CALIFORNIA 457 BENEFITS
Plan Administration & Investment Advice

Quarterly Participant Bulletin – July 2026

Market Update: Rebound & Cautious Optimism

Last quarter reflected an impressive rebound for the US financial markets as investors propelled stocks higher following a volatile 1st quarter. Strong corporate earnings, resilient consumer spending, and lower energy prices helped lift the market to new all-time highs despite concerns surrounding inflation and geopolitical tensions. Headline inflation remains a concern for the Federal Reserve, and the newly appointed Fed Chair, Kevin Warsh, was explicit that a rate hike is still on the table later this year if the data doesn't improve.

We are closely monitoring the ongoing Iranian conflict along with inflation and employment data as there may be more volatility in the short-term while the market digests the impact of these headwinds. That being said, the strong underlying economy, resilient labor market, and earnings growth projections all remain positive to support a constructive long-term view for disciplined investors.

Model Portfolio Update

We recently updated our model portfolios to increase exposure to large-cap growth companies outside the United States by adding the **American Funds EUPAC Fund**. Our portfolios have already benefited from strong international performance in 2026 through our existing allocations to **American Funds New World** and **Dodge & Cox Global** fund, but we feel this move is warranted as current valuations remain attractive relative to U.S. equities. An international allocation also provides an additional layer of diversification to a US-centric portfolio. Please reach out if you'd like to discuss this update or have any questions.

Investing At All-Time Highs

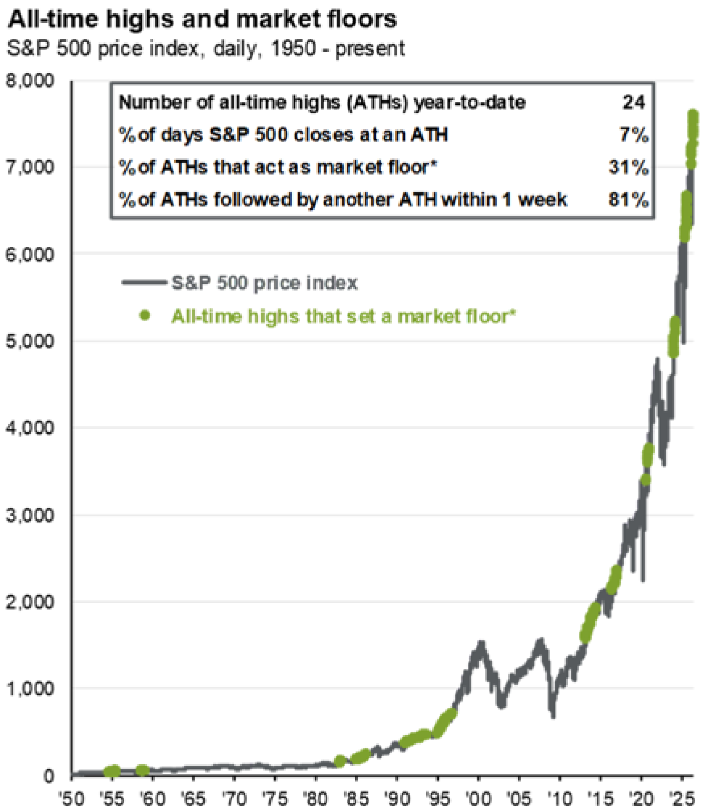
The S&P 500 reached a new all-time high in June, closing at 7,620.90, and is currently trading ~1% below that record level. While some investors view new market highs as a reason to hold cash or wait for a pullback, we believe history offers a different perspective.

