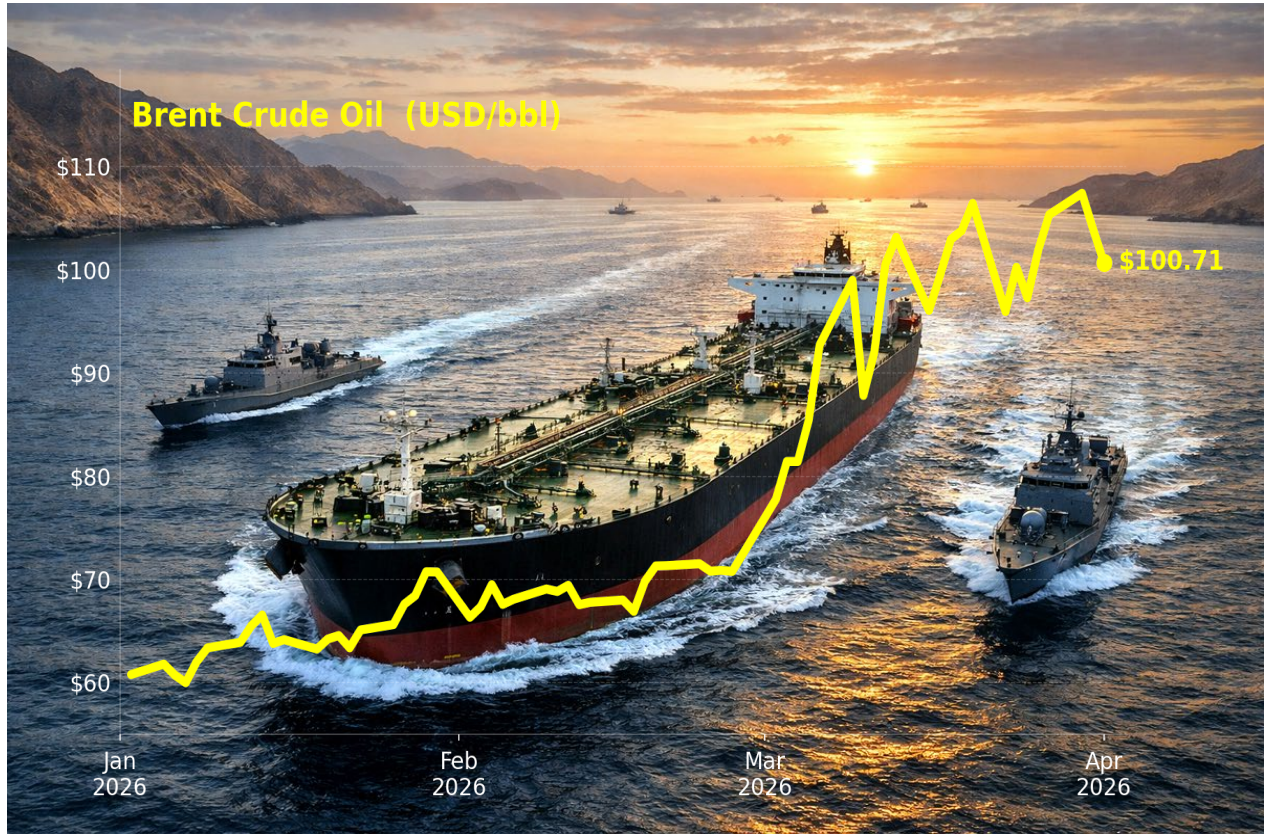
VIEW CAPITAL
ADVISORS, LLC

Quarterly Review and Strategy Update

1st Quarter 2026



Source: investing.com, aurora-israel

- The war in Iran pushes oil prices above $100, triggering declines in both equity and bonds markets. A prolonged crisis may jeopardize economic growth and erode corporate earnings.
- The Federal Reserve holds rates steady in the face of persistent inflation, even as employment remains stagnant.
- Private credit struggles against a public relations onslaught and investor redemptions, although fundamental stress remains contained.

