



Cycle Indicators, Risk Metrics, & Portfolio Positioning

As of September 30th, 2026

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Astoria's Portfolio Management Process



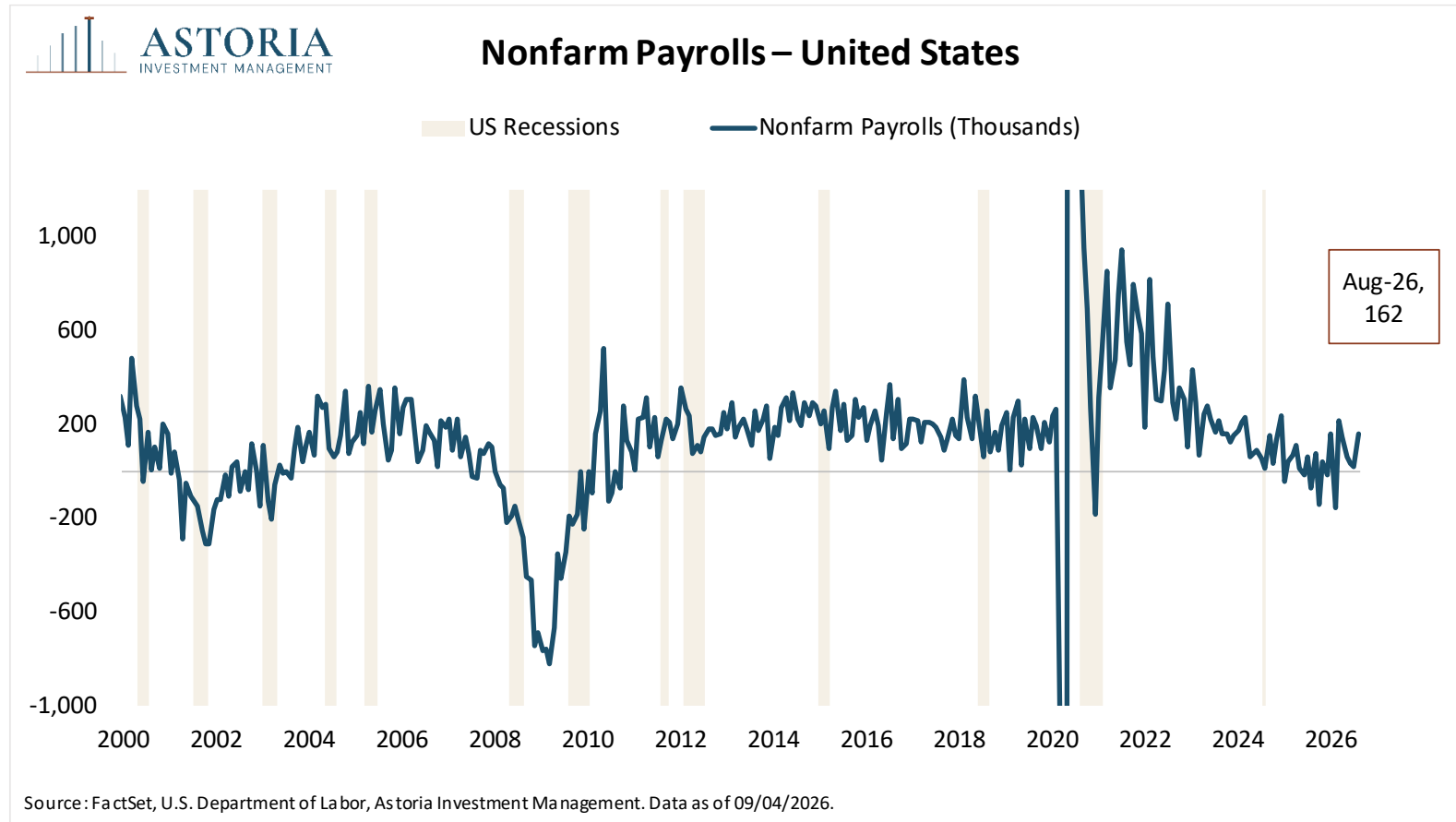
What are we trying to accomplish in our ETF portfolios?

- Astoria Uses Business Cycle, Earnings/Valuations, and Sentiment & Risk to Dictate our Asset Allocation / Portfolio Positioning. We incorporate a Dynamic Overlay depending on the 3 inputs above.
- Target OW assets that have earnings that are growing, cheaper than market, poor sentiment, and have a catalyst for upside
- Target UW assets that are expensive, earnings are slowing, strong sentiment, that lack a catalyst for upside
- Diversify our factor exposures
- Utilize liquid alternatives to hedge downside risk

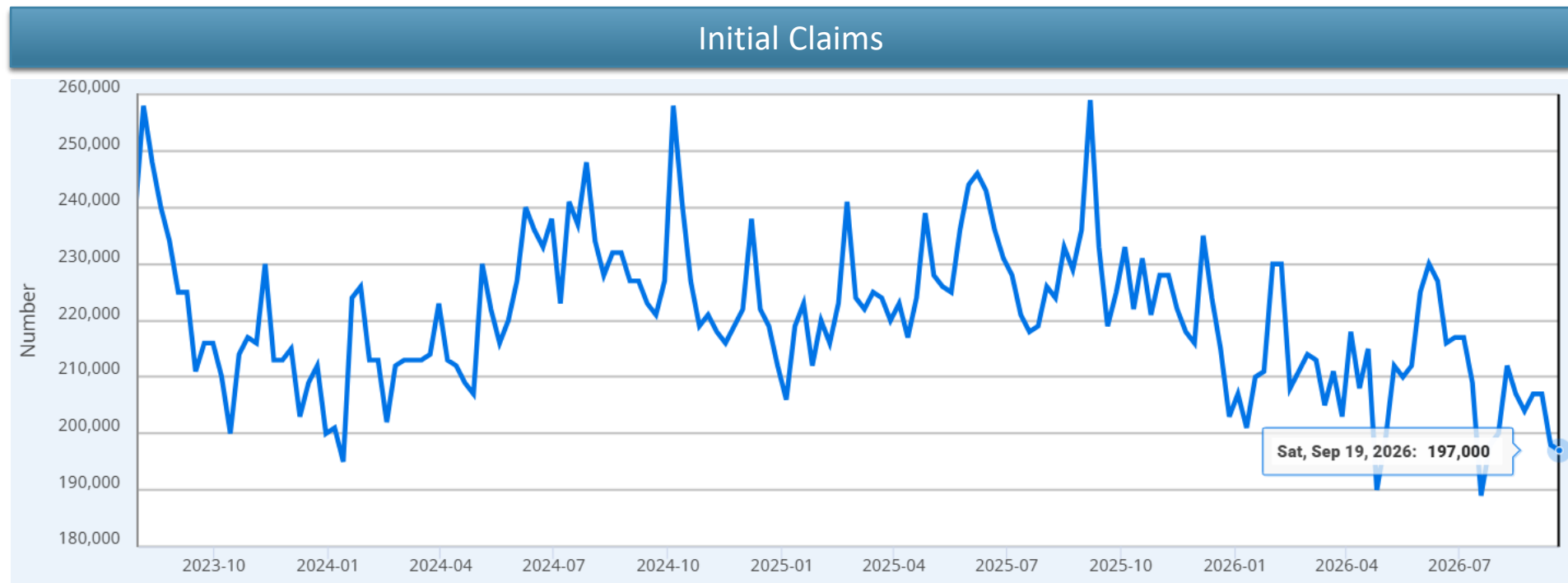
Business Cycle Indicators



Aug Nonfarm Payrolls beat estimates and increased 162k, the strongest gain since March, while July was revised up to +21k from -23k. Unemployment rate held at 4.1% as labor force participation rose to 61.6%

