



REVIEW AND OUTLOOK:

As the Northeastern US fully thawed after an “endless” winter, the Middle East conflict remained white hot without a definite and lasting resolution in sight. We wanted to take this opportunity to discuss how 5C Capital is monitoring and reacting to this situation. The current conflict has clearly caused an uptick in capital markets volatility. The CBOE Volatility Index (“VIX”), the market’s most commonly cited “fear gauge” spiked from below 20 to above 30 shortly after the conflict began. Although the VIX has returned to a more normalized 20 range, we have experienced increased client inquiries regarding the effect of current events on their portfolios.

Tracking Key Market Moves on Iran War

Updated: April 30, 2026 at 6:25 AM EDT

	Change since start of war
Daily Hormuz Ship Transits ⓘ	-102 ships
Brent Oil Futures >	▲ 68.1%
US Gasoline Price (Avg Spot)	▲ 36.8%
European Benchmark Gas >	▲ 50.4%
Global Stocks >	▲ 1%
Bloomberg Dollar Spot Index >	▲ 1.3%
US 10-Year Yield >	▲ 0.5ppts

Note: Pre-war baseline is Feb. 27. Bloomberg

Clients frequently inquire about portfolio risk and whether they should be “taking some more money off the table” (reducing stock market exposure). They are concerned that the war in Iran will cause elevated energy prices for an extended period. Below is the response we sent early last month:

We wanted to respond quickly to your portfolio risks regarding market concerns caused by the Iran war and all the Geopolitical turmoil in the world.

This is an especially challenging environment in which to invest as the uncertainty is high and the range of outcomes is very wide. Plus, lots of big swings in the markets can be unsettling. The Iran conflict/war has had a massive impact on the global economy as it has caused a sudden sharp rise in the price of energy. Most markets have digested this energy price spike because they consider it short term. For example, oil for delivery at the end of 2026 can be had for about \$20 less (\$77) than oil for delivery at the end of June (\$97). All oil contracts have been trending higher since the war began, but there is still an expectation for prices to come down materially before too long.

We are closely monitoring developments, but feelings and emotions cannot incorporate all the factors that the markets and investors are synthesizing/digesting. Markets are smarter than most of us individually, because they incorporate both positive and negative outcomes. Most of us as human beings tend to focus on the negative (it’s hard wired in our brains this way).

Perspective and patience are key ingredients to investing so we try to incorporate the potential for positive outcomes on the economic front even if there is geopolitical turmoil. One has to be encouraged by some of the data we’re seeing from the economy. We have relatively low unemployment, positive economic growth,

Continues on page 2

5cwealth.com



Continued from page 1

and fiscal stimulus just hitting our economy from tax refunds. There are things to worry about, not only geopolitical. There are some cracks emerging in credit markets, with loans to software companies coming under selling pressure. Technology companies are spending ungodly sums to build out AI infrastructure, and it is far from certain how the AI innovations will impact domestic employment levels. Markets have a funny way of climbing a "wall of worry" and discounting several possible negative outcomes.

Our general outlook on the global economy is positive, and we would agree that this market has discounted the war both in terms of its duration and its severity. Given all of this, the most important thing is your comfort around risk and that we have enough liquidity and stability for you. We do not want you or any one of our clients to become panic sellers if things do get worse and the market trades down to lower levels.

A fruitful meeting with one concerned client shortly followed this communication. We might have also raised the following issue for consideration: Isn't uncertainty high all the time? Essentially, it is and the market factors it in. The lowest close of the S&P 500 this year was March 30 at 6,343 after a decline of 9%. We have since recovered and then some, as the S&P 500 closed out April at 7,244 for a monthly return of 10.4%. The year-to-date return of 5.3% would be considered above average for most years; despite the geopolitical tumult.

We encourage all clients to contact us for a review of their portfolio and determine whether their current allocation meets their comfort level for risk.

The table below summarizes Global benchmarks and reflect strong capital market returns over these periods.

