

### Our Founder



**Robert C. Stimson, CPA**  
 Founder, Chief Executive Officer  
 and Chief Investment Officer

### Company Overview

Little House Capital, LLC is an SEC Registered Investment Advisor. The firm was established to redefine the wealth management experience by integrating investment management, financial planning, and complex estate and tax strategies. We provide seamless and comprehensive goal-based solutions that seek to achieve desired outcomes for individuals, families, trusts, foundations, and endowments.

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Our proprietary global investment strategies consist of three key themes:

#### 1) Income, 2) Core, and 3) Growth

Each strategy is tailored to align with distinct investment styles and risk objectives to meet the unique needs of every client. Our investment performance adheres to Global Investment Performance Standards (GIPS), reflecting principles of full disclosure and fair representation. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional GIPS reports and/or our firm’s list of composite/pooled fund descriptions, please email your request to [LHC@Littlehousecapital.com](mailto:LHC@Littlehousecapital.com).

[For more information visit our website: [Littlehousecapital.com](http://Littlehousecapital.com)]

Our comments in the notes below refer to the *Core Maximizer Global 60/40 strategy*, which represents a typical 60% Equity / 40% Fixed Income allocation. Our investment team employs active (i.e., tactical) allocation across various asset classes and evaluates performance against a pre-determined benchmark (i.e., strategic weighting).

Chart 1 below shows our tactical positioning vs. our strategic benchmark. The Income Maximizer Global 60/40 strategy has gained 0.8% YTD (0.6% net), versus the benchmark’s 0.1%.

#### Current Top-Down Asset Class Positioning:

ASSET CLASS	UNDERWEIGHT	NEUTRAL	OVERWEIGHT	PRIOR RATING
<b>EQUITIES</b>		=		↑
US LARGE CAP			↑	↑
US SMIDCAP	↓			=
INTERNATIONAL	↓			↓
EMERGING MARKETS	↓			↓
<b>BONDS</b>	↓			↓
TREASURIES		=		-
CORPORATES			↑	↑
HIGH YIELD	↓			↓
MUNICIPALS			↑	↑
<b>ALTERNATIVES</b>			↑	=
PRECIOUS METALS		=		↓
COMMODITIES		=		↓
EQUITY HEDGES	↓			↓
MACRO FUNDS			↑	↑
<b>CASH</b>		=		↑

Chart 1: Tactical vs. Strategic Weighting / Source: Little House Capital

A more detailed explanation of our tactical positioning across equities, bonds, alternatives, and cash is included within.

### Equities—Equal Weight:

Markets reversed course in the first quarter of 2026, with the S&P 500 declining 4.9%, ending the momentum that had carried equities to record highs through much of 2025. The quarter began with signs of broader market participation, but conditions grew increasingly volatile as geopolitical tensions intensified following the outbreak of conflict in the Middle East. The implications of the war for the U.S. economy remain uncertain, as surging oil prices threaten to rekindle inflationary pressures and complicate the outlook for monetary policy.

Corporate fundamentals, however, remained constructive. The S&P 500 is on track to deliver its sixth consecutive quarter of double-digit year-over-year earnings growth. Strong balance sheets and resilient profit margins continued to provide support, even as investor sentiment became more cautious.

In January, LHC made tactical portfolio adjustments to take advantage of these shifting conditions. We reduced our overweight to U.S. large-cap stocks, broadened our equity exposure, and selectively rotated away from industries we believed would be more vulnerable to changing artificial intelligence trends, particularly Application Software. This positioning proved beneficial as the quarter saw a clear rotation away from the technology-heavy leadership that defined 2024 and 2025.

