— A SIX-PART FRAMEWORK

Is this time *different.*

A framework for portfolio construction as one market regime ends and another begins.

I. THERE IS NO PERMANENT PORTFOLIO

II. THE CONCENTRATION YOU DIDN'T CHOOSE

III. THE MAG 7 STORY HAS CHANGED

IV. THE MATH OF THE MOMENT

V. THE QUIET WINNERS BEYOND THE MAG 7

VI. THE REBALANCE

A fifteen-year regime may be shifting. Is the portfolio that worked for it *still the right one* for what comes next?

The 60/40 portfolio anchored in US large-cap worked for a long time because four conditions held: falling rates, low inflation, dependable diversification, and US exceptionalism. *All four look different today.*

42 stocks EFFECTIVE S&P 500 BREADTH, AN ALL-TIME LOW	\$690B HYPERSCALER CAPEX BY 2026, EXCEEDS CASH FLOW
36× S&P CAPE MULTIPLE, 97TH PERCENTILE SINCE 1926	+0.38 STOCK-BOND CORRELATION, FLIPPED FROM −0.50 IN 2022

IMPLICATION

We think it is worth considering tilts away from concentrated US beta toward real assets, healthcare, defense and space, the new industrials, and selective international. Same risk budget. Wider opportunity set.

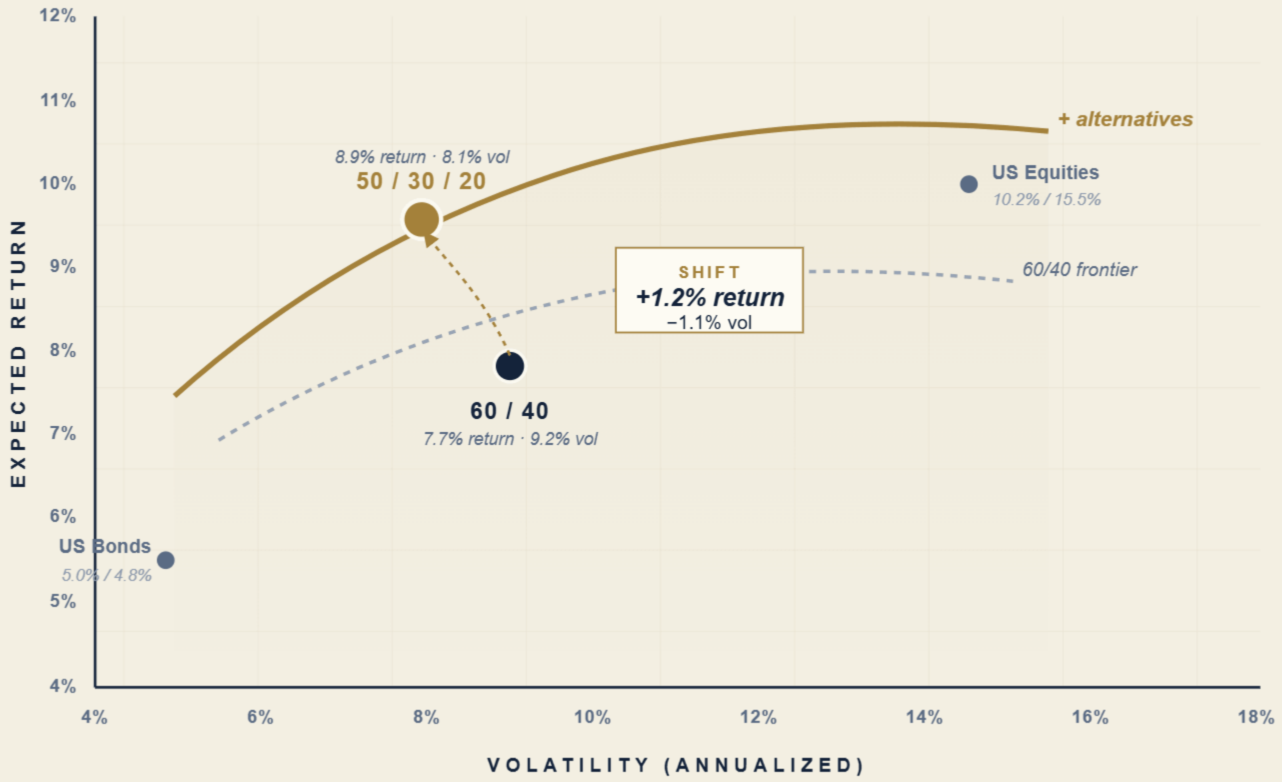
THE ARGUMENT, IN SIX MOVES — PARTS I TO VI

SOURCE *Colter Lewis Investment Partners. Citations on individual slides.*

Diversification *first.*

Before any view on what is expensive or what comes next, our starting point is portfolio construction: **we build allocations that do not depend on any single thesis being right.** *The pages that follow lay out our view of the current regime. This page is the discipline that holds in any regime.*

SAME RISK · MORE RETURN · LESS DRAWDOWN



TRADITIONAL 60 / 40

60% equity · **40%** bonds

DIVERSIFIED 50 / 30 / 20

50% equity · **30%** bonds · **20%** alts

SOURCE *BlackRock, Cambridge Associates, Burgiss, Bloomberg. 1990 to 2026; compounding figures illustrative.*

Data as of April 2026.

FOUR WAYS THE MATH IMPROVES

SHARPE RATIO *+38%*

60 / 40	0.45
+ alts	*0.62*

MAX DRAWDOWN *−31% shallower*

60 / 40	−30.7%
+ alts	*−21.2%*

TIME TO RECOVER *9 months sooner*

60 / 40	26 mo.
+ alts	*17 mo.*

CORRELATION TO S&P 500 *a wider toolkit*

US EQUITY	REAL ESTATE	INFRASTRUCTURE	PRIVATE CREDIT
+0.99	+0.45	+0.32	+0.18

COMPOUNDED OVER TIME

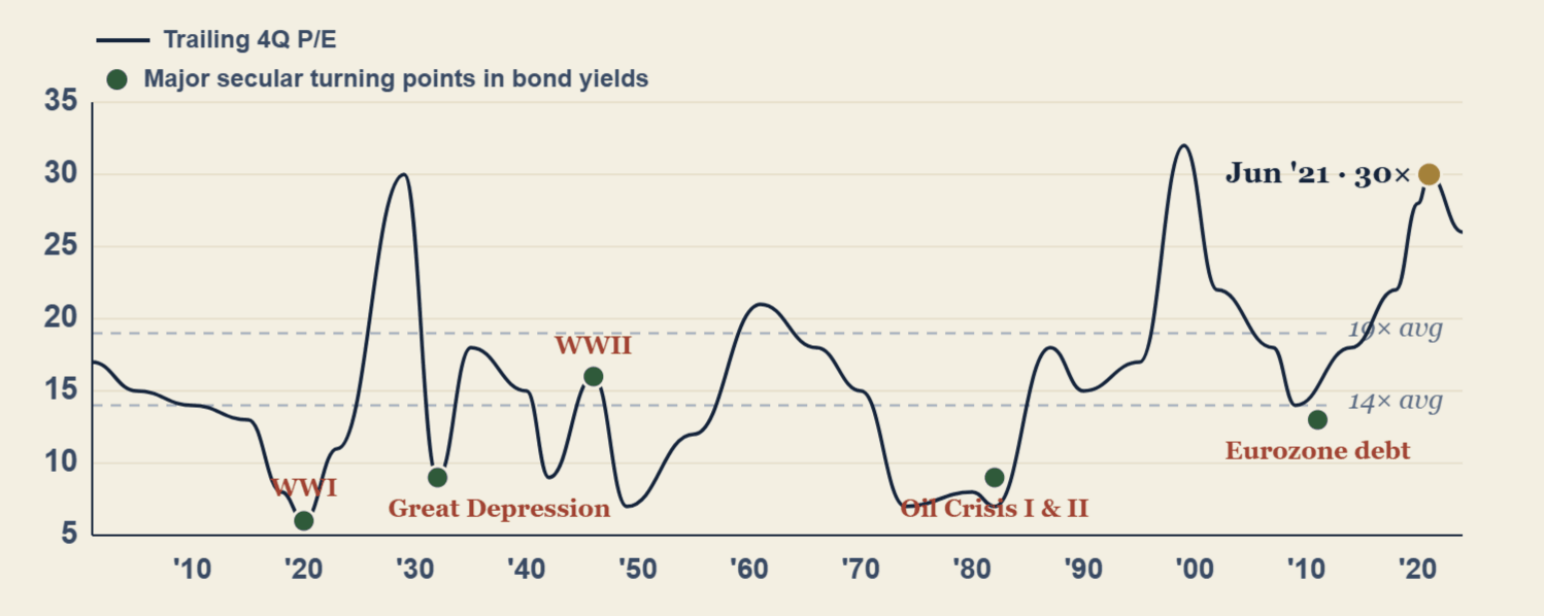
A 1.2% annual difference adds up. Over 30 years on a $10M starting portfolio, the diversified mix grows to roughly **$130M** versus **$93M** for traditional 60/40. About 40% more, with smaller drawdowns along the way.

