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The Pulse



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Sailors will tell you that if your boat is pitching and you feel ill, you need to concentrate on a fixed point. That's good investing advice as well. Short-term ups and downs are not what create futures, It's the long view that matters.

And that's been hard to see for awhile now with artificial intelligence in favor and out faster than we can blink. The long view is that AI will change things, but not all AI companies will succeed. We've been here before, in the dot-com era. If you picked Amazon, congratulations. If you picked pets.com, I'm very sorry.

So news about endowments that are riding high on massive allocations to SpaceX stock is flashy and appealing, but we don't recommend an all-eggs-in-one-basket approach. And it's more than AI. It's everything else, too. Politics, tariffs, war, division.

When the world is boiling, we need to take a step back and look at a fixed object. Like the good that happens around Thanksgiving and the year-end holidays. And like our extended families and our pets. Sometimes the long view is looking at what's in front of us.

The elections are here. And they won't be over just because November 3rd comes and goes. It's going to be difficult. We need to keep our eye on the ball and look down the road to make the future happen.

Elections have consequences. What will happen if the Democrats win? The Republicans? What will happen in the lame duck period before the new congress is sworn in? Is it possible to keep one's perspective in the face of this much upheaval?

It is, and it's important. Asset allocations help reduce risk. Helping your neighbors helps your heart. And we at Diastole are here for you. We will help you think and talk through decisions, and always be on your side.

If AI Is So Smart, Why Does It Need So Much Electricity?

Ask an AI program to plan a vacation, summarize a document, or explain a confusing medical bill, and the answer appears in seconds. It feels almost weightless. No paper, no delivery truck, no obvious machinery. Somewhere, though, a building full of computers is doing the work. Those computers have an electric bill. That physical side of artificial intelligence may turn out to be one of its most interesting investment stories.

The term "cloud" has always been a little misleading. Behind it are buildings filled with servers, networking equipment, backup power systems, and cooling machinery. Training an AI model requires substantial computing power, and running it for users requires more. The equipment also produces heat that must be removed. In its 2025 analysis, the International Energy Agency estimated that cooling alone accounted for roughly 7% of electricity consumption in efficient large data centers, and more than 30% in less efficient facilities. Not to mention the effects of "heat clouds" causing homeowners to turn up the A/C in areas near data centers.

Now multiply that infrastructure across a growing industry.

The IEA's updated 2026 outlook projects that global data-center electricity consumption will roughly double between 2025 and 2030, reaching about 3% of worldwide electricity demand. Those figures cover all data centers, including services beyond AI. Electricity use at AI-focused facilities is projected to triple over the same period. In the United States, the potential concentration is greater. A Lawrence Berkeley National Laboratory report published in June 2026 estimates that data centers could consume nearly 12% of U.S. electricity by 2030. Its scenarios range from 9.5% to 15.3%—a wide spread that reflects how much remains uncertain about equipment, usage, and the pace of development.

The practical challenge is timing. A technology company can release new software much faster than the energy industry can build the infrastructure to support it. Power lines, substations, and generating facilities require planning, equipment, construction, and approvals. The IEA identifies grid connections and energy supply chains as growing constraints on AI expansion. For investors, that raises an interesting question: how much of AI's economic value will reach the businesses that make its growth physically possible? Electrical equipment manufacturers, cooling suppliers, engineering firms, and power producers all deserve attention. A company does not have to build a chatbot to have a role in this story.



But having a role and being a good investment are two different things. A supplier can enjoy rising sales while struggling with costs. A utility can face enormous construction bills before new demand produces earnings. And an excellent business can still be an expensive stock if investors have already priced in years of success. (continued on next page)

Samson S. Staff
Financial Advisor

There is also a moving target on the demand side. AI is becoming more efficient at individual tasks, while users are adopting more demanding applications, including video generation and complex reasoning. The eventual electricity bill depends on both trends. Better efficiency does not automatically mean lower total consumption.

Our investment takeaway is to look carefully at who gets paid, how much capital they must commit, and what expectations are already reflected in the share price. Forecasts for electricity demand are a starting point for research, not a guarantee of investment returns.

The next time an AI program answers a question in seconds, spare a thought for the equipment humming behind the screen. Somewhere, the future is waiting for an electrician.

