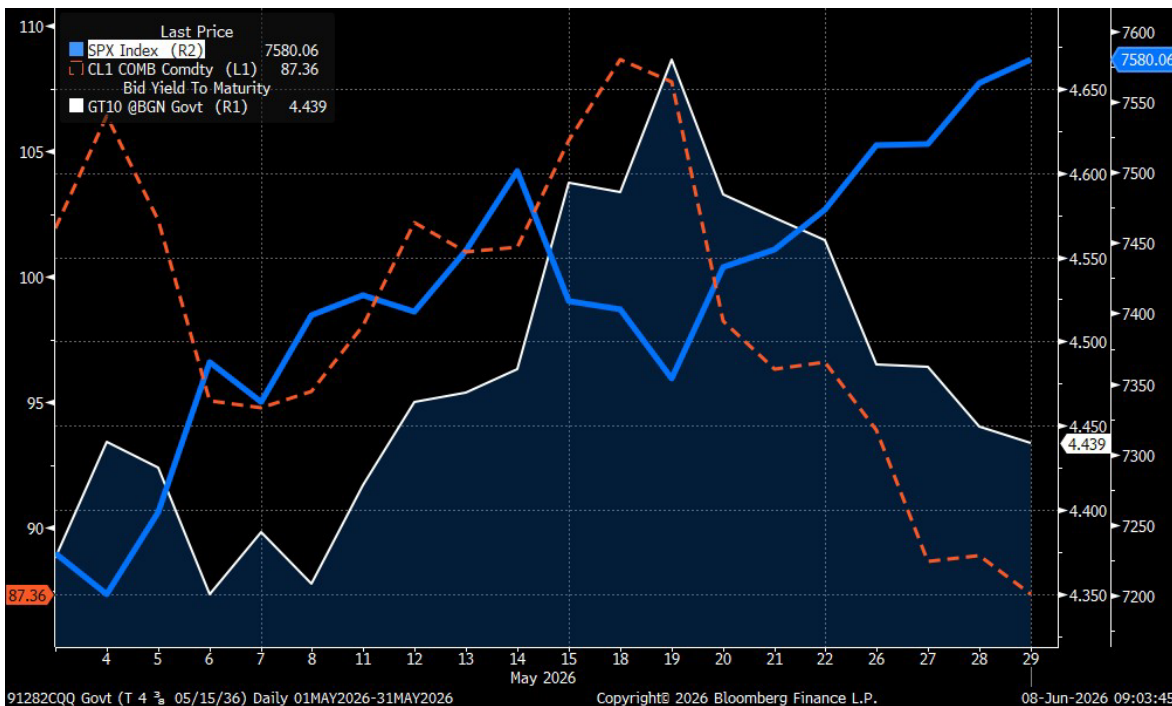


Oppenheimer Investment Advisers

What Happened?

During a month of constant dealmaking that took President Trump from Iran to China, while also featuring the swearing in of a new Fed Chair (Chair Warsh became the first Fed Chair to take the oath of office at the White House since Alan Greenspan in 1987), risk markets (SPX) continued the constructive tone that began after the February 28 selloff, while Treasuries, often viewed as safe haven assets, largely traded inversely to oil prices. .



Source: Bloomberg. Third Party Information is provided for informational use only and does not necessarily reflect the view of Oppenheimer Asset Management.

As macroeconomic data was reported throughout the month, all the important labor market and purchasing manager survey readings continued to point to a resilient U.S. economy. Investors eagerly looked past CPI printing 3.8% YoY and the sharp upside surprise in PPI, focusing instead on the prospect of a soon-to-be-reached deal, which made sense from a forward-looking inflation perspective. Renewed optimism around AI, strong earnings, resilient economic data, and fading

recession concerns allowed investors to look through higher Treasury yields and maintain a constructive outlook on risk assets.

***US APRIL PRODUCER PRICES RISE 6.0% Y/Y; EST. +4.8%**
***US APRIL PRODUCER PRICES RISE 1.4% M/M; EST. +0.5%**

Source: Bureau of Labor Statistics & Bloomberg. Third Party Information is provided for informational use only and does not necessarily reflect the view of Oppenheimer Asset Management.

Reference Yields in Treasuries rose across the curve:

- 5-year Treasury: 4.01% → 4.14%
- 5-year AAA Muni: 2.57% → 2.66% (Taxable Equivalent Yield ~4.49%)
- 10-year Treasury: 4.37% → 4.44%
- 10-year AAA Muni: 2.96% → 3.02% (Taxable Equivalent Yield ~5.10%)

Taxable Equivalent Yield (TEY) represents the yield a taxable investment would need to provide to equal the yield of a tax-exempt municipal bond. TEY shown assumes the highest marginal federal income tax rate currently in effect and does not account for state or local taxes. Actual tax benefits will vary based on an investor's individual tax situation.

