

**| Inside  
the market**

# **Student of the Market**

**March 2026**

**BlackRock®**

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March 2026

## Stocks

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Stay the course amid geopolitical volatility >

U.S. stock monthly winning streak comes to an end >

Growth vs. Value cycles >

International stocks off to their best start >

Magnificent seven stocks >

Diversified technology funds can reduce risk >

## Bonds and alternatives

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Bonds move past a historic diversification slump >

Interest rates range bound and active fixed income >

Source: Morningstar as of 2/28/26. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

# Stay the course amid geopolitical volatility

Geopolitical events often generate alarming headlines, but markets have absorbed such shocks more resiliently than expected.

| Event*                            | Date       | 3 months before | 3 months after | 1 year after | 3 years after (avg annual) |
|-----------------------------------|------------|-----------------|----------------|--------------|----------------------------|
| Cuban missile crisis              | 10/16/1962 | -0.4%           | 14.4%          | 32.1%        | 20.7%                      |
| Kennedy assassination             | 11/22/1963 | -2.0%           | 12.5%          | 27.8%        | 8.0%                       |
| Gulf of Tonkin incident           | 8/2/1964   | 4.1%            | 3.3%           | 6.1%         | 8.3%                       |
| Yom Kippur war                    | 10/9/1973  | 8.7%            | -14.4%         | -35.8%       | 1.8%                       |
| Soviets invade Afghanistan        | 12/24/1979 | -0.4%           | -6.6%          | 33.1%        | 15.1%                      |
| Reagan shooting                   | 3/30/1981  | 0.4%            | -0.7%          | -11.8%       | 11.5%                      |
| U.S. Marines bombed in Lebanon    | 10/24/1983 | -1.0%           | 1.1%           | 5.5%         | 17.6%                      |
| Iraq invades Kuwait               | 8/2/1990   | 6.0%            | -10.4%         | 14.1%        | 12.1%                      |
| September 11 <sup>th</sup> attack | 9/11/2001  | -12.6%          | 4.4%           | -15.5%       | 2.7%                       |
| Iraq war                          | 3/20/2003  | -1.8%           | 14.2%          | 29.0%        | 16.3%                      |
| Russia annexes Crimea             | 2/20/2014  | 3.8%            | 2.3%           | 17.1%        | 10.8%                      |
| Russia invades Ukraine            | 2/24/2022  | -8.5%           | -7.7%          | -5.9%        | 13.5%                      |
| Hamas attacks Israel              | 10/7/2023  | -1.7%           | 8.8%           | 33.3%        | 17.9%                      |
| U.S. and Israel attack Iran       | 2/27/26    | 0.7%            | ?              | ?            | ?                          |

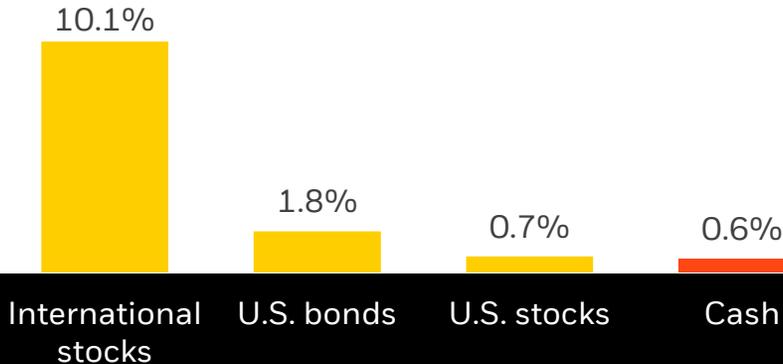
Source: BlackRock; Bloomberg as of 2/28/2026. Events in this table represent a non comprehensive group of universally recognized major geopolitical events of the past one hundred years. \*Returns shown for events prior to 1989 are represented by the S&P 500 PR Index, which shows principal returns only (excluding dividends), from 7/16/1962 to 10/24/1986. Returns for these periods would likely be higher if dividends were included. Returns for events in 1989 or later are represented by the S&P 500 TR Index, which shows total return (including dividends), from 5/2/1990 to 2/28/2026. The indices mentioned are unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period. **Index performance is for illustrative purposes only. It is not possible to invest directly in an index. Past performance does not guarantee or indicate future results.**

# International stocks off to their best start

International performance has picked up with relatively low valuations, earnings beats, and a weak U.S. dollar.

