

1H 2026 in Review



James H. Lee, CFA®, CMT®, CFP®

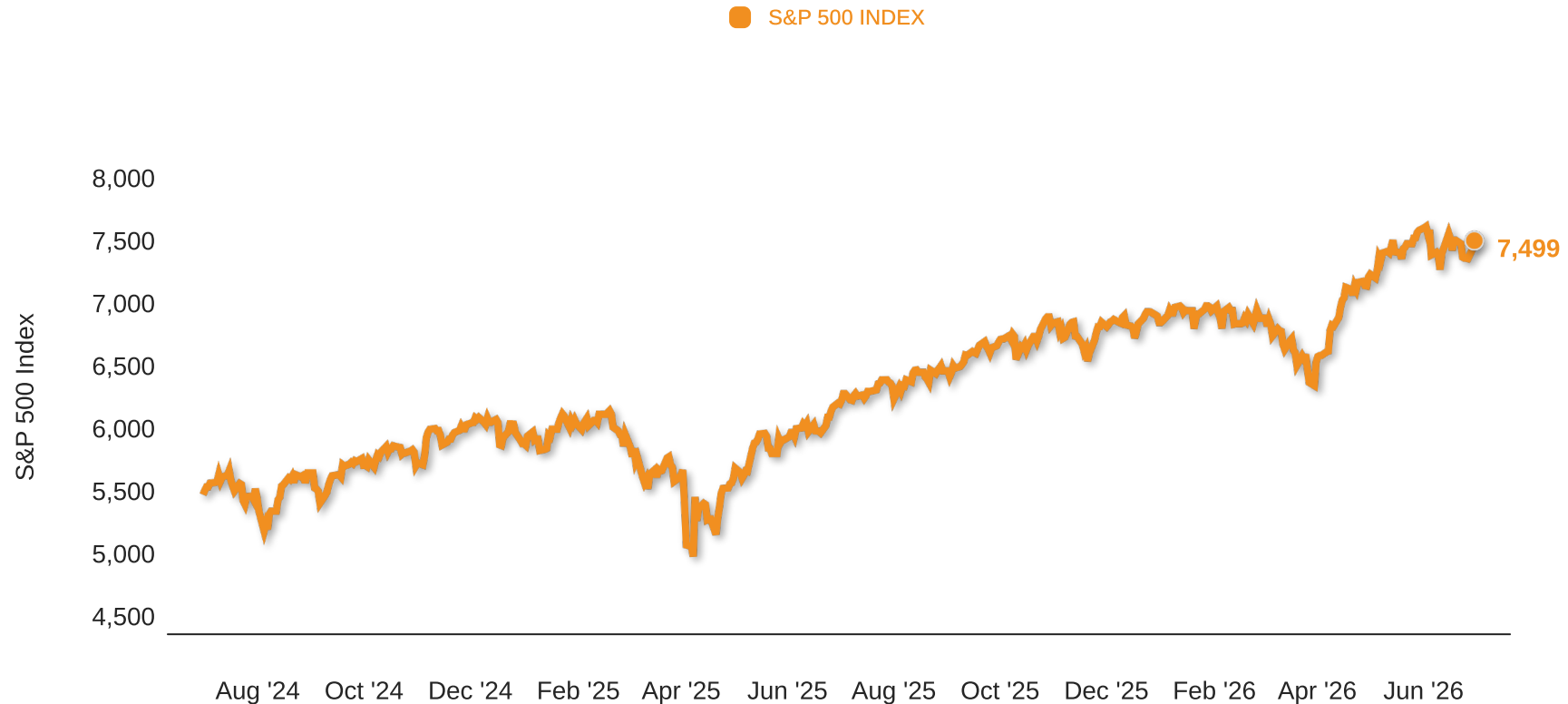
Data as of: 7/1/2026



A Short-Term View Of Stocks

S&P 500 Index Over The Short-Term

Past 2 Years



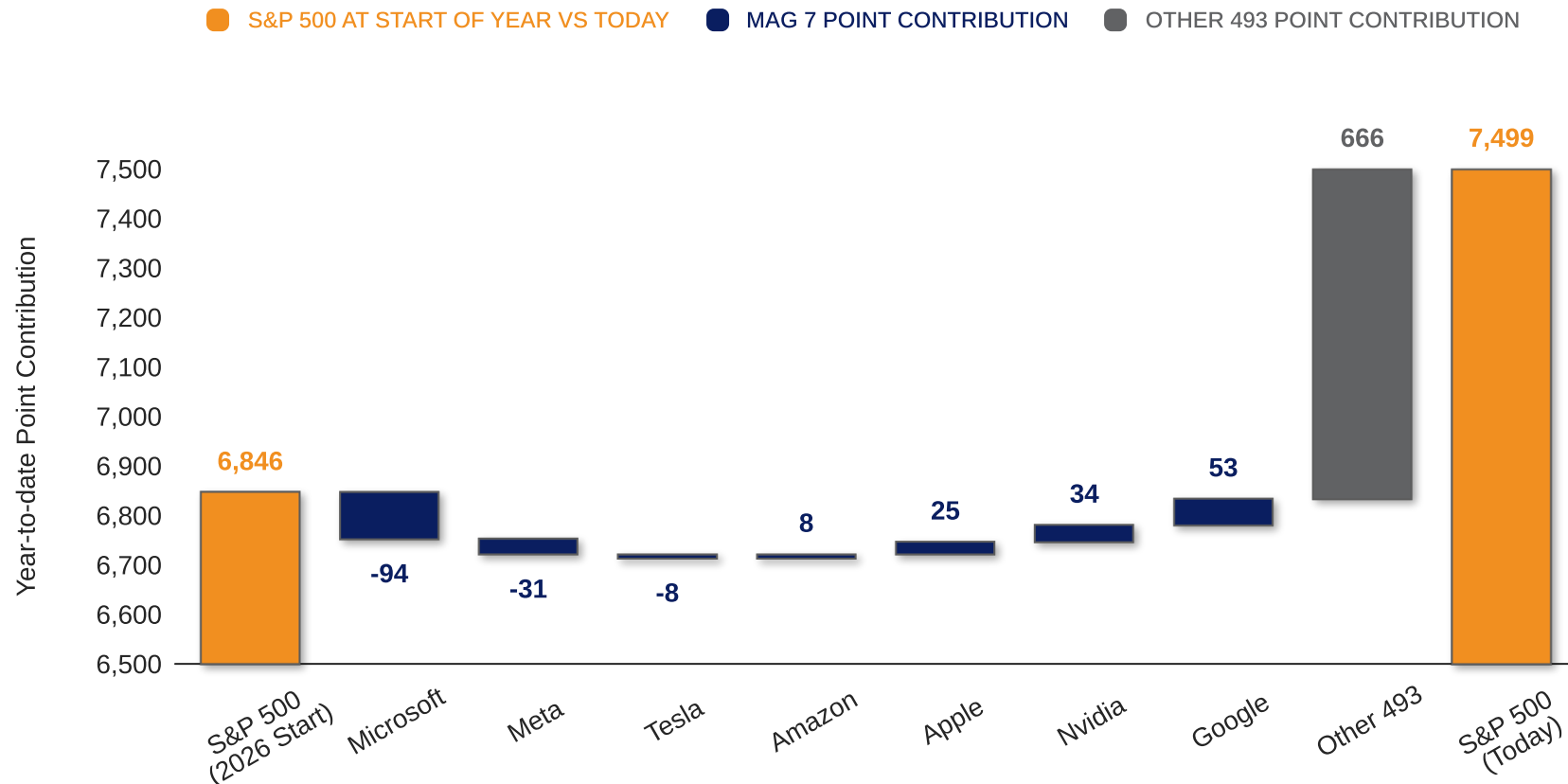
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Illustrating