PROSPERITY CAPITAL ADVISORS

Market update

November 2026

This information is provided for illustrative and educational purposes only. This information does not constitute research, personalized investment advice, or a fiduciary investment recommendation from BlackRock to any client of a third party financial professional, and is intended for use only by such financial professional, in consultation with their client and with other information, as a resource to help build a portfolio or as an input in the development of investment advice for its own clients. Such financial professionals are responsible for making their own independent judgment as to how to use this information. BlackRock does not have investment discretion over, or place trade orders for, any portfolios or accounts derived from this information. Holdings, performance, and other characteristics of any portfolios or accounts derived from this information may vary materially from the information shown herein. Please review the disclosures at the end of this document for more information.

MKTG1126-M-6113118-EXP0927-1/13

The Price is Right (to shop the drop)

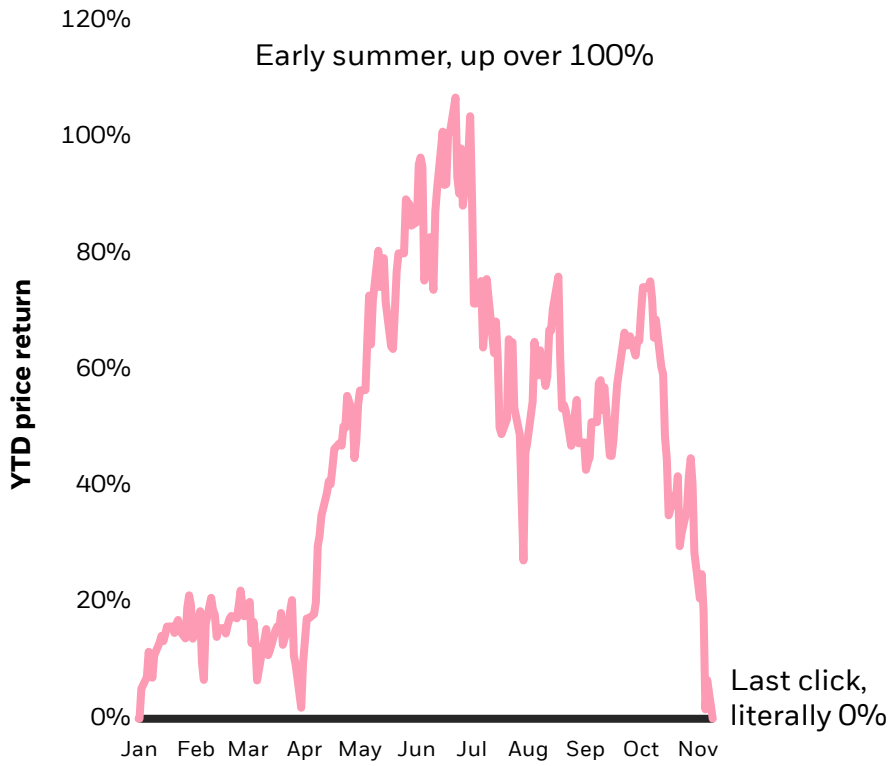
Market volatility has given us an attractive opening to lean into risk, while getting pickier about where we take it

	Equities			Fixed income
Nov **Trade**	**Increase our equity overweight from 1% to 3% following the sharp market reset**, taking advantage of weaker sentiment, less crowded positioning, & resilient fundamentals	**Consolidate portions of dedicated AI & global defense positions into a more diversified thematic strategy**, keeping our long-term conviction while tempering concentration	**Continue to sharpen our international equity positioning,** favoring targeted country-level opportunities over broad regional tilts as global market leadership shifts	**Selectively rebuild credit exposure, add convertibles in bond-heavy portfolios, & extend Treasury duration** as higher yields & wider spreads improve the opportunity set
Sept **Trade**	**Maintain our 1% equity overweight & highest-conviction directional views – but with tempered magnitude,** harvesting gains & reining in risk concentrations	**Reshape the mix of thematic tilts,** exiting standalone momentum, trimming core AI & global defense stocks, & adding to US large caps benefiting from AI adoption	**Reset regional equity positioning to neutral while placing greater emphasis on our in-house country rotation strategy,** giving us more flexibility to exploit opportunities	**Keep modest duration underweight & broaden bond sleeve return sources,** swapping index for active in mortgages, adding to global sovereigns, converts, & liquid alts

