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Markets, planning, and perspective • Q3 2026

From Jon Manchester, CFA, CFP®
Chief Strategist, Wealth Management

Money got more expensive this quarter.

The 10-year Treasury yield climbed to its highest level since 2002, and the Federal Reserve raised rates for the first time since 2023. In this quarter’s economic brief, we look at what that means for bond investors facing another difficult year, and for an AI boom that depends on a steady flow of borrowed capital.

The rest of the issue turns to family. With the holidays ahead, Alexandra and Mikhail suggest four practical things to take care of while everyone is together, from health care paperwork for young adults to a first Roth IRA. Dave closes with a different take on financial gifts, drawing on research into why some gifts mean more than others, along with a guide to how the 2026 gift and estate tax rules work.

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Economic brief: Discontent in debt land

Higher rates have made 2026 a hard year for bond investors, and the AI boom may be the next to feel them.

By Jon Manchester, CFA, CFP®, Senior Vice President, Chief Strategist, Wealth Management

We might forgive bond investors for the dour mood. They had become rather accustomed to the comforting routine of collecting semi-annual interest payments, seldom bothered by rising interest rates or unexpected inflation amid a 40-year downtrend for long-term interest rates. In fact, over the half-century ending with 2025, the Bloomberg U.S. Aggregate Bond Index only produced negative total returns (accounting for both price changes and income) in five of those years. Only three such instances occurred before 2021-22, when the post-COVID inflation spike sent interest rates up and bond prices down. Magnitude matters as well: the Index posted a modest decline in 2021 before sinking a stunning 13% in 2022, while the U.S. registered inflation readings not seen since the early 1980s. With 2026 on track for another negative year for bonds, discontent has started to creep in, particularly for the considerable cohort of bond investors who simply want to generate drama-free income on an annual basis and ideally outpace inflation. On the road to riches, investing in bonds is taking the dirt road—aboard a tractor hauling a hay wagon—so tolerance for potholes is limited.

With the 2022 inflation shock still looming large in the bond market's psyche, sensitivity is heightened to any upward moves in the broad level of prices. Crude oil traded at an average price of nearly \$87 per barrel in the third quarter, approximately 32% higher year-over-year. Its ascent, largely a consequence of the Iran war, pushed the trailing 12-month change for the headline Consumer Price Index (CPI) above 4% earlier this year, before easing to a still uncomfortably high 3.4% rate in August. The bond market has adjusted accordingly, with the benchmark 10-year U.S. Treasury Note yield at 5.27% by quarter-end, its highest level since 2002 and up from 4.17% at the end of 2025. Part of that northward move reflects the anticipated impact of current inflation numbers on monetary policy, a higher rate for longer. But it also captures expectations for sustained strength in economic output and, in turn, corporate profit growth. In other words, tighter monetary policy

How we read the quarter

10-year U.S. Treasury yields hit their highest level since 2002.

A hawkish Fed raised rates for the first time since 2023, and may not be done.

AI spending is leaning on debt just as borrowing gets more expensive.

Most stocks are lagging the index.

Corporate balance sheets are the healthiest they've been since 1945.

Past performance is no indication of future results. All investments involve the risk of loss. Please see the last page for important disclosures as well as index and category definitions.

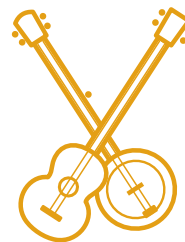
may be required to restrain the economy from overheating. Toss in the longer-term concerns around the worsening U.S. fiscal situation, and you have a complicated decision tree for bond investors.

Interestingly, the higher yield does not reflect a change in long-term inflation expectations. According to the Federal Reserve Bank of St. Louis, the bond market expects inflation of roughly 2.4% annually over the next decade, only slightly higher than the so-called breakeven rate at the outset of 2026.¹ If that inflation estimate proves to be in the right ballpark, buying a 10-year U.S. Treasury Note today would mean realizing a nearly 3% annual “real” or inflation-adjusted return. Considering that over the last 25 years CPI inflation averaged a 2.5% annual growth rate while the 10-year U.S. Treasury Note yield mostly languished below 4%, earning a potential 3% real return could encourage some capital to flow back into the bond market. It is also worth noting that for investors who buy and hold bonds until maturity, changes in market interest rates ultimately have no bearing on the return for bonds held to maturity: the return is set upon purchase. Inflation is the wildcard to worry about, in that case.

