QUARTERLY COMMENTARY

January 2026

ROBERTS WEALTH ADVISORS

MEASURED MOMENTUM: MOVING FORWARD WITH DISCIPLINE

The U.S. equity markets delivered a third straight year of above average returns in 2025. After a dramatic selloff in April on the heels of the Liberation Day tariff announcements, the markets quickly stabilized and rebounded with optimism of continued infrastructure spending in Artificial Intelligence (AI) and adjacent investments. Foreign equity markets, after years of underperforming their U.S. counterparts, benefited from a renewed focus on internal investment and a falling U.S. dollar.

The Federal Open Market Committee (FOMC) reduced their target rate by 3/4% in 2025, providing additional stimulus for equity returns. In 2025, international stocks rose 31.9%, the U.S. based S&P 500 appreciated 17.9% and U.S. small-company stocks increased a relatively meager 6.0%[1].

We look toward 2026 optimistic that the economic momentum driven by capital investment for AI processing will continue. The next wave of growth will be challenging as expectations are heightened while friction related to more expensive capital and resource availability disrupts the ability to execute on an aggressive timeline. Fiscal stimulus stemming from the new tax legislation will encourage corporations and consumers to continue to spend.

Additional themes related to a shifting global supply chain and accommodative central banks will shape the direction of both the equity and fixed income markets in the coming year.

Artificial Intelligence: The Next Phase of Investment

It is incredible to consider that OpenAI launched ChatGPT a mere three years ago. The resulting capital spending boom is only gaining momentum. AI-related investment contributed more to GDP in the U.S. than consumer spending in 2025[2]. Capital investment in energy infrastructure and processing capacity is critical for the future growth of the industry. JP Morgan estimates that OpenAI alone has announced plans to build data centers with 25 gigawatts of capacity. Today, the investment required to generate a single gigawatt is ~$50 billion, suggesting a $1 trillion capex commitment by a single industry player. The private sector is partnering with sovereign initiatives in AI investment programs. The U.S. announced Stargate, a $500 billion project. Europe followed with a 200 Billion Euro InvestAI program. Adoption of AI tools has been more rapid for consumers than corporations, but both measures have continued to grow meaningfully.

AI is a disruptive technology with impacts and consequences that can be difficult to predict. Consistent with many nascent technologies, the initial rush is to build capacity necessary to meet uncertain but projected market demand. The first wave of AI investment was provided primarily by cash flows from hyperscalers' (Google, Microsoft, Amazon for example) existing businesses. As we head into 2026 there are two main constraints likely to suppress the exponential growth of investment. The first is the cost of capital and the second is the energy requirements of AI.

Oracle provided an intriguing data point for the challenge in building AI capacity. In August, Oracle announced a partnership with OpenAI, a deal that integrates AI capabilities in Oracle solutions in return for infrastructure development. Immediately following the announcement, Oracle's stock increased over 50%. As details of the partnership emerged, notably Oracle's use of debt to fund the capital expansion and the counterparty risk inherent in OpenAI's ability to perform on their commitment, investors' initial optimism wavered. Investor concern was not on the viability of the

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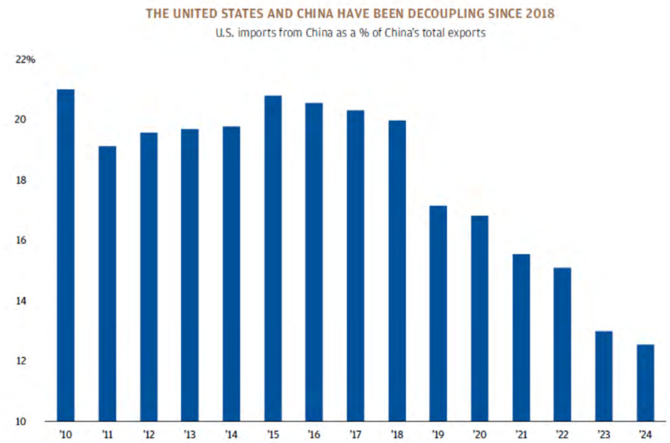
investment, but the timeline required for participant companies to generate revenues and ultimately profits from partnership. The introduction of debt to pay for the expansion both increases the cost and shortens the timeline requirement for the project to be successful. As a result, Oracle's stock retraced their initial apprecation over the successive months.

