Q1 2026 in Review

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Data as of: 4/9/2026

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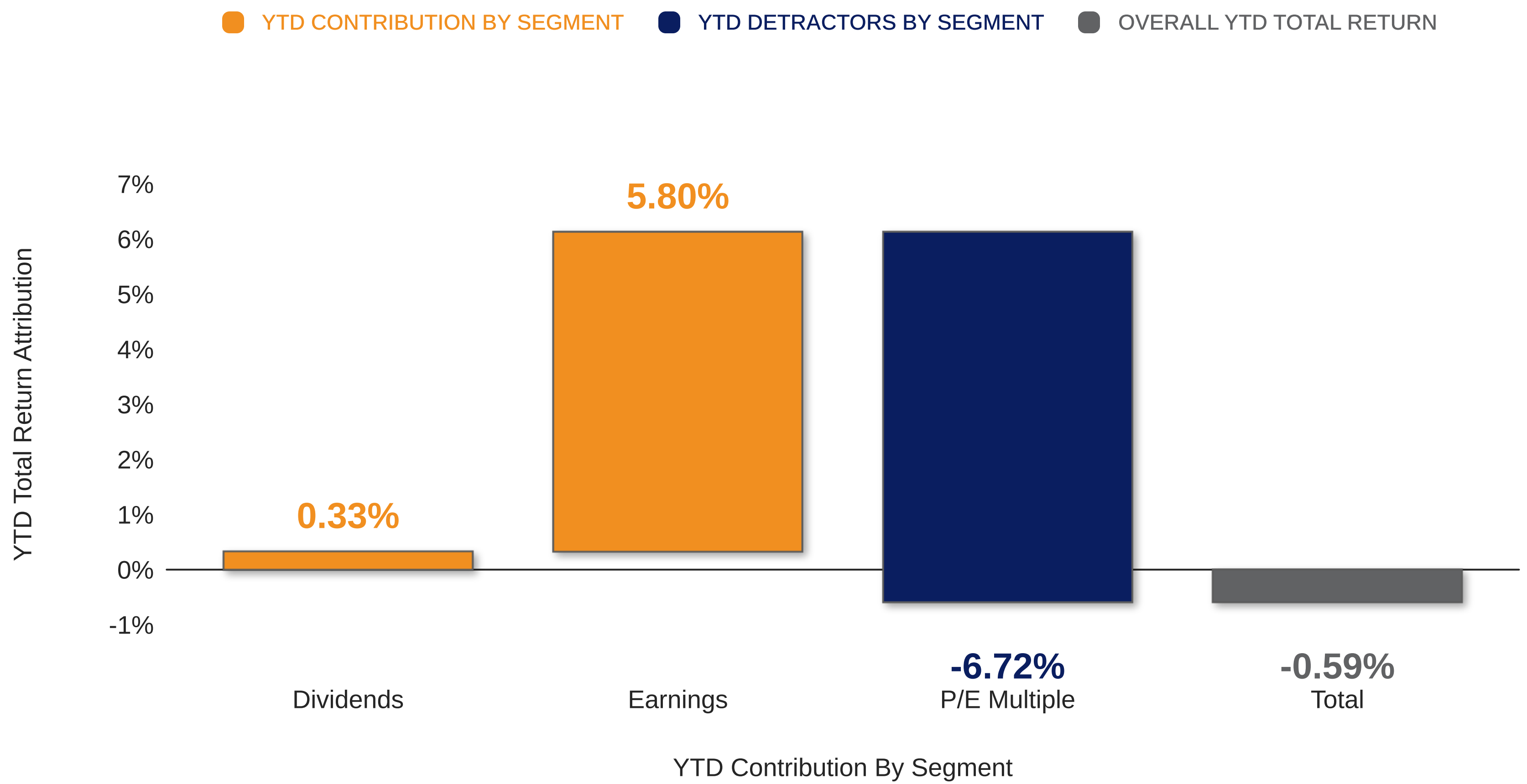
Where Are Equity Returns Coming From In 2026?

