Market Update

2Q 2026

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where we were on March 30, 2026

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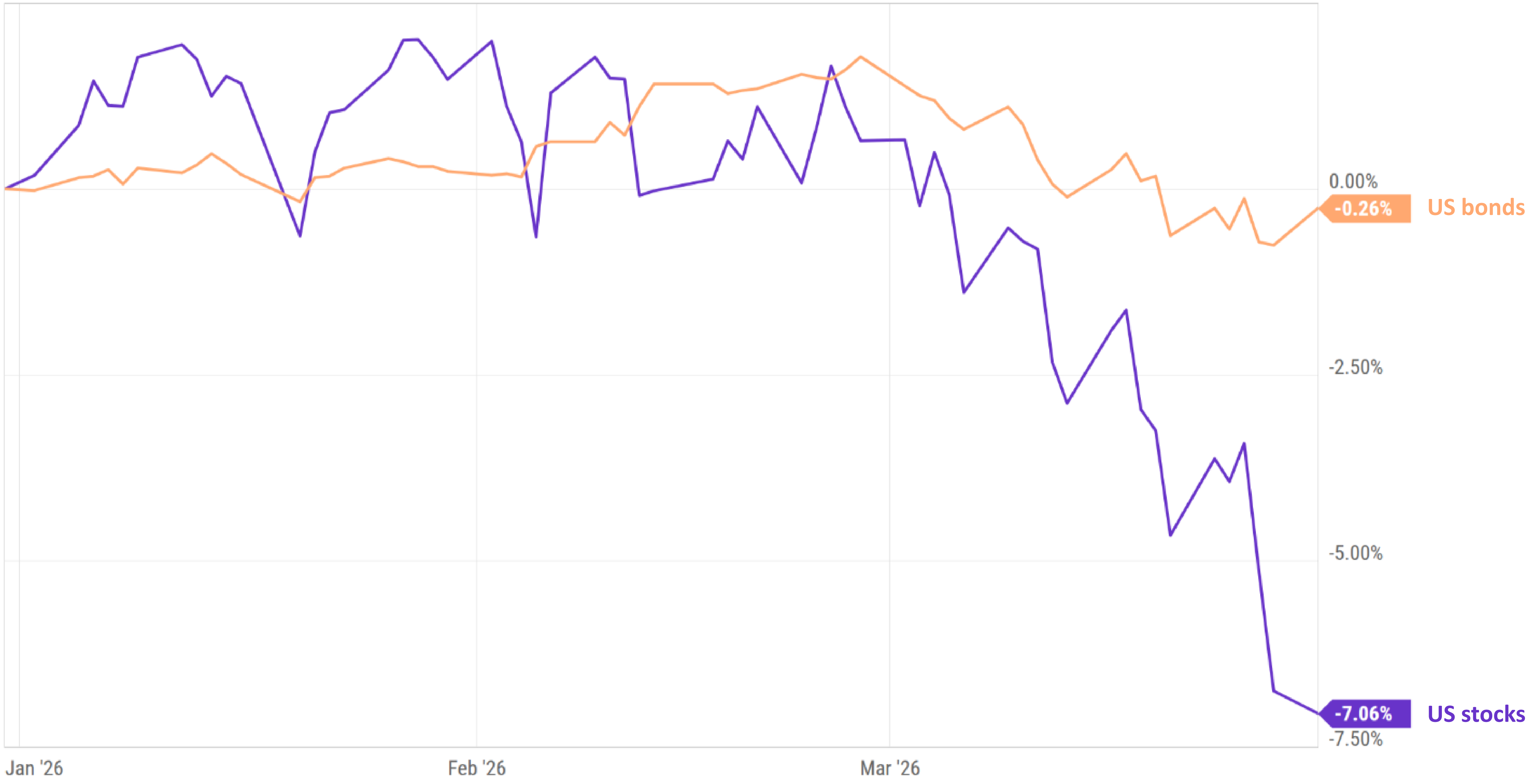
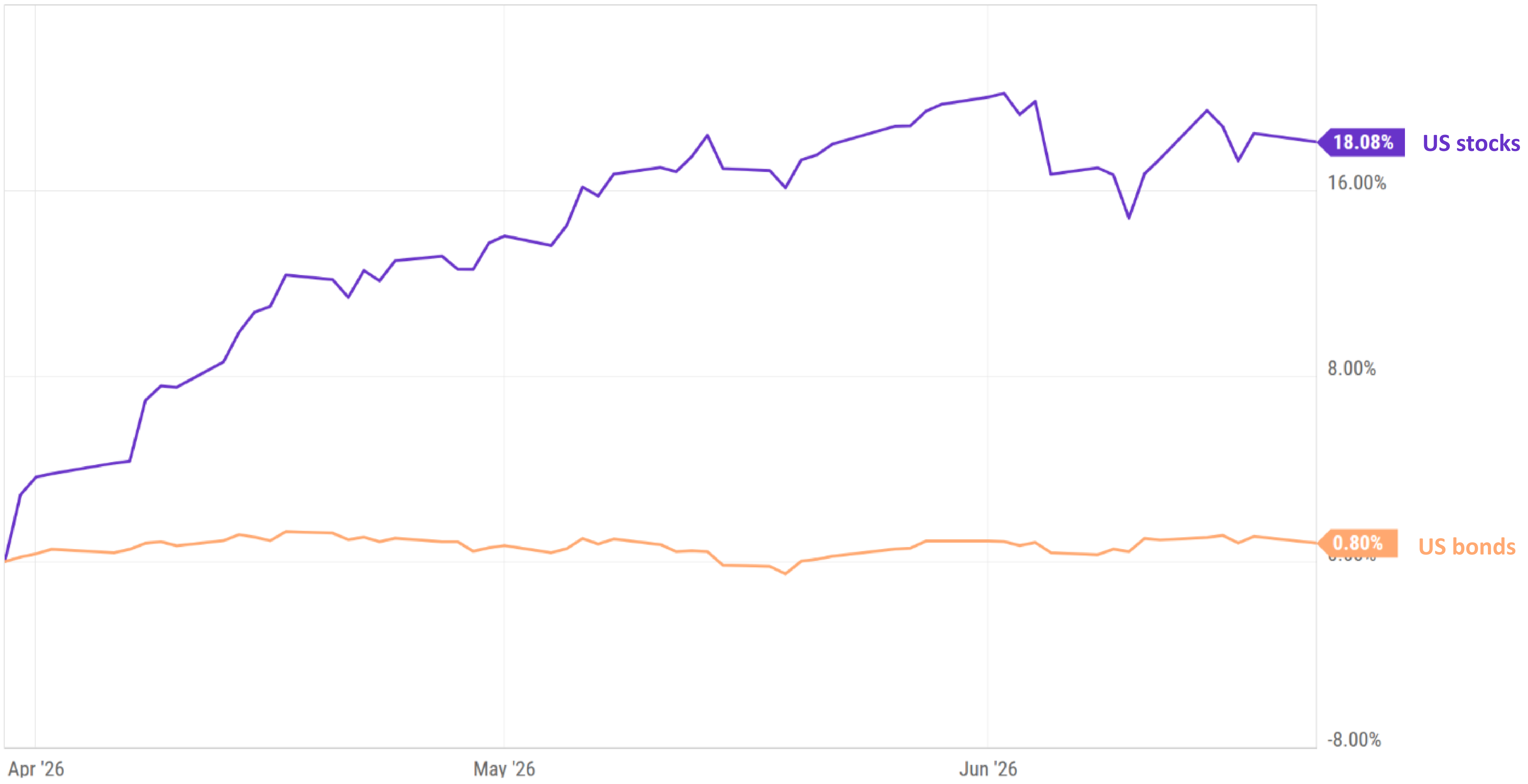


the furious rally since then



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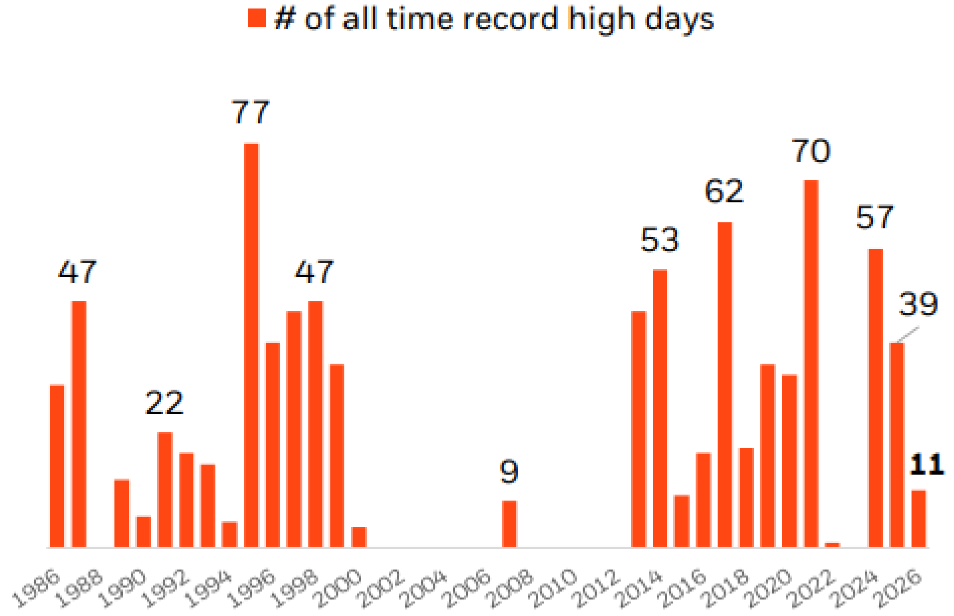
Stocks have performed well following all-time highs (ATHs)

After ATHs, the stock market has historically performed well relative to performance following non-ATHs.

