

Q1

Quarterly Market Review

First 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.

Overview:

Quarterly Market Commentary

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 Market Commentary

First Quarter 2025 – April 9, 2025

Headlines have often been unsettling this year. Trade tensions, recession fears, inflation concerns, and federal budget cuts have contributed to market gyrations. Stock-market volatility spiked in late February and early March, and the S&P 500 dipped into correction territory.

This kind of turbulence can be worrying. Fortunately, perspective can help calm frazzled nerves.

Investors often associate volatility with losses, but that's not the full picture. Volatility measures how much asset prices fluctuate relative to an average—both up and down.

Remember: Investing isn't about chasing the biggest returns; it's about maximizing your ability to achieve your life goals.

Periods of heightened market volatility can create a sense of uncertainty, but they don't necessarily signal long-term decline. History has shown that markets often recover—and even grow significantly—after turbulent stretches.

While short-term fluctuations may be dramatic, maintaining a disciplined, long-term investment approach can position investors to benefit from future rebounds. For long-term investors, it's important to maintain perspective during these times.

A Word on Down Markets

The **S&P 500 lost 4.6%** in the first quarter of 2025. Between February 19 and **mid-March**, it fell more than 10% from its high, inching into correction territory.

It's completely natural to feel uneasy when markets decline, but once again, perspective is key. Remember that no one can predict the future, which may look very different than the recent past. As CFA Rubin Miller put it in his **newsletter**, "The market is never 'going down'—it only has gone down and may go down further." Stocks may turn up six months from now or this afternoon.

Downturns are a routine part of market cycles. Naming these drops can be empowering—much like the tale of Rumpelstiltskin, in which a young woman gains power over a troublesome little man after discovering his name. To that end:

- A dip is a small, temporary drop in stock prices
- A correction is a decline of 10% to 20%
- A bear market is a loss of 20% or more

Downturns are fairly frequent, and they don't last forever. The S&P 500 has had **27 corrections** since November 1974, including the one in March. Only six of those became bear markets.

What's more, upturns tend to last a lot longer than downturns. There have been **18 bear markets** in the S&P 500 since 1926, lasting a total of 177 months. By contrast, there have been 19 bull markets, and they have lasted nearly 1,000 total months.

A correction does not necessarily mean a bad year. The broad Russell 3000 stock index had intra-year declines of at least 10% in 25 of the last 45 calendar years, according to research from Dimensional. The index ended the year up in 17 of those 25 years.

Charting a Course

The market may have you feeling seasick about now. But through all the ups and downs over the years, stocks have stayed on a positive long-term trajectory. Your portfolio is designed to help you capitalize on the market's long-term growth, with proper diversification and rebalancing to help manage the rough times. Only changes in your goals or circumstances should require adjustments to your plan.

Regards,

Eric Hutchens



President & Chief Investment Officer
Allodium Investment Consultants

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

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. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2025, all rights reserved. Bloomberg data provided by Bloomberg.

