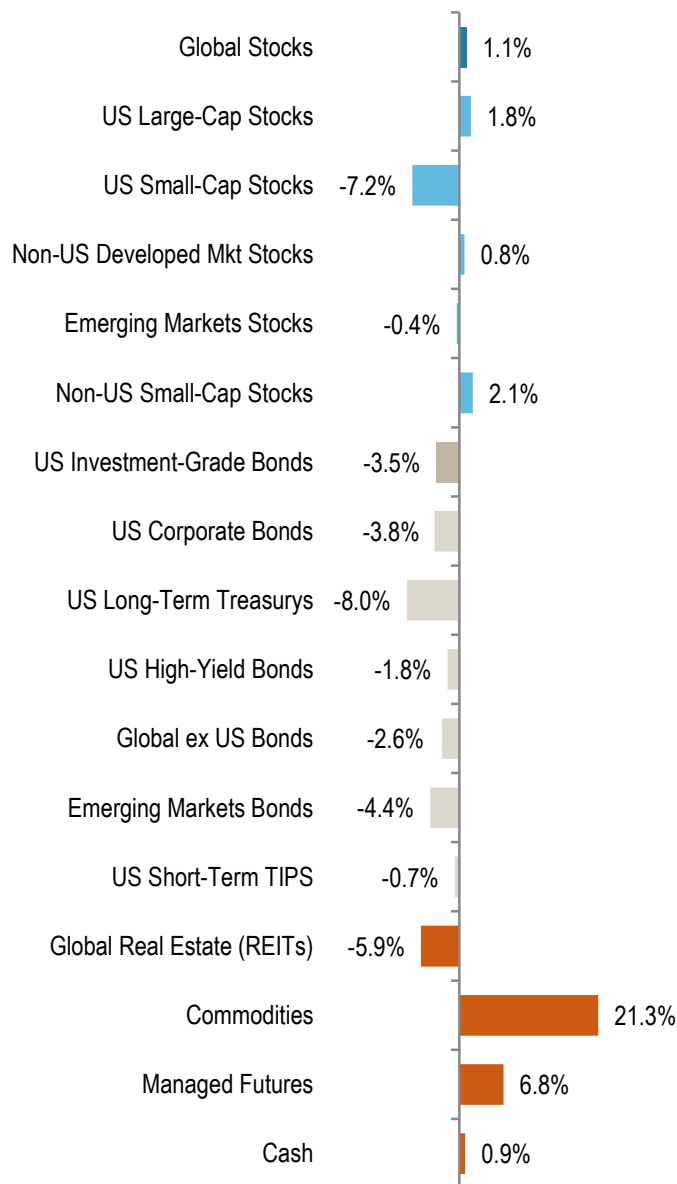


As of September 30, 2026

Third Quarter 2026



Third Quarter 2026: The Spectre of Higher Bond Yields

The third quarter of 2026 was marked by a growing disconnect between stock and bond investors. While U.S. equities continued their advance, Treasury bonds endured their most challenging quarter since 2022 as yields rose sharply. By late September, the benchmark 10-year Treasury yield climbed above 5%, reflecting concerns about persistent inflation, elevated energy prices, strong economic growth, expanding federal deficits, and the significant amount of new government debt being issued.

Ordinarily, such a rise in interest rates would create meaningful headwinds for stock indices. Higher rates increase borrowing costs and reduce the value investors place on future earnings. Yet stocks largely shrugged off those concerns.

The reason was simple: earnings. Corporate America continued to deliver exceptional results. Resilient consumers and continued investment in artificial intelligence infrastructure helped fuel another quarter of robust earnings growth. For now, profits are keeping stocks near all-time highs, despite higher bond yields.

Despite another positive quarter in the stock market, there are signs of turbulence beneath the surface. Consumer discretionary, utilities, and industrials stocks lagged as investors reassessed the implications of higher interest rates and persistent inflation. Meanwhile, Treasury bonds now offer income levels not seen in years, providing competition for stocks in investors' allocation decisions.

