



SilverOak

WEALTH MANAGEMENT LLC

Quarterly Webinar January 20, 2026



Introduction

- Shannon King, CPA, CFP[®], PFS, CIMA[®], CPWA[®], MBT
President, Partner and Chief Compliance Officer
- Jonathan Scharlau, CFA, CFP[®], AEP[®], CAIA
Partner and Lead Analyst



Agenda

- Economy and SilverOak Dashboard
- Market performance
- SilverOak's outlook
- Planning tips for the New Year
- SilverOak updates
- Questions



Economy and SilverOak Dashboard



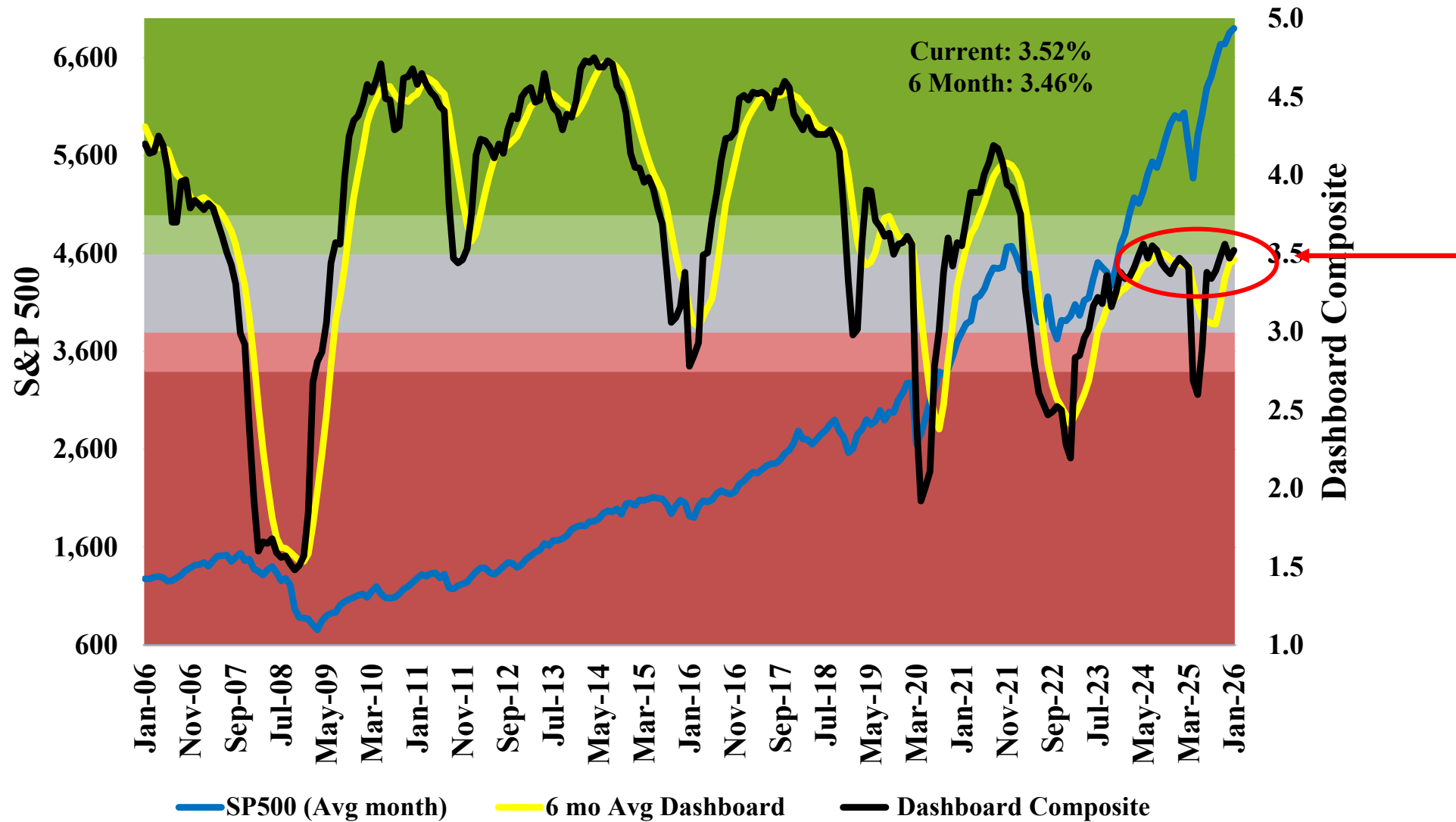
SilverOak Dashboard

Projected

	3Q 2023	4Q 2023		1Q 2024	2Q 2024	3Q 2024	4Q 2024		1Q 2025	2Q 2025	3Q 2025	4Q 2025		1Q 2026	2Q 2026	3Q 2026	4Q 2026
Economy																	
Credit Markets																	
Valuations																	
Market Sentiment																	
Composite 6mo. Avg.																	

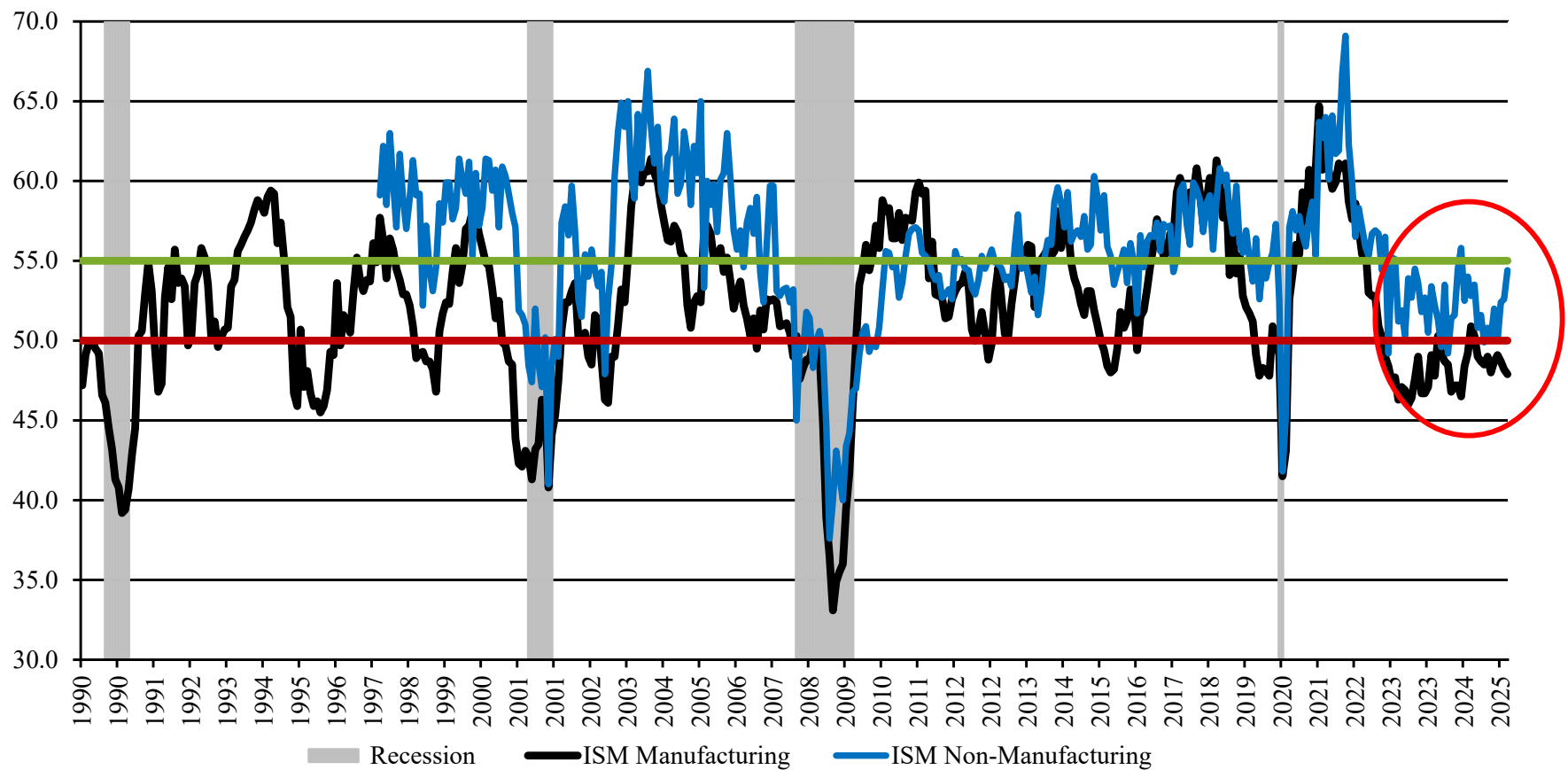


SilverOak Dashboard

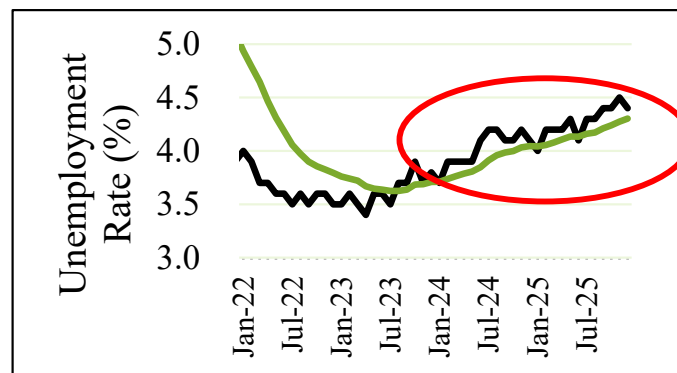


Economy (ISM Indices)

ISM Manufacturing & Non-Manufacturing Indices

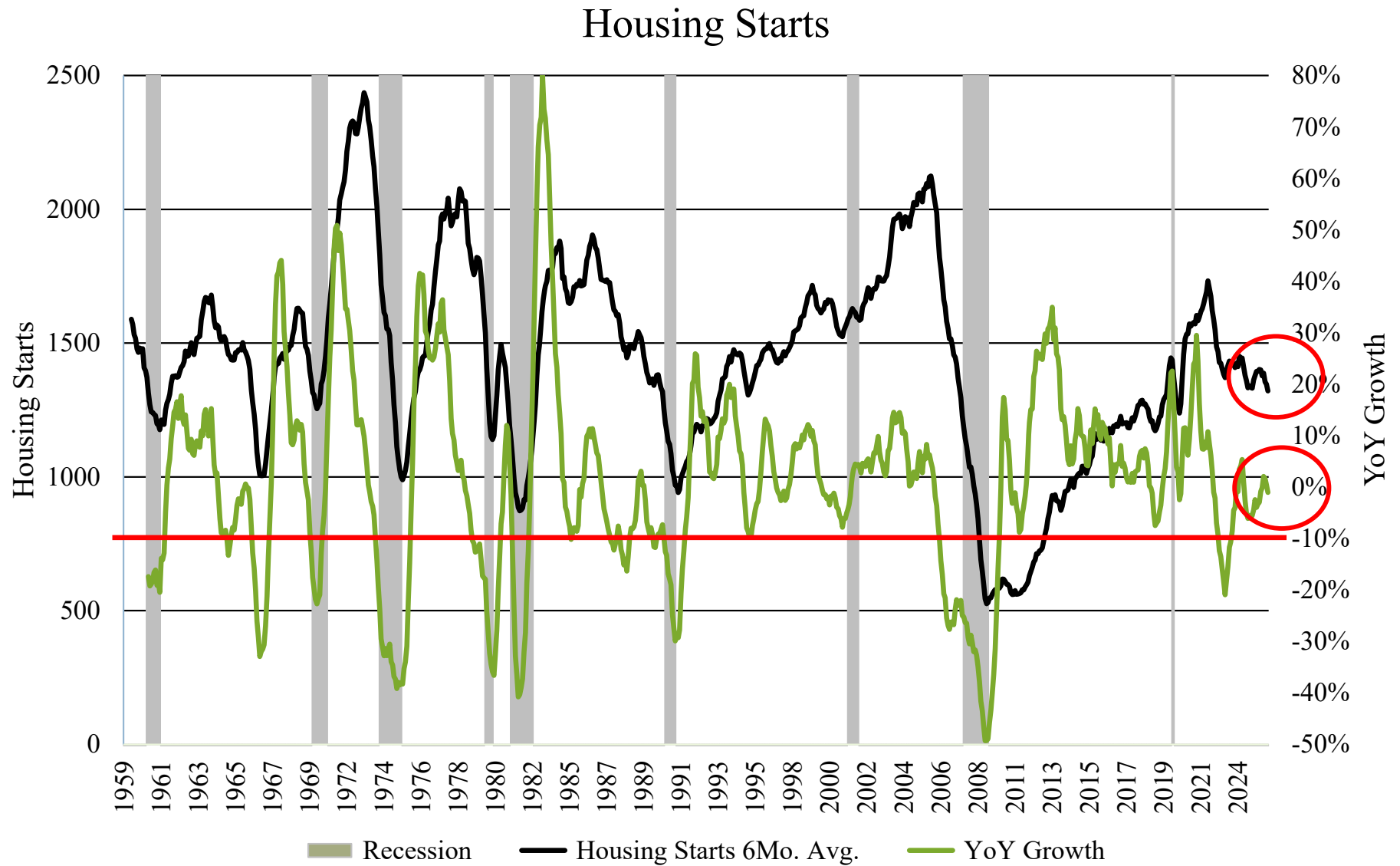


Economy (Unemployment Rate)



