



EQUITY & FIXED INCOME MARKETS

March was a volatile month for equity markets as the escalating Iran crisis and surging oil prices rattled investor confidence. The S&P 500 Index fell -5.0%, posting its worst month since September 2022, while the Dow declined -5.2% and the Nasdaq Composite dropped -4.7%. Mid- and small-cap stocks also struggled, with the S&P 400 Mid-Cap Index down -5.4% and the S&P 600 Small-Cap Index off -4.1%. International markets fared even worse, with developed markets ex-U.S. falling -10.7% and emerging markets declining -13.3%.

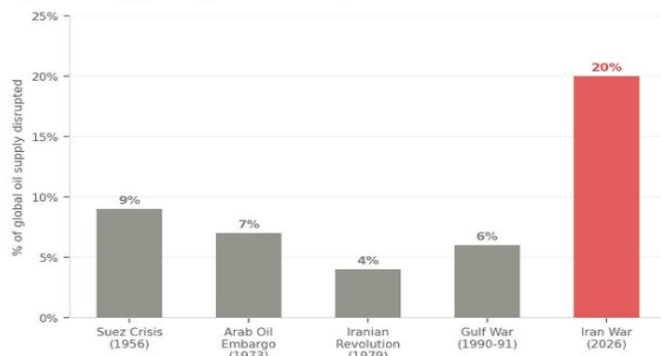
On a year-to-date basis, the S&P 500 is down -4.3%, the Dow -3.2%, and the Nasdaq -7.0%. Mid and small-caps remain positive year-to-date, with the S&P 400 up +2.5% and the S&P 600 up +3.5%, respectively. Fixed income benchmarks remained flat.

MARCH MADNESS

As the Iran war enters its sixth week, some of the initial ‘fog of war’ that usually surrounds the early days of a battle has been somewhat lifted. Markets began pricing in the increased clarity accordingly during March. Despite initial reports that much of its missile infrastructure was ‘decimated’ in the first week, Iran has maintained a capability to launch further missiles and drones. As they have been able to attack [multiple tankers](#) in the Strait of Hormuz and bring traffic to a standstill, oil prices have responded accordingly. We would expect oil prices to remain elevated as Iran maintains this ability to disrupt oil supplies. The expectation that the Iranian people would revolt has also become less of a possibility, as is the potential for regime change. Iran’s new leadership continues to helm a functioning government, the military (while severely degraded) is still intact, and the powerful Revolutionary Guard remains in place. Early indications are they are even more hardline than their predecessors, which may be why negotiations to end the war have been mired in uncertainty. This may also be why the sharp daily rallies seen in March when headlines suggest that a peace deal is imminent have not lasted, as this new leadership has been able to weaponize the Strait of Hormuz to increase their negotiating leverage.

While markets have generally already priced in the first-order effects of the war, such as higher oil prices and an increase in

Largest Oil Supply Disruptions in History



Source: Rapidan Energy Group (Mar 9, 2026).

interest rates, what remains to be seen in the next few months are the effects on the cost of living (inflation) and aggregate demand for goods and services. We believe both segments could face negative surprises due to the magnitude of the oil supply disruption, as seen on the attached graphic. While we have been bullish on non-U.S. markets, the war has altered our near-term perspective to a more cautious and discerning approach. For example, Asia and Europe have many countries that are net energy importers that may face more economic pain vs. the U.S., which is energy independent. Countries that have lowered their dependence on fossil fuels, such as China, may relatively outperform in this environment as their economy is somewhat insulated from broader economic stress due to higher oil prices.

From a portfolio standpoint, we were overweight the Energy sector going into March. Given its recent outperformance, we have been cautiously trimming some of this exposure and buying more quality growth ideas that have recently sold off. For example, we are finding many new ideas in the Information Technology and Communication Services sectors, and recent underperformance in those sectors may have given us a reasonable entry point. We last saw this in April of 2025, when the Tariff Tantrum gave us a short window of opportunity to buy into these sectors before they rebounded.

U.S. economic data continues to remain strong, the positive tailwind of the One Big Beautiful Bill will start to take effect after tax season, and incoming Federal Reserve Chairman Kevin Warsh is generally seen as market-friendly. Company earnings still appear robust, and we believe this will be evidenced in the upcoming earnings season. If there is any near-term resolution to the Iran crisis, these data points may set the stage for an equity rally going into the fall mid-term elections, as the inflationary effects of high oil prices may be short-lived. If the crisis lasts longer than expected, we expect our defensive posture to continue to provide downside protection, and we will remain patient yet opportunistic in deploying cash. Please reach out if you would like more information, as we are always available to answer any further questions you may have.

Robin Kollannur, CFA
Chief Investment Officer



Goodman FINANCIAL

MONEY MANAGER • FINANCIAL ADVISOR • PHILANTHROPY

COMPLIANCE DISCLOSURES

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained here is intended to constitute personalized legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. Information obtained from third party sources is believed to be reliable, but the accuracy and completeness of the information presented cannot be guaranteed. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment strategy. All investments carry a certain degree of risk, including the loss of principal, and there is no assurance that an investment will provide positive performance over any period of time. Past performance is not indicative of future results.

REFERENCED INDICES

It is not possible to invest directly in an index. Indices are unmanaged and their returns assume reinvestment of dividends and do not reflect any fees or expenses.

- **S&P 500® Index** – a market-cap weighted index composed of the common stock of 500 leading companies in leading industries of the U.S. economy.
- **S&P 500® Equal Weight Index (EWI)** – the equal-weight version of the S&P 500® Index. The index includes the same constituents as the capitalization-weighted S&P 500® Index, 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 Mid Cap 400® Index** – a market-cap weighted index composed of the common stock of 400 mid-sized companies reflecting the distinctive risk and return characteristics of the U.S. mid-cap equities sector.
- **S&P SmallCap 600® Index** – a market-cap weighted index composed of the common stock of 600 small-sized companies reflecting the distinctive risk and return characteristics of the U.S. small-cap equities sector.
- **Blended Equity Benchmark** – a customized index comprised of a blend of a 50% weight to the S&P 500® Index, 30% to the S&P MidCap 400® Index and 20% to the S&P SmallCap 600® index.
- **Dow Jones Industrial Average® (The Dow®)** – a price-weighted index composed of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities.
- **Nasdaq Composite Index** – an index that measures all Nasdaq domestic and international based stocks listed on the Nasdaq Stock Market.
- **Bloomberg Intermediate US Govt/Credit TR Index Value Unhedged** – the index includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities with a maturity greater than 1 year but less than 10 years.