May/June 2026

<u>The Scary Side of Artificial Intelligence (AI)</u>

In early May I visited the main offices of PIMCO, one of the Fixed Income managers in our model portfolios and one of the largest Fixed Income/Bond managers in the world. Over 2 days we reviewed economic updates (US and worldwide) studied portfolio construction and met with some of the brightest minds in the industry.

AI was discussed as well. And, per the title of this article, during the event my friend showed me a social AI app he uses to modify videos and have 'fun', as he calls it. During a bus trip to one of the dinner events, he took a picture of the two of us, sitting side by side. He then asked the AI app to turn it into a video. Incredibly, within a minute the AI app took a single picture of the two of us and turned it into a 15 second video whereby some funny things happened (let's keep it at that!).

Here's my point: AI abilities are already tremendous. The video could easily fool someone into believing <u>*that the events had actually occurred*</u>.

Should we be scared? Yes, absolutely. In the wrong hands, AI could be a problem.

Over the past 2 years, we've proactively worked to educate clients on the many types of scams being used. Now, the complexity of scams has rocketed to entirely new levels. It's already difficult to tell REAL photos and videos from FAKE ones. Picture and videos are routinely modified in order to cause the desired effects. It's fun to make a video look like you're shooting the winning shot of the big game. But it's not fun when someone steals $10,000 from your bank account. The problem is huge. The FTC (Federal Trade Commission) reported that fraud losses totaled $15.9 billion in 2025, up 27% year over year. Imposter scams, which include a flood of fake toll-collection texts, ranked as the leading fraud category for the ninth consecutive year, with more than one million imposter reports filed. (Source: FTC)

Imagine receiving a call from a relative. They send a video showing a car accident they were involved in, while on a trip in a foreign country. They need your help. It was their fault, and unless they come up with $10,000 right away, the police are going to put them in jail and ruin their trip.

Here's the issue. With AI, you ARE looking at what appears to be a real video/picture of your relative. With AI, it may also be their voice too. Does this sound far-fetched? It's not. Criminals are already using these scams to take millions from unsuspecting consumers. Unfortunately, they're targeting certain demographics who may not be so attuned to AI's capabilities.

The point, we need to be ultra-careful when it comes to pictures, videos, and anything that could be AI manipulated. Tell your family and friends. Be wary. Be careful.

In the meantime, despite the ways it can be used in 'bad' ways, Artificial Intelligence is the theme that continues to propel the markets upward. Market-wise, the indices saw strong returns in April. Late April and early May saw another jump in the indices. As we say 'Risk is On'. New highs have been hit. What's to stop the meteoric rise in valuations?

Any number of unexpected issues could occur, thereby cooling the hot fires of growth. War can re-ignite, Congress can make a decision to slow down spending, inflation can cause the FED to change interest rates, unemployment can rise notably.

A few weeks ago, I created a special edition email highlighting topics which Greg and I studied during the Alternatives Conference in Boston. It highlighted the powerful position our firm and the Yalanis Private Wealth Management Group of Wells Fargo Advisors have when it comes to be investing in the Private Markets, and the investment markets in general.

For more on keeping up with the markets, please join us for 15 minutes during our monthly teleconference. For the 16th year at Wells Fargo Advisors, our commitment is to be communicative and transparent in our thinking, and in the development of our recommendations. These 15-minute calls are held at both noon and 7:45 p.m.

