

# Narwhal Capital

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2026 Market Outlook

8 January 2026

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Unless otherwise noted, all financial data for investments accessed via the Bloomberg Terminal.

Finally, we must disclose that PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

# Educational Resources

## ➤ The Morning Market Briefing

- ❖ A daily 15-minute overview of the largest stories influencing the markets and their implications on investment portfolios.
- ❖ Find it on the Education tab of Narwhal's website, live at 8:30am, or wherever you get your podcasts.
- ❖ Now, live on YouTube (The Morning Market Briefing)

## ➤ The Market Memo

- ❖ A one-page weekly snapshot of our view on markets, inflation, and the economy.
- ❖ Add yourself to the email list by emailing Natalie Rogers ([nrogers@narwhal.com](mailto:nrogers@narwhal.com)) or subscribe on LinkedIn.

## ➤ Quarterly Macro Presentations

- ❖ Request an invitation by emailing Natalie Rogers.

## ➤ Complimentary Financial Planning

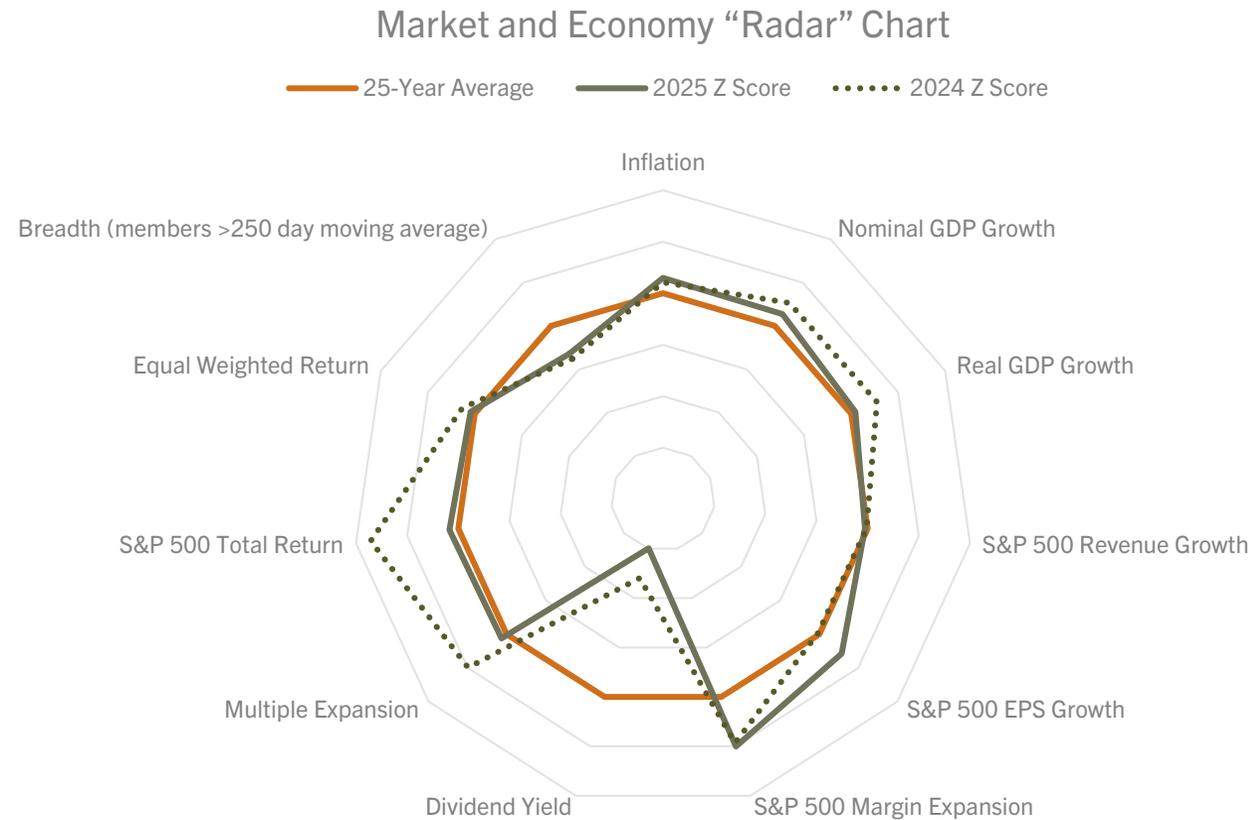
- ❖ Clients can email Melissa Dotson ([mdotson@narwhal.com](mailto:mdotson@narwhal.com)) to set up a Discovery Meeting.

# 2025 Overview

*If everyone is thinking alike, then somebody isn't thinking.*

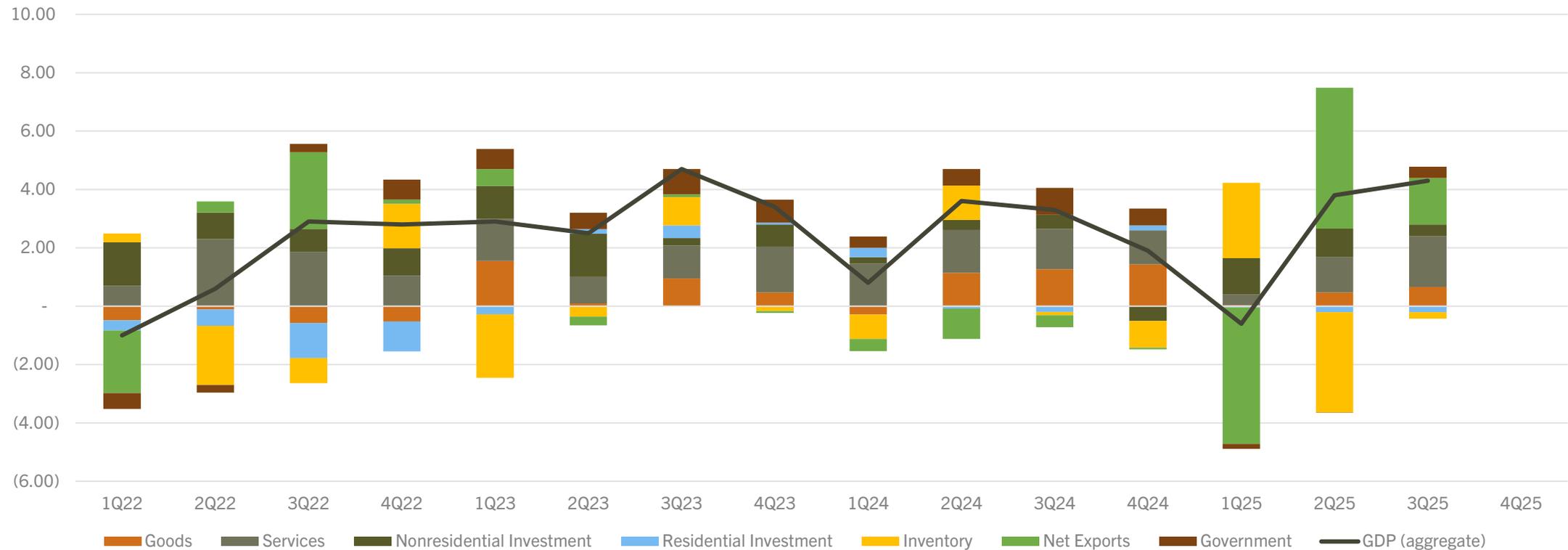
*-General George Patton*

# Profitability and margin improvement drove strong returns among the largest US companies

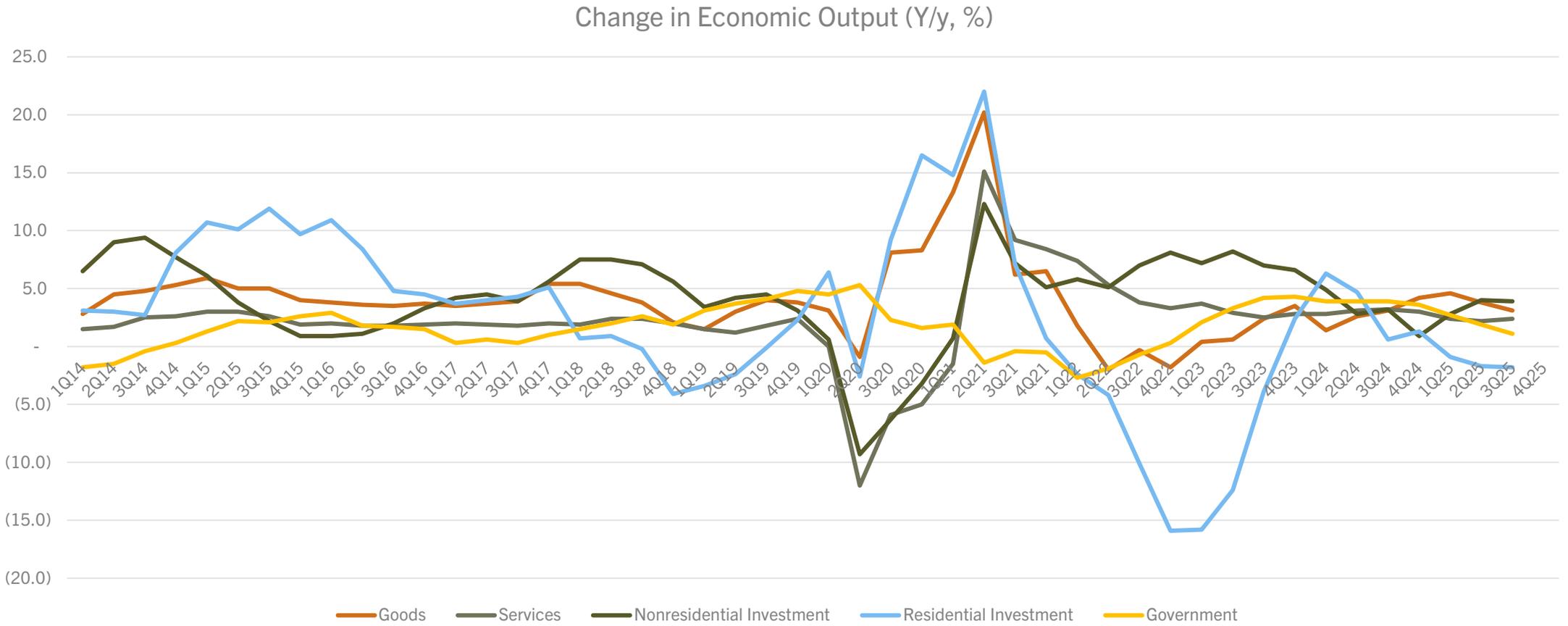


# Consumer spending and AI investment made up for softer government spending in 2025

Contributions to Change in Real GDP  
(Bureau of Economic Analysis, Federal Reserve Bank of Atlanta)

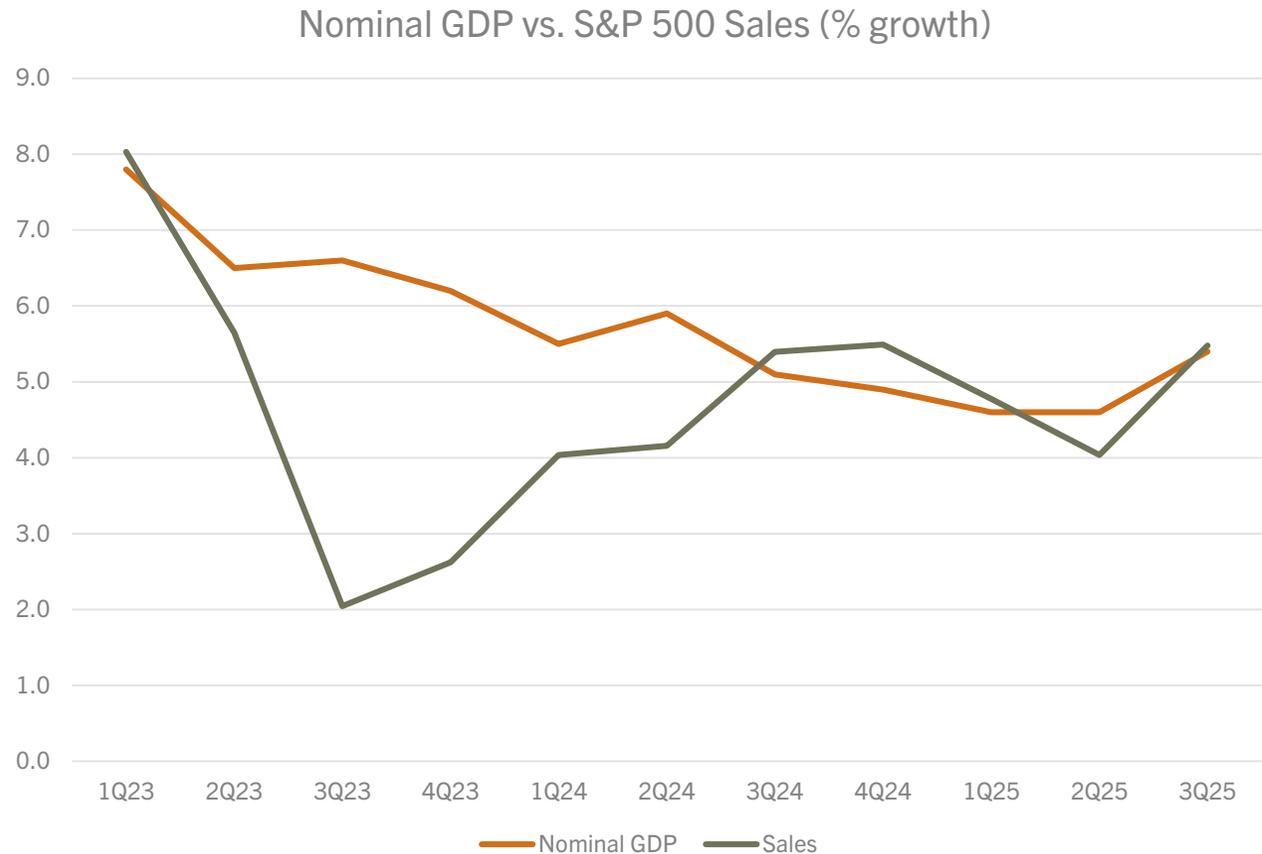


# While much of the private sector is steady, home building has weakened as interest pressure persists



# Nominal GDP has a 0.59 correlation with S&P 500 Revenue historically

Period	GDP Y/y (real)	GDP Y/y (nominal)	Sales
2019	+2.6	+5.2	+5.5
1Q23	+2.3	+7.8	+7.9
2Q23	+2.8	+6.5	+6.1
3Q23	+3.2	+6.6	+2.2
5Q23	+3.5	+6.2	+2.8
1Q25	+2.9	+5.5	+5.2
2Q25	+3.1	+5.9	+5.2
3Q25	+2.8	+5.1	+5.5
5Q25	+2.5	+5.9	+5.5
1Q25	+2.0	+5.6	+5.8
2Q25	+2.1	+5.6	+5.0
3Q25	+2.3	+5.5	+5.5

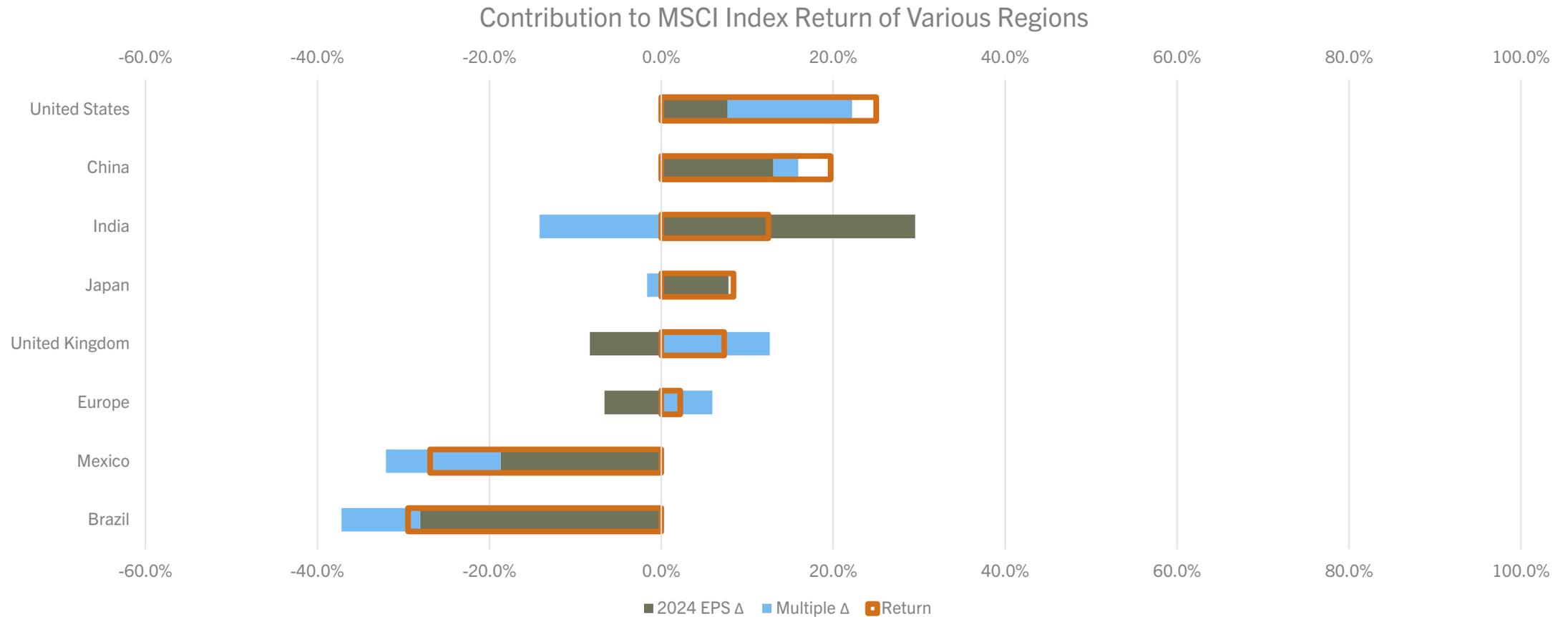


# Market Analysis

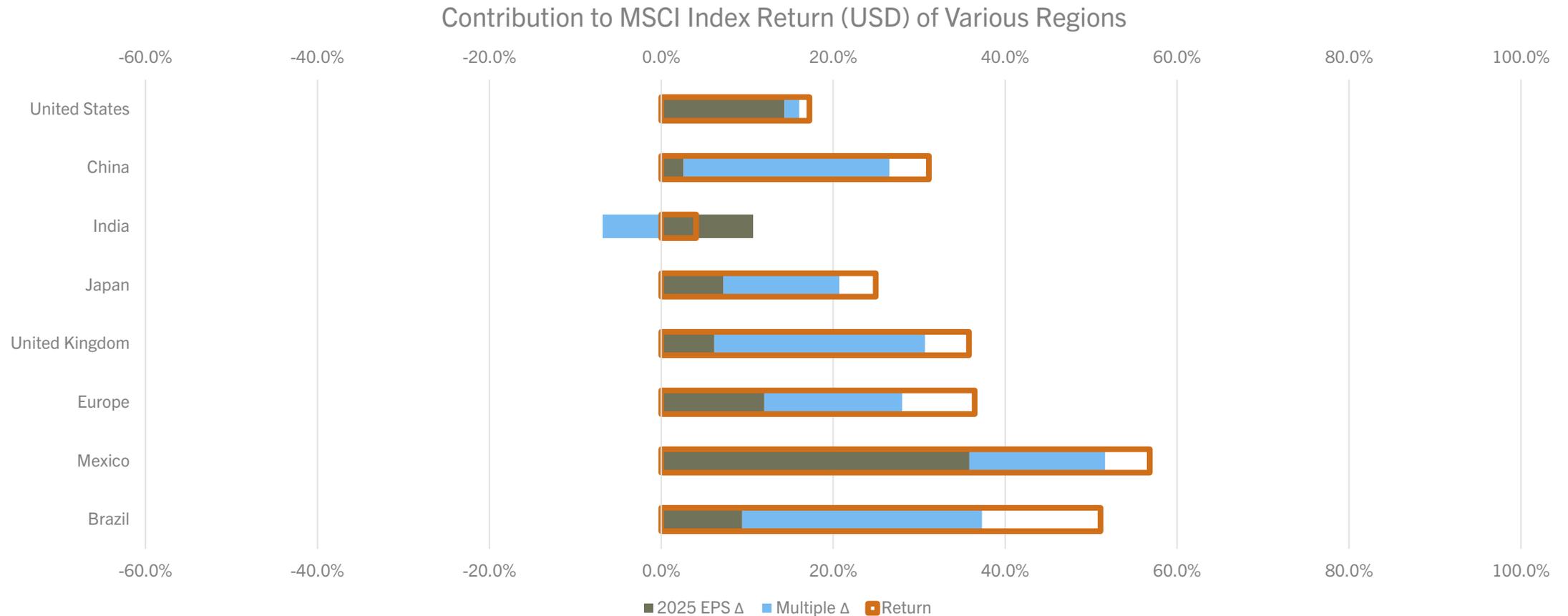
*I'll play it first and tell you what it is later.*

*-Miles Davis*

# A look back at 2024: US stocks outperformed as earnings in Europe declined

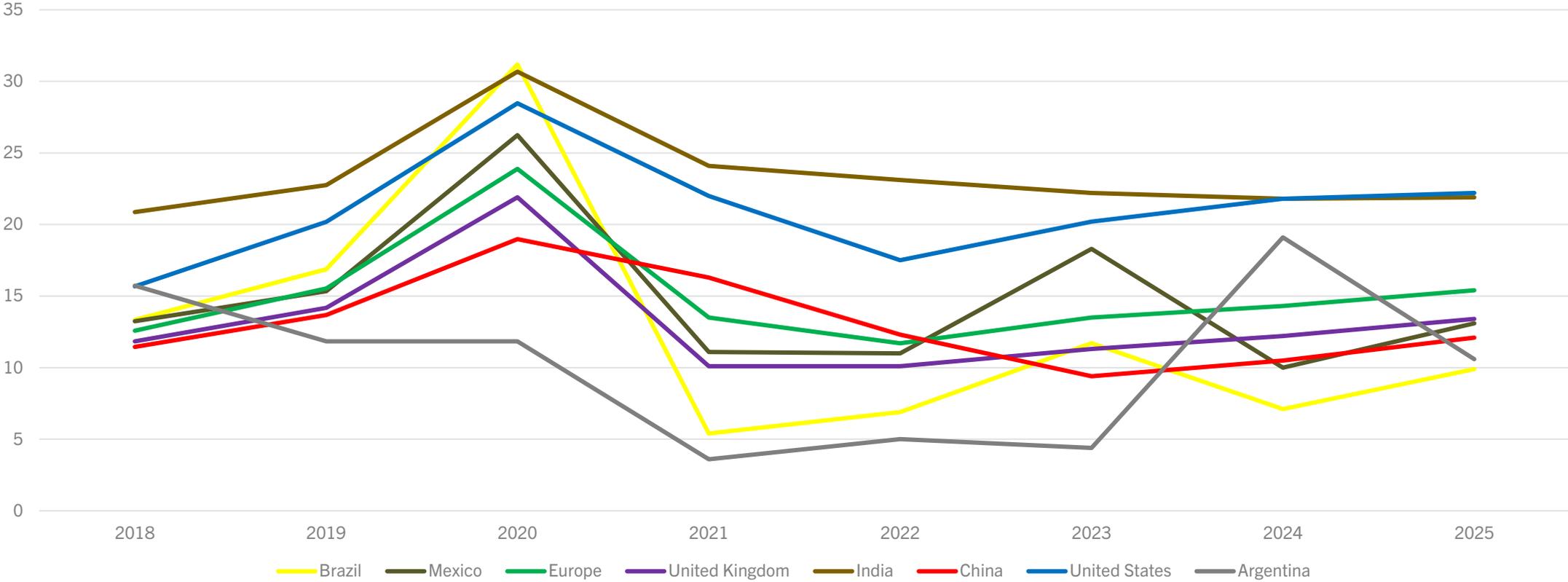


# In 2025, hopes for accommodative fiscal policy in Europe & China drove stronger returns



# The US stock market remains more “pricey” even as overseas valuations rose

Price/Earnings Multiples of Various Country Stock Indices (MSCI for all but the US – S&P 500)



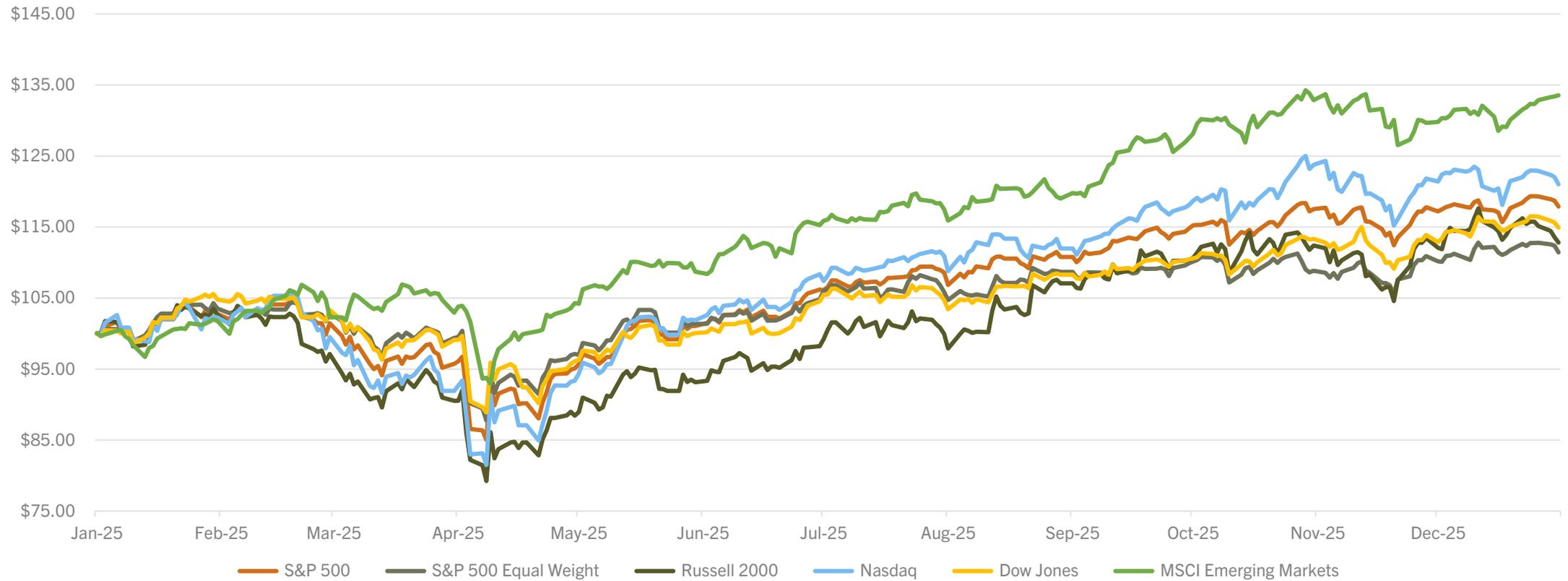
# In 2024, the tech-heavy Nasdaq drove stock market returns

2024: Value of \$100 Invested at Beginning of Year in Various Indices



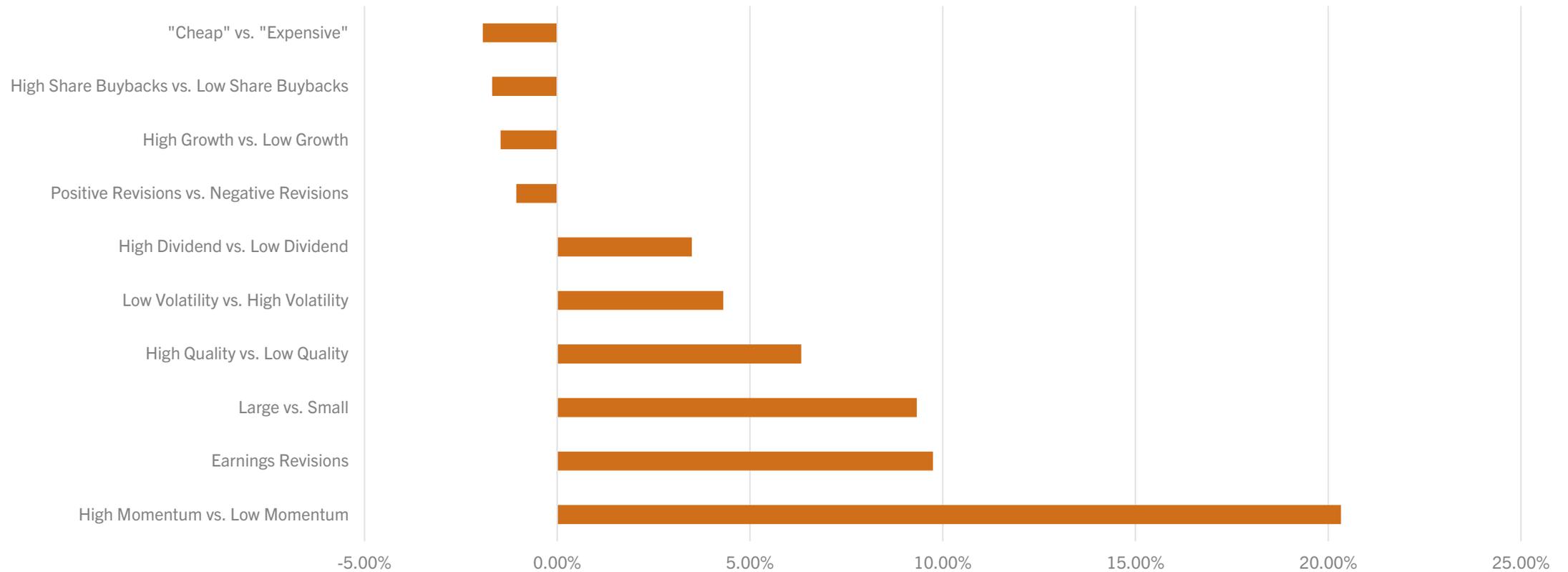
# In 2025, Emerging Market stocks outperformed the S&P 500 by >1% for the first time in 8 years

2025: Value of \$100 Invested at Beginning of Year in Various Indices



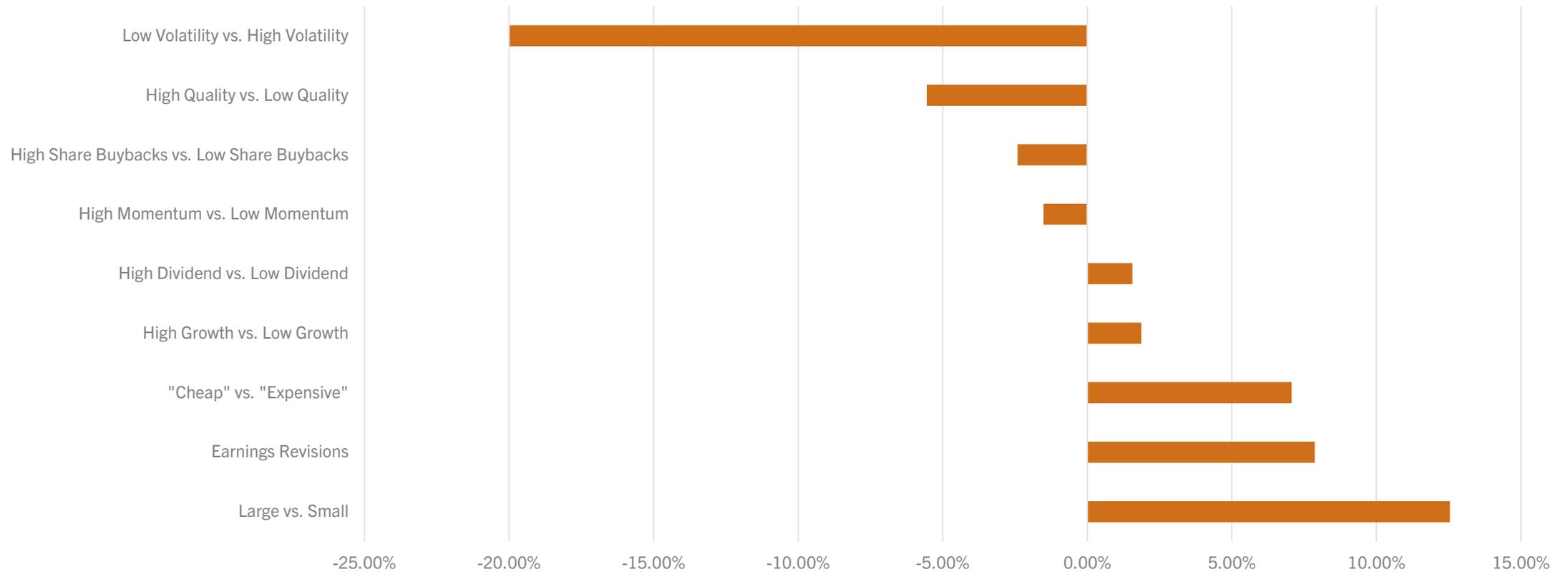
# Earnings momentum drove 2024 returns

S&P 500 Factor Drivers, 2025: Top 20 percentile less Bottom 20 percentile

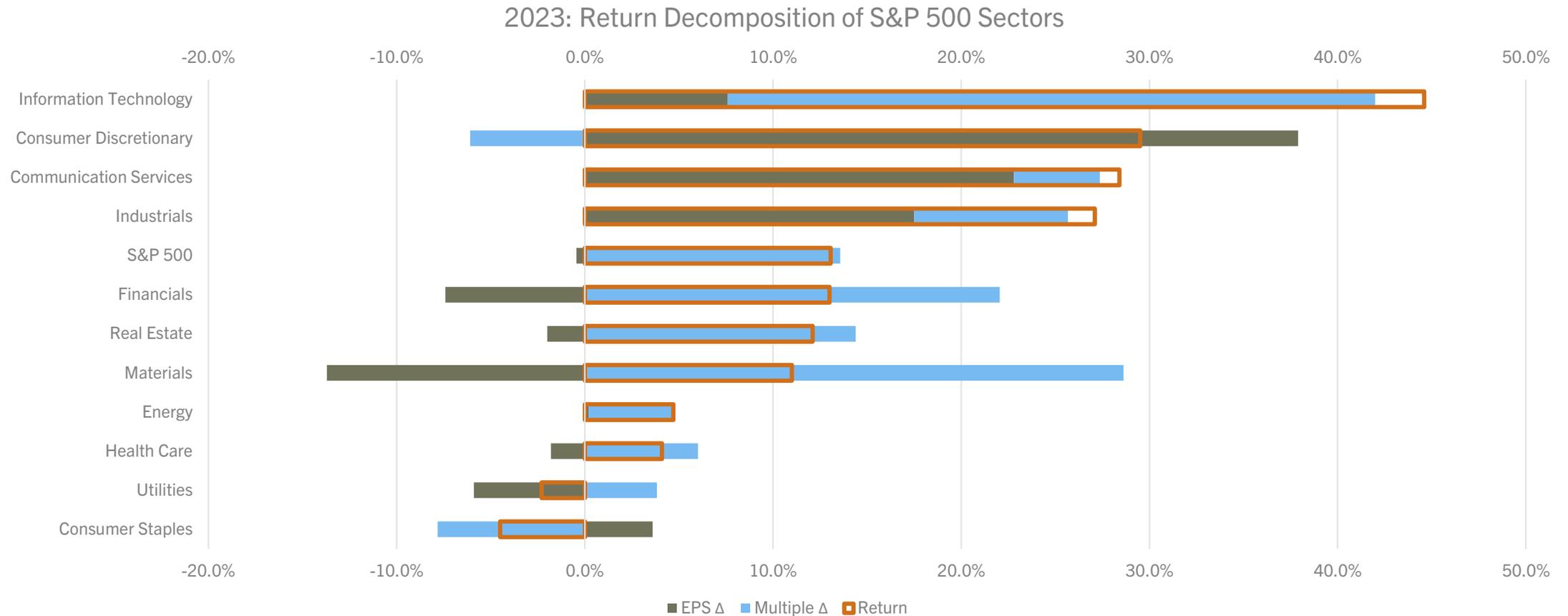


# Conservatism through low-volatility stocks held back 2025 returns

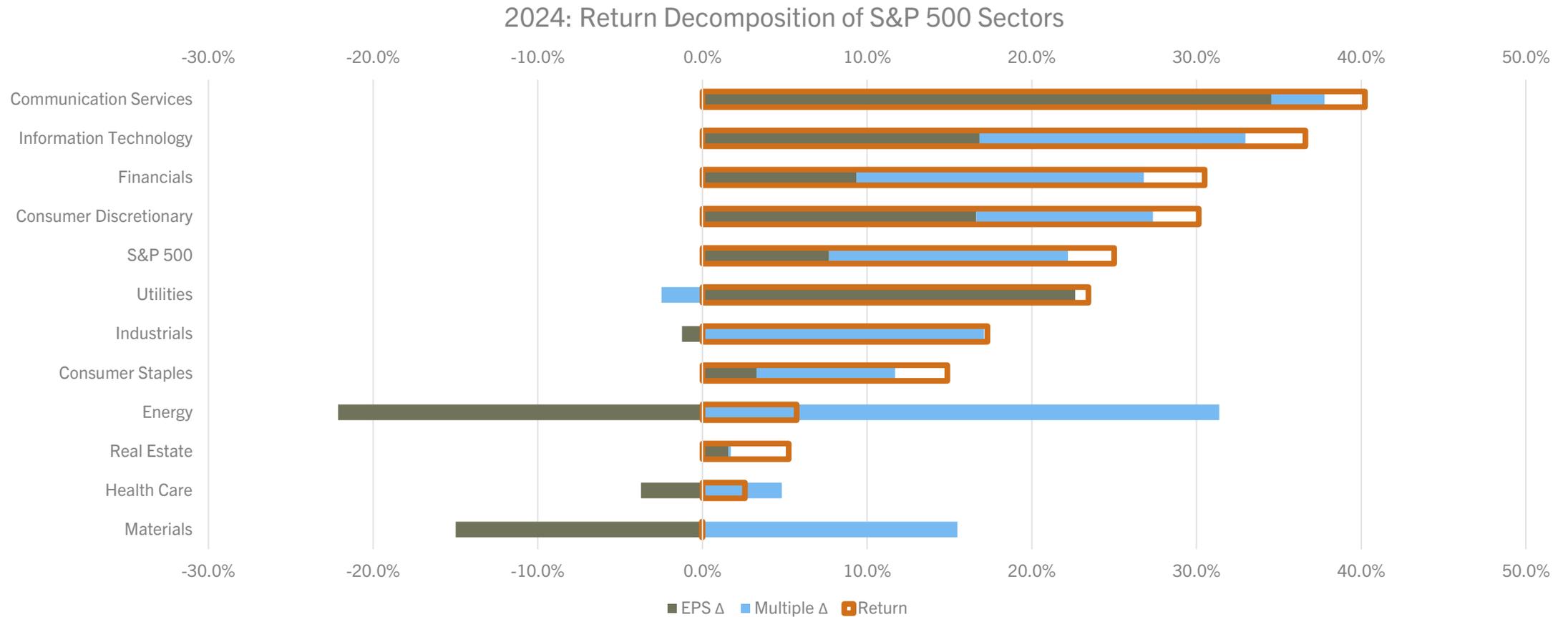
S&P 500 Factor Drivers, 2025: Top 20 percentile less Bottom 20 percentile



