MFS®

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BEYOND THE NEWS

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MIDTERM MAGIC? Since 1928, Q4 has consistently been the strongest quarter of the year for the S&P 500, with an average gain of 2.9% and positive returns 75% of the time. **In midterm election years like 2026, the index's Q4 performance has been even stronger, with an average gain of 5.6% and positive returns 83% (20 out of 24) of the time.** (Source: Bespoke)

MOMENTUM UNWIND. In the large-cap Russell 1000®, stocks that finished up in the first half of 2026 fell an average of 6.2% in Q3, while stocks down in the first half rose an average of 3.1%. **The 17 stocks that fell 50%+ in the first half rose an average of 20.3% in Q3, while the 47 stocks that rose 100%+ in the first half fell 15.7%.** (Source: Bespoke)

DAVID VS. GOLIATH. The small-cap Russell 2000® rose 21.9% in the first half of 2026, more than double the 9.6% gain for the large-cap S&P 500. **The roles reversed in Q3, however, with small caps falling 7.5% and large caps gaining 2.0%.** With the dust settled, small caps enter Q4 up 12.7% on the year versus 11.8% for large caps. (Source: Bespoke)

LOST LEADER. Industrials was the best performing S&P 500 sector in the first half of 2026 with a gain of 19.46%, just edging out a 19.43% gain for technology. While tech added another 7.1% in Q3, **industrials fell 9.9%, leaving it up just 7.6% on the year and in 4th place** behind energy (37.4%), technology (27.9%), and healthcare (8.8%). (Source: Bespoke)

LESS THAN EQUAL. The equal-weight version of the S&P 500 fell 5% in September versus a drop of just 0.5% for the cap-weighted index. **Since 1990, September was the fifth-worst month for equal weight versus cap weight.** After the prior four instances, though, the equal-weight index gained an average of 8.9% over the ensuing quarter. (Source: Bespoke)

BREADTH DEFYING MARKET. September was the S&P 500's 13th-worst month for breadth since 1990, as measured by the cumulative advance/decline line. Despite the weak breadth, the index declined only 0.45%. The other 24 of the 25 worst months for breadth since 1990 saw the S&P decline an average of 7%. (Source: Bespoke)

HEAVYWEIGHT CHAMPION. At the end of Q3, **technology's weighting in the S&P 500 hit a record 39.71%, more than the weight of the index's eight smallest sectors combined (39.0%).** Tech is now also 28.3 percentage points bigger than the second-largest sector, financials (11.4%). (Source: Bloomberg)

UNSAFE HAVEN. The iShares 20+ Year Treasury ETF (TLT) fell 10% in Q3, its sixth double-digit quarterly decline in the 19 quarters since the Fed exited the era of ZIRP in Q1 2022. For perspective, the last time the S&P 500 had six double-digit quarterly declines in a 19-quarter span was from 1937 to 1941. (Source: Bespoke)

NO SIGN-UP REQUIRED. On 9/29, **the Treasury Department announced that it would auto-enroll more than 60 million children into Trump Accounts,** replacing the previous framework that required parents or guardians to sign children up. Though 73 million children were eligible, Treasury Secretary Bessent said that as of 9/15, just 7 to 8 million had been enrolled. (Source: WSJ)

TOP HEAVY. The richest 0.1% of Americans hold nearly 15% of the nation's wealth (~$28 trillion), and their wealth has more than doubled since 2019. The average household in this group is worth more than $200 million. By comparison, it takes a net worth of at least $15 million to join the top 1%, and $1.8 million to crack the top 10%. (Sources: WSJ, The Independent)

PICK-SIX PEDIGREE. In a loss to the Broncos on 9/27, **Rams QB Matthew Stafford threw his 33rd career pick six — the most in NFL history.** This puts Stafford in good company: the next five QBs on the list (Brett Favre, Dan Marino, Joe Namath, Drew Brees, and Peyton Manning) are all Hall of Famers. (Source: Pro Football Reference)

HOMETOWN HEARTBREAKER. New York Yankees ace **Cam Schlittler grew up a massive Red Sox fan in Walpole, MA, but he beat the Red Sox in game 1 of MLB's Wild Card round last Tuesday.** In Schlittler's six career starts versus the Red Sox, he has an ERA of 0.47 and 11.41 strikeouts per 9 innings, a combo that has not been achieved by another MLB pitcher since 1913. (Source: Opta Stats)

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The **S&P 500** is a stock market index that tracks 500 of the largest publicly traded companies in the United States. It is one of the most widely followed benchmarks for measuring the performance of the overall US equity market.

The **Russell 1000®** is a stock market index that measures the performance of approximately 1,000 of the largest publicly traded U.S. companies. It is commonly used as a benchmark for the U.S. large-cap equity market.

The **small-cap Russell 2000®** is a stock market index that tracks 2,000 smaller publicly traded US companies. It is widely used as a benchmark for the performance of the small-cap segment of the US equity market.

The **iShares 20+ Year Treasury ETF (TLT)** is an exchange-traded fund that seeks to track the performance of US Treasury bonds with maturities greater than 20 years. It is commonly used by investors seeking exposure to long-term government bonds and interest rate movements.

The **ZIRP (Zero Interest Rate Policy)** is a monetary policy approach in which a central bank keeps short-term interest rates at or near 0% to stimulate economic activity. It is typically used during periods of weak economic growth or financial stress to encourage borrowing and investment.

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