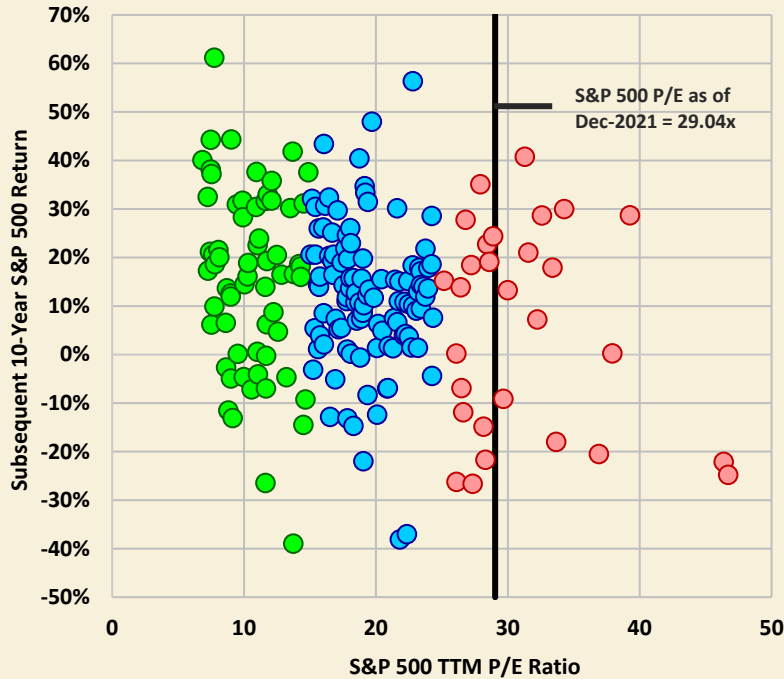


MARKET MICROSCOPE – Current P/E Multiples and Future S&P 500 Returns

The charts below plot the trailing-twelve-month (TTM) Price/Earnings ratio for the S&P 500 alongside the annualized return over the following 1-year and 10-year periods.

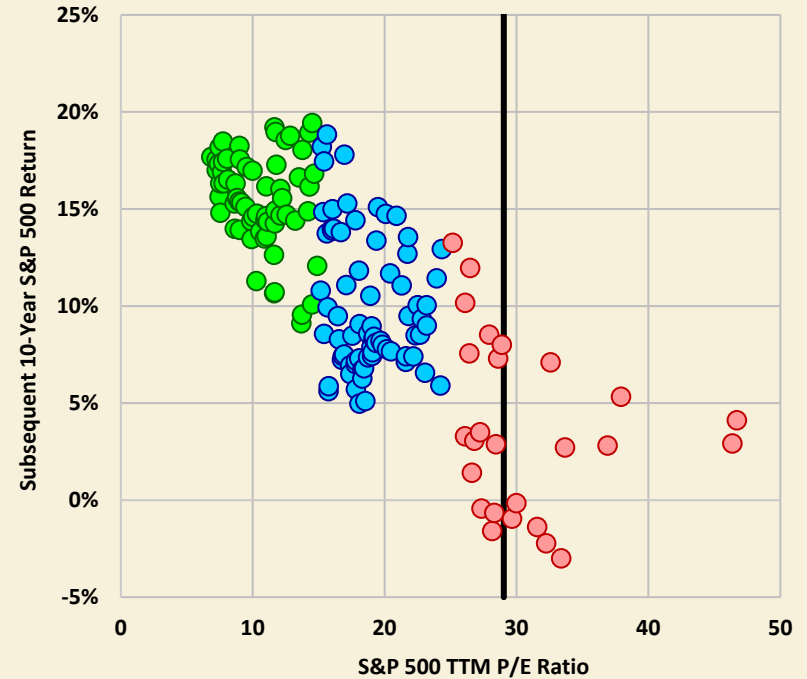
**S&P 500 TTM P/E Ratio & Following 1-Year Return
1970 - 2021**



	Average Following 1-Year Return	# of 1-Year Periods
Current P/E < 15x	15.90%	64
Current P/E 15x -25x	12.10%	108
Current P/E > 25x	7.98%	33

Since 1970, the relationship between the S&P 500 index's current P/E multiple and the return over the following year has been mixed. While on average the return has been lower when the index has a higher multiple, the range of data points is very wide.

**S&P 500 TTM P/E Ratio & Following 10-Year Return
1970 - 2021**



	Average Following 10-Year Return	# of 10-Year Periods
Current P/E < 15x	15.48%	64
Current P/E 15x -25x	10.03%	75
Current P/E > 25x	5.09%	30

However, when looking at the following 10-year return we see a stronger pattern. When the S&P 500 index's P/E multiple is over 25x it has often been a harbinger of weaker returns over the next decade. At the end of 2021, the index's P/E was just over 29x.