Navigator Outlook

March 2026

OneAscent INVESTMENTS

Investing that elevates

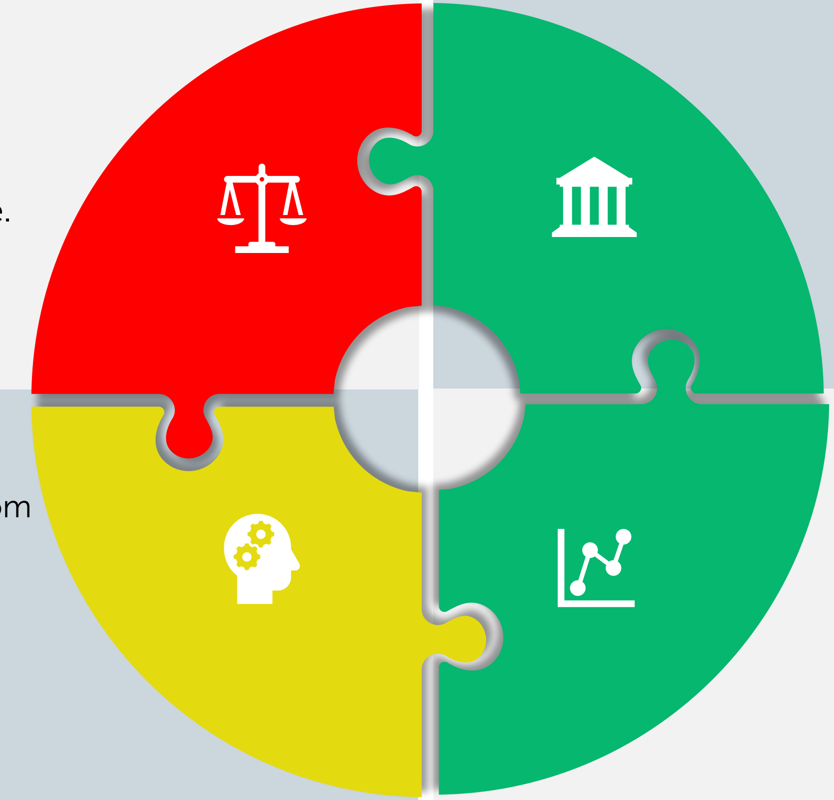
Navigator Outlook: March 2026

VALUATION

- Software valuations are cheaper than consumer staples.
- Valuations for International equities have improved, but the gap is still historically wide.
- AI-Driven concerns have caused high-yield spreads to widen slightly.

ECONOMY

- ISM New Orders measure reached its highest level since 1Q 2022.
- Weekly jobless claim activity suggests the labor market remains stable.
- Core PCE remains stuck above Federal Reserve target as nondurable good prices increase.



SENTIMENT

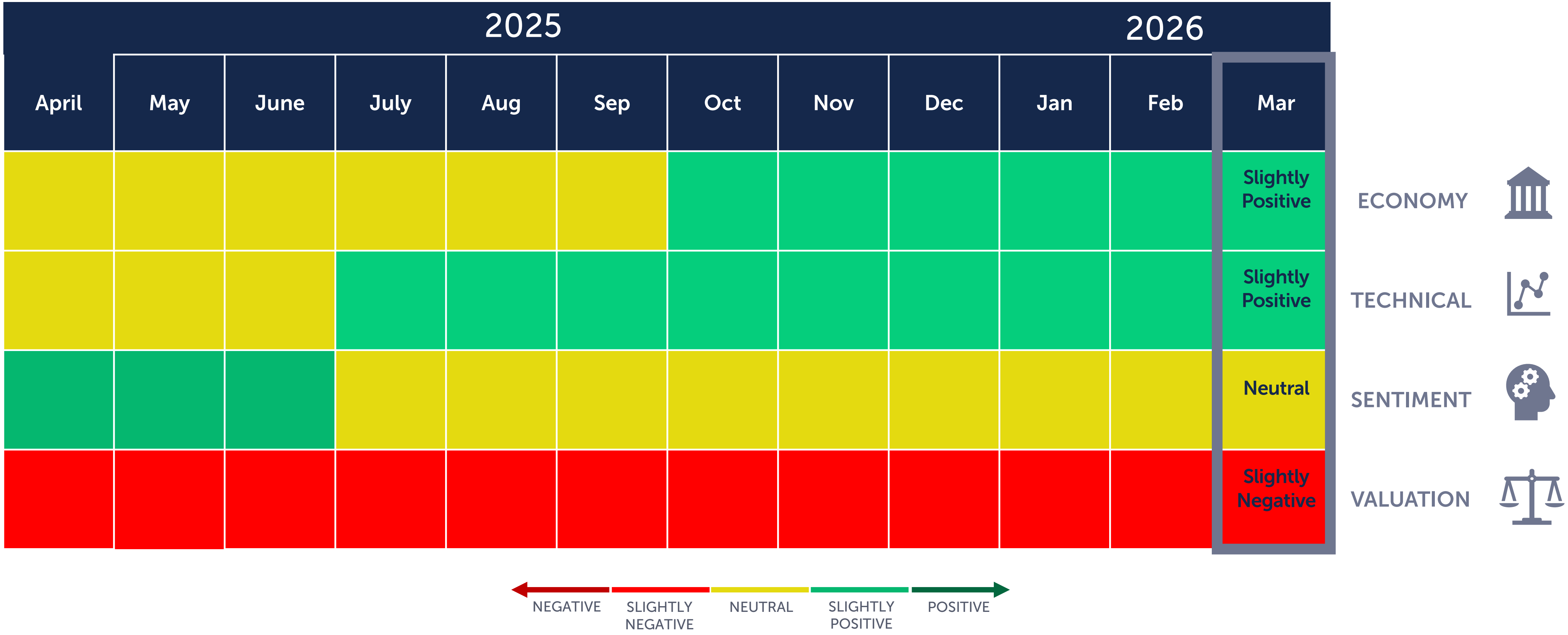
- Consumer sentiment may be rebounding from post-COVID lows.
- Investor sentiment has turned negative.
- Worries about war and its effect on market performance may be overblown.

TECHNICAL

- Potential Oil price spike unlikely to significantly affect the US economy.
- Emerging markets are up over 46% trailing twelve months.
- S&P 500 Equal–weight outperforming Cap-weighted index Year-to-Date.

NEGATIVE | SLIGHTLY NEGATIVE | NEUTRAL | SLIGHTLY POSITIVE | POSITIVE

Navigator Outlook: March 2026

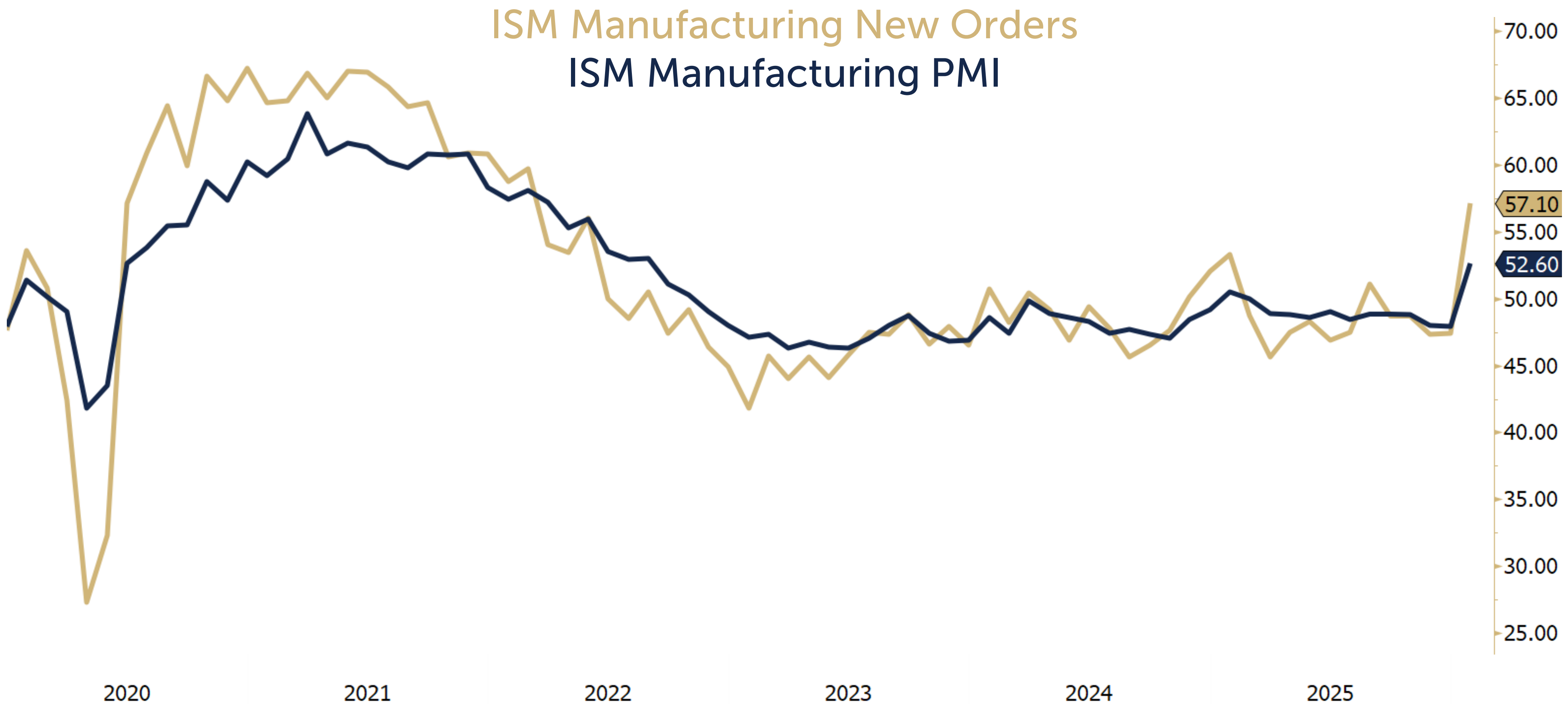


Asset Class Positioning: March 2026

	Asset Class	Positioning	Comment
STOCKS	US Large Cap	Neutral	Earnings projections for 2026 continue to rise and growth expectations have become quite robust (above 15% now). Valuations continue to challenge record highs for the overall market.
	US Mid and Small Cap	**Positive**	Significant valuation discounts remain in place, but earnings revisions have not kept up with large cap companies.
	International	**Positive**	Relative valuation remains attractive and earnings revisions for 2026 have accelerated over the past two months.
	Emerging Markets	**Positive**	Relative valuation remains attractive and earnings revisions have improved.
BONDS	Core	**Positive**	Broad bond market yields are near the bottom of the last two years' range; However, yields remain compelling relative to inflation and the valuation of risky assets.
	Treasuries	**Neutral**	Treasury yields have moved lower as investors debate Federal Reserve rate cuts, with recession concerns offset by rising inflationary pressures.
	Corporates	**Neutral**	The yield premium of risky assets has risen in 2026, but remains low by historical standards, reflecting low levels of corporate distress.
	Mortgages	**Positive**	Mortgage yield spreads remain attractive relative to their credit risk, providing improved risk/reward relative to corporate bonds.

