

# Angeles



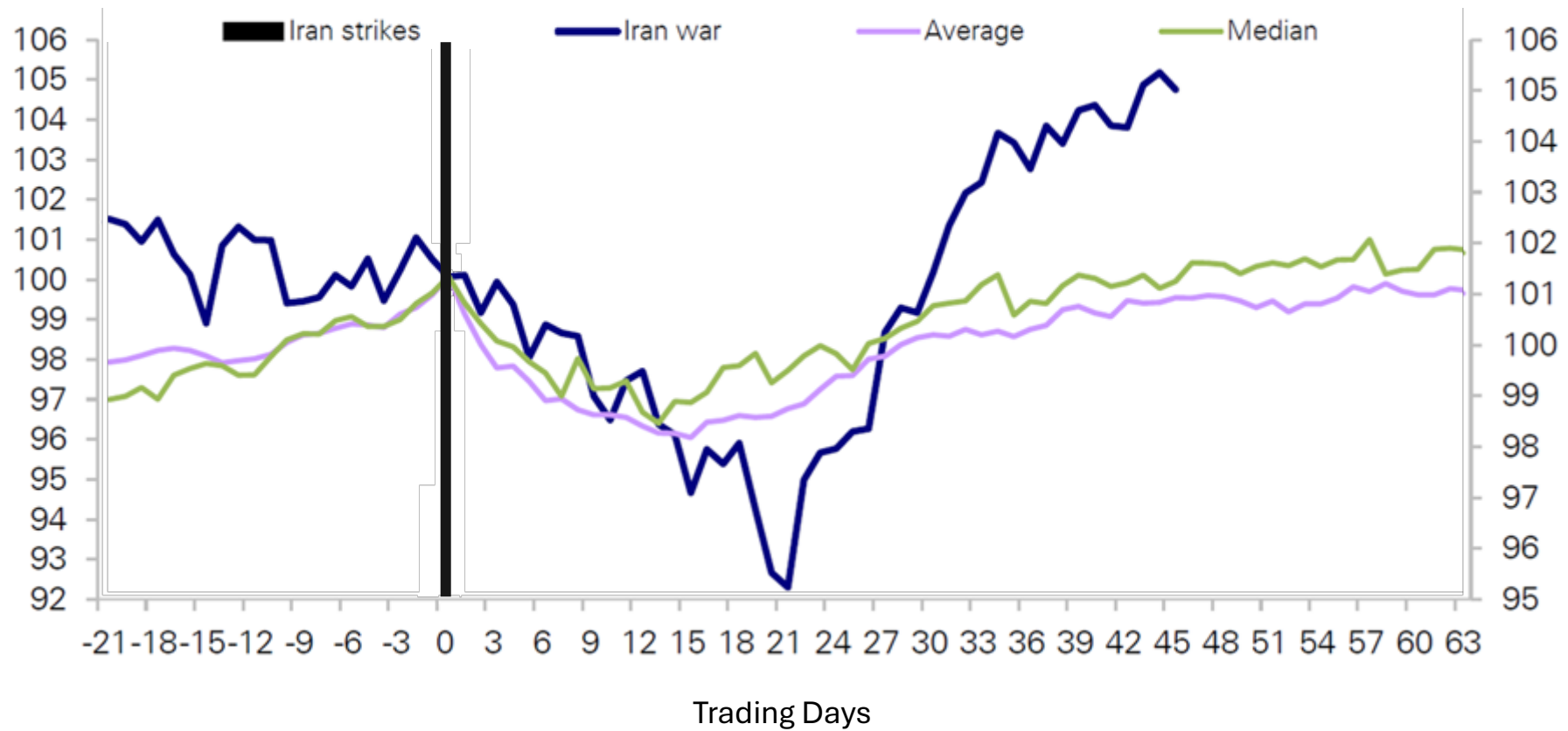
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That's What I Want

Michael Rosen, Chief Investment Officer  
May 2026

# Geopolitics — Largely Irrelevant

## S&P 500 Index Performance Around Geopolitical Events Since 1939



Source: Bloomberg; Courtesy: Deutsche Bank, as of 4 May 2026



# Oil Spikes — Largely Irrelevant

## S&P 500 Index Performance After Major Oil Spikes, 1974- 2026

Trough	Around 50% move	Brent move	Duration (in weeks)	S&P500 12m forward move after Brent hits 50% up
Jan-74	Feb-74	237%	1	-16%
Feb-79	Jun-79	49%	14	12%
Jul-86	Aug-86	58%	3	36%
Nov-88	Jan-89	48%	8	24%
Jun-90	Aug-90	56%	8	12%
Feb-99	Mar-99	53%	6	14%
Jul-00	Sep-00	43%	6	-26%
Dec-08	Mar-09	47%	12	43%
Jan-16	Mar-16	49%	7	19%
Apr-20	May-20	88%	2	45%
Dec-21	Mar-22	52%	13	-8%
<b>Average</b>		<b>71%</b>	<b>7</b>	<b>14%</b>
<b>Median</b>		<b>52%</b>	<b>7</b>	<b>14%</b>
Feb-26	Apr-26	68%	7	-
<b>Hit Ratio - positive</b>		<b>-</b>	<b>-</b>	<b>73%</b>

Source: Bloomberg; Courtesy: J.P. Morgan

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# Military Conflicts — Largely Irrelevant

