

Quarterly Recap

October 1, 2026

At-A-Glance

September was a mixed month for equities. The tech-heavy Nasdaq Composite gained 1.9% while the S&P 500 and Dow Jones Industrial Average fell 0.4% and 4.1%, respectively.

For the quarter, the tech-heavy Nasdaq Composite gained 2.6% while the S&P 500 was up 2.3%. The Dow Jones Industrial Average fell 2.3%.

The three major indices continue to remain positive year to date (YTD). The tech-heavy Nasdaq Composite was the biggest gainer, up 16.1%. The S&P 500 was up 12.8% while the Dow Jones Industrial Average was up 7.2%.

The Bloomberg Commodity Index was up 16.2% for the quarter, largely due to energy gains. It is up 32.8% for the year.

S&P GSCI Gold Index was up 3.7% in Q3 and is now down 3.6% YTD.

S&P GSCI Crude Oil Index was up 30.1% for the quarter, extending its YTD gain to 57.5%.

Third Quarter 2026 Recap

Market Indices ¹	September	Q3 2026	YTD
S&P 500	-0.35%	2.30%	12.75%
Russell 3000	-0.84%	1.41%	12.42%
Russell 2000	-5.25%	-7.23%	13.71%
MSCI EAFE	-3.05%	0.81%	10.33%
MSCI Emerging Markets	-0.56%	-0.37%	23.38%
Bloomberg U.S. Aggregate Bond	-2.61%	-3.51%	-2.91%
Bloomberg U.S. Municipal Bond	-4.36%	-6.35%	-4.18%
Bloomberg U.S. Corporate High Yield	-2.52%	-1.82%	0.10%

¹FactSet (all equity performance is total return based, which includes reinvested dividends).

Markets carried their momentum into the third quarter, with the S&P 500 finishing near record highs. However, the Dow Jones Industrial Average ended 5.1% below its August peak as compared to S&P 500's 1.0%, highlighting a rally concentrated in a handful of growth names. This resilience was notable amid rising Treasury yields, renewed inflation pressures, and the Fed's first rate hike in more than three years.

Strong corporate earnings provided support amid rising geopolitical risks, with S&P 500 earnings growing 52% in Q2 2026 and full-year growth projected at 32%.

The U.S.-Iran ceasefire collapsed during the quarter, with both sides exchanging attacks that disrupted key energy routes and intensified supply concerns. A coordinated release of 400 million barrels of oil reserves by G7 countries provided little relief, with the S&P GSCI Crude Oil Index gaining 30.1% during the quarter and 57.5% year to date.

Energy is a critical input in the production and transportation of goods. Higher energy costs flowed through to headline and core inflation. The Fed's preferred headline Personal Consumption Expenditures (PCE) Price Index held at 3.4% year-over-year in August, unchanged from July. However, a methodology change is estimated to have lowered the reading by 0.2% to 0.3% in August, suggesting underlying inflation may have been firmer.

Job growth rebounded in August after softer readings in June and July. With unemployment at 4.1%, resilient economic growth and elevated inflation, it gave the Fed the room to raise rates by 25 basis points in September. Markets now expect another hike before year-end.

A stronger economy and hotter-than-expected inflation pushed Treasury yields higher. Both the 10-year and 30-year U.S. Treasury yields reached levels last seen in 2002.

Both large-cap value and growth stocks advanced during the quarter, building on their strong Q2 performance. In contrast, the small-cap Russell 2000 fell 7.2% after gaining 21.5% in the previous quarter.

September Returns				Quarterly Returns				Year-to-Date Returns			
	Value	Blend	Growth		Value	Blend	Growth		Value	Blend	Growth
Large Cap	-3.13%	-0.65%	2.16%	Large Cap	2.61%	1.80%	0.92%	Large Cap	19.27%	12.30%	6.30%
Mid Cap	-4.96%	-4.17%	-1.85%	Mid Cap	-1.98%	-3.00%	-5.84%	Mid Cap	15.25%	11.84%	1.01%
Small Cap	-5.20%	-5.25%	-5.31%	Small Cap	-4.91%	-7.23%	-9.39%	Small Cap	16.96%	13.71%	10.71%

Source: Cetera Investment Management, FactSet, FTSE Russell. Returns shown are total return, which include dividends. Investors cannot invest directly in indexes. Data as of 9/30/2026.

