REVIEW OF MARKET PERFORMANCE

FISCAL YEAR 2025

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Investment Director

Key Points

- US tariffs added to market volatility in the fiscal year (FY) ended June 30, 2025. Nevertheless, most risk assets ended the year higher, supported by strong earnings ahead of tariff uncertainty and the prospect of continued central bank policy easing to support growth.
- Dispersion in returns narrowed across equity regions and factors in FY 2025, as performance broadened beyond the US and large-cap technology stocks.
- Bond performance improved from the prior year as monetary easing drove short-dated yields lower. A weaker US dollar supported the outperformance of emerging markets (EM) local currency (LC) bonds.
- Interest rate–sensitive assets delivered healthy gains. Gold surged to fresh highs on heightened trade and geopolitical tensions and meaningfully outperformed other major asset classes.

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Markets posted broad gains in FY 2025

GLOBAL ASSET CLASS PERFORMANCE: FY 2025

As of June 30, 2025 • Total Return (%) • US Dollar

Major asset classes rose higher in FY 2025.

- Global equities gained on healthy earnings growth ahead of tariff-induced macro uncertainty and the prospect of continued monetary easing by central banks to support growth.
- Fixed income delivered positive returns as rate cuts drove short-dated yields lower. High-yield (HY) bonds rallied as credit spreads tightened, while EM LC bonds outperformed as EM currencies appreciated against a weaker US dollar.
- Real assets gained, but returns were modest for natural resources equities (NREs) and commodities amid a softening growth outlook. In contrast, gold surged on heightened macro and geopolitical uncertainty.
- The US dollar declined sharply in FY 2025 as a weaker outlook for US growth and increased US policy uncertainty weighed on demand for US assets and the US dollar.

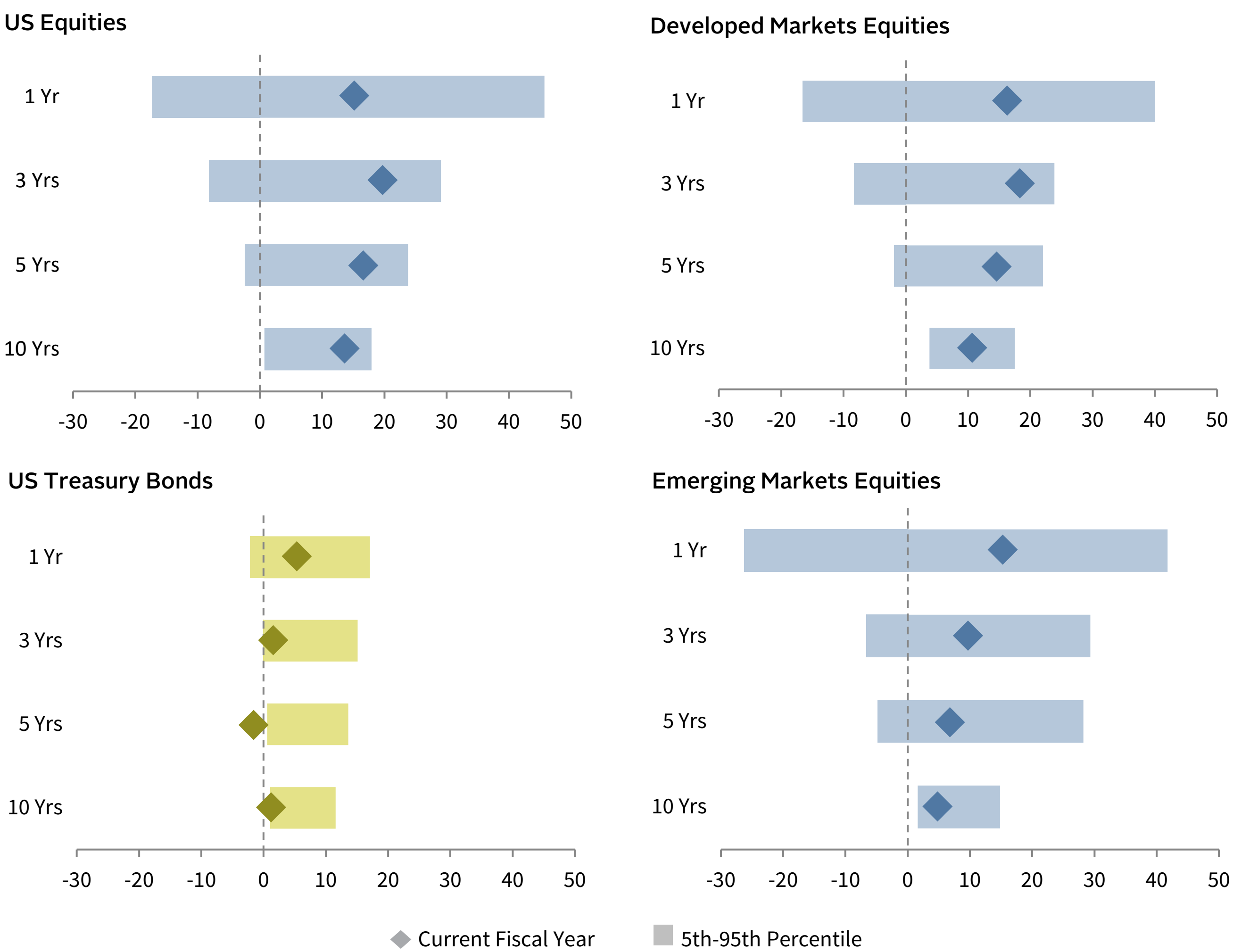
Sources: Bloomberg Index Services Limited, Bloomberg L.P., EPRA, Federal Reserve, FTSE Fixed Income LLC, FTSE International Limited, Hedge Fund Research, Inc., Intercontinental Exchange, Inc., J.P. Morgan Securities, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

Notes: Asset classes represented by: MSCI All Country World Index ("Global"), MSCI World Index ("DM"), S&P 500 Index ("US"), MSCI UK Index ("UK"), MSCI Europe ex UK Index ("Europe ex UK"), MSCI Japan Index ("Japan"), MSCI Emerging Markets Index ("EM"), Bloomberg US Treasury Index ("US Treasury"), FTSE World Government Bond Index ("Dev Mkts Govt"), Bloomberg US Corporate Investment Grade Bond Index ("US IG Corp"), Bloomberg US High Yield Bond Index ("US HY"), J.P. Morgan GBI-EM Global Diversified Index ("EM LC"), market cap-weighted Datastream World Energy Index and Datastream World Basic Resources Index blend ("NRE"), FTSE® EPRA/NAREIT Global Real Estate Index ("Global RE"), Bloomberg Commodity TR Index ("Cmdty"), LBMA Gold Price ("Gold"), Hedge Fund Research Fund Weighted Composite Index ("Hedge Funds"), and Nominal Trade Weighted US Dollar Index: Broad ("USD"). Total return data for all MSCI indexes are net of dividend tax withholdings. Hedge Fund Research data are preliminary for the preceding five months. Gold performance is based on spot price returns.

Equities delivered healthy returns while Treasury returns improved

AVERAGE ANNUAL COMPOUND RETURN RANGE FOR VARIOUS TIME PERIODS

Periods Ended June 30, 2025 • Total Return (%) • US Dollar



Equities outperformed fixed income in FY 2025. US equity performance converged with those of developed markets (DM) and EM peers in the FY but continue to beat over longer trailing periods.

- US and DM equities posted healthy FY 2025 returns relative to history. Trailing three- and five-year returns also remained strong relative to their historical ranges, reflecting performance that captures a period of enthusiasm for AI-related growth and the start of monetary easing.
- One-year returns for EM equities were higher compared to longer trailing year periods. However, ten-year EM equity returns remained near the bottom end of historical ranges.
- US Treasury bonds delivered positive returns and beat performance of FY 2024, as investors priced in continued policy easing by central banks. However, three-, five-, and ten-year returns remained at the low end of the historic ranges.

Sources: Bloomberg Index Services Limited, Global Financial Data, Inc., MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

Notes: Ranges reflect the 5th and 95th percentile of fiscal year returns. Asset classes are represented by the following indexes: S&P 500 Index ("US Equities"), MSCI World Index ("Developed Markets Equities"), Bloomberg Barclays US Treasury Index ("US Treasury"), and MSCI Emerging Markets Index ("Emerging Markets Equities"). Total returns for all MSCI indexes are net of dividend taxes. Total returns for the MSCI Emerging Markets Index are gross of dividend taxes prior to fiscal year 2002. The first full fiscal year periods are 1901 for S&P 500, 1971 for MSCI World, 1974 for US Treasury, and 1989 for MSCI Emerging Markets. Data prior to 1969 for US Equities are from Global Financial Data, Inc.

MACRO

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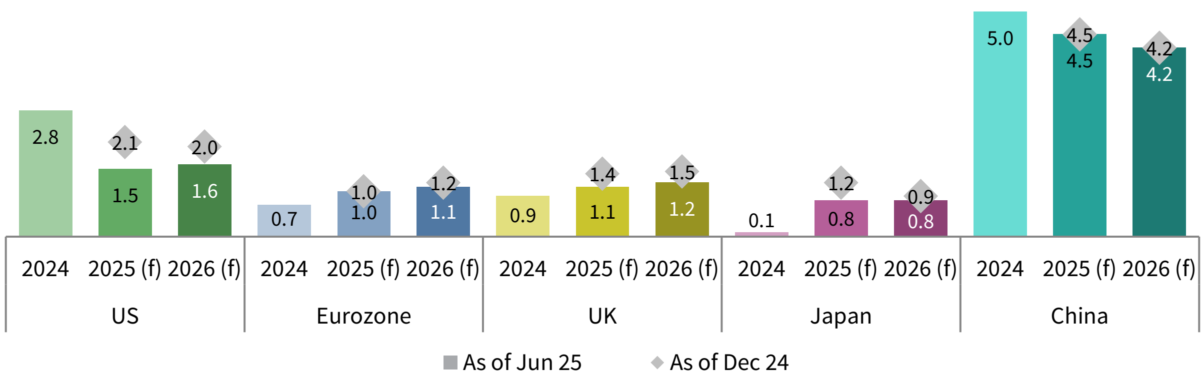
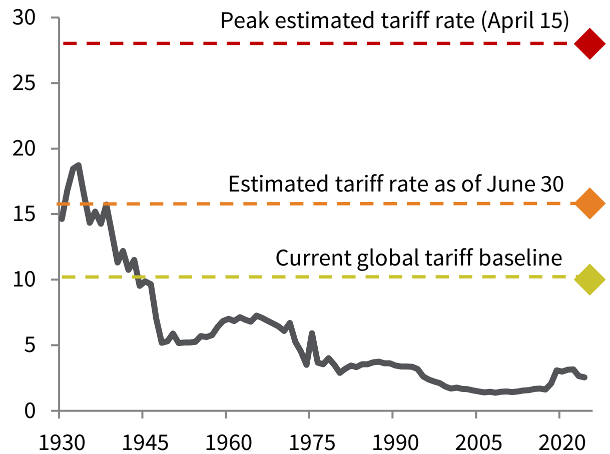
US tariffs clouded the outlook for global growth

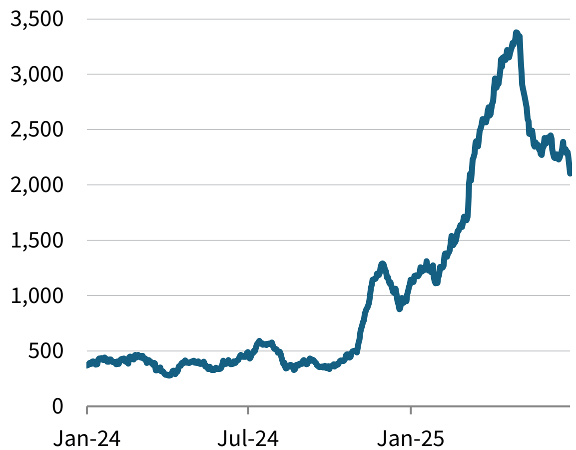
REAL GDP GROWTH FORECASTS
2024–26 (f) • Percent (%)



WEIGHTED-AVERAGE EFFECTIVE US TARIFF RATE
December 31, 1930 – June 30, 2025 • Percent (%)



US TRADE POLICY UNCERTAINTY
January 1, 2024 – June 30, 2025 • Rolling 30-Day Average



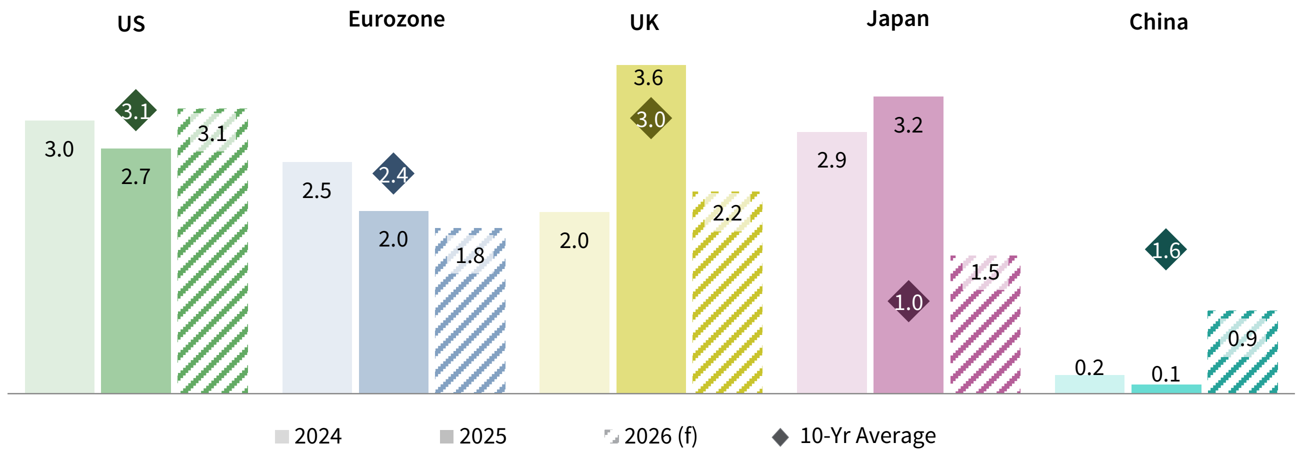
US trade policy uncertainty spiked in early 2025, while global growth forecasts were revised lower, after the Trump administration announced broad-based tariffs on trade partners.

