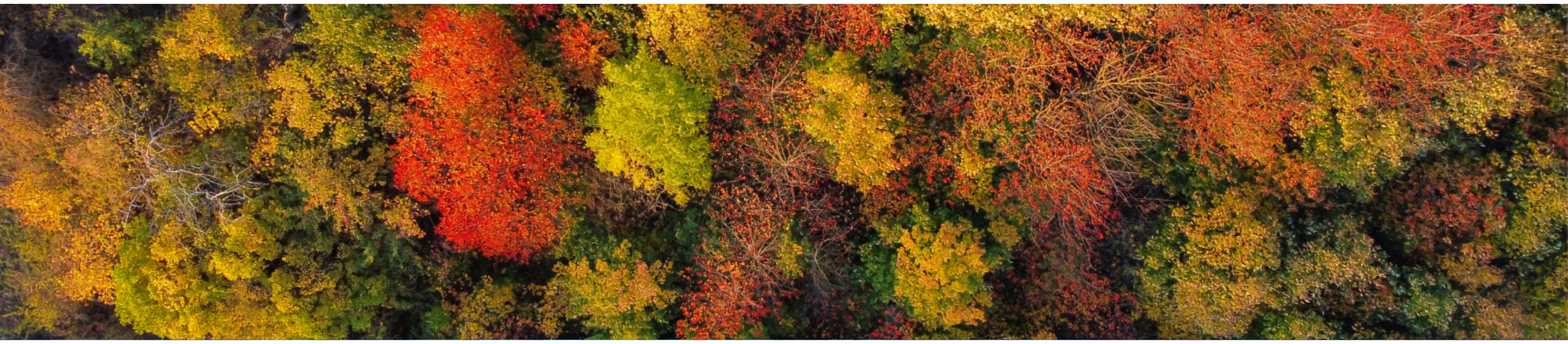

Qualified Plan News

Q2 2026

CAPITAL MARKETS REVIEW					PERIOD ENDING JUNE 30, 2026	
U.S. Equity Markets	**Qtr**	**Ytd**	**1 Yr Return**	**3 Yr Return**	**5 Yr Return**	**10 Yr Return**
S&P 500 TR USD	15.20	10.21	22.32	20.61	13.41	15.51
Russell 3000 TR USD	15.43	10.86	22.81	20.35	12.30	15.06
Russell 3000 Value TR USD	13.99	16.53	27.75	17.80	10.97	11.48
Russell 3000 Growth TR USD	17.05	5.88	18.24	22.26	13.17	18.13
Russell 1000 TR USD	15.13	10.32	22.01	20.47	12.66	15.29
Russell 2000 TR USD	21.49	22.57	40.78	18.60	6.98	11.62
Non–U.S. Equity Markets						
MSCI ACWI Ex USA NR USD	14.49	13.68	27.66	18.82	8.79	9.93
MSCI EM NR USD	24.05	23.85	43.51	23.03	7.20	10.07
Fixed Income						
Bloomberg US Agg Bond TR USD	0.67	0.62	3.79	4.16	0.08	1.54
Bloomberg US Treasury US TIPS TR USD	0.89	1.15	3.42	3.98	1.01	2.58
Real Assets/Natural Resources						
DJ US Select REIT TR USD	12.37	17.58	22.59	12.39	5.70	5.43
S&P North American Natural Resources TR	-10.19	13.12	30.40	16.51	16.76	9.15
Cash Equivalents						
FTSE Treasury Bill 3 Mon USD	0.93	1.87	4.05	4.86	3.69	2.40

GROSS DOMESTIC PRODUCT (GDP)

Q1 2026

Increased at annual rate of 2.1%

EXISTING HOME SALES

June 2026 (YoY)

Decreased by 2.4%

UNEMPLOYMENT RATE

June 2026

Little change at 4.2% (seasonally adjusted).

CONSUMER PRICE INDEX

June 2026 (YoY)

Increased by 4.2%

U.S. and International Stocks Climb Higher

U.S. EQUITIES

The S&P 500 rebounded from its first-quarter selloff related to the Iran war, returning 15.2% in Q2, its strongest quarterly gain since 2020. After beginning the year negative, the index is now up 10.2% year-to-date, with second-quarter earnings projected to grow 23.3% year over year.

Technology led the market higher, returning 31.8%. Performance within the sector varied significantly: the NYSE Semiconductor Index surged 95.0% in the quarter and 113.5% year-to-date, while the S&P North American Expanded Technology Software Sector Index remains down 14.3% year-to-date despite a 13.2% quarterly rebound.

Growth stocks outperformed value stocks in Q2, with the Russell 1000 Growth Index gaining 16.7% versus 13.9% for the Russell 1000 Value Index. However, value continues to lead year-to-date, up 16.3% compared to 5.3% for growth.

Small-cap stocks outperformed large caps for the second straight quarter. The Russell 2000 returned 21.5%, versus 15.1% for the Russell 1000. Year-to-date, small caps are up 22.6%, compared to 10.3% for large caps.

