

Spring 2026

While Memorial Day weekend is often the perfect time to take a short trip or kick off the start of summer with friends and family, it's also much more than a day off. It's one in which we remember and honor fallen soldiers who've sacrificed their lives to fight for our country and freedoms. Many also use the occasion to remember family members who've passed, whether military or not. A national moment of remembrance takes place at 3 p.m. local time, and some lower their flags to half-staff from dawn until noon. However you spend the holiday we hope you enjoy it with family and friends either in-person or virtually. And if you have served in the military, we thank you for your service and the sacrifices you've made to defend our country.

Let's take a look at the numbers.

Major Stock Indexes	(As of 4/30/26)
Dow Jones Industrials	+ 3.78 %
S&P 500 Index	+ 5.70 %
NASDAQ Composite	+ 7.29 %
Russell 2000	+ 13.21 %
MSCI EAFE Index	+ 5.04 %
MSCI Emerging Markets	+ 14.61 %
Major Bond Indexes & Rates	As of 4/30/26)
Bloomberg U.S. Aggregate Bond	+0.07 %
Bloomberg 1-5 Yr Government Index	+ 0.35 %
Fed Funds Rate	3.50 – 3.75 %
30-year fixed mortgage	6.30%

Source: The Wall Street Journal and Barron's

*Inclusion of these unmanaged indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

Colorado

30752 Southview Dr., Ste 290
 Evergreen, CO 80439
 T 303.674.9711

California

3202 Governor Dr., Ste 204
 San Diego, CA 92122
 T 858.450.9711

FINANCIAL AND INVESTMENT PLANNING

“Life is like a box of chocolates; you never know what you’re gonna get.”
- Forrest Gump

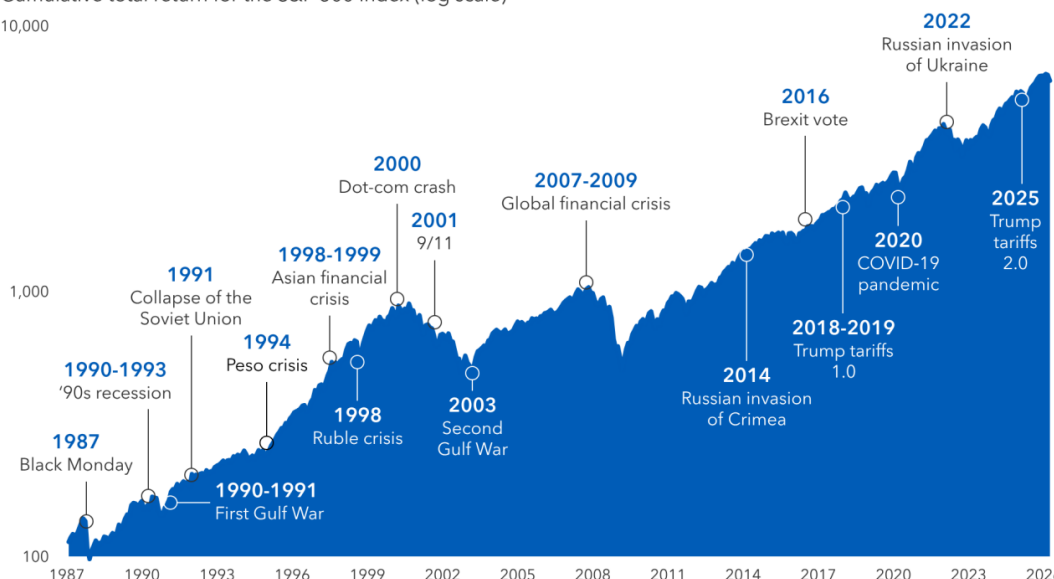
We are constantly tested by scary headlines, geopolitical uncertainty and an ever-changing economy. Recently, investors have had to deal with the Iran war, rapid advances in artificial intelligence and ongoing trade uncertainty. History shows the biggest mistakes in investing occur when we react to events rather than the fundamentals. Investors who stay focused on long-term objectives and respond thoughtfully instead of emotionally are best positioned to succeed over time. The chart below illustrates many of the crises we’ve experienced over the past 40 years. Through it all, patient investors have been rewarded. Capital Group said it well, “Imagine going back in time to New Year’s Day 2020 and learning in advance what the next six years would bring: a global pandemic, inflation topping 9%, multiple wars and the highest U.S. tariffs in decades. Would you want to invest in stocks? Probably not. Yet time after time, financial markets pushed through each shock and reached new all-time highs. So, if on that January morning you ignored all the troubling events and had stayed invested, the S&P 500 would have risen more than 122%.”

