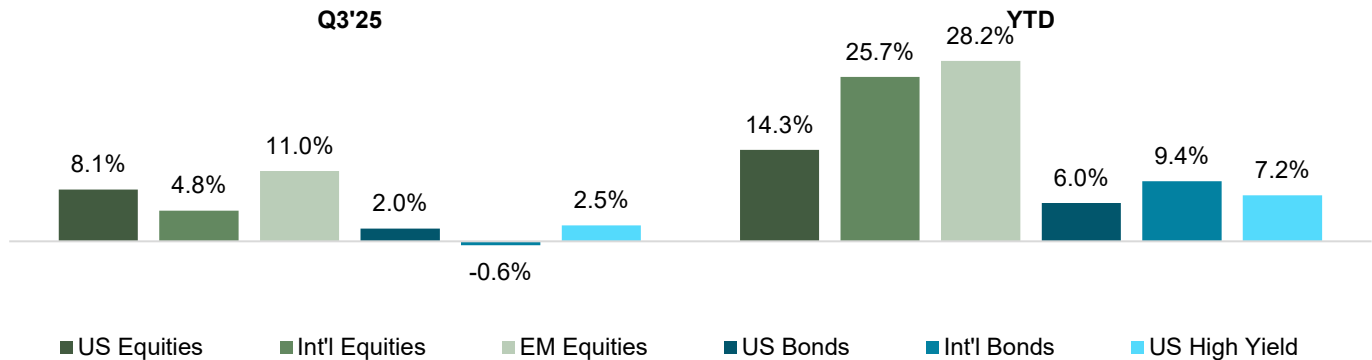


Quarterly Market Review

Returns as of September 30, 2025



Source: FactSet

U.S. stocks soared to record highs in the third quarter on renewed artificial intelligence enthusiasm. The quarter also added new winners as small-company stocks joined the party. Despite the records for U.S. stocks, emerging markets were the top-performing index for the quarter and now the year. Finally, bond yields fell, and prices rose as the Federal Reserve restarted interest rate cuts. For investors, the first nine months of 2025 have perhaps been a surprising year as both stocks and bonds have generated positive returns despite a slew of uncertainties.

Massive investment deals in artificial intelligence and hopes for lower interest rates led the S&P 500 up 8% during the quarter. The continued momentum puts the index up 35% from the lows post-liberation day tariffs announcements. Nvidia, the apex of the AI boom in the U.S., was the first company in the world to reach \$4 trillion in size. AI enthusiasm was not relegated to the U.S. alone; emerging markets equities also benefited as investors looked to China for other AI opportunities. Stocks in China rose 20% for the quarter and 42% for the year.

Despite record highs, not all sectors participated in the rally as investors leaned into risk while moving away from defensive sectors. Fast-growing technology companies enjoyed strong returns while defensive stocks across consumer staples fell during the quarter. As for size, interest rate-sensitive smaller companies outperformed their larger counterparts as the Fed restarted its interest rate cuts after being on hold for nine months.

U.S. bonds rose modestly as interest rates fell. International bonds fell as investors worried about the rising debt load in Europe.

Finally, across other asset classes, gold is one of the best-performing investments for the year. Foreign central banks now hold more gold than U.S. Treasuries, for the first time since 1996.

INDEX DEFINITIONS

Asset Class	Index	Definition
China	MSCI China	Measures the performance of large and mid-cap shares in China including China H shares, B shares, Red chips, P chips, and foreign listings (e.g., ADRs). Index covers about 85% of the China equity universe.
Commodities	Bloomberg Commodity	Measures the performance of a broadly diversified exposure to physical commodities via futures contracts.
Emerging Markets (EM) Equity	MSCI Emerging Markets	Measures the equity market performance of countries considered to represent emerging markets.
Europe	MSCI Europe Ex UK GR USD	Measures large and mid-cap shares across 14 Developed Markets (DM) countries in Europe. With 336 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.
Global 60/40 Index Blend	60% MSCI ACWI, 40% Bloomberg Global Aggregate	Measures the performance of a blend of global equities and global bond indexes used as a benchmark for balanced portfolios.
Gold	Bloomberg Sub Gold	Measures the performance of futures contracts on gold and is quoted in USD.
International Bonds	Bloomberg Global Aggregate ex-USD	Measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD.
International Developed Equity	MSCI EAFE	Measures the equity performance of countries considered to represent developed markets, excluding the US and Canada.
Small Caps	S&P 600	Measures the performance of 600 small-sized companies in the U.S. Constituents that generally have a market cap between \$400 million and \$1.8 billion and meet criteria to ensure they are liquid and financially viable.
US Dollar	US Dollar Index	Measures the value of the US dollar relative to the value of a 'basket' of currencies of the majority of the US's most significant trading partners. Factors affecting the exchange rates of six major world currencies: euro, Japanese yen, Canadian dollar, British pound, Swedish krona, and Swiss franc.
US Bonds	Bloomberg US Aggregate	Measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors.
US Equities	S&P 500	Measures the performance of 500 leading companies in the US Constituents that generally have a market cap above \$5 billion and represent approximately 80% of the investable market.
US High Yield	Bloomberg Barclays US Corporate High Yield	Measures the performance of USD-denominated, non-investment-grade, fixed-rate taxable corporate bonds. "High-yield" securities have the middle rating from Moody's, Fitch, or S&P of Ba1/BB+/BB+ or below. Index excludes emerging market debt.

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