Q1

Quarterly Market Review

First Quarter 2026

Quarterly Market Review

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets. The report concludes with a quarterly topic.

Overview:

Market Summary

World Stock Market Performance

US Stocks

International Developed Stocks

Emerging Markets Stocks

Country Returns

Real Estate Investment Trusts (REITs)

Commodities

Fixed Income

Global Fixed Income

Quarterly Topic: Geopolitical Risk

Quarterly Market Summary

Returns (USD), as of March 31, 2026

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2026	-3.96%	-0.94%	-0.17%	0.77%	-0.05%	-0.19%
Since January 2000						
Average Quarterly Return	2.3%	1.6%	2.2%	2.2%	1.0%	1.0%
Best Quarter	22.0% **2020 Q2**	25.9% **2009 Q2**	34.7% **2009 Q2**	32.3% **2009 Q3**	6.8% **2023 Q4**	5.4% **2023 Q4**
Worst Quarter	-22.8% **2008 Q4**	-23.3% **2020 Q1**	-27.6% **2008 Q4**	-36.1% **2008 Q4**	-5.9% **2022 Q1**	-4.1% **2022 Q1**

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Long-Term Market Summary

Returns (USD), as of March 31, 2026

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	18.09%	22.99%	29.55%	7.03%	4.35%	2.77%
5 Years	10.87%	8.40%	3.69%	2.83%	0.31%	1.13%
10 Years	13.72%	8.66%	7.80%	3.17%	1.70%	2.20%
15 Years	12.81%	6.26%	3.67%	5.08%	2.39%	3.18%
20 Years	10.26%	5.17%	5.38%	3.75%	3.28%	3.43%

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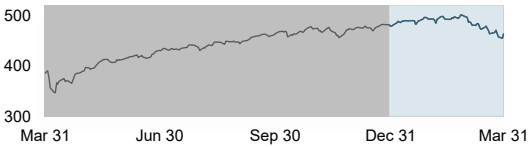
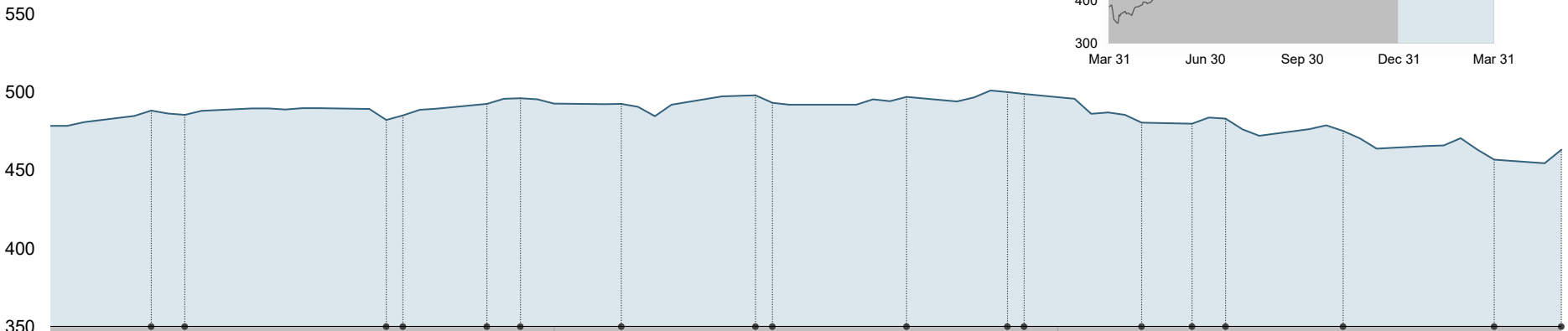
World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2026