Long-Term Market Summary

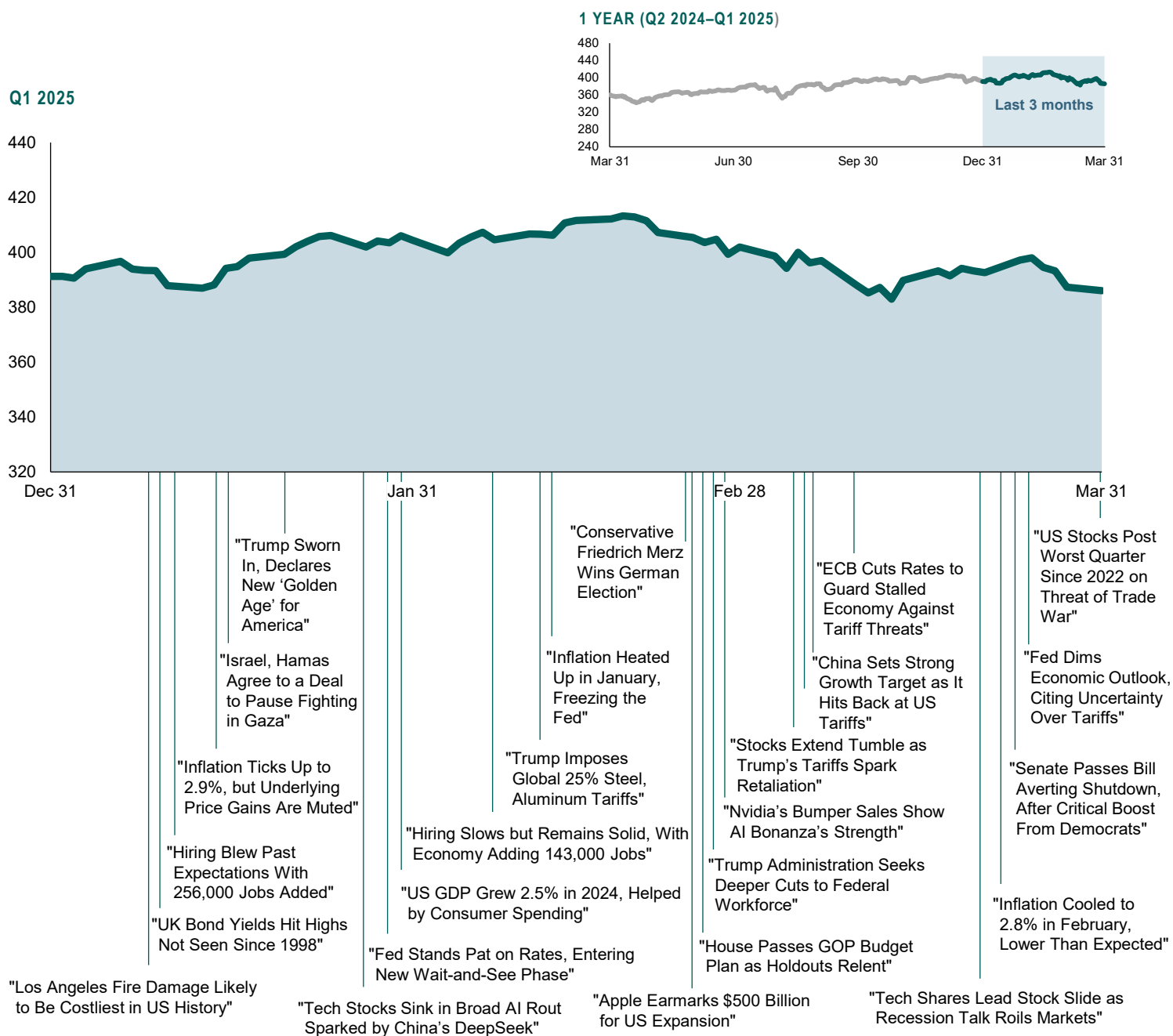
Returns (USD), as of March 31, 2025

	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% 

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. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2025, all rights reserved. Bloomberg data provided by Bloomberg.

