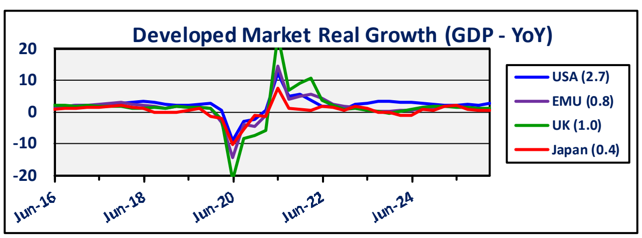
STAIRWAY PARTNERS
INVESTMENT ADVISORS

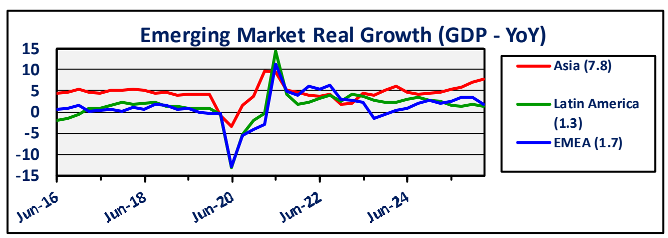
First Quarter 2026

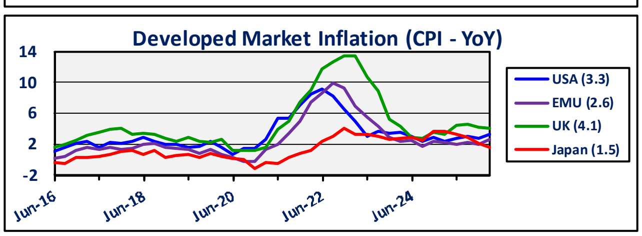
Global Market and Economic Perspective

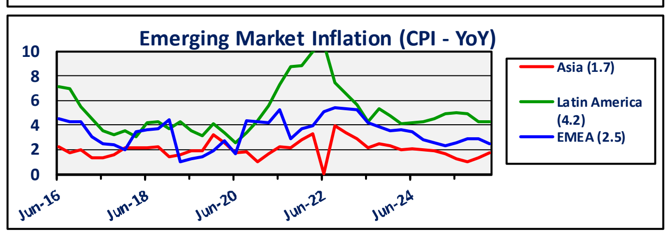
Global Economic Commentary

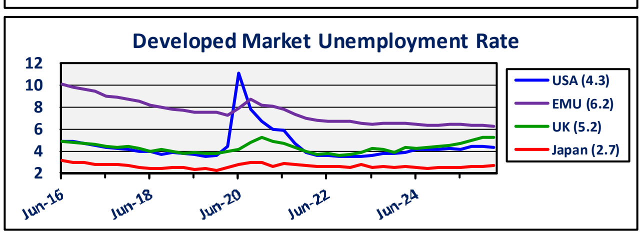
- **First quarter real economic growth in the U.S. came in at 2% which was slightly below expectations (and in line with the growth rate experienced over 2025). AI-related investment continues to underpin growth in the U.S. as well as several Asian economies. In Taiwan, most notably, GDP growth has surged and is likely to average 8% for 2025-2026. Growth came in above expectations at 5% for the quarter in China, while it remains around 1% across many major developed markets outside the U.S.**
- **Although inflation is above targets for all major developed markets, central banks made no changes to policy rates during the quarter. The Bank of Japan has been guiding expectations toward a continuation of its (slow) hiking cycle. All central banks are seeking to assess the magnitude and duration of increased inflation expectations stemming from the conflict in the Middle East that led to a spike in energy prices beginning in March.**
- **Unemployment during the fourth quarter remained just off recent lows in most developed countries, while continuing to push slightly lower in emerging markets economies. In the U.S., the employment situation remains characterized by limited turnover as job hiring remains tepid while job losses are also subdued.**

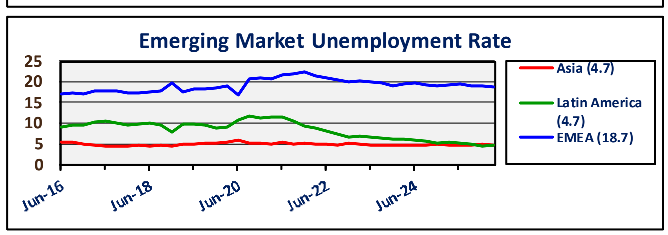












Notes: Emerging market economic statistics are estimated by region using eight countries, which represent roughly 80% of the MSCI Emerging Market Equity Index.
Recent observations may be estimated where reporting lags make official data unavailable at the time of this report.