S&P 500 YTD Total Return Broken Down By Contribution From Earnings, P/E Multiple, and Dividends

Year-to-date 2026



Source: © Exhibit A, FactSet Research Systems Inc., Standard & Poor's | Latest: 2026-04-08

 Definitions & Methodology: The S&P 500 tracks the performance of 500 large-cap U.S. companies, serving as a benchmark for the U.S. stock market. The index is market cap weighted. Total return reflects price changes plus reinvested dividends. Year-to-date return attribution is broken into three components: earnings growth, which captures the impact of changes in trailing twelve-month earnings; P/E multiple expansion, which measures the effect of changes in the S&P 500's trailing 12-month price-to-earnings ratio; and dividends, which represent the return contribution from dividends paid.

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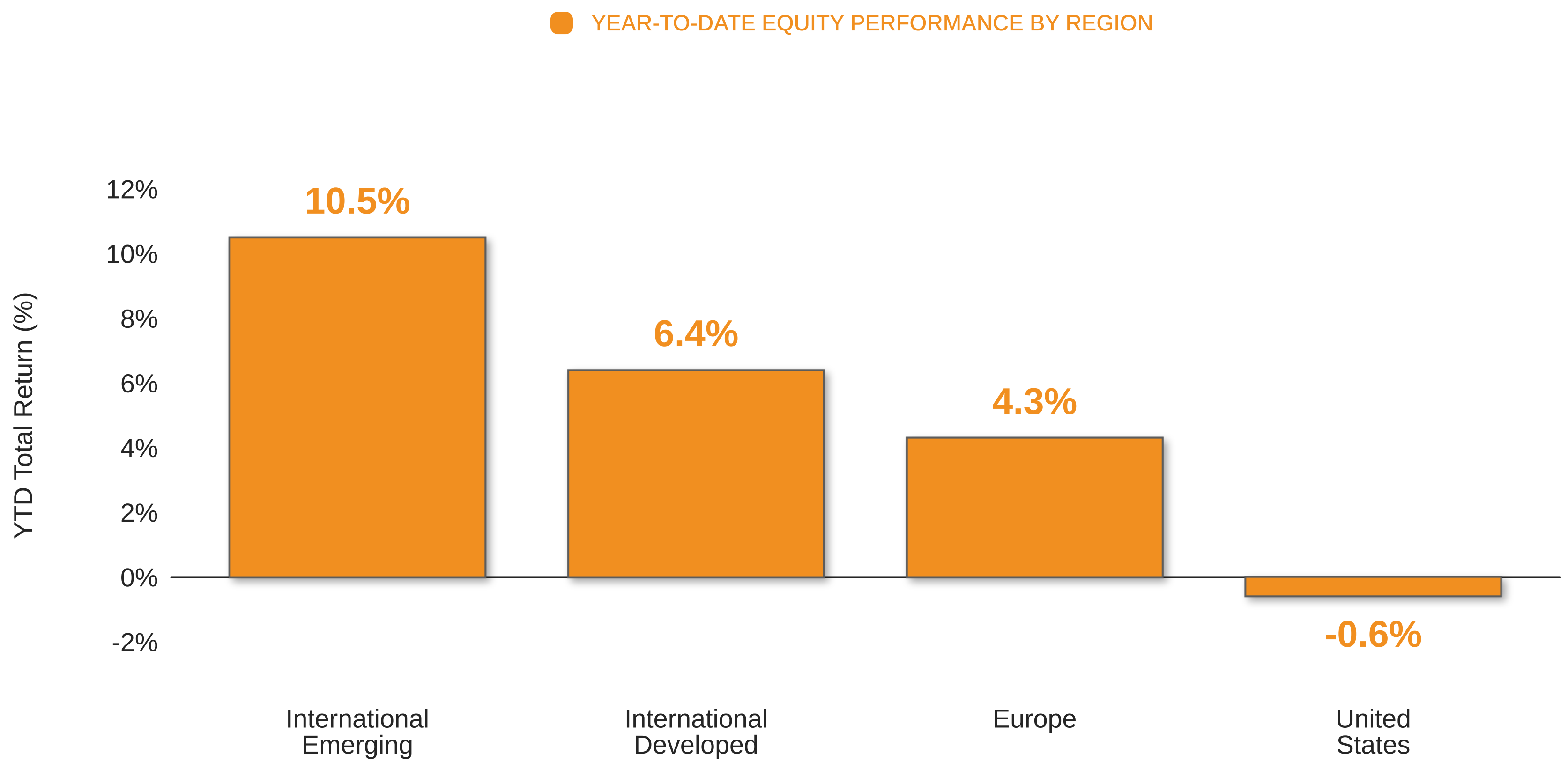
Key Takeaways

- **Measuring Return Drivers in 2026**: The chart shows the S&P 500's total return year-to-date broken down into the contribution from three segments: earnings growth, P/E multiple, and dividends.
- **A Recent Look at the Data**: Year-to-date, the S&P 500's total return is -0.59%.
- **Investment Implications**: Breaking down returns this way helps show whether market gains are being supported by underlying fundamentals or shifts in valuation.

