Inside the market

Guardant Wealth Advisors

Student of the Market

September 2026

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Stocks

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Alternatives in today's market landscape

Source: Morningstar as of 8/31/26. U.S. stock market represented by the S&P 500 index. **Past performance is no guarantee of future results.** Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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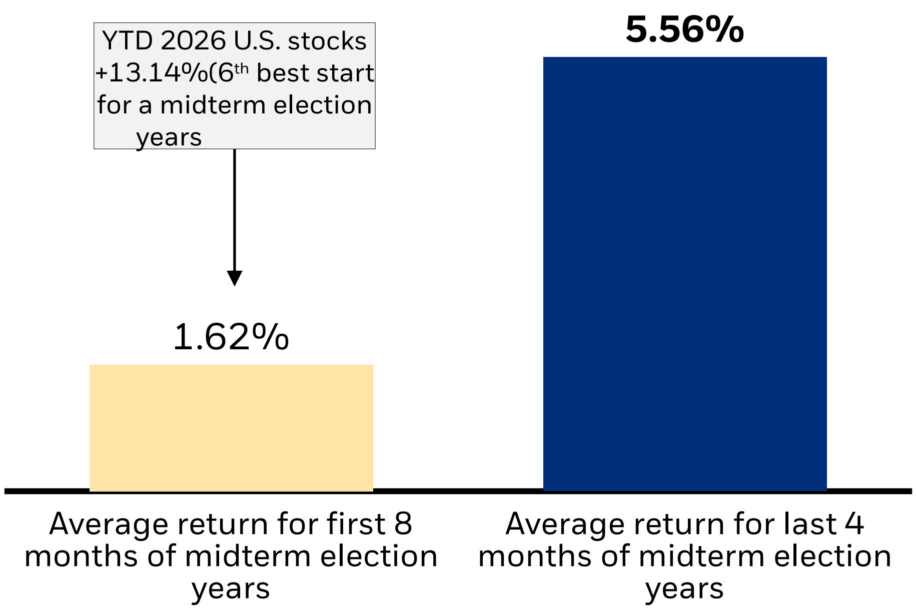
BEST STARTS TO A MIDTERM ELECTION YEAR

6th best start to a midterm election year for U.S. stocks

Strong momentum in a midterm election year has often historically carried into the rest of the year.

Average starts to midterm election years vs. YTD 2026

Return for given election years since 1926



10 best starts to a midterm election year since 1926

First 8 months of an election year since 1926, % return

Year	Return over first 8 months	Return over following 4 months
1954	24.47	22.62
1958	22.70	16.84
1986	22.53	-3.15
1938	18.32	10.82
1950	15.26	14.28
2026	13.14	?
1978	12.45	-5.23
2018	9.94	-13.03
2014	9.89	3.46
1926	6.22	5.08
Average	15.49	5.74

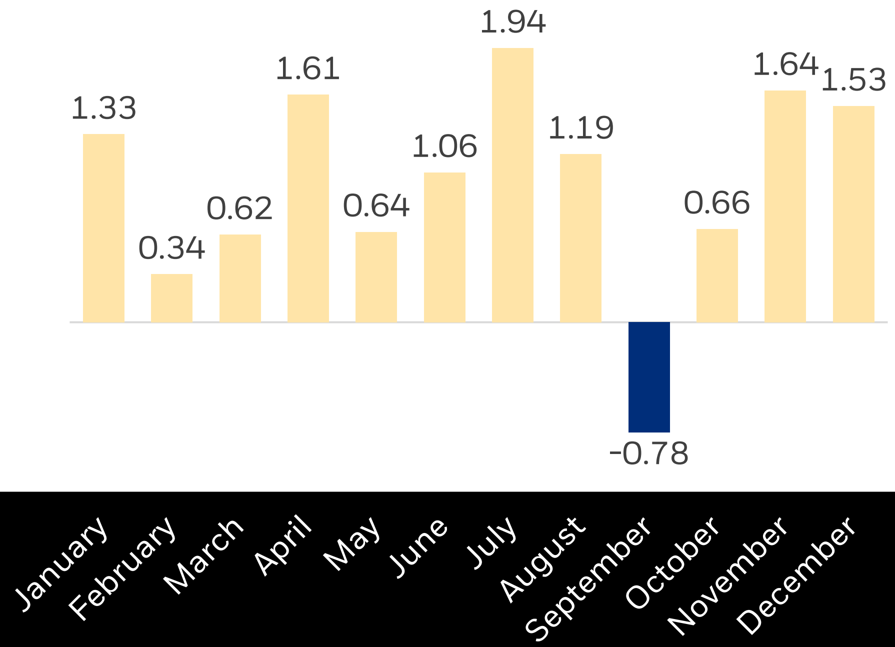
Source: Morningstar as of 8/31/26. U.S. stocks are represented by the S&P 500 TR Index from 3/4/57 to 8/31/26 and the IA SBBI U.S. Lrg Stock Tr USD Index from 1/1/26 to 3/4/57, unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You can not invest directly in the index.

