Chart Pack | Q3 2026

What Worked, What Didn't in the Markets? Investing for the Long-Term and Diversification for Distributions

Investment advisory services offered through Dynamic Advisor Solutions, LLC dba Dynamic Wealth Advisors, an SEC registered investment advisor.

What Worked, What Didn't In the Markets?

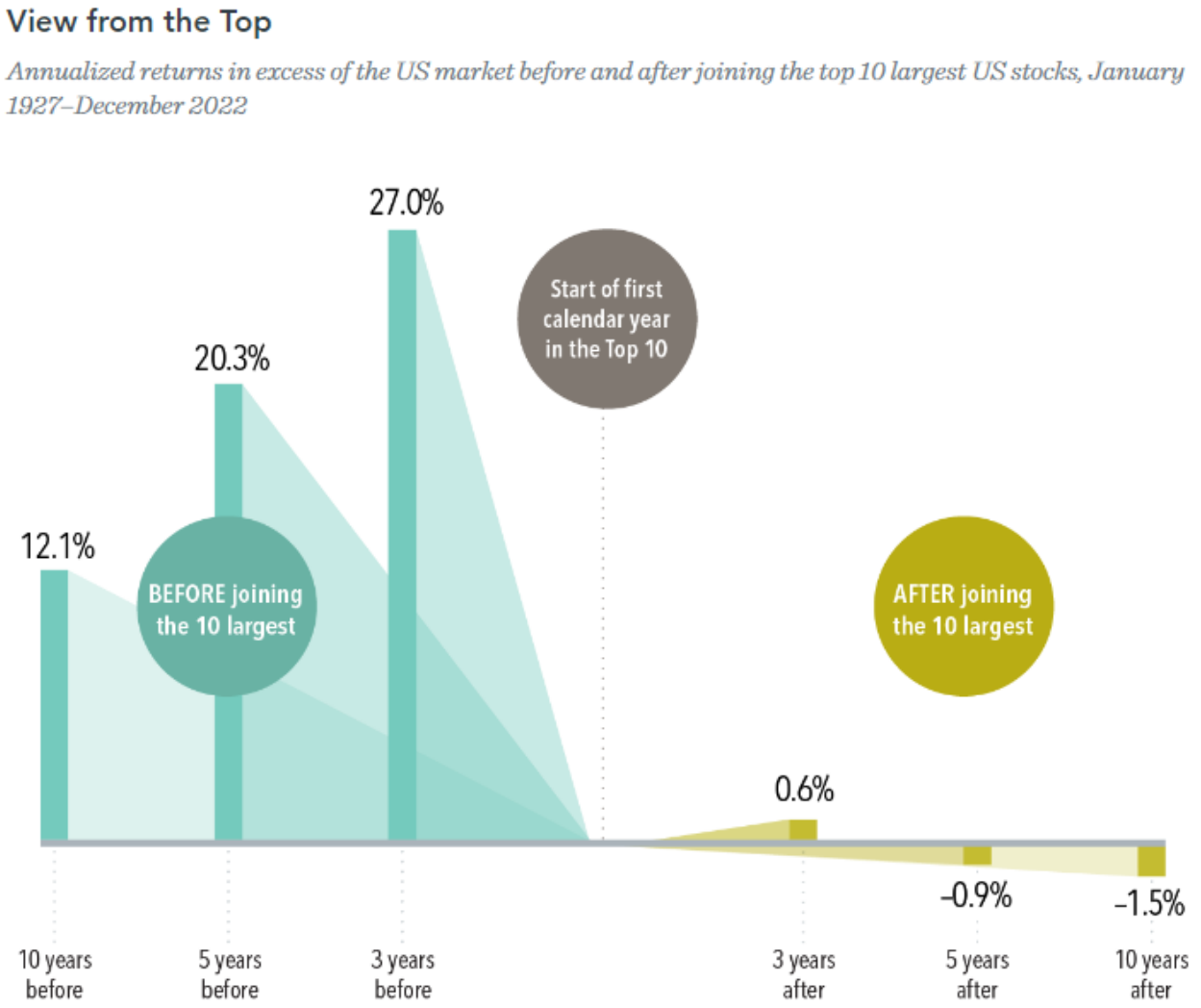
Asset Class Returns

Through Sept. 30, 2026

Asset Class	YTD 2026	2025	2024	2023	2022	Index
Global Markets	13.37	22.87	18.02	22.81	-17.96	MSCI ACWI GR USD
US Market	12.42	17.15	23.81	25.96	-19.21	Russell 3000 TR USD
US Large-Cap	12.75	17.88	25.02	26.29	-18.11	S&P 500 TR USD
US Small-Cap	13.71	12.81	11.54	16.93	-20.44	Russell 2000 TR USD
Growth Stocks	15.86	22.18	36.07	30.03	-29.41	S&P 500 Growth TR USD
Value Stocks	9.01	13.19	12.29	22.23	-5.22	S&P 500 Value TR USD
International Market	14.66	33.11	6.09	16.21	-15.57	MSCI ACWI Ex USA GR USD
Developed Markets	10.81	31.89	4.35	18.85	-14.01	MSCI EAFE GR USD
Emerging Markets	23.73	34.36	8.05	10.27	-19.74	MSCI EM GR USD
Real Estate	4.28	3.31	5.05	11.96	-26.12	MSCI US IMI/Real Estate 25-50 GR USD
Aggregate Bonds	-2.91	7.30	1.25	5.53	-13.01	Bloomberg US Agg Bond TR USD
High Yield	0.10	8.62	8.19	13.45	-11.19	Bloomberg High Yield Corporate TR USD
Short Duration	0.46	5.17	4.03	4.29	-3.82	Bloomberg 1-3 Yr US Treasury TR USD
Benchmark 60/40	6.56	15.46	11.98	16.20	-16.11	Dynamic Global Diversified Benchmark 60

Source: Morningstar Direct as of 09/30/2026. Past performance does not guarantee or indicate future results. Dynamic Global Diversified Benchmark 60 consists of 45% Russell 3000 TR USD, 15% MSCI ACWI Ex USA GR USD, 40% Bloomberg Universal TR USD.

U.S. Stock Market – Concentration



Source: Dimensional Fund Advisors.

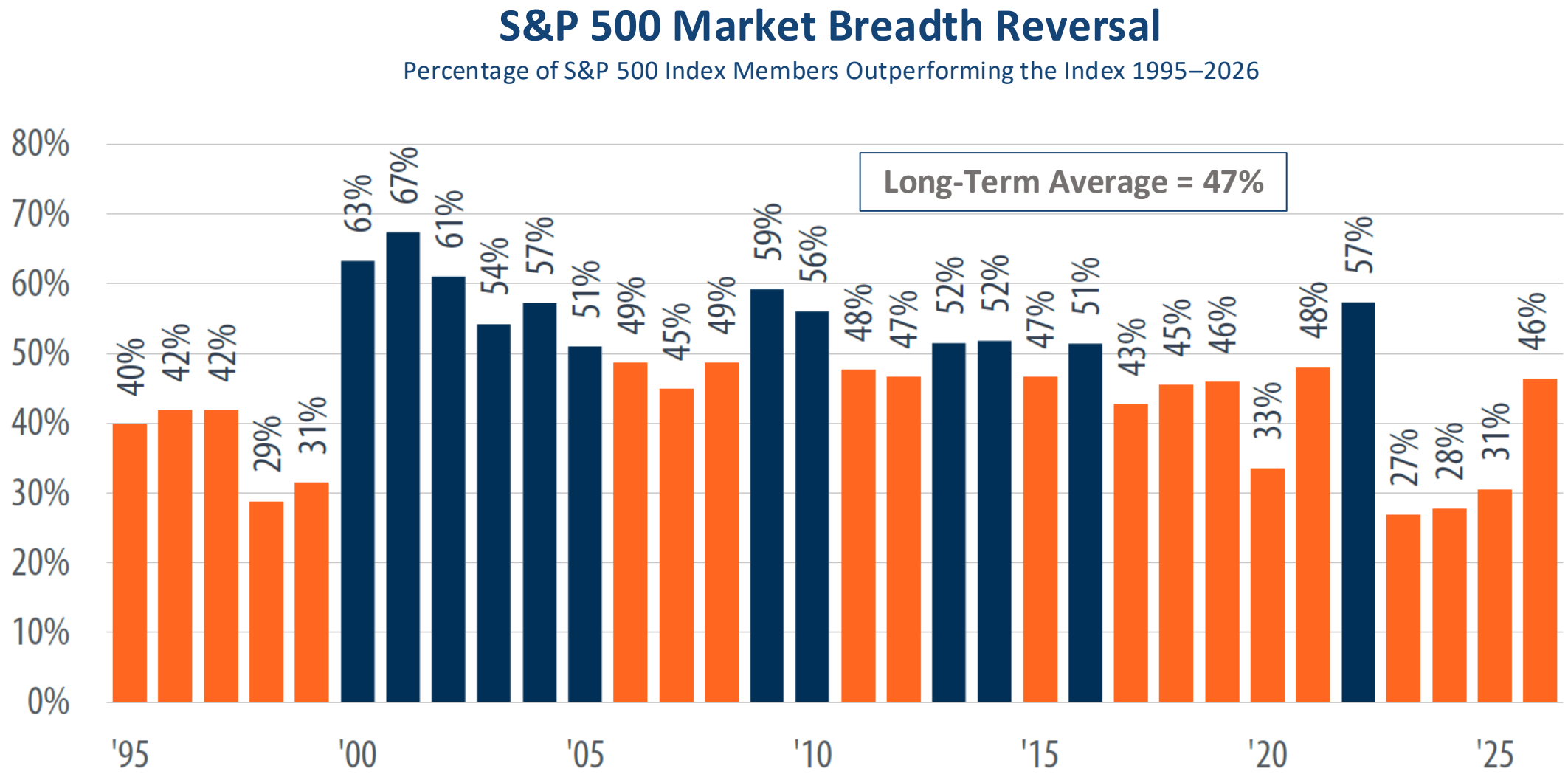
Past performance is not a guarantee of future results.

