



NORTHSTAR

FINANCIAL PARTNERS

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As we step into 2026, the markets have done what they do best: keep investors humble. After a choppy but ultimately resilient stretch, stocks have reminded us that progress is rarely linear—more like a scenic route with potholes. Interest rates, meanwhile, remain center stage, with the Federal Reserve signaling patience over panic. Rather than rushing to cut, the Fed has emphasized data-dependence, inflation discipline, and a willingness to keep policy restrictive until price stability is firmly in hand. This “higher-for-longer, but flexible” stance reinforced the value of quality income, balance-sheet strength, and realistic return expectations. In short: not a year for autopilot, but a constructive environment for disciplined investors who understand that monetary policy works on a lag—and rewards those who plan, not predict.

Market Summary As of 12/31/25

S&P 500:	6,845.50
Dow Ind.:	48,063.29
Nasdaq:	23,241.99
10 YR Treas.:	4.16

The U.S. economy in 2025 can best be described as steady... with a light limp. Growth continued, but at a more measured pace, as consumers, businesses, and policymakers adjusted to tighter financial conditions. Looking into 2026, a slower-growing economy isn’t necessarily a bad thing—it often means fewer excesses, more sustainable expansion, and opportunities for selective growth. Think less sprinting, more power walking. Not thrilling, perhaps—but far more durable for long-term planning.

Beyond the markets, 2025 delivered no shortage of memorable headlines. Artificial intelligence officially graduated from “interesting experiment” to “boardroom priority,” reshaping productivity, hiring, and policy debates across industries. At the same time, America’s renewed momentum in space exploration—through both public and private initiatives—rekindled national curiosity and optimism. In a year marked by caution, these stories were reminders that innovation and ambition remain powerful economic forces.

As we look forward, 2026 will bring its own mix of opportunity, uncertainty, and inevitable surprises. Through it all, our focus remains unchanged: helping you make informed decisions, manage risk thoughtfully, and stay aligned with what matters most in your financial life. We are sincerely grateful for the trust you place in us—especially during uncertain markets—and we do not take that responsibility lightly. We wish you a prosperous, healthy, and confident 2026.

And because balance matters, here are a few Minnesota highlights to enjoy in the year ahead:

- Explore Minnesota – <https://www.exploremn.com>

- Twin Cities arts & culture – <https://www.minneapolis.org>
- Minnesota State Parks – <https://www.dnr.state.mn.us>

Thank you again for allowing us to help manage your financial life—we look forward to another year of partnership in 2026.

Warm regards,

The NorthStar Team



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