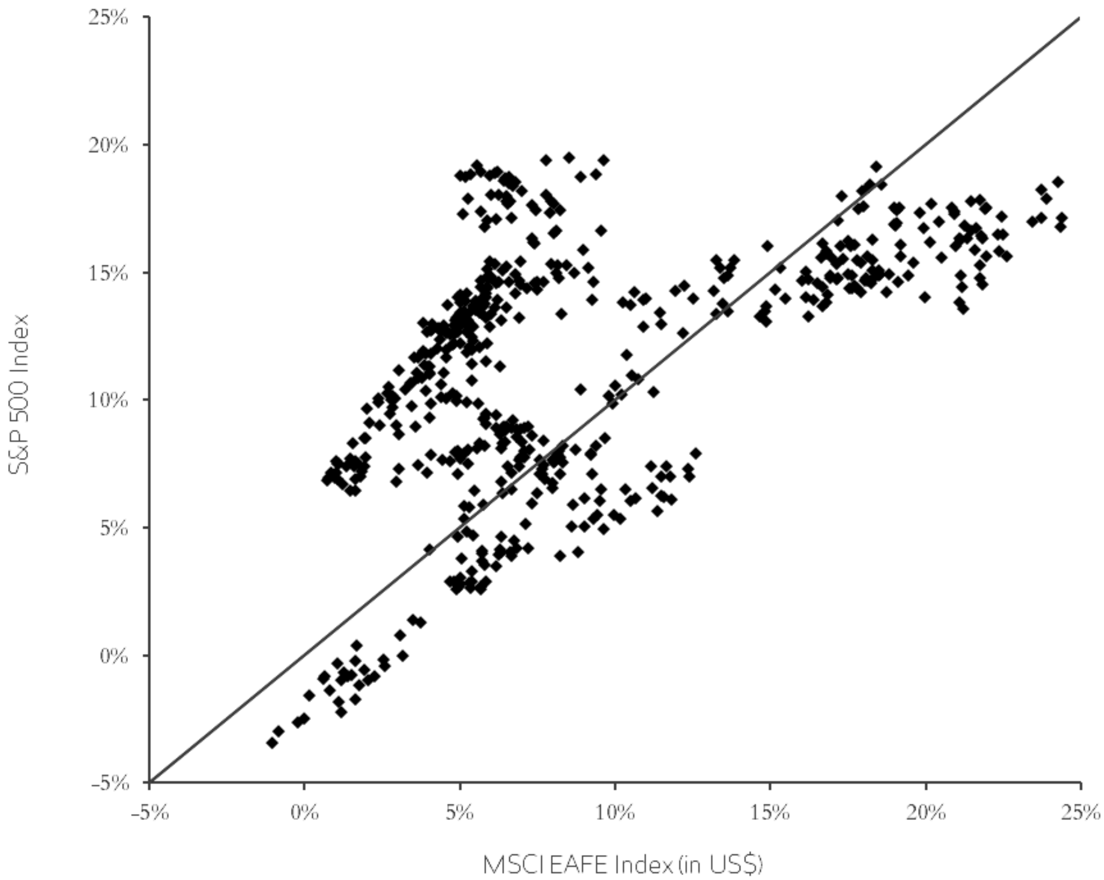
THE DICHOTOMY BETWEEN US AND NON-US RETURNS

As with life, there is an ebb and a flow to investing. This dichotomy between US and non-US returns has not always favored the United States. There have been numerous multi-year periods where non-US returns have significantly outpaced their US counterparts. Moreover, as you can see in the chart below, on a rolling ten-year return basis between December 31, 1969, and December 31, 2025, the S&P 500 outperformed the MSCI EAFE Index only 58% of the time.

S&P 500 Index & MSCI EAFE Index (in USD) | 10-Year Rolling Returns (calculated monthly)

December 31, 1969 through December 31, 2025

Out of 553 ten-year measurement periods, US equity markets (S&P 500 Index) outperformed international markets (MSCI EAFE Index (in USD)) 321 times (58% of observed periods).



The vertical axis represents the ten-year annual rolling returns for the S&P 500 while the horizontal axis represents the ten-year annual rolling returns for the MSCI EAFE Index (in USD). The diagonal axis is a line of demarcation separating periods of outperformance from periods of underperformance. Plot points above the diagonal axis are indicative of the S&P's relative outperformance, while points below the diagonal axis are indicative of its relative underperformance.

Source: Bloomberg and MSCI

The S&P 500 Index is a market capitalization weighted index composed of 500 widely held common stocks that assumes the reinvestment of dividends. The index is generally considered representative of US large capitalization stocks.

The MSCI EAFE Index is an unmanaged, free float-adjusted capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI EAFE Index (USD) reflects the return of the MSCI EAFE Index for a U.S. dollar investor. Index results are inclusive of dividends and net of foreign withholding taxes. Index figures do not reflect any deduction for fees, expenses or taxes. An investor cannot invest directly in an index.

Investing in foreign securities involves additional risks beyond the risks of investing in US securities markets. These risks include currency fluctuations; political uncertainty; different accounting and financial standards; different regulatory environments; and different market and economic factors in various non-US countries. Force majeure events such as pandemics and natural disasters are likely to increase the risks inherent in investments and could have a broad negative impact on the world economy and business activity in general. Value investing involves the risk that the market will not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may actually be appropriately priced when purchased. In addition, the securities of small, less well-known companies may be more volatile than those of larger companies.

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