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## Market Update | April 2026

**Mike Vogelzang:** One of an investor's most powerful tools can also be their biggest challenge. Not expensive databases or complicated trading strategies, and definitely not the social media meme du jour. Right. Rather, it's the human brain.

Our brains are remarkable. When we face a clear threat, a charging grizzly, an impending war, or a looming recession, the brain gets busy. It assesses the danger. Builds a plan and channels stress into action. That's very useful and often lets us live to fight another day. But when the threat is unclear, when we genuinely don't know what's coming, the brain loses that ability to channel stress.

Not because the outcome is worse necessarily, but because we can't model it. It turns out humans really don't like unanswered questions. Psychologists call this ambiguity aversion study after study shows that people often feel more anxiety about an unknown outcome than a known bad one. Financial markets, of course, are supposed to be more rational in that.

And most of the time they are. But every so often the inputs get cloudy enough that markets can't confidently assign probabilities. And when that happens, markets stop behaving like spreadsheets and start behaving more like, well people, that's a pretty good description of this. Year's first quarter we entered 2026 at all time highs.

Coming off three straight years of double digit stock returns and four quarters of strong earnings growth. Investor confidence was high. And then that clarity faded in January. Geopolitics took a few unexpected turns. The US captured the Venezuelan president. There was serious talk about annexing Greenland.

A new fed share nomination got tangled up in yes politics in February, software stock sold off. Not because earnings disappointed, but because investors worried that AI might upend entire business models. And then last year's tariffs were overturned by the Supreme Court with no clear replacement plan.

And in March, the biggest unknown of all arrived, a major military conflict involving Iran threatening a critical choke point in the supply of global oil. So how did markets respond? Mm, not very well. Certainly not calmly. Gold surged more than 25% and gave much of that back. Tech stocks led the way down this time.

Oil prices jumped nearly 80% at one point, swinging 10 to 12% in a single day, sometimes based on a simple social media post and the gap between the best and the worst performing markets around the world reached levels we've only seen a few times in the last 20 years. And here is the key point. In many cases, the underlying fundamentals didn't change much.

What changed was the quality of information around those fundamentals. Now, when we zoom out and we always try to zoom out, the picture looks a lot calmer. The S and P 500 finished the quarter down less than 5%. Not pleasant, but completely normal in a midterm election year, which usually brings a little extra drama.

We're also seeing some constructive trends. Earnings expectations continue to rise. Market participation has broadened beyond the largest tech companies creating a much healthier backdrop. Consumers are under pressure, but still standing. Larger tax refunds for some are helping offset higher gas prices, and the labor market may be cooling, but it's still in this weird low, higher, low fire equilibrium that's more stable than the headlines suggest.

The biggest question by far is the Iran conflict and its impact on energy prices. The markets are exceedingly twitchy. Just today as we record this, the US stock market jumped almost 3% in some parts of the world, markets as much as 6%. Why? Because a tentative ceasefire was announced overnight. How this plays out depends largely on how long the conflict lasts, which of course no one can say with confidence and that.

More than anything is what's driving daily market. Schizophrenia. So what do we do when we just don't know? Well, first we remind ourselves of something that's easy to forget. This, this exactly. This is what investing feels like. It rarely feels calm. Investing at its best can be like wandering in a dark room, and it usually feels the most uncomfortable right before the lights go on.

Before uncertainty resolves. Secondly, markets are great at tempting us to do something, anything when information is scarce, to trade, to tinker, to react to panic, because action feels productive even when it isn't. Periods like this, don't reward prediction. They reward discipline. So sometimes the hardest and most

important decision an investor can make is not to react, to stay diversified, to stay balanced, to stay in alignment with a long-term plan, because doing nothing is still doing something.

It's choosing not to let discomfort dictate decisions. It's choosing process and preparation over the impossibility of prediction. And it's remembering that markets have almost always paid investors for living through uncertainty, not avoiding it. You see, if investing was obvious, everyone would do it well, but it's not, this is what it feels like, but that's exactly why it works.

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