

## Major Asset Class Returns

| Index                  | Q3'26 | 2026 | 2025 |
|------------------------|-------|------|------|
| S&P 500                | 2%    | 13%  | 18%  |
| S&P Mid Cap 400        | -6%   | 10%  | 8%   |
| Russell 2000           | -7%   | 14%  | 13%  |
| MSCI EAFE              | 1%    | 11%  | 32%  |
| MSCI Emerging Markets  | 0%    | 24%  | 34%  |
| MSCI All Country World | 2%    | 13%  | 23%  |
| T-Bill                 | 1%    | 3%   | 4%   |
| 7-10yr Tsy             | -5%   | -5%  | 8%   |
| Barclays Aggregate     | -4%   | -3%  | 7%   |
| ML Investment Grade    | -4%   | -3%  | 8%   |
| ML High Yield          | -2%   | 0%   | 9%   |
| S&P Muni               | -6%   | -4%  | 4%   |
| S&P Bank Loan          | 3%    | 3%   | 7%   |

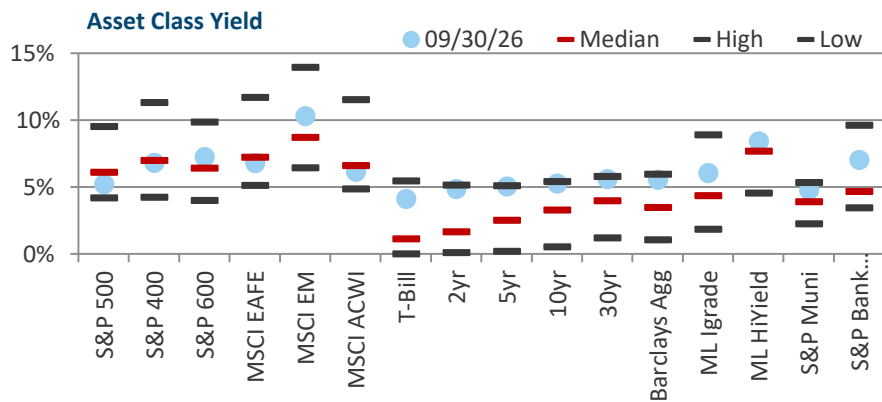
**Overview:** Markets posted mixed results during the third quarter, as the S&P 500 (+2% Q3, +13% YTD), MSCI EAFE (+1% Q3, +11% YTD), Russell 2000 (-7% Q3, +14% YTD) and MSCI Emerging Markets (0% Q3, +24% YTD) showed significant dispersion. Weighted towards large caps, the MSCI ACWI (+2% Q3, +13% YTD) also advanced.

For Fixed Income, the 10-year Treasury yield rose 83 bps during Q3, from 4.44% to 5.27%, and is up 110 bps year-to-date, from 4.17% to 5.27%, pressuring bond returns. The duration sensitive Bloomberg/Barclays Aggregate (-4% Q3, -3% YTD), 7-10yr Treasury (-5% Q3, -5% YTD), ML Investment Grade (-4% Q3, -3% YTD), S&P Municipal Bond Index (-6% Q3, -4% YTD) and ML High Yield Index (-2% Q3, 0% YTD) declined. Only the low-duration S&P Bank Loan Index (+3% Q3, +3% YTD) and T-Bills continued to provide positive returns (+1% Q3, +3% YTD).

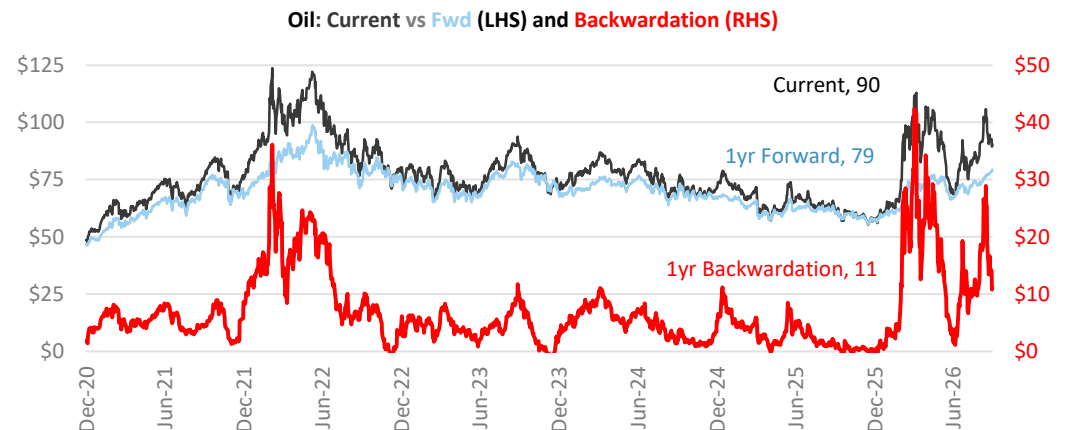
**Asset Class Yields:** As of Q3'26, asset class yields (earnings yield for equities, yield to maturity for fixed income) for most equities are near average, except for the S&P 500. Fixed Income are above their averages.

**Oil Markets Remain Volatile, but Consistent:** Oil's volatility continued in Q3, although forward prices continued to better reflect the market's more nuanced view. In the chart below, the dark line represents the current month's price of oil, while the light blue line reflects the price of oil futures one year out. Typically, the current price of oil trades at a slight premium to the future price, which is known as backwardation, reflected by the red line. As the chart shows, backwardation jumped to a record \$30 per barrel on 3/31/26, a sign the market viewed the disruption as temporary and the current price was expected to normalize toward the forward price. Subsequently, it did to end Q2.

