

## Equity and Bond Market Update

(as of March 31, 2026)

<u>Index</u>	<u>YTD</u>	<u>1-Year</u>
Dow Jones Industrial Average TR	-3.2%	+9.5%
S&P 500 Total Return Index	-4.3%	+14.5%
Russell 2000 Total Return Index	+0.9%	+21.5%
MSCI EAFE Index (net)	-1.2%	+20.8%
MSCI Emerging Markets Index (net)	-0.2%	+30.9%
Bloomberg US Aggregate Bond TR	-0.1%	+4.1%

## Recent Economic Indicators

	<u>Statistic</u>	<u>Data as of</u>
Unemployment Rate	4.4%	Feb 2026
Gross Domestic Product (GDP)	+0.7%	Q4 2025
Consumer Price Index (CPI) – Y/Y	+2.4%	Feb 2026
Consumer Confidence (1985=100)	91.8	Mar 2026
30-year fixed mortgage rate	6.50%	Wk of Mar 29
Housing Starts (single family)	935,000	Jan 2025
10-Year Treasury Yield	4.31%	3/31/2026

March was a volatile month, to say the least. By month-end, all major indices had pulled back from February highs, including the S&P 500, Russell 2000, developed and emerging market MSCI indices, REITs, and the broad bond market. Even precious metals such as gold and silver experienced notable declines. Some cryptocurrencies were a rare exception, posting modest gains during the period.

The broad-based weakness across stocks, bonds, and commodities was largely driven by escalating geopolitical tensions involving Iran, which led to a sharp spike in oil prices, rising more than 50% at one point during the month. As of April 8th, markets are showing signs of relief following the announcement of a two-week ceasefire, although uncertainty remains. Oil prices have declined by more than 15% from recent highs, and equity markets have responded positively, with major indices up over 2% intraday.

Volatility increased significantly throughout March. The VIX, commonly referred to as the “fear index,” surged more than 75% during the first week of the month and remained elevated for much of the period. As of today, it has declined roughly 40% from its early March peak. Day-to-day market movements have been pronounced, reflecting ongoing adjustments by investors in response to rapidly changing conditions.

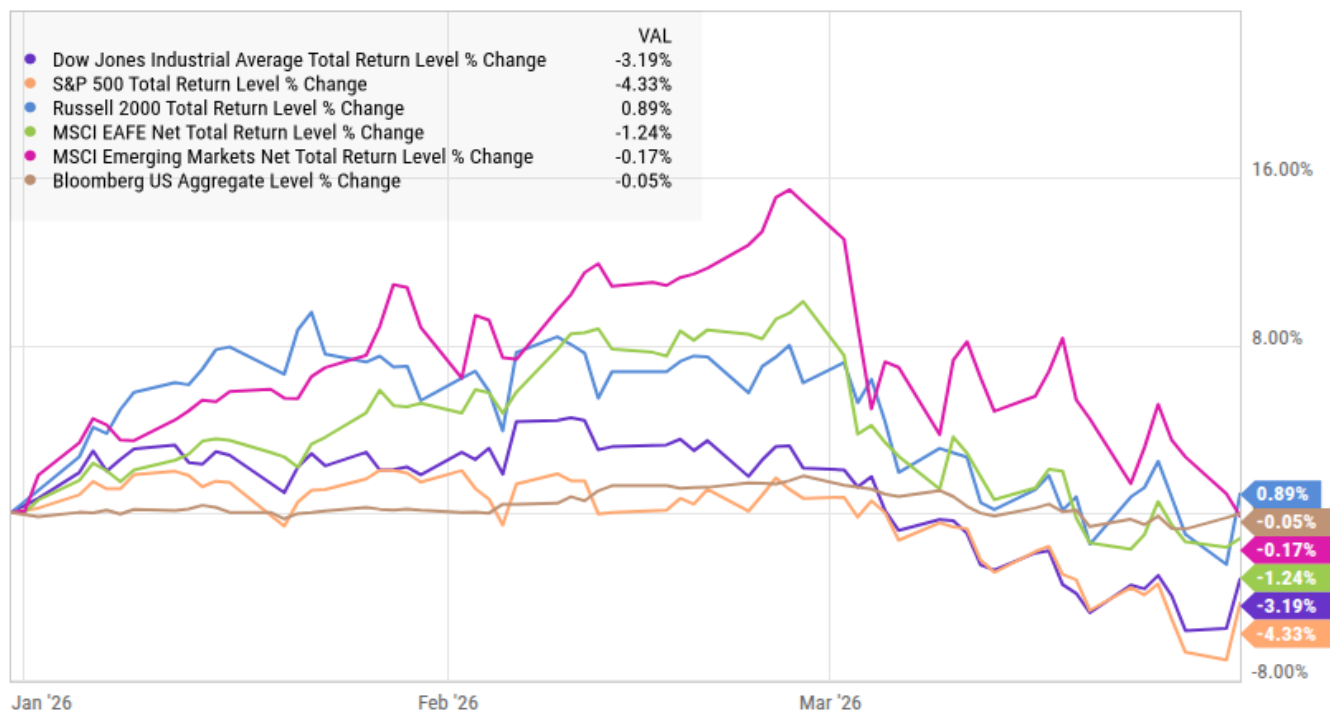
In times like these, it is important to step back and focus on the broader picture. Despite recent turbulence, year-to-date performance remains relatively stable. The S&P 500 is down approximately 1% for the year, while the Russell 2000 is up nearly 6%. Developed and emerging international markets are also in positive territory. Investors who have remained disciplined, and in some cases taken advantage of lower prices, have generally been rewarded.

