

Quarterly Newsletter & Market Update

Market Summary

U.S. equity markets delivered a strong second quarter, supported by solid earnings growth, ongoing AI-driven investment, and a resilient economic backdrop. Despite geopolitical tensions and shifting interest rate expectations, markets remained firmly higher.

Performance extended beyond the mega-cap technology names, with the equal-weight S&P 500 rising 10.9%, underscoring broad-based participation across sectors. The S&P 500 and Nasdaq also finished the quarter near record highs, capping one of the strongest quarterly advances since 2020.

Q2 Market Performance

Dow Jones	12.9%
S&P 500	14.87%
Nasdaq	21.41%
Russell 2000	21.15%
Oil (WTI Crude)	31.4%
Gold	13.7%

Key Market Drivers

AI Market Leadership

Artificial intelligence remained a key driver of market performance during the quarter, lifting technology and semiconductor stocks as businesses increased spending on AI infrastructure, data centers, and computing capacity to support growing demand.

Corporate Earnings & Economic Resilience Strong corporate earnings and a resilient economy helped drive market gains during the quarter. Solid job growth, low unemployment, and healthy consumer spending provided a supportive backdrop for both businesses and investors.

Monetary Policy Repricing

Investor expectations shifted during the quarter as persistent inflation and a strong labor market reduced the likelihood of near-term rate cuts. As a result, Treasury yields moved higher and interest rate policy remained a key market focus.

Easing Geopolitical Tensions

Easing geopolitical concerns and improving investor sentiment helped support markets during the quarter. Strong demand for equities, coupled with a surge in IPO activity, contributed to one of the strongest periods for stocks since 2020.

Looking Ahead

Entering the second half of 2026, investors will continue monitoring inflation trends, Federal Reserve policy, and the sustainability of AI-driven growth. While market volatility may persist, strong corporate fundamentals and economic resilience provide a constructive backdrop for long-term investors.

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The Standard and Poor's (S&P) 500 Index is an unmanaged index that tracks the performance of 500 widely held, large-capitalization U.S. stocks. Individuals cannot invest directly in an index. Dow Jones Industrial Average Index (DJIA): The oldest continuing US market index, includes 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. It is called an average because it originally was computed by adding up stock prices and dividing by the number of stocks. This methodology remains the same today, but the divisor has been changed to preserve historical continuity. NASDAQ Composite Index (NASDAQ): A market-value weighted index that measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. Frank Russell Co. ranks the US common stocks from largest to smallest market capitalization at each annual reconstitution period. The Russell 2000 Index represents a very small percentage of the total market capitalization of the Russell 3000 Index. It is considered to be generally representative of US Equity Small and Mid Cap performance.

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