## S&P 500 Index Around Military Conflicts, 1948- 2025

	SPX Performance						
	Start	-5d	+5d	+1m	+3m	+6m	Max drawdown (From start)
Arab-Israeli War	15-May-48	-2.1%	7.2%	10.9%	2.0%	-0.8%	0.0%
Korean War	25-Jun-50	0.9%	-7.6%	-10.0%	1.5%	4.9%	-12.9%
Algerian War	01-Nov-54	-0.5%	3.9%	6.9%	15.5%	19.4%	-0.3%
Vietnam War	01-Nov-55	-0.8%	4.4%	7.3%	4.1%	13.9%	0.0%
Six-Day War	05-Jun-67	-2.3%	4.1%	3.3%	6.5%	7.7%	-0.2%
War of Attrition	08-Mar-69	0.5%	-0.7%	1.5%	3.5%	-6.0%	-0.7%
Yom Kippur War	06-Oct-73	1.3%	1.4%	-4.5%	-10.0%	-15.3%	-16.1%
Iran-Iraq War	22-Sep-80	3.8%	-5.3%	1.2%	4.1%	2.8%	-5.3%
Falkland Islands War	02-Apr-82	2.8%	1.0%	1.1%	-6.5%	6.0%	-6.9%
Gulf War	02-Aug-90	-1.2%	-3.3%	-8.2%	-11.3%	-2.4%	-15.9%
Kosovo Conflict	05-Mar-98	-1.3%	3.4%	8.5%	7.6%	-5.9%	0.0%
Afghan War	07-Oct-01	2.9%	1.9%	4.1%	8.7%	4.8%	-1.4%
Iraq War	20-Mar-03	5.3%	-0.8%	2.0%	13.7%	18.3%	-3.1%
Libyan Civil War	15-Feb-11	0.3%	-0.9%	-3.5%	0.7%	-9.3%	-5.4%
Syrian Civil War	15-Mar-11	-3.0%	0.9%	2.9%	-1.3%	-5.7%	-1.9%
Annexation of Crimea	23-Feb-14	-0.1%	1.3%	1.6%	3.5%	8.3%	-1.1%
Yemeni Civil War	15-Sep-14	-0.9%	0.5%	-6.1%	0.3%	3.5%	-6.1%
Ukraine / Russia War	21-Feb-22	-1.2%	0.6%	2.6%	-10.3%	-2.8%	-10.3%
Israel / Gaza War	07-Oct-23	0.5%	0.4%	1.6%	9.0%	20.8%	-4.4%
Israel / Iran War	13-Jun-25	-0.4%	-0.2%	4.7%	10.2%	14.2%	-0.2%
<b>Median</b>		<b>0.1%</b>	<b>0.8%</b>	<b>1.8%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>-2.9%</b>
<b>Average</b>		<b>0.3%</b>	<b>0.6%</b>	<b>1.4%</b>	<b>2.5%</b>	<b>3.6%</b>	<b>-4.5%</b>

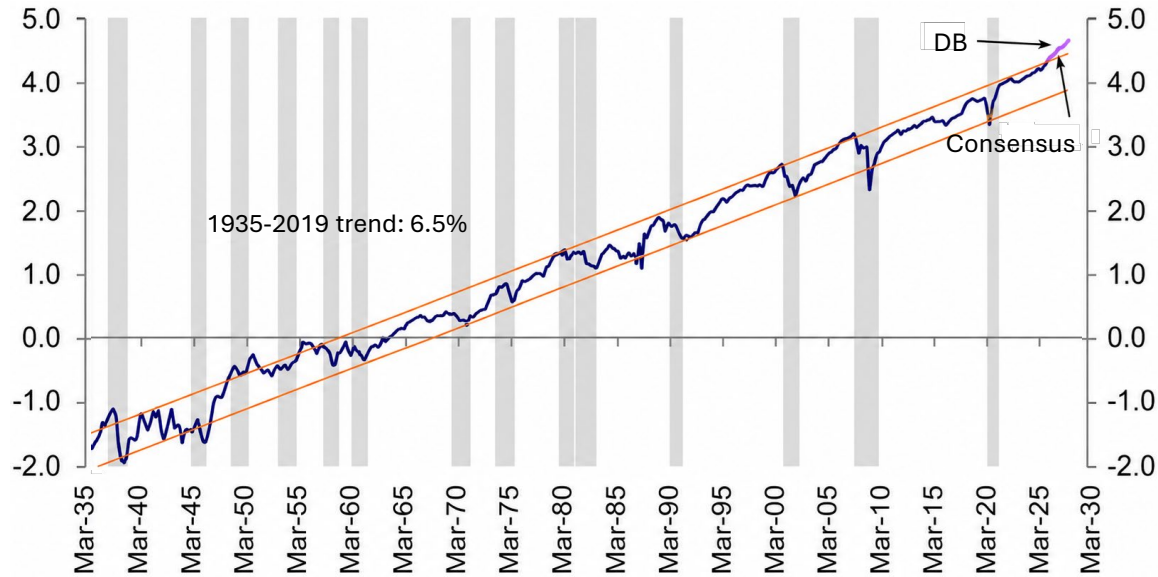
Source: Bloomberg; Courtesy: J.P. Morgan

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# Earnings Accelerating, +25% YoY

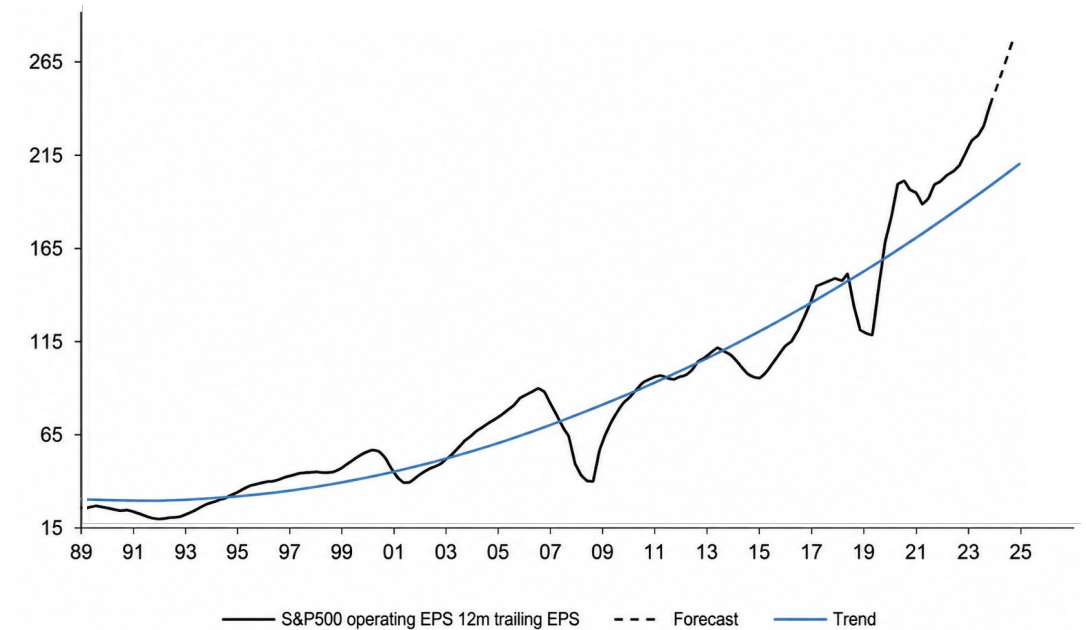
## S&P 500 EPS Growth, 1935- 2026



Source: Bloomberg; Courtesy: Deutsche Bank

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## S&P 500 EPS Growth, 1989- 2026