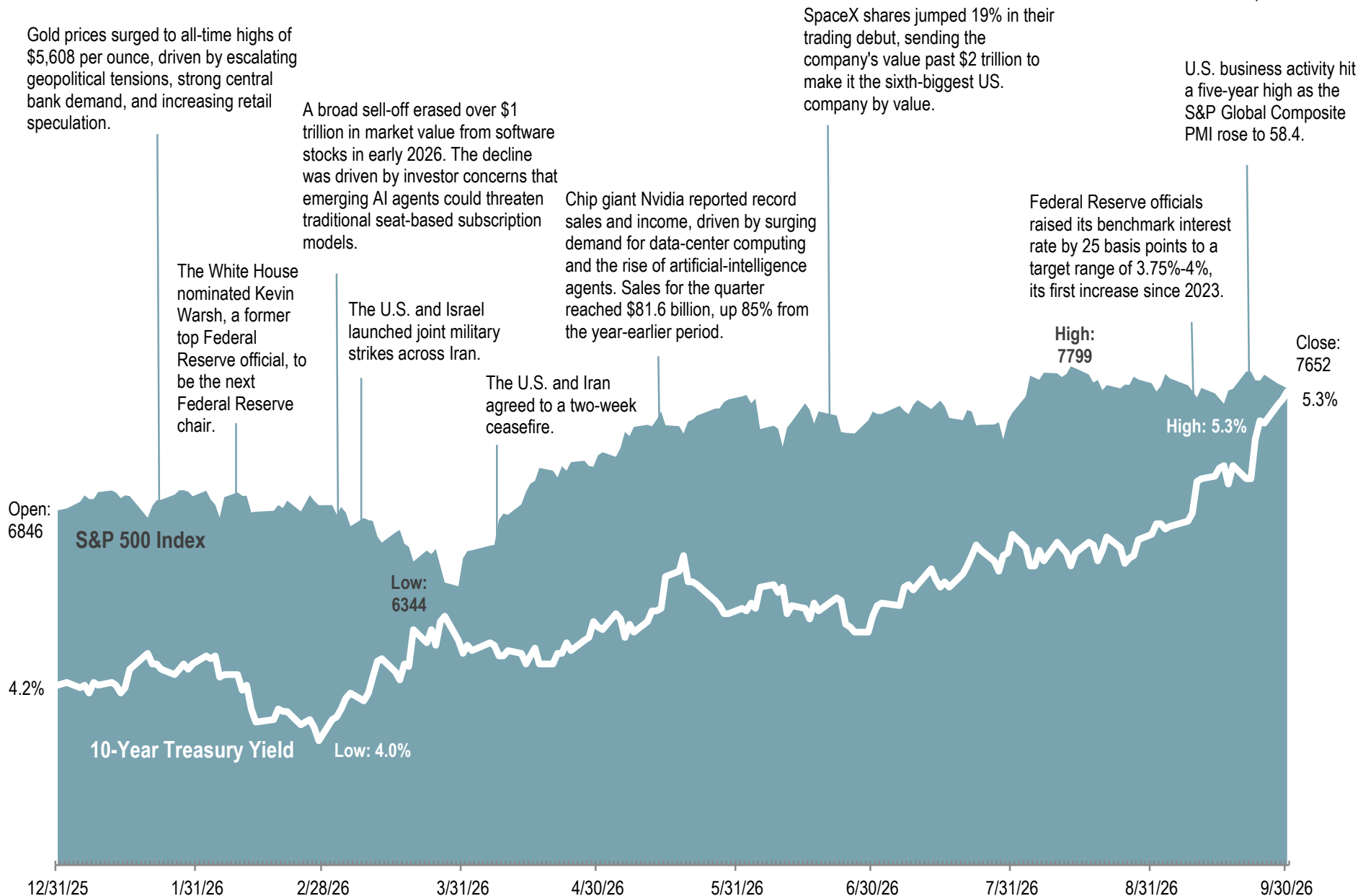
As we enter the final quarter of the year, investors are navigating an environment that looks very different from the one many expected in January. Rather than falling interest rates and slowing growth, markets have been forced to adapt to a stronger economy, higher bond yields, and robust corporate earnings. Analysts expect earnings growth to remain strong in 2027, with earnings forecasts exceeding 15% growth for the S&P 500. Whether corporate America can deliver on those lofty expectations remains to be seen.

