THE DUGDALE | HAYES INVESTMENT GROUP
Financial Advisors with D.A. Davidson & Co. member SIPC

Bradley E. Dugdale, Jr.
Senior Vice President,
Financial Advisor,
Portfolio Manager

BDugdale@dadco.com

Darin Hayes, CPFA, CWS®
Senior Vice President,
Financial Advisor,
Portfolio Manager

DHayes@dadco.com

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WINTER 2026

Engage Your Lizard Brain.... or not.

There have been five mass extinctions in Earth's history. Most inhabitants of the planet during each of those events were unaware that they occurred, given that Trilobites, sponges, and fungi are not known for their intellectual acumen. Dinosaurs likely had some sense of self-awareness given their sheer mass and calorie intake, but since they had no concept of asteroids, they spent zero time wondering about the consequences of one striking the Yucatan. They were blissfully unaware that a long, cold winter was about to kill them all.

Today, thanks to the lack of a 6th mass extinction, humans have all kinds of things to worry about. And worry we do, using our considerable brain power to fuss over things that don't really matter. Like, "When was the last time I wore this shirt?" "Why hasn't so-and-so texted me back?" "Is it OK to eat tacos two days in a row?" (it most certainly is).

The earlier primate version of us, much like the dinosaurs, was mainly focused on eating and not being eaten. As we began cultivating food and domesticating animals, we became more specialized. This distribution of work led to more time for leisure and thinking about things other than our next meal. But the fight or flight instinct is so firmly embedded that we're simply incapable of suppressing it. The limbic system gets bored easily and not even the explosive popularity of Pickleball gives the amygdala enough to do. So, we worry. And sometimes we do things that make absolutely no sense just because we feel the need to ***do something***.

This feature of human intelligence can be the enemy of investing. It can cause investment paralysis because you can always find a reason to stay out of the market. It can cause a permanent loss of capital during a downturn if an investor decides to sell at the wrong time because they have the urge to ***do something***. Anything. It can shift focus away from the important things, like asset allocation, a cash management strategy, and estate planning; to unimportant things like whatever Trump posted on Truth Social at 3:00 a.m.

It could pay to be a little more prehistoric. If we're able to tune out some of the noise surrounding markets and our daily lives, we can focus on the things within our control. We can model scenarios to make you comfortable enough to weather the next storm. We can build up some cash for some known expenses. We can make sure your ex is not listed as the beneficiary of your account.

The stock market will have a downturn at some point. Interest rates may go down. Or up. Trump will continue to try to take control of Greenland until he realizes Australia is bigger. Our job is to help you maintain focus and guide you through all types of market conditions. Let us do the worrying and you go play Pickleball.

Important Tax Mailing Information

There are two main types of 1099s:

- A 1099-R reflects distributions from Qualified accounts such as an IRA. If there were no distributions, then there will be no 1099 for a Qualified account.
- A Consolidated 1099 reflects activity in Non-Qualified accounts and reports things such as capital gains, dividends, and interest.

Timing of Delivery:

Documents will be delivered in "waves" with **1099-Rs** being the first to go out on or around February 2, 2026. **Consolidated 1099s** are scheduled to ***begin*** mailing by February 17, 2026. We anticipate most Consolidated 1099s to be available soon after that date.

This delivery approach is used because many accounts hold securities that are able to reclassify their 2025 distributions as late as February 28, 2026, and it greatly reduces the number of corrected documents required to be issued.*

Below are the anticipated mailing dates based on securities held:
Please note this phased delivery approach does not completely remove the chances of receiving an amended 1099. If an amendment is required due to a reclassification or correction, it will be mailed by the end of March.

*****IRA ACCOUNT OWNERS WHO TOOK A DISTRIBUTION IN 2025 – PLEASE NOTE*****

Due to the mid-year change in IRA custodians some clients will receive TWO 1099-Rs for the same account. We will send a separate email to those affected, so please watch your email for this notification. If you are one of those affected, please make sure you have both copies of 1099-Rs before filing your taxes.

Method of Delivery:

Documents will be mailed and will be available on your client website, and you will receive an email notifying you when each document is available. Detailed instructions for how to access your documents via the client website are attached to this email.

Notes:

We understand that many clients want to file taxes as soon as possible. We do rely on some information from third parties which means we can't accelerate the process of generating 1099s and appreciate your patience. We strive to avoid having to send corrected 1099s. In the event a corrected 1099 is necessary due to something like the reclassification of income, then those 1099s are scheduled for March 17, 2026.

Disclaimer: Although clients may discuss taxes and accounting with their D.A. Davidson Professional, D.A. Davidson does not give tax, accounting or legal advice.