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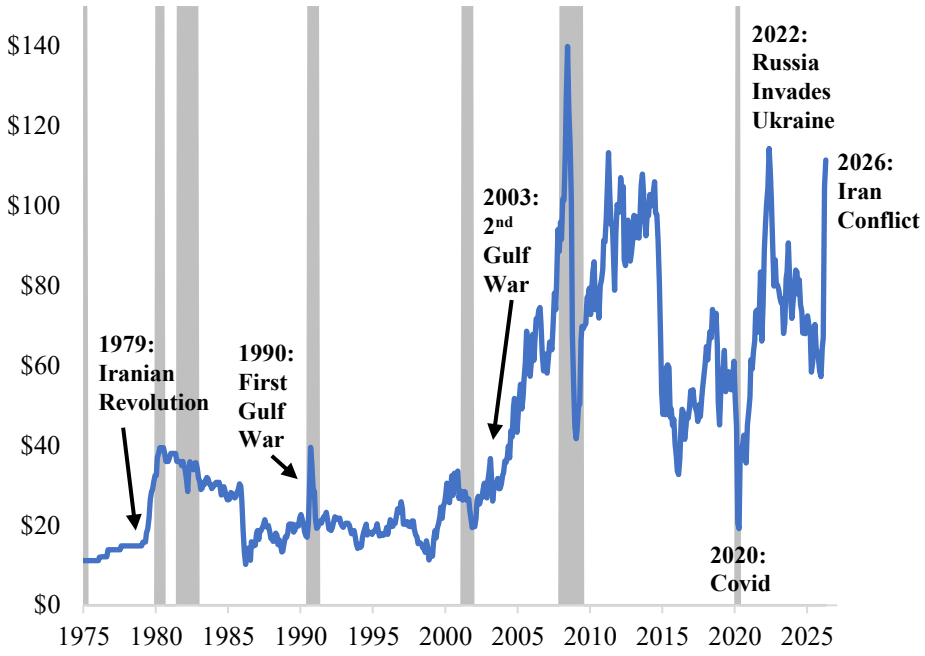
- **The war in Iran intensifies economic risks.** Elevated oil prices adds a supply-side shock to an already-complicated economic picture. Blockage of crude oil, natural gas, refined petroleum products, fertilizer and even helium (necessary for semiconductor manufacturing) through the Strait of Hormuz will push costs higher globally. Gas prices at the pump in the U.S. have increased by 35% on average. Unsurprisingly, the University of Michigan Sentiment Index fell sharply in March 2026, indicating consumer confidence is near historical troughs. AI-driven capital expenditures, however, continue to drive investment growth, with hyperscaler spending expected to reach $677 billion this year. 19% of all firms now report use of AI, so productivity gains may offer a potential offset to weaker cyclical growth.

- **U.S. economic growth slowed last year.** Real GDP grew at only 0.7% annualized in the fourth quarter of 2025, a sharp deceleration from the 4.4% pace in Q3, as government spending contracted and consumer spending eased. For the full year, growth was near its its long-term trend of 2.1%, but momentum has clearly faded. The labor market has been sending conflicting signals. Payrolls fell by 92,000 in February but shot up by 178,000 in March. Nevertheless, the trend is softer, with an average of only 22,000 new jobs per month created over the past 12 months compared to 76,000 over the previous equivalent period. Job openings declined to 7 million from their March 2022 peak of over 12 million. Despite this picture, wage growth held at 3.7% year over year, above the 30-year average of 3.4%, maintaining some pressure on inflation.

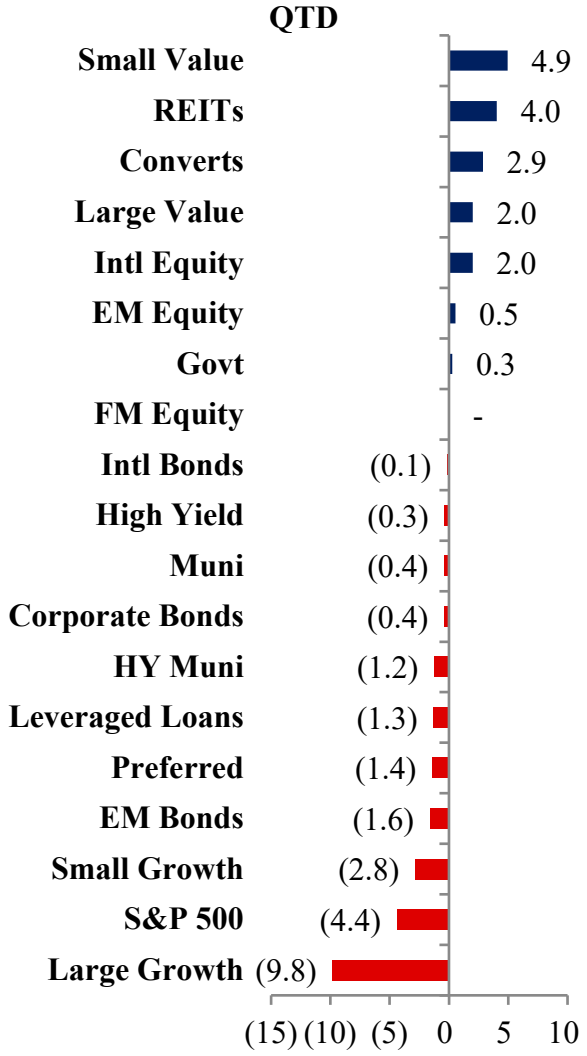
- **Inflation remains sticky, complicating the Fed's path.** Headline CPI held at 2.4% year-over-year in February, while core CPI remained at 2.5%. The overwhelming consensus is for March numbers to be higher due to surging gasoline, food and industrial metals prices, while services inflation outside housing remains elevated.

