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D | A | **DAVIDSON**

450 Regency Parkway, Suite 400
Omaha, NE 68114
(402) 898-1700
(866) 865-1700
Fax: (402) 392-7833
dadavidson.com
D.A. Davidson & Co. member SIPC

Russ: Boo!

Autumn greetings from your team at D.A. Davidson. As I sit down to gather some thoughts for this update, the trees around Regency Lake are beginning to turn, football season is underway, and life seems pleasantly familiar. Perhaps that's why I've been feeling a bit nostalgic lately. When I was growing up, Halloween fears were much simpler. It was easy to relate to Frankenstein, Wolfman, ghosts, and vampires. Unfortunately, just recently we have learned that apparently AI has the potential to "kill us all in 10 years." Good luck to the poor mom trying to come up with a costume for ChatGPT.

On the good news front, while there is plenty to worry about with rising interest rates, energy prices, and inflation, the economy continues to surprise us to the upside and a number of the stocks we own are benefiting. This has pushed our equity exposure a little higher than it probably should be, and we will likely be rebalancing portfolios back to their target allocations. As for me personally, I'm focusing on the low-lying fruit. My plan is to hug friends and family a little more frequently and to eat more ice cream. And now let's hear from the rest of the team as they dive a little more deeply into what's on their minds.

Ryan: Year-End Planning

If this year is like many of the previous, we will be planning for the holidays before we know it. Assuming we can fend off the bots for another few months, I figured it is a good time to provide some reminders on things to be thinking about as we approach another year-end. In no particular order:

- Please contact us so we can strategize if you have any circumstances which will likely involve a significant change to your tax situation this year compared to previous ones.
- Ensure you have made all intended contributions to retirement plan accounts.
- Make plans for taking required minimum distributions (RMDs), if applicable.
- Finalize plans for making any financial gifts you desire to make before year-end.
- Make plans for spending down your flexible spending account (FSA), if applicable.
- If you have met your annual medical deductible, consider incurring any additional medical expenses before year-end.
- If you are 65 or older, make plans to review your Medicare coverage during open enrollment from Oct. 15 to Dec. 7. Please contact us for assistance with scheduling a review.

We wish you all a happy and healthy finish to 2026. Please reach out if you feel there is anything we can assist with prior to the end of the year.

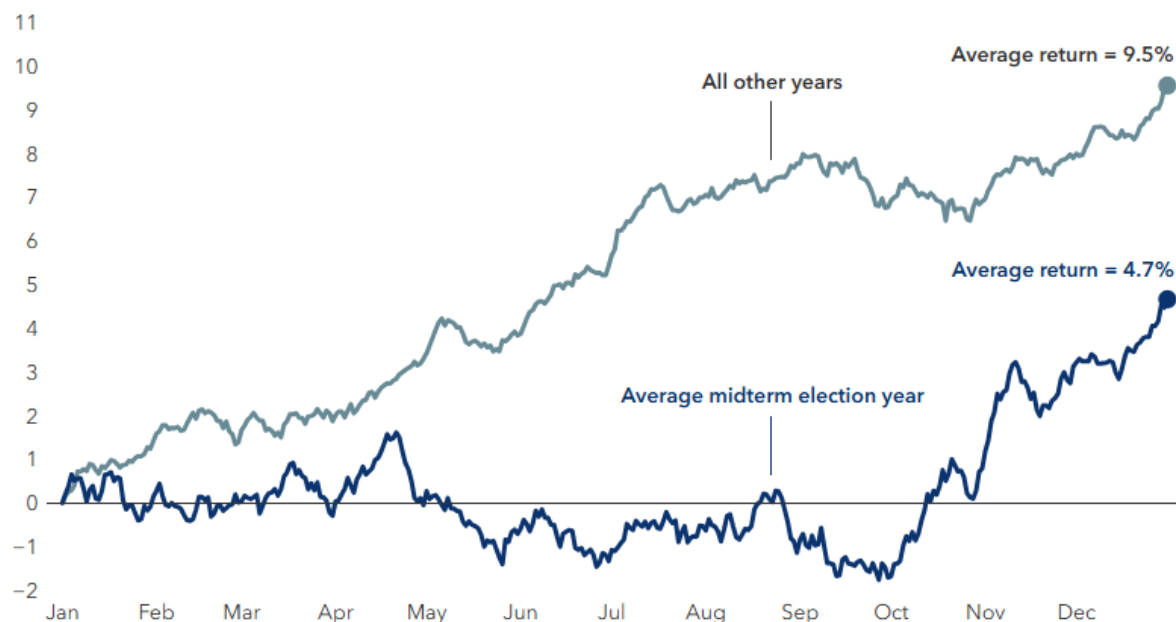
Sarah: Midterm Elections

Adding to the list of uncertainties that we face is the upcoming midterm elections next month. Our local television stations remind us of this daily and we expect the political commentary to ramp up leading into election day. All 435 seats in the U.S. House of Representatives, along with roughly 1/3 of the 100 Senate seats are up for a vote. Republicans currently control both the House of Representatives and the Senate with narrow majorities. The 2026 midterm elections will determine whether Republicans retain unified control of Congress or whether Democrats gain control of one or both chambers. The outcome can influence future fiscal spending, regulation, tax policy, and the uncertainty around the outcome can cause worry and concern.

You're probably wondering how the election will impact your nest egg. Markets don't like uncertainty, so returns are typically depressed and more volatile during midterm years. According to Capital Group, the average price return of the S&P 500 index during midterm election years is 4.7% going back to 1931, compared to 9.5% during all other years. Returns during midterm election years are typically minimal or negative to start the year, getting stronger in the weeks leading up to the election, as the outcome starts to become clearer.