The playbook most portfolios use today was written during the longest market regime in modern history. Its foundations are shifting.

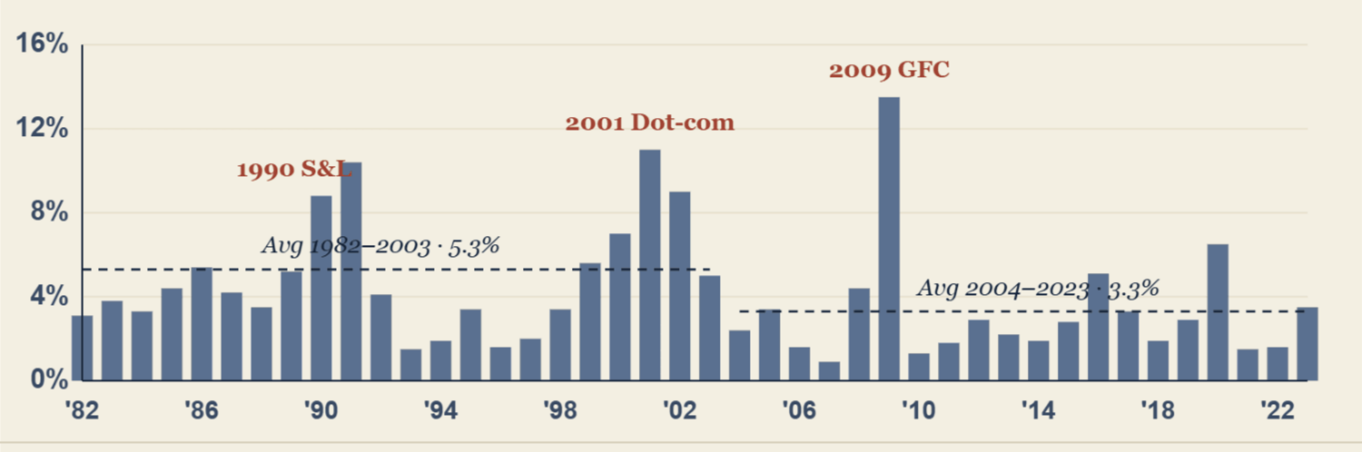
There is no permanent *portfolio.*

Every regime ends when its *supporting conditions* change.

S&P 500 TRAILING P/E · 1901 → 2024



HIGH-YIELD DEFAULT RATE · 1982 → 2023



EIGHT CONDITIONS THAT SUPPORTED 2009, 2021

WHAT WORKED		WHERE WE ARE
P/E expansion · 13× → 22×	→	*Earnings* must do the work
Equity risk premium 3 to 5%	→	ERP near zero *(~0.8%)*
Negative stock-bond correlation	→	*Positive* correlation (+0.38)
7 stocks · 31% of S&P 500	→	*Broadening* required
Strong dollar · US exceptionalism	→	Dollar +2 std. dev. · *mean-reversion* ahead
Default rates 1 to 2%	→	Higher defaults, *wider spreads*
Zero rates · QE	→	*Higher* for longer
Globalization · fiscal austerity	→	Fiscal dominance · *deglobalization*

SOURCE *Goldman Sachs, Bloomberg, Robert Shiller online data, Colter Lewis analysis.*

Data as of December 2024.

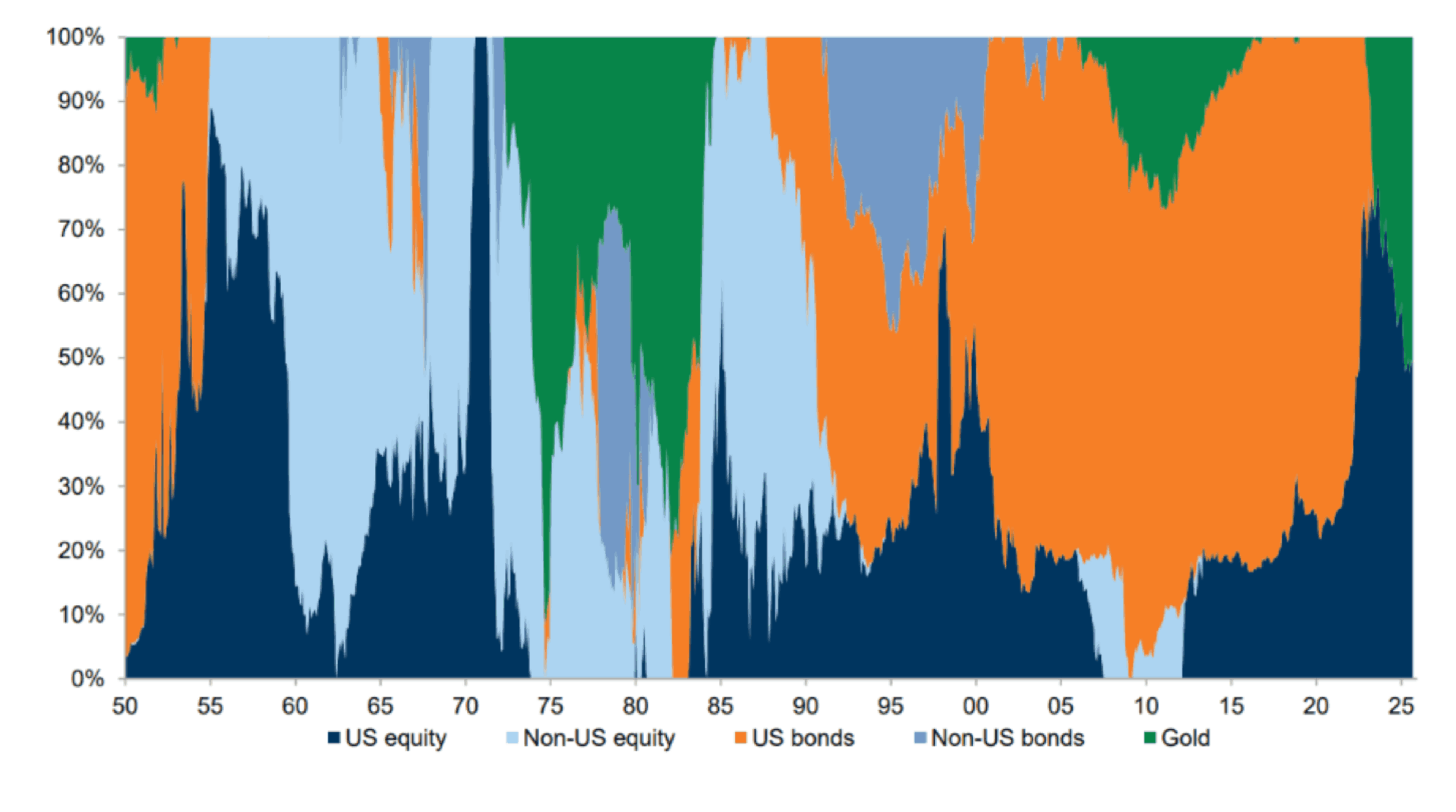
The optimal portfolio has *never* sat still.

No decade has crowned the same winner twice. The assets that drive the next cycle are rarely the ones that drove the last.

1970S LEADER	Gold *~60%*
1980S LEADER	Non-US equities *~85%*
2010S LEADER	US equities *~70%*

READ

No single asset class led for more than one cycle. Leadership rotated every time.



SOURCE *Goldman Sachs Global Markets Strategy.*

Data as of December 2025.

The S&P 500 no longer behaves like the S&P 500 most investors remember. Passive flows built a concentration no one chose.

The concentration you didn't *choose.*

II

Every peak rotated. The recovery can span *years or decades*.

1972	1989	2000	2007	TODAY · 2026
Nifty Fifty	*Japan*	*Technology*	*Financials*	*Mag 7*
40%	45%	33%	22%	31%
OF S&P · 50 STOCKS	OF WORLD EQUITY CAP	OF S&P	OF S&P	OF S&P
TIME TO RECOVER	TIME TO RECOVER	TIME TO RECOVER	TIME TO RECOVER	HISTORICAL BASE RATE
~8 yrs	*34 yrs*	*15 yrs*	*~13 yrs*	*8 to 30 yrs*
To prior relative high	*Nikkei reclaimed 1989 high in 2024*	*Nasdaq back to 2000 high in 2015*	*Sector weight back to prior by 2020*	*To reclaim prior relative high*

READ

Past unwinds have taken time. Japan: 34 years. The Nasdaq: 15. Owning the prior cycle's index has not been a fast way back to the high.