- Based on tariffs announced as of June 30, the effective US tariff rate was estimated at 15.8%. This is down from 28% in April as more severe levies were paused or rolled back, but still at the highest level since the 1930s.
- A de-escalation in US-China trade tensions and a pause in higher tariff rates helped to ease concerns of a sharper recessionary shock. However, US GDP growth is still expected to slow meaningfully in 2025–26, a contrast to activity in other DMs, which is expected to improve from 2024 levels.
- China's GDP growth is expected to moderate further amid higher tariffs and sluggish domestic demand.

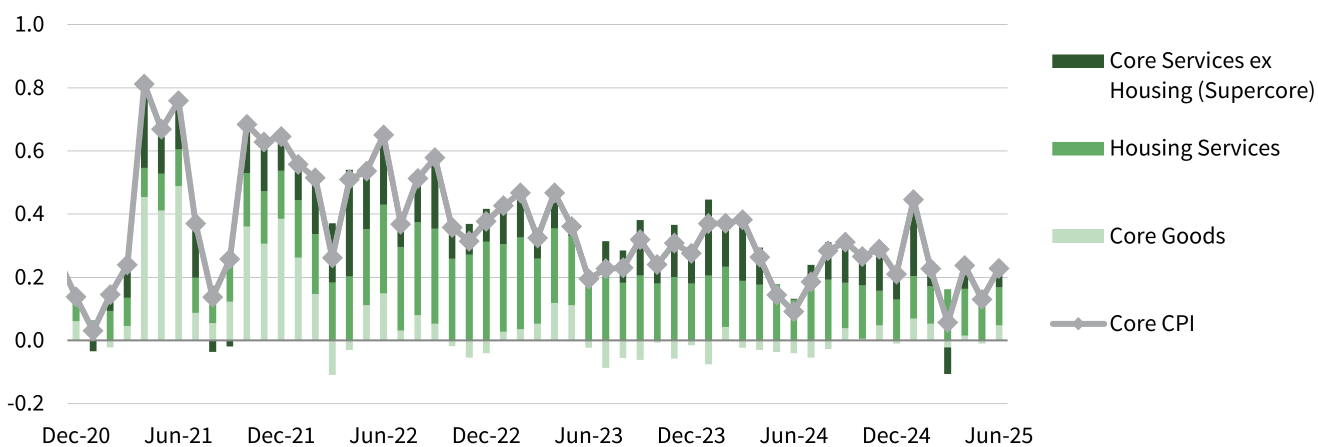
Sources: Bloomberg L.P., "Measuring Economic Policy Uncertainty" by Scott Baker, Nicholas Bloom, and Steven J. Davis at www.PolicyUncertainty.com, "State of U.S. Tariffs: June 17, 2025" – The Budget Lab at Yale, and Thomson Reuters Datastream.
Notes: The weighted effective US tariff rate data represent the customs revenue generated from all goods entering the US, expressed as a percentage of their import value. Estimated tariff rates are based on analysis sourced from The Budget Lab and are as of June 17, 2025. These estimates do not account for potential substitution effects, which would be expected to reduce the overall tariff rate as consumers find alternatives for cheaper imports. The Trade Policy Uncertainty Index reflects the frequency of articles in American newspapers that discuss policy-related economic uncertainty and contain one or more references to trade policy.

Inflationary pressures diverged in FY 2025

HEADLINE INFLATION
For Periods Ending June 30 • Percent (%) • Forecasts as of July 21, 2025



CONTRIBUTION TO MONTHLY US CORE CPI INFLATION
December 31, 2020 – June 30, 2025 • Percent Change (%)



The path of inflation diverged across economies in FY 2025. This trend is expected to persist in the coming year as tariffs add higher near-term pressure to US inflation vis-à-vis elsewhere.

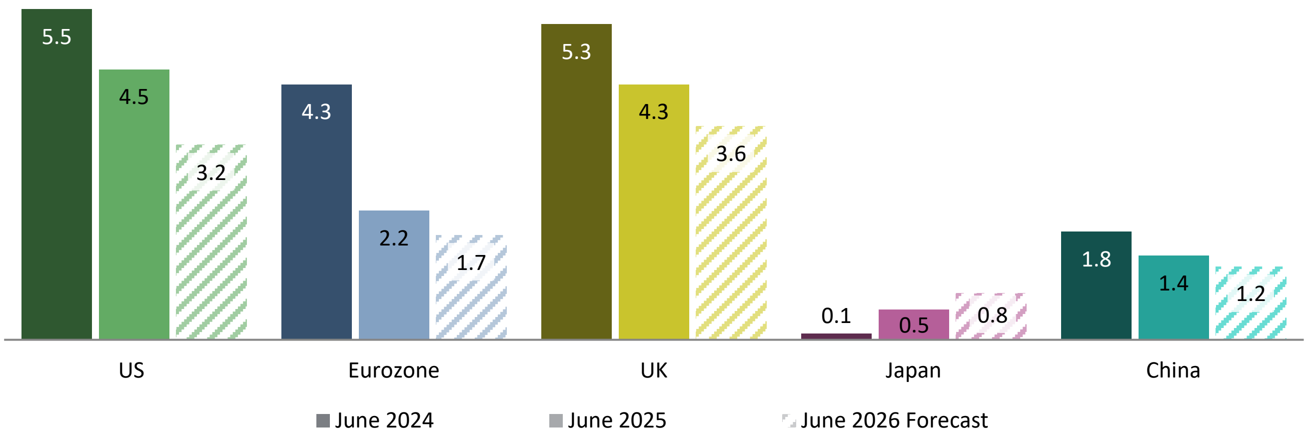
- Inflation continued to moderate in the US and Eurozone over FY 2025. However, prices rose in the UK and Japan amid strong wage growth. Higher energy and food prices also contributed to the uptick in inflation in the UK and Japan, respectively.
- Forecasts point to higher inflation in the US over the next 12 months, as tariffs drive a one-off increase in prices. Indeed, US June CPI is starting to show an uptick in the prices of tariff-sensitive core goods.
- In contrast, inflation is expected to moderate across other DMs as tariffs weigh on economic activity and demand.
- China is an outlier where inflation remains muted, given weaker domestic activity.

Sources: Bloomberg L.P., Federal Reserve, National Sources, and Thomson Reuters Datastream.
Notes: CPI data are not seasonally adjusted, except for US forecasts, which are seasonally adjusted. Bottom chart: Copyright (c) 2024, Caleb Bray, Jordan Rappaport, Shu-Kuei X. Yang, and the Federal Reserve Bank of Kansas City. All rights reserved. Weights for calculation on bottom chart are as of February 28, 2025.

Major central banks eased policy in response to a softer growth outlook

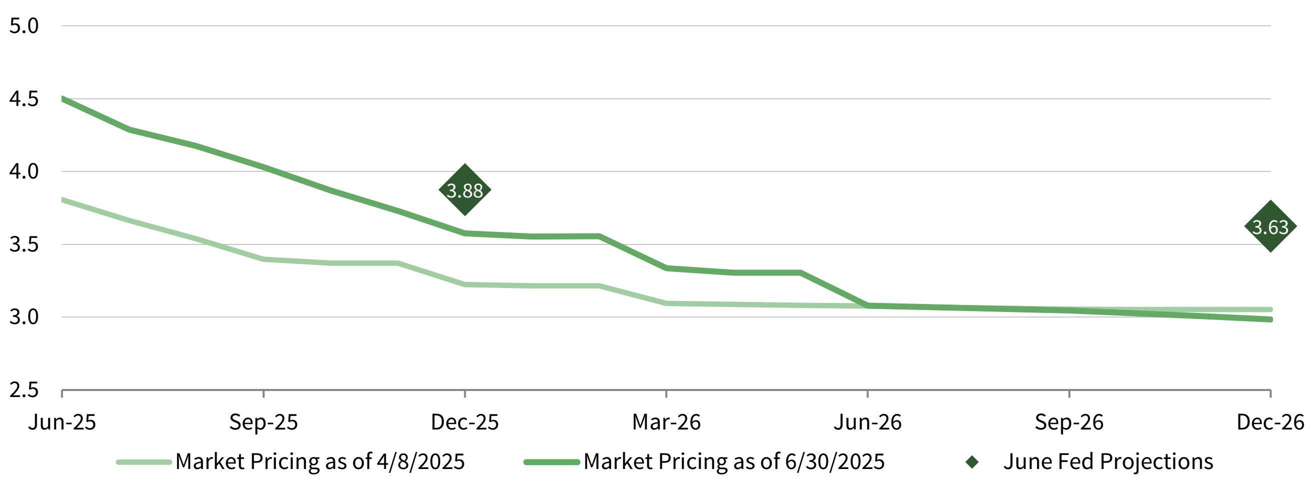
CENTRAL BANK POLICY RATES

2024–26 (f) • Percent (%)



MARKET EXPECTATIONS FOR FED FUNDS RATE

As of June 30, 2025 • Percent (%)



Major central banks eased policy in FY 2025 on a softening growth outlook.

- The ECB pursued more aggressive policy easing compared to its peers, supported by cooling inflation in the Eurozone.
- The Fed cut rates rapidly by 100 bps over late 2024, but subsequently paused its easing cycle as the Trump administration's policies on tariffs and taxes added to inflation uncertainty. Nevertheless, the Fed is expected to look past the temporary price impact of tariffs and resume easing as US growth softens, albeit bets on more rapid cuts were dialed back as fears of a sharper recessionary shock abated.
- Monetary policy in Japan continues to diverge from elsewhere. The BOJ acted to hike in FY 2025 and has signaled further policy tightening remains on the table as it monitors higher inflation and wage growth.

Sources: Bloomberg L.P., National Sources, and Thomson Reuters Datastream.
Notes: Central bank policy rate forecasts are based on median broker projections sourced from Bloomberg and are as of June 30, 2025. China's policy rate is represented by the 7-day reverse REPO rate.

EQUITIES

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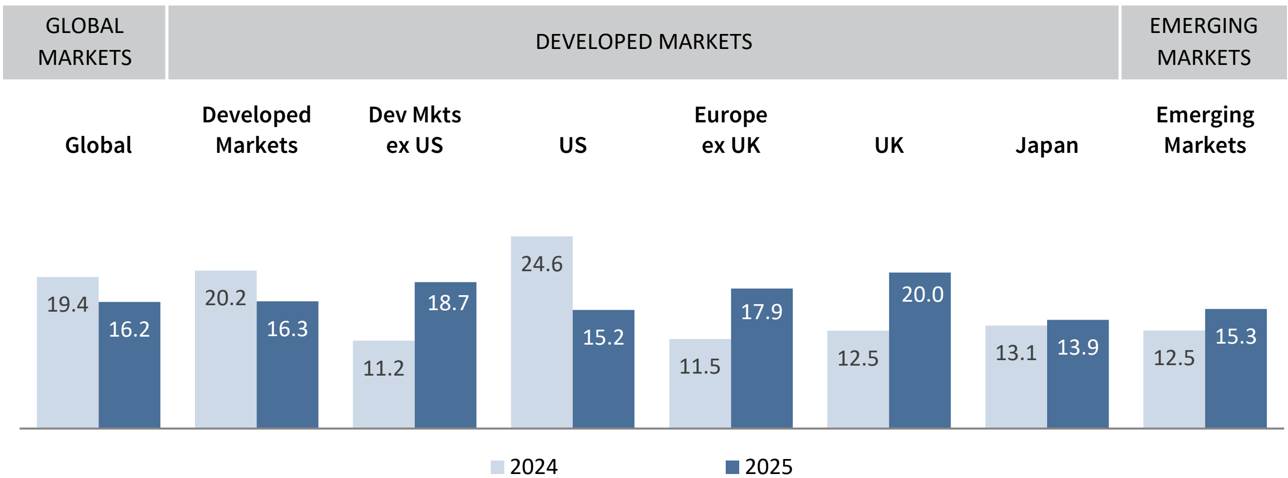
Global equities gained as fears of a sharper recessionary shock abated

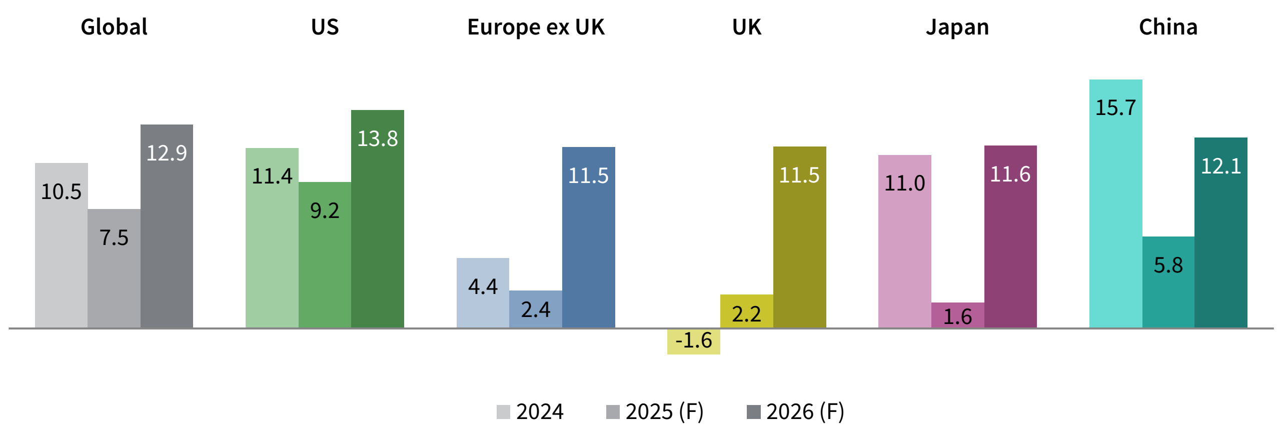
GLOBAL EQUITY PERFORMANCE: FY 2025 VS FY 2024

Total Return (%) • US Dollar



CORPORATE EARNINGS PER SHARE GROWTH

As of June 30, 2025 • Percent (%)



Global equities continued to climb in FY 2025, supported by healthy earnings ahead of tariff uncertainty, an easing of recessionary fears, and prospects of further central bank policy easing to support growth.

