

Episcopal Foundation of Dallas

A large, orange industrial robotic arm is positioned on the right side of the slide, extending horizontally. It has a sleek, modern design with various joints and sensors visible. The background is a solid teal color.

Investment Review

May 7, 2025

Client Team:

Nick Piccarreta, CFA, CFP, CAIA
Principal, Senior Investment Consultant

1. Performance Review
2. Peer Comparison
3. Active Equity Philosophy
4. Tariff and Portfolio Considerations
5. Appendix

Agenda

Performance Review



Portfolio monthly snapshot

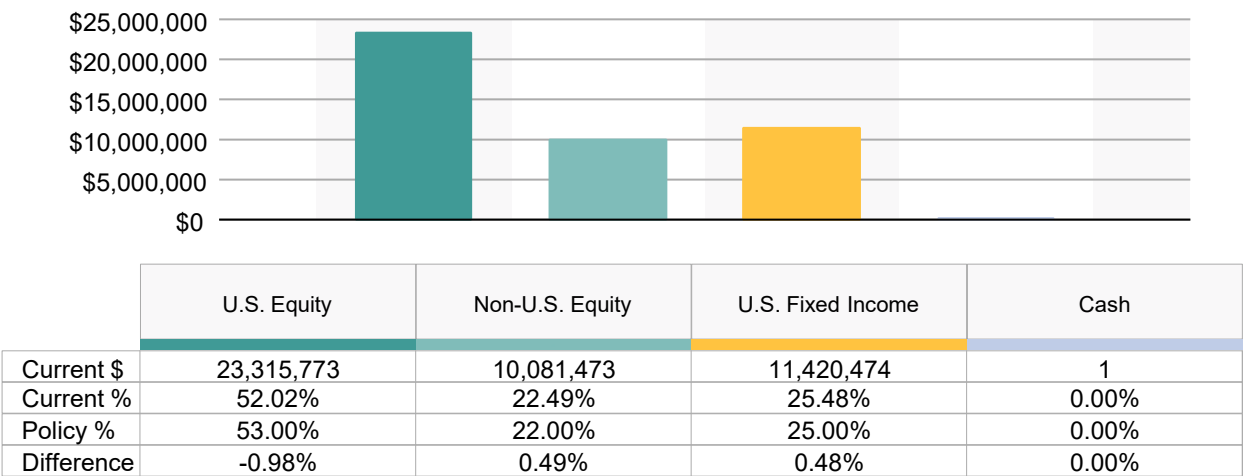
Episcopal Foundation of Dallas Consolidated

As of March 31, 2025

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$46,348,242.67	\$45,330,901.40	\$46,730,427.12
Net Cash Flow	-\$87,070.48	-\$600,834.39	-\$4,276,265.71
Net Capital Appreciation	-\$1,541,460.54	-\$89,527.61	\$1,301,457.12
Investment Income	\$98,009.71	\$177,181.95	\$1,062,102.83
Ending Market Value	\$44,817,721.35	\$44,817,721.35	\$44,817,721.35

Current asset allocation by sub-asset class



Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	-3.11	0.16	0.16	5.41	5.44	11.89	7.88	8.16	12/31/09
Client portfolio (net)	-3.25	-0.03	-0.03	4.65	4.70	11.13	7.21	7.72	12/31/09
Policy benchmark	-3.12	-0.89	-0.89	6.41	5.44	11.55	7.48	8.46	12/31/09

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Portfolio monthly snapshot

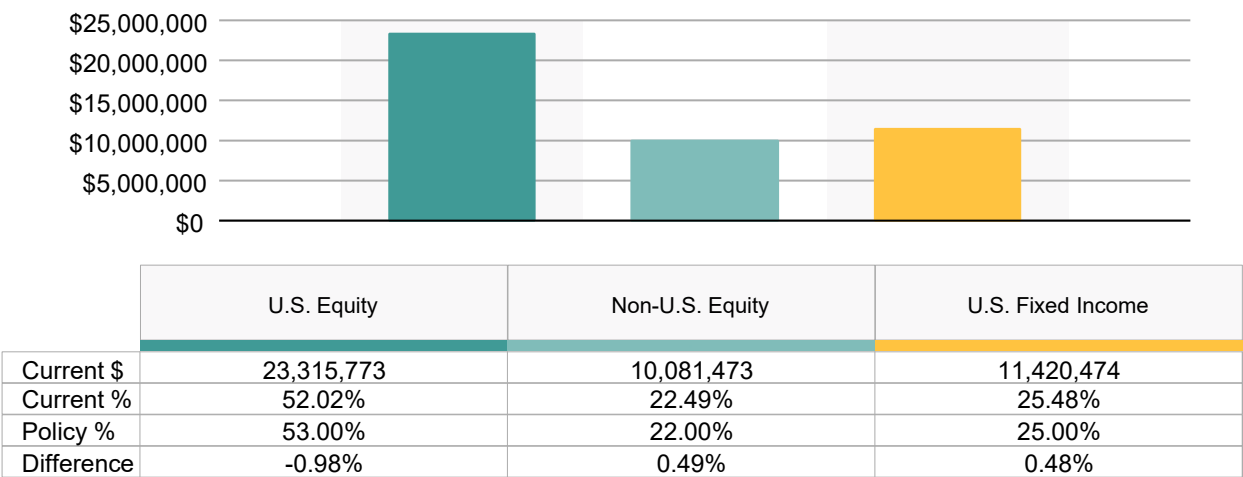
Episcopal Foundation of Dallas

As of March 31, 2025

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$46,348,241.67	\$45,330,900.40	\$46,730,426.12
Net Cash Flow	-\$87,070.48	-\$600,834.39	-\$4,276,265.71
Net Capital Appreciation	-\$1,541,460.54	-\$89,527.61	\$1,301,457.12
Investment Income	\$98,009.71	\$177,181.95	\$1,062,102.83
Ending Market Value	\$44,817,720.35	\$44,817,720.35	\$44,817,720.35

Current asset allocation by sub-asset class



Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	-3.11	0.16	0.16	5.41	5.44	11.89	-	7.82	06/30/15
Client portfolio (net)	-3.11	0.11	0.11	5.23	5.28	11.75	-	7.69	06/30/15
Policy benchmark	-3.12	-0.89	-0.89	6.41	5.44	11.55	-	7.66	06/30/15

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Portfolio monthly snapshot

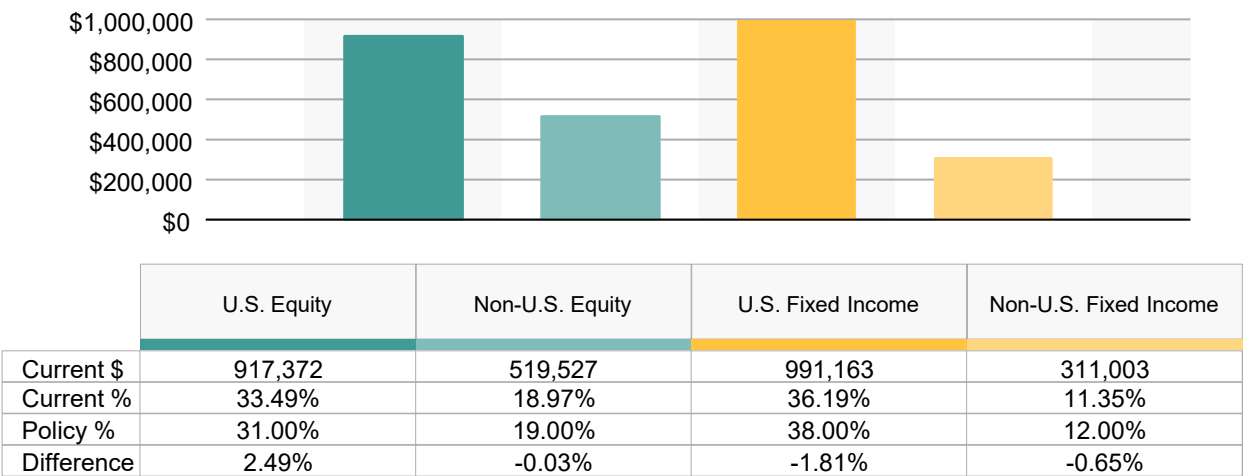
Episcopal Foundation of Dallas - SJES Operating Reserves

As of March 31, 2025

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$2,800,527.89	\$2,736,371.12	\$2,683,281.09
Net Cash Flow	\$0.00	-\$15,897.00	-\$84,786.78
Net Capital Appreciation	-\$68,487.04	\$3,441.67	\$60,959.38
Investment Income	\$7,022.99	\$15,148.05	\$79,610.15
Ending Market Value	\$2,739,063.84	\$2,739,063.84	\$2,739,063.84

Current asset allocation by sub-asset class



Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	-2.19	0.67	0.67	5.29	4.13	-	-	2.09	07/31/21
Client portfolio (net)	-2.19	0.63	0.63	5.11	3.98	-	-	1.95	07/31/21
Policy benchmark	-1.94	0.39	0.39	5.71	3.86	-	-	2.06	07/31/21

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance between 2/1/20 and 7/31/20 (Pandemic)



Source: Mercer

April performance by day through 4/28/2025



Source: Mercer

Allocation: Current versus policy benchmark (continued)

Episcopal Foundation of Dallas Consolidated

As of March 31, 2025








Asset class	Fund name	Current allocation	Policy benchmark	Point difference	Active	Index
Total		100.0%	100.0%	-	49.7%	50.3%
■ Equity		74.5%	75.0%	-0.5%	37.5%	37.1%
• Domestic Equity		52.0%	53.0%	-1.0%	26.5%	25.6%
Large Blend	Vanguard Total Stock Market Index Fund Institutional	25.6%	-	-	-	Index
Large Value	Vanguard Windsor Fund Admiral Shares	13.3%	-	-	Active	-
Large Growth	Vanguard PRIMECAP Fund Admiral Shares	13.2%	-	-	Active	-
• International Equity		22.5%	22.0%	0.5%	11.0%	11.5%
Foreign Large Blend	Vanguard Total International Stock Index Fund	11.5%	-	-	-	Index
Foreign Large Value	Vanguard International Value Fund	5.6%	-	-	Active	-
Foreign Large Growth	Vanguard International Growth Fund Admiral Shares	5.4%	-	-	Active	-
■ Fixed Income		25.5%	25.0%	0.5%	12.2%	13.3%
• Domestic Fixed Income		25.5%	25.0%	0.5%	12.2%	13.3%
Intermediate-Term	Vanguard Total Bond Market Index Fund Institutional	13.3%	-	-	-	Index
Intermediate-Term	Vanguard Intermediate-Term Investment-Grade	8.1%	-	-	Active	-
Short-Term Investment	Vanguard Short-Term Investment-Grade Fund	4.1%	-	-	Active	-
■ Short-term Reserves		0.0%	-	0.0%	0.0%	0.0%
• Cash		0.0%	-	0.0%	0.0%	0.0%
Cash	Cash	0.0%	-	-	Active	-

If multiple funds are held under manager style, which is below sub-asset class level, then the funds are shown alphabetically. **Neither asset allocation or diversification can guarantee a profit or prevent loss.**

Performance summary (continued)

Episcopal Foundation of Dallas Consolidated

For the periods ended March 31, 2025

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	44,817,721	100.0	100.0	-3.11	0.16	0.16	5.41	5.44	11.89	7.88	8.16	12/31/09
Client portfolio (net)				-3.25	-0.03	-0.03	4.65	4.70	11.13	7.21	7.72	12/31/09
Policy benchmark				-3.12	-0.89	-0.89	6.41	5.44	11.55	7.48	8.46	12/31/09
 Equity	33,397,246	74.5	75.0	-4.17	-0.69	-0.69	5.23	6.62	15.73	-	9.57	07/31/15
Equity - Policy benchmark				-4.18	-2.12	-2.12	6.84	6.86	15.65	-	9.46	07/31/15
 Domestic Equity	23,315,773	52.0	53.0	-5.25	-2.71	-2.71	5.24	7.79	18.00	-	11.60	07/31/15
 International Equity	10,081,473	22.5	22.0	-1.59	4.28	4.28	4.99	4.04	11.51	-	6.11	07/31/15
 Fixed Income	11,420,474	25.5	25.0	0.10	2.64	2.64	5.59	1.60	0.70	-	2.10	07/31/15
Fixed Income - Policy benchmark				0.05	2.75	2.75	4.87	0.79	-0.19	-	1.79	07/31/15
 Domestic Fixed Income	11,420,474	25.5	25.0	0.10	2.64	2.64	5.59	1.57	0.80	-	2.09	07/31/15
 Short-Term Reserves	1	0.0	-	0.00	0.00	0.00	0.00	-	-	-	0.00	09/30/23
 Cash	1	0.0	-	0.00	0.00	0.00	0.00	-	-	-	0.00	09/30/23

