

# U.S. Equities July 2022

## Key Highlights

- The [S&P 500<sup>®</sup>](#) was up 9.11% in July, bringing its YTD return to -13.34%.
- The [Dow Jones Industrial Average<sup>®</sup>](#) gained 6.73% for the month and was down 9.61% YTD.
- The [S&P MidCap 400<sup>®</sup>](#) rose 10.75% for the month, bringing its YTD return to -11.59%.
- The [S&P SmallCap 600<sup>®</sup>](#) was up 9.93% in July and had a YTD return of -11.54%.

### Exhibit 1: Index Returns

| Index                        | 1-Month (%) | 3-Month (%) | YTD (%) | 1-Year (%) | 3-Year (%) |
|------------------------------|-------------|-------------|---------|------------|------------|
| S&P 500                      | 9.11        | -0.04       | -13.34  | -6.03      | 38.58      |
| Dow Jones Industrial Average | 6.73        | -0.40       | -9.61   | -5.98      | 22.26      |
| S&P MidCap 400               | 10.75       | 0.50        | -11.59  | -7.06      | 27.76      |
| S&P SmallCap 600             | 9.93        | 2.08        | -11.54  | -7.55      | 28.71      |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

## Market Snapshot

Earnings pushed back the bear in July, with the S&P 500 ending the month up 9.11%, its best month since November 2020's 10.75% gain. Ironically, concern over earnings was what pushed stocks down in June (-8.39%) to kill the bull and secure the bear's place. Specifically, while earnings for Q2 2022 were expected to increase 13% over Q1, the whisper numbers were much lower, as was the concern over the second-half guidance. However, actual earnings (72.1% reported) did not make the expected 13% gain and now indicate a 7% gain, which is a headline disappointment for some, but not if you were one of those money managers (or traders) who traded into the whisper numbers (and sold). For them, it was an unexpected beat and a time to reallocate, as consumer spending continued (with Q2 sales potentially setting a new record and margins increasing). Similarly, guidance indicated expectations for a weakened Q3 (via inflation, higher interest rates and a strong U.S. dollar),

### Contributor:

Howard Silverblatt, Senior Index Analyst, Product Management, [howard.silverblatt@spglobal.com](mailto:howard.silverblatt@spglobal.com)

*S&P Dow Jones Indices' Market Attributes<sup>®</sup> series provides market commentary highlighting developments across various asset classes.*

Register to receive our latest research, education, and commentary at  
[on.spdji.com/SignUp](https://on.spdji.com/SignUp).

and the word “recession” is now in the eyes of the dictionary after Q2 2022 GDP posted -0.9% and Q1 posted -1.6%. Q4’s guidance (to date) is more general and filled with concerns, but with a tone of “we can get through it” (almost as if it was written by the sell side), as hopes for a 2023 recovery (now including an FOMC interest rate increase) came back to create optimism (and buys). Adding to that new optimism was a new dovish U.S. Fed and Chair Powell (tough now, easy later), even as the Fed stuck to its script, increasing another 0.75% this month. It scripted another increase in September, but teased about the rate, turning to the time-tested phrase “data dependent” for the actual amount. To the Street, the read was a Fed that would (most likely) raise another 0.75% at its Sept. 20-21 meeting, but then pull back with lower increases (at the Nov. 1-2 and Dec. 13-14 meetings), with some speculation (hope is eternal) of a 2023 mid-year reduction.

At this point, given the first-half decline for the S&P 500 (-20.58%), the July rebound is appreciated, but the gains still need to be earned and proven (-13.34% YTD, -13.89% from the Jan. 3 closing high and up 12.64% from the recent June 16 low). Consumers have continued to spend, and are expected to continue for the summer (damn the torpedoes, COVID and Monkeypox), but September and the Q4 holiday season are in doubt, as high employment (demand and wages) along with built-up wealth (stocks and assets) may not push down demand as much as expected, permitting inflation to continue into next year (which would not make the FOMC happy campers). As for August, earnings will continue, as retail reports with their picture of who shopped where; to date, the lower end appears more negatively affected, even as Consumer Discretionary easily beat Consumer Staples in July (18.90% compared with 3.13%, respectively, but YTD was -20.44% compared with -3.87%, respectively). The inflation watch should share center stage, as the statistical search for its slowing intensifies, with a careful eye on the Weekly Unemployment Claims Report, which has trended up. On a personal note, Washington D.C. is a beautiful place to visit in August (if your flight isn’t cancelled), as the House has already left for their summer recess and the Senate leaves Aug. 5 (just be sure to be out of town before Sept. 6).

The U.S. Senate and House approved a USD 280 billion bill (CHIPS and Science Act of 2022) that would directly assist U.S. semiconductor production (USD 39 billion), as well as create manufacturing credits (USD 24 billion). The bill authorizes approximately USD 200 billion for science and technology research in the coming years. The bill now goes to the president, who is expected to sign it. In addition, an agreement was reached between the House and Senate to fund clean energy and climate initiatives (USD 369 billion) and the Affordable Care Act Extension (USD 64 billion), as it adds a 15% minimum tax on corporations, permits prescription drug prices to be negotiated, increases IRS enforcement and closes the carried interest loophole (amounting to USD 739 billion, leaving USD 300 billion for deficit reduction).

Oil was volatile, as it closed down at USD 98.43 from June's USD 105.97 and May's USD 115.12 (it had reached USD 130.50 this year) and was up 30.5% YTD (USD 75.40), while EIA all-grade gasoline was up 31.6% (USD 4.440, USD 4.979 in June and USD 3.375 at year-end 2021). From year-end 2020, oil was up 103% (USD 48.42 a barrel), and gasoline was up 90.6% (USD 2.330 a gallon). For 2021, the EIA reported that the makeup of gasoline costs was 53.6% from crude oil, 16.4% from federal and state taxes, 15.6% from distribution and marketing, and 14.4% from refining costs and profits. Russia, which shut down gas supplies to Europe on July 11, 2022, for maintenance (including Nord Stream 1), restarted delivery on July 21 at a reduced amount of 40%, and then reduced it to 20% on July 26, citing sanctions. The European Commission approved a "voluntary" reduction in gas use of 15% for the next eight months, as shortages and a concern of a Russian cutoff grew.

The World Health Organization (WHO) classified the Monkeypox outbreak as a public health emergency of international concern (PHEIC). In the U.S., there have been 4,907 confirmed cases (according to the CDC; 20,804 globally, as New York City appears to be a cluster, with 1,247 cases). Vaccine requests have increased significantly, with supplies slim, as the U.S. government has ordered 2.5 million vaccine doses. In COVID-19 stats, globally, 12.3 billion shots have been given (12.1 billion last month). In the U.S., to date, 77.8% (77.4%) of the population has received at least one shot, 66.4% (66.3%) are classified as fully vaccinated, with 31.8 (31.7%) having a booster shot. The seven-day U.S. average COVID-19 case rate increased to 127,022 from last month's 108,963; it reached 1,417,493 on Jan. 11, 2022 (83,120 at the end of November 2021), as the death rate increased to 439 (377). Total U.S. COVID-19-related deaths reached 1,029,000 (1,016,000).

The FOMC minutes from its June meeting showed it was committed to increasing interest rates enough to stop inflation, seeing inflation as more important than growth, as it indicated a 0.50% or 0.75% increase in interest rates at its next meeting. The Fed Beige Book noted a slight improvement in labor availability and a slight decline in labor demand, as it noted less demand for housing. The ECB raised interest rates by 0.50% (the first increase in 11 years), when a 0.25% increase was expected, bringing the deposit rate to zero (it had been negative since 2014), as it indicated that it would increase interest rates (its scheduled 2022 meetings are Sept. 8, Oct. 27 and Dec. 15). The FOMC increased interest rates 0.75%, as it did in June (May saw a 0.50% increase and March a 0.25% increase; the prior increase to that was in December 2018, for 0.25%), with the vote being unanimous (June was 10-to-1, as Kansas City President Esther George dissented in favor of 0.50% increase). The increase placed Fed Funds at 2.25%-2.50%. The FOMC said ongoing increases would be appropriate in the months ahead (the market expects another increase in September, with the debate being for 0.50% or 0.75%). The Fed commented that it saw a softening of spending and production, elevated inflation, as well as robust employment and job gains.

