

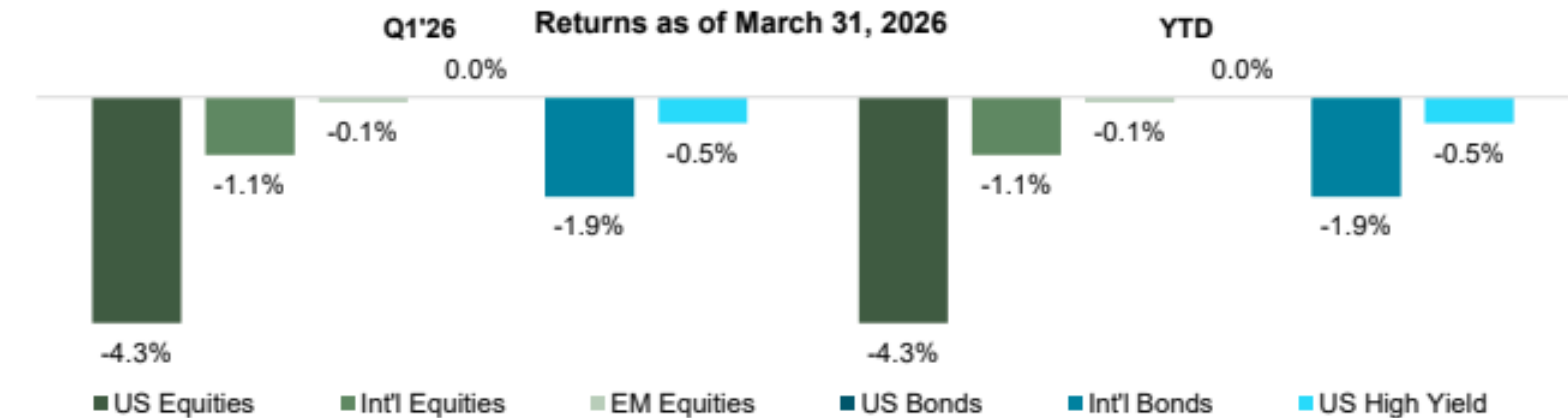


FUND DIRECT ADVISORS

2026 Q1 Market Review & Outlook

Drew Saia, CFP®, CPA | dsaia@funddirectadvisors.com

2026 Q1 Summary



Source: FactSet

First quarter 2026 marked a sharp shift from a stable market backdrop to a more volatile environment. The Iran conflict pushed oil prices above \$100 and reignited inflation concerns, while markets repriced expectations toward a “higher-for-longer” interest rate environment.

Even in this more volatile environment, diversified portfolios helped cushion the impact, with a balance global portfolio 60/40 down -2.3% for the quarter.

How do you navigate periods of market volatility?

