



Q3

Quarterly Market Review

Third 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

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Commodities

Fixed Income

Global Fixed Income

Quarterly Topic: AI Is Everywhere,
Including Your Portfolio

Quarterly Market Summary

Returns (USD), as of September 30, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q3 2025	8.18%	5.33%	10.64%	4.22%	2.03%	0.49%
						
Since January 2001						
Average Quarterly Return	2.5%	1.8%	2.7%	2.2%	1.0%	0.9%
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

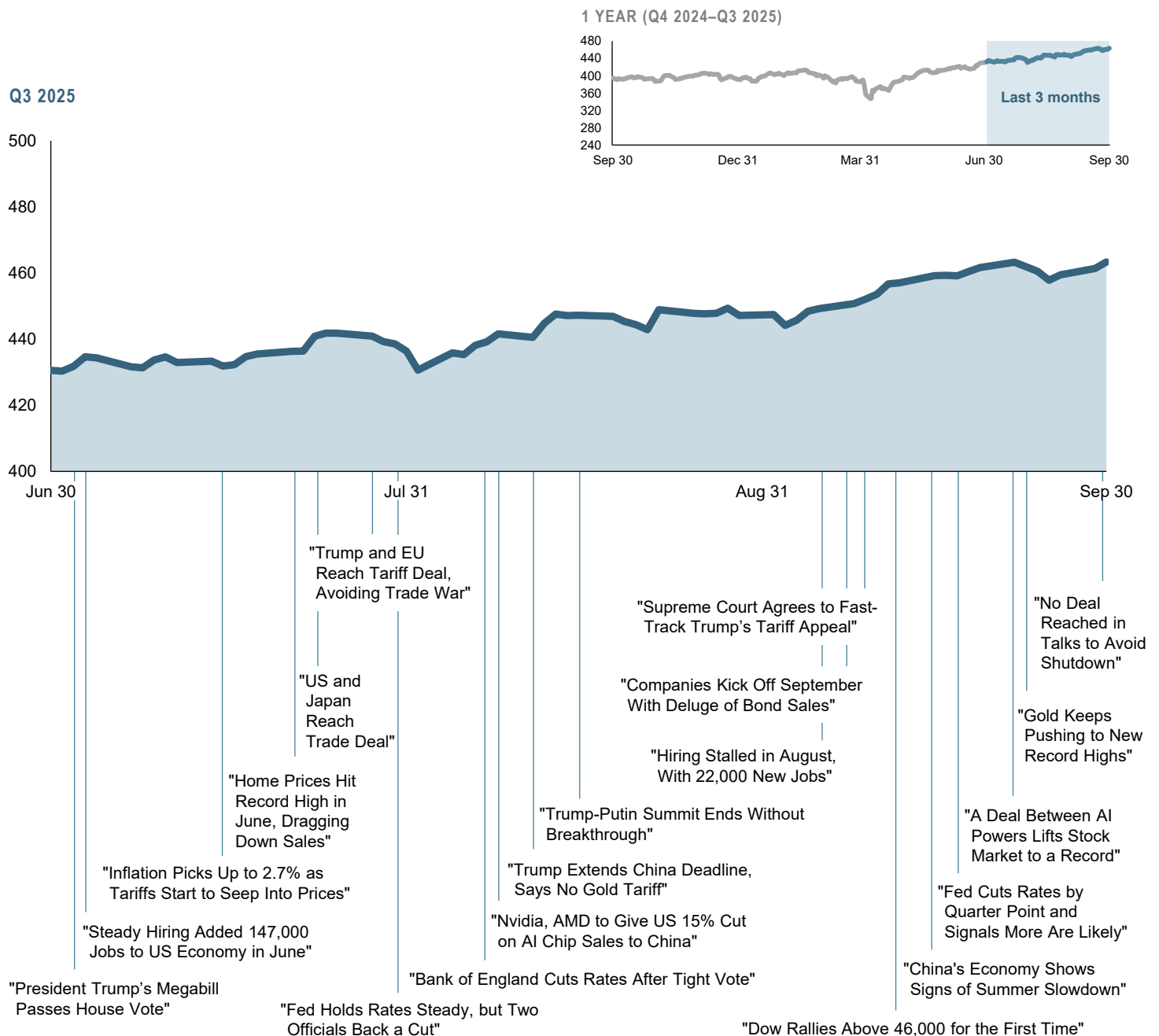
Returns (USD), as of September 30, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	17.41% 	16.03% 	17.32% 	-1.24% 	2.88% 	3.02% 
5 Years	15.74% 	11.60% 	7.02% 	6.58% 	-0.45% 	0.87% 
10 Years	14.71% 	8.41% 	7.99% 	4.37% 	1.84% 	2.58% 
15 Years	14.23% 	6.72% 	3.99% 	5.91% 	2.26% 	2.99% 
20 Years	10.75% 	5.63% 	6.11% 	4.40% 	3.23% 	3.42% 