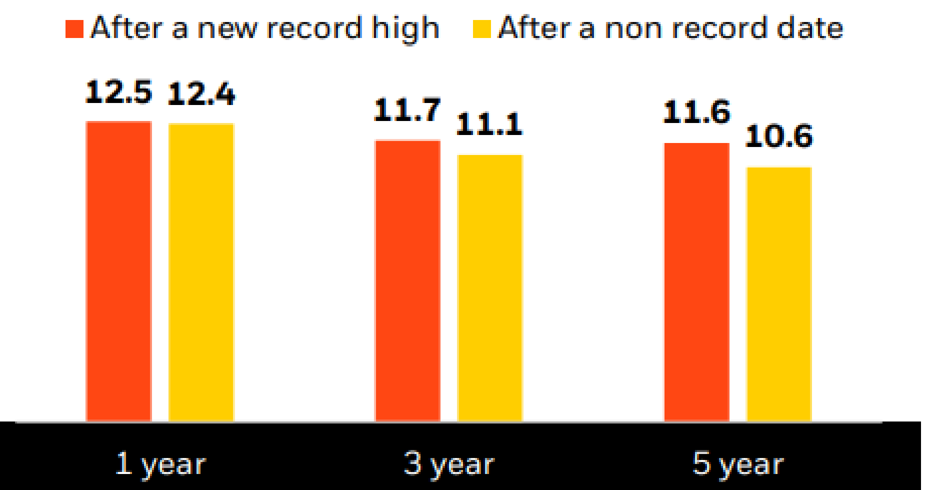
U.S. stock market hitting all-time highs

All time highs for the S&P 500 (1/1/1986 – 4/30/2026)



Historical forward performance after the stock market hits a record high (or not)

Average forward performance following a month that had an all-time high or not (1/1/1986 - 4/30/2026, %)



Did you know? Since 1986, over 1/3 of months have had at least one calendar day that achieved a record high in the S&P 500.

Source: Morningstar and Bloomberg as of 4/30/2026. U.S. stocks represented by the S&P 500 TR index. Non record periods defined as months in which the S&P 500 index did not have an all-time high in that month. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

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STRONG APRIL-MAY FOR STOCKS

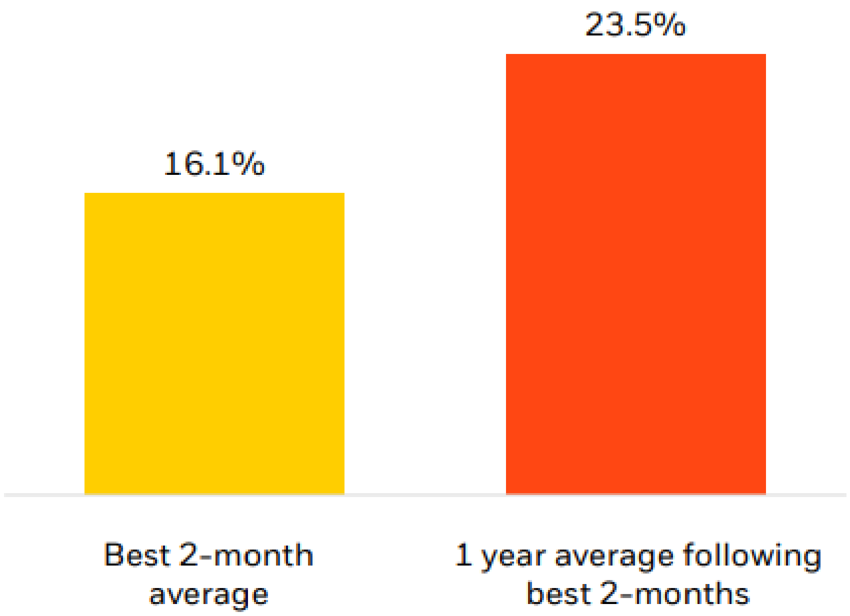
Best 2 months for U.S. stocks since 2020

Periods of exceptional U.S. stock market performance have historically often led to continued momentum in the following 12 months.

Best 15 two-month periods for U.S. stock return periods since 1950

Best 2-month periods	Best 2-month return (%)	1 year return following
Jan & Feb-75	19.9	27.3
Mar & Apr-09	19.2	38.8
Apr & May-20	18.2	40.3
Jan & Feb-87	17.9	-2.7
Apr & May-26	16.3	?
Oct & Nov-82	16.0	25.6
Apr & May-09	15.7	21.0
Nov & Dec-20	15.2	28.7
Oct & Nov-02	15.2	15.1
Jun & Jul-55	15.2	18.1
Sep &Oct-98	15.1	25.7
Nov & Dec-54	14.9	31.6
Oct & Nov-98	14.7	20.9
Oct & Nov-22	14.1	13.8
Nov & Dec-23	14.1	25.0

Average 1 year performance following the best 2-month periods for U.S. stocks since 1950



Source: BlackRock, Morningstar as of 5/31/2026. U.S. stocks are represented by the S&P 500 TR Index from 3/4/1957 to 5/31/2026 and the IA SBBI U.S. Lrg Stock TR USD Index from 1/1/1950 to 3/4/1957. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

