



Investment Review

March 31, 2026

Ocala Police Officers Retirement System

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SAWGRASS

(n) A singular plant. Tough, resistant to the elements.
A unique species that has thrived for a millennia in
Florida's rich, tropical environment—and the inspiration
for a diverse group of investment professionals.



HOW WE ARE DIFFERENT

We built our philosophy from the ground up over 28 years. It is based on the following four tenets.

RISK MANAGEMENT:

The central tenet of our philosophy counsel to clients is controlling risk. We believe that over time, a strategy focused on steady growth minimizes volatility, resulting in consistent performance across all equity and fixed-income products.

STABILITY:

Both our core investment team and our clients have stayed with Sawgrass over the long term. Our longstanding relationships support healthy, stable growth.

CONSISTENCY:

Since Sawgrass was established in 1998, our founding team has worked together, continuously focused on putting our clients' needs first.

COMMITMENT:

Our commitment to a disciplined investment process has been a key factor in our performance results. Our goal is to provide strategies that remain strong throughout market cycles.

SAWGRASS INVESTMENT STRATEGY

Our products are governed by our belief in achieving growth while managing risk, which produces a structured and repeatable process and has demonstrated added value to our clients over time.

EQUITY INVESTMENT STRATEGIES

- Large Cap Quality Growth Equity
- Diversified Large Value Equity
- Small Cap Quality Growth Equity
- SMID Core Equity

FIXED INCOME INVESTMENT STRATEGIES

- High-Quality Core Fixed Income
- Intermediate Fixed Income
- Short-Term Fixed Income
- Local Government Investment Strategies
- Core Total Return
- Sawgrass High Quality Fixed Income CIT

CUSTOMIZED BALANCED PORTFOLIOS

Many clients utilize a balanced approach to meet their investment needs.

The Sawgrass Team

Member of Executive Committee

PORTFOLIO MANAGEMENT



Alicia Dator
President/CCO



Anthony Brooks
Equity Growth



Liridon Gila, CFA
Co-CIO, Fixed Income/Equity



Marc Davis, CFA
Equity Growth



Rusty Creighton, CFA
Private Wealth
Management



David Siegel, CFA
Fixed Income



Martin LaPrade, CFA
Equity Growth



Dean McQuiddy, CFA
Co-CIO, Equity Growth



Patrick Riley, CFA
Equity Growth



David Furfine, CFA
Fixed Income

CLIENT EXPERIENCE



Brian Monroe
Distribution



Lori Bayler
Institutional
Client Service



April December
Operations



Tracy Lebanoff
Client Management



Sarah Jellyman
Office Management

Portfolio Summary

Portfolio Market Values

Quarter

Beginning Market Value on 1/1/2026	\$7,432,404
Net Cash Flows	569
Investment Gain/Loss	-\$513,765
Ending Market Value on 3/31/2026	\$6,919,208

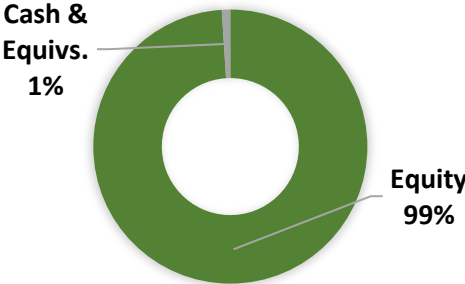
1 Year

Beginning Market Value on 4/1/2025	\$7,647,382
Net Cash Flows	-\$1,499,292
Investment Gain/Loss	\$771,118
Ending Market Value on 3/31/2026	\$6,919,208

Portfolio Summary

Asset Class	Market Value	Percent of Assets
Equity	\$6,854,226	99%
Cash & Equivs.	\$64,983	1%
TOTAL	\$6,919,208	100%

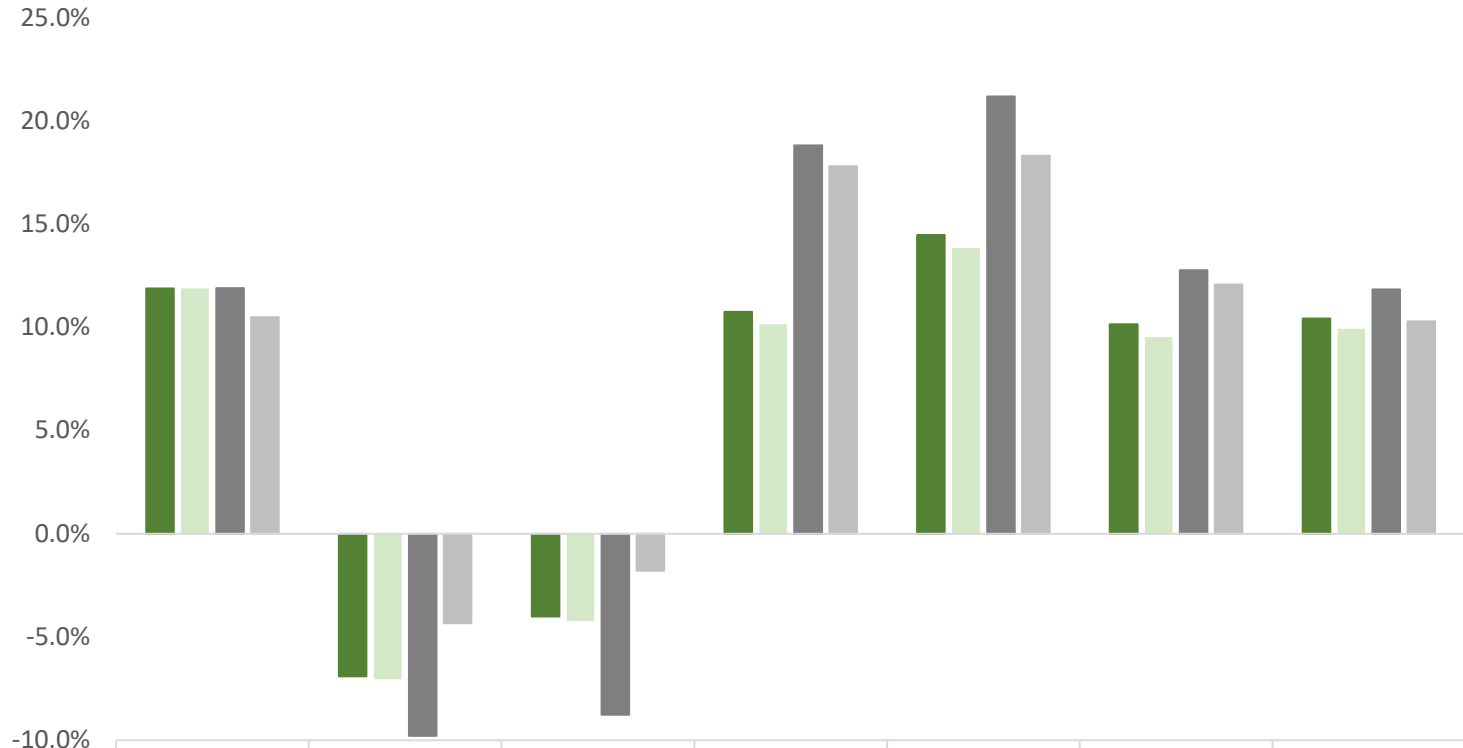
Asset Allocation



Portfolio Performance

Returns as of 3/31/2026

TOTAL RETURNS GROSS & NET FOR SELECT PERIODS Ocala Police Officers Retirement System Equity



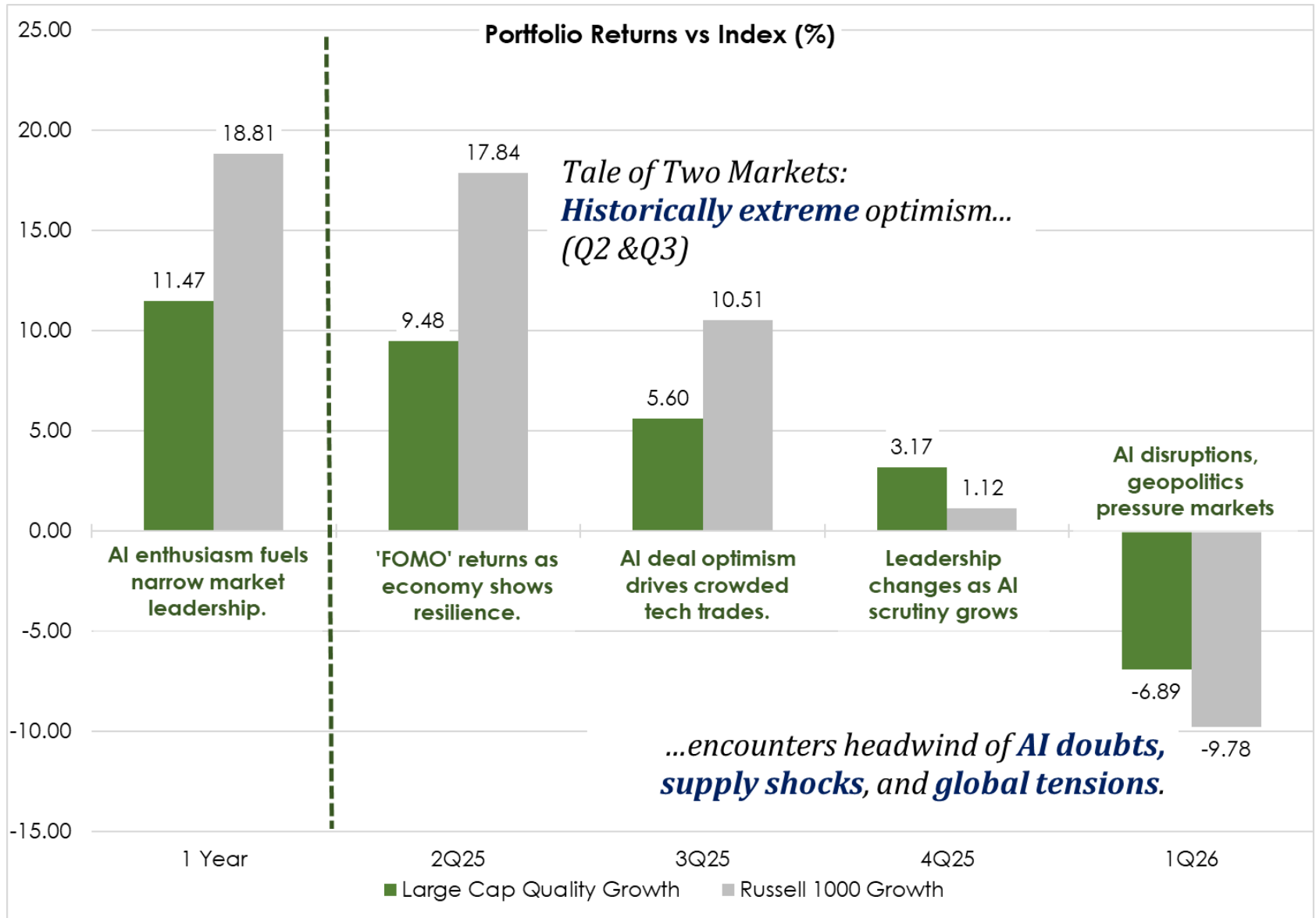
	April 2026	QTD	Fiscal YTD	1 Year	3 Year	5 Year	Since Inception
■ Portfolio (Gross)	11.88%	-6.91%	-4.00%	10.75%	14.47%	10.15%	10.43%
■ Portfolio (Net)	11.88%	-7.04%	-4.22%	10.15%	13.84%	9.53%	9.93%
■ Russell 1000 Growth	11.90%	-9.78%	-8.76%	18.81%	21.18%	12.76%	11.83%
■ S&P 500	10.49%	-4.33%	-1.79%	17.80%	18.31%	12.07%	10.29%

Returns for periods of one year or longer are annualized

*Since Inception 02/29/04

Performance Recap: Trailing Quarterly Returns

As of 3/31/2026



Performance Recap: Sector Attribution – 1Q 2026

31-DEC-2025 to 31-MAR-2026

	Sawgrass Large Cap Quality Growth		Russell 1000 Growth		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection Effect	Total Effect
Total	100.00	-6.89	100.00	-9.78	0.09	2.80	2.89
Technology	42.59	-7.91	46.32	-10.60	0.01	1.11	1.12
Financials	9.77	-2.03	5.93	-14.20	-0.09	1.11	1.02
Health Care	13.95	-3.77	8.22	-8.69	0.07	0.69	0.76
Consumer Discretionary	5.67	-2.09	10.79	-8.77	-0.07	0.34	0.27
Consumer Staples	3.50	-2.26	1.01	4.76	0.33	-0.21	0.12
Communications	11.57	-13.93	13.86	-13.39	0.09	-0.02	0.07
[Cash]	0.66	0.89	--	--	0.01	--	0.01
[Unassigned]	5.52	-9.77	4.56	-9.71	0.01	-0.00	0.00
Utilities	--	--	0.29	-7.13	-0.01	--	-0.01
Real Estate	--	--	0.48	-3.89	-0.03	--	-0.03
Materials	--	--	0.43	0.25	-0.04	--	-0.04
Energy	--	--	0.29	38.53	-0.12	--	-0.12
Industrials	6.76	-3.26	7.81	-0.83	-0.07	-0.22	-0.29

Strong outperformance in largest sector overweights (and underweights) helped limit losses in a broadly negative market.

Performance Recap: Contribution to Return – 1Q 2026

31-DEC-2025 to 31-MAR-2026

	Ticker	Average Weight	Total Return	Contribution To Return
Total		100.00	-6.89	-6.89
10 Highest		16.55	14.19	2.12
United Therapeutics Corporation	UTHR	2.44	21.70	0.55
Applied Materials, Inc.	AMAT	1.62	33.16	0.37
KLA Corporation	KLAC	1.87	21.33	0.30
Cboe Global Markets Inc	CBOE	2.28	12.25	0.23
CME Group Inc. Class A	CME	2.44	10.79	0.21
IDEX Corporation	IEX	0.33	11.58	0.14
Texas Instruments Incorporated	TXN	0.29	12.39	0.13
Union Pacific Corporation	UNP	1.66	5.43	0.08
AMETEK, Inc.	AME	1.65	4.57	0.06
VeriSign, Inc.	VRSN	1.96	2.61	0.06
10 Lowest		45.26	-12.35	-5.80
Equifax Inc.	EFX	1.42	-17.18	-0.28
QUALCOMM Incorporated	QCOM	1.29	-24.22	-0.33
NVIDIA Corporation	NVDA	5.85	-6.48	-0.39
Meta Platforms Inc Class A	META	2.97	-13.25	-0.42
Eli Lilly and Company	LLY	3.13	-14.27	-0.46
Apple Inc.	AAPL	6.92	-6.56	-0.46
Broadcom Inc.	AVGO	4.69	-10.39	-0.52
Amazon.com, Inc.	AMZN	5.52	-9.77	-0.56
Alphabet Inc. Class A	GOOGL	6.36	-8.06	-0.58
Microsoft Corporation	MSFT	7.11	-23.28	-1.81

HIGHLIGHTS

Non-AI correlated names provided significant gains.
•UTHR, CBOE, CME, IEX

AI supply chain picks fared well amid tech pullback.
•AMAT, KLAC, TXN

LOWLIGHTS

Various thematic plays underperformed.
•LLY, QCOM, EFX






Mega-cap tech stocks declined on CAPEX concerns.
•MSFT, GOOGL, AMZN, META

Performance Recap: Sector Attribution – One Year

31-MAR-2025 to 31-MAR-2026

	Sawgrass Large Cap Quality Growth		Russell 1000 Growth		Attribution Analysis		
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	Allocation Effect	Selection Effect	Total Effect
Total	100.00	11.47	100.00	18.81	-1.43	-5.91	-7.34
Financials	8.09	-2.64	6.28	-9.68	-0.06	0.86	0.80
Technology	39.83	32.49	46.86	27.93	-0.92	1.71	0.79
Real Estate	--	--	0.50	-9.72	0.16	--	0.16
Materials	--	--	0.49	2.91	0.12	--	0.12
Energy	--	--	0.27	25.70	-0.00	--	-0.00
Utilities	--	--	0.29	35.07	-0.04	--	-0.04
[Cash]	0.49	3.99	--	--	-0.11	--	-0.11
Consumer Staples	2.42	-29.17	1.16	2.35	0.32	-0.88	-0.56
[Unassigned]	6.19	1.59	5.15	8.98	-0.07	-0.54	-0.61
Health Care	13.82	12.83	7.37	6.62	-1.28	0.60	-0.68
Consumer Discretionary	6.72	-12.80	10.48	10.88	0.34	-2.16	-1.83
Industrials	6.73	6.01	6.91	27.19	0.04	-1.98	-1.94
Communications	15.71	0.70	14.23	20.89	0.08	-3.52	-3.44

HIGHLIGHTS

- +138%  **APPLIED MATERIALS.**
dominant in AI supply chain
- +99%  **United Therapeutics**
successful trial results
- +86%  **BROADCOM**
best GPU alternative lineup
- +67%  **ORACLE**
hyperscale cloud success
- (18%) **MARSH**
insurance industry weak
- (27%)  **workday.**
AI disruption concerns
- (19%) **servicenow**
AI threatens pricing power

Poor performance among Software-related names negated good stock selection within the Financials and semiconductor industries.

