

JUNE 2026

A letter on where capital is going, and what it means for how you invest

Our new Chief Investment Officer, Tom Williams, on the shift from public to private markets, the discipline of investing well in them, and the platform Willow Wealth is building next.

In the coming months, we are likely to see the IPOs of three companies that have reshaped their respective industries: SpaceX, OpenAI, and Anthropic. Together, these three firms are estimated to be worth more than all but a handful of companies in the S&P 500.¹

Consider this. Microsoft went public in 1986 at a market capitalization of \$777 million, about \$2.4 billion in today's dollars.² Today the company is worth roughly \$3.4 trillion.³

This means investors who invested when the company was still private before the IPO got the first \$2.4 billion of Microsoft's value, and the investors who invested after the IPO got the next ~\$3 trillion dollars. In other words, most of the trillions of dollars of gains went to public investors after the IPO.

Anthropic, on the other hand, has not yet IPO'd, but is already valued at \$965 billion.⁴ Only investors who had access to this company's private shares are benefiting from Anthropic's skyrocketing valuation.

Where the value was captured

Microsoft created most of its value as a public company. Anthropic, still private, has created its entire value before any listing.



Private slice ~\$2.4B in 2026 dollars, created before the IPO.



■ Value created while private ■ Value created while public □ Not yet realized

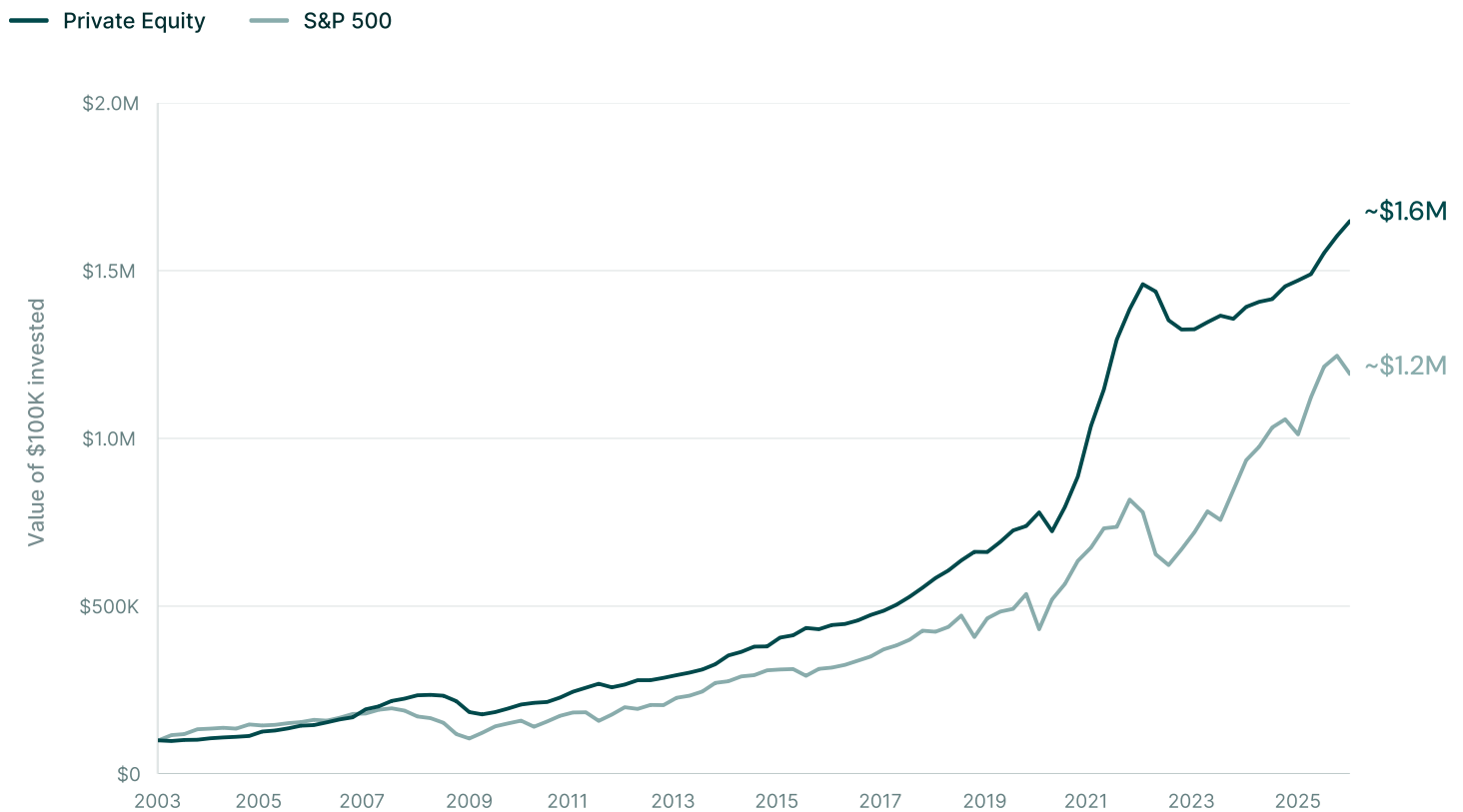
Source: Goldman Sachs, U.S. Bureau of Labor Statistics, Yahoo Finance, and CNBC. As of June 2, 2026. For illustrative purposes only.