1 YEAR (Q2 2025–Q1 2026)



Q1 2026



JANUARY	FEBRUARY	MARCH
01/06 "Dow Extends Rally, Closing Above 49000 for First Time"	**02/03** "House Approves Measure to End Partial Government Shutdown"	**03/06** "US Lost 92,000 Jobs in February in Unexpected Downturn"
01/08 "Trump Calls on Fannie and Freddie to Buy $200 Billion in Mortgage Bonds"	**02/11** "US Added 130,000 Jobs in January, Starting Year Off on Stronger Footing"	**03/08** "Oil Tops $100 a Barrel for First Time Since 2022"
01/20 "Tensions Over Greenland Rattle Wall Street"	**02/12** "Homes Sales in January Post Biggest Monthly Decline in Nearly Four Years"	**03/11** "IEA Will Launch Largest-Ever Oil Release From Global Strategic Reserves"
01/21 "Private-Credit Investors Are Cashing Out in Droves"	**02/20** "Supreme Court Strikes Down Trump's Global Tariffs"	**03/18** "Fed Holds Steady and Maintains Rate-Cut Projection"
01/26 "Gold Surges Above $5,000 on Shutdown Fears, Geopolitical Tensions"	**02/26** "Mortgage Rates Fall Below 6% for the First Time Since 2022"	**03/27** "Market Dive Points to Wall Street's Growing Alarm Over Iran War"
01/28 "Fed Holds Rates Steady for First Time Since July"	**02/28** "US and Israel Attack Iran"	**03/31** "US Gas Prices Top $4 a Gallon"
01/28 "S&P 500 Crosses 7000 for First Time"		**03/31** "Nasdaq Leads Rally Built on Hope the Iran War May End Soon"

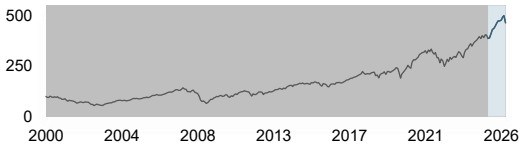
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2026, all rights reserved. Index level based at 100 starting January 2000.
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

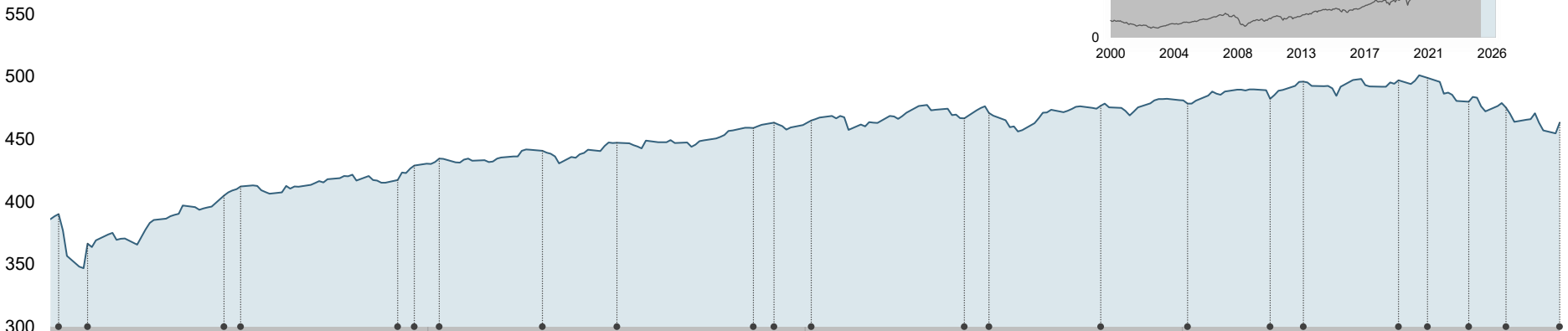
World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

LONG TERM (2000–Q1 2026)



SHORT TERM (Q2 2025–Q1 2026)



Q2 2025	Q3 2025	Q4 2025	Q1 2026
04/02 "Trump Unveils Sweeping Tariffs in Stark Shift in US Trade Policy"	**07/03** "President Trump's Megabill Passes House Vote"	**10/01** "Government Shutdown Begins as Funding Lapses"	**01/20** "Tensions Over Greenland Rattle Wall Street"
04/09 "Stocks Stage Furious Rally as Trump Pauses Some Tariffs"	**07/27** "Trump and EU Reach Tariff Deal, Avoiding Trade War"	**11/07** "Nasdaq Has Its Worst Week Since April"	**01/28** "Fed Holds Rates Steady for First Time Since July"
05/12 "Stocks Soar on Temporary US-China Tariff Rollback"	**08/16** "Trump-Putin Summit Ends Without Breakthrough"	**11/13** "Trump Signs Spending Bill, Ending Longest Shutdown in US History"	**02/20** "Supreme Court Strikes Down Trump's Global Tariffs"
05/16 "US Loses Last Triple-A Credit Rating"	**09/17** "Fed Cuts Rates by Quarter Point and Signals More Are Likely"	**12/10** "Fed Cuts Rates Again, Signals It May Be Done for Now"	**02/28** "US and Israel Attack Iran"
06/22 "Massive US Strikes Target Iranian Nuclear Sites"	**09/22** "A Deal Between AI Powers Lifts Stock Market to a Record"	**12/31** "Stock Markets Close Out a Record-Setting Year"	**03/08** "Oil Tops $100 a Barrel for First Time Since 2022"
06/27 "Historic Rebound Sends S&P 500 to New Highs"			**03/18** "Fed Holds Steady and Maintains Rate-Cut Projection"
			03/31 "Nasdaq Leads Rally Built on Hope the Iran War May End Soon"

