Q3

Quarterly Market Review

Third Quarter 2025

SATOVSKY™
ASSET MANAGEMENT

Quarterly Market Review

Market Timing.

In this quarterly commentary, Avi Berg, CIO of Satovsky Asset Management, covers the challenges of market timing, highlighting studies showing mutual fund managers' poor track record in this area. He discusses skepticism toward market crash predictions, the hype and risks surrounding AI investments, and the importance of diversification.

Overview:

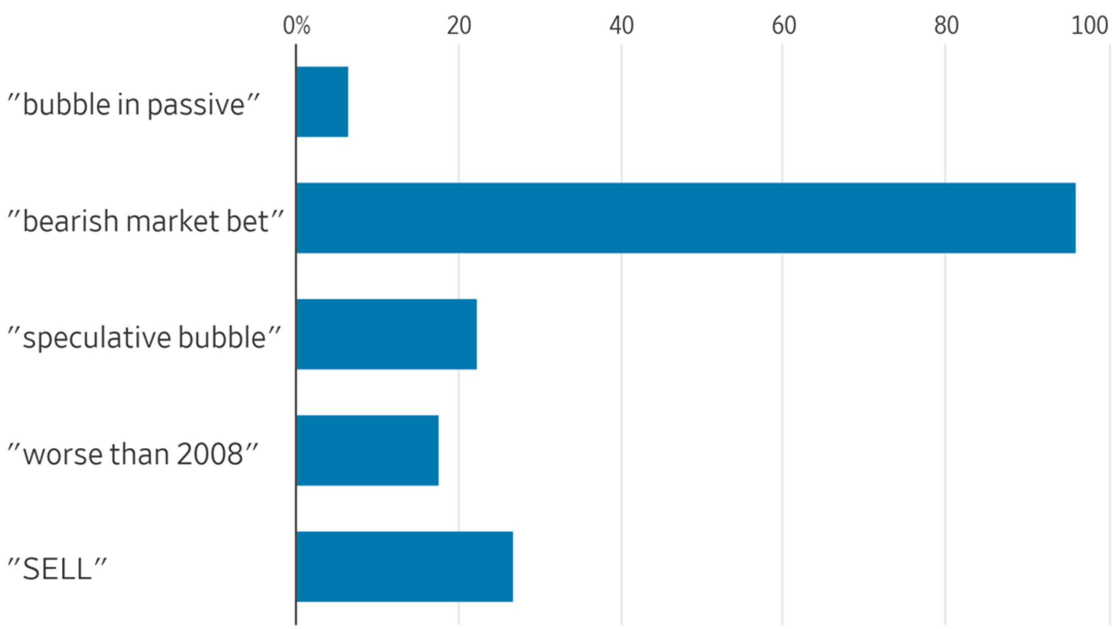
Market Timing

One of the themes that I discuss often in these letters is how difficult it is to time the market. At the time of our last letter, the market had rebounded strongly from the "Liberation Day" declines. Very few were predicting the second quarter rebound, much less that it would continue into the third quarter.

I came across a very interesting study[1] recently which analyzed the asset selection and market timing skills of mutual fund managers—the "pros"—from 1990 to 2024. The conclusion was that while fund managers show some skills in asset selection, the returns from market timing are negative.

Doomsayers often get a lot of attention. Almost daily, the financial news has some article about some famous person who made a good call about a previous market decline, saying another is imminent. But an interesting study[2] that I recently came across argued that people who have gotten a big call right in the past are less likely than pure chance to get it right in the future.   Michael Burry, of "The Big Short" fame (someone whose acumen I admire), has been calling for a market crash for several years now. The chart below[3] shows the market return in the six months after those calls.

Six-month annualized S&P 500 rise after Michael Burry warnings



Sources: Factiva; FactSet

[1]Vidal-García, Javier and Vidal, Marta, Mutual Fund Skill (August 06, 2025). Available at SSRN: https://ssrn.com/abstract=5207420
[2]Denrell, Jerker, and Christina Fang. "Predicting the Next Big Thing: Success as a Signal of Poor Judgment." Management Science 56, no. 10 (2010): 1653–67. http://www.jstor.org/stable/40864732.
[3]Spencer Jakab, Markets A.M.: Predicting Market Crashes for Fun and Profit, *The Wall Street Journal,* August 7, 2025

Perhaps that's because it's good for business or because making the big call becomes intoxicating—but I'm conjecturing here. And I would bet big money that Burry will be right at some point. The point here is that we should all be wary of anyone claiming to know when that point is here before it happens.

AI

I'm a believer: AI is going to change the world. I can't say exactly how yet, but much will change from AI. And we are seeing it in the market enthusiasm for anything AI related. A few days ago, just the announcement of a deal with Open AI sent AMD's market cap up approximately $75 billion (about the entire size of UPS!). Interestingly, the incoming client calls seem split between those who are asking what we are doing to take advantage of AI, and those who are asking how we are protecting clients from the AI bubble.

I am old enough to remember the enthusiasm the market had for anything internet-related in the late 1990s. Back then, merely adding ".com" to your corporate name yielded eye-popping market increases. "The internet is going to change the world," proponents argued. And they were right; it did change the world. Despite being right, many of the popular internet investments went to zero (remember Pets.com, for example?). What happened is that the internet helped almost every company in every industry become more efficient. My guess is that something similar will happen with AI. I recently read this missive in a hedge fund investor letter, produced from none other than ChatGPT itself:[4]

> The AI boom in the stock market is not merely a repeat of the internet bubble, but the parallels are unmistakable. Both involve groundbreaking technologies with genuine long-term potential. Both have inspired investor euphoria, runaway valuations, and a narrative of inevitability. And both have attracted waves of speculative capital chasing uncertain rewards. The lesson of the internet bubble is not that technological revolutions are illusory — the internet did change the world — but that financial markets tend to overshoot in the short term. The same may prove true for AI: while it will likely become deeply embedded in the global economy, not every AI-labeled company will thrive... For investors and policymakers, remembering the history of the internet bubble offers a cautionary reminder that hype cycles can distort reality, even in the face of genuine innovation.

Pretty self-aware! If I am right, the right course is to remain broadly diversified, which is where our clients' portfolios are positioned.

[4]Ron Gutfleish, "The New New New Thing, or AI from the Old Guy," Elm Ridge Value Partners Third Quarter Report, September 30,2025

Market Timing

The Federal Reserve

One of the concerns people have is Trump's intrusion on the independence of the Federal Reserve. Trump has been relentless in attacking Fed Chair Jerome Powell in order to convince the Fed to lower interest rates and even floated the idea of removing Powell from his position. Trump also tried to oust Lisa Cook on the basis of mortgage fraud, something for which she hasn't even been accused of let alone convicted. The concern is that, if Trump is successful, trust in the US financial system would decline and therefore cause chaos in financial markets.

I recently read another fund investor newsletter[5] which went over the history of the Executive Branch's interference with the Fed. The conclusion: this is not new or isolated. Lyndon Johnson purportedly physically shoved then Fed Chair William Martin against a stone wall at his Texas ranch when he wanted lower interest rates. Richard Nixon took a less physical approach, but applied all types of pressure of Aurthur Burns, Fed Chair in the early 1970s. Both Fed chairs eventually capitulated and reduced interest rates.

Just to be clear, we are not trying to argue whether or not reducing rates is a good idea. What we are saying is that the Fed's reputation has survived previous episodes of Executive Branch pressure and will likely get through this period as well.

