TMB Financial Solutions
Financial Services • Insurance • Wealth Management
Securities offered through OSAIC INSTITUTIONS, INC. Member FINRA/SIPC

Maintaining Your Calm During Bouts of Market Volatility

Not surprisingly, we've fielded many calls and had frequent meetings with our clients in the last month, many of whom have expressed worry about their finances and the ability of their portfolios to withstand a stock market downturn.

While the actual volatility of the market is beyond our control. In times like this, we help clients regain a sense of agency and a degree of calm by focusing not on the ups and downs of the market itself, but on their overall preparedness for those ups and downs.

Focusing on a simple, repeatable process that we use not only in times like this, but throughout the year, helps filter out some of the noise so clients can make decisions more clearly. I watch a good bit of sports on TV, and within the last year, athletes giving interviews to sports reporters have taken to talking about how they "stick to their process" to prepare or win games. I can see why – it helps them focus in times of stress or when the game starts to move quickly. We do the same with our clients, on a frequent basis.

Beyond market and financial volatility, we find our framework to be useful because it promotes a better understanding of the various roles that each dollar and type of account plays in a client's planning. Once the basic framework is in place, we can integrate details like taxation by account type and tax-efficiency, to bring the framework to life.

When it comes to making sure our finances are durable during times of volatility, we start by looking at **Cash for Unexpected Expenses**. It's old-school advice, but hard-won and time-tested. Having cash in the bank for the inevitable unforeseen expenses that we all encounter (new appliances, car repair, medical expenses), can prevent us from having to raid our investment accounts at times when the market is *down*, which hurts long-term asset value. How much cash a given person or family should maintain, and how to maintain it efficiently are areas that we put a good deal of work into and tend to vary by a given client's situation.

Once we have ensured that a client has cash to bridge potential shortfalls, we focus on **Protection**. The meaning of Protection in finance frequently depends on your stage of life. If you are just starting a family, Protection can mean making sure that there is life insurance in place. But typically, in the context of the Volatility conversation, Protection can mean protecting a client's principal *from the market*, while attempting to earn interest. There are several ways to do this, but typical protection tools include Treasury and Municipal Bonds for tax efficiency, money market funds for short-term use, and sometimes tax-deferral vehicles like fixed annuities.

If we've put the work into Protection, we can move on to the **Market component**. Taking a true measure of a client's risk capacity as well as their risk tolerance is important in making sure a given portfolio can withstand volatility. At its core, the task is to ensure that the level of risk in your portfolio is appropriate for your situation in life. We accomplish this through simple but effective analytics. One of the key components of the Growth conversation is to ensure that even when the market trends downwards and clients naturally feel more defensive, they maintain enough exposure to certain asset classes to keep up with inflation. It can be a balancing act and sometimes uncomfortable but knowing that we have Cash and Protection vehicles can blunt the discomfort of watching a down day in the market.

Once we've put the work into these three categories and have made any necessary adjustments, we find that clients generally come away with a higher level of financial resilience, have better visibility into how their money will react to volatility, and an easier time cutting through the clutter to make better decisions. They will know that they have put the work into making sure that they are covered for unexpected expenses, have a level of protection, and that their market portfolios are appropriate for them.

Gray Peckham, RICP® is an Osaic Institutions Financial Advisor for TMB Financial Solutions, and a Vice President of The Milford Bank.He has almost 25 years of financial industry experience, having spent the first 18 years as an Analyst and Capital Allocator for financial research, Wall Street brokerage, foundation and asset management firms. He has served as an advisor since 2019 and enjoys immensely the work of helping clients plan for their futures. Gray is a *Retirement Income Certified Professional®,* earned a BA from Boston College, an MA from Yale University, and spent 9 years as an Intelligence Officer in the United States Naval Reserve.

We strive to keep you regularly updated with important market changes and news.

Visit our social media pages for Weekly Market news and more.

Please find this week's Market Quarterly from Phil Blancato, Osaic's Chief Market Strategist here.

We're here to answer any questions you may have! Please don't hesitate to reach out.

Contact Us

Stocks

March was marked by heightened volatility, with markets moving lower as investors assessed the potential duration and impact of the conflict in Iran. The selloff was led by the Dow Jones (-5.20%), followed by declines in the S&P 500 (-4.98%) and NASDAQ (-4.81%). Small caps were particularly pressured as expectations for multiple interest rate cuts this year have faded, removing a key tailwind for the asset class. International equities, both developed and emerging markets, also declined, reflecting their greater sensitivity to oil prices and reliance on trade through the Strait of Hormuz. However, despite underperforming in March, both small caps and international equities continue to lead the major U.S. indices on a year-to-date basis. Looking ahead, market volatility is likely to persist as long as geopolitical uncertainty remains elevated.

