October 27, 2026

Staying Bullish, Finding Opportunity

A powerful earnings backdrop, a pivotal week for economic data and the Fed, and a broader set of investment opportunities across the market.

THE TREMLETT BRIEF

A MARKET WITH MORE OPPORTUNITIES

We remain very constructive on equities. Corporate earnings are growing at an extraordinary rate, businesses are investing heavily in productivity and infrastructure, and attractive opportunities are emerging across a broader range of industries.

Markets are constantly changing, and different industries move through different cycles. Our job is to keep evaluating those changes and allocate capital to the opportunities we find most attractive.

We're not just focused on what has worked in the past—we're actively searching for the next set of opportunities.

A BUSY WEEK AHEAD



Major earnings reports	Federal Reserve meeting (Wednesday)	GDP & inflation data (Thursday)	Portfolio opportunities
MSFT | GOOGL | AMZN LLY | MA | XOM + more	Rates expected to remain unchanged	Q3 GDP | PCE inflation Key economic signals	A broader set of attractive ideas across multiple sectors

A pivotal week with key events that could influence markets near term.

THE MARKET IS REWARDING DIFFERENT TYPES OF BUSINESSES

Recent performance shows a broader market with opportunities beyond the technology names that have dominated the headlines.

Last week, technology declined more than 6%, but seven of the eleven S&P 500 sectors finished higher. Energy and consumer staples gained around 5%, and healthcare was up more than 3%.

Investors are finding attractive opportunities in different parts of the economy, and growth doesn't belong exclusively to technology.

It's a healthy market when different industries have an opportunity to contribute to returns—and it creates a broader opportunity set.

S&P 500 SECTOR PERFORMANCE (LAST WEEK)



ENERGY	CONSUMER STAPLES	HEALTHCARE	TECHNOLOGY
+5%	+5%	+3%	-6%

Seven of the eleven S&P 500 sectors finished higher last week.

EARNINGS REMAIN EXCEPTIONALLY STRONG

As of October 23, about 24% of S&P 500 companies have reported third-quarter results. Of those companies, 83% exceeded earnings expectations, which is above both the five-year and ten-year averages.

Third-quarter earnings are currently projected to grow approximately 29.5% from a year ago, with revenue growth projected at 12.7%.

This strength is broad-based across industries and reflects real business growth, improving margins and continued investment.

Powerful earnings growth and accelerating revenues are providing a strong foundation for the market.

Q3 EARNINGS AT A GLANCE



83%	+29.5%	+12.7%
of companies beating estimates Above 5- and 10-year averages	Projected earnings growth (year over year)	Projected revenue growth (year over year)

Strong earnings and revenue growth are being driven by real business momentum.

HIGHER RATES ARE CREATING TWO ECONOMIES

Interest rates have moved higher, and we're seeing very different economic conditions depending on who you are. Some households and businesses are relatively insulated, while others are facing significantly higher borrowing costs.

Many large companies and hyperscalers are insulated through strong cash flows and access to capital markets. However, higher rates are having a greater impact on consumers, certain businesses and rate-sensitive areas of the economy.

The economy is resilient, but higher rates are creating two very different experiences.

TWO ECONOMIES UNDER ONE ROOF



RELATIVELY INSULATED

- Strong balance sheets
- Access to capital markets
- Stable cash flows
- Less sensitive to higher rates

HIGHER PRESSURE

- Higher borrowing costs
- More interest rate sensitivity
- Tighter financial conditions
- Greater impact on spending

Higher rates are benefiting some while creating real challenges for others.

OUR PORTFOLIO APPROACH: QUALITY, DISCIPLINE, AND DIVERSIFICATION

We build portfolios from the top down, starting with the macroeconomic environment, and then move to sectors, industries, and individual companies. We focus on high-quality businesses with durable earnings, strong balance sheets, and multiple long-term growth catalysts.

We continue to look for opportunities across a broad range of industries—including industrials, infrastructure, energy, healthcare and select technology—while maintaining a disciplined and diversified approach.

Our goal is to own businesses that can generate sustainable returns on capital through different economic environments.

OUR INVESTMENT FOCUS



- **High-Quality Businesses** — Durable earnings and strong balance sheets
- **Attractive Cash Flow** — Real earnings, real returns
- **Meaningful Diversification** — Across sectors, asset classes and factors
- **Long-Term Growth Catalysts** — Positioned for sustainable value creation

A disciplined, diversified approach creates more consistent, resilient outcomes over time.

WHAT I'M WATCHING



- Third-quarter earnings and guidance
- Federal Reserve meeting (Wednesday)
- GDP and PCE inflation data (Thursday)
- Interest rate trends and Treasury yields
- Sector rotation and market breadth
- Corporate investment and productivity
- New investment opportunities

FINAL THOUGHT



"Staying invested but being selective is the right approach. The earnings backdrop is very strong, and there are more opportunities across the market than many investors realize."

— Scott Tremlett

Founder, CEO & Chief Investment Officer

