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Artificial Intelligence and Our Investment Process. We want to be transparent with our clients about a developing area of our practice: the incorporation of artificial intelligence tools into our investment research process. Like much of the financial industry, we are actively learning and experimenting with how AI can support, though never replace, our judgment as advisors.

At this stage, our use of AI is purely experimental and supplementary. We are exploring its application in areas such as monitoring news flow, synthesizing large volumes of macro and earnings data, and evaluating investment theses across a broader set of scenarios than was previously practical. The quality of our process, the depth of our client relationships, and the experience of our team remain the foundation of everything we do. We will continue to refine our capabilities in this area and will keep you informed as our approach matures.

Markets Review and Forecast. The first quarter of 2026 began on firm footing. January and the better part of February carried forward the constructive momentum of the prior year, as corporate earnings were strong, inflation continued to trend in the right direction, and the S&P 500 reached new record highs in late January. The U.S. economy was operating from a position of genuine strength, and investor sentiment reflected it.

With nearly two months of the quarter already complete, that backdrop changed abruptly on February 28th when the United States launched Operation Epic Fury, a military engagement in Iran that disrupted Strait of Hormuz oil transit. WTI crude oil surged through the end of the quarter and into April, briefly reaching the \$109 to 111 range, with Brent crude touching levels not seen since 2008. Energy stocks, which had already gained more than 37% in the period leading into the quarter, pulled back as markets concluded the sector had largely anticipated and priced the conflict premium well in advance. That rotation communicated something measured: investors were distinguishing between what was already priced and what the disruption might mean at the margin — a market processing new information rather than panicking through it.

The S&P 500 declined approximately 4.6% for the quarter while the small-cap Russell 2000 rose 0.9%. Those figures reflect the concentrated selling of the final five weeks, not the character of the full ninety days. Beneath the headline losses, the underlying economic data remained substantially intact. The March nonfarm payrolls report delivered a striking result: 178,000 jobs added against a consensus estimate of just 59,000, the largest beat of the conflict period. Average hourly earnings rose 0.2% month-over-month, below the 0.3% consensus, and employment holding firm without wage acceleration that could entrench inflation. The labor market has not capitulated under pressure.

On inflation, the oil-driven price surge is a supply shock, not a demand-driven spiral. Pass-through inflation of this nature tends to be transitory and the absence of meaningful wage acceleration in the latest data supports that thesis. We do not view the current environment as one requiring aggressive Federal Reserve action.

Corporate earnings have been the quiet anchor of this entire period, with forward earnings estimates not only holding firm but continuing to climb to record highs during the quarter. The forward price-to-earnings ratio on the S&P 500 compressed meaningfully from January highs, driven primarily by sentiment rather than any deterioration in the underlying earnings growth rate, which remained firmly in double-digit territory. This is valuation compression without fundamental deterioration, a condition history has consistently resolved in favor of patient investors.

An important and underappreciated pillar of our long-term bullishness on U.S. equities is the current deregulatory environment. Across financial services, energy, manufacturing, and technology, the regulatory posture in Washington has shifted meaningfully toward reducing the burden on business. Regulatory compliance is a real cost, as it consumes capital, limits operational flexibility, and constrains how companies allocate resources. As those burdens ease, businesses retain more of what they earn, deploy capital more efficiently, and

are better positioned to grow profits over time. Lower corporate tax friction and reduced compliance overhead flow directly to the bottom line. We view deregulation as a durable structural tailwind for earnings growth that the broader market has not yet fully priced, and it reinforces our constructive long-term view on domestic equities independent of the near-term geopolitical noise.

As the quarter closed, sentiment began to stabilize. Ceasefire negotiations are underway, and while the conflict remains ongoing, early indications of a path toward resolution have begun to emerge. With all that said, energy supply normalization may take months, not days.

Markets have started to reflect cautious optimism. The political calendar adds another constructive dimension: with midterm elections approaching in November, history is consistent that administrations of both parties seek economic clarity and stability in the months prior. Markets tend to respond to that incentive structure, and we believe the policy environment through the balance of 2026 will reflect it.

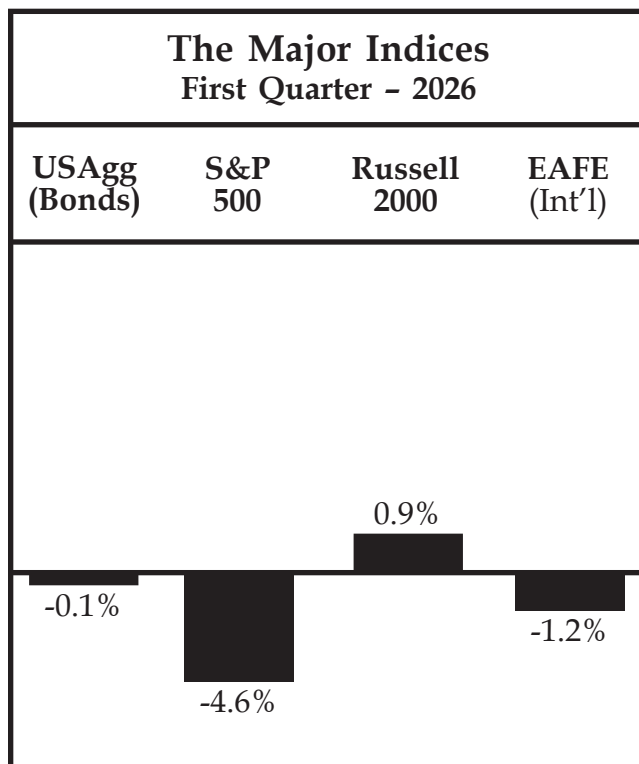
The U.S. dollar’s relative strength, combined with WTI recently trading at a premium to Brent for the first time in four years, underscores the insulation of the domestic economy from the worst of the international supply disruption. We continue to believe the United States is the most resilient large economy in the world, and that the current environment does not alter the long-term investment thesis.

