

Global Equity Market Trends

Sue Lee, CFA

Index Investment Strategy

October 2026

S&P Dow Jones Indices

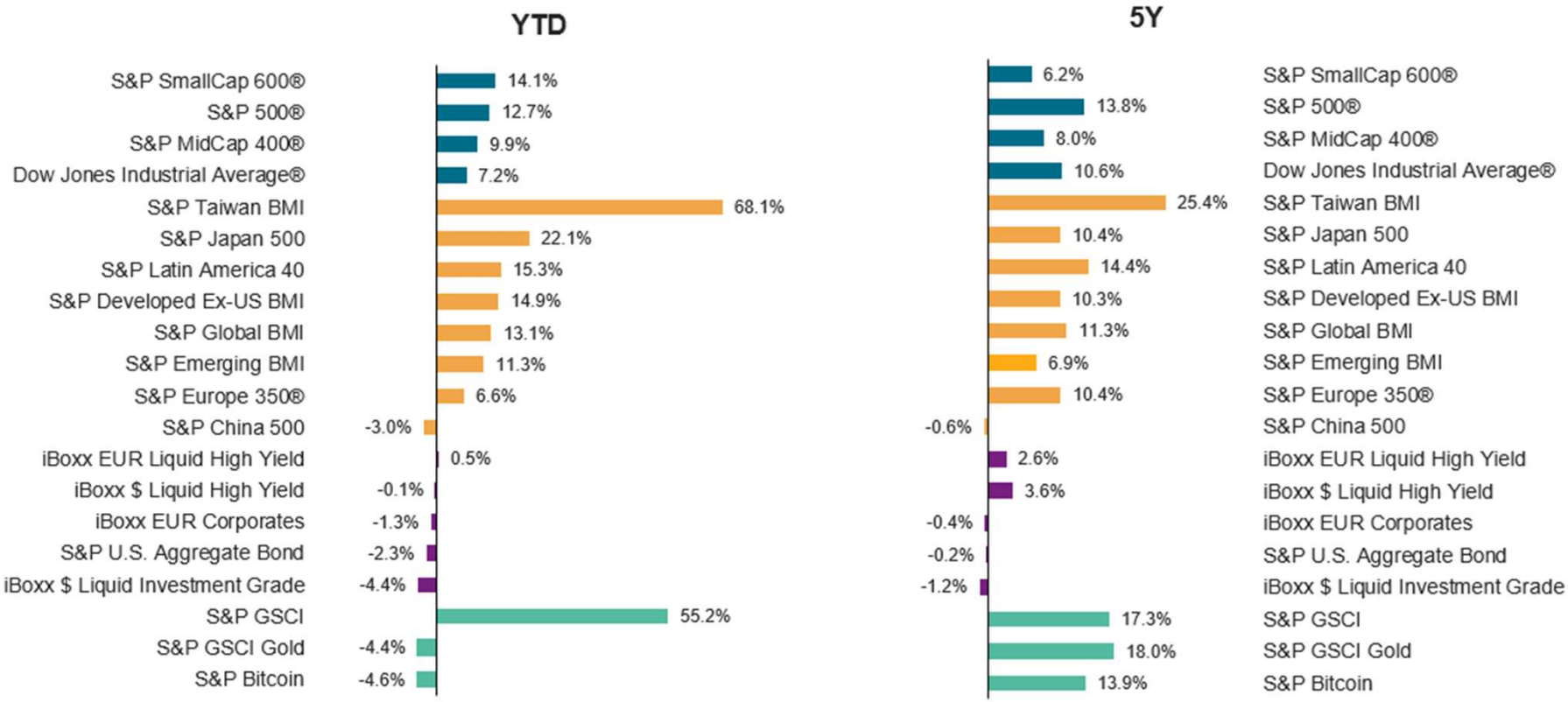
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Global Markets at a Glance