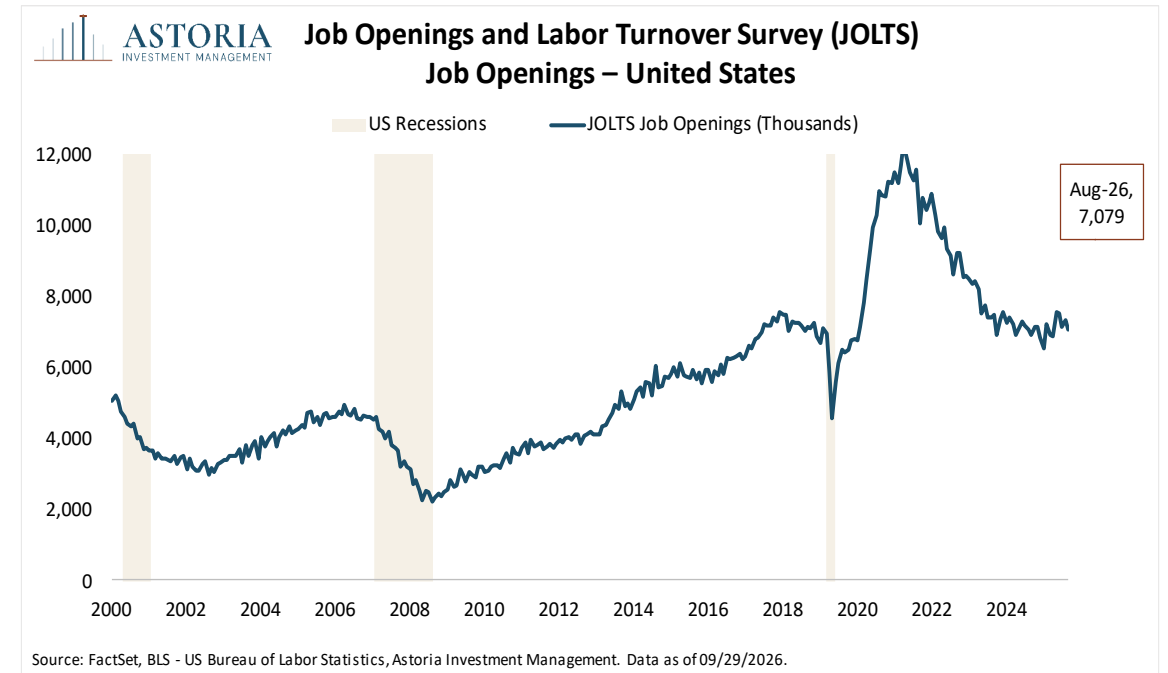
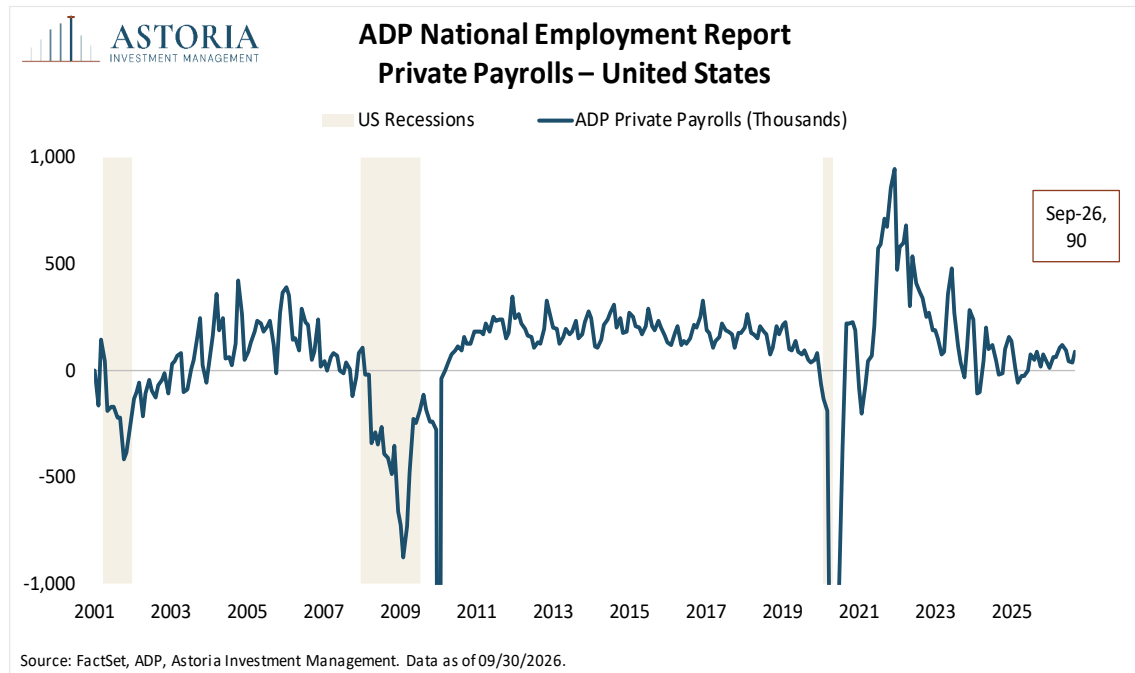


Initial Claims fell to 197k, among the lowest since 1969, while Continuing Claims edged up to 1.72 million, keeping the low firing and low hiring trend intact

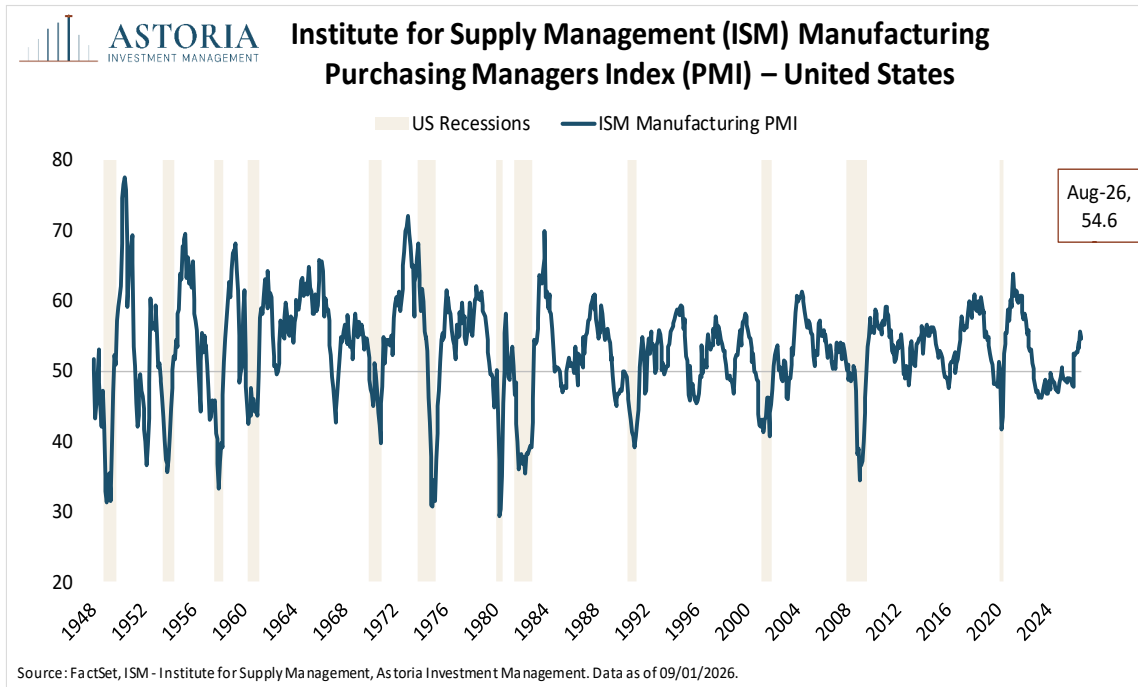


Source: U.S. Bureau of Economic Analysis. Data as of September 19, 2026.

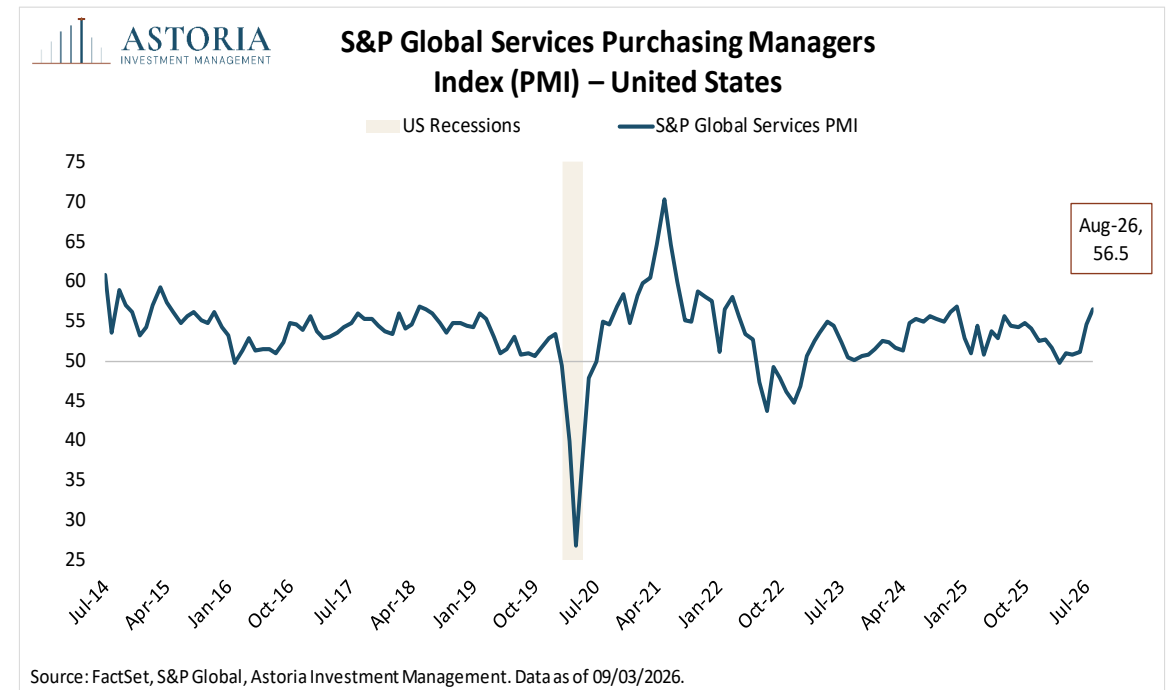
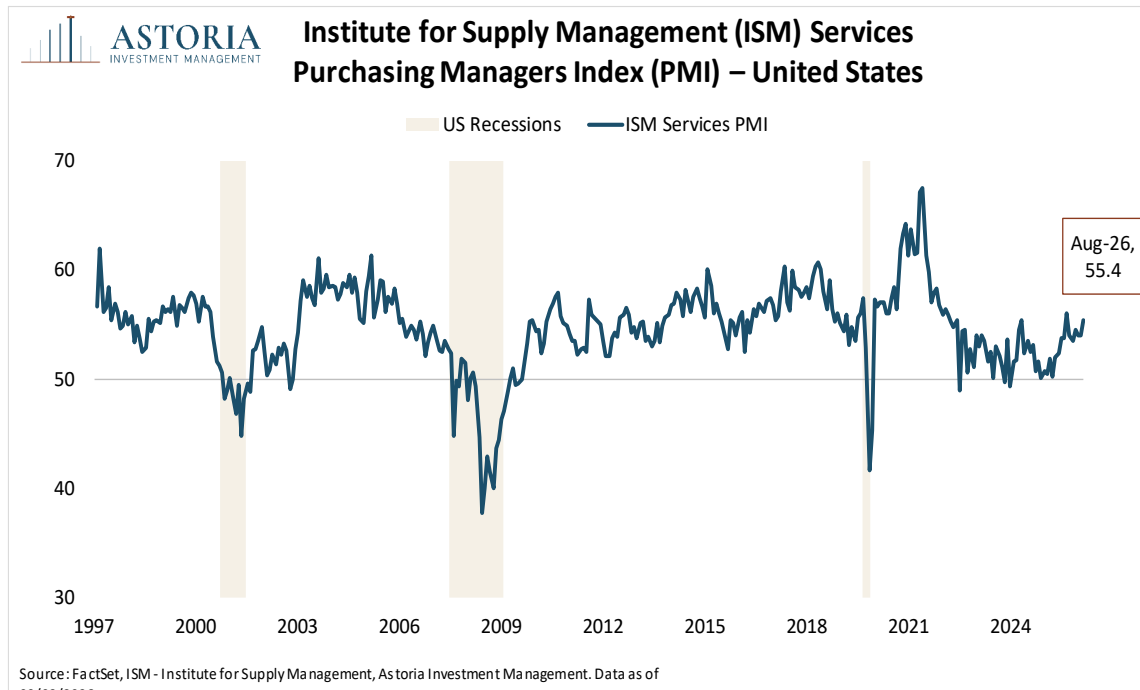
Sep ADP Private Payrolls beat expectations and increased 90k, up from a revised 36k in Aug, led by education and health services. Aug JOLTS Job Openings fell to 7.08 million, the lowest since March, while hires edged up to 5.19 million