## International vs. U.S. returns in 2026

2026 YTD returns for various asset classes



U.S. stocks have outperformed international stocks in 12 of the last 16 years (Intl also outperformed in '25).



**Emerging market stocks are also off to their best start to a calendar year since 1990 +14.3%.**

## International and U.S. stock return differences

Best 2-month starts to a calendar year for international minus U.S. stocks (since 1986)

| Period end  | First 2 months return (Intl – U.S. stocks) | Next 10 months (Intl – U.S. stocks) |
|-------------|--|-------------------------------------|
| <b>2026</b> | <b>9.4</b>                                 | <b>?</b>                            |
| 1994        | 7.6  | -1.1                                |
| 2025        | 5.9  | 6.1                                 |
| 1986        | 5.8  | 39.0                                |
| 2015        | 3.9  | -5.7                                |
| 2000        | 3.0  | -8.3                                |
| 2006        | 3.0  | 6.8                                 |
| 1998        | 2.9  | -10.8                               |
| 2005        | 2.8  | 5.6                                 |
| 1991        | 2.5  | -18.6                               |
| 2012        | 2.4  | -1.1                                |

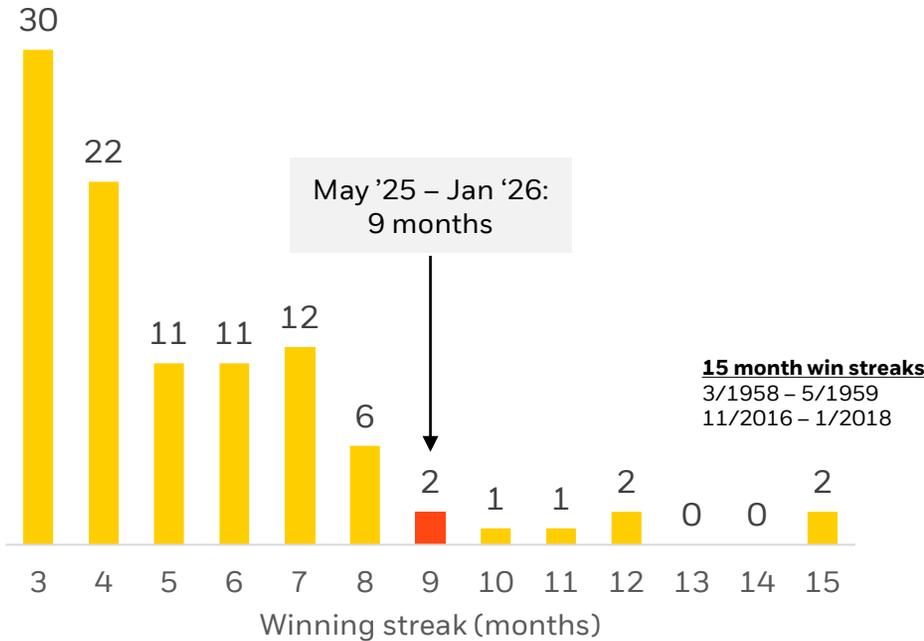
Source: Morningstar as of 2/28/26. U.S. stocks are represented by the S&P 500 Index, International stocks represented by the MSCI EAFE Index, Emerging market stocks represented by the Morningstar Diversified Emerging Markets category average, U.S. bonds represented by the Bloomberg U.S. Aggregate Bond Index and cash by the Morningstar U.S. Taxable Money Market category average. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

# U.S. stock winning streak comes to an end

U.S. stocks rose for nine consecutive months from May 2024 through January 2025 – the longest run since 2018. Such extended streaks have historically coincided with bull market phases.

