

# 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. 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: Tariff Target Markets

# 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
<b>Q1 2025</b>	-4.72% 	6.20% 	2.93% 	1.37% 	2.78% 	-0.17% 
<b>Since January 2001</b>						
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

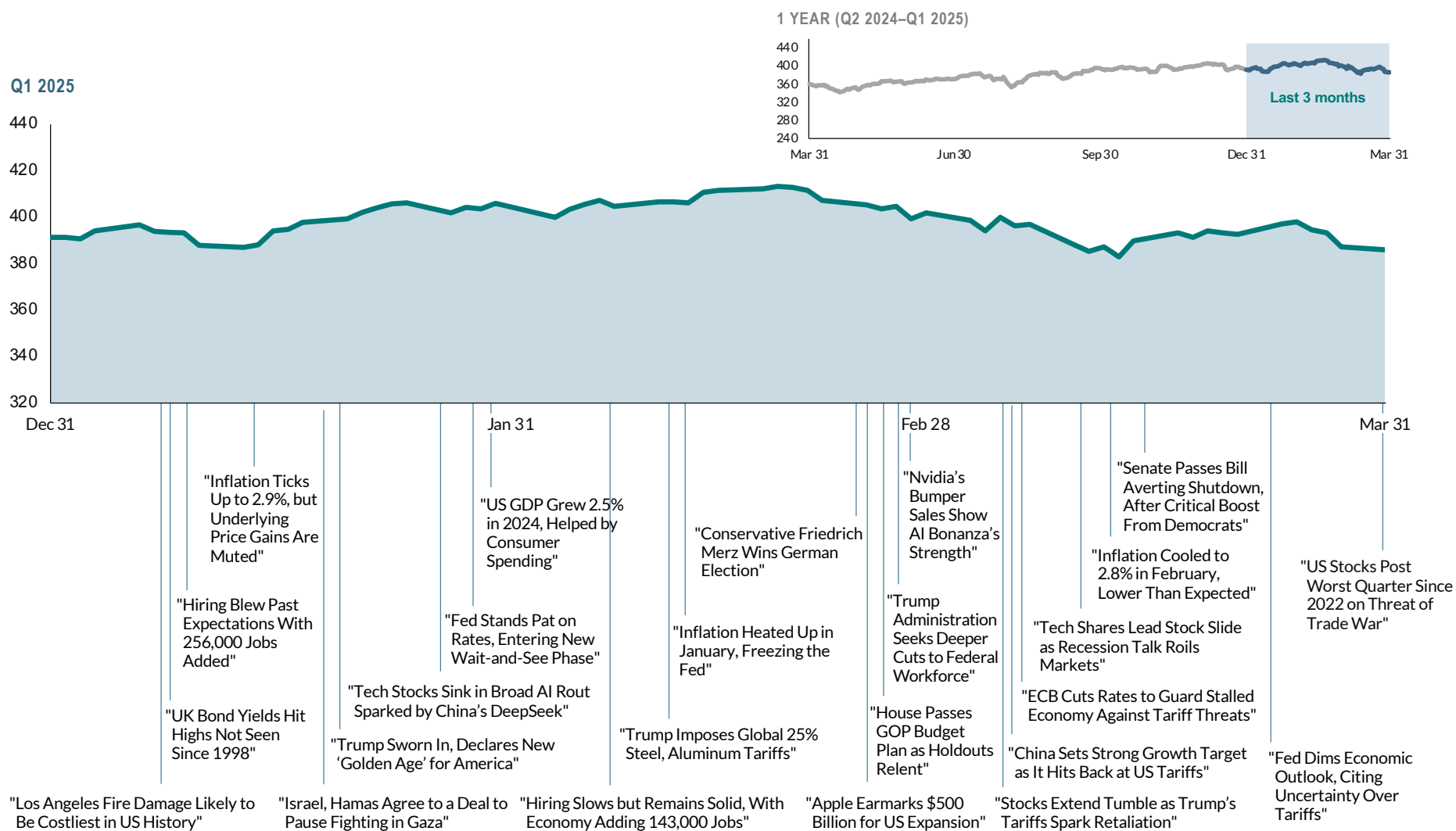
	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	7.22% ↑	5.30% ↑	8.09% ↑	5.44% ↑	4.88% ↑	4.19% ↑
5 Years	18.18% ↑	12.16% ↑	7.94% ↑	7.89% ↑	-0.40% ↓	0.87% ↑
10 Years	11.80% ↑	5.50% ↑	3.71% ↑	2.75% ↑	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