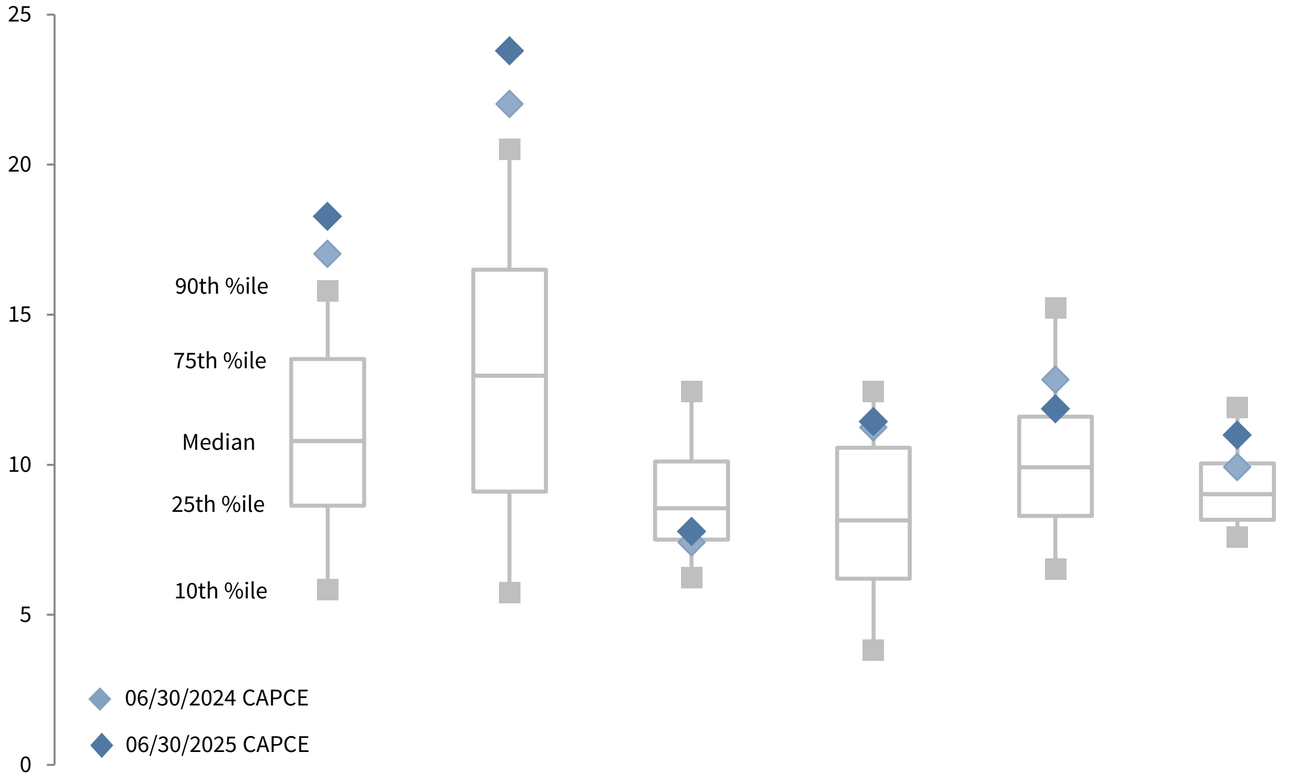
- US equity momentum slowed from the prior year amid rich valuations and a tentative rotation from US mega-cap tech stocks.
- Performance across other DMs generally improved from the prior year. Developed ex US equities also outperformed US equities in FY 2025, driven by an appreciation of currencies against the US dollar.
- Gains in EM were led by China, which rallied 34% in the year, given increased stimulus and optimism over China's progress on AI.
- Broadly, analysts' forecasts expect global ex US earnings growth to accelerate in the coming year and converge with that of the US.

Sources: I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.
Notes: Asset classes represented by the following: MSCI All Country World Index ("Global"), MSCI World Index ("Developed Markets"), MSCI World ex US Index ("Dev Mkts ex US"), S&P 500 Index ("US"), MSCI UK Index ("UK"), MSCI Europe ex UK Index ("Europe ex UK"), MSCI Japan Index ("Japan"), MSCI Emerging Markets Index ("Emerging Markets"), and MSCI China Index ("China"). Total return data for all MSCI indexes are net of dividend tax withholdings. EPS data are based on fiscal years ending December 31, except for Japan which are based on fiscal years ending the following March 31. EPS growth estimates are in local currency terms, except for Global and Europe ex UK, which are in US dollar terms.

Equity valuations generally moved higher

CYCLICALLY ADJUSTED PRICE-TO–CASH EARNINGS (CAPCE) RATIOS BY REGION

As of June 30, 2025



% Change	World	US	UK	Europe ex UK	Japan	EM
to 50th %ile	-41.0	-45.5	10.0	-28.8	-16.4	-17.9
to 25th %ile	-52.8	-61.7	-3.4	-45.8	-30.0	-25.7
to 10th %ile	-68.1	-75.9	-19.7	-66.6	-45.0	-30.9

Cyclically adjusted price-to–cash earnings (CAPCE) multiples expanded by varying degrees in all major regions, save for Japan.

- DM equity valuations remain within the top decile of historical observations, driven by US equity valuations, which surged higher for a third consecutive year.
- Valuations across other markets presented remain elevated versus their own history. The UK is an exception where valuations remained subdued, in part, due to its underweight to technology, which has resulted in a prolonged period of earnings underperformance versus peers.
- Valuation multiples in Japan compressed slightly in FY 2025, reflecting concerns over the impact of stickier inflation, softer growth, and a stronger yen on earnings.

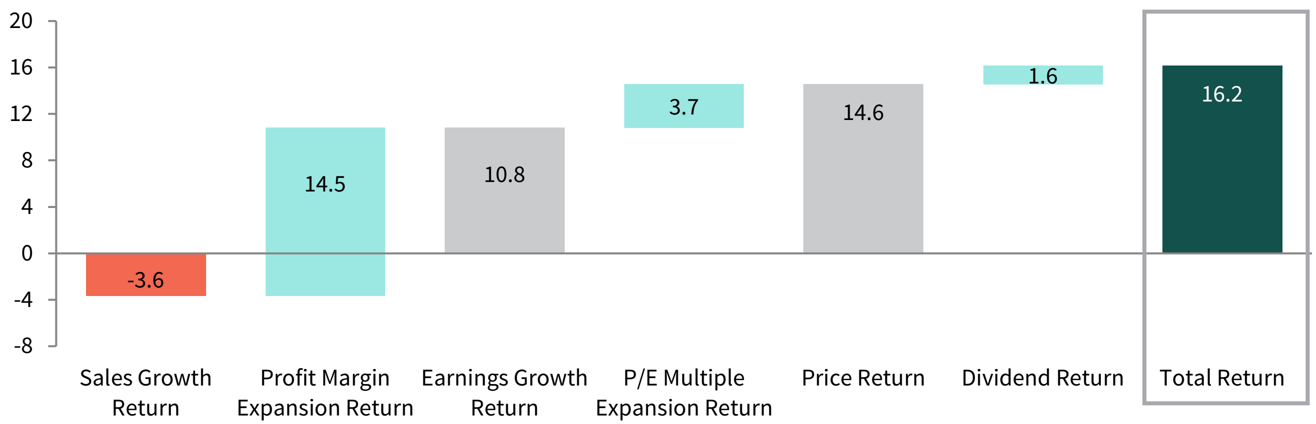
Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: The cyclically adjusted price-to-cash earnings (CAPCE) ratio is calculated by dividing the inflation-adjusted index price by trailing ten-year average inflation-adjusted cash earnings. Cash earnings are defined as net income from continuing operations plus depreciation and amortization expense. MSCI does not publish cash earnings for banks and insurance companies, and therefore excludes these two industry groups from index-level cash earnings. EM is cyclically adjusted by trailing five-year data.

Margin expansions drove equity returns

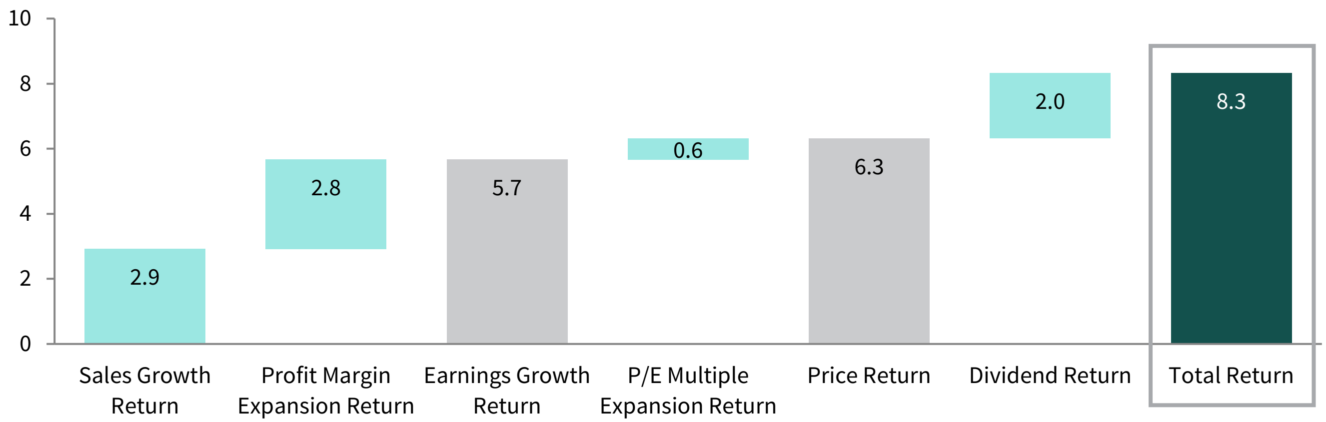
GLOBAL EQUITY RETURN DECOMPOSITION

As of June 30, 2025 • Percent (%) • US Dollar

FY 2025



FY 2005 – FY 2025 Aggregate (AACR)