Another pressing limitation to the rapid expanision of AI is power. Data centers require reliable, accessible power. U.S. companies are reportedly facing a five-year backlog in adding new power generation to the existing power grid. The scale of anticipated new power demand for AI over the next decade outstrips the ability for the U.S.'s aging power infrastructure to meet it. Natural gas and nuclear solutions provide encouraging long term solutions, but both take 5 years or more to begin producing energy. The power dilemna is putting pressure not only on the power grid, but also the municipalities tasked with approving large scale data center developments. The power limitation will find a resolution, but a steady ramp up of processing capacity may be choppier as a result.

International Opportunity: A Changing Global Supply Chain

International equities significantly outperformed across nearly every major region. The weakening U.S. dollar resulted in the appreciation being more valuable in U.S. terms. The attractiveness of international stock valuations relative to their U.S. counterparts has resulted in a reallocation of assets toward international, boosting valuations. Perhaps most compelling is a renewed momentum in the growth of earnings from foreign enterprises. Aiding the earnings growth are the accommodative policies of foreign central banks. The Eurozone is a good example. From mid-2024 through 2025, the European Central Bank (ECB) reduced their target rate by 200 basis points, now measuring at 2.0%. Rate reductions have an immediate effect on the European consumers and businesses. Nearly half of both residential mortgages and corporate debt in the Eurozone have a floating rate[2]. Floating rate debt adjusts up or down with a corresponding change in a benchmark rate. Comparatively, the U.S. has less than 10% of residential mortgages and 20% of corporate debt subject to a floating interest rate. A reduction as significant as the 2.0% drop by the ECB fuels near term spending by both consumers and corporations while lowering the cost of borrowing for new purchases.

Corporations have continued to rethink their supply chains and their resilience to modern challenges. A forty-year globalization trend tripled global trade to 60% of GDP in 2009, resulting in significant impacts on the economy. Inflation declined and profit margins increased, but both came at the expense of manufacturing job loss in developed countries like the U.S. The introduction of the broad tariffs by the Trump administration looks to stimulate the reversal of the decades long trend to seek the cheapest source of goods. The verdict is still out on the mid-term impacts of the current administration's tariff policies, but in the short term, the U.S. economy has largely absorbed the change. Consumer spending and corporate earnings continue to be strong, while inflation appears to be contained. Corporations in turn are seeking to develop supply chains that are optimized for security and predictability rather than purely cost. As a result, the reduction in the reliance on Chinese manufactured goods continues. In 2018 the share of U.S. imports from China peaked at 22%, since then that number has declined to 10%[2], and onerous tariff rates on Chinese goods suggest that number will continue its descent. The transition in the global supply chain for U.S. companies away from historical suppliers and cross border relationships will create opportunities both internationally and domestically to fill the void.



Source: JP Morgan, International Monetary Fund, Haver Analytics

Policymaker Influence

The FOMC reduced the target Federal Funds rate in 2025, lowering the benchmark rate from 4.50% to 3.75%. The rate decline resulted in positive performance for bond investors across the yield curve, with most indices appreciating over 5.0%. Chairman Jerome Powell, who has led the FOMC for the past eight years, will be replaced when his term ends in May. Investors anticipate a new committee biased toward rate cuts. The focus will remain on inflation and labor markets. The change in leadership at the FOMC in May, coupled with speculation on the midterm elections in the Fall, will add instability to both the equity and fixed income markets during the year.

