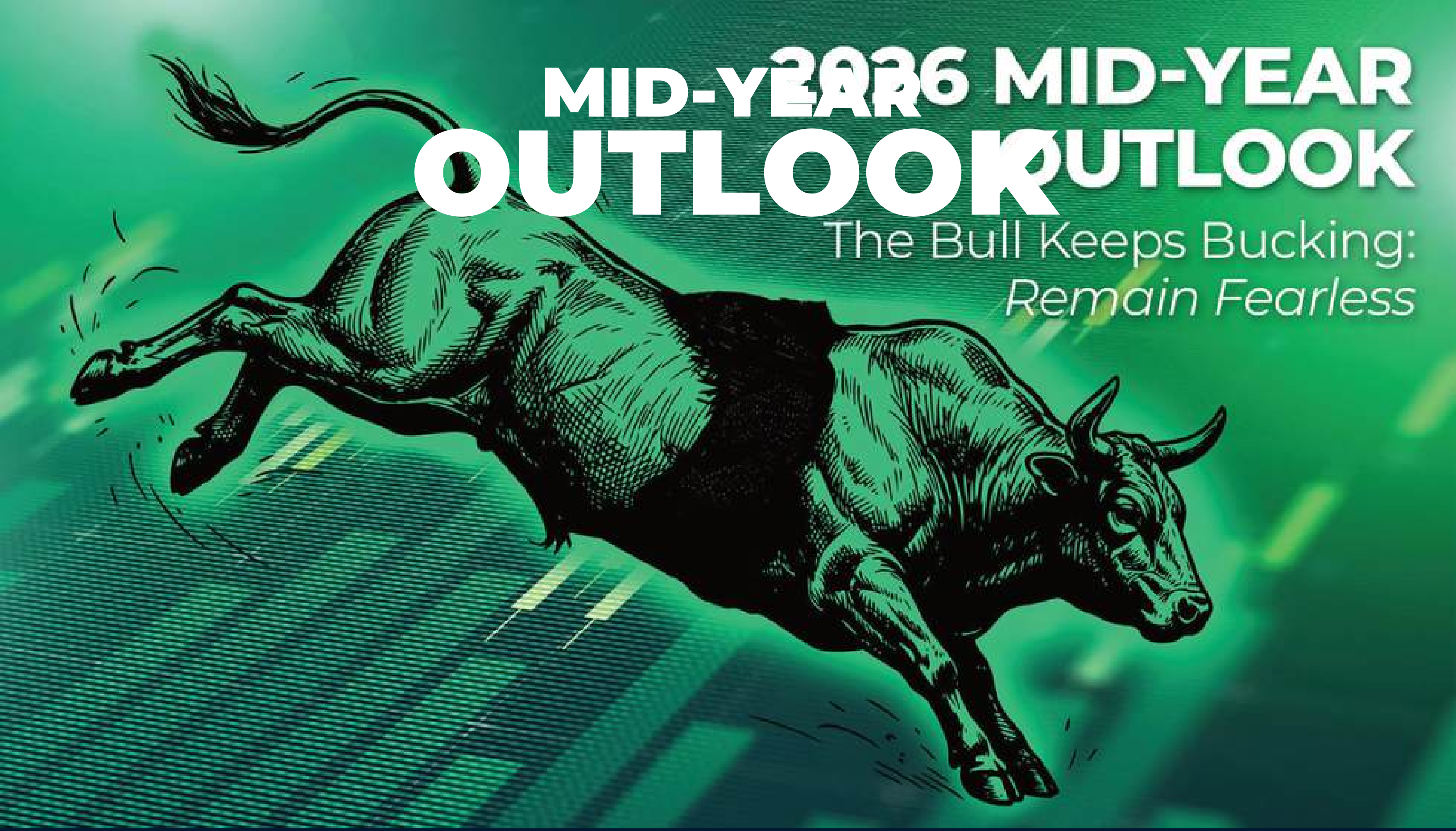


Robert Gilliland

CONCENTURE
WEALTH
MANAGEMENT

The Bull Keeps Bucking: *Remain Fearless*

Secular Bull Market Continues to Offer Opportunity

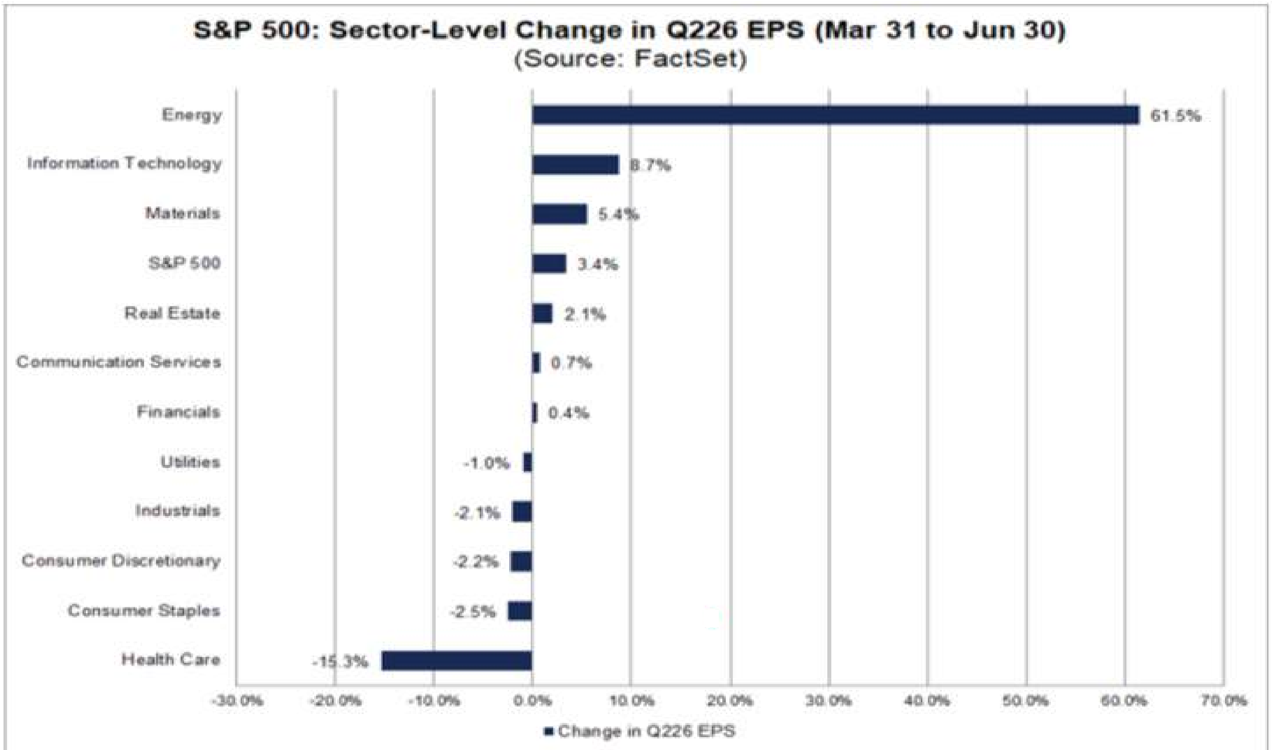
Thefirsthalf of 2026 tested investorsatevery turn.A warwith Iran temporarily closed the Strait of Hormuz, sending crude oil prices above $100 per barrel and average U.S. gasoline prices above $4.00 a gallon. Yet despite those shocks, the U.S. economy continues to expand above its long-term trend, with growth estimated at 2.2%–2.5% versus a trend rate of roughly 2.1%.

Even more remarkable was the stock market's resilience. The S&P 500 gained 15% during the second quarter — the strongest 2Q performance in a mid-term election year and the index's best quarterly return since a 36% surge in 1936. It also ranked as the 12th-best quarter since 1950. For the first half of the year, the S&P 500 was up nearly 10%, already exceeding its long-term average annual return of roughly 7.0%.

Many would ask: how is this possible? The answer is simple: it's all about earnings. Earnings growth for the first quarter came in higher than expected, up nearly 30%, and second quarter growth is estimated at 23% with FactSet stating that 2Q earnings could actually come in above 29%. For the calendar year 2026, current earnings estimates range from 23% to 24%. A large portion of the earnings growth continues to come from Technology and Tech-related companies, and the Energy sector is projected to have a significant increase in earnings with higher oil prices. The Artificial Intelligence (AI) era is here and companies are spending significant capital — $1.0 trillion this year and in 2027 — on the expansion of AI through the buildout of data centers. This spend is contributing to the expansion in earnings. Sectors and industry groups related to AI (such as Materials and Industrials) — the companies that are receivers of the capital (ROCs) — are getting an expansion in earnings of their own.

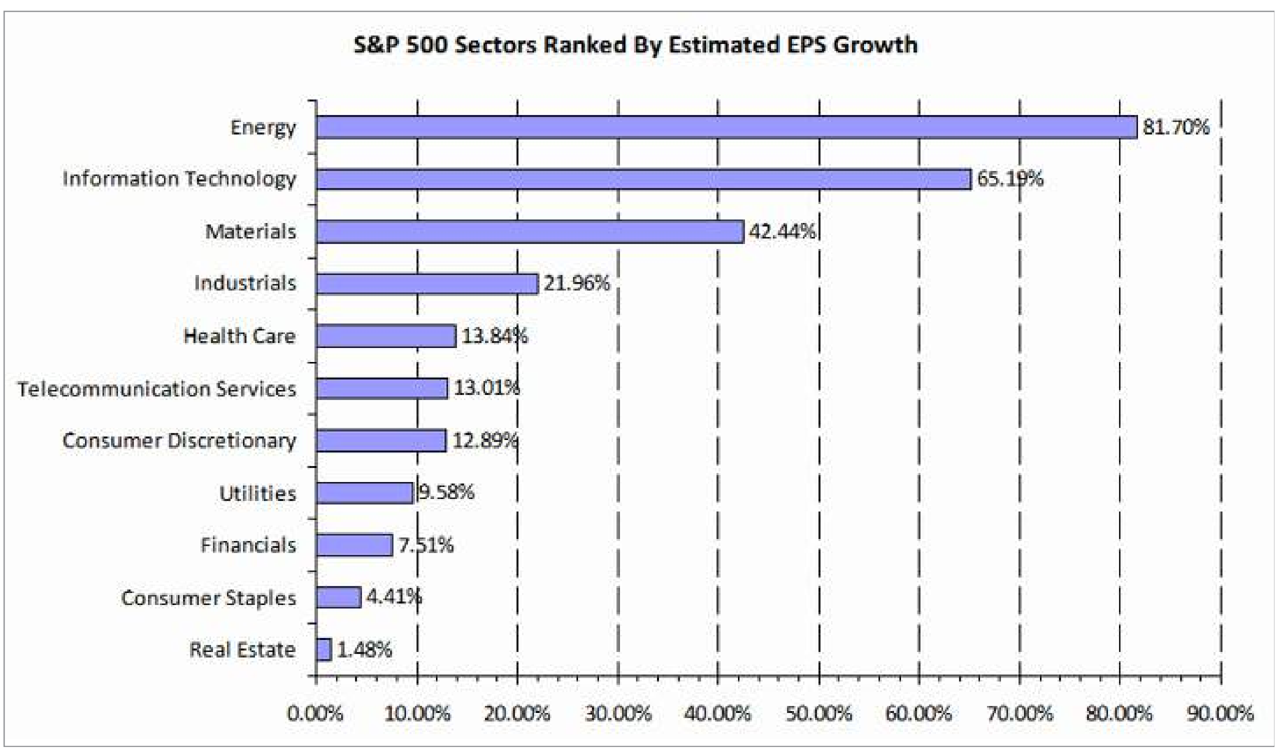
Importantly, earnings are also beginning to expand in mid cap and small cap stocks, which is allowing the breadth of the market (the number of stocks participating in the rally) to expand.