strong earnings growth *expected*

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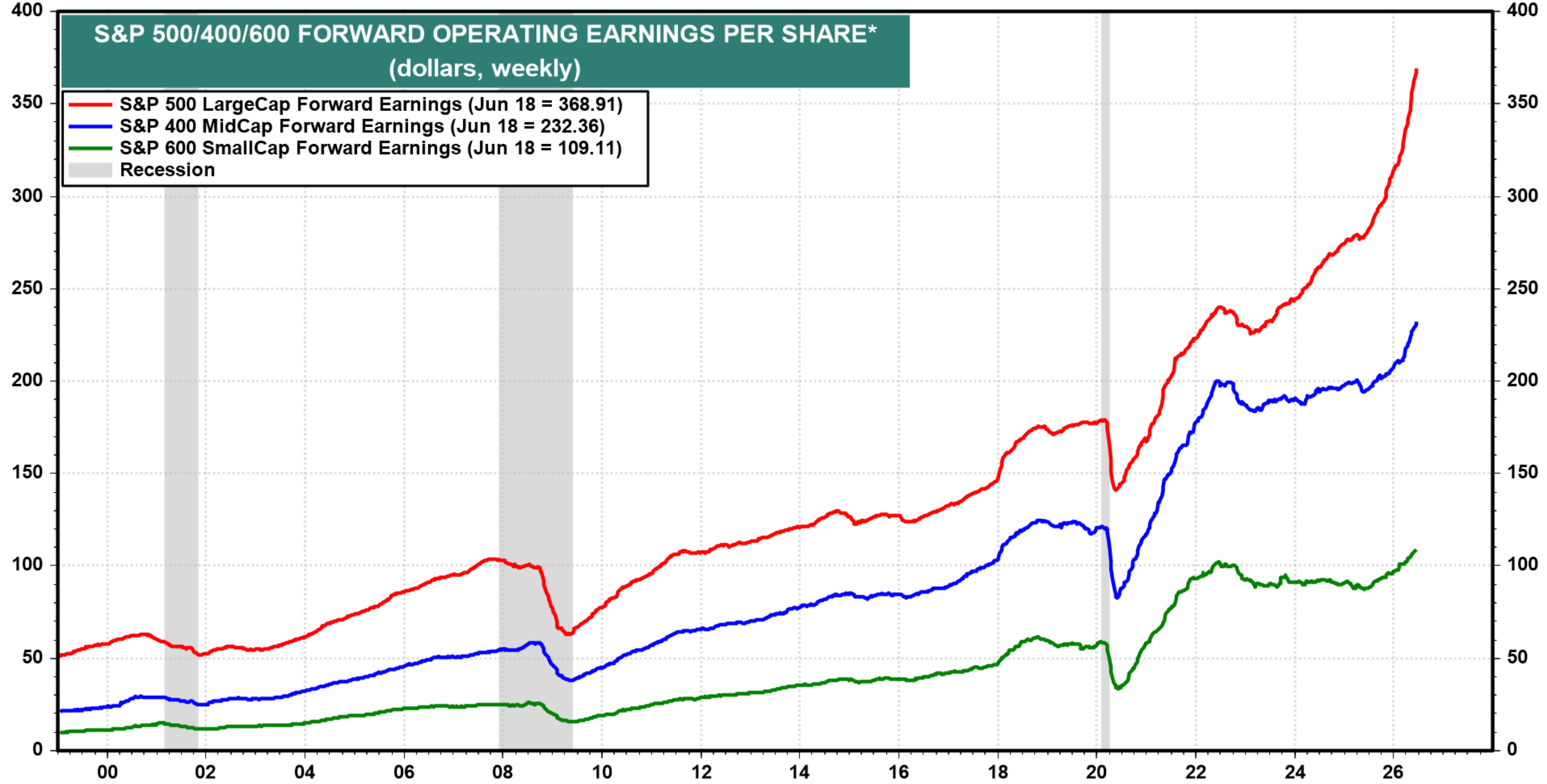
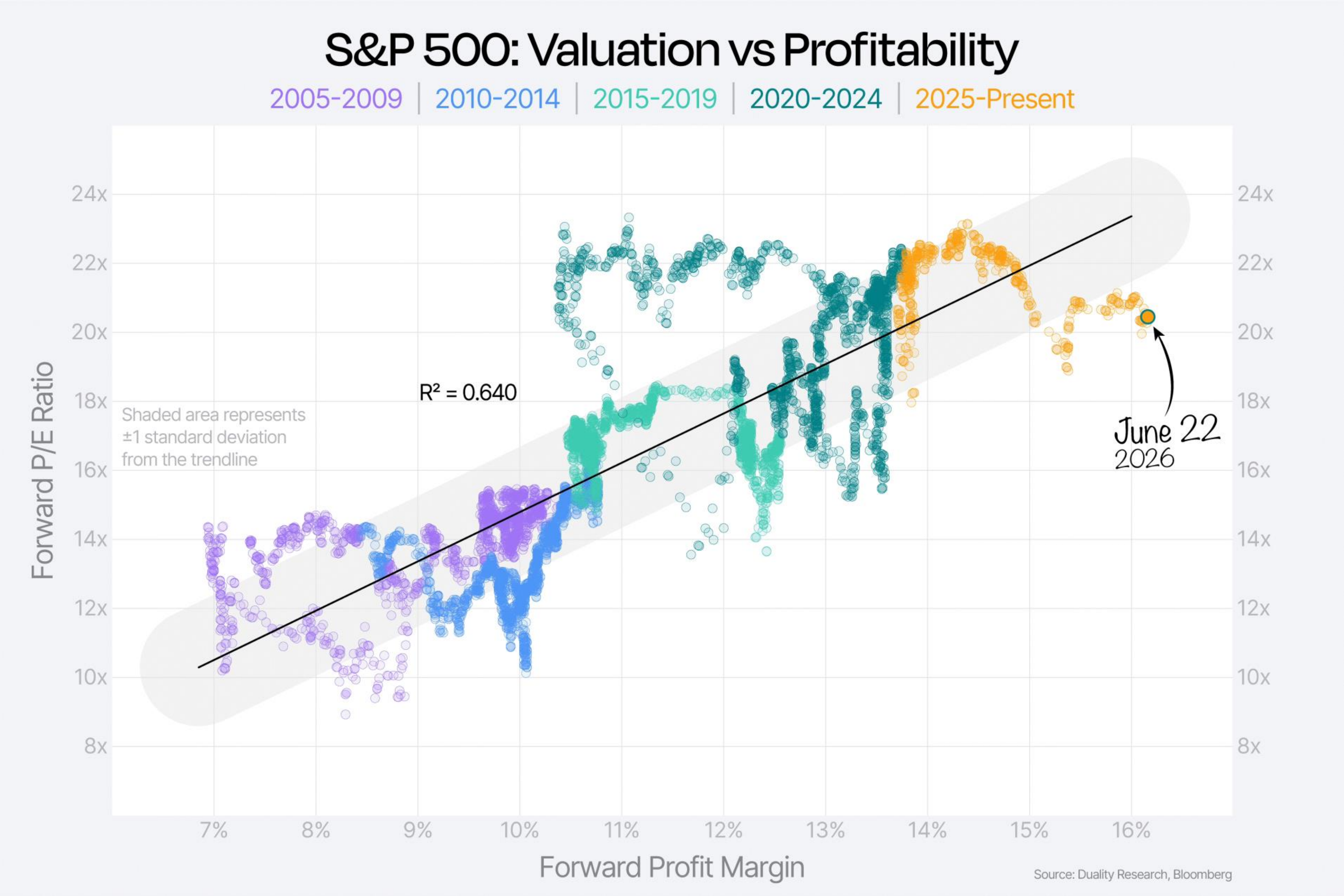


Source: LSEG Datastream and © Yardeni Research.
* Time-weighted average of consensus estimates for current year and next year.

better margins justify higher valuations



yes, AI has been driving most of this rally

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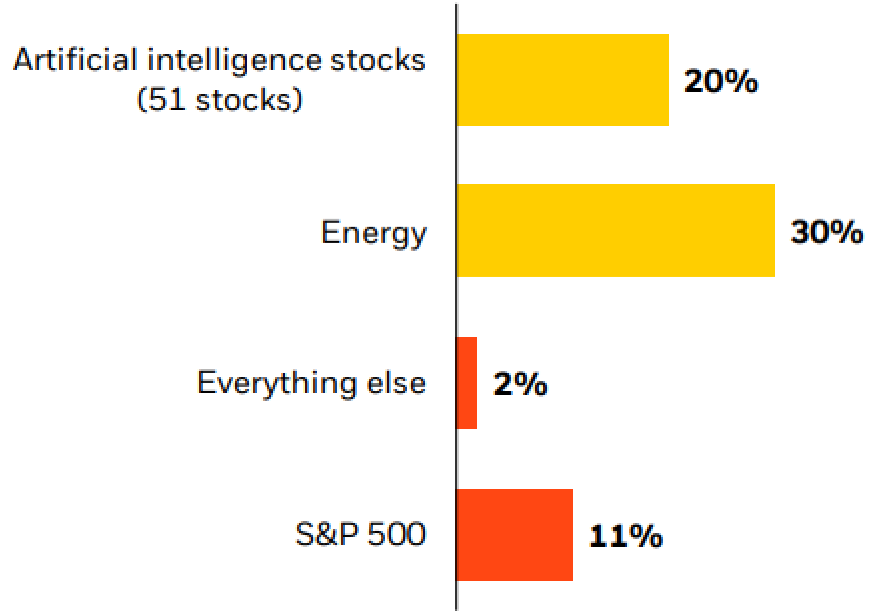
Performance broken out by artificial intelligence and energy stocks
Median stock YTD performance (1/1/2026 – 5/31/2026)



