

Monthly Recap

Market Indices

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%

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%.

September 2026

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	-1.58%	-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%	-8.38%	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.

Top & Bottom Performers

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.

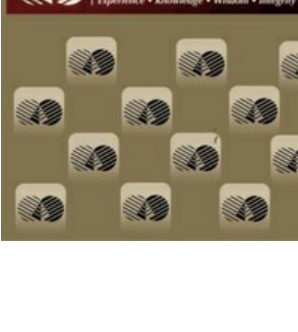
Foreign equities ended the quarter mixed. The MSCI EAFE Index gained 0.8%, while emerging markets declined 0.4%. Within emerging markets, South Korea (-9.6%) and India (-5.6%) fell during the quarter after having a strong performance in Q2.

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 Treasurys, with the Bloomberg U.S. Municipal Bond Index declining 4.4% in September and 6.4% for the quarter.

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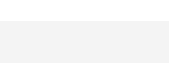
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