MV | FINANCIAL

Innovative Thinking + Smart Strategies

2026: The Year Ahead

Annual Market Outlook

MV Financial Research & Strategy Group

January 21, 2026

MVCM 2026 0004
DOFU: January 2026

The Year Ahead: 2026 Annual Outlook

Note to our readers: On page 14 you can find our investment thesis presenting the key themes of our outlook for markets and the economy 2026. Of course, we invite you to read the full document for an understanding of the economic, capital market and other forces shaping our thought process.

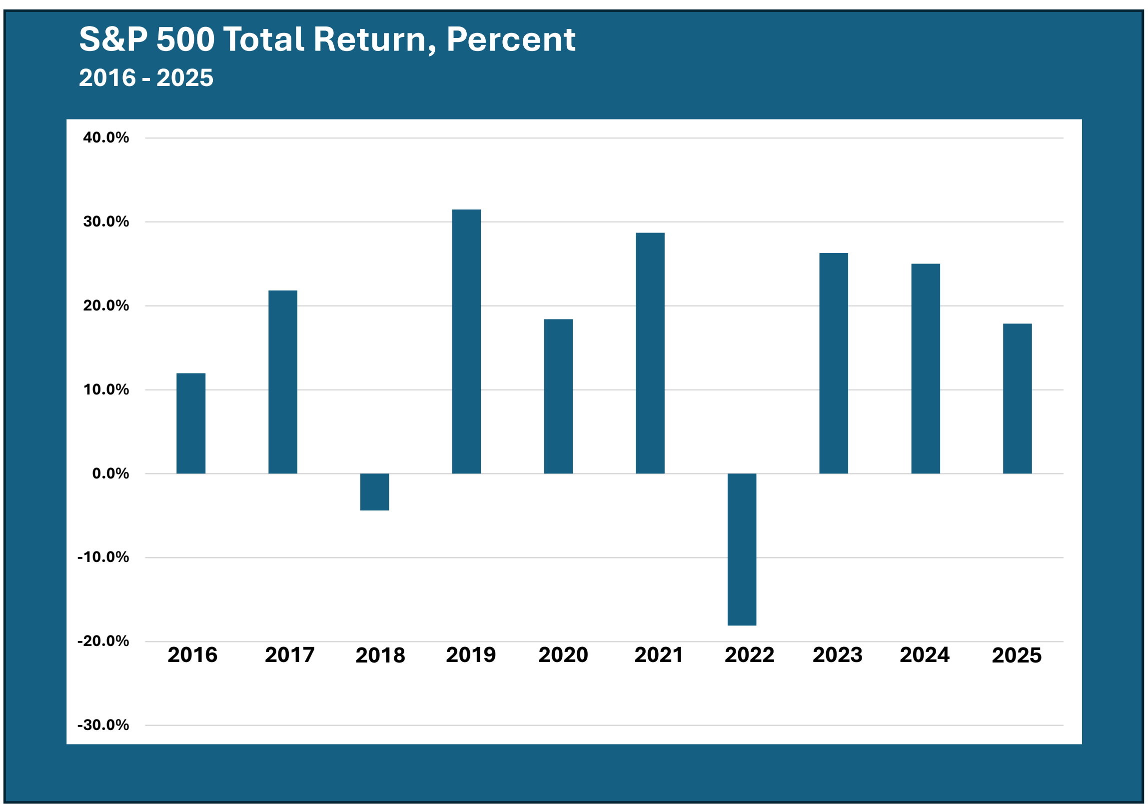
I. The World After Pax Americana

A. A Story of Change and No Change

Many things in the world changed in 2025, in some very profound ways and with very uncertain possible outcomes. Prominent among the things that didn't change much, though, were financial markets and the global economy in general. That was something of a surprise, given the volatility we experienced during the late first and early second quarters of the year. But the volatility settled down. The direction of the economy pointed up, as did the path of risk assets. Bond yields were for the most part pliant during the second half of the year. Companies made plenty of money, and a number of them reported record sales and earnings, despite the many reasons why that plausibly might not have been the case.

Simply putting 2025 into the context of, say, the previous couple years of economic activity (both of which were likewise upward-pointing), there would seem to be no reason to think that anything had changed much in the world. American consumers continued to spend their hard-earned incomes, artificial intelligence enterprises continued to build out their sprawling empires of data centers and large language modules, and China found plenty of markets eager to import its products despite lower levels of activity with the US following the threat of higher tariffs (and imposition of some, but not all of the ones threatened). Europe muddled through yet another year of slow, but still positive, growth. In Japan, the long-reigning Liberal Democratic Party did what it does best, adapting just enough to a changing society to remain in power, helped by the emergence of a new and popular leader. Brutal wars dragged on in geopolitical hotspots, notably in Ukraine, Gaza and Sudan, but managed to avoid the catalysts that would turn a regional war into a global conflagration. At the end of it all, the S&P 500 stock index notched its third positive year in a row, up by just under 18 percent for the full year. This was the eighth positive year for the benchmark large cap index over the past decade.

Table 1: S&P 500 Annual Total Return, 2016 - 2025



Source: MVF Research, FactSet

So, for whatever else happened in the world last year the economy, and markets, adapted. That is what complex systems do – they adapt to change, roll with the punches and live to fight another day. The global economy is a complex system, a petri dish of variables all thrown together and emerging as outcomes in ways unforeseeable, regardless of how precisely each input variable might be measured. The short term is unknowable: not only do you not know ahead of time which of all the potential latent risks present at any given moment will materialize, you do not know how the market will react to them (case in point: the blizzard of tariff announcements during April of last year and the seesaw market that followed).

Nevertheless, the world at the end of 2025 was very different from the world at the beginning of the year. A global order that lasted from the end of the Second World War to the present came to an end. This order – an alliance of nations initially joined together by the aspirational ideas set forth in the United Nations Charter, first signed by 50 of those nations in San Francisco on June 26, 1945, and which ideals, while often deviating wildly in practice from the Charter's prescriptions, were held together by the active leadership of the United States – had been troubled for some time before it finally came to an end.

But end it did. Regardless of which way the political winds blow in the US, France, Britain and other nations with major elections in the next several years, it will not be possible to return to that eighty-year stable order known to generations of foreign policy leaders and political historians as Pax Americana. We want to repeat this last point. This – the end of the global order – is not a question of any one single political movement or electoral outcome in any single country. It is organic in nature and global in its reach, from North and South America to Europe, Africa and the Asia-Pacific Region. Decay is natural, the Second Law of Thermodynamics is inviolable, and global orders eventually succumb to decay. Yes – it took certain deliberative actions for 2025 to be the year in which it finally happened, but the conditions were in place well before then. The decay happened over a considerable span of time.

We do not know with any degree of certainty what the next order will look like, any more than the observers on the ground in, say, 1920 could have anticipated the chain of events that would lead to the Bretton Woods framework of 1944 that put the pieces in place for the global order of 1945 – 2025. The 1920s was also a decade in which one global order had ended but another had yet to emerge. But we can try to understand the context in which the transition to something new is currently playing out to make informed assumptions, using history as a guide (though not, of course, as a predictive crystal ball).

For the important purpose of understanding how the transition will have a practical economic effect our analysis in this year's annual outlook – which is much more geopolitically focused than is usual for us – will be a critical component of our work in the year ahead. The economy's resilience in 2025 was impressive, but it will need to remain resilient as it muddles through the fog of the changing global order. Many – nay, most – economists and other financial market pundits believe it will remain strong in 2026, and that financial asset markets will reflect this resilience in the year ahead. We would like to be on the team of the bulls, but we also see some potentially considerable weaknesses.

Every part of the world is going to face its own challenges –unique in some ways and yet overlapping in others. The world is still interconnected. Yes – despite what you may have heard elsewhere, globalization, in the real sense of the word, is not dead. It's not even dying. But it is going to be a different kind of globalization than what we have been used to; it will be unlike the economic structures that have prevailed in the world since the early 1980s. We are going to spend some time talking about this, because it is important to our ability to make sense of the possible world that lies ahead. It may yet have only limited impact on the economy of 2026, but we believe it will have an outsize impact on the economy of the next five years and beyond.

B. Globalization and Neoliberalism

In the popular parlance, the world "globalization" has come to mean something very specific: the commitment to free trade, privatization, unrestrained financial flows and light-touch regulation that emerged in the sociopolitical climate of the late 1970s and early 1980s, and came into full bloom during the post-Cold War years of the 1990s. That is, however, a restrictive definition. The word that most aptly describes the economic Zeitgeist of the period from the early 1980s to the early years of the twenty-first century is neoliberalism. Neoliberalism is an ideological construct that expresses a defined preference for one set of conditions – open borders, free movement and self-regulation by private sector interests – over the alternative of a top-down dirigisme imposed by governments imposing strict regulations on economic activity within their borders.

Globalization, on the other hand, is not an ideology. This word simply describes the action of seeking wealth and prosperity outside of one's own home market, regardless of the prevailing sociopolitical climate. Globalization exists, in other words, whether or not the existing economic model happens to be neoliberalism, managed trade, or the European-style mercantilism of centuries gone by (keep the word "mercantilism" in mind as well, because it may be experiencing a rebirth). Globalization, in fact, has been around for more than five hundred years. If we want to put a start date – admittedly arbitrary – to globalization as a more or less permanent fact of economic life for what we now call the West, then we could do worse than to pinpoint the early fifteenth century. The harsh economic constraints existing in the Kingdom of Portugal led Prince Henry, one of the sons of King Joao I, to embark on a series of perilous voyages down the western coast of Africa in search of the vast stores of gold that were the stories of legend among European traders who did commerce with the – at the time far more advanced than Western Europe – Islamic communities of the Middle East.