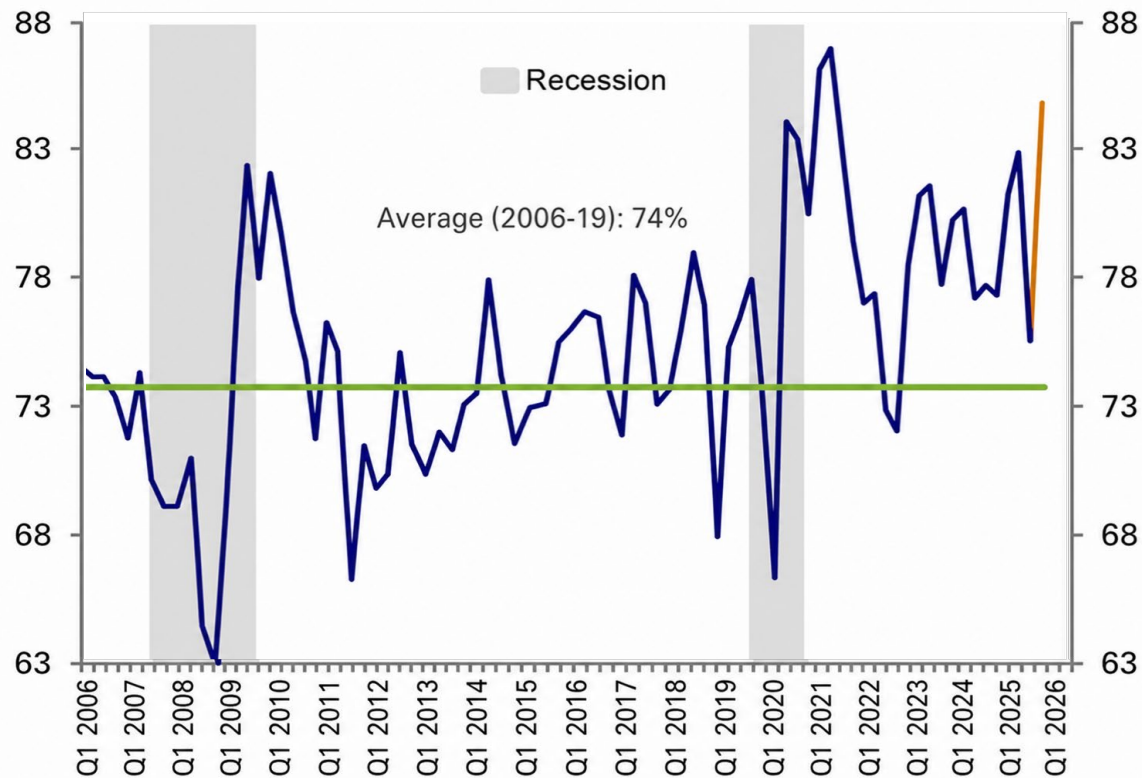


Source: S&P Global; Courtesy: J.P. Morgan



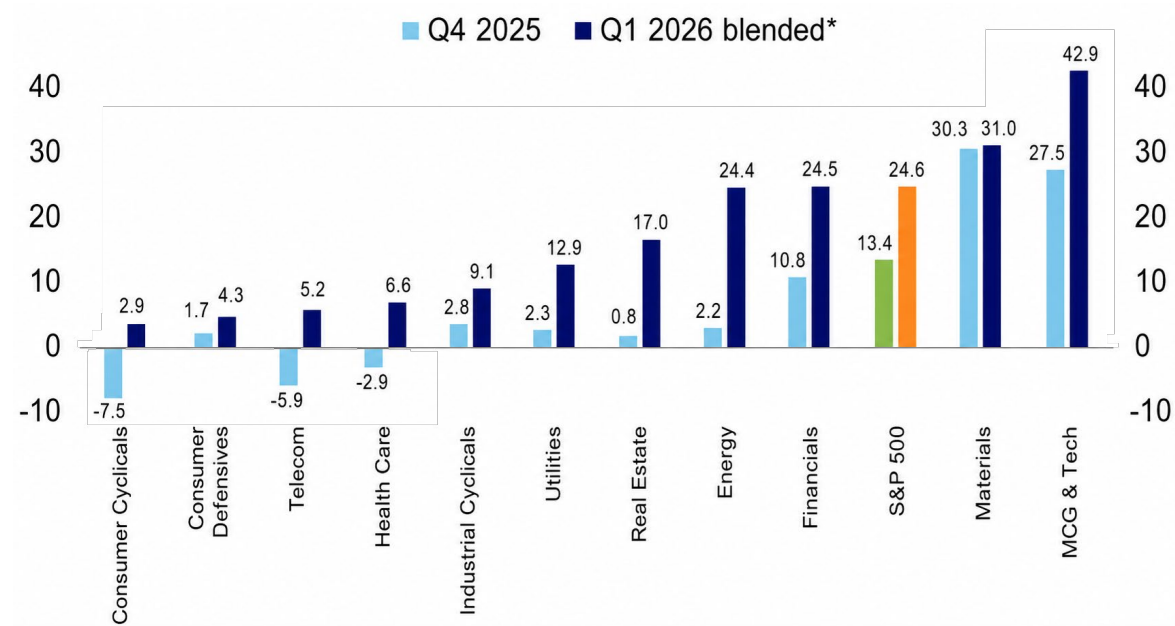
# Earnings Estimates Exceeded, and in all Sectors

