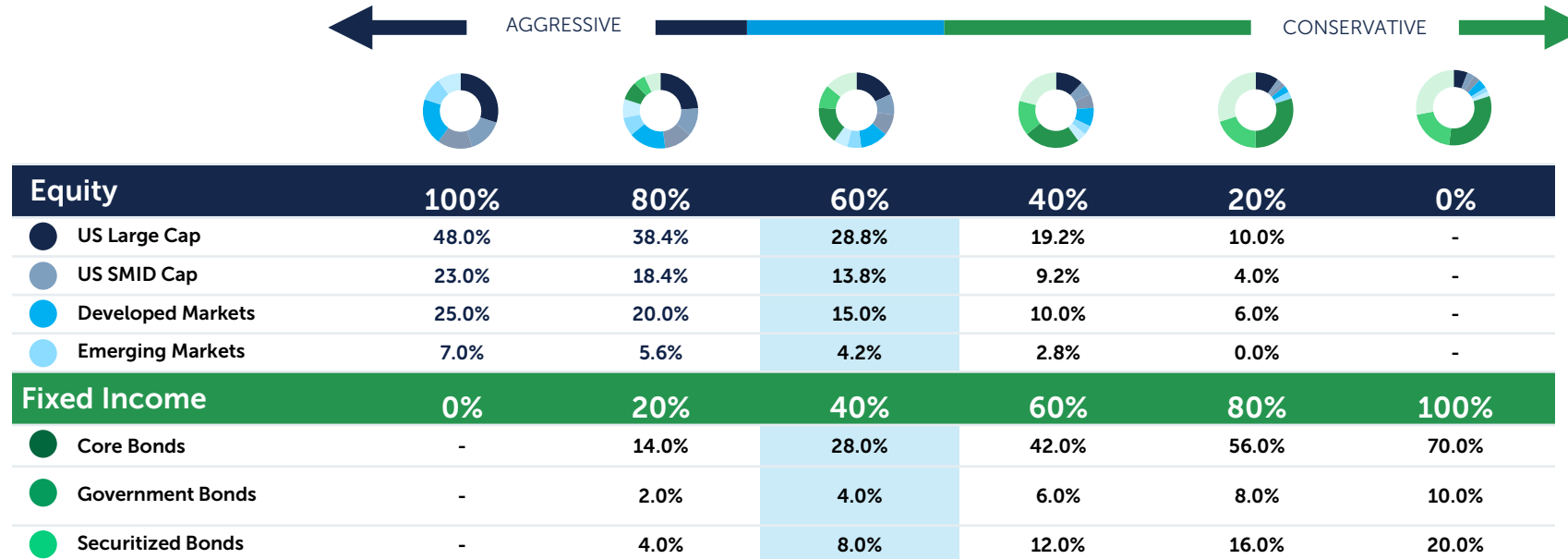
Source: Bloomberg

Asset Allocation – Strategic



Source: Represents target allocations as of 5/31/2026 and may not sum to 100% due to rounding.

Asset Allocation – ETF Only Models



Source: Represents target allocations as of 5/31/2026 and may not sum to 100% due to rounding.

