MEREDA ANNUAL CONFERENCE
"A Tale of Two Cities"

September 16, 2026

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NBT Wealth Management

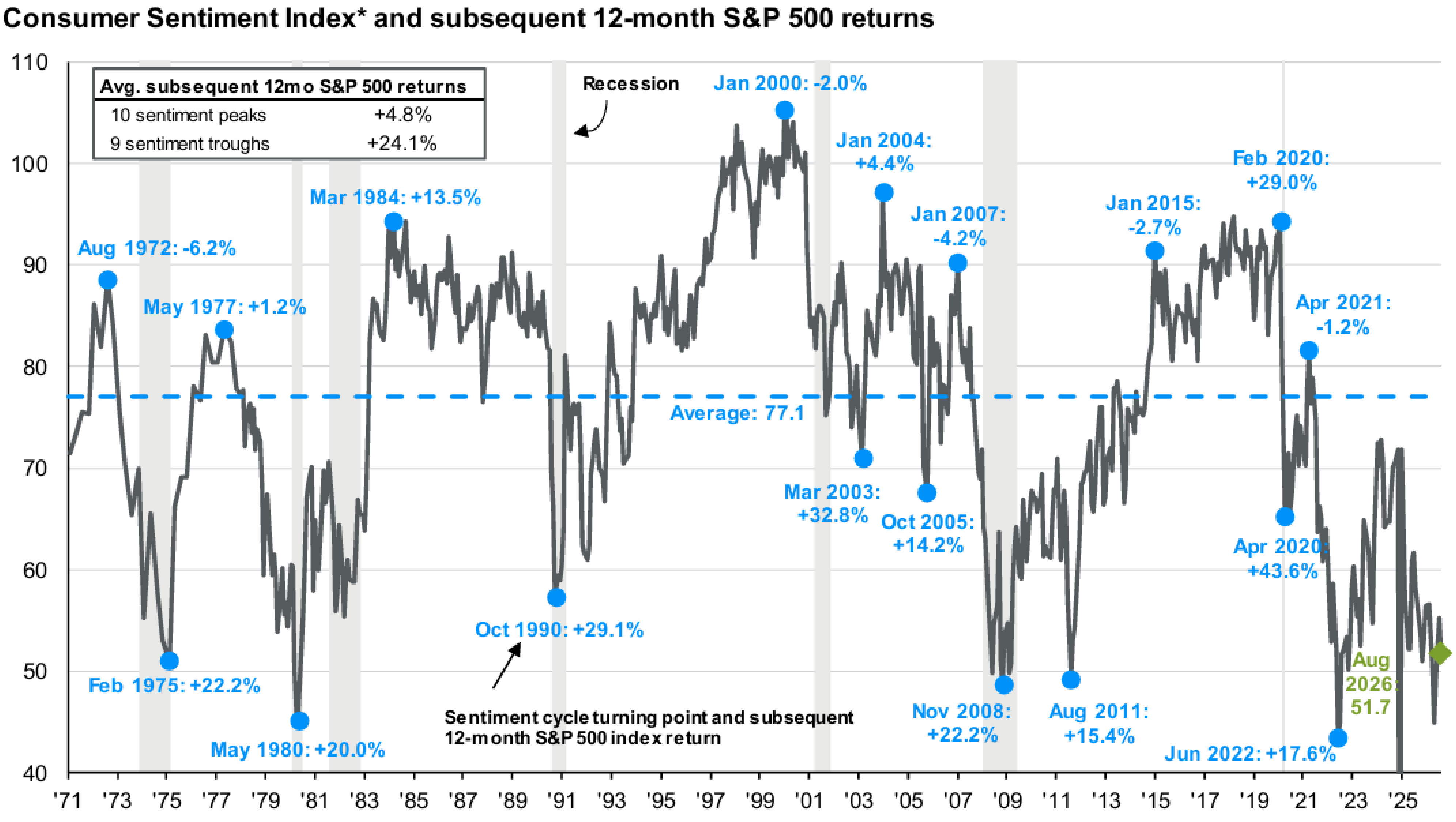
NBT BANK

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way."

A Tale of Two Cities
1859, Charles Dickens

A Tale of Two Cities

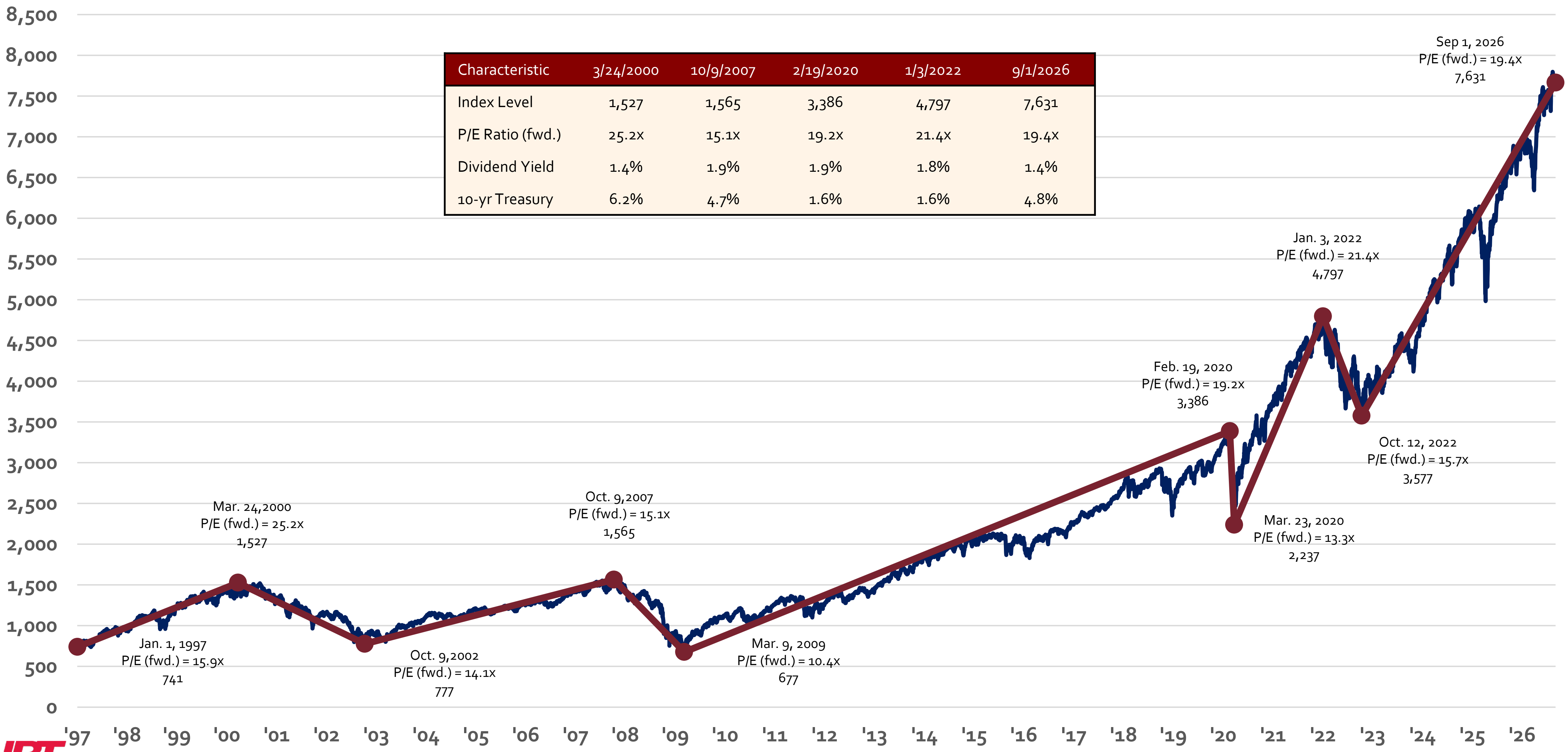
It was the Worst of times…Soft Data is *AWFUL!*



Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of September 3, 2026.

It was the Best of Times…Hard Data is pretty good!

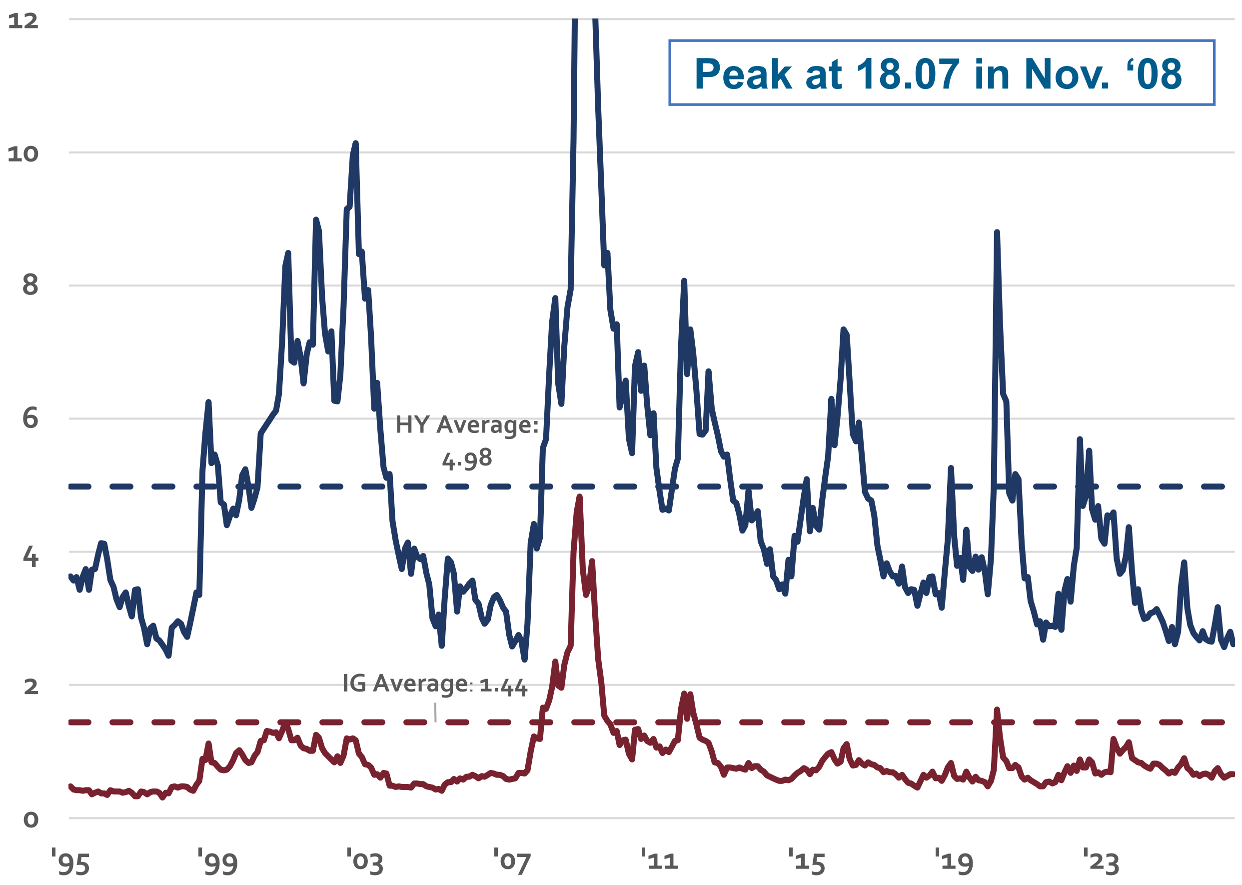
Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	9/1/2026
Index Level	1,527	1,565	3,386	4,797	7,631
P/E Ratio (fwd.)	25.2x	15.1x	19.2x	21.4x	19.4x
Dividend Yield	1.4%	1.9%	1.9%	1.8%	1.4%
10-yr Treasury	6.2%	4.7%	1.6%	1.6%	4.8%