Expectations

The greatest risk to portfolio performance in the coming year is the challenge to meet heightened expectations. It is likely that U.S. companies will realize anticipated revenue and earnings growth, but that growth may not be sufficient to satiate market investors and elevated stock valuations. Similarly, the FOMC is anticipated to continue reducing rates, but if inflation and labor markets weaken, bond yields are unlikely to follow suit challenging fixed income returns. Our portfolios will continue to be exposed to the long-term growth opportunities apparent in the markets while balancing that exposure to opportunities that would benefit from a change in investor sentiment.

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[1]YCharts Data

[2]JP Morgan Private Bank: "Outlook 2026: Promise and Pressure: Investing in the new frontier of AI, fragmentation and inflation"

[3]Lazard: "Global Outlook 2026: Defying Gravity"

ESTATE PLANNING CONSIDERATIONS FOR THE NEW YEAR
A Practical Guide for Singles, Couples, and Families

A new year is an ideal time to review your estate plan. While estate planning is often associated with later stages of life, it is truly a living process—one that should evolve as your family structure, finances, and goals change. Whether you are single, married, or raising a family, taking time now to review or update your plan can provide clarity, reduce stress, and help ensure your wishes are carried out as intended.

Estate Planning Basics: Key Documents Everyone Should Consider

Before diving into life-stage specifics, it's helpful to understand the foundational documents that make up a solid estate plan:

- ***Will:*** A will outlines how your assets should be distributed at death and allows you to name an executor to carry out your wishes. For parents, it is also where guardians for minor children are designated.
- ***Revocable Living Trust:*** A living trust is a legal structure that holds and manages your assets during your lifetime and distributes them after death. Assets such as real estate, bank accounts, and investments can be transferred into the trust and managed by a trustee, allowing them to bypass probate at death. This can save time and costs for heirs and provides greater privacy than a will, since trust documents generally are not public. However, only assets properly titled in the trust are covered—any assets left outside the trust must be addressed through your will, which should include a "pour-over" provision that moves any remaining assets into your trust at death.
- ***Beneficiary Designations:*** Retirement accounts, life insurance, and some investment accounts pass by beneficiary designation, not by your will—making regular reviews critical.
- ***Durable Power of Attorney:*** This document authorizes someone to make financial decisions on your behalf if you are unable to do so.
- ***Healthcare Directive (Living Will & Healthcare Power of Attorney):*** These documents outline your medical wishes and designate someone to make healthcare decisions if you cannot communicate them yourself.

When You're Single

Single individuals often delay estate planning, assuming it's unnecessary. Having no plan means state law determines who inherits your assets and who makes decisions for you in an emergency. A will, powers of attorney, and healthcare directives are essential starting points, but if there are assets that don't have clear beneficiary designations (e.g. real estate, bank accounts, taxable brokerage accounts) having a trust becomes more critical.

The most common oversight we see with trusts is forgetting to fund them. Once you've established your trust, your assets need to then be retitled in the name of the trust for it to function properly.

The new year is a good time to confirm that your beneficiaries reflect your current intentions, especially if you've experienced changes in relationships, friendships, or family dynamics. If you have siblings, parents, or other loved ones you wish to support—or charitable goals you care about—your estate plan is the vehicle to ensure those priorities are honored.

When You're Married

Marriage introduces shared goals but also additional complexity. Couples should review their wills and trusts to ensure they align with both spouses' wishes and current financial realities. This is especially important if there are children from prior relationships, significant differences in assets, or blended family considerations.

Married couples should also confirm beneficiary designations on retirement accounts and insurance policies, as these override instructions in a will. Updating powers of attorney and healthcare directives for both spouses ensures a smooth process if one partner needs to act quickly on behalf of the other.

When You Have a Family

For families, estate planning is as much about people as it is about finances. Naming guardians for minor children is one of the most important—and often overlooked—decisions. This should be revisited periodically as children grow and relationships evolve.

Trusts are commonly used by families to manage how assets are distributed to children, helping protect inheritances from poor financial decisions or unexpected life events. Life insurance should also be reviewed to ensure it provides adequate support for income replacement, education costs, and long-term care needs.

As children reach adulthood, consider whether they should have their own basic estate documents in place, particularly healthcare directives.