	QTD	YTD	1 Year	3 Years	5 Years	20 Years
Global Stocks	1.1%	13.0%	16.6%	21.3%	11.1%	8.3%
US Large-Cap Stocks	1.8%	12.3%	15.0%	22.5%	13.0%	11.2%
US Large-Cap Value	2.6%	19.3%	23.8%	20.1%	11.9%	8.6%
US Large-Cap Growth	0.9%	6.3%	7.5%	24.3%	13.7%	13.4%
US Small-Cap Stocks	(7.2%)	13.7%	16.2%	17.7%	6.3%	8.4%
US Small-Cap Value	(4.9%)	17.0%	20.8%	17.9%	7.8%	7.6%
US Small-Cap Growth	(9.4%)	10.7%	12.1%	17.6%	4.7%	9.1%
Non-US Developed Markets (USD)	0.8%	10.3%	15.7%	18.4%	9.3%	5.4%
Non-US Developed Markets (Local)	0.6%	12.4%	19.3%	16.6%	11.1%	6.1%
Emerging Markets (USD)	(0.4%)	23.4%	29.2%	24.1%	8.9%	6.5%
Emerging Markets (Local)	(2.9%)	23.1%	30.0%	24.5%	10.9%	8.3%
US Investment-Grade Bonds	(3.5%)	(2.9%)	(1.8%)	4.1%	(0.6%)	2.9%
US Long-Term Treasurys	(8.0%)	(7.6%)	(7.7%)	1.0%	(7.3%)	2.8%
US Short-Term TIPS	(0.7%)	0.9%	1.3%	4.8%	2.9%	2.9%
Global Real Estate (REITs)	(5.9%)	3.7%	3.2%	10.6%	1.6%	3.9%
Cash	0.9%	2.7%	3.8%	4.6%	3.7%	1.7%

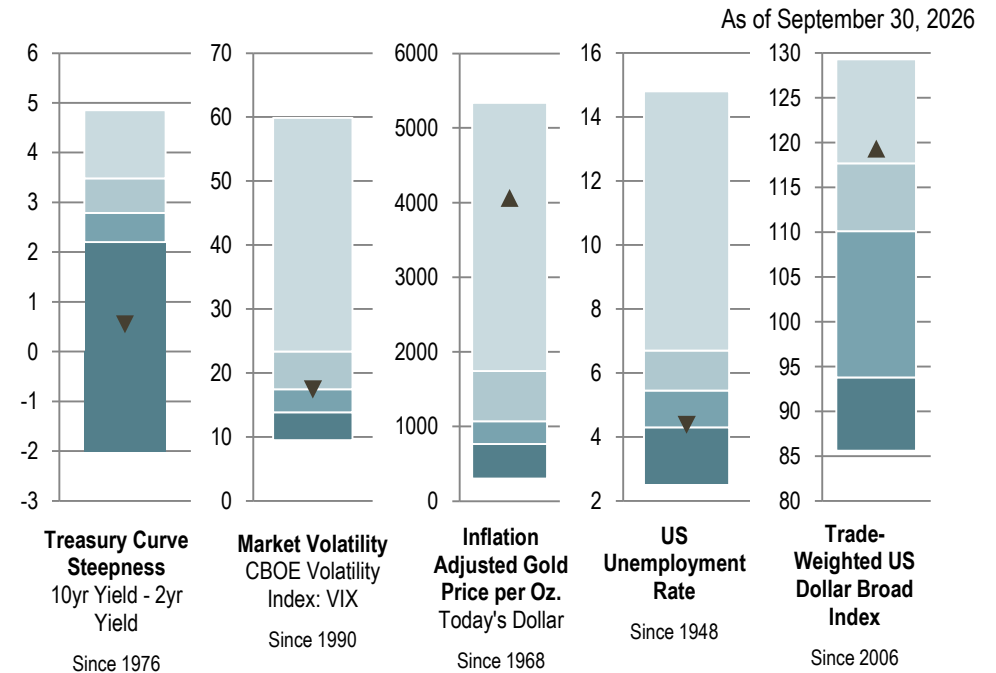
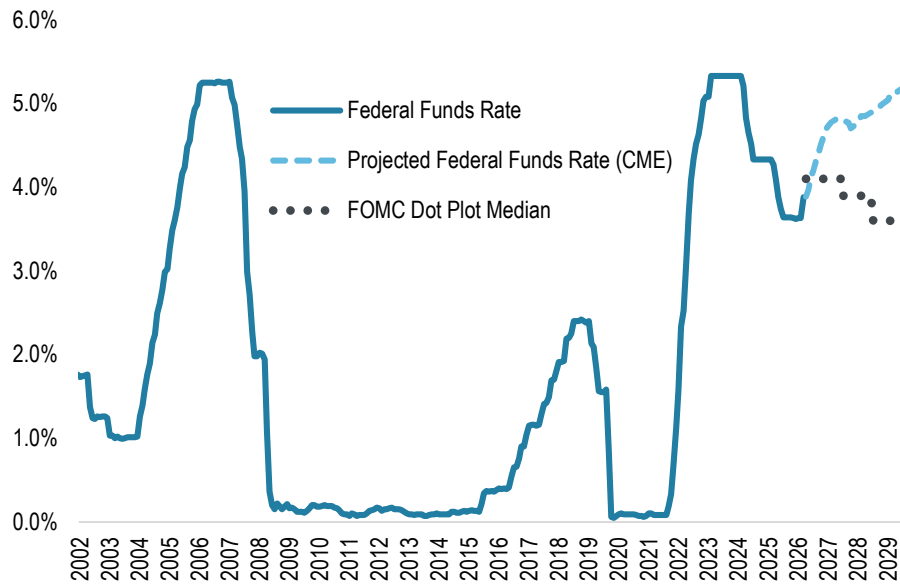
Returns for periods longer than 1 year are annualized.

Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, MSCI, FTSE Russell, Bloomberg, Credit Suisse

As of September 30, 2026

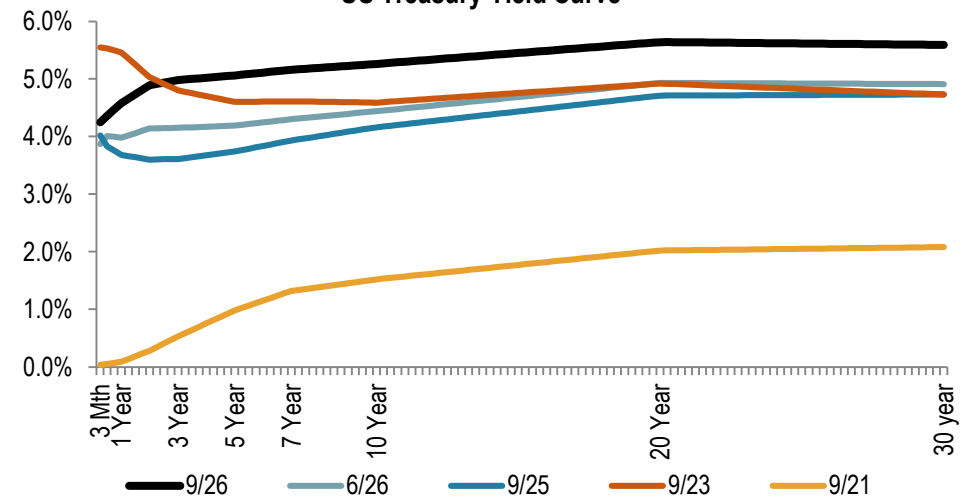


Federal Funds Rate



	9/2026	6/2026	9/2025	9/2023	9/2021
Market Inflation Expectations					
5 Year	2.3	2.3	2.4	2.2	2.5
10 Year	2.4	2.2	2.4	2.4	2.4
20 Year	2.5	2.4	2.5	2.7	2.4
CPI Year-over-Year	---	3.5	3.0	3.7	5.4
West Texas Crude Oil	96.2	70.6	63.2	90.8	75.2
Consumer Sentiment Index	48.1	49.5	55.1	68.1	72.8
S&P 500 Op 12mo EPS	337.9*	320.2	254.8	210.0	189.7
Real GDP Growth YoY	---	2.2	3.9	4.5	3.2
Federal Funds Rate	3.88	3.63	4.22	5.33	0.08