INTERNATIONAL EQUITIES

The MSCI ACWI ex USA Index returned 14.5% during the quarter. Emerging markets significantly outpaced developed international markets, with the MSCI Emerging Markets Index gaining 24.1% versus 10.8% for the MSCI EAFE Index.

Korea remained the primary driver of emerging-market returns. The MSCI Korea Index advanced 87.6% in Q2 and 118.6% year-to-date. Investors should note the market's concentration, as Samsung Electronics and SK Hynix account for nearly two-thirds of the index.

FIXED INCOME

The Bloomberg US Aggregate Bond Index returned 0.7% during the quarter.

Treasury yields moved modestly higher. The 10-year Treasury yield rose 14 bps to 4.44%, while the 2-year Treasury yield increased 35 bps to 4.14%.

The Bloomberg Municipal Bond Index gained 2.5%.

ECONOMY

U.S. real GDP increased at an annualized rate of 2.1% in the first quarter of 2026. The unemployment rate edged down to 4.2% in June, although the decline was driven by lower labor force participation rather than stronger job growth.

Inflation pressures firmed, with headline CPI rising 4.2% year-over-year in May, up from 3.8% the previous month. Core CPI increased 2.9% year over year.

The Federal Reserve left its target rate unchanged at 3.50% to 3.75% at both its April and June meetings. The June meeting was the first under Fed Chair Kevin Warsh. Market expectations have shifted sharply, with traders no longer anticipating any rate cuts in 2026, according to CME FedWatch.

Trouble Recruiting and Retaining Employees? Revisit Your Benefits Package

> **If your small business has struggled with personnel issues, you may want to examine your overall compensation package and see how it compares to the competition.**

Persistent problems with attracting talent and holding on to employees for a reasonable length of time can be costly for a business. In addition to spending more than anticipated on recruitment efforts, a company may find itself caught in a seemingly endless cycle of training new hires and then starting all over again training their replacements. Issues with hiring and retention may even force a business to scale back or cancel expansion plans or new projects.

If your small business has struggled with personnel issues, you may want to take a step back and try to identify the root causes of the problems. A good place to start is to examine your overall compensation package and evaluate how it stands up against the competition.

WHAT DO YOU OFFER?

Draw up a list of the employee benefits your business offers. How much paid vacation time do you offer? Do you offer any sort of health care insurance, a retirement plan, disability insurance, or tuition reimbursement?

The 2023 Workplace Wellness Survey[1] identifies the most common benefits employers offer.

The Top Benefits Offered by Employers

1. Health insurance - **81%**
2. Paid vacation time - **77%**
3. Retirement savings plan - **70%**
4. Vision insurance - **70%**
5. Paid sick time - **68%**
6. Dental insurance - **68%**
7. Life insurance - **63%**
8. Paid maternity leave - **57%**

Not surprisingly, health insurance was the benefit regarded as the most important benefit by a majority of employees. Fully 73% of employees who participated in the survey said that the availability of health insurance is "most important" to their decision to stay in their current job or look elsewhere for a new job. In addition, 63% of surveyed employees said that being offered health insurance contributes a lot to their feeling of financial security.

Retirement savings plans are also highly regarded by employees and are an important tool in attracting and retaining employees. Almost two thirds (65%) of employees said that the presence of a workplace retirement savings plan is a "most important" factor in their decision to stay with an employer or to seek a new job. The participation rate for employees offered a retirement savings plan was 81%. Survey participants also noted the following about their employer-provided retirement plan:

- 61% say having a retirement plan contributes a lot to their feeling of financial security
- 51% are extremely or very satisfied with their retirement benefits
- 50% receive a matching contribution from their employer
- 26% receive a fixed contribution
- 11% receive both a matching and a fixed contribution

DON'T FORGET OTHER IMPORTANT ASPECTS OF WORK

Salary and benefits are important when it comes to attracting and keeping high-performing employees. But employees may be driven to excel at work by more than monetary considerations. Employees who have the sense that they are respected as individuals and treated with fairness will be more likely to stay with an employer than employees who don't feel that way. Do your employees feel valued and respected? Does your workplace encourage excellence and offer training and support to those who want to do well? In addition, non-monetary incentives, such "employee of the month" awards, can appeal to employees who are motivated by external recognition.

Small businesses that are interested in investigating the costs of enhancing the benefits they offer employees may find it helpful to work with a financial professional. Your retirement plan advisor can also help evaluate whether your current retirement plan and service providers are meeting the needs of your business and employees. Regular reviews can help identify opportunities to enhance your plan's value, improve the participant experience, and support your hiring and retention goals.

WEB RESOURCES FOR PLAN SPONSORS

Internal Revenue Service, Employee Plans
› **irs.gov/ep**

Department of Labor, Employee Benefits Security Administration
› **dol.gov/ebsa**

BenefitsLink
› **benefitslink.com**

Plan Sponsor
› **plansponsor.com**

Plan Sponsor Council of America
› **psca.org**

Employee Benefit Research Institute
› **ebri.org**

[1] EBRI, 2023 Workplace Wellness Survey.

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