Earnings results and guidance dominated significant parts of the trade, as 278 issues have reported to date, with 209 beating estimates (75.2%) and 60 missing, as 186 of the 274 (67.9%) have beaten on sales. Q2 2022 is expected to post a 7.3% increase over Q1 2022 (Q1 was down 13.0% over the record Q4 2021) and be up 1.7% year-over-year (Q2 2022). Sales are expected to increase 3.7% from Q1 2022 and be up 11.5% year-over-year, potentially setting a new record. For 2022, earnings are expected to set another record, increasing 4.8% over 2021, with a 2022 P/E of 18.9. The 2023 estimates call for an 11.4% gain over 2022, with a 2023 P/E of 16.9. Significant EPS impact due to share count reduction for Q2 2022 was up, currently at 18.9% of the reported issues, compared with Q1 2021's 16.6%, and 5.4% for Q2 2021 (17.8% for Q2 2020 and 24.2% for Q2 2019). Operating margins for Q2 2022 increased, as the quarter saw companies able to pass along higher costs, coming in at 12.35%, up from 11.93% in Q1 2022 (the average from 1993 was 8.24%, and the record is 13.54% in Q2 2021).

Scandinavian airline SAS filed for bankruptcy chapter 11 protection in the U.S., as their pilots went on strike; 63% of their flights were initially cancelled, adding to an overburdened global air system. Web-based entertainment issue Netflix (NFLX) reported a 970,000 subscriber loss, beating estimates, after they had warned of a loss of 2 million, as they described a plan create a lower-cost service (including commercials) to attract new customers. Reports said auto maker Ford (F) would let go thousands of white-collar workers (starting with 4,000 within the next few weeks), as it transitions to electric vehicles; the company has a current cost-cutting program to save USD 3 billion in annual costs. Manufacturer 3M (MMM) said it would spin off its healthcare unit (USD 8 billion in sales in 2021). Discount retailer Wal-Mart (WMT) said consumers were spending more on food necessities and less on clothing (and other products), as it reduced those prices. Shopping platform issue Shopify (SHOP) said it would reduce its workforce by 10% (approximately 1,000 workers), citing reduced online spending. Profits for auto maker General Motors (GM) fell 40% for the quarter, as the company cited supply-side issues and costs. Alphabet (GOOG/L) became the latest high-priced issue to split its stock, via a 20-for-1, as did Amazon (AMZN) in June; Tesla (TSLA) is planning a shareholder vote on Aug. 4, 2022, to split its stock 3-for-1.

The 10-year U.S. Treasury Bond closed at 2.66%, down from last month's 3.02% (1.51% at year-end 2021, 0.92% at year-end 2020, 1.92% at year-end 2019, 2.69% at year-end 2018 and 2.41% at year-end 2017). The 30-year U.S. Treasury Bond closed at 3.02%, down from last month's 3.19% (1.91%, 1.65%, 2.30%, 3.02%, 3.05%). The pound closed at 1.2185, up from 1.2172 last month (1.3525, 1.3673, 1.3253, 1.2754, 1.3498); the euro closed at 1.0227, down from last month's 1.0483 (1.1379, 1.2182, 1.1172, 1.1461, 1.2000); the yen closed at 133.26 from last month's 135.71 (115.08, 103.24, 108.76, 109.58, 112.68); and the yuan closed at 6.7442 from last month's 6.6994 (6.3599, 6.5330, 6.9633, 6.8785, 6.5030). Oil closed at USD 98.43 (it had reached USD 130.50 this year) from last month's USD 105.97 close and was up 30.5% YTD (USD 75.40), as EIA all-grade gasoline was up 31.6% YTD

(USD 4.440, USD 4.979 last month, year-end 2021's USD 3.375). From year-end 2020, oil was up 103% (USD 48.42 per barrel), as gasoline was up 90.6% (USD 2.330 per gallon). Gold closed at USD 1,780.60, down from last month's USD 1,807.20 (USD 1,829.80, USD 1,901.60, USD 1,520.00, USD 1,284.70 and USD 1,305.00). VIX<sup>®</sup> closed at 21.33, trading as high as 29.82 and as low as 21.21, down from 28.63 last month (17.22, 22.75, 13.78, 16.12 and 11.05). In 2021, it traded as high as 37.51 and as low as 14.10. In 2020, it traded as high as 85.47 and as low as 11.75.

## Index Review

### S&P 500

The S&P 500 closed at 4,130.29, up 9.11% (9.22% with dividends) from last month's close of 3,785.38, when it was down 8.39% (-8.25%) from the prior month's close of 4,132.15 (when it was up 0.01% and 0.18% with dividends). The three-month period posted a decline of 0.04% (up 0.39%), the YTD return was -13.34% (-12.58%) and the one-year return was -6.03% (-4.64%), with the index down 13.89% (-13.13%) from its Jan. 3, 2022, closing high and up 21.98% (26.78%) from its pre-COVID-19 Feb. 19, 2020, closing high.

Monthly intraday volatility (daily high/low) decreased to 1.69% from last month's 2.03% (2.41% the month before that), as the YTD volatility was 1.94% (1.98% last month), 2021 was 0.97%, 2020 was 1.73% and 2019 was 0.85% (2018 was 1.21% and 2017 was 0.51%, which was the low since 1962). S&P 500 trading decreased 18% (adjusted for trading days) for July, after June's 3% decrease, as the year-over-year rate was up 7% over July 2021, and the 12-month trading volume was down 21% over the prior period. In July, 9 of the 20 trading days posted at least a 1% change (7 up and 2 down), as 2 moved at least 2% (both up). For June, 11 of the 21 days posted at least a 1% change (4 up and 7 down), with 7 having at least a 2% move (2 up and 5 down), and 3 at least a 3% move (1 up and 2 down). Year-to-date, 72 moved at least 1% (35 up and 37 down), with 28 moving at least 2% (14 up and 14 down). For 2021, there were 55 moves of at least 1% (34 up and 21 down), with 7 moving at least 2% (2 up and 5 down); in 2020, there were 109 days that posted a 1% move (64 up and 45 down; 2019 posted 22 up at least 1% and 15 down at least 1%). Of the 20 trading days in July, 18 had a high/low intraday spread of at least 1% (last month had 19 of the 21 trading days), with none having at least a 3% spread (2 last month); year-to-date, 129 had at least a 1% spread, with 13 having at least 3% and 3 at least 4%. For 2021, there were 93 at 1% and 3 at 3%; for 2020, there were 158 at 1% and 34 at 3%; for 2019, there were 73 at 1% and 1 at 3%; and in the fun days of 2008, there were 228 (of the 253 trading days) and 75, respectively.

Breadth significantly reversed course in July and became strongly positive, as 443 issues gained (an average of 10.44% each), up from June's 57 (2.65%) and May's 279 gainers (6.32%). Gains of 10% or more increased to 217 (average gain was 15.61%), the most since

November 2020's 297, from last month's 1 (11.39%) and the prior month's 53 (16.32%); 15 issues gained at least 25% (31.61%), compared with none last month and 6 the month before that (28.62%). On the downside, 60 issues fell (an average loss of 4.19%), compared with 446 issues last month (-11.03%) and the prior month's 225 (-6.03%). For July, 4 issues declined at least 10% (-15.93%), down from June's 225 issues (-16.15%) and down from May's 38 issues (-16.74%); no issue fell at least 25%, compared with 17 last month (-29.95%), and the prior month's 6 (-28.39%). For the three-month period, breadth increased, but stayed negative, as 240 issues gained an average of 7.90%, compared with 48 (5.68%) last month, while 263 issues declined (average -9.01%), down from 455 (-16.71%) last month. Gains of at least 10% were posted by 68 issues (16.84%), up from 7 (13.13%) last month, and declines of at least 10% were posted by 87 issues (-18.10%), compared with the prior month's 323 issues (-21.35%). For the three-month period, six (none last month) issues were up at least 25%, while 13 (84) were down at least 25%. Year-to-date, breadth improved, but stayed strongly negative, as 129 issues gained an average of 15.19%, compared with 102 (13.22%) last month, while 373 issues declined (average -19.00%), down from 400 (-24.41%) last month. Gains of at least 10% were posted by 66 issues (25.87%), up from 52 (21.81%) last month, and declines of at least 10% were posted by 280 issues (-23.68%), compared with the prior month's 344 issues (-27.46%). Year-to-date, 24 (12 last month) issues were up at least 25% and 109 (189) were down at least 25%. For 2021, breadth was strongly positive, as 434 issues gained an average of 34.30% and 70 issues declined (average -12.01%). In 2021, gains of at least 10% were posted by 367 issues (39.77%), compared with 36 issues that declined at least 10% (-19.27%), as 259 issues were up at least 25% and 7 were down at least 25%.