Regional Equity Performance in 2026

International (Developed & Emerging), United States, and Europe year-to-date (YTD) Equity Total Return (%)

YTD 2026



Key Takeaways

- **Understanding Regional Equity Performance in 2026**: This chart displays the year-to-date (YTD) total return performance of key regional equity markets: United States, International Developed, International Emerging, and Europe.
- **Avoiding Home Bias**: The chart is a reminder of the potential diversification benefits of international regions exposure beyond domestic market concentration.
- **Investment Implications**: Tracking regional equity performance can help investors evaluate potential diversification benefits and assess market leadership trends. Differences in returns may highlight varying economic conditions, monetary policies, or sector compositions across regions.

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 Definitions & Methodology: The S&P 500 Index tracks the performance of 500 large-cap U.S. companies and serves as a benchmark for the U.S. stock market. The index is market-cap weighted. Returns shown represent year-to-date total return performance as of the current date. The following tickers are used as proxies for international equity markets: EFA (International Developed), EEM (Emerging Markets), and IEV (Europe). Total return includes dividends.

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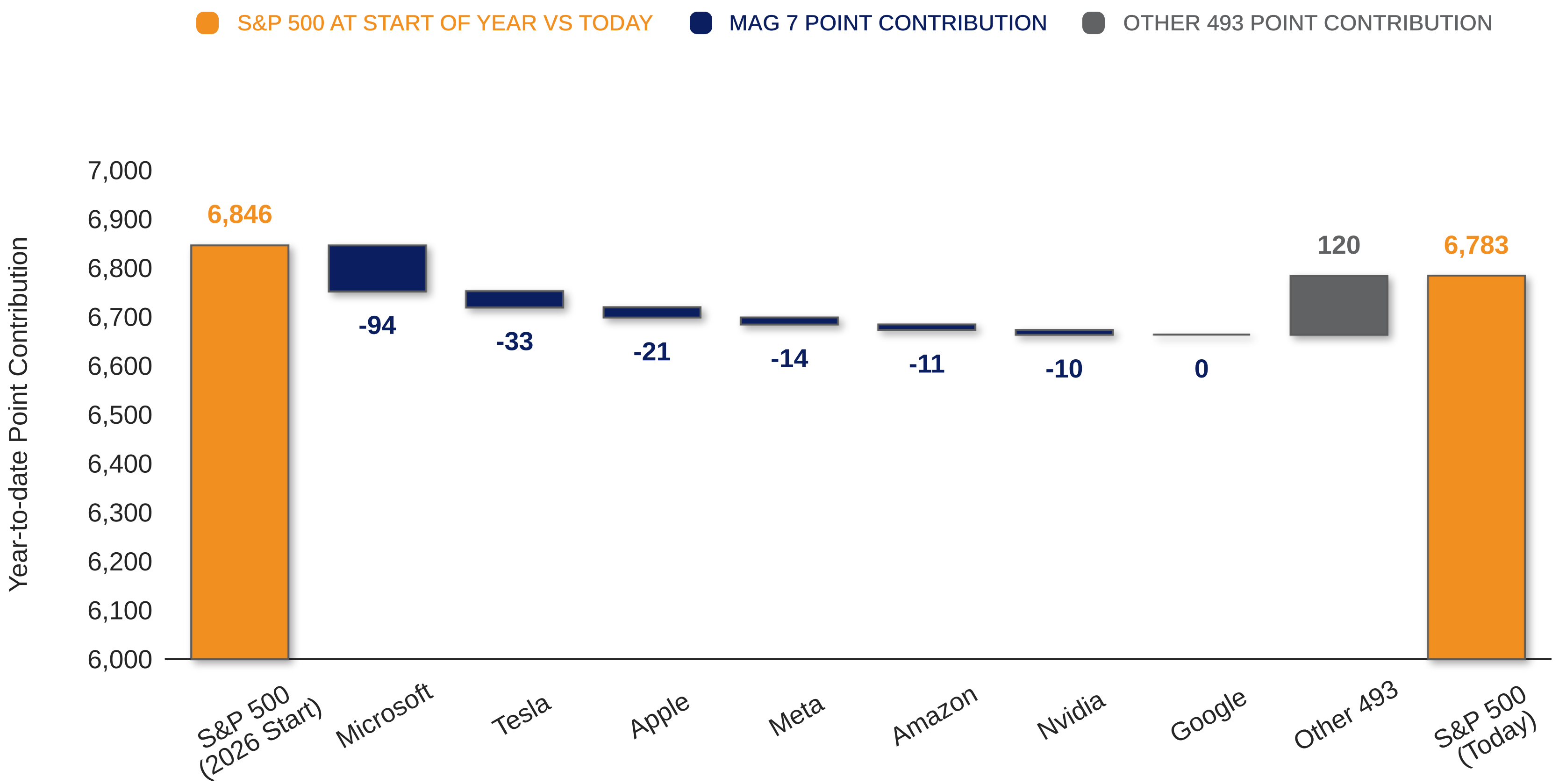
Illustrating the Mag 7's Outsized Impact on the S&P 500