In USD. Data from CRSP and Compustat. Companies are sorted every January by beginning-of-month market capitalization to identify first-time entrants into the top 10.

The market is defined as the Fama/French Total US Market Research Index. The Fama/French indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. See "Index Description" for a description of the Fama/French index data.

Indices are not available for direct investment. The index has been included for comparative purposes only.

U.S. Stock Market – Breadth Widening

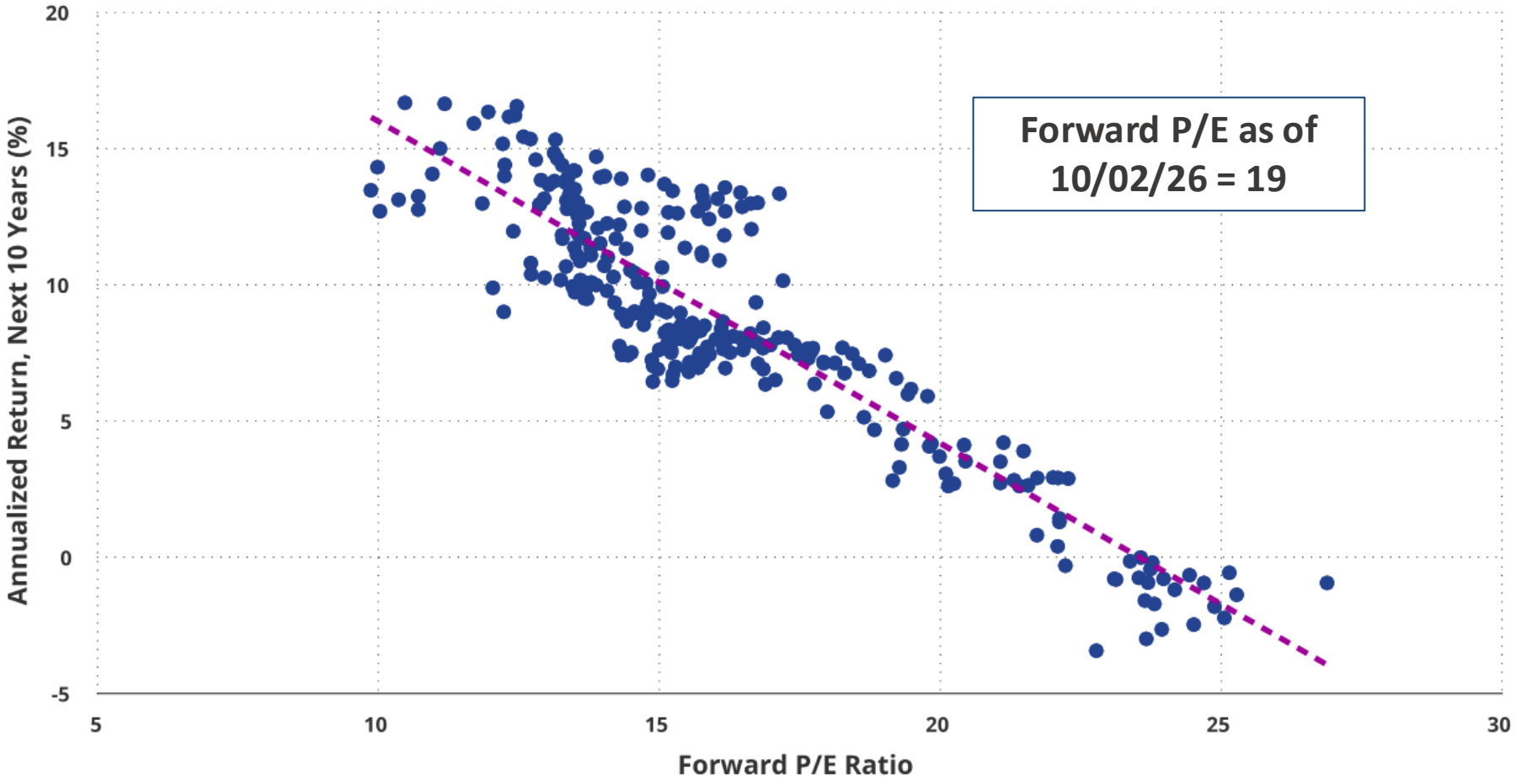


Source: Capital IQ, First Trust Advisors. Data from 12/30/95-6/30/26.

U.S. Stock Market – Valuations

S&P 500 Returns Have Been Underwhelming at Current Valuations

Forward P/E Ratios Relative to Future Annualized Return August 1991 – November 2014