September has historically been the worst month for U.S. stocks (including midterm election years)

Still, U.S. stocks made better-than-average gains in the 4th quarter of midterm election years.

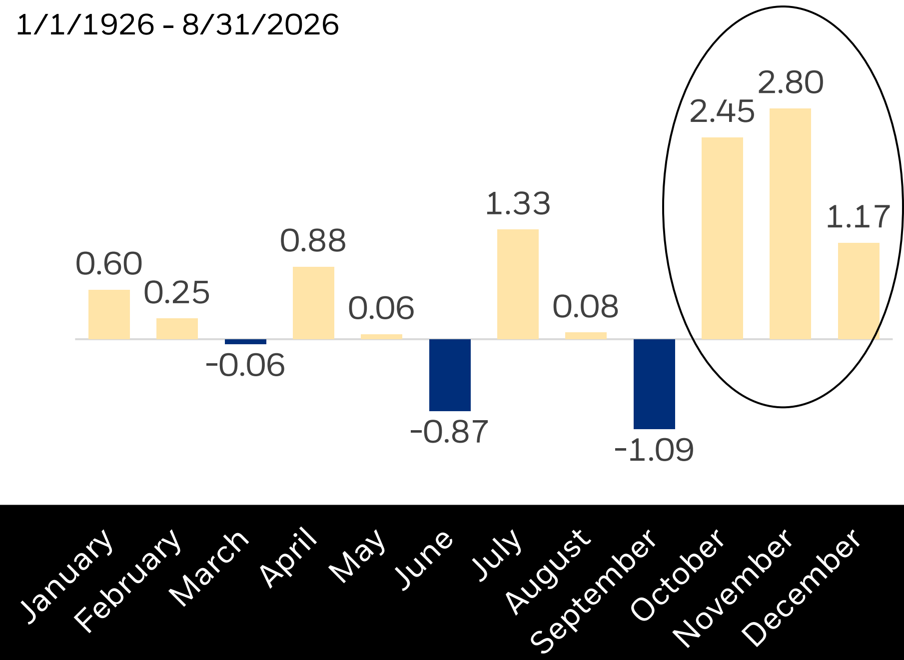
U.S. stocks average return by month

1/1/1926 - 8/31/2026



Midterm election years: U.S. stocks average return by month

1/1/1926 - 8/31/2026



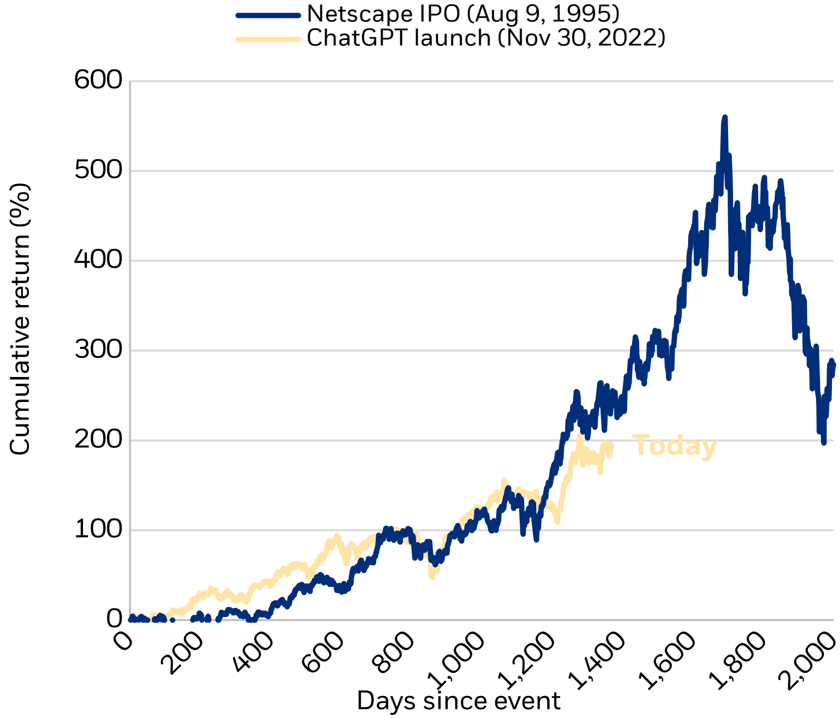
Source: BlackRock, Morningstar as of 8/31/26. U.S. stocks are represented by the S&P 500 TR Index from 3/4/57 to 8/31/26 and the IA SBBI U.S. Lrg Stock TR USD Index from 1/1/26 to 3/4/57. **Past performance does not guarantee or indicate future results.** Forward looking estimates may not come to pass. Index performance is for illustrative purposes only. You cannot invest directly in the index.

