

SUMMIT PERSPECTIVE

ONWARD IN 2026

January is a time to reflect on the year behind us and set a framework for the year ahead. It is also a season of aspiration—when we pause to consider our goals, and the future we want to shape.

As we step into 2026, we take a moment to look back at where markets have been, preview what may lie ahead, and spend a little time thinking about the bigger picture beyond market returns.



The Year That Was

From a financial standpoint, 2025 offered plenty of lessons for investors—and still delivered an excellent outcome.

Early in the year, the central debate was whether equity valuations were simply too high after a banner 2024, or whether the AI-driven growth narrative would continue to power markets forward. Then came April's "Tariff Tantrum," when markets fell nearly 20% following the announcement of broad "reciprocal tariffs" by the U.S. administration.

Whether motivated by market pressure or internal debate, the policy reversal came swiftly—and the losses all but evaporated overnight. From there, the AI growth story reasserted itself, and equity markets resumed their upward march. All major U.S. equity indices finished the year with double-digit gains, and even bonds delivered a solid performance—an outcome few would have predicted just a year earlier.

Diversification Makes a Comeback

Diversification is foundational to sound financial planning, but over the prior two years it felt like a losing proposition. Concentration in a handful of U.S. mega-cap technology stocks dominated returns, and diversified portfolios struggled to keep pace.

That dynamic shifted in 2025. International and emerging markets meaningfully outperformed U.S. large-cap stocks, small-cap equities posted double-digit gains, and market leadership broadened considerably. While the largest and fastest-growing technology companies continue to play an outsized role, performance in 2025 came from a far wider cross-section of companies. That breadth is generally a healthy sign—and one welcomed by investors and advisors alike.

The Issues Ahead

At any given moment, there are reasons for both optimism and concern. Below are a few key themes on each side of the ledger.

The Bull Case

- **The AI buildout is just beginning.**

Hundreds of billions of dollars are being invested in the infrastructure required to support artificial intelligence. From semiconductor manufacturers and cloud providers to utilities, construction firms, and even air-conditioning companies, the ripple effects are broad and increasingly tangible.

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*In reflecting on what
we have learned,
we can shape what
comes next.*

– John C. Maxwell

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- **Productivity gains could be significant.**

The pace of technological change remains breathtaking. Tasks that seemed impossible just two years ago can now be executed efficiently with AI assistance. For companies that harness these tools effectively, the potential for higher productivity, margins, and earnings is substantial.

- **Growth has been driven by earnings—not just optimism.**

Despite strong market gains, valuations at the end of 2025 were not materially higher than where the year began. Corporate earnings rose alongside prices, suggesting that returns were grounded in fundamentals rather than exuberance alone.

The Bear Case

- **Have markets moved too far, too fast?**

The S&P 500 has nearly doubled from October 2022 bear market lows, and the Dow Jones Industrial Average is approaching 50,000. Earnings growth has largely kept pace—but valuations now sit at the higher end of historical ranges, and periodic corrections remain a normal feature of markets.

- **Echoes of the Internet bubble**

Some recent AI-related deals—particularly large forward-purchase commitments by technology giants—can appear aggressive relative to current revenues. While we do not believe this signals imminent collapse, the pace of change and the youth of the technology make it difficult to distinguish long-term winners from losers. Expect periods of volatility and noise.

- **Policy and geopolitical risks**

The tariff-driven selloff in 2025 was a reminder that policy shifts can move markets quickly. Ongoing geopolitical tensions, military conflicts abroad, and a polarized domestic political environment add uncertainty. While we never make investment decisions based on politics, policy shocks can influence markets in the short term.

Your Action Plan for 2026

Much of this advice may sound familiar—but January is an excellent time to revisit the basics and ensure you are positioned for whatever the year brings.

- **Plan for near-term cash needs.**

Markets are unpredictable in the short run. If you rely on portfolio income, ensuring that 12–24 months of spending needs are covered with minimal risk can reduce stress and prevent forced selling during volatile periods. Check in with your advisor on your withdrawal plan and be prepared.

- **Rebalance and stay diversified.**

Diversification means something is always lagging—but it also means something outperformed as well. Rebalancing your retirement plans and investment accounts helps keep risk aligned with long-term goals while avoiding the temptation to chase what performed best last year.

- **Run a “fire drill.”**

Review estate documents, powers of attorney, healthcare directives, and beneficiary designations. These often-overlooked items deserve periodic attention to ensure your wishes are clearly and correctly reflected.

Thinking Bigger Than the Markets

Increasingly, our most meaningful client conversations move beyond portfolios and projections. Families want to discuss how—and when—to help others, how to talk about money across generations, and how to balance generosity with responsibility.

