

Aprio[®] |

March 2026

The Greatest IPO in History

Aprio's Economic Outlook – 2026
Black Business Forum

Disclaimer

Investment advisory services are offered by Aprio Wealth Management, LLC, a Securities and Exchange Commission Registered Investment Advisor. Opinions expressed are as of the publication date and subject to change without notice. Aprio Wealth Management, LLC shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses or opinions contained herein or their use, which do not constitute investment advice, are provided as of the date written, are provided solely for informational purposes and therefore are not an offer to buy or sell a security. This commentary is for informational purposes only and has not been tailored to suit any individual. References to specific securities or investment options should not be considered an offer to purchase or sell that specific investment.

This commentary contains certain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason. No graph, chart, or formula in this presentation can be used in and of itself to determine which securities to buy or sell, when to buy or sell securities, whether to invest using this investment strategy, or whether to engage Aprio Wealth Management, LLC's investment advisory services.

Investments in securities are subject to investment risk, including possible loss of principal. Prices of securities may fluctuate from time to time and may even become valueless. Any securities mentioned in this commentary are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Before making any investment decision, investors should read and consider all the relevant investment product information. Investors should seriously consider if the investment is suitable for them by referencing their own financial position, investment objectives, and risk profile before making any investment decision. There can be no assurance that any financial strategy will be successful.

Certain investor qualifications may apply. Definitions for Qualified Purchaser, Qualified Client and Accredited Investor can be found from multiple sources online or in the SEC's glossary found here <https://www.sec.gov/education/glossary/jargon-z#Q>

Simeon Wallis, CFA®



Simeon brings two decades of professional investing experience in publicly traded and privately held companies, as well as senior-level operating and strategy consulting experiences.

As Chief Investment Officer, Simeon sets Aprio Wealth Management's investment strategy while overseeing research, trading, and investment operations. He Chairs the firm's Investment Committee. Additionally, Simeon is a director in Aprio's Family Office Service, focusing on coordinating alternative and public market investments into a consistent strategy to minimize client risk. Simeon provides economic commentary to the firm's partners, clients, and media.

Before joining Aprio, Simeon was the Investment Director of ValorBridge Partners, an Atlanta-based holding company, where he oversaw the management, research, and due diligence processes for ValorBridge's investments in public and private holdings across the capital structure. Simeon was also the COO of a ValorBridge healthcare portfolio company. He advised ValorBridge's group of operating companies on corporate development and strategic opportunities. Additionally, Simeon served on and chaired ValorBridge boards.

Before joining ValorBridge, Simeon advised hedge funds and asset managers with their securities analysis in New York and San Francisco. Before Wharton, Simeon was a venture capitalist in early-stage software companies and a management consultant. He annually guest lectures at Columbia University's business school in the Value Investing Program on companies that can sustainably grow and previously was profiled in a leading investment publication, *Graham & Doddsville*.

Education

- MBA: The Wharton School of the University of Pennsylvania, concentration in Finance.
- AB: Duke University, *cum laude*, major in History.

His professional and civic affiliations include:

- Simeon is a CFA® charter holder, a member of the CFA Society Atlanta, and a Fundamentals of Sustainability Accounting (FSA) credential holder.
- Non-profit activities include board member of Jewish Federation of Greater Atlanta and Next Generation Men & Women, and a member of the Atlanta Jewish Foundation's Investment Committee.

Simeon was born and raised in New York City and lives in Atlanta with his wife Susan and two daughters Lilah and Noa.

**Chief Investment Officer &
Director of Family Office,
Partner**

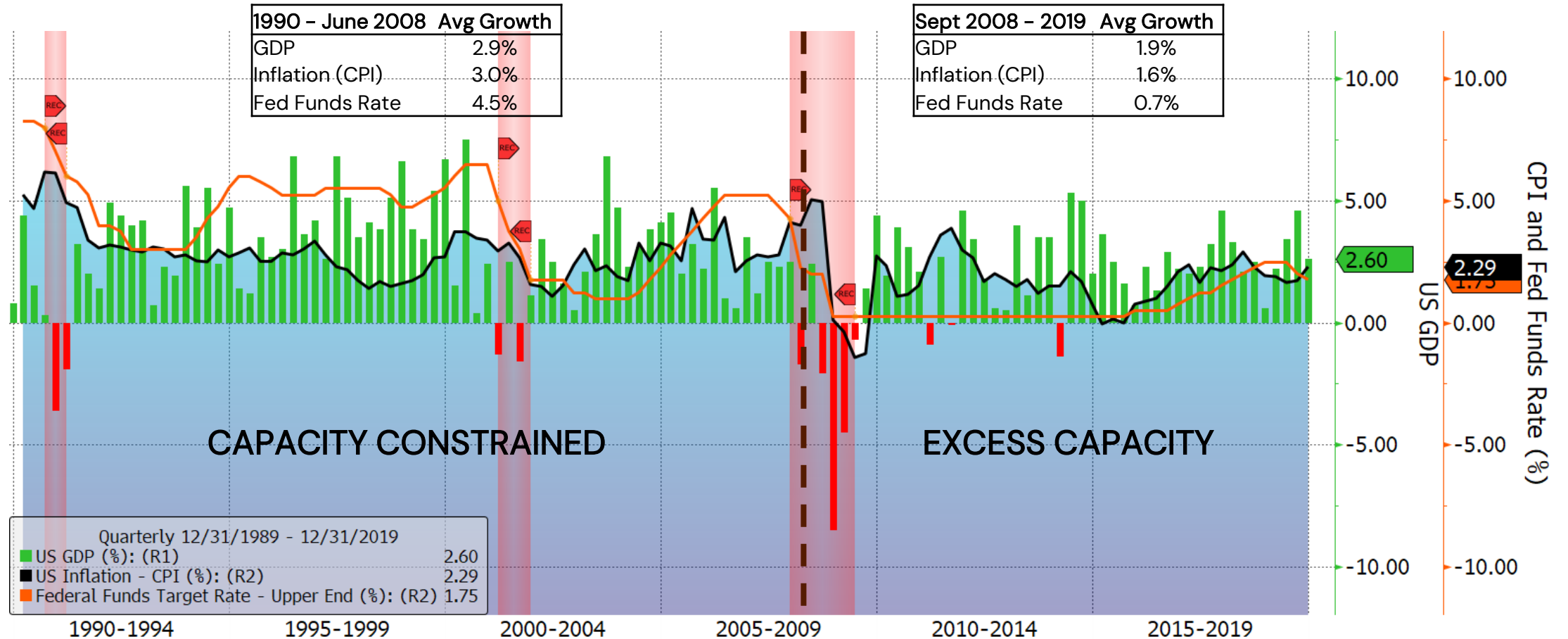
Aprio Wealth Management

KEY TAKE-AWAYS

1. **The Twin Engines: Early 2026 tailwinds from Liquidity and Productivity**
 - Supplemented by 2 events: 250th anniversary, World Cup in North America
2. **Two Wallets, One Economy: Understanding the consumer boost early in the year may be temporary, not structural**
3. **AI as Infrastructure: AI becomes essential infrastructure, rewarding firms boosting efficiency and cash flow.**
4. **Watch the governor: Potentially higher long-term rates require disciplined planning and execution.**

The 2020s will look more like the decades before the Global Financial Crisis

GDP, INFLATION AND FED POLICY EXPERIENCED DIFFERENT REGIMES



GDP CQOQ Index (GDP US Chained Dollars QoQ SAA) Quarterly 31DEC1989-31DEC2019

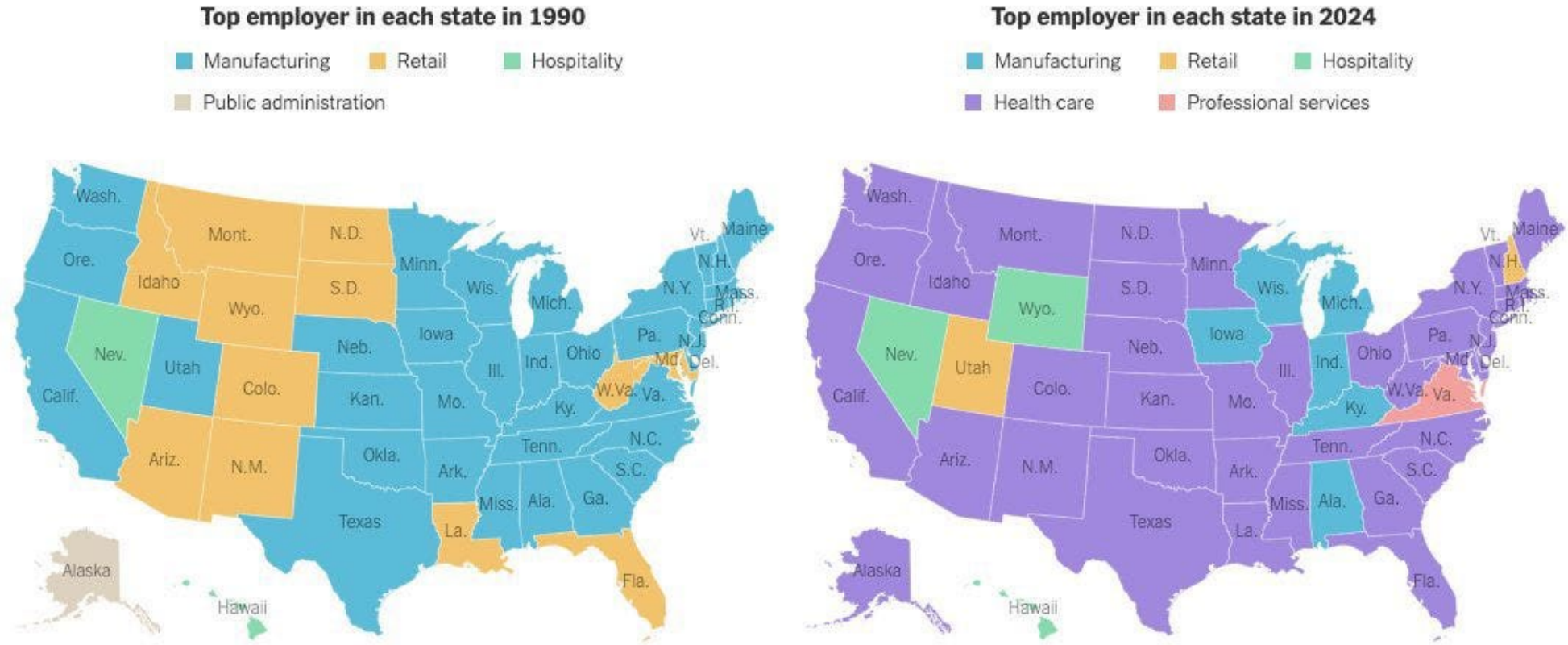
Copyright© 2024 Bloomberg Finance L.P.

03-Jun-2024 17:18:29

Source: Bloomberg Finance, L.P.

Massive change toward a services economy in the last 3 decades

MOVE LESSENS ECONOMIC CYCLICALITY



Source: New York Times analysis of Quarterly Census of Employment and Wages - Note: Each industry category includes private sector and government jobs when applicable. - By The New York Times

The economy and capital markets



The Twin Engines of Growth in 2026

LIQUIDITY AND PRODUCTIVITY DRIVE ECONOMIC ACCELERATION

The image consists of two vertical panels. The left panel is titled 'Productivity in 2026' with the subtitle 'Driving Economic Growth'. It features a large gear with 'PRODUCTIVITY' written on it, a green arrow pointing upwards, a robotic arm, a worker with a laptop, and a scientist with a microscope. The right panel is titled 'Liquidity in 2026' with the subtitle 'Fueling Economic Growth'. It features a large dollar sign, a green arrow pointing upwards, a faucet pouring coins, and stacks of money. Both panels have a bottom section with four sub-panels each, representing key drivers of growth.

Productivity in 2026
Driving Economic Growth

Liquidity in 2026
Fueling Economic Growth

Productivity Drivers:

- Innovation & Technology
- Efficient Workforce
- Automation & AI

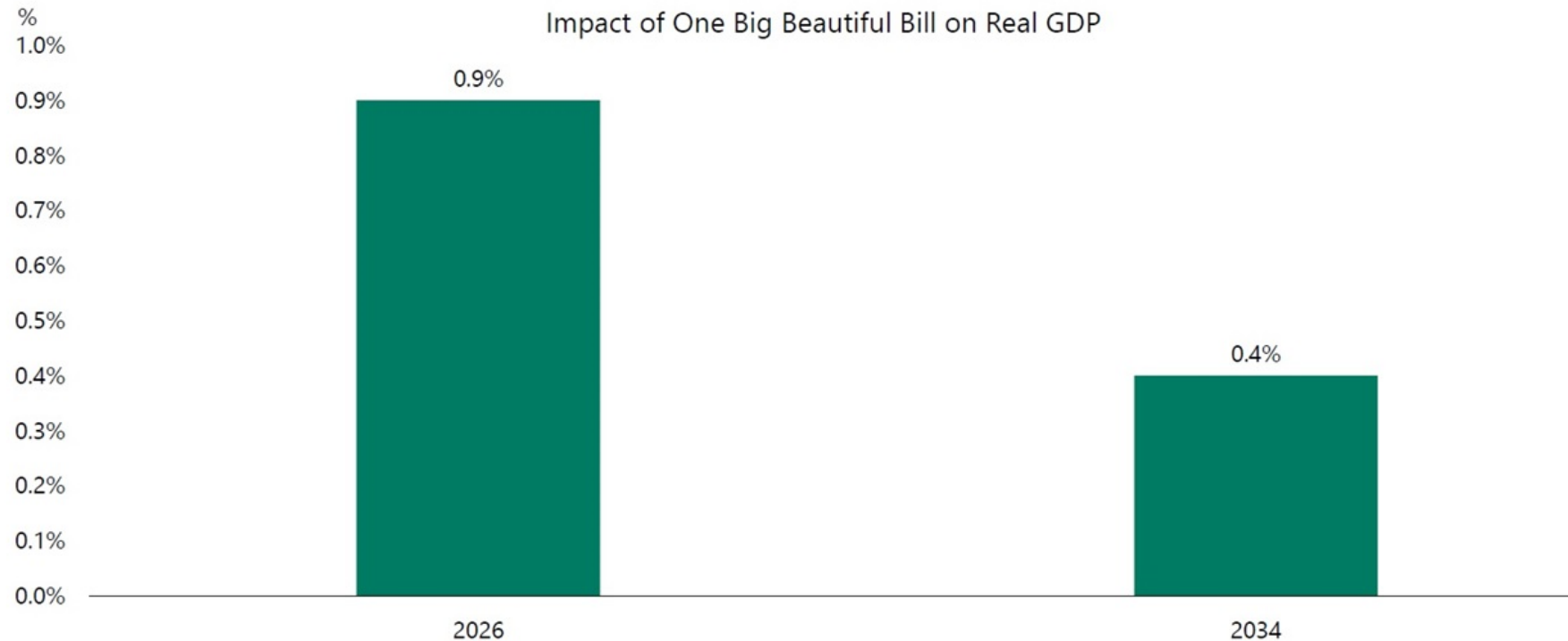
Liquidity Drivers:

- Financial Stability
- Investment & Lending
- Capital Markets
- Business & Consumer Access



Fiscal policy a key driver of the engines

The CBO estimates that the One Big Beautiful Bill will boost GDP growth by 0.9% in 2026



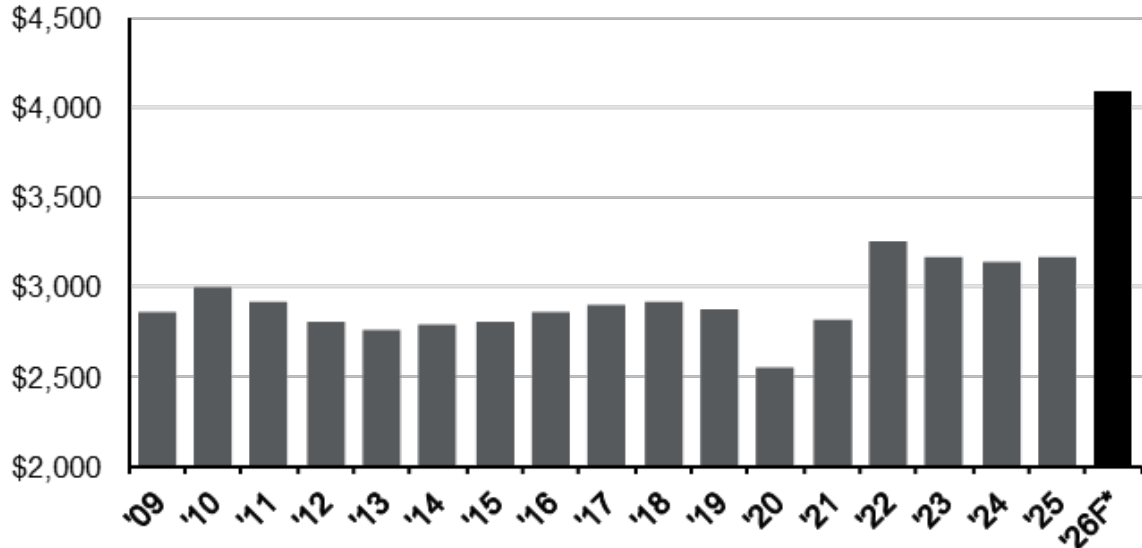
Source: Apollo Global Management



The first half of 2026 will be the window

Average income tax refund by filing year

2009 - 2026F*



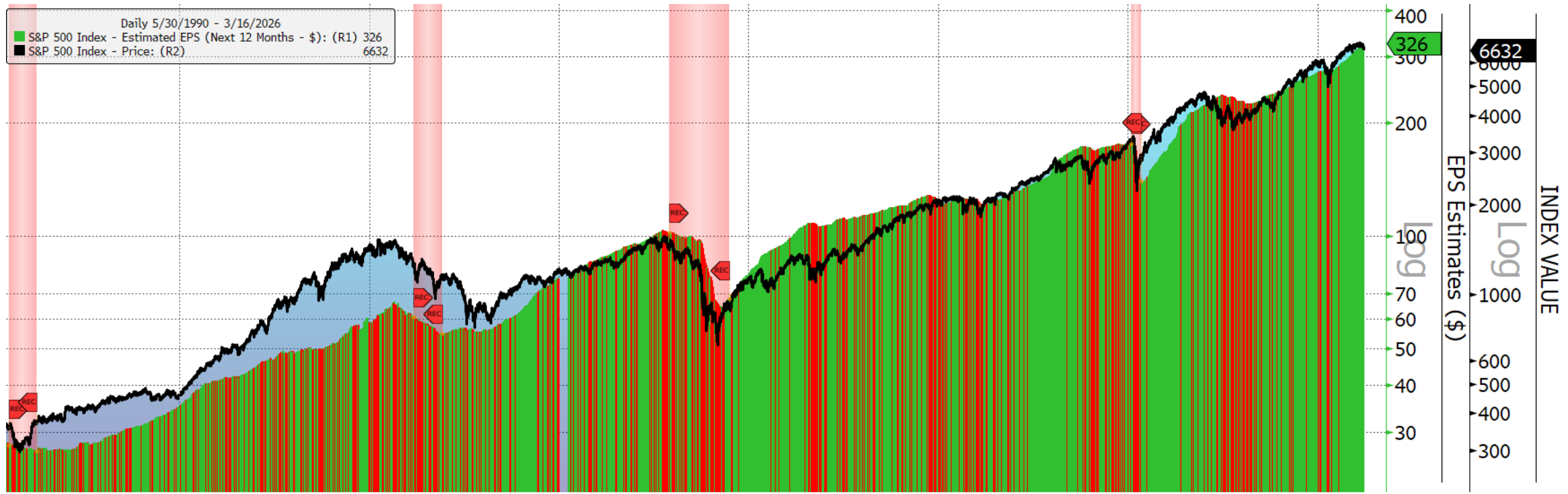
Source: JP Morgan

- Eliminates federal income tax on overtime pay and tips
- Increases the child tax credit to \$2,200 dollars per child
- Extends 100% expensing for equipment and factories to encourage capex and hiring
- Tax refunds for households will be larger because the total tax liability for 2026 is lower



Economic growth aligns with earnings estimates

FORWARD EARNINGS ESTIMATES HAVE BEEN A KEY COINCIDENT INDICATOR FOR THE MARKET



1990-1994 1995-1999 2000-2004 2005-2009 2010-2014 2015-2019 2020-2024

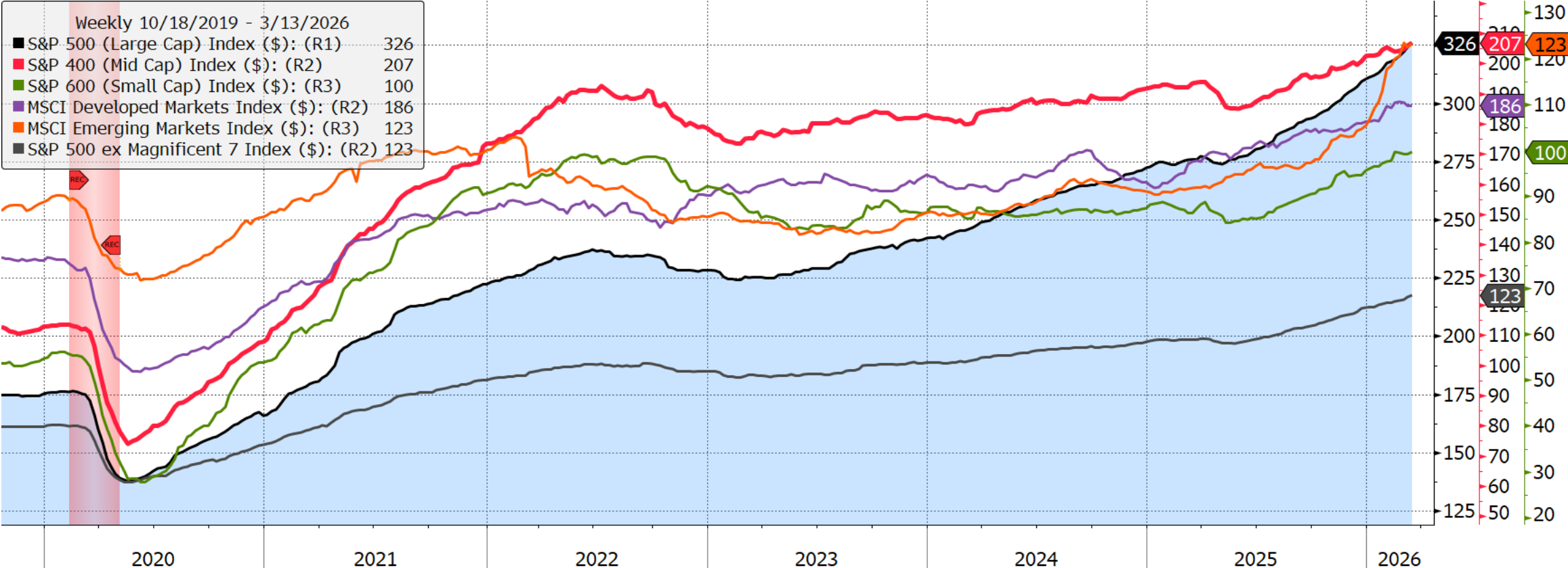
SPX Index (S&P 500 INDEX) EPS Estimates LT Daily 30MAY1990-15MAR2026 Copyright© 2026 Bloomberg Finance L.P. 15-Mar-2026 13:50:56

Source: Bloomberg Finance, LP



Growth is expected to broaden across the economy

EARNINGS ESTIMATES RISING ACROSS COMPANY SIZES



SPX Index (S&P 500 INDEX) Rolling Fwd EPS Est Weekly 13OCT2019-15MAR2026

Copyright© 2026 Bloomberg Finance L.P.