but AI stocks have the earnings growth to prove it

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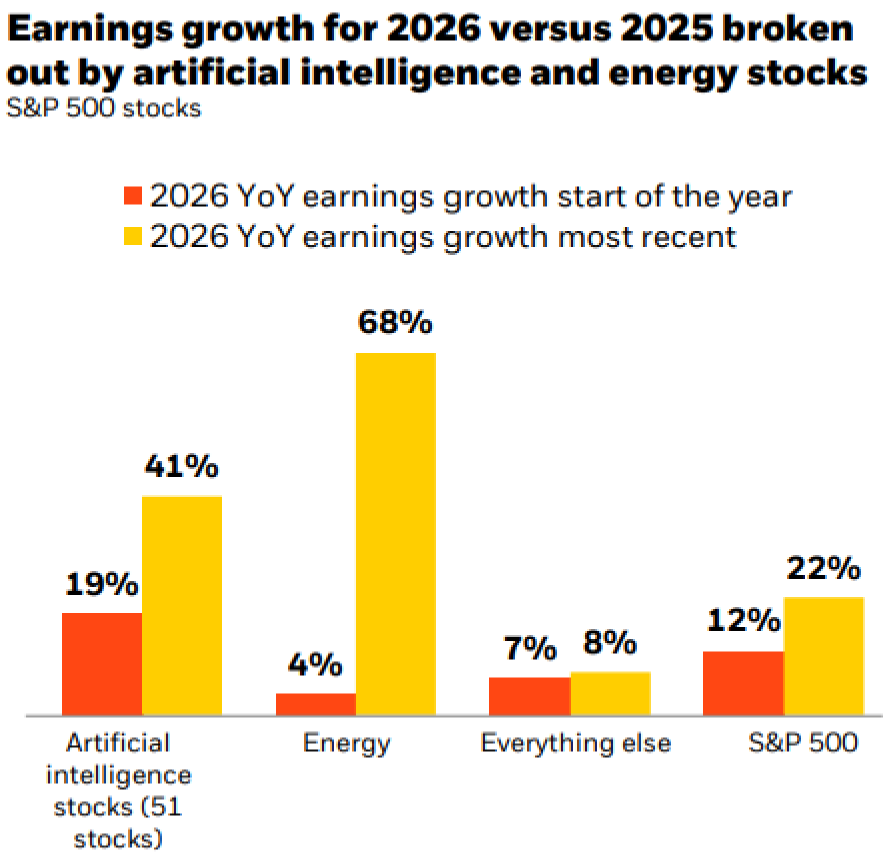

the stock market has climbed without the Mag 7

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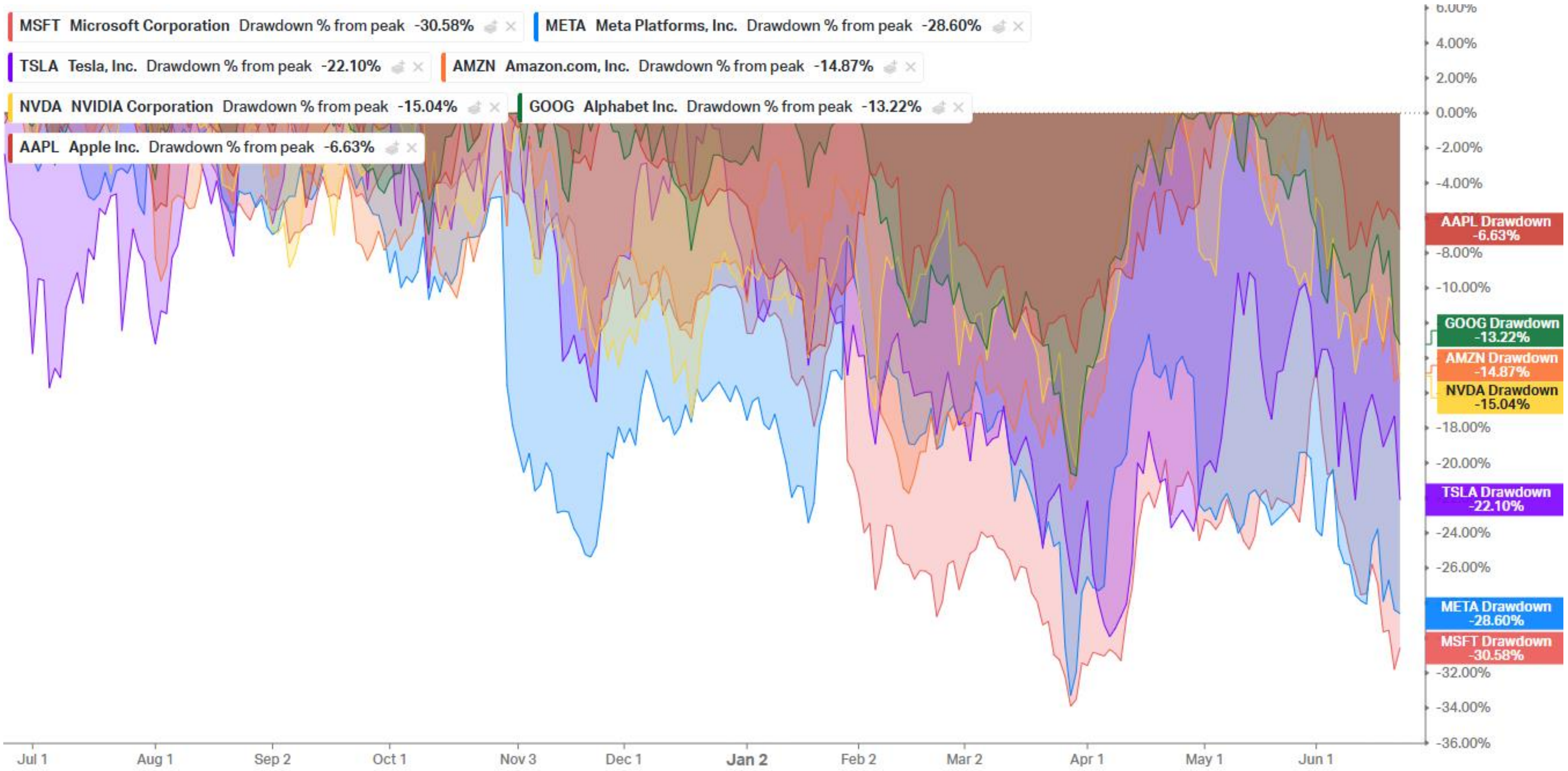

…and Mag 6 (ex-TSLA) valuations looking attractive

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will the AI spending spree continue?

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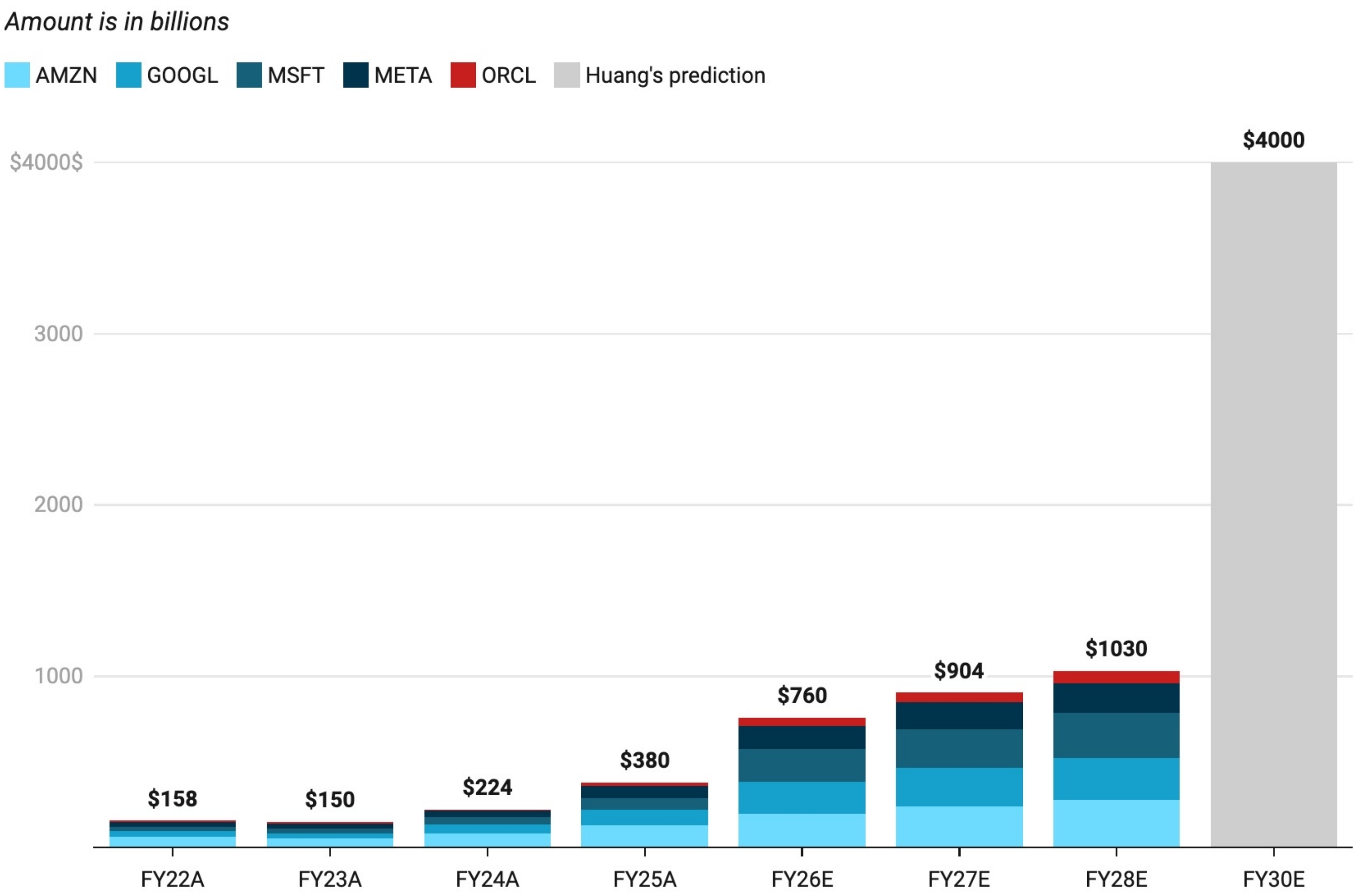

