

# February's Uneven Market Strength

February 2026

Bank of Ireland Investment Markets

## February 2026 in a sentence

Global markets were broadly steady, with uneven regional returns – resilient US, Europe progressing, and Asia mixed – but the late-February escalation of conflict in the Middle East raised concerns over oil prices and increased market volatility\*.



## Key highlights - We remain confidently CAREful for 2026



Technology stocks no longer dominate returns



Lower interest rate expectations continue to drive returns



US company earnings remain impressive



Middle East conflict escalates

## February 2026 market activity\*

- President Trump announced **new global tariffs** (initially 10%, later signalled at 15%) after the US Supreme Court ruled against his previous tariffs. **Markets were unfazed**, interpreting the move as procedural.
- Following **heightened tensions in the Middle East** at the end of the month, **market volatility increased**. We saw oil prices rise as did the price of gold as investors sought safer assets.
- **Markets rotated** towards more-established, better value stocks as the possible alternative impact of AI\* came into focus.
- **Energy, materials** and **consumer staples** sectors **experienced strong gains**.
- US corporate **earnings** remain **impressive**.
- **US trade figures** reach **new highs** in spite of tariffs.
- Lower interest rate expectations continued to be supportive of markets.



## We remain confidently CAREful for 2026 - looking ahead

- We believe **global equities can continue to rally** this year, although the escalation in the Middle East conflict has brought **short-term volatility**.
- We expect **market returns to continue to broaden out** and to be **less dominated by technology stocks**. Industries linked to AI capital expenditure such as energy, utilities and telecommunications are likely to experience growth. Others like banking, retail and manufacturing, that are adopting AI at scale, are also likely to provide strong returns.
- We expect **the Fed to continue with its level-headed approach towards interest rates**.
- **Uncertainty remains high** and this is why we believe that **diversification**, by asset class and geography, is **key for investment resilience**.



\* Source: Bloomberg, 02.03.26.

\* Artificial Intelligence (AI).

**Warning: Past performance is not a reliable guide to future performance.**  
**Warning: The value of your investment may go down as well as up.**

# Performance Snapshot of Our Core Risk Managed Funds

## Fund Performance Highlights



- **iFunds** had a positive month as **global equities** made **further gains** and **bonds** had a **strong month**. Exposure to **gold** was also a **positive**.
- **Sentinel** and **PRIME Funds** both enjoyed **positive performance**, amid positive performance of **global equities** and **bonds**.
- **PruFunds** continued to provide a **smoother return** in line with the funds' objectives.

## Gross Performance as at 02 March 2026

Bank of Ireland Life Risk Rating



(Figures as at 02.03.26 are quoted gross of tax & charges)

Risk Rating	Asset Class	iFunds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.*	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	iFunds 3	1.5%	3.6%	7.9%	7.5%	4.0%	3.3%	Bank of Ireland Investment Markets
4	Multi-Asset	iFunds 3 Alpha	1.5%	3.3%	6.7%	7.9%	5.2%	4.9%	
4	Multi-Asset	iFunds 4	1.9%	4.9%	10.2%	10.2%	6.4%	5.9%	
4	Multi-Asset	iFunds 4 Alpha	1.8%	4.5%	8.8%	10.5%	7.1%	6.9%	
5	Multi-Asset	iFunds 5	2.3%	5.9%	11.8%	13.3%	9.3%	9.2%	
6	Equities	iFunds Equities	2.5%	6.2%	12.2%	16.6%	12.5%	12.3%	

Risk Rating	Asset Class	PRIME funds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	PRIME 3	1.3%	2.4%	3.6%	6.4%	3.9%	-	STATE STREET INVESTMENT MANAGEMENT
4	Multi-Asset	PRIME 4	2.1%	4.1%	4.4%	10.2%	7.0%	-	
5	Multi-Asset	PRIME 5	2.4%	4.6%	6.0%	12.4%	9.2%	-	
6	Equities	PRIME Equities	2.7%	5.3%	10.1%	15.8%	11.3%	-	

Risk Rating	Asset Class	PruFunds	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	PruFund Cautious	0.4%	1.3%	5.4%	5.9%	-	-	M&G Investments
4	Multi-Asset	PruFund Growth	4.0%	5.0%	6.8%	7.9%	-	-	

Risk Rating	Asset Class	Sentinel Fund	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	Investment Manager/ Advisor
3	Multi-Asset	Sentinel II Fund	2.0%	3.6%	4.8%	7.0%	3.0%	-	Bank of Ireland Investment Markets

\* P.A. - per annum. Source: Longboat Analytics. Performance as at 02.03.26, calculated using close of market prices from the previous working day, is quoted gross of tax and charges. An additional management charge above standard applies to the following funds:

- 0.10% p.a. applies to iFunds 3, 0.15% p.a. applies to iFund 3 Alpha, iFunds 4 and iFunds 5, 0.20% p.a. applies to iFunds 4 Alpha and iFunds Equities.
- 0.25% p.a. applies to PruFund Cautious and 0.35% p.a. applies to PruFund Growth.