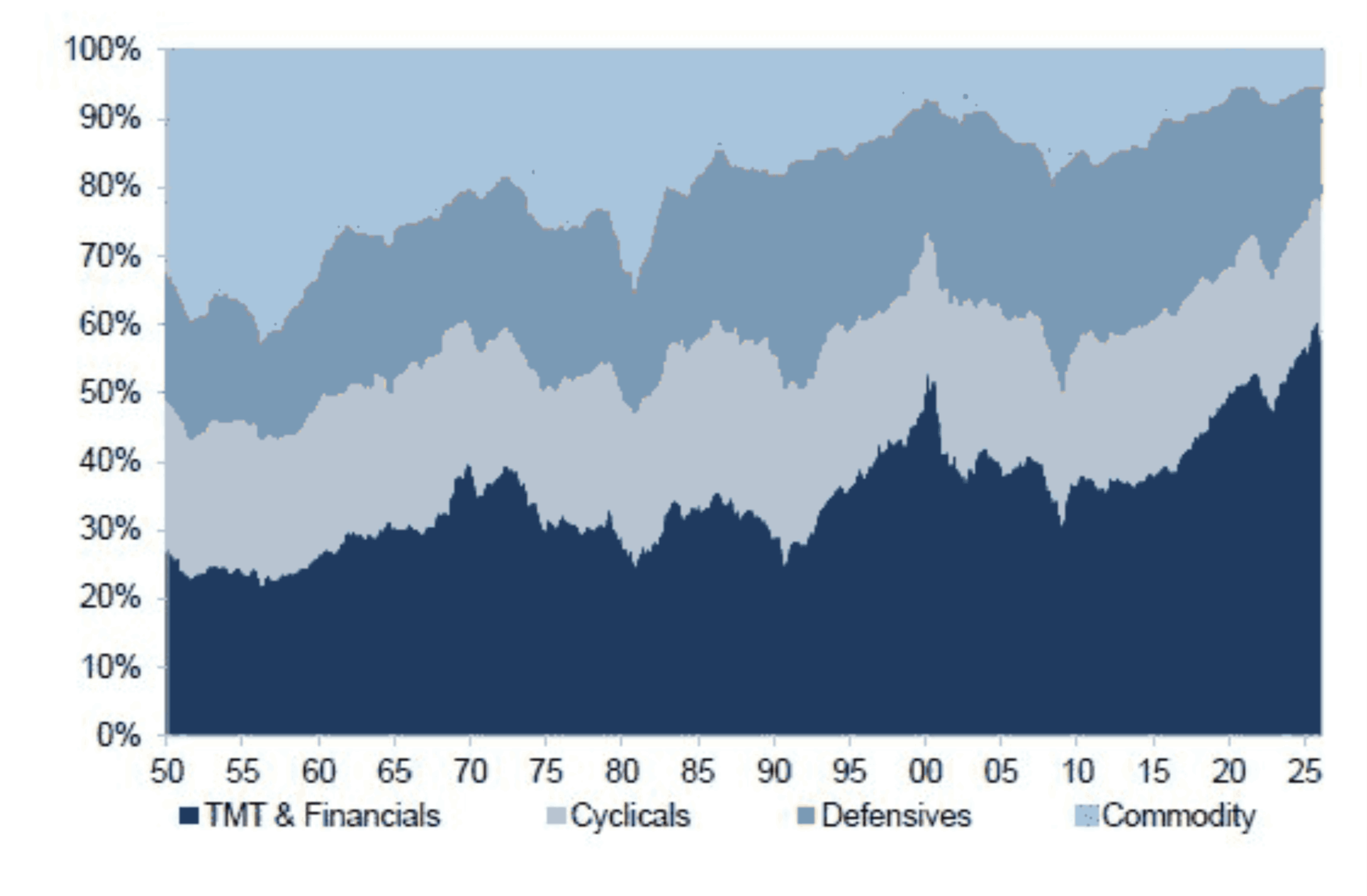
SOURCE *Bloomberg, MSCI, S&P Dow Jones Indices.*

Data as of April 2026.

TMT and financials: from *22%* of the index to *55%*.

Market-cap weighting quietly tilts the index toward whatever led most recently. If you own the index, you own that tilt.

TMT & FINANCIALS	22% →55%
COMMODITY SECTORS	30% →8%
NET SHIFT	+33 pp → asset-light



READ

Owning the index now means a structural underweight to real assets. That is what cap-weighting produces when technology leads.

SOURCE *Goldman Sachs Global Markets Strategy.*

Data as of December 2025.

A *42-stock* index, trading at the same premium as *2000*.

The index holds 500 names. It doesn't behave like 500 names. What has changed is the weight distribution, not the count.

TODAY

1980 PEAK

155 → 42

effective stocks — effective stocks

EFFECTIVE N · HERFINDAHL ANALYSIS

Inverse Herfindahl Index (1 / Σw_i^2) · the count of equally-weighted stocks that would deliver today's diversification.

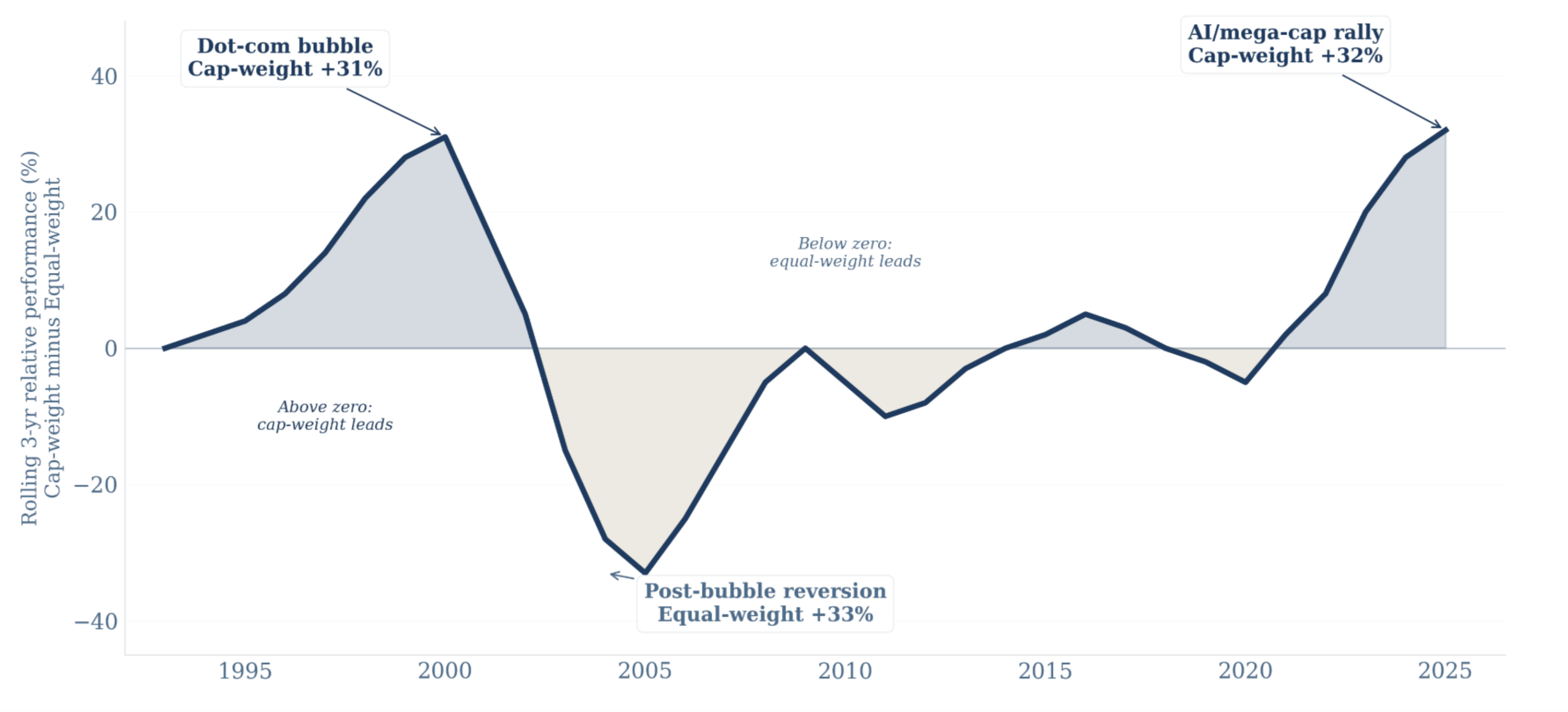
1929 peak	~70
1972 Nifty Fifty	95
2000 Dot-com	55
Today	42

SOURCE *State Street, RBC Wealth Management, S&P Dow Jones Indices.*

Data as of December 2025.

WHAT HAPPENS NEXT · THE BASE RATE

Concentration this severe has shown up in cap-weight performance twice before. In the years after each peak, equal-weight led by a wide margin.