Reference Risk/Return Snapshot for the Month:

5/29/2026	MTD	QTD	Q1	YTD	2025	2024	TEY*	YTW**	DUR	#ofHldgs	RTG
ICE BofA Current 2-Year US Treasury Index	0.08%	0.22%	0.23%	0.45%	4.85%	3.74%	4.01	4.01	1.83	1	AA1
ICE BofA Current 5-Year US Treasury Index	-0.20%	-0.23%	-0.01%	-0.24%	6.85%	1.23%	4.14	4.14	4.42	1	AA1
ICE BofA Current 10-Year US Treasury Index	-0.01%	-0.22%	-0.11%	-0.33%	7.82%	-1.69%	4.44	4.44	7.87	1	AA1
ICE BofA Current 30-Year US Treasury Index	0.49%	-0.39%	0.30%	-0.09%	3.27%	-8.03%	4.98	4.98	15.52	1	AA1
BBG Municipal Bond	0.37%	1.52%	-0.18%	1.34%	4.25%	1.05%	6.21	3.67	6.63	65,620	AA2/AA3
BBG Municipal Bond: 5 Year (4-6)	0.20%	0.62%	0.01%	0.63%	5.03%	1.17%	5.10	3.02	3.67	6,874	AA2/AA3
BBG Municipal Bond: 10 Year (8-12)	0.24%	1.24%	-0.79%	0.45%	5.92%	-0.33%	5.82	3.44	5.99	13,259	AA2/AA3
BBG Muni Managed Money	0.31%	1.56%	-0.48%	1.07%	3.94%	-0.05%	5.89	3.49	7.66	26,848	AA1/AA2
BBG Muni High Yield (non-IG)	0.62%	1.99%	0.71%	2.72%	2.46%	6.32%	n/a	5.53	7.20	6,090	BA2/BA3
BBG U.S. Corp Inv Grade	0.76%	1.21%	-0.54%	0.67%	7.77%	2.13%	5.13	5.13	6.81	8,746	A3/BAA1
BBG Interm. U.S. Gov/Crdt	0.11%	0.33%	-0.02%	0.30%	6.97%	3.00%	4.33	4.33	3.74	6,619	AA2/AA3
BBG U.S. MBS	0.30%	0.37%	0.40%	0.77%	8.58%	1.20%	4.93	4.93	5.47	1,098	AA1/AA1
BBG U.S. Aggregate	0.31%	0.42%	-0.05%	0.38%	7.30%	1.25%	4.67	4.67	5.90	14,138	AA2/AA3
BBG U.S. Corp High Yield	0.49%	2.19%	-0.50%	1.68%	8.62%	8.19%	6.96	6.96	2.92	1,927	BA3/B1
BBG U.S. Treasury: TIPS	0.21%	1.37%	0.26%	1.64%	7.01%	1.84%	4.38	4.38	4.03	48	AA1/AA1
BBG U.S. Treasury	0.11%	0.04%	-0.04%	0.00%	6.32%	0.58%	4.29	4.29	5.81	298	AA1/AA1

* (Taxable Equivalent Yield = YTW adjusted for top Federal tax bracket + 3.8% surcharge for approp. Munis)

Source: Bloomberg, ICE and OIA

** (Index Performance shown for illustrative purposes only. Indexes are unmanaged and investors cannot directly invest in an index)

All yield figures represent gross market yields and do not reflect the impact of fees or expenses. Index performance is not indicative of the performance of any particular investment. Indexes are unmanaged and their returns do not take into account any of the costs associated with buying and selling individual securities. Individuals cannot invest directly in an index. Past performance is not indicative of future results.