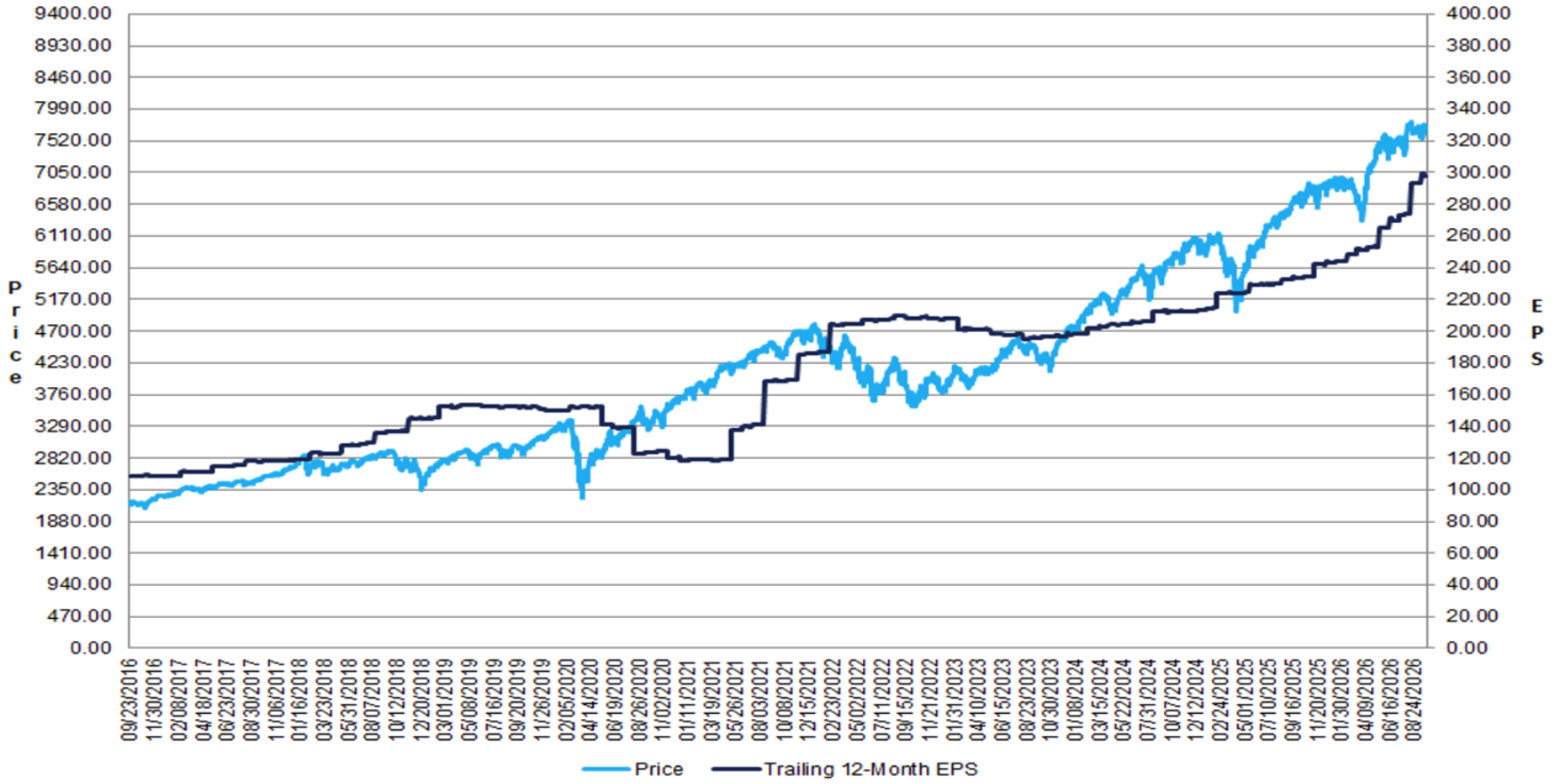


Source: VanEck.com. "Market Leadership is Narrow. Your Portfolio Shouldn't Be". FactSet; Morningstar. Past performance is not a guarantee of future results. Index performance is not illustrative of fund performance. It is not possible to invest in an index. Forward P/E from FactSet Earnings Insight report as of 10/02/2026.

U.S. Stock Market – Fundamentals

Market Earnings vs. Price

S&P 500 Change in Trailing 12-Month EPS vs. Change in Price: 10 Years

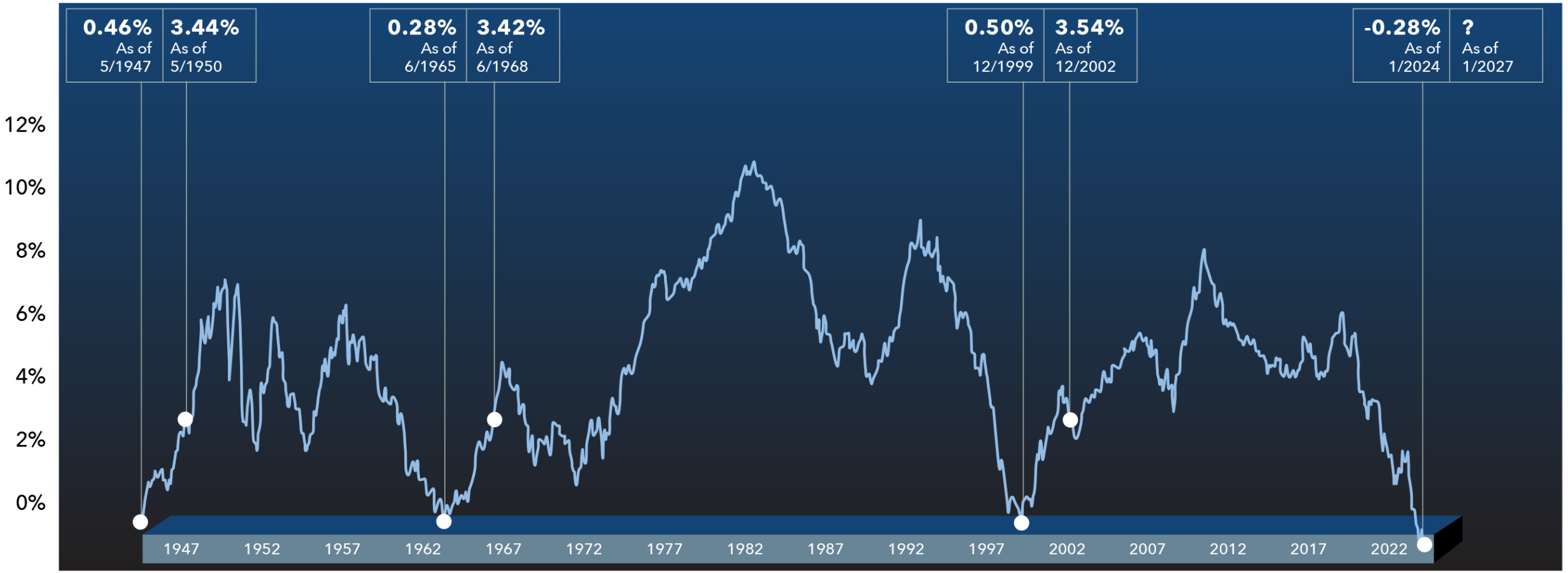


Source: FactSet Earnings Insight, 9/25/2026.

U.S. Stock Market – Large vs. Small

Large-Cap vs. Small-Cap Return Cycles

20-year rolling return difference between the Dimensional U.S. Small Cap Value Index and S&P 500 Index May 1947 – January 2024



Source: Dimensional Fund Advisors publication: "Sticking Up for Small Value Stocks" dated May 1, 2024. Past performance is no guarantee of future results. Actual returns may be lower. The Dimensional indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. See "Index Descriptions" for descriptions of the Dimensional index data. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

International Stock Market – Cyclicality

International vs. Domestic Returns

Total Return Annual Difference Since 2002

Year	U.S.	International	Diffference	Who Won?
2002	-21.54	-14.67	-6.87	International
2003	31.06	41.41	-10.35	International
2004	11.95	21.36	-9.41	International
2005	6.12	17.11	-10.99	International
2006	15.72	27.16	-11.44	International
2007	5.14	17.12	-11.98	International
2008	-37.31	-45.24	7.93	U.S.
2009	28.34	42.14	-13.80	International
2010	16.93	11.60	5.33	U.S.
2011	1.03	-13.33	14.35	U.S.
2012	16.42	17.39	-0.97	International
2013	33.55	15.78	17.77	U.S.
2014	12.56	-3.44	15.99	U.S.
2015	0.48	-5.25	5.73	U.S.
2016	12.74	5.01	7.72	U.S.
2017	21.13	27.77	-6.64	International
2018	-5.24	-13.78	8.53	U.S.
2019	31.02	22.13	8.89	U.S.
2020	20.89	11.13	9.76	U.S.
2021	25.66	8.29	17.37	U.S.
2022	-19.21	-15.57	-3.64	International
2023	25.96	16.21	9.75	U.S.
2024	23.81	6.09	17.71	U.S.
2025	17.15	33.11	-15.97	International
2026	12.42	14.66	-2.23	International
Average	**11.47**	**9.77**	**1.70**	**U.S. 13 vs. Intl 12**

Source: Morningstar Direct as of 9/30/2025. U.S. represented by Russell 3000 TR USD, International represented by MSCI ACWI Ex USA GR USD.