2

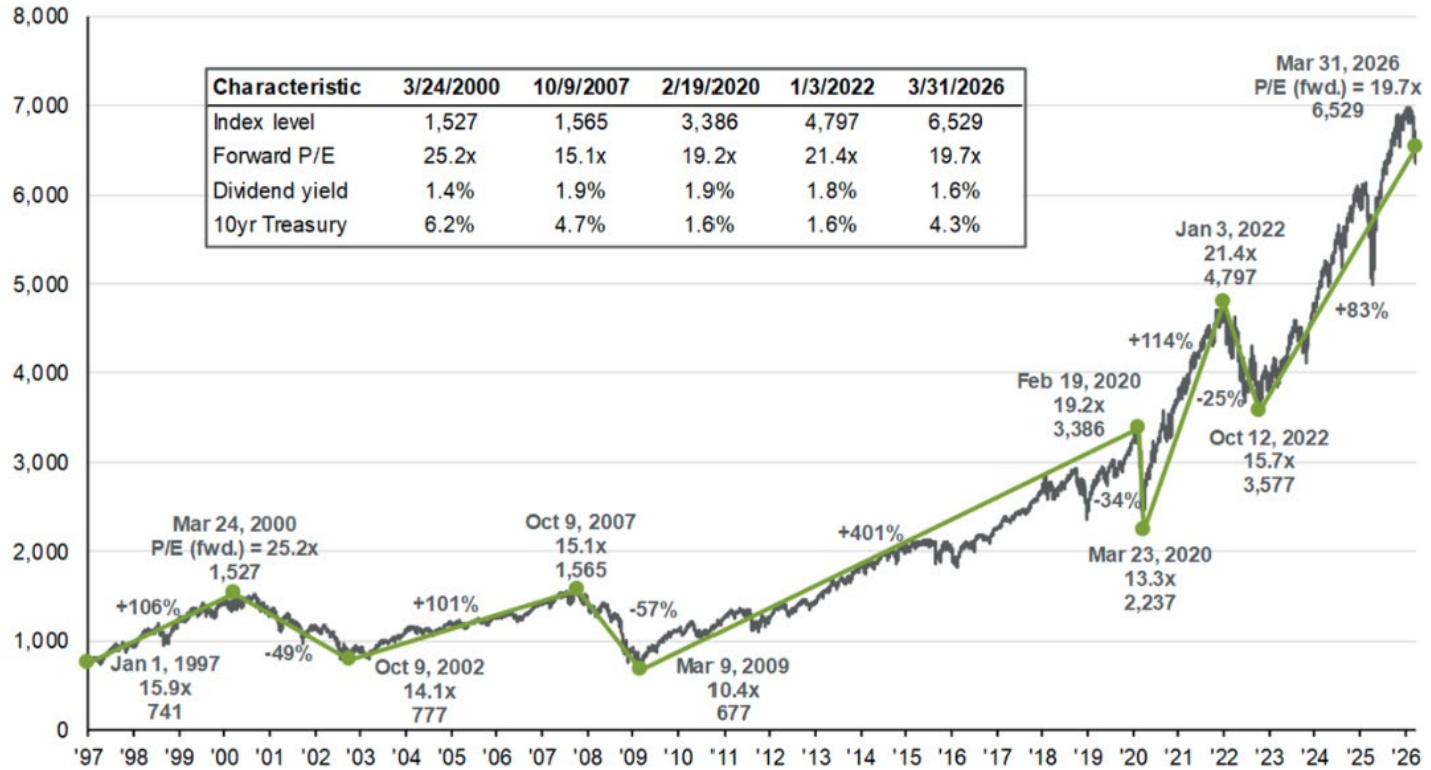
We expect markets to experience elevated volatility into April as the scope and duration of the conflict become clearer. US equity markets had already shown signs of unease this year, including a rotation away from AI-related companies toward more tangible sectors such as industrials, energy, and materials, alongside growing concerns about potential risks within credit markets.

Because geopolitical developments are unpredictable and fast-moving, we encourage investors to rely on diversification of asset classes and investment strategies to help manage risk.

While the current environment might feel uncomfortable, history suggests the most prudent course for long-term investors is to remain invested and stay focused on long-term objectives.