Dueling banjos

Federal Reserve chair Kevin Warsh has the distinct pleasure of fighting inflation (and critics) while trying to avoid tipping the economy into recession. After vowing to deliver price stability upon taking the job, Warsh and the Federal Open Market Committee (FOMC) took an initial step past jawboning by announcing the first hike in the target Fed Funds rate since 2023. Warsh said the increase to a target range of 3.75% to 4.00% “removed a dose of accommodation.” The phrasing raised some eyebrows, given the Fed’s policy rate was already above the FOMC’s current estimate of the long-run neutral rate (where policy is neither accommodative nor restrictive) at 3.25%. Without going down the rabbit hole of this largely academic debate, the important takeaway is that the FOMC may need to raise the Fed Funds target rate further, which could slow economic growth and weigh on certain segments of both the bond and equity markets. As an example, the worst-performing S&P 500 Index industry groups during the third quarter included the yield-sensitive Utilities and Real Estate Investment Trusts (REITs), plus Consumer Services and Consumer Durables & Apparel, where higher borrowing costs could hurt.

At risk of a (very) dated reference, the 1972 film *Deliverance* starred Burt Reynolds and Jon Voight on a whitewater canoeing trip with two other businessmen from Atlanta in a remote area of northern Georgia. One iconic scene involved a musical duel between a country boy playing a banjo and one of the businessmen on guitar. The song is called “Dueling Banjos,” and it climbed as high as #2 on the Billboard Hot 100 list the following year. The back-and-forth exchange feels a little like the dueling narratives we hear



“The back-and-forth exchange feels a little like the dueling narratives we hear each day in the markets.”

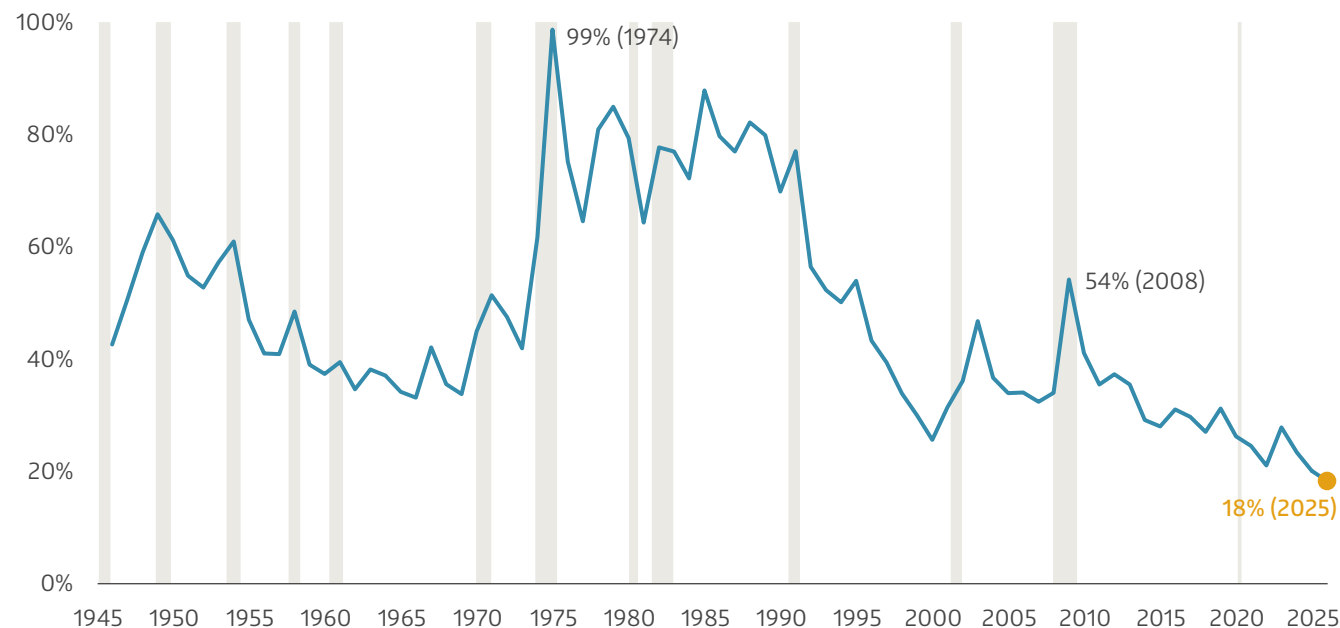
¹ “10-Year Breakeven Inflation Rate,” <https://fred.stlouisfed.org>, 10/5/2026.

each day in the markets. For the bulls, the AI buildout has plenty of room to run; equity valuations remain reasonable broadly speaking, and estimated S&P 500 earnings per share growth of 34% this year means the corporate profits party continues. Bears point to the FOMC moving more restrictive (“Don’t Fight the Fed”), while the economy tries to absorb higher costs, plus a concentrated U.S. equity market that is overly reliant on the AI theme for growth, among other issues. You’d have to say the bulls are leading the banjo duel: it’s hard to argue with the bottom line. However, both stocks and bonds could use a little debt-liverance, at least with respect to relief from higher rates.