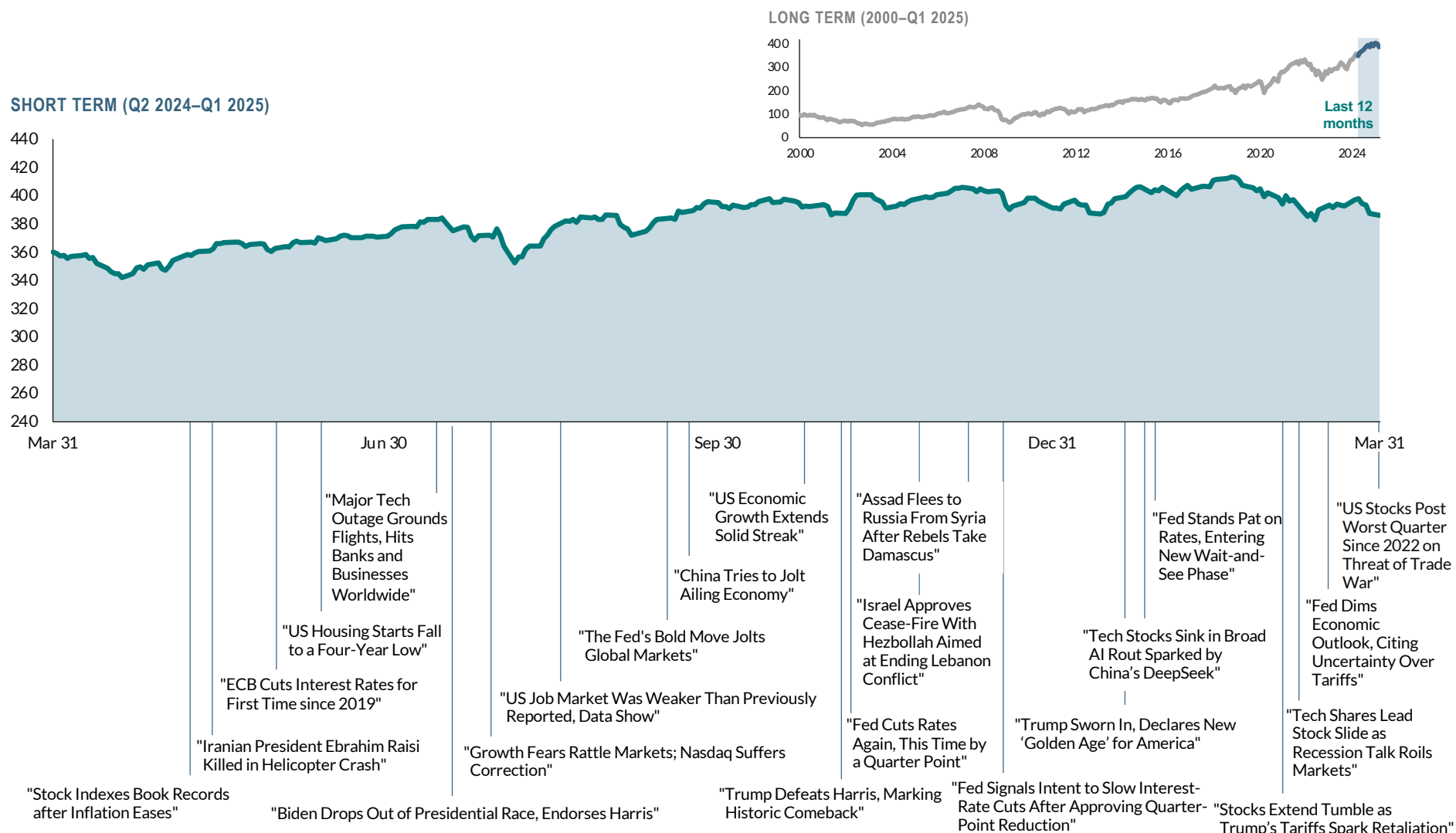
*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

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.