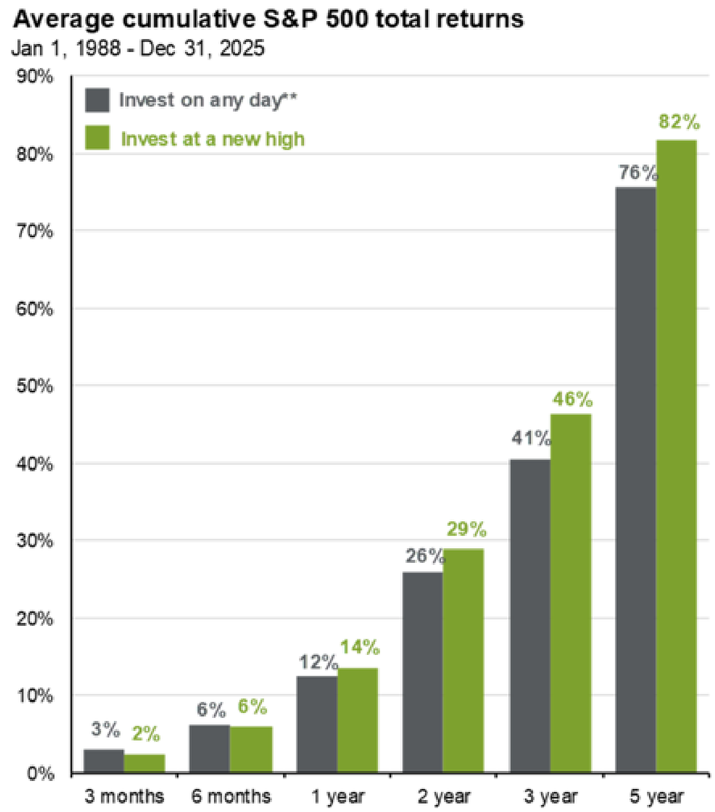
Historically, investing at or near all-time highs can lead to favorable long-term outcomes because new highs tend to occur in clusters. In other words, periods of market strength have frequently been followed by additional gains.

The chart on the left highlights previous S&P 500 all-time highs that ultimately became lasting market floors, or levels from which the index never declined more than 5%. Since the 1950s, there have been many instances where investors waiting for a "better" entry point never received one before the market continued higher.

The chart on the right compares long-term returns from investing on any given trading day versus investing at an all-time high. The results are comparable and, in some instances, are even better when investing at market highs given a long-term perspective.

As long-term investors, our objective is not to 'time' the market but to build resilient, diversified portfolios designed to perform across a variety of market environments. While periods of volatility are inevitable, remaining disciplined and invested has historically been a more effective approach than attempting to predict short-term market movements. As always, past performance is no guarantee of future results.





Source: J.P. Morgan Asset Management Q3 Guide to the Markets

(Left) *Market floor is defined as an all-time high from which the market never fell more than 5%.

(Right) **"Invest on any day" represents average of forward returns for the entire time period whereas "Invest at a new high" represents average of rolling forward returns calculated from each new S&P 500 high for the subsequent 3-month, 6-month, 1-year, 2-year, 3-year and 5-year intervals, with data starting 1/1/1988 through 12/31/2025.

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Have Your Retirement Goals Changed?

As you plan for your retirement, we understand there are many factors to consider to ensure you have a successful life after working. You deserve to have peace of mind as you enter into the next chapter of life. If you're approaching retirement in the next few years, and we haven't touched base yet, now is a perfect time to sit down and discuss next steps. You may be able to contribute a higher amount to your 457 plan prior to retirement, utilize unpaid time-off/sick-leave, and we can discuss post-retirement investment strategies.

If you have questions or you'd like to review your portfolio and retirement goals, please feel free to **Schedule an Appointment Here** or contact Nick at nick@walkerfinancial.com, or

800-770-0457.

PERFORMANCE REPORT

California 457 Plan	3 Months Total Return	6 Months Total Return	One Year	Three Year	Five Year
			Average Annual Rate of Return Thru 6/30/2026		
Lifestyle Model Portfolios					
Conservative Allocation (20/80)	3.51%	3.08%	8.65%	7.58%	4.53%
Moderate Conservative Allocation (40/60)	5.93%	5.03%	11.69%	9.43%	6.21%
Balanced Allocation (50/50)	7.34%	6.04%	13.20%	10.31%	5.66%
Moderate Growth Allocation (60/40)	8.61%	6.88%	14.73%	11.27%	6.13%
Growth Allocation (80/20)	11.29%	8.73%	18.01%	13.15%	6.95%
Maximum Growth Allocation (100/0)	13.93%	10.92%	21.69%	15.21%	11.78%

Performance is based on reinvested income and capital gain distributions plus or minus any change in principal value for the respective periods ended June 30, 2026. Individual results may vary depending on timing of deposits. Results shown are not a guarantee of future performance, and account values at the time of redemption may be worth more or less than cash invested. Returns do not reflect the deduction of a net annual asset management fee equivalent to 0.34% nor the 0.026% independent 3rd party consultant the Deferred Compensation Committee utilizes.