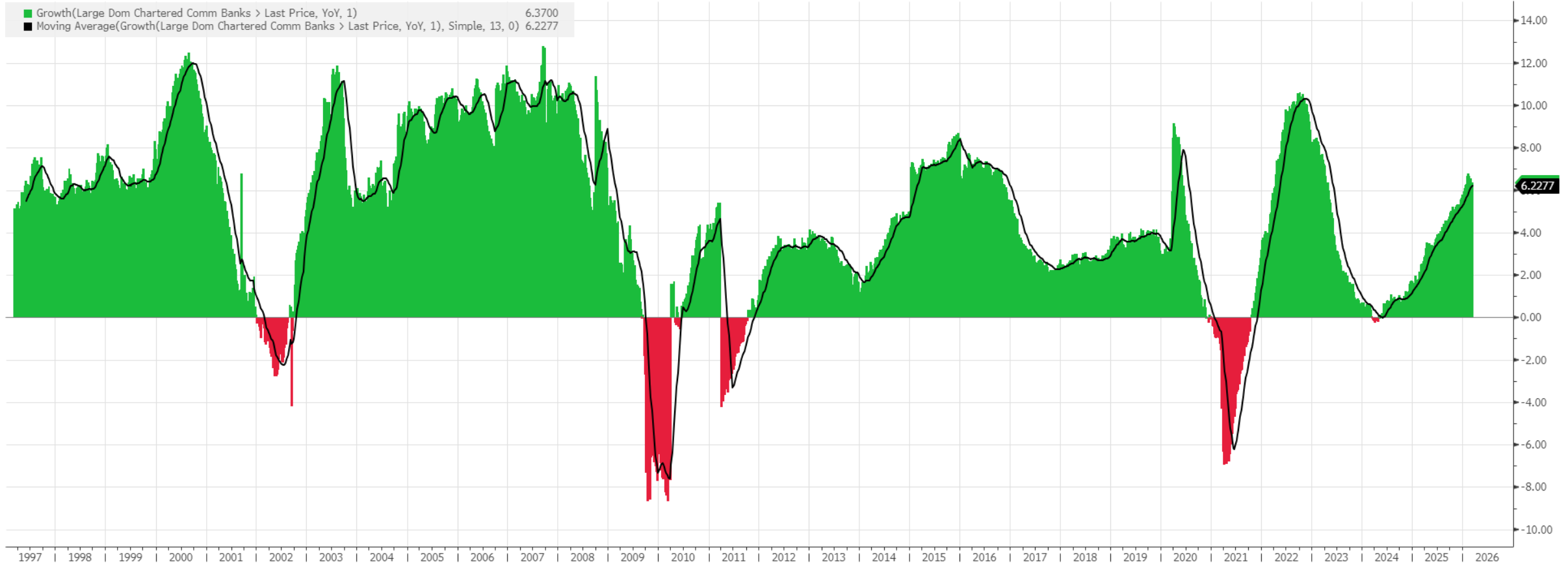
15-Mar-2026 13:51:12

Source: Bloomberg Finance, LP



Bank lending activity is increasing

ACCELERATING LOAN GROWTH SUPPORTS EXPANDING ECONOMY

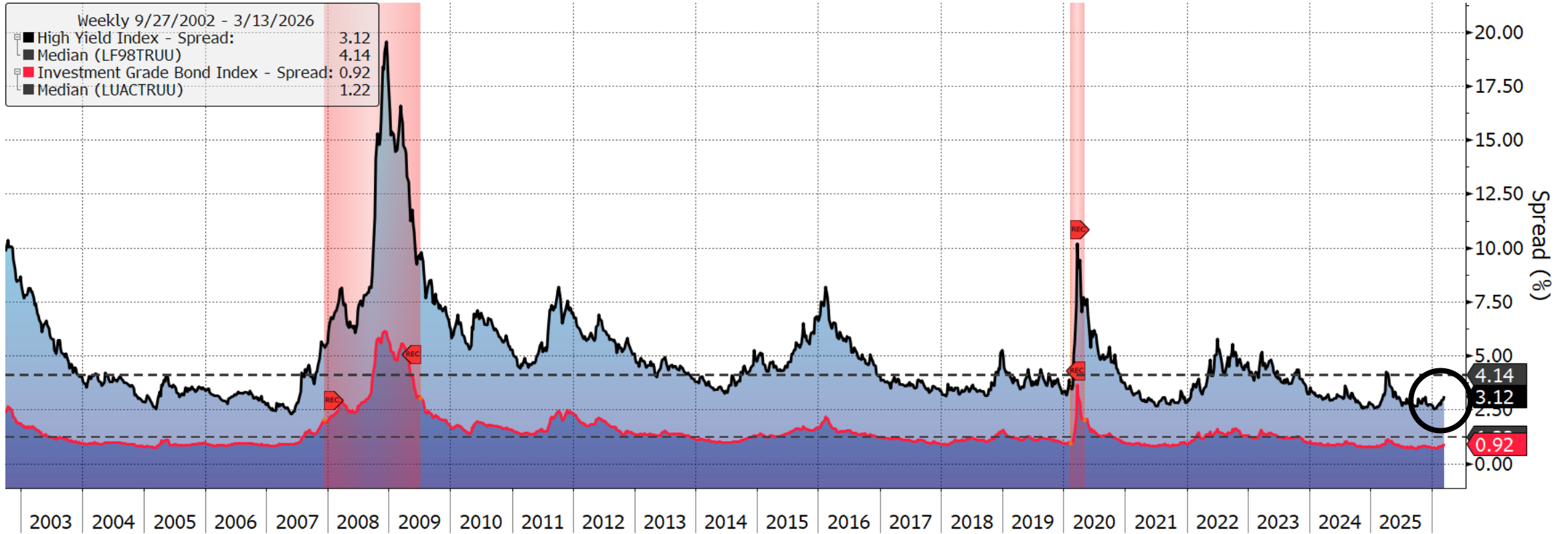


Source: Bloomberg Finance, LP



Liquidity enables investments

BOND SPREADS REMAIN HISTORICALLY NARROW | HAVE WIDENED OFF TROUGH LEVELS

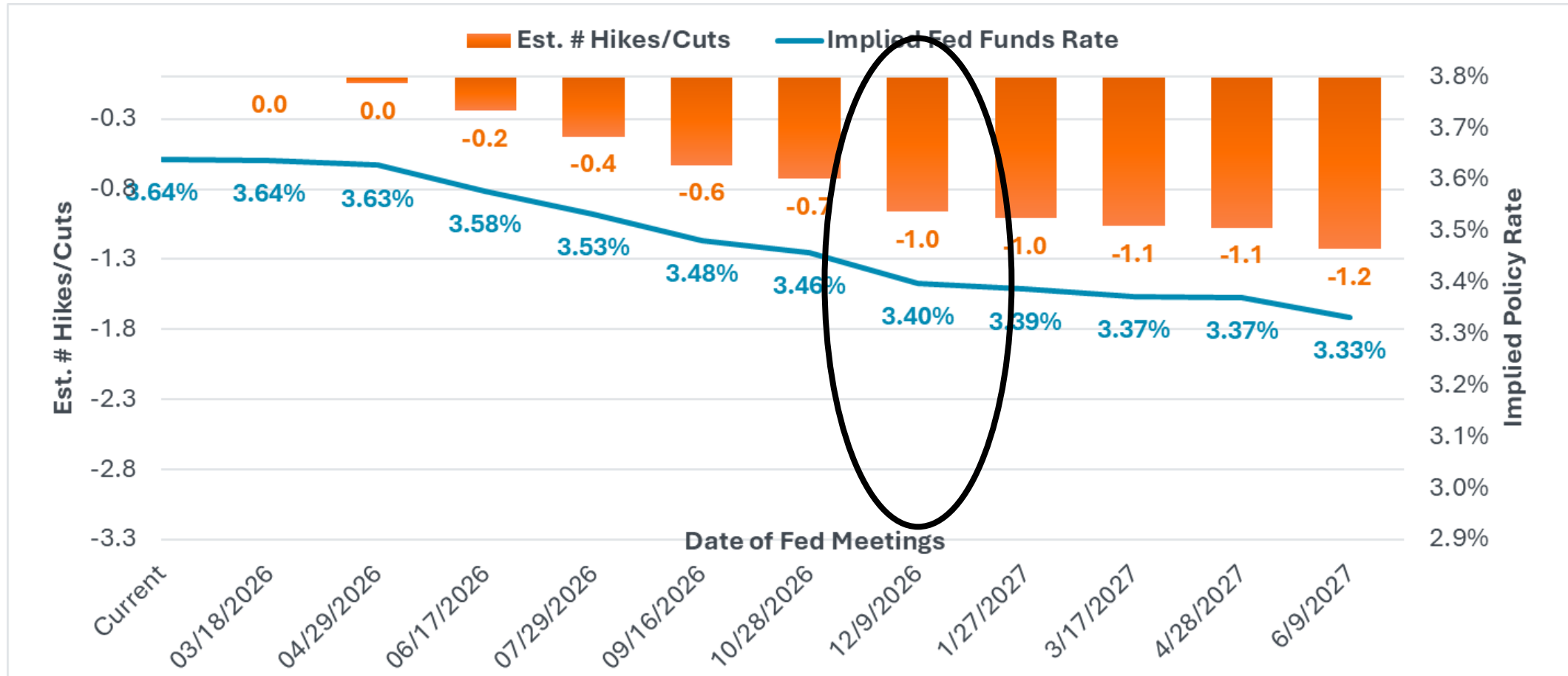


Source: Bloomberg Finance, LP



Interest rates expected to decline

MARKET EXPECTS 1 RATE CUTS (25 BPS) IN 2026

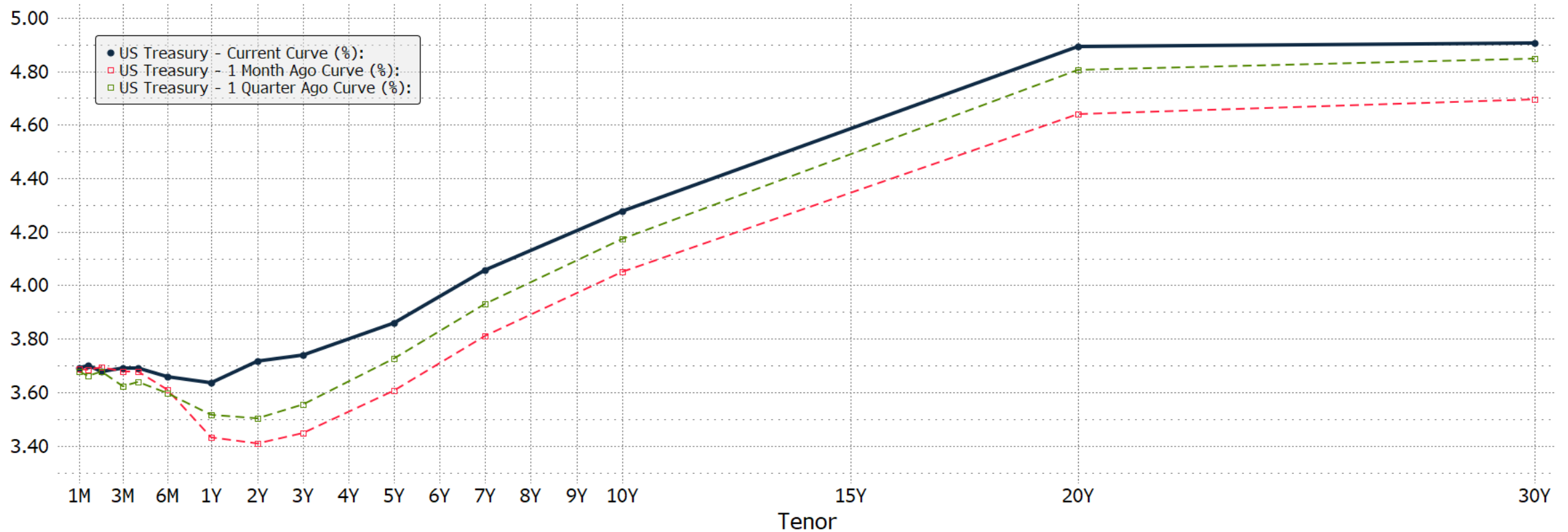


Source: Bloomberg Finance, LP



Inflation concerns are pushing short term rates higher

1 - AND 2-YEAR TREASURIES HIGHER THAN 1 MONTH



Copyright © 2026 Bloomberg Finance L.P.

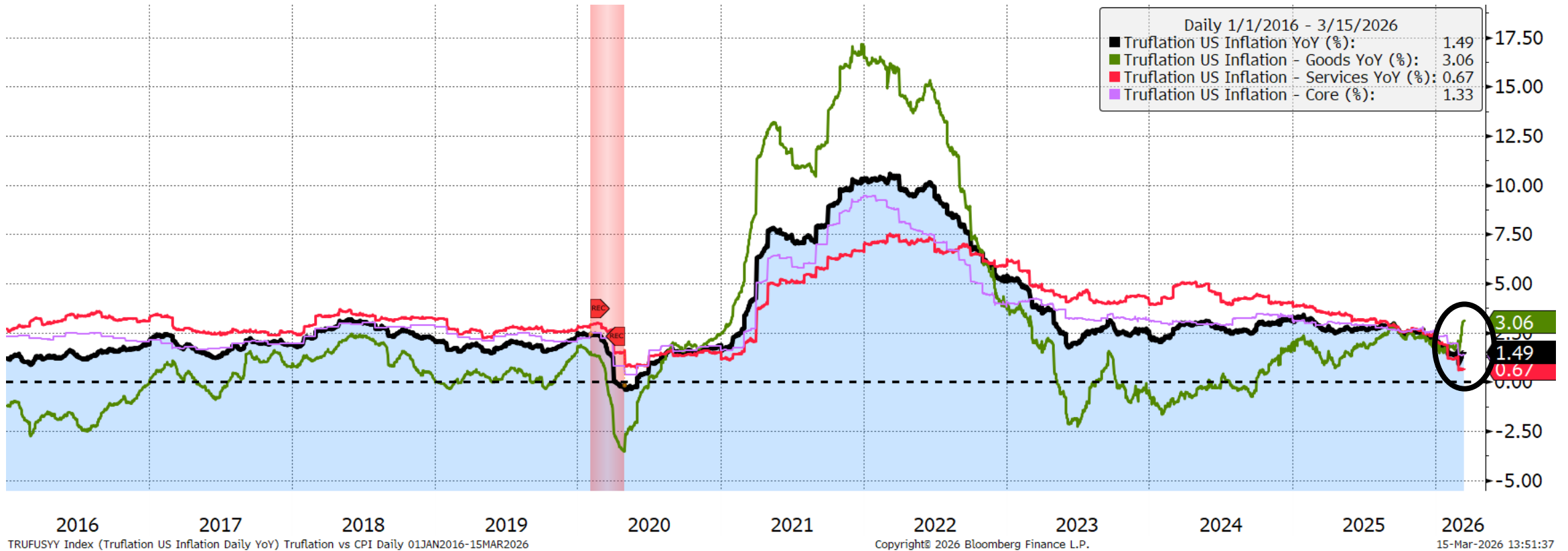
15-Mar-2026 13:51:38

Source: Bloomberg Finance, LP



Real time measures of inflation are benign

SERVICES & CORE MARCHING IN THE SAME DIRECTION | GOODS RECENTLY JUMPED



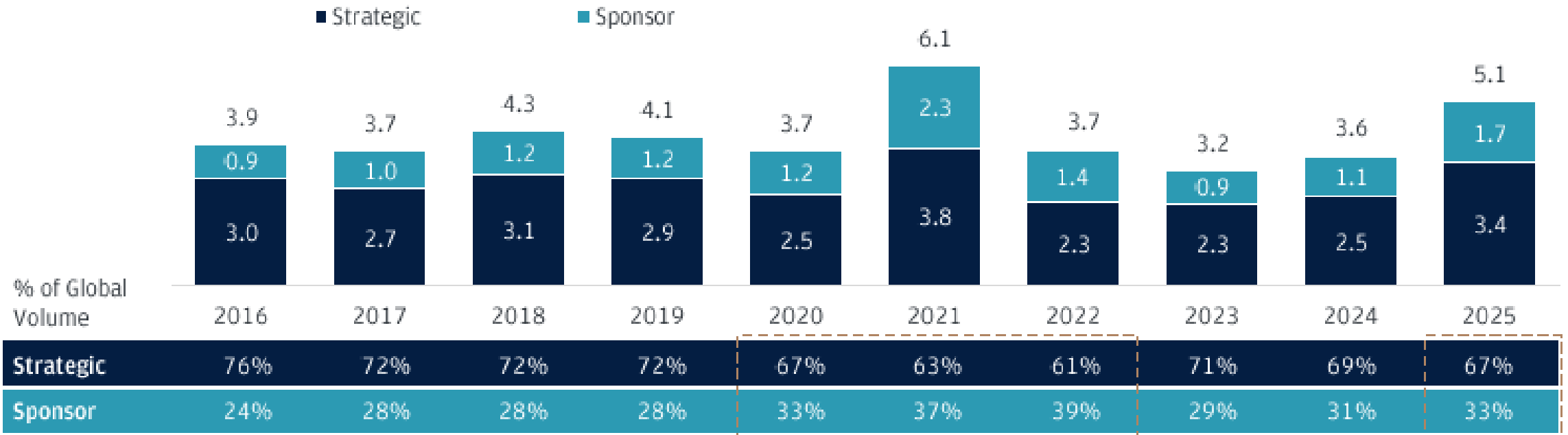
Source: Bloomberg Finance, LP



M&A activity increasing

2025 CORPORATE AND PRIVATE EQUITY ACTIVITY 2ND HIGHEST IN A DECADE

M&A VOLUME - SPONSOR VS. STRATEGIC (\$T)¹⁴



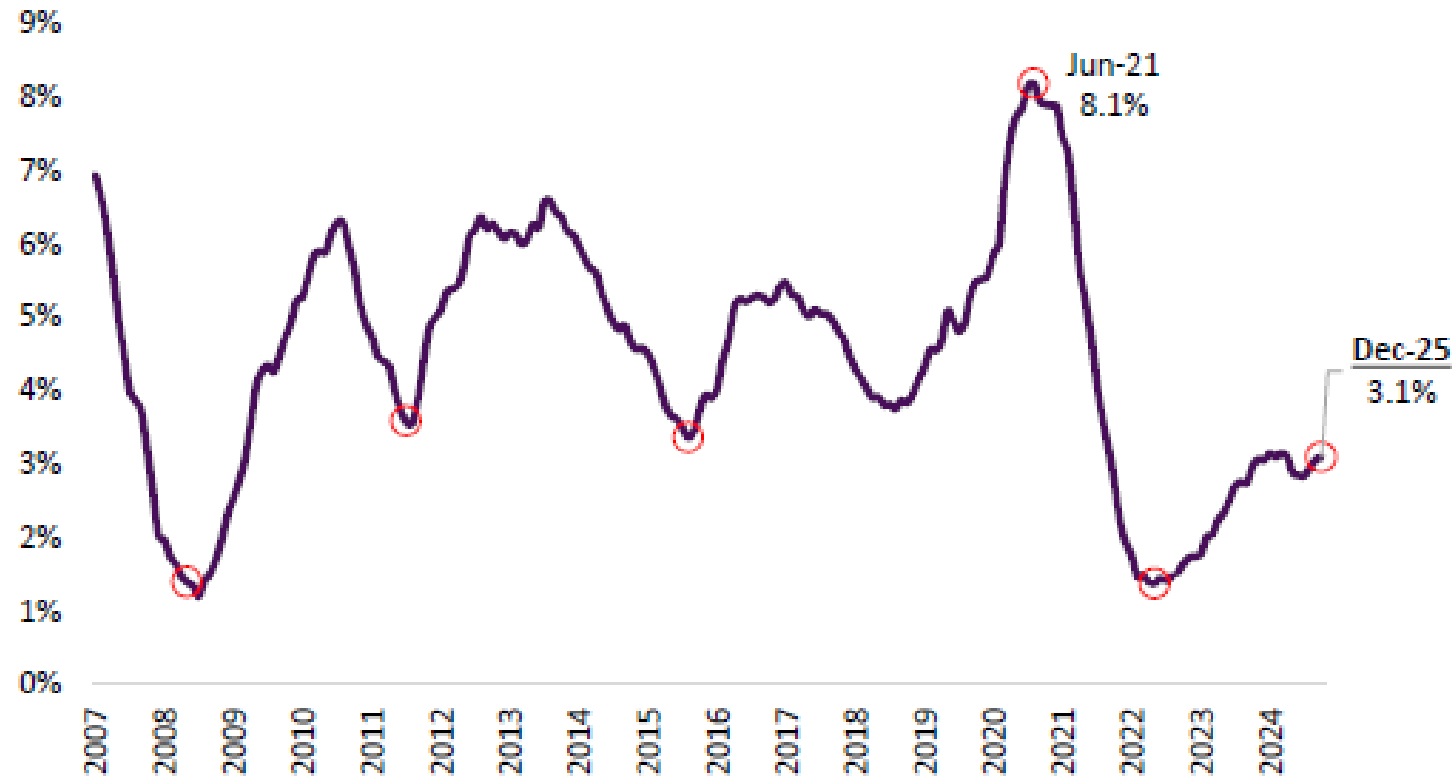
Source: JPMorgan



Exits at relatively historically low levels providing room for upside

CAPITAL MARKET ACTIVITY REMAINS LOW

Capital Markets Liquidity (TTM) as a % of GDP (IPO, HY Bond, Leveraged Loan Issuance)



