

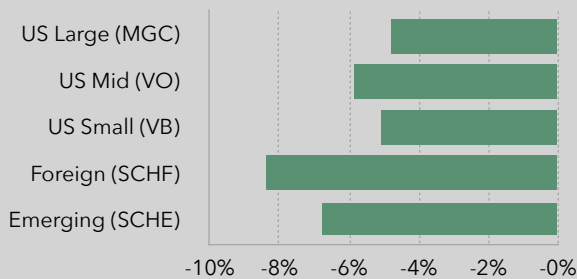
March 2026

Economic Data

- Payrolls rose by 178,000 in March and the unemployment rate was little changed at 4.3%; federal government employment is down 11.8% from its Oct 2024 peak.
- Retail sales were up 0.6% in February, the strongest performance in seven months with department stores leading the way, up 3.0%
- Y/y inflation (CPI) held steady at 2.4% in February; the core rate (less food and energy) was also unchanged at 2.5%
- Existing homes were up 1.7% in February and down 1.4% y/y; the median home price was flat at \$398,000

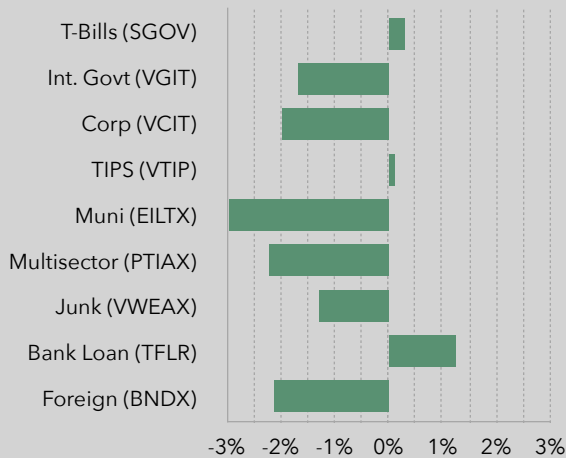
Stocks

March Returns



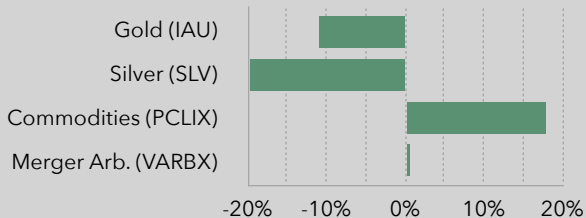
Bonds

March Returns



Alternatives

March Returns



Performance data provided by Morningstar

The brain uses two systems to process information. The first type is intuitive but lazy, rapidly forming judgements with no conscious input. The second system is slow, reflective, and not guided by emotions. It is that second system — type 2 — that we want in control of our investment portfolios.

AI "May Just Be a Passing Phase"

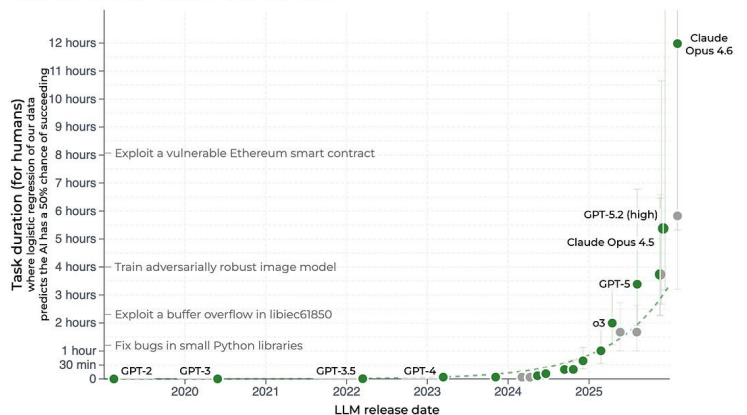
Last night I checked into my accommodations in Cairns, Australia, where tomorrow I will hop on a liveboard for the weekend that will take me to the Great Barrier Reef. I think many other avid scuba divers like myself consider it a required pilgrimage. Anyway, there is a newspaper article from December, 2000 posted on the bulletin board here with a headline that reads "Internet 'may be just a passing fad as millions give up on it'". It's easy to laugh at now, but in some ways I think that's how many Americans feel towards AI today. It was a fun curiosity when OpenAI launched ChatGPT three-and-a-half years ago, but the novelty wore off for many who grew frustrated with its limitations and frequent inaccuracy, and turned their backs on it.

Recent surveys in the US show that AI has a net approval rating of -20% (NBC News), placing it ahead of only Iran and the Democratic Party, but below ICE. That's, you know, not great. I think most of the poor sentiment stems from a very real fear that AI will disrupt their livelihoods. But I have a much more sanguine view of the technology, and think it will unlock a wave of creativity and new business formation that is unprecedented in human history.