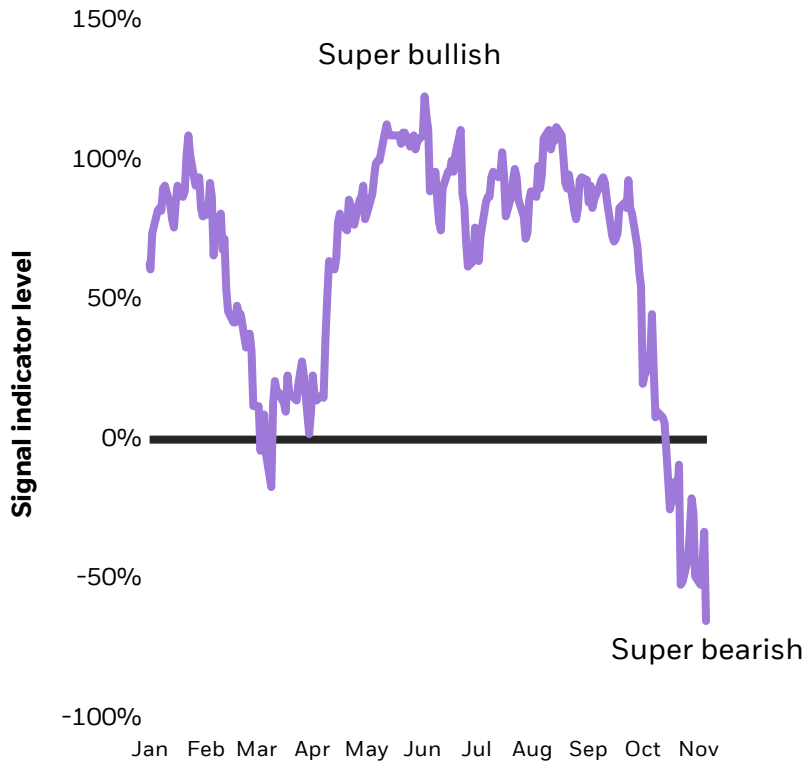
Source: BlackRock. Views are subject to change. November trades as of 11/12/2026. September trades as of 9/22/2026.

The Great Uncrowding

US tech momentum stocks



Hedge fund risk appetite

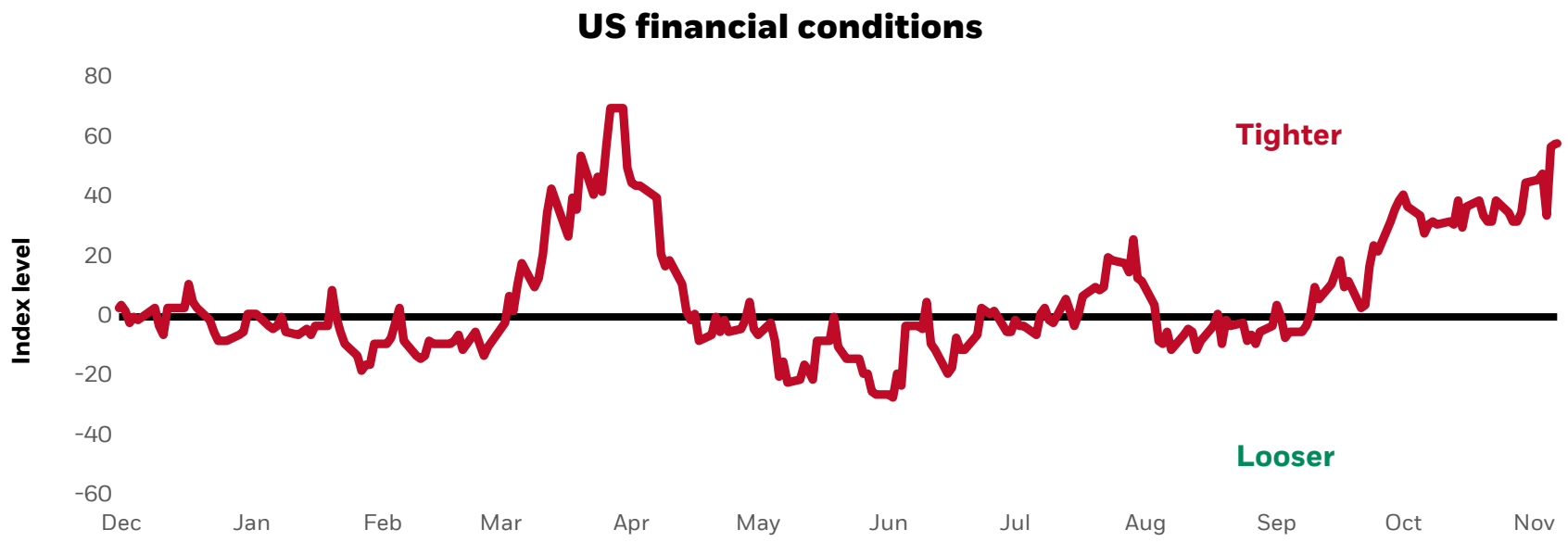


With crowded bets unwound and leverage cut, positioning is far less stretched than before

Sources: Bloomberg, Goldman Sachs, as of 11/9/2026. Goldman Sachs TMT momentum index, Goldman Sachs risk appetite indicator (RAI) is a proprietary composite index aggregating 27 standardized (z-score) risk premia and procyclical pair trades across equities, credit, rates, FX, and commodities to measure global investor risk sentiment. Readings above 0 indicate risk-seeking positioning, while readings below 0 indicate risk aversion. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