### US Small Cap Rises as Large Cap Struggles

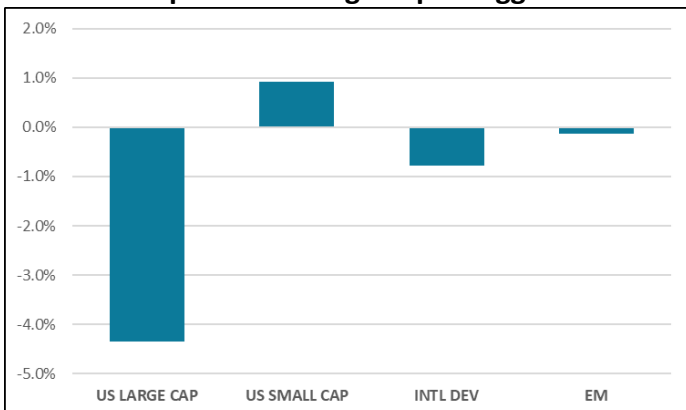


Chart 2: Q1 2026 Returns by Geography / Source: Bloomberg

Energy stocks surged more than 38% during the quarter, propelled by the conflict in the Middle East and the sharp rise in oil prices. Materials and Utilities also posted solid gains, advancing approximately 9.7% and 8.3%, respectively. By contrast, Information Technology declined roughly 9.1%, weighing heavily on the S&P 500 given the sector’s outsized representation in the index. Communication Services and Consumer Discretionary also underperformed, as concerns around AI-related spending and elevated valuations among mega-cap technology companies pressured growth-oriented segments of the market.

During our January rebalance, we increased exposure to both International Developed and Emerging Markets while maintaining an overall overweight to U.S. equities. Relative to the U.S., international markets performed well through much of the quarter, continuing the trend that emerged in 2025. However, the geopolitical shock stemming from the Iran war triggered a flight-to-safety response that temporarily supported the U.S. dollar and introduced renewed volatility across global markets.

From a monetary policy perspective, the Federal Reserve held interest rates steady throughout the quarter, noting that uncertainty remains elevated as it balances inflation risks against labor market conditions. As we move into the second quarter of 2026, the environment remains unsettled. Elevated oil prices, persistent inflation, and geopolitical instability are likely to remain key challenges for markets.

### Energy Shines Despite Volatile Sector Returns

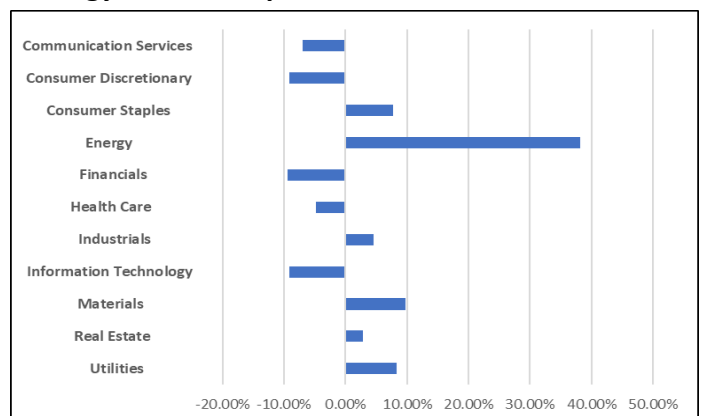


Chart 3: YTD Returns by GICS Economic Sector / Source: Bloomberg

### Bonds—Underweight:

Fixed income began the first quarter of 2026 on solid footing before the outbreak of conflict in the Middle East abruptly changed the market backdrop. Early in the quarter, softer economic data and rising expectations for Federal Reserve rate cuts supported bond prices. By the end of February, the 10-year Treasury yield had fallen to 3.97% as markets increasingly priced in earlier-than-expected monetary easing. That trend reversed sharply after the outbreak of the Iran war, with the 10-year Treasury yield rising to as high as 4.48% by the end of March as concerns over energy-driven inflation intensified. Rather than benefiting from a traditional flight-to-safety bid, longer-duration bonds faced significant pressure as the inflation outlook worsened.

During the quarter, LHC maintained an underweight to fixed income and positioned portfolios with a duration shorter than the benchmark. This proved advantageous, as ultrashort bond funds once again demonstrated their value as a source of capital preservation during periods of market stress.

