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62%

Percentage of consumers who had started back-to-school shopping as of early July 2026.

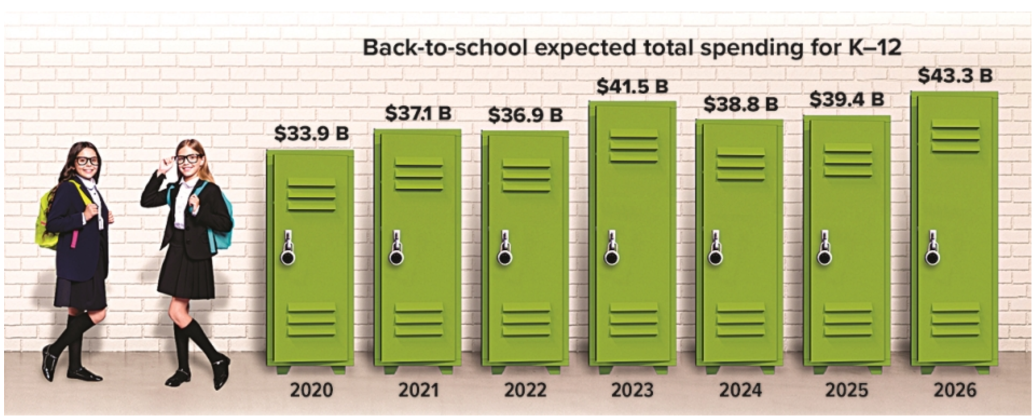
Source: National Retail Federation, 2026

Back-to-School Spending By the Numbers

Back-to-school season has begun, and families everywhere are filling their shopping carts with classroom essentials. In 2026, families with students in elementary through high school expect to spend an average of $863.86 on clothing, shoes, school supplies, and electronics, up slightly from $858.07 in 2025.

Specifically, K-12 shoppers spend about $293 on average for electronics ($14.7 billion total), $250.29 for clothing and accessories ($12.5 billion total), $174.01 for shoes ($8.7 billion total), and $146.45 for school supplies ($7.3 billion total).

As in past years, the most popular destination for back-to-school shopping is online, with 50% of families taking advantage of this convenient option.



Source: National Retail Federation, 2026

September 2026

Index Funds: Traditional and Not-So-Traditional

Index funds accounted for more than half of long-term fund assets in 2025 (see chart). These funds attempt to track the performance of a market index by holding all or a representative sample of the securities in the index. Many funds follow well-known indexes such as the S&P 500, Russell 2000, or NASDAQ Composite. But there are hundreds of other indexes that track various segments of the stock and bond markets.

This approach is called passive management and typically allows index funds to carry lower fees than comparable funds under active management, where the fund manager picks securities to meet an objective and might buy or sell as conditions change. Lower turnover of securities in index funds also may reduce capital gain distributions, which could help reduce tax liabilities and improve after-tax performance.

Watch the weight

Traditional index funds provide exposure to the market or selected portions of the market and can be helpful in establishing and maintaining an appropriate asset allocation and diversification strategy. However, most indexes followed by traditional funds are weighted based on market capitalization — the value of a company's underlying shares. So the largest companies tend to dominate the index and the fund.

For example, in the summer of 2026, the top 10 stocks in the S&P 500 Index accounted for more than 35% of its market capitalization.[1] If you own an S&P 500 Index fund, you may be more heavily invested in those 10 companies than you realize. That is not necessarily negative — the largest companies often become large because they are successful — but it is something to be aware of in analyzing your portfolio.

Alternative approaches

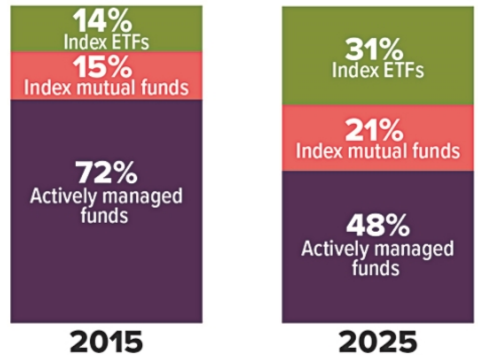
An alternative indexing strategy — called smart beta, strategic beta, or factor-based investing — tracks indexes that are selected and weighted based on factors other than market segment or capitalization. Some factors that might be considered include momentum, risk, volatility, earnings, growth potential, price-to-book value, dividend growth or yield, cash flow, and equal weighting of all securities. Smart-beta funds may focus on a single factor or multiple factors, and a given fund might track an existing index or an index that is newly created for that specific fund.

Another alternative approach — called quantitative investing or quant funds — constructs an index and fund based on sophisticated computer models using quantitative analysis, algorithms, or machine learning.

These alternative approaches are similar to the kind of analysis an active investment manager might use in constructing a fund, but because they use a passive indexing approach, they typically have the lower fees and potential tax efficiency of an index fund.

A Decade of Growth

Index funds almost doubled their share of the fund market from 2015 to 2025, with exchange-traded funds (ETFs) becoming the most common type of index fund.



Source: Investment Company Institute, 2026 (percentage of net assets in long-term funds, year-end; may not total 100% due to rounding)

Factors are not forever

The goal of most smart-beta and quant funds is to outperform the broader market, either by increasing returns or by managing risk. But if a factor or quantitative analysis does outperform during one market cycle, it may underperform in the next cycle, and even within a given cycle, a successful strategy might become neutralized or unsuccessful.

Therefore, smart-beta and quant funds are typically used with traditional broad-based market funds in a diversified portfolio. Be sure you understand the structure and objectives of any fund before investing.

Asset allocation and diversification do not guarantee a profit or protect against investment loss. The principal value of funds will fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost. Bond funds are subject to the same inflation, interest-rate, and credit risks associated with their underlying bonds. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance.