EQUAL-WEIGHT VS. CAP-WEIGHT IN MAJOR US DRAWDOWNS & UNWINDS

1974 – 1983
After Nifty Fifty unwind
+410%
Equal-weight total return vs. **+173%** cap-weight

2000 – 2009
The lost decade
+65%
Equal-weight return vs. **−9%** cap-weight

2022
Tech-led drawdown
−12%
Equal-weight return vs. **−18%** cap-weight

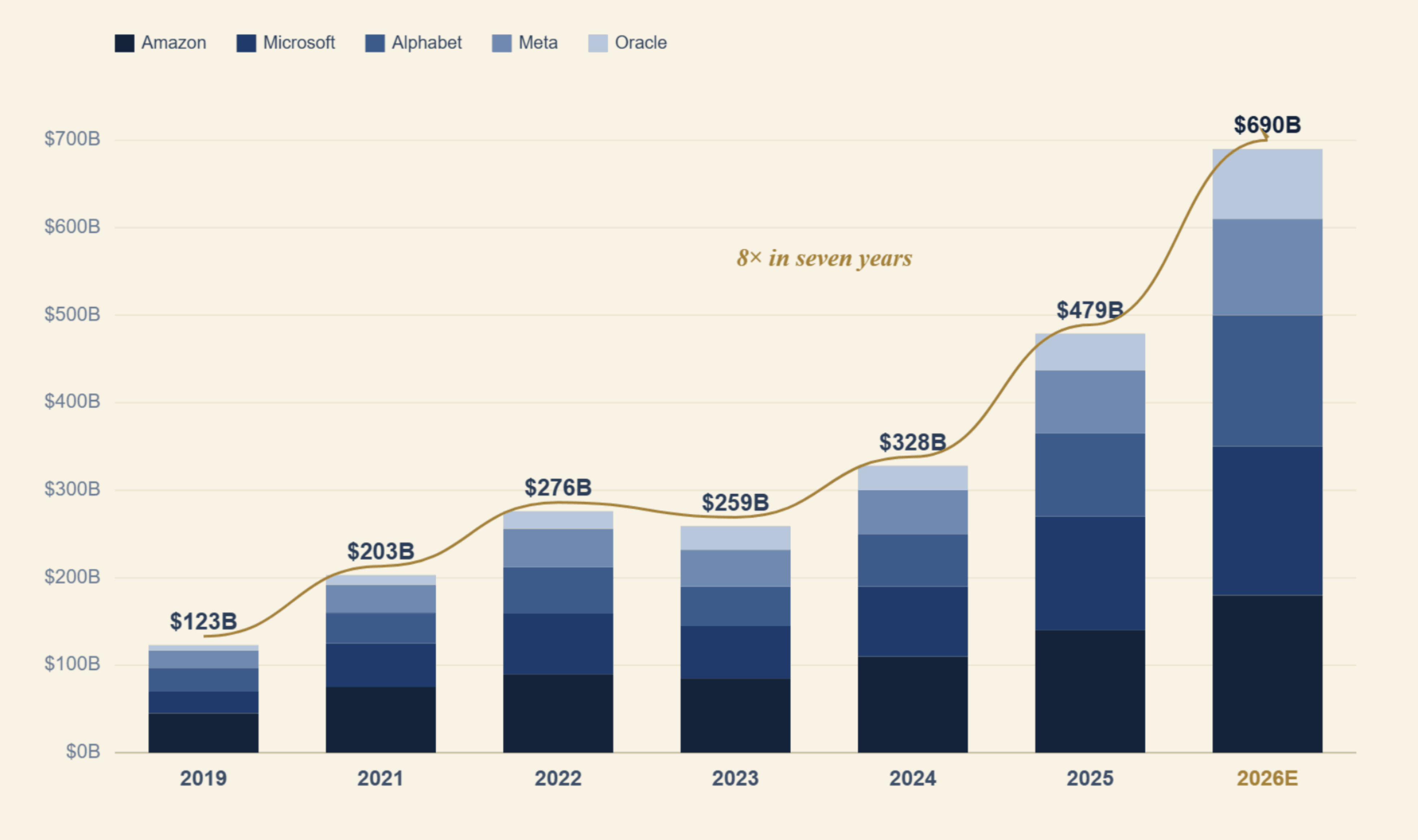
Five years ago the Mag 7 were cash-rich compounders returning most of what they earned. Their capital profile today looks materially different.

III

The Mag 7 story has *changed.*

Capex has grown *8×*, now bigger than any *mega-project* in US history.

TOP 5 HYPERSCALER CAPEX · 2019 → 2026E · USD BILLIONS



2026E AGGREGATE CAPEX

$690*B*

Up from **$82B in 2019**.
Now **2.2% of US GDP**.

PEAK CAPEX AS % OF US GDP

Manhattan Project · *1940s*	0.4%
Apollo Program · *1960s*	0.6%
Interstate Highway · *1960s*	0.6%
Broadband Buildout · *2000s*	1.2%
Big Tech capex · *today*	**2.2%**

> *Manhattan, Apollo, Interstate, broadband. Each one had a* **sovereign or regulated utility** *behind it. This one rides on* **public equity capital**.

SOURCE *CreditSights, company filings, Apollo Chief Economist, Goldman Sachs, BEA.*

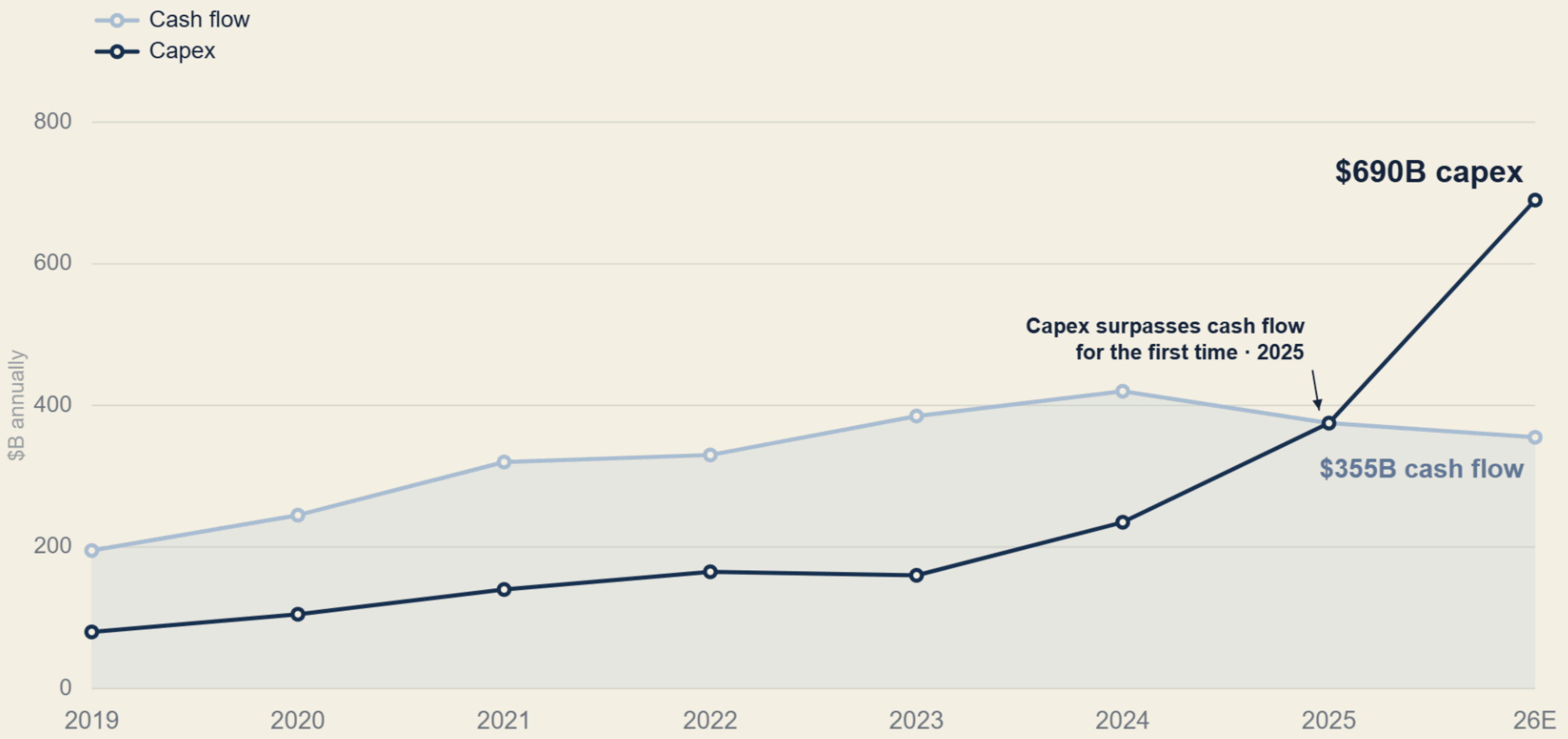
Data as of April 2026.

Capex exceeds cash flow, and a *$800B gap* to AI revenue.

For the first time, aggregate capex is projected to exceed aggregate cash flow. And the revenue needed to justify it is, on the best-case arithmetic, not yet visible.

Bain & Company estimates AI infrastructure will require roughly $2 trillion in annual revenue by 2030 to fund projected compute spend, leaving an $800B shortfall versus best-case AI revenue today.

