



March 31, 2026

Lower Florida Keys Hospital District

Market and Portfolio Summary as of March 31, 2026



The first quarter of 2026 proved to be quite turbulent for financial markets. What began with a continuation of trends established in the second half of last year – muted but a broadly resilient market environment with financial markets in positive territory. Domestic equity markets experienced a broadening of returns beyond the largest-cap stocks, with increased participation from small-cap and value-oriented segments. International equities extended their rally following strong performance in 2025, while credit sectors remained favored within fixed income markets. Market strength was upended as a result of the conflict outbreak with Iran at the end of February. As a result, energy prices rose, inflation concerns heightened, waning consumer sentiment and a reevaluation of the Federal Reserve rate expectations led to meaningful cross asset volatility.

Market momentum shifted in early March following the onset of the U.S.–Iran conflict, which introduced heightened geopolitical uncertainty and renewed concerns surrounding global economic growth. These developments prompted a broad market pullback, resulting in negative returns across both equity and fixed income markets for the quarter. The Lower Florida Keys Hospital District’s performance for the quarter ending March 31, 2026, was in-line with the benchmark, which was down -1.34.

Looking ahead to the second quarter, we remain attentive to inflation dynamics and global growth risks stemming from the ongoing conflict. While corporate earnings growth remains constructive and continues to serve as a primary driver of equity market performance, we recognize that second-order effects from the conflict could pose unforeseen challenges across certain sectors as conditions evolve.

As an update through current period, markets have rebounded on the heels of a potential resolution to the conflict with Iran but remains volatile. As of the close of May 5, the Lower Florida Keys Hospital District Portfolio market value is \$14,106,081 up 6.6% year-to-date. The money market investment in PALM as of the close of May 5th is \$1,409,228.

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