US Treasury Yield Curve



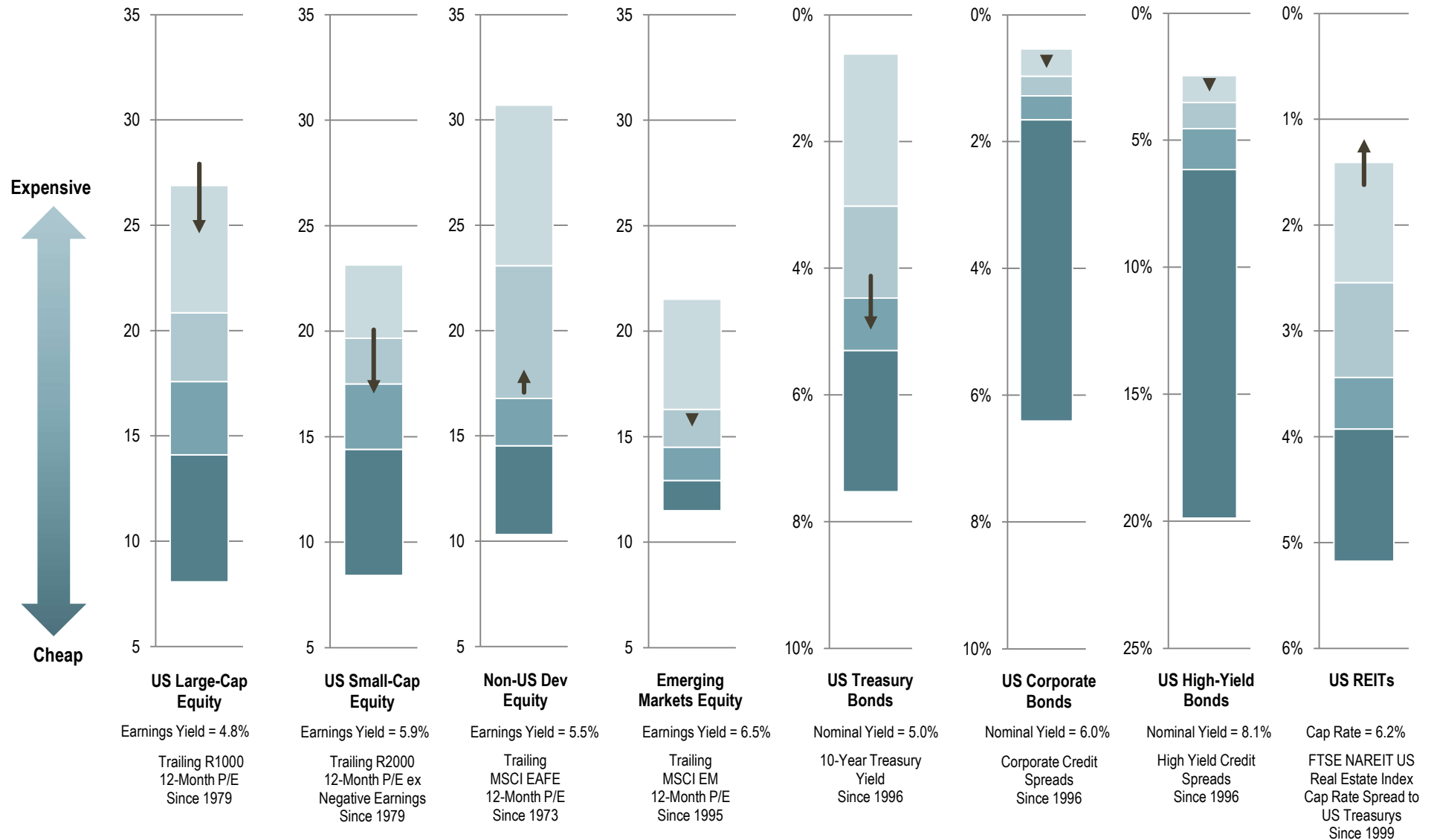
Sources: Sellwood Investment Partners LLC, Morningstar, Federal Reserve Economic Data, CME Group, S&P Dow Jones Indices

Arrows in the top-right charts represent year on year change.

