

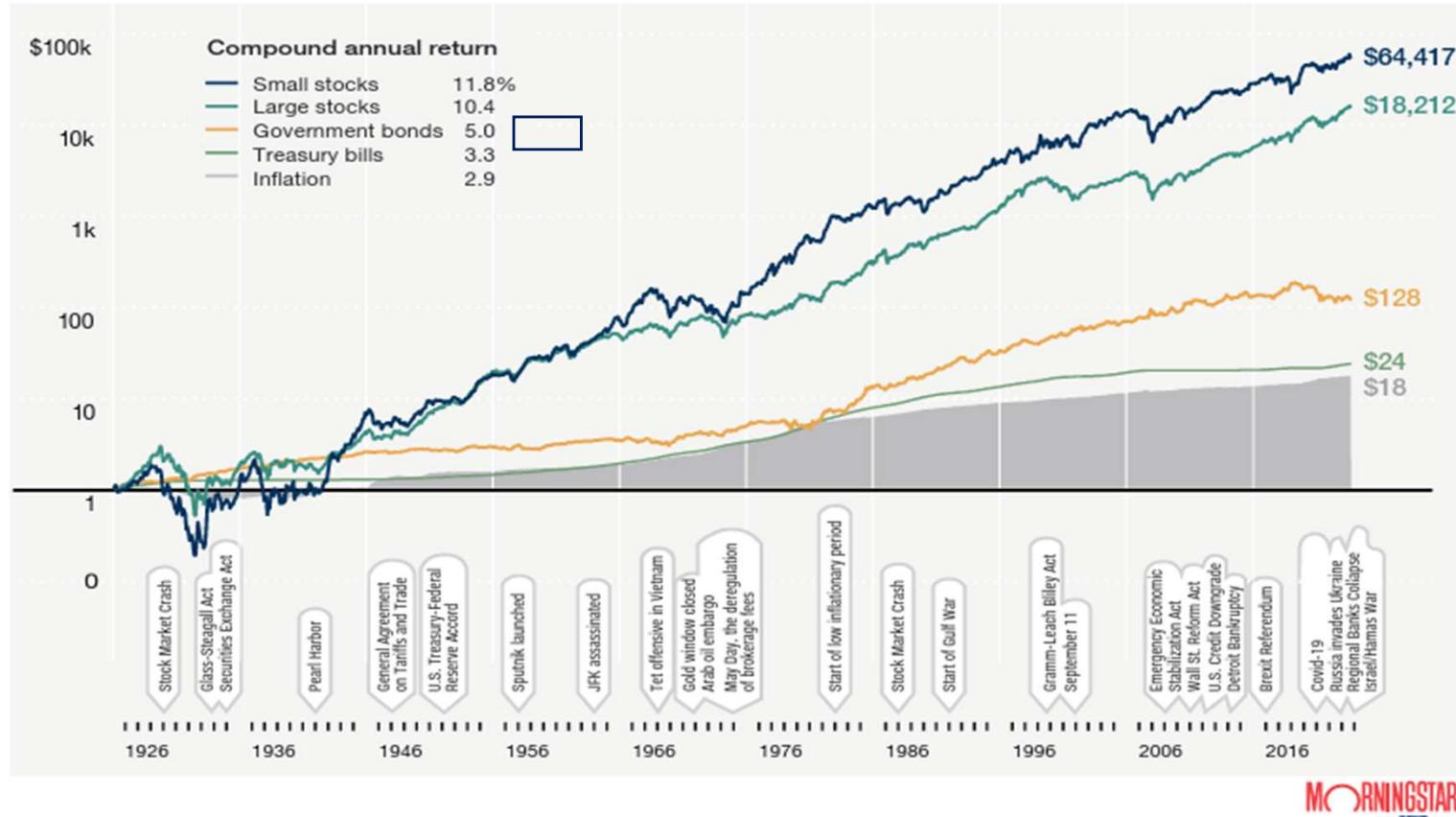
Pulse of the Market: 30 Years in the Markets

January 29th, 2026 **Jeremie Patrick, CFP[®], CRPC[®]**



Looking Back

Stocks, Bonds, Bills, and Inflation 1926–2024



Past performance is no guarantee of future results.

Past performance is no guarantee of future results. Hypothetical value of \$1 invested at the beginning of 1926. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2025 iGrad, LLC. All Rights Reserved.



30 Years of the S&P 500



Chart data of the S&P 500 Index from January 1, 1996, to December 31, 2025, provided by TradingView.
Past Performance is no guarantee of future results.

The S&P 500 returned approximately 9.90% annually during this period.



3 Decades of “Different”

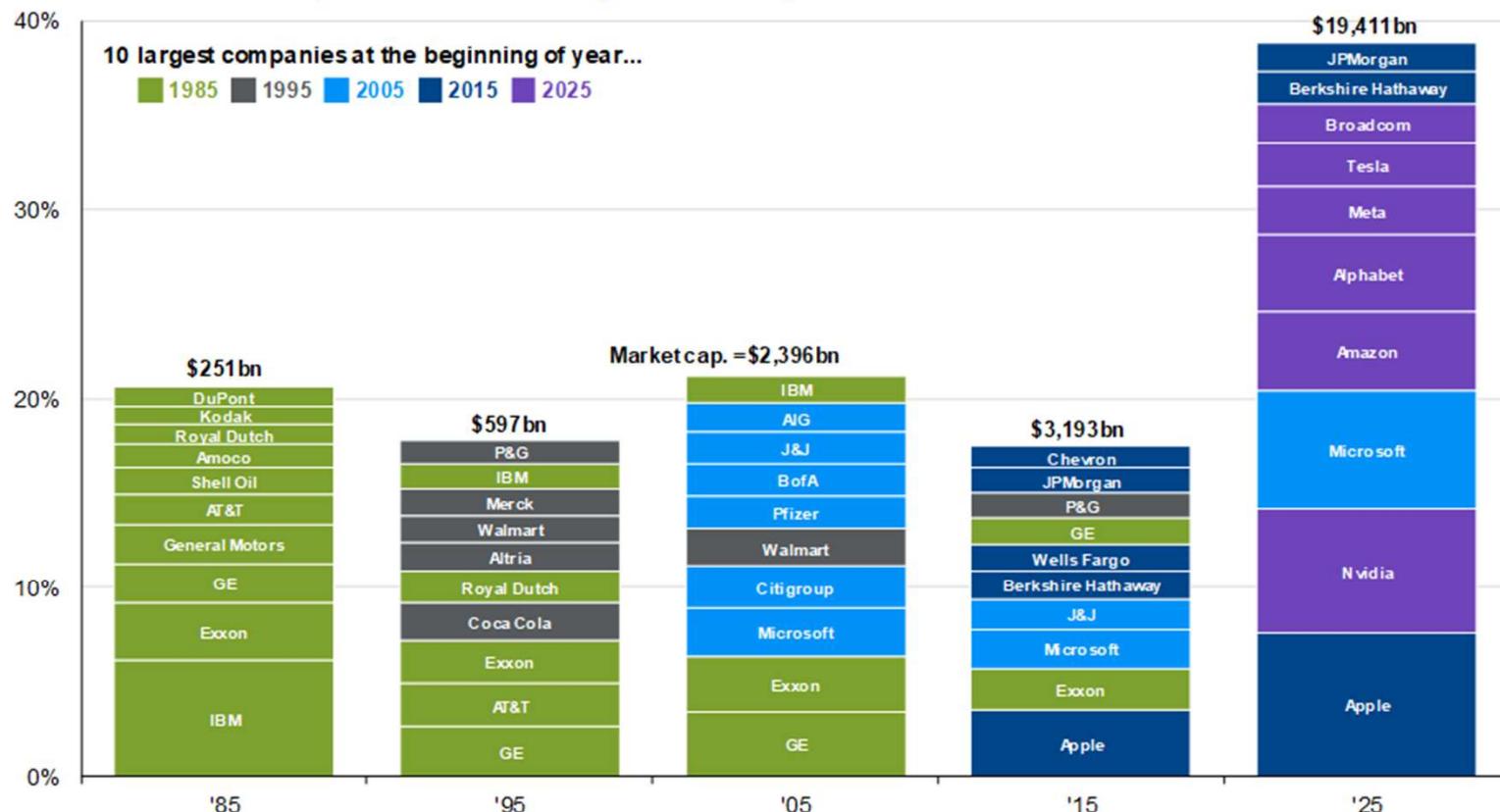
- 1996-2005
 - Y2K, .Com Bubble and burst, 9/11, Rise of the Internet
- 2006-2015
 - Great Financial Crisis, Flash Crash, Quantitative Easing, Brexit
- 2016-2025
 - Tariff Wars 1.0 & 2.0, COVID, AI
- 2026-2035
 - Self-driving vehicles? Commercial Space travel? Home Robots?