Many years ago, while enjoying a boozy brunch with a few of my best friends in Chicago, the conversation turned to how we could get us "some of that internet money." We pitched ideas, and what we settled on was an app for sharing photos of...umm...well, your bowel movements. Look, I'm sorry, our ideas weren't all first-round draft picks that mimosa-filled day, okay. Anyway, I decided to name it SnappyPoo, after one of my friends' favorite catchphrases of the time. I hopped on GoDaddy that very moment and registered the website. And since then...nothing. I haven't coded since college, and I wasn't about to pay someone to build this dumb thing.

But in February, Claude launched Opus 4.6—a paradigm shift in AI technology that truly unlocks the power of "vibe-coding"—the ability to program with words. I dusted off the dormant SnappyPoo idea and went to work. In a very short time I was able to build a legitimate AI-powered health-app (detects hydration, fiber, serious illness, etc.), dressed in an approachable veil of juvenile toilet humor. It's currently sandboxed, being beta-tested by a select group of friends that didn't roll their eyes too hard at me.

Time horizon of software tasks different LLMs can complete 50% of the time



The point of this unflattering reveal is that this technology gives us the power to build things. I feel like I did as a kid when I got my first Tinkertoy cylinder or Lego set.

Don't worry, I'm not hanging up my wealth management cleats to become a tech mogul. Instead, I'm looking for ways to use this technology to improve client results. Altruist, our custodian, launched an AI-powered Tax Analysis tool in February that startled the rest of the wealth management industry, sending shares of some competitors like LPL Financial (LPLA) and Schwab (SCHW) down about 8% on the news. I tested it out on myself, asking about S-corp vs. LLC, Roth conversions, and solo 401(k)s. I was very impressed with its capabilities and bought a subscription. It allows me to securely upload client tax forms in a closed system that does not store client data, and it produces polished, client-ready reports with detailed tax strategies and the rationale behind them. Some of its capabilities include:

- Bracket Management
- Deduction Optimization
- Credit Identification
- Capital Gains Harvesting
- Income Shifting & Timing
- Qualified Dividend Optimization
- Roth Conversion Analysis
- RMD Planning
- Contribution Optimization
- SALT Deduction
- Charitable Giving Strategies
- Holistic & Multi-Year Planning

The tax filing deadline is only a few days away, so hopefully you have already filed and have your 1040 ready to go. I am going to be incorporating this into the planning process going forward. **If you'd like to be among the first to see what this new tool is capable of, please reach out.** This is anything but a passing phase.

Ryan P. Layton, CFA
 p: 612-810-2230
 e: ryan@emeraldspark.com

Tactical Asset Allocation					
Asset Class	Heavy Under-weight	Under-weight	Neutral	Over-weight	Heavy Over-weight
Fixed Income			●		
Duration		●			
Inflation				●	
Credit	●				
Foreign	●				
Equities		●			
Large Cap		●			
Mid Cap			●		
Small Cap		●			
Developed Intl.			●		
Emerging			●		
Alternatives					●
Commodities					●
Merger Arbitrage					●

Binge Box

Project Hail Mary (Imax)

If you haven't seen *Project Hail Mary* yet, I can't recommend it enough. I read Andy Weir's book of the same title (do this first) in preparation for the movie's release. Like his other book-turned-film, *The Martian*, it trick you into reading a physics, chemistry, and biology textbook by shrouding it in a engaging and entertaining story that makes learning fun. I can't remember the last time I was so eager to go to the theater. I paid extra for the IMAX experience, which was well worth it. It's Ryan Gosling in space, out to save the Earth from a sun-eating microorganism. What more do you need to know?

About EmeraldSpark

EmeraldSpark Investments, LLC is a Registered Investment Adviser. We were founded by Ryan P. Layton, CFA in 2015 to provide personalized financial planning and fiduciary investment management services to select clients. Our investment process blends the foundations of Modern Portfolio Theory with the latest research in the field of behavioral finance. We specialize in asset allocation and investment due diligence to help provide our clients with investment strategies personalized to match their specific goals and risk comfort zone.

This Newsletter has been prepared by EmeraldSpark Investments. Information contained within has been obtained from sources believed to be reliable, but we do not guarantee its accuracy, completeness or fairness. Views and opinions expressed are for informational purposes only and do not constitute a recommendation by EmeraldSpark Investments to buy, sell, or hold any security. Views and opinions are current at the time of writing and may change. Before acting on this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice. Past performance is not indicative of future results.



NOT FDIC INSURED | NOT BANK GUARANTEED | MAY LOSE VALUE