



Entrust Financial® LLC Market Commentary—2nd Quarter, 2026

ADAPTABILITY!

As many of our investors continue to enjoy well-deserved summer travel and time with their families, our Entrust team has been reflecting on market developments that were present during the most recent quarter, Q2 2026. We identified three primary themes that may offer perspective to investors regarding second quarter investment results and trends:

1. Markets Have Learned to Live with Uncertainty
2. The AI Story Is Expanding Beyond Technology
3. Diversification Matters More Than Predictions

Markets Have Learned to Live with Uncertainty

Because uncertainty so often leads to capital market volatility, investors' attention in the second quarter likely focused on a variety of concerns such as: trade negotiations, inflation, interest rates, and renewed geopolitical tensions that included the latest developments in the Middle East. And with heightened global tensions, investors might have questioned how their accounts managed to remain in strong positive territory.

Interestingly, in the current investing ecosystem, markets have shown an incredible ability to adapt. History shows us similar illustrations of market strength during tough times. And yet, despite difficult external environments such as we experienced in the second quarter, business growth and innovation have driven an upward long-term trajectory for many market segments.



The AI Story Is Expanding Beyond Technology

Speaking of business growth and innovation, the proliferation of AI is challenging markets to adapt at an accelerated pace. Of note in Q2 is that the AI story began to broaden beyond companies building the technology itself—companies that focus on semiconductors, data centers, and computing infrastructure.

What is changing? Investors are increasingly asking not only who builds AI, but who benefits from using it. Let's look at a useful analogy—the California Gold Rush. At first, it was all about searching for gold. But before long, many of the biggest winners were the businesses selling the picks and shovels and supporting the entire ecosystem. Perhaps Artificial Intelligence is entering a similar phase?



Manufacturers are improving efficiency, healthcare companies are accelerating research, financial firms are automating routine tasks, and businesses across nearly every industry are finding ways to improve productivity. As a result, investor enthusiasm has begun to expand beyond a small group of technology companies and into multiple sectors of the economy.

Diversification Matters More Than Predictions

Artificial Intelligence may prove to be one of the defining innovations and growth engines of this generation. At the same time, not every company participating in a transformational trend ultimately becomes a long-term winner. Some businesses may exceed expectations, others may disappoint, and surprising new leaders may emerge.

This is what makes portfolio diversification so important. Rather than relying on a single prediction or investment theme, a thoughtfully constructed portfolio asset allocation is designed to participate in long-term opportunities while remaining resilient across a wide range of potential outcomes.

As we move into the second half of the year, we will continue monitoring the evolution of AI, corporate earnings, and geopolitical developments. Future results are never certain but disciplined investing and broad diversification remain two of the most reliable tools investors have as they aim for positive, consistent results in our increasingly complex world.

As always, your Entrust advisors welcome your feedback, and we look forward to our next conversation together.



The following are results for indices of asset classes commonly used to build our Entrust Financial Globally Diversified portfolios¹:

Asset Class Review	Q2 2026	2026 Year to Date	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing
US Large Cap Equity	15.14%	10.33%	22.02%	20.45%	12.65%	15.29%
US Small Cap Equity	21.49%	22.57%	40.78%	18.58%	6.98%	11.62%
International Equity	10.82%	9.44%	20.23%	16.42%	9.04%	9.65%
Emerging Market Equity	24.05%	23.85%	43.51%	23.00%	7.19%	10.07%
Global Real Estate	8.77%	11.65%	10.51%	8.47%	1.96%	4.26%
US Corporate Bond	1.40%	0.86%	4.34%	5.28%	0.34%	2.59%
US Government Bond	0.32%	0.28%	2.71%	3.17%	-0.42%	0.86%
International Bond	0.99%	-0.90%	-1.95%	2.70%	-2.89%	-0.65%

The above chart is for illustrative purposes only and does not attempt to predict actual results of any particular investment. Past performance is no guarantee of future results. It is not possible to invest directly in an index.

¹Source: YCharts. US Large Cap is represented by the Russell 1000 Index; US Small Cap is represented by the Russell 2000 Index; International is represented by MSCI EAFE Index; Emerging Markets are represented by the MSCI Emerging Markets Index; Global Real Estate is represented by the MSCI World Equity REITs Net Total Return; US Corporate Bonds is represented by the Bloomberg Barclays US Credit Intermediate Bond Index; US Government Bonds is represented by the Bloomberg Barclays US Treasury Intermediate; International Bonds are represented by the Barclays Global Aggregate Bond ex US Index. Returns as of 6/30/2026.

Past performance is no guarantee of future results. International investing involves special risks, including but not limited to, the possibility of substantial volatility due to currency fluctuation and political uncertainties. Diversification does not guarantee a profit nor protect against a loss. Large Cap refers to companies with a market capitalization value of more than \$10 billion. Large cap is an abbreviation of the term "large market capitalization." Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share. International investing involves special risks, including, but not limited to, the possibility of substantial volatility due to currency fluctuation and political uncertainties. Emerging markets are sought by investors for the prospect of high returns, as they often experience faster economic growth as measured by GDP. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities (many large companies may still be "state-run" or private). Also, local stock exchanges may not offer liquid markets for outside investors. Small cap stocks may be subject to a higher degree of risk than larger, more established companies' securities, including higher risk of failure and higher volatility. The illiquidity of the small-cap market may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost. Government bonds are guaranteed by the U.S. Government and if held to maturity, offer a fixed rate of return and fixed principal amount. Guarantee only applies to the timely payment of principal and interest and does not pertain to the portfolio or mutual fund, holding such securities. Values will fluctuate, and upon redemption, share values may be worth more or less than the original investment. Investments in high yield bonds entail higher risks, including greater credit risks. Their NAVs are sensitive to interest rate movements (a rise in interest rates can result in a decline in value of the investment). Upon redemption, share values may be worth more or less than the original investment. Corporate bonds are debt securities issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds. Corporate bonds are considered higher risk than government bonds. Treasury Inflation Protected Securities (TIPS) are a treasury security that is indexed to inflation aiming to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed. 6/30/2026