Performance Recap: Relative Contribution – One Year

31-MAR-2025 to 31-MAR-2026

	Sawgrass Large Cap Quality Growth		Russell 1000 Growth		Contribution to Return
	Port. Average Weight	Port. Total Return	Bench. Average Weight	Bench. Total Return	
Total	100.00	11.47	100.00	18.81	-7.34
10 Highest	22.48	77.10	9.60	70.79	7.90
United Therapeutics Corporation	1.57	99.43	--	--	1.59
Alphabet Inc. Class A	5.64	86.60	3.18	86.60	1.27
Applied Materials, Inc.	1.67	137.67	0.25	137.67	1.23
Broadcom Inc.	5.33	86.35	4.45	86.35	0.96
Electronic Arts Inc.	0.75	32.82	--	--	0.56
AMETEK, Inc.	1.89	25.34	--	--	0.55
Oracle Corporation	0.32	66.75	1.13	6.29	0.54
Cboe Global Markets Inc	2.06	25.58	--	--	0.44
Advanced Micro Devices, Inc.	1.31	28.23	0.57	98.00	0.40
Exelixis, Inc.	1.93	16.17	0.03	16.17	0.35
10 Lowest	18.03	10.21	36.25	35.65	-9.51
Apple Inc.	6.35	14.74	10.95	14.74	-0.49
AbbVie, Inc.	0.08	-17.30	1.09	7.31	-0.51
Palantir Technologies Inc. Class A	--	--	1.11	73.32	-0.55
Lam Research Corporation	--	--	0.60	196.05	-0.55
Zoetis, Inc. Class A	1.81	-27.16	0.17	-27.16	-0.56
Meta Platforms Inc Class A	2.75	-0.43	3.93	-0.43	-0.64
Fortinet, Inc.	1.52	-20.57	0.18	-15.10	-0.68
Tesla, Inc.	--	--	3.43	43.44	-1.15
Alphabet Inc. Class C	--	--	2.61	84.25	-1.36
NVIDIA Corporation	5.52	60.95	12.19	60.95	-3.02

HIGHLIGHTS

Outside Success
Strong performance from active bets outside of AI and megacap tech trades.

Sour sentiments
Negative market perceptions overshadowed consistent growth and progress.

Momentum misses
Vast majority of performance lag came from not owning enough of high momentum stocks.

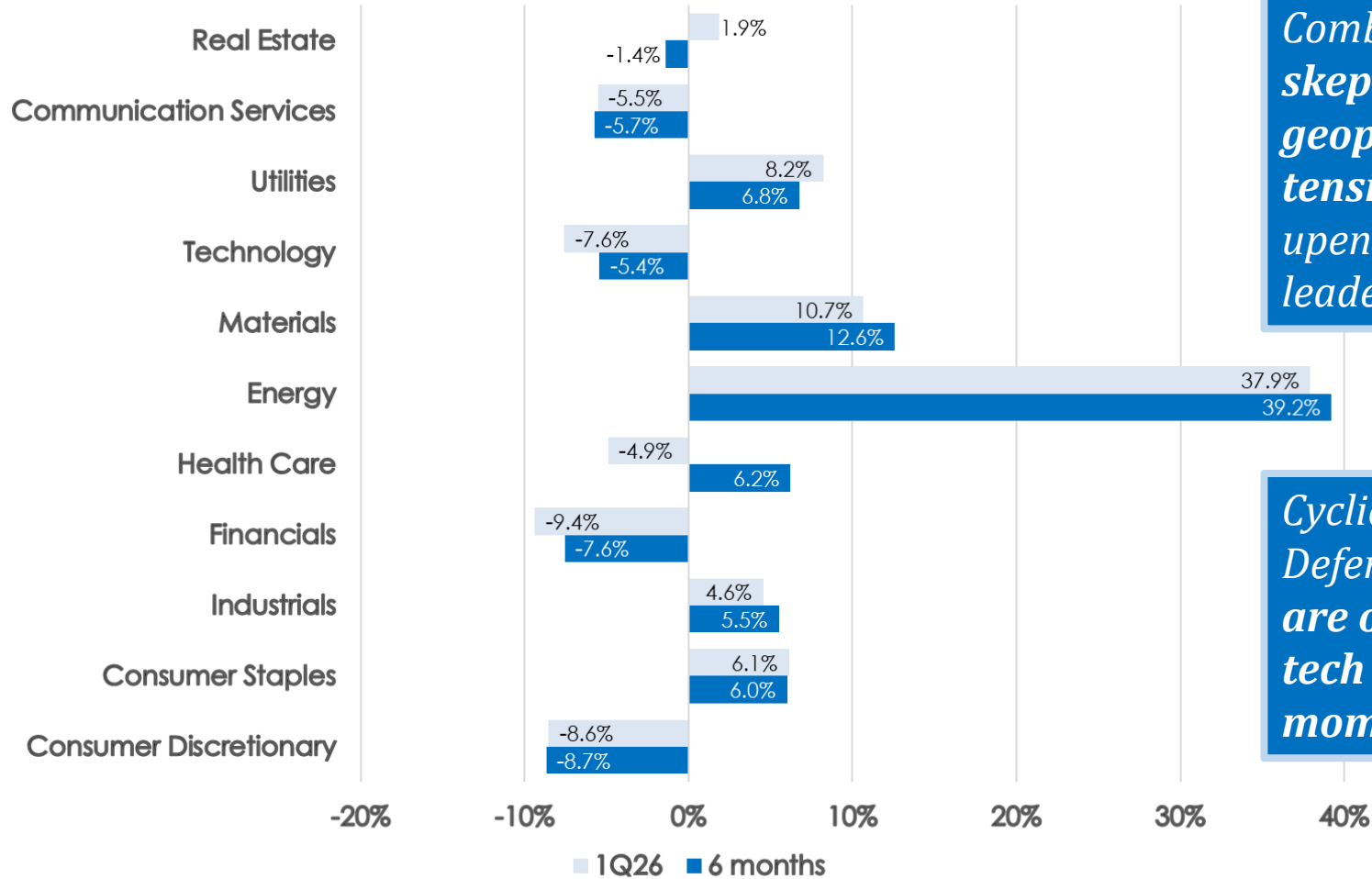
Portfolio Changes – 1Q 2026

Ticker		Dec-25 Port. Weight	Mar-26 Port. Weight
Communications			
GOOGL	Alphabet Inc. Class A	5.76	6.17
CMCSA	Comcast Corporation Class A	1.13	1.16
META	Meta Platforms Inc Class A	3.00	2.79
NFLX	Netflix, Inc.	0.80	--
CRM	Salesforce, Inc.	1.57	--
NOW	ServiceNow, Inc.	1.28	--
WDAY	Workday, Inc. Class A	1.38	--
Consumer Discretionary			
AMZN	Amazon.com, Inc.	5.69	5.50
AZO	AutoZone, Inc.	2.39	2.55
CPRT	Copart, Inc.	1.18	1.07
MCD	McDonald's Corporation	1.29	1.40
ORLY	O'Reilly Automotive, Inc.	--	1.07
Consumer Staples			
KDP	Keurig Dr Pepper Inc.	2.16	2.18
PG	Procter & Gamble Company	1.21	1.31
Energy			
Financials			
BRO	Brown & Brown, Inc.	1.07	0.94
CBOE	Cboe Global Markets Inc	2.03	2.43
CME	CME Group Inc. Class A	2.21	2.57
MA	Mastercard Incorporated Class A	2.20	2.06
VRSK	Verisk Analytics, Inc.	1.80	0.93
V	Visa Inc. Class A	--	1.71
Health Care			
DHR	Danaher Corporation	1.78	1.15
LLY	Eli Lilly and Company	3.32	2.54
EXEL	Exelixis, Inc.	2.51	2.63
INCY	Incyte Corporation	2.55	2.61
RMD	ResMed Inc.	--	1.02
UTHR	United Therapeutics Corporation	2.36	3.07
ZTS	Zoetis, Inc. Class A	1.28	1.77

Ticker		Dec-25 Port. Weight	Mar-26 Port. Weight
Industrials			
AME	AMETEK, Inc.	1.50	1.68
EFX	Equifax Inc.	--	1.64
HEI	HEICO Corporation	1.10	1.00
IEX	IDEX Corporation	1.28	--
TDG	TransDigm Group Incorporated	--	0.96
UNP	Union Pacific Corporation	1.54	1.74
Materials			
Real Estate			
Technology			
AMD	Advanced Micro Devices, Inc.	1.68	1.71
APH	Amphenol Corporation Class A	1.51	1.51
AAPL	Apple Inc.	7.11	7.11
AMAT	Applied Materials, Inc.	1.23	1.75
ANET	Arista Networks, Inc.	1.30	1.30
ADSK	Autodesk, Inc.	--	1.38
AVGO	Broadcom Inc.	4.84	4.64
CDNS	Cadence Design Systems, Inc.	1.51	1.43
CSCO	Cisco Systems, Inc.	1.07	--
FTNT	Fortinet, Inc.	2.05	2.25
KLAC	KLA Corporation	1.54	1.99
MSFT	Microsoft Corporation	8.04	6.59
NVDA	NVIDIA Corporation	5.84	5.85
QCOM	QUALCOMM Incorporated	0.93	1.37
SPGI	S&P Global, Inc.	0.69	0.60
TXN	Texas Instruments Incorporated	1.09	--
VRSN	VeriSign, Inc.	1.96	2.15
Utilities			
New: ORLY, V, RMD, EFX, TDG, ADSK			
Sold: NFLX, CRM, NOW, WDAY, IEX, CSCO, TXN			

Market Perspective: Continuation of Rotation

S&P 500 Sector Performance

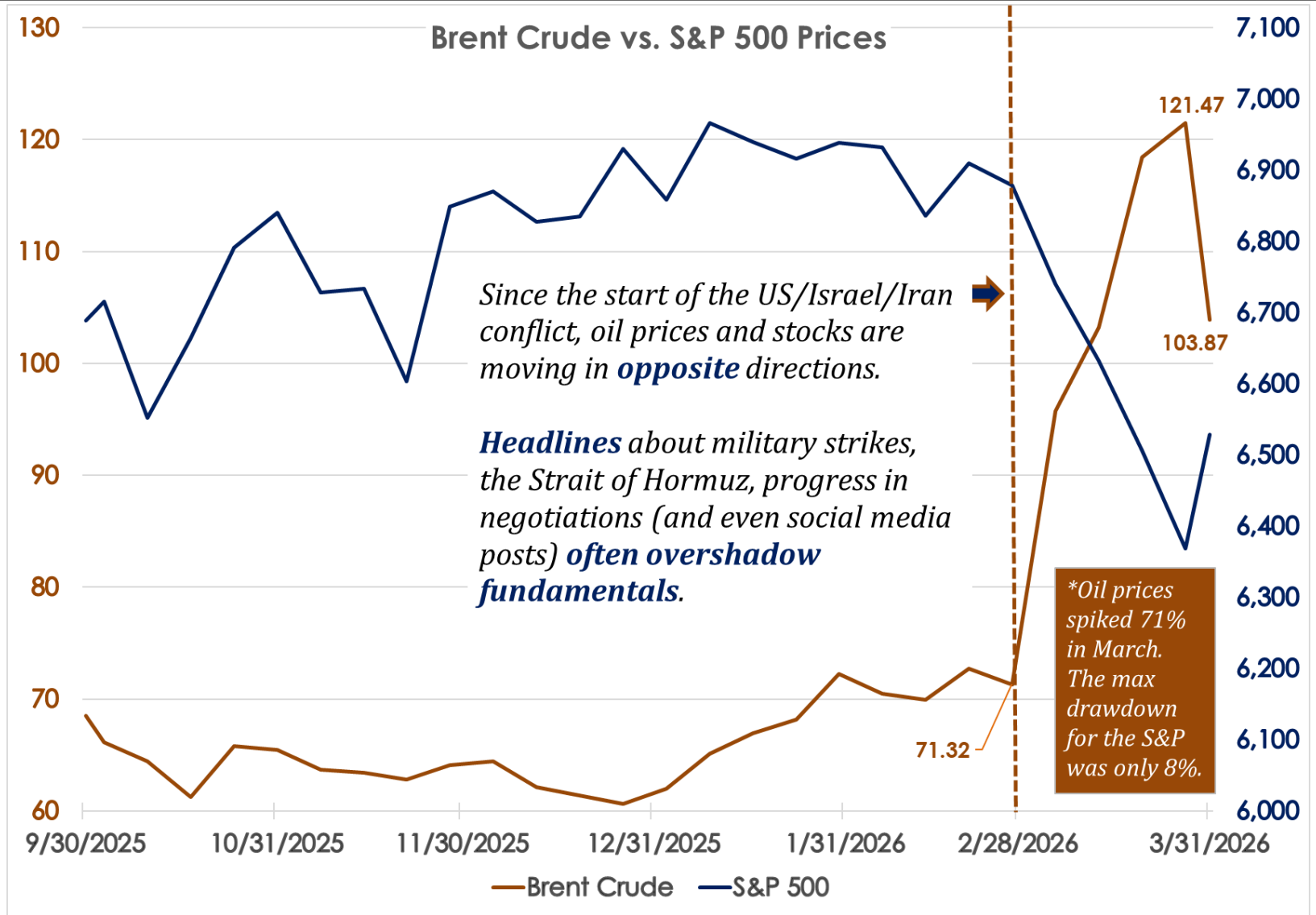


Combination of AI skepticism and geopolitical tensions have upended market leadership.

Cyclicals and Defensive sectors are outperforming tech stocks as momentum fades.