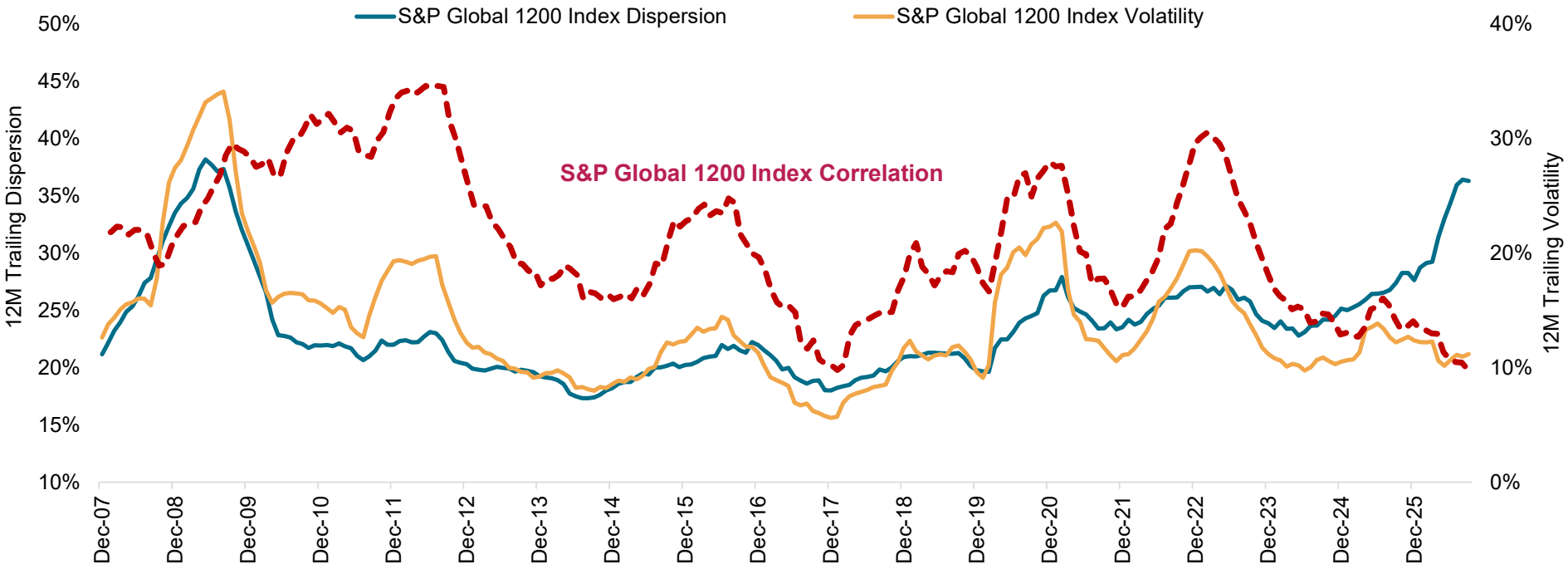
Equities gained, bonds declined and commodity performance diverged



Source: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Based on total return in USD, except fixed income indices in local currency. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Risk Landscape: Macro or Micro?

Divergence widened between market and stock-specific risks

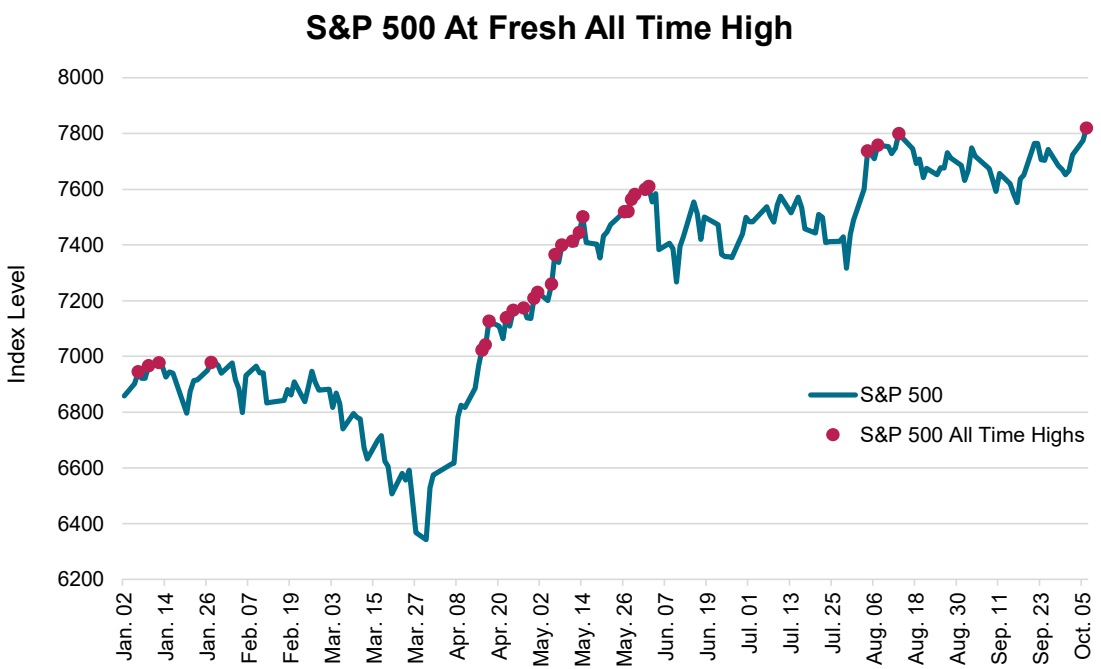


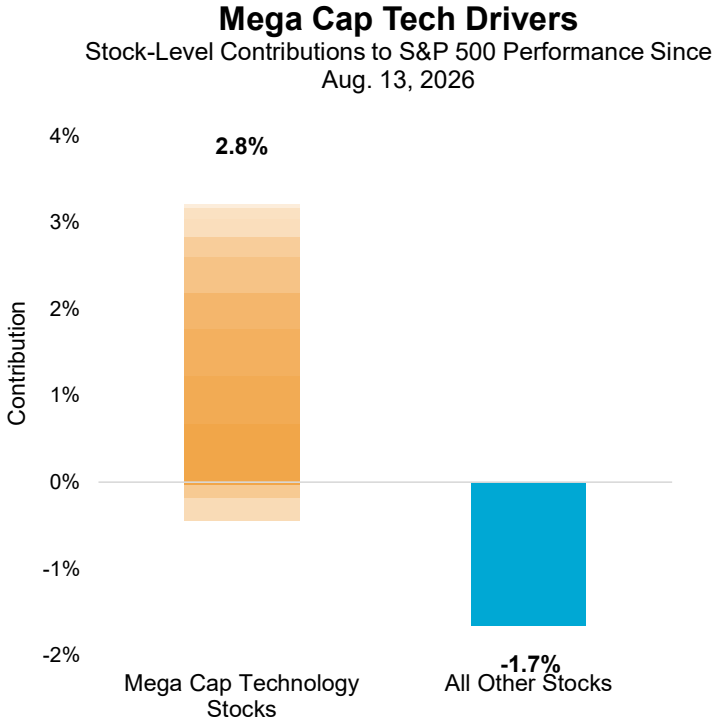
Source: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Index dispersion is a cross-sectional, index-weighted standard deviation of index constituents' monthly returns. Chart is provided for illustrative purposes only. Past performance is no guarantee of future results.

