JEMMA
FINANCIAL SERVICES

STOCKS EXTEND 2026 GAINS

SEPTEMBER 2026

In August, the S&P 500 Index gained nearly 3% while the S&P MidCap 400 and the S&P SmallCap 600 Indices were flat for the month. The Energy sector was a major contributor, rising 7%, while the Technology and Materials sectors each increased about 6%.

Corporate earnings provided a positive backdrop for the broader market. Second-quarter results were strong across a range of industries, with 86% of S&P 500 companies reporting earnings above analysts' expectations.[1] The broader earnings strength has given investors more reason to look beyond the largest technology companies that led the market in recent years.

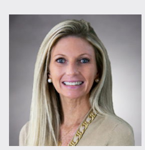
On a year-to-date basis, smaller companies have had stronger performance than their larger peers. Through August 31, the S&P SmallCap 600 Index rose over 20% and the S&P MidCap 400 Index gained nearly 15%, ahead of the S&P 500's 13% return.

Some of 2026's strongest-performing areas reflect several of the year's biggest investment themes. Oil and gas refining and marketing stocks led the S&P 500 subsectors with a 116% year-to-date return through August. Refiners have benefited from higher fuel prices and wider refining margins as disruptions in the Middle East have constrained global supplies.

Semiconductor equipment companies have gained nearly 70% this year as continued investment in artificial intelligence has increased demand for advanced chips, memory and the equipment needed to produce them. Strong AI-related demand has contributed to tight memory supplies and significant capital spending across the semiconductor industry.

Against this backdrop, investors are still watching inflation and interest rates closely. Inflation remains above the Federal Reserve's target, although the latest Consumer Price Index showed some moderation. Consumer prices rose 3.4% over the 12 months ending in July, down from 3.5% in June.[2] The Fed remains in focus heading into its September meeting, with markets increasingly pricing in the possibility of a rate hike as policymakers weigh persistent inflation against signs of a softer labor market.

With four months left in 2026, now is a good time to review your short-term and long-term goals with your Jemma Financial Advisor. Investment allocations are often adjusted to accommodate changing personal situations and life events. The key is to be prepared so that your various financial objectives can be achieved with confidence.



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1 FactSet, 8/28/26. 2 U.S. Bureau of Labor Statistics.