We also completed a credit quality upgrade across portfolios during the quarter, exiting and replacing positions where we identified credit-related concerns. Investment-grade corporate bonds came under pressure as credit spreads widened amid geopolitical uncertainty. While Treasury yields moved higher over the period, corporate fundamentals remained sound, suggesting that the widening in spreads reflected external risk factors rather than any meaningful deterioration in underlying credit quality. That distinction remains important for investors evaluating longer-term opportunities in the asset class.

Municipal bonds entered the quarter in a position of strength, supported by robust January inflows and a favorable technical backdrop. Lower issuance, combined with seasonal reinvestment demand, created supportive conditions that allowed municipals to outperform Treasuries during the early part of the year. Municipal bonds continue to serve as a reliable, tax-advantaged component of diversified portfolios, and their role has become even more valuable amid elevated market volatility.

### Ultra Short Duration Outperforms

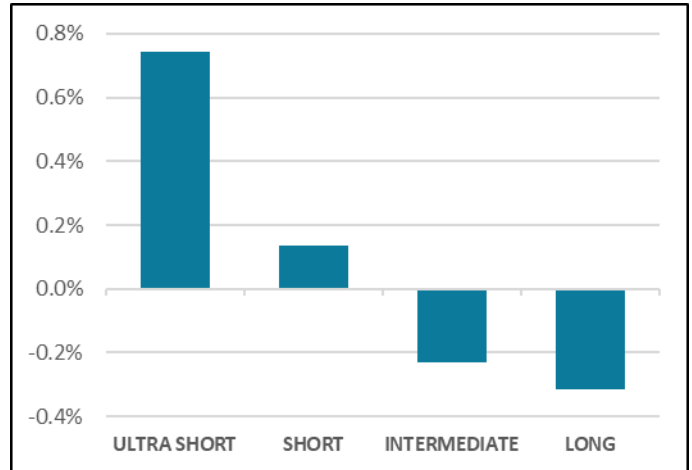


Chart 6: YTD Fixed Income Performance by Duration / Source: Bloomberg

The central theme of the quarter was that fixed income markets were caught between competing forces. On one hand, slowing growth expectations would typically push yields lower. On the other, the oil shock complicated the inflation outlook and ultimately drove yields higher across maturities. By quarter-end, the war had largely pushed back expectations for near-term Federal Reserve rate cuts, contributing to upward pressure on yields.

Looking ahead to the second quarter of 2026, the path for bonds will depend heavily on how the geopolitical situation evolves and whether energy prices stabilize enough to allow the Fed to resume its easing cycle.

Even as equity markets face their own uncertainties, fixed income continues to play a critical role in portfolios by providing income, diversification, and stability. The current environment calls for greater discipline and selectivity across bond sectors, but the asset class remains a cornerstone of prudent long-term portfolio construction.

### Alternatives—Overweight:

In January, we increased our allocation to alternatives to capitalize on their income-generating potential, low correlation to traditional asset classes, and opportunity for growth. This positioning proved especially valuable during a quarter in which both equities and bonds faced meaningful headwinds.

Our alternatives allocation, consisting of the Victory Market Neutral Income Fund (CBHIX), Fulcrum Diversified Absolute Return Fund (FARIX), and iShares Select Commodity ETF (CMDY), generated returns of approximately 6.9%, 6.0%, and 21.9%, respectively, during the quarter.

CBHIX employs a multi-strategy, market-neutral approach designed to generate income through derivatives while maintaining low correlation to broader equity and fixed income markets. Its structure is particularly well suited for periods like this one, when broad market dislocations create volatility across asset classes. FARIX is a macro-oriented absolute return strategy that invests across traditional securities, currencies, and commodities, seeking positive returns while carefully managing downside risk. CMDY provides broad-based commodity exposure across energy, metals, and agriculture. That exposure was especially beneficial this quarter given the sharp moves in both precious metals and oil. Gold rose above \$5,000 per ounce for the first time before pulling back, but still finished the quarter higher, while oil prices remained elevated following the onset of conflict in the Middle East.