S&P 500 Index Through 2026 Q1

S&P 500 Price Index



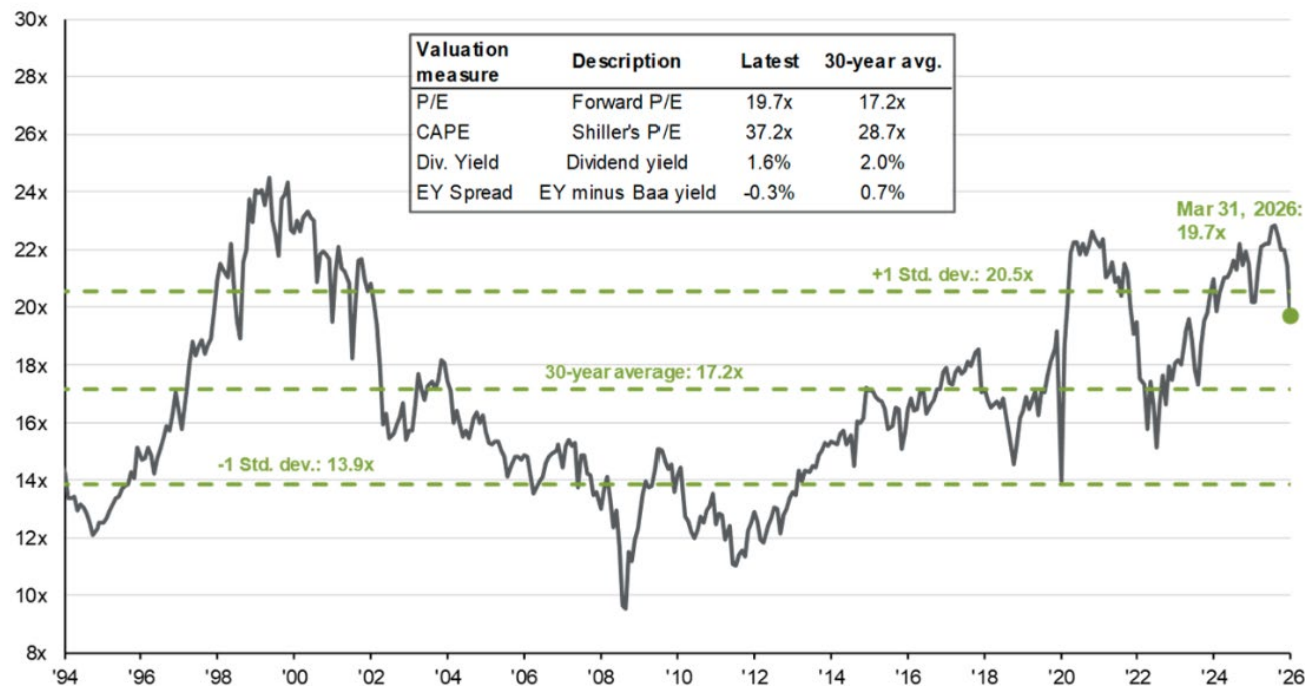
S&P 500: Index Valuation Measures

March 31 forward P/E ratio declined from **22x** in December 2025 to **19.7x**

P/E ratio = Stock Price / Earnings per Share

(metric that tells us how much investors are willing to pay for each dollar of a company's earnings)

S&P 500 index: Forward P/E ratio



Magnificent 7 Performance in the S&P500

Magnificent 7:

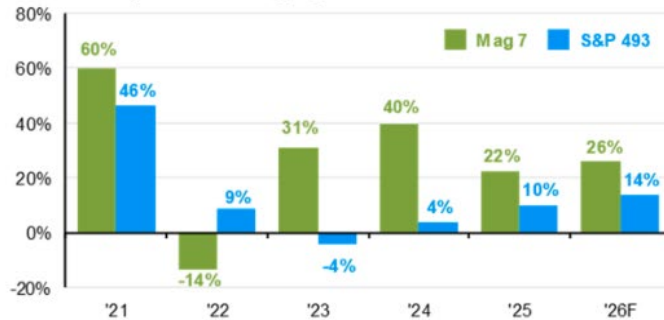
- Nvidia
- Meta
- Tesla
- Amazon
- Alphabet
- Microsoft
- Apple

Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return

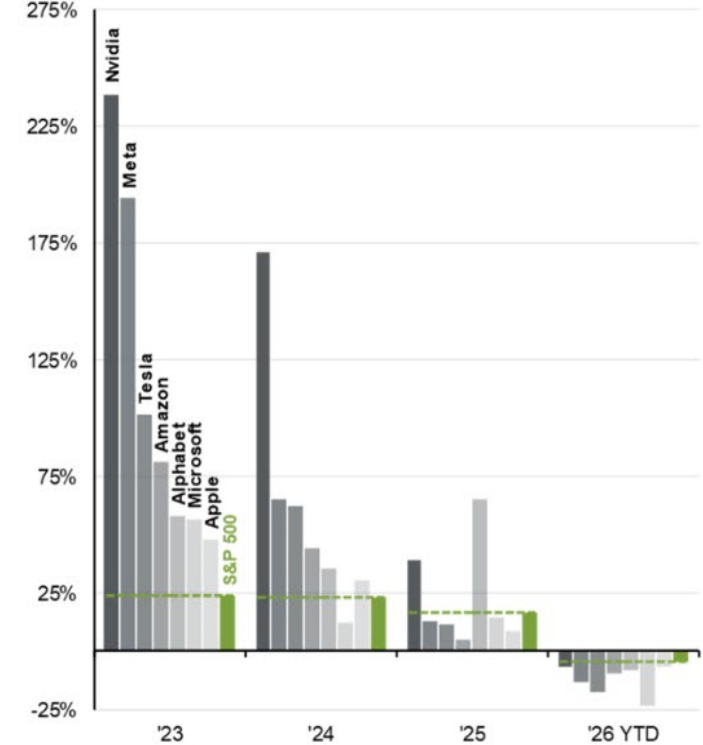


Year-over-year earnings growth



Magnificent 7 performance dispersion

Price return



Returns & Valuations by Style

YTD **Value** has outperformed **Growth**, but Growth is still outpacing over the last 10 years, annualized.

YTD **Small & Mid Cap** outperformed **Large Cap**, but still trail over last 10 years, annualized.

10-year annualized				YTD			
	Value	Blend	Growth	Value	Blend	Growth	
Large	10.6%	14.2%	16.8%	2.1%	-4.3%	-9.8%	Large
Mid	9.8%	10.9%	11.7%	3.7%	1.3%	-6.3%	Mid
Small	9.6%	9.9%	9.8%	5.0%	0.9%	-2.8%	Small

Since market peak (January 2022)				Since market low (October 2022)			
	Value	Blend	Growth	Value	Blend	Growth	
Large	39.0%	44.9%	43.2%	68.4%	91.9%	109.9%	Large
Mid	29.0%	25.7%	15.7%	60.7%	64.5%	67.1%	Mid
Small	23.6%	16.7%	9.2%	55.6%	55.5%	55.0%	Small