Markets have powered through previous crises



Market downturns are painful, but history shows they’re common. Over the long term, stocks have been resilient.

Cumulative total return for the S&P 500 Index (log scale)
10,000



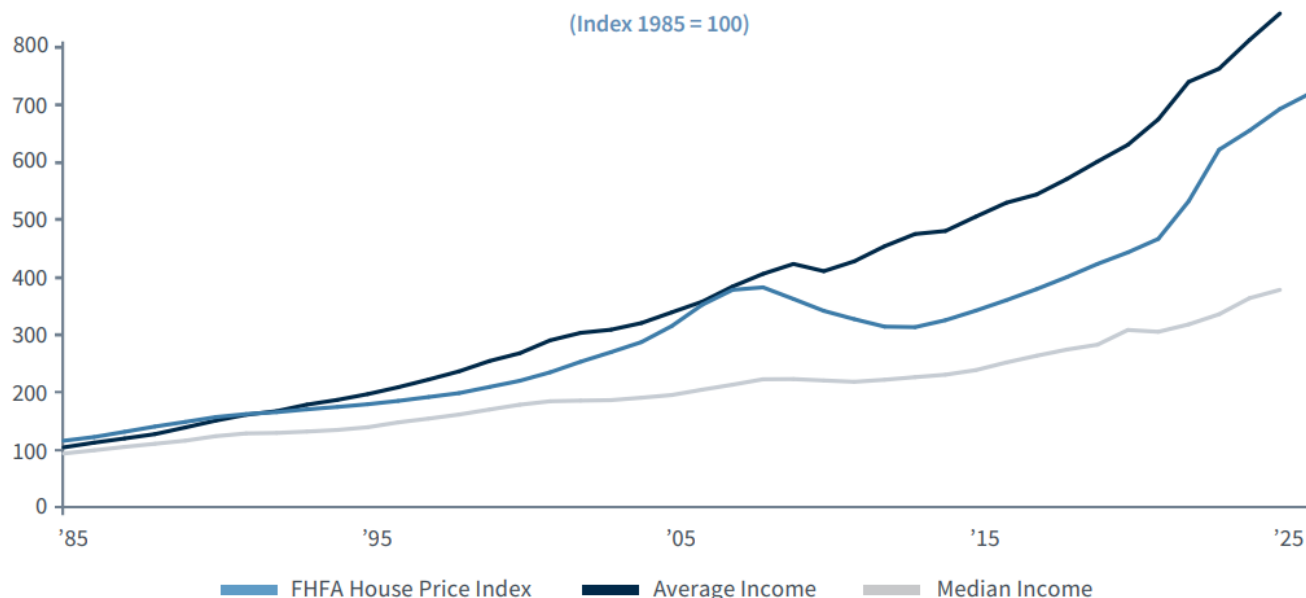
Sources: Capital Group, Standard & Poor's. As of March 31, 2026. Data is indexed to 100 as of January 1, 1987, based on cumulative total returns for the S&P 500 Index. Shown on a logarithmic scale.

Despite the headwinds from rising oil prices tied to the Iran conflict, corporate earnings continue to surprise to the upside. Expectations were 12% earnings growth at the start of the year. For 1Q26, they are on track to rise 27% year over year – the strongest since 2021. Technology companies continue to do the heavy lifting, as a composite of mega-cap tech is tracking to deliver 59% year over year earnings per share outperformance. Larry Adam, Raymond James Chief Investment Officer, recently said, “Despite pressure from tariffs and higher input costs, S&P 500 net margins have defied expectations, rising for a fifth straight quarter to a record 16%. To put that into perspective, margins have expanded by three percentage points over the past two years- an outcome rarely seen

outside of post-recession recoveries. Looking ahead, the backdrop remains favorable for three key reasons. First, AI adoption remains in its early stages, and productivity gains should continue to lift profitability. Second, if the Iran conflict ends via a negotiated deal over the next few months, as we expect, oil-related costs should move lower. And third, following the Supreme Court ruling that struck down IEEPA tariffs, tariff rates are now meaningfully lower than at the beginning of the year. Taken together, margins should remain healthy through at least year-end.”