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2025

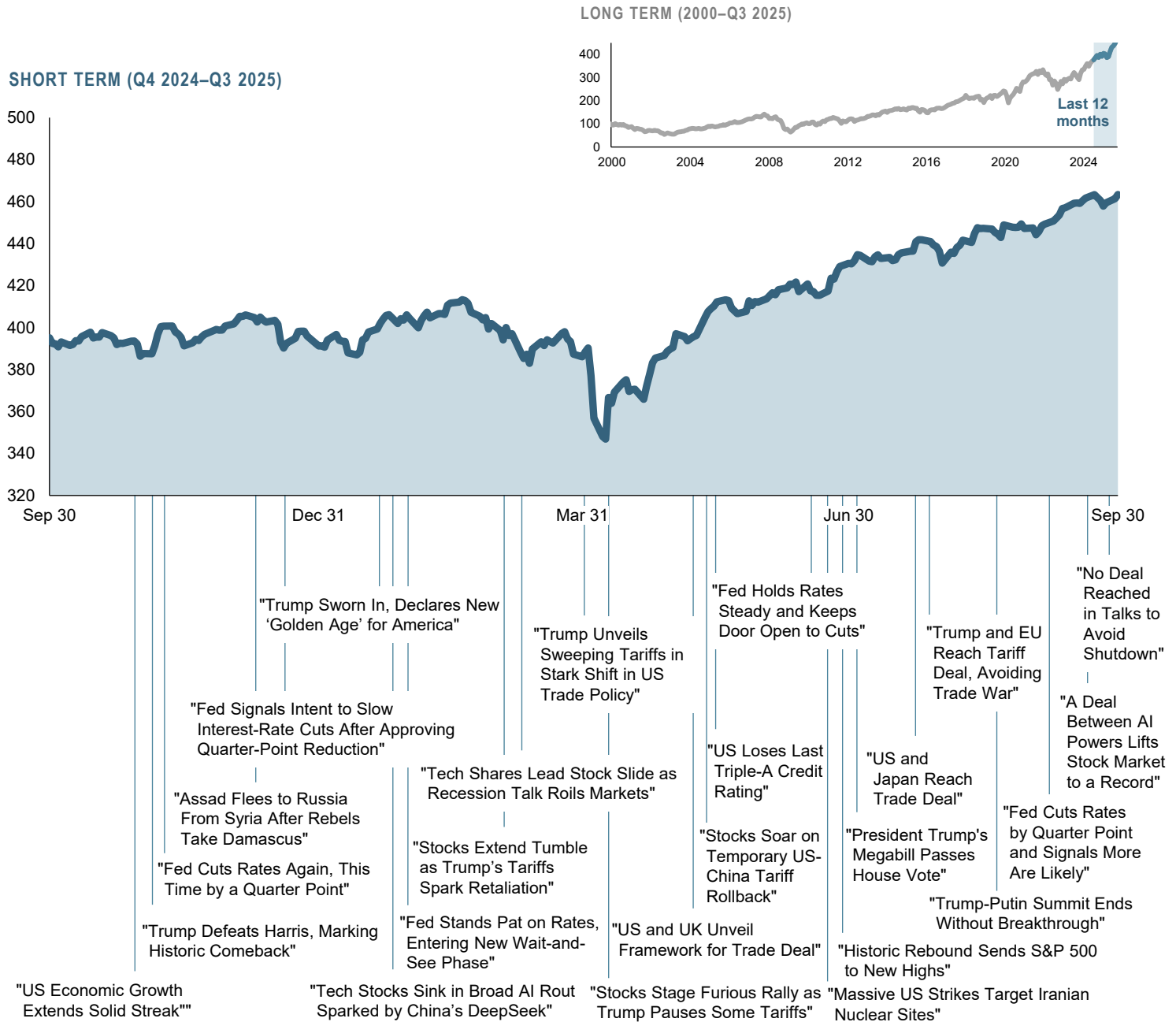


These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

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



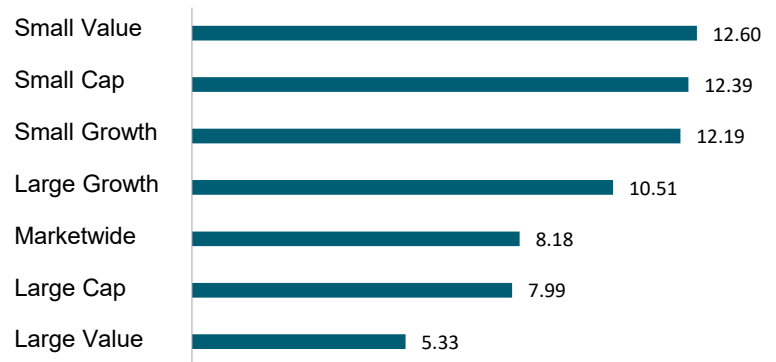
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US Stocks

Returns (USD), 3rd Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	YTD	ANNUALIZED					
			1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Small Value	12.60	9.04	7.88	13.56	14.59	9.23	9.54	7.27
Small Cap	12.39	10.39	10.76	15.21	11.56	9.77	10.42	8.14
Small Growth	12.19	11.65	13.56	16.68	8.41	9.91	11.01	8.78
Large Growth	10.51	17.24	25.53	31.61	17.58	18.83	17.36	13.33
Marketwide	8.18	14.40	17.41	24.12	15.74	14.71	14.23	10.75
Large Cap	7.99	14.60	17.75	24.64	15.99	15.04	14.49	10.92
Large Value	5.33	11.65	9.44	16.96	13.88	10.72	11.24	8.19

World Market Capitalization



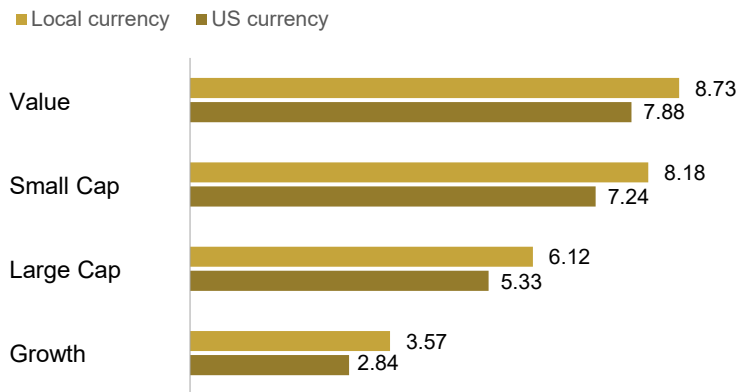
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International Developed Stocks

Returns (USD), 3rd Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	YTD	ANNUALIZED					
			1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	7.88	31.51	22.90	25.20	16.20	8.54	6.52	5.28
Small Cap	7.24	29.54	19.35	19.98	9.24	8.29	7.43	6.24
Large Cap	5.33	25.34	16.03	21.60	11.60	8.41	6.72	5.63
Growth	2.84	19.32	9.41	18.08	6.96	8.02	6.73	5.81

