DEVON BANK

WealthWise

A look back. A look forward. A look at the market through the eyes of an expert.

May 2026

The Devon Bank Wealth Management team wants to help you stay on top of the most important news related to finance and investing. See below for the latest edition of WealthWise.

May 2026 Stock Market Report

"*Financial success is not about intelligence, it's about behavior.*"

-my favorite quote from my favorite finance author, Morgan Housel

In January of 2024, we gave you a behavior-related suggestion: **"Be More Contrarian in 2024!"**

On these very pages we wrote *that* ***"Having an active contrarian viewpoint and a healthy skepticism toward current investment market trends"*** is a highly effective tool. It helps you both optimize portfolio gains during good times and mitigate as much risk as possible during bad times.

And we wrote that *"Intel (INTC) may be the next example."*

Here was the pitch:

Barron's had recently run an article highlighting that of all the Wall Street analysts that researched Intel stock, only a small handful had a "Buy" rating on it. Meaning the other 48 analysts were far more bearish (negative) about Intel's' prospects. But there were amazing things happening at the company at the time, and they were generating an incredible $40 billion+ in free cash flow annually. And while we did not scream from one of Illinois's many majestic mountaintops that you should go out and buy as much Intel stock as possible, we did recommend that a contrarian strategy would be to buy shares, in large part because those research ***analysts could literally only get more optimistic from there!***

So what have the results been since? **An investment made in Intel stock in January 2024 would have gained ~172%**, versus about 60% for the S&P 500.

IN OTHER WORDS, even *though the stock market has seen a phenomenal return over the last 30 months or so,* ***Intel stock has almost tripled its return!***

(Paul's AI prompt: "Create the corniest possible cartoon of me swimming in Intel profits.")

So why am I telling you this? Just bragging? Cherry-picking one good idea we had two years ago in an effort to make it seem like we're way smarter than we really are?

Maybe a little bragging, sure, but none of the other thing. The point here is to demonstrate how **contrarian-style investing really can be a huge benefit to you and your portfolio!**

I've used the Rodney Dangerfield quote from the movie *Caddyshack* a thousand times, and I will continue to do so until I find something that encapsulates good contrarian investing better:

Rodney, on the phone to his stockbroker:

"Buy, buy, buy! Oh, everyone's buying? Then sell, sell, sell!"

P.T. Barnum wasn't wrong when he famously made the remark that *"no one ever went broke underestimating the intelligence of the American public."* He wasn't referring to stock market investing, of course, but I think the quote still applies nicely. **As a species, we're not that great at investing.** We have a tendency to always want to do the wrong thing: Buy when we should be selling and sell when we should be buying. So isn't it kind of an easy rule of thumb then just to do the opposite of what the masses are doing? I tend to think so.

And these opportunities to be a bold contrarian happen fairly often. Historically, the S&P 500 experiences a gut-wrenching 5% or greater pullback about 3 times per year. **That's three times per year where you have an opportunity to buy after everyone else has been selling**. It happened last year when tariffs were announced, and it happened again this year when the war with Iran began: lots of people panicked and sold as fast as they could, creating an excellent opportunity for those of us who could maintain a calm head and focus on the big picture. And the big picture was that most American companies were going to make more money this year than they did last year, and more money than that next year. And whenever those conditions exist, stocks tend to go up even though it seems like they shouldn't. **Remember: the market finishes the year with a positive return about 75% of the time**.