ISM New Orders measure reached its highest level since 1Q 2022

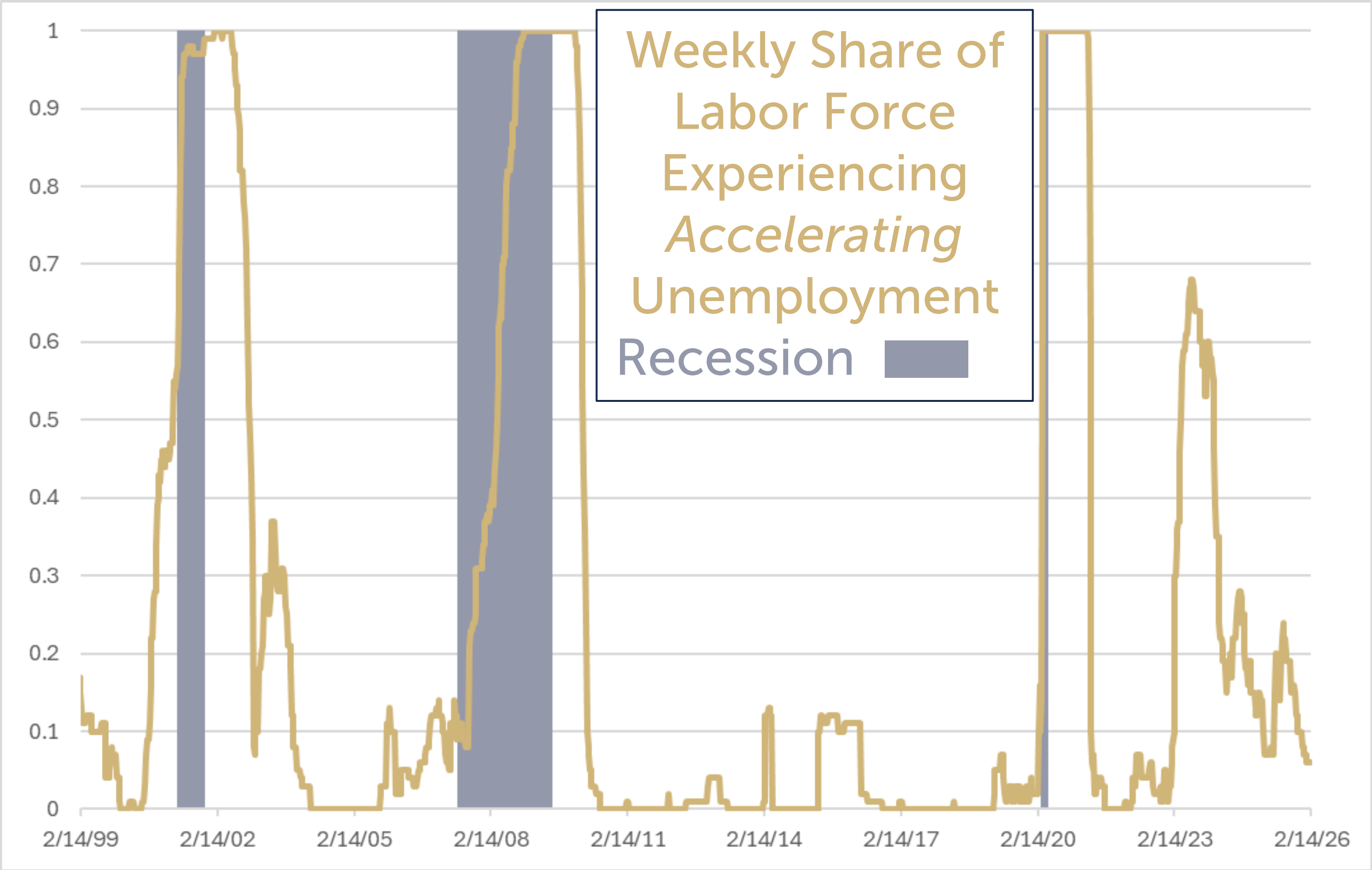
ECONOMY



Sources: Bloomberg, ISM

Weekly jobless claim activity suggests the labor market remains stable

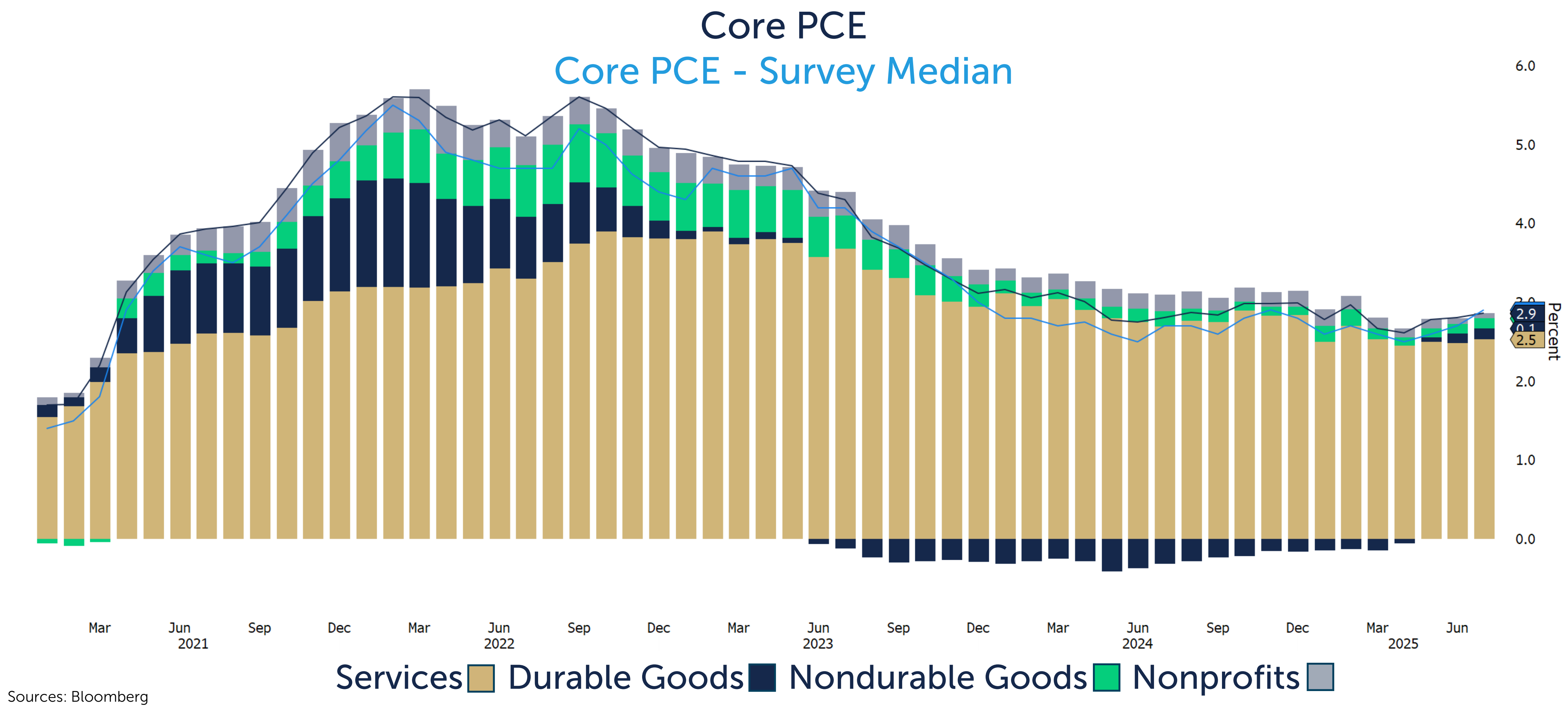
ECONOMY



Source: Federal Reserve Bank of San Francisco. Data represent the share of the national labor force that experiences accelerating unemployment in their state, as defined in Garimella, Jordà, and Singh (2025b)
[Labor Market Stress Indicator - San Francisco Fed]

Core PCE remains stuck above Federal Reserve target as nondurable good prices increase

