Bailard

the 9:05

Markets, planning, and perspective · Q2 2026

From our Chief Strategist, Wealth Management

This quarter had a clear headline: chips.

Semiconductors posted their best three months on record, and the earnings behind the rally are real. But when a market leans this heavily on one theme, the story beneath the surface is worth reading closely. Jon takes that closer look: what drove the run, the signs of speculation building alongside it, and how a new Federal Reserve is reading the same picture.

That word, concentration, is also where the quarter turns personal. When a single company drives the market, it's worth asking how much of your own life rests on one company too. Lena and Ryan walk through what that means for anyone whose wealth is tied to an employer, and why the best time to plan is usually before the next vesting date or IPO.

Our estate piece runs on a quieter version of the same worry. Dave looks at what happens to a carefully built plan when a child moves abroad and a second legal system comes into play.

All three pieces start where the headline stops.

Inside this issue

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Economic brief: Semisonic boom

Jon Manchester, CFA, CFP®, Chief Strategist, Wealth Management, traces a quarter in which the chips moving the market were made of silicon, as an AI-fueled boom handed semiconductors their best three months on record and a hawkish new Fed weighed against mounting signs of speculation.

In 1968, amidst one of the most consequential years in U.S. history, a quiet revolution began in the potato chip industry. With relatively little fanfare, consumer goods giant Procter & Gamble (P&G) entered the fray with a product called Pringle's Newfangled Potato Chips, using Indiana as a test market. It had been over a decade in development. P&G tasked chemist Fredric Baur with overcoming common complaints about broken or stale chips made by the competition. These manufacturing and logistical challenges had created an industry dominated by local or regional potato chip tycoons who benefited from proximity to stores. P&G aimed to be a national player, leveraging its marketing might to capture a hefty share of this lucrative corner of the snack market. Baur and colleagues came up with both the chip's distinctive saddle shape—allowing the chips to be tightly stacked—and the iconic tubular can that helped to protect and preserve the chips. Importantly, they also used a mash of dehydrated potatoes and other ingredients, essentially creating a synthetic chip which would last much longer on grocery shelves.

When Pringles finally made its debut, early reviews were underwhelming. In fact, the brand struggled for years, with the *New York Times* reporting nearly a decade later that the most common gripe was that the chips "taste like cardboard."[1] Once consumers popped, they could stop. P&G also faced strong opposition from the Potato Chip Institute International, which represented close to 400 domestic and foreign chip makers. At issue was the fact that P&G referred to Pringles as potato chips—despite deviating from the dictionary definition. It prompted *Time* magazine to describe the debate as "The Potato-Chip War" and eventually caused the Food & Drug Administration (FDA) to weigh in. Today, when you toss that can of Pringles® 7-Layer Dip into your shopping cart, you might notice that Baur's prized creation is

How we read the quarter

> *Semiconductors had their best quarter on record.*
>
> *The rally is narrow. By our estimate, two chipmakers drove roughly a third of this year's S&P 500 earnings growth.*
>
> *Underneath, breadth is healthier than the headlines suggest.*
>
> *A new, hawkish Fed favors price stability over cuts.*

1 *"Pringle's Loses Some Skirmishes," www.nytimes.com, 11/14/1976.*

Past performance is no indication of future results. All investments involve the risk of loss. *Please see the last page for important disclosures as well as index and category definitions.*

labeled "Potato Crisps," a long-established admission that a product made up of approximately 42% potatoes falls, in fact, into a different category.

It proved to be a momentous 1968 for chips made of silicon as well. In addition to important technological advances for the integrated circuit, Gordon Moore and Bob Noyce left Fairchild Semiconductor and founded Intel (Integrated Electronics). They were dissatisfied with the lack of stock options at Fairchild and tired of meddling by the company's New York headquarters.[2] Roughly two years later, Intel released a dynamic random access memory (DRAM) chip, and the company's long run atop the industry began. These chips are still central to computer memory. In fact, memory stocks experienced a stunning rally over the last 12 months due to the memory shortage crisis, cheekily referred to as RAM-ageddon. Insatiable data center demand for high bandwidth memory (HBM) has weighed heavily on DRAM supply and forced even behemoths such as Apple to scramble for available product and pay sharply higher prices.