Index	Year to Date Return (%) As of April 30, 2026	3-Year Annualized Return (%) As of April 30, 2026
S&P 500 Index	4.65	21.66
Aggregate Bond Index	0.57	3.93
US Treasury 0-3 Month Index	1.10	4.79
Russell 2000 (Small Cap)	12.60	17.50
MSCI EAFE Index (International)	6.31	15.94
MSCI Emerging Markets Index	15.08	21.35
Gold	9.83	33.25
Natural Resources/Commodity	24.95	13.92
Wilshire US REIT Index	12.82	12.72
US Dollar Index	-0.42	-1.30

Sources: Bloomberg, MSCI, Russell, ICE BofA, Wilshire, S&P



Dimensional Funds Advisors covered uncertainly in a recent communication:

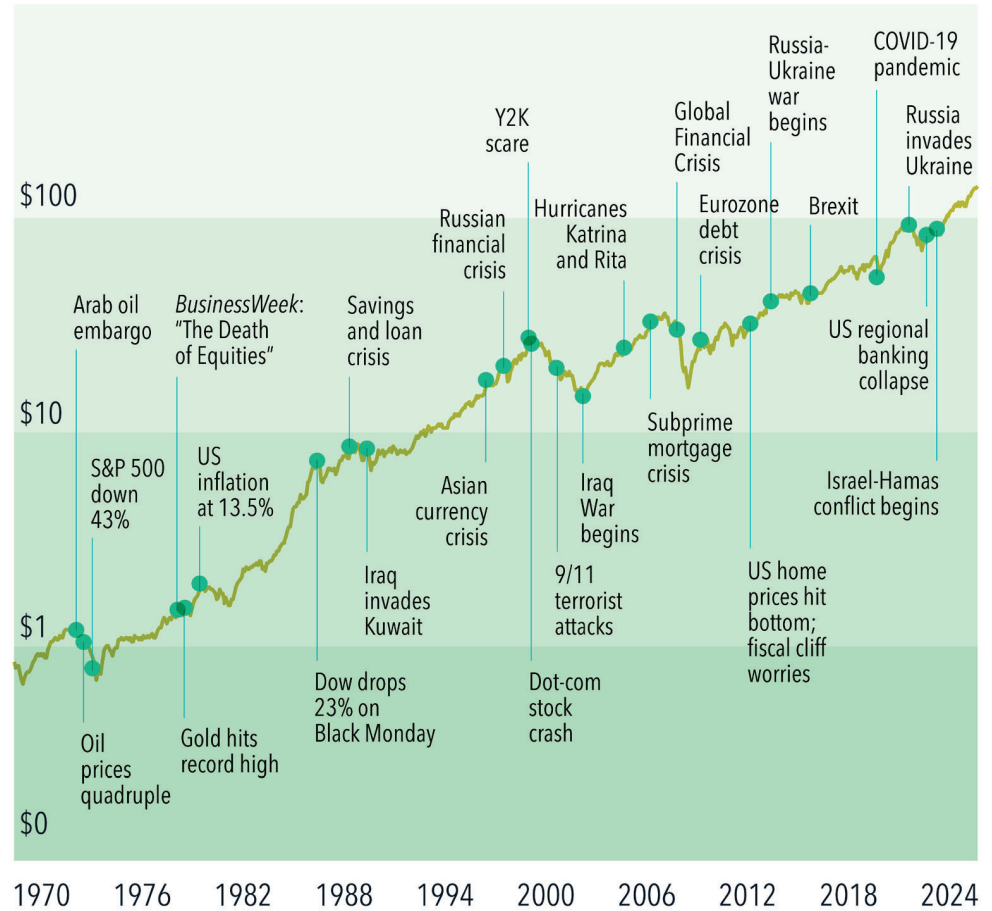
Investors could benefit from reframing the way they think about uncertainty. This unavoidable aspect of life is often interpreted as a pejorative, "I'm concerned about the political situation or economic outlook and what will happen with my portfolio." In this view, uncertainty is seen as a threat to one's invested wealth.

The other side of the argument is that risk and return are related. Bearing the risk of uncertainty is why you get paid a return to be an equity shareholder. And the equity premium is a necessary component for many investors to grow savings to the level needed to eventually retire. So, rather than focusing on the potential for a market downturn—which tends to be temporary anyway—investors should focus on the long-term benefits of embracing uncertainty.