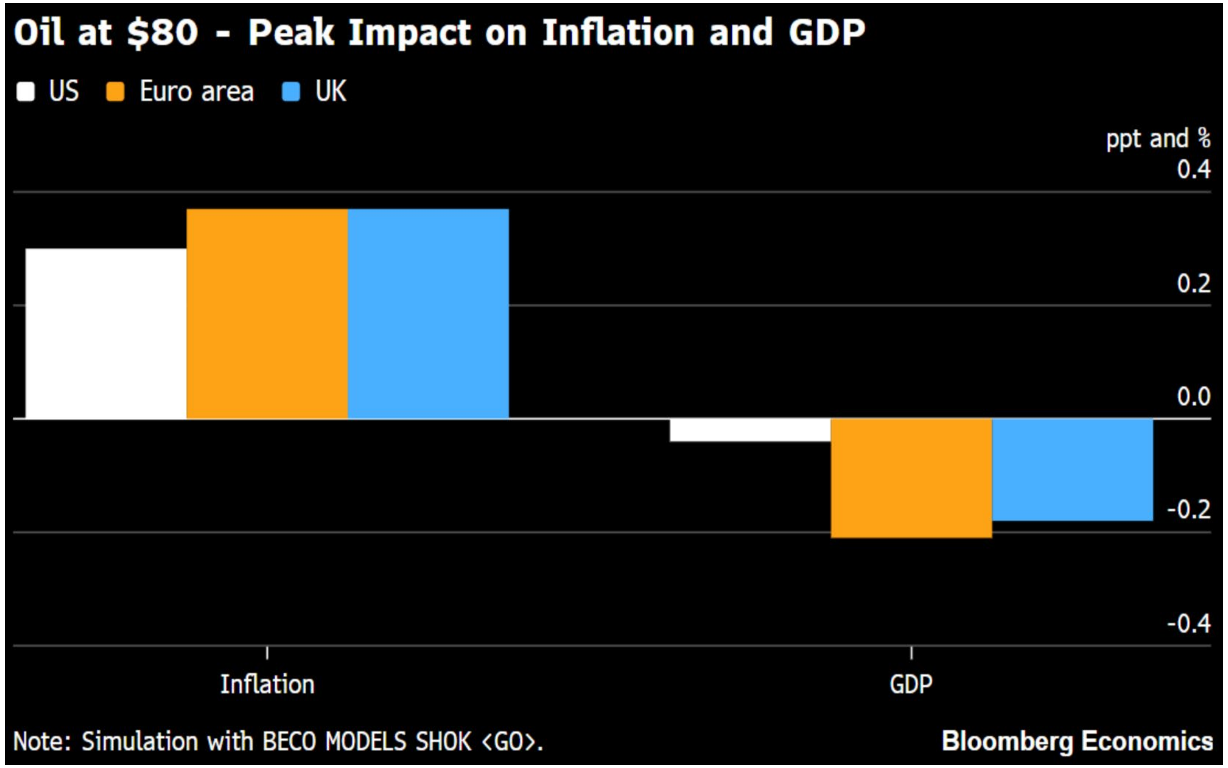
ECONOMY

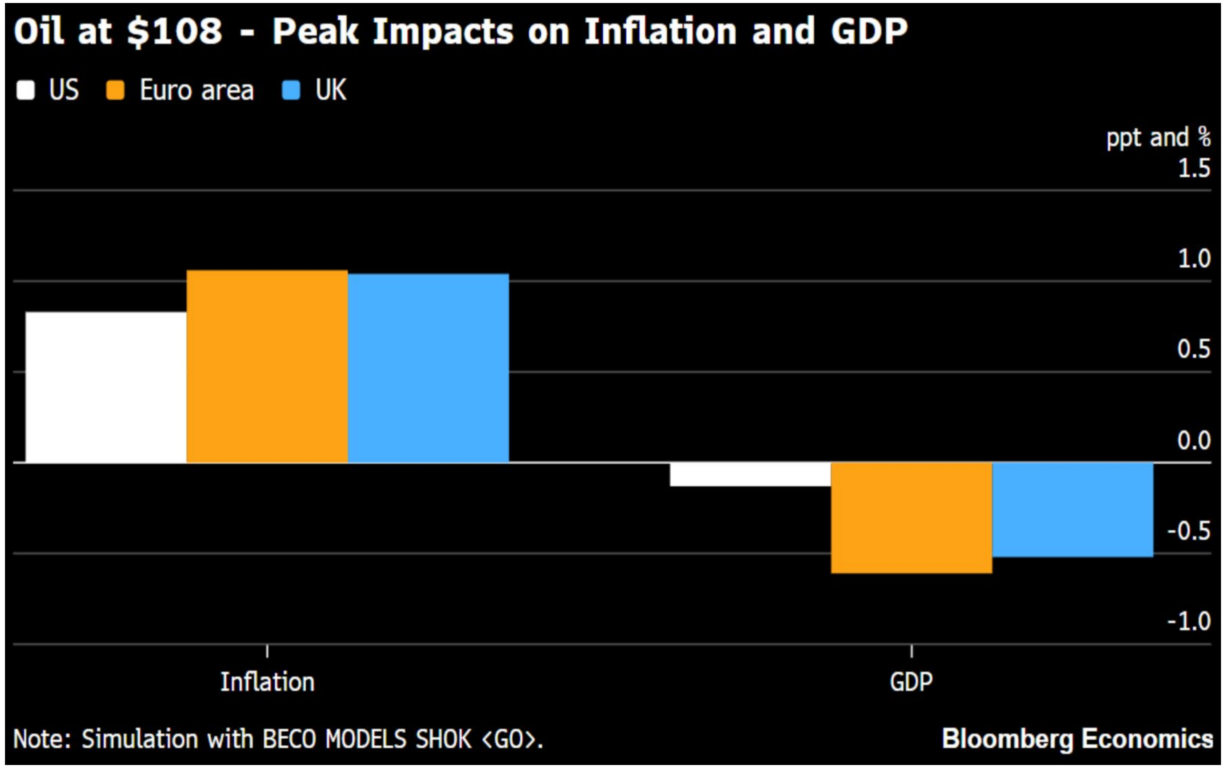


Sources: Bloomberg

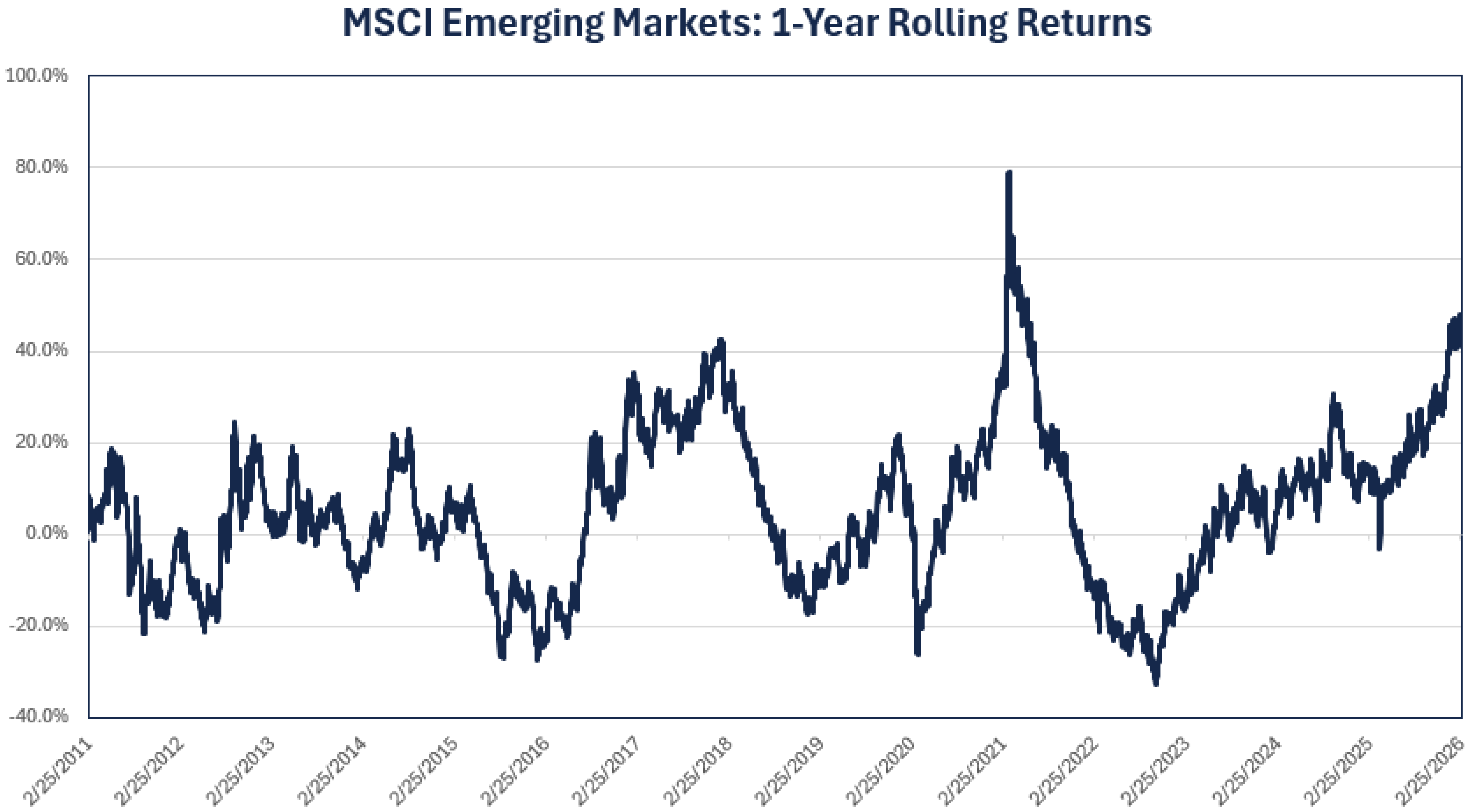
Potential Oil price spike unlikely to significantly affect the US economy

TECHNICAL





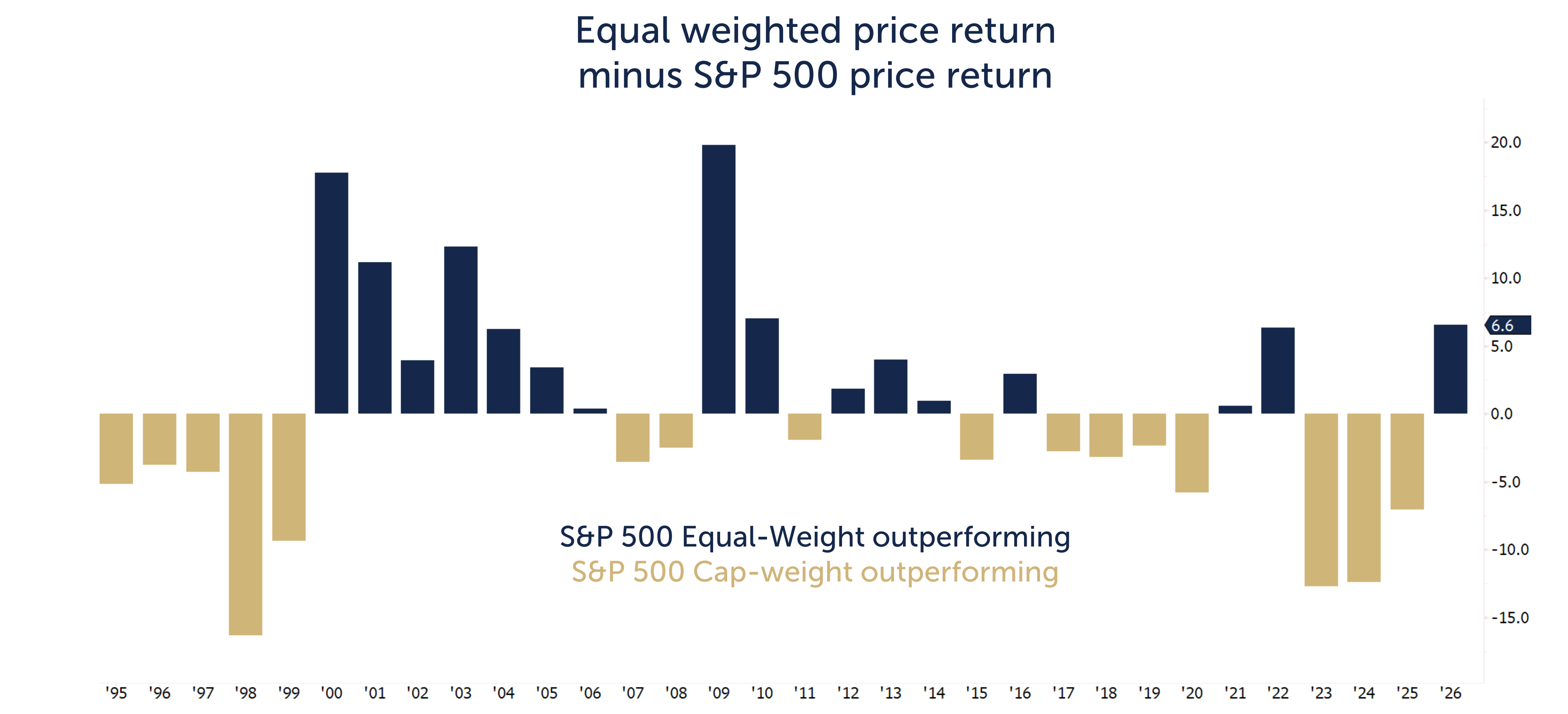
Emerging markets are up over 46% trailing twelve months



Sources: Bloomberg.

S&P 500 Equal–weight outperforming Cap-weighted index Year-to-Date

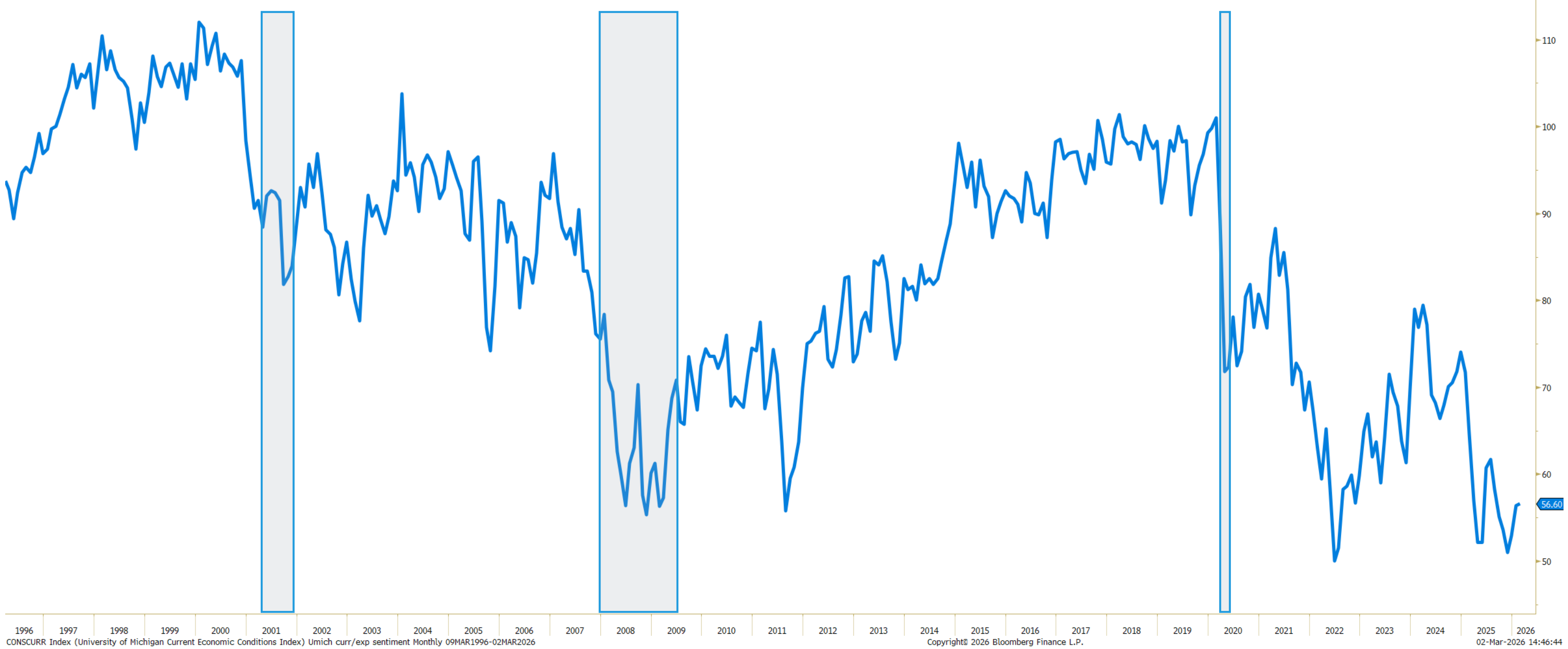
TECHNICAL



Source: Bloomberg.