After decades of consolidation, the lone major U.S. memory firm is Micron, whose stock soared 836% during the trailing year ending June 30. In reporting its fiscal third-quarter results recently, Micron said the average selling price of its DRAM spiked by more than 260% year-over-year, while the company's gross margin more than doubled to 85% from 39%. A few years ago, Micron was losing money. The company posted five straight quarters in the red entering calendar year 2024. Now it occupies the catbird seat, turning what was viewed as a basic commodity into a precious one. In May, *The Wall Street Journal* pointed out that the world's three largest memory-chip makers had a combined market capitalization ~22% larger than that of the world's three most valuable oil companies.[3] Boise, Idaho-based Micron, it should be noted, received seed funding from a local potato farmer named J.R. Simplot, who made his fortune supplying frozen french fries to McDonald's. The humble potato strikes again, albeit in a supporting role.

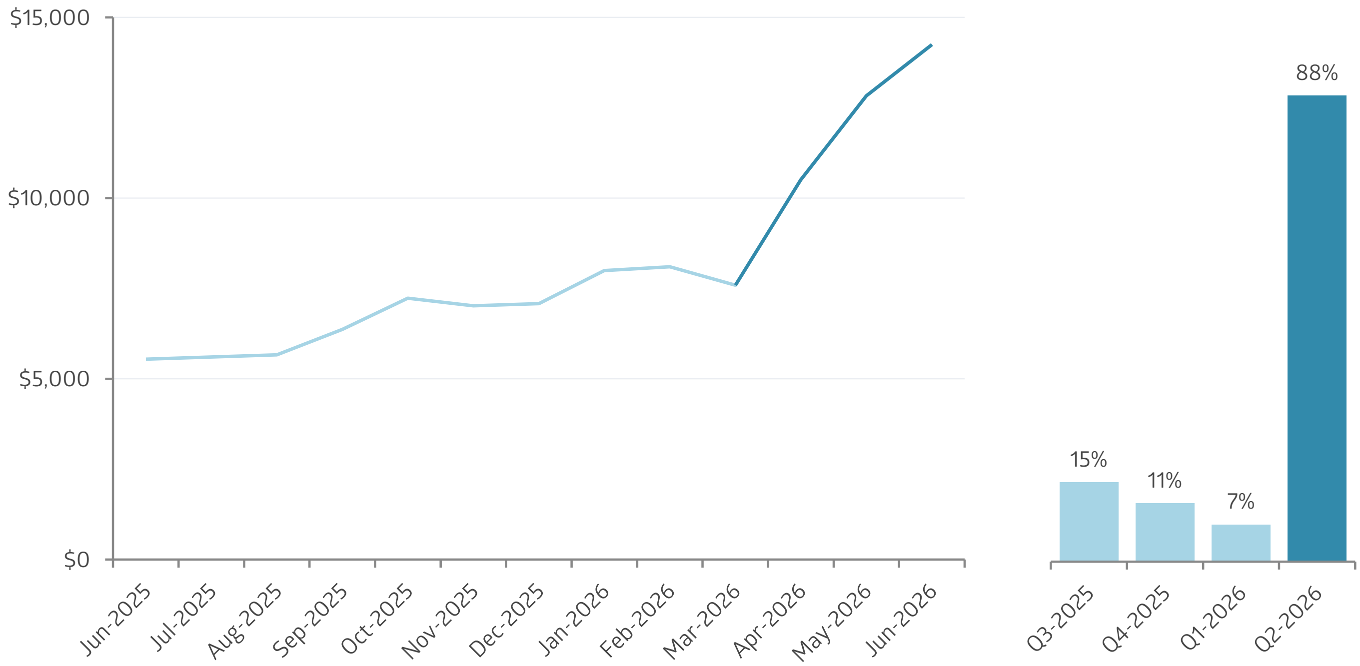
MO-mentum

Moore and Noyce were visionaries who foresaw a world in which semiconductors are key to the global economy. Still, they might have been surprised by the meteoric ascent many chip stocks enjoyed in the second quarter. The PHLX Semiconductor Sector Index (the "SOX") shot up nearly 88%, its best quarter on record. Intel, which had been left behind in favor of the anointed AI winners, gained an astounding 216%. Earnings estimates likewise rocketed higher. At year-end 2025, the consensus Wall Street estimate for the SOX's 2026 earnings per share (EPS) was roughly $272.[4] As the first half of 2026 concluded, that consensus estimate had jumped 76% higher to $479, dampening some of the valuation expansion.

2 Chris Miller, Chip War (New York: Scribner, 2022), p. 67.
3 "AI Has Made Memory Chips More Valuable Than Oil," www.wsj.com, 5/29/2026.
4 FactSet, PHLX / Semiconductor (SOX) Estimate History, 7/3/2026.