Interest Rates and Commodities. The Federal Reserve held rates steady throughout the first quarter. The 10-Year Treasury started the year at 4.16%, climbed to a quarterly high of 4.44% on March 27th, and stands at approximately 4.27% as of the writing of this newsletter, having pulled back as ceasefire negotiations in Iran eased some of the geopolitical risk premium. The federal funds effective rate stands at 3.64%, with the discount rate at 3.75% and the Prime Rate at 6.75%. A 30-year fixed mortgage closed the quarter at 6.57%, the 15-year fixed at 5.96%, a 5-year ARM at 6.00%, and a four-year auto loan at 6.89%.

Rates were expected to decline coming into 2026, with multiple Fed cuts widely anticipated. That outlook has shifted meaningfully. Geopolitical tensions, elevated fuel costs, and sticky inflation have pushed rates higher and diminished near-term cut expectations. The Bloomberg U.S. Aggregate Bond Index posted a loss of approximately 0.1% for the quarter, with corporate bonds off roughly 0.5% and high yield declining around 1.0%. Our fixed income clients remain positioned generally in the 2-to-5-year duration range, which helped anchor and insulate portfolios against the volatility of the quarter. While we still anticipate rates to decline later this year, the path is likely more gradual than we originally expected, and bond market volatility should begin to subside meaningfully with any resolution to the conflict in Iran and a reopening of the Strait of Hormuz.

As it relates to the Federal Reserve’s forward path, we want to highlight the significance of Kevin Warsh in the evolving monetary policy conversation. Warsh is a former Fed Governor with a well-established and independent philosophy: he is a disciplined advocate for a leaner Federal Reserve balance sheet, a return to price stability as the central mandate, and restoring the Fed’s institutional credibility through restraint rather than expansion. His view is not simply about interest rates – it is about the long-term health of the central bank itself and its relationship to the broader economy. We believe his perspective is a constructive development for monetary policy. While consensus markets are currently pricing in zero rate cuts for 2026, we are more dovish than that view. We believe the balance of evidence, including decelerating wage growth, pass-through rather than demand-driven inflation, and a labor market softening at the margin, supports a more accommodative path ahead, and we are positioning fixed income accordingly.

Gold and silver had an extraordinary run in the period leading into and through the early stages of the conflict. Both metals posted gains among their strongest in years, driven by safe-haven demand, dollar weakness, and geopolitical uncertainty. More recently, as the U.S. dollar



has strengthened, gold and silver have pulled back from those highs. This is consistent with their well-established inverse relationship to the dollar: a stronger dollar makes dollar-denominated commodities more expensive in other currencies, reducing demand and pressing prices lower. These remain important assets to monitor as the currency dynamic continues to evolve. Oil surged as a direct consequence of the disruption to Strait of Hormuz shipping lanes, with WTI reaching the \$109 to \$111 range and Brent crude briefly touching levels not seen since 2008, though the recent ceasefire attempt has already begun to ease crude prices, offering an early signal of what normalization could look like.

Portfolio Allocations. In our Tactical Asset Allocation Portfolios, we have continued to extend duration in our fixed income positions, a posture we began shifting toward in mid-2025 and have maintained through the first quarter. We believe rates will move lower over the intermediate term, and longer-duration bonds are positioned to benefit from both the yield income and the price appreciation that accompanies declining rates. We have not abandoned shorter-duration fixed income entirely, but the balance of our positioning has moved further out the yield curve.

On the equity side, we have made several deliberate shifts in how we are positioned across client portfolios. We began introducing a modest allocation to small-cap equities in our more aggressive accounts last fall, and expanded that position into additional models earlier this year. Small caps have meaningfully underperformed large caps over the past several years, and we believe the current valuation gap, combined with the potential for a more accommodative rate environment, makes a compelling case for measured exposure across a broader range of client portfolios. As part of this repositioning, we have also increased our allocation to the financial and technology sectors, where we see favorable earnings momentum and attractive valuations at current levels.

Additionally, across the majority of our equity-holding portfolios, we have made a slight shift away from traditional market-capitalization weighting and toward equal-weight exposure. The S&P 500's returns have been increasingly concentrated in a small number of mega-cap technology names, and we believe broadening that exposure more evenly across the index offers a better risk-adjusted opportunity going forward.