- **Tariffs have settled at elevated levels, creating structural headwinds.** In February the Supreme Court canceled the President's tariffs based on emergency powers. The administration responded by imposing 15% tariffs under a different authority, the Trade Act of 1974. The effective average tariff rate on goods imports stood at 12% as of March — a steep reduction from the April 2025 peak of 30%, but still at the highest sustained rate since the 1930s. Businesses have been absorbing much of the impact so far, but earnings data shows selective margin compression in tariff-exposed consumer goods and in the industrial sector. Tariffs have had no impact on the U.S. trade balance, with the 2025 deficit of $902 billion barely unchanged from $904 billion in 2024.

Oil Shocks and Recessions (Recessions in Grey Bars)



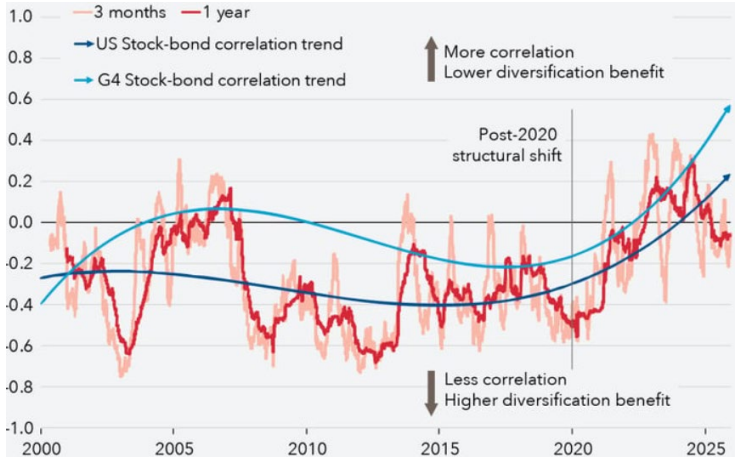
Past oil shocks from the 1973 oil embargo to the 2022 Russia-Ukraine war have triggered inflation that has often led to recessions. While "energy intensity" — the measure of energy input required to generate a unit of economic output — has improved since the 1970s so that elevated oil prices may be less damaging than in the past, destruction of critical oil facilities in the Gulf may constrict supply sufficiently that the effects may endure longer. Ultimately, oil shocks act as catalysts that spread volatility across asset classes, influencing not just commodity prices but also monetary and fiscal policies. Energy and natural resource security will take on greater urgency.



❖ **How have asset classes behaved in response to the Iran crisis?** Financial advisors often recommend a mix of asset classes because stocks and bonds often perform differently during progressive phases of an economic cycle. Markets facing a recession often see equities fall as demand slows, while bonds gain in response to central banks lowering interest rates. The markets recognize, however, that certain crises can drive all risky assets to fall. The war in Iran may trigger such a scenario, with higher oil prices hurting economic growth and stoking inflation at the same time. Indeed, some analysts believe that since Covid, stock-bond correlations have been rising due to a wave of policy actions, such as fiscal stimulus, tariffs and global trade tensions, competition for natural resources, as well as the war in Ukraine and the AI-capex boom, have all exerted structural pressure on inflation.

