

| Inside
the**market**



Student of the Market

April 2026

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Source: Morningstar as of 3/31/26. 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 | Initial Date | 3 months before | | | | 3 months after | | | | 1 year after | | | |
|--|--------------|-----------------|-------|------------|-------------|----------------|--------|------------|-------------|--------------|--------|------------|-------------|
| | | Gold | Oil | U.S. bonds | U.S. stocks | Gold | Oil | U.S. bonds | U.S. stocks | Gold | Oil | U.S. bonds | U.S. stocks |
| Yom Kipper war | 10/9/1973 | -21.0% | -- | -- | 8.7% | 24.5% | -- | -- | -14.4% | 56.3% | -- | -- | -35.8% |
| Soviets invade Afghanistan | 12/24/1979 | 24.4% | -- | -- | -0.4% | 9.0% | -- | -- | -6.6% | 17.7% | -- | -- | 33.1% |
| Reagan shooting | 3/30/1981 | -10.7% | -- | -- | 0.4% | -19.1% | -- | -- | -0.7% | -38.4% | -- | -- | -11.8% |
| U.S. Marines bombed in Lebanon | 10/24/1983 | -6.5% | -- | -- | -1.0% | -7.5% | 0.7% | -- | 1.1% | -13.8% | -3.4% | -- | 5.5% |
| Iraq invades Kuwait | 8/2/1990 | 3.0% | 12.7% | 6.1% | 6.0% | -0.8% | 58.8% | 1.2% | -10.4% | -6.0% | 23.1% | 11.7% | 14.1% |
| September 11th attack | 9/11/2001 | 6.9% | -1.9% | 3.2% | -12.6% | -5.2% | -39.5% | -0.1% | 4.4% | 9.9% | -3.9% | 7.5% | -15.5% |
| Iraq war | 3/20/2003 | -1.7% | 1.1% | 1.1% | -1.8% | 6.6% | 16.6% | 3.8% | 14.2% | 22.7% | 65.0% | 6.5% | 29.0% |
| Russia annexes Crimea | 2/20/2014 | 4.7% | 9.6% | 1.1% | 3.8% | -1.6% | 2.3% | 2.1% | 2.3% | -8.2% | -48.1% | 5.0% | 17.1% |
| Russia invades Ukraine | 2/24/2022 | 8.7% | 20.5% | -3.5% | -8.5% | -3.6% | 22.2% | -5.0% | -7.7% | -6.5% | -7.6% | -9.1% | -5.9% |
| Hamas attacks Israel | 10/7/2023 | -5.3% | 13.7% | -3.1% | -1.7% | 11.4% | -12.0% | 5.8% | 8.8% | 43.1% | -2.2% | 10.5% | 33.3% |
| US and Israel begin strikes against Iran | 2/27/2026 | 25.7% | 15.6% | 1.5% | 0.7% | -- | -- | -- | -- | -- | -- | -- | -- |

Source: BlackRock, Bloomberg as of 3/31/2026. Events in this table represent a non comprehensive group of universally recognized major geopolitical events. Gold represented by the LBMA Gold Price index, Oil by the Bloomberg WTI Crude Oil Subindex index, U.S. bonds by the Bloomberg US aggregate bond index, and U.S. Stocks by the S&P 500 index. 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.**

U.S. stocks and calendar year drawdowns

At current drawdown levels (-9%), historically U.S. stocks have not ended with a negative calendar year.

U.S. stocks ranked by calendar year drawdown and annual returns

Calendar year returns, 1926 – 3/31/2026

U.S. stocks have not lost money in a calendar year when the max drawdown was less than 15%

| Year | Draw down | Total Return |
|------|-----------|--------------|
| 1995 | -3% | 38% |
| 2017 | -3% | 22% |
| 1964 | -4% | 16% |
| 1958 | -4% | 43% |
| 1954 | -4% | 52% |
| 1961 | -4% | 27% |
| 1993 | -5% | 10% |
| 1972 | -5% | 19% |
| 1991 | -6% | 30% |
| 2013 | -6% | 32% |
| 1992 | -6% | 8% |
| 1963 | -7% | 23% |
| 1967 | -7% | 24% |
| 2019 | -7% | 31% |
| 1952 | -7% | 18% |
| 1945 | -7% | 36% |
| 1983 | -7% | 23% |
| 1944 | -7% | 20% |
| 2005 | -7% | 5% |
| 2014 | -7% | 14% |