World Stock Market Performance

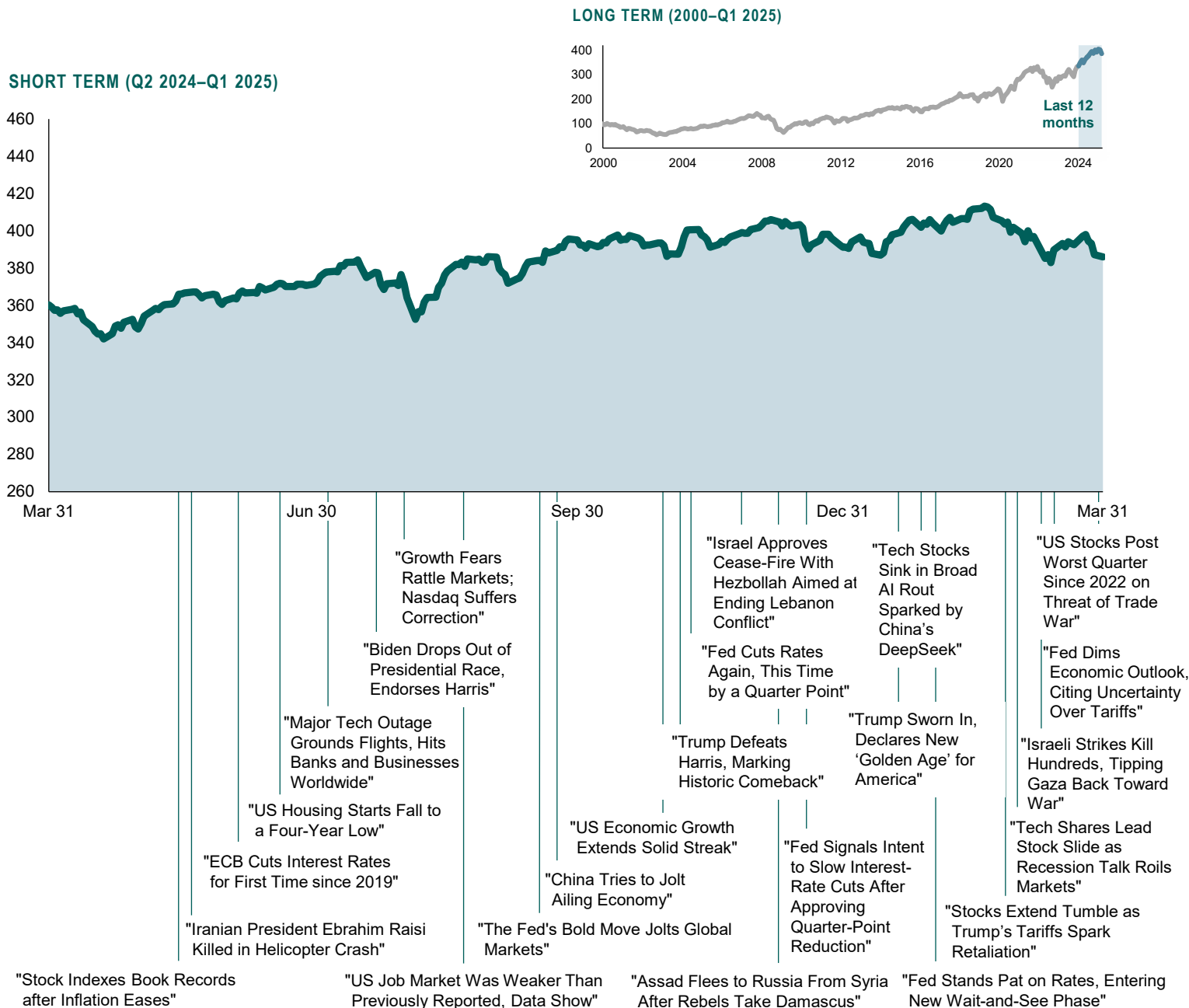
MSCI All Country World Index with selected headlines from Q1 2025



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.

World Stock Market Performance

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



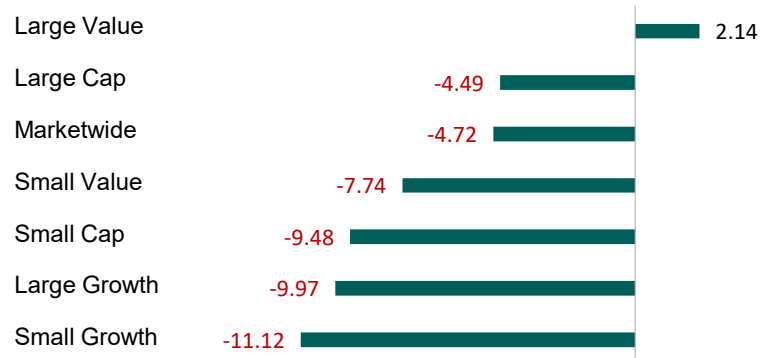
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

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 (%)