Chart: Ananya Chetia / CNBC • Source: Company documents, Needham & Co, FactSet consensus.

the models are rapidly improving

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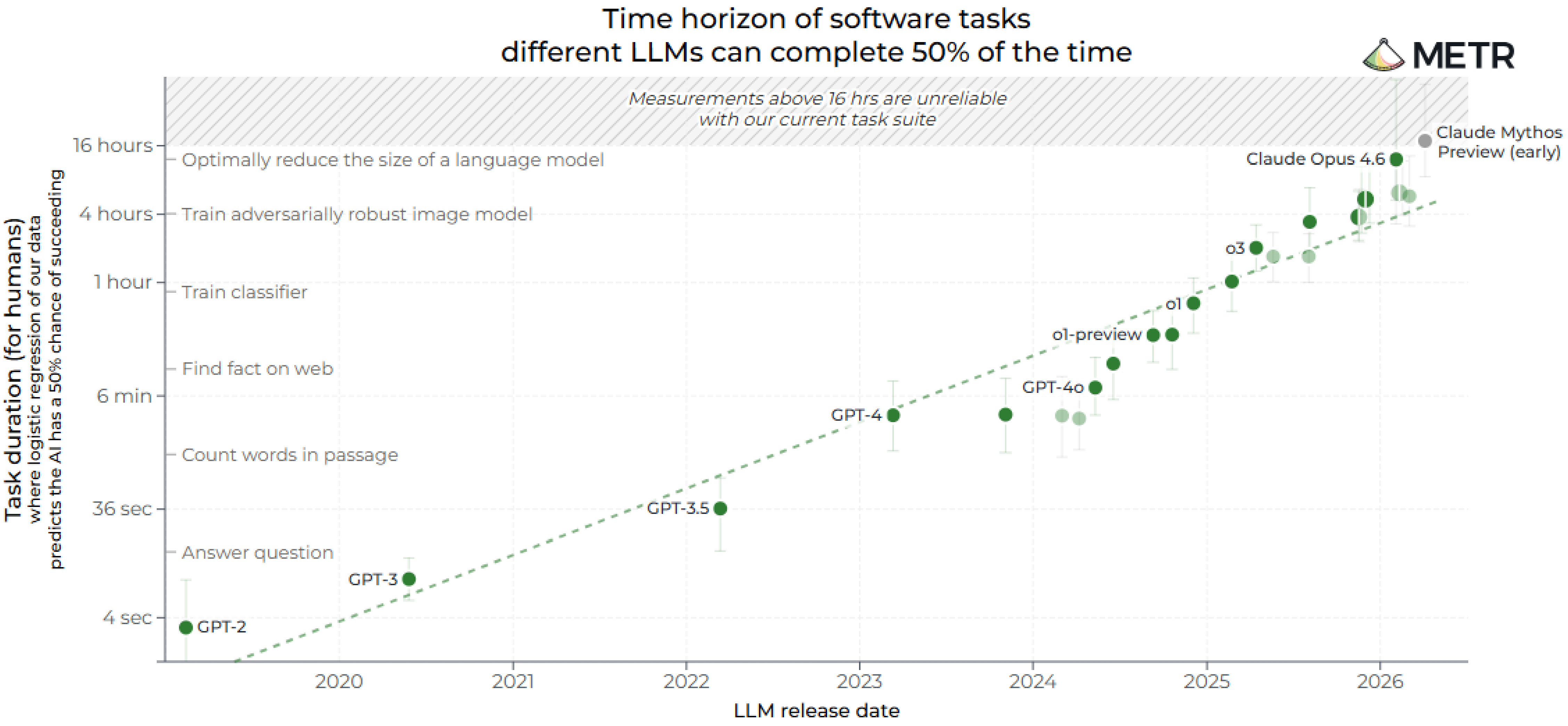
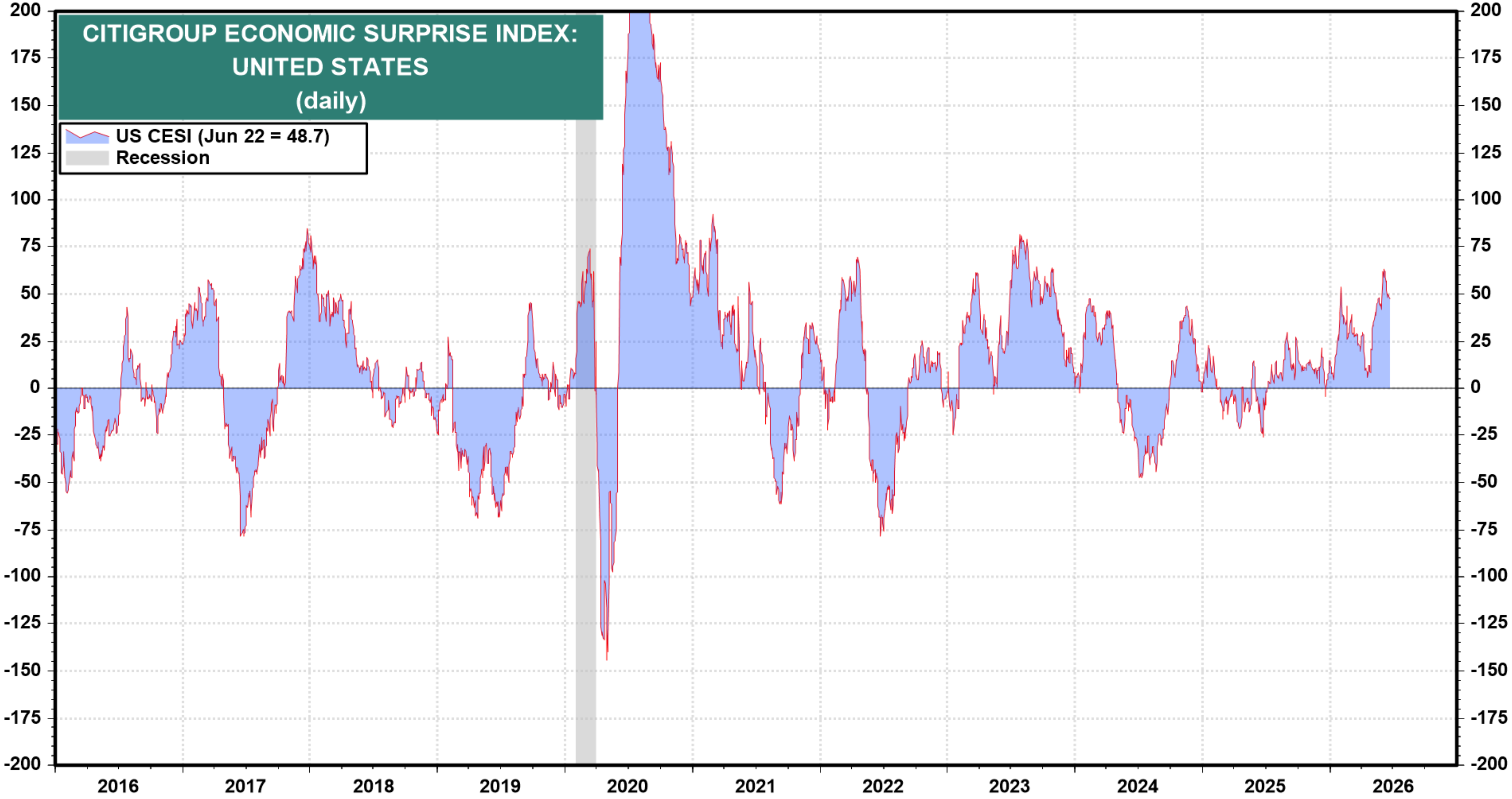


economic data has been surprising to the upside



Source: LSEG Datastream and © Yardeni Research, and Citigroup Inc.