Much of the year's rally came in a single quarter

PHLX Semiconductor Sector Index (SOX), price level, trailing 12 months through 6/30/2026 *Quarterly price change*



Sources: FactSet, PHLX / Semiconductor (SOX) Estimate History, 7/3/2026.

Broadening out to the Standard & Poor's (S&P) 500 Index, a lot depends on the continued AI spending spree. Our Bailard Research team calculates that just two companies—semiconductor titans Micron and Nvidia—are projected to contribute 31% of the S&P 500's earnings growth in 2026. Nonetheless, earnings growth looks healthy elsewhere. Even after excluding the five largest expected contributors to 2026 earnings growth, the rest of the Index is forecast to grow EPS at nearly 15%. This forward momentum in corporate profits has allowed investors to keep their chips on the table, betting that this capital expenditures (capex) cycle has room to run. It also means that the S&P 500's forward price/earnings (p/e) ratio remains at roughly 22x—right where it started the year—despite the Index's +9.6% price-only advance over the first six months of 2026.

AI remains the predominant theme in the markets, sucking all of the oxygen (and power and water) out of the proverbial room. Questions linger around the durability of the AI capex buildout and regarding the return on investment the hyperscalers (Alphabet, Amazon, Meta Platforms, Microsoft, Oracle) will ultimately see. In June, *The Wall Street Journal* cautioned that there's a catch to the impressive earnings growth: much of it is due to a lag in the timing of when the costs of huge AI investments hit the books.[5] A large wave of depreciation expense is coming, the article notes, but the big AI

5 *"Turbocharged Earnings Are Pushing Stocks Higher. There's a Catch." www.wsj.com, 6/18/2026.*

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spenders can spread these costs over many years on the income statement. According to Todd Castagno, an accounting analyst at Morgan Stanley, the result is "a golden window where everybody looks good." Longer-term, these AI investments will need to bear fruit in order to sustain profits and feed the ecosystem.

Investors have largely shrugged off AI-related concerns to this point, choosing to ride the momentum. Following the stock market's 5% melt-up in May, Bank of America strategist Savita Subramanian flagged the widening outperformance of expensive stocks relative to cheap stocks—one of her team's signals of excessive speculation and potentially a market peak.[6] Along with investors piling into stocks that have outperformed—and typically carry higher valuation ratios—we have also seen a surge in margin debt, or borrowing against a brokerage account to invest in securities. FINRA's data showed that U.S. margin debt rose 54% year-over-year to a record $1.4 trillion in May.[7] Further, money has been flowing into leveraged exchange-traded funds (ETFs) that produce double or triple the daily move of underlying stocks. Assets held in leveraged ETFs nearly doubled between March 30 and June 3, according to FactSet.[8] Following three straight years of double-digit returns for the S&P 500 Index, perhaps the risk-on mentality has established roots. Leverage is a fickle mistress, though; a lesson best learned not via personal experience.

Fedspeak, or not to speak

Kevin Warsh could have scripted an easier opening act. Warsh, 56 years old, is the new chair of the Federal Reserve (the "Fed"). He spent his undergraduate years at Stanford, earned a J.D. from Harvard Law School, and served for five years as a member of the Fed during 2006-11. In May, Warsh took the reins with the U.S. embroiled in an on-again, off-again war with Iran that has muddied the global inflation picture. On the domestic front, the Consumer Price Index (CPI) rose at a 4.2% year-over-year pace in May, or 2.9% excluding Food & Energy prices. In his first press conference after announcing that the Federal Open Market Committee (FOMC) would maintain the target Fed Funds rate in the 3.50% to 3.75% range, Warsh acknowledged that, "Persistently high prices are a burden for the American people."[9] He then stated simply: "This Committee will deliver price stability." Warsh sent a message by choosing to reassure the markets that the Fed will continue its focus on stable prices—without mention of its other mandate, full employment.

With the official unemployment rate well contained at 4.2%, the Fed can afford to lean hawkish. This is reflected both by inflation expectations and in the Federal Funds futures market. The five-year U.S. Treasury Note yield

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6 "Too many red flags. Take profits." BofA Global Research, 6/5/2026.
7 "Margin Statistics," www.finra.org, 7/3/2026.
8 "The Trillion-Dollar Borrowing Binge Lifting the Stock Market to Risky Heights," www.wsj.com, 6/28/2026.
9 "Chairman Warsh's Press Conference," www.federalreserve.gov, 6/17/2026.

ended June at 4.2%, approximately 230 basis points[10] above its inflation-protected equivalent, suggesting relatively tame inflation in the years ahead. Meanwhile, the Fed Funds futures market currently assigns the highest probability to one rate hike by year end, which would take the low end of the target range back up to 3.75%. Warsh has expressed disinterest in providing forward guidance, potentially leaving it to the markets to divine the FOMC's policy path. He also appears set on embracing brevity: the FOMC's June statement totaled just 132 words, down from more than 300 words in April.