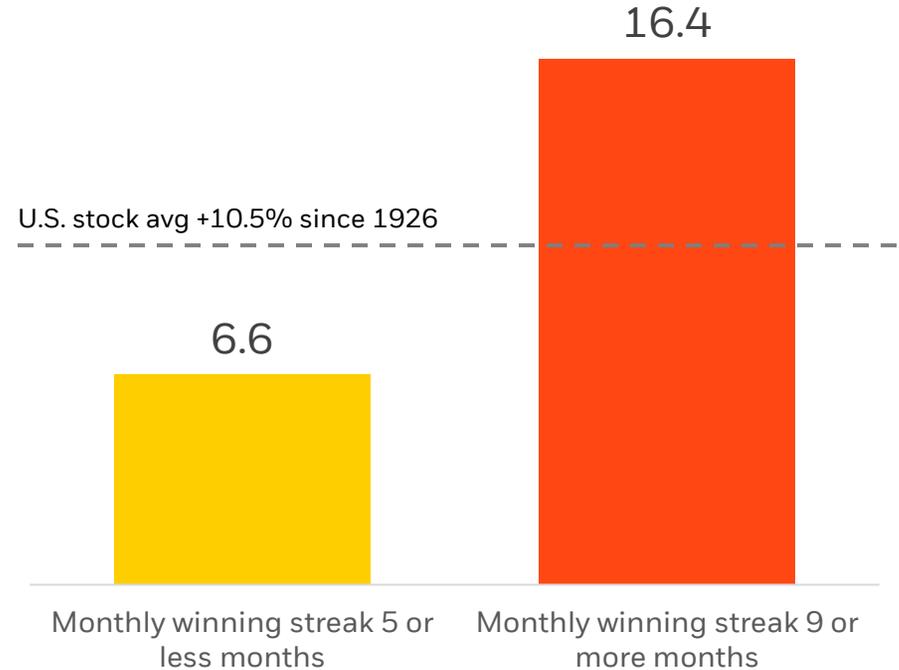
## Stocks reached a 9 month win streak before losing it in February

Number of positive consecutive monthly returns for stocks (1926 – 2/28/2026)



## Strong returns after long win streaks end

Average 1-year forward returns following win streaks\* (1926 – 2/28/2026)



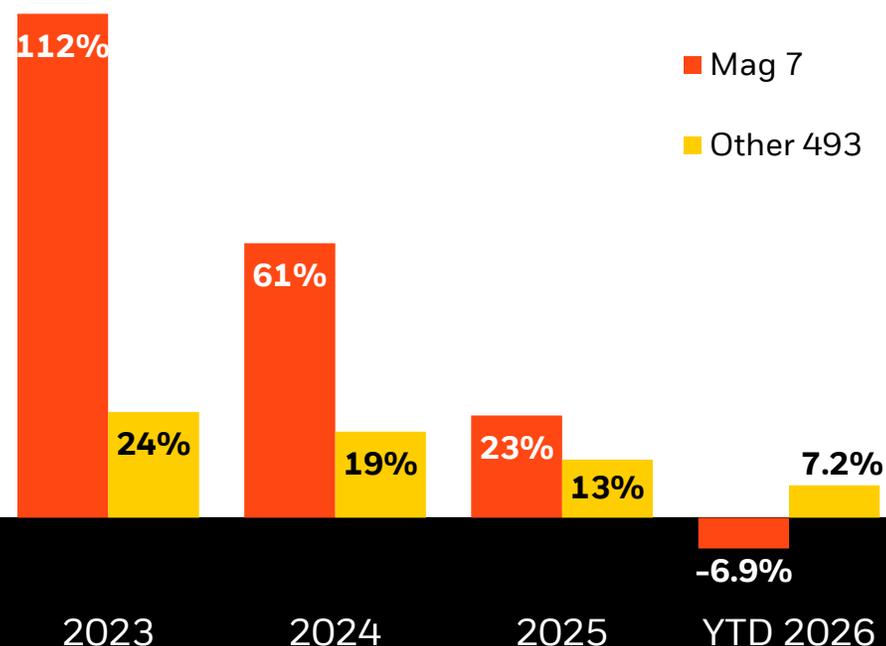
Morningstar as of 2/28/26. U.S. stocks are represented by the S&P 500 Index from 2/1/1970 to 2/28/2026 and the IA SBBI U.S. Lrg Stock TR USD Index from 1/1/1926 to 2/1/1970. \*Win streaks defined as 3 or more consecutive months of positive performance. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

# Market leaders: The magnificent seven trailing to start 2026

Zero of the magnificent seven are outperforming the S&P 500 YTD after only 2 last year.

