

November 2025

Student of the Market



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Stocks

Seasonal stock returns



Today's bull market



AI versus dot com bubble



Stock returns following a Federal reserve rate cut



Equity fund flows are negative



Asset class returns in 2025



Bonds and alternatives

Bond correlation with stocks



Importance of Diversification



Source: Morningstar as of 10/31/25. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

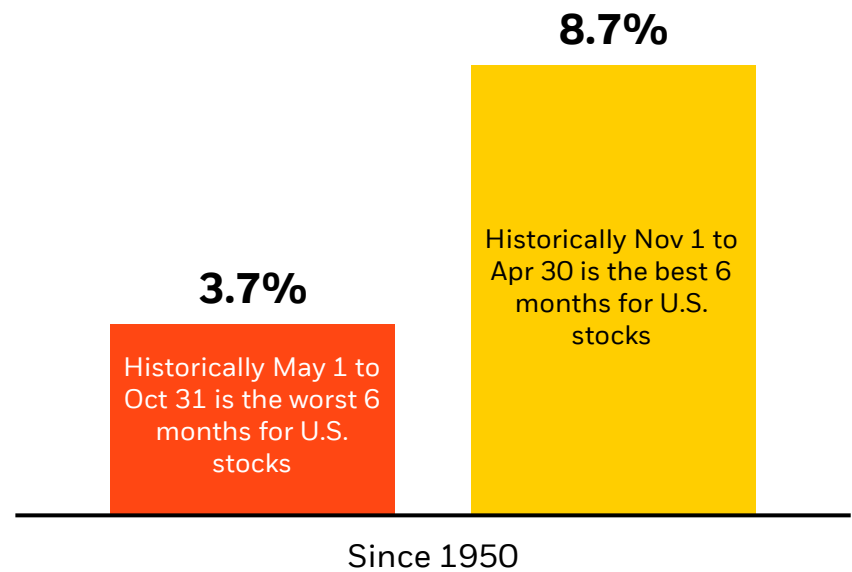
Stocks enter a historically strong season

U.S. stocks just recorded its best May–October stretch since 1950. History suggests momentum often continues through year-end.

Stocks have tended to perform best during “Turkey to Tax”

Average for all 6-month periods

- May 1 to Oct. 31 ("Mommies to Mummies")
- Nov. 1 to Apr. 30 ("Turkey to Tax")



“Best “Mommies to Mummies” since 1950

Since 2015, 6-month periods

Year	"Mommies to Mummies" (5/1 to 10/31)	"Turkey to Tax" (11/1 to 4/30)
2025-26	23.6	?
1980- 81	23.1	6.7
1958- 59	20.4	14.1
2009- 10	20.0	15.7
1982- 83	18.3	25.8
2003- 04	15.6	6.3
1997- 98	15.2	22.5
1954- 55	14.8	22.7
1995-96	14.5	13.8
2024- 25	14.1	-1.7
Avg	18.0	14.0

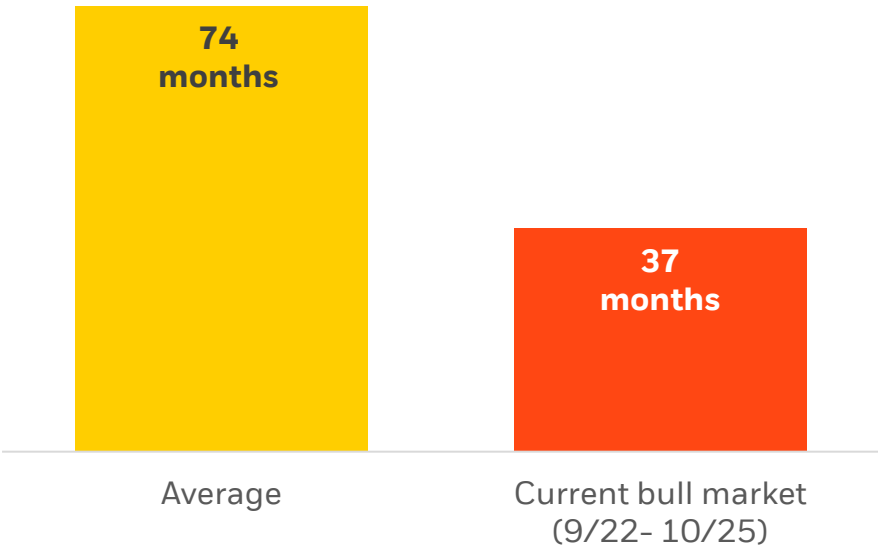
Morningstar as of 10/31/25. U.S. stocks are represented by the S&P 500 TR Index from 3/4/57 to 10/31/25 and the IASBBI U.S. Lrg Stock TR USD Index from 1/1/26 to 3/4/57. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

U.S. stock bull market turns three years old

At three years and +100%, the current U.S. rally still trails the 74-month, +343% average bull market.