and the US economy has been steadily advancing

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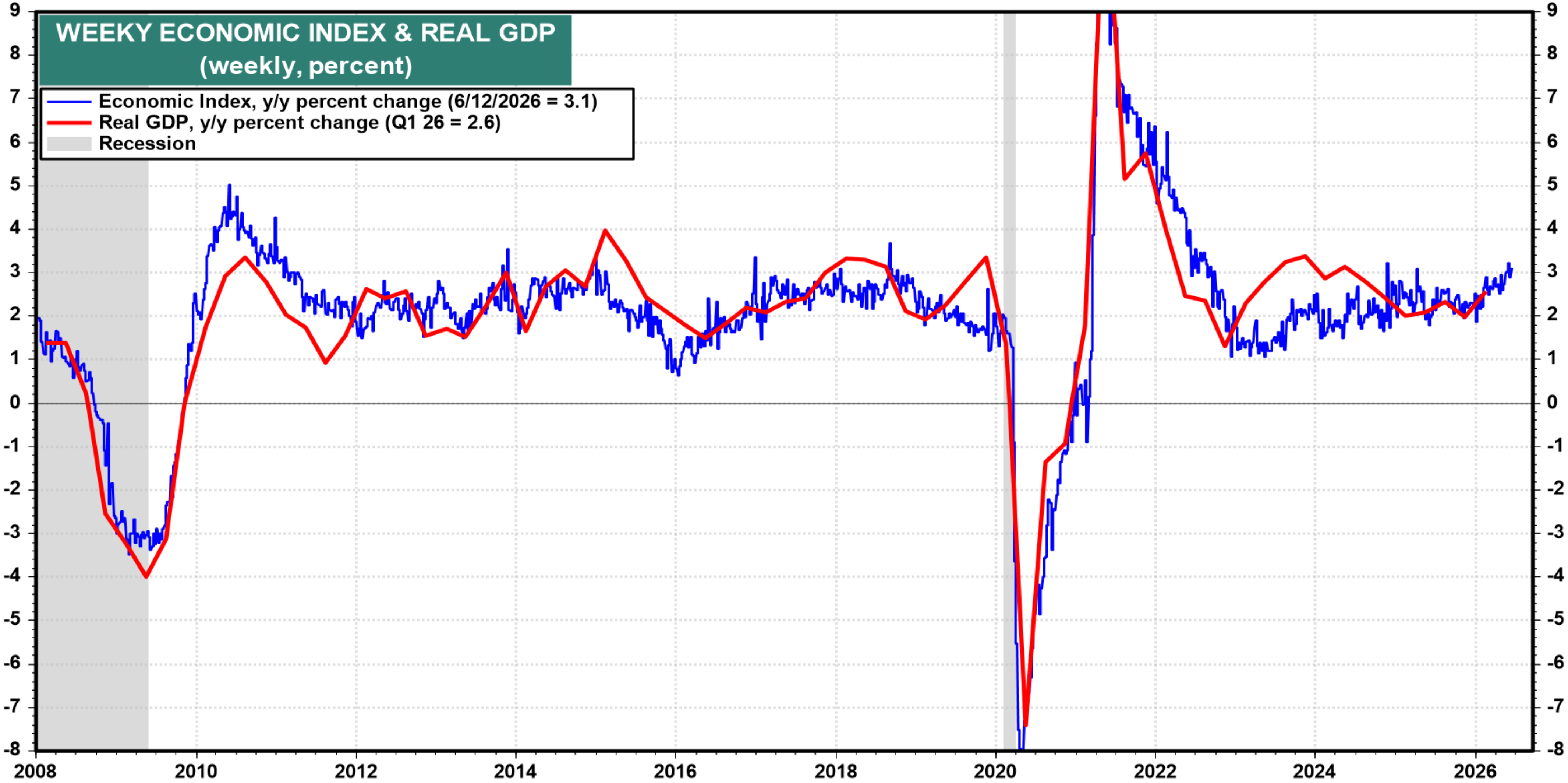
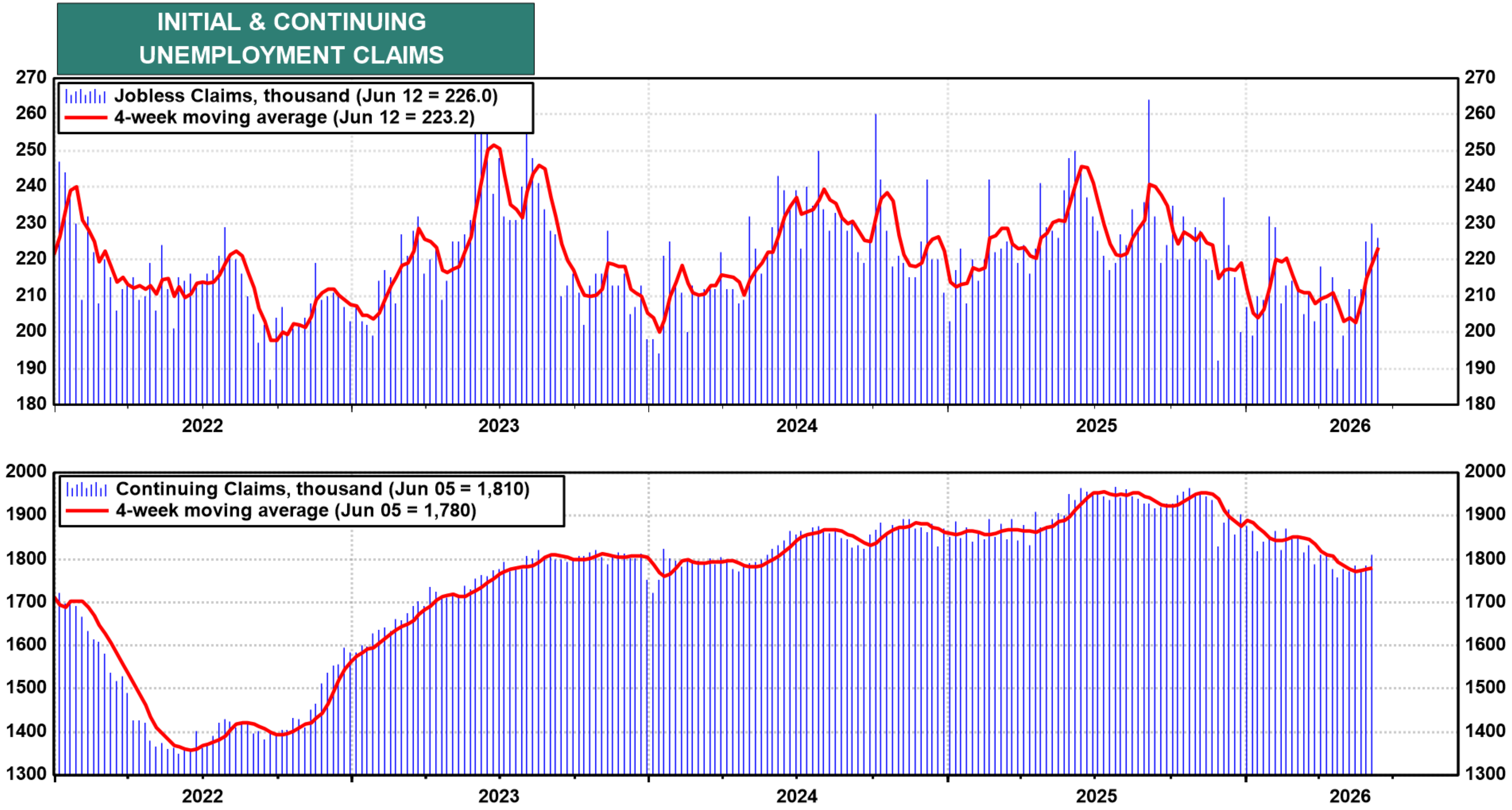


Source: LSEG Datastream and © Yardeni Research. Federal Reserve Bank of New York & Bureau of Economic Analysis.

labor market is still healthy



Source: LSEG Datastream and © Yardeni Research. Bureau of Labor Statistics.