## Mag-7 returns trailing to start 2026...

Cumulative return, 1/1/2023 - 2/28/2026



## ...while within the Mag-7, returns are more varied

Calendar year returns, 1/1/2023 - 2/28/2026 (%)

|                                  | 2023  | 2024  | 2025 | YTD 2026 |
|----------------------------------|-------|-------|------|----------|
| Nvidia                           | 239.0 | 171.2 | 38.9 | -5.0     |
| Microsoft                        | 58.0  | 12.9  | 15.5 | -18.6    |
| Apple                            | 48.9  | 30.6  | 9.0  | -2.7     |
| Alphabet                         | 58.3  | 35.9  | 65.8 | -0.4     |
| Amazon                           | 80.9  | 44.4  | 5.2  | -9.0     |
| Meta                             | 194.1 | 66.0  | 13.1 | -1.8     |
| Tesla                            | 101.7 | 62.5  | 11.4 | -10.5    |
| S&P 500                          | 26.3  | 25.0  | 17.8 | 0.7      |
| # of Mag-7 outperforming S&P 500 | 7     | 6     | 2    | 0        |

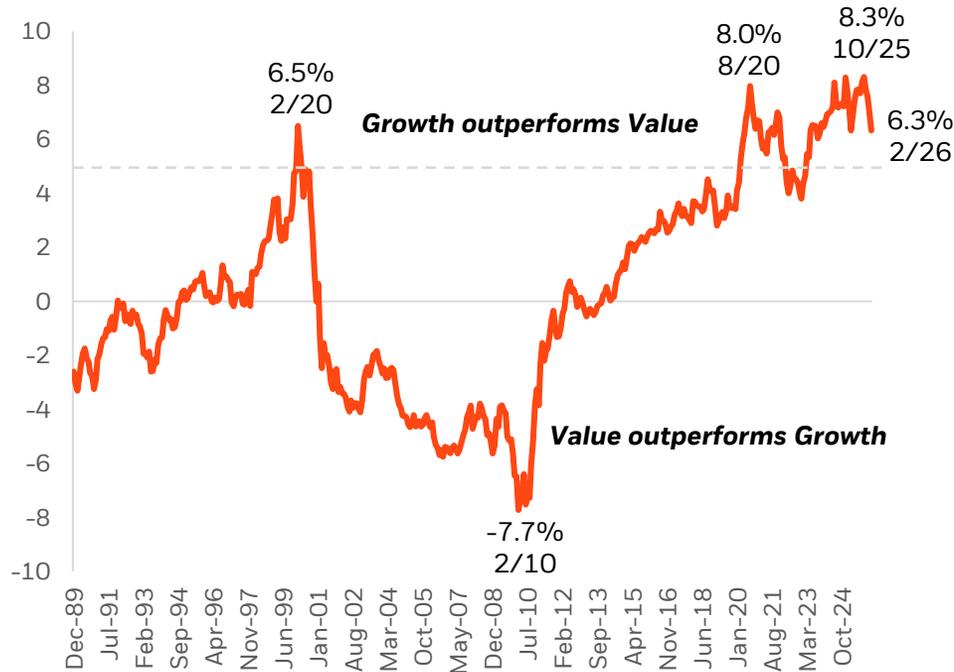
Source: Bloomberg as of 2/28/26. Stocks represented by the individual stocks of the S&P 500 Index, non-voting dual-class shares excluded. "Mag 7" refers to the "Magnificent 7" group of U.S. companies whose stocks drove the majority share of returns for the S&P 500 in 2023 and 2024 and includes Amazon, Tesla, Alphabet, Meta, Apple, Nvidia and Microsoft. Specific companies or issuers are mentioned for educational purposes only and should not be deemed as a recommendation to buy or sell any securities. Any companies mentioned do not necessarily represent current or future holdings of any BlackRock products. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

# After a historic run, growth stock leadership shows signs of slowing

Value is outperforming growth in 2026 (+7.3% vs. -4.8%) after a historic period of growth dominance.

