Merrimack Wealth Management

NOVEMBER 2026

MONTHLY VIEWPOINT

Our current view on investments and the economy

BIG THOUGHT

Historically, seasonal stock market strength begins in mid-October. That wasn't the case this year, or was it? While the S&P 500 was negative and growth and tech stocks were hit hard, quality dividend payers actually had a great month. The rotation we talked about in recent months became even more obvious. After a lengthy period of not caring, investors now prefer the healthy cash flows of high-quality businesses and have grown concerned about the massive capex and negative cash flow throughout the AI trade. Of course, as rotations go, this can change back at any time.

Elsewhere, interest rates spiked in the first half of October before giving up much of the increase. We think what happens with rates could be at least as important as how the AI trade continues to behave. Interest rates are not only important for any person, company or government borrowing money, but higher rates also become more attractive as an investment choice compared to riskier investments like stocks.

We have received very few questions about the midterm election. We hope that our years of encouraging a separation of politics and investing have helped with that. Great work by all of you who have done a terrific job of not allowing the ultimate emotional factor to impact financial decisions.

DASHBOARD · WHAT WE MONITOR

POSITIVE NEUTRAL NEGATIVE

TREND	VALUATION	SENTIMENT	ECONOMY	CREDIT
POSITIVE	NEUTRAL	NEUTRAL	NEUTRAL	NEUTRAL

▲ BULLISH

- ✓ GDP growth is strong
- ✓ Valuations more reasonable
- ✓ Double digit earnings growth for S&P 500
- ✓ Market rewarding cash flow and quality
- ✓ Higher rates provide opportunities

▼ BEARISH

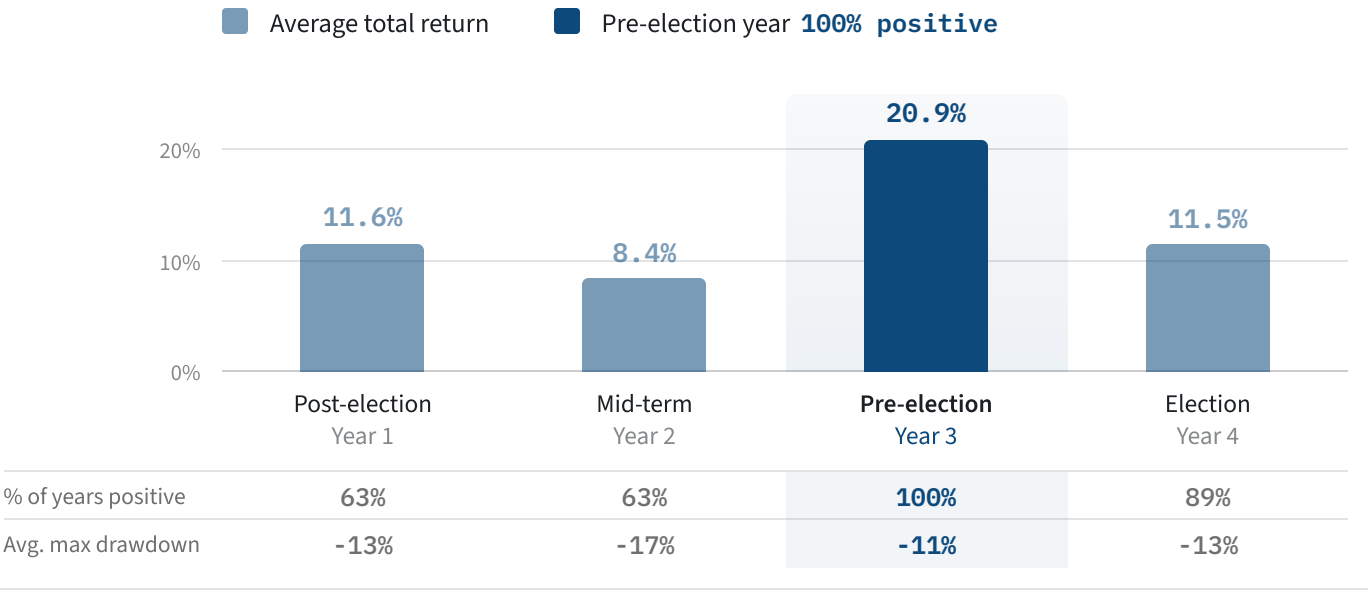
- ✗ Middle East conflict lingering
- ✗ Losing leadership from large technology sector
- ✗ China relations and risk of attack on Taiwan
- ✗ Inflation sticky
- ✗ Fed potentially behind on raising rates

CHART OF THE MONTH

1949 – 2025

We will soon be entering year 3 of the presidential election cycle. Historically, back to 1949, this part of the cycle has enjoyed both the highest average returns and greatest likelihood of positive returns. Of course, there are many factors much more important than the presidential cycle. However, we think historical studies like these can be important to keep in mind as volatility occasionally increases and it becomes easy to lose focus on the bigger picture.

S&P 500 AVERAGE TOTAL RETURN BY PRESIDENTIAL ELECTION CYCLE YEAR · 1949 – 2025



	Post-election Year 1	Mid-term Year 2	Pre-election Year 3	Election Year 4
% of years positive	63%	63%	**100%**	89%
Avg. max drawdown	-13%	-17%	**-11%**	-13%

Source: Truist IAG, FactSet, S&P Dow Jones. Past performance does not guarantee future results.

THE TEAM

Greg Towner, CFA, CMT

Chief Investment Officer

Mr. Towner has worked in the investment industry since 1999 and received his MBA from the University of Central Florida and BA from the University of Mount Union. At Parallel he oversees the implementation of the firm's overall investment philosophy and is the Senior Portfolio Manager for several strategies. Prior to his current role Mr. Towner was comanager of large cap core and equity income portfolios totaling approximately $1 billion at Sterling Capital Management. He holds the designations of Chartered Financial Analyst and a Chartered Market Technician.

Brian Boughner, CFA, CMT

Principal

Mr. Boughner has worked in the investment industry since 2000 and holds a BS from Florida State University. He is a cofounder of Parallel, a Senior Portfolio Manager for several strategies and has developed the firm's quantitative tools. Prior to Parallel he had extensive experience with U.S. Trust, BB&T Wealth, Royal Bank of Canada (RBC Centura), Amsouth Bank, and Charles Schwab Co. Mr. Boughner holds the designations of Chartered Financial Analyst and Chartered Market Technician.

The information provided should not be considered a recommendation to purchase or sell any particular security. Merrimack Wealth Management reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable. Investing involves the risk of loss of principal. Past performance is no guarantee of future results. The S&P 500 Index is unmanaged and is comprised primarily of large capitalization stocks. Merrimack Wealth Management is a member of Fiduciary Alliance, LLC, a registered investment adviser. More information about the firm can be found in its Form ADV Part 2, available upon request by calling (978) 851-4411.