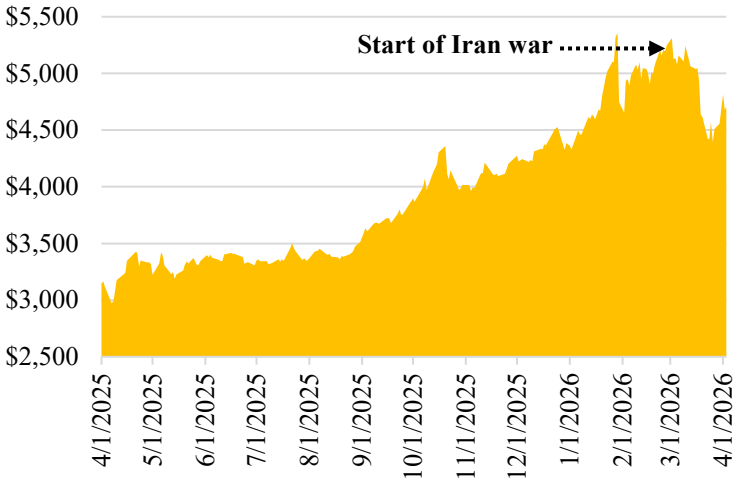
❖ **The performance of gold has been counter intuitive.** Gold has appreciated steadily over the past few years, but has fallen by 11% since the start of hostilities in Iran. Gold is supposed to be the safe haven that investors flock to in times of geopolitical crisis, so why has it fallen? Explanations include profit taking after its price rose 68% in 2025, higher real bond yields providing a more attractive option, the strengthening Dollar, and central banks reducing the pace of accumulation due to high prices. The movement on gold offers an important lesson — we should not create portfolios based on blind acceptance of conventional market wisdom. Since fundamental, technical and sentiment factors change constantly, we are always revising our positioning as new data emerges.