Taken together, this allocation continued to lower overall portfolio beta while contributing strong returns, reinforcing the importance of maintaining diversified, low-correlation exposures. Geopolitical shocks and shifting monetary policy expectations can cause traditional asset-class relationships to break down unexpectedly, making alternative strategies particularly valuable in periods of heightened uncertainty.

We remain mindful of the unique risks associated with alternative investments and implement them thoughtfully to ensure they complement the overall construction and long-term objectives of our portfolios.

### Cash—Equal Weight :

At the end of the quarter, our cash position remained meaningful as we navigated a turbulent market environment and continued to assess the best opportunities for deployment. Excess cash in client portfolios remains primarily in government money market funds through Schwab and Fidelity. These funds invest in taxable short-term securities backed by the U.S. government, and provide capital stability, liquidity, and current income.

With current yields in the 3.3%–3.6% range, these holdings continue to offer a compelling combination of flexibility and downside protection — particularly relevant in a quarter defined by geopolitical uncertainty, equity market volatility, and a Federal Reserve that held rates steady throughout the period. Rather than a passive placeholder, cash served an active role this quarter, allowing us to maintain a cautious stance while preserving optionality as market conditions continue to evolve.

We remain patient and disciplined, and will look to put cash to work strategically as opportunities with attractive risk and reward profiles present themselves.

### Short Term Yields Coming Down from Peak

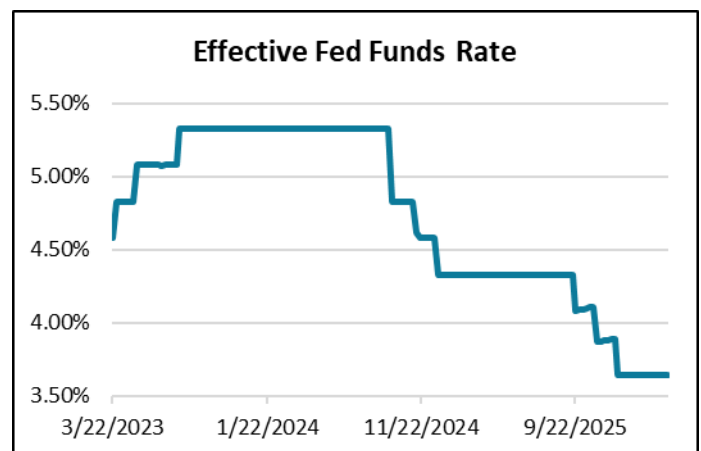


Chart 7: Fed Funds Effective Rate / Source: FRED

### Appendix

#### Asset Class Performance

	March	3 Months	6 Months	Year To Date	Last 12 Months	Last 3 Years
Communication Services	-6.39%	-6.94%	0.61%	-6.94%	32.51%	41.78%
Consumer Discretionary	-3.81%	-9.19%	-9.17%	-9.19%	11.72%	17.89%
Consumer Staples	-5.20%	7.68%	7.93%	7.68%	6.31%	9.37%
Energy	9.32%	38.25%	40.42%	38.25%	36.32%	21.44%
Financials	-3.13%	-9.47%	-6.79%	-9.47%	0.58%	20.41%
Health Care	-6.11%	-4.88%	3.12%	-4.88%	2.31%	6.42%
Industrials	-7.53%	4.61%	5.85%	4.61%	25.01%	22.34%
Information Technology	-3.68%	-9.13%	-8.49%	-9.13%	29.05%	33.17%
Materials	-3.96%	9.73%	12.22%	9.73%	17.97%	10.28%
Real Estate	-5.71%	2.76%	-0.16%	2.76%	2.33%	7.64%
Utilities	-1.86%	8.26%	5.73%	8.26%	19.71%	16.30%

Chart 8: Asset Class Return Heatmap / Source: Bloomberg

The table above displays asset class performance across various time periods. The color shading represents return percentages, with lighter shades indicating higher returns and darker shades indicating lower or negative returns for each period. Returns are provided for specific time frames, including March, 3 Months, 6 Months, Year to Date, Last 12 Months, and Last 3 Years (Annualized).

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