



Forward Focus

July 2026

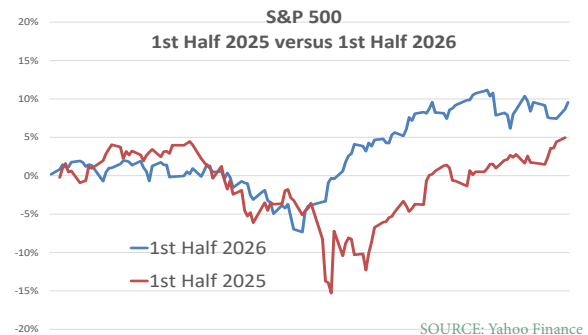
Happy 250th
Birthday America!



Quarterly Market Review

The first half of 2026 followed a similar path to the first half of 2025, but for different reasons (see chart below). In 2025, markets declined on tariff concerns, while in 2026 the sell-off was sparked by the U.S./Iran conflict and the impact the Strait of Hormuz would have on oil prices. In both instances, markets quickly moved past those initial concerns and reached new highs in the second quarter.

Over the past 6-months, the Bloomberg U.S. Aggregate Bond Index, which tracks U.S. investment grade bond market, posted a mere 0.6% return. While the Bloomberg Global High Yield Index has only gained 2.1%. SOURCE: Bloomberg, FactSet



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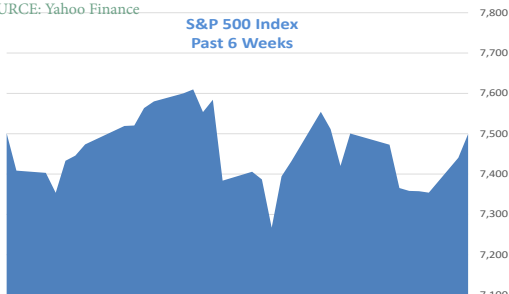
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-Trump Accounts

According to J.P. Morgan Asset Management, a diversified 60/40 portfolio of stocks and bonds was up less than 10% through June 30, 2026. That is good, given that the S&P 500 Index experienced a peak to trough decline

SOURCE: Yahoo Finance

S&P 500 Index
Past 6 Weeks



of 9% in February and March. After a strong recovery rally in April and May, the S&P 500 switched between gains and losses for the month of June. (see chart on left)

On May 22nd, Kevin Warsh was sworn in as the 17th Federal Reserve Chairman replacing Jerome Powell, who occupied that position for 8 years before his term ended in May. The new chairman has indicated his intention to reform the way the Fed operates. Fed Chair Warsh

held his first FOMC (Federal Open Market Committee) meeting in May where the Fed Funds Rate was left unchanged. The consensus of other Fed members (via a forecasting method referred to as the Dot Plot) were for 1-2 possible rate hikes later this year, which is a significant shift from the 1-2 rate cuts they anticipated just months earlier. This is due primarily to the impact higher energy prices have had on inflation expectations.

At the end of June, the U.S. Dollar Index was \$101.19, Crude Oil was \$69.50/bbl., Gold was \$4022.90/oz, the 10-Year Treasury was yielding 4.42%, and the S&P 500 index was trading at a forward P/E of 20.4 versus the 30-year average of 17.2. For the quarter, the best performing S&P 500 sectors were Technology, Industrials, and Real Estate, while the worst performing sectors were Energy, Utilities, and Consumer Staples. It is worth noting that Energy and Utilities were the outperformers the quarter before. Small Cap stocks continue to outperform Large Cap stocks and Value stocks are outperforming Growth stocks. SOURCE: FactSet, MSCI, Standard & Poor's, JPMorgan Asset Management.

Forward welcomes Erikson Jones as Executive Assistant

Erikson joined Forward Investment Advisors in February of this year as an Executive Assistant. He is a 2025 graduate of Taylor University. For those that are still curious, yes, Erikson is our son. You will likely begin receiving emails and/or phone calls from him regarding scheduling annual review meetings and other client-related activities. He is a great addition to our staff and we're happy to have him on our team. His email is ejones@forwardinvestmentadvisors.com. Feel free to introduce yourself to him the next time you call or meet with us.