Prince Henry's explorations, and those continued by Portugal after his death in 1460, led to the establishment of an entrepot in the port town of Elmina, in what is now Ghana, as a base from which gold obtained from the African interior could be stored and transported back to Portugal. In 1485, Portugal would formally establish what would be the first of many, many European colonies in Africa, this one on the island of São Tomé, from which island the newly-discovered (among Europeans) crop of sugar would be exported back to a high-demand market on the Iberian Peninsula and elsewhere.

Portugal found and exploited – often brutally and without regard for the humanity of others, least of all the slaves who toiled in the sugar cane fields – a source of economic gain outside of its own borders, enjoying a first-mover advantage until other kingdoms, principalities and the like caught up. That's globalization. It has been going on all over the world ever since (fortunately, it has also taken on more humane forms since the barbaric days of the slave trade). The eclipse of neoliberalism as the reigning economic ideology will not stop the continuation of globalization. But it will look different. And it probably won't work as well, in the long run, as the neoliberalism of our recent past did.

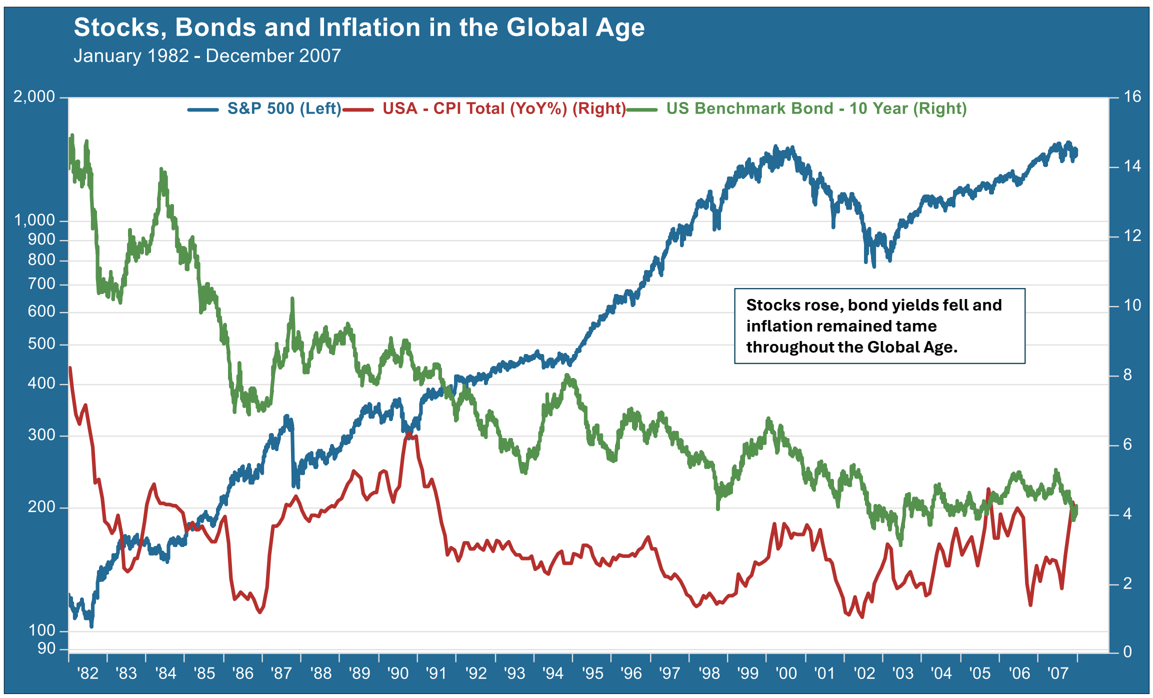
C. The Global Age

In our research and writing we refer to this recent neoliberal period as the Global Age. It began in the cauldron of the sociopolitical changes of the 1970s leading to the ascendance of Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States. Although it is never an exact science to pin start and end dates on these things, we think that 1982 is as good a year as any to mark the beginning of the Global Age. Early that year the Kansas City Board of Trade launched futures contracts on a stock index called the Value Line. A few weeks later, the Chicago Mercantile Exchange jumped into this new market with an even bigger offering: futures on the S&P 500, then as now the leading benchmark index for US large cap stocks. Financial futures, which now included stocks as well as currencies and interest rates, were the starting point for the tsunami of so-called derivative products – contracts whose value derives from the cash flows of one or more underlying assets – the notional value of which exploded into trillions of dollars' worth of volume in the years to come.

1982 was also the year in which the practice of corporate stock buybacks was legalized – something else that became a dominant force in an economy driven by finance. This was the central and defining fact of the Global Age – the primacy of finance as the major economic locomotive, rather than the more subservient role it had played as a passive facilitator during the years when manufacturing was the main engine of growth. Finance at the Wall Street level of continuous innovation in sophisticated instruments to spur global trade and investment. Finance at the Main Street level of new tools to unlock the spending power of consumers. Money cascaded around the world, and while a good deal of that money ended up in the pockets of the wealthiest members of society, there was enough residual wealth to raise the standard of living in much of what came to be called "emerging markets." The percentage of people living below the poverty level dropped massively, and a new middle class emerged in cities like Kuala Lumpur, Mumbai, Istanbul and Mexico City, eager to join the revolution in consumer finance. Technology, especially the advent of the commercial Internet in the 1990s, linked these disparate parts of the world as never before. Globalization wasn't born in the Global Age, as we have already seen. But it was a particularly hyper-charged version that prevailed during this period. Only the most stubborn of closed-off nations, such as North Korea and Cuba, refused to join the party.

The prosperity generated by the Global Age arguably owes more to one phenomenon than anything else: the dramatic taming of inflation accomplished by the Federal Reserve under the chairmanship of Paul Volcker. Inflation had started to run rampant in the late 1960s and plagued the economy throughout the troubled 1970s. The Volcker Fed raised interest rates to sky-high levels starting in 1979. By 1982 the bitter medicine had done its job. Inflation subsided, bond rates came down (and mostly stayed down for a sustained decades-long bull market), and stock prices rose.

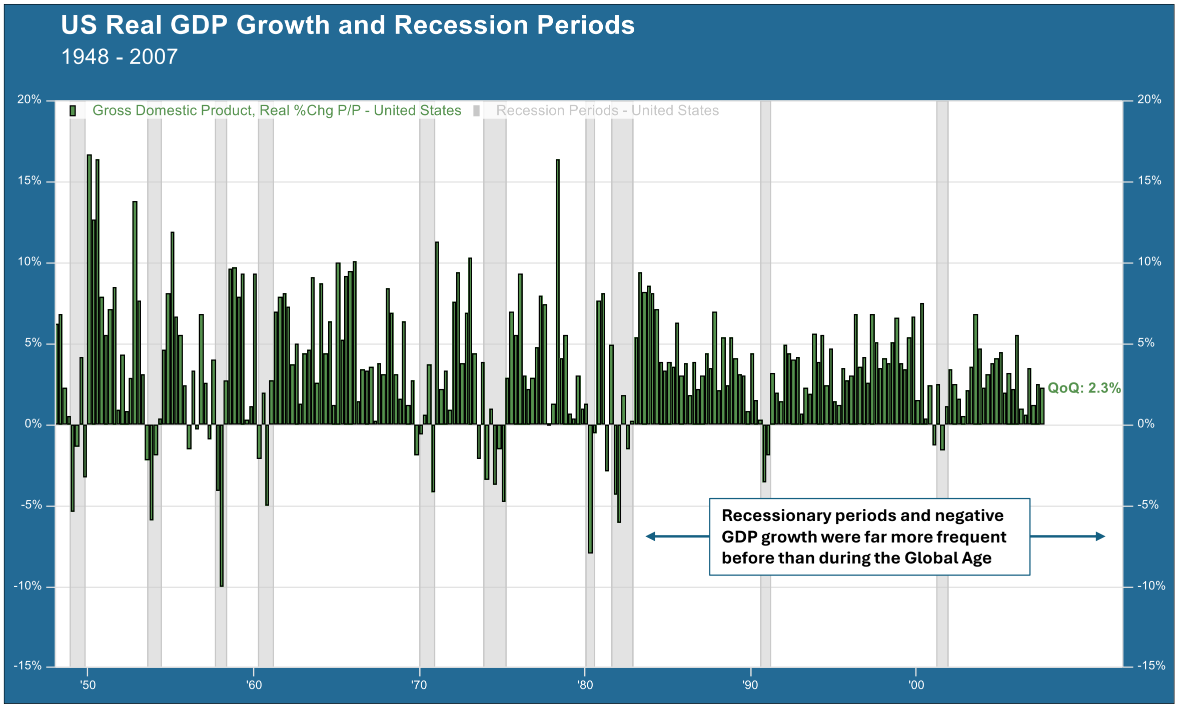
Table 2: Stocks, Bonds and Inflation in the Global Age (1982 – 2007)



Source: US Bureau of Labor Statistics, MVF Research, FactSet

Once the Volcker Fed had tamed the high inflation of the 1970s, other factors arose that helped keep prices low without triggering other problems like high unemployment (the Phillips curve, long beloved of mainstream economists as representing a trade-off between inflation and unemployment, posing a dilemma for policymakers, lost its predictive power during this period). Companies in developed economies increasingly outsourced production to the so-called emerging markets, notably China and elsewhere in the Asia Pacific region, developing intricate global supply chains on the back of cheaper labor. At home, women joined the full-time labor force in increasing numbers, which had the double effect of easing upward pressure on labor costs while at the same time increasing household wealth. After the painful recessions of 1980-82 brought about by the Volcker interest rate regime, the US economy experienced just two recessions between 1983 and 2007.