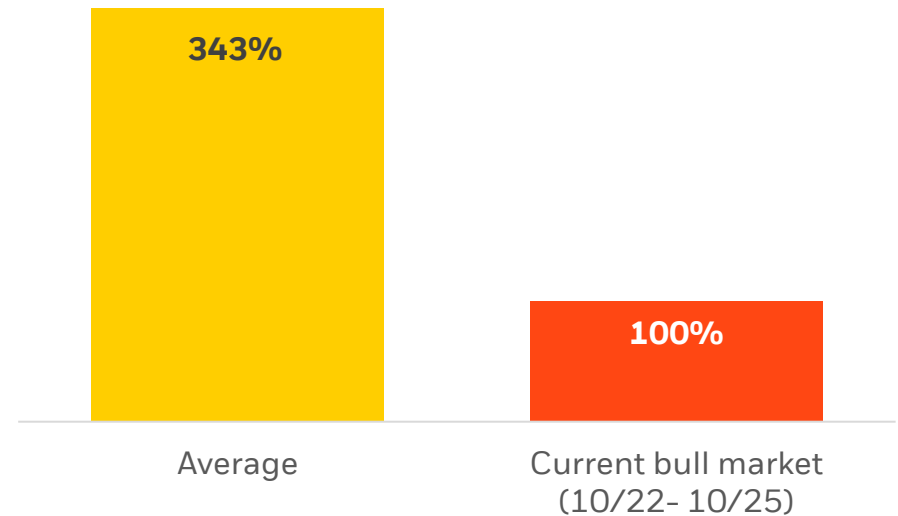
Bull markets can last a long time...

Length of bull market, since 1926 based on monthly returns



...and bull market returns can be quite high

Cumulative return during bull markets, since 1926



Did you know?

Bear markets have typically been shorter and less severe.
The average bear market since 1926 has lasted 15.6 months, with a -38% return.

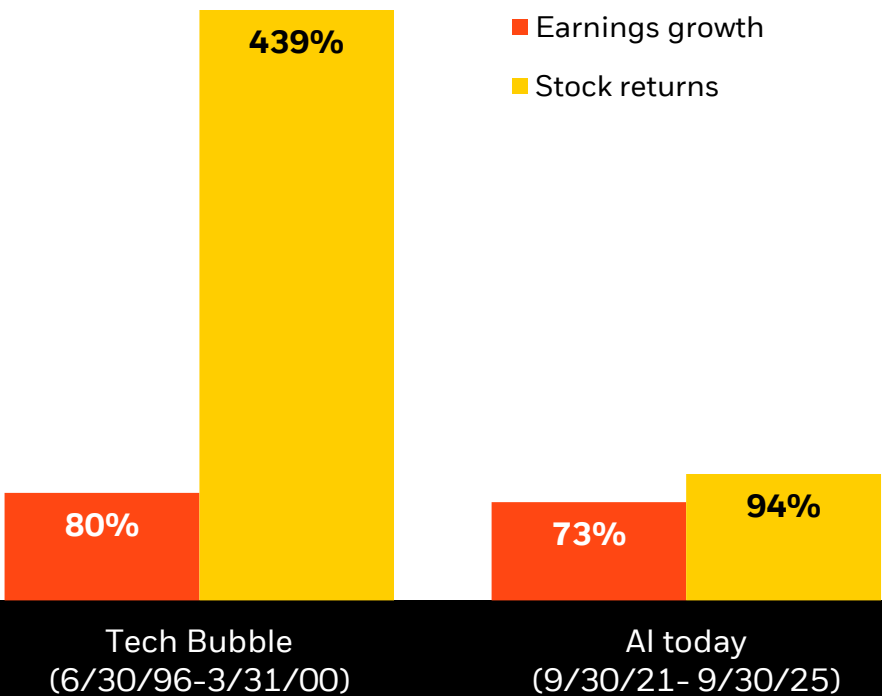
Source: Morningstar and BlackRock as of 10/31/25. Stock market represented by the S&P 500 Index from 3/4/57 to 10/31/25 and IA SBBI U.S. Large Cap TR Index from 1/1/26 to 3/4/57. This illustration assumes reinvestment of dividends and capital gains. Assumes investor stays fully invested over the full time period. Index performance is for illustrative purposes only. **Past performance does not guarantee or indicate future results.** It is not possible to invest in an index.