2026 Gift and Estate Tax Considerations

The One Big Beautiful Bill Act permanently extended the historically high federal gift and estate tax exemptions that were set to expire after 2025. Beginning in 2026, the estate tax exemption increases to $15 million per individual ($30 million for married couples), up from $13.99 million in 2025. Estates whose taxable value falls below that threshold generally will not owe federal estate tax. (Depending on the state you live in, however, you may or may not also be subject to state estate or inheritance tax.)

A Thoughtful Start to the Year

Estate planning is not about predicting the future, it's about preparing for it. Roberts Wealth Advisors does not prepare estate planning documents, but we can certainly assist in a thoughtful review of your current plan or help you take action to put a plan in place. A small investment of time now can deliver lasting peace of mind for years to come.

PORTFOLIO ACTIVITY

Index Performance	2025	Q4
Dow Jones Industrial	14.92%	4.03%
Standard & Poor's 500	17.88%	2.65%
Nasdaq Composite	21.14%	2.72%
MSCI EAFE (Europe, Australasia, Far East	31.22%	4.86%
Russell 2000 (Small Company)	12.81%	2.19%
MSCI ACWI (All Country World Index)	22.34%	3.29%
Barclays Intermediate Term Bond	7.30%	1.10%
Barclays Municipal Bond	4.25%	1.56%
Barclays Short Term Bond	6.11%	1.18%

Portfolio activity during the fourth quarter was relatively balanced across equities and fixed income, though on net we were larger sellers of equities and larger buyers of fixed income securities. As is typical at the end of each year, our activity on the equity side included a few tax-loss trades in our portfolio names like Zimmer Biomet (ZBH), Advance Auto Parts (AAP), PayPal (PYPL), American Tower (AMT), Zoetis (ZTS) and Adobe (ADBE). We also chose to exit our position in Shell (SHEL), and we trimmed the size of our stakes in Alphabet (GOOG), Ventas (VTR) and Qualcomm (QCOM).

On the purchase side of the equity portfolio, we made three key additions during the quarter. We increased the size of our existing positions in Tradeweb (TW) and Sea Limited (SE) and initiated a new position in RTX Corp (RTX). Lastly, we harvested tax losses on our position in Nike (NKE) and reinvested the proceeds back into the stock as we remain confident in the company's turnaround.

Tradeweb was a new position in our portfolio added in the first quarter of 2025 and we took advantage of a late-summer dislocation in the stock to increase our stake. The company is on the leading edge of the electronification of financial markets with a particular focus on fixed income, which remains far less digitized than global stock markets. Tradeweb continues to develop innovative products and processes that should increase the penetration of digital trading in these markets and is also taking its expertise to international fixed income and derivative markets where electronic adoption is even lower.

Sea is a position we first added in Q3 of 2024, and it has performed quite well, though a decline in the stock during Q4 of 2025 allowed us to increase our stake here as well. Sea has three core businesses – mobile gaming, financial services, and e-commerce – and is in the midst of a transition from being a primarily gaming company to a primarily e-commerce one. Sea's e-commerce solution, Shopee, is akin to Amazon but serves mainly the Southeast Asian market as well as Brazil and has developed a major moat as it becomes entrenched with consumers and reinvests profits aggressively to expand its logistics operations. We continue to believe Sea's potential is widely underestimated.

RTX was a new addition to our portfolio this quarter and is a name where we see broad and durable tailwinds. The company's three core businesses – Collins Aerospace, Pratt & Whitney, and Raytheon – support commercial and defense aviation as well as defense munitions, and recent company results suggest business is booming across each segment. RTX has substantial backlogs and visibility into longer-term order patterns, and we believe geopolitical fragmentation will support RTX for years to come.

As we look forward to 2026, we continue to position our portfolio to benefit from the evolving trends in technology and artificial intelligence while also broadening our holdings across other enduring themes and valuation opportunities. Some of the major themes we continue to focus on include cybersecurity, data and cloud computing, mining and metals (especially related to U.S.-reshoring), home improvement, and the revolution in U.S. energy supply. We look forward to sharing updates on these themes and more in the coming quarters.

