



Forward Focus

April 2026



Tax Day: Wednesday, April 15, 2026

Quarterly Market Review

As the chart below indicates, the first quarter was a three act play in the stock market. Up in January, sideways in February, and down in March. For the quarter, most major U.S. stock market indices declined as oil prices and the conflict in Iran increased costs and uncertainty for consumers and businesses.

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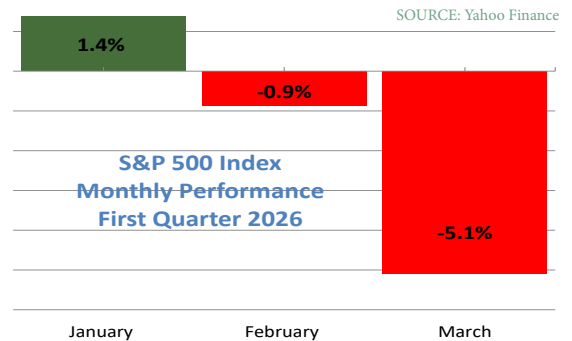
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International markets posted muted gains in the first quarter with the MSCI EAFE (Developed Market) Index, MSCI Emerging Market Index, and Eurozone Index, returning 1.2%, -0.5%, and -2.3%, respectively. SOURCE: Morningstar.com



Despite the declines in most U.S. stock market indices, corporate earnings are

expected to post double-digit growth in the second quarter, which continues a multi-quarter trend of solid earnings growth. SOURCE: Factset

Tax Day is Wednesday, April 15th. All tax documents are sent directly to you from Charles Schwab. If you have a taxable account (brokerage, joint account, trust, UTMA, etc.), you should've received a 1099-Composite Form. If you took a distribution from your IRA you received a 1099-R. If you still need any tax documentation, please log onto www.schwaballiance.com or let us know. You can also log into Black Diamond, click on the Vault tab, click Statements, then click Tax Forms.

For the quarter, the best performing S&P 500 sectors were Energy, Utilities, and Materials, while the worst performing sectors were Consumer Discretionary, Technology, and Financials. Value stocks outperformed Growth stocks and Small Cap stocks outperformed Large Cap stocks. SOURCE: FactSet, MSCI, Standard & Poor's, JPMorgan Asset Management.

Black Diamond: New Portfolio Management Software

Last quarter, we released information about our new software and sent you email invitations to set up your client access. A key feature is **electronic delivery of your Quarterly Reports!** This will allow you to receive them much faster and provide you with more detailed information. If you have not already done so, please respond and set up your client access!

Through, Black Diamond, you are able to view your account information, securely share documents back and forth with us, and is where your Quarterly Reports will be delivered from now on. To access your Quarterly Reports, log into Black Diamond, click on the VAULT tab at the top of the page, then click on REPORTS.

Black Diamond is a Portfolio Management Software that allows **Forward** to generate reports (performance, current position, investment allocation, capital gain/loss, transactions, billing, etc.) and also provides a secure web portal for us to send and receive documents. NOTE: Black Diamond does NOT replace Charles Schwab. Your investment accounts and assets are still at Charles Schwab, and you can access them as you always have via www.schwaballiance.com. If you have any questions, please let us know.

First Quarter 2026

Dow Jones Industrial Average -3.6% ● S&P 500 -4.6% ● MSCI EAFE (International) 1.2%
Russell 2000 (Small Cap) 0.6% ● MSCI EMI (Emerging) -0.5% ● Barclays Capital Aggregate Bond 0.5%

Market Snapshots

The first quarter was the worst quarter for the S&P 500 since 2022. The tech-heavy drivers of the stock markets return for much of the last 4 years, commonly known as the Magnificent 7 (Alphabet [Google], Amazon, Apple, Meta, Microsoft, Nvidia, & Tesla), have all fallen this year with returns ranging from -6.5% to -23.5%. Over half of the stocks that make up the Dow Jones Industrial Average declined in the first quarter. The biggest decliners were American Express -18.2%, Microsoft -23.5%, and Salesforce.com -29.5%.

Chart on the right: As a whole, 493 of the stocks that make up the S&P 500 index were down 1% in Q1. The Magnificent 7 stocks were collectively down 11% during that same timeframe. Given the weight of the stocks in the Mag 7, the overall S&P 500 index ended the quarter down 5%.