2Q26 Best Earnings Growth Estimates In Energy & Technology



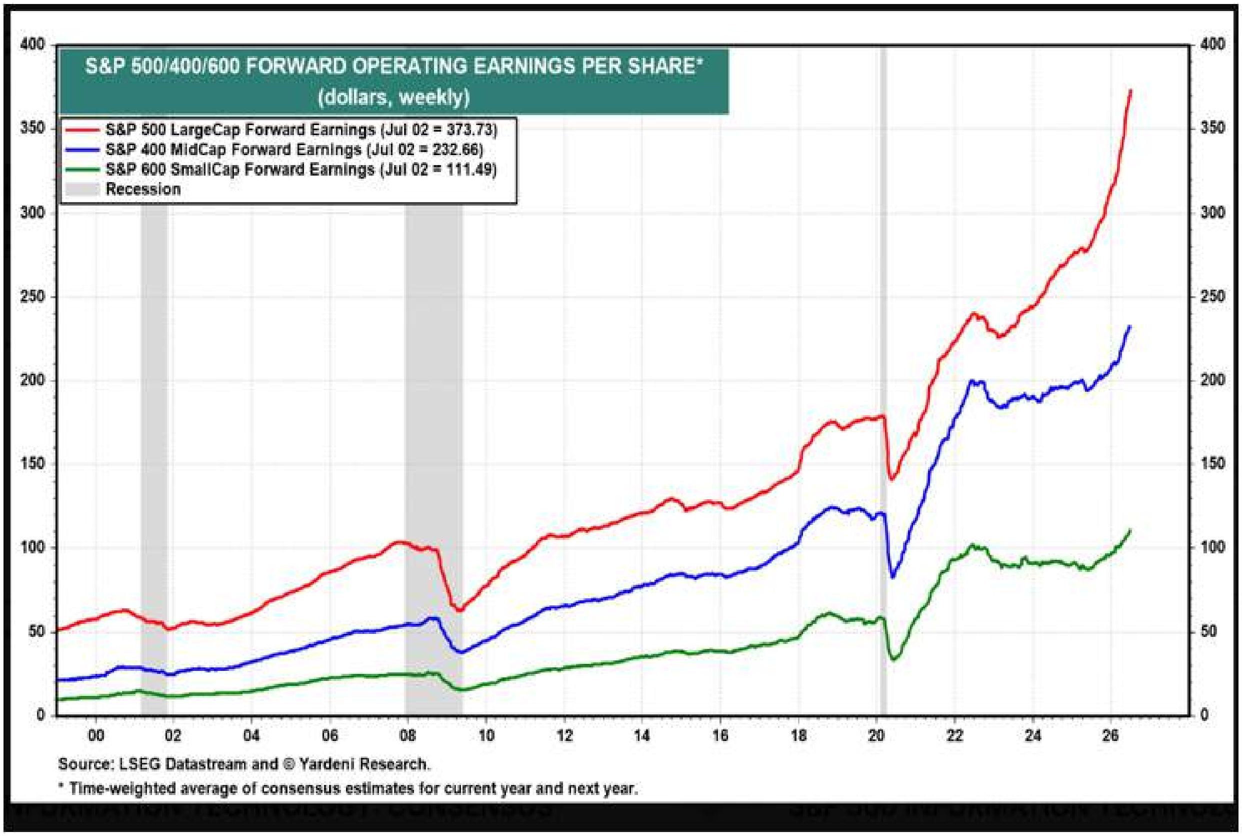
Source: FactSet July 6, 2026

Energy & Technology Have Best Earnings Growth Forecasts For 2026



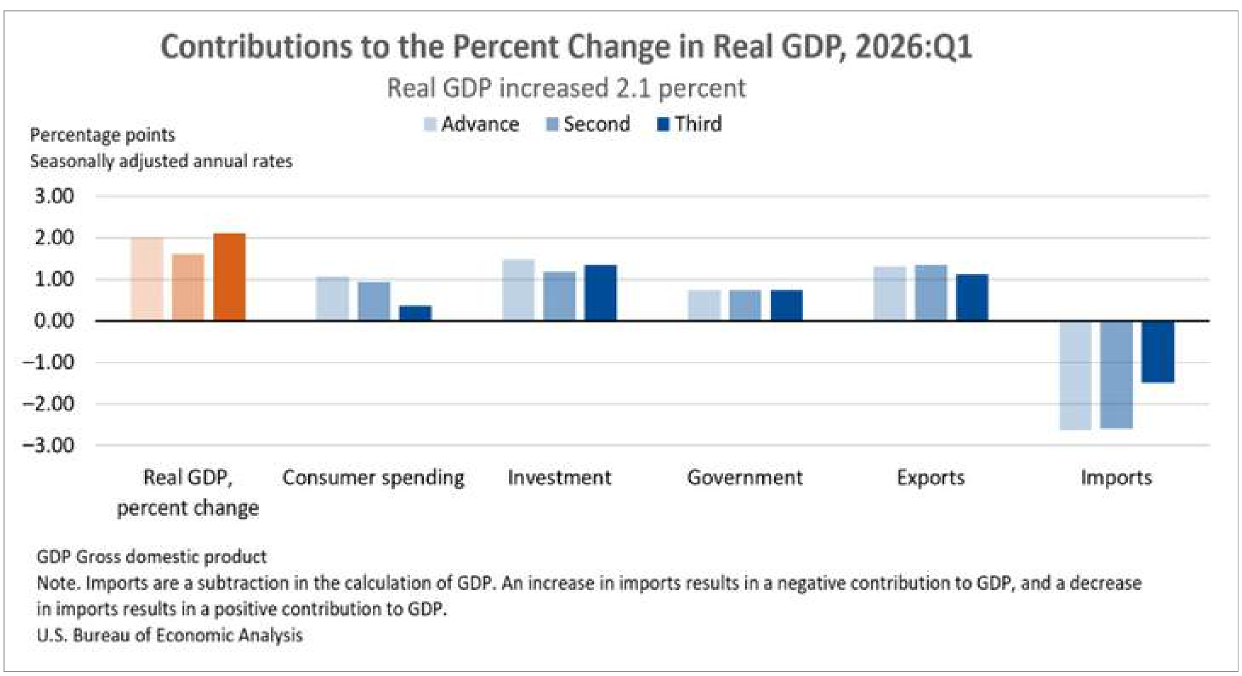
Source: Bloomberg, July 11, 2026

Earnings Surge For Large Caps & Accelerate Across Market Capitalization



Source: Yardeni Research, July 8, 2026

Contributions To GDP: Investment The Largest Contributor



Source: Bureau of Economic Analysis, July 2026

S&P 500 Could Be Tale Of Two Markets In Second Half 2026

Ourtheme for the second half of 2026 is thereturnofthe BuckingBull — a market that continues to climb, but not in a straight line. We expect a meaningful correction during the seasonally weak month of September, while ongoing sector rotation should continue to provide a healthy, self-correcting mechanism beneath the market's surface. Geopolitical risks, particularly the war with Iran, are also likely to challenge the markets. While we anticipate additional ceasefires in the Middle East, we believe the conflict will take time to resolve and could produce intermittent volatility, especially in the energy markets. Even so, we encourage investors to *remain fearless*. In our view, *the secular bull market that began in 2013 remains intact and is likely to extend through the end of the decade*.

Looking at the S&P 500's historical seasonal performance, July has typically been one of the strongest months of the year, with an average gain of 3.6% over the past five years. Markets have then often peaked before experiencing a seasonal correction during September and October. Over the past five years, the average September pullback has been 2.7%, often creating an attractive buying opportunity ahead of a typical October rebound. October has averaged a 2.8% gain, while November has delivered the strongest average monthly return of the year, rallying nearly 4%.

So — if the Bull bucks — know it should come back charging, lifting the S&P 500 to new highs. We maintain a longer-term S&P 500 target of 10,000 to 13,000. Remain Fearless!

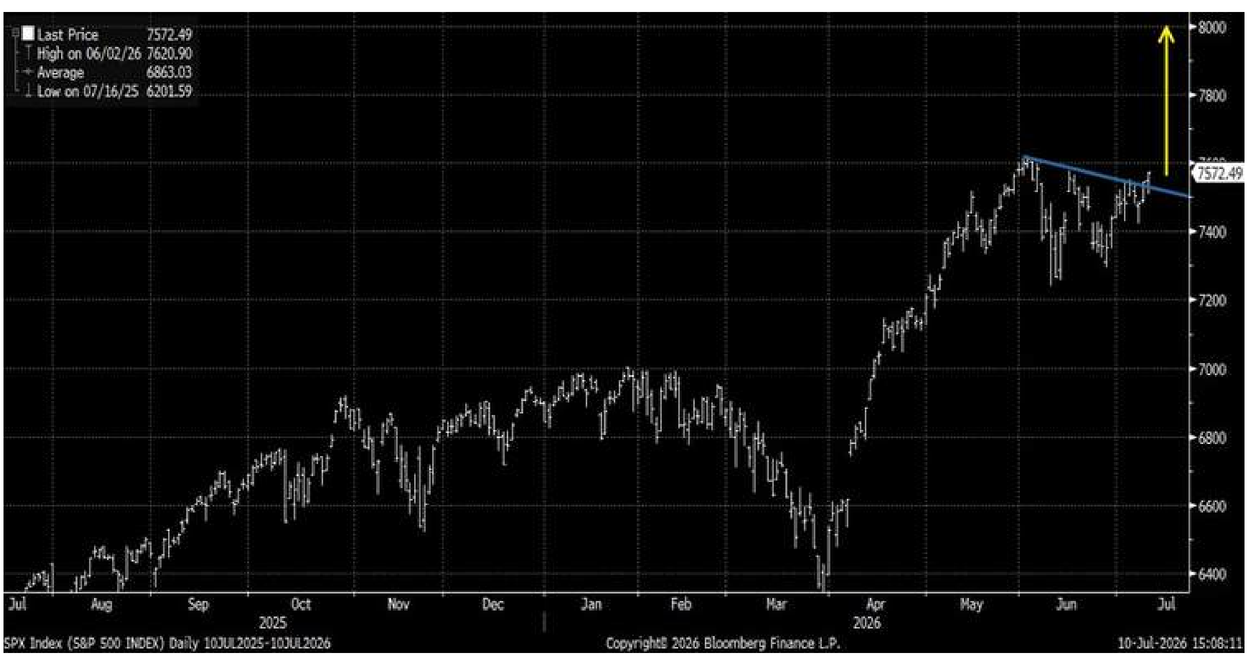
Entering The Second Half 2026 With The S&P 500 Positioned To Break Out

AsS&P 500earnings continueto strengthen — with first quarter year-over-year growthapproaching 30% and the second quarter expected to sustain this growth — the index appears well positioned to break out to new highs as second-quarter earnings season begins. Should the breakout occur and prove sustainable, we see an initial technical target of 7,900 to 8,000.

Our previous year-end target of 7,500 now appears too conservative. With corporate earnings estimates continuing to move higher and the S&P 500 on the verge of a potential breakout, ***we raised our year-end target to 8,225***. Should the index reach the 7,900–8,000 range before experiencing a correction later this year, we would expect strong technical support to emerge near the prior breakout level around 7,500.

Technology — the market's leadership sector — continues to offer attractive valuations relative to its earnings growth, driven by the ongoing buildout of Artificial Intelligence (AI). The sector currently trades at approximately 26x forward earnings versus 22x for the S&P 500. As a result, we have written a Mid-Year Special Edition focused on Technology called: Investing In The New Frontier of The Digital Age. We encourage you to read the accompanying report for our detailed outlook on the sector.

S&P 500 Positioned To Break Out: Target On Breakout 7,900-8,000



Source: Bloomberg, Annotations by Sanctuary Wealth, July 10, 2026

Long-Term Interest Rates To Remain Range Bound; Can Short-Term Rates Fall?

The 10-yearTreasury yield has been in a trading range sincelate 2023,ranging from 4.8%-3.5%. We expectthis range to be maintained with a bias for rates to remain stable to falling. The 2-year Treasury has also been in a trading range since late 2024, ranging between 4.4% and 3.5%. It will be important to monitor the 2-year as historically it is a good predictor of Federal Reserve (Fed) policy. We expect the Fed to remain on hold as we enter the second half of the year, with the flexibility to lower short-term interest rates later in the year should inflation data continue to improve.

10-Year Treasury Yield Is Range-Bound

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 10, 2026

2-Year Treasury Yield Also Is Range-Bound

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 10, 2026

AI Disruption Is Reshaping Industries And Creating Investment Opportunities

ArtificialIntelligence continues toreshape the investmentlandscape. What beganwith AIinfrastructure hasexpanded to include the Space Economy, highlighted by SpaceX's (SPCX) public offering, as well as autonomous vehicles, Robotics, Blockchain, Bitcoin (BTC), Stablecoins, and the early tokenization of equities in Europe. Technologies that once seemed like the entertaining science fiction of *Star Trek* and *The Jetsons* are increasingly becoming part of everyday life.

In our view, the current wave of technological innovation represents the most significant transformation since the Industrial Revolution and the introduction of the steam engine in the early 1700s. *Throughout history, technological disruption has created new industries, new market leaders, and compelling investment opportunities*. We believe this cycle will be no different.

After extraordinary equity gains since 2021 — approximately 200% for Technology and nearly 500% for Semiconductors — many investors are asking whether this bull market has run its course. It is our opinion that the answer is **NO**.

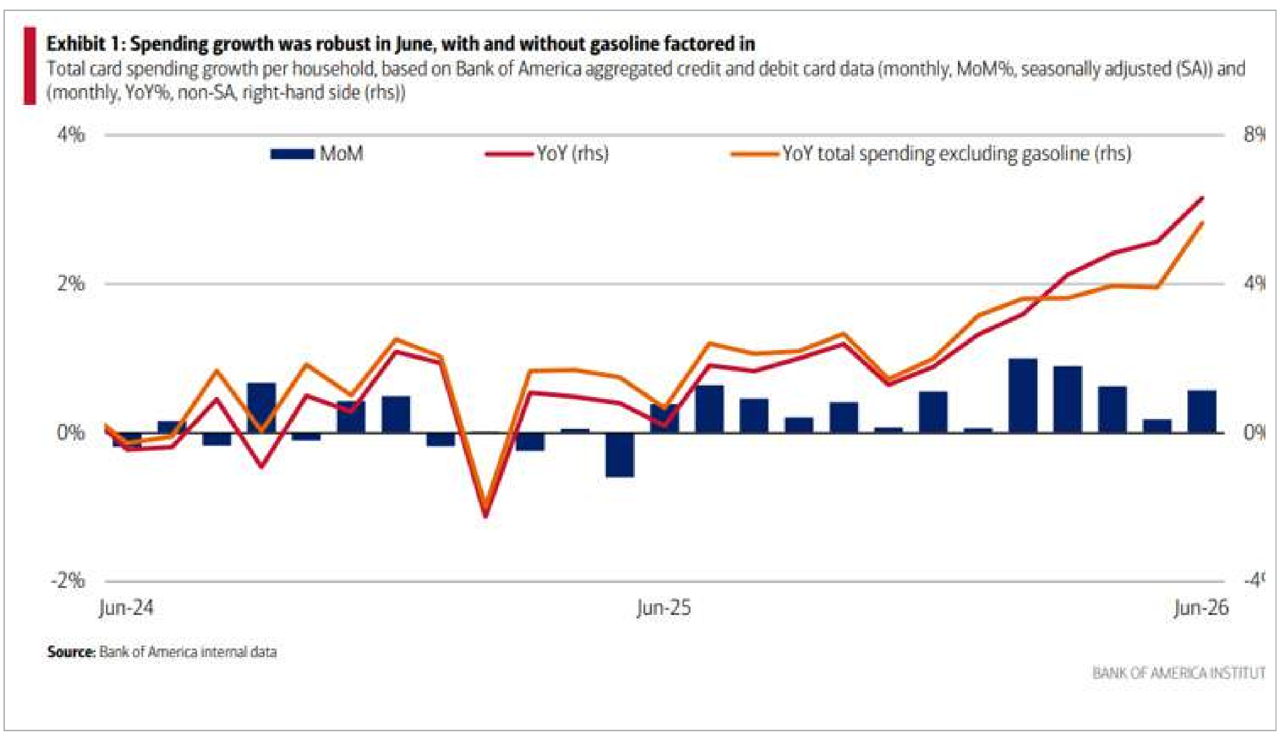
We continue to believe the S&P 500 entered a secular bull market in 2013, led by Technology and, in particular, the Semiconductor industry. Strong earnings growth across both the broader market and the Technology sector continues to support that thesis. In our view, the secular trend remains intact, and *market corrections should continue to be viewed as buying opportunities*.