Long-Term Investing Principles



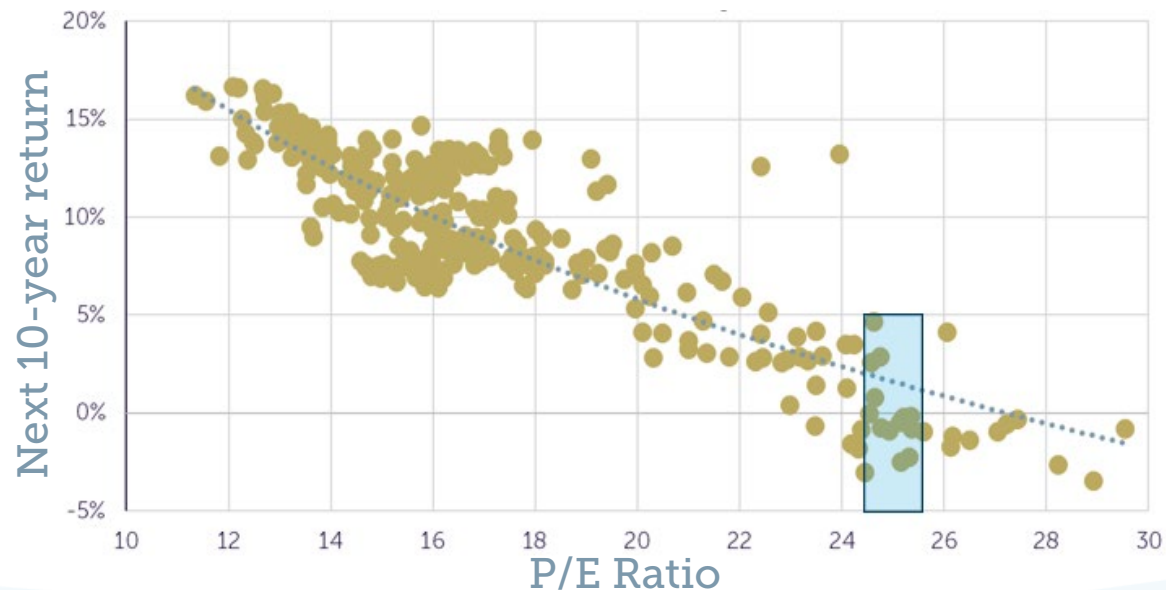
Common behavior pitfalls of investing

Behavioral pitfalls	A potential antidote
Investing subjectively	In a digitally connected world, we face an endless barrage of headlines, notifications, and opinions when it comes to investments. Without proper context, the numbers and charts can create whatever narrative we want to hear. A sober assessment of data, as well as our own natural behavioral biases, can reduce subjectivity in our investment decisions.
Acting on gut feelings	Emotional decision making is an investor's worst enemy because it often contradicts sound judgement. When it comes to investing, we must vigilantly guard ourselves from motivations of fear and greed. Having a system in place that eliminates these all too common tendencies provides a better opportunity to achieve our financial goals .
Panic selling	Investor sentiment is a primary indicator of short-term market performance and it's no secret that our "feelings" towards portfolios can change daily. This behavioral aspect of investing creates opportunities for rational investors to capitalize when inefficiencies exist within the market.
Underestimating the risks	The financial world defines risk in terms of volatility, but its most common metric (standard deviation) treats upside and downside movements equally. The ultimate risk to an investor is loss of principal, and our aim as investors should be to identify and limit the downside elements of volatility when possible.
Trading impulsively	Investors with a plan and the ability to stick to it have a higher probability of achieving their goals than those who respond emotionally to the events of the day. Sticking to a plan requires a longer-term perspective and a process for executing regardless of the circumstances or market environment.

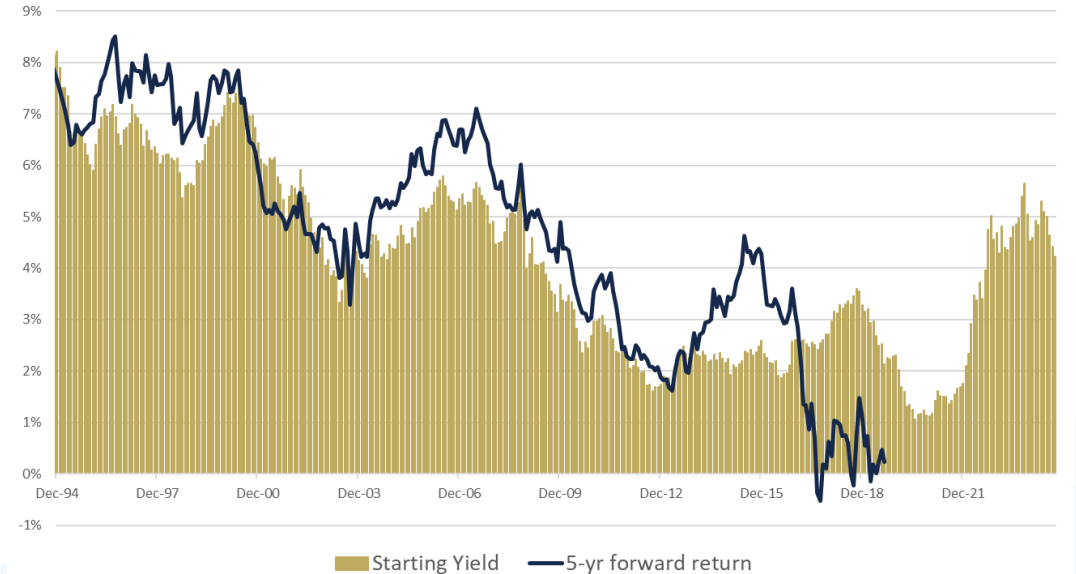
Valuations and long-term returns

Studies show that purchase valuation is an important driver of portfolio returns. High stock market valuations tend to correlate to lower forward stock returns. Another way to say this is that higher earnings yields – the inverse of the price/earnings ratio - tend to correlate to higher stock returns. Higher bond yields also correlate to higher forward returns. Another important aspect to returns is the change in valuation, or yield, over the investor horizon. In the chart on the right, 5-year forward returns starting in 2017 and 2018 are poor in part because ending yields – in 2022 and 2023, were so much higher than starting yields.