A concise central banker, who knew? Warsh will no doubt face myriad challenges in the years ahead, which may even require some word-count inflation in future FOMC statements. For now, though, his newfangled Fed sees economic activity "expanding at a solid pace," aided by a historically robust capex cycle. This should allow more time to focus on monitoring price changes, whether it be chips or crisps.

10 A basis point (bp) is 0.01%.

Equity compensation: Planning ahead when your wealth is tied to one company

Lena McQuillen, CFP®, TPCP®, Director of Financial Planning, and Ryan Chavez, CFP®, CPWA®, Investment Counselor, share how timing and diversification decisions shape what employees keep from their equity, and why the best time to plan is before an IPO or a large vesting event.

For many professionals, equity compensation is more than another employee benefit. It is an opportunity to participate in a company's success and build long-term wealth. Whether your company offers restricted stock units (RSUs), stock options, or an employee stock purchase plan (ESPP), these benefits can become a significant part of your overall wealth.

With several high-profile IPOs making headlines and private companies continuing to reward employees with equity, more individuals are finding themselves with valuable compensation that also comes with unique financial and tax considerations. Understanding how your equity works and setting a plan early, before those decisions arrive, tends to leave you with more options and fewer surprises.

"Understanding how your equity works and setting a plan early, before those decisions arrive, tends to leave you with more options and fewer surprises."

Understanding the different types of equity compensation

While the specifics vary by company, most equity compensation falls into a few common categories.

Restricted stock units are company shares granted to employees that vest over time. Once vested, the value of those shares is generally treated as taxable compensation, regardless of whether you sell the stock. Many private companies structure RSUs with a double trigger, meaning shares do not actually vest until both a time-based condition and a liquidity event, such as an IPO, have occurred. One detail that catches people off guard is when the holding period for tax purposes begins. It starts the day the shares are actually released, not the original grant date. For employees at a company that has recently gone public, this can mean a concentrated block of shares becomes eligible to sell all at once, which is worth planning for in advance.

Stock options give employees the right to purchase company stock at a predetermined price, known as exercising the option. Depending on whether the options are incentive stock options (ISOs) or non-qualified stock options (NSOs), the tax treatment and planning opportunities can vary significantly. ISOs carry potential alternative minimum tax (AMT) exposure and require meeting a qualifying holding period to receive favorable tax treatment, while

NSOs are taxed as ordinary income at the time of exercise. AMT exposure is not a mystery, and it can be modeled before you exercise, which often reveals opportunities to spread the purchases across multiple years and reduce or avoid the tax.

Employee stock purchase plans allow employees to purchase company stock, often at a discount, through payroll deductions. While that discount can be valuable, the tax treatment depends on how long you hold the shares. Selling shortly after purchase means the discount is taxed as ordinary income, while meeting the required holding periods can shift more of the gain into long-term capital gains treatment. Knowing which outcome you are choosing before you sell is part of the planning.

Although these programs differ, they share one important characteristic: the decisions you make can have lasting financial consequences.

More than a tax question

One of the biggest misconceptions about equity compensation is that it is simply a tax issue. Taxes are an important piece, and so is how your equity fits into your overall financial plan.

Consider questions such as how much of your net worth is invested in your employer's stock, or how a downturn at your company would affect both your income and your investments. Should you hold shares after they vest, or diversify into other investments? How will an option exercise affect your cash flow? Are there charitable or estate planning opportunities that could help maximize the value of appreciated shares?

Depending on the shares involved, the answers can draw on tools beyond a simple hold-or-sell choice. Some address the concentration directly through an exchange fund or hedging to limit downside. Others manage taxes or timing, including qualified small business stock treatment, a prearranged 10b5-1 plan for company insiders, or a gift of appreciated shares to a donor-advised fund or charitable trust.

These are planning decisions with real financial consequences.

Avoiding concentration risk

It is natural to feel optimistic about the company you work for. After all, you have invested your time and talent in helping it succeed.