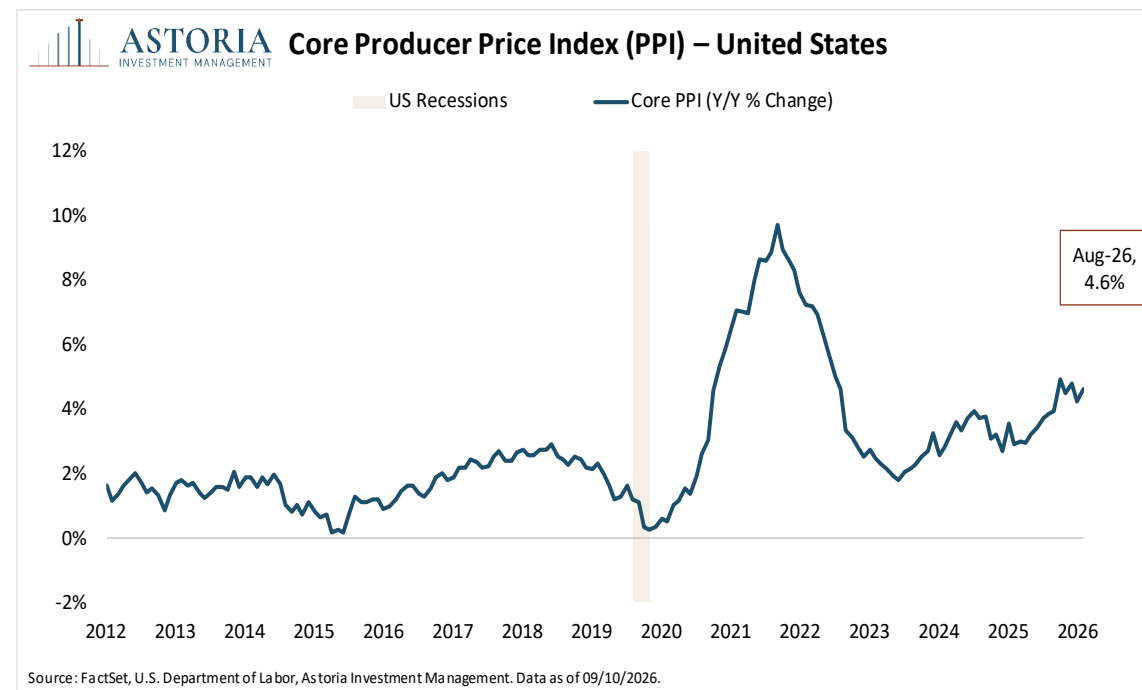
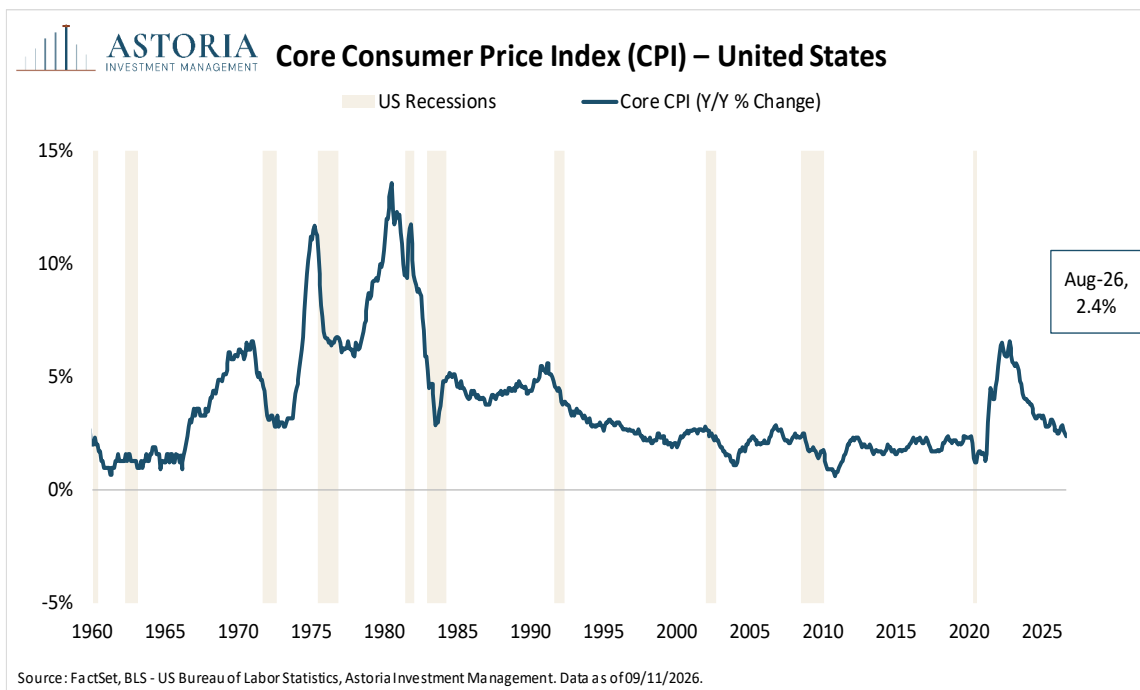
Aug ISM Manufacturing PMI eased to 54.6 from 55.6, its eighth straight month in expansion, though new orders fell to 53.7 from 56.7. Sep S&P Global Flash Manufacturing PMI jumped to 57.0 from 53.9, its highest reading since May 2022