Top 10 Companies by Decade

Top 10 S&P 500 companies by market capitalization

Percent of S&P 500 market capitalization as of the first day of the indicated year



Source: Bloomberg, Standard & Poor's, J.P. Morgan Asset Management.

Companies are organized from highest weight at the bottom to lowest weight at the top. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of December 31, 2025.



Summary of the 3 Decades

- Global internet usage went from 77.5 Million to 5 billion
- S&P 500 earnings are up 2X
- Inflation is up 2X
- Global Wealth has grown by 600%

*Information provided by multpl.com 1996-2025**

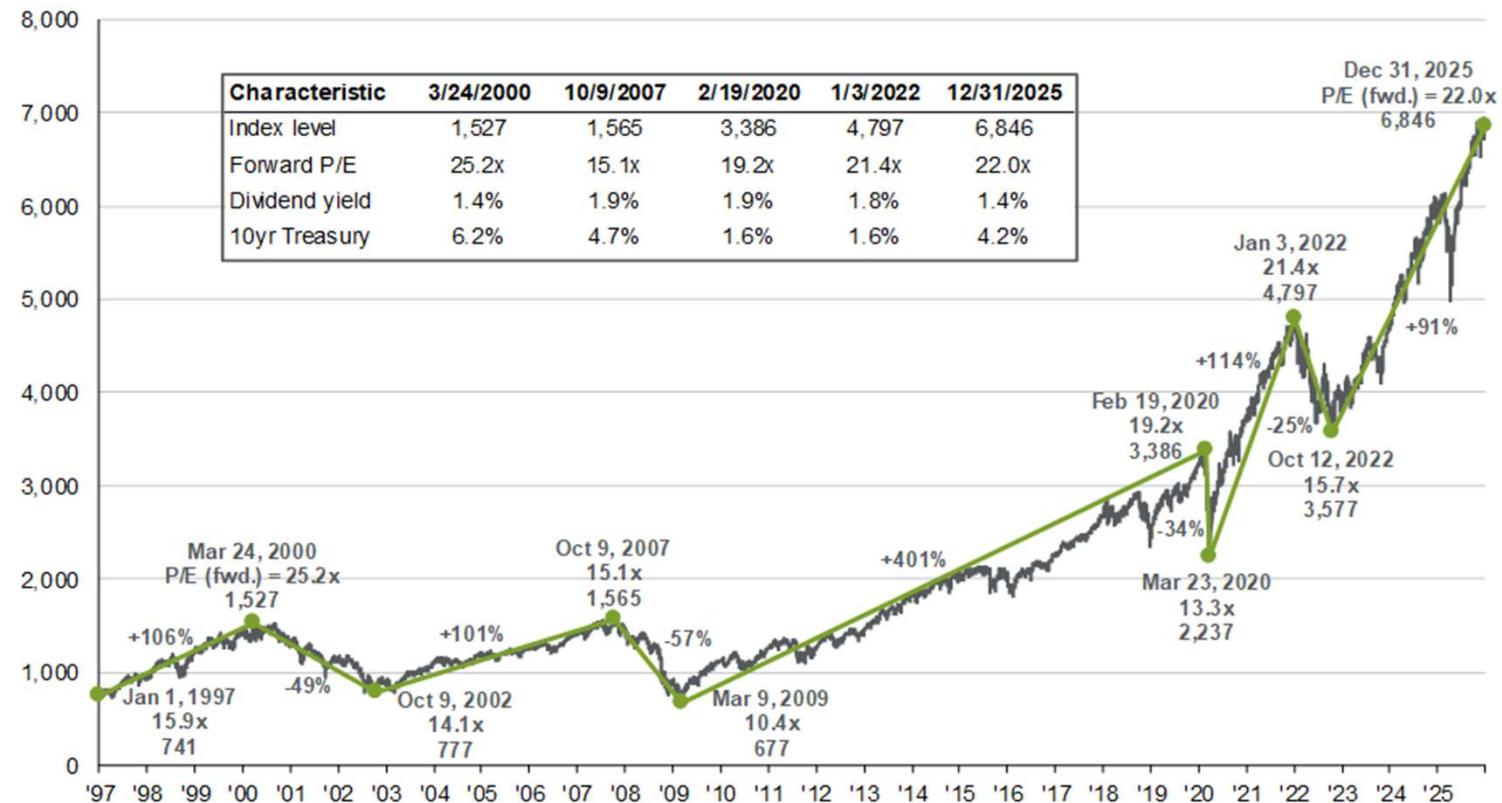


Current Market Metrics



Market Valuation

S&P 500 Price Index



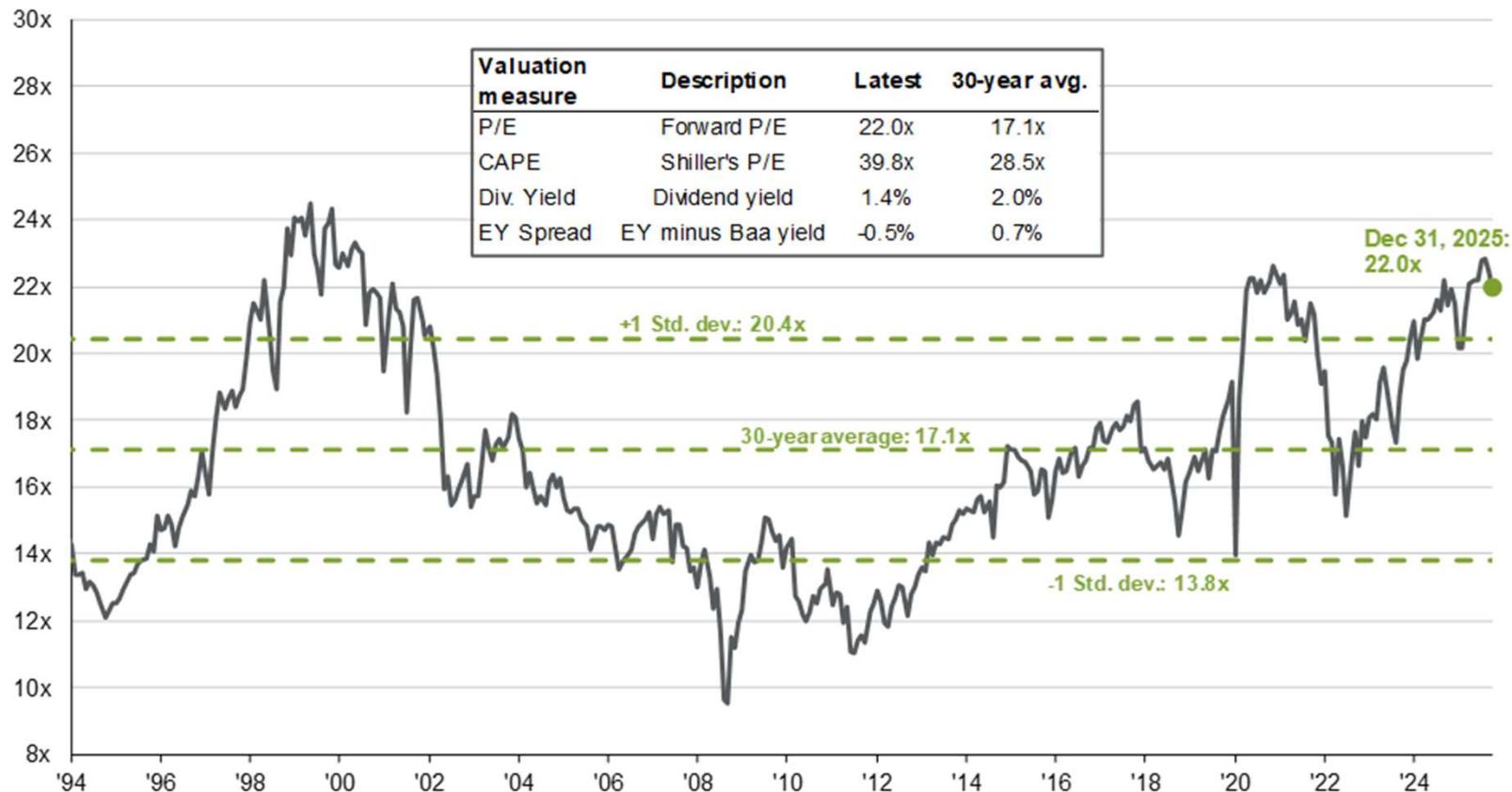
Source: FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

Dividend yield is calculated as consensus analyst estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. Forward P/E ratio is the most recent S&P 500 index price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1997 and FactSet since January 2022. Returns are cumulative and do not include the reinvestment of dividends. Past performance is no guarantee of future results. *Guide to the Markets – U.S.* Data are as of December 31, 2025.



