Snapshot

Global stocks advanced modestly in the third quarter, led by the U.S. market. Meanwhile, bonds retreated as yields moved higher.

- The S&P 500 Index finished the third quarter with a gain of 2.3%, putting the year-to-date return at nearly 13%. Solid corporate fundamentals and an expanding economy aided the backdrop and offset concerns about rising Treasury yields.
- S&P 500 sector performance weakened in the quarter, with seven of the index's 11 sectors declining. Bolstered by rising oil prices, energy topped all others with a third-quarter gain of 17%. The utilities sector was the weakest, down more than 12%.
- U.S. stocks outperformed their developed markets peers and emerging markets (EM) stocks in September and for the quarter. EM continued to outperform year to date.
- Inflation remained above target across many developed markets. The Fed raised interest rates in September for the first time in more than three years, while the European Central Bank raised rates for the second time this year. The Bank of England held rates steady despite higher U.K. inflation.
- In the U.S., large-cap stocks advanced for the quarter, while mid and small caps declined. Value stocks outperformed growth stocks across capitalizations. Among non-U.S. developed markets, small caps outperformed large caps, and value outpaced growth. In EM, small caps outperformed large caps, and growth and value indices were mixed.
- Bond yields increased across markets, with longer-term government bonds among the most adversely affected.

Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
U.S. Large-Cap Equity							
S&P 500	-0.35	2.30	12.75	15.74	22.89	13.79	15.33
U.S. Small-Cap Equity							
Russell 2000	-5.25	-7.23	13.71	16.20	17.72	6.34	9.84
Intl. Developed Markets Equity							
MSCI World ex USA	-3.27	0.89	10.16	15.89	18.89	9.66	9.27
Emerging Markets Equity							
MSCI Emerging Markets	-0.56	-0.37	23.38	29.22	24.09	8.94	9.09
Global Real Estate Equity							
S&P Global REIT	-5.49	-6.03	4.89	4.04	10.25	1.68	3.16
U.S. Fixed Income							
Bloomberg U.S. Aggregate Bond	-2.61	-3.51	-2.91	-1.84	4.06	-0.64	1.14
Global Fixed Income							
Bloomberg Global Aggregate Bond	-2.38	-2.46	-2.67	-2.43	3.82	-1.86	0.05
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.30	0.93	2.75	3.79	4.59	3.80	2.44

Data as of 9/30/2026. Performance in USD. Periods greater than one year have been annualized. Past performance is no guarantee of future results. Source: FactSet.

Inflation, sometimes referred to as headline inflation, reflects rising prices for consumer goods and services, or equivalently, a declining value of money. Core inflation excludes food and energy prices, which tend to be volatile.

Equity Returns | Size and Style

U.S.

	QTD (%)		YTD (%)	
	Value	Growth	Value	Growth
Large	2.61	0.92	19.27	6.30
Small	-4.91	-9.39	16.96	10.71

- The broad U.S. stock market logged a third-quarter gain and maintained a solid year-to-date return. Most size and style indices declined for the quarter but maintained year-to-date gains.
- Large-cap stocks advanced almost 2% and outpaced small- and mid-cap stocks, which declined, for the quarter. Small-cap stocks remained top year-to-date performers from a capitalization perspective, up nearly 14%.
- Value stocks outperformed their growth-style peers across the board for the quarter and year to date. Large-cap value stocks were top performers for both periods.

Non-U.S. Developed Markets

	QTD (%)		YTD (%)	
	Value	Growth	Value	Growth
Large	3.13	-1.91	15.57	5.13
Small	5.66	0.13	11.28	9.98

- Non-U.S. developed markets stocks advanced but lagged U.S. stocks for the third quarter. They also lagged U.S. stocks year to date.
- With a return of nearly 3%, small-cap stocks outperformed their mid- and large-cap peers for the quarter. Small-caps also outperformed mid-caps and large-caps for the year-to-date period.
- Value stocks outpaced growth stocks in the quarter, led by mid-cap value. The value style also outperformed year to date, led by large-cap value stocks, up nearly 16%.