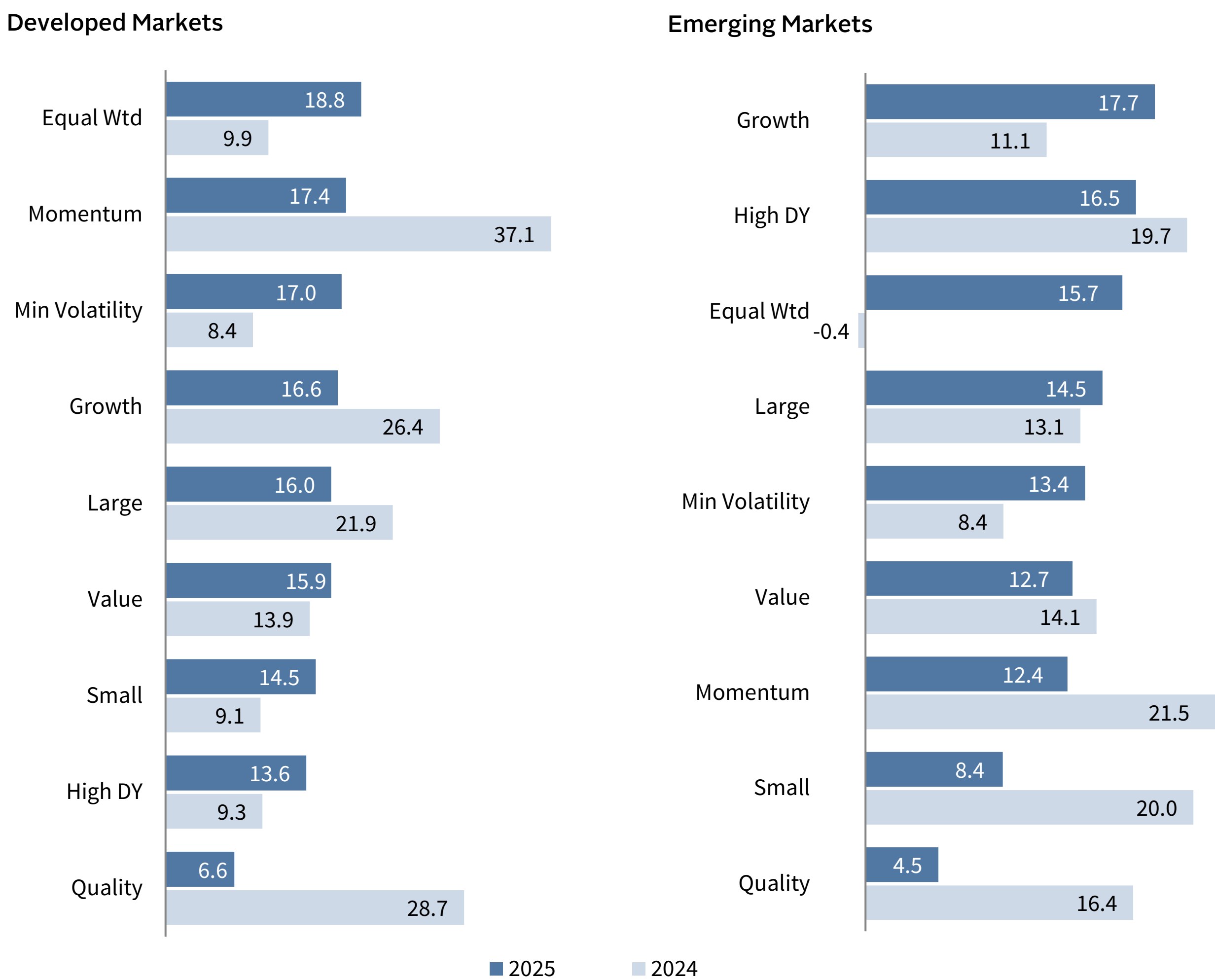
FY 2025 saw higher earnings growth and valuation multiple expansions as compared to history. Earnings growth was driven by a solid expansion in profit margins, which in turn drove the bulk of equity performance in FY 2025.

- Sales growth declined for the first time in three years as increased macro uncertainty weighed on demand.
- However, profit margins saw a strong expansion, increasing by more than 5x that of their historical average rate.
- Investors rewarded above-normal earnings growth with higher valuations. Price-earnings (P/E) multiple expansion grew by 3.7% after rising 10.6% in the prior year.
- Dividend returns declined for a second year and remain below their historical average.

Sources: Bloomberg L.P., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Data are based on the MSCI All Country World Index and in annualized terms. Data use proprietary smoothing techniques. Total returns and dividend returns are net of dividend taxes. Numbers may not sum due to rounding.

Dispersion in performance across equity factors and styles narrowed

EQUITY PERFORMANCE BY FACTOR AND STYLE: FY 2025 VS FY 2024
As of June 30, 2025 • US Dollar • Percent (%)



Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Factors are based on the MSCI World Index and MSCI Emerging Markets Index. Total return data for all MSCI indexes are net of dividend tax withholdings.

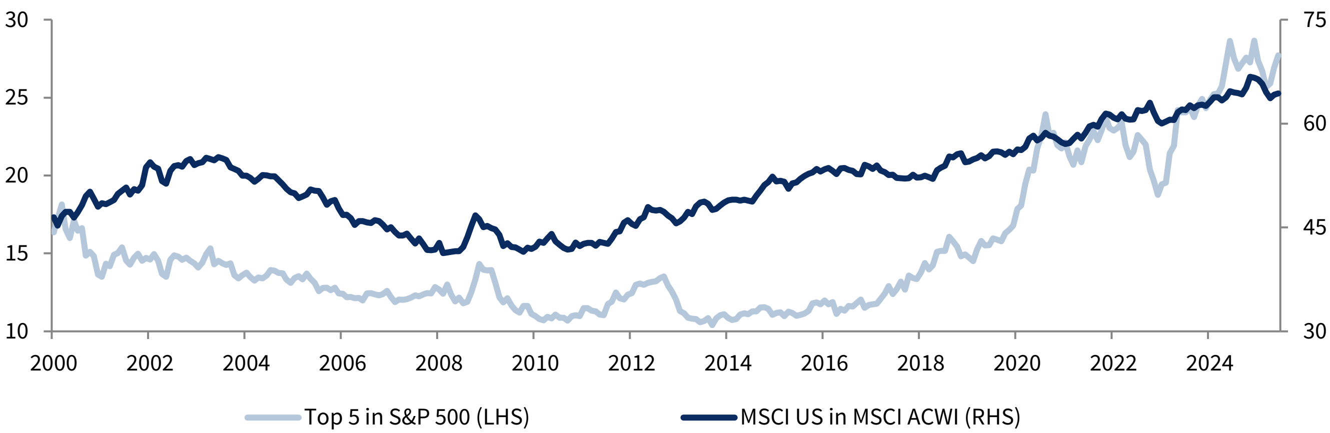
Return spreads across various equity factors and styles narrowed in FY 2025 as performance broadened beyond the US and large-cap growth stocks.

- Equal-weighted DM strategies outperformed alongside momentum, in part given their US underweight.
- Growth outperformed in EMs as optimism over China's progress on AI drove a sharp rally in Chinese technology names. Amid heightened market volatility, investors also sought high dividend yielding EM stocks, which can add a layer of returns while also tending to be of lower volatility.
- Quality lagged in both DMs and EMs. The quality factor tends to command a valuation premium and is overweight more expensive segments of the markets such as the US (for DMs) and India (for EMs), where returns lagged in the FY.

Market concentration remains of note

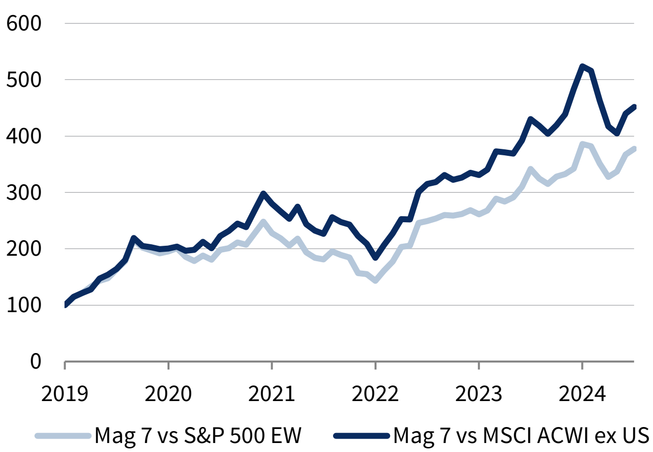
WEIGHT OF TOP 5 STOCKS IN S&P 500 AND MSCI US IN MSCI ACWI

January 1, 2000 – June 30, 2025 • US Dollar • Percent (%)



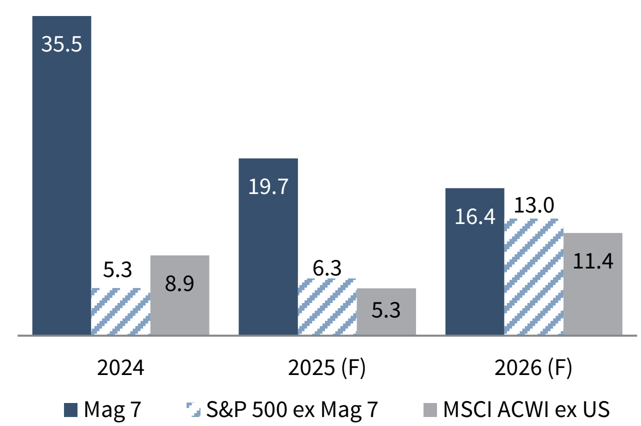
RELATIVE PERFORMANCE

December 31, 2019 – June 30, 2025 • December 31, 2019 = US$100



CALENDAR YEAR EPS GROWTH FORECASTS

As of June 30, 2025 • US Dollar • Percent (%)



Global equities remain concentrated in the US, which in turn is seeing higher concentration relative to the past 20 years.

- US equity market concentration rose over the trailing five years, driven by stellar returns across large-cap technology stocks and, in particular, the Magnificent 7 stocks.
- Superior earnings growth for this group of companies was a key driver of returns. However, their leadership in that regard is expected to moderate in the coming year.
- Elevated valuations, a narrowing of the earnings gap, and concerns over increased competition in the AI space drove a tentative rotation from these companies in early 2025. On a relative basis, the Magnificent 7 stocks have lagged the equal-weighted S&P 500 and global ex US equities since December 2024.

Sources: Bloomberg L.P., FactSet Research Systems, I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

Notes: MSCI return data are net of dividend taxes. Return data for the Magnificent 7 are represented by the Bloomberg Magnificent 7 Index, which is an equal-dollar weighted equity benchmark. The Bloomberg Magnificent 7 Index is composed of the following companies: Apple, Alphabet, Amazon, Meta Platforms, Microsoft, Nvidia, and Tesla. EPS growth estimates for the Magnificent 7 is weighted by number of shares outstanding as of June 30, 2025. EPS growth estimates for the S&P 500 ex Magnificent 7 are implied based on the year-over-year growth in total earnings of the S&P 500 constituents excluding the Magnificent 7 stocks.

FIXED INCOME

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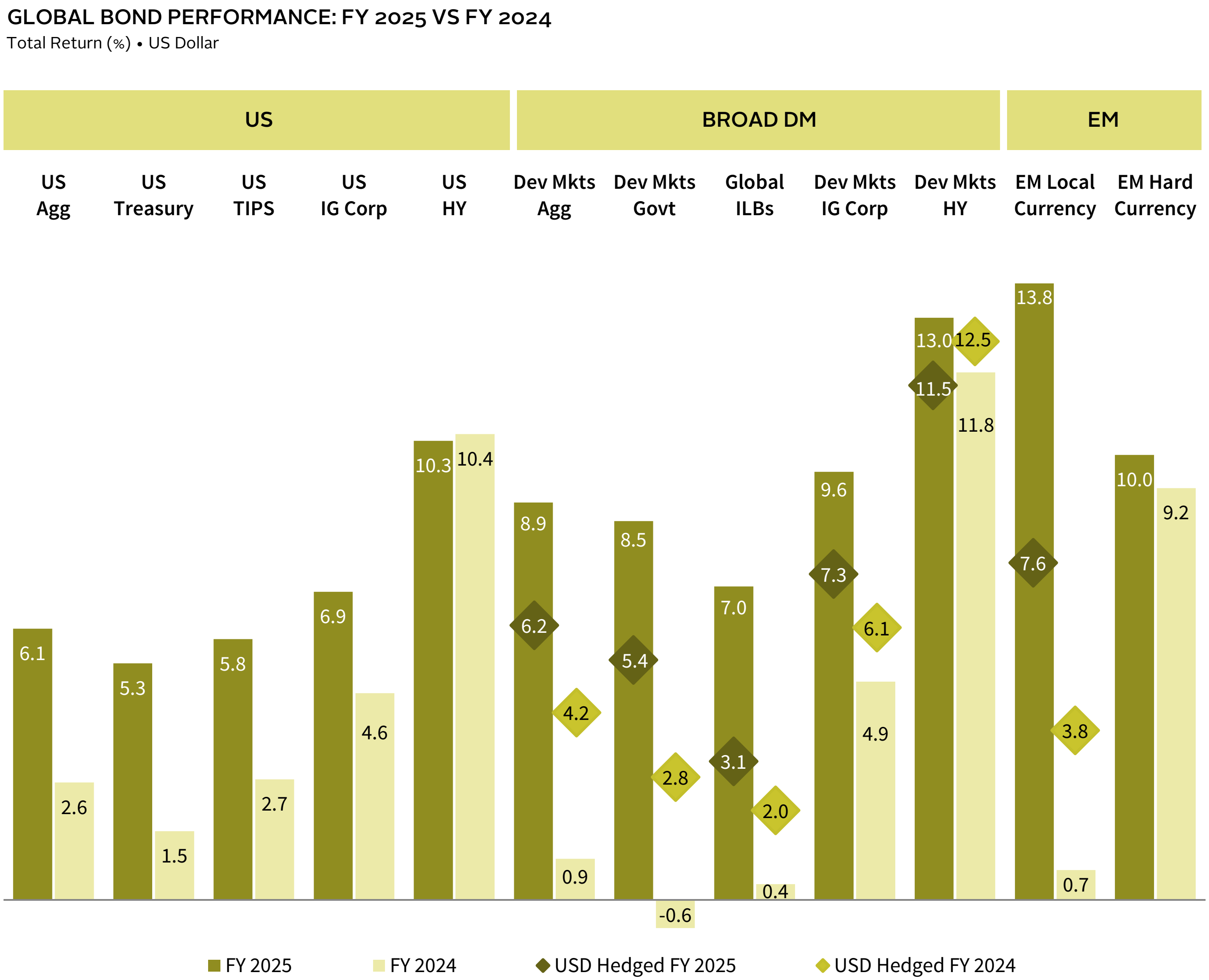
Fixed income returns improved from the prior fiscal year



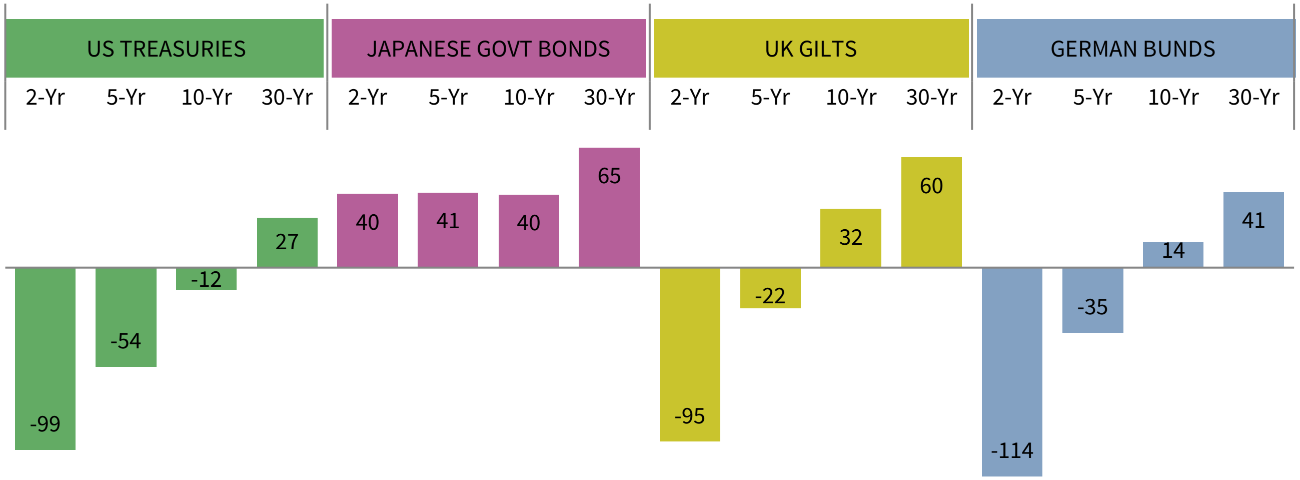
Fixed income momentum accelerated from the prior year as monetary easing drove short-dated yields lower.