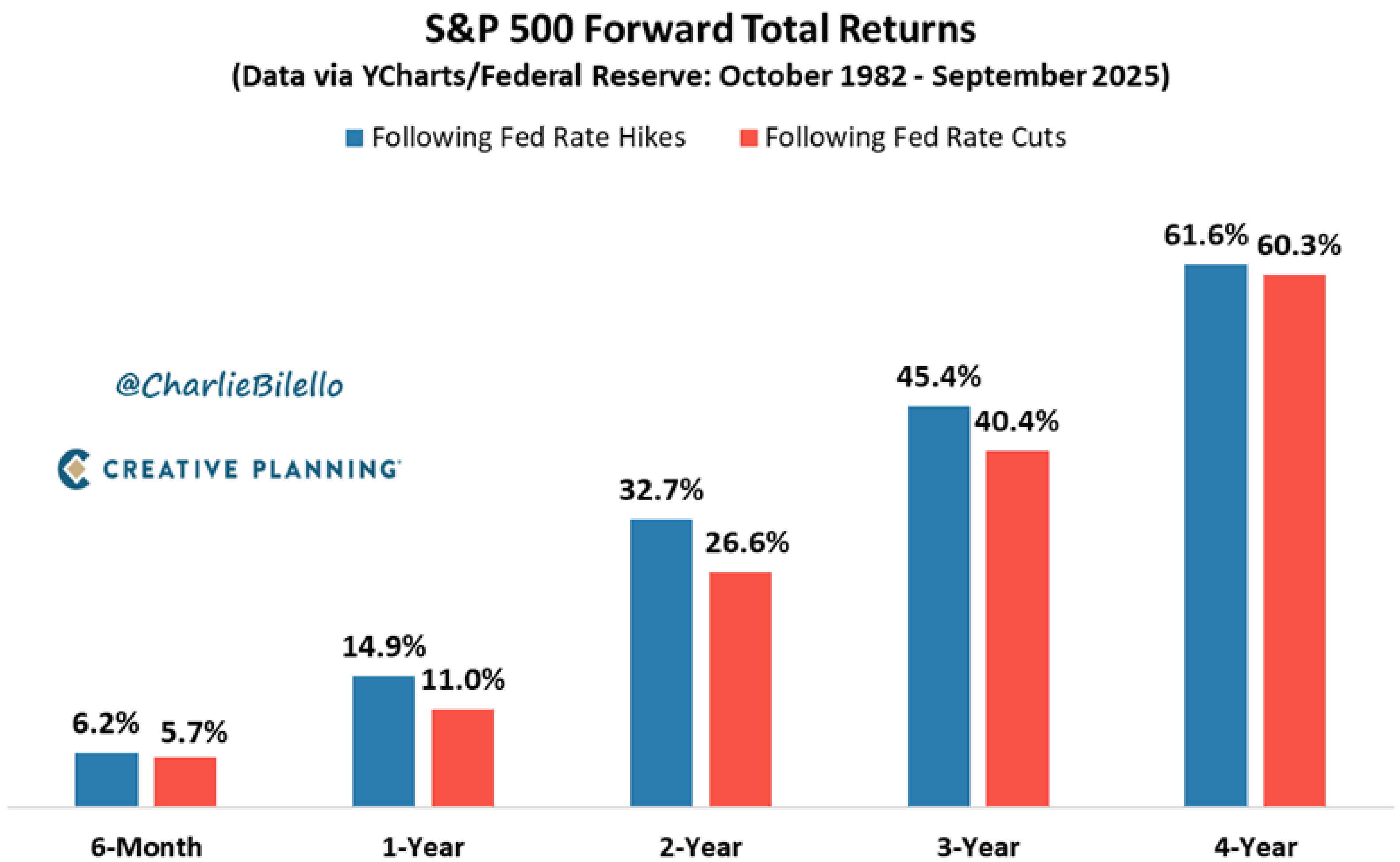
Don't fight the Fed

I can't think of another investing truism that is more universally believed than "Don't fight the Fed." If the Fed is reducing rates, the thought goes, the economy will pick up, and stocks will follow. Similar in reverse: if the Fed is increasing rates, the economy will slow, and stocks will follow.

But even that universally believed truism isn't, on average, true. As you can see from the chart below[6], the S&P has outperformed slightly in multiple time periods *after* Fed hikes. How? Because generally the fed hikes interest rates when the economy is already strong. We at Satovsky don't try to invest based on where we think interest rates will go in the short term—we don't know, and even if we did, it's not clear what the right course of action is anyway.

[5]Leigh Geohring, Adam Rozencwajg, Second Quarter Natural Resources Market Commentary, August 25, 2025

Market Timing



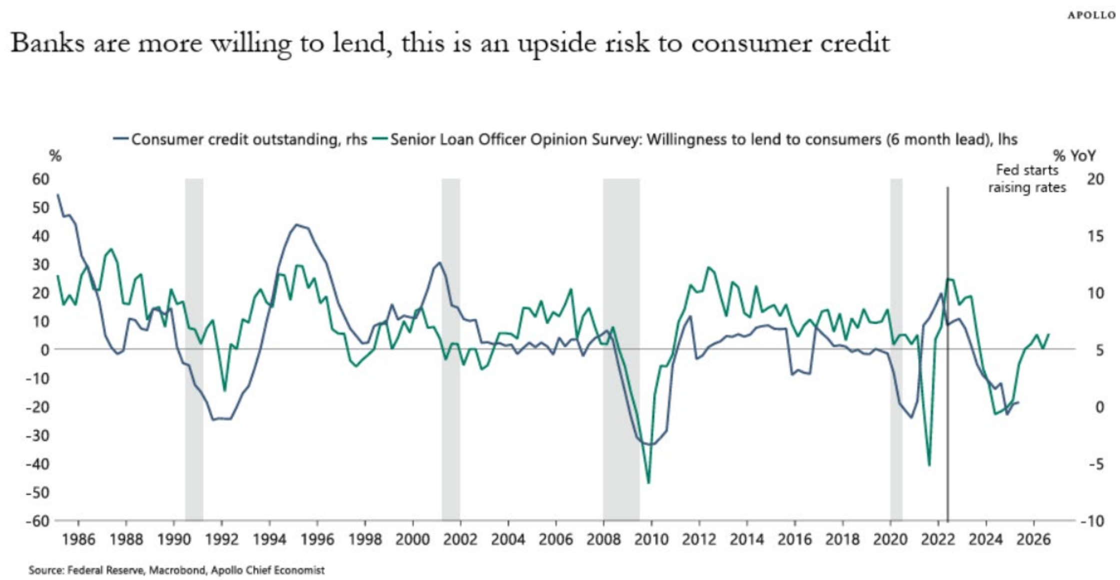
[6]Charlie Bilello, "The Week in Charts," September 23, 2025

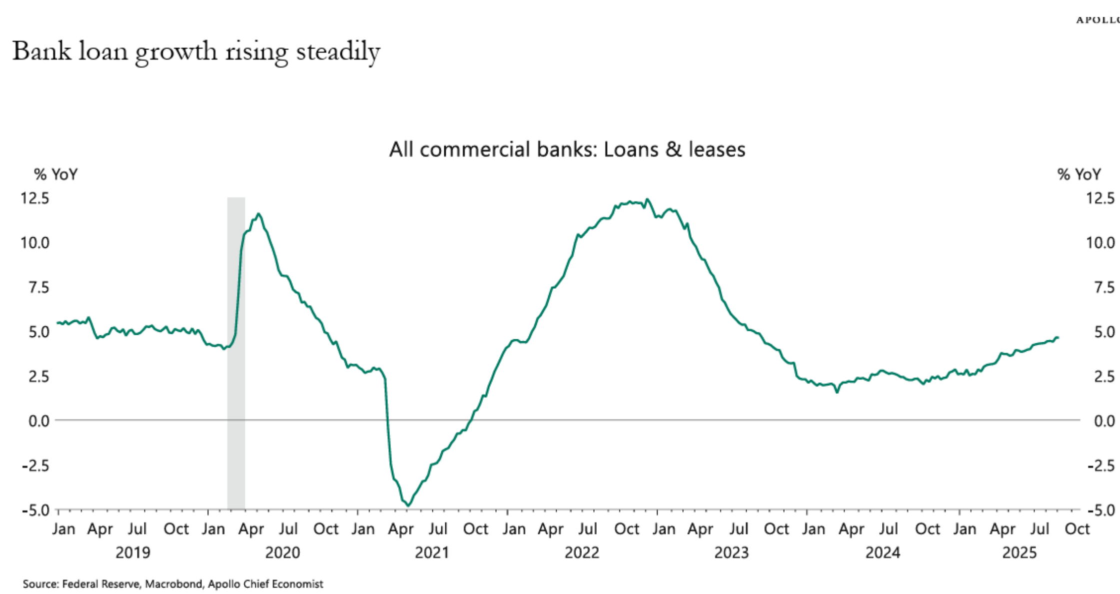
Market Timing

Where we are

There are always some crosscurrents in the economy, but I'd say that's true more now than usual. First let's highlight some of the positives.

