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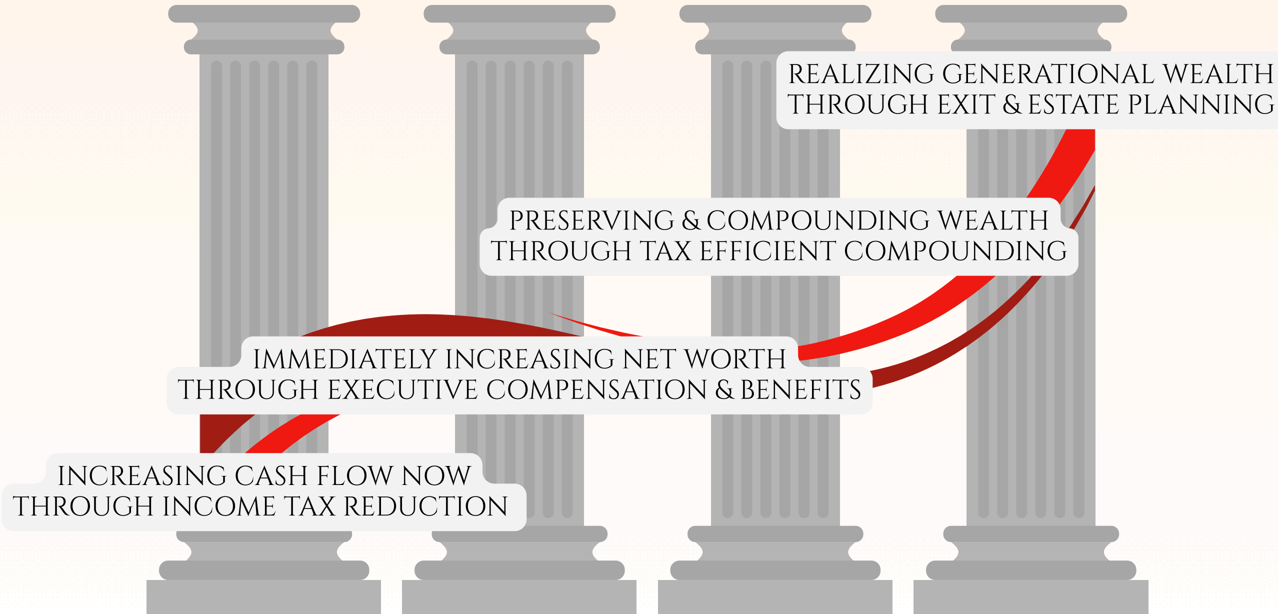
PANORAMA
FINANCIAL GROUP

The Four Pillars Of Tax Reduction



July Investments & Strategies Letter
"A Collection of Research and Resources"

Today's investors are hungry for knowledge and looking for unique and diverse investment opportunities. Whether you are seeking differentiated alternative investments, creative tax mitigation strategies, consistent income or long-term growth potential, the Panorama Financial Alternatives platform is built to support your goals. For high-income earners, effective tax mitigation focuses on income deferral, proactive deductions, and strategic investments.

See "Something to Consider" on Page 3 "Tax Mitigation Strategies"

THIS MONTH'S HIGHLIGHTS

Note: Content compiled as of June 20, 6:00 p.m. CT.

We're seeing contrasting views from Warren Buffett, Jamie Dimon and Fed Chairman Kevin Warsh. Their comments should be paid attention to.

- **Warren Buffett was critical of a stock market** that he sees as increasingly driven by speculative trading as opposed to long-term investing, stating "It's tough to find values when everybody is preferring gambling." The Berkshire Hathaway chairman has had cautionary words for the stock market in the past, likening it earlier this year to "a church with a casino attached."
- **Jamie Dimon of JPMorgan** spoke "nine words" after they reported record-breaking second quarter earnings. He stated that the current banking and economic environment is "getting close to as good as it gets." In addition, Dimon issued a stern warning that these conditions may be peaking and "global risks are shifting below the surface like tectonic plates".
- **Federal Reserve Chairman Kevin Warsh** views the U.S. economy as fundamentally solid but navigating a "no-win scenario" of elevated inflation and a divided rate-setting committee. He pledged a "regime change" vowing to end persistently high inflation and preserve central bank independence.