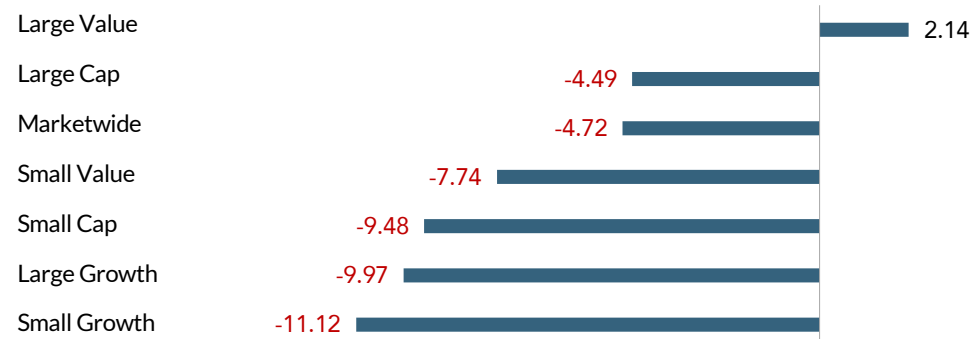
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

# US Stocks

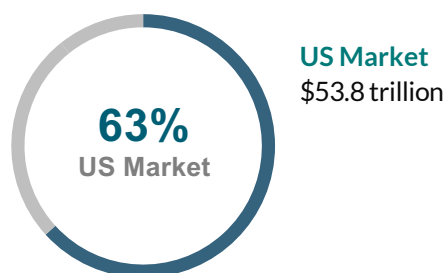
## Returns (USD), 1st Quarter 2025

- 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



### 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

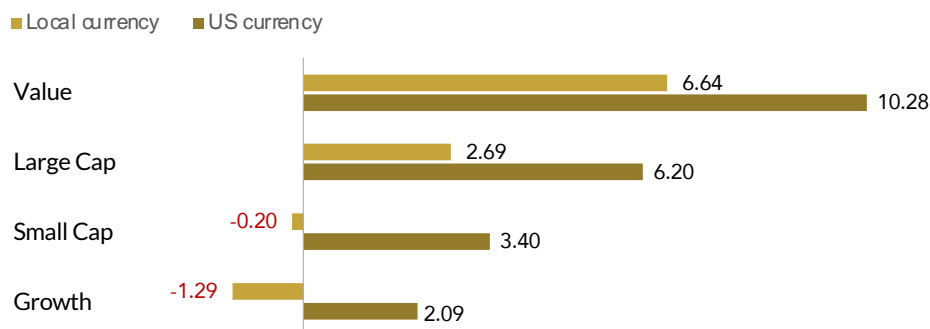
**Past performance is not a guarantee of future results.** Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (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 (%)



## 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

**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

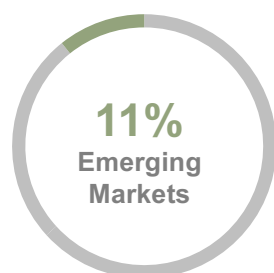
- Emerging markets posted positive returns for the quarter and outperformed the US market, but underperformed non-US developed markets.
- Value outperformed growth.
- Small caps underperformed large caps.