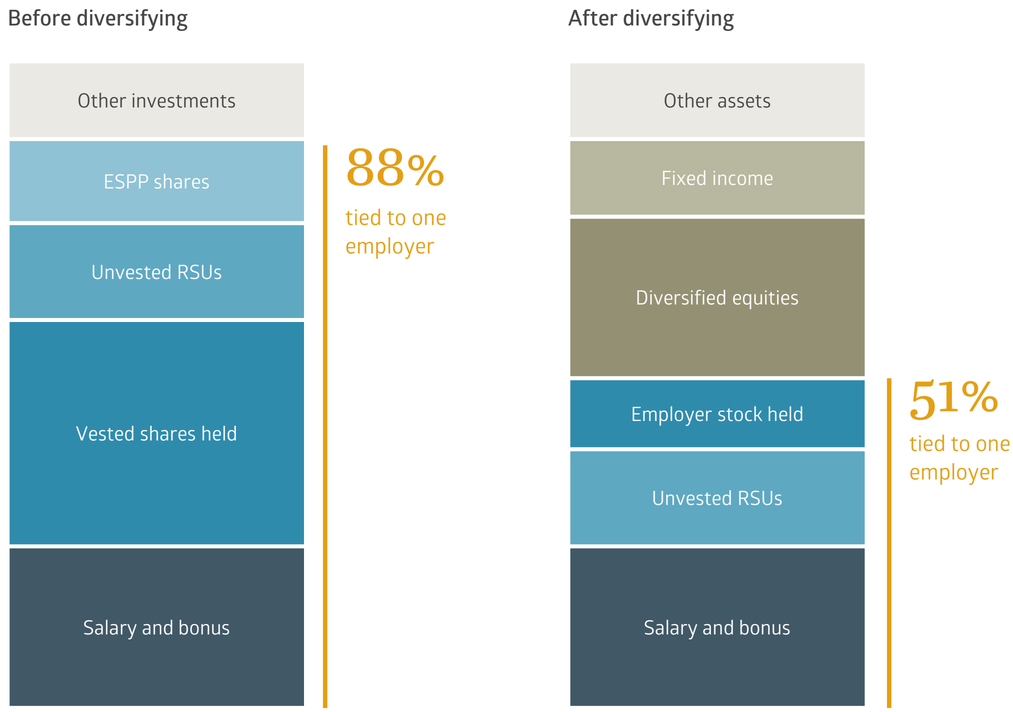
However, many employees unintentionally become heavily concentrated in a single stock. Between salary, bonuses, retirement plans, and equity compensation, a large portion of both their income and their savings may depend on the success of one company. Diversifying helps keep any single investment, or a single employer, from having an outsized impact on your long-term financial security.

Why timing matters

Many of the most important equity compensation decisions involve timing, and small differences in timing can lead to meaningful financial outcomes.

How much of your financial life depends on one company?

For a hypothetical tech employee, the share of income and investments tied to one employer falls from 88% to 51% after diversifying.



Source: Bailard equity compensation team.

Examples include deciding when to exercise stock options, planning for the taxes associated with RSU vesting, and coordinating stock sales with your broader tax strategy. Timing also matters when preparing for a tender offer, IPO, or other liquidity event, and when evaluating whether a charitable gift of appreciated shares makes sense in the same tax year as a large income event.

RSU withholding is a good example of why anticipating these moments pays off. Most companies withhold taxes on vested RSUs at the Federal supplemental rate of 22%, but if your total income places you in the 35% or 37% bracket, that withholding falls well short of what you actually owe. On a sizable vest, the difference can reach tens of thousands of dollars due at tax time. For the largest awards, supplemental wages above $1 million in a year are withheld at the top rate, though the gap on the first $1 million remains. Employees who see this coming can set aside funds or adjust estimated payments in advance, while those who discover it in April face an unwelcome scramble. Acting ahead of an event usually leaves more options open.

Every situation is different

Two employees with identical equity awards may arrive at very different decisions depending on their personal circumstances. Someone approaching retirement may prioritize reducing concentration risk and generating income. A younger employee with substantial future earning potential may choose a different strategy. Family goals, tax brackets, charitable intentions, estate planning objectives, and the broader investment portfolio can all influence the best course of action. That is why equity compensation works best when it is viewed as a component of a larger, comprehensive plan.

Getting started

Equity compensation rewards planning ahead. The decisions that matter most, like when to sell or how much to diversify, extend beyond your grant agreement and are easiest to get right when there is time to weigh them. Understanding how your equity fits with your taxes and your long-term goals puts you in a stronger position to make those calls.

Whether you are receiving your first equity award, approaching a vesting date, preparing for an IPO, or considering when to exercise stock options, having a thoughtful strategy in place can help you make the most of the opportunity. If you have questions about your company's equity compensation program, our Equity Compensation Planning team can help you evaluate your options, understand the tax implications, and develop a strategy that fits your situation. We encourage you to reach out before your next major equity event, while there is still time to plan.