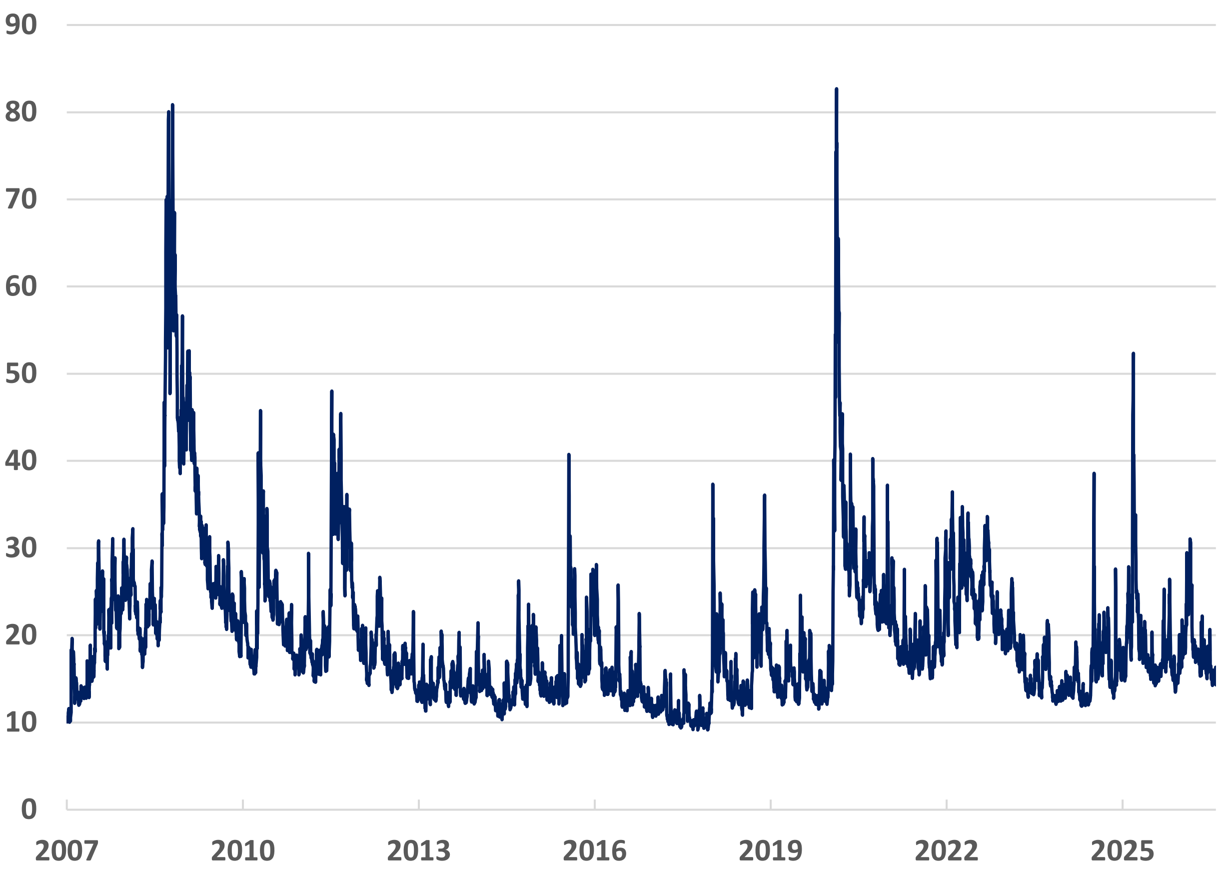
Source: *Guide to the Markets,* FactSet, September 3, 2026.

It was the Best of Times…Where are the Market Vigilantes?

Bond Credit Spreads



S&P 500 "VIX" Volatility Index



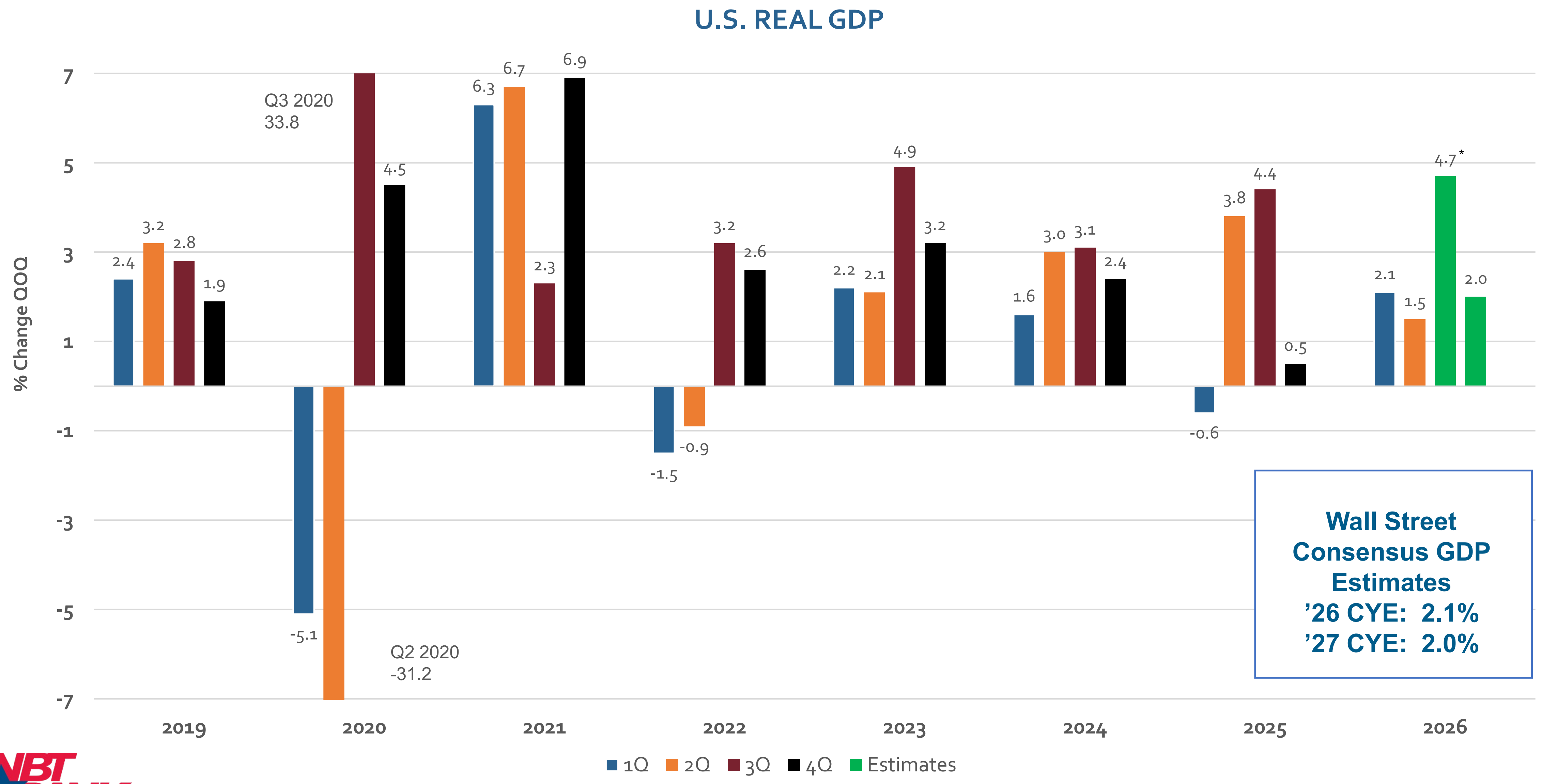
Source: FactSet, September 4, 2026.

