

THE FWS INVESTMENT PROCESS

Executive Summary | Q2 2026

Every FWS portfolio is built around your family. Your goals. Your timeline. Your tax situation. Your tolerance for risk. Your legacy. These five dimensions of your life shape every decision: what the portfolio holds, how it is structured, when it rebalances, and how it evolves as your life does.

YOUR FAMILY AT THE CENTER

TIME HORIZON	How long your assets can stay invested before they need to work differently — and what they're ultimately working toward. Retirement. A business transition. A legacy for the next generation. A longer runway creates room to hold through volatility and pursue growth. A shorter one demands more precision and a different structure entirely.
LIQUIDITY NEEDS	Life has expenses that don't wait for markets. Planned distributions, major purchases, reserves for the unexpected. We map every near-term capital need and structure the portfolio around it, so a short-term requirement never forces a long-term mistake.
TAX SITUATION	After-tax return is the return that matters. Your income, your account structure, and your applicable rates shape where assets are held, how gains are managed, and how the portfolio is positioned across your entire household. Tax planning is built in from the start, not added at year-end.
RISK TOLERANCE	Not a questionnaire result. A genuine understanding of how you respond when portfolios decline, and what level of drawdown you can absorb without abandoning the plan. A strategy you can't stay in is the wrong strategy, regardless of how it performs on paper.
LEGACY GOALS	Whether you are building for the next generation, supporting causes you care about, or both, legacy informs every allocation decision and the estate strategy that surrounds it. Your portfolio is a family balance sheet with a purpose, not simply an investment account.

The market environment shapes how we position your portfolio. Your life determines what it is positioned to accomplish. Understanding both is how we build a strategy that holds through every chapter, not just the current one.

WHY THIS MOMENT DEMANDS A DIFFERENT APPROACH

The investment landscape has changed fundamentally since 2019. Four structural shifts now shape every portfolio decision, and they reward a different kind of discipline than the prior decade required.

INFLATION RETURNED

After decades of below-target inflation, supply shocks, fiscal expansion, and geopolitical disruption have made inflation a persistent factor. Portfolios built for a low-inflation world may need to be rethought.

GEOPOLITICAL DISRUPTION

Energy, trade, and capital flows are subject to disruption in ways the prior decade never tested. Geopolitical events now move markets directly and rapidly, creating conditions that passive strategies were not designed to navigate.

FISCAL DETERIORATION

US government financial statements show \$47.8 trillion in liabilities against \$6 trillion in assets (US Treasury FY2025). Long-term commitments exceed expected revenues by a gap that grew \$10 trillion in a single year. This is permanent context for every allocation decision.

BOND SAFE-HAVEN BREAKDOWN

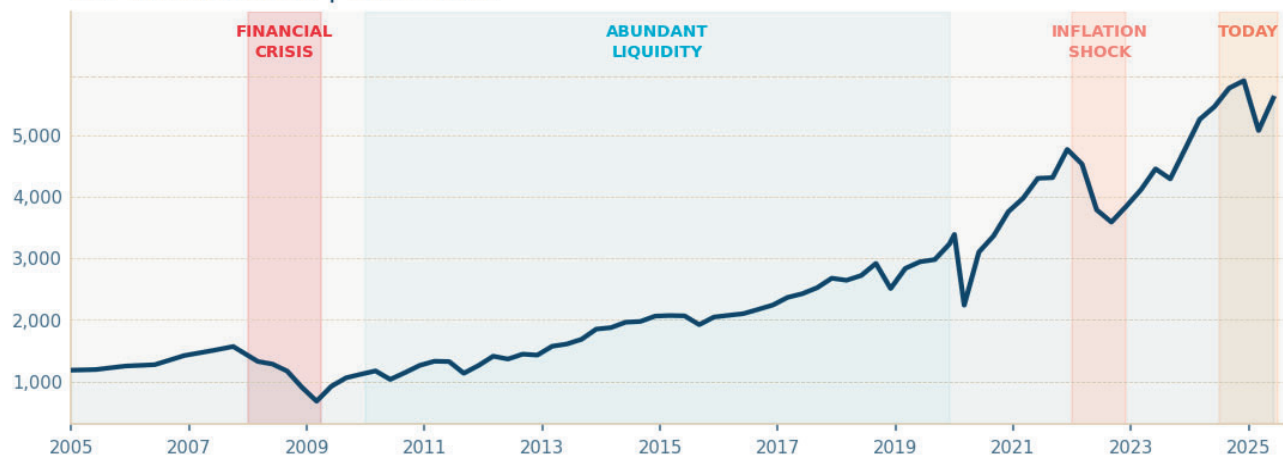
The four-decade pattern of bonds rising when stocks fall has broken down in inflationary environments. Portfolios built on automatic 60/40 diversification have been exposed in the moments they were designed to hold.