the Mag 7's Outsized Impact on the S&P 500

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

Year-to-date 2026



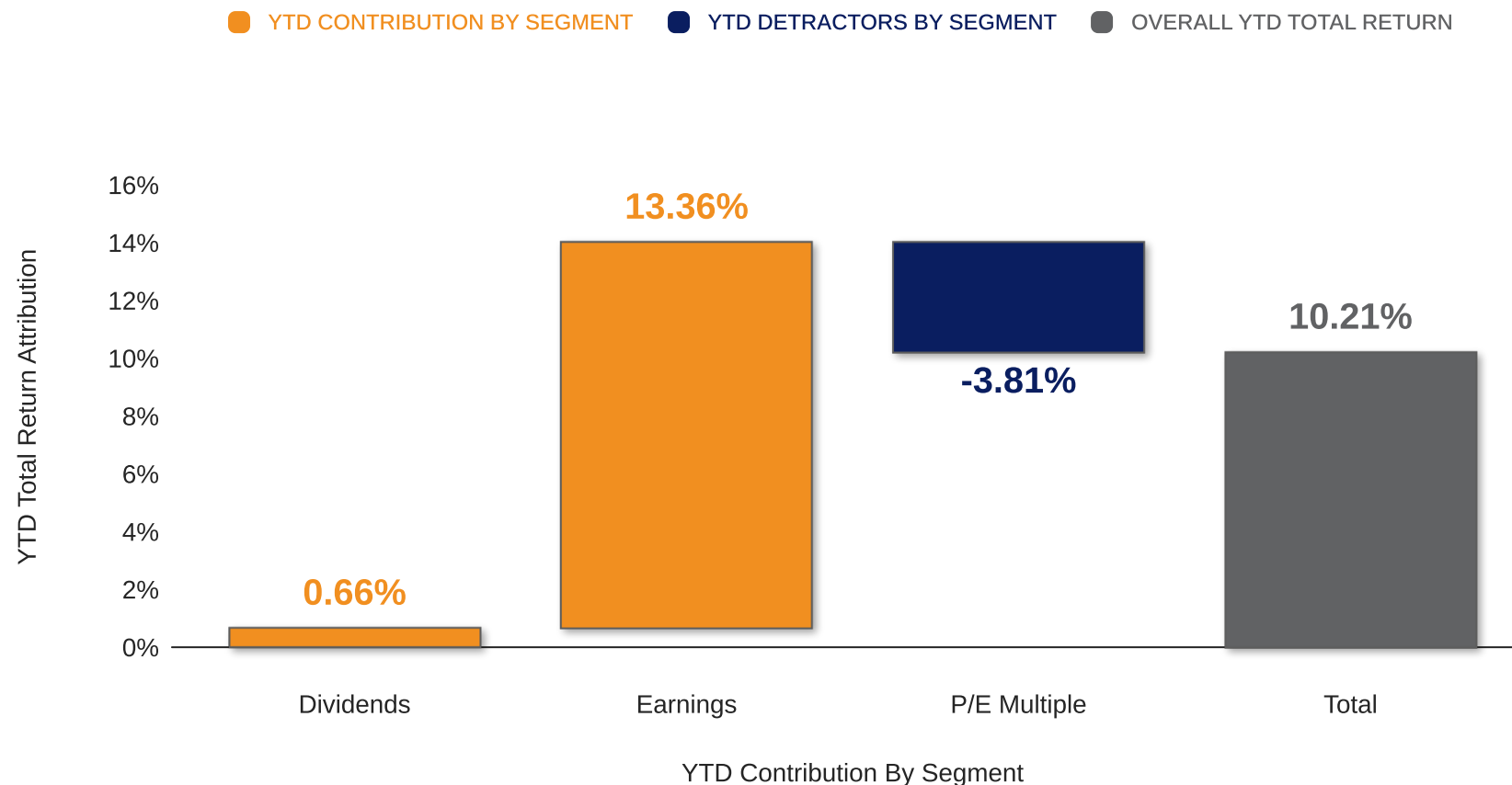
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Where Are Equity Returns Coming From In 2026?