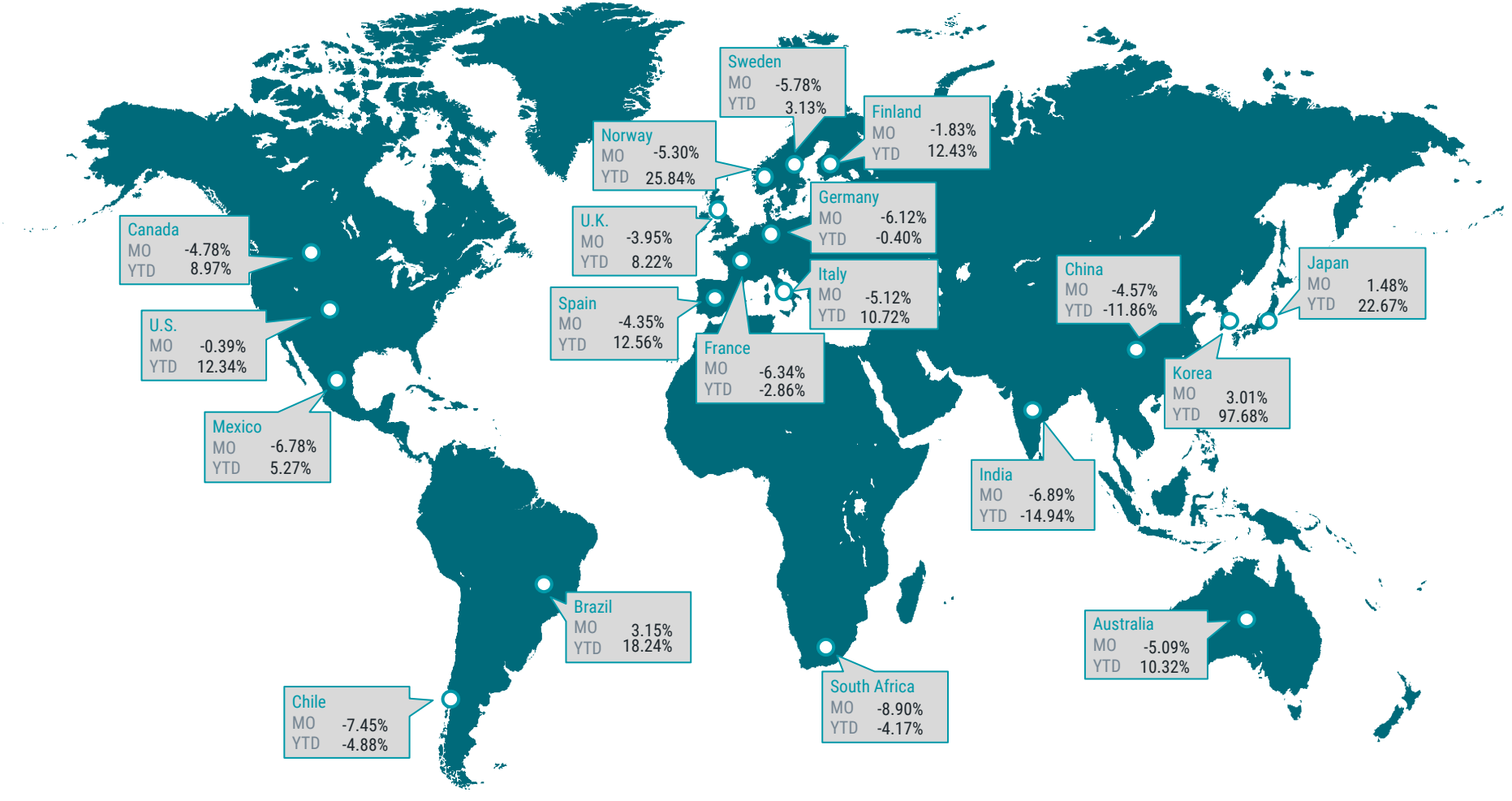
Emerging Markets

	QTD (%)		YTD (%)	
	Value	Growth	Value	Growth
Large	2.86	-4.29	26.32	21.11
Small	-0.21	0.70	13.60	12.70

- The broad EM stock index declined and lagged developed markets stocks in the quarter, but it outperformed year to date.
- Mid-cap stocks logged a third-quarter gain to outperform small- and large-caps. Year to date, large-cap stocks gained nearly 24%, outperforming small- and mid-cap stocks.
- Value stocks outperformed growth stocks among small- and mid-caps in the quarter, while growth outperformed in the small-cap universe. Year to date, value outperformed across the board, with mid-cap value gaining 29%.