First, banks are more willing to lend, and credit growth is up[7]. This is a good sign for the economy.

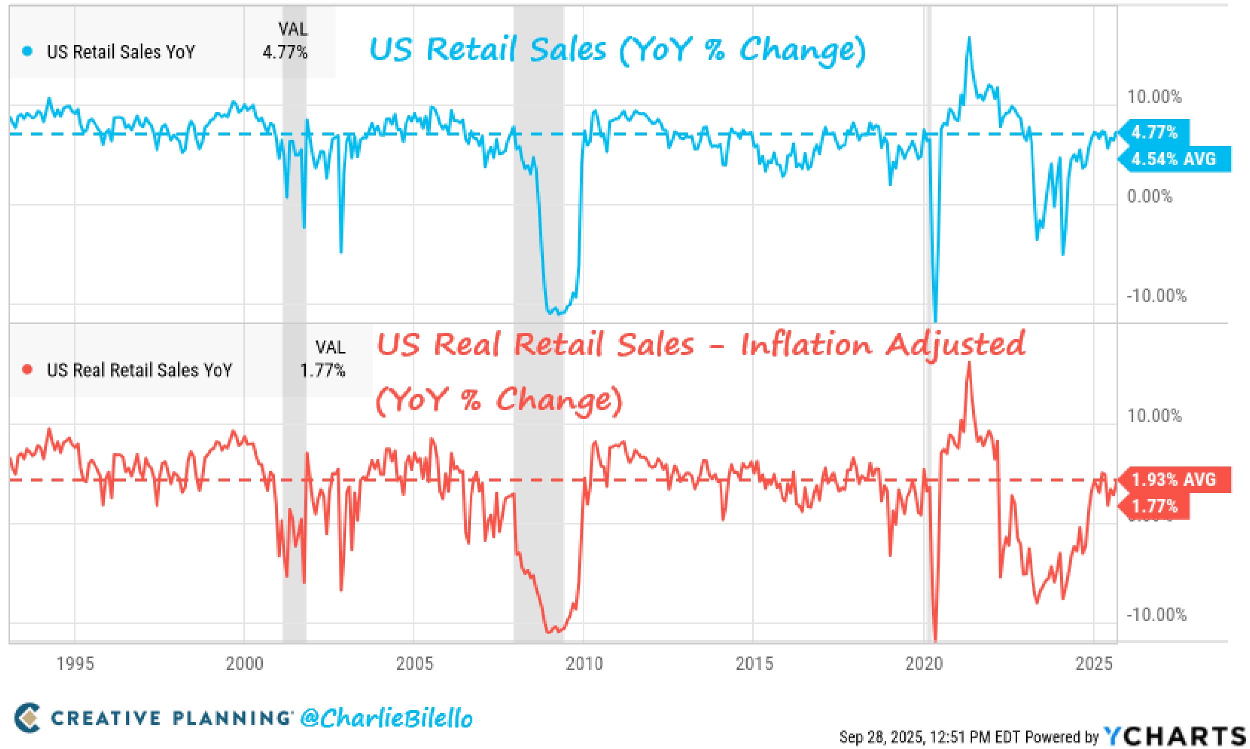




[7]Both charts from Charlie Bilello, "The Week in Charts," September 23, 2025

Market Timing

Retail sales are also holding up well[8].



We look at other data series as well and most are strong. Here are a few from Apollo[9]:

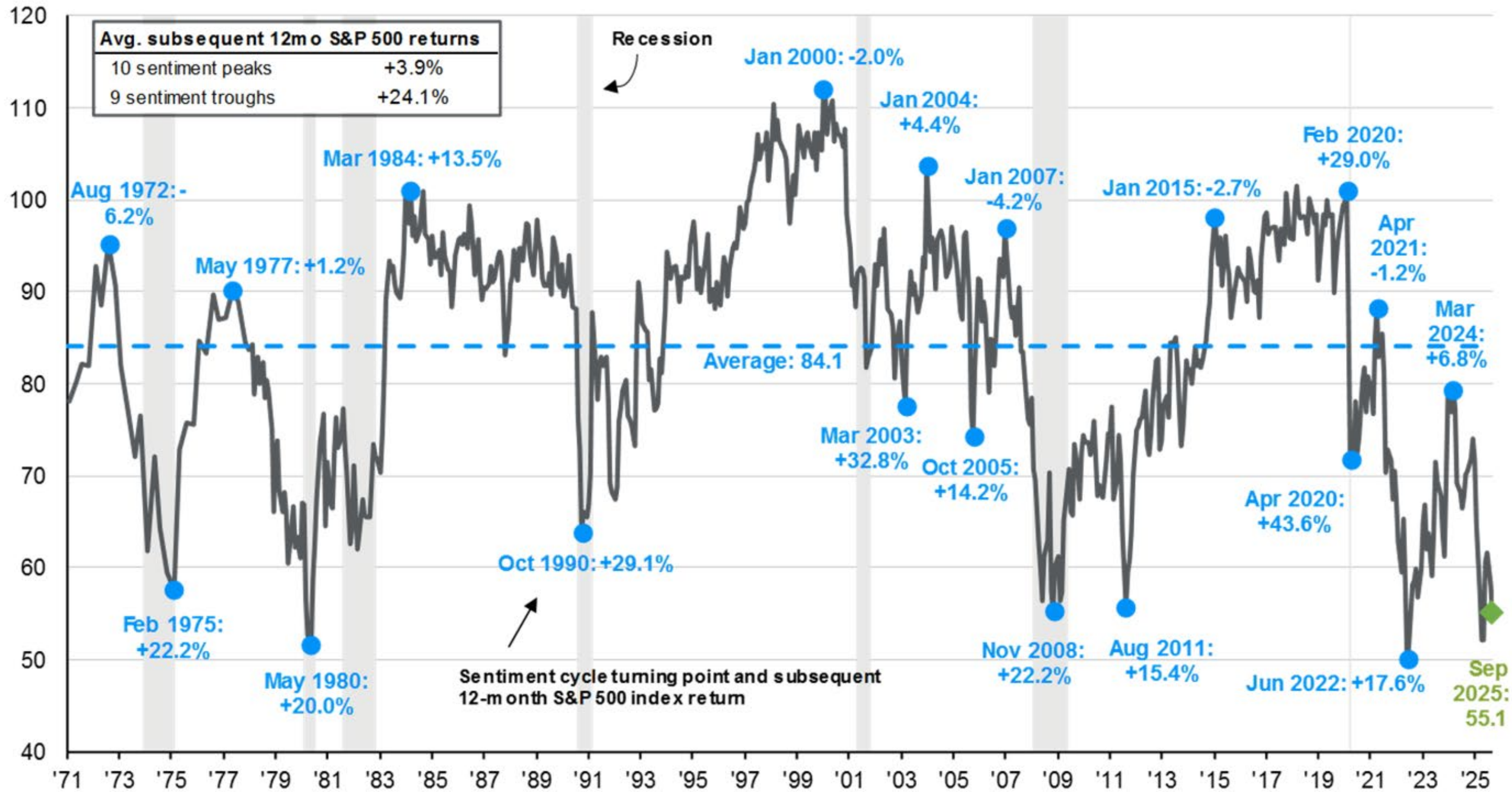
1. Trade policy uncertainty is returning to more normal levels
2. Economic policy uncertainty is returning to more normal levels
3. Restaurant bookings remain solid
4. US air travel remains robust
5. Las Vegas visitor volumes and total nights occupied remain solid
6. Hotel bookings remain solid
7. Bankruptcy filings are stable
8. Broadway attendance and visits to the Statue of Liberty remain at normal levels