Corporate America has been unafraid to pony up to the borrowing bar. In August, U.S. investment-grade bond sales set a third straight monthly record high, as supply hit \$145 billion for the month, easily above 2020’s total of \$136 billion.² With the AI buildout at full throttle, eight deals in 2026 have hit the market sized at \$25 billion or higher, all issued by technology companies. Despite the glut of debt offerings, corporate balance sheets still look healthy. As shown below, debt as a percentage of market value for nonfinancial firms is at its lowest level since 1945.³ Admittedly, part of that is due to rising market values, but the current 18% level is nowhere near what we saw in past recessions, COVID-19 aside. A long period of low borrowing rates has also helped.

Corporate leverage is at its lowest on record

Nonfinancial corporate debt as a percentage of the market value of corporate equities, annual, 1945 – 2025



Shaded areas indicate U.S. recessions. Source: Board of Governors of the Federal Reserve System (US) via FRED®.

² “US High-Grade Bond Sales Set August Record in Year Full of Them,” www.bloomberg.com, 8/17/2026.

³ “Nonfinancial Corporate Business; Debt as a Percentage of the Market Value of Corporate Equities,” <https://fred.stlouisfed.org>, 9/11/2026.

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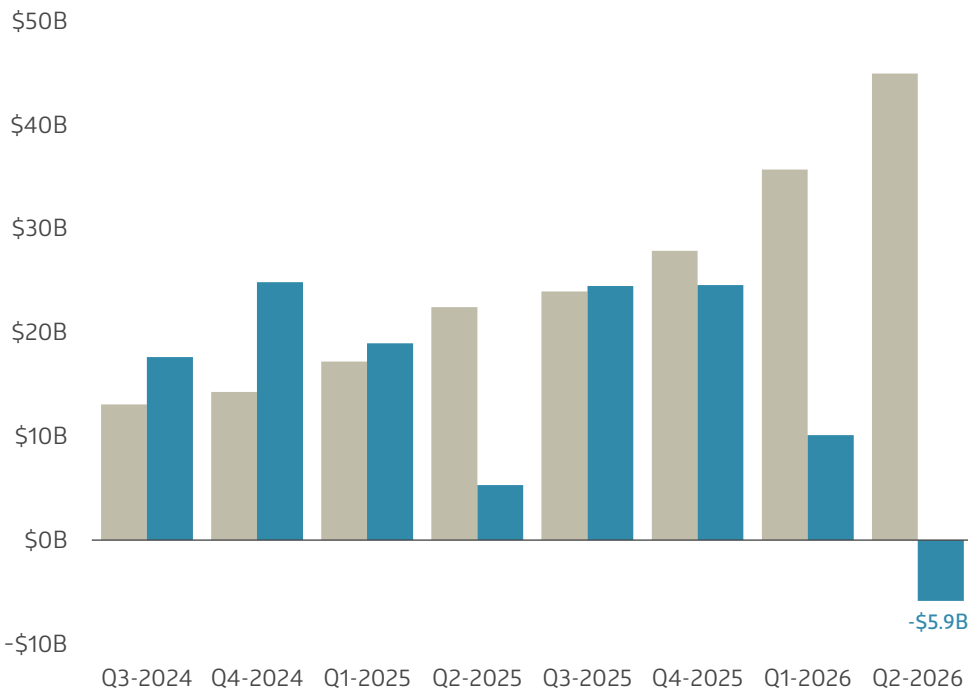
Kind of a big deal

The gilded firms of AI royalty continue to apply all gas, no brakes. In late July, Alphabet reported Q2 revenues of nearly \$120 billion – a 24% year-over-year increase and the twelfth straight quarter of double-digit topline growth. Expenses jumped as well, with capital expenditures (capex) of \$45 billion, doubling from a year ago. Alphabet upped its capex guidance to \$200 billion for the full year, which would be a 119% increase over 2025. The Wall Street consensus estimate for Alphabet’s 2027 capex spend is \$300 billion! Investors were not overly enamored with the additional allowance. The stock declined 7% on the day following earnings, in part a reaction to the company’s negative Q2 free cash flow (FCF) of \$5.9 billion. To be fair, Alphabet had still managed to generate \$53 billion of FCF over the trailing 12 months.

Alphabet’s capital spending now exceeds its operating cash flow

Quarterly capital expenditures and free cash flow, \$ billions, Q3-2024 to Q2-2026

CAPITAL EXPENDITURES FREE CASH FLOW



Source: Alphabet Inc. Forms 10-Q and 10-K, via SEC EDGAR.