US GDP

Gross Domestic Product (GDP) =

C CONSUMPTION + **I** INVESTMENTS + **G** GOVERNMENT ± NET EXPORTS

The Best of Times…US GDP

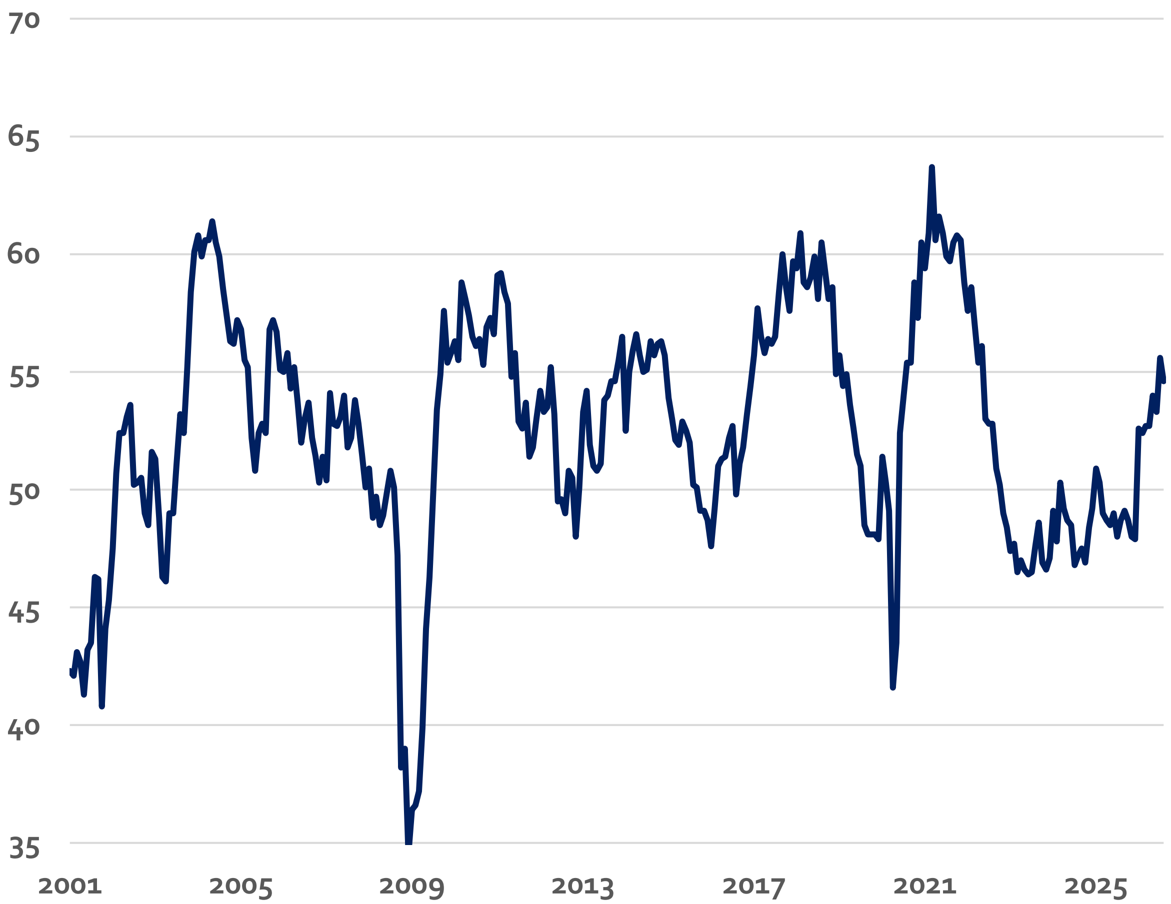


Wall Street Consensus GDP Estimates
'26 CYE: 2.1%
'27 CYE: 2.0%

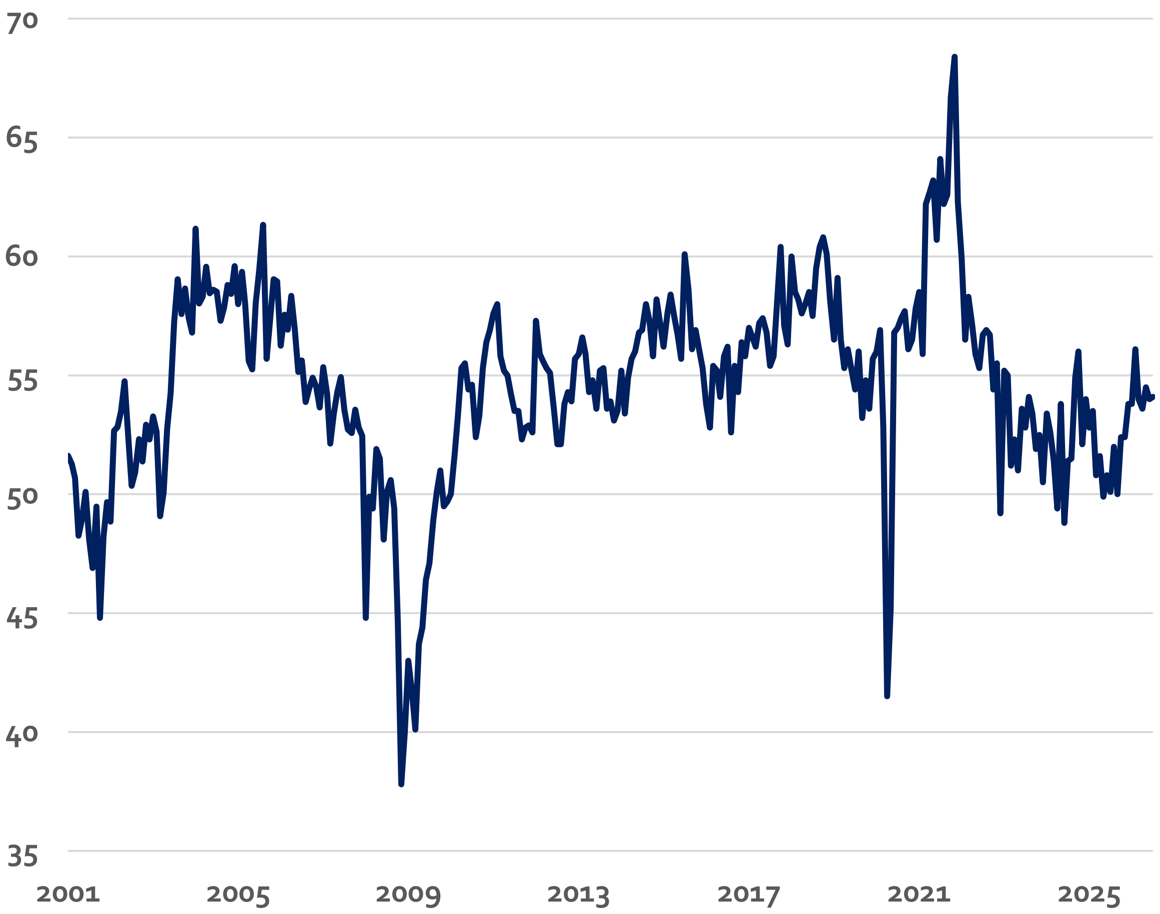
Source: FactSet, September 2, 2026.
* Q3 GDP estimate from the Federal Reserve Bank of Atlanta

U.S Business Environment

ISM Manufacturing Index (PMI)

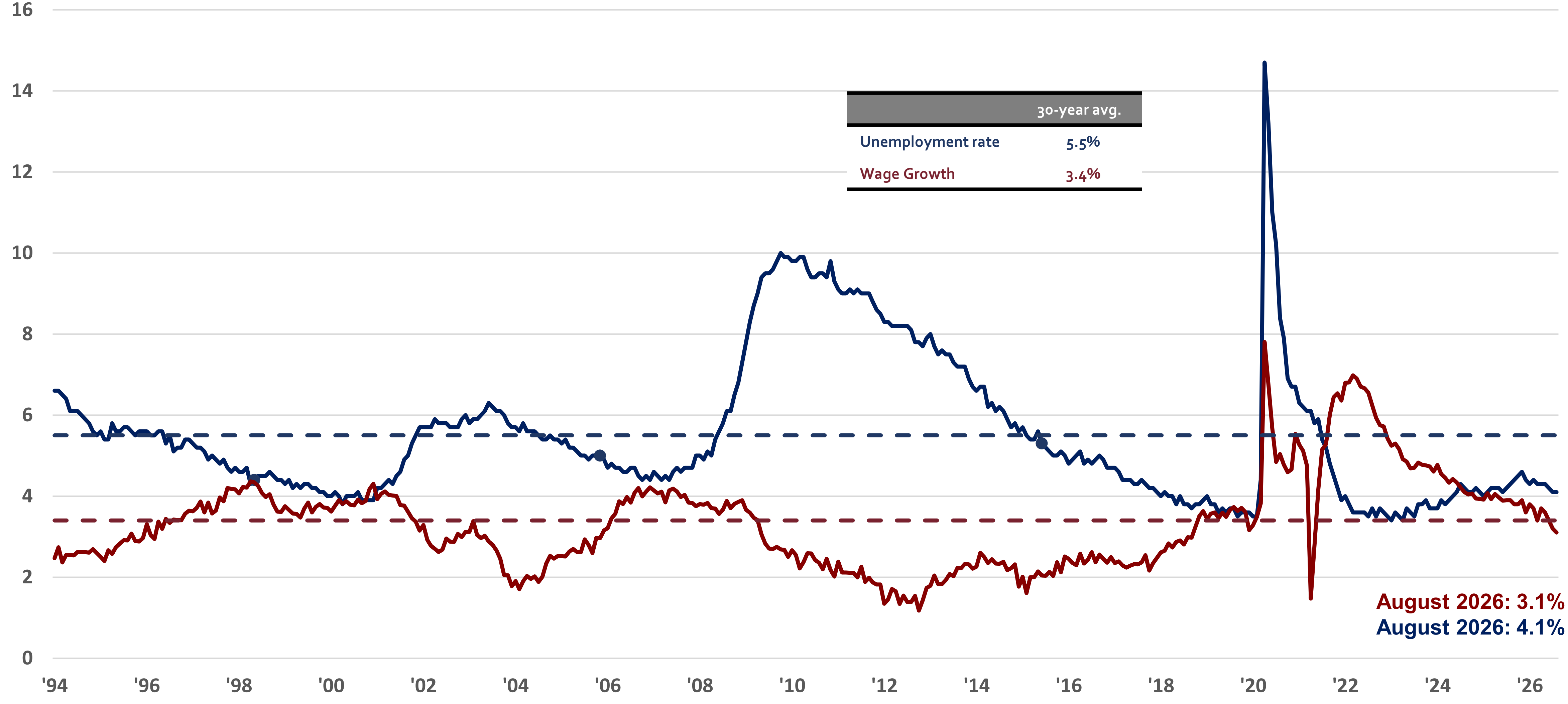


ISM Non-Manufacturing Index (NMI)



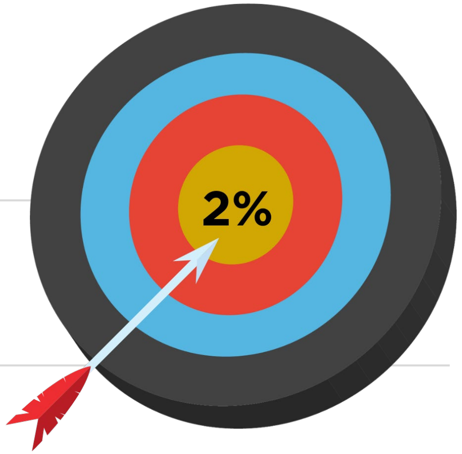
Source: FactSet, September 2, 2026.