IPOs of these incredibly transformative companies are cause for celebration, but they are also a stark reminder that massive amounts of equity value are accruing to stockholders of private companies before the IPO and before the general public is able to buy in.

To my mind, this is clearly a statutory and regulatory failure, but there is little we at Willow Wealth can do about that. What we can do is identify compelling private market ideas and do our best to bring them to our clients.

Over twenty years of cumulative total return

Growth of \$100,000 invested in March 2003 through March 2026.



Source: Bloomberg. Hamilton Lane Private Equity Index and S&P 500, Q1 2003–Q1 2026. Hypothetical growth of an initial \$100,000 investment; for illustrative purposes only. Past performance is not indicative of future results.

Why private markets

Value accruing to private market investors is not a new observation for the wealthiest families and the largest pools of capital in the world. These investors have been investing in private markets and hedge funds for decades, and they continue to do so with specific objectives in mind.⁵

They invest in venture capital and private equity with the goal of outperforming public equity markets.

They invest in private credit seeking higher yields for similar risk than they would otherwise get in the high yield or emerging market bonds.

They invest in private infrastructure and real estate for potential income but also long-term inflation protection (also for the tax advantages that often come with these strategies).

If families in the Fortune 500 use these strategies extensively, why shouldn't our clients have access to them? If pensions invest in these strategies to meet their future retirement payouts, why shouldn't our clients do the same? My goal is to give our clients access and a curated list of compelling private markets and hedge fund investments.

However, for our clients to pursue the potential benefits of private market strategies, they will need to invest something more than money. They will also need to invest time.

I'm not talking about time to dig in and do the research. We have lots of self-directed clients who are taking control of their financial decisions with deep research and careful consideration.

I'm talking about making a commitment to invest long enough to capture the illiquidity premium.

Much of the outperformance investors expect from private markets depends on what's known as this illiquidity premium. When investors commit capital they can't withdraw on demand, they expect to be paid for the constraint. That extra compensation is the illiquidity premium.

To earn the illiquidity premium, investors commit to locking up their capital for some period of time or limiting their ability to redeem their investments to a small percentage of a fund's total assets. This allows professional investment managers the time to help grow an Anthropic or SpaceX, transform and accelerate a Jersey Mike's, lend money to corporations at high rates for a few years, and invest in well-known illiquid investments like real estate and new ones like data centers.

This illiquidity premium is theoretically available to anyone with access to private markets, but capturing it is another matter. In my view, selecting the right investment manager is key. Historically, the dispersion between the top- and bottom-quartile managers in private markets has been far wider than in public ones.⁶

What it looks like on the platform

That last point is where Willow Wealth's role comes in.

For most of the history of private markets, an individual who wanted exposure to these asset classes faced a range of suboptimal choices. They could go to a wirehouse and accept whatever private market option happens to be sitting on its shelf. This is fine but, in my experience, investors are rarely shown the whole menu of options.