Starting valuations matter. The OneAscent investment process is anchored on this principal.



High trailing PE implies below average S&P 500 returns



Higher bond yields suggest strong forward returns

Source: Bloomberg,



Diversification between asset classes

The chart below demonstrates how drastically different asset classes can perform over time. This volatility is due to a wide array of factors that affect market pressures. Geopolitical relations, central banking decisions, consuming patterns and intensity, supply chain logistics, social influences, earnings reports, real estate values, technological revolutions, and more play a part in how stocks and bonds rise or fall. Diversifying between multiple asset classes within equity and fixed income allocations may help prevent volatility and keep you on track in the long-run.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Avg Annual Return Rank - 20 years ended 2024	Avg Annual Return - 20 - years ended 2024
Emerging Markets 34.3%	REITs 34.2%	Emerging Markets 39.7%	Fixed Income 5.2%	Emerging Markets 78.5%	REITs 27.9%	REITs 8.0%	Emerging Markets 18.6%	Small Cap 38.8%	REITs 30.1%	REITs 3.2%	Small Cap 21.3%	Emerging Markets 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 19.9%	REITs 43.2%	Commodity 13.8%	Large Cap 26.3%	Large Cap 25.0%	1	10.3%
Commodity 17.5%	Emerging Markets 32.5%	Developed Equity 11.7%	Cash 1.8%	High Yield 58.2%	Small Cap 26.8%	Fixed Income 7.8%	REITs 18.1%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 17.1%	Developed Equity 25.7%	Fixed Income 0.0%	REITs 26.0%	Emerging Markets 18.8%	Large Cap 28.7%	Cash 1.5%	Developed Equity 18.9%	Asset Allocation 14.6%	3	7.6%
Developed Equity 14.1%	Developed Equity 27.0%	Commodity 11.1%	Asset Allocation 22.1%	Developed Equity 32.6%	Emerging Markets 19.2%	High Yield 5.0%	Developed Equity 18.0%	Developed Equity 23.4%	Asset Allocation 10.0%	Fixed Income 0.5%	Large Cap 11.9%	Large Cap 21.8%	High Yield -2.1%	Small Cap 25.5%	Large Cap 18.4%	Commodity 27.1%	High Yield -11.2%	Asset Allocation 17.6%	Small Cap 11.5%	2	7.8%
REITs 6.7%	Small Cap 18.3%	Fixed Income 7.0%	High Yield -26.2%	REITs 28.0%	Commodity 16.7%	Asset Allocation 4.3%	Small Cap 16.4%	Asset Allocation 18.1%	Fixed Income 6.0%	Asset Allocation 0.5%	Emerging Markets 11.7%	Small Cap 14.6%	Asset Allocation -2.8%	Developed Equity 22.8%	Asset Allocation 16.4%	Small Cap 14.8%	Fixed Income -13.0%	Small Cap 16.9%	REITs 8.7%	4	6.7%
Large Cap 4.9%	Large Cap 15.8%	Asset Allocation 6.3%	Small Cap -33.8%	Small Cap 27.1%	High Yield 15.1%	Large Cap 2.1%	Large Cap 16.0%	High Yield 7.4%	Small Cap 4.9%	Cash 0.0%	Commodity 11.4%	Asset Allocation 13.9%	Large Cap -4.4%	Asset Allocation 21.8%	Developed Equity 8.4%	Asset Allocation 14.2%	Developed Equity -13.9%	REITs 13.7%	High Yield 8.2%	5	6.4%
Asset Allocation 4.8%	High Yield 11.8%	Large Cap 5.6%	Commodity -36.6%	Large Cap 26.4%	Large Cap 15.1%	Cash 0.1%	High Yield 15.8%	REITs 2.4%	High Yield 2.5%	Developed Equity -0.3%	Asset Allocation 8.8%	High Yield 7.5%	REITs -4.6%	Emerging Markets 18.8%	Fixed Income 7.5%	Developed Equity 11.9%	Asset Allocation -16.9%	High Yield 13.4%	Emerging Markets 7.9%	6	6.3%
Small Cap 4.5%	Asset Allocation 11.1%	Cash 4.8%	Large Cap -37.0%	Asset Allocation 20.2%	Asset Allocation 13.3%	Small Cap -4.2%	Asset Allocation 11.5%	Cash 0.0%	Cash 0.0%	Small Cap -4.4%	REITs 8.8%	REITs 5.2%	Small Cap -11.0%	High Yield 14.3%	High Yield 7.1%	High Yield 5.3%	Large Cap -18.1%	Emerging Markets 10.2%	Cash 5.3%	9	1.6%
Cash 3.0%	Cash 4.8%	High Yield 1.9%	REITs 37.7%	Commodity 18.7%	Developed Equity 8.3%	Developed Equity 11.7%	Fixed Income 4.2%	Fixed Income -2.0%	Emerging Markets -2.0%	High Yield -4.5%	Fixed Income 2.6%	Fixed Income 3.5%	Commodity -13.0%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	Emerging Markets -19.8%	Fixed Income 5.5%	Developed Equity 4.4%	7	5.5%
High Yield 2.7%	Fixed Income 4.3%	Small Cap -1.6%	Developed Equity 43.0%	Fixed Income 5.9%	Fixed Income 6.5%	Commodity -13.4%	Cash 0.1%	Emerging Markets -2.3%	Developed Equity 4.3%	Emerging Markets -14.6%	Developed Equity 1.6%	Cash 0.8%	Developed Equity -13.3%	Commodity 5.4%	Commodity -3.5%	Fixed Income -1.5%	Small Cap -20.5%	Cash 5.1%	Fixed Income 1.3%	8	3.0%
Fixed Income 2.4%	Commodity -2.7%	REITs 15.7%	Emerging Markets -53.2%	Cash 0.1%	Cash 0.1%	Emerging Markets -18.2%	Commodity -1.1%	Commodity -9.6%	Commodity -17.0%	Commodity -24.7%	Cash 0.3%	Commodity 0.7%	Emerging Markets -14.2%	Cash 2.2%	REITs -8.0%	Emerging Markets -2.4%	REITs -24.3%	Commodity -12.6%	Commodity 0.1%	10	-0.5%

