

02.28.2026 - Market Update – The Times They Are A Changin’

In this update:

- **Bob Dylan**
- **My Dad**
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- **Commodities vs Stocks**
- **Alternatives to “naked” investing**

The subject line comes from one of my favorite Bob Dylan songs (https://youtu.be/fS7aBrBUaFU?si=EbkL5L0tQvM4_b2H). I was in my 2nd year of college when I woke in the dark to stand in line to buy tix to a concert of Dylan’s in the late ‘70s at the SIU Arena. I bought 3 tickets. 1 for me and a buddy and 1 for my dad... a long way from where we were sitting. Two things I remember most: it was impossible to understand Dylan’s mumblings and the lead guitarist was amazing.

Times are changing again. For me personally, a change is that my dad, who has been my teacher, mentor, and best friend, is now living in my home, his mind in the middle stages of dementia. Physically, he still can play some decent golf. Sadly, his memory is declining quickly. Quite difficult to see my dad, whom I dearly love, who was once a mathematics professor and, at age 69, trekked to almost 17,000ft in the Himalayas, struggle to remember the things we all take for granted.

For the world at large, massive changes are erupting everywhere (this was written before the Iran war started. I will be out with a note on that shortly).

- New political movements are burgeoning around the world. *
- Trade and defense alliances are being questioned and reshaped.
- The tariffs that shocked the world in April 2025 were ruled unconstitutional. ^*
- AI (artificial intelligence) appears to be making more companies obsolete or far less valuable.**

There is another major change that has occurred over the past year – foreign stock markets, for the first time in over 10 years, far outpaced the US stock markets. They are dominating again so far this year. Here are results for 2025 and YTD through 01.31.2026:

Index^^	SP500	Nasdaq	VGK (Europe)	AIA (Asia)	EEM (Emerging Markets)
Total Return 2025^	+18%	+20%	+30%	+41%	+28%
Total Return 2026 **	+0.6%	0.0%	4.7%	10.7	7.3%

^^ <https://fortune.com/2026/02/20/supreme-court-slaps-down-175-billion-worth-of-trump-tariffs-as-unconstitutional/>; ** <https://www.reuters.com/business/us-software-stocks-stabilize-after-bruising-selloff-ai-disruption-fears-2026-02-05/>;

*<https://www.zerohedge.com/geopolitical/millennial-bukele-supporting-conservative-hardliner-elected-president-costa-rica>

^Source: Morningstar; ^^It is not possible to invest directly in an Index; **Source: Yahoo Finance

Last year, and this year, brought back the concept of investing in something other than tech, tech, and more tech. It has been hard to be a money manager with fiduciary responsibilities, making sure clients are “properly” allocated, only to see returns lagging because the driver of all returns has been the massive tech companies. Our various rules-based “strategies” that don’t just “invest in tech and hope it grows to the sky,” had banner years and continue to outperform this year. What’s important is not their absolute return. Rather it’s that they show we are back to the regular stock market and that there are ways to make good returns while managing risk. Here are the returns (net of fees) for a few of the strategies we use for 2025 and YTD through 01.31.2026.

Strategy*	Bull Cipher	Voyage Growth	SC Tactical Growth	New Horizons	SA Global
Total Return 2025	+19.4%	+17.0%	+15.4%	+33.9%	+23.3%
Total Return 2026^	+2.7%	+3.8%	+1.1%	+7.7%	+4.1%

*Performance reports on my website: <https://tacticaladvisoryservices.com/performance-reports;>

While past returns are great, it’s best to focus on what may be in the future. Below is a graph I posted in an update about 16 months ago (looks quite prescient now) showing the total return path of stocks (blue line) vs commodities (black line) and how they have historically alternated in approx. 15 year cycles beginning in 1933. It’s easy to forget that everything we have and see comes from the ground or sea and must be mined or harvested. While I’m sure there are several factors, my assumption about this cycle is that production of “real” stuff ramps up and eventually causes a glut resulting in cheap prices, losses, and a reduction of production. Eventually, a shortage happens along with products that are created that need more commodities like AI needing semi-conductor chips and EVs needing batteries. So, the prices go up, resulting in more companies wanting to get into production. And the cycle continues. One of the reasons foreign stock markets have beaten the US last year is that’s from where many of the commodities and related products are sourced. The big tech companies are poised to spend close to \$700 billion on data centers to fund their AI investments. It takes lots of energy and commodities to produce chips and computers and to run those data centers.



The other side of massive spending by the tech companies is the lack of cash flow available to fund stock buybacks,* which I believe is a major reason they have lagged the market the past 5 months and will continue to spin their wheels. We may be back to a 2000 – 2010 market where tech floundered and international, value, small caps, and diversification thrived.

*<https://www.zerohedge.com/markets/goldman-warns-stock-buybacks-jeopardy-due-soaring-hyperscaler-capex>

Of course, I could be wrong, so something else that I believe may work well in any situation will be index-linked contracts that track an index and either eliminate or reduce risk on the downside. Below is a list of a few of the contracts now available.* If you are investing “naked,” meaning you are subject to the entire loss if markets decline, these contracts can help reduce your risk while still allowing for excellent gains. If you are sitting on cash and afraid to invest, the “no market risk” contracts may be perfect for you due to their flexibility. Please contact me if you want more information.

	Price Index	Protection	Max Potential Gain
1	S&P 500 (SPX)	10% Max Loss	16.5%
2	S&P 500 (SPX)	No Stock Market Risk	12%
3	S&P 500 (SPX)	20% Buffer	14%
4	Gold (GLD)	10% Max Loss	25%
5	Gold (GLD)	Incur 50% of losses	Unlimited - 80% of gains
6	International (EFA)	Incur 50% of losses	Unlimited - 100% of gains
7	International (EFA)	No Stock Market Risk	14%
8	International (EFA)	10% Max Loss	20%
9	Russell Small Cap (RTY)	20% Buffer	17.0%
10	Russell Small Cap (RTY)	20% Buffer	18.25%
11	Russell Small Cap (RTY)	10% Buffer	30%
12	Real Estate (IYR)	10% Max Loss	25%
13	Real Estate (IYR)	Incur 50% of losses	Unlimited - 100% of gains
14	Real Estate (IYR)	No Stock Market Risk	17.50%

^Contracts available in the Summit 6-Pro, Index Achiever Advisory, and IP-5 offered by Mass Mutual Ascend. Rates as of 03.03.2026. Subject to change without notice. Please see disclosures for details.

<https://tacticaladvisoryservices.com/mma-disclosure-documents>

The list of contracts is not a recommendation. No recommendations are made without discussing suitability and receipt of the proper disclosure and/or prospectus.

As always, thank you for allowing us to be of service. If you need anything please contact us.

Enjoy,

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