TOP 10
U.S. HOLDINGS

- Apple
- Alphabet
- Microsoft
- Amazon
- Coherent
- Trane Technologies
- JPMorgan Chase
- Merck & Co
- Take-Two Interactive
- NextEra Energy

2026 CONTRIBUTION LIMITS AT A GLANCE

401k Contribution Limits	
Elective Deferral	$24,500
Catch-up Contribution (Age 50+)*	$8,000
"SUPER" Catch-Up Contribution (Age 60-63)	$11,250

* Starting in 2026, the catch-up portion of contributions made by employees who earned more than $150k from their employer in the prior year will be treated as an after-tax Roth contribution, rather than a deductible pre-tax contribution.

IRA Contribution Limits	
Traditional & Roth IRA	$7,500
IRA Catch-Up Contribution (Age 50+)	$1,100
Roth Contribution Phase-Out (Single)	$153,000-$168,000
Roth Contribution Phase-Out (Joint)	$242,000-252,000

HSA Contribution Limits	
HSA Individual Coverage	$4,400
HSA Family Coverage	$8,750
HSA Catch-Up Contribution (Age 55+)	$1,000

Estate and Gift Tax	
Lifetime Estate & Gift Tax Exemption	$15,000,000 per individual
Annual Gift Tax Exclusion	$19,000 per recipient
Estate & Gift Tax Rate	40%

FEATURED STOCK: INTUITIVE SURGICAL (ISRG)

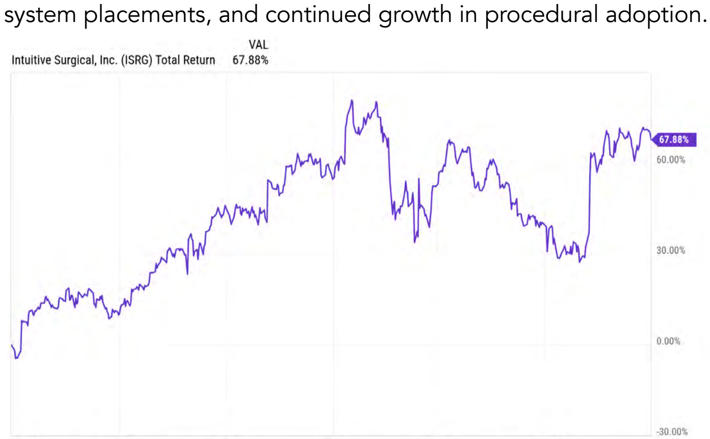
Intuitive Surgical is the leading pioneer of robotic-assisted surgery in the U.S. and global markets. The company operates a razor-and-blade business model, selling surgical systems alongside limited-use instruments and recurring software & support services to a wide range of healthcare providers. Intuitive's flagship platform is the da Vinci 5, its most advanced soft-tissue surgical system to date, complemented by smaller platforms such as Ion (lung and throat procedures) and da Vinci SP (single-port, compact design). Through continuous innovation and an expanding list of approved procedures, Intuitive Surgical is improving healthcare outcomes while profitably impacting patient lives worldwide.

We believe Intuitive Surgical represents the cutting edge (no pun intended) of MedTech as it drives the expansion of the robotic-assisted surgery market. The da Vinci 5 was released in March 2024, following more than two decades of system development, to a limited clinical rollout across select U.S. markets. The system introduces haptic feedback technology, allowing surgeons to feel tissue resistance, as well as advanced AI-driven data overlays that provide real-time surgical assistance. Early trials were highly successful, and today more than 800 da Vinci 5 systems are installed in hospitals across the U.S.