Data as of 9/30/2026. Performance in USD. Past performance is no guarantee of future results. Source: FactSet.
U.S. Equity, International Developed Markets and Emerging Markets Equity style boxes are represented by Russell, MSCI World ex USA and MSCI Emerging Markets indices, respectively.

Equity Returns | Country



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Fixed-Income Returns

U.S. Treasury yields soared in the third quarter, with the 10-year note reaching a multi-decade high. Most sectors of the U.S. bond market posted negative returns for the quarter.

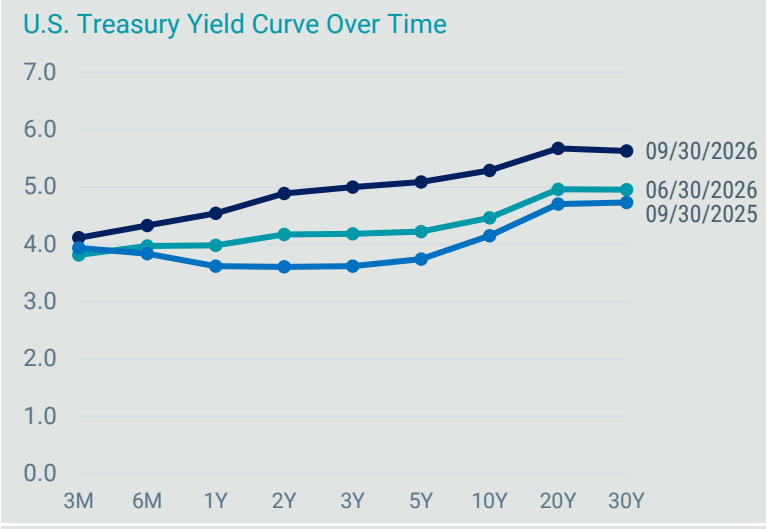
- After declining 2.6% in September, the Bloomberg U.S. Aggregate Bond Index returned -3.51% for the third quarter.
- Treasury yields moved higher during a quarter marked by U.S. government debt surpassing $40 trillion, higher fuel prices, and increased expectations for Fed rate hikes. The yield on the 10-year Treasury rose 82 bps to 5.29%, and the two-year Treasury yield rose from 4.2% to 4.91%.
- The annualized core PCE price index, the Fed's preferred inflation gauge, held steady at 3% for the third straight month in August. Five-year forward inflation expectations (as implied by TIPS breakeven rates) increased modestly.
- The Fed unanimously raised its target policy rate by 25 bps in September, its first interest rate hike since July 2023. Amid solid economic growth and a steady jobs market, most officials projected at least one more rate hike later this year.
- Most bond market sectors declined for the quarter. Credit spreads widened, particularly within the high-yield market. Still, high-yield corporates outperformed investment grade, reflecting their lower duration and sensitivity to rates.
- Municipal bonds declined and underperformed Treasuries. September 2026 marked the worst monthly performance since September 2008, during the Global Financial Crisis.
- In aggregate, TIPS declined and underperformed nominal Treasuries for both the month and quarter.

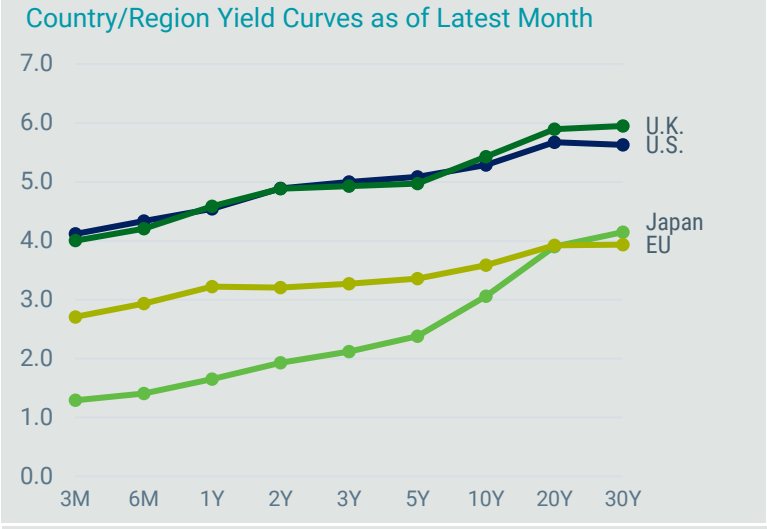
Returns (%)