- DM core fixed income indexes beat their US counterparts, largely supported by currency appreciation.
- In both the US and broader DMs, HY bonds and investment-grade (IG) credit outpaced government bonds as spreads tightened.
- Real yields declined in the US on a weaker growth outlook, which lent support to US TIPS returns. In contrast, real yields rose in broad DM as inflation continued to moderate, leading global inflation-linked bonds (ILBs) to lag nominal global government bonds.
- EM LC bonds outperformed other fixed income as yields declined amid EM policy easing and EM currencies gained against a weaker US dollar.

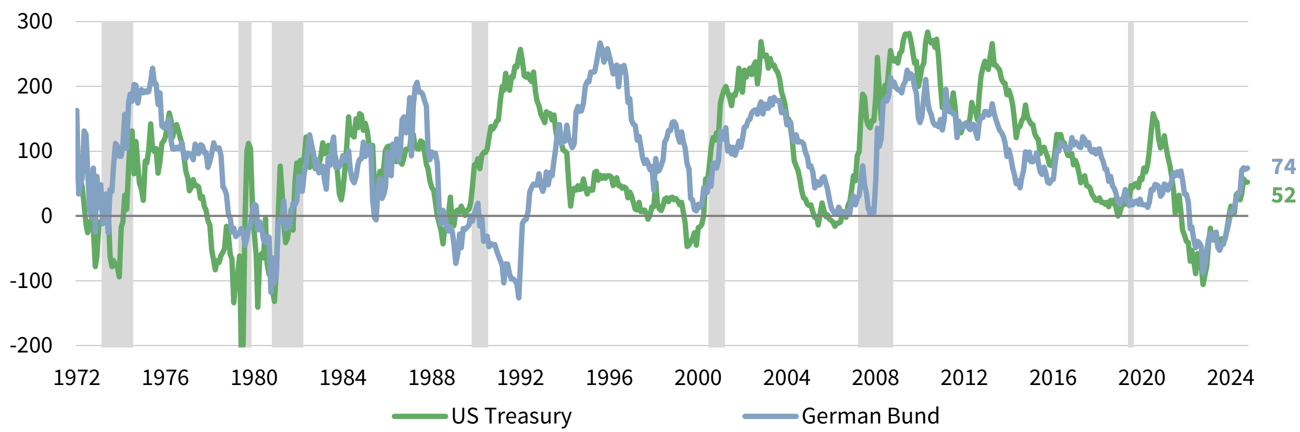
Sources: Bloomberg Index Services Limited, FTSE Fixed Income LLC, J.P. Morgan Securities, Inc., and Thomson Reuters Datastream.
Notes: Asset classes represented by Bloomberg US Aggregate Bond Index ("US Agg"), Bloomberg US Treasury Bond Index ("US Treasury"), Bloomberg US TIPS Index ("US TIPS"), Bloomberg US Corporate Investment Grade Bond Index ("US IG Corp"), Bloomberg US High Yield Bond Index ("US HY"), Bloomberg Global Aggregate Bond Index ("Dev Mkts Agg"), FTSE World Government Bond Index ("Dev Mkts Govt"), Bloomberg Global Inflation Linked Bond Index ("Global ILBs"), Bloomberg Global Aggregate Corporate Bond Index ("Dev Mkts IG Corp"), Bloomberg Global High Yield Bond Index ("Dev Mkts HY"), J.P. Morgan Government Bond Index - Emerging Markets Global Diversified Index ("EM Local Currency"), and J.P. Morgan Emerging Markets Bond Index - Global Diversified Index ("EM Hard Currency").

Yield curves steepened across major economies

CHANGE IN YIELD VS JUNE 30, 2024 FOR VARIOUS GOVERNMENT BOND MATURITIES
As of June 30, 2025 • Basis Points (bps)



10-YR/2-YR YIELD CURVE SPREADS
September 30, 1972 – June 30, 2025 • Basis Points (bps)



Sources: Deutsche Bundesbank, Federal Reserve, Global Financial Data, Inc., NBER, Refinitiv, and Thomson Reuters Datastream.
Note: Grey bars in the bottom chart represent NBER-defined US recessions.

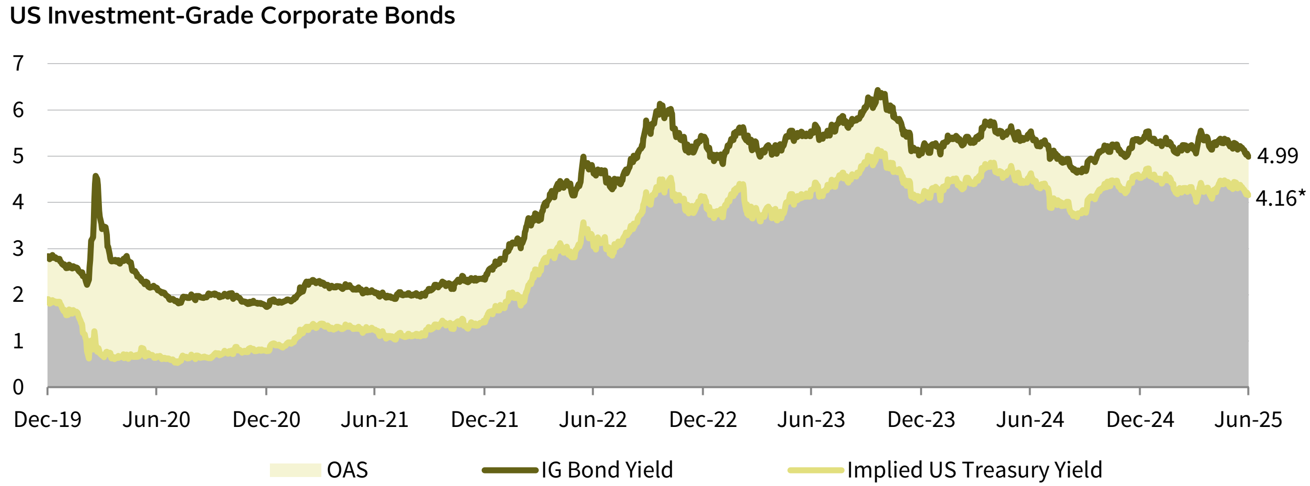
Short-term rates in most major economies declined on continued monetary policy easing, while longer-dated yields rose on fiscal sustainability concerns, resulting in a steepening of the yield curves.

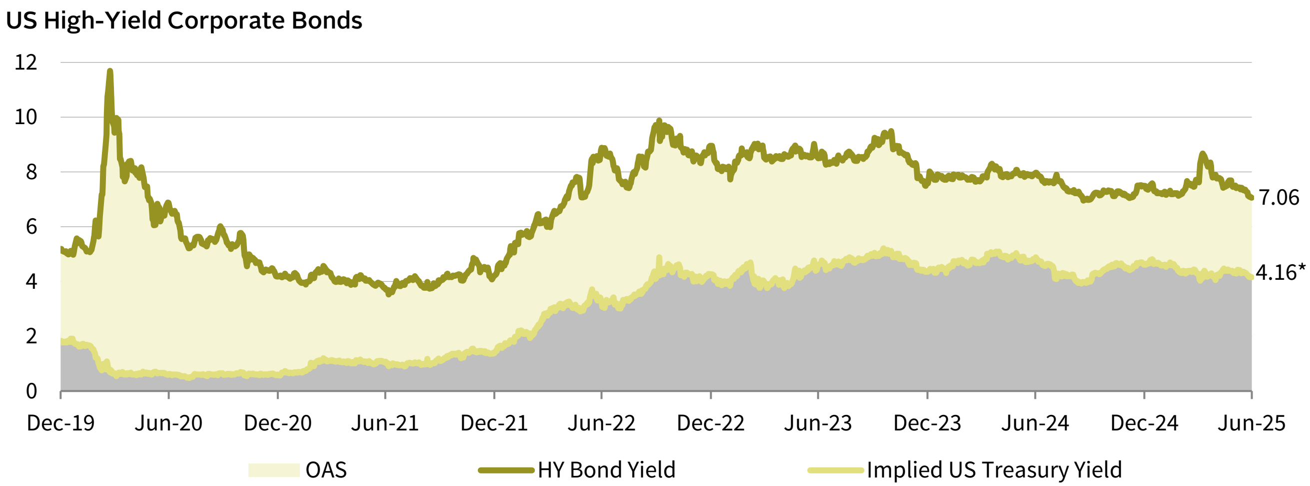
- The policy-sensitive two-year yield declined across economies except Japan, where the BOJ remains on a tightening path.
- Various policies—including an extension of tax cuts in the US, increased defense spending plans in Europe, and a loosening of Germany's "debt brake"—contributed to expectations of higher government debt to help fund spending commitments.
- As a result, long-dated bond yields rose. The 30-year UK gilt yield saw a sharper increase on fiscal credibility concerns under the Labour government. Yields in Japan also surged as the BOJ scaled back its yield curve control policy and on expectations of increased fiscal stimulus in Japan.

IG corporate and HY bonds benefited from spreads tightening

OPTION-ADJUSTED SPREADS (OAS) ON US INVESTMENT-GRADE AND HIGH-YIELD CORPORATE BONDS

December 31, 2019 – June 30, 2025 • Yield to Worst (%)





* US Treasury yields are calculated by subtracting the IG and HY OAS from the IG and HY bond yields, respectively.

US IG corporate bonds and HY bonds benefited from both a decline in risk-free rates and a modest tightening of spreads over FY 2025.

- Spreads across both categories briefly widened in early April after the US announced higher-than-expected initial tariff rates on trade partners, which triggered sharp recessionary fears.
- However, spreads subsequently narrowed as trade tensions de-escalated. Spreads on US IG corporate bonds ended June 11 bps lower compared to a year prior, while spreads on HY bonds declined 19 bps.
- In both instances, the implied Treasury yield declined over the fiscal year, ending June slightly above the Bloomberg US Treasury Index yield of 4.03%.

Sources: Bloomberg Index Services Limited and Thomson Reuters Datastream.

Notes: Data for US investment-grade (IG) corporate bonds are represented by the Bloomberg US Corporate Investment Grade Bond Index, and data for US high-yield (HY) corporate bonds are represented by the Bloomberg US High Yield Bond Index. Data are daily.

