GWM GREENE WEALTH MANAGEMENT

Your Journey Towards Financial Independence Begins Here

GWM Monthly Minute - August 2026

Economic and Market Update

- Markets have continued to advance through the first seven months of 2026, although July presented a slight pause to momentum as the market navigated the developments in Iran and associated impacts. For the year, US Stocks (Russell 3000) are up 10.4% and Developed International Stocks (MSCI ACWI ex-US) are up 13.3%. The Total US Bond market (Bloomberg Agg. Bond) is down 0.5%.

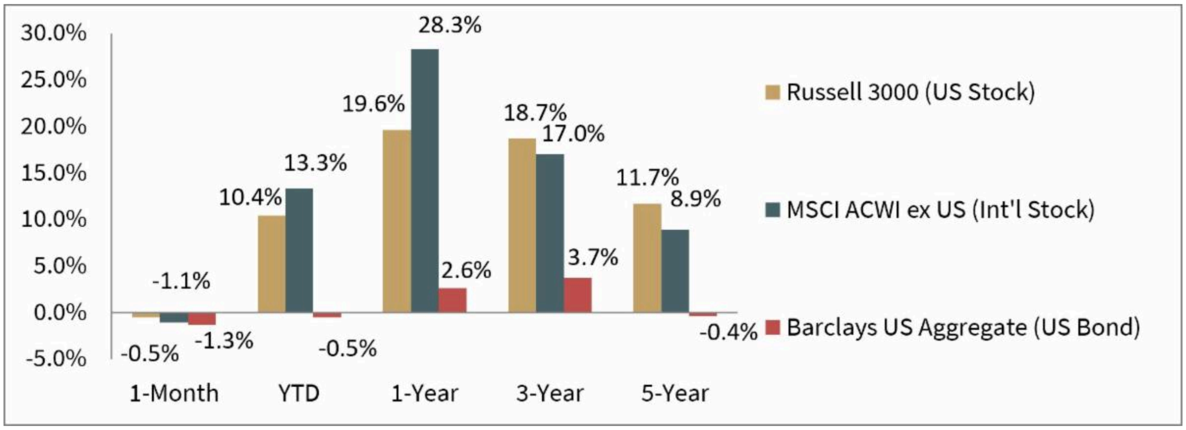
- Inflationary pressure has heightened recently in part by rising energy prices tied to conflict in the Middle East, along with emerging cost pressures from AI-related infrastructure investment. This marks a notable shift from the steady rate-cutting path markets had grown accustomed to in late 2025.

- A new chapter began at the Federal Reserve this spring: Kevin Warsh was confirmed as the 17th Fed Chair in a historically close Senate vote and took the helm in late May, succeeding Jerome Powell after his eight-year tenure. Chairman Warsh has signaled a preference for stricter inflation discipline and more streamlined Fed communication than his predecessor.

- At its July 29th meeting, the Fed held its benchmark rate steady at 3.50%–3.75% for a fifth consecutive meeting — a closely watched, 9–3 decision. Three regional bank presidents dissented in favor of a rate hike, reflecting rising internal disagreement over how to balance stubborn inflation (running above the Fed's 2% target for several years) against a labor market that has been gradually softening.

- Looking ahead, markets are likely to remain sensitive to the path of Fed policy under new leadership, the trajectory of inflation, geopolitical developments in the Middle East, upcoming midterm elections, and the health of the labor market. Volatility may pick up as investors recalibrate expectations for the pace (and direction) of future rate moves.

Market Index Performance - as of July 31, 2026



Strategy Corner - Introducing Trump Accounts

A new tax-advantaged savings vehicle for children — the "Trump Account" — became available for contributions beginning July 4, 2026, created under the One Big Beautiful Bill Act (OBBBA) of 2025. Trump Accounts represent an additional strategic account type for parents and grandparents to consider in helping minor children build wealth for the future.

The Mechanics:

- Eligibility: any U.S. citizen child under age 18 (as of calendar year-end) can be named as a beneficiary.
- A parent or legal guardian opens the account on the child's behalf by filing IRS Form 4547, or through the online portal at TrumpAccounts.gov.
- Children born January 1, 2025 – December 31, 2028 are eligible for a one-time $1,000 federal seed deposit through a pilot program; the election for this deposit is made when the account is opened.
- The account is titled in the child's name, with the parent/guardian acting as custodian until the child reaches 18, at which point it converts into a traditional IRA subject to standard IRA rules.

Key Features:

- Tax treatment: contributions are made after-tax (no deduction), but investment growth inside the account is tax-deferred, similar to a traditional IRA.
- Contribution limits: $5,000/year combined limit per child during the "growth period" (birth through the year before age 18), indexed for inflation starting 2027. Employers of parent may contribute up to $2,500/year per employee (counted within the $5,000 cap). Contributions from nonprofits and government entities are not subject to the $5,000 cap.
- Unlike a traditional IRA, contributions are not tied to the child's earned income — anyone (parents, grandparents, family friends, employers) can fund the account regardless of whether the child has a job.
- Investments are restricted during the growth period to low-cost, diversified index funds tracking U.S. equities (e.g., S&P 500-tracking funds).
- Funds are generally locked until January 1 of the year the child turns 18; no new contributions are permitted after December 31 of the year the child turns 17.

Trump Accounts vs. Alternatives (529, UTMA Accounts):

- Trump accounts are a welcome new tool to build wealth for minors but should be considered a complement to other alternatives.
- For families focused on funding education - the 529 plans continue to be far and away the best option.
- UTMA accounts remain useful for flexibility and lack of use restrictions, but that same flexibility comes at the cost of tax efficiency and eventual loss of parental control (between 18 and 25).
- Trump accounts are best used to give a young family member an early head start on retirement savings. The structure offers some nice flexibility and creativity in early adulthood to consider a Roth conversion with funds accrued in a Trump account - during low income years for the beneficiary.

We remain encouraged in the ways that generations can reinvest and empower long-term financial security for kids and grandkids - Trump accounts are another meaningful tool in this toolbox.

Let us know if you want to discuss the best approach for you as reinvestment in financial security for future generations becomes a meaningful priority.

What We're Reading

Is the Fed Preparing to Raise Interest Rates - JPMorgan

Market Perspectives - 2026 Mid-Year Outlook - Vanguard

The Evolution of AI Fraud - Offense and Defense - Schwab

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