# Wealth Management

Ameritas Investment Partners, Inc.

## Market Commentary

Quarter Ended June 30, 2026

# America at 250

While researching this quarter's commentary, we came across a story titled, *Forget the 'Sell America' trade: Why U.S. markets keep proving the naysayers wrong. Foreign investors are still pouring money into U.S. assets, and the dollar remains the undisputed global reserve currency*.[1]

Key points from the story include:

- Underscoring confidence, over $1.4 trillion flowed into U.S. assets from overseas investors during the first four months of the year.
- The dollar remains the world's reserve currency despite a 3% decline in central-bank reserves since late 2020.
- Early growing pains were followed by 200 years of stability with vast natural resources, a large domestic market and a pro-business environment underpinning U.S. economic success.

As of June 22, the market capitalization of the U.S. stock market totaled $81 trillion, according to Deutsche Bank and Bloomberg. China is a distant second at $16 trillion, followed by Japan at $9 trillion. Even China stands in the shadow of just seven fast-growing U.S. firms—the so-called Magnificent Seven—with a combined market capitalization of $22 trillion.

With the recent July fourth celebration of the 250th anniversary of the signing of the Declaration of Independence, a record-setting market and a steady influx of foreign capital into the U.S., the story is especially timely.

**Key index returns as of 6/30/26**

| | QTD % | YTD % |
|---|---|---|
| **Dow Jones Industrial Average** | 13.38 | 9.76 |
| **Nasdaq Composite** | 21.60 | 13.13 |
| **S&P 500 Index** | 15.20 | 10.21 |
| **Russell 2000 Index** | 21.40 | 22.37 |
| **MSCI World ex-USA*** | 10.22 | 9.19 |
| **MSCI Emerging Markets*** | 24.05 | 23.85 |
| **Bloomberg U.S. Agg Total Return** | 0.67 | 0.62 |

*in U.S. dollars

*Source: Morningstar*
*Indices are unmanaged, do not incur fees or expenses and cannot be invested into directly. The above returns include the impact of both price appreciation (depreciation) and dividends. Equity markets fluctuate in value and smaller companies and foreign investments often are more volatile than larger domestic companies. Past performance is not indicative of future results.*

Despite many challenges, it invites a closer look at why the United States continues to hold such a dominant position in the global financial system.

**American exceptionalism**

The "buy America" (or U.S.-centric investing) trade has been powerful over the last 100 plus years because the U.S. has combined economic scale, institutional strength, innovation, abundant natural resources and financial market depth in a way no other modern country has consistently matched.

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Let's review some of the factors that have contributed to U.S. leadership and dominance.

1. Led by strong population growth, productivity, immigration, human capital and abundant natural resources, the U.S. has been one of the largest economies since the late 19th century and the largest for much of the 20th and 21st centuries.

2. The U.S. is widely considered to have the most transparent and legally protected capital markets in the world. Such protections—including the rule of law and property rights—bolster global confidence in U.S. markets.

3. Three separate branches of government—so cleverly enshrined in the Constitution—help prevent power from concentrating in the hands of a few, thereby protecting liberties that many here take for granted, yet that have drawn immigrants for generations.

4. The U.S. has dominated in innovation. Industrialization, aerospace and manufacturing, computers, software, biotech, the internet, the cloud and now AI. Undoubtedly, other countries have made various products cheaper, but the nation's ability to innovate and lead in technology has created massive wealth and numerous jobs.

5. Deep, liquid capital markets, combined with the dollar's role as the world's reserve currency, consistently attract foreign capital to the United States. This dynamic encourages overseas investors not only to park funds in U.S. assets but also to commit to long-term investments.

   However, there is an important caveat. The seemingly unlimited demand for U.S. assets and Treasury bonds has also enabled the country to run persistently large fiscal and current account deficits with relatively little immediate consequence.

6. Political and military stability, the rule of law and a strong democracy have given rise to stable and strong institutions that bolster confidence at home and abroad.

   Compared with Europe and many emerging markets, the U.S. avoided the devastation of a world war on its own soil, regime collapses and hyperinflation.

7. A pro-business environment and a shareholder-centric corporate model encourage ownership. The goal of a corporation and its management is to maximize shareholder wealth. It's a principle that has come under attack, but it has been beneficial to investors.

   It's embodied in an entrepreneurial culture, a strong venture capital system, stock-based compensation, stock buybacks, cash dividends and a desire to maximize corporate profits. Prioritizing wealth creation supports healthy competition, innovation, consumer choice and job creation.

8. Equally important, though often underappreciated, is the strength of the nation's higher education system.

   American universities attract many of the world's top students, researchers and entrepreneurs, creating a steady pipeline of talent that fuels innovation and the formation of new companies.

   This diversity of talent reinforces the U.S. advantage in technology, science and business leadership, which ultimately feeds into corporate earnings, wealth creation and market performance.

Despite numerous advantages, America's markets are not on autopilot. We expect periodic pullbacks, bear markets and periods of underperformance.

**America the beautiful**

While our country is far from perfect and our founders were flawed, America truly has been a grand experiment that has become the envy of the world.

Foreign visitors to the FIFA World Cup are getting a first-hand look at our country, without filters, and are singing the nation's praises.[2]

This Independence Day was extra special.

We celebrated the 250th anniversary of our nation's birthday, a milestone known as the Semiquincentennial. It doesn't roll off the tongue as the Bicentennial did 50 years ago, but its importance can't be understated.

It is marked by the Second Continental Congress' adoption of the Declaration of Independence, which declared our independence from Great Britain. Though written in a very different era, it remains a powerful symbol of the nation's identity.

The Declaration did far more than announce a political separation; it articulated a bold vision of freedom, liberty and self-governance that continues to resonate across the globe.

Drafted primarily by Thomas Jefferson and adopted July 4, 1776, the document proclaims that "…all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

These words heralded a new way of thinking, breaking decisively from the traditions of monarchy and empire and laying the groundwork for a philosophy that continues to inspire people today.

The Semiquincentennial invites both celebration and reflection. It is a chance to appreciate the courage and bold vision of our founders while recognizing the ongoing work required to realize the ideals that they gave birth to.

As fireworks light the sky, we celebrate not only America's past but also its future. The challenges are real, but so are the opportunities. The same spirit of optimism and determination that carried the nation through its first 250 years remains alive today.

Happy 250th birthday, America! May the next chapter be as bold, innovative and inspiring as the last.

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[1] Source: Morningstar, June 28, 2026, *Forget the 'Sell America' trade: Why U.S. markets keep proving the naysayers wrong* [https://www.morningstar.com/news/marketwatch/202606286/forget-the-sell-america-trade-why-us-markets-keep-proving-the-naysayers-wrong]
[2] Source: BBC, June 26, 2026, *The US that World Cup fans didn't expect to love* [https://www.bbc.com/travel/article/20260625-the-us-that-world-cup-fans-didnt-expect-to-love]

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***Footnotes:*** *Total Return includes interest, capital gains, dividends and distributions realized over a given period.*
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5945 R Street / Lincoln, NE 68505 / p: 402-467-6970