

Q1

Quarterly Market Review First Quarter 2025

Tariff Target Markets

1st Quarter 2025

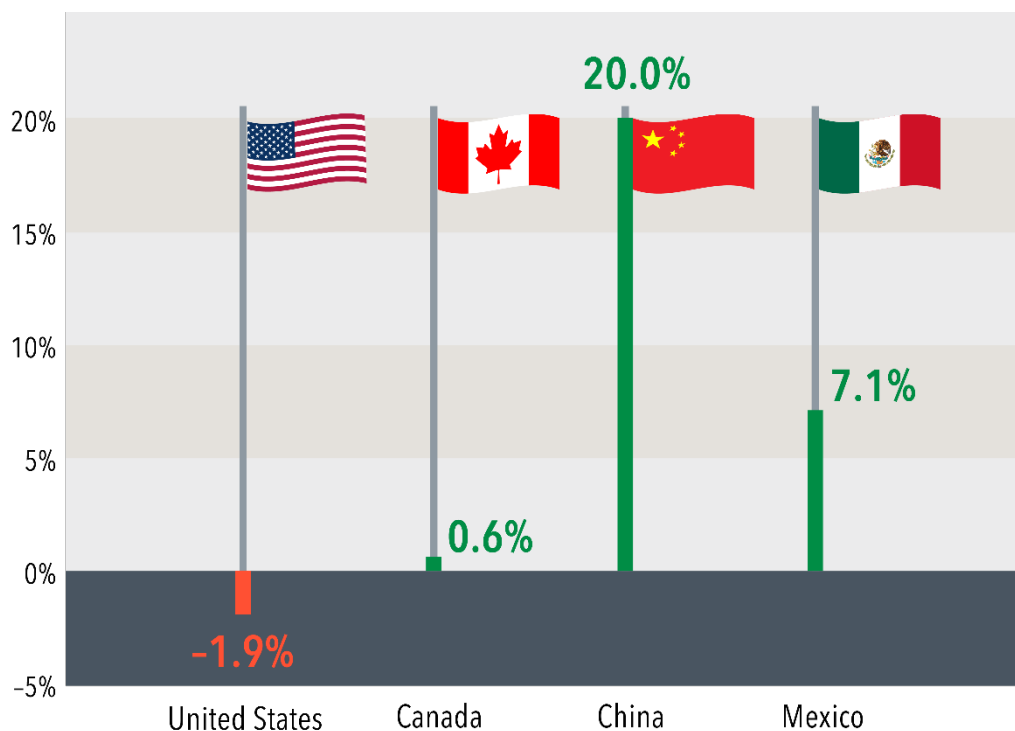
Non-US stocks have delivered a positive return thus far in 2025, helping offset the US stock market's disappointing start to the year. But some of the sources for these positive returns may be surprising to investors.

Potential fallout from tariffs has dominated the news cycle, and yet stocks of the primary targets for tariffs—Canada, Mexico, and China—are up for the year. A short sample for sure, but this echoes outcomes during Trump's first term in office, when the Chinese stock market outperformed the US despite contentious trade discussions throughout those four years.

The lack of negative impact on tariff-target stock markets doesn't mean investors have tuned out trade policy discussions. Market prices incorporate the aggregate expectations of investors. It could be that tariff developments thus far were in line with those expectations and therefore already priced in by the market.







INDEX RETURNS IN LOCAL CURRENCY

Year to date as of March 7, 2025



Quarterly Market Summary































Returns (USD), as of March 31, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2025	-4.72% 	6.20% 	2.93% 	1.37% 	2.78% 	-0.17% 
Since January 2001						
Average Quarterly Return	2.4%	1.6%	2.5%	2.2%	0.9%	0.9%
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