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

World Market Capitalization

63% US Market
\$53.8 trillion

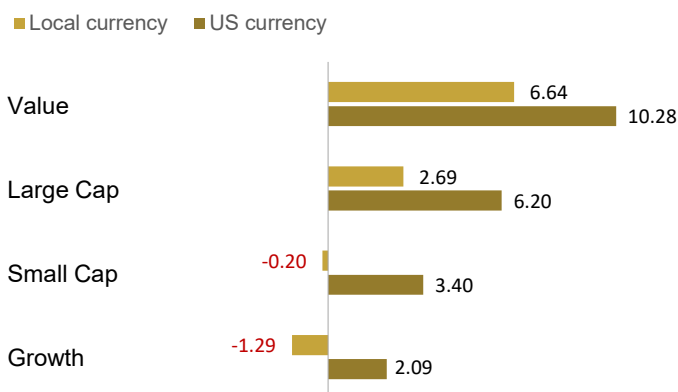
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Value (Russell 1000 Value Index), Large Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Value (Russell 2000 Value Index), and Small Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

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 (%)



Periodic Returns (%)

ANNUALIZED

Asset Class	QTR	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

World Market Capitalization



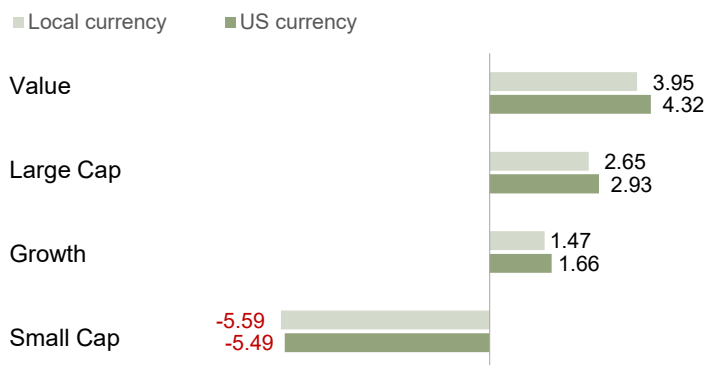
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI World ex USA IMI Index is used as the proxy for the International Developed market. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

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 (%)