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New Highs, Old Names: S&P 500 at all-time highs

The S&P 500 reached new highs, again powered by a narrow group of mega-cap stocks

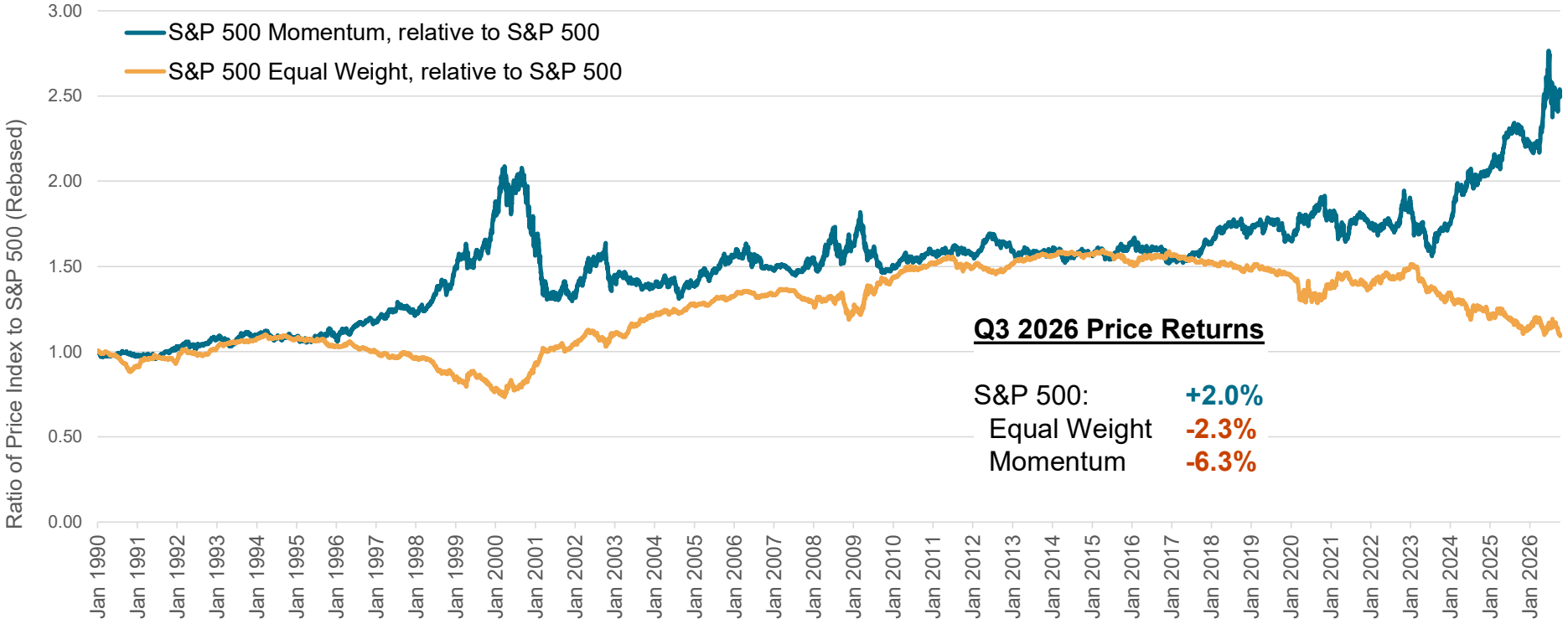




Source: S&P Dow Jones Indices LLC. Data as of Oct. 6, 2026. ATH based on price index, contributions based on total return indices in USD. Mega Cap Technology Stocks refers to Information Technology, Communication Services and Consumer Discretionary stocks in the S&P 500 Top 20. Chart is provided for illustrative purposes. Past performance is no guarantee of future results.