Source: FactSet, State Street Investment Management, Returns ending 3/31/2026

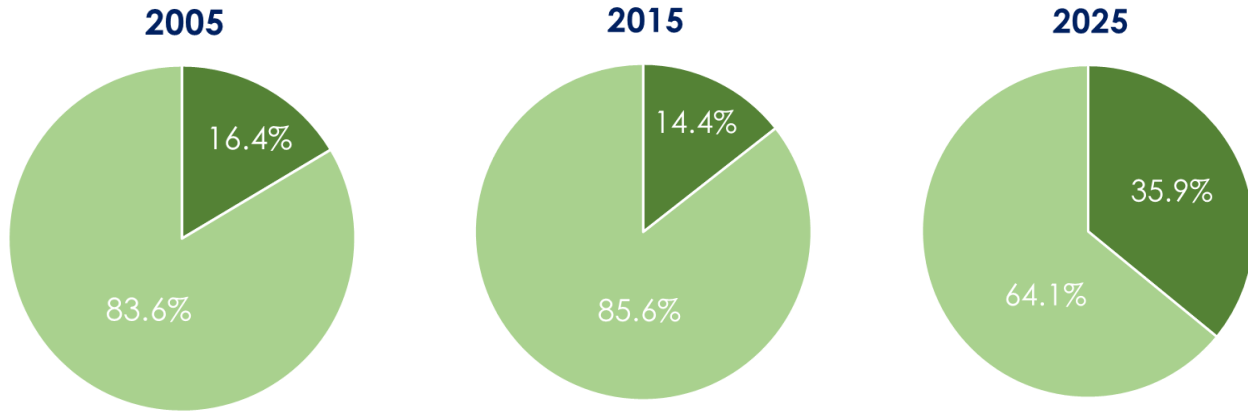
Market Perspective: Fundamental Disruption



Source: FactSet, Weekly prices

Market Perspective: Elevated Concentration, Elevated Risk

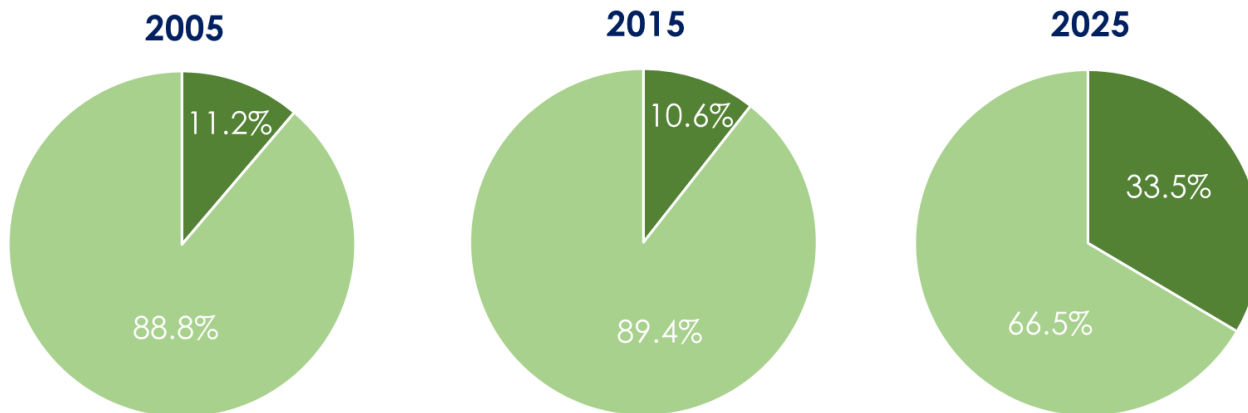
S&P 500



 Total of Top Ten Largest Index Weights
  Total Weight of Stocks Outside Top Ten

Over the last 20 years, the weight of the Top 10 S&P 500 stocks has **more than doubled**. Rotations away from these stocks has a **much larger effect** on the overall market.

R1000 Growth

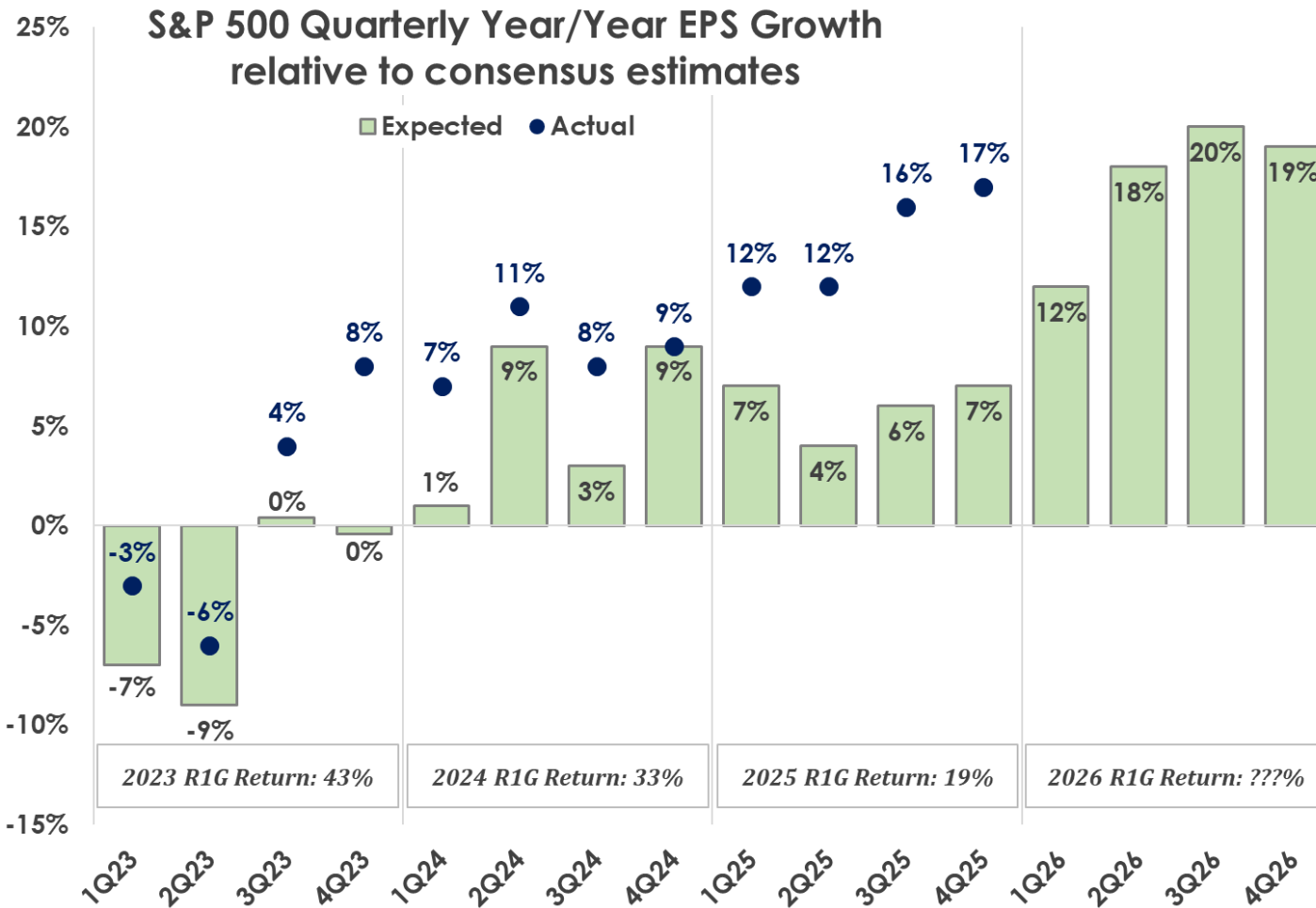


 Total of Top THREE Largest Growth Weights
  Total Weight of Stocks Outside Top THREE

The growth universe is much more top heavy. The Top 3 stocks alone make up one-third of the index!

Source: FactSet, As of 12/31/25

Market Outlook: Elevated Expectations Create Opportunities



• **Earnings growth** can provide catalyst for **continued market growth...**

...but elevated expectations will bring **scrutiny and volatility.**

• **Market rotation continues** as geopolitical tensions and AI disruption fears persist.

• **Future market gains likely to trend closer to historically average returns** as investors renew focus on earnings.

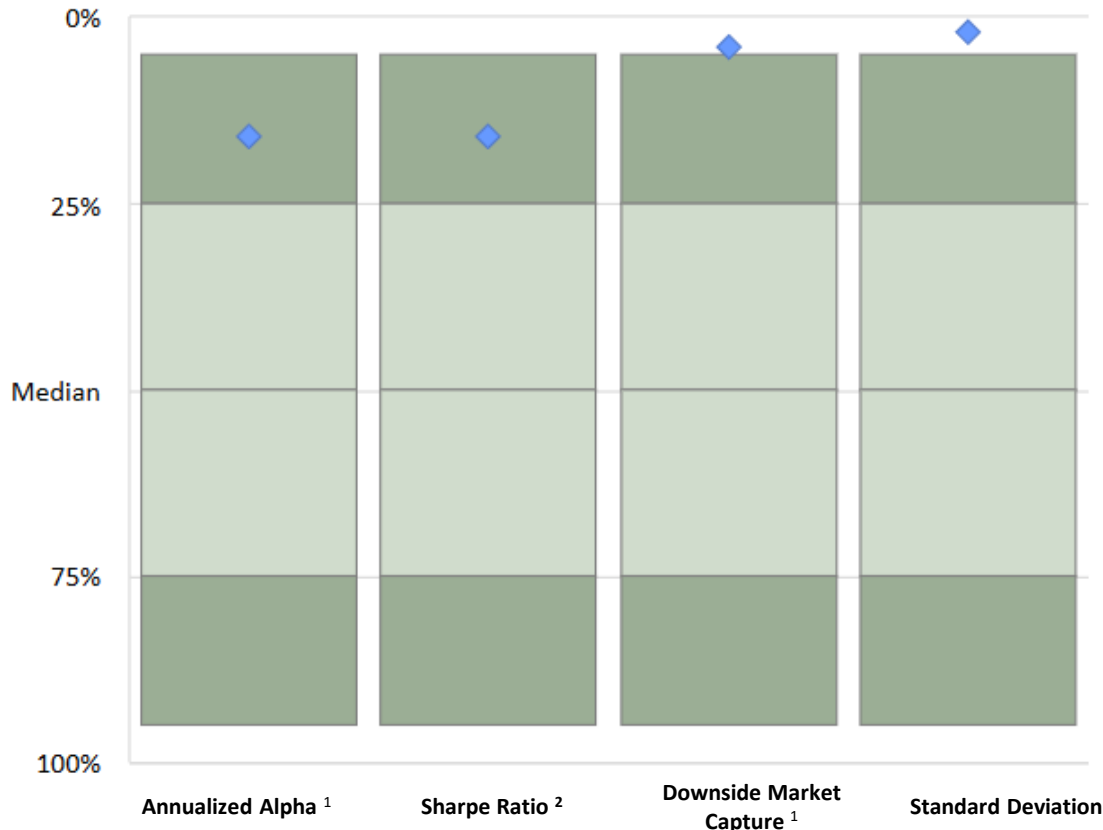
Source: FactSet, JP Morgan Research, IBES 03/31/2026

10 Year Peer Rankings

Calculated for 10 years ending 3/31/2026

Relative to large cap growth peer universe, Sawgrass has provided:

- ✓ **Strong risk-adjusted returns**
- ✓ **Top downside capture**
- ✓ **Very low standard deviation**



Past performance does not guarantee future results.

Alpha – is the extra return of a product due to non-market factors.

Sharpe Ratio – a measurement of efficiency utilizing the relationship between annualized risk-free return and standard deviation

Downside Market Capture Ratio – a measure of the manager’s performance in down markets relative to the market itself.

Standard Deviation – a measure of the historical volatility of a product’s returns.

Source: Nasdaq eVestment using monthly calculations, Large Cap Growth equity universe as of 3/31/2026. # of Observations: 192. Data run on 4/16/2026.

Past performance does not guarantee future results.

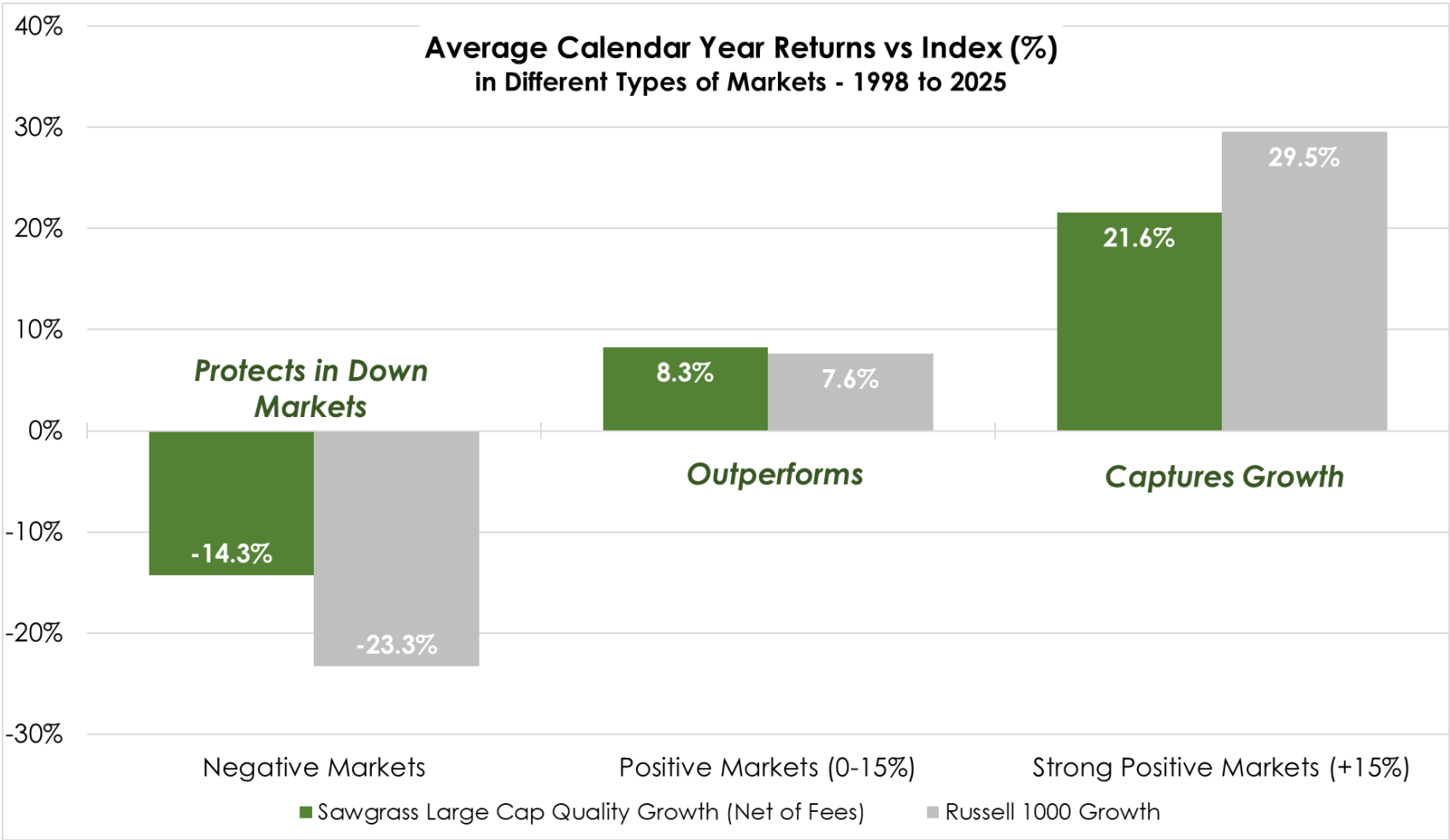
The Large Cap Growth universe consists of US equity products that primarily invest in large capitalization stocks that are expected to have an above-average capital appreciation rate relative to the market. Common benchmarks for this universe include the Russell 1000 Growth and S&P 500 Growth.

Composite returns are shown net of fees.

◆ Large Cap Quality Growth Equity	0.94	0.74	76.89	14.72
Rank	16	16	4	2

¹ Russell 1000 Growth, ² FTSE 3-Month T-Bill.

