

Cash Flow and Carey



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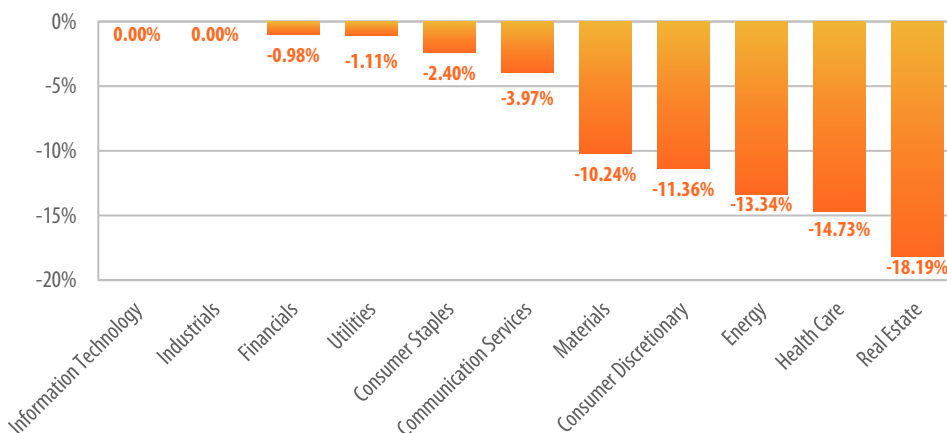
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This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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S&P 500 Index Sector Prices vs. All-Time Highs

S&P 500 Index Sectors (Average Stock % From All-Time High)



Source: Bloomberg. As of 6/24/25. **Past Performance is no guarantee of future results.**

View from the Observation Deck

Strong earnings growth, developments in Artificial Intelligence (AI), and expectations surrounding the direction of U.S. monetary policy sent the S&P 500 Index ("Index") surging to an all-time high of 6,144.15 on 2/19/2025. The celebration was short-lived, however, with the Index shedding 18.90% (price-only) over the ensuing 48 calendar days (2/19/25 – 4/8/25). Equity markets have rebounded since, with the Index closing at 6,092.18 on 6/24/25, just 0.85% below its record high. Given this volatility, we thought a deeper dive into where each of the Index's sectors sit relative to their all-time highs was warranted.

- Six of the 11 sectors that comprise the Index were within ten percentage points of their all-time highs on 6/24/25. Each of those sectors (Communication Services, Consumer Staples, Financials, Industrials, Information Technology, and Utilities) set new all-time highs in 2025.
- Excluding the Information Technology and Industrials sectors, which set their all-time highs on the day we pulled this dataset, Financials were closest to their record high (-0.98%), which was set on 2/18/25. Real Estate was furthest (-18.19%).
- With a year-to-date price return of 7.66%, Utilities are the second-best performing sector and now sit just 1.11% below their all-time high.
- As of 6/24/25, 281 stocks in the S&P 500 Index (currently 503) had positive price-only returns in 2025, down from 317 over the same period last year.
- A Bloomberg survey of 20 equity strategists found that their average year-end price target for the S&P 500 Index was 6,061 as of 6/18/25, down from 6,570 on 2/19/25. The highest current estimate was 7,007, while the lowest was 5,500.

Takeaway

This year's market climate has been defined by surging geopolitical risk in the form of wars, restrictive tariff policy, and weakening economic data. The sum effect has been a reduction in estimated earnings per share for the companies that comprise the broader Index. Data from Bloomberg reveals that estimates for the Index's 2025 earnings per share declined from 273.06 on 12/27/24, to 265.30 on 6/20/25. That said, adjustments to the Index's 2025 revenue estimates have been less jarring, declining from 1,967.6 to 1,959.1, respectively, as of the same dates. In what could be a further boost to equity prices, investors continue to discount for additional interest rate cuts by year's end. The broader Index has moved sharply higher since falling into correction on 3/13/25, and now sits just 0.85% below record levels. Similarly, three of the sectors in today's chart (Information Technology, Industrials, and Utilities) each set their record highs in the months following the Index's correction. As we see it, the recent rebound in equity prices may be a signal that investors are trading nearsighted, early-year concerns for a longer perspective.