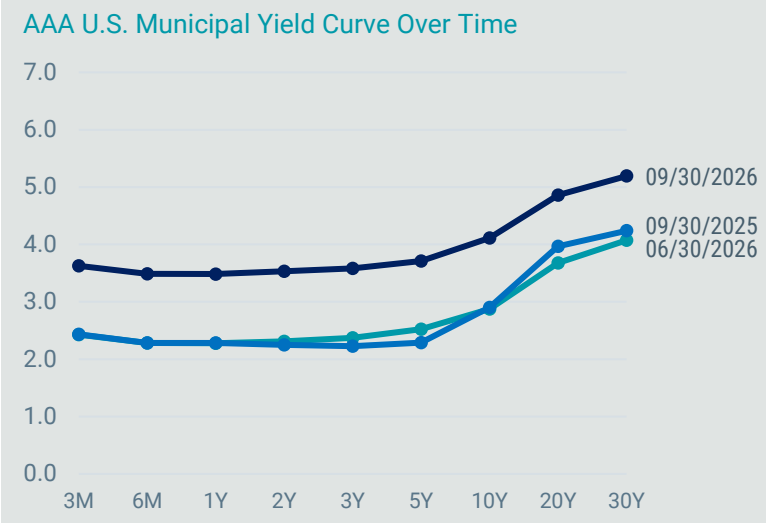
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U.S. Fixed Income							
Bloomberg U.S. Aggregate Bond	-2.61	-3.51	-2.91	-1.84	4.06	-0.64	1.14
U.S. High-Yield Corporate							
Bloomberg U.S. Corporate High Yield Bond	-2.52	-1.82	0.10	1.41	8.03	3.60	5.05
U.S. Investment Grade							
Bloomberg U.S. Corporate Bond	-2.72	-3.94	-3.11	-2.30	4.98	-0.46	2.04
Municipals							
Bloomberg Municipal Bond	-4.36	-6.35	-4.18	-2.68	2.89	-0.21	1.51
U.S. TIPS							
Bloomberg U.S. Treasury Inflation Protected Securities (TIPS)	-2.61	-3.24	-2.12	-1.99	3.75	0.00	2.15
U.S. Treasuries							
Bloomberg U.S. Treasury Bond	-2.24	-3.04	-2.77	-1.89	3.18	-1.05	0.58
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.30	0.93	2.75	3.79	4.59	3.80	2.44

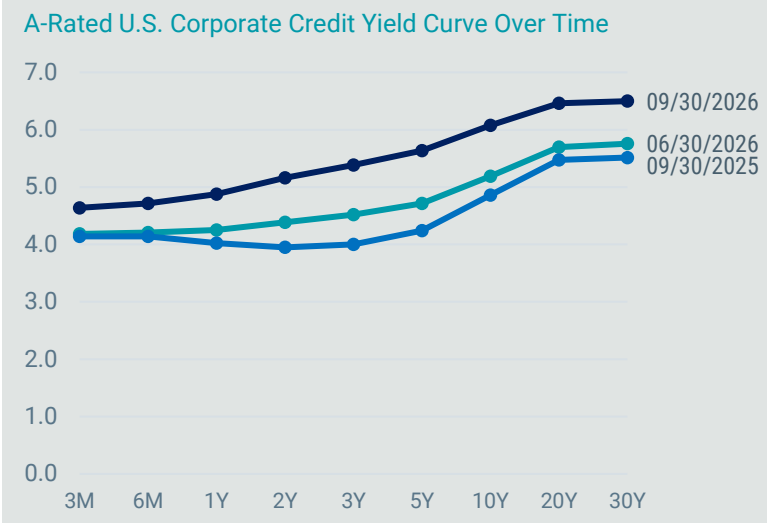
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Global Yield Curves









Data as of 9/30/2026. Source: Bloomberg.

Yield is a rate of return for bonds and other fixed-income securities. A yield curve is a line graph that shows yields of fixed-income securities from a single sector (e.g., Treasuries) over various maturities (e.g., five and 10 years) at a single point in time (e.g., 12/31/2020).