Wednesday June 10th
Wednesday July 8th
Wednesday August 12th
Wednesday September 10th
Wednesday October 7th
Wednesday November 18th
Wednesday December 16th

We have several educational client events planned in 2026. Please join us to learn about the markets, together with our special guests. Please feel free to contact us for further details on each event:

*June 16th - Educational Seminar with Zig Kaknevicius, Market Leader from Franklin Templeton providing a Market update at The Gardiner Hotel, 4:30-6:30pm**

*June 17th - Social Security and Medicare Seminar** with at Black Rock Country Club, Hingham MA, 5:30pm, with cocktails and hors d'oeuvres . Guest Speakers include:*

- *Kurt Czarnowski, Principal - Czarnowski Consulting*
- *Peter Stoner AHIP, Medicare Consultant – Stoner & Company,*
- *Dan Driscoll, Managing Director – Nuveen*
- *David Babat, CIMA®, CAIA, Market Director - Vanguard*

*July 1st - Educational Seminar and Strategic Market update provided by Chris Hodgdon, Vice President – ETF & SMA from First Trust, July 1st 5pm at Ragged Island Brewery.****

We believe in creating and maintaining strong, communicative, relationships with your team of financial professionals. Please let us know if you would like us to speak with your accountant or attorney in order to address the myriad of issues that overlap between investment planning and tax/estate issues. This year, *we've added a new capability for your tax professional to be able to download your tax forms directly. Contact us for more details*.

In closing, over the past years many of you have shared our updates and content with your friends, family and professional networks. We want to thank you and express how honored we are. This letter is no exception. Please don't hesitate to share it. If someone important to you is in need of financial expertise, guidance, or that they simply don't know what they don't know, our "20-Minute Ask Anything Sessions" are available.

Feel free to share our monthly teleconferences and regular updates/newsletters. We're thrilled to hear many of you are already doing so. The content of the newsletter is curated with our highest conviction insights and information. Let us know if you'd like to add an email address to the distribution list.

As always, this letter is written by-hand and by-mind (no AI involved!).

Sincerely,

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*This seminar is sponsored and financially supported by Franklin Templeton. This event is educational in nature – no Franklin Templeton company specific products will be discussed.
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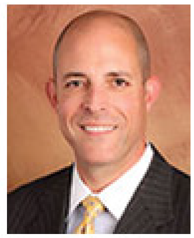

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Named one of 2018, 2019, and 2021-2025 Forbes Best-In-State Wealth Advisors
Named one of 2012, 2014-2016, 2018-2019, 2021-2025 Wells Fargo Advisors Platinum Council

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2025 Forbes Best-In-State Wealth Advisors; Awarded April 2025; Data compiled by SHOOK Research LLC based on the time period from 6/30/23 - 6/30/24 (Source: Forbes.com).
2024 Forbes Best-In-State Wealth Advisors; Awarded April 2024; Data compiled by SHOOK Research LLC based on the time period from 6/30/22 - 6/30/23 (Source: Forbes.com).
2023 Forbes Best-In-State Wealth Advisors: Awarded April 2023; Data compiled by SHOOK Research LLC based on the time period from 6/30/21 - 6/30/22 (Source: Forbes.com).
2022 Forbes Best-In-State Wealth Advisors: Awarded April 2022; Data compiled by SHOOK Research LLC based on the time period from 6/30/20 - 6/30/21 (Source: Forbes.com).
2021 Forbes Best-In-State Wealth Advisors: Awarded February 2021; Data compiled by SHOOK Research LLC based on the time period from 6/30/19 - 6/30/20 (Source: Forbes.com).
2019 Forbes Best-In-State Wealth Advisors: Awarded February 2019; Data compiled by SHOOK Research LLC based on the time period from 6/30/17 - 6/30/18 (Source: Forbes.com).
2018 Forbes Best-In-State Wealth Advisors: Awarded February 2018; Data compiled by SHOOK Research LLC based on the time period from 6/30/16 - 6/30/17 (Source: Forbes.com).

Award Disclosures

The Platinum Council distinction [2024-2025] is held by a select group of Financial Advisors within Wells Fargo Advisors as measured by business production from the previous year and professionalism.

The Platinum Council distinction [2012, 2014-2016, 2018-2019, 2021-2023] is held by a select group of Financial Advisors within Wells Fargo Advisors as measured by one or more of the following: completion of educational components, business production from the previous year, and professionalism. Additional consideration may have included best practices and team structure.