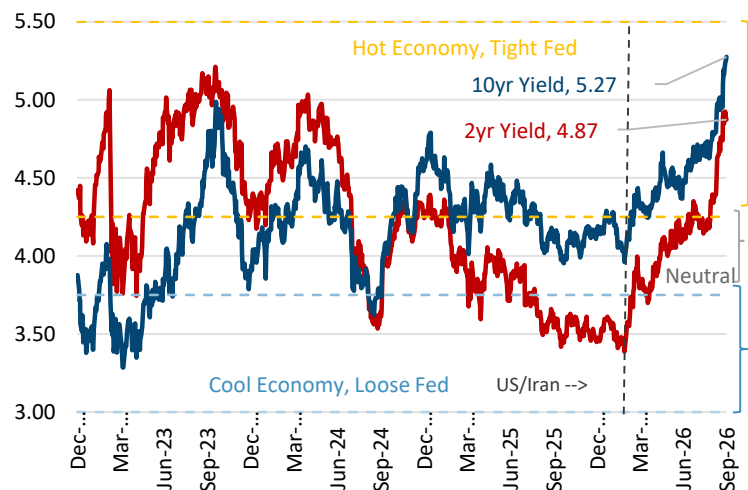
As of the end of Q3, while oil rose \$19, from \$71 to \$90, the 1yr forward price is up only \$1, from \$68 to \$79, and the \$11 of backwardation suggests the market still sees the disruption as temporary, even after over six months. Thus the markets are acting like oil is in the \$70s, at the top of a \$60-\$80 range since '22, not the more damaging \$90s. A high \$70s oil price puts upward pressure on inflation, and therefore interest rates, but does not undermine the profit growth that supports stocks.



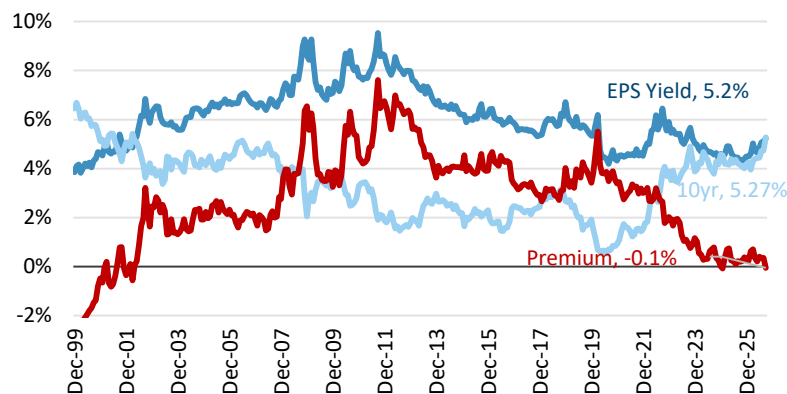
Equity earnings yield (earnings/price) | Fixed Income yield to maturity



2yr and 10yr Treasury Yields



S&P 500 Forward Earnings Yield vs 10yr Tsy, 2000 to 2026



| S&P 500  | 26 Change | Q3'26 | Q4'25 |
|----------|-----------|-------|-------|
| Price    | 12.7%     | 7652  | 6846  |
| Earnings | 29.7%     | 400   | 308   |
| PE Ratio | -13       | 19.1  | 22.2  |

**Rising Rates Garner Interest:** Oil and geopolitical news continued to dominate the headlines, but as the quarter progressed, stories about rising interest rates began to take over. This was especially the case when the 10yr passed 5%, triggering a series of "highest rates since 2007" stories. Yes, these stories were right to note 10yr interest rates have not been at this level since before the Global Financial Crisis (GFC). However, rather than a sudden leap, interest rates have been in the current 4-5% range since the end of 2022, when the post GFC period of artificially low rates came to an end.

Rather than guess where rates are headed, our "market expectations" model compares current market interest rates relative to the embedded Fed and economic expectations. Assuming 2% inflation and 2% trend growth, we get a 4% neutral interest rate, bracketed by a 50 bps 3.75% to 4.25% neutral range. The chart shows the 2yr (Fed policy) and 10yr (economy), as well as orange "Hot Economy, Tight Fed" and a blue "Cool Economy, Loose Fed" ranges. At the start of the year, the economic data and new chairman had the market pricing a "neutral" economy and "cool" Fed. It has shifted. The 10yr has risen 110 bps this year, from 4.17% to 5.27% and the 2yr has moved more, from 3.48% to 4.87%, or 139 bps.

While oil prices have played a part, two one-week surges of 30 bps accounted for half the 110 bps ytd rise. The first started on 5/8, with strong payrolls on the unemployment report driving the 10yr from 4.37% to 4.66% over the following week. Then, on 9/23, a strong business sentiment reading on the PMI report drove a 15 bps one day rise, and an overall 30 bps move from 4.95% to 5.25% in the final week of the quarter. The combination of inflation staying above 2.5%, and solid data suggesting growth is also remaining at 2.5%, is reflected in a 5% 10yr. Therefore, the 10yr has moved well into the "Hot Economy" range at 5.27%, while the prospect of additional rate hikes has the 2yr moving into the "Tight Fed" range at 4.87%. Just as importantly, while the coverage focuses on the reasons for higher interest rates (such as higher growth, inflation, or expected Fed rate increases), our expectations model shows us this information is now reflected in current rates. In other words, the reasons for higher rates exist, but markets reflect it and investors can be compensated.

**Profit Growth Won't Yield:** Markets were choppy in Q3, consolidating after a strong first half, despite the ongoing geopolitical headlines and rising interest rates. This can be explained by the relationship in the chart to the left showing the earnings yield on the S&P 500, the yield on the 10yr Treasury, and the difference between the two, known as the Equity Premium. A higher Equity Premium means stock investors are getting more compensation relative to bonds. From 2002 to 2007, prior to the Fed's QE interventions, a 1-3% Equity Premium was common. Although the 10yr rose 110 bps to 5.27% year to date and the S&P 500 has risen 14%, because the earnings yield has risen to 5.20%, the Earnings Premium has held right at -.1%. In other words, strong earnings have not only supported the market, but enabled it to hold up versus rising interest rates.

This is evident in the table to the left. As of the end of 2025, the S&P 500 forward PE was 22. While the S&P 500 has risen 14% ytd, forward profits have risen by 30%, so even as the price is higher, the PE multiple has declined to 19, and therefore the Earning Yield has risen from 4.5% to 5.2%, allowing the Equity Premium to hold up despite both higher interest rates and a rising stock market. It remains the case that the main driver of equity market returns is profit growth.