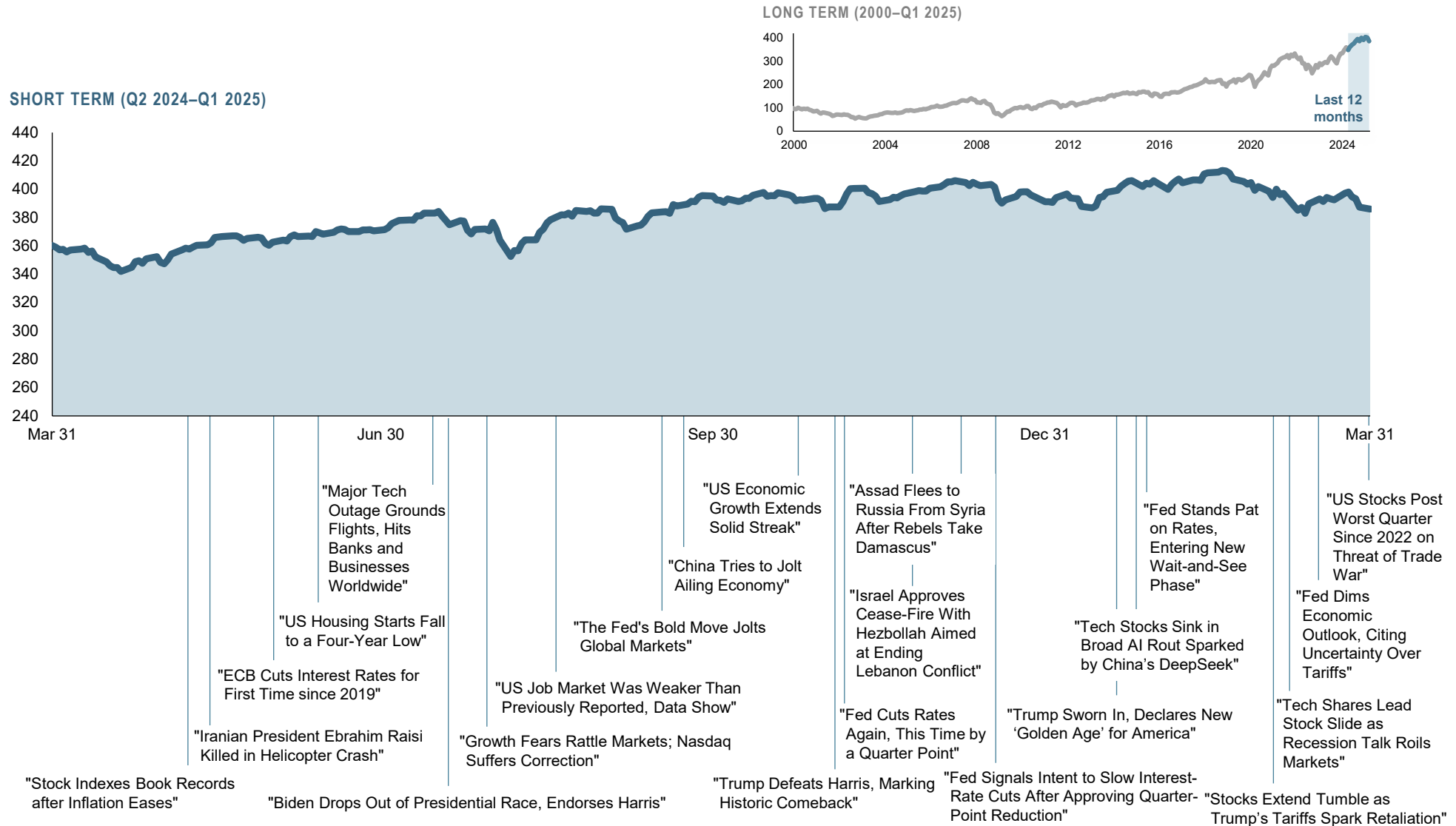
Returns (USD), as of March 31, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	7.22% 	5.30% 	8.09% 	5.44% 	4.88% 	4.19% 
5 Years	18.18% 	12.16% 	7.94% 	7.89% 	-0.40% 	0.87% 
10 Years	11.80% 	5.50% 	3.71% 	2.75% 	1.46% 	2.21% 
15 Years	12.76% 	5.57% 	3.05% 	6.03% 	2.44% 	3.06% 
20 Years	10.08% 	5.26% 	6.06% 	4.80% 	3.18% 	3.47% 

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World Stock Market Performance

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



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 2025, all rights reserved. Index level based at 100 starting January 2000.