| Year | Draw down | Total Return |
|-----------------|------------|--------------|
| 1989 | -8% | 32% |
| 1988 | -8% | 17% |
| 1996 | -8% | 23% |
| 1985 | -8% | 32% |
| 2006 | -8% | 16% |
| 1951 | -8% | 24% |
| 2004 | -8% | 11% |
| 1976 | -8% | 24% |
| 2024 | -8% | 25% |
| 1994 | -9% | 1% |
| 2026 YTD | -9% | -4% |
| 1959 | -9% | 12% |
| 2016 | -9% | 12% |
| 1968 | -9% | 11% |
| 1986 | -9% | 19% |
| 1965 | -10% | 12% |
| 2012 | -10% | 16% |
| 2007 | -10% | 6% |
| 1979 | -10% | 19% |
| 1928 | -10% | 38% |
| 2023 | -10% | 26% |

| Year | Draw down | Total Return |
|------|-----------|--------------|
| 1955 | -11% | 31% |
| 1997 | -11% | 33% |
| 1999 | -12% | 21% |
| 2015 | -12% | 1% |
| 1984 | -13% | 6% |
| 1936 | -13% | 34% |
| 1943 | -13% | 26% |
| 1949 | -13% | 24% |
| 1960 | -13% | 0% |
| 1948 | -14% | 5% |
| 1978 | -14% | 7% |
| 1971 | -14% | 14% |
| 1950 | -14% | 33% |
| 2003 | -14% | 29% |
| 1975 | -14% | 37% |

U.S. stocks have lost money in 59% (24 out of 41) of calendar years when the max drawdown is greater than 15%

| Year | Draw down | Total Return |
|------|-----------|--------------|
| 1947 | -15% | 6% |
| 1953 | -15% | -1% |
| 1977 | -15% | -7% |
| 1935 | -16% | 41% |
| 1969 | -16% | -8% |
| 2010 | -16% | 15% |
| 1982 | -17% | 22% |
| 1980 | -17% | 33% |
| 2000 | -17% | -9% |
| 1942 | -18% | 20% |
| 1981 | -18% | -5% |
| 2025 | -19% | 18% |
| 1998 | -19% | 29% |
| 2011 | -19% | 2% |
| 2018 | -20% | -4% |
| 1990 | -20% | -3% |
| 1957 | -21% | -11% |
| 1939 | -21% | 0% |
| 1966 | -22% | -10% |
| 1941 | -23% | -12% |
| 1973 | -23% | -15% |

| Year | Draw down | Total Return |
|------|-----------|--------------|
| 2022 | -25% | -18% |
| 1970 | -26% | 4% |
| 1962 | -26% | -9% |
| 1946 | -27% | -8% |
| 2009 | -28% | 26% |
| 1938 | -29% | 30% |
| 1934 | -29% | -5% |
| 1933 | -29% | 44% |
| 1940 | -30% | -10% |
| 2001 | -30% | -12% |
| 1987 | -34% | 5% |
| 2002 | -34% | -22% |
| 2020 | -34% | 18% |
| 1974 | -38% | -26% |
| 1930 | -44% | -28% |
| 1929 | -45% | -12% |
| 1937 | -46% | -35% |
| 2008 | -48% | -37% |
| 1932 | -51% | -15% |
| 1931 | -58% | -47% |