Stock Bond Correlations



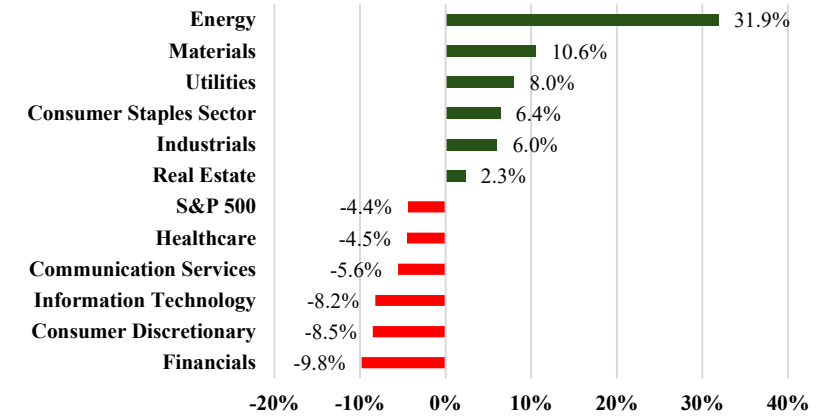
Source: IMF

Gold Price

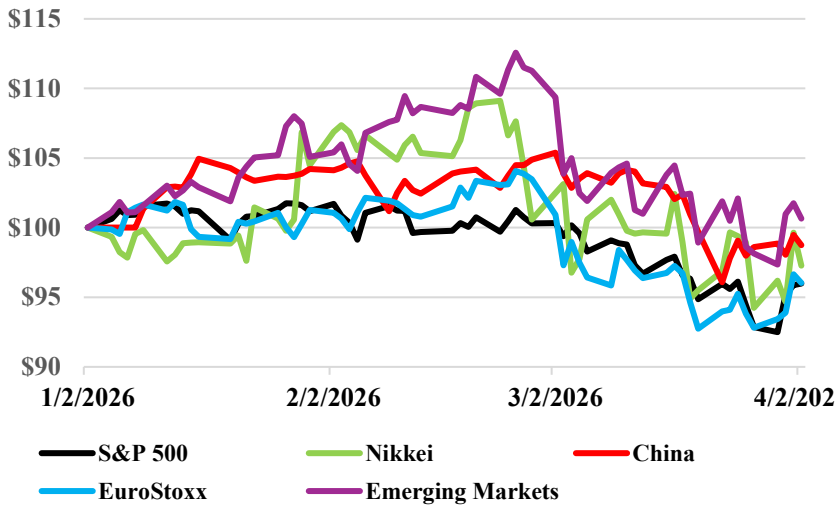


- **U.S. equities declined in a volatile first quarter, erasing early gains.** The S&P 500 finished down 4.6% and the NASDAQ was down 7.1% for the quarter, but the small-cap Russell 2000 Index was up 0.9%. Wall Street consensus still targets the S&P 500 at 7,600–7,650 by year end, implying a meaningful recovery from current levels. The fiscal tailwind from the One Big Beautiful Budget Act remains a potential catalyst, and investors seem to be pricing in a reasonably quick resolution to the Iran conflict.
- **The Magnificent 7 underperformed, down approximately 11% so far this year.** The group's share of S&P 500 market cap declined from its peak, though the top 10 stocks still represent 38% of the index capitalization and 33% of earnings. Consensus projects S&P 500 earnings growth of approximately 16% for 2026. AI hyperscaler capex (Alphabet, Amazon, Meta, Microsoft, Oracle) is forecast to reach $677 billion, though the market is increasingly scrutinizing the timeline for profit generation.
- **Is the Sun Setting on Software?** Software stocks were hit hard by fears that AI could automate or replace enterprise software. Palantir, Adobe, Salesforce, and ServiceNow each dropped between 22% and 30%. The selling was indiscriminate and impacted the credit and private equity markets as well. Can incumbent "software-as-a-service" platforms defend their franchises against rapidly improving AI-native competitors? These companies are still reporting strong retention rates, recurring revenue, and new contracts, and those that perform mission-critical workflows are fighting back with their own AI-tools to defend their turf. In our view, since winners and losers will take some time to emerge the drawdown may be overdone and the sector may bounce back. We will continue to monitor developments closely.
- **Value sectors outperformed, led by Energy.** Investors rotated out of traditial Growth industry sectors into Value secotrs, with Energy being the clar beneficiary. With the forward PE ratio for the Russell 1000 Value Index at 16x, Value is still cheap compared to 25x for the Growth Index and 20x for the S&P 500.
- **International equities were surprisingly resilient,** despite greater dependence of many countries on imported energy. European markets benefited from German fiscal expansion and ECB accommodation. The EAFE forward P/E of approximately 15x remains at a substantial discount to the S&P 500's 20x. Emerging markets also held up despite the Middle East-driven oil shock, with the MSCI Emerging Markets Index flat for the quarter. Commodity exporters such as Brazil (+19%) benefited from elevated oil and commodity prices, while energy importers like India (-18%) and South Korea (+17%) fell. EM earnings are expected to grow approximately 18% in 2026, outpacing both U.S. and developed international markets.
- We still recommend full weighting to international equities, accepting near-term energy-sector headwinds given the structural and valuation cases.