Pct. Of S&P 500 Exceeding Earnings Estimates, 2006 - 2026



Source: Bloomberg; Courtesy: Deutsche Bank

Earnings Growth YoY by Sector, Q425-Q126



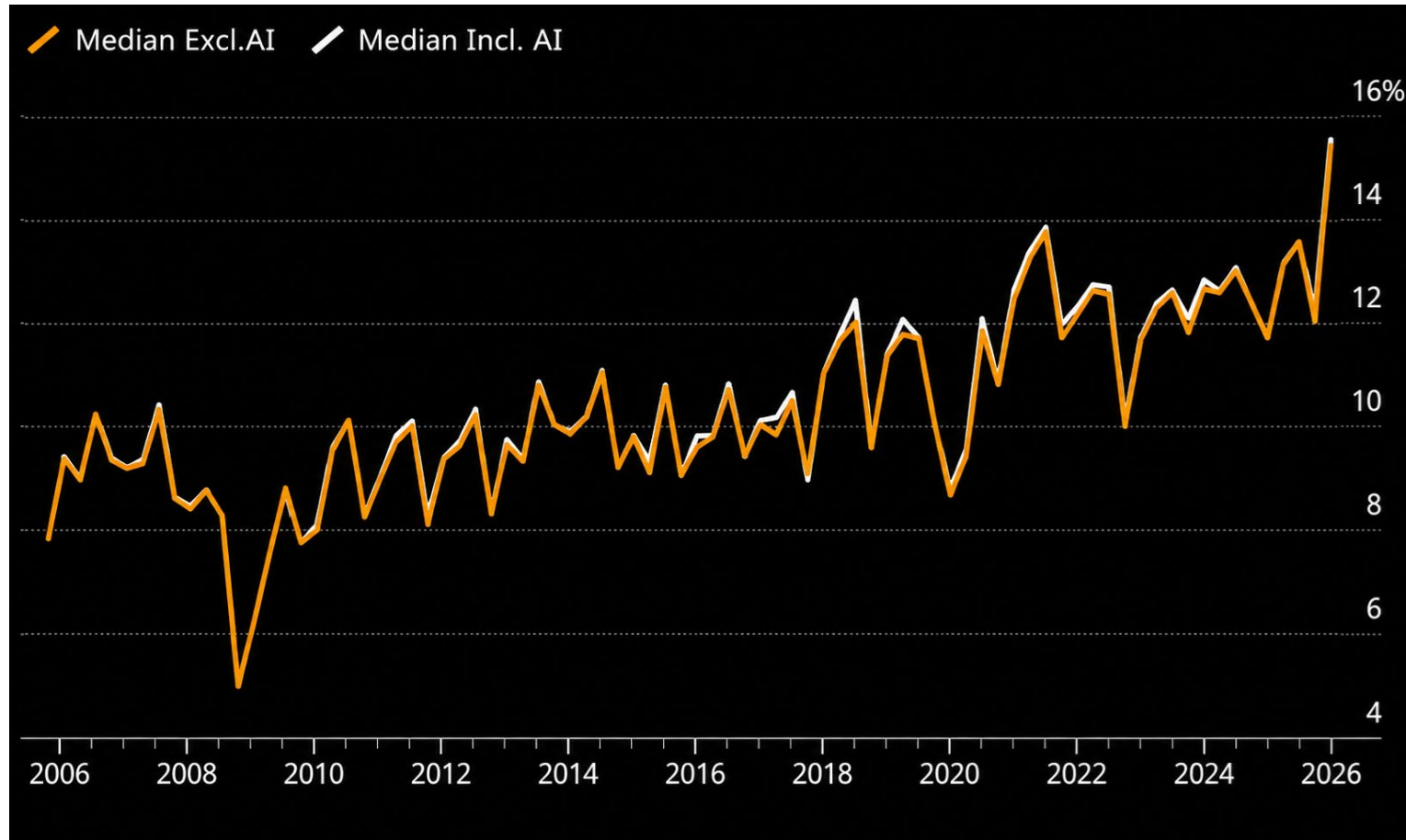
Source: Bloomberg; Courtesy: Deutsche Bank