Energy was the best performing sector for both the quarter and year to date, gaining 17.2% and 40.3%, respectively, as higher crude oil prices provided a tailwind. Utilities (12.4%) and Industrials (-9.7%) were the quarter's biggest detractors.

Top Sector Performers – September ¹			Bottom Sector Performers – September ¹		
Information Technology (+4.5%)			Real Estate (-6.1%)		
Communication Services (+4.3%)			Materials (-6.7%)		
Healthcare (-0.9%)			Financials (-7.2%)		
Top Performers – Third Quarter ¹			Bottom Performers – Third Quarter ¹		
Energy (+17.2%)			Real Estate (-5.6%)		
Information Technology (+7.2%)			Industrials (-9.7%)		
Healthcare (+6.5%)			Utilities (12.4%)		
Top Performers – YTD 2026 ¹			Bottom Performers – YTD 2026 ¹		
Energy (+40.3%)			Financials (-1.3%)		
Information Technology (+28.4%)			Utilities (-5.7%)		
Healthcare (+10.2%)			Consumer Discretionary (-5.8%)		

¹FactSet (all S&P 500 sector performance percentages are total return based, which include reinvested dividends). Data as of 9/30/2026.

Foreign equities ended the quarter mixed. The MSCI EAFE Index gained 0.8%, while emerging markets declined 0.4%. Within emerging markets, South Korea (-9.6%) and India (-5.6%) fell during the quarter after having a strong performance in Q2.

Turning to fixed income, the 10-year and 30-year U.S. Treasury yields closed near their quarterly highs. As bond prices move inversely to yields, the Bloomberg U.S. Government Bond Index fell 2.2% in September and 3.0% in the third quarter, with longer-duration bonds facing the greatest pressure down 5.0% in September and 8.0% in the quarter.

Investment-grade bonds, as measured by the Bloomberg U.S. Aggregate Bond Index, declined 2.6% in September and 3.5% for the quarter. The Bloomberg U.S. Corporate High Yield Bond Index fell 1.8% for the quarter. Municipal bonds underperformed Treasuries, with the Bloomberg U.S. Municipal Bond Index declining 4.4% in September and 6.4% for the quarter.

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Glossary

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included.

The Bloomberg U.S. Municipal Bond Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index holding have a fluctuating average life of around 12.8 years.

The Bloomberg U.S. Corporate High Yield Index measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years.

The **Bloomberg U.S. Government Bond Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government).

The **Bloomberg Commodity Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual re-weightings of the components).

The **Cboe Volatility Index® (VIX®)** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

The **MSCI EAFE** is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The **MSCI Emerging Markets** is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **MSCI All-Country World Index (ACWI)** is a market cap weighted index designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets, covering more than 2,700 companies across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The **S&P BSE SENSEX Index** is a free-float market-weighted index of 30 well-established and financially sound stocks on the Bombay Stock Exchange, representative of various industrial sectors of the Indian economy.

The **S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **Nasdaq Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.

The **Shanghai Composite Index** is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

The U.S. Dollar Index is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDIX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008.

West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts.

The **S&P GSCI Gold Index**, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future. The more widely tracked S&P GSCI index is recognized as a leading measure of general price movements and inflation in the world economy. The index represents commodity market beta is world-production weighted and is designed to be investable by including the most liquid commodity futures.

The **S&P GSCI Crude Oil Index** is a composite index of commodities that measures the performance of the commodities market. The index often serves as a benchmark for commodities investments. Investing in a GSCI fund provides a broadly diversified, unleveraged long-only position in commodity futures.

The **Personal Consumption Expenditures (PCE) Price Index** measures price changes for goods and services consumed by U.S. households.