In our Market Leaders Portfolio, we made several changes during the first quarter. We added positions in Teradyne, SanDisk, Meta Platforms, Cisco Systems, and PayPal. We exited our positions in Dell Technologies and Oracle. Meta Platforms is a name we have followed closely, having held it previously, exited the position, and repurchased shares in the first quarter at a level we found compelling on a forward earnings and business

quality basis. Each addition to or exit from the portfolio was evaluated on the merits of the underlying business, including earnings power, competitive positioning, and our assessment of long-term value.

Market Leaders continues to be managed with a mandate to outperform the S&P 500 net of fees over a full market cycle, and we remain confident in the portfolio's positioning relative to that objective.

The IPO Landscape. We are aware of the considerable attention surrounding the anticipated SpaceX initial public offering, which has been widely reported as targeting a valuation that would make it the largest IPO in U.S. history. The enthusiasm is understandable, as SpaceX has built an extraordinary business and its achievements in aerospace and satellite infrastructure are genuinely remarkable. We are monitoring the situation closely and will evaluate any offering on its merits when and if it becomes available.

Looking further into the year, Anthropic and OpenAI, two of the most prominent names in artificial intelligence, are both expected to pursue public offerings, with some reports pointing toward the fourth quarter as a potential window. We are engaged with these stories as well and will approach each with the same disciplined, long-term evaluation we apply to every investment opportunity. We will keep our clients informed as these situations develop.

A Note on Our Investment Platform. Our custodial platform through Fidelity provides us with access to a broad and expanding universe of investment options, including cryptocurrency, private credit, private equity, and other alternative asset classes. We want our clients to be aware of this capability, as it reflects the depth of the tools available to us on your behalf.

That said, we do not currently utilize these asset classes in your portfolios. Our decision is deliberate and grounded in our long-held investment philosophy: we invest in what we understand deeply, what has a clear and demonstrable relationship between risk and expected return, and what we believe genuinely serves your long-term financial interests. The illiquidity of both private equity and private credit are major deterrents. Consequently, the volatility, valuation complexity, and regulatory and liquidity risks associated with many alternative asset classes do not currently meet our criteria for inclusion. Should that assessment change, we will communicate it clearly.

Trust Services. Through our relationship with Fidelity, we have access to Fidelity Trust Services for clients with trust planning and administration needs. Whether you are considering establishing a revocable living trust, managing an existing trust, or exploring how a trust structure might benefit your estate plan, Fidelity's trust

platform provides institutional-quality services that we can help facilitate on your behalf. Trust planning is an important and often underutilized component of comprehensive wealth management. If this is an area you have been meaning to address, or if you simply have questions, please do not hesitate to reach out to our team.

The Generational Investors Podcast. A reminder that *The Generational Investors* Podcast is live and releasing new episodes regularly. Hosted by John Woodard III with appearances from members of our team, the podcast covers a wide range of investment and financial planning topics for both new and experienced investors. Episodes are available on YouTube, Spotify, Apple Podcasts, Amazon Music, and iHeartRadio. We encourage you to tune in, share it with family and friends, and reach out if there are topics you would like us to address by emailing podcast@wcamg.com. We appreciate your support.

Beneficiary Designations – A Friendly Reminder. One of the most important and frequently overlooked aspects of financial planning is keeping beneficiary designations current across all of your accounts. Beneficiary designations on retirement accounts and insurance policies supersede the instructions in a will, meaning that an outdated designation can redirect assets in ways that may be inconsistent with your current wishes, regardless of what your estate documents say.

We encourage every client to take a moment to confirm that the beneficiaries listed across all accounts in our system are accurate and reflect your current intentions. Life changes such as marriages, divorces, births, and deaths can all affect who should receive your assets. If you would like us to review what we have on file or assist you with any updates, please give us a call at (336) 998-7000.

Upcoming Risk Tolerance Review. Many of our clients engage with us regularly, and for those relationships we are continuously making adjustments as life circumstances evolve. For clients who prefer a less frequent touch, we will be reaching out over the coming months with a brief letter to revisit and confirm that your current investment strategy continues to align with your risk tolerance, time horizon, and financial goals. Markets change, and so do personal circumstances. We want to make sure every client's portfolio reflects where they are today. As always, you are welcome to reach out to us at any time. We enjoy hearing from our clients.

Thank You for Recommending Our Services. We want to sincerely thank all of our clients who have introduced friends and family to our firm. Your trust means the world to us. A personal recommendation is the highest

compliment we can receive, and we deeply appreciate the confidence you show in our team.

Account Flexibility Reminder. A friendly reminder: there is no account size minimum for family or additional accounts under your household. Any new or additional accounts within the same family are billed at the same rate.

If you have any other questions about your account or any concerns, please give us a call at 336-998-7000. We always enjoy talking with our clients.

This newsletter represents the opinions of Woodard & Company which are subject to change and does not constitute a recommendation to purchase or sell any security. The information contained herein has been obtained from sources believed to be reliable but cannot be guaranteed for accuracy.