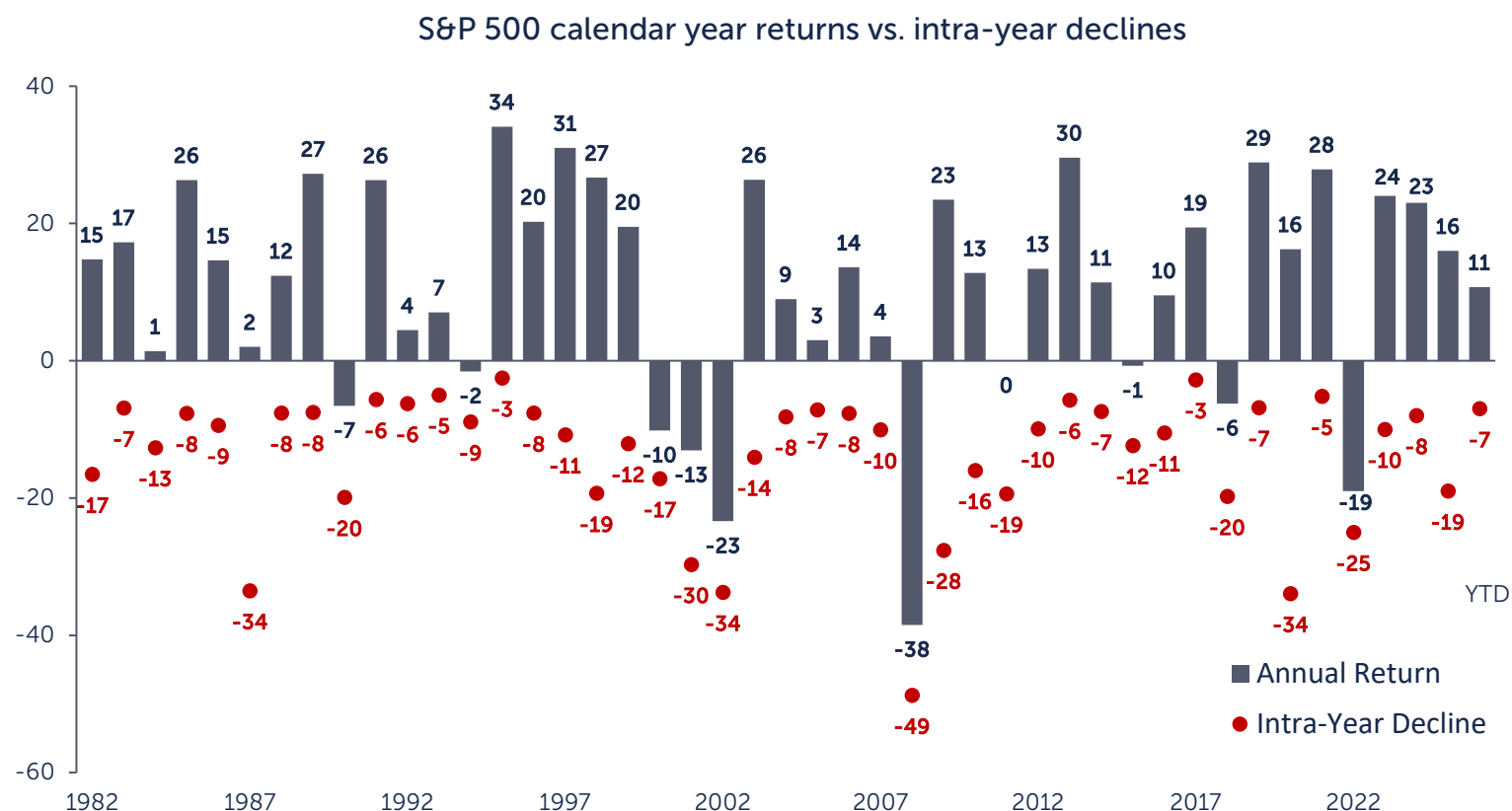
Source: Bloomberg.

