

Q2

Quarterly Market Review

Second Quarter 2025



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: Is Gold a Safe Haven?

Quarterly Market Summary

Returns (USD), as of June 30, 2025

| | Stocks | | | | Bonds | |
|---------------------------|-----------------|--------------------------------|-------------------------|--------------------|----------------|--------------------------|
| | US Stock Market | International Developed Stocks | Emerging Markets Stocks | Global Real Estate | US Bond Market | Global Bond Market ex US |
| Q2 2025 | 10.99% | 12.05% | 11.99% | 2.74% | 1.21% | 1.93% |
| | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Since January 2001 | | | | | | |
| Average Quarterly Return | 2.5% | 1.7% | 2.6% | 2.2% | 0.9% | 1.0% |
| Best Quarter | 22.0% | 25.9% | 34.7% | 32.3% | 6.8% | 5.4% |
| | 2020 Q2 | 2009 Q2 | 2009 Q2 | 2009 Q3 | 2023 Q4 | 2023 Q4 |
| Worst Quarter | -22.8% | -23.3% | -27.6% | -36.1% | -5.9% | -4.1% |
| | 2008 Q4 | 2020 Q1 | 2008 Q4 | 2008 Q4 | 2022 Q1 | 2022 Q1 |

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Long-Term Market Summary

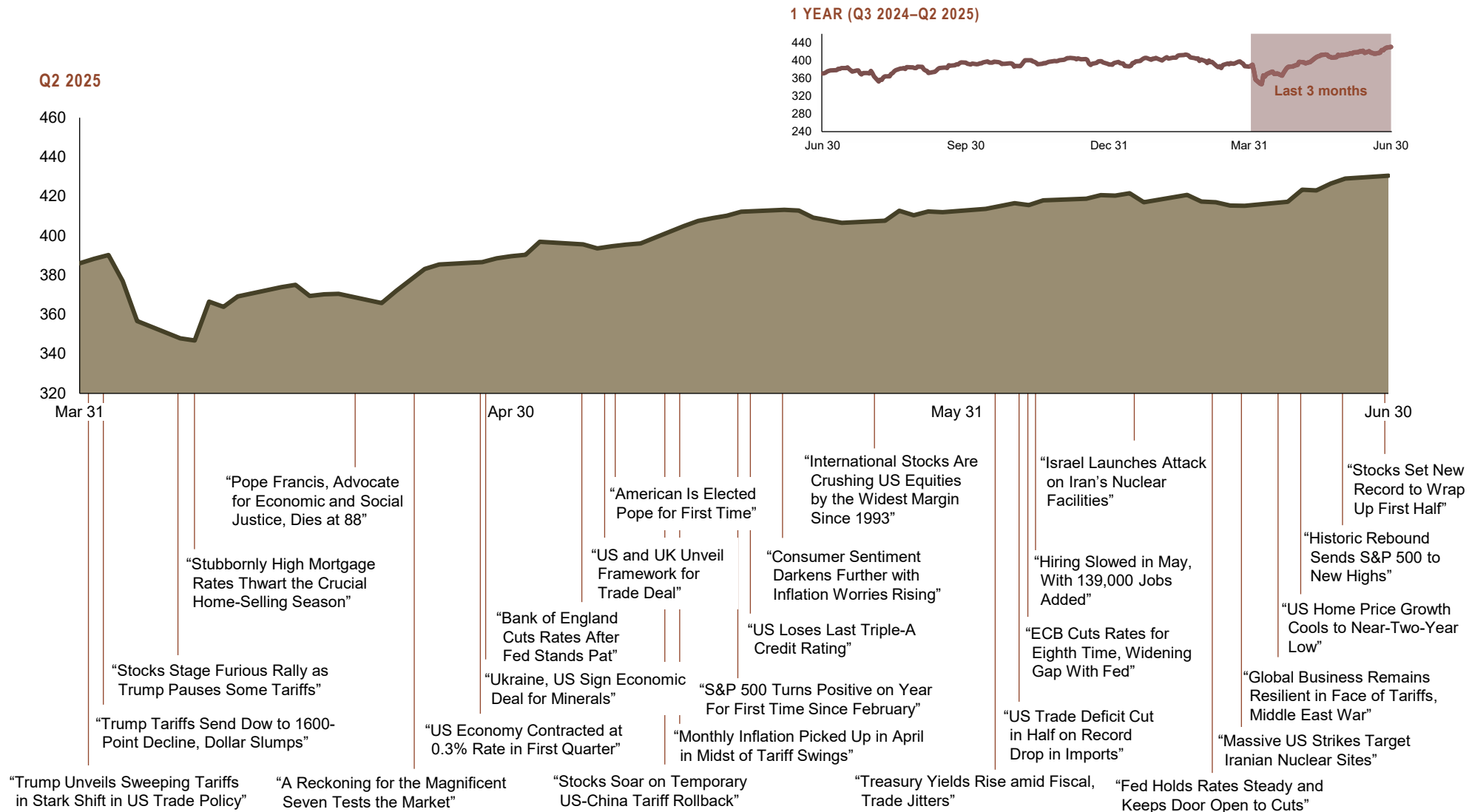
Returns (USD), as of June 30, 2025

| | Stocks | | | | Bonds | |
|----------|-----------------|--------------------------------|-------------------------|--------------------|----------------|--------------------------|
| | US Stock Market | International Developed Stocks | Emerging Markets Stocks | Global Real Estate | US Bond Market | Global Bond Market ex US |
| 1 Year | 15.30% ↑ | 18.70% ↑ | 15.29% ↑ | 9.96% ↑ | 6.08% ↑ | 6.09% ↑ |
| 5 Years | 15.96% ↑ | 11.51% ↑ | 6.81% ↑ | 6.20% ↑ | -0.73% ↓ | 0.91% ↑ |
| 10 Years | 12.96% ↑ | 6.65% ↑ | 4.81% ↑ | 3.88% ↑ | 1.76% ↑ | 2.68% ↑ |
| 15 Years | 14.46% ↑ | 7.42% ↑ | 4.44% ↑ | 6.71% ↑ | 2.29% ↑ | 3.09% ↑ |
| 20 Years | 10.53% ↑ | 5.90% ↑ | 6.45% ↑ | 4.37% ↑ | 3.09% ↑ | 3.41% ↑ |

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q2 2025



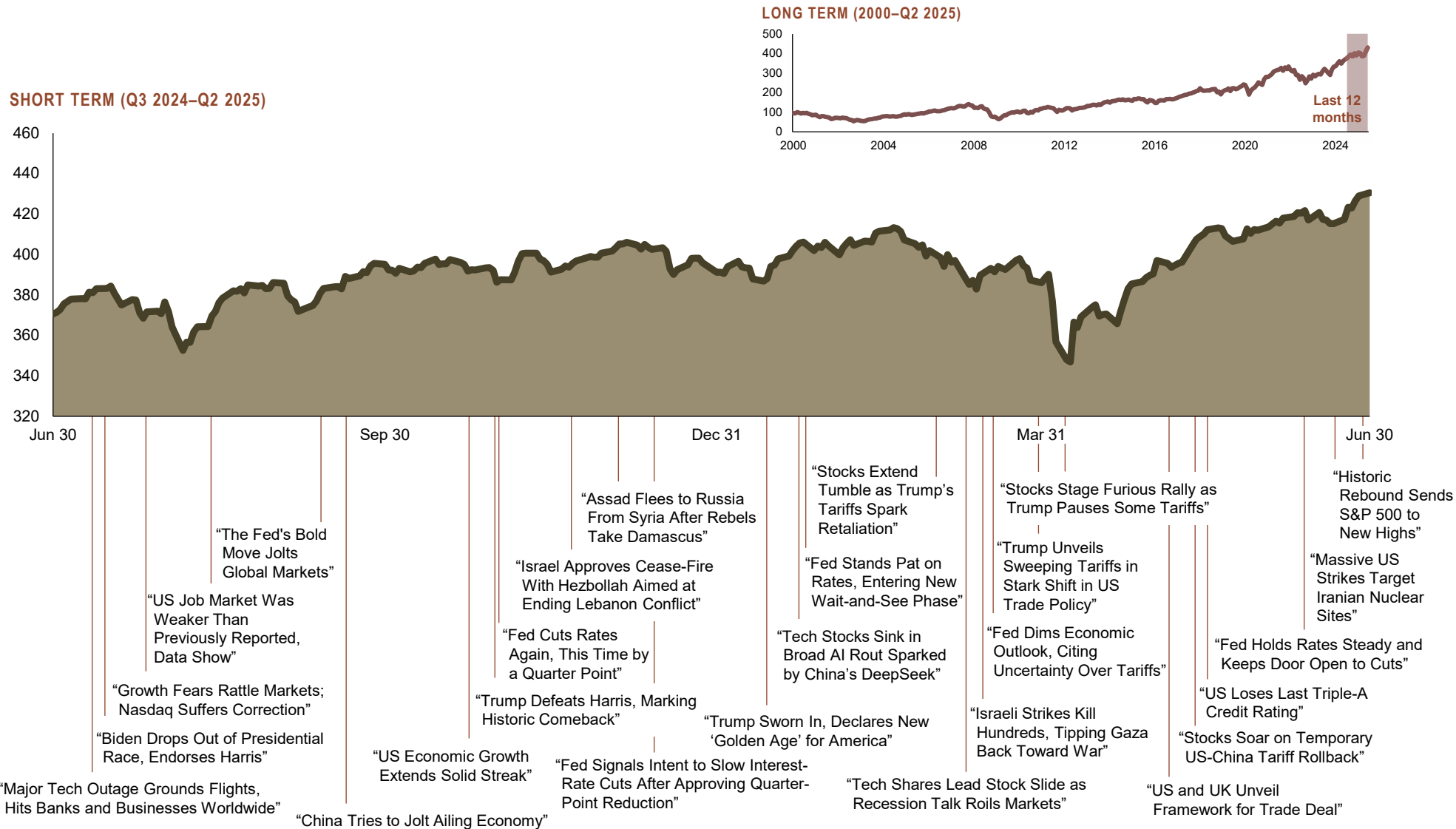
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

