LibertyWealth® ADVISORS
A Prime Capital Financial Company

Q2 2026 Quarterly Newsletter

July 2026

The More Important Question

Dear Valued Friends and Clients,

One of the questions we're asked most often is, "What do you think the market is going to do next?" It's a natural question, but perhaps not the most important one. A better question is, **"Am I prepared for whatever comes next?"**

Over the years, we've learned that confidence doesn't come from accurately predicting markets. It comes from having a thoughtful strategy that reflects your goals and is built to navigate both opportunities and uncertainty. When those pieces are in place, short-term market swings become far less unsettling.

The second quarter was a perfect example. Just as investor sentiment had become increasingly cautious, markets found renewed momentum as attention shifted away from uncertainty and back toward the fundamentals that drive long-term returns. In the pages that follow, we'll explore what fueled that recovery—and why it offers an important reminder for long-term investors.
Thank you for the trust you place in our team. It is a privilege to serve as your advisor, and we remain committed to helping you make thoughtful financial decisions with confidence.

Warm Regards,

Annette

Annette A. VanderLinde, MBA, CWS®, AIF®
President

Q2 2026 Market Review: Markets Rarely Wait for Certainty

The second quarter marked a notable shift in investor sentiment. Following a volatile start to the year, markets regained momentum as investors looked beyond many of the concerns that dominated the headlines in the first quarter. While inflation, interest rates, and geopolitical tensions remained part of the conversation, attention gradually shifted back to the factors that have historically driven long-term market returns: resilient businesses, corporate earnings, and continued innovation.

One of the quarter's most significant developments was the easing of tensions between the United States and Iran. In March, escalating conflict in the Middle East raised concerns about potential disruptions to global energy supplies, driving oil prices higher and reigniting fears of renewed inflationary pressure. As the conflict de-escalated and concerns over supply disruptions subsided, oil prices declined sharply, helping ease inflation expectations, improve the outlook for corporate profitability, and restore investor confidence. While geopolitical risks remain, the market responded favorably as one of its most immediate macroeconomic concerns began to recede.

Artificial intelligence remained another important driver of market performance, but with a notable shift in leadership. Rather than focusing solely on a handful of companies that dominated much of the conversation in recent years, investors increasingly rewarded the businesses building the infrastructure behind AI—including semiconductor manufacturers, memory-chip producers, and data center suppliers. The quarter illustrated that innovation often creates opportunities well beyond the companies making the headlines.

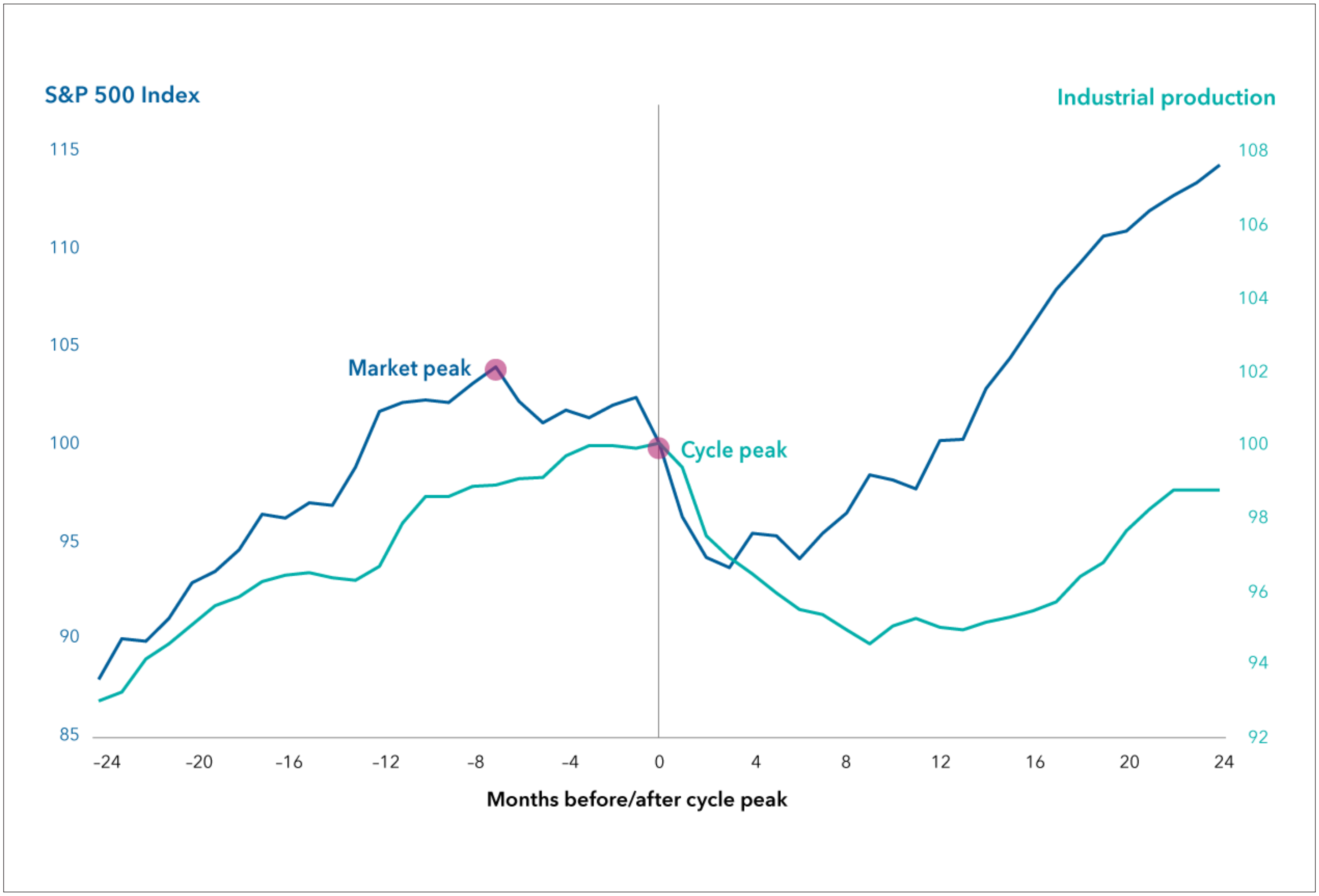
Economic data also remained more resilient than many had anticipated. Consumers continued to spend, unemployment remained relatively low, and corporate earnings generally exceeded expectations. While questions surrounding Federal Reserve policy and inflation have certainly not disappeared, investors gained confidence that the economy may continue expanding even in a higher interest rate environment.