[8]Charlie Bilello, "The Week in Charts," September 30, 2025
[9]Torsten Slok, "The Daily Spark," September 11, 2025

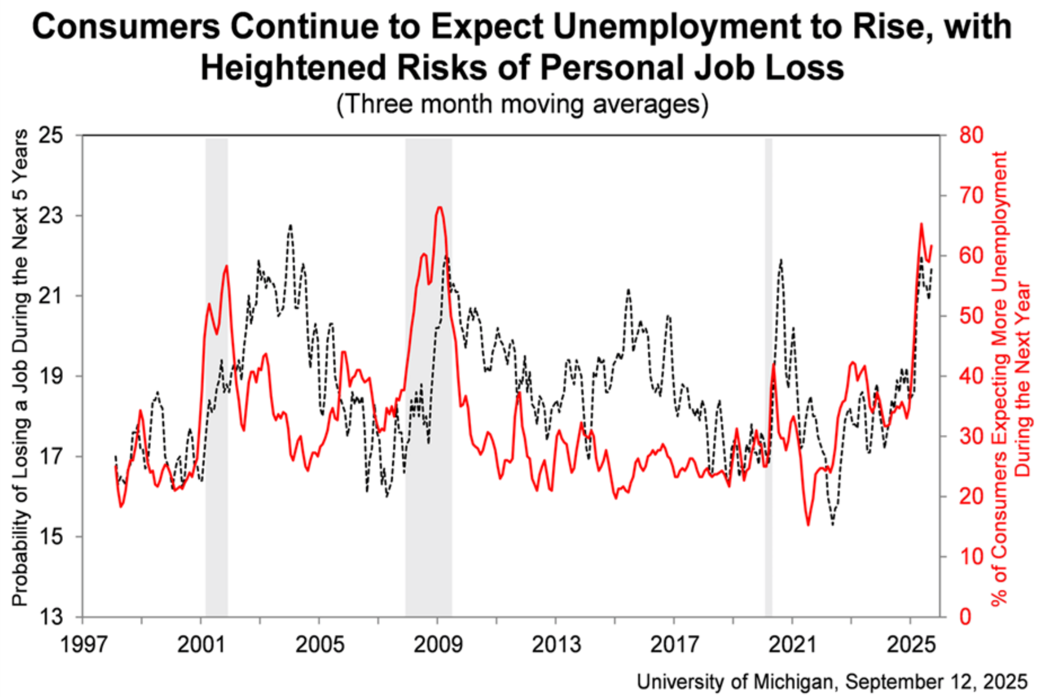
Market Timing

There are some data that are weak. For example, consumer sentiment is weak and getting worse[10] (although market returns when sentiment is weak are often good):

Consumer Sentiment Index and subsequent 12-month S&P 500 returns



[10]JP Morgan Guide to Markets, 4 quarter 2025, https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/guide-to-the-markets/



Consumers also expect unemployment to rise and are more concerned about their own job security[11].

In conclusion, what we are seeing is an economy with solid fundamentals (spending, credit, travel) but shaky confidence. This disconnect often resolves in favor of the fundamentals - another reason market timing is so difficult.

What Caught Our Eye This Quarter

For those new to my letters, I always like to include some funny stories that happened during the quarter which are unrelated to the general investment climate. My goal with these stories is to get you, the reader, to laugh. We all can use a few more laughs these days.

Warren Buffett and Charlie Munger, who ran Berkshire Hathaway for 60 years (Buffett is stepping down at the end of this year, and Munger passed away in 2023), famously complained about companies playing accounting games in order to boost short term earnings, in the hope of boosting their share price.

[11]Charlie Bilello, "The Week in Charts," September 30, 2025
[12]Much of this story comes from Matt Levine, "Daily Journal," Bloomberg Opinion, August 3, 2025

Market Timing

In addition to his role at Berkshire, Munger was Chairman of Daily Journal Corp (DJCO). Two years after his death, an activist shareholder[12] called Buxton Helmsley USA started sending letters to DJCO complaining about its accounting and offering to fix it. As can be expected, the "fix" would boost near term earnings, which Buxton Helmsley hoped would increase DJCO's market capitalization, by their estimation from approximately $540 million to $700 million. For its help, it asked for 15% of any increase in Daily Journal's stock price, regardless of the reason the stock might increase.

The company said no. Buxton Helmsley sent more letters and at the same time filed a whistleblower suit with the SEC. DJCO responded with this 8-K:

> Two weeks ago, we received a letter from Alexander E. Parker at a firm called Buxton Helmsley USA, Inc. The letter said Daily Journal Corporation (the "Company") should be capitalizing software development costs instead of expensing them under GAAP, and that doing so would "unlock $160+ million in incremental equity value" for shareholders. Mr. Parker then asked for a consulting engagement that would pay him $24 million worth of Company equity if the stock price increased by that amount for any reason (i.e., $.15 of every dollar), and he asked for two seats on the Company's Board of Directors…
>
> Mr. Parker seems to fancy himself a whistleblower, but the Company has been disclosing its practice of expensing software development costs and the reasons for that in its public filings for more than a decade. Nothing is hidden… Furthermore, the Company's approach has been reviewed as part of the annual audit without issue by three different national accounting firms since those development efforts began.
>
> Mr. Parker is right that if the Company capitalized those costs, it would boost near-term earnings and asset values by reducing the Company's expenses and shifting them to the balance sheet. Anyone who knew our longtime Chairman, Charles T. Munger, knows what his thoughts would have been on the idea of "creating value" through accounting.
>
> Nonetheless, the Board and its Audit Committee decided to take this opportunity to engage an independent accounting consultant to make sure the Company is accounting for software development costs correctly. And that's when Mr. Parker's game became clear.
>
> On July 23, one day after being informed of the decision to engage an independent accounting firm rather than Buxton Helmsley, Mr. Parker fired back[13] a letter saying that only Buxton Helmsley was qualified to "restore trust" while at the same time notifying us that he was reporting the Company to the Enforcement Division of the SEC…
>
> We suspect Mr. Parker will learn with age and experience that few people want to work with someone who presents himself in this way. Even fewer want to work with someone who reports them to the government when he doesn't get what he wants! Also, we've already reached out to the SEC staff and have offered to discuss with them the Company's software development accounting and/or Mr. Parker, should they so desire.

[13]Buxton Helmsley letter can be found here: https://www.sec.gov/Archives/edgar/data/783412/000143774925023705/ex_844257.htm

Market Timing

> …After considering Mr. Parker's analysis, his demand for equity compensation and his threats should the Company challenge him (see page 5 of the July 23 letter in particular), we suspect Company shareholders will agree that the Audit Committee made a prescient and wise decision in not "partnering" with Mr. Parker.