Historical Performance: Consistency & Efficiency



Strategy Seeks to Provide:

Consistent results across various markets • Efficient growth by taking **less risk**
Better preservation of gains on the downside • **Long-term** outperformance

Past performance does not guarantee future results. Source: FactSet

Portfolio Summary

Portfolio Market Values

Quarter

Beginning Market Value on 1/1/2026	\$23,239,967
Net Cash Flows	\$0
Investment Gain/Loss	\$79,848
Ending Market Value on 3/31/2026	\$23,319,816

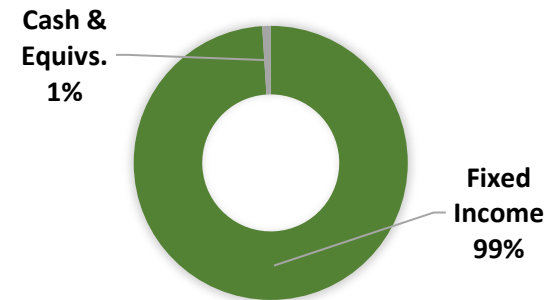
1 Year

Beginning Market Value on 4/1/2025	\$22,227,153
Net Cash Flows	\$0
Investment Gain/Loss	\$1,092,660
Ending Market Value on 3/31/2026	\$23,319,816

Portfolio Summary

Asset Class	Market Value	Percent of Assets
Fixed Income	\$23,040,223	99%
Cash & Equivs.	\$279,593	1%
TOTAL	\$23,319,816	100%

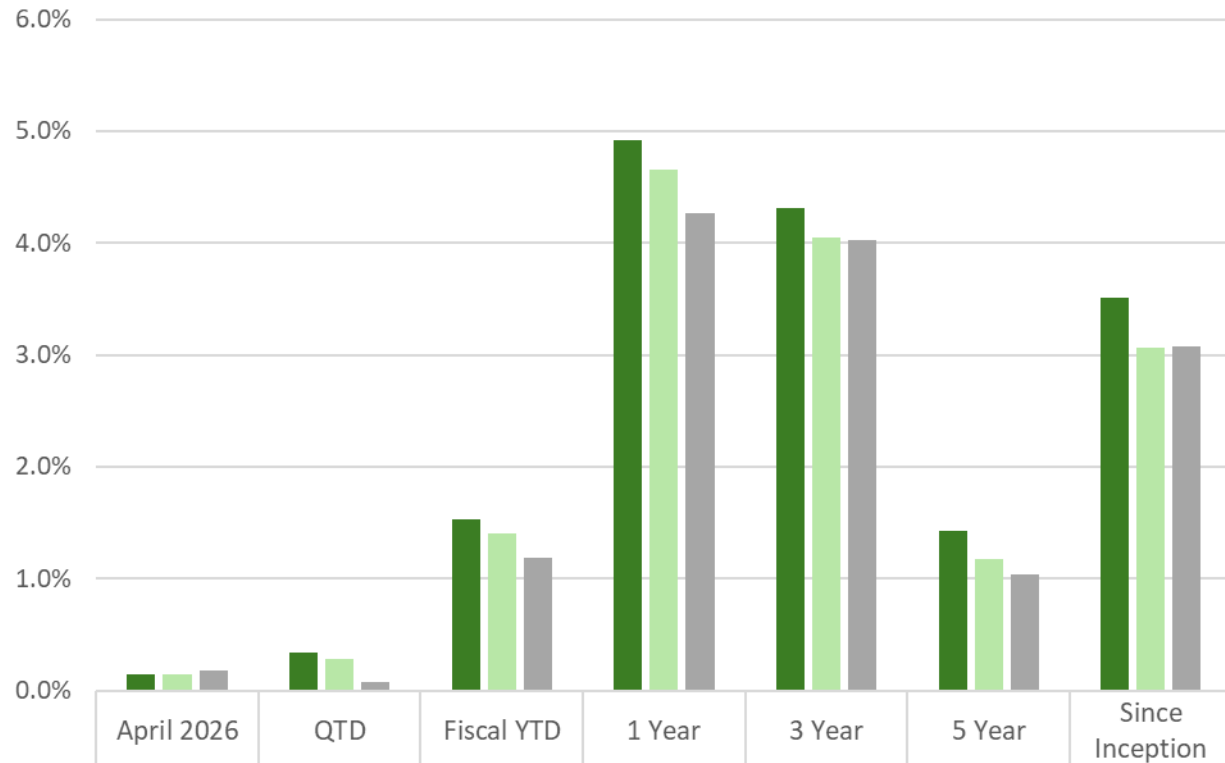
Asset Allocation



Portfolio Performance

Returns as of 3/31/2026

TOTAL RETURNS GROSS FOR SELECT PERIODS Ocala Police Officers Retirement System Fixed Income



■ Portfolio (Gross)	0.15%	0.34%	1.53%	4.92%	4.31%	1.43%	3.51%
■ Portfolio (Net)	0.15%	0.28%	1.40%	4.65%	4.05%	1.17%	3.06%
■ Blend (Now 50% Agg/50% ML G/C 1-5)	0.18%	0.07%	1.19%	4.26%	4.02%	1.04%	3.07%

Returns for periods of one year or longer are annualized

*Since Inception 02/29/04

Oil Price Shock



After being range bound for much of the last year, oil prices spiked by 80% in the 1st quarter

Source: Bloomberg

2-Year Yield and Federal Funds Rate



2-Year U.S. Treasury Yield Exceeds the current Federal Funds Rate, indicating the possibility of rate hikes

Source: Bloomberg

2-Year Inflation Breakeven

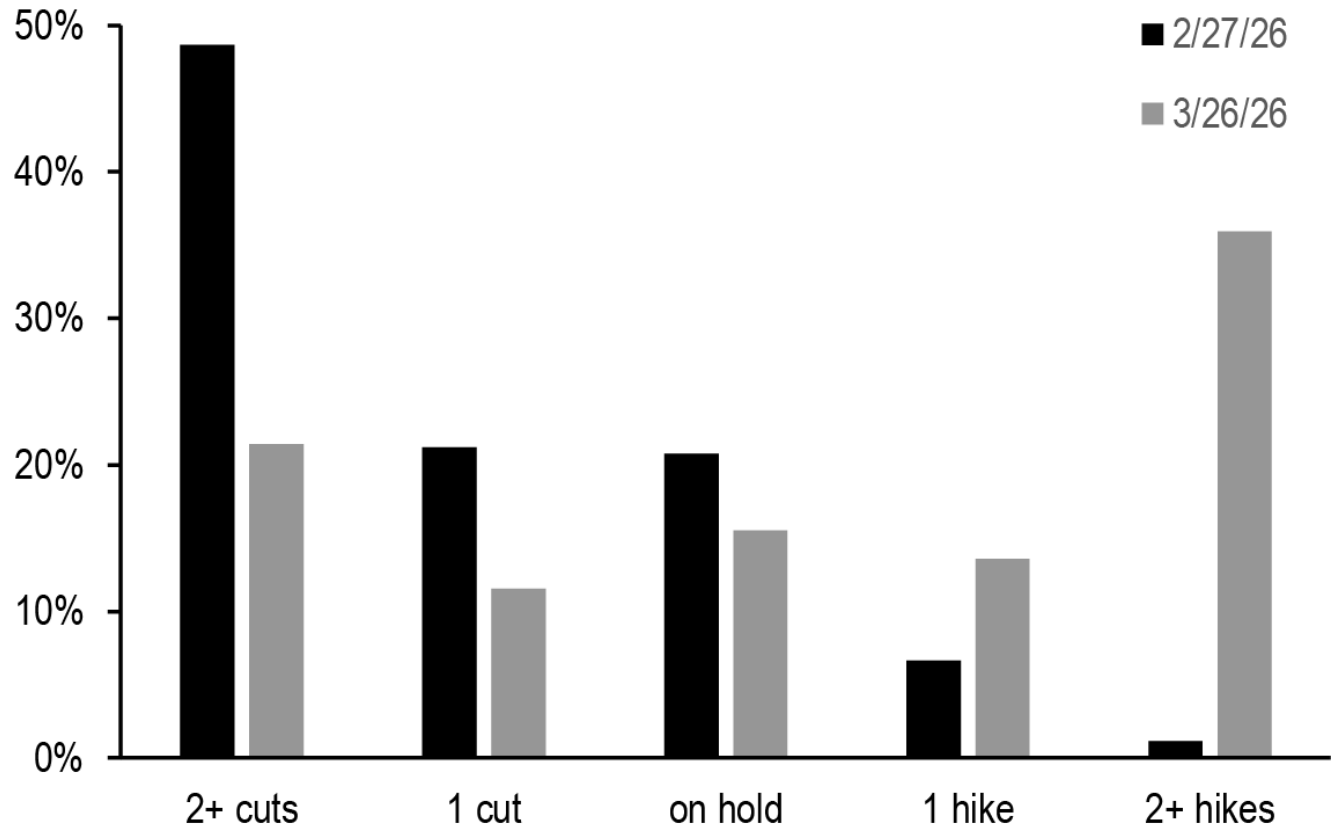


2-Year breakeven rate indicates increasing inflation expectations

Source: Bloomberg

Geopolitical Risks Caused Hawkish Repricing of the Monetary Policy

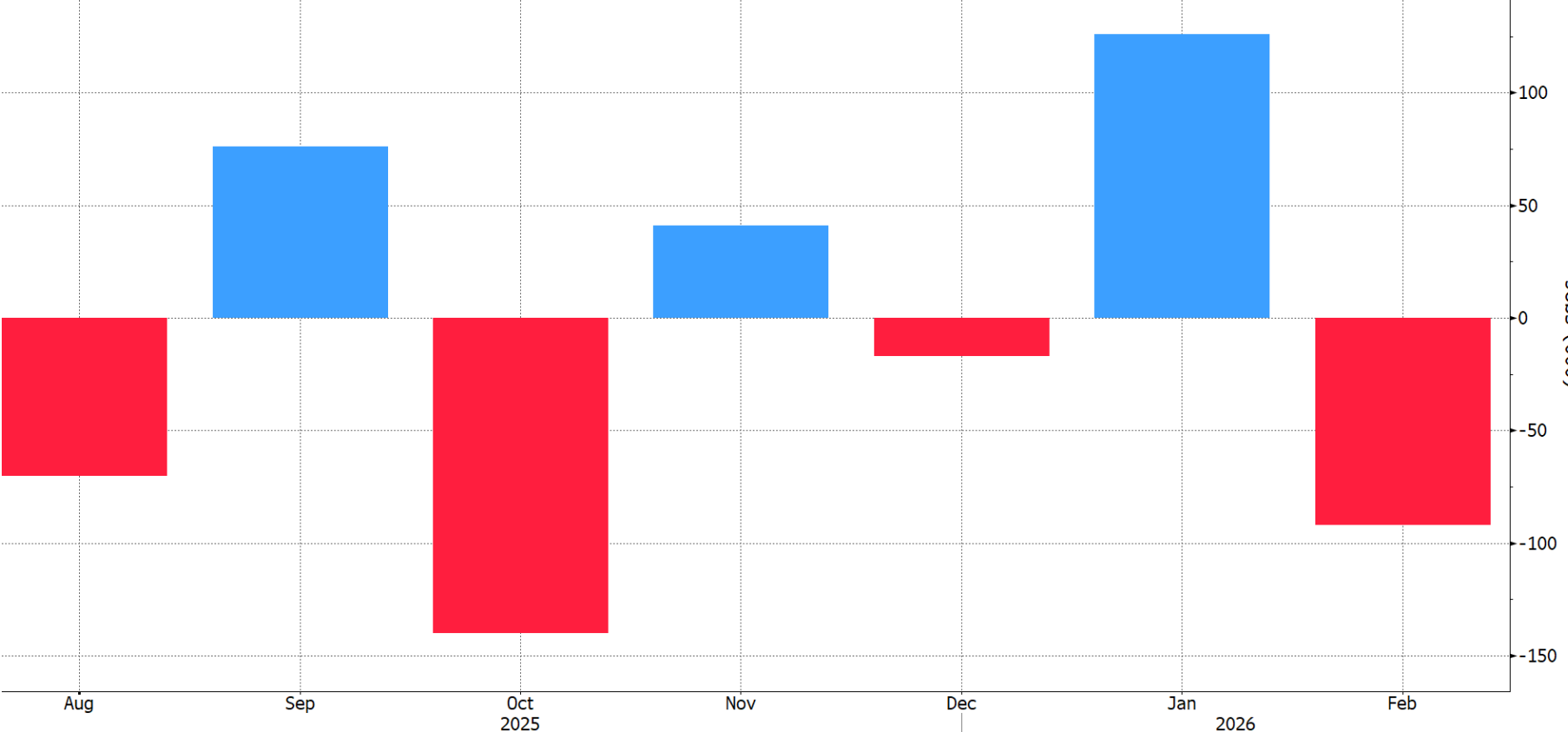
- The implied distribution has shifted very hawkish since the start of the Iran conflict and now indicates a probability of ~50% that the Fed will hike at least once by year end



Source: JP Morgan Chase Research

Slowdown in Labor Market

As of 3/31/2026



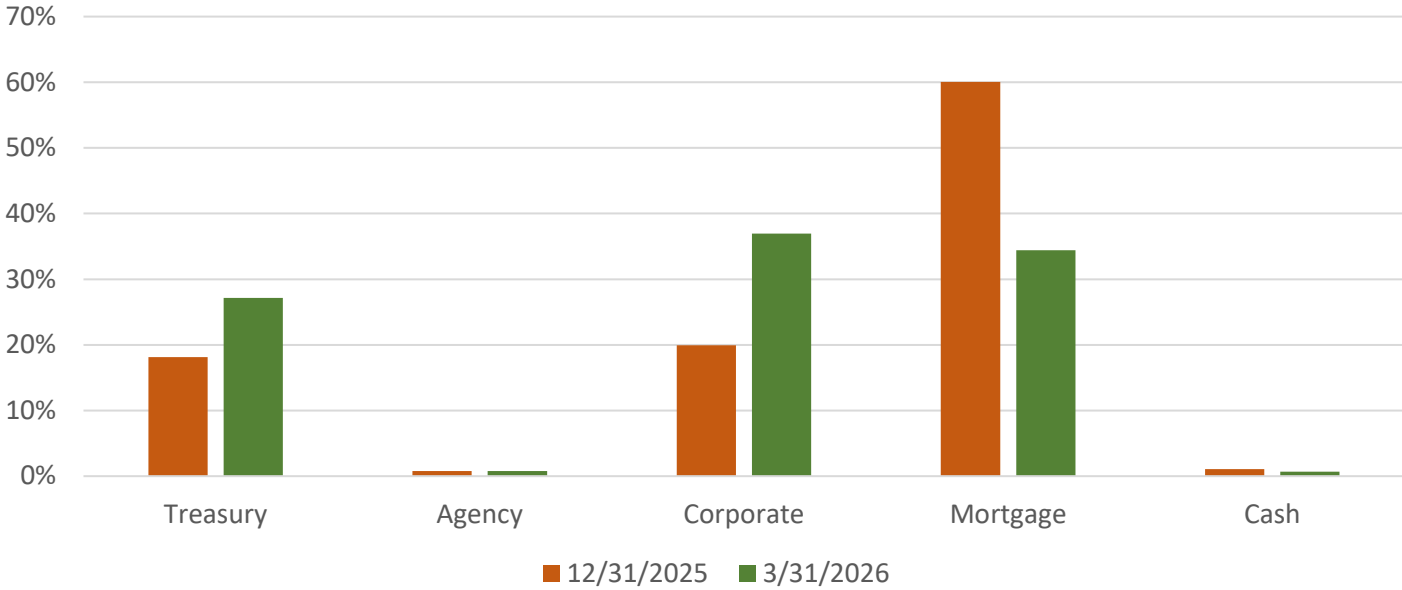
Recent revisions in non-farm payroll numbers indicate that the labor market is on shaky footing

Source: Bloomberg

Sawgrass High Quality Core – Quarterly Changes

	12/31/2025	3/31/2026
Effective Duration	6.00	6.10
Yield	4.60	4.73
Duration Ratio	102%	103%
Credit Risk Ratio	57%	109%
Quality	Aa2	Aa2
Convexity	-0.10	0.12