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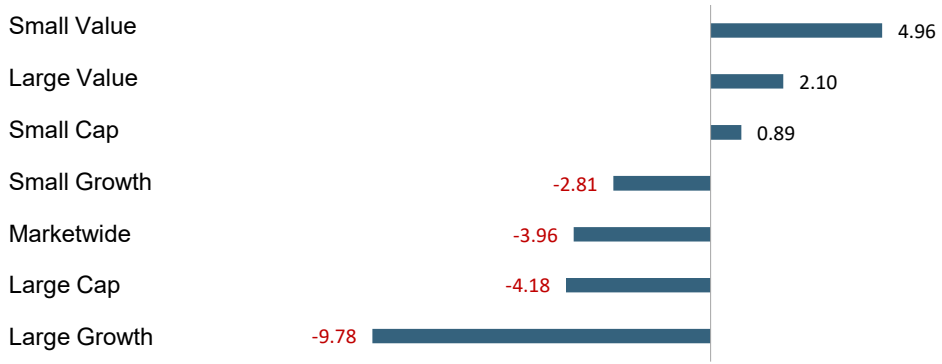
US Stocks

Returns (USD), 1st Quarter 2026

- The US equity market posted negative returns for the quarter and underperformed both non-US developed and emerging markets.
- Value outperformed growth.
- Small caps outperformed large caps.
- REIT indices outperformed equity market indices.

Ranked Returns (%)



World Market Capitalization

US Market
$62.6 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED 1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Small Value	4.96	28.09	13.80	5.79	9.61	8.62	6.98
Large Value	2.10	15.87	14.31	9.43	10.58	10.47	8.12
Small Cap	0.89	25.72	13.05	3.77	9.88	8.98	7.54
Small Growth	-2.81	23.58	12.27	1.62	9.79	9.09	7.88
Marketwide	-3.96	18.09	17.86	10.87	13.72	12.81	10.26
Large Cap	-4.18	17.74	18.14	11.34	13.97	13.09	10.46
Large Growth	-9.78	18.81	21.18	12.76	16.83	15.33	12.48

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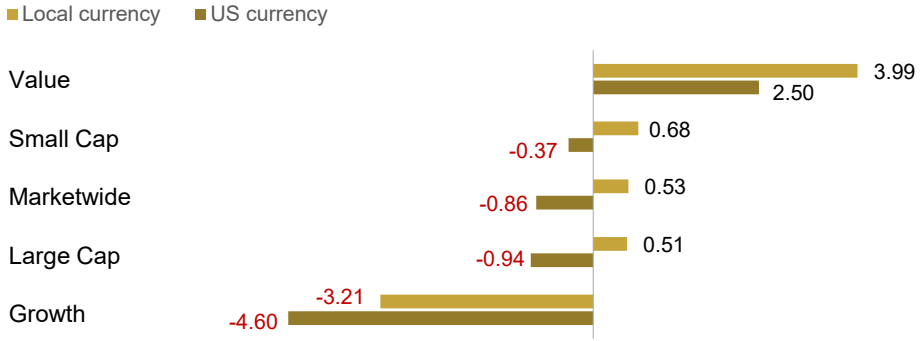
International Developed Stocks

Returns (USD), 1st Quarter 2026

- Developed markets outside of the US posted negative returns for the quarter and outperformed US markets, but underperformed emerging markets.
- Value outperformed growth.
- Small caps outperformed large caps.