AI boom remains well below dot-com extremes

The AI-driven rally has been far more measured than the dot-com bubble, with both cumulative returns and technology valuations well below 2000 extremes.

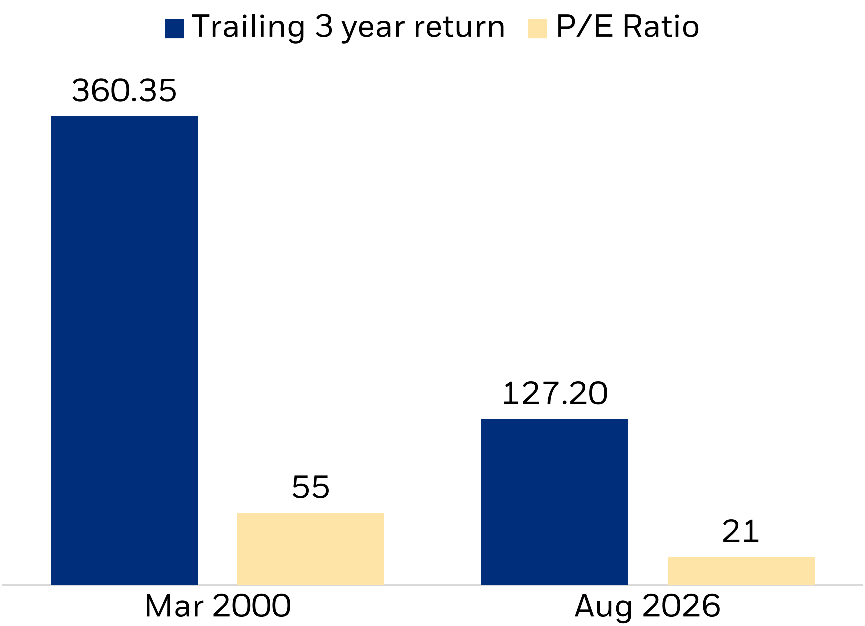
AI rise is well below dot-com bubble peak

S&P 500 info tech sector: cumulative return[1]



Tech valuations are less than half of peak dot-com bubble

S&P 500 info tech sector: trailing 3-year performance (%) and 12m forward P/E[2]



