



## STARBOARD ADVISORS

A DIVISION OF KELLEHER FINANCIAL ADVISORS, LLC

## Starboard Advisors

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*“Some people want it to happen, some wish it would happen, others make it happen.” -Michael Jordan*

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### 2026: OUTLOOK AND OPPORTUNITIES

Analysis and Review By [Neil Cataldi](#), & [Thomas Burnett, CFA](#),



**Neil Cataldi**  
Chief Investment Officer



**Thomas Burnett, CFA ®**  
Vice Chairman and Director of Research

As we look ahead to 2026, our Starboard outlook remains constructive, though more nuanced than in prior years. Market leadership, which has been heavily concentrated in a small group of large technology companies, showed signs of narrowing in 2025. Notably, only two of the “Magnificent 7” outperformed the broader S&P 500 last year. While these companies remain important drivers of innovation and earnings, this shift suggests investors are becoming more selective as valuations remain elevated.

### 2026 Outlook & Takeaways

- Understand your **risk exposure** and where needed to reduce it.
- Make sure you have **balanced holdings**, especially with your equities.
- Stay **disciplined and unemotional** (as best you can, we’re all humans!).

Periods like this often create opportunity. When leadership broadens, returns are less dependent on a handful of names and more reflective of underlying fundamentals across the market. In that context, we believe more balanced approaches, such as the equal-weight S&P 500, can become increasingly attractive, particularly if market participation continues to widen.

International markets also warrant renewed attention. After several years of relative underperformance, global equities delivered one of their strongest years in recent memory during 2025. Improving earnings trends, more attractive valuations, and currency dynamics have helped create a more compelling opportunity set outside the United States.

That said, risks do remain. Elevated valuations leave less room for disappointment, making earnings growth increasingly important. A shift away from expectations for additional Federal Reserve rate cuts, or a renewed rise in inflation, could also introduce volatility. As we have seen repeatedly, markets rarely move in straight lines.

Despite these uncertainties, our approach at Starboard remains steady. We continue to emphasize high-quality investments, thoughtful diversification, and disciplined risk management as we position portfolios for the opportunities, and challenges, of the year ahead.

## **2025: A YEAR OF RESILIENCE AND DIVERGENCE**

Looking back, 2025 was a year defined by resilience across both the economy and financial markets, despite a complex and often volatile backdrop. Economic growth continued to slow gradually, labor market conditions softened, and inflation pressures remained uneven. Yet many companies executed exceptionally well, delivering earnings that exceeded expectations and ultimately drove equity markets higher.

<u>INDEX</u>	<u>% Change</u> <u>YTD as of</u> <u>12/31/2025</u>
Dow Jones Industrial AVG. (TR)	14.2%
S/P 500 Index (TR)*	18.6%
NASDAQ	20.4%
STOXX Euro 600	16.6%
Nikkei 225 (Japan)	26.2%
China (Shanghai)	18.4%
GOLD (\$ per oz.)	63.8%
Crude Oil (\$ per bbl.)	-20.4%
Rate on Ten-Year UST Note	4.17%
VIX Volatility Index	-13.9%
Source: WSJ.com Jan. 2, 2026	
*(TR) indicates an index return that includes dividends.	

Bonds also posted positive results as inflation moderated, and the Federal Reserve lowered short-term interest rates multiple times in an effort to complete a soft landing for the economy. Both consumers and corporations demonstrated durability, extending a pattern that has characterized much of this cycle. One of the most notable features of the year was divergence across asset classes. Gold emerged as the standout performer, rising to an all-time high near \$4,400 per ounce.

In contrast, crude oil prices declined sharply, and several agricultural commodities struggled, underscoring how selective leadership became as the year progressed.

Equity markets themselves experienced meaningful swings. After digesting the strong gains of 2024, stocks entered the year cautiously. That caution intensified in early April following unexpectedly aggressive tariff announcements, which triggered a sharp sell-off as earnings estimates and growth forecasts were revised lower. Markets recovered relatively quickly as the most extreme proposals were scaled back, and corporate fundamentals remained intact.

Investor enthusiasm around artificial intelligence remained a dominant theme throughout the year. While the long-term potential of AI is significant, certain areas of the market became overheated and were later corrected, reinforcing the importance of valuation discipline and fundamentals, even during periods of rapid innovation.

*Our very best regards,  
Neil & Tom*

## **4Q 2025 YEAR-END PORTFOLIO APPRAISAL & PERFORMANCE REPORTS**

The 2025 year-end reports are currently under review and will be available soon. Our team will be reaching out to clients with personal copies and scheduling on-line or in-person review meetings for those who are interested. Please contact [Rita Newland](#), [Pam Lessard](#), or [Hannah Andrews](#) if you have any questions or need assistance. As a reminder, clients can collectively reach **Rita, Pam and Hannah** by using our *Starboard Client Services* email address: [RPH@starboardadvisor.com](mailto:RPH@starboardadvisor.com) in addition to contacting Rita, Pam or Hannah at their individual email addresses.



*Photo by: Laura Sunderland*



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Principal



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## 2025 TAX DOCUMENTS

A reminder from our custodians, Fidelity & Schwab, that 2025 Tax Forms will begin rolling out approximately the week of January 26 and continue through end of February. If you have any reportable tax activity you will receive notification from the custodian by end of February or sooner.



*Photo by: Laura Sunderland*

## ABOUT US

**DEFINITION OF STARBOARD:** Starboard is the traditional nautical term for the "right" side of a ship's hull and represented by the color green for navigational purposes. In addition, sailing vessels must give the "right of way" to sailboats on starboard tack (where the wind is coming over the right side of the vessel) and be provided clearance for safe passage.

**Starboard Advisors** was founded by Barton Weisenfluh and partners with the Kelleher Family and Kelleher Financial Advisors, LLC, a registered investment adviser with the United States Securities and Exchange Commission. The firm provides a dedicated platform exclusively serving families as a single point of accountability for the stewardship of their financial lives.



The Kelleher Family business interests were founded by Denis Kelleher and have grown into a diversified financial service enterprise that strives to be one of the best managed and best capitalized independent firms in the industry. Today the entrepreneurial spirit is alive and well where the second generation, led by Sean Kelleher, continues to press on with secure and sustained growth with likeminded professionals.



**Barton W. Weisenfluh, CFP®**  
Founder & CEO



**Michael Ouellette**  
President

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