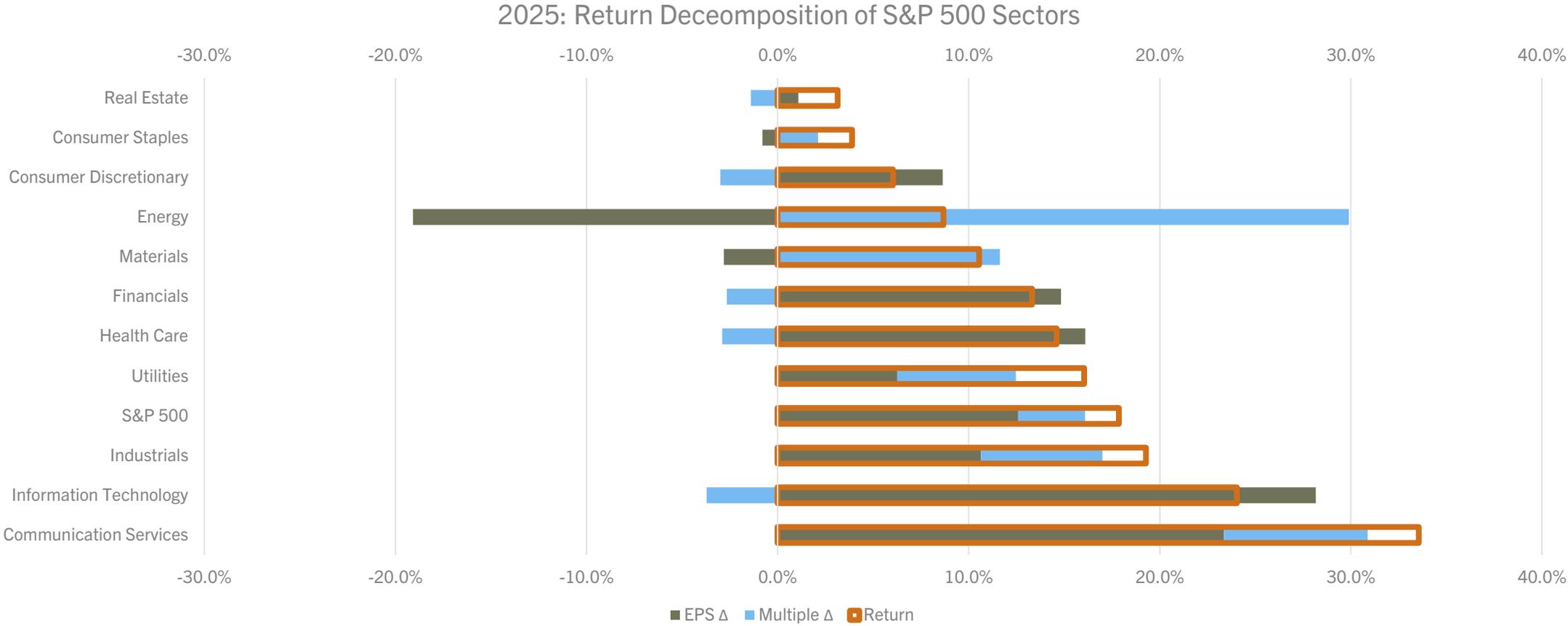
# Returns in 2023 were concentrated in the technology sector as multiples expanded



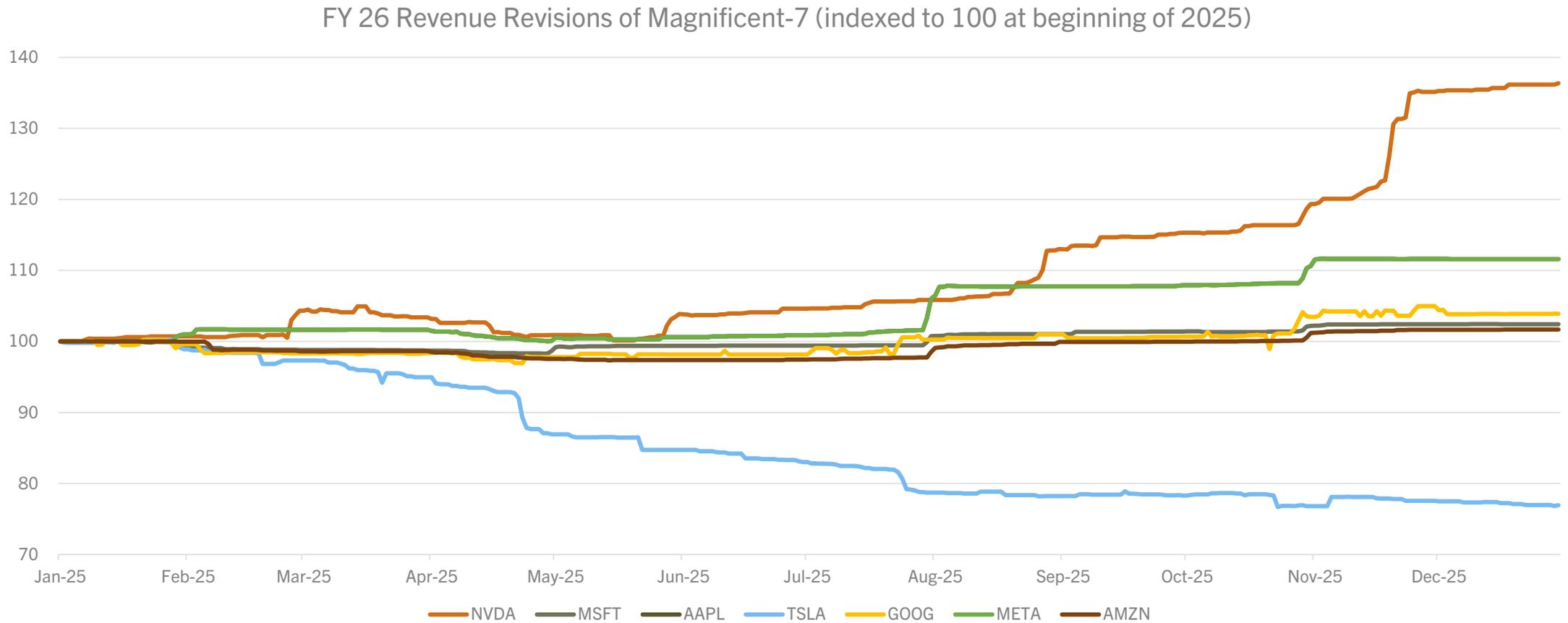
# In 2025, returns were broader, with Financials contributing strongly...



# In many sectors (technology, healthcare, financials) valuations contracted as earnings accelerated



# Nvidia and Meta raised earnings forecasts throughout the year



# Although broad markets were up 17%, the largest seven companies dramatically outperformed

Cumulative Percentage Return of the Magnificent 7 and the Rest of the S&P 500



# Outperformance of the Mag-7 (mostly Tesla and Apple) picked up after Liberation Day

Performance of a Hypothetical Long Mag-7, Short the Rest Portfolio



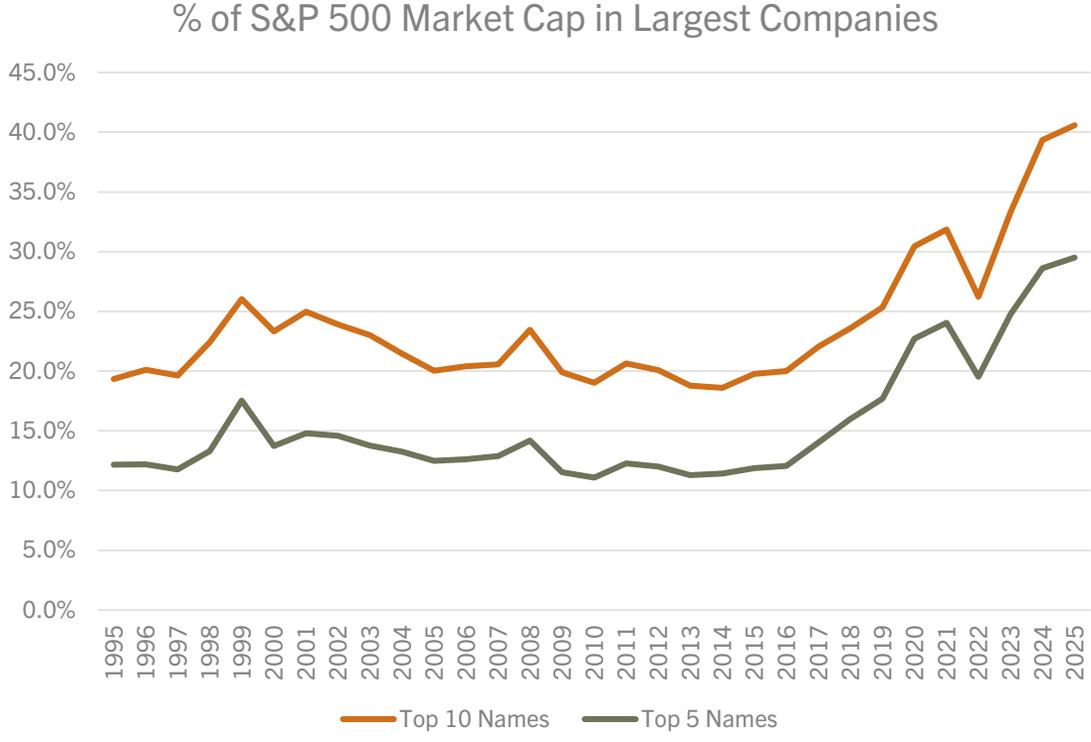
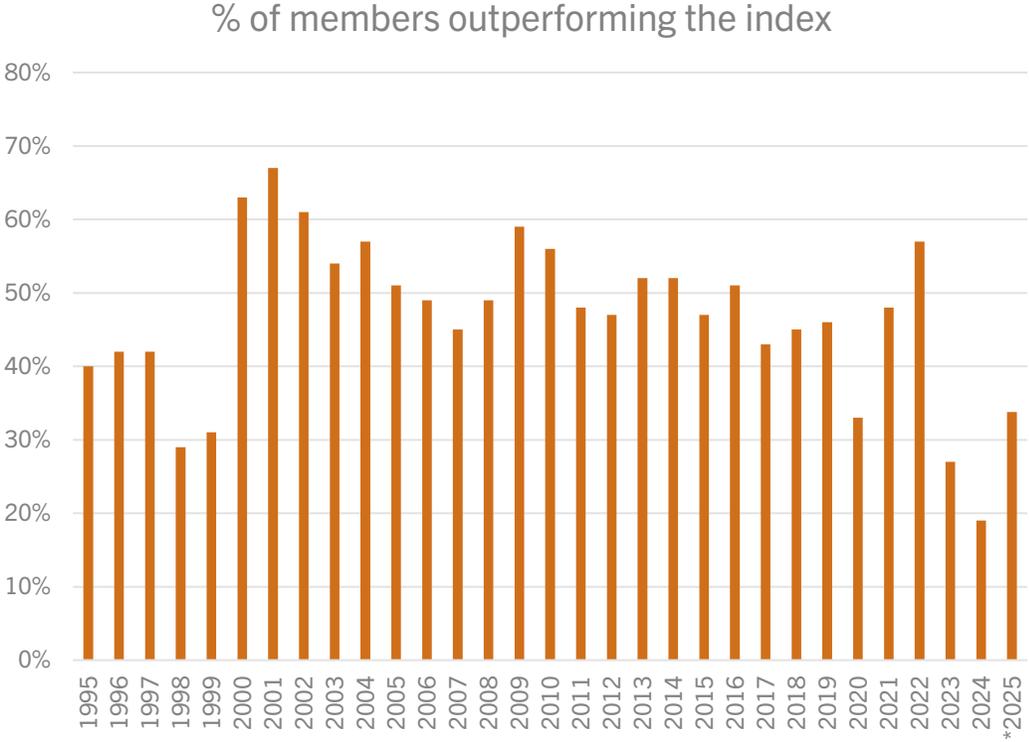
# The valuation gap between the Mag-7 and the broader market remains, driven by Tesla (last year)

	P/E (2025)	P/E (2025)	EV/EBITDA (2025)
Alphabet	23.5x	20.9x	15.1x
Amazon	52.7x	35.0x	15.3x
Apple	37.1x	35.2x	23.0x
Meta	25.8x	23.0x	15.0x
Microsoft	35.2x	30.6x	20.6x
Nvidia	57.3x	32.0x	25.8x
Tesla	166.9x	125.6x	62.5x
<b>Magnificent 7</b>	<b>50.9x</b>	<b>31.8x</b>	<b>19.8x</b>
<b>S&amp;P 500 ex-Mag 7</b>	<b>21.6x</b>	<b>19.3x</b>	<b>13.1x</b>

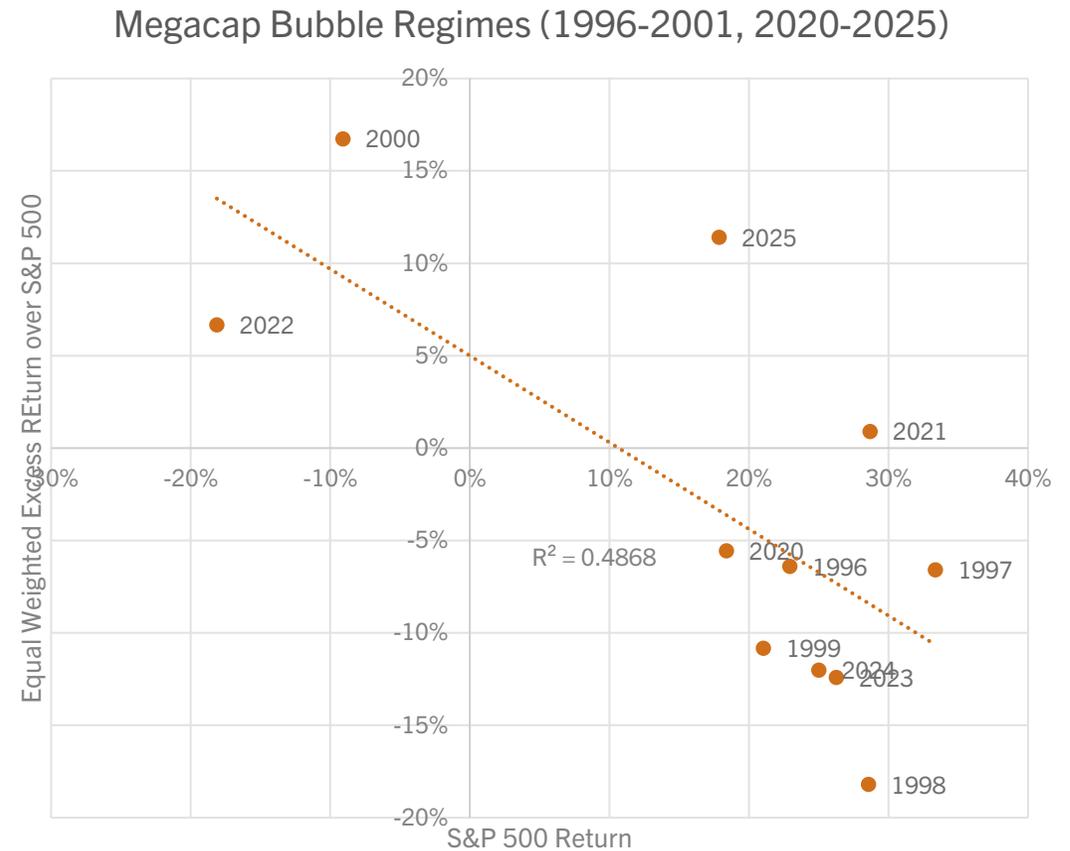
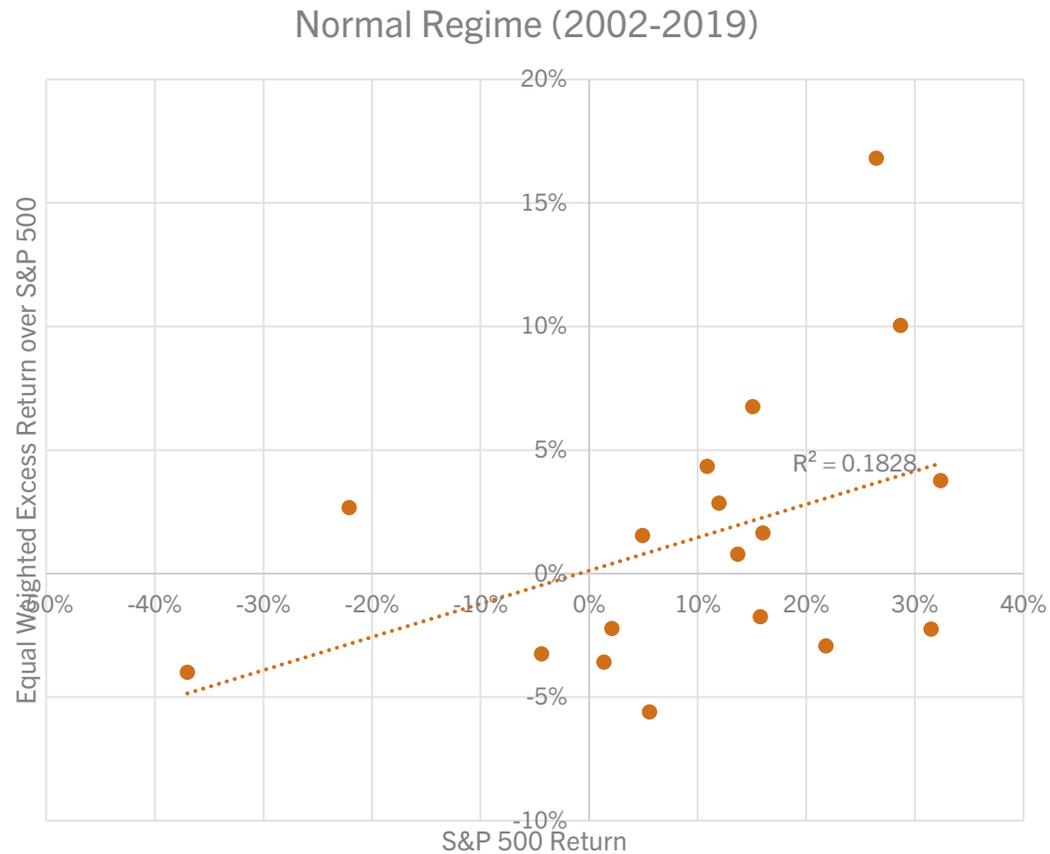
# Valuation gaps between the Mag-7 and the broader market persist but the differences shrunk

	P/E (2025)	P/E (2026)	EV/EBITDA (2025)
Alphabet	29.6x	28.2x	21.6x
Amazon	32.6x	29.1x	15.6x
Apple	35.1x	32.0x	25.6x
Meta	28.3x	22.3x	16.2x
Microsoft	31.9x	28.0x	19.9x
Nvidia	50.5x	25.0x	33.1x
Tesla	279.3x	205.5x	115.8x
<b>Magnificent 7</b>	<b>36.6x</b>	<b>29.1x</b>	<b>23.9x</b>
<b>S&amp;P 500 ex-Mag 7</b>	<b>22.6x</b>	<b>19.9x</b>	<b>15.8x</b>

# Although the markets broadened out, the S&P 500 remains highly concentrated

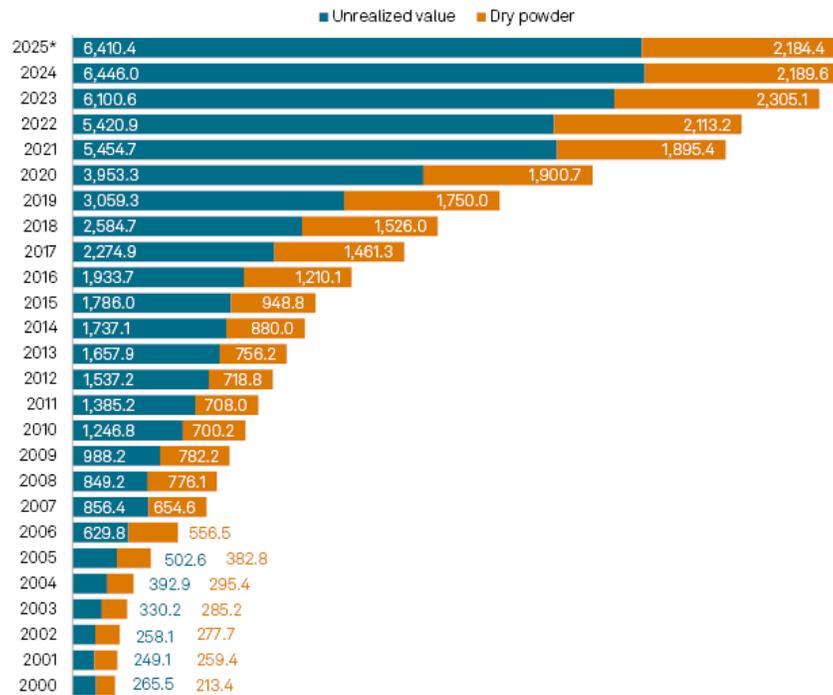


# In periods of heightened market concentration, equal-weight dulls the upside and the downside



# Billions have accumulated in money market funds; expect deployment as interest rates fall

Global private equity AUM, 2000–2025 (\$B)



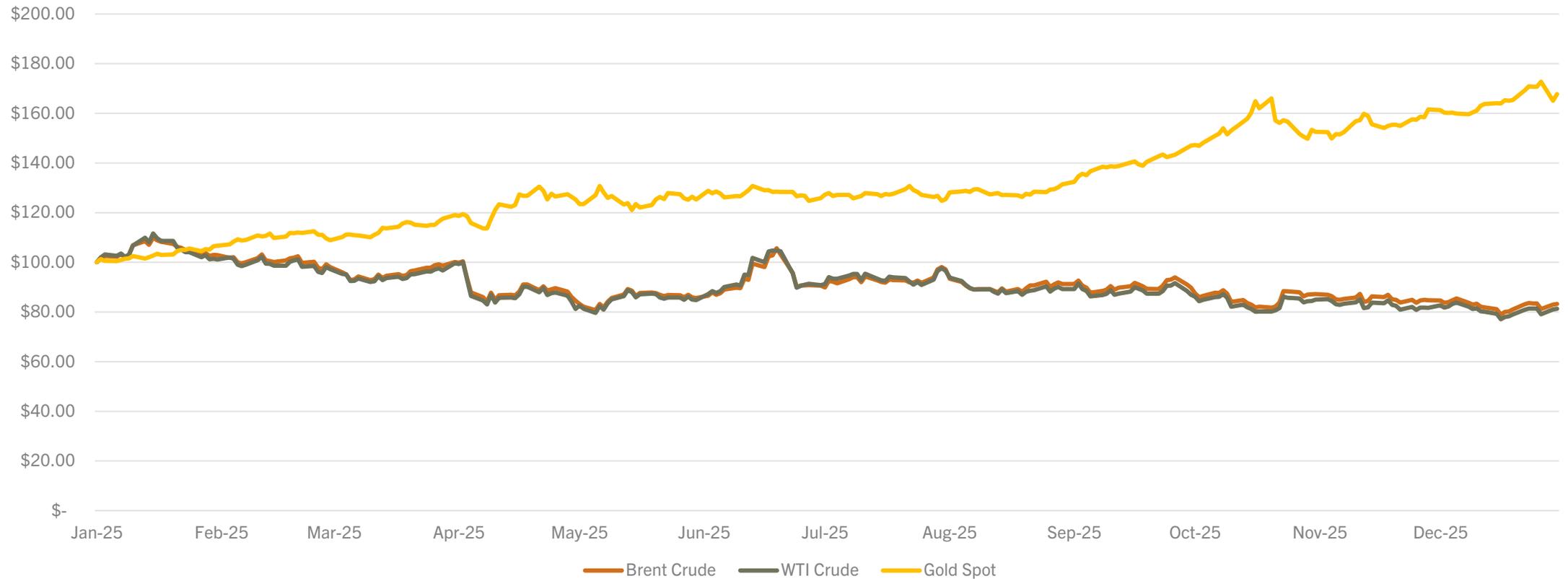
Money in Money Market Funds (millions, ICI)



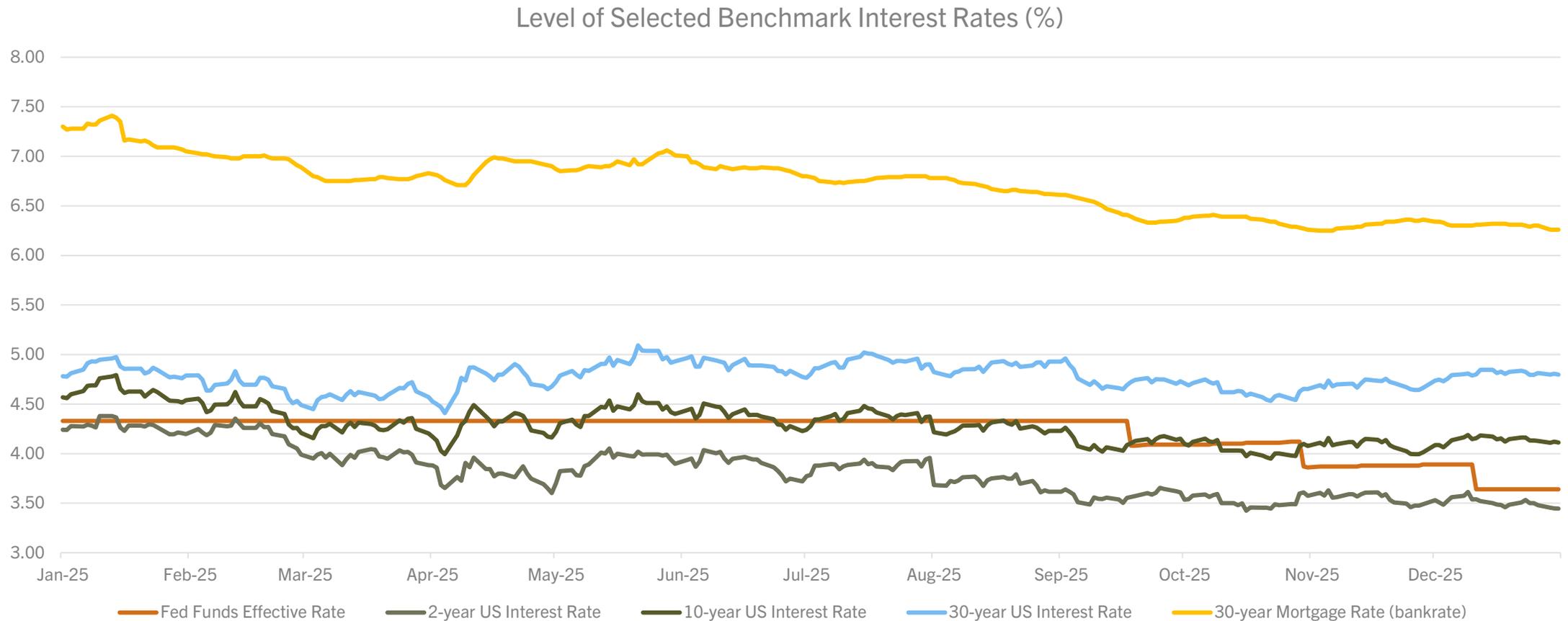
Data compiled Dec. 8, 2025.  
 \* Year to date through March 31, 2025.  
 Analysis includes aggregate dry powder and unrealized value of global private equity funds with vintage year between 2000 and 2025.  
 Data is supplemented by Preqin.  
 Source: S&P Global Market Intelligence.  
 © 2025 S&P Global.