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

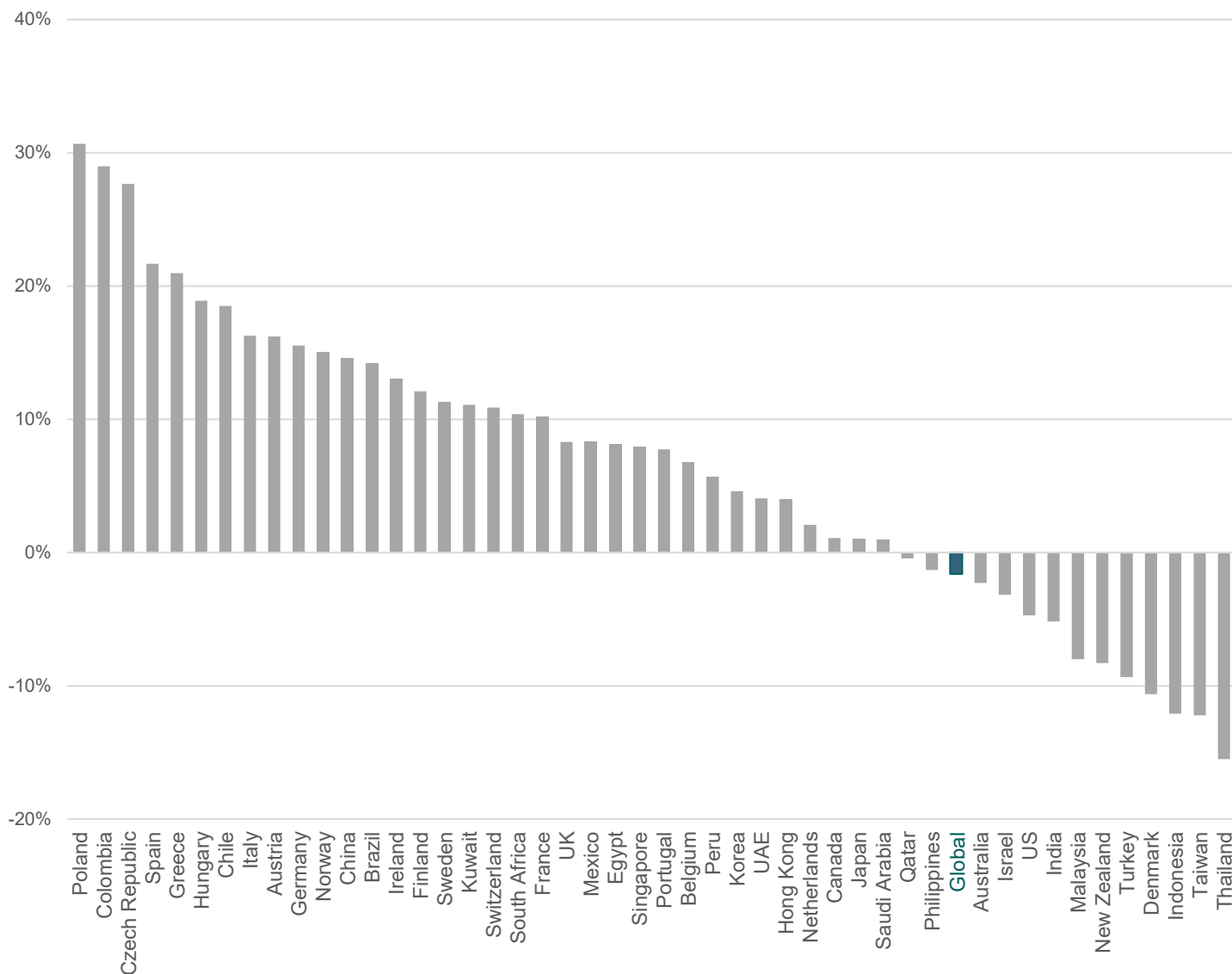
World Market Capitalization



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. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

Country Returns

Returns (USD), 1st Quarter 2025



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. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes.

Real Estate Investment Trusts (REITs)

Returns (USD), 1st Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Global ex US REITS	3.44	-2.27	-7.04	3.20	0.18	3.47	2.47
US REITS	1.17	9.79	-1.41	10.84	4.53	8.18	6.96

Total Value of REIT Stocks



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 © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