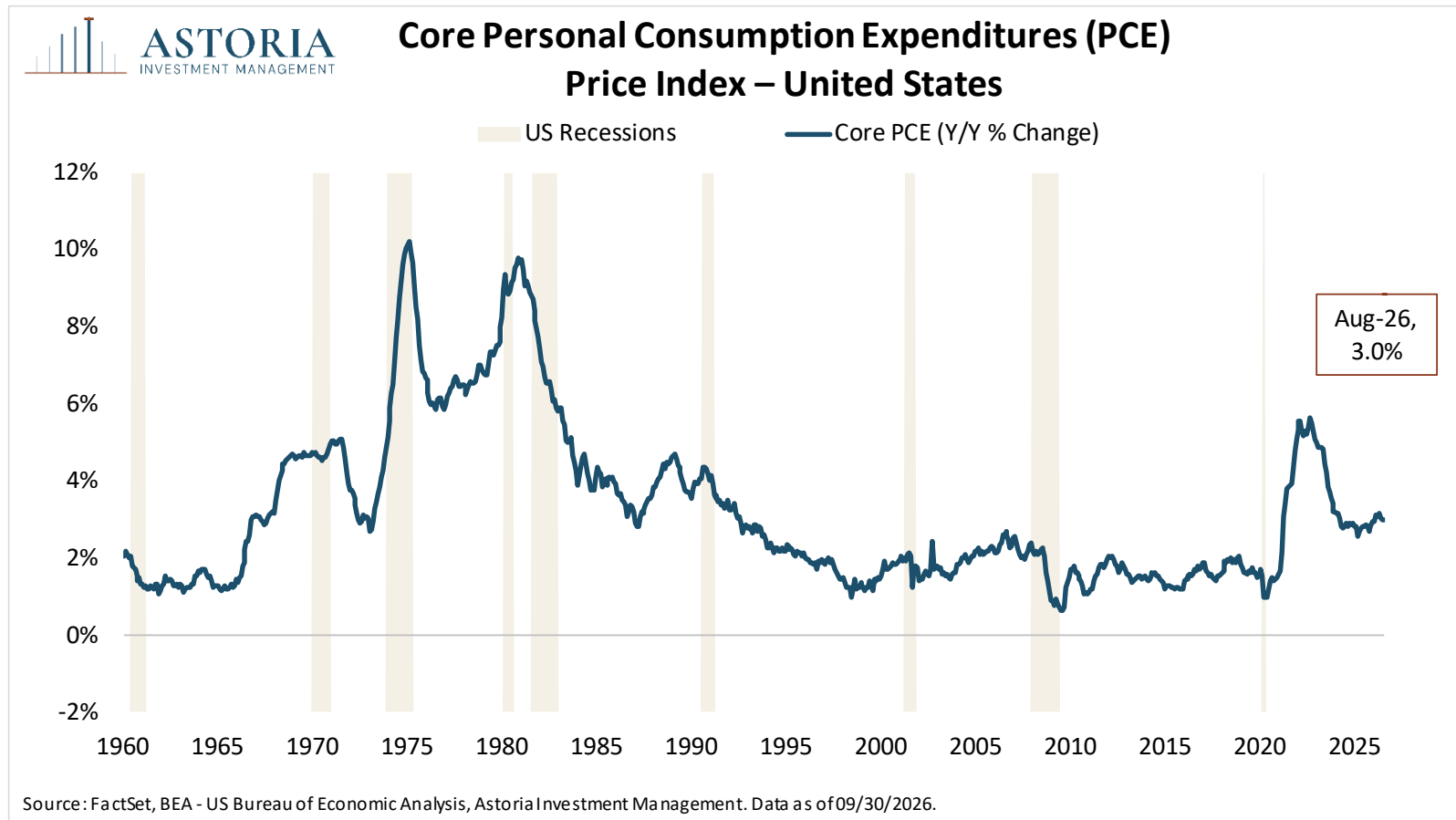
Aug ISM Services PMI rose to 55.4 from 54.1, beating expectations and marking the 26th straight month in expansion territory, though employment remained in contraction at 47.8. Sep S&P Global Flash Services PMI rose to 58.7 from 56.5



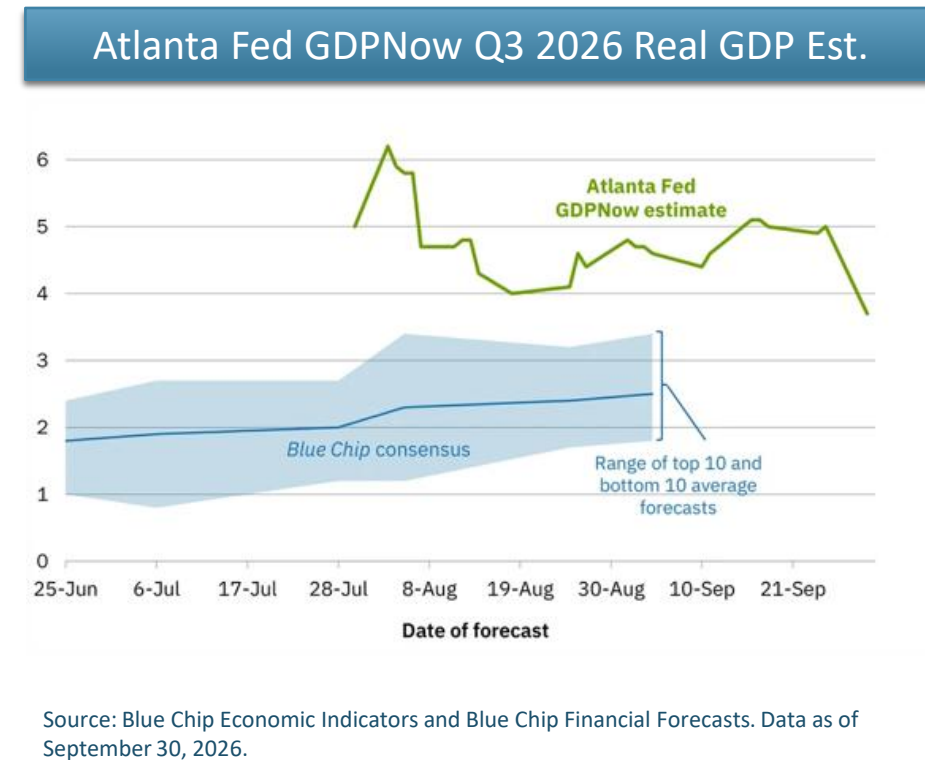
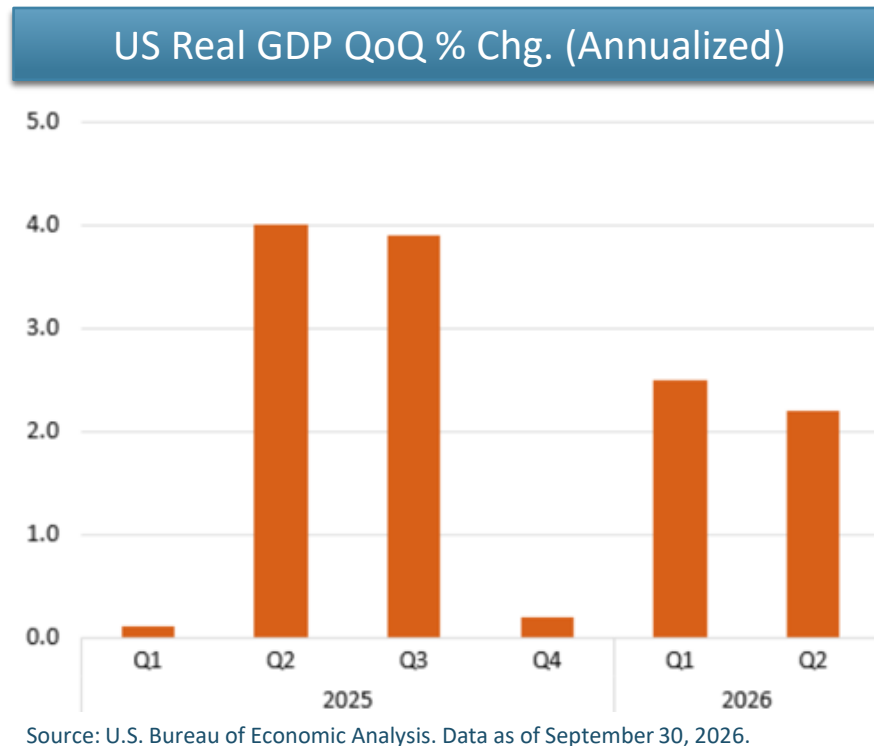
Inflation via Aug Core CPI eased to 2.4% YoY, its lowest since Mar 2021, though the 0.3% monthly gain was a tenth above forecast. Meanwhile, Aug PPI rose 5.4% YoY, a tenth above consensus, with Core PPI at 4.6% YoY