## The Dow

The broad market rebounded strongly in July from the June (and the first half) declines, as earnings came in better than expected, and the "aggressive" Fed was seen as set to pull back from its strong interest rate increases (although another one is expected in September), to evaluate their impact on economy. Economic data suggested that inflation, while still running high, may be peaking, as was company guidance, while warnings of a difficult Q3 and uncertain Q4 emerged, as the Street (money managers and traders) now appeared confident of companies' ability to work through their difficulties. The Dow posted its best month (6.73%) since November 2022 (11.84%), but still trailed the other headline indices, as weighting played a role.

For the month, the index closed at 32,845.13, up 6.73% (6.82% with dividends) from last month's close of 30,775.43, when it was down 6.71% (-6.56%) from the prior month's 32,990.12, when it was up 0.04% (0.33%). The three-month return was -0.40% (up 0.13%), the YTD return was -9.61% (-8.60%) and the one-year return was -5.98% (-4.14%). The 3-year return was 22.26% (30.29% with dividends, 9.22% annualized), the 5-year return was

50.04% (67.43%, 10.86%) and the 10-year return was 152.49% (219.41%, 12.31%). Intraday volatility decreased, as intraday swings (high/low) of at least 1% decreased, and 14 of the 20 days moved at least 1%, down from last month when 18 of the 21 days moved at least 1%, and the prior month when all 21 did so. For July, 5 days increased 1% (4 last month and 6 the month before that), while none declined at least 1% (6, 4). Year-to-date, 30 were up at least 1% (24 for all of 2021), as 28 were down at least 1% (19 for 2021).

Gains were broad for The Dow (23 gainers, 7 decliners), as investors came back in on optimistic hopes, helped by earnings, which were better than expected. While many turned positive on the market, significant numbers (money managers) remain skeptical, feeling the gains were a rebound from the recent declines, and that the market still needs to “bottom out,” but few saw significant deterioration to that point. The Dow posted a broad gain for the month of 6.73% after last month’s 6.71% decline, as Apple (AAPL) retook the lead, increasing 18.86% for the month, leaving it down 8.48% YTD. Within the market-weighted S&P 500, the gain helped significantly, but within the price-weighted Dow, Apple ranks 13<sup>th</sup>, so the boost was limited. Aircraft issue Boeing (BA) was next, up 16.52%, after doing the best last month (up 4.05%); the issue remained down 20.87% YTD. Chevron (CVX), the only Energy issue in the index, posted a 13.12% July gain and was up 39.57% YTD, the best issue in the index. Communication Services issue Verizon Communications (VZ) did the worst, falling 8.99% and down 11.10% YTD, followed by systems maker International Business Machines’ (IBM) 7.37% decline, as that issue turned negative YTD, down 2.15%. Consumer issues generally did better for July, but remained deeply in the red YTD, as footwear and apparel issue NIKE (NKE) added 12.45% (-31.05% YTD), entertainment issue Walt Disney (DIS) gained 12.39% (-31.50% YTD, the worst issue YTD in the index), home improvement issue Home Depot (HD) was up 9.72% (-27.49% YTD), and Wal-Mart (WMT) gained 8.61% (-8.74% YTD, better than the others in the group). Notable were software issue Microsoft (MSFT), which gained 9.31% (-16.53% YTD), and bank JPMorgan Chase (JPM), which was up 2.44% (-27.15% YTD).

For the month, breadth turned around and was strongly positive, as 23 of the 30 issues gained an average of 9.06% each, compared with last month’s 4 gainers (3.03%) and the prior month’s 16 (4.95%). For July, 11 issues gained at least 10% (12.77%), compared with none in June and four in May (10.79%). On the downside, 7 issues declined (average -4.65%), compared with 26 last month (-9.32%) and 14 (-5.31%) the month before that. No issue declined at least 10% this month, as 11 issues did so last month (-15.68%) and two did the month before that (-13.82%). For the three-month period, breadth improved but remained negative, as 11 issues gained an average of 4.45% each, compared with 6 (3.78%) last month and 13 issues (9.50%) the month before that. On the downside, 19 issues declined an average of 6.62%, while 24 issues declined (-16.11%) last month and 17 (-11.35%) the month before that. No issue gained at least 10%, compared with last month’s 1 (11.12%) and the prior month’s 13 (9.50%), as 5 declined at least 10% (-15.14%), down from last month’s 19 (-19.18%) and the prior month’s 6 (-21.82%). Breadth declined and remained negative YTD,

as 7 issues gained an average of 12.29% each, compared with 8 (9.57%) last month and 10 issues (14.08%) the month before that; 3 issues were up at least 10% (22.05%), compared to last month's 2 (21.16%). On the downside, 23 issues declined an average of 16.07%, compared to last month's 22 (22.42%) issues and the prior month's 20 (-16.77%); 14 issues declined at least 10% (-23.04%), compared to 18 issues last month (-25.82%) and 14 (-22.01%) the month before that. For 2021, breadth was positive, as 23 issues gained an average of 23.08% each, while 16 were up at least 10% (31.27%). On the downside, 7 issues declined an average of 6.20%, while 2 declined at least 10% (-13.04%).

## S&P MidCap 400

The S&P 400® rebounded in July, as it posted the best monthly return of the headline indices, up 10.75% (its best month since November 2020's 14.12%), after underperforming in June (-9.78%, its worst month since March 2020 [-20.43%]). Earnings and sentiment dominated the trading, as all 11 sectors were up, a reversal of last month when all 11 were down, with issue breadth turning strongly positive, compared to last month when it was deeply negative.

The mid-cap index's three-month return was up 0.50%, which was second only to the small-cap index's 2.08%, as the YTD return was down 11.59%, with only the S&P 500's YTD return of -13.35% coming in lower. The 1-year return was in the red, at 7.06%, as the 2-year period posted a 34.81%% gain. For the 3-, 5- and 10-year returns, the index posted gains of 27.76%, 42.71% and 167.18%, respectively (annualized with dividends, they were 10.16%, 9.06% and 12.05%, respectively).

All of the 11 sectors gained in July, a complete reversal of June, when all 11 declined (6 were up in May). Sector spread decreased, as the difference between the best (Energy, 16.10%) and worst (Financials, 5.52%) sectors declined to 10.58% from last month's 16.79%, and the YTD spread increased to 54.33% (45.11% last month). The 2021 spread was 66.59%, down from the 2020 spread of 76.16%. For the month, Energy did the best, gaining back 16.10% for July after declining 20.55% in June, as it was the best sector in the index YTD, up 34.49%; the sector was up 142.7% over the two-year period, but down 7.61% over the five-year period. Information Technology was next, adding 13.69% and down 15.72% YTD, with Industrials a tick behind, up 13.68% in July and down 12.37% YTD. Consumer groups continued to vary, as Consumer Discretionary gained 13.34% and was down 19.83% YTD, while Consumer Staples added 6.33% and was down 3.98% YTD. Health Care gained 7.70% (-13.89% YTD), as Financials added 5.52% (8.41% YTD) and was the worst sector for the month. Of note, Utilities gained 6.36% and turned positive YTD, up 3.59% (Energy was the only other positive sector YTD).