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

Episcopal Foundation of Dallas Consolidated

For the periods ended March 31, 2025

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	44,817,721	100.0	100.0	-3.11	0.16	0.16	5.41	5.44	11.89	7.88	8.16	12/31/09
Client portfolio (net)				-3.25	-0.03	-0.03	4.65	4.70	11.13	7.21	7.72	12/31/09
Policy benchmark				-3.12	-0.89	-0.89	6.41	5.44	11.55	7.48	8.46	12/31/09
■ Equity	33,397,246	74.5	75.0	-4.17	-0.69	-0.69	5.23	6.62	15.73	-	9.57	07/31/15
Equity - Policy benchmark				-4.18	-2.12	-2.12	6.84	6.86	15.65	-	9.46	07/31/15
• Domestic Equity	23,315,773	52.0	53.0	-5.25	-2.71	-2.71	5.24	7.79	18.00	-	11.60	07/31/15
Domestic Equity - Policy benchmark				-5.89	-4.82	-4.82	7.09	8.11	18.10	-	11.98	07/31/15
- Vanguard Total Stock Market Index Fund Institutional Shares	11,466,822	25.6	-	-5.89	-4.83	-4.83	7.07	8.11	18.09	-	11.97	07/31/15
Spliced Total Stock Market Index				-5.89	-4.82	-4.82	7.09	8.11	18.10	-	11.98	07/31/15
Multi-Cap Core Funds Average				-5.34	-4.07	-4.07	3.85	6.38	16.01	-	9.46	07/31/15
- Vanguard Windsor Fund Admiral Shares	5,954,461	13.3	-	-3.10	-0.11	-0.11	3.59	6.35	18.64	-	9.66	07/31/15
Russell 1000 Value Index				-2.78	2.14	2.14	7.18	6.64	16.15	-	9.05	07/31/15
Multi-Cap Value Funds Average				-2.95	1.12	1.12	5.26	6.55	16.92	-	8.33	07/31/15
- Vanguard PRIMECAP Fund Admiral Shares	5,894,490	13.2	-	-6.11	-1.03	-1.03	2.92	8.65	16.98	-	12.63	07/31/15

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

Episcopal Foundation of Dallas Consolidated

For the periods ended March 31, 2025

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
S&P 500 Index				-5.63	-4.27	-4.27	8.25	9.06	18.59	-	12.69	07/31/15
Multi-Cap Growth Funds Average				-8.24	-8.66	-8.66	4.24	5.87	14.73	-	10.70	07/31/15
Russell 1000 Growth Index				-8.42	-9.97	-9.97	7.76	10.10	20.09	-	15.27	07/31/15
• International Equity	10,081,473	22.5	22.0	-1.59	4.28	4.28	4.99	4.04	11.51	-	6.11	07/31/15
International Equity - Policy benchmark				-0.06	4.55	4.55	5.73	4.21	11.30	-	5.33	07/31/15
- Vanguard Total International Stock Index Fund Institutional Shares	5,141,103	11.5	-	0.25	5.51	5.51	6.38	4.67	11.47	-	5.37	07/31/15
Spliced Total International Stock Index				-0.06	4.55	4.55	5.73	4.21	11.30	-	5.33	07/31/15
International Funds Average				-0.46	6.38	6.38	5.65	5.23	11.33	-	5.04	07/31/15
- Vanguard International Value Fund	2,518,455	5.6	-	-1.45	4.58	4.58	1.59	4.54	11.59	-	4.70	07/31/15
Spliced International Index				-0.23	5.23	5.23	6.09	4.48	10.92	-	5.13	07/31/15
International Funds Average				-0.46	6.38	6.38	5.65	5.23	11.33	-	5.04	07/31/15
- Vanguard International Growth Fund Admiral Shares	2,421,915	5.4	-	-5.45	1.42	1.42	5.45	1.83	10.61	-	8.54	07/31/15
Spliced International Index				-0.23	5.23	5.23	6.09	4.48	10.92	-	5.13	07/31/15
International Funds Average				-0.46	6.38	6.38	5.65	5.23	11.33	-	5.04	07/31/15

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

Episcopal Foundation of Dallas Consolidated

For the periods ended March 31, 2025

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
■ Fixed Income	11,420,474	25.5	25.0	0.10	2.64	2.64	5.59	1.60	0.70	-	2.10	07/31/15
Fixed Income - Policy benchmark				0.05	2.75	2.75	4.87	0.79	-0.19	-	1.79	07/31/15
• Domestic Fixed Income	11,420,474	25.5	25.0	0.10	2.64	2.64	5.59	1.57	0.80	-	2.09	07/31/15
Domestic Fixed Income - Policy benchmark				0.05	2.75	2.75	4.87	0.56	-0.36	-	1.66	07/31/15
- Vanguard Total Bond Market Index Fund Institutional Shares	5,945,573	13.3	-	0.02	2.77	2.77	4.88	0.54	-	-	-1.35	10/31/21
Spliced Bloomberg U.S. Aggregate Float Adjusted Index				0.05	2.75	2.75	4.87	0.56	-	-	-1.30	10/31/21
Spliced Intermediate Investment-Grade Debt Funds Average				-0.07	2.66	2.66	4.99	0.57	-	-	-1.30	10/31/21
- Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	3,651,178	8.1	-	0.06	2.76	2.76	6.31	2.22	1.76	-	2.74	07/31/15
Bloomberg U.S. 5-10 Year Credit Bond Index				0.11	2.78	2.78	6.12	2.08	2.11	-	2.96	07/31/15
Spliced Core Bond Funds Average				-0.07	2.66	2.66	4.99	0.57	0.36	-	1.64	07/31/15
- Vanguard Short-Term Investment-Grade Fund Admiral Shares	1,823,724	4.1	-	0.47	2.00	2.00	6.45	3.68	2.69	-	2.44	07/31/15
Bloomberg U.S. 1-5 Year Credit Bond Index				0.43	1.99	1.99	6.26	3.51	2.50	-	2.44	07/31/15
1-5 Year Investment-Grade Debt Funds Average				0.29	1.71	1.71	5.91	2.62	2.17	-	1.82	07/31/15
■ Short-Term Reserves	1	0.0	-	0.00	0.00	0.00	0.00	-	-	-	0.00	09/30/23

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary–by securities (continued)

Episcopal Foundation of Dallas Consolidated

For the periods ended March 31, 2025

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
• Cash	1	0.0	-	0.00	0.00	0.00	0.00	-	-	-	0.00	09/30/23

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Advisory fee schedule

Fee schedule

Asset level

First \$25 million	0.25%
Next \$25 million	0.10%
Next \$50 million	0.09%

All-in fee review

Advisory fee*	0.179%	\$65,343
Fund expense ratio estimates	0.134%	\$63,613
Approximate all-in fees	0.313%	\$128,956

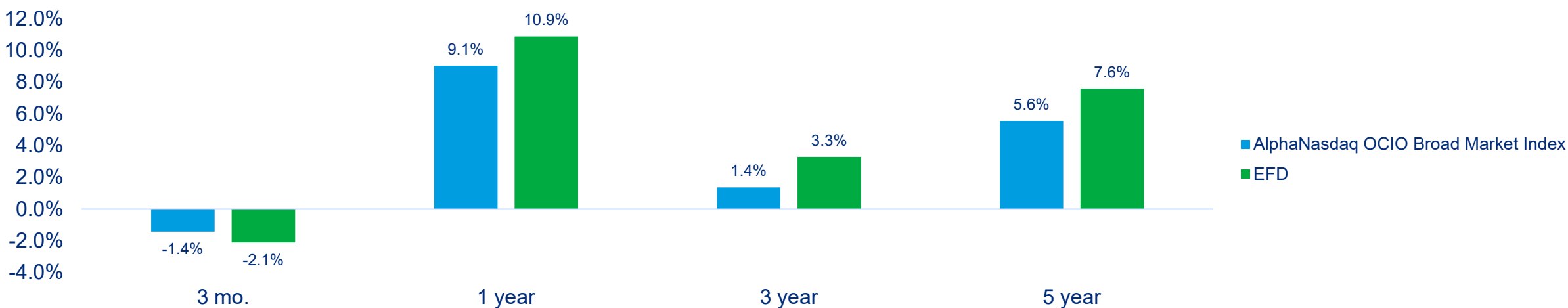
*Estimated advisory fee and expense ratios based on assets as of 3/31/25 of \$47,556,784

Peer Comparison

2

Comparison with AlphaNasdaq Broad Market Index returns as of December 31, 2024

Average annualized returns



As of 12/31/2024

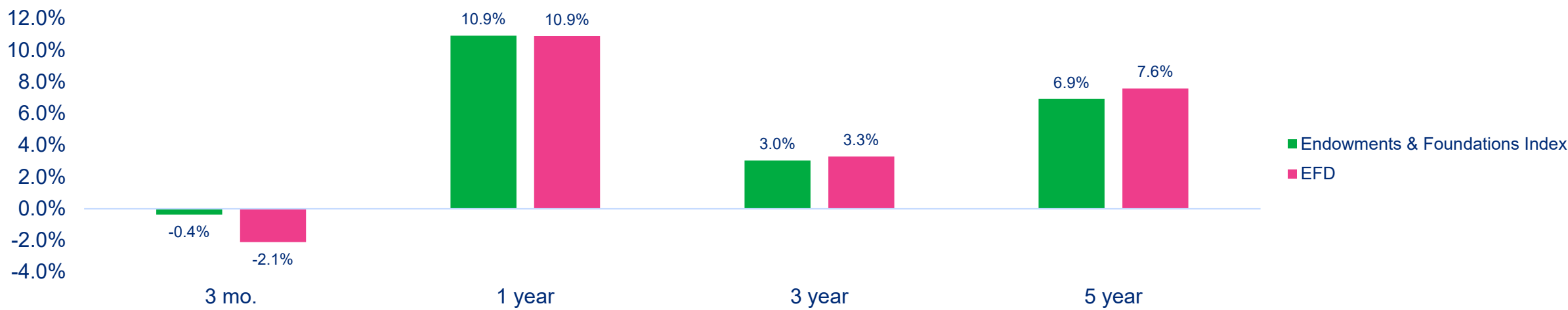
“The performance information presented above was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as “Vanguard”). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. It is important to note that the performance figures provided are sourced from Vanguard and are not intended to represent Mercer’s performance. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance.”

Performance is shown net of investment advisory, investment manager fees, brokerage and other commissions and includes the reinvestment of dividends and other earnings. The performance and time periods shown represent a variety of economic and market conditions and includes periods of volatile market conditions. Investing involves risk, including the possible loss of principal amount invested. Past performance is not indicative of future returns.

Please read additional disclosures in the Important Information section for more details on the AlphaNasdaq Indexes.

Comparison with AlphaNasdaq returns by organization type as of December 31, 2024

Average annualized returns



As of 12/31/2024

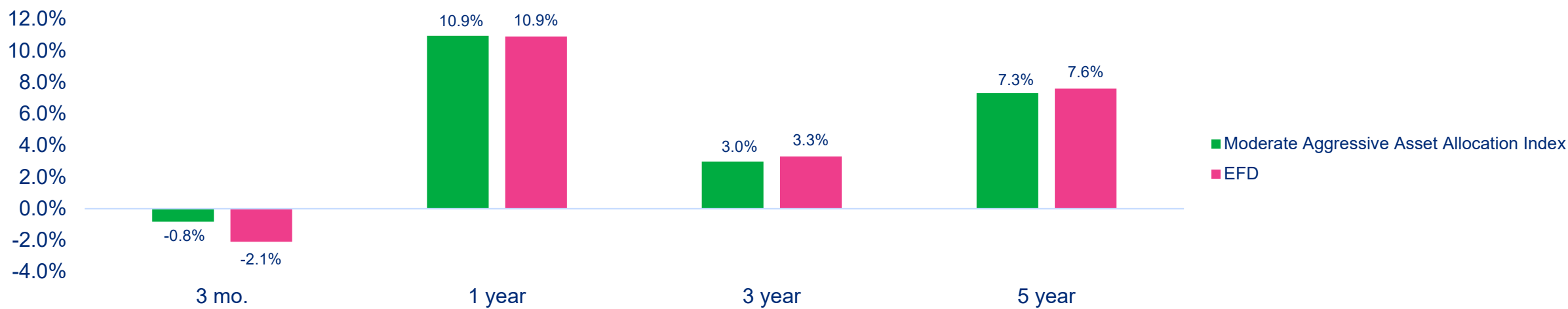
"The performance information presented above was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as "Vanguard"). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. It is important to note that the performance figures provided are sourced from Vanguard and are not intended to represent Mercer's performance. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance."

Performance is shown net of investment advisory, investment manager fees, brokerage and other commissions and includes the reinvestment of dividends and other earnings. The performance and time periods shown represent a variety of economic and market conditions and includes periods of volatile market conditions. Investing involves risk, including the possible loss of principal amount invested. Past performance is not indicative of future returns.

Please read additional disclosures in the Important Information section for more details on the AlphaNasdaq Indexes.

Comparison with AlphaNasdaq returns by asset allocation as of December 31, 2024

Average annualized returns



As of 12/31/2024

"The performance information presented above was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as "Vanguard"). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. It is important to note that the performance figures provided are sourced from Vanguard and are not intended to represent Mercer's performance. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance."

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Please read additional disclosures in the Important Information section for more details on the AlphaNasdaq Indexes.

Important information about AlphaNasdaq performance

Data Source

The AlphaNasdaq OCIO indices are based on anonymized account-level return streams, asset allocation and metadata reported directly by OCIO firms. The Alpha NASDAQ OCIO indices use this anonymously reported data to construct a family of indices that represent the broad OCIO market along with variations of the OCIO market to more appropriately reflect the nuances across sub-categories, such as plan type and risk profile.

Index Constituents

The broad market AlphaNasdaq OCIO index includes all account-level returns streams reported by OCIOs. The plan type AlphaNasdaq OCIO indices are based on the associated plan type for each account as reported by each OCIO. The risk-based AlphaNasdaq OCIO indices are based on the asset allocation for each account as reported by each OCIO. Below are the number of observations included in each of the AlphaNasdaq OCIO indices as of December 31, 2024. Unreported periods have fewer than 15 observations.