World Market Capitalization



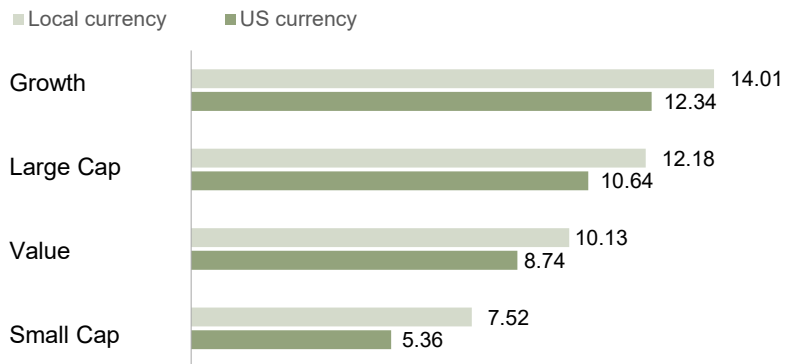
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Emerging Markets Stocks

Returns (USD), 3rd Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	YTD	ANNUALIZED					
			1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Growth	12.34	30.00	21.01	18.50	4.31	8.69	4.96	6.50
Large Cap	10.64	27.53	17.32	18.21	7.02	7.99	3.99	6.11
Value	8.74	24.79	13.30	17.81	9.90	7.14	2.90	5.62
Small Cap	5.36	16.67	8.28	17.91	12.51	8.48	4.72	7.60