Inflections & Reflections: Momentum & Equal Weight

Q3 saw Momentum leadership change hands among mega-caps, but not an increase in breadth

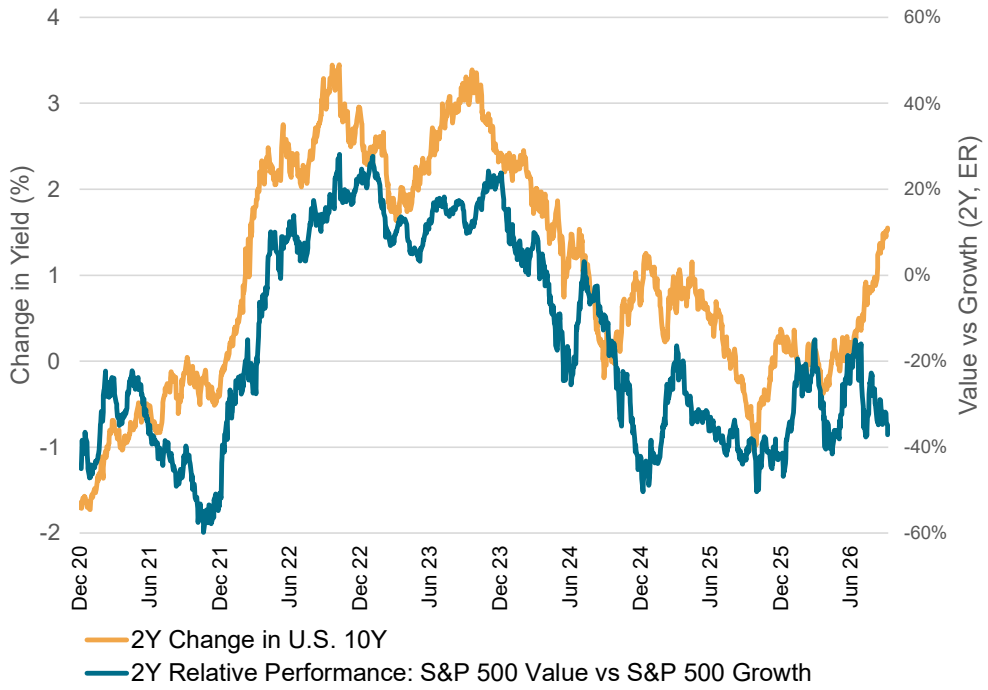


Sources: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Includes periods of historical hypothetical index performances ("back-tests"). All data prior to an index launch date is back-tested hypothetical data. Chart is provided for illustrative purposes. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

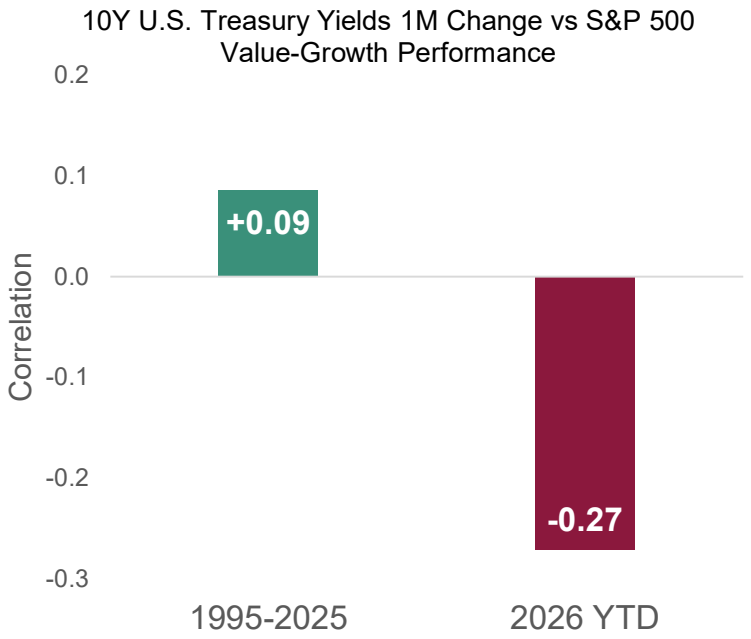
Discount Rates Discounted? Growth, Value & the U.S. 10Y

Growth stocks typically react negatively to rising real yields but not this time yet