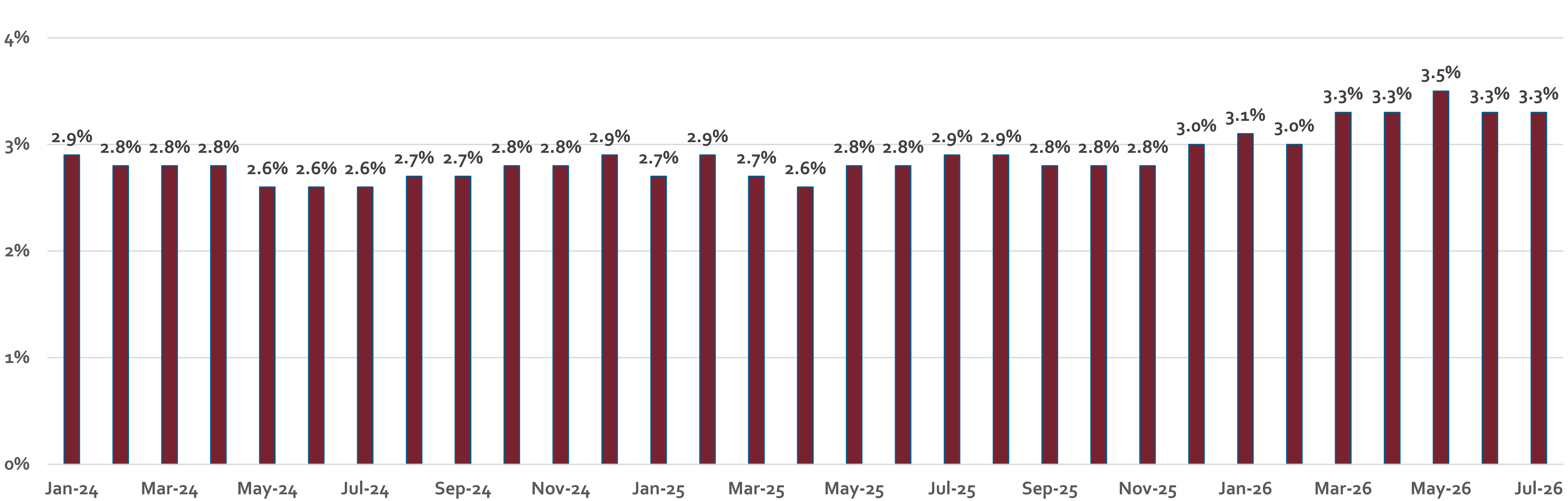
The Best of Times…Labor Market
“Low Hire…Low Fire”



Source: *Guide to the Markets,* FactSet, September 4, 2026.

It was the Worst of times…Inflation
Core PCE (YoY %)
(excluding Food & Energy)





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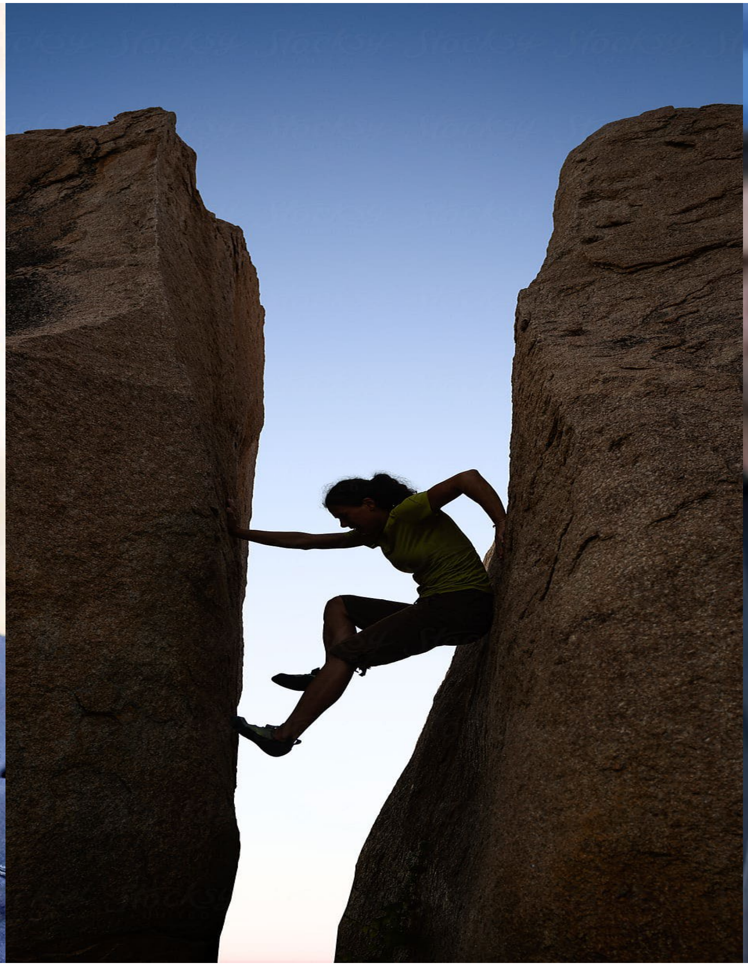
Source: BEA, September 2, 2026.

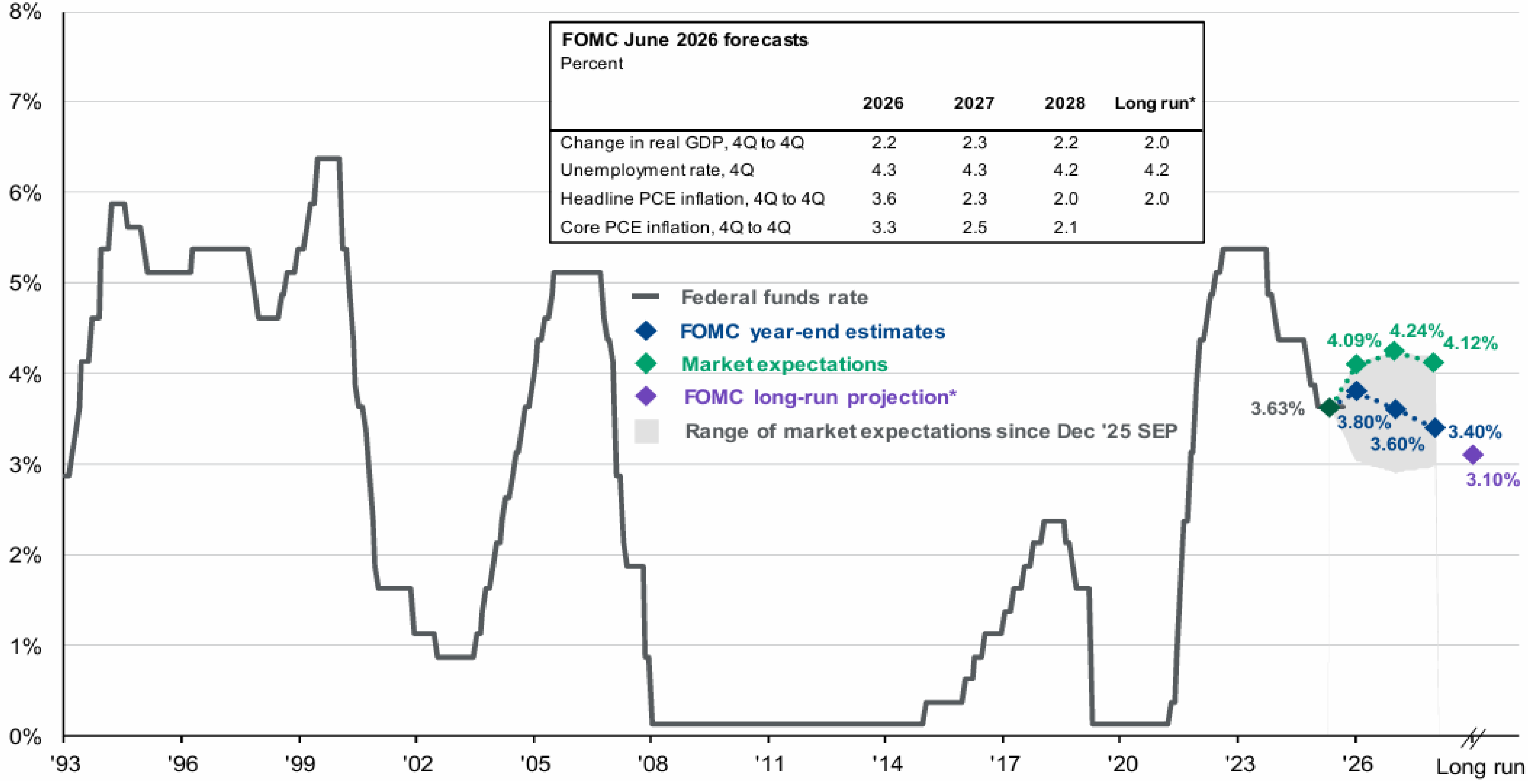
Federal Reserve Bank:
Stuck between a Rock and a Hard Place
Dual Mandate – Maximize Employment and Price Stability


Fed Policy: The Battle of the Dual Mandate

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



FOMC June 2026 forecasts
Percent

	2026	2027	2028	Long run*
Change in real GDP, 4Q to 4Q	2.2	2.3	2.2	2.0
Unemployment rate, 4Q	4.3	4.3	4.2	4.2
Headline PCE inflation, 4Q to 4Q	3.6	2.3	2.0	2.0
Core PCE inflation, 4Q to 4Q	3.3	2.5	2.1	