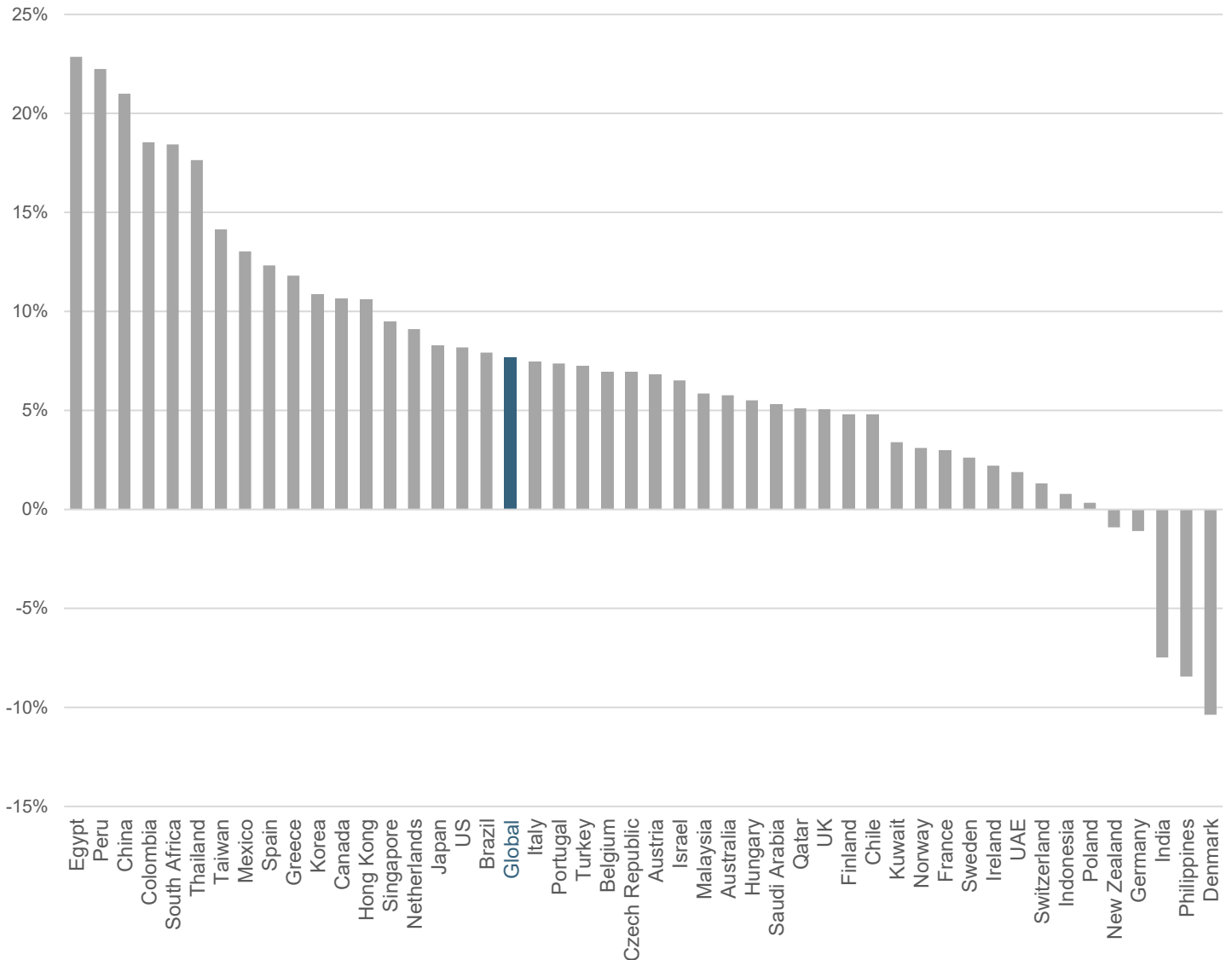
World Market Capitalization



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Country Returns

Returns (USD), 3rd Quarter 2025



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Real Estate Investment Trusts (REITs)

Returns (USD), 3rd Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	YTD	ANNUALIZED					
