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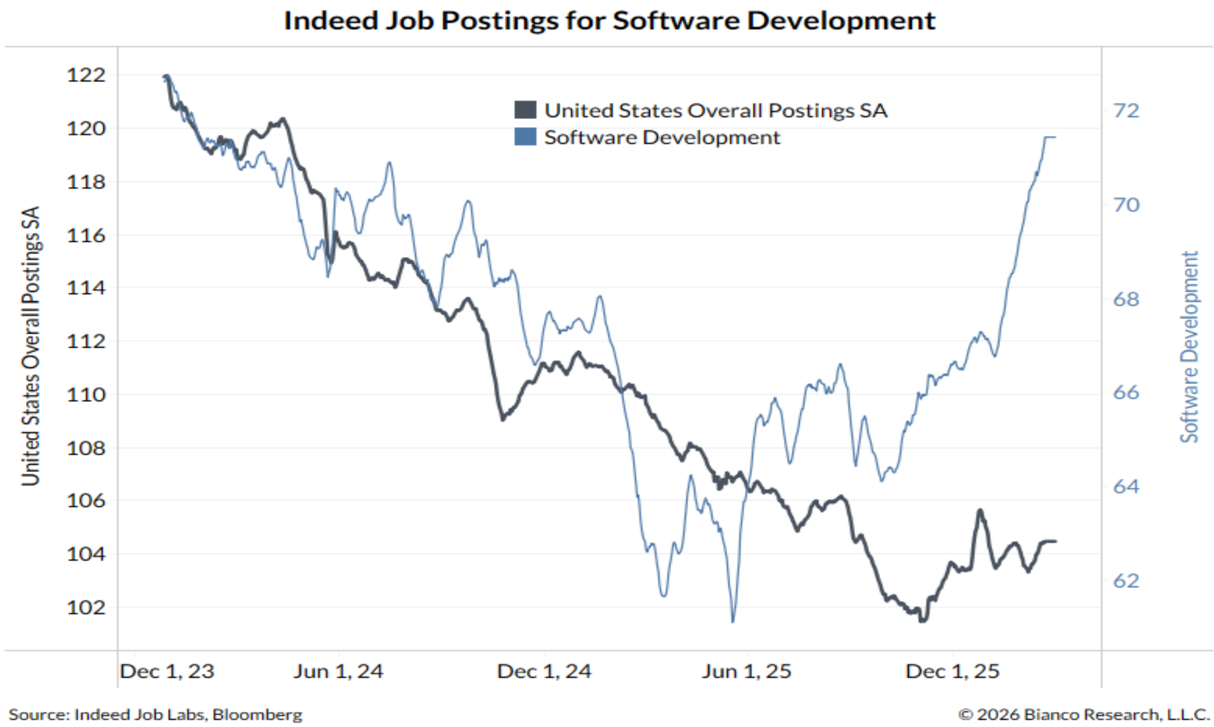
Monthly Market Update

March 10, 2026

The recent escalation with Iran has added jitters to a market that was already grappling with how to price the rapidly evolving AI landscape. Despite some volatility and worrisome headlines, the major stock indices have largely remained in a sideways trading range since last October.

Geopolitical events are always something of a wild card for markets. However, history suggests it is uncommon for such external shocks to permanently alter the long-term direction of equities. More often, markets initially react negatively, quickly digest the new information, and then resume the broader trend that was already in place prior to the event.

Prior to this event, stocks had been trending sideways, attempting to digest the multi-year surge it has seen in AI investment. Positive momentum surrounding artificial intelligence investment has frequently been offset by concerns about potential disruption and cannibalization within parts of the technology sector, particularly software. The software sector declined more than 35% from its highs on fears that new AI technologies could replace existing enterprise software companies. While technological advancements are driving down the cost of software, it is interesting to see that software-related job growth has actually rebounded as of late.