The Consumer Remains Steady and Strong

Consumer spending accountsforapproximately 70%of U.S. GDP, making the health of the consumer critical to the economy. The labor market also remains resilient, with unemployment at 4.2%. While wage growth has slowed, it remains comparable to the healthy pace experienced in 2018–2019. According to Bank of America data for June, consumer spending remained robust despite elevated gasoline prices. Overall spending increased 6.0% year over year and 5.6% excluding gasoline. Perhaps the most encouraging takeaway from the report was improving wage growth among lower-income households, helping to narrow the spending gap across income groups. The K-economy is more like an E-economy.

With employment remaining strong, wages continuing to grow, and consumer spending proving resilient, we believe the consumer remains well positioned to support continued economic expansion.

Consumers Have Robust Spending

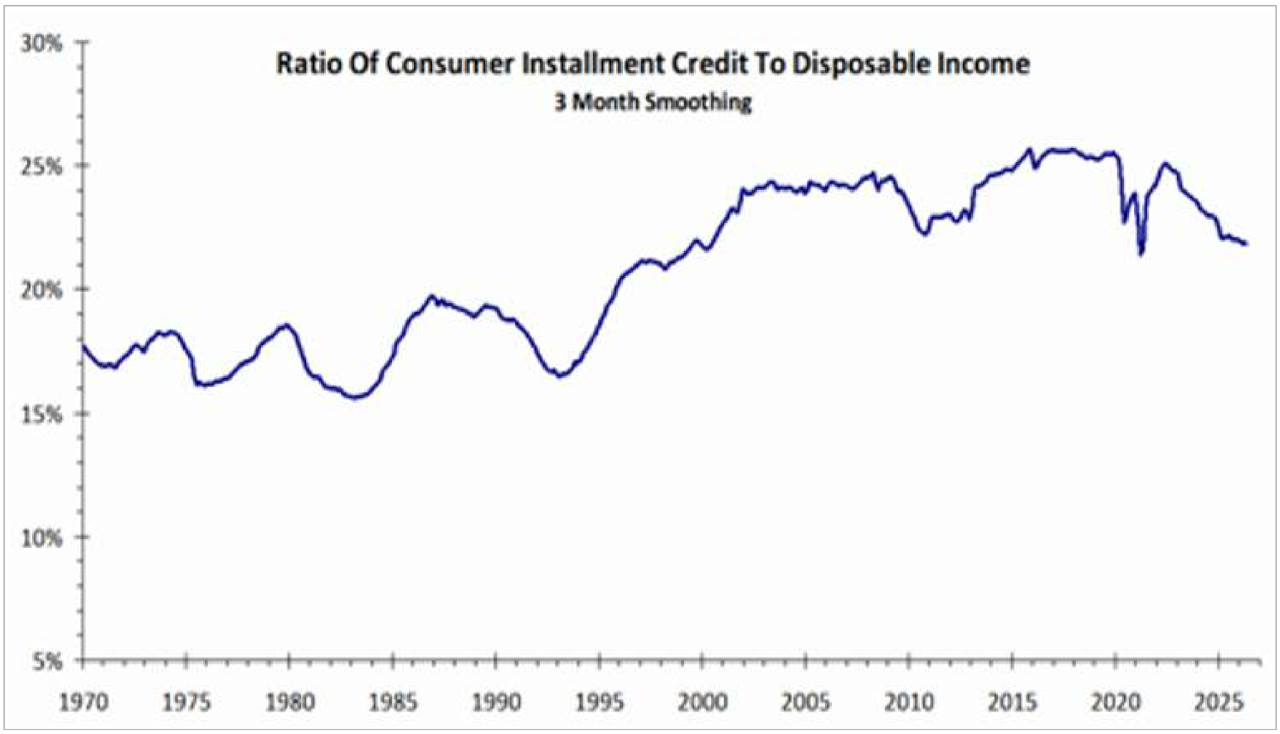


Source: Bank of America, July 2026

Consumer Debt Levels Remain Manageable

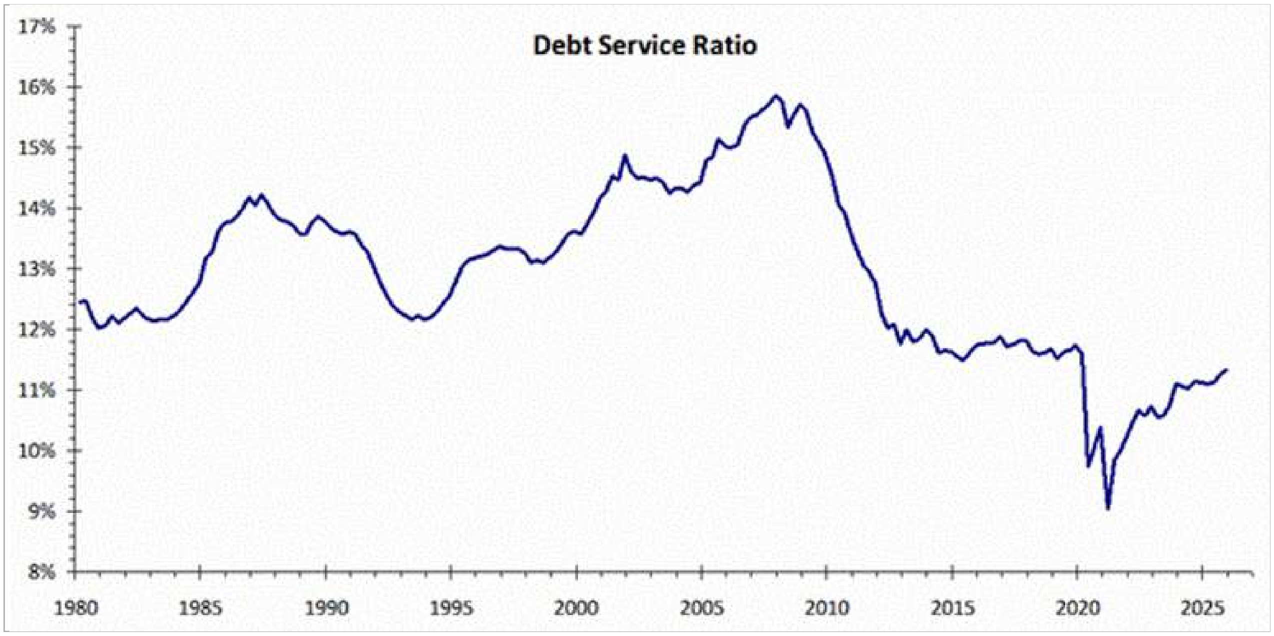
Therehave been reportsthat consumer installment debtlevelshave been rising. This by itself tells you nothing. The important question is: can the consumer support the higher level of debt? To determine this, we look at debt levels as a percentage of disposable income (income less taxes). This data tells us that debt levels are falling relative to available income. The debt service ratio is extremely low on a historical basis. Looking at debt levels across the economy, the consumer has the lowest levels — while the U.S. government has the highest. Higher debt levels are not adding stress to the consumer. In addition, household net worth is at record levels as the stock market is near all-time highs and housing remains firm. This tells us the consumer remains in good shape to spend.

Consumers Can Pay Their Credit Bills: Debt Levels Falling Compared To Income



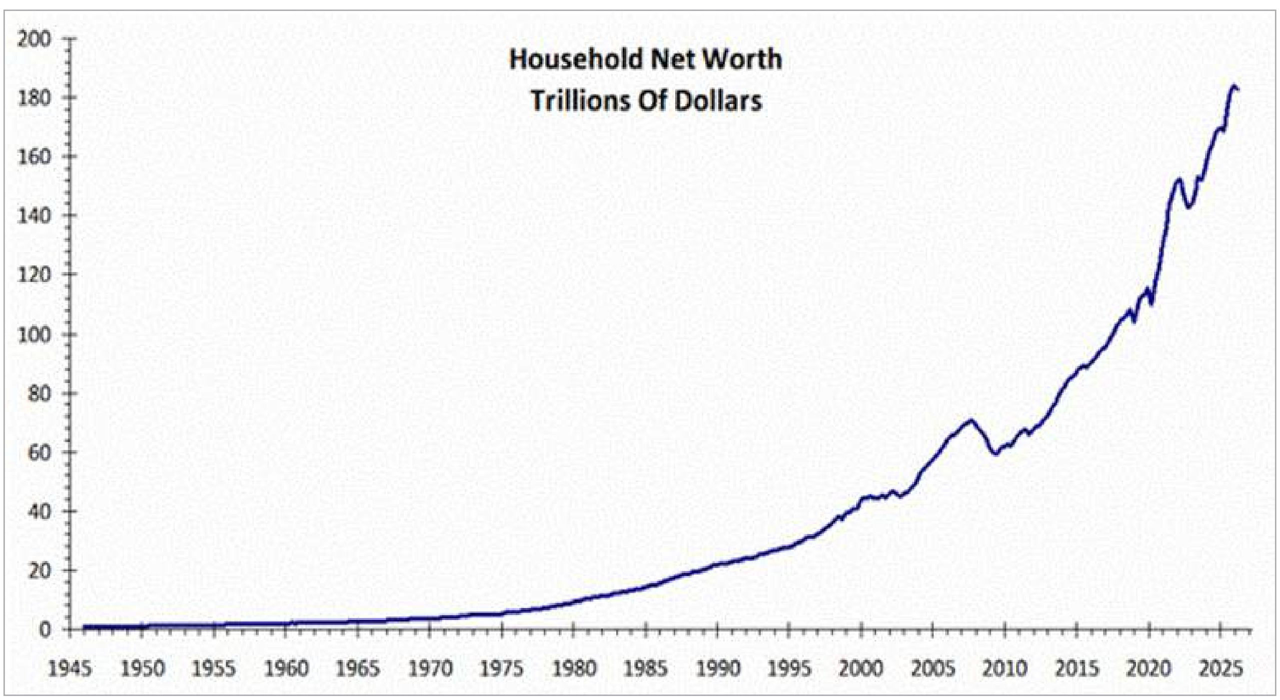
Source: Federal Reserve Board, Release G.19, May 2026

Debt Service Ratio Near Lows



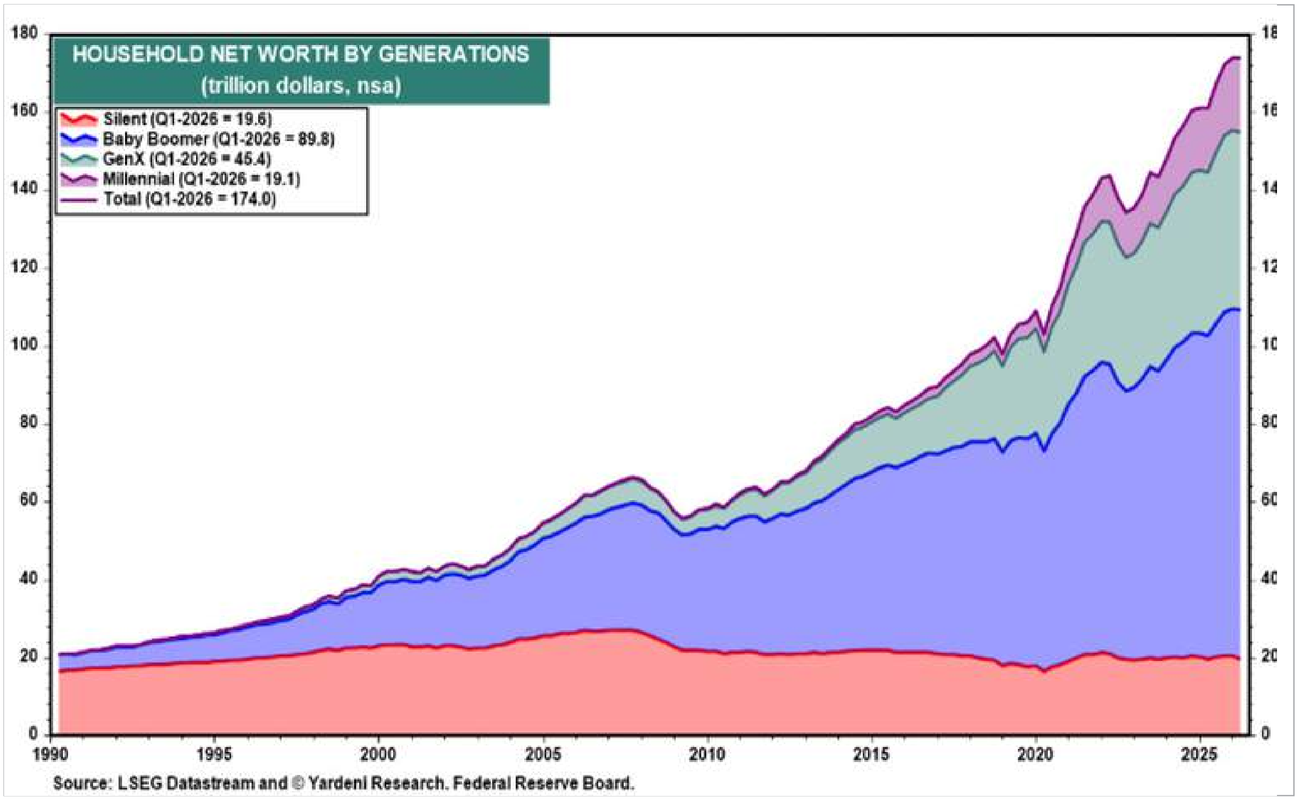
Source: Federal Reserve Board, March 2026