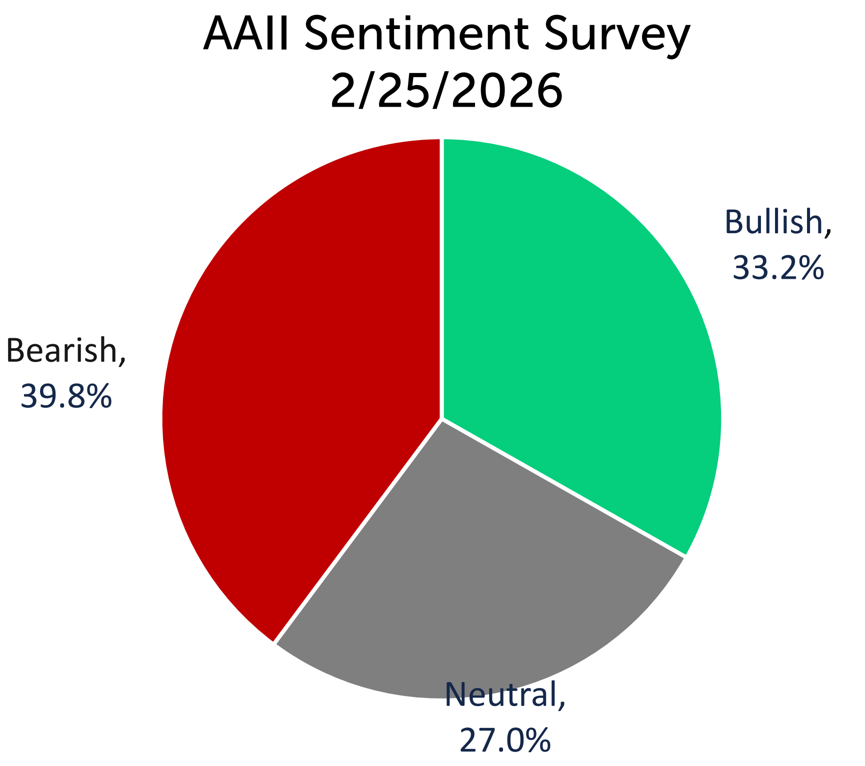
Consumer sentiment may be rebounding from post-COVID lows

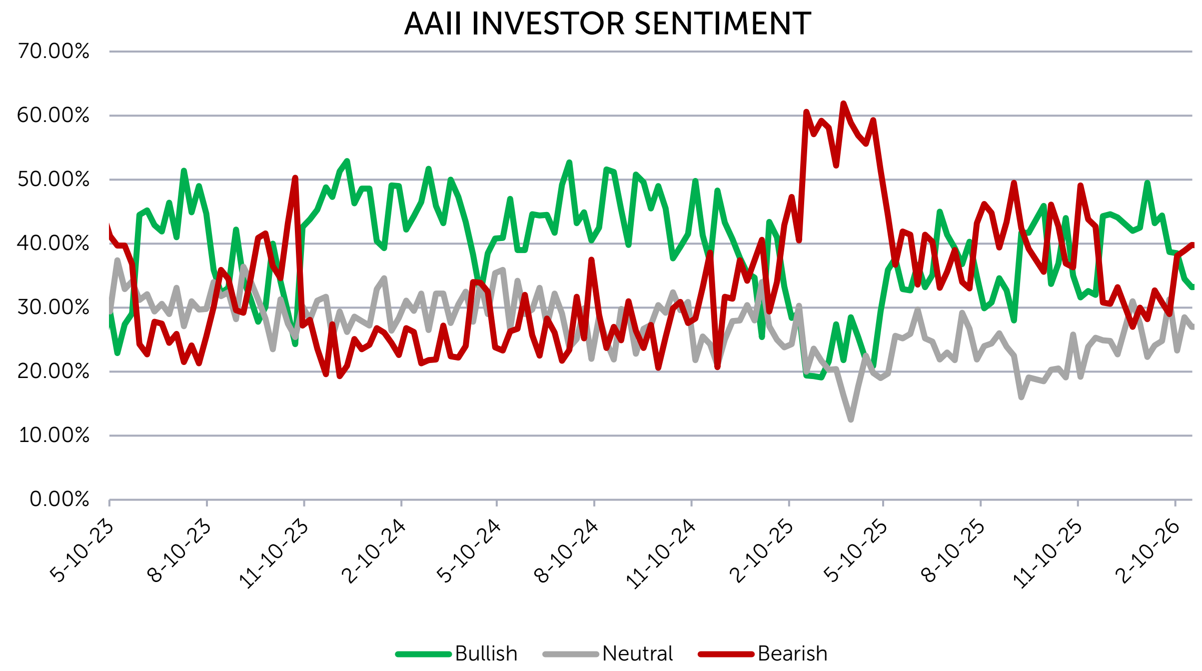
University of Michigan Consumer Sentiment Index



Source: Bloomberg, University of Michigan

Investor sentiment has turned negative

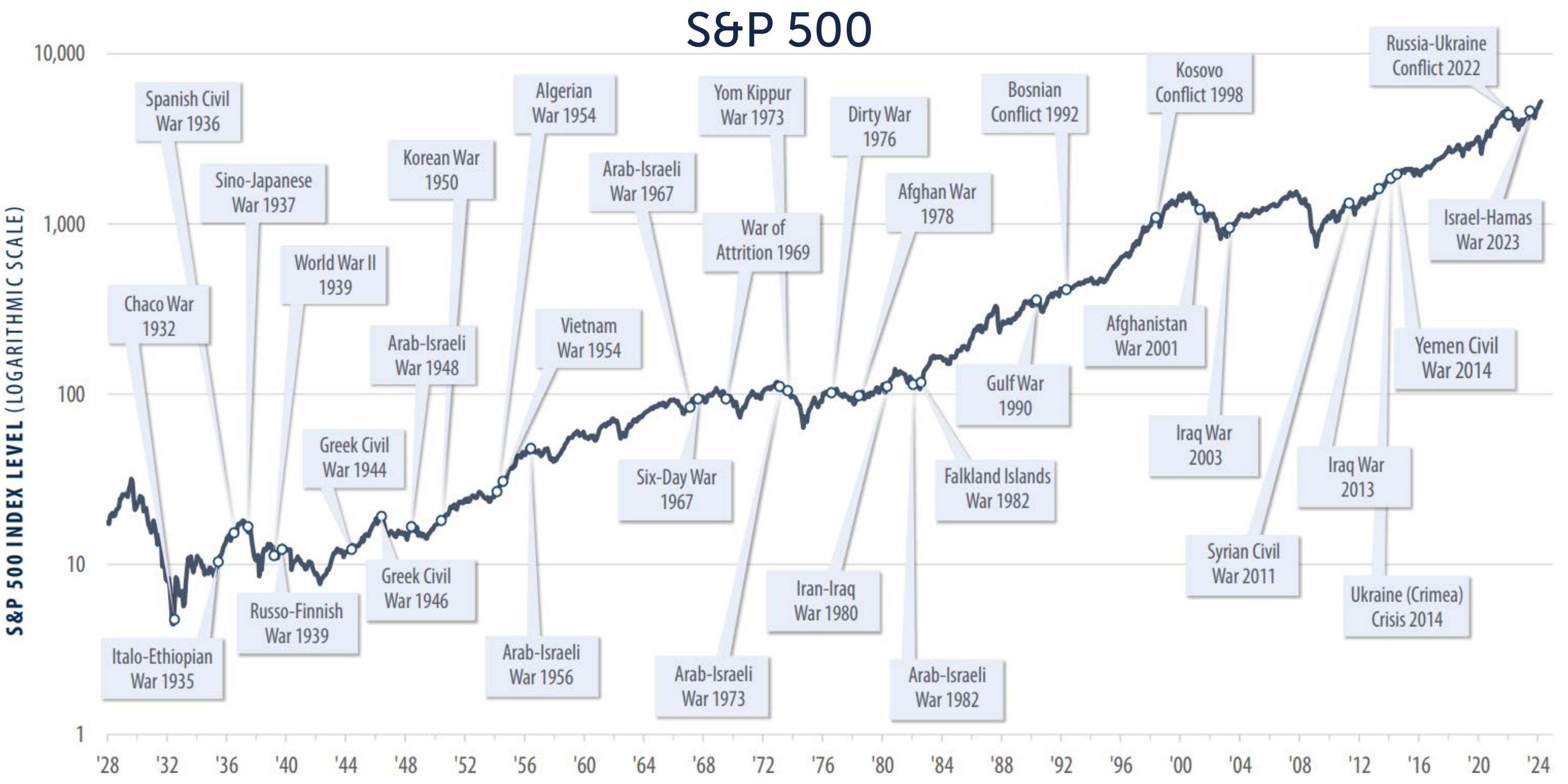




Source: AAII Sentiment Survey

Worries about war may be overblown

SENTIMENT



Source: S&P CapIQ. Bloomberg. Monthly index levels from 12/31/1927 - 3/28/2024. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