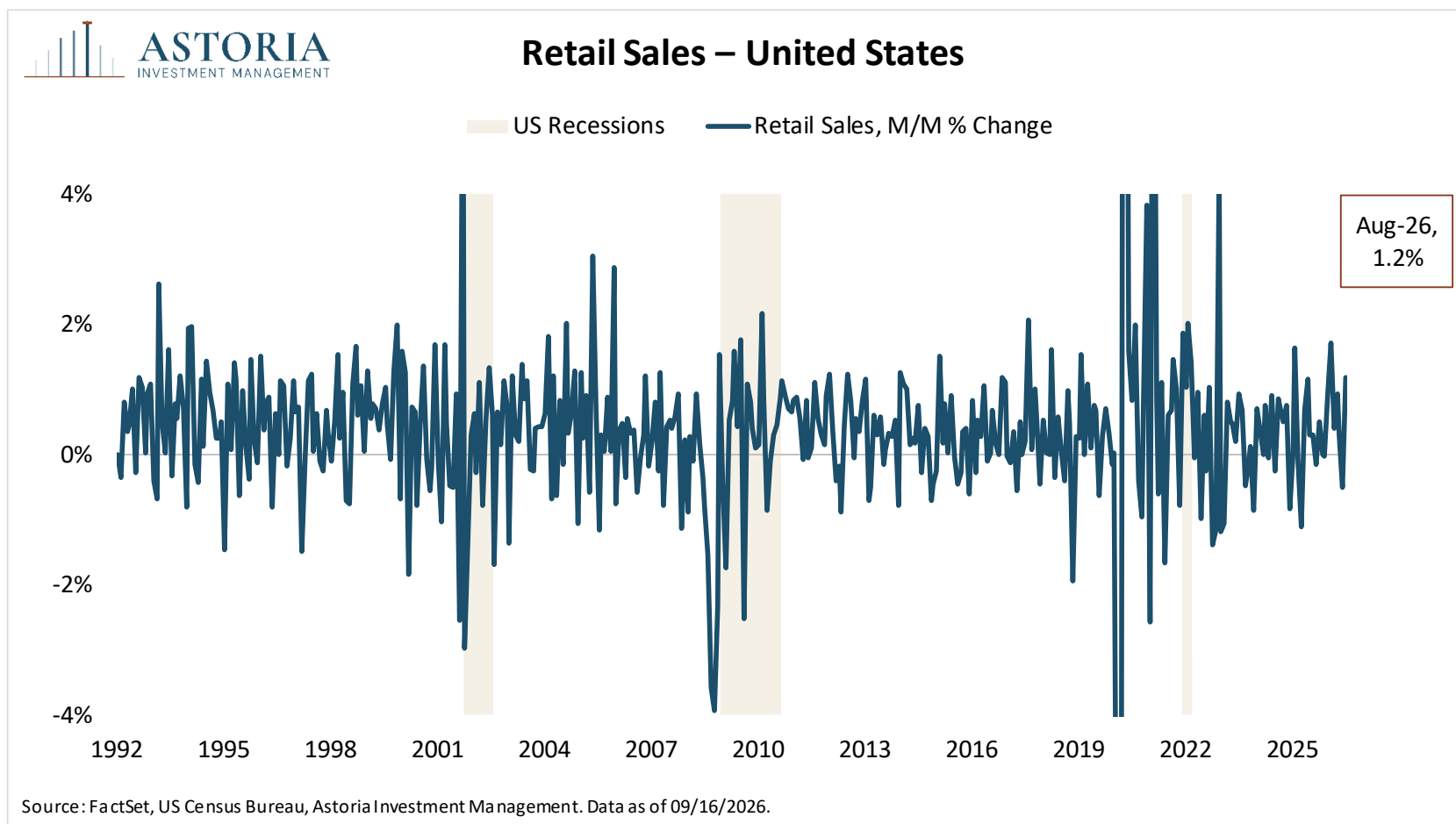
Aug PCE came in cooler than expected in the first inflation report since the Sep 16 Fed hike. Core PCE rose 3.0% YoY against a 3.3% consensus, while headline PCE rose 3.4%, also below expectations



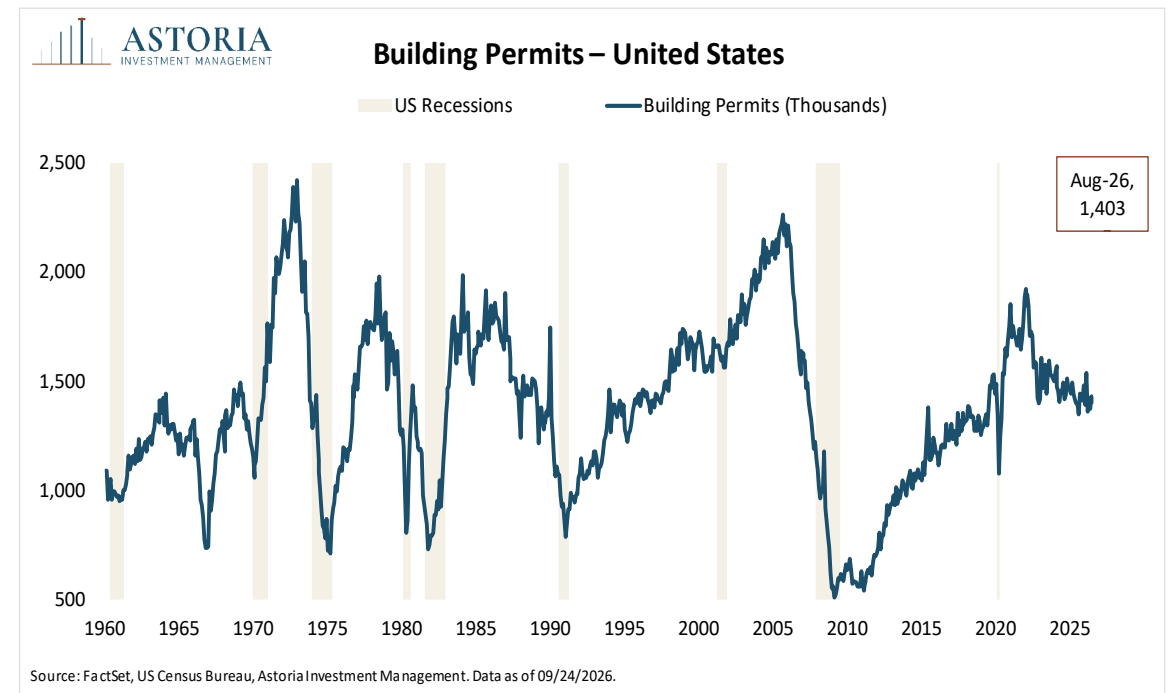
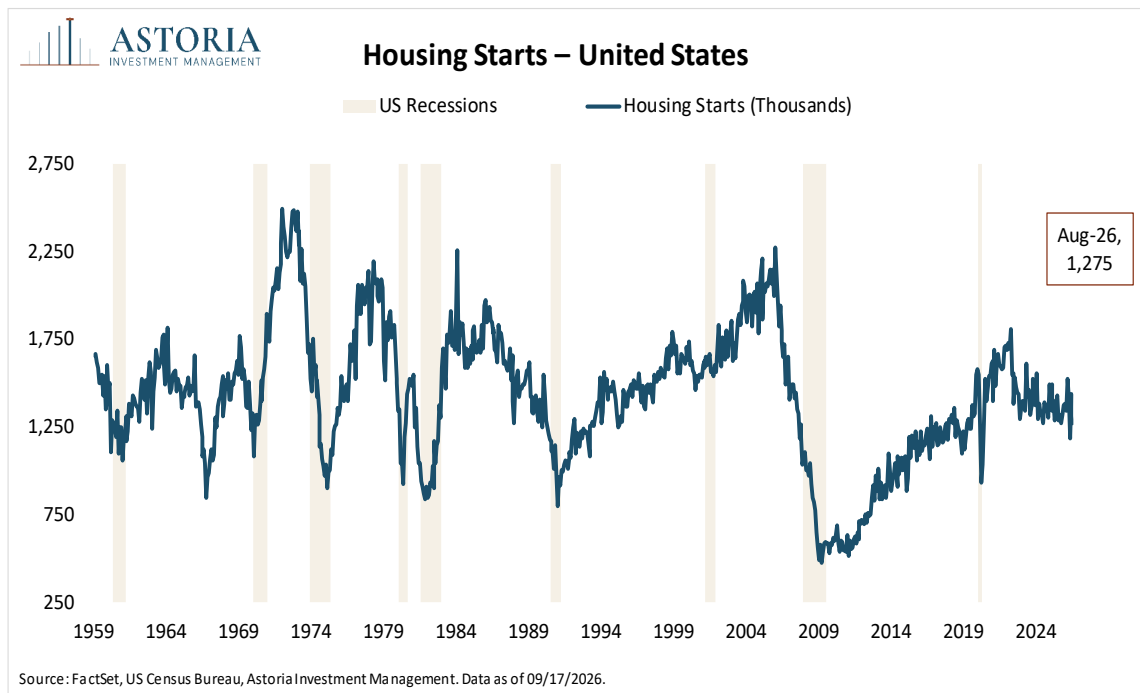
US Real GDP for Q2 2026 was revised up to +2.2% in the third estimate from 1.5%, while Q1 2026 was revised up to +2.5%. The Atlanta Fed's GDPNow expects Q3 2026 GDP to accelerate via the latest 3.7% estimate, down from 5.0% last week



