Quarterly **Insights**

Q2.2026

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When We Grow, You Grow

We brought together several different areas of Orange Bank & Trust last year and created Orange Wealth Management so that we could offer you, our clients, something more comprehensive and holistic.

In that spirit, we continue to look for opportunities to expand and bring together a finely tuned and cohesive offering of services designed to protect and grow what matters to you most. We have added two enhancements to our offering since last quarter: The addition of Bison Wealth as Orange Investment Advisors' partner Chief Investment Office, and an expansion of our trust services to several new states.

The Vacation Reset:

How thoughtful time off helps you gain clarity, adjust goals and achieve more

We live in a high-performance society that values goals and achievement. While hard work, persistence, intellect and a little luck will likely always top the list of success factors, growing evidence suggests thoughtful time away from work—and the restorative value it brings—may be an increasingly important part of the success of any business venture.

Why Do We Vacation?

Summer holidays have always been a natural time for a reset: to recharge and gain some perspective on business goals and life goals overall. So, in the spirit of intentionality and goal setting, what do you want to get out of your summer vacation? Put another way, what are the tangible benefits of vacation? What types of vacation are best for maximizing each set of benefits? And how do all these benefits ultimately make you better at what you do? We answer each of these questions below, listing out the top five physiological and psychological benefits of time away from work:

1. Reduce Stress and Recharge Your Leadership

As a business owner, you're rarely "off." But research shows that completely disconnecting from work allows your brain and body to recover from chronic stress, reducing mental fatigue and restoring your capacity to make sound decisions. You'll return with greater focus, patience, and resilience—qualities that directly influence your leadership and your company's performance. For the greatest benefit, consider a quiet beach vacation, a mountain retreat, or a wellness getaway where nature and unstructured time take priority over packed itineraries.

2. Strengthen Emotional Resilience

Running a business requires constant adaptability, and your emotional reserves can wear thin under continuous pressure. A restorative vacation can improve your mood, reduce anxiety, and strengthen emotional resilience, helping you approach setbacks with greater perspective and confidence. You'll also be better equipped to communicate with employees, clients, and partners. Family vacations, scenic road trips, and culturally immersive city escapes consistently provide some of the strongest emotional benefits by combining meaningful experiences with time away from daily demands.

3. Restore Energy through Better Sleep

The long hours that often accompany entrepreneurship frequently come at the expense of quality sleep. Vacation provides an opportunity to reset your body's natural rhythms, improving sleep, reducing physical fatigue, and restoring mental clarity. The result is sharper concentration, better memory, and more consistent decision-making when you return.

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Spa and wellness retreats, secluded lakeside or countryside destinations, and quiet beach resorts offer the peaceful settings that best support deep physical and mental recovery.

4. Invest in Your Long-Term Health

Your business depends on your ability to perform at a high level, making your physical health one of your most valuable assets. Studies have linked regular vacations with lower stress, improved cardiovascular health, and better overall well-being, particularly when they include moderate daily activity.

Hiking adventures, walking tours through historic cities, and active beach vacations allow you to recharge while building the energy and stamina needed to lead effectively long after your trip has ended.

5. Spark Creativity and Better Decision-Making

As a business owner, some of your best ideas may emerge when you stop thinking about work altogether. Breaking away from familiar routines gives your brain an opportunity to recover from cognitive overload while exposing you to new environments and perspectives. Many business owners return from vacation with fresh insights, renewed creativity, and a clearer strategic vision.

Nature-focused escapes, international travel, and culturally rich exploration vacations are especially effective at inspiring innovative thinking while providing the mental space to see challenges through a new lens.

Summer Perspective on All Your Goals

The mental and physical reset you get from a good vacation helps you take stock and gain perspective on your business, and then adjust goals accordingly for the remainder of the year. That same reset can also provide perspective on your overall life goals and how your financial assets support those goals.

