



Finding signals in a noisy market

OUTLOOK & TACTICAL UPDATE | FEBRUARY 2026

Not FDIC Insured

May Lose Value

No Bank Guarantee

The Big Picture:

- President Trump's new trade restrictions will not be as sweeping as the previously imposed tariffs.
- We raised our **Chaos** probability amid escalating Middle East tensions.
- Sticky inflation remains a key challenge.
- Market breadth expanded, but we are mindful of risks.
- We held our allocations steady as we evaluate the geopolitical risk.

Our February **Macroeconomic Scenario Analysis (MES)** anticipates an environment of persistent inflation and moderate growth amid elevated geopolitical risks. Monetary and fiscal policy outlooks remain supportive. US households expect to receive higher tax refunds, which is expected to benefit particularly the middle- and upper-class families. Consumer spending has consistently contributed to growth, but it remains bifurcated among income groups. Spending remains strong among higher-income households, while lower-income households face tighter restraints. Overall, the US economy remains resilient, but the slowdown in employment growth warrants close monitoring. We left our **Growth** and **Stagnation** probabilities at **2%** and **31%**, respectively.

President Trump imposed a 10% global tariff under Section 122 of the Trade Act of 1974 after the US Supreme Court struck down his tariffs based on the International Emergency Economic Power Act, and he has signaled the rate could rise to 15%. **We believe these measures are unlikely to be as sweeping as the tariffs that were struck down, as the administration needs to calibrate trade policy with an eye toward suppressing inflation ahead of the midterm elections.** With the Section 122 tariffs making up for much of the lost revenue, the implied fiscal boost is likely to be small for now. Moreover, given the uncertainty surrounding the future tariff regime, it seems unlikely that firms will rush to spend those savings or pass them on to consumers in the form of lower prices. Our outlook remains the same despite this recent development.

On February 28, the United States and Israel launched coordinated strikes on Iran. We raised our **Chaos** probability from **15%** to **16%**, sourced from our recession probability, reflecting rising Middle East tensions and an elevated risk of a prolonged regional conflict. The main transmission channel from the conflict to the global economy is through energy markets. The economic impact depends on the length of the war, the scale of Iran's retaliation, and any lasting damage to oil and gas production and export facilities. If the Strait of Hormuz remains closed for an extended period, energy supplies would be constrained, keeping upward pressure on energy markets.

Our **Inflation** probability remains at **41%** after we trimmed it in January. Headline and core inflation in the US softened for two consecutive months as of January. However, inflationary pressures persist as tariffs have not yet been fully passed on to consumers. According to the US February Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI), the prices paid index jumped to a four-year high. Purchasing managers noted rising costs of raw materials driven by tariffs on steel, aluminium, and wire, all of which were potentially exposed to large price resets at the start of the year. **We are also monitoring the impact of the Middle East conflict on energy prices and its potential pass-through to inflation readings.** US Treasury Inflation-Protected Securities (TIPS) remain in our portfolios.

The S&P 500 Index has had a volatile start to the year. Signs of diversifying away from the information technology sector and improving market breadth emerged in late 2025. Our portfolios benefited from the broadening of market participation, driven by increased exposure to mid- and small-cap, infrastructure, and international equity positions. However, breadth began weakening in mid-February because of rising geopolitical risks, volatility in mega-cap tech stocks, and macroeconomic uncertainty. We anticipate periods of increased volatility in 2026 and have maintained lower equity allocations compared to traditional benchmarks across portfolios. The aerospace and defense position continues to be supported by the government prioritization of military spending. In fixed income, portfolios include allocations to both short- and intermediate-duration fixed income. The portfolio's weighted average duration remains within a shorter-term range as long-term bond volatility may increase due to higher term premiums driven by sticky inflation and fiscal concerns. We maintain a holding in gold given elevated geopolitical risks. Other factors supporting gold prices include global central bank purchases, fiscal concerns, and bearish sentiment toward the US dollar.