Table 3: US Real GDP Growth and Recessionary Periods, 1948 - 2007



Source: US Bureau of Economic Research, National Bureau of Economic Research, MVF Research, FactSet

Both of the Global Age recessions were comparatively mild events from the standpoint of duration and magnitude of the downturn (although the 2001 recession coincided with the dramatic stock market reversal of the dot-com crash, the recession itself only lasted eight months, with just one calendar quarter of negative GDP growth). Then-Fed chairman Ben Bernanke called this the "Great Moderation," and for a time, it looked like it could go on forever.

D. The Set-Piece of Global Order

All this frenetic energy of borderless capital and complex global supply chains played out before our eyes every day, with stock indexes marking to market the quotidian successes and failures of each enterprise playing a part on the stage of the global economy. Behind these actors, though, stood a set-piece of geopolitical infrastructure that preceded the advent of the Global Age. This set-piece, the unchanging scenery that remained in place onstage as the actors came and went, was the global order put into place at the end of the Second World War. Anticipating victory over the retreating Axis powers of Nazi Germany, Fascist Italy and Imperial Japan, representatives of the Allied nations met at the Bretton Woods resort in the White Mountains of New Hampshire in August 1944. In sharp contrast to its general abdication from the world political stage after the First World War, the US and its key representative at Bretton Woods, Harry Dexter White, actively guided the conference to a comprehensive framework for the rebuilding of the world that the war had destroyed.

Bretton Woods provided the structural economic foundation for Pax Americana. Unlike the experience of the 1920s, when successive conferences and plans tried and failed to patch up the glaring deficiencies of the Versailles Treaty, the Bretton Woods framework held together as an economic structure for thirty years. As a platform for a stable geopolitical order it lasted much longer. In 1991 the political mindset changed from a military-first alliance against the threat of communism during the Cold War, to a primarily economic configuration. By this time the tightly controlled economic system of Bretton Woods, with restrictions on cross-border capital flows and fixed exchange rates, had given way to the looser strictures of the Global Age. In this way, the geopolitical order remained intact even as it served a different purpose. That purpose was a global village of nations trading freely with each other, developing strong institutions and sharing a commitment to democracy and personal freedom, with leadership from the world's strongest economy.

This was the aspiration, anyway, of what in the 1990s became known as the Washington Consensus – essentially, a codification of the principles of neoliberalism – the repurposing of Pax Americana towards primarily economic objectives. In the United States, and to a greater or lesser extent in other nations situated in the ideological corner of the West, that aspiration carried a strong cultural impact. The Washington Consensus was the "end of history" imagined by political scientist Francis Fukuyama in his 1989 essay (followed by a 1991 book) of the same name. Then-president Bill Clinton spoke often of the inevitability of democracy as a companion to free trade when China progressed towards inclusion in the World Trade Organization, at the end of the 1990s.

In China itself, though, the conversation was very different as that country began its meteoric rise. Deng Xiaoping, the leader who guided China out of the cosmic failures of the Mao Zedong era into the club of the modern global economy, talked not of progress towards democratic ideals but of the "long game" – a marathon measured in decades towards a goal of dominance as a first-world power. History was never far from the mindset of Deng and his successors as General Secretary of the Communist Party of China – the history of humiliation suffered at the hands of Great Britain and other powers in the late nineteenth century which continued through to the backseat China took as the great powers divided up the world as they crafted the Versailles Treaty in 1919.

Even as China finally joined the WTO, at the end of 2001, it did not practice the liberalized economic dogma of the Washington Consensus. For one thing, the free flow of capital across borders, the lifeblood of the Global Age economy, stopped cold at the borders of the Middle Kingdom. Neither Chinese households nor most of its business enterprises had open access to foreign currencies. China's giant engines producing exports of manufactured goods received enormous subsidies from the state, and the proceeds from those exports were immunized from adverse currency effects by the People's Bank of China, the central bank, investing in foreign reserves, principally US Treasury securities. Capital controls and state subsidies were to be found nowhere in the user's manual for neoliberalism, but that was what China practiced during its so-called "supercycle" years of the early 2000s. Far from sharing in the idea of the Washington Consensus as the end of history, China's leaders saw it as merely a transitional phase while the country bided its time and gathered its strength, with development plans measured in increments of five years or more – a sharp contrast to the next-quarter myopia of its US counterparts. China's rise was a marathon, not a sprint.

E. The Fall of the Global Age

Earlier in this report we appointed 1982 as the (admittedly arbitrary) start date for the Global Age. Now we come to its end, which you may have already guessed from the fact that the timeline of our charts in Tables 2 and 3 above ends in 2007. Yes, we will posit the Global Age's fall as having coincided with the global financial crisis of 2008. To repeat our earlier arguments: the end of the Global Age was not the end of globalization, nor was it the end of the eighty year global order of Pax Americana. But the chaotic end of the Global Age, with both the sharpest stock market crash and the most painful recession since the Great Depression of the 1930s, set in motion a series of events that would eventually lead to the end of the Pax America global order last year. None of this was inevitable, and in terms of timing much depended on the way a few specific variables happened that could have gone other ways.

What seems clear though, at least in hindsight, is that the socioeconomic institutions we normally think of as the "elite" representatives of our economy and culture – in business, government, the media, entertainment, academia and religion – had all weakened over the years, having grown more corrupt even as they accumulated more and more wealth and social capital (power corrupts, as the saying goes, and absolute power…). When we made the statement earlier on that a return to Pax Americana would not be possible regardless of, say, who wins the next one or two elections in the US or Europe, what we had in mind was the chronic weakness of these institutions – not just here in the US, but around the world.

It was not at all obvious, in the immediate aftermath of the 2008 financial crisis, that such a broad swath of our socioeconomic elites had become so weakened. It would not become obvious until much later. But the crisis shone an unapologetic spotlight on one of the elites – the high priests of the financial world who ran Wall Street investment banks, and their courtiers in law, accounting, credit ratings and the like – that stood atop the pyramid. The self-styled “Masters of the Universe” turned out to be not so smart after all, seemingly blind to the potential carnage their overleveraged Collateralized Mortgage Obligations and Credit Default Swaps could cause if enough of them flooded every nook of the global financial system. The Occupy Wall Street movement that started a few years after the 2008 crash was never focused enough to land a definitive blow on the system that somehow was still paying out enormous year-end bonuses to the same people who had helped nearly take down the entire economy. But it set in motion what would eventually become the twilight of the elite institutions and, ultimately, the end of the global order itself.

We should add a brief word here about terminology before we move on. When we use terms like “decay” and “corrupted” to describe the weakening of elite institutions over this period, we are using them without the pejorative meaning in which they are sometimes employed. Our argument is not that the societal leaders who ran and staffed these institutions were bad people making deliberately harmful choices. As we described earlier, decay and corruption are natural processes that happen with time. It is very hard for the leaders of social institutions to course-correct in a way that prevents this kind of decay from happening. They make choices that seem rational at the time, and those choices are positively reinforced as long as the institutions continue to grow in wealth and power. Over time, though, they decay to the point of inability to resist when confronted with an existential crisis. That reality is what the past year showed.

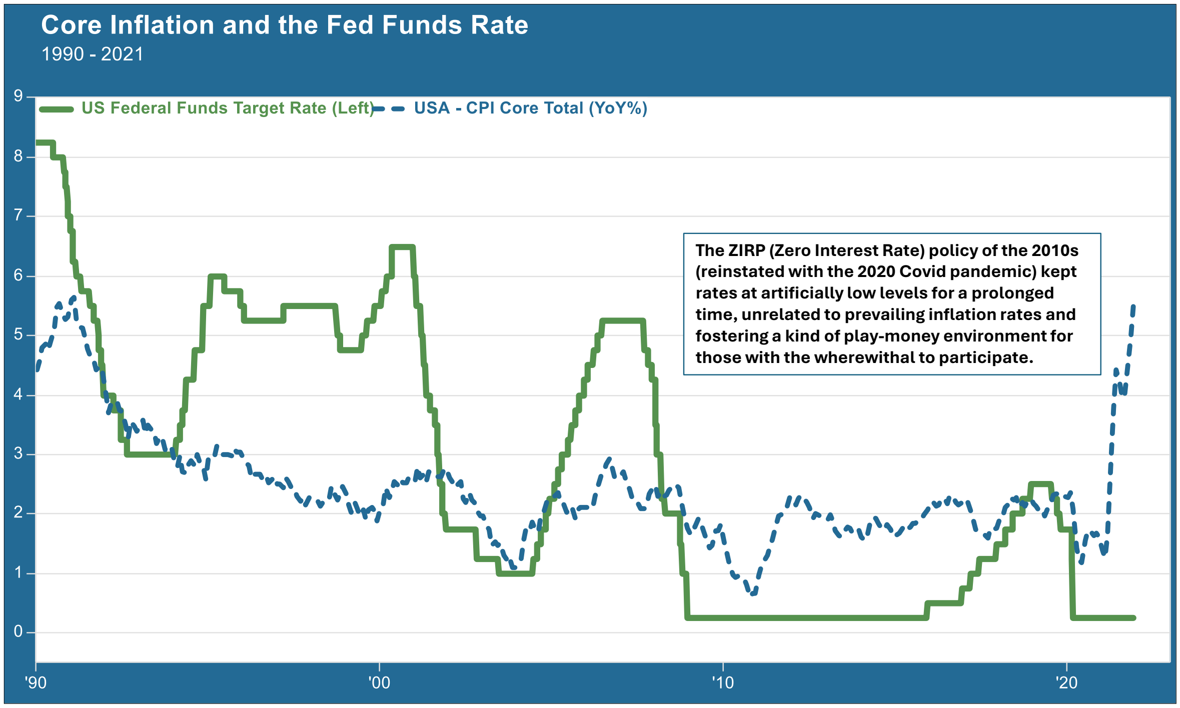
F. Central Banks, the Rearview Mirror and the Play-Money Economy

The immediate response to the global financial crisis and the Great Recession of 2008 was, essentially, to throw as much money at the problem as necessary to keep it from imploding. That was the right response, in terms of the alphabet soup of fiscal stimulus programs (TARP and its ilk) thrown together by the Bush administration in its last days and the Obama administration in its first, along with the sharp easing of monetary policy by the Fed as it lowered interest rates. By March 2009 the worst of the crisis was over, and the economy began what would become the longest uninterrupted growth cycle in US history.

