



July 2026 Monthly Update

Summer is here, the days are stretching out, and Independence Day fireworks are just around the corner. While you are trading spreadsheets for sunglasses and enjoying a well-earned break, it is also an opportune moment to check that your long-term financial strategy is still on track, no matter what kind of surprises the markets have planned for the rest of the year.

Market Recap: A Strong Second Quarter

Wall Street just wrapped up its best quarter in six years. The S&P 500 rose approximately 15%, the Nasdaq Composite rose 21%, and the Dow Jones Industrial Average gained 13%, marking the Dow's best quarter since 2022. The Dow also closed June at a record high.

Much of the lift came from AI-related semiconductor stocks. Standout performers such as Micron Technology (MU) and Advanced Micro Devices (AMD) posted strong gains and helped power the broader rally. At the same time, we saw healthy participation across smaller stocks, transportation companies, financials, healthcare, and industrials. Corporate earnings stayed robust, with solid beats in the first quarter and healthy growth expected for the rest of the year.

While the numbers are impressive, this kind of concentrated momentum also highlights why we emphasize a disciplined approach.

The Value of Staying the Course

Big quarterly gains can feel exciting, yet they also underscore one of the most important principles in wealth management: sticking with your long-term plan.

For most investors, especially busy professionals in aerospace, defense, tech, and supply chain roles here in North County, a sound, time-tested approach continues to be a well-diversified portfolio of low-cost index funds. This approach captures broad market growth over time while reducing the temptation to chase hot sectors or individual stocks. History shows that trying to time the market or jump between winners often leads to underperformance.

This quarter also featured meaningful participation beyond the largest names. Smaller companies, including those represented in the Russell 2000, posted solid gains alongside the leaders. Our automated portfolio rebalancing tools help keep client core portfolios aligned with their target allocations, allowing investors to benefit from strength across both large and small-cap segments without needing to make manual adjustments or chase individual winners. Just as an aircraft's flight management system continuously trims for balance across all engines and conditions, these tools maintain the right mix so your portfolio can participate in broader market movements while staying on course.

We expect continued volatility ahead, something the market has already shown plenty of in 2026. The key is having a plan that is built for the long haul, not just the latest headline.

Upcoming Tech IPOs: OpenAI and Anthropic

Two of the biggest AI names are preparing to go public, though on slightly different timelines.

Anthropic is currently leading the race. The company filed confidentially on June 1 and is aiming for an IPO as early as October 2026, with a public S-1 likely in late summer or September.



Backed by a massive \$65 billion Series H round in May that valued it at \$965 billion, Anthropic is targeting a \$1 trillion valuation and could become the first AI startup to clear that mark on Wall Street.

OpenAI, on the other hand, appears to be leaning toward a delay. After a confidential filing in early June, recent reports suggest leadership is now targeting 2027. This caution follows recent tech IPO volatility, including SpaceX's June listing, and the desire to reach a \$1 trillion valuation with stronger revenue compounding to offset heavy computing costs.

For a deeper look at OpenAI's perspective on the IPO timeline and the significant compute challenges ahead, OpenAI CFO Sarah Friar recently joined the All-In Podcast. You can watch the full conversation here: [OpenAI CFO Sarah Friar](#)

These IPOs will likely bring more attention and potential volatility to the AI sector. As always, we will be watching closely. For most clients our focus remains on maintaining broad exposure through diversified index strategies rather than concentrated bets on individual companies.

Smart Charitable Giving with Donor-Advised Funds (DAFs)

A Donor-Advised Fund (DAF) is a dedicated, tax-advantaged investment account reserved exclusively for your charitable giving. If you are already supporting causes you care about, a DAF lets you maximize the impact of your dollars while strategically managing tax liabilities.

Key benefits and strategic advantages include:

- **Immediate Tax Deduction via Bunching:** You receive a deduction in the year you contribute, even if grants to charities come later. This supports charitable bunching, combining multiple years of giving into one high-income year to exceed the standard deduction and unlock larger tax savings.
- **Appreciated Assets Advantage:** Contribute long-term appreciated stocks or mutual funds and eliminate capital gains taxes while deducting the full fair market value.
- **Tax-Free Growth:** Investments inside the DAF grow tax-free, allowing your giving pool to compound and aim for greater impact over time.
- **Simplified Administration and Privacy:** One consolidated tax receipt instead of tracking dozens of charities. You can also choose anonymity for your donations.

A DAF cleanly separates the tax decision from the giving decision, giving you flexibility to distribute funds thoughtfully over many years. Tax laws are subject to change and individual circumstances vary. Please consult a qualified tax professional before implementing any strategy.

I can help you explore options across different types of providers, whether you prefer a national platform, a more self-directed approach, or a local organization aligned with your personal or faith-based values. If you are interested in setting up a new DAF or optimizing an existing one, including selecting investment options or identifying which appreciated assets to contribute, I would be happy to walk you through the process.



Additional Portfolio Tools Available

Private Market Options

Through our custodial platform at Altruist, I now have expanded access to private markets for qualified clients. Altruist recently launched an alternatives marketplace that brings institutional-quality strategies, including private equity, real estate, and infrastructure, directly to independent RIAs like ours.

This includes offerings from top managers such as Blackstone, KKR, J.P. Morgan Asset Management, and Pantheon. These can be implemented via separately managed accounts or other structures, with a fully digital workflow for document preparation, e-signatures, reporting, and billing, all within the same platform. Private market holdings integrate seamlessly so you can view them alongside your traditional investments.

These private market strategies are best suited for accredited investors with longer time horizons and a desire for further portfolio diversification beyond traditional stocks and bonds.

High-Yield Cash Solutions

I can also help you set up high-yield cash accounts through Altruist. These accounts offer competitive yields with extended FDIC insurance, up to \$3 million per depositor for individual, trust, and business accounts and up to \$6 million for joint accounts, flexible ownership options, no account minimums, and unlimited withdrawals and transfers with immediate availability via digital journaling. All balances earn the same rate.

Current rates, as of the [latest](#) available information and subject to change:

- Standard High-Yield Cash: 3.20% APY
- For clients participating in the Altruist One program: 3.50% APY

Let me know if you would like to explore how these options might fit into your overall financial picture.

Mid-Year Review Meetings

For active clients, you will be receiving calendar invites shortly for our mid-year scheduling. These are valuable opportunities to review progress toward your goals, adjust for any life or market changes, and make sure everything remains aligned.

Tech & Compliance Update: A New Way to Reach Me

I am excited to announce that you can now **text** or **call me** directly at **(858) 230-8094**. Please feel free to use this phone number for secure communications; it is hosted on an enterprise-grade cloud security platform.

As always, thank you for the trust you place in Pax Horizon Wealth Management. Our focus remains on clear, long-term planning that supports your family's financial goals and keeps your wealth journey on a steady, well-plotted course.

Best regards,

Christopher J. Edwards

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