S&P 500 Sector Returns Q1 2026 YTD

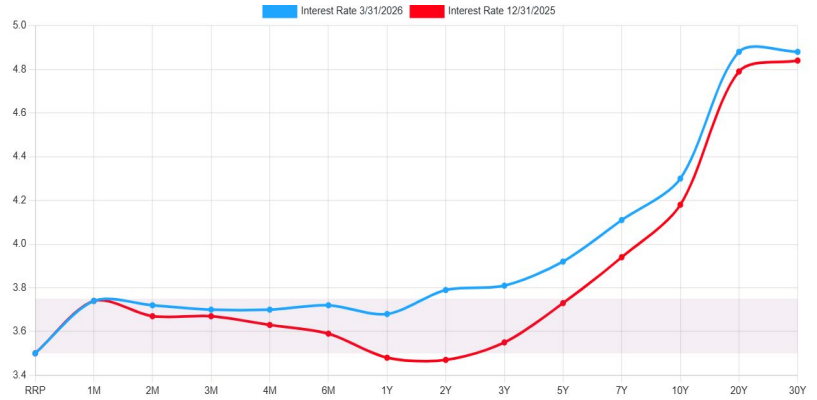


Global Equity Markets Q1 2026 YTD



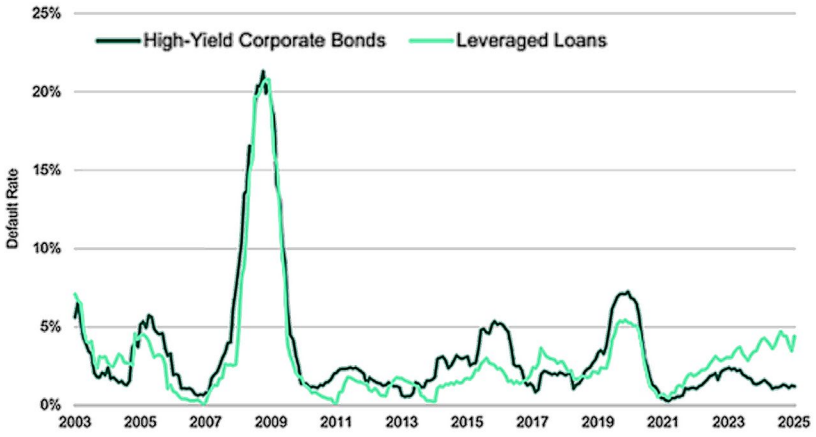
- **The Federal Reserve held steady, but Treasury markets remained volatile.** The Fed kept the Fed Funds rate unchanged at 3.50%–3.75% for a second consecutive meeting in March. Projections call for just one more cut in 2026, with the long-run rate at expected to settle at 3.10%. Chair Powell's term expires in May, adding policy uncertainty around his successor's stance. Over the past 3 months the Treasury yield curve has moved up the most in intermediate maturities, from 6 months to 7 years. Short-term bills (3-months at 3.7%) remain attractive for cash management, but the yield advantage over intermediate-term Treasuries has eroded. The 10-year Treasury yield ended the quarter at 4.30%, up from 4.18% at year-end 2025, a modest 12-basis-point rise. While Iran has triggered the traditional flight to the U.S. Dollar during geopolitical crises, some central banks around the world have been selling Treasuries to prop up their currencies and in anticipation of higher yields. The administration's call for a $1.5 trillion defense budget for 2027, by far the largest dollar amount in modern history, is increasing concerns about the federal deficit, which is projected to grow to at $1.9 trillion this year. The government now spends $1.38 for every $1 it collects. We suggest investors accumulate cash to take advantage of potential market dislocations.
- **Municipal bonds offer compelling after-tax value with sound credit fundamentals.** Municipal bonds ended 2025 with low single-digit returns. 2026 has seen record issuance which has pressured valuations. The current 30-year Treasury yield is 4.9% while AAA municipals yield over 4.5%, generating 7% tax-equivalent yields for investors in the 35% tax bracket.
- **Investment grade corporate spreads remain historically tight; structured credit is preferred.** Investment grade spreads enter Q2 near their 2-percentile level over the past 25 years (AAA at approximately 36 bps, AA at 50, BBB at 100). The Liberation Day spike and subsequent compression appears fully digested. Ratings downgrades have been picking up, particularly in Health Care and Consumer Discretionary, consistent with the largest earnings revisions. Corporate balance sheets remain in reasonable shape but show early stress in tariff-exposed industries. IG tranches of structured credit, for example Agency MBS (4.83% yield), CMBS (4.47%) and CLO debt (>5%) offer better relative value versus straight corporate debt for similar ratings. We recommend investors hold existing IG positions and channel cash into structured credit.
- **High yield bonds and leverage loans face credit concerns.** High yield spreads entered Q2 near 290 bps (BofA HY Index), roughly where they started 2026, having recovered from a brief widening triggered by the Iran conflict. B-rated yields are around 7.5%, while CCCs stand just over 13%. Default rates for non-investment grade borrowers have climbed marginally this year, to 5.2% for leveraged loans and 2.7% for High Yield bonds. There is limited room for further spread tightening, and any macro or geopolitical deterioration will hit lower-rated credit disproportionately. Since below-investment-grade debt have high correlation to equities, equity volatility would pressure the sector. We advise investors to maintain positions at target weight.

