



March 4, 2026

Dear Valued Investor,

Joint airstrikes against Iran targeting high-value military installations to hinder Iran’s nuclear development efforts and degrade its military capabilities while removing the Iranian regime from power are ongoing. The death of Iran’s Supreme Leader, Ayatollah Ali Khamenei, marked a significant escalation in the conflict. Iran retaliated by launching a broad series of missile attacks directed at Israel and multiple Gulf states, including Qatar, the United Arab Emirates, Bahrain, and Saudi Arabia. The repercussions have been felt across the region as global energy flows were disrupted and oil and gas prices surged. Tanker traffic in the Strait of Hormuz — through which roughly 20% of the world’s oil supply moves — is at a standstill. A sustained spike in energy prices would likely require evidence of a more prolonged disruption, something not evident at this time and not our base case.

Despite the severity of these events and the uncertain path forward, a historical stock market perspective is helpful. History shows that markets often recover quickly once conditions stabilize, typically within days or a few weeks, as long as the U.S. economy doesn’t slide into recession. Geopolitical shocks can elevate volatility, as this one has, but they do not typically derail longer-term market trends unless the economic impact becomes both deep and persistent.

Our broader stock market outlook for 2026 remains constructive. A growing economy, bolstered by fiscal stimulus from the One Big Beautiful Bill Act and artificial intelligence (AI) investment, provides a supportive backdrop for stocks despite concerns about AI disruption. Earnings growth, particularly in technology, remains quite strong, powering S&P 500 earnings per share growth of 14% in the fourth quarter. The Federal Reserve remains likely to cut rates in the second half of the year, when inflation pressures are expected to ease. Despite the initial sell-off in Treasuries after the Iran strikes, interest rates remain at comfortable levels for the economy. In February, mortgage rates dipped below 6% for the first time since 2022, helping to support the important housing market. These dynamics suggest that any weakness related to geopolitical volatility may present a buying opportunity.

Our message for investors is to remain patient and be diversified. Staying the course during volatile and uncertain geopolitical environments can be difficult, but the stock market’s track record suggests it’s the right approach. Don’t let short-term uncertainty obscure long-term opportunities.

Last and certainly not least, we wish our service men and women in harm’s way a safe return home. Let’s all pray the world will be a safer place on the other side of this conflict.

As always, please reach out to me with questions. Thank you for your continued trust.

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Important Information

* The average stock is the equal weight version of the S&P 500. Return for the equal weighted S&P 500 over the past three months (since 11/03/25) is 6.7% vs. 2.1% for the regular S&P 500 over that period.

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All data is provided as of March 3, 2026.

All index data from FactSet.

The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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