Periods of volatility naturally bring the conversation back to risk. At Lifestyle, every client completes a risk assessment during onboarding and revisits it periodically to ensure continued alignment with their investment strategy. One question we emphasize focuses on an investor’s reaction to short-term market performance. Responses typically range from indifference to discomfort with even modest losses. These answers are telling. They help distinguish between investors who can tolerate market fluctuations and those who require a more conservative approach.

The key is to understand your risk tolerance before volatility occurs, not in the middle of it. A properly completed risk assessment during stable periods provides a reliable benchmark for decision-making when markets become unsettled. This ultimately ties back to time horizon. Historically, equity markets have delivered positive returns over longer periods, but the path is rarely smooth. Investors without the ability or willingness to withstand short-term declines should not be overly exposed to higher-risk assets.

Our approach is built around setting clear expectations and constructing portfolios that align with each client’s willingness and capacity to take on risk. Regardless of the selected strategy, diversification remains central. Portfolios are structured across multiple asset classes, including equities, fixed income, alternatives, and cash, and further diversified within each category. Equity exposure is balanced across

## Major Market Indices Total Return (YTD through March 31, 2026)



Source: YCharts

domestic and international markets, market capitalizations, and, where appropriate, specialized strategies. Fixed income allocations are diversified by geography, duration, and credit quality, including exposure to Treasuries, corporate bonds, and municipal securities.

While diversification cannot eliminate risk, it is a critical tool in managing it. The goal is to ensure that no single factor disproportionately impacts overall portfolio performance.

Although recent developments have provided some short-term relief, the current environment remains uncertain. Markets continue to react quickly to new information, and conditions can change without warning. That said, portfolios built on sound principles, realistic expectations, and disciplined execution are well-positioned to navigate a range of outcomes. We remain focused on long-term results and prudent risk management, regardless of near-term market conditions.

Always keep in mind that fear, panic, and optimism are not investment strategies, but rather emotions that drive short-term markets.

Please contact Lifestyle Asset Management, Inc. at (281) 992-9220 or by email at [pjackson@lsaminc.com](mailto:pjackson@lsaminc.com) should you have any questions or comments.

Sources: S&P Dow Jones Indices website ([us.spindices.com](http://us.spindices.com))  
 MSCI Barra website (<http://www.msibarra.com>)  
 The Conference Board ([www.conference-board.org](http://www.conference-board.org))  
 Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))  
 JP Morgan Guide to the Markets  
 CME FedWatch Tool ([www.cmegroup.com](http://www.cmegroup.com))

FTSE Russell ([www.ftserussell.com](http://www.ftserussell.com))  
 Bankrate.com ([www.bankrate.com](http://www.bankrate.com))  
 Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))  
 United States Census Bureau website ([www.census.gov](http://www.census.gov))  
 Federal Reserve Bank of Atlanta (<https://www.atlantafed.org/cqer/research/gdpnow>)  
 OpenAI, ChatGPT

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The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities. The index is meant to reflect the risk/return characteristics of the large capitalization U.S. universe.

The S&P 500® Equal Weight 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.

The Russell 2000 is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of the 3,000 largest stocks in the United States. The Russell 2000 serves as a benchmark for small-cap stocks in the U.S. and is meant to reflect the risk/return characteristics of the small capitalization U.S. universe.

The MSCI EAFE Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. It is maintained by MSCI Barra, a provider of investment decision support tools; the EAFE acronym stands for Europe, Australasia and Far East.

The MSCI Emerging Markets Index is an index created by Morgan Stanley Capital International (MSCI) designed to measure equity market performance in global emerging markets.

The Barclays US Aggregate Bond Index is a broad-based benchmark index that measures the investment-grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

The Dow Jones Equity All REIT Index is designed to measure all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as equity REITs according to the S&P Dow Jones Indices REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

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