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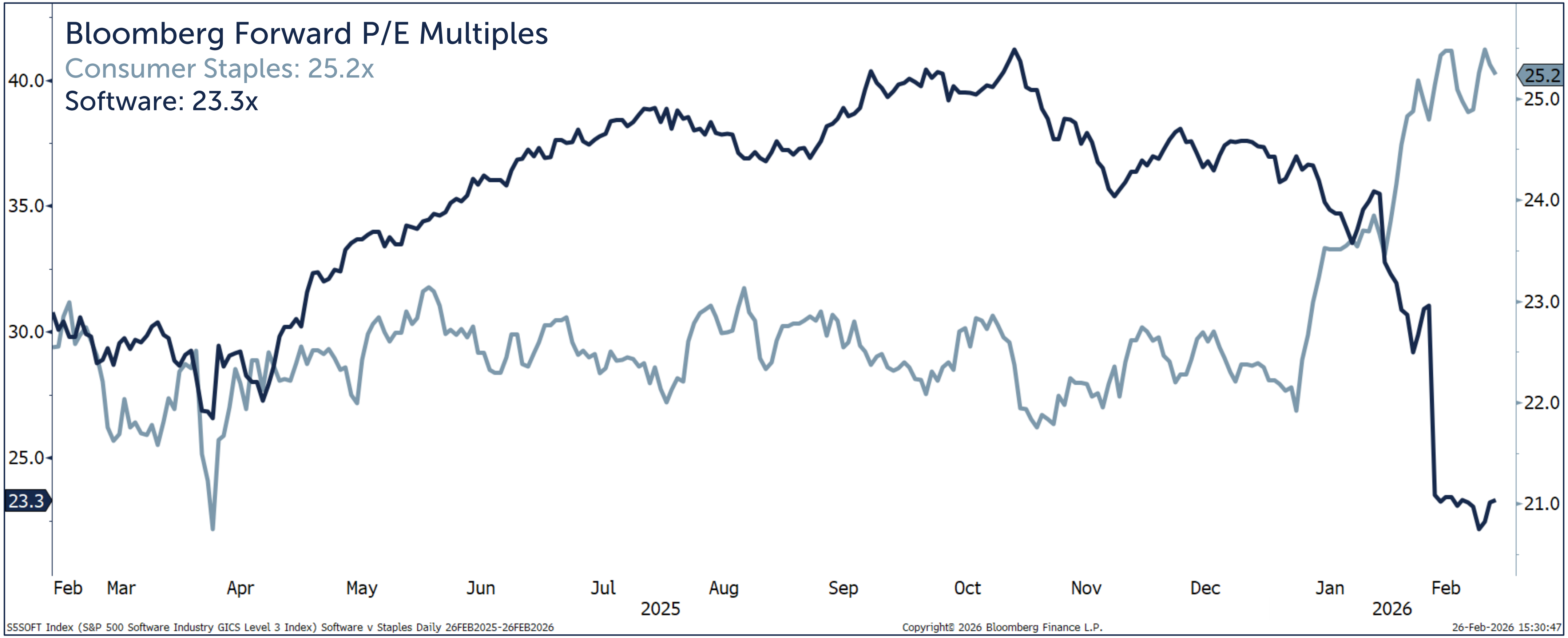
Source: First Trust

Software valuations cheaper than consumer staples

VALUATION

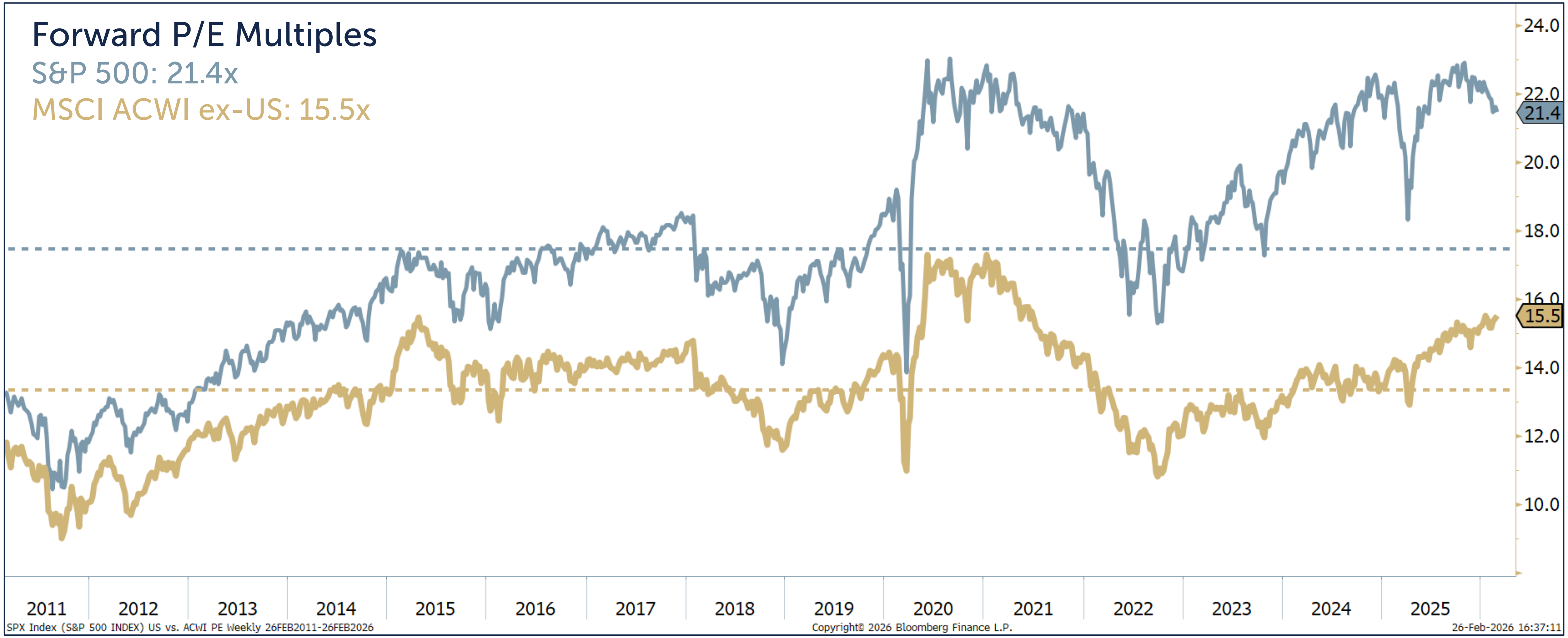
Software P/E multiples have collapsed from high 30's to low 20's in 4 months.



Source: Bloomberg.

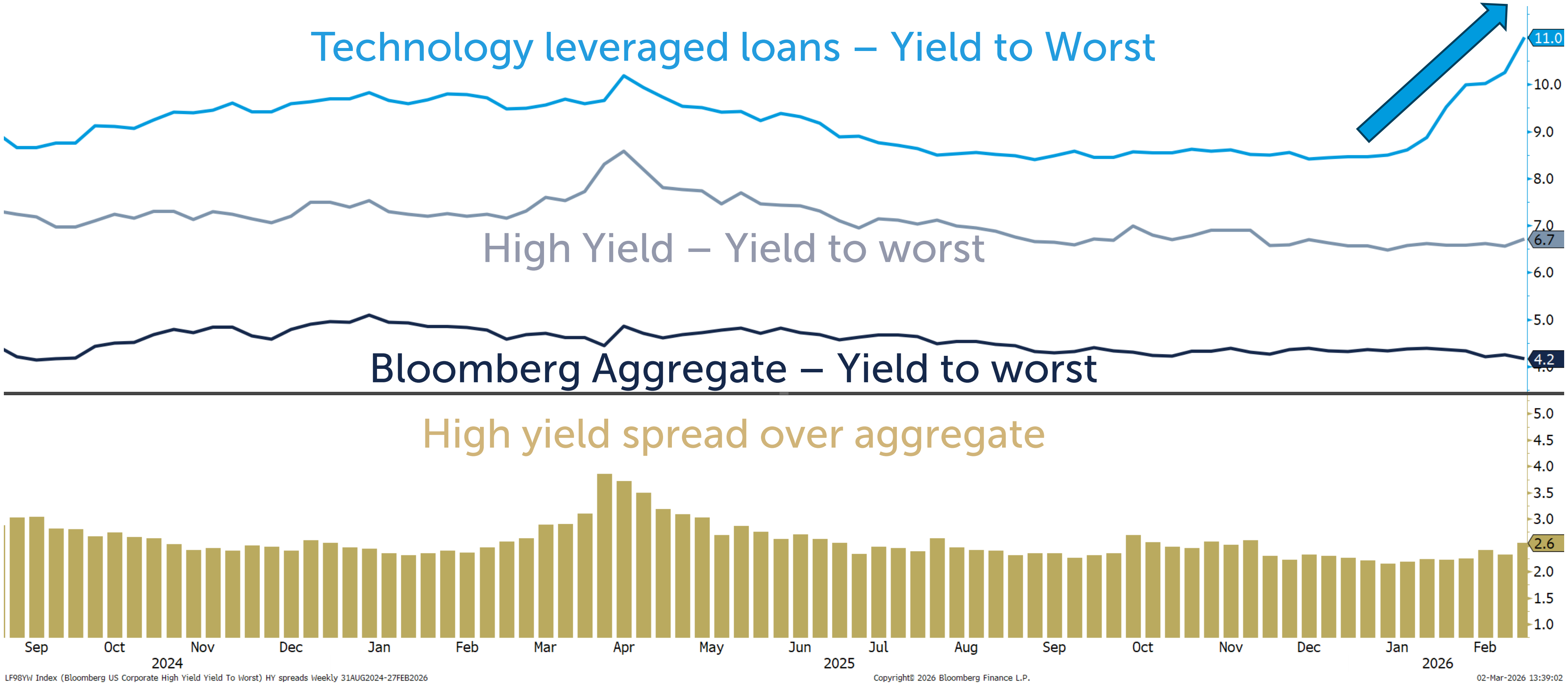
Valuations for International equities have improved, but gap still historically wide

VALUATION



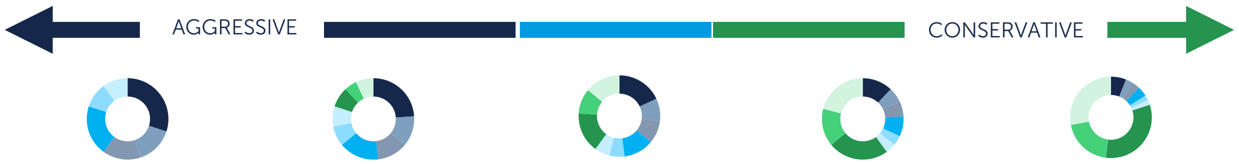
Source: Bloomberg.

AI-Driven concerns have caused high-yield spreads to widen slightly



Source: Bloomberg.

Asset Allocation – Strategic

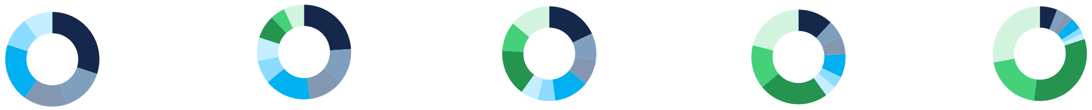


Equity	100%	80%	60%	40%	20%
US Large Cap	39.5%	31.6%	23.7%	17.2%	6.0%
US SMID	26.5%	21.2%	15.9%	10.0%	6.0%
Developed	28.5%	22.8%	17.1%	10.4%	8.0%
Emerging Markets	5.5%	4.4%	3.3%	2.4%	-
Fixed Income	**-**	**20%**	**40%**	**60%**	**80%**
Core Bonds	-	13.0%	26.0%	39.0%	52.0%
Securitized Bond	-	4.4%	8.8%	13.2%	17.6%
Corporate Bonds	-	0.0%	0.0%	0.0%	0.0%
High Yield Bonds	-	1.0%	2.0%	3.0%	4.0%
Catastrophe Bonds		1.6%	3.2%	4.8%	6.4%

Source: OneAscent Investment Solutions. Represents target allocations as of 2/28/2026 and may not sum to 100% due to rounding.

