Wealth Enhancement®

FINANCIAL WELLNESS

Quarterly Newsletter

From the Sadoff Team

March 2026

This financial wellness quarterly newsletter contains a market and economic snapshot, along with informational articles on a variety of financial planning and financial wellness topics.

Quarterly Market Snapshot

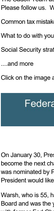
	Returns		
	YTD	1-year	3-year
S&P 500	0.7%	16.3%	21.1%
Dow Jones	2.1%	11.7%	14.9%
Russell 2000 (Small caps)	6.2%	15.8%	12.2%
Bonds - BarCap Aggregate	1.7%	6.8%	3.6%
	Current	1 year ago	3 years ago
CPI	2.4%	3.0%	6.4%
Federal Funds Rate (effective)	3.6%	4.3%	4.6%
Oil	73.19	71.70	86.10
Gas Prices (National Average)	2.94	3.04	3.37

YTD data as of 12/26/25, 3-year returns are annualized

Charts: S&P 500, Oil, Mortgage Rates & Unemployment Rate



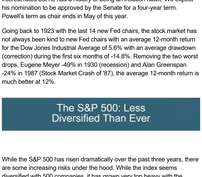






Charts Courtesy of StockCharts.com

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Common tax mistakes in retirement

What to do with your 401k after retirement

Social Security strategies

....and more

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Federal Reserve Chair Nominee: Kevin Walsh

On January 30, President Donald Trump nominated Kevin Warsh to become the next chair of the Federal Reserve Board. Jerome Powell, who was nominated by President Trump in 2017, has been under fire as the President would like Powell to lower the Federal funds rate faster.

Warsh, who is 55, has the experience of serving on the Federal Reserve Board and was the youngest ever Fed Governor at age 35. He worked with former Fed Chair Ben Bernanke on the 2008-09 financial crisis bailouts. Warsh is married to Jane Lauder, who has an estimated net worth of $2.7 billion. Jane's grandmother Estee Lauder founded the cosmetics giant.

He graduated from Stanford University and Harvard Law School and worked in M&A at Morgan Stanley. After leaving the Fed in 2011 he began working for billionaire investor Stanley Druckenmiller.

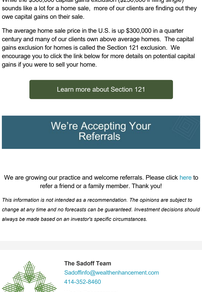
Warsh has agreed with President Trump that the Fed should sharply lower interest rates but he has a history of being an inflation hawk. We expect his nomination to be approved by the Senate for a four-year term. Powell's term as chair ends in May of this year.

Going back to 1923 with the last 14 new Fed chairs, the stock market has not always been kind to new Fed chairs with an average 12-month return for the Dow Jones Industrial Average of 5.6% with an average drawdown (correction) during the first six months of -14.8%. Removing the two worst drops, Eugene Meyer -49% in 1930 (recession) and Alan Greenspan -24% in 1987 (Stock Market Crash of '87), the average 12-month return is much better at 12%.

The S&P 500: Less Diversified Than Ever

While the S&P 500 has risen dramatically over the past three years, there are some increasing risks under the hood. While the index seems diversified with 500 companies, it has grown very top heavy with the weight of the top 10 companies now at 37% of the index.

- Only 25 stocks make up 50% of the weight of the S&P 500.
- The bottom 250 companies make up less than 10% of the S&P 500.
- The 8 largest companies (all technology/communication equipment companies) comprise 35% of the index.



From 2023-2025 the S&P 500 returned 86.1% while the Equal Weight S&P 500 returned 43.4% due to the strong performance of the mega tech stocks. In 2026, this trend is starting to reverse, with the S&P 500 rising 0.7% YTD as of 2/28 while the Equal Weight S&P 500 (the average S&P 500 stock return) up +7.1%.

If your non-managed accounts such as your 401k or 529 college savings account are all invested in the S&P 500, talk to us about diversification beyond the S&P 500.

It is estimated that $20 trillion is indexed to the S&P 500. That is almost 30% of the entire U.S. stock market linked to the S&P 500.

Strong Corporate Earnings

In 2025, the S&P 500 rose by 15% or more for the third year for just the eighth time since 1944. Stock market gains have been driven by earnings growth. With more than 75% of the S&P 500 companies reporting their fourth quarter earnings, profit growth was averaging 13% annualized. According to Value Line, if this holds, it would be the fifth consecutive quarter of double digit earnings growth.

Good news for 2026: S&P 500 earnings are estimated to grow by 14%.

Explaining Charitable Leads

ESTATE *planning*

Explaining Charitable Lead Trusts

Learn how CLTs work, their tax benefits, key risks, and how to decide if a CLT aligns with your financial goals.

Learn More

Guide to New Trump Accounts for Kids

The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, created a new savings vehicle for children called "Trump accounts."

Trump accounts are tax-advantaged investment accounts designed to boost children's long-term savings goals by investing in a diversified U.S. stock index fund. They are scheduled to launch July 5, 2026.

Learn more about Trump Accounts for Kids

Capital Gains Exclusion on Home Sales

While the $500,000 capital gains exclusion ($250,000 if filing single) sounds like a lot for a home sale, more of our clients are finding out they owe capital gains on their sale.

The average home sale price in the U.S. is up $300,000 in a quarter century and many of our clients own above average homes. The capital gains exclusion for homes is called the Section 121 exclusion. We encourage you to click the link below for more details on potential capital gains if you were to sell your home.

Learn more about Section 121

We're Accepting Your Referrals

We are growing our practice and welcome referrals. Please click here to refer a friend or a family member. Thank you!

This information is not intended as a recommendation. The opinions are subject to change at any time and no forecasts can be guaranteed. Investment decisions should always be made based on an investor's specific circumstances.

The Sadoff Team

Sadoffinfo@wealthenhancement.com

414-352-8460

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