

Cash Flow and Carey



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10/6/26

This table is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization. The 11 major sector indices are capitalization-weighted and comprised of S&P 500, S&P MidCap 400 and S&P SmallCap 600 constituents representing a specific sector.

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Sector Performance Via Market Cap

Large-, Mid- & Small-Cap Total Returns

■ 12/31/24 – 12/31/25 ■ 12/31/25 – 10/2/26

Category	S&P 500		S&P MidCap 400		S&P SmallCap 600	
Index	17.86%	13.79%	7.48%	12.08%	5.99%	16.30%
Comm. Services	33.56%	4.14%	44.14%	-11.63%	-7.71%	6.18%
Consumer Disc.	6.04%	-4.66%	-5.67%	-6.96%	-2.86%	4.67%
Consumer Staples	3.90%	5.95%	-5.37%	5.44%	-16.97%	10.13%
Energy	8.68%	43.26%	5.02%	37.93%	-9.34%	40.67%
Financials	14.97%	-1.25%	7.77%	1.22%	9.16%	8.89%
Health Care	14.60%	8.70%	5.41%	16.95%	-0.29%	17.42%
Industrials	19.27%	10.49%	12.92%	6.78%	13.79%	9.83%
Info. Tech.	24.04%	30.74%	14.25%	63.47%	19.07%	48.40%
Materials	10.54%	9.45%	4.35%	-0.47%	14.53%	16.62%
Real Estate	3.15%	5.05%	4.74%	3.20%	-0.03%	9.72%
Utilities	16.04%	-4.72%	19.95%	-0.55%	7.17%	1.68%

Source: Bloomberg. Past Performance is no guarantee of future results.

View from the Observation Deck

We update today's table on a regular basis to provide insight into the variability of sector performance by market capitalization. The table above presents the total returns of three major U.S. equity indices and their sectors over two distinct time frames: the 2025 calendar year and year-to-date (YTD) through October 2, 2026.

- The S&P 500 Index's price was 7,722.72 on October 2, 2026, representing a price-only return of 54.99% from its most recent low (4,982.77 on April 8, 2025). The S&P 500 Index is currently 0.98% below its most recent high of 7,798.99, which was set on August 13, 2026. For comparison, the S&P MidCap 400 and S&P SmallCap 600 Indices were 6.59% and 7.81% below their respective all-time highs as of the same date.
- Large-cap stocks, as represented by the S&P 500 Index, increased by 17.86% (total return) in 2025, outperforming the S&P MidCap 400 and S&P SmallCap 600 Indices, with total returns of 7.48% and 5.99%, respectively (see table).
- We see a mix so far this year, with the S&P 500 Index increasing 13.79% vs. total returns of 12.08% and 16.30% for the S&P MidCap 400 and SmallCap 600 Indices, respectively, through October 2, 2026.
- Sector performance can vary widely by market cap and have a significant impact on overall index returns. Communication Services and Consumer Staples were two of the more extreme cases in 2025. This year, Information Technology and Communication Services exhibit the largest performance difference between market capitalizations.

Takeaway

As revealed in today's table, mid-cap and small-cap stocks have exhibited strong performance in 2026, with the S&P SmallCap 600 Index outperforming both of its peers YTD through October 2. At the sector level, small-cap stocks beat out their large- and mid-cap peers in eight of the eleven sectors presented. Notably, Energy and Industrials were the only sectors in the S&P 500 Index to best their mid- and small-cap counterparts YTD. It will be interesting to see how this plays out in the near term, especially considering the potential impact of recent rate hikes on the overall cost of capital. That said, the broader S&P 500 Index has increased 11.43% since our last discussion on this topic (April 14, 2026), compared to 3.16% and 5.35% for the S&P MidCap 400 and SmallCap 600 Indices, amid surging earnings growth estimates. As of October 2, 2026, earnings per share for the S&P 500, S&P MidCap 400, and S&P SmallCap 600 Indices were estimated to increase by 32.0%, 26.9%, and 24.2%, respectively, in 2026, up from 14.9%, 19.1%, and 15.5% at the start of the year.