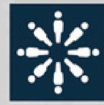
Q1 2026 Quarterly Letter

www.memberswealthllc.com



MEMBERS' WEALTH

Preserve. Grow. Endure. Evolve.

Beyond the Headlines: Discipline, Coordination, and the Middle

The first quarter was dominated by the surprise attack on Iran by the United States and Israel on Feb 28, 2026. Prior to then, all seemed right in the world. Well not really, but in hindsight, it seemed more right. In response to the attacks, stock markets moved down, interest rates moved up (thus sending bond prices down), and the narratives on what constitutes a "safe" portfolio shifted. As always, there was no shortage of reasons to feel something — excitement, concern, urgency, hesitation.

That's normal.

But as we turn the page on another quarter and move through yet another tax season, it's a good reminder of something we say often, and believe deeply:

Managing wealth is about far more than investments.

At Members' Wealth, we organize that work under a simple framework: Wealth Done R.I.T.E. Risk, Investments, Tax, Estate. Investments tend to get the most attention because they move every day and because it's where most investors start. The others tend to get attention only when something breaks, at certain times of year, or surrounding life events.

Our job is not to make sure nothing breaks, but to be prepared when it does. In doing so, we bring a consistent, comprehensive approach to each area.

And it is here where the families we work with tend to find the most value.

Many of the families who come to us have done a great job building wealth. They have navigated the early phase well, making good decisions, staying disciplined, and creating meaningful financial success. But over time, the complexity grows. The decisions become more interconnected. And the margin for error, while often less visible, becomes more meaningful.

That is the middle.

Not the start, where momentum and accumulation drive results. Not the end, where everything is simplified and distributed. But the phase in between, where coordination matters most.

This is where we spend our time. Not predicting headlines, but helping families make thoughtful decisions across Risk, Investments, Tax, and Estate. Bringing structure to complexity. Helping ensure that what has been built continues to evolve with intention.

R - Risk

This is where the middle starts to show up in real decisions.

When it comes to risk, one of the more interesting behavioral observations is this: people love the idea of steady, predictable, low risk income... but they dislike the tools most commonly used to create it. And in avoiding those tools, they often end up chasing income in ways that feel better on the surface, while overlooking the risks that sit just beneath it.

Insurance is one of the clear examples of steady, predictable, lower risk income.

> At Members' Wealth, we do not sell insurance products. That matters. It allows us to look at risk objectively and act as a fiduciary without incentive to recommend one product over another. But it also means we spend a lot of time helping clients think through tradeoffs that aren't always intuitive.

Take annuities.

They often get a bad reputation, and in many cases, that reputation is earned. High fees, complexity, lack of transparency, and aggressive sales practices have created a category where, as the saying goes, annuities are not bought, they are sold.

But like many things in wealth management, it's not black and white.

At their core, annuities are designed to solve a real problem: how to convert assets into a steady stream of income that you cannot outlive and is as close to predictable as you can get in this no guarantees world. For some investors, in specific situations, that can be valuable. The issue is not the concept, it's the implementation.

There are versions that are overly complex and expensive, and there are versions that are simple and more efficient. There are scenarios where they can help transfer longevity risk, and others where they unnecessarily reduce flexibility and long-term return potential.

And importantly, annuities are not the only way to pursue income stability. Bond ladders, dividend-oriented portfolios, systematic withdrawal strategies, and thoughtful cash flow planning can all work toward similar outcomes, each with their own tradeoffs.

As with most things we do, the answer is not "yes" or "no." It's "when," "why," and "at what cost." This is the kind of work that lives in the middle. Not reacting to headlines, but making thoughtful, sometimes uncomfortable decisions that balance risk, return, and long-term objectives.

We are not insurance salesmen, but we feel strongly it is our responsibility to educate you on all the options. If you are unclear of or feeling a great tug toward more predictable income, please let's discuss at this quarter's meeting.