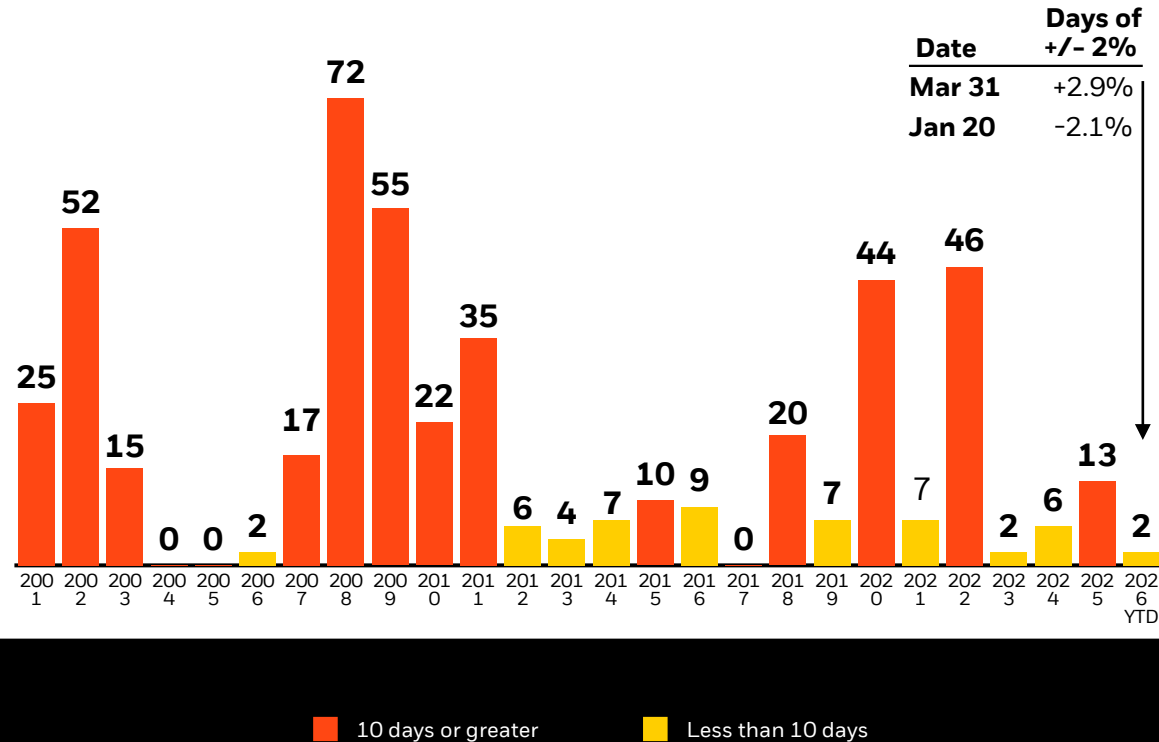
Bloomberg as of 3/31/26. U.S. stocks are represented by the S&P 500 Index from 3/4/1957 to 3/31/2026 and the IA SBBI U.S. Lrg Stock Tr USD Index from 1/1/1926 to 3/4/1957. Total return measures the calendar year return for U.S. stocks for each respective year shown. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Stock market volatility proves, like always, to be unpredictable

Stock market volatility has been mild even with all the geopolitical uncertainty.

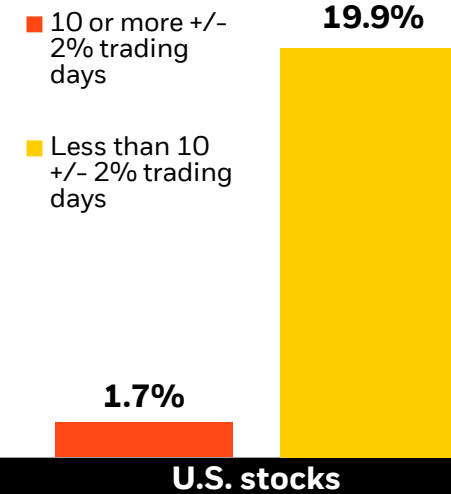
S&P 500 SINGLE-DAY SWINGS OF +/- 2% OR MORE

NUMBER OF SINGLE DAY SWINGS (1/1/2001 - 3/31/2026)



What volatility tells us about potential returns

Average return during +/- 2% trading days in calendar years, 1/1/2001 - 3/31/2026