The market is doing the Fed's dirty work

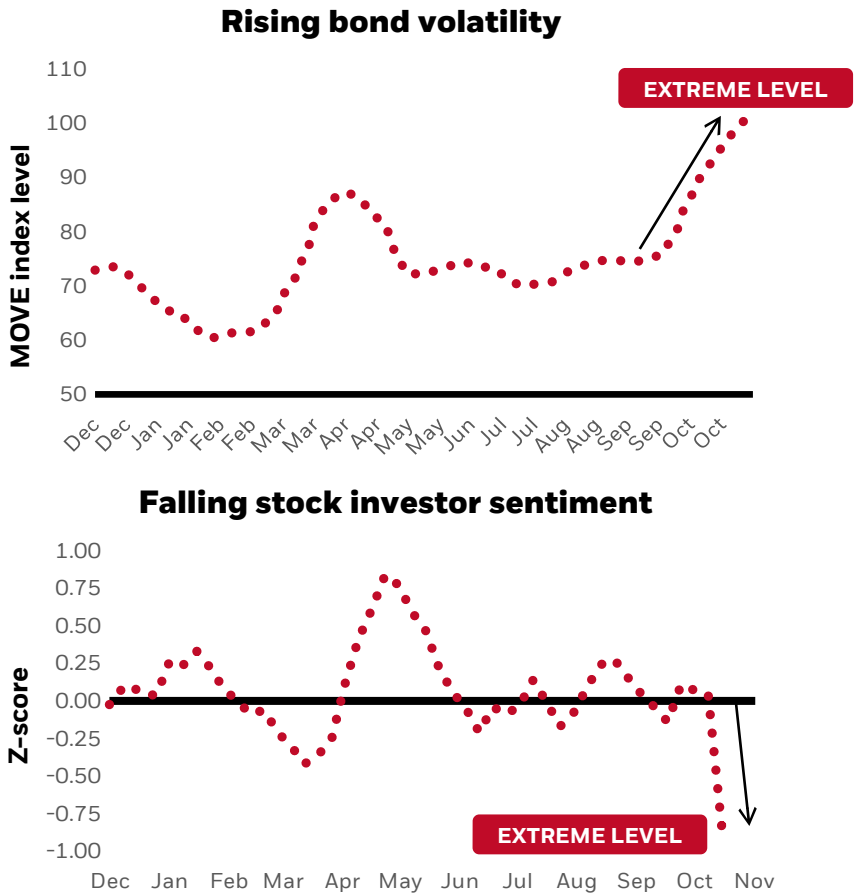
Credit spreads	Stock prices	Mortgage rates
WIDER	**LOWER**	**HIGHER**

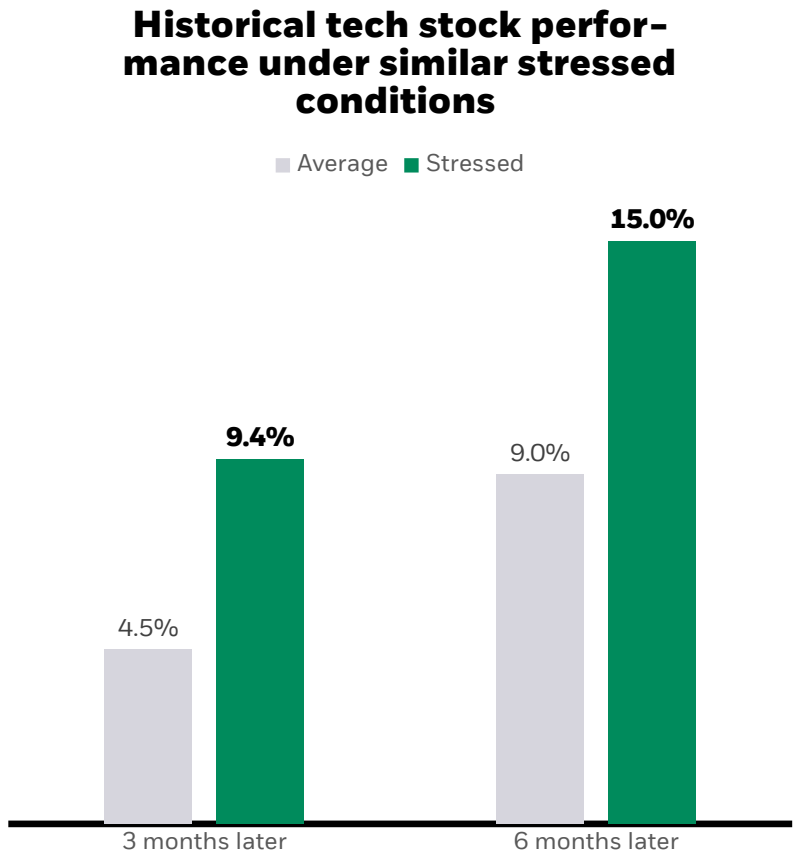


With a lot of future Fed tightening already priced in, even modestly better news could spark a powerful relief rally

Sources: Bloomberg, as of 11/6/2026. Bloomberg US financial conditions index. Asset price observations are general approximations and relative to September 2026 prices. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Gloom before the boom?