I - Investments

Symbol	Name	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr
^SPX	S&P 500	-4.33%	-4.33%	17.80%	18.32%	12.06%	14.16%
^RUTTR	Russell 2000 Total Return	0.89%	0.89%	25.72%	13.05%	3.77%	9.88%
^DJUSRET	Dow Jones US Real Estate Index Total Return	1.49%	1.49%	1.77%	6.87%	3.67%	5.43%
^BCTR	Bloomberg Commodity Index Total Return	24.41%	24.41%	32.29%	13.88%	14.04%	8.02%
^BBUSATR	Bloomberg US Aggregate	-0.05%	-0.05%	4.35%	3.63%	0.31%	1.70%
^BBMBTR	Bloomberg Municipal Bond	-0.18%	-0.18%	4.29%	2.87%	0.84%	2.16%
RSP	Invesco S&P 500 Eql Wght ETF	0.61%	0.61%	12.64%	11.72%	8.02%	11.22%
JNK	State Street SPDR Bloomberg High Yield Bond ETF	-0.43%	-0.43%	7.29%	7.94%	3.54%	5.24%
IEMG	iShares Core MSCI Emerging Markets ETF	3.76%	3.76%	33.09%	16.09%	4.62%	8.22%
IEFA	iShares Core MSCI EAFE ETF	1.20%	1.20%	24.17%	14.52%	8.14%	8.74%

From an **investment** standpoint, the quarter offered a simple but often uncomfortable truth: on a price basis, the most widely followed assets (U.S Large cap stocks and US Quality Bonds) were cheaper at the end of the quarter than they were at the beginning.

Of course, price alone is never the full story. Earnings expectations, interest rates, and economic data all play a role in determining value. But behaviorally, it's always interesting to watch how investors react to the same thing they claim to want.

When markets rise, the feeling is validation.
When markets fall, the feeling is risk.

Yet for long-term investors, lower prices — all else equal — are the starting point for better forward returns.

If you like to shop when things go on sale, investments are an area of life where the same logic should apply. And yet it rarely feels that way in the moment.

This is where discipline matters more than prediction. This too is the middle. Staying disciplined when the environment feels anything but. The goal is not to guess the next move. The goal is to consistently allocate capital in a way that aligns with long-term objectives, even when the short-term narrative is uncomfortable.

Eye popping moves in oil prices, though not unexpected given the backdrop of a new war in the Middle East, causes inflation fears to surface, pushing interest rates higher. Interest rates, as a pricing input to nearly all assets, had the effect of causing most assets other than oil to sell off. This sell-off was not as deep as I would have expected. We saw some potential entry points to buy assets at cheaper levels but to put it in perspective, comparing this first quarters drawdown in the S&P 500, approximately -9%, to the Tarriff Tantrum sell off of early 2025 (-19%) and the COVID sell off of 2020 (-37%), there just wasn't enough pain in prices to get overly excited about being opportunistic. I am the first to be surprised. Since the end of the quarter, on the prospects of peace, US equity markets have made a full recovery and have gone on to all-time highs. Onward.

Tax

As this letter goes out, we are also finishing another **tax** filing deadline.

There is always a sense of relief when returns are filed. For many, it marks the end of a process they would prefer not to think about for another year.

But in our world, this year's tax filing finish line, is actually the starting point for planning for better after-tax outcomes for this year.

One of the most common misconceptions we see is the role of the accountant. Accountants are essential, but in our opinion, their primary function is filing — organizing what already happened. They are not magicians who can retroactively create optimal outcomes after year-end.

The real opportunity in tax planning happens before December 31st.

For most of our clients, the biggest improvements in after-tax outcomes come from coordination: aligning investment decisions, income timing, deductions, and long-term strategies throughout the year and often times, years in advance. Not in March or April of filing season, but in the months that follow.

If there is one takeaway from tax season, it's this: use the relief of being done not to disengage, but to lean in. Please send us last year's tax return once it is filed and then schedule the conversation with us and your accountant (once they come up for air). Review what worked. Identify what didn't. And begin planning now for a better outcome next year.

Estate

While tax season gives us a clear deadline each year, estate planning rarely has one. And that's part of the challenge.

It tends to get pushed aside. Not because it isn't important, but because nothing is forcing immediate action.

But just like tax planning, the best estate planning work is done proactively, not reactively.

In Q2, with tax season in the rearview, we often find ourselves revisiting or starting estate plans after the dust settles from tax decisions, market movements, and life changes that occurred over the past year. Account balances shift. Assets move. Beneficiaries change. Prior intentions, if not reviewed, can quietly drift out of alignment.

And unlike investments, estate plans are not on the TV or our iPhones each day reminding us of constant change.

Documents drafted years ago may still be in place, but that does not mean they still reflect your wishes, your balance sheet, or current laws. Titling, beneficiary designations, and trust structures require coordination to work the way they were originally intended.