Market Valuation Cont.

S&P 500 index: Forward P/E ratio



Source: Bloomberg, FactSet, Moody's, Refinitiv Datastream, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

Forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since March 1994 and FactSet since January 2022. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as consensus estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. EY minus Baa yield is the forward earnings yield (the inverse of the forward P/E ratio) minus the Bloomberg U.S. corporate Baa yield since December 2008 and interpolated using the Moody's Baa seasoned corporate bond yield for values beforehand.

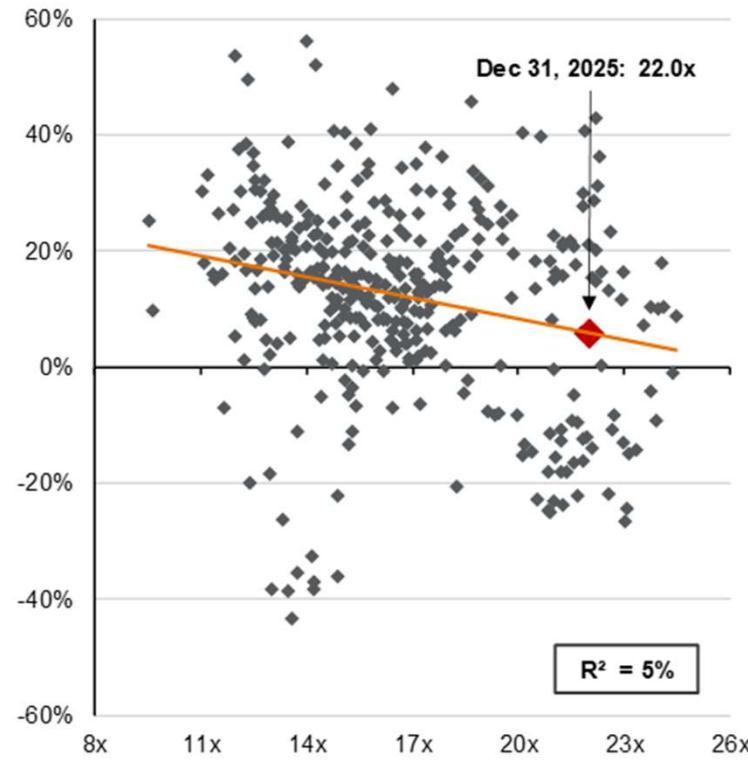
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P/E Ratios and Equity Returns

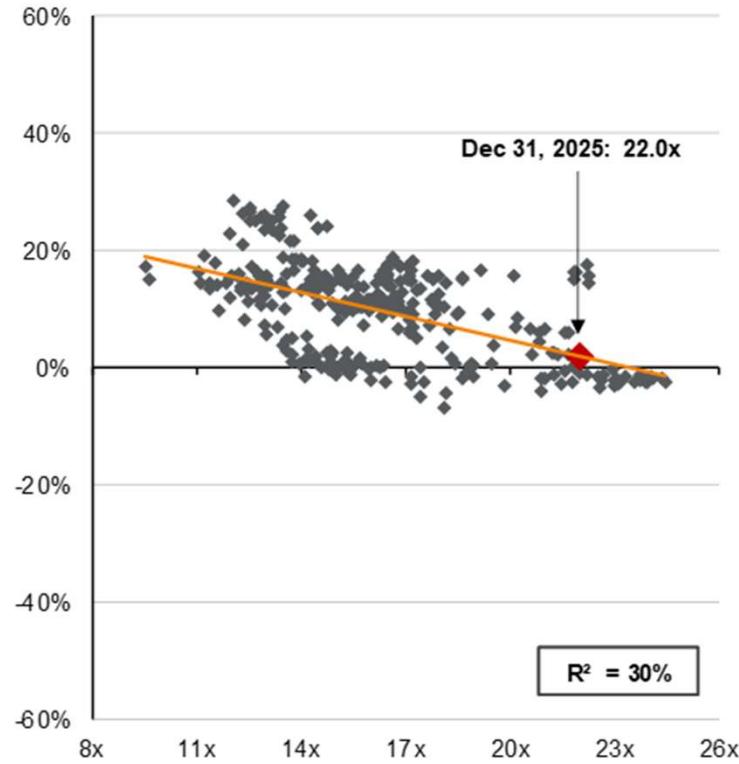
Forward P/E and subsequent 1-year returns

S&P 500 Total Return Index



Forward P/E and subsequent 5-year annualized returns

S&P 500 Total Return Index



Source: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1993. R^2 represents the percent of variation in total return that can be explained by forward P/E ratios. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since December 1993 and FactSet since January 2022. Past performance is no guarantee of future results.

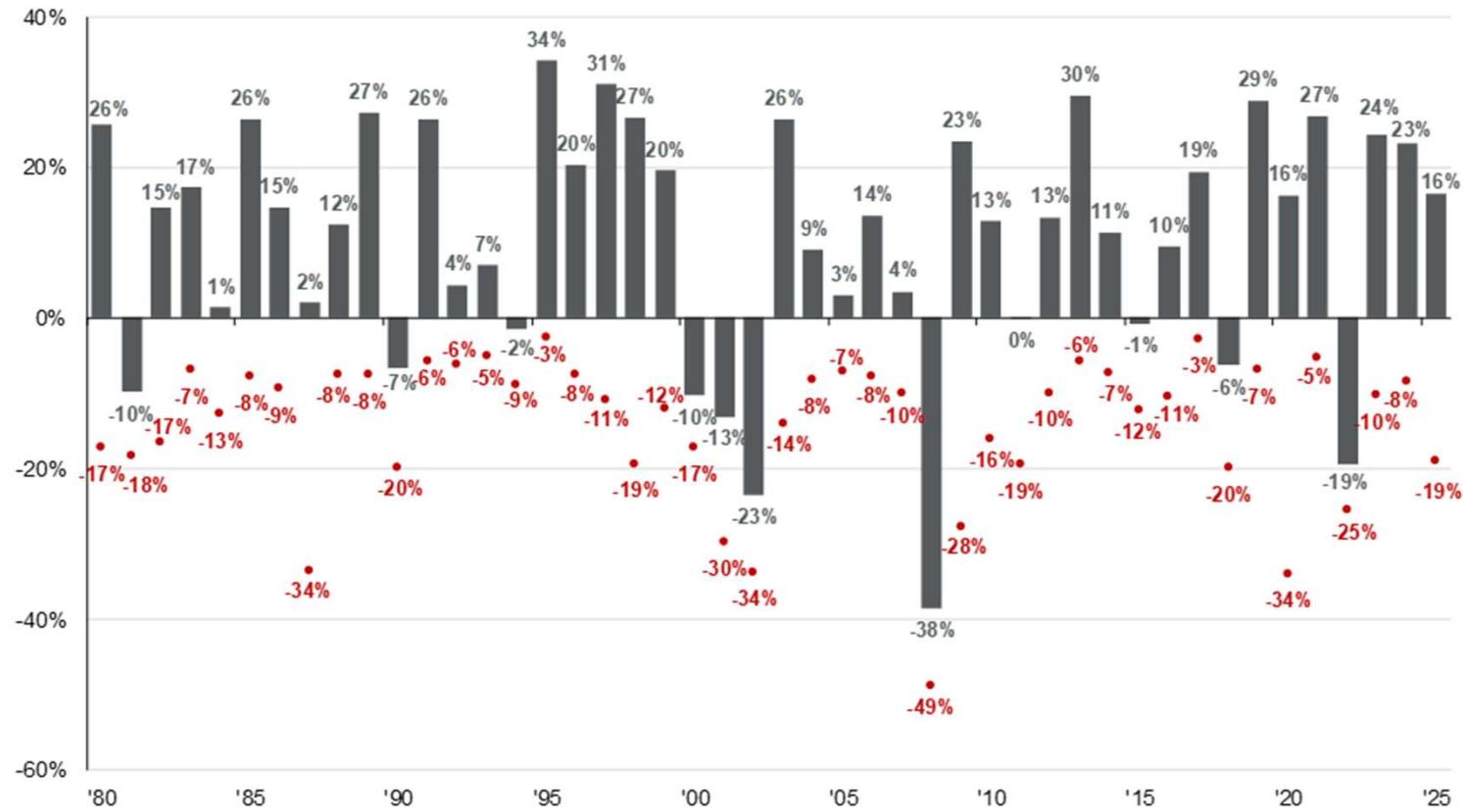
Guide to the Markets – U.S. Data are as of December 31, 2025.



