

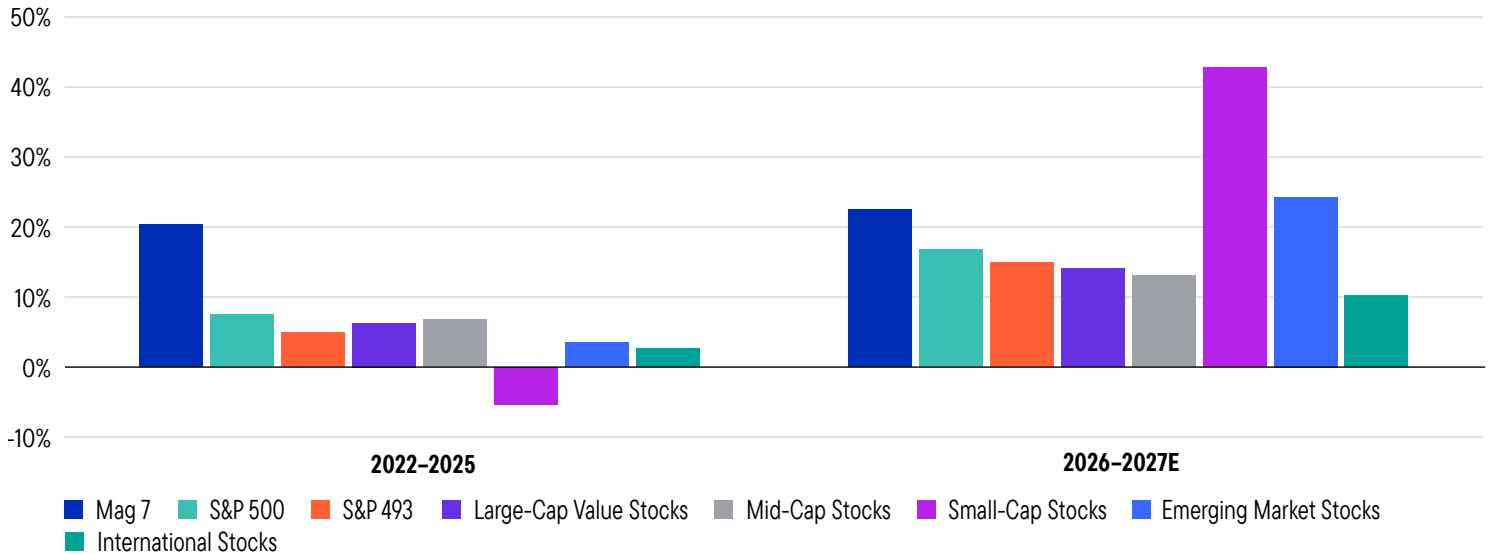
# Broadening of the equity markets

## 1) Earnings growth estimates supports a broadening of the equity markets

Over the last few years, broad market outperformance has been driven by significant earnings growth within the Mag 7. Projected estimates indicate market performance may be driven by a broader group of stocks.