2Y Trailing Differentials



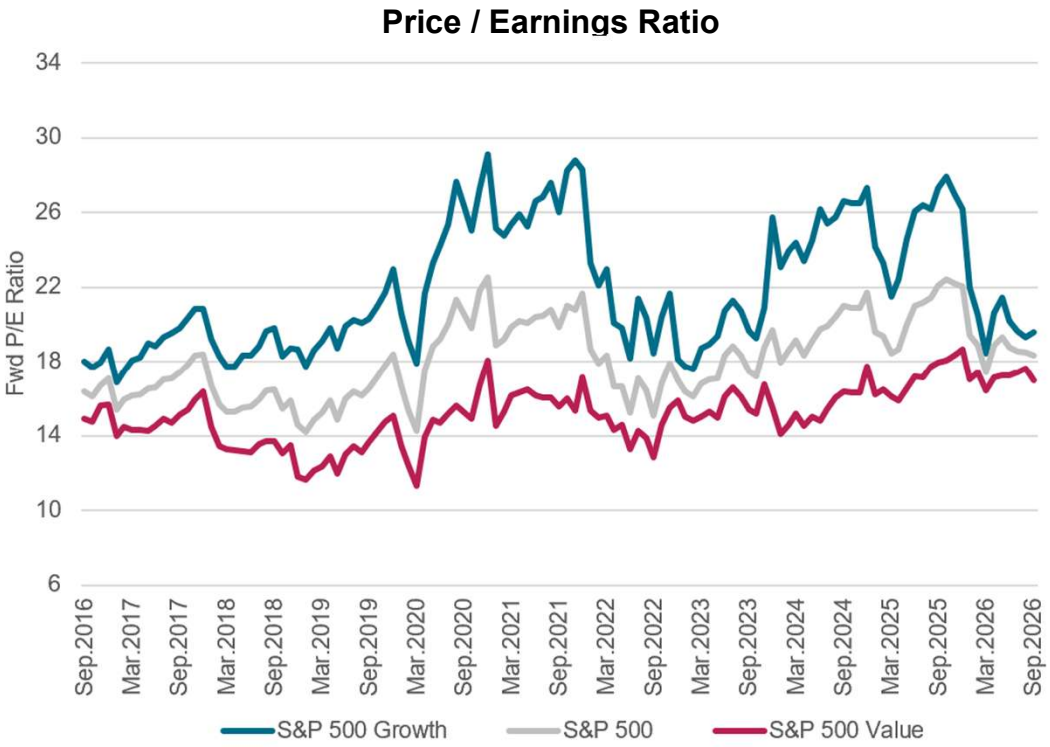
1M Correlation

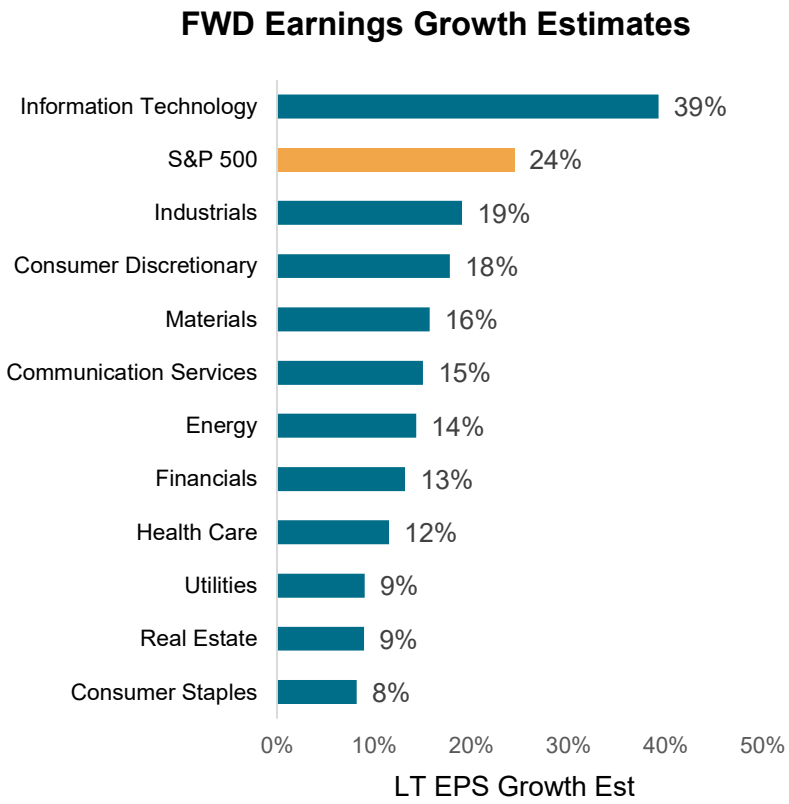


Sources: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Chart is provided for illustrative purposes. Past performance is no guarantee of future performance.

