



Quarterly Market Summary and Outlook 1Q 2026

Past Quarter Summary

The start of 2026 experienced volatility after a strong run in the prior year, driven by geopolitical forces and investors taking a step back to ask: which companies are actually delivering results right now? That shift made a difference. Instead of everything moving together, we began to see clearer winners and losers. Markets didn't fall apart — but they became more selective.

Strategy	Performance Drivers	Key Themes
U.S. Quality Dividend	Steady industrial and income performance; tech lagged	Reliable income, strong balance sheets
Large Cap Growth	Consumer and financials held; healthcare and tech slowed	Selective growth, steady demand
Focused Growth	Financials helped; industrials and healthcare struggled	Valuation reset, new opportunities
ADR International	Consumer staples steady; financials and tech weaker	Regional differences, defensive positioning

Source: Decatur Capital Management, Inc.

What Worked

Resilience came from stability. Companies that sell everyday goods, pay steady dividends, or manage their finances carefully held up well. Investors leaned toward businesses they could understand and trust — those with consistent demand and solid footing. Financial companies also benefited as market volatility supported trading and hedging activity.

What Didn't

Areas that relied heavily on future expectations struggled. Technology and healthcare slowed as investors became more cautious and focused on near-term results. Other economically sensitive sectors were uneven, reflecting uncertainty around growth and global demand.

What's Next

The market is becoming more selective. Investors are focusing on what companies are earning today, not just what they may earn in the future. Stronger businesses with steady profits and careful management are likely to stand out. At the same time, global tensions and shifting policies remain part of the landscape. There are still opportunities, but success will come from choosing carefully and staying disciplined.