Record Household Net Worth Aiding In Consumer Spending



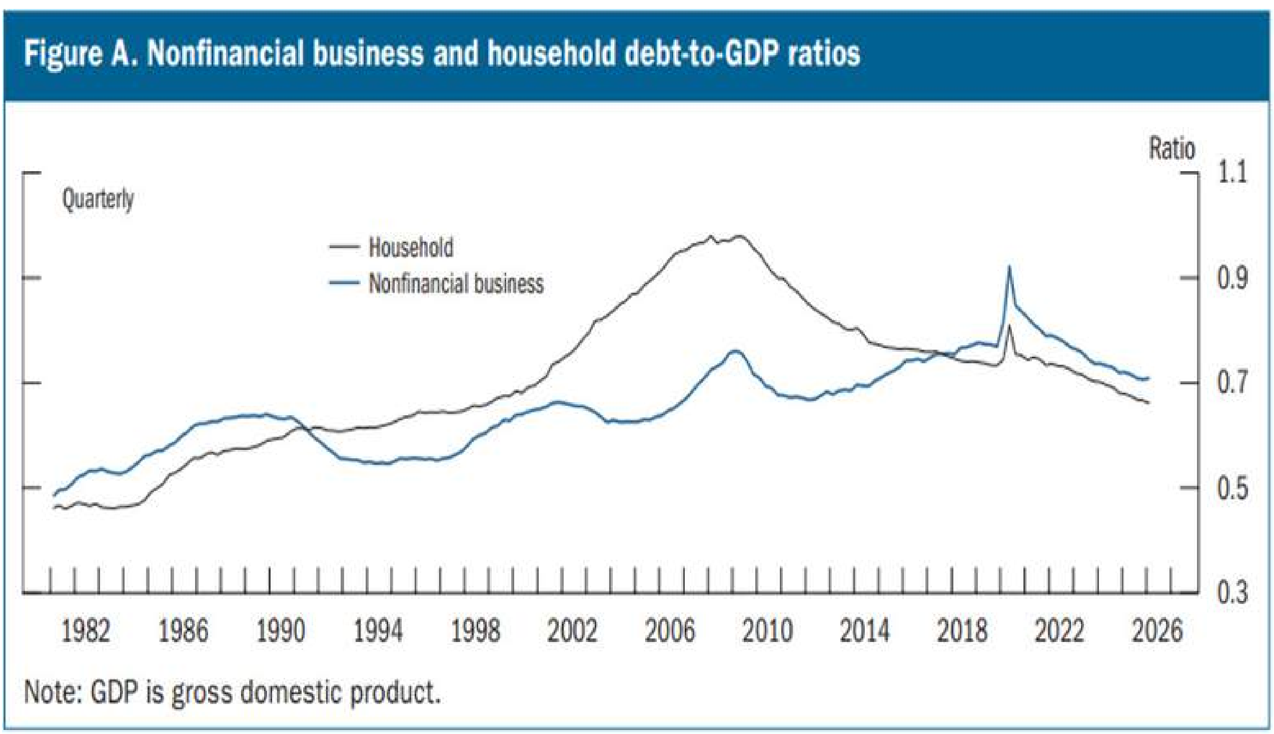
Source: Federal Reserve Board Flow of Funds, June 2026

Household Net Worth By Generations



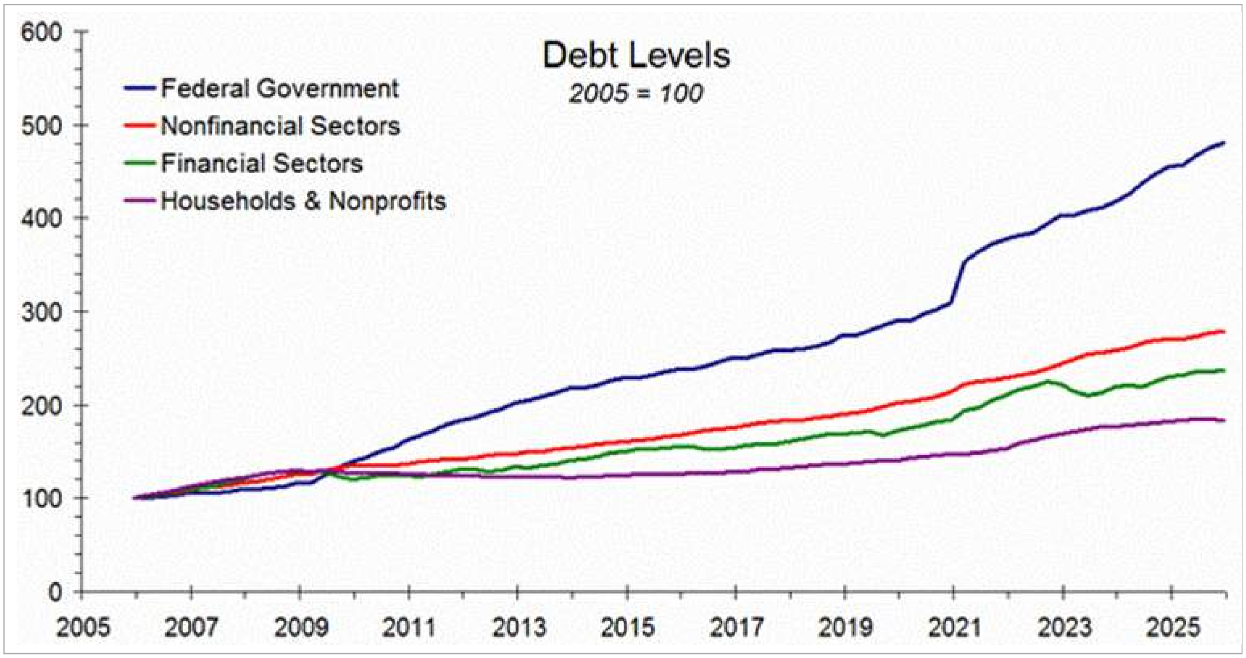
Source: Yardeni Research, July 8, 2026

Business & Household Debt Levels Have Fallen Sharply



Source: Federal Reserve Monetary Policy Report, July 2026

Consumer Has Lowest Debt Levels Federal Government The Highest

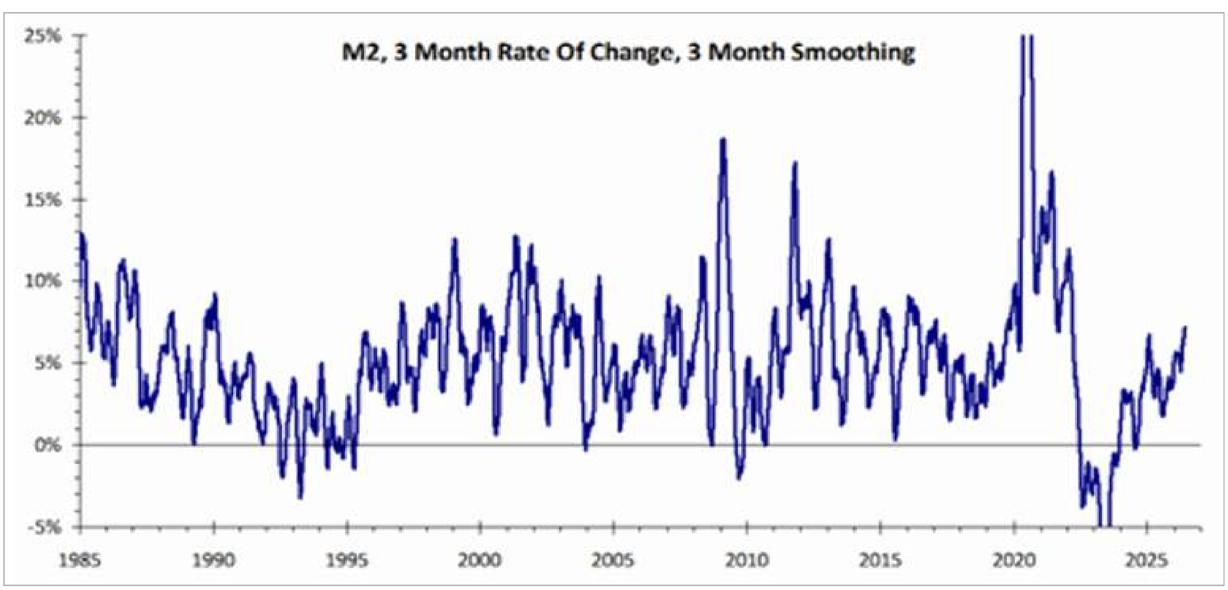


Source: Federal Reserve Board Flow of Funds, June 2026

Money Supply Reflects Liquidity Available For Risk Assets

Moneysupply has long been viewed as an important measure of liquidity withinthe financial system and a potential source of capital for risk assets such as equities. During the 1980s and 1990s, investors closely monitored money supply as a key indicator of stock market direction. Today, we continue to monitor M2, the broadest widely followed measure of money supply, which includes physical currency, checking and savings deposits, certificates of deposit (CDs), and retail money market funds. *Growth in M2 reflects an expanding pool of liquidity that can ultimately find its way into financial assets, supporting equity valuations and market performance.*

M2 Steadily Rising Providing Liquidity For The Economy & Risk Assets



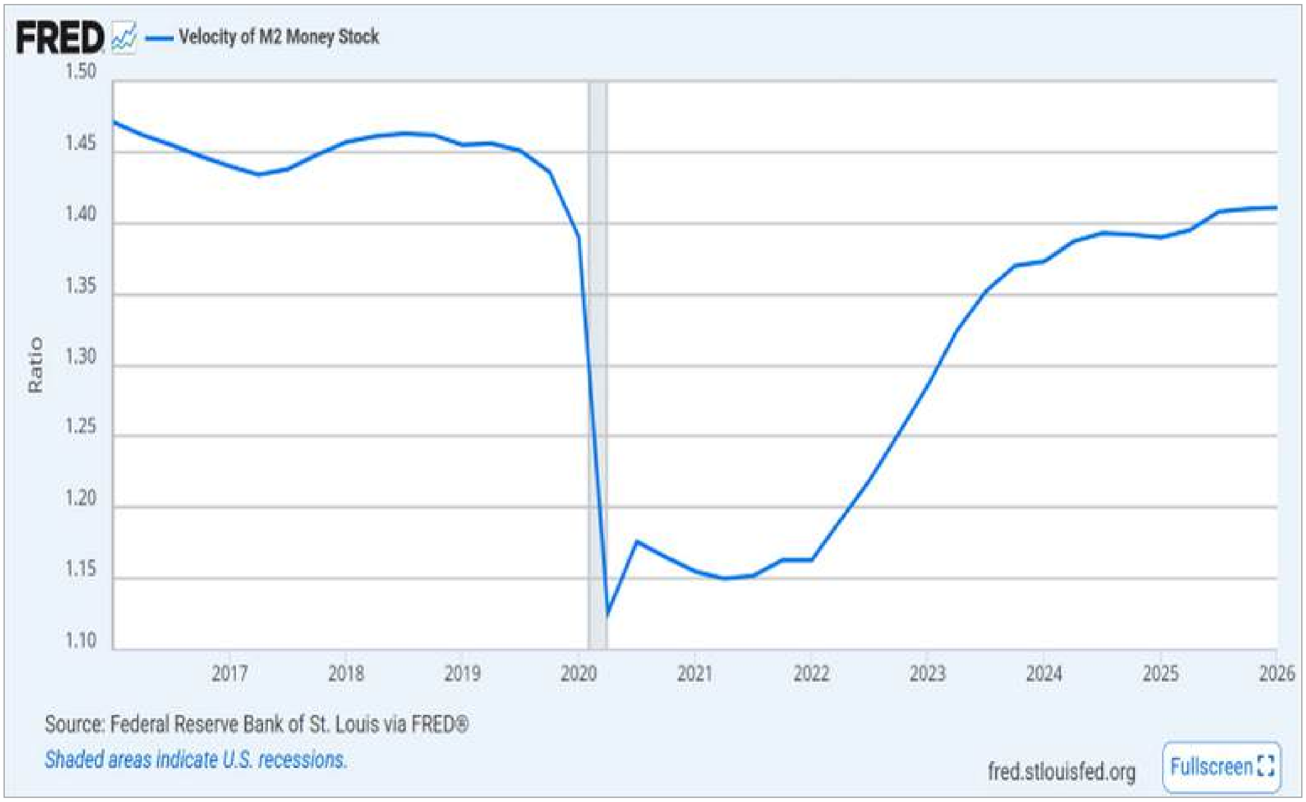
Source: Federal Reserve Board, H.6 Release

Money Velocity Improves While Cash Remains Plentiful

ThevelocityofM2— therate at which moneycirculates through theeconomy — has been steadily improving, supporting continued economic growth. At the same time, assets in money market funds continue to climb and are approaching $8.0 trillion, representing a significant pool of liquidity that could eventually be deployed into risk assets.