First Half 2026

Dow Jones Industrial Average 8.9% ● S&P 500 9.6% ● MSCI EAFE (International) 10.1%
Russell 2000 (Small Cap) 21.9% ● MSCI EMI (Emerging) 25.7% ● Barclays Capital Aggregate Bond 0.7%

Quarterly Return SOURCE: Dow Jones Market Data, S&P Dow Jones Indices, Morningstar

What I want for you

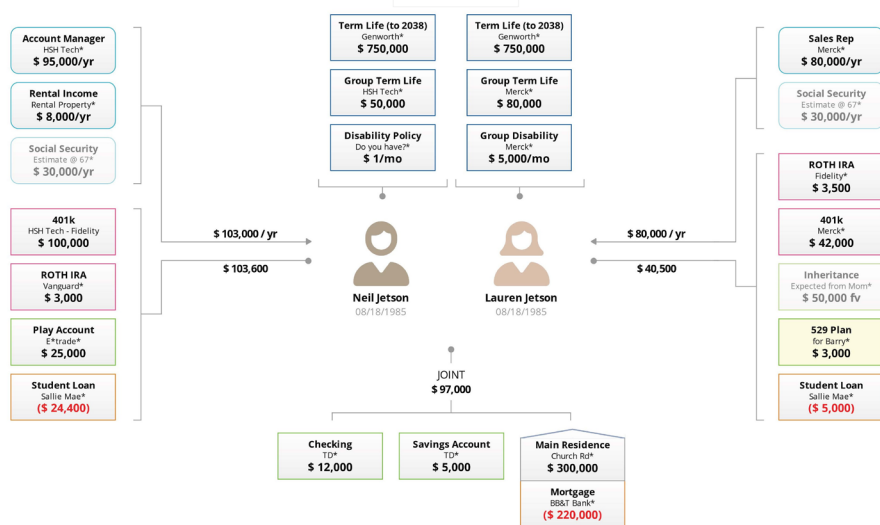
My desire is to provide clients (you) with a **clear picture of where you are, where you want to be, and provide a path on how to get there.** Current Reality. Future Dream. Path to Future Dream-Reality. That is what I desire. To provide purpose for your money. Purpose and a path. For with clarity, focus, and direction, great things can be accomplished.

However, creating that clear picture requires you providing us with statements, documents, and information. No one wants to do that. (I know this because many people don't). So, after years of continually trying to track down statements and gather missing information, **I am taking a new approach. Send it to me.**

Log into **Black Diamond**, click on the VAULT tab at the top of the page, then click on DOCUMENTS, then UPLOAD FILE or just drag and drop. [Important! You must click SHARE so that we can view it]. Upload your recent workplace retirement statements, Social Security Statements, Tax Return, Mortgage Statement, Salary Information, Debt statements (car, student loan, etc..).

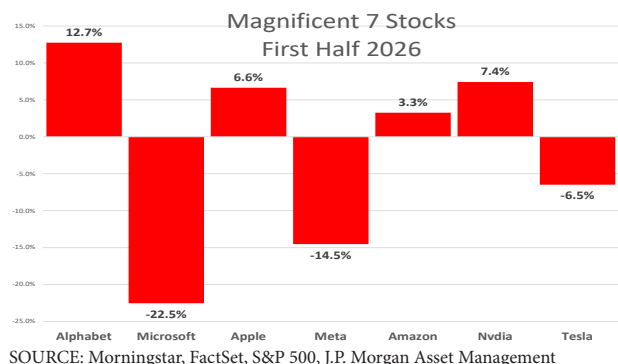
Here is what we do with your information. We create an **asset+map!** A **one-page picture of your financial life.** Thus, 'a clear picture of where you are'. Then we can discuss 'where you want to be' (savings goals, education goals, debt-free goals, retirement goals) and provide 'a path on how to get there'.

The proper savings vehicle to choose (Roth, 401k, IRA, Trust, 529 Plan, etc...), how much risk to take, the amount you should be saving, which investments to choose, what step to take next, how long do you need work... ALL of this is determined by 'Where you are and where you want to be'. Should I buy SpaceX? Should I buy rental property? Should I pay off the mortgage? Should I invest in a Roth IRA? Can I retire in 4 years? Am I saving enough? All are questions that can only truly be answered by knowing where you are and where you want to be.