			1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
US REITS	5.09	4.50	-1.70	10.48	9.45	5.65	7.83	6.17
Global ex US REITS	3.62	22.42	3.61	9.89	3.65	2.65	3.97	2.88

Total Value of REIT Stocks



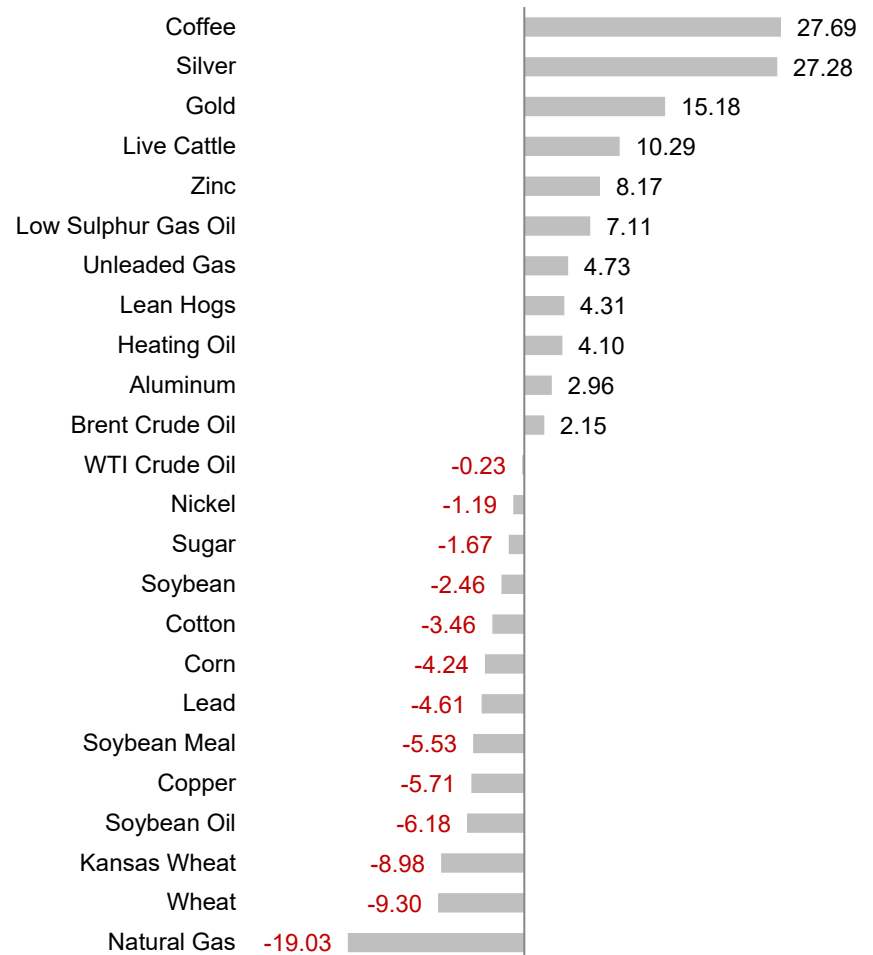
Commodities

Returns (USD), 3rd Quarter 2025

The Bloomberg Commodity Total Return Index returned +3.65% for the third quarter of 2025.