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

Year-to-date 2026



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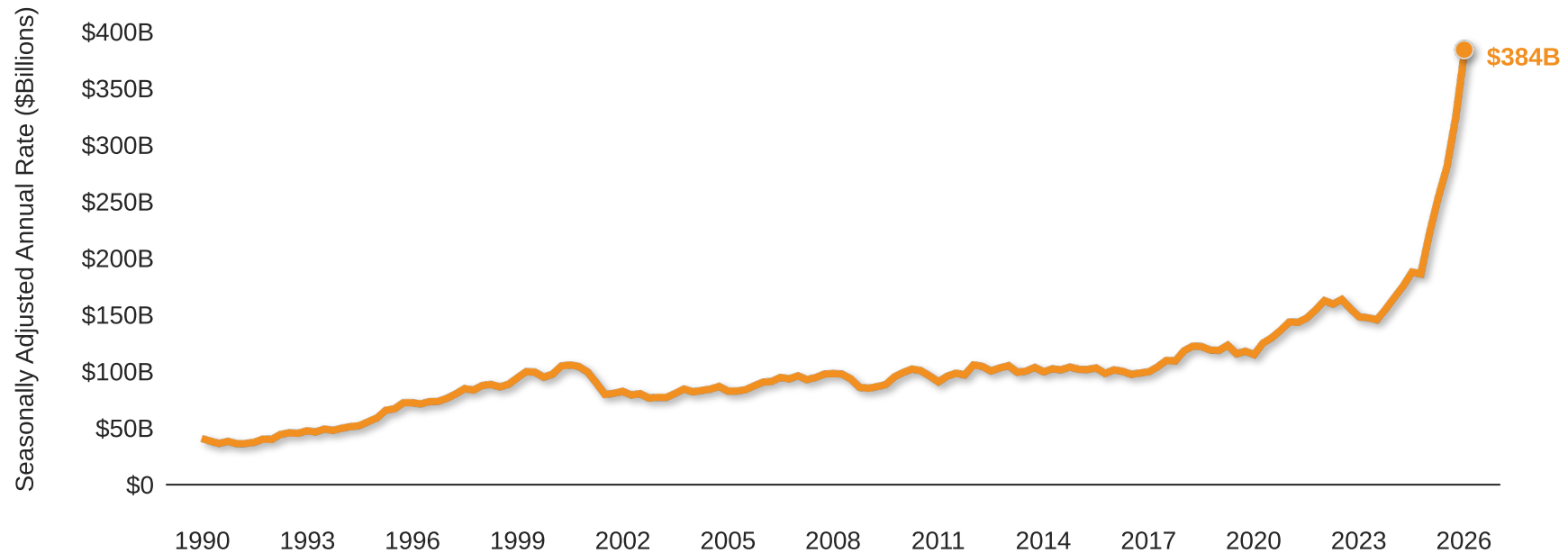
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AI Spending Is Real, Not Just Hype

Business Spending On Computers And Data Center Hardware

Since 1990

■ BUSINESS SPENDING ON COMPUTERS AND DATA CENTER HARDWARE (\$BILLIONS)