Ranked Returns (%)



World Market Capitalization

International Developed Markets
$26.6 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED 1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	2.50	32.19	20.37	12.69	9.71	6.50	5.14
Small Cap	-0.37	29.19	13.77	5.40	7.95	6.56	5.49
Marketwide	-0.86	23.84	14.23	7.96	8.56	6.29	5.25
Large Cap	-0.94	22.99	14.30	8.40	8.66	6.26	5.17
Growth	-4.60	13.95	8.34	3.99	7.31	5.79	5.01

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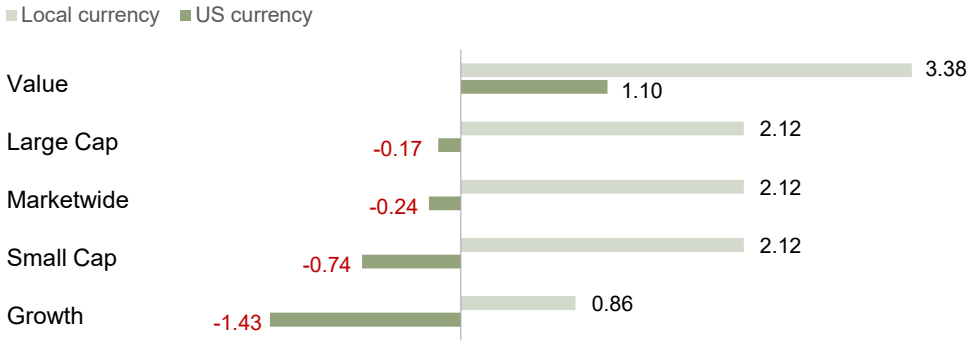
Emerging Markets Stocks

Returns (USD), 1st Quarter 2026

- Emerging Markets posted negative returns for the quarter and outperformed both US and non-US developed markets.
- Value outperformed growth.
- Small caps underperformed large caps.

Ranked Returns (%)



World Market Capitalization

Emerging Markets
$11.7 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED 1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	1.10	28.65	15.52	6.14	7.27	2.70	5.10
Large Cap	-0.17	29.55	14.84	3.69	7.80	3.67	5.38
Marketwide	-0.24	28.88	14.67	4.03	7.82	3.75	5.55
Small Cap	-0.74	24.55	13.74	6.68	8.13	4.44	6.59
Growth	-1.43	30.21	14.11	1.36	8.22	4.53	5.57

