



- A reliable inverse correlation seems to have developed since the launch of the U.S.-Israeli war with Iran, whereby the direction of global equity markets moves in the opposite direction of the volume of deadly projectiles launching outward from Iran.
- From an investment perspective, we believe financial markets may continue to struggle whenever Iran demonstrates an ability to launch missiles and drones in large numbers, and vice versa if this capability appears degraded.
- We suspect the *Wall Street Journal* put its finger on the key thing to watch in this war with a piece published on March 3rd, where the author describes the “missile math” between the stockpile of offensive munitions available to Iran, versus the inventory of defensive interceptor missiles available to the U.S., Israel, and surrounding Gulf states.¹
- The initial 48 hours of the conflict revealed an Iranian regime with sufficient access to missiles and drones, along with the launch systems and command-and-control hierarchy needed to deploy them at a troublingly high volume.
- However, the pace of Iran’s missile and drone launches diminished materially over the course of March 2nd and 3rd,² suggesting potential progress in the U.S.-Israeli effort to destroy Iran’s launch systems and weapons stockpiles through its ongoing air campaign.
- For investors trying to decide what to do, there are countless examples throughout history when financial markets have overreacted to geopolitical events.
- Indeed, there is a common adage among market observers along the lines of, “When bullets fly it’s time to buy.”³
- We note with humility that reducing risk during moments of uncertainty carries its own risk for investors because frightening geopolitical developments have a way of turning decisively for the better shortly *after* you finish positioning your portfolio for the opposite.
- That said, we do not believe investors should take it for granted that the U.S. and Gulf states can defend their critical military and energy infrastructure for “as long as it takes” to outlast Iran’s capacity to inflict damage.
- We note with alarm that less than one year ago numerous sources reported the U.S. and Israel consumed an uncomfortably high percentage of their top-of-the-line air defense munitions in less than two weeks during the 12-day war with Iran last June.⁴
- With this framing in mind, we have developed a game plan for reducing risk *incrementally* in each of our equity investment strategies if events in the Middle East seem to justify it at any point.
- We also have well-developed ideas on the *buy* side in preparation for opportunities that might emerge in the days and weeks ahead.
- We entered this year expecting substantial equity market rotations, we have already taken several risk-management steps inside the strategies, and seek to continue to managing risk accordingly.

¹ Source: Wall Street Journal; https://www.wsj.com/world/gulf-states-in-race-against-time-to-repel-irans-counterattack-96c16802?mod=WSJ_home_mediumtopper_pos_4

² Source: criticalthreats.org; ACLED

³ Source: Morningstar

⁴ Source: New York Times; JINSA; Al Jazeera; Doomberg

Please see important disclosures at the end of this document. Supplemental to a fully compliant GIPS report.

- Our risk management also rises to the portfolio level, with the *Managed Equity Dividend* strategy benefiting particularly from recent equity market rotations, while the *Dynamic Allocation* and *Tactical Global* strategies have also been well positioned.
- We believe nothing in the Iran conflict negates the historic innovations developing in the global economy, and we continue to look for opportunities to participate in these innovations through our investment strategies.

Disclosure

This commentary does not purport to be a statement of all material facts relating to the securities mentioned. The information contained herein, while not guaranteed as to accuracy or completeness, has been obtained from sources believed to be reliable. Opinions expressed herein are subject to change without notice. Capital Advisors, Inc., or one or more of its officers or employees, may have a position in the securities discussed herein, and may purchase or sell such securities from time to time. This presentation is not an offer or a solicitation to buy or sell securities. The information contained in this presentation has been compiled from third party sources and is believed to be reliable; however, its accuracy is not guaranteed and should not be relied upon in any way, whatsoever. This presentation may not be construed as investment advice and does not give investment recommendations. Views expressed are as of the date indicated, based on the information available at that time, and may change based on market or other conditions. Unless otherwise noted, the opinions provided are those of the author and not necessarily those of Capital Advisors, Inc. .Capital Advisors, Inc. does not assume any duty to update any of the information.

Security Recommendations:

These investments may not be representative of the current or future investments of the strategy. You should not assume that investments in the securities identified in this Presentation were or will be profitable. We will furnish, upon your request, a list of all securities purchased, sold or held in any of our strategies during the 12 months preceding the date of this presentation.

The information provided is supplemental to a fully compliant GIPS Report. A complete list of Capital Advisors composites and performance results is available upon request. The actual return and value of an account will fluctuate at any time. The account may be worth more or less than the amount invested.

Additional information, including management fees and expenses, is provided on Capital Advisors' Form ADV Part 2, available upon request or at the SEC's Investment Adviser Public Disclosure site, <https://adviserinfo.sec.gov/firm/summary/104643>.

As with any investment strategy, there is potential for profit as well as the possibility of loss. Capital does not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable. The investment return and principal value of an investment will fluctuate so that an investor's portfolio may be worth more or less than its original cost at any given time. The underlying holdings of any presented portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Past performance is not a guarantee of future results.

Capital Advisors, Inc. does not provide tax or legal advice and recommends you consult with your tax and/or legal advisor for such guidance.

Presentation is prepared by: Capital Advisors, Inc. and is considered to be supplemental to a fully compliant GIPS report. Contact Capital Advisors for a list and description of all firm composites: 1-866-230-5879. Home Office: 2222 S. Utica Place, suite 300, Tulsa, OK 74114

Copyright © 2026, by Capital Advisors, Inc. www.capitaladv.com 2026.03.04R 2026.03.04JLW