These are staggering numbers, and Alphabet is certainly not alone in this high-stakes game. Nvidia, a beneficiary of the capex spend, is also increasingly financially intertwined with seemingly the entire AI ecosystem. In September, the company announced that the Board had approved a \$150 billion increase to the share repurchase plan, taking the total authorization to \$250 billion. Nvidia said it marked the largest share repurchase

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authorization increase in history, which no one doubted. Only 47 stocks in the S&P 500 currently carry a market capitalization above that \$250 billion level. With Nvidia's market cap at nearly \$6 trillion, the buyback will amazingly only equate to around 4% of its shares. Like Alphabet and other megacap tech companies, Nvidia is growing impressively at scale. CFO Colette Kress said in late August that Nvidia expects to grow fiscal 2028 revenues by approximately 70%. She added, "This is a supply-constrained outlook," meaning demand is even higher than the 70% growth rate implies.⁴

This powerful AI growth cycle now faces an additional challenge in the form of higher borrowing costs, both Fed- and market-determined. Irresistible force meets immovable object. A recent *Wall Street Journal* article cautions that, "Booms need continuous flows of fresh capital to perpetuate themselves. History shows they can start turning into busts the moment the window to raise new capital closes."⁵ We're not there yet, the article acknowledges, but if the capital spigot turns off, the momentum behind the AI trade could quickly reverse.

For now, the equity market appears to be sticking with risk-on mode. Equities did falter in September, however, historically the worst month of the year for stocks. The S&P 500 Index declined by a modest 0.4%, but the S&P 500 Equal Weighted Index fell 4.8%, a sign that the average stock is facing more hardships than those raking in AI cash. With interest rates now higher, some balance sheets could be stress-tested in the quarters ahead. Cue the banjo music, though. Baird Strategas points out that the estimated next 12-month S&P 500 operating margin is up to 21.5%.⁶ That is well above the Index's 15% average over the last five years, indicative of an increasingly Tech-heavy market still in the fast lane.

⁴ "Q2 2027 Earnings Call," <https://investor.nvidia.com>, 8/26/2026.

⁵ "How to Know When the AI Boom Is About to Go Bust," www.wsj.com, 9/27/2026.

⁶ "Momentum Continues, With Caution," www.bairdstrategas.com, 9/22/2026.

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Kids home for the holidays: Four practical financial topics worth covering while everyone's together

Health care paperwork, a short money conversation, a first Roth IRA, and a beneficiary check: four items that are easier to take care of when the family is in one place.

By Alexandra Labagh, Portfolio Associate
and Mikhail Saliba, CFP®, Estate and Financial Planning Associate

There's a particular kind of magic to having everyone back under one roof for the holidays with school, work, and busy schedules on pause. It's also one of the few times all year when a short, low-key financial conversation can actually happen and a practical task or two can get done.

Here are four things worth putting on the family checklist this year.

Celebrate adulthood with paperwork

The moment a child turns 18, even if it doesn't feel like it as a parent or grandparent, they are legally an adult. A hospital may no longer be able to update a parent on their own child's condition. A college may not be able to discuss a grade, a health issue, or a disciplinary matter with a parent, even in a real emergency. This applies just as much if you're a grandparent who helps with tuition or is listed as an emergency contact. Without the right paperwork, you may have no legal standing to be informed or to act, no matter how involved you are. For kids away at school, the physical distance makes this an even bigger problem.

Fortunately, the fix is simple, and having the family together is the easiest time all year to handle it. Four documents cover most of what's needed:

- Medical (Healthcare) Power of Attorney: lets a parent or another designated adult make medical decisions if the young adult can't.
- HIPAA Release: grants medical providers permission to share health information and discuss treatments with the designated adult.
- FERPA Release: lets the college share academic or disciplinary information with the designated adult.
- Durable (Financial) Power of Attorney: lets a trusted adult step in on a bank account, lease, or tax matter if it's ever necessary.

Four things to cover

- Celebrate adulthood with paperwork
- Have a short money conversation
- Consider a Roth IRA for a working student
- The kids are not the only ones with work to do before the new year

Sourcing this paperwork is also easier than you might think. The HIPAA and FERPA releases are short, standard forms that require little information beyond signatures. We recommend asking your child's primary care physician for the HIPAA release, and their university for the FERPA release.

Medical and Financial Powers of Attorney take more thought. They are legal documents, and rules vary by state, so they are best drafted by an attorney. Bailard can give you access to an online platform where you can create them at no cost. Please contact your Investment Counselor for more information.

Have a short money conversation

No one wants to turn family dinner into a finance seminar, and you don't have to. A few minutes of casual conversation can go a long way.

Budgeting basics. Your young adult doesn't need a spreadsheet, just a general sense of what's coming in versus what's going out each month. Even that simple awareness tends to prevent a lot of financial stress down the road.

Building credit early. If they don't already know, it's worth explaining what a credit score is in plain terms: essentially a track record of how reliably someone repays what they borrow. Using a first credit card responsibly, small purchases paid off in full, is one of the easiest ways to start building that track record.

