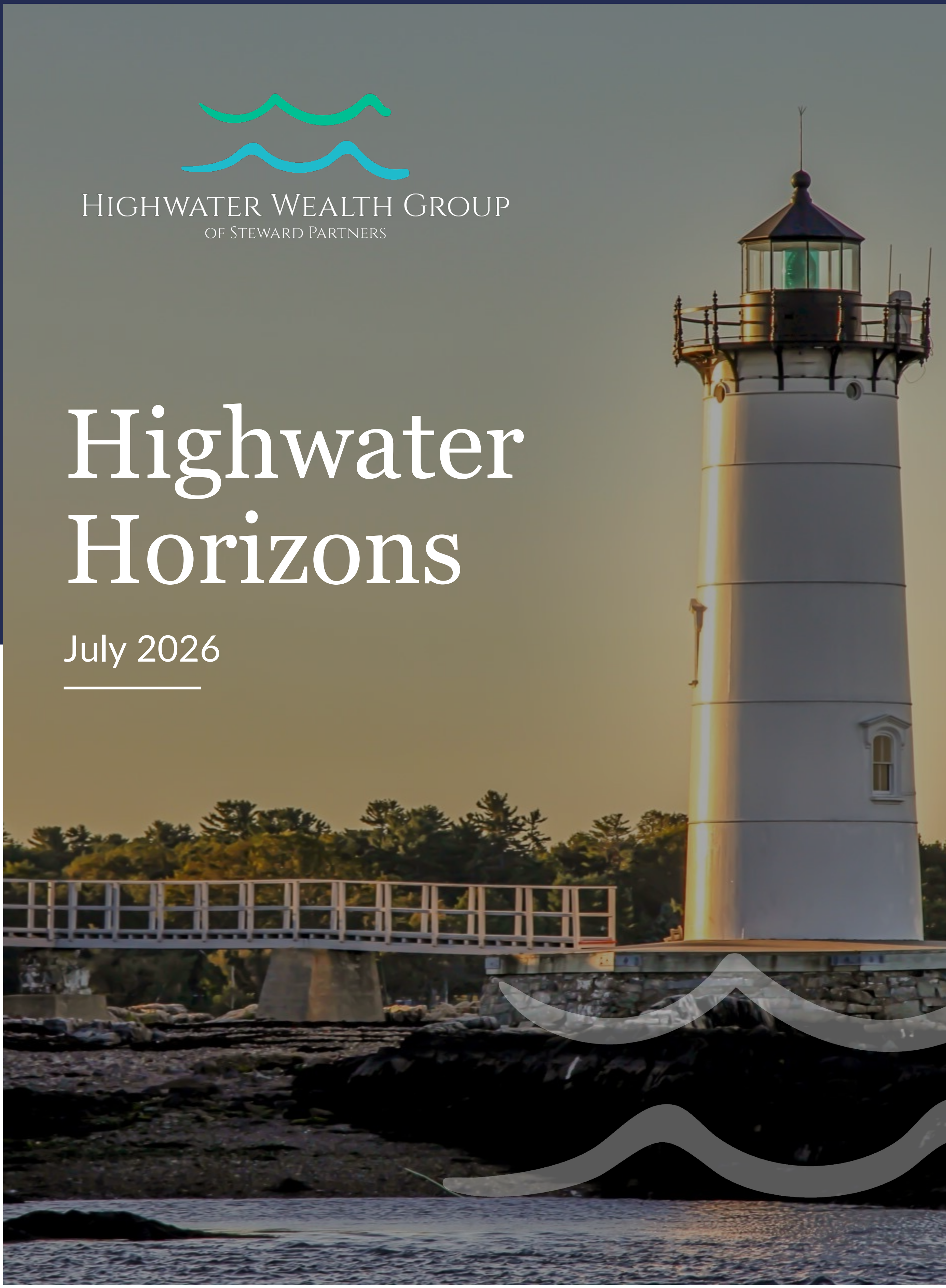
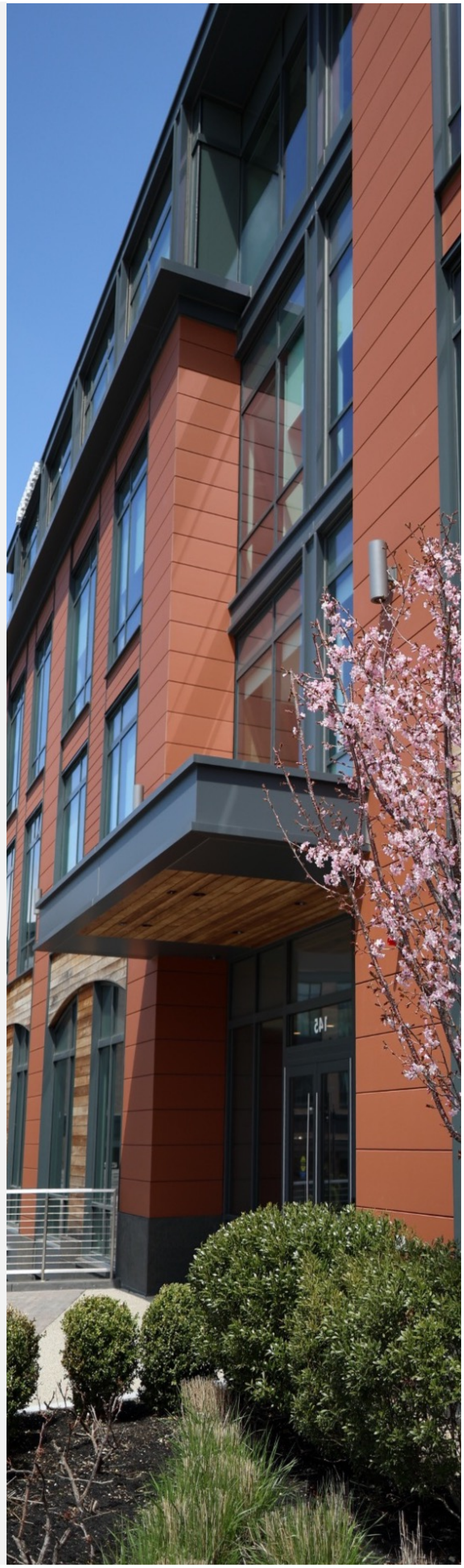
HIGHWATER WEALTH GROUP
OF STEWARD PARTNERS