Sector Weight Changes

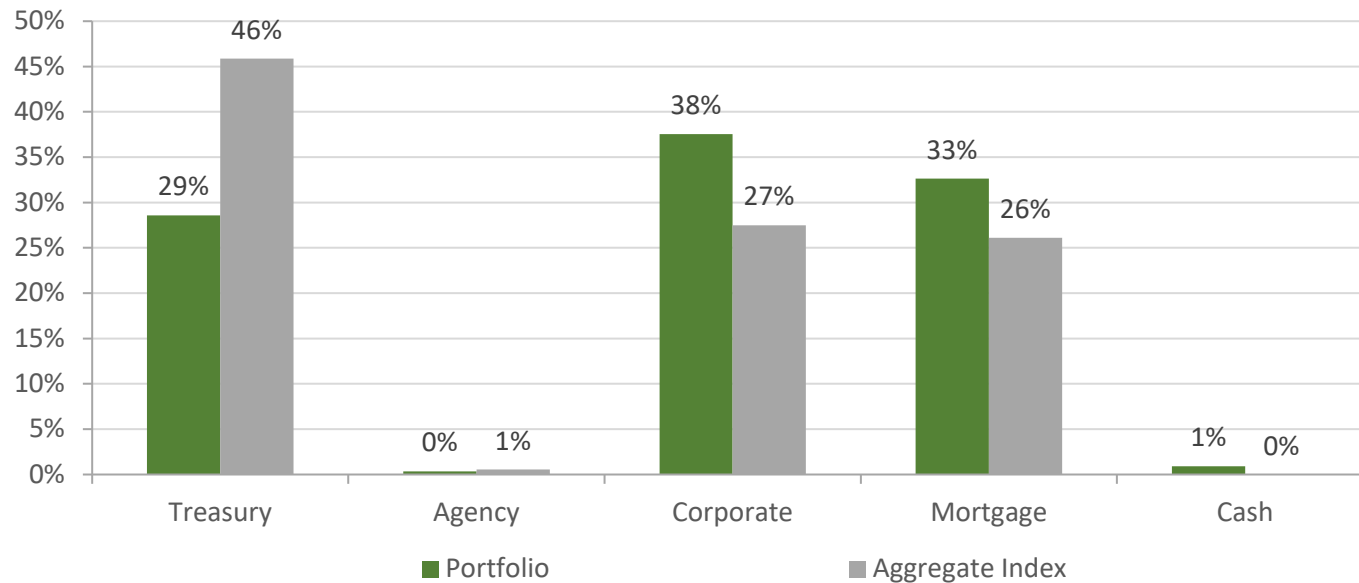


Source: BondEdge

Current Attributes and Sectors

Ocala Police Officers Ret - HQ Core Fixed Income
Attributes as of 3/31/26

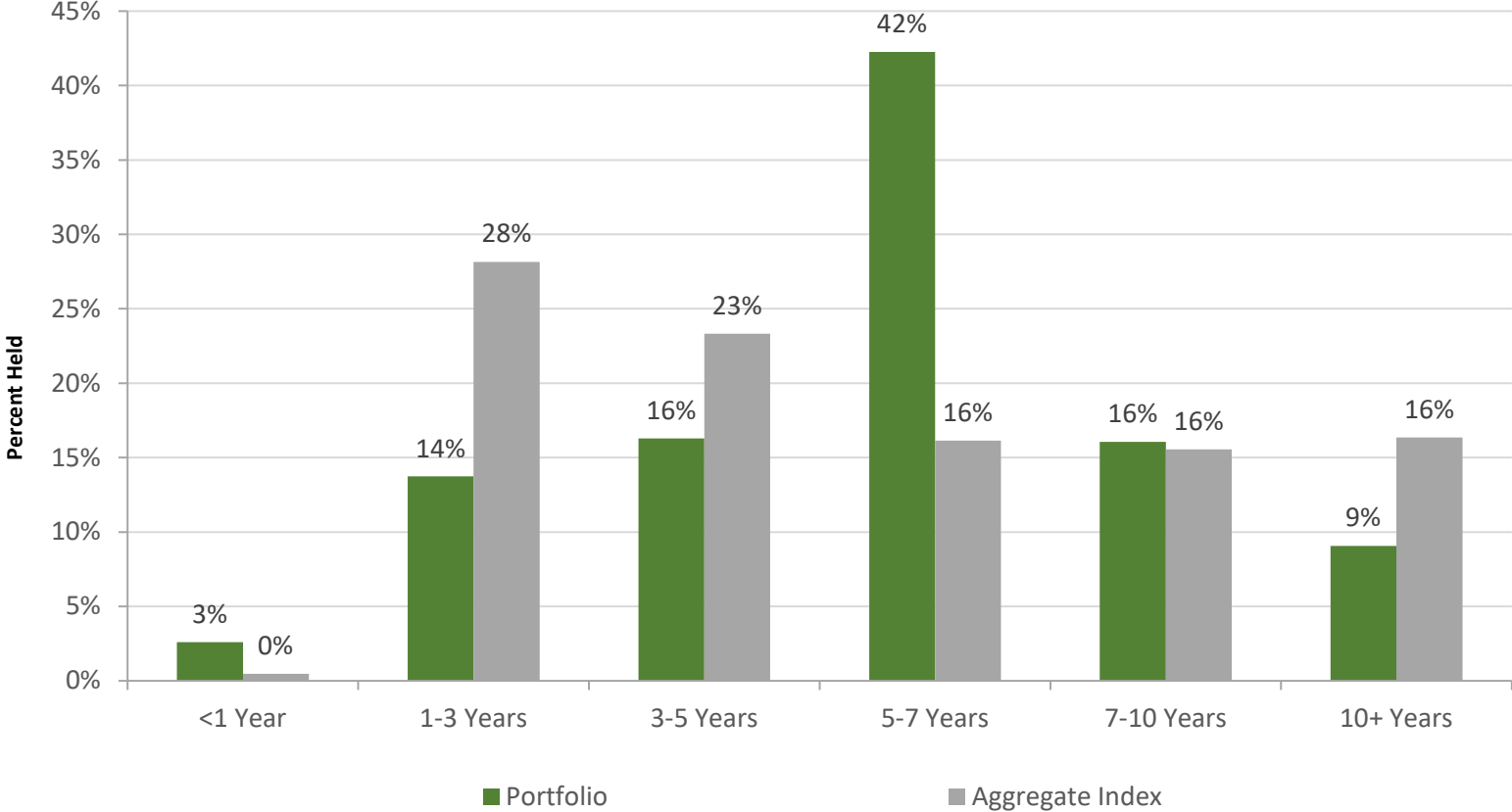
	<u>Portfolio</u>	<u>Aggregate Index</u>
Yield to Maturity (%)	4.71	4.57
Effective Duration (Yrs)	6.18	5.92
Effective Maturity (Yrs)	8.20	8.27
Quality Rating	Aa2	Aa2
Coupon Rate	4.15	3.71
Convexity	0.15	0.23



Source: BondEdge

Current Duration Distribution

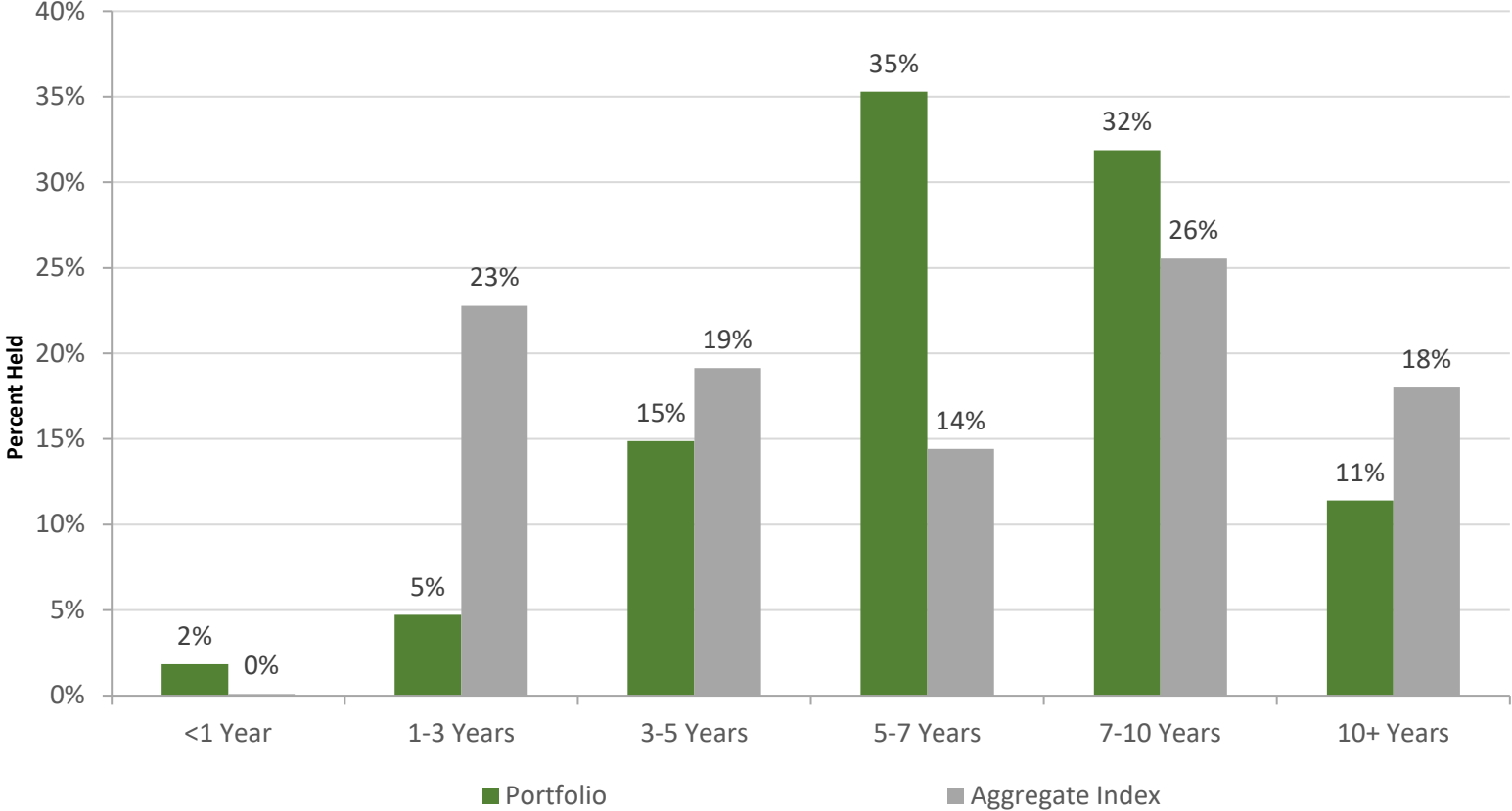
Ocala Police Officers Ret - HQ Core Fixed Income
Attributes as of 3/31/26



Source: BondEdge

Current Maturity Distribution

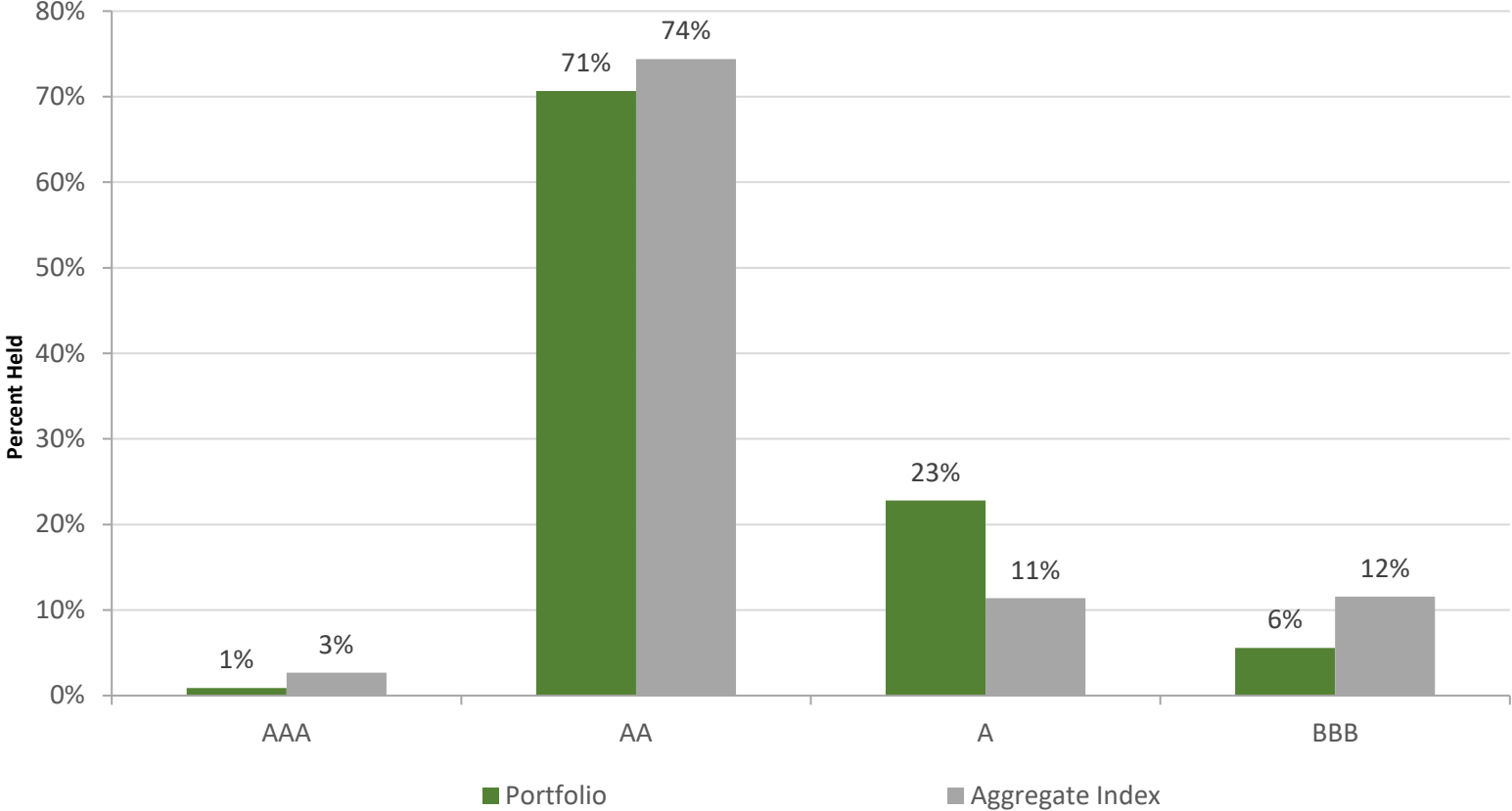
Ocala Police Officers Ret - HQ Core Fixed Income
Attributes as of 3/31/26



Source: BondEdge

Current Quality Distribution

Ocala Police Officers Ret - HQ Core Fixed Income
Attributes as of 3/31/26



Source: BondEdge

Consistent Outperformance in Varying Environments

As of 3/31/2026

7/2019 – 3/2020: Covid-19 effects, Fed cuts rate to zero, rates plummet and corporate bond spreads widen

3/2020 – 12/2021: Fed Intervention, especially corporate bond purchases, led to large spread tightening.

12/2021 – 9/2023: Inflation spikes, Fed begins to hike, banking risks

9/2023 – 6/2024: Dovish pivot from Fed; data dependent

6/2024 – 12/2025: Fed cuts on moderating inflation and labor concerns

12/2025 – 3/2026: Iran war reignites inflation fears



HCQFI: 5.8%
Index: 5.5%

HCQFI: 1.8%
Index: 1.5%

HCQFI: -13.5%
Index: -14.0%

HCQFI: 6.2%
Index: 6.0%

HCQFI: 6.9%
Index: 6.2%

HCQFI: 0.4%
Index: -0.1%

Sawgrass High Quality Core Fixed Income vs. Index: Bloomberg Aggregate

Source: Bloomberg, Archer

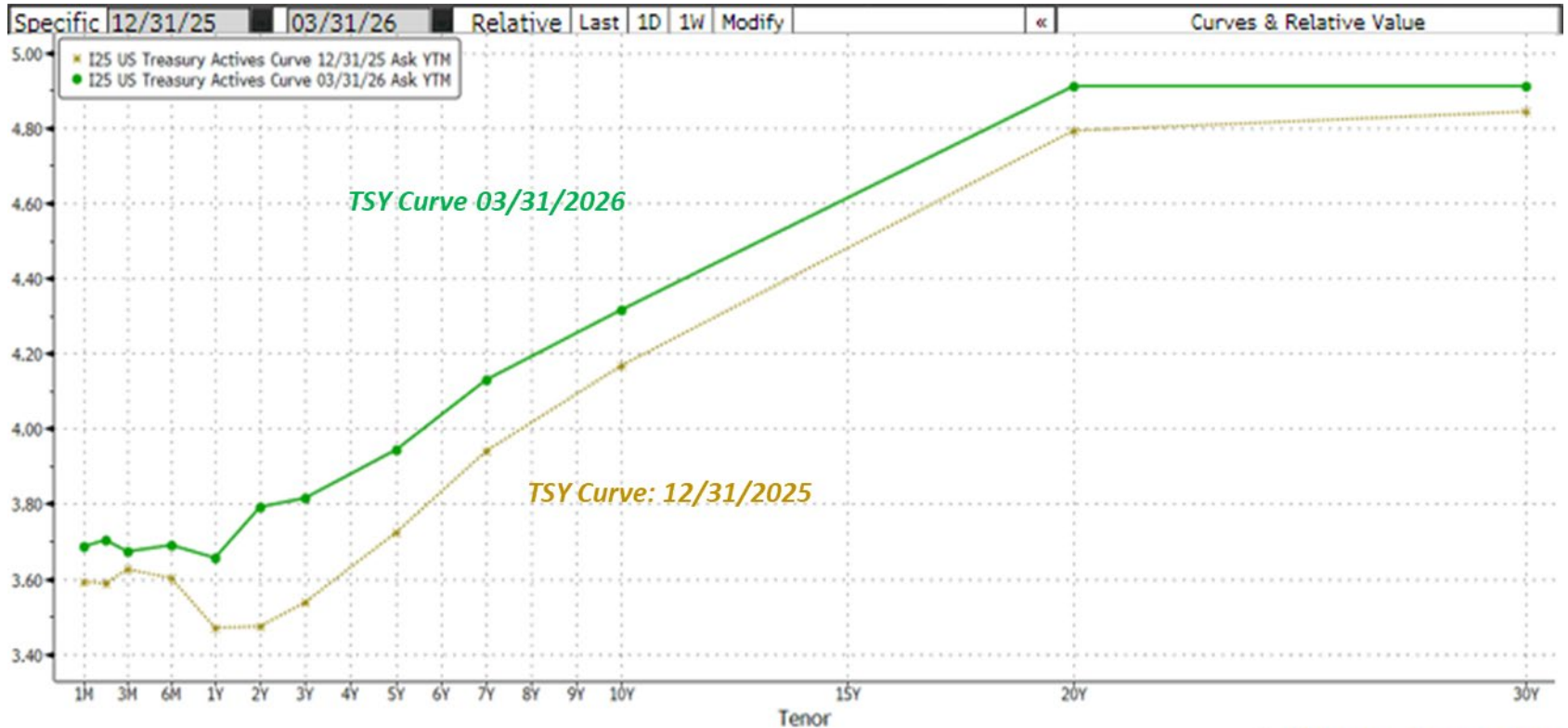
Periods over one year are annualized 33

Treasury Curve Change: Q1-26 Treasury Curve Bear Flattened

Interest Rate

Sector Allocation

Security Selection



Curve Id	1M	3M	2Y	5Y	10Y	20Y	30Y
11) I25 03/31/26	3.687	3.672	3.793	3.943	4.317	4.911	4.910
12) I25 12/31/25	3.590	3.626	3.473	3.725	4.167	4.793	4.844
13) I25 (03/31/26-12/31/...	9.6	4.5	32.0	21.8	15.0	11.8	6.6