In the months ahead, we'll be sharing more content on these themes through short videos and written perspectives. We'll explore concepts like family wealth conversations, empowering without entitling, and finding purpose in “Life 2.0” after careers wind down. The stories we hear from clients navigating these transitions are inspiring, and we look forward to sharing them.

Thank you for the trust you place in Summit Financial Group. As we begin 2026, we do so with gratitude—for the remarkable clients we serve and the teammates we work alongside.

Cheers to a purposeful and prosperous 2026!

KUDOS!

Summit Spirit in Action: Supporting Maui's Recovery



Each quarter, Summit recognizes a team member who exemplifies our values by going above and beyond, earning the admiration of peers and leaders alike. The Summit Spirit Award honors this individual with a \$1,000 donation to the charity of their choice. This quarter, we're delighted to recognize Financial Planning Associate Austin Muto as our Summit Spirit Award recipient.

Austin selected the **Makai Foundation**, a nonprofit dedicated to rebuilding Maui following the devastating wildfires of 2023. The organization is led by local families, businesses, and community leaders in Maui County who support long-term recovery efforts. To date, the Makai Foundation has supported more than 800 families by providing rental assistance, healing kits, and vehicle repairs—critical resources helping community members get back on their feet. The foundation also funds local businesses and collaborates with other local charitable organizations to expand its impact across the beloved island.

Reflecting on his choice, Austin shared, "During my trip to Maui last summer, I spoke with locals who shared their stories of loss—loss of friends, family, and the town of Lahaina. After driving through the area and witnessing both the devastation and rebuilding efforts firsthand, I felt compelled to extend a helping hand in restoring a proud symbol of Maui."

To learn more about the Makai Foundation and its mission, visit: makai.org.

Raymond James Financial Services is not affiliated with the above independent or charitable organization.

SUMMIT UNIVERSITY



Upcoming Workshops



*It's time to sign up
for our winter/spring
retirement seminars!*

RETIREMENT PLANNING TODAY

Whether you plan to retire 20 years from now or have just recently retired, the information you'll learn in this class can deliver rewards throughout your lifetime. During this two-evening workshop, you will learn how to create an informed retirement plan and set goals for a successful retirement.

Second Saturday DIVORCE WORKSHOP

Are you considering divorce, or in the midst of a divorce? As you contemplate your next steps and possibly plan your next chapter, it is important to have the tools needed to evaluate the impact divorce can have on your personal and financial life.

This workshop run by an attorney, a therapist, and a financial advisor will touch on the legal, emotional, and financial topics involved with divorce. Educate yourself and explore various options available to you as you work toward building a strategy for future emotional and financial success.



Financial professionals do not provide specific tax/legal advice and this information should not be considered as such. You should always consult your tax/legal advisor regarding your own specific tax/legal situation.

**Learn more and register for classes
through the Summit Events
page on our website**

[https://www.summitadvisors.com/
resources-and-events/events/](https://www.summitadvisors.com/resources-and-events/events/)

You may also scan the QR code.



SUMMIT SPOTLIGHT

Summit Financial Group Named to the 2026 Forbes Best-in-State Wealth Management Teams List

As you may have heard, Summit Financial Group has been recognized in the 2026 Forbes Best-in-State Wealth Management Teams ranking—an honor that reflects our team's dedication, expertise, and unwavering commitment to enriching the lives of our clients.

Since the announcement in early January, we have received an outpouring of congratulatory messages from our clients. Your kind words and continued trust mean more to us than any accolade. This honor motivates us to keep raising the bar at every stage of your financial journey. Thank you for being part of the Summit community. We look forward to serving you in 2026 and beyond!



† The 2026 Forbes ranking of America's Best-In-State Wealth Management Teams, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. This ranking is based upon the period from 3/31/2024 to 3/31/2025 and was released on 01/07/2026. Advisor teams that are considered must have one advisor with a minimum of seven years of experience, have been in existence as a team for at least one year, have at least 5 team members, and have been nominated by their firm. The algorithm weights factors like revenue trends, assets under management, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Out of approximately 12,787 team nominations, 6,149 advisor teams received the award based on thresholds. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Compensation provided for using the rating. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please see <https://www.forbes.com/lists/wealth-management-teams-best-in-state> for more info.



SUMMIT TRIVIA CHALLENGE

The answer to this quarter's question can be found on Summit's social media pages.

Each person submitting the correct response will be entered to win a \$25 Starbucks gift card.

Ready? Here it is ...

What big event happened at Summit in late October? Here's a hint: We haven't done this for over a decade.

Know the answer?

Email it to angela@summitadvisors.com by February 21. The Trivia Challenge winner will be notified via email.

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