PEAK CASH FLOW · 2024	$420B
CAPEX · 2026E	*$690*B
AI REVENUE TODAY	$50B



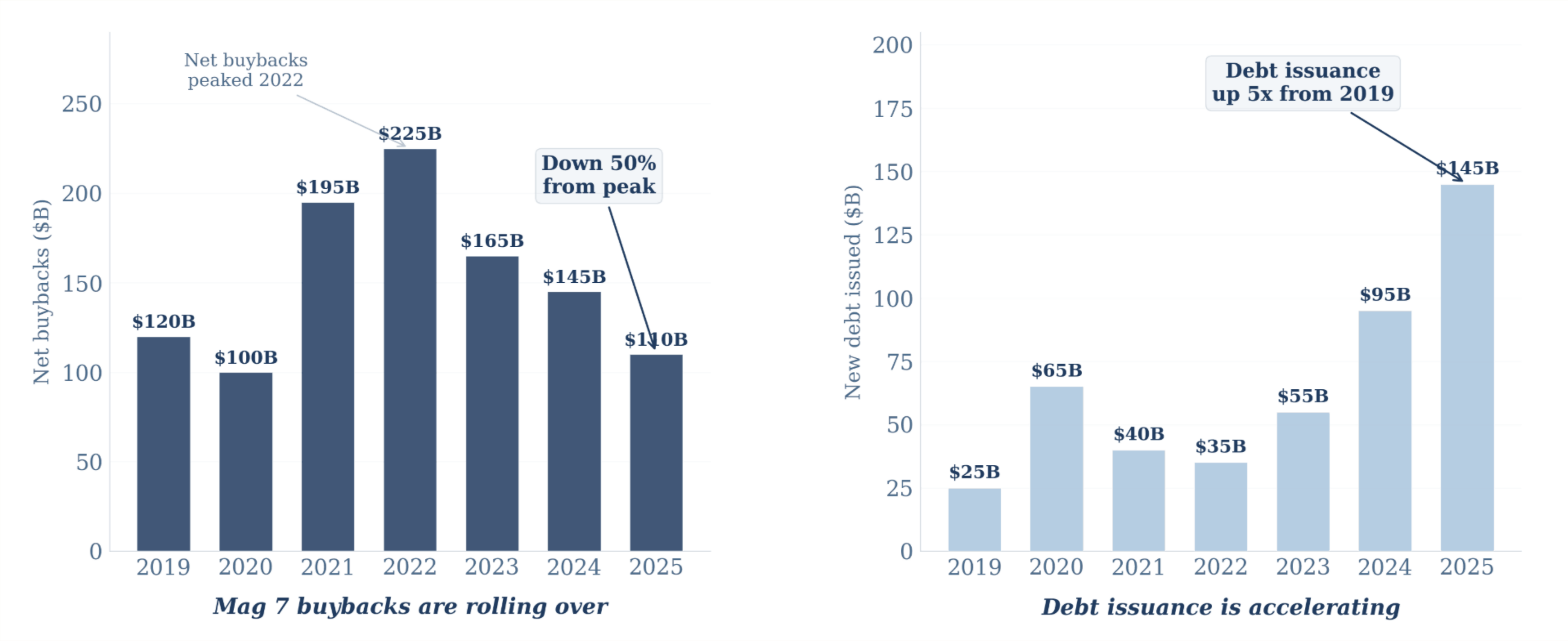
SOURCE *Bain & Company, MUFG, CreditSights, company filings.*

Data as of April 2026.

Buybacks are *slowing*. Debt is *accelerating*.

Capital that used to return to shareholders is now funding infrastructure. What operating cash cannot cover, debt does.

NET BUYBACKS · PEAK 2022	$225 B
NET BUYBACKS · 2025 · −50%	$110 B
NEW DEBT · 2025 · 5× INCREASE	$145 B



CREDIT MARKET READ

CreditSights projects $1.5T of hyperscaler issuance over the coming years, a new class of investment-grade supply.

SOURCE *CreditSights, S&P Dow Jones Indices, company filings.*

Data as of December 2025.

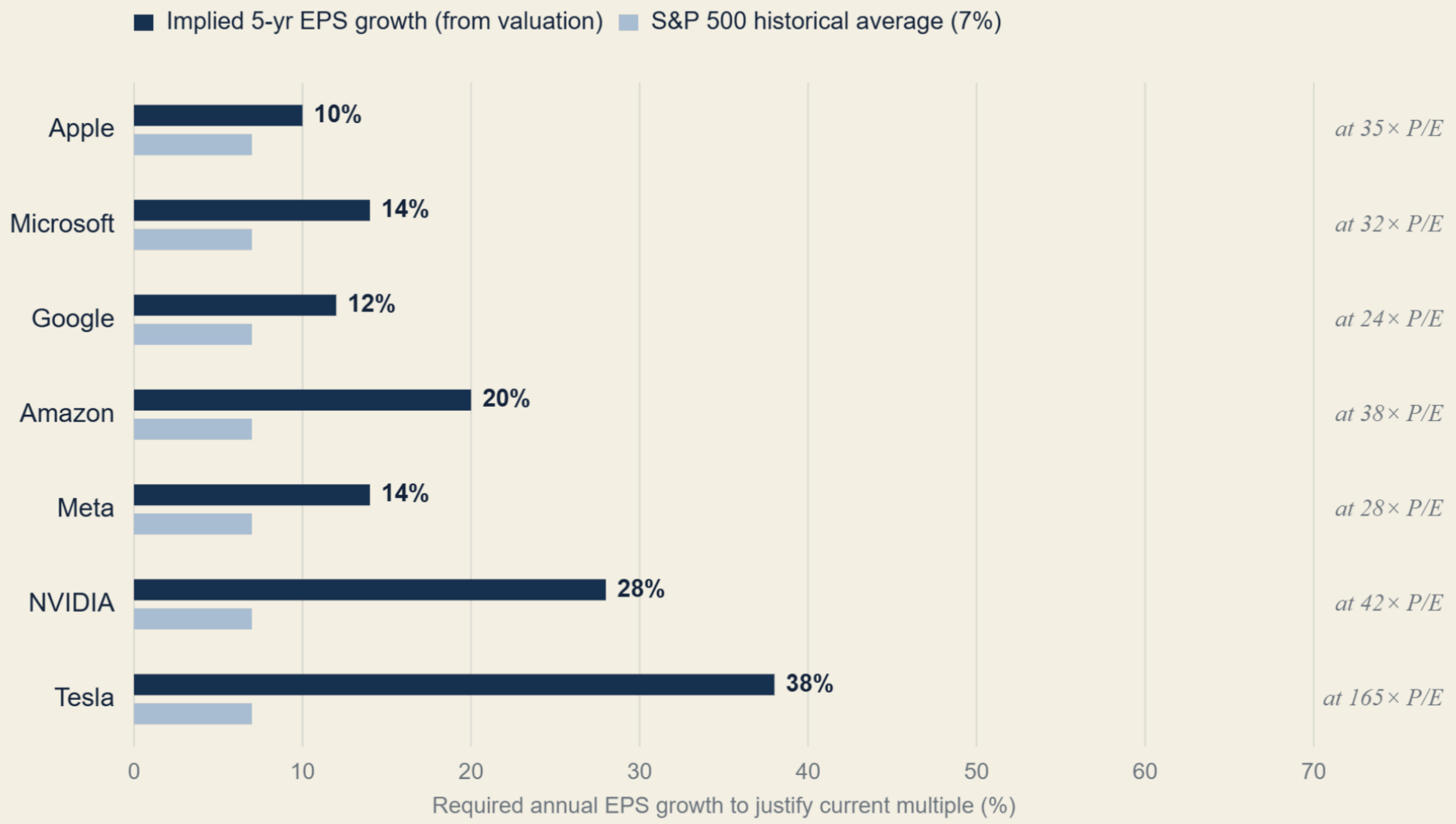
Today's valuations require growth that is *historically rare*.

Only 3% of S&P 500 companies have stayed in the top sales-growth quintile for three consecutive years.

S&P 500 HISTORICAL AVG / YR	7 %
IMPLIED FOR NVIDIA	28 %
IMPLIED FOR TESLA	50 %

THE BASE RATE

The valuations assume outcomes that, at the market level, have happened 3% of the time in the last 30 years.



SOURCE *Invesco, FactSet, Bloomberg consensus estimates.*

Data as of April 2026.

Four of the quiet anchors of the last fifteen years have all moved at once: correlation, CAPE, the equity risk premium, and the dollar.

The *math* of the moment.