## Equity Markets Summary

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| Headline Indices       | Q3'26  | 2026   | 2025  | Fwd PE* | Avg PE** | +/- avg |
|------------------------|--------|--------|-------|---------|----------|---------|
| Dow                    | -2.3%  | 7.2%   | 14.9% |         |          |         |
| Nasdaq                 | 2.6%   | 16.1%  | 21.1% |         |          |         |
| Russell 2000           | -7.2%  | 13.7%  | 12.8% |         |          |         |
| Asset Classes          | Q3'26  | 2026   | 2025  | Fwd PE* | Avg PE** | +/- avg |
| S&P 500                | 2.3%   | 12.7%  | 17.9% | 19.1    | 16.3     | 17%     |
| S&P Mid Cap 400        | -6.4%  | 9.9%   | 7.5%  | 14.6    | 14.3     | 2%      |
| S&P Small Cap 600      | -7.9%  | 14.1%  | 6.0%  | 13.7    | 15.5     | -11%    |
| MSCI EAFE              | 0.9%   | 10.8%  | 31.9% | 14.7    | 13.8     | 6%      |
| MSCI Emerging Markets  | -0.2%  | 23.7%  | 34.4% | 9.7     | 11.4     | -15%    |
| MSCI AC World          | 1.7%   | 13.4%  | 22.9% | 16.2    | 15.1     | 7%      |
| S&P 500 Sectors        | Q3'26  | 2026   | 2025  | Fwd PE* | Avg PE** | +/- avg |
| Consumer Discretionary | -5.1%  | -5.8%  | 6.0%  | 23.8    | 21.2     | 13%     |
| Consumer Staples       | -1.9%  | 6.0%   | 3.9%  | 21.6    | 18.4     | 17%     |
| Energy                 | 17.2%  | 40.3%  | 8.7%  | 13.0    | 12.9     | 1%      |
| Financials             | -0.1%  | -1.3%  | 15.0% | 14.0    | 13.1     | 7%      |
| Healthcare             | 6.5%   | 10.2%  | 14.6% | 18.6    | 16.2     | 14%     |
| Industrials            | -9.7%  | 8.5%   | 19.4% | 22.5    | 16.6     | 36%     |
| Technology             | 7.2%   | 28.4%  | 24.0% | 21.5    | 17.8     | 21%     |
| Materials              | -2.8%  | 8.8%   | 10.5% | 16.7    | 16.5     | 1%      |
| Communication Services | 3.6%   | 4.5%   | 33.6% | 18.5    | 17.9     | 3%      |
| Utilities              | -12.4% | -5.7%  | 16.0% | 15.5    | 15.5     | 0%      |
| Growth vs Value        | Q3'26  | 2026   | 2025  | Fwd PE* | Avg PE** | +/- avg |
| S&P Growth             | 3.4%   | 15.9%  | 22.2% | 21.0    | 19.1     | 10%     |
| S&P Value              | 0.9%   | 9.0%   | 13.2% | 17.2    | 13.7     | 26%     |
| International          | Q3'26  | 2026   | 2025  | Fwd PE* | Avg PE** | +/- avg |
| Eurozone               | -2.1%  | 7.8%   | 41.3% | 14.3    | 12.9     | 11%     |
| Germany (DAX)          | 0.8%   | 2.9%   | 23.0% | 14.4    | 12.7     | 14%     |
| UK (FTSE)              | 1.0%   | 6.8%   | 21.5% |         |          |         |
| Japan (Nikkei)         | -4.1%  | 34.6%  | 28.7% |         |          |         |
| MSCI Asia Pac xJapan   | 0.0%   | 24.1%  | 30.2% | 17.1    | 14.7     | 16%     |
| S. Korea (KOSPI)       | -1.9%  | 62.3%  | 75.6% | 17.5    | 18.5     | -5%     |
| India (Sensex)         | -4.9%  | -14.4% | 10.4% |         |          |         |
| China (Shenzhen)       | -1.4%  | -5.0%  | 29.3% | 5.5     | 9.9      | -44%    |
| S&P Latin America 40   | 2.4%   | 15.3%  | 54.0% | 9.3     | 8.8      | 5%      |
| Brazil (Bovespa)       | 8.3%   | 15.6%  | 34.0% | 8.7     | 10.0     | -14%    |
| Mexico                 | -3.7%  | 1.9%   | 35.2% | 12.3    | 13.7     | -10%    |

**Asset Classes:** Markets were mixed during Q3. The S&P 500 (+2.3% Q3, +12.7% YTD) and MSCI EAFE (+0.9% Q3, +10.8% YTD) moved higher, while the Russell 2000 (-7.2% Q3, +13.7% YTD) declined. MSCI Emerging Markets (-0.2% Q3, +23.7% YTD) was roughly flat during the quarter but is higher year to date. Reflecting these results, the MSCI ACWI (+1.7% Q3, +13.4% YTD) posted a modest gain.

Comparing headline indices, the tech-driven NASDAQ (+2.6% Q3, +16.1% YTD) outperformed the more traditional Dow Jones (-2.3% Q3, +7.2% YTD).

Valuations (based on forward PE vs. their 20-year average) for the S&P 500 is 17% above average, while MSCI EAFE (6%) and MSCI ACWI (7%) are also above average. On the other hand, the S&P 600 Small Cap Index (-11%) and MSCI EM (-15%) are below average.

**S&P Sectors:** Sector performance was highly differentiated during Q3, led by Energy (+17.2% Q3, +40.3% YTD) and Technology (+7.2% Q3, +28.4% YTD). Healthcare (+6.5% Q3, +10.2% YTD) and Communication Services (+3.6% Q3, +4.5% YTD) also posted gains.

Several economically sensitive and defensive sectors declined during the quarter: Industrials (-9.7% Q3, +8.5% YTD), Consumer Discretionary (-5.1% Q3, -5.8% YTD), Materials (-2.8% Q3, +8.8% YTD), Consumer Staples (-1.9% Q3, +6.0% YTD), and Financials (-0.1% Q3, -1.3% YTD). Utilities (-12.4% Q3, -5.7% YTD) were the weakest-performing sector.

The Technology sector's forward PE of 22, a 21% premium to its average, is no longer the highest, surpassed by Industrials (23 PE, 36% premium). On the other end of the spectrum, Energy (14 PE, 1% premium), Communication (19 PE, 3% premium) and Financials (14 PE, 7% premium) have the lowest.

**Growth vs Value:** Growth continued to outperform Value during Q3 2026, with S&P Growth (+3.4% Q3, +15.9% YTD) ahead of S&P Value (+0.9% Q3, +9.0% YTD). Normally this story is consistent across indices. However, year to date, the Russell 1000 Value index (+19% YTD) has outperformed the Russell 1000 Growth (+6% YTD). Due to low PE ratios a year ago, the Russell 1000 Value included Micron, Intel and Cisco for the first two quarters of the year.