Highwater Horizons

July 2026



In This Issue



A Note from Highwater

Hello, and happy summer!

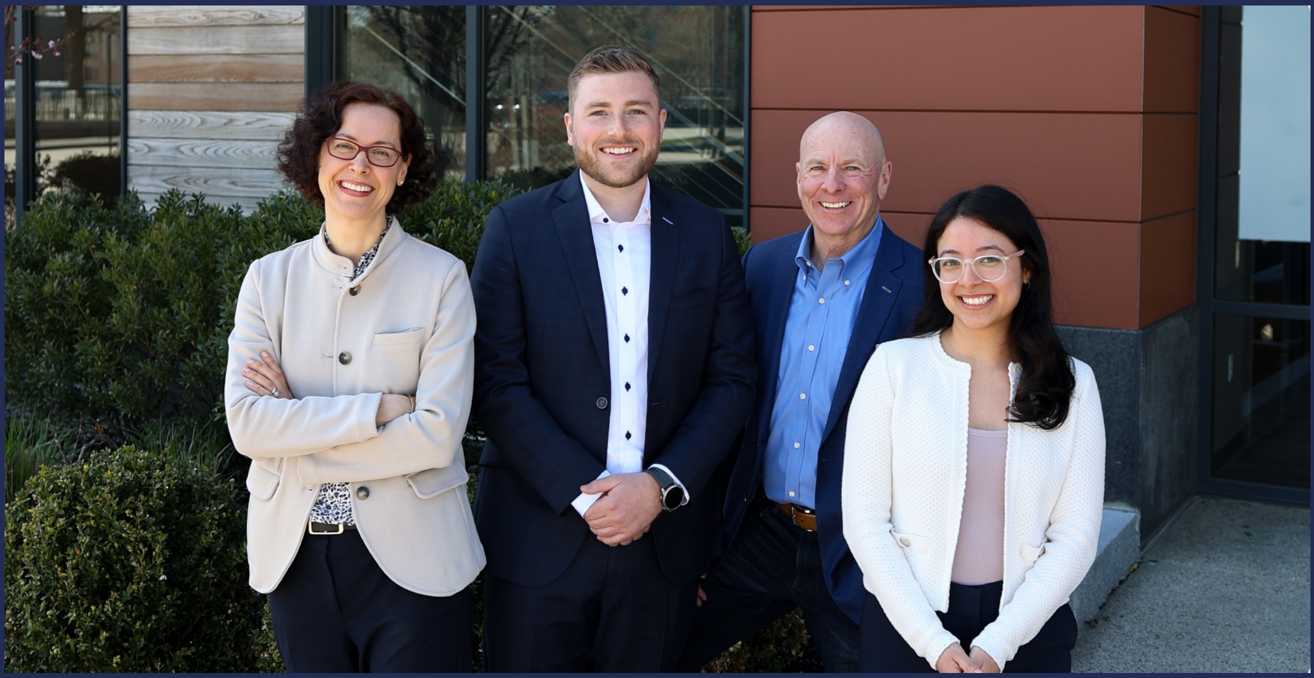
Welcome to the first official edition of Highwater Horizons, our new monthly newsletter designed to keep you informed about what's happening in the markets, the economy, and the broader world while also sharing planning ideas and insights that may be valuable in your own financial life.