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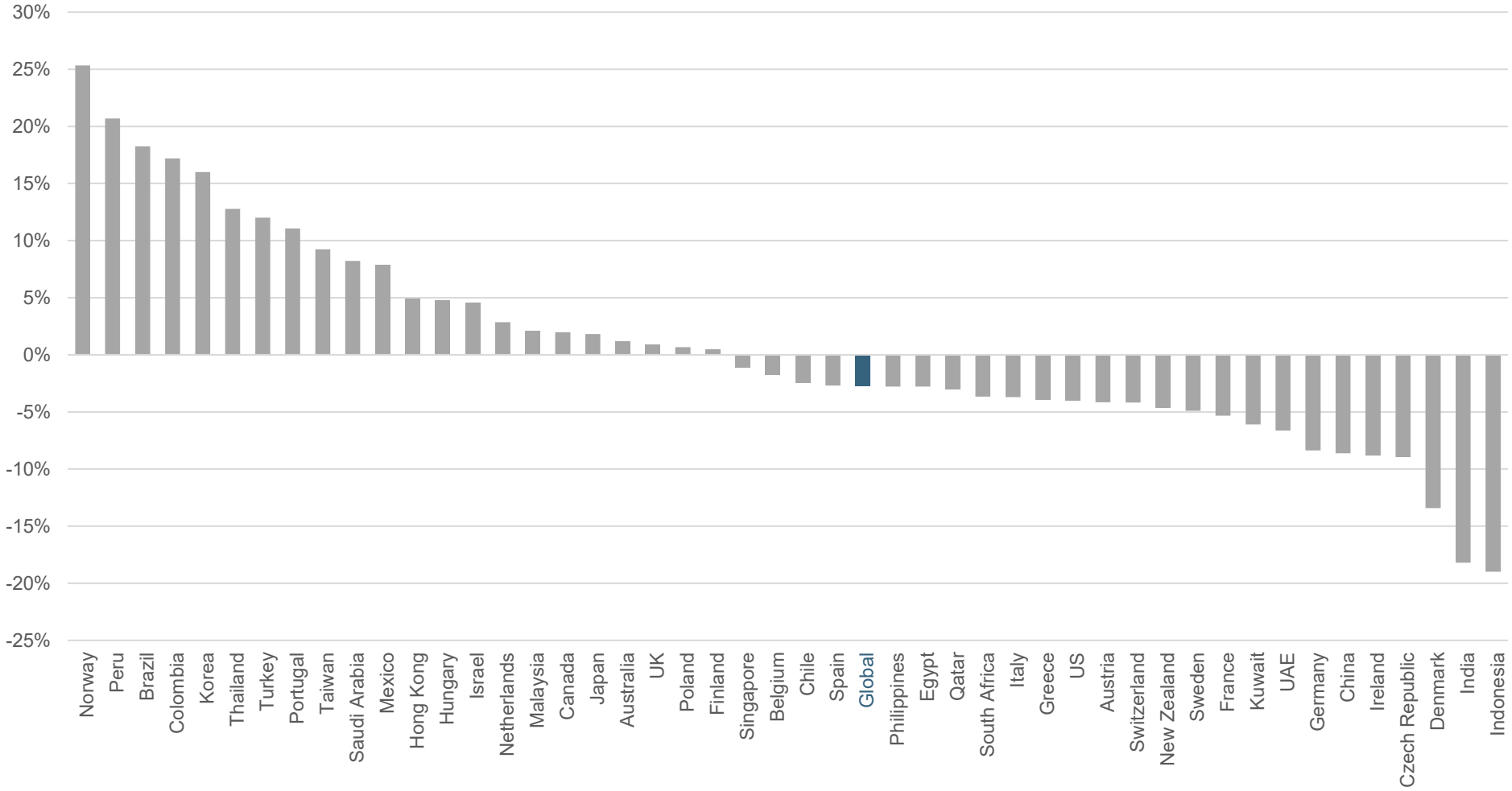
Country Returns

Returns (USD), 1st Quarter 2026



Past performance is no guarantee of future results.

Country returns are the country component indices of the MSCI All Country World IMI Index for all countries except the United States, where the Russell 3000 Index is used instead. Global is the return of the MSCI All Country World IMI Index. MSCI index returns are net dividend. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. MSCI data © MSCI 2026, all rights reserved.

Real Estate Investment Trusts (REITs)

Returns (USD), 1st Quarter 2026

- US real estate investment trusts outperformed non-US REITs during the quarter.

Ranked Returns (%)

Total Value of REIT Stocks

US
$1,107 billion
100 REITs

Global ex US
$467 billion
277 REITs
(26 other countries)

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED 1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
US REITS	4.64	7.23	9.15	5.59	4.76	7.12	5.46
Global ex US REITS	-7.88	10.68	3.99	-0.99	0.95	2.79	2.21