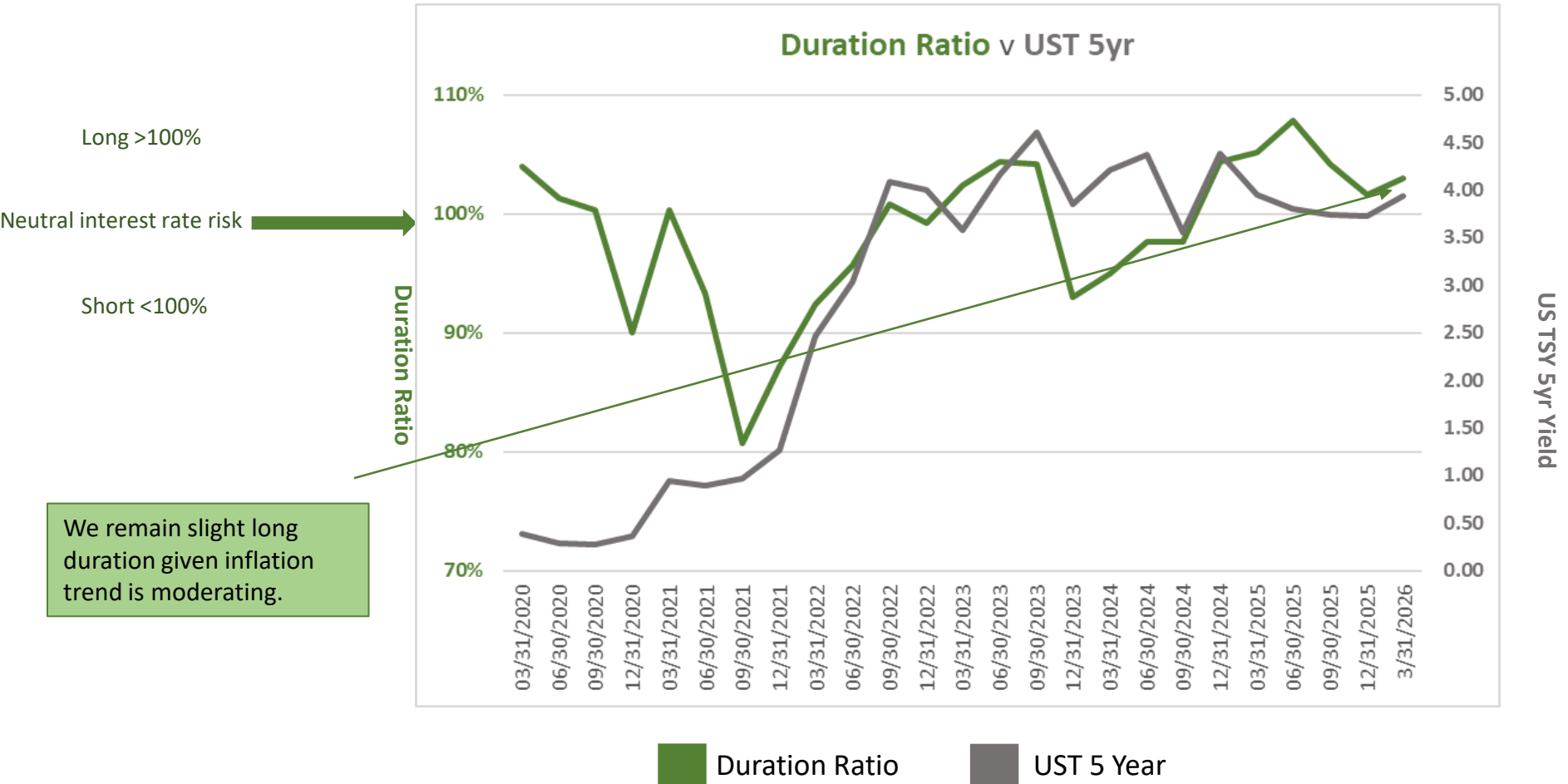
Source: Bloomberg

Interest Rate Risk Exposure: Slight Long Duration

Interest Rate

Sector Allocation

Security Selection



Source: BondEdge, Bloomberg

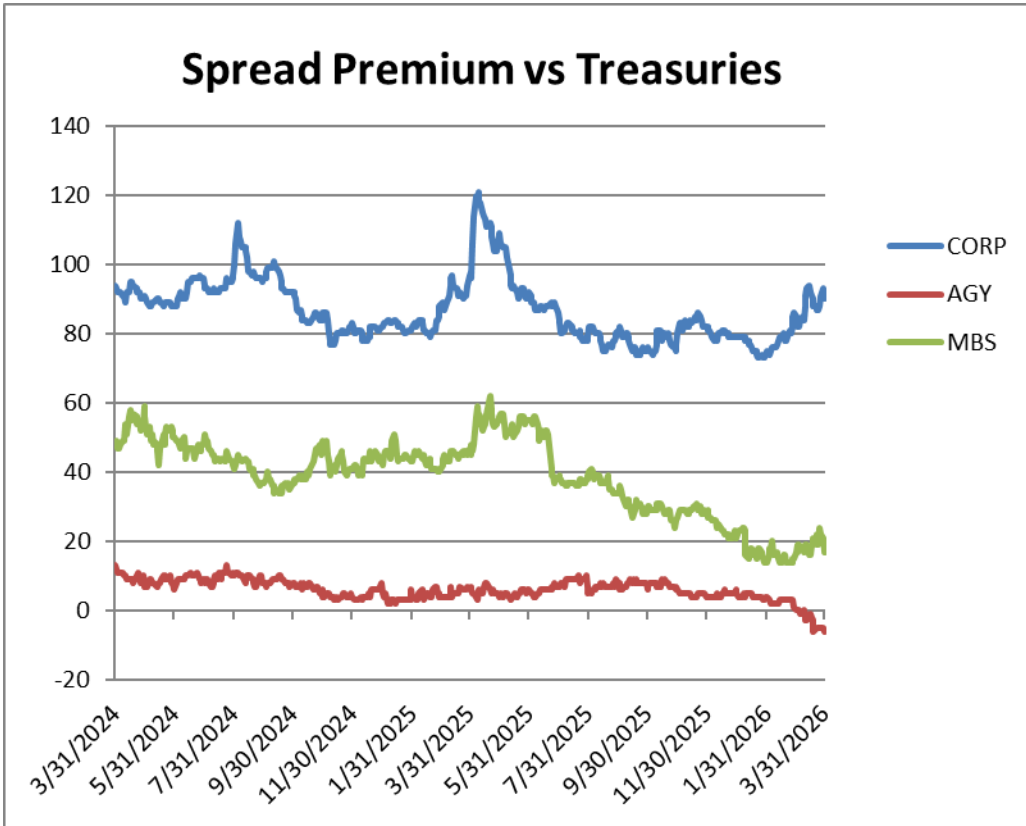
Sector Performance: Credit Spreads Underperformed

Interest Rate

Sector Allocation

Security Selection

Spread Premium vs Treasuries



Spread Performance (OAS in bp)					
	3/31/2026	12/31/2025	QoQ chg	3/31/2025	YoY Chg
CORP	90	79	11	97	-7
AGY	-6	5	-11	6	-12
MBS	17	21	-4	47	-30

	QoQ chg	YoY chg
Banks	14	-5
Insur	16	2
Basic	10	-9
CapGood	7	-14
Energy	2	-17
Media	-2	-25
Tech	15	13
Util	10	-12
Retail	9	-6
Healthcare	8	-10
Staple	10	-18

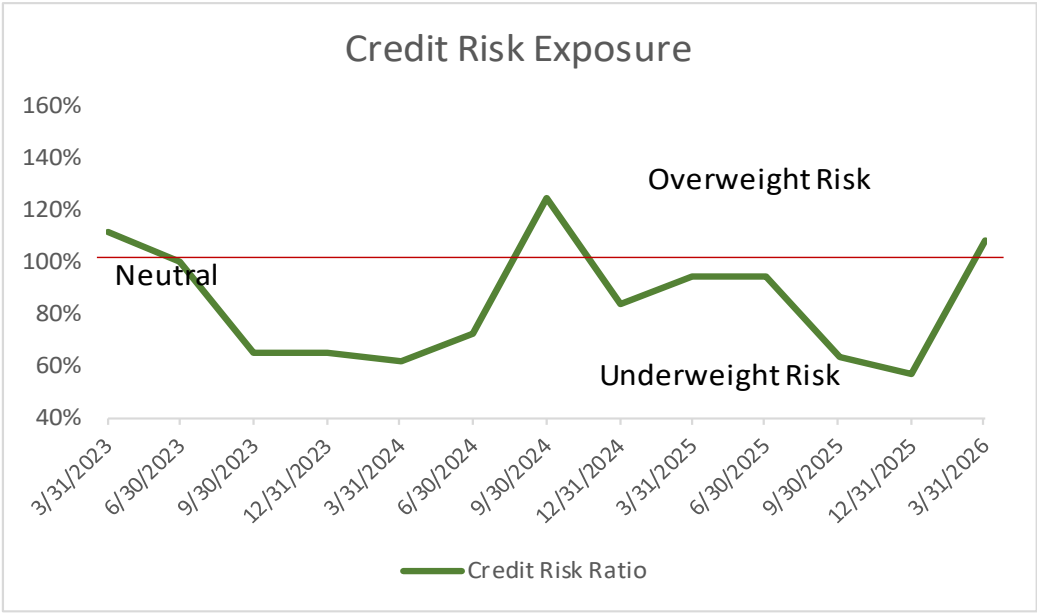
Source: Bloomberg

Credit Risk Exposure - Actively Managing

Interest Rate

Sector Allocation

Security Selection



- We turn tactically neutral Investment Grade (IG) given recent elevated volatility. We focus on high quality issuers with attractive relative value.

Source: BondEdge

Sensitivity Analysis – 12 Months Horizon

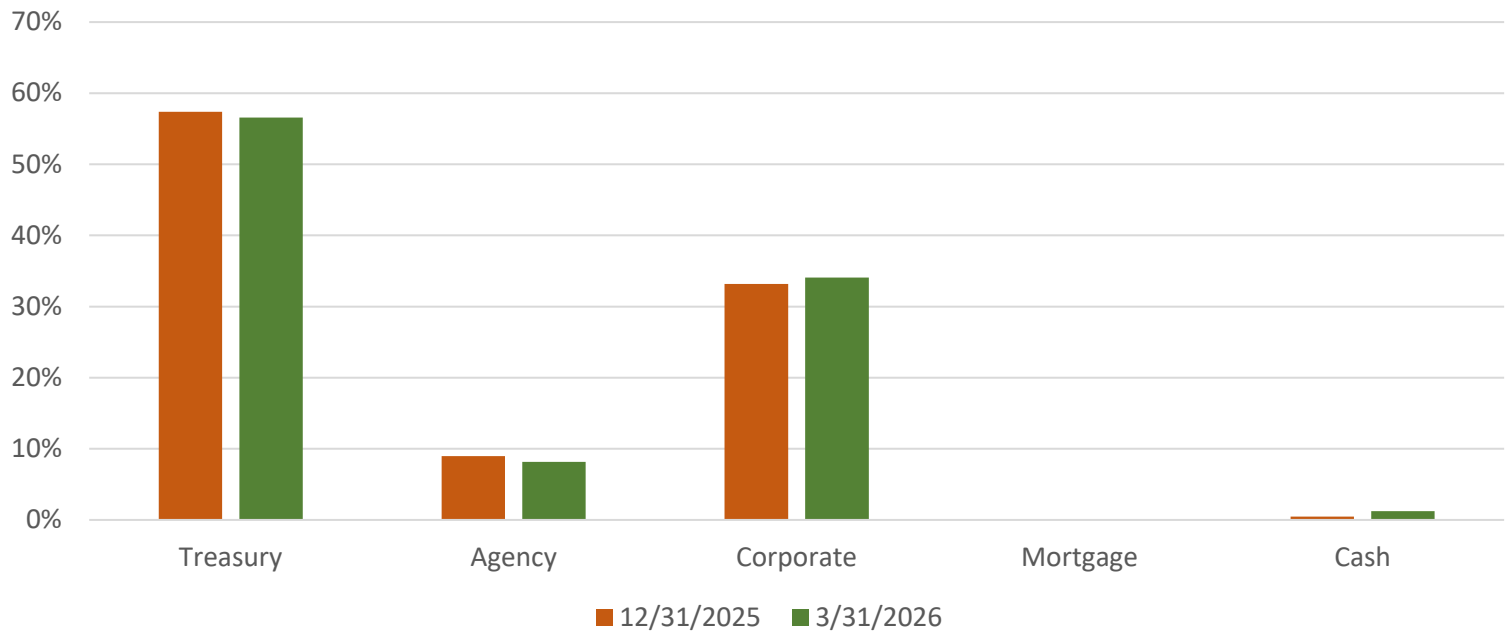
Scenario #		1	2	3	4	5	6	7	8	9	10	11	12	13
Scenario Description		TSY -100	TSY -50	TSY No Change	TSY +50	TSY +100	TSY Forward Curve	TSY Bull Flattener	TSY Bull Steepener	TSY Bear Steepener	TSY Bear Flattener	Corp 50 Tighter Parallel	Corp 50 Wider Parallel	Consensus Forecast
Credit Chg OAS		0	0	0	0	0	0	0	0	0	0	-50	+50	0
3/31/2026	BEGIN	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)	(bp)
U.S. TREASURY CURVE:														
6 Month	3.75	-100	-50	0	50	100	16	-5	-140	5	100	0	0	-53
1 Year	3.77	-100	-50	0	50	100	14	-5	-130	5	100	0	0	-45
2 Year	3.82	-100	-50	0	50	100	7	-10	-120	10	100	0	0	-45
3 Year	3.84	-100	-50	0	50	100	12	-10	-110	15	85	0	0	-37
5 Year	3.97	-100	-50	0	50	100	15	-25	-100	25	75	0	0	-32
7 Year	4.14	-100	-50	0	50	100	14	-35	-90	35	65	0	0	-24
10 Year	4.31	-100	-50	0	50	100	20	-45	-55	45	50	0	0	-18
20 Year	4.91	-100	-50	0	50	100	6	-50	-45	50	35	0	0	-22
30 Year	4.89	-100	-50	0	50	100	7	-65	-25	65	25	0	0	-22
CORE		11.12	8.02	4.97	1.97	-0.97	4.21	7.40	9.29	2.66	1.50	6.10	3.84	6.47
BB G/C		11.19	7.83	4.69	1.74	-1.03	4.11	7.33	8.75	2.20	1.66	6.04	3.34	6.31
Difference		-0.07	0.19	0.28	0.23	0.07	0.10	0.07	0.54	0.46	-0.16	0.06	0.50	0.15