But the policymakers, both in the Obama administration and the Fed, missed the opportunity to ask themselves a deeper question: was putting all the pieces of the neoliberal system back together really the correct objective? For all its demonstrable successes, the Global Age had its discontents. These were, to a considerable extent, the citizens of developed economies primarily in North America and Western Europe who had been on the losing side of the tectonic economic shifts of the period. Residents of towns whose main sources of employment had been shipped overseas. Households living from one paycheck to the next who got no benefit from the booming stock market. Exurban and rural areas that lacked a common cultural connection with the ultra-progressive mores that held sway in the increasingly prosperous – and for many unaffordable – big cities. These were the discontents showing up in the protest movements of the early 2010s, from the Occupy Wall Street movement on the political left to the Tea Party on the right. Later on in that decade these voices would drive the decisive events that set the world on course for the sociopolitical environment to come: nationalism and ethno-populism embraced by far right political movements on both sides of the Atlantic Ocean.

Perhaps it is understandable why policymakers in national governments and central banks did not pay more attention to the specter of these growing discontents over the 2010s. Certainly it would have been well outside the mandate of a central bank, the scope of which is normally limited to policies aimed at stable prices and (in some cases, like the Fed) maximal employment to start going down socioeconomic rabbit holes like displaced workers and communities struggling with the scourge of opiate addictions. But at the same time it was hard to ignore the plan fact that instituting an indefinite period of ultra-low interest rates – the defining feature of the economy of that decade and beyond – threatened to exacerbate the already-wide gulf between the economy’s winners and losers.

Table 4: Core Inflation and the Fed Funds Rate, 1990 - 2021



Source: US Federal Reserve, MVF Research, FactSet

What the Zero Interest Monetary Policy (ZIRP) created – intentionally created – was an unavoidable rationale for investors of all stripes, institutional and individual alike, to move out of safe assets like US Treasuries and into riskier assets, like high yield bonds and stocks (at the same time, the Fed's Quantitative Easing policy of buying Treasuries and mortgage-backed securities would keep those yields in check even as other investors moved out of them). A stock market boom, absent any overwhelming reason for share prices to go otherwise, was a pretty good bet – and boom the markets did, throughout this period. In an environment of zero interest rates – negative interest rates in much of Europe and Japan – financial choices become almost a play-money system. If you can borrow for nothing (or even get paid for borrowing!) and then turn around and invest in something else that – because of the artificial demand for risk assets that ZIRP creates – seems almost destined to go higher, then you are not living in the world of risk-adjusted choices described so thoroughly in every Finance 101 textbook. Higher risk for higher return? No! Central bank subsidies for higher return. A great game – if you are in a high enough income bracket to pay the ante to play the game. Eventually, someone was going to figure out a way to transmit this giddy "all gain, no pain" delusion to the masses, and by 2021 there it was – Robinhood, GameStop and meme stocks, cryptocurrencies and prediction markets (all of these being fancy ways to say "gambling").

Again, the deliberative thinking behind ZIRP and its related policies is easy to understand. The Fed (and other central banks doing similar things) thought it was the only set of tools they could use to keep the economy from going sharply into reverse and causing even more pain. For their part, national governments didn't seem to have any better ideas, and nobody seemed to give much credibility to the idea that the private sector itself could grow its way back to health without the constant security blanket of easy money. But as understandable as these policies were, those who made them committed a similar act of rearview mirror gazing as their predecessors did ninety years earlier, during the 1920s. Back then, what the leaders saw as desirable in the rearview mirror was the pre-World War I gold standard, the linchpin of what had become an increasingly liberalized trade and finance system in the decades leading up to 1914. They didn't grasp the enormous socioeconomic changes that had taken place between the 1890s and the 1920s, changes that precluded a simple return to the norms and standards that had worked before. Attempts to recreate this world ended disastrously as the reintroduced gold standard failed, the Great Depression arrived and new, dangerous political ideologies took root in some of the great powers of the day.

We argue that something similar happened during the 2010s and again in the immediate response to the Covid pandemic in 2020. Rearview mirror gazing to preserve the world that had been comfortable for those in charge. Now, the easy money policies of ZIRP and QE are not, of course, the sole reason for how we got to the end of the Pax Americana global order in 2025. We will have much more to say about some of those other reasons in other research we will be publishing this year. And again, just to repeat, we don't have another magical prescription for how the central bankers and other policymakers of the time could have produced a better long-term outcome. But yes, the economic decisions of those years, for fully 12 years after the end of the Great Recession, played a critical role in bringing us to the environment we face today.

G. Where We Are Today

So here we are at this very strange juncture. The eighty-year global order of Pax Americana is over, the Global Age of Washington Consensus neoliberalism is a thing of the past, the central bank play-money era ran its course when inflation jumped to generational highs in 2022, and yet the economy keeps on keeping on, with countries practicing whatever form of globalization fits their present-day policies. Remember that globalization is just seeking economic profit outside one's own home borders, and the vast majority of the world's 195 countries is still doing just that. A health check of the US economy, based on what we know in the second full week of 2026, is that core inflation is around 2.6 percent, the unemployment rate fluctuates around 4.5 percent, GDP growth was over three percent for each of the second and third quarters, and analysts are predicting high single digit earnings growth for S&P 500 companies this year. That all sounds pretty good. From a practical standpoint, then, does it really matter that so much has changed outside the realm of finance and the economy? Does the global order – or the absence thereof – really matter?

We think it matters first and foremost because the mentality of international relations today has changed from win-win to zero-sum. In the old Washington Consensus framework, noted approvingly in Januarys past by the great and good gathered in the cozy comforts of Davos, trade was a binding ingredient for peace among nations. Remember the old "Golden Arches Theory" of New York Times columnist Thomas Friedman, some 20 years ago? No two countries with McDonalds franchises in each has ever gone to war with each other, went the theory, and out the window that theory went for good in 2022, when Russia invaded Ukraine despite both countries being home to golden arches.

In place of win-win notions like the Golden Arches Theory, today we have two competing ideologies in ascendance, neither of which presupposes a happier future for all parties but rather dwell entirely on a scorecard of winners and losers. The first of these is what we have seen here at home, with a government administration much more directly involved in the levers of the economy than any previous administration in modern history (including that of the first Trump term). This heightened state control of the US economy is based on a raw expression of power rooted in the assumption – an assumption more in line with the way leaders thought in the late nineteenth century than in the modern era – that the acquisition of land and raw materials (fossil fuels primarily but other energy inputs as well) is the key to growing an economy. It is an imperialist mindset, barely evolved from the colonialist mindset that had the major powers of Europe scrambling all over Africa for colonial expansion in the wake of the 1885 Berlin Conference.

Now, how much of this mindset turns into actual land grabs is still something we do not know at the beginning of 2026, but after the ousting of Venezuelan president Maduro at the beginning of this year, followed by the assertion of control over Venezuelan oil, it is clearly a central driving impulse of this administration. Conquest in this way is likely to run into strict limits sooner or later; even nations that acquiesce in the face of American brute strength will not remain subservient and compliant indefinitely. The Great Powers land grabs of the late nineteenth and early twentieth centuries did not end well – they ended in a world war that brought an end to the global order of peace and stability called the Concert of Europe that lasted, despite frequent regional flare-ups, from the end of the Napoleonic Wars in 1815 to the First World War.