Mag 7 vs "Other 493" Contribution (in Points) to S&P 500 YTD Price Change

Year-to-date 2026



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 Definitions & Methodology: The Mag 7 Contribution to YTD Return chart shows the point contribution of each Magnificent Seven stock (Apple, Microsoft, Amazon, Alphabet, Meta, Nvidia, Tesla) to the S&P 500's year-to-date price return. Contributions are calculated by multiplying each stock's weight at the start of the year by its individual YTD return. "Other 493" represents the combined contribution of all remaining S&P 500 constituents. The starting index level reflects the S&P 500 price index value at the beginning of 2026, and the ending level reflects the cumulative effect of all contributions through the latest date shown.

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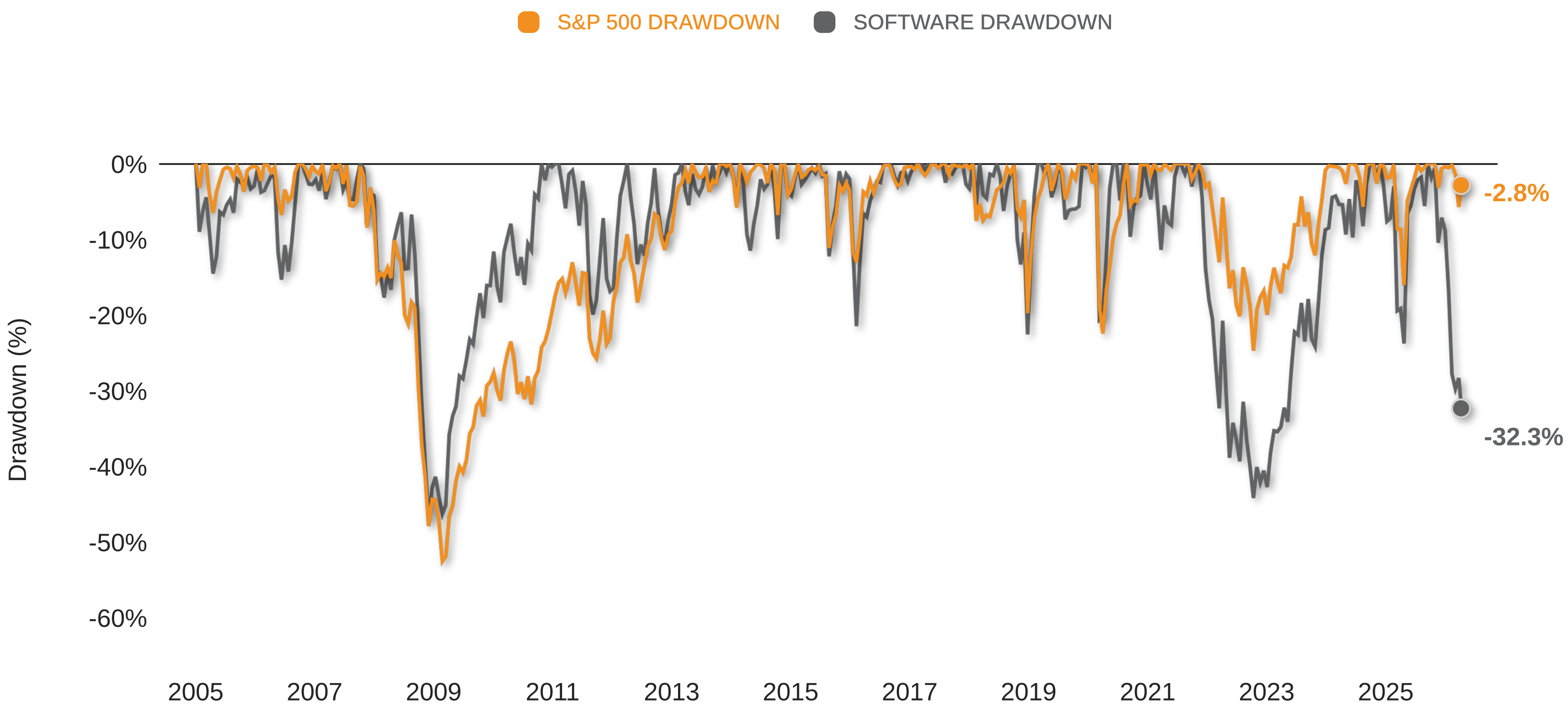
Key Takeaways