Geopolitical Risk

MARKETS HAVE REWARDED DISCIPLINE

Growth of \$1—MSCI World Index (net dividends), 1970–2025



Source: Dimensional Fund Advisors

Scott Gallaway, The NYU professor recently wrote:

It's more interesting, and you sound smarter, to catastrophize vs. articulate the arc of history: Things will likely get a bit better ... every day ... yawn. But it's always healthy to ask, "What could go right?"



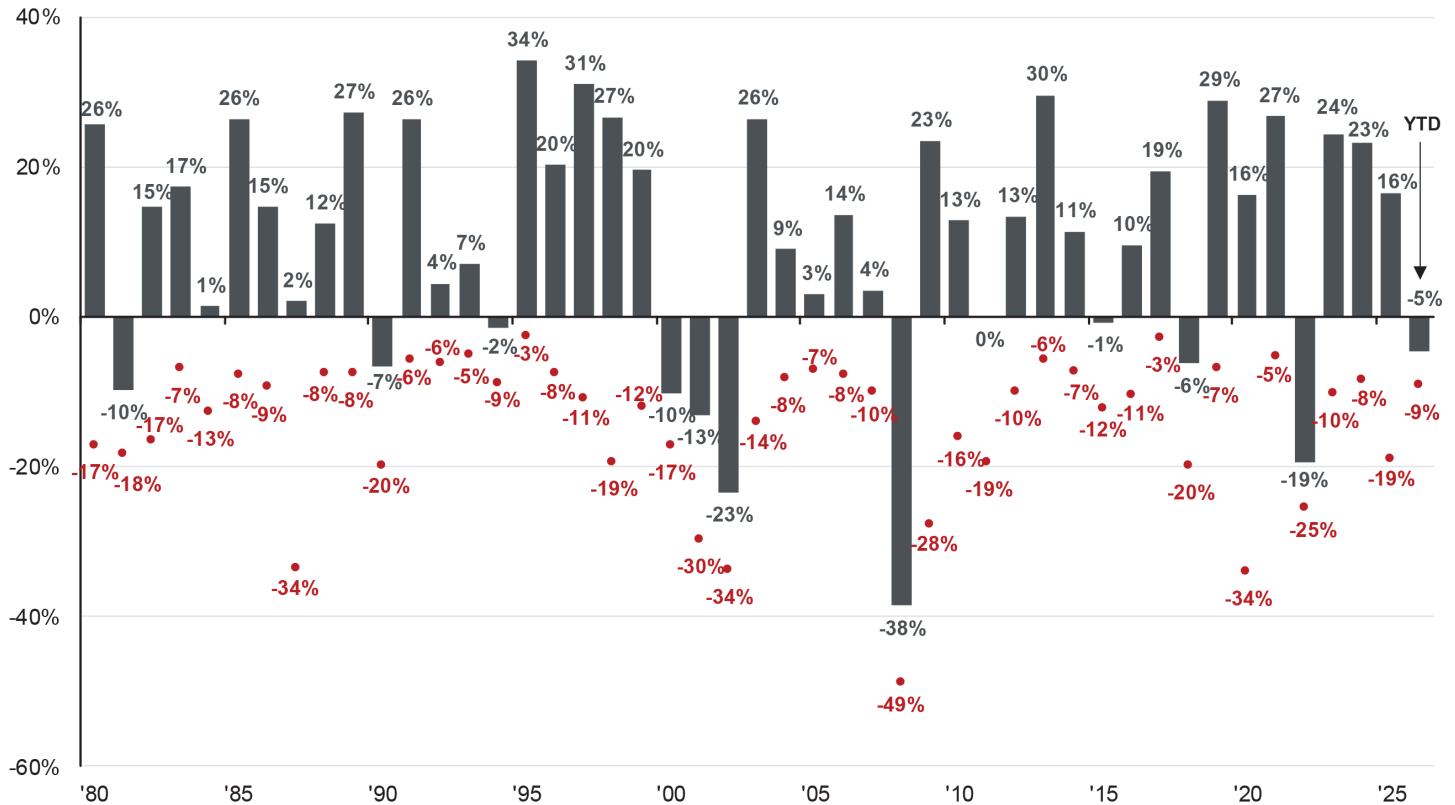
The chart below depicts the above sentiment. Virtually every year since 1980 has had a substantial drawdown in the S&P 500. If you had extrapolated that negativity going forward, very often you would have missed out on positive annual returns.