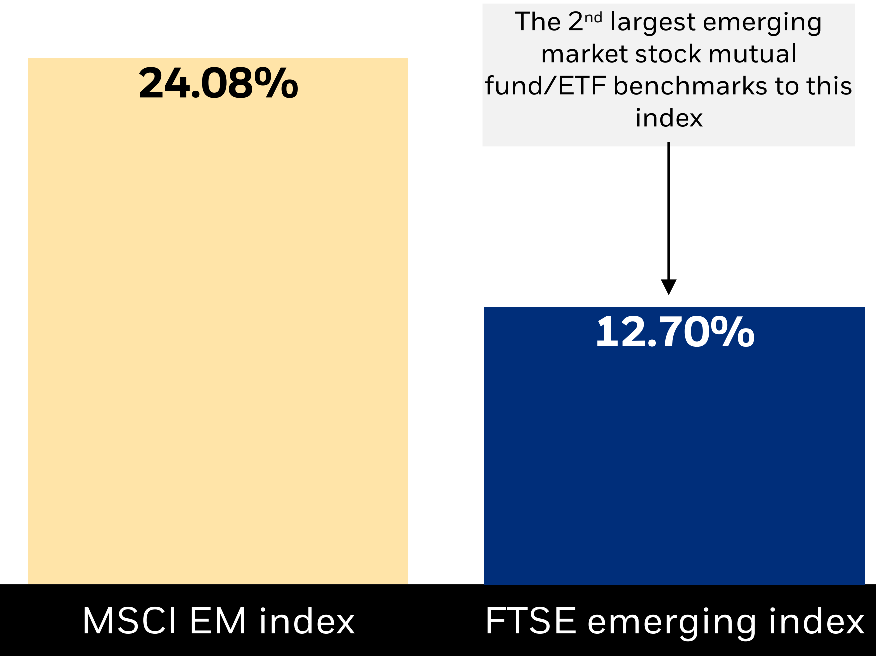
Source: 1: Bloomberg, BlackRock as of 8/31/2026. S&P 500 info tech sector represented by the S&P 500 Information Technology Sector GICS Level 1 Index. 2: Bloomberg, BlackRock as of 8/31/2026. Tech represented by the S&P 500 information technology sector index. Trailing 3 year returns shown from 3/31/1997 – 3/31/2000 and 8/31/2023 – 8/31/2026, respectively. P/E Ratio as measured by the 12-month forward P/E ratio. **Past performance does not guarantee or indicate future results.** Forward looking estimates may not come to pass. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Emerging market stock index differences are large

Emerging market stock funds are performing well but how well depends on which index they are benchmarked to.

Emerging market stock index performance

Return 1/1/2026- 8/31/2026



The inclusion of South Korea in the MSCI EM index drives the difference

Index weights as of 8/31/2026

	MSCI EM index weight	FTSE emerging index weight
Taiwan	27.18%	32.42%
China	19.71%	25.86%
South Korea	20.85%	0%
India	11.26%	16.44%
Brazil	3.86%	4.02%
Technology	41.90%	31.93%
P/E ratio (TTM)	11.56	15.02

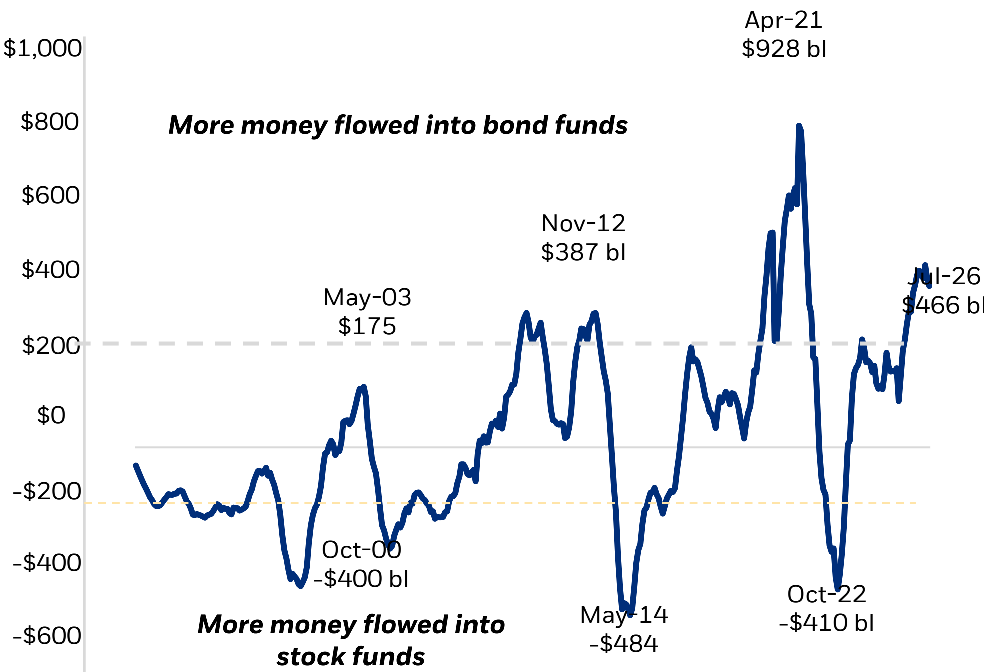
Source: Bloomberg as of 8/31/26. MSCI EM Index represented by the MSCI EM TR index, FTSE emerging index represented by the FTSE EMSs AC China Incl (US RIC) NR USD Index. Countries shown represent the top 5 index weightings for the MSCI EM TR index. Technology sector exposure highlighted given size of discrepancy between indices. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

Bond fund flows outpacing stock fund flows

Investors are pouring money into bond funds outpacing stock funds by $466B. In similar periods historically (bond fund flows $200B > stock), U.S. stocks returned +19% on average over the next 12 months.