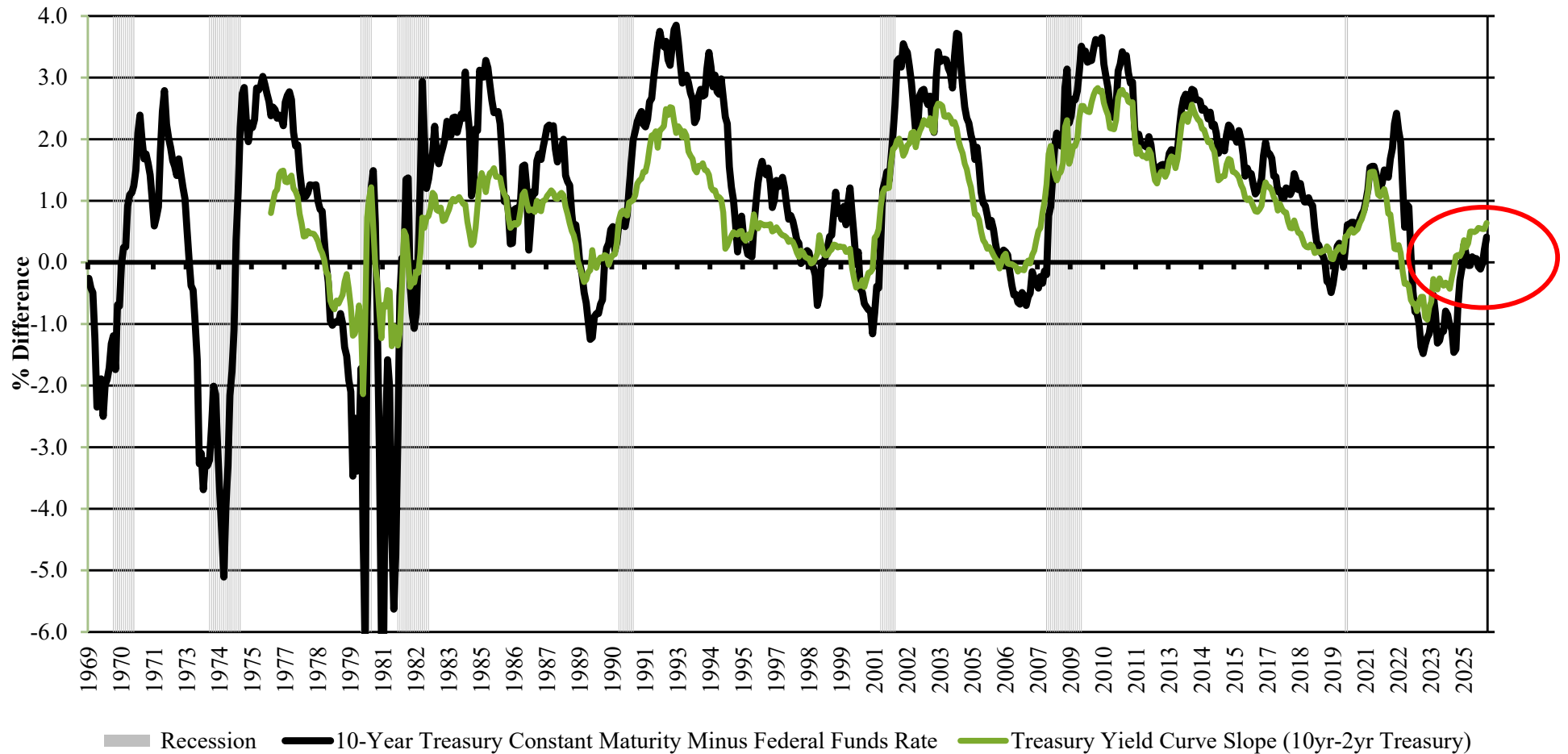
Source: St. Louis Fed. Data as of 1/14/26

Economy (Housing Starts)

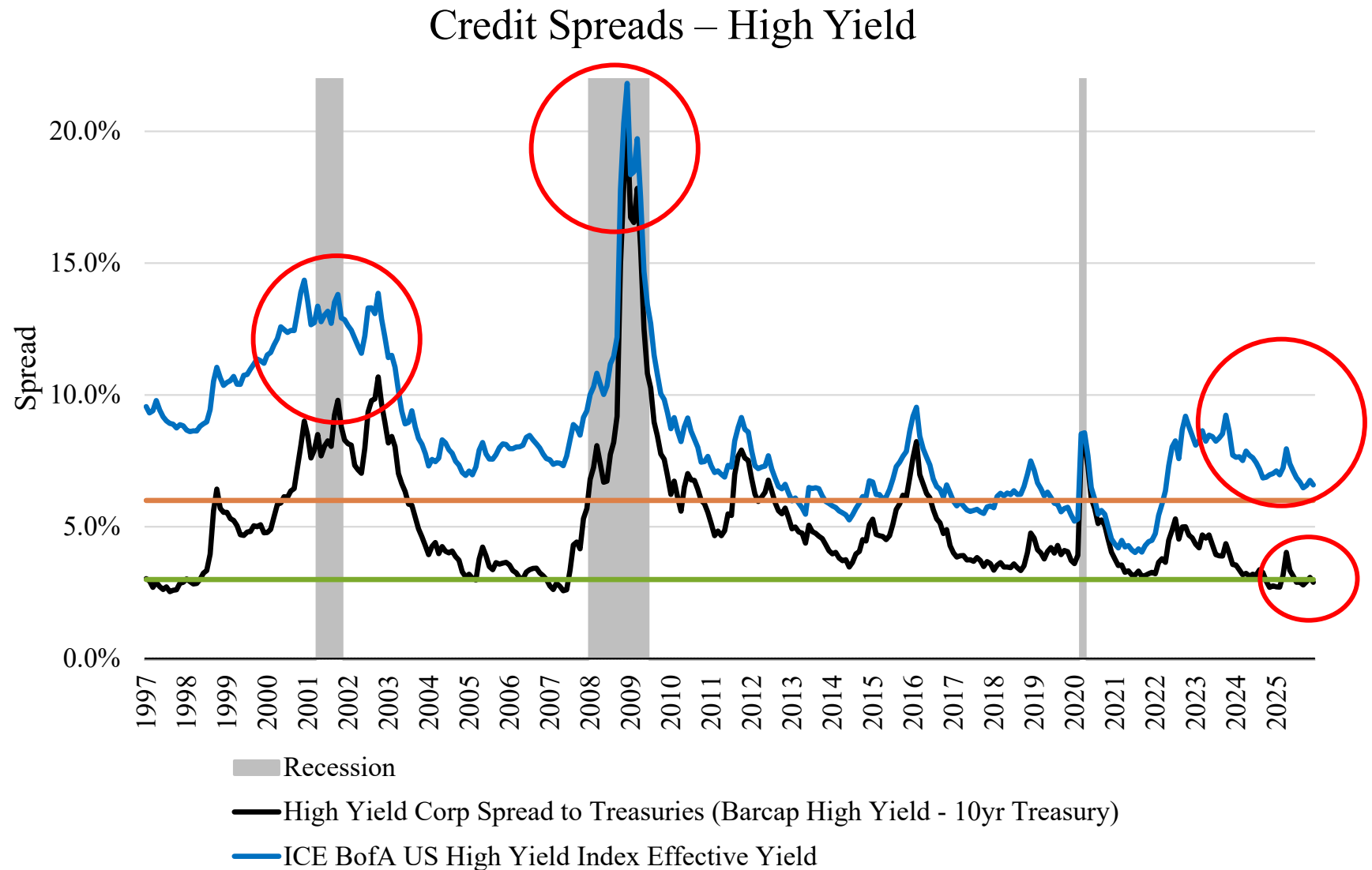


Credit Markets (Yield Curve)

Treasury Yield Curve Spread

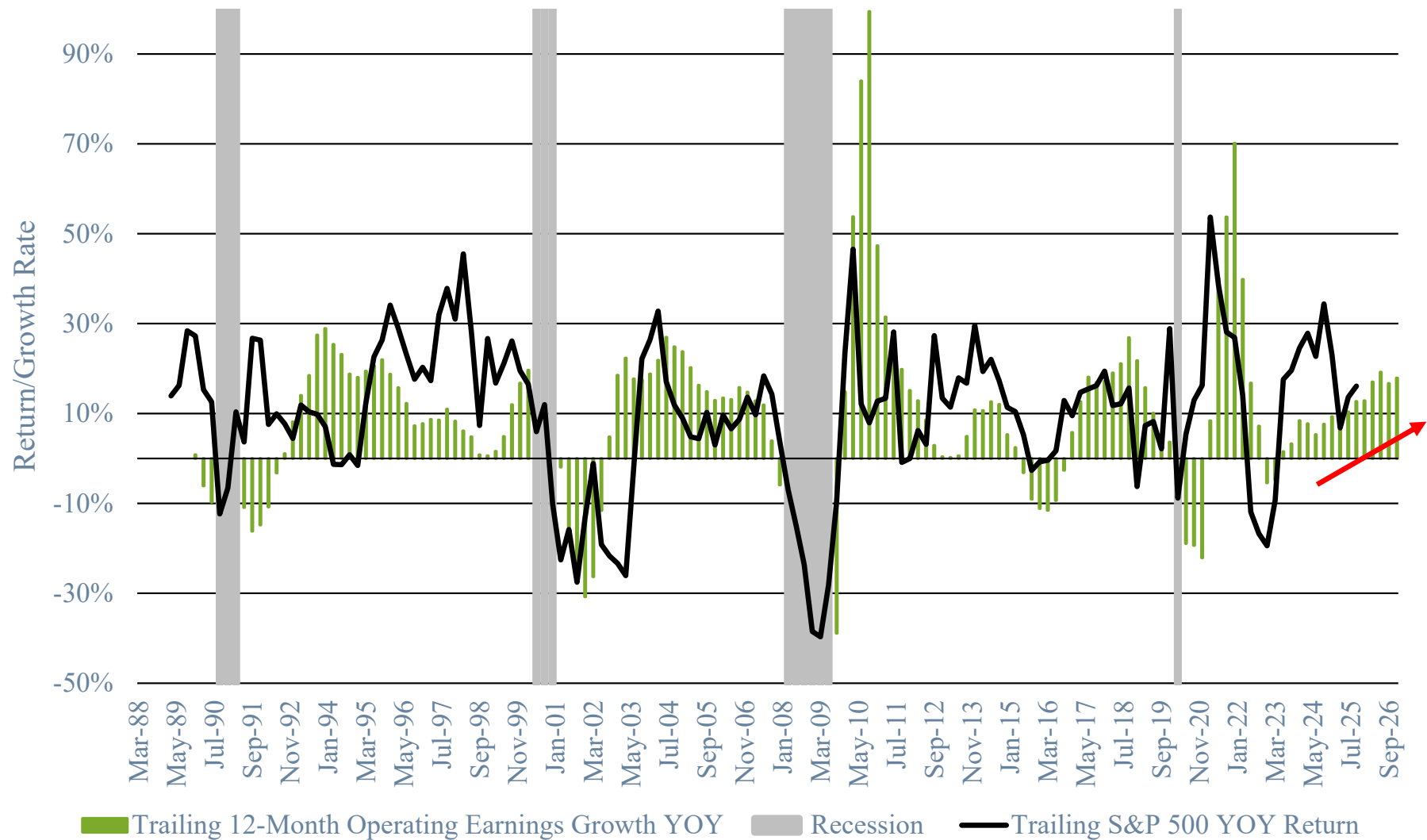


Credit Markets (High Yield Spread)



Source: St. Louis Fed. Data as of 1/14/26

Valuations (Corporate Earnings)



Source: S&P, as of 1/14/26



Sentiment (Market Trend)