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# Record Profit Margins

## Median Profit Margin in S&P 500, 2006 - 2026



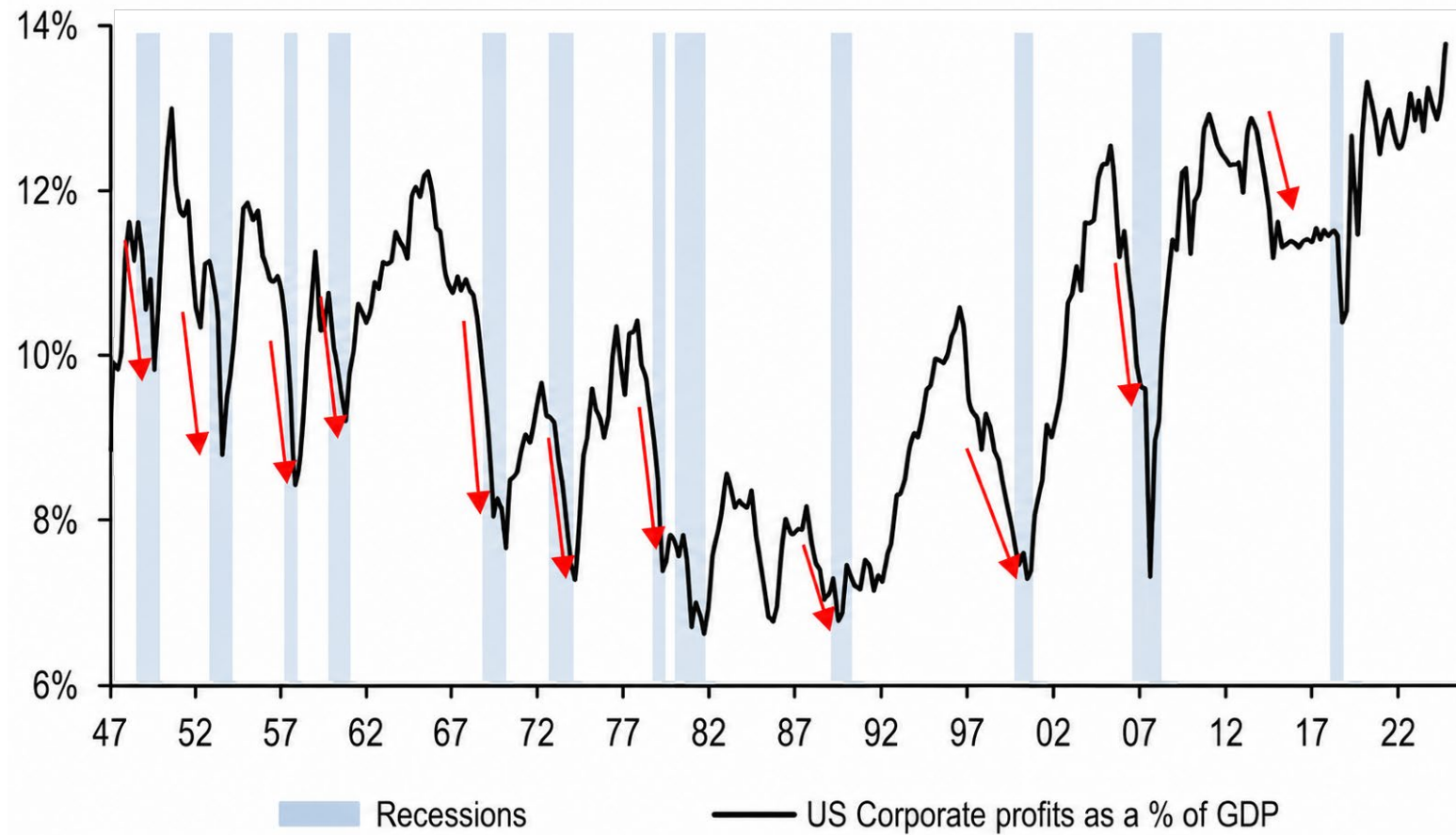
Source: Bloomberg

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# Record Profit Margins

## US Corporate Profits as Pct. Of GDP, 1947 - 2026



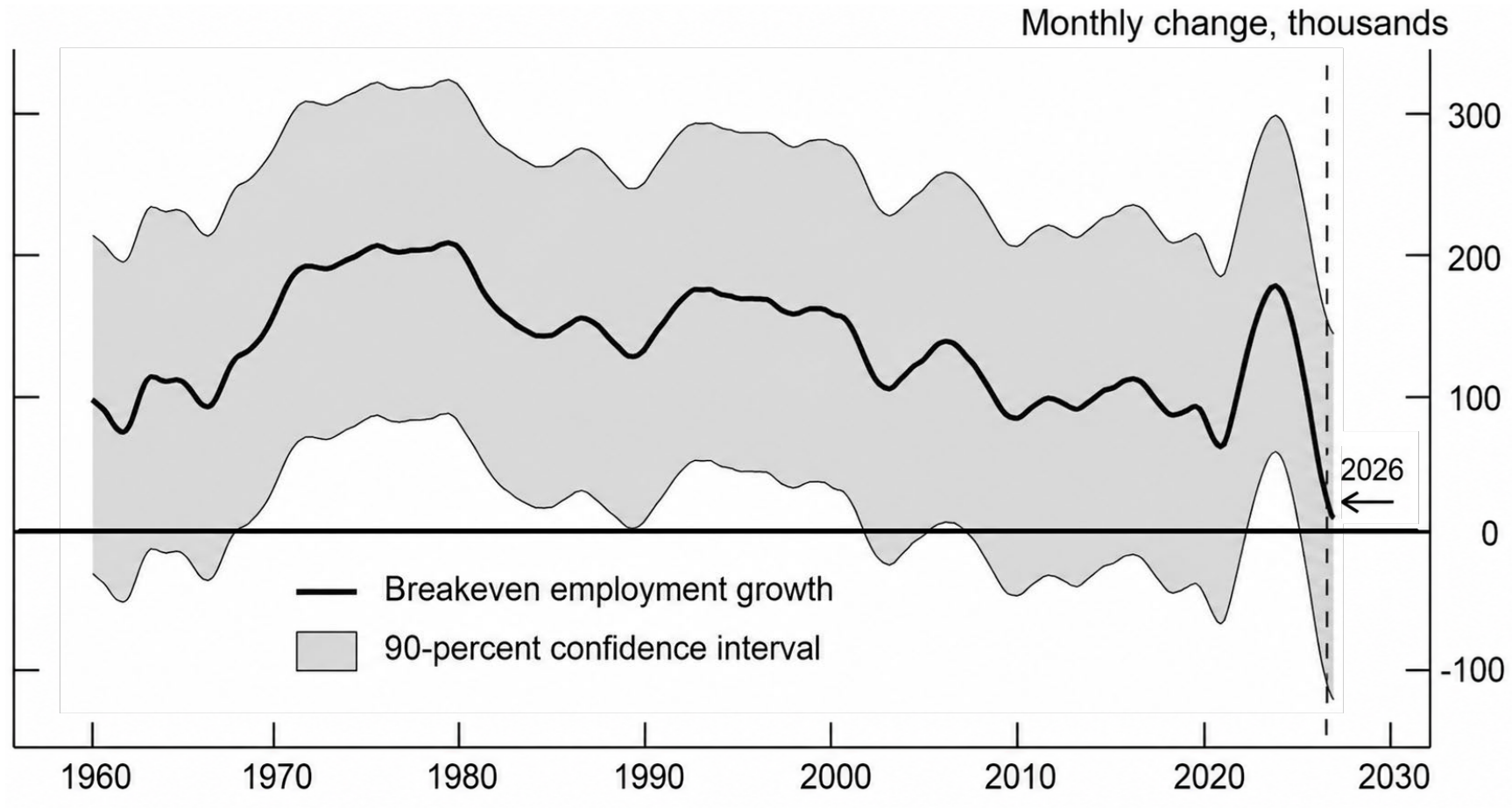
Source: Bureau of Economic Analysis; Courtesy: J.P. Morgan