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.**

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.

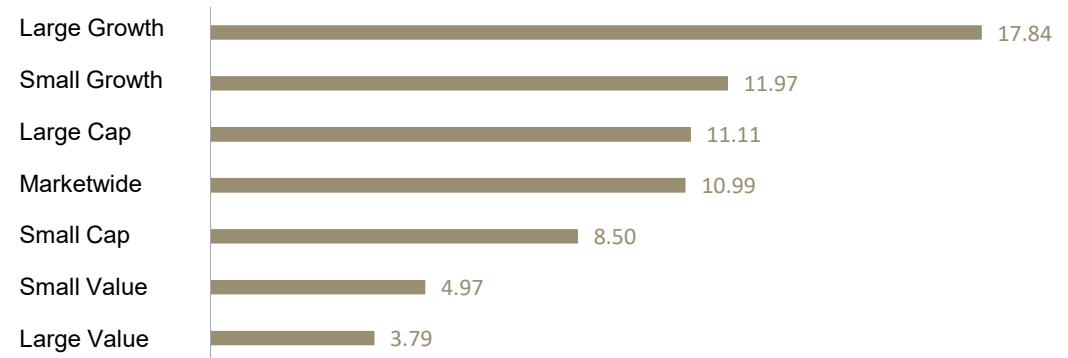
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

US Stocks

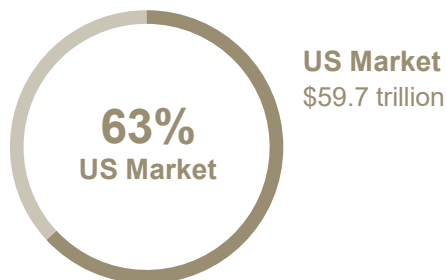
Returns (USD), 2nd Quarter 2025

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

Ranked Returns (%)



World Market Capitalization



Periodic Returns (%)

| Asset Class | QTR | YTD | ANNUALIZED | | | | | |
|--------------|-------|-------|------------|---------|---------|----------|----------|----------|
| | | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Large Growth | 17.84 | 6.09 | 17.22 | 25.76 | 18.15 | 17.01 | 17.54 | 12.99 |
| Small Growth | 11.97 | -0.48 | 9.73 | 12.38 | 7.42 | 7.14 | 11.06 | 8.49 |
| Large Cap | 11.11 | 6.12 | 15.66 | 19.59 | 16.30 | 13.35 | 14.74 | 10.71 |
| Marketwide | 10.99 | 5.75 | 15.30 | 19.08 | 15.96 | 12.96 | 14.46 | 10.53 |
| Small Cap | 8.50 | -1.79 | 7.68 | 10.00 | 10.04 | 7.12 | 10.35 | 7.76 |
| Small Value | 4.97 | -3.16 | 5.54 | 7.45 | 12.47 | 6.72 | 9.35 | 6.80 |
| Large Value | 3.79 | 6.00 | 13.70 | 12.76 | 13.93 | 9.19 | 11.57 | 8.11 |

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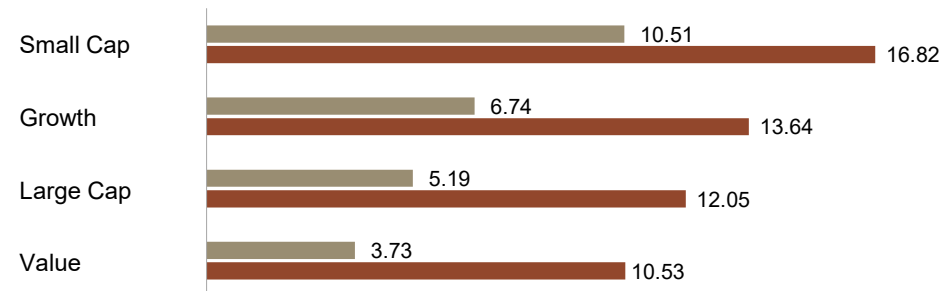
International Developed Stocks