MARKETS REVIEW & SUMMARY: JULY 2026

Over the last two weeks, the U.S. financial landscape has been defined by a tug-of-war between softening inflation metrics, a structurally altered Federal Reserve tone, and a widening embrace of alternative asset structures. As markets process the transition into the year's second half, the interplay across economic indicators, public equities, and private credit underlines a critical point of inflection for asset allocators.

5 Quick Takeaways

1. **A historic inflation drop:** The June Consumer Price Index (CPI) dropped 0.4% month-over-month—the largest one-month decline since April 2020—dragging headline inflation down to 3.5% annually due to a sharp pullback in energy costs.
2. **The "hawkish" Warsh regime:** Despite cooling headline inflation, Federal Reserve Chair Kevin Warsh has firmly established a *hawkish tone*, abandoning traditional forward easing guidance and prompting markets to price in a "higher-for-longer" or active rate-hiking trajectory.
3. **Alts flood the mainstream:** A landmark wealth survey revealed that 95% of financial advisors now actively utilize alternative investments within client portfolios, solidifying the institutional-to-retail transition.
4. **The liquidity conundrum in private credit:** Even though institutional allocators are aggressively maintaining private credit exposure, structural liquidity remains a core anxiety, driving immense investor preference toward evergreen funds and semi-liquid interval vehicles.
5. **Private credit redemption gates:** Highlighting the "liquidity catch" of alternative investing, several high-profile private credit funds recently enforced structural redemption limits.

Credit Markets

The bond market is realigning with the new Fed regime. Long-dated yields have stabilized at higher baseline levels, reflecting a credit market that recognizes the Fed’s commitment to curbing inflation over preserving equity valuations. The CME FedWatch odds of an immediate interest rate hike at the Federal Reserve's late-July meeting plummeted from 47% down now to 15% following the report.

Conclusion

Overall, the past two weeks reinforced the narrative of a U.S. economy that continues to expand at a moderate pace while inflation gradually trends lower. Although equity markets experienced short-term volatility—particularly within technology—the broader investment environment remains constructive. Corporate fundamentals remain healthy, credit markets continue to function efficiently, and investor confidence in alternative investments remains strong.

For long-term investors, maintaining diversified portfolios across both traditional and alternative asset classes remains a prudent strategy in an environment characterized by moderating inflation, resilient economic activity, and selective market opportunities.

The mass "democratization" of alts: A major industry survey revealed that 95% of financial advisors now incorporate alternative investments into client portfolios, signaling a massive shift of non-traditional assets into the retail mainstream.

Real estate rebound with caution: Debt markets are gradually reopening, providing a better entry point for selective capital in private real estate. However, experts advise against broad risk-on behavior, pointing instead to niche sectors (like data centers and structured rental housing) where demand remains insulated.

SOMETHING TO CONSIDER
Why Tax Mitigation Matters

For high-income earners and investors, building wealth is only half the battle.

The other half is keeping it. In high tax brackets, taxes represent one of the single largest annual expenses an investor faces, directly eroding the compounding power of their portfolio. Implementing proactive tax mitigation strategies is about utilizing legal and structured financial pathways to minimize tax liability and optimize asset growth.

Key Takeaways

"It is not what you make, it is what you keep": High gross returns can be deceptive.

- Tax mitigation focuses entirely on after-tax yield, which is the true measure of wealth accumulation.
- **The tax drag is cumulative:** Just as compound interest accelerates wealth, the tax drag (losing capital to annual taxes) compounding over 10, 20, or 30 years can cost an investor millions in lost growth potential.
- **Asset location is key:** Where you hold an investment (e.g. taxable brokerage vs. tax-deferred 401k vs. tax-exempt Roth) is often just as important as what investment you buy.
- **Active strategies offset capital gains:** Techniques like tax-loss harvesting allow investors to actively offset investment gains with realized losses, directly lowering federal tax liabilities.

