FIRST & PEOPLES BANK AND TRUST COMPANY

TRUST DEPARTMENT

QUARTERLY NEWSLETTER

"Focus on the horizon, not the waves." — Unknown

Quarter One Overall Average Growth = 11.67%

Trust Dept. IRAs

These IRAs are managed through us here in the Trust Dept. and offer **investment-based growth potential.**

Funds in these accounts can be invested in a wide range of securities—like **mutual funds, stocks, and bonds**—allowing for greater long-term earning potential.

While these are **not FDIC insured**, they are professionally managed and can be tailored to match your retirement timeline and risk tolerance.

- Professional investment management
- Higher growth potential (based on market performance)
- Personalized asset allocation
- Not FDIC insured (investment risk applies)

Bank IRAs

These IRAs are typically held in **certificates of deposit (CDs)** or savings-type accounts and are insured by the **FDIC up to $250,000 per depositor**.

They offer safety and guaranteed returns but usually come with **lower interest rates** compared to investment IRAs.

- FDIC insured for peace of mind
- Low risk and stable returns
- Ideal for conservative investors or short-term savings
- Limited growth potential

Which IRA is right for you?

- Choose a **Trust Dept. IRA** if you're looking for long-term growth and can tolerate market fluctuations.
- Choose a **Bank IRA** if safety and guaranteed returns are your top priorities.

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SUMER'S SUMMARY

STOCK MARKET OVERVIEW — 1ST QUARTER 2026

Q1 2026 Market Overview

Q1 2026 saw a return to **market volatility**, driven by geopolitical tensions, rising energy prices, and uncertainty around inflation and interest rates. While the U.S. economy remains stable with a solid labor market, growth has slowed and inflation progress has stalled slightly.

Markets declined during the quarter, and bond yields moved higher as expectations shifted toward **rates staying elevated longer.**

Key Themes & Takeaways

- Volatility returned after a relatively stable 2025
- Geopolitical events became a primary market driver
- Inflation progress showed signs of slowing
- Interest rate expectations remain uncertain

What This Means for You

Periods like this can feel uncomfortable, but they are a **normal part of long-term investing**. Market pullbacks and volatility often create opportunities, even as headlines suggest uncertainty.

For investors, this environment reinforces a few key principles:

- **Stay focused on long-term goals** rather than short-term market movements
- **Maintain diversification** to help manage risk across changing conditions
- **Avoid emotional decisions,** especially during periods of volatility

While the outlook may feel less certain in the short term, the underlying economy remains stable. Staying disciplined and consistent with your strategy is often the most effective way to navigate markets like these.

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