

July 6, 2026

Dear Clients and Friends:

The passing of Alan Greenspan shortly after the ascendance of the new Federal Reserve chair, Kevin Warsh, was likely just a coincidence, but you could be forgiven for thinking it carried greater significance than that. As we have discussed several times, Mr. Greenspan had a long tenure of almost 20 years at the Fed, evenly divided between the great Alan and the man that became known as "The Maestro," a moniker he likely enjoyed but which brought the institution to the sorry state in which it finds itself now.

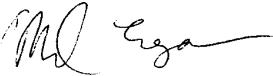
In the first half of his tenure, Greenspan was truer to his roots, which were planted firmly in the school of objectivism and the belief in free markets. He was a dedicated follower of Ayn Rand, the author of *Atlas Shrugged* and *The Fountainhead*, books many read at a young age and find profound, only to revisit later with a more measured perspective. This ten-year period ended abruptly with the 1998 Long Term Capital Management crisis and the subsequent "rescue" of the global financial markets engineered by the Fed chair.

After this, it seemed his focus shifted toward maintaining the asset bubble and the rampant inflation of asset prices. And why not? His reputation grew; the nickname "The Maestro" entered the lexicon; he was a celebrity. The implosion of the markets in 2008 caused a great deal of finger pointing, much of it aimed directly at Alan Greenspan. Unfortunately, his legacy was maintained and even reinforced by the subsequent Fed chairs, each vying for the title of most anodyne and personality free. Faceless bureaucrats mouthing platitudes about price stability while continuing to pump liquidity into financial markets, exacerbating already dramatic levels of inequality. The dual mandate of full employment and low inflation was superseded by the real mandate, which was, of course, maintenance of asset prices.

It is with a significant level of optimism that we greet the new Fed chair, Kevin Warsh. I have followed his career since he became a public figure in 2008, and while I thought he would make an outstanding chair, I never really thought he would be appointed. He seemed to have too much personality and too much economic rigor, both of which can be inconvenient for presidents. Warsh has a very specific view of how monetary policy should be conducted, and it is nothing like what we have seen for decades. I see the baton being passed not from Jay Powell, but from the first half of the Alan Greenspan era, to Kevin Warsh. He will be unlike any recent chair, and while I believe this will ultimately be positive for the US, his tenure will likely amplify the uncertainty and volatility of current financial markets. We may even allow asset prices to decline.

From a positioning perspective, this simply reinforces our long-held belief that asset markets in general lack adequate risk premium and that caution is advised. This is not just due to new Fed leadership, as there are myriad potentially destabilizing currents ripping through the global economy. Warsh's ascendancy, while ultimately (I believe) a very good thing for our country and the global economy, may carry with it a measure of discomfort. As I am a bit old school in this regard, I think it is long overdue.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Egan", written in a cursive style.

Mark M. Egan, CFA
Managing Director

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