Investors could also spend tens of thousands of dollars on private markets databases. If you can find them without a database, you could reach out to a range of managers individually across strategies and hope they are interested in connecting.

This path is not realistic for most self-directed investors but still, our investors want to be in the same position as the head of a family office or CIO of an institutional investor. This means access to a menu of private markets strategies, managers, and co-investments has been historically limited.

That is what Willow Wealth is built to enable. Across private equity, private credit, real estate, and more, our role is to bring established managers onto the platform and give our members the information to evaluate them directly.

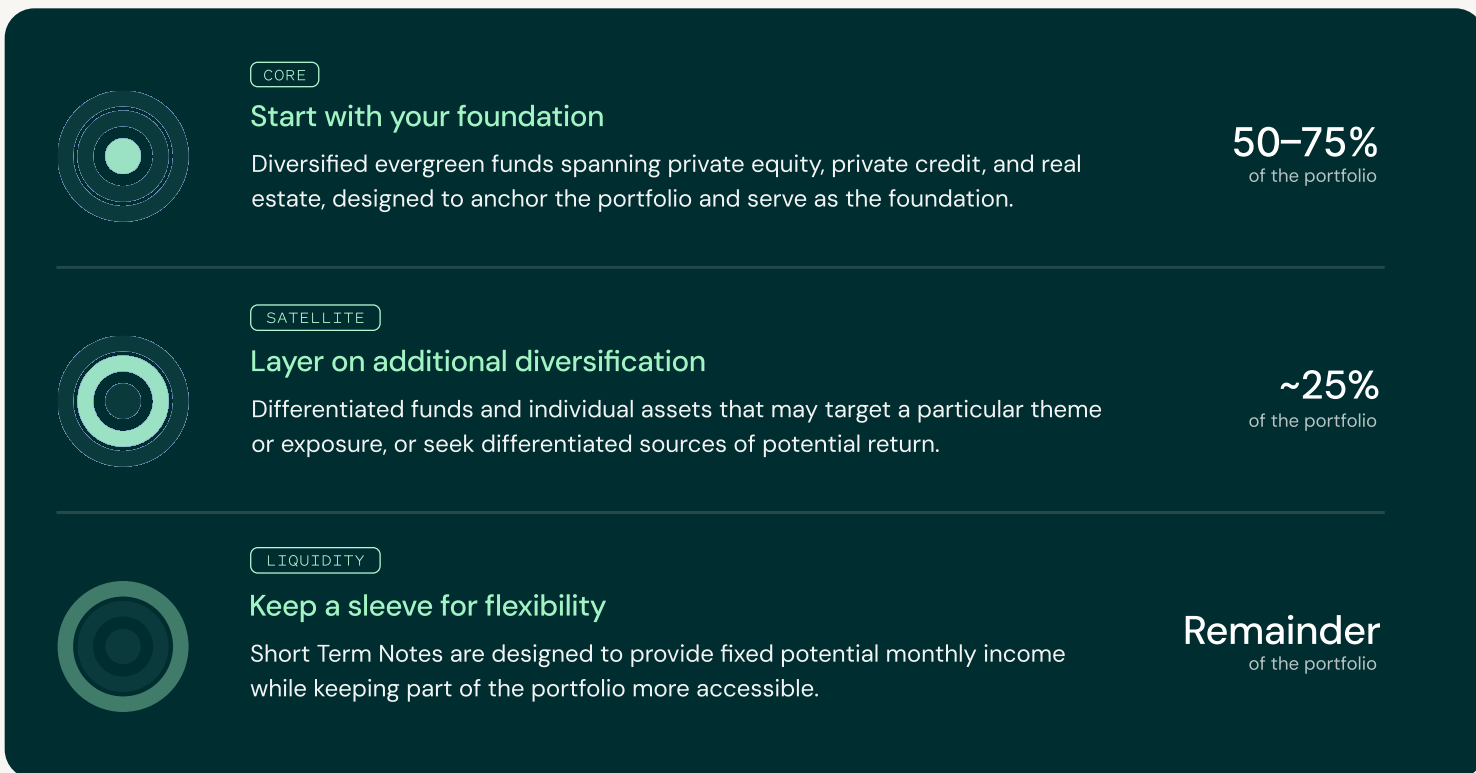
It means access to information on each option that allows the investor to make an informed choice. And if the investor can get due diligence, technology to transact, and delivery of the client statements and manager reporting in a single place, the investor gets private market access in the form of a streamlined, efficient platform.