Annual returns and intra-year declines

GTM U.S. 17

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

Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 years



Source: JP Morgan

Looking forward, we seek to balance the potential negative impact from higher energy prices, with expected fiscal stimulus from the latest economic legislation. These two forces may essentially cancel each other out; leaving the focus on domestic labor markets. We note that the US's status as a net energy exporter, may dampen the unpleasant price shock we are currently experiencing. While certainly not pleasant, our increases have been much less severe than countries more dependent on imported energy. We look for this relative trend to continue.

Although new job creation has slowed considerably, the unemployment rate still remains historically low, and wages are growing above the rate of inflation. A continued positive development is that a key leading economic indicator, weekly jobless claims, continues to register at levels around 100,000 fewer than where they've been when a recession was imminent. So, for all intents and purposes, the "no-hire, no-fire" economy remains intact.



If the Middle East war moves into a more permanent de-escalation phase, or ends, we would expect energy prices to decline in a measured but deliberate fashion. Although the scope of the disruption has moved higher, and energy prices may need several months to revert back to pre-war levels. Nevertheless, the underpinnings of the U.S. economy came into 2026 on a relatively solid note which should help keep overall economic growth moderately positive.

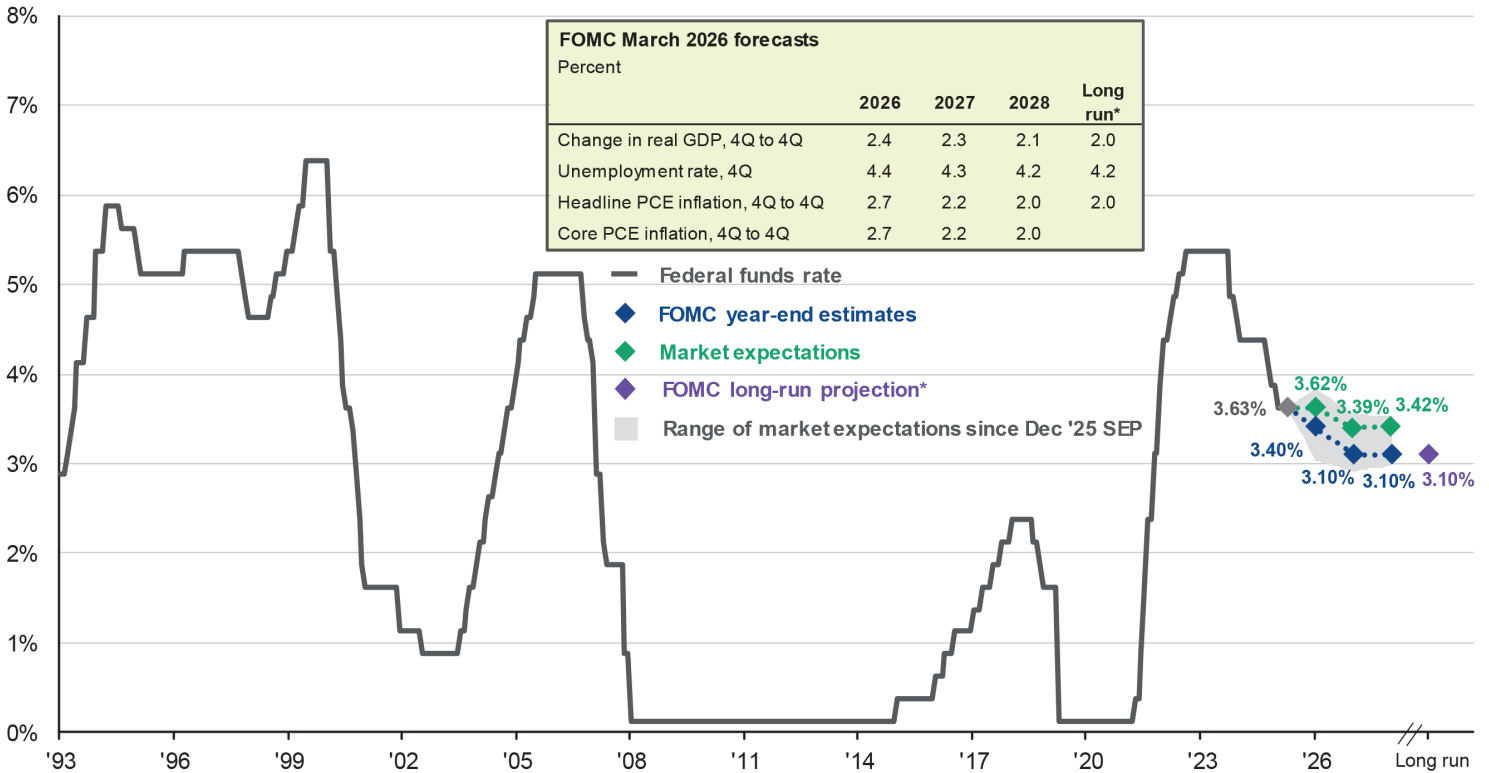
Interest rate markets are pricing in higher inflation due to the war's supply shocks. Since hostilities began, the 2-Year and 10-Year US Treasury notes have risen in yield by 0.46% and 0.38% respectively; the 30 Year fixed mortgage has increased from 6.12% to 6.38%. The futures market has assigned a greater than 50% chance that there will be one rate hike in calendar year 2026. The chart below depicts these shifts in interest rate outlooks.