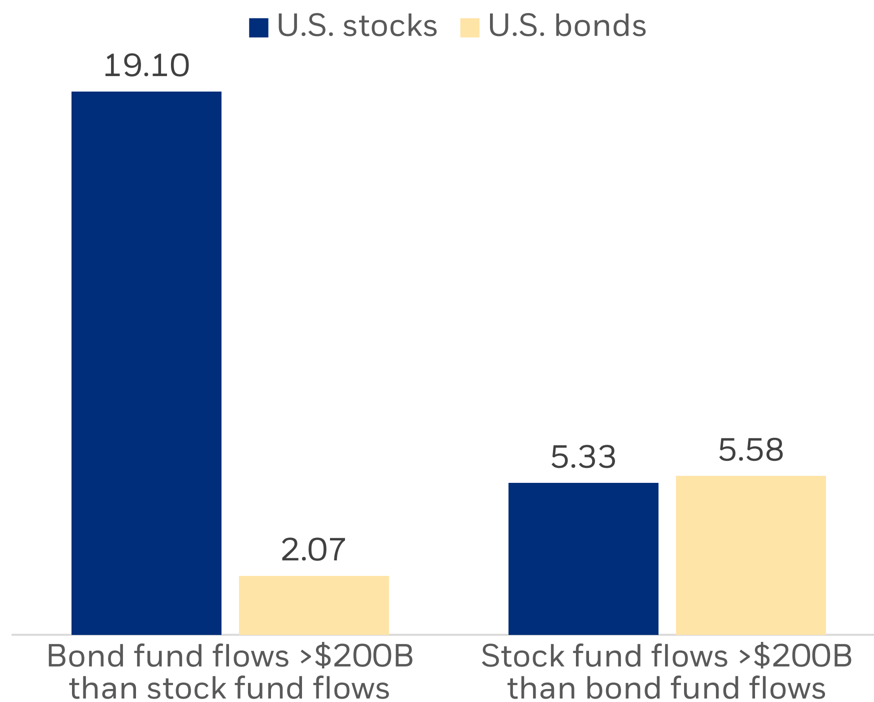
Difference between 1 year rolling bond fund flows and stock fund flows

(1/1/93 - 7/31/26 all U.S. Mutual Funds and ETFs)



U.S. stock and bond returns one-year following historic differences in bond and stock fund flows

(1/1/93 - 7/31/26 all U.S. Mutual Funds and ETFs, 1-year return)



Source: Morningstar, data as of 7/31/26. U.S. stocks represented by the S&P 500 index. U.S. bonds represented by the Bloomberg U.S. Aggregate bond index. Stock fund flows represented by all equity related Morningstar categories and bond fund flows represented by all taxable and tax-free Morningstar bond categories. **Index performance is for illustrative purposes only. Index performance does not reflect any management fees or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

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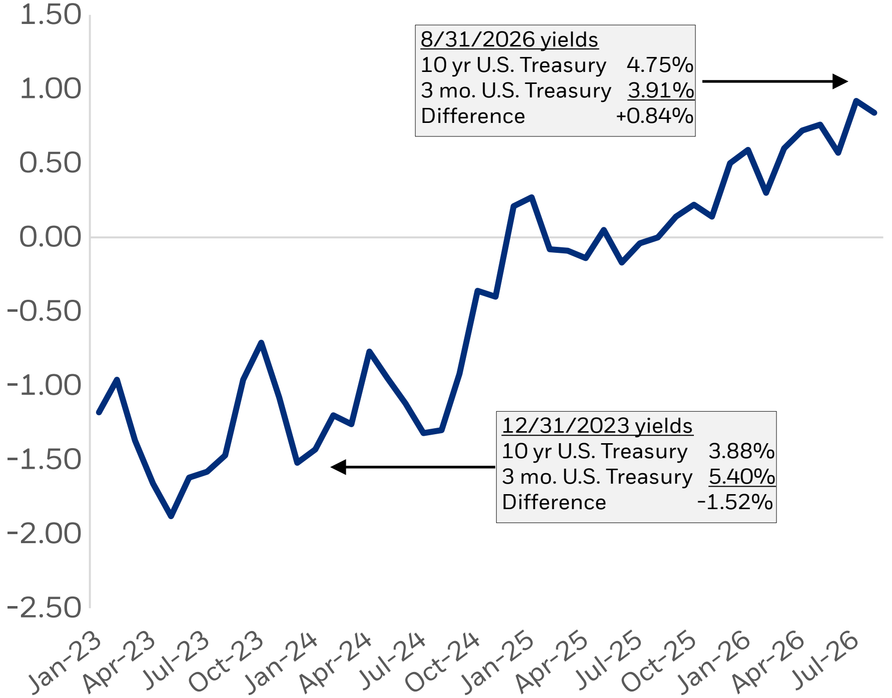
Are higher long-term interest rates slowing money market fund flows?