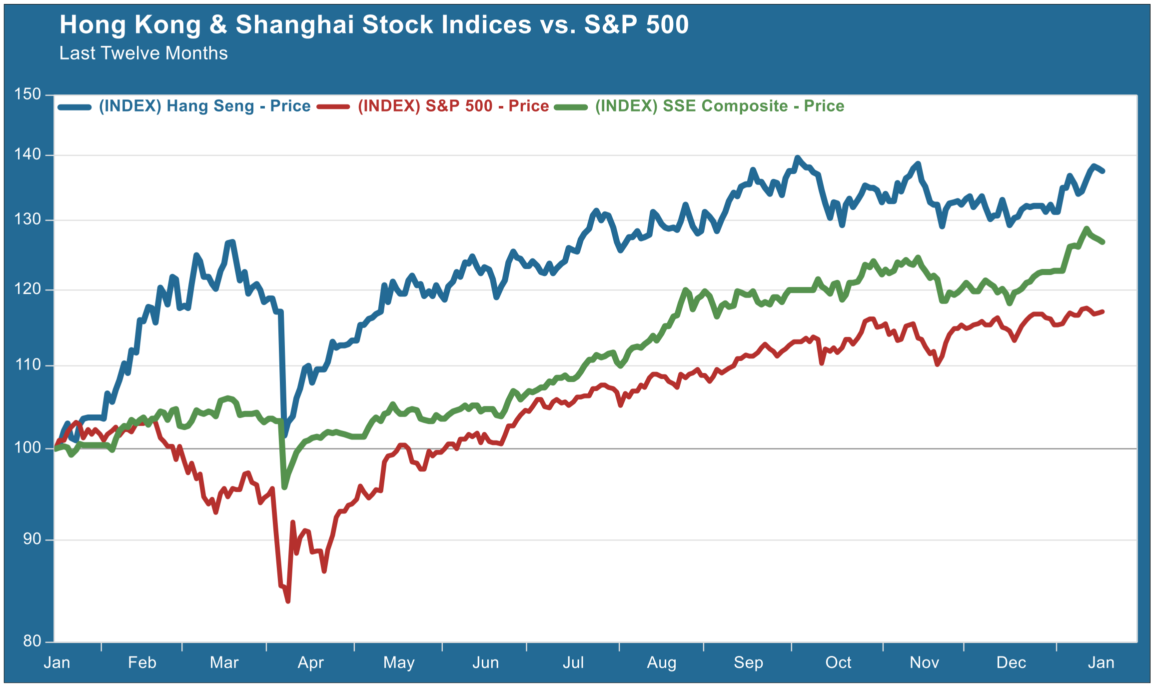
The second ideology is the "Socialism with Chinese Characteristics" that China has been practicing for the last 30-odd years (which is really a misnomer, and should be called instead "capitalism with Chinese characteristics"). This is also a zero-sum mentality, but in a different way from US neo-imperialism. China continues to speak a language that sounds almost like Global Age win-win platitudes – trade partnerships and mutual prosperity. But China's aims have never been about mutual prosperity, but rather about creating a web of dependencies with China fully in control as the superpower creditor calling the shots. This strategy has worked, with varying degrees of success, in Southeast Asia, Africa and Latin America. For many years it was held in check by the strength of Washington Consensus alliances. But with those alliances weakened to the point of being negligible (i.e., in the aftermath of Pax Americana) and with the US neo-imperialist model looking to many as a worse bet, the Chinese-capitalist alternative is potentially ascending towards the dominant position Deng Xiaoping had in mind in his "long game" remarks 40 years ago. In 2025 China demonstrated that it possesses some very real leverage with which to secure dominance atop the global economy.

And this, purely from the standpoint of the economy and financial markets, is why it matters. China is positioned to become the next economic superpower. This is not inevitable. The Chinese economy suffers today from some very serious problems. Its property and development sector, one of the most important drivers of growth during the supercycle, is experiencing chronic depression. The household consumer sector is nowhere near as strong as that of the US or most of the developed West. While we have been dealing with higher than acceptable inflation here in the US, China has been experiencing deflation, which is worse. There may be limits to how much suffering the Chinese population is willing to endure as its leaders in Beijing stifle the creation of domestic wealth today in favor of massive investment in leading-edge manufacturing expected to dominate the economy of tomorrow.

But those investments have paid off. China already dominates global manufacturing and is set to increase its share over the next decade. As the world (apart from the US) turns away from fossil fuels towards renewable energy sources, China dominates just about every facet of the green energy space. It is rapidly gaining world-beating competitive strengths in pharmaceuticals and biotechnology. Last year, the Chinese artificial intelligence platform DeepSeek demonstrated that China's AI capabilities can go toe to toe with the likes of OpenAI and other US developers, for less cost. The country still trails the US in the most advanced segments of the semiconductor market, but is closing the gap. Finally, as the Trump administration found out to its dismay last fall, China's lock on the production and refining of rare earth minerals, which are necessary inputs for a vast array of must-have technologies for businesses and households alike, gave it the leverage to stare down the threat of the ruinous tariffs previously announced by the US administration.

All this adds up to a set of advantages that puts China in a strong position to prevail as the leading power in the long term, assuming it can navigate its way through the economic problems it faces today. China may have the upper hand in alliance-building as more countries look for ways to disentangle themselves from their long-term dependence on the US. And while it is obviously still early in the game, investors have returned a preliminary verdict of their own – over the past twelve months the SSE Composite, the benchmark Shanghai stock market, has gained about 27 percent to the S&P 500's appreciation of 17 percent for the same period. The Hang Seng index of Hong Kong (a proxy for access to many of the most prominent shares of mainland Chinese companies) is up even more – 38 percent for the same period.

Table 5: Hong Kong & Shanghai Stock Indexes vs. S&P 500, Last Twelve Months



Source: MVF Research, FactSet

If China does succeed in its aspirations to become the next undisputed economic superpower, it will be in the position to author much of what may eventually become the next global order. This is not likely to bear much resemblance to what many foreign policy observers are writing about today in depicting a multipolar world of three vertical power centers – the Americas dominated by the US, Europe under the sway of Russia and the Asia Pacific Region as China's dominion. No – the sphere of influence imagined by Xi Jinping and his fellow leaders in Beijing is worldwide. Apart from its singular obsession with Taiwan, China does not aim to project its military power on acquiring new territory (that old imperial urge remains, for now, the fixation of only Russia and the US among world powers). But it does aim to project its economic might without regard to longitudinal borders. In doing so, it could fall into the "Thucydides trap" – the wars that so often happen when a rising power challenges the dominance of the existing power, going all the way back to Athens and Sparta in ancient Greece. The last time a change in global leadership happened, the Thucydides trap was avoided as the powers in question were the US rising to displace Great Britain. The US and China may be a different story entirely. Watch what happens, for example, as Canada follows up on its recent, highly publicized announcement of increased strategic economic cooperation with China.

None of this, to repeat what we said before, is inevitable. But however this transitional period plays out, we believe that the window has already closed permanently to bar any kind of return to Pax Americana, to the world of the past eighty years. And this, in turn, is the main motivation for what we consider to be the most important strategic decision we make, this year and in the years to follow, for the investment portfolios entrusted to our management. We believe that US dollar-centric portfolios will require substantial diversification into other geographies, other currencies and other instruments in order to be prepared for whatever outcomes we experience in this transition of global order. We began this effort in earnest last year, we are continuing with it this year and we have a five-year time horizon during which we expect to obtain a higher level of diversification, measured along several different criteria (i.e., geographies, currencies, asset classes and risk-return profiles). A year from now, when we look ahead to 2027, we will no doubt have updates on this theme to share with you. As always, we will challenge ourselves to understand where we did well and where we can learn lessons from things we missed or misread. This road may not always be easy, and it could well turn more challenging before we see some clarity. But we have our eye on the long term, and we have confidence in the opportunities the long term will present.

II. 2026 Economic Outlook

A. Our Investment Thesis in Two Pages

The world begins 2026 on relatively strong footing economically, but it rests on the most unstable geopolitical footing of the past eighty years, as we discussed at length in the first section of this report. In the US, there are two potential reasons for optimism. The first is that the highest levels of tariffs imposed by a US government since the 1930s did not create runaway inflation; nor did they send consumer spending into a tailspin. The second piece of good news is that the ferocious pace of capital spending by companies building out the infrastructure of artificial intelligence is not set to slow down anytime soon. The combination of these two positives – continued consumer spending and growth from private nonresidential business investment – lowers the likelihood of a US economic recession appearing in 2026. And while it is too early to tell whether this is real or a mirage, a recent uptick in productivity may be an early sign of AI actually taking root and making a positive economic impact. Hold that thought – we don't yet have conclusive evidence that the productivity surge will be sustainable or that AI is responsible for it – but let's not take our eyes off the all-important metric of productivity as the year unfolds.

The bad news is that there is very little room for error in the AI narrative from a stock market perspective. After three years of sustained outperformance over every other segment of the equity market, leadership from AI-themed stocks will be hard pressed to continue without experiencing at least one significant pullback. Given their dominant weightings in market cap-weighted indexes like the S&P 500, that could prove to be a serious drag on potential upside for the overall market. Rotational moves into other corners of the US market, such as value, small-cap and micro-cap stocks, may provide some relief from time to time, but we would be inclined to see any such rotation as little more than a tactical event with little in the way of longer-term strategic benefit.

The rotation we do believe has stronger long-term potential is the downsizing of weightings in US dollar-denominated asset classes as investors adjust to the post-Pax Americana global order. Beneficiaries of this rotation, which started last year, will potentially include both developed and emerging non-US equity markets from Europe, Africa and the Middle East (EAME – an acronym that has been useless for most of its life but may start to carry more clout) to the Asia Pacific Region and Latin America. Since the contours of a new global order remain largely unformed, the conventional thinking (which we think is probably the right thinking) is to slowly build up concentrations across all regions. We started this process a year ago with a five-year plan in mind for achieving more balance between dollar and non-dollar assets.

One important question here which probably will not be answered in 2026 is how much of this "sell America" rotation, as it has come to be called in the financial media, will be to the benefit of China. As we discussed at some length in the first section of this report, China has the potential to become the dominant economic superpower of the new global order. But given that the new order has not arrived yet, and probably won't arrive in an obvious way this year, "sell America" does not translate into "buy China," particularly given the many current problems that country faces that we discussed in Section One, including consumer price deflation, the sorry state of the property market and high levels of indebtedness among state-owned companies and regional municipalities. If conditions in the global economy turn worse than our base case model contemplates, it could have an adverse effect on China's ability to keep running up those trade surpluses that topped $1 trillion last year. So when we talk about shifting risk asset exposures away from dollar concentration, that shift is going to be judicious and not overly concentrated in any one particular region until we see something resembling a new framework for the global order.