### Earnings Growth by Index

As of March 31, 2026

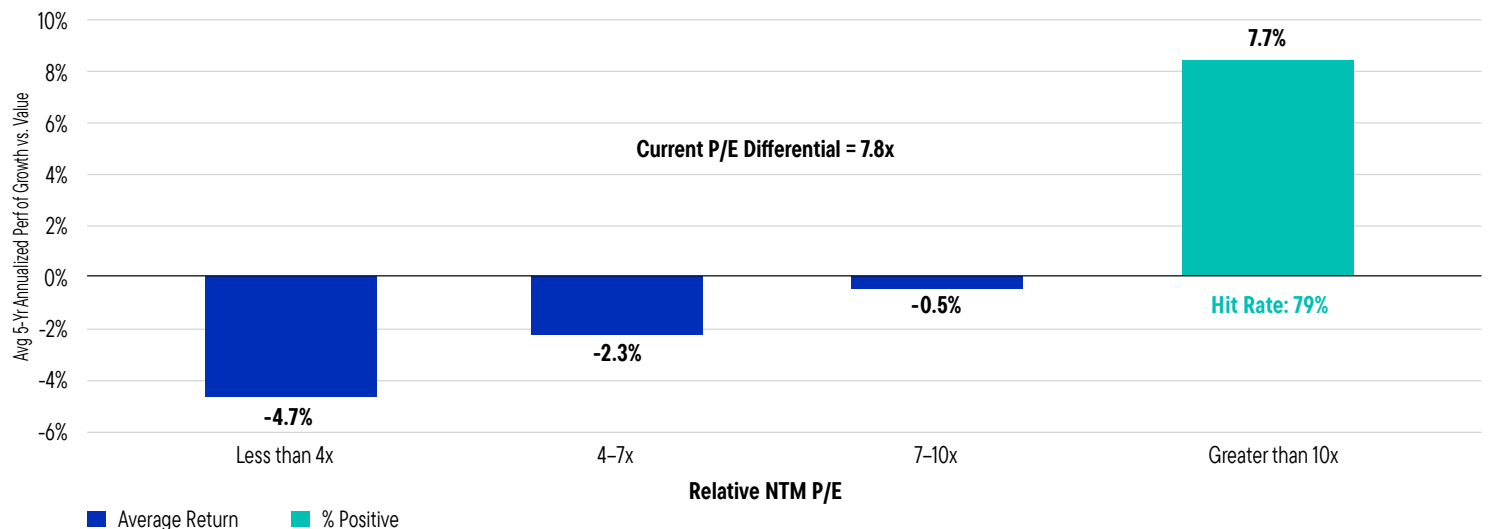


## 2) Wide valuation gaps may create opportunities

Value has historically outperformed growth by a healthy margin when the valuation gap (P/E) is above 10x.

### Performance of Value vs. Growth Based on Starting P/E Differential

As of March 31, 2026



1. Sources: FactSet, MSCI, Russell, S&P as of March 31, 2026. Large-Cap Stocks = Russell 1000 Index, Large-Cap Value Stocks = Russell 1000 Value Index, Mid-Cap Stocks = Russell Midcap Index, Small-Cap Stocks = Russell 2000 Index, Emerging Markets Stocks = MSCI EM Index, International Stocks = MSCI EAFE.

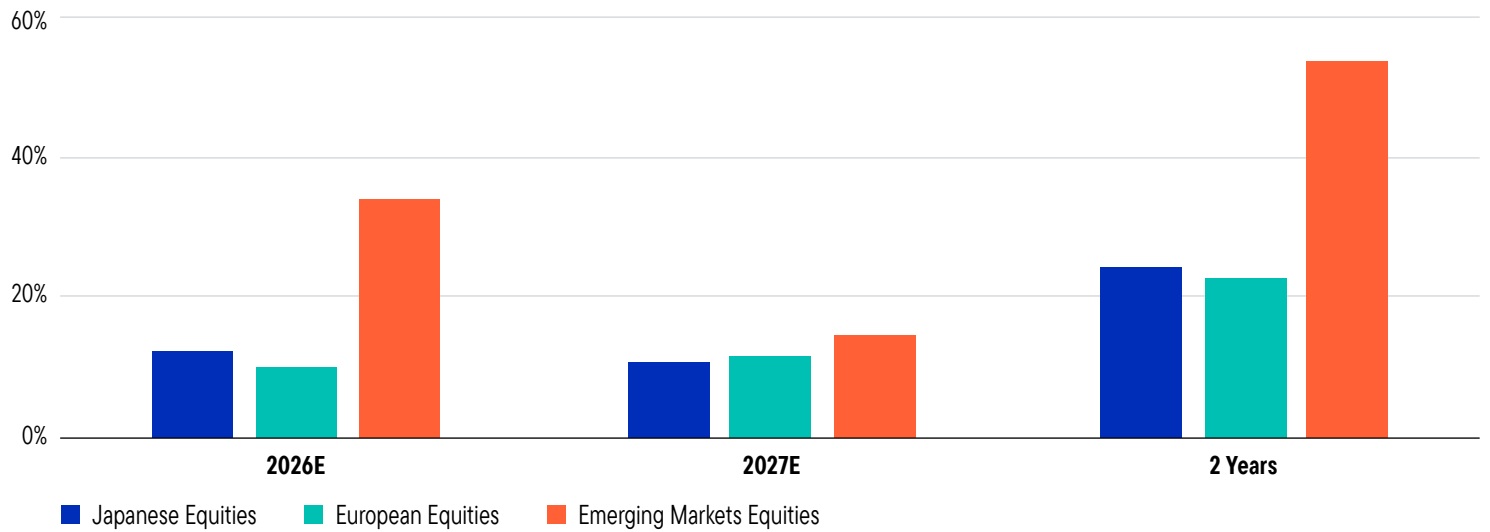
2. Sources: FactSet, Russell as of March 31, 2026. Value = Russell 1000 Value Index, Growth = Russell 1000 Growth Index.