Expect Volatility

S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

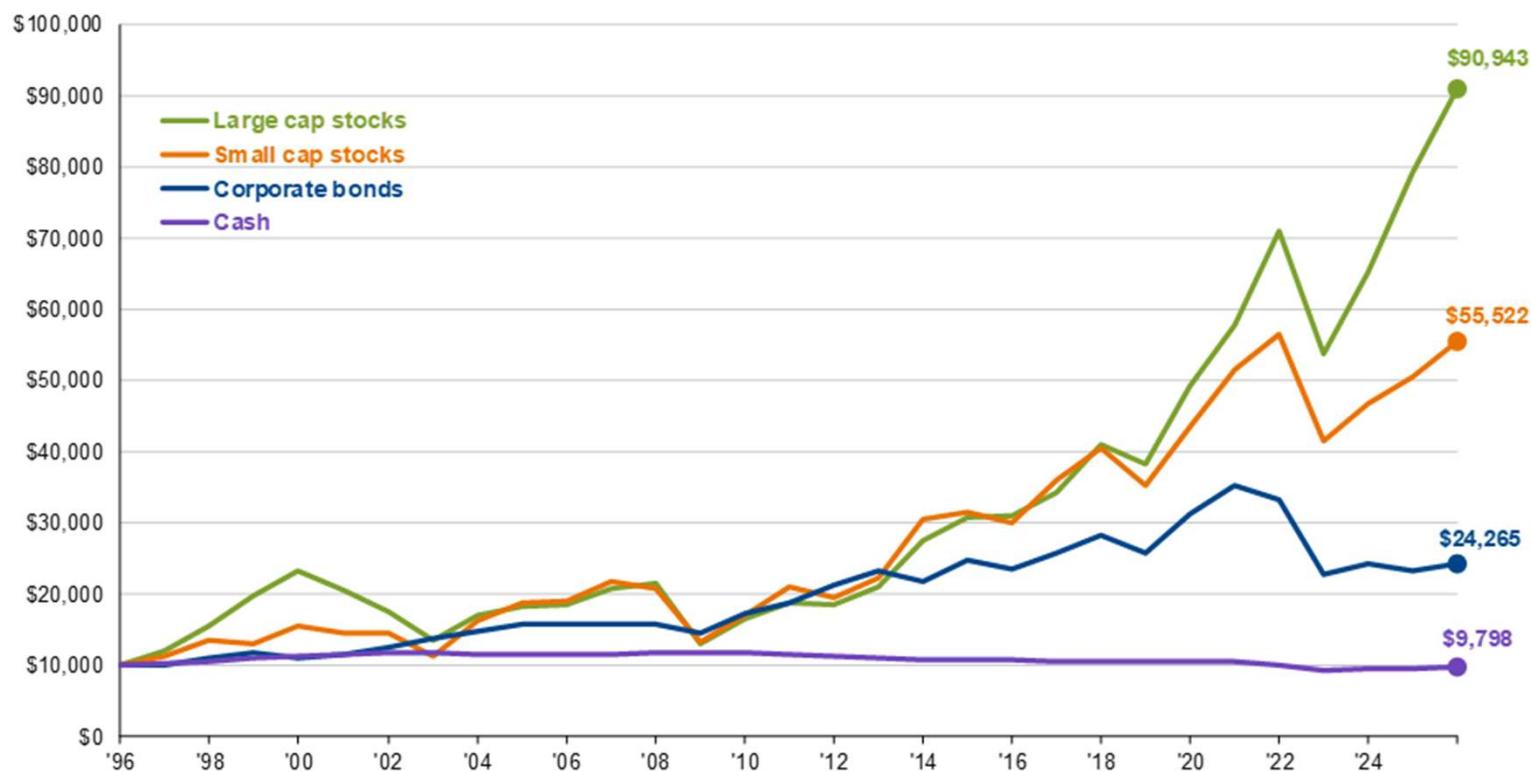
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest peak-to-trough decline during the year. Returns shown are calendar year returns from 1980 to 2025, over which the average annual return was 10.7%. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of December 31, 2025.



Stocks v. Inflation

Change in purchasing power by investment in major asset class

Growth of \$10,000, adjusted for inflation, 1996 - 2025, annual returns



Source: Bloomberg, Bureau of Labor Statistics, Ibbotson, J.P. Morgan Asset Management.

Large cap stocks: S&P 500 TR Index; Small cap stocks: Russell 2000 TR Index; Corporate bonds: Bloomberg Long U.S. Corporate Index; Cash: Bloomberg U.S. Treasury Bills Index. All returns are inflation-adjusted total returns, using annual average headline CPI inflation.

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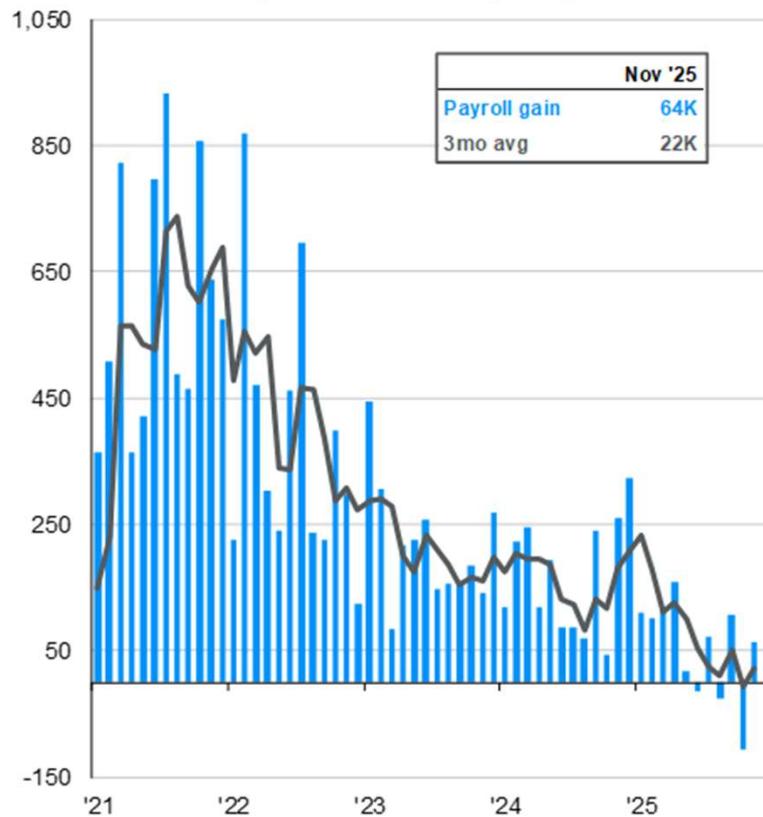
The Economy