Index	MRQ	One year	Three year	Five year	Ten year
AlphaNasdaq OCIO Broad Market Index	1,372	1,167	657	352	129
AlphaNasdaq OCIO Defined Benefit Pension Plans Index	422	363	205	98	36
AlphaNasdaq OCIO Endowments & Foundations Index	760	638	344	199	71
AlphaNasdaq OCIO Healthcare Operating Reserves Index	47	39	27	18	---
AlphaNasdaq OCIO Insurance Reserves Index	67	43	30	---	---
AlphaNasdaq OCIO Aggressive Allocation Index	136	109	45	30	---
AlphaNasdaq OCIO Moderate Aggressive Allocation Index	446	383	191	109	39
AlphaNasdaq OCIO Moderate Allocation Index	504	420	217	109	47
AlphaNasdaq OCIO Moderate Conservative Allocation Index	154	136	69	40	10
AlphaNasdaq OCIO Conservative Allocation Index	131	119	50	24	10

Risk Category Bands

The risk-based AlphaNasdaq OCIO indices are constituted based on the account-level asset allocation. Asset allocation is collected across 25 asset classes. Each asset class is defined as Growth or Risk-Mitigating based on the relative historical volatility of each asset class. Accounts in each risk-based index are reviewed annually (Q1 reported data) to determine if an account has shifted into a new risk category. The risk-based index thresholds are defined as:

- Aggressive: 0-20% allocation to risk-mitigating asset classes
- Moderately Aggressive: 21-30% allocation to risk-mitigating asset classes
- Moderate: 31-50% allocation to risk-mitigating asset classes
- Moderately Conservative: 51-75% allocation to risk-mitigating asset classes
- Conservative: 76-100% allocation to risk-mitigating asset classes

Calculation Methodology

Each of the AlphaNasdaq OCIO indices are calculated using the average net of fees return, as reported by each OCIO, for all the constituents within a given index. All constituents are equally weighted in each respective index. A minimum of 15 accounts are required to create a sub-category of the AlphaNasdaq OCIO Broad Market index.

Index Inclusion

To be included in any of the AlphaNasdaq OCIO indices, account size must be \$50m or greater, must be fully discretionary, represent a US-based client, and the performance must be live client performance net of all fees. Defined Contribution accounts are excluded. Accounts already included in the index that fall below \$50m due to market activity are granted a 10% allowance below the \$50m threshold to remain in the index.

Key Study Observations FY2024

Performance

- The average return for study participants was 11.2% in FY24, up from 7.7% in FY23

- Smaller institutions outperformed larger institutions for the second year in a row, given their materially higher allocations to US equities, which were up 24.6% as measured by the S&P 500.

Asset Allocation

- Year-over-year changes in asset allocation were minimal in FY24.

- On average, study participants had a 76% exposure to equities – both public and private to support their growth.

- Public equity and fixed income exposures continue to favor active management.

Spending

- Average effective spending rate (based on beginning of year market value) was 4.8%, up from 4.6% in FY23.

- Participants funded 14% of their operating budgets from endowment spending on average (6.1% median).

- 76% of schools continue to use a moving average market value spending formula.

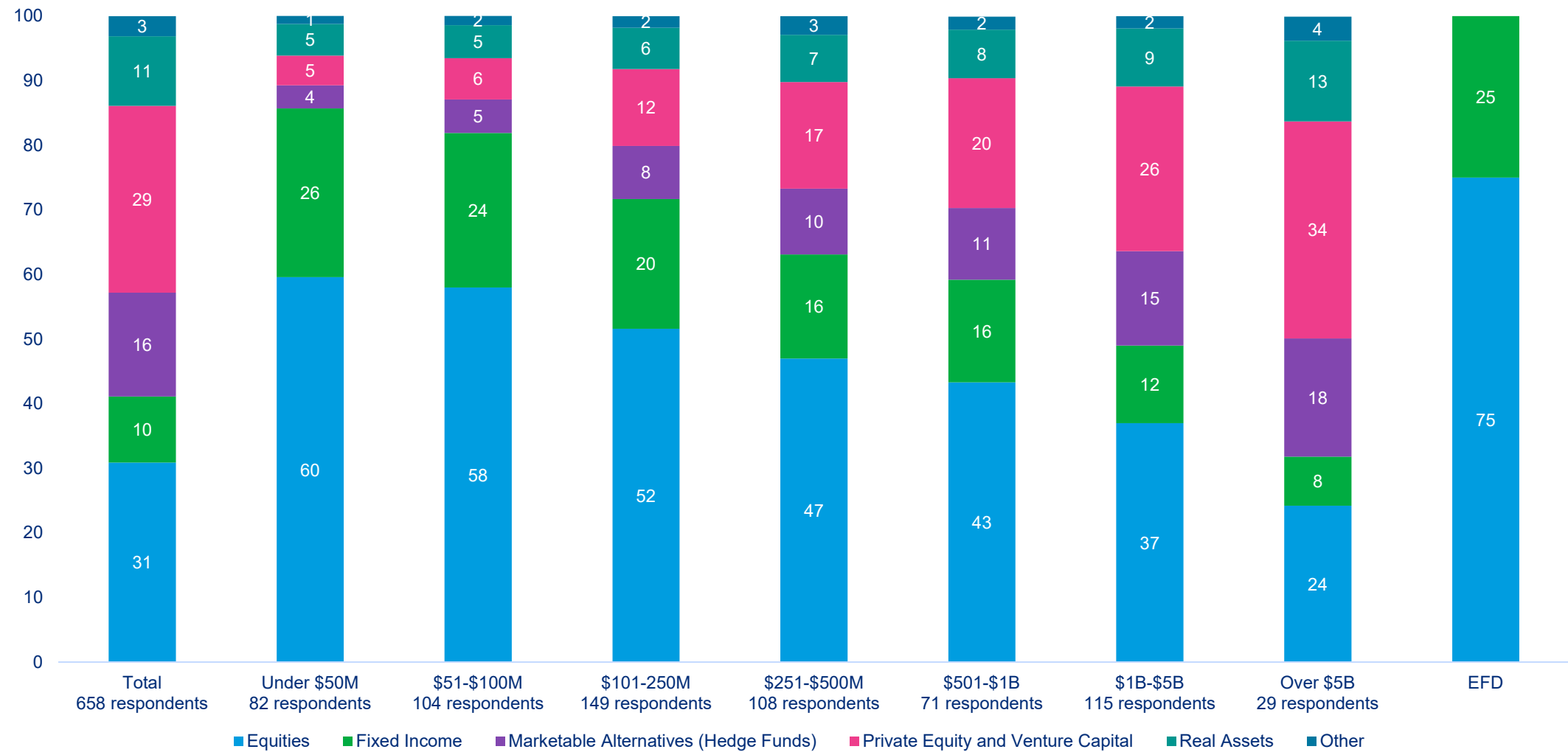
Gifts

- Endowment gifts were up 21% in total in FY24 relative to FY23.

- While average gifts were up 17.8% during the year, median gifts were up only 3.8%, suggesting that major gifts had a significant impact on the growth in donations.

Comparative Asset Allocation

By Size Cohort



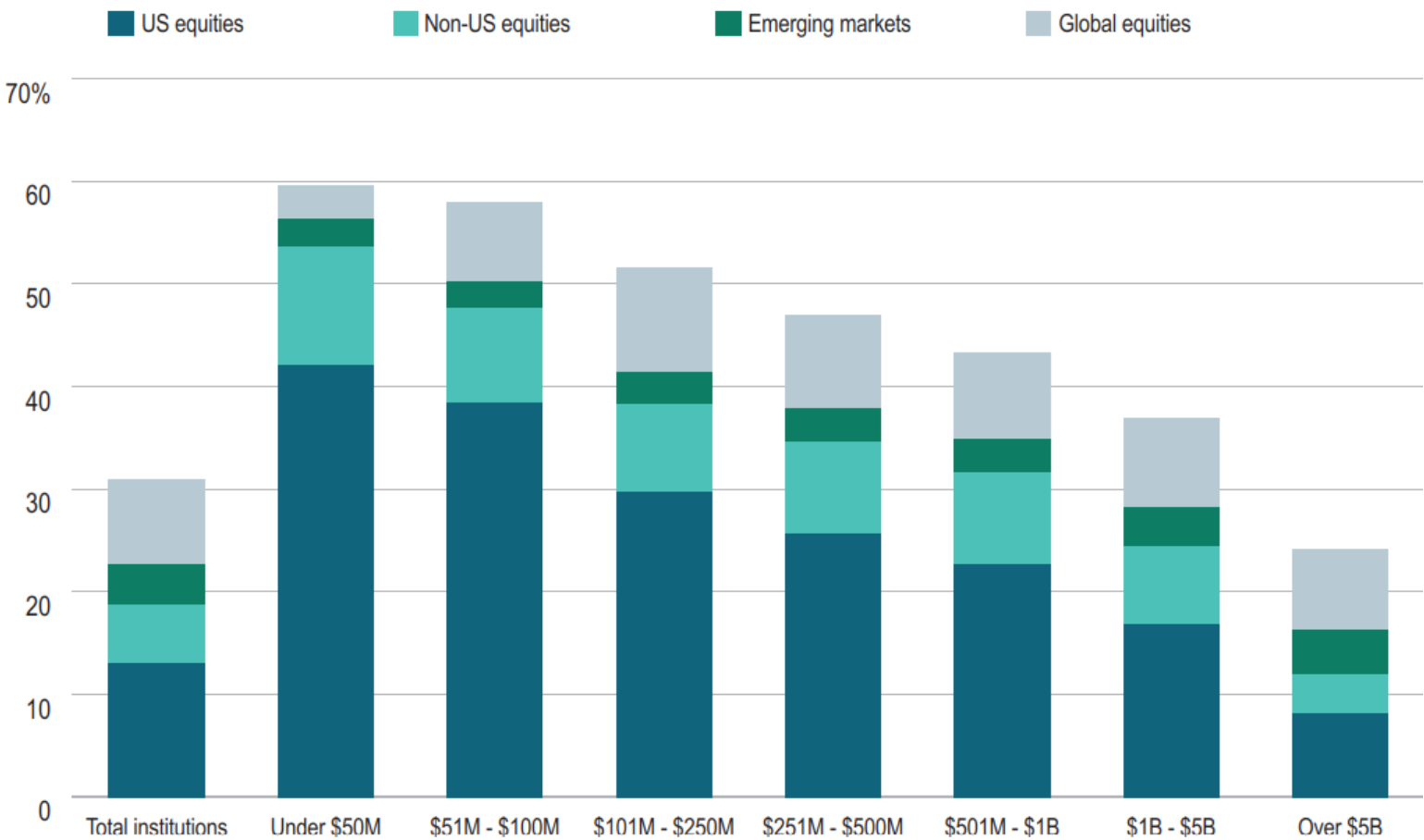
Comparative Investment Performance

By Size Cohort



Smaller institutions had larger allocations to public equities

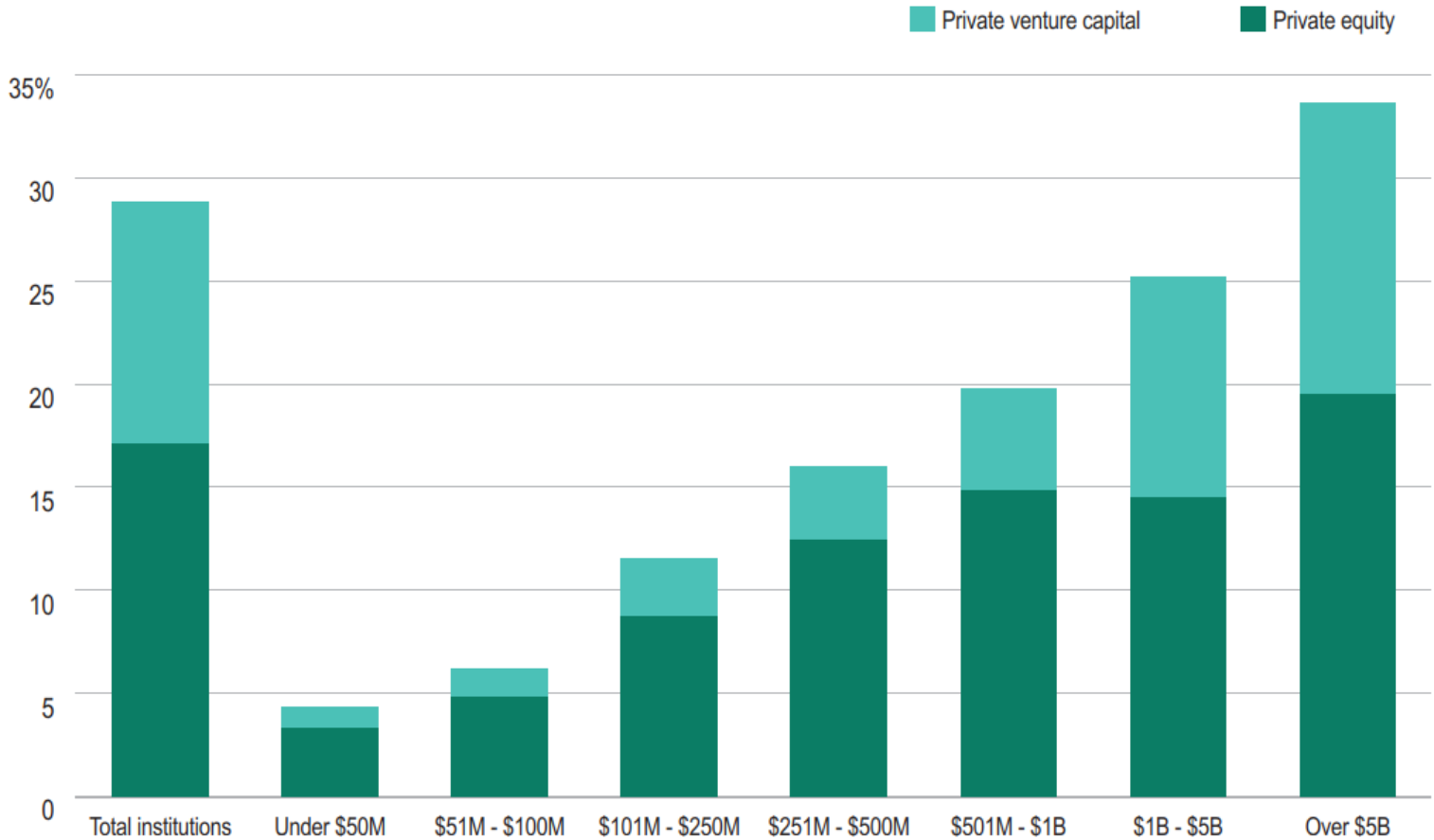
PUBLIC EQUITIES ASSET ALLOCATION | DOLLAR-WEIGHTED BY ENDOWMENT SIZE



Source: 2024 NACUBO-Commonfund Study of Endowments.