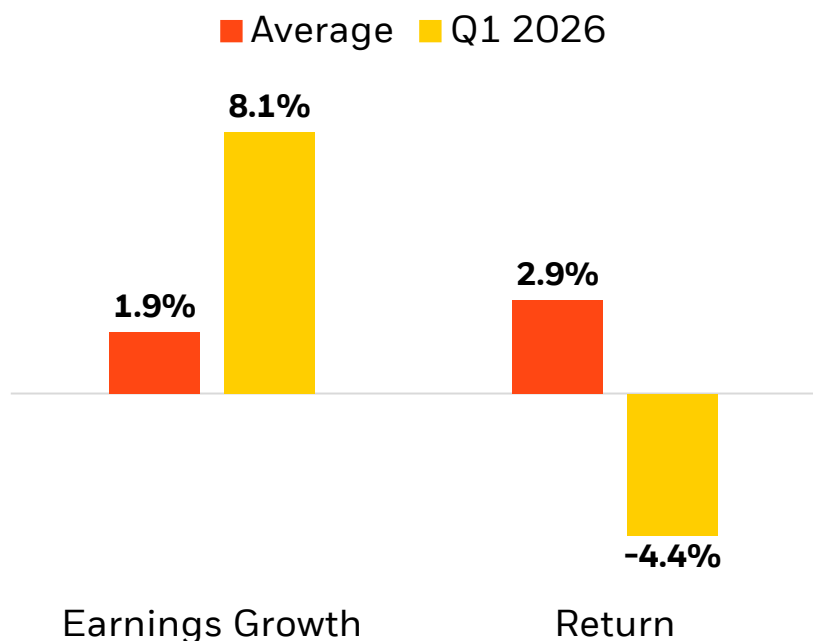
Source: Morningstar as of 3/31/26. U.S. stocks represented by the S&P 500 Index. Single day swings are measured by full day returns for each respective trading day. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Stock earnings were up in the 1st quarter, but stock returns were down

Earnings estimates surged in Q1 even as stocks fell—a historically rare divergence at this magnitude.

Earnings estimates see strong growth in Q1, despite weak returns

Quarter-over-quarter 1yr blended forward EPS growth and quarterly total return (4/1/1990 – 3/31/2026)



Earnings estimates up but U.S. stocks down in a given quarter

Quarter-over-quarter 1yr blended forward EPS growth and quarterly total return (4/1/1990 – 3/31/2026)

| Quarter end | Quarterly earnings growth | Quarterly return | 1-Year forward return |
|-------------|---------------------------|------------------|-----------------------|
| 3/30/2018 | 9.8% | -0.8% | 9.5% |
| 3/31/2026 | 8.1% | -4.4% | ? |
| 6/30/2010 | 7.5% | -11.4% | 30.7% |
| 3/31/2022 | 3.7% | -4.6% | -7.7% |
| 9/29/2023 | 3.6% | -3.3% | 36.4% |
| 12/30/1994 | 3.3% | 0.0% | 37.6% |
| 6/29/2012 | 3.3% | -2.8% | 20.6% |
| 9/30/2004 | 2.9% | -1.9% | 12.3% |
| 6/30/2000 | 2.8% | -2.7% | -14.8% |
| 3/31/1994 | 2.8% | -3.8% | 15.6% |
| Avg | 4.8% | -3.6% | 15.6% |

Source: Morningstar and Bloomberg as of 3/31/26. U.S. stocks represented by the S&P 500 Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index. Investing involves risk, including possible loss of principal.

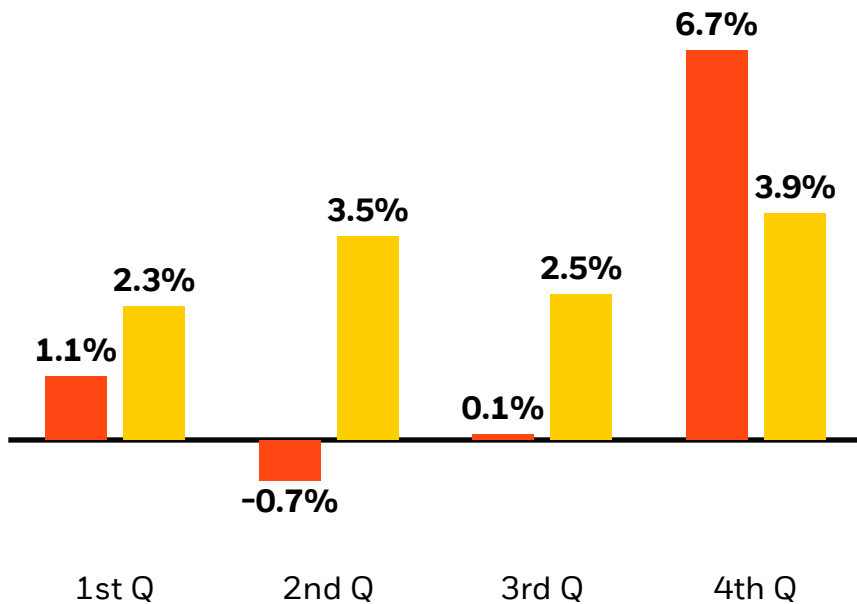
U.S. stocks in a midterm election year

The first 3 quarters of midterm election years have tended to be sluggish, followed by a strong 4th quarter.

