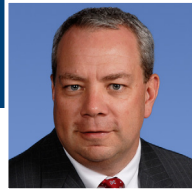




Shashi Mehrotra, CFA®,
Chief Investment Officer



Chris Surrichio, CFA®,
Deputy Chief Investment Officer

June 2026

As we enter the second half of 2026, the U.S. economy remains in a productivity-driven expansion supported by innovation, technological advancement and private-sector investment.

Ongoing productivity gains driven by artificial intelligence, automation, infrastructure modernization and technology investment continue to support corporate profitability and earnings growth across a widening range of industries. We believe the AI investment cycle remains in its early stages and may continue to influence capital spending, productivity and competitive dynamics for years to come.

Inflation remains one of the primary risks facing financial markets. The ongoing conflict with Iran is creating instability in energy prices, hampering the Federal Reserve's ability to hit their inflation target. While we have a new untested Federal Reserve Chair in Kevin Warsh, the Fed continues to emphasize a data-dependent approach, balancing economic growth, labor market strength and inflation risks when evaluating future policy actions.

Evolving U.S.-China relations, global trade policy, energy market dynamics and regional conflicts remain important considerations for investors. While difficult to forecast, these factors can influence inflation, supply chains, market sentiment and asset-class performance.

Periodic consolidation and market volatility remain likely as investors navigate evolving monetary policy expectations, elevated fiscal deficits, government funding negotiations and ongoing geopolitical uncertainty. While potentially disruptive in the near term, we view such volatility as consistent with a maturing economic expansion rather than indicative of a prolonged downturn.

“The AI investment cycle remains in its early stages and may continue to influence capital spending, productivity and competitive dynamics for years to come.”

This report is incomplete without the important disclosures at the end.

–continued

Mid-Year Market Perspective

June 2026

Shashi Mehrotra, CFA®, Chief Investment Officer
Chris Surrichio, CFA®, Deputy Chief Investment Officer

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Investment Management & Research Team

Our Longer-Term View

We believe the U.S. economy remains in a productivity-driven expansion supported by innovation, technological advancement and private-sector investment. While much of the recent productivity acceleration has been concentrated within technology-related industries, we expect these benefits to broaden across a wider range of sectors over time.

Corporate earnings growth, innovation and productivity improvements remain the primary drivers of long-term equity returns. While periods of policy uncertainty, market volatility and economic slowdowns are inevitable, history suggests that business fundamentals ultimately have the greatest influence on long-term market performance.

We view the ongoing evolution of artificial intelligence, automation, digital infrastructure and advanced manufacturing as potentially transformative forces that could support economic growth, corporate profitability and productivity for years to come. As with previous technological revolutions, the benefits are likely to emerge unevenly across industries and over extended periods.

Labor market conditions are expected to continue normalizing following the post-pandemic recovery. While employment growth may moderate compared to recent years, rising productivity, healthy corporate balance sheets and consumer resilience should help support economic expansion over the long term.

Following the normalization of interest rates from historically low levels, fixed income once again offers meaningful income generation and portfolio diversification benefits. While interest rate volatility may persist, we believe bonds remain an important component of balanced portfolios and a valuable tool for managing risk across market cycles.

Geopolitical competition, fiscal policy challenges and shifting global supply chains are likely to remain important features of the investment landscape. While these developments may contribute to periods of volatility, we believe well-diversified portfolios remain best positioned to navigate an increasingly complex global environment.

“Well-diversified portfolios remain best positioned to navigate an increasingly complex global environment influenced by geopolitical competition, fiscal policy challenges and shifting global supply chains.”

Please reach out to your Financial Professional with any questions.

Important Disclosures

These views are as of June 15, 2026, and are subject to change based on subsequent developments. The material presented is provided for informational purposes only. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. Nothing contained herein should be construed as a recommendation to buy or sell any securities. As with all investments, past performance is no guarantee of future results. No person or system can predict the market. Diversification does not guarantee a profit or protect against a loss. All investments are subject to risk, including the risk of principal loss. International investing involves special risks, including, but not limited to, currency fluctuations, economic instability, and social and political uncertainties, not typically present with domestic investments. Inflation is the rate of increase in prices over a given period of time; typically reported as a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. The Federal Reserve System is composed of 12 regional Reserve banks which supervise state member banks. The Federal Reserve controls the Federal Funds Rate, an important benchmark in financial markets used to influence the supply of money in the U.S. economy.

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601 Office Center Drive, Suite 300, Fort Washington, PA 19034
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