Munger would indeed be proud.

One quirk of US stock exchange is that if a company's stock trades at less than $1 for an extended period of time, the stock can be delisted. The most obvious and often used solution is to do a reverse stock split. For example, if your stock is trading at 0.50 and you do a 1 for 10 stock split, the stock will trade at $5 all else being equal. There are minimum market cap and other requirements as well, so if you fail any of those requirements, the reverse stock split will not work. But there are many companies who have fulfilled all the other requirements and have used to a reverse stock split to stay listed.

But I don't think I've ever seen any company like Bollinger Innovations (ticker BINI)[14]. As of January of this year, the company (then named Mullen Automotive) was a small Nasdaq-listed public company with a market capitalization of about $37 million, with a stock price of about $0.83 per share and about 44.5 million shares outstanding. Bollinger did a 1 for 60 reverse stock split, much more than it needed for the $1 listing minimum, perhaps to give it more cushion.

While Bollinger was reducing its share count by reverse splits, it was also issuing a ton more shares, largely to investors who bought convertible notes in 2024 and got warrants with them. The value of the company did not notably increase, though, so Bollinger kept running into trouble with Nasdaq. Its solution was more reverse stock splits—many more:

> On June 2, 2025, the Company effected 1-for-100 reverse stock split of its common stock, and on August 4, 2025, the Company effected a 1-for-250 reverse stock split… In addition to the reverse stock splits referred to above, the Company previously effected an 1-for-25 reverse stock split on May 4, 2023, a 1-for-9 reverse stock split on August 11, 2023, a 1-for-100 reverse stock split on December 21, 2023, a 1-for-100 reverse stock split on September 17, 2024, a1-for-60 reverse stock split on February 18, 2025, and a 1-for-100 reverse stock split on April 11, 2025.[15]

Subsequent to the filing, with the stock price back down below $1, the company asked for permission to execute another stock split, which was approved with the stipulation that it would be the last for a minimum of 36 months post approval. On September 22, the company executed another 1 for 250 share stock split. So since the start of 2025, the company has done four reverse stock splits totaling 1-for-37,500,000,000: 37.5 billion shares in January have been smushed down to a single share today[16]. As of October 10, the stock was down almost 97% in the last month and is trading at $0.63. I'm not sure what they can do at this point.

[14] Most of this story comes from Matt Levine, "Stock Splits," Bloomberg Opinion August 26, 2025
[15] Bollinger 10q for the period ending June 30, 2025, page 9
[16] Of course there weren't 37 billion shares in January; there were 44.5 million. Its entire share count as of January represents one thousandth of a share today.

Market Timing

Personnel updates

We are thrilled that Andrew Nathin and Trinity Collins have decided to join our team. Andrew joins us as an Associate Wealth Strategist from Corient, where he worked with high-net-worth families on all their financial needs. Trinity joins us from Huntington National Bank in Michigan, where her boss is still texting her to ask her to go back to work for him again. We can't wait for you to meet them. I'm sure when you speak with them, you'll be as excited about them as we are.

We were sad to see Cade and Jackie leave the firm. Both got amazing offers, which is a testament to them. We wish them well in their new endeavors.

Thanks to all of you for your trust in our partnership. We are grateful to have such an incredible ecosystem of long-term partners, often for multiple generations. Your trust in the Satovsky team is our greatest asset, and we are fully committed to steering you through your financial journey. Please don't hesitate to reach out—your peace of mind, and your financial security, is our priority.

Avi and the Satovsky team

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% **2020 Q2**	25.9% **2009Q2**	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]).

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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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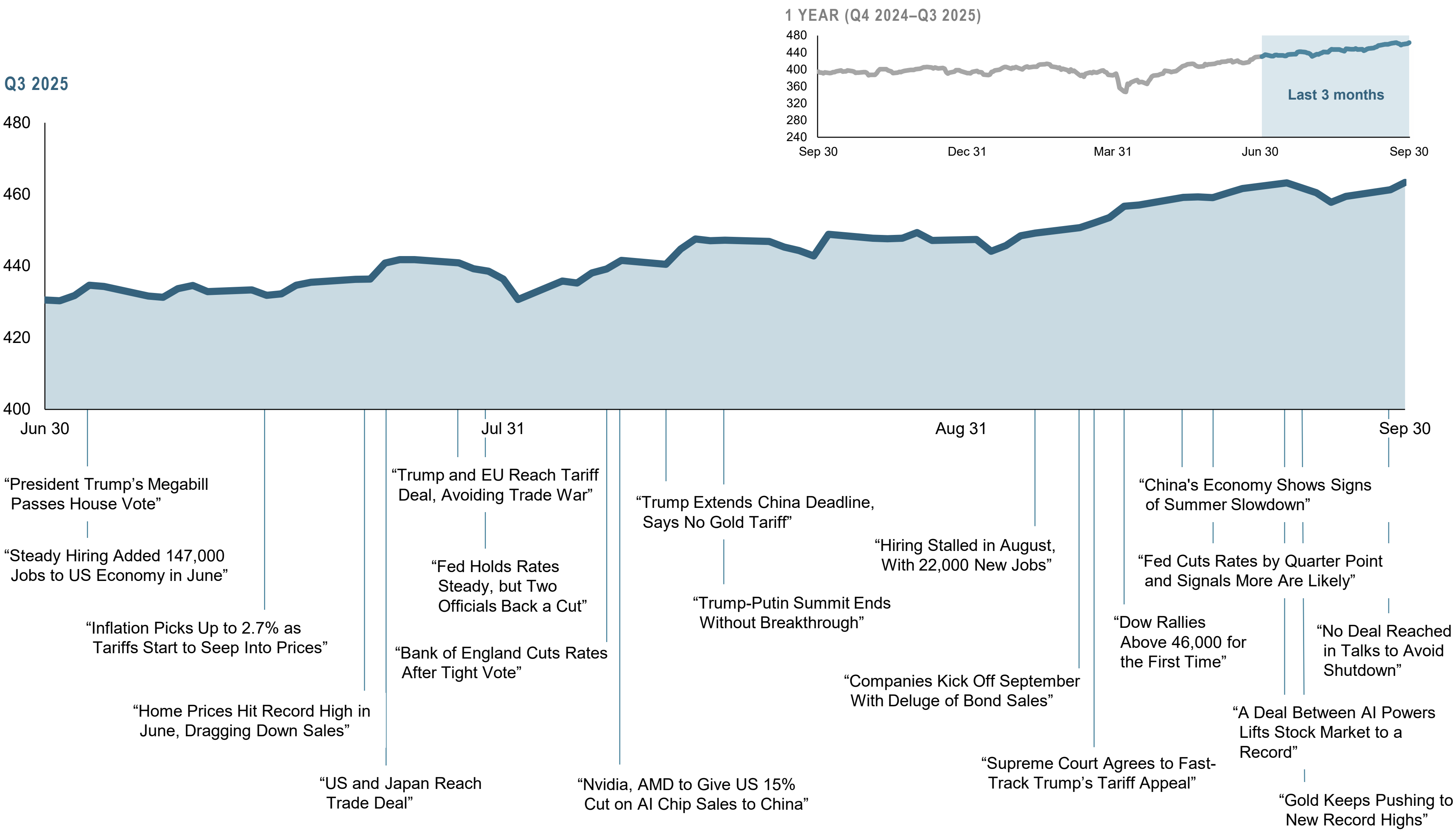
World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2025



