

April 2026 Monthly Commentary

May 1, 2026

Stock Market & Portfolio Performance

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April 2026: U.S. stock prices rose sharply for the month, driven in part by optimism around a temporary ceasefire in the Iranian conflict. International stocks also performed strongly. Bond prices increased modestly.

	Apr '26	YTD 2026	Description:
Without Dividends:			
S&P 500	10.4%	5.3%	500 Largest Public U.S. Companies
Russell 2000	12.2%	12.8%	2000 of the smallest U.S. stocks
MSCI EAFE	7.1%	5.0%	international stock index
U.S. Aggr Bond	0.1%	0.2%	index of U.S. bonds
With Dividends, after all fees:			
MAM portfolios	5.5%	4.3%	non-very conservative MAM portfolios
MAM Consv	4.4%	3.5%	portfolios with 45%+ bond allocation

The returns showed above are unaudited. Past performance is not indicative of future results. Returns for McCarthy Asset Management Portfolios ("MAM Portfolios") are net of management fees and transaction costs, and reflect the reinvestment of dividends. Results represent a composite of clients using a similar investment strategy, individual results will vary.

Returns for the indices are provided solely as a general indication of current market conditions. MAM Portfolios are not invested in a style substantially similar to any index. Indices do not reflect the deduction of management fees or transaction costs or the reinvestment of dividends. Performance for the indices would be lower if these costs were reflected.

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Financial Impact of the Iranian War– Update

Prior to the onset of hostilities with Iran, the U.S. economy was showing some of its strongest post-pandemic fundamentals. Inflation was trending lower, the labor market remained relatively stable, and economic growth was solid. That outlook shifted on February 28, when the U.S. and Israel launched strikes on Iran. Since then, economists have tempered their expectations for the remainder of 2026.



The Wall Street Journal's most recent quarterly survey of economists, conducted from April 3–9 with 68 respondents, highlights this shift:

- Most economists do not believe the conflict will derail an otherwise resilient economy that has weathered significant challenges, including high inflation and major shifts in trade and immigration policy. However, the probability of a recession within the next six months has risen to 33%, up from 27% in January.
- Growth expectations for 2026 have been revised modestly lower, now projected at 2.0% versus 2.2% previously. Inflation expectations have moved higher, with year-end consumer inflation now estimated at 3.2%, up from 2.6%. For context, the Federal Reserve's target is 2.0%.
- West Texas Intermediate (WTI) crude oil, the U.S. benchmark, is projected to decline to \$79.66 per barrel by the end of 2026—approximately 26% below the recent closing price of \$107.
- Economists estimate that oil prices would need to rise significantly to materially increase recession risk. Responses ranged from \$95 to \$225 per barrel, with an average threshold of \$146. Estimates for how long prices would need to remain elevated ranged from 4 to 55 weeks, averaging 12 weeks.
- Reflecting higher inflation expectations and a still-healthy labor market, economists now anticipate only one quarter-point rate cut from the Federal Reserve in 2026, down from two cuts expected earlier this year.

Stock Market Performance: The speed of the stock market rebound following the April 7 ceasefire announcement has been notable. However, until a more durable resolution is reached, markets remain vulnerable to a pullback. The conflict with Iran is currently at a standstill, but the Strait of Hormuz remains closed and the prospect of escalation is looming. The key economic concern is that energy prices could remain elevated for an extended period. As reflected in the economists survey, such a scenario could materially increase the likelihood of a recession.

MAM Comments: The outlook for both the stock market and the broader economy will largely hinge on how the conflict evolves. If the ceasefire holds and the Strait of Hormuz reopens, we expect the U.S. economy to avoid a recession in the near term. However, a resumption or escalation of hostilities—especially involving damage to energy infrastructure in Iran or other Gulf countries—would likely drive oil prices significantly higher and increase the risk of a global recession.

Currently, we are not making any changes to MAM portfolio allocations.

Trust Administration is Challenging!

By Robert J. Silverman, Esq.

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Articles about establishing revocable living trusts are prevalent; those about administering trusts are not, despite the topic's importance. Trust administration is the process by which a trustee manages and distributes assets held in a trust created by one or more people - "grantors" (aka "settlers" or "trustors"). Typically, the grantor serves as his or her own trustee, the grantor is the only lifetime beneficiary, and one or more other individuals and/or charities are designated by the grantor as beneficiaries following the grantor's death.