### 3) International and emerging markets opportunities

International equities are projected to deliver robust earnings growth over the next two years, with emerging markets leading the way.

#### Two-Year Earnings per Share (EPS) Forecast (USD)<sup>4</sup>

As of March 31, 2026

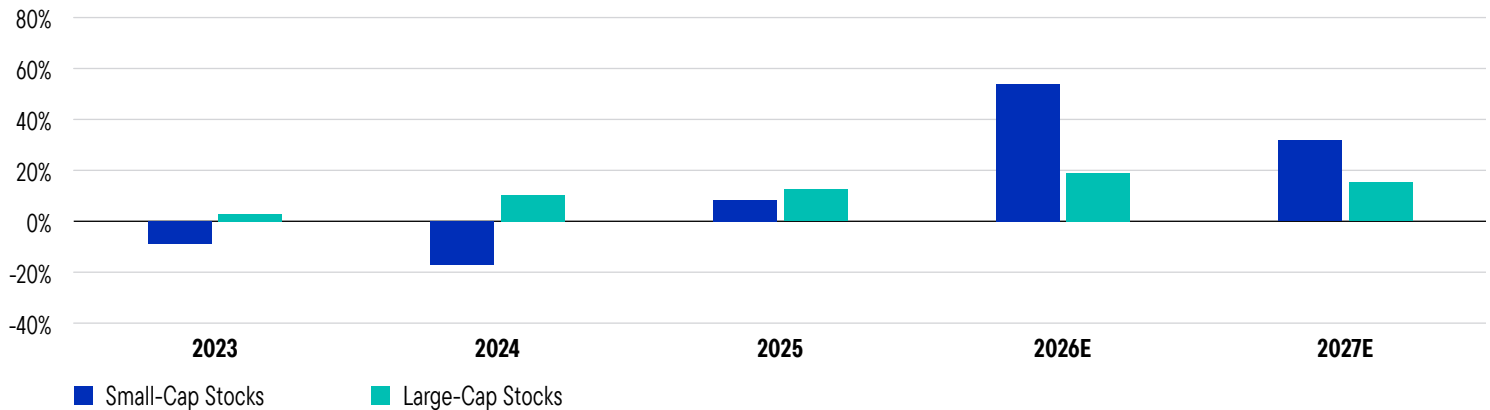


### 4) Small-cap expectations outpace large-cap counterparts

Small-cap equities have been in an earnings recession for the last three years. However, estimates indicate potential earnings outperformance.

#### One-Year EPS Growth

As of April 10, 2026



3. Sources: FactSet, MSCI as of March 31, 2026. Japanese Equities = MSCI Japan Index, European Equities = MSCI Europe Index, Emerging Markets Equities = MSCI Emerging Markets Index.

4. Sources: FactSet, Russell. As of April 10, 2026. Small-Cap Stocks = Russell 2000, Large-Cap Stocks = Russell 1000.

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The **S&P 493** is known as the S&P 500 Index excluding the seven technology stocks (Magnificent Seven).

The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe. Source: FTSE.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the US equity universe. Source: FTSE.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the US equity universe. Source: FTSE.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the US equity universe. Source: FTSE.

The **Russell 2000 Index** measures the performance of the small-cap segment of the US equity universe. Source: FTSE.

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