IV

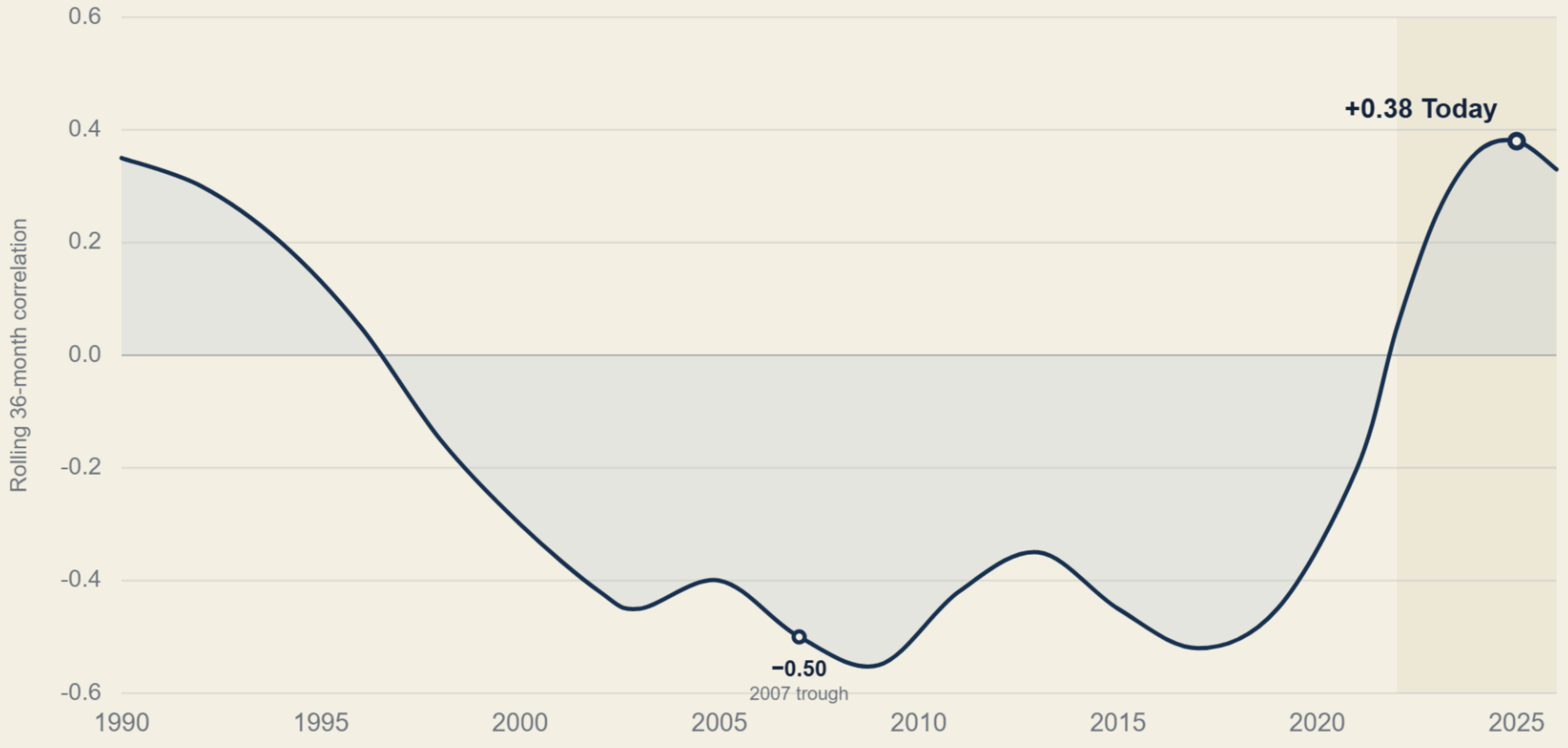
Stock and bond correlation flipped *positive*, and stayed.

For 25 years, bonds cushioned equity drawdowns. That relationship changed in 2022 and has not returned.

TODAY	*+0.38*
2007 TROUGH	−0.50
PRIOR POSITIVE ERA	1965 to 1998

IMPLICATION

Goldman estimates 2× wider 60/40 drawdowns under positive correlation. The last positive regime ran 33 years.



SOURCE *Bloomberg, Goldman Sachs.*

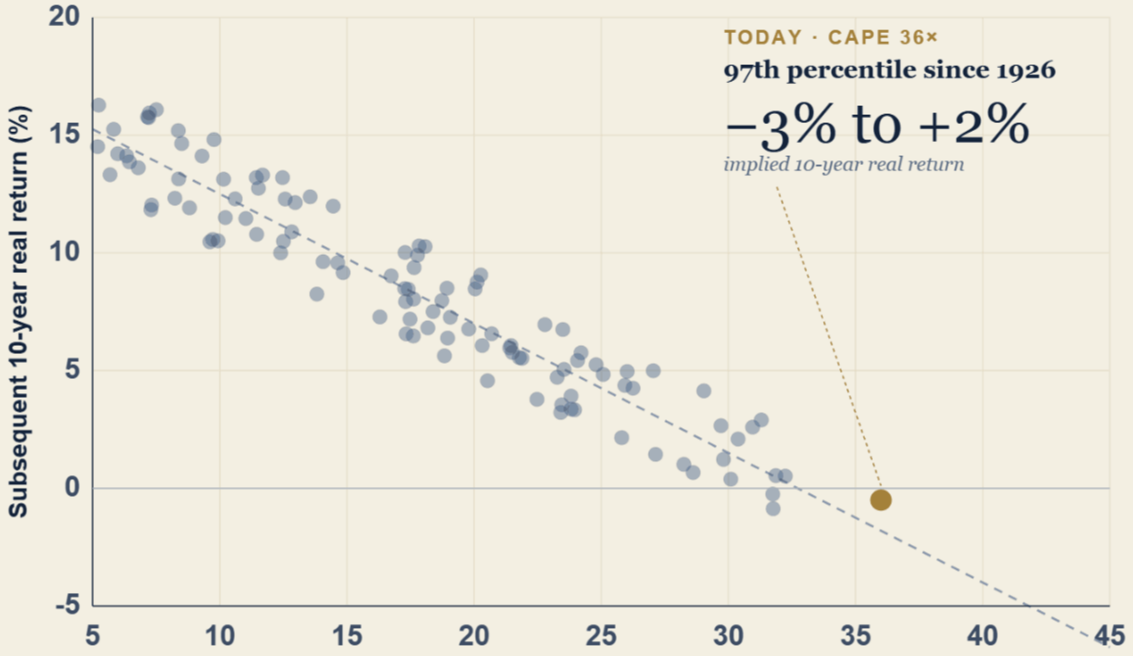
Data as of April 2026.

Starting points are *stubborn*. Today's are near *extremes*.

SHILLER CAPE · STARTING POINT VS. NEXT-DECADE RETURN

CAPE, Robert Shiller's Cyclically Adjusted P/E, divides today's price by the average of 10 years of inflation-adjusted earnings, smoothing out the business cycle.

Today's CAPE of **36×** sits in the **97th percentile** since 1926, matched only by **1929** and **2000**.



Each dot is a rolling decade since 1926. Starting CAPE explains roughly 70% of the next decade's return variance.

EQUITY RISK PREMIUM · TODAY

0.8%

A 25-year low. Bonds offer a real return. Equities offer little premium over that.

ACROSS REGIMES

1970s avg	4.2%
1990s avg	3.8%
Dot-com · 2000	1.0%
2010s avg	4.5%
Long-term avg	3.5%
Today	**0.8%**

SOURCE *Robert Shiller, Goldman Sachs Global Markets Strategy, Federal Reserve. CAPE = Cyclically Adjusted P/E.*

Data as of April 2026.

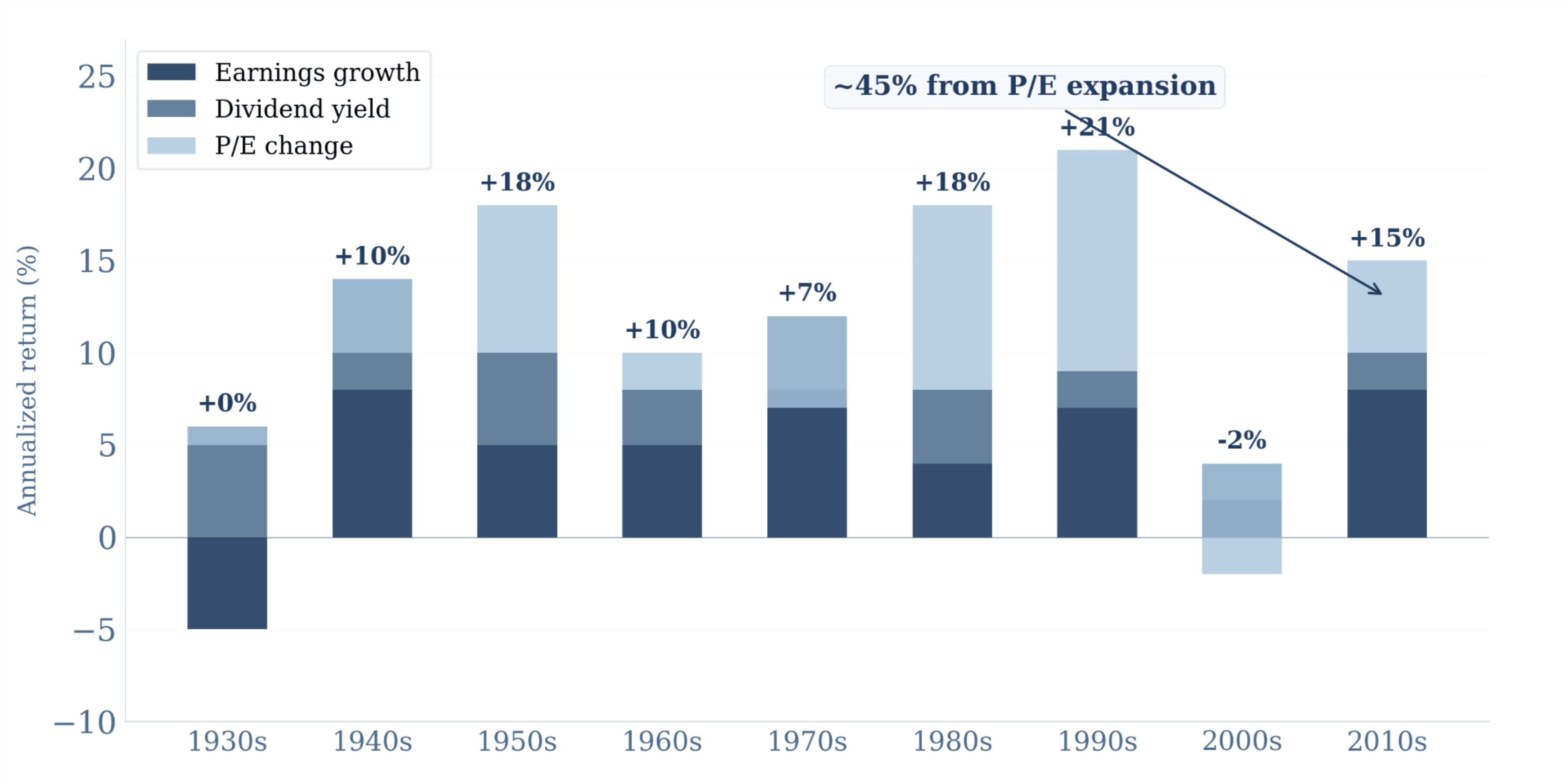
Nearly half of 2010s returns came from *re-rating*.