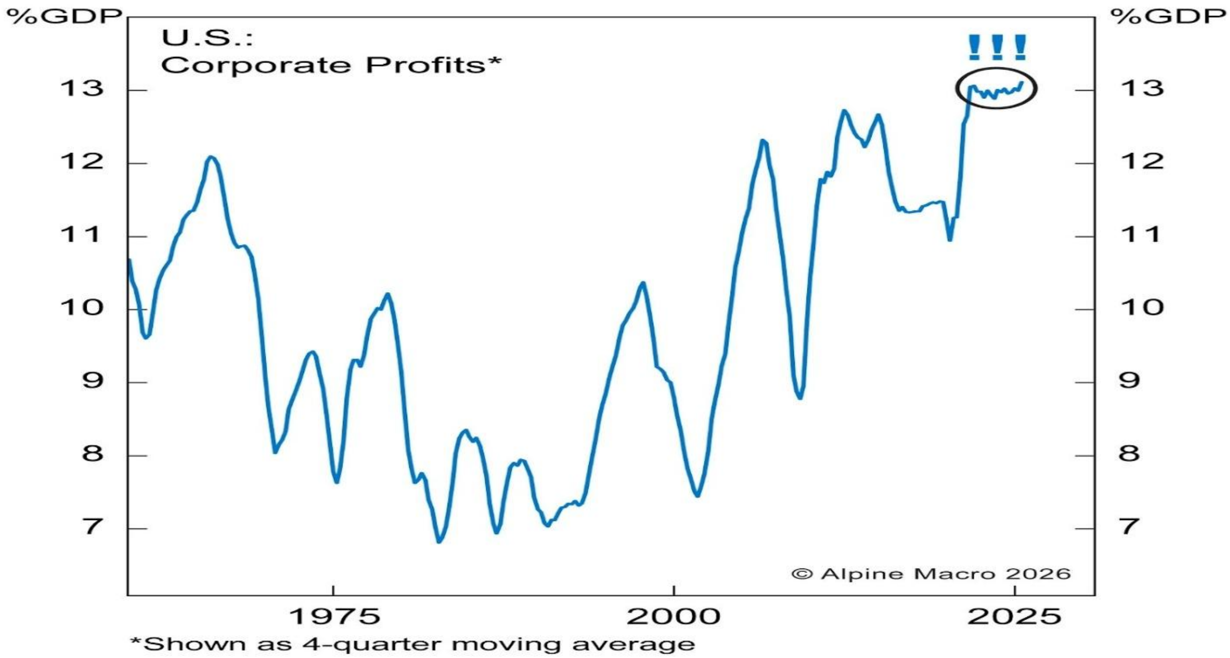
As of 3/2/26

As software costs decline, aggregate spending on software could ultimately increase as businesses find new applications and uses for cheaper technology.

Because there remains no clear consensus on how the AI transition will ultimately unfold, markets have been forced to digest a wide range of competing narratives. As a result, investor sentiment has frequently swung between optimism and caution, contributing to a market environment that has struggled to gain sustained directional traction over the past several months.

One of the most notable themes in February was a rotation beneath the surface of the market. Concerns about AI disruption led some investors to rotate out of portions of the Technology sector and into more asset-heavy, technology-light segments of the economy, such as Industrials, Financials, and other cyclical areas. Despite these concerns dominating the market narrative during the month, market breadth remained strong, and the equal-weight S&P 500 reached new all-time highs. In our view, this broad participation beneath the surface is a constructive signal and suggests the current consolidation is occurring within what remains a healthy bull market rather than the early stages of a broader downturn.

From a macroeconomic perspective, the underlying fundamentals of the U.S. economy remain supportive. Corporate profitability continues to be exceptionally strong, with corporate profits as a percentage of GDP near all-time highs.



As of 2/27/26

Increased efficiency gains, many of which are being accelerated by the early stages of the AI investment cycle, have helped sustain strong profit margins across many industries. This continued earnings strength remains one of the most important long-term drivers of equity markets.

In the near term, the market's eyes will largely be on what impact the war will have on the price of oil. The primary concern from an investment standpoint is not necessarily the conflict itself, but rather the duration of geopolitical tensions and the potential for oil price volatility, which could feed back into inflation expectations. The recent decline in oil prices had been a major contributor in getting inflation to decline. Additionally, severe oil shocks in the past have had the ability to negatively impact the economy.

While these developments have contributed to an increase in market volatility, equity prices themselves have remained relatively stable. Ultimately, while geopolitical headlines and shifting macro narratives may influence short-term sentiment, equity markets tend to follow the path of corporate earnings over time. At present, earnings growth and profitability trends remain solid, providing a supportive backdrop for equities even as markets navigate a period of consolidation and elevated uncertainty.

While maintaining a constructive outlook, we made several modest adjustments to our Premier Wealth Tactical Core portfolio during the month to help navigate potential volatility. We trimmed gains in the Semiconductor ETF (SMH) and broadened exposure into small and mid-cap equities. We also reduced our Technology exposure by approximately 5% through the sale of the Vanguard Information Technology ETF (VGT), raising a modest cash position. Our overall stance remains positive, and we believe periods of consolidation following strong market advances are a normal part of a healthy bull market and often help set the stage for the next leg of higher long-term returns.

For a full description of each strategy, please [click here.]

Best regards,

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