Common credit-card mistakes. Some quick warnings can save real money: carrying a balance (it costs interest and doesn't build credit), missing a payment due date, or opening several new accounts at once just to "build credit faster." Slow and steady wins here.

Paying yourself first. Even a small automatic transfer into savings from every paycheck builds a habit that can last a lifetime. The amount matters far less than consistency, and a young adult has plenty of years ahead for that habit to compound.

Knowing where to ask questions. Perhaps most importantly, encourage them to ask before they act, whether that's you, a grandparent, or a financial professional, rather than after a decision is already made.

If your student would rather hear some of this from someone other than Mom, Dad, Grandma, or Grandpa, we are always happy to have a short, no-pressure conversation directly with them.

Consider a Roth IRA for a working student

Here's where the holidays can turn into something more than a good conversation: a genuine head start.

If your child earned income this year from a summer job, internship, or part-time work, they may be eligible to contribute to a Roth IRA. The contribution generally can't exceed the student's eligible earned income for the year, and it's also subject to the annual IRA contribution limit in effect for that year. For 2026, the maximum is \$7,500.

Pro Tip:

Put your money to work by transferring to a high-yield savings account that pays you interest.

Why does starting this early matter? Money contributed now has decades to potentially grow, though investment values can also fall. Qualified withdrawals from a Roth IRA in retirement can generally be tax-free under current rules. Think of it as your young adult's first real investing lesson — and for you, a meaningful gift that teaches a habit money can't buy on its own.

The holidays are a convenient time to tackle this. You likely have easy access to pay stubs (a W-2 usually doesn't arrive until January), and everyone is already in the same place to open the account together and talk through investing basics. The good news: you can generally contribute for 2026 until the tax filing deadline in April 2027, so there's no need to rush the paperwork over pie. Just use the time together to get the conversation started.

If you'd like help figuring out whether a working student in your family may be eligible for a Roth IRA, or how to get one started, we're happy to help.

Pro Tip:

A parent or grandparent can provide the funds as a gift, as long as the contribution otherwise meets the applicable rules, including the cap tied to the student's own earnings.

The kids are not the only ones with work to do before the new year

The end of the year is also a great time for you and your family to make sure your beneficiary designations match your wishes. Relationships change, children (or grandchildren!) are born, and people pass away. It is easy to set your beneficiaries when you open an account and then never touch them again, but circumstances change. If you pass away with outdated beneficiaries on file, your heirs often have little they can do, even if they know what you wanted.

IRAs are the accounts most people think about when checking beneficiaries, but 401(k)s, life insurance policies, and taxable transfer-on-death (TOD) accounts have them too.

It's also worth adding contingent, or backup, beneficiaries (alongside your primary ones) in case the primary beneficiary predeceases you or a catastrophe involves both of you. It may seem like a small thing, but the 20 minutes it takes could save the people you love days of bureaucratic headache.

A rare window worth using

Having the whole family together like this doesn't happen often. A few honest conversations and a little planning now can make the years ahead easier for everyone.

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Improving the odds for successful gift-giving

How a gift feels matters as much as how it's structured. Three studies on giving well, including gifts of money.

| By Dave Jones, JD, LLM, CFP®, Director of Estate Strategy

For something meant to bring joy and connection, gift-giving can create a surprising amount of pressure, especially around the holidays. As the occasion approaches without a thoughtful gift in hand, it can follow us to work and keep us up at night. Even though we know our loved ones well, finding something that will truly make them happy can feel impossible.

Part of the problem is the gap between what we think our loved ones want and what they actually want. We buy gifts they wouldn't buy for themselves, and plenty of those end up returned or re-gifted.

In estate planning, I spend a lot of my time on the mechanics of giving, like exclusions and exemptions. What families tend to remember, though, is how a gift felt.

This article looks at three research findings that can improve the odds of a successful gift, one that brings more happiness to both giver and receiver.

What to keep in mind

To build closeness, consider a gift that reflects you.

To get it right, ask what they want.

To take the pressure off, give on an ordinary day too.

Should gifts reflect the recipient or the giver?

We all want gifts that reflect our interests and desires. As a kid, I didn't want a new lawnmower (something my Dad would have wanted). I wanted a pair of Air Jordans. Thank you, Mom! But we don't always know what the receiver truly wants, so we end up guessing. One study suggests focusing on yourself instead.

That's right. If you don't know what the receiver wants, consider giving something important to you. Across several studies, Lara B. Aknin and Lauren J. Human found that despite givers' overwhelming preference for a recipient-focused gift, "giving a gift that reflects the giver's true self actually led both givers and receivers to feel closer to one another."¹

When the goal is connection, a gift that shares something of you can do more than one based on a guess about the other person's tastes. Think of a favorite book, a family heirloom, or a bottle of wine (intended to be shared).

