

FINANCIAL OUTLOOK

MAY 2026

TAKE TIME TO REASSESS

Periodically, you should reassess your portfolio, finding ways to increase your comfort level with your stock investments. Consider the following tips:

- **DEVELOP A STOCK INVESTMENT PHILOSOPHY.** Approach investing with a formal plan so you can make informed decisions with confidence, knowing you have carefully considered your options before investing.
- **REMINDE YOURSELF OF WHY YOU ARE INVESTING IN STOCKS.** Write down your reasons for investing in each individual stock, indicating the

long-term returns and short-term losses you expect. When market volatility makes you nervous, review your written reasons for investing as you did. That reminder should help keep you focused on the long term.

- **MONITOR YOUR STOCK INVESTMENTS SO YOU UNDERSTAND THE FUNDAMENTALS OF THOSE STOCKS.** If you believe you have invested in a good company with good long-term prospects, you are more likely to hold the stock during volatile periods.
- **REVIEW YOUR CURRENT ASSET AL-**

LOCATION. Revisit your asset allocation strategy, comparing your current allocation to your desired allocation. Now may be a good time to rebalance your portfolio, reallocating some of those stock investments to other alternatives.

- **DETERMINE HOW RISKY YOUR STOCKS ARE COMPARED TO THE OVERALL MARKET.** You can do this by reviewing betas for your individual stocks and calculating a beta for your entire stock portfolio. Beta, which can be found in a number of published services, is a statistical measure of how stock market movements have historically impacted a stock's price. By comparing the movements of the Standard & Poor's 500 (S&P 500) to the movements of a particular stock, a pattern develops that gauges the stock's exposure to stock market risk. Calculating a beta for your entire portfolio will give you a rough idea of how your stocks are likely to perform in a market decline or rally. If your stock portfolio is riskier than you realized, you can take steps to reduce that risk by reallocating.
- **KEEP IN MIND THE TAX ASPECTS OF**

GROWING YOUR 401(K) PLAN

Your 401(k) plan's ultimate size is primarily a function of two factors — how much you contribute and how much you earn on those contributions. Of course, you know you should contribute the maximum amount possible (\$24,500 in 2026 plus a \$8,000 catch-up contribution for individuals over age 50, if permitted by the plan). But what steps should you take to maximize your returns? Consider these tips:

- **TAKE ADVANTAGE OF EMPLOYER MATCHING CONTRIBUTIONS.** Contribute at least enough to take full

advantage of any matching contributions. You simply lose the money if you don't use it. A 50% match on your contributions is the equivalent of earning 50% on your money in the first year. If you plan to contribute the maximum and your employer matches contributions, have the \$24,500 taken out of your pay uniformly throughout the year. Most employers match your contributions as they are made, so you could forego some matching if you

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TAKE TIME

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SELLING. While you may be tempted to lock in some of your gains, you may have to pay taxes on those gains if the stocks aren't held in tax-advantaged accounts. You'll have to pay at least 15% capital gains taxes (0% if you are in the 10% or 12% tax bracket) on any stocks held over one year. If your gains are substantial, it may take longer to overcome the tax bill than to overcome a downturn in the market.

- **CONSIDER SELLING STOCKS IF YOU HAVE SHORT-TERM CASH NEEDS.** If you are counting on your stock investments for short-term cash needs, such as to supplement your retirement income in the next couple of years or to pay for your child's college education, look for an appropriate time to sell some stock. With short-term needs, you may not have time to wait for your stocks to rebound from a market decline.
- **DON'T TIME THE MARKET.** During periods of market volatility, investors can get nervous and consider timing the market, which typically translates into exiting the market in fear of losses. Remember that most people, including professionals, have difficulty timing the market with any degree of accuracy. Significant market gains can occur in a matter of days, making it risky to be out of the market for any length of time.
- **REMEMBER THAT YOU ARE INVESTING FOR THE LONG TERM.** Even though short-term setbacks can give even the most experienced investors anxiety, remember that staying in the market for the long term, through different market cycles, can help manage the effects of market fluctuations.