**Global Markets:** Global market performance was mixed during the third quarter. The Eurozone (-2.1% Q3, +7.8% YTD) and Japan (-4.1% Q3, +34.6% YTD) declined. Across emerging markets, MSCI Asia Pacific ex-Japan (0.0% Q3, +24.1% YTD) was flat while the S&P Latin America 40 (+2.4% Q3, +15.3% YTD) advanced.

## Fixed Income Markets Summary

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| Headline Indices      | Q3'26   | 2026    | 2025     | Yield | Spread | Avg*   | +/- avg |
|-----------------------|---------|---------|----------|-------|--------|--------|---------|
| Bloomberg Barc Agg    | -3.5%   | -2.9%   | 7.3%     | 5.56% | 0.29%  | 0.33%  | -0.04%  |
| ML Investment Grade   | -3.8%   | -2.8%   | 7.8%     | 6.06% | 0.78%  | 1.06%  | -0.27%  |
| ML High Yield         | -1.8%   | 0.0%    | 8.5%     | 8.45% | 3.17%  | 4.36%  | -1.18%  |
| S&P Nat'l Muni        | -5.8%   | -3.8%   | 3.8%     | 4.80% | -0.48% | 0.75%  | -1.23%  |
| S&P Leveraged Loan    | 2.7%    | 3.1%    | 7.2%     | 7.06% | 2.94%  | 3.93%  | -0.99%  |
| T-Bill                | 0.9%    | 2.8%    | 4.3%     |       |        |        |         |
| NYMEX 7-10yr Tsy      | -4.5%   | -4.7%   | 8.4%     |       |        |        |         |
| Treasury Yields       | 9/30/26 | 6/30/26 | 12/31/25 |       |        | Avg*   | +/- avg |
| T-Bill                | 4.12%   | 3.82%   | 3.63%    |       |        | 1.13%  | 2.98%   |
| 2yr                   | 4.87%   | 4.15%   | 3.48%    |       |        | 1.66%  | 3.22%   |
| 5yr                   | 5.07%   | 4.20%   | 3.73%    |       |        | 2.52%  | 2.55%   |
| 10yr                  | 5.27%   | 4.44%   | 4.17%    |       |        | 3.29%  | 1.98%   |
| 30yr                  | 5.62%   | 4.93%   | 4.84%    |       |        | 3.99%  | 1.64%   |
| 10yr Sovereign Yields | 9/30/26 | 6/30/26 | 12/31/25 |       |        | Avg*   | +/- avg |
| US                    | 5.27%   | 4.44%   | 4.17%    |       |        | 2.48%  | 2.80%   |
| Germany               | 3.58%   | 2.86%   | 2.86%    |       |        | 1.31%  | 2.28%   |
| Japan                 | 3.07%   | 2.67%   | 2.07%    |       |        | 0.31%  | 2.76%   |
| UK                    | 5.41%   | 4.75%   | 4.47%    |       |        | 2.02%  | 3.39%   |
| France                | 4.83%   | 3.53%   | @NA      |       |        | 1.00%  | 3.83%   |
| Spain                 | 4.11%   | 3.29%   | @NA      |       |        | 1.80%  | 2.31%   |
| Italy                 | 4.58%   | 3.58%   | 3.54%    |       |        | 3.51%  | 1.07%   |
| China                 | 1.65%   | 1.82%   | 2.19%    |       |        | 3.31%  | -1.65%  |
| Brazil                | 13.69%  | 15.25%  | 12.53%   |       |        | 11.58% | 2.11%   |
| Mexico                | 8.78%   | 9.25%   | 9.33%    |       |        | 6.85%  | 1.92%   |

**Asset Classes:** The bond market declined during Q3, as a sharp rise in interest rates more than offset income, illustrated by the Bloomberg Barclays Aggregate Bond Index (-3.5% Q3, -2.9% YTD).

**Duration:** Higher rates caused duration to detract meaningfully during the quarter. This was evident in the Treasury market, where the longer-duration 7-10 Year Treasury Index (-4.5% Q3, -4.7% YTD) significantly lagged the zero-duration 90-day T-Bill (+0.9% Q3, +2.8% YTD).

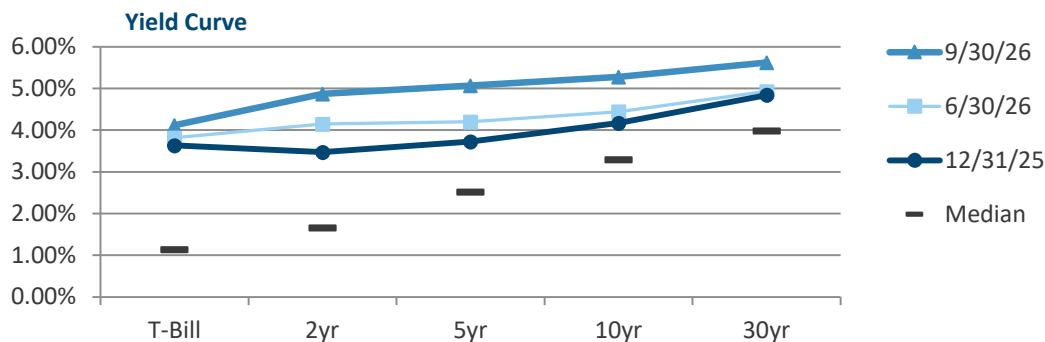
**Credit:** Credit-sensitive fixed income outperformed higher-quality bonds. The ML High Yield Index (-1.8% Q3, 0.0% YTD) declined modestly, while the low-duration S&P Leveraged Loan Index (+2.7% Q3, +3.1% YTD) generated positive returns.

With more exposure to duration, the ML Investment Grade Index (-3.8% Q3, -2.8% YTD) and the S&P National Municipal Index (-5.8% Q3, -3.8% YTD) were pressured by rising interest rates. Across the credit spectrum, spreads are still at or below average, which leaves less of a cushion if the economic backdrop should deteriorate.