Sources: International Energy Agency, "Energy Demand from AI" (2025) and "Key Questions on Energy and AI" (2026); Lawrence Berkeley National Laboratory, "United States Data Center Energy Usage Report: 2025 Update," published June 2026.



Did You Hear… ?

- A California man has been accused of stealing $34,000 in Lego sets. He allegedly purchased Lego sets from Target stores, kept the Legos, refilled the boxes with dried pasta, and returned them to the stores. Nefarious but clever.
- The black and white tegus is an invasive species of lizard that is turning up in Georgia. Officials say the lizard is NOT a protected species and encourage local residents to kill the tegus if possible. The lizard eats birds' eggs out of the nest in the spring, and goes into hibernation in winter, and, most importantly, can grow up to four feet in length and up to ten pounds. So what are we supposed to do? Crack it over its huge long nose with a cellphone? No thanks!
- Do you love the look of a classic bentwood chair? So do Gavin Munro and his wife Alice. They grow bentwood chairs in living trees by slowly bending the branches over time. It takes about six to 12 years to mold a chair, which will then sell for almost $90,000. Some of the chairs are usable as furniture, but primarily these are artworks.
- The World Cup may be over, but its effects linger on. For instance, apparently Kraft ranch dressing was one of the highlights for foreign visitors to the United States, who were disappointed that bottles of dressing could not be carried through TSA checkpoints. Kraft created a TSA-compliant package in response. American ingenuity in action.

Trump Accounts: The Account You Might Not Know Your Kids Have!

By Joseph DePatie

Financial Advisor

As you may have heard, your children under the age of 18 may already have a new savings account established in their name. In the fall of 2026, millions of children nationwide were automatically enrolled in these new tax-deferred accounts. But what are they, and how do they work?

Created as part of The One Big Beautiful Bill Act signed into law on July 4, 2025, "Trump Accounts" are a specialized type of IRA designed specifically for minors. Parents originally created these accounts by registering on trumpaccounts.gov or by filing Form 4547 with their tax returns. However, in the fall of 2026, the Treasury Department established an automatic enrollment procedure, estimating that up to 60 million accounts will automatically be opened.

Up to $5,000 per child can be deposited annually into these accounts through several sources:

- **Government Seed Money:** Provided for eligible newborns.
- **Individual Contributions:** Made on an after-tax basis by parents or family members.
- **Employer Contributions:** Up to $2,500 contributed on a pre-tax basis (counting toward the $5,000 annual limit).
- **State & Non-Profit Contributions:** State governments and 501(c)(3) charities can contribute without limit.

These funds remain in the account throughout the "growth period," which ends when the child turns 18. By law, balances are invested in low-cost, broad-based U.S. equity funds.

Once the child turns 18, the growth phase and strict withdrawal restrictions end, allowing the young adult to choose how to manage the assets:

1. **Maintain the balance** inside a Traditional IRA.
2. **Roll the funds over** into an eligible employer retirement plan.
3. **Convert the balance** to a Roth IRA, pay the income tax on the converted amount, and allow the funds to grow tax-free moving forward.



These accounts offer a powerful, distinct path for young people to build wealth early in life. If you would like to discuss how these accounts integrate with your family’s college savings plans (such as 529s) or custodial accounts, please give us a call.

Starting with geopolitics, the stalemates in the U.S./Iran and Russia/Ukraine wars continue, and they are keeping oil, gas and diesel prices elevated. The longer that continues, the greater the headwind it will become on economic growth. Positively, any real diplomatic progress in either theatre that allows oil or diesel to flow more freely will result in lower energy prices and that should be a significant, positive catalyst for markets.

Turning to Treasury yields, the 10-year yield did hit a 19-year high during the third quarter and that is a headwind on economic growth. However, much of the rise in the 10-year yield can likely be attributed to rising oil prices, and if we see a decline in oil, then yields will likely follow and reduce the headwind on the economy.

Regarding the Federal Reserve, investors have priced in additional rate hikes in 2026 and 2027. Limited rate hikes that help contain inflation will be a longer-term positive. Additionally, if inflation metrics ease during the fourth quarter, then rate hike expectations will be reduced and that will put downward pressure on Treasury yields.