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Global Market and Economic Perspective – Q1 2026

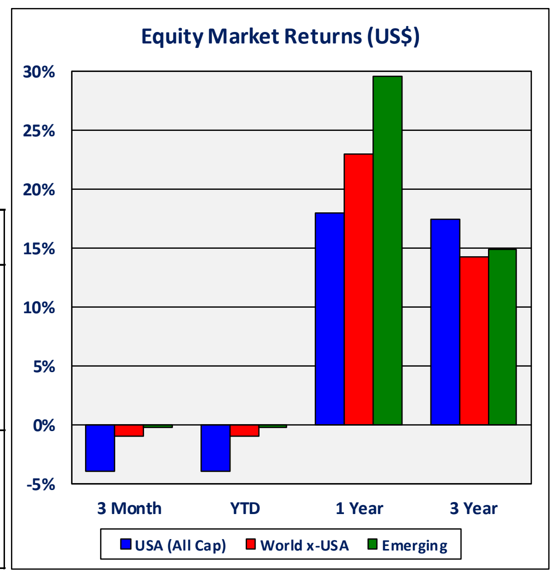
Global Equity and Currency Commentary

- **Global equity market aggregate performance was negative during the first quarter, but with considerable dispersion. Within the U.S., large cap value stocks had slightly positive absolute performance and significantly outperformed large cap growth stocks (which were down 10% for the quarter). Small cap delivered positive absolute returns as well and outperformed both large cap value and growth.**
- **Both non-U.S. developed and emerging markets had positive local market results for the quarter. However, when coupled with the strong dollar in March, unhedged performance was slightly negative. Despite the strong dollar, both non-U.S. and emerging markets outperformed the U.S. for the quarter.**
- **Regionally, the divergence in performance outside the U.S. was broadly consistent with the spike in energy prices with export-oriented Latin America, Canada, and Australia outperforming import-oriented Europe and emerging Asia.**

Global Equity Market Returns (MSCI)

	Returns (US$)				Returns (Local)			
3/31/2026	3 Month	YTD	1 Year	3 Year	3 Month	YTD	1 Year	3 Year
United States								
USA (All Cap)	**-4.0%**	**-4.0%**	**17.9%**	**17.5%**				
USA Growth	-9.9%	-9.9%	22.4%	22.7%				
USA Value	0.6%	0.6%	10.7%	12.3%				
USA SC Growth	2.3%	2.3%	28.2%	14.2%				
USA SC Value	2.7%	2.7%	20.3%	12.1%				
Foreign Developed								
World x-USA	**-0.9%**	**-0.9%**	**23.0%**	**14.3%**	**0.5%**	**0.5%**	**19.1%**	**14.1%**
Europe	-2.8%	-2.8%	19.1%	13.2%	-1.0%	-1.0%	12.4%	10.6%
Far East	1.5%	1.5%	26.2%	15.1%	2.9%	2.9%	32.9%	21.0%
Australia	3.3%	3.3%	21.7%	10.2%	0.6%	0.6%	10.7%	9.4%
Canada	1.3%	1.3%	36.7%	19.6%	3.1%	3.1%	32.5%	20.8%
Emerging Markets								
Emerging	**-0.2%**	**-0.2%**	**29.6%**	**14.8%**	**2.1%**	**2.1%**	**30.6%**	**17.1%**
Asia	-1.5%	-1.5%	28.4%	14.4%	1.3%	1.3%	31.2%	17.1%
Latin America	14.6%	14.6%	57.4%	18.6%	12.1%	12.1%	44.5%	19.7%
EMEA	0.0%	0.0%	21.9%	15.0%	1.8%	1.8%	19.1%	15.7%

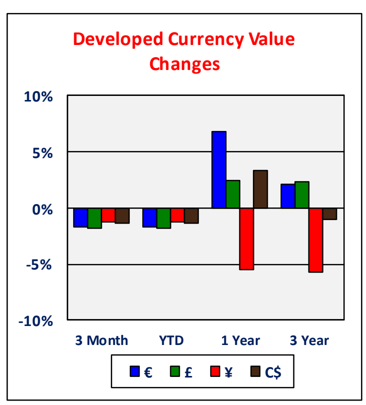
Annualized if greater than one year

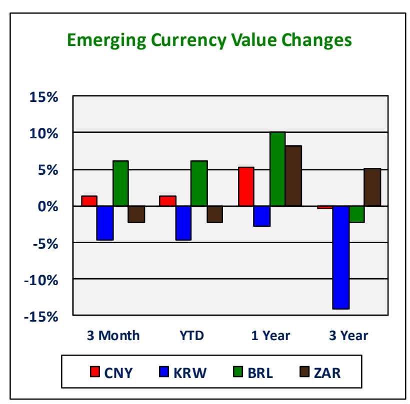


Foreign Exchange Rate History (Bloomberg)

