



## Midyear Moves That Matter

The second half of the year can move quickly, which is why midyear planning matters. June often brings a natural shift in pace as summer begins, schedules change, and many families and business owners start looking ahead to the rest of the year. It is the perfect time to pause, evaluate progress, and revisit financial goals before year-end approaches. Whether you are reviewing business performance, adjusting investment strategies, preparing for retirement, or simply looking to improve financial organization, small changes made now can have a meaningful impact later. Midyear planning is not about making drastic decisions. It is about staying proactive, identifying opportunities, and making thoughtful adjustments while there is still plenty of time to benefit from them.

### June Market Update

#### Inflation

CPI rose 0.6% in April, following a 0.9% increase in March. On a year-over-year basis, CPI increased 3.8%, up from 3.3% in March. Core CPI rose 0.4% for the month and 2.8% year-over-year. The recent increase has been driven in part by higher shelter and energy costs, keeping inflation above the Federal Reserve's 2% target. The Fed's preferred inflation measure, PCE, was also elevated, with the March PCE price index up 3.5% year-over-year.

#### Economic Growth

The economy continues to expand, but the pace remains moderate.

Real GDP increased at a 2.0% annualized rate in Q1 2026, improving from 0.5% growth in Q4 2025. Growth was supported by investment, exports, consumer spending, and government spending. Retail sales rose 0.5% in April and were up 4.9% from a year earlier.

#### Labor Market

The labor market remains stable, but hiring has slowed. Nonfarm payrolls increased by 115,000 in April, while the unemployment rate held steady at 4.3%. Job gains were concentrated in health care, transportation and warehousing, and retail trade.

#### Federal Reserve Policy

The Federal Reserve remains in wait-and-see mode. The Fed held policy steady at its April meeting, with the next FOMC meeting scheduled for June 16–17. With inflation still above target and recent data showing renewed price pressure, rate cuts appear less imminent than markets expected earlier in the year. The key question is whether inflation moderates enough over the summer to give the Fed room to ease later in 2026.

#### Markets & Valuations

Markets have continued to move higher despite inflation and geopolitical uncertainty. Strength has been led by technology, semiconductors, and AI-related growth themes. Valuations remain elevated, meaning earnings growth will likely need to continue improving to justify further gains.

#### Bond Market

Bond yields remain an important pressure point. Treasury yields have stayed relatively high as markets price in the possibility that the Fed keeps rates elevated for longer. Higher yields continue to create competition for equities, particularly in more rate-sensitive areas of the market. However, elevated bond yields also provide more attractive income opportunities than investors were accustomed to during the prior low-rate decade.

#### Outlook

Overall, economic growth remains positive, the labor market is stable, and corporate earnings continue to support market strength. However, inflation has not returned comfortably to target, and the Fed is unlikely to rush into rate cuts without clearer evidence of sustained disinflation. For long-term investors, the key theme remains balance. Market momentum has been strong, but expectations are also higher. A diversified approach across asset classes, sectors, and geographies remains prudent as markets digest the combination of solid growth, sticky inflation, and elevated interest rates.

### Join Us for Our Next Advisory Brew Coffee Club



Missed our last  
Advisory Brew Coffee  
Club meeting? Don't  
worry - you can join us  
at the next one!

Tomahawk will be  
meeting at 9:30 CT on  
Thursday, June 18<sup>th</sup> at  
What's Brewin', and  
Marquette will be  
meeting at 9:30 ET on  
Thursday, June 25<sup>th</sup> at  
Donckers. We can't  
wait to see you there!

# Client Question of the Month

## *SHOULD I PAY OFF MY MORTGAGE EARLY OR CONTINUE INVESTING?*

Paying off a mortgage early or continuing investing is an important consideration for many. From a purely financial standpoint, it often comes down to the interest rate. If the interest rate is low, and the monthly payment is within budget, it usually makes sense to continue to invest rather than paying off a mortgage early. Historically, diversified investment portfolios have produced returns in excess of mortgage rates over long periods of time. However, in the case of a high interest rate mortgage it can make sense to take the guaranteed route and pay off the mortgage early. There are also emotional factors to consider when paying off debt, such as reduced stress and a greater sense of security. The correct decision usually comes down to interest rates, time horizon, retirement readiness, and cash flow.

## 5 Facts About 529s

*With graduation season here, now is a great time to refresh your understanding of how 529 plans can be used. While many people think of 529s strictly as college savings accounts, these plans offer more flexibility and benefits than you may realize.*

- 1. 529 Funds Can Be Used Beyond Traditional College.** Qualified expenses may include trade schools, vocational programs, and certain apprenticeship programs, not just four year universities.
  - 2. Unused Funds Do Not Have to Go to Waste.** If one beneficiary does not use the account, you can often transfer it to another eligible family member without penalty.
  - 3. 529 Plans May Help With K through 12 Expenses.** In many cases, families can use limited funds for qualifying private or religious school tuition expenses before college.
  - 4. Recent Rule Changes Added More Flexibility.** Under certain conditions, unused 529 funds may now be eligible to roll into a Roth IRA for the beneficiary, subject to limitations and requirements.
  - 5. Anyone Can Contribute.** Parents, grandparents, relatives, and even family friends can contribute to a 529 plan, making it a helpful long term gifting and planning tool.
- 529 plans continue to evolve, offering families more flexibility and planning opportunities than ever before. Whether you are preparing for future education expenses or helping a recent graduate take the next step, understanding your options can make a meaningful difference.

## Midyear Adjustments That Can Improve Year End Results

*As we move into the second half of the year, June is the perfect time for a financial reset. Small adjustments made now can have a meaningful impact on year-end results for both business owners and individuals.*

Midyear is an opportunity to step back and evaluate what is working and what may need attention. For business owners, this often starts with reviewing cash flow, profitability, and expenses. Are revenues tracking as expected? Have operating costs increased? Even small inefficiencies can compound over time, making early adjustments especially valuable.

This is also an ideal time to revisit financial goals set at the beginning of the year. Many businesses establish growth targets, savings objectives, or expansion plans in January, but priorities and market conditions can shift quickly. Updating those goals based on current performance helps keep financial decisions realistic and strategic.

Tax planning should also be part of the midyear conversation. Waiting until year-end to evaluate deductions, estimated payments, or retirement contributions can limit available options. Reviewing these areas now may create opportunities to improve tax efficiency before December arrives.

For individuals and business owners alike, investment and retirement accounts deserve attention as well. Midyear market fluctuations may have shifted allocations away from original targets, making rebalancing an important consideration.

Most importantly, midyear planning is not about perfection. It is about making proactive adjustments while there is still time to influence the outcome. Small course corrections today can help reduce stress, improve financial clarity, and position you more confidently for the remainder of the year.

The second half of the year often moves quickly. Taking time now to review and adjust your financial strategy can make all the difference by year-end.

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*There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Prior to investing in a 529 Plan investors should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary. Please consult with your tax advisor before investing.*

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