Finally, concerns remain that the AI data center boom will turn "bust" and hurt economic growth. Those fears are understandable, especially for older investors who remember the "dot com" era. However, important differences exist between the two periods and there were signs in the third quarter that AI investments were already beginning to generate revenue. If there is more evidence of that in the fourth quarter, then investor concerns about the sustainability of the AI buildout will ease and tech will likely lead markets higher once again.



In sum, we begin the final quarter of 2026 with a market facing

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Please note:
Your custodian will issue monthly statements for all accounts that have had activity that month. For accounts with no activity, statements will be sent quarterly. Online account values are updated daily. If you have any questions, call us, or log in to your Black Diamond account. (Call anybody at Diastole except Beth for help doing that.)

challenges in the form of geopolitical risks, higher bond yields and concerns about the sustainability of the AI data center boom. But the positives of a resilient economy and strong corporate earnings growth are powerful, and despite negative headlines, the reality is the market remains on solid footing.

At Diastole, we are committed to helping you effectively navigate this unique investment environment. Successful investing is a marathon, not a sprint, and even short-term volatility is unlikely to derail a diversified approach set up to meet your long-term investment goals.

Therefore, it's critical for you to stay invested, remain patient, and stick to the plan, as we've worked with you to establish a unique, personal allocation target based on your financial position, risk tolerance, and investment timeline.

Medicare's Annual Enrollment Period (AEP) runs **October 15 through December 7, 2026**, and changes take effect **January 1, 2027**. If you have questions or need to make changes, we have had good luck working with The Senior Health and Retirement Group. SrHealthandRetirement.com (860) 664-5596

Fraud Warning Signs You Should Never Ignore

Be cautious if someone:

- ? Pressures you to act immediately.
- ? Requests a password or security code.
- ? Tells you to move money to a different account for protection.
- ? Sends an unfamiliar link to resolve a banking problem.
- ? Requests remote access to your phone or computer.
- ? Asks for an unusual payment or claims to represent your bank unexpectedly.

A familiar phone number, official-looking logo, or convincing voice does not guarantee that a message is legitimate. Scammers can imitate trusted organizations and use personal information to appear credible.



Christine Sorrento
Office Manager

Give me a call if you want help with these issues! And see the next page for more of my tips.



Want to give a piece of your mind to your elected officials? Go to 80trillionspeaks.com, sponsored by Diastole, and enter your zip code. Then you can send an email to multiple of your political representatives - as often as you like.

BEWARE OF:

The Fake Bank Account Fraud

You receive a text claiming that a suspicious payment has been attempted from your account. Soon afterward, someone calls pretending to be from your bank's fraud department. They may ask you to provide a security code or transfer money to a supposedly "safe" account.

Remember: Your bank will not ask you to transfer money to a stranger to protect your savings. Never share a one-time security code with someone who contacts you. Never!

The Fake Payment App Representative

Someone claiming to work for Venmo or your bank contacts you about a problem with your account. They may ask for your password, a verification code, or permission to control your computer or phone.

Remember: Never give an unsolicited caller remote access to your device or share your login codes. Never!

The Unexpected Request for Money

Someone claiming to work for Venmo or your bank contacts you about a problem with your account. They may ask for your password, a verification code, or permission to control your computer or phone.

Remember: Verify unusual requests by calling the person at a number you already know. Do not rush simply because someone claims the situation is urgent.

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Meredith Eden
Chief Compliance Officer



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It's fall! The leaves are turning, reminding me of my grandmother who loved to watch the fall colors change. And it's time to turn the clocks back - yay! Extra sleep!

No matter how old I get, the excitement of a new school year still thrills me. I remember getting new school clothes, getting a new home room, and, most importantly, new school supplies. I still like a new pack of pens.

My dogs are enjoying the cooler temperatures while my cats remain generally unfazed by anything. I even have to turn on the heat in my chicken house some evenings. And in my own house some evenings, too!

Although summer is wonderful, there is something cozy about shorter days and crisp afternoons. Soon there will be snow, although I really hope not as much as last year. Fingers crossed!

I hope you and your families are well and happy and snug as the days turn shorter. As always, I hope you feel free to let us know if we can do anything to help you in life and investments.



Baby Amy taking a nap.
Photo by Beth.

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