Each month, we'll provide our perspective on current market trends, highlight compelling data, explore timely financial planning concepts, and share some of what we're reading, watching, or listening to. Our goal isn't to overwhelm you with information but rather to offer a window into what we're thinking between our regular conversations and provide context that can help you make more informed financial decisions.

We’ve spent the past few months testing this newsletter with our Client Advisory Board. Their thoughtful feedback helped shape the format, content, and overall experience, and we're incredibly grateful for the time and insight they shared. To each of our CAB members, thank you for helping us bring this idea to life.

We hope you'll find Highwater Horizons both informative and worthwhile. While nothing replaces the personal conversations we have with you throughout the year, our hope is that this newsletter serves as a valuable complement to those discussions. As always, we'd love to hear what you think. Your feedback will continue to help us refine and improve this publication, so please don't hesitate to share your thoughts.

We hope you enjoy the first edition!



Navigating the Headlines

Market Commentary July 2026

"If the headlines feel louder than the economy feels weak... you are not imagining it."

The first half of the year has reinforced a familiar dynamic: the economy and markets continue to show more resilience than many expected. Despite elevated inflation, geopolitical uncertainty in the Middle East, and questions around the durability of growth, the U.S. economy continues to expand. Consumer spending remains steady, businesses continue to invest, and the labor market is cooling without showing meaningful signs of stress.

The key point is simple: growth is slowing at the margin, but it is still growth.

Job gains have moderated, unemployment remains historically low, and manufacturing continues to expand. Inflation has picked up on the headline level, largely due to energy prices following geopolitical disruptions, while core inflation trends have remained more contained. There are areas worth watching, including softer housing activity, lower savings rates, and uneven wage growth, but none currently point to a meaningful deterioration in the broader economy.

Earnings continue to be the foundation supporting today's market.

With stock prices near record highs, it's fair to ask whether markets have become too optimistic. Our view is that much of the strength has been supported by something more tangible than investor enthusiasm: corporate earnings. Companies have continued to report profits that exceed expectations, and analysts expect another quarter of strong earnings growth as reporting season gets underway. Technology remains the leader, supported by continued investment in artificial intelligence, but we're also seeing strength broaden into financials, industrials, and other sectors. That's an encouraging sign because healthier markets are typically built on broad participation rather than a handful of companies carrying the load.

That doesn't mean risks have disappeared. Valuations in parts of the market have become more demanding after such a strong rally, and renewed tensions in the Middle East serve as a reminder that geopolitical events can quickly influence oil prices, inflation expectations, and investor sentiment. We would not be surprised to see periods of consolidation or increased volatility, particularly as markets digest earnings, inflation data, and the approaching midterm elections.

(Continued on next page)

Navigating the Headlines

Market Commentary July 2026

Higher interest rates continue to create opportunities beyond stocks.

While equities remain supported by strong fundamentals, bonds are once again providing meaningful income and diversification after years of historically low yields. High-quality fixed income has regained an important role in balanced portfolios, offering investors both attractive income potential and stability during periods of market volatility.

The bottom line: resilience continues to define this cycle.

The economy continues to grow, businesses continue to earn, and markets continue to respond accordingly. While we remain mindful of inflation, valuations, and geopolitical risks, we believe successful investing still comes back to the same principles: stay disciplined, stay diversified, and remain focused on your long-term goals. As always, if you have questions about your portfolio or how today's environment may affect your financial plan, we're always happy to talk.

Data at a Glance

Today's market leaders won't necessarily be tomorrows.

The "Magnificent Seven" have dominated headlines and driven a significant portion of the market's returns in recent years, but history reminds us that market leadership rarely remains static. Looking back over the past four decades, leadership has shifted across industries, countries, and individual companies as new sources of economic growth emerged. Japan dominated the world's largest companies in the 1990s before giving way to the technology boom, while Chinese companies rose to prominence in the 2010s before many eventually fell from the top ranks. Economic leadership evolves, and markets evolve along with it.

One encouraging trend we've seen this year is that market leadership has started to broaden.

While the largest technology companies remain important contributors, many other sectors and companies have participated in the market's gains, with some recent leaders taking a well-earned breather. This type of rotation is a normal and healthy part of market cycles. In fact, bull markets often become more durable when gains are driven by a wider range of sectors, industries, and companies, rather than a narrow group of stocks. Rather than trying to predict who the next market leaders will be, we continue to believe that a broadly diversified portfolio is the best way to participate as opportunities evolve.