Artificial intelligence versus tech bubble

Parallels are being drawn between the early 2000s “dot com” technology bubble, but earnings growth data shows profits have been keeping pace with prices (unlike during the tech bubble).

Tech bubble returns far outpaced earnings

4-year earnings growth and performance (%)



This time, earnings are keeping pace with returns

1-, 3- and 4-year returns (Tech bubble 6/30/96- 3/31/00) (%)

		Earnings growth	Returns
4 year	Tech Bubble 1996-2000	80%	439%
	AI 2021-2025	73%	94%
3 year	Tech Bubble 1997-2000	56%	316%
	AI 2022-2025	60%	128%
1 year	Tech Bubble 1996-2000	22%	88%
	AI 2024-2025	53%	70%

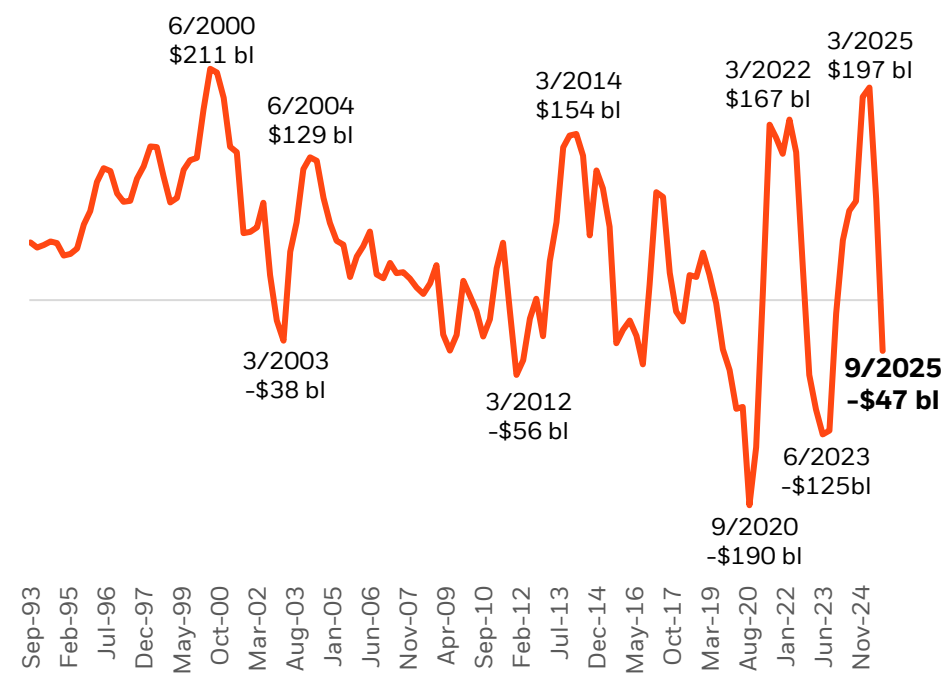
Source: MSCI data via Refinitiv from 6/30/1996 to 3/31/2000, and AI today 9/30/2020 to 9/30/2025 (right). Price represented by the S&P 500 Information Technology Index, and Earnings represented by the I/B/E/S S&P 500 Information Technology Index consensus 12-month forward earnings. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Stock fund flows turn negative in 2025

Despite fears of an overextended bull market, outflows have historically preceded strong future equity returns.