S&P 500



Market Performance



Market Summary

■ Equity market performance

	<u>Q4 2025</u>	<u>2025</u>
– US large cap		
• S&P 500	+2.7%	+17.9%
– US mid cap		
• Russell Midcap	+0.2%	+10.6%
– US small cap		
• S&P SmallCap 600	+1.7%	+ 6.0%
• Russell 2000	+2.2%	+12.8%
– International equities		
• MSCI ACWI ex US USD	+5.1%	+32.4%
• MSCI ACWI ex US NR LCL	+6.0%	+24.4%
– Emerging markets		
• MSCI Emerging Markets USD	+4.7%	+33.6%
• MSCI Emerging Markets LCL	+5.6%	+31.3%



Market Summary

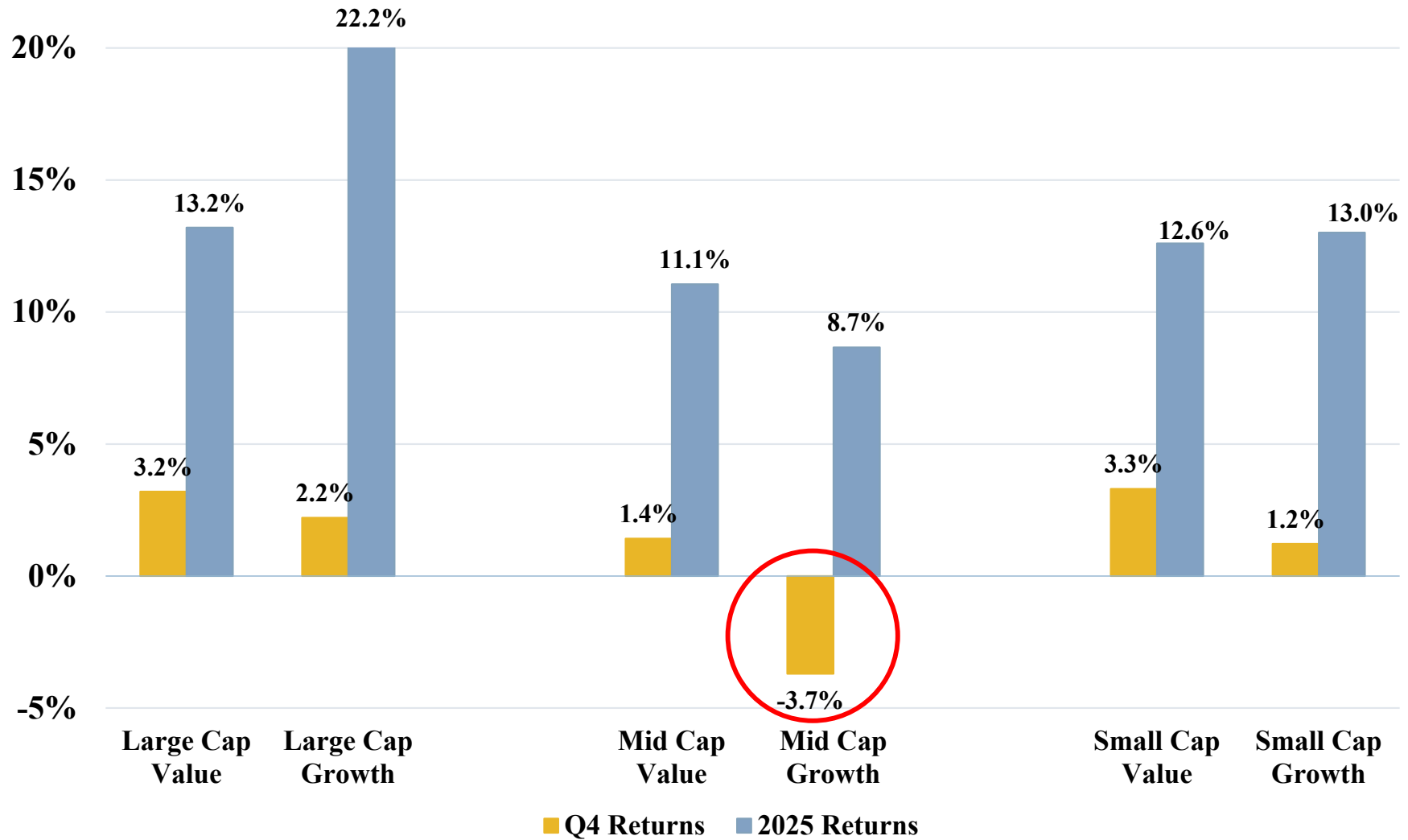
■ Bonds and other asset class performance

	<u>Q4 2025</u>	<u>2025</u>
– US fixed income		
• Bloomberg U.S. Aggregate	+1.1%	+7.3%
– Global fixed income		
• Bloomberg Global Agg ex US	-0.5%	+8.9%
• Bloomberg Global Agg ex US Hdg	+0.5%	+2.8%
– Commodities		
• Bloomberg Commodity TR	+5.9%	+15.8%
– REITS		
• MSCI US REIT NR	-2.0%	+1.7%

Source: Morningstar



Style Returns

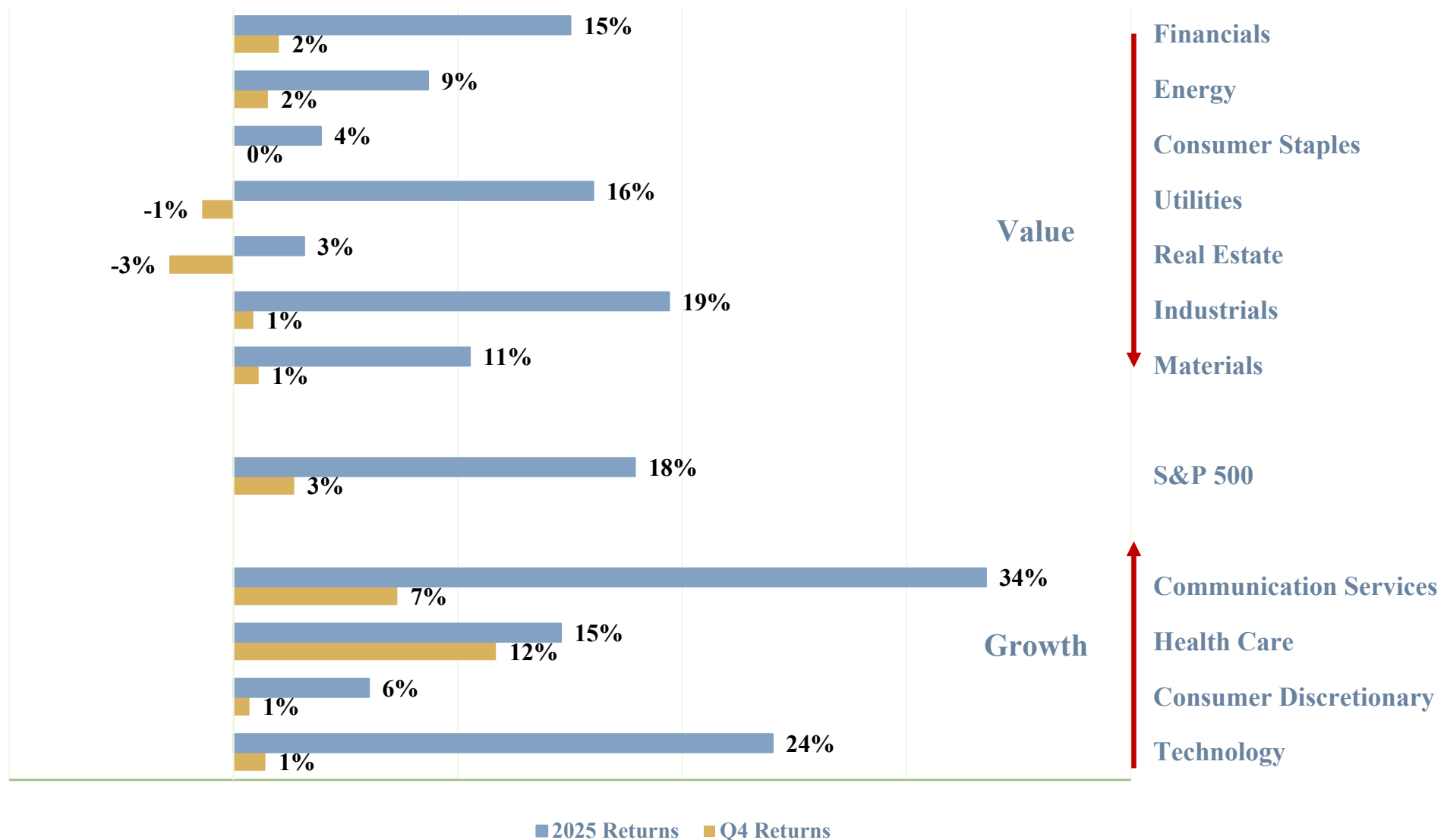


Past performance is no guarantee of future success. As of 12/31/2025.

Returns in US dollars.

