



Wealth Management Report

Dear Investors:

US stocks had a rough first quarter for the second year in a row. 2025's early weakness was due to tariff concerns and fears about China's cheap DeepSeek AI model. 2026's arose from fears that AI was getting *too* powerful and, of course, the Iran War. Tariffs in 2025 and Iran in 2026 were both a direct result of Trump administration policies, which has proven time and again that it does not like letting markets suffer for too long. The result so far in 2026 has looked much like what happened in 2025: a V-shaped recovery with the market quickly back to new highs. V-shaped recoveries have been the norm during this current AI Bull market that began just before the release of ChatGPT in late 2022:



Ignore the Front Page

Below are front page headlines related to Iran from the *New York Times* from March 30th through April 17th, and they paint a grim picture for readers. During this period, though, the S&P 500 surged 12.5%, proving yet again that investors are better off ignoring the front page when it comes to investment decisions. Instead, we look “below the fold” or on the back pages to find emerging trends that might eventually make their way to the front page.

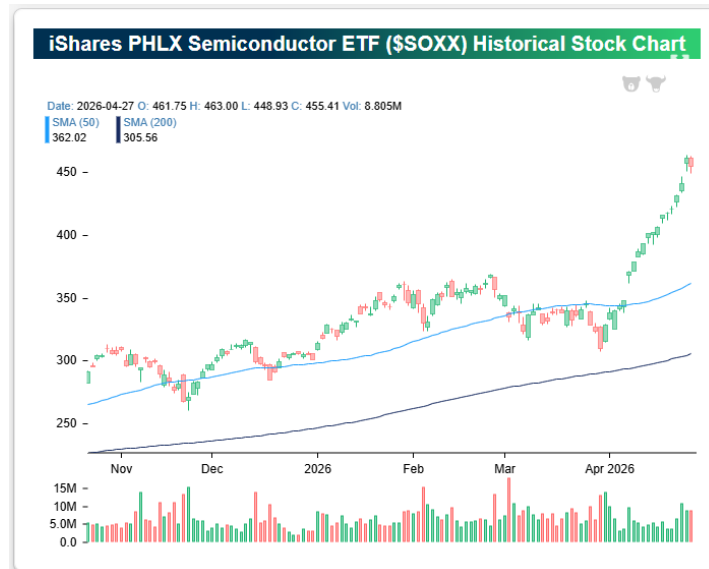
After Talks Flounder, Trump Threatens to Blockade Strait WAR DISRUPTING
American Combat Jet Wounded Iran Debt Alarms as Countries IRAN'S CAPACITY
Shot Down Above Iran; Is Still Biting Resound to Energy Crisis TO SET STRATEGY
One in Crew Is Rescued Trump Revels in Making Emphatic Threats to Commit War Crimes
Israel Agrees to Talks Pledge to End War Swiftly MACRON IS VOICE Iran Skeptical
With Lebanon but Vows Lacks Explanation of How Vance Leads Negotiations FOR FRUSTRATION Of War Talks,
No Letup on Hezbollah To End War He Opposed OVER WAR IN IRAN U.S. Assesses
CEASE-FIRE CALLED Confusion Over Status of Strait Options Dwindle
AFTER TENSE DAY — Israel Bombards Lebanon as Deal Fails to
THREATENING IRAN Trump Facing Materialize
After Dodging One Risk, Split U.S. Comes to Grips Hard Decision STRAIT BLOCKADE
Trump Takes On More With a Largely Hazy War As War Rages OPENS SHOWDOWN
Chance for U.S.-Iran Deal Trump's Volatile Talk Revives Doubts on Stability ON ECONOMIC PAIN
Uncertain Ahead of Talks Trump Casts Iran War as Won and Done. Reality Won't Comply.
Cease-Fire Shaky as Attacks Are Exchanged in Mideast GLOBAL ECONOMIC PAIN



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Semis Record Run

Long-time Bespoke readers know we look to the semis as a leading indicator for the broader market. These “transports of the 21st century” have had a record run recently, at one point trading higher for 18 straight days and gaining 49% in the process. While that type of short-term surge is bound to eventually experience some gravity, we’re treating the surge in semis as a positive signal for the rest of the market in the quarters ahead.



