

Cash Flow and Carey



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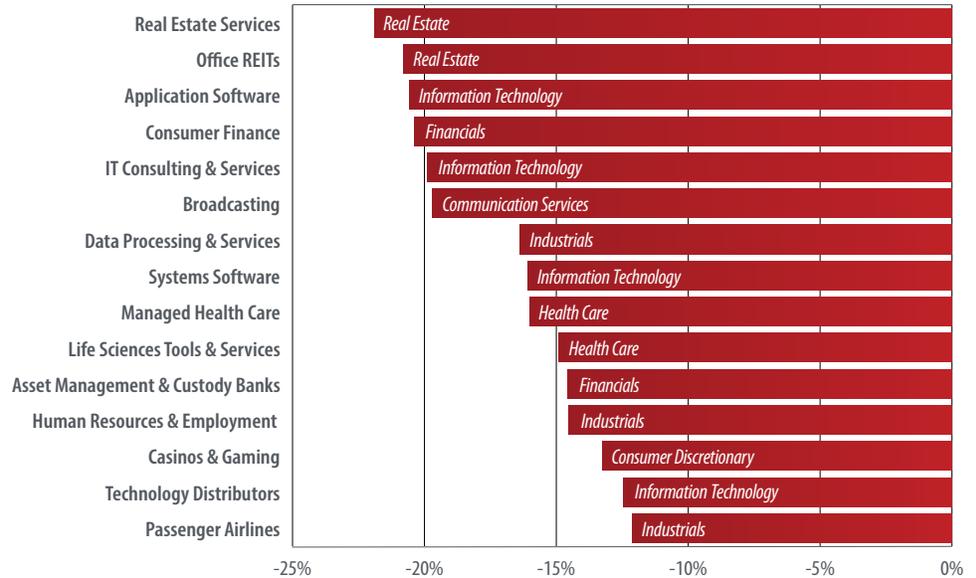
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Worst-Performing S&P 500 Index Subsectors YTD (thru 3/10)

Bottom 15 S&P 500 Index Subsector Total Returns (12/31/25 – 3/10/26)



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

Today's blog post is for those investors who want to drill down below the sector level to see what is not performing well in the stock market this year. The S&P 500 Index ("Index") was comprised of 11 sectors and 125 subsectors as of 3/6/26, according to S&P Dow Jones Indices. The 15 worst-performing subsectors in today's chart posted total returns ranging from -12.10% (Passenger Airlines) to -21.87% (Real Estate Services) over the period. [Click here](#) to view our last post on this topic.

- As indicated in the chart above, the S&P 500 Information Technology Index accounts for four of the 15 worst-performing subsectors year-to-date (YTD) through 3/10.
- Five of the 11 sectors that comprise the broader Index delivered negative total returns YTD through 3/10. Financials and Consumer Discretionary were the worst performers, generating total returns of -8.69% and -4.99%, respectively. The broader S&P 500 Index declined by 0.71% over the time frame.
- The smallest S&P 500 Index sector by weight was Real Estate at 1.98% as of 3/6/26, according to S&P Dow Jones Indices. Materials and Utilities were the next-largest sectors with weightings of 2.03% and 2.49%, respectively.

Takeaway

Four of the worst-performing subsectors in today's chart belong to the S&P 500 Information Technology Index. Information Technology is also the third-worst performing sector in the Index YTD, generating a total return of -4.07% through 3/10. Perhaps unsurprisingly, two of these four subsectors, Application Software and Systems Software, are related to the software industry, which came under pressure from AI disruption earlier this year. Financials generated the lowest total return of all 11 sectors at -8.69% YTD through 3/10. In our view, the sector's pullback is likely the result of a weakening labor market, rising delinquencies (among lower income households), and an indeterminate end to the war in Iran. As always, there are no guarantees, but there could be some potential deep value opportunities in this group of subsectors. For those investors who have interest, there are a growing number of packaged products, such as exchange-traded funds, that feature S&P 500 Index subsectors.