Monthly Market Update

August Observations

Markets Recover from a Summer Lull
After two weaker months, US equity markets were in a risk-on mood during August despite challenges around inflation outlook, fiscal & government debt concerns, and ongoing geopolitical risks. The S&P 500 gained approximately 2.7% during August while the Nasdaq led the major U.S. indices, supported by AI and technology investments. Non-U.S. equity markets were positive overall with varied performance by region. European equities were up for the fifth straight month while Japan equities were more volatile from pressure around tech-sector weaknesses & concerns that the Bank of Japan could continue to raise interest rates. Tech-oriented emerging markets benefited from demand for AI hardware and semiconductors even as concerns around China's weak economy weighted on returns. Higher rates globally kept fixed income returns muted, with concerns about fiscal policy, hyperscaler debt issuance and elevated bond supply pressuring fixed income. Listed real assets also felt the sting from higher rates, as REITs and infrastructure fell for the month.

Treasury Surprise Buyback Announcement
Following late July's Japanese and US authorities coordinated yen-buying intervention aiming to curb excessive yen weakness, the US Treasury announced an increase in its ongoing Treasury buybacks, starting in early September. The move was judged as seeking to contain rate pressures on the long-end of the US yield curve with 30-Year Treasury yields reaching levels not seen since before the Great Financial Crisis.

Warsh Reaffirms Inflation Target
At the annual Jackson Hole Economic Symposium, Fed Chairman Kevin Warsh struck a hawkish tone as he vocalized the central bank's firm commitment to its 2% inflation target. Markets reacted with elevated expectations for a rate hike in September, with odds moving to over 50%, and Treasury rates moving sharply higher.

Asset Manager Commentary

US Small Cap Growth Manager
The degree of disruption happening (geopolitics, AI, second- and third-order AI effects) is creating an ideal hunting ground for opportunities. The most exciting opportunities are companies that are transforming internally through the effective use of AI. The key is "looking ahead to where the puck is going."

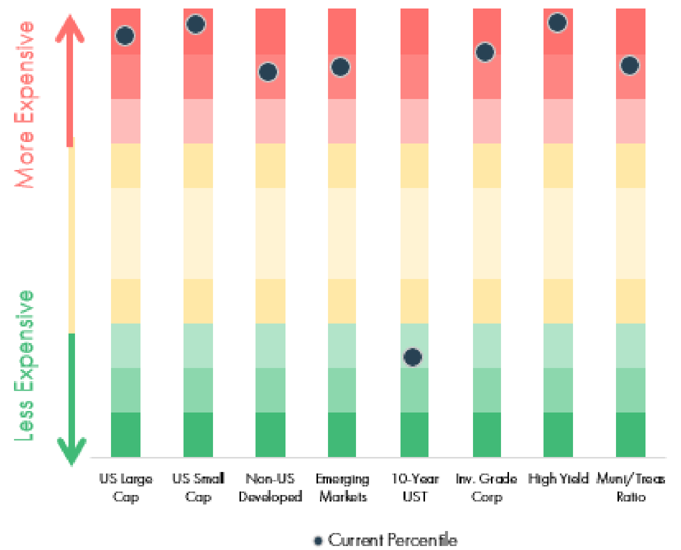
Listed Real Estate Manager
The REIT market is early in the expansion phase of the cycle. Full Cycles have historically run for roughly 18 years, with the recovery taking typically two years, the expansion lasting 11-12 years and the downturn running for roughly 18 months on average. US REITs are approximately three years past their October 2023 lows and the current cycle only recently moved form recovery to expansion after breaking above prior highs.

High Yield Fixed Income Manager
At 275 bps, spreads sit below the 383 bps non-recessionary historical average (and well inside the 788 bps recessionary average). Yields are roughly 100 bps inside the long-term average. However, the team emphasizes that today's market carries higher overall quality than in prior periods with comparably tight spreads.