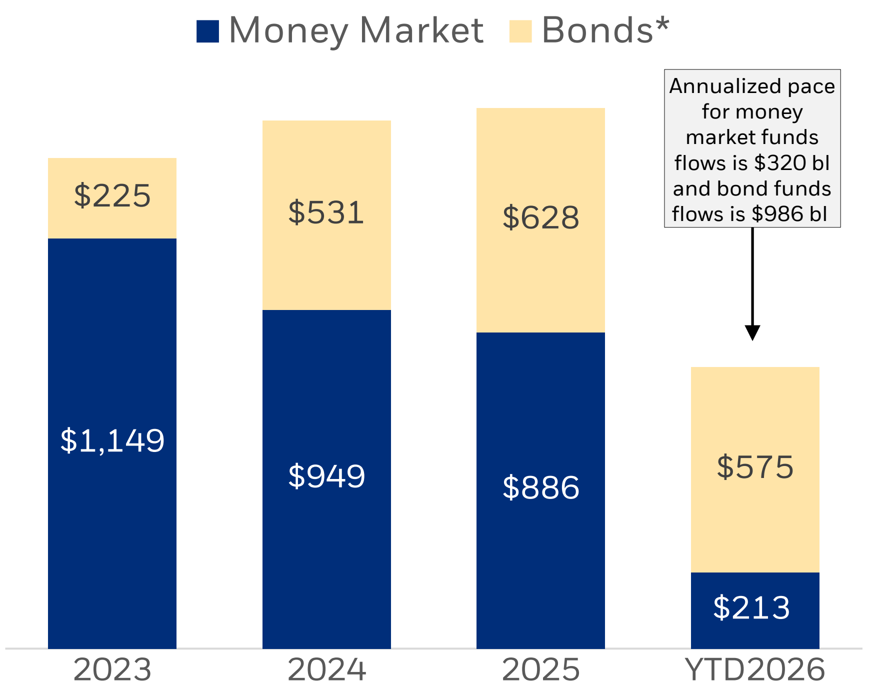
The spread between short and long-term interest rates has historically been correlated with flows into bond and money funds.

Yield difference between 10-year U.S. Treasury and 3-month U.S. Treasury (1/1/2023- 8/31/2026)



Money market, bond mutual fund and ETF flows

(2023- 8/31/2026, $ billions)



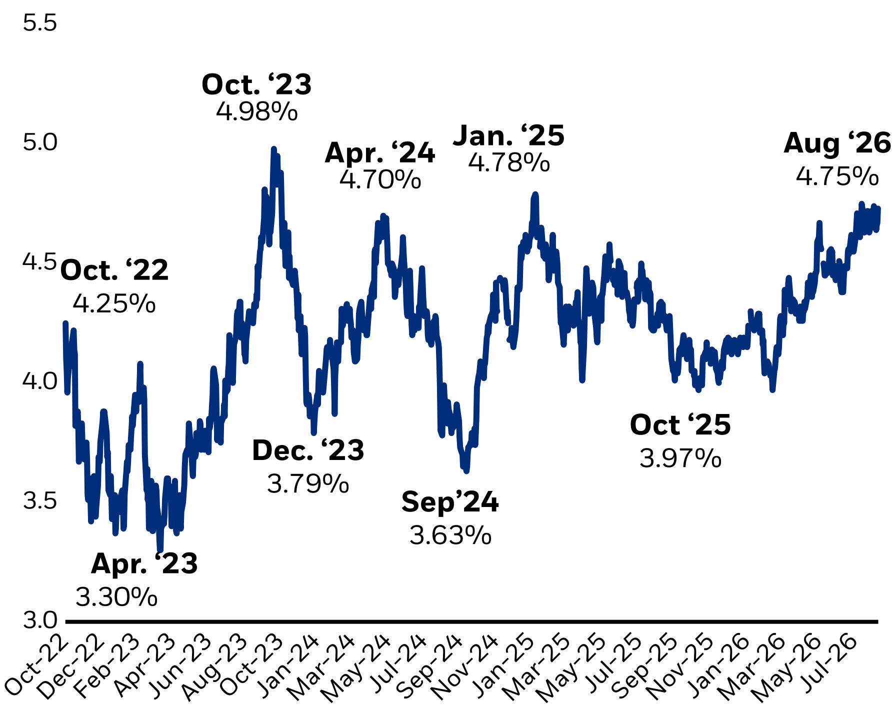
Source: Morningstar, St. Louis Federal Reserve and ISI iMoneyNet as of 8/31/26. *Bond fund flows as of 7/31/26. Money market flows from ISI iMoneyNet and bond funds flows from Morningstar. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