Geopolitical change is likely to affect the bond market as well, and one of the most serious latent threats here is the potential loss of central bank independence in the US. Political domination of the Fed is much harder than simply replacing the current chairman of the Board of Governors, Jay Powell, whose term ends in May. The Federal Open Market Committee is made up of seven Board of Governors members plus four heads of regional Federal Reserve banks on a rotating basis, plus the New York Fed president on a permanent basis, for twelve voting members total. Turning this professional committee into a political project, in other words, would be a tall order. We don't think the Fed will lose its independence in 2026.

But the administration has already signaled, through several different events, its overarching aim for a central bank that responds to its (the administration's) monomaniacal desire for ultra-low interest rates. This by itself could lead to a lack of confidence in US Treasuries as the ultimate safe haven asset. We will be closely watching the shifting mix of foreign exchange reserves among global central banks, including Treasuries, non-US sovereign debt and gold. As with equities, we believe that the bond market will increasingly reflect the realities of a post-Pax Americana global order. This has some far-reaching implications, since Treasuries have long held sway as the default proxy for the "risk-free asset" baked into most financial asset valuation models.

For investors, though, one of the challenges to de-concentrating the high quality US fixed income component of the portfolio is the fact that high levels of correlation continue to exist between sovereign issues (and other instruments of similar quality). In other words, assets like Gilts (UK sovereigns) or Bunds (the German equivalent) would be likely to catch a downdraft should the Treasury market experience a major pullback. Since high quality fixed income is supposed to anchor the safety portion of a portfolio, this degree of correlation matters (it may diminish over time, as we think likely, but for now it remains strong). This challenge may be addressed, however, by adding certain types of alternative assets that have similar low volatility properties to high quality fixed income. Structured properly, these assets can provide both a reasonably predictable stream of income (similar to what bonds do) and currency benefits from reduced US dollar exposure. For 2026, we believe that such an approach has merit.

Finally, we see the potential for higher than average volatility this year (which, unfortunately, means that you should treat any of the recommendations you find in these pages as being vulnerable to the effect of unexpected forces). Volatility, clearly, proceeds from the instability of a rapidly changing world – not just the changes brought about by the shifting tectonic plates of geopolitics, but also of technology. To give one example: if it turns out that the incipient uptick in US productivity really is a function of AI's impact, what does that mean for the labor market? After all, productivity measures how much effort it takes to produce a defined quantity of output. The less labor involved in producing each unit, the higher the productivity. But what happens to that labor? We don't know. The US unemployment rate today is 4.4 percent, which is well within historical norms. What if that goes to 10 or 15 percent, or even more?

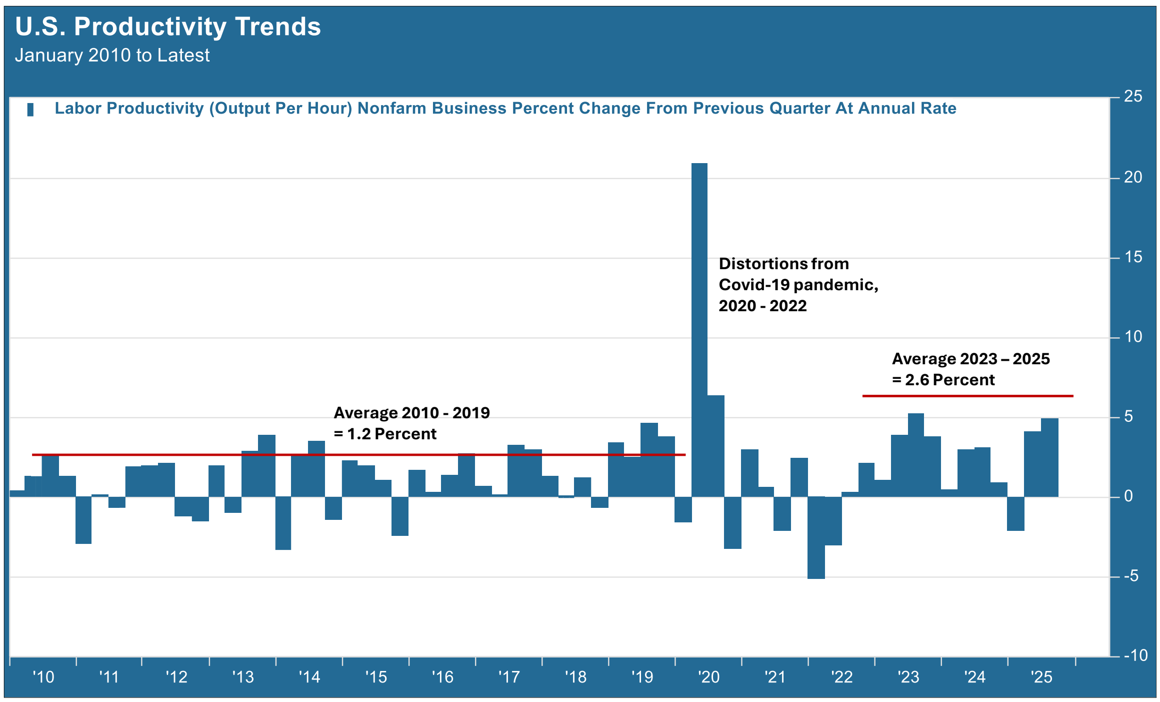
And while we're on the subject of labor, what about population demographics? China's birthrate recently fell to its lowest level since records began. Around the world, birthrates are falling well below the level of 2.1 per woman, the so-called "replacement value" for ensuring population stability. And people are living longer, hence the ratio of older people dependent on others for care to the younger folks able to provide that care is rising. That also opens up a Pandora's box of potential sociopolitical ills. Maybe not this year. Probably not this year, in fact. But the portfolios entrusted to our care have much longer timelines than this year alone. We expect to be dealing with these profound challenges for years to come.

B. Around the Globe: Selected Metrics

Is the US Productivity Uptrend for Real?

Productivity is the single most important macroeconomic figure. Unfortunately, it's also one that tends to get lost amid the easier stories for financial media pundits to talk about, like inflation and jobs. It's also hard to make direct inferences about what any given quarterly data point means. Productivity derives from many different sources, including labor efficiency processes (an organizational source) and improved tools (a technological source). But it's important because, in times of a population that is both aging and shrinking, productivity is the only path to sustained long-term growth. With that in mind, it's worth nothing that in the last few years we have seen a bit of an uptick in US labor productivity.

Table 6: US Productivity Trends, Q1 2010 to Q3 2025



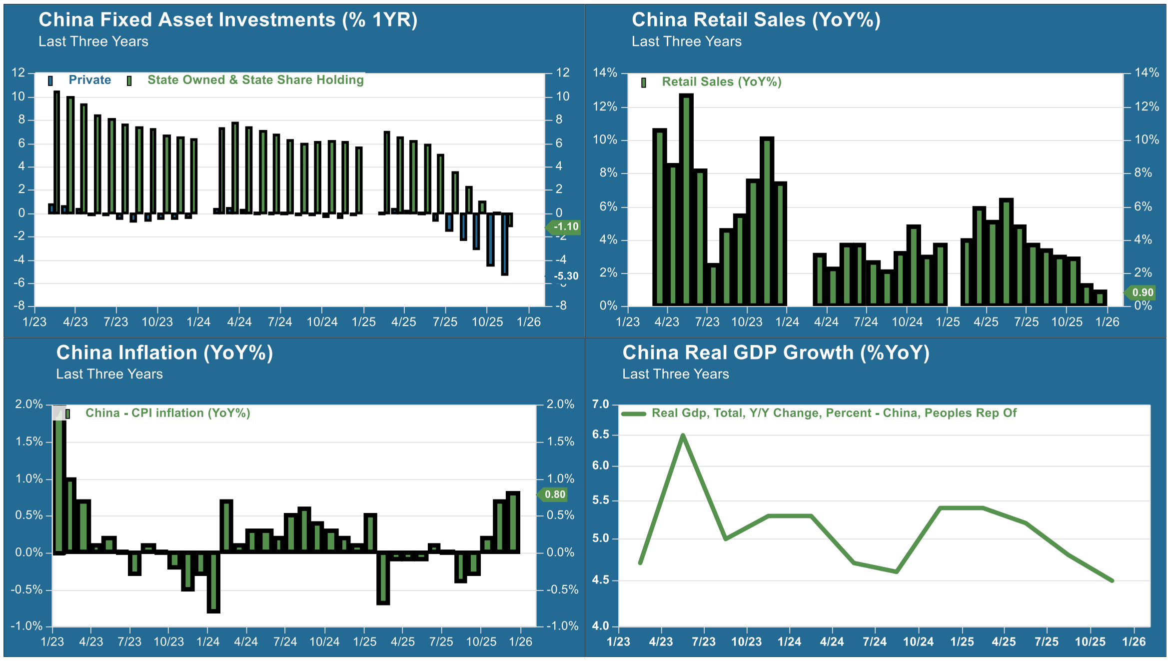
Source: Bureau of Labor Statistics, MVF Research, FactSet

Given the importance of productivity, it is perhaps no small thing that the average rate of growth (quarter to quarter, annualized) was more than twice as high in the past three years, 2023-25, than it was for the decade from 2010 to the end of 2019 (the data from the Covid-19 pandemic period, also shown here, suffers from the same extreme distortions as most macro figures from the 2020-22 period, so we omit them from our analysis). Is it possible that the higher productivity rate of the past three years is a hint of the AI revolution to come? It is far to early to draw that conclusion with any conviction. But if we see a continual stream of higher numbers in the forthcoming quarters, we may well divine that an AI-related trend is afoot.