The S&P 500 is generally considered to be representative of the U.S. stock market. The performance of an unmanaged index is not indicative of the performance of any specific investment. Individuals cannot invest directly in an index. Actual results will vary.

Funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) S&P Dow Jones Indices, 2026

After the Storm: Navigating Storm Damage Claims

When a major storm hits, dealing with the damage can feel overwhelming long before the insurance paperwork begins. A fallen tree, a leaking roof, shattered windows, or water-soaked belongings can leave you scrambling to protect your property and wondering what your insurance will cover (up to your policy limits). Knowing what to do in the first hours and days after a storm can make a big difference in how smoothly a storm damage claim goes and how quickly you recover.

Safety first

Downed power lines, gas leaks, weakened tree limbs, and structural issues can turn a storm-damaged home into a dangerous one. Before you assess the damage, make sure that it's safe enough for you and your family to remain on the premises.

Insurance policies typically require policyholders to make reasonable efforts to protect their property from additional loss after a storm. Take steps to prevent further damage to your home (e.g., putting a tarp on a damaged roof or boarding up broken windows), because the insurance company may not cover any losses that occur after the storm passes.

Document everything

After you have safely assessed the damage, you'll want to document it for your insurance company. Take pictures and video of every impacted area, inside and out. Next, make a list of what was damaged, when you discovered it, and whether the item needs to be repaired or replaced. If possible, gather receipts, product manuals, online order histories, or older photos to help support your claim.

Contact your insurer

Once the storm damage is under control, you should contact your insurance company as soon as possible. Most insurers allow you to file a claim by phone, app, or online portal.

When you file your claim, be sure to ask for the claim number and store it in a safe place, since you will need to refer to it when you contact your insurer going forward. At this point, you can also ask your insurer what documents are needed, whether you can make temporary repairs, and when an adjuster is expected to inspect the damage.

If your home suffers severe storm damage from a natural disaster, you may be eligible for immediate disaster relief funds and special programs through the Federal Emergency Management Agency (FEMA) and various state/local government agencies.

Understand what your policy covers

Carefully review your policy's declarations page, which summarizes your policy and shows you your coverage limits, deductibles, and policy exclusions. Ideally, your home and its contents should be insured to their full replacement cost, including any new additions, remodels, and furniture.

Keep in mind that certain types of storm damage (e.g., flood and hurricane) are generally not covered by a standard policy or may have a separate deductible. If you have questions about your current coverage or want to explore what additional coverage you might need in the future, contact your insurer.

Protecting Your Home from Storm Damage

- Clean gutters/downspouts
- Inspect/repair roof shingles and flashing
- Trim overhanging tree limbs
- Secure loose objects
- Install storm windows, doors, and shutters

Monitor your claim

After you have filed a claim, keep a paper trail of the process by saving all emails, letters, estimates, receipts, and claim forms in one place. Keep in mind that delays are common during the claims process, especially after a major storm, so don't hesitate to follow up to ensure that your claim is moving along.

If your insurer reviews the claim and approves it, payment will be issued in the form of a check, direct deposit, or sent directly to your contractor. If your claim is denied or you are offered less than expected, you can request a re-inspection of the damage or submit additional evidence to support your claim.

Making It Make Sense: The Roth 5-Year Rule

The Roth five-year rule states that a distribution from a Roth IRA or Roth 401(k) is tax and penalty free only if the account has been held for five years and a qualifying event has occurred. Qualifying events include reaching age 59½, becoming disabled, and dying. For Roth IRAs only, a withdrawal of up to $10,000 for a first-time home purchase also qualifies. You can withdraw contributions (but not earnings) from a Roth IRA at any time without tax consequences.

The five-year holding period starts on January 1 of the year of your first contribution. So if you contribute in October 2026, the clock starts January 1, 2026, and ends December 31, 2030. This may seem simple, but there are nuances that can confound even the most seasoned investor.

1. One five-year clock applies to all your Roth IRAs. Once your first Roth IRA starts the clock, any future Roth IRAs share the same end date.

2. A Roth 401(k) clock does not transfer to a Roth IRA. If you open your first Roth IRA by rolling over a Roth 401(k), a new five-year period begins, no matter how long you held the Roth 401(k). For this reason, it may be wise to open a Roth IRA as soon as possible, even if it's just with the minimum amount.

3. Each Roth 401(k) has its own five-year clock, unless assets are rolled over directly. For example, if you make Roth contributions to one employer's plan starting in 2027 and a new employer's plan starting in 2030, each account has its own five-year timeline. But if you directly roll the old Roth assets into the new Roth account, the original clock will generally carry over, allowing all assets to satisfy the rule sooner. (Note: Not all plans accept rollovers.)

4. Roth conversions have a separate five-year rule. Converting a traditional IRA to a Roth triggers ordinary income tax on any tax-deferred amounts. No 10% penalty applies at conversion, even if you're under 59½. However, if you withdraw converted assets within five years — and are not yet 59½ or qualified for another exception — the 10% penalty will likely apply.

If you cash out a Roth 401(k) instead of leaving it in a former employer's plan or rolling it into a Roth IRA or new plan, and the distribution is unqualified, it will be subject to ordinary income tax and the 10% early withdrawal penalty.

Although IRAs typically provide more investment choices than employer plans, your plan may offer certain investments that are not available in an IRA. Further, the cost structure for the investments offered in the plan may be more favorable than those offered in an IRA. Generally, plan assets have unlimited protection from creditors under federal law, while IRA assets are protected in bankruptcy proceedings only. State laws vary in the protection of IRA assets in lawsuits. Investors should consult a qualified tax professional regarding their specific situation.