Performance in midterm election years has tended to lag until Q4

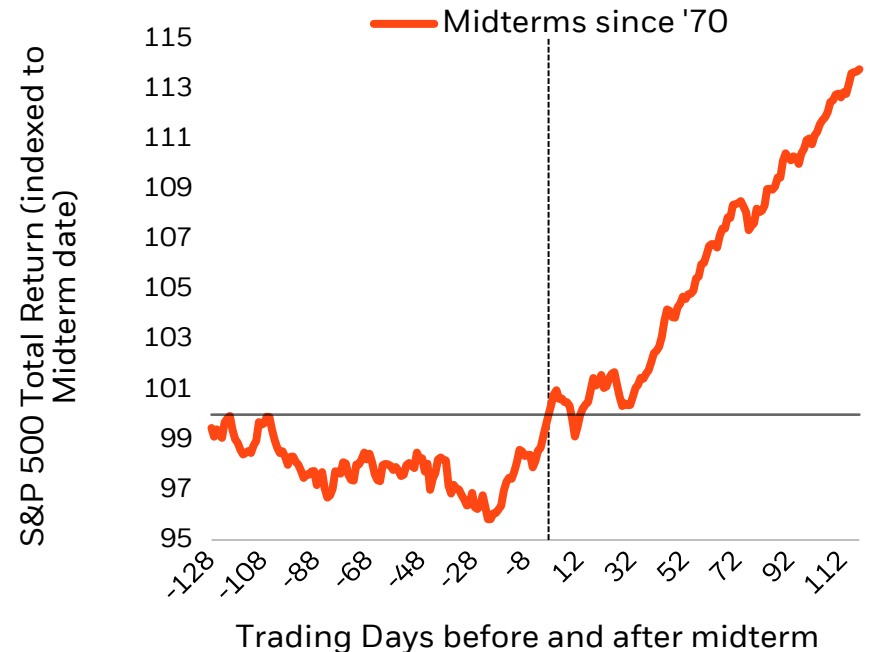
(1/1/1926 – 3/31/2026)

■ Midterm election years ■ All years



Midterm election years do better after the election

(1/1/1970 – 3/31/2026)