Source: KKR



The consumer

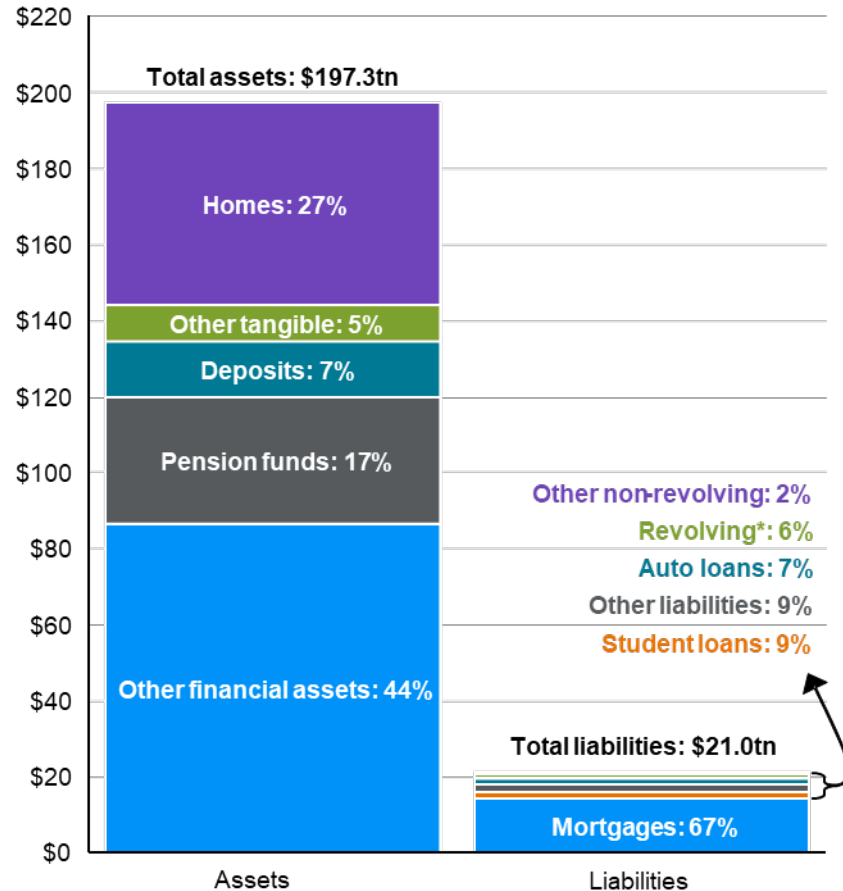


Overall consumers are in good shape

STRONG BALANCE SHEETS & HEALTHY DEBT COVERAGE

Consumer balance sheet

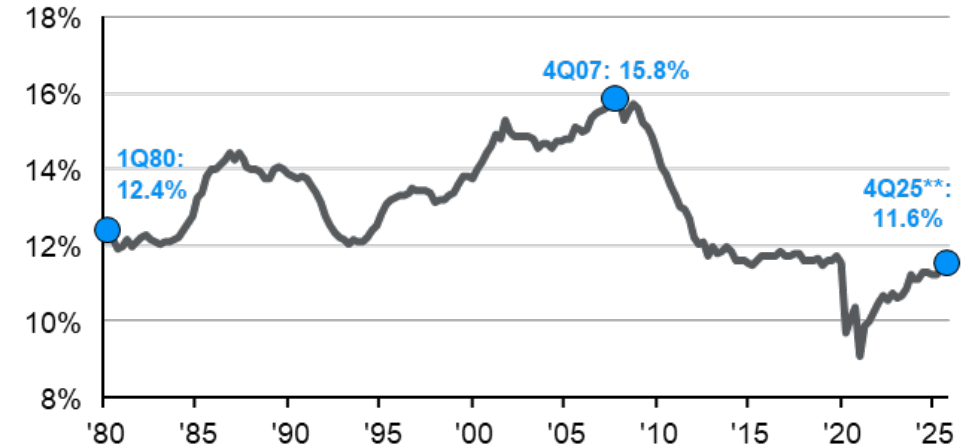
2Q25, USD trillions, not seasonally adjusted



Source: JPMorgan

Household debt service ratio

Debt payments as % of disposable personal income, SA

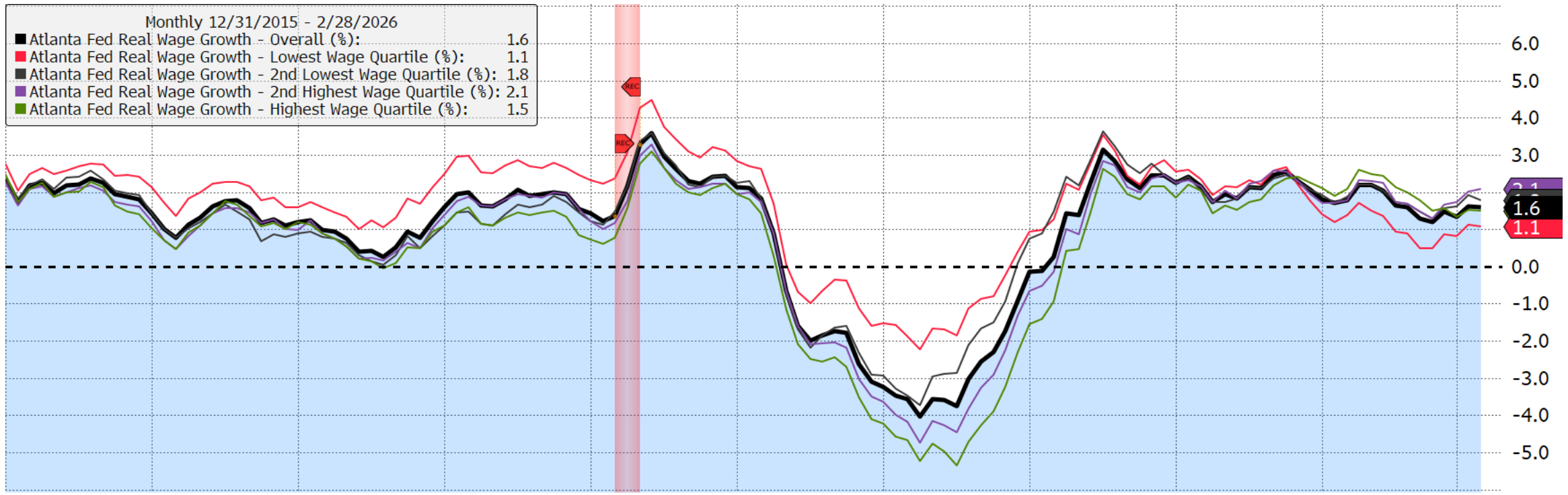


Source: JPMorgan



While these trends benefit all consumers, the tale of 2 wallets may return in 2nd half

LOWEST WAGE WORKERS SEEING WEAKEST WAGE GROWTH



WGTRQUAO Index (US Atlanta Fed Wage Growth Tracker Average Wage Quartile Overall) Real Wages by Quartile Monthly 31DEC2015-15MAR2026

Copyright © 2026 Bloomberg Finance L.P.