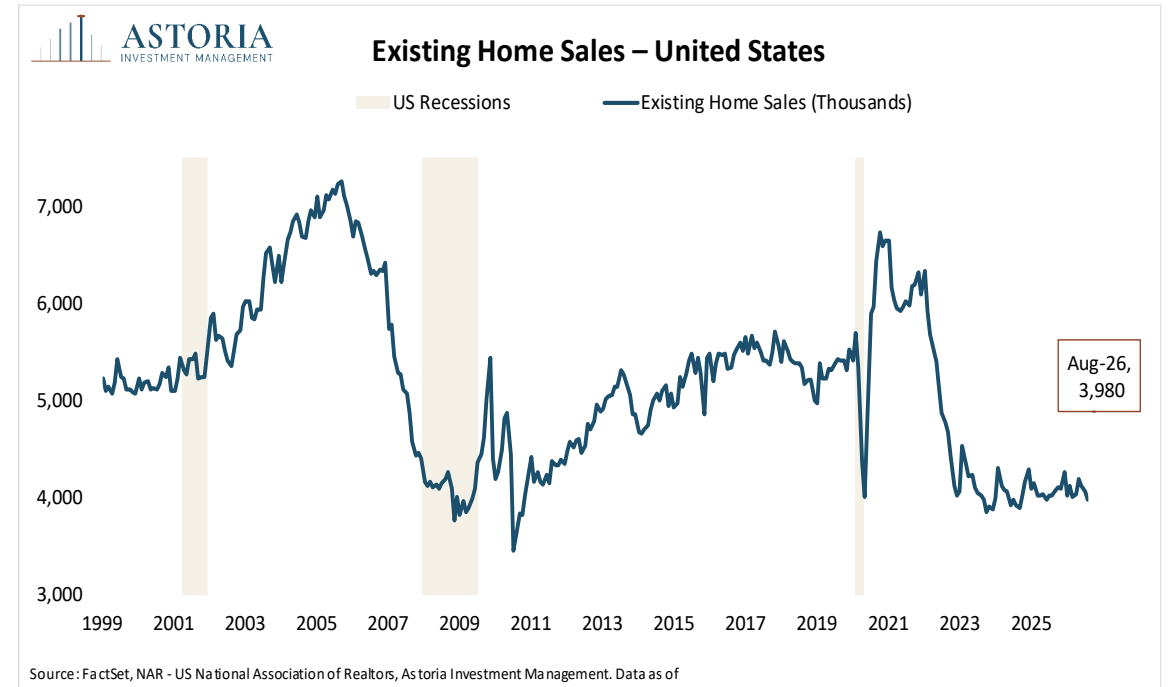
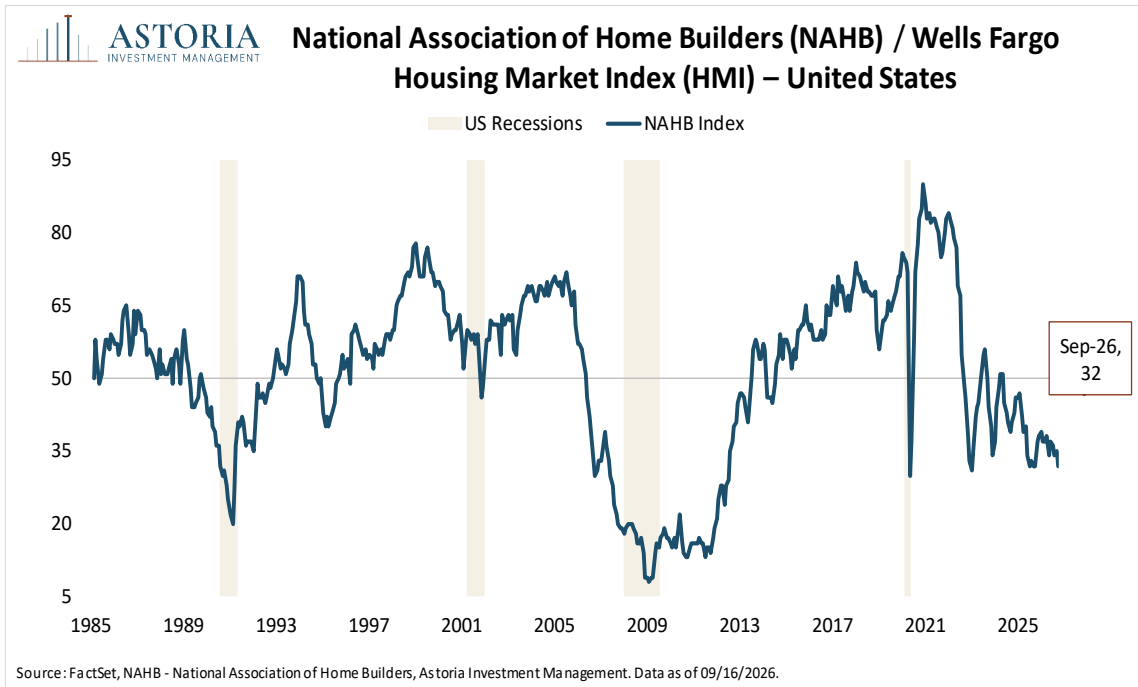
Aug Retail Sales beat expectations and increased 1.2% from Jul, the largest gain in five months, reversing the Jul decline, with gasoline station sales up 3.1%



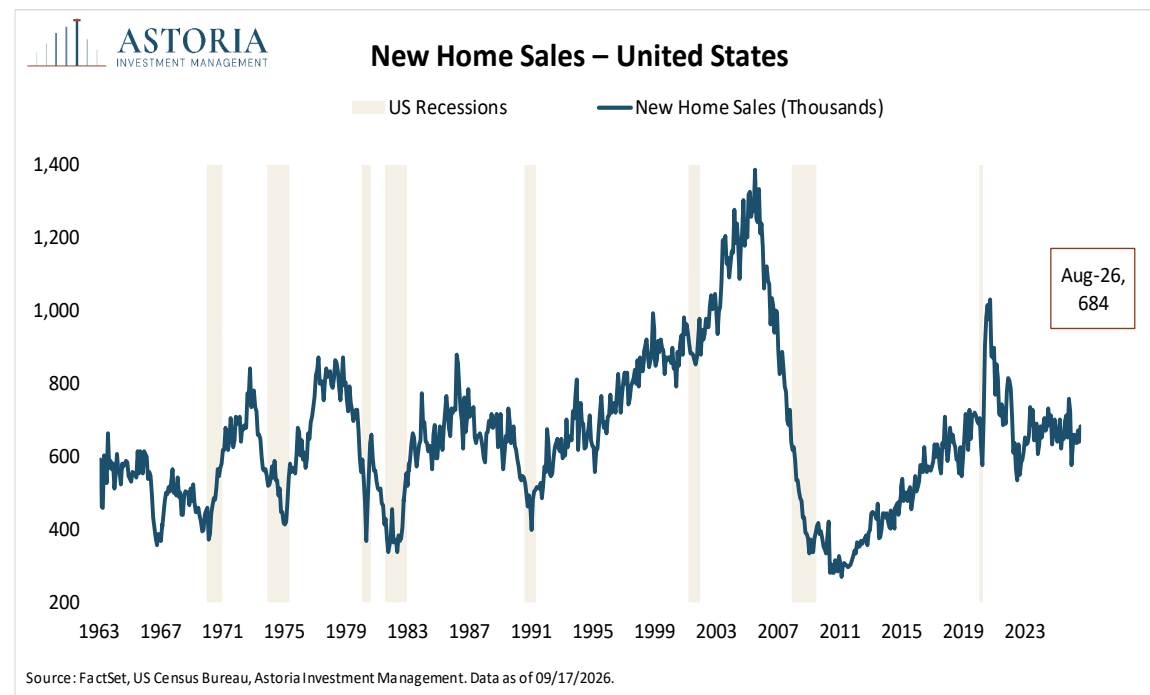
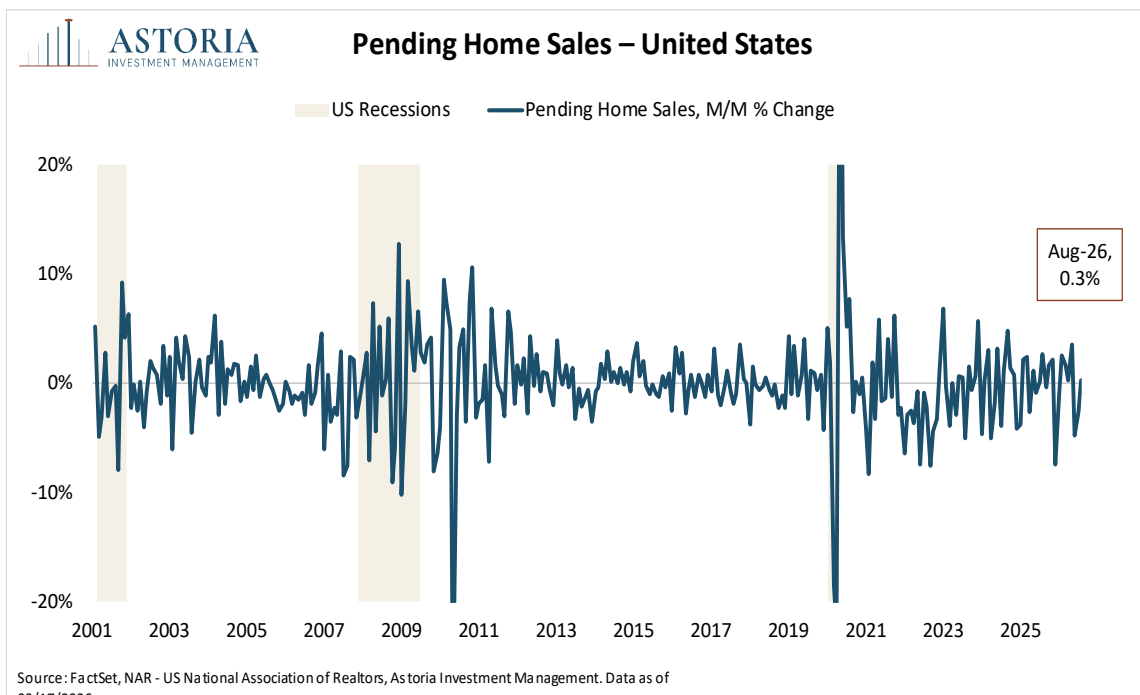
Aug Housing Starts fell 2.6% to 1.275 million, the lowest since Oct 2025, as multi-family starts dropped 22.5% while single-family rose 7.6%. Building Permits slipped to 1.403 million, signaling construction activity remains soft