We recognize how the personal and business aspects of your financial life are inextricably linked, and our holistic planning approach addresses both. You've likely already had a midyear review with one of our private bankers, but if you haven't yet, there's no time like the present: 845-341-5034.

Just remember to bring that fresh vacation perspective to the discussion!

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3. Do We Recover from Vacation? Meta-analysis of Vacation Effects on Health and Well-being. Journal of Occupational Health, Volume 51, Issue 1, January 2009, Pages 13–25. https://academic.oup.com/joh/article/51/1/13/7270123?
4. Why Taking a Vacation is Good for You. The Washington Post. April 20, 2025 https://www.washingtonpost.com/wellness/2025/04/20/vacation-health-cardiac-bedroom-benefits
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An Expanding Footprint:

Trust services now available in NJ, PA, CT —and coming soon to FL

We are excited to share a significant milestone for our trust services, and a significant new benefit for business owners throughout the New York tristate area and beyond.

In response to the evolving needs of our clients, we have officially expanded our trust powers beyond New York. This expansion allows us to better support you with seamless, multi-state trust and estate administration. Orange Bank & Trust can now serve as fiduciary in:

- New York
- New Jersey
- Pennsylvania
- Connecticut
- Florida (coming soon)

What This Means for Attorneys

For litigators and estate planning attorneys alike, this expansion provides:

- Greater flexibility in fiduciary appointments acrossj jurisdictions.
- Continuity of service for clients with multi-state connections.
- Confidence in referring fiduciary relationships without geographic limitation.

Our Commitment

Our team remains committed to delivering the same high level of personalized expertise you've come to expect-now with a broader reach.

To learn more about how this expansion can support your business, email **Jacqueline Weimmer** at **JWeimmer@orangebanktrust.com** or call her at directly **914-298-9374**.

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THE DELIBERATE INVESTOR

Markets roared back in the second quarter, posting broad market, double-digit gains as strong corporate earnings, investor optimism and the return of the AI trade fueled one of the best quarters in half a decade.

Value stocks performed very well in Q2, and actually outperformed growth stocks over the first half of the year. It has reaffirmed our conviction in our strategy, that valuations still matter and that intentional value is critical. Our deliberate approach is designed to create value in very specific ways, and the fundamental analysis we do is more important than ever as we navigate myriad risks as stewards of our clients' wealth.

Because of this emphasis on fundamental analysis—kicking the tires speaking to company management, assessing the particular macroeconomic risks specific to a company and its industry—we explored ways to enhance our existing investment capabilities. This is why, as we recently announced, we are now partnering with a firm that specializes in institutional-level investment strategy. This new partnership enhances our existing investment process and expands our research capabilities.

Read our feature article below to learn more about this exciting new partnership that dramatically enhances the value we provide to our clients.

ORANGE
Investment Advisors
A subsidiary of Orange County Bancorp, Inc.

Same Strategy, Deeper Capabilities

We are excited to be working with **Bison Wealth LLC**, a leading investment advisory firm specializing in sophisticated portfolio construction and institutional-grade research. While we previously announced this news in a letter to all our clients, we wanted to take this opportunity to share a few more details.

> "This isn't just a partnership; it is a significant leap forward in the value we provide."
> — Richard Rowley
> Board Chairman of Orange Investment Advisors, Inc.

Who is Bison Wealth?

Bison Wealth was co-founded by East Asset Management, the family office of billionaires Terry and Kim Pegula. Bison Wealth is grounded in a proven, disciplined investment philosophy built to serve sophisticated investors across all market environments.

Enhancing our 'Intentional Value' proposition

Bison Wealth will serve as a key architect of our investment strategy. This collaboration provides OIA clients with immediate access to a deeper bench of analytical talent, cutting-edge technology, and a modernized approach to global asset allocation.

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As we navigate more and more complex risks, integrating Bison's institutional expertise with our local commitment helps ensure that our clients have the most robust and resilient investment strategies available in the market today.