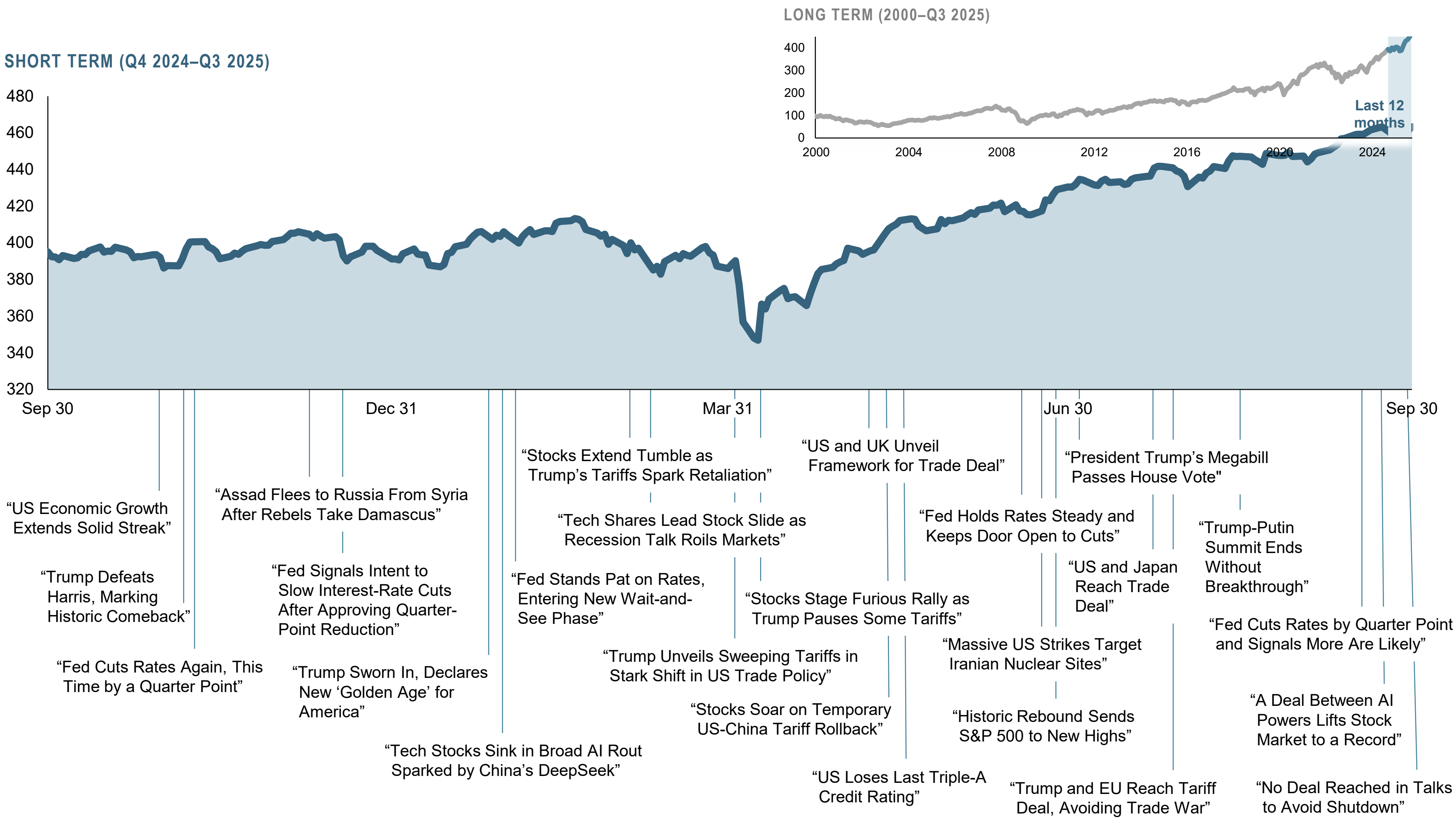
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

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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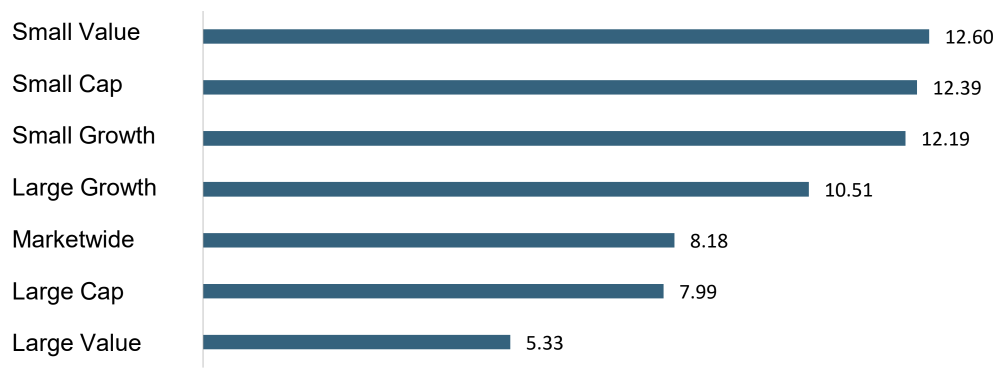
US Stocks

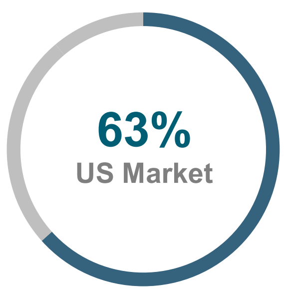
Returns (USD), 3rd Quarter 2025

- 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 (%)



World Market Capitalization



US Market
$64.2 trillion

Periodic Returns (%)

			ANNUALIZED					
Asset Class	QTR	YTD	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

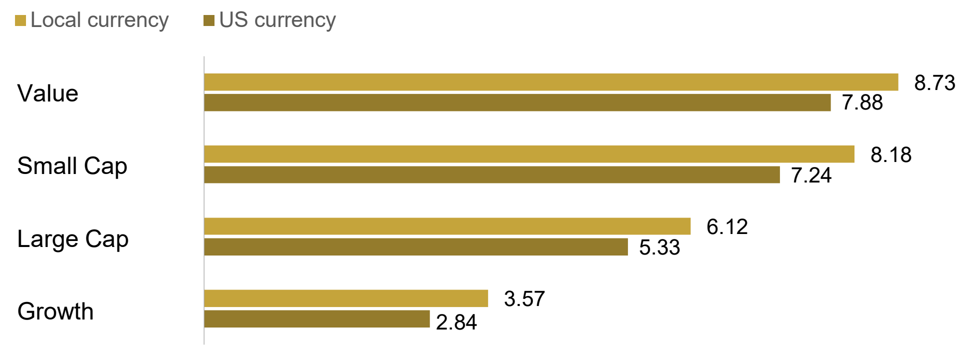
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell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



World Market Capitalization

International Developed Market
$25.9 trillion

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

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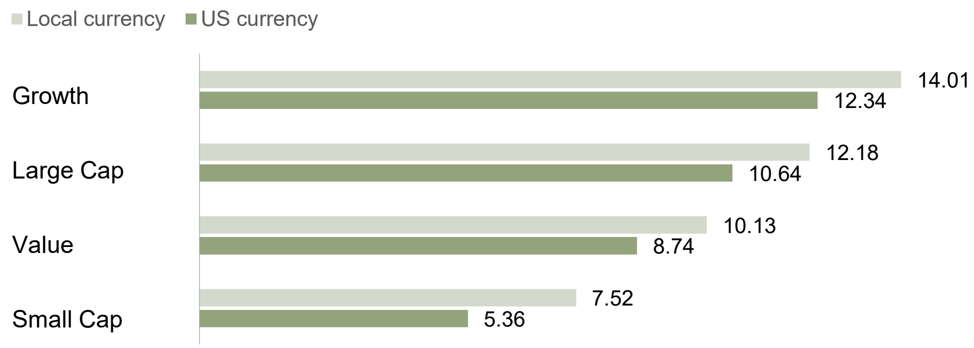
Emerging Markets Stocks