**Treasury Yields:** Treasury yields rose sharply during Q3, with the 10-year Treasury yield finishing the quarter 83 bps higher at 5.27%, up from 4.44%, while the 2-year Treasury yield increased 72 bps from 4.15% to 4.87%. Year-to-date, the 10-year Treasury yield has risen 110 basis points, from 4.17% to 5.27%, while the 2-year yield has risen 139 basis points, from 3.48% to 4.87%.

**Yield Curve:** The yield curve is the best tool to examine rate shifts across different maturities. During Q3, the rise in the 10yr (+83 bps) slightly outpaced the 2yr (+72 bps), as yields moved higher across the curve. On a year-to-date basis, the 2yr has risen 139 bps, compared with a 110 bps increase in the 10yr, reflecting a larger repricing of shorter-term interest rates over the course of 2026.

**Global Rates:** Globally, interest rates generally moved higher during Q3. The German 10-year yield rose 72 basis points to 3.58%, while Japan's 10-year yield increased 40 basis points to 3.07%. Year-to-date, Germany's 10-year yield is also up 72 basis points, while Japan's 10-year yield has risen 100 basis points.



## Major Economic Indicators and Consensus Forecasts

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|           | 2026/2027 Average Forecast |        |        |        | Actual |      |         |
|-----------|----------------------------|--------|--------|--------|--------|------|---------|
|           | 12m ch                     | Sep-26 | Jun-26 | Sep-25 | Jun-26 | Avg* | +/- avg |
| US GDP    | 0.30                       | 2.10   | 2.05   | 1.80   | 2.19   | 2.34 | -0.15   |
| EU GDP    | -0.25                      | 1.05   | 1.00   | 1.30   | 1.16   | 1.56 | -0.40   |
| Japan GDP | 0.10                       | 0.85   | 0.70   | 0.75   | 0.73   | 0.95 | -0.23   |
| UK GDP    | -0.15                      | 1.10   | 1.00   | 1.25   | 1.37   | 1.90 | -0.52   |
| China GDP | 0.25                       | 4.45   | 4.50   | 4.20   | 8.58   | 7.66 | 0.93    |
| US CPI    | -0.18                      | 2.55   | 2.70   | 2.73   | 3.35   | 2.94 | 0.41    |
| EU CPI    | 0.55                       | 2.45   | 2.45   | 1.90   | 3.25   | 2.18 | 1.07    |
| Japan CPI | 0.10                       | 1.85   | 2.08   | 1.75   | 1.90   | 1.51 | 0.38    |
| China CPI | -0.07                      | 1.10   | 1.20   | 1.18   | 0.82   | 0.99 | -0.17   |
| US UnN    | -0.10                      | 4.25   | 4.30   | 4.35   | 4.10   | 4.00 | 0.10    |
| EU UnN    | 0.15                       | 6.30   | 6.25   | 6.15   | 6.40   | 6.70 | -0.30   |
| Japan UnN | 0.20                       | 2.50   | 2.50   | 2.30   | 2.50   | 2.60 | -0.10   |
| UK UnN    | 0.55                       | 5.15   | 5.30   | 4.60   | 5.16   | 4.20 | 0.95    |
| China UnN | 0.13                       | 5.18   | 5.15   | 5.05   | 5.00   | 5.20 | -0.20   |

| Foreign Exchange | Q3'26      | 2026 | 2025 | 2024 | 2023 | 2022 |
|------------------|------------|------|------|------|------|------|
| Euro             | -1%        | -3%  | 13%  | -6%  | 4%   | -6%  |
| Yen (Japan)      | 3%         | 0%   | 0%   | -10% | -6%  | -1%  |
| Pound (UK)       | 0%         | -1%  | 7%   | -2%  | 6%   | -1%  |
| Yuan (China)     | 1%         | 4%   | 4%   | -3%  | -2%  | -8%  |
| Won (S. Korea)   | 14%        | 6%   | 2%   | -13% | -2%  | -6%  |
| Real (Brazil)    | 0%         | 6%   | 13%  | -11% | 9%   | 5%   |
| Peso (Mexico)    | -3%        | 0%   | 16%  | -19% | 15%  | 5%   |
| Commodities      | Q3'26      | 2026 | 2025 | 2024 | 2023 | 2022 |
| Oil              | \$90 28%   | 58%  | -13% | 1%   | -10% | 6%   |
| Gold             | \$4,176 4% | -4%  | 67%  | 26%  | 15%  | 0%   |
| Copper           | \$6.56 6%  | 17%  | 41%  | 3%   | 2%   | -1%  |

**GDP:** While markets are busy trying to figure out the direction of the economy, forecasts have stayed steady. Compared to 6/30/26, U.S. GDP growth has been steady, at 2.10% versus 2.05% and, as notably, the forecast is still 0.30% higher than the 1.80% forecast a year ago. Globally, it is the same, with forecasts for the EU, Japan and China essentially unchanged over the past three months. Despite the volatility of oil prices year to date, the disruption has not yet impacted growth expectations.

**CPI:** Despite energy prices having a more direct impact on inflation, U.S. CPI forecasts have held steady at 2.55%. EU inflation expectations have moved up from 1.90% to 2.45%, while Japan is up 10 bps to 1.85%. The modest change reflects the 2yr average forecast, as the expectation remains that the 2026 inflation boost will reverse in 2027.

**Unemployment:** Unemployment forecasts are also steady, with the U.S. at nearly the same 4.25% as three months ago. The unemployment rate has not softened as much as payrolls (growth has slowed from a monthly pace of 150,000 in early 2025 to under 100,000 by the start of 2026), but that is due to the flat growth in the U.S. labor market over the past year. Overall, the steady labor market has allowed the Fed to focus on the inflation backdrop.

**Foreign Exchange:** Currencies were mixed versus the dollar in Q3. The euro (-1% Q3, -3% YTD) was lower, while the yen (+3% Q3, 0% YTD) reversed an earlier slide when the U.S. and Japanese governments intervened in the currency markets.

**Commodities:** Oil was up 28%, from \$70 to \$90/bbl, in Q3, as an early U.S.-Iran ceasefire faded into an ongoing stalemate. Oil remains in its post 2022 \$60-95 range, though its 58% year to date increase has covered the full range. Gold rose 4% in Q3, though remains 4% lower for the year. Finally, copper was up 6% in Q3 and 17% YTD, suggesting the economic outlook remains favorable.