2026 Tax Mitigation Strategies

Tax Code Possible Benefit	Strategy	What This Means For You
IRC SEC 1302 IRA Conversion tax reduction	Valuation Discounts 9 questions to answer	Cut "Roth conversion" taxes by 50% > by investing in real estate/energy in your IRA.
IRC SEC 263A Shelter Ordinary Income	Intangible Drilling Costs	Invest in oil/gas and get a ~85-90% deduction on income through IDC Tax Credits. $100K investment = Approx. $85K write-off.
FIRC SEC 1400Z-1 Shelter Capital Gains	OZ's 2027 New Rules 1031 and DST's 1031 vs. OZ ?	Offset major capital gains and create future tax-favored income. Can be done within 180 days of sale. OZ's Old rules vs. New rules.
IRC SEC 167 & 168 **See:** OBBB Business Income Tax Shelter	Cost Segregation *and* Bonus Depreciation	Defer taxes, increase immediate cash flow, and accelerate depreciation on commercial real estate reducing current tax liability.
IRC SEC 26 401A Shelter Ordinary Income	Cash Balance Plans	Allows business owners to make large, tax-deductible contributions while creating their own pension plan. Possibly shelter $100 - $300,000 of income from taxes.
IRC SEC 453 Defer taxes	Deferred Sales Trust	Defer capital gains taxes when selling highly appreciated businesses and assets.
IRC § 7702 LT Tax Free Estate Planning	Private Placement Life Insurance (PPLI)	Tax-Free Growth & Inheritance Distributions.
IRC SEC 170A Shelter Ordinary Income	Fee Simple Conservation Easement (CE) Land Donation: Introductory Video	Invest in land, and if donation option is chosen, there is potential for leveraged charitable deduction tax credits to shelter ordinary Income. Limited to 30% AGI.

WORTH KNOWING

"[Why We Invest in Alternatives]"- Johnson Financial Group

Alternative Investments

The alternative asset universe is capturing historic allocations under a more vigilant lens. Persistent demand for infrastructure, real estate, and other private market strategies reflects investors' continued search for attractive risk-adjusted returns, income generation, and portfolio diversification in an environment where public market valuations remain elevated.

Private credit redemption gates: While some pockets of private credit experienced isolated liquidity pressures, it remains the favored vehicle for yield premiums, and a definitive two-thirds of major institutional allocators report that recent market noise has had zero negative impact on their private debt commitments. Highlighting the "liquidity catch" of alternative investing, several high-profile private credit funds recently enforced structural redemption limits. Rather than panicking institutional capital, this unique event has effectively reshaped the wealth management landscape, forcing a massive product migration into semi-liquid evergreen structures.

Why the Traditional Playbook Needs Reinforcements

In recent decades, a mix of public stocks, bonds and cash was enough to do all three jobs: grow your wealth, generate income and diversify your risk. Today, that traditional portfolio faces real headwinds worth understanding. A small number of very large companies have driven a disproportionate share of stock market gains in recent years, leaving traditional portfolios more deeply exposed to the fortunes of a handful of names than many investors realize.

Elevated stock/bond correlation: The classic role of high-quality bonds has been to cushion a portfolio when stocks fall. But that shock-absorbing quality has been challenged in recent years. After decades of moving in opposite directions, stocks and bonds have increasingly moved together. When your two main investment allocations rise and fall in tandem, the natural diversification and protection a portfolio is designed to provide is eroded.

None of this means the traditional portfolio is broken—it means it benefits from reinforcements, namely additional sources of return and risk that do not all depend on the same things.

Flexible strategies: Approaches that use stocks and bonds in novel ways, employing expanded tools such as hedging, or the ability to profit from both rising and falling markets, to produce a different kind of return. The common thread is that their results are typically less dependent on the day-to-day sentiment of public markets. That independence is precisely what makes them valuable in a portfolio.

The Three Jobs Alternatives Can Do

Different alternatives are suited to different roles, but most serve one or more of these purposes:

Growth: Some strategies offer attractive long-term return potential, generated either through the specialized expertise of a skilled manager, or simply by investing in quality businesses which choose to remain private. Private companies can also focus on long term value creation without the quarterly pressure public companies face.

Income: Certain alternatives, such as private credit and real estate, can generate higher income than traditional fixed income, often with features that adjust alongside inflation to help preserve your purchasing power. As traditional banks have pulled back from lending, private lenders have stepped in to fill the gap—a sector that has grown into a market of more than $1.6 trillion.

Diversification: Because their returns are driven by different forces, many alternatives behave differently from public markets. Adding them can reduce the overall ups and downs of a portfolio and improve return for the level of risk taken.