## 10-year rolling performance of growth minus value since 1989

12/1/1989 - 12/31/2025



## 3-year performance following growth or value stock outperformance of 5% or more

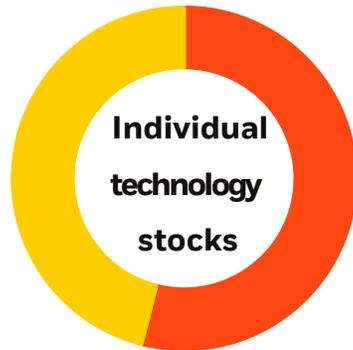
| Performance 3 years after (avg annual) |        |        |
|--|--------|--------|
| Date                                   | Value  | Growth |
| Following peak growth outperformance   |        |        |
| February 2000                          | -3.3%  | -24.4% |
| August 2020                            | +11.6% | +8.3%  |
| October 2025                           | ?      | ?      |
| Following peak value outperformance    |        |        |
| February 2010                          | +13.7% | +13.8% |

Morningstar as of 2/28/26. Growth stocks are represented by Russell 1000 Growth Tr USD Index, Value stocks are represented by the Russell 1000 Value Tr USD Index unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period. . **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

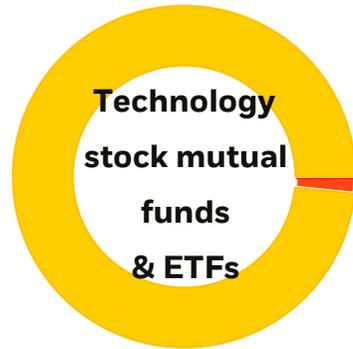
# Diversified technology funds can reduce risk

Recent volatility in technology stocks highlight the sector’s risks, even as excitement around artificial intelligence and innovation continues. Diversified technology funds can help investors navigate volatility while staying invested in long-term growth.

## Diversified technology stock mutual funds and ETFs versus individual technology stocks (3 years)



**53%**  
**lost money**  
(326 out of 621  
lost money)



**1.6%**  
**lost money**  
(2 out of 129  
lost money)

## Across multiple time periods, funds have limited losses compared with individual stocks

|                          | Individual tech stocks  | Tech stock mutual funds & ETFs |
|--------------------------|-------------------------|--------------------------------|
| Lost money over 1 year   | 53.0%<br>416 out of 703 | 16.4%<br>25 out of 152         |
| Lost money over 3 years  | 52.5%<br>326 out of 621 | 1.6%<br>2 out of 129           |
| Lost money over 5 years  | 59.0%<br>297 out of 503 | 16.7%<br>18 out of 108         |
| Lost money over 10 years | 35.0%<br>96 out of 373  | 0.0%<br>0 out of 73            |

Source: Morningstar as of 2/28/26. U.S. mutual funds and ETFs are represented by the Morningstar U.S. Equity Category, oldest share class only. Individual U.S. stocks are represented by the Morningstar U.S. Stock Universe, all securities on the NYSE and NASDAQ and are in the Morningstar technology category. Analysis does not include obsolete mutual funds, ETFs or stocks as defined by Morningstar. Past performance does not guarantee or indicate future results

# Bonds move past a historic diversification slump as alternatives remain strong

Stock-bond correlation off historic highs, after 3-year correlation dropped from 0.73 (12/24) to 0.54 (2/26).