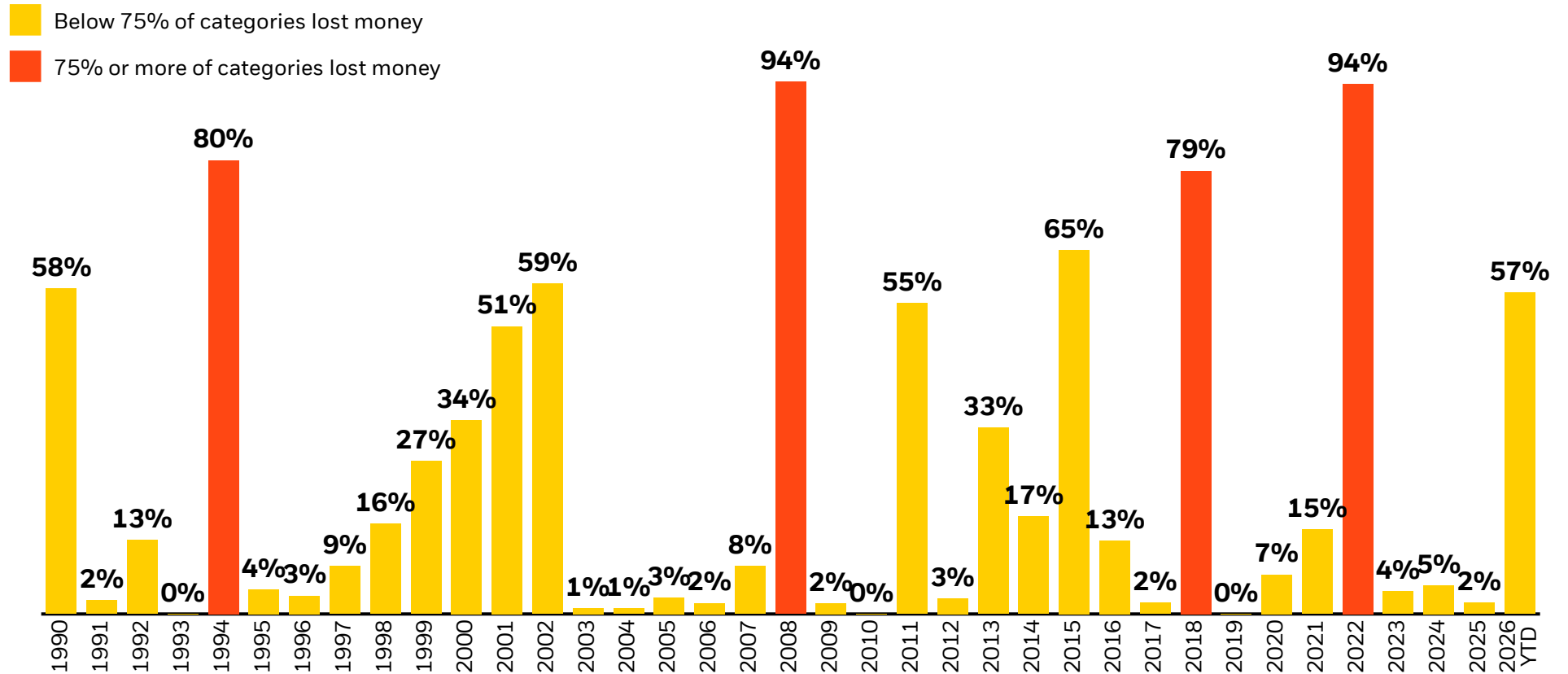


Morningstar, Bloomberg as of 3/31/26. Left: Stock market represented by the S&P 500 Index from 1/1/1970 to 3/31/2026 and IA SBBI U.S. large cap stocks index from 1/1/1926 to 1/1/1970. Midterm dates refer to non-presidential election years which fall on the first Tuesday in November and occur every 4 years starting in 1926. Right: Stock market represented by the S&P 500 Index. Midterm dates refer to non-presidential election years which fall on the first Tuesday in November and occur every 4 years starting in 1970. There is an average of 21 trading days in a month. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

More constrained asset class gains in 2026

Alternatives categories, including commodities, have supported positive year-to-date performance.

Percent of mutual fund categories that lost money in a given calendar year (1/1/1990 – 3/31/2026)



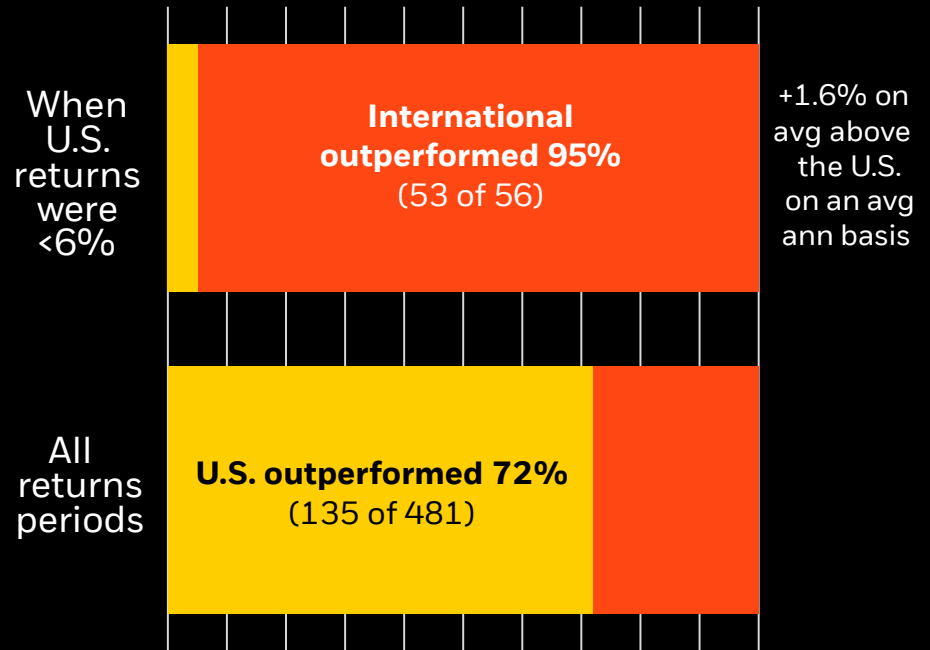
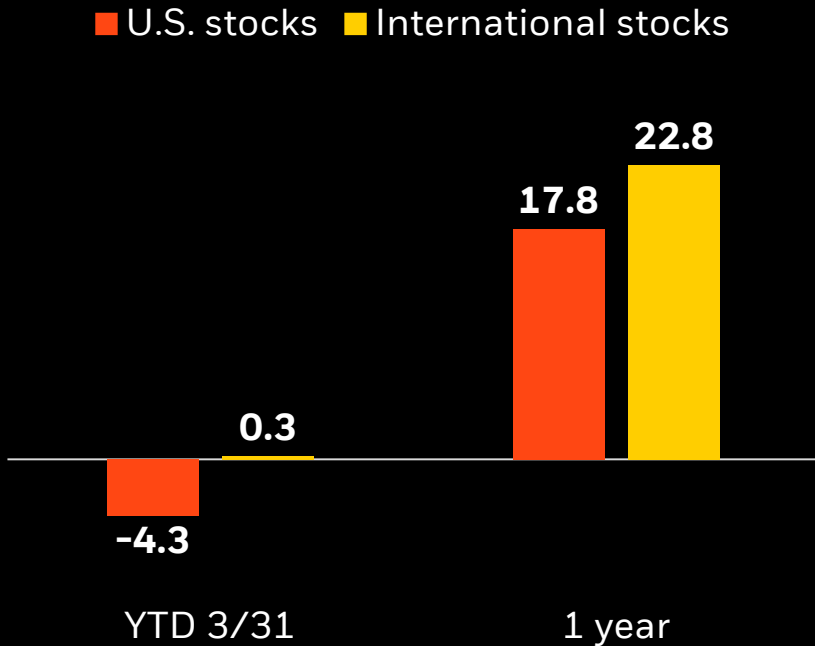
Morningstar as of 3/31/26. All asset classes represented by Morningstar open-end mutual funds category averages. Past performance does not guarantee or indicate future results.