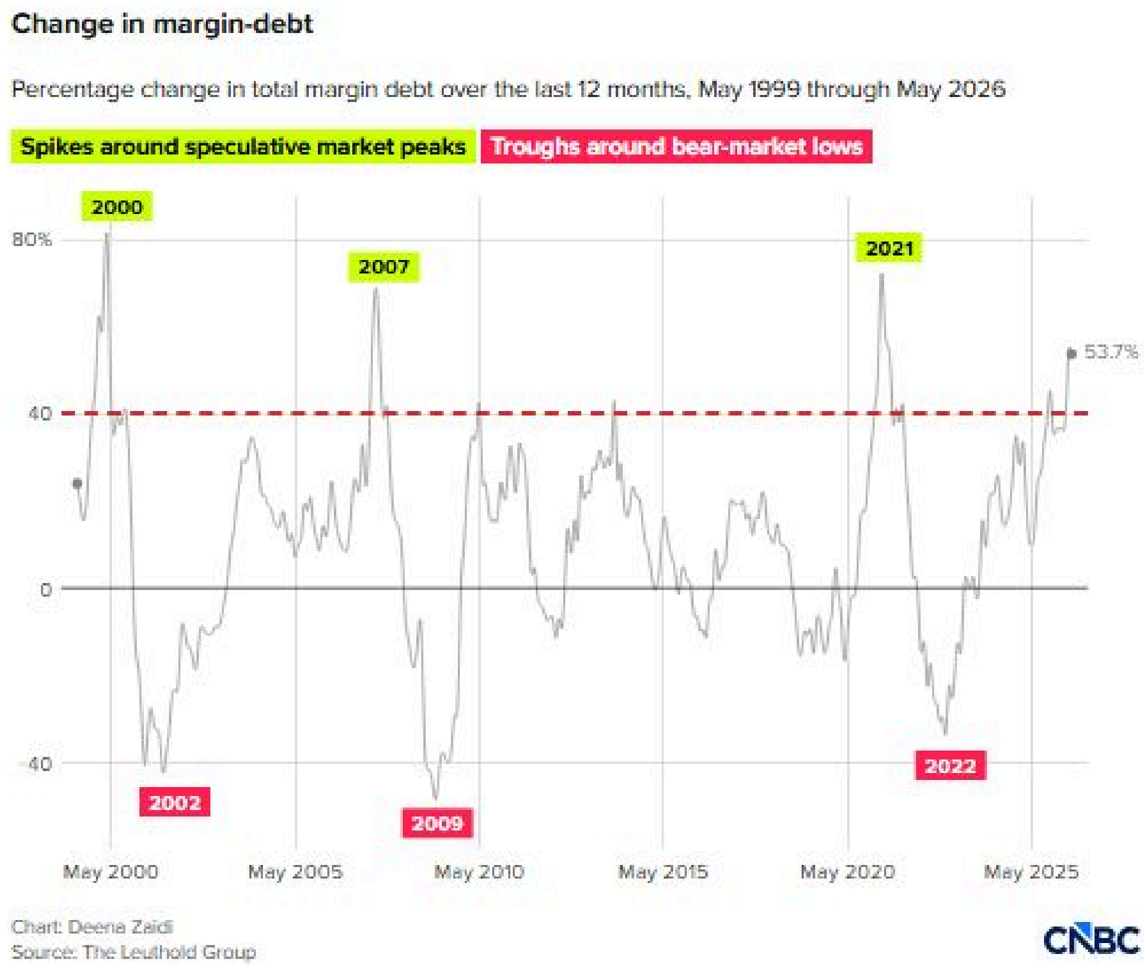
KEEP AN EYE ON

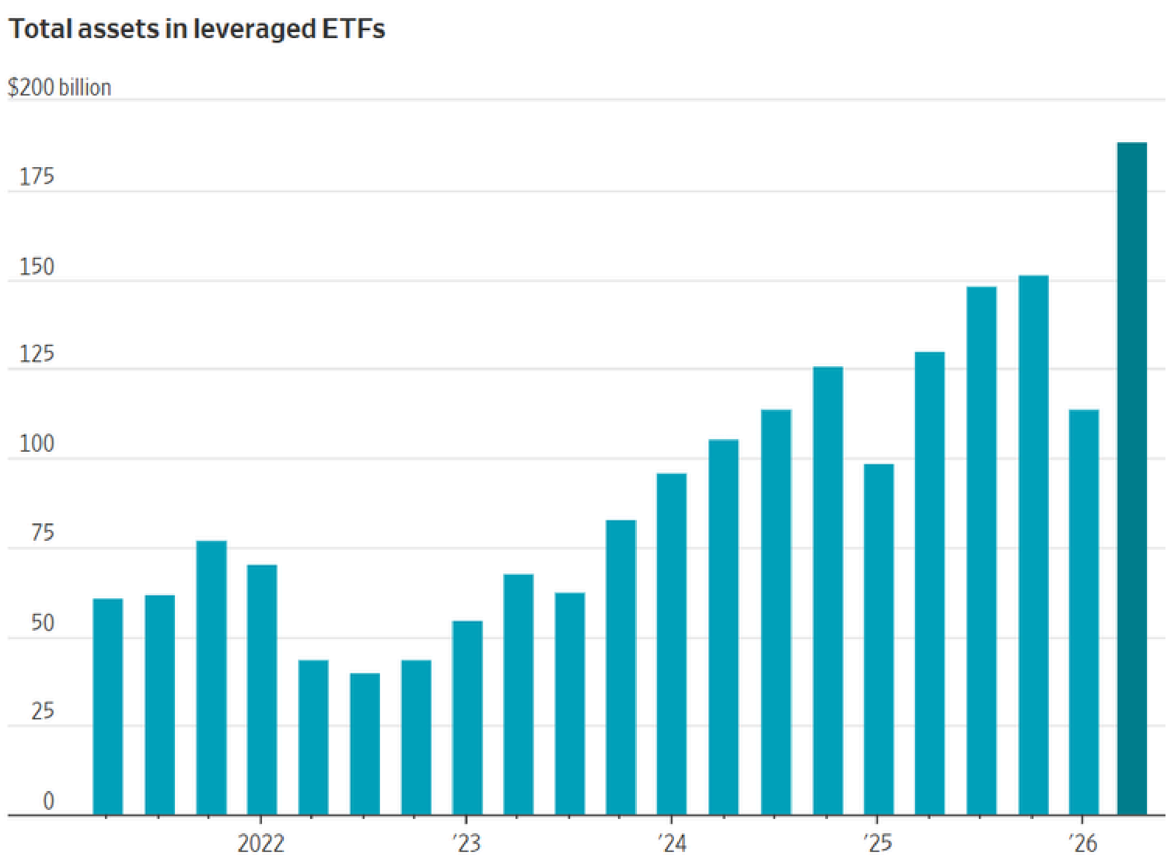
The Trillion-Dollar Borrowing Binge Lifting the Stock Market to Risky Heights