## When stocks lost money bonds did as well 14 out of the last 18 months...

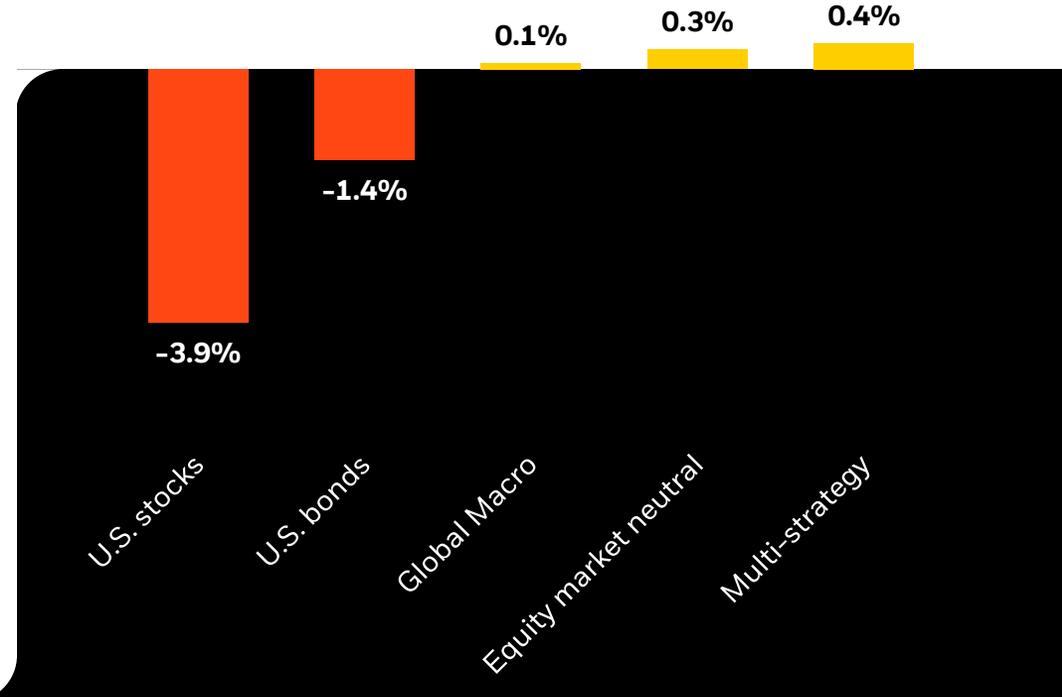
Monthly returns when stocks posted negative returns (2022-2/2026)

Prior to Feb, '25, the last 14 months stocks have lost money, bonds have lost as well. Feb '25 ended the longest streak in history.

| Month         | Stocks      | Bonds       |
|---------------|-------------|-------------|
| Jan-22        | -5.2        | -2.2        |
| Feb-22        | -3.0        | -1.1        |
| Apr-22        | -8.7        | -3.8        |
| Jun-22        | -8.3        | -1.6        |
| Aug-22        | -4.1        | -2.8        |
| Sep-22        | -9.2        | -4.3        |
| Dec-22        | -5.8        | -0.5        |
| Feb-23        | -2.4        | -2.6        |
| Aug-23        | -1.6        | -0.6        |
| Sep-23        | -4.8        | -2.5        |
| Oct-23        | -2.1        | -1.6        |
| Apr-24        | -4.1        | -2.5        |
| Oct-24        | -0.9        | -2.5        |
| Dec-24        | -2.4        | -1.6        |
| <b>Feb-25</b> | <b>-1.3</b> | <b>+2.2</b> |
| <b>Mar-25</b> | <b>-5.6</b> | <b>+0.0</b> |
| <b>Apr-25</b> | <b>-0.7</b> | <b>+0.4</b> |
| <b>Feb-26</b> | <b>-0.8</b> | <b>+1.6</b> |

## ...while alternatives continue to be uncorrelated when stocks are negative

(Returns during months when stocks were negative 2022-2/2026)