US Large-Cap Stocks

As of March 31, 2026

Index	Month-to-Date (MTD) %	Year-to-Date (YTD) %
S&P 500 Index	-4.98	-4.33
NASDAQ 100	-4.81	-5.82
Dow Jones Industrial	-5.20	-3.19

Source: Bloomberg

Sector Performance

Ten of the eleven sectors in the S&P 500 declined in March, with energy as the lone positive performer, benefiting from higher oil prices amid the Iran conflict. Utilities were the next best performer, though still negative, an unusual outcome for a defensive sector that likely reflects sensitivity to shifting rate-cut expectations. The steepest declines were seen in communication services, health care, and industrials. Communication services and industrials weakened in the broader risk-off environment, with industrials also pressured by commodity volatility tied to the conflict. Healthcare lagged due to stock valuation pullbacks and reduced expectations for M&A activity as rate outlooks shifted. Despite the challenging month, six of the eleven sectors remain positive year-to-date.

US Sector Performance, ranked by *MTD* performance

As of March 31, 2026

Top 3

Sector	MTD %	YTD %
Energy	10.40	38.25
Utilities	-3.21	8.26
Financials	-3.58	-9.48

Bottom 3

Sector	MTD %	YTD %
Industrials	-8.47	4.52
Healthcare	-8.11	-4.88
Cons. Staples	-7.49	7.48

Source: Bloomberg

Bonds

Fixed income markets faced a challenging and highly volatile environment in March, offering less diversification as rising yields pressured bond prices. Treasury yields moved higher across the curve as investors recalibrated expectations for Federal Reserve policy amid persistent inflation concerns. The primary driver was a surge in oil prices tied to the ongoing conflict in Iran, which raised fears of renewed inflationary pressure and delayed the anticipated path of rate cuts. Long-duration and corporate bonds were the weakest performers, declining -2.33% and -1.98%, respectively. The difficult month pushed all fixed income indices into negative territory year-to-date.

US Bonds, ranked by *MTD* performance

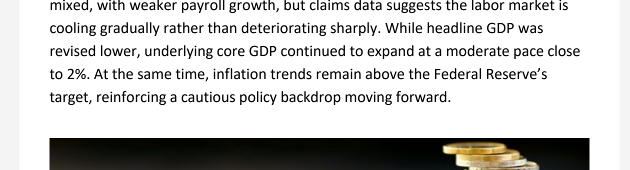
As of March 31, 2026

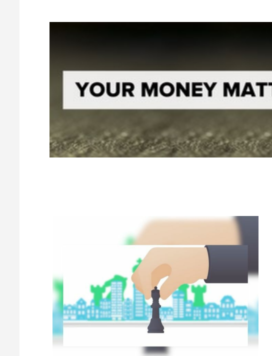
Index	MTD %	YTD %
US Govt. Bond Index	-1.73	-0.04
US Aggr. Bond Index	-1.76	-0.05
US Corp. Bond Index	-1.98	-0.54

Source: Bloomberg. US Corp. Bond Index, US Aggr. Bond Index, and US Govt Bond Index represented by the Bloomberg US Corporate Bond Index TR, the Bloomberg US Aggregate Bond Index TR, and the Bloomberg US Gov't Bond Index TR

Economic Update

Most of the recent economic data in March predates the start of the Iran war but still provides a useful snapshot of underlying economic momentum. Activity across both the manufacturing and services sectors showed improvement, with services in particular remaining a key driver of growth. Consumer spending also appears broadly stable, as core retail sales data suggests underlying demand remains intact despite lower readings from year-end. Labor market data was somewhat mixed, with weaker payroll growth, but claims data suggests the labor market is cooling gradually rather than deteriorating sharply. While headline GDP was revised lower, underlying core GDP continued to expand at a moderate pace close to 2%. At the same time, inflation trends remain above the Federal Reserve's target, reinforcing a cautious policy backdrop moving forward.

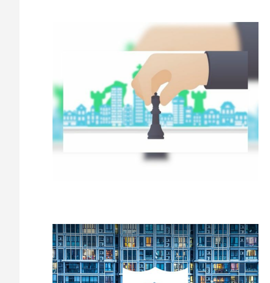




4 Elements of an Estate Strategy

Learn about the importance of having an estate strategy in this helpful and informative video.

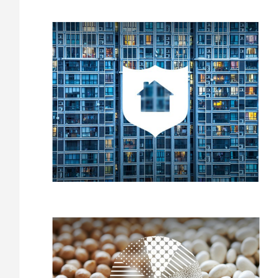
Learn More



A Brief Guide To Condo Insurance

Important items to consider when purchasing condo insurance.

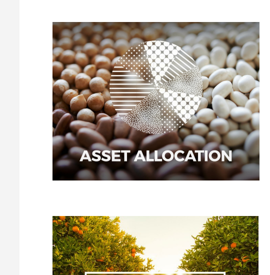
Learn More



Asset Allocation

Consider how your assets are allocated and if that allocation is consistent with your time frame and risk tolerance.