Allocations to private equity and venture capital correlated with the size of endowment

PRIVATE EQUITY AND VENTURE CAPITAL ASSET ALLOCATION |
DOLLAR-WEIGHTED BY ENDOWMENT SIZE



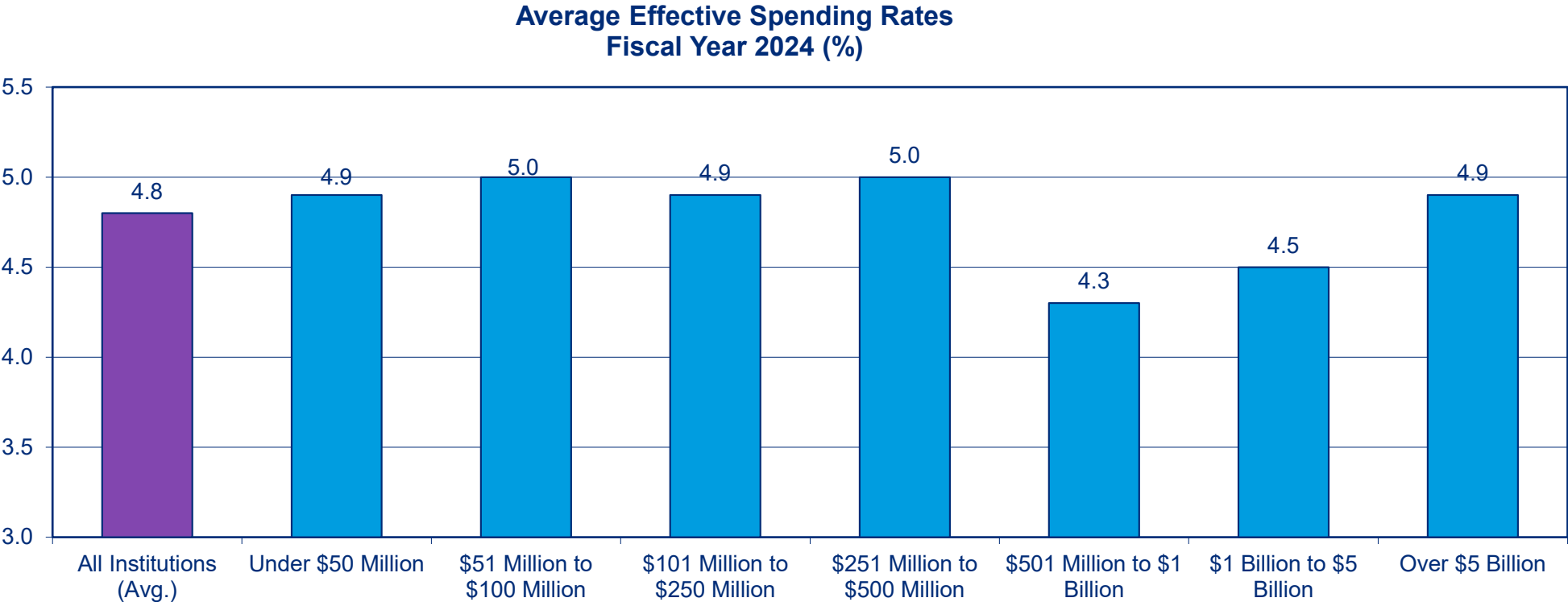
Source: 2024 NACUBO-Commonfund Study of Endowments.

2024 NACUBO Study of Endowments

Endowment spending

**Key
Takeaway**

✓ The effective spending rate rose to 4.8% in 2024. This higher rate does not appear to be a decision to increase the policy rate overall, but instead a combination of factors including some schools spending at a higher rate for scholarship endowments as well as result of calculation methodologies, such as substituting FY23 returns in 3-year moving average formulas for lower FY20 returns or the impact of inflation on hybrid methodologies



Source: 2024 NACUBO-Commonfund Study of Endowments. The effective spending rate is the total endowment spending divided by the endowment's beginning-of-year market value. Spending should include all withdrawals from the endowment, including other recurring and non-recurring withdrawals. Fees and expenses for managing the endowment should not be included.

Percentage of operating budget funded by endowment significantly larger at better endowed institutions, but funding generally increased overall

Institutions	Total 658	Under \$50M 82	\$51M-\$100M 104	\$101M-\$250M 149	\$251M-\$500M 108	\$501M-\$1B 71	\$1B-\$5B 115	Over \$5B 29
Responded Institutions	573	71	90	130	100	68	88	26
Average % of operating budget funded by endowment	14.0	11.2	12.7	10.9	15.6	13.9	18.9	17.6
Median % of operating budget funded by endowment	6.1	2.0	3.8	5.4	7.8	8.0	85.5	11.7
Increased	41.9	40.8	40.0	40.0	40.0	39.7	47.7	53.8
Decreased	38.4	26.8	35.6	36.9	42.0	44.1	43.2	42.3
No change	16.8	31.0	21.1	17.7	15.0	13.2	8.0	3.8
Other	3.0	1.4	3.3	5.4	3.0	2.9	1.1	0.0

Source: 2024 NACUBO-Commonfund Study of Endowments.

* Numbers below institutions in percent.

Responsible Investing Strategies are limited in use: Incorporating ESG/sustainability considerations into IPS is the most widely adopted practice

Institutions	Total 658	Under \$50M 82	\$51M-\$100M 104	\$101M-\$250M 149	\$251M-\$500M 108	\$501M-\$1B 71	\$1B-\$5B 115	Over \$5B 29
Responded Institutions	225	16	21	41	52	37	48	10
Joined an ESG or sustainability network	27.1	12.5	33.3	24.4	17.3	40.5	29.2	40.0
Appointed a Chief Sustainability Officer	7.6	12.5	4.8	7.3	3.8	8.1	10.4	10.0
Established a proxy voting committee	7.1	0.0	19.0	2.4	0.0	5.4	10.4	40.0
Incorporated ESG/sustainability considerations into your Investment Policy Statement	84.0	81.3	76.2	87.8	90.4	83.8	81.3	70.0
Offered an ESG investment option to your endowment or planned gift donors	12.0	12.5	28.6	12.2	13.5	8.1	6.3	10.0

Source: 2024 NACUBO-Commonfund Study of Endowments.

* Numbers below institutions in percent.

Active Equity Philosophy

3

Dashboard

US equities

Asset class	Insights ¹⁾	Market Structure ¹⁾	Alpha ²⁾ 50 th percentile over 20 years	Interquartile range over 20 years	Index ranking over 20 years	Fees MercerInsight Global Fee Survey asset size of 100M	Alpha potential
US large cap core	Low	Moderate	0.1%	2.3%	51	48 bps	Low
US large cap growth	Low	Low	-0.6%	2.7%	37	53 bps	Low
US large cap value	Low	Moderate	1.0%	2.6%	68	50 bps	Moderate
US SMID core	Moderate	High	1.0%	2.7%	67	74 bps	Moderate/High
US SMID growth	Moderate	Moderate/High	1.2%	3.8%	61	77 bps	Moderate/High
US SMID value	Moderate	Moderate/High	1.2%	2.7%	70	77 bps	Moderate/High
US small core	High	High	1.7%	2.9%	75	78 bps	High
US small growth	High	Moderate	1.6%	3.5%	72	80 bps	High
US small value	High	Moderate	1.9%	3.3%	77	80 bps	High

Color coding definition = light shade weak contribution to alpha conviction, dark shade strong contribution to alpha conviction

¹⁾ Indicates whether 'Insights' (availability of better information or judgement) and 'Market Structure' (pool of investment opportunities) are supportive of active management.

Full definition details on page 28.

²⁾ Alpha defined as excess return over a qualified benchmark See page 31

Source: Data MercerInsight® ending December 2023

Dashboard

Non-US equities

Asset class	Insights ¹⁾	Market Structure ¹⁾	Alpha ²⁾ 50 th percentile over 20 years	Interquartile range over 20 years	Index ranking over 20 years	Fees MercerInsight Global Fee Survey asset size of 100M	Alpha potential
Global	Low	Moderate	0.8%	3.1%	64	63 bps	Moderate
Global small cap	High	High	1.2%	3.5%	65	81 bps	Moderate/High
International	Low	High	1.2%	2.5%	74	63 bps	Moderate/High
International small cap	High	High	2.0%	2.7%	75	85 bps	High
Emerging markets	High	Moderate	1.4%	2.7%	75	80 bps	Moderate/High

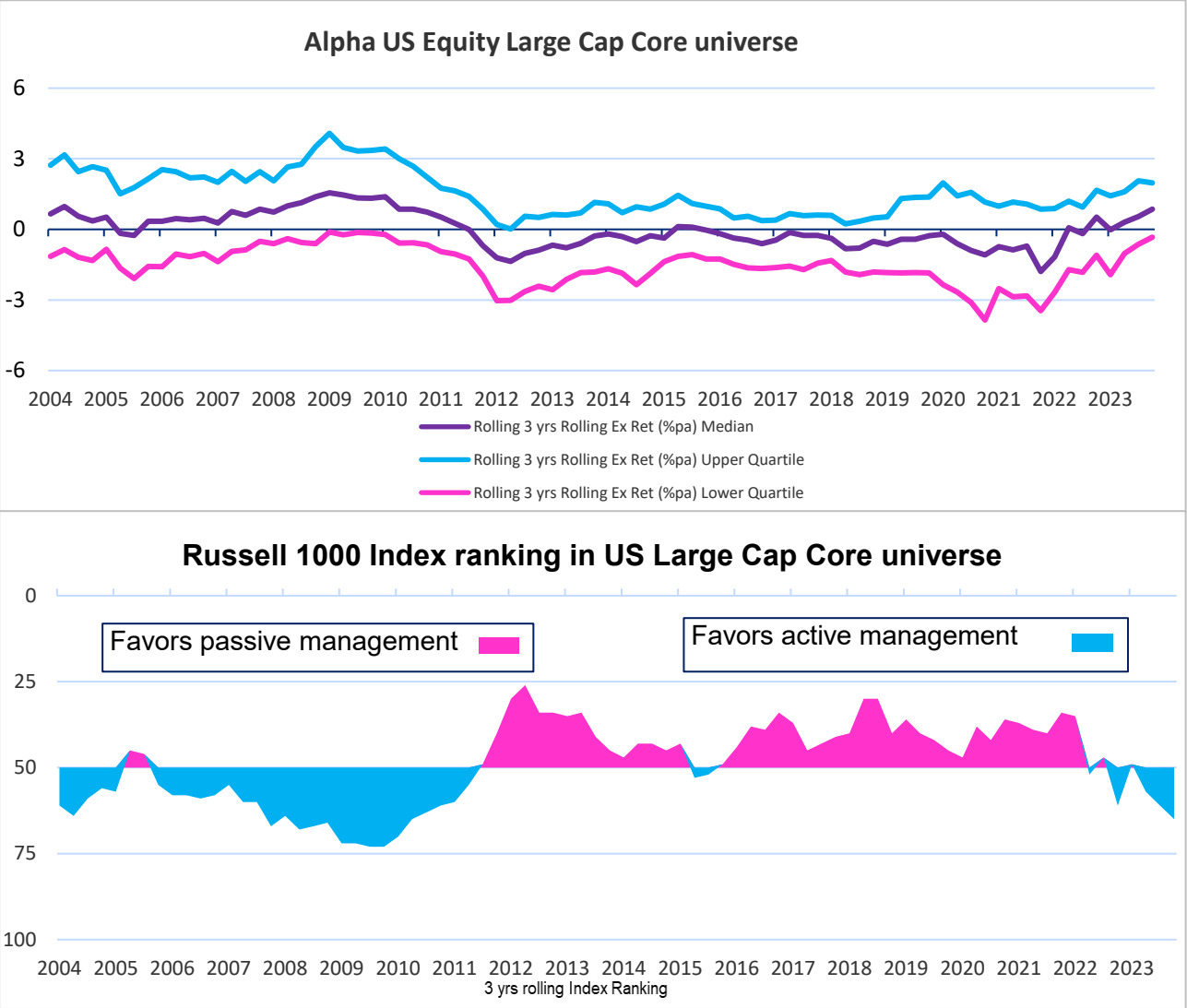
Color coding definition = light shade weak contribution to alpha conviction, dark shade strong contribution to alpha conviction

¹⁾ Indicates whether 'Insights' (availability of better information or judgement) and 'Market Structure' (pool of investment opportunities) are supportive of active management.
Full definition details on page 28.