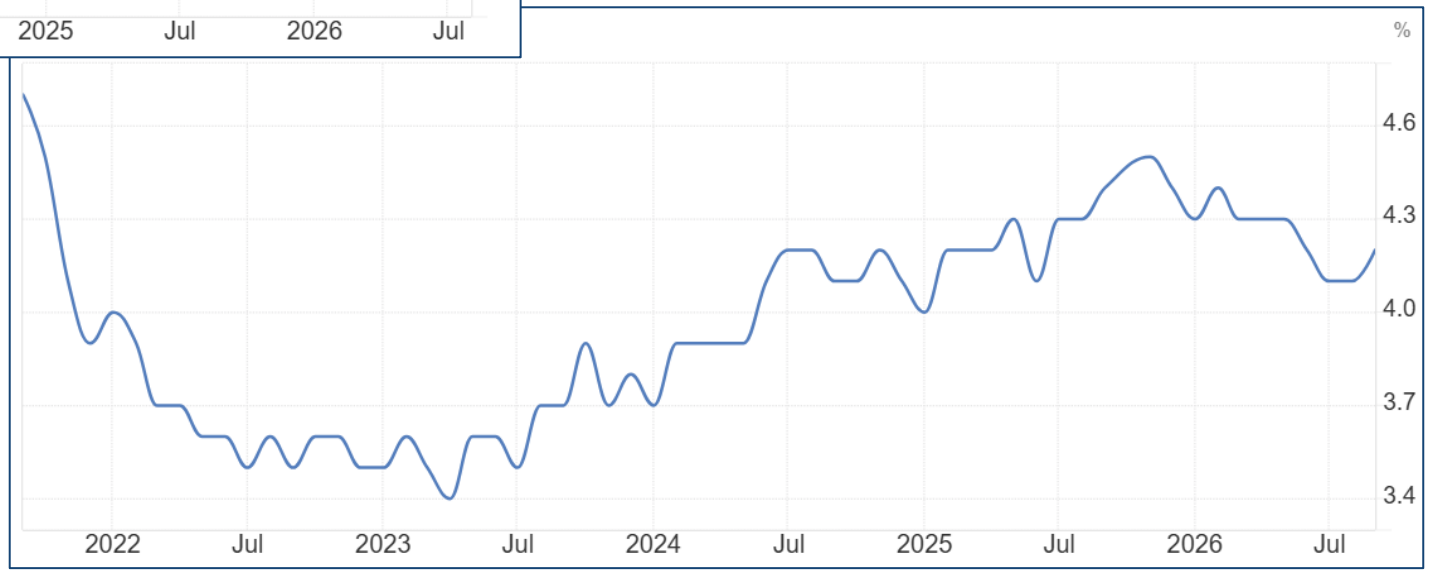
Monetary Policy – Uncertainty

U.S. Core PCE Price Index (Fed's Preferred Inflation Gauge)



Source: Trading Economics. As of 09/30/2026. U.S. Bureau of Economic Analysis.

U.S. Unemployment Rate

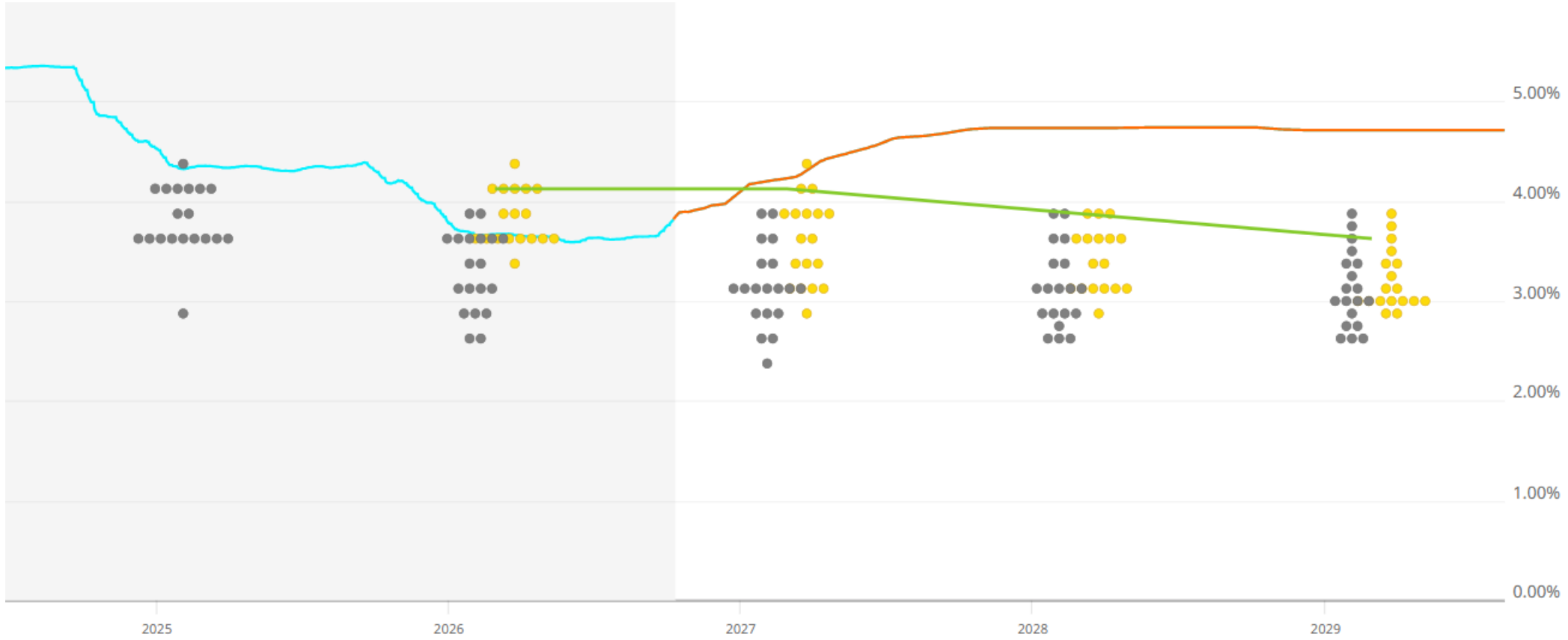


Source: Trading Economics. As of 10/02/2026. U.S. Bureau of Labor Statistics.

Interest Rates – Mixed Expectations

Fed Funds Implied Rate: FOMC Projections vs. Market Expectations

Blue Line: Historic 3-Month Term SOFR
Red Line: Implied 3-Month Term SOFR
Green Line: Fed Median Projections
Grey/Yellow Dots: Last Two Rounds of Fed Dot Plot Projections



Source: Pensford as of 10/09/2026. https://www.pensford.com/forward-curve

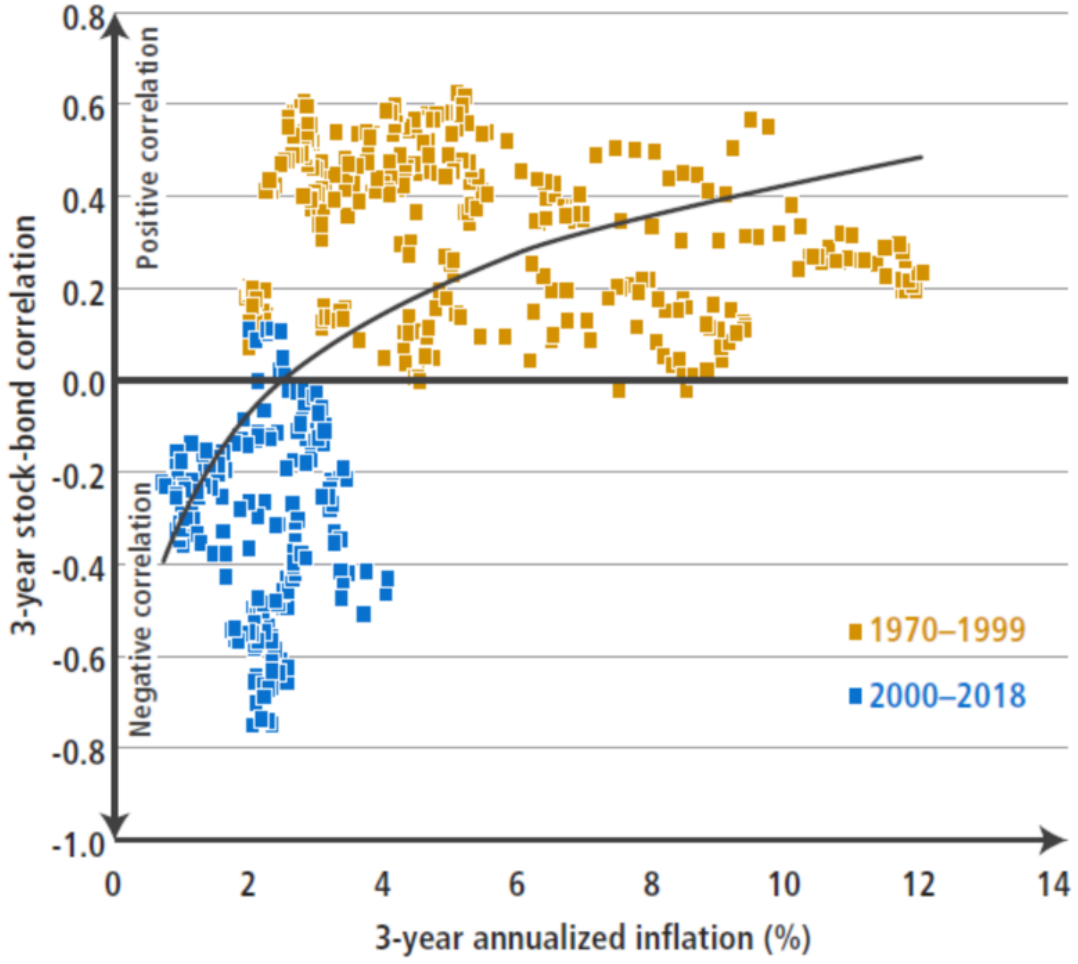
U.S. Bond Market – Upside

Bond Upside/Downside Total Return Analysis 1-Year Horizon (10/08/2026 - 10/08/2027)						
Security	**Yield**	**Estimated Total Return - Target Horizon Yields**				
		-100 Bps	**-50 Bps**	**0 Bps**	**+50 Bps**	**+100 Bps**
2-Year Treasury	4.76%	5.61%	5.15%	4.70%	4.24%	3.79%
5-Year Treasury	5.03%	8.42%	6.67%	4.94%	3.24%	1.56%
10-Year Treasury	5.29%	12.20%	8.65%	5.19%	1.81%	-1.48%

Source: Bloomberg (CVXA Function) as of 10/08/2026.