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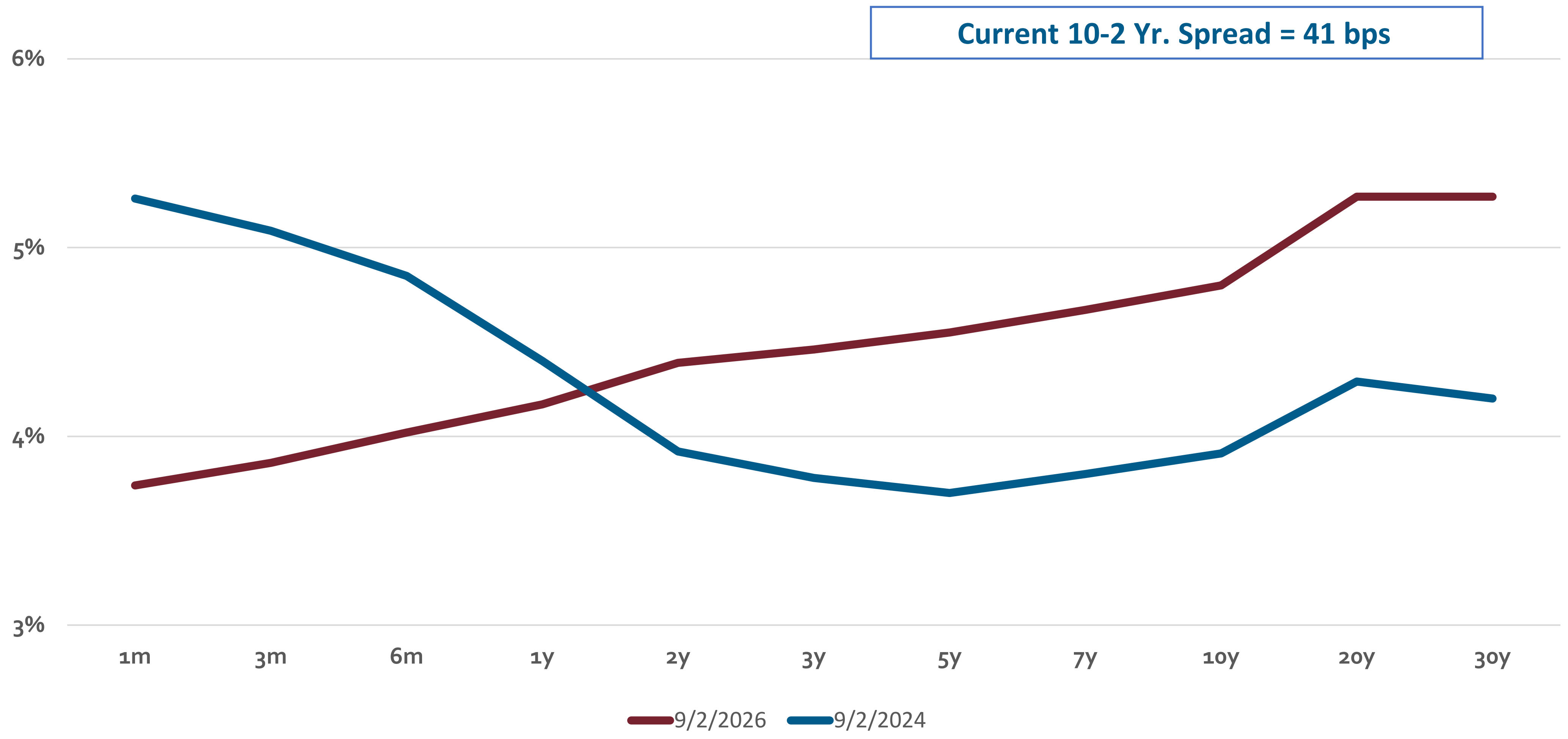
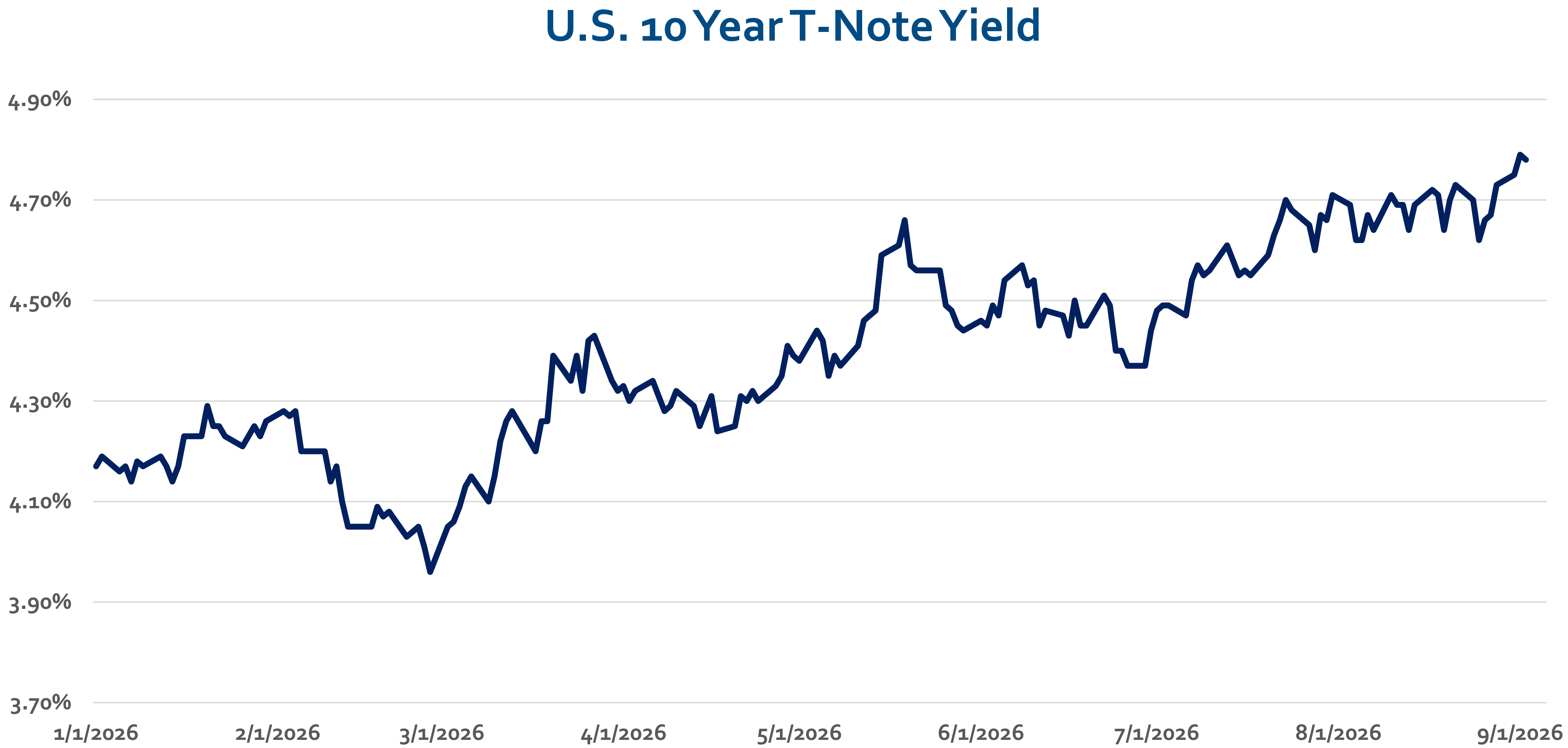
Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of September 1, 2026.

Interest Rates…Higher for Longer?
The Return of Term Premium



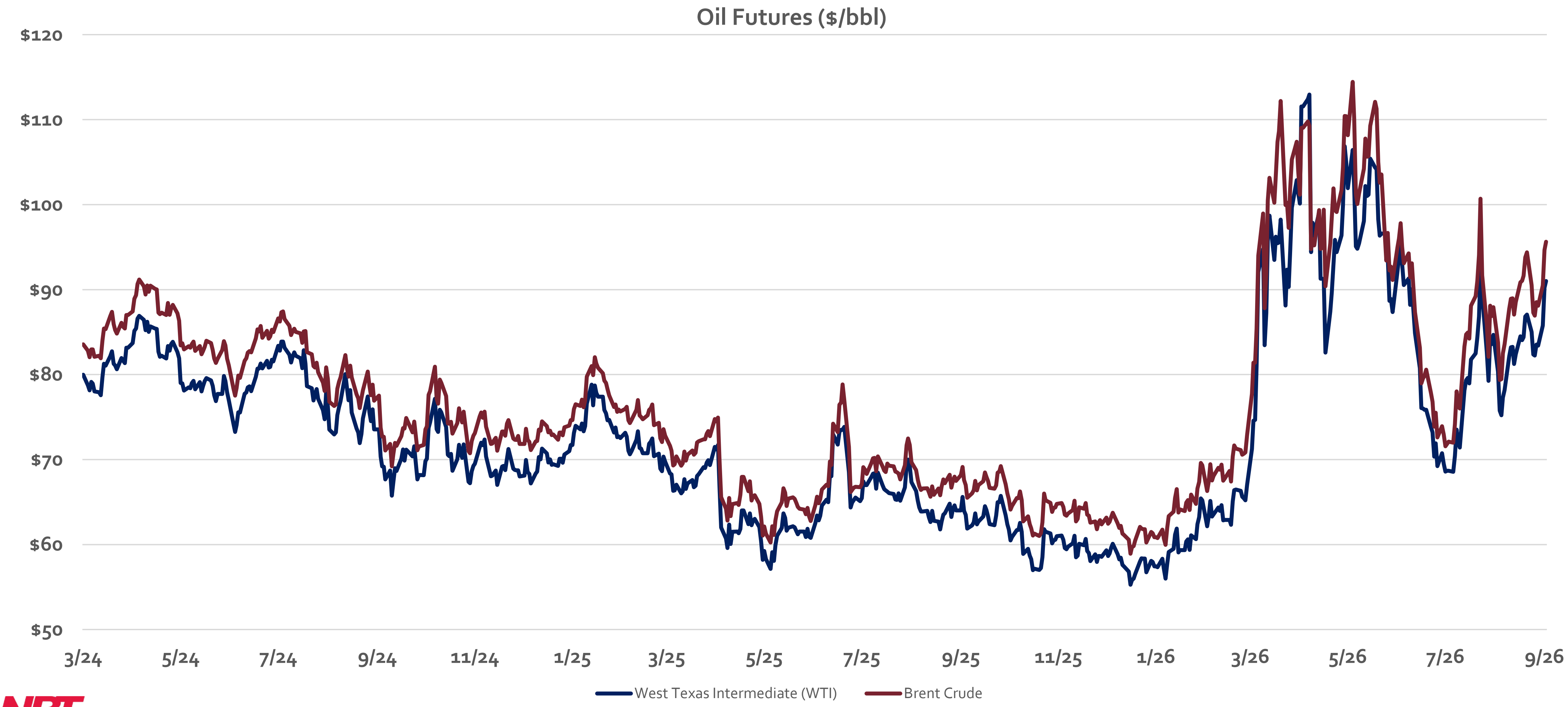
Source: FactSet, September 2, 2026.