Sep NAHB HMI fell three points to 32, its lowest in a year, with 38% of builders cutting prices. Meanwhile, Aug Existing Home Sales fell 2.0% to 3.98 million, the first reading below 4 million since Jun 2025



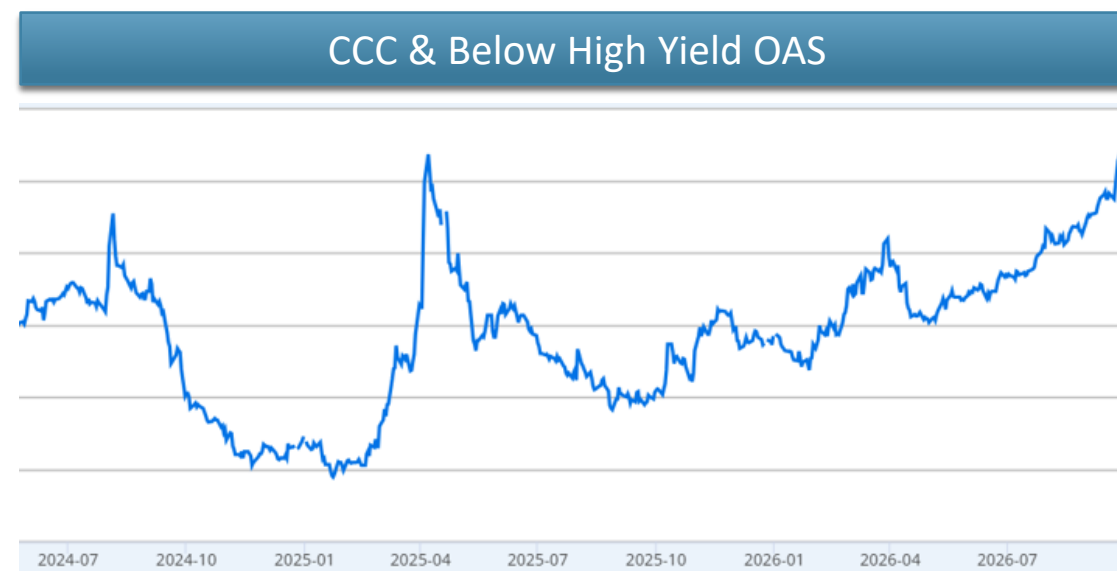
Aug Pending Home Sales rose 0.3% from the prior month but are down 4.7% YoY, with declines in all four regions. Aug New Home Sales rose 6.4% to 684k, while a 7.58% mortgage rate and 8.5 months of supply weigh on demand



High Yield Credit Spreads are widening at the lower end of the quality spectrum, with Single-B spreads rising to about 3.1% from a low near 2.7% and CCC & below spreads near the top of their two-year range



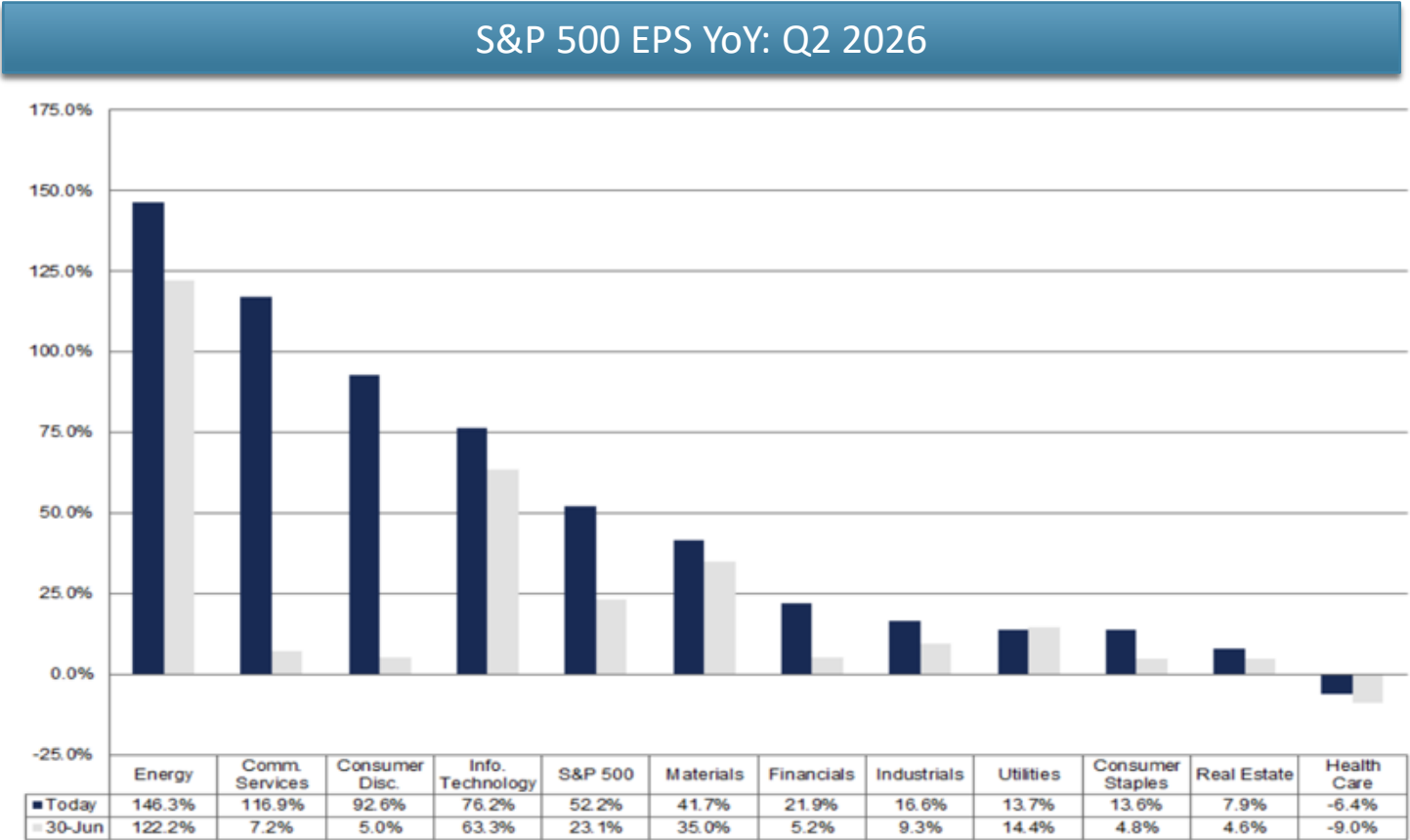
Source: FRED. Data as of September 30, 2026.



Earnings/Valuation Indicators

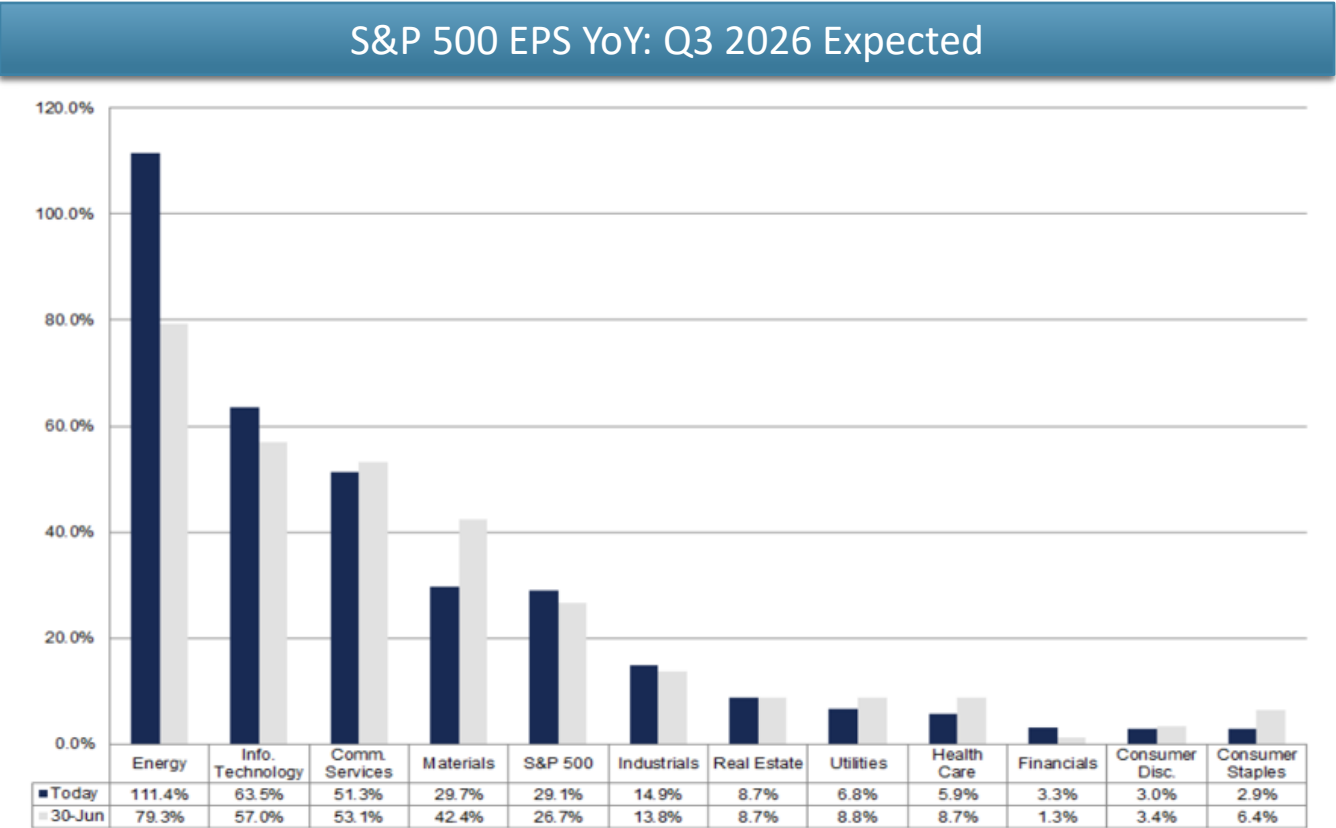


Q2 2026 Earnings: 100% of S&P 500 company have reported actual results, 86% of companies beat; blended earnings growth = 52.2%, more than double the June end estimate



Source: FactSet. Data as of September 30, 2026.