Asset Allocation – Peak

AGGRESSIVE ← → CONSERVATIVE



Equity	96%	82%	62%	42%	21%
US Large Cap	38.6%	33.7%	25.8%	18.5%	7.5%
US SMID	25.4%	21.6%	16.3%	10.4%	6.0%
Developed	25.7%	20.0%	14.3%	8.5%	6.0%
Emerging Markets	6.5%	6.9%	5.8%	4.2%	1.5%
Fixed Income	**4%**	**18%**	**38%**	**58%**	**79%**
Core Bonds	0.0%	6.5%	19.5%	34.1%	48.8%
Securitized Bond	2.0%	6.2%	10.6%	14.6%	18.5%
Corporate Bonds	2.0%	4.0%	4.0%	3.0%	2.0%
High Yield Bonds	0.0%	0.5%	1.5%	2.6%	3.8%
Catastrophe Bonds	0.0%	0.8%	2.4%	4.2%	6.0%
Strategic†	90.0%	80.0%	80.0%	85.0%	90.0%
Tactical‡	10.0%	20.0%	20.0%	15.0%	10.0%

Source: OneAscent Investment Solutions. Represents target allocations as of 2/28/2026 and may not sum to 100% due to rounding.

†Strategic allocations represent a majority of the portfolio and are updated annually based on capital market assumptions. The strategic component of a portfolio is intended to provide the appropriate level of market exposure to stocks and bonds based on the intended risk-tolerance.

‡Tactical allocations represent a smaller portion of the portfolio and are updated quarterly based on an assessment of relative strength. The tactical component of a portfolio is intended to capitalize on near-term opportunities as the market environment changes.

Asset Allocation – Peak w/ Alts

AGGRESSIVE → CONSERVATIVE

Equity	**76%**	**62%**	**52%**	**34%**	**-**
US Large Cap	30.7%	25.8%	21.8%	15.3%	-
US SMID	20.1%	16.3%	13.6%	8.5%	-
Developed	20.0%	14.3%	11.4%	6.5%	-
Emerging Markets	5.4%	5.8%	5.2%	3.8%	-
Fixed Income	**4%**	**18%**	**28%**	**51%**	**-**
Core Bonds	0.0%	6.5%	13.0%	29.3%	-
Securitized Bond	2.0%	6.2%	8.4%	9.9%	-
Corporate Bonds	2.0%	4.0%	4.0%	6.0%	-
High Yield Bonds	0.0%	0.5%	1.0%	2.3%	-
Catastrophe Bonds	0.0%	0.8%	1.6%	3.6%	
Alternatives	**20%**	**20%**	**20%**	**15%**	**-**
Gold	1.0%	1.0%	1.0%	0.8%	-
Broad Commodities	3.0%	3.0%	3.0%	2.3%	-
Managed Futures	4.0%	4.0%	4.0%	3.0%	-
Hedged Equity	6.0%	6.0%	6.0%	4.5%	-
Event Driven	6.0%	6.0%	6.0%	4.5%	-
Strategic[†]	90.0%	80.0%	80.0%	85.0%	-
Tactical[‡]	10.0%	20.0%	20.0%	15.0%	-

Source: OneAscent Investment Solutions. Represents target allocations as of 2/28/2026 and may not sum to 100% due to rounding.
[†]Strategic allocations represent a majority of the portfolio and are updated annually based on capital market assumptions. The strategic component of a portfolio is intended to provide the appropriate level of market exposure to stocks and bonds based on the intended risk-tolerance.
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Asset Allocation – ETF Only Models

AGGRESSIVE ← → CONSERVATIVE

Equity	100%	80%	60%	40%	20%	0%
US Large Cap	48.0%	38.4%	28.8%	19.2%	10.0%	-
US SMID	20.0%	16.0%	12.0%	8.0%	4.0%	-
Developed	25.0%	20.0%	15.0%	10.0%	6.0%	-
Emerging Markets	7.0%	5.6%	4.2%	2.8%	0.0%	-
Fixed Income	**0%**	**20%**	**40%**	**60%**	**80%**	**100%**
Core Bonds	-	14.0%	28.0%	42.0%	56.0%	70.0%
Government Bonds	-	4.0%	8.0%	12.0%	16.0%	20.0%
Securitized Bonds	-	2.0%	4.0%	6.0%	8.0%	10.0%

Source: OneAscent Investment Solutions. Represents target allocations as of 2/28/2026 and may not sum to 100% due to rounding.

Long-Term Investing Principles

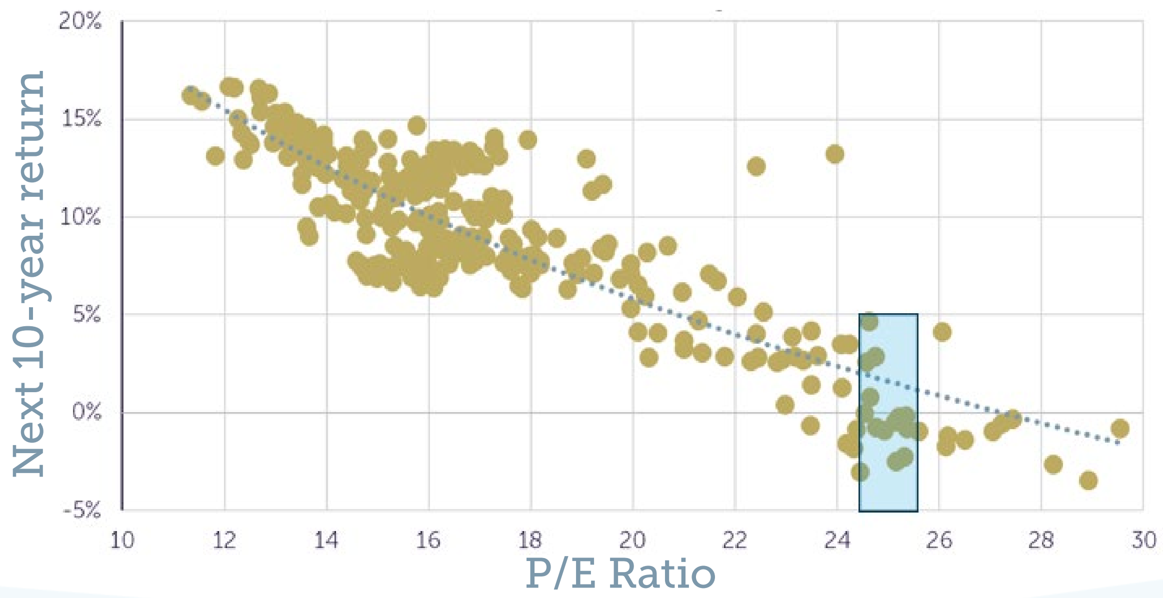
Common behavior pitfalls of investing

Behavioral pitfalls	A potential antidote
Investing subjectively	In a digitally connected world, we face an endless barrage of headlines, notifications, and opinions when it comes to investments. Without proper context, the numbers and charts can create whatever narrative we want to hear. A **sober assessment** of data, as well as our own natural behavioral biases, can **reduce subjectivity** in our investment decisions.
Acting on gut feelings	Emotional decision making is an investor's worst enemy because it often contradicts sound judgement. When it comes to investing, we must vigilantly guard ourselves from motivations of fear and greed. **Having a system in place** that eliminates these all too common tendencies provides a better opportunity to **achieve our financial goals**.
Panic selling	Investor sentiment is a primary indicator of short-term market performance and it's no secret that our "feelings" towards portfolios can change daily. This behavioral aspect of investing creates opportunities for **rational investors** to **capitalize when inefficiencies exist** within the market.
Underestimating the risks	The financial world defines risk in terms of volatility, but its most common metric (standard deviation) treats upside and downside movements equally. The ultimate risk to an investor is loss of principal, and our aim as investors should be to **identify and limit the downside elements of volatility** when possible.
Trading impulsively	Investors with a plan and the ability to stick to it have a higher probability of achieving their goals than those who respond emotionally to the events of the day. Sticking to a plan requires a **longer-term perspective** and a **process for executing** regardless of the circumstances or market environment.

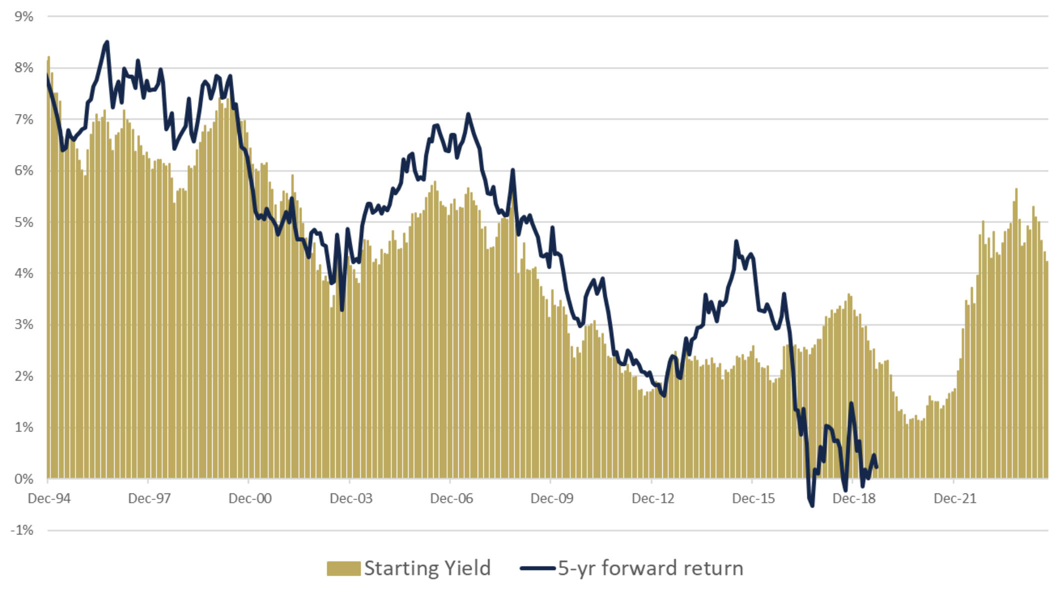
Valuations and long-term returns

Studies show that purchase valuation is an important driver of portfolio returns. High stock market valuations tend to correlate to lower forward stock returns. Another way to say this is that higher earnings yields – the inverse of the price/earnings ratio - tend to correlate to higher stock returns. Higher bond yields also correlate to higher forward returns. Another important aspect to returns is the change in valuation, or yield, over the investor horizon. In the chart on the right, 5-year forward returns starting in 2017 and 2018 are poor in part because ending yields – in 2022 and 2023, were so much higher than starting yields.

Starting valuations matter. The OneAscent investment process is anchored on this principal.



High trailing PE implies below average S&P 500 returns



Higher bond yields suggest strong forward returns

Source: Bloomberg, OneAscent Investment Solutions, Wikipedia

Diversification between asset classes

The chart below demonstrates how drastically different asset classes can perform over time. This volatility is due to a wide array of factors that affect market pressures. Geopolitical relations, central banking decisions, consuming patterns and intensity, supply chain logistics, social influences, earnings reports, real estate values, technological revolutions, and more play a part in how stocks and bonds rise or fall. Diversifying between multiple asset classes within equity and fixed income allocations may help prevent volatility and keep you on track in the long-run.