Returns (USD), 2nd Quarter 2025

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

Ranked Returns (%)

■ Local currency ■ US currency



World Market Capitalization



**International
Developed Market**
\$24.7 trillion

Periodic Returns (%)

| Asset Class | QTR | YTD | ANNUALIZED | | | | | |
|-------------|-------|-------|------------|---------|---------|----------|----------|----------|
| | | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Small Cap | 16.82 | 20.79 | 22.92 | 13.40 | 9.82 | 6.64 | 8.11 | 6.47 |
| Growth | 13.64 | 16.02 | 12.63 | 13.72 | 8.11 | 6.69 | 7.61 | 6.23 |
| Large Cap | 12.05 | 18.99 | 18.70 | 15.73 | 11.51 | 6.65 | 7.42 | 5.90 |
| Value | 10.53 | 21.90 | 24.96 | 17.76 | 14.76 | 6.34 | 7.03 | 5.41 |

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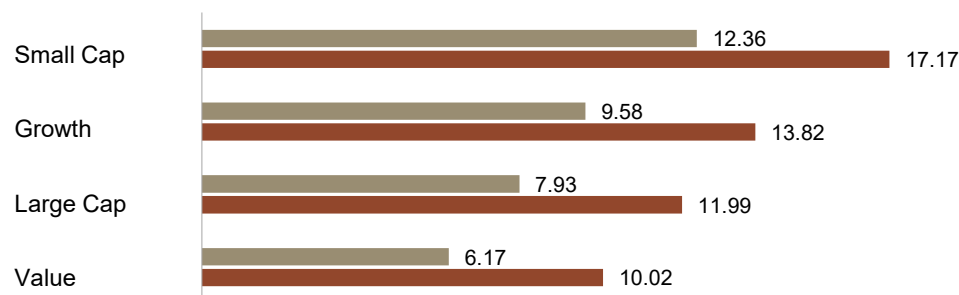
Emerging Markets Stocks

Returns (USD), 2nd Quarter 2025

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

Ranked Returns (%)

Local currency US currency



World Market Capitalization



Emerging Markets
\$10.2 trillion

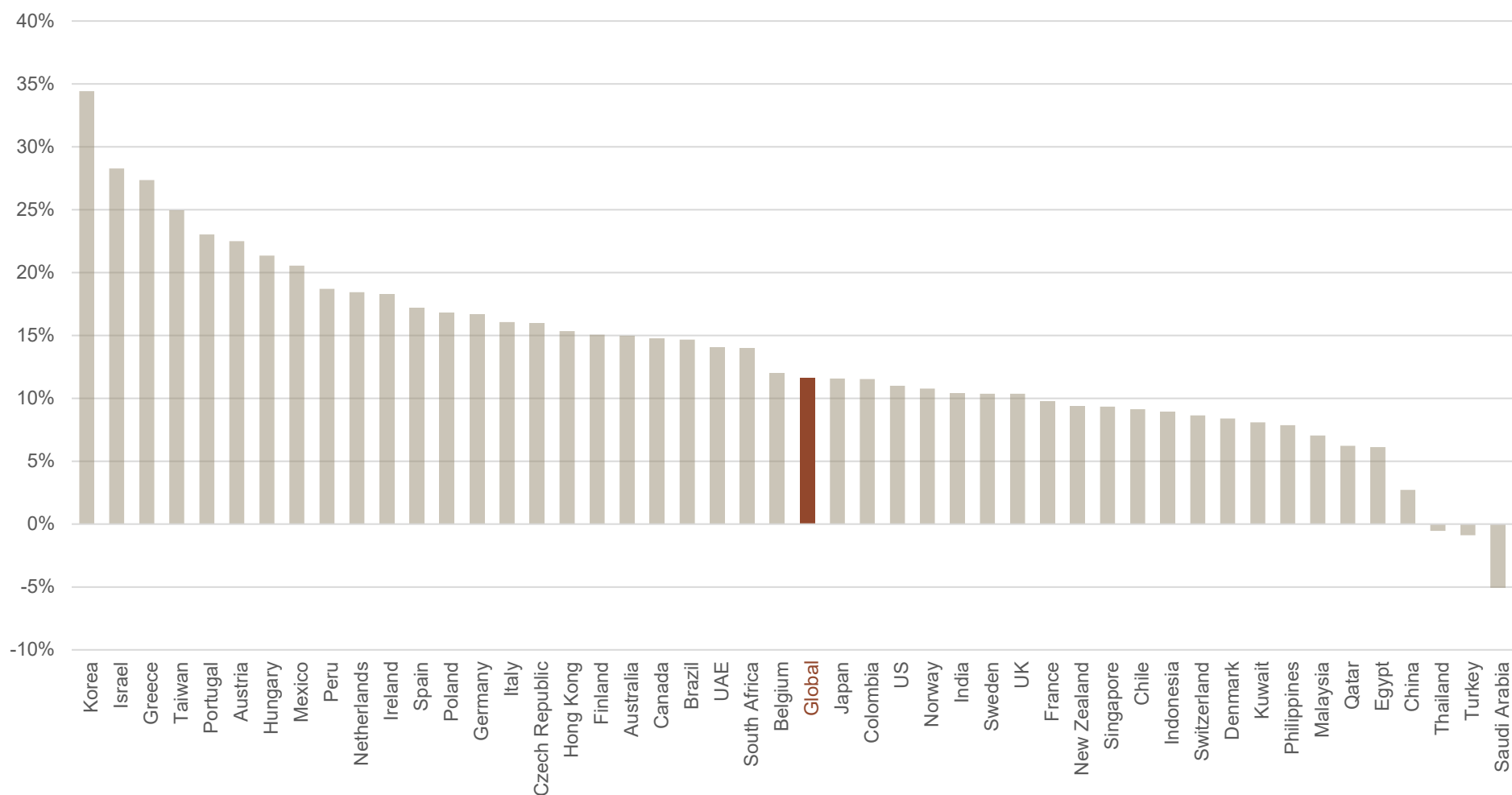
Periodic Returns (%)

