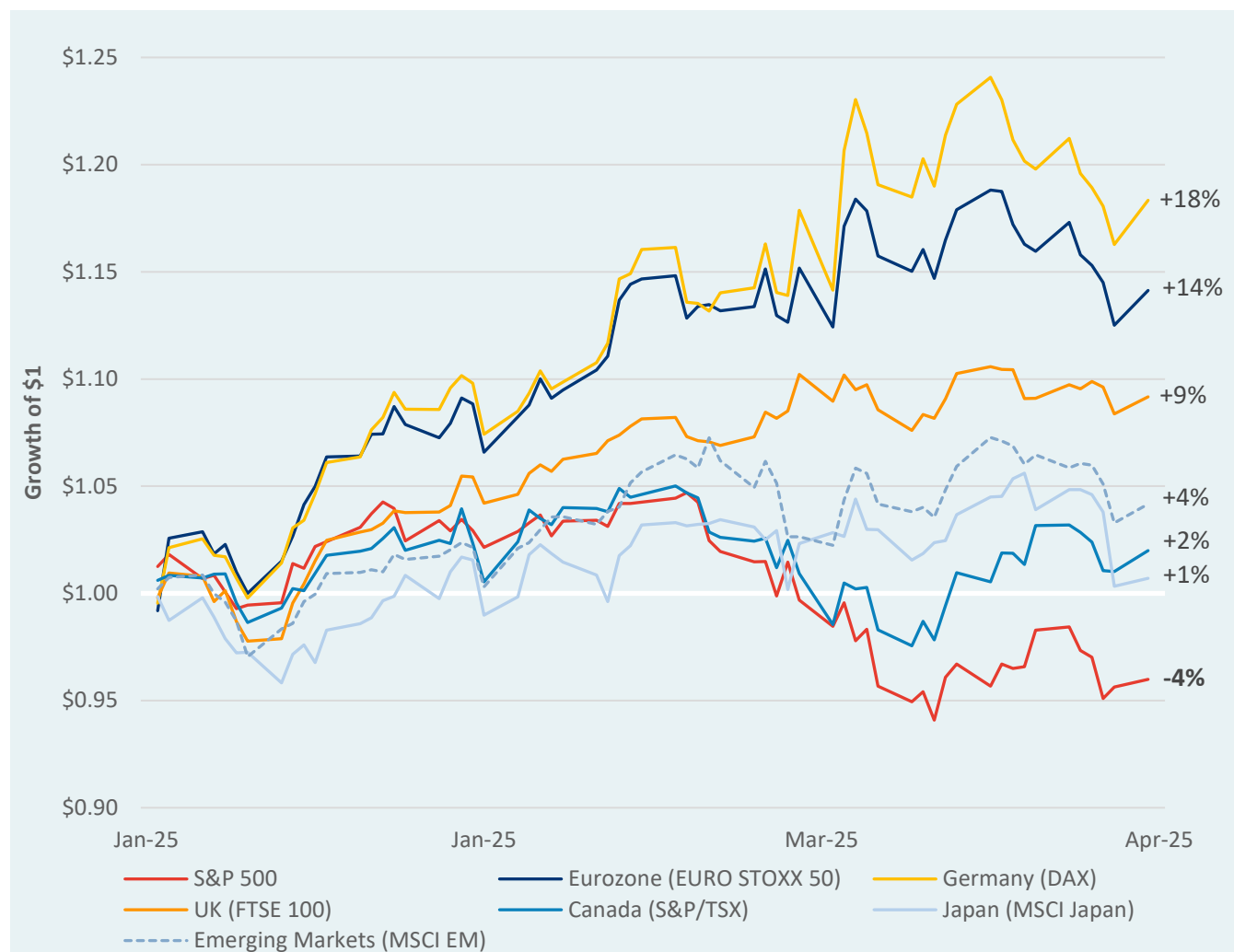


Verus Market Note

Investors rotate out of U.S. equities and into Europe, on weaker growth & tariff fears

In a sharp reversal from years of U.S. outperformance, domestic stocks entered technical correction territory in March while non-U.S. stocks—European markets in particular—took the lead.

In this week's Market Note, we illustrate market movement across multiple regions. Domestic equities have been one of the worst performers year-to-date on some signs of economic weakness and fears of an escalating trade war. Meanwhile, certain European Union member countries have indicated plans to invest in local industry and greater independence from the United States. For example, in early March, German leadership agreed to loosen constitutional restrictions on borrowing which will allow 1 trillion Euros of additional spending on infrastructure and defense, which could provide as much as 1% increased GDP growth in future years. These developments have resulted in renewed investor interest in non-U.S. equities and a rotation of funds out of the domestic market.



Source: Verus, performance quoted in U.S. dollar terms, as of 4/1/25