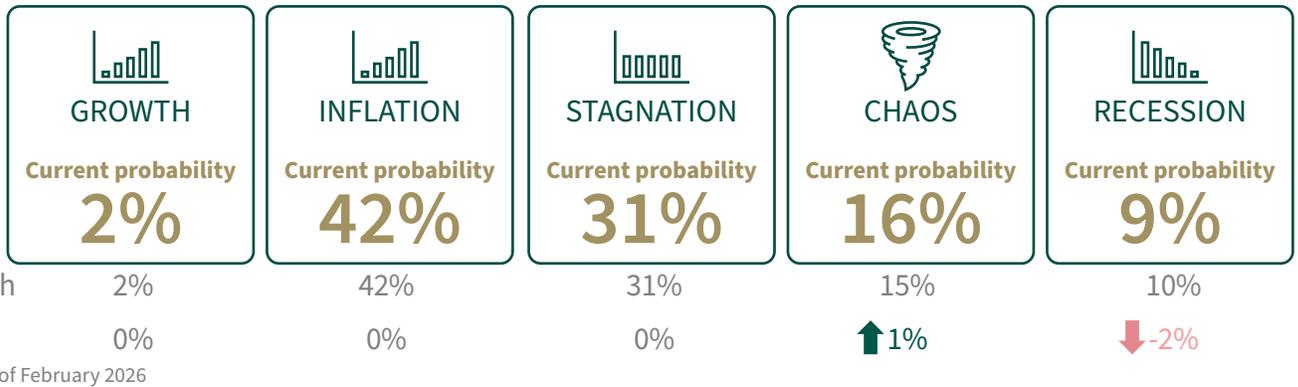
Significant uncertainty remains around the war in Iran, and the economic impact will depend on the duration of the conflict and Iran's response. At this stage, it is premature to reassess our investment strategy based on our 12-month horizon. Portfolio allocations remained unchanged in February while we assess the impact from the geopolitical situation.



Irina Dorogan, CIM[®]
Portfolio Manager

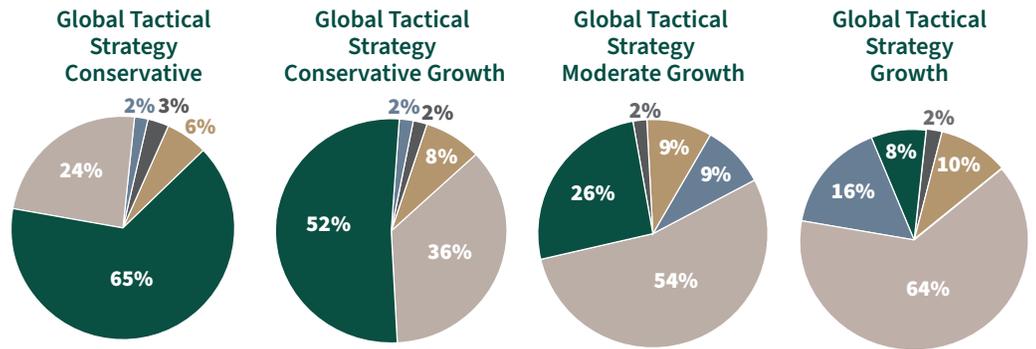
MACROECONOMIC Scenario Analysis

On a monthly basis, the Cougar Global investment team establishes the probabilities of the future path of the U.S. economy over the next 12 months and quantifies its independent global research into the following five scenarios:



ASSET ALLOCATION Shifts

As of February 2026



Asset Class	Symbol	Total US Equity			Total Fixed Income			Total International Equity			Cash			Gold		
		Previous Month	Current Month	Change	Previous Month	Current Month	Change	Previous Month	Current Month	Change	Previous Month	Current Month	Change	Previous Month	Current Month	Change
S&P 500	IVV	8	8	0	10	10	0	20	20	0	22	22	0			
S&P 400	IJH	3	3	0	4	4	0	4	4	0	7	7	0			
S&P 600	IJR	0	0	0	4	4	0	5	5	0	5	5	0			
MSCI EAFE	IEFA	2	2	0	2	2	0	6	6	0	12	12	0			
U.S. Healthcare	XLV	5	5	0	6	6	0	6	6	0	8	8	0			
Nasdaq 100	QQQ	2	2	0	3	3	0	4	4	0	4	4	0			
S&P Aerospace & Defense	XAR	2	2	0	3	3	0	7	7	0	7	7	0			
Financial Select Sector	XLFX	2	2	0	4	4	0	5	5	0	7	7	0			
Emerging Markets ex -China	EMXC	0	0	0	0	0	0	3	3	0	4	4	0			
U.S. Infrastructure Development	PAVE	2	2	0	2	2	0	3	3	0	4	4	0			
TOTAL EQUITIES		26	26	0	38	38	0	63	63	0	80	80	0			
0-3 Month Treasury Bond	SGOV	4	4	0	3	3	0	0	0	0	0	0	0			
Short-Term TIPS	STIP	16	16	0	13	13	0	10	10	0	5	5	0			
U.S. Aggregate Bonds	AGG	23	23	0	17	17	0	10	10	0	3	3	0			
U.S. 1-3 Year Treasury Bonds	SHY	11	11	0	8	8	0	3	3	0	0	0	0			
Treasury Floating	TFLO	11	11	0	11	11	0	3	3	0	0	0	0			
TOTAL FIXED INCOME		65	65	0	52	52	0	26	26	0	8	8	0			
Gold	IAU	6	6	0	8	8	0	9	9	0	10	10	0			
Cash	CASH	3	3	0	2	2	0	2	2	0	2	2	0			

The portfolios reflect the inherent risks of fluctuating prices and uncertainty of rates of returns. The cash portion of this portfolio is represented by money market instruments.

