

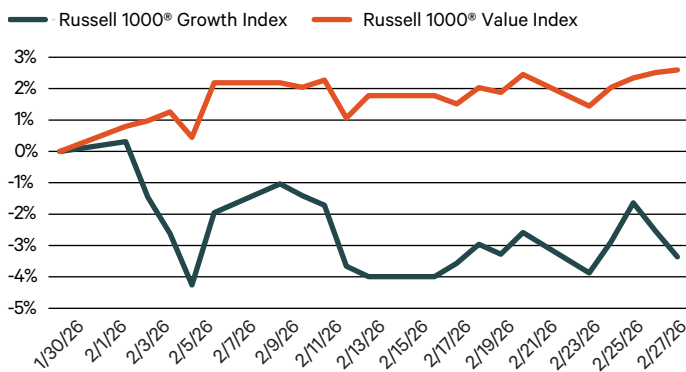
Market Review Commentary

February delivered clear evidence that the U.S. stock market is broadening out.

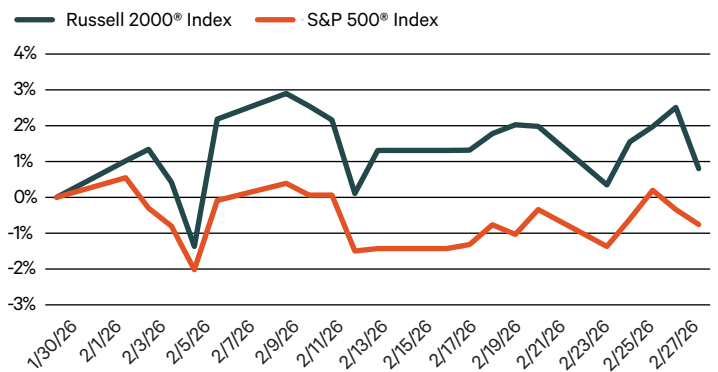
This trend, which we've seen for the past three months, seems overdue, given the high concentration in mega cap technology stocks in recent years.

As the graphs below illustrate, value stocks dominated growth stocks in February, small caps beat large caps, and the equally-weighted version of the S&P 500 soundly outperformed the market cap-weighted S&P 500, which is heavily influenced by the mega caps. These patterns continued the shift in relative performance we've been seeing since late last year.

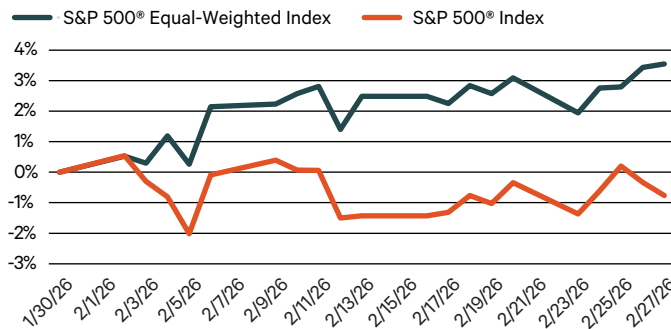
VALUE BEATS GROWTH



SMALL BEATS LARGE



EQUAL WEIGHTS BEATS CAP-WEIGHTED



Data presented is as of February 28, 2026, is obtained from FactSet and is assumed to be reliable. The indices are not actively managed and do not reflect the deduction of any investment management or other fees and expenses. It is not possible to invest directly in an index. Please see the end of this commentary for important information regarding the indices. **Past performance is no guarantee of future results.**

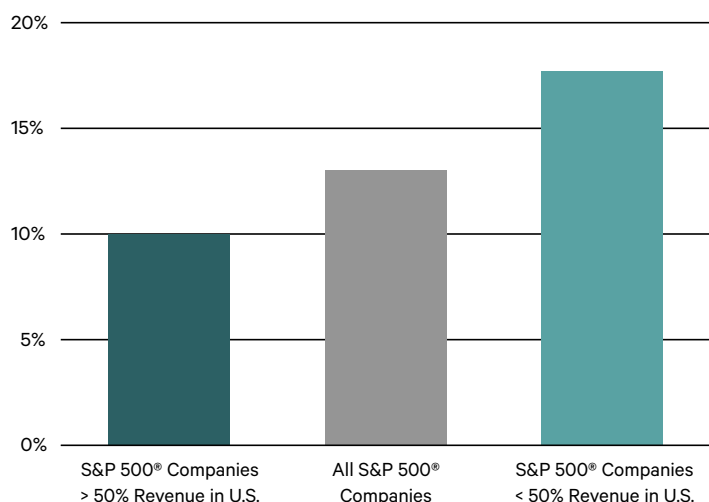
With that said, mega cap stocks earned their dominance, at least partly due to outsized earnings growth. According to Capital Economics, since the end of 2022 the largest 10 companies in the S&P 500 have accounted for about two-thirds of that index’s overall EPS growth¹.