China's Today Challenge for Tomorrow's Economy

China showed in 2025 that, alone among world economies, it has the resources and the strategic planning capabilities to rise to world dominance. Decades of patient planning, extreme amounts of personal sacrifice on the part of Chinese citizens under the authoritarian thumb of Beijing, and large-scale investment not only into manufacturing processes but into the knowledge economy of science, engineering and computational technologies have put China in the position where it can stare down the threat of US tariffs by withholding exports of the rare earth materials whose production and refining it dominates, and still come up with a trade surplus of more than $1 trillion even while reducing its exposure to the vast US consumer market. But China will only arrive at its dreamed-of future atop the new global order if it manages to get through some serious present-day challenges, four of which we note below.

Table 7: Selected China Economic Statistics, 2023 – Latest



Source: MVF Research, FactSet

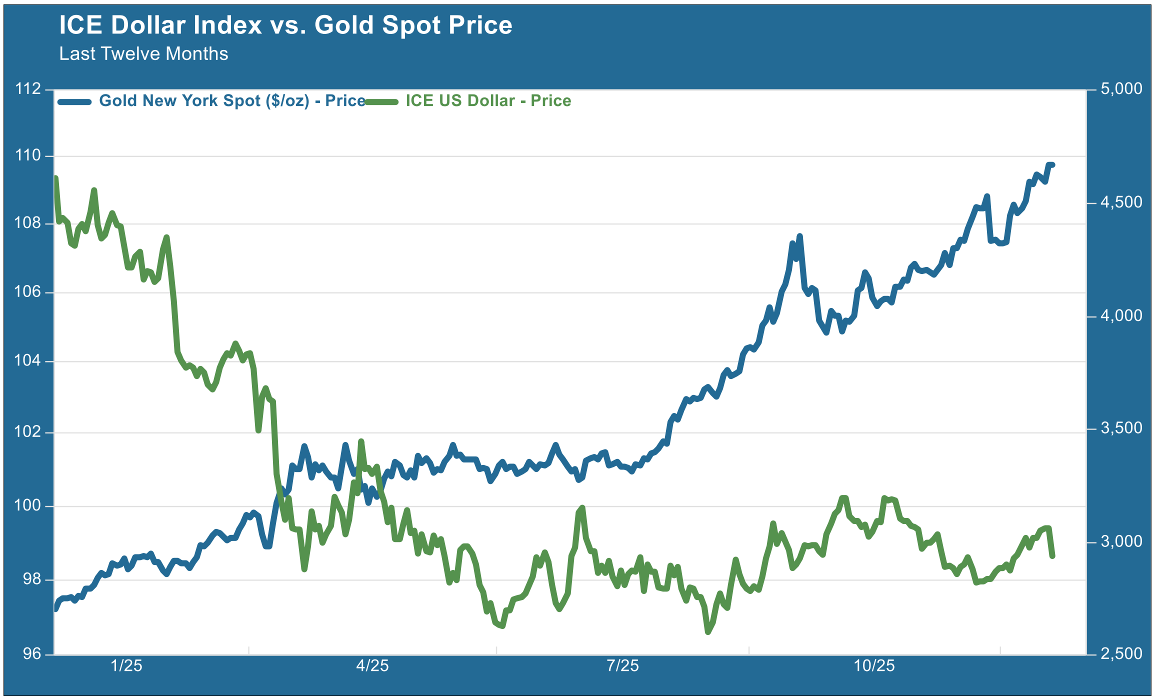
Each of these charts illustrates the dilemma China faces today. Fixed asset investment (upper left-hand chart) has collapsed over the past year as the property market fallout that began in 2021 turned into a chronic and seemingly unsolvable problem. The decline in asset values has, in turn, depressed consumer sentiment. Retail sales (upper right-hand chart) have declined; meanwhile, the average year-on-year consumer price index (lower left-hand chart) has been just 0.18% over the past three years. The rest of the world has had an inflation problem, but the only thing worse than an inflation problem is a deflation problem. Finally, GDP growth (lower right-hand chart) has managed to stay not far away from the government's five percent target, but almost all of that growth has come from the investment in manufacturing. If the rest of the world stops growing for whatever reason, China's export capabilities will be limited and GDP growth at recent levels will be hard to come by. On the other hand, China is amassing even more of a scientific and technological advantage as the US turns its back on scientific research and spurs the world's smartest scientists and engineers to look towards Asia for advancement.

Doubts About the Dollar

The US dollar remains the world's reserve currency. But it doesn't carry quite the same sway as it has done for most of the post-World War Two period. Last year, the dollar fell decisively against the currencies of its major trading partners. Much of the decline, to be sure, happened during the first four months of the year when the threat of extreme tariffs moved off the pages of speculation in the financial press and into the real world economy. The greenback did stabilize after the Trump administration walked back, or at least put on hold, the most extreme tariff levels proposed at that infamous Rose Garden presentation on April 2.

But the dollar's weakness has shown up in other ways as well. It comprises around 57 percent of the total foreign exchange reserve holdings by global central banks, down from 66 percent a decade earlier. And economists posit that at least some of the massive run-up in the price of gold over the past twelve months has been due to increased purchases of gold, rather than dollars or dollar-denominated assets, by central banks (though from most of the evidence we see, most of that stunning rise in gold prices comes from retail and institutional speculation).

Table 8: US Dollar versus Spot Gold Prices, Last Twelve Months



Source: MVF Research, FactSet

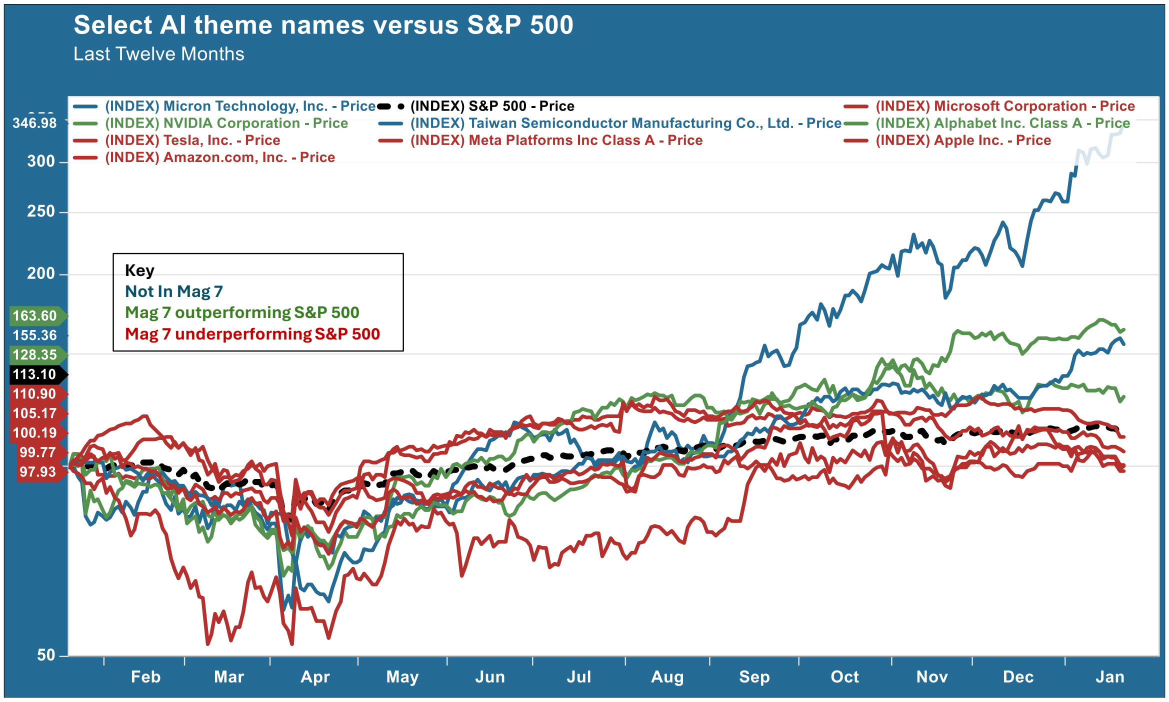
The fact remains that, despite the instability surrounding the end of the Pax Americana global order, there is no viable immediate replacement among national currencies to replace the dollar. The Chinese renminbi remains behind a wall of capital controls that Beijing is reluctant to remove, while the euro is still a single currency without a single financial or banking system behind it (meaningful banking reform is a long-overdue priority for the Eurozone to solve). Gold, as we noted above, may be a partial solution for central bank reserves, but is a commodity subject to a high degree of price volatility. Cryptocurrency evangelists will herald the apparent arrival of their moment in the sun, but if digital currencies ever do become a viable unit of accounting, it will most likely be in the form of a central bank-linked digital currency rather than the effervescent ones that float around in the current market environment. That moment has not arrived yet (though it is worth noting that China is out in front on this point as well, with a digital renminbi backed by the People's Bank of China having been in beta test mode for several years already). The dollar, in other words, is far from dead but its centrality is eroding.

AI Narrative Strong, Mag 7 Less So

The so-called "Magnificent Seven" mega-cap stocks that have been the market's go-to proxy for the AI theme – Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla – have been having a rough go of it as of late. Currently only two of these seven – Nvidia and Alphabet – are outperforming the S&P 500 over the last twelve months. Stretched valuations are certainly part of the story, as these stocks are undeniably expensive, but there is more to it than that. The market narrative for AI has changed since the early days of 2023, following the release of the generative AI platform ChatGPT, when the narrative amounted to little more than "buy anything with any connection, however remote, to AI" – with AI being to 2023 what dot-com was to 1999.

