

NEWSLETTER

www.arvadawealth.com



Michael Hadden, CFA
Vice President

13305 Birch Dr. Suite 203 Omaha, NE
Direct: 402-218-2078
michael@arvadawealth.com
www.arvadawealth.com

3 BIG THINGS

1

"The times they are a-changin'." February saw a continuation of the change in leadership we witnessed to start 2026. Technology stocks, especially software names, took on losses while broader markets saw solid gains. In fact, this was the 4th consecutive month that the equally weighted S&P 500 outperformed the market capitalization weighted version. Meaning the largest companies carry the most weight in the index.

2

AI has been a hot topic since the public release of ChatGPT in November of 2022, and the story continues to constantly evolve (and quickly). The latest storyline came from a thought experiment published in February, written as if it is 2028 and markets have been roiled. The piece imagines AI agents displacing white collar workers at a scale that drives unemployment to 10% and triggers a consumer-led recession, as high earners who historically drive the majority of discretionary spending see their incomes structurally impaired. This piece spread like wildfire and many are pointing to it for the significant losses seen in software stocks, as the competitive advantages of many companies may be eroded by AI. Sensational headlines like this are worth understanding, but not worth acting on impulsively. We continue to like names downstream, such as the energy and infrastructure needed to support the growth of this new technology.

3

Gold and silver resumed gains after a volatile end to January. There has been a wide divergence in gold and "digital gold" bitcoin. Gold advanced 10% in February, concluding its 10th consecutive month of gains while Bitcoin was down 21% during the month and sits 50% below all time highs. The narrative that the dollar may not be the cornerstone of global financial markets would lend to the idea that digital currencies would perform well but to date we haven't seen take place.

Quote of the month: "The four most dangerous words in investing are 'This time is different'" - Sir John Templeton

MARKET QUICKTAKES

ECONOMIC INSIGHTS IN A NUTSHELL

The US economy is sending mixed signals. Growth remains solid, GDP expanded at a 2.8% pace in Q4 2025, and consumers are still spending. The job market has cooled noticeably though, with monthly job creation slowing and unemployment drifting toward 4.4%.

Inflation is like a car trying to reach a complete stop — it is slowing but hasn't quite gotten there, still stuck in the 2.6–3% range above the Fed's 2% target.

The Fed is carefully balancing these competing concerns. Markets expect two rate cuts sometime in 2026, but timing depends heavily on whether inflation continues to cooperate. Business investment in AI infrastructure remains a bright spot, helping offset softness elsewhere.

EQUITY

February was a tale of two markets hiding behind one headline number. The S&P 500 dipped about 0.8%, but that doesn't tell the real story. Big tech and mega-cap growth stocks fell over 7%, their worst month in nearly a year. Meanwhile, the average stock had a great February. The equal-weighted S&P 500 (a better measure of how a typical stock performed, not just the largest companies) gained 3.5%, its best month since last May. Mid-sized companies did even better, up over 4%. If your diversified portfolio held up better than the headlines suggested, that is exactly why we own more than just the biggest names. International stocks continue their strong year, up roughly 8% globally so far in 2026 versus a US market that is essentially flat.