Market Returns reference the following indices: Large Cap – S&P 500, Asset Allocation – Vanguard Balanced Index Fund, Small Cap – Russell 2000, REITs – FTSE NAREIT Index, High Yield – Bloomberg High Yield, Emerging Markets – MSCI Emerging Markets, Cash – Bloomberg 1-3 Month Treasury Index, Developed Equity – MSCI EAFE, Fixed Income – Bloomberg US Aggregate, Commodities – Bloomberg Commodity Index

Annual returns and intra-year declines

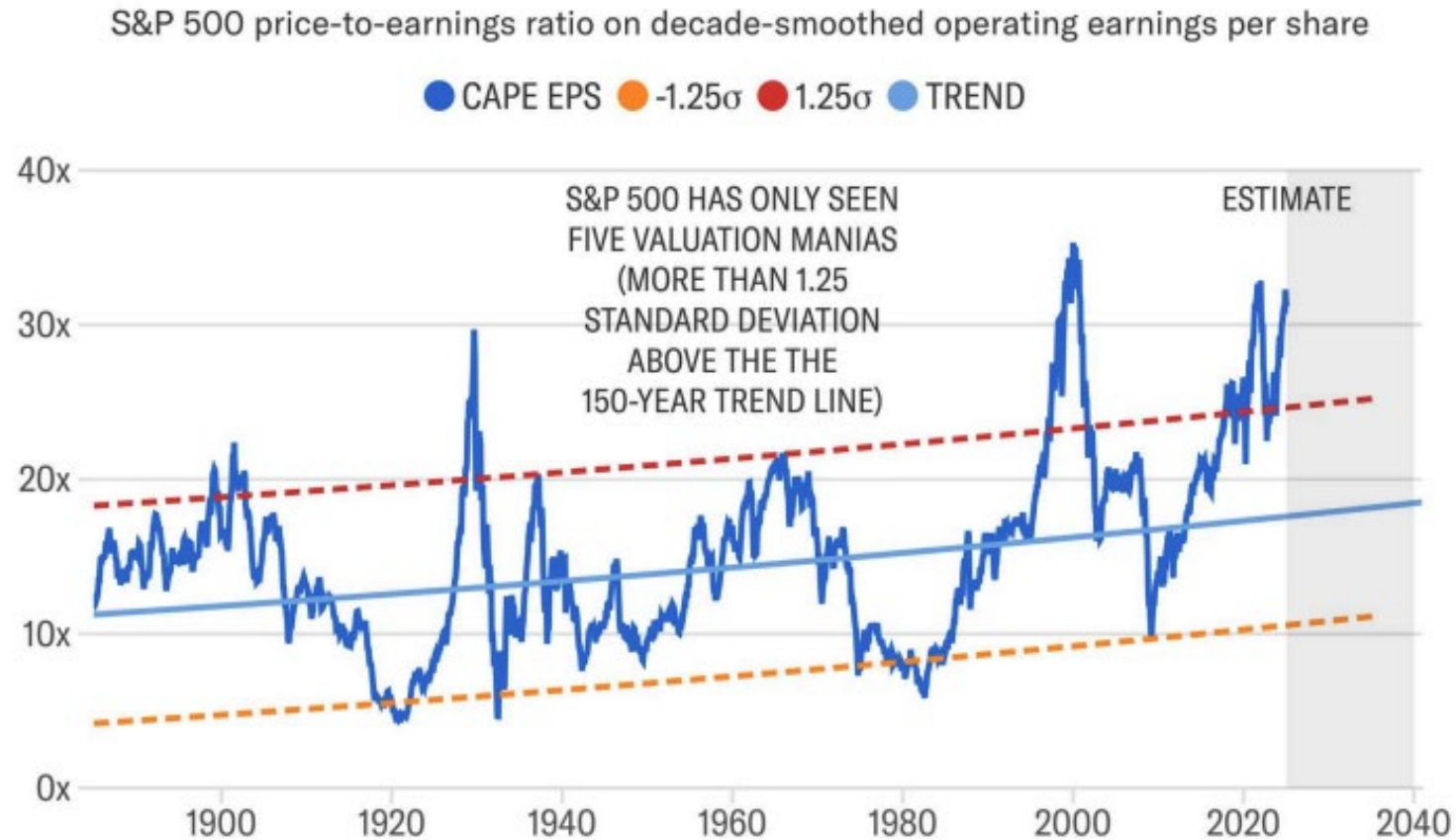
Consistently predicting when stock market declines or rallies will happen, or how long they are going to last, is impossible. Over the past 44 years, the S&P 500 has experienced an average intra-year decline of 14.2% – and still finished in positive territory in 34 of those 44 years.