## Index Returns | 2009 to Present

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|                            | Q3'26        | 2026        | 2024        | 2023        | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        | 2016        | 2015        | 2014        | 2013        | 2012        | 2011        | 2010        | 2009        |
|----------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Dow                        | -2.3%        | 26.1%       | 15.0%       | 16.2%       | -6.9%       | 20.9%       | 9.7%        | 25.3%       | -3.5%       | 28.1%       | 16.5%       | 0.2%        | 10.0%       | 29.7%       | 10.2%       | 8.4%        | 14.1%       | 22.7%       |
| Nasdaq                     | 2.5%         | 35.7%       | 28.6%       | 43.4%       | -33.1%      | 21.4%       | 43.6%       | 35.2%       | -3.9%       | 28.2%       | 7.5%        | 5.7%        | 13.4%       | 38.3%       | 15.9%       | -1.8%       | 16.9%       | 43.9%       |
| Russell 2000               | -7.2%        | 38.3%       | 11.5%       | 16.9%       | -20.4%      | 14.8%       | 20.0%       | 25.5%       | -11.0%      | 14.6%       | 21.3%       | -4.4%       | 4.9%        | 38.8%       | 16.3%       | -4.2%       | 26.9%       | 27.2%       |
| S&P 500                    | 2.3%         | 29.9%       | 25.0%       | 26.3%       | -18.1%      | 28.7%       | 18.4%       | 31.5%       | -4.4%       | 21.8%       | 12.0%       | 1.4%        | 13.7%       | 32.4%       | 16.0%       | 2.1%        | 15.1%       | 26.5%       |
| S&P Mid Cap 400            | -6.4%        | 26.1%       | 13.9%       | 16.4%       | -13.1%      | 24.8%       | 13.7%       | 26.2%       | -11.1%      | 16.2%       | 20.7%       | -2.2%       | 9.8%        | 33.5%       | 17.9%       | -1.7%       | 26.6%       | 37.4%       |
| S&P Small Cap 600          | -7.9%        | 31.4%       | 8.7%        | 16.1%       | -16.1%      | 26.8%       | 11.3%       | 22.8%       | -8.5%       | 13.2%       | 26.6%       | -2.0%       | 5.8%        | 41.3%       | 16.3%       | 1.0%        | 26.3%       | 25.6%       |
| MSCI EAFE                  | 0.9%         | 44.9%       | 4.3%        | 18.9%       | -14.0%      | 11.8%       | 8.3%        | 22.7%       | -13.4%      | 25.6%       | 1.5%        | -0.4%       | -4.5%       | 23.3%       | 17.9%       | -11.7%      | 8.2%        | 32.5%       |
| MSCI Emerging Markets      | -0.2%        | 66.6%       | 8.1%        | 10.3%       | -19.7%      | -2.2%       | 18.7%       | 18.9%       | -14.2%      | 37.8%       | 11.6%       | -14.6%      | -1.8%       | -2.3%       | 18.6%       | -18.2%      | 19.2%       | 79.0%       |
| MSCI All Country World     | 1.7%         | 37.0%       | 18.0%       | 22.8%       | -18.0%      | 19.0%       | 16.8%       | 27.3%       | -8.9%       | 24.6%       | 8.5%        | -1.8%       | 4.7%        | 23.4%       | 16.8%       | -6.9%       | 13.2%       | 35.4%       |
| S&P Growth                 | 3.4%         | 36.9%       | 36.1%       | 30.0%       | -29.4%      | 32.0%       | 33.5%       | 31.1%       | 0.0%        | 27.4%       | 6.9%        | 5.5%        | 14.9%       | 32.8%       | 14.6%       | 4.7%        | 15.1%       | 31.6%       |
| S&P Value                  | 0.9%         | 22.3%       | 12.3%       | 22.2%       | -5.2%       | 24.9%       | 1.4%        | 31.9%       | -9.0%       | 15.4%       | 17.4%       | -3.1%       | 12.4%       | 32.0%       | 17.7%       | -0.5%       | 15.1%       | 21.2%       |
| Barclays Aggregate Bond    | -3.5%        | 8.0%        | 1.3%        | 5.5%        | -13.0%      | -1.5%       | 7.5%        | 8.7%        | 0.0%        | 3.5%        | 2.6%        | 0.5%        | 6.0%        | -2.0%       | 4.2%        | 7.8%        | 6.5%        | 5.9%        |
| ML Investment Grade        | -3.8%        | 8.9%        | 2.8%        | 8.4%        | -15.4%      | -1.0%       | 9.8%        | 14.2%       | -2.2%       | 6.5%        | 6.0%        | -0.6%       | 7.5%        | -1.5%       | 10.4%       | 7.5%        | 9.5%        | 19.8%       |
| ML High Yield              | -1.8%        | 10.6%       | 8.2%        | 13.4%       | -11.2%      | 5.4%        | 6.2%        | 14.4%       | -2.3%       | 7.5%        | 17.5%       | -4.6%       | 2.5%        | 7.4%        | 15.6%       | 4.4%        | 15.2%       | 57.5%       |
| S&P Nat'l Muni             | -5.8%        | 6.0%        | 1.3%        | 6.2%        | -8.1%       | 1.6%        | 4.9%        | 7.4%        | 1.0%        | 5.1%        | 0.4%        | 3.3%        | 8.9%        | -3.3%       | 6.5%        | 11.2%       | 2.0%        | 12.2%       |
| S&P Leveraged Loan         | 2.7%         | 7.7%        | 8.8%        | 13.2%       | -0.7%       | 3.5%        | 2.8%        | 10.7%       | -0.6%       | 3.3%        | 10.9%       | -2.8%       | 1.0%        | 5.0%        | 10.5%       | 0.6%        | 9.7%        | 52.2%       |
| T-Bill                     | 0.9%         | 6.2%        | 5.3%        | 5.1%        | 1.5%        | 0.0%        | 0.6%        | 2.2%        | 1.8%        | 0.8%        | 0.3%        | 0.0%        | 0.0%        | 0.0%        | 0.1%        |             | 0.1%        | 0.1%        |
| 7-10yr Tsy                 | -4.5%        | 8.2%        | -0.7%       | 3.6%        | -14.9%      | -3.1%       | 10.0%       | 8.5%        | 0.9%        | 2.6%        | 1.1%        | 1.6%        | 9.0%        | -6.0%       | 4.2%        | 15.6%       | 9.4%        | -6.0%       |
| <b>International</b>       | <b>Q3'26</b> | <b>2026</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> | <b>2009</b> |
| MSCI Eurozone              | -2.1%        | 55.6%       | 3.4%        | 23.9%       | -17.2%      | 14.3%       | 8.5%        | 24.2%       | -16.2%      | 29.0%       | 2.2%        | -0.8%       | -7.7%       | 30.0%       | 22.5%       | -16.9%      | -3.4%       | 32.8%       |