*Estimate, provided by S&P Dow Jones Indices.

Global Market Valuations - One Year Change

As of September 30, 2026



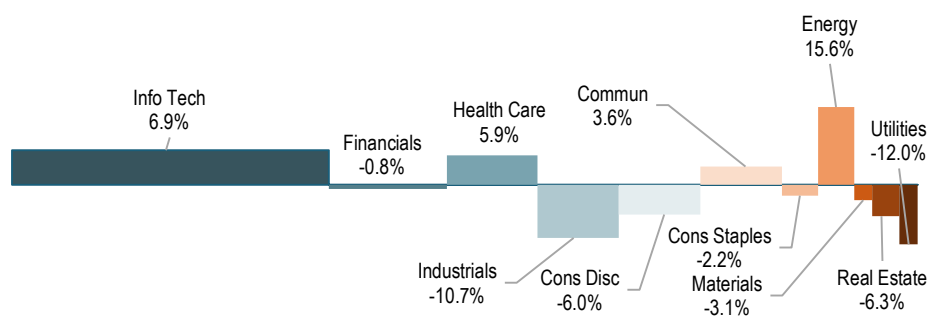
Arrows represent year on year change. Trailing 12 month P/E and cap rate metrics exclude the top and bottom 5%. P/E metrics calculated by Investment Metrics and Morningstar may use different methodology.

Sources: Sellwood Investment Partners LLC, Robert Shiller Data, S&P Dow Jones Indices, FTSE Russell, MCSI, Federal Reserve Economic Data, NAREIT