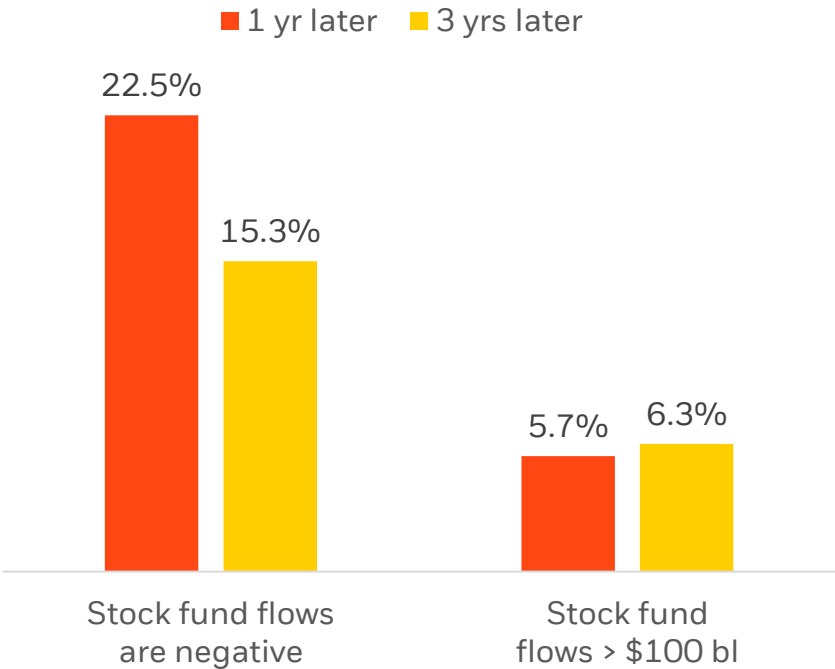
Stock mutual fund and ETF flows are negative YTD