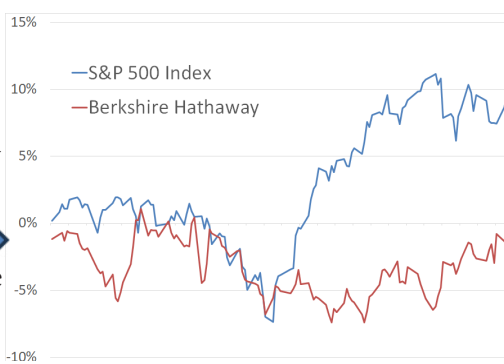


If you don't have an Asset Map, log into Black Diamond and upload information so we can create one for you. If you already have an Asset Map, please send us updated statements and documents whenever new information is available. (Email is not a secure way to send statements. Do not email us sensitive information. Upload all documents to Black Diamond.)

I began this article by stating what I desire for you. However, I understand that what someone else desires is not always motivating. It is what you desire for yourself that will motivate you to action. I hope you desire this too.



The Lag 7: When all 7 are added together, the Magnificent 7 stocks have generated a 0% return year-to-date. **Berkshire Hathaway** is underperforming the S&P 500 index by 10% so far this year.



Trump Accounts (530A IRA)

What is a Trump Account? A new way for children under the age of 18 to have an investment account to save for retirement. It is basically a Traditional IRA for a child, but with a lot fewer eligibility requirements.

Created under the 2025 tax bill, Trump Accounts allow for contributions up to \$5,000/year into an account for a child under age 18. Contributions are made with after-tax dollars (no tax break for the giver) and earnings grow tax deferred. When the child turns 18, the account can be converted to an IRA account for them, at which time, standard IRA tax rules apply. The account cannot be touched (money can't be taken out) before age 18. During childhood, investments are restricted to low-cost U.S. index funds and/or Exchange Traded Funds (ETFs).

Who can open an account? Parents, Legal Guardian, Grandparent, Adult sibling.

Who can contribute? Anyone! There are no income rules and no earned income requirements!!!

Including (with-in limits) employers, charities and possibly the U.S. government

What are the annual contribution limits? \$5,000/year per child (Bonus: Children born between 2025-2028 may be eligible for a one-time \$1,000 government contribution when the account is established.)

Are there minimum contribution amounts? No. There are no contribution minimums.

When can I begin making contributions? The first date account contributions can be made is **July 4, 2026**.

What are contributions invested in? During childhood, investments are restricted to low-cost U.S. index funds and/or Exchange Traded Funds (ETFs). Thus, they will fluctuate and may decline or gain in value. Once converted to a Traditional IRA after age 18, additional investment options are allowed.

Where do I go to learn more? You cannot directly open an account through a bank or brokerage firm. To learn more and establish an account, go to **Trumpaccounts.gov** and fill out **IRS Form 4547**.

What if I didn't vote for Trump and can't get past the name? Fine. Call it by its legal name: 530A IRA.

Who should consider it? Anyone that wants to provide an investment opportunity for someone under age 18.

A few additional items to consider. 1) You cannot use UTMA proceeds to fund a Trump Account. 2) Trump accounts are designed for retirement, so after age 18 they become traditional IRA's with the same rules (10% early withdrawal penalty if used before age 59½ and any distribution counts as taxable income) 3) Unlike a 529 plan, a Trump Account will likely count as a child asset which will impact the FAFSA (Financial Aid) 4) Employers and charities may be eligible to contribute up to \$2,500/year towards the \$5,000/year limit. Check with your employer to find out. 5) For specific accounts rules/requirements, visit IRS.gov or consult a tax professional.

Overall, a Trump Account is a great option to save for a young person's long-term future. It is an especially unique opportunity for grandparents who seek to potentially enhance their grandchildren's future in a significant way by utilizing the power of compounding over time (possibly 50-60+ years of tax-deferred growth)! Example: a one-time \$5,000 contribution at the birth of a child, growing at 10% annually, would grow to be \$27,800 at age 18 and would be worth over \$1.5 million by age 60. What an amazing gift for a \$5,000 one-time contribution. The example is hypothetical and is for illustration purposes only. Past performance is no guarantee of future results.

I would encourage people to consider these accounts, but realize that earlier goals (ALL things before a child turns 60) would need to be addressed with other funds and often times that makes it difficult to fund everything.

Forward's goal and objective is to provide purpose for your money and to help you to invest wisely to provide for your family and loved ones. This article achieves that objective by informing and educating you of this brand-new investment option now available to save for retirement and further improve estate planning options.