Labor Market Health

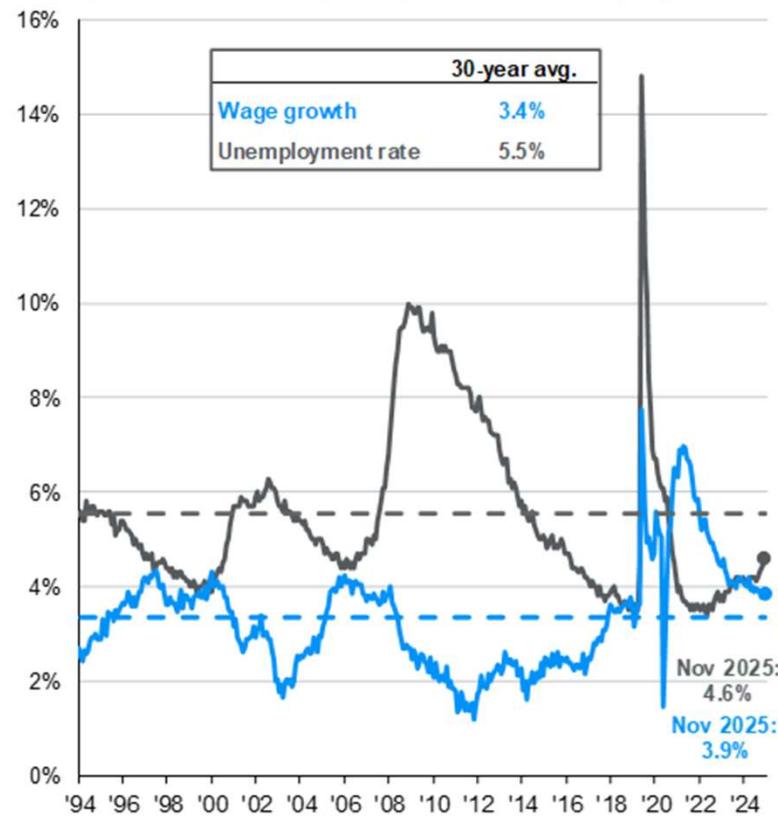
Nonfarm payroll gains

Month-over-month change and 3-month moving average, thousands, SA



Civilian unemployment rate and annual wage growth

Private production and non-supervisory workers, seasonally adjusted, %



Source: BLS, FactSet, J.P. Morgan Asset Management.

Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs.

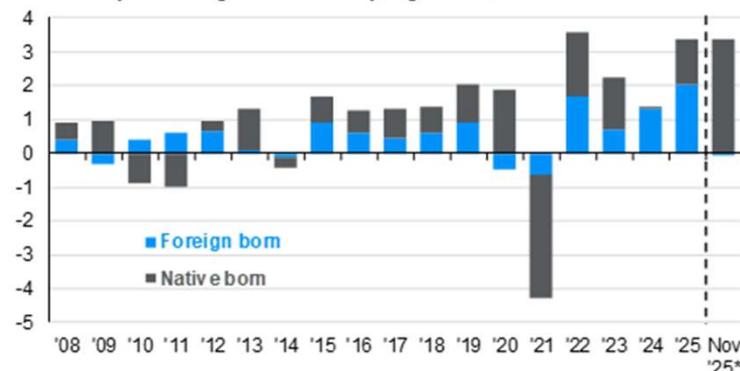
Guide to the Markets – U.S. Data are as of December 31, 2025.



Labor Supply Issue

Labor force growth, native and immigrant contribution

Year-over-year change as of January, aged 16+, millions



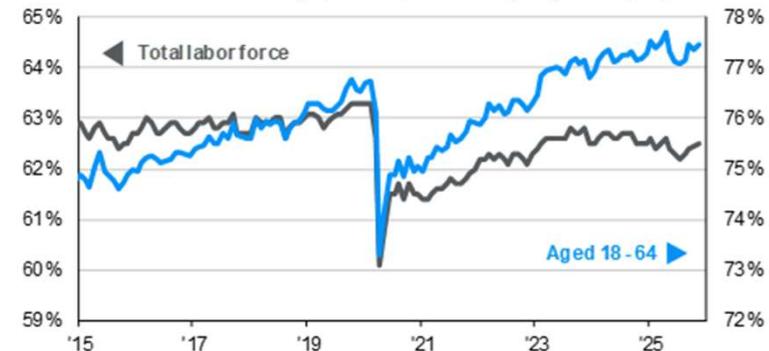
Single most important problem facing small businesses

% of firms, 3-month moving average



Labor force participation

% of civilian noninstitutional population, seasonally adjusted (SA)



Source: FactSet, J.P. Morgan Asset Management; (Left) BLS; (Right) NFIB.

Labor force data are sourced from the Current Population Survey, also known as the household survey, conducted by the BLS. *Latest figure reflects the y/y change as of the latest month.

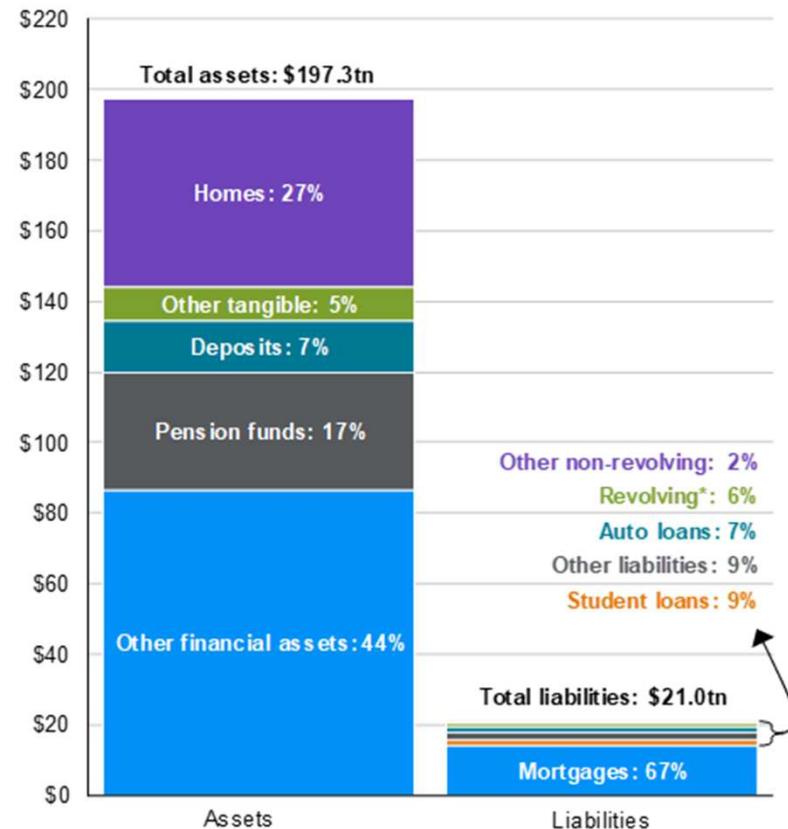
Guide to the Markets – U.S. Data are as of December 31, 2025.



Consumer Health

Consumer balance sheet

2Q25, USD trillions, not seasonally adjusted



Source: FactSet, FRB, J.P. Morgan Asset Management; (Top and bottom right) BEA.

Data include households and nonprofit organizations. *Revolving includes credit cards. Values may not sum to 100% due to rounding. **Periods for which official data are unavailable are J.P. Morgan Asset Management estimates. Household debt service ratio data from 1Q80 to 4Q04 are J.P. Morgan Asset Management estimates. Due to the moratorium on delinquent student loan payments being reported to credit bureaus, missed federal student loan payments were not reported until 4Q24.

Guide to the Markets – U.S. Data are as of December 31, 2025.

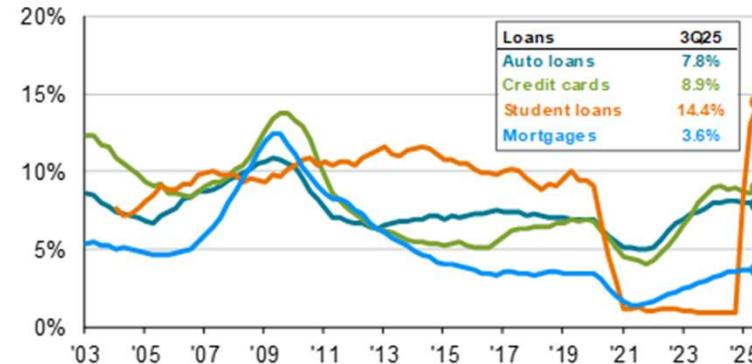
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