¹ Lara B. Aknin and Lauren J. Human. "Give a Piece of You: Gifts That Reflect Givers Promote Closeness." *Journal of Experimental Social Psychology* 60 (2015): 8–16. <https://doi.org/10.1016/j.jesp.2015.04.006>

My grandfather was an expert at this. Several years before he passed, he started a tradition of bringing some of his collectibles to our family's holiday gatherings. Everyone in the family (and there were lots of us) took turns choosing one as a gift from him. There were instruments (violins, ukuleles, flutes), weapons (massive Bowie knives and machetes), paperweights, coins, and a myriad of other pieces. It was so much fun to see what he had collected, and even better to spend one-on-one time with him afterward as he shared his knowledge about the item we chose.

Should the giver ask what the receiver wants?

Asking what a family member or loved one wants can feel tacky or read as lazy or inattentive. But asking tends to go over better than we'd expect.

In "Give Them What They Want," Francesca Gino and Francis Flynn conducted five studies examining how people responded to solicited versus unsolicited gifts, using wedding registries, birthday lists, and Amazon.com wish lists.² In each case, recipients appreciated gifts they explicitly requested more than gifts they did not. The interesting part was the mismatch in expectations: gift givers assumed an unsolicited gift signaled more thoughtfulness and consideration than recipients actually perceived.

Also, givers were more receptive when recipients named one specific gift than when they were offered a list. The catch is timing. A request the day before an occasion will feel insensitive, and a gift that matches the request to the letter leaves little room for surprise. Asking early and casually, or noting what comes up through the year, tends to land better. A requested gift paired with a small, unexpected one is another option.

If the goal is the recipient's happiness, asking what they want is often a better strategy than guessing.

Should gift-givers wait until special occasions?

Not only then, and the reason is worth a closer look. Julian Givi and Jeff Galak studied what recipients expect to feel when a gift arrives on an ordinary day versus an occasion.

In their words:

"When the gift was given on a miscellaneous day, recipients anticipated that they would be just as happy receiving a single rose as they would receiving an entire bouquet, but when the gift was given on Valentine's Day, recipients anticipated that they would be far less happy receiving a single rose versus a bouquet."

Because an unexpected gift carries fewer expectations, it may not need to be perfect to land well. The authors also note that gifts on ordinary

² Francesca Gino and Francis J. Flynn. "Give Them What They Want: The Benefits of Explicitness in Gift Exchange." *Journal of Experimental Social Psychology* 47, no. 5 (2011): 915–922. <https://doi.org/10.1016/j.jesp.2011.03.015>.

days are relatively uncommon, which suggests givers may be missing easy opportunities to bring joy.³

Occasion gifts still matter, though, because they signal care and meet expectations. Ordinary-day gifts work best alongside the special ones. You can even combine strategies. Take a loved one to their favorite restaurant on an ordinary day, and ask for their wish list!

What this means for financial gifts

One of the Gino and Flynn studies is especially relevant here. Recipients appreciated a gift of money more than any item they had requested, even though givers assumed cash would be the least welcome option. Many of us hesitate to give money because it feels impersonal. The recipients in that study didn't see it that way.

Each of the three findings has a parallel. A note about why you're giving, or what the money represents to you, makes a financial gift reflect the giver. Asking what a child is saving for, or what's weighing on them financially, is the financial version of a wish list. And a gift doesn't need an occasion. Help with a car repair in March, with no holiday attached, may mean more than you'd expect.

Estate planning can feel transactional because so much of it is technical. My grandfather handed down his collectibles while he was still here to explain what they meant, and that is the part I remember. Financial gifts can work the same way. Share more of yourself, be curious about what they want, and make giving an experience throughout the year.

The federal gift and estate tax rules, along with a few trade-offs worth weighing, are summarized in "How the 2026 rules work." If you are considering gifts to family this year, we are happy to talk it through with you and your tax advisor before you give.

"Share more of yourself, be curious about what they want, and make giving an experience throughout the year."

³ Julian Givi and Jeff Galak. "Gift Recipients' Beliefs About Occasion-Based and Nonoccasion-Based Gifts: The Importance of Signaling Care and Meeting Expectations in Gift Giving." *Journal of Consumer Psychology* 32, no. 3 (2022): 445–465. <https://doi.org/10.1002/jcpy.1239>.

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Most family gifts never come close to a tax bill

↓ AS GIFTS TO ONE PERSON GROW

UP TO \$19,000	Annual exclusion No tax and generally no gift tax return (Form 709).
ABOVE \$19,000	Lifetime exemption File a gift tax return. The amount over \$19,000 counts against your \$15 million lifetime exemption. No tax is due until the exemption is used up.
LIFETIME GIFTS BEYOND \$15 million	Gift tax Gifts above the lifetime exemption are taxed at rates up to 40%.