# Oil prices fell ~ 20% but gold produced strong returns

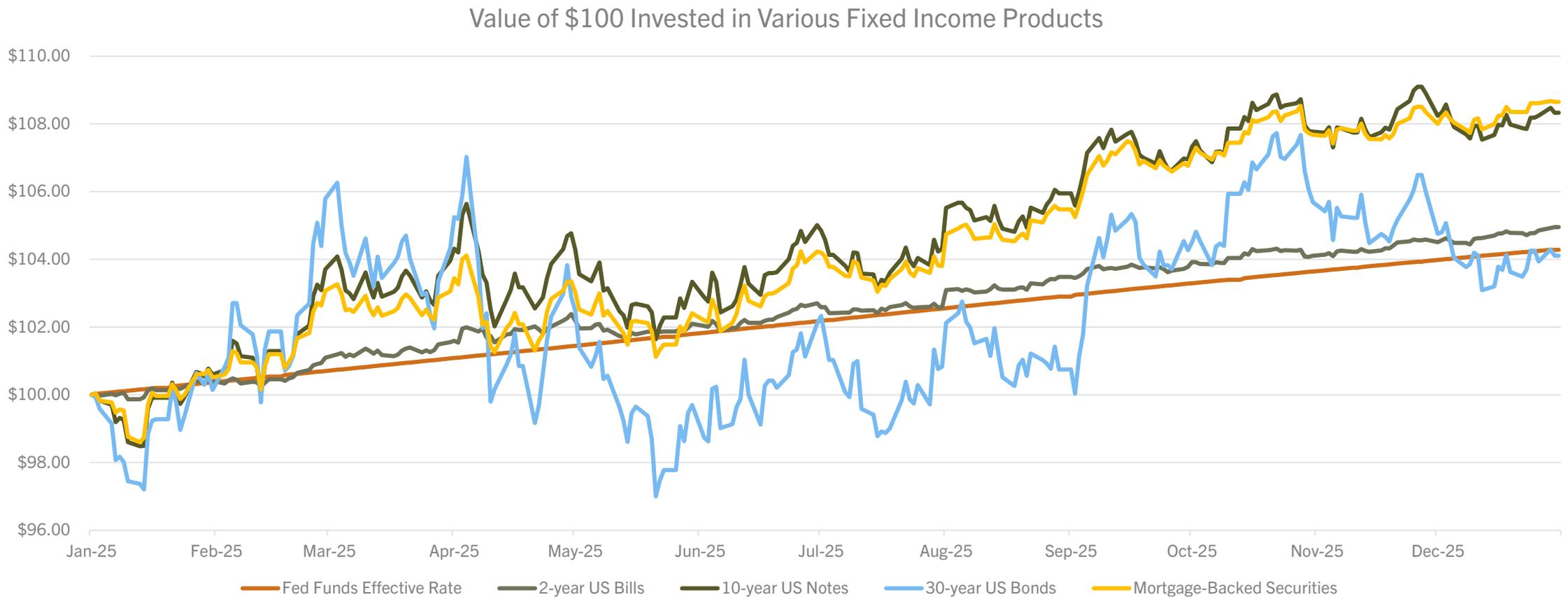
Value of \$100 Invested at Beginning of Year in Various Commodities (spot price)



# Rate cuts were gradual and were felt most at the short-end of the curve and in mortgages

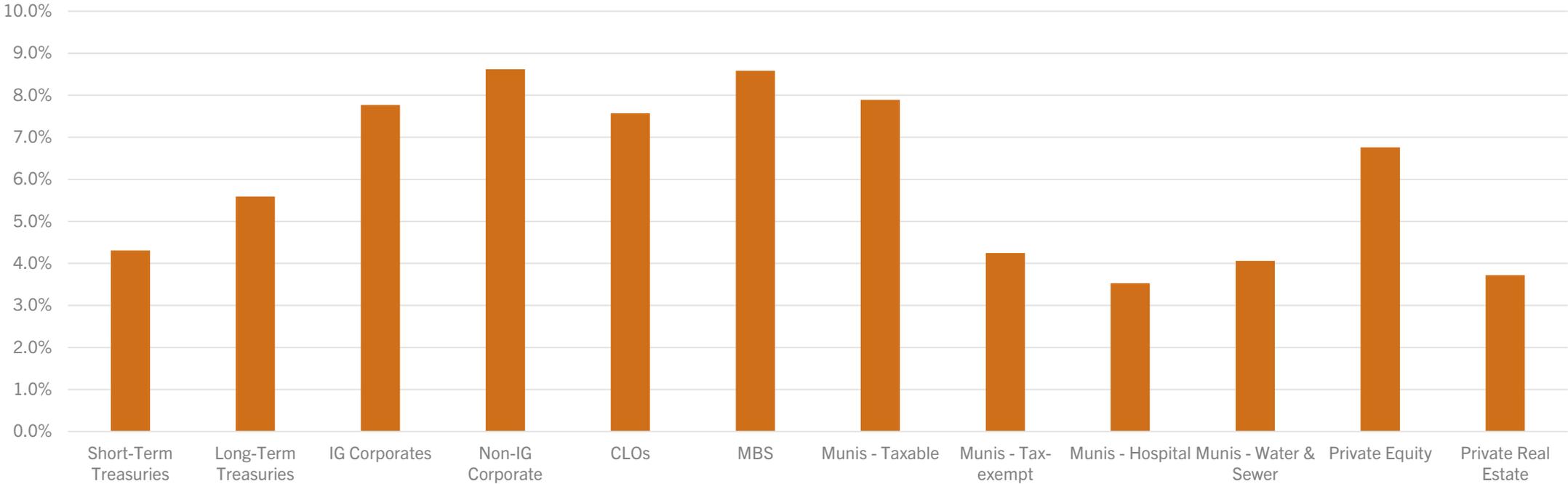


# Mortgage-backed securities posted steady returns throughout the year



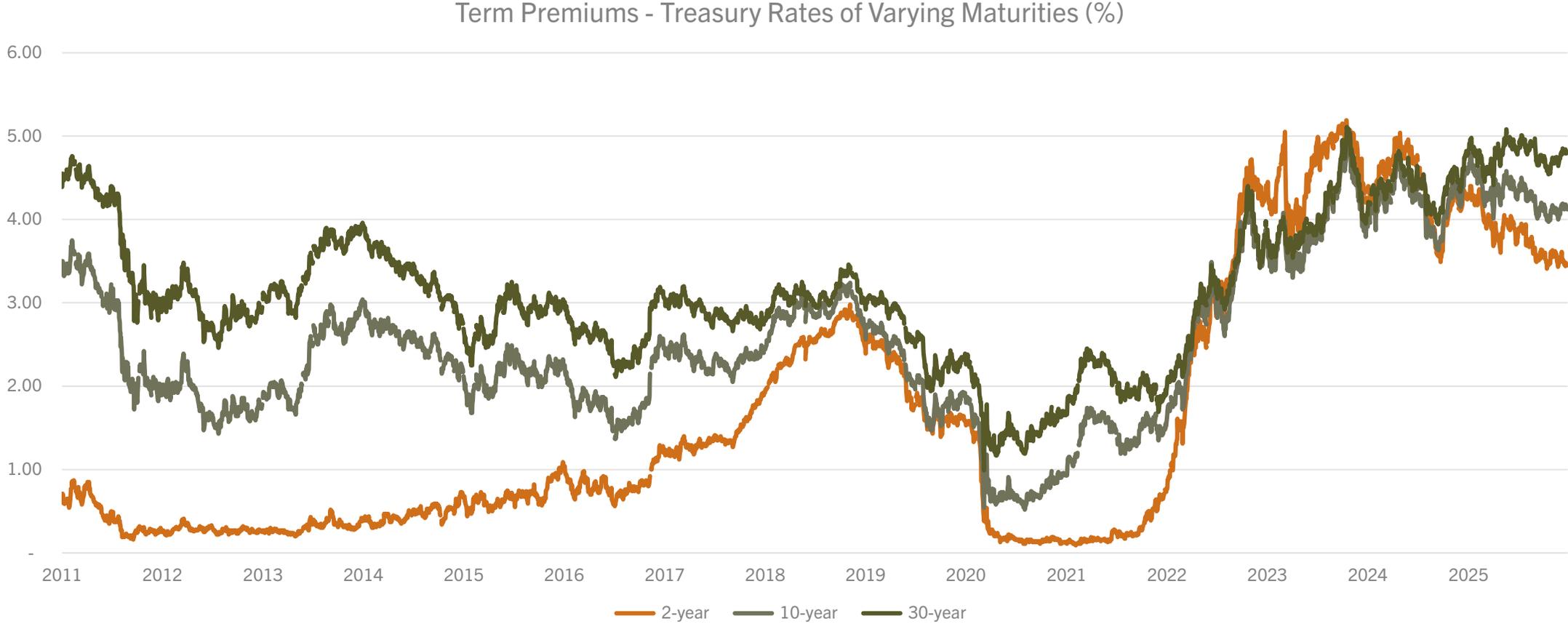
# All subsectors of fixed income posted robust returns, with MBS leading the way

Total Return of Various Fixed Income Classes

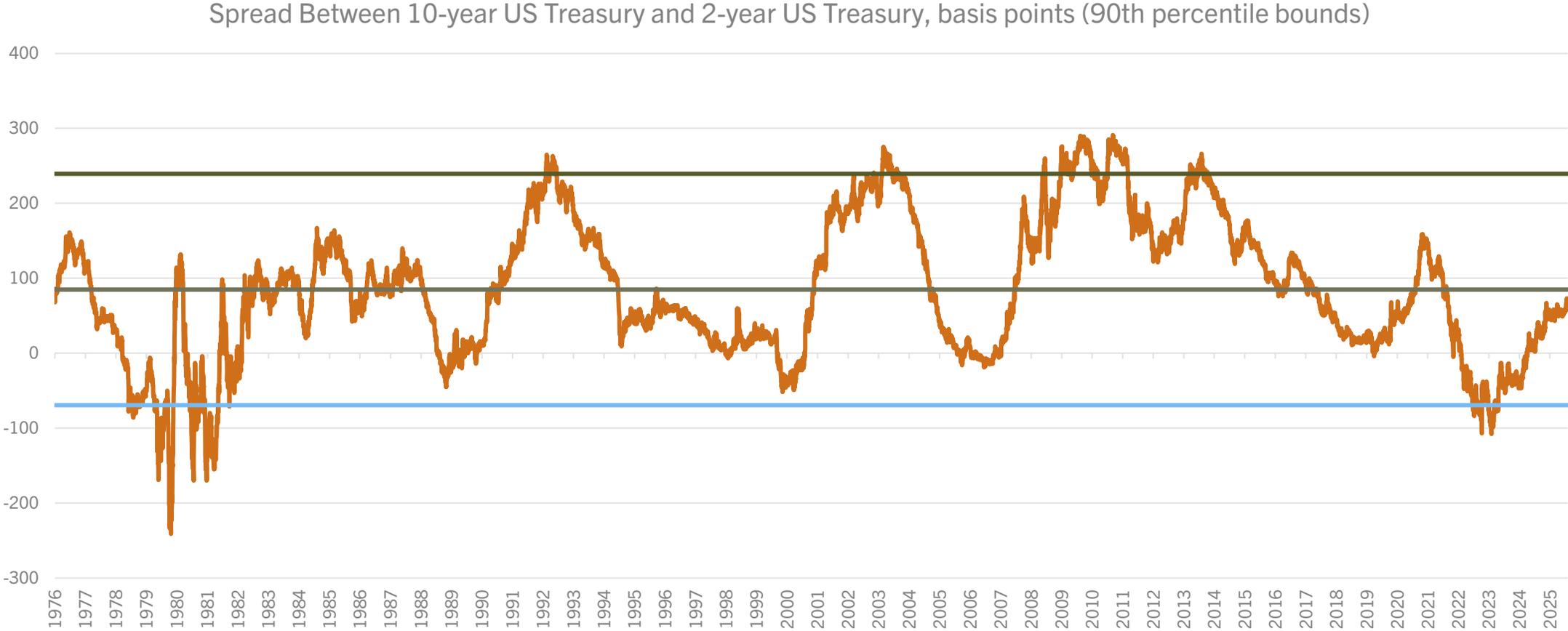


Short-term Treasuries: S&P US Ultra Short Treasury Bill & Bond Index  
 Long-term Treasuries: Bloomberg US Long Treasury Total Return Index Value Unhedged  
 IG Corporates – Bloomberg US Corporate Total Return Value Unhedged  
 Non-IG Corporates – Bloomberg US High-Yield Corporate Bond Index  
 CLOs – Palmer Square CLO Debt Index  
 MBS – Bloomberg US Mortgage Backed Security Index  
 Municipal Returns – Bloomberg  
 Private Equity – Bloomberg Buyout Private Equity Index  
 Private Real Estate – NCREIF Property Index

# As short-term rates fall, longer-term bonds have become relatively more attractive

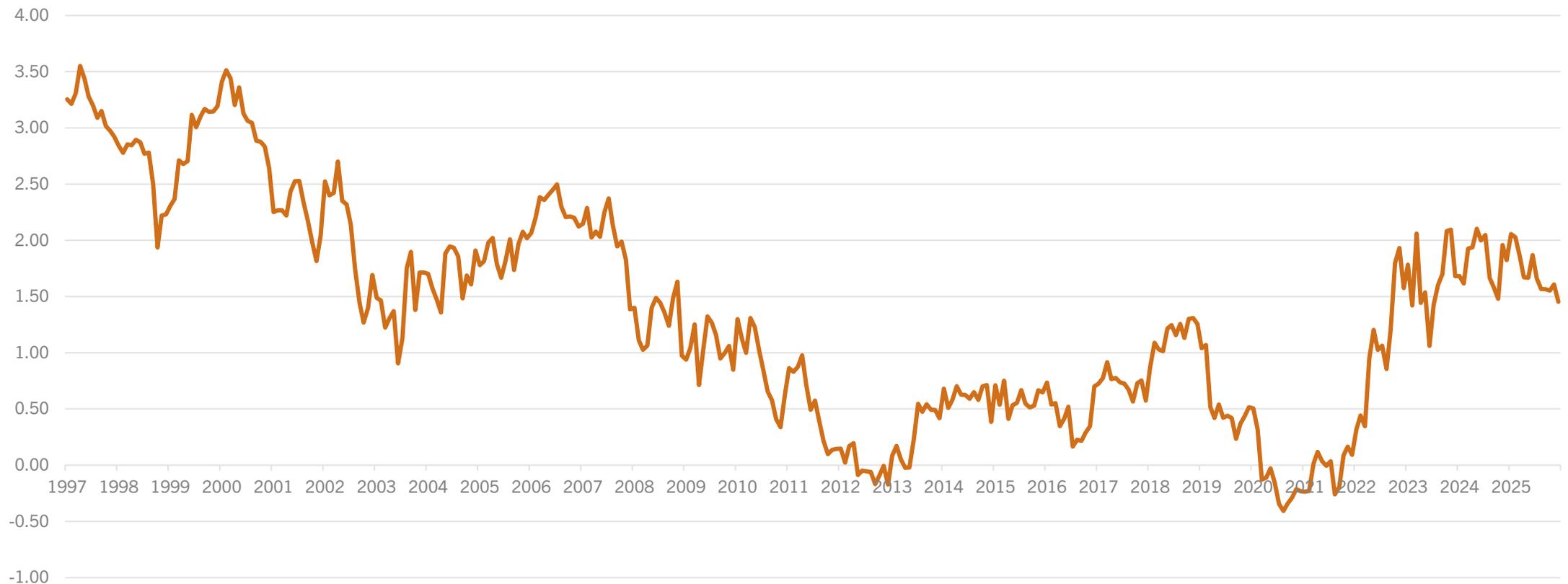


# The slope of the yield curve has returned to normal levels



# Real interest rates have returned to mid-aught levels, tighter than at any time since the GFC

10-Year Real Interest Rate (FRB Cleveland)



# Credit spreads are historically tight; markets are not rewarding investors for credit risk

Credit Spread Between Yields on High-Yield Bonds and On-the-Run Treasury (% , BofA)



# The FOMC adjusted its forecasts after Liberation Day (April 4)

	DEC 2024	MAR 2025	JUN 2025	SEP 2025	DEC 2025
GDP	+2.1%	+1.8%	+1.6%	+1.6%	+1.7%
Unemployment Rate	4.3%	4.3%	4.5%	4.5%	4.5%
PCE Inflation	2.5%	2.2%	2.5%	3.0%	2.9%
Core PCE Inflation	2.5%	2.2%	2.5%	3.1%	3.0%
<b>Fed Funds Rate</b>	<b>3.9%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>3.6%*</b>

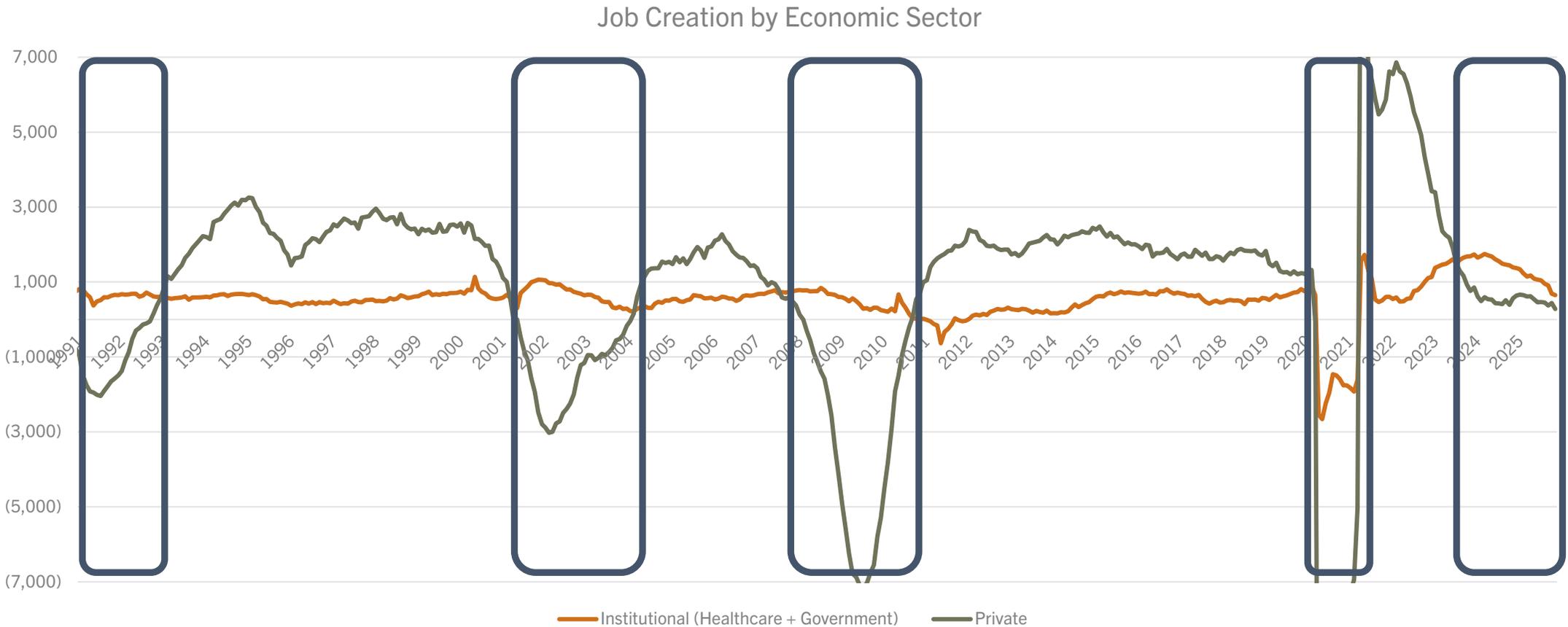
*\*The Fed Funds Rate is a range, with a target of 3.50%-3.75%. As of 1/2/26, FY GDP will likely be 2.3%-2.5%, based on the current Atlanta Fed GDPNow estimate. The most recent unemployment rate (Nov) is 4.6%. The PCE inflation numbers are likely to be 0.1-0.2% lower. 37*

# Money Markets

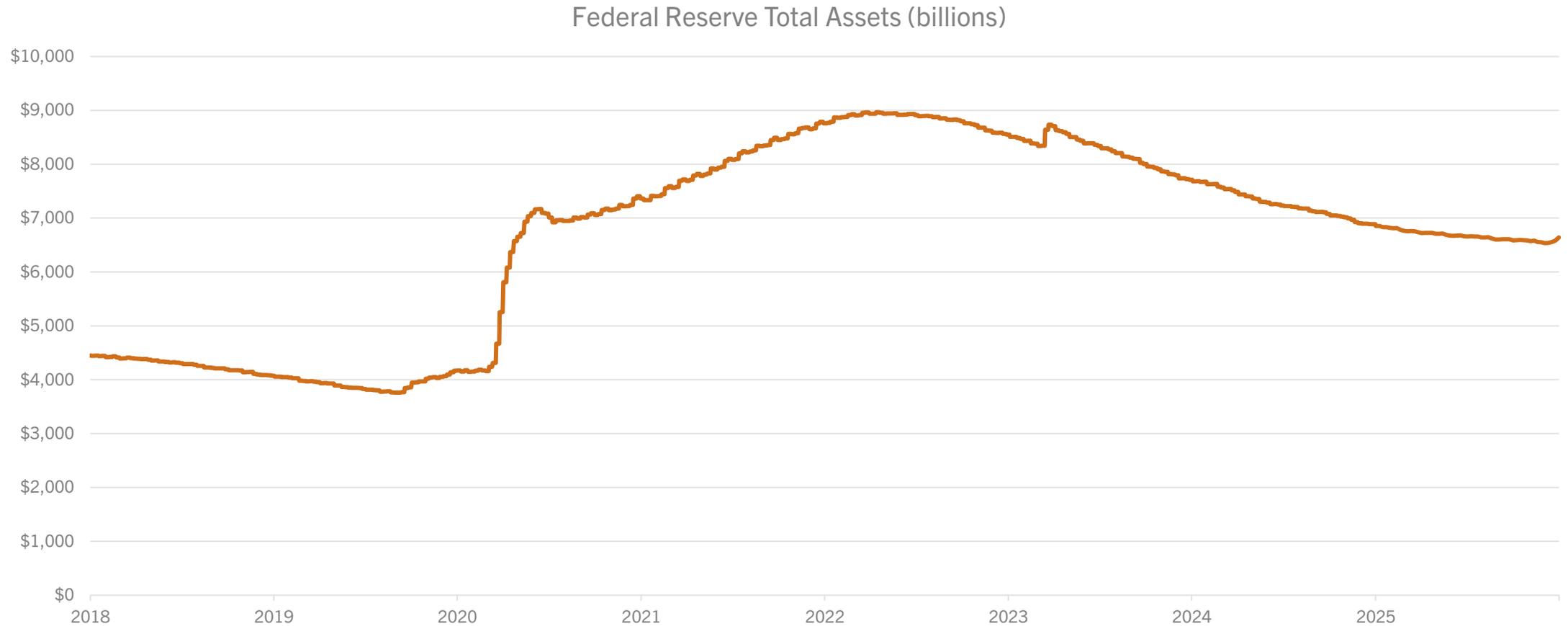
*There is no money.*

*-Javier Milei, President of Argentina*

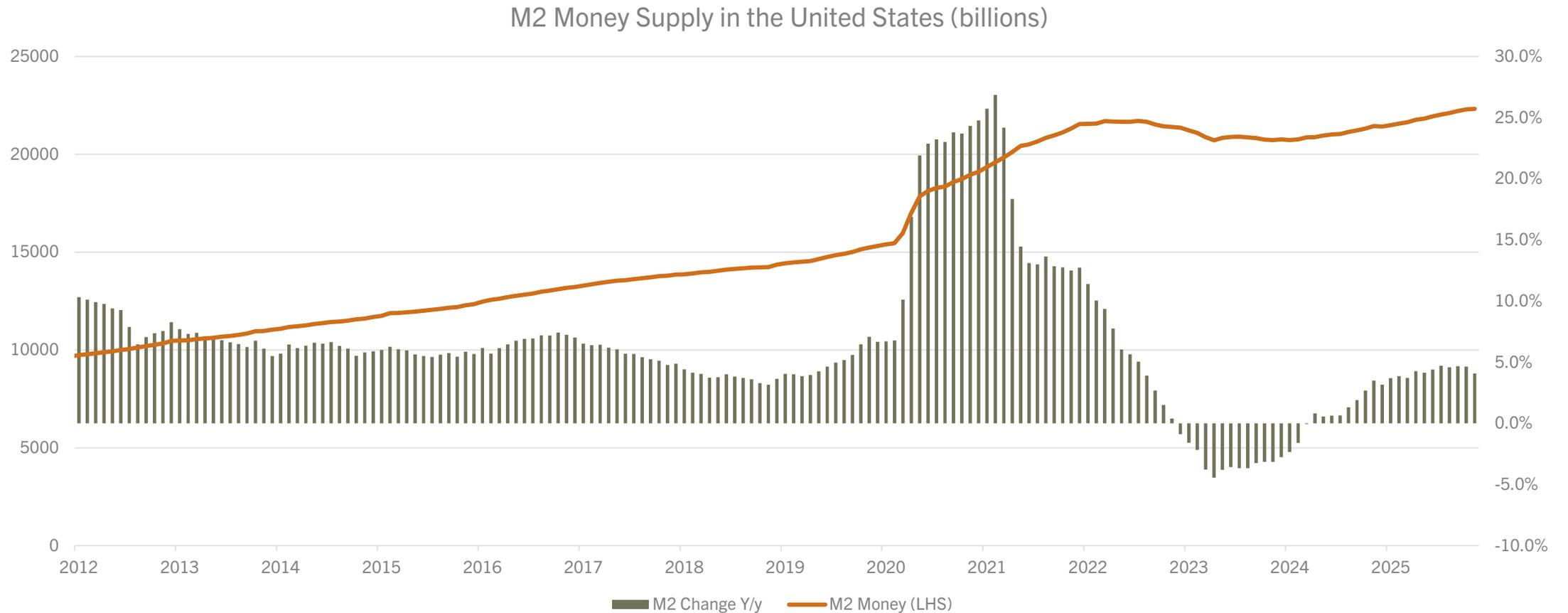
# Recessions occur with weak private employment; government hiring masked broader softness in 2024



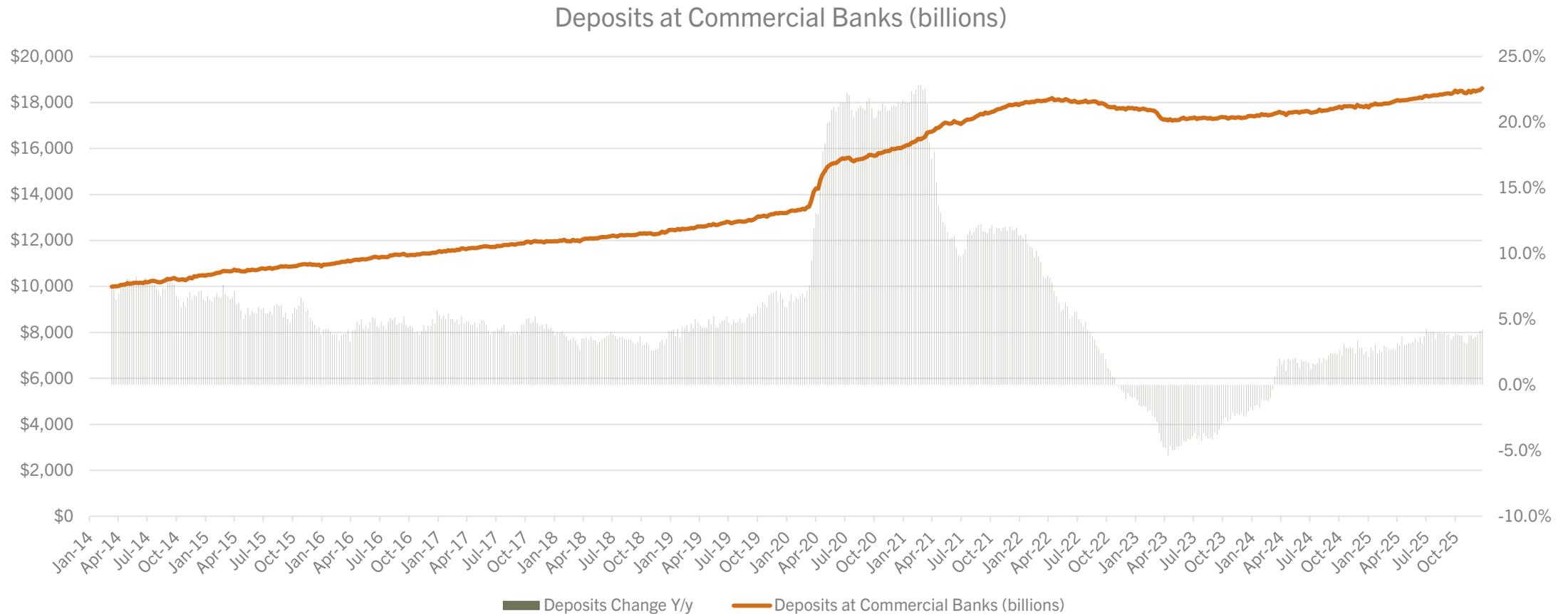
# QT and rate hikes shrunk the Fed's balance sheet, approaching more normal levels



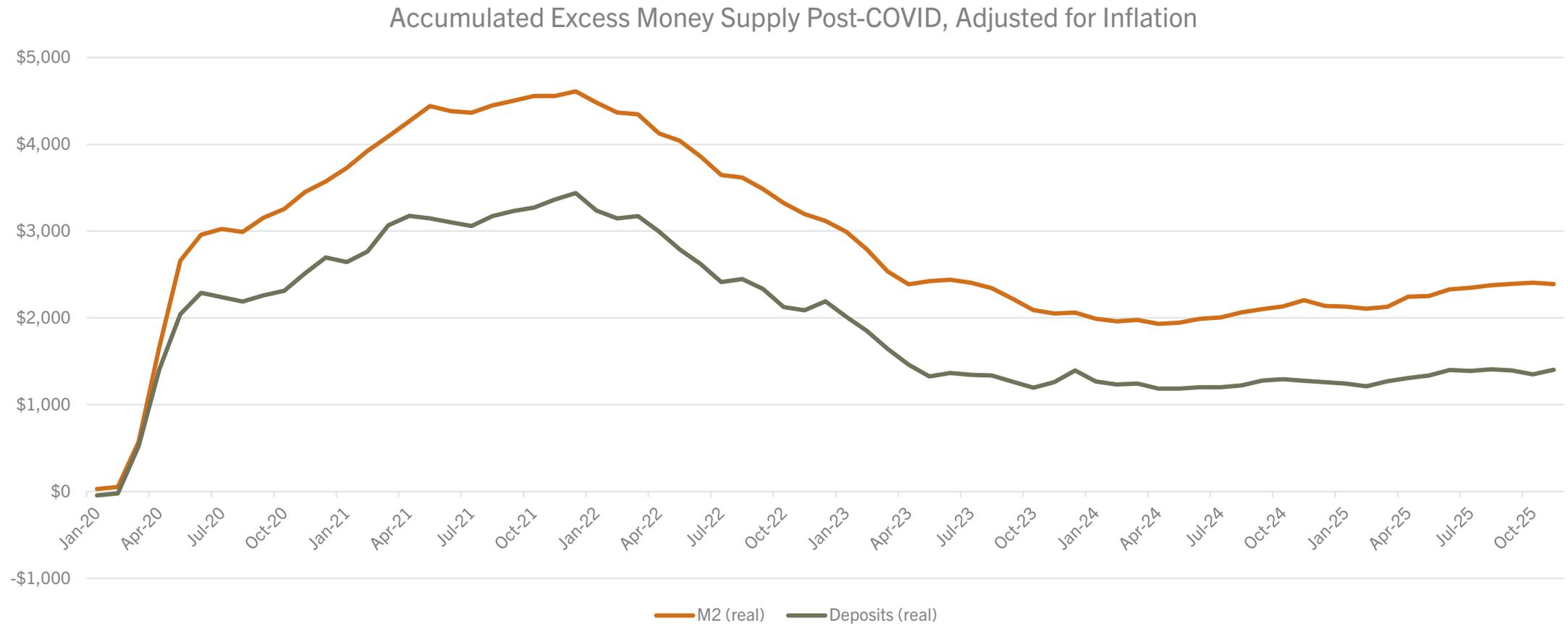
# M2 Money is a proxy for the number of dollars in the economy; it has begun to rise again



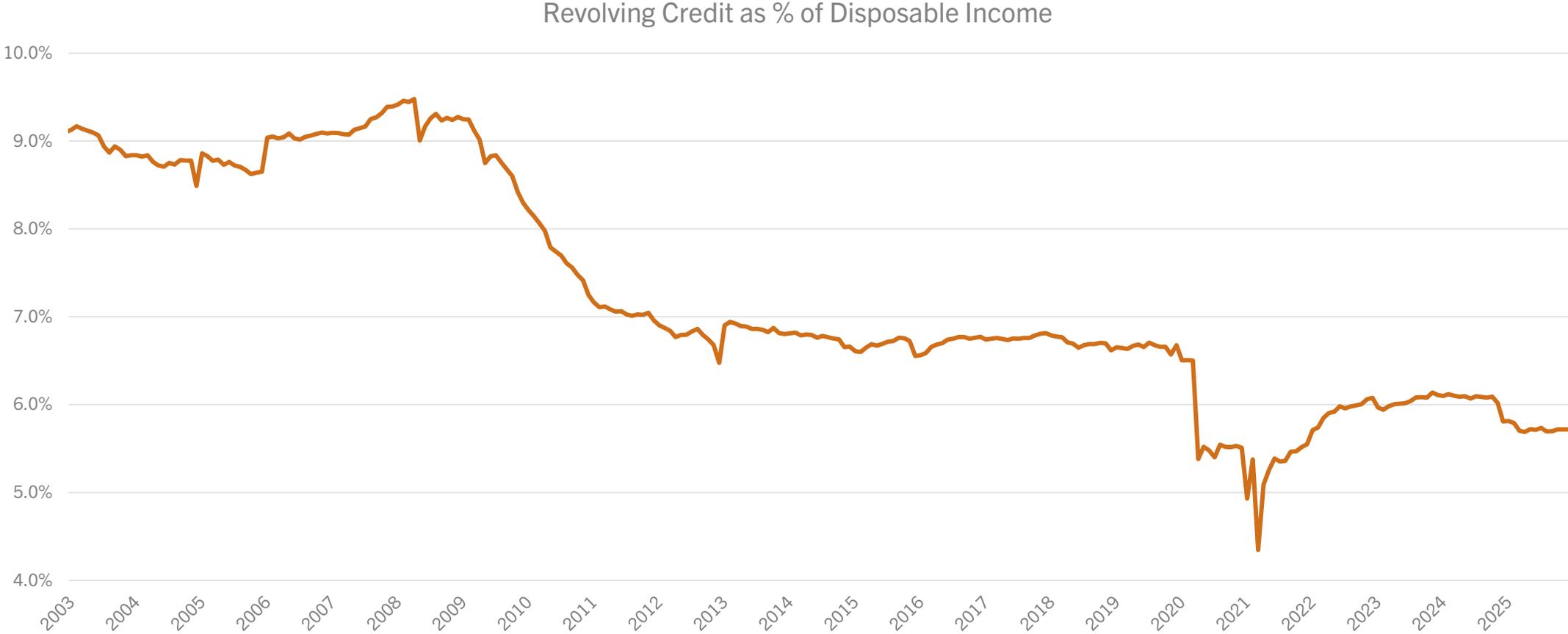
# Rising money supply has allowed for improving deposit balances at banks



# Bank deposits have grown more than expected, helping bank profitability and credit quality



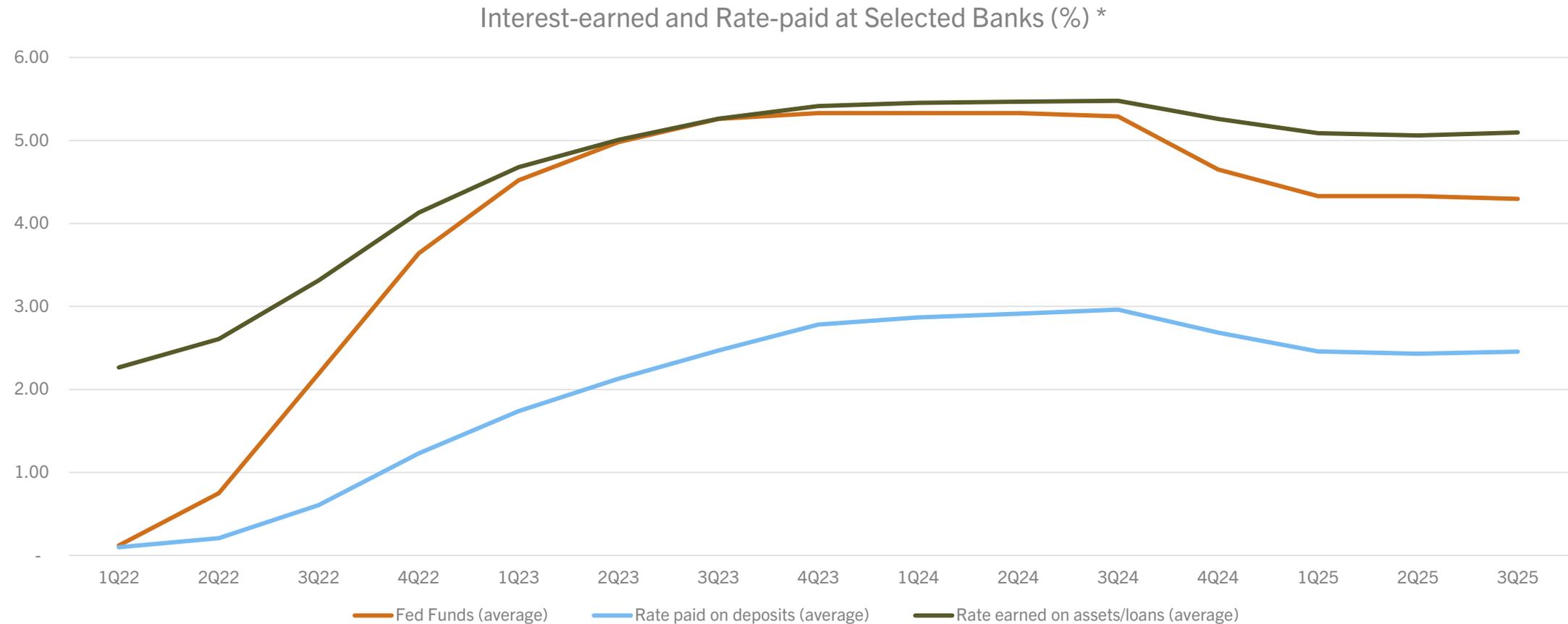
# As disposable incomes have risen, credit card usage remains sustainable



# Personal savings rates are consistent



# Rising deposit balances have lowered the cost of funds for banks, bolstering net income



\*Selected banks: Citigroup, JPMorgan Chase, Wells Fargo, Bank of America, PNC, US Bank