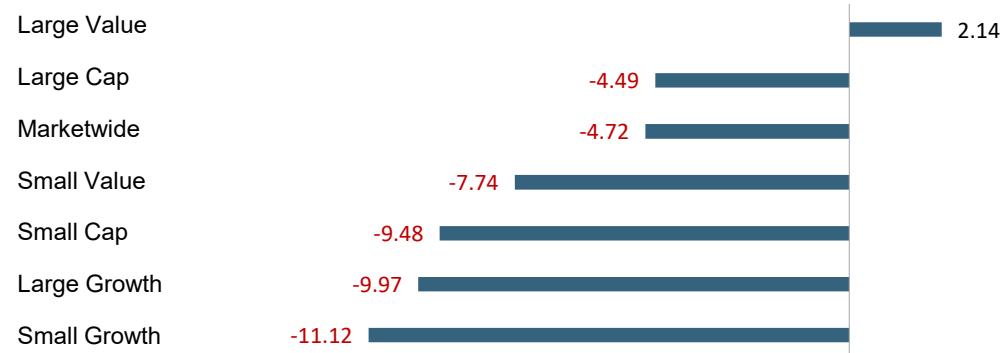
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

US Stocks

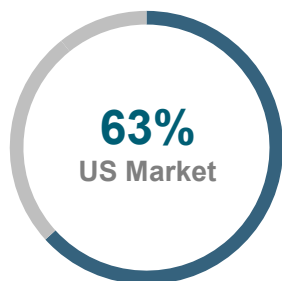
Returns (USD), 1st Quarter 2025

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

Ranked Returns (%)



World Market Capitalization



US Market
\$53.8 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Large Value	2.14	7.18	6.64	16.15	8.79	10.42	8.00
Large Cap	-4.49	7.82	8.65	18.47	12.18	13.02	10.24
Marketwide	-4.72	7.22	8.22	18.18	11.80	12.76	10.08
Small Value	-7.74	-3.12	0.05	15.31	6.07	8.19	6.80
Small Cap	-9.48	-4.01	0.52	13.27	6.30	8.98	7.55
Large Growth	-9.97	7.76	10.10	20.09	15.12	15.29	12.20
Small Growth	-11.12	-4.86	0.78	10.78	6.14	9.51	8.06

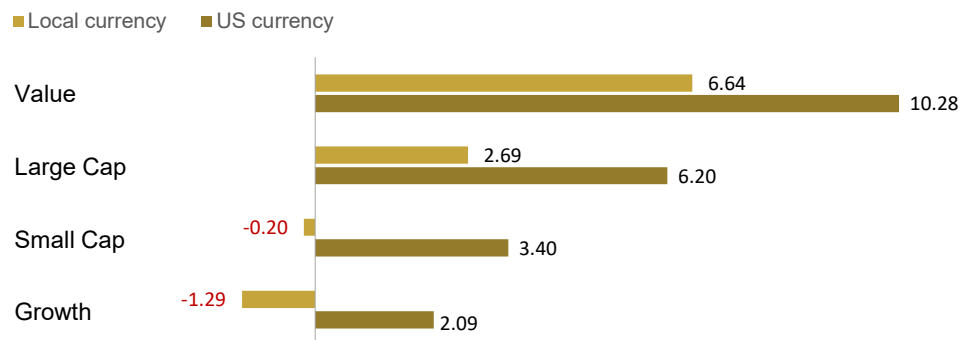
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International Developed Stocks

Returns (USD), 1st Quarter 2025

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

Ranked Returns (%)



World Market Capitalization



International Developed Market
\$22.1 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	10.28	12.86	8.99	15.14	5.30	5.16	4.84
Large Cap	6.20	5.30	5.70	12.16	5.50	5.57	5.26
Small Cap	3.40	3.58	0.81	10.71	5.42	6.15	5.64
Growth	2.09	-1.82	2.31	8.91	5.42	5.78	5.52

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Emerging Markets Stocks

Returns (USD), 1st Quarter 2025

- Emerging markets posted positive returns for the quarter and outperformed the US market, but underperformed non-US developed markets.
- Value outperformed growth.
- Small caps underperformed large caps.