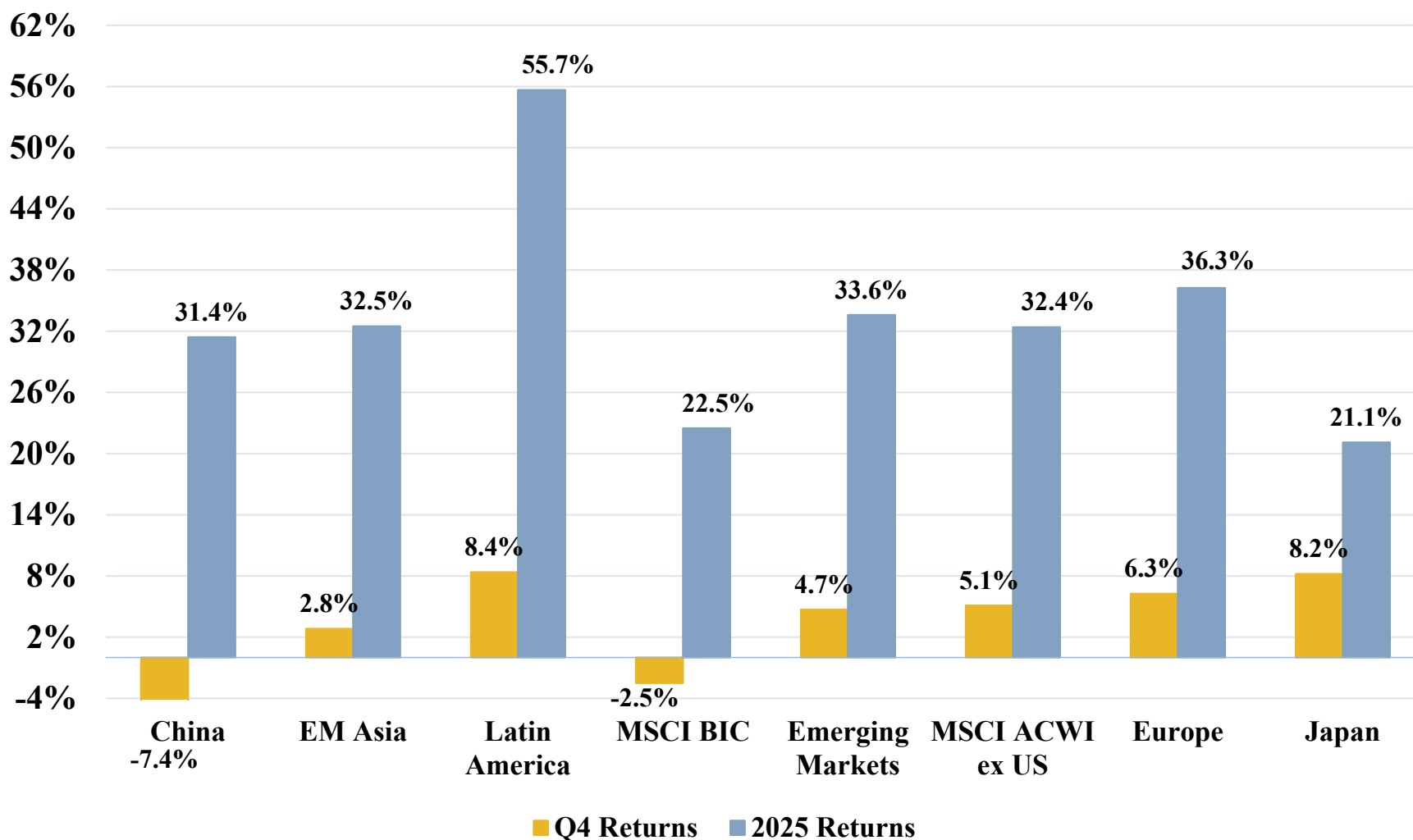


S&P 500 Sector Performance



Past performance is no guarantee of future success. As of 12/31/25

International Performance

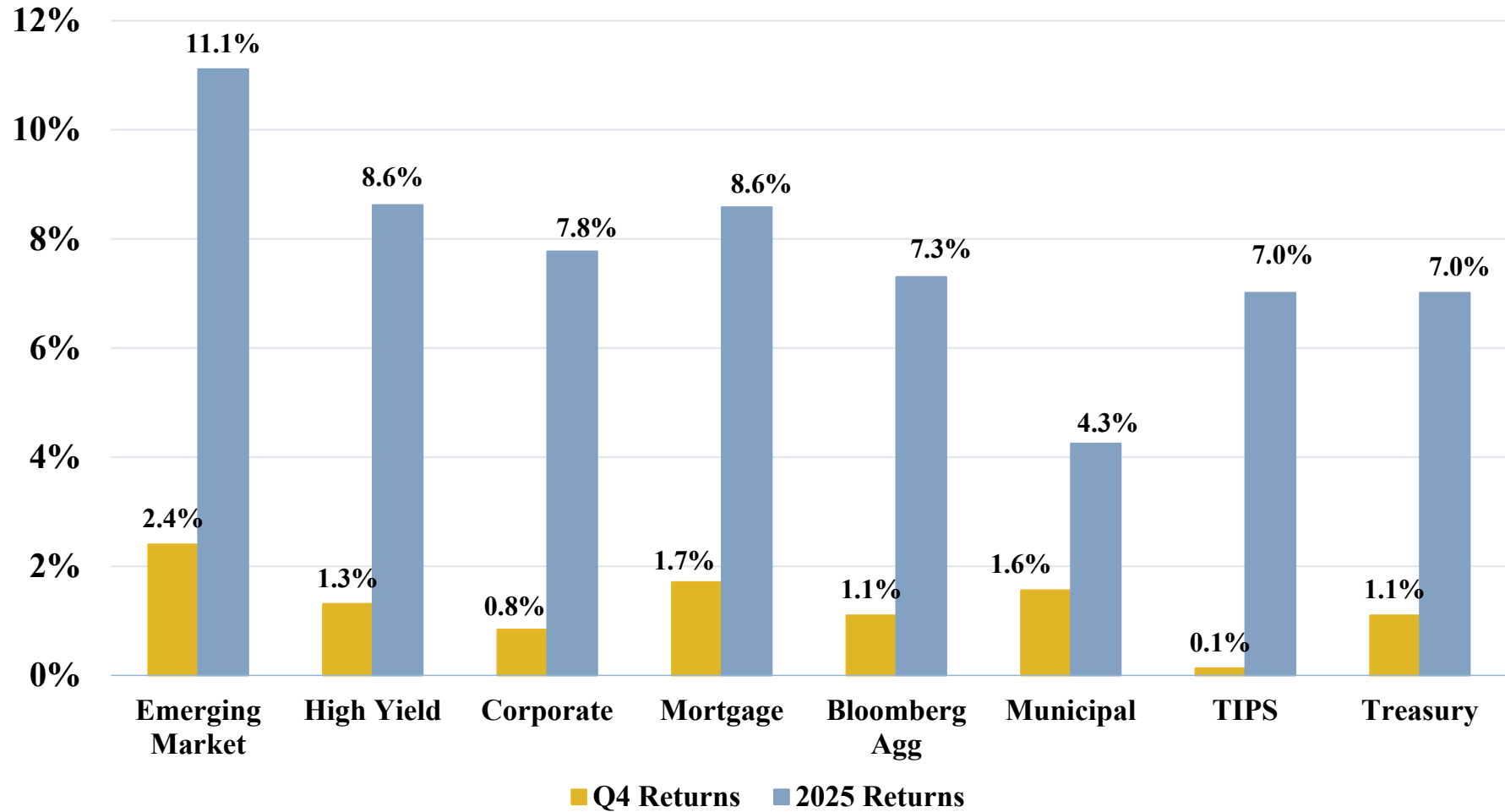


Past performance is no guarantee of future success. As of 12/31/2025.

Returns in US dollars.



Bond Returns



SilverOak's Outlook



SilverOak's Economic Outlook

■ U.S. Economy

- Solid GDP growth expected with low recession risk in 2026
 - Continued AI infrastructure spending
 - Wealth effect likely continues to fuel consumer spending
- Inflation could increase modestly in first half and then moderate
 - Impact from tariffs lap in second half – Awaiting Supreme Court ruling
 - Shelter inflation should continue to moderate
- Fiscal expansion from higher tax refunds could help middle-income consumer spending
- Fed cuts likely to be modest
 - Will be monitoring the labor market

■ International Economy

- Solid global growth trends likely to continue
- Fiscal policies in Europe likely to be more supportive of growth
- Central bank policies likely to be more neutral



SilverOak's Economic Outlook

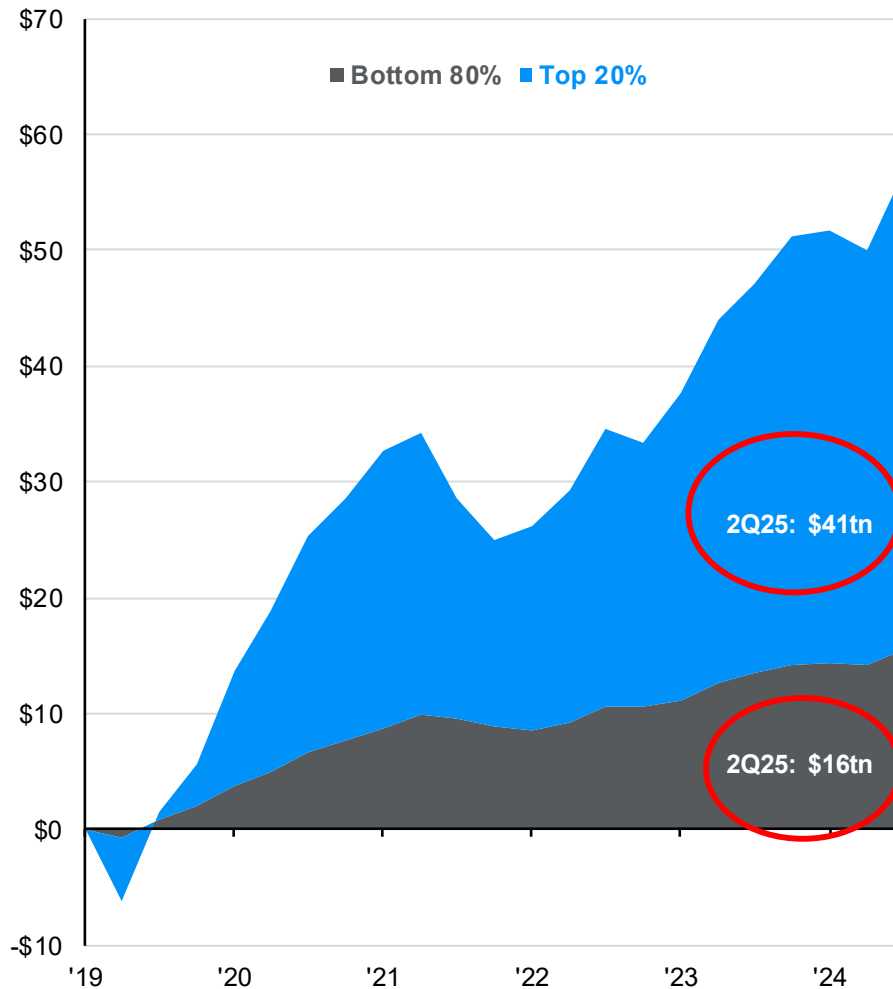
- **What are the Risks to the Outlook?**
 - Delayed or Disappointing AI productivity benefits
 - Infrastructure investment spending growth could then slow
 - Consumer spending unexpectedly slows
 - Upper income spending growth slows more than offsetting spending from higher tax refunds
 - Inflation unexpectedly increases due to tariffs
 - Supreme Court ruling expected soon
 - Labor markets weaken further sparking recession fears
 - More unexpected geopolitical risks
 - Midterm elections



The “K-Shaped” Economy

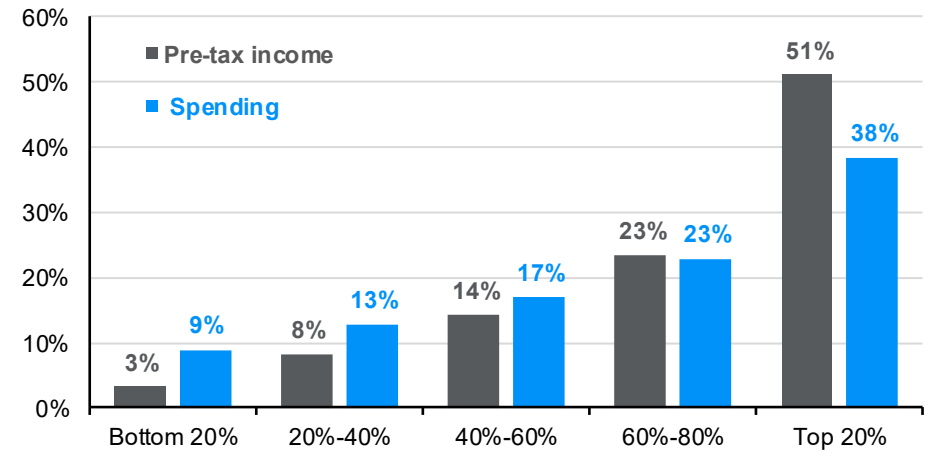
Net worth growth by income cohort

Cumulative growth from 4Q19, by pre-tax income cohort, USD trillions



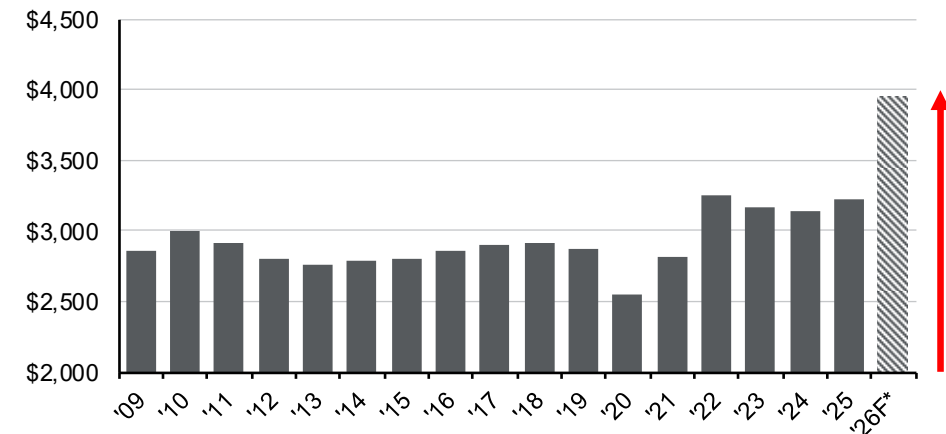
Consumer share of total pre-tax income and spending

By pre-tax income cohort, 2024



Average income tax refund by filing year

2009 - 2026F*



Source: J.P. Morgan Asset Management; (Left) Federal Reserve; (Top right) BLS; (Bottom right) IRS.

(Left) Data sourced from the 2024 Consumer Expenditure Survey. (Top right) Data sourced from the Federal Reserve's Distributional Financial Accounts report.

(Bottom right) *2026 figure is a J.P. Morgan Asset Management forecast.