Intuitive Surgical is not a one-machine company. While adoption for the da Vinci 5 has been strong, the company continues to redeploy prior generation da Vinci systems to expand patient access. Fourth generation and earlier systems are often placed in more rural or cash-constrained regions, where robotic-assisted surgery can still deliver meaningful clinical benefits. Beyond da Vinci, Intuitive is expanding its procedural reach with Ion, which focuses on lung and throat diagnostics, and the da Vinci SP system, which requires a significantly smaller physical footprint. Today, more than 10,500 Intuitive Surgical systems are installed globally. The company generates revenue not only from system sales, but also from recurring, usage-based instrument and accessory sales. These systems help surgeons operate more efficiently and precisely, improving recovery outcomes while lowering total costs for patients and healthcare systems.

Finally, Intuitive Surgical continues to drive long-term growth in robotic-assisted surgical procedures. Its platforms have been used in more than 2.6 million surgeries worldwide, spanning general surgery, urology, gynecology, and other approved specialties. Procedure volumes have grown at a rate of 10% or more annually since their first market release in 2000 - a trend that is encouraging from both a patient-outcome and investment perspective. Intuitive's systems also play a critical role in medical research, with over 43,000 peer-reviewed studies published to date.

Surgery is inherently complex, but Intuitive Surgical is building a business that enables physicians to deliver best-in-class operative care. As the pioneer of soft-tissue robotic surgery, the company maintains a significant competitive lead in the robotic-assisted surgery market. While adjacent robotic markets are emerging in hard-tissue orthopedics—such as hips, knees, and shoulders—Intuitive continues to lead the industry by a wide margin in terms of procedures. Having effectively created the commercial robotic-assisted surgery market, we believe Intuitive Surgical is well positioned to sustain its leadership through ongoing technological innovation, expanding system placements, and continued growth in procedural adoption.



Source: Ycharts

CHEERS TO FIVE YEARS

Roberts Wealth Advisors (RWA) celebrated its 5th anniversary in November of 2025 with a team gathering in Sausalito, California. The milestone provided an opportunity to reflect on the last five years with pride and gratitude, while also looking ahead to what's next.

On November 1, 2020, during the COVID-19 pandemic and four days before the 2020 Presidential Election, RWA was founded. Despite an inauspicious time to launch a new firm, I was energized by the opportunity for a new challenge after twenty-six years in the industry. I was excited to take a fresh look at our client engagement processes, vendor relationships, and technology stack. Five years later, I am thrilled to see the team we have assembled delivering meaningful value to an exceptional group of clients.

On that first day, Suzanne Herman, CFP®, CPA and Sarah Whitman joined me with the shared vision of building a firm focused on helping clients navigate their financial futures. Since then, our team has grown to include two dedicated research analysts, Ryan Walsh, CFA and Connor Augusta, both committed to our investment research efforts. Ella Pepin completes our team of six as a key contributor to portfolio management and client service.

Today, RWA manages approximately $450 million in assets for more than 100 client families. The assets we manage on behalf of our clients have more than doubled from that first year due to the expansion of our client relationships coupled with strong market returns.

RWA has embraced the hybrid work environment. Our Silicon Valley office moved this past fall to 611 Santa Cruz Avenue in Menlo Park, though most of the team continues to work out of our office in Park City, Utah.

As the firm turns its focus to future growth and in recognition of the outstanding work performed to date, I am pleased to announce Suzanne Herman as the newest partner of Roberts Wealth Advisors, LLC.

RWA clients have each been positively impacted by Suzanne's efforts over her five-year tenure, and I would like to highlight a few key accomplishments.

Suzanne has:

- Led the buildout and management of the Park City, Utah office
- Built the firm's Women in Wealth effort, including the $avvy Girls Club and Financially Fearless workshops
- Expanded RWA's client presence in the Mountain West
- Earned her Certified Financial Planner (CFP®) designation to add to her Certified Public Accountant (CPA) license
- Led RWA's value-added and differentiating tax planning service for clients

While it is difficult to predict what the future markets will bring, I can assure RWA clients that this team is deeply committed to providing thoughtful, high-quality service to every relationship. We are humbled and appreciative of the confidence placed in us and look forward to many years ahead.

With gratitude,

Brian