| Germany (DAX)              | 0.8%         | 25.5%       | 18.8%       | 20.3%       | -12.3%      | 15.8%       | 3.5%        | 25.5%       | -18.3%      | 12.5%       | 6.9%        | 9.6%        | 2.7%        | 25.5%       | 29.1%       | -14.7%      | 16.1%       | 23.8%       |
| UK (FTSE)                  | 1.0%         | 28.4%       | 5.7%        | 3.8%        | 0.9%        | 14.3%       | -14.3%      | 12.1%       | -12.5%      | 7.6%        | 14.4%       | -4.9%       | -2.7%       | 14.4%       | 5.8%        | -5.6%       | 9.0%        | 22.1%       |
| Japan (Nikkei)             | -4.7%        | 75.6%       | 19.2%       | 28.2%       | -9.4%       | 4.9%        | 16.0%       | 18.2%       | -12.1%      | 19.1%       | 0.4%        | 9.1%        | 7.1%        | 56.7%       | 22.9%       | -17.3%      | -3.0%       | 19.0%       |
| MSCI Asia Pac xJapan       | 0.0%         | 61.5%       | 10.6%       | 7.7%        | -17.2%      | -2.7%       | 22.8%       | 19.5%       | -13.7%      | 37.3%       | 7.1%        | -9.1%       | 3.1%        | 3.7%        | 22.6%       | -15.4%      | 18.4%       | 73.7%       |
| S. Korea (KOSPI)           | -19.3%       | 253.3%      | -9.6%       | 18.7%       | -24.9%      | 3.6%        | 30.8%       | 7.7%        | -17.3%      | 21.8%       | 3.3%        | 2.4%        | -4.8%       | 0.7%        | 9.4%        | -11.0%      | 21.9%       | 49.7%       |
| India (Sensex)             | -4.9%        | -0.4%       | 9.5%        | 20.3%       | 5.8%        | 23.2%       | 17.2%       | 15.7%       | 7.2%        | 29.6%       | 3.5%        | -3.7%       | 31.9%       | 10.7%       | 28.0%       | -23.6%      | 19.1%       | 83.3%       |
| China (Shenzhen)           | -15.4%       | 45.2%       | 6.5%        | -7.0%       | -21.9%      | 8.6%        | 35.2%       | 36.0%       | -33.3%      | -3.6%       | -14.7%      | 63.4%       | 33.9%       | 20.0%       | 1.4%        | -32.9%      | 7.1%        | 116.9%      |
| S&P Latin America 40       | 2.4%         | 73.6%       | -22.2%      | 34.0%       | 11.4%       | -12.7%      | -11.3%      | 13.9%       | -6.0%       | 26.9%       | 32.5%       | -30.9%      | -11.1%      | -12.3%      | 6.4%        | -18.3%      | 16.7%       | 97.1%       |
| Brazil (Bovespa)           | 8.3%         | 43.0%       | -10.4%      | 22.3%       | 4.7%        | -11.9%      | 2.9%        | 31.6%       | 15.0%       | 26.9%       | 38.9%       | -13.3%      | -2.9%       | -15.5%      | 7.4%        | -18.1%      | 1.0%        | 82.7%       |
| Mexico                     | -4.1%        | 35.2%       | -13.7%      | 18.4%       | -9.0%       | 20.9%       | 1.2%        | 4.6%        | -15.6%      | 8.1%        | 6.2%        | -0.4%       | 1.0%        | -2.2%       | 17.9%       | -3.8%       | 20.0%       | 43.5%       |
| <b>S&amp;P 500 Sectors</b> | <b>Q3'26</b> | <b>2026</b> | <b>2024</b> | <b>2023</b> | <b>2022</b> | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> | <b>2009</b> |
| Consumer Discretionary     | -5.1%        | 5.2%        | 30.1%       | 42.4%       | -37.0%      | 24.4%       | 33.3%       | 27.9%       | 0.8%        | 23.0%       | 6.0%        | 10.1%       | 9.7%        | 43.1%       | 23.9%       | 6.1%        | 27.7%       | 41.3%       |
| Consumer Staples           | -1.9%        | 12.2%       | 14.9%       | 0.5%        | -0.6%       | 18.6%       | 10.7%       | 27.6%       | -8.4%       | 13.5%       | 5.4%        | 6.6%        | 16.0%       | 26.1%       | 10.8%       | 14.0%       | 14.1%       | 14.9%       |
| Energy                     | 17.2%        | 30.0%       | 5.7%        | -1.3%       | 65.7%       | 54.6%       | -33.7%      | 11.8%       | -18.1%      | -1.0%       | 27.4%       | -21.1%      | -7.8%       | 25.1%       | 4.6%        | 4.7%        | 20.5%       | 13.8%       |
| Financials                 | -0.1%        | 13.7%       | 30.6%       | 12.1%       | -10.5%      | 35.0%       | -1.7%       | 32.1%       | -13.0%      | 22.2%       | 22.8%       | -1.5%       | 15.2%       | 35.6%       | 28.8%       | -17.1%      | 12.1%       | 17.2%       |
| Healthcare                 | 6.5%         | 18.6%       | 2.6%        | 2.1%        | -2.0%       | 26.1%       | 13.4%       | 20.8%       | 6.5%        | 22.1%       | -2.7%       | 6.9%        | 25.3%       | 41.5%       | 17.9%       | 12.7%       | 2.9%        | 19.7%       |
| Industrials                | -9.7%        | 43.5%       | 17.5%       | 18.1%       | -5.5%       | 21.1%       | 11.1%       | 29.4%       | -13.3%      | 21.0%       | 18.9%       | -2.5%       | 9.8%        | 40.7%       | 15.3%       | -0.6%       | 26.7%       | 20.9%       |
| Technology                 | 7.2%         | 48.6%       | 36.6%       | 57.8%       | -28.2%      | 34.5%       | 43.9%       | 50.3%       | -0.3%       | 38.8%       | 13.8%       | 5.9%        | 20.1%       | 28.4%       | 14.8%       | 2.4%        | 10.2%       | 61.7%       |
| Materials                  | -2.8%        | 23.8%       | 0.0%        | 12.5%       | -12.3%      | 27.3%       | 20.7%       | 24.6%       | -14.7%      | 23.8%       | 16.7%       | -8.4%       | 6.9%        | 25.6%       | 15.0%       | -9.8%       | 22.2%       | 48.6%       |
| Telecom                    | 3.6%         | 34.6%       | 40.2%       | 55.8%       | -39.9%      | 21.6%       | 23.6%       | 32.7%       | -12.5%      | -1.3%       | 23.5%       | 3.4%        | 3.0%        | 11.5%       | 18.3%       | 6.3%        | 19.0%       | 8.9%        |
| Utilities                  | -12.4%       | 25.0%       | 23.4%       | -7.1%       | 1.6%        | 17.7%       | 0.5%        | 26.3%       | 4.1%        | 12.1%       | 16.3%       | -4.8%       | 29.0%       | 13.2%       | 1.3%        | 19.9%       | 5.5%        | 11.9%       |