Interest Rates…Higher for Longer?
The Return of Term Premium



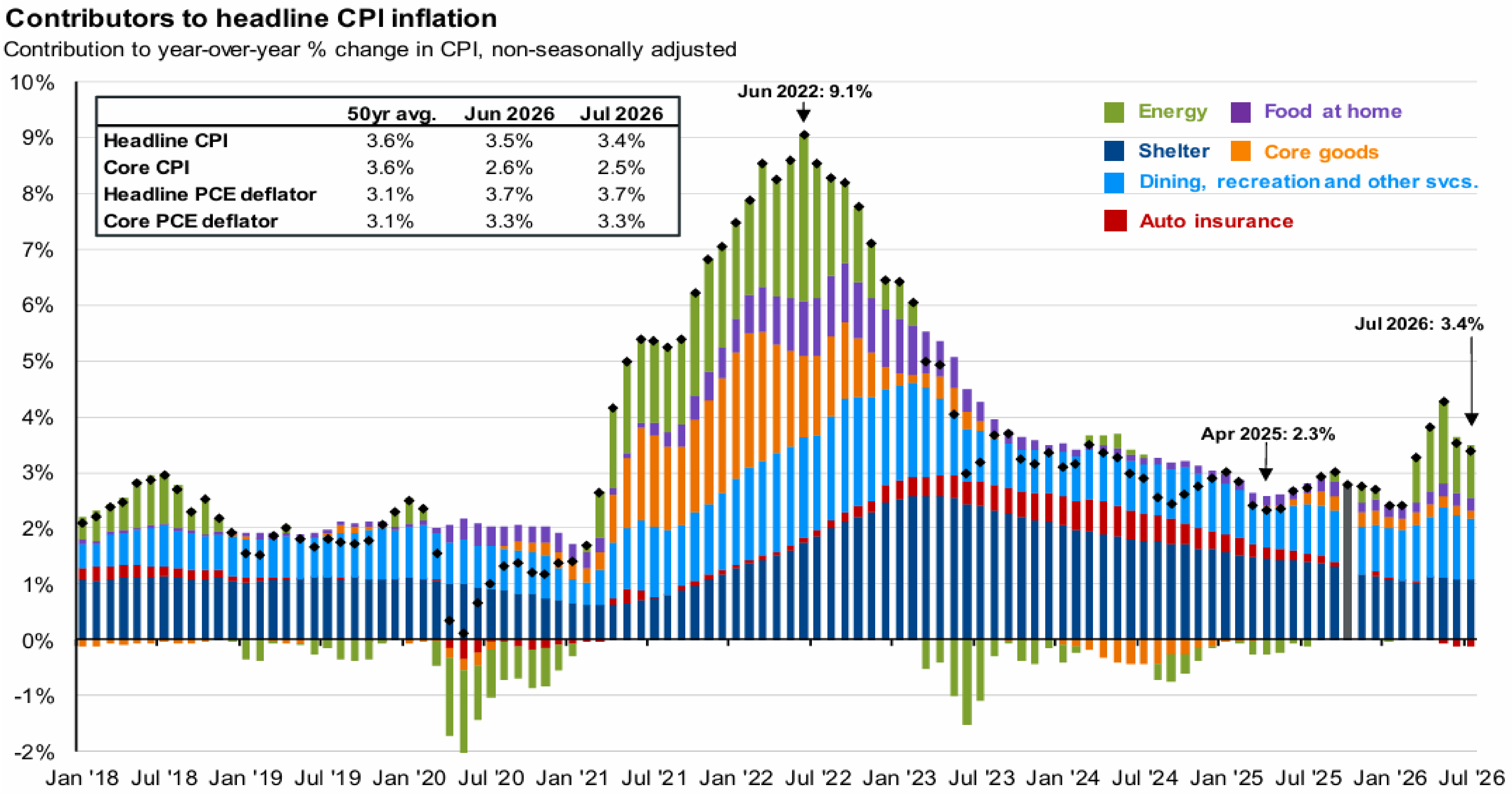
Source: FactSet. September 3, 2026.

The Worst of Times…Oil Prices



Source: FactSet. Data as of September 3, 2026.

The Best or Worst of Times?...Inflation



	50yr avg.	Jun 2026	Jul 2026
Headline CPI	3.6%	3.5%	3.4%
Core CPI	3.6%	2.6%	2.5%
Headline PCE deflator	3.1%	3.7%	3.7%
Core PCE deflator	3.1%	3.3%	3.3%

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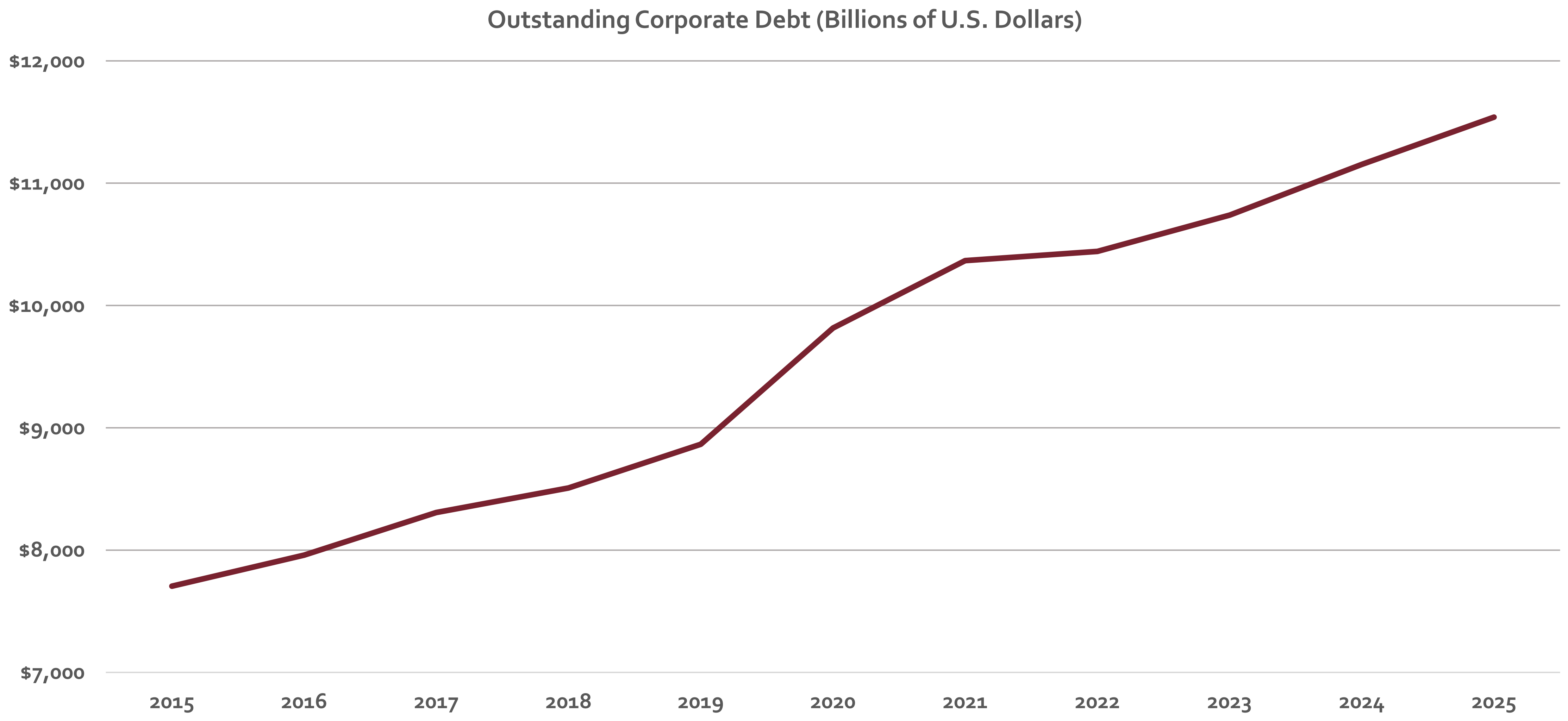
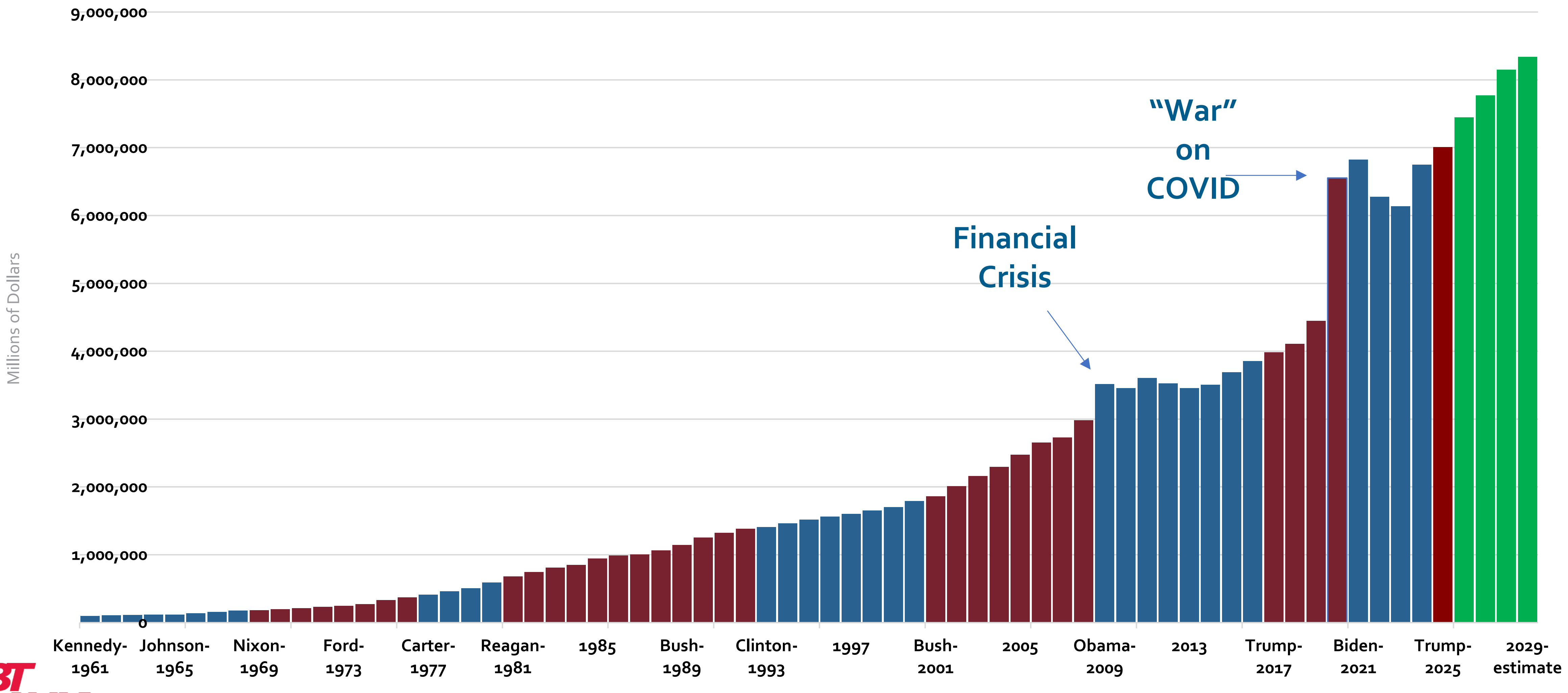
Source: BLS, FactSet, J.P. Morgan Asset Management
Guide to the Markets – U.S. Data are as of September 3, 2026.