Rolling 9-month flows U.S. equity and sector mutual fund and ETFs



U.S. stock performance following positive and negative fund flow periods

Average annual returns, flows rolling 9 months since 1993

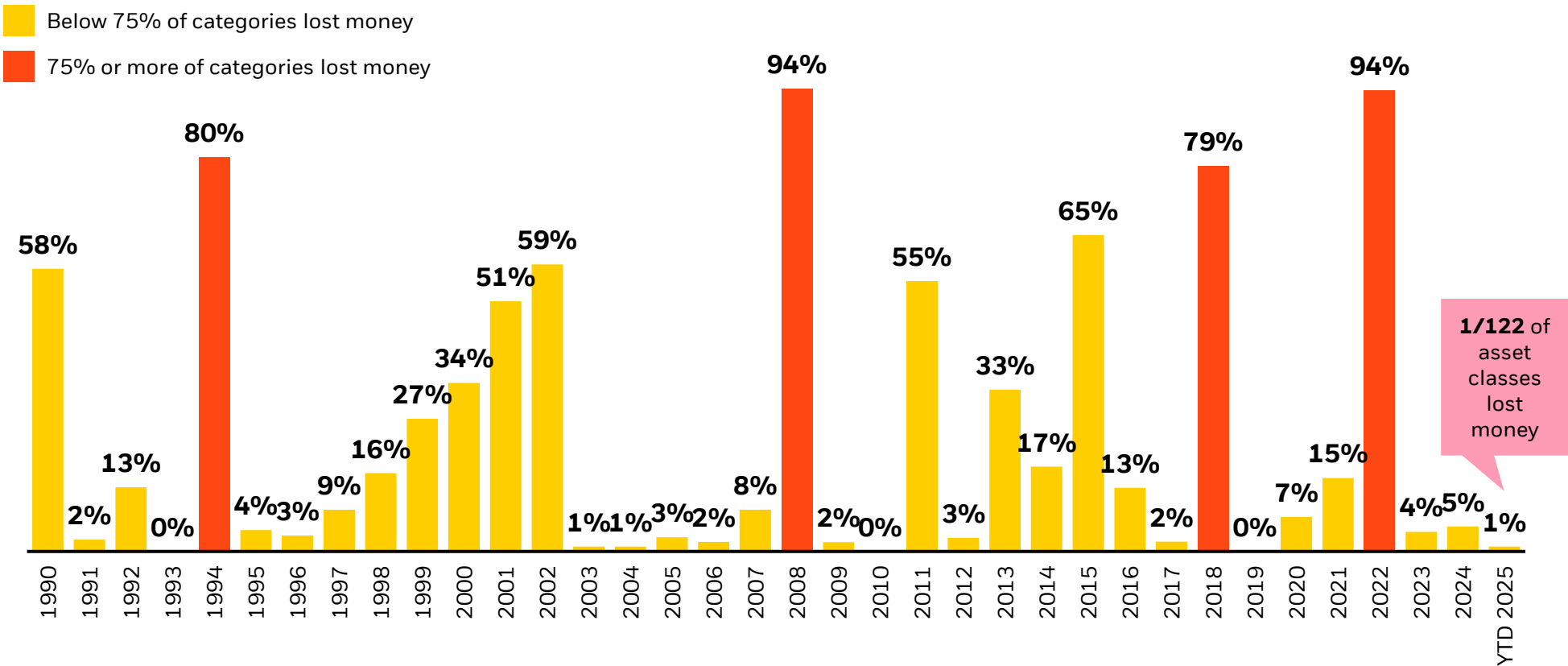


Source: Morningstar and BlackRock as of 9/30/25. Stock market represented by the S&P 500 Index from 3/4/57 to 9/30/25 and IA SBBI U.S. Large Cap TR Index from 1/1/26 to 3/4/57. This illustration assumes reinvestment of dividends and capital gains. Assumes investor stays fully invested over the full time period. Index performance is for illustrative purposes only. **Past performance does not guarantee or indicate future results.** It is not possible to invest in an index.

Widespread asset class gains in 2025

Equities, bonds, and alternatives have all contributed to positive performance year-to-date.

Percent of mutual fund categories that lost money in a given calendar year (1/1/1990 – 10/31/2025)



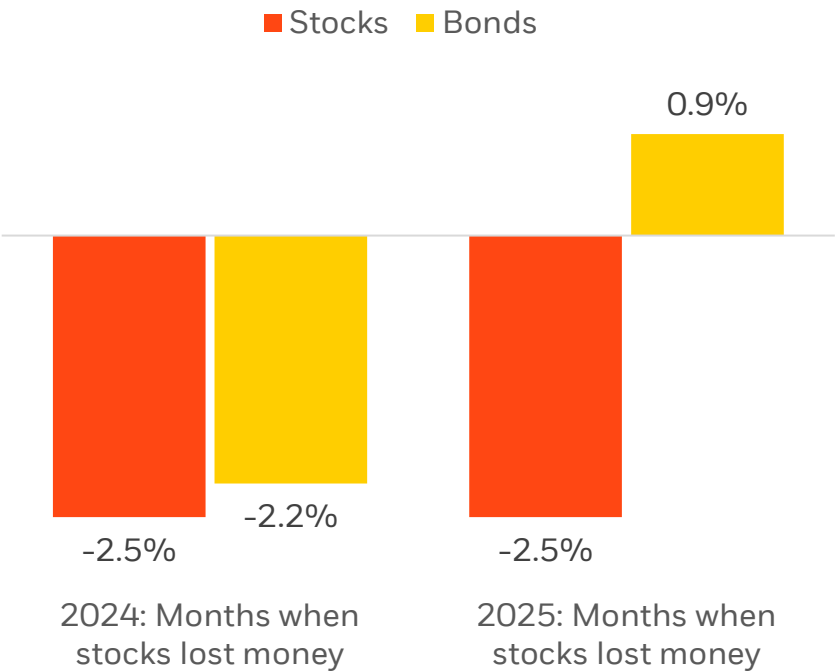
Morningstar as of 10/31/25. All asset classes represented by Morningstar open-end mutual funds categories. Past performance does not guarantee or indicate future results.

Bond diversification benefits are returning

Stock/bond correlation: This indicates the strength and direction between returns in stock and bond markets. The value will range between -1 and 1. A value of 1 indicates that both markets' returns move perfectly in-sync, and -1 indicates that both markets' returns move perfectly opposite from each other in both direction and level. A correlation value of 0 indicates that returns move independently of each other.