Strip out multiple expansion and the 2010s produced about 8% annualized returns, right at the 90-year average.

2010S TOTAL RETURN / YR	+15 %
FROM P/E EXPANSION	~45 %
MULTIPLE · TODAY	21×

IMPLICATION

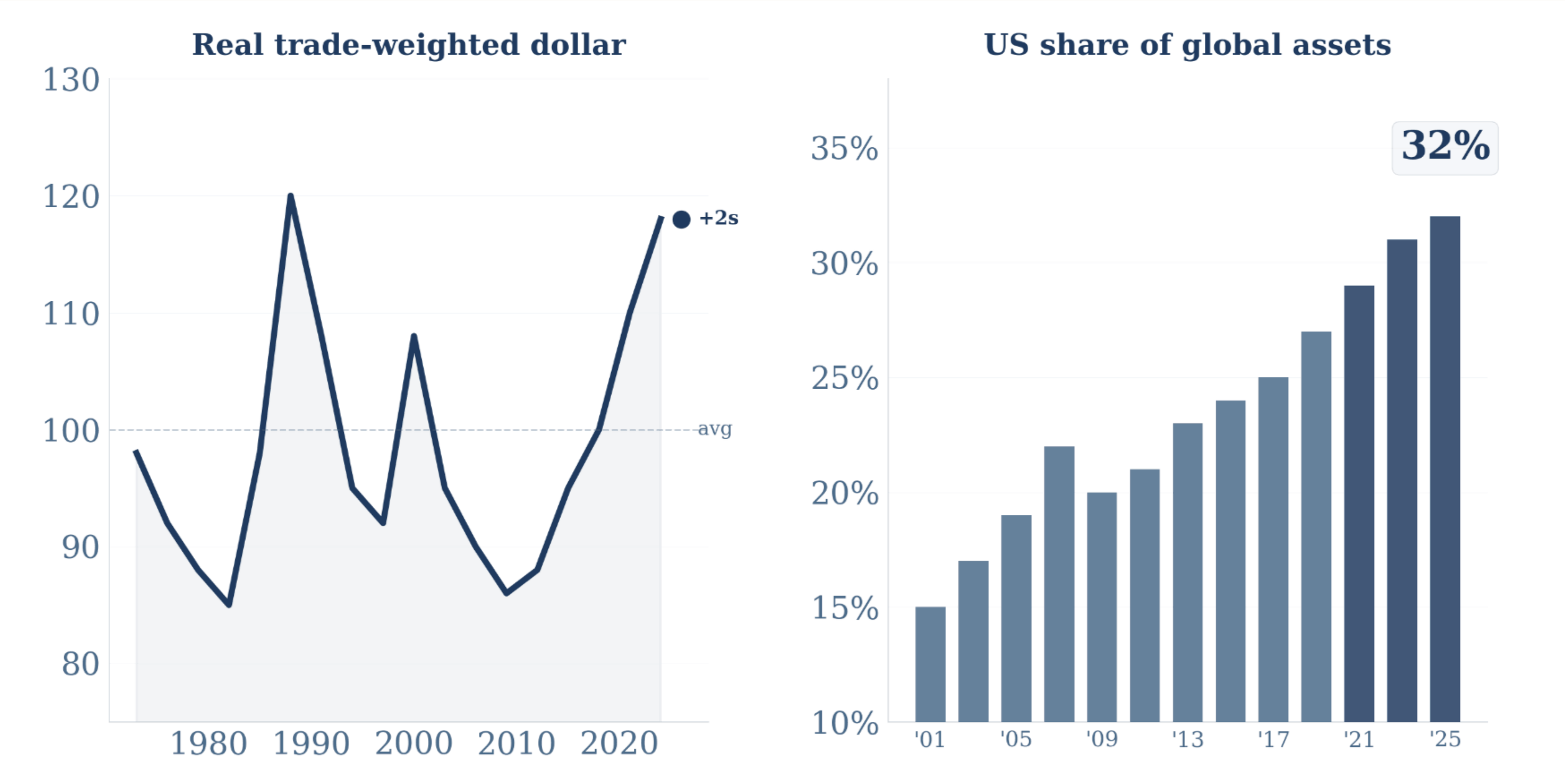
From 21×, further multiple expansion is unlikely. Earnings and dividends will have to do the work from here.



SOURCE *Goldman Sachs Global Markets Strategy, BofA Global Research.*

Data as of April 2026.

Both the dollar and US share are at *multi-decade highs*.



+2 *std. dev.*

REAL DOLLAR · VS. 50-YR AVG

32%

US SHARE · GLOBAL ALLOCATION

When the dollar is this extended, non-US equity has outperformed by ~3% annualized over the following decade.

2025 ALONE

The dollar was down 9%. That move alone added ~10 percentage points to MSCI EAFE returns for US-based investors.

SOURCE *BIS, Federal Reserve, IMF, Morgan Stanley.*

Data as of December 2025.

While the US market obsessed over seven names, the winners of the last three years were somewhere else entirely.

The quiet winners beyond the *Mag 7.*

V

While everyone watched the Mag 7, *the world ran further.*

BY THEME *14 themes tracked*

12 *of 14*

thematic baskets beat the Mag 7 average *over three years.*

Argentina (YPF)	**+585%**
Constellation Energy	**+485%**
European defense	+285%
Italian banks	+235%
Uranium (URA)	+195%
MLPs (midstream)	+145%
Gold miners (GDX)	+142%
US defense (ITA)	+118%
Mag 7 avg	**+80%**
S&P 500	+48%

BY COUNTRY *15 non-US markets*

10 *of 15*

non-US country indices beat the S&P 500, *in USD.*

Argentina (Merval)	**+310%**
Greece (ATHEX)	**+195%**
Poland (WIG)	+145%
Italy (FTSE MIB)	+118%
Spain (IBEX)	+95%
Taiwan (TWSE)	+72%
Germany (DAX)	+72%
Japan (TOPIX)	+68%
S&P 500	**+48%**
China (CSI 300)	−15%

THE HOLDINGS GAP

Most investors we know have little to no exposure *to these. Opportunity doesn't require prediction, just a wider lens.*

22 of 29

SOURCE *Bloomberg, FactSet, MSCI. Total returns Feb 2022 through Apr 2026, USD terms.*

Data as of April 2026.

The portfolio that worked for fifteen years relied on eight supporting conditions. Each of them is now shifting.

The *rebalance.*

VI

A broader opportunity set pushes the frontier *outward*.