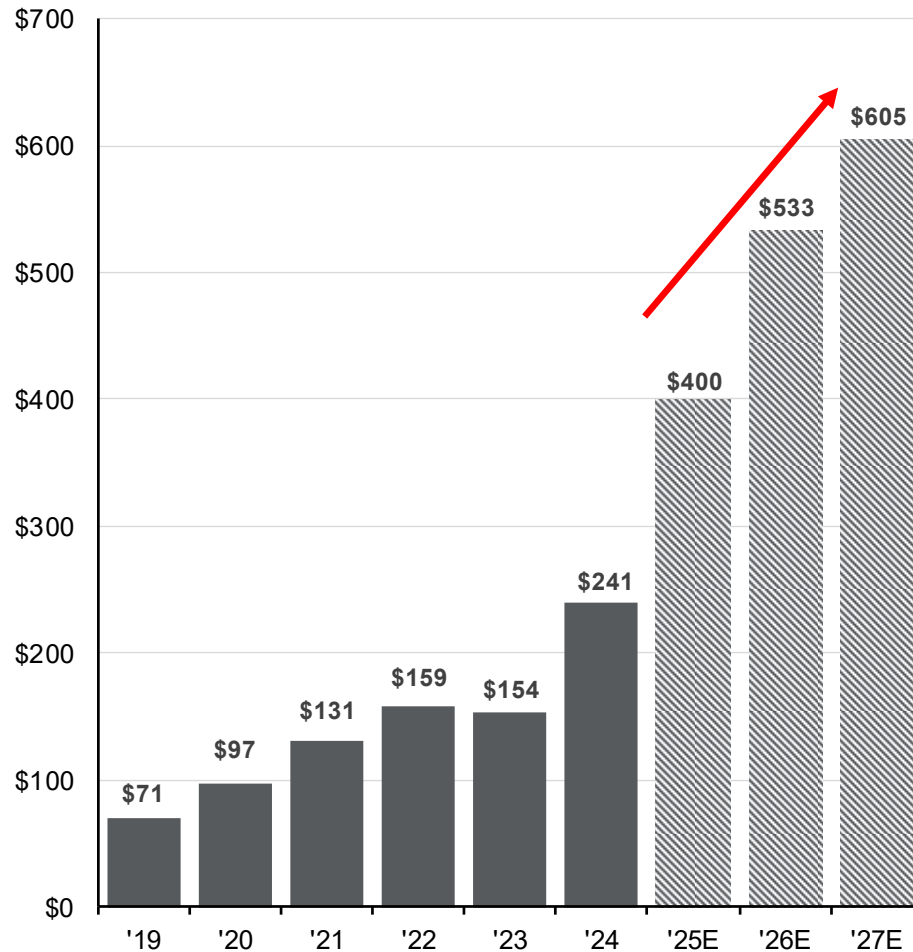
Guide to the Markets – U.S. Data are as of December 31, 2025.



AI Investment Will Continue

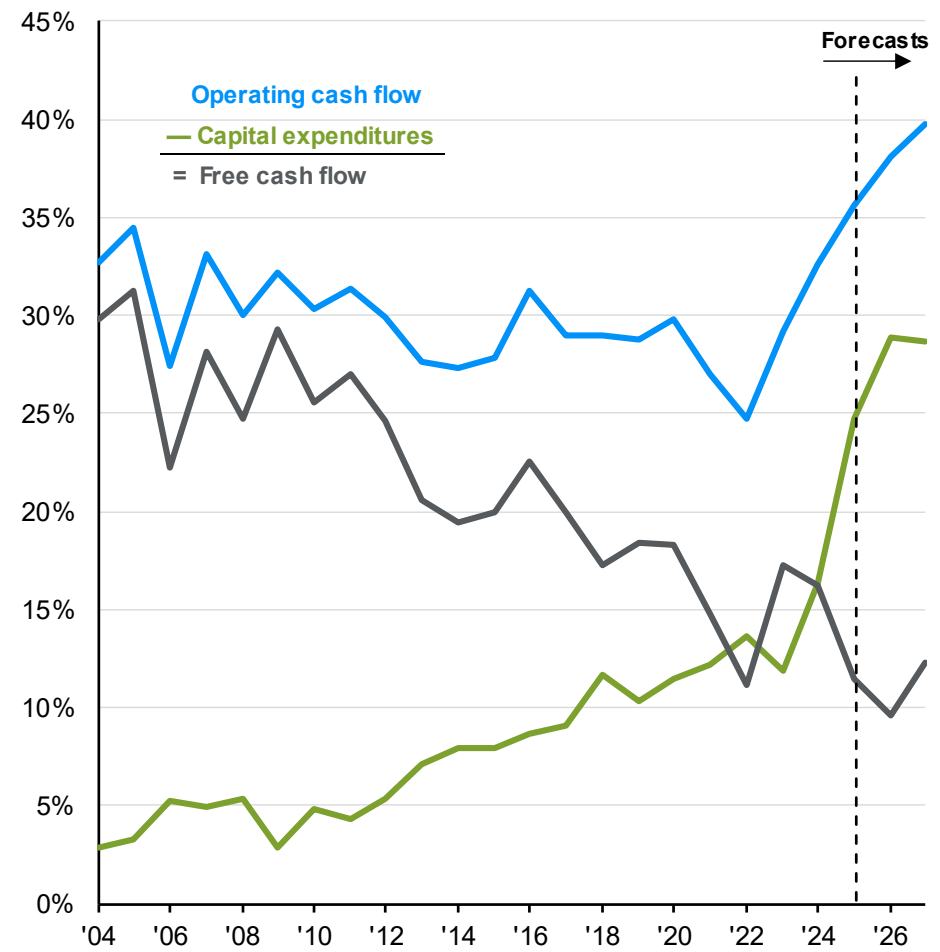
Capex from the major AI hyperscalers*

USD billions; Alphabet, Amazon, Meta, Microsoft, Oracle



Hyperscalers' cash flow and capex

% of sales



Source: Bloomberg, J.P. Morgan Asset Management.

Data for 2025, 2026 and 2027 reflect consensus estimates. Capex shown is company total. *Hyperscalers are the large cloud computing companies that own and operate data centers with horizontally linked servers that, along with cooling and data storage capabilities, enable them to house and operate AI workloads.

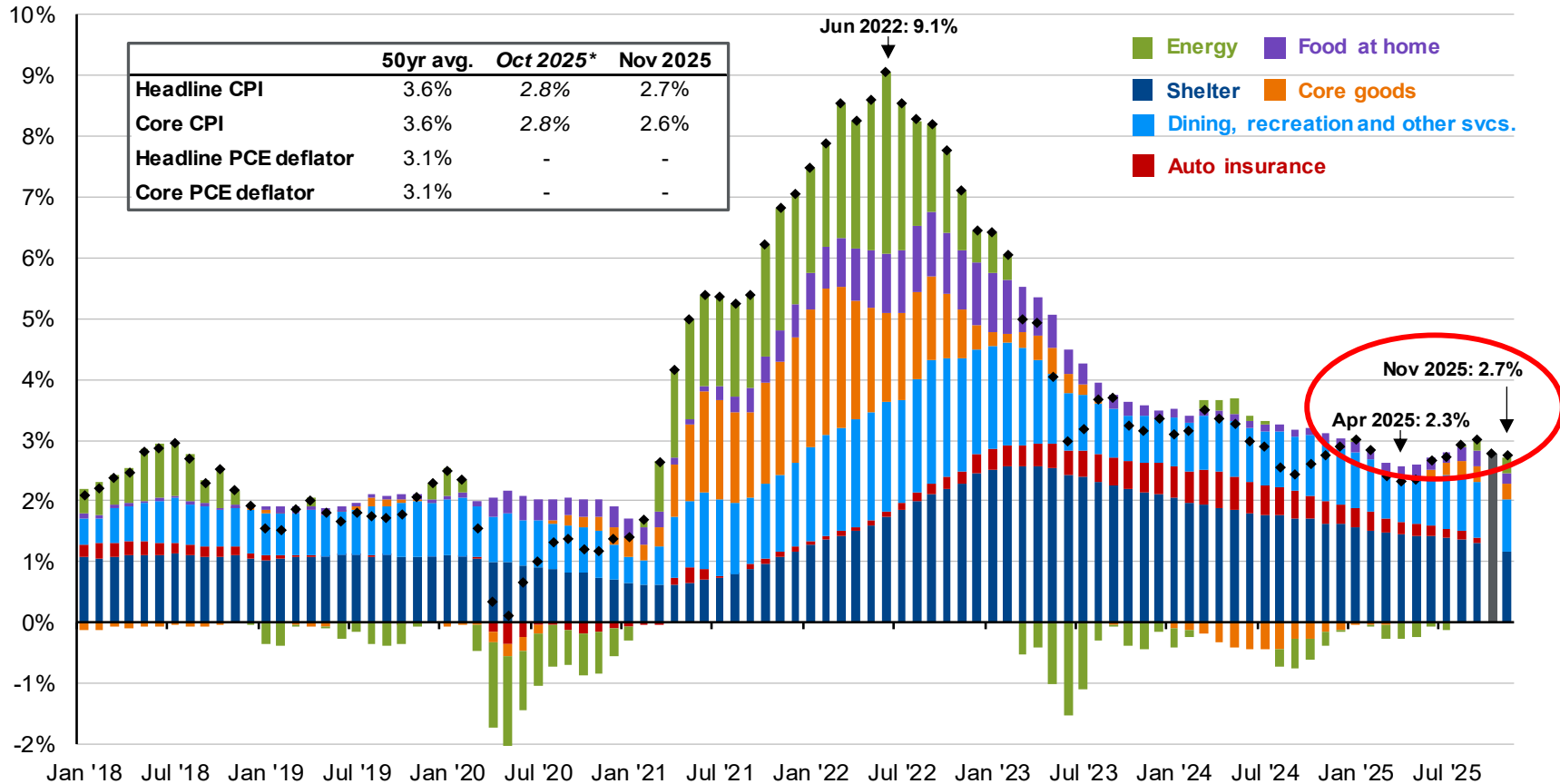
Guide to the Markets – U.S. Data are as of December 31, 2025.



Inflation Update

Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management.

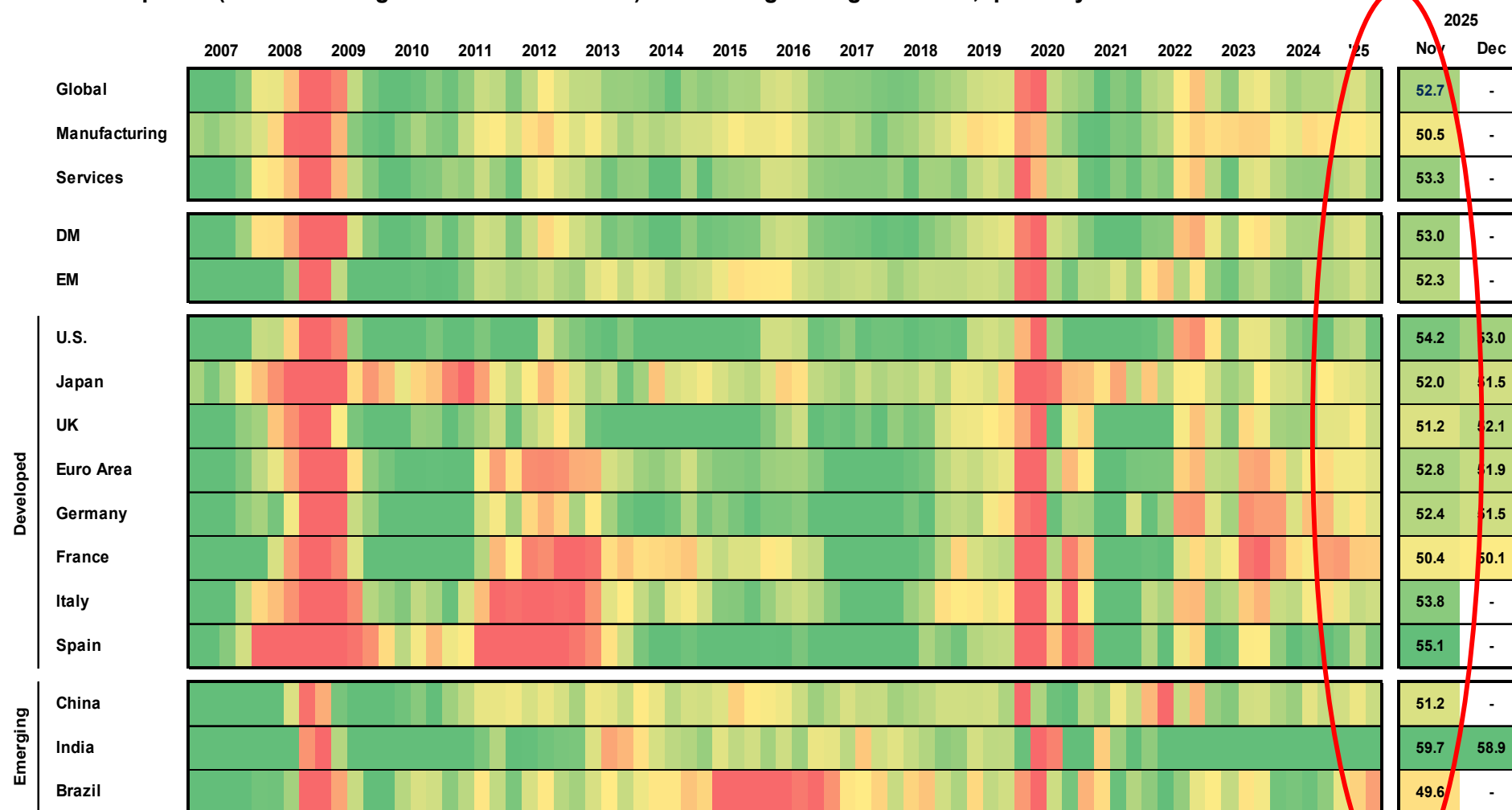
Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages. Headline and core PCE deflator inflation shown are based on seasonally adjusted data due to data availability. *Official October 2025 data unavailable due to government shutdown and data shown are J.P. Morgan Asset Management estimates.