Coffee and Silver were the best performers, returning +27.69% and +27.28% during the quarter, respectively. Natural Gas and Wheat were the worst performers, returning -19.03% and -9.30% during the quarter, respectively.

Ranked Returns (%)



Periodic Returns (%)

QTR	YTD	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
3.65	9.38	8.88	2.76	11.53	3.96	-0.51	-0.97

Fixed Income

Returns (USD), 3rd Quarter 2025

During the quarter, interest rates decreased within the US Treasury market.

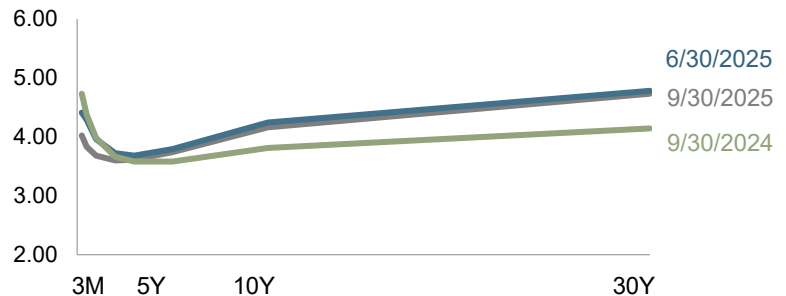
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 8 basis points (bps) to 4.20%, while the 1-Year US Treasury Bill yield decreased 28 bps to 3.68%. The yield on the 2-Year US Treasury Note decreased 12 bps to 3.60%.

The yield on the 5-Year US Treasury Note decreased 5 bps to 3.74%. The yield on the 10-Year US Treasury Note decreased 8 bps to 4.16%. The yield on the 30-Year US Treasury Bond decreased 5 bps to 4.73%.

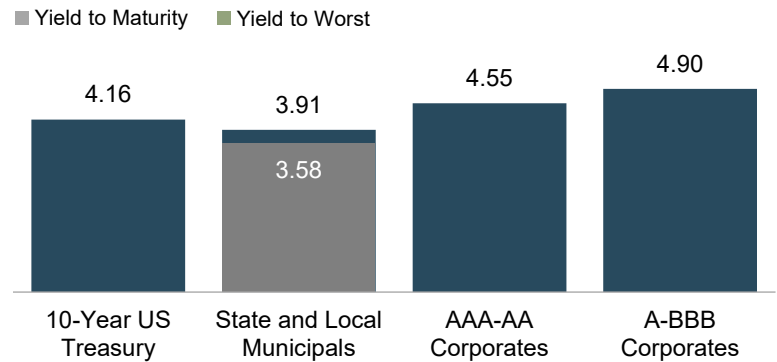
In terms of total returns, short-term US treasury bonds returned +1.17% while intermediate-term US treasury bonds returned +1.26%. Short-term corporate bonds returned +1.62% and intermediate-term corporate bonds returned +2.04%.¹

The total returns for short- and intermediate-term municipal bonds were +1.53% and +2.77%, respectively. Within the municipal fixed income market, general obligation bonds returned +2.96% while revenue bonds returned +3.03%.²

US Treasury Yield Curve (%)



Bond Yields Across Issuers (%)



Periodic Returns (%)

Asset Class	QTR	YTD	ANNUALIZED					
			1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg Municipal Bond Index	3.00	2.64	1.39	4.74	0.86	2.34	2.94	3.48
Bloomberg U.S. High Yield Corporate Bond Index	2.54	7.22	7.41	11.09	5.55	6.17	6.16	6.71
Bloomberg U.S. Government Bond Index Long	2.49	5.65	-3.44	0.46	-7.73	-0.09	1.96	3.36
Bloomberg U.S. TIPS Index	2.10	6.87	3.79	4.88	1.42	3.01	2.85	3.51
Bloomberg U.S. Aggregate Bond Index	2.03	6.13	2.88	4.93	-0.45	1.84	2.26	3.23
ICE BofA 1-Year US Treasury Note Index	1.14	3.13	3.85	4.46	2.28	1.91	1.38	1.90
ICE BofA US 3-Month Treasury Bill Index	1.08	3.17	4.38	4.77	2.98	2.08	1.41	1.71
FTSE World Government Bond Index 1-5 Years (hedged to USD)	1.01	4.01	4.17	4.72	1.62	1.96	1.81	2.47
FTSE World Government Bond Index 1-5 Years	0.63	7.71	4.07	5.47	0.14	1.07	0.19	1.71

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.