- **Measuring The Mag 7's Contribution to YTD Returns**: This chart illustrates how each of the Magnificent 7 stocks has individually contributed to the S&P 500's year-to-date point change. It breaks down the index's move from its starting value at the beginning of 2026 to its current level, isolating the impact of each Mag 7 name alongside the remaining 493 stocks.
- **A Look at the Data**: The chart breaks down the S&P 500's year-to-date point change by isolating the contribution of each Mag 7 stock and the remaining 493 names. This allows investors to see which stocks have had the largest impact, positive or negative, on the index's overall movement so far this year.
- **Concentration Works Both Ways**: When a small number of stocks represent an outsized share of an index, their performance can have a disproportionate impact on overall returns. This chart highlights how concentration within the S&P 500 can work for or against investors depending on how those names are performing at any given time.

Diversification At Work: Software vs The S&P 500

Maximum Drawdown of Software vs the S&P 500

Since 2005



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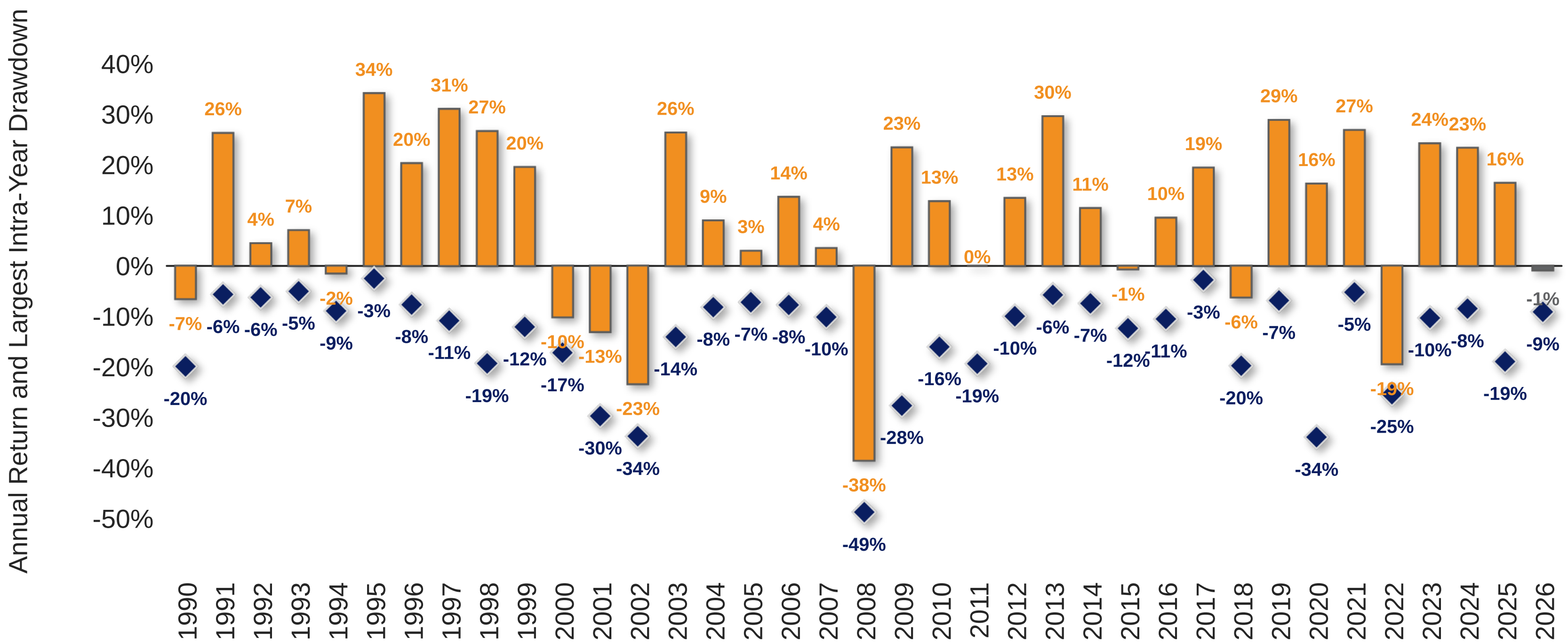
Key Takeaways