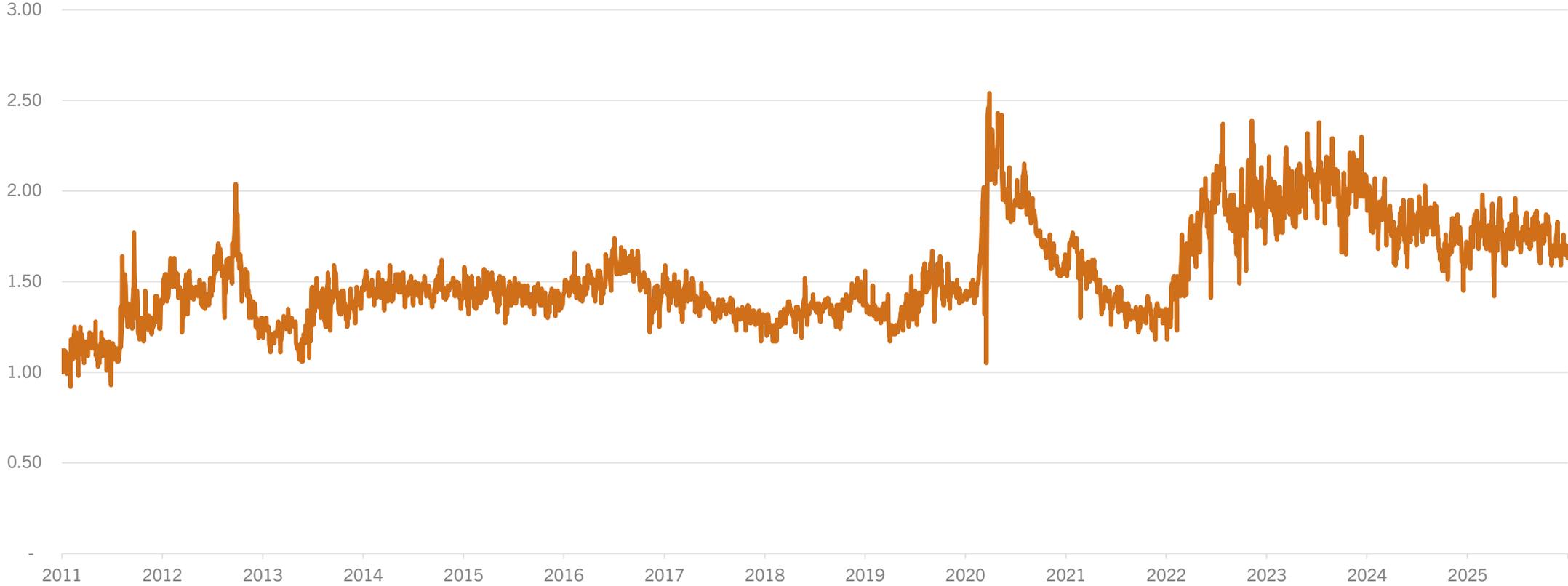
# Mortgage rates came down gradually as the Federal Reserve lowered interest rates

Avg 30-year Mortgage Rate (Mortgage Bankers Assn) and Bloomberg MBS Index Yield (%)



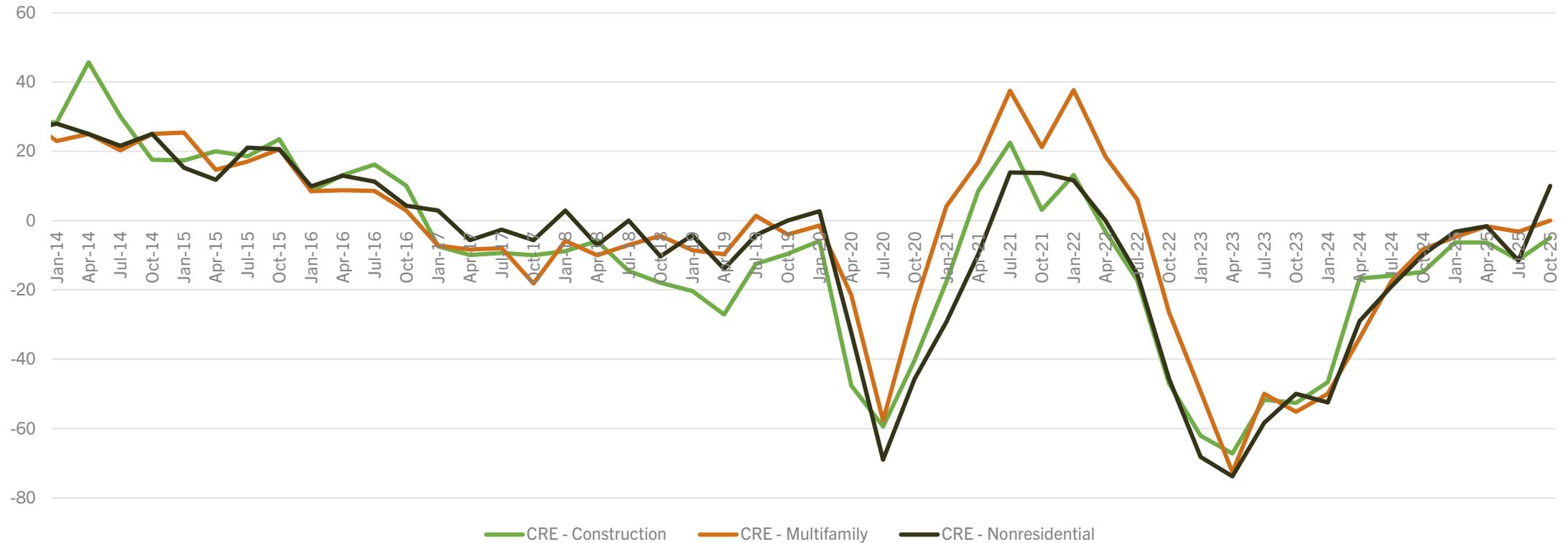
# Mortgage-backed securities outperformed but spreads remain somewhat wide

Implied Prepayment Risk & Duration Adjustment, net of Primary/Secondary Spread



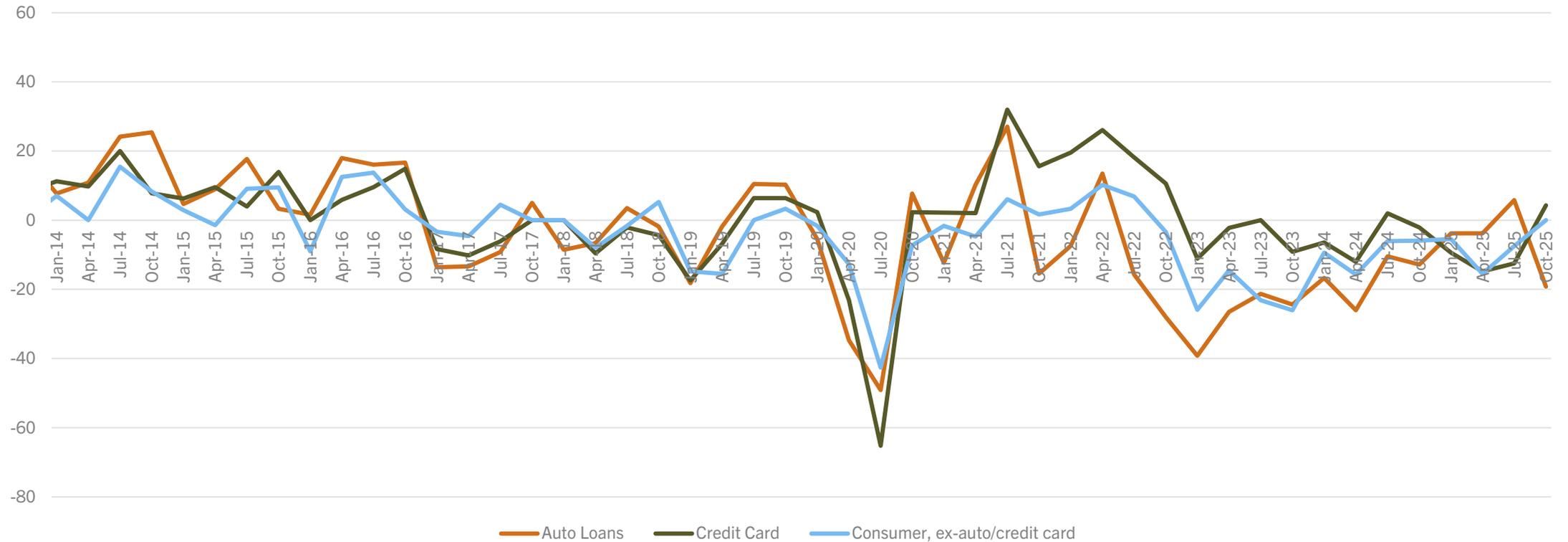
# Real estate loan demand is stabilizing but remains soft as high rates weigh on growth investment

Federal Reserve Senior Loan Officer Survey  
Percent of Loan Officers Reporting Higher Demand (net)



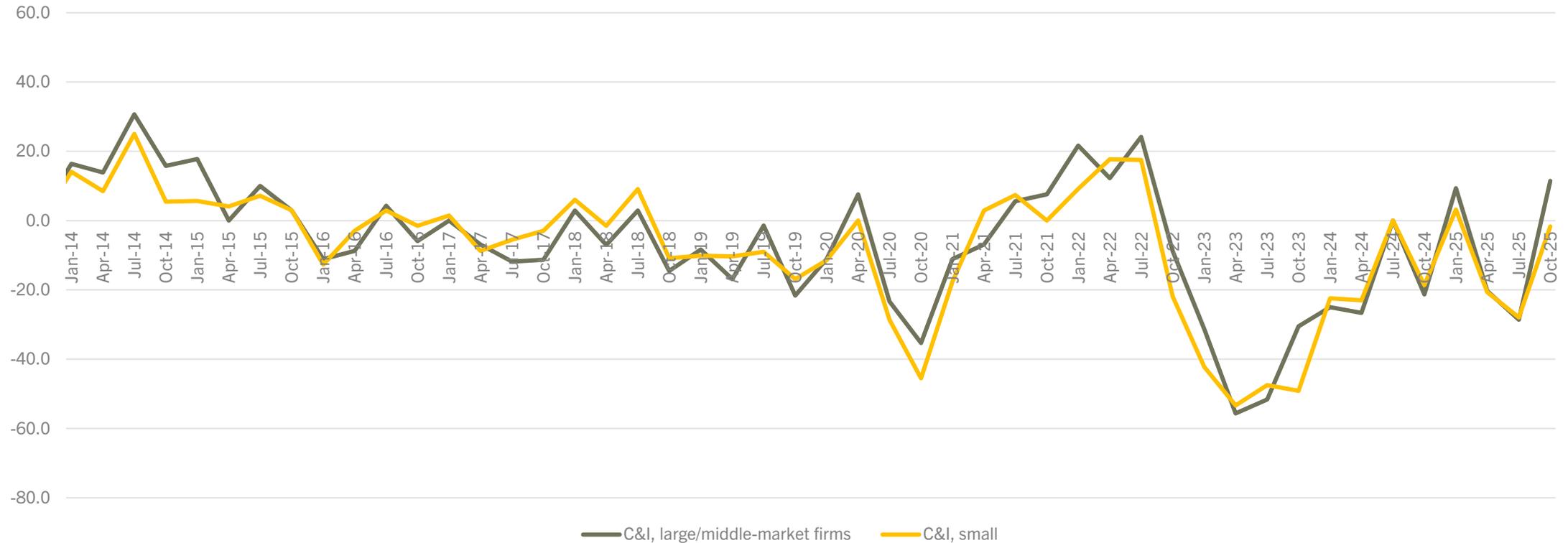
# Consumer deleveraging continues as demand for new loans remains negative

Federal Reserve Senior Loan Officer Survey  
Percent of Loan Officers Reporting Higher Demand (net)



# Commercial & Industrial loan demand slowed due to rates, tariffs, uncertainty; EOY improvements

Federal Reserve Senior Loan Officer Survey  
Percent of Loan Officers Reporting Higher Demand (net)

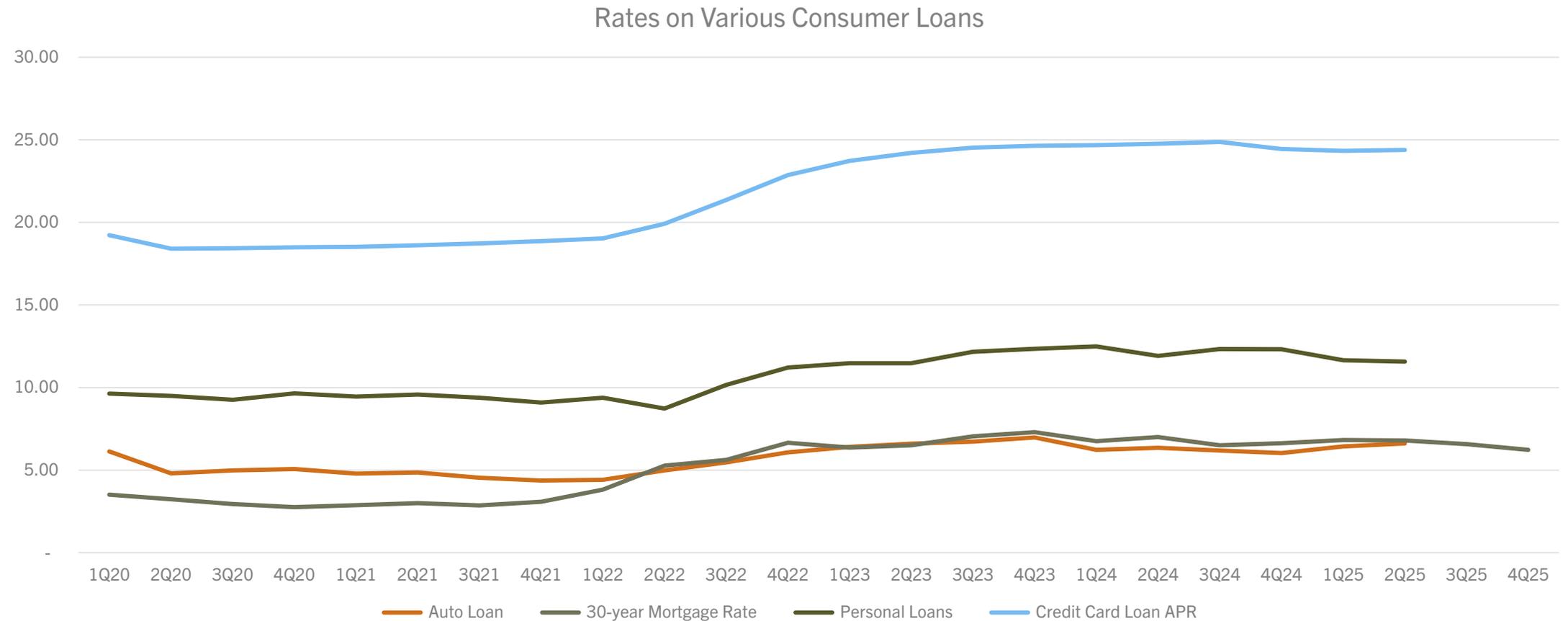


# Consumer debt is growing slower than nominal GDP, implying improved credit quality

Experian Consumer Credit Review (average per person with balance)				
	2023	2024	2025F	Change Y/y
Average non-mortgage balance	\$23,965	\$22,359	\$20,861	(6.7)%
FICO score	715	715	715	+0
Credit card (avg)	\$6,501	\$6,730	\$6,763	+0.5%
Auto loan (avg)	\$23,792	\$25,297	\$25,727	+1.7%
Student loan (avg)	\$38,787	\$35,208	\$29,187	(17.1)%
Mortgage (avg)	\$255,598	\$252,505	\$260,332	+3.1%
Credit utilization	29%	29%	29%	+0ppts
Average Monthly Payments	\$1,165	\$1,225	\$1,264	+3.2%

Source: Experian, Narwhal Capital

# Interest rates remain at elevated levels on a number of consumer loans



# Although personal deficits have started to stabilize, lower rates would improve consumer cash flows

Average Months of Savings Required to Pay Off Revolving Credit Balance

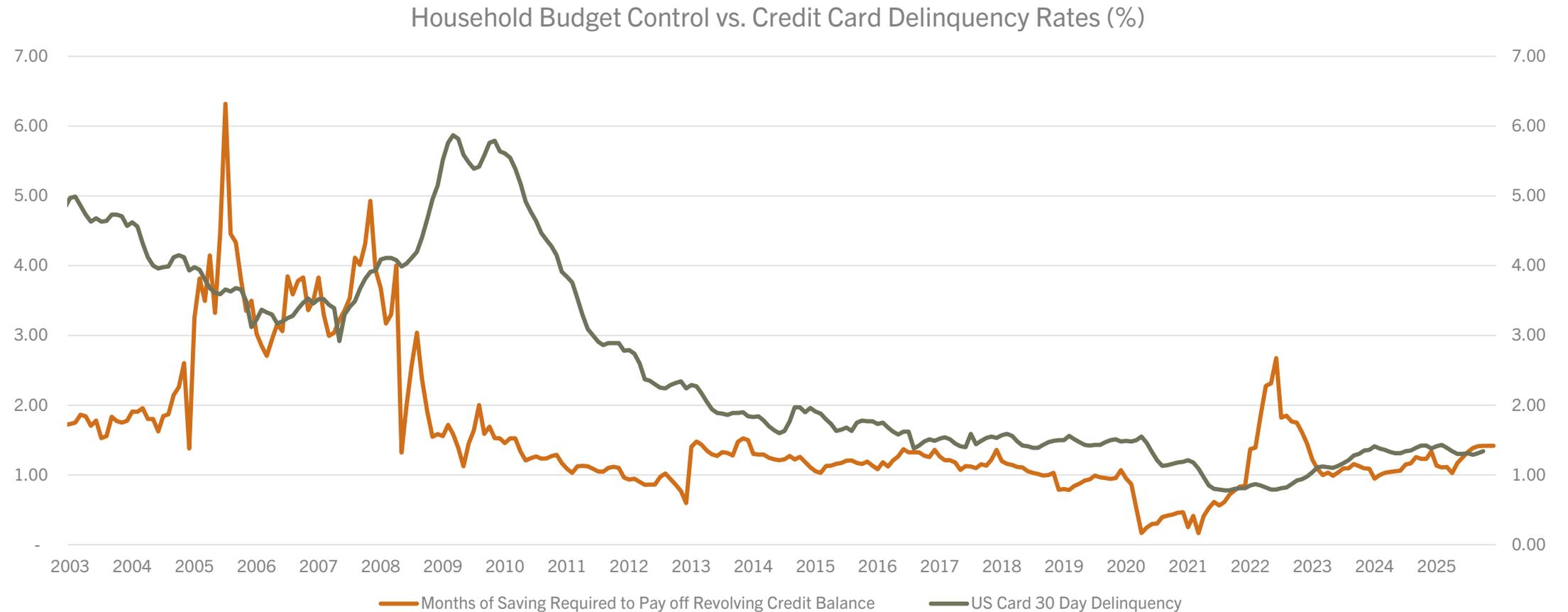


# Economic Health

*Most people are too fretful, they worry too much. Success means being very patient, but aggressive when it's time.*

*-Charlie Munger*

# Household budget control is a leading indicator of credit card delinquencies

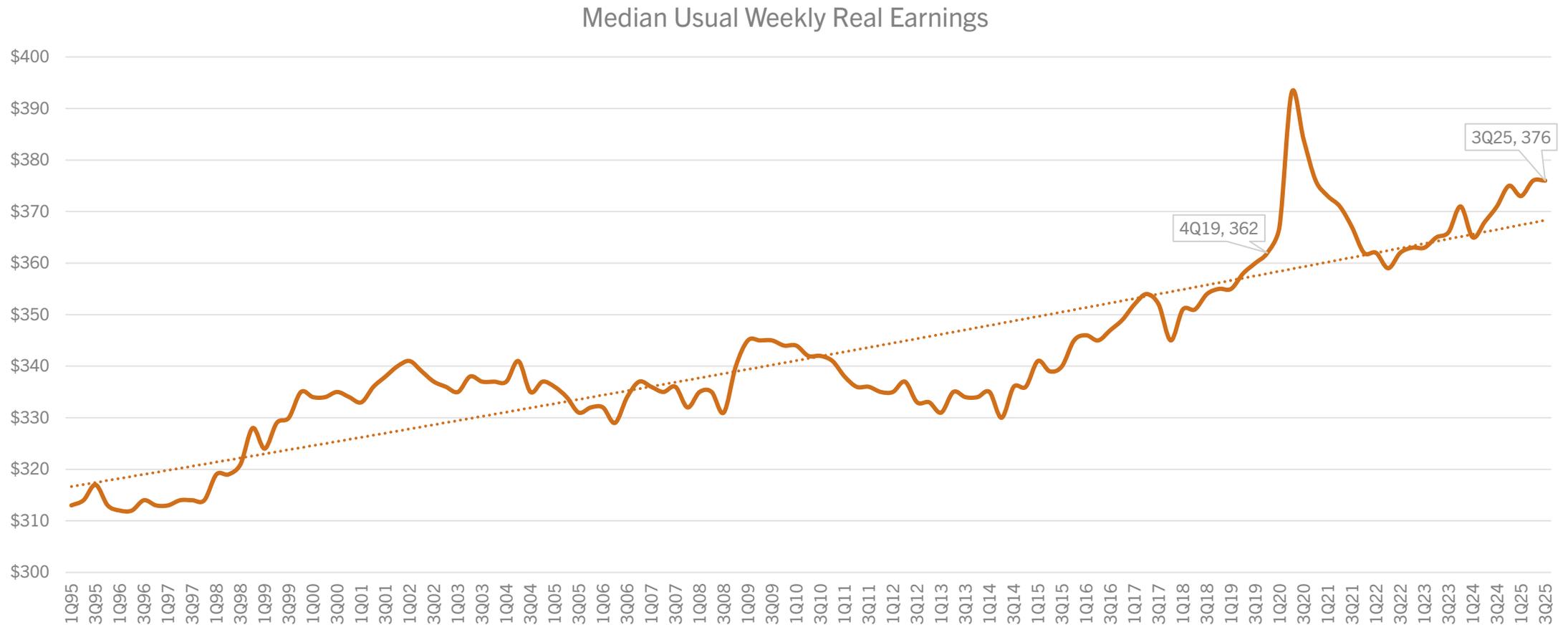


Source: Bloomberg

# Household budget control has been helped by falling inflation and rising *inflation-adjusted* wages



# Higher pay and lower inflation in the back half of 2025 contributed to higher consumer confidence

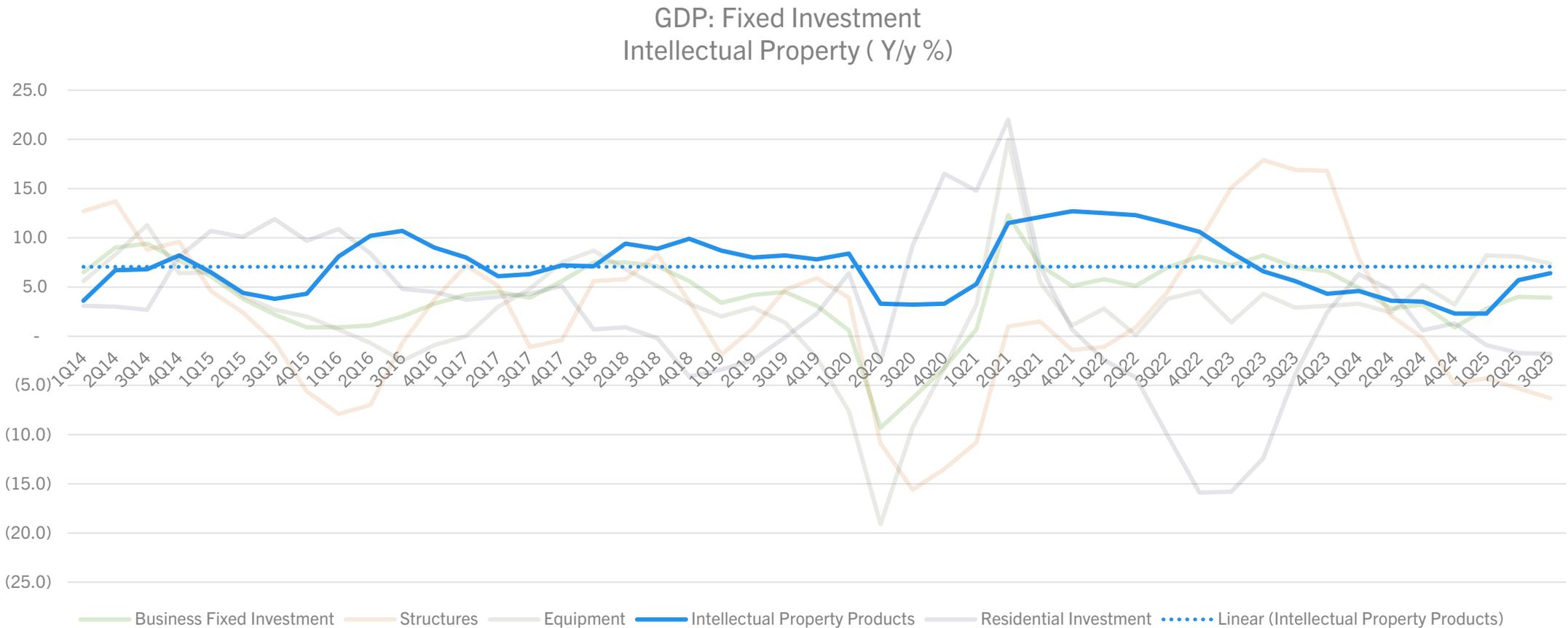




# Private Investment: ~ 20% of the economy

- 25% of which is Residential (housing)
- 75% is Non-Residential
  - ❖ 50% Intellectual Property products  
(half software and half R&D)
  - ❖ 20% Structures  
(office, industrial buildings and plants)
  - ❖ 20% Info Processing equipment  
(computers)
  - ❖ 20% Other equipment  
(industrial, etc.)

# Intellectual Property tends to be a growth area of the economy but ran below-trend in 2025



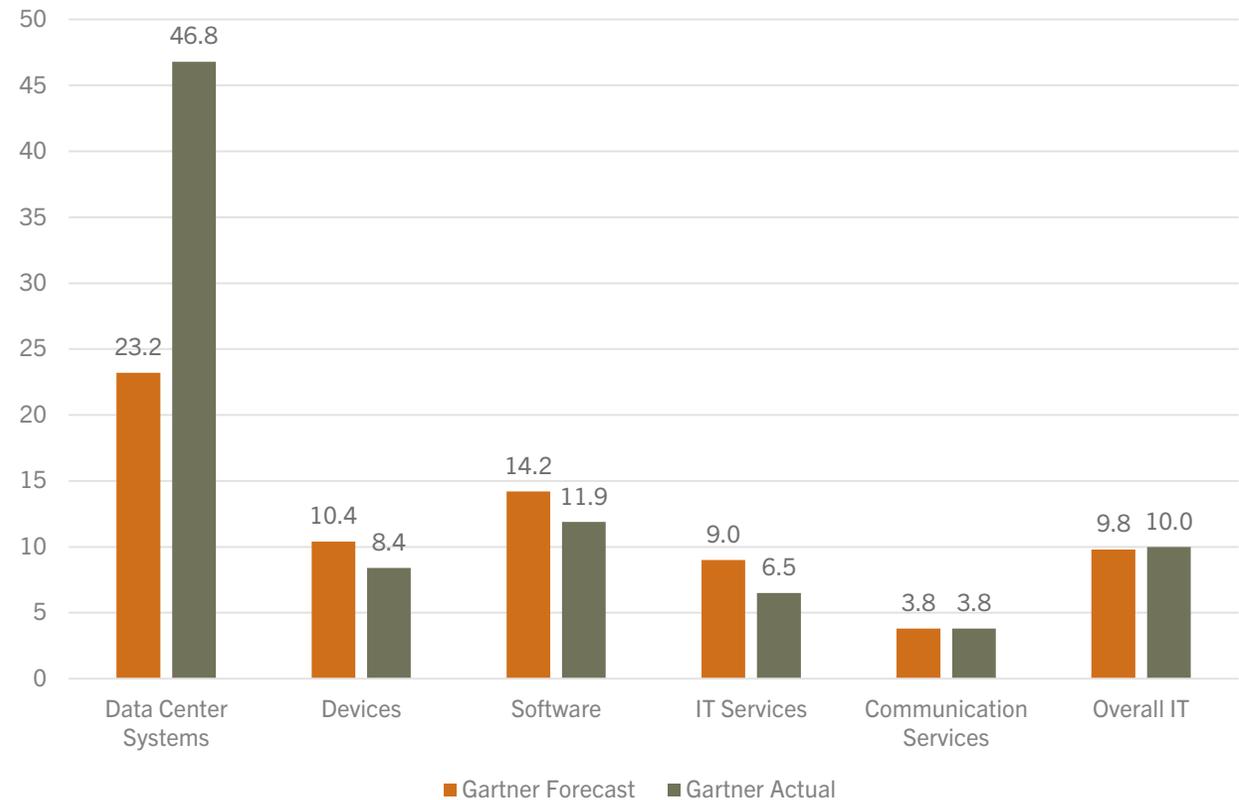
Source: Atlanta Fed

# Data Center carried all the water in 2025, as overall IT spending only outperformed slightly

*The uncertainty pause that began in the second quarter of 2025 started to alleviate in the third quarter and a significant budget flush is anticipated before the end of the year. Despite being in the trough of disillusionment in 2026, GenAI features are now ubiquitous across software already owned and operated by enterprises and these features cost more money, aligning with this flush. The cost of software is going up and both the cost of features and functionality is going up as well thanks to GenAI.*

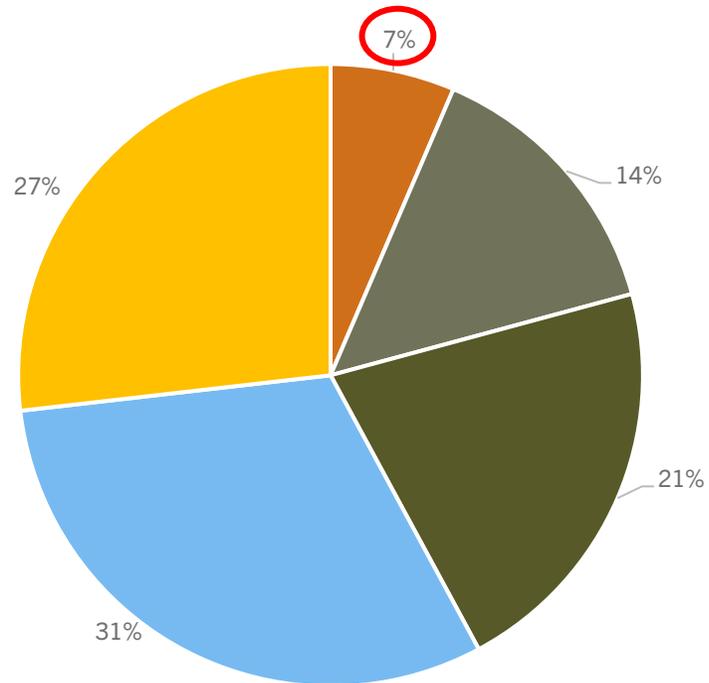
-Gartner

2025: Worldwide IT Spending, Percentage Growth



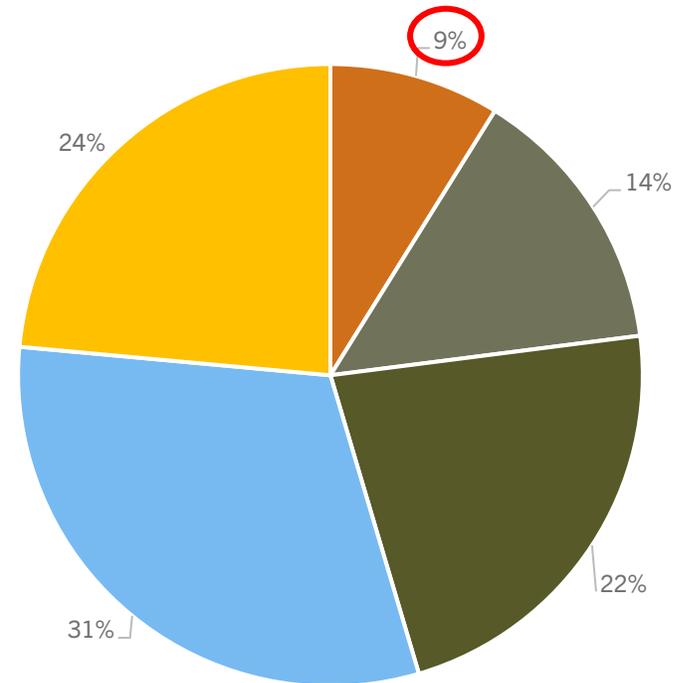
# Data center spending, while impressive, remains a small portion of overall IT expenditures

IT Spending by Sector, 2024 (Gartner)



■ Data Center Systems ■ Devices ■ Software ■ IT Services ■ Communication Services

IT Spending by Sector, 2025 (Gartner)



■ Data Center Systems ■ Devices ■ Software ■ IT Services ■ Communication Services

# Gartner expects continued strength in Data Center and Acceleration in Software

*Spending on devices in 2026 is expected to be strong, but a bit slower.*

*This growth in 2025 is mainly driven by stronger-than-expected spending on mobile phones. The availability of AI devices has also boosted overall spending by more than \$30 billion. With the replacement cycle unchanged, the stronger performance in 2025 will result in a lower relative growth rate for 2026, as demand has been pulled forward.*

