Q1 MARKET REVIEW

APRIL 2026

In the first two months of Q1 global markets saw a continuation of trends that were in place to end 2025. In March, volatility resulting from conflict erupting in the Middle East took hold of all global asset classes. These three charts from IPG give a visual of how markets progressed in Q1 with some commentary included to understand what drove major asset classes. We expect certain fallout from the conflict to carry into the summer, even if resolution is achieved soon. However, we're not seeing any reason clients should be making major adjustments to their portfolios if they remain intelligently diversified. At IPG we are continuously monitoring global equity, bond, commodity, and alternative markets, and how correlations continue to shift.

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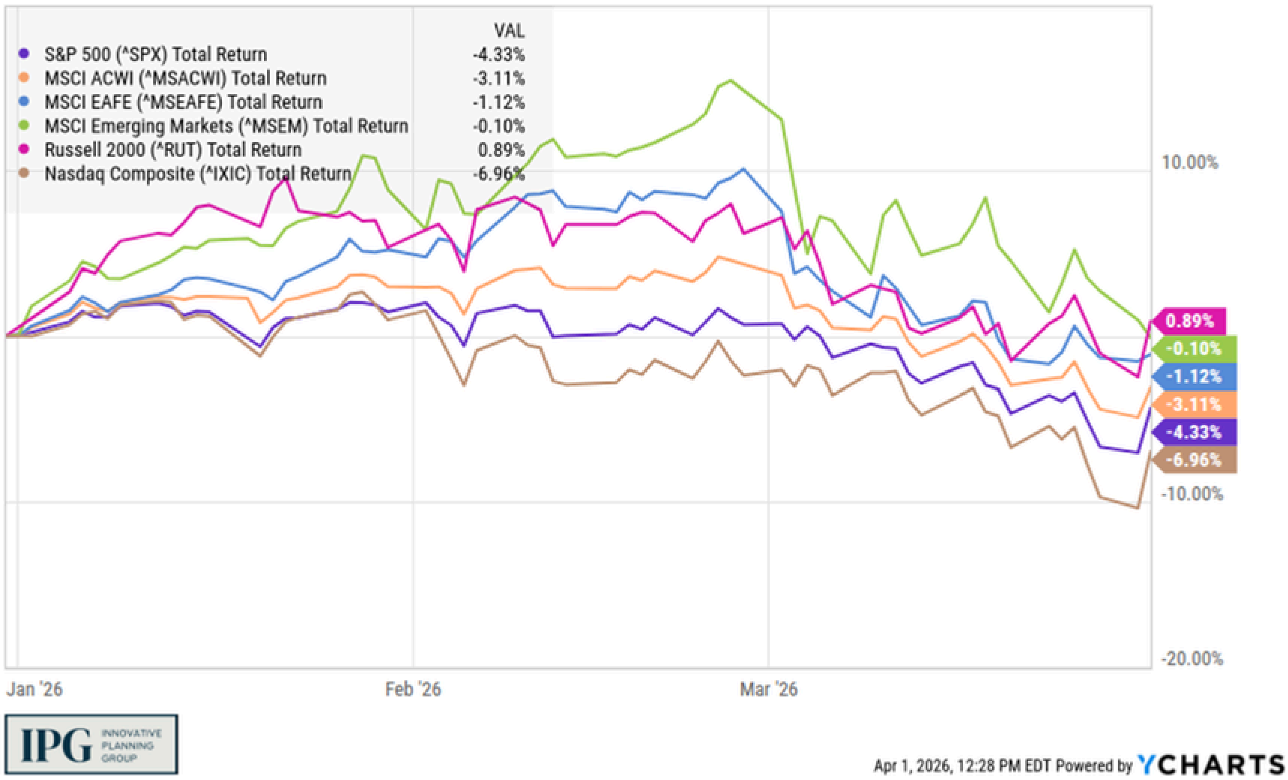
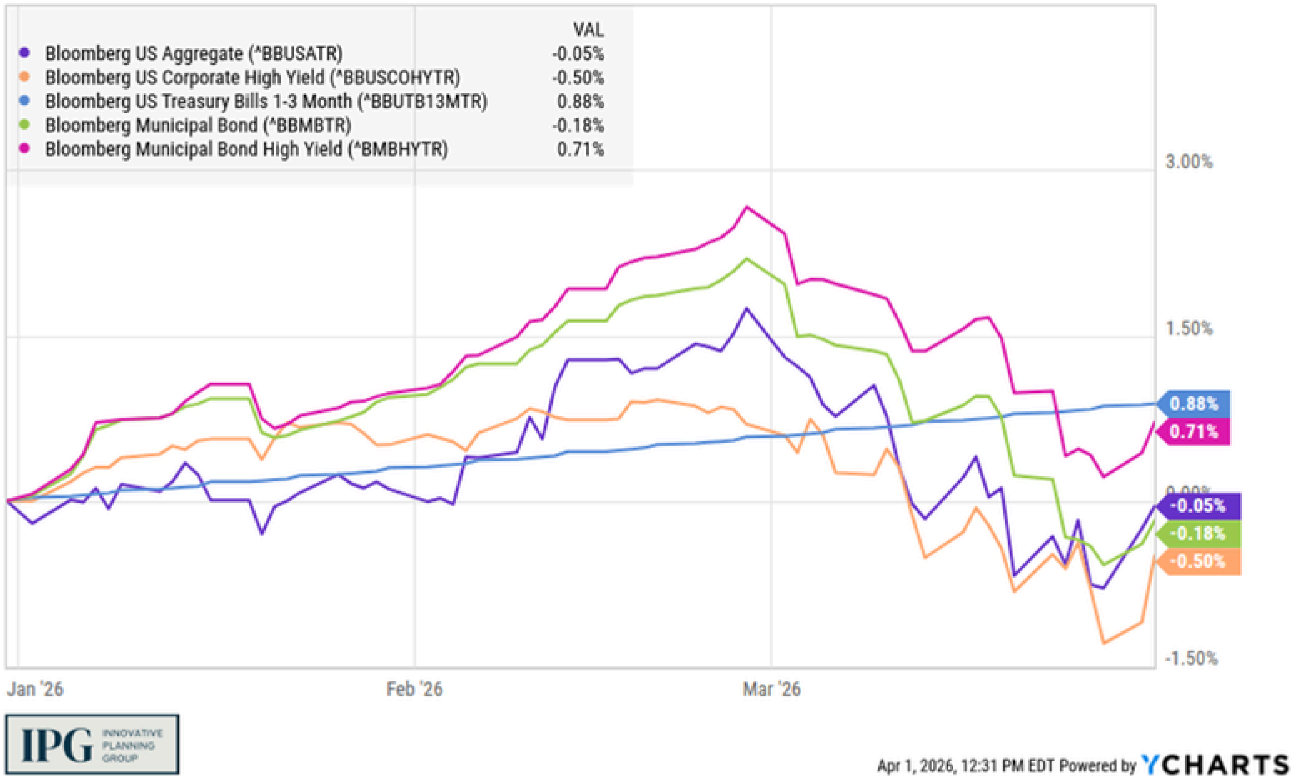
Equities:



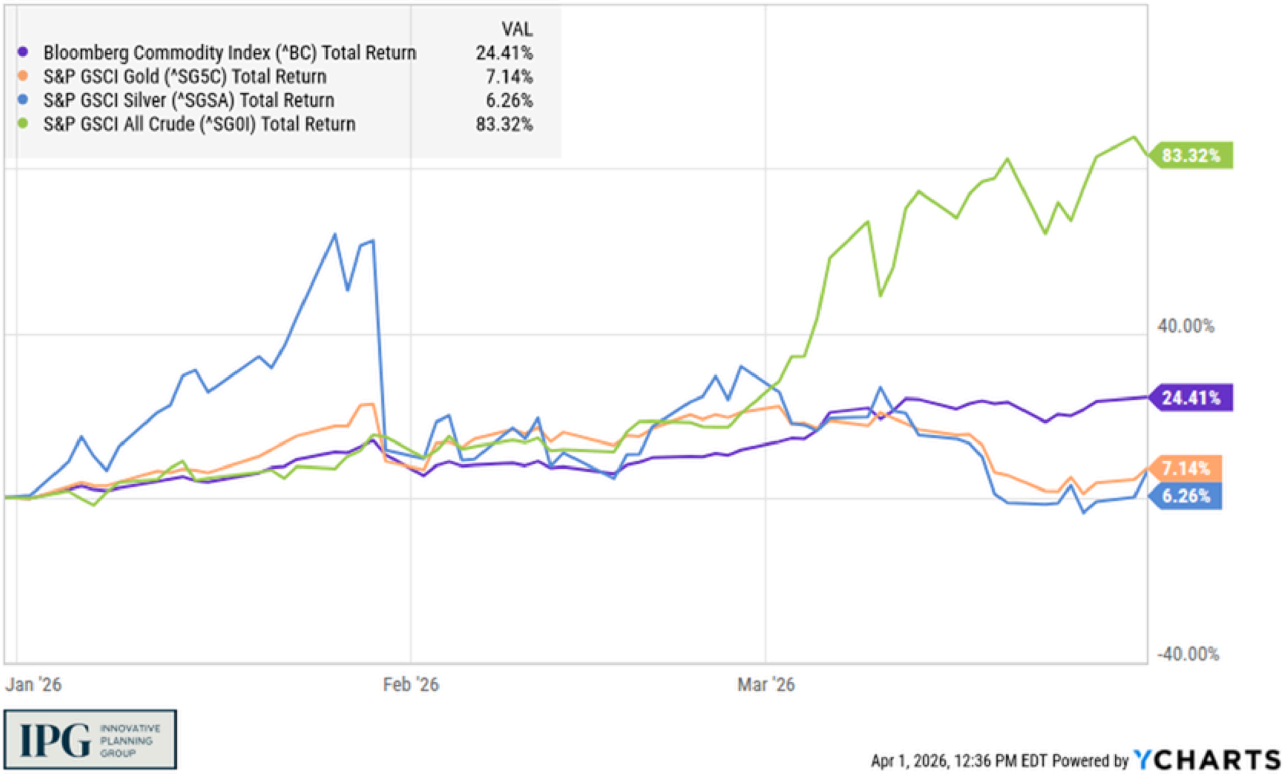
- AI disruption and spending concerns weighed on U.S large-cap stocks and indices to begin the year (S&P 500 & NASDAQ)
- US dollar weakness, domestic policy uncertainty, and strong international flows drove international stock outperformance early on (MSCI EAFE & MSCI Emerging Markets)
- The outbreak of conflict in the Middle East and commensurate rising energy prices weighed on global stocks beginning in March
- International stocks in Europe and Asia have seen relative weakness compared to the U.S. since the conflict broke out