Breadth significantly improved, as 361 issues gained for the month, with an average increase of 12.38%, up from last month's 37 gainers (5.52%) and the prior month's 230 issues (7.52%). There were 212 issues that gained at least 10% (17.12%), compared with last month's 5 (15.90%) and the prior month's 55 (16.50%). In addition, 23 issues gained at least 25% (34.55%), while 1 (25.08%) did so in the prior month. On the downside, 40 issues declined an average of 5.67%, down from last month's 364 issues (-11.12%) and the prior month's 169 issues (-7.74%). Declines of at least 10% were posted by 5 issues (-14.91%), compared with 177 issues (-16.82%) last month and 50 (-16.27%) the month before that; no issue fell at least 25%, while 19 did last month (-27.75%). For the three-month period, breadth also improved significantly and was positive, as 224 issues gained (10.55%), compared with 42 (9.85%) last month, as 176 declined (-11.32%), down from the prior month's 358 (-17.87%); 93 gained at least 10% (19.16%), up from last month's 17 (19.54%), and 74 declined at least 10% (-20.10%), down from 258 (-22.58%) last month. Year-to-date, breadth improved, but remained negative, as 104 issues gained (16.73%), compared with 70 (14.57%) last month, and 295 declined (-19.50%), down from the prior month's 329 (-24.81%); 56 gained at least 10% (26.86%), up from last month's 38 (23.29%), and 214 declined at least 10% (-24.79%), down from 278 (-28.30%) last month. For 2021, 316 issues gained (39.19%) and 80 declined (-15.27%); 270 gained at least 10% (44.91%) and 44 declined at least 10% (-23.70%). Gains of at least 25% were posted by 178 issues, as 15 issues declined at least 25%.

## S&P SmallCap 600

The S&P 600® remained volatile, as it broadly participated in the July upturn. For July, the small-cap index gained 9.93%, its best month since November 2020's 18.02% gain, after June's 8.71% loss, which was its worst performance since March 2020's 22.60% decline (May was up 1.72% and April was down 7.87%). For the three-month period, the index gained 2.08%, the best of the core indices. The YTD return remained in the red, down 11.54% (near the S&P MidCap 400's -11.59%), as the S&P 500 did worse at -13.34% and The Dow was better at -9.61%. For the one-year return, the small-cap index did the worst, down 7.55%, although the four were grouped closely, considering the time period, with The Dow the best at -5.98%. The S&P 600 was up 43.29% for the 2-year period, the 3-year return was 28.71%, the 5-year period was up 43.58% and the 10-year period was up 180.71% (annualized with dividends, the 3-, 5- and 10-year returns were 10.35%, 9.06% and 12.42%, respectively).

Sector variance decreased to 12.07% from last month's 23.43% and May's 19.08%, as the three-month spread declined to 16.09% from 43.99% last month, with the YTD spread declining to 66.79% from 57.23% last month (the 2021 spread was 53.47%, down from 2020's 71.71%). For July, all of the 11 sectors gained, compared with June's 1 gainer and May's 8. Energy did the best of any sector in any index, as it gained 14.13% for the month, was up 1.25% for the three-month period and was up 42.36% YTD, the best YTD performer in the index. Information Technology was next, up 13.10% for the month, up 5.68% for the three-

month period and down 15.11% YTD, followed by Industrials, which was up 11.98% for the month, 6.39% for the three-month period and down 7.89% YTD. Consumer Discretionary added 11.94% for the month (-24.43% YTD) and Consumer Staples added 2.06%, the worst sector for the month in the index (-6.79% YTD). Health Care was up 9.83% (-16.13% YTD), as Financials gained 9.56% (-11.03% YTD).

For the month, breadth significantly increased and turned strongly positive, as 515 issues gained an average of 12.68% each, up from last month's 104 issues (6.69%) and the prior month's 352 issues (8.88%). On the downside, 85 issues declined an average of 7.08% each, down from 497 issues (-11.97%) last month and the prior month's 248 (-9.41%). There were 279 issues that gained at least 10% (18.56%), up from last month's 24 issues (16.13%) and the prior month's 105 (19.11%), while 22 issues declined at least 10% (-16.31%), down from 253 issues (-18.17%) last month and 81 (-20.10%) the month before that. Significant gains of 25% were booked by 52 issues (31.78%), compared with 2 last month (31.77%), while 3 issues lost at least 25% (-28.97%), compared with 42 last month (-32.33%). For the three-month period, 320 issues were up (14.30%), up from last month's 96 (10.36%), as 280 were down (-13.42%), compared with 505 (-19.93%) last month. Gains of at least 10% for the three-month period numbered 171 (22.11%), down from last month's 38 (19.39%), as 135 declined at least 10% (-22.91%), down from 373 (-24.95%) last month. Gains of at least 25% were reported by 50 issues (37.63%), up from 5 (32.93%) last month, as 44 declined at least 25% (-36.42%), down from 155 (-36.38%) last month. Year-to-date, 148 issues were up (22.16%), up from last month's 93 (22.57%), as 450 were down (-22.08%), compared with 505 (-26.31%) last month. Gains of at least 10% numbered 86 (35.19%), up from last month's 60 (32.36%), as 335 declined at least 10% (-27.94%), down from 429 (-30.08%) last month. Gains of at least 25% were reported by 45 issues (51.90%), up from 26 (53.06%) last month, as 163 declined at least 25% (-39.72%), down from 239 (-39.75%) last month. For 2021, breadth was positive, as 443 issues gained (48.77%) and 151 were down (-19.77%). Gains of at least 10% for the period numbered 377 (56.31%), as 95 declined at least 10% (-28.39%). Gains of 25% or more were reported by 282 issues, as 47 declined at least 25% (-40.12%).

## S&P Global BMI

Global markets rebounded in July, as the S&P Global BMI gained 6.89% and was up 3.57% without the U.S.'s 9.28% gain, after last month's broad 8.74% decline, when it returned -9.02% without the U.S.'s loss of 8.54% (May was -0.20% and up 0.04% without the U.S.'s -0.36%; April's -8.11% and -6.70% without the U.S.'s -9.09%; March's 1.70%, with the U.S.'s 3.11% gain, as excluding the U.S., it was -0.25%). For the three-month period, global markets were down 2.64% (-16.30% last month) and down 5.73% (-15.08%) without the U.S.'s 0.41% decline (-17.15%), as the YTD return was down 15.90% (-21.33%) and down 17.72% (-20.55%) without the U.S.'s 14.62% decline (-21.87%), with the one-year return down 12.93% (-18.29%) and down 18.20% (-22.18%) without the U.S.'s 8.94% decline (-15.28%). Longer

term, the U.S. dominated, as the two-year global return was 12.53% with the U.S.'s gain of 24.81% and 4.06% without it, while the three-year return was up 20.19% with the U.S.'s gain of 35.67% and 2.69% without it. From the U.S. presidential election on Nov. 3, 2020, it was up 11.75%, and absent the 20.16% U.S. gain, it was 1.23%.

For July 2022, the S&P Global BMI increased USD 4.416 trillion (down USD 6.371 trillion last month). Non-U.S. markets increased USD 0.959 trillion (down USD 2.678 trillion), and the U.S. market increased USD 3.456 trillion (down USD 3.693 trillion). Sector variance decreased, as all 11 sectors gained, compared with no gainers last month and 4 in May. The July spread between the best (Information Technology, 11.72%) and worst (Communication Services, 1.93%) sectors for the month was 9.79%, down from last month's 11.89% and May's 14.92%. The YTD spread was 46.95%, up from last month's 43.33% (Energy was up 20.55% and Communication Services was down 26.41%).