Please call if you'd like help implementing strategies that may make you more comfortable with your stock holdings. ○○○

HOW TO SAVE MORE: STEP BY STEP

For many of us, saving money is difficult. Here's an eight-step program to help you find more savings in your income.

STEP 1: CREATE A BUDGET. Make a single sheet for each month. Organize it into two sections: one for expenses and the other for income. Create a line for every kind of recurring expense you have. For out-of-pocket expenses, make estimates in advance and create line items for lunches out, personal care like the hairdresser or nail salon, gas and oil, prescriptions, clothing, and entertainment. Keep in mind that your budget is a living document that you can add to as you remember items. Devote another column to the net income you expect to receive for the month from all sources. Then, subtract your total expenses from your income. If the result is negative, you've discovered a problem.

STEP 2: TRACK YOUR SPENDING. What you've just created in the first step is a master budget. Now, start tracking what you actually spend. Keep all your receipts and make a daily record of any expenses for which you don't receive a receipt. Then, once a week, enter what you actually spent into your budget.

STEP 3: SET A SAVING GOAL. As you make your master budget, think about a goal for the extra savings you want to achieve. Enter that amount as a savings line item in your column of recurring monthly expenses.

STEP 4: MAKE THE SAVINGS AUTOMATIC. The key to actually saving what you intend to save is to make the transfer from your paycheck automatically. It's best, then, to do one of three things: increase the amount that you contribute to a workplace savings plan by payroll deduction, authorize a deduction every month from your checking account, or transfer funds into

your savings account as soon as you get paid.

STEP 5: CUT DOWN ON DISCRETIONARY SPENDING. The places you'll find savings are the things you can really do without. These range from expensive morning coffee to meals out, movies, shows and concerts, premium TV channels, expensive smart phone data plans, and even your vacations. It can be difficult at first to say no to yourself, but with practice it gets easier, especially when you see your savings balances start to grow faster.

STEP 6: REVIEW YOUR BIG-TICKET FINANCES — MORTGAGE, CAR LOAN, OR LEASE. You can find your biggest savings by carefully reviewing your biggest expenses. Refinancing your mortgage could save you hundreds of dollars a month. If you're leasing a luxury vehicle, consider downgrading a notch or two when it expires, or buy a recent-year used car — you may save thousands on the depreciation and could lower your monthly spending significantly.

STEP 7: AVOID LATE PAYMENT PENALTIES AND OVERDRAFT FEES. Pay all your bills on time so you avoid being charged costly late charges and fees. Monitor your checking account balance to avoid overdraft charges.

STEP 8: BUY ONLY WITH CASH. As much as possible, make your purchases with cash instead of using high-interest credit cards. The idea is to force yourself to postpone impulse purchases that increase your balance and rack up interest charges.

It's always better to err on the side of saving too much than too little. Gauging just how much you really need to save, however, is more a matter of art than science, so please call if you would like to discuss this in more detail. ○○○

GROWING YOUR

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- reach the limit before year-end.
- **SELECT YOUR INVESTMENT ALTERNATIVES CAREFULLY.** Since you are responsible for investment decisions, understand all alternatives and review all available information before making choices. Keep in mind the long-term nature of your retirement goal and select investments for that time period. For most participants, that will mean that a significant portion of their portfolio should be invested in growth alternatives, such as stocks.
 - **REBALANCE PERIODICALLY.** Numerous studies have found that rebalancing reduces portfolio volatility, often with increased returns. By rebalancing, you are following a fundamental investment principle — you are buying low (those investments that are underperforming) and selling high (those investments that are performing well). Keep in mind that you set your asset allocation strategy because you believed those were the appropriate percentages of various investments that you should own. Thus, you should make rebalancing a habit so your portfolio doesn't become more risky than intended. Since your 401(k) plan is tax deferred, there are no tax ramifications to buying and selling within the account.
 - **LIMIT THE AMOUNT OF COMPANY STOCK OWNED.** Purchasing too much company stock is risky. Not only is your job and livelihood tied to the company, but your retirement savings are also tied to the same company. It is generally recommended that any one stock not comprise more than 5% to 10% of your portfolio's value. If you own company stock in your 401(k) plan, look at how much of your total balance it represents. Take steps to immediately reduce that percentage if it is over 10% of your total portfolio.
 - **DON'T BORROW FROM YOUR 401(K) PLAN.** While it may be comforting