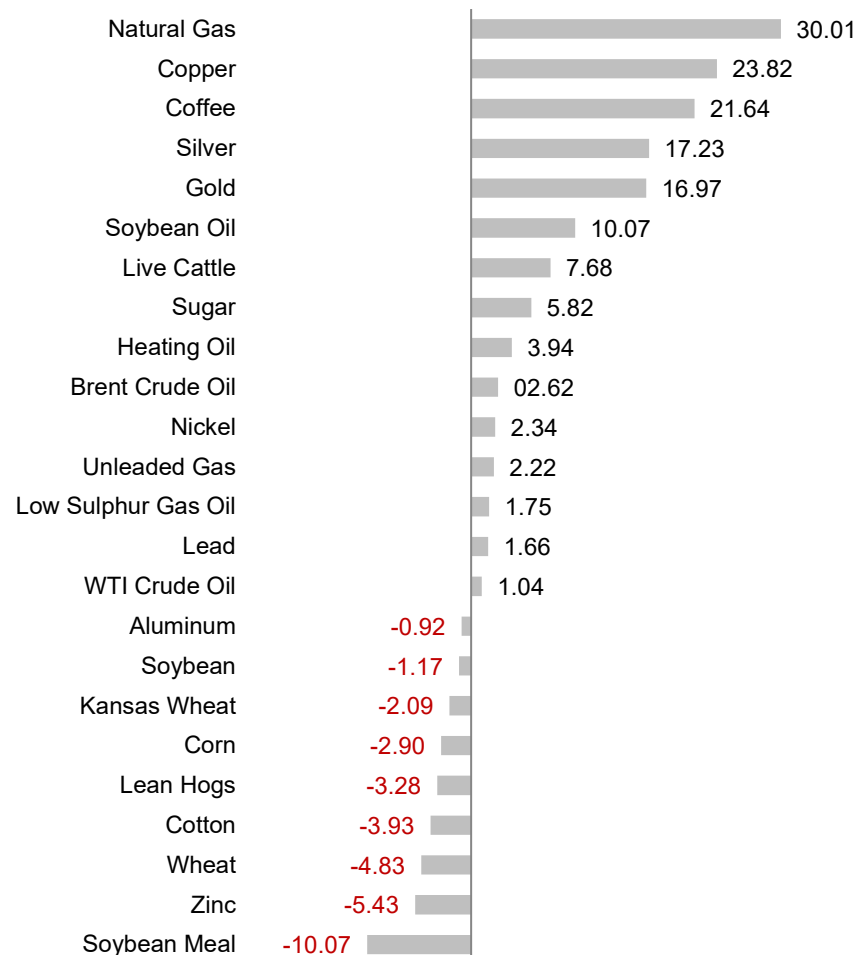
Commodities

Returns (USD), 1st Quarter 2025

The Bloomberg Commodity Total Return Index returned +8.88% for the first quarter of 2025.

Natural Gas and Copper were the best performers, returning +30.01% and +23.82% during the quarter, respectively. Soybean Meal and Zinc were the worst performers, returning -10.07% and -5.43% during the quarter, respectively.

Ranked Returns (%)



Periodic Returns (%)

QTR	ANNUALIZED					
	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
8.88	12.28	-0.77	14.51	2.77	-0.14	-0.44

Fixed Income

Returns (USD), 1st Quarter 2025

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

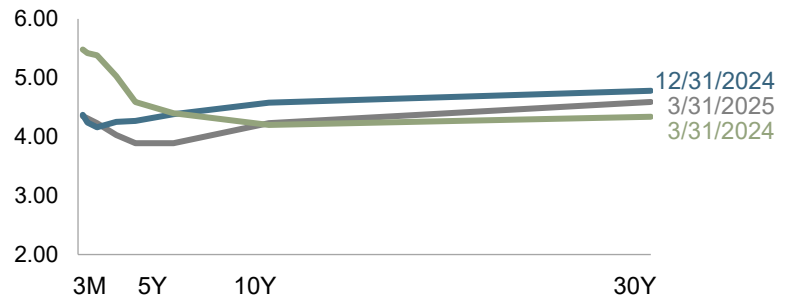
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 2 basis points (bps) to 4.38%, while the 1-Year US Treasury Bill yield decreased 13 bps to 4.03%. The yield on the 2-Year US Treasury Note decreased 36 bps to 3.89%.

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%.

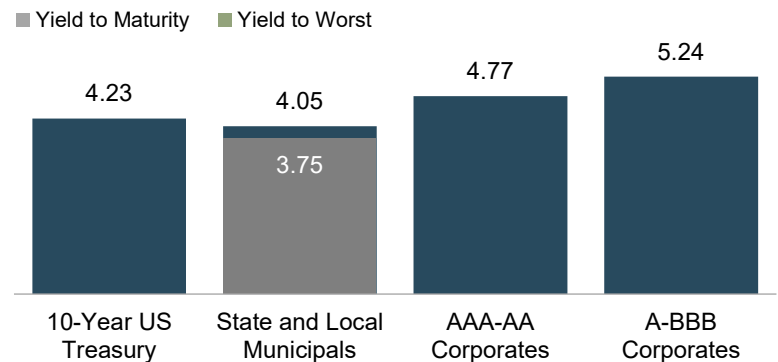
In terms of total returns, short-term US treasury bonds returned +2.04% while intermediate-term US treasury bonds returned +2.49%. Short-term corporate bonds returned +1.96% and intermediate-term corporate bonds returned +2.27%.¹

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 Yields 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 (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