| Asset Class | QTR | YTD | ANNUALIZED | | | | | |
|-------------|-------|-------|------------|---------|---------|----------|----------|----------|
| | | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Small Cap | 17.17 | 10.74 | 8.40 | 13.81 | 13.86 | 5.97 | 5.66 | 7.95 |
| Growth | 13.82 | 15.72 | 17.69 | 9.18 | 4.64 | 5.49 | 5.39 | 6.74 |
| Large Cap | 11.99 | 15.27 | 15.29 | 9.70 | 6.81 | 4.81 | 4.44 | 6.45 |
| Value | 10.02 | 14.77 | 12.66 | 10.22 | 9.07 | 4.01 | 3.39 | 6.07 |

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Country Returns

Returns (USD), 2nd Quarter 2025



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Real Estate Investment Trusts (REITs)

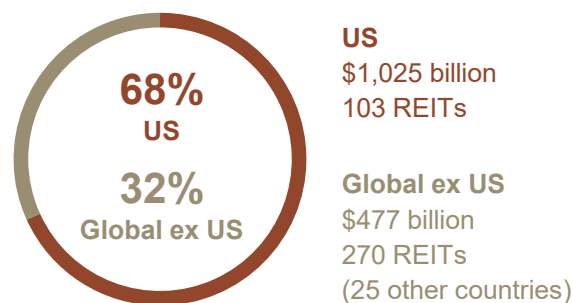
Returns (USD), 2nd Quarter 2025

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

Ranked Returns (%)



Total Value of REIT Stocks



Periodic Returns (%)

| Asset Class | QTR | YTD | ANNUALIZED | | | | | |
|--------------------|-------|-------|------------|---------|---------|----------|----------|----------|
| | | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Global ex US REITS | 14.21 | 18.14 | 16.74 | 3.60 | 3.84 | 1.84 | 5.10 | 2.92 |
| US REITS | -1.71 | -0.56 | 8.09 | 4.77 | 8.55 | 5.45 | 8.36 | 6.11 |