- **Measuring The Drawdown In Software vs The S&P 500**: The chart illustrates the historical difference in drawdowns between the Software Industry and the S&P 500 Index over time.
- **A Look at the Data**: As of April 8, 2026, the drawdown of the Software Industry was -32.3% while the drawdown of the S&P 500 Index was -2.8%.
- **The Importance Of Indexing**: The chart may help illustrate the potential benefits of diversification. For example, the Software Industry has recently experienced a much deeper drawdown than the S&P 500 Index, which includes exposure across multiple sectors and industry groups. It is important to keep in mind that diversification does not ensure a profit or guarantee against a loss.

Volatility in Stocks is Historically Normal In All Years

S&P 500 Annual Returns with Largest Intra-Year Drawdowns

Since 1990. 2026 is year-to-date.



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 Definitions & Methodology: The S&P 500 tracks the performance of 500 large-cap U.S. companies, serving as a benchmark for the U.S. stock market. The index is weighted by market capitalization. The chart shows the S&P 500 annual price return and maximum drawdown by year since 1990. The maximum drawdown measures the largest decline in the value of the S&P 500, calculated as the difference between the peak and the trough before the investment reaches a new high within each year. It illustrates that even though most years have historically been positive for the S&P 500, drawdowns have occurred in all years as well.