Historically, extreme sentiment slumps and volatility spikes set the stage for outsized equity rebounds

Sources: Bloomberg, as of 9/18/2026. S&P500 Index, Next 12-months forward earnings-per-share (EPS), and Next 12-months forward price-to-earnings ratio (P/E). Forward estimates use Bloomberg consensus analyst estimates. **Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

Economic fundamentals appear strong

LABOR MARKET

4.1% SURPRISE
Unemployment

+165,000 SURPRISE
Oct jobs

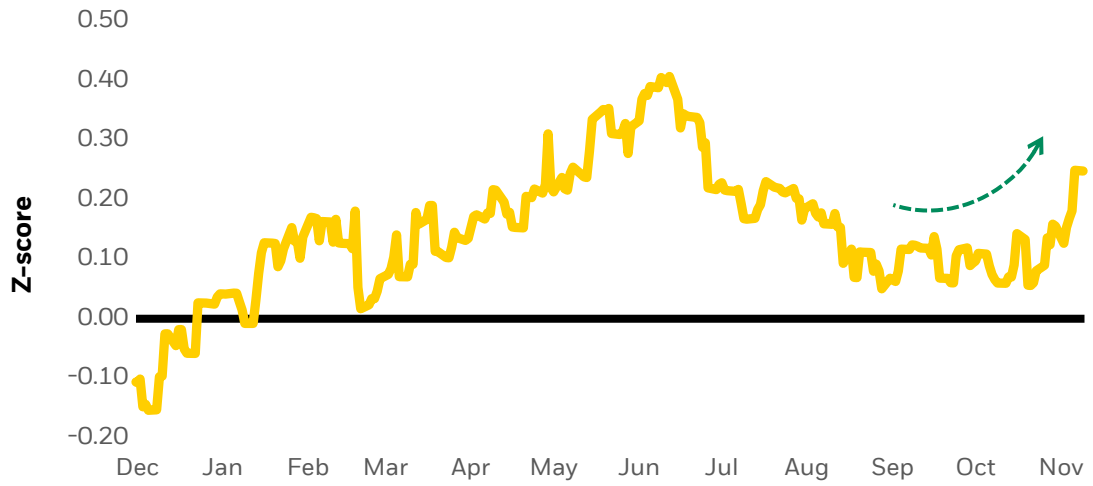
+84,000 SURPRISE
Sept + Aug jobs revisions

PRODUCTIVITY + GROWTH

+3.6% SURPRISE
Q3 productivity

+3.4% STRONG
Q4 GDPNow forecast

US economic surprises

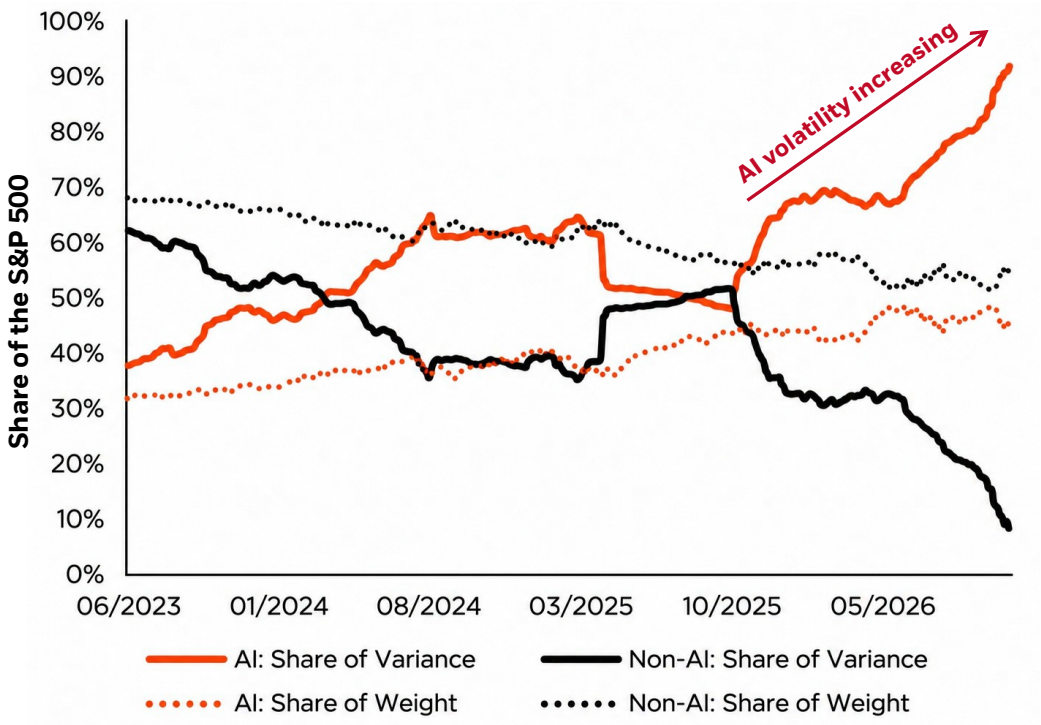


Jobs, productivity, and growth keep beating forecasts, suggesting the selloff is more sentiment than fundamentals