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# No More Workers

## Breakeven Employment Growth, 1960 - 2026



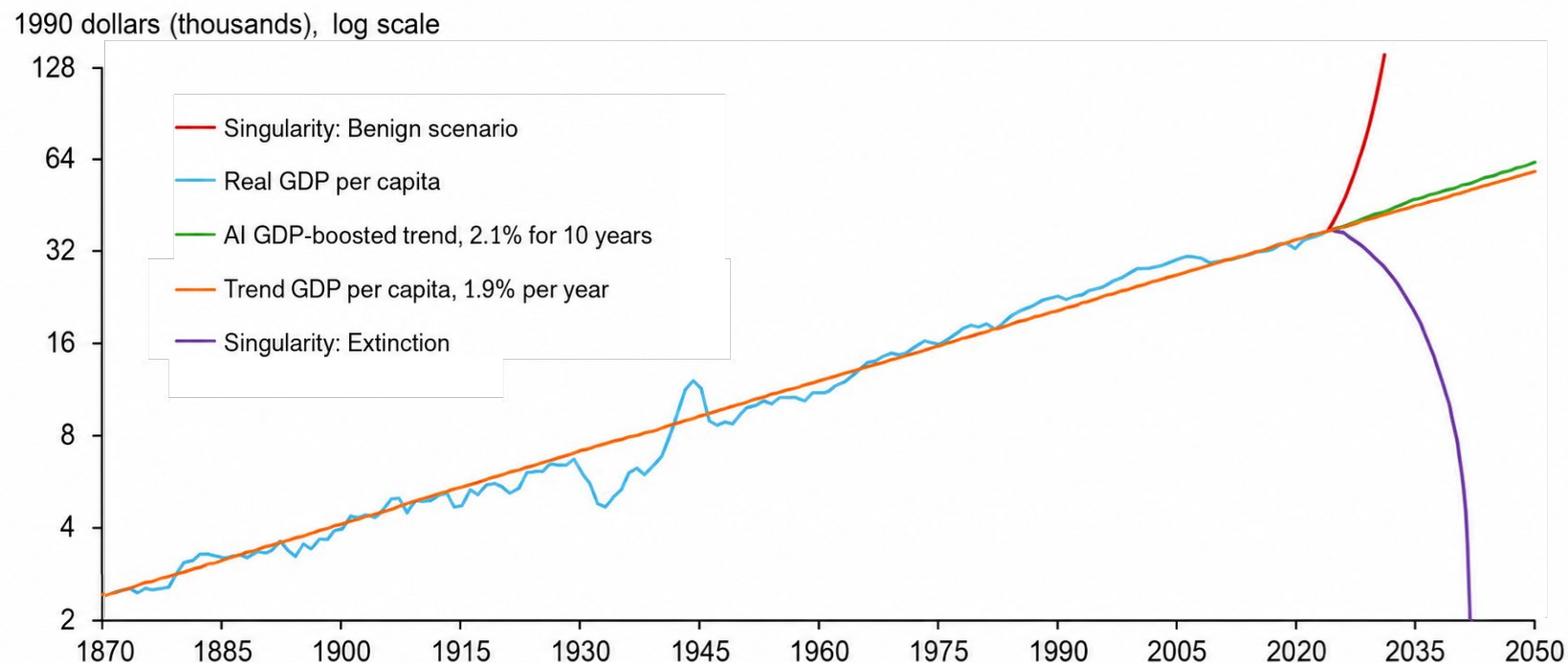
Source: Federal Reserve Bank

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# Better Hope for AI Productivity Boost

## GDP Per Capita, 1870 – 2050 (est.)



NOTES: The blue line is real gross domestic product (GDP) per capita in 1990 dollars. The orange line is a trend line fitted to the data for 1870–2024 with a trend growth rate of 1.9 percent per year. The red, green and purple lines are hypothetical paths for per capita GDP based on different scenarios.

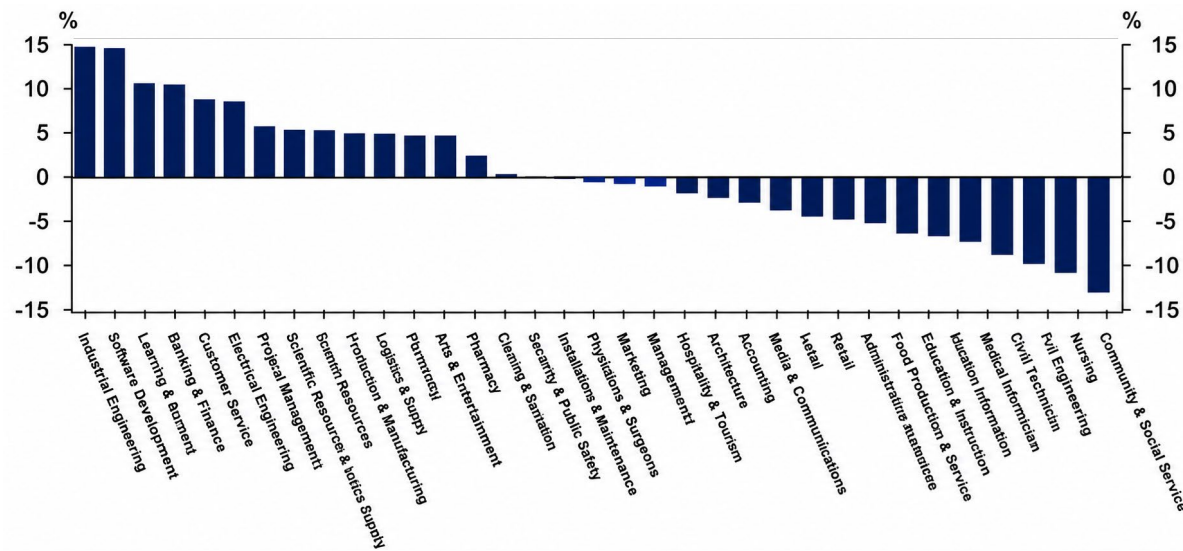
SOURCES: Bureau of Economic Analysis; Haver Analytics; Macrohstory.net; United Nations; authors' calculations.