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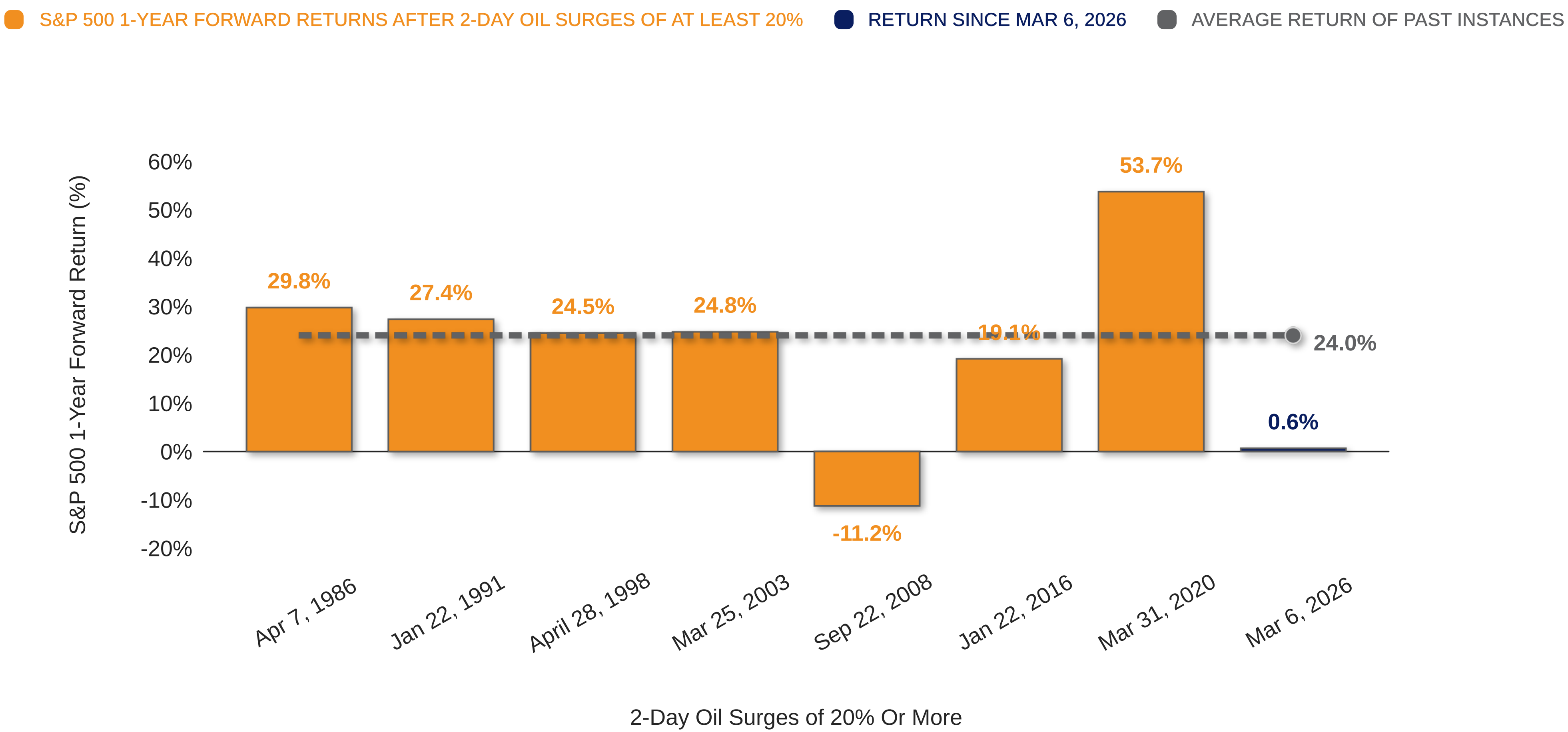
Key Takeaways

- **Understanding Annual Returns and Drawdowns in Stocks**: The S&P 500 annual return bars reflect the total percentage change in the index over a full calendar year. The diamonds reflect the largest drawdowns within each year.
- **Volatility and Market Behavior**: From 1990 to 2025, the S&P 500 has recorded a strong average annual return of 10.1%. This impressive performance, however, has been accompanied by volatility, as investors have faced an average intra-year drawdown of -14.1% during that period. This shows that while gains have historically been significant in the S&P 500, they have not come without volatility.
- **Current Year Performance**: In the current year, the S&P 500 has experienced a year-to-date return of -1%, alongside an intra-year drawdown of -9%.

Historically, What Happens to Stocks After a Surge in Oil?

S&P 500 1-Year Forward Return Following 2-Day Oil Surges of 20%+

Since 1986



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Key Takeaways

- **Measuring Oil Surges & Stock Returns**: The chart illustrates how the S&P 500 has historically performed over the following year after 2-day oil price surges of 20% or more, dating back to 1986.
- **A Look at the Data**: A Look at the Data: There have been 7 unique, historical instances (outside of the March 6, 2026 instance) of oil surging 20% or more over a 2-day period (since 1986). In 6 of 7 cases, the S&P 500 was higher one year later. The S&P 500 has generated a 0.63% return since the March 6, 2026 instance.
- **Investment Implications**: While past performance is not indicative of future results, the chart shows that the S&P 500 has historically tended to show resilience the year following 2-day oil surges over more than 20%.

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Definitions

The S&P 500 tracks the performance of 500 large-cap U.S. companies, serving as a benchmark for the U.S. stock market. The index is weighted by market capitalization. Indices are unmanaged and investors cannot invest directly into them.

The Largest Intra-Year Drawdown measures the largest decline in the value of an investment, calculated as the difference between the peak and the trough before the investment reaches a new high within a specified period of time.

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Exhibit A Disclosures