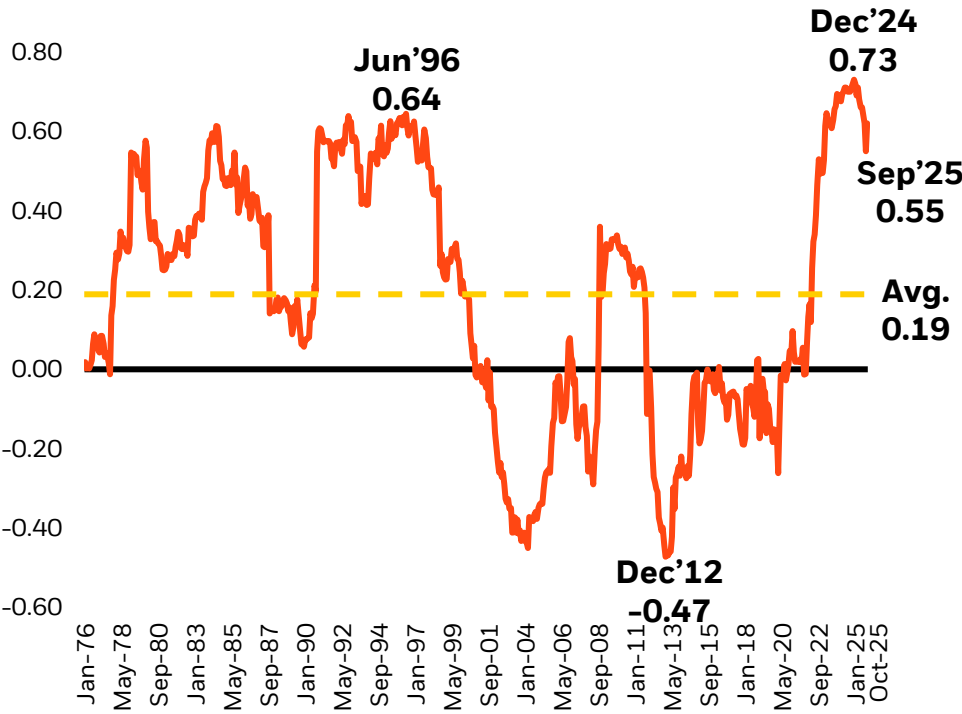
Unlike 2024, bonds have been positive when stocks lost money in 2025

Avg monthly returns when stocks lost money, 2024 - 10/31/25



Diversification benefits are re-emerging as stock and bond movements decouple

(3-year rolling stock and bond correlation, 1976 - 10/31/2025)



Source: Morningstar as of 10/31/25. U.S. stocks represented by the S&P 500 TR Index, U.S. core bonds represented by the Bloomberg U.S. Agg Bond TR Index. Index performance is for illustrative purposes only. You cannot invest directly in the index. Past performance does not guarantee or indicate future results.

Diversify to help navigate different regimes

2014-2020 (Ann.)	2021	2022	2023	2024	2025 YTD
Bitcoin 69%	Bitcoin 58%	Alternatives- Global Macro 16%	Bitcoin 154%	Bitcoin 122%	Gold 45%
Gold 7%	U.S. Stocks 29%	Alternatives- Equity Market Neutral 2%	U.S Stocks 26%	Gold 27%	Bitcoin 17%
U.S. Stocks 18%	Alternatives- Global Macro 10%	Alternatives- Multi-strategy 1%	High Yield Bond 14%	U.S. Stocks 25%	U.S. Stocks 14%
U.S. Bonds 7%	Alternatives- Multi-strategy 7%	Gold -1%	Gold 13%	Alternatives- Multi-strategy 9%	Alternatives- Equity Market Neutral 10%
Alternatives- Multi-strategy 5%	Alternatives- Equity Market Neutral 6%	High Yield Bond -11%	Alternatives- Multi-strategy 8%	High Yield Bond 8%	Alternatives- Multi-Strategy 6%
HighYield Bond 5%	High Yield Bond 5%	U.S. Bonds -13%	Alternatives- Equity Market Neutral 7%	Alternatieves- Equity Market Neutral 8%	Alternatives- Global Macro 5%
Alternatives- Global Macro 4%	U.S. Bonds -2%	U.S. Stocks -18%	U.S. Bonds 6%	Alternatives- Global Macro 6%	High Yield Bond 7%
Alternatives- Equity Market Neutral 0%	Gold -4%	Bitcoin -64%	Alternatives- Global Macro -5%	U.S .Bonds 1%	U.S. Bonds 6%

Source: Bloomberg, Morningstar. Gold, Bitcoin, U.S. stocks, High Yield Bond, and U.S. Bonds as of 9/30/25, Alternatives as of as of 8/31/2025. Bitcoin returns calculated using Bloomberg Bitcoin Spot Price. SPX is represented by the S&P 500 Index (TR). U.S. bonds is represented by Bloomberg U.S. Aggregate Bond Index (TR). Gold returns calculated using the spot exchange rate of gold against the U.S. dollar index. High Yield Bonds represented by Bloomberg U.S. High Yield TR USD. Alternative categories Global Macro, Multi-strategy, and Equity Market Neutral represented by respective Credit Suisse Index returns of the same name. All returns rounded to the nearest percent. Annualized return for 2014-2020 calculated based on monthly returns from 1/1/2014-12/31/2020. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results. Diversification and asset allocation may not protect against market risk or loss of principal.