²⁾ Alpha defined as excess return over a qualified benchmark See page 31

Source: Data MercerInsight® ending December 2023

US Large Cap Core as of December 31, 2023



Source: Data MercerInsight® ending December 2023
Gross returns are used in computation



Observations:

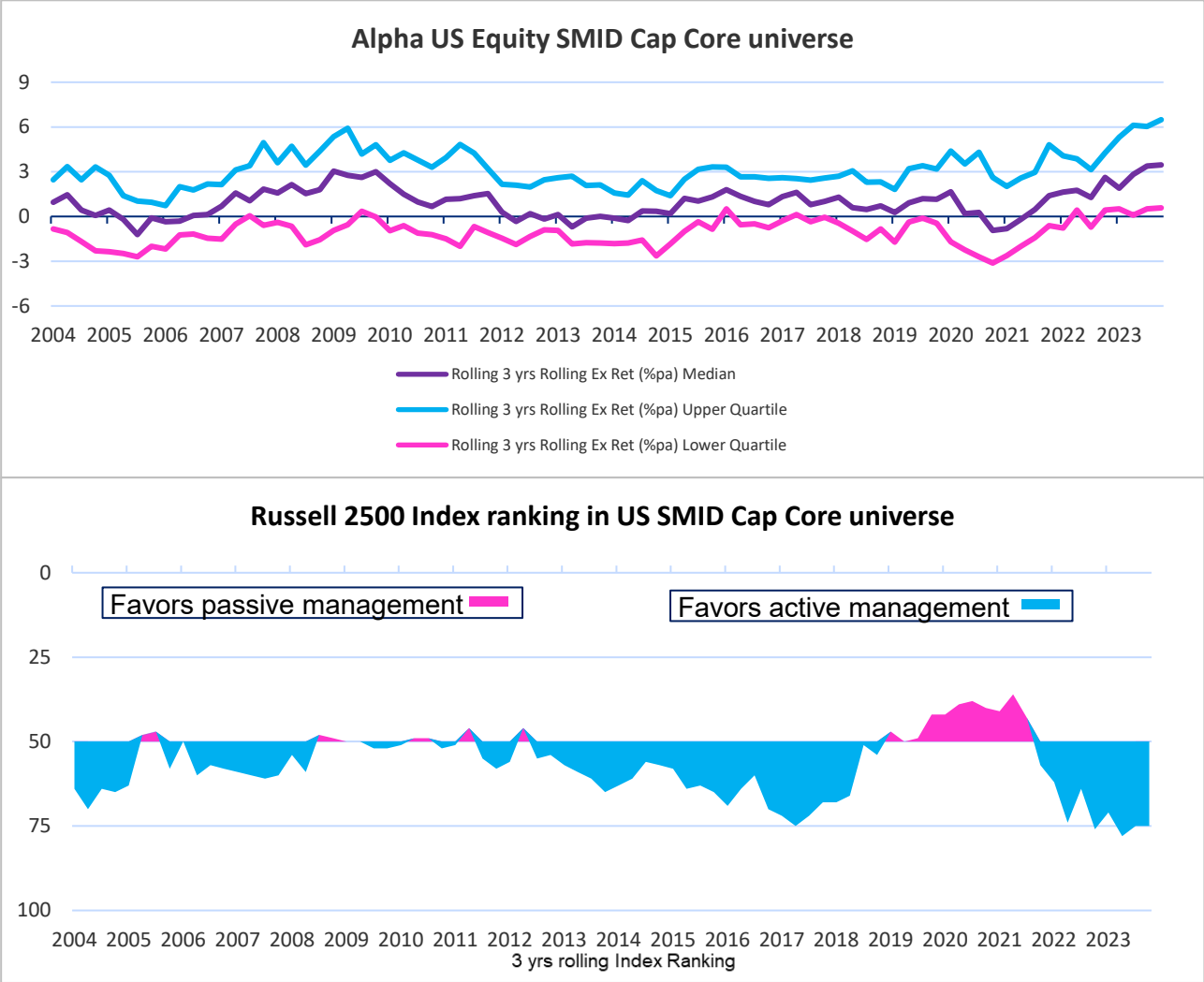
During the past 20 years, alpha for large cap core managers has generally declined.

The value add before fees generally has been positive only for top quartile managers.

Rolling three-year index returns generally ranked above median.

Alpha rankings		
Rolling 3-year excess returns (% per annum)		
20-year observation period		
	Alpha	% Observations above 0%
25th percentile	1.6	100%
50th percentile	0.0	43%
75th percentile	-1.7	0%
Interquartile range	3.3	
Batting average		
20-year observation period		
	# of qtrly observations	% of qtrly observations
Active outperforms passive	41	51%
Passive outperforms active	39	49%
Total	80	100%

US SMID Cap Core as of December 31, 2023



Observations:

During the past 20 years, alpha for SMID cap core managers has generally remained stable.

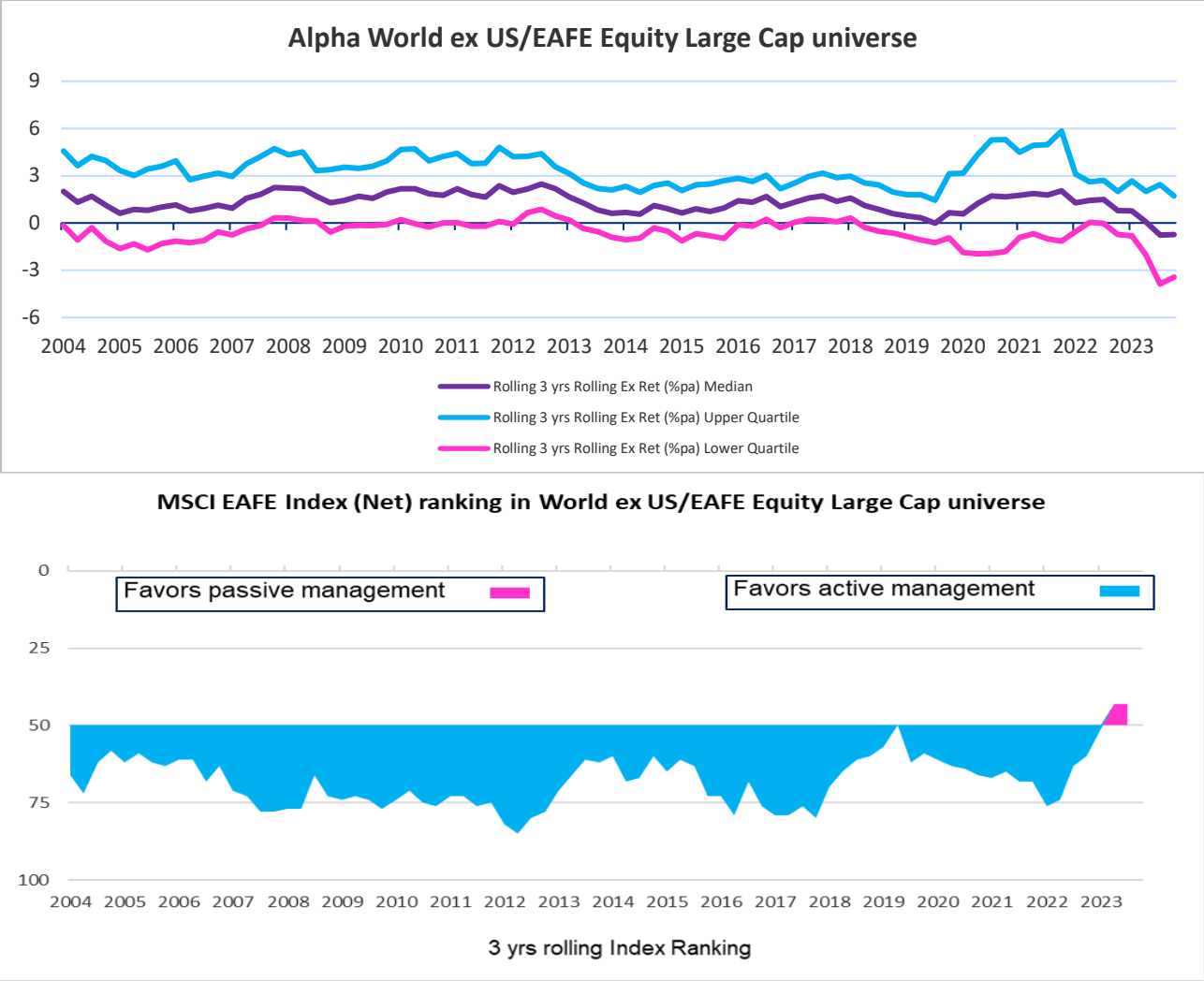
The value add before fees has generally been positive for top quartile and median managers. For the median manager, fees can offset a significant portion of the value add

Rolling three-year index returns generally ranked below median.

Alpha rankings		
Rolling 3-year excess returns (% per annum)		
20-year observation period		
	Alpha	% Observations above 0%
25th percentile	3.1	100%
50th percentile	1.0	71%
75th percentile	-1.4	14%
Interquartile range	4.5	
Batting average		
20-year observation period		
	# of qtrly observations	% of qtrly observations
Active outperforms passive	46	58%
Passive outperforms active	34	43%
Total	80	100%

Source: Data MercerInsight® ending December 2023
Gross returns are used in computation

Developed Non-US Large Cap as of December 31, 2023



Source: Data MercerInsight® ending December 2023
Gross returns are used in computation

Note: Mercer has a single global equity universe, rather than style specific universes, reflecting the preference for using a core global benchmark by vast majority of global equity managers (e.g. MSCI World).

Observations:

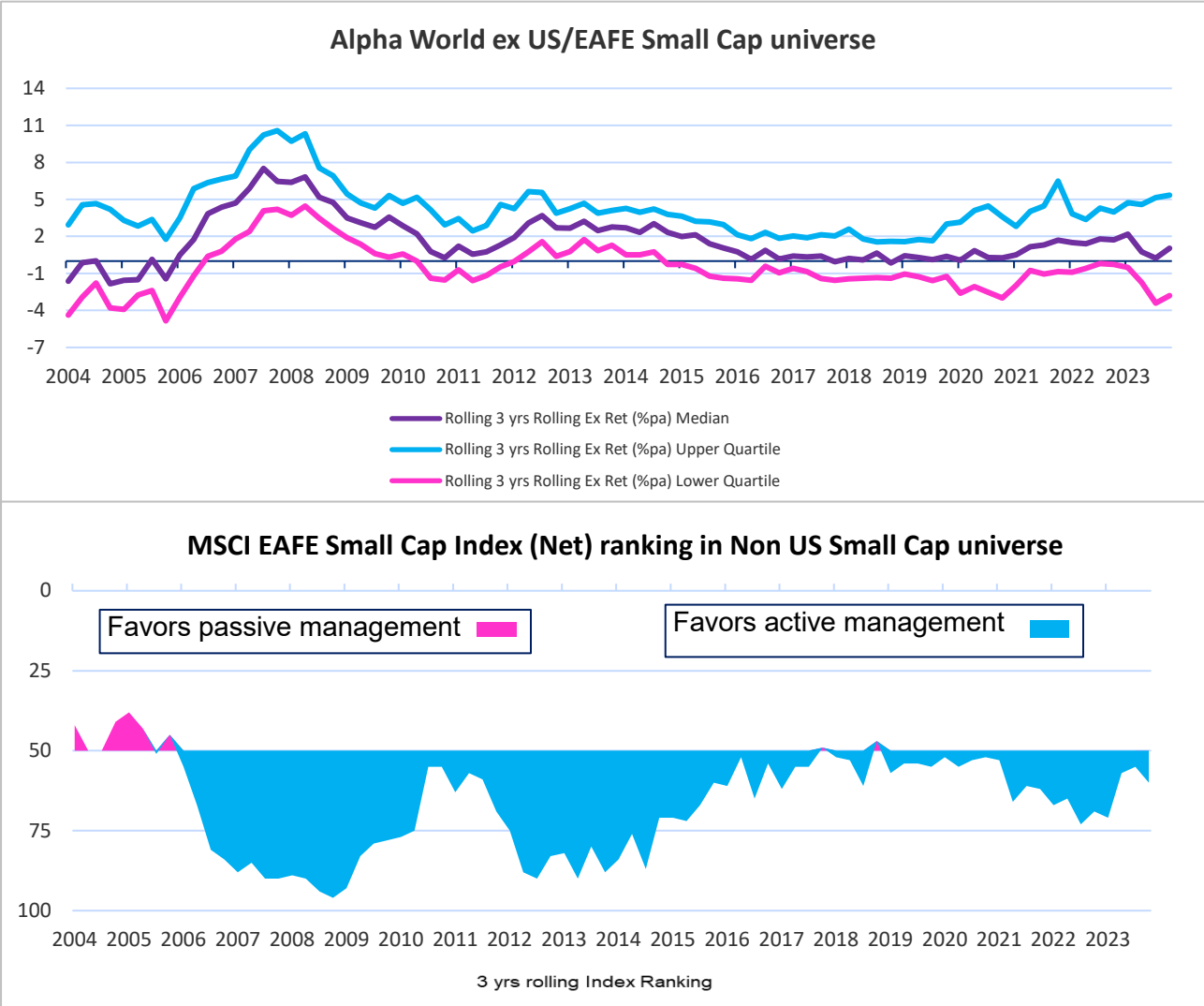
During the past 20 years, alpha for international equity managers has been relatively steady.

Top quartile managers added significant value while median managers added modest value before fees.

Rolling three-year index returns consistently ranked below median.

Alpha rankings		
Rolling 3-year excess returns (% per annum)		
20-year observation period		
	Alpha	% Observations above 0%
25th percentile	3.5	100%
50th percentile	1.1	86%
75th percentile	-1.1	29%
Interquartile range	4.6	
Batting average		
20-year observation period		
	# of qtrly observations	% of qtrly observations
Active outperforms passive	46	57%
Passive outperforms active	34	43%
Total	80	100%

International Small Cap as of December 31, 2023



Source: Data MercerInsight® ending December 2023
Gross returns are used in computation

Note: Mercer has a single global equity universe, rather than style specific universes, reflecting the preference for using a core global benchmark by vast majority of global equity managers (e.g. MSCI World).