Emerging markets posted their seventh consecutive month of declines, as they declined 1.05% in July, after June's -5.80%, May's -0.31%, April's -5.63%, March's -2.55%, February's -3.49% and January's -0.98% (December 2021 was up 1.41%), and they posted an 18.35% loss YTD. The one-year return was -20.11%, the two-year return was -5.06% and the three-year return was -3.01%. Of the 24 markets, 17 posted a gain for July (only 1 was up in June: China at 5.58%), as Chile did the best, adding 12.24% for the month, up 16.67% YTD and up 2.86% for the one-year period. India was next, as it added 8.91%, was down 8.98% YTD and was up 0.54% for the one-year period, followed by Brazil, which was up 5.77% for the month, down 1.63% YTD and down 27.27% for the one-year period. Pakistan did the worst, falling 16.72%, as it was down 35.31% YTD and down 45.26% for the one-year period. China was next, posting a 9.39% monthly decline, down 20.95% YTD and down 28.79% for the one-year period, followed by Colombia, which was down 4.98% for the month, down 8.57% YTD and up 0.77% for the one-year period.

Developed markets did much better than emerging, as they posted a consolidated 7.88% gain, after June's 9.09% decline, May's -0.18%, April's -8.39% and March's 2.21% (February's -2.25%, January's -5.82% and December's 4.08%); excluding the U.S., developed markets returned 5.23% for July, -10.11% in June, 0.16% in May, 7.06% in April and 0.54% for March (-1.51% in February, -5.38% in January, 4.73% in December). The YTD return was -15.61% and was -17.50% excluding the U.S, as the one-year return was -12.03% and -17.54% excluding the U.S. The two-year return was 18.37% and 7.42% excluding the U.S., and the three-year return was 23.38% and 4.67% excluding the U.S. For July, 23 of the 25 markets gained, compared with only 1 in June (Hong Kong, 1.11%) and May's 14. Sweden did the best, as it gained 12.13% for July, was down 30.26% YTD and was down 31.53% for the one-year period. The Netherlands was next, gaining 9.60%, down 25.89% YTD and down 24.01% for the one-year period, followed by the U.S., which was up 9.28% for the month, down 14.62% YTD and down 8.94% for the one-year period. Hong Kong did the worst, falling 3.54%

for the month, down 9.87% YTD and down 19.95% for the year. Spain was next, down 2.58% for the month, down 15.84% YTD and down 18.79% for the one-year period, as Belgium followed, up 0.80% for the month, down 21.24% YTD and down 23.03% for the one-year period. Of note, Japan was up 5.51% for the month, down 16.33% YTD and down 16.68% for the one-year period, while Canada was up 5.21% for the month, down 8.78% YTD and down 5.96% for the one-year period. The U.K. was up 4.30% for the month, down 11.11% YTD and down 9.83% for the one-year period, as Germany was up 2.69% for the month, down 29.05% YTD and down 31.94% for the one-year period.

# Performance Recap

## Exhibit 2: Monthly Returns

| <b>S&amp;P 500</b>                  | <b>Price</b> | <b>1-Month (%)</b> | <b>3-Month (%)</b> | <b>YTD (%)</b> | <b>1-Year (%)</b> | <b>5-Year (%)</b> | <b>10-Year (%)</b> |
|-------------------------------------|--------------|--------------------|--------------------|----------------|-------------------|-------------------|--------------------|
| Energy                              | 598.74       | 9.61               | 4.60               | 41.63          | 60.52             | 22.30             | 14.33              |
| Materials                           | 491.31       | 6.08               | -7.99              | -13.75         | -6.83             | 43.65             | 123.36             |
| Industrials                         | 808.28       | 9.46               | 0.46               | -9.69          | -7.48             | 38.64             | 159.78             |
| Consumer Discretionary              | 1281.51      | 18.90              | 0.74               | -20.44         | -10.93            | 76.36             | 271.84             |
| Consumer Staples                    | 773.50       | 3.13               | -4.57              | -3.87          | 4.71              | 35.93             | 110.02             |
| Health Care                         | 1541.88      | 3.18               | 1.54               | -6.21          | 0.21              | 67.03             | 246.59             |
| Financials                          | 560.04       | 7.01               | -2.38              | -13.85         | -7.72             | 34.57             | 183.66             |
| Information Technology              | 2522.61      | 13.48              | 1.80               | -17.44         | -6.35             | 157.30            | 440.86             |
| Communication Services              | 192.55       | 3.51               | -2.77              | -28.01         | -29.54            | 18.98             | 24.07              |
| Utilities                           | 375.65       | 5.39               | 3.81               | 3.28           | 12.09             | 39.11             | 95.13              |
| Real Estate                         | 277.49       | 8.49               | -4.77              | -14.55         | -4.33             | 37.89             | 84.47              |
| S&P 500                             | 4130.29      | 9.11               | -0.04              | -13.34         | -6.03             | 67.20             | 199.44             |
| <b>Dow Jones Industrial Average</b> | <b>Price</b> | <b>1-Month (%)</b> | <b>3-Month (%)</b> | <b>YTD (%)</b> | <b>1-Year (%)</b> | <b>5-Year (%)</b> | <b>10-Year (%)</b> |
| Dow Jones Industrial Average        | 32845.13     | 6.73               | -0.40              | -9.61          | -5.98             | 50.04             | 152.49             |
| <b>S&amp;P MidCap 400</b>           | <b>Price</b> | <b>1-Month (%)</b> | <b>3-Month (%)</b> | <b>YTD (%)</b> | <b>1-Year (%)</b> | <b>5-Year (%)</b> | <b>10-Year (%)</b> |
| Energy                              | 330.09       | 16.10              | 2.47               | 34.49          | 56.40             | -7.61             | -48.76             |
| Materials                           | 632.04       | 12.14              | -7.19              | -5.35          | -2.00             | 35.97             | 144.91             |
| Industrials                         | 1463.21      | 13.68              | 3.92               | -12.37         | -6.14             | 63.42             | 248.63             |
| Consumer Discretionary              | 1059.29      | 13.34              | -1.13              | -19.83         | -19.23            | 49.10             | 159.78             |
| Consumer Staples                    | 2200.59      | 6.33               | 1.33               | -3.98          | -1.61             | 30.01             | 198.58             |
| Health Care                         | 2583.07      | 7.70               | 3.77               | -13.89         | -14.77            | 65.95             | 356.59             |
| Financials                          | 1174.22      | 5.52               | 0.97               | -8.41          | 0.85              | 26.03             | 136.24             |
| Information Technology              | 3998.04      | 13.69              | 2.22               | -15.72         | -11.30            | 85.90             | 287.35             |
| Communication Services              | 147.27       | 9.74               | 1.10               | -13.41         | -15.92            | -14.38            | -23.59             |
| Utilities                           | 609.24       | 6.36               | 7.61               | 3.59           | 7.17              | 16.14             | 95.57              |
| Real Estate                         | 227.18       | 9.53               | -7.25              | -15.46         | -7.98             | 6.50              | -                  |
| S&P MidCap 400                      | 2512.73      | 10.75              | 0.50               | -11.59         | -7.06             | 42.71             | 167.18             |
| <b>S&amp;P SmallCap 600</b>         | <b>Price</b> | <b>1-Month (%)</b> | <b>3-Month (%)</b> | <b>YTD (%)</b> | <b>1-Year (%)</b> | <b>5-Year (%)</b> | <b>10-Year (%)</b> |
| Energy                              | 367.56       | 14.13              | 1.25               | 42.36          | 47.11             | -24.44            | -67.35             |
| Materials                           | 638.58       | 6.77               | -3.21              | -6.72          | -3.10             | 35.42             | 129.91             |
| Industrials                         | 1511.08      | 11.98              | 6.39               | -7.89          | -1.15             | 63.03             | 233.73             |
| Consumer Discretionary              | 776.24       | 11.94              | -4.84              | -24.43         | -25.60            | 55.15             | 182.23             |
| Consumer Staples                    | 2446.96      | 2.06               | 1.79               | -6.79          | 1.47              | 49.73             | 190.63             |
| Health Care                         | 3623.65      | 9.83               | 4.87               | -16.13         | -20.99            | 75.08             | 350.37             |
| Financials                          | 1087.34      | 9.56               | 5.27               | -11.03         | -2.97             | 11.42             | 102.54             |
| Information Technology              | 1149.39      | 13.10              | 5.68               | -15.11         | -6.65             | 71.07             | 358.27             |
| Communication Services              | 3.51         | 8.33               | 1.15               | -18.56         | -18.56            | 25.81             | 47.74              |
| Utilities                           | 1144.63      | 3.01               | 7.56               | -3.26          | 5.01              | 22.42             | 125.80             |
| Real Estate                         | 177.87       | 6.88               | -8.53              | -20.64         | -16.49            | -6.67             | -                  |
| S&P SmallCap 600                    | 1239.96      | 9.93               | 2.08               | -11.54         | -7.55             | 43.58             | 180.71             |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 3: Total Returns**