During the grantor's life, particularly when the grantor serves as his own trustee, trust administration is transparent and routine. The grantor handles trust assets just like he or she would if the assets were owned individually. But when the grantor becomes unable or unwilling to manage the trust (e.g. upon the grantor's incapacity), the successor trustee named by the grantor takes over trust administration duties.

Successor trustees have a fiduciary duty – the duty to act strictly in the best interest of the trust beneficiaries. Upon the grantor's incapacity or death, many successor trustees who are called upon to serve don't fully appreciate how critical this duty is; what the legal requirements; or what the potential pitfalls are.

Challenging and sometimes complex tasks generally include, but are not limited to: marshalling, valuing, managing and protecting the assets; giving proper notice to, and communicating with, beneficiaries and other interested parties; evaluating and paying debts and taxes; causing tax returns to be filed; keeping accurate records; preparing and delivering an accounting to the beneficiaries; and distributing assets when, how and to whom they should, as governed by the trust document and applicable law.

One important aspect of California post-death trust administration is the requirement to provide timely notice, containing certain language in a specific format, to beneficiaries and others who are entitled to receive it. The trustee must also keep beneficiaries reasonably informed about the assets, liabilities, expenses and progress of the administration.

In some cases, beneficiaries may contest the trust document and/or file suit, alleging that the trustee has acted negligently or has breached his fiduciary duty. A claimant may believe that the trustee has failed to act in the best interests of the beneficiaries; has not provided a timely or sufficient accounting; has failed to distribute the assets in a timely or proper manner; or has failed to manage the assets prudently. If a beneficiary asserts any such claims, the trustee must take steps to address the claims and resolve disputes in a fair and transparent manner.

The trust administration process usually takes six to nine months or sometimes a year or longer to complete, depending on any number of factors, including the type and value of trust assets, whether some assets need to be sold during the administration, if disputes arise, etc. For these reasons, many trustees wisely choose to work with experienced professionals during the trust administration process. This should include an attorney and accountant, and often also financial advisors, real estate agents, appraisers and other professionals who can provide critical expertise, guidance, and support throughout the process. Fortunately, most trusts expressly authorize the trustee to hire such professionals and pay their fees from the trust assets.

In summary, beneficiaries have robust rights under California law; successor trustees have important duties, and trust administration can be a lengthy and challenging process. So, trustees are well advised to work with experienced professionals to navigate the process and ensure compliance with applicable legal requirements. Failing to do so opens up successor trustees to needless potential peril – exposing themselves to personal liability for their acts and omissions.

Estate Planning * Trust Administration & Probate * Real Estate * Business

Please contact the author to request a complimentary: i) "Estate Planning Primer"; ii) Real Estate titling brochure; iii) introductory meeting.

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This article is intended to provide information of a general nature, and should not be relied upon as legal, tax and/ or business advice. Readers should obtain specific advice from their own, qualified professional advisors.

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Our Services

McCarthy Asset Management, Inc. (MAM) is an independent, privately owned Registered Investment Advisor firm. We provide clients with the peace of mind that comes from knowing professionals are managing their financial affairs. The services we offer include:

Investment Management Services:

- MAM creates and manages customized investment portfolios based on each client's investment objectives, timeframe and risk tolerance.

Financial Planning Services:

- The Net Worth Analysis (NWA) tracks the accumulation of Invested Assets for pre-retirees and the retention of Invested Assets for retirees. Updated annually.
- "Retirement Analysis" a comprehensive analysis of your retirement goals, which produces easy-to-read, interactive working plan, stored in the cloud. Updated as needed for life events.
- Social Security Planning is an analysis of the best strategy for when and how to start claiming Social Security benefits.

Tax Services: Clients are able to utilize the income tax services provided through either the firm Stephen P. McCarthy, CPA or from the CPA firm of Lauren Be. These services are offered at an hourly rate and may include:

- Tax Return Preparation
- Income Tax Projections
- Tax Minimization Ideas
- Tax Authority Representation

Other Services: MAM has retained outside experts, whose services are available at no cost to our clients:

- Long Term Care Planning— Allen Hamm of Superior LTC Planning Services, Inc.
- Medicare Advisory Program (MAP) - Eileen Hamm

Reminders/Updates

Please let us know if there are any topics you would like us to cover or questions you would like addressed in a future Monthly Commentary.



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