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Avg Annual Return Rank - 20 years ended 2024	Avg Annual Return - 20 - years ended 2024
Emerging Markets 34.3%	REITs 34.2%	Emerging Markets 39.7%	Fixed Income 5.2%	Emerging Markets 78.5%	REITs 27.9%	REITs 8.0%	Emerging Markets 18.6%	Small Cap 38.8%	REITs 30.1%	REITs 3.2%	Small Cap 21.3%	Emerging Markets 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 19.9%	REITs 43.2%	Commodity 13.8%	Large Cap 26.3%	Large Cap 25.0%	1	10.3%
Commodity 17.5%	Emerging Markets 32.5%	Developed Equity 11.7%	Cash 1.8%	High Yield 58.2%	Small Cap 26.8%	Fixed Income 7.8%	REITs 18.1%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 17.1%	Developed Equity 25.7%	Fixed Income 0.0%	REITs 26.0%	Emerging Markets 18.8%	Large Cap 28.7%	Cash 1.5%	Developed Equity 18.9%	Asset Allocation 14.6%	3	7.6%
Developed Equity 14.1%	Developed Equity 27.0%	Commodity 11.1%	Asset Allocation -22.1%	Developed Equity 32.6%	Emerging Markets 19.2%	High Yield 5.0%	Developed Equity 18.0%	Developed Equity 23.4%	Asset Allocation 10.0%	Fixed Income 0.5%	Large Cap 11.9%	Large Cap 21.8%	High Yield -2.1%	Small Cap 25.5%	Large Cap 18.4%	Commodity 27.1%	High Yield -11.2%	Asset Allocation 17.6%	Small Cap 11.5%	2	7.8%
REITs 6.7%	Small Cap 18.3%	Fixed Income 7.0%	High Yield -26.2%	REITs 28.0%	Commodity 16.7%	Asset Allocation 4.3%	Small Cap 16.4%	Asset Allocation 18.1%	Fixed Income 6.0%	Asset Allocation 0.5%	Emerging Markets 11.7%	Small Cap 14.6%	Asset Allocation -2.8%	Developed Equity 22.8%	Asset Allocation 16.4%	Small Cap 14.8%	Fixed Income -13.0%	Small Cap 16.9%	REITs 8.7%	4	6.7%
Large Cap 4.9%	Large Cap 15.8%	Asset Allocation 6.3%	Small Cap -33.8%	Small Cap 27.1%	High Yield 15.1%	Large Cap 2.1%	Large Cap 16.0%	High Yield 7.4%	Small Cap 4.9%	Cash 0.0%	Commodity 11.4%	Asset Allocation 13.9%	Large Cap -4.4%	Asset Allocation 21.8%	Developed Equity 8.4%	Asset Allocation 14.2%	Developed Equity -13.9%	REITs 13.7%	High Yield 8.2%	5	6.4%
Asset Allocation 4.8%	High Yield 11.8%	Large Cap 5.6%	Commodity -36.6%	Large Cap 26.4%	Large Cap 15.1%	Cash 0.1%	High Yield 15.8%	REITs 2.4%	High Yield 2.5%	Developed Equity -0.3%	Asset Allocation 8.8%	High Yield 7.5%	REITs -4.6%	Emerging Markets 18.8%	Fixed Income 7.5%	Developed Equity 11.9%	Asset Allocation -16.9%	High Yield 13.4%	Emerging Markets 7.9%	6	6.3%
Small Cap 4.5%	Asset Allocation 11.1%	Cash 4.8%	Large Cap -37.0%	Asset Allocation 20.2%	Asset Allocation 13.3%	Small Cap -4.2%	Asset Allocation 11.5%	Cash 0.0%	Cash 0.0%	Small Cap -4.4%	REITs 8.8%	REITs 5.2%	Small Cap -11.0%	High Yield 14.3%	High Yield 7.1%	High Yield 5.3%	Large Cap -18.1%	Emerging Markets 10.2%	Cash 5.3%	9	1.6%
Cash 3.0%	Cash 4.8%	High Yield 1.9%	REITs -37.7%	Commodity 18.7%	Developed Equity 8.3%	Developed Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	Emerging Markets -2.0%	High Yield -4.5%	Fixed Income 2.6%	Fixed Income 3.5%	Commodity -13.0%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	Emerging Markets -19.8%	Fixed Income 5.5%	Developed Equity 4.4%	7	5.5%
High Yield 2.7%	Fixed Income 4.3%	Small Cap -1.6%	Developed Equity -43.0%	Fixed Income 5.9%	Fixed Income 6.5%	Commodity -13.4%	Cash 0.1%	Emerging Markets -2.3%	Developed Equity -4.3%	Emerging Markets -14.6%	Developed Equity 1.6%	Cash 0.8%	Developed Equity -13.3%	Commodity 5.4%	Commodity -3.5%	Fixed Income -1.5%	Small Cap -20.5%	Cash 5.1%	Fixed Income 1.3%	8	3.0%
Fixed Income 2.4%	Commodity -2.7%	REITs -15.7%	Emerging Markets -53.2%	Cash 0.1%	Cash 0.1%	Emerging Markets -18.2%	Commodity -1.1%	Commodity -9.6%	Commodity -17.0%	Commodity -24.7%	Cash 0.3%	Commodity 0.7%	Emerging Markets -14.2%	Cash 2.2%	REITs -8.0%	Emerging Markets -2.4%	REITs -24.3%	Commodity -12.6%	Commodity 0.1%	10	-0.5%

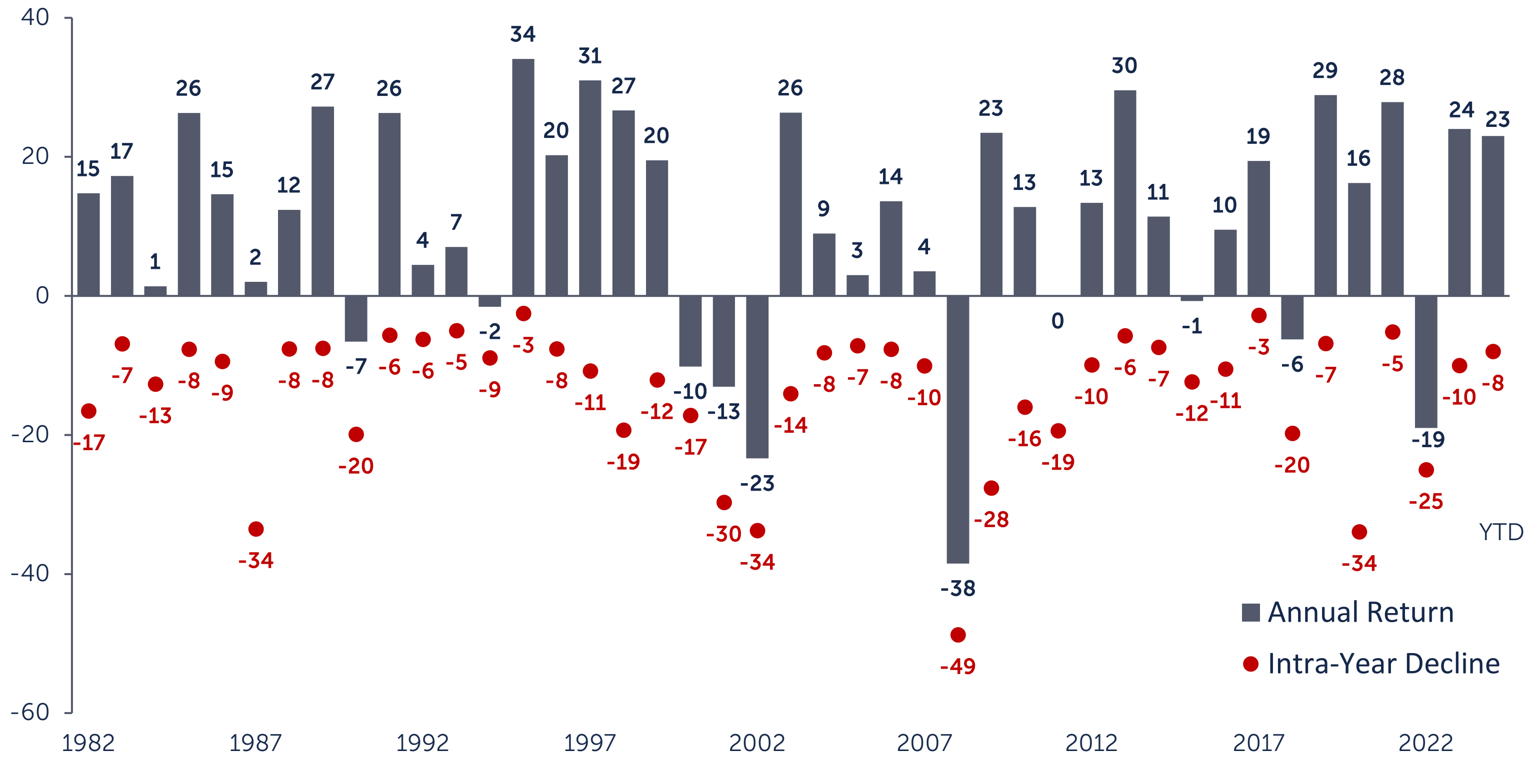
Source: Bloomberg.
Market Returns reference the following indices: Large Cap – S&P 500, Asset Allocation – Vanguard Balanced Index Fund, Small Cap – Russell 2000, REITS – FTSE NAREIT Index, High Yield – Bloomberg High Yield, Emerging Markets – MSCI Emerging Markets, Cash – Bloomberg 1-3 Month Treasury Index, Developed Equity MSCI EAFE, Fixed Income – Bloomberg US Aggregate, Commodities – Bloomberg Commodity Index

Annual returns and intra-year declines

Consistently predicting when stock market declines or rallies will happen, or how long they are going to last, is impossible. Over the past 43 years, the S&P 500 has experienced an average intra-year decline of 13.9% – and still finished in positive territory in 33 of those 43 years.

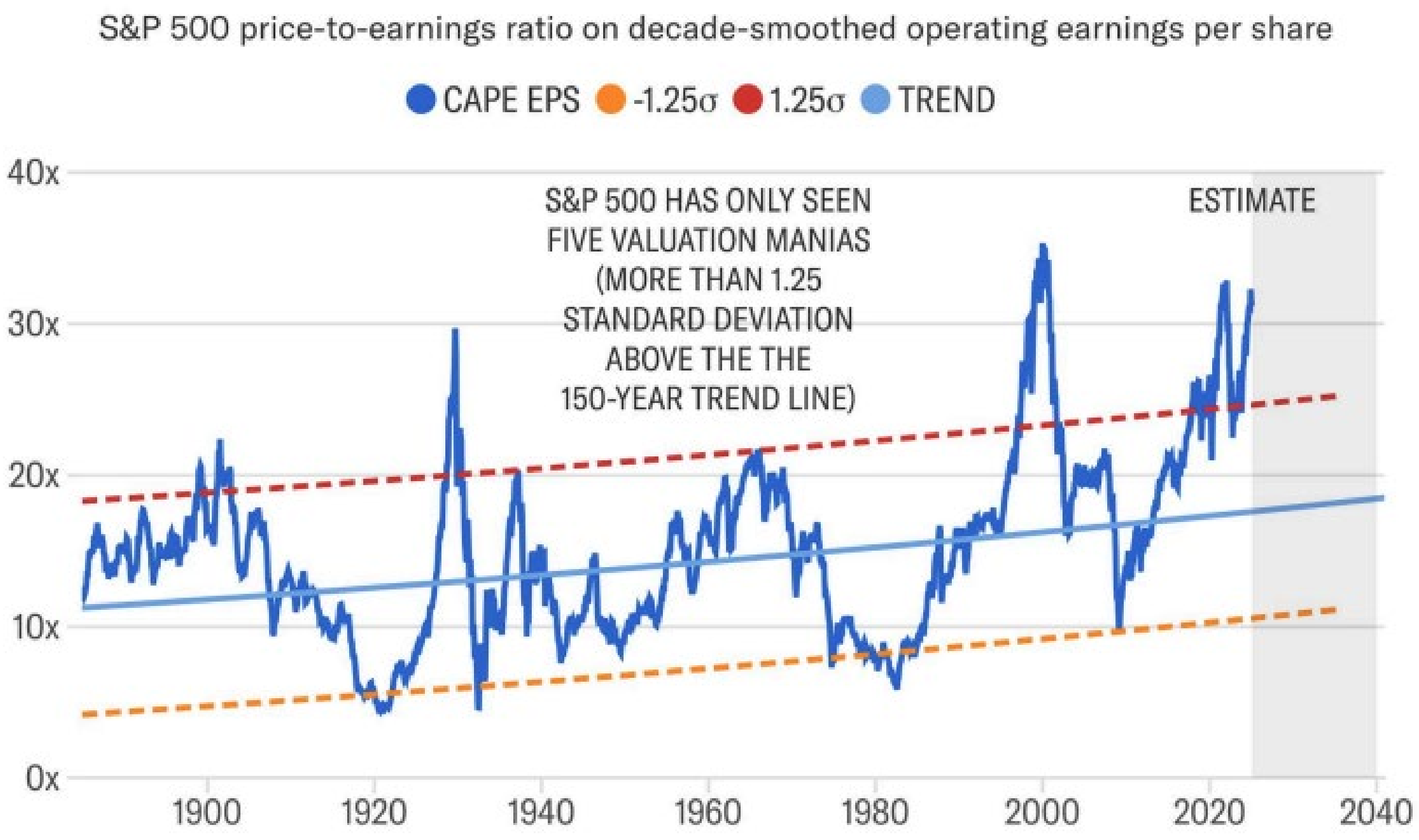
While no one looks forward to market volatility, intra-year declines are normal and a historical perspective on the frequency and severity of past drops can provide a valuable perspective.