**Warning: If you invest in these funds, you may lose some, or all, of the money you invest.**

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may go down as well as up.**

**Warning: These funds may be affected by changes in currency exchange rates.**

## Crisis in the Middle East:

### What happened and how it has impacted markets



As always with such geopolitical shocks, we will focus on the market and economic implications of this situation, but we acknowledge the profound human and political consequences.

#### What happened:

- On February 28, the **US and Israel launched a joint military campaign** targeting **Iran's regime leadership** and a wide array of **Iranian military infrastructure**. The strikes killed Supreme Leader Ayatollah Ali Khamenei and dozens of senior military officials.
- **Iran responded rapidly and broadly** across the Middle East, targeting US, Israeli, and Gulf assets launching missiles and drones at **US military installations across the region**, including:
  - **Kuwait, Bahrain, Qatar, UAE, Jordan, Saudi Arabia.**

#### What is key for markets – the Strait of Hormuz

- Despite initial falls, **global markets appear to have steadied** as at time of writing. The price of oil has risen, as expected, as well as the price of gold\*.
- The **real focus** is on the **Strait of Hormuz**. This is **one** of the **world's most critical shipping routes**, located in the Middle East, and it appears that it is **now virtually closed**.
- While **Iran has stated it has no intention to shut the Strait of Hormuz**, shipping companies have understandably paused transits for the time being.
- The Strait is a narrow and highly exposed passageway through which flows approximately:
  - 20% of global oil supply
  - 20% of global Liquefied Natural Gas (LNG)
  - Significant volumes of fertiliser (e.g. 33% of urea)
  - 7% of global aluminium supply

#### Looking ahead

- A prolonged disruption has the potential to impact multiple commodity markets, along with oil, cause higher inflation and lower company earnings.
- A **key question** now is **how long the current conflict might last** and how long could the Strait be closed. President Trump has mentioned a four-week timeframe.
- We **continue to monitor** the situation closely.

\* Source: Bloomberg, 03.03.26

As always, we encourage you to talk to an Advisor before making any change to your investment portfolio.

### Next Steps

To keep up to date with fund performance, visit [Fund Centre](#)

**Warning: If you invest in these funds, you may lose some, or all, of the money you invest.**

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may go down as well as up.**

**Warning: These funds may be affected by changes in currency exchange rates.**

Bank of Ireland Life reserves the right to review the risk categorisation of its funds at any time.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to specific issues without appropriate financial, insurance, investment or other professional advice. The content of this document is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment/pensions or to subscribe to any investment management advisory service. While the information is taken from sources we believe to be reliable, we do not guarantee its accuracy or completeness and any such information may be incomplete or condensed. All opinions and estimates constitute best judgement at the time of publication and are subject to change without notice.

For the purposes of Alternative Investment Fund Manager Directive, M&G Luxembourg S.A. acts as Alternative Investment Fund Manager for the M&G (Lux) Reserved Investment Funds (2), SCA SICAV-RAIF. The registered office of M&G Luxembourg S.A. is 16, Boulevard Royal, L-2449, Luxembourg.

M&G plc, incorporated and registered in England and Wales. Registered office: 10 Fenchurch Avenue, London EC3M 5AG. Registered number 11444019. M&G plc is a holding company, some of whose subsidiaries, including Prudential Assurance Company and M&G Investment Management Limited, are authorised and regulated, as applicable, by the Prudential Regulation Authority and the Financial Conduct Authority.

State Street Global Advisors Europe Limited is regulated by the Central Bank of Ireland. Registered office address 78 Sir John Rogerson's Quay, Dublin 2. Registered Number: 49934.

Index providers do not sponsor, advise, recommend, endorse or promote any Bank of Ireland Life funds and have no liability whatsoever to any person arising out of their investment in these funds.

Bank of Ireland trading as Bank of Ireland Investment Markets is regulated by the Central Bank of Ireland. A member of Bank of Ireland Group. Bank of Ireland is a tied agent of New Ireland Assurance Company plc for life and pensions business.

Life assurance and pension products are provided by New Ireland Assurance Company plc trading as Bank of Ireland Life. New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Central Bank of Ireland. Member of Bank of Ireland Group. Bank of Ireland Life may hold units in the fund mentioned on its own account.

Advice on Bank of Ireland Life products is provided by Bank of Ireland. Bank of Ireland, trading as Bank of Ireland Insurance & Investments or Bank of Ireland Premier, is regulated by the Central Bank of Ireland. Bank of Ireland is a tied agent of New Ireland Assurance Company plc for life assurance and pensions business. Member of Bank of Ireland Group.