Market Returns - 8.31.2026

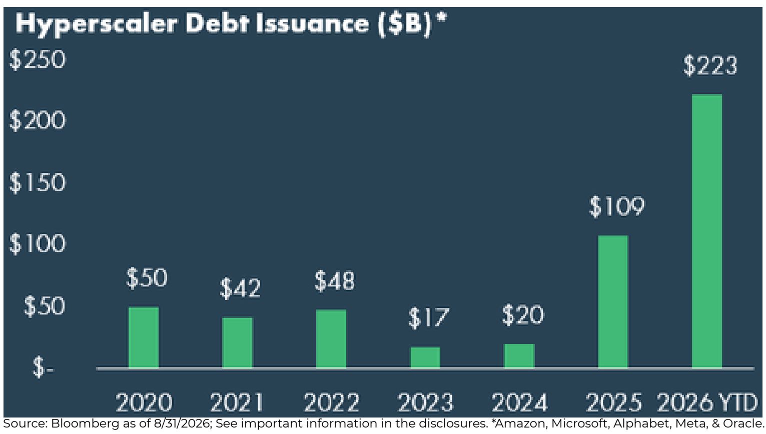
		1-Mo	QTD	YTD	2025	2024	2023
Equity	S&P 500	2.7%	2.7%	13.1%	17.9%	25.0%	26.3%
	Nasdaq Composite	4.0%	0.7%	0.14	21.1%	29.6%	44.6%
	Russell 1000 Growth	3.7%	-1.2%	4.1%	18.6%	33.4%	42.7%
	Russell 1000 Value	2.0%	5.9%	23.1%	15.9%	14.4%	11.5%
	Russell 2000	1.0%	-2.1%	20.0%	12.8%	11.5%	16.9%
	MSCI EAFE	2.0%	4.0%	13.8%	31.2%	3.8%	18.2%
	MSCI Emerging Markets	3.4%	0.2%	24.1%	33.6%	7.5%	9.8%
Fixed Income	Treasury	0.3%	-0.8%	-0.5%	6.3%	0.6%	4.1%
	Municipal	-0.2%	-2.1%	0.2%	4.2%	1.1%	6.4%
	Aggregate	0.4%	-0.9%	-0.3%	7.3%	1.3%	5.5%
	Investment Grade Corporate	0.4%	-1.2%	-0.4%	7.8%	2.1%	8.5%
	High Yield Corporate	1.0%	0.7%	2.7%	8.6%	8.2%	13.4%
FX	US Dollar Index	-0.5%	-1.7%	1.1%	-9.4%	7.1%	-2.1%
Real Assets	Real Estate	-2.6%	-0.6%	13.8%	1.7%	4.3%	11.5%
	Infrastructure	-2.4%	-2.2%	7.1%	21.5%	14.0%	5.8%
	Oil	0.4%	24.1%	48.7%	-17.6%	-4.2%	-10.3%
	Gold	9.5%	10.1%	2.0%	62.5%	26.6%	12.8%

Asset Class Valuations - 8.31.2026



Asset class valuations are a percentile ranking based on monthly data since a common inception of 12/31/1995

Chart of the Month



Source: Bloomberg as of 8/31/2026; See important information in the disclosures. *Amazon, Microsoft, Alphabet, Meta, & Oracle.

AI infrastructure capital expenditure requirements are creating needs that go beyond what internally-generated free cashflow can support. Bond issuance has risen to record levels already in 2026 with the balance of the year to come. The market has responded to the aggressive issuance by sending spreads on the debt materially wider since the start of 2026.

Disclosures

Sources

Morningstar Direct, Baird Strategas, Bloomberg as of 8/31/2026
Manager comments come from discussions with various asset managers and are broad commentary on sectors and not be considered recommendations by any asset manager. These comments do not necessarily reflect strategy allocations or the view or opinion of MGIA or Moneta Group .

Definitions

The S&P 500 Index is a free-float capitalization-weighted index of the prices of approximately 500 large-cap common stocks actively traded in the United States.

The NASDAQ Composite Index is a market capitalization weighted index with more than 3000 common equities listed on the NASDAQ Stock Market.

The NASDAQ 100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ..

The Russell 1000® Index is an index of 1000 issues representative of the U.S. large capitalization securities market.
The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000® Value Index measures the performance of those Russell 1000 Index securities with lower price-to-book ratios and lower forecasted growth values, representative of U.S. Securities exhibiting value characteristics.

The Russell 2000® Index is an index of 2000 issues representative of the U.S. small capitalization securities market.

The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 21 emerging economies.

Bloomberg U.S. Treasury Bond Index includes public obligations of the US Treasury, i.e. US government bonds. Certain Treasury bills are excluded by a maturity constraint. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded.

The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax exempt bond market. It includes general obligation and revenue bonds, which both can be pre-refunded years later and get reclassified as such.

The Bloomberg U.S. Aggregate Bond Index is an index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities and mortgage-backed securities.

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded.

The US Dollar Index measures the US dollar against six global currencies: the euro, Swiss franc, Japanese yen, Canadian dollar, British pound, and Swedish krona.

The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

The S&P Global Listed Infrastructure Index measures the performance of global companies that are engaged in infrastructure and related operations. It provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

Brent Crude is the most traded of all of the oil benchmarks, and is defined as crude mostly drilled from the North Sea oilfields: Brent, Forties, Oseberg and Ekofisk (collectively known as BFOE).

The Dow Jones Commodity Index Gold is designed to track the gold market through futures contracts.

The ICE BofA Option-Adjusted Spreads (OASs) are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. The Corporate Master OAS uses an index of bonds that are considered investment grade (those rated BBB or better). When the last calendar day of the month takes place on the weekend, weekend observations will occur as a result of month ending accrued interest adjustments.

The ICE BofA Option-Adjusted Spreads (OASs) are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. The ICE BofA High Yield Master II OAS uses an index of bonds that are below investment grade (those rated BB or below).

Asset class valuations are a percentile ranking based on monthly data going back to common inception of 12/31/1995. The US Large Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the S&P 500 Index. The US Small Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the Russell 2000 Index. The International Developed percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI EAFE Index. The Emerging Market percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI Emerging Markets Index. The 10-Year US Treasury percentile is the percentile ranking of the 10-Year US Treasury yield. The Investment Grade percentile is the percentile ranking of the ICE BofA US Corporate option adjusted spread. The High Yield Corporate percentile is the percentile ranking of the ICE BofA US High Yield corporate option adjusted spread. The Municipal/Treasury percentile is the percentile ranking of the Bloomberg Municipal Index yield divided by the 10-Year US Treasury Yield.