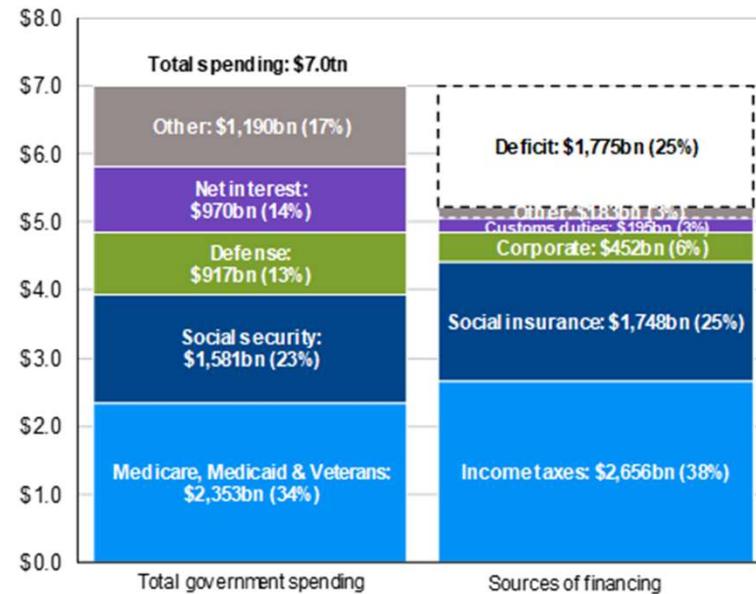
% of balance delinquent 30+ days



Federal Financial Health

The 2025 federal budget

USD trillions



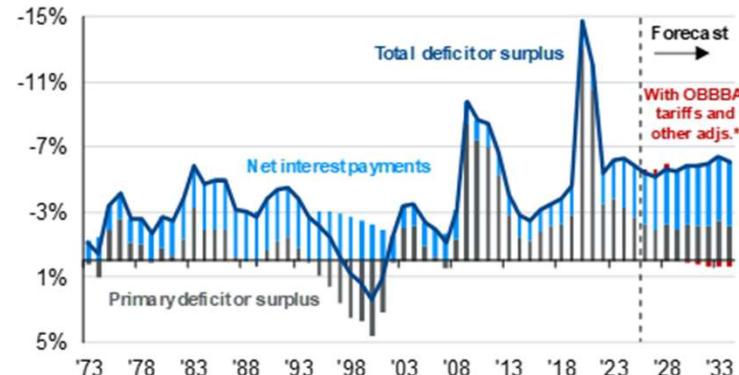
CBO's Baseline economic assumptions

	2025	'26-'27	'28-'29	'30-'35
Real GDP growth	2.2%	1.8%	1.8%	1.8%
10-year Treasury	4.1%	3.9%	3.9%	3.8%
Headline inflation (CPI)	2.3%	2.4%	2.3%	2.2%
Unemployment	4.2%	4.4%	4.4%	4.4%

Source: BEA, CBO, Treasury Department, J.P. Morgan Asset Management; (Left) Reflects actual FY 2025 government receipts and outlays based on data sourced from the Treasury Department. Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA. Estimates are from the Congressional Budget Office (CBO) January 2025 An Update to the Budget Outlook: 2025 to 2035. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. OBBBA refers to the "One Big Beautiful Bill Act." 2025 figure for net debt as a % of GDP based on preliminary data from the Treasury Department and BEA. *Adjusted by JPMAM to include estimates from the CBO July 2025 report "Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline." Figures are also adjusted to include JPMAM estimates of tariff revenues and the estimated cost of extending expiring tax cuts beyond 2028, based on CBO August 2025 report "Effects on Deficits and the Debt of Public Law 119-21 and of Making Certain Tax Policies in the Act Permanent." Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Guide to the Markets – U.S. Data are as of December 31, 2025.

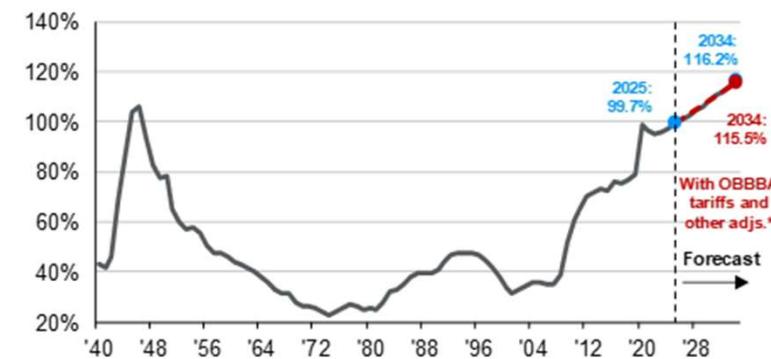
Federal deficit and net interest payments

% of GDP, 1973 - 2034, CBO Baseline Forecast



Federal net debt (accumulated deficits)

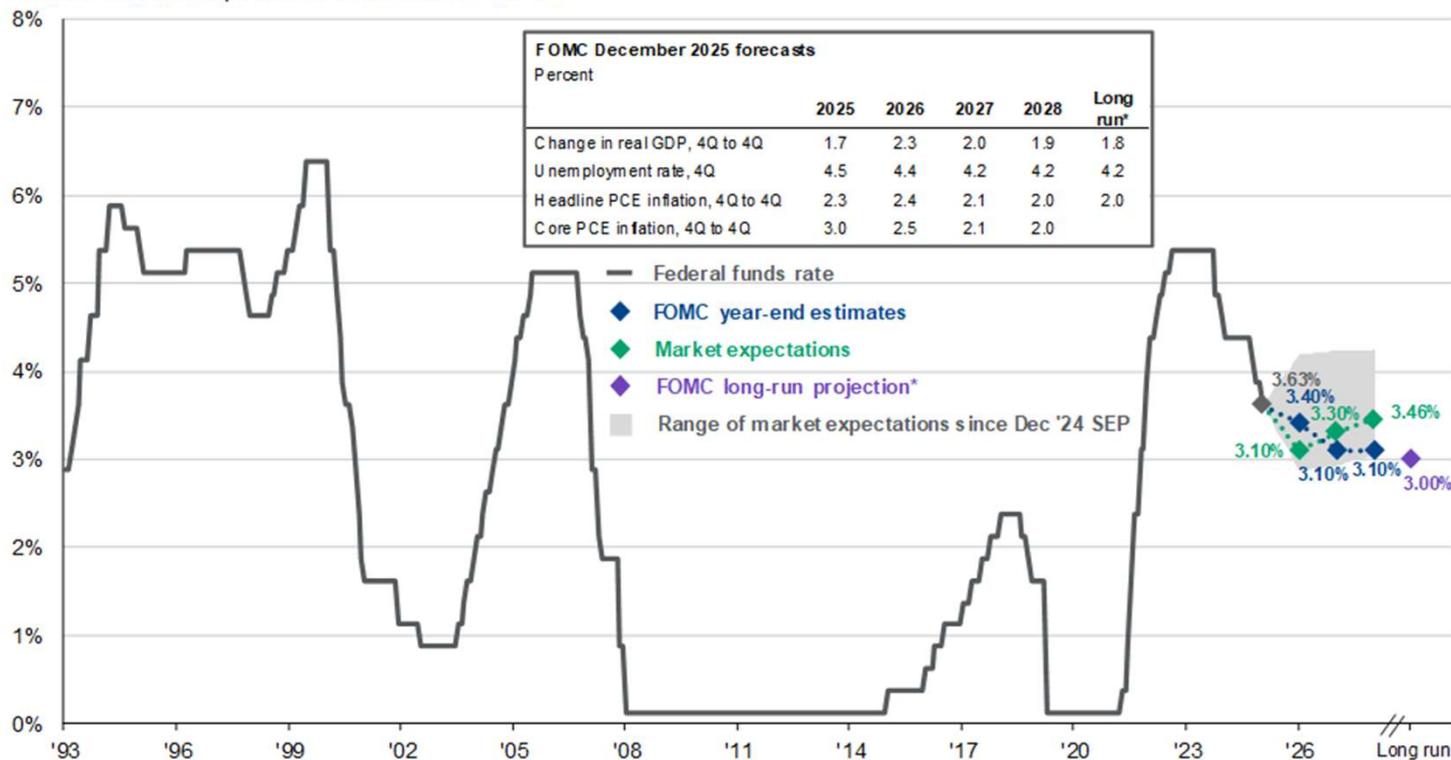
% of GDP, 1940 - 2034, CBO Baseline Forecast, end of fiscal year