Federal Reserve Bank of Dallas

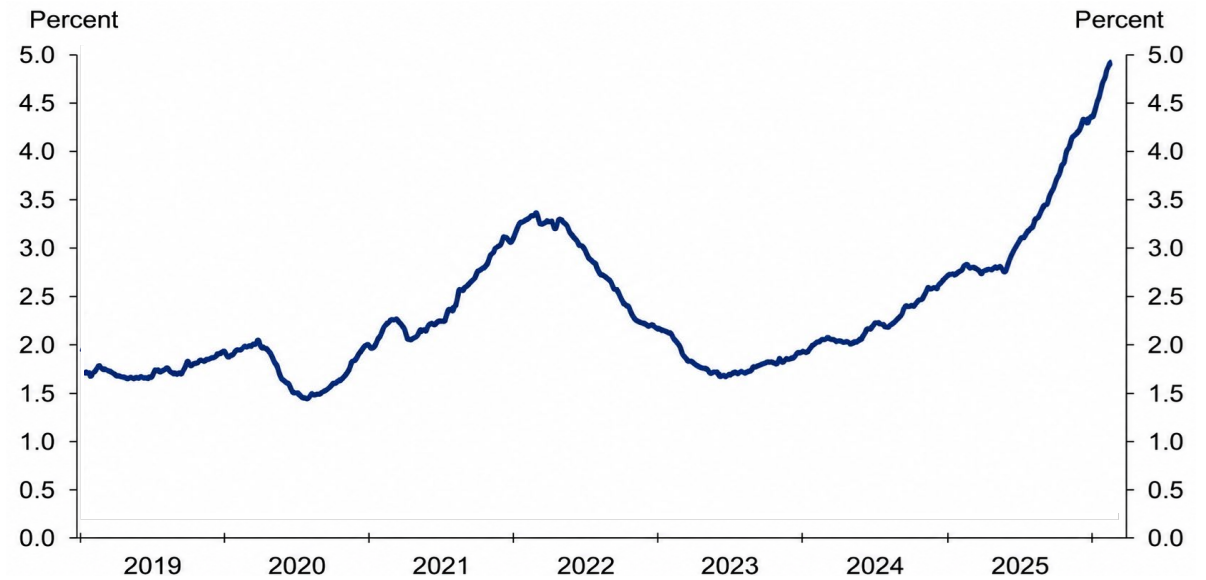


# No AI Job Destruction (So Far)

## YoY Change in Job Postings, April 2026



## Job Postings Mentioning AI, 2019 - 2026



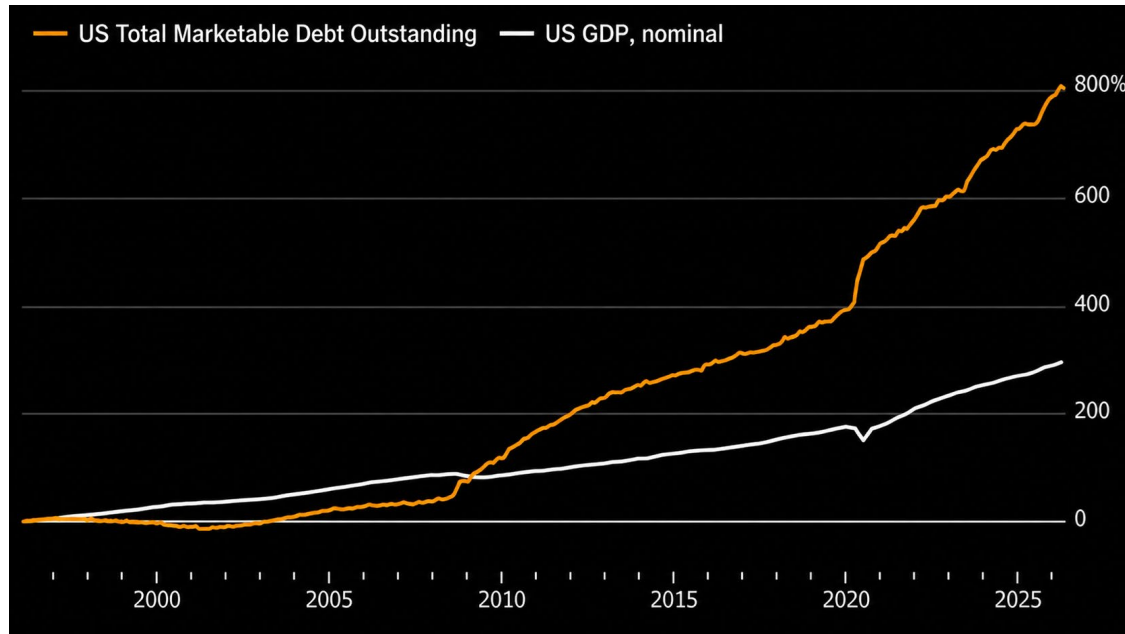
Source: Indeed Hiring Lab; Courtesy: Deutsche Bank

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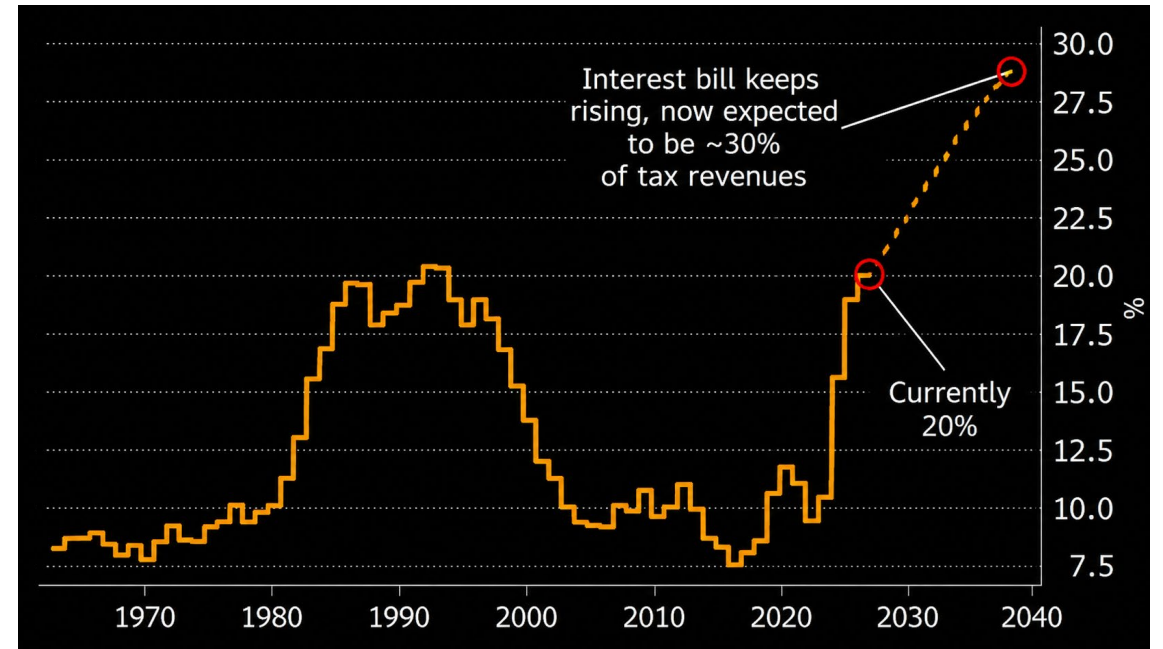


