



Left: Cynthia M. Vavrik, CFP® (Financial Advisor); Ron Schwartz, CFP® (Financial Advisor); Steven Howard (Financial Advisor); Cameron Donnelly, CFP® (Financial Advisor); Patricia Reyes (Financial Advisor); Ryan Kibloski, CFP® (Financial Advisor); Jeffrey Babik (Financial Advisor); Joshua Dunn (Financial Advisor); Jack DeGiorgio (Associate)

Quarterly Newsletter

3Q2026

Q3 MARKET UPDATE

As we enter October with the prospect of Mid Term elections brewing, the durability of the August market highs is in question. The September–October period has historically been the most seasonally challenging. According to script, the index has pulled back with investors digesting a litany of concerns. Chief among them has been the two-year US Treasury yield increase to 4.66%, reflecting growing odds of further rate hikes. As prospects for reopening the Strait of Hormuz have collapsed and hostilities have resumed, crude oil prices have rebounded to around \$100 per barrel, with diesel fuel near an all-time high, above \$6 per gallon. Dynamics on the longer end of the Treasury yield curve have further complicated matters. The two-year/10-year segment has materially flattened, as Treasury Secretary Bessent announced unorthodox intervention in both the Japanese yen and long-duration Treasury markets. The mere acts of intervention drew attention to currency complex imbalances, global government debt costs and US debt and deficits at a time when the White House is showing little interest in fiscal restraint. I acknowledge that this combination of headwinds could be formidable for a normal business-cycle expansion, especially when risks are not fully priced. But that is not what I see here. The AI-capex build-out is not normal, and experience has taught me to prudently manage risk but not panic. Rather, now is a time to ask: "What is priced into the market?"

Since January, the S&P 500's forward P/E multiple has fallen from 22.5 to about 19.5. Much of that has occurred without major equity losses, as 30%-plus year-over-year earnings growth has cushioned revaluation. In many respects, such compression reflects the structural reality of higher long-term interest rates as well as some potential peaking of cyclical earnings power. There are also equities' rotational dynamics, as the market has broadened and absorbed some extreme factor exposure to momentum and growth. The Magnificent Seven's relative underperformance and the rising importance of idiosyncratic risk versus macro-driven volatility have enabled the equal-weight index outperformance and reduce concentration. Most encouragingly, the drivers of widening earnings momentum do not appear to be slowing.

We enter Wall Street's proverbial "silly season" with plenty of concerns, including rising rates, oil-market stress, policy discord, and currency volatility. While these risks should be taken seriously, markets appear to be pricing them in clear-eyed fashion, as US equities have lagged stellar earnings, helping to rationalize valuations. In the Treasury market, the repricing of inflation, the Fed's policy response seems to better reflect economic growth, deficits, and credit issuance. Oil futures are also accounting for higher prices well into 2027, and yen appreciation is beginning to cure currency imbalances. Amid persistently strong corporate fundamentals, which continue to foster positive earnings revisions breadth, I am inclined to buckle up for any volatility, using it opportunistically to position for gains over the next 12 months. If earnings deliver, September's worries should only amount to headwinds—not factors that will derail.

Consider using stock and bond weakness to reload for long-term investing. Also consider rebalancing fixed income toward strategic benchmarks, as I expect policy-related volatility to remain above average. In equities, add to equal-weighted index exposure or active stock selection. Financials, Health Care, and some Defensives are recommended along with select overweights to cloud-dominant hyperscalers. Adding sleeves of diversification from hedge funds, real assets, venture capital, and growth equity should fit the bill.

Enjoy the remaining warm days that will show themselves in the coming weeks and get outside for a breath of fresh air before winter gets here.