Interest Rate Outlook

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

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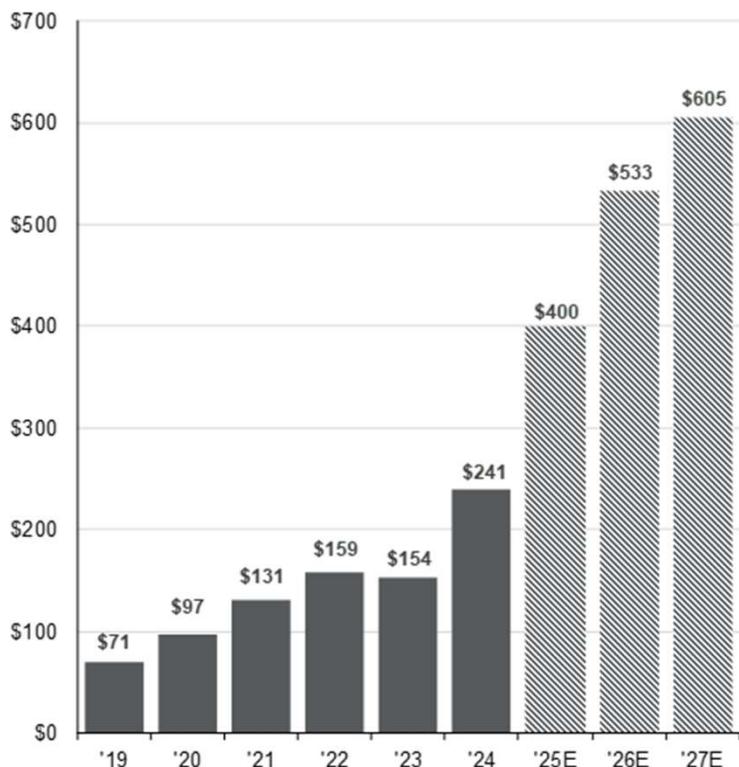


The Next 3 Decades



Artificial Intelligence

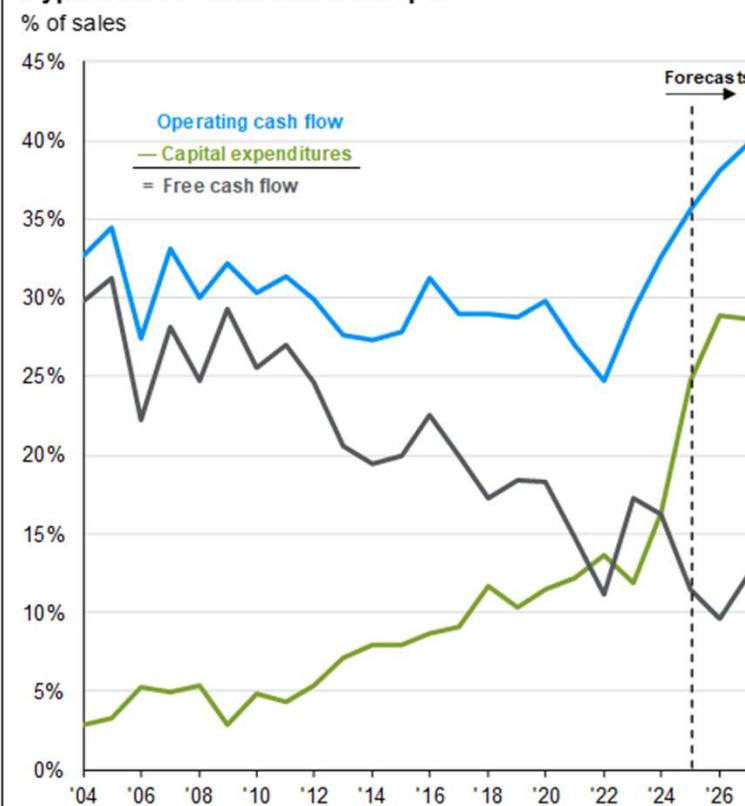
Capex from the major AI hyperscalers*
USD billions; Alphabet, Amazon, Meta, Microsoft, Oracle



Source: Bloomberg, J.P. Morgan Asset Management.

Data for 2025, 2026 and 2027 reflect consensus estimates. Capex shown is company total. *Hyperscalers are the large cloud computing companies that own and operate data centers with horizontally linked servers that, along with cooling and data storage capabilities, enable them to house and operate AI workloads.
Guide to the Markets – U.S. Data are as of December 31, 2025.

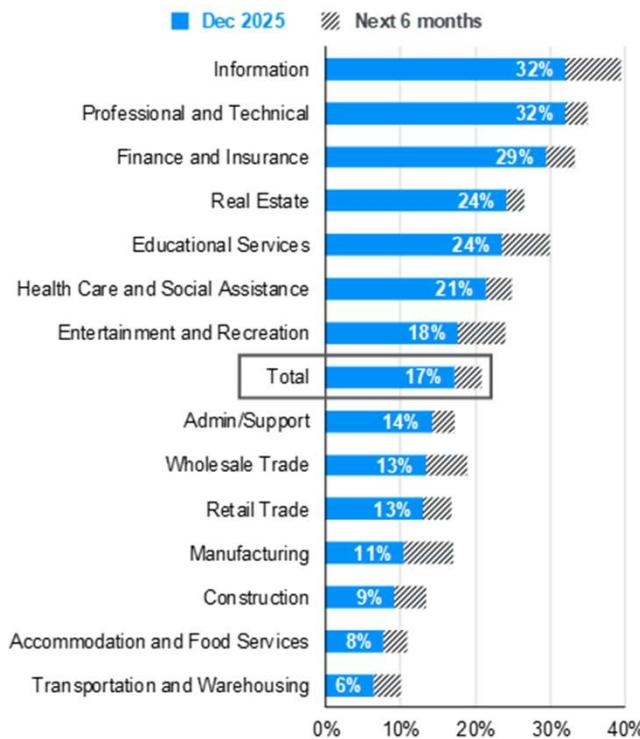
Hyperscalers' cash flow and capex



A.I. Implementation

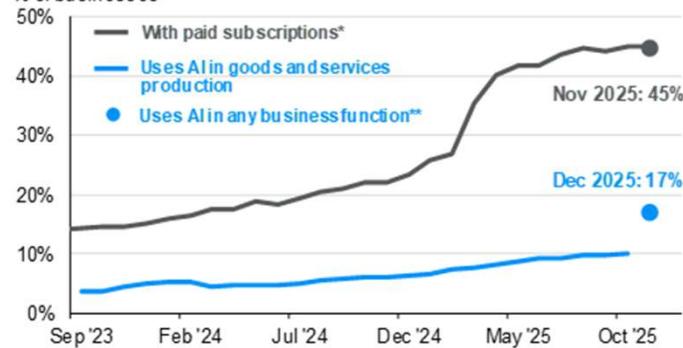
Businesses using AI in any business function

% of all firms reporting use of AI applications



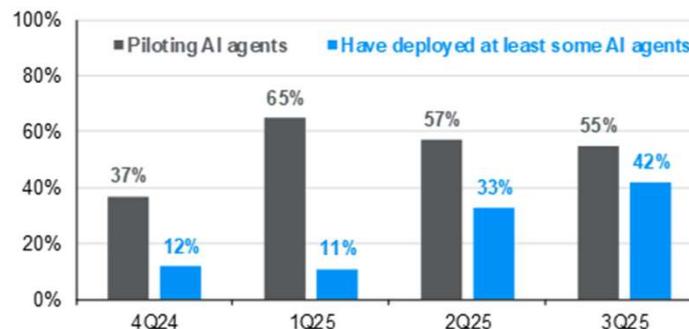
Companies spending on AI models, platforms and tools

% of businesses



AI agent deployment

% of organizations with revenues above \$1bn, KPMG Quarterly AI Pulse survey



Source: J.P. Morgan Asset Management; (Left) Census Business Trends and Outlook Survey; (Top right) RAMP AI Index; (Bottom right) KPMG Quarterly AI Pulse Survey. *Ramp data is based on anonymized corporate card and bill-pay transactions with AI vendors across over 50,000 U.S. businesses on Ramp's spend platform to provide a spend-based measure of AI adoption that complements the self-reported AI use (which includes free and internal tools) in the Census survey series. The two measures differ in firm coverage and methodology, with Ramp data skewed towards digitally enabled firms. **Starting Dec. 2025, the Census changed the wording of their survey question to capture usage of AI in "any business function", broader language compared to their prior "in producing goods and services" question. Total adoption jumped from 10% to 17% of businesses because of this switch. AI agents refer to AI systems designed to autonomously execute specific tasks or workflows with minimal human intervention.

Guide to the Markets – U.S. Data are as of December 31, 2025.



Where is the Trend?