Waiting for Warsh

Jerome Powell’s time as Fed Chair comes to an end in May, with Trump-appointed Kevin Warsh set to replace him. While the stock market had a habit of selling off in the final hours of trading days when Chair Powell held FOMC press conferences, Powell’s tenure proved to be a resounding success for investors based on the S&P 500’s annualized total return of 14.6% throughout his eight years as Chair.

Kevin Warsh has thus far argued that policy rates should be lower because he expects AI to be disinflationary over the long term. That’s music to the market’s ears. However, Warsh has also spoken many times about the need for the Fed to get out of the way and do less when it comes to expanding the balance sheet. Since the Financial Crisis nearly two decades ago, investors have gotten used to the Fed providing an immediate backstop whenever the market runs into trouble. If Warsh shakes up that status quo, the market will certainly price that in.

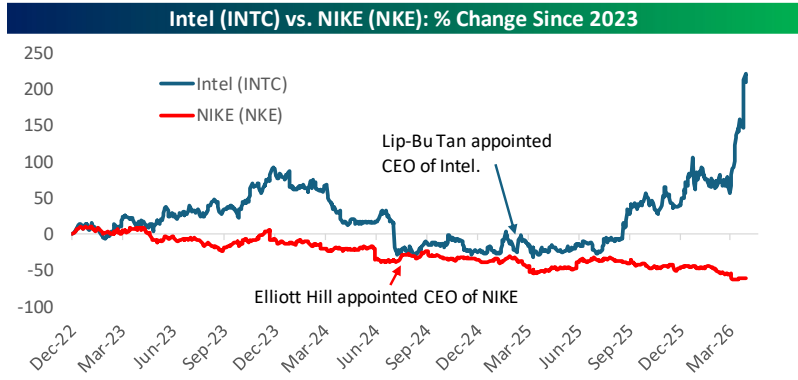
Regardless of what Warsh has said up to this point, though, things change once you’re sitting in the *big chair*, so we’ll ultimately have to wait and see how things play out in the first few quarters with Warsh in charge, or until he experiences his first big test.



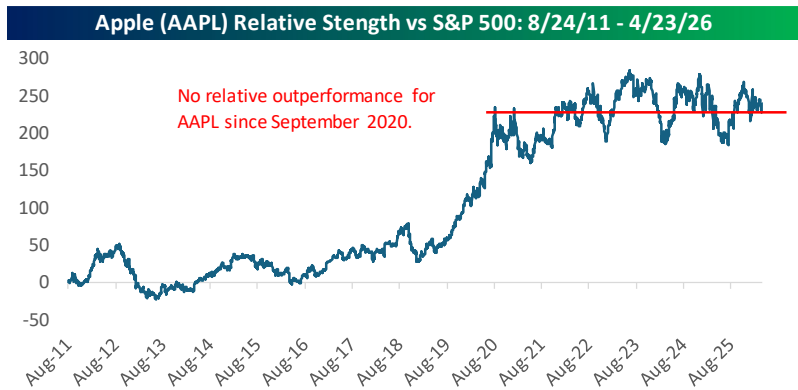
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Management Matters

In late 2024/early 2025, two former blue-chip darlings experiencing years of decline announced C-suite shakeups. NIKE (NKE) announced that company veteran Elliott Hill would be taking over as President and CEO effective 10/14/24, while Intel (INTC) appointed semiconductor industry veteran Lip-Bu Tan as its new CEO in March 2025. The changes at the top coupled with beaten-down share prices piqued our interest enough to establish new positions in both. Thus far, the trade has worked out well. It would have been nice to see successful turnarounds at both companies, but ideally we'd get at least one. A little more than a year later, we've been stopped out of the NKE trade to the downside, but the upside seen for Intel has more than made up for the NKE losses.



There are a number of other struggling blue chips trying to turn things around that we're also watching closely, including Target (TGT), Starbucks (SBUX), Disney (DIS), and Boeing (BA). But just last week, Apple (AAPL) became the biggest company to ever experience a CEO change when Tim Cook announced his retirement to be replaced by 25-year Apple veteran John Ternus. While Apple shares did incredibly well during Cook's tenure, compounding at 22.8% per year for 15 years, the stock has now been flat versus the market since September 2020. Ternus' leadership will now determine whether the stock can get back on track to outperforming for the foreseeable future.



If you'd like to speak with us about our wealth management services and our various strategies, please email us at client@bespokeinvest.com or give us a call any time at 914-315-1248. You can also learn more about Bespoke Wealth Management at our [website here](#).

Justin + Paul