Sources: Bloomberg, US Dept. of Labor, Atlanta Federal Reserve, as of 11/6/2026. Bloomberg U.S. Economic Surprise Index measures how U.S. economic data releases compare with Bloomberg consensus expectations, standardized by historical forecast variability. Positive readings indicate data generally exceeding expectations, while negative readings indicate disappointments. The index weights recent releases more heavily and is expressed in standard-deviation units. Z-Scores are statistical measurements of the number of standard deviations the stated scores are in excess of consensus estimates. Employment and productivity figures from the October 2026 US Labor Market report, Q4 2026 GDPNow forecast from the Atlanta Federal Reserve. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Forward-looking estimates may not come to pass.

Taming the tech tremors

AI companies' weight in the S&P500 v. share of responsibility for S&P500's daily return variance



2025

AI weight	Share of variance
44%	**50%**

2026

AI weight	Share of variance
44%	**92%**

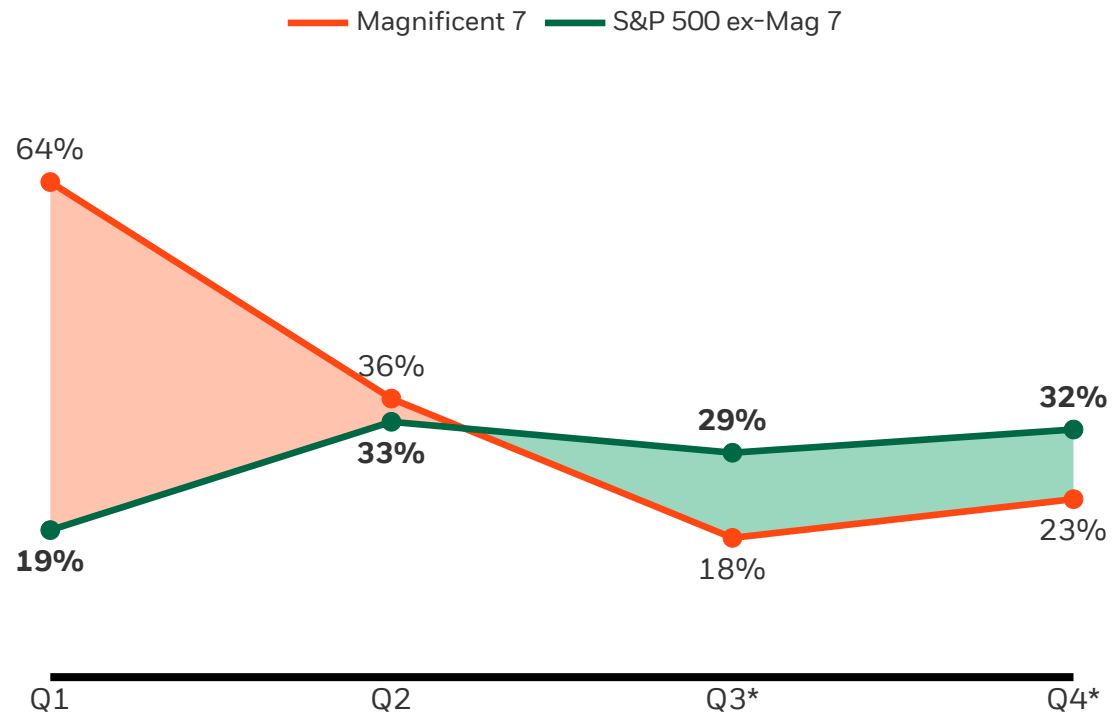
AI is punching above its weight in market volatility, so we're recalibrating the risk without losing the conviction

Sources: Bloomberg, Trivariate Research, as of 10/30/2026. Companies in the S&P500 identified with meaningful AI-linked revenues (e.g., semiconductors, memory, cloud, data centers, and model platform, service, and integration providers). Index weight and volatility measurements are approximate as of October 2025 and October 2026. Volatility is measured by each group's contribution to the S&P 500's daily return variance (a measure of fluctuations in index returns), calculated over a rolling 6-month window. **Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

493 reasons to spread the love

Year-over-year earnings per share growth (2026)

(*consensus analyst estimates)