Jeff Babik

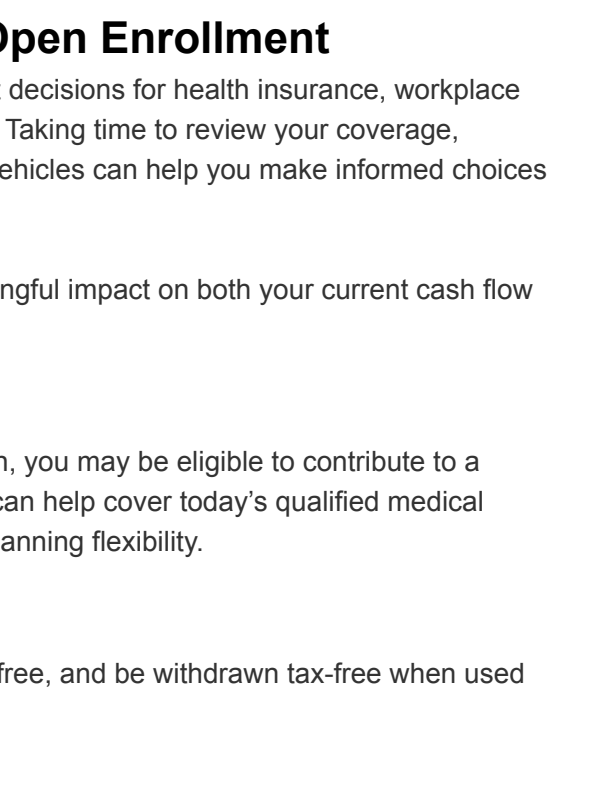
RESEARCH & INSIGHTS



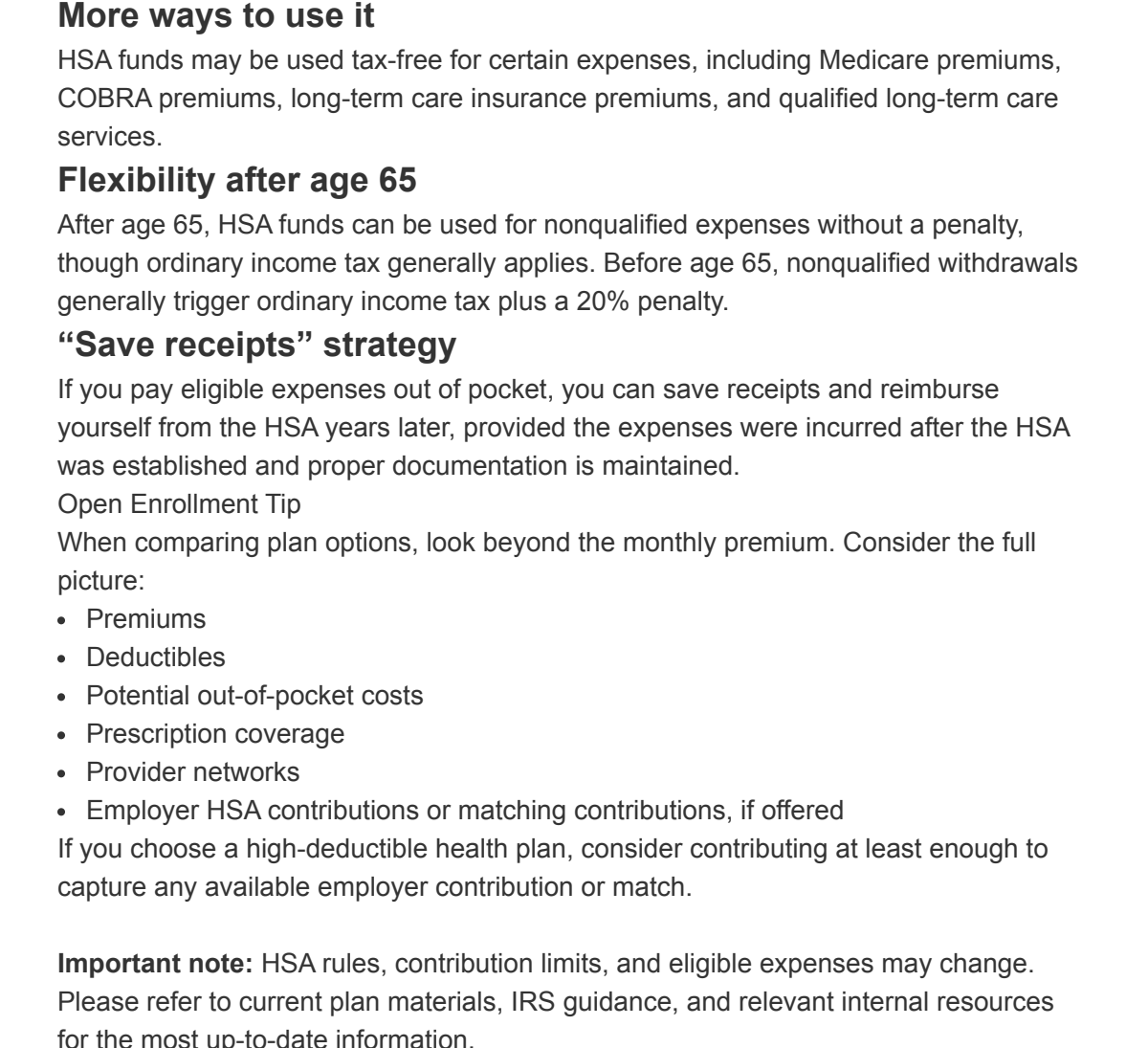
Jeffrey S. Babik
Financial Advisor,
Portfolio Management Director

How to Avoid Common AI Scams

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PRACTICAL CORNER



Preparing for Open Enrollment

Fall often brings important open enrollment decisions for health insurance, workplace benefits, and retirement plan contributions. Taking time to review your coverage, contribution levels, and available savings vehicles can help you make informed choices for the year ahead.