Is the 60/40 Dead? No.

U.S. Stock-Bond Correlations vs. Inflation Rate

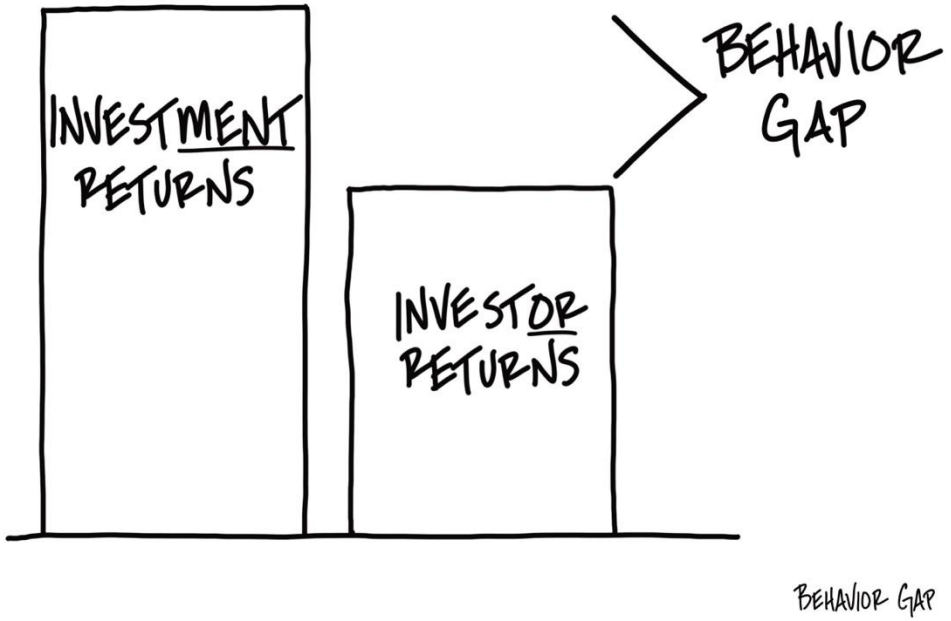


Source: PIMCO, Haver Analytics and Federal Reserve Bank of New York as of 31 May 2018. Stocks represented by S&P 500, bonds represented by 10-year U.S. Treasuries, inflation represented by Consumer Price Index, All Items (CPI-U).

Investing for the Long-Term

Bridge the Behavior Gap, Smooth Out Returns With Balanced Portfolios and Maintain Focus On What You Can Control