valuations are arguably still attractive in tech stocks

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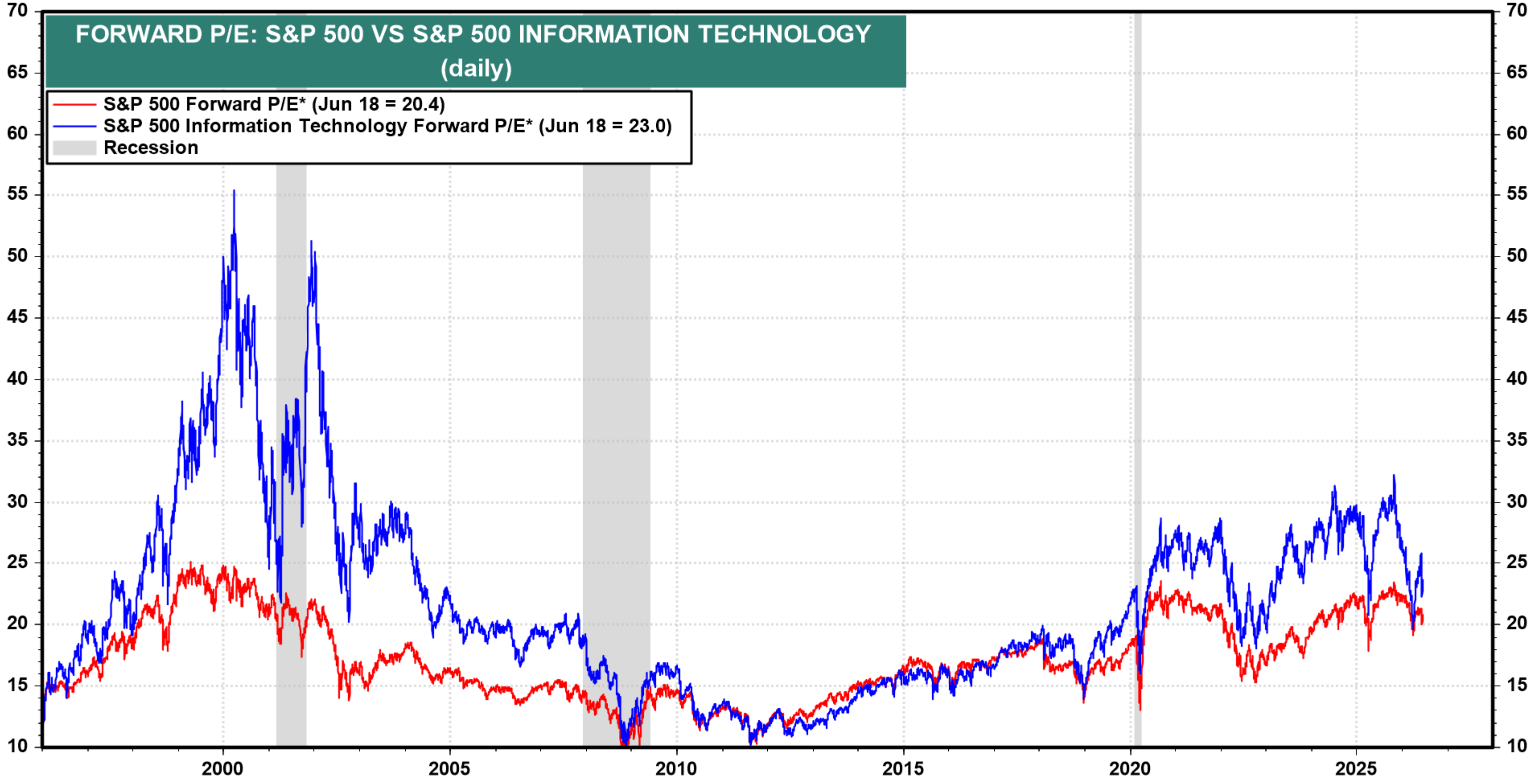

Source: LSEG Datastream and © Yardeni Research.
* Price divided by 12-month forward consensus expected operating earnings per share.

one major difference between 2000 and today

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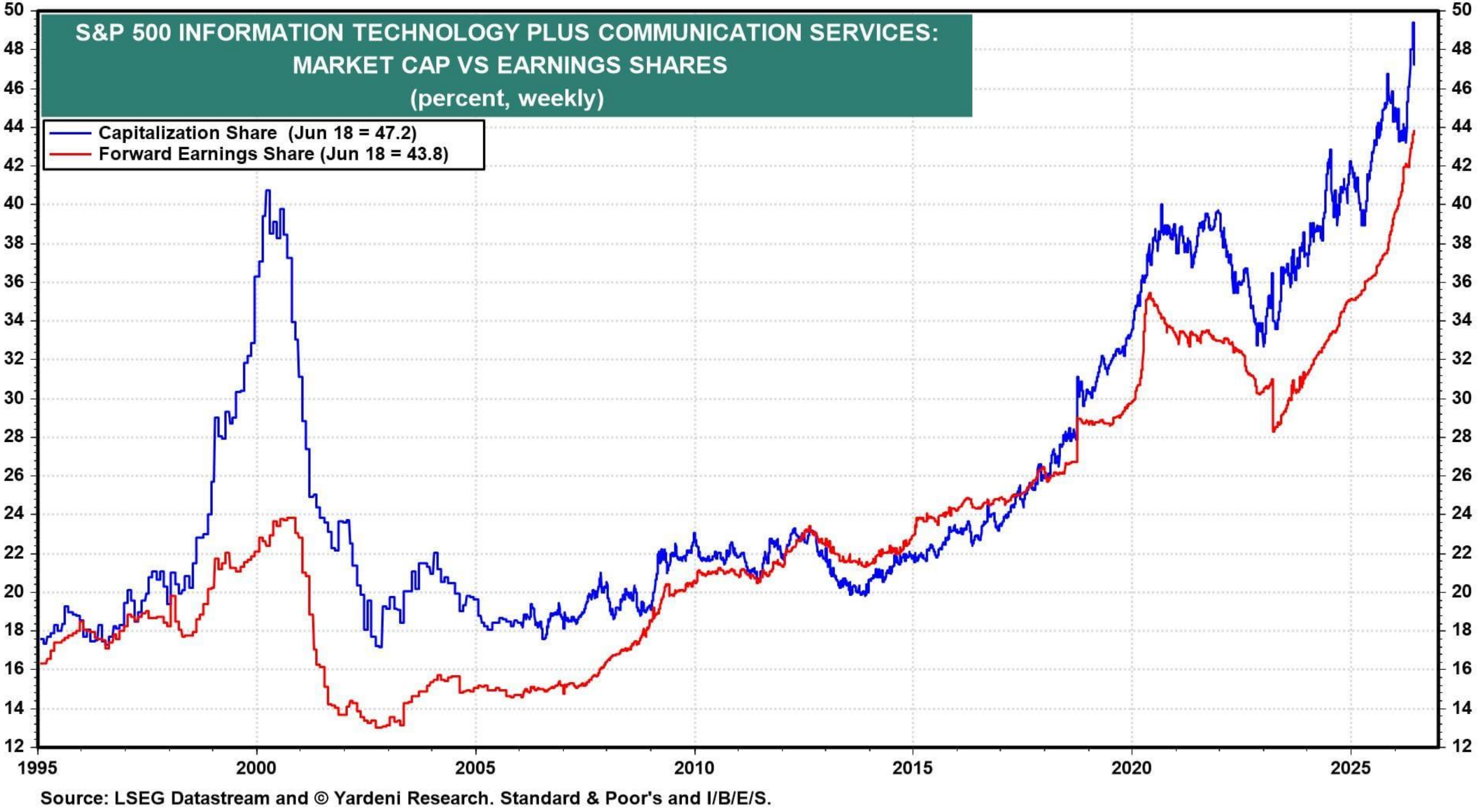

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Today Looks Nothing Like 2000