PRIVATE INVESTMENTS AND HEDGE FUNDS

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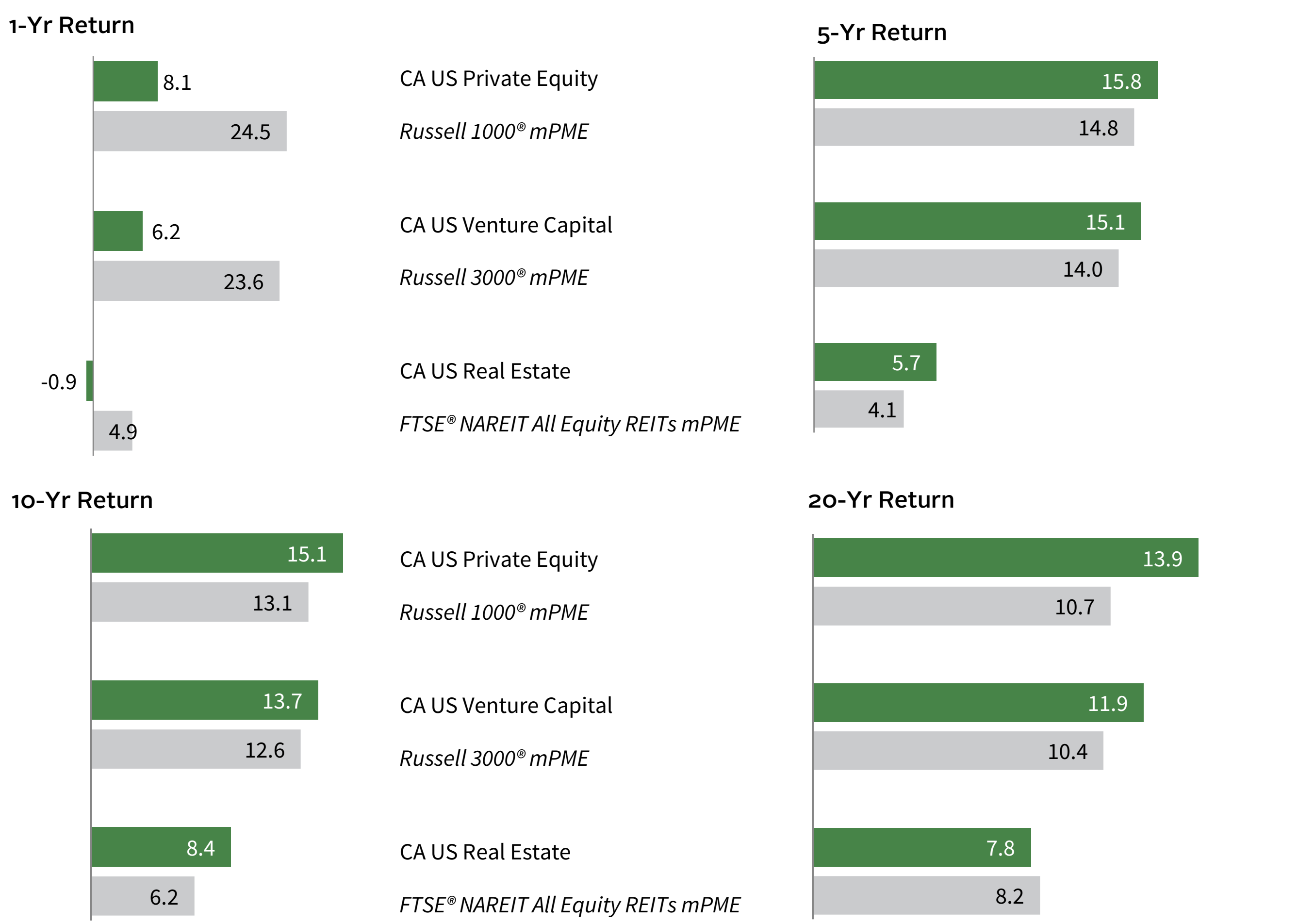
US private market performance improved but lagged public market counterparts

PERFORMANCE OF SELECT CAMBRIDGE ASSOCIATES PRIVATE INVESTMENT INDEXES VS PUBLIC EQUIVALENTS
As of Fourth Quarter 2024 • Percent (%)



One-year private market returns ending 4Q 2024 improved from the prior year but meaningfully lagged public market counterparts.

- Private equity (PE) returns led on an absolute basis. However, performance lagged public market equivalents by a wide margin, as did that of venture capital (VC). PE/VC returns reflect a market that is still recovering from the overinvestments in 2021–22, when low interest rates drove up deal volumes and valuations.
- Negative private real estate returns reflect the lagged impact of tight monetary policy and less favorable supply/demand dynamics.
- Despite the current weakness in the market, longer-term return profiles still show private investments have largely outperformed public equivalents.

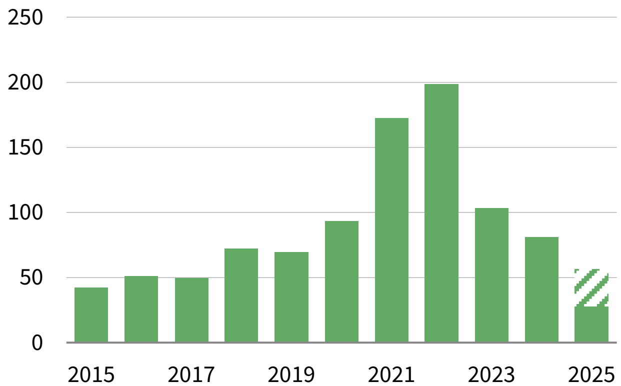
Sources: Cambridge Associates LLC, FTSE International Limited, National Association of Real Estate Investment Trusts, and Thomson Reuters Datastream.
Notes: Private index returns are pooled horizon internal rate of returns, net of fees, expenses, and carried interest. The CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME net asset value is a function of mPME cash flows and public index returns.

Fundraising activity continues to cool but deal activity showed a tentative rebound

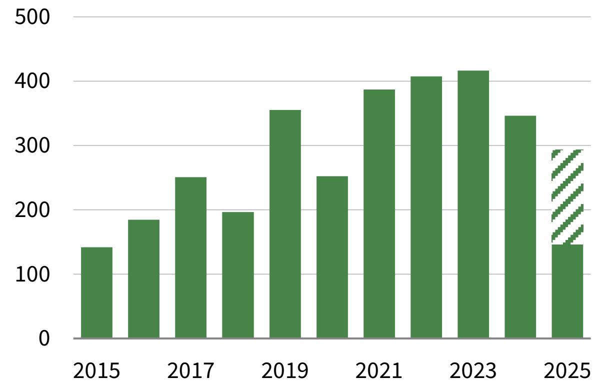
US PE/VC FUNDRAISING AND DEAL ACTIVITY

As of June 30, 2025 • US$ Billion

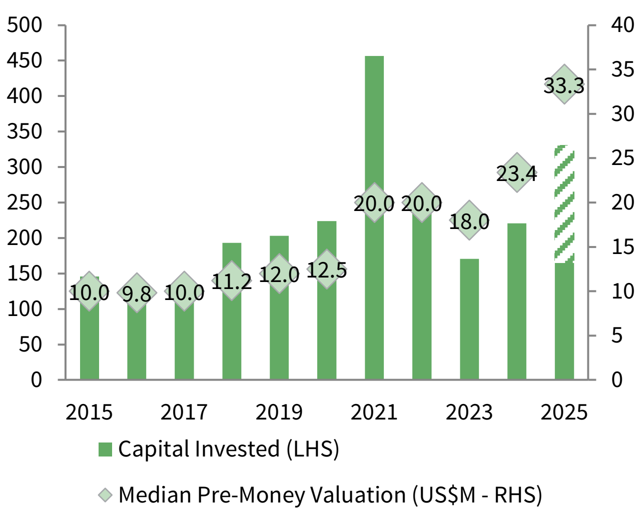
Venture Capital Fundraising



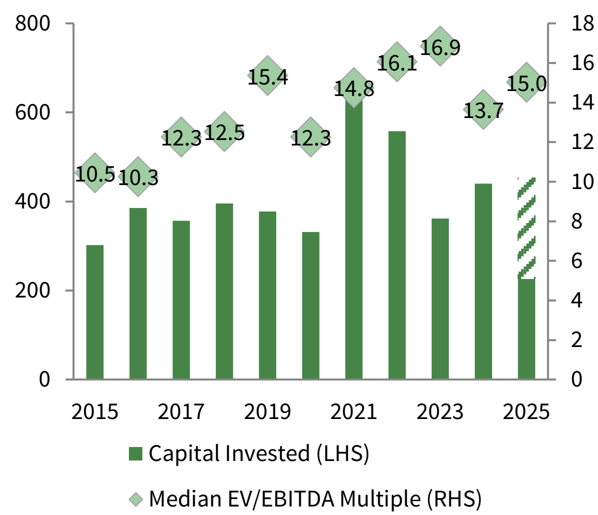
Private Equity Fundraising



Venture Capital Deal Activity



Private Equity Deal Activity



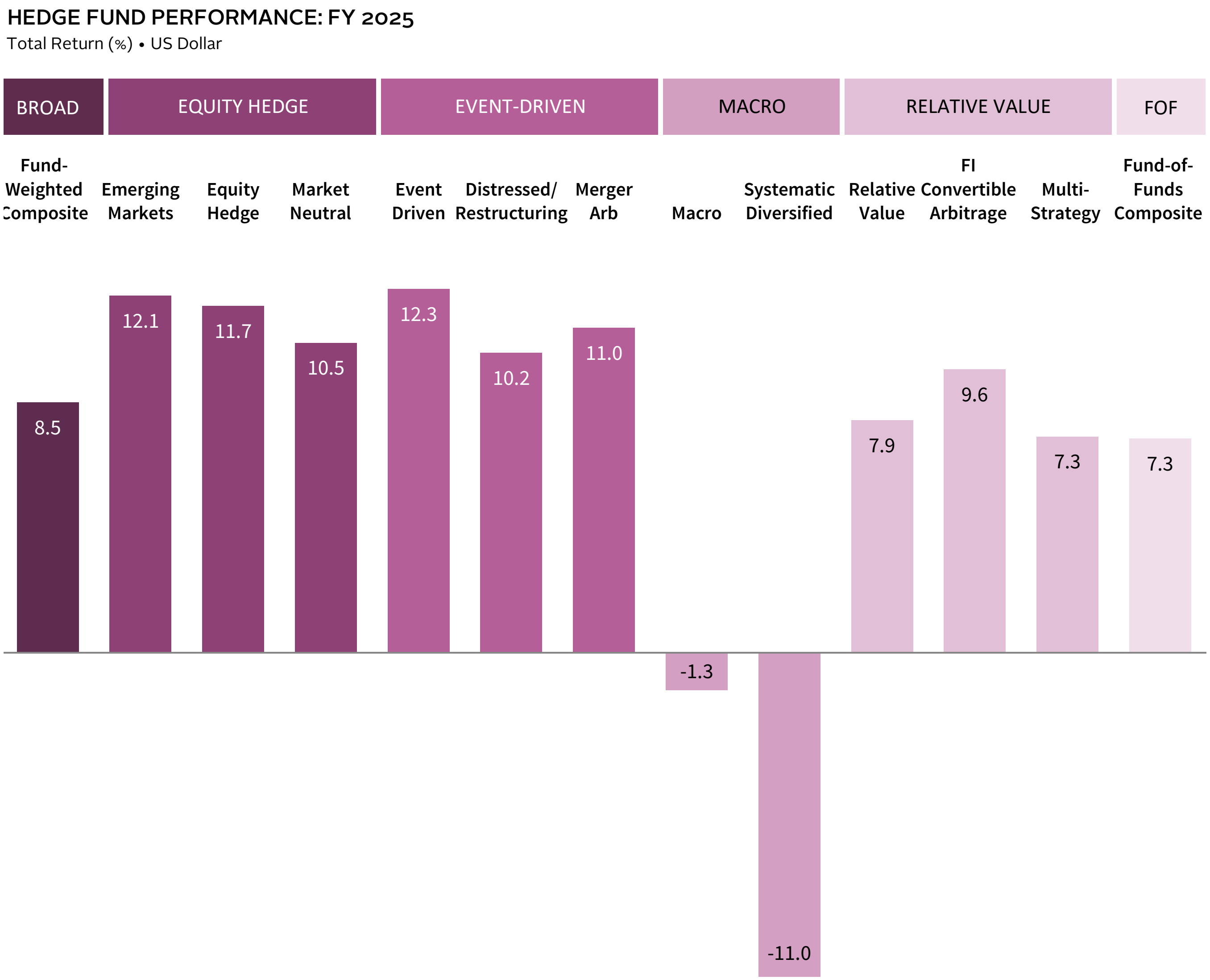
PE/VC fundraising activity took another hit in FY 2025, although deal activity tentatively improved ahead of tariff-induced macroeconomic uncertainties.

- VC fundraising activity continued to moderate in 1H 2025, reflecting a market that has been challenged by lower distribution yields and limited LP liquidity. On an annualized basis, activity remains near its lowest level in a decade. Meanwhile, PE fundraising activity at the current pace would imply a decline for the second consecutive year.
- PE/VC deal activity at their current pace would reflect a pick-up for the second year. Valuations also moved higher, with AI-related VC investments continuing to stand out and demanding higher valuations.

Source: PitchBook.

Notes: PitchBook data subject to historical revisions. Shaded portions are annualized to represent full-year 2025 if pace from first half continues.

Hedge funds broadly delivered positive returns in FY 2025



Hedge funds delivered positive returns across strategies, except for macro hedge funds.

- Macro hedge funds underperformed amid heightened market volatility. Systematic diversified HFs, which incorporate trend-following strategies, posted double-digit declines as rapidly shifting market narratives challenged performance.
- Equity hedge funds benefited from continued strength in equity markets, although performance lagged that of their long-only counterparts.
- Event-driven strategies delivered steady gains as merger & acquisitions activity improved in 2024 and early 2025.
- Relative value strategies benefited from continued divergence in central bank policies and persistent inflation uncertainty.

Source: Hedge Fund Research, Inc.
Note: Hedge Fund Research data are preliminary for the preceding five months.

