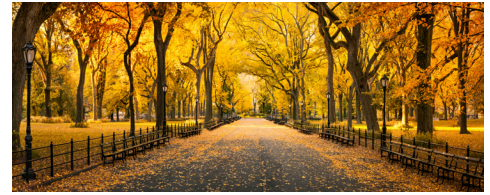




Forward Focus

October 2026



Quarterly Market Review

Inside this issue:

Page 1

-Quarterly Review

-Market Boxscore

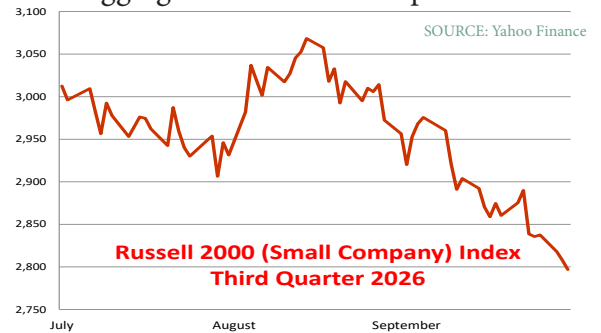
Page 2

-Risk Review

-Beneficiary Review

America's 250th birthday started the quarter, but the stock market blew out the candles after that. While the Nasdaq Composite Index and technology stocks continued to shine, the MSCI Emerging Market Index, Dow Jones Industrial Average, Russell 2000 Index (small cap stocks) and the Barclays U.S. Aggregate Bond Index all posted losses over the last three months. SOURCE: Yahoo Finance, Morningstar

The Russell 2000 (small cap) index fell 7.5% during the quarter, impacted by rising interest rates, higher oil prices, and inflation uncertainty. (see chart on right).



Almost half of the stocks in the Dow

Jones Industrial Average have declined since June. Household names like Cisco, Walmart, and Sherwin-Williams lost between 6%-8% of their value, while Nike, Boeing, Home Depot, Caterpillar, and McDonalds, each posted declines of greater than 10%.



The 10-year Treasury yield climbed from 4.4% in June to 5.3% near the end of September (see chart on left). This marked the highest yield going back almost 20 years. (For perspective, the 10-Year Treasury yielded less than 1.0% in December 2020). The inverse relationship of yields and price, means bond prices fall when yields rise.

The overall bond market, as measured by the Barclay's U.S. Aggregate Bond index, was down 3.5% in the third quarter.

Rising yields have a significant impact on borrowing costs. The average 30-year fixed rate mortgage is now above 7.5%! Competition may also lead to higher lending rates. Trillions of dollars of loans may be required to continue to finance both data center build outs and the ever-expanding U.S. government debt. The interest expense alone on the U.S. national debt is estimated to be over \$1 trillion dollars annually, according to www.fiscaldata.treasury.gov. Therefore, both private and public borrowers may have to increase lending rates just to attract enough people willing to lend.

After much anticipation, the Federal Reserve raised rates by 0.25% on September 15th. That was the first hike in rates in over three years. In the months leading up to the Fed's decision, Gold jumped 15% from July 1st to August 24th before declining significantly to end the quarter. Gold still provided a 4% gain in the third quarter, but remains down year-to-date.

For the quarter, the best performing S&P 500 sectors were Energy, Technology, and Health Care, while the worst performing sectors were Utilities, Industrials, and Real Estate. After peaking at \$105.83/bbl. just two weeks ago, Crude Oil ended the quarter at \$90.42/bbl., almost \$21/bbl. higher than three months ago. SOURCE: FactSet, MSCI, Standard & Poor's, JPMorgan Asset Management.

Third Quarter 2026

Dow Jones Industrial Average -2.7% ● S&P 500 2.3% ● MSCI EAFE (International) -0.1%
Russell 2000 (Small Cap) -7.2% ● MSCI EMI (Emerging) -2.4% ● Barclays Capital Aggregate Bond -3.5%

Action Step: Complete Your Risk Review

At **Forward** we talk about ‘Where you are, Where you want to be, and How to get there.’ Last quarter we discussed the **Asset Map** (Where you are). This quarter, we are discussing another aspect (How to get there).

With the S&P 500 near all-time highs, interest rates climbing, Government debt levels rising, and uncertainty mounting, it is a great time to review your comfort level with risk. Investing is an ongoing process. Reviewing and confirming what risk you are willing to be exposed to is a necessary and normal part of the investment process.

During the 4th quarter, **Forward** will be sending you a **Risk Tolerance form** to complete. It is important that you complete it.

The stock market continues to be driven by just a handful of stocks and years of positive market returns have likely lulled most investors into a false sense of safety. Reviewing your risk now, while all is still cheery and the market is near historic highs, provides you an opportunity to rationally think through your true comfort level with risk versus trying to evaluate it amidst heightened emotions due to uncertainty, a market downturn, or the media maelstrom that always accompanies market corrections.

The risk you are taking *now*, impacts how your investments will be affected by the returns of the stock market in the *future*. The document will update and replace your current risk tolerance (ratio of stocks and bonds) on file. Therefore, give this task some thought and time when you complete it.

RISK is more than a board game. All investments involve risk. We have all heard the investment warning ‘past performance is no guarantee of future results.’ It is always true. Therefore, determining your exposure to risk is a valuable exercise. Be watching for your Risk Tolerance form to complete and let us know if you have questions.

Beneficiary Information: Update and Review

Updating your beneficiaries is easy. What was once a dreaded task (calling, requesting paperwork, completing forms, mailing documents, waiting for systems to update), is now something you can do online, anytime of day.

The importance of accurate and up to date beneficiary information is crucial. Fortunately, we have not had issues, but we have read the horror stories that are out there of ex-spouses still listed as 100% primary beneficiary on an old 401k or life insurance policy; of parents remembering to update beneficiary records for their first child, but forgetting to update it again when additional children are born (oops); or young married couples unintentionally leaving everything to mom and dad because they were single when documents were originally signed.

Accurate beneficiary information is vital because a listed beneficiary will supersede what is written in a Will or a Trust. Yes, that is right. A listed beneficiary on a retirement account (401k, Roth IRA, traditional IRA), insurance policy, taxable brokerage account, etc. will take precedence. It doesn’t matter if you have updated your Will or Trust more recently. Legally, a listed beneficiary is what determines who receives your assets upon your death.

How To Review/Change Your Beneficiaries When you log onto [Schwab Alliance](#) to view your accounts, go to the **Profile** tab at the top of your screen. From there, click on **Beneficiaries**. You will see a list of all your accounts. Click on the account you desire to change. A list of the current beneficiaries for your account will appear. To edit this list, simply click on the **Edit Account** button. If nothing appears, it means there are no current beneficiaries, in which case there will be an option to **Add Beneficiaries**. Click this, and add the desired beneficiaries. If you need to update beneficiaries for other accounts, follow the same procedure. Please note. You will have to change beneficiaries for each account.

Go online and review your beneficiaries. It is a simple task. The inheritance of someone you love depends on it.