S&P 500 calendar year returns vs. intra-year declines



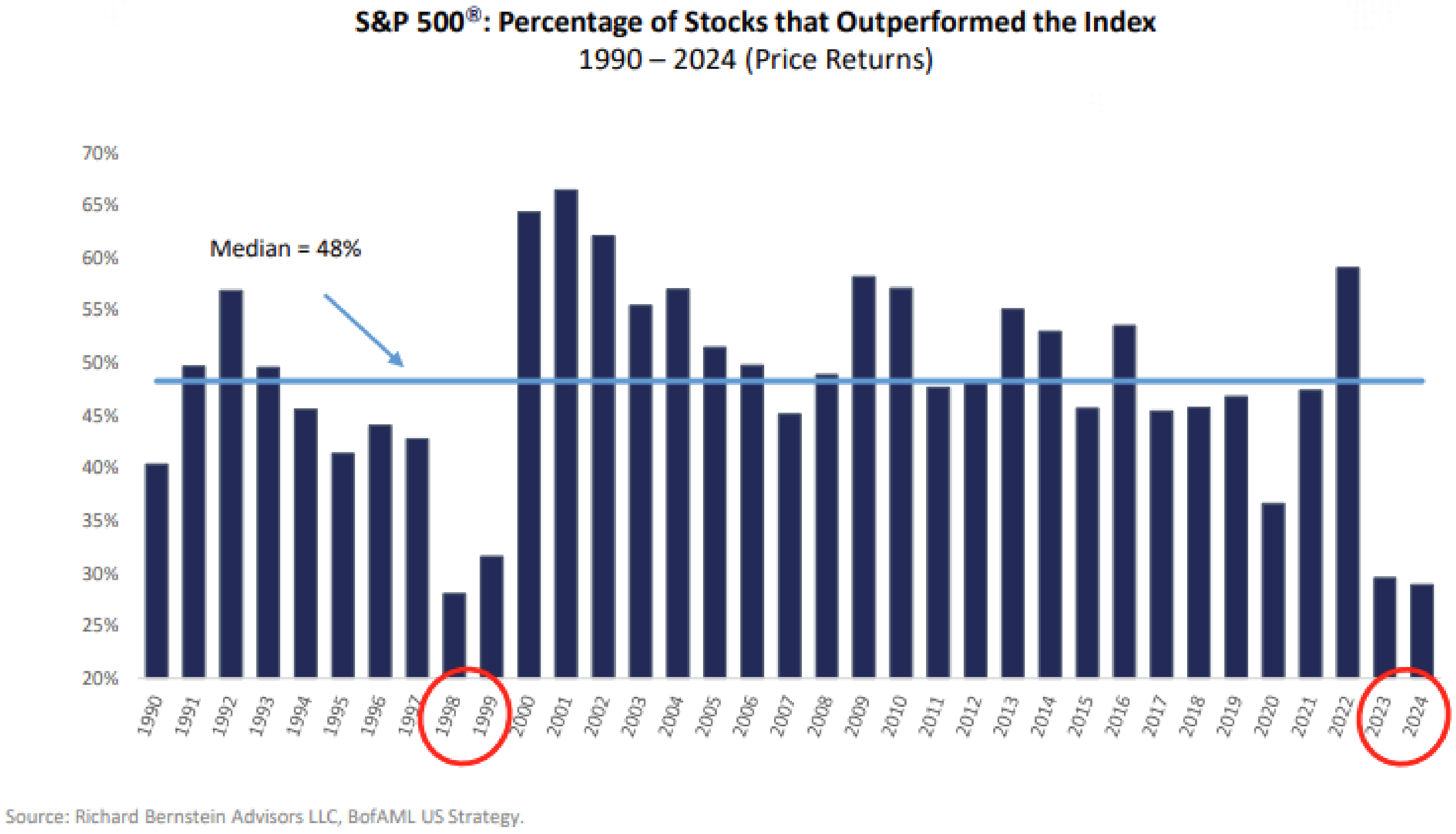
Sources: JP Morgan Asset Management, One Ascent Investment Solutions.
Returns are based on price index only and do not include dividends. Intra-year drops refer to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1982 through 2024, over which time period the average annual return was 10.7%. Data as of 12/31/2024.

S&P 500 valuation is well above trend



Sources: Bloomberg; Stifel via Barry Bannister; Yahoo! Finance.
Note: CAPE is the Cyclically Adjusted Price to Earnings ratio adopted from Robert Shiller.

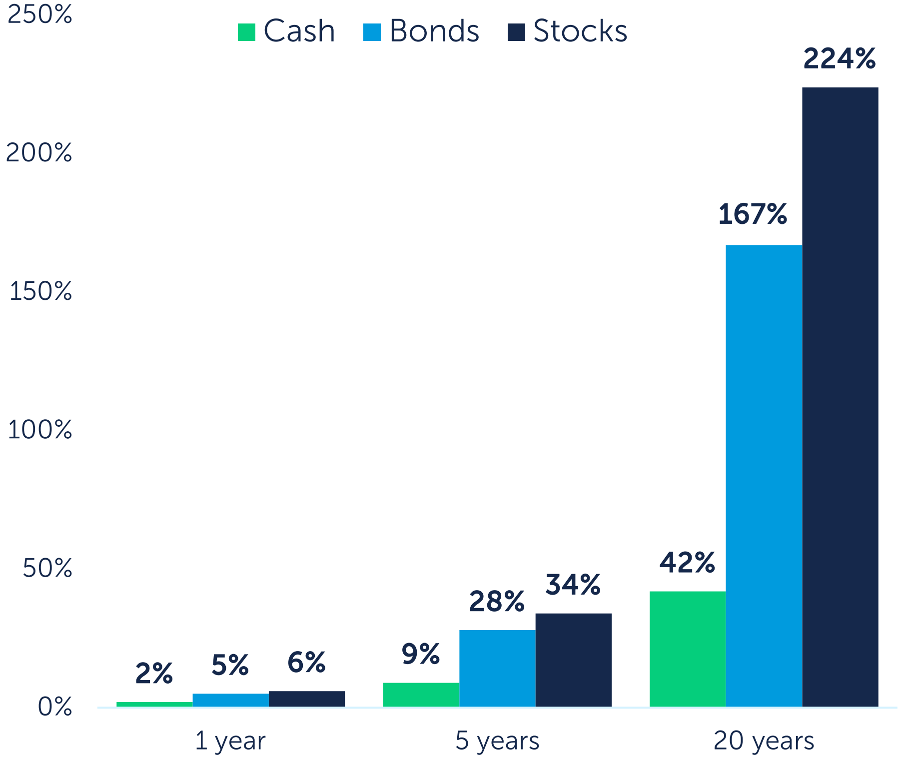
Concentrated performance is not normal - in fact, it is quite infrequent



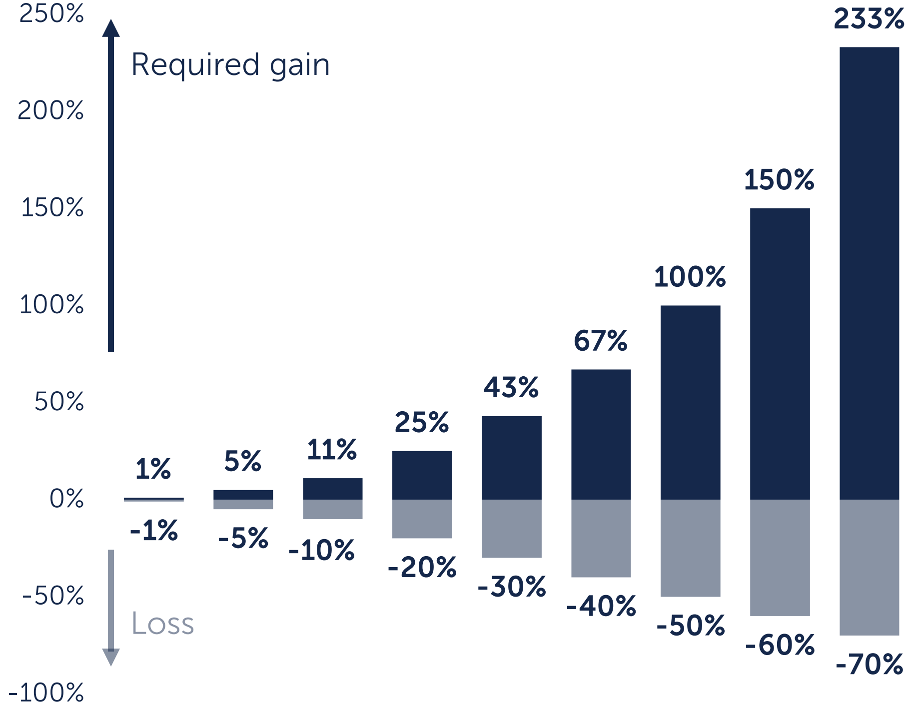
Source: Richard Bernstein Advisors January 28, 2025, Webinar presentation entitled "2025: A Two Act Play".

Staying invested and limiting losses

The power of compounding
Cumulative return by holding period



Gain required to fully recover from a loss
Loss and subsequent gain necessary for full recovery of value



Sources: J.P. Morgan Asset Management – *Guide to the Markets,* BLS, FactSet, Standard & Poor's.
Cumulative returns are calculated using historical data. Stock returns are based on the S&P 500, bond returns are based on the Bloomberg Barclays U.S. Aggregate Index and cash returns are based on 3-month U.S. Treasury bills. 1-year returns are 20-year average annualized return from 12/31/99 – 12/31/19 for each asset class. 5- and 20-year returns are cumulative over that time period based on the annualized return. Past performance is not indicative of future returns.

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