Growth at What Price? Valuations and Earnings Expectations

Valuation gaps narrowed, while growth expectations remained widely dispersed



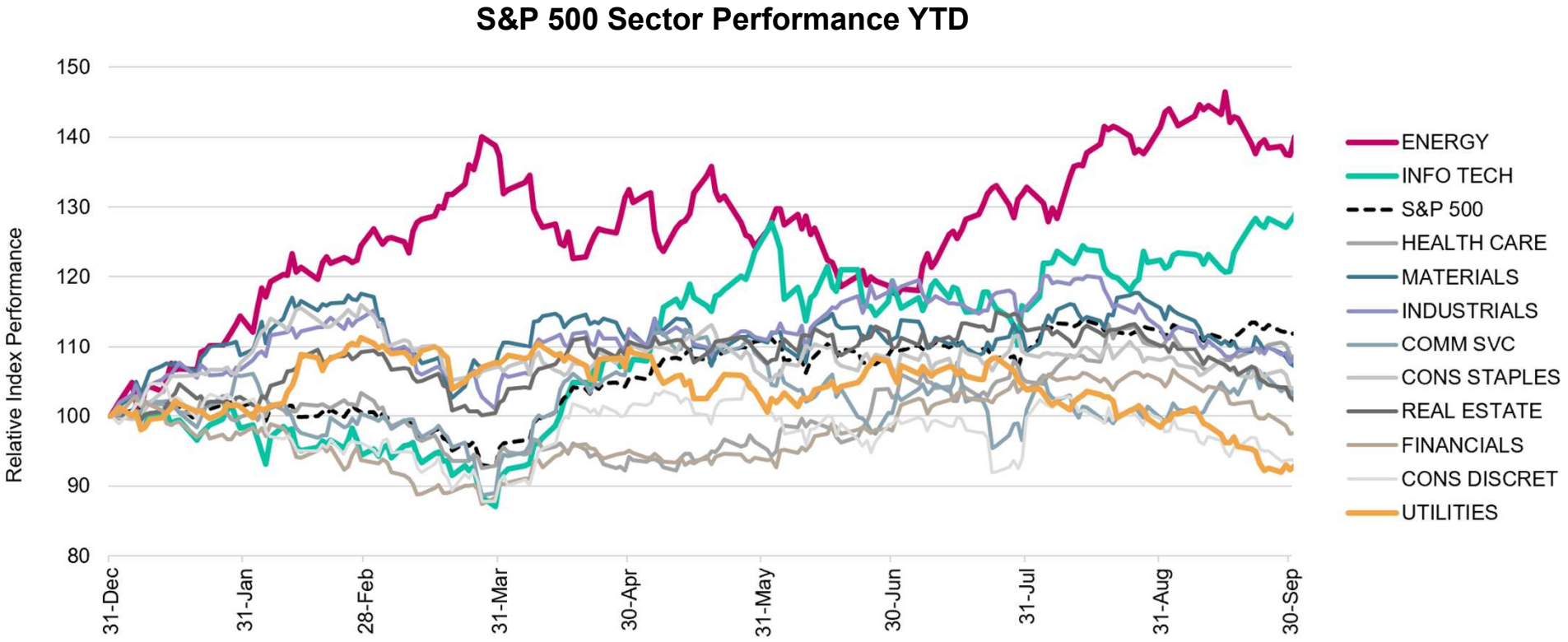


Sources: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Chart is provided for illustrative purposes. Past performance is no guarantee of future performance.

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Sector Performance Reflects AI and Macro Forces

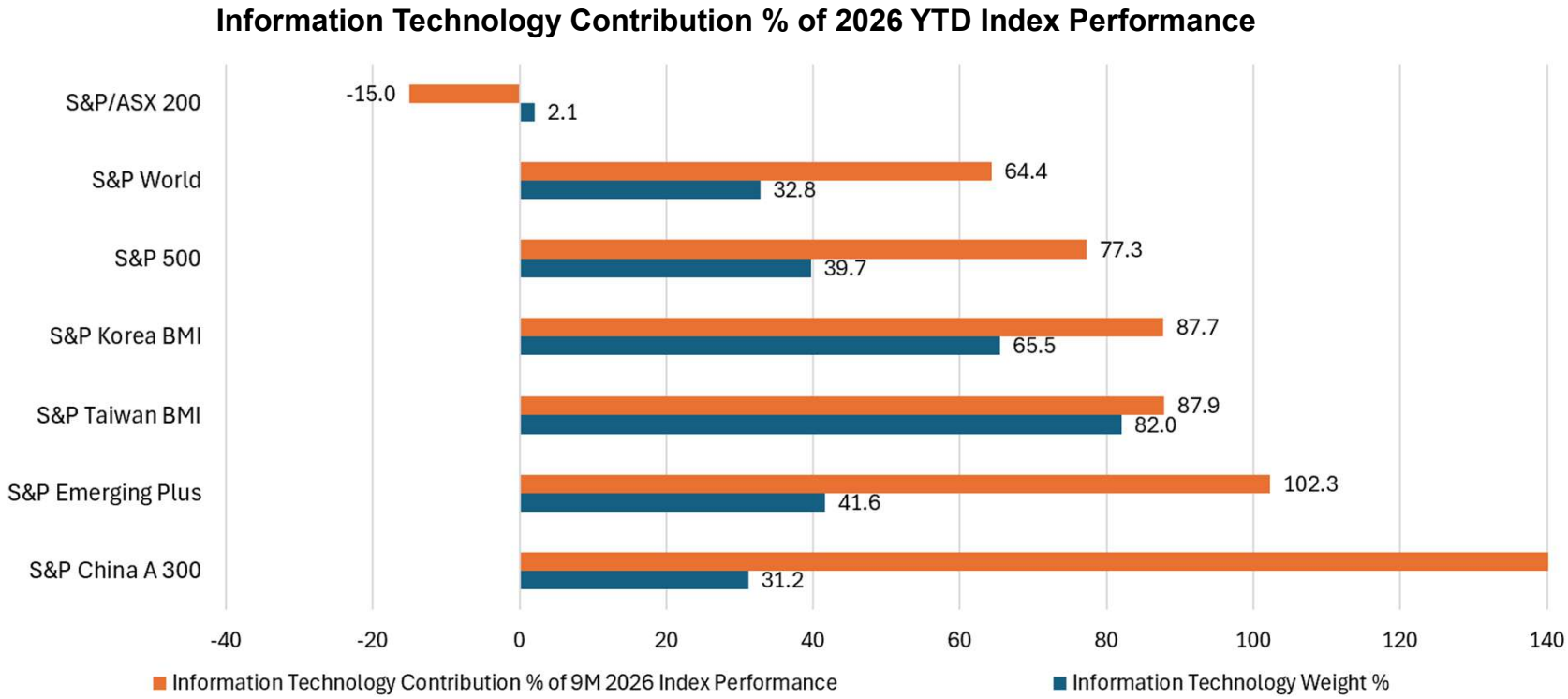
Wide dispersion in sector performance led by AI, geopolitical tensions and rising yields



Source: S&P Dow Jones Indices LLC. Data as of Sep. 30, 2026. Chart is provided for illustrative purposes only. Past performance is no guarantee of future results.

