CHIEF INVESTMENT OFFICE

Investment Insights

Market Update

All data, projections and opinions are as of March 1, 2026 and subject to change.

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On Saturday 2/28, the U.S and Israel launched a military campaign against Iran with missile attacks occurring throughout the Middle East region. There are a number of risks investors should be mindful of in the days and potential weeks ahead as tensions rise.

We maintain our Equity overweight but expect volatility to increase significantly as we open for trade in the coming days. We continue to emphasize the highest level of diversification across all risk profiles which includes allocating to areas that are likely to receive upward pressure as the military campaign unfolds. We outline our short-, medium- and long-term pathways beliefs below.

The Short-term Expected Path (approximately 0 to 3 months):

- U.S. economic uncertainty rises but fiscal and monetary supports keep the U.S.' economy clear of recession and profit growth intact.
- Higher global oil prices have a larger near-term economic impact on net energy importers like Japan, Europe and China versus energy-independent U.S.
- U.S. dollar shifts from slight weakness to strength.
- Oil and Gold prices rise (price hikes could be sharp if tanker passageways are shut).
- Energy sector rallies.
- Defense industrials rally.
- U.S. Treasurys outperform credit
- Defensive sectors such as Staples and Healthcare outperform.
- Cyclical shares underperform.
- Technology, given its large exposure overseas and Artificial Intelligence (AI) disruption concerns, remain weak.
- Equity volatility is well above average.
- Allow the volatility to subside somewhat before committing to rebalancing plans in the very short-term.
- Have plans ready to take advantage of market weakness when tensions de-escalate. Headline risk is high, but developments can change quickly.

Medium-term Expected Path (approximately 6 to 18 months):

- Equity volatility declines toward normal levels.
- Equity markets normalize and begin to track corporate profit fundamentals.
- U.S. dollar resumes a slightly weaker path
- Credit stabilizes and begins to outperform Treasurys
- Higher-quality Equities including shares and solid dividends join the leadership ranks.
- Technology and Financial shares stabilize.
- Utilities and Industrial remain leaders.
- Oil prices exhale but Gold prices remain in uptrend.
- Mid-term election concerns gather steam prompting investors to add to non-U.S. exposure.
- Equity market rebalancing continues with equal-weighted S&P 500 outperforming and sector diversification in demand.
- Economic growth globally and in the U.S. surprises to the upside.

Longer-term Themes That Should Continue to Evolve:

- Aerospace and Defense modernization
- Robotics and Automation
- Biotechnology Renaissance
- Infrastructure Redevelopment
- Digital Economic Advancement
- Central Bank Reserve diversification
- Agentic AI application
- Private Sector Wealth Advancement

Major geopolitical events and subsequent S&P 500 price returns.

Event	Date	1 day	1-month	3-month	6-month	12-month
Cuban Missile Crisis	16-Oct-62	-0.3%	5.4%	13.3%	21.1%	27.8%
JFK Assassination	22-Nov-63	4.0%	6.7%	11.5%	16.0%	23.9%
Six-Day War	5-Jun-67	2.0%	3.3%	6.5%	7.7%	13.0%
Bretton Woods Collapse	15-Aug-71	3.2%	4.6%	-3.7%	9.8%	17.0%
Arab Oil Embargo	19-Oct-73	-1.0%	-8.6%	-13.3%	-14.9%	-34.4%
Iranian Shah Overthrown	11-Feb-79	0.3%	1.7%	1.6%	7.8%	20.5%
Fall of Berlin Wall	9-Nov-89	0.8%	3.6%	-0.9%	1.9%	-6.8%
Start of Gulf War	17-Jan-91	1.3%	12.5%	19.1%	16.2%	27.7%
9/11 Terrorist Attacks	11-Sep-01	-4.9%	-1.1%	4.3%	6.6%	-16.7%
Fukushima Nuclear Disaster	11-Mar-11	-0.6%	1.5%	-2.6%	-11.5%	5.1%
Russia Annexes Crimea	20-Feb-14	-0.2%	1.8%	1.8%	8.0%	14.7%
Brexit Vote	23-Jun-16	-3.6%	2.9%	2.4%	7.1%	15.4%
Russia-Ukraine Conflict	24-Feb-22	2.2%	5.4%	-8.1%	-3.4%	-7.4%
Israel-Hamas War	7-Oct-23	0.6%	1.3%	9.0%	20.8%	33.5%
Average		**0.3%**	**2.9%**	**2.9%**	**6.6%**	**9.5%**

Source: Bloomberg. Data as of January 26, 2026. If the market was closed on the event date, the date of the previous market close was referenced. The one-day return for the 9/11 attacks after reopening of the market was on 9/17/2001. The one-day return for the JFK assassination after the reopening of the market was on 11/26/1963. FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. **Past performance is no guarantee of future results.** Please refer to important disclosures at the end of this report.

It is clear volatility will likely remain elevated as events continue to unfold. However, we do not expect a material effect in the global economy or corporate profits overall. We believe equity valuations are likely to reach oversold levels and would represent a potential buying opportunity for investors focused on the medium- and long-term. It is far too difficult to try and time markets in normal times let alone in periods with excessive geopolitical risk. We prefer to maintain a fully invested mindset and use weakness as volatility subsides to rebalance portfolios more toward our areas of preference and key investment themes as highlighted above.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index is a market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

S&P 500 Equal Weighted Index is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

S&P 500 sub-sectors and industry groups Global Industry Classification Standard (GICS®)/S&P 500 Total Return Index, including Information Technology Total Return (TR) USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.

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