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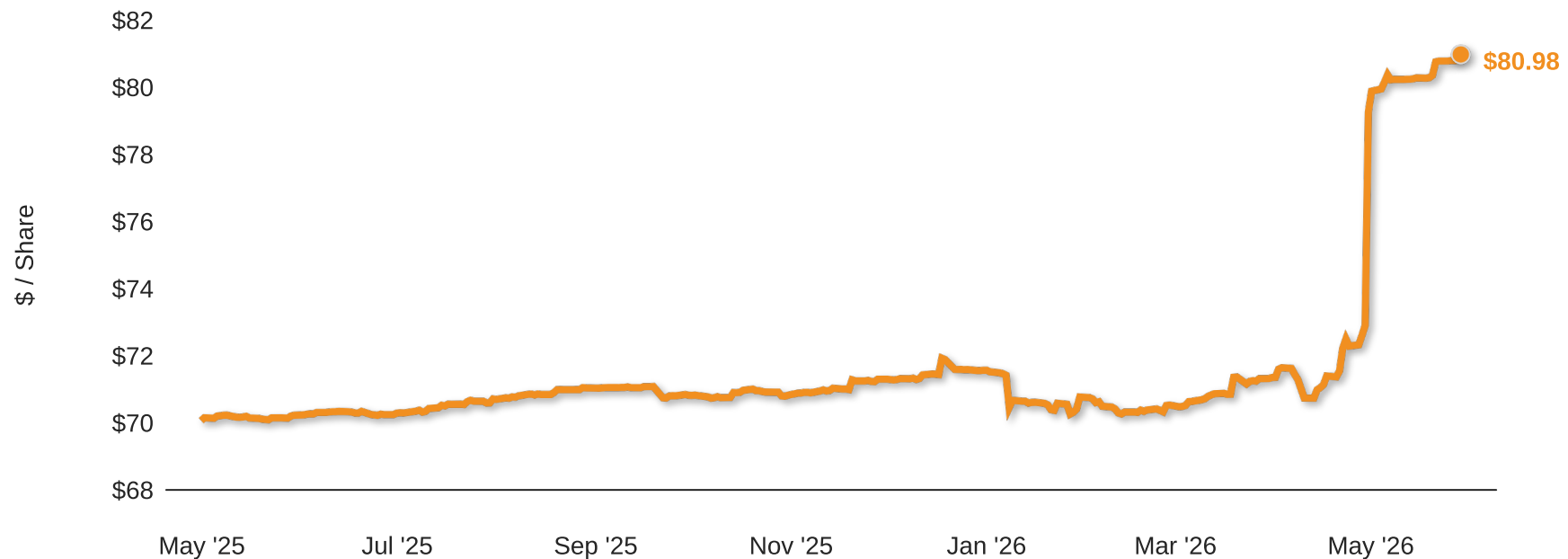
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Strong Earnings Growth Has Supported Stocks

S&P 500 Q1 2026 Earnings Expectation (Consensus Estimate)

Since May, 2025

■ S&P 500 Q1 2026 EARNINGS EXPECTATION (CONSENSUS ESTIMATE)



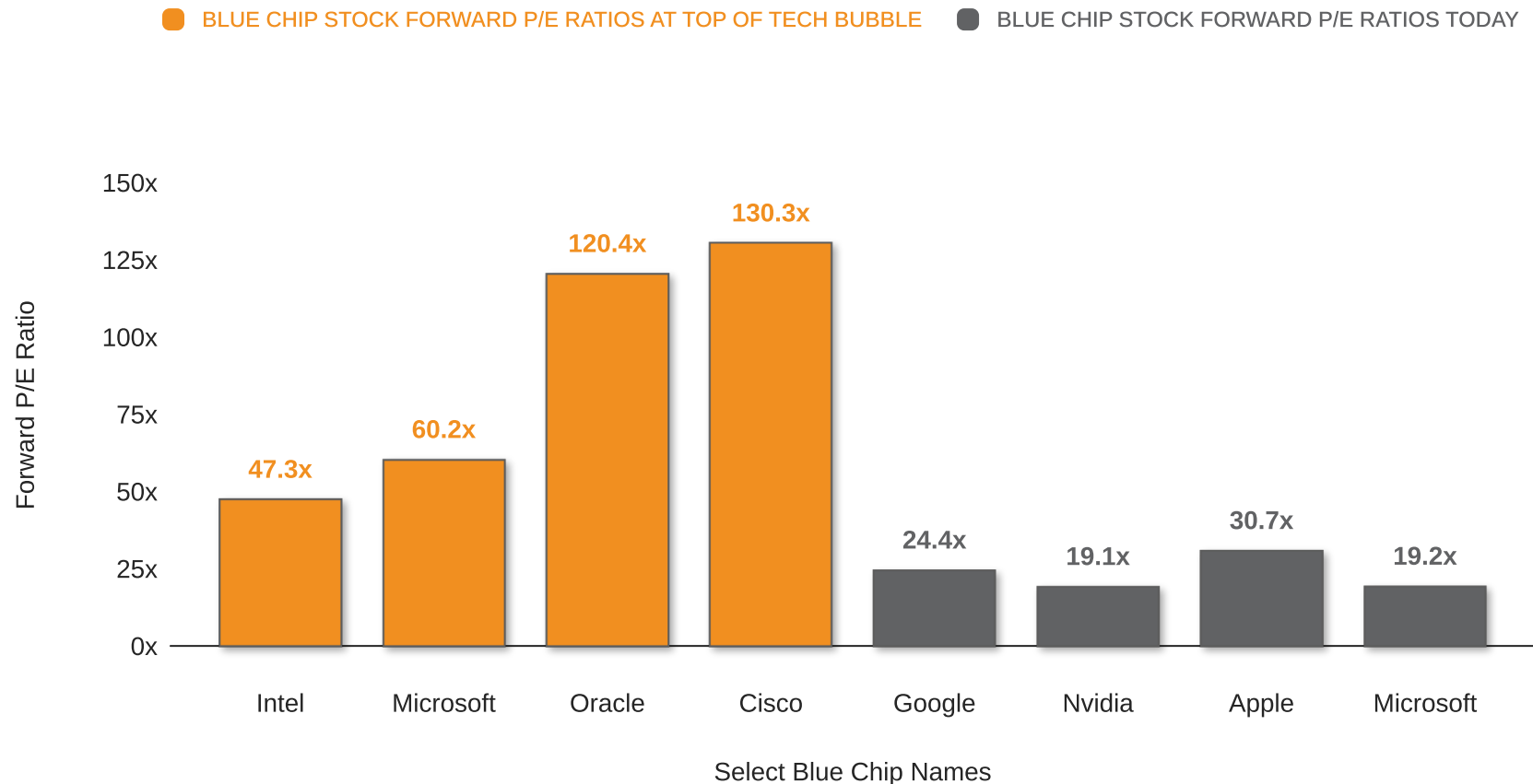
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Are We In A Bubble? Valuations In Dotcom Bubble vs Today