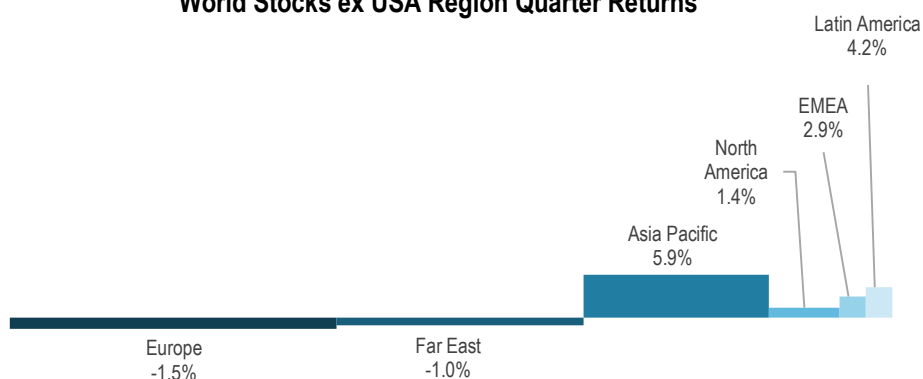
Sector and Region Returns

As of September 30, 2026

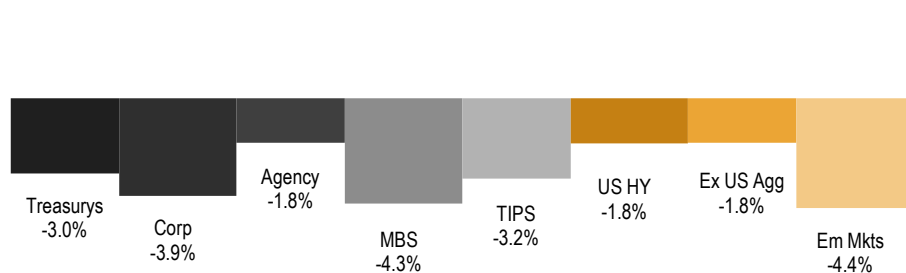
US Stocks Sector Quarter Returns



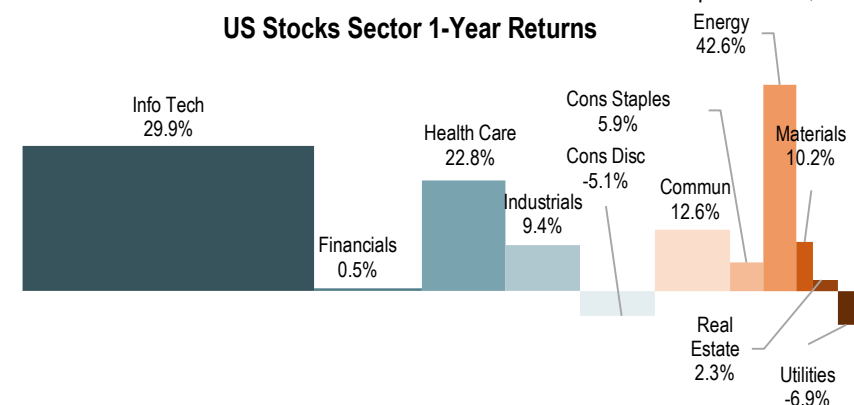
World Stocks ex USA Region Quarter Returns



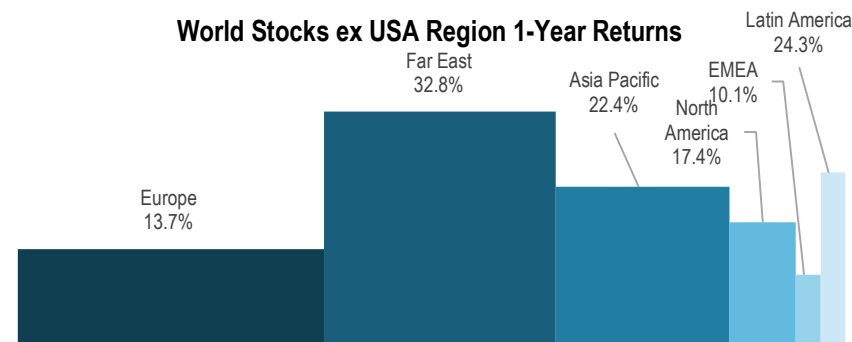
Fixed Income Sectors Quarter Returns



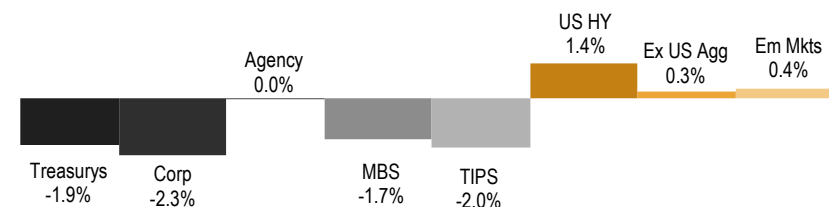
US Stocks Sector 1-Year Returns



World Stocks ex USA Region 1-Year Returns



Fixed Income Sectors 1-Year Returns



The equity bar widths depict end of the quarter region and sector weights. Fixed income bar widths do not depict specific sector weights. The Far East includes Hong Kong, Japan and Singapore.

Sources: Sellwood Investment Partners LLC, Morningstar, S&P Dow Jones Indices, MSCI, ICE BofA

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Material Risks

- Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.
- Cash may be subject to the loss of principal and over longer periods of time may lose purchasing power due to inflation.
- Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.
- International/Emerging Markets: The investor should note that funds that invest in international securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.
- Small-Cap Stocks: The investor should note that funds that invest in stocks of small cap companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.
- Mid-Cap Stocks: The investor should note that funds that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.
- High-Yield Bonds: The investor should note that funds that invest in lower- rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.
- All investing involves risk including the potential loss of principal. Market volatility may significantly impact the value of your investments. Recent tariff announcements may add to this volatility, creating additional economic uncertainty and potentially affecting the value of certain investments. Tariffs can impact various sectors differently, leading to changes in market dynamics and investment performance. You should consider these factors when making investment decisions. We recommend consulting with a qualified financial adviser to understand how these risks may affect your portfolio and to develop a strategy that aligns with your financial goals and risk tolerance.

Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.

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

- West Texas Crude Oil is the primary benchmark for oil priced in the United States.
- Consumer Sentiment Index is an indicator that measures how consumers are feeling about spending and their future expectations for the overall economy.
- Cboe Volatility Index® (VIX® Index) is a leading measure of market expectations of near-term volatility conveyed by S&P 500 Index®(SPX) option prices.
- U.S. Government TIPS: Treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.
- MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.