

# Valuation Discipline in a High-Expectation Market

Strong businesses can remain attractive while their prices become demanding.

## Executive perspective

Separate business quality from entry valuation using earnings growth, cash-flow durability, balance-sheet strength and rate sensitivity.

## What we are watching

The question is what future performance is already embedded in the price and what could invalidate the expectation.

## Portfolio lens

Portfolio implication: valuation is a risk-management tool as much as a return estimate.

## Research references

- Vanguard — Capital Markets Model forecasts, July 2026

<https://corporate.vanguard.com/content/corporatesite/us/en/corp/vemo/vemo-return-forecasts.html>

- BlackRock — 2026 Midyear Investment Outlook

<https://www.blackrock.com/americas-offshore/en/insights/blackrock-investment-institute/outlook>

- Goldman Sachs — 2026 Outlooks

<https://www.goldmansachs.com/insights/outlooks/2026-outlooks>

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