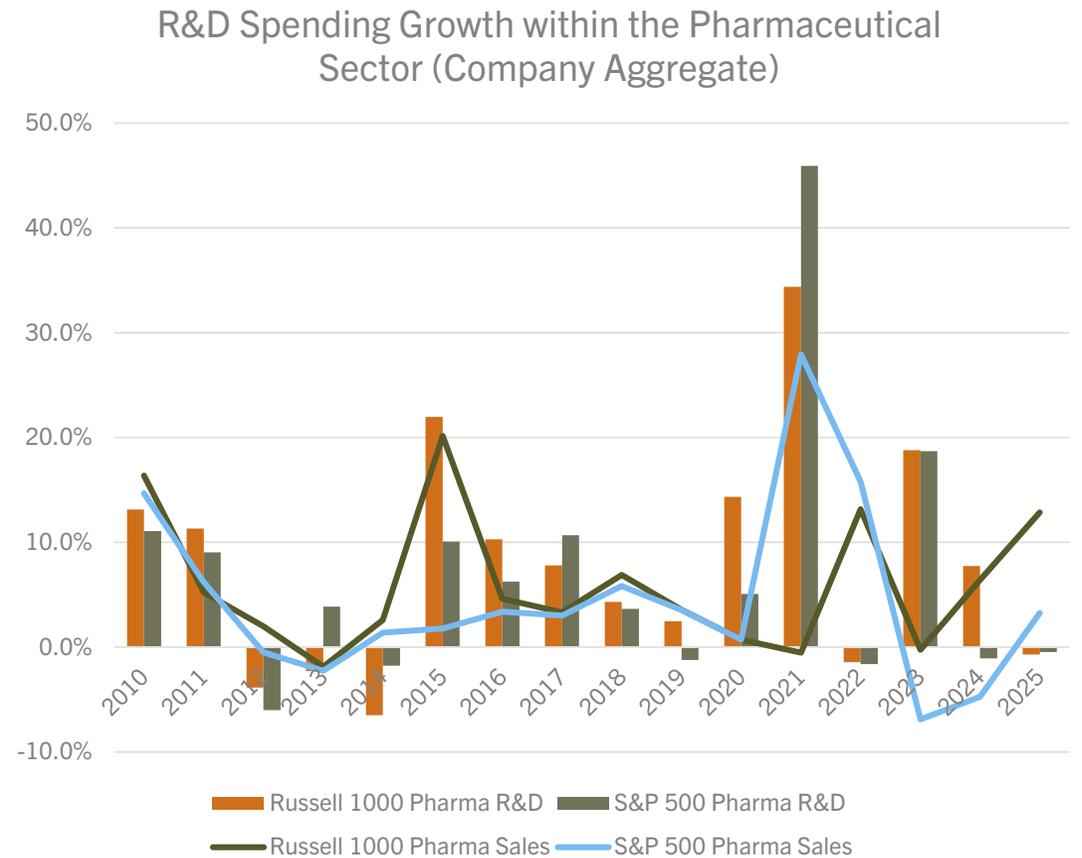
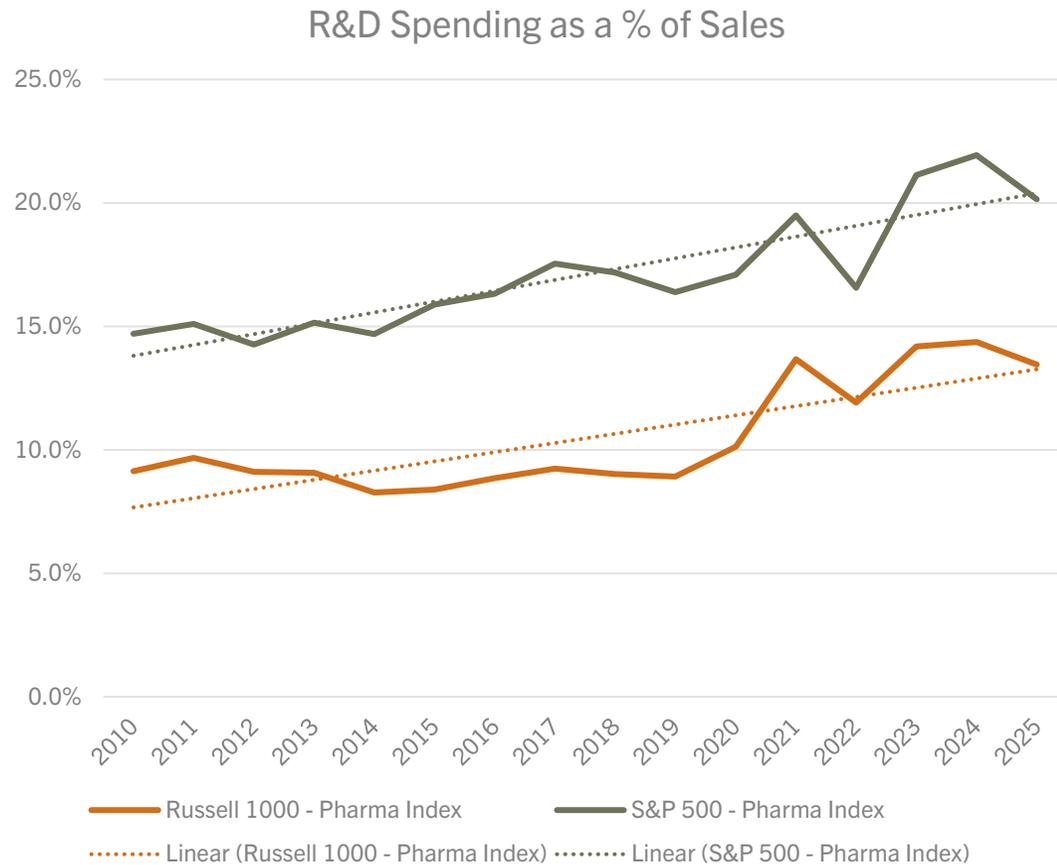
-Gartner

**Table 1. Worldwide IT Spending Forecast (Millions of U.S. Dollars)**

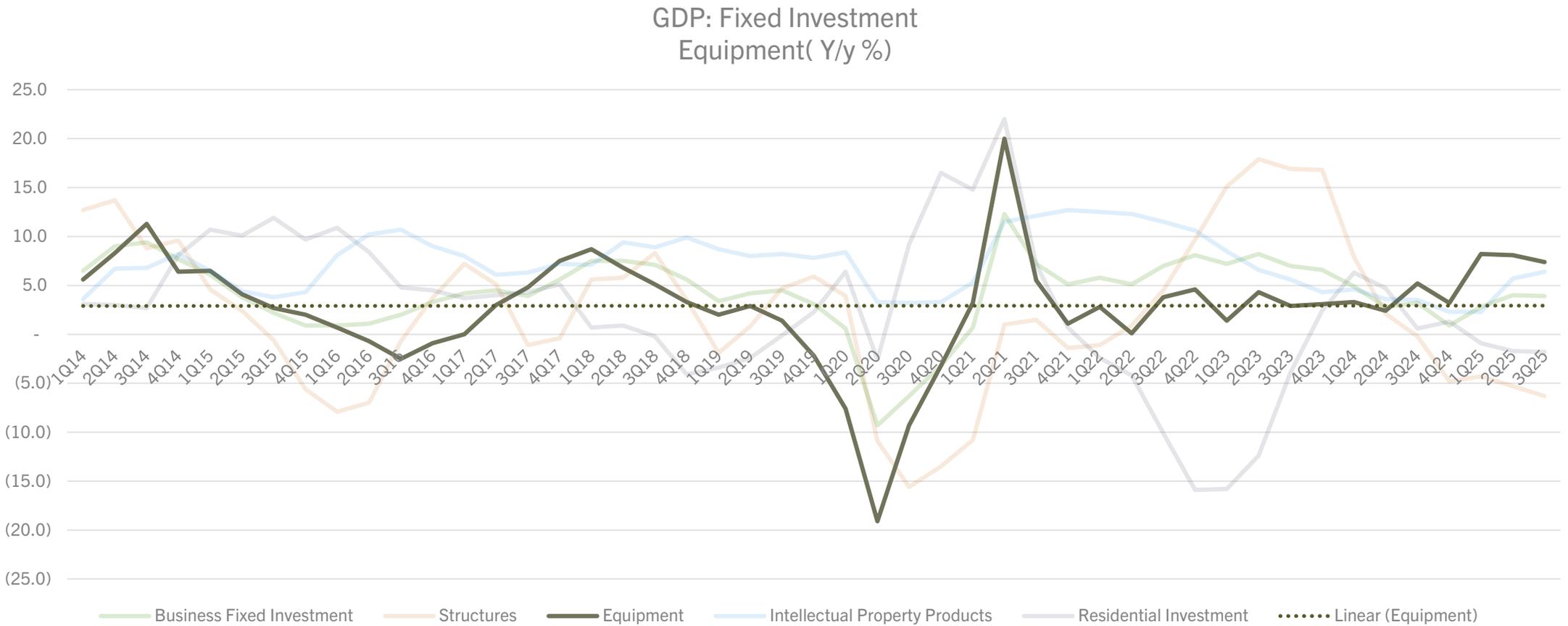
	<b>2025 Spending</b>	<b>2025 Growth (%)</b>	<b>2026 Spending</b>	<b>2026 Growth (%)</b>
Data Center Systems	489,451	46.8	582,446	19
Devices	783,157	8.4	836,275	6.8
Software	1,244,308	11.9	1,433,037	15.2
IT Services	1,719,340	6.5	1,869,269	8.7
Communications Services	1,304,165	3.8	1,363,058	4.5
<b>Overall IT</b>	<b>5,540,421</b>	<b>10</b>	<b>6,084,085</b>	<b>9.8</b>

Source: Gartner (October 2025)

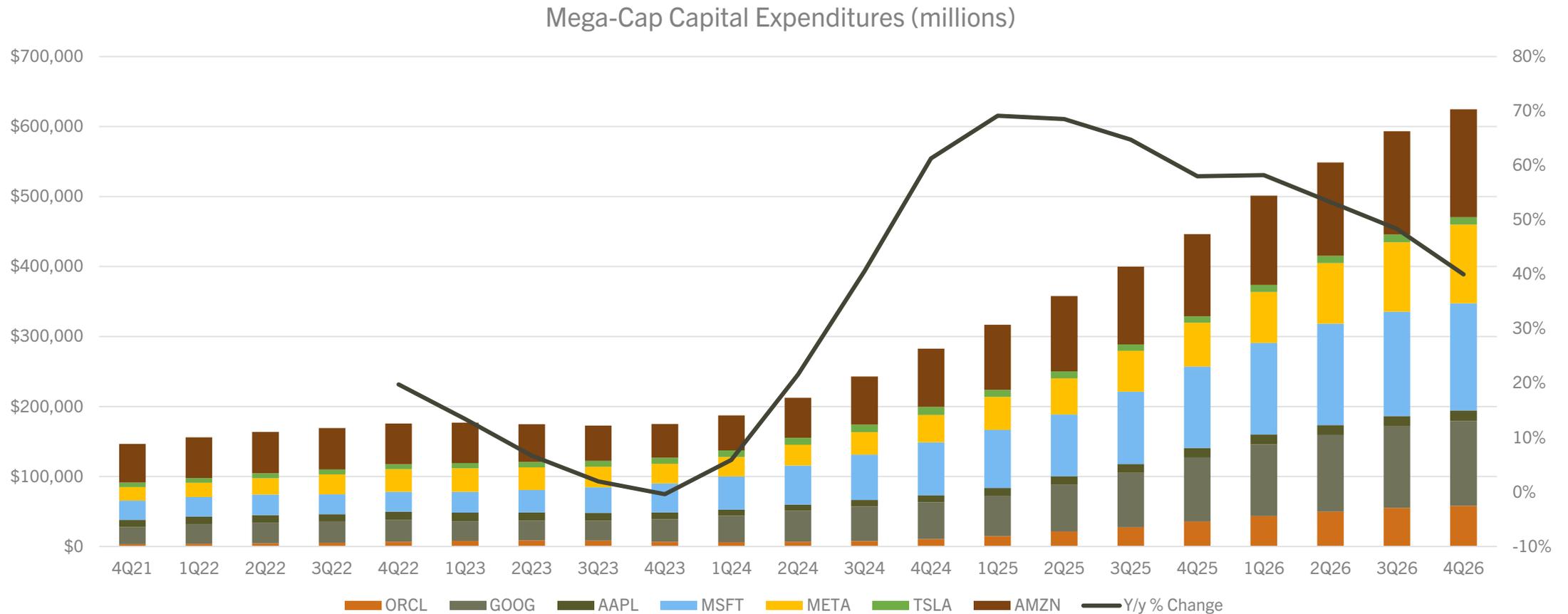
# Stronger pharma revenue should accelerate R&D spending in 2026



# Equipment investment showed signs of life, fueled by data center growth

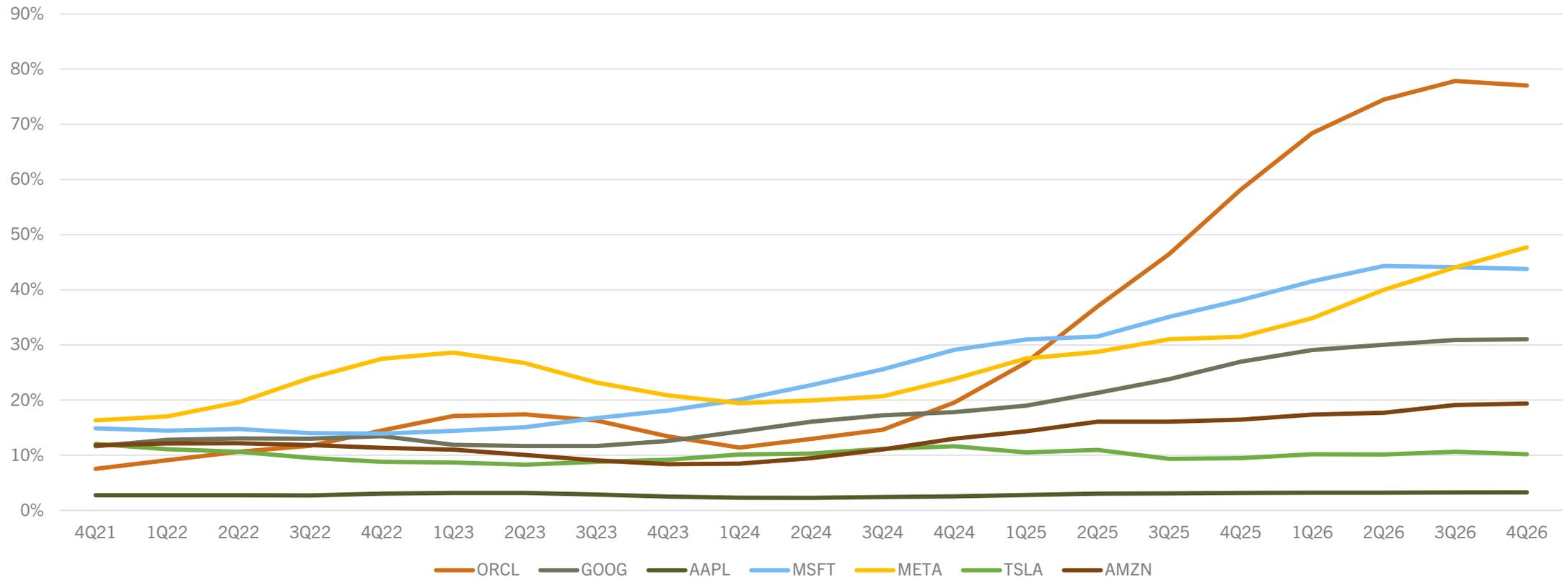


# CapEx Spending among the largest companies rose ~\$200b in 2025 (roughly 0.7% of GDP)

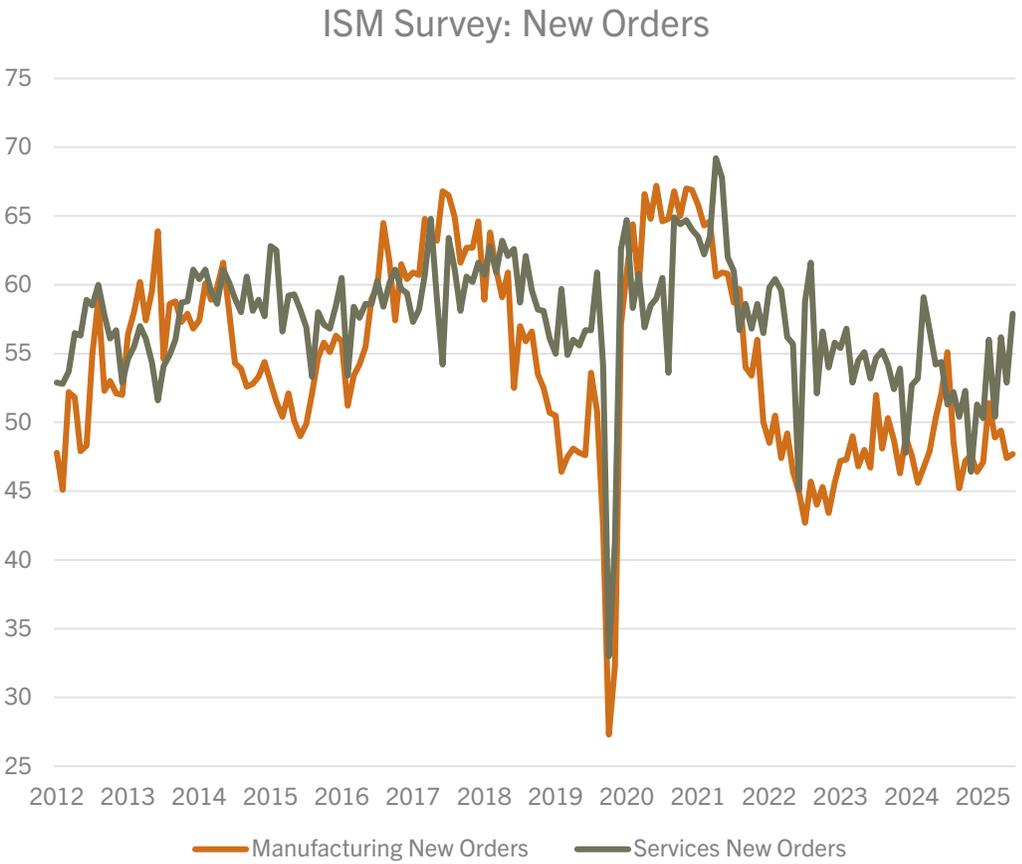


# While CapEx growth continues, revenue may constrain acceleration toward the end of 2026

Trailing 12 Month Cap Ex as a % of Revenue

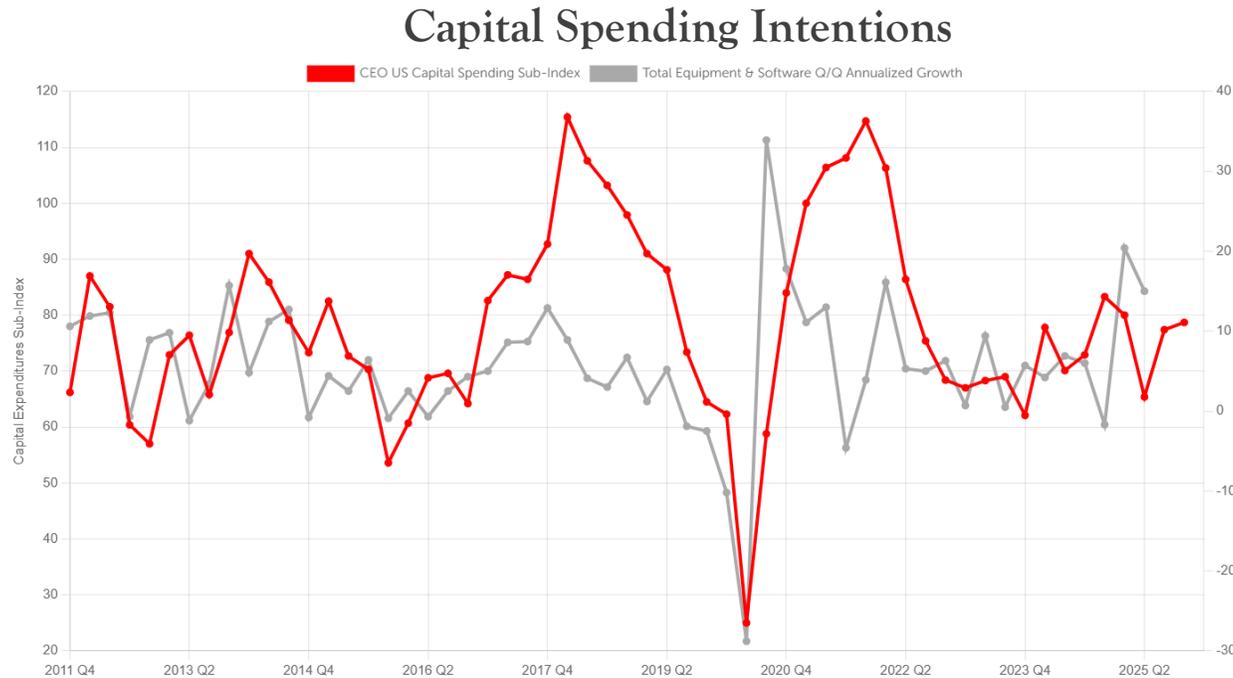


# A strong close in Manufacturing New Orders could improve Equipment growth in 2025



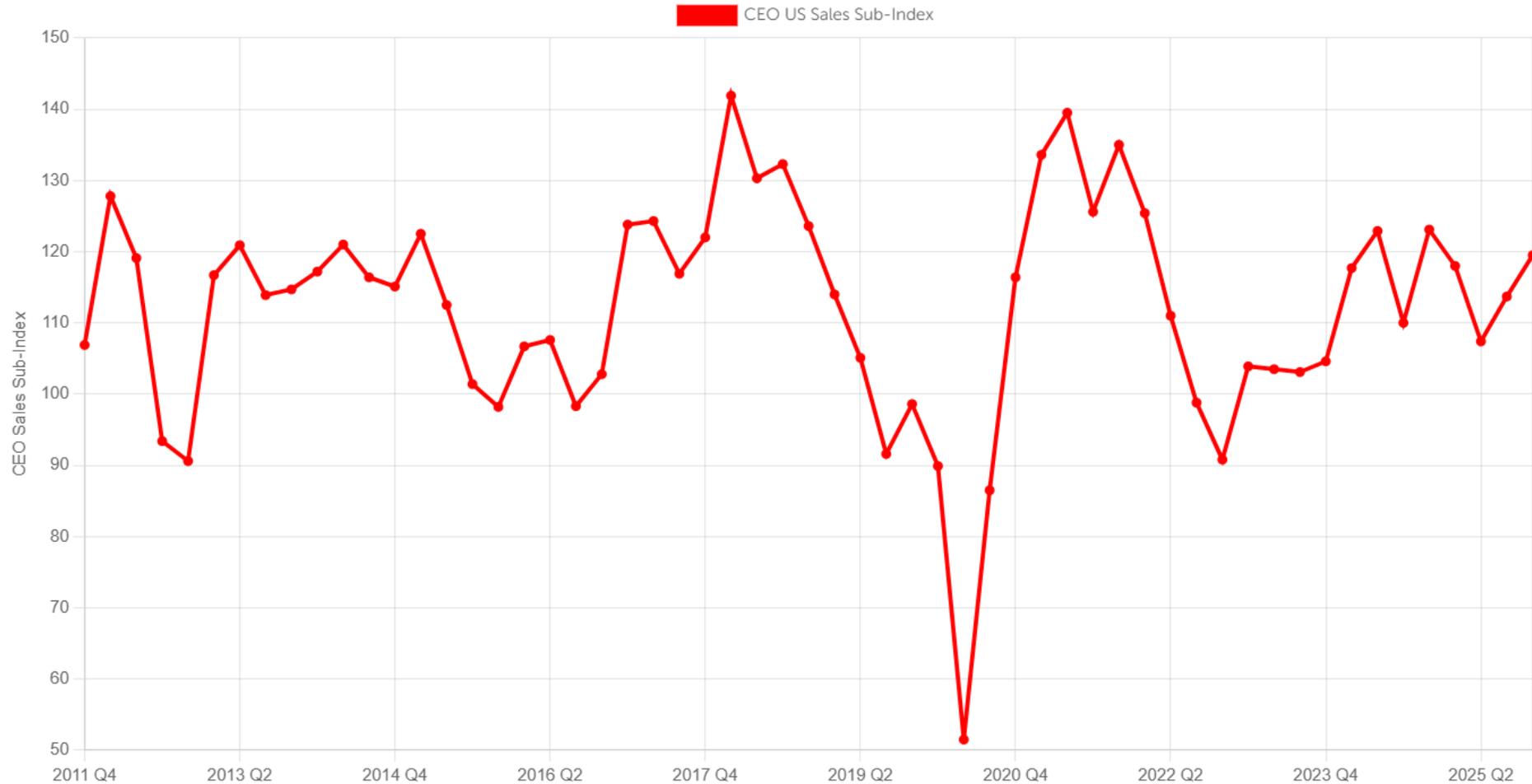
	Equipment (GDP Growth)	ISM Manufacturing New Orders	ISM Services New Orders
2015	3.8	52.3	59.2
2016	(3.1)	55.5	57.3
2017	3.8	62.1	59.5
2018	5.9	61.6	61.5
2019	1.0	51.2	57.6
2020	(9.9)	53.9	55.6
2021	7.1	65.3	63.5
2022	2.8	51.6	57.1
2023	2.9	45.6	55.6
2024	3.5	48.7	54.0
2025	7.9	48.5	52.3
<i>Correlation with Equipment (historical)</i>		65.3%	68.0%

# CapEx and Equipment purchase intention steady but Hiring intentions weak



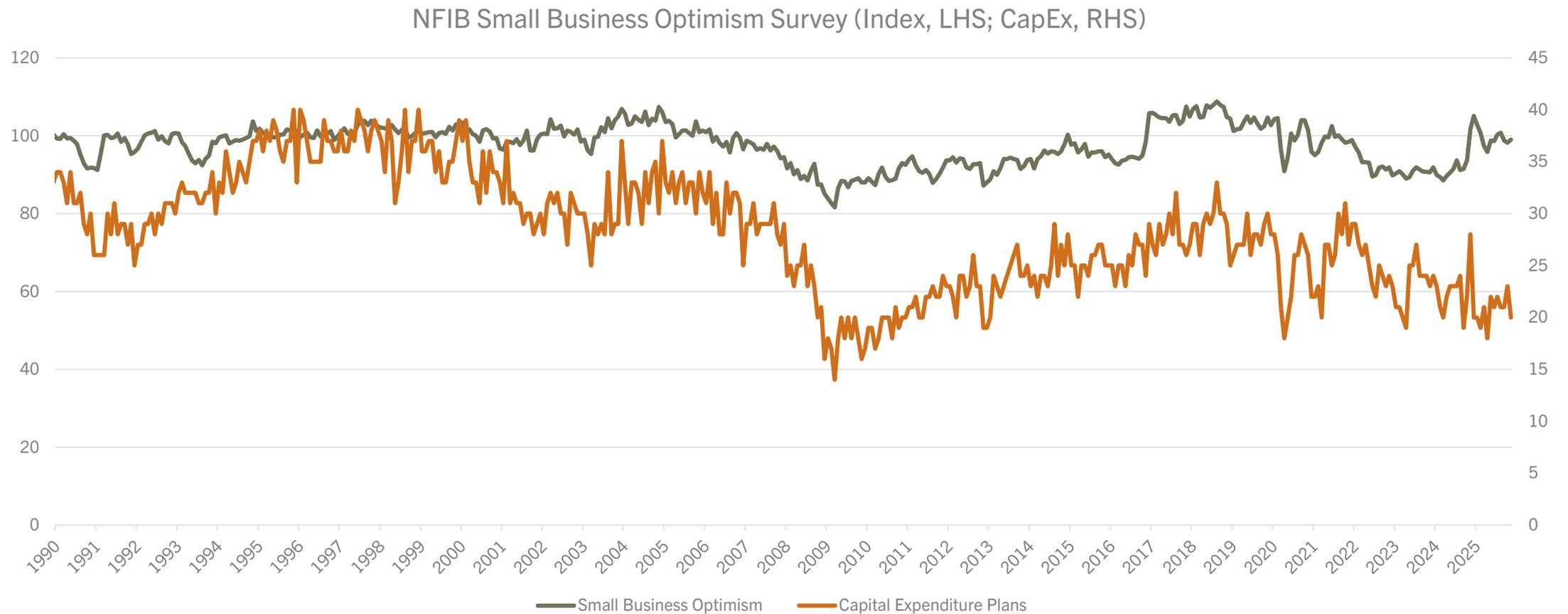
Source: Business Roundtable, Chief Executive Magazine

# Companies are optimistic about sales and will achieve that through improved productivity

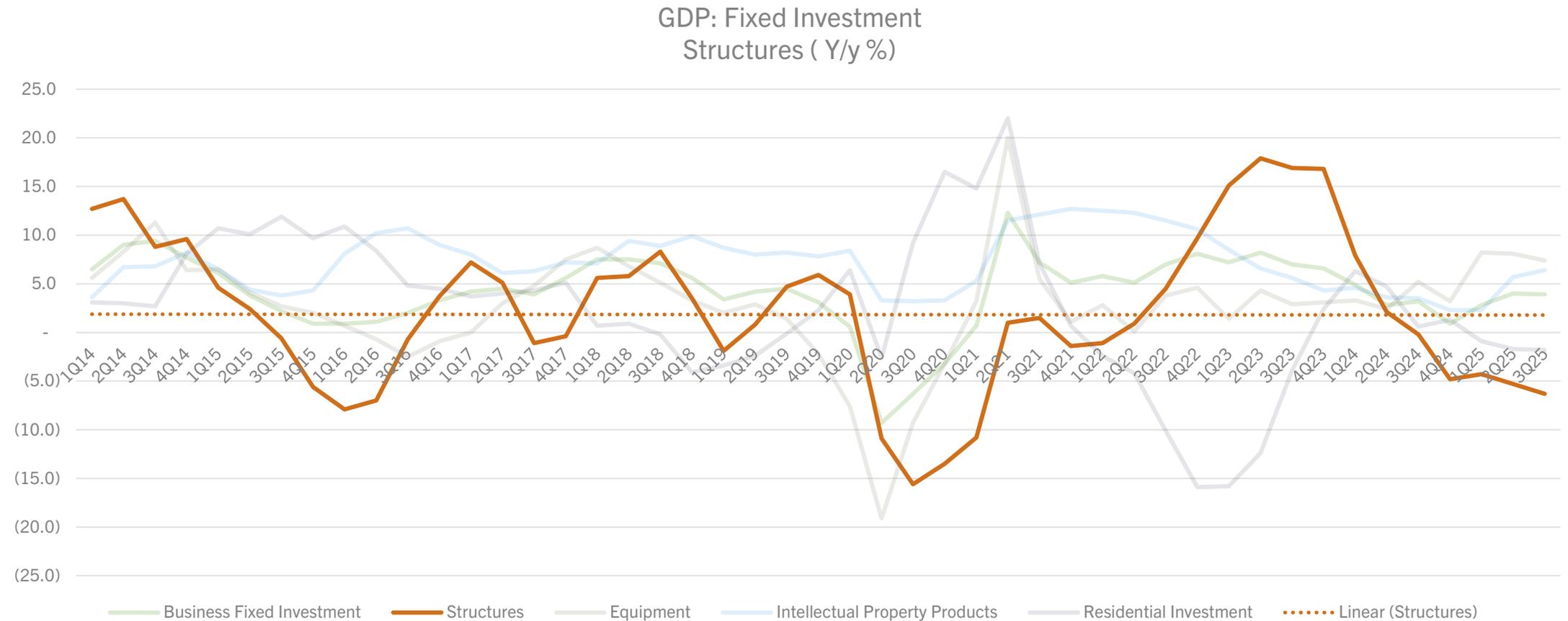


Source: Business Roundtable, Chief Executive Magazine

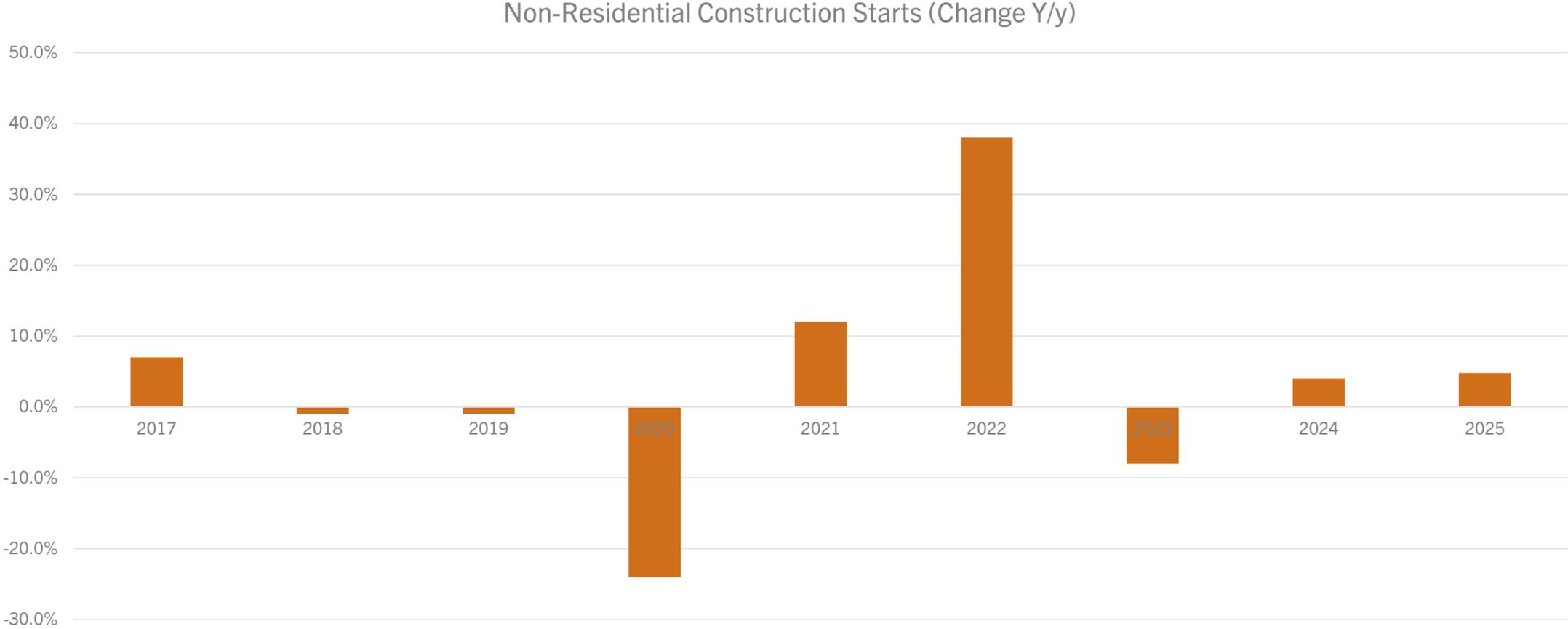
# Small businesses are waiting to develop more confidence before making equipment purchases



# Investment in Structures and Buildings continues to decline due to financing costs

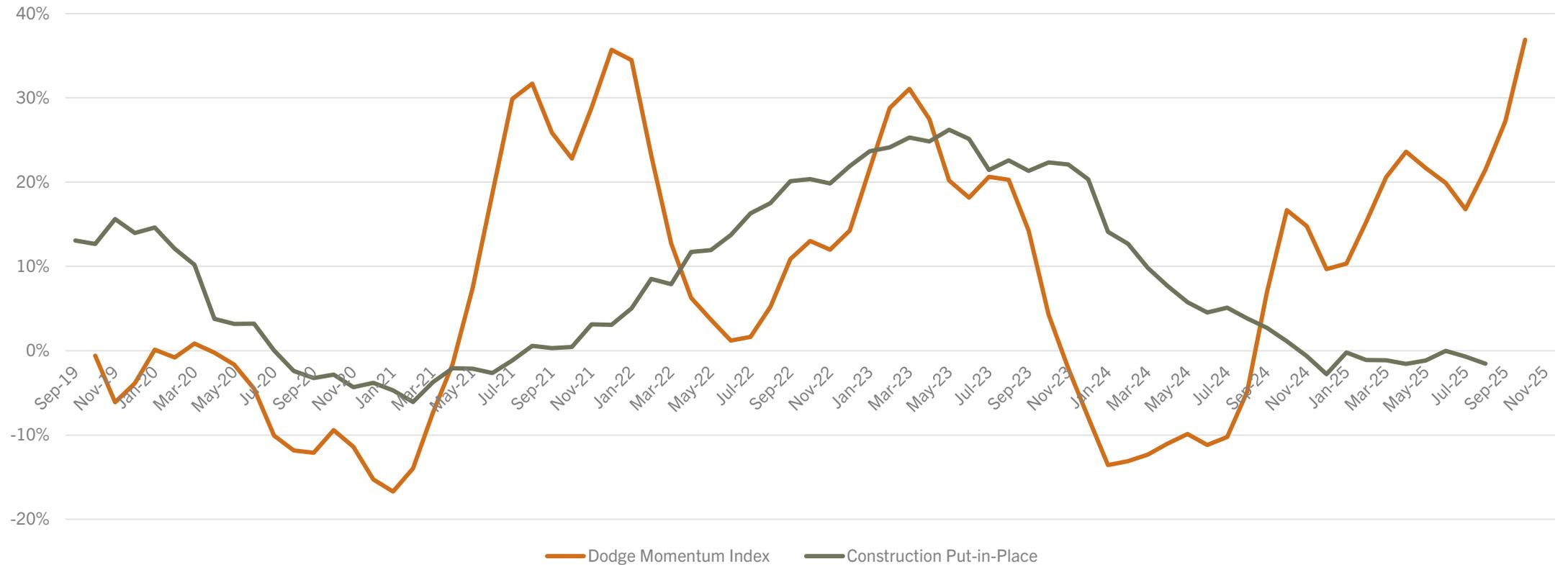


# To-date, construction starts have shown little signs of life



# Leading indicators of construction are accelerating, sets stage for significant construction upcycle

Dodge Construction Index and Construction Starts (Census Bureau)

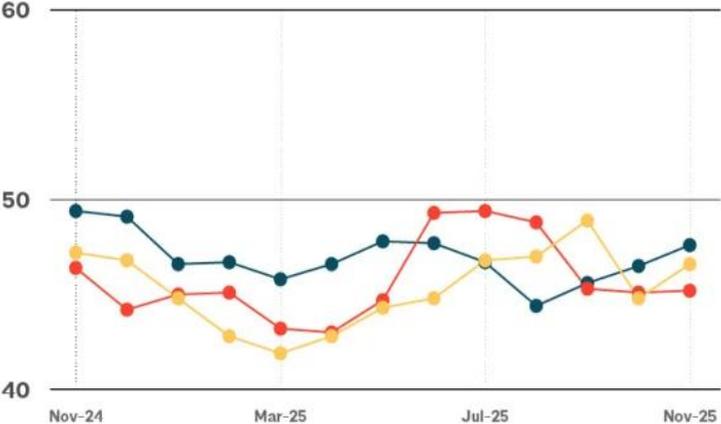


# Despite improving trends throughout 2025, Architectural billings ended the year on a sour note

## Sector

Billings remain soft at firms of all specializations.