Guide to the Markets – U.S. Data are as of December 31, 2025.



Global Economic Activity Update

Global Composite (manufacturing & services combined) Purchasing Managers' Index, quarterly



Source: J.P. Morgan Economic Research, Standard & Poor's, J.P. Morgan Asset Management.

Any italicized figures represent estimates by J.P. Morgan Asset Management. The Composite PMI includes both manufacturing and services sub-indices. Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the period shown. Heatmap is based on quarterly averages, except for the two most recent figures, which are single month readings. Data for the U.S. are back-tested and filled in for 2007 to 2009. Data for Japan are back-tested and filled in for the first two quarters of 2007. DM and EM represent developed markets and emerging markets, respectively.

Guide to the Markets – U.S. Data are as of December 31, 2025.



SilverOak's Market Outlook

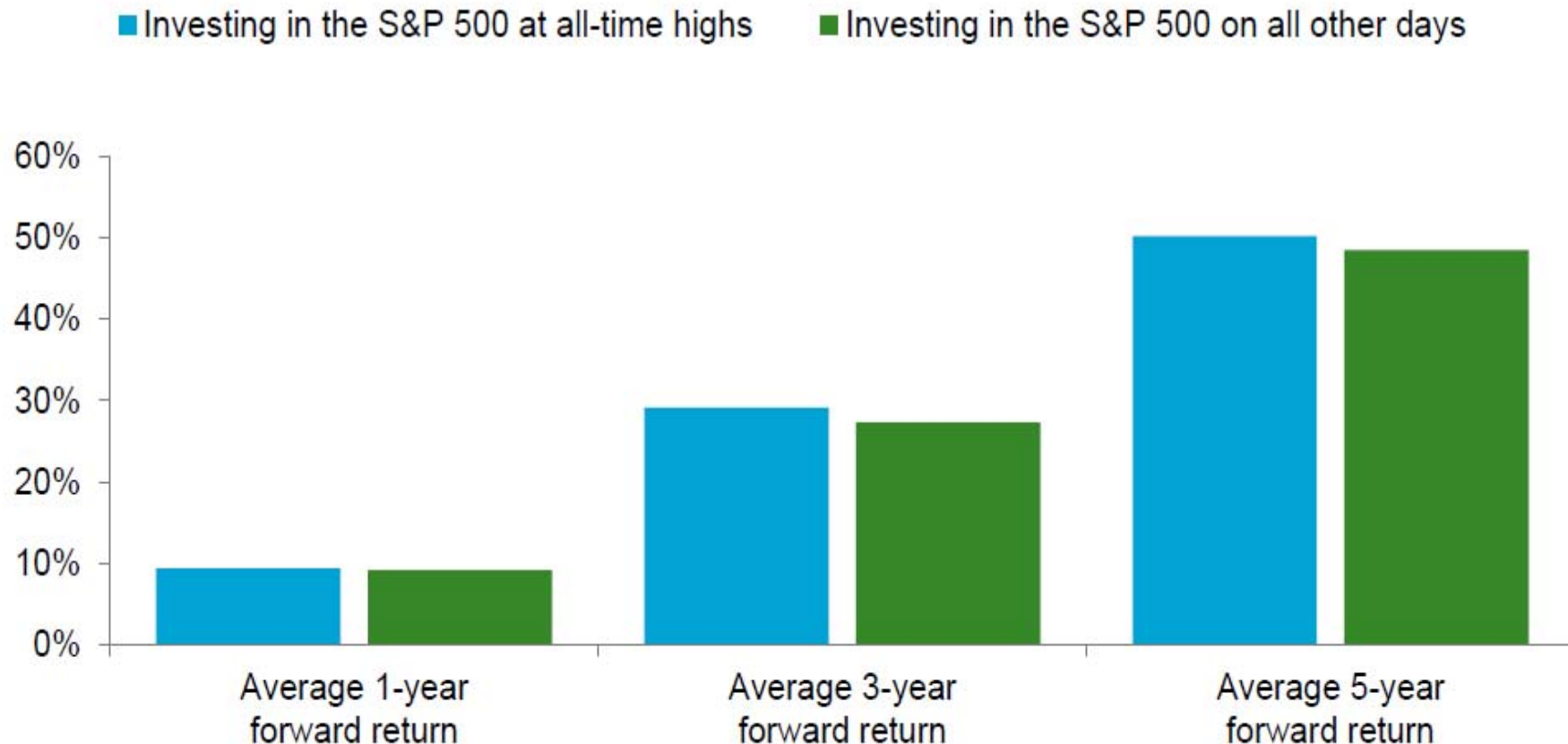
■ Equities

- Solid returns are expected but likely won't match 2025
 - Don't alter course because markets are near highs
- Solid Corporate earnings growth is expected in 2026
- Valuations are relatively high but reflect the current positive environment
 - US equity returns will likely be fueled by earnings growth rather than further valuation expansion
- Downside risks could materialize should consumer spending begin to pull back, or tariffs negatively impact economic growth and inflation
- Could see a pullback at some point during the year
 - Common during midterm election years
- International performance trends could continue in 2026
- Small caps could do better in 2026
 - Small cap earnings growth expected to accelerate



Investing During Market Highs

Average S&P 500 Returns Investing in all-time highs versus all other days since 1950



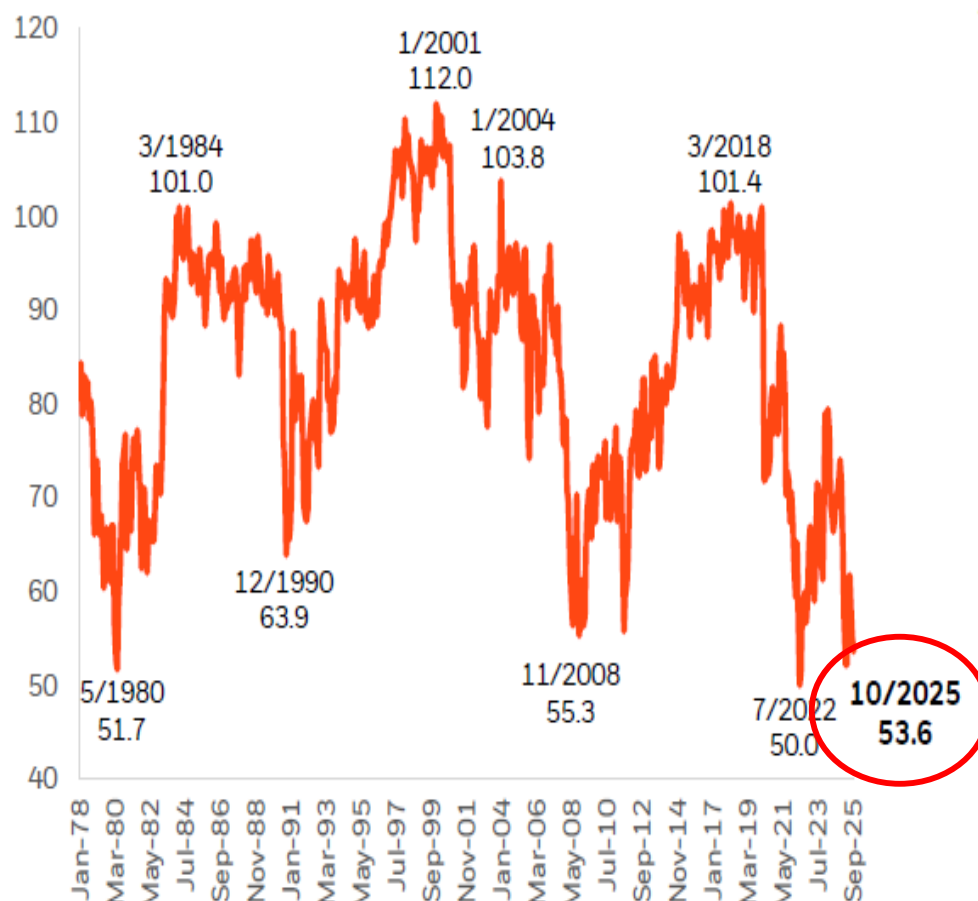
Provides current themes and views of the Capital Markets Specialist Group within Fidelity Institutional, as of 9/30/25. Individual views or outlooks may differ. Views are not intended to be substitutes for strategic asset allocation and reflect market views based on current economic conditions. Diversification does not ensure a profit or guarantee against a loss. The statements and opinions are subject to change at any time, based on market and other conditions. For illustrative purposes only. **Past performance is no guarantee of future results.** It is not possible to invest directly in an index. All market indices are unmanaged. Index performance is not meant to represent that of any Fidelity fund. Source: FactSet, as of 9/30/25.