Here are just a few of the key benefits this partnership will create fwor clients:

- Institutional-Grade Research: Access to top-tier proprietary market insights and advanced risk-management protocols.
- Modernized Portfolio Solutions: A broader range of investment vehicles and tactical strategies designed to optimize returns in any economic climate.
- Seamless Integration: Clients will continue to enjoy the same high-touch, personal service they expect from OIA, now backed by the formidable "intellectual brain trust" of Bison.

The Lost Art of Active Investing

One of the things that Bison will help OIA deliver on is our proprietary research and independent thinking.

Let's think about the context of the moment we are all in. We live in the age of AI, where things are moving faster than ever. The value we look to create when we invest on your behalf relies on both sophisticated inputs and sophisticated decision making. There is information, and there is noise. It's our job to parse those two things to create value. Here are three key ways in which we do that:

1) We invest with intent. Our collective investing experience has taught us simple, powerful lessons about what matters—and what doesn't. We believe you should know what you own—and why you own it. It's why we invest in businesses, not securities. And why we have experienced professional investors who do their own research. Our main goal is to protect your assets; earning the best possible returns is secondary.

2) We keep it simple. We think less is more when it comes to investing. Own what you know. Don't overengineer, overbuy, overdiversify or otherwise overcomplicate. Invest local but think global. Our New York location gives us access to US-based multinational businesses—a more efficient way to gain international exposure with lower risk. Our holistic approach builds value over time, not overnight.

3) We are vested in you. We take a personal approach to provide a custom investment portfolio and tailored advice. We believe targeting your goals makes more sense than trying to beat an index. As an independent registered investment advisor, we are able to serve you best with advice that is free from conflicts of interest. We're here for you whether you want to protect what you've earned, or are still building wealth. We're based in the Hudson Valley to serve Hudson Valley business owners and families.

Please reach out to anyone here on our team should you have any questions.

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Q2.2026 Recap

THE ECONOMY— Snapshot

Key indicators	Latest	Forecast	Prior
GDP (YoY)	2.1% (Q1 2026)	2.2%	0.5% (Q4 2025)
Inflation – CPI (YoY)	4.2% (May 2026)	4.2%	3.8% (April 2026)
Interest rates (Fed Funds Rate target)	3.5% - 3.75% (June mtg.)	3.5% - 3.75%	3.5% - 3.75% (April mtg.)
Employment Job gains/losses Unemployment (YoY)	+57,000 (June) 4.2% (June)	+115,000 -	+129,000 (May) 4.3% (May)
Retail sales (MoM)	+0.9% (May)	+0.5%	+0.4% (April)
Industrial prod. (MoM)	+0.1% (May)	+0.3%	+0.9% (April)
Existing home sales (MoM)	+3.2% (May)	+0.7%	+0.2% (April)

Source: MarketWatch.com, July 1, 2026
https://www.marketwatch.com/economy-politics/calendar?mod=home_editorspick

The U.S. economy grew 2.1% on an annualized basis in the first quarter, revised up from the last estimate of 1.6% GDP growth and an initial estimate of 2.0%. First-quarter GDP grew 4x faster than it did in Q4 2025. The Federal Reserve held interest rates steady at each of its two meetings in Q2, as it assessed accelerating inflation alongside slowing job growth. The Consumer Price Index jumped to a 3-year high in May compared with a year prior. Meanwhile, employers added 57,000 jobs in June, missing expectations and slowing from the 129,000 jobs (revised down from 172,000) added in May. It was the lowest job growth in four months.

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THE ECONOMY— Snapshot *(continued)*

Yet despite these headwinds, many economic indicators remained strong. May marked the third consecutive time month-over-month inflation has eased. Despite year-over-year core inflation (minus volatile food and energy prices) ticking up over the past couple months, monthly core prices actually decelerated, surprising economists. Despite the gloomy headline numbers, job growth was better over the first half of 2026 (average 92,000 jobs added per month) than it was over the back half of last year (average 8,000 jobs lost per month). Unemployment remains historically low, and people are buying homes again. Existing home sales rose 3.2% in May over the prior month—3 full percentage points higher than April and 2½ points ahead of expectations.