While no one looks forward to market volatility, intra-year declines are normal and a historical perspective on the frequency and severity of past drops can provide a valuable perspective.



Sources: JP Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refer to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1982 through 2024, over which time period the average annual return was 10.7%. Data as of 5/29/2026.

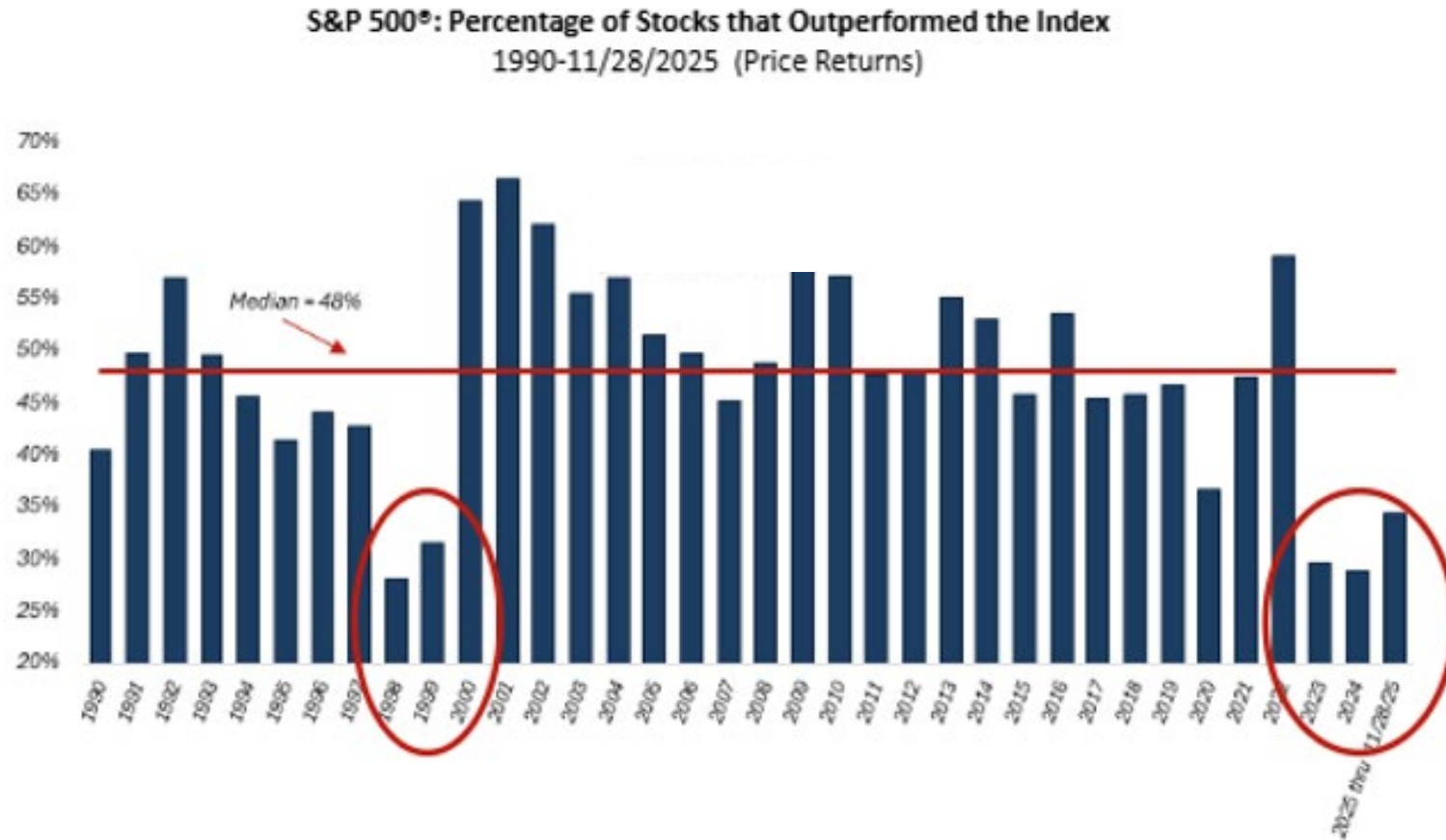
S&P 500 valuation is well above trend



Sources: Bloomberg; Stifel via Barry Bannister; Yahoo! Finance.

Note: CAPE is the Cyclically Adjusted Price to Earnings ratio adopted from Robert Shiller.

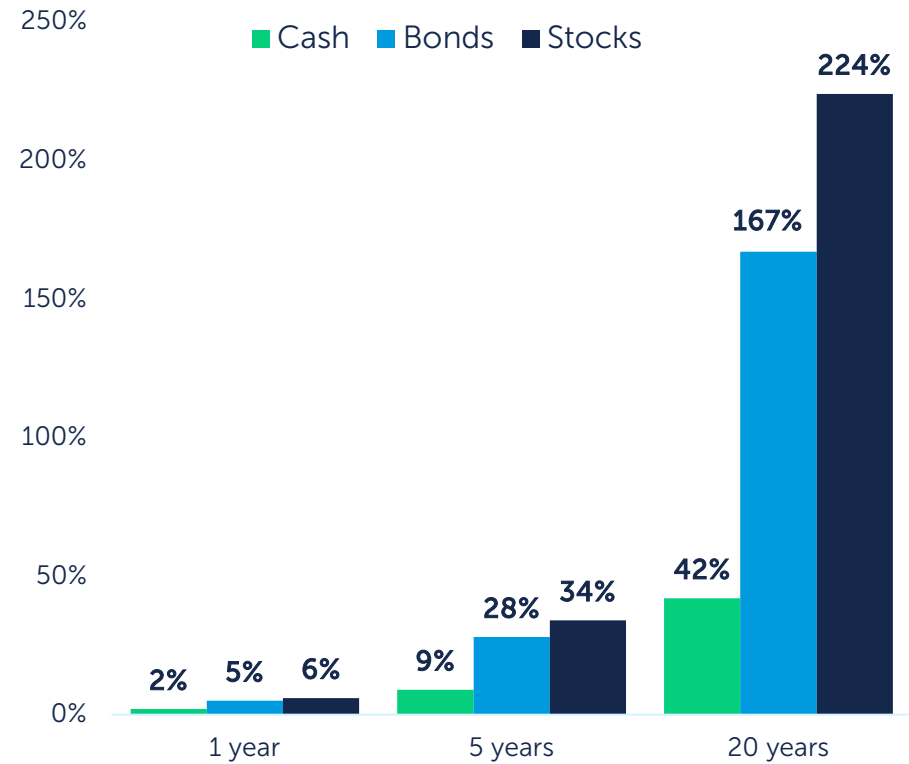
Concentrated performance is not normal - in fact, it is quite infrequent



