GWM GREENE WEALTH MANAGEMENT

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# Market Update (March 2026)

# War in Iran

On February 28, 2026, the United States and Israel launched coordinated military strikes on Iran - dubbed "Operation Epic Fury" - targeting missile infrastructure, regime leadership, and nuclear facilities. The attacks resulted in the reported death of Supreme Leader Ayatollah Ali Khamenei. This marks a decisive escalation from years of shadow conflict into overt interstate warfare, driving up risks the for global energy markets, risk assets, and the broader macroeconomic backdrop. Initial market reaction was moderate but price action as of this writing on Tuesday has been broadly negative. An important variable for the path forward is duration. A short, contained campaign - which remains the base case among most institutional strategists - would likely produce a modest impact on the economy and markets. A protracted conflict that threatens the Strait of Hormuz or draws in broader regional actors would represent a qualitatively different risk environment and the threat of a longer-term conflict. We are monitoring developments closely and we write today to frame the key risks and our current thinking.

The military attacks in Iran over the weekend have significantly raised the already high geopolitical risks that have threatened the global economy and financial markets this year. While it's difficult to know what comes next, we are specifically monitoring the risks below at the outset of the conflict:

**Strait of Hormuz Disruption -** Approximately 20% of global oil supply transits the strait. Even without a formal blockade, insurance cancellations, shipping premium spikes, and vessel re-routing are already underway. A scenario where oil trades at materially higher prices could pressure global growth, consumer spending, and equity risk premiums.

**Oil Price Volatility and Inflationary Spillover -** Iran accounts for roughly 12% of OPEC production. Even partial disruptions to Gulf energy flows will tighten global supply at a moment when the market is already strained by prior geopolitical fragmentation. Higher sustained energy costs feed directly into CPI, potentially delaying Federal Reserve rate cuts and extending the period of elevated short-term rates.

**Escalation Risk and Regional Broadening -** Iran has already retaliated with ballistic missile launches toward Israel and U.S. regional assets. The key risk is whether third-party actors - Houthi forces, Hezbollah, or Gulf state proxies - are drawn into the cycle. Gulf airspace closures are already disrupting Asia-Europe aviation corridors, and Houthi reactivation in the Red Sea would close a critical alternative shipping route.

**Equity Outlook -** Near-term market disruption across global equities is expected to remain contained, with material risks rising should the situation extend or broaden in scope. The primary risk mechanism would be elevated oil prices, which could strain certain sectors and dampen consumer sentiment, and potentially alter the trajectory of U.S. monetary policy.

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### History as our Guide: Markets Endure

The headlines are alarming - they always are in moments like this. But the historical record of markets navigating crisis offers a crucial and steadying perspective for long-term investors. The pattern is remarkably consistent: geopolitical shocks spike volatility, compress valuations temporarily, and generate fear - but they do not, as a rule, alter the fundamental engines of long-term wealth creation. The investors who have historically been harmed most by geopolitical crises are not those who held through them, but those who sold into the fear and failed to participate in the recovery. For investors with appropriately structured, long-horizon portfolios, history rewards patience and perspective far more than it does panic.

An illustrative perspective of the resiliency of markets through crises and events is included below from First Trust:

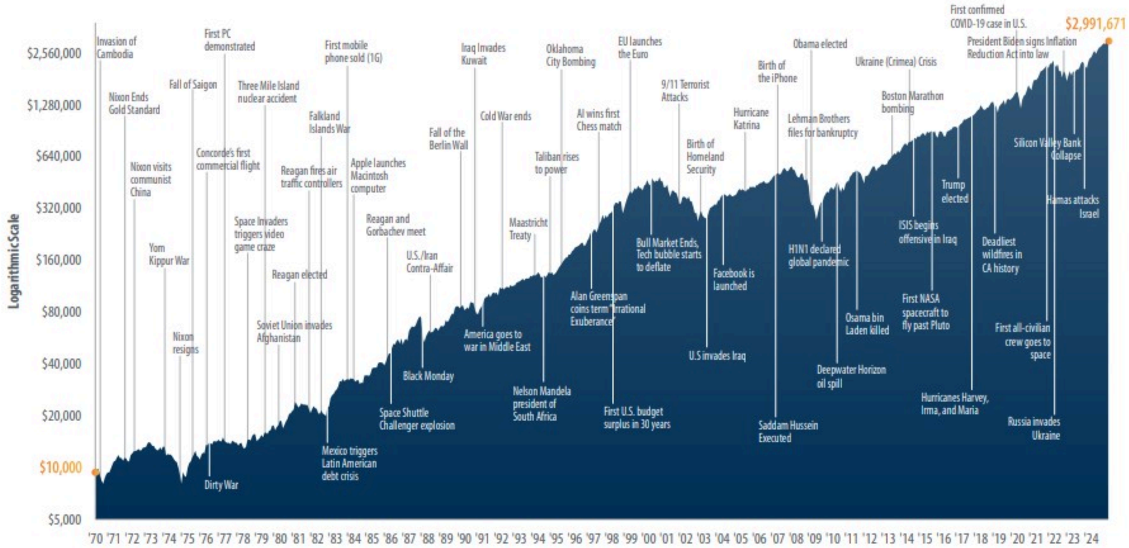
## Crises and Events

S&P 500 Index: Since 1970

First Trust

This chart shows the growth of $10,000 based on S&P 500 Index performance over the last several decades. We believe looking at the market's overall resiliency through major crises and events helps to gain a fresh perspective on the benefits of investing for the long-term.

**The average annual total return of the S&P 500 Index for the period shown below was 10.92%.**




Source: First Trust, Bloomberg. Data from 12/31/1969 - 12/31/2024. **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 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future.

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Big picture, history tells us that geopolitical events are both unpredictable and tend to be short-lived in terms of financial market impact. We are compelled to believe that history is the best barometer for the future and rely on past experience in driving future strategic response.

The elements of uncertainty and fear can be very powerful mechanisms, and the natural response is to be reactionary. This is true in both investing and in life. We remain committed to the foundational principles of our investment philosophy in staying disciplined through market events and cycles.

We expect elevated levels of volatility while we navigate the precipice of the war in Iran. However, we do not recommend deviating from long-term strategies as a response to geopolitical events. The reality is we know that the news and markets are cyclical in nature and that maintaining discipline through these uncertainties has generally paid off over the long-term.

We will make every effort to stay ahead of you in this evolving environment of uncertainty – let us know how we can best partner with you in navigating the current landscape.


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