Flexible bond strategies have endured during big swings in interest rates

Active flexible bond strategies have performed well in this volatile interest rate environment.

Peak to trough interest rate swings since rates reached the 4% level

10-year U.S. Treasury yield, 10/24/2022 – 8/31/2026



Bond returns during interest rate swings since interest rates reached 4% this hiking cycle

Cumulative returns and average annual returns where specified, 10/24/2022 – 8/31/2026

Date of interest rate move	Multi-sector bonds	Non-traditional bonds	Core Bond Index	Money Market Funds
10/24/22-4/5/23	6.57	3.90	8.82	1.65
4/6/23-10/19/23	-2.12	0.22	-7.29	2.60
10/20/23-12/27/23	7.42	4.96	9.62	0.94
12/28/23-4/25/24	-0.39	1.05	-3.74	1.62
4/26/24-9/16/24	6.81	4.36	9.00	1.94
9/17/24-1/14/25	-1.11	0.34	-4.82	1.42
1/15/25 - 10/22/25	7.30	4.88	8.71	3.04
10/23/25-8/31/26	2.28	2.18	-0.54	2.89
Entire period 10/24/22-8/31/26*	6.91	5.73	4.71	4.22

Source: Morningstar, Federal Reserve as of 8/31/26. Core bonds are represented by the Bloomberg U.S. Agg Bond TR Index All other bond asset classes and money market funds are represented by their respective U.S. fund category as defined by Morningstar. **Past performance does not guarantee or indicate future results.**

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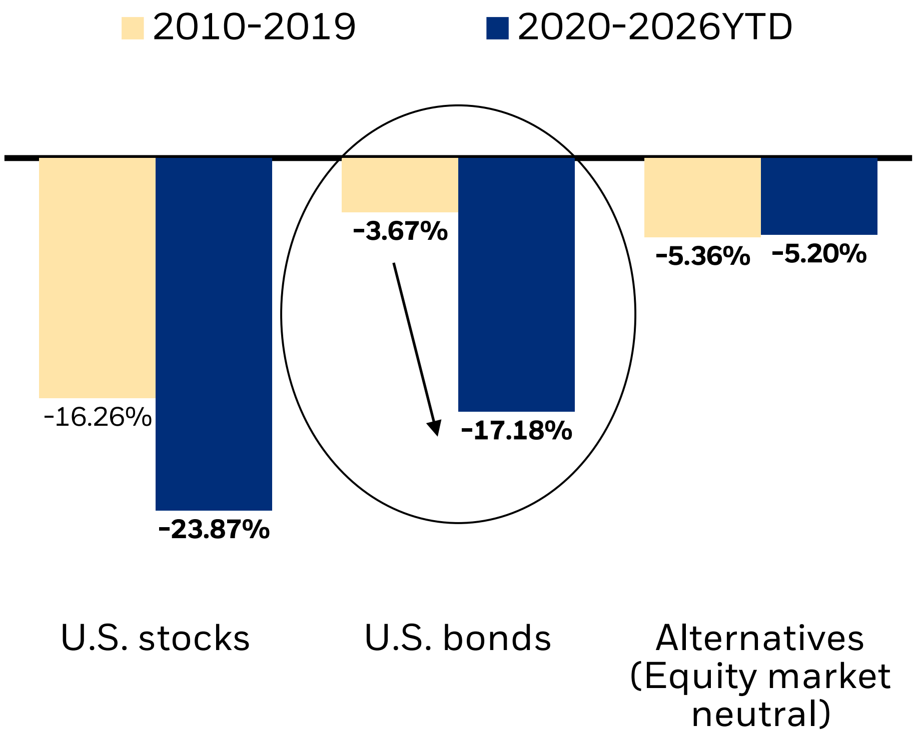
Elevated risk, drawdown and correlations make alternatives critical today