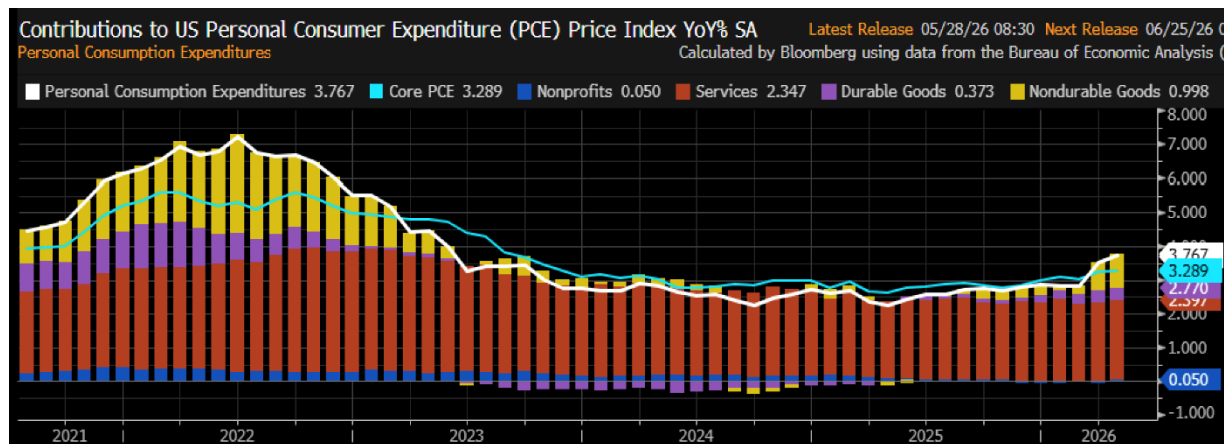
What Are We Thinking?

As the stalemate between the U.S. and Iran persists, geopolitics and AI remain the dominant drivers of market sentiment. Despite ongoing geopolitical uncertainty, investors have remained focused on a resilient U.S. economy and strong corporate earnings, both of which continue to support market gains. U.S. employment data released last Friday was exceptionally strong and showed signs of a rejuvenation in the labor market.

The resilience of the U.S. economy suggests that the Middle East conflict has not yet had a material impact on the U.S. consumer. However, pressures may begin to build as elevated oil prices work their way through household budgets and challenge disposable income as the summer progresses.

In a nutshell, the May nonfarm payroll report fundamentally changed the labor market narrative. Payroll growth of 172k, combined with upward revisions to April (+179k) and March (+185k), shifted investor thinking away from concerns that the economy was struggling to create the roughly 60k breakeven jobs necessary to keep unemployment stable. Earlier in the year, the primary concern was that weak job creation would eventually push the unemployment rate higher and increase recession risks. Today, investors are debating a very different question.

For fixed income investors, the market increasingly has to price one of two outcomes. Either we ultimately return to the low inflation, low interest rate environment that defined much of the last decade, or we have entered a new period where economic growth is stronger, inflation proves more persistent, and neutral interest rates carry structural upside risk. The latest labor market data pushed the debate further toward the latter camp.



Source: Bloomberg. Third Party Information is provided for informational use only and does not necessarily reflect the view of Oppenheimer Asset Management

Corporate bonds outperformed U.S. Treasury securities during the month as demand remained strong alongside robust equity market performance and positive investor sentiment. According to the Bloomberg U.S. Credit Index, investment grade corporate spreads tightened modestly versus comparable Treasury yields during May. While spreads remain tight by historical standards, we continue to believe strong equity returns should remain supportive throughout 2026.

Municipal bonds also continued to benefit from strong demand driven by attractive taxable equivalent yields. Even with elevated issuance levels, investor demand remained robust throughout the month. Year-to-date mutual fund inflows totaled \$26.623 billion compared to \$4.973 billion during the same period last (Source: Lipper), a noteworthy illustration of the strength of investor demand for the asset class.

Bottom Line: May reinforced the theme of exceptional U.S. economic resilience. Strong payroll growth, upward revisions to prior months, resilient economic data, and renewed enthusiasm around AI spending allowed investors to look through both higher inflation readings and rising Treasury yields.

Ironically, the payroll report may have been too good for fixed income markets. What began the year as a discussion about how quickly the new Fed Chair could lower rates has increasingly become a discussion about whether stronger growth and stickier inflation could push rates higher. In fact, at the time of publishing, Treasury market futures is pricing a 105.3% chance of a 25bp hike by the December 9, 2026 FOMC meeting.

While we believe it is too early to embrace that outcome as our base case house view, the current macro backdrop is likely to make hawkish committee members louder and create a possibility of wider range of interest rate outcomes. That, in turn, is likely to translate into greater volatility across both risk and safe haven markets as investors wait for additional economic data.



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* (Taxable Equivalent Yield = YTW adjusted for top Federal tax bracket + 3.8% surcharge for appropriate Munis, state and local taxes are not considered in this calculation). The views expressed herein are those of the authors as of the date indicated and may change without notice. They do not necessarily reflect the opinions of Oppenheimer & Co. Inc. or its affiliates and should not be construed as a firm recommendation or investment advice.

** The Bloomberg US Credit Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supra-nationals and local authorities.

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