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Global Fixed Income

Yield curves (USD), 3rd Quarter 2025

Except for Canada, interest rates increased in the global developed markets for the quarter.

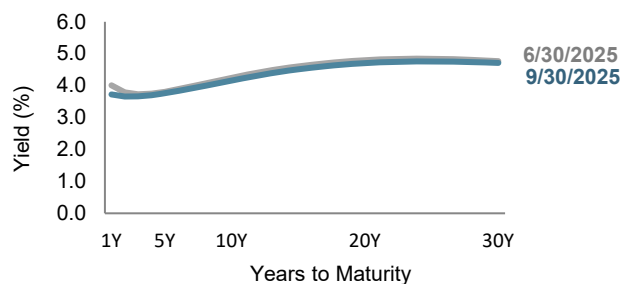
Realized term premiums were mixed across global developed markets. Outside the US, longer-term bonds generally underperformed shorter-term bonds during the quarter.

In Canada, short- to intermediate-term interest rates decreased, and long-term interest rates increased. The short-term maturity segment of the yield curve was generally flat but steepened in the three- to five-year maturity segment in Canada, Germany, UK and Australia.

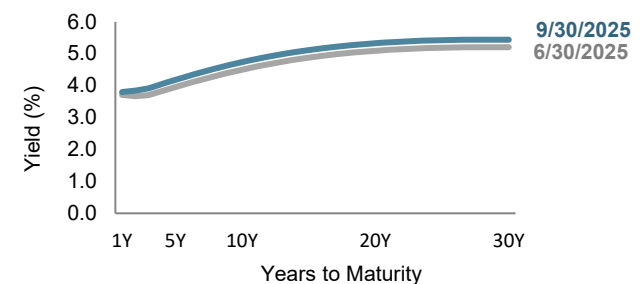
Changes in Yields (bps) Since 06/30/2025

	1Y	5Y	10Y	20Y	30Y
US	-28.4	-4.7	-8.6	-9.0	-5.7
UK	9.3	22.5	23.5	23.6	23.6
Germany	14.1	13.2	9.3	16.9	17.9
Japan	21.3	26.2	22.4	22.7	22.7
Canada	-15.4	-11.2	-8.0	1.8	5.6
Australia	27.1	22.8	16.1	14.2	11.3