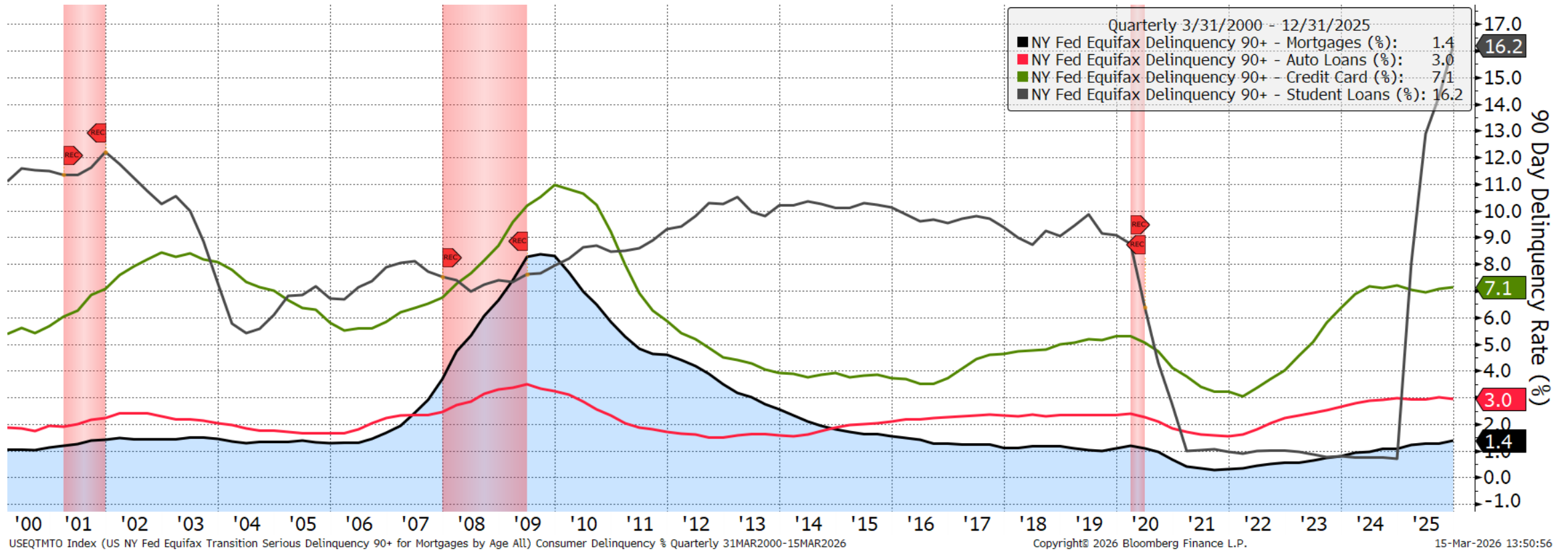
15-Mar-2026 13:51:48

Source: Bloomberg Finance, LP



Student loans delinquencies are becoming a bigger issue

SURGE AFTER REPAYMENT WINDOW RESTARTED | CREDIT CARD ABOVE PRE-PANDEMIC LEVELS

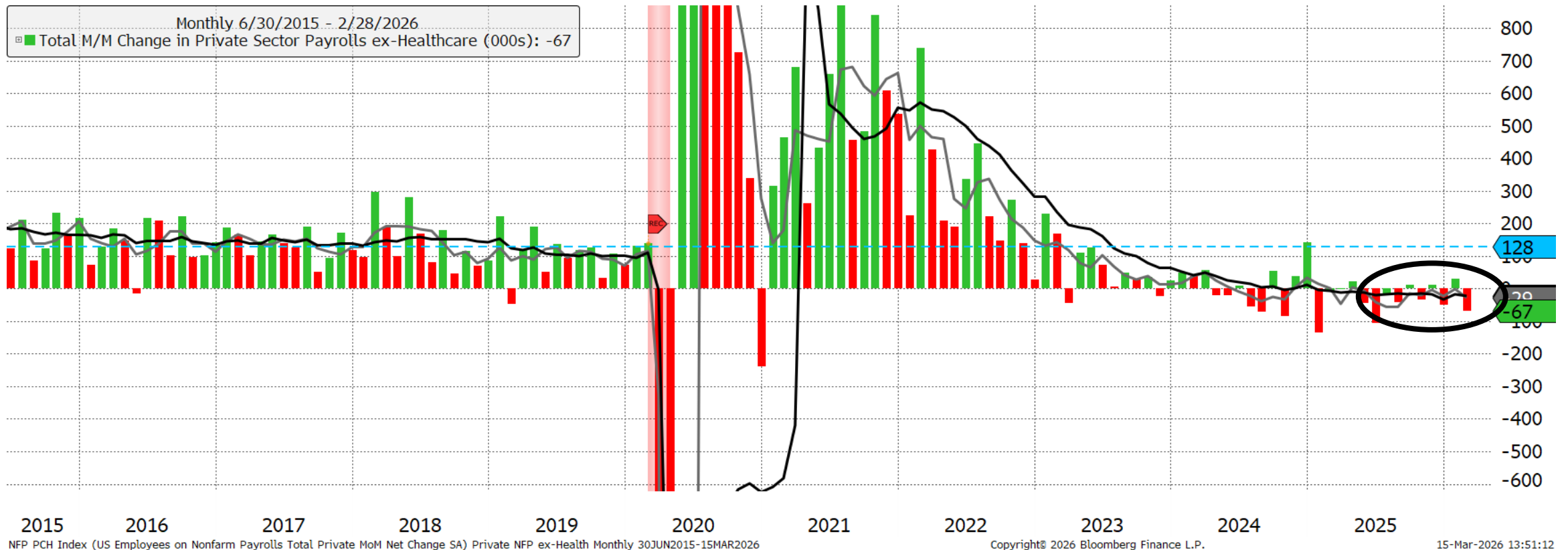


Source: Bloomberg Finance, LP



Private sector hiring had been trending a more positive direction

PRIVATE SECTOR PAYROLLS EX-HEALTHCARE STAGNANT



Source: Bloomberg Finance, LP

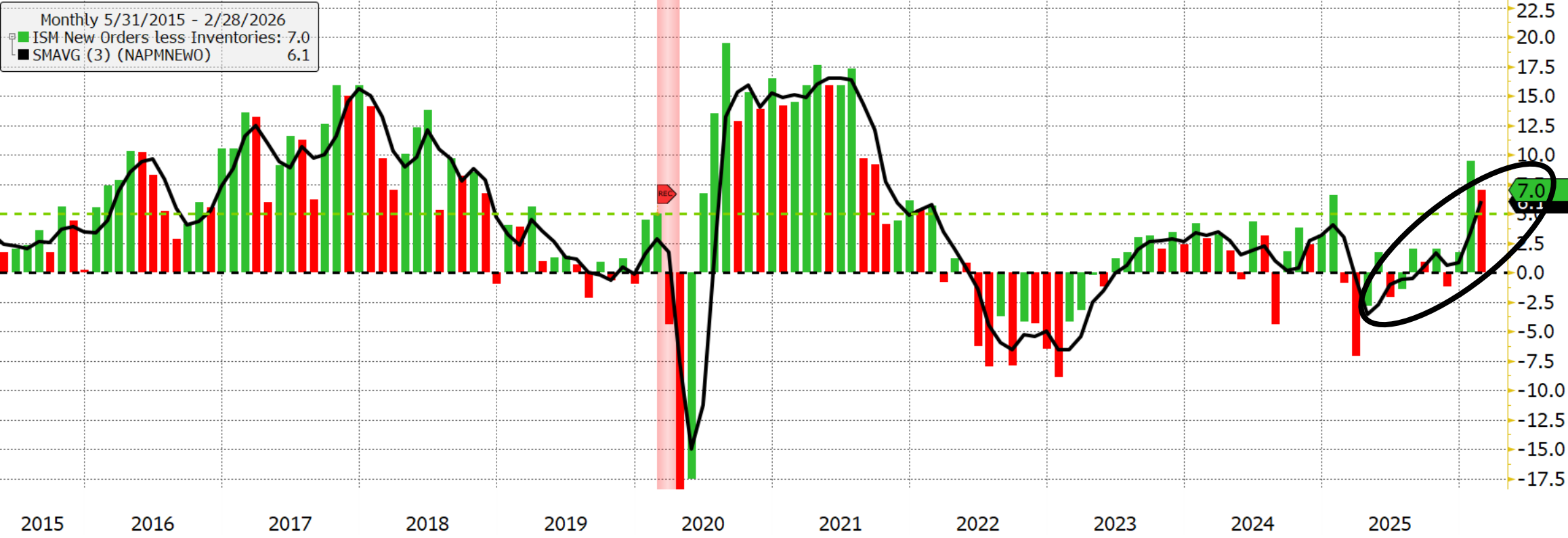


Economic Rebound



Seeing potential early benefits in manufacturing & distribution

LEADING INDICATOR TRENDING POSITIVE FOR MANUFACTURING ACTIVITY

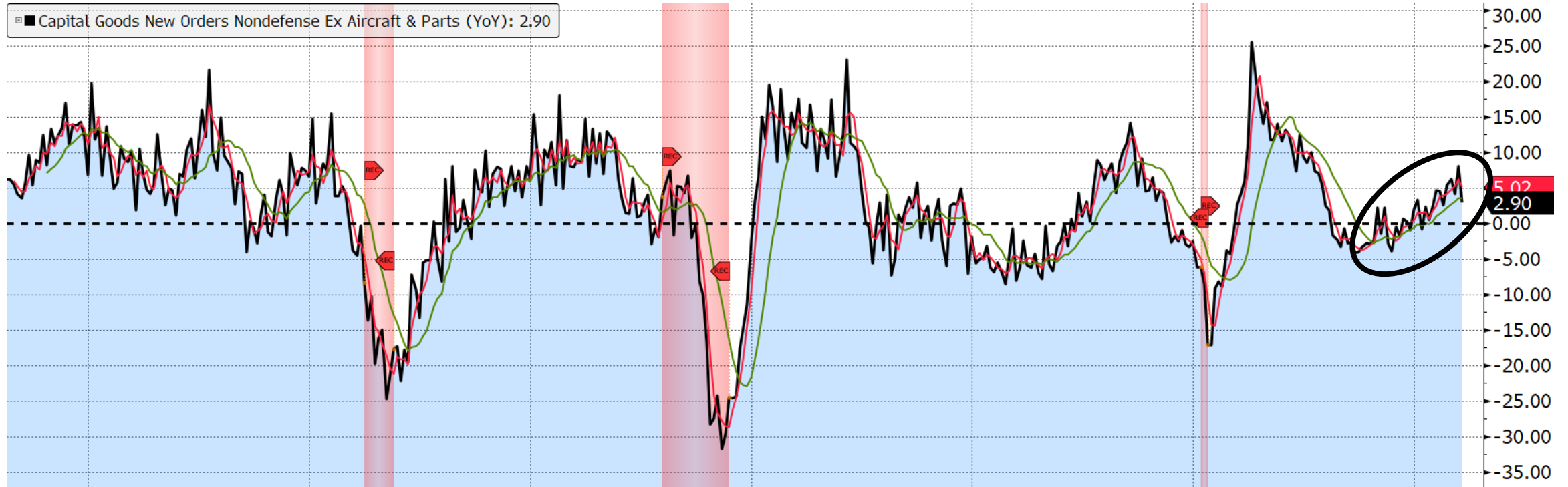


Source: Bloomberg Finance, LP



Companies are increasing investment in productivity-enhancing equipment

CORE CAPITAL GOODS ORDERS CONTINUE TO GROW



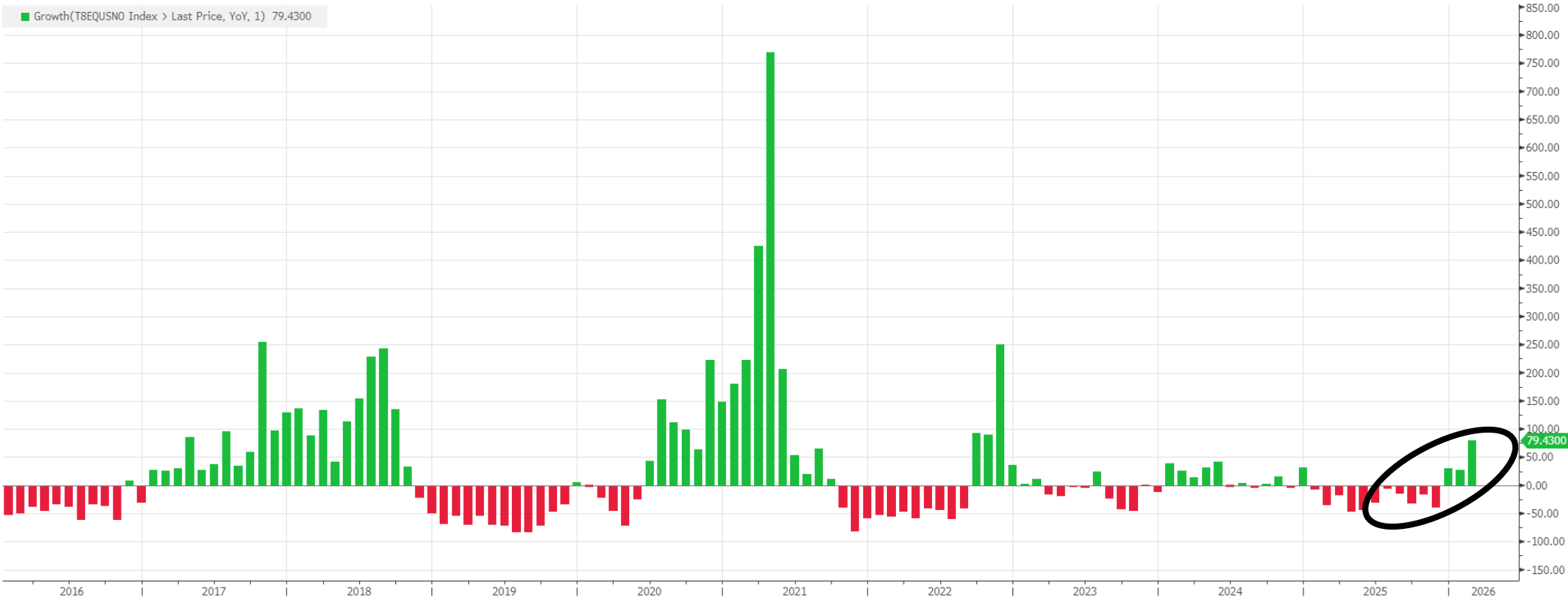
'93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 '25
CGNOXAY% Index (Capital Goods New Orders Nondefense Ex Aircraft & Parts YoY NSA) Capital Goods New Orders Monthly 28FEB1993-15MAR2026 Copyright© 2026 Bloomberg Finance L.P. 15-Mar-2026 13:50:56

Source: Bloomberg Finance, LP



Class 8 truck sales growth rate increasing year over year

CLASS 8 TRUCK SALES CAN BE A LEADING INDICATOR

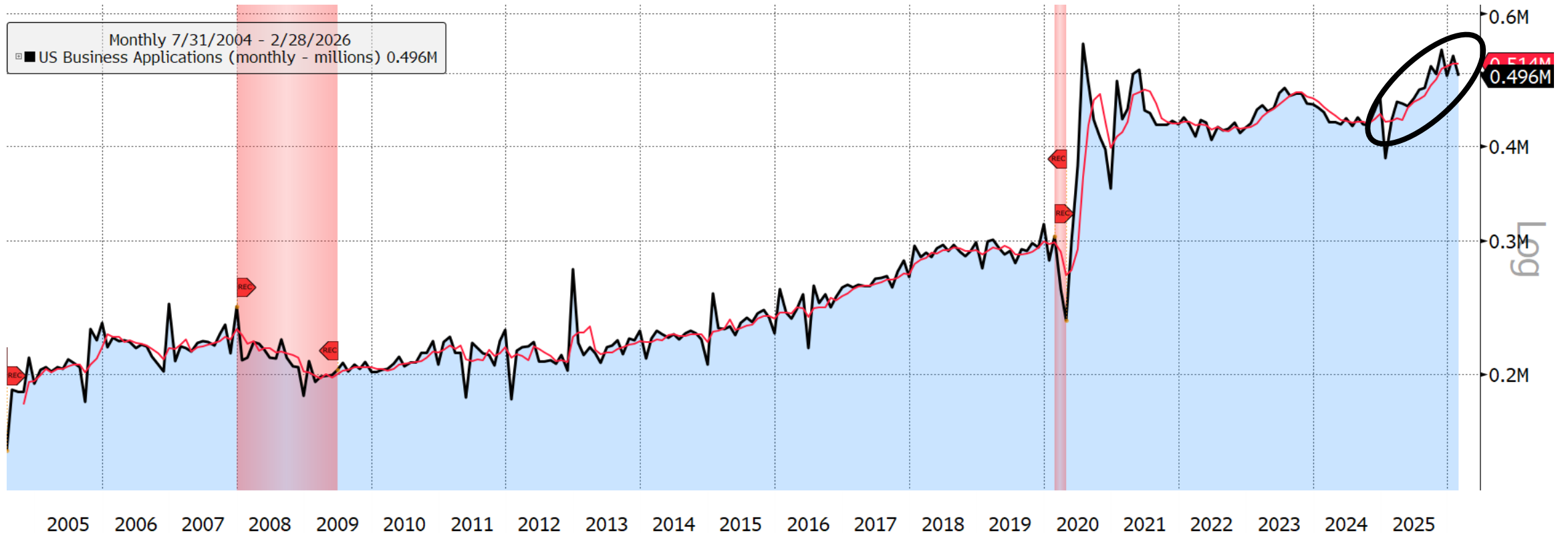


Source: Bloomberg Finance, LP



People are back to starting new businesses

OPTIMISM REFLECTS A SURGE IN BUSINESS FORMATIONS STARTED IN SPRING 2025



Source: Bloomberg Finance, LP



Rates normalizing to pre-2008 levels with declining short-term and rising long-term

		Low	High	Notes / Reasons
	PCE	2.00%	3.00%	Assumption; Mean (3.2%), Median (2.7%) since 1960
+		0.50%	0.50%	PCE 50 bps below CPI historically (since 1960)
	CPI	2.50%	3.50%	Assumption; Mean (4.0%), Median (3.2%) since 1960
+		0.75%	0.75%	Assumed real interest rate; Mean (63 bps), Median (99 bps) since 1960 to CPI
=	Fed Funds	3.25%	4.25%	
+		0.25%	0.25%	Mean (18 bps), Median (31 bps) since 1976 to Fed Funds Rate
=	2 Year	3.50%	4.50%	
+		1.00%	1.00%	Mean (84 bps), Median (87 bps) since 1976
=	10 Year	4.50%	5.50%	
	Fed Funds	3.25%	4.25%	
+		2.75%	2.75%	Mean (270 bps), Median (300 bps) spread to Fed Funds since 1971
=	30 Year Mortgage	6.00%	7.00%	Fixed rate mortgage