Forward P/E vs. 20-year avg. P/E			
	Value	Blend	Growth
Large	16.3 / 14.0	19.7 / 16.3	24.1 / 20.0
Mid	15.4 / 14.6	16.7 / 16.5	24.1 / 21.4
Small	18.1 / 16.8	23.3 / 23.0	32.2 / 31.7

Forward P/E as % of 20-year avg. P/E			
	Value	Blend	Growth
Large	116.2%	120.7%	120.9%
Mid	105.5%	101.4%	112.7%
Small	107.7%	101.3%	101.6%

Returns & Valuations by Sector

	Energy	Materials	Financials	Industrials	Cons. Disc.	Tech.	Comm. Services*	Real Estate	Health Care	Cons. Staples	Utilities	S&P 500 Index
S&P weight	4.0%	2.1%	12.6%	9.0%	9.9%	32.9%	10.3%	2.0%	9.5%	5.3%	2.5%	100.0%
Russell Growth weight	0.5%	0.3%	5.9%	6.7%	13.2%	49.6%	12.1%	0.5%	8.1%	2.9%	0.3%	100.0%
Russell Value weight	7.7%	4.4%	20.0%	13.5%	7.0%	11.7%	7.9%	4.0%	11.7%	7.5%	4.7%	100.0%
QTD	38.2	9.7	-9.3	4.6	-9.2	-9.1	-6.9	4.9	-4.9	7.7	8.3	-4.3
YTD	38.2	9.7	-9.3	4.6	-9.2	-9.1	-6.9	4.9	-4.9	7.7	8.3	-4.3
Beta to S&P 500	1.1	1.0	1.1	1.1	1.2	1.2	1.1	0.9	0.7	0.6	0.5	1.0
Correl. to Treas. yields	-0.1	-0.6	-0.3	-0.5	0.0	-0.2	0.0	-0.8	-0.7	-0.6	-0.5	-0.4
Foreign % of sales	37.2	52.6	28.5	35.5	34.6	51.9	48.9	18.9	33.1	39.5	1.9	40.5
NTM earnings growth	12.7%	24.6%	9.5%	9.9%	10.8%	34.6%	11.2%	4.3%	8.3%	6.6%	10.3%	16.6%
20yr med.	7.0%	11.5%	11.8%	11.6%	13.7%	12.0%	12.6%	6.3%	8.3%	6.9%	4.7%	10.4%
Forward P/E ratio	20.1x	18.5x	14.0x	23.5x	24.7x	20.0x	19.1x	16.9x	16.9x	22.0x	18.7x	19.7x
20yr avg.	13.8x	15.7x	12.9x	16.9x	20.6x	18.7x	18.6x	17.3x	15.1x	17.9x	16.0x	16.3x
Dividend yield	2.6%	1.7%	2.1%	1.5%	2.1%	0.7%	0.9%	3.8%	2.2%	2.6%	2.8%	1.6%
20yr avg.	3.0%	2.3%	2.3%	2.2%	1.7%	1.2%	1.6%	3.7%	2.0%	2.9%	3.8%	2.1%