The managers we work with — names like Carlyle, Goldman Sachs, Clarion Partners, and StepStone — have spent decades originating opportunities across their respective asset classes. The choice of which manager, which strategy, and which structure remains the investor's.

In our view, no other platform offers this breadth of choice in one place for individual investors. That choice extends not only across managers and asset classes, but across the structures investors use to build portfolios: co-investments, hedge funds, evergreen funds, and drawdown funds.

A framework for building a portfolio

A core of diversified evergreen funds anchors the portfolio; satellite investments and a liquidity sleeve are layered around it.



Illustrative framework; not a forecast, recommendation, or model portfolio. Allocation ranges are illustrative and will vary by investor. Diversification does not ensure a profit or protect against loss.

Looking ahead

The platform members see today reflects the work of the last decade. The platform we are building toward over the next one is bigger.

There are asset classes where our coverage is deep and others where it is just beginning. There are strategies — co-investments, secondaries, real assets — that we are looking to deepen our exposure to in a serious way. And there are moments of market dislocation, when the best allocators step in with capital, that we want to ensure our members can participate in alongside them.

However, the strongest argument I can make for what we are building is not in this letter. It's simply whether, in six months or a year from now, your experience with us reflects a change for the better.

I hope this letter is the beginning of that evolution and the beginning of a longer conversation between us.

Tom Williams
Chief Investment Officer

Sources

1. SpaceX filed its public Form S-1 on May 20, 2026 ahead of a planned June 2026 IPO; reported target valuations range from approximately \$1.75 trillion to \$2 trillion, and the offering price had not been set as of June 2, 2026. OpenAI was valued at \$852 billion upon completing a \$122 billion funding round on March 31, 2026. Anthropic closed a \$65 billion round on May 28, 2026 at a \$965 billion post-money valuation and confidentially filed for an IPO on June 1, 2026. By comparison, only a handful of S&P 500 companies carried market capitalizations near or above \$1 trillion as of June 2026.
2. Goldman Sachs, "1986: IPO of the Year Puts Goldman Sachs on the Map With Tech Companies." Microsoft's March 1986 IPO priced at \$21 per share, for a market capitalization of approximately \$777 million. Inflation adjustment based on U.S. Bureau of Labor Statistics Consumer Price Index data (\$1 in 1986 ≈ \$3.04 in 2026).
3. Microsoft Corp. (MSFT) market capitalization of approximately \$3.4 trillion as of June 2, 2026; the figure fluctuates daily. Source: Yahoo Finance.
4. Anthropic's \$965 billion post-money valuation reflects a \$65 billion Series H round that closed May 28, 2026. Source: CNBC, "Anthropic tops OpenAI as most valuable AI startup, nears \$1 trillion valuation," May 28, 2026
5. Family offices allocate a substantial share of portfolios to alternatives: the UBS Global Family Office Report 2025 (317 single family offices, average net worth \$2.7 billion) found alternatives comprised roughly 44% of portfolios, led by private equity, with allocations higher still among U.S. family offices. Among institutions, the 2025 NACUBO-Commonfund Study of Endowments (657 institutions, \$944.3 billion in assets) reported private equity as the single largest allocation (16.8%) and marketable alternatives, or hedge funds (15.4%), ahead of U.S. equities (13.7%). Sources: UBS Global Family Office Report 2025; NACUBO-Commonfund Study of Endowments 2025.
6. J.P. Morgan Asset Management, Guide to Alternatives, 2Q 2026 edition, "Public and private manager dispersion" exhibit, based on fund returns from 1Q 2016 through 1Q 2026. Interquartile spreads (25th to 75th percentile) for private equity, venture capital, and non-core real estate managers were several times wider than for large cap public equity managers over the period.

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