Source: BondEdge

Sawgrass Short Fixed Income – Quarterly Changes

	12/31/2025	3/31/2026
Effective Duration	2.41	2.46
Yield	3.70	4.00
Duration Ratio	95%	98%
Credit Risk Ratio	71%	78%
Quality	Aa2	Aa2
Convexity	0.02	0.01

Sector Weight Changes

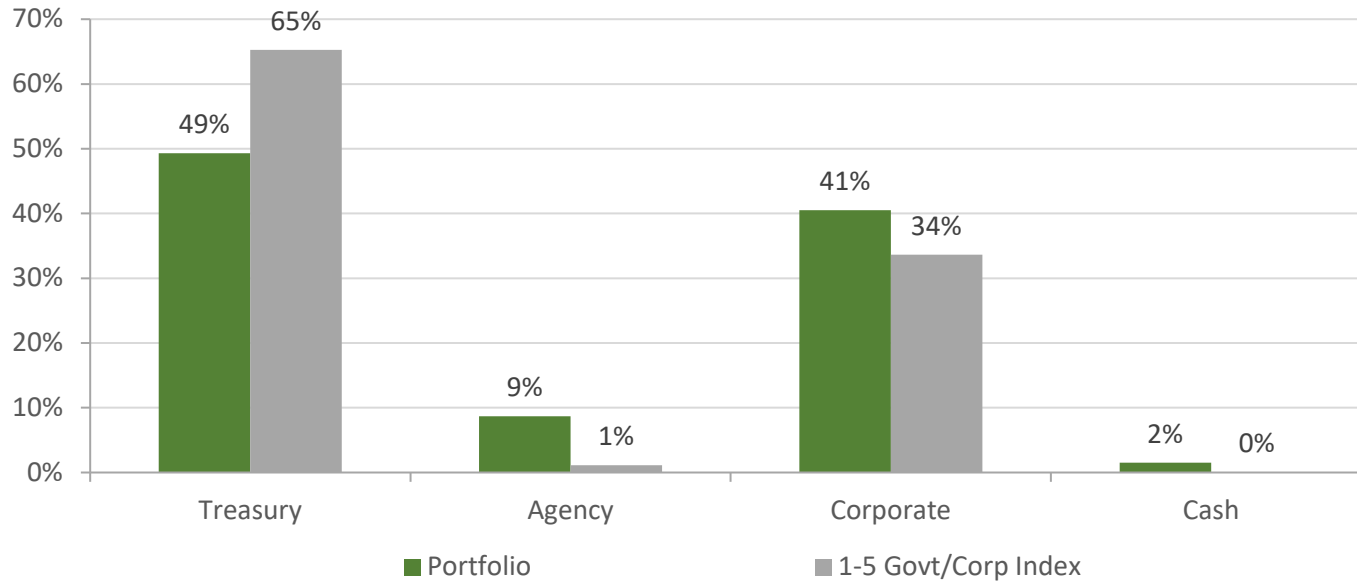


Source: BondEdge

Current Attributes and Sectors

Ocala Police Officers Ret - Short Term Fixed Income
Attributes as of 3/31/26

	<u>Portfolio</u>	<u>1-5 Govt/Corp Index</u>
Yield to Maturity (%)	4.03	4.08
Effective Duration (Yrs)	2.44	2.60
Effective Maturity (Yrs)	2.69	2.82
Quality Rating	Aa2	Aa2
Coupon Rate	2.65	3.46
Convexity	0.00	0.04



Source: BondEdge

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
Asset Backed Security						
IXIS REAL ESTATE TR -HE A- FLT 20370125 3.993%	9,122.90	27.77	2,533.75	31.89	2,909.62	0.0
MASTR ASSET BKD SECS -NC A- FLT 20360825 4.013%	11,163.61	39.35	4,392.42	34.48	3,849.51	0.0
RESIDENTIAL FDG MTG -SA III-A FLT 20350825 5.373%	267.73	99.94	267.56	87.69	234.78	0.0
Corporate Bonds						
AMAZON COM INC SR GLBL NT 20260512 1.000%	40,000.00	99.57	39,827.20	99.65	39,858.00	0.3
VIRGINIA ELEC n PWR CO SR GLBL -B NT 20270515 3.750%	80,000.00	99.69	79,750.40	99.38	79,506.40	0.7
META PLATFORMS INC SR GLBL NT. 20301115 4.200%	260,000.00	100.38	260,990.30	99.03	257,478.00	2.2
ALPHABET INC SR NT 4.1%31 4.1 20310215	210,000.00	100.04	210,085.50	99.31	208,540.50	1.8
DISNEY WALT CO SR NT 3.75%29 3.75 20290314	150,000.00	98.80	148,194.00	98.86	148,290.00	1.3
THERMO FISHER SCIENTIFIC INC SR NT 31 4.215 20310212	220,000.00	99.10	218,010.60	98.95	217,687.80	1.9
JOHNSON n JOHNSON SR GLBL NT. 20300301 4.700%	90,000.00	99.80	89,819.10	102.21	91,984.50	0.8
MASTERCARD INCORPORATED SR GLBL NT 20280315 4.550%	110,000.00	99.92	109,916.40	100.91	110,998.80	1.0
PAYPAL HLDGS INC SR GLBL NT 20280306 4.450%	160,000.00	99.96	159,929.60	100.21	160,337.60	1.4
ELI LILLY n CO GLBL NT . 20290814 4.200%	100,000.00	99.24	99,238.00	100.10	100,095.00	0.9
PNC BK N A PITTSBURGH PA DISC FR . 20291022 2.700%	235,000.00	92.06	216,329.25	94.10	221,142.05	1.9
CHEVRON USA INC SR GLBL NT. 20301015 4.300%	95,000.00	99.85	94,854.65	100.25	95,238.45	0.8
ELI LILLY n CO GLBL NT 20281015 4.000%	20,000.00	100.57	20,114.00	99.89	19,977.80	0.2
FLORIDA PWR n LT CO M GLBL BD 20290615 5.150%	140,000.00	100.54	140,760.20	102.59	143,620.40	1.2

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
JOHNSON n JOHNSON SR GBL NT. 20290601 4.800%	100,000.00	99.88	99,879.00	102.50	102,502.00	0.9
PNC FINL SVCS GROUP INC SR GBL NT 20300514 5.492%	50,000.00	100.69	50,344.00	102.84	51,421.50	0.4
BLACKROCK INC GBL NT . 20270726 4.600%	190,000.00	100.00	189,994.30	100.68	191,290.10	1.7
STATE STR CORP SR GBL NT 20271022 4.330%	100,000.00	100.00	100,000.00	100.19	100,186.00	0.9
JPMORGAN CHASE n CO SUB NT . 20271201 3.625%	150,000.00	97.12	145,686.00	98.88	148,318.50	1.3
DUKE ENERGY CAROLINAS LLC M GBL BD 20300315 4.850%	100,000.00	99.86	99,858.00	101.82	101,821.00	0.9
BRISTOL-MYERS SQUIBB CO SR GBL NT 20271113 1.125%	250,000.00	86.25	215,616.50	95.53	238,817.50	2.1
HOME DEPOT INC SR GBL NT. 20290415 4.900%	290,000.00	101.15	293,326.00	101.90	295,501.30	2.6
MORGAN STANLEY FR . 20270120 3.625%	35,000.00	96.88	33,909.05	99.58	34,853.70	0.3
TEXAS INSTRS INC SR GBL NT. 20290208 4.600%	160,000.00	100.15	160,246.40	101.30	162,081.60	1.4
CATERPILLAR FINL SVCS MTNS BE FR . 20290227 4.850%	70,000.00	101.67	71,171.80	101.76	71,229.90	0.6
INTEL CORP SR GBL NT. 20260519 2.600%	210,000.00	94.29	198,007.20	99.75	209,468.70	1.8
US BANCORP FR . 20260722 2.375%	150,000.00	94.00	140,998.50	99.50	149,242.50	1.3
MASTERCARD INCORPORATED SR GBL NT 20280309 4.875%	50,000.00	99.90	49,951.50	101.48	50,741.50	0.4
STARBUCKS CORP SR GBL NT 20260615 2.450%	125,000.00	91.33	114,167.50	99.62	124,527.50	1.1
APPLE INC SR GBL NT 20280510 4.000%	130,000.00	99.81	129,749.10	100.12	130,154.70	1.1
LAUDER ESTEE COS INC SR GBL NT 20280515 4.375%	340,000.00	98.82	335,992.80	100.10	340,350.20	2.9

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
AMAZON COM INC SR GBL NT. 20270413 3.300%	190,000.00	98.57	187,277.60	99.25	188,569.30	1.6
UNITEDHEALTH GROUP INC SR GBL NT 20280215 5.250%	80,000.00	99.96	79,966.40	101.76	81,404.80	0.7
BANK AMERICA CORP FR . 20290614 2.087%	50,000.00	100.72	50,360.35	95.14	47,572.00	0.4
MORGAN STANLEY FR . 20270720 1.512%	40,000.00	100.00	40,000.00	99.09	39,635.20	0.3
MORGAN STANLEY FR . 20270504 1.593%	50,000.00	100.00	50,000.00	99.72	49,861.00	0.4
WEC ENERGY GROUP INC SR GBL NT. 20281215 2.200%	110,000.00	99.76	109,737.10	94.44	103,878.50	0.9
WELLS FARGO n CO FR . 20280602 2.393%	20,000.00	100.00	20,000.00	97.61	19,521.20	0.2
JPMORGAN CHASE n CO SR GBL NT 20290601 2.069%	20,000.00	94.51	18,902.40	95.15	19,030.00	0.2
MORGAN STANLEY FR . 20280121 2.475%	70,000.00	100.04	70,025.90	98.43	68,903.10	0.6
AMGEN INC SR GBL NT 20280815 1.650%	120,000.00	93.01	111,615.10	94.29	113,146.80	1.0
ALPHABET INC SR GBL NT 20321115 4.375%	30,000.00	99.89	29,965.50	99.43	29,828.40	0.3
ALPHABET INC SR GBL NT. 20351115 4.700%	30,000.00	99.86	29,959.20	98.79	29,638.20	0.3
LOUISVILLE GAS n ELEC CO M GBL BD 20330415 5.450%	230,000.00	104.57	240,500.40	103.25	237,479.60	2.1
AMAZON COM INC SR GBL NT 20551120 5.450%	140,000.00	97.96	137,141.20	95.53	133,737.80	1.2
SCHWAB CHARLES CORP SR GBL NT 20361114 4.914%	160,000.00	99.64	159,428.60	97.20	155,521.60	1.3
BROADCOM INC SR GBL NT. 20330115 4.600%	300,000.00	99.81	299,420.10	98.48	295,431.00	2.6
ALPHABET INC SR NT 4.4%33 4.4 20330215	40,000.00	99.43	39,771.20	98.76	39,502.00	0.3

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
ALPHABET INC SR NT 4.8%36 4.8 20360215	110,000.00	99.80	109,774.50	99.57	109,529.20	0.9
ALPHABET INC SR NT 5.5%46 5.5 20460215	100,000.00	99.48	99,484.00	99.20	99,197.00	0.9
META PLATFORMS INC SR GBL NT 20351115 4.875%	330,000.00	99.11	327,077.50	98.10	323,743.20	2.8
PUBLIC SVC ELEC n GAS CO FR . 20340801 4.850%	60,000.00	101.17	60,703.80	99.04	59,424.60	0.5
ARIZONA PUB SVC CO SR GBL NT. 20340815 5.700%	150,000.00	106.05	159,078.00	103.49	155,241.00	1.3
CONSOLIDATED EDISON CO N Y INC SR GBL DB. 20330615 5.100%	170,000.00	101.91	173,244.00	100.39	170,666.40	1.5
DUKE ENERGY FLA LLC M GBL BD. 20330301 5.900%	30,000.00	107.23	32,169.60	105.35	31,604.70	0.3
AMAZON COM INC 4.875 20360313	80,000.00	99.80	79,843.20	99.09	79,271.20	0.7
COMCAST CORP NEW SR GBL NT. 20380301 3.900%	130,000.00	85.83	111,577.70	85.88	111,645.30	1.0
PACIFICORP 1M BD 5.45%33 5.45 20330415	90,000.00	99.85	89,865.90	100.32	90,288.90	0.8
VIRGINIA ELEC n PWR CO SR GBL -C NT 20330815 5.300%	150,000.00	99.24	148,857.00	102.29	153,438.00	1.3
SYNOPSIS INC SR GBL NT 20300401 4.850%	30,000.00	99.98	29,995.20	100.74	30,220.80	0.3
SYNOPSIS INC SR GBL NT 20320401 5.000%	110,000.00	99.92	109,915.90	100.87	110,954.80	1.0
CENTERPOINT ENERGY HOUSTON ELE GBL -AK BD 20330401 4.950%	70,000.00	99.31	69,516.30	100.38	70,268.80	0.6
PUBLIC SERVICE CO COLO M GBL BD 20340515 5.350%	220,000.00	99.82	219,602.45	101.86	224,081.00	1.9
ELEVANCE HEALTH INC FORMERLY A SR GBL NT 20360115 5.850%	115,000.00	104.33	119,977.20	103.41	118,923.80	1.0
ARIZONA PUB SVC CO SR GBL NT 20321215 6.350%	120,000.00	107.39	128,863.20	107.12	128,547.60	1.1

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
UNION ELEC CO M GLBL BD. 20340401 5.200%	40,000.00	103.10	41,238.40	101.59	40,634.80	0.4
ALABAMA PWR CO SR -B NT 20331115 5.850%	130,000.00	109.31	142,104.30	105.71	137,428.20	1.2
NSTAR ELEC CO SR GLBL DB. 20340601 5.400%	190,000.00	104.54	198,626.60	102.21	194,204.70	1.7
CISCO SYS INC SR GLBL NT 20310226 4.950%	130,000.00	99.80	129,741.30	102.45	133,188.90	1.2
WELLS FARGO n CO FR . 20290725 5.574%	30,000.00	99.65	29,895.30	102.30	30,689.10	0.3
GOLDMAN SACHS GROUP INC SR GLBL NT 20290501 4.223%	90,000.00	93.00	83,700.90	99.44	89,492.40	0.8
VIRGINIA ELEC n PWR CO SR GLBL A NT 20330401 5.000%	60,000.00	100.83	60,499.88	100.58	60,346.20	0.5
AMAZON COM INC 5.8 20560313	80,000.00	99.44	79,549.60	99.92	79,936.00	0.7
PACIFICORP 1ST MTG BD5.8%36 5.8 20360415	110,000.00	99.72	109,696.40	100.80	110,881.10	1.0
Cash Currency						
US DOLLARS	174,797.50	1.00	174,797.50	1.00	174,797.50	1.5
US DOLLARS	104,795.48	1.00	104,795.48	1.00	104,795.48	0.9
Government Bonds (US)						
FEDERAL FARM CR BKS CONS BD . 20261130 1.540%	40,000.00	100.04	40,016.00	98.53	39,412.40	0.3
FEDERAL HOME LOAN BANKS CONS BD 20260429 3.000%	250,000.00	100.00	250,000.00	99.94	249,840.00	2.2
FEDERAL FARM CR BKS CONS BD . 20300219 4.820%	130,000.00	100.00	130,000.00	100.25	130,328.90	1.1
FEDERAL FARM CR BKS CONS BD . 20300520 4.550%	70,000.00	100.00	70,000.00	99.68	69,774.60	0.6
FEDERAL FARM CR BKS CONS BD . 20300514 4.520%	175,000.00	99.63	174,343.75	99.82	174,685.00	1.5
FEDERAL FARM CR BKS CONS BD . 20290723 4.420%	170,000.00	99.99	169,974.50	99.92	169,869.10	1.5