It’s also important to note that the Magnificent 7 have been less than magnificent lately largely due to concerns around overspending on capital expenditures committed to the AI “arms race.” This rotation we’re seeing in the market is driven less by problems for those behemoths than by an improved earnings outlook for other sectors. And even with the recent declines in the Magnificent 7, all of which significantly underperformed during February, the 10 largest U.S. stocks in the S&P 500 still comprise roughly 40% of that benchmark, compared to “just” 27% at the peak of the dot-com bubble.

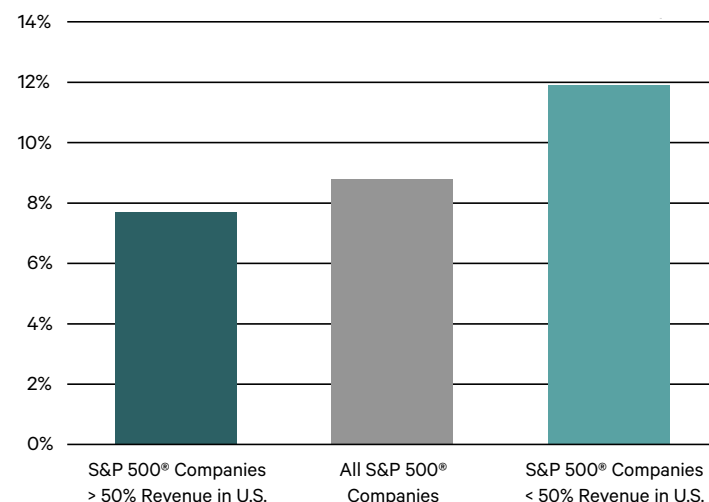
The weakening U.S. dollar had an impact on fourth quarter earnings.

A weaker U.S. dollar lowers the cost of U.S. goods for foreign buyers, making those goods relatively more attractive. It also makes earnings generated from foreign sales worth more when restated in U.S. dollars. This significantly boosted Q4 2025 earnings and revenue growth for exporters and other companies that generate most of their sales outside the U.S., compared to businesses that primarily sell domestically.

S&P 500® INDEX EARNINGS GROWTH YEAR-OVER-YEAR



S&P 500® INDEX REVENUE GROWTH YEAR-OVER-YEAR



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This is all the more interesting given that NVIDIA, the market’s 800-lb. gorilla, is the single largest contributor to both earnings and revenue growth among S&P 500 firms. NVIDIA derived roughly 69% of its revenue from U.S.-based customers in its most recent fiscal year and thus was not part of the strong results for S&P 500 companies with over 50% in non-U.S. revenues/earnings.

¹Capital Economics, “How the AI Boom Is Concentrating S&P 500 Earnings Growth,” Capital Daily, October 16, 2025, <https://www.capitaleconomics.com/publications/capital-daily/how-ai-boom-concentrating-sp-500-earnings-growth>.

Is a weaker U.S. dollar the basis for an investment thesis going forward? It's a consideration but predicting whether the U.S. dollar will weaken further is more in the realm of speculation. Dollar bears point to future U.S. Federal Reserve interest rate cuts leading to investors choosing other sovereign debt, further pressuring the greenback. You could also make a case that the growing national debt could undermine confidence in the U.S. dollar over the long-term, or that some countries are seeking to reduce their reliance on the dollar in international transactions.

That said, recent events in the Middle East have made for a stronger U.S. dollar recently, indicating its safe haven status is still intact. The U.S. dollar still dominates global trade, U.S. Treasuries are held as reserves by foreign banks around the world, and many borrowers issue debt in U.S. dollars, making for a large, deep market. Importantly, we believe the U.S. economy's relative strength, high productivity, and attractiveness for foreign direct investment will likely continue to support demand for the U.S. dollar.



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*The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The Russell 1000® Growth Index is a free float-adjusted market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. All companies that have a weight greater than 4.5% in aggregate are no more than 45% of the Index and no individual company has a weight greater than 22.5% of the Index. The Russell 1000® Value Index is a free float-adjusted market capitalization-weighted index of value-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. All companies that have a weight greater than 4.5% in aggregate are no more than 45% of the Index and no individual company has a weight greater than 22.5% of the Index. The Russell 2000® Index is a free float-adjusted market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The S&P 500 Equal Weight Index (EWI) is the equal-weight version of S&P 500 Index and includes the same constituents, but each company in the EWI is allocated a fixed weight—or 0.2%—of the index total at each quarterly rebalance. The indices are calculated on a total return basis with dividends reinvested. The indices are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment. This report is based on the assumptions and analysis made and believed to be reasonable by Advisor. However, no assurance can be given that Advisor's opinions or expectations will be correct. This report is intended for informational purposes only and should not be considered a recommendation or solicitation to purchase securities. **Past performance is no guarantee of future results.***

