STARBOARD ADVISORS
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In This Edition:



*"Someone is sitting in the shade today because someone planted a tree a long time ago." -Warren Buffett*

## GREETINGS FROM STARBOARD

*By* ***Barton Weisenfluh, CFP ®***
*Founder & CEO*

Greetings from the halls of Starboard as we approach the dog days of summer.

It's hard to believe our Union Street office will be entering into its 10th year of serving families this fall. It's been a heck of a ride thus far and we look forward to recharging and continuing to grow as leading fiduciaries on the East Coast and beyond.

*Photo by: Laura Sunderland*

Mid-year reports are being sent out and we have been scheduling meetings for later summer and early fall. The markets have given many families an increasingly larger nest egg and we continue to advise clients to 1) review their equity exposure and take some chips off the table where appropriate, 2) balance current equity allocations & reduce concentration risk that has grown over the last few years and 3) stay disciplined in equalizing market valuation risk with your monies in cash and bonds.

Please enjoy the remainder of your summer and our team looks forward to hearing from you soon.

*My very best,*
*Bart*

## ON TO THE MARKETS

*Analysis and Review co-written by [Neil Cataldi](), Chief Investment Officer and [Thomas Burnett, CFA ®](), Vice Chairman & Director of Research*

The second quarter brought a dramatic reversal from the anxiety that defined investor sentiment in the first quarter. Broad market indices staged one of their strongest two-month rallies in recent memory, with the S&P 500 gaining over 15% for the quarter and the NASDAQ surging closer to 25%, driven by a powerful re-acceleration of the AI trade and an earnings season that was strong by nearly every measure. The Dow Jones Industrial Average closed above 52,000 for the first time. Japan's Nikkei was the standout globally, rising over 39% in the first half of the year, reflecting a combination of domestic reform momentum and renewed foreign investor interest.

| INDEX | % Change YTD as of 06/30/2026 |
|---|---|
| Dow Jones Industrial AVG. (TR) | 9.6% |
| S/P 500 Index (TR)* | 10.1% |
| NASDAQ | 12.1% |
| STOXX Euro 600 | 8.4% |
| Nikkei 225 (Japan) | 39.2% |
| China (Shanghai) | 3.1% |
| GOLD ($ per oz.) | 8.2% |
| Crude Oil ($ per bbl.) | 28.1% |
| Rate on Ten-Year UST Note | 4.46% |
| VIX Volatility Index | 10.1% |

**Source: WSJ.com July 1 2026**
**(TR) indicates an index return that includes dividends.*

The catalyst that unlocked the rally was a combination of better-than-feared developments on two fronts that had weighed heavily on sentiment in the first quarter. The conflict in Iran, which had driven oil to peak levels above $110 per barrel and effectively closed the Strait of Hormuz, began moving toward resolution (but still unresolved as of today). As energy prices fell from their highs, the near-term inflation picture improved modestly, and the immediate fear of further rate hikes receded. This was enough to restore risk appetite broadly, and capital flooded back into equities with conviction.

The AI trade did not merely recover; it intensified. A blockbuster earnings season provided the catalysts and fuel for this dynamic. ~85% of S&P 500 companies beat earnings expectations, well above historical averages, with technology and semiconductor companies at the center of the story. The SOX Index of semiconductor stocks rose just over 100% in the first half of the year. Commodities were also broadly strong with the Bloomberg Commodity Index rising ~12% in the first six months. We remain skeptical of the AI capital expenditure cycle and the clarity of future returns on that investment but are hopeful that the extraordinary amounts of capital being deployed will ultimately produce a productive economic outcome.

The picture heading into quarter-end was more nuanced than the headline returns suggest. June brought a meaningful reversal in the very stocks that led the rally, even as broader market participation improved. The fundamental question, which companies genuinely benefit from AI, and which are at risk of disruption, remains unanswered, deferred by a wave of earnings enthusiasm rather than resolved by it.

*Photo by: Laura Sunderland*

On monetary policy, the Fed held rates unchanged at 3.5%–3.75% for a fourth consecutive meeting, but the projections told a more hawkish story. The dot plot shifted materially: the median policymaker now expects rates to end 2026 higher than today, a full reversal from March when a cut was still implied. June also marked the first meeting under new Chair Kevin Warsh, whose more terse communication style adds to its own layer of uncertainty. Rate cuts are firmly off the table, and the next move may well be a hike.

As we exit the quarter, inflation is re-accelerating despite some relief from lower energy prices, and the consumer shows signs of fatigue. Against that backdrop, corporate earnings remain the clearest positive: FactSet estimates S&P 500 earnings growth of approximately 24% for 2026 and 16% in 2027, and if that holds, markets can stay very constructive.

*Our very best regards,*
*Neil & Tom*

**Neil Cataldi**
Chief Investment Officer

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

## STARBOARD INTERNS 2026

Once again, we were fortunate to host a dynamic group of individuals in our internship program this year. The having no prior contact with one another, bonded quickly and soaked up all that we had to offer. No doubt each of these bright young stars will find success in the near future.


*Photo by: Starboard Advisors*

*"Looking back, it's incredible how much I learned and grew in just those couple of weeks. I also wanted to thank you again for the opportunity. I feel very lucky and grateful to have had that experience, and I truly appreciated my time there. You were definitely right about Portland being such a great spot. I'd be lying if I said I wasn't a little nervous before heading up, but it ended up being an amazing experience and well worth it."*
*~Aidan Wright, 2026 Intern*

## 2026 MID-YEAR REPORTS

2Q 2026 Portfolio Appraisal & Performance Reports are now available. Our team will be reaching out to clients with mid-year reports and scheduling on-line or in-person review meetings for those who are interested. Please contact our client service team at **rph@starboardadvisor.com** if you have any questions or need assistance.

## PORTLAND BUSINESS BREWS 2026

*Photo by: Starboard Advisors*

**Starboard Advisors**, along with Bart Haag from **Albin, Randall & Bennett, CPA's** hosted Portland Business Brews on June 10, 2026 at The Brickyard Hollow Brewing Company, Portland, ME. Portland Business Brews is a recurring, fun and memorable event that connects people while collaborating with local business owners and vendors. Our interns helped host the event and were able to demonstrate their networking skills.

## HOLE IN ONE!

Congratulations to our very own Hugh O'Donnell, a Starboard Advisory Board Member, who recently made a hole-in-one at the Falmouth Country Club in Falmouth, ME. The feat was accomplished on Hole #16 from 155 yards with a 7 iron. The milestone was captured on May 12, 2026. Way to go Hugh!

*Photo by: Falmouth Country Club*

# ABOUT US

**DEFINITION OF STAR•BOARD:** 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