2011 - 2025

Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 14.6%	DM Equity 19.5%	Asset Alloc. 8.3%	Asset Alloc. 13.5%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.

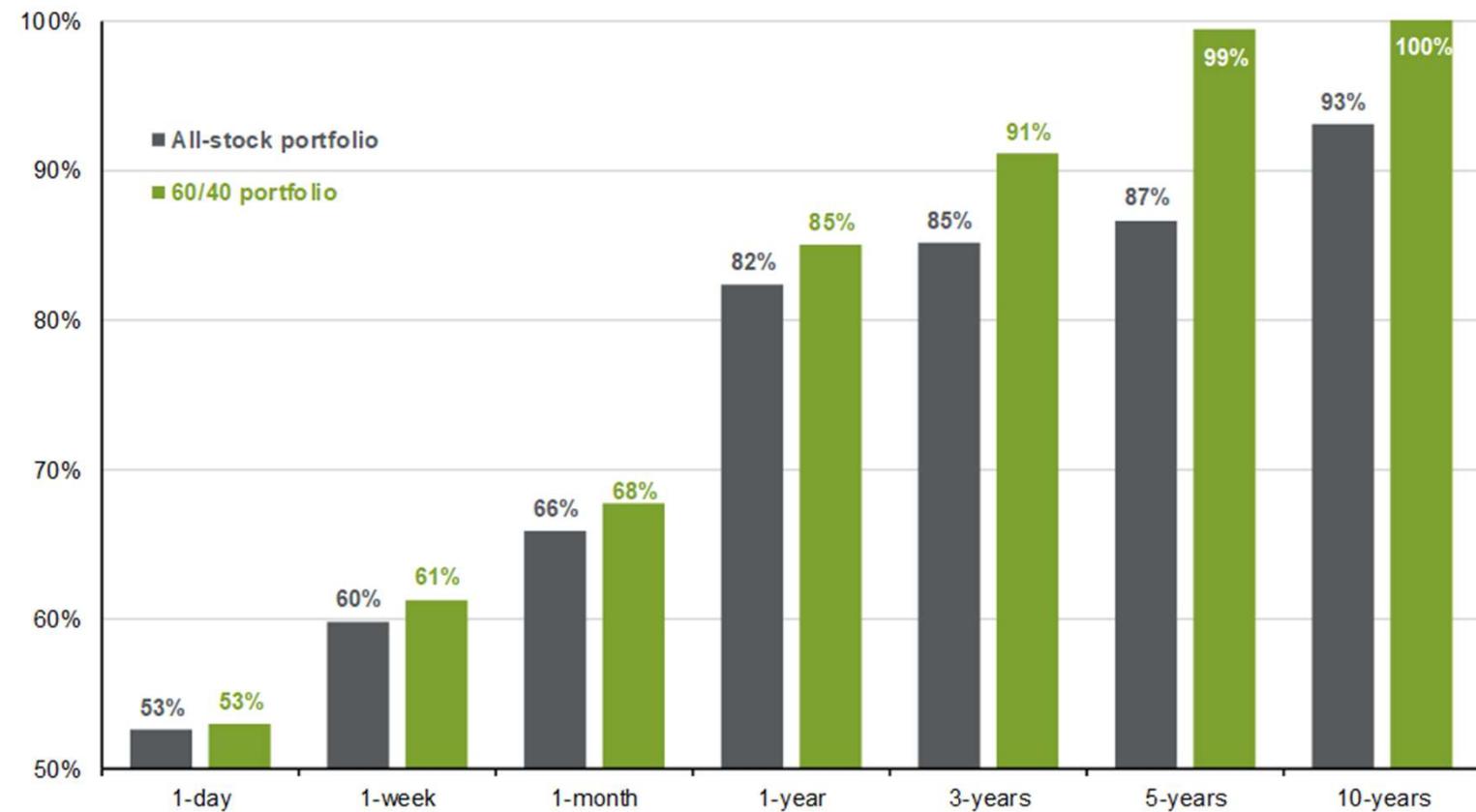
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Successful Investors are Long-Term Thinkers

Frequency of positive returns across timeframes

Rolling total daily returns, Jan 1, 1989 - Dec 31, 2025



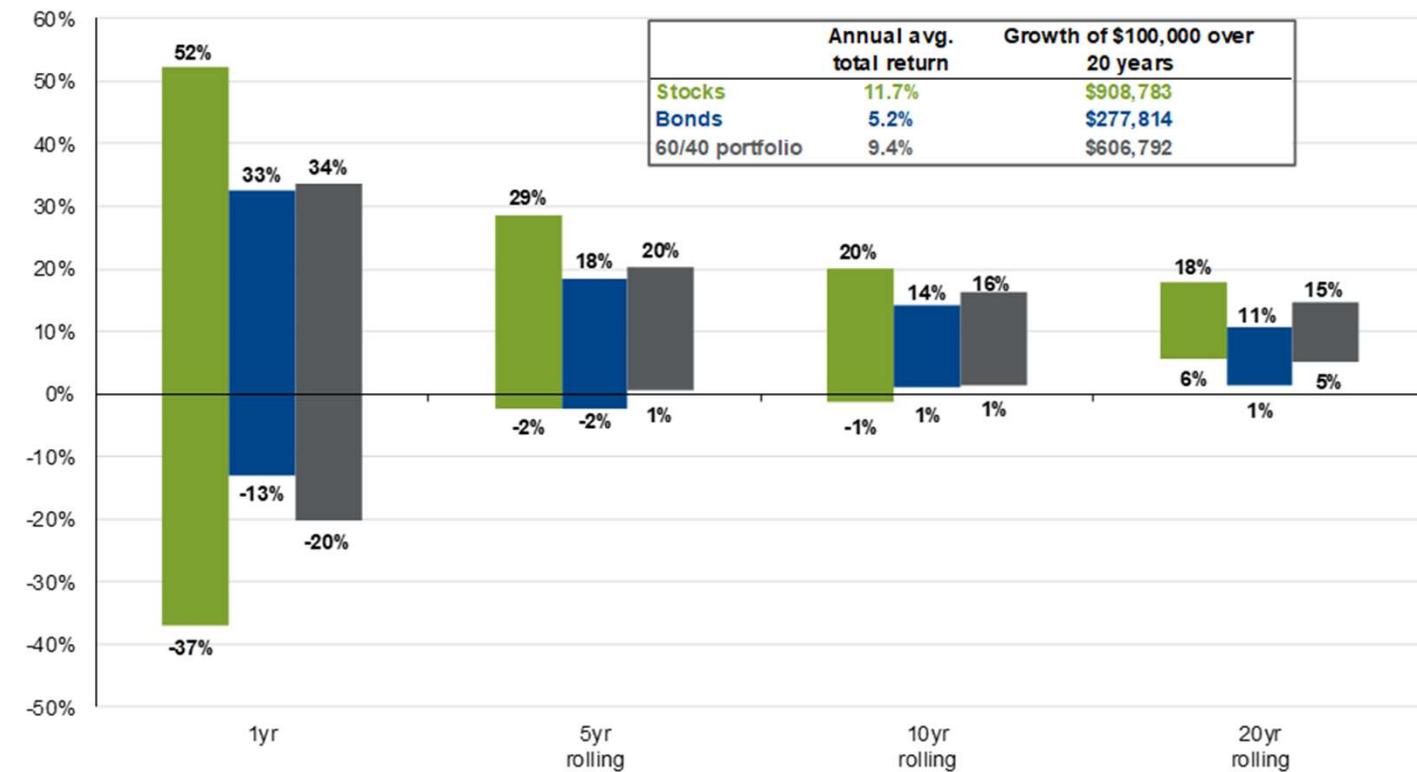
Source: Bloomberg, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
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Think in terms of Decades

Range of stock, bond and blended total returns

Annual total returns, 1950 - 2025



Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, Strategas/Ibbotson, J.P. Morgan Asset Management.

Returns shown are based on calendar year returns from 1950 to 2025. Stocks: S&P 500; Bonds: Strategas/Ibbotson for periods prior to 1976 and the Bloomberg U.S. Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2025.

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Concluding Thoughts

- The past three decades have been highlighted by change mainly in technology.
- It looks like the next three decades will bring about their own technological changes.
- Long-Term investing principles do not change.
 - Invest in profitable companies, invest continuously, consider buying during downturns, and let your gains compound.



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You can help us make our seminars even better!

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arriving shortly in your email.

Thank you!



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