Inside the**market**

Student of the Market

BlackRock

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March 2026

Stocks

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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 11th 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%	?	?	?

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

International stocks	10.1%
U.S. bonds	1.8%
U.S. stocks	0.7%
Cash	0.6%
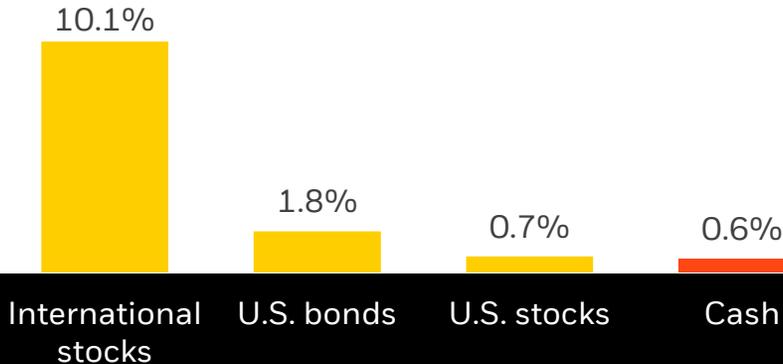
U.S. stocks have outperformed international stocks in 12 of the last 16 years (Intl also outperformed in '25).

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)

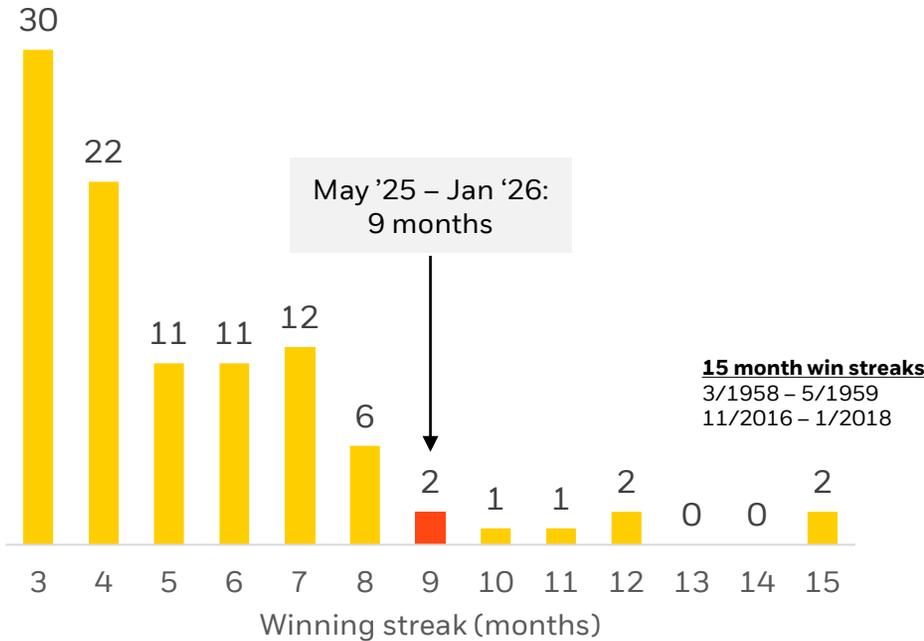| Period end	First 2 months return (Intl – U.S. stocks)	Next 10 months (Intl – U.S. stocks)
2026	9.4	?
1994	7.6	-1.1
2025	5.9	6.1
1986	5.8	39.0
2015	3.9	-5.7
2000	3.0	-8.3
2006	3.0	6.8
1998	2.9	-10.8
2005	2.8	5.6
1991	2.5	-18.6
2012	2.4	-1.1

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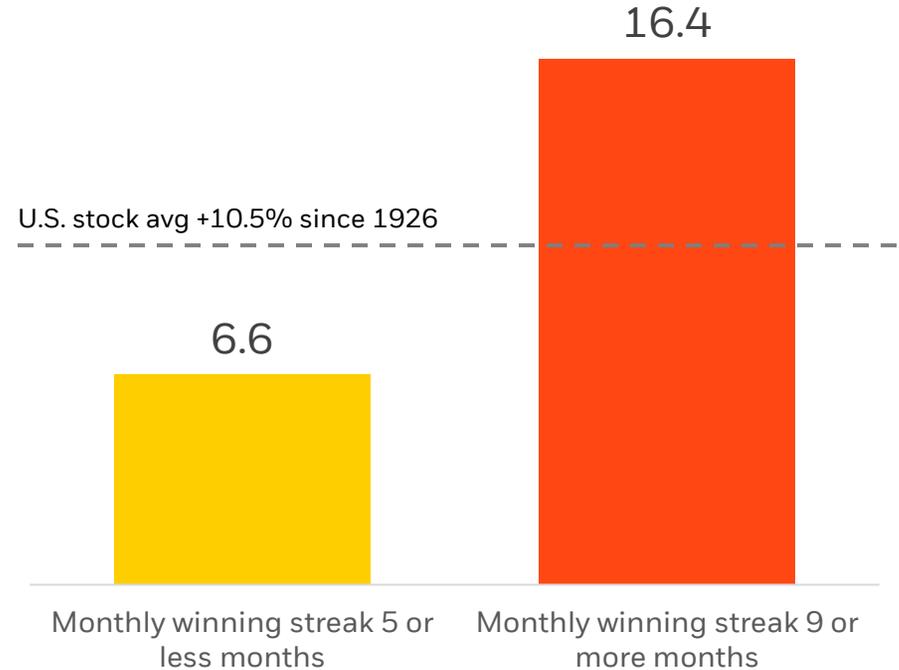
Stocks reached a 9 month win streak before losing it in February