FIXED INCOME

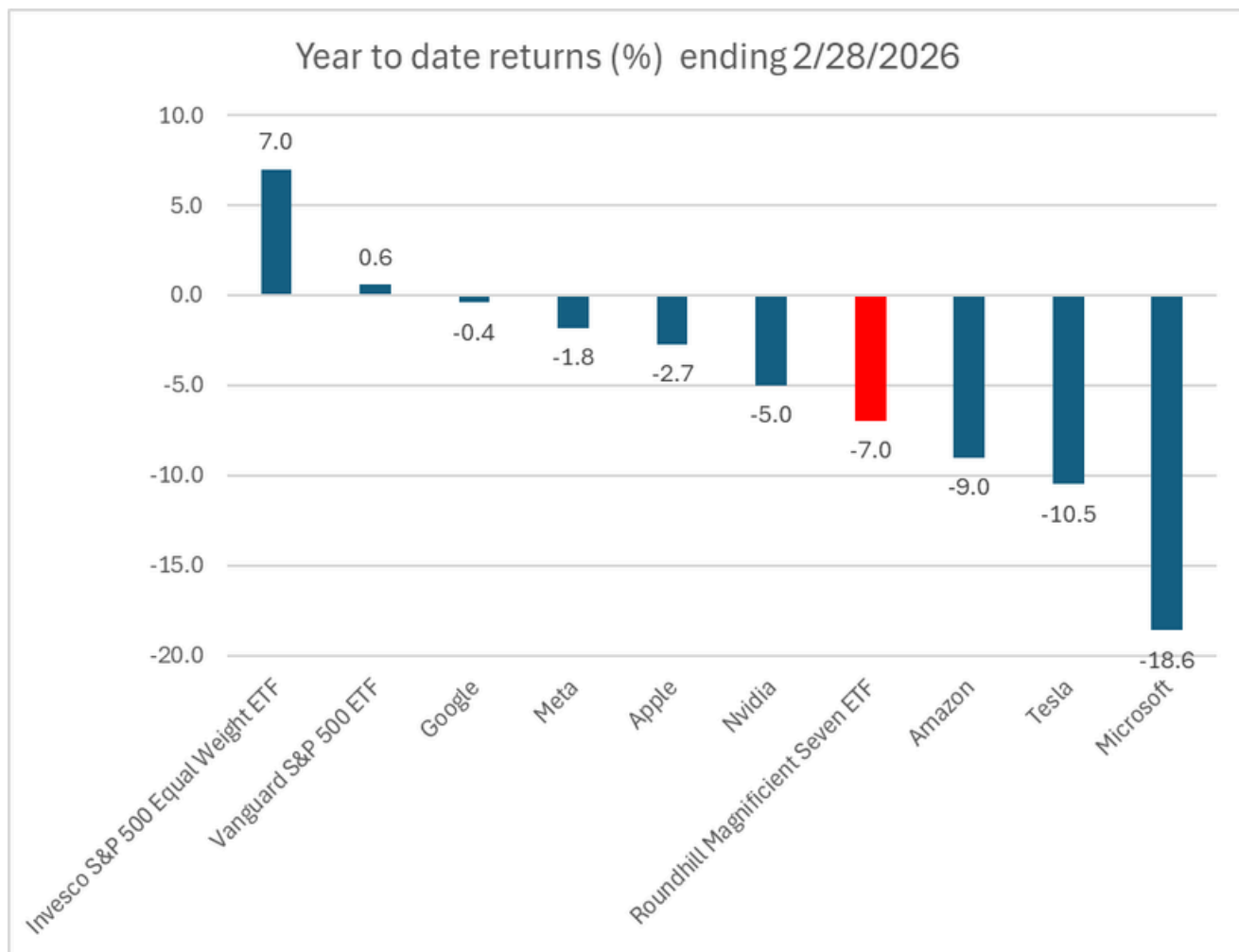
Bonds had a strong February. Interest rates moved meaningfully lower throughout the month — good news for bond prices, which move in the opposite direction (think seesaw). The 10-year US Treasury yield fell from around 4.22% at the start of the month to 3.97% by month end, its lowest level in four months. That drop translated to solid gains across most bond categories. As a bonus, the 30-year fixed mortgage rate dipped below 6% for the first time since 2022. Don't expect a dramatic housing revival overnight, but it is a welcome development. The Fed held rates steady in February, but markets are increasingly expecting cuts later this year as economic data softens.

COMMODITIES

Gold continued its remarkable run, gaining nearly 8% in February — its 13th positive month out of the last 14. Gold is now up over 20% year-to-date, driven by geopolitical tensions, US debt concerns, and central banks buying at a pace not seen since the 1970s. Oil picked up about 3% on Middle East tensions, though longer-term oversupply keeps energy prices in check.