Looking Beyond the Headlines

Every market cycle has its own narrative. This year it's been inflation, tariffs, interest rates, geopolitical conflict, and artificial intelligence. A few years ago, it was the pandemic. Before that it was trade disputes, Brexit, or the European debt crisis. The headlines change. The lesson rarely does. Markets are forward-looking. They don't wait for every uncertainty to be resolved before moving. In fact, some of the strongest periods of market recovery have historically occurred while investors were still questioning what might happen next. The second quarter served as another reminder that patient investors are often rewarded for staying focused on long-term fundamentals rather than short-term emotions.

Markets Recover Before the Headlines Do

The graph below illustrates this point. It shows that markets don't wait on economic news, they anticipate. This works both ways, of course. As shown in the graph, markets historically have peaked 8 months before the cycle peak, as measured by industrial production. On the positive side, you can see that markets also rebound before the trough in the cycle. As consumers and investors, it can be hard not to focus on the latest set of economic reports and headlines but drawing conclusions on what that likely means for future market performance can lead to poorly-timed asset allocation changes.



What This Means for Investors

- A stronger market doesn't require perfect economic conditions, only improving expectations.
- Broadening market leadership reinforces the value of diversification across sectors, company sizes, and global markets.
- Short-term headlines will continue to influence markets, but they rarely change the importance of maintaining a long-term investment strategy.
- The greatest value of a thoughtful investment strategy isn't predicting what's next, it's being prepared for whatever comes next.

Recent developments indicate that the US/Iran ceasefire may be tenuous, which will likely mean more market volatility. This evolving situation is a timely reminder that geopolitical risks can emerge and change quickly, reinforcing the reality that the future is inherently unknown. However, as the graph below shows, Middle East conflicts have rarely had a lasting impact on equity markets for longer term investors.

The second quarter demonstrated how quickly markets can shift their focus as conditions evolve. While recent developments have been encouraging, uncertainty remains a normal part of investing and will continue to create periods of volatility.

Rather than attempting to predict the market's next move, our focus remains on helping clients make informed decisions within the context of their long-term goals. We believe a disciplined, diversified investment strategy—supported by thoughtful planning and a long-term perspective—continues to provide the strongest foundation for navigating an ever-changing investment landscape.

Please Note!

Quarterly performance reports will soon be available on the Orion client portal.
https://www.libertywealthadvisors.com/client-portals

As of 6/30/2026	Quarter End	Year To Date	Last 5 Years Annualized
CRSP US Total Market Index Total Return	15.65	11.06	12.24
S&P 600 Value	15.92	20.98	7.26
CRSP US REIT Index Total Return	9.27	11.48	2.97
MSCI Europe Total Return	10.93	7.81	9.49
MSCI Pacific Total Return	10.87	12.94	8.10
MSCI Emerging Markets Total Return	24.05	23.76	7.19
Bloomberg US Aggregate	0.67	0.62	0.08
Bloomberg Global Aggregate ex-USD USD Hedged	1.30	1.15	0.88
Bloomberg US TIPS (Series-L)	0.89	1.15	1.01
Bloomberg US High Yield Very Liquid Index	2.51	2.00	3.92
Bloomberg Municipal 1-15 Year	1.67	1.39	1.33