These annual decisions may have a meaningful impact on both your current cash flow and your long-term financial planning.

Consider HSA Advantages

If you enroll in a high-deductible health plan, you may be eligible to contribute to a Health Savings Account, or HSA. An HSA can help cover today's qualified medical expenses while also offering longer-term planning flexibility. Why an HSA Can Be Powerful

Triple tax benefit

Contributions may go in tax-free, grow tax-free, and be withdrawn tax-free when used for qualified health expenses.

Your money, year after year

HSA assets roll over annually and belong to you, even if you leave your employer.

Retirement-friendly features

HSAs can also serve as a retirement savings vehicle and do not have minimum distribution requirements.

More ways to use it

HSA funds may be used tax-free for certain expenses, including Medicare premiums, COBRA premiums, long-term care insurance premiums, and qualified long-term care services.

Flexibility after age 65

After age 65, HSA funds can be used for nonqualified expenses without a penalty, though ordinary income tax generally applies. Before age 65, nonqualified withdrawals generally trigger ordinary income tax plus a 20% penalty.

“Save receipts” strategy

If you pay eligible expenses out of pocket, you can save receipts and reimburse yourself from the HSA years later, provided the expenses were incurred after the HSA was established and proper documentation is maintained.

Open Enrollment Tip

When comparing plan options, look beyond the monthly premium. Consider the full picture:

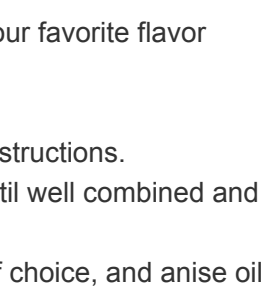
- Premiums
- Deductibles
- Potential out-of-pocket costs
- Prescription coverage
- Provider networks
- Employer HSA contributions or matching contributions, if offered

If you choose a high-deductible health plan, consider contributing at least enough to capture any available employer contribution or match.

Important note: HSA rules, contribution limits, and eligible expenses may change. Please refer to current plan materials, IRS guidance, and relevant internal resources for the most up-to-date information.

TEAM MEMBER SPOTLIGHT

The Tree Point Group is pleased to welcome Carol Passalacqua, Financial Advisor, as a new addition to the team. Carol and her assistant, Traci Pepevnik, joined The Tree Point Group on August 1, 2026, bringing with them decades of experience, deep industry knowledge and a strong commitment to client service.



Carol Passalacqua
Financial Advisor
The Tree Point Group

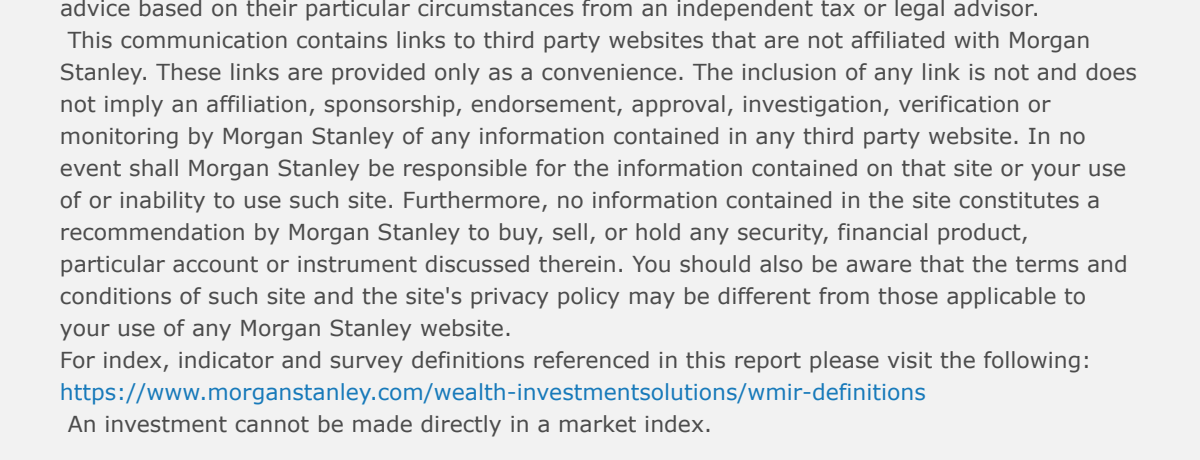
For more than 40 years, Carol has dedicated her career to helping businesses, individuals and families develop and implement comprehensive wealth management and retirement planning strategies designed to support their long-term financial goals. She began her career in financial services in 1981 as a bank trust officer, spending 12 years in the trust industry administering personal trusts and corporate pension plans. In 1993, she became a Financial Advisor with Prudential Securities and joined Morgan Stanley in 1995.