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 (%)



World Market Capitalization

Emerging Markets
$11.3 trillion

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

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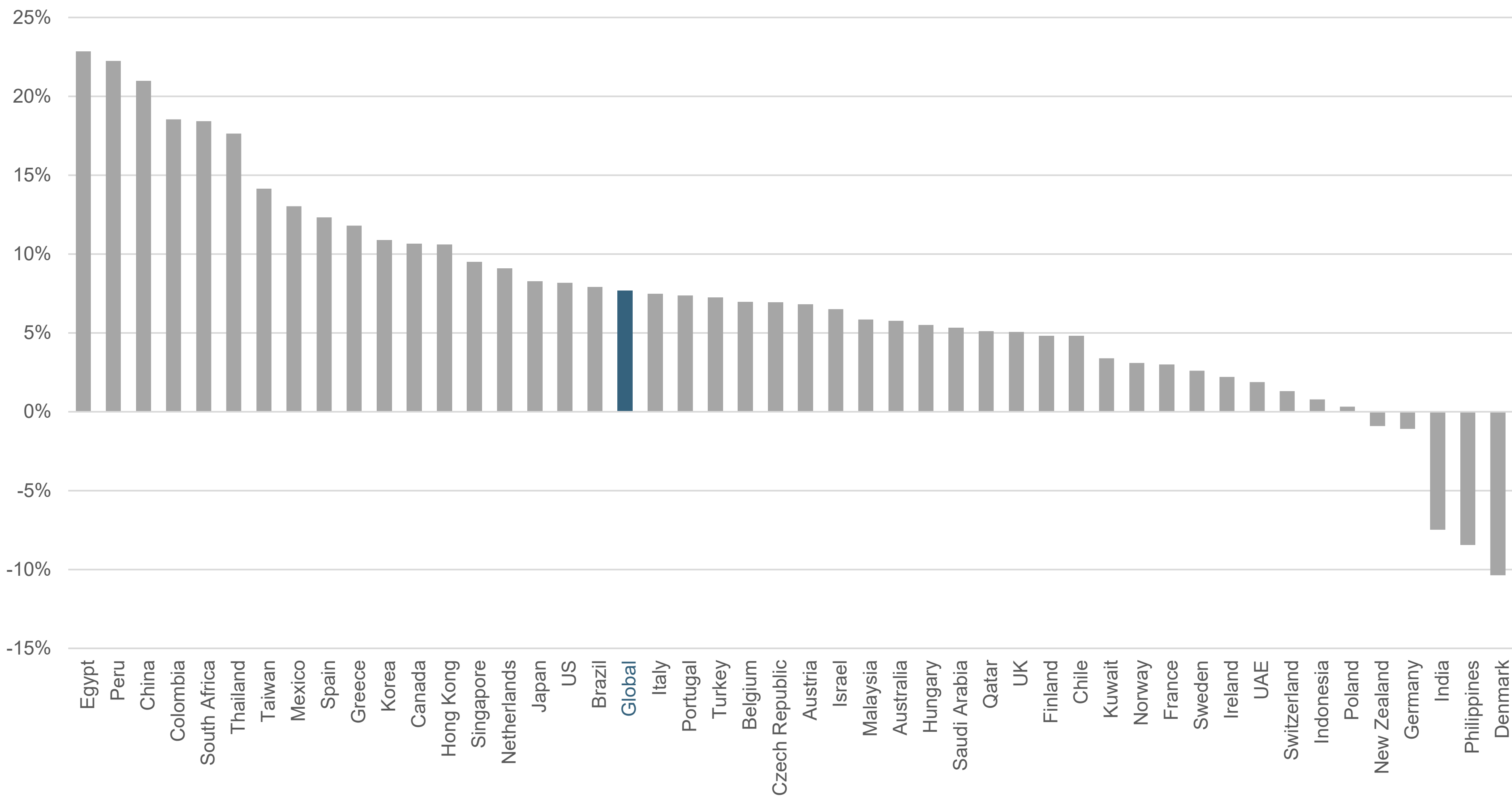
Country Returns

Returns (USD), 3rd 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.

Real Estate Investment Trusts (REITs)

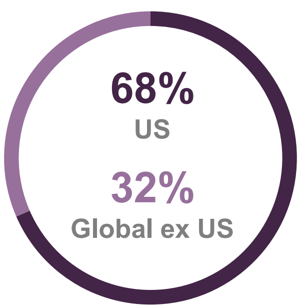
Returns (USD), 3rd Quarter 2025

SATOVSKY ASSET MANAGEMENT

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

Ranked Returns (%)

Total Value of REIT Stocks



US
$1,081 billion
102 REITs

Global ex US
$498 billion
274 REITs
(25 other countries)

Periodic Returns (%)

			ANNUALIZED					
Asset Class	QTR	YTD	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

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.

Commodities

Returns (USD), 3rd Quarter 2025

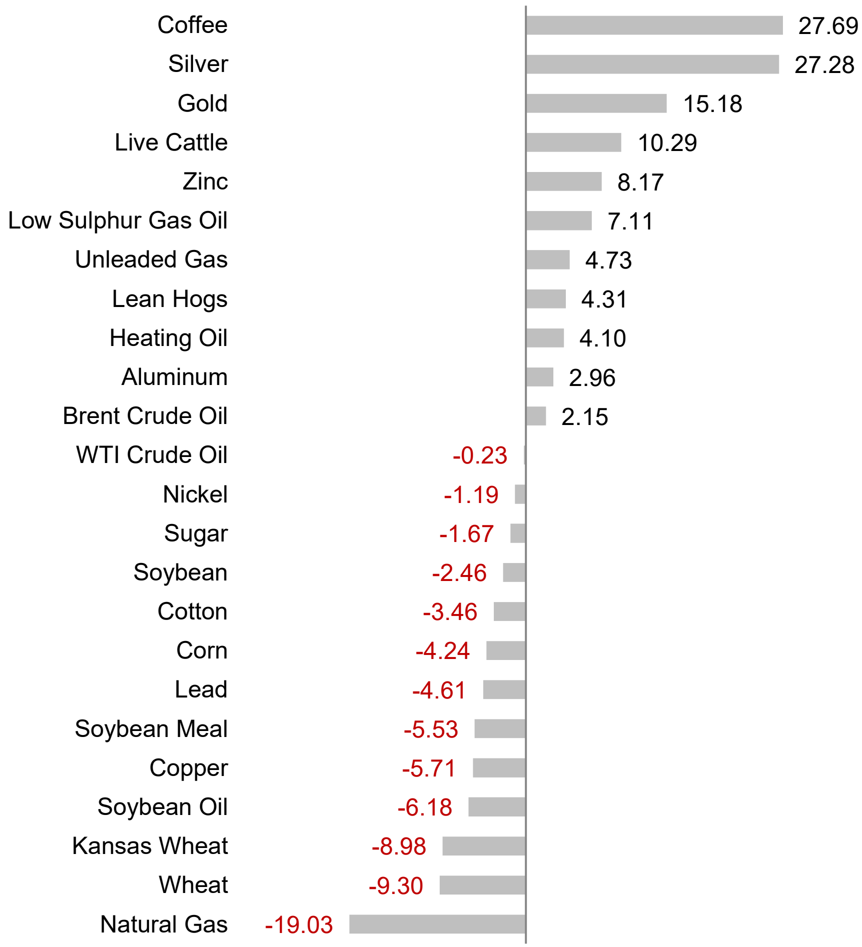
The Bloomberg Commodity Total Return Index returned +3.65% for the third quarter of 2025.

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.