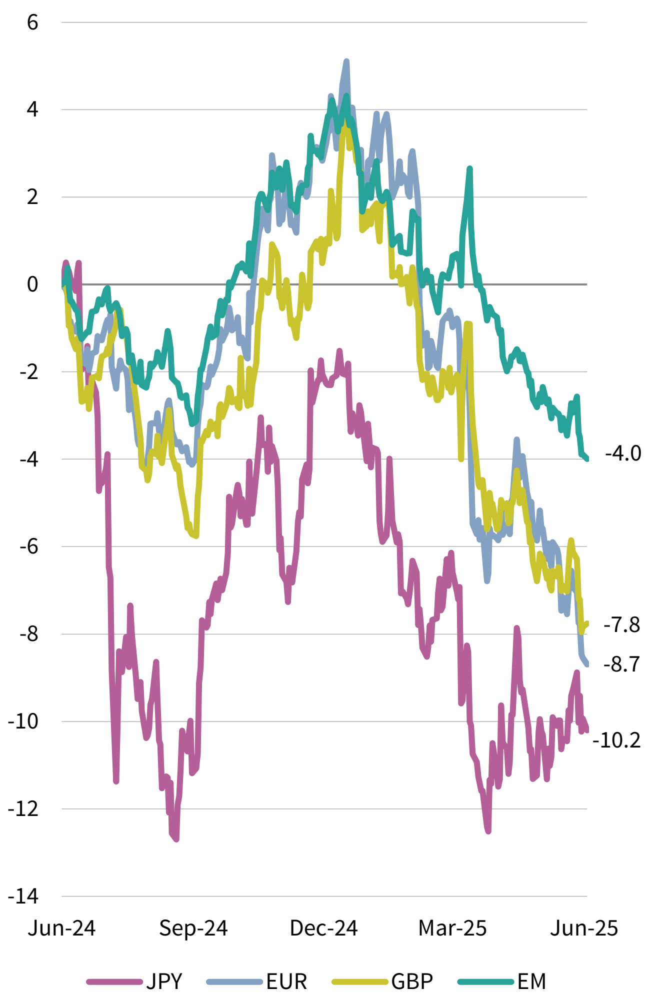
CURRENCIES

CAMBRIDGE
ASSOCIATES

The US dollar reversed earlier gains and ended weaker against global currencies

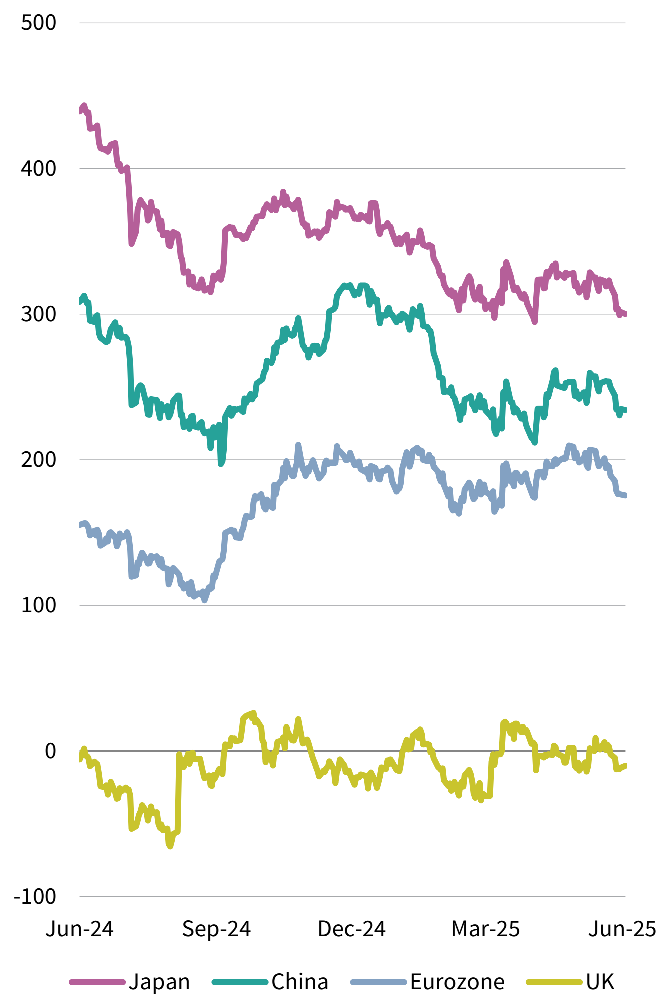
FY 2025 USD CUMULATIVE PERFORMANCE VS SELECT CURRENCIES

June 30, 2024 – June 30, 2025 • Percent (%)



US VS SELECT COUNTRIES 2-YR INTEREST RATE DIFFERENTIALS

June 30, 2024 – June 30, 2025 • Basis Points



The US Dollar Index declined 8.5% in FY 2025 after gaining 2.9% the prior year.

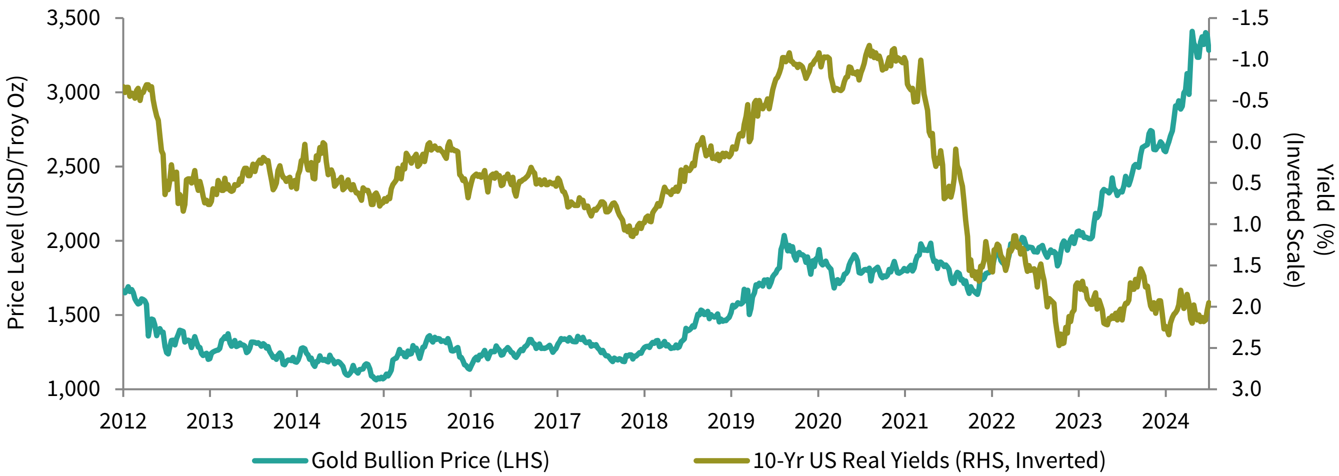
- Changes to central bank policy expectations and rate differentials drove the US dollar's movements against major currency pairs for much of FY 2025, although this relationship broke down for a period toward the end of the year.
- The US dollar's brief, sharp rally around the US election period reflected investors' expectations that the Trump administration's policies would boost US growth and inflation.
- However, the greenback has since reversed gains and steadily declined since early 2025. This reflects expectations that US tariffs will hit US growth to a larger extent relative to elsewhere, and that increased US policy uncertainty will weigh on the demand for US assets.

Sources: Federal Reserve and Thomson Reuters Datastream.

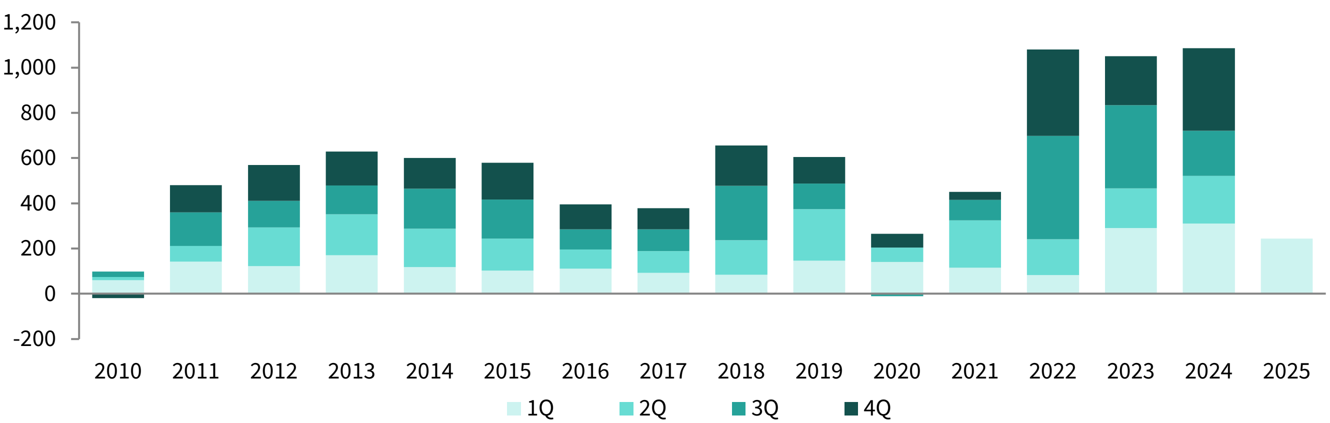
Notes: Data are daily. Two-year yields for the Eurozone reflect the median bond yield across France, Germany, Italy, and Spain. EM is represented by an equal-weighted basket of the following currencies: CNY, IDR, INR, KRW, MYR, PHP, SGD, TWD, THB, BRL, CLP, COP, MXN, PEN, RUB, CZK, HUF, PLN, ZAR, and TRY.

Gold prices surged to fresh highs amid heightened trade and geopolitical uncertainty

GOLD BULLION PRICE VS 10-YR US REAL YIELDS
December 31, 2012 – June 30, 2025



GLOBAL CENTRAL BANKS GOLD DEMAND
2010–25 (1Q) • Tonnes



Gold prices have historically been negatively correlated with long-dated real yields, but this relationship has weakened in recent years.

- Gold's value surged 41% in FY 2025. This was in part driven by a modest decline in US ten-year real yields, which fell 13 bps over the fiscal year.
- To a larger extent, prices were driven higher by increased market volatility and heightened trade and geopolitical tensions. Gold briefly crossed new nominal highs above $3,400 in the aftermath of US President Trump's Liberation Day in April and again in June following the escalation of the Israel-Iran conflict. Prices in real terms also reached new highs toward the end of the fiscal year.
- A weaker US dollar likely also supported demand for the precious metal.
- Demand from central banks remained robust and above pre-2022 levels.

Sources: Federal Reserve, Intercontinental Exchange, Inc., Thomson Reuters Datastream, and World Gold Council.
Notes: Ten-year US real yields reflect the US ten-year TIPS yield. Data in top chart are weekly. Historical global central bank gold demand data may revise. Global central bank gold demand data are through 1Q 2025.

Bitcoin rose to new all-time highs alongside broader gains in risk assets

BITCOIN PRICE

December 31, 2013 – June 30, 2025 • US Dollar • Logarithmic Scale

Bitcoin prices rallied for a third consecutive year, gaining 78% over FY 2025.

- Bitcoin prices ended June 2025 at $107,179, or 4% below their recent mid-May peak of $111,743.
- Bitcoin volatility has hovered at ~50% over the trailing one- and three-year periods, which is over 3x that of equities.
- The digital asset surged in late 2024 as markets priced in more crypto-friendly policies under President Trump's second term. It then saw a 28% peak-to-trough decline from mid-December to April as US tariffs triggered a wider sell-off in risk assets, before rebounding over 40% alongside a broader recovery in markets.

Sources: Bitstamp Ltd and Thomson Reuters Datastream.
Note: Data are daily.

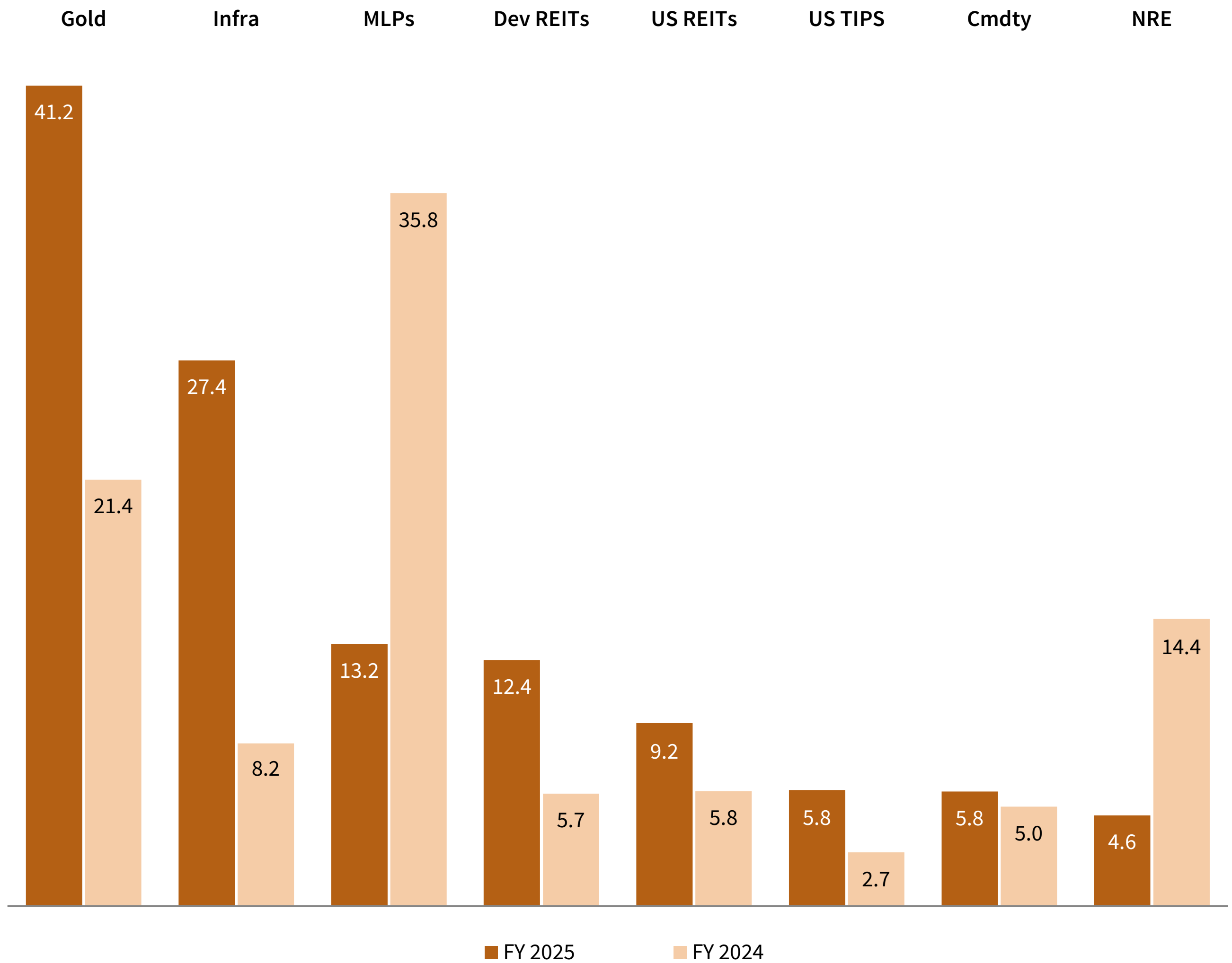
REAL ASSETS

CAMBRIDGE
ASSOCIATES

Real assets gained, albeit with wide dispersion in performance

REAL ASSET AND INFLATION SENSITIVE PERFORMANCE: FY 2025 VS FY 2024

Total Return (%) • US Dollar



Real assets posted broad gains in FY 2025, although performance dispersion was wide.