Ranked Returns (%)

Local currency US currency



World Market Capitalization



Emerging Markets
\$9.1 trillion

Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	4.32	7.60	2.76	9.81	3.21	2.17	5.79
Large Cap	2.93	8.09	1.44	7.94	3.71	3.05	6.06
Growth	1.66	8.50	0.19	6.12	4.11	3.84	6.25
Small Cap	-5.49	-2.00	1.69	15.73	4.76	4.05	7.24

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Fixed Income

Returns (USD), 1st Quarter 2025

Within the US Treasury market, interest rates generally decreased during the quarter.

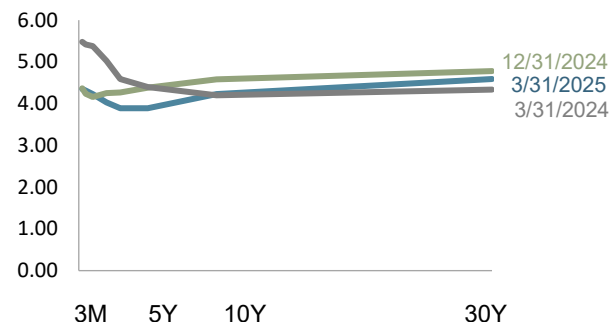
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 2 basis points (bps) to 4.38%, while the 1-Year US Treasury Bill yield decreased 13 bps to 4.03%. The yield on the 2-Year US Treasury Note decreased 36 bps to 3.89%.

The yield on the 5-Year US Treasury Note decreased 42 bps to 3.96%. The yield on the 10-Year US Treasury Note decreased 35 bps to 4.23%. The yield on the 30-Year US Treasury Bond decreased 19 bps to 4.59%.

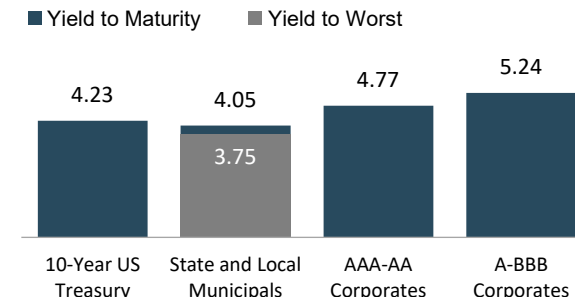
In terms of total returns, short-term US treasury bonds returned +2.04% while intermediate-term US treasury bonds returned +2.49%. Short-term corporate bonds returned +1.96% and intermediate-term corporate bonds returned +2.27%.¹

The total returns for short- and intermediate-term municipal bonds were +1.00% and +0.64%, respectively. Within the municipal fixed income market, general obligation bonds returned -0.29% while revenue bonds returned -0.22%.²

US Treasury Yield Curve (%)



Bond Yield Across Issuers (%)



Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg U.S. Government Bond Index Long	4.67	1.28	-7.17	-7.83	-0.54	3.01	3.56
Bloomberg U.S. TIPS Index	4.17	6.17	0.06	2.36	2.51	3.10	3.53
Bloomberg U.S. Aggregate Bond Index	2.78	4.88	0.52	-0.40	1.46	2.44	3.18
FTSE World Government Bond Index 1-5 Years	2.75	4.26	0.67	-0.12	0.71	0.22	1.28
FTSE World Government Bond Index 1-5 Years (hedged to USD)	1.43	5.52	2.90	1.27	1.75	1.75	2.43
ICE BofA 1-Year US Treasury Note Index	1.05	4.98	3.42	1.88	1.73	1.28	1.86
ICE BofA US 3-Month Treasury Bill Index	1.02	4.97	4.23	2.56	1.87	1.27	1.68
Bloomberg U.S. High Yield Corporate Bond Index	1.00	7.69	4.98	7.29	5.01	6.19	6.59
Bloomberg Municipal Bond Index	-0.22	1.22	1.53	1.07	2.13	3.11	3.48

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 (S&BBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2025 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2025 ICE Data Indices, LLC. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg data provided by Bloomberg.

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