DIVERSIFYING ALL YOUR ASSETS

When asked how their assets are diversified, most people respond by indicating how much of their portfolio is divided between stocks, bonds, and cash. But looking at your overall financial diversification means you need to examine all your assets. Some items to consider include:

- **YOUR MOST SIGNIFICANT ASSET IS PROBABLY YOUR ABILITY TO EARN AN INCOME.** The predictability of that income will have a significant impact on your financial situation. If you work for a company in a volatile industry, your spouse might want to seek employment at a more stable company. No matter where you work, don't purchase too much of your company's stock, even if it is through a 401(k) plan. You may even want to avoid stocks in related industries. Since your current and future income potential is closely tied to the company you work for, you want to

diversify your other assets.

- **KEEP AN EYE ON THE OUTLOOK FOR YOUR HOME'S VALUE.** Your home's appreciation potential is often tied to economic growth in your area. If your area is dominated by a certain industry, the prospects for that industry can also impact your home's value.
- **ADEQUATELY DIVERSIFY YOUR INVESTMENT PORTFOLIO.** Typically, you do not know which asset class will perform best on a year-to-year basis. Diversification is a defensive strategy — it helps protect your portfolio during market downturns and helps reduce your portfolio's volatility. Diversify your investment portfolio among a variety of investment categories. Also diversify within investment categories.

When diversifying, consider all your assets, not just your investment portfolio. If you would like to discuss diversification and how it impacts you in more detail, please call. ○○○

to know you can gain access to your 401(k) fund when needed, only borrow as a last resort. It's true that you are borrowing from yourself and will pay interest to yourself, but there are also hidden costs to this borrowing. When you borrow, some of your investments are sold. While your loan is outstanding, you miss out on any capital gains or other income those investments would have earned. Interest rates are typically very reasonable with 401(k) loans, often prime rate or a couple of points over prime. That makes it easier to pay back the funds, but could mean your 401(k) account is earning lower returns than if it was invested in other alternatives. Also, if you leave the company while a loan is outstanding, you must repay the entire balance

within a short period of time or the loan will be considered a distribution, subject to income taxes and the 10% early withdrawal penalty if you are under age 59½ (55 if you are retiring).

Please call if you'd like help with decisions involving your 401(k) plan. ○○○



FINANCIAL DATA

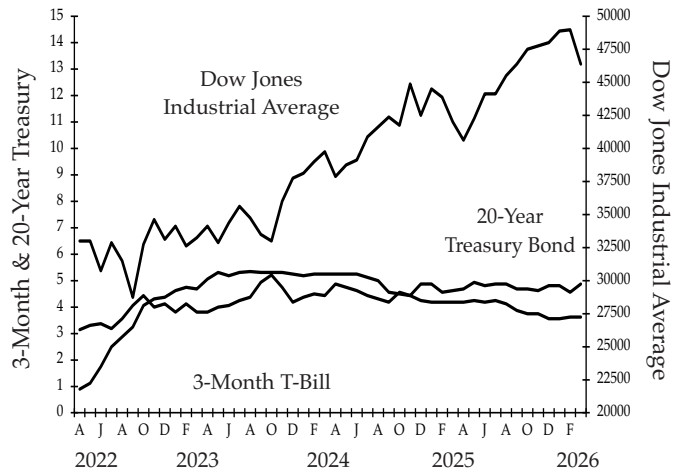
Indicator	Month-end				
	Jan-26	Feb-26	Mar-26	Dec-25	Mar-25
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.41	0.41	0.42	0.41	0.45
3-month T-bill yield	3.58	3.59	3.62	3.57	4.21
10-year T-bond yield	4.26	3.97	4.30	4.18	4.23
20-year T-bond yield	4.82	4.57	4.88	4.79	4.62
Dow Jones Corp.	5.06	5.03	5.43	5.00	5.37
30-year fixed mortgage	6.23	6.12	6.57	6.27	6.79
GDP (adj. annual rate)#	+3.80	+4.40	+0.70	+0.70	+3.40