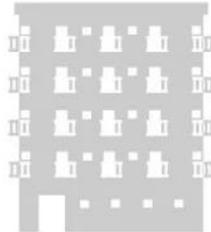
Graphs represent data from November 2024–November 2025 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Commercial/Industrial: 45.2



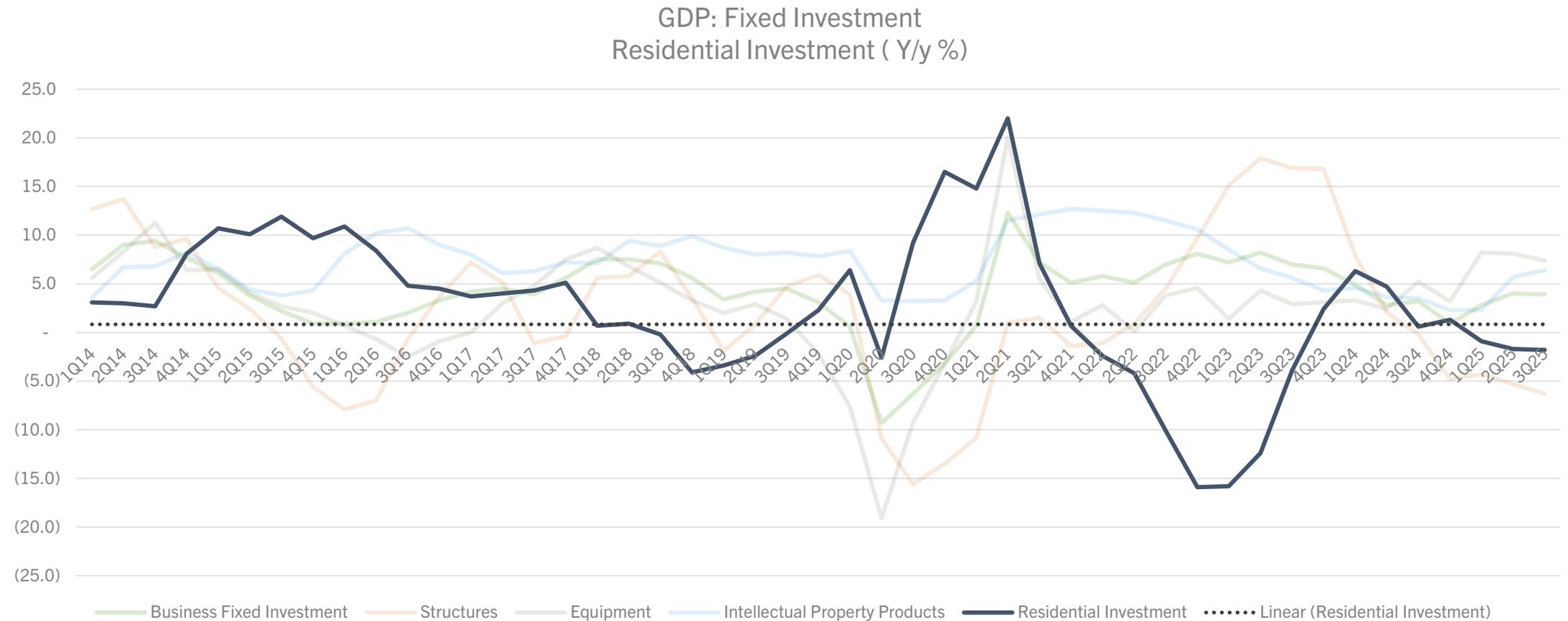
Institutional: 47.6



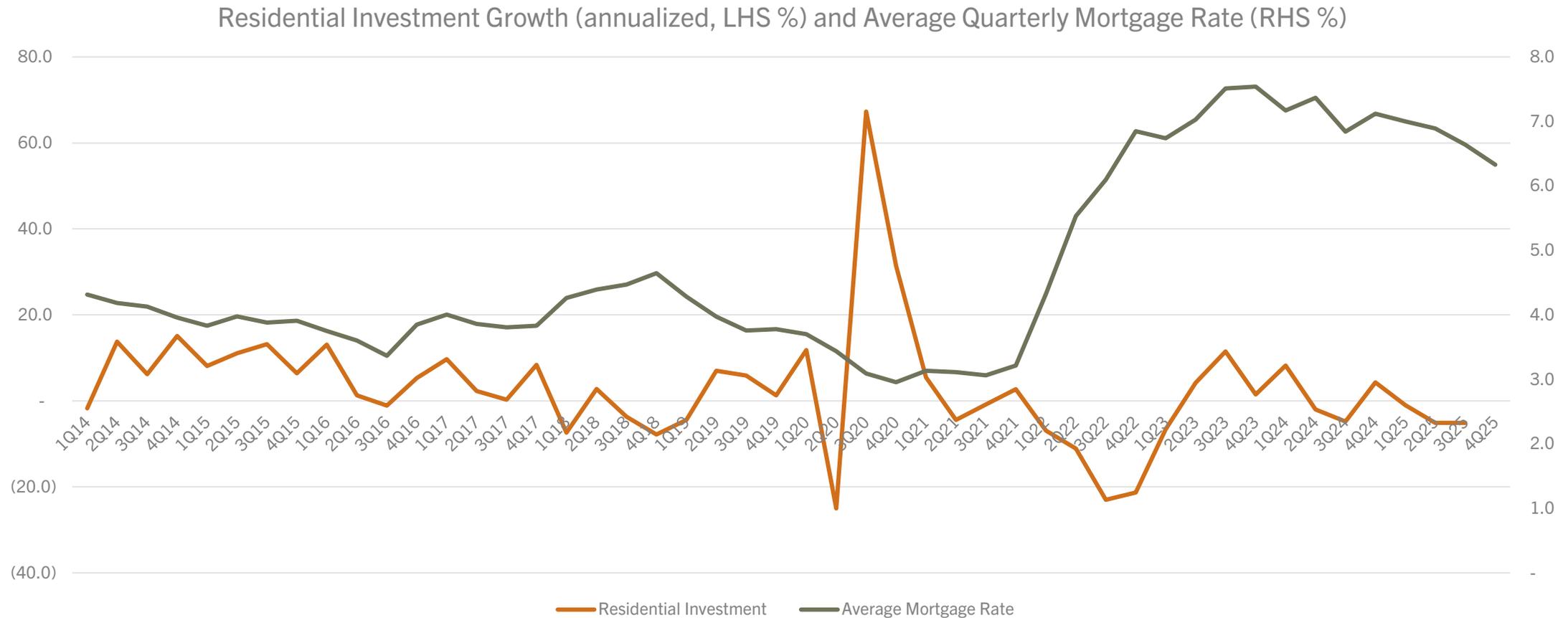
Residential: 46.6

Source: American Institute of Architecture

# Residential investment faded throughout 2025 as homebuilders backed off in light of soft demand

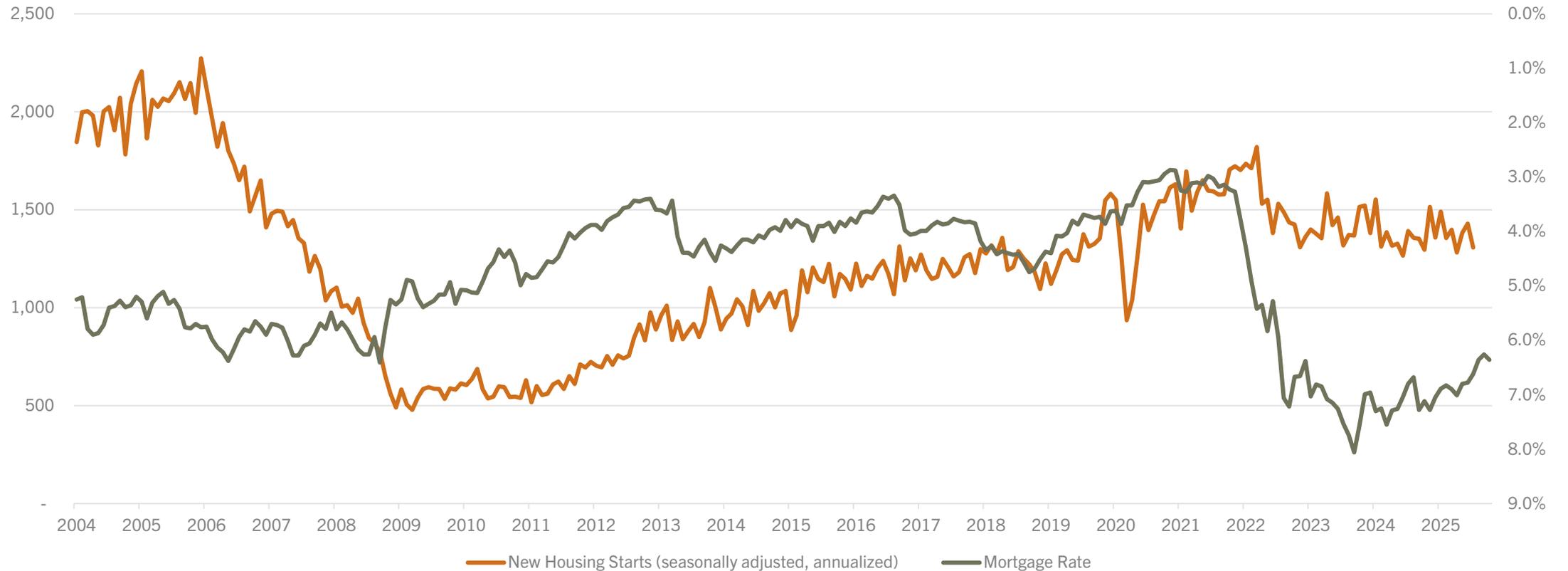


# Higher mortgage rates have negatively correlated with residential investment growth



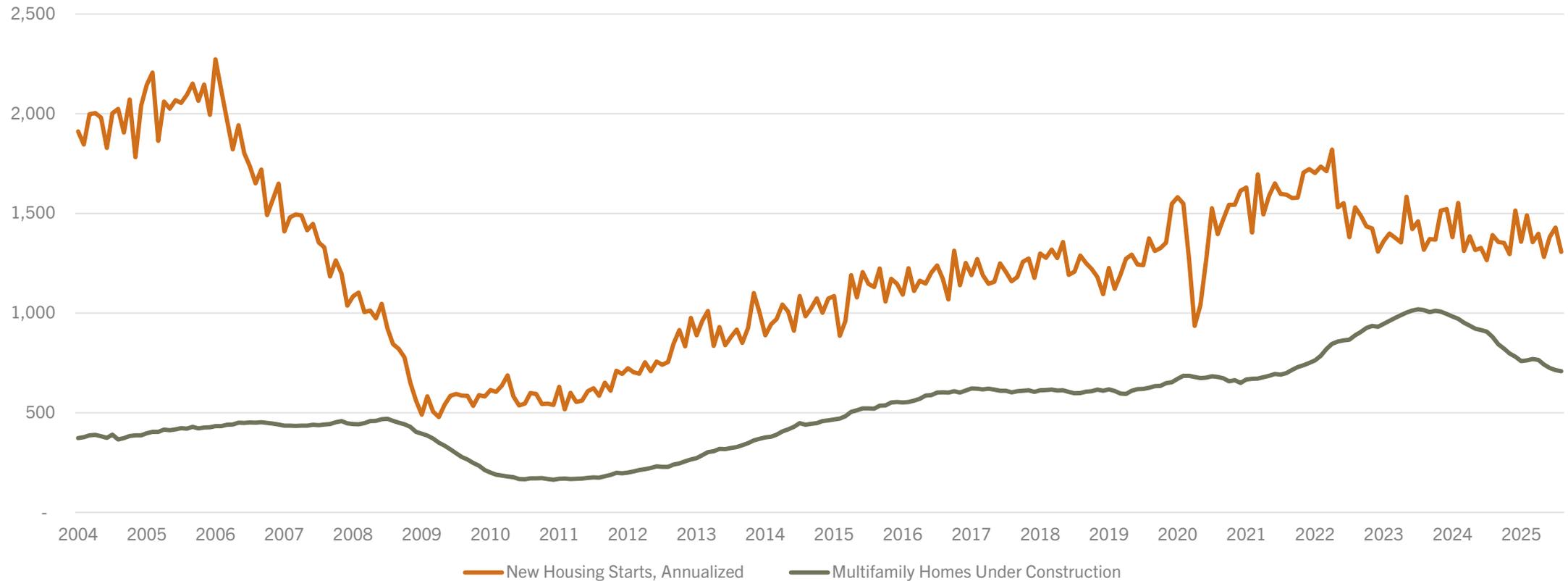
# Housing Starts +1.0% in 2025, below Wall Street expectations of 3.5%; lower rates provide some optimism heading into 2026

New Housing Starts vs. Current Mortgage Rate (inverted)



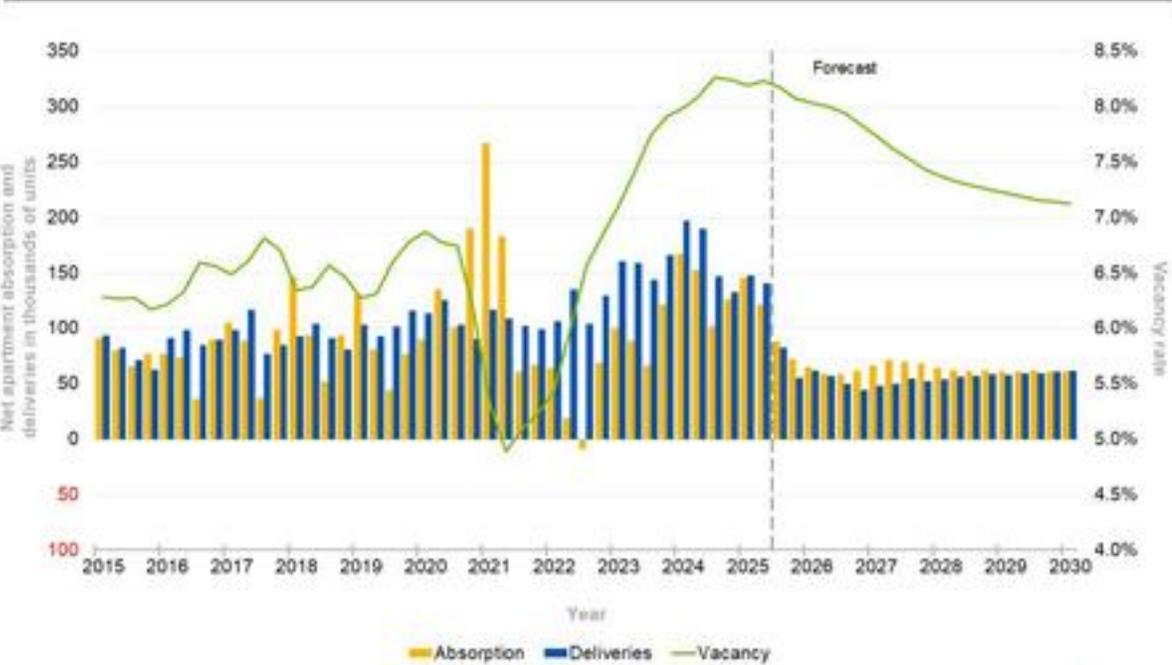
# Higher build and financing costs slowed multifamily construction in 2025 as well

New Housing Starts vs. Multifamily Homes Currently Under Construction (thousands)



# Apartments.com expects rents to return to 3% growth by 4Q26 as vacancy rates stabilize at 8%

Houseview forecast calls for declining vacancy



National rent growth improved in November, but is still negative

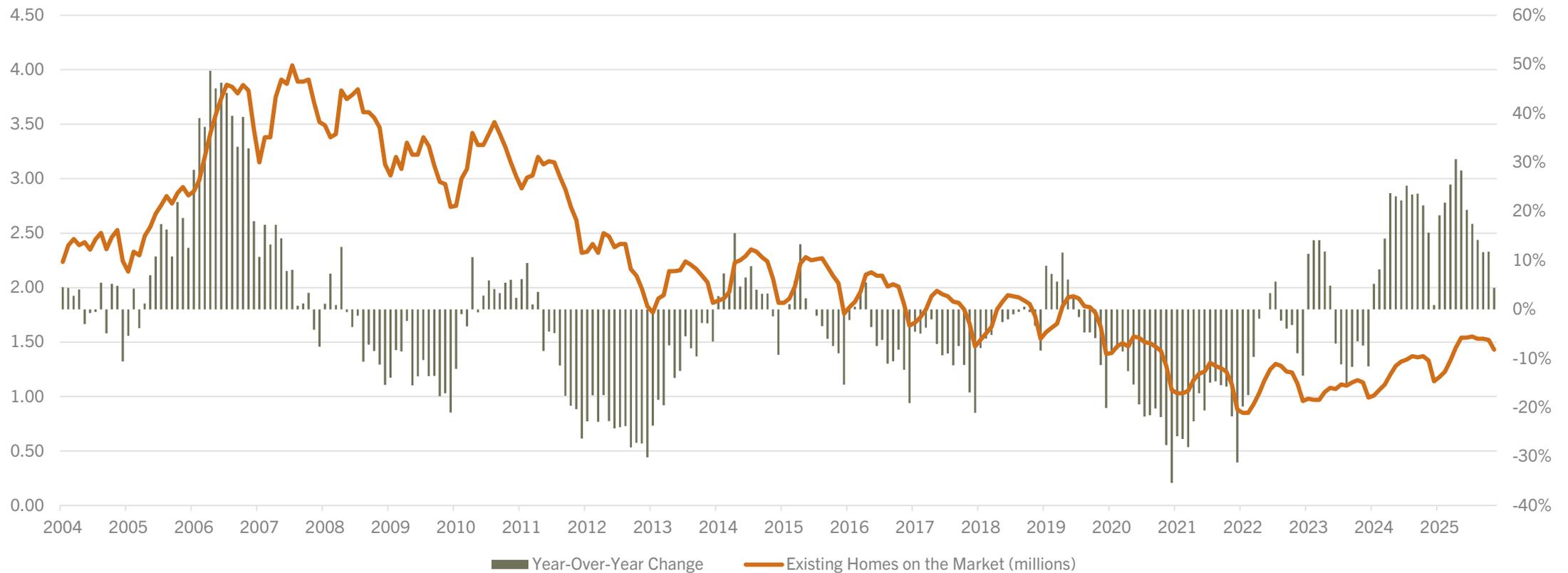


Source: CoStar Apartment Monthly Rent Report, November 2025



# Existing home inventory is decelerating as sellers wait to move

Existing Home Inventory and Rate of Change



# Redfin expects modest housing supply growth in 2025, leading to more transactions

## Summary:

- ❖ New Homes:
  - ❑ Wall Street expects 1.0% housing start declines
- ❖ Existing homes:
  - ❑ Pent-up demand + lower interest rates to drive 8% increase in sales (5.3 million, still well below 6.0 million in 2020/21 and 5.0 million in 2019)
- ❖ Multifamily:
  - ❑ Lower regulations → rebound in multifamily construction
  - ❑ Deliveries slow but starts accelerate from low base
  - ❑ Rental affordability to improve

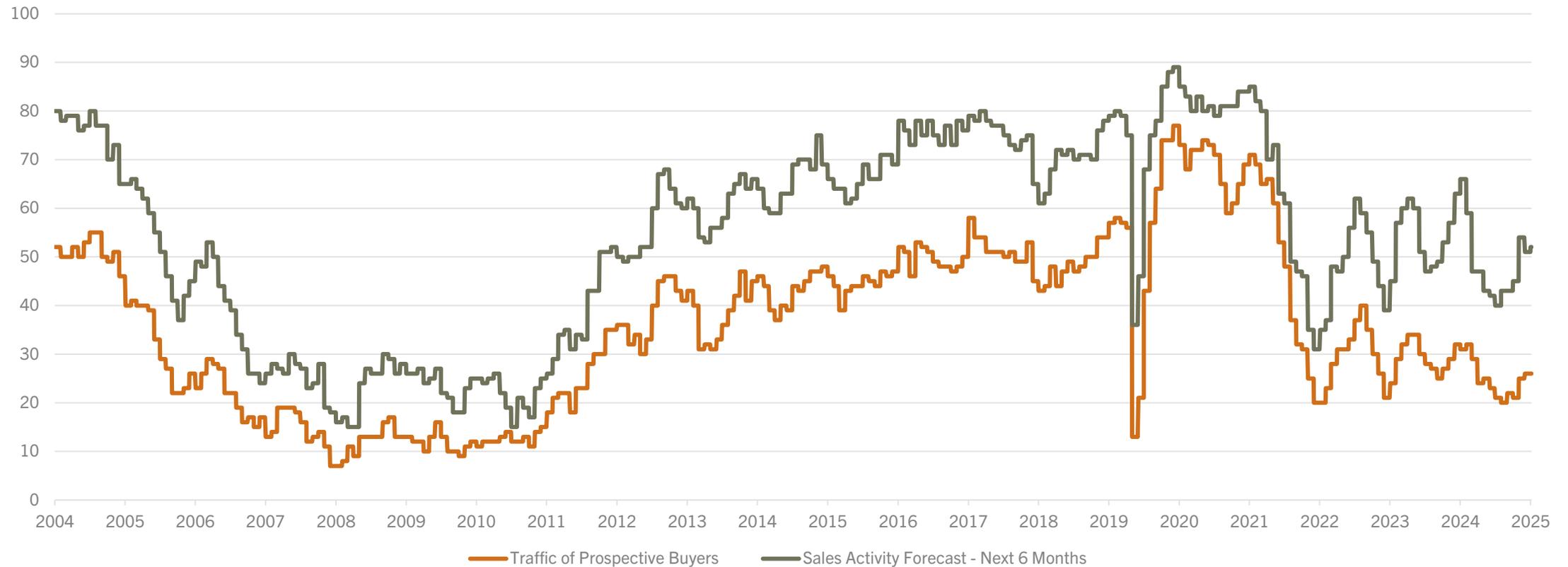


## Redfin:

1. Homebuying will become more affordable because home prices will grow slower than wages for a sustained period for the first time since the aftermath of the financial crisis. We expect the median U.S. home-sale price to rise 1% year over year in 2026. Prices will tick up only marginally because still-high mortgage rates and prices, along with a weaker economy, will curb demand.
2. We predict that sales of existing homes will end 2026 up 3% from 2025, with sales coming in at an annualized rate of 5.2 million.
3. Demand for apartments will rise as supply falls in 2026, leading to rising rents in many metro areas. Nationwide, we expect rents to rise about 2% to 3% year over year by the end of 2026, roughly the pace of inflation.
4. We expect U.S. mortgage refinance volume to increase more than 30% annually in 2026, ending the year at a total of \$670 billion. More Americans will refinance largely because 20% of mortgaged homeowners have a rate above 6%. We also anticipate more homeowners tapping home equity to fund renovations.

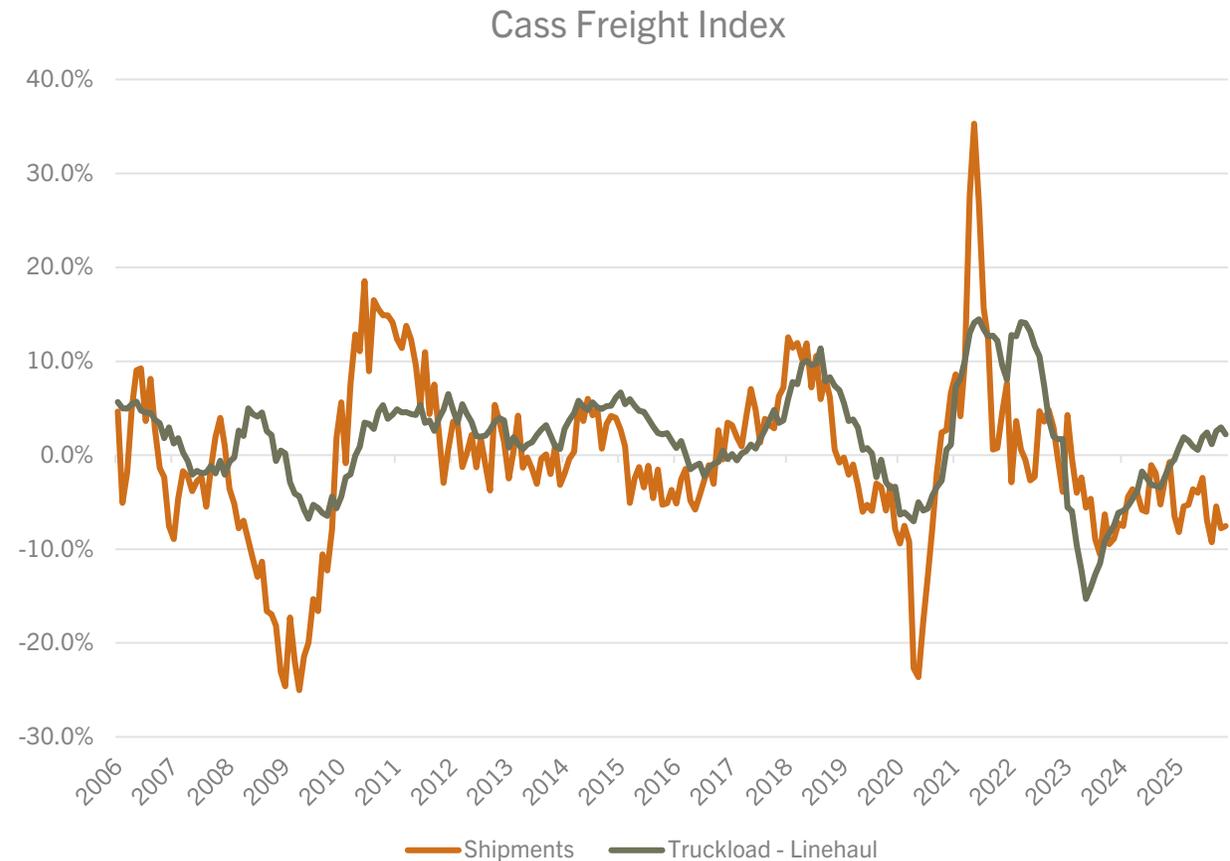
# Traffic remains below normal levels; cautious optimism for sales activity in 6 months

National Association of Home Builders Survey Index



# Freight rates improving as capacity comes out of the market; demand remains a question mark

- Weather and resilient demand boosted Truckload rates in Q4. But underlying demand remains uncertain.
- Overall, truckload improvement is outpacing freight shipment improvement due to capacity reductions.



Source: Cass Information Systems

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## Consumption

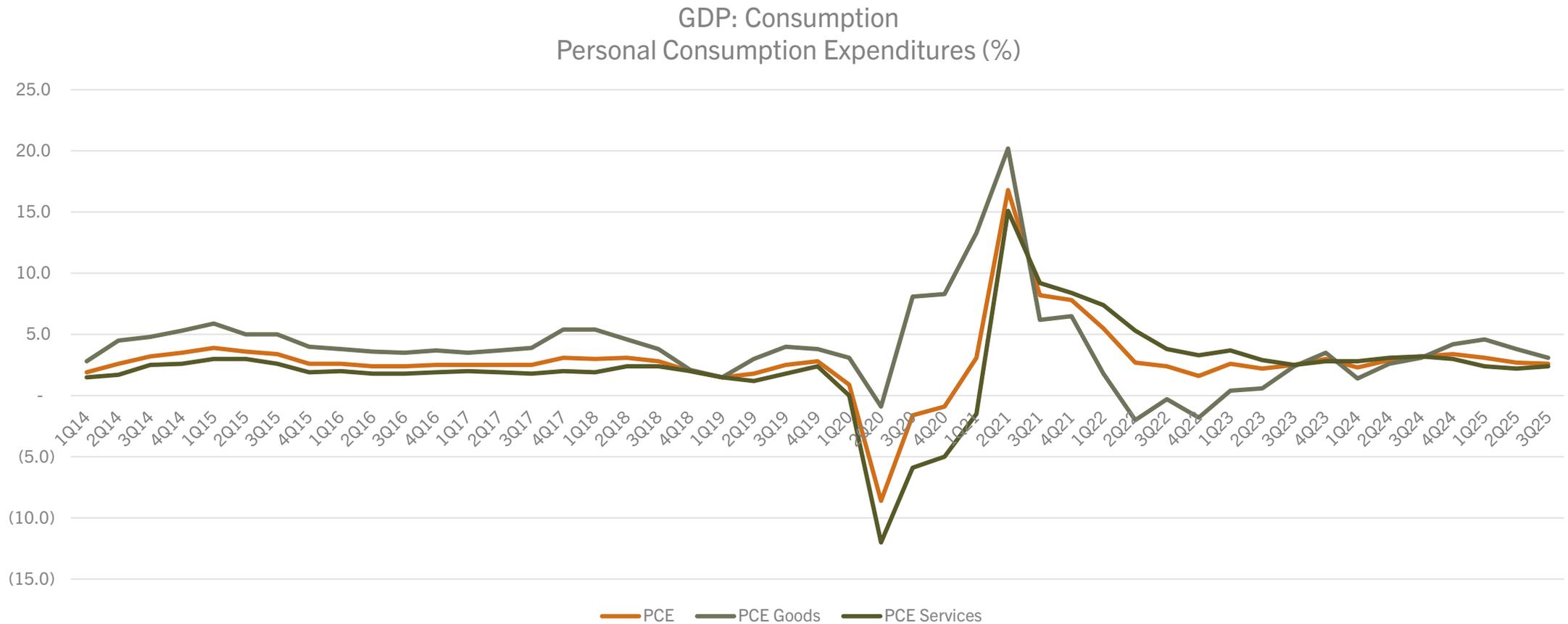
### 70% of the economy

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- 1/3 of consumption is Goods-related
  - ❖ Of that 1/3 is durable (vehicles, appliances, home furnishings, etc.)
  - ❖ The remaining 2/3 is non-durable (groceries, clothing, etc.)
- 2/3 of consumption is Services-related
  - ❖ Of that, 1/4 is housing/utilities
  - ❖ Another 1/4 is health care
  - ❖ Remainder includes transportation, recreation, food service and accommodations, financial services, insurance, etc.