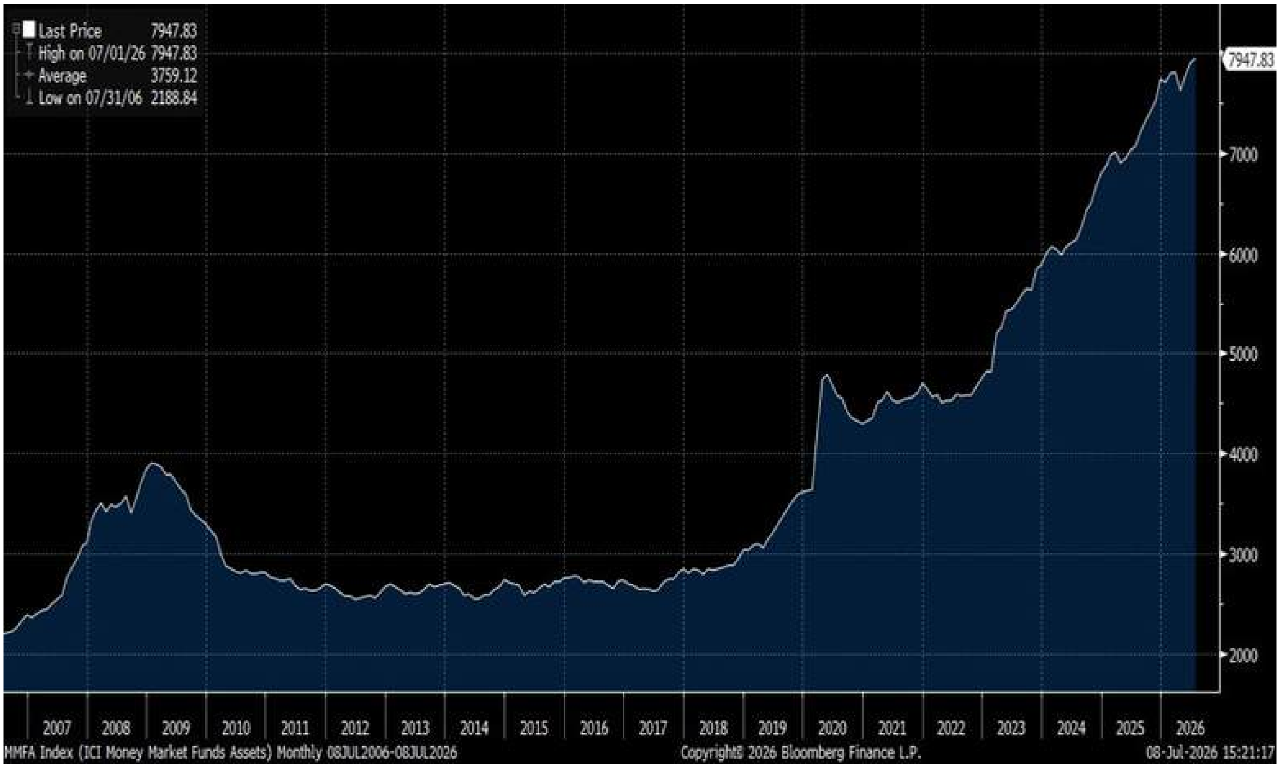
We also view these elevated cash balances as a stabilizing force for the equity market. Investors with ample cash reserves are better positioned to take advantage of market corrections rather than being forced to sell into periods of weakness.

Money Velocity Improving



Source: St. Louis Federal Reserve, June 25, 2026

Money Market Fund Mountain Continues to Climb To $8 Trillion



Source: Bloomberg, July 8, 2026

Sector Rotation Is Driving Volatility

Sector rotation has been adefiningcharacteristicof the market this year and remains a healthy feature of an ongoing bull market. Leadership has shifted among sectors rather than becoming concentrated in a single group, helping to sustain the market's advance.

After leading the market for the past two years, the Mega-Cap Technology stocks — including the Magnificent Seven — experienced a period of consolidation, while Semiconductors delivered a strong first half, led by memory chip companies. Energy outperformed earlier in the year before retreating as oil prices declined.

More recently, the defensive value sectors of Healthcare and Consumer Staples have strengthened despite an economy that continues to expand. Financials, another value sector, have also emerged as an area of leadership. As a result, the equal-weighted S&P 500 (but not the weighted index) reached new all-time highs in July, demonstrating that market participation has broadened beyond the largest capitalization stocks.

Equal Weighted S&P 500 At Record Highs In July

Source: Bloomberg, July 13, 2026

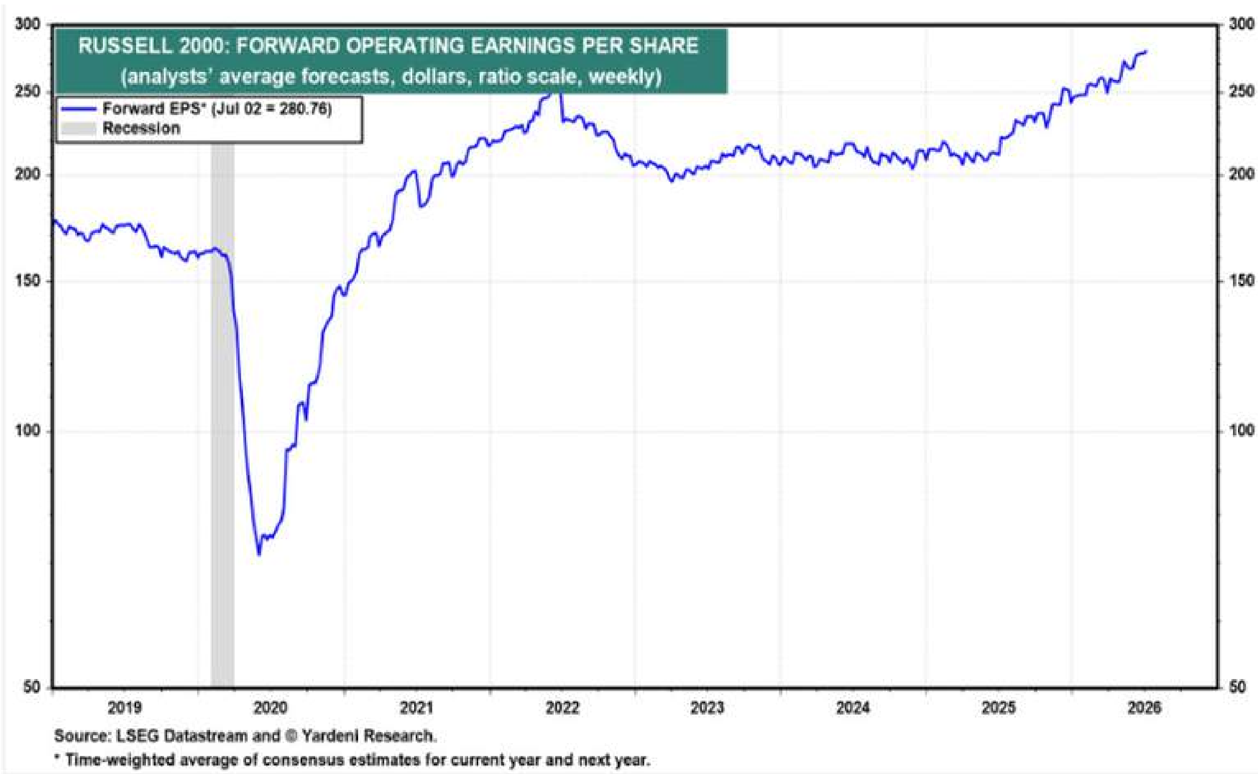
Small Cap Stocks Wake Up After 15-Year Bear Market

Small cap stocks as measured bytheRussell 2000 have underperformed the S&P 500 for 15 years, but this changed in 2026. For the first half of the year, the Russell 2000 was up nearly 22% while the S&P 500 was almost 10%. We believe small cap stocks are in the early stages of entering a new secular bull market. Improving revenues and earnings are supporting this shift, along with the relative price of small caps stocks to the S&P 500 bottoming. We would gradually increase portfolio exposure to small caps.

Russell 2000 Relative To S&P 500: Small Cap Early Stage Bull Run

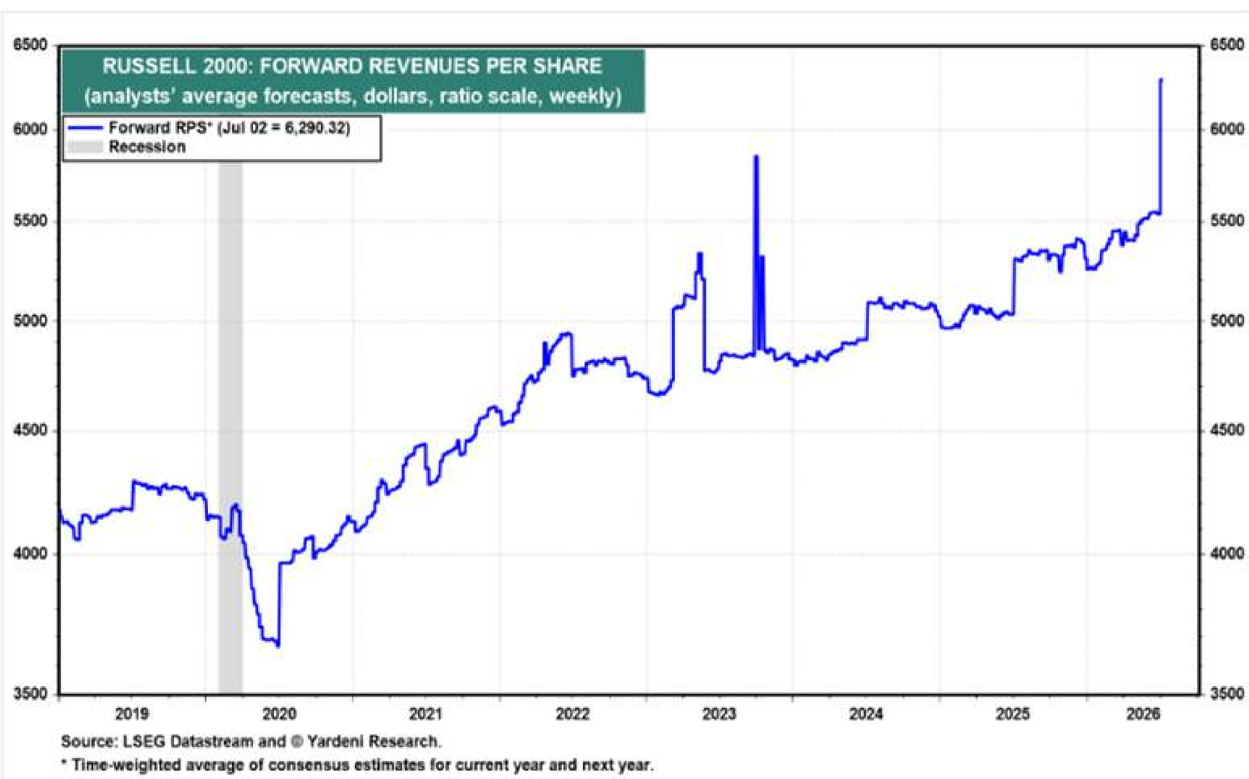
Source: Bloomberg with Annotations By Sanctuary Wealth, July 8, 2026

Small Cap Earnings Are Expanding



Source: Yardeni Research, July 8, 2026

Small Cap Revenue Surges Higher



Source: Yardeni Research, July 8, 2026

Technology Remains The Secular Bull Market Sector

Earningsare drivingthe Technologysector higher withSemiconductorsleading the charge within the sector. The Information Technology sector specifically has the highest number of companies issuing positive earnings guidance in the second quarter of this year. According to FactSet, earnings guidance is above their 5-year and 10-year averages. *In fact, it's the highest number of companies in the Information Technology sector issuing positive EPS guidance for a second quarter since FactSet began tracking this metric in 2006!*

At the industry level, the Semiconductors & Semiconductor Equipment and Software industries have the highest number of companies issuing positive EPS guidance within the Information Technology sector.

S&P 500 Technology Sector (Top) Relative Price (Bottom)

Source: Stockcharts.com, July 12, 2026

Mag 7 Stocks Remain In Bull Trend

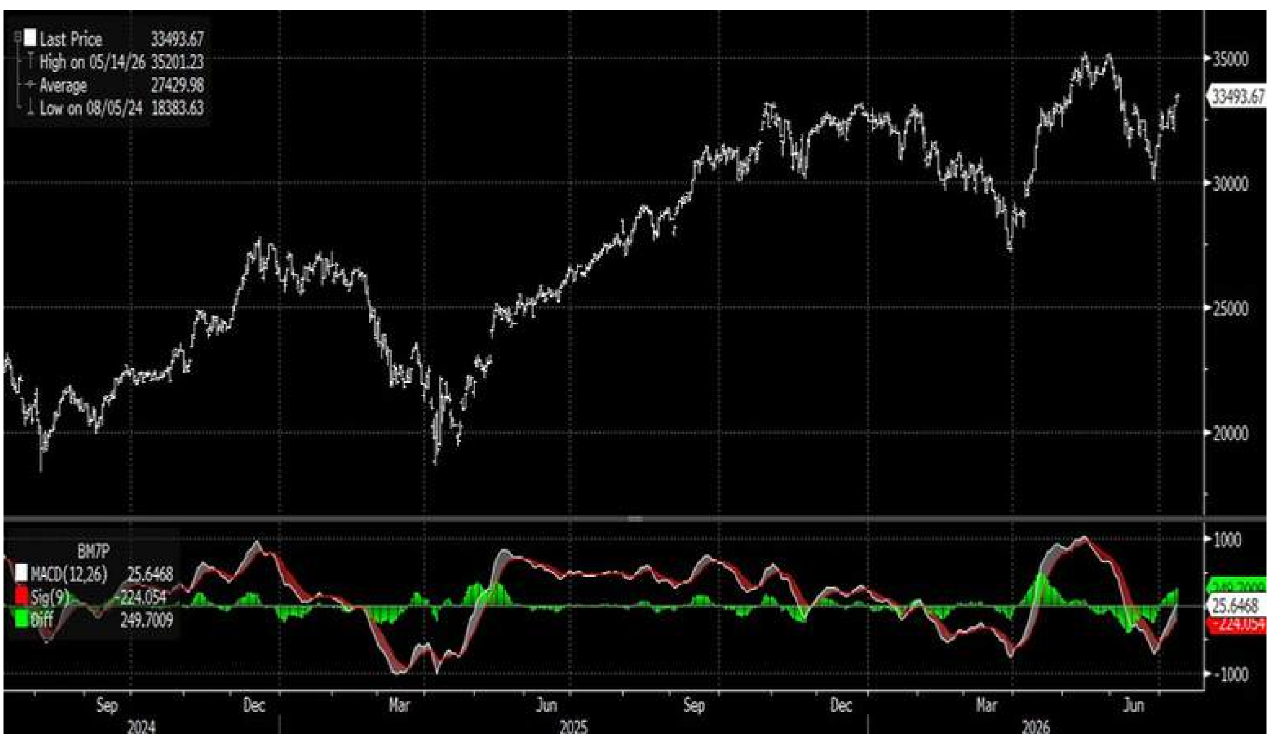
There has been concern over the Mag7companies, particularly the hyperscalers such as Alphabet (GOOGL), Amazon (AMZN), Microsoft (MSFT), and Meta (META), spending aggressively on the AI buildout, including data centers, while also raising capital in the fixed income markets and adding debt to their balance sheets. As these companies deploy the significant cash they have accumulated, they are relying more on debt financing to fund a portion of their AI investments. We do not believe the amount of debt raised is significant enough to warrant concern, although it is something we will continue to monitor. In our view, these concerns have already contributed to the recent correction in these stocks, creating another buying opportunity.