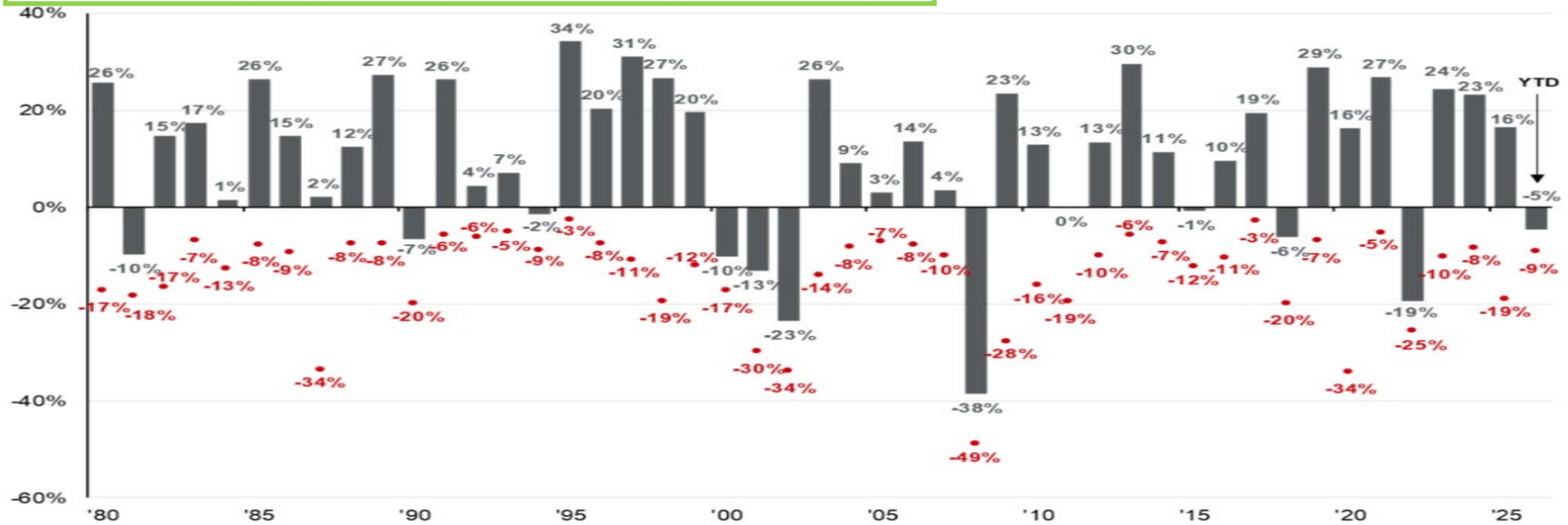
Energy was the standout **+38%**

Tech, Consumer Discretionary, and Financials were the biggest retractors **-9%**

Annual Returns and Intra-Year Declines

S&P 500 intra-year declines vs. calendar year returns

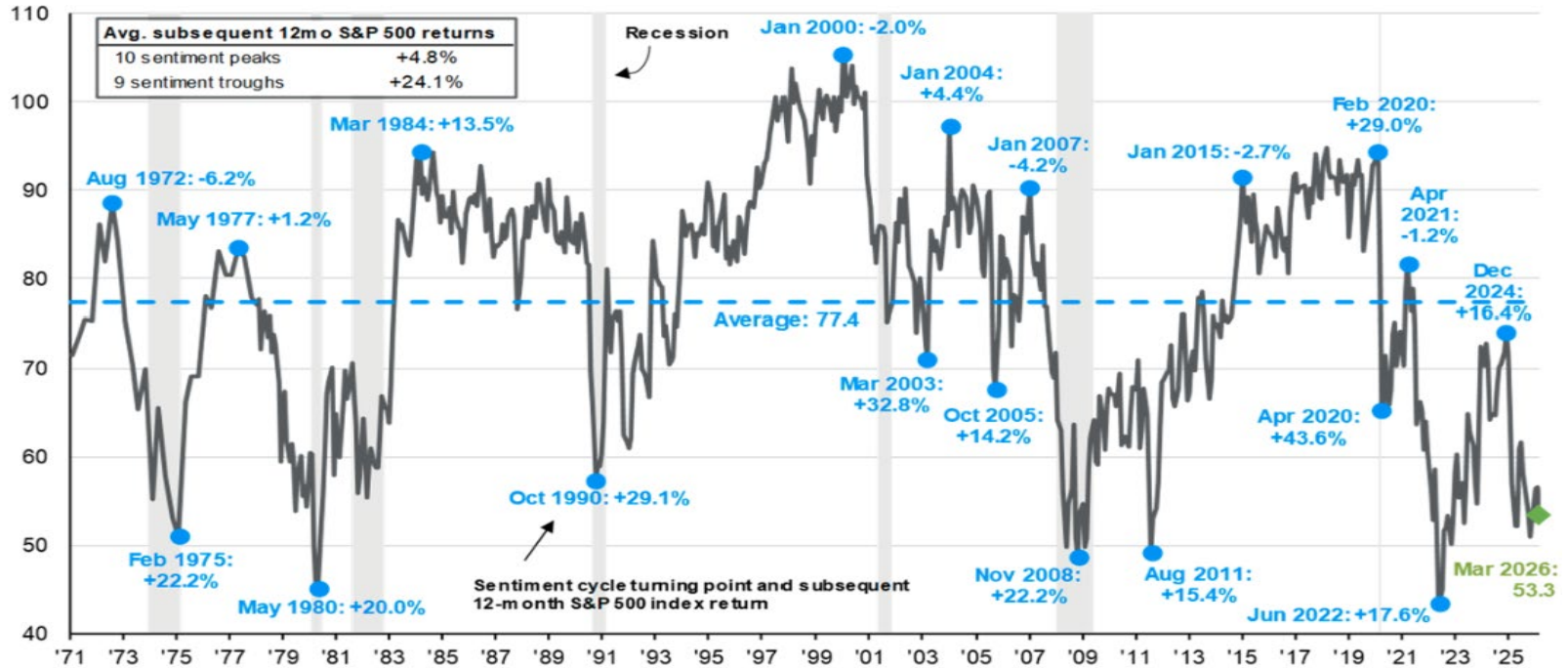
Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 years



This chart shows the price return and maximum drawdown of the S&P500 in each year since 1980. Despite significant intra-year declines, the S&P500 has finished the majority of years with positive returns, encouraging investors to stay the course.