	Current	Change (Foreign Currency versus $)			
3/31/2026	Level	3 Month	YTD	1 Year	3 Year
Developed					
Euro (€)	**1.16**	-1.6%	-1.6%	6.8%	2.1%
British Pound (£)	**1.32**	-1.8%	-1.8%	2.4%	2.3%
Japanese Yen (¥)	**159**	-1.3%	-1.3%	-5.5%	-5.8%
Canadian Dollar (C$)	**1.39**	-1.4%	-1.4%	3.4%	-1.0%
Emerging					
Chinese Renminbi (CNY)	**6.89**	1.4%	1.4%	5.3%	-0.3%
Korean Won (KRW)	**1516**	-4.7%	-4.7%	-2.8%	-14.1%
Brazilian Real (BRL)	**5.18**	6.1%	6.1%	10.1%	-2.2%
South African Rand (ZAR)	**16.94**	-2.2%	-2.2%	8.2%	5.0%

Annualized if greater than one year





Global Market and Economic Perspective – Q1 2026

US Fixed Income and Fed Commentary

- **In the fourth quarter, the upward-sloping Treasury yield curve flattened, as yields increased more for shorter-maturity than longer-maturity securities. The FOMC left rates unchanged during the quarter, as expected, while projections around the timing of future cuts was pushed out further.**
- **Credit spreads widened for the quarter but remain tight by historical standards across both investment grade and high yield debt markets. The combination of the increase in Treasury yields and credit spreads led to losses in investment-grade fixed income markets.**
- **Kevin Warsh will serve as the next Fed chair beginning in May and steps into an FOMC that has had a challenge most recently finding consensus. He has expressed a concern that the size of the Fed's balance sheet remains too large even after its decline over the past several years.**

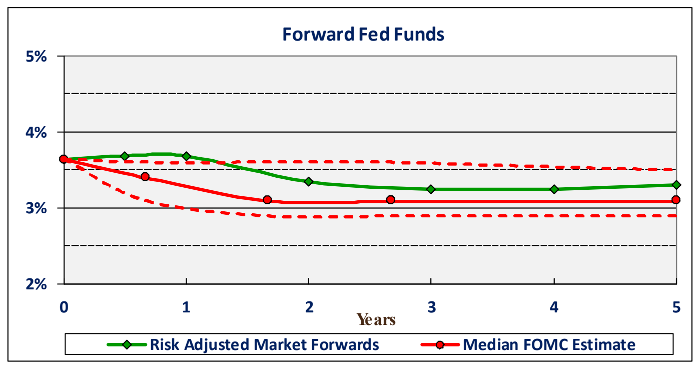
FOMC Fed Funds Rate Projections as of March 2026 Meeting

	Current	Dec-26	Dec-27	Dec-28	Dec-28	Long Run
Lower	3.64%	3.10%	2.90%	2.90%	2.90%	2.90%
Median	**3.64%**	**3.40%**	**3.10%**	**3.10%**	**3.10%**	**3.10%**
Upper	3.64%	3.60%	3.60%	3.60%	3.60%	3.50%

Market Implied Fed Funds Rate as of Apr 01, 2026

Current	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
3.64%	3.68%	3.68%	3.35%	3.24%	3.25%	3.30%

Notes
Upper and lower bands show central tendency for FOMC projections.
Market implied Fed Funds rates are risk adjusted.



US Bond Yield and Spread History (Bloomberg)

	Current Level	3 Month	YTD	1 Year	3 Year
		Change Through March 2026			
US Treasury					
Short	3.85%	0.30%	0.30%	-0.08%	-0.12%
Intermediate	4.14%	0.22%	0.22%	0.05%	0.59%
Long	4.91%	0.12%	0.12%	0.29%	1.14%
US High Yield					
Yield	7.40%	0.87%	0.87%	-0.33%	-1.12%
Spread	*3.20%*	*0.52%*	*0.52%*	*-0.25%*	*-1.32%*
Tax-Exempt Muni.					
Short	2.58%	0.12%	0.12%	-0.26%	0.18%
Intermediate	3.14%	0.26%	0.26%	-0.18%	0.50%
Long	4.12%	0.19%	0.19%	-0.01%	0.61%