Throughout her career, Carol has focused on delivering thoughtful, personalized financial guidance to individuals, families, business owners and corporate retirement plans. She is among a select group of Morgan Stanley Financial Advisors who have earned the Corporate Retirement Director designation, recognizing specialized experience in corporate retirement planning. Carol is also a CERTIFIED FINANCIAL PLANNER™ professional and a Certified Investment Analyst, credentials that reflect her commitment to continuing education, professional standards and comprehensive financial planning.

Outside of work, Carol enjoys traveling and cheering on the Chicago Cubs. Charitable giving is also an important priority for her, and she supports organizations including Save-A-Pet, PAWS Inc., BraveHearts and Lake County Honor Flight.

Please join us in welcoming Carol and Traci to The Tree Point Group. We are excited to have them as part of the team and look forward to the experience, perspective and dedication they bring to our clients and colleagues.

RECIPE CORNER



For those who are always looking to share recipes to try, The Tree Point Group is pleased to new a few of our favorite dishes and cherished family recipes.

We hope you'll give them a try and let us know how they turn out!

This quarter's recipes are provided by:

Carol Passalacqua and Joshua Dunn.

Carol's Vegetarian Chili

Ingredients:

- 1 tablespoon olive oil
- ½ medium onion, chopped
- 2 bay leaves
- 1 teaspoon ground cumin
- 2 tablespoons dried oregano
- 1 tablespoon salt
- 2 stalks celery, chopped
- 2 green bell peppers, chopped
- 2 jalapeño peppers, chopped
- 3 cloves garlic, chopped
- 2 (4-ounce) cans chopped green chile peppers, drained
- 2 (12-ounce) packages vegetarian burger crumbles
- 3 (28-ounce) cans whole peeled tomatoes, crushed
- ¼ cup chili powder
- 1 tablespoon ground black pepper
- 1 (15-ounce) can kidney beans, drained
- 1 (15-ounce) can garbanzo beans, drained
- 1 (15-ounce) can black beans
- 1 (15-ounce) can whole kernel corn

Directions:

Step 1

Heat the olive oil in a large pot over medium heat. Stir in the onion, and season with bay leaves, cumin, oregano, and salt. Cook and stir until onion is tender, then mix in the celery, green bell peppers, jalapeño peppers, garlic, and green chile peppers. When vegetables are heated through, mix in the vegetarian burger crumbles. Reduce heat to low, cover pot, and simmer 5 minutes.

Step 2

Mix the tomatoes into the pot. Season chili with chili powder and pepper. Stir in the kidney beans, garbanzo beans, and black beans. Bring to a boil, reduce heat to low, and simmer 45 minutes. Stir in the corn, and continue cooking 5 minutes before serving.

Note: Let the chili rest briefly before serving so the flavors settle.

Gram's Pizzelle Recipe from Joshua Dunn

A sweet, crisp family favorite made with simple pantry ingredients—and, of course, much love.

Ingredients:

- 6 eggs
- 1 1/4 cups sugar
- 3/4 cup Wesson oil
- 1/4 teaspoon baking powder
- 3 cups Pillsbury all-purpose flour
- 2 teaspoons extract flavoring — vanilla, lemon, almond, or your favorite flavor
- 1/4 teaspoon anise oil

Directions:

1. **Preheat the pizzelle iron** according to the manufacturer's instructions.
2. **Beat the eggs and sugar** together in a large mixing bowl until well combined and slightly thickened.
3. **Add the oil and flavorings.** Mix in the Wesson oil, extract of choice, and anise oil until smooth.
4. **Combine the dry ingredients.** In a separate bowl, whisk together the flour and baking powder.
5. **Make the batter.** Gradually add the dry ingredients to the egg mixture, stirring until a thick, smooth batter forms.
6. **Bake the pizzelles.** Lightly grease the pizzelle iron if needed. Drop a spoonful of batter onto the center of each pattern, close the iron, and cook until lightly golden.
7. **Cool and crisp.** Carefully remove the pizzelles and place them on a wire rack to cool. They will crisp as they cool.
8. **Serve or store.** Enjoy plain, dusted with powdered sugar, or shaped while warm into cones or cups. Store in an airtight container once completely cooled.

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Market Update information sourced from Morgan Stanley:
GIC Committee - The GIC Weekly - September 14 2026
Lisa Shalett - CIO

Practical Corner - Preparing for Open Enrollment information sourced from Morgan Stanley: Life Navigator> Healthcare > Insurance.

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