Discipline, diversification, and structured governance. These are what the current environment rewards.

S&P; 500 ACROSS MARKET REGIMES | 2005 – 2025

Twenty years of market history show something important: the environment that defines one decade rarely carries into the next. Each shaded period below reflects a distinct macro-financial regime, with its own drivers, its own risks, and its own winners and losers. Portfolios built for one regime often struggled in the next. The FWS framework is designed to read these shifts and position your portfolio for durability across all of them.

S&P 500 Price Index | 2005 - 2025



Source: S&P; Dow Jones Indices. Chart reflects approximate S&P; 500 price index levels. Regime periods are illustrative and represent FWS's analytical characterization of macro-financial conditions. Past performance is not indicative of future results. Index returns do not reflect fees, expenses, or transaction costs. Investors cannot invest directly in an index.

THE REGIME FRAMEWORK

Markets move through macro-financial regimes, not straight lines.

A regime is defined by four interconnected forces. When they shift, portfolios built for the prior environment often underperform regardless of manager skill. The FWS process reads the current regime continuously and positions portfolios for durability across a range of conditions.

<p>01</p> <p>ECONOMIC GROWTH</p> <p>Expanding, slowing, or contracting</p>	<p>02</p> <p>INFLATION</p> <p>Rising, falling, or stable</p>	<p>03</p> <p>POLICY STANCE</p> <p>Monetary and fiscal conditions</p>	<p>04</p> <p>LIQUIDITY</p> <p>Abundant, tightening, or stressed</p>
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REGIMES YOU HAVE ALREADY LIVED THROUGH

<p>2008–2009</p>	<p>FINANCIAL CRISIS · FWS Regime: Deflationary Credit Crisis</p> <p><i>Growth: Contracting – Inflation: Deflationary – Policy: Emergency Accommodation – Liquidity: Stressed</i></p> <p>Every risk asset fell together. Traditional diversification failed. Correlation went to one.</p>
<p>2010–2019</p>	<p>ABUNDANT LIQUIDITY · FWS Regime: Low-Inflation Growth / Goldilocks</p> <p><i>Growth: Expanding – Inflation: Suppressed / Below Target – Policy: Accommodative (ZIRP/QE) – Liquidity: Abundant</i></p> <p>Passive indexing thrived. Diversification appeared unnecessary. Many mistook a favorable regime for a permanent condition.</p>
<p>2022</p>	<p>INFLATION SHOCK · FWS Regime: Rate Shock / Tightening Cycle</p> <p><i>Growth: Slowing – Inflation: Surging – Policy: Rapidly Tightening – Liquidity: Withdrawing</i></p> <p>Stocks and bonds declined simultaneously for the first time in decades. Portfolios built on outdated assumptions suffered most.</p>
<p>NOW</p>	<p>OIL-SHOCK STAGFLATION · FWS Regime: Oil-Shock Stagflation</p> <p><i>Growth: Contracting – Inflation: Resurgent / Elevated – Policy: Hawkish Hold – Liquidity: Tightening</i></p> <p>The most complex regime since 2008. Slowing growth alongside persistent inflation. Real assets outperforming. Frameworks built for the prior decade may no longer apply.</p>

The world's leading endowments don't try to predict what markets will do next. They position for what might happen across a range of environments. By building frameworks rather than relying on forecasts, they stay prepared regardless of how conditions evolve. FWS applies that same discipline to family wealth management.

THE FWS INVESTMENT INTELLIGENCE ENGINE

Eighteen institutional frameworks. One advisor. Your family.

The FWS Investment Intelligence Engine continuously synthesizes eighteen institutional research frameworks — including Goldman Sachs equity analysis, Bridgewater regime frameworks, BlackRock portfolio strategy, Federal Reserve monetary policy, Harvard endowment allocation, PIMCO fixed income, and twelve more — delivering the same breadth of analysis used by the world’s largest pension funds and endowments.*

Every output is reviewed, challenged, and applied by your FWS advisor before it reaches you. The analysis is continuous. The judgment is always human. The accountability is always your advisor’s.

* FWS has no commercial relationship with and is not affiliated with or endorsed by Goldman Sachs, Bridgewater, BlackRock, the Federal Reserve, Harvard Management Company, PIMCO, or any other institution referenced. These names represent publicly available research traditions that inform FWS’s analytical process.

What this means for you: Before your advisor makes any recommendation, eighteen institutional frameworks have already been applied to your situation. You receive the analytical depth of an institutional investment office with an advisor solely accountable to your family’s interests.