Observations:

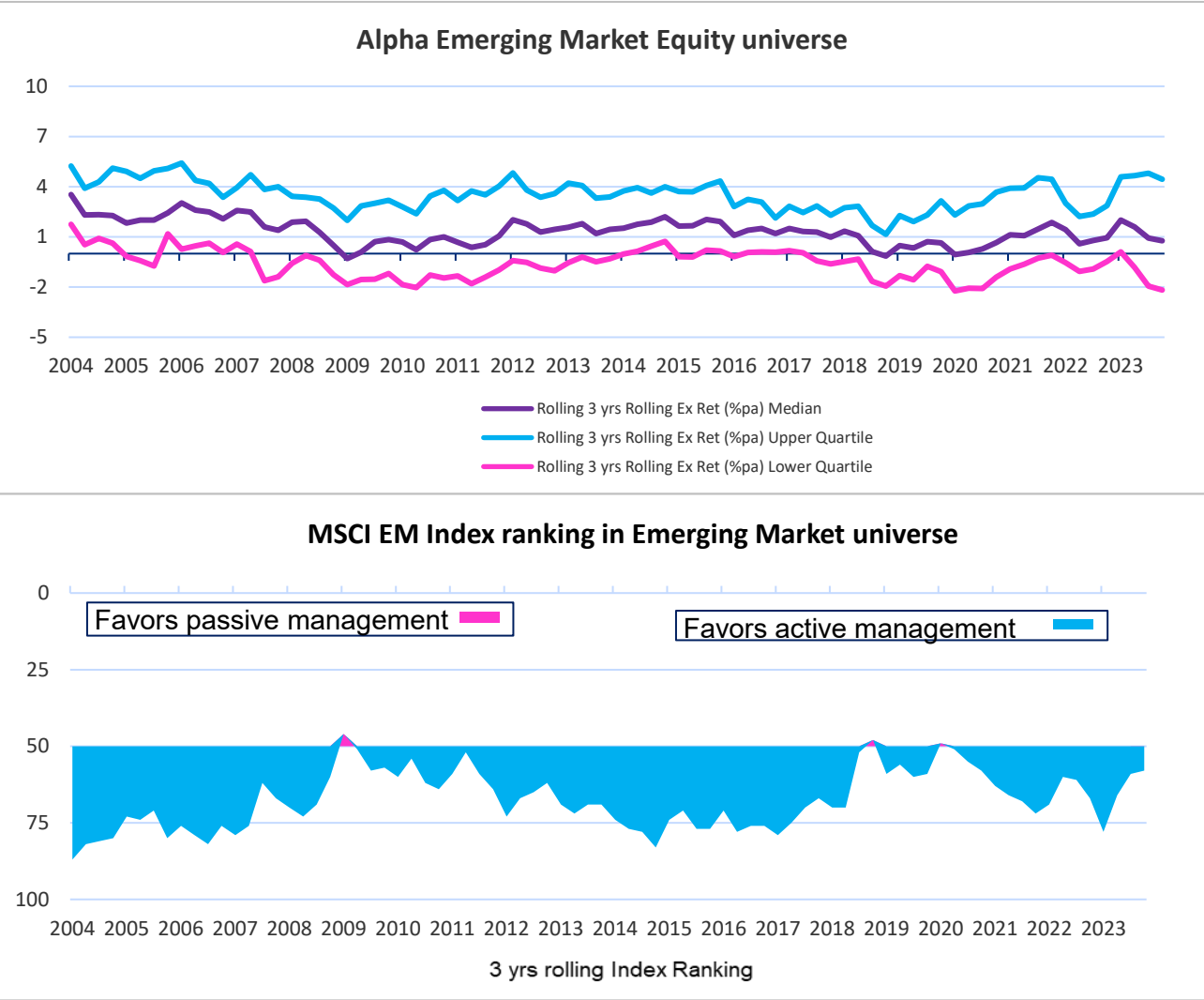
During the past 20 years, alpha for international small cap equity managers generally has declined.

Top quartile managers added significant value while median managers added modest value before fees.

Rolling three-year index returns consistently ranked below median.

Alpha rankings		
Rolling 3-year excess returns (% per annum)		
20-year observation period		
	Alpha	% Observations above 0%
25th percentile	4.1	100%
50th percentile	1.2	71%
75th percentile	-1.5	14%
Interquartile range	5.6	
Batting average		
20-year observation period		
	# of qtrly observations	% of qtrly observations
Active outperforms passive	45	56%
Passive outperforms active	35	44%
Total	80	100%

Emerging Market Equity as of December 31, 2023



Source: Data MercerInsight® ending December 2023

Gross returns are used in computation

Note: Mercer has a single global equity universe, rather than style specific universes, reflecting the preference for using a core global benchmark by vast majority of global equity managers (e.g. MSCI World).

Observations:

During the past 20 years, alpha for emerging market equity managers has been fairly consistent.

Top quartile managers added significant value. Median managers added modest value before fees, but likely no value after fees.

Rolling three-year index returns consistently ranked below median.

Alpha rankings		
Rolling 3-year excess returns (% per annum)		
20-year observation period		
	Alpha	% Observations above 0%
25th percentile	3.7	100%
50th percentile	1.2	100%
75th percentile	-0.6	29%
Interquartile range	4.3	
Batting average		
20-year observation period		
	# of qtrly observations	% of qtrly observations
Active outperforms passive	48	60%
Passive outperforms active	32	40%
Total	80	100%

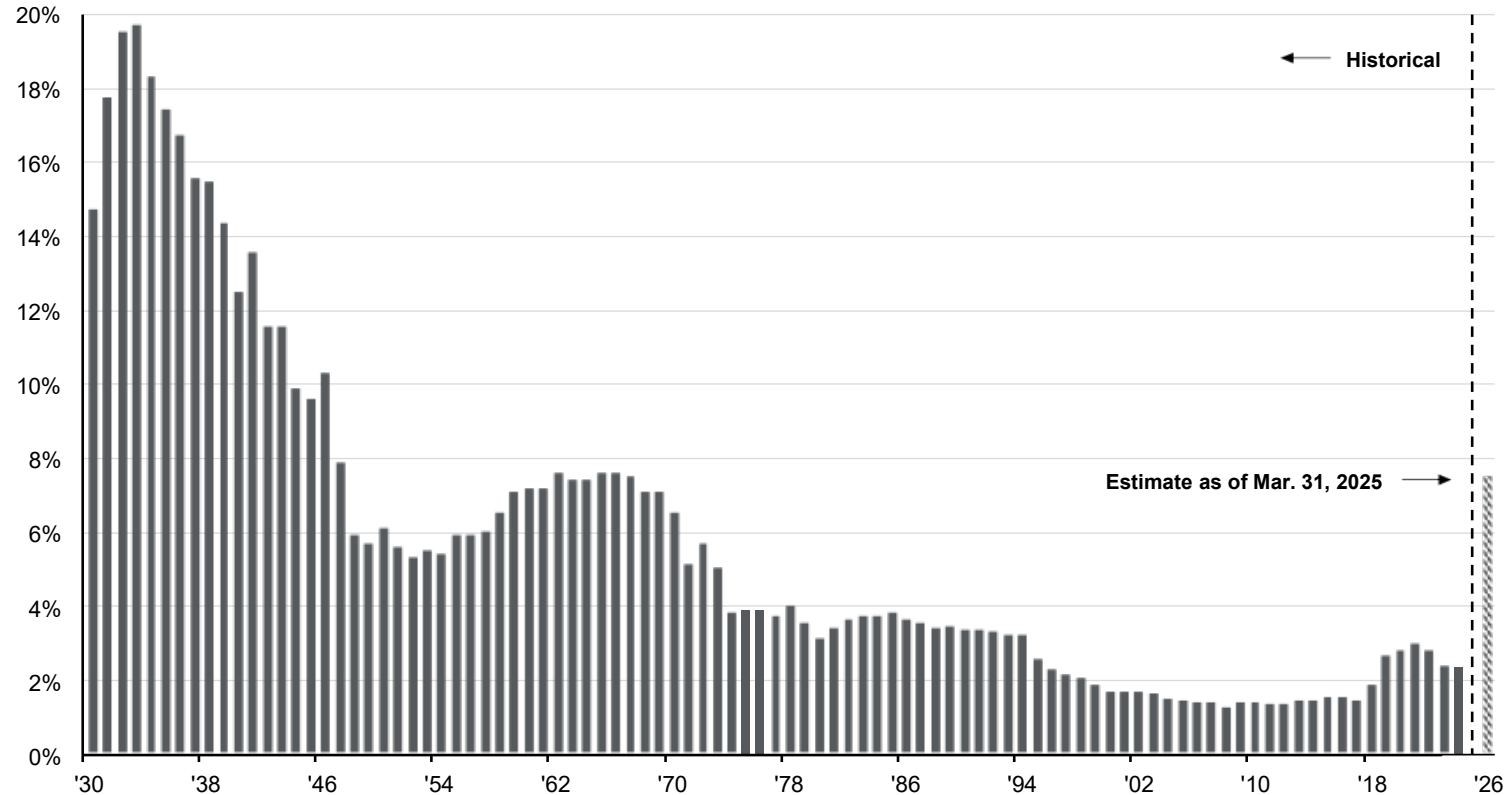
Tariff and Portfolio Considerations



Tariffs on U.S. imports estimate as of 3/31

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption

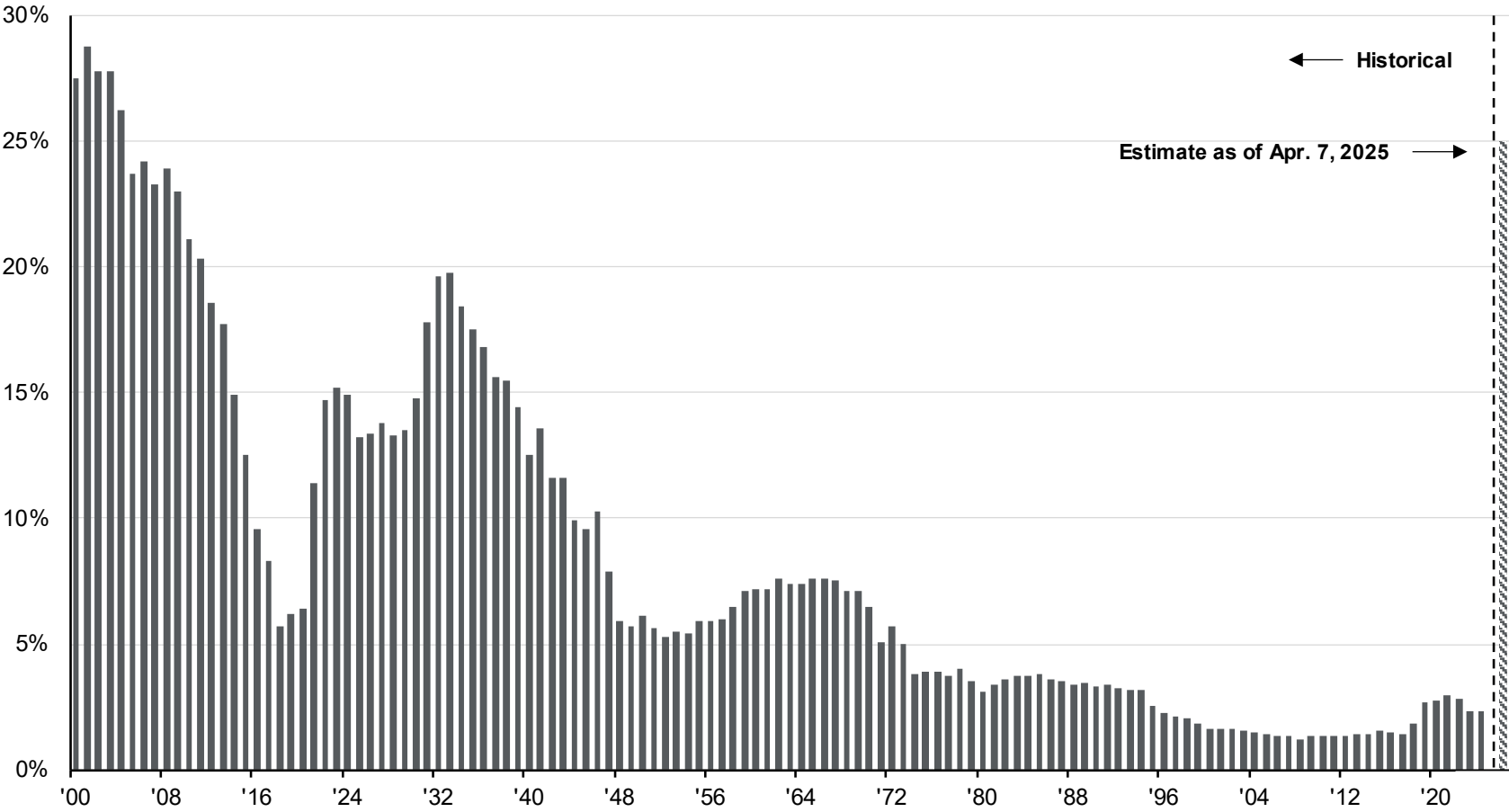


Source: Goldman Sachs Investment Research, United States International Trade Commission, J.P. Morgan Asset Management. For illustrative purposes only. The estimated weighted average U.S. tariff rate includes the latest tariff announcements (25% tariffs on steel and aluminum imports, an additional 20% tariff on Chinese imports, and a 25% tariff on non-compliant Mexican and Canadian imports). Estimates about which goods are USMCA compliant come from Goldman Sachs Investment Research. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. The estimate does not consider non-tariff barriers, such as value-added taxes. Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Forecasts are based on current data and assumptions about future economic conditions. Actual results may differ materially due to changes in economic, market, and other conditions. Guide to the Markets – U.S. Data are as of March 31, 2025.