| Index                        | 1-Month (%) | 3-Month (%) | YTD (%) | 1-Year (%) | 3-Year (%) | 10-Year (%) |
|------------------------------|-------------|-------------|---------|------------|------------|-------------|
| S&P 500                      | 9.22        | 0.39        | -12.58  | -4.64      | 45.67      | 264.28      |
| S&P MidCap 400               | 10.85       | 0.94        | -10.81  | -5.70      | 33.70      | 212.07      |
| S&P SmallCap 600             | 10.01       | 2.49        | -10.83  | -6.24      | 34.39      | 222.32      |
| S&P Composite 1500           | 9.33        | 0.47        | -12.44  | -4.74      | 44.63      | 259.88      |
| Dow Jones Industrial Average | 6.82        | 0.13        | -8.60   | -4.14      | 30.29      | 219.41      |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Index performance based on total return in USD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: S&P Global BMI, Emerging, Sorted by July Performance**

| BMI Member     | 1-Month (%) | 3-Month (%) | YTD (%) | 1-Year (%) | 2-Year (%) | 3-Year (%) |
|----------------|-------------|-------------|---------|------------|------------|------------|
| Global         | 6.89        | -2.64       | -15.90  | -12.93     | 15.53      | 20.19      |
| Global Ex-U.S. | 3.57        | -5.73       | -17.72  | -18.20     | 4.06       | 2.69       |
| Emerging       | -1.05       | -7.08       | -18.35  | -20.11     | -5.06      | -3.01      |
| Chile          | 12.24       | 5.84        | 16.67   | 2.86       | 5.09       | -24.18     |
| India          | 8.91        | -5.26       | -8.98   | 0.54       | 53.88      | 45.10      |
| Brazil         | 5.77        | -11.24      | -1.63   | -27.27     | -14.83     | -37.17     |
| Qatar          | 5.60        | -6.06       | 7.55    | 16.99      | 29.43      | 15.14      |
| Saudi Arabia   | 5.35        | -12.97      | 4.96    | 8.18       | 59.72      | 35.62      |
| U.A.E.         | 4.80        | -13.19      | 0.51    | 14.84      | 71.44      | 21.65      |
| Indonesia      | 3.51        | -9.56       | 0.31    | 14.58      | 19.27      | -11.78     |
| Kuwait         | 3.44        | -6.35       | 9.83    | 16.95      | 57.29      | 27.87      |
| Peru           | 2.60        | -16.86      | -8.09   | 0.54       | -6.87      | -33.25     |
| Greece         | 2.50        | -12.52      | -9.80   | -10.70     | 31.05      | -9.09      |
| Philippines    | 2.35        | -10.40      | -17.53  | -7.23      | -0.27      | -25.39     |
| Malaysia       | 1.96        | -8.90       | -12.07  | -8.35      | -12.63     | -17.41     |
| Egypt          | 0.92        | -16.19      | -35.36  | -24.86     | -25.53     | -37.94     |
| South Africa   | 0.87        | -11.14      | -7.89   | -11.67     | 17.90      | -7.49      |
| Taiwan         | 0.69        | -10.83      | -24.49  | -18.88     | 14.95      | 45.08      |
| Mexico         | 0.67        | -5.80       | -8.66   | -7.69      | 41.94      | 10.51      |
| Turkey         | 0.44        | -11.17      | 2.93    | -13.51     | -12.54     | -26.15     |
| Poland         | -1.49       | -10.71      | -33.69  | -34.52     | -16.24     | -31.95     |
| Hungary        | -2.41       | -19.77      | -40.79  | -43.35     | -21.18     | -34.37     |
| Czech Republic | -2.55       | -3.87       | -5.03   | 15.82      | 71.22      | 31.32      |
| Thailand       | -2.76       | -10.03      | -12.51  | -5.57      | 1.76       | -22.69     |
| Colombia       | -4.98       | -22.60      | -8.57   | 0.77       | 7.02       | -32.07     |
| China          | -9.39       | -2.84       | -20.95  | -28.79     | -28.52     | -12.82     |
| Pakistan       | -16.72      | -30.96      | -35.31  | -45.26     | -39.35     | -36.29     |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 5: S&P Global BMI, Developed, Sorted by July Performance**

| BMI Member        | 1-Month (%) | 3-Month (%) | YTD (%) | 1-Year (%) | 2-Year (%) | 3-Year (%) |
|-------------------|-------------|-------------|---------|------------|------------|------------|
| Developed         | 7.88        | -2.10       | -15.61  | -12.03     | 18.37      | 23.38      |
| Developed Ex-U.S. | 5.23        | -5.26       | -17.50  | -17.54     | 7.42       | 4.67       |
| Sweden            | 12.13       | -6.24       | -30.26  | -31.53     | -1.29      | 19.68      |
| Netherlands       | 9.60        | -1.25       | -25.89  | -24.01     | 13.51      | 29.72      |
| United States     | 9.28        | -0.41       | -14.62  | -8.94      | 24.81      | 35.67      |
| Norway            | 8.63        | -4.47       | -7.69   | -2.89      | 31.35      | 16.75      |
| New Zealand       | 8.41        | -6.11       | -22.84  | -23.91     | -17.11     | -7.94      |
| Denmark           | 8.08        | -1.77       | -13.18  | -11.44     | 21.35      | 61.71      |
| Australia         | 7.67        | -8.47       | -11.45  | -11.06     | 16.06      | 5.31       |
| Israel            | 7.52        | -8.21       | -19.83  | -13.00     | 12.66      | 16.97      |
| Ireland           | 6.98        | -8.44       | -27.77  | -26.99     | -2.83      | 6.90       |
| Luxembourg        | 6.69        | -14.85      | -27.48  | -31.86     | 24.52      | -5.94      |
| France            | 6.01        | -5.01       | -19.33  | -17.11     | 13.04      | 4.36       |
| Korea             | 5.77        | -11.80      | -25.17  | -31.71     | -1.62      | 13.38      |
| Japan             | 5.51        | -0.83       | -16.33  | -16.68     | 2.37       | 0.30       |
| Canada            | 5.21        | -5.36       | -8.78   | -5.96      | 27.26      | 23.04      |
| Singapore         | 5.20        | -5.20       | -15.39  | -19.52     | 13.10      | -0.41      |
| Finland           | 5.18        | -4.28       | -22.54  | -26.71     | 0.42       | 8.94       |
| Switzerland       | 5.04        | -5.83       | -18.01  | -14.07     | 5.47       | 14.79      |
| United Kingdom    | 4.30        | -4.61       | -11.11  | -9.83      | 16.70      | -2.86      |
| Portugal          | 3.02        | 2.97        | -2.21   | 3.87       | 14.28      | 10.67      |
| Germany           | 2.63        | -10.83      | -29.05  | -31.94     | -15.10     | -11.16     |
| Italy             | 2.35        | -10.43      | -26.56  | -24.28     | 1.51       | -4.04      |
| Austria           | 1.92        | -11.70      | -30.36  | -27.41     | 13.07      | -15.80     |
| Belgium           | 0.80        | -12.94      | -21.24  | -23.03     | -8.17      | -25.45     |
| Spain             | -2.58       | -8.80       | -15.84  | -18.79     | 1.61       | -18.36     |
| Hong Kong         | -3.54       | -0.82       | -9.87   | -19.95     | -2.60      | -15.16     |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 6: Price-to-Earnings Ratios**