HOW AI AND HUMAN EXPERTISE INTEGRATE

THE INVESTMENT INTELLIGENCE ENGINE	YOUR FWS ADVISOR	YOU RECEIVE
<p>Continuous market monitoring Live research synthesized daily across global markets, earnings, and geopolitics.</p>	<p>Deep knowledge of your family Your goals, history, values, and relationships: the context no algorithm can capture.</p>	<p>Analysis that is always current, always personal</p>
<p>18 simultaneous perspectives Goldman equity rigor, Bridgewater regime analysis, PIMCO credit discipline, and fifteen more.</p>	<p>The fiduciary relationship and every decision that flows from it No AI output reaches you without advisor review, challenge, and personalization.</p>	<p>Institutional depth with undivided fiduciary accountability</p>
<p>Frequent perspective, always current We publish weekly, monthly, quarterly, and annual economic and market commentary so our clients always know what we’re thinking, what we’re watching, and how we’re positioning their portfolios.</p>	<p>Judgment, trust, and behavioral governance Structured decisions prevent the reactive mistakes that destroy the most wealth. Your advisor builds the relationship that makes the plan work.</p>	<p>Discipline and trust that compound over time</p>



ASSETMARK: A PREMIER WEALTH MANAGEMENT PLATFORM

\$160B+

Platform Assets (Dec 31, 2025)

10,000+

Financial Advisors Served

300,000+

Investor Households on Platform

30

Years of Consistent Growth

Source: AssetMark, Inc. Platform statistics as of December 31, 2025. AssetMark, Inc. is an independent registered investment advisor. References to AssetMark do not imply any guarantee of performance or specific outcomes.

AssetMark is among the nation's largest wealth management platforms. Its scale gives FWS clients access to institutional managers, specialist resources, and operational infrastructure few independent advisors can replicate. What AssetMark provides is the infrastructure. What FWS brings is the judgment. The result is institutional depth with a single point of accountability: your FWS advisor.

INSTITUTIONAL MANAGER ACCESS	SUBJECT MATTER EXPERTS	OPERATIONAL EXCELLENCE
Strategies managed by BlackRock, Capital Group, PIMCO, DoubleLine, and others — the same managers used by major pensions and endowments. Every manager independently vetted by AssetMark's due diligence team.	Specialists in portfolio construction, tax-efficient investing, and philanthropic strategy. AssetMark's Tax Management Services generated an average annual tax savings of 1.42% for clients in 2025.†	Professional-grade custody, performance reporting, and consolidated account servicing across account types.

† Source: AssetMark, Inc. Tax savings reflect average results for clients utilizing AssetMark Tax Management Services in 2025. Individual results will vary. Past performance is not indicative of future results.

PORTFOLIO CONSTRUCTION AND TAX-EFFICIENT IMPLEMENTATION

Every portfolio begins with the current macro regime. Asset mix, manager selection, and positioning all follow from it. Tax efficiency is built into every step, not handled separately.

HOW WE CONSTRUCT THE PORTFOLIO	HOW WE MANAGE IT TAX-EFFICIENTLY
Regime-based positioning. Equities for growth, fixed income for stability, real assets for inflation protection, cash for liquidity. Adapts as the regime evolves.	Asset location. Every asset class placed in the most tax-advantaged account available. The right asset in the right account may improve after-tax outcomes over time.
Multi-manager diversification. Multiple institutional managers with different philosophies. No concentration in any one approach.	Tax-loss harvesting. Opportunistic harvesting converts declines into potential tax savings. Coordinated with your CPA. May not be appropriate for all investors or situations.
Multi-strategy construction. Growth and value, domestic and international, public and alternative. Strategies respond differently to conditions, reducing correlation.	Transition and event integration. Liquidity events, concentrated positions, business sales, and charitable giving coordinated as one integrated tax picture.



THREE CORE PRINCIPLES

01

DISCIPLINE OVER PREDICTION

Portfolios built to endure across scenarios, not to win in any one.

02

DIVERSIFICATION THAT ACTUALLY DIVERSIFIES

Strategies that respond differently to changing conditions, not simply more of the same exposures.

03

GOVERNANCE OVER IMPULSE

Structured decisions designed to prevent the behavioral mistakes most responsible for wealth destruction.

THE BOTTOM LINE

Markets will change. Regimes will shift. Leadership will rotate.

Your portfolio is built to navigate these changes without depending on perfect foresight. Endowment discipline. Regime-based portfolios. Human fiduciary judgment. One integrated process, built for your family.

SOURCES

Bureau of Economic Analysis (BEA), Bureau of Labor Statistics (BLS), Federal Reserve / FRED, Congressional Budget Office (CBO), Bloomberg, S&P; Dow Jones Indices, Morningstar, National Bureau of Economic Research (NBER), AssetMark, Inc. (platform statistics as of December 31, 2025), Yale Investments Office, Stanford Management Company, Harvard Management Company, US Treasury Department FY2025 Consolidated Financial Statements, Investment Company Institute (ICI).

IMPORTANT DISCLOSURES

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