Tariffs on U.S. imports estimate as of 4/7

Average tariff rate on U.S. goods imports for consumption

Duties collected / value of total goods imports for consumption



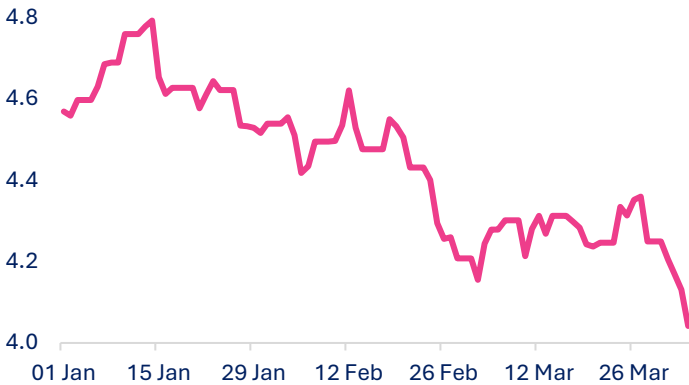
What has the market reaction been?

Risk off: equities off, bonds up, JPY v strong, oil down, HY spreads wider

US equities down 3%



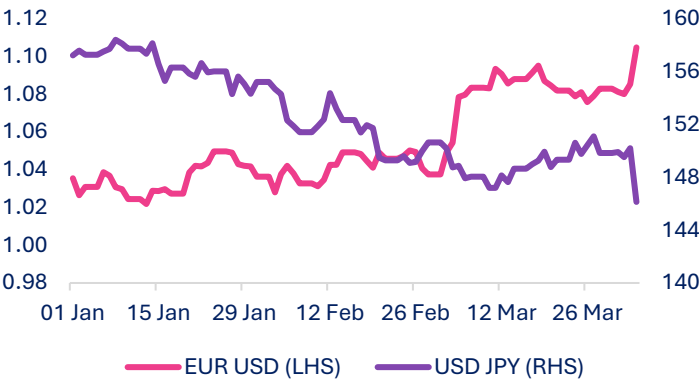
Yields down 15bps



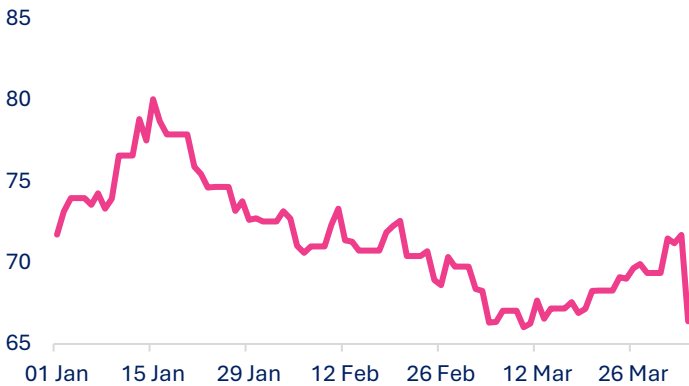
Yields curve broadly stable



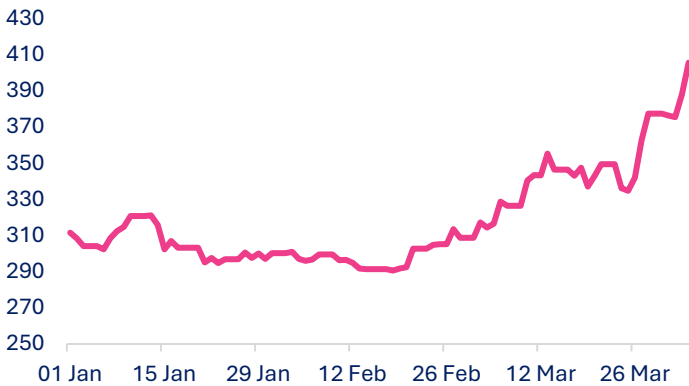
USD down by 2%



Oil down 6%



HY spreads wider

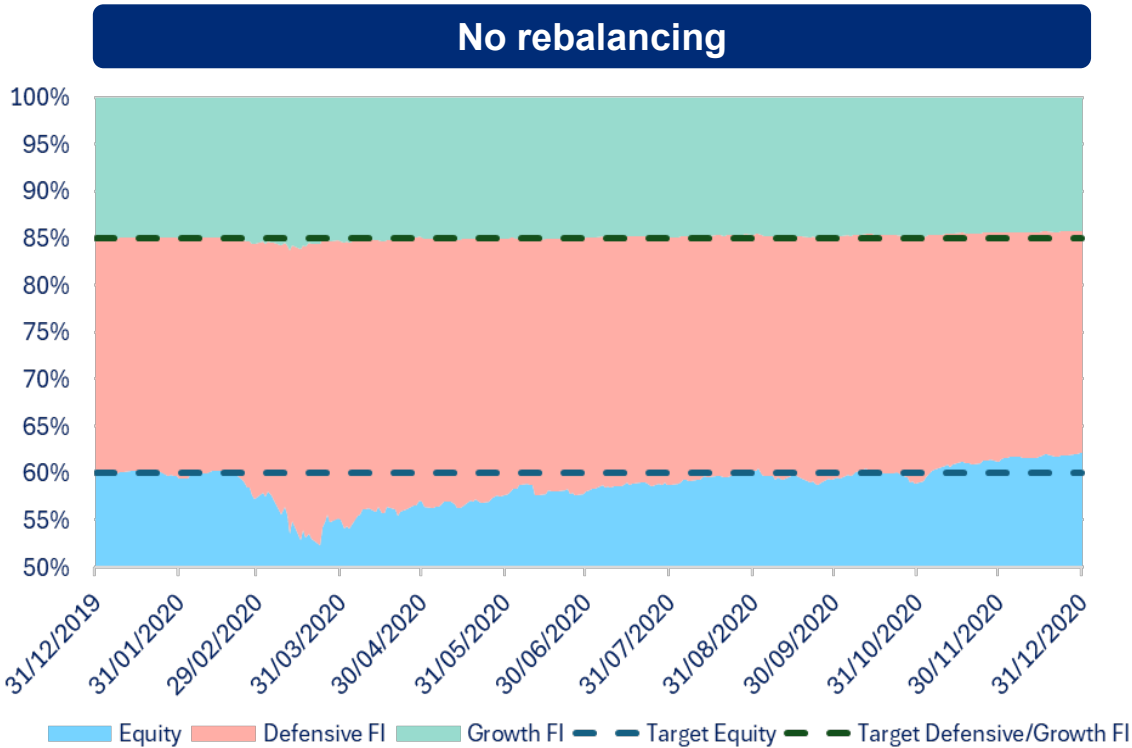


Tariffs so far

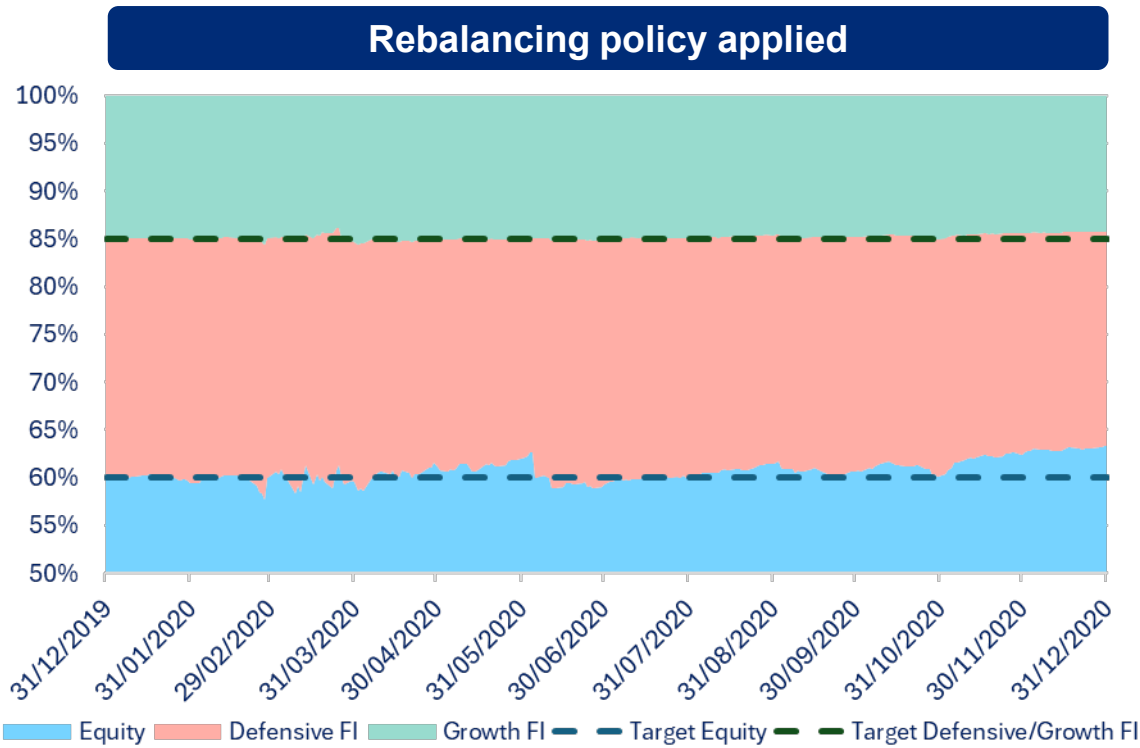
Effective Date	Target Countries	Tariff Rate	Goods Targeted
4 February 2025	China	10%	All
4 March 2025	Canada, Mexico China	25%, 10% for Canadian energy 10%	All except USMCA compliant All
12 March 2025	Major exporters	25%	Steel, aluminium
2 April 2025	Venezuelan Oil importers	25%	All
5 April 2025	All	10%	All
9 April 2025	Countries judged to have trade imbalances and other trade barriers against the US	Individual “discounted” reciprocal tariffs	All
3 May 2025	Major exporters	25%	Car parts

Rebalancing Case Study: 2020 Covid Experience

Keep portfolios aligned with objectives and benefit from market recovery



12.2% Realized Return



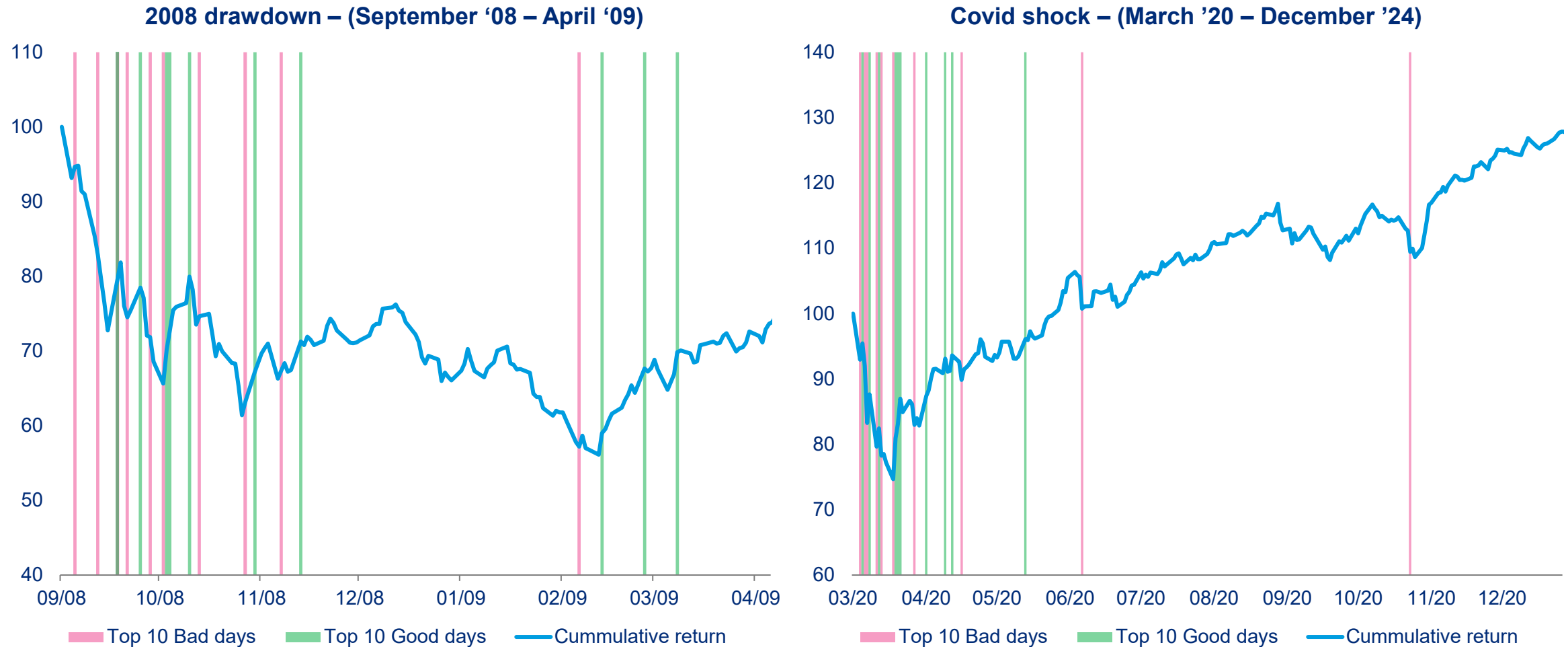
13.4% Realized Return

Stick to your rebalancing policy during periods of market volatility

Source: Refinitiv, Mercer calculations. Data as of December 31, 2020. Allocations from Global Market Reference Portfolio. Rebalancing based on a +/-2% tolerance when the asset class allocation is higher than 10%, otherwise +/-1% tolerance bands.