Commodities

Returns (USD), 2nd Quarter 2025

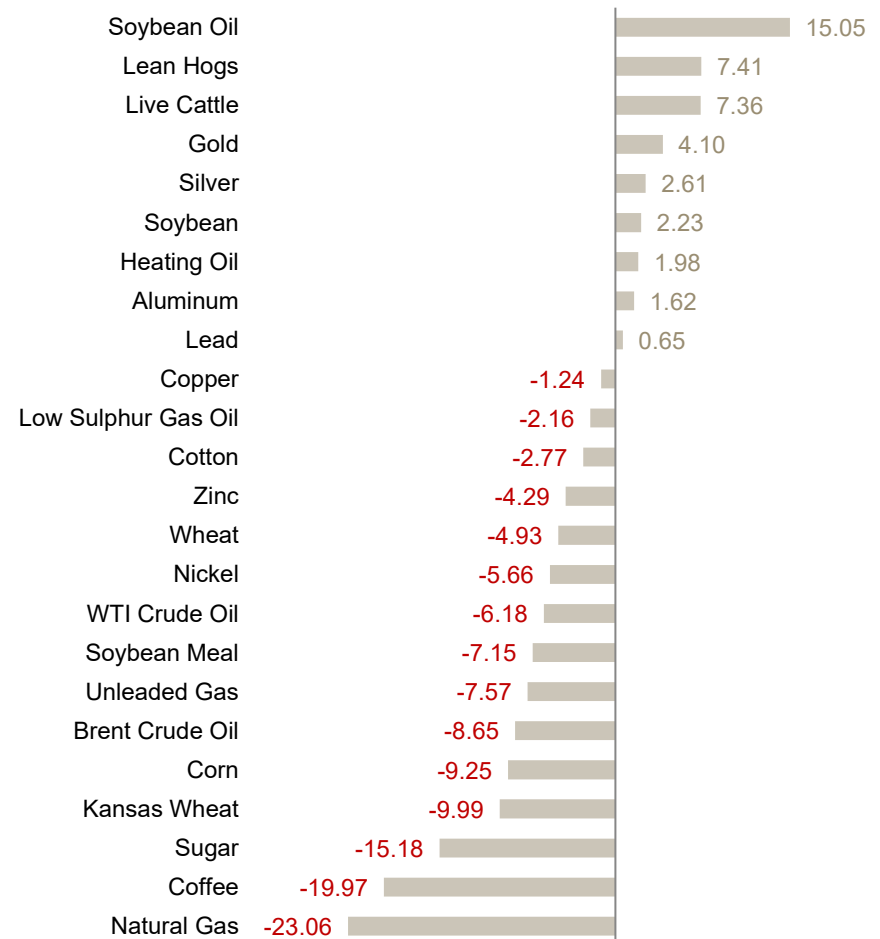
The Bloomberg Commodity Total Return Index returned -3.08% for the second quarter of 2025.

Natural Gas and Coffee were the worst performers, returning -23.06% and -19.97% during the quarter, respectively. Soybean Oil and Lean Hogs were the best performers, returning +15.05% and +7.41% during the quarter, respectively.

Commodities Periodic Returns (%)

| QTR | YTD | ANNUALIZED | | | | | |
|-------|------|------------|---------|---------|----------|----------|----------|
| | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| -3.08 | 5.53 | 5.77 | 0.13 | 12.68 | 1.99 | -0.02 | -0.35 |

Commodities Ranked Returns (%)



Fixed Income

Returns (USD), 2nd Quarter 2025

During the quarter, short- to intermediate-term interest rates decreased, and long-term interest rates increased within the US Treasury market.

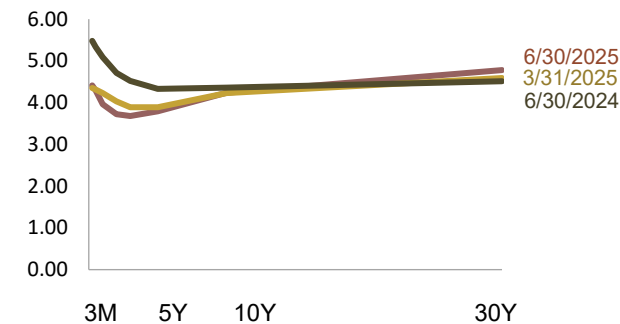
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 10 basis points (bps) to 4.28%, while the 1-Year US Treasury Bill yield decreased 7 bps to 3.96%. The yield on the 2-Year US Treasury Note decreased 17 bps to 3.72%.

The yield on the 5-Year US Treasury Note decreased 17 bps to 3.79%. The yield on the 10-Year US Treasury Note increased 1 bp to 4.24%. The yield on the 30-Year US Treasury Bond increased 19 bps to 4.78%.

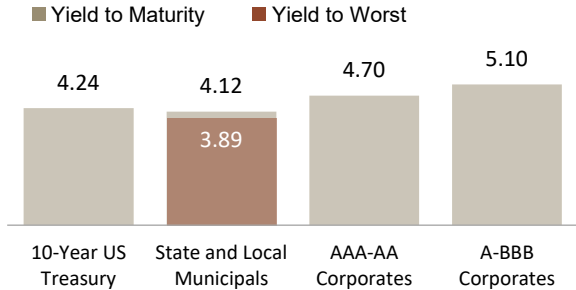
In terms of total returns, short-term US treasury bonds returned +1.67% while intermediate-term US treasury bonds returned +1.46%. Short-term corporate bonds returned +1.80% and intermediate-term corporate bonds returned +2.12%.¹

The total returns for short- and intermediate-term municipal bonds were +1.06% and +1.21%, respectively. Within the municipal fixed income market, general obligation bonds returned 0.00% while revenue bonds returned -0.20%.²

US Treasury Yield Curve (%)



Bond Yield Across Issuers (%)