This is where we spend a lot of time behind the scenes, not creating documents, but coordinating them. Reviewing what exists, identifying gaps, and working alongside your estate attorney to align the plan with your broader financial strategy.

Our advice remains consistent: clarity today prevents stress tomorrow.

If it has been a few years since your estate plan has been reviewed, or if anything meaningful has changed in your life or financial picture, this is a good time to revisit it.

A Pause to Reflect

This quarter marked three years since we took on our first revenue paying client. It also marks 12 quarters of consistent revenue growth.

But success in business is about far more than revenue.

It is tempting to say the hardest part is behind us. I am not so sure that is true.

Personally, I have always been drawn to the start. The excitement of something new. The challenge of building from zero. Thinking big and acting boldly.

But what I have learned is that the real work is not the start. It is the middle.

The “Chop wood, Carry water[i]” phase.

Starting something has its own challenges. Maintaining momentum is different. Becoming a better leader. Building a culture that is service first, while continuing to evolve. Growing not just in number, but in capability. Individually and collectively.

Continuing to deliver a better experience to our clients’ families next year than we did this year. While also welcoming new families who align with our values and the way we work.

We have long said our goal is to serve 250 high net worth families. A number that allows us to remain focused on service and relationships, without drifting too far toward scale at the expense of personalization.

The question now becomes: how do we stay truly boutique as we grow? How do we attract talent, maintain culture, and continue to improve through this phase?

I do not have all the answers. I am open to coaching, feedback, and ideas. My reading list is quietly shifting from how to start a business to how to build one that lasts. That transition has been, at times, uncomfortable.

If I am being honest, I have felt a bit like an imposter again. Just as I was getting comfortable in the startup phase, the game changed.

This past weekend, on a hiking trip with my Wharton classmates, now lifelong friends, I had a bit of a breakthrough.

They know my values are GROW: Growth, Relationships, Ownership, and Wanderlust. They also know I tend to bring intensity, and with it, complexity.

We talked about something I had removed from my values over time: simplicity.

At one point, I convinced myself that if simplicity mattered, I should express it through action, not words. So I eliminated the actual word.

I now think that was a mistake.

I suggested "Simply GROW" as a way to bring it back. They pushed back. The order was wrong.

"GROW Simply."

And they were right.

It clicked immediately. For me. For the business. And for the families we serve.

GROW Simply.

Our goal at Members' Wealth remains the same: To coordinate all aspects of your financial life so you can preserve, grow, and simplify your wealth, freeing up more time and energy for what matters most.

Dane Czaplicki, CFA
CEO & Chief Investment Officer
Members' Wealth LLC

---

[i]A reminder I keep coming back to from Chop Wood, Carry Water *by Joshua Medcalf: the story follows a young boy chasing greatness, only to learn that mastery is built in the daily, often repetitive work. The lesson is simple, but not easy: the magic is found in consistently showing up for the middle.*

Disclosures

Investment advisory services offered through Members' Wealth, LLC, a registered investment advisor.

Investment strategies, including rebalancing, do not guarantee improved performance and involve risk, including potential loss of principal. Past performance does not guarantee future results.

The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

The Dow Jones Industrial Average (DJIA) is a stock market index of 30 prominent companies listed on stock exchanges in the United States. The S&P 500 index is designed to be a broad based unmanaged leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe or representative of the equity market in general. The National Association of Securities Dealers Automated Quotations (NASDAQ) is an American stock market that handles electronic securities trading around the world. The Russell 2000 index is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets

Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Bloomberg US Aggregate Bond Index, is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States.

Registration with the SEC does not imply a certain level of skill or training. We are an independent advisory firm helping individuals achieve their financial needs and goals Members' Wealth does not provide legal, accounting or tax advice. Please consult your tax or legal advisors before taking any action that may have tax consequences.

This commentary reflects the personal opinions, viewpoints and analyses of the Members' Wealth, LLC employees providing such comments, and should not be regarded as a description of advisory services provided by Members' Wealth, LLC or performance returns of any Members' Wealth, LLC client. The views reflected in the commentary are subject to change at any time without notice. Nothing in this commentary constitutes investment advice, performance data or any recommendation that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person. Any mention of a particular security and related performance data is not a recommendation to buy or sell that security.
Members' Wealth, LLC manages its clients' accounts using a variety of investment techniques and strategies, which are not necessarily discussed in the commentary.