Technology Drove Global Performance Concentration

Information Technology contributed disproportionately to performance outside Australia

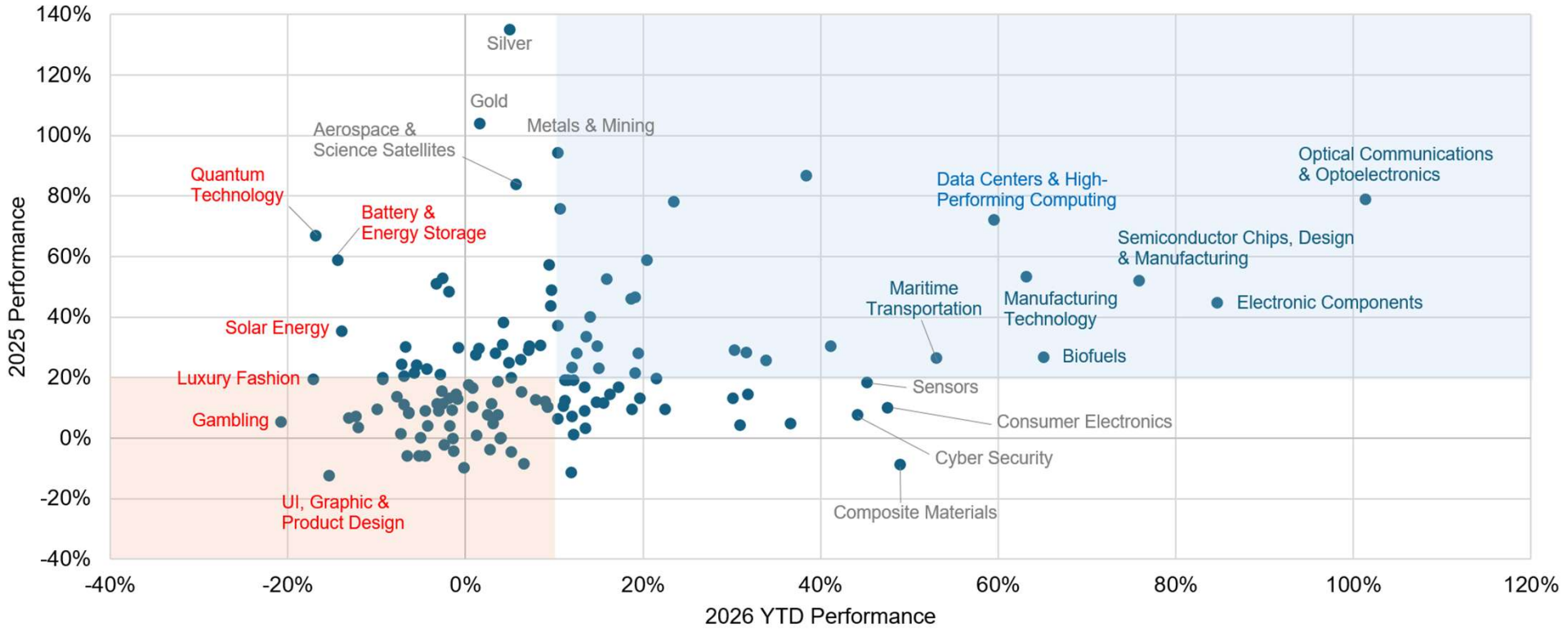


Source: S&P Dow Jones Indices LLC. Information Technology weight as of Sep. 30, 2026. Index performance contribution over the 9 months of 2026. Chart is provided for illustrative purposes only. Past performance is no guarantee of future results.

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The Drivers of Thematic Performance Are Evolving

AI infrastructure, semiconductors and industrial enablers continue to lead



Source: S&P Dow Jones Indices LLC, Onthos (formerly Theia Insights). Data as of Sep. 30, 2026. Each basket represents the top 30 stocks which are selected based on a metric that combines each stock's exposure to the theme, with its excess return correlation to the theme's return. See "Dashboard: S&P Thematic Indices" for further details. Chart is provided for illustrative purposes only. Past performance is no guarantee of future results.

SPIVA® Results: Dispersion Created Opportunity, Not Consistent Success

Active fund outcomes varied widely across markets and asset classes

Active Equity Funds

Equity Category	Benchmark	1Y	3Y	5Y
Thailand	S&P Thailand BMI	99	91	93
Canada	S&P/TSX Composite	93	92	96
South Africa	S&P South Africa 50	90	80	88
Europe	S&P Europe 350®	87	89	94
New Zealand	S&P/NZX 50	85	80	74
MENA	S&P Pan Arab Composite	80	56	48
India	S&P India LargeMidCap	79	80	85
Australia	S&P/ASX 200	79	83	82
U.S.	S&P 500®	79	77	89
Global	S&P World	72	88	94
Mexico	S&P/BMV IRT	63	65	70
South Korea	S&P Korea BMI	63	53	55
Chile	S&P Chile BMI	56	56	60
Malaysia	S&P Malaysia BMI	51	57	70
China	S&P China A 300	45	54	54
Brazil	S&P Brazil LargeCap	43	75	72
Japan	S&P/TOPIX 150	43	52	71
Taiwan	S&P Taiwan BMI	31	41	40