## Ranked Returns (%)

Local currency US currency



## World Market Capitalization



**Emerging Markets**  
\$9.1 trillion

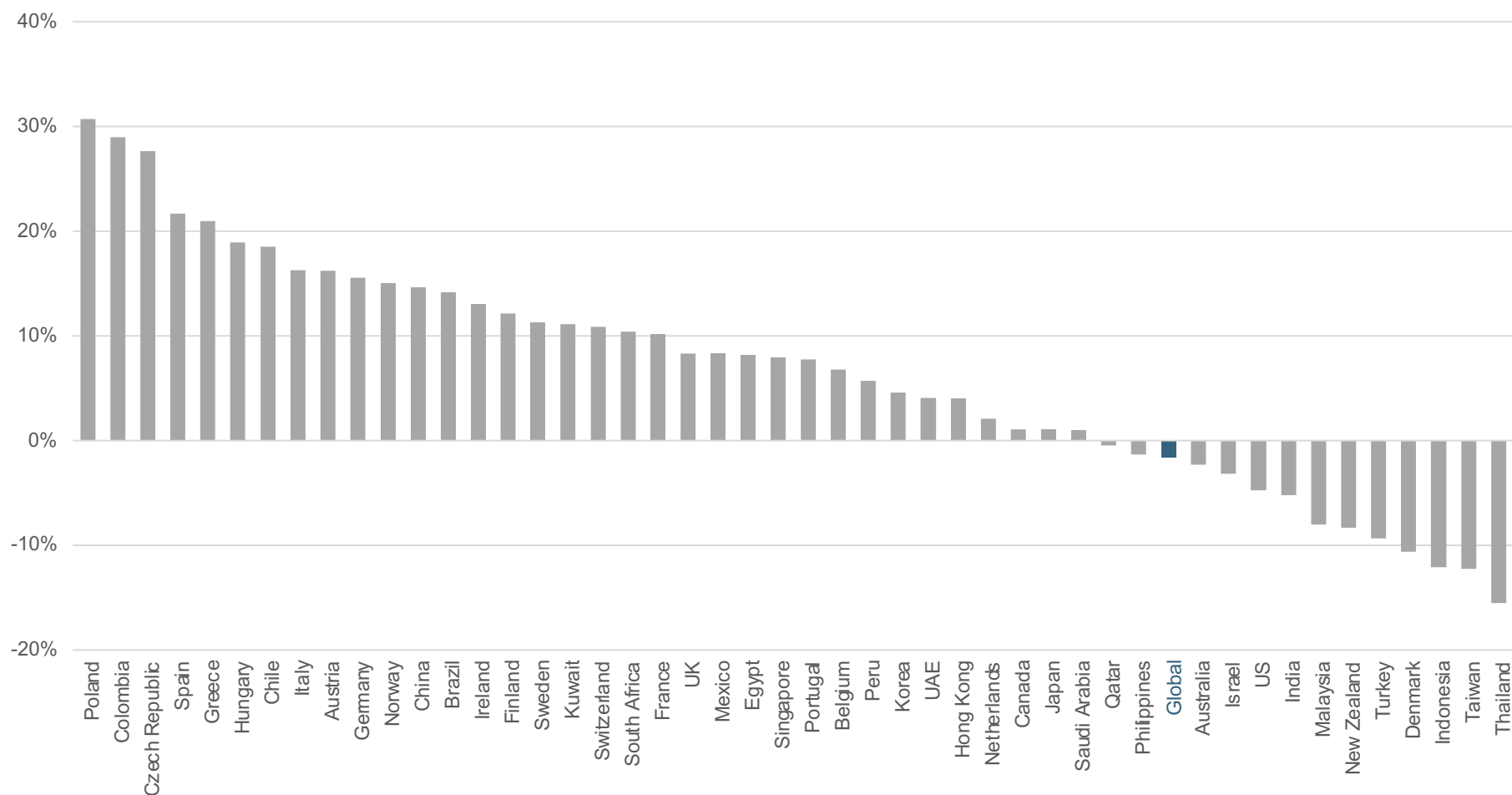
## Periodic Returns (%)

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

**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.**

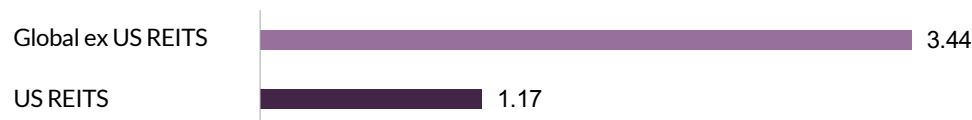
Country returns are the country component indices of the MSCI All Country World IMI Index for all countries except the United States, where the Russell 3000 Index is used instead. Global is the return of the MSCI All Country World IMI Index. MSCI index returns are net dividend. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. 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.