Sources:
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5. WSJ.com, June 17, 2026 — https://www.wsj.com/economy/consumers/u-s-retailers-sales-growth-accelerated-last-month-90969438?mod=Searchresults&pos=4&page=1
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THE MARKET — Snapshot

Index	Q2 2026	Q1 2026
S&P 500 Index	+14.9%	-4.6%
Nasdaq Composite	+21.4%	-7.1%
Dow Jones Industrial Average	+12.9%	-3.6%
Russell 1000 Value Index	+13.4%	+1.6%
Russell 1000 Growth Index	+16.6%	-9.9%

Source: WSJ.com, June 30, 2026; https://www.wsj.com/market-data

Note: performance figures above represent the change in the level of a given index from the close of the prior quarter to the close of the current quarter. Any dividends from companies have not been accounted for; therefore, this does not represent a total return calculation.

Stocks soared in the second quarter, with every major market average posting double-digit gains. Strong earnings across a wide swath of companies powered the broad market rebound from first-quarter losses, and the AI trade recovered from its first-quarter drubbing to help lead the recovery. Markets overcame wartime disruption of global energy supplies, a spike in oil prices and rising inflation to post their best quarter in years.

In April, markets surged to their best monthly performance in five years as investors cheered efforts to lower tensions in the Middle East, looking past the dichotomy of military activity in the middle of a ceasefire. Strong first-quarter earnings results and solid March economic reports validated investor

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THE MARKET— Snapshot *(continued)*

instincts that market fundamentals remained sound despite the geopolitical volatility. Big tech had a disproportionate effect on the broad market's performance in April, much of it powered by the return of the chip-led AI trade. The S&P 500's information technology sector rose twice as fast as the overall Index's 10% return, and the Nasdaq Composite rose more than 15% over the month. [1,2,3]

Momentum slowed somewhat in May, but big tech still drove much of the market leadership. Some positive economic news and ongoing diplomatic efforts in the Middle East also contributed to momentum. Stocks finished the month on a nine-week winning streak—their longest since 2023. The Dow Industrials cracked the 51,000 level for the first time, adding 2.8% for the month. The S&P 500's information tech sector's May performance matched its 20 percent rise in April, again dwarfing gains of any other S&P sector and the overall Index's 5% rise. [4,5,6]

In contrast to April and May, markets were mixed in June as investors rotated out of big tech and alternately cheered and fretted over Middle East diplomatic efforts. Oil-shock-induced inflation concerns stayed top of mind, slowing down market momentum. Despite these headwinds, by quarter-end oil prices had fallen to their lowest level since before the war began in February. This boosted defensive sectors such as healthcare and financials as investors rotated out of big tech. The Dow Industrials advanced, rising to fresh records along the way, while the broader market retreated. And despite all the volatility, the S&P and Nasdaq posted their best quarterly gains in 6 years, while the Dow had its best first half in 5 years. [7,8]

Value stocks posted strong double-digit returns in Q2, but trailed growth stocks by roughly 3 percentage points. This reflected value's continued strength through the second quarter despite the run-up in big tech. Interestingly, when you look at performance over the entire first half of 2026, the Russell 1000 Value Index's 15.2% gain outperformed the Russell 1000 Growth by more than 10 percentage points. That's a significant advantage that suggests reasonable valuations still matter, even in the era of AI. [9]

On a sector basis, information technology (+49.4%) drove the lion's share of S&P 500 Index performance over the quarter—a reversal from Q1. It outperformed the overall S&P 500 by 34 percentage points and the second-best performing sector, industrials (+18.3%), by roughly 30 percentage points. Energy fell 14.3%, was the poorest performing S&P 500 sector, as oil prices fell below pre-war levels by quarter end.[10]

Sources:
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