BEFORE YOU GIVE

Gifts are generally irreversible. Appreciated assets carry your cost basis to the recipient instead of a step-up at death. Some states have their own rules.

OUTSIDE THE LIMITS

Tuition paid directly to a school and medical expenses paid directly to a provider don't count toward either limit. Room and board don't qualify.

↓ EXAMPLE: A \$50,000 GIFT TO ONE CHILD IN 2026

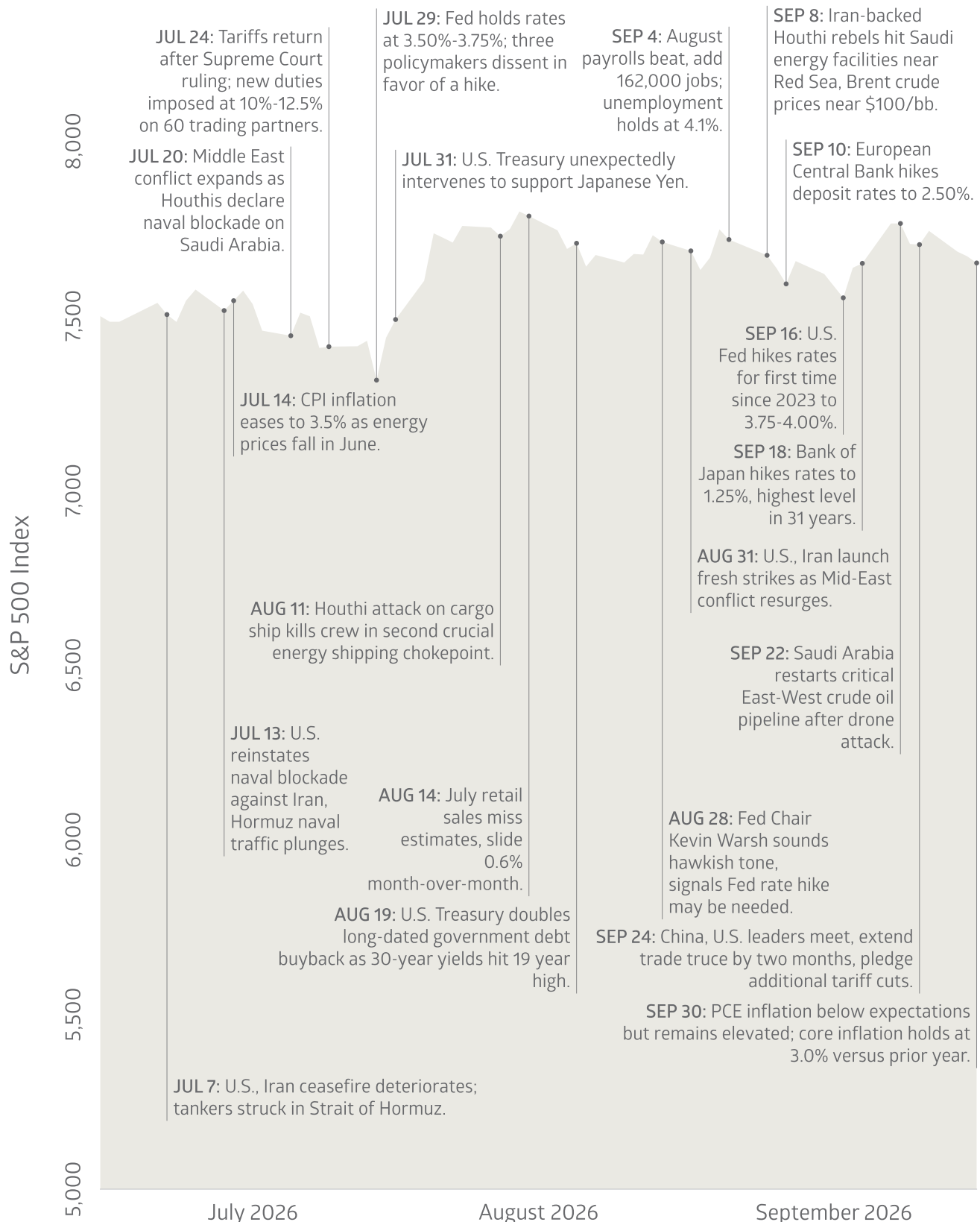
\$19,000	\$31,000	\$0
Covered by the annual exclusion	Reported on Form 709 and applied to the lifetime exemption	Gift tax due

Hypothetical example for illustration only. The tax rates and rules described in this article reflect Federal law in effect as of the date of publication and are subject to change. This material is provided for educational purposes only. Neither Bailard nor any of its employees can provide tax or legal advice. Please consult your tax advisor regarding your particular situation.