International leading U.S. stocks in 2026

Historically, international stocks outperformed 95% of the time when U.S. stocks returned less than 6%.

International stocks have outperformed YTD and 1-year (3/2026)

International stocks have outperformed over longer periods of lower U.S. stock returns (10-year rolling, 1976 – 3/2026)

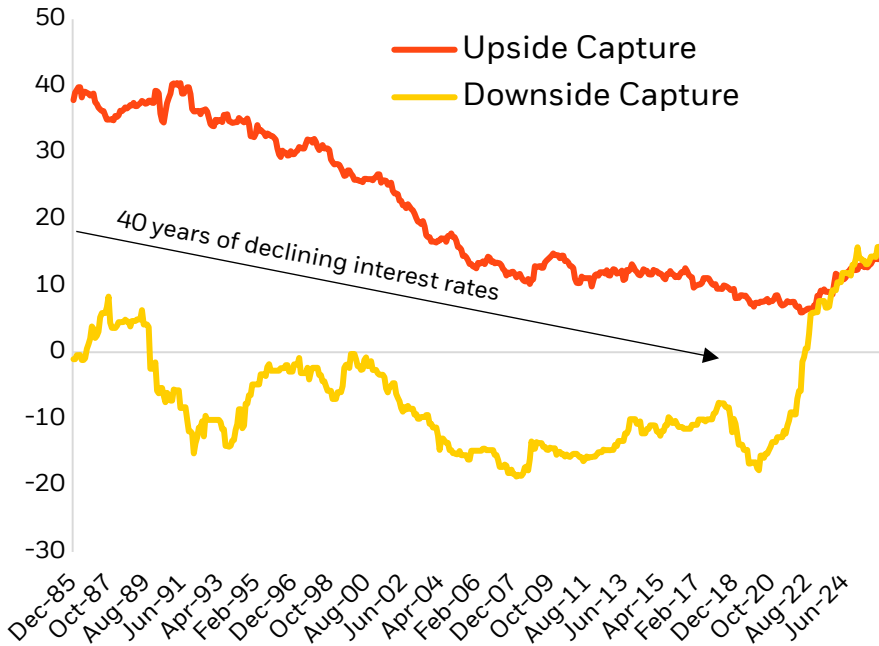


Source: Morningstar as of 3/31/26. U.S. stocks represented by the S&P 500 Index and International stocks represented by the Morningstar Foreign Large Blend category average. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.** Investing involves risk, including possible loss of principal. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets or in concentrations of single countries.