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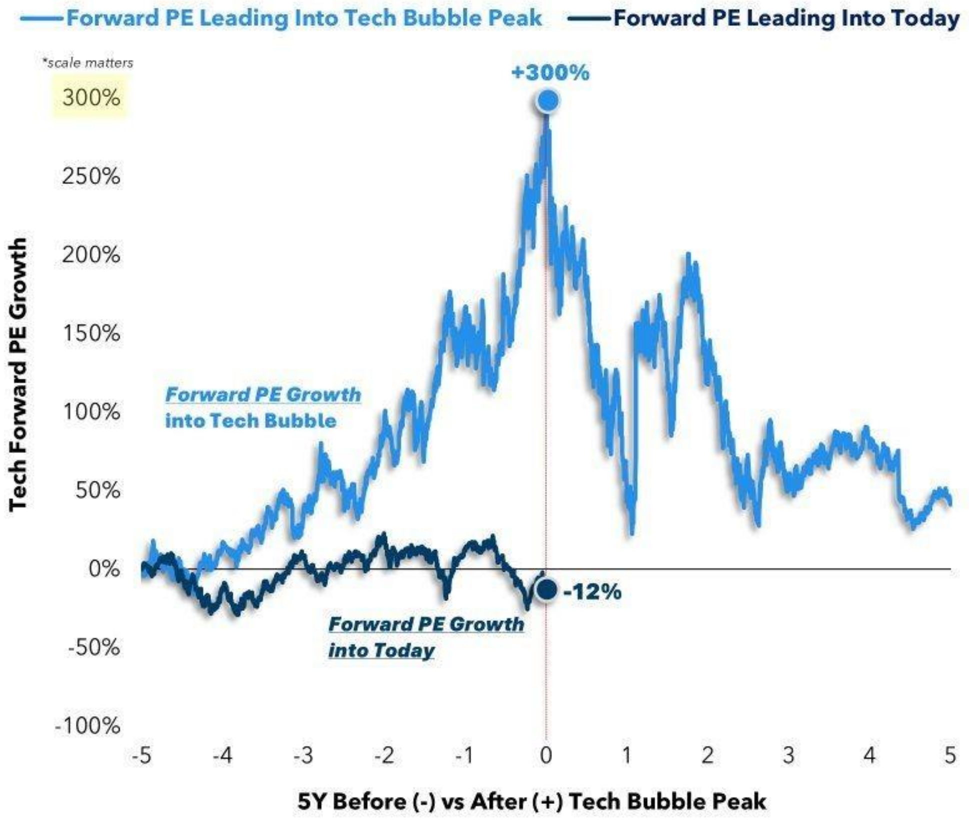
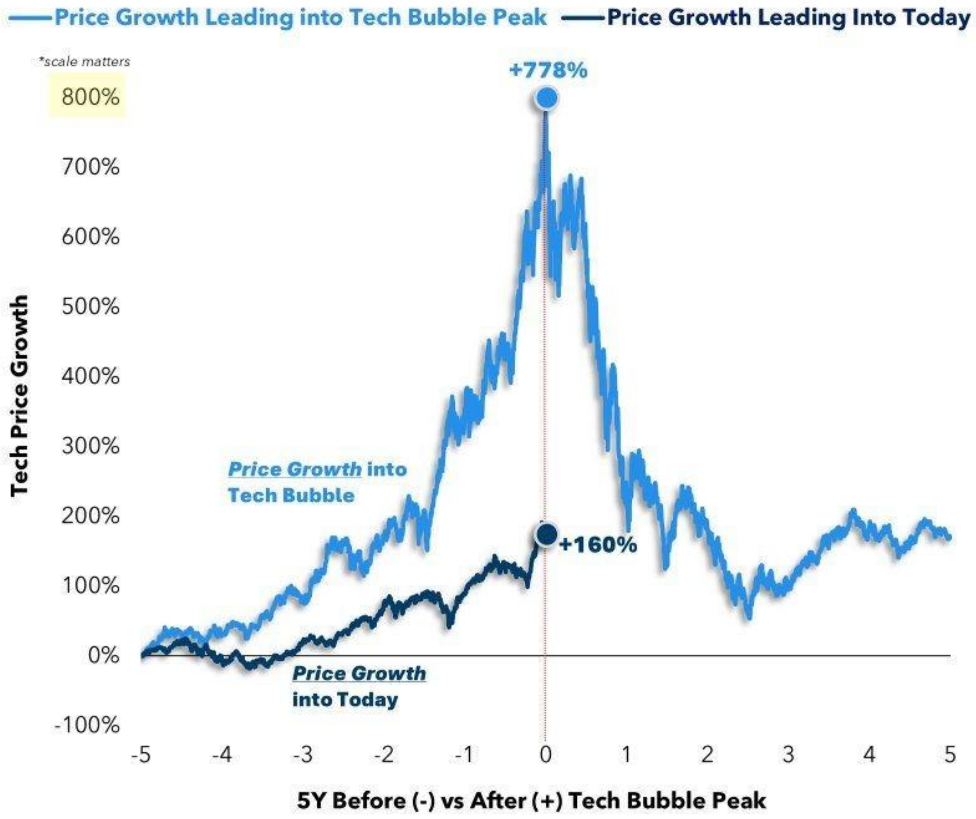
Forward PE and Price Growth of Tech Leading into Today vs Tech Bubble

5 Years before and After the Tech Bubble Peak with "Today" as an Overlay.





Source: The Compound Media, data via Bloomberg Finance L.P.

steady manufacturing growth

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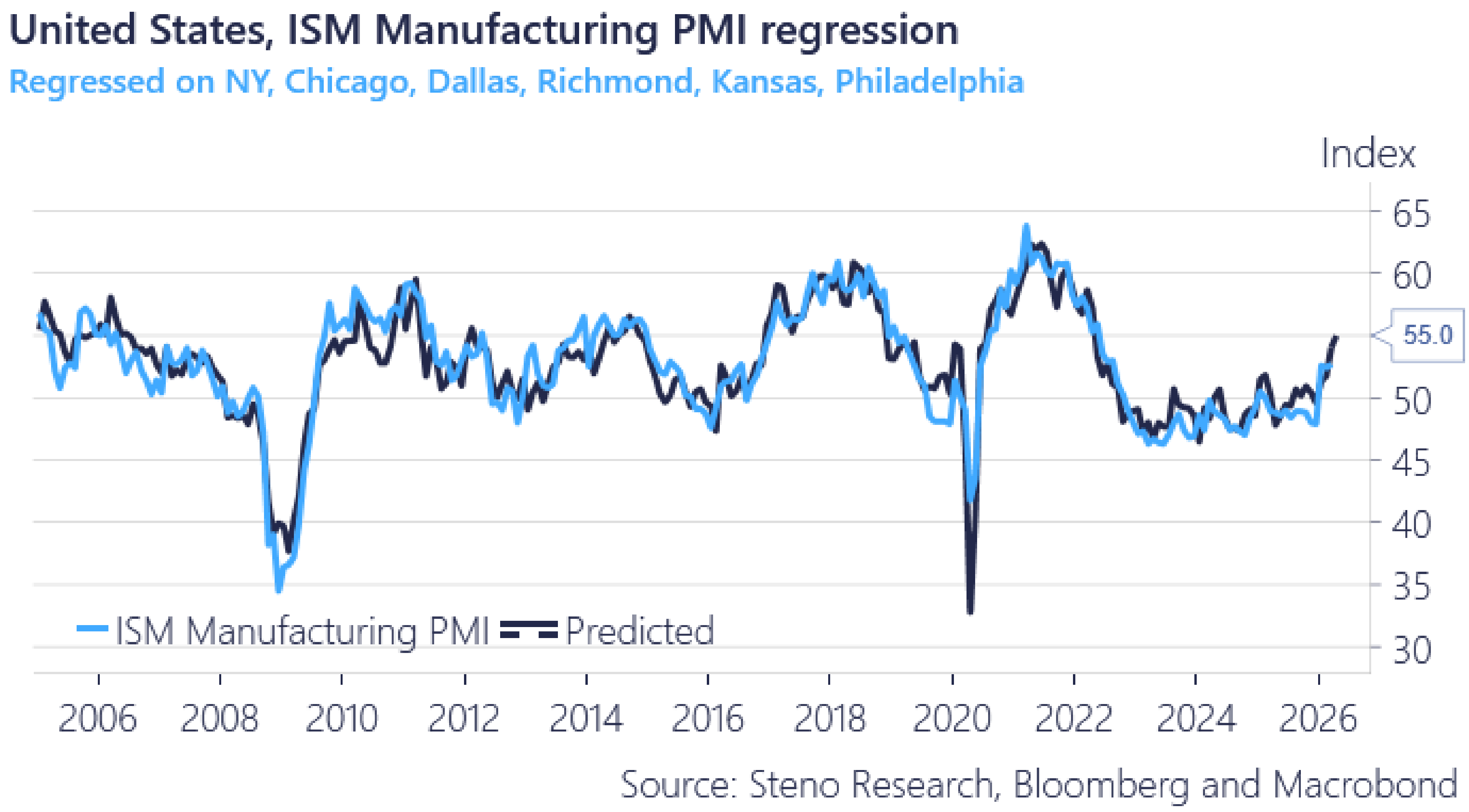

be wary of the doomsdayers

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investing is often "feast or famine"

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