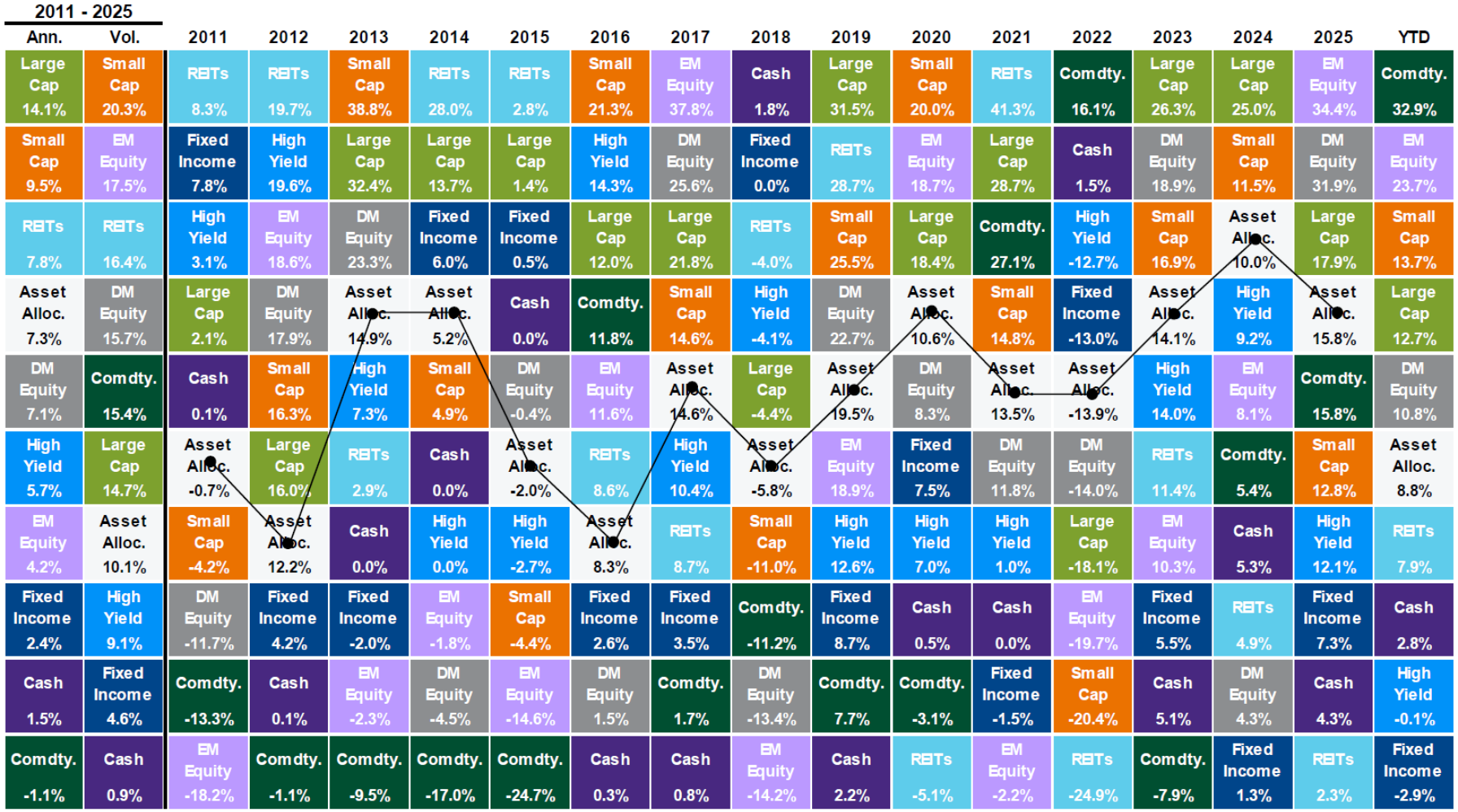
Bridge the Behavior Gap



Source: behaviorgap.com

Smooth Out Returns with Balanced Portfolios

Asset Class Returns



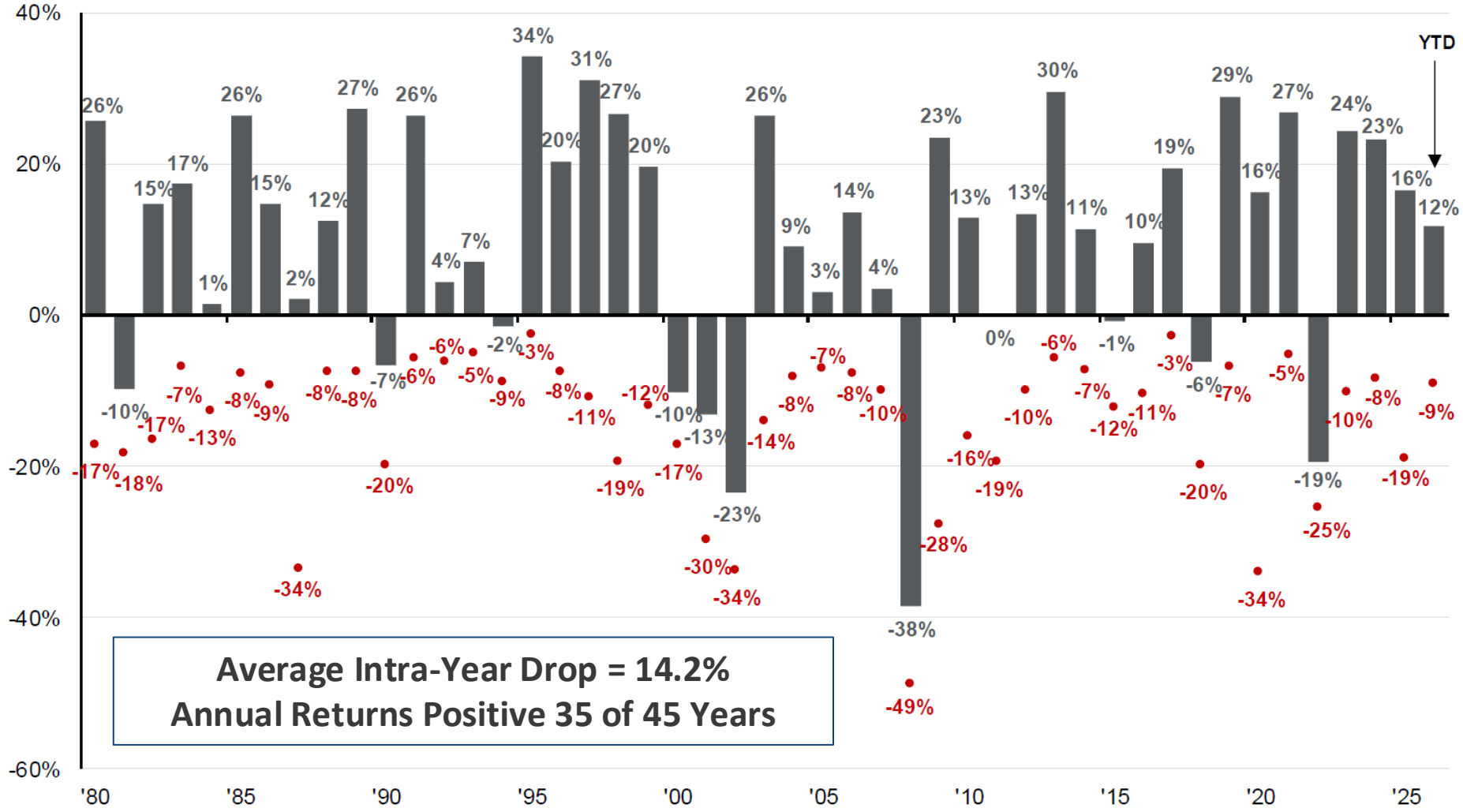
2011 - 2025

Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	Comdty. 32.9%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	EM Equity 23.7%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	Small Cap 13.7%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Large Cap 12.7%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	DM Equity 10.8%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	Asset Alloc. 8.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	REITs 7.9%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	Cash 2.8%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	High Yield -0.1%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Fixed Income -2.9%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 30/06/2016 to 30/06/2026. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns. Guide to the Markets – U.S. Data are as of September 30, 2026.

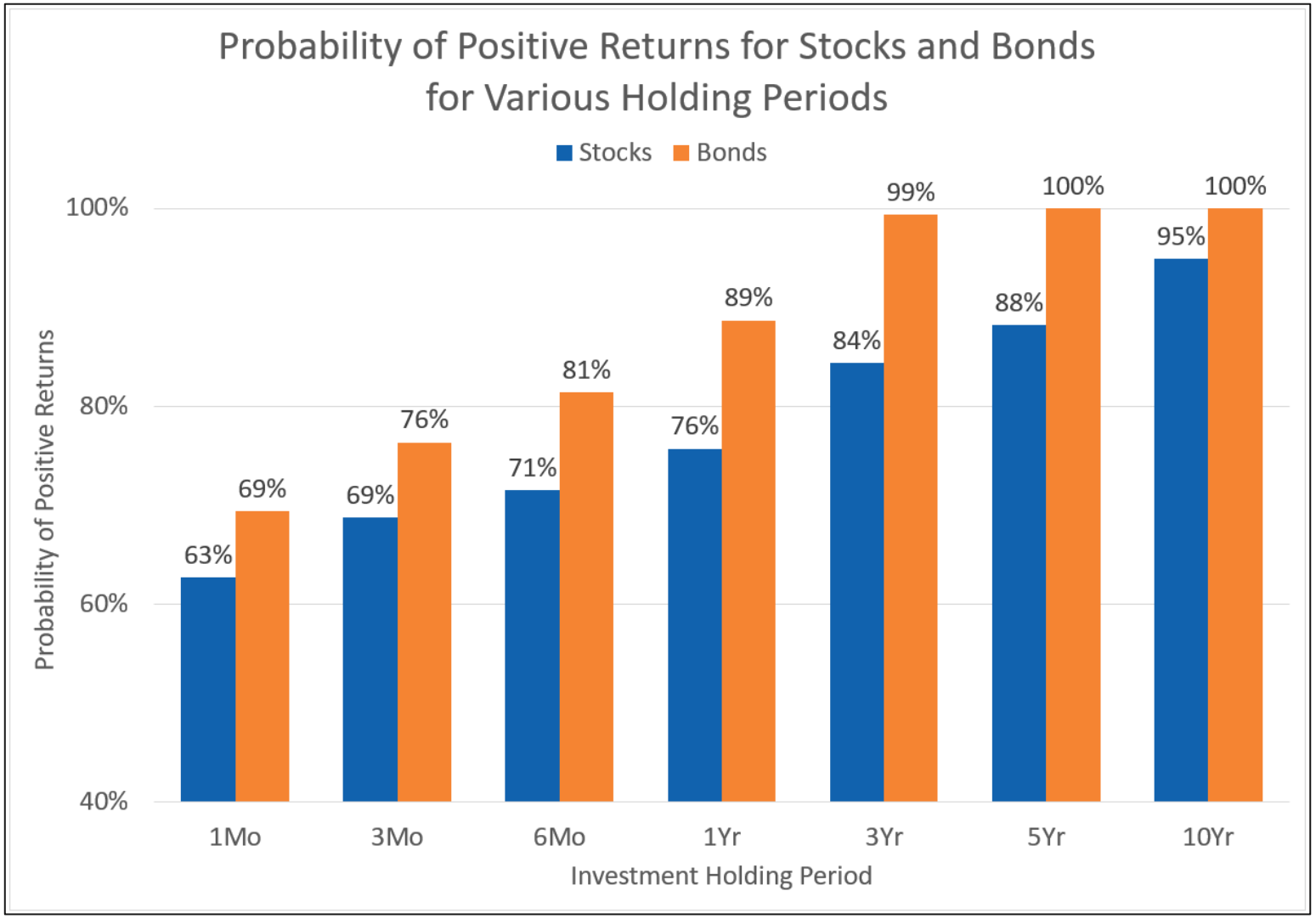
Smooth Out Returns with Balanced Portfolios