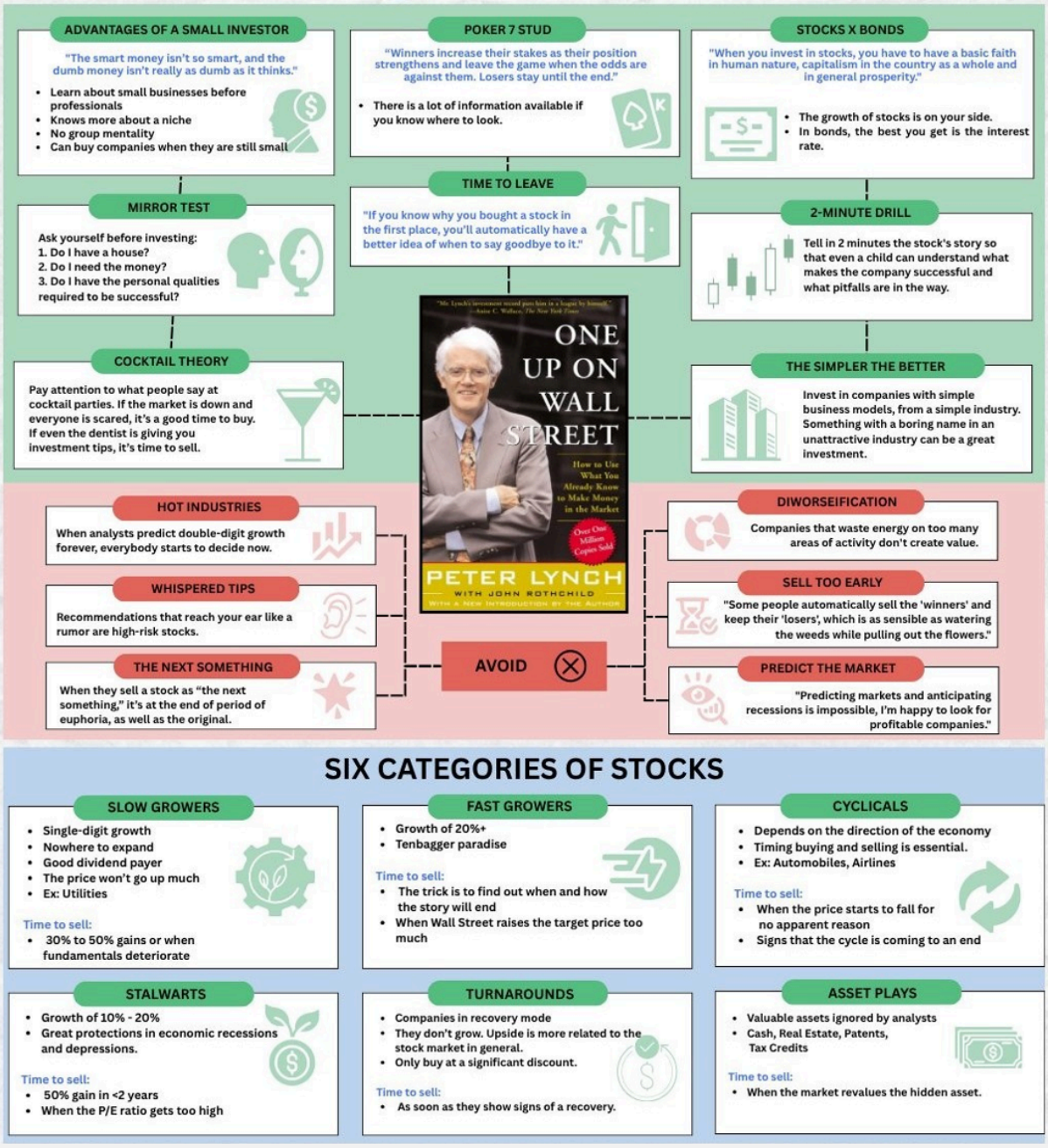
I will risk repeating myself for about the 47 millionth time by saying that this set of conditions is called **climbing the Wall of Worry**. And just like my Rodney Dangerfield quote, I'm going to keep pounding on this concept until it turns out to be wrong.

Which it likely never will.

-Paul Manelis
Sr. Vice President, Devon Bank Wealth Management

Investing 101:
Invest Like Peter Lynch!

Peter Lynch is widely considered one of the greatest minds in Wall Street history. Nothing I can add to what he says below matters, so I'll just shut up and advise you to peruse this graphic, brought to you by a great follow on X (formerly Twitter), **Brian Feroldi** (@BrianFeroldi):



"Paul's Picks"

Paul's Pick #1: *'The Art of Spending Money'* by Morgan Housel

I really enjoyed this latest book by Morgan Housel, mainly because it helped reinforce the thoughts I already had on spending. Because I *hate* spending on useless crap. This book is basically the author saying: **"Congratulations, you made some money—now please don't spend it like a confused raccoon in a vending machine!"** Instead of status buying a bunch of things you don't even necessarily like, he argues you should **use money to make your life *actually better***—think freedom, less stress, and time to do what you want (or nothing at all). The punchline: spending well isn't about being cheap—it's about *not* caring what random

people think and putting your money into stuff (hopefully investments!) that genuinely makes you happier. Buy fewer things to impress people, and more things that make your own life quietly awesome.

Paul's Pick #2: Taylor & Mane Summer Schedule!

Your long, painful wait is finally over, as Paul's band, **Taylor & Mane**, has finally released their summer schedule of concerts! A few highlights include this coming Saturday, May 30, at the ridiculously fun **Blarney Island** and June 20 at the legendary **Toadstool Pub** in Highwood. More dates can be found at Taylorandmane.com.

Look, this band is a profitable business for me in the same way having children was profitable: namely, it isn't. **But my bandmates and I love doing it, and people really seem to enjoy it.** We can't play as many shows as we'd like to—finding a Saturday when we're all available is a major challenge—but when we do play, we put on a great '80s and '90s rock and pop show. Come on out and see us sometime this summer!

See you next month!

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Ready to build wealth for tomorrow?

Contact Paul Manelis, Senior Vice President of Wealth Management at Devon Bank, at (773) 423-2356.

Devon Bank | 6445 N. Western Ave | Chicago, IL 60645 US

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