Consumer confidence & the stock market

Consumer Sentiment Index* and subsequent 12-month S&P 500 returns



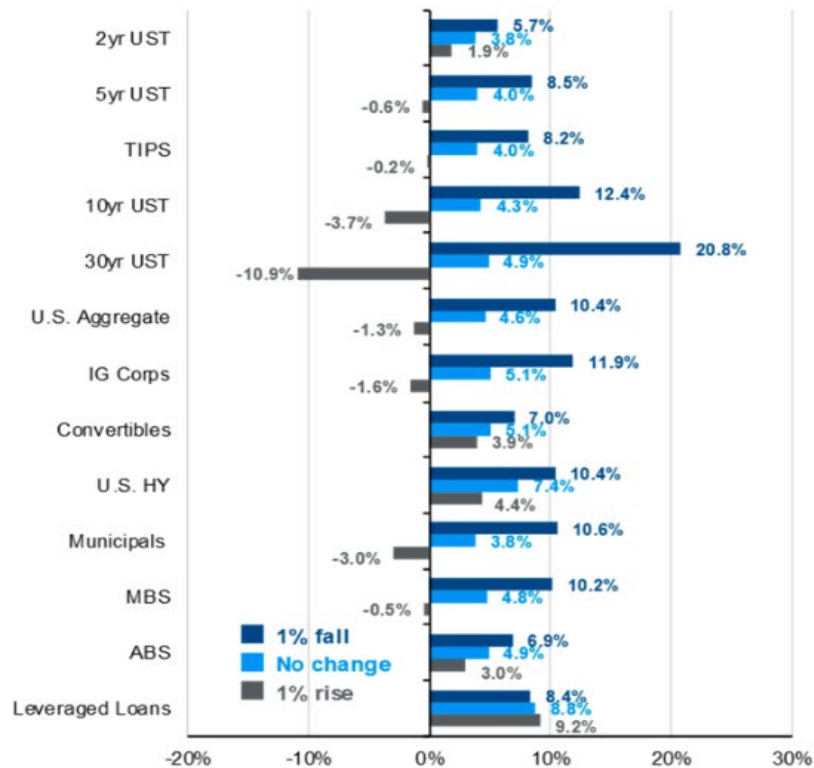
Performance after Peaks and Troughs in Consumer Confidence:
troughs in sentiment tend to precede strong equity returns while peaks in sentiment do not see as much upside.

Fixed income market dynamics

U.S. Treasuries	Yield		Return			
	3/31/2026	12/31/2025	2026	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	3.79%	3.47%	0.23%	2 years	0.75	0.03
5-Year	3.92%	3.73%	-0.14%	5	0.94	0.03
TIPS	1.70%	1.69%	0.26%	7.2	0.75	0.37
10-Year	4.30%	4.18%	-0.31%	10	1.00	0.00
30-Year	4.88%	4.84%	-0.14%	30	0.94	-0.04
Sector						
U.S. Aggregate	4.57%	4.32%	-0.05%	8.2	0.91	0.30
IG Corps	5.14%	4.81%	-0.54%	10.4	0.70	0.51
Convertibles	5.14%	6.13%	3.04%	-	0.02	0.85
U.S. HY	7.40%	6.53%	-0.50%	4.8	0.13	0.79
Municipals	3.77%	3.60%	-0.18%	13.4	0.73	0.32
MBS	4.83%	4.63%	0.40%	7.1	0.83	0.30
ABS	4.94%	4.69%	0.71%	2.2	0.40	0.30
Leveraged Loans	8.80%	8.10%	-0.44%	4.7	-0.21	0.61