Blue to orange represents best to worst return for each period. Index data is total return.

## Index Definitions

| Index                           |  |  |  | Description                                              |  |  |  |
|---------------------------------|--|--|--|----------------------------------------------------------|--|--|--|
| <b>Equity</b>                   |  |  |  |                                                          |  |  |  |
| S&P 500                         |  |  |  | Large U.S. companies (\$10b+ market cap)                 |  |  |  |
| S&P Mid Cap 400                 |  |  |  | Medium U.S. companies (\$5-10b market cap)               |  |  |  |
| Russell 2000, S&P Small Cap 600 |  |  |  | Small U.S. companies (<\$5b market cap)                  |  |  |  |
| MSCI Europe Australia Far East  |  |  |  | Foreign Developed. Returns are in US\$                   |  |  |  |
| MSCI Emerging Markets           |  |  |  | Emerging Markets. Returns are in US\$                    |  |  |  |
| <b>Fixed Income</b>             |  |  |  |                                                          |  |  |  |
| Barclays Aggregate              |  |  |  | Represents the entire US bond market                     |  |  |  |
| S&P 3mo Tbill                   |  |  |  | Short term Treasury Bills                                |  |  |  |
| Barclays 7-10yr Tsy             |  |  |  | Ten Year Treasury Bonds                                  |  |  |  |
| Barclays 10yr TIPS              |  |  |  | Treasury Inflation Protected Securities                  |  |  |  |
| S&P Nat'l Muni                  |  |  |  | Municipal Bonds                                          |  |  |  |
| BofA/ML Corp                    |  |  |  | Investment Grade (Higher Credit Quality) Corporate Bonds |  |  |  |
| BofA/ML High Yield              |  |  |  | High Yield (Lower Credit Quality) Corporate Bonds        |  |  |  |
| S&P Leveraged Loan 100          |  |  |  | Floating Rate Bank Loans                                 |  |  |  |
| BofA / ML EM Debt               |  |  |  | Emerging Market Debt                                     |  |  |  |
| <b>Alternatives</b>             |  |  |  |                                                          |  |  |  |
| HFRI Fund of Funds              |  |  |  | Represents the entire hedge fund universe                |  |  |  |

## Disclosures

Past performance is not indicative of future results. Different types of investments involve varying degrees of risk. Therefore, there can be no assurance that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Grimes & Company Wealth Management, LLC ["Grimes"]), or any consulting services will be profitable, equal any historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. The scope of any financial planning and consulting services to be provided depends upon the terms of the engagement, and the specific requests and needs of the client. Neither Grimes' investment adviser registration status, nor any amount of prior experience or success, should be construed that a certain level of results or satisfaction will be achieved if Grimes is engaged, or continues to be engaged, to provide investment advisory services. Grimes is not a law firm and does not provide legal advice. Grimes is not a certified public accounting firm. Grimes is affiliated with S&C Tax Advisors, which provides tax preparation and related tax services. Tax services provided by S&C Tax Advisors are separate and distinct from the investment advisory services provided by Grimes and are subject to a separate engagement. Clients are under no obligation to engage S&C Tax Advisors and may obtain tax preparation or other tax services from any provider of their choosing. Information provided by Grimes regarding tax matters in connection with its investment advisory services should not be construed as individualized tax advice or a substitute for services provided by a qualified tax professional. Grimes is not an insurance agent. Grimes Representatives may, however, separately provide insurance products and services through our affiliate, Grimes Wealth Protection Group, LLC. If the client desires, one of Grimes' representatives, acting in their capacity as a representative of Grimes Wealth Protection Group, LLC or in their separate licensed individual capacities, can be engaged to provide insurance sales/services as described on Grimes' written disclosure Brochure per the terms and conditions of a separate engagement. Grimes is affiliated with Grimes Trust Services, a corporate trustee that offers trustee services under a separate engagement. Clients are under no obligation to retain Grimes Trust Services for trustee services. Any information provided by Grimes regarding trust matters in connection with its investment advisory services should not constitute trustee services and be considered a substitute for services provided by a qualified professional. Nothing contained herein should be construed as the receipt of, or a substitute for, personalized investment advice from Grimes. A copy of our current written disclosure Brochure and Form CRS discussing our advisory services and fees is available upon request or at [www.grimesco.com/form-crs-adv](http://www.grimesco.com/form-crs-adv). Please remember to contact Grimes & Company ("Grimes"), in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you want to impose, add, to modify any reasonable restrictions to our investment advisory services, or if you wish to direct that Grimes to effect any specific transactions for your account.

The information contained herein is based upon sources believed to be true and accurate. Sources include: Factset Research Systems Inc., Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Board of Governors of Federal Reserve System, Fed: Federal Reserve Bank of St. Louis Economic Research, U.S. Department of the Treasury

-The Standard & Poor's 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor's 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor's 600 is a market capitalization weighted index of 600 small cap domestic stocks.

-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.

-The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.

-The Barclays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.

-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.

-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.

-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.

-The BofA Merrill Lynch US EmergingMarkets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.

-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.