We have likened the AI buildout to when the U.S. built the railroad across America. With earnings still expanding and the valuation of the Mag 7 not excessive (the price-earnings ratio is 28x for this year and 24x for next year, compared to the S&P 500 at 22x and 19x next year), we expect these companies to remain leaders within the market.

US Artificial Intelligence Capital Expenditures (CapEx) Surging

Source: Bloomberg, July 10,2026

Mag 7 Index With MACD With Strong Price Momentum



Source: Bloomberg, July 12, 2026

Semiconductors Leading The Technology Sector’s Secular Bull Market

Semiconductors remain inexceptionallystrong demandas theglobal buildoutof AIcontinues. The rapid pace of AI investment has created shortages in memory chips, driving prices sharply higher and fueling significant gains in the stocks. Semiconductor ETFs are up an average of 80%–90% so far this year, leaving many stocks technically overbought. We believe the memory semiconductor companies are the most vulnerable to a near-term correction, and those pullbacks could be sharp.

History suggests this should not be surprising. During the 1990s, semiconductor stocks frequently experienced corrections of 30%–50% while remaining in a powerful secular uptrend. We expect this cycle to follow a similar pattern.

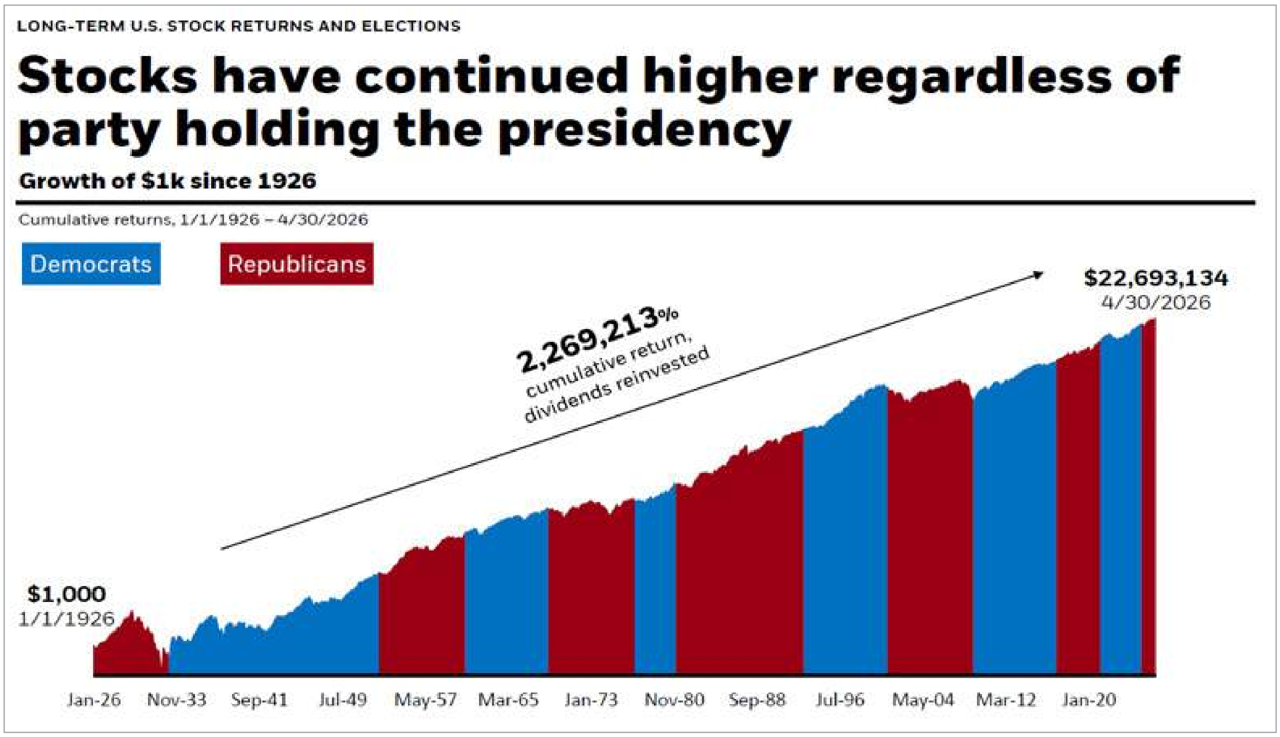
Semiconductors (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

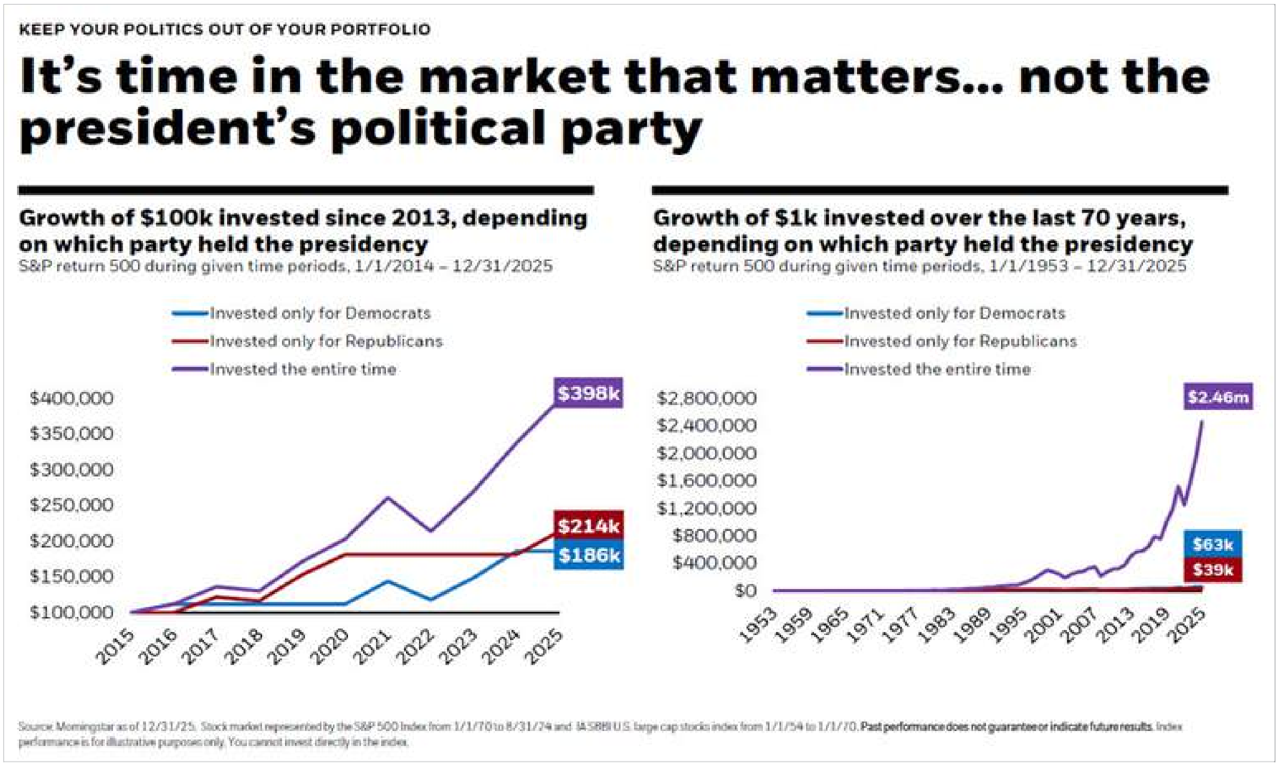
Politics & Portfolio Returns Don't Mix Well

This isamid-termelectionyear, with closelycontestedraces that will determine whether Republicans maintain control of Congress. At the same time, the on-again, off-again conflict with Iran has weighed on consumer sentiment while higher oil and gasoline prices have pressured household budgets.

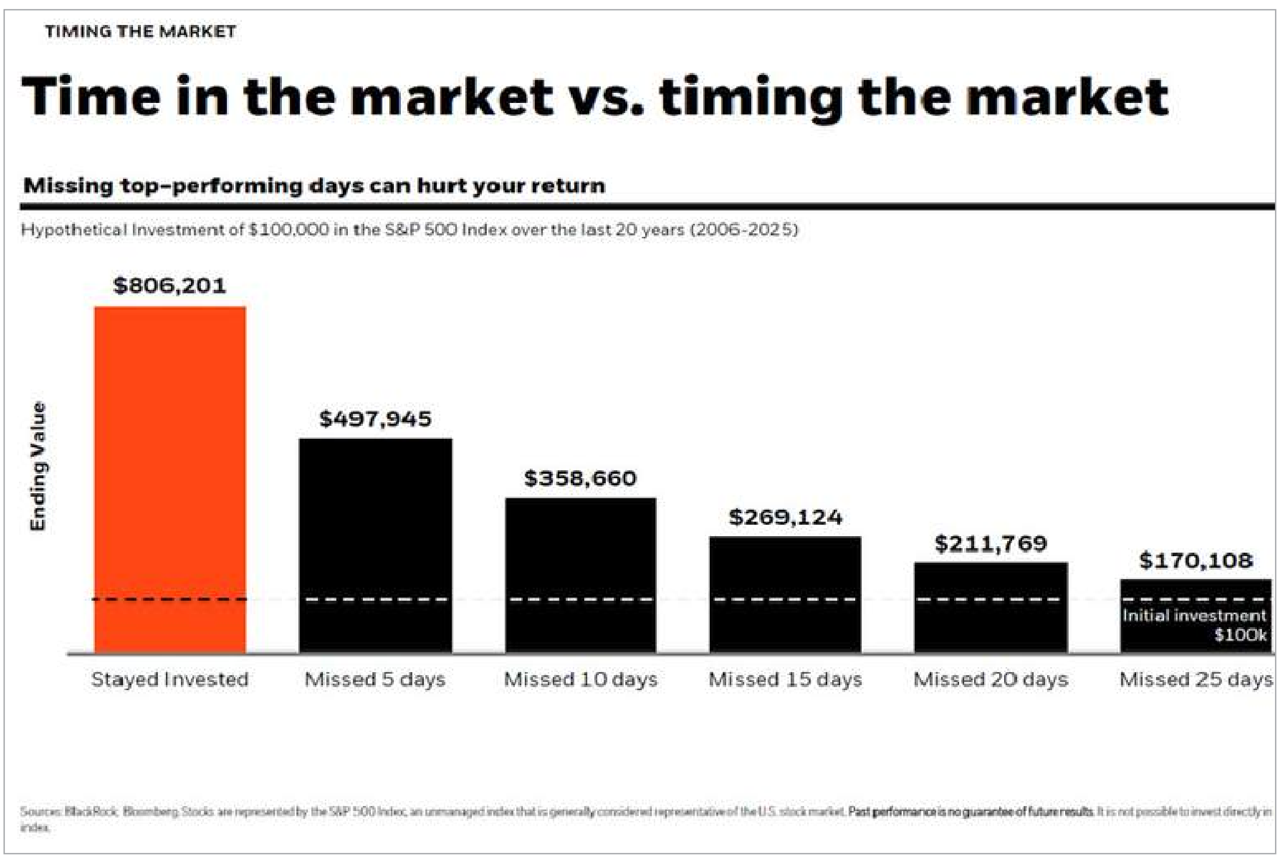
Many investors are passionate about politics, but political views rarely improve portfolio performance. Investing based on political preferences often comes at the expense of long-term returns. *It is time in the market — not market timing — that drives investment success.* History has consistently shown that missing the market's best-performing days can significantly reduce long-term returns.