Political uncertainty has dampened returns in midterm years

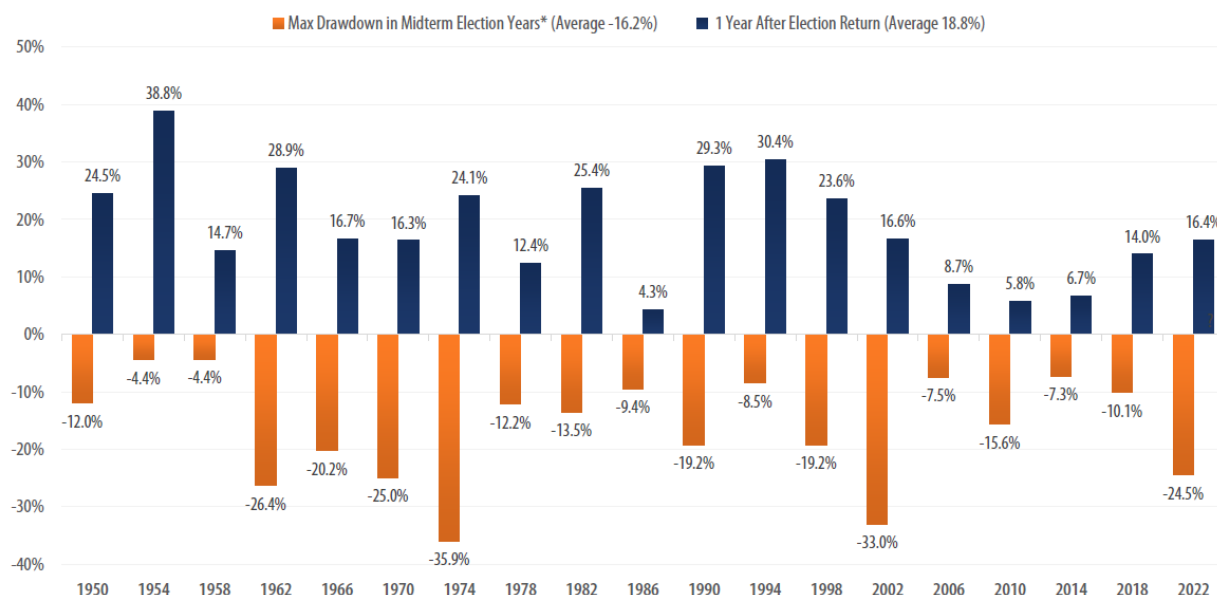
S&P 500 Index average price return (%), 1931-2025



We can probably all agree, though, that 2026 has been anything but typical. The S&P 500 is up more than 14% year-to-date as of September 30, driven in large part by exceptionally strong corporate profitability. First-quarter earnings for S&P 500 companies grew 29% year-over-year, followed by 52% growth in the second quarter. Even after adjusting for unusually large gains reported by Alphabet and Amazon, second-quarter earnings growth was a healthy 32%.

underscoring the broad strength of corporate America and the spending that is accompanying the AI data center buildout. Markets have also seen less overall volatility, with an average maximum drawdown of 16% compared to just 9% in 2026. Just as uncertainty can mute performance, certainty around election outcomes can boost short-term performance. According to First Trust, the average return one year post midterm election has averaged nearly 19% since 1950.

**S&P 500 INDEX MAX DRAWDOWN FROM START OF MIDTERM ELECTION YEAR TO ELECTION DAY
VS. S&P 500 INDEX RETURN 1 YEAR AFTER MIDTERM ELECTION**



*Max drawdown covers period from beginning of the year of the midterm election to election date.

Given all these statistics, what changes would we make to portfolios to prepare for the 2026 midterms? The short answer is none. Our portfolios are built with a long-term focus, and we know that market performance is not driven by any one political party. While headlines can cause short-term market movements, the long term is driven by corporate earnings strength and economic growth. If your portfolio accurately reflects your time horizon, risk tolerance, and long-term objectives, you'll sleep easier knowing that the rest is just noise (we know this is easier said than done sometimes). The headlines may be loud, but the fundamentals continue to matter the most.

Susan: Planning with Purpose

Autumn has a way of reminding us that change is inevitable. Markets move, elections come and go, tax rules evolve, and new technologies create both opportunities and uncertainties. While we cannot predict every development, we can prepare thoughtfully for the things within our control.

One timely step is to make sure the people named in your financial and estate plan documents still reflect your intentions. Reviewing beneficiary designations, account ownership, powers of attorney, estate documents and trusted contacts can help prevent unintended outcomes and make things easier for your family when assistance is needed. It is a simple but meaningful way to turn planning into peace of mind. Please contact us if you would like some help with this review.

As we move into the final months of 2026, we hope you will take time to enjoy the season, hug your family and friends, and perhaps have a little more dessert (any kind!). Thank you for allowing

us to be part of your financial journey. We value your trust and look forward to helping you navigate whatever comes next.

Your Team at D.A. Davidson,

Russ, Susan, Ryan, Sarah and Jackson

Appendix: Sources:

1. Capital Group, "Midterm Elections and Markets in 5 Charts," <https://www.capitalgroup.com/advisor/insights/articles/midterm-elections-markets-5-charts.html>
2. FactSet, "S&P 500 Earnings Season Update: August 7, 2026," <https://insight.factset.com/sp-500-earnings-season-update-august-7-20>
3. First Trust Client Resource Kit Midterm Election



Left to Right: Russ, Susan, Ryan, Sarah, and Jackson

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