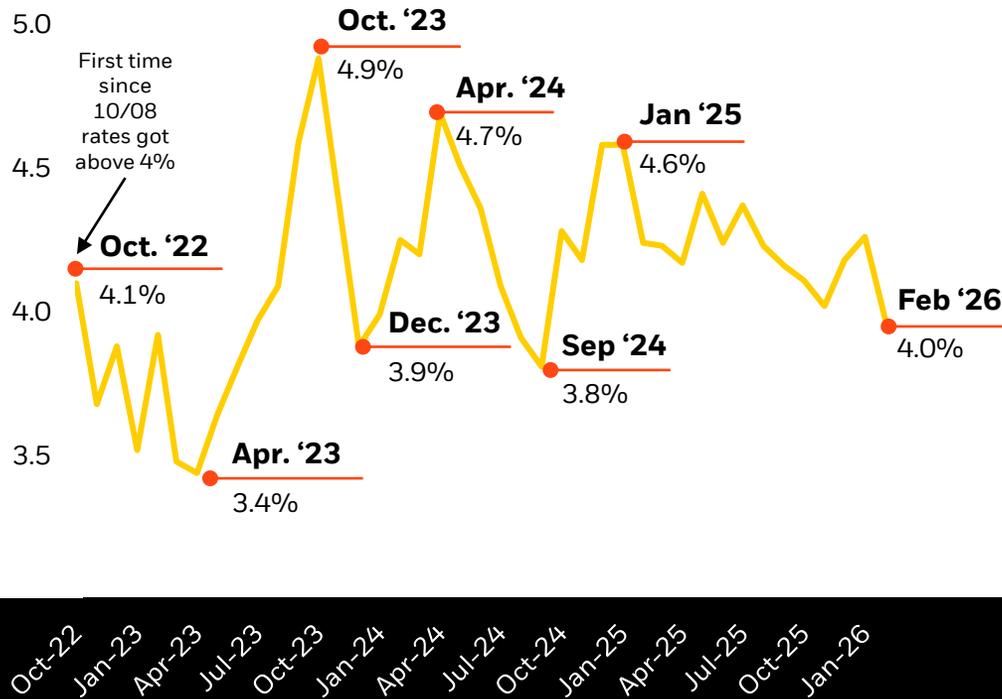
Source: Morningstar as of 2/28/26. Right side represented by the average return of 18 month where stocks indexes posted negative returns between 1/1/2022 – 2/28/2025, as shown on the left side. U.S. stocks are represented by the S&P 500 TR Index, U.S. bonds represented by the Bloomberg U.S. Agg Bond TR Index, Equity Market Neutral represented by the Morningstar Equity Market Neutral category average from 11/1/2025 – 2/28/2026 and the Credit Suisse equity market neutral Index from 1/1/2022 to 10/31/2025, Global Macro represented by the Morningstar Macro Trading category average from 11/1/2025 - 2/28/2026 and the Credit Suisse Global Macro Index from 1/1/2022 to 10/31/2025, and represented by the Morningstar Multi Strategy category average from 11/1/2025 - 2/28/2026 and the Credit Suisse Multi Strategy Index from 1/1/2022 to 10/31/2025. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

# Interest rates have remained range-bound, while active fixed income has continued to outperform

The Fed remains on pause and long-term yields have stayed within a band, allowing active strategies to excel.

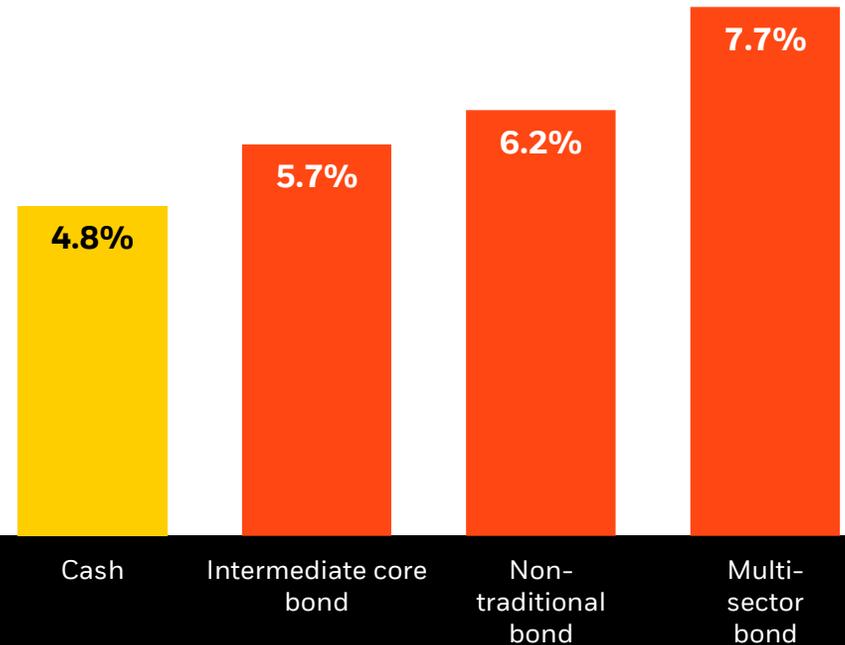
## Interest rates have stayed within a range

10-year U.S. Treasury yield month-end yield



## Flexible bond managers have delivered

Average annualized return (10/31/2022 – 2/28/2026)



Source: Morningstar, Federal Reserve as of 2/28/26. Cash represented by the Morningstar taxable money market fund average. All bond asset classes are represented by their respective U.S. fund category as defined by Morningstar. Past performance does not guarantee or indicate future results.