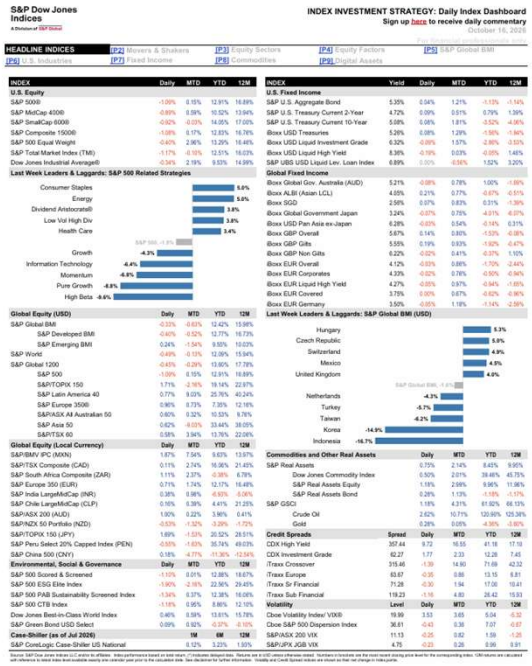
Active Fixed Income Funds

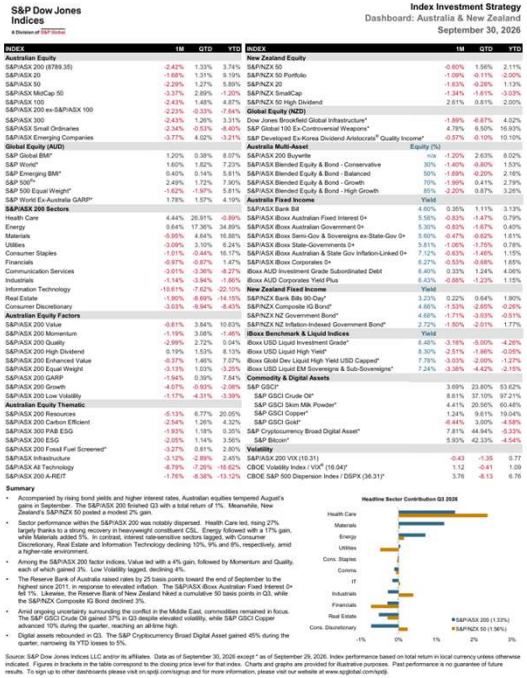
Bond Category	Benchmark Index Name	1Y	3Y	5Y
U.S. Government	iBoxx $ Domestic Sov. & Sub-Sov.	91	92	94
New Zealand	S&P/NZX Composite IG	88	50	33
China Corporate	iBoxx ChinaBond IG Corporates	86	66	71
South Africa Bond	S&P S.A. Sovereign Bond 1+	77	81	79
Europe IG	iBoxx € Corporates	59	56	54
Europe Sovereign	iBoxx € Sovereigns	59	63	58
U.S. High Yield	iBoxx $ Liquid HY	58	83	78
U.S. General IG	iBoxx $ Liquid IG	53	56	53
Europe HY	iBoxx € Liquid HY	52	48	69
U.K. Corporate	iBoxx £ Non-Gilts	39	45	55
Australia Bonds	S&P/ASX iBoxx Australian FI	31	32	48
India Composite Bond	iBoxx ALBI India	29	75	76
Brazil Corporate	Anbima Debentures (IDA)	23	35	39

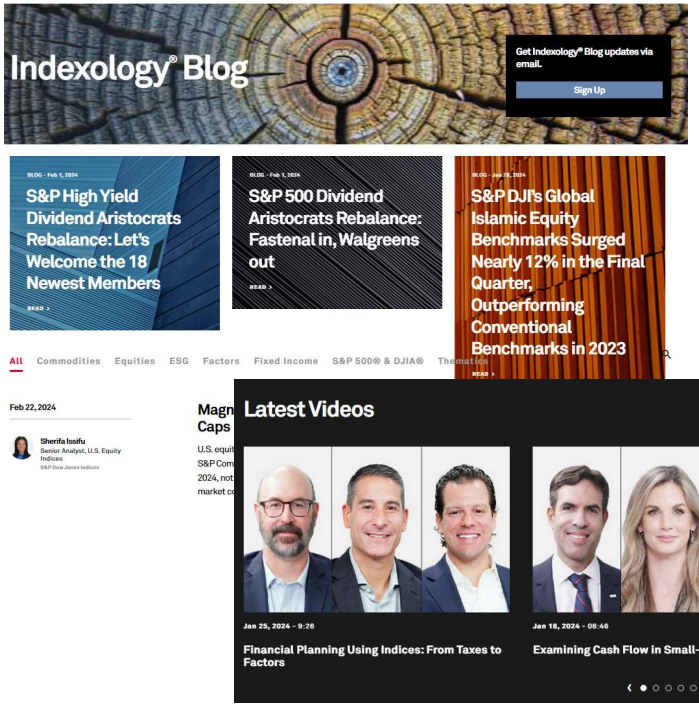
Sources: S&P Dow Jones Indices LLC, Morningstar, Anbima, Lipper, CRSP. As reported in the 2026 Mid Year SPIVA Scorecards published by S&P Dow Jones Indices. See SPIVA | S&P Dow Jones Indices for more details.

Further Resources

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All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. Complete index methodology details are available at www.spdji.com. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

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