A good starting point is often simpler than people expect. Bringing your grant documents, vesting schedule, or option agreement to an initial conversation gives us enough to identify the decisions ahead of you and where timing matters most. You do not need to have already made a decision, or even know what questions to ask. The goal of that first conversation is to map out your equity alongside the rest of your financial picture.

What to keep in mind

> *Equity can quietly become the largest part of your net worth.*
>
> *It's more than a tax question. Concentration and timing matter too.*
>
> *RSU withholding often falls short, leaving high earners owing far more.*
>
> *The best moves usually come before a vesting event or IPO.*

The tax rates and rules described in this article reflect Federal law in effect as of the date of publication and are subject to change. This material is provided for educational purposes only. Neither Bailard nor any of its employees can provide tax or legal advice. Please consult your tax advisor regarding your particular situation.

Does your estate plan still work when a child moves abroad?

In this quarter's issue, Dave Jones, JD, LLM, CFP®, Director of Estate Strategy, explains what a child's move abroad can mean for a U.S. estate plan, and when a plan is worth revisiting. Paul Meyer, 2026 summer intern, contributed to the research and writing.

At Bailard, we've noticed a growing trend among the families we work with. More parents have children who are exploring opportunities overseas through education, careers, marriage, or simply by keeping the option of living in another country someday. These are exciting possibilities, but they can also raise estate planning questions that go unnoticed until much later.

Many estate plans were designed with the expectation that children would continue living in the United States. Today, that expectation is becoming less certain. When a child moves abroad, even if the move is expected to be temporary, another country's legal and tax system may become relevant to your estate plan. Local laws may govern tax residency, trusts, inheritances, and other wealth transfers in ways that differ from the United States. That doesn't necessarily mean your estate plan needs to change, but it does provide a good reason to revisit the assumptions behind it.

When does a move abroad become a planning issue?

The planning conversation typically begins when your child is no longer viewed as simply visiting another country but instead becomes a resident under that country's laws. This often occurs when they accept employment, establish a home, or otherwise meet the country's residency requirements. Once that happens, another country's legal and tax system may begin applying to important aspects of your child's financial life.

The key question is whether the planning strategies that work well in the United States, particularly trusts and other estate planning structures, will be treated the same way in your child's new country of residence.

How other countries may view your estate plan

The answer depends on the laws of the country where your child resides. While many countries share legal concepts that are familiar to U.S. practitioners, they may apply very different rules to trusts, inheritances, gifts, and other wealth transfers.

For example, countries such as the United Kingdom, Canada, and Australia share a common law tradition with the United States, yet they may still apply different tax or reporting rules to trusts and other estate planning structures. In many civil law countries, including France, Germany, Italy, and Spain, trusts are not recognized or treated in the same way they are under U.S. law.

As a result, determining how a U.S. trust will be taxed or administered can be considerably more complex. Local inheritance laws, including forced heirship rules in some jurisdictions, may affect how assets ultimately pass to beneficiaries. It's also important to note that not all foreign countries recognize the tax-free wrapper of a Roth IRA. Account owners and beneficiaries may be subject to local income or capital gains taxes on withdrawals. When combined with the U.S. 10-year rule for account depletion, this could create a significant, unexpected tax liability for both traditional and Roth IRAs.

The practical impact turns on that country's laws, the structure of your estate plan, and your family's particular circumstances. What works as intended under U.S. law may be treated differently in another jurisdiction.

Another factor to consider is whether the United States has entered into an estate and gift tax treaty with the country where your child resides. These treaties are intended to coordinate certain cross-border estate and gift tax issues, but they exist with only a limited number of countries and typically address only part of the overall planning picture. Whether or not a treaty applies, local rules on trusts, inheritances, and gifts still deserve careful consideration.

Several countries come up repeatedly in these conversations. The table that follows compares the key considerations for each.

» See next page

Where your child lives changes the plan

If your child has moved abroad, start the conversation

If your child or another beneficiary has established residency in another country, now is a good time to learn more about how that country's laws may affect your estate plan. In many cases, no changes will be necessary. The important step is understanding whether your existing planning continues to work as intended under a different legal and tax system.

Cross-border estate planning often requires more than one perspective. Your advisor may recommend coordinating with local attorneys or tax professionals who understand the laws of the country where your child now resides, while also working with your U.S. estate planning team. Together, they can help determine whether your trusts and other planning strategies continue to accomplish your family's goals.