Max drawdown by decade and asset class

as of 8/31/2026



Max drawdown, risk and correlation by asset class

1/1/2000 - 8/31/2026

	2000-2009	2010- 2019	2020- 2026 YTD
	Max Drawdown	Max Drawdown	Max Drawdown
U.S stocks	-50.95%	-16.26%	-23.87%
U.S. bonds	-3.83%	-3.67%	-17.18%
Alternatives (Eq market neutral)	-6.52%	-5.36%	-5.20%

	Risk (std dev)	Risk (std dev)	Risk (std dev)
U.S stocks	16.13	12.46	12.94
U.S. bonds	3.83	2.87	5.60
Alternatives (Eq market neutral)	4.83	1.96	3.25

	Correlation	Correlation	Correlation
U.S stocks	1.00	1.00	1.00
U.S. bonds	-0.01	-0.22	0.51
Alternatives (Eq market neutral)	-0.09	0.17	0.02

Source: Morningstar as of 8/31/26. U.S. stocks are represented by the S&P 500 TR Index, U.S. bonds are represented by the Bloomberg U.S. Agg Bond TR Index, Alternative (equity market neutral) represented by the Morningstar equity market neutral category. Correlations depicted represent correlation to U.S. stocks. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You can not invest directly in the index.

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Returns as of 8/31/2026	1 Year Return	5 Year Avg. Annual Return	10 Year Avg. Annual Return
Bloomberg US Agg Bond TR USD	1.89	-0.29	1.40
IA SBBI US Large Stock TR USD Ext	20.38	12.79	15.37
US Fund Equity Market Neutral	7.71	8.21	4.24
US Fund Money Market-Taxable	3.54	3.36	2.09
US Fund Multisector Bond	3.72	2.53	3.48
US Fund Nontraditional Bond	3.28	2.52	3.25
S&P 500 TR USD(1936)	20.38	12.79	15.37
MSCI EM NR USD	39.25	8.18	9.29
FTSE EMs AC China A Incl (US RIC) NR USD	21.37	6.36	8.10
S&P 500 Sec/Information Technology TRUSD	33.65	21.01	25.71

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Index Definitions:

- The S&P 500 Index is an unmanaged index that is generally considered representative of the U.S. stock market and includes 500 large-capitalization U.S. companies. Performance may be shown on a price return or total return basis, with total return including reinvested dividends.
- The Bloomberg U.S. Aggregate Bond Index is an unmanaged index that measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market, including U.S. Treasuries, government-related securities, corporate bonds, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. Performance is shown on a total return basis.
- The IA SBBI U.S. Large Stock Index is an unmanaged index from the Ibbotson® Stocks, Bonds, Bills, and Inflation® (SBBI®) series that represents the historical performance of U.S. large-capitalization stocks and is commonly used for long-term historical market analysis.
- The Morningstar US Fund Equity Market Neutral is an average of funds within the equity market neutral category as defined by Morningstar.
- The Morningstar US Fund Multisector Bond is an average of funds within the US Fund Multisector Bond category as defined by Morningstar.
- The Morningstar US Fund Non-traditional Bond is an average of funds within the US Fund Non-traditional Bond category as defined by Morningstar.
- The MSCI EM NR USD measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.
- The S&P 500 Information Technology Index is an unmanaged index that measures the performance of those companies included in the S&P 500 Index that are classified in the information technology sector under the Global Industry Classification Standard (GICS). Performance may be shown on a price or total return basis.
- The FTSE EMs AC China A Incl (US RIC) NR USD measures the performance of Large, mid and small cap China A share constituents. US RIC reflects the tax a US investor would pay, It is a series of net-of-tax total return indexes which is calculated based on dividends received following the deduction of withholding tax at the rates applicable to a US Regulated Investment Company (RIC) that benefits from double-taxation treaties. The index is market-capitalization weighted.

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