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Commodities

Returns (USD), 1st Quarter 2026

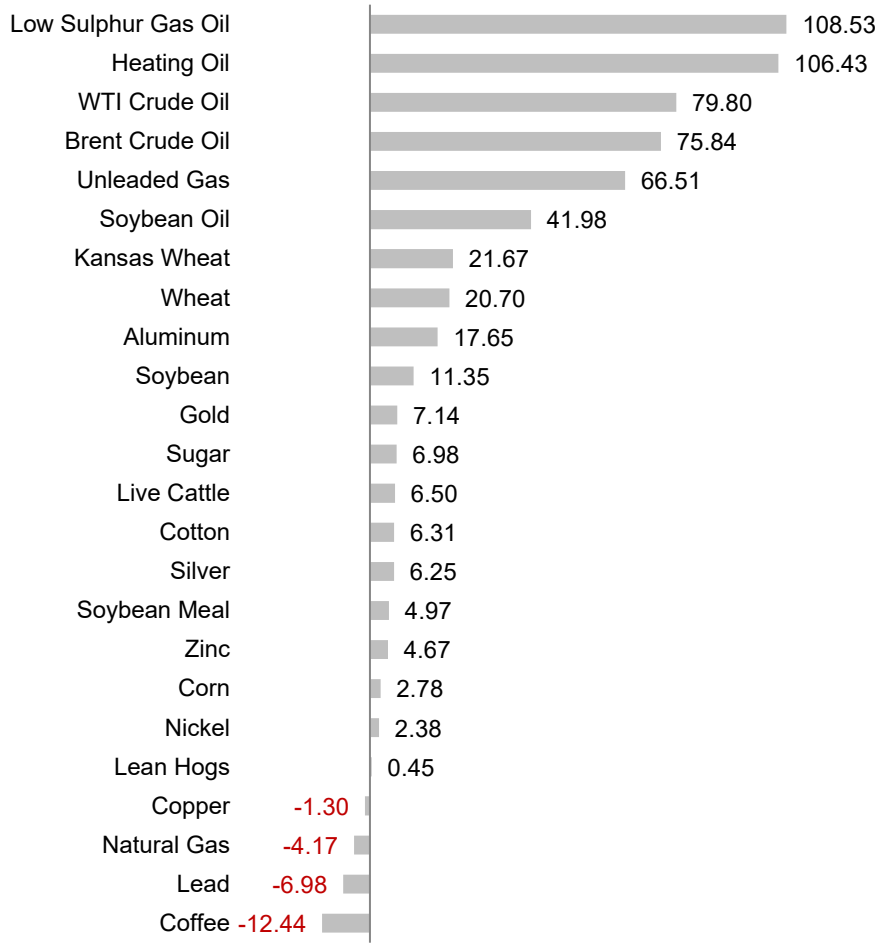
The Bloomberg Commodity Total Return Index returned +24.41% for the first quarter of 2026.

Low Sulphur Gas Oil and Heating Oil were the best performers, returning +108.53% and +106.43% for the quarter, respectively. Coffee and Lead were the worst performers, returning -12.44% and -6.98% for the quarter, respectively.

Commodities Periodic Returns (%)

	ANNUALIZED					
QTR	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
24.41	32.29	13.88	14.04	8.02	0.06	0.68

Commodities Ranked Returns (%)



Past performance is not a guarantee of future results. Index is not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Commodities returns represent the return of the Bloomberg Commodity Total Return Index. Individual commodities are sub-index values of the Bloomberg Commodity Total Return Index. Data provided by Bloomberg.

Fixed Income

Returns (USD), 1st Quarter 2026

Within the US Treasury market, interest rates increased during the quarter.

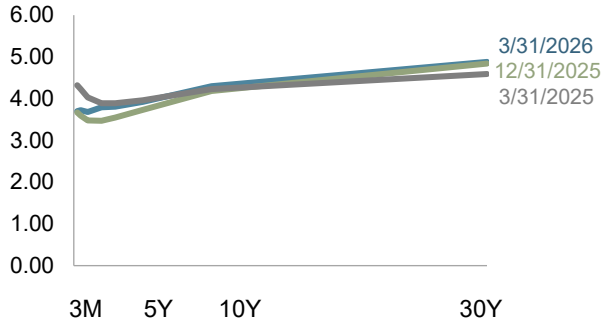
On the short end of the yield curve, the 1-Month US Treasury Bill yield remained unchanged at 3.74%. The 1-Year US Treasury Bill yield increased 20 basis points (bps) to 3.68%. The yield on the 2-Year US Treasury Note increased 32 bps to 3.79%.

The yield on the 5-Year US Treasury Note increased 19 bps to 3.92%. The yield on the 10-Year US Treasury Note increased 12 bps to 4.30%. The yield on the 30-Year US Treasury Bond increased 4 bps to 4.88%.