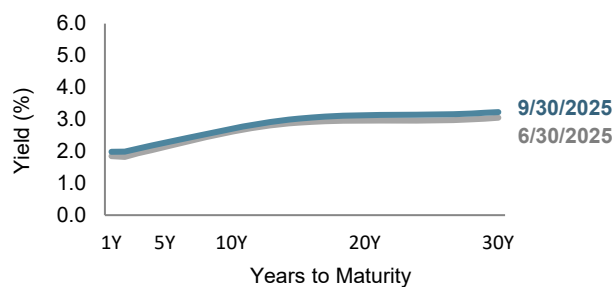
US



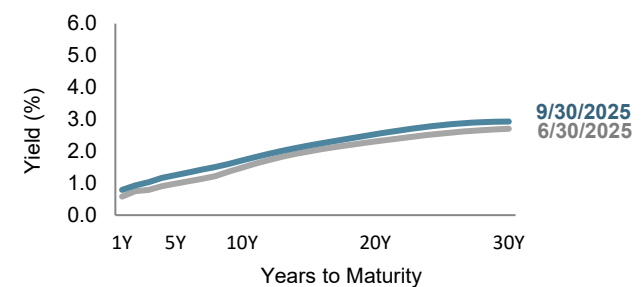
UK



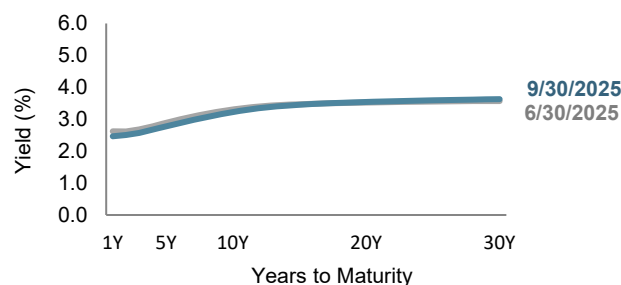
Germany



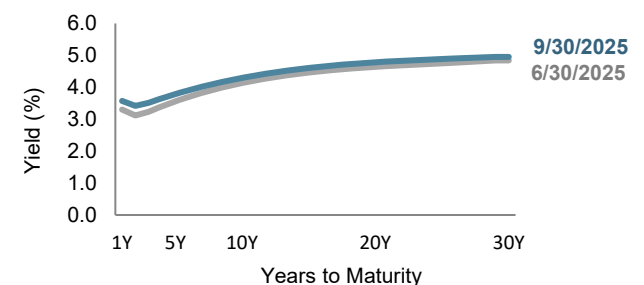
Japan



Canada



Australia



AI Is Everywhere, Including Your Portfolio

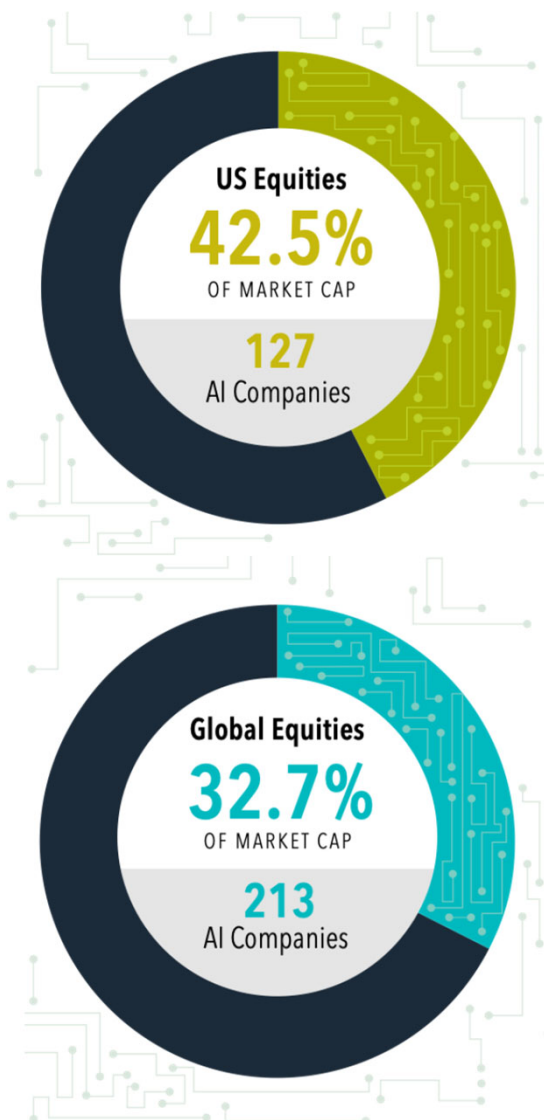
Third Quarter 2025

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

PERCENT OF THE MARKET HELD BY THE TOP 5

AI ETFs

As of December 31, 2024



One of the most common investor questions regarding the rise of artificial intelligence (AI) is “How do I take advantage of it in my portfolio?” The good news for investors is diversified equity portfolios already have exposure, mainly because AI tools touch nearly every type of business these days.

Holdings of the five largest AI ETFs collectively span a sizable chunk of the market—42.5% of US stock market capitalization and 32.7% of global market cap. And it’s not just a few big companies like NVIDIA or Apple—in the US alone, 127 companies are included among these AI-focused strategies.

The pervasiveness of AI opportunities is evident when perusing the company names. The usual suspects from technology are well represented—all five hold NVIDIA—but less techy names like Caterpillar, Honeywell, and Thomson Reuters can be found within these ETFs. This exemplifies how AI is likely to touch virtually every business type, making it harder to predict the ultimate winners from the revolution. Broad diversification can help investors avoid missing out on these winners, wherever they show up.

AI Is Everywhere, Including Your Portfolio

(continued from page 15)

Past performance is no guarantee of future results.

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