The Worst of Times?…Corporate Debt Issuance



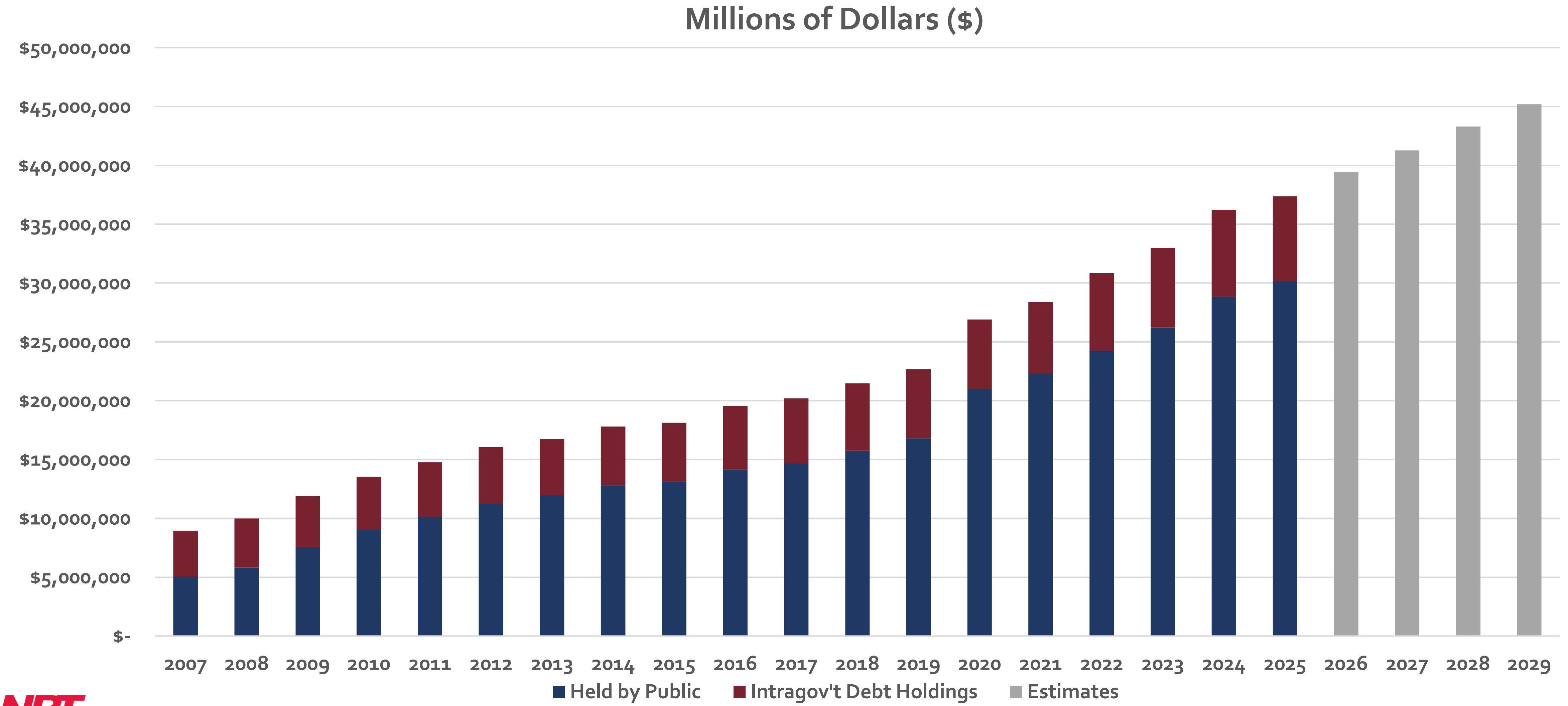
Source: SIMFA. Data as of September 8, 2026.

The Worst of Times?...Sovereign Fiscal Policy
Bi-Partisan Government Spending 1961-Present!



Source: cbo.gov. Data as of September 4, 2026.

Federal Debt Levels



Source: cbo.gov. Data as of September 4, 2026.

Addressing Housing Affordability

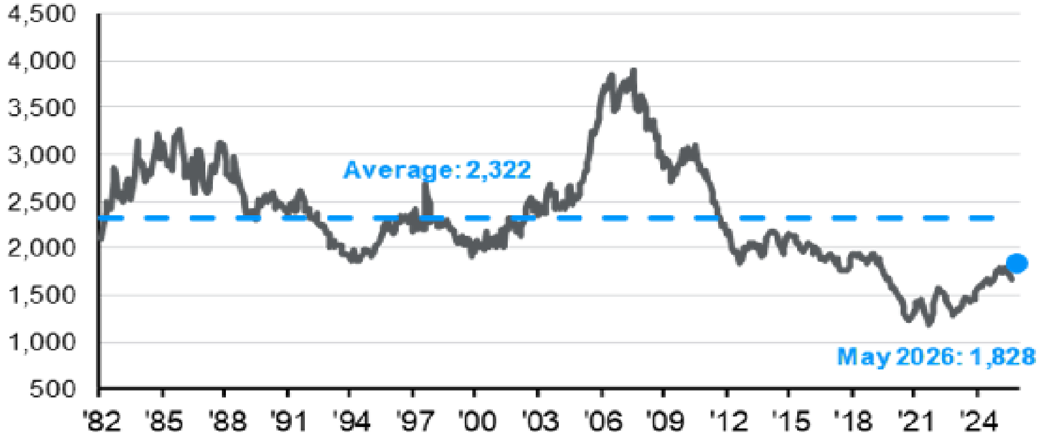
“America does not suffer from a shortage of entrepreneurs willing to invest, workers eager to build or capital ready to finance new projects. But the permitting system fails to produce timely, predictable government decisions.”

“Today, major housing developments, energy infrastructure and even manufacturing facilities routinely spend years navigating overlapping federal reviews, duplicative agency requirements and prolonged litigation. Time becomes a hidden tax. Every year a project sits in regulatory limbo, financing costs rise, construction expenses increase, investors demand higher returns and uncertainty discourages future investment. Those costs are ultimately paid by consumers through higher rents, home prices, utility bills and costlier goods.”

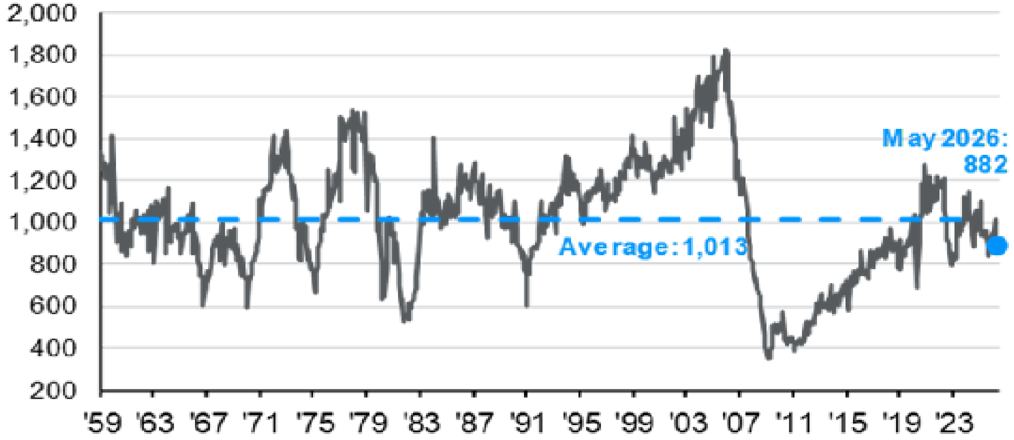
“America’s Broken Permitting System Is Quietly Raising Your Cost of Living,” Pat Toomey
Americans for Free Markets, August 17, 2026

Residential Real Estate

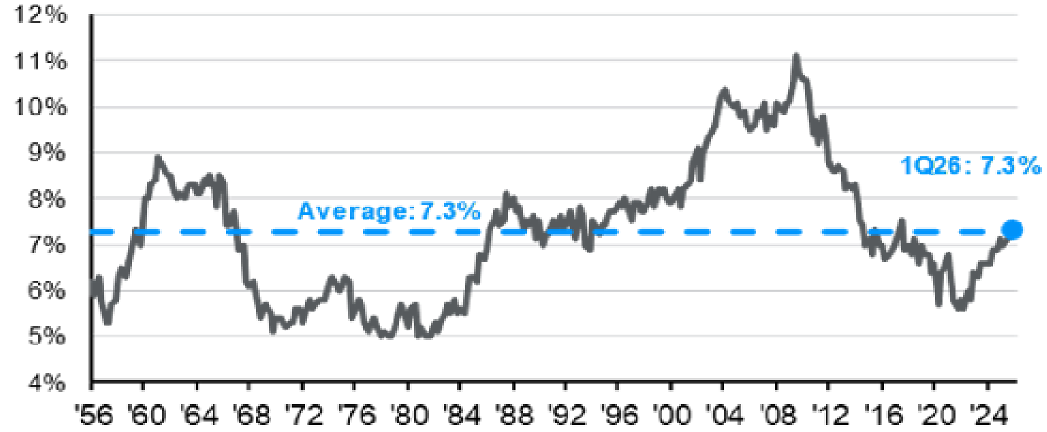
Housing inventories
Inventory of new and existing single family homes for sale, thous, SA*



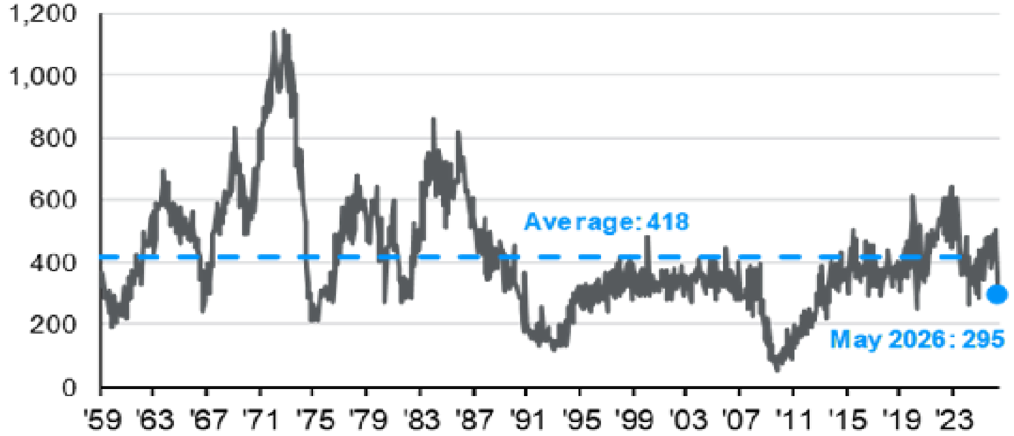
Single-family housing starts
Seasonally adjusted annual rate (SAAR), thous houses



