



75 Montgomery Ferry Drive
Atlanta, GA 30309
917-709-9663
fourthwardllc.com

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Dear Investors and Interested Parties,

Year-to-date through June 30th, Fourth Ward generated a 14%* return compared with 10.8% for the S&P 500 Index. We generated this performance with average exposure of 52%. We are up 51%* since the inception of Fourth Ward in January 2024 with average long exposure of 54%. We generated a 12.6% return in the second quarter and -0.4% for June compared with 15.2%, -1.0% for the S&P, respectively. We have \$30.4 million in assets under management.

Positions in DELL and MU made the largest contribution to our annual return at 5.3% and 4.3% respectively. At the end of the quarter, however, we sharply reduced our AI exposure and rotated into financials including our largest position C at 5.2%. BAC, COF, HIG and ALL round out the financial group. These companies trade at compelling multiples, return significant cash to shareholders and benefit from higher interest rates.

At the June Fed meeting, the median FOMC projection for year-end 2026 fed funds rate moved up to 3.8%, from 3.4% at the March meeting. Core PCE inflation is running above 3%, kept elevated by a combination of tariffs, higher oil prices tied to the Middle East conflict, and AI-driven demand effects on the economy.

Markets are priced for perfection and, at times, reflect increasing unease. MU stock is down 13% in the last 5 days, following record earnings. The S&P 500 hit an all-time high near 7,621 within the last month before pulling back about 2%. Year-end targets are still broadly bullish (BofA 7,100, JPMorgan 7,800, Goldman 8,000, Yardeni 8,250), overwhelmingly justified by the AI capex super-cycle — hyper-scaler capex is tracking \$754B this year, +83% y/y. However, by some estimate there is roughly a \$600 billion annual gap between what hyper-scalers are spending and what the AI ecosystem is generating in sales — a divergence running at ~46%. Speculative froth may be at "extreme" levels and rising bond yields (consistent with the higher-for-longer rate backdrop) are a real vulnerability if growth or earnings disappoint. In the meantime, our cash position continues to generate a solid yield while we wait for clarity.

We are very pleased with our performance, both absolute and relative this year. We will continue to look for growing companies generating cash and selling at reasonable valuations.

Please reach out to us with your questions and interest.

Best,

Michael Messner
Beth Reynolds

Financials	16.44%
ETFs – Diversified	8.04%
Information Technology	6.17%
Communication Services (	5.26%
Energy	3.95%
Industrials	1.84%
Consumer Discretionary	1.23%
Health Care	1.04%
Materials	0.57%

*Performance for Fourth Ward Capital Partners, L.P. (the “Fund”) is presented on a total return basis (without provision for federal or state income taxes) including all interest, accrued income, realized and unrealized gains or losses, and is net of all execution costs. Performance is net of all applicable advisory fees and expenses. Performance figures include the reinvestment of dividends and income. Monthly and 2026 performance is estimated. Past performance does not guarantee future results. Individual results may vary based on the timing of contributions and withdrawals.