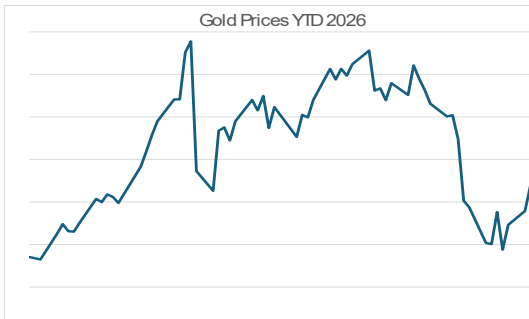
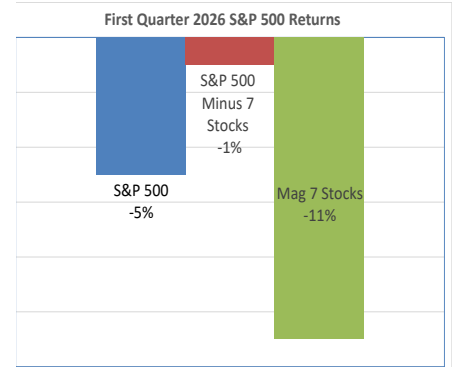
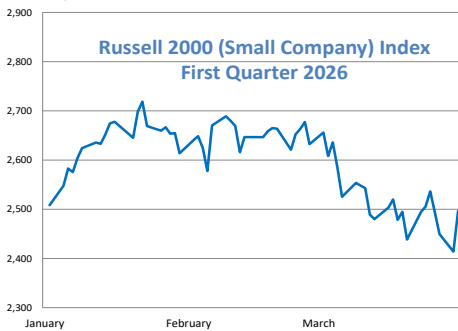
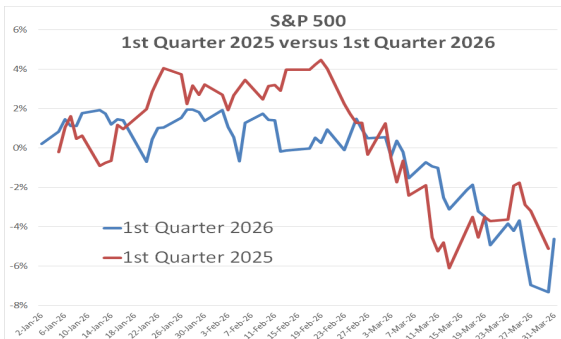


Chart on the left: Gold hit an all time high of \$5,294.40/oz in early March before falling 17% in just 3 weeks. Just a reminder that gold is a portfolio diversifier, and often used as a hedge against inflation but gold is NOT a safe haven! Safe havens don't have 5% swings in a day or drop 15%+ in a matter of a few weeks. It is fine to own gold, **Forward** owns gold in some clients accounts via mutual funds, it is just a reminder for investors to know

why they own an investment. After years of solid returns and few lasting pullbacks in stocks, we have seen that many retail investors misunderstand the risk they have in their investments.



There was plenty of red on the screen for the quarter, but the year has just begun and there are still plenty of reasons for optimism. Diversification being the main one. Despite declines in international stocks (developed & emerging markets), technology stocks, large cap U.S. stocks, and high yield bonds, a diversified 60/40 portfolio of stocks and bonds was still up 0.2% in the first quarter of 2026, according to JP Morgan Asset Management.



In my opinion, the most interesting chart of the quarter is the one that compares the first quarter of 2025 to the first quarter of 2026. They have so many similarities. Last year markets were in the midst of the tariff tantrum and markets were trying to anticipate the future impact of tariffs on corporate earnings and the economy. Once uncertainty waned, markets posted double-digit returns for the remainder of 2025. This year, markets are in the midst of uncertainty in the Middle East. On the last day of the quarter, global markets began to rally on renewed possibility of a waning war.

The final chart (bottom right) will likely surprise many. The chart shows the S&P 500 Index over the past six months. As you can see, the market was trending sideways for months prior to the recent drop in March. After a 30% return from April to October 2025, a sideways market allows corporate earnings to better support current prices.



Source: FactSet, Data Morningstar, Yahoofinance.com, J.P. Morgan Asset Management as of March 31, 2026.