Periodic Returns (%)

| Asset Class | QTR | YTD | ANNUALIZED | | | | | |
|--|-------|-------|------------|---------|---------|----------|----------|----------|
| | | | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| FTSE World Government Bond Index 1-5 Years | 4.17 | 7.03 | 8.67 | 3.54 | 0.42 | 1.05 | 0.55 | 1.63 |
| Bloomberg U.S. High Yield Corporate Bond Index | 3.53 | 4.57 | 10.29 | 9.93 | 5.97 | 5.38 | 6.44 | 6.62 |
| FTSE World Government Bond Index 1-5 Years (hedged to USD) | 1.52 | 2.97 | 6.20 | 3.74 | 1.46 | 1.92 | 1.79 | 2.42 |
| Bloomberg U.S. Aggregate Bond Index | 1.21 | 4.02 | 6.08 | 2.55 | -0.73 | 1.76 | 2.29 | 3.09 |
| ICE BofA US 3-Month Treasury Bill Index | 1.04 | 2.07 | 4.68 | 4.56 | 2.76 | 1.98 | 1.34 | 1.69 |
| ICE BofA 1-Year US Treasury Note Index | 0.90 | 1.96 | 4.76 | 3.90 | 2.07 | 1.81 | 1.32 | 1.86 |
| Bloomberg U.S. TIPS Index | 0.48 | 4.67 | 5.84 | 2.34 | 1.61 | 2.67 | 2.88 | 3.40 |
| Bloomberg Municipal Bond Index | -0.12 | -0.35 | 1.11 | 2.50 | 0.51 | 2.20 | 2.96 | 3.32 |
| Bloomberg U.S. Government Bond Index Long | -1.51 | 3.08 | 1.58 | -3.66 | -8.16 | 0.15 | 2.14 | 3.09 |

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 (SBBBI) 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.

Global Fixed Income

Yield curves, 2nd Quarter 2025

Except for Canada and Japan, interest rates decreased in the global developed markets for the quarter.

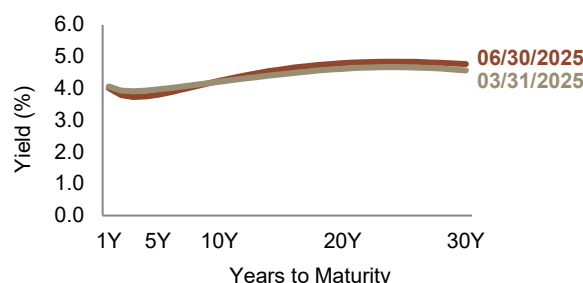
Realized term premiums were generally mixed across global developed markets. Intermediate-term bonds generally outperformed both short-term and long-term bonds during the quarter.

In Canada, interest rates increased across all maturity segments. In Japan, short- to intermediate-term interest rates decreased, and long-term interest rates increased. The short-term segment of the yield curve remained flat to inverted in Germany, Canada and Australia. However, the short-term segment of the yield curve in the UK remained upwardly sloped.

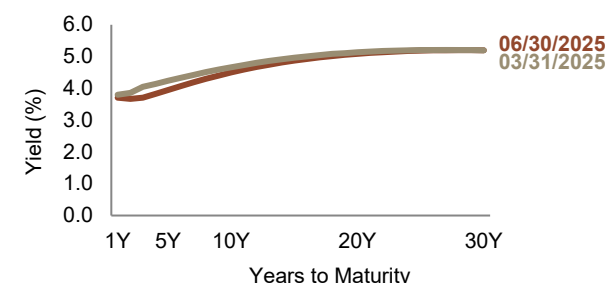
Changes in Yield (bps) Since 03/31/2025

| | 1Y | 5Y | 10Y | 20Y | 30Y |
|-----------|-------|-------|-------|-------|-------|
| US | -5.6 | -16.6 | 3.1 | 17.3 | 20.2 |
| UK | -9.1 | -28.7 | -16.7 | -4.6 | 0.2 |
| Germany | -20.7 | -13.8 | -11.4 | -5.4 | 0.5 |
| Japan | -5.5 | -12.7 | -2.5 | 13.6 | 27.9 |
| Canada | 9.5 | 23.2 | 29.2 | 31.8 | 31.7 |
| Australia | -49.3 | -38.9 | -24.2 | -18.1 | -12.4 |