EX-MAG 7 EPS GROWTH GAP

H1 2026 average

–24 pp

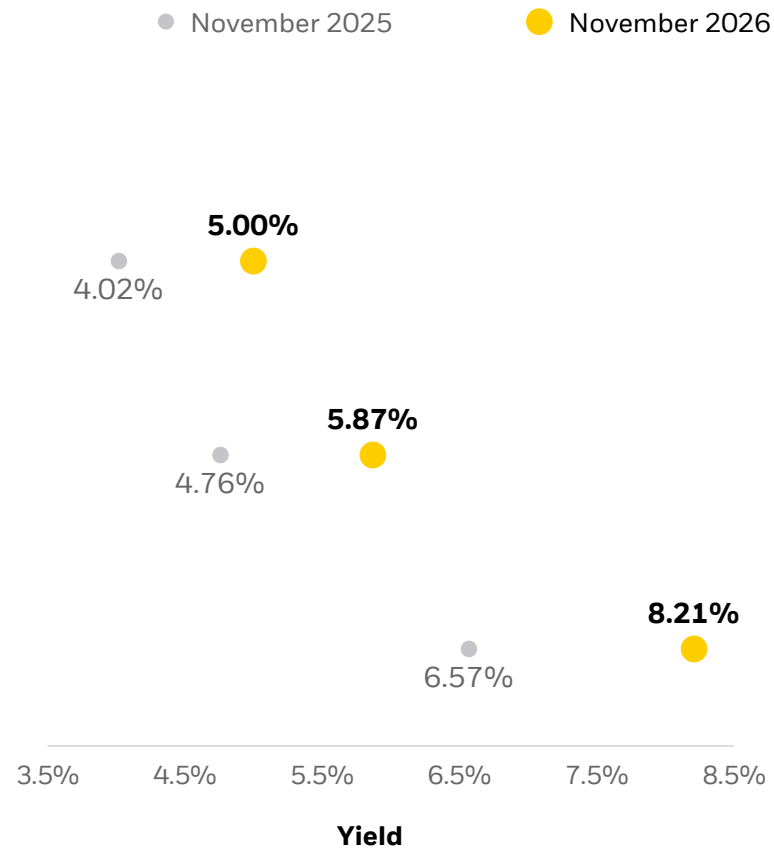
H2 2026 average

+10 pp

A broader earnings base could support a less concentrated rally

Sources: BlackRock, Bloomberg, as of October 2026. 2026 year-over-year EPS growth. Mag 7: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla; ex-Mag 7: rest of S&P 500. *Q3/Q4 include estimates. Half-year differences are simple quarterly averages (ex-Mag 7 minus Mag 7), in percentage points. **Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.** Forward-looking estimates may not come to pass. Past performance does not guarantee future results.

More bang for your bond?



	CHANGE (BPS)	OUR RESPONSE
10-year U.S. Treasury	+98	Extend duration modestly
U.S. investment-grade corporates	+111	Rebuild credit selectively
U.S. high-yield corporates	+165	

Higher yields + wider spreads support selective credit rebuilding and a modest extension of duration

Sources: Bloomberg, as of 11/28/2025 and 11/11/2026. Yields shown for 10-year U.S. Treasury: Bloomberg Generic 10-Year U.S. Treasury; U.S. investment-grade corporates: Bloomberg U.S. Corporate Index; U.S. high-yield corporates: Bloomberg U.S. Corporate High Yield Index. A basis point (bps) is one hundredth of one percent. Example: one basis point = 0.01%. **Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

Bringing it all together

1

Opportunistically add equity risk on market weakness

Markets have delivered some of the turbulence we were guarding against in September. Higher rates, weaker stocks and bruised positioning have improved the prospective opportunity, even as growth and earnings remain resilient. We're therefore increasing our equity overweight from 1% to 3%, taking advantage of a more attractive entry point without assuming the volatility is over.

2

Maintain dedicated thematic overweights but with less octane

We remain constructive on AI and global defense, but conviction doesn't require letting their highest-volatility expressions dominate risk. Recent market turbulence has only reinforced that distinction. We're consolidating portions of these dedicated positions into a more diversified thematic strategy, maintaining participation in their long-term opportunities while broadening the drivers of potential returns.