The Fed and interest rates

GTM U.S. 33

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Federal Reserve, JP Morgan

Recent weeks have reinforced our conviction that investors should look past today's headlines, however ominous they may sound. It would be far better to focus on whether the risks you are taking are appropriate for your investment time horizon and objectives, and whether you could benefit from a more diversified portfolio. We at 5C Capital stand ready to assist in these endeavors.



Disclosure: *Information contained in this communication is not considered an official record of your account and does not supersede normal trade confirmations or statements. Any information provided has been prepared from sources believed to be reliable but is not, does not represent all available data necessary for making investment decisions and is for informational purposes only. Any distribution, use or copying of this presentation or the information it contains by other than an intended recipient is prohibited. This information is subject to review by supervisory personnel, is retained and may be produced to regulatory authorities or others with a legal right to the information.*

This presentation does not constitute an offering or sale of securities. This presentation is not, and under no circumstances is to be construed as, a prospectus, advertisement or public offering of securities. Past performance is not necessarily an indication of future results.

Please remember to contact 5C Capital Management, LLC if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you want to impose, add, or to modify any reasonable restrictions to our investment advisory services.

Federal and State securities laws require that we maintain and make available current copies of our Registered Investment Adviser Disclosure Document, also known as Form ADV Part II. Pursuant to SEC Regulation S-P, our Privacy Notice can be found by contacting our office or visiting us at www.5cwealth.com



5C CAPITAL MANAGEMENT, LLC

New Jersey Office:

50 Tice Boulevard, Suite A32
Woodcliff Lake, NJ 07677
201.474.0987

New York Office:

707 Westchester Avenue, Suite 210
White Plains, NY 10604
347.331.0648

Connecticut Office:

Office Evolution
500 Post Road East
Westport, CT 06880
201.474.0987

5cwealth.com
info@5cwealth.com

Our clients rely on us to provide an exceptional level of:

- **COMMUNICATION** - We listen attentively, share ideas clearly, operate transparently and maintain connectivity.
- **COLLABORATION** - We work together with you and the professionals that comprise your advisory team to ensure that your concerns are addressed as they arise and your strategy adapts to changes in circumstance warranting such adjustment.
- **CRITICAL THINKING** - By incorporating independent fundamental analysis, we maintain the objectivity needed to provide a full spectrum of unbiased solutions. We plan for a range of potential scenarios; develop a structured, flexible strategy, and take timely action.
- **CREATIVITY** - Every client has a unique set of circumstances and goals. Our experience and common sense approach results in solutions that are customized for each client's circumstance.
- **COMMUNITY** - This cornerstone of our approach refers both to 5C's access to and use of a wide community of tax experts, attorneys, business consultants, and other specialists, as well as our dedication to understanding our clients' special commitments to community through philanthropy and support of cultural and educational initiatives and institutions.

We embrace our fiduciary obligation to clients and invite you to discover how 5C Capital Management, LLC is highly qualified to guide and advise you through this complex process.