VIEWS FROM MARKET STRATEGISTS

Not so magnificent seven? For the past three years you've likely heard of me address the magnificent seven and those stocks significant outperformance of the rest of the market. That story through two months of 2026 has not continued. The chart below looks at each of the magnificent seven individually as well as an ETF made up of those names. As you can see by the red bar that ETF has struggled to start the year seeing losses of 7%. Microsoft is the worst of the bunch seeing nearly 20% of its value erased. This compares to the S&P 500 as a whole having a slight gain through February of 0.6%. What may surprise people is if you equal weight that same index you would see gains of 7%. This is a large gap and one that is a complete change in market leadership. What this means for investors is that diversified portfolios that have trailed for much of the past few years likely see much better returns than the broad indices such as the S&P due to the significant weight that the index exhibits to the magnificent seven stocks. For reference those seven names at the end of February made up nearly 1/3rd of the index.



Morningstar Advisor Workstation data as of 2/28/2026

EVERGREEN REMINDERS

There's been much discussion this month on the performance between the market cap weighted S&P 500 and an equal weight version. Again, the market cap weighted and more traditional version gives larger weights to the bigger companies in the index. The chart below examines the leadership between the two. I show a similar chart often times in reviews depicting US vs. International leadership and how that has gone in cycles historically. It is no different for this dynamic between equal weight and market cap. While market cap weighted has led for the last handful of years, that is not always the case and if the first two months of 2026 are any guide we could be seeing a change over in leadership much like we've seen in international outperforming the US over the past 14 months. An additional detail in the chart shows the much cheaper valuations of the equal weight version of the index at 16.7x earnings compared to the much more expensive valuations of the market cap index at 22x earnings.



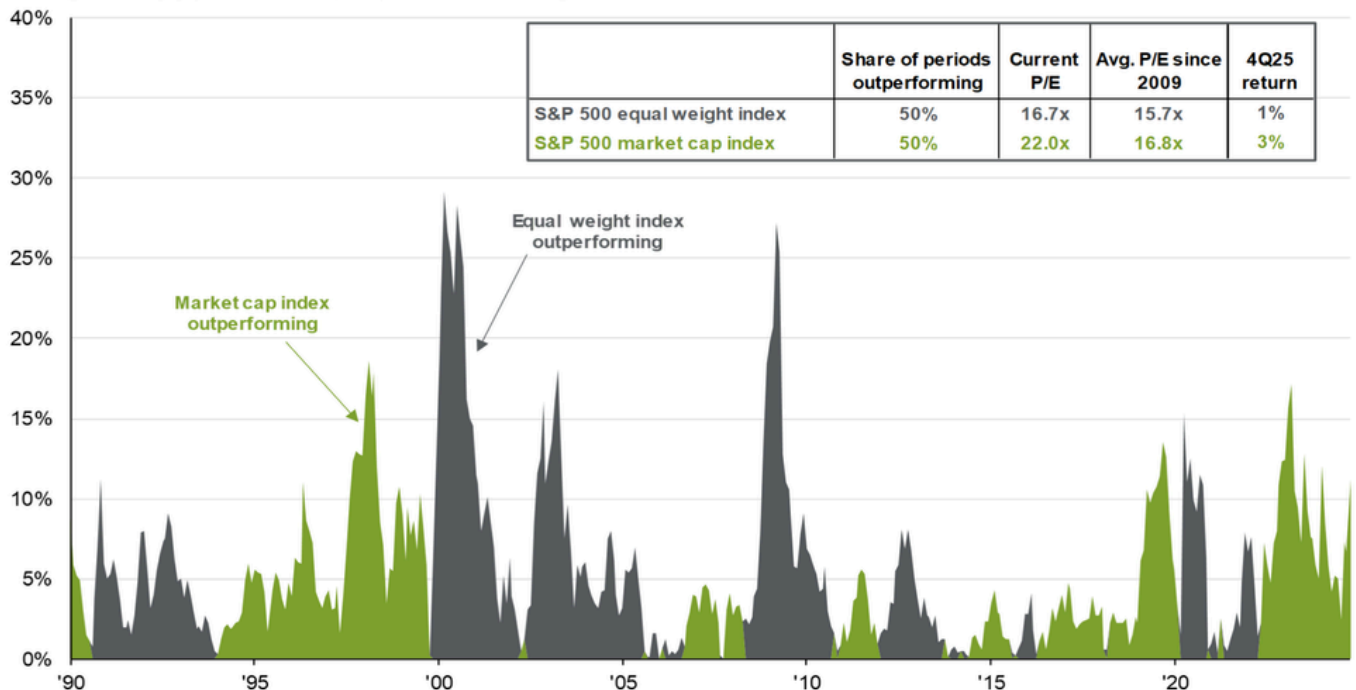
S&P 500 market cap vs. equal weight performance