Forward P/E Ratios For Blue Chip Stocks in Dotcom Bubble vs Today.

Dotcom Peak = 3/24/2000.



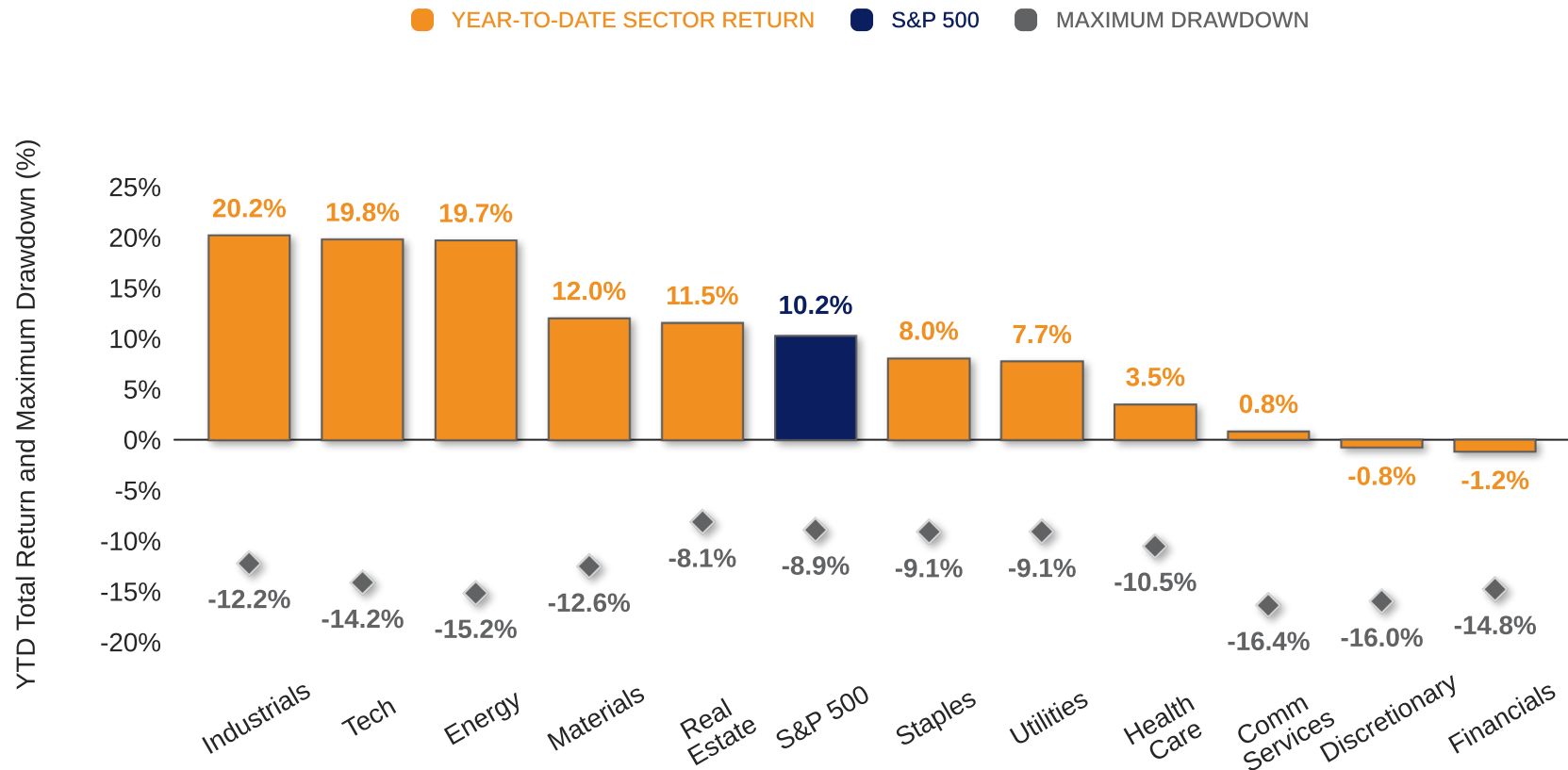
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S&P 500 Sector Performance in 2026