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

May '25 – Jan '26: 9 months

15 month win streaks
3/1958 – 5/1959
11/2016 – 1/2018

Winning streak (months)

3	4	5	6	7	8	9	10	11	12	13	14	15
30	22	11	11	12	6	2	1	1	2	0	0	2

Strong returns after long win streaks end

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

16.4

U.S. stock avg +10.5% since 1926

6.6

Monthly winning streak 5 or less months

Monthly winning streak 9 or more months

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

- Mag 7
- Other 493

112% | 24%
61% | 19%
23% | 13%
–6.9% | 7.2%

2023   2024   2025   YTD 2026
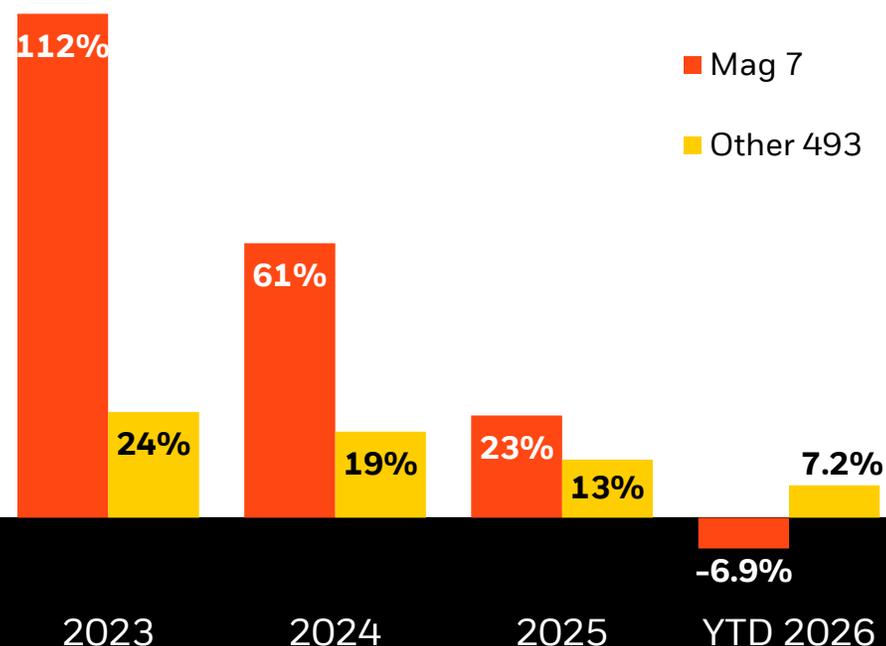
…while within the Mag–7, returns are more varied

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

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

Growth outperforms Value

6.5%
2/20

8.0%
8/20

8.3%
10/25

6.3%
2/26

Value outperforms Growth

−7.7%
2/10
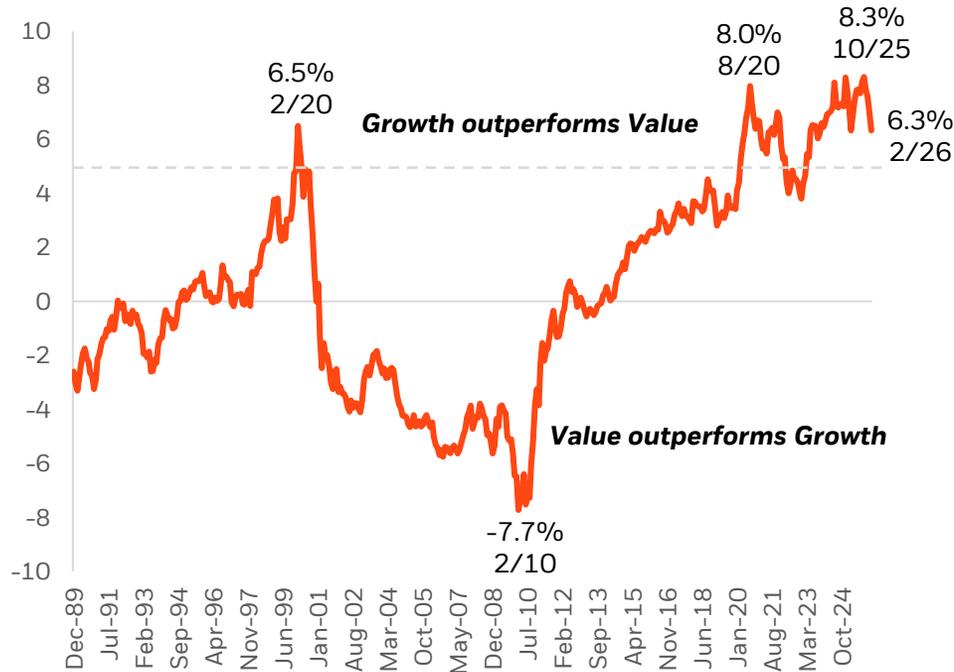
## 3-year performance following growth or value stock outperformance of 5% or more