Source: Blackrock, July 2026



Source: Blackrock, July 2026

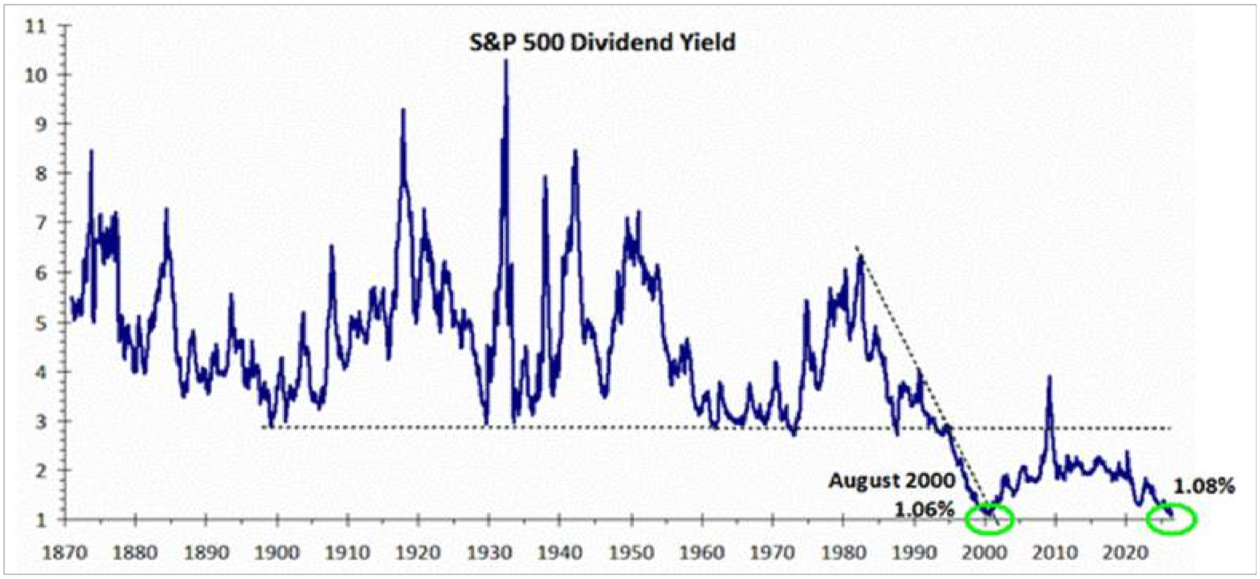


Source: Blackrock, July 2026

Equity Yield Is Scarce: Slow & Steady Wins The Race

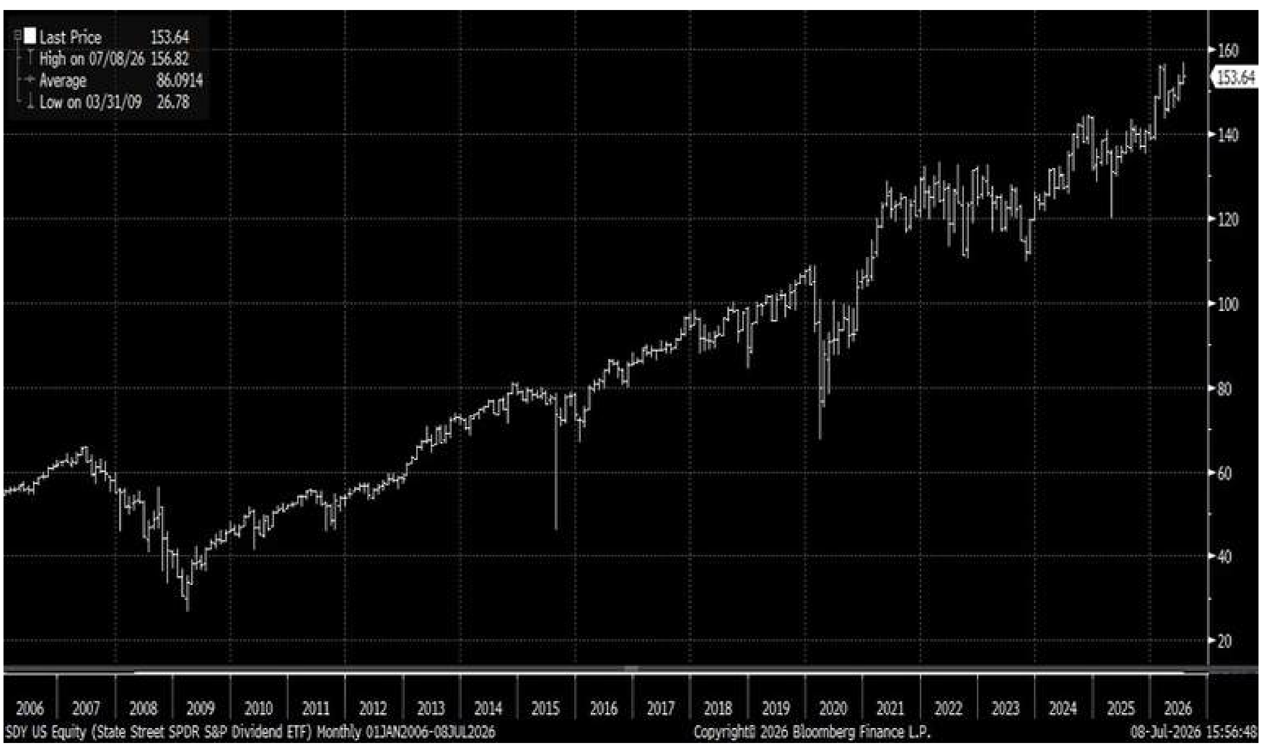
As moreBaby Boomers moveinto retirement,yield fromthe equity market is becoming scarce with the S&P 500 yielding just under 1.10% — which is closing in on the last low during 2000 at 1.06%. This should be bullish for equities that provide yield (income). *Dividend paying stocks have been providing income, which also enhances portfolio value with a slow and steady increase in their stock prices.*

S&P 500 Dividend Yield The Lowest Since 2000 Creating Yield Scarcity



Source: Standard & Poor's, Bloomberg, Sanctuary Wealth, July 8, 2026

State Street S&P Dividend ETF (SDY) With 2.4% Yield



Source: Bloomberg, July 8, 2026

Schwab U.S. Dividend ETF (SCHD) With 3.2% Yield

Source: Standard & Poor's, Bloomberg, Sanctuary Wealth, July 8, 2026

Verizon (VZ) With 6.7% Yield

Source: Bloomberg, Annotations by Sanctuary Wealth, July 8, 2026

The Receivers Of Capital Benefiting From AI

The sectorsthat are receiversof capital (ROCs) from theAI buildout are also benefiting from improving earnings growth. We continue to favor Industrials and Materials, which stand to benefit from increased investment in infrastructure and manufacturing. Other industry groups with strong fundamentals include Banks, Defense and Commodities. We now turn our attention to these areas of the market, which we expect to perform well during the second half of the year.

Industrials Near Record Highs & Improving Relative Trend

Manyareas ofthe Industrials sectorarebenefiting fromthecapitalbeinginvestedin Artificial Intelligence. These companies, often referred to as receivers of capital (ROCs), are seeing stronger demand as the AI buildout accelerates. Key beneficiaries include:

Supply Chain & Logistics: Autonomous mobile robots (AMRs), robotic arms, and predictive logistics software are improving fulfillment speed and operational efficiency.

Advanced Manufacturing: AI-driven quality control, predictive maintenance, and machine vision are helping manufacturers reduce waste and improve productivity.

Power & Data Center Infrastructure: The rapid expansion of AI computing is driving demand for high-voltage switchgear, advanced cooling systems, and electrical grid infrastructure.

Engineering & Design: Generative AI is accelerating product design, optimizing supply chains, and enabling digital twins for factories and infrastructure projects.

Natural Resources & Energy: AI is improving energy efficiency, optimizing natural resource management, and supporting integration of renewable energy into the power grid.

S&P Industrials (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

Aerospace & Defense Remains In Bullish Uptrend With War Spending Increasing

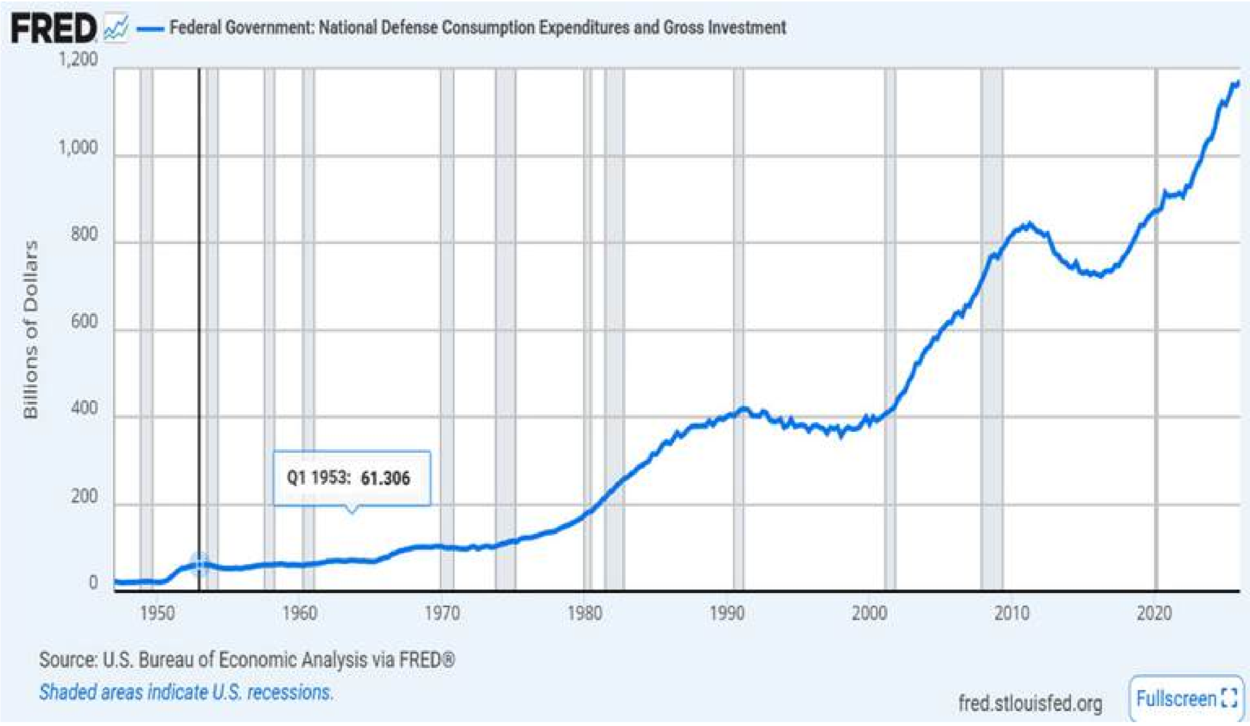
Heightened geopoliticaltensions continueto directcapital towardtheAerospace& Defense sector, makingit another important receiver of capital (ROC). The United States allocated approximately $916.1 billion to national defense in fiscal year 2025, representing roughly 13.1% of the federal budget. For fiscal year 2026, Congress has authorized Pentagon and military-related spending in excess of $1.0 trillion.

NATO is also increasing its defense budgets, which is also helping U.S. defense companies. NATO allies have committed to investing 5% of their combined GDPs in defense by 2035, divided into 3.5% for core military requirements and 1.5% for related security investments like civil preparedness and critical infrastructure. In cash terms, total NATO spending exceeds roughly $1.6 trillion annually, with the United States contributing approximately 60% of the alliance total. According to NATO in 2025, European Allies and Canada increased their defense expenditure by over $90 billion (in 2021 prices, or close to $139 billion in nominal terms) — a nearly 20% increase compared to 2024. Over the past decade, they have steadily increased their collective investment in defense, from 1.4% of their combined GDP in 2014, to 2.3% in 2025, when they invested a combined total of more than $571 billion (in 2021 prices) in defense.

Defense Capital Goods New Orders Surging With War With Iran

Source: Bureau of Census, Sanctuary Wealth, July 2026

Defense Spending Accelerating



Source: Federal Reserve St Louis, June 25, 2026

iShares U.S. Aerospace & Defense (ITA) (Top) Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

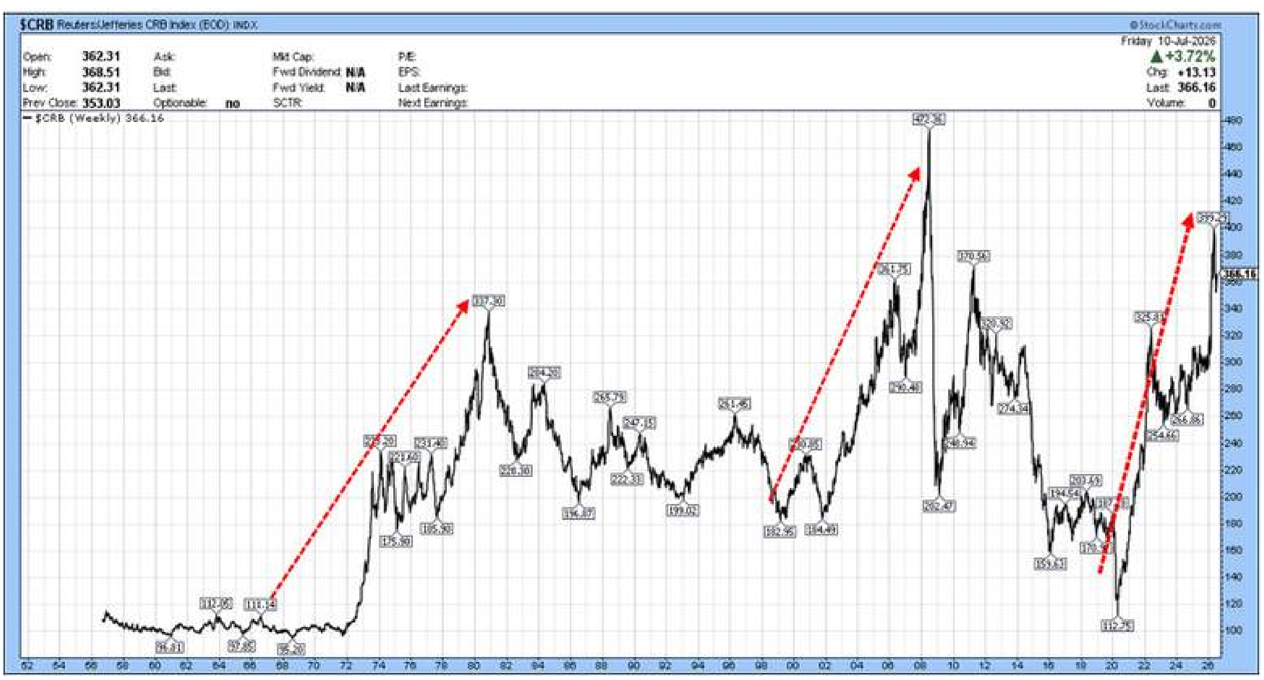
Higher Commodity Prices Are Bullish For The Materials Sector

The Materialssectorhasbeen improvingas commoditypriceshavebeen rising.The Metal stocks have been strong and recently had sharp corrections within a secular bull market uptrend. We maintain the Metal stocks remain in a secular bull market.

S&P 500 Materials (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

Commodities Are In A Secular Bull Trend



Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

Dr. Copper In Major Breakout: Positive Signal For GDP

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

Global Metal Stocks In Secular Bull Market

iShares MSCI Global Metals & Mining (PICK) (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

Secular Bull Markets For Gold And Silver

Gold experiencedasharp rallyfollowedbyan equallysharp correction, but the broader secular bull trend remains intact. We view the pullback as a buying opportunity, with technical support in the $3,800 to $4,000 range. We maintain our long-term target of $10,000 for Gold.

Silver has also entered a new secular bull market following a generational breakout. The metal is now testing support near its breakout level of $50. We continue to view pullbacks as buying opportunities and maintain our long-term target of $200 for Silver.