| Index                          | 2019    | 2020     | 2021      | Estimated 2022 |
|--------------------------------|---------|----------|-----------|----------------|
| S&P 500                        | 20.56   | 30.69    | 19.84     | 18.92          |
| S&P 500 Consumer Discretionary | 24.98   | 46.04    | 28.29     | 31.74          |
| S&P 500 Consumer Staples       | 21.21   | 21.72    | 22.02     | 22.36          |
| S&P 500 Energy                 | 28.36   | -10.37   | 19.26     | 7.83           |
| S&P 500 Financials             | 11.77   | 15.01    | 9.45      | 13.37          |
| S&P 500 Health Care            | 21.36   | 22.86    | 19.74     | 17.69          |
| S&P 500 Industrials            | 19.38   | 55.14    | 25.35     | 19.46          |
| S&P 500 Information Technology | 25.60   | 33.80    | 26.98     | 23.90          |
| S&P 500 Materials              | 22.64   | 28.72    | 16.10     | 13.24          |
| S&P 500 Communication Services | 22.03   | 30.57    | 15.48     | 17.25          |
| S&P 500 Utilities              | 20.97   | 20.46    | 24.58     | 21.88          |
| S&P 500 Real Estate            | 34.33   | 43.17    | 34.64     | 37.96          |
| Index                          | 2019    | 2020     | 2021      | Estimated 2022 |
| S&P MidCap 400                 | 21.72   | 31.10    | 16.33     | 13.89          |
| S&P 400 Consumer Discretionary | 20.91   | 30.38    | 11.16     | 11.20          |
| S&P 400 Consumer Staples       | 22.96   | 22.04    | 18.56     | 16.75          |
| S&P 400 Energy                 | -119.57 | -6.25    | -33009.00 | 12.06          |
| S&P 400 Financials             | 12.58   | 14.37    | 10.40     | 11.01          |
| S&P 400 Health Care            | 25.10   | 35.70    | 30.57     | 24.33          |
| S&P 400 Industrials            | 21.91   | 35.02    | 20.73     | 15.74          |
| S&P 400 Information Technology | 35.91   | 50.18    | 27.80     | 19.63          |
| S&P 400 Materials              | 17.45   | 24.55    | 7.43      | 6.96           |
| S&P 400 Communication Services | 23.38   | 63.53    | 31.95     | 18.55          |
| S&P 400 Utilities              | 22.90   | 16.81    | 17.03     | 16.83          |
| S&P 400 Real Estate            | 30.44   | 66.10    | 29.35     | 22.74          |
| Index                          | 2019    | 2020     | 2021      | Estimated 2022 |
| S&P SmallCap 600               | 33.29   | -280.36  | 16.70     | 14.17          |
| S&P 600 Consumer Discretionary | 17.52   | 30.33    | 8.15      | 7.82           |
| S&P 600 Consumer Staples       | 27.06   | 19.37    | 20.60     | 18.18          |
| S&P 600 Energy                 | -4.61   | -0.97    | 84.50     | 13.41          |
| S&P 600 Financials             | 14.58   | 25.69    | 9.93      | 11.17          |
| S&P 600 Health Care            | 284.78  | 160.03   | 44.09     | 43.13          |
| S&P 600 Industrials            | 20.05   | 34.11    | 16.83     | 12.11          |
| S&P 600 Information Technology | 54.99   | 61.15    | 31.52     | 19.64          |
| S&P 600 Materials              | 22.69   | 46.89    | 18.32     | 10.90          |
| S&P 600 Communication Services | 1071.39 | -2171.53 | 31.91     | 17.55          |
| S&P 600 Utilities              | 29.67   | 25.47    | 25.45     | 26.18          |
| S&P 600 Real Estate            | 34.23   | 1416.00  | 35.01     | 36.37          |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 7: Operating EPS Changes**

| Index                          | Q3 2021<br>over<br>Q3 2020 (%) | Q4 2021<br>over<br>Q4 2020 (%) | Q1 2022<br>over<br>Q1 2021 (%) | Q2 2022E<br>over<br>Q2 2021 (%) | Q3 2022E<br>over<br>Q3 2021 (%) | 2021<br>over<br>2020 (%) | 2022E<br>over<br>2021 (%) |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| S&P 500                        | 37.26                          | 48.59                          | 4.11                           | 1.73                            | 10.27                           | 70.15                    | 4.83                      |
| S&P 500 Consumer Discretionary | -10.78                         | 53.33                          | -41.01                         | -17.89                          | 24.07                           | 60.13                    | -10.86                    |
| S&P 500 Consumer Staples       | -0.43                          | 19.95                          | 6.75                           | -9.49                           | -2.36                           | 9.54                     | -1.48                     |
| S&P 500 Energy                 | 675.76                         | 246.78                         | 324.40                         | 296.17                          | 122.11                          | 212.69                   | 146.03                    |
| S&P 500 Financials             | 6.48                           | 11.61                          | -27.16                         | -39.76                          | -16.27                          | 81.39                    | -29.29                    |
| S&P 500 Health Care            | 41.28                          | 38.07                          | 7.60                           | 11.43                           | 8.44                            | 34.80                    | 11.59                     |
| S&P 500 Industrials            | 93.72                          | 181.13                         | 33.62                          | 22.03                           | 30.39                           | 134.58                   | 30.27                     |
| S&P 500 Information Technology | 44.92                          | 18.69                          | 16.99                          | 8.10                            | 10.76                           | 37.93                    | 12.90                     |
| S&P 500 Materials              | 109.11                         | 54.39                          | 55.31                          | 17.53                           | 13.57                           | 92.31                    | 21.56                     |
| S&P 500 Communication Services | 56.92                          | 54.19                          | -10.00                         | -13.97                          | -12.09                          | 71.35                    | -10.29                    |
| S&P 500 Utilities              | -2.46                          | -21.88                         | -1.30                          | 16.24                           | 14.29                           | -2.05                    | 12.37                     |
| S&P 500 Real Estate            | 107.14                         | 58.00                          | 37.58                          | -16.51                          | -12.32                          | 51.99                    | -8.74                     |
| Index                          | Q3 2021<br>over<br>Q3 2020 (%) | Q4 2021<br>over<br>Q4 2020 (%) | Q1 2022<br>over<br>Q1 2021 (%) | Q2 2022E<br>over<br>Q2 2021 (%) | Q3 2022E<br>over<br>Q3 2021 (%) | 2021<br>over<br>2020 (%) | 2022E<br>over<br>2021 (%) |
| S&P MidCap 400                 | 93.10                          | 59.40                          | 19.72                          | 24.32                           | 23.79                           | 107.42                   | 17.63                     |
| S&P 400 Consumer Discretionary | 49.76                          | 60.18                          | 4.33                           | -10.55                          | 5.12                            | 176.76                   | -0.39                     |
| S&P 400 Consumer Staples       | 5.44                           | -12.41                         | 7.55                           | 3.45                            | 10.97                           | 24.49                    | 10.79                     |
| S&P 400 Energy                 | -10.45                         | 348.22                         | -1021.51                       | 432.61                          | 234.64                          | 99.96                    | -                         |
| S&P 400 Financials             | 96.67                          | 31.47                          | -8.05                          | -17.44                          | 16.79                           | 64.93                    | -5.55                     |
| S&P 400 Health Care            | 12.95                          | -1.94                          | 32.40                          | 44.17                           | 9.41                            | 11.86                    | 25.62                     |
| S&P 400 Industrials            | 75.31                          | 66.26                          | 52.62                          | 30.42                           | 23.48                           | 88.62                    | 31.71                     |
| S&P 400 Information Technology | 61.88                          | 43.59                          | 30.58                          | 30.13                           | 54.98                           | 72.29                    | 41.68                     |
| S&P 400 Materials              | 373.52                         | 218.31                         | 110.23                         | 26.92                           | -24.17                          | 307.33                   | 6.84                      |
| S&P 400 Communication Services | 12.20                          | 2480.00                        | 356.25                         | 226.42                          | 45.65                           | 65.23                    | 72.23                     |
| S&P 400 Utilities              | 68.10                          | -32.40                         | 31.54                          | -16.78                          | -43.72                          | 18.56                    | 1.20                      |
| S&P 400 Real Estate            | 775.00                         | 173.74                         | 116.41                         | 39.39                           | 11.90                           | 149.68                   | 29.07                     |
| Index                          | Q3 2021<br>over<br>Q3 2020 (%) | Q4 2021<br>over<br>Q4 2020 (%) | Q1 2022<br>over<br>Q1 2021 (%) | Q2 2022E<br>over<br>Q2 2021 (%) | Q3 2022E<br>over<br>Q3 2021 (%) | 2021<br>over<br>2020 (%) | 2022E<br>over<br>2021 (%) |
| S&P SmallCap 600               | 99.77                          | 96.80                          | -2.26                          | 39.57                           | 42.37                           | 1960.90                  | 17.82                     |
| S&P 600 Consumer Discretionary | 87.25                          | 41.88                          | 15.24                          | -2.68                           | -5.24                           | 283.87                   | 4.21                      |
| S&P 600 Consumer Staples       | 12.56                          | -13.75                         | -3.52                          | 0.43                            | 28.45                           | 11.22                    | 13.27                     |
| S&P 600 Energy                 | 59.25                          | 378.44                         | -348.30                        | 292.76                          | 294.91                          | 102.59                   | 529.89                    |
| S&P 600 Financials             | 4.68                           | -13.27                         | -19.05                         | -13.35                          | -17.00                          | 185.75                   | -11.12                    |
| S&P 600 Health Care            | 40.17                          | 41.03                          | 52.00                          | -56.52                          | 24.05                           | 221.93                   | 2.21                      |
| S&P 600 Industrials            | 103.08                         | 105.77                         | 119.37                         | 42.16                           | 28.29                           | 133.23                   | 39.01                     |
| S&P 600 Information Technology | 40.63                          | 44.72                          | -9.83                          | 59.10                           | 95.07                           | 108.34                   | 60.50                     |
| S&P 600 Materials              | 104.38                         | 116.09                         | 106.36                         | 66.35                           | 59.24                           | 180.45                   | 67.99                     |
| S&P 600 Communication Services | 200.00                         | 0.00                           | 300.00                         | 20.00                           | 66.67                           | -                        | 81.82                     |
| S&P 600 Utilities              | -39.95                         | -9.99                          | -8.78                          | 18.97                           | 4.24                            | 18.65                    | -2.78                     |
| S&P 600 Real Estate            | 62.50                          | 214.29                         | 279.31                         | 27.06                           | 14.62                           | 3807.69                  | -3.74                     |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 8: Breadth of Change (Issues with Monthly Price Changes as Described by Type)**