S&P 500 year-to-date (YTD) Sector Performance in 2026 (including dividends) with maximum drawdown

YTD 2026



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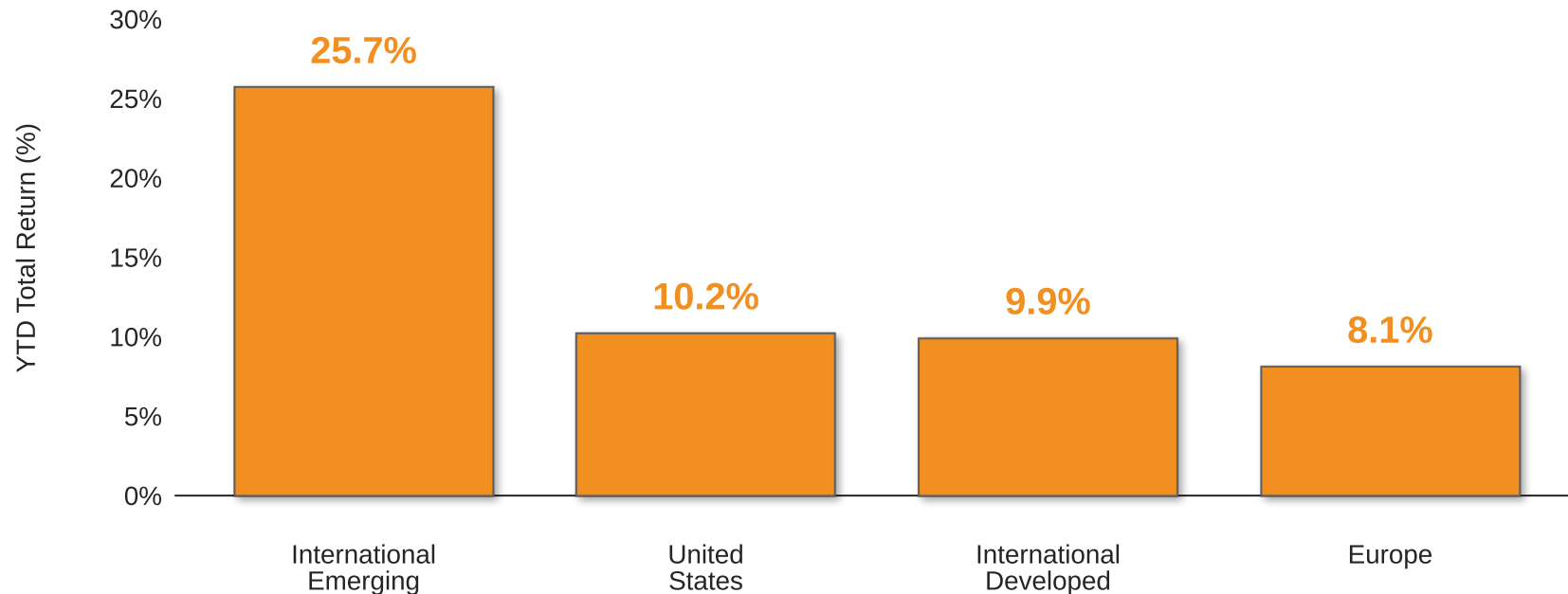
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Regional Equity Performance in 2026

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

YTD 2026

■ YEAR-TO-DATE EQUITY PERFORMANCE BY REGION



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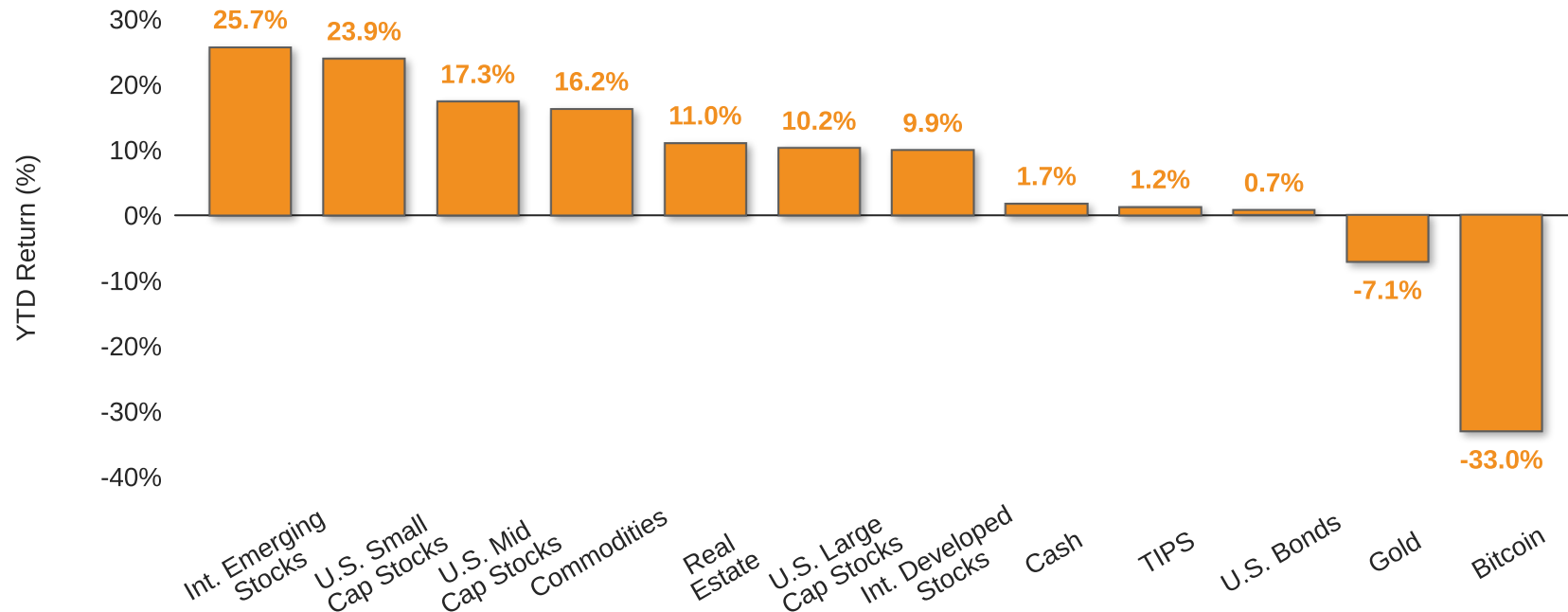
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Asset Class Returns In 2026