GTM U.S. OTB

Equities

S&P 500 market cap vs. equal weight performance

Rolling monthly y/y total returns, outperformance = high - low



Source: FactSet, J.P. Morgan Asset Management.
 Past performance is no guarantee of future results.
 Guide to the Markets - U.S. Data are as of December 31, 2025.

J.P.Morgan
 ASSET MANAGEMENT

LIFESTYLE HACK

Maybe not a Lifestyle hack, but very useful information to know especially around tax time coming up is the changes to the USPS postmark rules. Mail will now be dated as of processing date instead of when they are dropped off in a mailbox. This could affect whether time-sensitive mail is considered on time. See the link below for more info.

<https://www.aarp.org/government-elections/usps-postmark-changes/>

TECHNOLOGY TIP

Most likely not as well known as March Madness, March 1-7 represents National Consumer Protection Week. The Social Security's Office is designating March 5th as "Slam the Scam" Day. There are several resources at the link below to help your awareness of scams and protect yourself and important information.

<https://www.ssa.gov/scam/resources.html>

LOCAL EVENTS THIS MONTH

- I'd be remiss to not include basketball games as we get into March activities. Nebraska plays their last home game before post season play on March 8th hosting Iowa. The big March Madness tournament will kick off on the 19th.
- While Creighton has wrapped up their home basketball schedule you can get down to the CHI Health Center to see Disney on Ice the 5th - 8th.
- Juliet the Broadway Musical is at the Orpheum from the 3rd through the 8th.
- Disaster! The Musical is at the Omaha Community Playhouse for 3 weekends during the month.
- The Harlem Globetrotters are bringing their entertaining style of hoops to Baxter arena on the 19th.
- Six The Musical, which is a Broadway show, is at the Orpheum the last weekend of March.

ARVADA TEAM HAPPENINGS

We are honored to have been named to Forbes Best-In-State Wealth Management Teams for 2026! This accolade reaffirms our pledge to prioritize our clients' financial well-being and to deliver excellence in every aspect of service. It would not be possible without your continued trust and support! Thank you!

2026 Forbes Best-in-State Wealth Management Teams: Awarded January 2026; Data compiled by SHOOK Research LLC based on the time period from 3/31/24 - 3/31/25 (Source: [Forbes.com](https://www.forbes.com)). The Forbes Best-in-State Wealth Management Teams rating algorithm is based on the previous year's industry experience, interviews, compliance records, assets under management (minimum variable by state), revenue and other criteria by SHOOK Research, LLC. Investment performance is not a criterion. Self-completed survey was used for rating. This rating is not related to the quality of the investment advice and based solely on the disclosed criteria. 12,787 wealth management teams were considered for the rating; 6,149 (48% of candidates) were named 2026 Forbes Best-in-State Wealth Management Teams.

ARVADA WEALTH



We are proud to be recognized as a
2026 AWARD RECIPIENT!



*Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN), Member SIPC. Arvada Wealth Management is a separate entity from WFAFN.
[PM]-09022027-5253002*

Disclosures

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

Wells Fargo Advisors Financial Network did not assist in the preparation of this report, and its accuracy and completeness are not guaranteed. The report herein is not a complete analysis of every material fact in respect to any company, industry, or security. The opinions expressed here reflect the judgement of the author as of the date of the report and subject to change without notice. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN), Member SIPC. Arvada Wealth is a separate entity from WFAFN.