| <b>S&amp;P 500</b>                  |           |                  |         |                  |     |                  |
|-------------------------------------|-----------|------------------|---------|------------------|-----|------------------|
| Type                                | July 2022 | Average % Change | 3-Month | Average % Change | YTD | Average % Change |
| Up                                  | 443       | 10.44            | 240     | 7.90             | 129 | 15.19            |
| Down                                | 60        | -4.19            | 263     | -9.01            | 373 | -19.00           |
| Up >= 10                            | 217       | 15.61            | 68      | 16.84            | 66  | 25.87            |
| Down <= -10                         | 4         | -15.93           | 87      | -18.10           | 280 | -23.68           |
| Up >= 25                            | 15        | 31.61            | 6       | 39.11            | 24  | 41.98            |
| Down <= -25                         | 0         | 0.00             | 13      | -34.85           | 109 | -33.41           |
| Up >= 50                            | 0         | 0.00             | 1       | 76.07            | 6   | 67.42            |
| Down <= -50                         | 0         | 0.00             | 1       | -50.20           | 7   | -55.07           |
| <b>S&amp;P MidCap 400</b>           |           |                  |         |                  |     |                  |
| Type                                | July 2022 | Average % Change | 3-Month | Average % Change | YTD | Average % Change |
| Up                                  | 361       | 12.38            | 224     | 10.55            | 104 | 16.73            |
| Down                                | 40        | -5.67            | 176     | -11.32           | 295 | -19.50           |
| Up >= 10                            | 212       | 17.12            | 93      | 19.16            | 56  | 26.86            |
| Down <= -10                         | 5         | -14.91           | 74      | -20.10           | 214 | -24.79           |
| Up >= 25                            | 23        | 34.55            | 19      | 34.78            | 23  | 43.11            |
| Down <= -25                         | 0         | 0.00             | 16      | -33.36           | 87  | -35.18           |
| Up >= 50                            | 2         | 67.92            | 2       | 58.45            | 6   | 69.34            |
| Down <= -50                         | 0         | 0.00             | 0       | 0.00             | 8   | -53.75           |
| <b>S&amp;P SmallCap 600</b>         |           |                  |         |                  |     |                  |
| Type                                | July 2022 | Average % Change | 3-Month | Average % Change | YTD | Average % Change |
| Up                                  | 515       | 12.68            | 320     | 14.30            | 148 | 22.16            |
| Down                                | 85        | -7.08            | 280     | -13.42           | 450 | -22.08           |
| Up >= 10                            | 279       | 18.56            | 171     | 22.11            | 86  | 35.19            |
| Down <= -10                         | 22        | -16.31           | 135     | -22.91           | 335 | -27.94           |
| Up >= 25                            | 52        | 31.78            | 50      | 37.63            | 45  | 51.90            |
| Down <= -25                         | 3         | -28.97           | 44      | -36.42           | 163 | -39.72           |
| Up >= 50                            | 0         | 0.00             | 9       | 58.70            | 13  | 93.07            |
| Down <= -50                         | 0         | 0.00             | 6       | -56.35           | 31  | -62.46           |
| <b>Dow Jones Industrial Average</b> |           |                  |         |                  |     |                  |
| Type                                | July 2022 | Average % Change | 3-Month | Average % Change | YTD | Average % Change |
| Up                                  | 23        | 9.06             | 11      | 4.45             | 7   | 12.29            |
| Down                                | 7         | -4.65            | 19      | -6.62            | 23  | -16.07           |
| Up >= 10                            | 11        | 12.77            | 0       | 0.00             | 3   | 22.05            |
| Down <= -10                         | 0         | 0.00             | 5       | -15.14           | 14  | -23.04           |
| Up >= 25                            | 0         | 0.00             | 0       | 0.00             | 1   | 39.57            |
| Down <= -25                         | 0         | 0.00             | 0       | 0.00             | 7   | -28.95           |
| Up >= 50                            | 0         | 0.00             | 0       | 0.00             | 0   | 0.00             |
| Down <= -50                         | 0         | 0.00             | 0       | 0.00             | 0   | 0.00             |

Source: S&P Dow Jones Indices LLC. Data as of July 29, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

## GENERAL DISCLAIMER

© 2022 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, Select Sector, S&P MAESTRO, S&P PRISM, S&P STRIDE, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, LCDX, MBX, MCDX, PRIMEX, TABX, HHPI, IRXX, I-SYND, SOVX, CRITS, CRITR are registered trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice. Closing prices for S&P Dow Jones Indices' US benchmark indices are calculated by S&P Dow Jones Indices based on the closing price of the individual constituents of the index as set by their primary exchange. Closing prices are received by S&P Dow Jones Indices from one of its third party vendors and verified by comparing them with prices from an alternative vendor. The vendors receive the closing price from the primary exchanges. Real-time intraday prices are calculated similarly without a second verification.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

The Global Industry Classification Standard (GICS®) was developed by and is the exclusive property and a trademark of S&P and MSCI. Neither MSCI, S&P nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Cboe and VIX are registered trademarks of Cboe Exchange, Inc. and have been licensed for use by S&P Dow Jones Indices.