Market leaders of each decade reflect new sources of economic growth

The world's top 10 largest companies by market capitalization (ex Aramco)

1980 Oil is crowned king		1990 Japan leads the way		2000 Dot-com bubble ends		2010 China dominates global trade		2020 Tech offers a new frontier	2025 U.S. leads innovation
Company	Forward 10-year average return	Company	Forward 10-year average return	Company	Forward 10-year average return	Company	Forward 10-year average return	Company	Company
IBM	5.2%	IBM	12.3%	Microsoft	–2.4%	ExxonMobil	–2.0%	Apple	NVIDIA
Exxon	9.9%	Exxon	15.2%	Cisco Systems	–9.5%	PetroChina	–10.2%	Microsoft	Apple
AT&T	16.6%	Industrial Bank of Japan	–10.6%	General Electric	–6.9%	Apple	29.6%	Amazon	Microsoft
Standard Oil of Indiana	2.7%	Fuji Bank	–8.3%	Intel	–8.4%	BHP Group	1.6%	Alphabet	Alphabet
Standard Oil of California	3.9%	General Electric	27.5%	Vodafone	–6.3%	Microsoft	25.9%	Tencent	Amazon
BP	7.1%	Philip Morris	13.6%	ExxonMobil	7.9%	ICBC	4.1%	Tesla	Broadcom
Atlantic Richfield	6.9%	Sakura Bank	–7.3%	Deutsche Telekom	–13.9%	Petrobras	–10.0%	Facebook	Meta
General Electric	14.1%	Sumitomo Mitsui Banking	–3.2%	Nokia	–10.5%	China Construction Bank	3.8%	Alibaba	Tesla
General Motors	4.9%	Dai-Ichi Kangyo Bank	–6.4%	NTT	–9.7%	Shell	–0.9%	Samsung	TSMC
Royal Dutch Petroleum	12.2%	Toyota	11.1%	Wal-Mart	2.2%	Nestlé	10.5%	TSMC	JPMorgan Chase
MSCI World Index	13.9%	MSCI World Index	11.9%	MSCI World Index	0.0%	MSCI World Index	9.9%		

Sources: Capital Group, MSCI, RIMES. As of December 31, 2025. Observation date for each set of holdings is December 31 of the year. For example, for 1980, the observation date for the largest companies is December 31, 1980. An exception was made for 2000, which uses an observation date of February 28, 2000, as it reflects the closest month-end peak of the tech bubble. Next 10 years return refers to the average annual total return of the stock or index from the current decade's beginning observation date to the beginning of the next decade.

Past results are not predictive of results in future periods.

Refer to Additional Disclosures on Last Page

Beyond the Portfolio

Protecting your Social Security Payout

Many people don't realize that having a power of attorney isn't always enough. When it comes to Social Security, a separate representative payee designation is required, and without it, your benefits could be delayed or interrupted at the exact moment you need them most. Putting the right plan in place helps ensure your income stays protected, your wishes are followed, and your loved ones aren't left scrambling during an already stressful time.

Estimated read time: ~5 minutes

https://highwatergroup.stewardpartners.com/Newsletter.htm

Worth Noting

Replay of July 2026 Larry Adam’s Webinar: The Main Market Event: Strength, Surprises, and the Road Ahead

https://www.raymondjames.com/investment-strategy-client-call

Trump Accounts

This article highlights a new type of tax-advantaged savings vehicle for children (Trump Accounts) which could significantly impact long-term retirement planning strategies for families. With features like early contributions starting at birth, flexible funding sources, and decades of tax-deferred growth, these accounts introduce new opportunities to build wealth earlier than ever before.

Understanding how they compare to existing options can help you make more informed decisions about saving for your children or grandchildren.

Estimated read time: ~6–8 minutes

https://highwatergroup.stewardpartners.com/Newsletter.htm

Enhance or eliminate? How AI will likely change these jobs

We found this article especially compelling because it challenges the common fear that AI is simply “taking jobs” and instead shows a more nuanced—and surprising—reality. The data points to a meaningful shift: while routine tasks are fading, demand is actually rising for roles that blend human judgment, creativity, and technology. It’s an important reminder that the future of work isn’t about replacement, but reinvention—and those who adapt and lean into evolving skillsets may find themselves better positioned than ever.

Estimated read time: ~7-10 minutes

https://www.library.hbs.edu/working-knowledge/enhance-or-eliminate-how-ai-will-likely-change-these-jobs

Highwater Highlights

We’re proud to be a corporate sponsor of CoastX, an incredible organization dedicated to inspiring the next generation through hands-on, ocean-based learning experiences. Their work empowering students with real-world science and teamwork aligns closely with our values, and we loved seeing our team alongside their students and vessel - it was a great reminder of the impact this program continues to make in our community.

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