Sources: Bloomberg Finance, L.P., Apris Wealth Management Analysis



AI & Productivity



Productivity driven by AI and automation

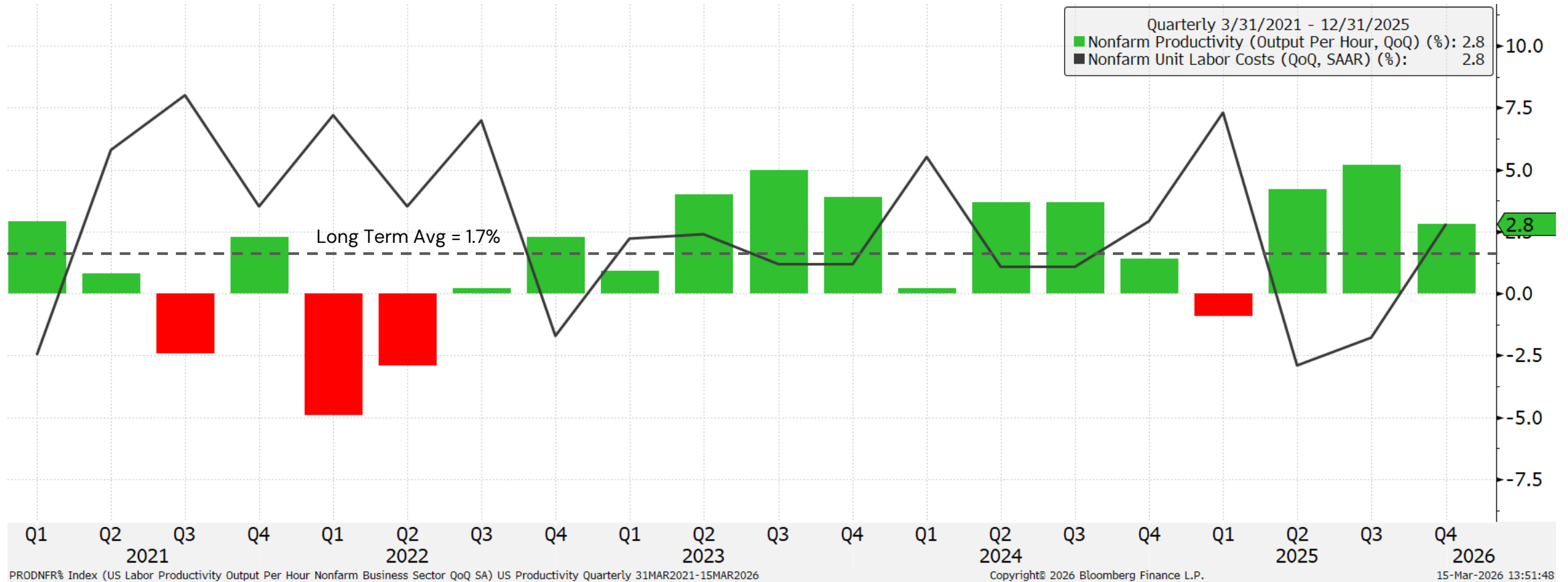


Sources: Google Nano Banana



Productivity has grown the last 3 quarters

INCREASED PRODUCTIVITY ACCELERATES PROFIT GROWTH

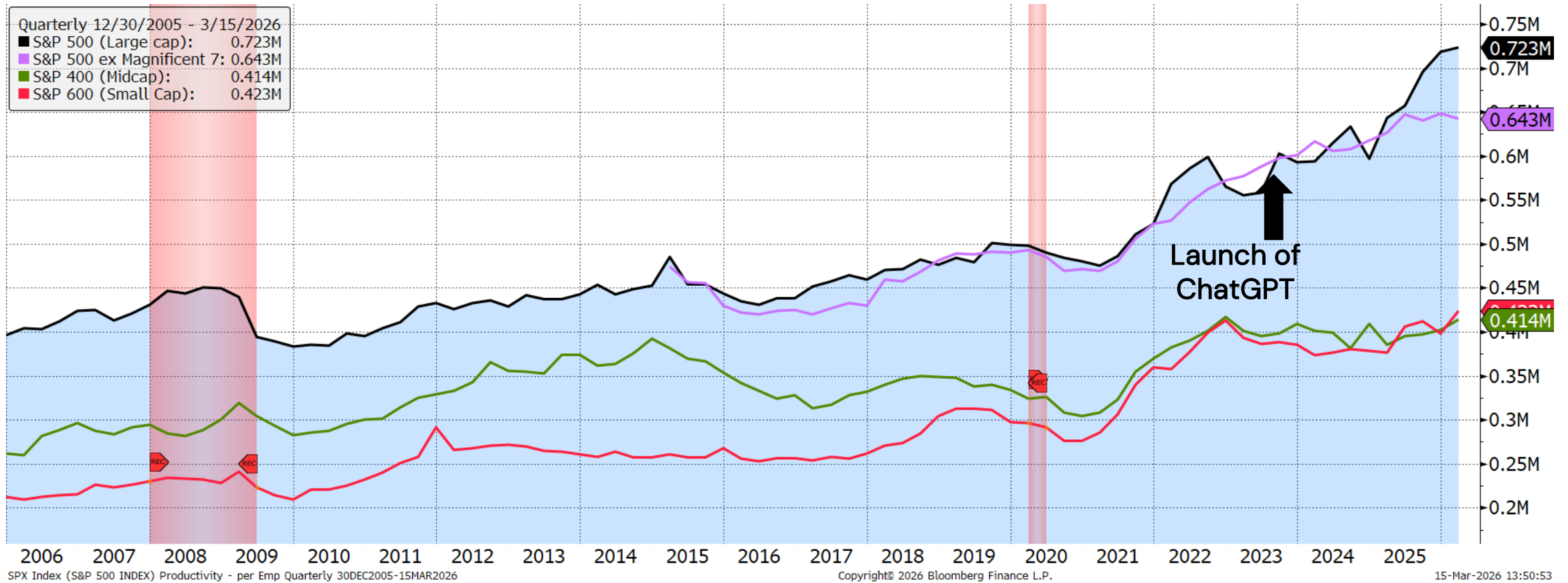


Source: Bloomberg Finance, LP



Productivity reflected in revenue per employee

LARGER COMPANIES EXPERIENCING HIGHER PRODUCTIVITY



Source: Bloomberg Finance, LP

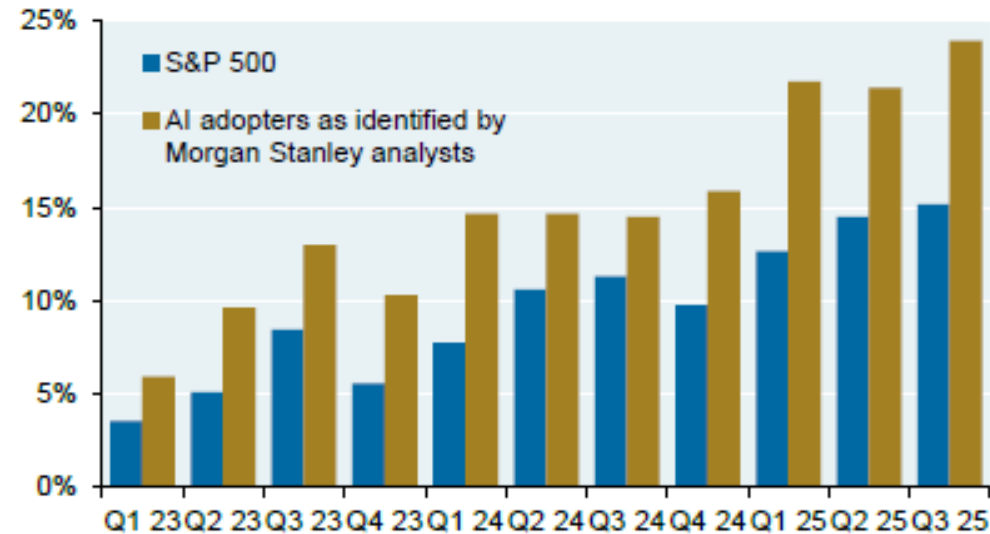


Companies already noting GenAI impact

PUBLIC COMPANIES HIGHLIGHTING BENEFITS OF AI ADOPTION

Companies experiencing quantifiable AI benefits

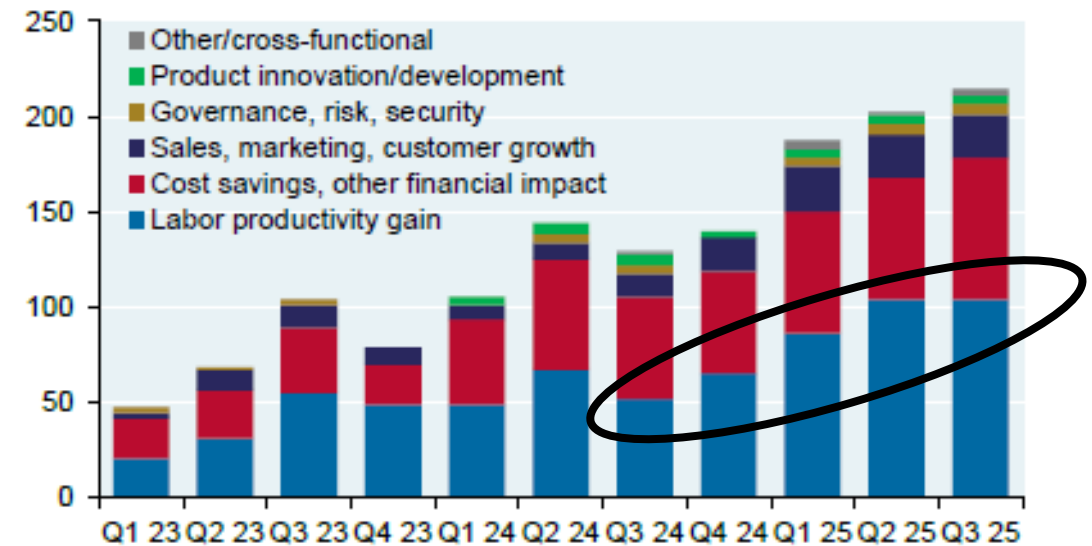
Percent of companies



Source: JPMorgan

Mentions of AI benefits in earnings/conference transcripts

Number of mentions per quarter by category, n=13,500 transcripts



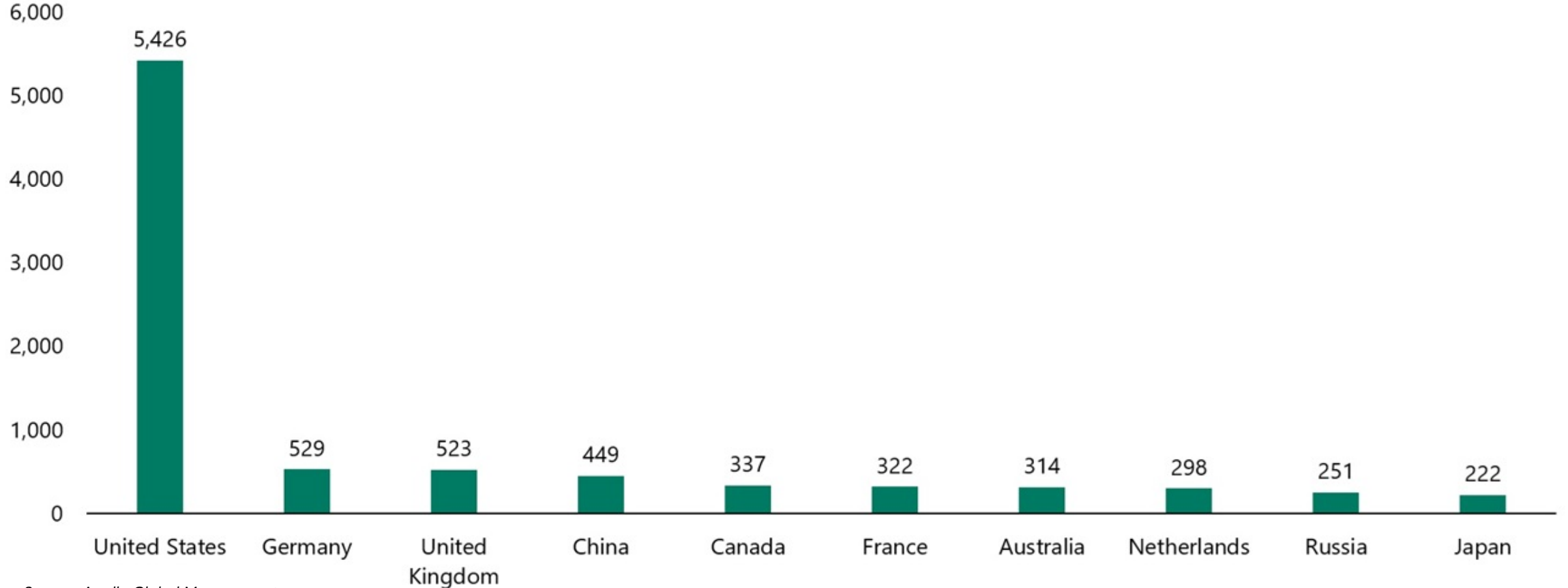
Source: JPMorgan



A key reason is investment in data centers

US HAS MORE DATA CENTERS THAN ALL OTHER MAJOR COUNTRIES COMBINED

Number of data centers

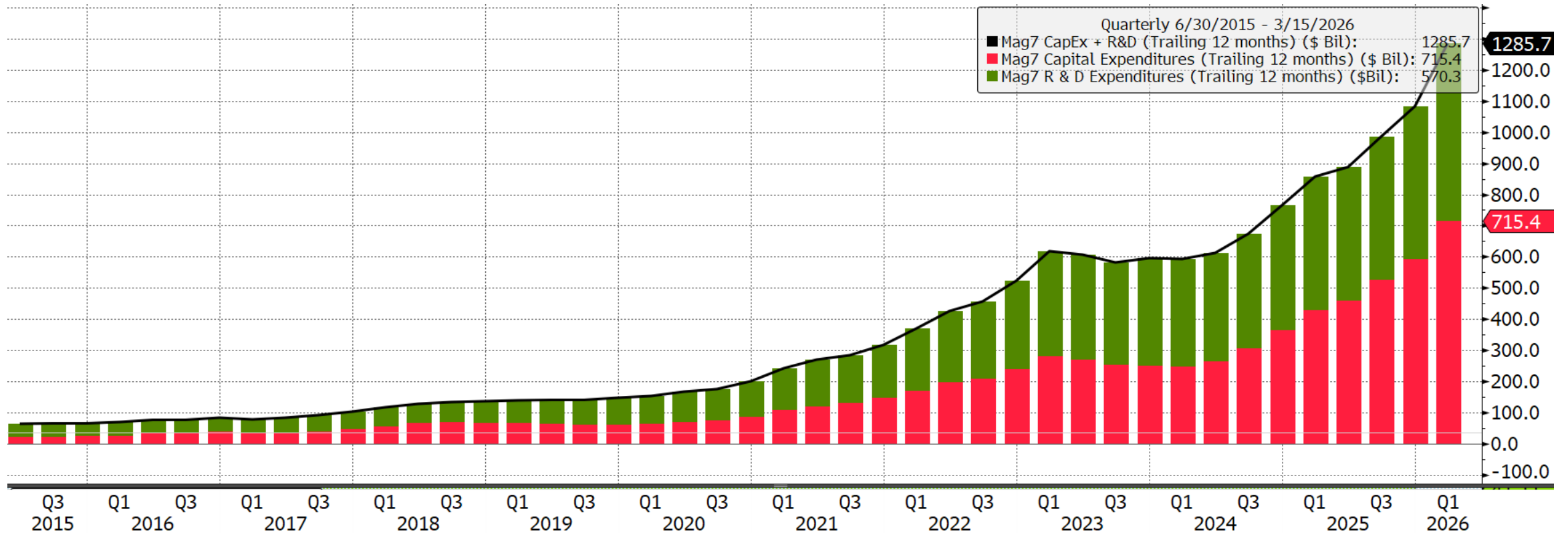


Source: Apollo Global Management



Hyperscalers & Mag7 continue to invest

MAG7 INVESTMENT INCLUDING R&D NOW OVER \$1 TRILLION RUNRATE



BM7T Index (Bloomberg Magnificent 7 Total Return Index) Mag7 Capex R+D Quarterly 05JUN2005-15MAR2026

Copyright© 2026 Bloomberg Finance L.P.