Disclosures

Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users

An investment in Exchange Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks: non-diversified, the risks of price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking error. All investments are subject to risk. Asset allocation and diversification do not ensure a profit or protect against a loss. There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable.

Cougar Global Investments calculates the Macro Economic Scenario (MES) analysis by assigning probabilities to each of the five economic scenarios (Growth, Stagnation, Inflation, Chaos and Recession) over the next 12 months. Macroeconomic scenarios are based on quantitative data sourced from various firms and then weighted and may be adjusted based upon Cougar Global Investments thought capital. MES are subject to change. These are hypothetical examples and are not representative of any specific situation. Actual economic results may vary. Economic forecasts set forth may not develop as Cougar MES indicates and there can be no guarantee that these strategies promoted will be successful. Past performance is no guarantee of future results. Macro Economic Scenarios: Growth – U.S. economy is growing at or above its potential growth rate, Recession – U.S. economy is shrinking (negative quarter over quarter growth rate), Stagnation – U.S. economy is growing at lower than its potential growth rate, Inflation – Consumer Price Index (CPI) inflation rate is higher than U.S. economy's potential growth rate, Chaos – a high impact, low probability event ("Black Swans").

Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful. Small-capitalization companies are subject to higher volatility than those of large-capitalized companies. International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be appropriate for all investors. Stock investing involves risk, including the risk of loss. Investments in emerging market issuers are subject to a greater risk of loss than investments in issuers located or operating in more developed markets. This is due to, among other things, the potential for greater market volatility, lower trading volume, higher levels of inflation, political and economic instability, greater risk of a market shutdown and more governmental limitations on foreign investments in emerging market countries. High Yield/Junk Bonds are not investment grade securities, involve substantial risks and generally should be part of the diversified portfolio of sophisticated investors. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity and redemption features. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price. Mortgage-Backed Securities are subject to credit, default risk, prepayment risk that acts much like call risk when you get your principal back sooner than the stated maturity, extensions risk, the opposite of prepayment risk, and interest rate risk. Investing in IAU involves additional risks. The market price of the Shares will be as unpredictable as the price of gold has historically been and the price received upon the sale of Shares may be less than the value of the gold represented by them. Government bonds and Treasury bills are guaranteed by the U.S. Government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. The fund's concentrated holding will subject it to greater volatility than a fund that invests more broadly. The fast price swings of commodities will result in significant volatility in an investor's holdings. Precious metal investing is subject to substantial fluctuation and potential for loss. All indexes mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results. The indexes don't reflect charges, expenses, fees and is not indicative of any particular investment. Commodity-linked investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities baskets as well as weather, disease, and regulatory developments. The Bloomberg U.S. Aggregate Bond Index is composed of the total U.S. investment-grade bond market. The market-weighted index includes Treasuries, agencies, CMBS, ABS and investment grade corporates. The MSCI ACWI® (All Country World Index) measures the performance of large and mid-cap stocks across 23 developed markets (DM) and 24 emerging markets (EM) countries. The S&P 500 or Standard & Poor's 500 Index (IVV) is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The iShares Core S&P Mid-Cap ETF (JH) seeks to track the investment results of an index composed of mid-capitalization U.S. equities. The iShares Core S&P Small-Cap ETF (IJR) seeks to track the investment results of an index composed of small-capitalization U.S. equities. The iShares Global Consumer Staples ETF (KXI) seeks to track the S&P Global 1200 Consumer Staples (Sector) Capped IndexTM. The iShares Core MSCI EAFE ETF (IEFA) seeks to track the investment results of an index composed of large-, mid- and small-capitalization developed market equities, excluding the U.S. and Canada. The Health Care Select Sector SPDR® Fund (XLV) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Health Care Select Sector Index (the "Index"). The S&P Aerospace & Defense Select Industry® Index (XAR) represents the aerospace & defense segment of the S&P Total Stock Market IndexTM. The Financials Sector Index (XLF) seeks to provide an effective representation of the financial sector of the S&P 500 Index. The Index includes companies from the following industries: financial services; insurance; banks; capital markets; mortgage real estate investment trusts ("REITs"); and consumer finance. The Nasdaq-100 (QQQ) is a globally recognized index that tracks the performance of 100 of the largest non-financial companies listed on the Nasdaq Stock Market® encompassing a diverse range of industries and sectors. The Global X U.S. Infrastructure Development ETF (PAVE) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Indxx U.S. Infrastructure Development Index. The iShares MSCI Emerging Markets ex China ETF (EMXC) seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities, excluding China. The iShares 0-3 Month Treasury Bond ETF (SGOV) seeks to track the investment