Anticipated Mailing Date	Accounts Generally Included
Week of Feb 2	1099-Rs for distributions from Pensions, Annuities, Retirements or Profit-Sharing Plans, IRAs, etc.
Week of Feb 17	Consolidated 1099s for accounts holding certain equities, most fixed income, and options
Week of Feb 27	Consolidated 1099s for accounts holding mutual funds, most Real Estate Investment Trusts (REITs), fixed income securities not captured in the initial mailing, and accounts with reclassifications or corrections
Week of Mar 6	Consolidated 1099s for accounts holding Unit Investment Trusts (UITs), mutual funds, and REITs with reclassifications confirmed at the end of February, and accounts with corrections
Week of Mar 13	Consolidated 1099s for accounts with mortgage-backed securities and accounts with late reclassifications or corrections

Reminder: IRS Contribution Limits for 2026

- 401(k), 403(b), and governmental 457(b) limits increase from $23,500 to $24,500
- The Catch-Up limit for participants age 50 and older increases from $7,500 to $8,000 (maximum deferral for those age 50+ = $32,500)
- The Special Catch-Up limit is unchanged at $11,250 for those ages 60-63 (maximum deferral for those age 60-63 = $35,750)
- **New for 2026:** Participants in 401(k), 403(b), and governmental 457(b) plans with FICA wages of $150,000 or more in 2025 who are maximizing contributions will now have their Catch-Up contribution designated as a Roth contribution.
- Traditional and Roth IRA limits increase to $7,500 plus an additional $1,100 Catch-Up (maximum deferral for those age 50+ = $8,600)
- SIMPLE contribution limits increase to $17,000 plus an increased Catch-Up contribution of $4,000 (maximum deferral for those age 50+ = $21,000). Some SIMPLE plans may be eligible for higher contribution limits. Please check with your employer.

The information contained is from a third-party source. At the time of this publication, the information presented is believed to factual and up to date. Davidson & Co. does not provide tax or legal advice. Questions about the legal or tax should be directed to your accountant and/or attorney. D.A. Davidson & Co. is a full-service investment firm, member FINRA/SIPC.

Team Tidbits

Brad

I sure enjoy the holidays! For Thanksgiving we were able to get the whole family together. My son Bradley and his sweetie, Katie, arrived Wednesday with a special surprise... We are being blessed with another grandchild next May! A little baby boy! Shariae and I are elated. We will be Austin, Texas, bound around the end of May to meet him. Bella will have a cousin and is over the moon about it. During Thanksgiving, our tribe took the cruise boat to the North Pole from the Coeur d'Alene resort and Bella heard her name from Santa, she could hardly contain her excitement. This is the first Christmas that she understood presents and Santa Claus which made the holiday extra special this year. Next year, we get to relive this experience with a little boy. Hope everyone has a wonderful 2026. Ours is shaping up to be a year of excitement.

Darin

We had a great Christmas and are so fortunate to have our entire family close by. Teagan came home from the University of Idaho and had an extra long winter break. So long that we finally sent her back to Moscow early. Not because we don't love her, but because she has acquired a cat. We already have one cat. The new cat and the old cat were far from friendly, so in the interest of saving one of them, we decided they needed to go. And without much snowfall to draw us into the mountains, she was getting a bit bored with the parents anyway. We really are hoping for some snow. We've already seen a lot of our spring water begin its journey to the Pacific so that snowpack needs to beef up for a good summer. We don't have any big travel plans coming up but will definitely be seeking a bit of sunshine during the last winter months.

Kate

Well, here we sit in record warm temps, waiting for winter to hit. I'm not going to lie, I'm fearing February/ March. The holidays were very nice as all grandkids are close enough to enjoy Christmas plays, pageants (we had an angel, an "aunt", a little drummer boy and Mary). They were darling and we were lucky enough to

Team Tidbits Continued...

see all of them on Christmas Day as well. Our property took quite a hit in the latest storm where we lost power for 79 hours (we love our generator) but the debris on the beach will have us burning for days on end. It is overwhelming but I do love "beach clean" weekends. We have some plans to find sunshine during Jan/Feb/Mar so no complaints here. Here's to a great 2026! May it be your best year yet.

Steph

Happy New Year! I have a great feeling about 2026 and I'm looking forward to all the changes it is sure to bring! We had a great holiday season and I hope you did too. Matt and Daws have already hit the hill 6 times this season, even though we don't really have any snow. Daws has really taken to skiing this year and is ready to go up on the big part of the mountain. I think Sundays might be her favorite day of the week because she gets to hang with her friends at ski lessons, have a corn dog for lunch, and spend the rest of the day racing her daddy. I'm studying away and trying really hard to stay on a good schedule. This last test feels like it might be much harder than the other two. Fingers crossed! Anyway, we are jetting off for a vacation to the North Shore of Oahu mid-February for my big 4-0. I've been dreaming about taking a trip for this occasion for 20 years and I'm so excited Matt was on board! I've never been to Oahu and I can't wait to see Pearl Harbor. Well, that's about it for now. I wish you all well this year! Take care.

Left to right: **Kate Absec,** FPQP®, Senior Registered Associate; **Brad Dugdale,** Senior Vice President, Financial Advisor, Portfolio Manager; **Stephanie Brunner,** Client Associate; **Darin Hayes,** CPFA, CWS®, Senior Vice President, Financial Advisor, Portfolio Manager.

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608 Northwest Boulevard | Suite 403 | Coeur d'Alene, ID | (800) 233-7588 | (208) 667-1212

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