Annual Returns and Intra-Year Declines



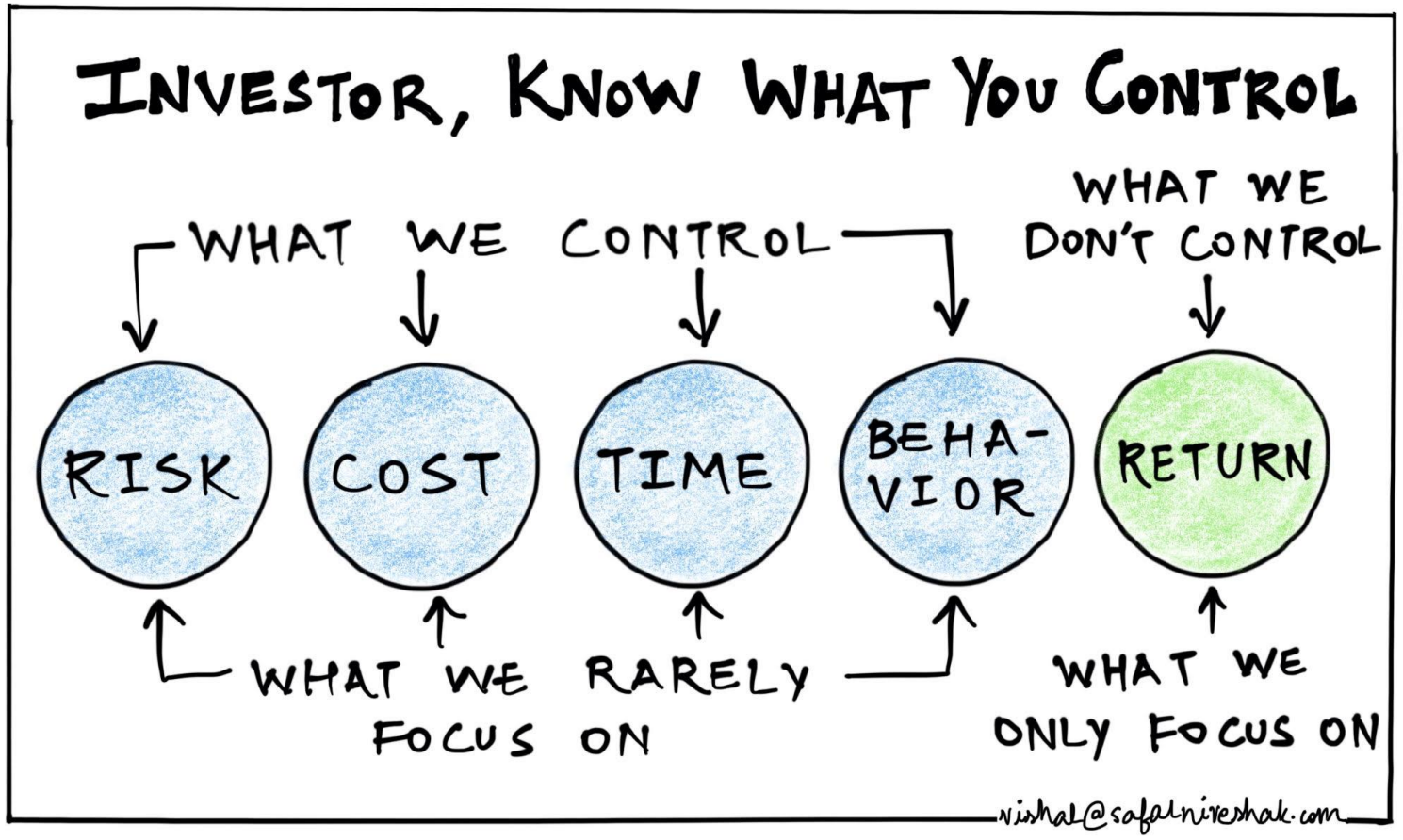
Source: J.P. Morgan Asset Management Guide to the Markets 3Q 2026 as of September 30, 2026. Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest peak-to-trough decline during the year. Returns shown are calendar year returns from 1980 to 2025, over which the average annual return was 10.7%. Past performance is no guarantee of future results. Guide to the Markets – U.S. Data are as of September 30, 2026.

Perception vs. Reality... Time vs. Probabilities



Source: Morningstar Direct utilizing IA SBBI US Large Stock TR USD Ext to represent Stocks and IA SBBI US IT Govt TR USD to represent Bonds between 1/1/1926 and 7/31/2022. Past performance is not indicative of future returns.