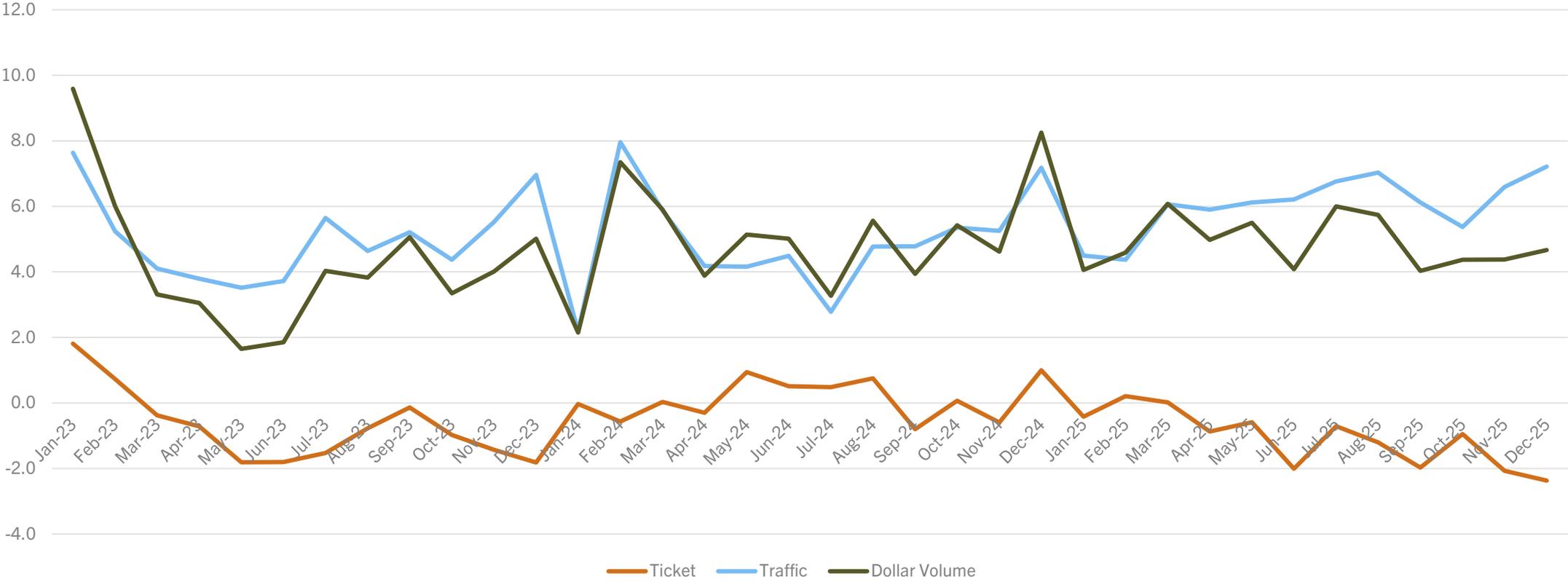


# Consumption tends to be remarkably steady, outside of COVID-related volatility



# Spending picked up at the end of the year as traffic accelerated, following the government shutdown

First Data Merchant Services: SpendTrend (%)



# Consumer is looking for deals (lower avg ticket) but willing to spend on newness/uniqueness

First Data: Year over Year Spending Growth of Various Retail Categories

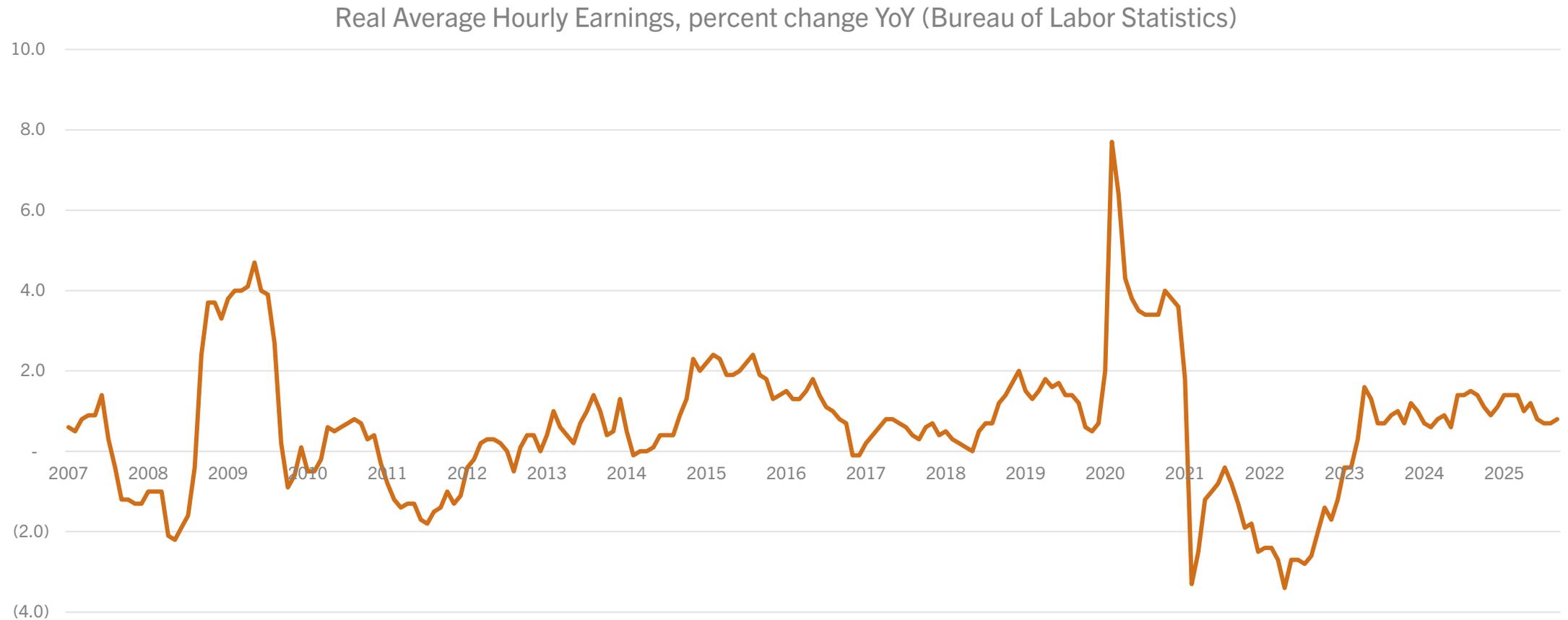
## Spending Trends

(Source: First Data)

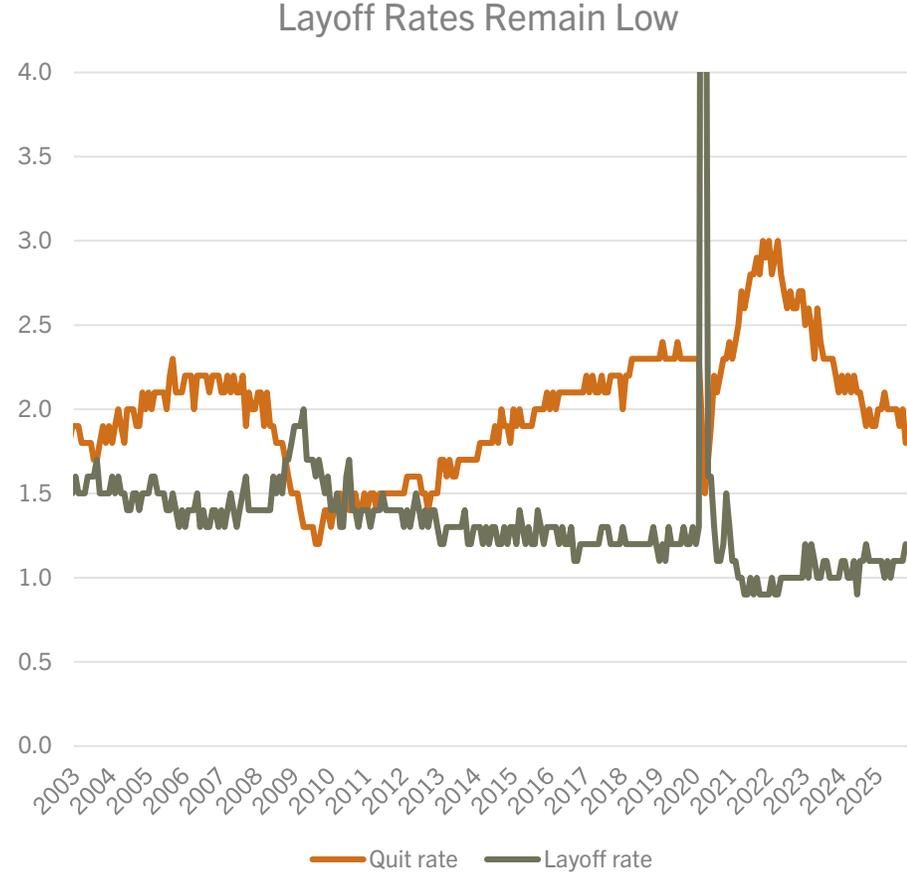
	4Q25	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Brick & Mortar	1.5	4.1	3.4	2.3	0.9	(0.3)	(2.1)	(1.2)	(0.7)	(1.6)	(2.5)	(0.3)
Luxury	(2.0)	(6.6)	(6.8)	(1.7)	(5.6)	(5.9)	(11.9)	(6.4)	(9.9)	(14.0)	(16.5)	(15.3)
Jewelry	6.3	7.4	6.8	(9.3)	6.3	2.9	0.8	2.8	2.8	(1.8)	(5.7)	(4.7)
Grocery	2.4	2.9	6.5	4.5	5.5	4.1	2.1	2.7	(1.0)	0.7	(0.7)	1.2
Restaurants	(0.6)	1.2	0.9	7.4	1.6	4.7	3.8	3.3	4.6	1.8	1.3	7.6
Electronics	4.3	8.7	6.5	0.6	5.0	0.8	0.9	(0.6)	0.6	(1.0)	(1.4)	(4.3)
Home Improvement	1.2	3.0	1.8	5.6	3.1	(1.6)	(0.3)	1.5	1.6	1.9	0.8	0.3
Overall Ticket	(1.8)	(1.3)	(1.2)	1.9	0.2	0.1	0.4	(0.2)	(1.4)	(0.8)	(1.4)	0.7
Overall Traffic	6.4	6.6	6.1	(0.1)	5.9	4.1	4.3	5.3	5.6	5.2	3.7	5.7
Overall Dollars	4.5	5.3	4.9	5.0	6.1	4.3	4.7	5.1	4.1	4.3	2.2	6.3

Source: First Data Merchant Services

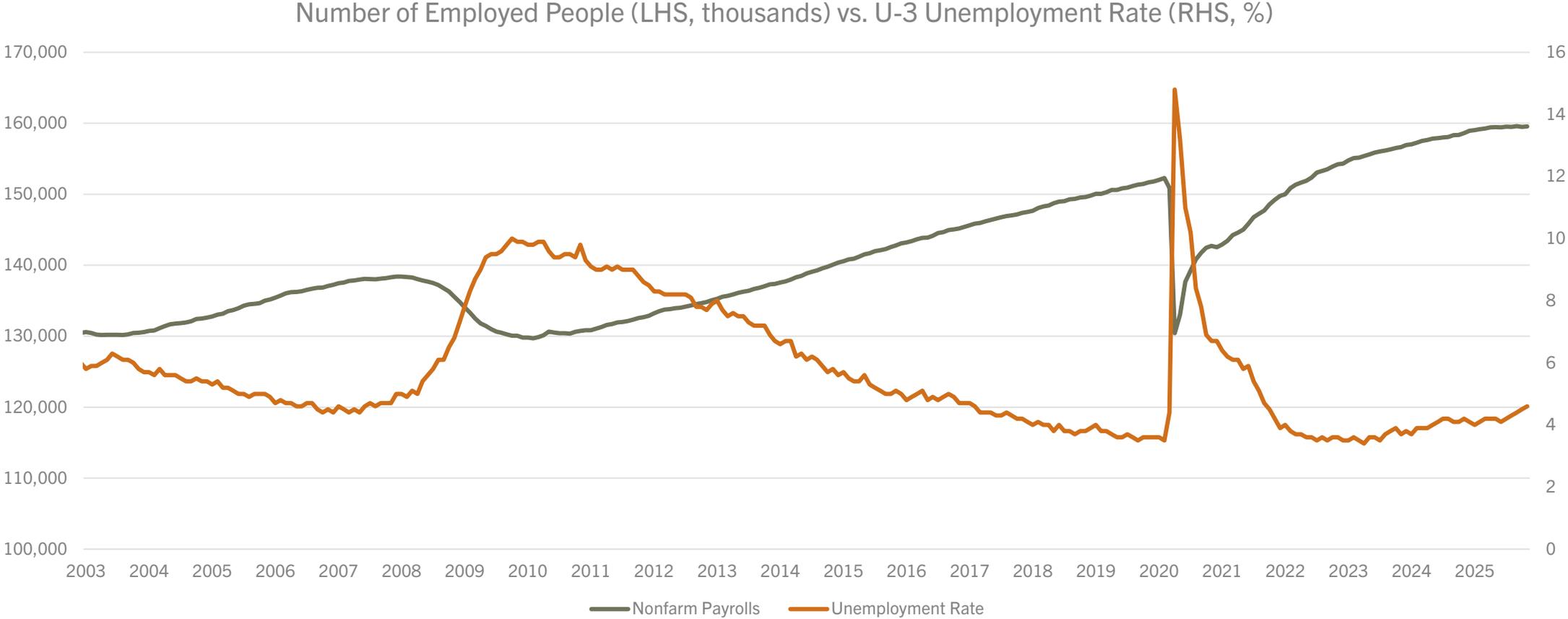
# Real average hourly earnings have a 78% correlation with subsequent year PCE - Goods



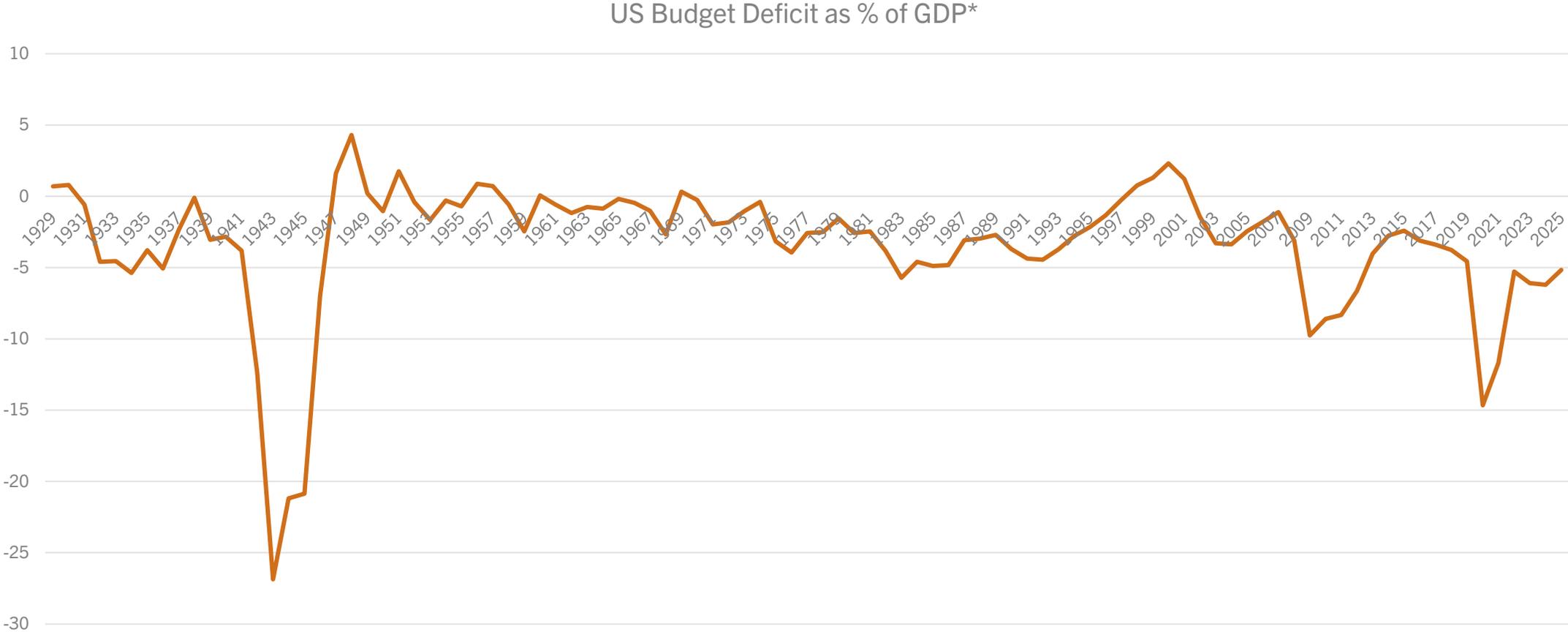
# Jobs market is finely balanced as companies focus on productivity over hiring



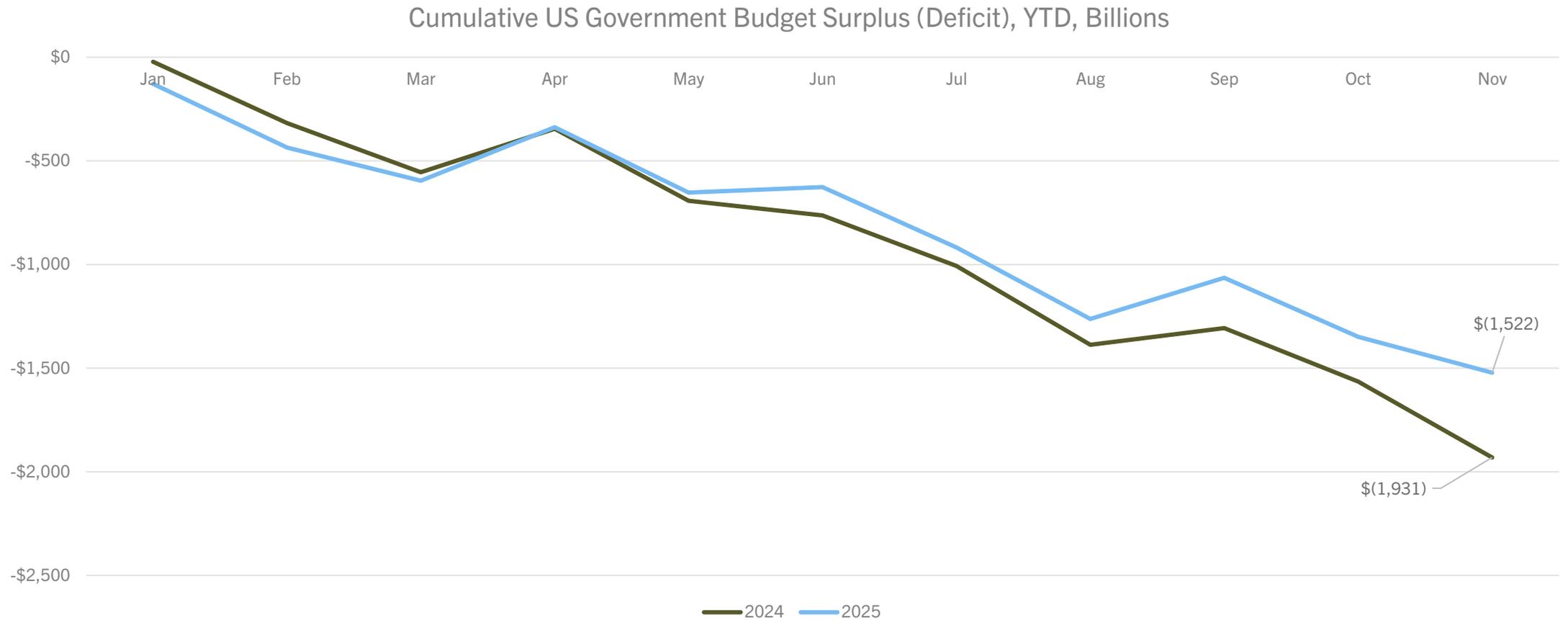
# Although unemployment rates have risen, but no alarm bells yet



# The US periodically accumulates debt before regaining control and balancing the budget

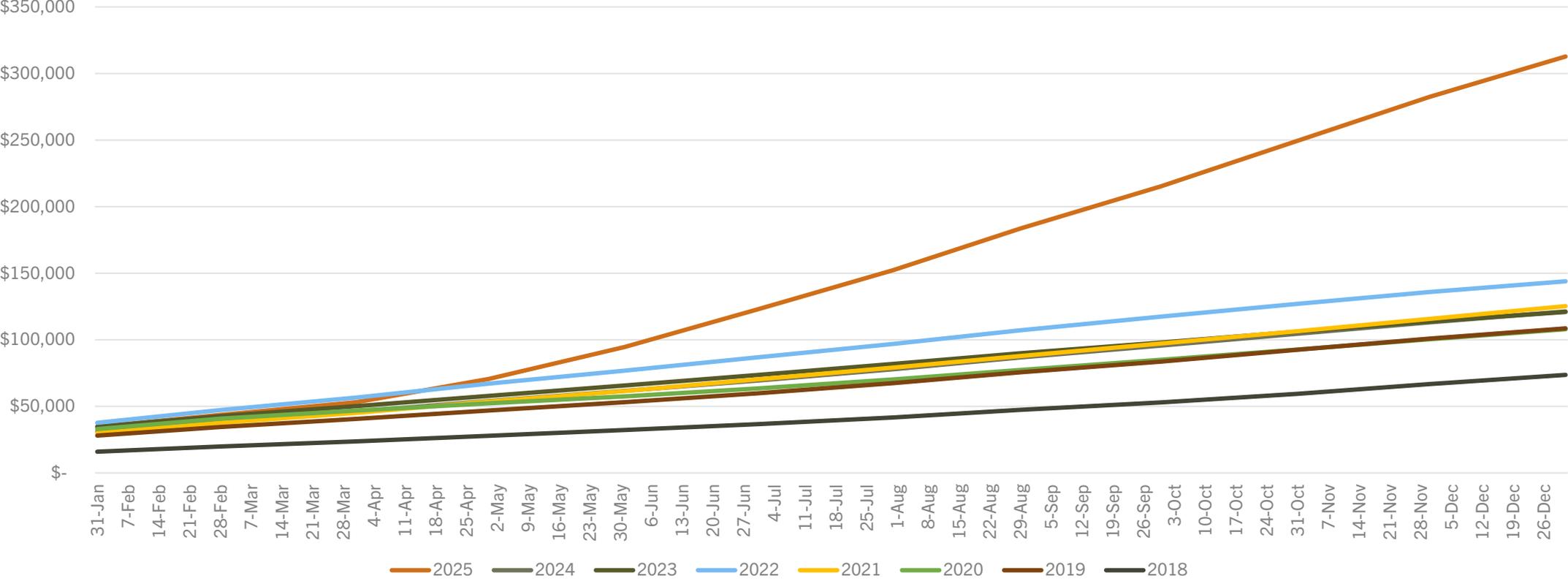


# On a calendar year basis, the Federal Deficit has fallen ~ \$400 billion



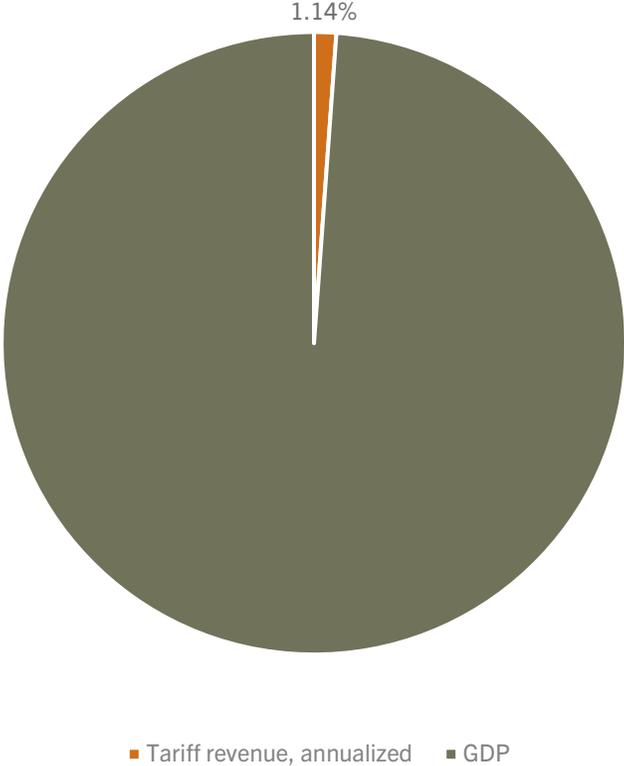
# A portion – but not all – of the smaller deficit is due to ~ \$200b of additional tariff revenue

Customs Duties Revenue, YTD, cumulative, millions

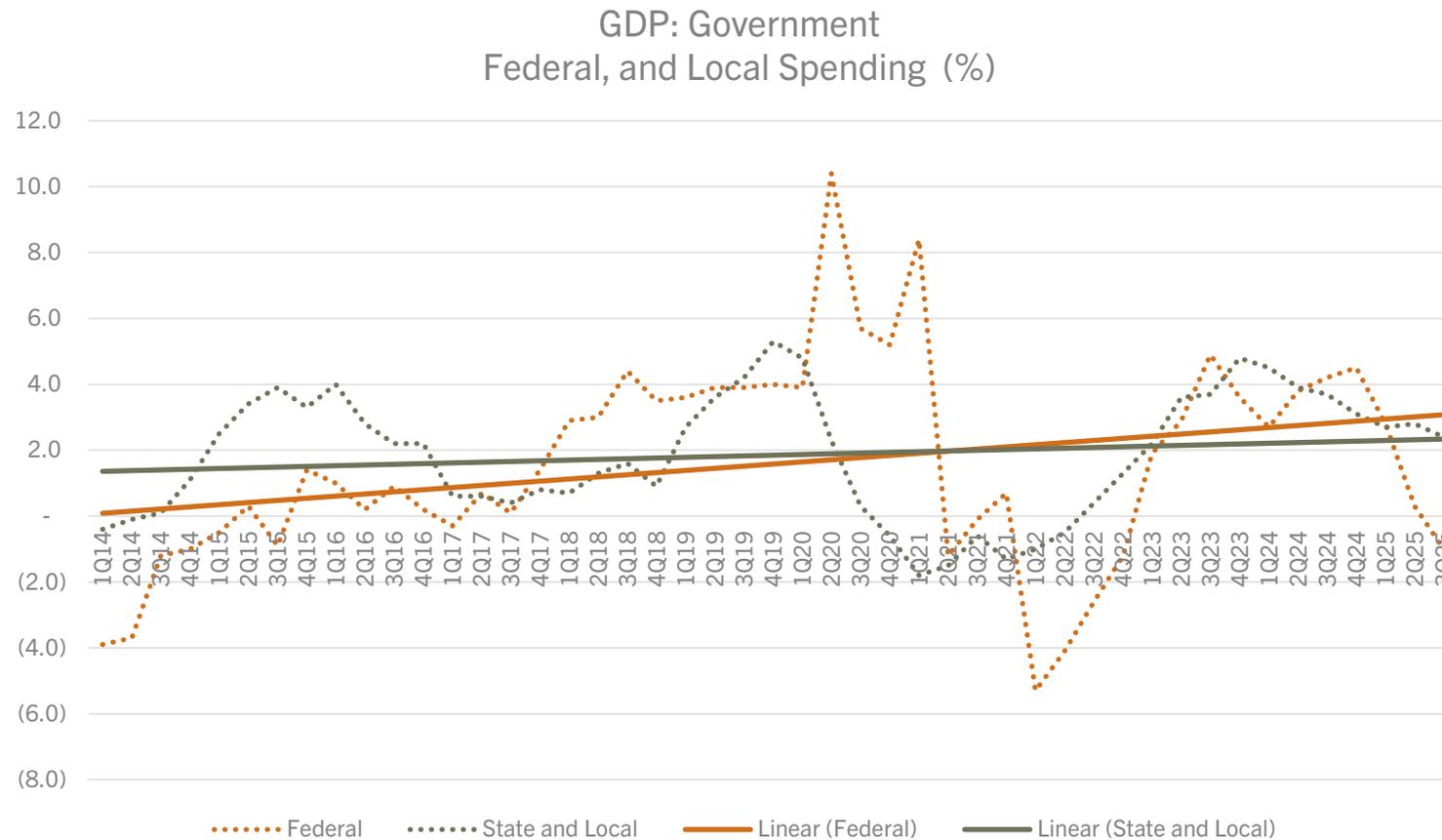


# While tariffs impacted some industries severely, they amount to $\sim 1\%$ of the economy

Tariff Revenue as a Proportion of US GDP, Q3 2025 Annualized



# Government spending has contributed favorably to economic growth but reversed in 2025



- Federal government had been trending toward 3% annual growth but that rate fell significantly in 2025.
- The Deficit as a percent of GDP is down to ~5% and falling. Further tailwinds include a full year of tariff revenue and DOGE cuts as well as lower interest rates.

# Less government spending doesn't necessarily mean lower growth; crowding out reduces productivity

TABLE 1. Estimates of Productivity Growth in England, 1770-1860

	change in % p.a.				
	r	w	q	TFP	
<b>Antràs and Voth (2001)</b>					
1770-1801	-0.28	0.40	0.13	0.12	
1801-1831	0.83	0.34	0.20	0.49	
1831-1860	0.74	0.56	0.11	0.56	
	Y	K	L	T	TFP
<b>Harley (1999)</b>					
1760-1800	1.0	1.0	0.8	0.2	0.19
1801-1831	1.9	1.7	1.4	0.4	0.50
1831-1860*	2.5	2.0	1.4	0.6	1.00

Sources: Antràs and Voth (2001), Harley (1999, p. 183).

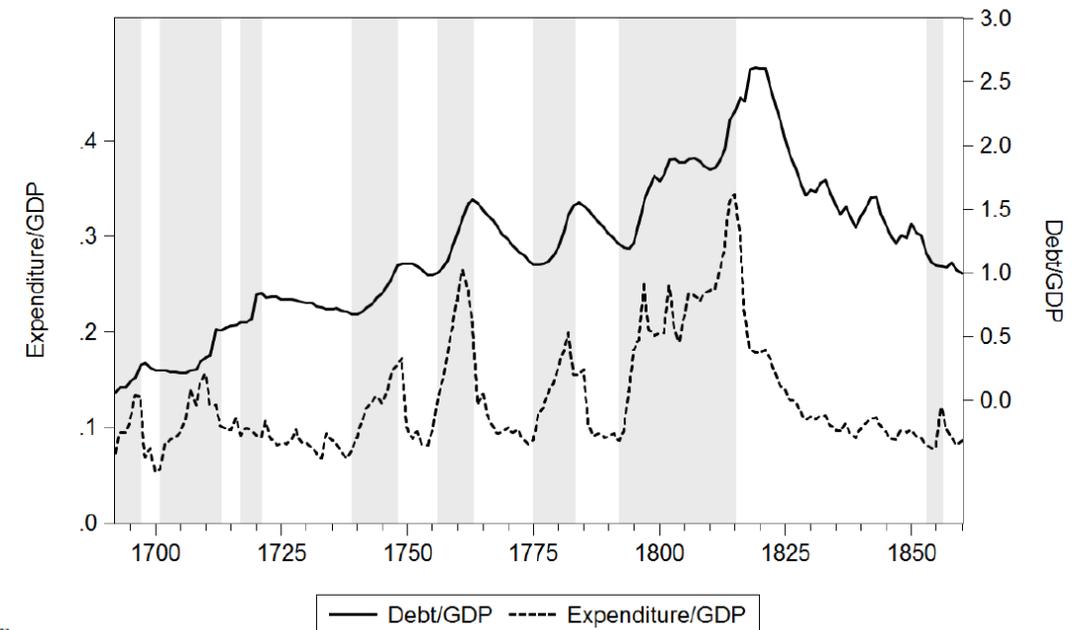
Notes: r – rental rate of capital, w – real wage, q – rental cost of land

Y – output growth, K – capital, L – labour, T – land

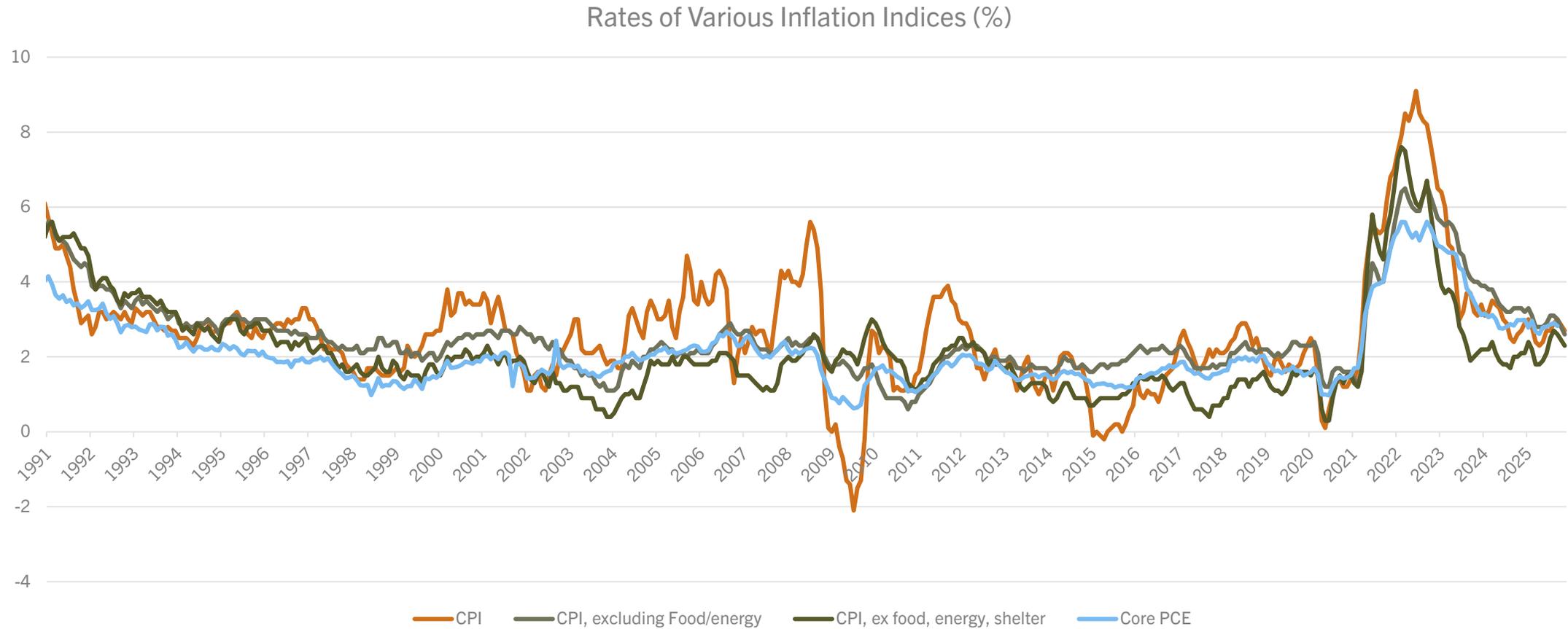
Antràs and Voth (2001) use an elasticity of 0.35 for capital, 0.15 for land, and 0.5 for labour

## DEBT INTO GROWTH

FIGURE 2.1. Debt and Expenditure in the UK, 1692-1860

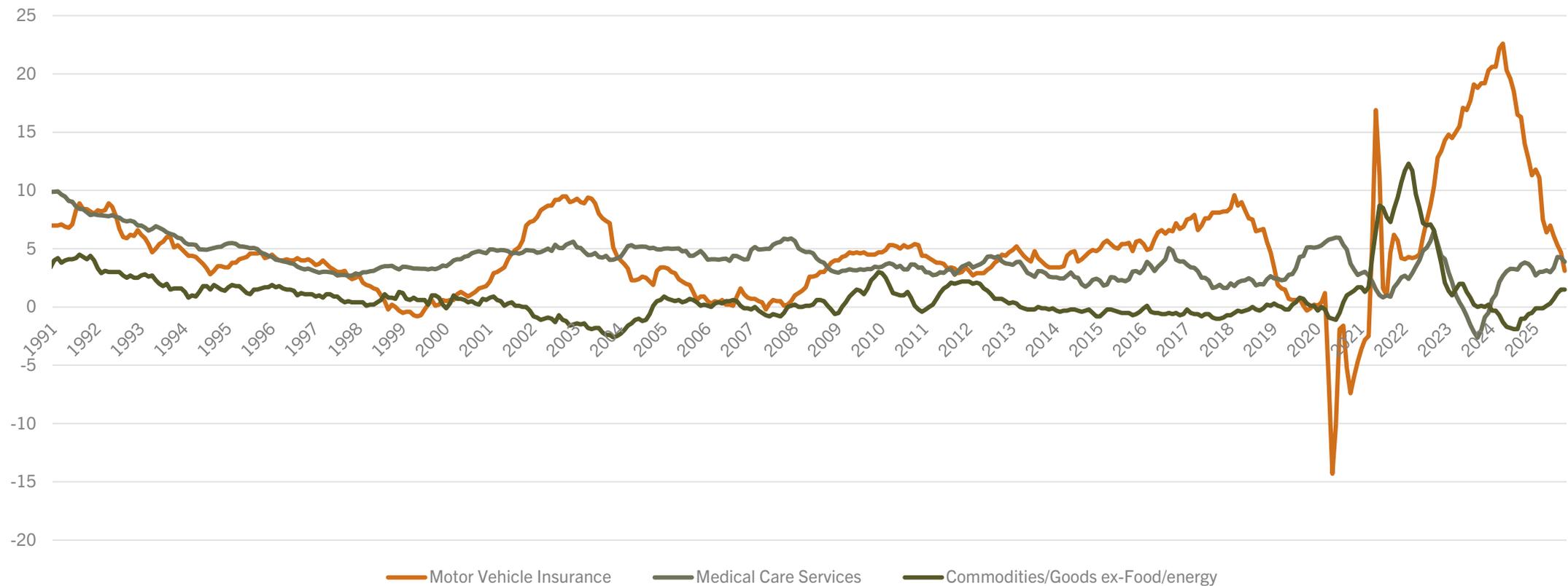


# Inflation has fallen but has yet to return to pre-Covid levels



# Goods inflation up to 1.5% as tariffs were passed through, but remains well below other categories

Consumer Price Inflation of Selected Sub-Indices (Y/y, %)



# The Fed's preferred measure of inflation – “Core PCE” – is set to decline further\*

Month	CPI Inflation Y/y	Services Ex-Shelter	Goods Inflation ex-food/energy	Shelter Inflation	Zillow Home Price Index	Zillow Rental Index
January 2025	3.0	4.0	(0.1)	4.4	2.7	3.2
February 2025	2.8	3.8	(0.1)	4.2	2.6	3.3
March 2025	2.4	2.9	(0.1)	4.0	2.1	3.4
April 2025	2.3	2.7	0.1	4.0	1.4	3.3
May 2025	2.4	2.9	0.3	3.9	0.8	3.1
June 2025	2.7	3.0	0.7	3.8	0.5	2.8
July 2025	2.7	3.2	1.2	3.7	0.3	2.5
August 2025	2.9	3.2	1.5	3.6	0.2	2.4
September 2025	3.0	3.2	1.5	3.6	0.1	2.3
November 2025	2.7	2.7	1.5	3.0	0.1	2.2

\*Inflation to fall further due to Liberation Day comps in Q2+, continued price disinflation in Shelter.