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Returns as of 10/31/25	1 Year Return	5 Year Avg. Annual Return	10 Year Avg. Annual Return
Bloomberg US Agg Bond TR USD	6.16	-0.24	1.90
Credit Suisse Equity Market Neutral USD	9.40	6.68	3.37
Credit Suisse Global Macro USD	7.68	7.71	5.52
Credit Suisse Hedge Fund USD	9.18	7.95	5.32
Credit Suisse Multi-Strategy USD	8.04	7.41	5.51
IA SBBi US Large Stock TR USD Ext	21.45	17.64	14.64
Russell 1000 Growth TR USD	30.52	19.24	18.28
Russell 1000 Value TR USD	11.15	14.28	9.97
Russell 2000 TR USD	14.41	11.50	9.36
S&P 500 TR USD	21.45	17.64	14.64
US Fund Technology	37.92	14.44	18.41

Source: Morningstar as of 8/31/25. ¹Due to data availability and update frequency, returns are as of 4/30/25. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

Index Definitions:

- The **S&P 500 TR Index** is an unmanaged index that is generally considered representative of the U.S. stock market on a total return basis. Included are the largest 500 stocks by market cap.
- The **Bloomberg U.S. Agg Bond TR Index** is an unmanaged index that is generally considered representative of the U.S. bond market on a total return basis.
- The **IA SBBi US Large Stock TR Index** is an unmanaged index that is generally considered representative of the historical U.S. stock market on a total return basis prior to the inception of the **S&P 500 TR Index** in 1970.
- The **IA SBBi US IT Govt TR Index** is an unmanaged index that is generally considered representative of the historical U.S. bond market on a total return basis prior to the inception of the **Bloomberg U.S. Agg Bond TR Index** in 1989.
- The **MSCI EAFE NR Index** is an unmanaged index that is generally considered representative of International Developed Markets (ex-U.S.) stocks on a net return basis.
- The **US BLS CPI All Urban SA 1982-1984 Index** is an unmanaged index that is generally considered representative of the U.S. inflation rate on a seasonally adjusted basis.
- **US Fund Money Market – Taxable** is an average of funds within the US Fund Money Market – Taxable category as defined by Morningstar.
- The **Russell 1000 Dividend Growth TR Index** is an unmanaged index that is generally considered representative of the stocks within the 1,000 largest stocks in the entire U.S. stock market that have higher valuations than the index average, on a total return basis.

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Index Definitions (cont.):

- The **Credit Suisse Equity Market Neutral Hedge Fund Index** is a subset of the Credit Suisse Hedge Fund Index that measures the aggregate performance of long/short equity funds. Long/short equity funds typically invest in both long and short sides of equity markets, generally focusing on diversifying or hedging across particular sectors, regions or market capitalizations. Managers typically have the flexibility to shift from value to growth; small to medium to large capitalization stocks; and net long to net short. Managers can also trade equity futures and options as well as equity related securities and debt or build portfolios that are more concentrated than traditional long-only equity funds.
- The **Credit Suisse Global Macro Index** is a subset of the Credit Suisse Hedge Fund Index that measures the aggregate performance of global macro funds. Global macro funds typically focus on identifying extreme price valuations and leverage is often applied on the anticipated price movements in equity, currency, interest rate and commodity markets. Managers typically employ a top-down global approach to concentrate on forecasting how political trends and global macroeconomic events affect the valuation of financial instruments. Profits can be made by correctly anticipating price movements in global markets and having the flexibility to use a broad investment mandate, with the ability to hold positions in practically any market with any instrument.
- The **Credit Suisse Multi Strategy Index** is a subset of the Credit Suisse Hedge Fund Index that measures the aggregate performance of multi-strategy funds. Multi-strategy funds typically are characterized by their ability to allocate capital based on perceived opportunities among several hedge fund strategies. Through the diversification of capital, managers seek to deliver consistently positive returns regardless of the directional movement in equity, interest rate or currency markets. The added diversification benefits may reduce the risk profile and help to smooth returns, reduce volatility and decrease asset-class and single-strategy risks. Strategies adopted in a multi-strategy fund may include, but are not limited to, convertible bond arbitrage, equity long/short, statistical arbitrage and merger arbitrage.

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Standard deviation measures how dispersed returns are around the average. A higher standard deviation indicates that returns are spread out over a larger range of values and thus, more volatile.

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