Fixed income returns in different interest rate scenarios

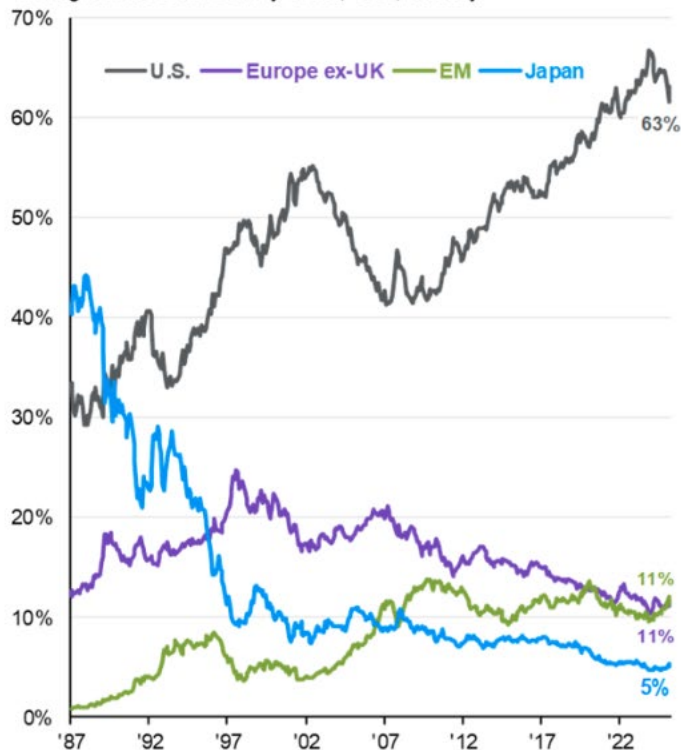
Total return, assumes a parallel shift in the yield curve



Returns	2026 YTD		2025		15-years Ann.
	Local	USD	Local	USD	
Regions					
U.S. (S&P 500)	-	-4.3%	-	17.9%	13.3%
AC World ex-U.S.	1.1%	-0.6%	25.1%	33.1%	6.1%
EAFE	0.3%	-1.1%	21.2%	31.9%	6.8%
Eurozone	-2.4%	-4.2%	24.7%	41.3%	6.8%
Emerging markets	2.2%	-0.1%	32.1%	34.4%	4.1%
Selected Countries					
Japan	3.0%	1.5%	24.7%	25.1%	7.3%
UK	4.0%	2.0%	25.8%	35.1%	6.3%
France	-3.5%	-5.4%	14.2%	29.5%	6.7%
Canada	3.3%	1.4%	30.9%	37.4%	6.4%
Germany	-6.6%	-8.4%	20.9%	37.1%	6.1%
China	-8.5%	-8.9%	30.7%	31.4%	3.2%
Taiwan	11.1%	9.1%	34.0%	39.8%	13.9%
Korea	24.1%	16.7%	96.5%	100.8%	6.8%
India	-13.6%	-18.1%	9.5%	4.3%	4.8%
Brazil	14.5%	19.2%	35.6%	50.4%	0.7%

Share of global market capitalization

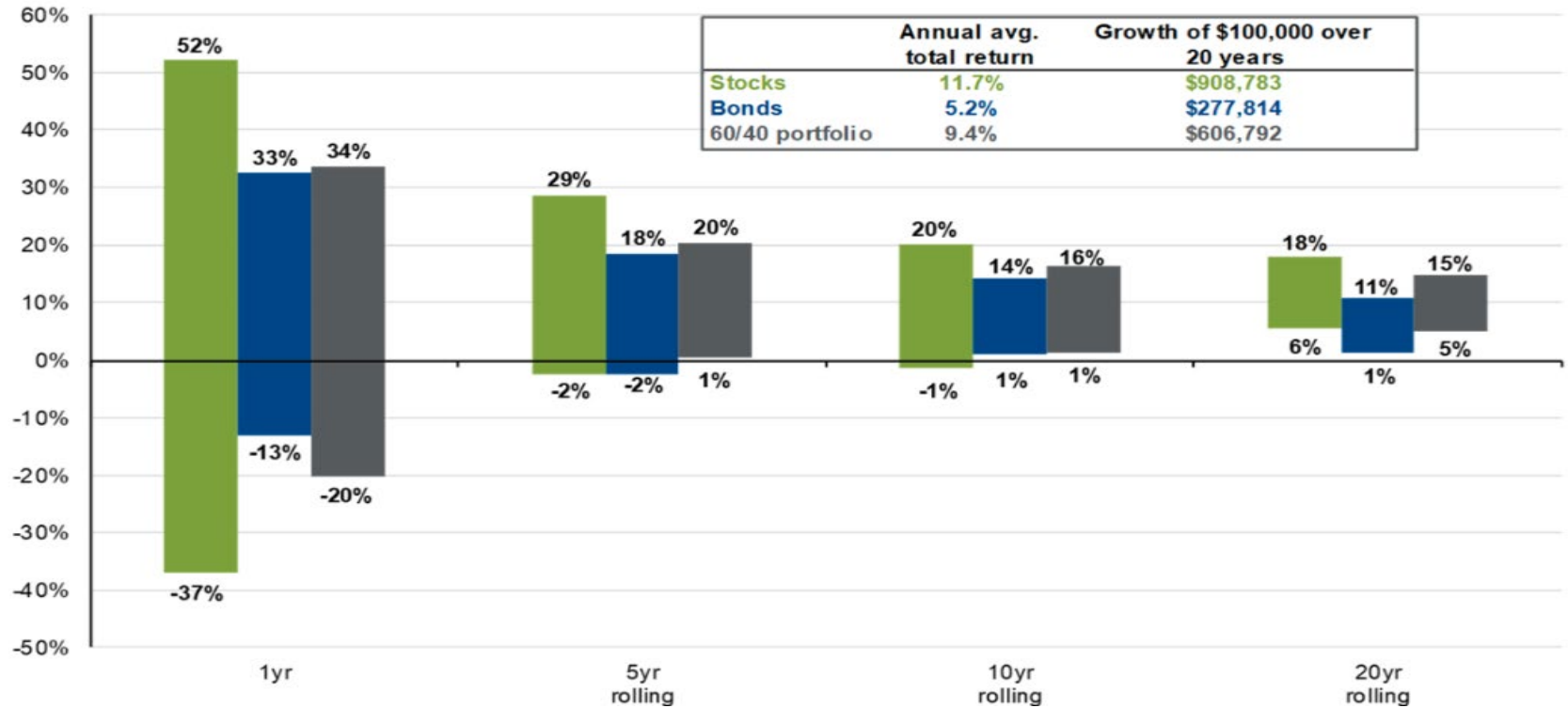
% weight in MSCI All Country World, USD, monthly