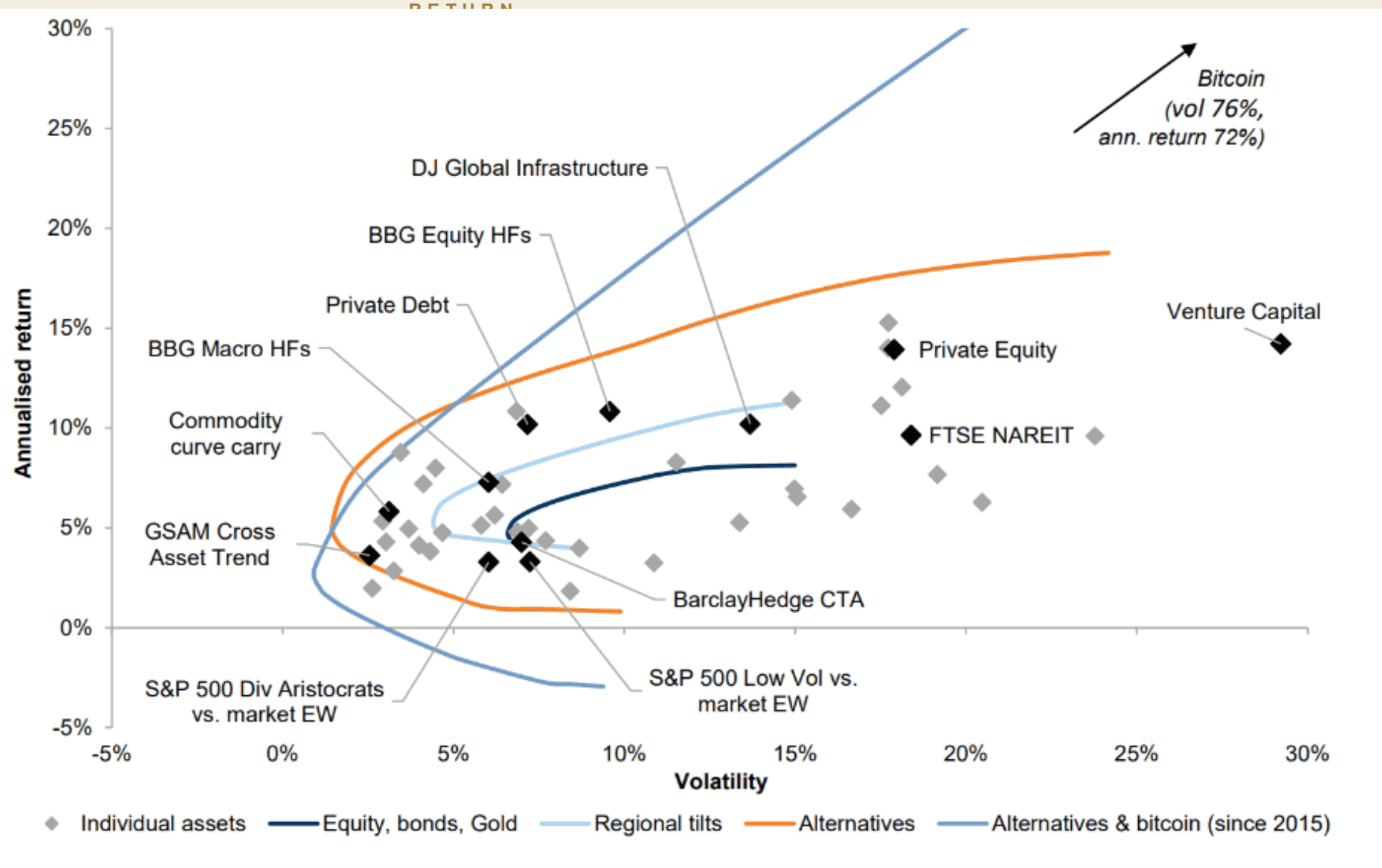
A 60/40 of stocks and bonds tops out around 8% returns. Adding alternatives, real assets, and non-US exposure pushes the ceiling higher.

SAME RISK · EXTRA RETURN	+1.2 %/yr
SAME RETURN · LESS VOL	−1.1 %/yr

IMPLICATION

A compressed equity risk premium alongside a positive stock-bond correlation means traditional 60/40 carries less of the diversification load it used to.

EFFICIENT FRONTIER · RISK VS. RETURN



SOURCE *Goldman Sachs Asset Management.*

Data as of April 2026.

Five areas where we see *opportunity.*

01

REAL ASSETS

Energy & power

US electricity demand grew <0.5% annually for two decades; it is now tracking ~2.5% as data centers, reshoring, and electrification compound. Grid capex must roughly double to $1.4T per year by 2030, and the build-out is bipartisan, regulated, and largely contracted.

$1.4T
ANNUAL GLOBAL CAPEX BY 2030

02

SECULAR GROWTH

Healthcare

The global 65+ population grows ~38% by 2035, adding ~280M people, and 80+ grows nearly twice as fast. An aging cohort consumes 3-5x the healthcare per capita of a working-age adult. AI applied across diagnostics, clinical workflows, and care delivery is forecast to unlock ~$1T in annual value across the global healthcare system by 2030.

+38%
GLOBAL 65+ POPULATION BY 2035

03

SOVEREIGN SPEND

Defense & Space

Global defense spending hit ~$2.7T in 2024, the steepest annual rise since the Cold War, with NATO members now committed to a 3.5% spending floor through procurement contracts that span administrations. Space, a ~$650B industry today underpinning ~18% of OECD economic activity, is on track to grow ~5x to ~$3.2T by 2035.

$3.2T
SPACE ECONOMY BY 2035

04

SUPPLY GAP

Commodities

Data center build-out, EV adoption, and grid expansion drive structural demand for copper, lithium, nickel, and uranium. Copper demand alone roughly doubles by 2035, lithium tracks ~3x on EV penetration, and uranium inventories sit near multi-decade lows against 60+ reactors under construction. New mines take 15+ years to first pour, making commodities the binding constraint on the energy and power theme.

2x
COPPER DEMAND BY 2035

05

BUILD-OUT

AI picks & shovels

The four US hyperscalers will spend ~$690B on AI capex in 2026, more than the combined R&D budgets of the S&P 100. Semicap equipment, power & cooling, and networking silicon capture the spend regardless of which model wins. Owning the build-out, not the winners.

$690B
HYPERSCALER CAPEX IN 2026E

A broader toolkit for what comes next.

— FOLLOW-UP PRESENTATION

Part II · Implementation. A follow-up on how these themes translate into *actionable positioning* across public and private markets, covering manager selection and vehicle structure.

Important Disclosures

As of May 2026

Regulatory Status

Colter Lewis Investment Partners LLC ("Colter Lewis" or "CLIP") is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply any particular level of skill or training. Additional information about Colter Lewis, including its services, fees, and conflicts of interest, is available in its Form ADV Part 2A, which can be obtained upon request or at adviserinfo.sec.gov.

Purpose of this material

This material has been prepared by Colter Lewis for general informational and educational purposes only. It is not intended as, and should not be relied upon as, investment, legal, tax, or accounting advice, nor as an offer to sell or a solicitation of an offer to buy any security or to participate in any investment strategy. This material does not consider the specific investment objective, financial situation, or particular needs of any person. The views and strategies described may not be suitable for all investors and are subject to investment risks, including the possible loss of principal.

Distribution and reproduction

This material may not be reproduced, redistributed, or transmitted, in whole or in part, without the prior written consent of Colter Lewis, except as required by law. This material is directed only to recipients in jurisdictions where its distribution and the services described would be lawful; it is not intended for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to local law or regulation.

Forward-looking statements and views

The views, opinions, estimates, and strategies expressed herein constitute Colter Lewis's judgment based on current market conditions as of the date of this material and are subject to change without notice. Words such as "outlook," "anticipate," "believe," "could," "expect," "may," "should," and "would," and similar expressions, are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied. Forward-looking statements should not be regarded as guarantees or predictions of future events. Colter Lewis assumes no obligation to update any information contained in this material.

Past performance and risk of loss

Past performance is not a reliable indicator, and is not a guarantee, of future results. All investments involve risk, including the possible loss of principal. Investors may get back less than they invested.

Hypothetical examples and projected results

Any projected results, hypothetical examples, or illustrations included in this material are provided for illustrative purposes only. Hypothetical results have inherent limitations: they are generally prepared with the benefit of hindsight, do not represent actual investment results, do not reflect the impact that material economic and market factors may have had on decision-making, and do not involve financial risk. Actual results will vary, potentially materially, depending on specific circumstances, market conditions, fees, taxes, and other factors. No representation is made that any account will or is likely to achieve results similar to those shown.

Third-party information and indices

Certain information contained herein has been obtained from third-party sources believed to be reliable; however, Colter Lewis has not independently verified such information and makes no representation or warranty as to its accuracy or completeness. Any references to indices are provided for comparison purposes only. Indices are unmanaged, do not reflect the deduction of fees, expenses, or transaction costs, and cannot be invested in directly.

Non-reliance

While Colter Lewis believes the information contained in this material to be reliable, it does not represent or warrant its accuracy, reliability, or completeness, and accepts no liability for any loss or damage arising out of the use of this material. No representation is made with respect to any computations, graphs, tables, or diagrams, which are provided for illustration purposes only.

Conflicts of interest

Colter Lewis, its affiliates, employees, and clients may, from time to time, hold positions in, or engage in transactions involving, securities, issuers, or investment strategies referenced in this material that may not be consistent with the views, opinions, estimates, or strategies expressed herein.

Suitability and no advisory relationship

Colter Lewis is not acting as your investment adviser, and no advisory or fiduciary relationship is created, unless and until you and Colter Lewis have entered into a written investment advisory agreement. There may be additional factors not reflected in this material that may impact a portfolio or investment decision. You should consider carefully whether any products or strategies discussed are suitable for your specific needs and should obtain additional information prior to making any investment decision. Colter Lewis employees do not provide tax, legal, or accounting advice; you should consult your own advisers before entering into any financial transaction.