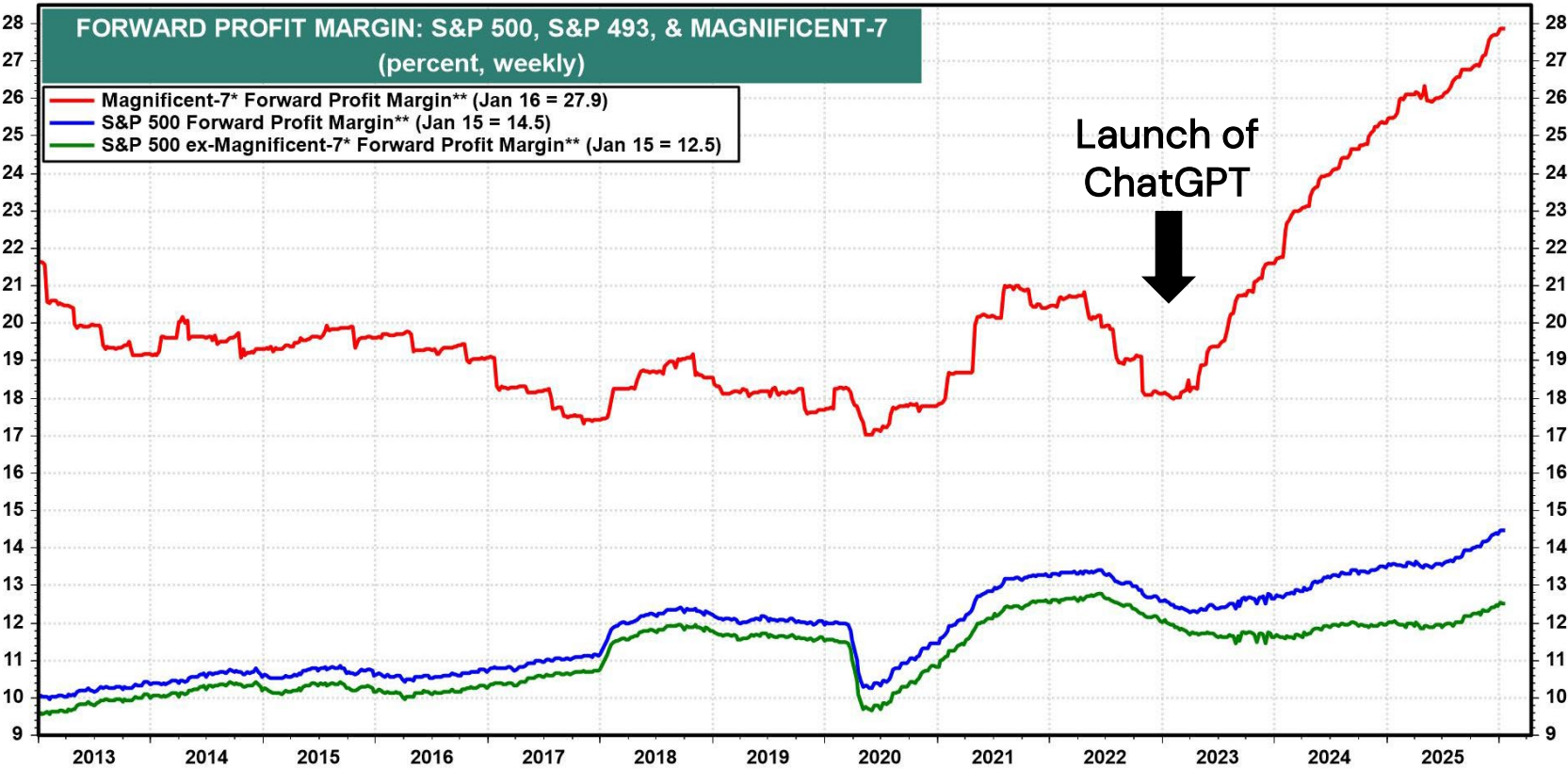
15-Mar-2026 13:51:06

Source: Bloomberg Finance, LP



Mag7 margins have soared: *Why not fund more CapEx?*

SINCE LAUNCH OF CHATGPT: 900 BPS IMPROVEMENT | S&P 493 FLAT



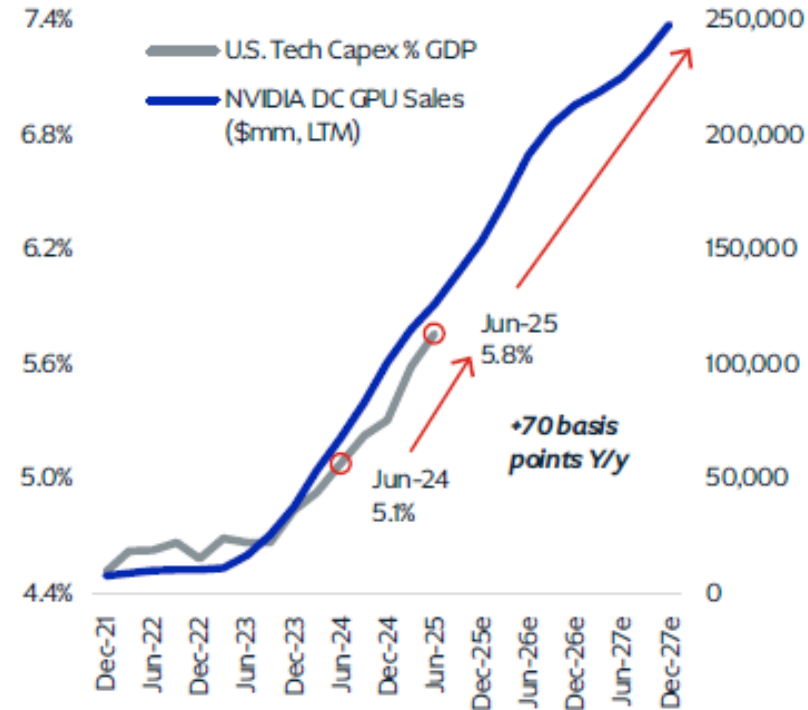
Source: Yardeni Research.



Leading indicator of AI investments points to continued investment by tech companies

TECH CAPEX HAS FOLLOWED NVIDIA GPU SALES

U.S Tech Capex vs. NVIDIA GPU Sales



Source: KKR

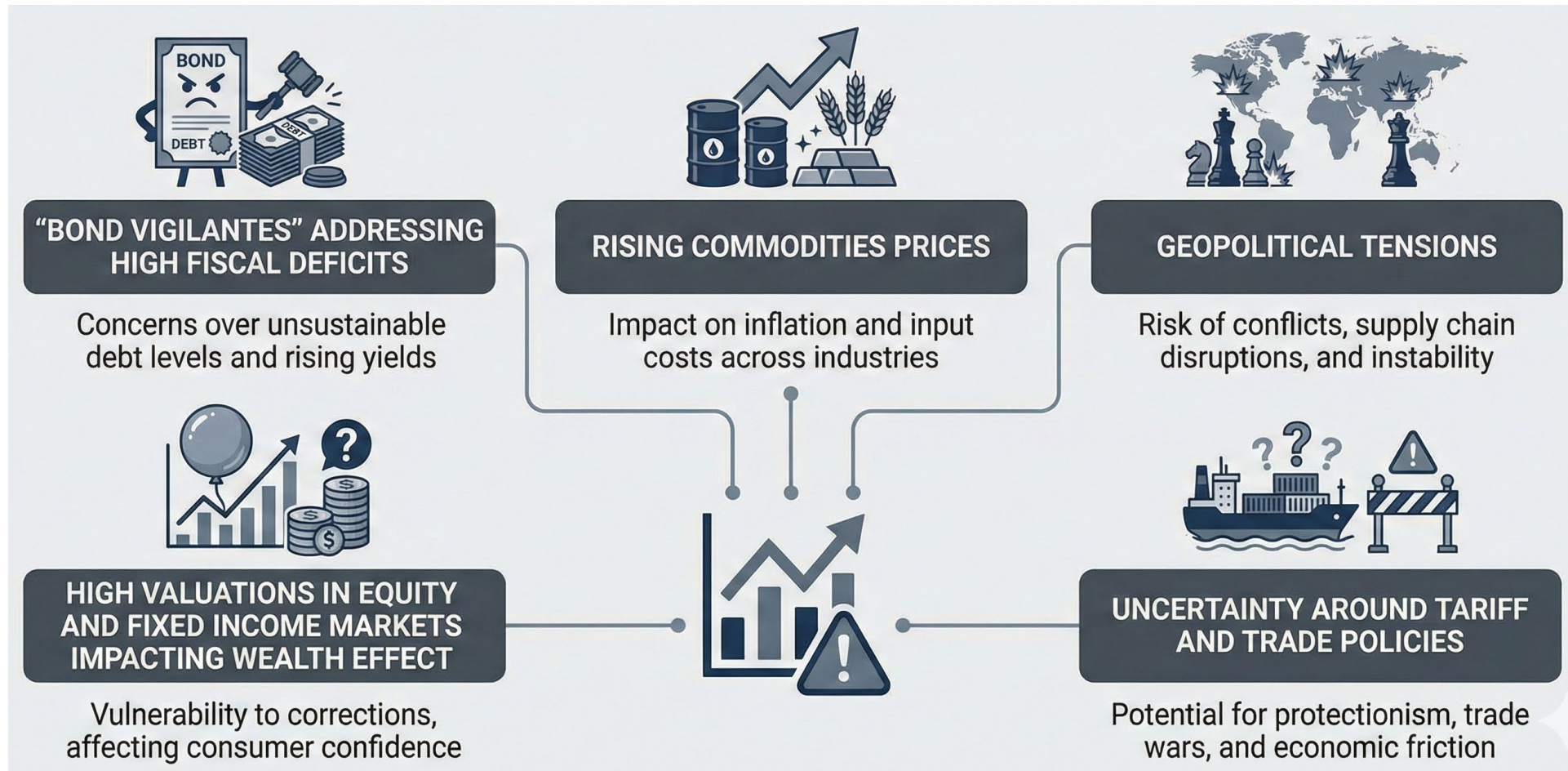


Risk worth watching



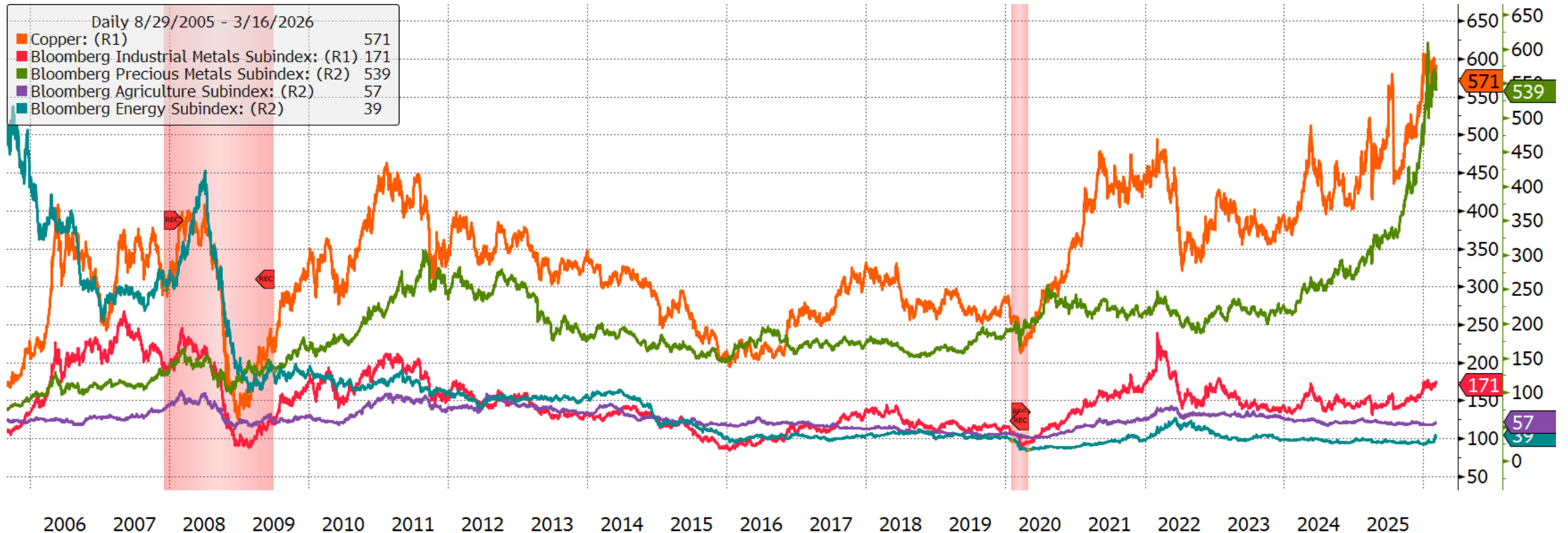
Though significant risks remain that should be managed