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)

Individual technology stocks
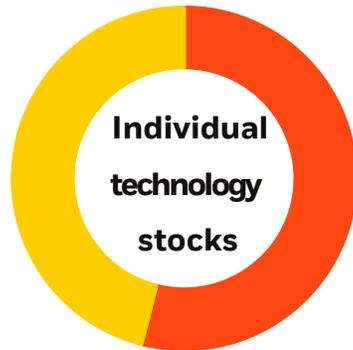
53% lost money

(326 out of 621 lost money)

Technology stock mutual funds & ETFs
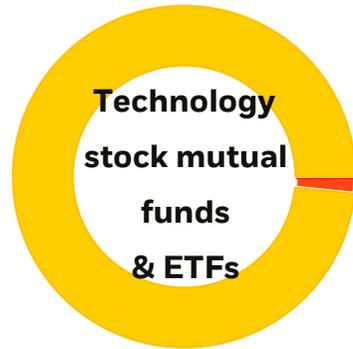
1.6% lost money

(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% 416 out of 703	16.4% 25 out of 152
Lost money over 3 years	52.5% 326 out of 621	1.6% 2 out of 129
Lost money over 5 years	59.0% 297 out of 503	16.7% 18 out of 108
Lost money over 10 years	35.0% 96 out of 373	0.0% 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).

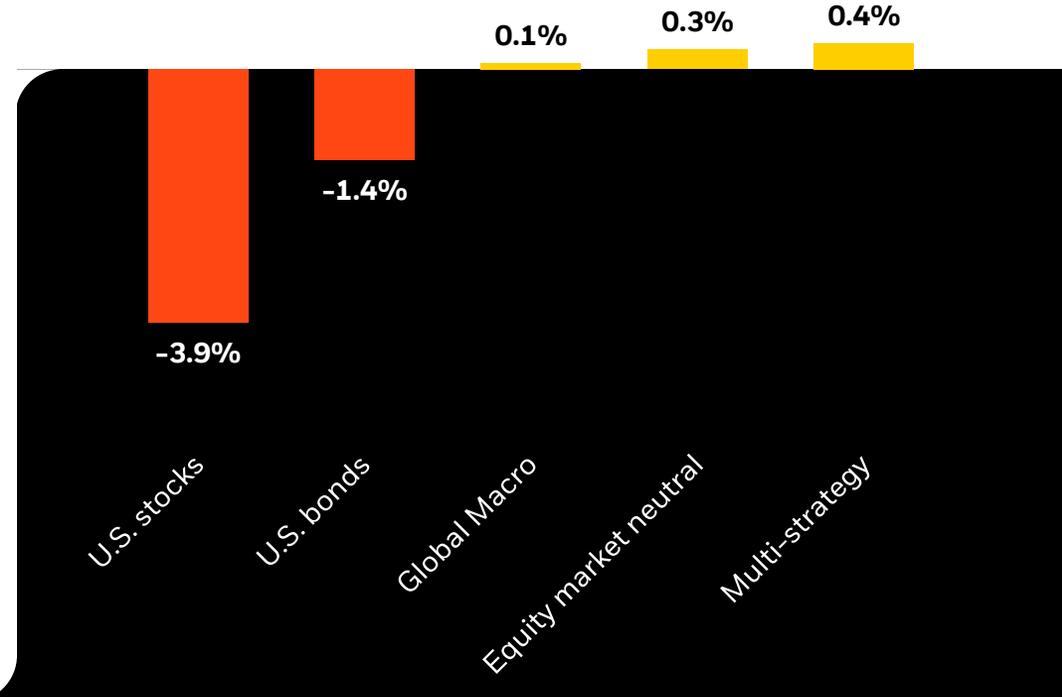## When stocks lost money bonds did as well 14 out of the last 18 months…