Maintain Focus on What You Can Control

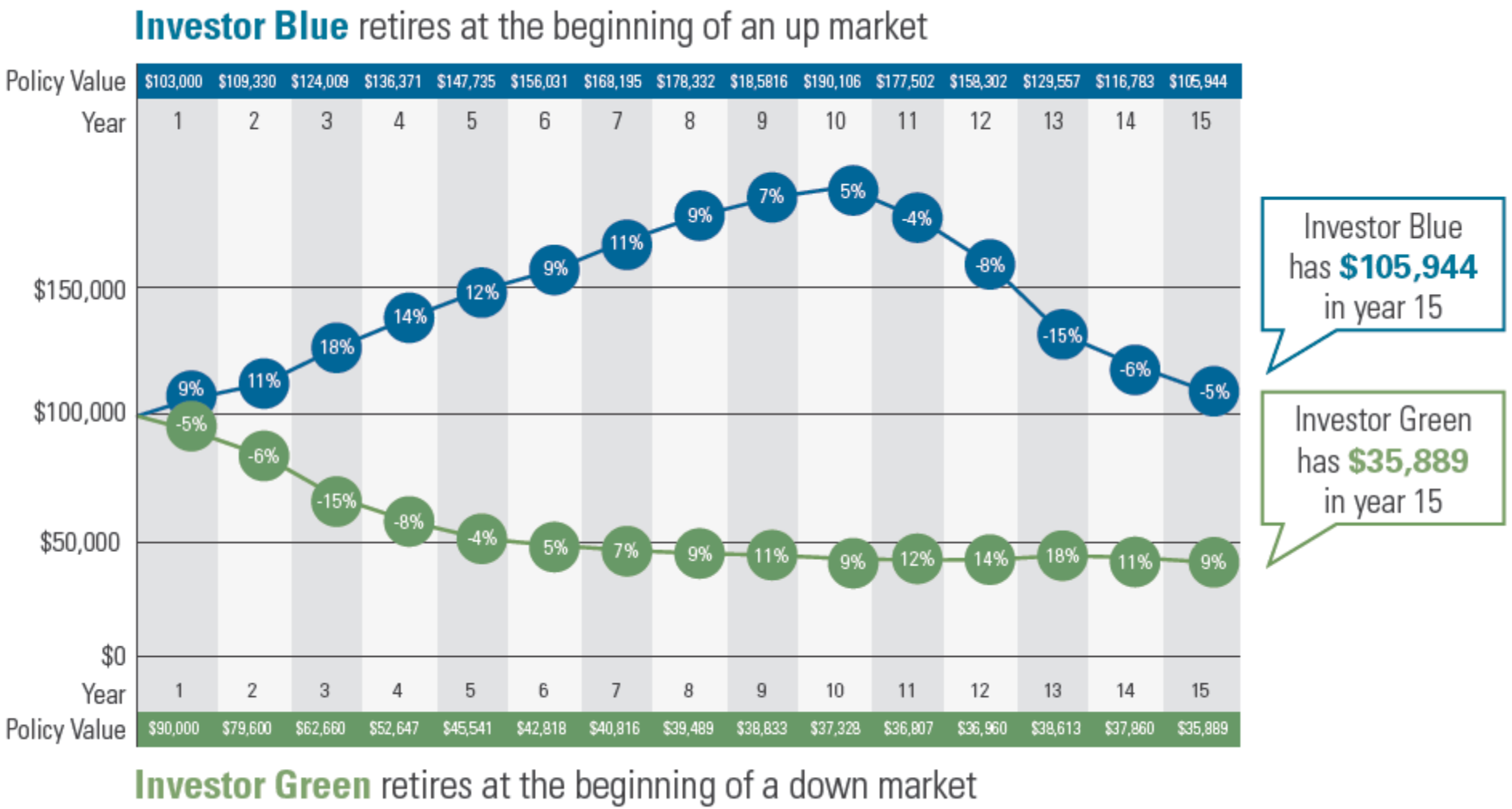


Source: https://www.safalniveshak.com/what-we-control/#more-33743

Diversification for Distributions

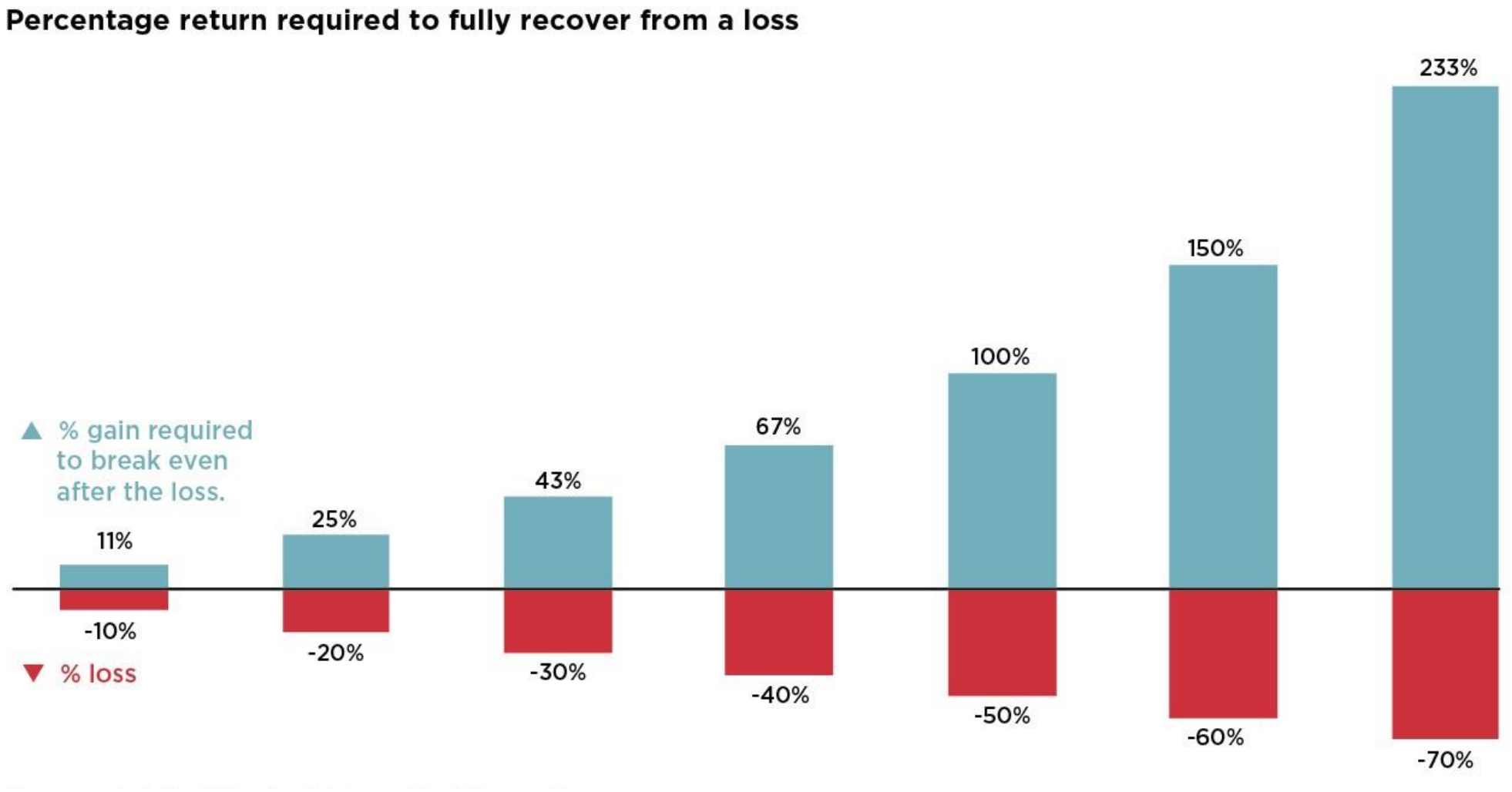
Sequence-of-Returns Risk, Diversification Benefits And Risk vs. Reward

Sequence-of-Returns Risk



Source: RetireOne. https://retireone.com/sequence-of-returns-risk/. Average annual return of 4% reflected for both investors. Annual withdrawals of $5,000 are taken at the end of each year.

Break-Even Math

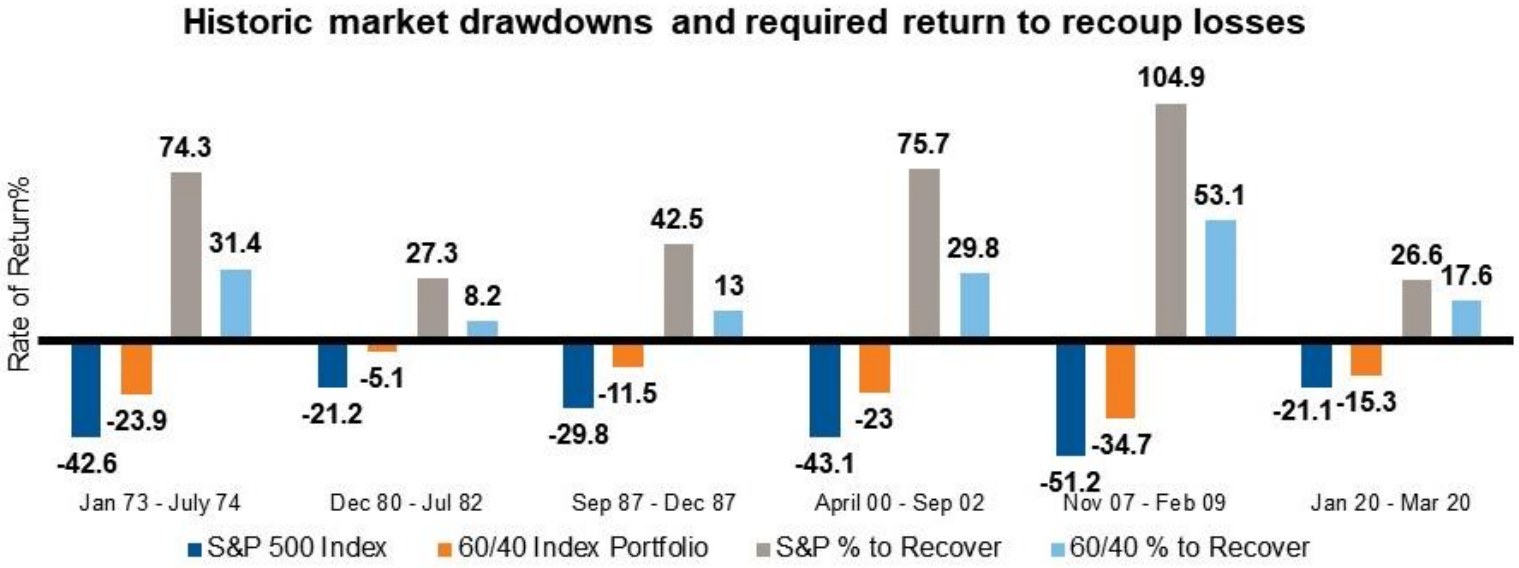


Source: Nationwide IMG Competitive Intelligence Team.
https://blog.nationwidefinancial.com/markets-economy/capital-market-impact/break-even-math-how-much-gain-is-needed-to-recover-from-a-loss-fully.

Diversification Benefits

Don't mistake the market for your portfolio

Diversification may mute the downside



- Equity drawdowns make the headlines
- Diversified portfolios soften the portfolio loss and reduce the climb back to pre-drawdown levels

Source: Russell Investments. https://russellinvestments.com/us/blog/global-balanced-portfolio. 60/40 Index Portfolio: 60% MSCI World Index/ 40% Bloomberg Aggregate Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Risk vs. Reward



Source: Vanguard. Notes: Data for U.S. stocks is from Standard & Poor's 90 from 1926–1957, S&P 500 Index from 1957–1974, Wilshire 5000 Index from 1975–2005, MSCI US Broad Market Index from 2005–2013, and CRSP US Total Market Index from 2013–2022. Data for U.S. bonds is from Standard & Poor's High Grade Corporate Index from 1926–1968, Citigroup High Grade Index from 1969–1972, Lehman Brothers U.S. Long Credit AA Index from 1973–1975, Bloomberg US Aggregate Bond Index from 1976 –2009, and Bloomberg US Aggregate Float Adjusted Bond Index thereafter.
Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Stocks vs. Bonds in Downturns

The Worst Years for Stocks

S&P 500 and U.S. T. Bond 10-Year Total Returns from 1928

YEAR	Stocks	Bonds	Diff.
1931	-43.84%	-2.56%	41.28%
2008	-36.55%	20.10%	56.65%
1937	-35.34%	1.38%	36.72%
1974	-25.90%	1.99%	27.89%
1930	-25.12%	4.54%	29.66%
2002	-21.97%	15.12%	37.09%
2022	-18.04%	-17.83%	0.21%
1973	-14.31%	3.66%	17.97%
1941	-12.77%	-2.02%	10.75%
2001	-11.85%	5.57%	17.42%
1940	-10.67%	5.40%	16.07%
1957	-10.46%	6.80%	17.26%
Average	-22.24%	3.51%	25.75%
Ave. w/o '22	-22.62%	5.45%	28.07%

Source: Historical Returns on Stocks, Bonds and Bills: 1928-2024. Created by Aswath Damodaran, adamodar@stern.nyu.edu. Stocks represented by S&P 500 Index Total Return and Bonds represented by U.S. Treasury Bond (10-year). https://pages.stern.nyu.edu/~adamodar/New_Home_Page/data.html



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Investment advisory services are offered through Dynamic Advisor Solutions, LLC, dba Dynamic Wealth Advisors, an SEC registered investment advisor.



The Advisor's *Advisor*.

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