# Inflation forces

- Long-term interest rates are containing prices in interest rate sensitive areas
  - ❖ Housing and home improvement categories
  - ❖ Vehicles
  - ❖ This may begin to reverse in 2H26 as a new Fed Chair is installed
- Other forces include
  - ❖ Oil prices have acted as a tailwind to lower inflation; that could reverse if demand strengthens
  - ❖ Reduced trucking capacity could increase trucking rates more durably
  - ❖ Administrative moves in healthcare (insurance, pharma) and housing (institutional buyer regulation) could bring down inflation further
- NCM View: Likely to decline in the 1H26, with uncertainty in 2H26

# GDP Summary vs. NCM Expectations\*

Category	Sub-industry	2015-19 Avg	2024A	2025F (NCM)	2025 F	Rationale
United States		+2.5%	+2.8%	2.6-3.3%	+2.4%	Economy picked up gradually over the course of the year.
Consumption		+2.6%	+2.9%	2.6-3.5%	+2.7%	
	Goods	+3.9%	+2.8%	2.7-3.6%	+3.5%	Higher consumption of durable goods as consumers front-ran tariffs and expiration of EV subsidies.
	Services	+2.0%	+3.0%	2.5-3.5%	<b>+2.3%</b>	Slower net outlays from nonprofit institutions.
Private Investment		+3.9%	+3.0%	2.3-5.0%	+2.8%	
	Intellectual Property	+7.6%	+3.5%	5.0-7.0%	+5.2%	Improved demand in software and research & development.
	Equipment	+2.7%	+3.5%	2.9-3.5%	<b>+7.9%</b>	Strong data center demand for chips and computing products.
	Structures	+1.6%	+1.1%	(1.0)-5.0%	<b>(4.3)%</b>	Business uncertainty and interest rates weighed on investment
	Residential	+5.1%	+3.2%	1.5-5.0%	<b>(2.0)%</b>	Continued high rates and lower home demand held back single-family residential construction.
Government		+1.8%	+3.8%	0.5-1.5%	+1.7%	DOGE-related cuts slowed government growth in the first half of the year. State government spending offset federal spending.
Net Exports		(0.30)	(0.30)	0.00	+0.70	Volatility throughout the year; significant boost to Q4 GDP

\*2025 GDP is a forecast based on GDP in Q1-Q3 as well as the Atlanta Fed's estimate for Q4.

# GDP Outlook

Category	Sub-industry	2015-19 Avg	2025	2026 (NCM)	Rationale	Contribution
United States		+2.5%	+2.2%	2.6-3.5%	Economy should post strong numbers in 1H26 at the higher end of the range. Could see annual and quarterly deceleration in 2H26 to the lower end of the range.	2.22-3.90
Consumption		+2.6%	+2.7%	2.7-3.5%	Continued stable consumer finances.	1.89-2.45
	Goods	+3.9%	+3.5%	2.5-3.5%	Tariff-related demand pull-forwards create tougher comparisons in 2H25.	0.83-1.17
	Services	+2.0%	+2.3%	2.8-3.5%	Drag from non-profit sector fades.	1.87-2.33
Private Investment		+3.9%	+2.8%	2.3-5.0%	Residential Construction the key variable.	0.43-1.05
	Intellectual Property	+7.6%	+5.2%	6.0-9.0%	Accelerated demand in AI-related software as well as improved pharma R&D spending.	1.80-2.70
	Equipment	+2.7%	+7.9%	3.0-5.0%	Data center demand to continue but comparisons will become tougher.	0.90-1.50
	Structures	+1.6%	(4.3)%	(2.0)-2.0%	Comparison periods are easier but CapEx interest remains moribund for much of the economy.	(0.30)-0.30
	Residential	+5.1%	(2.0)%	(1.0)-3.0%	Pent-up demand exists but interest rates will need to be more cooperative to catalyze growth.	(0.25)-0.75
Government		+1.8%	+1.7%	1.0-2.0%	Spending finds a new trend, slightly less than GDP growth, driven by America 250 celebration and defense.	0.10-0.20
Net Exports		(0.30)	+0.60	(0.10)-0.30	Stronger energy exports and protective tariffs to drive Current Account closer to break-even.	(0.10)-0.30

# The Federal Reserve expects rates to remain higher over the longer-term (3.0%+)

	2026	2027	2028	LONGER-RUN
GDP	+2.3%	+2.0%	+1.9%	+1.8%
Unemployment Rate	4.4%	4.2%	4.2%	4.2%
PCE Inflation	2.4%	2.1%	2.0%	2.0%
Core PCE Inflation	2.5%	2.1%	2.0%	***
<b>Fed Funds Rate</b>	<b>3.4%*</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>

\*The Fed Funds Rate is a range, with a target of 3.50%-3.75%. The effective rate in the market is 3.64% at 6 January 2026.

# Growth Cadence

*We are all Republicans, we are all Federalists. If there be any among us who would wish to dissolve this Union or to change its republican form, let them stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it.*

*-Thomas Jefferson*

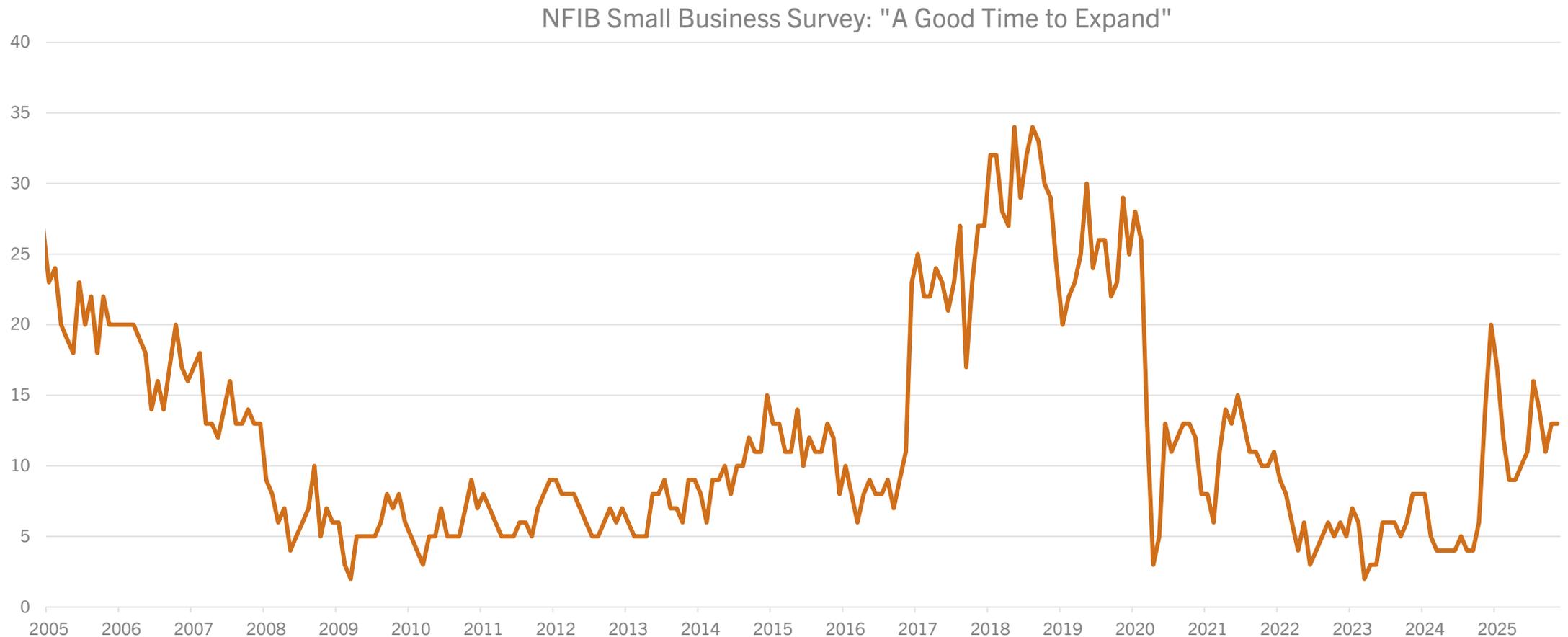
# Policy Map and Implications

Topic	Timing	Priorities / Biggest Impact	NCM View
Affordability Efforts	Q1	(1) Health Insurance, (2) Housing, (3) Pharmaceuticals, (4) Defense Contractors	Creates volatility and earnings uncertainty within “rent-seeking” industries. A surprise but possible addition would include the Utility sector. This could improve housing affordability and turnover in the short-term. Inflationary impacts likely to take place over a longer period of time due to calculation lags.
The “Donroe” Doctrine	Ongoing, USMCA agreement mandatory review on July 1, 2026	(1) Venezuela, (2) Greenland, (3) Russia/Ukraine, (4) Iran, (5) Colombia, (6) Renegotiation of USMCA	Expect economic partnership with Venezuela, Canada, Mexico, Russia, and Ukraine. Economic and security partnership with Greenland. Peace agreement between Russia and Ukraine. No significant updates with Iran or Colombia.
OBBA Tax Implications	Ongoing with biggest impact in Q1, Q2	Consumer	Tax refunds likely to be higher as new tax bill supports no tax on tips, tax deductibility of interest on vehicles, no tax on overtime, and larger deductions for seniors.
Immigration Enforcement	Ongoing, fades throughout year	Freight	Reduction in trucking capacity likely to boost rates over the course of the year.
Jay Powell Fed Chair Term Ends	May	Interest-rate sensitive sectors	Could improve housing affordability. Lower interest costs would also reduce the federal budget deficit.
America 250	Ongoing, with the biggest impacts Q2, Q3	Consumer services (travel, restaurants, event infrastructure)	Infrastructure spending to be front-loaded with consumer services spending accelerating into the summer.
Trump Accounts go Live	July 4	Capital market inflows, Fiscal deficit	Trump Accounts likely to be the cherry on top of a summer of spending at the Federal Government level associated with America 250. On top of that, year-over-year comparisons are favorable, resulting in higher fiscal deficits and higher GDP.
World Cup	Q2 (mostly)	Consumer services (travel, restaurants, event infrastructure)	Infrastructure spending to be front-loaded with consumer services spending accelerating into the summer.
Midterm Elections	Q3-Q4	Business and Consumer Investment	Pace of investment and spending slows ahead of the elections.

# Quarterly Headwinds/Tailwinds

Q1	Easy Year-over-year comparisons (DOGE cuts)	OBBA Tax refunds	Declining freight costs	Dry powder “money on the sidelines” gets invested ahead of rate cuts	Lower inflation due to shelter disinflation, freight costs	Strong M&A Pipeline accelerates activity, valuations		
Q2	Easy Year-over-year comparisons (Liberation Day Tariffs)	OBBA Tax refunds	Infrastructure buildout ahead of America 250, World Cup	Dry powder “money on the sidelines” gets invested ahead of rate cuts	Lower inflation due to lapped Liberation Day tariffs	Fed Chairman replacement	USMCA renegotiation uncertainty	Rising Memory chip costs
Q3	Difficult comparisons (sequentially and year-over-year)	Trump Accounts go Live	America 250 Celebrations, World Cup	Midterm elections	Lower inflation feeds into lower sales revenue	Decelerating AI CapEx	Rising Memory chip costs	IPOs suck money from other investments (e.g. Anthropic, SpaceX, OpenAI)
Q4	Neutral comparisons (government shutdown but solid consumer spending year-over-year)	Slower AI CapEx Growth	China tariff renegotiation uncertainty	Improved jobs & productivity situation (sequentially and year-over-year)	Inflation begins to pick up due to Fed dovishness, comparison periods, lower food/energy tailwinds	IPOs suck money from other investments (e.g. OpenAI)		

# Improved confidence: Small businesses remain optimistic but are wary of headline risk



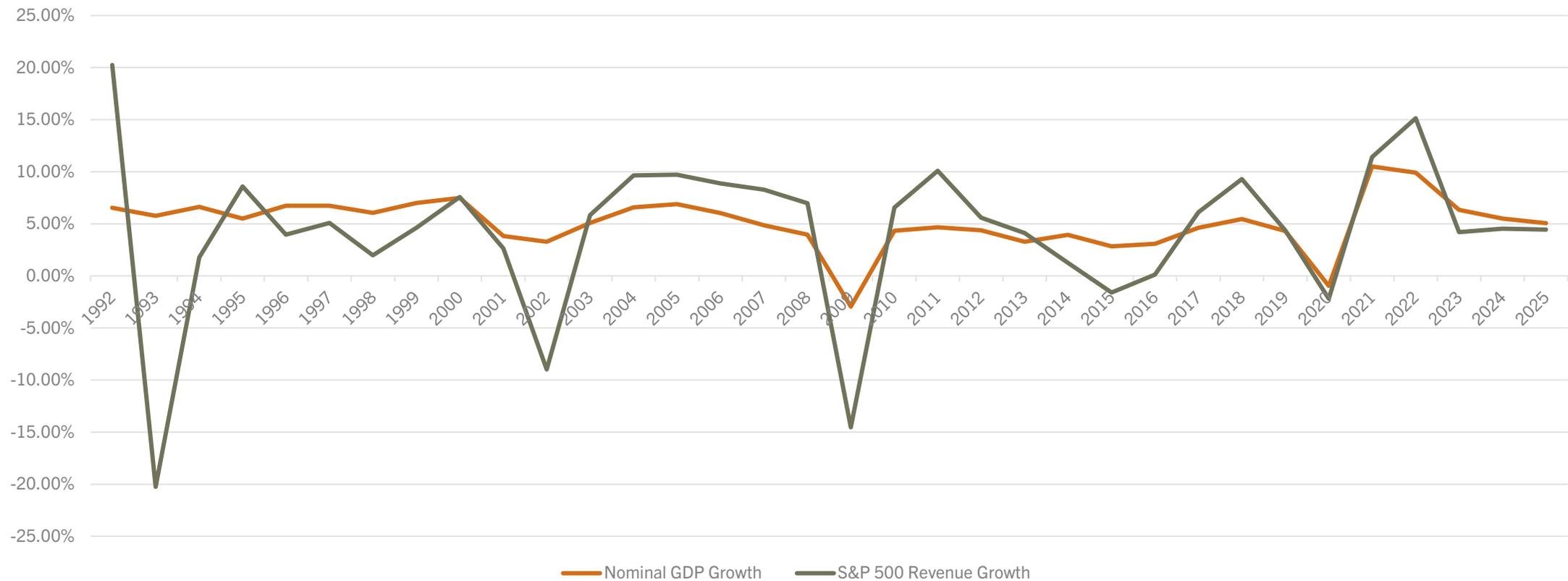
# Market Outlook

*I never think of the future. It comes soon enough.*

*-Albert Einstein*

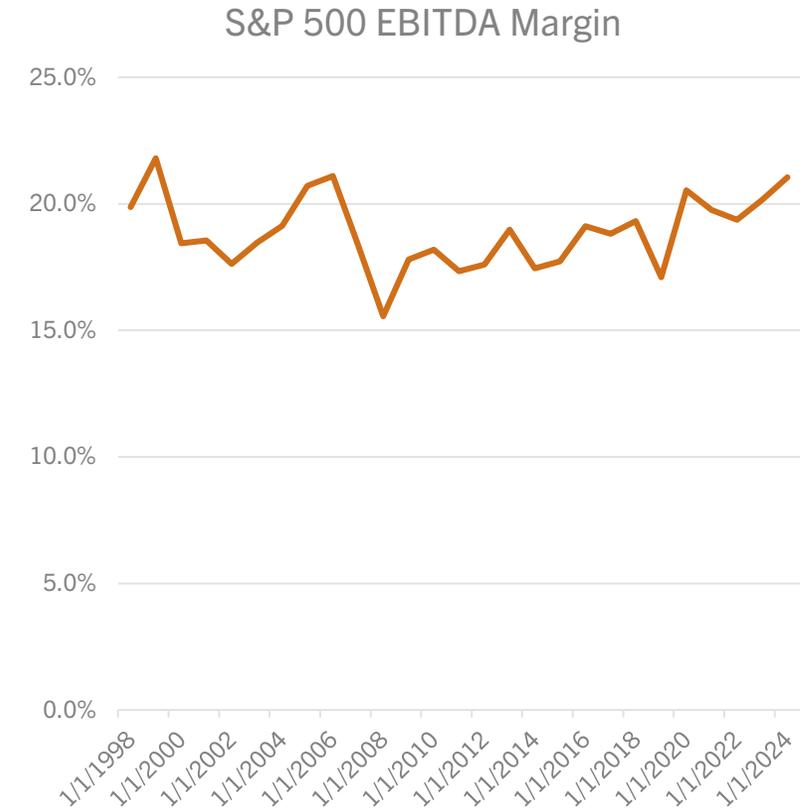
# Understanding economic growth is key to understanding fundamental earnings growth

S&P 500 Revenue vs. Nominal GDP (Correlation 0.59)



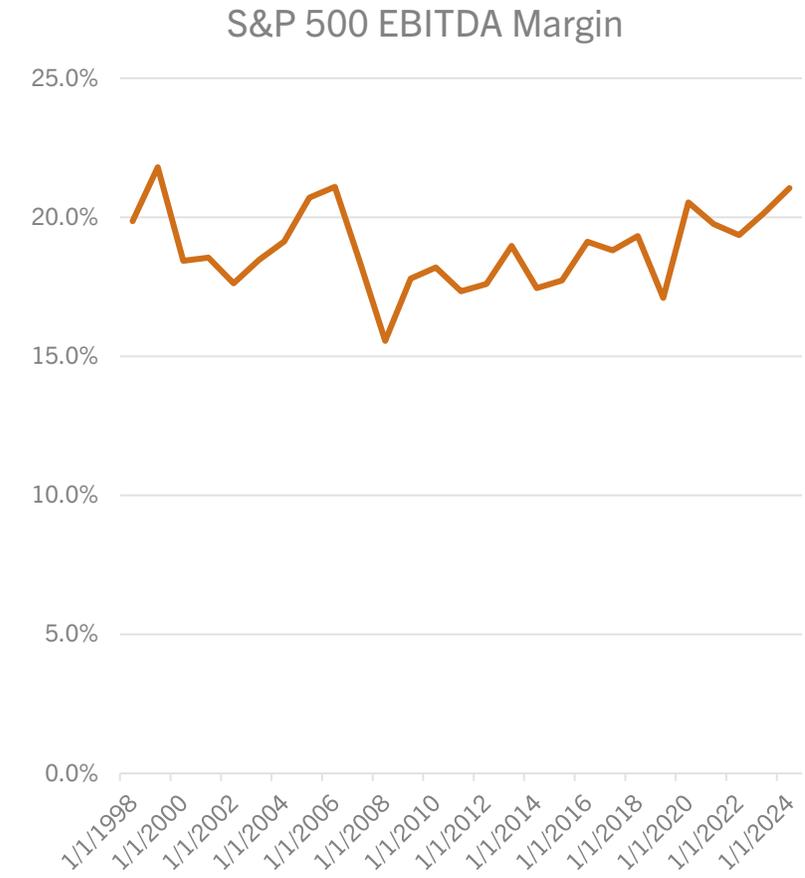
# Impressive margin expansion boosted firm profitability despite tariffs

	NCM Low	NCM High	Wall Street	Actual
Real GDP	2.6%	3.3%	2.1%	2.4%
Inflation	2.1%	2.6%	2.5%	2.9%
Nominal GDP	5.7%	6.0%	5.6%	5.4%
S&P 500 Revenue	3.2%	5.3%	6.1%	4.4%
Margin %	1.5%	3.0%	7.5%	4.4%
Company Profits	5.7%	8.5%	15.0%	12.6%
Multiple Expansion	2.5%	5.0%	(1.5)%	3.2%
Dividend	1.5%	1.5%	1.5%	1.1%
Return	8.9%	15.6%	15.0%	17.9%



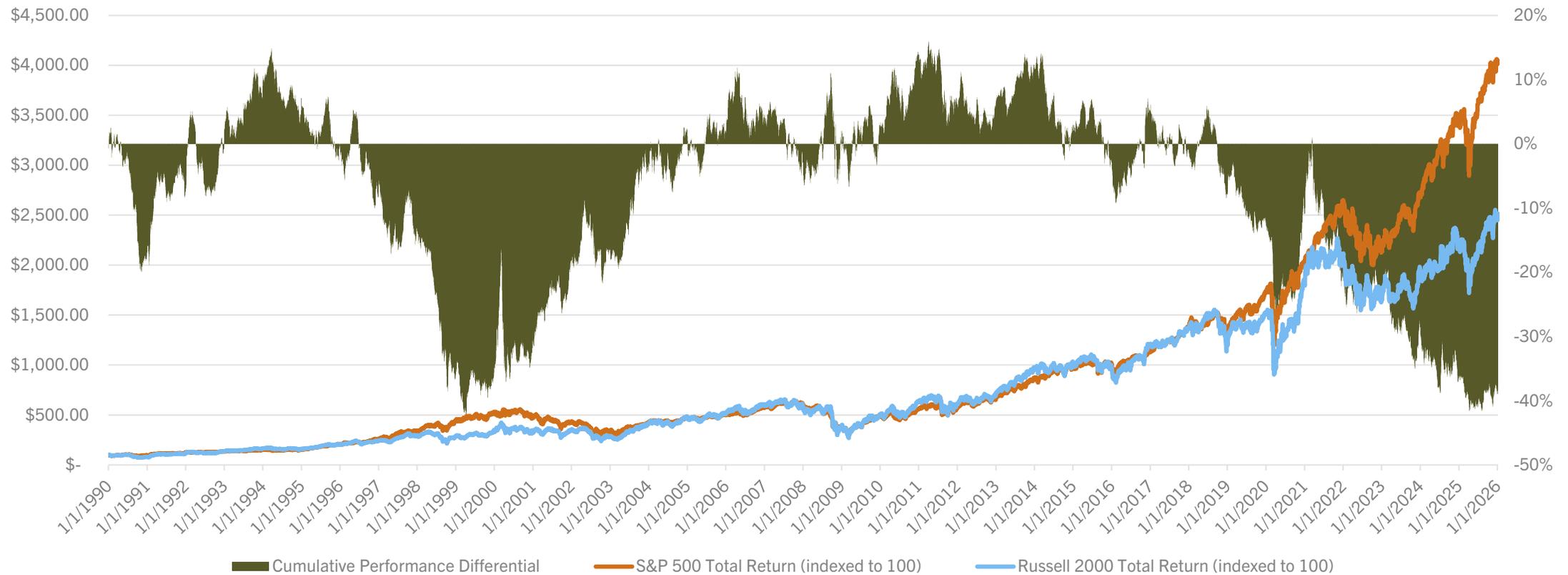
In 2026, we expect equity returns of 9-15% as an emerging end-of-decade cycle boosts multiples

	2025	Low	High	Wall Street
Real GDP	2.2%	2.6%	3.5%	2.1%
Inflation	2.9%	1.8%	2.3%	2.8%
Nominal GDP	5.1%	4.5%	6.0%	5.0%
S&P 500 Revenue	4.4%	5.0%	6.5%	8.4%
EBITDA Margin	4.4%	3.0%	5.0%	7.0%
Company Profits*	12.6%	9.0%	12.5%	15.2%
Multiple Expansion	3.2%	(5.0)%	5.0%	(5.0)%
Dividend	1.1%	1.3%	1.3%	1.3%
Return	17.9%	5.0%	18.5%	10.2%



# Small Capitalization stocks have underperformed large caps for 10 years; at some point that changes

Historical Outperformance By S&P 500 Over Russell 2000



Notwithstanding Fed rate cuts or a step-change in productivity (e.g. AI), the next 10 years may have lower equity and higher fixed income returns

### Market Return Outlook (longer-term, decades)

Decade Beginning	GDP (nominal)	Sales	Beg. P/E	EPS Growth	Multiple Growth	Equity Price	Dividends	Equity Return	Fixed Income Return
1995	5.3%	5.0%	16.3	8.8%	1.6%	10.2%	2.0%	12.1%	7.7%
2005	3.9%	5.5%	19.0	6.6%	(0.6)%	5.5%	2.1%	7.5%	5.7%
2015	5.1%	5.0%	17.9	6.9%	5.0%	9.7%	1.7%	11.1%	1.5%
2025F	5.0%	5.0%	24.6	9.0%	(2.8)%	6.0%	1.3%	7.5%	4.5%

The outlook sets up for less upside and less downside in balanced portfolios due to higher rates

<b>Decade</b>	<b>25/75 Portfolio</b>	<b>50/50 Portfolio</b>	<b>60/40 Portfolio</b>	<b>80/20 Portfolio</b>
1995 - 2005	8.8%	9.9%	10.3%	11.2%
2005 - 2015	5.5%	6.1%	6.3%	6.9%
2015 - 2025	3.8%	6.3%	7.2%	9.2%
2025 - 2035F	5.3%	6.0%	6.3%	6.9%

# Financial Planning

*Planning is bringing the future into the present so that you can do something about it now.*

*-Alan Lakein*

**Financial Planning:** A collaborative process where we evaluate your circumstances and develop actionable steps that will maximize your potential for reaching your life goals.



# 2025 Important Numbers

FEDERAL INCOME TAX			
Rates apply to taxable income (i.e., income after deductions).			
TAX RATE	MFJ	SINGLE	ESTATES & TRUSTS
10%	\$0 - \$24,800	\$0 - \$12,400	\$0 - \$3,300
12%	\$24,801 - \$100,800	\$12,401 - \$50,400	-
22%	\$100,801 - \$211,400	\$50,401 - \$105,700	-
24%	\$211,401 - \$403,550	\$105,701 - \$201,775	\$3,301 - \$11,700
32%	\$403,551 - \$512,450	\$201,776 - \$256,225	-
35%	\$512,451 - \$768,700	\$256,226 - \$640,600	\$11,701 - \$16,000
37%	Over \$768,700	Over \$640,600	Over \$16,000
ALTERNATIVE MINIMUM TAX		MFJ	SINGLE
Exemption Amount		\$140,200	\$90,100
28% Tax Rate Applies To Income Over		\$244,500	\$244,500
Exemption Phaseout Threshold		\$1,000,000	\$500,000
Exemption Elimination		\$1,280,400	\$680,200
LONG-TERM CAPITAL GAINS TAX			
Rates apply to LTCGs and qualified dividends, and are based on taxable income.			
TAX RATE	0% RATE	15% RATE	20% RATE
MFJ	≤ \$98,900	\$98,901 - \$613,700	> \$613,700
Single	≤ \$49,450	\$49,451 - \$545,500	> \$545,500
Estates/Trusts	≤ \$3,300	\$3,301 - \$16,250	> \$16,250
3.8% NET INVESTMENT INCOME TAX			
Paid on the lesser of net investment income or excess of MAGI over:			
MFJ	\$250,000	Single	\$200,000
TAX CREDITS FOR CHILDREN			
TYPE	AMOUNT	PHASEOUT RANGE	
Child Tax Credit (Under 17)	\$2,200 (\$1,700 refundable)	Begins at \$200,000 (single) Begins at \$400,000 (MFJ)	
Child and Dependent Care	20-50% of the first \$3,000 in qualified expenses (or the first \$6,000 if you have 2 or more children)		

STANDARD DEDUCTION			
FILING STATUS	ADDITIONAL (AGE 65/OLDER OR BLIND)		
MFJ	\$32,200	Married (Each Eligible Spouse)	\$1,650
Single	\$16,100	Unmarried (Single, HOH)	\$2,050
ITEMIZED DEDUCTIONS (SCHEDULE A)			
TYPE	AMOUNT	PHASEOUT RANGE	
SALT	\$10,000 - \$40,400	\$505,000 - \$605,000 (single or MFJ) <sup>1</sup>	
NON-ITEMIZED BELOW-THE-LINE DEDUCTIONS			
TYPE	AMOUNT	PHASEOUT RANGE	
Senior (65+)	\$6,000 (per eligible individual)	\$75,000 - \$175,000 (single) \$150,000 - \$250,000 (MFJ)	
Charitable	\$1,000 (single) \$2,000 (MFJ)	N/A	
Overtime	\$12,500 (single) \$25,000 (MFJ)	\$150,000 - \$275,000 (single) \$300,000 - \$550,000 (MFJ)	
Tips	\$25,000 (single or MFJ)	\$150,000 - \$400,000 (single) \$300,000 - \$550,000 (MFJ)	
Car Loan Interest	\$10,000 (on US-assembled vehicles)	\$100,000 - \$150,000 (single) \$200,000 - \$250,000 (MFJ)	
QBI	Up to 20% of QBI (\$400 minimum)	\$201,750 - \$276,750 (single) <sup>2</sup> \$403,500 - \$553,500 (MFJ) <sup>2</sup>	
TAX CREDITS & DEDUCTIONS FOR EDUCATION			
TYPE	AMOUNT	PHASEOUT RANGE	
American Opportunity	100% (first \$2,000) 25% (next \$2,000)	\$80,000 - \$90,000 (single) \$160,000 - \$180,000 (MFJ)	
Lifetime Learning	20% (first \$10,000)	\$80,000 - \$90,000 (single) \$160,000 - \$180,000 (MFJ)	
Student Loan Interest	\$2,500	\$85,000 - \$100,000 (single) \$175,000 - \$205,000 (MFJ)	
ESTATE & GIFT TAX			
LIFETIME EXEMPTION	TAX RATE	GIFT TAX ANNUAL EXCLUSION	
\$15,000,000	40%	\$19,000	

RETIREMENT PLANS	
ELECTIVE DEFERRALS (401(K), 403(B), 457)	
Contribution Limit	\$24,500
Catch Up (Age 50+)	\$8,000
Catch Up (Ages 60-63)	\$11,250
403(b) Additional Catch Up (15+ Years of Service)	\$3,000
DEFINED CONTRIBUTION PLAN	
Eligible Compensation Limit	\$360,000
Limit Per Participant	\$72,000
DEFINED BENEFIT PLAN (MAX ANNUAL BENEFIT)	
	\$290,000
SIMPLE IRA	
Contribution Limit	\$17,000 (\$18,100, if eligible for 10% increase)
Catch Up (Age 50+)	\$4,000 (\$3,850, if eligible for 10% increase)
Catch Up (Ages 60-63)	\$5,250
SEP IRA	
Maximum % of Comp (Adj. Net Earnings if Self-Employed)	25%
Contribution Limit	\$72,000
Minimum Compensation	\$800
TRADITIONAL IRA & ROTH IRA CONTRIBUTIONS	
Contribution Limit	\$7,500
Catch Up (Age 50+)	\$1,100
ROTH IRA ELIGIBILITY	
Single MAGI Phaseout	\$153,000 - \$168,000
MFJ MAGI Phaseout	\$242,000 - \$252,000
TRADITIONAL IRA DEDUCTIBILITY (IF COVERED BY WORK PLAN)	
Single MAGI Phaseout	\$81,000 - \$91,000
MFJ MAGI Phaseout	\$129,000 - \$149,000
MFJ (If Only Spouse Is Covered)	\$242,000 - \$252,000
QUALIFIED LONGEVITY ANNUITY CONTRACT	
	\$210,000 (lifetime limit)
QUALIFIED CHARITABLE DISTRIBUTION	
	\$111,000 (per year)

SOCIAL SECURITY			
Wage Base	\$184,500	EARNINGS LIMIT	
Medicare	No Limit	Below FRA	\$24,480
COLA	2.8%	Reaching FRA	\$65,160
Full Retirement Age	Age 67 (if born in 1960 or later)		
PROVISIONAL INCOME	MFJ	SINGLE	
0% Taxable	< \$32,000	< \$25,000	
50% Taxable	\$32,000 - \$44,000	\$25,000 - \$34,000	
85% Taxable	> \$44,000	> \$34,000	
MEDICARE PREMIUMS & IRMAA SURCHARGE			
Part B Premium	\$202.90		
Part A Premium	Less than 30 Credits: \$565	30-39 Credits: \$311	
YOUR 2024 MAGI WAS:		IRMAA SURCHARGE:	
MFJ	Single	Part B	Part D
\$218,000 or less	\$109,000 or less	-	-
\$218,001 - \$274,000	\$109,001 - \$137,000	\$81.20	\$14.50
\$274,001 - \$342,000	\$137,001 - \$171,000	\$202.90	\$37.50
\$342,001 - \$410,000	\$171,001 - \$205,000	\$324.60	\$60.40
\$410,001 - \$749,999	\$205,001 - \$499,999	\$446.30	\$83.30
\$750,000 or more	\$500,000 or more	\$487.00	\$91.00
HEALTH SAVINGS ACCOUNT			
COVERAGE	CONTRIBUTION	MINIMUM ANNUAL DEDUCTIBLE	MAX. OUT-OF-POCKET EXPENSE
Individual	\$4,400	\$1,700	\$8,500
Family	\$8,750	\$3,400	\$17,000
Age 55+ Catch Up	\$1,000	-	-
FLEXIBLE SPENDING ACCOUNTS			
Health Care FSA (or LPFSA)	\$3,400 (\$680 carryover limit)		
Dependent Care FSA	\$7,500		
TRUMP ACCOUNT			
Contribution Limit (Under 18)	\$5,000		

# 2025 Important Numbers

## 2026: What Issues Should I Consider at The Start of The Year?

### Personal Issues:

- Do you need to **assess the progress** you made toward your goals last year?
- Have you **identified new goals** for this year or the future?
- Any **life events likely to occur** for yourself or immediate family? (e.g., move, marriage, birth, higher education, job change, retirement, illness, death?)
- Do you need to confirm whether you or any family members will reach a **milestone age** this year?

## 2026: What Issues Should I Consider at The Start of The Year?

### Cash Flow Issues:

- Do you expect your **household income and/or expenses to change** materially this year?
- Do you need to **review your cash flow plan**?
- Do you need to **review your employee benefits** to ensure that you are taking advantage of what your employer offers?
- Are you able to **contribute to an IRA**? (income limits)
- Do you need to confirm that you are **adequately saving toward your goals**?
- Do you have **funds left in your FSA** from last year?
- Are you **subject to taking RMDs** (including from **inherited IRAs**)?
- Do you make **annual gifts**?

## 2026: What Issues Should I Consider at The Start of The Year?

### Asset & Debt Issues:

- Do you need to adjust or replenish your **emergency fund**?
- Are you planning to **buy or sell** business, personal, or real property this year?
- Do you need to review your **investment risk tolerance**?
- Do you need to adjust your **asset allocation**?
- Are there **debts** you would like to eliminate this year?
- Are you a **co-signer** on any loans/agreements?
- Will you potentially need to **borrow funds** this year?
- Do you need to review your **credit report/score**?
- Do you need to **freeze your credit**?

## 2026: What Issues Should I Consider at The Start of The Year?

### Tax Issues:

- Do you need to **collect tax forms and organize** other documents for tax filing?
- Did you make **taxable gifts**?
- Would **Roth conversions** be beneficial this year?
- Do you need to review your **unrealized gains and losses**?

## 2026: What Issues Should I Consider at The Start of The Year?

### Insurance Issues:

- Do you expect any changes with regard to your **health or medical treatments?**
- Do you need to **review your life insurance coverage?**
- Do you need **new or increased disability insurance coverage?**
- Is it time to explore (or review existing) **LTC insurance?**
- Have your made **any improvements to your property or acquired new valuables?**

## 2026: What Issues Should I Consider at The Start of The Year?

### Legal Issues:

- Do you need to review your estate plan?
- Do you need to review the titling/ownership of your assets?
- Have any laws gone into effect that might impact your financial plan?
- Are you subject to any new contract/agreements, or did any such arrangements expire?
- If you own a business, are there any changes on the horizon this year?
- Any state-specific issues to consider?