Three years later, there are perhaps only two things one can say with a good deal of conviction about AI. The first is that companies are spending hundreds of billions of dollars on building out the infrastructure to support widespread adoption of the technology. This means data centers and large learning modules (LLMs) that consume vast amounts of power, require deep memory storage facilities and use the most advanced semiconductor chips to run through the highly complex processes the LLMs go through as they try to simulate the human brain and arrive at the ultimate goal of artificial general intelligence (AGI), which is when an AI-powered machine can replicate literally any task a human can perform (only better, with no sick days or carping about a lousy benefits package).

Table 9: Select AI-themed Stocks versus S&P 500, Last Twelve Months



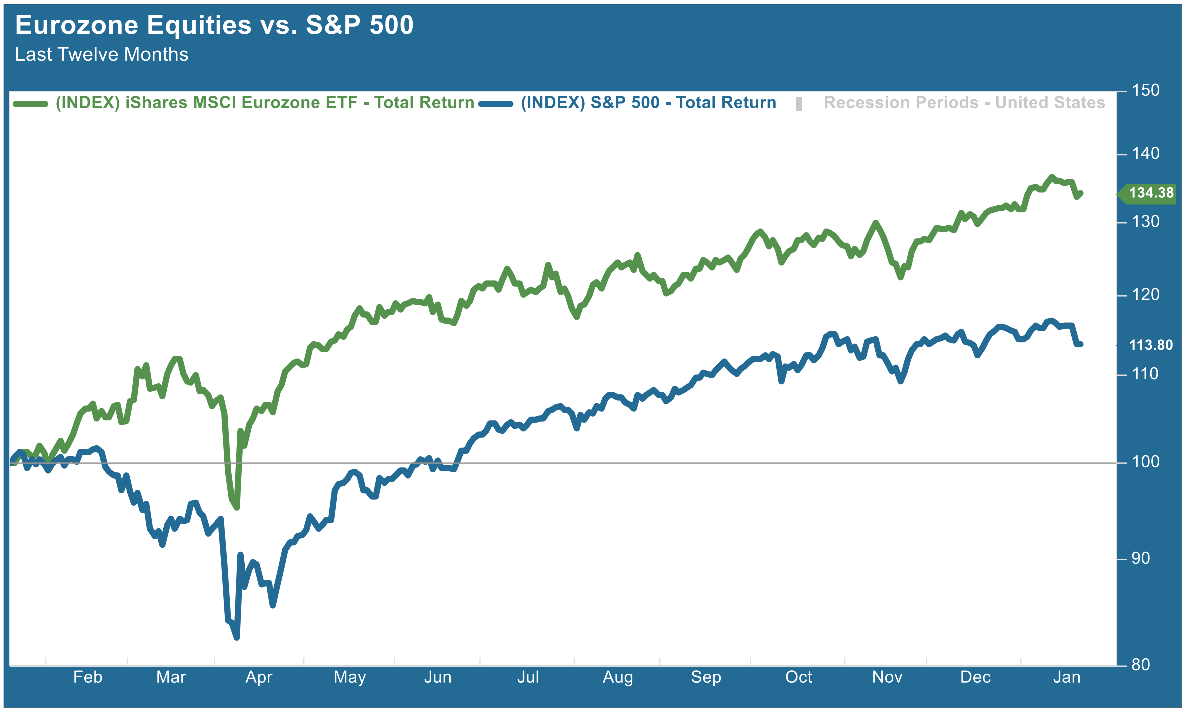
Source: MVF Research, FactSet

The second thing one can say about AI with reasonable confidence is that it remains very unclear how it is going to penetrate the real economy, on what time frame, towards what specific business purposes and with what attendant risks. Here is where the dispersion seems to be occurring in the AI story, as depicted in the chart above. The outperformers here include the two Mag 7 companies, Nvidia and Alphabet, along with non-Mag 7 but very much AI-centric companies Taiwan Semiconductor and Micron Technologies. What these four companies all have in common is their centrality to the infrastructure part of the story, i.e., the part of the story that is already generating real economic growth. The others, to varying extents, are somewhat more tangentially connected. In a world where AI penetration into business activities is deep, broad, and just around the corner, these companies may all more than justify their elevated P/E ratios. Or not. What we may see in 2026 is the continuation of more nuanced dispersion, rather than a system-wide pullback away from the entire AI narrative.

Europe's Moment

We will end our brief tour d'horizon of global trends with a focus on Europe. The continent had a good year, market-wise, in 2025 and that trend has continued into the first few weeks of this year. Early last year, the budding rotation looked very much like one of those perennial head-fakes that gets investors excitedly talking about the next Big Rotation, before fizzling away once people start asking "why?" with more frequency. But last year the "why" found an answer – Sell America. The "Liberation Day" tariff debacle accelerated the sentiment to start moving assets into other geographic markets, but the trend continued even as the Trump administration walked back the most extreme versions of the tariffs and the US dollar settled into a more stable pattern.

Table 10: Eurozone Equities versus S&P 500, Last Twelve Months



Source: MVF Research, FactSet

How much longer can this trend continue? It will probably take more than just "Sell America." That sentiment supplies a reason to move out of one market, but it says nothing about why Europe – as opposed to Japan (looking good for its own reasons), or other developed-country middle powers like Canada and Australia, or China, or non-Great Power emerging markets, should be the destination of choice.

Part of the answer could well like in how Europe decides to handle the threat posed by the loss of the Pax Americana alliance. This alliance, while having been a net positive for Europe, has also made it dependent both militarily and economically on the superpower across the Atlantic. If European nations make the choice to appease, to go along with an unpredictable former ally because that's what they've been used to doing, then the use case for Europe would seem to be weak. On the other hand, a rebuilding effort that involves both stepped-up defense spending and more investment in forward-looking economic sectors could make Europe equities a more sustainable prospect for outperformance. It is too early to tell where things go from this juncture. But we believe there are good reasons for maintaining a positive near-to mid-term outlook on Europe as an important part of a globally diversified portfolio.

C. Final Thoughts: 2026 As the Year When Geopolitics Matter

As we described in the first section of this report, 2025 was the year when the set-piece of a stable global order was removed from the world stage. The stability of that set-piece is perhaps best reflected by the fact that, for the duration of Pax Americana, very little in the way of geopolitical developments mattered for financial markets. There were flashpoints, of course, throughout this period, from the Korean War in the 1950s to Vietnam in the 1960s and the brutal domestic unrest over civil rights also in the 1960s. The 1970s brought us OPEC, Watergate and the first glimpse of decline in the position of the United States as undisputed global leader. Cold War tensions heightened in the early 1980s as the other superpower of the day, the Soviet Union, confronted its own imminent decline. Global terrorism punctured the optimism of the late 1990s with the 9/11 attacks and the subsequent wars in Afghanistan and Iraq. Throughout the period we have confronted adversaries aplenty.

But through it all, markets did their Energizer Bunny best to keep on keeping on. Bear markets, when they happened, were the result of economic cycles and not geopolitical disturbances. The decade-long weakness of the 1970s and then the global financial crisis and Great Recession of 2008 were the signature moments when financial markets weakness looked like they might not recover their lost mojo. But the S&P 500 finally shook off its 1970s blues in August 1982 and never looked back as the Global Age got underway. It took central banks trillions of dollars of monetary stimulus to pull us back from the edge in 2008, but it worked, and anyone with the discipline to stay in the market throughout the worst of the crisis saw the S&P 500 regain its precrisis high in 2013 – again, never to look back.

Markets normally do not react in quantifiable ways to geopolitical developments because, well, there is usually nothing to quantify. If the tax code changes, or if Company ABC revises its sales forecast down, or if the central bank changes interest rates, investors can just type these changes into their models and come up with a new net present value for whatever they are analyzing. Geopolitical events don't work like that. Even something with a number – like a tariff – beggars a precise analysis. Who pays the tariff – the exporting company, the importer, the distributor, or the consumer? Probably all, but in what portion? What's the substitutability for the product affected by the tariff? What other factors are at play influencing consumer behavior? The global economy is a complex system. Geopolitical developments add more variables to the complexity, leaving us with more questions than answers.

We do not expect we will see much in the way of clear answers, in 2026, to the question of what happens now that Pax Americana is over. For the most part, as far as financial markets are concerned, we expect that Energizer Bunny tendency to "keep on keeping on" will take us from one day to the next. Investors will continue looking at the same things they always do – earnings, inflation, the job market, the Fed – and make decisions accordingly. Those with shorter attention spans and greater appetite for a quick killing will continue speculating on meme stocks, crypto and its ilk. In many ways, perhaps for most of us, the new boss won't seem much different from the old boss.

But there will be, we think, a more persistent cloud of uncertainty hanging over everything, which uncertainty is directly related to the transition of the global order. The way this translates into investment strategy, from our perspective, is the relatively straightforward decision to continue with the geographic diversification we began last year, and also to do what we can to offset potential threats to the safety portion of our portfolios, which are normally the province of high quality sovereign and corporate fixed income assets, with uncorrelated or low-correlated investments that offer similar risk-return opportunities. There will be new threats ahead, but also new opportunities. We are in it for the long haul.

This page left intentionally blank.

Important Disclosures

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MV Capital Management, Inc.), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful.

Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MV Capital Management, Inc. All charts and graphs used above are for illustrative purposes only as they relate to the context of the discussion and do not represent a recommendation to buy or sell any specific investment or strategy. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing.

MV Capital Management, Inc. is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice.

A copy of the MV Capital Management, Inc.'s current written disclosure statement discussing our advisory services and fees is available for review upon request.

www.mvfinancial.com