Leveraged funds and margin debt have grown to unprecedented levels this year

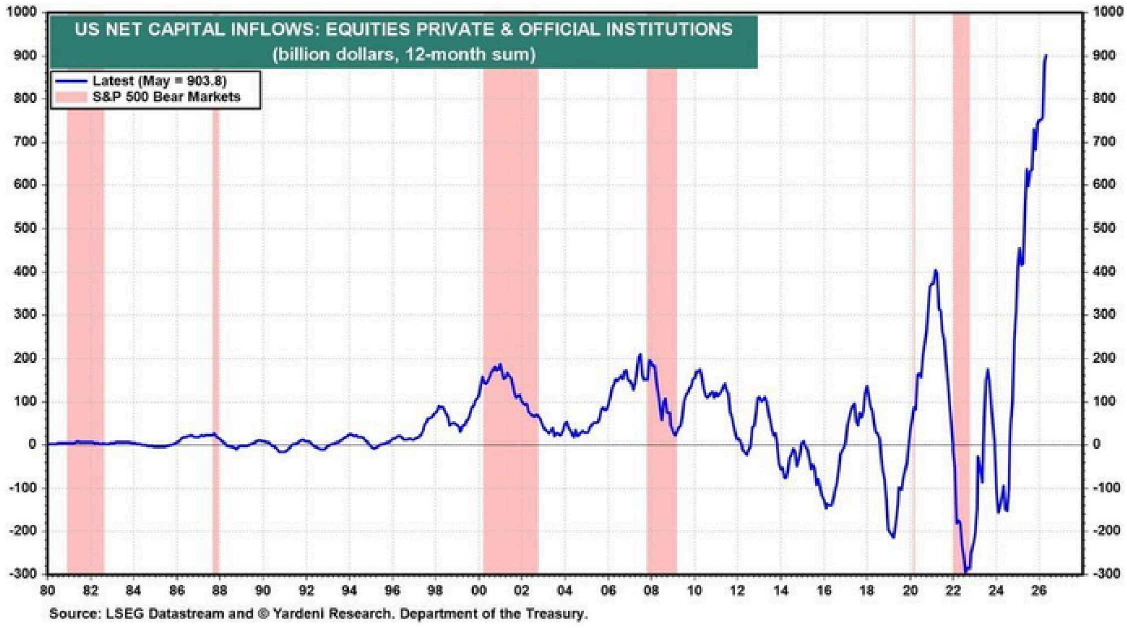
Quick Summary

- Total margin-debt has increased by more than 40% over the last 12 months, a level only seen at prior market tops, including the Dotcom Bubble and the Global Financial Crisis.
- U.S. margin debt rose 54% to a record $1.4 trillion in May, signaling potential trouble amid surging leveraged ETF assets.
- Leveraged funds bought $300 billion in derivatives since March, spurring demand for shares, but risk heavy losses if stocks fall.



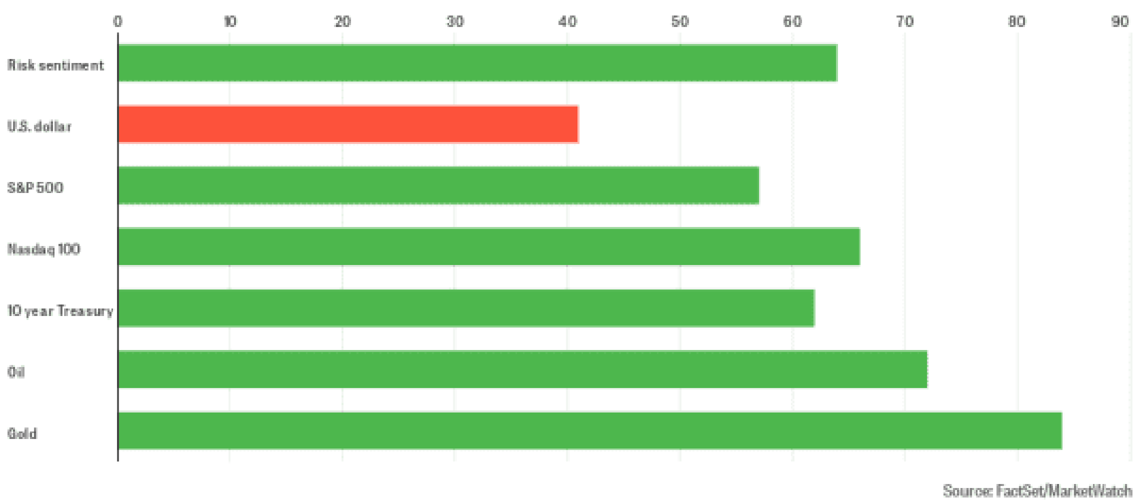


JUST VISUALS - A COLLECTION OF CHARTS



Ranking based on average of six futures contracts, relative to their own daily trading history. Sentiment improves based on declines in gold, Treasurys and the dollar, and vice versa. Risk off readings are below 50, and risk on readings are above 50.