The Treasury Yield Curve



Source: Treasury Yield Curve

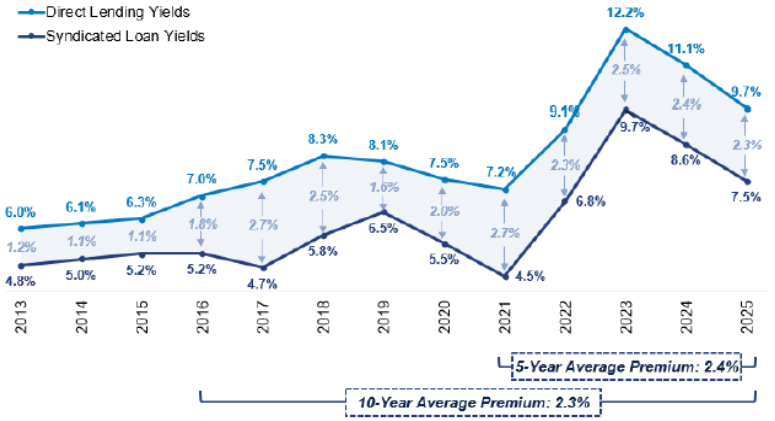
High Yield and Leverage Loan Defaults



Source: American Century investments

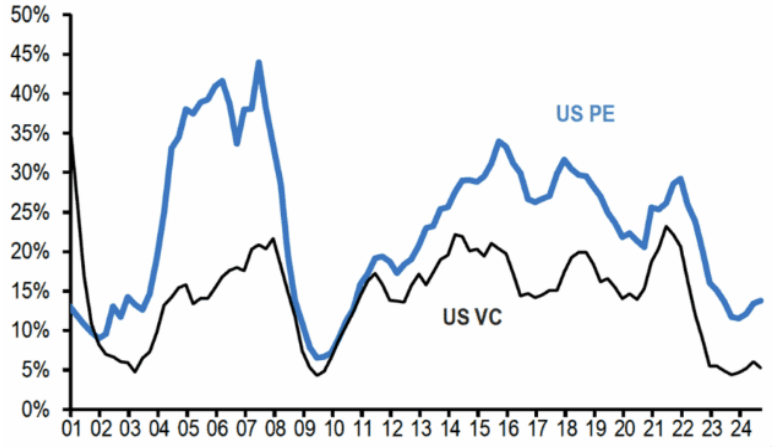
- **Private Credit has dominated discussions about private investments**. Private credit entered 2026 facing liquidity challenges and a crisis of confidence. Several bankruptcies, including car parts distributor First Brands and subprime lender Tricolor, exacerbated by concerns about the viability of software companies, have led to a surge in investor redemption requests from funds targeting high-net-worth investors. Borrower stress has risen. Fitch reported a rise in defaults to 5.7%, up from 5% at the start of the year, and PIK loans (where borrowers accrue interest rather than pay cash) have increased above 10%. However, actual losses in the asset class have continued to be low. Since private loans are keyed off SOFR, total yields have come down since short –term rates peaked in 2023. Nevertheless, private credit still commands a healthy premium over bank loans. We recommend that investors trim allocations and rotate incrementally toward asset-backed private credit strategies, which offer better collateral protection and risk-adjusted returns.
- **Private equity distributions remain subdued; secondaries offer the best near-term value.** The IPO window had tentatively reopened in 2025, with 347 IPOs (a 54% increase year-over-year), but this activity is now on hold due to Iran. If the anticipated IPO of SpaceX, reportedly at a $2 trillion valuation, takes off, it could spur a wave of technology and AI-related transactions. Private equity returns have continued to lag public markets, with many funds reporting single to low-teen IRRs and subdued distributions at approximately 3% of NAV, compared to the 20-year average of 6%. Managers are increasingly relying on continuation funds, dividend recaps, and borrowing against their investments to meet investor demand for cash returns. We recommend investors continue to be disciplined and allocate consistently, partially in Middle and Lower Middle Market Buyouts and Secondaries. Be cautious of overweighting interval funds as the flood of capital and structural limitations present risks.
- **Private real estate continues its slow, income-driven recovery.** The NCREIF ODCE index has returned approximately 1% per quarter for three consecutive quarters, due entirely to income, with no capital appreciation. CMBS delinquency rates climbed to 7.3% by year-end 2025, with office at 12% (exceeding Financial Crisis-era levels) and multifamily delinquencies at their highest since 2015. Despite these stresses, high-quality core assets, particularly in multifamily, industrial, and select retail, are showing relative stability. Data centers have attracted speculative capital but investors should be cautious of valuation overreach in this subsector. For Q2, the pace of recovery will remain limited by high financing costs and cautious capex if Middle East tensions persist. We recommend allocations to core, real estate credit and opportunistic strategies.
- **Hedge funds delivered mixed Q1 results.** Equity-based strategies had a strong start to the year but faced sharp intra-quarter market swings in March, while Macro and Credit strategies have performed better. Returns for the large multi-strategy funds were mixed. The conflict in Iran, the Fed Chair transition, and the AI monetization debate all create elevated dispersion, which is a favorable backdrop for long-short equity, event-driven and global macro strategies. We suggest investors maintain hedge fund allocations.

Private Credit Direct Lending and Syndicated Bank Loan Yields



Source: Cliffwater

Private Equity and Venture capital Distributions



Source: Stanlib

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VIEW CAPITAL RIA, LP

Past Performance is No Guarantee of Future Results.
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Disclosures for Proposed Investment Manager.