# Real Estate Investment Trusts (REITs)

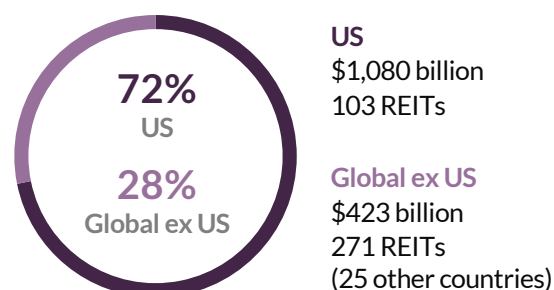
Returns (USD), 1st Quarter 2025

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

## Ranked Returns (%)



## Total Value of REIT Stocks



## Periodic Returns (%)

Asset Class	QTR	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

**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

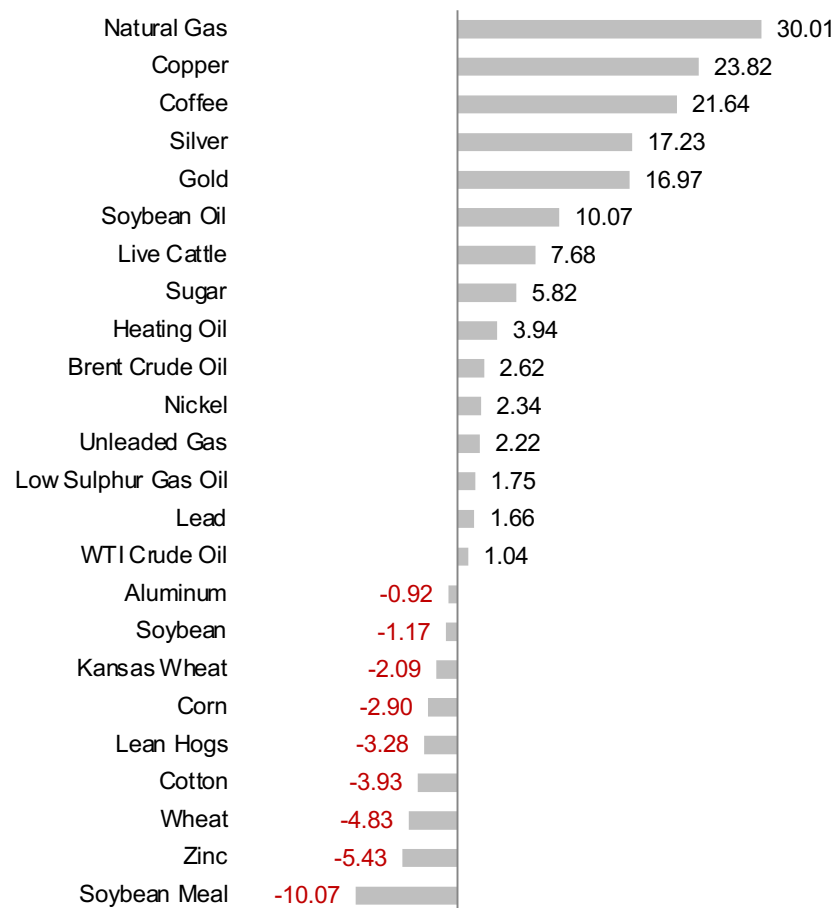
The Bloomberg Commodity Total Return Index returned +8.88% for the first quarter of 2025.

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.

### Commodities 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

### Commodities Ranked Returns (%)



# Fixed Income

## Returns (USD), 1st Quarter 2025

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

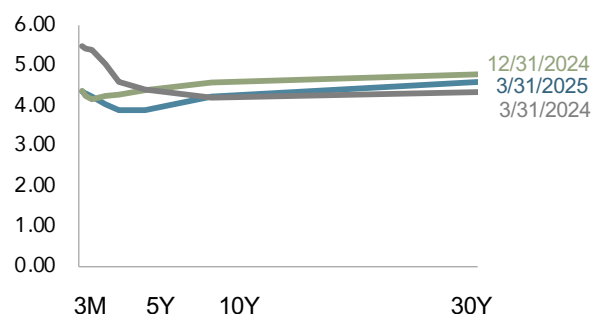
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 2 basis points (bps) to 4.38%, while the 1-Year US Treasury Bill yield decreased 13 bps to 4.03%. The yield on the 2-Year US Treasury Note decreased 36 bps to 3.89%.