Consumer Sentiment Near Lows

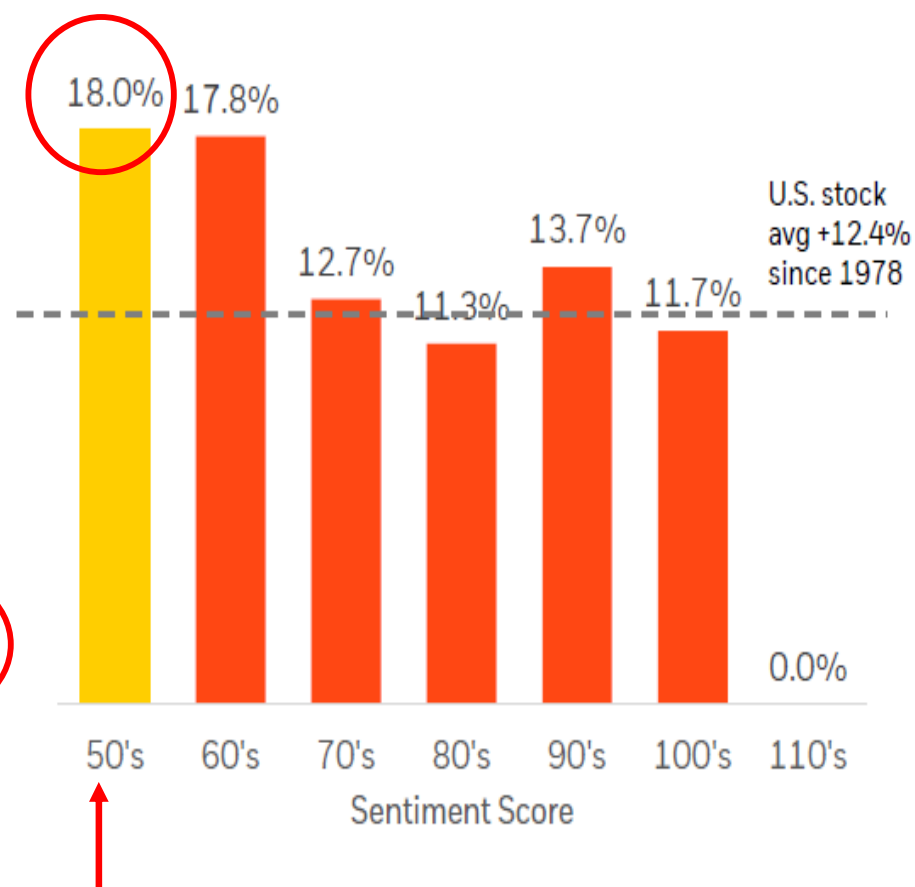
Consumer sentiment survey

University of Michigan survey since 1978



U.S. stock performance following positive and negative sentiment periods

12 month returns, since 1978



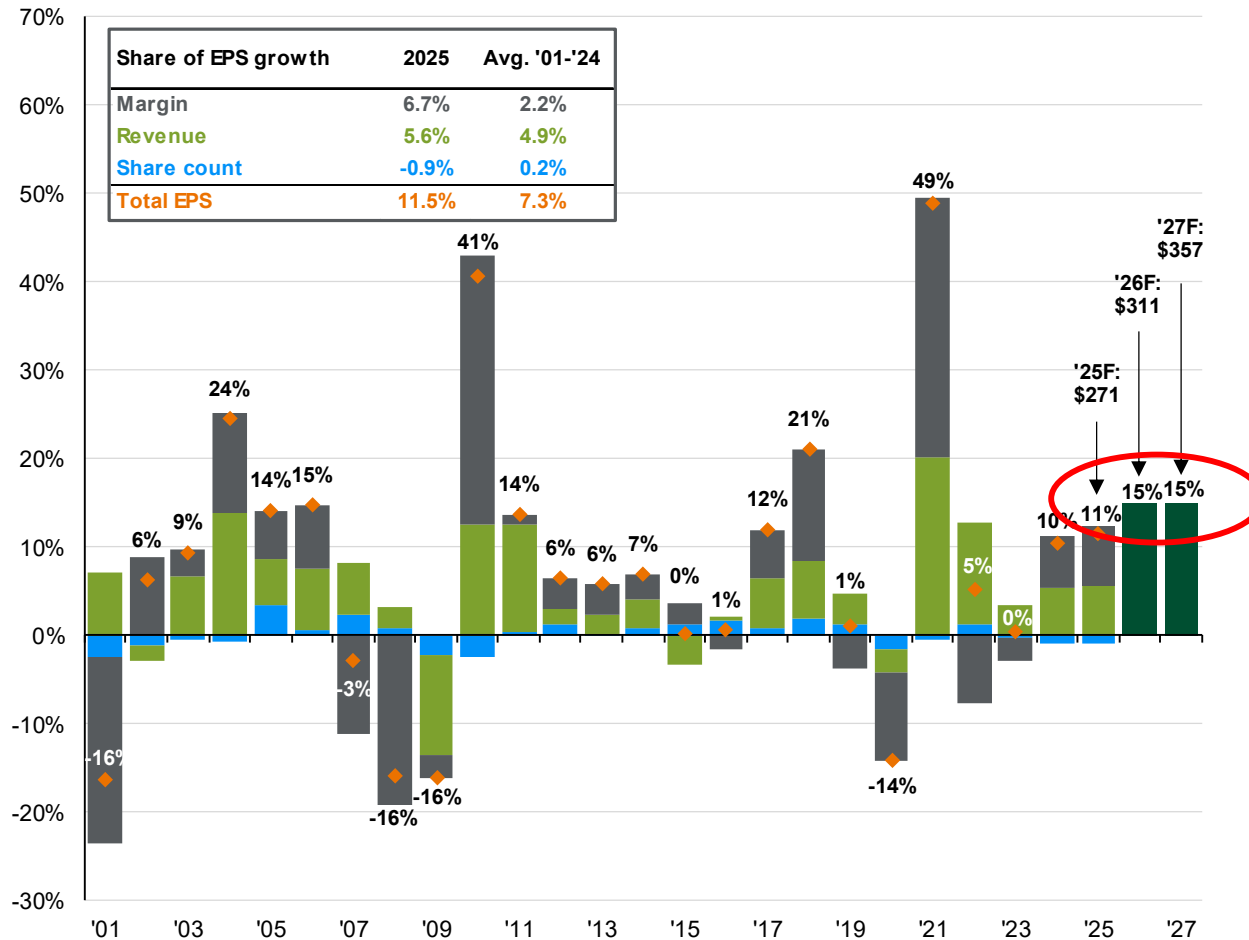
Source: Morningstar, St Louis Federal Reserve and the University of Michigan as of 11/30/25. Stock market represented by the S&P 500 Index. Positive and negative sentiment are not external labels – they are defined directly by the Michigan survey responses themselves, based on how many people report improving vs. worsening conditions. This illustration assumes reinvestment of dividends and capital gains. Assumes investor stays fully invested over the full time period. Index performance is for illustrative purposes only. Past performance does not guarantee or indicate future results. It is not possible to invest in an index.



Earnings Growth

S&P 500 EPS growth

Year-over-year growth broken into changes in revenue, profit margin and share count



S&P 500 profit margins

Quarterly earnings/sales



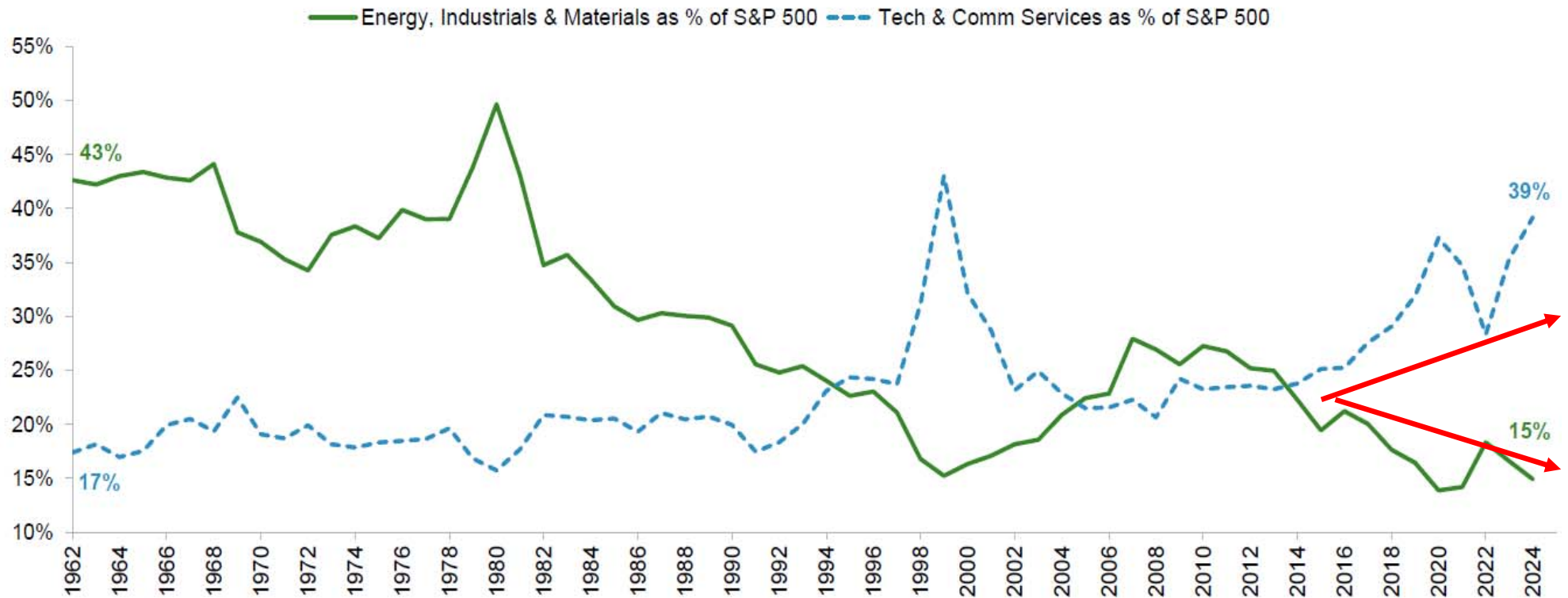
Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Historical EPS values are based on annual earnings per share. Forecasts for 2025, 2026 and 2027 reflect consensus analyst expectations, provided by FactSet. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of December 31, 2025.



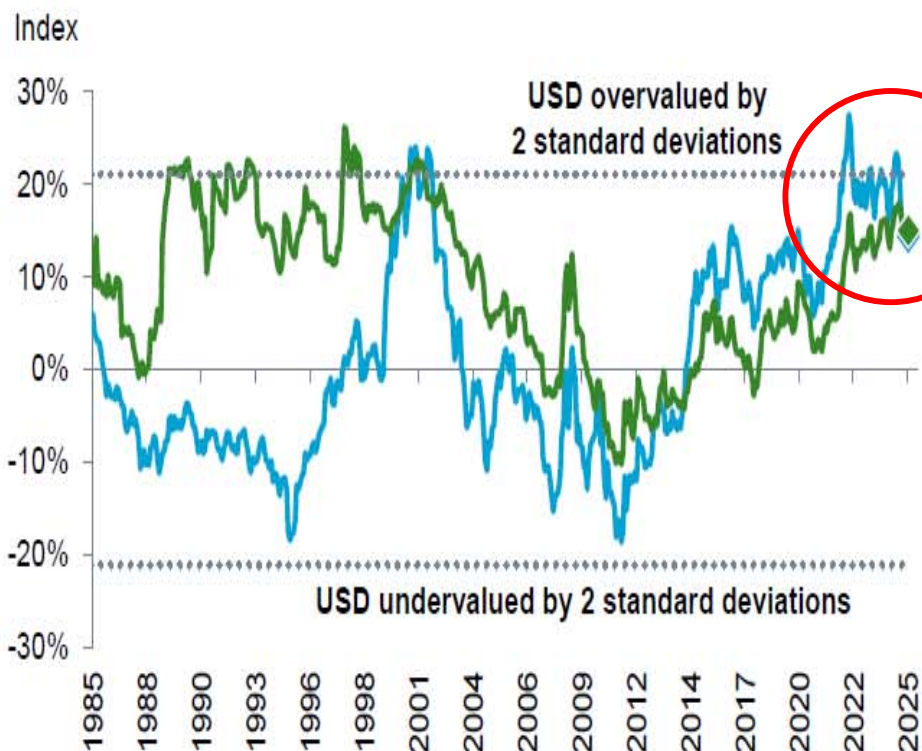
Valuation Due to Market Shifts



US Dollar Trends and International Returns

U.S. dollar valuations (1985–Present)

— U.S. dollar vs. developed markets — U.S. dollar vs. emerging markets

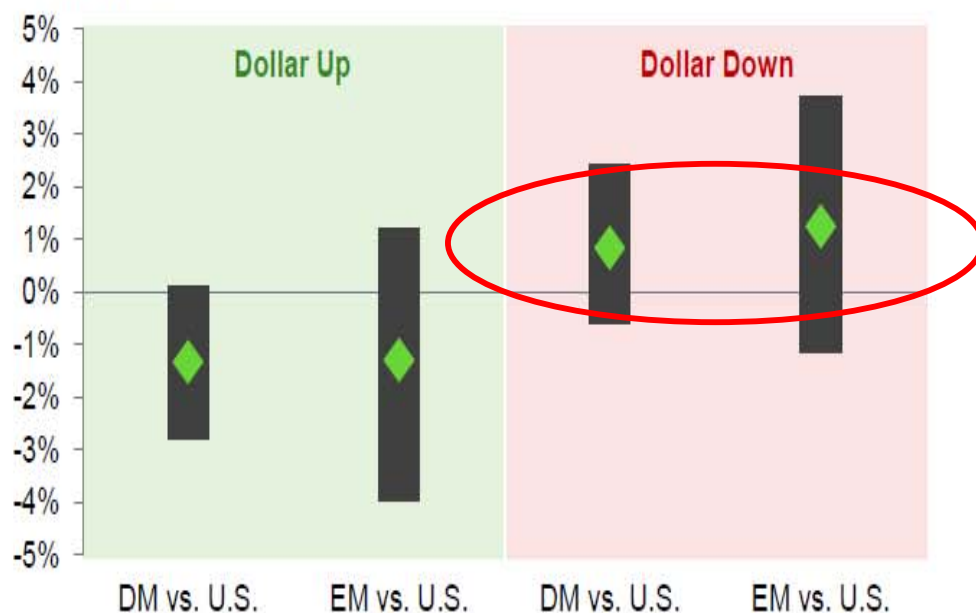


U.S. Dollar Index is DXY. Measures the dollar against a basket of six currencies (euro, Japanese yen, British pound, Canadian dollar, Swedish krona, Swiss franc). Source: Bloomberg, Fidelity Investments (AART), as of 9/30/25.

Relative regional equity performance by U.S. dollar changes, 2003–present

◆ Median ■ 25th–75th percentile range

Monthly return



Source: DM is represented by MSCI EAFE Net Total Return USD Index. EM is MSCI Emerging Net Total Return USD Index. U.S. is S&P 500. The dollar is represented by the Bloomberg Dollar Spot Index. State Street Global Advisors, BlackRock, Bloomberg, Macrobond, Fidelity Investments (AART), as of 9/30/25.



Volatility Is the Price of Admission

To achieve the power of compounding, an investor must tolerate downside risk

Frequency and magnitude of historical equity market risk (since 1950)

- 3 corrections of **5%** per year
- 1 correction of **10%** per year
- 1 correction of **>15%** once every 3 years
- 1 correction of **>20%** once every 5 years



Opportunity:

~11% annual
historical return



S&P 500 “batting average”

(i.e., % of positive calendar years) since 1950

75%

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index performance is not meant to represent that of any Fidelity mutual fund. “Opportunity” data represents the approximate average annual return for the S&P 500 index since 1950. Provides current themes and views of the Capital Markets Specialist Group within Fidelity Institutional, as of 9/30/25. Individual views or outlooks may differ. Views are not intended to be substitutes for strategic asset allocation and reflect market views based on current economic conditions. Diversification does not ensure a profit or guarantee against a loss. The statements and opinions are subject to change at any time, based on market and other conditions. Source: Morningstar, as of 9/30/25.