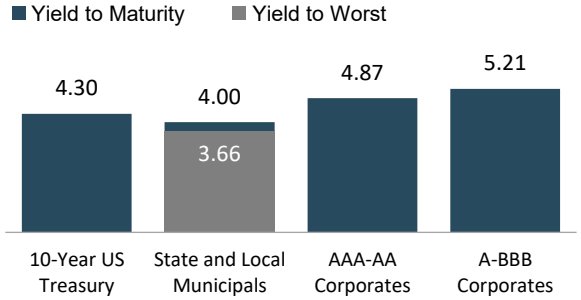
In terms of total returns, short-term US treasury bonds returned +0.15% and intermediate-term US treasury bonds returned +0.05%. Short-term corporate bonds returned +0.09% and intermediate-term corporate bonds returned -0.22%.[1]

The total returns for short- and intermediate-term municipal bonds were +0.43% and -0.57%, respectively. Within the municipal fixed income market, general obligation bonds returned -0.32% while revenue bonds returned -0.13%.[2]

US Treasury Yield Curve (%)



Bond Yield Across Issuers (%)



Periodic Returns (%)

		ANNUALIZED					
Asset Class	QTR	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
ICE BofA US 3-Month Treasury Bill Index	0.85	4.00	4.74	3.34	2.26	1.53	1.70
ICE BofA 1-Year US Treasury Note Index	0.59	3.67	4.32	2.58	2.05	1.47	1.90
Bloomberg U.S. TIPS Index	0.26	3.00	3.18	1.48	2.66	2.78	3.64
FTSE World Government Bond Index 1-5 Years (hedged to USD)	0.23	3.88	4.35	1.92	1.99	1.95	2.49
Bloomberg U.S. Aggregate Bond Index	-0.05	4.35	3.63	0.31	1.70	2.39	3.28
Bloomberg Municipal Bond Index	-0.18	4.29	2.87	0.84	2.16	3.29	3.50
Bloomberg U.S. Government Bond Index Long	-0.40	0.49	-1.47	-4.55	-0.77	2.55	3.47
FTSE World Government Bond Index 1-5 Years	-0.48	5.15	3.55	0.26	0.84	0.14	1.81
Bloomberg U.S. High Yield Corporate Bond Index	-0.50	7.01	8.60	4.23	6.12	5.72	6.56

1. Bloomberg US Treasury and US Corporate Bond Indices.
2. Bloomberg Municipal Bond Index.

One basis point (bps) equals 0.01%. **Past performance is not a guarantee of future results.** Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds and the Yield to Worst are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the ICE BofA US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield). FTSE fixed income indices © 2026 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2026 ICE Data Indices, LLC. S&P data © 2026 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg data provided by Bloomberg.

Global Fixed Income

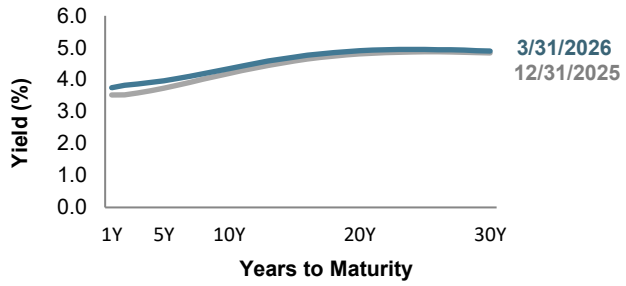
Yield curves, 1st Quarter 2026

Interest rates generally increased across global developed markets for the quarter.

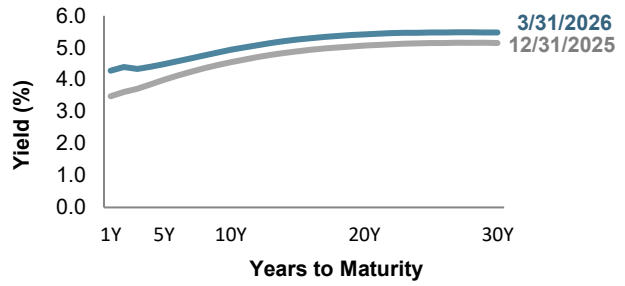
Realized term premiums were negative across global developed markets, as shorter-term bonds generally outperformed longer-term bonds.

In Canada, Germany, UK, Australia and Japan, the intermediate- to longer-term maturity range remained upwardly sloped. In Canada and Germany, the short-term maturity range steepened. However, in Australia and the UK, the short-term maturity segment flattened and inverted, respectively.