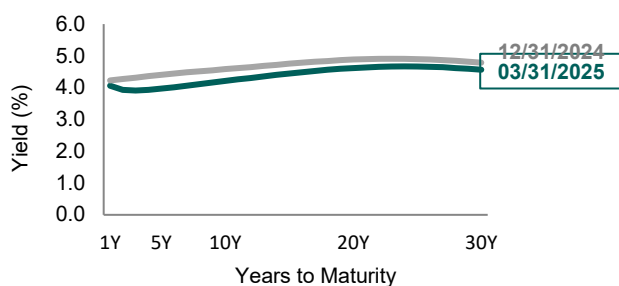
Yield curves (USD), 1st Quarter 2025

With the exception of Canada and Japan, interest rates generally decreased in the short- to intermediate-term segment and increased in the longer-term segment across global developed markets for the quarter.

Realized term premiums were generally mixed across global developed markets. With the exception of the US, longer-term bonds generally underperformed shorter-term bonds during the period.

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

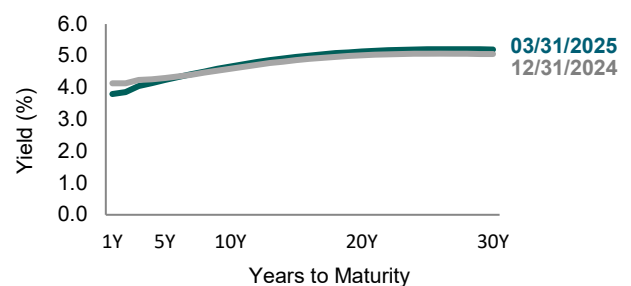
US



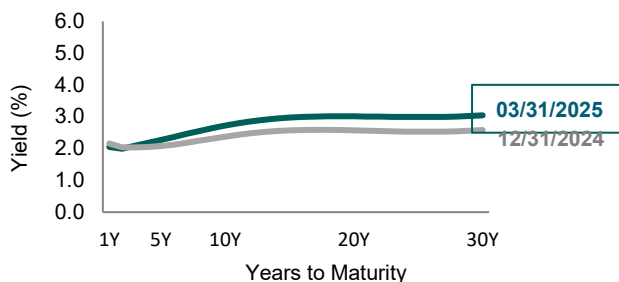
Changes in Yields (bps) Since 12/31/2024

	1Y	5Y	10Y	20Y	30Y
US	-16.6	-43.6	-36.9	-26.3	-22.2
UK	-33.7	-6.1	6.9	12.0	14.3
Germany	-10.6	19.4	35.2	43.8	45.8
Japan	20.9	37.4	38.7	31.8	24.4
Canada	-44.8	-33.4	-23.1	-12.5	-8.1
Australia	-21.9	-7.5	0.5	8.0	12.3

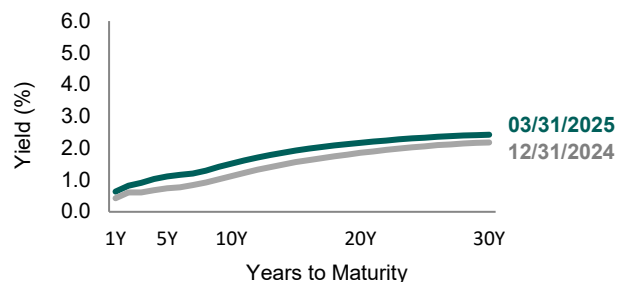
UK



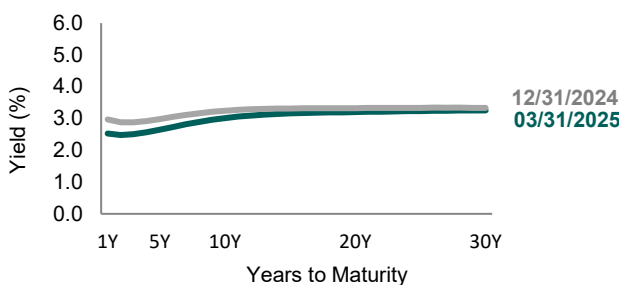
Germany



Japan



Canada



Australia