Commodities Periodic Returns (%)

		ANNUALIZED					
QTR	YTD	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

Commodities Ranked Returns (%)



Past performance is not a guarantee of future results. Index is not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Commodities returns represent the return of the Bloomberg Commodity Total Return Index. Individual commodities are sub-index values of the Bloomberg Commodity Total Return Index. Data provided by Bloomberg.

Fixed Income

Returns (USD), 3rd Quarter 2025

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

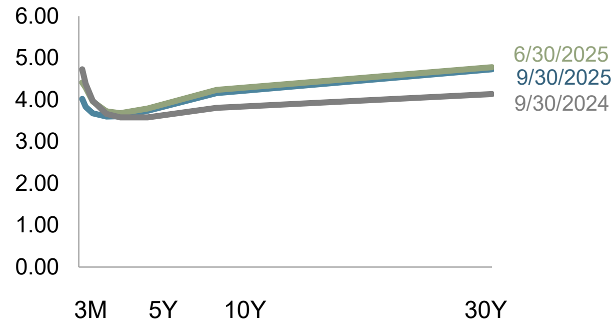
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 8 basis points (bps) to 4.20%, while the 1-Year US Treasury Bill yield decreased 28 bps to 3.68%. The yield on the 2-Year US Treasury Note decreased 12 bps to 3.60%.

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%.

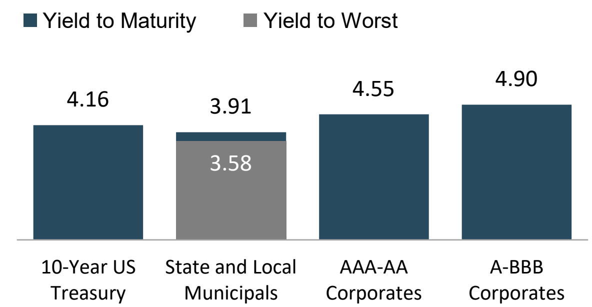
In terms of total returns, short-term US treasury bonds returned +1.17% while intermediate-term US treasury bonds returned +1.26%. Short-term corporate bonds returned +1.62% and intermediate-term corporate bonds returned +2.04%.[1]

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 Yield 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. Bloomberg data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefield). Bloomberg data provided by Bloomberg.

Global Fixed Income

Yield curves, 3rd Quarter 2025

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

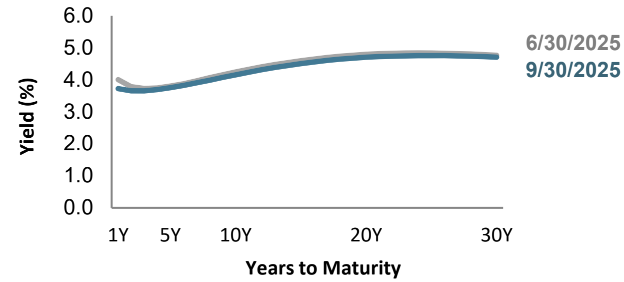
In Canada, short- to intermediate-term interest rates decreased, and long-term interest rates increased. The short-term maturity segment of the yield curve was generally flat but steepened in the three- to five-year maturity segment in Canada, Germany, UK and Australia.

Realized term premiums were mixed across global developed markets. Realized term premiums were positive in the US and Canada, as longer-term bonds generally outperformed shorter-term bonds during the quarter. However, realized term premiums were negative in the UK and Germany, as longer-term bonds generally underperformed shorter-term bonds during the quarter.

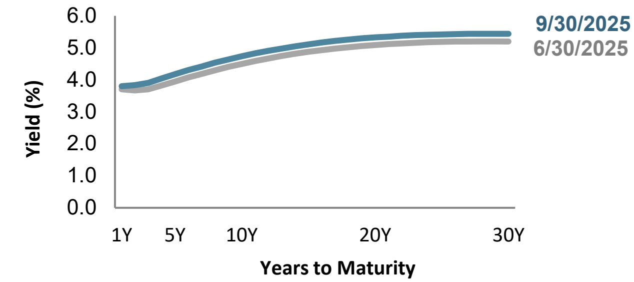
Changes in Yield (bps) Since 06/30/2025

	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

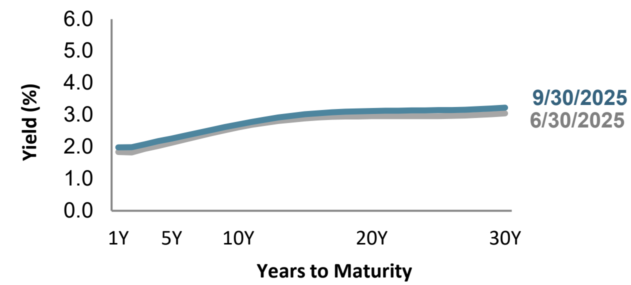
US



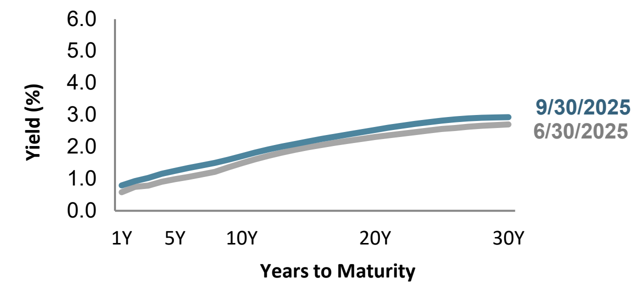
UK



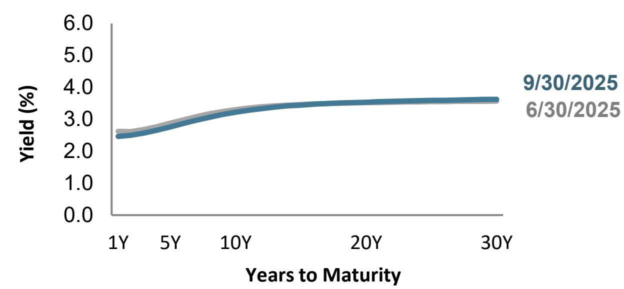
Germany



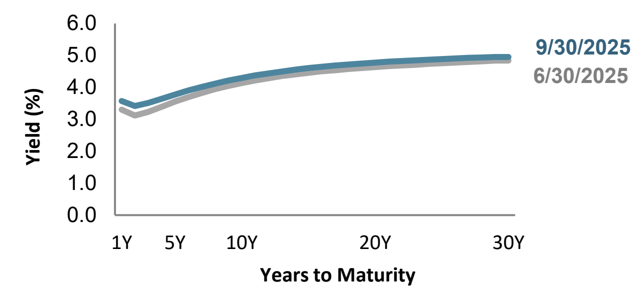
Japan



Canada



Australia



One basis point (bps) equals 0.01%. Source: ICE BofA government yield. ICE BofA index data © 2025 ICE Data Indices, LLC.

Past performance is no guarantee of future results.

Source: Dimensional, using Dimensional and Morningstar data. AI companies are represented by the holdings in the top five largest artificial intelligence (AI) ETFs based on assets under management as of December 31, 2024: AIQ, BOTZ, QTUM, ARKQ, and ROBT. Eligible universe includes US domiciled funds in the US Sector Equity and US Equity Morningstar US category groups. Artificial intelligence (AI) funds include those with one or more of the following terms in the fund name: “AI,” “Quantum,” “Intelligent Machines,” “Autonomous,” “Deep Learning,” “Artificial Intelligence,” “Machine Learning.” Fund names including “AI Powered” are excluded from the analysis. Fund list may not be exhaustive of all funds that invest in AI-themed stocks. The sample excludes leveraged funds, funds of funds, and the US Fund Real Estate and US Fund Infrastructure US category groups. Global Equities is represented by the MSCI ACWI IMI Index. US Equities is represented by the Russell 3000 Index.

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