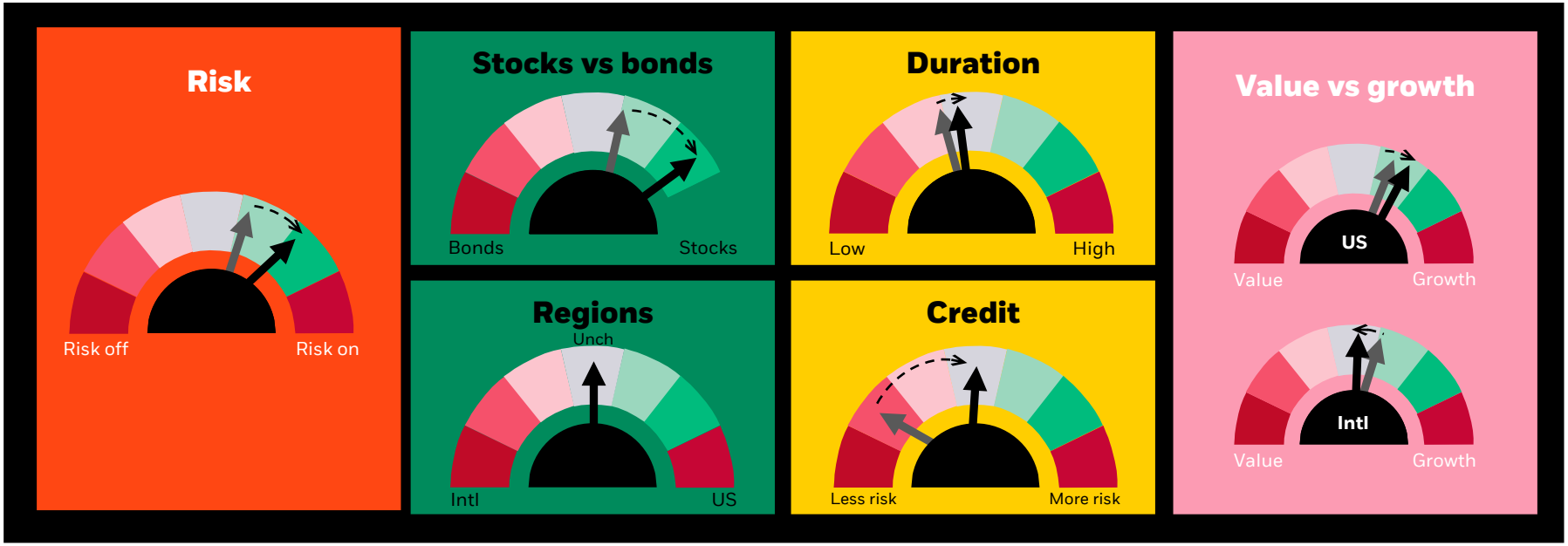
3

Put better bond economics to work

Higher Treasury yields have made duration more attractive, while wider credit spreads offer improved compensation for selective risk-taking. We're adding longer-duration government bonds and tactically rebuilding credit exposure, particularly in bond-heavy portfolios, where convertibles can also provide additional upside participation. Credit isn't broadly cheap, and rates may remain volatile, so flexibility and selectivity remain essential.

Source: BlackRock as of 11/12/2026. Views are subject to change.

Portfolios at a glance



For illustrative purposes only, as of 11/12/2026. Subject to change. Dial levels are approximate and not exact.

Current positioning

Previous positioning

Important information

This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the funds, (ii) the use or suitability of the model portfolios or (iii) any security in particular. Only an investor and their financial professional know enough about their circumstances to make an investment decision.

Carefully consider the investment objectives, risk factors, charges and expenses of funds within the model portfolios before investing. This and other information can be found in the funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting each fund company's website or calling their toll-free number. For BlackRock and iShares Funds, please visit www.blackrock.com

Investing involves risk, including possible loss of principal. Asset allocation and diversification may not protect against market risk, loss of principal or volatility of returns.

Prepared by BlackRock Investments, LLC, member FINRA. This material is provided for educational purposes only. BlackRock is not affiliated with any third party distributing this material.

The BlackRock model portfolios are made available to financial professionals by BlackRock Fund Advisors ("BFA") or BlackRock Investment Management, LLC ("BIM"), which are registered investment advisers, or by BlackRock Investments, LLC ("BRIL"), which is the distributor of the BlackRock and iShares funds within the BlackRock model portfolios. BFA, BIM and BRIL (collectively, "BlackRock") are affiliates.

The BlackRock model portfolios are provided for illustrative and educational purposes only. The BlackRock model portfolios do not constitute research, are not personalized investment advice or an investment recommendation from BlackRock to any client of a third party financial professional, and are intended for use only by a third party financial professional, with other information, as a resource to help build a portfolio or as an input in the development of investment advice for its own clients. Such financial professionals are responsible for making their own independent judgment as to how to use the BlackRock model portfolios. BlackRock does not have investment discretion over, or place trade orders for, any portfolios or accounts derived from the BlackRock model portfolios. BlackRock is not responsible for determining the appropriateness or suitability of the BlackRock model portfolios, or any of the securities included therein, for any client of a financial professional. Information concerning the BlackRock model portfolios – including holdings, performance, and other characteristics – may vary materially from any portfolios or accounts derived from the BlackRock model portfolios. There is no guarantee that any investment strategy or model portfolio will be successful or achieve any particular level of results. The BlackRock model portfolios themselves are not funds .

The BlackRock model portfolios include investments in shares of funds. Clients will indirectly bear fund expenses in respect of portfolio assets allocated to funds, in addition to any fees payable associated with any applicable advisory or wrap program. BlackRock intends to allocate all or a significant percentage of the BlackRock model portfolios to funds for which it and/or its affiliates serve as investment manager and/or are compensated for services provided to the funds ("BlackRock Affiliated Funds"). BlackRock has an incentive to (a) select BlackRock Affiliated Funds and (b) select BlackRock Affiliated Funds with higher fees over BlackRock Affiliated Funds with lower fees. The fees that BlackRock and its affiliates receive from investments in the BlackRock Affiliated Funds constitute BlackRock's compensation with respect to the BlackRock model portfolios. This may result in BlackRock model portfolios that achieve a level of performance less favorable to the model portfolios, or reflect higher fees, than otherwise would be the case if BlackRock did not allocate to BlackRock Affiliated Funds.