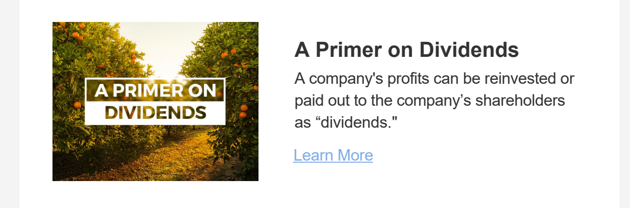
Learn More



A Primer on Dividends

A company's profits can be reinvested or paid out to the company's shareholders as "dividends."

Learn More



4 ways that future urban living will be greener across the globe

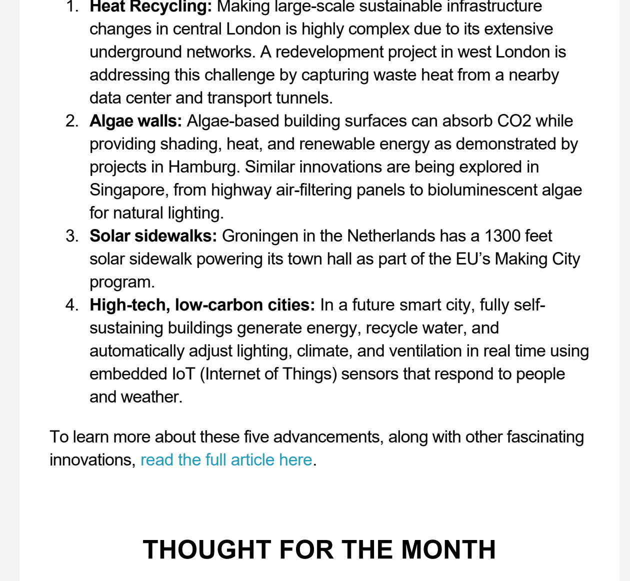
Photo Credit: Forest City 1

Cities around the world are adopting innovative technologies and sustainable infrastructure to reduce emissions and create greener, more efficient urban environments.

1. **Heat Recycling:** Making large-scale sustainable infrastructure changes in central London is highly complex due to its extensive underground networks. A redevelopment project in west London is addressing this challenge by capturing waste heat from a nearby data center and transport tunnels.
2. **Algae walls:** Algae-based building surfaces can absorb CO2 while providing shading, heat, and renewable energy as demonstrated by projects in Hamburg. Similar innovations are being explored in Singapore, from highway air-filtering panels to bioluminescent algae for natural lighting.
3. **Solar sidewalks:** Groningen in the Netherlands has a 1300 feet solar sidewalk powering its town hall as part of the EU's Making City program.
4. **High-tech, low-carbon cities:** In a future smart city, fully self-sustaining buildings generate energy, recycle water, and automatically adjust lighting, climate, and ventilation in real time using embedded IoT (Internet of Things) sensors that respond to people and weather.

To learn more about these five advancements, along with other fascinating innovations, read the full article here.

THOUGHT FOR THE MONTH



Index Definitions

Dow Jones Industrial Average: The Dow Jones Industrial Average® (The Dow®), is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities.

Dow Jones U.S. Real Estate Total Return Index: The index is designed to track the performance of real estate investment trusts (REIT) and other companies that invest directly or indirectly in real estate through development, management, or ownership, including property agencies.

NASDAQ Composite: The NASDAQ Composite is a market-cap weighted index of all issues listed on the Nasdaq stock exchange. It is heavily weighted towards the technology sector.

S&P 500 Bond Index: The S&P 500® Bond Index is designed to be a corporate-bond counterpart to the S&P 500, which is widely regarded as the best single gauge of large-cap U.S. equities. Market value-weighted, the index seeks to measure the performance of U.S. corporate debt issued by constituents in the iconic S&P 500.

S&P 500 Consumer Discretionary: The S&P 500® Consumer Discretionary comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: The S&P 500® Consumer Staples comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: The S&P 500® Energy comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: The S&P 500® Financials comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

S&P 500 Index: The S&P 500® index is a market-cap weighted index of the largest 500 companies headquartered in the United States. The index covers approximately 80% of available market capitalization.

S&P 500 Utilities: The S&P 500® Utilities comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

S&P U.S. Aggregate Bond Index: The S&P U.S. Aggregate Bond Index is designed to measure the performance of publicly issued U.S. dollar denominated investment-grade debt. The index is part of the S&P AggregateTM Bond Index family and includes U.S. treasuries, quasi-governments, corporates, taxable municipal bonds, foreign agency, supranational, federal agency, and non-U.S. debentures, covered bonds, and residential mortgage pass-throughs.

S&P U.S. Treasury Bond Index: The S&P U.S. Treasury Bond Index is a broad, comprehensive, market-value weighted index that seeks to measure the performance of the U.S. Treasury Bond market.

Disclosures

TMB Financial Solutions

http://www.milfordbank.com/tmb-financial-solutions-2/

Schedule a Meeting or Call

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