Source: Internal Revenue Service. "IRS Releases Tax Inflation Adjustments for Tax Year 2026, Including Amendments from the One, Big, Beautiful Bill." News release IR-2025-103, October 9, 2025. <https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2026-including-amendments-from-the-one-big-beautiful-bill>.

Q3 2026 world events

mapped against the S&P 500 Index



Source: Yahoo Finance, Bailard. Past performance is no indication of future results. All investments involve the risk of loss.

Market performance

as of September 30, 2026

U.S. interest rates

Cash equivalents	9/30/2026	6/30/2026	3/31/2026	12/31/2025
90-Day Treasury Bills	3.99%	3.80%	3.70%	3.60%
Federal Funds Target	4.00%	3.75%	3.75%	3.75%
Bank Prime Rate	7.00%	6.75%	6.75%	6.75%
Money Market Funds	3.80%	3.83%	3.59%	3.70%

Bonds

10-Year U.S. Treasury	5.24%	4.47%	4.32%	4.15%
10-Year AA Municipal	4.03%	3.12%	3.23%	3.00%

U.S. bond market total returns (US\$)

periods ending 9/30/2026

U.S. bonds	Quarter	6 Months	2026 YTD	1 Year
Bloomberg U.S. Treasury Index	-3.04%	-2.72%	-2.77%	-1.89%
Bloomberg U.S. Corporate Index	-3.94%	-2.59%	-3.11%	-2.30%
Bloomberg U.S. Aggregate Index	-3.51%	-2.87%	-2.91%	-1.84%
Bloomberg U.S. 1-15 Municipal Blend Index	-5.09%	-3.51%	-3.77%	-2.41%

Global stock market total returns (US\$)

periods ending 9/30/2026

U.S. stocks	Quarter	6 Months	2026 YTD	1 Year
S&P 500	2.30%	17.85%	12.73%	15.72%
Russell 2000 Growth Total Return Index	-4.91%	11.44%	16.96%	20.77%
Russell 2000 Value Total Return Index	-9.39%	13.90%	10.71%	12.05%
Russell 1000 Value Total Return Index	0.92%	17.82%	6.30%	7.50%
Russell 1000 Growth Total Return Index	2.61%	16.81%	19.27%	23.81%

Non-U.S. stocks

	Quarter	6 Months	2026 YTD	1 Year
MSCI EAFE (Europe, Australasia, Far East), net dividends	0.81%	11.72%	10.33%	15.69%
MSCI Emerging Markets, net dividends	-0.37%	23.59%	23.38%	29.22%

Alternatives (US\$)

periods ending 9/30/2026

	Quarter	6 Months	2026 YTD	1 Year
NFI-ODCE Index*	1.49%	3.00%	4.28%	5.22%
Gold Spot	3.73%	-10.94%	-3.75%	7.73%
WTI (West Texas Intermediate) Crude Oil	30.10%	-10.81%	57.47%	44.97%

*Q3 2026 data not yet released, and assumed to be same as the prior quarter return.

Sources: FactSet, the National Council of Real Estate Investment Fiduciaries, ICE. Past performance is no indication of future results.

All investments involve the risk of loss.

Why we call it “*the 9:05*”

The name comes from a standing Monday morning meeting, held for decades at 9:05 a.m., sharp. It’s a quick pause at the start of the week to compare notes, challenge assumptions, and make sense of what matters.

This newsletter carries that same spirit forward, with perspectives we think are worth your time. Clear, practical, and grounded in how we’re thinking about markets, planning, and the decisions that follow.

Disclosures

The information in this publication is based primarily on data available as of September 30, 2026, and has been obtained from sources believed to be reliable, but its accuracy, completeness, and interpretation are not guaranteed. We do not think it should necessarily be relied on as a sole source of information and opinion.

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Market index performance is presented on a total return basis (assuming reinvestment of dividends) unless otherwise noted. PHLX Semiconductor Sector Index (SOX) is a price-weighted index that tracks the performance of major U.S.-listed companies primarily involved in the design, distribution, manufacture, and sale of semiconductors. It’s widely used as the benchmark for the semiconductor industry. The S&P 500 Index is a market-capitalization-weighted index of 500 large U.S. publicly traded companies, widely regarded as the standard benchmark for the overall U.S. large-cap stock market. Published by the U.S. Bureau of Labor Statistics, the Consumer Price Index (CPI) measures the average change over time in prices paid by consumers for a basket of goods and services. It’s the government’s primary gauge of inflation. “Core CPI” (referenced in the article as “excluding Food & Energy”) strips out the food and energy components, which tend to be more volatile, to show underlying inflation trends.

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