While the corporate sector continues to execute, there are parts of the economy that continue to struggle. Home affordability has been an issue since the pandemic. Prices started to surge a few years after the global financial crisis of 2008 and accelerated more after the pandemic. Mortgage rates have been north of 6% for a few years, more than double the ultra-low levels many existing homeowners locked in years ago. When looking at average household income over time, it has kept pace and actually exceeded the growth of home prices over the last few decades. However, when we shift from average income to median household income, the picture changes. The median better reflects what a typical household earns, whereas the average is pulled higher by top-income households.

House Prices vs. Average and Median Income



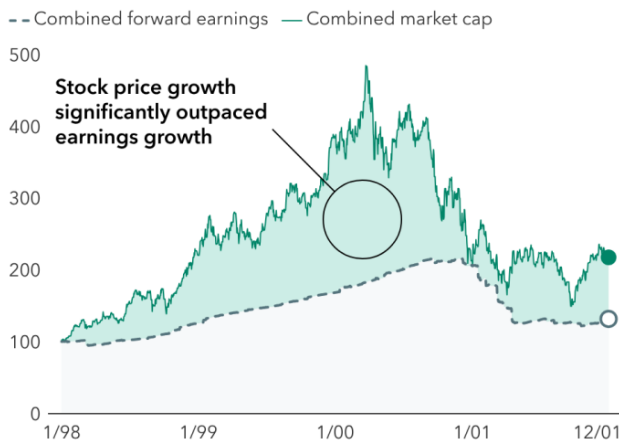
Source: FactSet, data as of 3/17/2026

The soaring AI stocks have some wondering if this a bubble like the tech stocks in 2000. While anything can happen, we don't believe we're in a similar bubble now because companies are growing earnings faster than their stock price is increasing. AI-driven efficiency gains are being overlooked by some market participants. Looking forward, the recent rise in interest rates and inflation (due to the Iran war) will likely keep the Fed on hold for a while. Many were expecting rate cuts with the new Fed Chair, Kevin Warsh. But it will be difficult in the current environment. A less dovish Fed could put downward pressure on multiples, and we could see a compression in the P/E ratio – which is normal when earnings growth is driving the market.

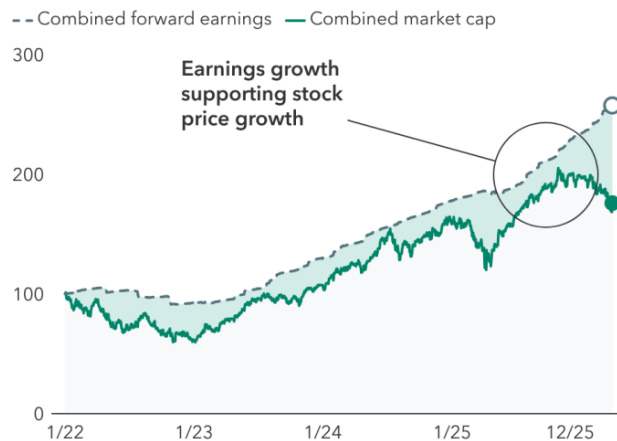
Why AI may not be a bubble

Earnings growth is driving today's stock gains – a sharp contrast to the dot-com period when share prices far outpaced profits.

Dot-com era: Price vs. earnings (1998-2001) indexed to 100 as of January 1, 1998



AI era: Price vs. earnings (2022-present) indexed to 100 as of January 1, 2022



LEFT: Sources: Capital Group, Bloomberg. Data aggregates forward 12-month net income ("forward earnings") and market capitalization ("market cap") for the "Four Horsemen" of the dot-com era: Microsoft, Cisco, Intel, and Dell, four of the largest and best-performing companies of that period. Indexed to 100 on January 1, 1998.

RIGHT: Sources: Capital Group, Bloomberg. Data aggregates forward 12-month net income ("forward earnings") and market capitalization ("market cap") for Nvidia, Microsoft, Apple, Amazon, Meta, Broadcom, Alphabet, seven of the largest AI-exposed companies. Data indexed to 100 on January 1, 2022. As of March 31, 2026.

The impact of AI is still in its early stages. Over the past six-twelve months, AI sentiment has swung from euphoria to skepticism for many. It's understandable. We've seen layoffs in sectors like software and customer support. There will likely be more job losses. These changes can be scary, especially if they affect a loved one. However, when we look at history, this is not new. Major changes in technology have always led to job losses – the steam engine, the internal combustion engine, the computer, the internet and now AI. History suggests there will be job loss, new jobs created and an increase in productivity. Time will tell if this time is different.