- Safe-haven gold led on heightened market volatility and geopolitical tensions.
- Infrastructure equities and REITs returns improved from the prior year as investors sought income stability amid a lower growth and interest rate outlook.
- MLPs continue to offer investors healthy distribution yields. However, momentum softened from the prior fiscal year, pressured by broader weakness in oil prices.
- Commodities and NREs delivered modest positive returns but underperformed other real assets, weighed by a softer global growth outlook and continued sluggish demand from China.

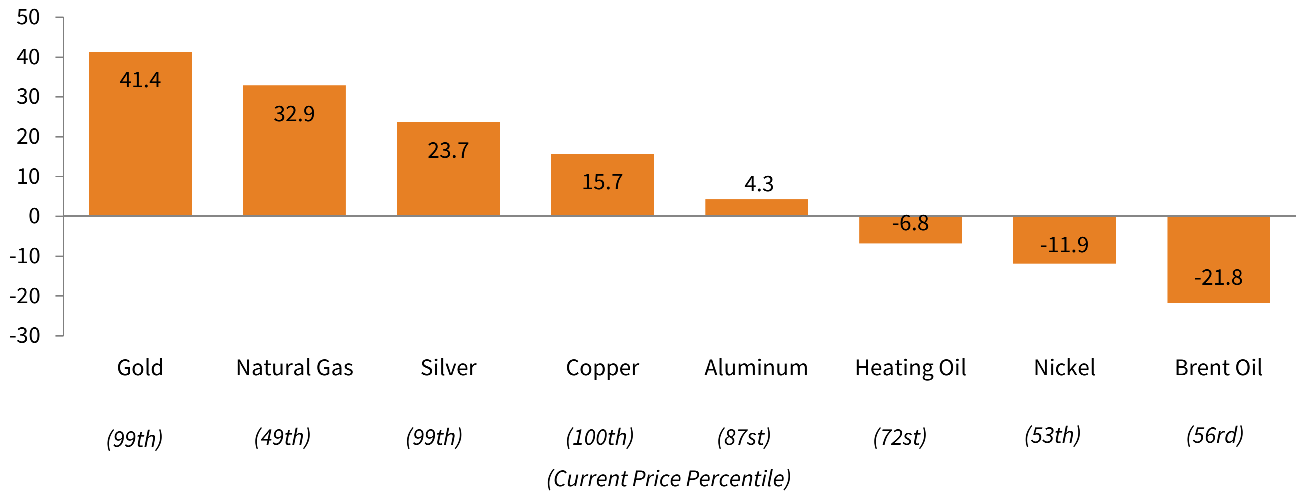
Sources: Alerian, Bloomberg Index Services Limited, EPRA, FTSE International Limited, Intercontinental Exchange, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, Refinitiv, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: All returns are total returns, except those for gold, which are based on spot price returns. Asset classes represented by the following: Alerian MLP Index ("MLPs"), LBMA Gold Price ("Gold"), market cap-weighted blend of Datastream World Energy Index and Datastream World Basic Resources Index ("NRE"), MSCI World Infrastructure Index ("Infra"), FTSE® NAREIT All Equity REITs Index ("US REITs"), FTSE® EPRA/NAREIT Developed Real Estate Index ("Dev REITs"), Bloomberg Commodity TR Index ("Cmdty"), and Bloomberg US TIPS Index ("US TIPS"). Total return data for all MSCI indexes are net of dividend taxes.

Commodity performance was mixed, while prices were still fair to elevated versus history

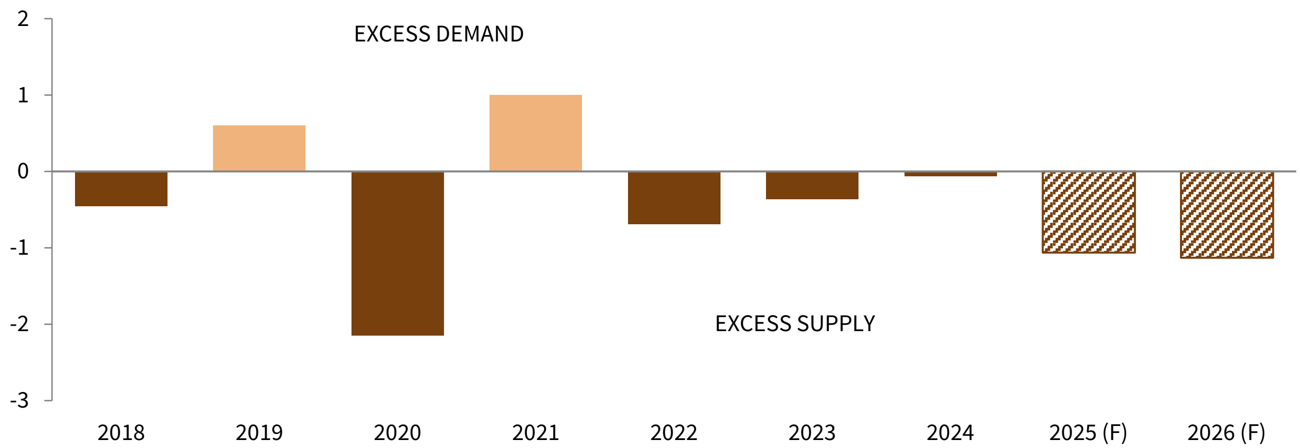
SELECT COMMODITY SPOT PERFORMANCE: FY 2025

As of June 30, 2025 • Percent (%) • US Dollar



GLOBAL OIL SUPPLY AND DEMAND

2018–26 (f) • Millions Barrel Per Day



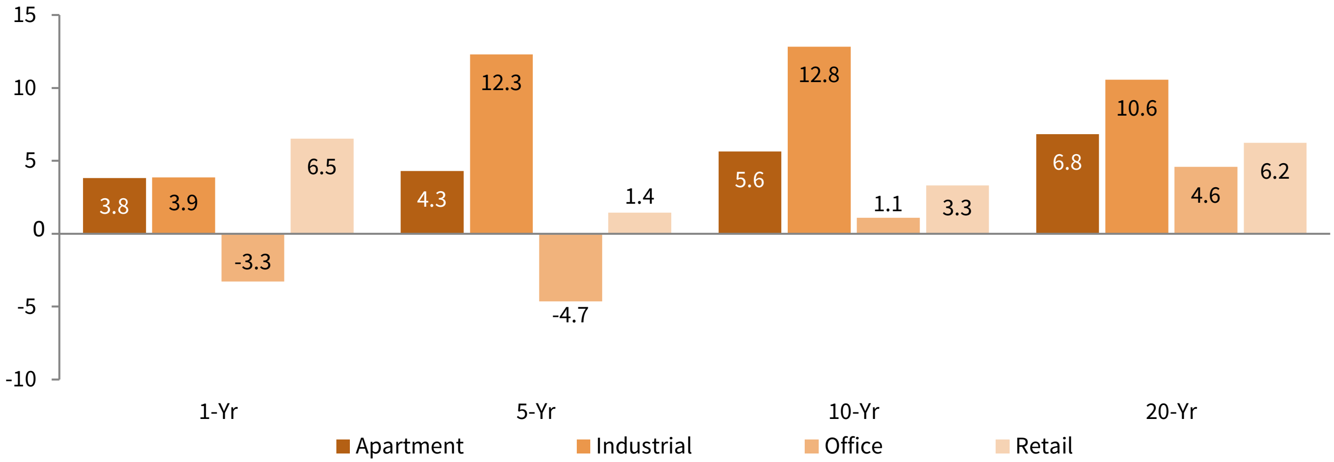
Commodity prices were mixed in FY 2025. Gold and natural gas led price gains, but oil prices meaningfully lagged.

- Gold returned 41% in the year amid elevated market uncertainty. Prices ended 4% below their new all-time high of $3,426 in April.
- Copper prices briefly surged in Sep/Oct 2024 on optimism over further stimulus from China, although this rally subsequently faded. Prices jumped again in 1H 2025 as markets front-ran anticipated tariffs on the metal, leading to a tightening of inventories.
- Natural gas and oil prices diverged, reflecting disparate supply/demand fundamentals. Natural gas prices were boosted by increased US liquefied natural gas exports and tighter domestic supply. In contrast, oil is expected to face a supply glut following increased production from the OPEC+ group.

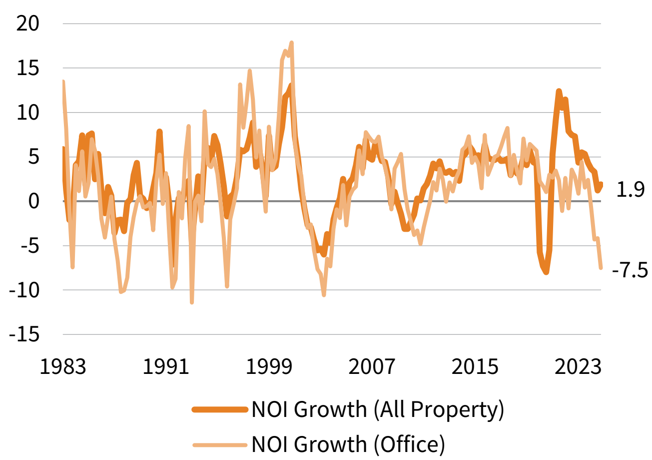
Sources: Bloomberg L.P., Energy Information Administration, and Thomson Reuters Datastream.
Notes: Spot returns reflect changes in near-month futures contracts, as reported by Bloomberg L.P. Current valuation for commodities reflect the percentile of the closing price relative to historical prices in nominal terms, calculated using data from July 31, 1997, to June 30, 2025. Excess oil supply/demand is calculated as annual oil supply minus annual oil demand.

Real estate returns improved, with the office sector still lagging noticeably

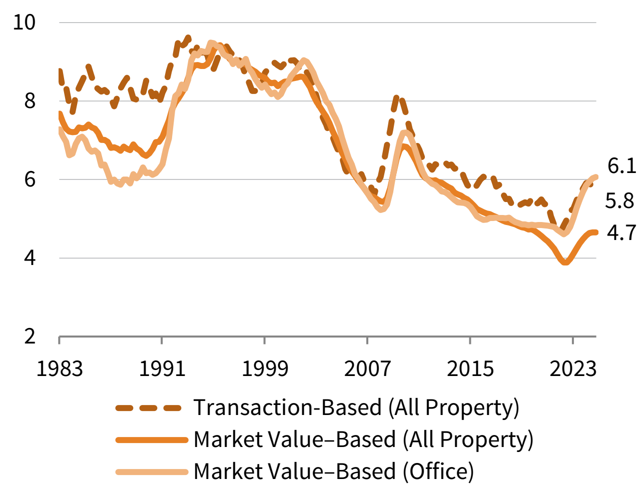
RETURNS BY PROPERTY TYPE
As of First Quarter 2025 • AACR (%) • US Dollar



NET OPERATING INCOME GROWTH
Second Quarter 1983 – First Quarter 2025 • Percent (%)



PROPERTY CAPITALIZATION RATES
Second Quarter 1983 – First Quarter 2025 • Percent (%)



One-year returns ending 1Q 2025 for private real estate broadly improved versus the prior year, given the prospect of further rate cuts to support growth.

- Retail outperformed other sectors over the trailing one-year and its own longer history. Performance continues to recover from the lows experienced during the pandemic, supported by tight supply and low vacancies.
- Supply increases in the industrials segment led to lower returns than historical ranges despite secular tailwinds.
- Office remained challenged as work-from-home trends persisted, leading to higher vacancy rates and lower property values. As a result, market value–based office cap rates increased to higher levels than the broader category.

Source: National Council of Real Estate Investment Fiduciaries.
Notes: Returns are total, reflecting property price appreciation and income return. Transaction-based capitalization (cap) rates are from sold properties, and market value–based cap rates are from properties that were revalued during the quarter. All net operating income growth data and cap rates data are based on a four-quarter moving average.

Andres Marin, Guillermo Garcia Montenegro, and Mark Sintetos also contributed to this publication.