Gold (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

Silver Testing Major Breakout Within Long-Term Bull Trend

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

Energy Reving Up In A New Secular Bull Trend

Thesituationwith Iran remains sticky andcould lingerdeep into the second half of the year. Ongoing tensions and threats around the Strait of Hormuz, the narrow waterway through which about one-fifth of the world's oil passes, keep a risk premium in energy prices. In our view, oil faces near-term resistance in the $80 to $85 per barrel range. Firm to higher level oil prices benefit the Energy stocks. Energy company second quarter earnings are expected to be the best reporting sector. Meanwhile the stocks have corrected and tested a multi-year breakout and are extremely oversold. Energy remains a favored sector.

In addition, energy demands will remain elevated as data centers will need increased power. Small modular reactors (SMRs) offer a promising solution to the electricity bottleneck facing AI data centers. Aalo Atomics achieved criticality with its commercial-scale advanced reactor on July 4, 2026, at the Idaho National Laboratory, while Antares Nuclear reached the same milestone on June 4, 2026. Both companies are privately held. These achievements, combined with the U.S. Navy's more than 65 years of safe and reliable operation of compact nuclear reactors aboard submarines and aircraft carriers—although based on different designs—underscore the growing maturity of advanced nuclear technology and its potential for broader commercial deployment.

S&P 500 Energy (Top) Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

WTI Crude Oil Range Bound Between $100-$50

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

VanEck Uranium and Nuclear ETF (NLR)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

Banks Remain Favored

Bankshave broken out and are expected to perform well. The interest rate environment has become more favorable now that rates are well above the zero bound, helping to improve net interest margins (the difference between what banks earn on loans and what they pay on deposits). Improving capital markets activity, including a pickup in initial public offerings (IPOs), is also benefiting the banks. Investors are also anticipating that the Federal Reserve (Fed) will eventually ease some banking regulations.

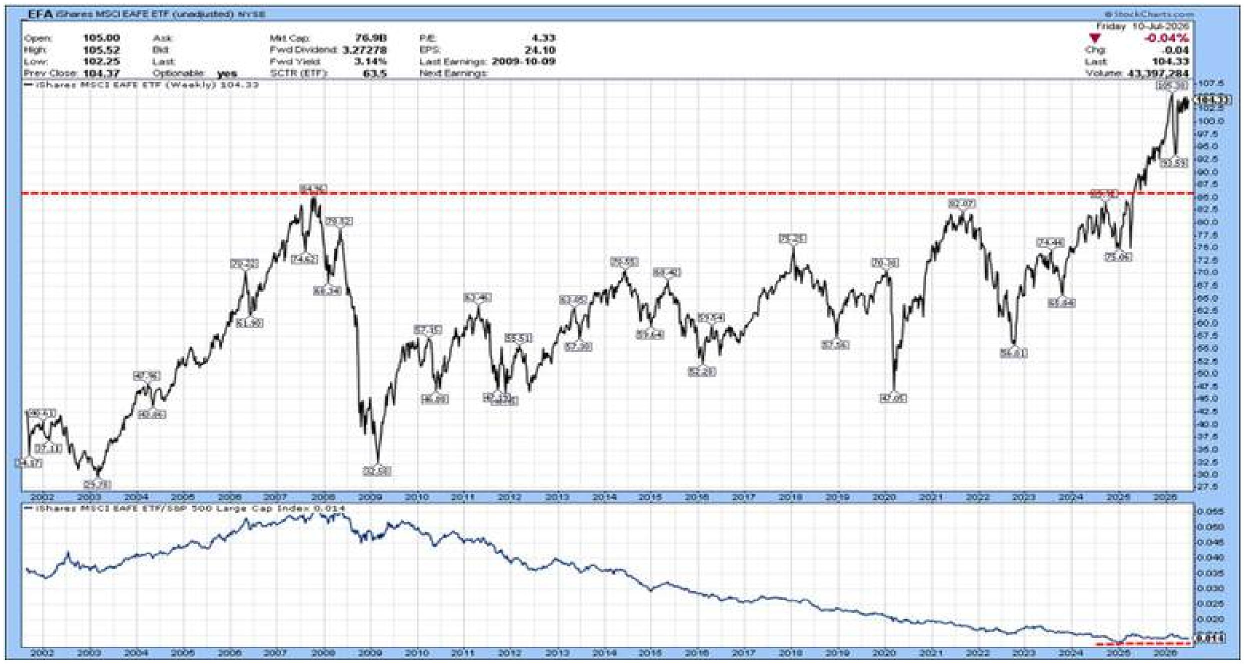
KBW Bank Index (Top) With Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 10, 2026

International Markets In Early Stages Of A Secular Bull Market

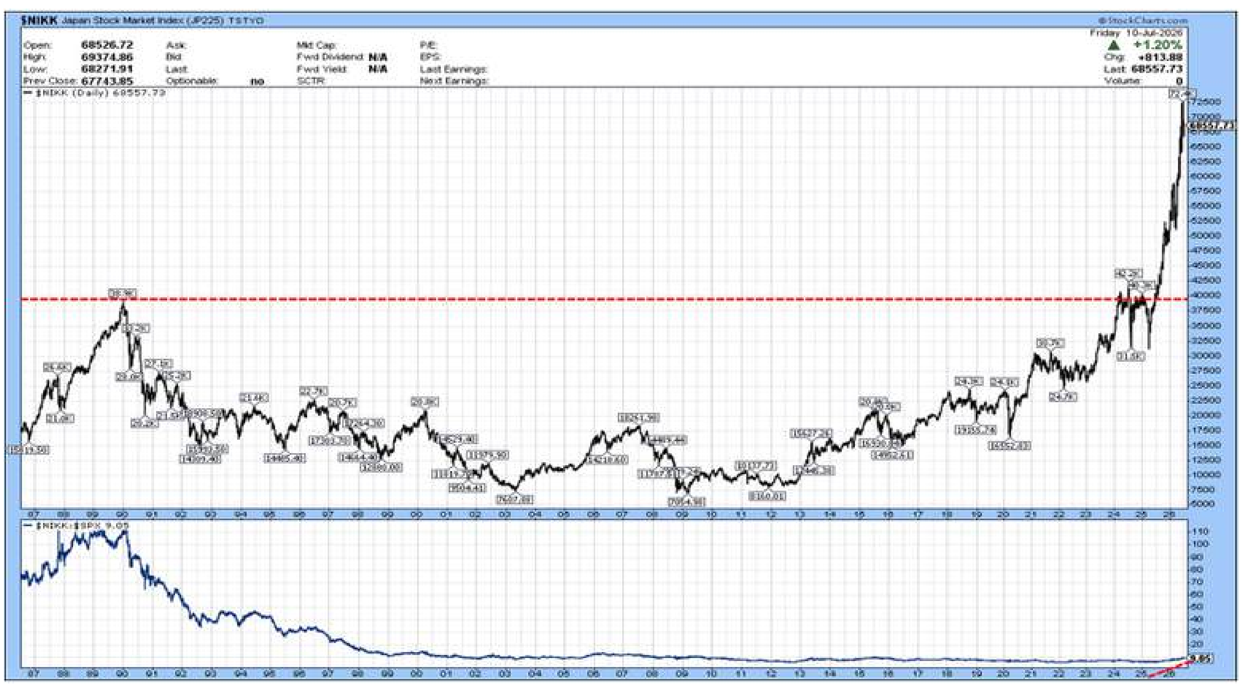
Oneof ourhighest-conviction calls entering 2026 wasthatInternational equities —including Emerging Markets excluding China — had entered a secular bull market. Rising corporate earnings around the world continue to support our thesis and reinforce our positive outlook for global equities. We continue to favor non-U.S. equity markets, particularly those outside of China, and believe investors should maintain diversified portfolios with meaningful exposure to international equities.

Shares MSCI EAFE (EFA) (Top) With Relative Price (Bottom)



Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

Japan In A New Major Secular Bull Market

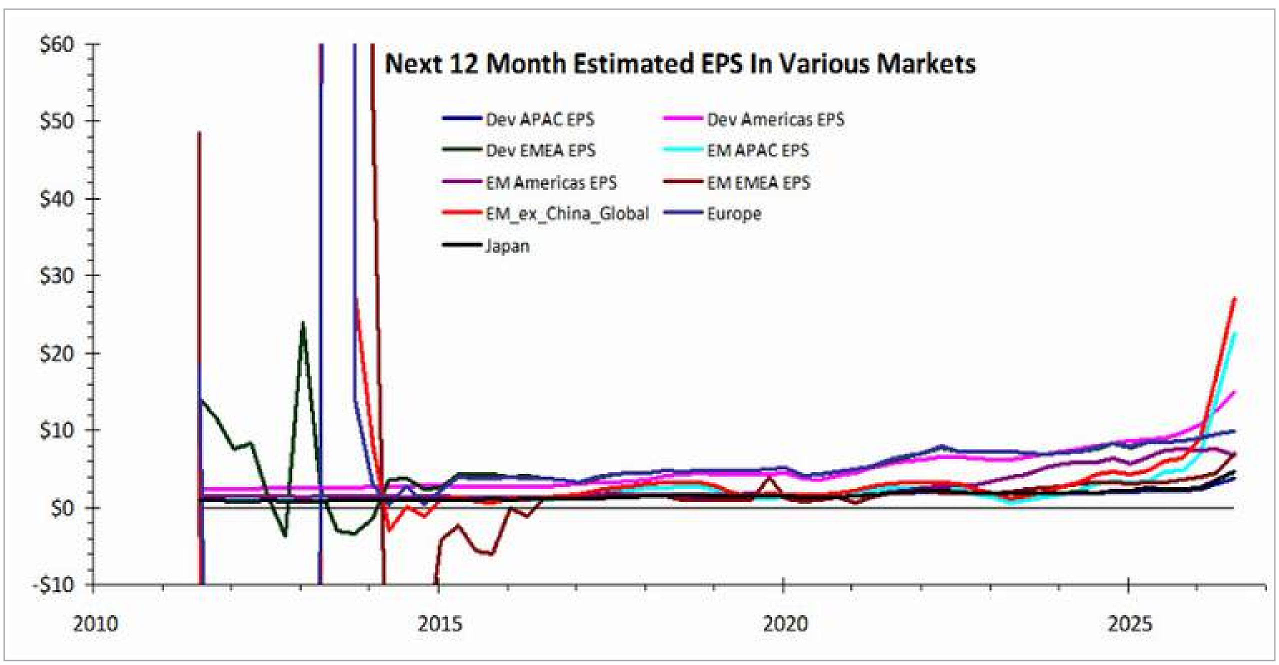


Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

iShares MSCI Emerging Markets ex China (Top) Relative Price (Bottom)

Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 2026

Global Next 12 Month Earnings Estimate Are Rising



Source: Bloomberg, Sanctuary Wealth, July 11, 2026

Bitcoin Remains In Crypto Winter

Approximately every fouryears, thecryptocurrency market enters a “crypto winter” — a prolonged bear market correction. As the most widely followed and most volatile digital asset, Bitcoin (BTC) has historically experienced declines of as much as 80% during these cycles.

In the current cycle, Bitcoin has corrected approximately 50% from its peak. While we do not yet believe a durable bottom has been established, we expect the downside to become increasingly limited as the cycle matures. There is a reasonable probability that Bitcoin will establish a bottom during the fourth quarter of this year. We see technical support in the $60,000 to $40,000 range.

Bitcoin (BTC) (Top) With Relative Price (Bottom)

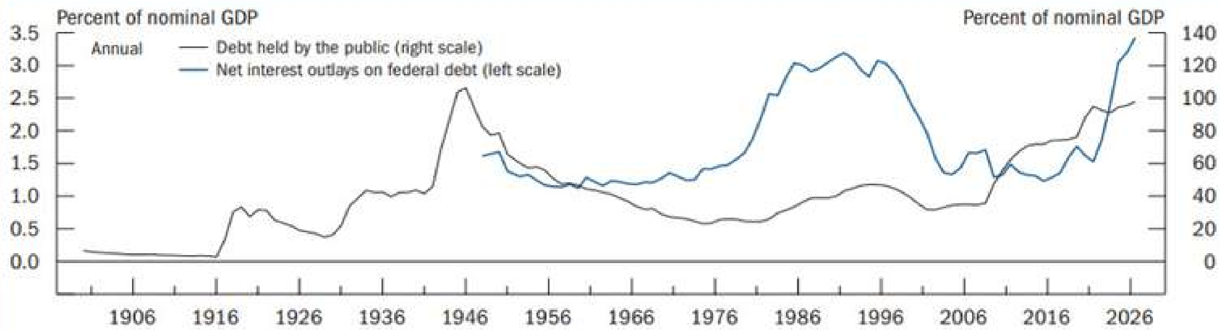
Source: Stockcharts.com, Annotations by Sanctuary Wealth, July 12, 2026

What Are The Risks?

1. Margin debtlevelsandleverage in ETFs remain elevated that can cause volatility during an equity market correction.
2. Inflation stays stubbornly high and risks the Federal Reserve raising interest rates.
3. Rising U.S. debt & interest payments bring in bond vigilantes pushing interest rates higher.
4. Earnings disappoint now that there are high expectations built into the market.
5. Iran War continues through the mid-term elections.

Federal Government Debt And Net Interest Payment Continue To Rise

Figure 32. Federal government debt and net interest outlays



Note: Federal debt held by the public equals federal debt excluding most intragovernmental debt, evaluated at the end of the quarter. Net interest outlays are the cost of servicing the debt held by the public, offset by certain types of interest income the government receives. Through 2025, federal debt data, which begin in 1900, are on a fiscal year basis; net interest outlays data, which begin in 1948, are on a unified-budget basis and are for fiscal years (October to September); and gross domestic product (GDP) is for the 4 quarters ending in Q3. For 2026, federal debt and net interest outlays are annualized for the first 8 months of the fiscal year; GDP is the average of 2025:Q4 and 2026:Q1.

Source: Federal Reserve Monetary Policy Report, July 2026

Last Words

We believe maintaining a diversified portfolio is important as we expect continued volatility. Technology is the leadership with emerging leadership among small cap stocks and non-U.S. equity markets. Sectors also entering new secular bull trends are Energy, Materials and Banks. The dividend yield from the S&P 500 remains scarce, making higher dividend yielding stocks attractive. There is a breadth of global investment opportunities and investors should *Remain Fearless*.

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