

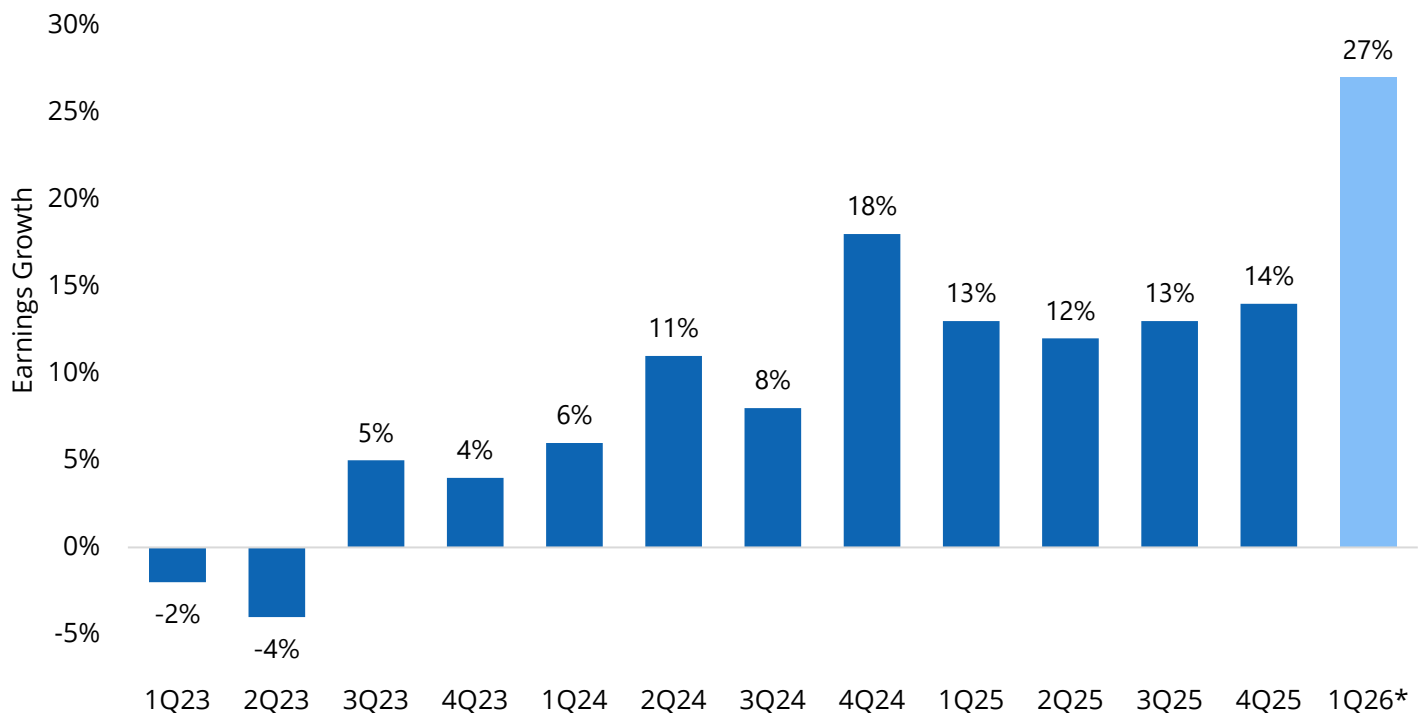
EARNINGS GROWTH BOLSTERS CASE FOR CORPORATE BONDS

S&P 500 Index earnings are on pace for their strongest year-over-year growth since late 2021. With more than 90% of first-quarter 2026 results reported, blended profit growth stands at 27.7%, according to FactSet. That would mark the sixth consecutive quarter of double-digit earnings growth and supports our constructive view of investment-grade corporate bonds. Double-digit growth is expected to continue in each remaining quarter of 2026.

Technology continues to lead, with first-quarter earnings of S&P 500 tech companies projected to rise 51%. But the strength is broadening: commercial services, materials, consumer discretionary, financials, industrials and utilities are also posting double-digit gains.

The broader backdrop remains supportive for corporate bonds, with low unemployment, resilient consumer spending, and the Federal Reserve on hold. Inflation bears watching, particularly amid geopolitical disruptions, but companies and governments are adjusting to the closure of the Strait of Hormuz. A lasting resolution to the Iran conflict would likely provide an additional tailwind for bonds.

S&P 500 Double-Digit Earnings Growth Expected Through 2026



Past performance does not guarantee future results. Investing involves risk, including loss of principal. Source: JP Morgan as of 5/7/26 and FactSet as of 5/15/26.

* 80% of the S&P have reported as of 5/7/2026.