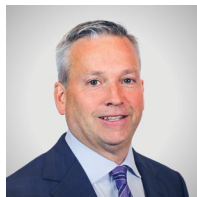


MARKET MINUTE

With McGAREL



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May 2026

Past performance is no guarantee of future results.

Charts are for illustrative purposes only and not indicative of any actual investment.

The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. **S&P SmallCap 600 Index** is an unmanaged index of 600 stocks used to measure small cap U.S. stock market performance. **S&P MidCap 400 Index** is an unmanaged index of 400 stocks used to measure mid cap U.S. stock market performance. The **MSCI ACWI ex USA Index** captures large- and mid-cap representation across Developed Markets countries (excluding the United States) and Emerging Markets countries. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

Magnificent 7 (Mag 7): AAPL: Apple Inc. MSFT: Microsoft Corporation. NVDA: NVIDIA Corporation. GOOG: Alphabet Inc. AMZN: Amazon.com, Inc. META: Meta. TSLA: Tesla, Inc.

Technology Plus (Tech+) is a combination of the technology sector; the interactive home entertainment and interactive media & services industries; Amazon.com Inc., Tesla Inc., and Netflix Inc. References to specific securities should not be construed as a recommendation to buy or sell and should not be assumed profitable.

Diversification does not guarantee a profit or protect against loss.

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Free lunch anyone?

There is little disagreement that the word “diversification” is a pretty boring concept to discuss with investors. This may be especially true after the equity markets rallied ferociously in April 2026 led by the Mag 7 and the Tech+ trade. After trailing for the first three months of the year, the largest and most dominant companies, spending massive sums on artificial intelligence infrastructure, saw investors flood back into their shares in April 2026. Google and Amazon were both up over 25% and NVIDIA up 14%—in just one month! The market capitalization weighted S&P 500 Index soared 10.5% for the month and is now up 5.7% for the year.

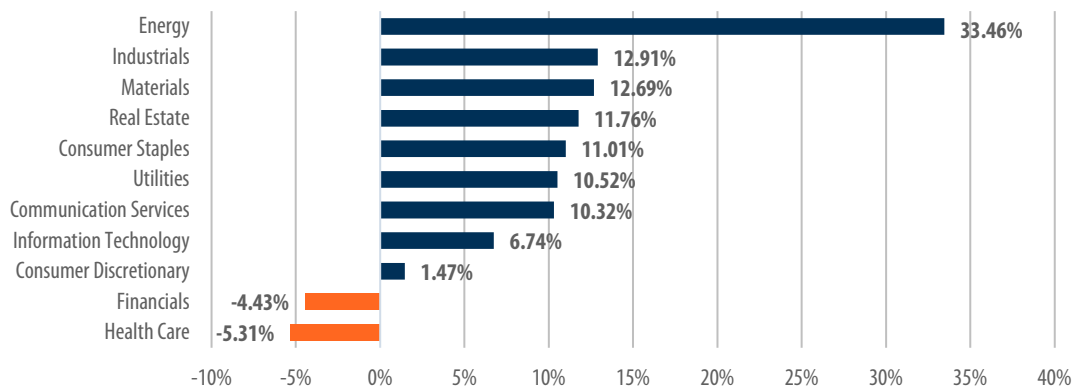
Here is the difference thus far this year: unlike the last three calendar years, it wasn’t at the expense of the rest of the market. The top five performing sectors year-to-date (YTD) are energy, industrials, materials, real estate, and consumer staples. None of the Mag 7 stocks are in those sectors [See Chart 1]. YTD, the Mag 7 accounted for roughly 15% of the S&P 500 Index return despite being over a third of the weight in the Index [See Chart 2]. In contrast, the last three calendar years, the Mag 7 contribution has been 60%/51%/43%, respectively, of the S&P 500 Index return, punching well above their weight.

Additionally, small-cap stocks (S&P SmallCap 600 Index) were also up over 10% in April 2026, mid-caps (S&P MidCap 400 Index) nearly 8%, and the MSCI ACWI ex USA Index up 9.7%. Everything worked!

And YTD small-caps are up 14.4%, mid-caps 10.6%, and MSCI ACWI ex USA Index 9.1%; all outperforming the large-cap index (S&P 500 Index) return of 5.7%. And yet the valuations in small, mid, and international stocks are still significantly lower than in large-caps. We see this performance across small, mid and international stocks as evidence the market is starting to see the same market broadening opportunity we have been talking about for some time.

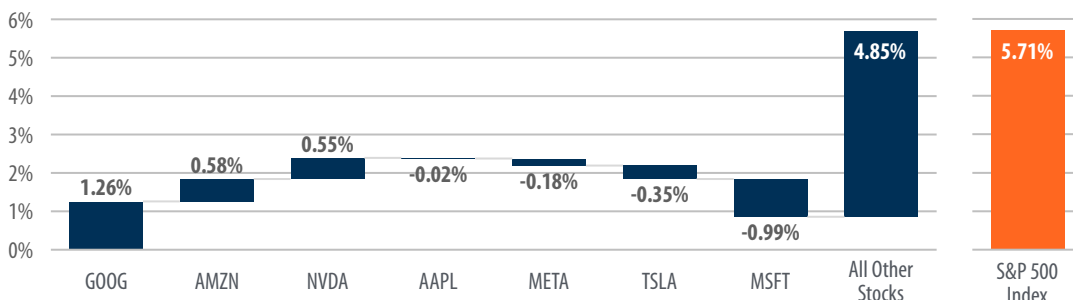
It’s been said that “diversification is the only free lunch in investing.” While its meaning has more to do with seeking to lower risk than increasing return, owning a wide basket of stocks across sectors, size, and geography still looks like an attractive proposition going forward in the equity markets this year, in our view.

Chart 1: S&P 500 Index YTD Sector Performance



Source: Bloomberg. Data from 12/31/25-4/30/26. Returns are based on price only and do not include dividends.

Chart 2: S&P 500 Index YTD Attribution



Source: CapitalIQ, S&P, Russell. Data from 12/31/25 – 4/30/26.