Time, Diversification and Volatility of Returns

Range of stock, bond and blended total returns

Annual total returns, 1950 - 2025



Asset class returns & diversification (YTD: Q1 2026)

2011 - 2025		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap	Sm all Cap	REITs	REITs	Sm all Cap	REITs	REITs	Sm all Cap	EM Equity	Cash	Large Cap	Sm all Cap	REITs	Com dty.	Large Cap	Large Cap	EM Equity	Com dty.
14.1%	20.3%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%	34.4%	24.4%
Sm all Cap	EM Equity	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap	DM Equity	REITs
9.5%	17.5%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%	31.9%	3.8%
REITs	REITs	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Sm all Cap	Large Cap	Com dty.	High Yield	Small Cap	Asset Alloc.	Large Cap	Sm all Cap
7.8%	16.4%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%	17.9%	0.9%
Asset Alloc.	DM Equity	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Com dty.	Sm all Cap	High Yield	DM Equity	Asset Alloc.	Sm all Cap	Fixed Income	Asset Alloc.	High Yield	Asset Alloc.	Cash
7.3%	15.7%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%	15.8%	0.9%
DM Equity	Com dty.	Cash	Sm all Cap	High Yield	Sm all Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity	Com dty.	Asset Alloc.
7.1%	15.4%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%	15.8%	0.2%
High Yield	Large Cap	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Com dty.	Sm all Cap	Fixed Income
5.7%	14.7%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%	12.8%	0.0%
EM Equity	Asset Alloc.	Sm all Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Sm all Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash	High Yield	EM Equity
4.2%	10.1%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%	12.1%	-0.1%
Fixed Income	High Yield	DM Equity	Fixed Income	Fixed Income	EM Equity	Sm all Cap	Fixed Income	Fixed Income	Com dty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs	Fixed Income	DM Equity
2.4%	9.1%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%	7.3%	-1.1%
Cash	Fixed Income	Com dty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Com dty.	DM Equity	Com dty.	Com dty.	Fixed Income	Sm all Cap	Cash	DM Equity	Cash	High Yield
1.5%	4.6%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%	4.3%	-1.3%
Com dty.	Cash	EM Equity	Com dty.	Com dty.	Com dty.	Com dty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Com dty.	Fixed Income	REITs	Large Cap
-1.1%	0.9%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%	2.3%	-4.3%

The logo for Fund Direct Advisors features the words "FUND DIRECT" stacked above "ADVISORS" in a black serif font. To the left of the text is a stylized graphic consisting of three stacked triangles: a black triangle at the top, a green triangle in the middle, and a black triangle at the bottom. A green arrow points horizontally from the right side of the middle green triangle towards the right.

FUND DIRECT ADVISORS

Investment advisory services offered through Fund Direct Advisors, Inc. (FDA), a Securities and Exchange Commission Registered Investment Adviser firm. Registration is not an endorsement of the firm by securities regulators and does not mean the adviser has achieved a specific level of skill or ability.

Investing involves risk. There is always the potential of losing money when you invest in securities. Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

Past performance may not be indicative of future results. FDA and its investment adviser representatives do not provide legal, tax, or accounting advice. You should consult your legal and/or tax professionals before making any financial decisions.

No information or material presented on this website is intended as a recommendation, offer or solicitation for the purchase or sale of any security or investment strategy.