RISK ON/RISK OFF GAUGE

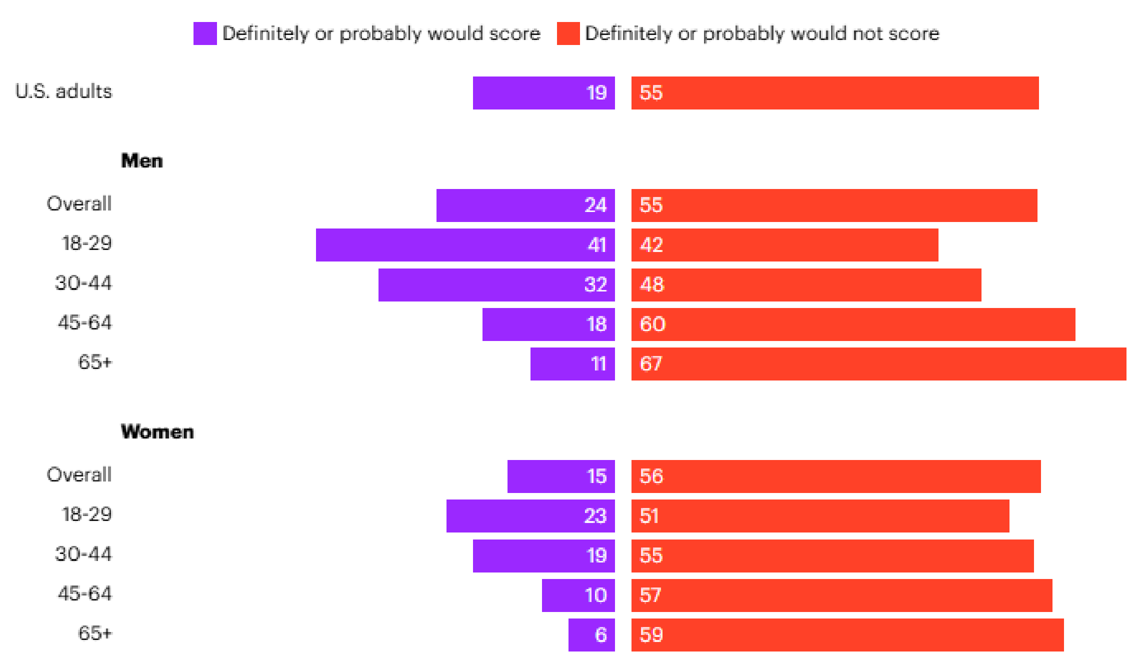


Key asset performance	Last	5d	1m	YTD	1y
S&P 500	7543.59	0.53%	0.43%	10.20%	20.82%
Nasdaq Composite	26,107.01	1.12%	-1.02%	12.33%	26.26%
10-year Treasury	4.61	3.30	11.00	43.80	14.70
Gold	4036	-1.24%	-5.62%	-6.84%	20.33%
Oil	80.24	7.33%	6.97%	39.77%	20.43%

Data: MarketWatch. Treasury yields change expressed in basis points

41% of men under 30 think they would definitely or probably score a World Cup penalty kick

If you took a penalty kick in a FIFA World Cup match, how likely do you think it is that you would score? (%)



Note: Responses of "not sure" are not shown.

CHART #1

An interesting chart. Foreign investors have often been trend followers rather than early contrarians. When record inflows coincide with elevated positioning and a historically weaker part of the four-year presidential cycle, it is worth paying attention. It doesn't guarantee a top, but it does suggest risk and reward are becoming less favorable.

CHART #2

The "Risk on Trade" continues as investors feel comfortable with the new Fed Chair and see an ultimate resolution to the Middle East crisis.

CHART #3

41% of American men under 30 believe they could score on a penalty kick at the World Cup if given the chance. Every couch has a world-class striker sitting on it.

CALL-TO-ACTION CALENDAR

Panorama Financial Group emphasizes the following:

For July - August 2026, focus on starting mid-year to year end tax planning. Review your retirement progress. and consider a "ROTH" conversion.

Key actions include:

- Updated tax brackets, a higher standard deduction, and expanded saving opportunities may help create new tax-saving possibilities for 2026.
- Consider tax-planning strategies throughout the year, like maximizing credits and deductions and using tax-smart investing strategies.
- A tax planner and financial professional can help you build a tax-smart investing plan that works for you all year long.

Rebalance Portfolios: Rising U.S. stock markets and increasing U.S. interest rates now gives individuals a chance to rebalance their portfolios.
Short-term cash yields are now nearing 4.5%—see symbol JPST.

TERM OF THE MONTH

Tax Planning

With 2026 underway, there are plenty of questions. What will happen with the global economy? Will volatility return to the stock market? What will happen next with interest rates? While we can never know the future, it can be valuable to focus on things for which we can prepare: taxes, for example.

LEAVE YOU WITH A LAUGH

World Cup Final....
"Mom - I'm a lil busy 📞😂"

Key Takeaways

- Updated tax brackets, a higher standard deduction, and expanded saving opportunities may help create new tax-saving possibilities for 2026.
- Consider tax-planning strategies throughout the year, like maximizing credits and deductions and using tax-smart investing strategies.
- A tax planner and financial professional can help you build a tax-smart investing plan that works for you all year long.

THIS MONTH'S THANK-YOUS

- Charlie Bilello and his great weekly work @ The Week in Charts Newsletter
- Carson Investment Research Insights @ Carson Group Insights

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