# Interest Expense Rising

## Government Debt and GDP, 1996 - 2026



## Government Interest Expense as Pct. Tax Revenue, 1966 - 2036



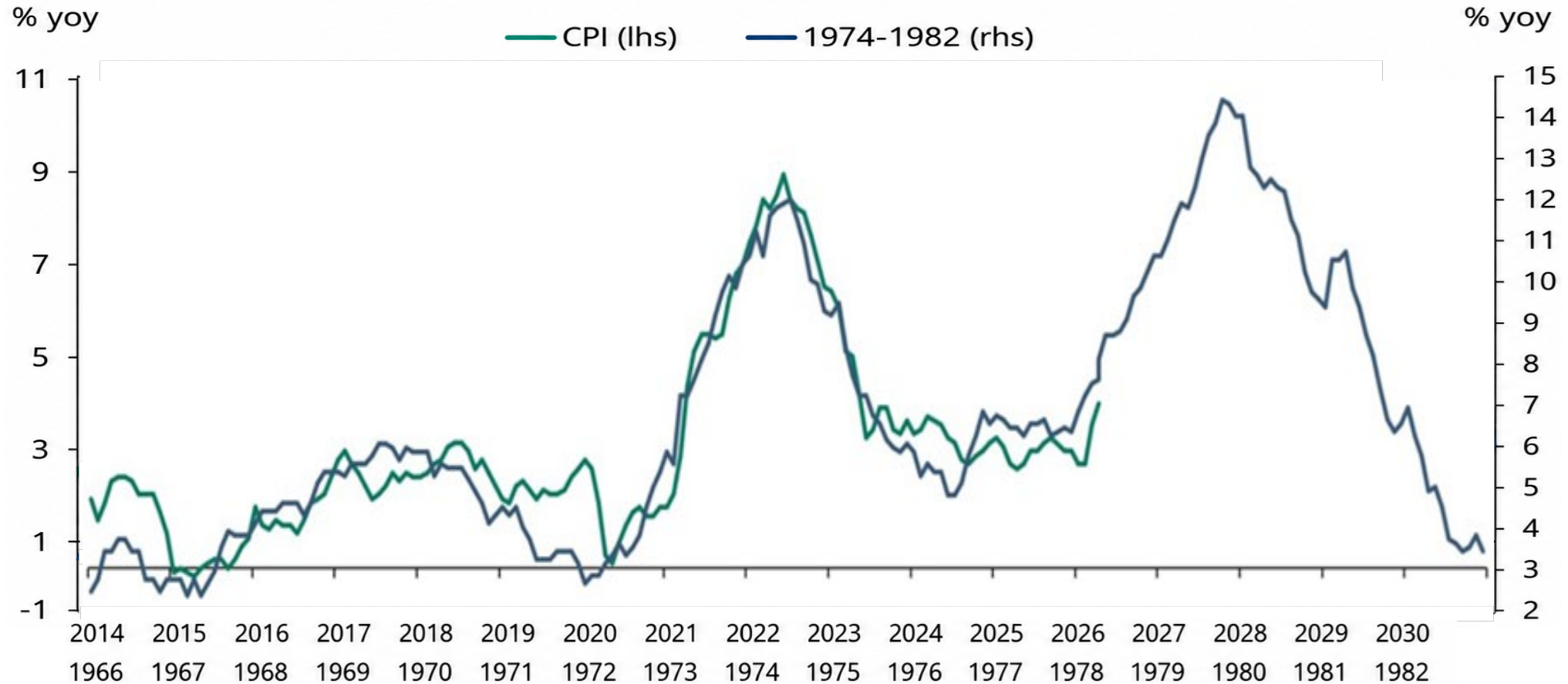
Source: Bureau of Economic Analysis, Bloomberg

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# Eerie Echo of Inflation

Inflation, 1966 – 1982 and 2014 - 2030



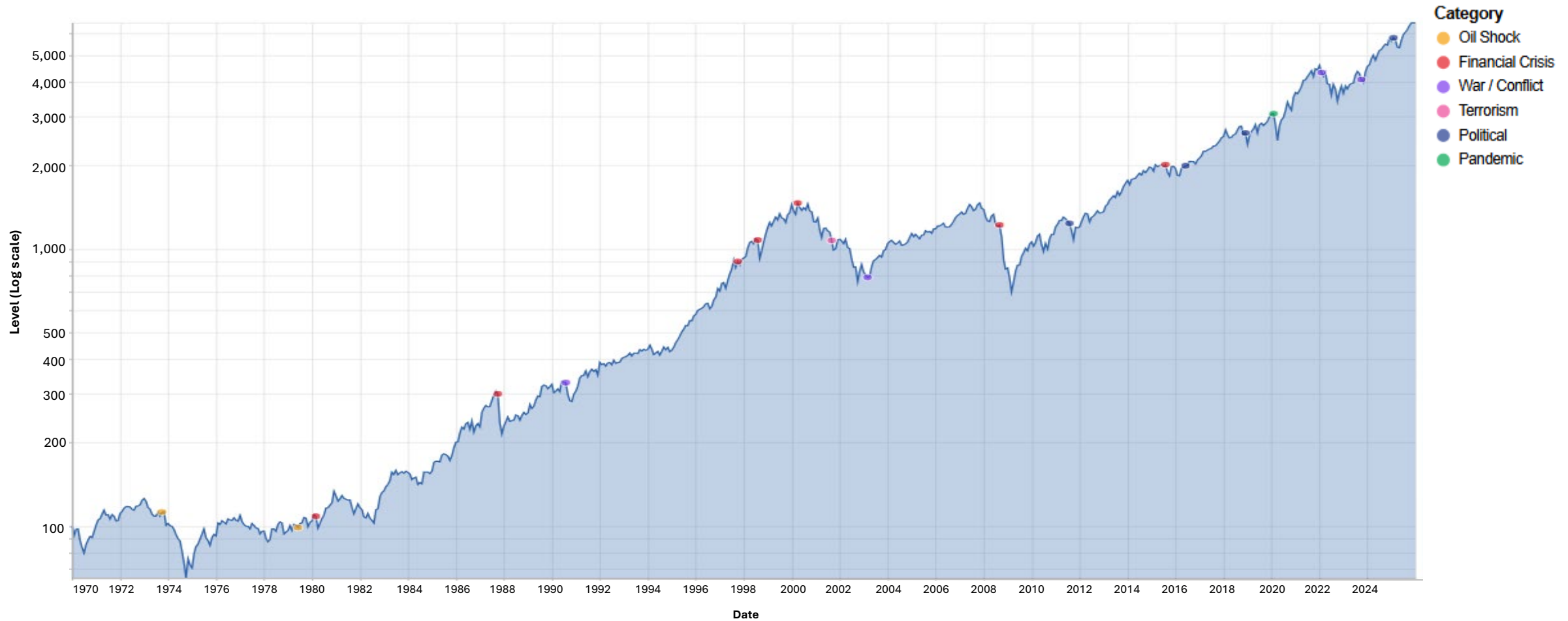
Source: Apollo

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# Wealth Compounds

## US Equities, 1970 - 2026



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# What Do Investors Want?

- Geopolitics, Oil Shocks, Wars.
  - None have material impact on investors.
  - Economic environment more important.
- Profits drive markets.
  - At record highs.
- Economic challenges
  - Workers
  - Debt
- Let wealth compound.



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Chief Investment Officer  
May 2026

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