# Student of the Market: March 2026

| Returns as of 2/28/2026                  | 1 Year Return | 5 Year Avg. Annual Return | 10 Year Avg. Annual Return |
|--|---------------|---------------------------|----------------------------|
| S&P 500 TR USD                           | 16.99         | 14.19                     | 15.50                      |
| S&P 500 Sec/Information Technology TRUSD | 22.34         | 19.48                     | 24.37                      |
| Bloomberg US Agg Bond TR USD             | 6.26          | 0.42                      | 1.97                       |
| IA SBBI US Large Stock TR USD Ext        | 16.99         | 14.19                     | 15.50                      |
| MSCI EAFE NR USD                         | 34.63         | 10.78                     | 10.26                      |
| US Fund Money Market-Taxable             | 3.81          | 3.07                      | 1.95                       |
| US Fund Equity Market Neutral            | 6.83          | 8.23                      | 3.84                       |
| US Fund Macro Trading                    | 12.95         | 5.35                      | 4.81                       |
| US Fund Multistrategy                    | 8.34          | 5.75                      | 3.73                       |
| Equity Market Neutral USD*               | 9.79          | 6.71                      | 3.39                       |
| Global Macro USD*                        | 12.46         | 8.20                      | 5.51                       |
| Multi-Strategy USD*                      | 7.01          | 7.03                      | 5.30                       |

Source: Morningstar as of 2/28/2026. \*Performance is as of 10/31/2025. **Past performance is no guarantee of future results.** Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

## Index Definitions:

- The S&P 500 Index is an unmanaged index that is generally considered representative of the U.S. stock market and includes 500 large-capitalization U.S. companies. Performance may be shown on a price return or total return basis, with total return including reinvested dividends.
- The S&P 500 Information Technology Index is an unmanaged index that measures the performance of those companies included in the S&P 500 Index that are classified in the information technology sector under the Global Industry Classification Standard (GICS). Performance may be shown on a price or total return basis.
- The MSCI EAFE Index is an unmanaged index designed to measure the equity market performance of developed markets outside the United States and Canada, including Europe, Australasia, and the Far East, and is free-float-adjusted and market-capitalization weighted.
- The Bloomberg U.S. Aggregate Bond Index is an unmanaged index that measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market, including U.S. Treasuries, government-related securities, corporate bonds, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. Performance is shown on a total return basis.
- The IA SBBI U.S. Large Stock Index is an unmanaged index from the Ibbotson® Stocks, Bonds, Bills, and Inflation® (SBBBI®) series that represents the historical performance of U.S. large-capitalization stocks and is commonly used for long-term historical market analysis.
- The Morningstar US Fund Money Market Taxable represents the average performance of taxable U.S. money market mutual funds as defined by Morningstar and is not an investable index.
- The Morningstar US Fund Equity Market Neutral represents the average performance of funds classified by Morningstar as equity market neutral, generally seeking minimal net exposure to broad equity markets, and is not an investable index.
- The Morningstar US Fund Macro Trading is an average of funds within the US Fund Macro Trading category as defined by Morningstar.
- The Morningstar US Fund Multistrategy is an average of funds within the US Fund Multistrategy category as defined by Morningstar.
- The Equity Market Neutral Index is an unmanaged index designed to measure the performance of hedge funds pursuing equity market neutral strategies.
- The Global Macro Index is an unmanaged index designed to measure the performance of hedge funds employing global macro investment strategies across asset classes, including equities, fixed income, currencies, and commodities.
- The Multi-Strategy Index is an unmanaged index designed to measure the performance of hedge funds employing multi-strategy approaches that allocate capital across multiple alternative investment strategies.

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