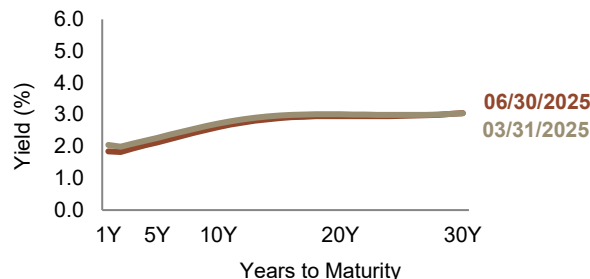
US



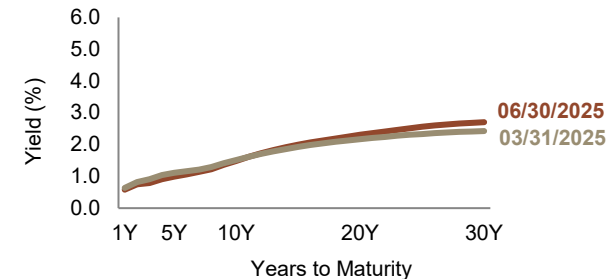
UK



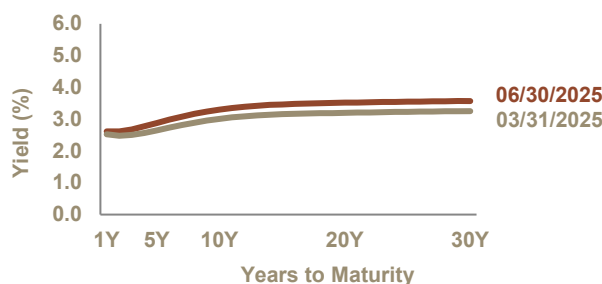
Germany



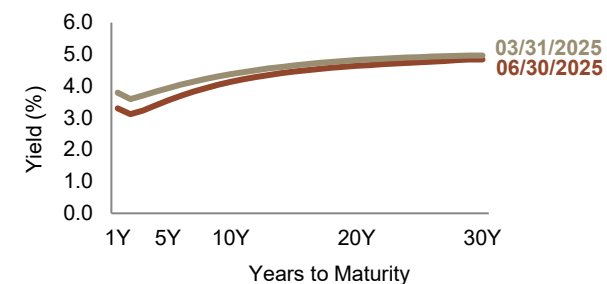
Japan



Canada



Australia



Is Gold a Safe Haven?

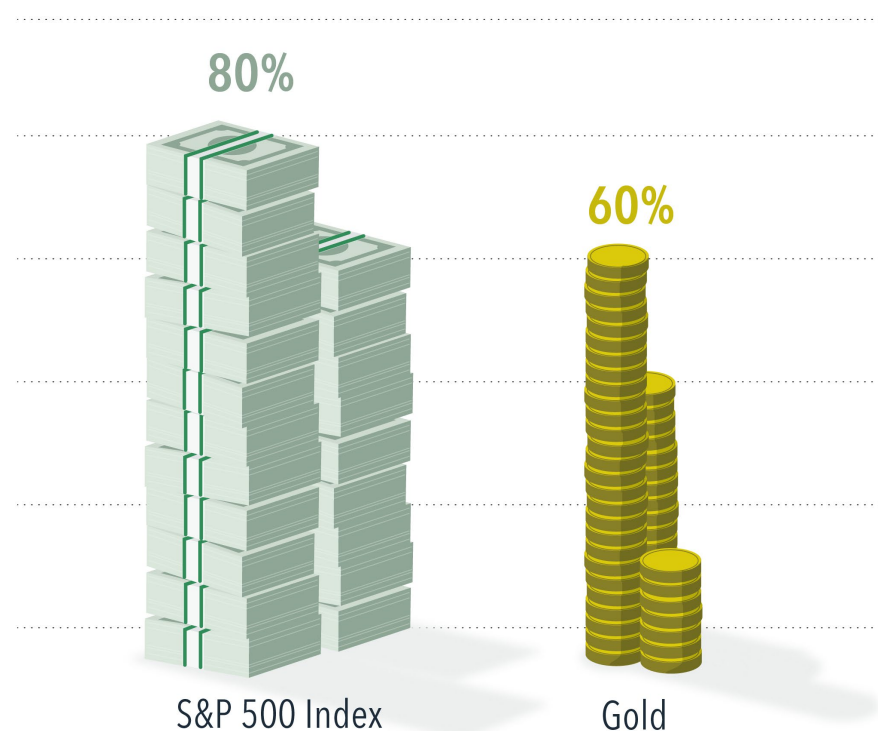
2nd Quarter 2025

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

Not since the release of the third Austin Powers movie have I heard so much talk about gold. Stellar recent returns account for some of that—gold was up 25% year-to-date as of April 30. But another reason is the belief among some market participants that gold represents a safe haven, an asset to stabilize the portfolio when equity markets are choppy.

The problem with that story is gold has been far from immune to drawdowns. In fact, since 1970, gold has been positive in just 60% of calendar years, while the S&P 500 Index has been positive in 80%. Investors hoping for a safe haven may not find it with gold.

FREQUENCY OF POSITIVE CALENDAR-YEAR RETURNS 1970–2024



Is Gold a Safe Haven?

(continued from page 15)

Past performance is no guarantee of future results.

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