SilverOak's Market Outlook

■ Fixed Income

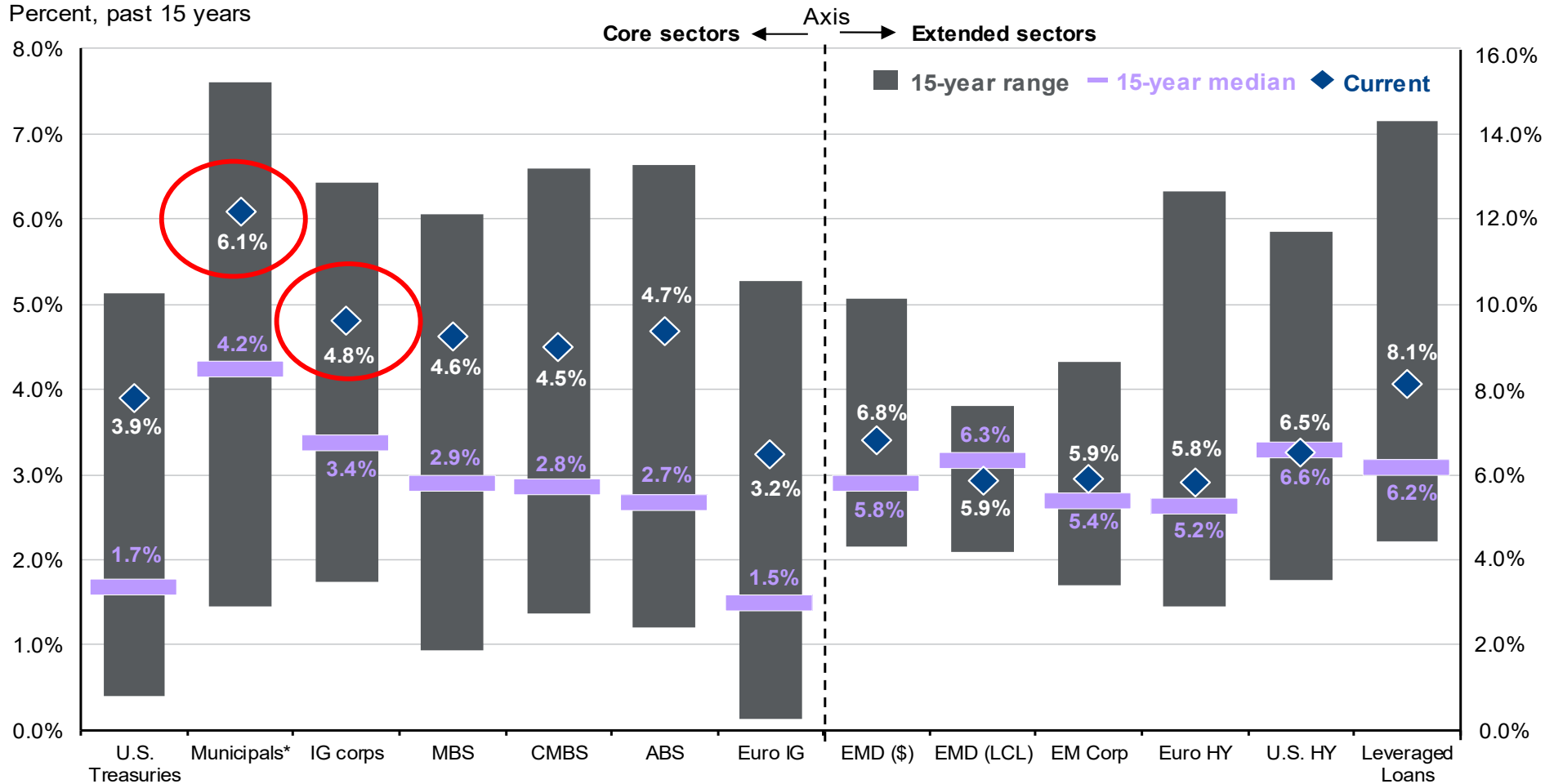
- Should continue to provide stability
 - Current bond yields typically set future fixed income returns
- Fed likely to cut rates modestly over the next year
 - Price appreciation likely to be limited
- Yields across most core fixed income areas remain attractive
 - Municipal bonds are particularly attractive despite the recent improvement in performance during the third quarter
 - Risk vs. reward remains favorable



Attractive Fixed Income Yields

Yield to worst across fixed income sectors

Percent, past 15 years



Source: Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management.

Indices used are Bloomberg except for ABS, emerging market debt and leveraged loans: ABS: J.P. Morgan ABS Index; CMBS: Bloomberg Investment Grade CMBS Index; EMD (USD): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged Loans: JPM Leveraged Loan Index; Euro IG: Bloomberg Euro Aggregate Corporate Index; Euro HY: Bloomberg Pan-European High Yield Index. Yield to worst is the lowest possible yield that can be received on a bond apart from the company defaulting and considers factors like call provisions, prepayments and other features that may affect the bonds' cash flows. ABS data begins in 2012. *All sectors shown are yield to worst except for Municipals, which is based on the tax-equivalent yield to worst assuming a top income tax bracket rate of 37% plus a Medicare tax rate of 3.8%.

Guide to the Markets – U.S. Data are as of December 31, 2025.

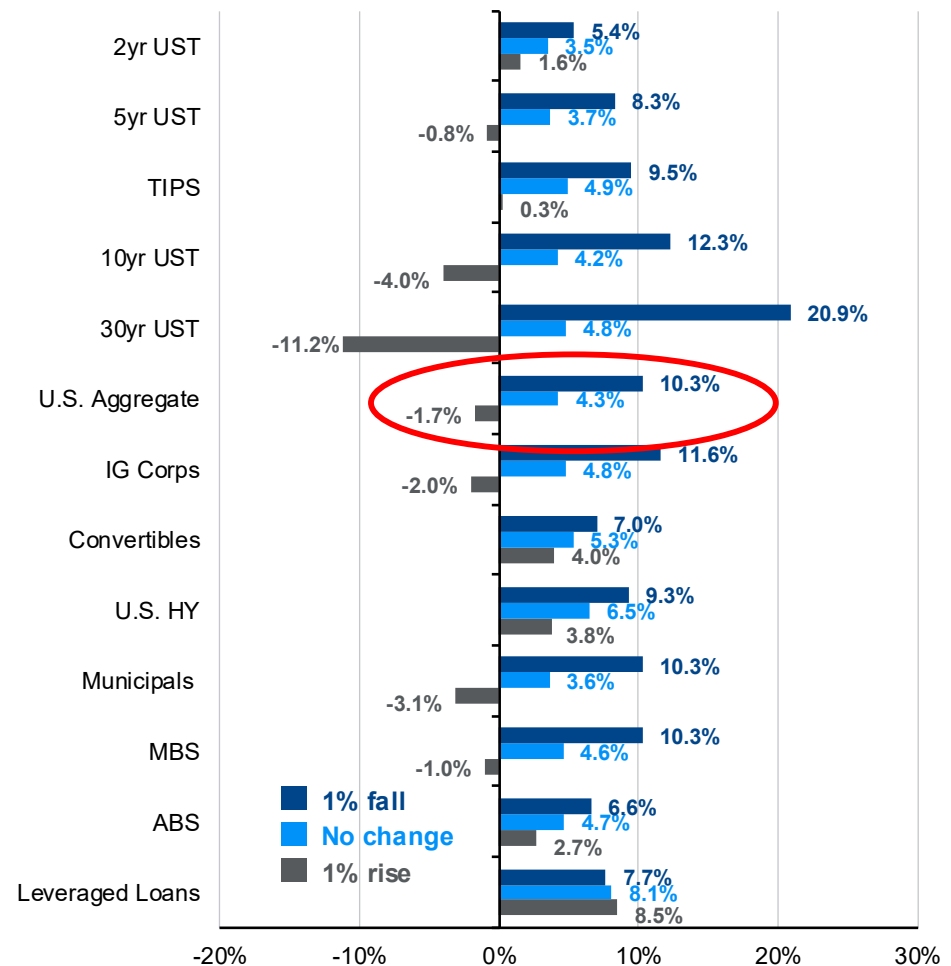


Attractive Risk vs. Reward

U.S. Treasuries	Yield		Return		Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
	12/31/2025	12/31/2024	2025				
2-Year	3.47%	4.25%	4.95%	2 years	0.74	0.02	
5-Year	3.73%	4.38%	7.15%	5	0.94	0.02	
TIPS	1.69%	2.13%	7.01%	7.1	0.75	0.37	
10-Year	4.18%	4.58%	8.19%	10	1.00	-0.01	
30-Year	4.84%	4.78%	3.73%	30	0.93	-0.05	
Sector							
U.S. Aggregate	4.32%	4.91%	7.30%	8.2	0.91	0.29	
IG Corps	4.81%	5.33%	7.77%	10.4	0.70	0.51	
Convertibles	5.27%	6.13%	17.78%	-	0.01	0.86	
U.S. HY	6.53%	7.49%	8.62%	4.8	0.12	0.79	
Municipals	3.60%	3.74%	4.25%	13.5	0.73	0.32	
MBS	4.63%	5.27%	8.58%	7.3	0.83	0.30	
ABS	4.69%	5.38%	6.02%	2.2	0.39	0.29	
Leveraged Loans	8.13%	8.68%	5.99%	4.7	-0.20	0.61	

Fixed income returns in different interest rate scenarios

Total return, assumes a parallel shift in the yield curve



Planning Tips for the New Year



New Year Planning Tips

- Don't adjust risk tolerance due to recent market performance
- Remember April 15th tax filing deadline
 - Make sure you have your tax information compiled
 - Get this information to your tax preparer as soon as possible
- Foreign bank account reporting
 - Two reporting requirements
 - Form 8938 (due with income tax return)
 - FBAR (due with income tax return – no longer due 6/30)



New Year Planning Tips

- Now is a great time to start tax planning for 2026
 - Adjust withholding and/or estimated tax payments
 - Create a good filing system for the year
 - Keep receipts for charitable donations above \$250
- Review 2025 spending
- Confirm that you are maxing out your 401(k) contributions
 - \$24,500 annual contribution limit
 - \$8,000 “catch-up” contribution for age 50 and over
 - \$11,250 “catch-up” for those between age 60-63
 - “Catch-up” contributions for high earners (>\$150,000 FICA wages prior year) must be made on an after-tax basis starting this year!



New Year Planning Tips

- If you qualify, max out your IRA contribution
 - \$7,500 annual contribution limit for 2026
 - \$1,100 “catch-up” contribution for age 50 and over
- Utilize HSAs for long-term investments
 - \$4,400 annual limit for individuals, \$8,750 for family
 - \$1,000 “catch-up” contribution for age 55 and over
- Review your estate documents
- Confirm beneficiary designations
- Rebalance other investment accounts
- Ensure you have proper insurance coverage
 - Life, disability, auto, property and umbrella



New Year Planning Tips

- If it's been a while, get a copy of your credit report
 - www.annualcreditreport.com or 877-322-8228
- Consider freezing your credit with all four credit bureaus
 - <https://www.transunion.com/credit-freeze>
 - <https://www.equifax.com/personal/credit-report-services/credit-freeze/>
 - <https://www.experian.com/help/credit-freeze/>
 - <https://www.innovis.com/securityFreeze/index>
 - Retain your PINs!
- Consider subscribing for title alerts



New Year Planning Tips

- Review Social Security statement online
 - <https://www.ssa.gov/myaccount/>
- Consider creating an online ID.me account
- Request an IRS IP PIN
- Plan your charitable giving
 - Review and fund your DAF fund with appreciated stock
 - Review and plan your QCDs, if age 70½ or older
 - An above the line deduction for non-itemizers in 2026
 - \$1,000 for single and \$2,000 for joint filers
 - New 0.5% adjusted AGI floor for higher income itemizers



SilverOak Updates

- IQSStm (Investment Quality Scoring Systemtm) update
 - Performance update
 - Added three new positions to the Recommended List
 - Four positions upgraded and removed from the Watch List
- SilverOak updates
 - Buildout of space in progress
 - Several technology and AI projects to be completed in 2026
 - Looking to hire within our financial planning and trading teams as well as potentially a finance manager



End of Quarterly Webinar

Please contact your SilverOak Advisor
to discuss any questions and/or concerns.

If you are not currently working with SilverOak, feel free
to contact us at 952-896-5701 to learn more about our services.

www.silveroakwealth.com