At Bailard, we believe good estate planning evolves as families evolve. As more families become international, estate planning increasingly requires a broader perspective. Starting the conversation early can help ensure your plan continues to reflect your intentions, wherever life takes the next generation.

Estate planning considerations for selected countries

How selected countries treat trusts and inheritances, and where a U.S. estate and gift tax treaty applies.

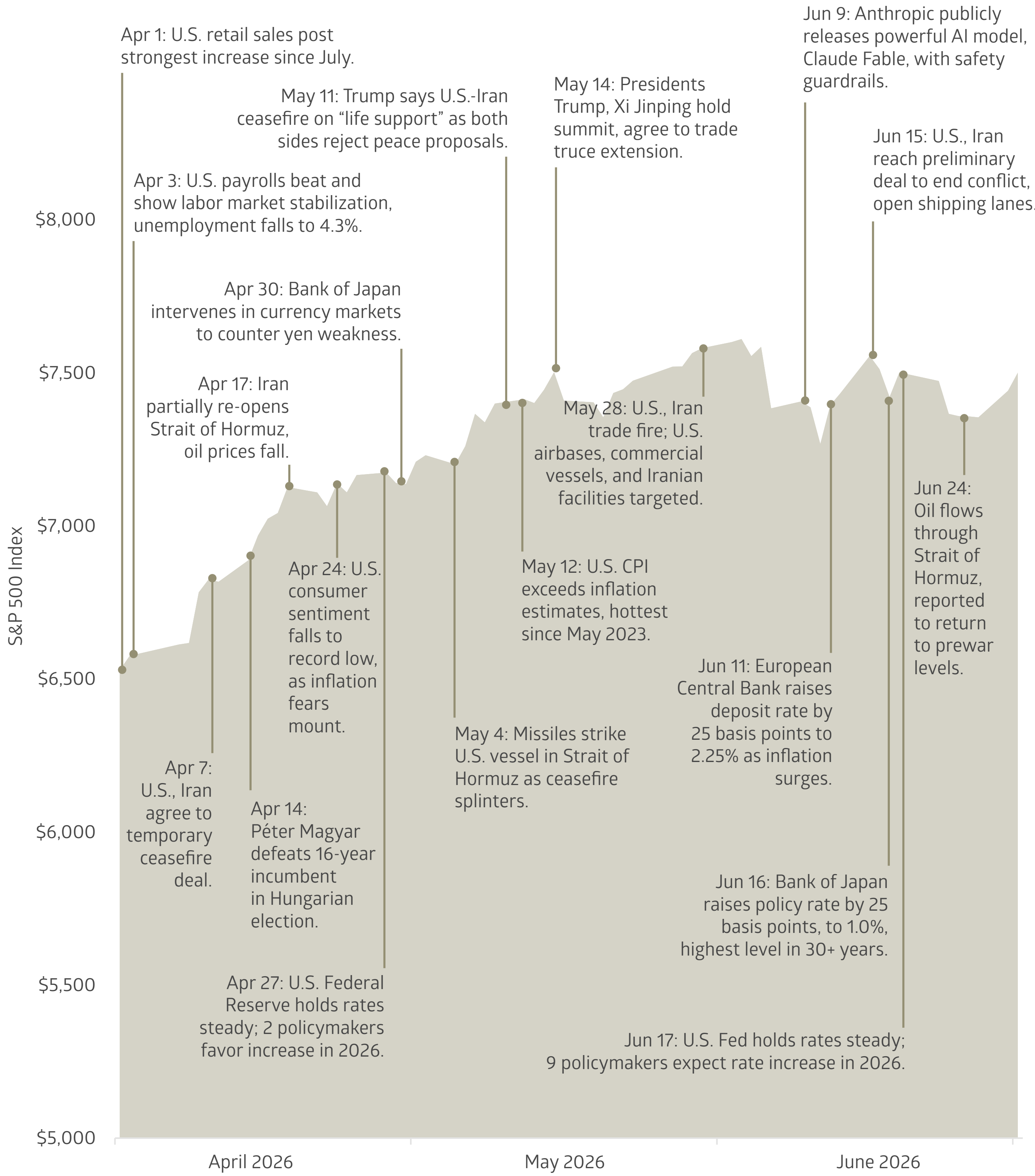
Country	Key estate planning considerations	U.S. estate tax treaty?
Australia	No estate or inheritance tax, although capital gains consequences may arise.	Yes
Canada	No inheritance tax, but assets are generally subject to a deemed capital gains disposition at death; cross-border trust planning is important.	Yes*
France	Trusts may receive significantly different tax treatment; forced heirship rules may apply.	Yes
Germany	Inheritance and gift tax; civil law treatment of trusts differs from the U.S.	Yes
Italy	Forced heirship rules and inheritance tax considerations.	Yes
Mexico	Generally no inheritance tax, but civil law rules and probate procedures may affect planning.	No
Portugal	Generally favorable inheritance regime, but trusts may not receive the same recognition as under U.S. law.	No
Singapore	No estate duty, but local trust and tax rules should still be reviewed.	No
Spain	Regional inheritance tax rules vary; potential forced heirship considerations.	No
Switzerland	Inheritance tax varies by canton; residency and local law are important planning considerations.	Yes
United Arab Emirates	No inheritance tax, but succession laws and estate administration differ from U.S. practice.	No
United Kingdom	Inheritance tax; trusts are generally recognized but may be taxed differently than in the U.S.	Yes