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
Feb-25	**-1.3**	**+2.2**
Mar-25	**-5.6**	**+0.0**
Apr-25	**-0.7**	**+0.4**
Feb-26	**-0.8**	**+1.6**

…while alternatives continue to be uncorrelated when stocks are negative (Returns during months when stocks were negative 2022-2/2026)


U.S. stocks: **-3.9%**
U.S. bonds: **-1.4%**
Global Macro: **0.1%**
Equity market neutral: **0.3%**
Multi-strategy: **0.4%**

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.
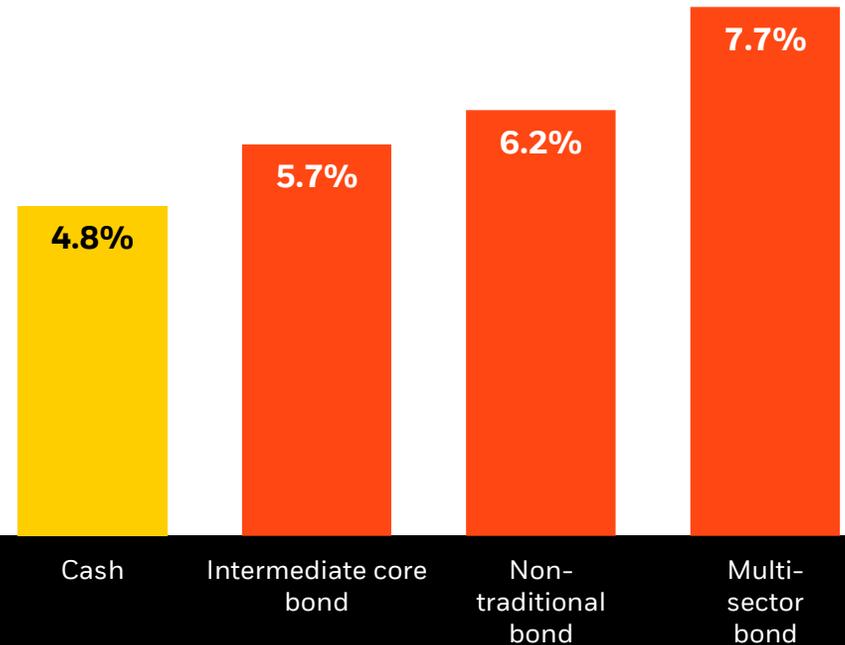
Interest rates have stayed within a range

10-year U.S. Treasury yield month-end yield
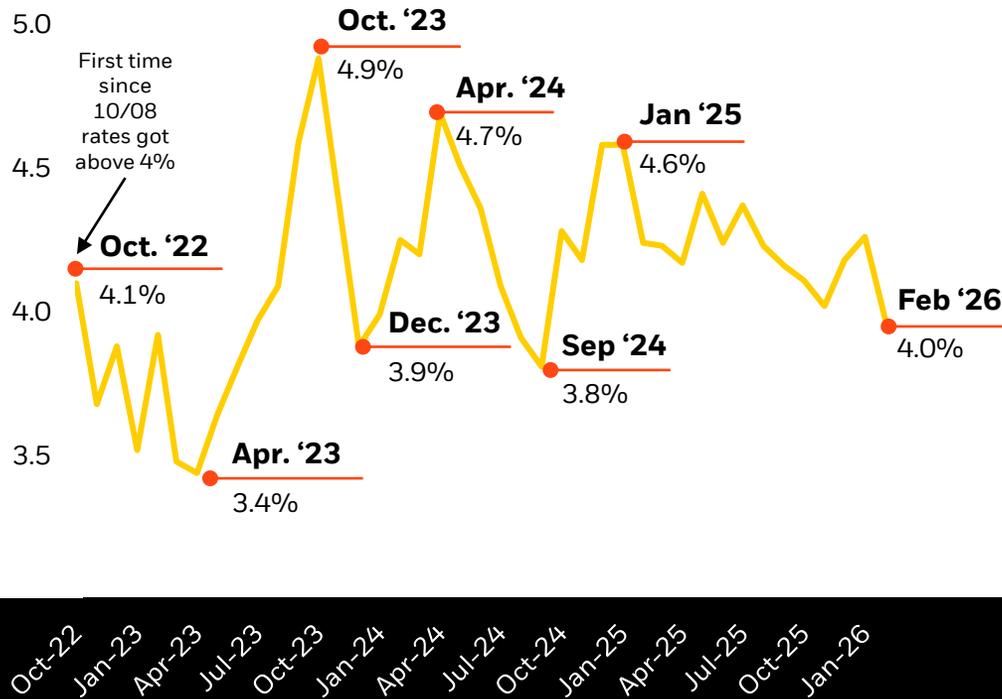
Flexible bond managers have delivered

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.**

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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® (SBBI®) 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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