The descriptions included in this report are not meant to be a complete description of the managers' style, methodology, and performance. The included descriptions do include alternative investments that may or may not be suitable for the clients' investment profile. Please read the prospectus carefully before investing.

Glossary and Index Definition
- Alerian MLP Index (MLP) - The Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships calculated by Standard & Poor's using a float-adjusted market capitalization methodology. The index is disseminated by the New York Stock Exchange real-time on a price return basis (NYSE: AMZ). The corresponding total return index is calculated and disseminated daily through ticker AMZX.
- Barclays Capital U.S. Municipal Index – The U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligations, revenue bonds, insured bonds, and prefunded bonds. Many of the sub-indices of the Municipal Index have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980 but no later than July 1, 1993. In January 1996, Barclays Capital also began publishing a non-investment grade municipal bond index and "enhanced" state specific indices for Arizona, Connecticut, Maryland, Massachusetts, Minnesota, and Ohio. These indices are published separately from the Barclays Capital Municipal Bond Index.
- BofA Merrill Lynch Convertible Bond Index (Convertibles) - The BofA Merrill Lynch Convertible Bond Index tracks the performance of US dollar denominated convertible bonds issued in the US domestic market. In addition, qualifying securities must have at least one-year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of $100 million.
- BofA Merrill Lynch Perpetual Preferred Securities Index (Preferred) - The BofA Merrill Lynch Fixed Rate Preferred Securities Index tracks the performance of US dollar denominated preferred securities issued in the US domestic market. Qualifying securities must be rated investment grade (based on an average of Moody's, S&P and Fitch) and must have an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings).
- BofA Merrill Lynch US High Yield Master II Index – This index tracks the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market.
- BofA Merrill Lynch EM External Debt Sovereign Index – This index tracks the performance of US dollar-denominated debt issued by sovereign issuers in countries belonging to emerging markets.
- BofA Merrill Lynch Mortgage Master Index – This index tracks the performance of US dollar-denominated mortgage securities.
- BofA Merrill Lynch Municipal Bond Index – This index tracks the performance of US dollar-denominated investment grade tax-exempt bonds.

Disclaimer (Continued)

- Credit Suisse Leveraged Loan Index – This index tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.

- JP Morgan Emerging Market Bond Index (EMBI+) - The Emerging Markets Bond Index Plus tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. The EMBI+ is concentrated in instruments from the three major Latin American countries (Argentina, Brazil, and Mexico), reflecting the size and liquidity of these external debt markets. The non-Latin countries are represented in the index by Bulgaria, Morocco, Nigeria, the Philippines, Poland, Russia, and South Africa.

- MSCI Emerging Market Index (Emerging Market Equities) - The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of March 2015, the MSCI Emerging Markets Index consisted of the following 23 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Türkiye, and United Arab Emirates.

- MSCI Frontier Market Index – The MSCI Frontier Market Index is a free float-adjusted market capitalization index designed to measure equity market performance of the frontier markets. As of March 2015, the MSCI Frontier Markets Index consists of the following 24 frontier market country indices: Argentina, Bahrain, Bangladesh, Bulgaria, Croatia, Estonia, Jordan, Kenya, Kuwait, Lebanon, Lithuania, Kazakhstan, Mauritius, Morocco, Nigeria, Oman, Pakistan, Romania, Serbia, Slovenia, Sri Lanka, Tunisia, Ukraine, and Vietnam.

- Russell 2000 Index (TR) - The best-known of a series of market-value weighted indices published by the Frank Russell Company. The index measures the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization.

- Russell 1000 Index (TR) –A market-value weighted indices published by the Frank Russell Company. The index measures the performance of the largest 1,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization.

- S&P 500 Index (TR) -Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy. S&P 500 is a core component of the U.S. indices that could be used as building blocks for portfolio construction. It is also the U.S. component of S&P Global 1200. Total return (TR) provides investors with a price-plus-gross cash dividend return. Gross cash dividends are applied on the ex-date of the dividend.

- FTSE NAREIT US Real Estate Index Series – The FTSE NAREIT US Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the US economy, offering exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

- Data Sources: Bloomberg, L.P., JPMorgan, BofA Merrill Lynch, Standard and Poors, Barclays Capital, Alerian, Morningstar Direct, MSCI, HFR, Goldman Sachs, Trading Economics, HIS Markit, Eurostat, Eaton Vance.