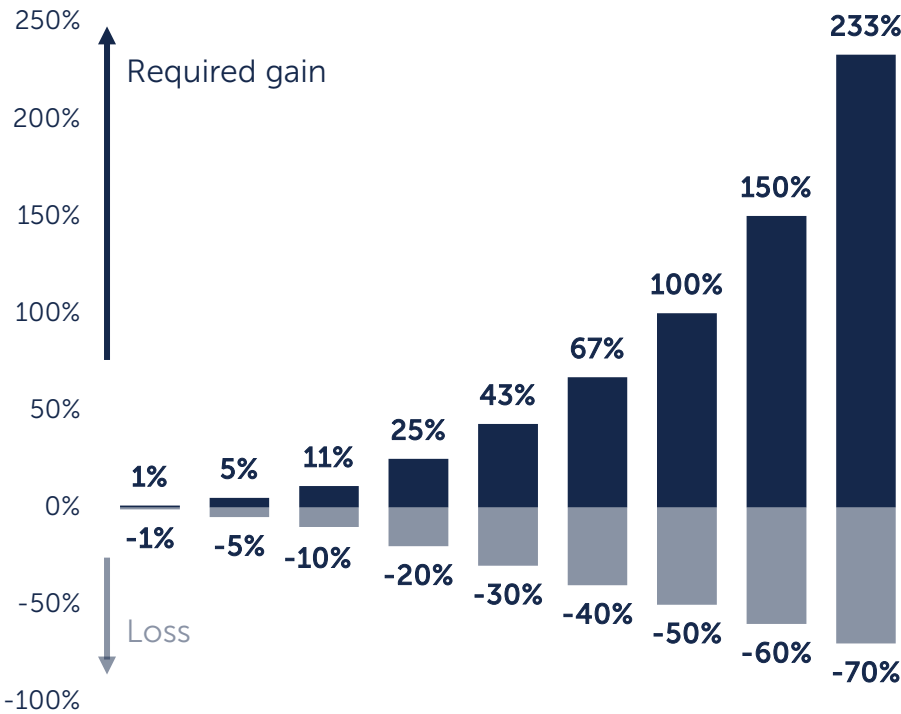
Source: Richard Bernstein Advisors LLC, BofAML US Strategy

Staying invested and limiting losses

The power of compounding
Cumulative return by holding period



Gain required to fully recover from a loss
Loss and subsequent gain necessary for full recovery of value



Sources: J.P. Morgan Asset Management – *Guide to the Markets*, BLS, FactSet, Standard & Poor's.
Cumulative returns are calculated using historical data. Stock returns are based on the S&P 500, bond returns are based on the Bloomberg Barclays U.S. Aggregate Index and cash returns are based on 3-month U.S. Treasury bills. 1-year returns are 20-year average annualized return from 12/31/99 – 12/31/19 for each asset class. 5- and 20-year returns are cumulative over that time period based on the annualized return. Past performance is not indicative of future returns.

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Important Disclosures

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Performance information for the attached strategies is calculated using model performance and is based on the portfolio allocation data since inception. The strategies have not materially changed since inception. Model performance is net of any fees on the underlying mutual funds and ETFs, management fees of any underlying model portfolios, and a maximum strategist fee of 0.25% applied annually to the entire strategy. The model performance does not include any overlay fees, brokerage fees, or commissions. Performance for periods longer than a year has been annualized. Model performance means that while actual client accounts will be managed as closely to the model as possible, the performance reported is for the targeted portfolio allocations for the strategy and not a composite of actual client accounts. Accordingly, individual client performance may vary according to various factors, including fee arrangements, withdrawals, contributions, and tax considerations, among other factors. OneAscent does not control the fee amounts charged by recommending advisers. A complete listing of all trades in the model, as well as a full description of the model/strategy are available upon request.

Performance may vary when compared to the model performance presented in other materials provided by OneAscent for a number of reasons including dates of investment, deposits and withdrawals, and the specific fees paid by the client. The strategy has not materially changed since its inception. Benchmark data is derived from a blend of up to five broad based market indices and comes from Morningstar. The blended benchmarks are rebalanced back to their target weights each calendar year. The five broad market indices are MSCI ACWI ex USA, S&P 500, Russell 2500, Bloomberg Barclays US Aggregate Bond, and the Wilshire Liquid Alternative. Indices are reported to give a point of comparison only. An investor may not invest directly in an index.

The strategies are not necessarily appropriate for any particular client or investor. Accordingly, any reader of the attached description should not interpret the attached as investment advice. All investments bear a risk of loss, including the loss of principal that the investor should be prepared to bear. The use of any chart or graph in the attached is not intended to be viewed as a singular aid in determining investment strategy. Such visual aids are instead intended as a complement to other data, and like such other data, should be considered in light of consultations with professional investment tax and legal advisors. Past performance may not be indicative of future results. No current or prospective client should assume that the future performance of any specific investment, investment strategy (including investments and/or investment strategies recommended by the adviser), will be equal to past performance levels. Indices are reported to give a point of comparison only. An investor may not invest directly in an index. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio.

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