Fixed Income:



- Stable long-term interest rates drove strong high-quality bond performance in the U.S. (US Aggregate)
- Widening credit spreads kept high-yield corporate bonds in check (US Corporate High Yield)
- Stable short-term rates and no Federal Reserve cuts kept short-term bonds stable and positive
- Rates falling modestly and inflows into municipal bonds created strong early-year returns in both high-quality and lower quality municipal bonds (Municipal Bond & Municipal Bond High Yield)
- The outbreak of conflict in the Middle East caused sudden and significant spikes higher in long-term interest rates, causing bond losses throughout the bond universe – the root cause has been rising inflation expectations from elevated energy prices
- Short-term rates have risen, too, as a result, but are less affected by rate fluctuations; we’ve also seen credit spreads widen, reflecting more risk being priced into bonds

Commodities:



- Broad commodity markets (Commodity Index) were driven higher early in the year by momentum in precious metals (gold and silver), tame but rising oil prices, and price increases in raw materials
- The outbreak of conflict in the Middle East sent oil prices (All Crude) skyrocketing and caused weakness in the precious metals
- The broad commodity index continues to see steady advances driven by higher energy prices with inflation expectations rising; European inflation jumped from 1.9% to 2.5% in one month as a result, and US CPI inflation is expected to jump from 2.4% in February to 3.3% in March

*Source: Eurostat, Cleveland Federal Reserve; all preceding data as of 3/31/26 via Y Charts**

Disclosures:

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