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%.

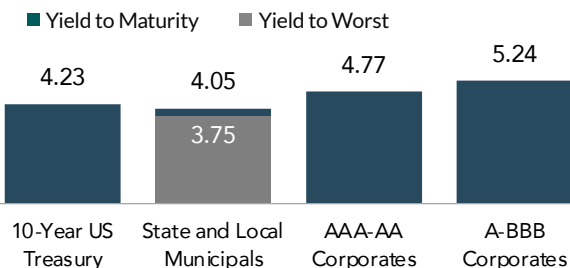
In terms of total returns, short-term US treasury bonds returned +2.04% while intermediate-term US treasury bonds returned +2.49%. Short-term corporate bonds returned +1.96% and intermediate-term corporate bonds returned +2.27%.<sup>1</sup>

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%.<sup>2</sup>

### 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 (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, 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.

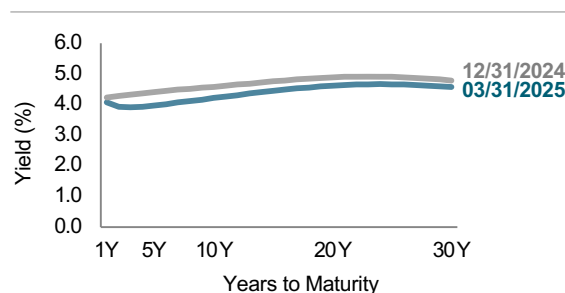
Realized term premiums were generally mixed across global developed markets. With the exception of the US, longer-term bonds generally underperformed shorter-term bonds during the period.

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.

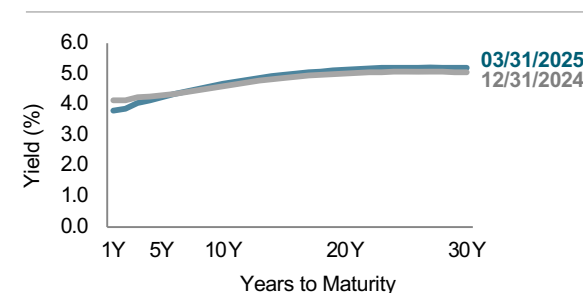
### Changes in Yield (bps) Since 12/31/2024