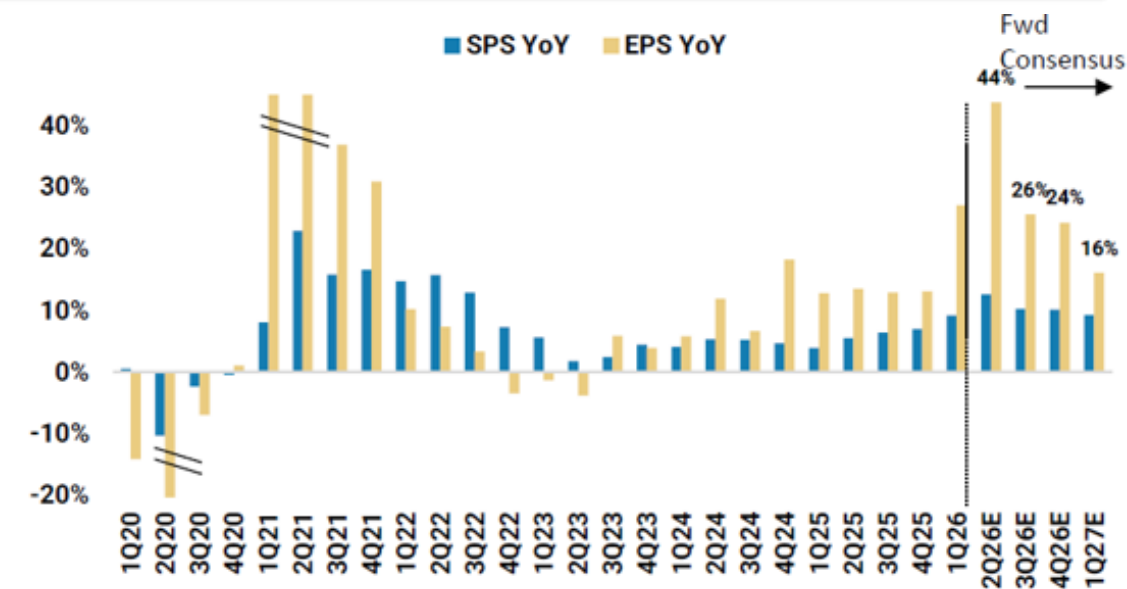
Earnings for the S&P 500 for the next quarter is estimated to be double-digit. In Q3, Energy, Information Technology, and Communication Services are forecasted to lead while Consumer Staples, Consumer Discretionary, and Financials are expected to lag



Source: FactSet. Data as of September 30, 2026

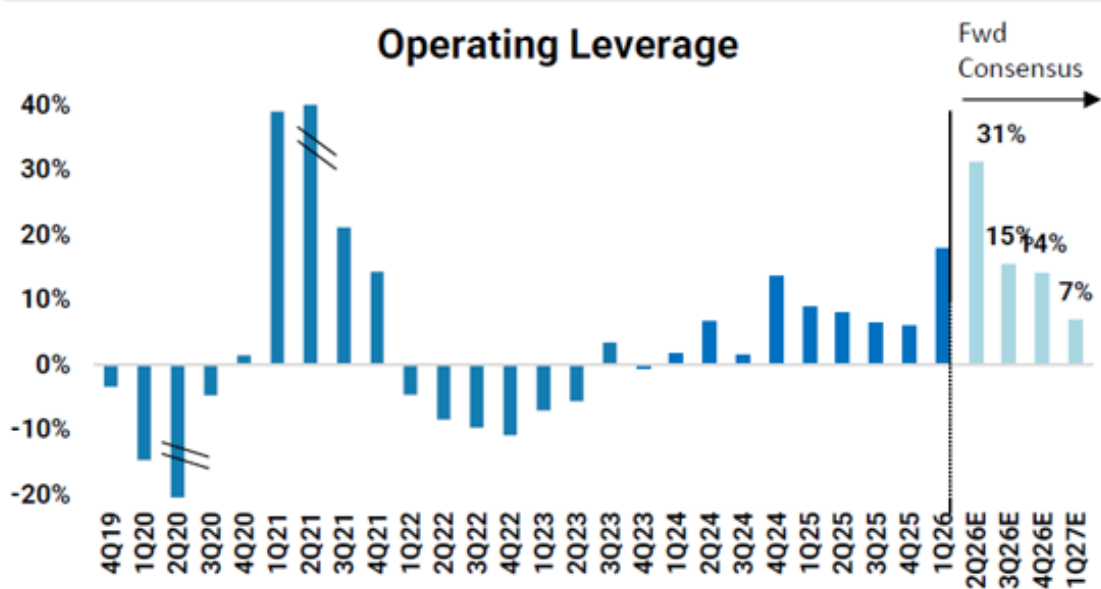
EPS growth is picking up momentum as operating leverage resurges in 2026, supporting stronger forward earnings expectations

Forward SPS and EPS Expectations

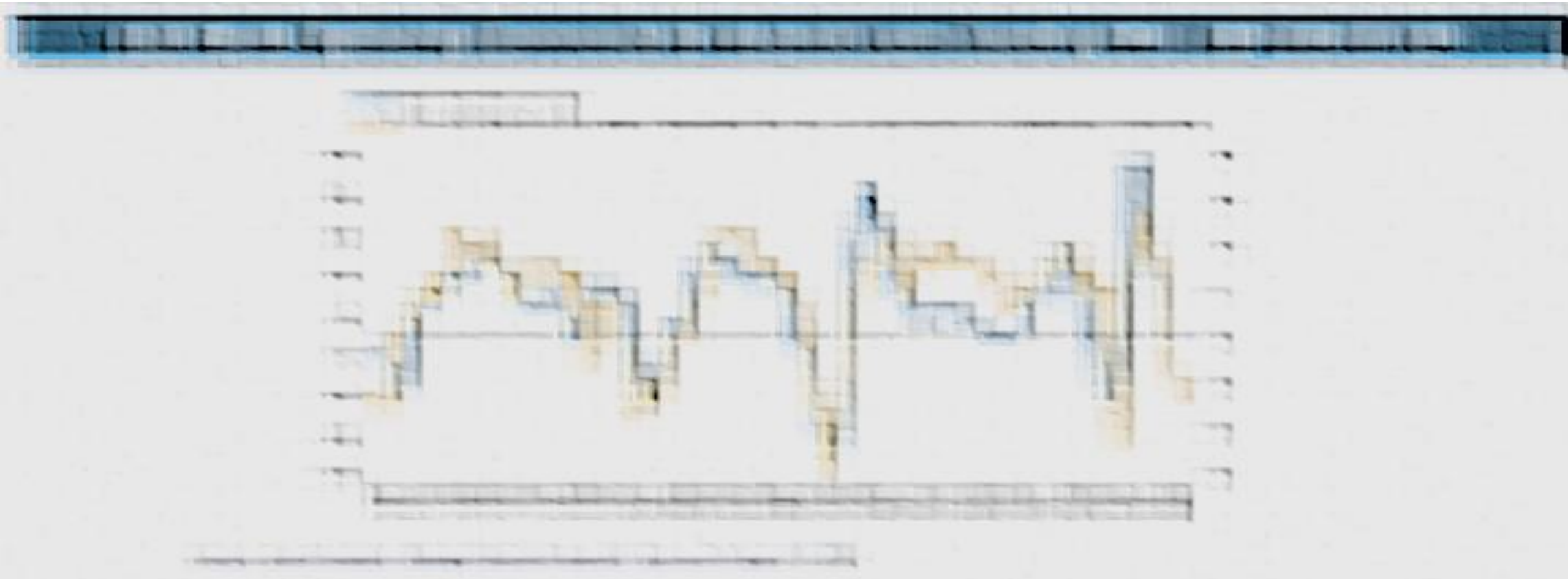


Source: Morgan Stanley. Data as of September 15, 2026.

Operating Leverage



To access more of our macroeconomic insights and business cycle indicators on slides 23-46, please contact Will Pham (will@astoriaim.com).



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