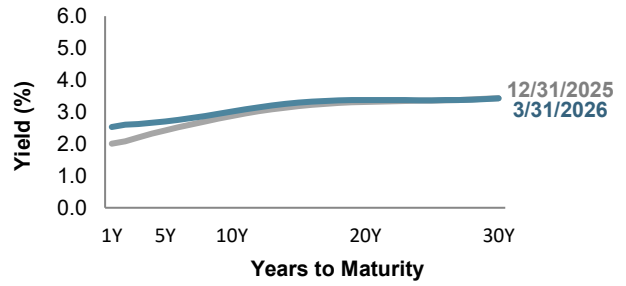
US



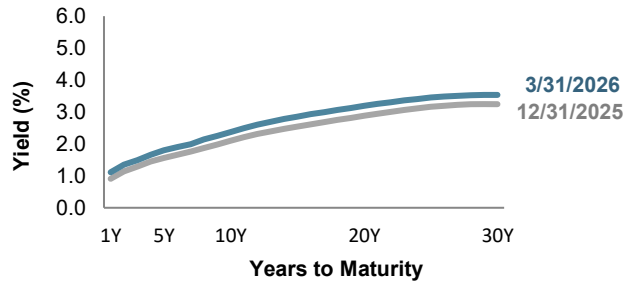
UK



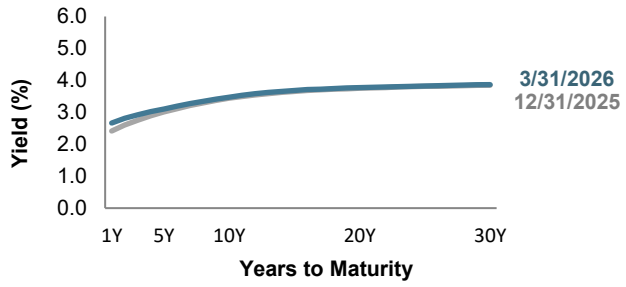
Germany



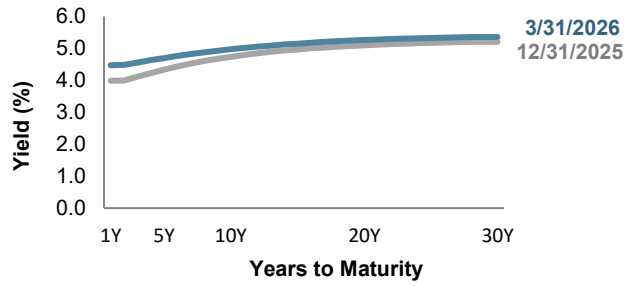
Japan



Canada



Australia



Changes in Yield (bps) Since 12/31/2025

	1Y	5Y	10Y	20Y	30Y
US	22.7	23.3	15.1	10.1	5.9
UK	80.1	49.4	38.6	35.3	33.1
Germany	52.3	27.9	14.1	6.0	-0.5
Japan	20.4	23.8	27.4	30.8	28.9
Canada	25.1	9.8	3.9	1.8	2.0
Australia	48.5	36.4	23.6	16.4	15.0

One basis point (bps) equals 0.01%. Source: ICE BofA government yield. ICE BofA index data © 2026 ICE Data Indices, LLC.

Geopolitical Risk

1st Quarter 2026

Wes Crill, PhD, Senior Client Solutions Director and Vice President, Dimensional Fund Advisors

Wars such as the one unfolding in Iran are always disturbing. For investors, there's additional concern over whether these conflicts will spill over into their investment performance. But it's important for investors to be cautious about making asset allocation changes in response to such events.

Markets are forward-looking. Prices move in response to changes in information. When unexpected developments arise that investors deem to be poor for markets, markets often drop. But the flip side is markets always set prices for positive expected returns. Once the news gets reflected in market prices, investors can still expect positive returns even amid worrisome circumstances.

This is borne out in historical stock returns. Global equity markets have continued an upward climb even in the face of economic and political upheavals. We don't have to look far for illustrative examples. During the past few years, stock markets have had positive returns despite multiple wars being fought around the world.

This is not to trivialize the destruction wars bring and their impact on geopolitical risks. But history suggests investors may not help themselves by divesting from stocks. For long-term investors, the best bet is usually to stay the course.

MARKETS HAVE REWARDED DISCIPLINE

Growth of $1—MSCI World Index (net dividends), 1970–2025

Geopolitical Risk

(continued from page 15)

Past performance is no guarantee of future results.

Glossary

Expected return: An estimate of average anticipated returns informed by historical data.

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