This material does not constitute any specific legal, tax or accounting advice. Please consult with qualified professionals for this type of advice.

Any information on funds not managed by BlackRock or securities not distributed by BlackRock is provided for illustration only and should not be construed as an offer or solicitation from BlackRock to buy or sell any securities.

This information is intended for use in the United States. This information is not a solicitation for or offering of any investment, product, or service to any person in any jurisdiction or country in which such solicitation or offering would be unlawful.

Any links to websites hosted by third parties are provided only for use at your own discretion. The third party is solely responsible for the content presented on its website. Content may change without notice and the content originally intended to be provided may no longer be displayed. Privacy and security policies for each third-party website may vary. Please review the policies on each third-party website before use.

MKTG1126-M-6113118-EXP0927-12/13

Important information

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities. Mortgage-backed securities ("MBS") and commercial mortgage-backed securities ("CMBS") are subject to prepayment and extension risk and therefore react differently to changes in interest rates than other bonds. Small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to federal or state income taxes or the Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable. An investment in a treasury Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and its return and yield will fluctuate with market conditions.

TIPS can provide investors a hedge against inflation, as the inflation adjustment feature helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds and will likely decline in price during periods of deflation, which could result in losses. Government backing applies only to government issued securities, and does not apply to the funds.

Convertible securities are subject to the market and issuer risks that apply to the underlying common stock.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries. Funds that concentrate investments in specific industries, sectors, markets or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market.

A fund's use of derivatives may reduce a fund's returns and/or increase volatility and subject the fund to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. A fund could suffer losses related to its derivative positions because of a possible lack of liquidity in the secondary market and as a result of unanticipated market movements, which losses are potentially unlimited. There can be no assurance that any fund's hedging transactions will be effective.

There can be no assurance that performance will be enhanced or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

Investing in digital assets involves significant risks due to their extreme price volatility and the potential for loss, theft, or compromise of private keys. The value of the investment is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets, and, consequently, would impact their value.

Investing in digital assets involves significant risks due to their extreme price volatility and the potential for loss, theft, or compromise of private keys. The value of the investment is closely tied to acceptance, industry developments, and governance changes, making them susceptible to market sentiment. A disruption of the internet or a digital asset network would affect the ability to transfer digital assets, and, consequently, would impact their value.

A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics.

Alternative investments present the opportunity for significant losses and some alternative investments have experienced periods of extreme volatility. Alternative investments may be less liquid than investments in traditional securities.

Commodities' prices may be highly volatile. Prices may be affected by various economic, financial, social and political factors, which may be unpredictable and may have a significant impact on the prices of precious metals.

Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds.

The tools, and any data used by the tools, is provided on an "as-is" basis. BlackRock expressly disclaims all warranties, express or implied, statutory or otherwise with respect to the tools (and any data used by the tool and the results obtained from use of the tool) including, without limitation, all warranties or merchantability, fitness for a particular purpose or use, accuracy, completeness, originality and/or non-infringement. In no event shall BlackRock have any liability for any claims, damages, obligations, liabilities or losses relating to the tools including, without limitation, any liability for any direct, indirect, special, incidental, punitive and/or consequential damages (including loss of profits or principal).

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Bloomberg, BlackRock Index Services, LLC, Cboe Global Indices, LLC, Cohen & Steers, European Public Real Estate Association ("EPRA® "), FTSE International Limited ("FTSE"), ICE Data Indices, LLC, NSE Indices Ltd, JPMorgan, JPX Group, London Stock Exchange Group ("LSEG"), MSCI Inc., Markit Indices Limited, Morningstar, Inc., Nasdaq, Inc., National Association of Real Estate Investment Trusts ("NAREIT"), Nikkei, Inc., Russell, S&P Dow Jones Indices LLC or STOXX Ltd. None of these companies make any representation regarding the advisability of investing in the Funds. With the exception of BlackRock Index Services, LLC, who is an affiliate, BlackRock Investments, LLC is not affiliated with the companies listed above.

Neither FTSE, LSEG, nor NAREIT makes any warranty regarding the FTSE Nareit Equity REITS Index, FTSE Nareit All Residential Capped Index or FTSE Nareit All Mortgage Capped Index. Neither FTSE, EPRA, LSEG, nor NAREIT makes any warranty regarding the FTSE EPRA Nareit Developed ex-U.S. Index, FTSE EPRA Nareit Developed Green Target Index or FTSE EPRA Nareit Global REITs Index. "FTSE®" is a trademark of London Stock Exchange Group companies and is used by FTSE under license.

© 2026 BlackRock, Inc. or its affiliates. All Rights Reserved. **BLACKROCK, iBONDS, ALADDIN, and iSHARES**, are trademarks of BlackRock or its affiliates. All other trademarks are those of their respective owners.