	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

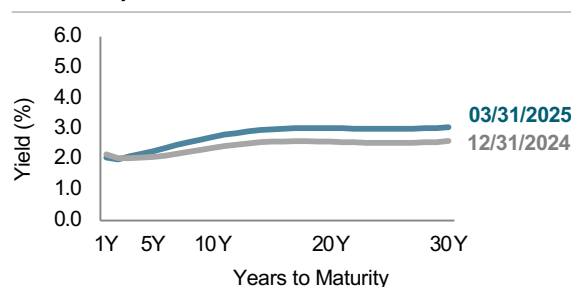
### US



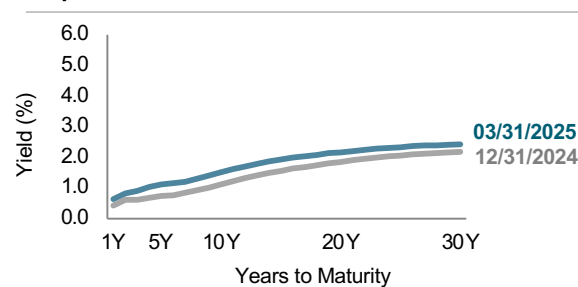
### UK



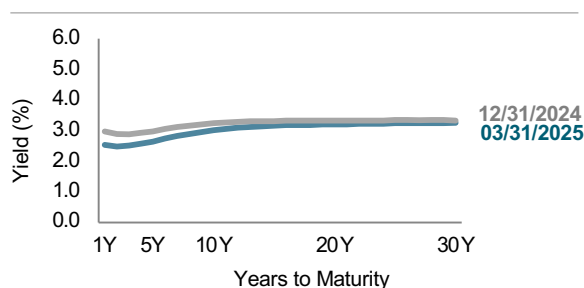
### Germany



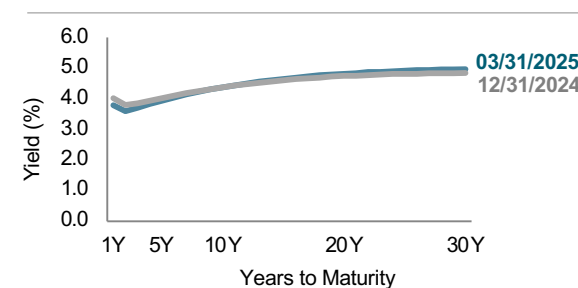
### Japan



### Canada



### Australia



# Tariff Target Markets

1st Quarter 2025

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

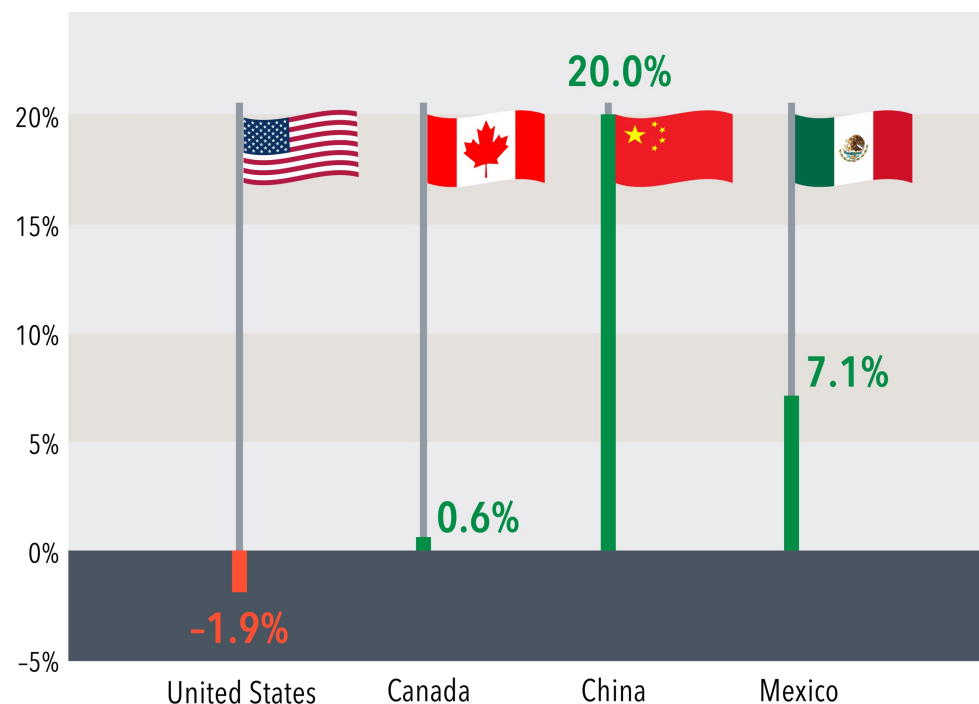
Non-US stocks have delivered a positive return thus far in 2025, helping offset the US stock market's disappointing start to the year. But some of the sources for these positive returns may be surprising to investors.

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



# Tariff Target Markets

(continued from page 15)

**Past performance is no guarantee of future results. Actual returns may be lower.**

## Disclosures

The information in this material is intended for the recipient's background information and use only. It is provided in good faith and without any warranty or representation as to accuracy or completeness. Information and opinions presented in this material have been obtained or derived from sources believed by Dimensional to be reliable, and Dimensional has reasonable grounds to believe that all factual information herein is true as at the date of this material. It does not constitute investment advice, a recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. Before acting on any information in this document, you should consider whether it is appropriate for your particular circumstances and, if appropriate, seek professional advice. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorized reproduction or transmission of this material is strictly prohibited. Dimensional accepts no responsibility for loss arising from the use of the information contained herein.

This material is not directed at any person in any jurisdiction where the availability of this material is prohibited or would subject Dimensional or its products or services to any registration, licensing, or other such legal requirements within the jurisdiction.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

## RISKS

**Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Past performance is not a guarantee of future results. There is no guarantee strategies will be successful.**

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value

Dimensional Fund Advisors does not have any bank affiliates.