results of an index composed of U.S. Treasury bonds with remaining maturities less than or equal to three months. The iShares 0-5 Year TIPS Bond ETF (STIP) seeks to track the investment results of an index composed of inflation-protected U.S. Treasury bonds with remaining maturities of less than five years. The iShares Core U.S. Aggregate Bond ETF (AGG) seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. The SPDR® Bloomberg 1-10 Year TIPS ETF (TIPX) seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Bloomberg 1-10 Year U.S. Government Inflation-Linked Bond Index. The iShares 1-3 Year Treasury Bond ETF (SHY) seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one and three years. The iShares Treasury Floating Rate Bond ETF (TFLO) seeks to track the investment results of an index composed of U.S. Treasury floating rate bonds. The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Cougar Global optimizes portfolios in US dollars for four risk categories. GTS – Conservative may be appropriate for clients who have accumulated sufficient wealth to begin making regular withdrawals for income requirements while potentially achieving investment returns sufficient to preserve capital over a full investment cycle. GTS – Conservative Growth may be appropriate for clients who may have occasional income needs and are willing to take moderate downside risk to achieve investment returns. GTS – Moderate Growth may be appropriate for clients who have a long term investment horizon and can tolerate downside volatility in the course of a market cycle. GTS – Growth may be appropriate for clients who have a long term investment horizon and can tolerate higher downside volatility in the course of a market cycle. The conversion dates from sub-advisors to ETFs are April 30, 2008, for GTS – Conservative; February 29, 2008 for GTS – Moderate Growth; and October 31, 2007 for GTS – Conservative Growth. As of December 31, 2008, Cougar Global stopped using sub-advisors.

This research material has been prepared by Cougar Global Investments. Opinions and estimates offered constitute Cougar Global's judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Under no circumstances does the information contained within represent a recommendation to buy, hold or sell any security and it should not be assumed that the securities transactions or holdings discussed were or will prove to be profitable. All holdings are subject to change daily.

Cougar Global Investments Limited (Cougar Global) is an investment manager that utilizes tactical asset allocation to construct globally diversified portfolios. Effective 4/30/15, Cougar Global Investments is a wholly owned subsidiary of Raymond James International Canada which is a wholly owned subsidiary of Raymond James International Holdings. Raymond James International Holdings is a wholly owned subsidiary of Raymond James Financial as is Raymond James Investment Management. Prior to 4/30/15, Cougar Global was an independent investment management firm not affiliated with any parent organization. Cougar Global is registered as a Portfolio Manager with the Ontario Securities Commission (OSC) and with the United States Securities and Exchange Commission (SEC) as a Non-Resident Investment Advisor. Prior to 01/02/2013, the firm was named Cougar Global Investments LP.

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2025. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

BLOOMBERG, BLOOMBERG INDICES and Bloomberg Fixed Income Indices (the "Indices") are trademarks or service marks of Bloomberg Finance L.P. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited, the administrator of the Indices (collectively, "Bloomberg") or Bloomberg's licensors own all proprietary rights in the Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Indices.

About Cougar Global Investments

Cougar Global Investments is a global macroeconomic asset allocation manager that believes the goal of investing is to achieve compound annualized returns for clients. We use a disciplined portfolio construction methodology combining post-modern portfolio theory and risk management to pursue our clients' objectives.

About Raymond James Investment Management

Raymond James Investment Management is a global asset management company that combines the exceptional insight and agility of individual investment teams with the strength and stability of a full-service firm. Together with our boutique investment managers – Chartwell Investment Partners, ClariVest Asset Management, Cougar Global Investments, Eagle Asset Management, Reams Asset Management and Scout Investments – we offer a range of investment strategies and asset classes, each with a focus on risk-adjusted returns and alpha generation. We believe providing a lineup of seasoned, committed portfolio managers – spanning a wide range of disciplines and investing vehicles – is the best way to help investors seek their long-term financial goals.



COUGAR GLOBAL
INVESTMENTS

To learn more about Cougar Global's strategies, philosophy and capabilities visit cougarglobal.com or call 1.800.521.1195.