Income and alternative strategies can compliment traditional fixed income

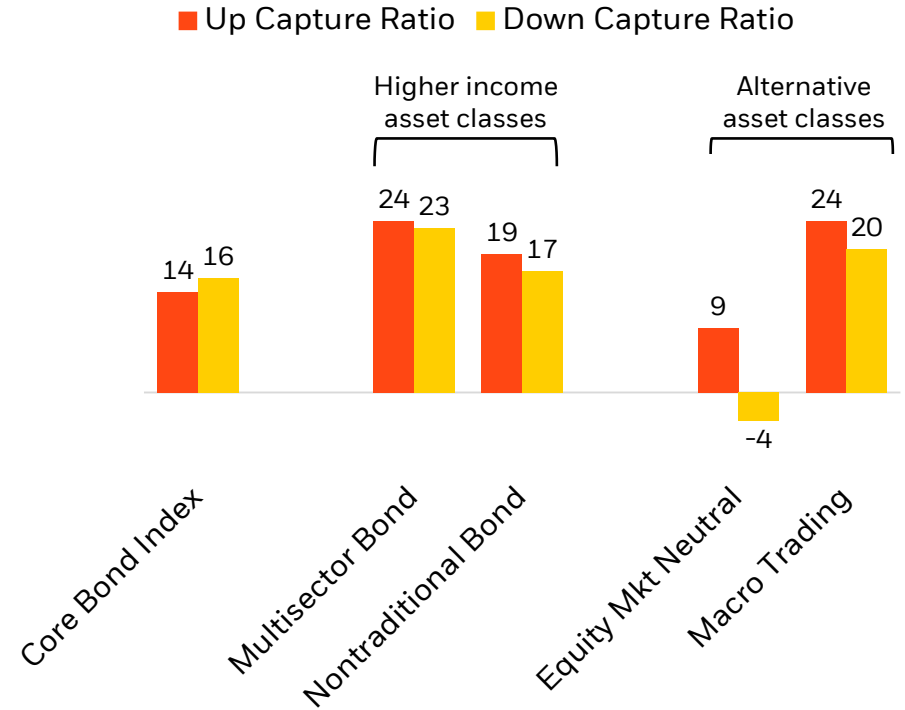
Traditional bonds up and downside trade-off versus stocks is at all time lows (but improving)

Up and downside capture of the core bond index versus U.S. stocks, 1/1/1976 - 3/31/2026, 10-year rolling capture ratios



...Income and alternative categories have delivered a better up and downside trade-off

Up and downside capture versus U.S. stocks, 3/31/2026, 10-year capture



Source: Morningstar as of 3/31/26. U.S. stocks represented by the S&P 500 Index and core bond represented by the IA SBBI US Gov IT Index from 1/1/76 to 1/3/89 and the Bloomberg U.S. Agg Bond TR Index from 1/3/89 to 3/31/26, Multisector bond, nontraditional bond, equity market neutral and macro trading represented by their respective Morningstar category average. Upside and downside capture measure how much of a benchmark's gains a strategy has historically captured in up markets and how much of its losses it has experienced in down markets. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.**

You cannot invest directly in the index.

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| Returns as of 3/31/2026 | 1 Year Return | 5 Year Avg. Annual Return | 10 Year Avg. Annual Return |
|--|---------------|---------------------------|----------------------------|
| S&P 500 TR USD | 17.80 | 12.06 | 14.16 |
| Bloomberg US Agg Bond TR USD | 4.35 | 0.31 | 1.70 |
| IA SBBI US Large Stock TR USD Ext | 17.80 | 12.06 | 14.16 |
| MSCI EAFE NR USD | 21.27 | 7.91 | 8.38 |
| US Fund Equity Market Neutral | 5.72 | 7.82 | 3.84 |
| US Fund Foreign Large Blend | 22.75 | 7.41 | 8.27 |
| US Fund Macro Trading | 10.69 | 4.79 | 4.65 |
| US Fund Multisector Bond | 5.51 | 2.79 | 3.87 |
| US Fund Nontraditional Bond | 4.15 | 2.48 | 3.46 |
| Bloomberg WTI Crude Oil Subindex index | 55.77 | 20.64 | 7.08 |
| LBMA Gold Price USD index | 47.94 | 22.19 | 14.05 |

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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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