** Canada does not have a standalone U.S. estate & gift tax treaty; the relevant provisions are contained within the U.S.–Canada Income Tax Treaty.*

This table provides only a high-level overview. The impact on any family depends on numerous factors, including residency, citizenship, domicile, the structure of trusts or other entities, applicable tax treaties, and the laws of the relevant jurisdiction.

Q2 2026 world events

mapped against the S&P 500 Index



Source: Yahoo Finance, Bailard. ***Past performance is no indication of future results. All investments involve the risk of loss.***

Market performance

as of June 30, 2026

U.S. interest rates

Cash equivalents	6/30/2026	3/31/2026	12/31/2025	9/30/2025
90-Day Treasury Bills	3.80%	3.70%	3.60%	3.94%
Federal Funds Target	3.75%	3.75%	3.75%	4.25%
Bank Prime Rate	6.75%	6.75%	6.75%	7.25%
Money Market Funds	3.83%	3.59%	3.70%	4.09%
Bonds				
10-Year U.S. Treasury	4.47%	4.32%	4.15%	4.23%
10-Year AA Municipal	3.12%	3.23%	3.00%	3.40%

U.S. bond market total returns (US$)

periods ending 6/30/2026

U.S. bonds	Quarter	6 Months	2026 YTD	1 Year
Bloomberg U.S. Treasury Index	0.32%	0.28%	0.28%	2.72%
Bloomberg U.S. Corporate Index	1.40%	0.86%	0.86%	4.34%
Bloomberg U.S. Aggregate Index	0.67%	0.62%	0.62%	3.79%
Bloomberg U.S. 1-15 Municipal Blend Index	1.67%	1.39%	1.39%	5.49%

Global stock market total returns (US$)

periods ending 6/30/2026

U.S. stocks	Quarter	6 Months	2026 YTD	1 Year
S&P 500	15.20%	10.19%	10.19%	22.29%
Russell 2000 Growth Total Return Index	17.19%	22.99%	22.99%	43.01%
Russell 2000 Value Total Return Index	25.71%	22.18%	22.18%	38.74%
Russell 1000 Value Total Return Index	16.74%	5.33%	5.33%	17.71%
Russell 1000 Growth Total Return Index	13.87%	16.26%	16.26%	27.12%

Non-U.S. stocks	Quarter	6 Months	2026 YTD	1 Year
MSCI EAFE (Europe, Australasia, Far East), net dividends	10.82%	9.44%	9.44%	20.23%
MSCI Emerging Markets, net dividends	24.05%	23.85%	23.85%	43.51%

Alternatives (US$)

periods ending 6/30/2026	Quarter	6 Months	2026 YTD	1 Year
NFI-ODCE Index*	1.24%	2.50%	2.50%	4.17%
Gold Spot	-14.14%	-7.21%	-7.21%	21.34%
WTI (West Texas Intermediate) Crude Oil	-31.45%	21.04%	21.04%	6.74%

**Q2 2026 data not yet released, and assumed to be same as the Q1 2026 return.*
Sources: FactSet, the National Council of Real Estate Investment Fiduciaries, ICE. ***Past performance is no indication of future results. All investments involve the risk of loss.***

Why we call it *"the 9:05"*

The name comes from a standing Monday morning meeting, held for decades at 9:05 a.m., sharp. It's a quick pause at the start of the week to compare notes, challenge assumptions, and make sense of what matters.

This newsletter carries that same spirit forward, with perspectives we think are worth your time. Clear, practical, and grounded in how we're thinking about markets, planning, and the decisions that follow.

Bailard

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