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
FEDERAL HOME LN MTG CORP CALL . 20261028 0.800%	210,000.00	89.77	188,519.10	98.33	206,482.50	1.8
UNITED STATES TREAS NTS . 20300630 3.750%	490,000.00	99.30	486,573.82	99.35	486,824.80	4.2
UNITED STATES TREAS NTS . 20290731 2.625%	375,000.00	91.32	342,436.52	96.18	360,675.00	3.1
UNITED STATES TREAS NTS . 20280630 1.250%	525,000.00	86.53	454,308.59	94.52	496,209.00	4.3
UNITED STATES TREAS NTS . 20300531 3.750%	5,000.00	98.91	4,945.47	99.39	4,969.55	0.0
UNITED STATES TREAS NTS . 20321231 3.875%	2,390,000.00	99.50	2,378,155.47	98.55	2,355,368.90	20.3
Mortgage Backed Security						
FNMA UMBS LNG YEAR . 20340301 5.000%	6,224.98	91.91	5,721.44	100.29	6,242.91	0.1
FNMA UMBS LNG YEAR . 20340101 5.500%	3,485.69	102.56	3,574.88	100.53	3,504.13	0.0
FNMA UMBS LNG YEAR . 20340301 6.000%	6,051.37	104.31	6,312.37	101.94	6,168.59	0.1
FNMA SUPER LNG YEAR . 20371201 6.500%	289.45	100.07	289.66	106.00	306.81	0.0
FHLMC GIANT MBS GOLD COMB . 20370201 7.000%	939.16	102.63	963.82	105.12	987.25	0.0
GNMA PASS-THRU X SINGLE FAMILY . 20340815 6.000%	1,135.65	103.87	1,179.64	101.48	1,152.49	0.0
FNMA UMBS LNG YEAR . 20360101 6.000%	1,320.04	96.28	1,270.99	104.91	1,384.81	0.0
FNMA UMBS INT YEAR . 20260401 4.000%	71.59	101.59	72.73	99.72	71.39	0.0
FNMA UMBS LNG YEAR . 20420701 3.500%	14,031.62	105.90	14,859.90	94.49	13,259.04	0.1
FNMA UMBS LNG YEAR . 20461001 3.000%	58,702.82	100.08	58,750.76	90.15	52,918.24	0.5
FNMA SUPER LNG YEAR . 20341201 5.500%	1,600.16	97.37	1,558.13	102.12	1,634.05	0.0

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
FNMA UMBS LNG YEAR . 20350701 5.000%	5,504.34	96.25	5,298.13	100.86	5,551.46	0.0
FNMA UMBS LNG YEAR . 20471201 3.500%	66,502.30	99.20	65,968.90	93.14	61,936.92	0.5
FNMA UMBS LNG YEAR . 20480101 3.500%	84,005.55	97.58	81,971.08	93.13	78,237.73	0.7
FNMA UMBS LNG YEAR . 20370201 5.500%	643.76	98.27	632.64	103.20	664.34	0.0
FNMA UMBS LNG YEAR . 20460601 3.500%	33,088.22	102.45	33,898.12	93.83	31,045.68	0.3
FNMA UMBS SHRT YEAR . 20290401 3.500%	17,684.76	98.89	17,488.49	99.32	17,564.33	0.2
FNMA UMBS INT YEAR . 20341201 2.500%	84,982.42	97.33	82,714.05	94.55	80,351.73	0.7
FHLMC GIANT MBS GOLD COMB . 20340801 6.000%	695.78	103.46	719.82	103.65	721.18	0.0
FHLMC GIANT MBS GOLD COMB . 20460501 3.500%	31,025.03	105.59	32,760.51	93.76	29,088.45	0.3
FHLMC MBS GOLD COMB . 20390801 5.000%	10,885.58	103.48	11,264.89	100.65	10,956.55	0.1
FHLMC SUPER Y FIXED . 20341101 2.000%	69,372.32	96.70	67,083.88	93.02	64,529.44	0.6
FHLMC UMBS Y FIXED . 20401101 4.500%	285,610.20	100.17	286,101.10	99.32	283,673.76	2.4
GNMA PASS-THRU M SINGLE FAMILY . 20401020 4.500%	432,172.94	100.35	433,694.54	99.40	429,592.87	3.7
FHLMC UMBS Y FIXED . 20401201 5.000%	223,160.87	101.22	225,880.64	100.77	224,883.67	1.9
FHLMC SUPER Y FIXED . 20541201 5.000%	251,480.54	96.29	242,148.25	98.70	248,208.78	2.1
FNMA SUPER SHRT YEAR . 20350901 5.000%	427,682.27	101.60	434,510.92	101.27	433,105.28	3.7
FNMA SUPER INT YEAR . 20400801 5.000%	141,010.49	100.89	142,266.37	100.77	142,099.09	1.2

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
FHLMC UMBS Y FIXED . 20401001 5.000%	320,090.77	101.21	323,972.42	100.77	322,561.87	2.8
FHLMC UMBS Y FIXED . 20541101 5.000%	186,463.34	97.33	181,488.56	98.69	184,028.13	1.6
FHLMC SUPER Y FIXED . 20531101 5.500%	168,445.96	99.38	167,393.18	100.72	169,652.03	1.5
FNMA UMBS LNG YEAR . 20540101 5.000%	140,237.61	98.83	138,594.20	98.82	138,578.60	1.2
FNMA UMBS LNG YEAR . 20520401 3.500%	205,063.01	89.42	183,357.74	91.79	188,219.13	1.6
FNMA UMBS LNG YEAR . 20520601 3.500%	94,263.89	90.06	84,896.45	91.79	86,521.05	0.7
FHLMC SUPER Y FIXED . 20520101 3.000%	87,260.94	86.92	75,848.84	88.00	76,792.25	0.7
FNMA UMBS LNG YEAR . 20480601 3.000%	157,553.08	86.53	136,332.00	88.98	140,186.00	1.2
FNMA UMBS LNG YEAR . 20520601 3.500%	86,452.06	89.06	76,996.36	91.78	79,346.57	0.7
FHLMC SUPER Y FIXED . 20520701 3.000%	199,491.41	88.61	176,768.09	88.86	177,266.07	1.5
Treasury Note						
UNITED STATES TREAS BDS 20500215 2.000%	1,270,000.00	60.20	764,568.87	58.22	739,381.30	6.4
UNITED STATES TREAS NTS . 20350515 4.250%	210,000.00	100.93	211,956.62	99.73	209,441.40	1.8
UNITED STATES TREAS NTS . 20270930 0.375%	650,000.00	85.38	554,964.85	95.00	617,474.00	5.3
UNITED STATES TREAS NTS . 20300215 1.500%	1,360,000.00	89.73	1,220,331.25	91.51	1,244,508.80	10.8
UNITED STATES TREAS NTS . 20290515 2.375%	650,000.00	89.11	579,185.55	95.74	622,323.00	5.4
UNITED STATES TREAS NTS . 20270430 0.500%	185,000.00	88.67	164,035.74	96.56	178,639.70	1.5
UNITED STATES TREAS NTS . 20270331 0.625%	200,000.00	90.48	180,960.94	97.00	194,006.00	1.7

Portfolio Holdings

Ocala Police Officers Retirement System – Fixed Income
As of 3/31/2026

Security	Quantity	Unit Cost	Total Cost	Price	Market Value	Pct of Assets
UNITED STATES TREAS NTS . 20280131 0.750%	710,000.00	87.14	618,706.25	94.59	671,589.00	5.8
UNITED STATES TREAS NTS . 20301115 0.875%	750,000.00	87.09	653,203.12	87.16	653,670.00	5.7
UNITED STATES TREAS NTS . 20291130 3.875%	190,000.00	99.03	188,151.95	99.98	189,956.30	1.6
Accrued Income					181,035.15	0.8
TOTAL PORTFOLIO			\$22,852,115.59		\$23,319,815.66	

Equity Overview

ENERGY SHOCKS CAUSE BROADER MARKET TO RUN OUT OF GAS

US equities pulled back in Q1 2026, with the S&P 500 ending a three-quarter winning streak amid notable weakness in big tech and software. Beneath the surface, rotation was evident as the equal-weight S&P held roughly flat and small caps posted modest gains, signaling continued market broadening. Energy stood out as the top performer on a surge in crude prices tied to geopolitical tensions, while cyclicals like materials and industrials also outperformed.

AI ANXIETY UNDERMINES TECH AS “DISRUPTION” DEBATE EVOLVES

The dominant equity narrative centered on growing skepticism around AI-driven returns. Software and large-cap tech names bore the brunt of this shift, as investors questioned whether massive capital expenditures would translate into sustainable profits. Fears of AI displacement—once theoretical—began to feel more tangible, pressuring valuations across the space and spilling over into private credit markets with exposure to tech.

GEOPLITICS AND RATES COLLIDE TO RESET EXPECTATIONS

Markets entered the year balancing resilient economic data with expectations for multiple Fed rate cuts, but that narrative unraveled quickly. Escalating conflict in the Middle East—most notably the disruption of the Strait of Hormuz—sent oil prices sharply higher and reignited inflation concerns. As a result, expectations for rate cuts evaporated, with markets even briefly pricing in the possibility of hikes.

EARNINGS REMAIN A STEADY HAND AMID MACRO TURBULENCE

While macro uncertainty dominated headlines, corporate fundamentals remained relatively firm. Expectations for another quarter of double-digit earnings growth helped anchor sentiment, even as the market became less forgiving of high valuations and aggressive spending plans. The ongoing “K-shaped” dynamic persisted, with higher-income consumers supporting demand while pockets of weakness emerged elsewhere. Ultimately, earnings continued to provide a stabilizing force, though no longer strong enough to fully offset mounting geopolitical and policy risks.

Market Outlook

ROTATION OVER RETREAT AS MARKETS REACH FOR RETURNS

The first quarter of 2026 reinforced a key transition underway in markets: leadership is shifting. After years of dominance by a narrow group of megacap tech names, **performance is broadening across sectors more tied to tangible economic activity and pricing power.** Energy’s surge, along with strength in industrials and materials, highlights the market’s increasing sensitivity to real-world supply constraints and geopolitical risks. Adding to market complexity, **the path of interest rates is far less certain than it appeared just months ago** and policy clarity—from trade to central bank leadership—is still evolving. In this environment, the market may continue to reward diversification, earnings durability, and balance sheet as a hedge against uncertainty. As markets continue to pivot away from AI enthusiasm, **the winning trades will likely favor fundamentals over narratives.**

1st Quarter Scorecard

Table 1

Index	Quarter	1 Year
S&P 500	-4.6%	17.8%
Russell 1000 Growth	-9.8%	18.8%
Russell 2000 Growth	-2.8%	23.6%
Russell 3000 Growth	-9.5%	18.7%
Russell 3000 Value	2.2%	16.3%
Barclays Capital US Aggregate	0.0%	4.3%
ICE BofA U.S. Corporate Index	-0.4%	4.8%

Fixed Income Overview

The beginning of the year started off as a continuation from the previous quarter, with signs of ebbing inflation and labor market cracks leading to expected rate cuts later in the year, and bond yields trending downward in response. However, these assumptions were all turned on their heads upon the U.S. striking military targets in Iran on February 28th. The subsequent bombings and closing of the Strait of Hormuz caused oil prices to spike by 80% YTD (graph 1). The resulting increase in yields caused intra-quarter volatility but, despite a February return of -1.8%, the Bloomberg Aggregate still managed to end the quarter down only -0.05%.

The 2-year, 10-year and 30-year U.S. Treasury were up 32bps, 15bps and 7bps respectively. Inflation concerns caused a repricing in expectation of Fed movements, which moved from pricing in two cuts throughout 2026 to the possibility of rate hikes during the year. Downward trending job growth (graph 2), along with the negative impact that high energy prices could have on consumer sentiment, had investors starting to utter the dreaded word of Stagflation.

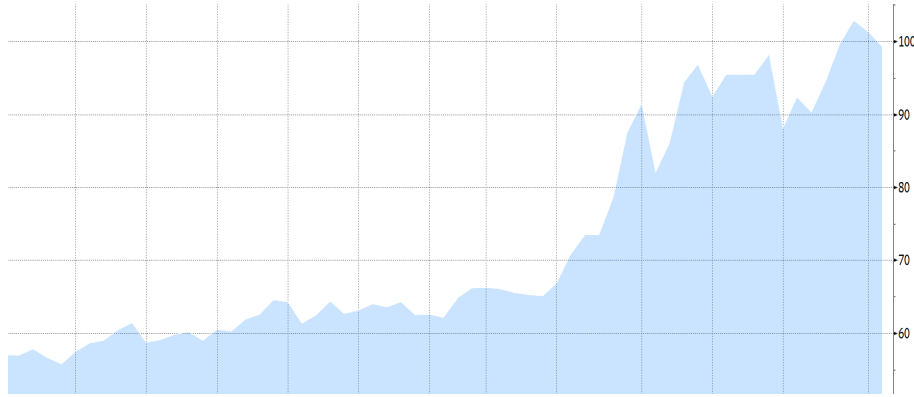
Despite the risk-off and inflation worries, investors viewed investment grade corporate bonds as a bit of a safe-haven compared to other risk assets. While spreads widened by 11bps, the volatility was minimal in comparison. High-yield corporate bond spreads widened out by 47bps, and various private credit funds locked up liquidity for their investors and substantially marked down some of their positions.

Mortgage-backed securities started off the year strong as it was announced that Fannie Mae and Freddie Mac would be purchasing \$200bn of mortgages, with the intention of lowering mortgage rates for consumers. However, the interest rate volatility and lack of details on the purchase program, eroded some of these gains throughout the quarter.

Geopolitical events are very difficult to predict and the length and impact of the current war with Iran are still very much unknown. A prolonged war could upend the global energy supply chain and have both near-term and long-term effects on the economy. A resolution should ease some of the tensions but, even in that scenario, the impacts remain unknown and can lead to more uncertainty. It is that type of environment where high-quality assets tend to outperform, and Sawgrass will continue to focus on locating opportunities and serving as a stabilizing force in client portfolios.

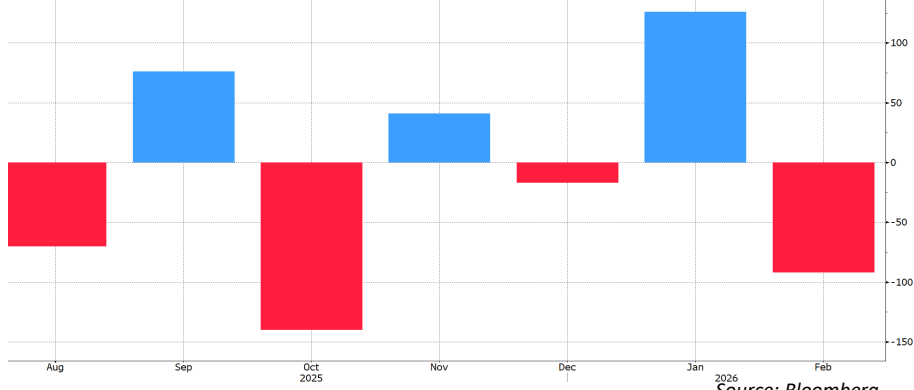
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Graph 1 WTI Crude Oil Price



Source: Bloomberg

Graph 2 Nonfarm Payrolls (000)



Source: Bloomberg

Table 2 Interest Rate Changes

	3/31/26	12/31/25	3/31/25	Quarter Change	12-month Change
3 Month T-Bills	3.7	3.6	4.3	0.1	-0.6
5 Yr Treasury	3.9	3.7	4.0	0.2	0.0
10 Yr Treasury	4.3	4.2	4.2	0.2	0.1
30 Yr Treasury	4.9	4.8	4.6	0.1	0.3
5 Yr Corporate (A)	4.5	4.2	4.6	0.3	-0.1
10 Yr Corporate (A)	5.1	4.9	5.1	0.2	0.0
30 Yr Fixed Rate Mortgage	6.5	6.3	6.8	0.2	-0.4

Source: Bloomberg