ECONOMIC & MARKET CONCERNS



Surging metals prices increase inflation

COPPER, GOLD PRICES DRIVING COMMODITIES HIGHER



Source: Bloomberg Finance, LP



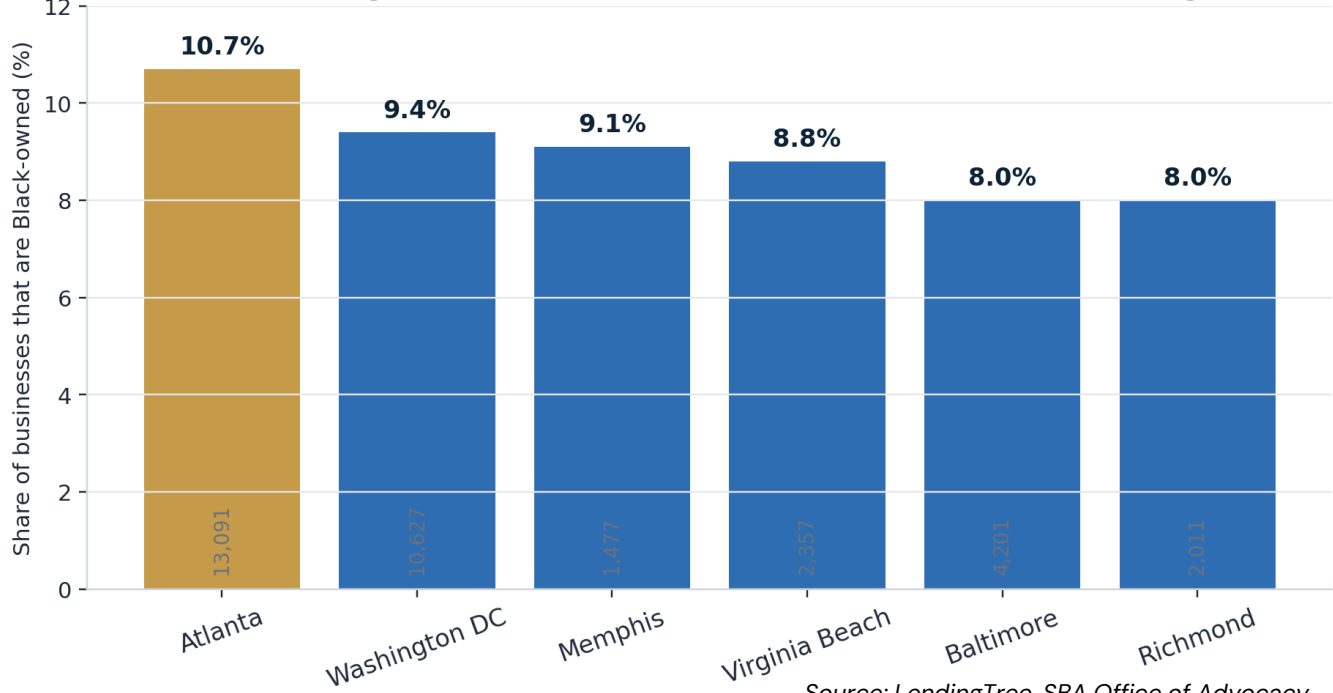
Atlanta and the Black Business Environment



Atlanta remains the hub for African American entrepreneurship

- Atlanta ranks first in the latest metro comparison at 10.7%, ahead of Washington, Memphis, Virginia Beach, Baltimore, and Richmond.
- Out of 122,550 businesses in metro Atlanta, 13,091 were Black-owned.

Atlanta leads peer metros on Black business ownership share

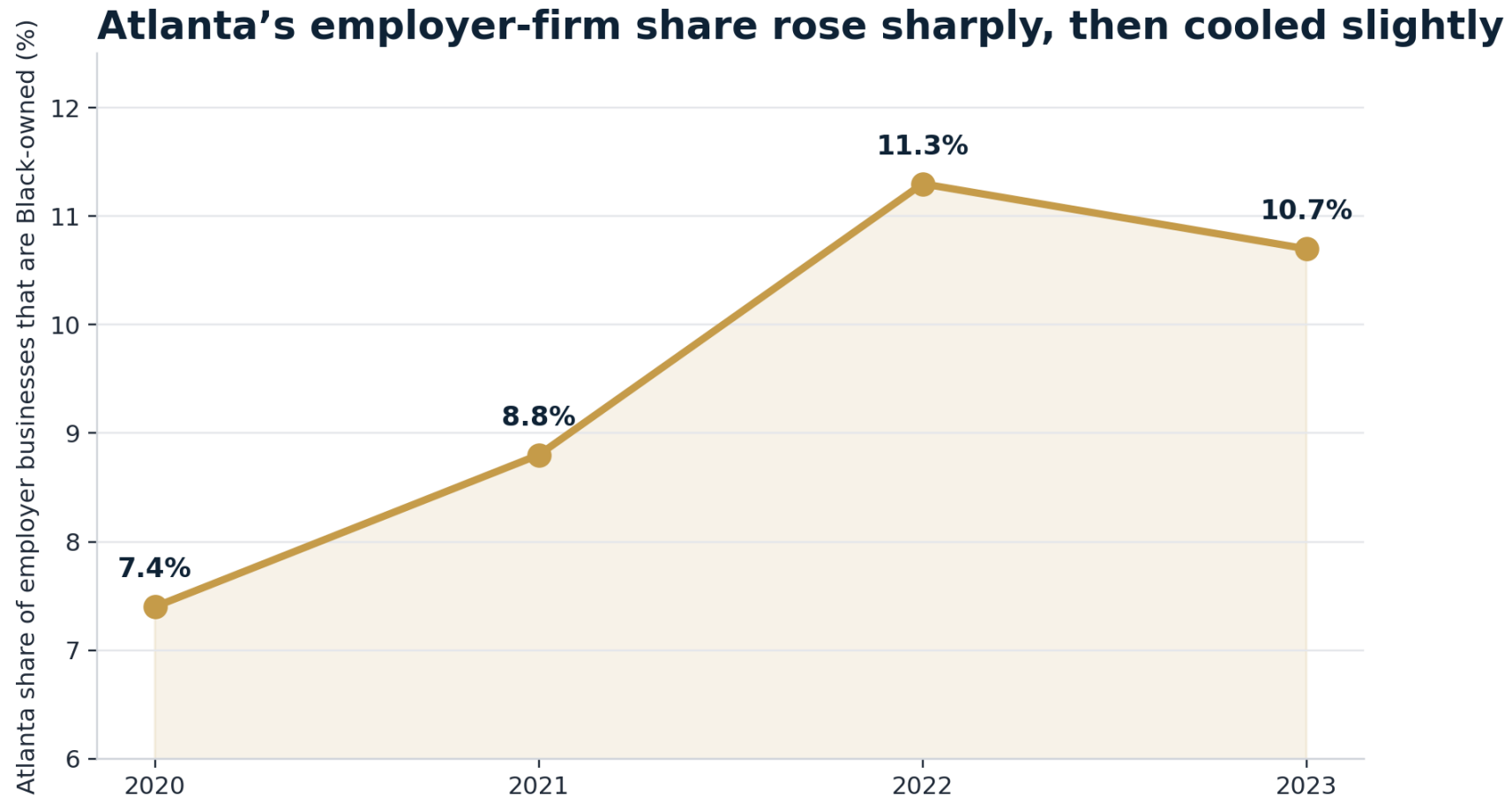


Source: LendingTree, SBA Office of Advocacy



Black-owned business shares generally trending higher

Atlanta's Black-owned employer-firm share rose from 7.4% in '20 to 11.3% in '22, then eased to 10.7% in 2023.



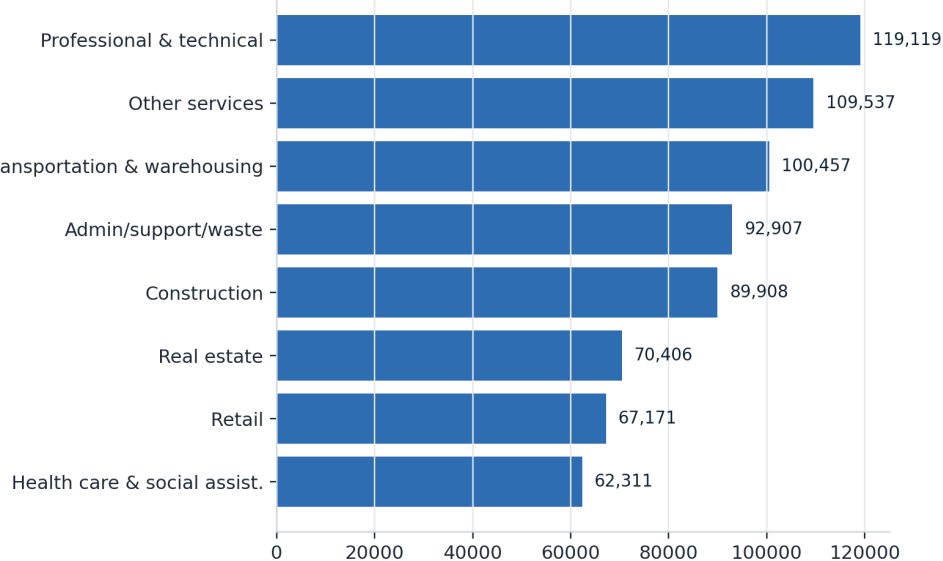
Source: LendingTree



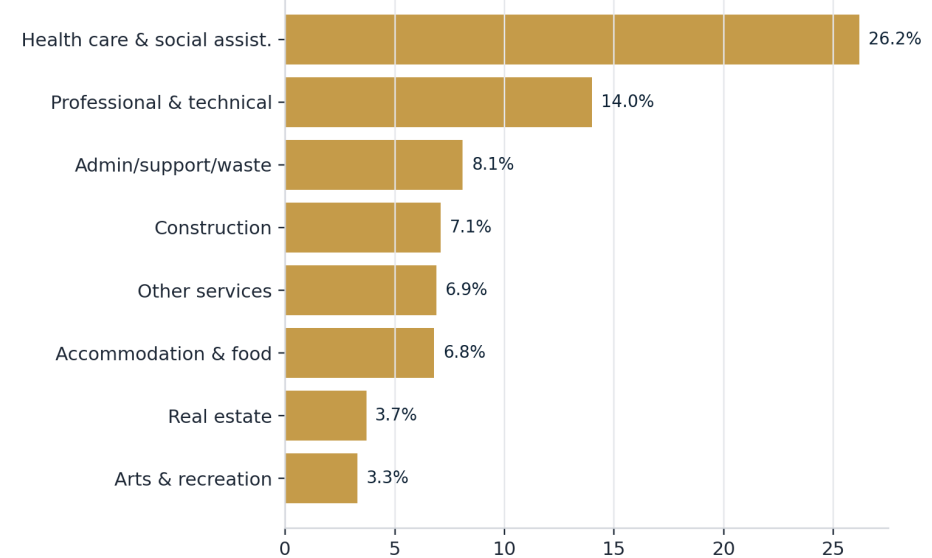
Atlanta's broader small-business economy is diversified

Diversification across professional services, transportation, admin/support, construction, retail, and health care.

Atlanta small-business base is broad, not narrowly concentrated



Black-owned businesses nationally skew toward services



Sources: LendingTree, SBA Office of Advocacy



The key challenge: scaling

62k+

Employees at Atlanta
Black-owned employer firms

~7.2

Approx. average employees per
Black-owned employer firm

\$7B

Approx. annual revenue
generated by that employer
cohort

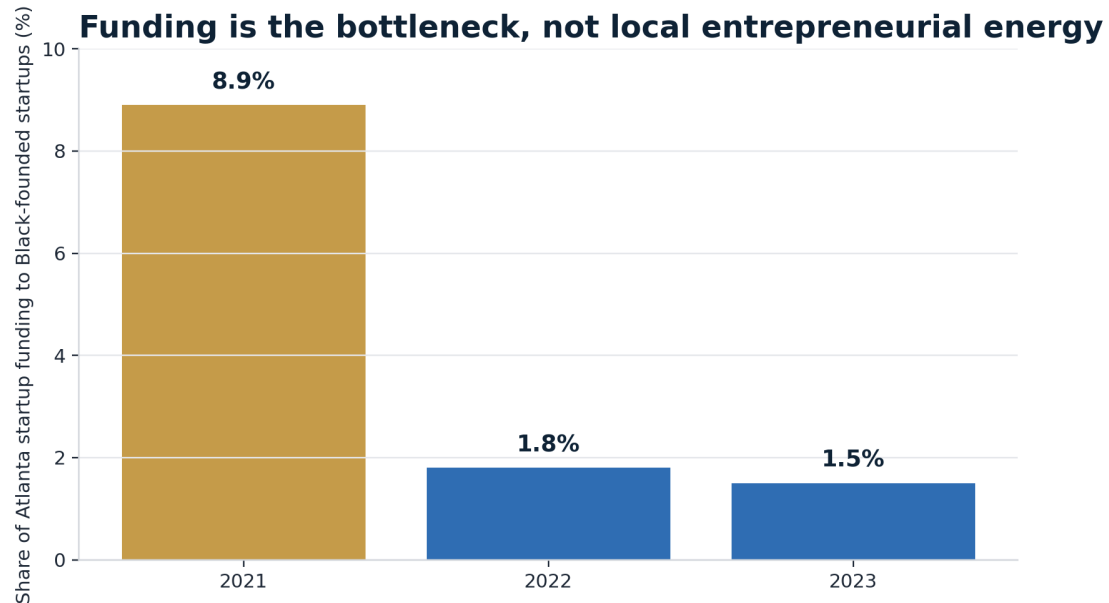
- Atlanta has solved more of the formation problem than most metros.
- It has not yet solved the scale problem.
- That is the economic gap between a strong entrepreneurial culture and a deep middle-market ownership base.

Sources: Metro Atlanta Chamber of Commerce, SBA Office of Advocacy



Atlanta's talent pipeline is real; the capital raising market is patchier

Strong entrepreneurial base is challenged by lack of scaled, durable employer companies



Black-founded startups captured 8.9% of Atlanta startup funding in 2021, then just 1.8% in 2022 and 1.5% in 2023.

Atlanta's startup ecosystem ranked #32 globally in 2025 and grew 6.7%; Atlanta Tech Hub ranked the metro 11th among the 30 largest U.S. MSAs on its ecosystem scorecard.

Public commentary repeatedly describes Atlanta as one of the deepest U.S. markets for Black tech talent.

Sources: Crunchbase, StartupBlink, Atlanta Tech Hub, TechCrunch



Summary

1. The Twin Engines: Early 2026 tailwinds from Liquidity and Productivity
 - Supplemented by 2 events: 250th anniversary, World Cup in North America
2. Two Wallets, One Economy: Understanding the consumer boost early in the year may be temporary, not structural
3. AI as Infrastructure: AI becomes essential infrastructure, rewarding firms boosting efficiency and cash flow.
4. Watch the governor: Potentially higher long-term rates require disciplined planning and execution.



Thank you!



Simeon Wallis, CFA

CIO, Wealth Management | Partner
Aprio Advisory Group, LLC

simeon.wallis@aprio.com

