



COMMENTARY

QUARTER 3 - 2026



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Market/Index	2023 Close	2024 Close	2025 Close	2025 Change	As of 9/30/26	2026 Change
DJIA	37,689.54	42,544.22	48,063.29	12.97%	50,906.05	5.91%
NASDAQ	15,011.35	19,310.79	23,241.99	20.36%	26,861.06	15.57%
S&P 500	4,769.83	5,881.63	6,845.50	16.39%	7,651.54	11.77%
Prime Rate	8.50%	7.50%	6.75%	-10.00%	7.00%	3.70%
10-Year Treasury	3.88%	4.58%	4.18%	-8.73%	5.26%	25.84%

Why Long-Term Interest Rates Are Rising

Long-term interest rates have moved sharply higher over the past several months. As of Sept. 30, the 10-year Treasury yielded 5.26%, and the 30-year Treasury yielded 5.64%. Those rates matter well beyond the bond market because they influence mortgage rates, corporate borrowing costs and, ultimately, the federal government's cost of financing its debt.

Interest rates have been rising for a combination of reasons. Inflation remains elevated, which led the Federal Reserve to raise short-term rates again in September. At the same time, geopolitical conflicts have pushed energy prices higher and increased uncertainty about future inflation.

Investors buying a 10- or 30-year bond must consider not just where inflation is today, but where it could be for decades. The greater that uncertainty, the greater the return investors generally demand for committing their money long term.

Government borrowing is adding another layer of pressure. Because of deficit spending, the U.S. Treasury has issued approximately \$1.5 trillion in net new marketable debt through the first nine months of this year. Including the refinancing of maturing securities, the scale is much larger. The Treasury issued approximately \$21.8 trillion in marketable securities through August, much of it replacing debt that matured during the year.

Refinancing existing debt is also becoming increasingly expensive. Approximately \$10.8 trillion in marketable Treasury debt is scheduled to mature over the next 12 months. That debt has an estimated average financing cost of about 3.4%.

Refinancing it at today's rates would cost roughly 4.2%, potentially adding more than \$80 billion a year in interest expense on that debt alone.

As interest expense consumes a larger share of the federal budget, fewer resources remain for other government priorities unless tax receipts rise, spending is reduced elsewhere or the government borrows even more.

Higher interest rates also have a bright side. For investors, fixed-income securities are offering yields that are considerably more attractive than they were for much of the past decade. After a long period when bonds offered relatively little income, fixed income is once again playing a more meaningful role in the investment landscape.

For our clients, the takeaway is not that we need to predict exactly where interest rates go next. Higher yields simply give us more choices when building portfolios.

Depending on your income needs, time horizon, tax situation and tolerance for interest-rate risk, we can evaluate whether it makes sense to lock in some of today's yields for longer periods rather than keeping fixed-income investments concentrated in short-term securities.





Building on Our Foundation

When Anchor found its home at 3205 Devine Street, we knew the setting felt right for the kind of firm we wanted to build: welcoming, personal and connected to the community around us.

Now, that same office is growing with us.

Our office expansion is nearing completion, creating much-needed space for our growing team and supporting the work we do for the clients we are proud to serve. The project has also given us an opportunity to think carefully about how our office can continue supporting the way we work.

At Anchor, relationships have always been at the center of what we do. As our team grows, we want our space to make collaboration easier, give us room to plan thoughtfully and continue providing the personal attention our clients expect from us.

Expanding our existing office also means we can grow without leaving behind what made this location such a natural fit in the first place. We are making room for what comes next while preserving the character and sense of place we have valued from the beginning.

As this project comes together, we are excited about what this next chapter holds. More than simply adding office space, this expansion reflects our continued investment in our team, our firm and the future of Anchor. While our footprint may be growing, our commitment to the relationships, personal service and community that have defined us from the beginning remains unchanged.

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At Anchor, our goal is to keep your best interests in mind as we follow trends and events that can impact the economy and your investments. Market declines are a normal part of investing and often present opportunities to buy quality companies at a discount. Long-term investment success depends on creating a financial plan and acting consistently on that plan. If you have any concerns about the year ahead, let's review your goals and make sure your investments are aligned with them.

Disclaimer – This synopsis is based on research of information available at this time and is provided for general information purposes only. Every attempt has been made to ensure the information contained herein is valid at the time of publication. If you are a client of Anchor, please notify us if there have been significant changes in your financial situation or investment objectives.

Team Highlights

This quarter, we're proud to celebrate the achievements and milestones of the people who help our firm grow and our clients thrive.

Margaret Ellen Pender, principal, was named an SCBIZ 2026 Leaders in Business & Finance honoree, recognizing her professional achievements and community impact.

Joy Watkins, CFP®, principal and director of financial planning, was recognized as a 2026 South Carolina Women in Business honoree for her leadership and contributions across the state.

We also announced three leadership promotions: **Laura Culler** to chief financial officer, **Birgit "Sam" Lumpkin** to chief operating officer and **Brian Blackwelder**, CFP®, to principal. These promotions reflect our continued investment in the people and client relationships that have shaped Anchor over the past 25 years.

Client Services Associate **Mary Grace Compton** earned her Financial Paraplanner Qualified Professional (FPQP®) designation, strengthening the knowledge she brings to supporting our clients and team.

Four colleagues also celebrate milestone anniversaries this year. **Walker Williams**, principal, marks 10 years with Anchor, while **Brian Blackwelder**, principal; **Sara Caudle**, investment associate; and **Jill Kears**, client services associate and estate planning coordinator, each mark five years.

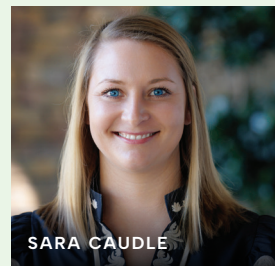
Please join us in congratulating our colleagues and thanking them for their expertise and dedication.



MARGARET ELLEN PENDER



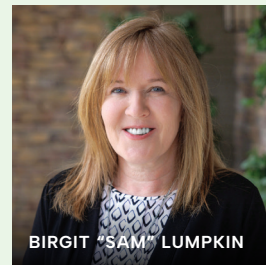
JOY WATKINS



SARA CAUDLE



LAURA CULLER



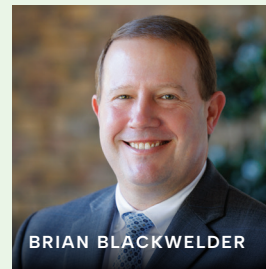
BIRGIT "SAM" LUMPKIN



MARY GRACE COMPTON



WALKER WILLIAMS



BRIAN BLACKWELDER



JILL KEARSE