Rental vacancy rate
Percent



Multi-family housing starts
Total multi-family, SAAR, thous houses

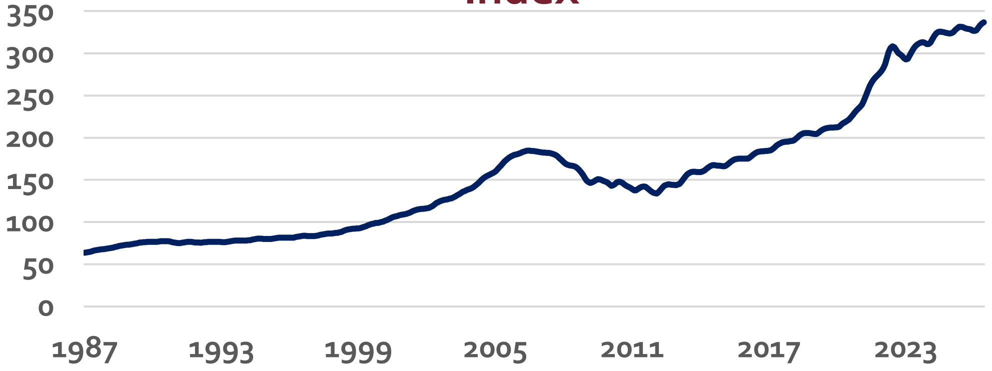


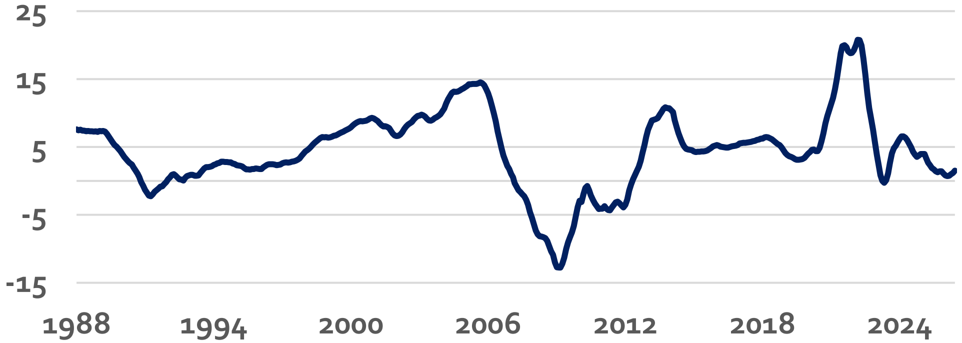
Source: U.S. Census Bureau, U.S. National Association of Realtors, J.P. Morgan Asset Management. *Inventory of new and existing single-family homes for sale is seasonally adjusted by J.P. Morgan Asset Management.

Housing
Highly Sensitive to Interest Rates

Existing Home Sales


30-Year Fixed Rate Mortgage Average in the US (%)


Case-Shiller U.S. National Home Price Index


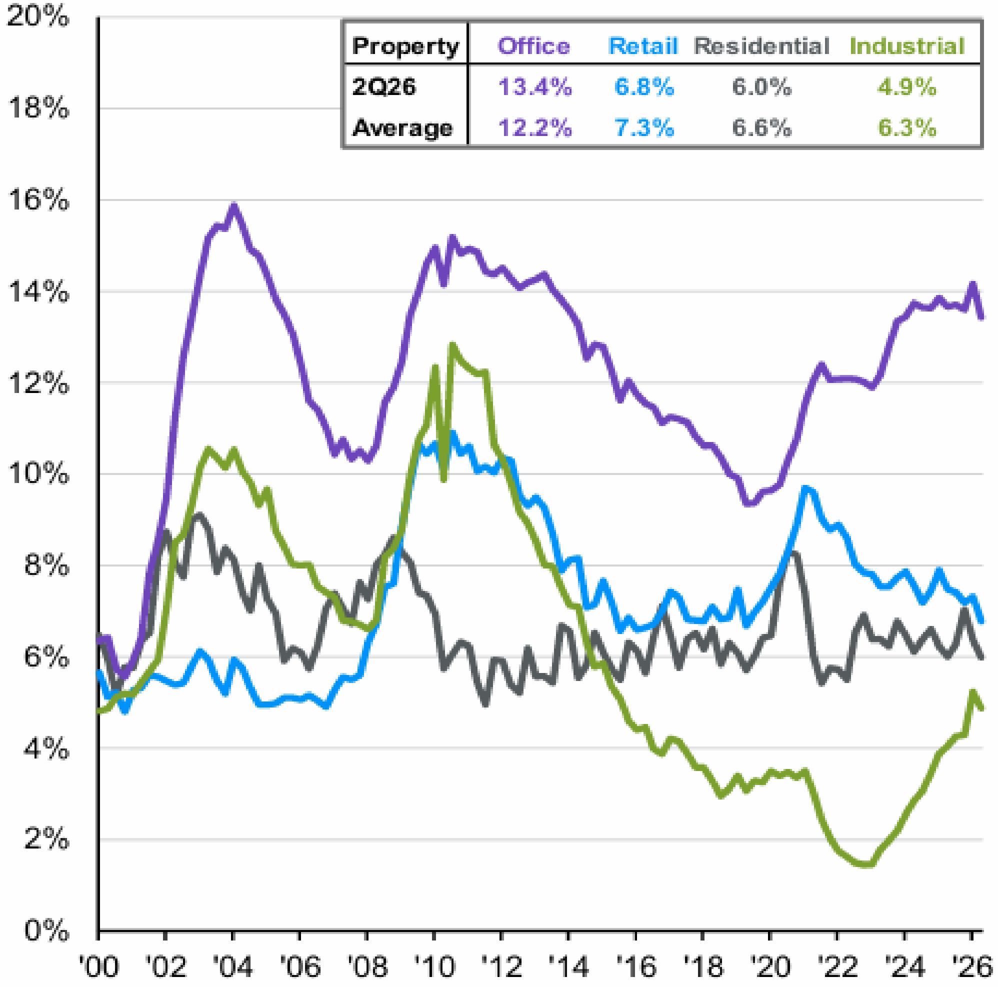
Case-Shiller U.S. National Home Price Index (% change y/y)


Source: FactSet, FRED Economic Data, September 2, 2026.

U.S. Real Estate

U.S. vacancy rates by property type

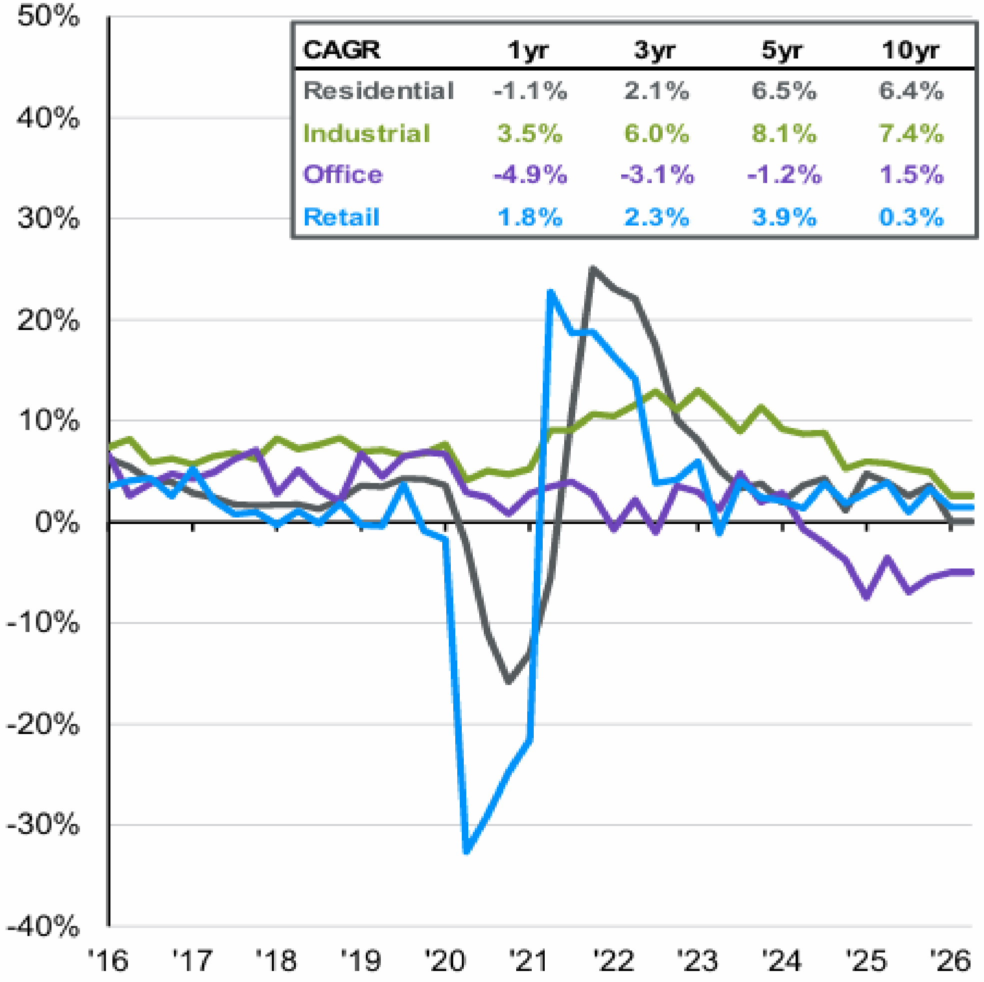
Quarterly



Property	Office	Retail	Residential	Industrial
2Q26	13.4%	6.8%	6.0%	4.9%
Average	12.2%	7.3%	6.6%	6.3%

Net operating income growth by property type

Year-over-year %, quarterly



CAGR	1yr	3yr	5yr	10yr
Residential	-1.1%	2.1%	6.5%	6.4%
Industrial	3.5%	6.0%	8.1%	7.4%
Office	-4.9%	-3.1%	-1.2%	1.5%
Retail	1.8%	2.3%	3.9%	0.3%

Source: NCREIF, J.P. Morgan Asset Management.

Guide to Alternatives. Data are as of July 31, 2026.

Executive Summary

Economic growth has been expanding a solid pace

Tariffs, Oil Prices and AI Employment fears are weighing on Consumer Sentiment

Between a rock and a hard place!

Federal Reserve Bank in a difficult position due to "Low Hire-Low Fire" labor market and inflation

Higher for Longer Interest Rates…The Return of Term Premium due to Inflation, Corporate Bond Issuance, Sovereign Fiscal Policy

U.S. Credit environment appears stable…for now

Equity market remains highly valued and concentrated, led by the "Magnificent Seven" stocks

The Revenge of Diversification. Niche asset classes provide significant benefit in a volatile market

Thank You!

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