Indicator	Month-end			% Change	
	Jan-26	Feb-26	Mar-26	YTD	12-Mon.
Dow Jones Industrials	48892.47	48977.92	46341.51	-3.6%	10.3%
Standard & Poor's 500	6939.03	6878.88	6528.52	-4.6%	16.3%
Nasdaq Composite	23461.82	22668.21	21590.63	-7.1%	24.8%
Gold	5033.00	5232.00	4592.00	5.7%	47.4%
Consumer price index@	324.05	325.25	326.79	0.8%	2.4%
Unemployment rate@	4.40	4.30	4.40	-4.3%	7.3%

— 2nd, 3rd, 4th quarter @ — Dec, Jan, Feb Sources: Barron's, Wall Street Journal

4-YEAR SUMMARY OF DOW JONES INDUSTRIAL AVERAGE, 3-MONTH T-BILL & 20-YEAR TREASURY BOND YIELD

APRIL 2022 TO MARCH 2026



Past performance is not a guarantee of future results.

NEWS AND ANNOUNCEMENTS

THE STOCK MARKET IS NOT THE ECONOMY

Although it plays an extremely important role in the economy, the stock market is not the same as the economy. The stock market is driven mostly by the emotions of investors, not necessarily the performance of the economy.

The best example of investors confusing the stock market and the economy is the market crash of 1929. Investors didn't realize a recession had begun, and they kept driving stock prices higher until the stock market crashed. The market crash was one of many factors that caused the Great Depression, not the only one. And while the Great Depression ended in 1939, the stock market didn't recover until the 1950s.

One of the primary reasons that stocks and the economy are able to perform independently from each other is that the stock market is micro and the economy is macro. Many things can impact the economy, while stocks prices are more

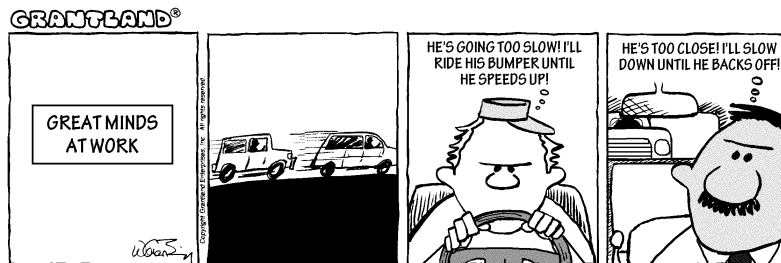
dependent on supply and demand.

For example, a company only has so many shares of stock available to be traded. The higher the demand for the stock, the higher the stock's price will be. Even if the economy is stagnant, when a successful company's stock is in short supply, the stock price will likely go up despite what the economy is doing.

The most important correlation between stocks and the economy is time. The shorter the time frame, the weaker the correlation between the two. When time is extended to years or decades, the two will likely converge.

While investors should pay attention to the economy, it is best for investors to focus on the specific fundamentals they normally would when evaluating whether or not to purchase a stock. ○○○

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Neither Asset Allocation nor Diversification guarantee a profit or protect against a loss in a declining market. They are methods used to help manage investment risk.

Indices are unmanaged and investors cannot invest directly in an index. Unless otherwise noted, performance of indices do not account for any fees, commissions or other expenses that would be incurred. Returns do not include reinvested dividends.

The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 actively traded "blue chip" stocks, primarily industrials, but includes financials and other service-oriented companies. The components, which change from time to time, represent between 15% and 20% of the market value of NYSE stocks. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is a market value weighted index with each stock's weight in the index proportionate to its market value.

The Nasdaq Composite Index is a market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks. The index includes all Nasdaq listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debentures.

The Consumer Price Index (CPI) is a measure of inflation compiled by the US Bureau of Labor Studies.

Rebalancing/Reallocating can entail transaction costs and tax consequences that should be considered when determining a rebalancing/reallocation strategy.