



SAM NEWS

2nd Quarter 2026 Report
July 2026

Sharp Rebound

Stocks notched their lowest point of the year right at the end of the 1st quarter- on March 26th. Since that time, stocks have erased the year-to-date losses and are now solidly positive for 2026. April turned out to be the best month of the entire multi-year market advance, with the S&P 500 Index rising 10.49%. That follows the pattern that has defined this entire bull market for stocks- a steady climb accompanied by persistent doubt.

In recent years, investors have been forced to assess whether specific events would stall the market's advance. In 2022, it was the Russia-Ukraine war. In 2023, the failure of Silicon Valley Bank triggered fears of a broader financial crisis. In 2025, tariffs dominated headlines and raised concerns about growth and inflation. In 2026, the Iran war has become the focal point of anxiety. And yet, the U.S. stock market remains very close to all-time highs. Please read on for our SAM Outlook and SAM Strategy sections.

2nd Quarter 2026 INVESTMENT REPORT

Stocks sharply rebounded during the 2nd quarter and the major U.S. indices notched new all-time highs. Year-to-date, the S&P 500 is up 10.2%, the tech-heavy Nasdaq Composite has gained 13.1%, small company stocks represented by the Russell 2000 are up 22.6%, and the DOW is positive by 9.8%. Developed international stocks (MSCI EAFE) are in line with U.S. stocks- up 9.4%. Emerging markets are up 26.4% year-to-date and are up an astounding 45% over the last year. Bonds, as represented by the Bloomberg U.S. Aggregate have had muted year-to-date returns of just 0.6% as bond investors try to assess recent inflation data and the direction of the Federal Reserve. Gold prices are negative year-to-date and Bitcoin is down 33% so far in 2026.

INVESTMENT INDICES

All numbers listed are total returns (including dividends) and are percentage gains or losses.

	2nd QTR	YTD	2025	2024
Dow 30	13.4%	9.8%	14.9%	15.0%
S&P 500	15.2%	10.2%	17.9%	25.0%
Nasdaq Composite	21.6%	13.1%	21.1%	28.6%
Russell 2000	21.5%	22.6%	12.8%	11.5%
MSCI EAFE (Int'l stocks)	10.8%	9.4%	31.2%	1.1%
Bloomberg Aggregate (Bonds)	0.7%	0.6%	7.3%	1.3%

****These are not the rates of return for SAM accounts, but are shown as a historical benchmark for various asset classes. SAM does not guarantee account performance. Accounts may lose value. Information taken from sources believed to be reliable, but its accuracy cannot be guaranteed.****

SAM MILESTONE

We are pleased to announce that Sierra Asset Management's assets under management crossed over \$500M (that is half a billion dollars!) during the quarter. Thank you to all of our long-term clients who have been with SAM since our inception in 1999 and to those clients who have chosen us as your advisor along the way. We continually receive referrals from existing clients and are sincerely grateful for the trust and confidence that you continue to place in our firm.

Upcoming Stock Market Holidays

Independence Day, July 4th
Celebrated July 3rd
Labor Day, September 7th

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SAM Outlook and Strategy on the following pages.



U.S. corporate earnings growth in the first quarter of 2026 was exceptionally strong, with the S&P 500 tracking at roughly 28% year-over-year profit growth. This surge marked a significant acceleration from previous quarters. Stock prices have not risen as quickly as earnings which means that stock valuations (measured by the P/E ratio) have actually declined. In our view, this does not point to an economy or a corporate sector on the brink, rather it seems to be the proof that U.S. businesses continue to execute despite a very uncertain backdrop. With the economy expanding, the odds of stock losses are much lower historically.

Even with the continued uncertainty regarding the peace agreement in Iran and the re-opening of the Strait of Hormuz, we believe that U.S. stocks will post a fourth consecutive positive year. International and emerging market stocks may again out-perform U.S. stocks for the 2nd year in a row, which would be great for our account performance. We anticipate that there may be some volatility throughout the remainder of the year, but hopefully the market lows from late March will prove to be the lowest point of the 2026.

SAM STRATEGY

Our mostly buy and hold strategy continues to serve clients well. We do not try to “time” the market and do our best to always maintain diversified portfolios. We do make some investment changes during the year to emphasize areas of the market that we think will outperform, or to trim underperforming investments. This may not be very exciting but has proven to provide steady returns over time.

As we enter the second half of the year, our investment allocations are still leaning toward the larger technology and artificial intelligence companies which have led the stock rally to this point. As of this writing the stock rally is broadening, which means that other sectors outside of technology are also participating in the market’s gains. A broadening of the market rally is generally healthy and indicates to us that the rally is more sustainable and not as dependent on a select group of companies- mostly in the technology sector. With U.S. stocks already up around 10% mid-year, we do not expect outsized gains in the coming months. We remain fully invested in client portfolios across all investment strategies.

Annual Review Appointments

We are continually setting in-person, telephone and Zoom online client review appointments. If we have not gotten together this year and you would like to set an appointment, please call our office toll-free at 877-658-5193 and we will schedule with you right away.

"In short, the Way to Wealth depends chiefly on two words, Industry and Frugality. He that gets all he can honestly, and saves all he gets (necessary expenses excepted) will certainly become RICH."

- Ben Franklin, "The Way to Wealth" (1758)



We sincerely appreciate your continued trust and confidence. If you know of someone who may benefit from our service, please pass along our contact information. As always, there is no cost for an initial consultation.