Year-to-date (YTD) Returns Of Various Asset Classes in 2026

YTD 2026

2026 YEAR-TO-DATE ASSET CLASS RETURNS



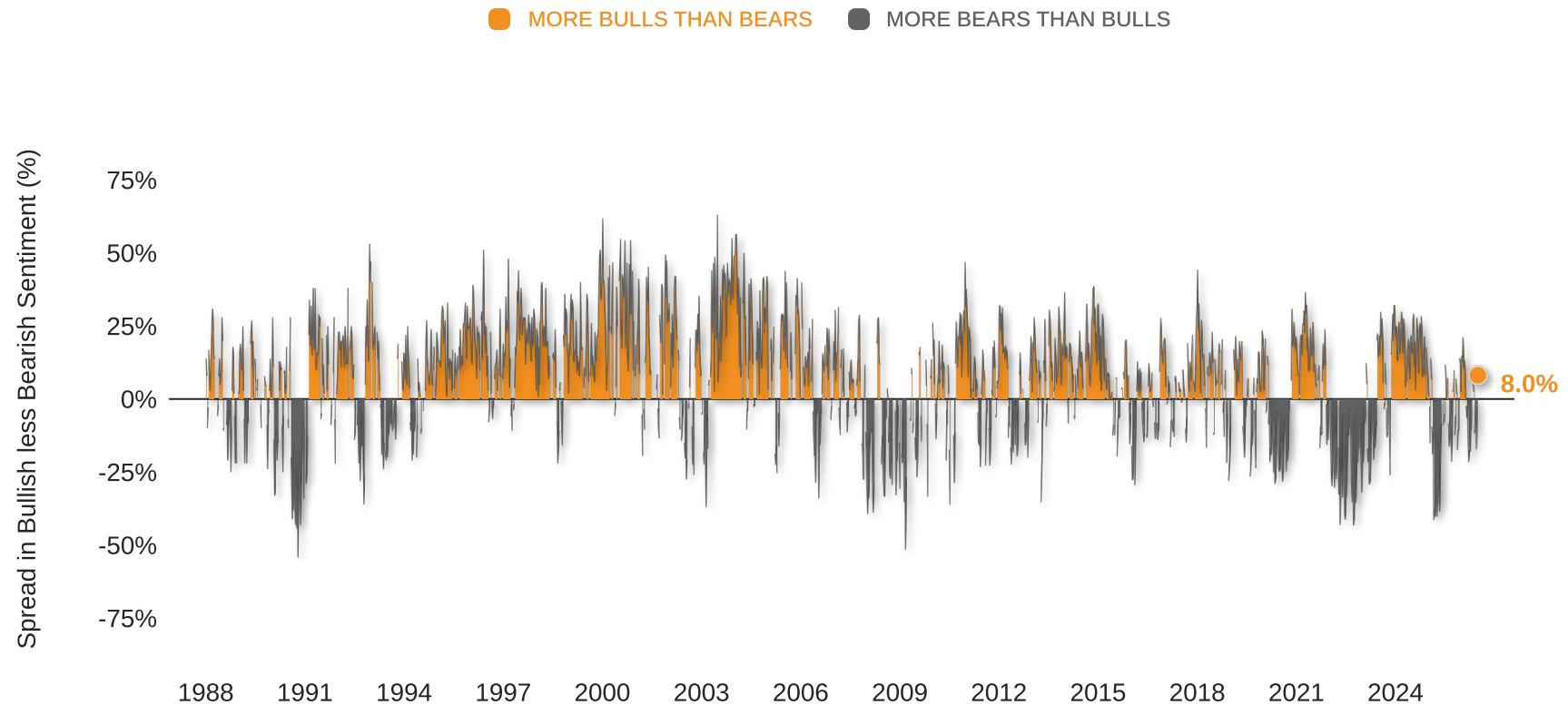
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A Look at Stock Market Sentiment