- Past performance is not a guarantee of future results. Individuals cannot invest in an index directly.
- The Dow Jones Industrial Average (DJIA), commonly known as "The Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal.
- The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete.
- The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the U.S. stock market.
- The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market and includes over 3,000 companies.
- Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Bonds are subject to credit and interest rate risk. Timely payments of interest and principal payments are based on the financial condition of the issuer. Yield and market value will fluctuate with changes in market conditions. There is an inverse relationship between interest movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Diversification does not insure a profit or a guarantee against a loss. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Please note that international investing involves special risks, including currency fluctuations, differing financial accounting standards, and possible political and economic volatility.

PERSONAL

As the volleyball approached the net, Kora, a freshman, went up and got the overpass kill. State Champs! Kora and her teammates at Valor Christian High School celebrated winning the Colorado Volleyball 5A State Championship (Valor's fourth volleyball state championship in a row). The tears on the court weren't just for winning the championship, but for their head coach, Jayne McHugh. Jayne was in a hospital bed. She was previously diagnosed with an aggressive form of leukemia and had to step away in the middle of the season. The new interim head coach, Trisha, stepped in. Trisha was able to build trust with the players and continue the team's mission for Jayne. The team played with love and joy the remainder of the season. After celebrating the state championship on the court, the ball was taken to Jayne at the hospital. They shared the news and placed the ball under her hand. Jayne passed away about an hour later. Jayne's legacy and impact will continue as she had a positive impact on the lives of many young women over the years.

Macy's love for volleyball and her friends continue through her eighth-grade year. The Juggernaut 14s National 1 team has now been together for three years. The teammates have become very close. Sleepovers and travel are not uncommon with this special group of girls. The trust and shared vision they built over the years can be seen on the court. The team is currently ranked #2 in Colorado and qualified for the USA Volleyball National Championship in Indianapolis later this summer. Macy has been playing the libero position. So, her role is to play in the back row and focus almost entirely on defense and passing. Kora's club volleyball team is also ranked #2 in Colorado, and they punched their ticket to the USA Volleyball National Championship in June. Kora is an outside hitter. Her role is to attack and score from the left side of the net. She also plays defense in the back row. Their love for the sport continues to grow.



With limited free time, the Fisher family takes advantage when it is available. The family was able to get away and ski a couple of times this winter. There is something magical and peaceful about the fresh mountain air, being above tree line and looking out at the massive snow-covered peaks in the distance. Macy and Kora show their patience when skiing with mom and dad (in particular, dad). The girls love the outdoors, and the family always enjoys their time together.

Ava and Elle continue their love of softball, like Emily did growing up. Despite recently turning 11 in March, for the Spring rec season Elle decided to play with 12-year-olds. She had a blast making memories with old and new teammates. Ava has been playing for Team San Diego, a competitive travel team. Tournaments have taken her around Southern California. Notwithstanding a tough start adjusting to stiff competition, the team improved their play throughout the year, placing and even winning tournaments, punching their way to Nationals scheduled for June in Saint George, UT. Aspirations to play for a college team are still alive for Elle and Ava.



The school year is rapidly coming to an end. Elle had a fun last year in elementary school. She took part in safety patrol and participated in fundraisers and performances. Garry volunteered weekly in her class, taking every opportunity to embarrass her. Moving on to middle school, Elle has her eyes on track & field. Having recently run a 6:21 mile in PE class, she is weighing her options between short and middle distance, hoping to break world records. Garry, her very slow running partner, is having a hard time keeping up on training runs. Elle's love for animals, especially reptiles, knows no bounds. Everest, her bearded dragon, lives his best life – being spoon fed, bathed and cared for like a Roman Emperor.

Seemingly in the blink of an eye, Ava is moving on to high school. She must have been born with a matchbox car in her hand. Ever since she could crawl, her interests have focused on cars and racing. Emily and Garry recently signed her up for an outdoor go-cart racing series. Despite being the only girl on track, she is proving to be very competitive in a field of 13- to 17-year-old contenders. Her dream is to be a Formula 1 racecar driver for Mercedes or Ferrari and follow in the footsteps of her idol, the seven-time Formula 1 World Drivers' Champion, Lewis Hamilton.

Thank you for your continued trust, confidence and friendship.



Garry Kachkovsky, CFP®
Financial Planner



Kristian R. Fisher, CFP®
Financial Planner