AII Sentiment Survey, Spread in Bullish Sentiment less Bearish Sentiment (%)

Since 1988



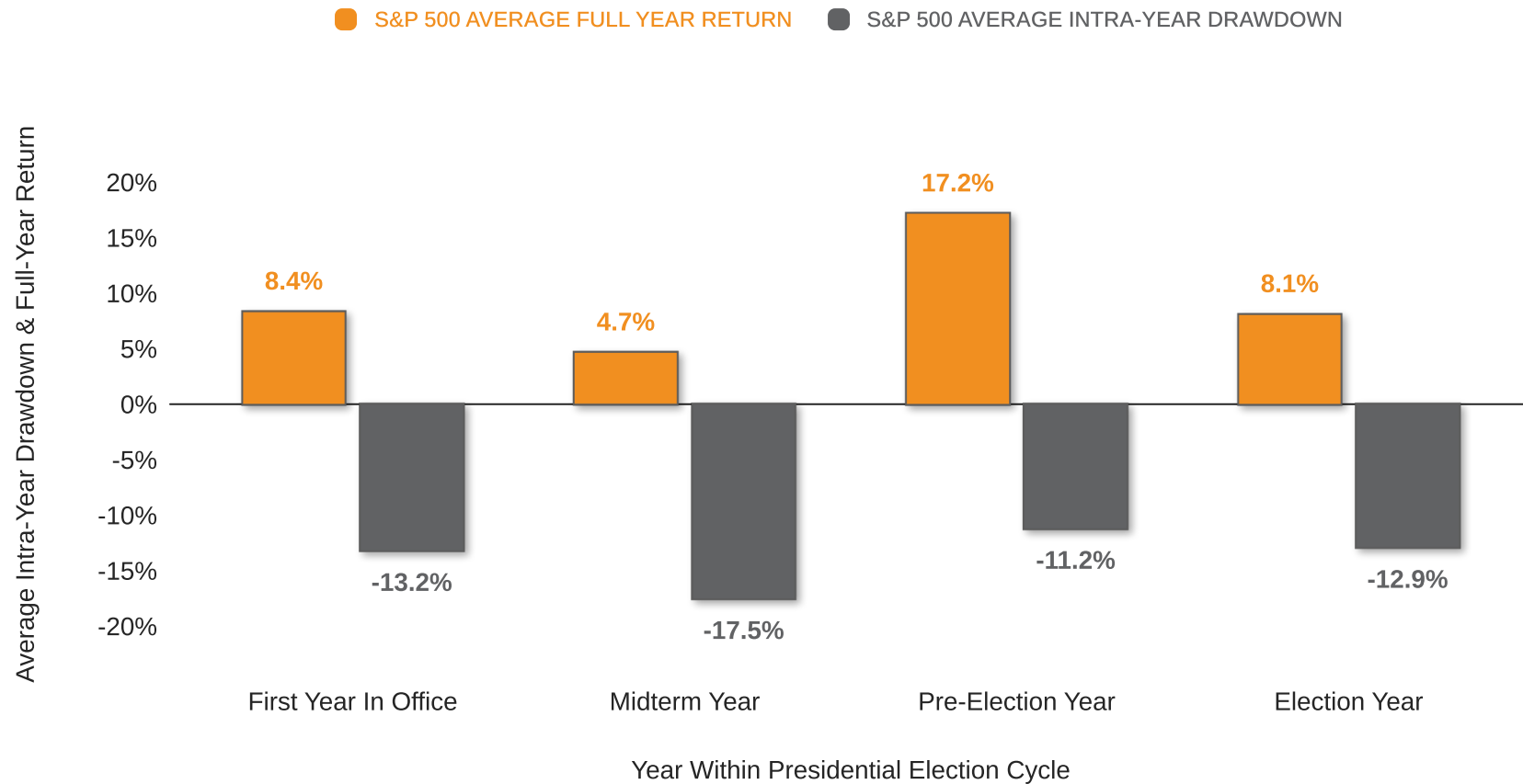
Source: © Exhibit A, FactSet Research Systems Inc., American Association of Individuals Investors (AII) | Latest: 2026-06-26

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Elevated Market Volatility Is Historically Normal In Midterm Years

S&P 500 Average Intra-Year Drawdown vs Average Full Year Return Across The Four Year Presidential Cycle

Since 1950



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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 11 S&P 500 Sectors represent the 11 distinct categories of companies within the S&P 500 index, each reflecting a specific area of the economy. The sectors are listed in the chart along the x axis. Each sector groups companies with similar business activities.

The AAI Bull - Bear Spread (%) measures the difference between the percentage of individual investors who are bullish versus bearish on the U.S. stock market. A higher positive percentage indicates stronger bullish sentiment, while a negative percentage reflects more bearish outlook. It's used to gauge investor sentiment and potential market trends.

Bearish sentiment in the AAI Survey is defined as: the percentage of respondents that say the market will trend down over the next six months

Bullish sentiment in the AAI Survey is defined as: the percentage of respondents that say the market will trend up over the next six months



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