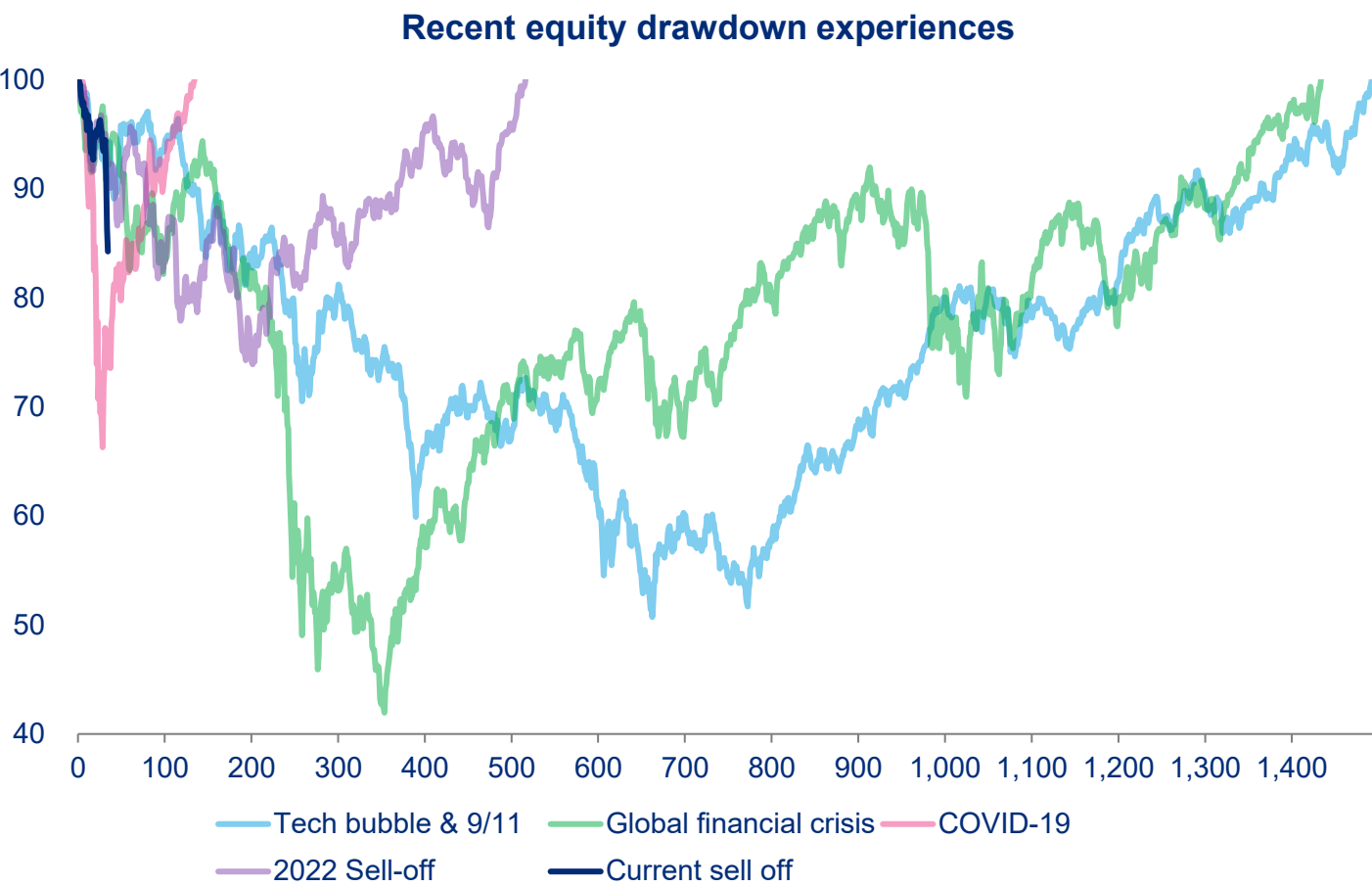
Market timing is difficult and warrants smaller risk budget:

The best equity days often come in short order after the worst days



Source: Bloomberg. Data as of March 31, 2025. Individual bars represent a single days equity return.

Some drawdowns take longer to recover, especially if associated with a recession



Event	Peak Date	Peak to Trough	Max drawdown	Trough to previous peak
Tech bubble & 9/11	3/27/2000	926 Days	(49.3%)	1162 Days
Global financial crisis	10/31/2007	495 Days	(58.0%)	1513 Days
COVID-19	2/12/2020	40 Days	(33.7%)	148 Days
2022 Sell-off	1/4/2022	281 Days	(26.1%)	441 Days

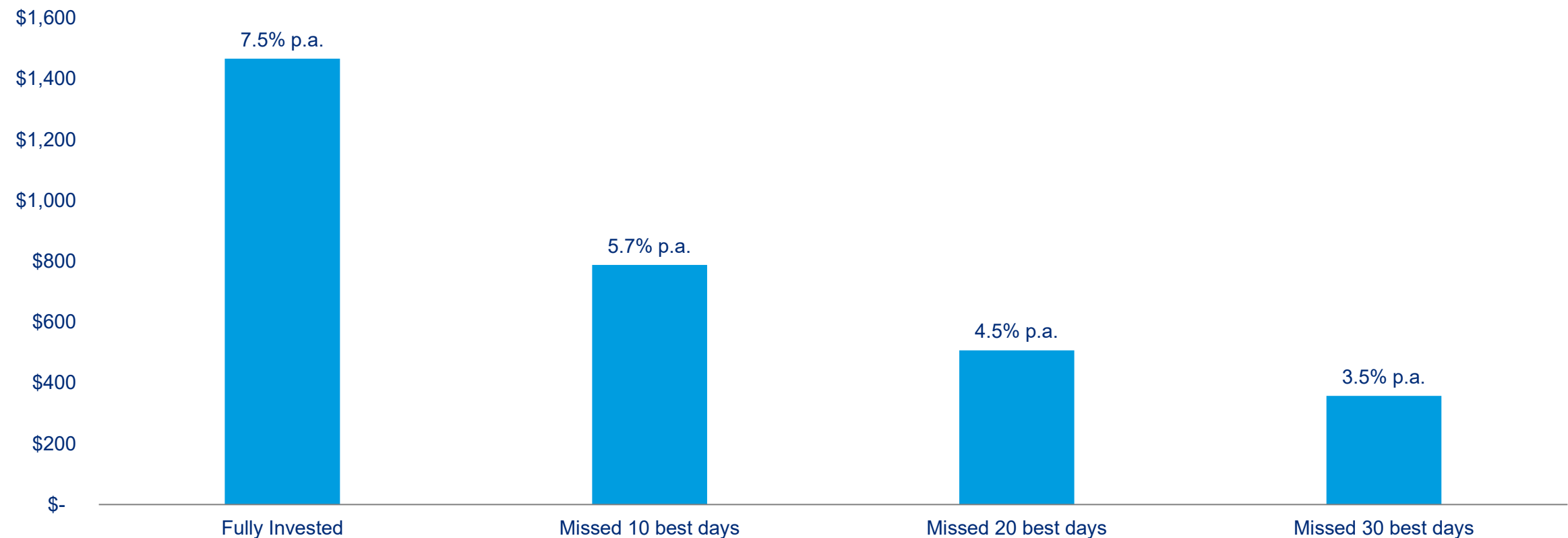
Source: Bloomberg. Data as of April 7, 2025. Equity returns = MSCI ACWI.

Market timing is difficult and warrants smaller risk budget:

Potential cost of being out of market is significant

Growth of \$100 (1988 - 2025)

Annualized performance of \$100 investment between January 1988 and March 2025)

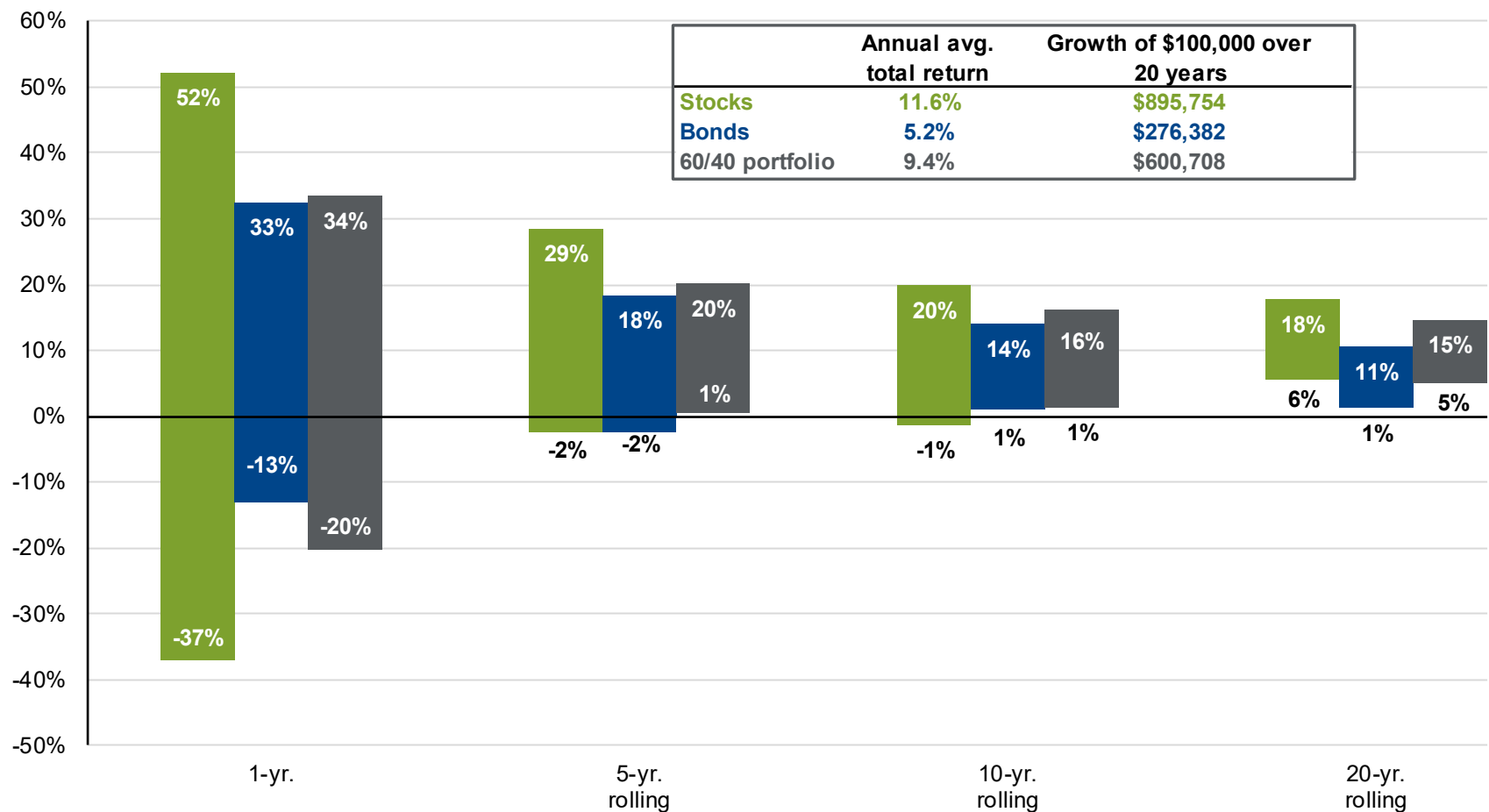


Source: Bloomberg. Data as of March 31, 2025. Equity returns = MSCI ACWI.

Time, diversification, and the volatility of returns

Range of stock, bond and blended total returns

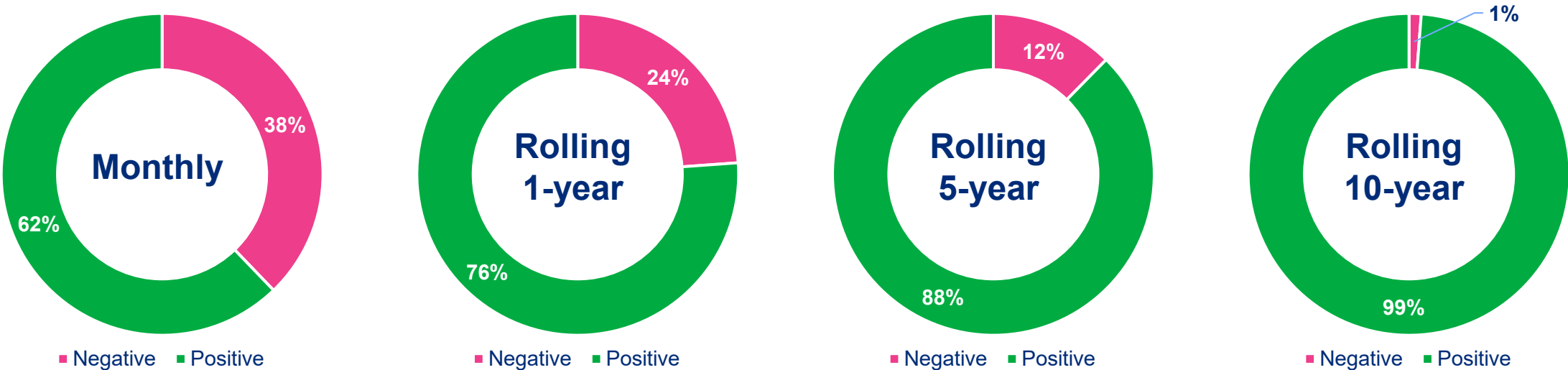
Annual total returns, 1950–2024



- Source: Bloomberg, FactSet, Federal Reserve, Standard & Poor's, Strategas/Ibbotson, J.P. Morgan Asset Management.
- Returns shown are based on calendar year returns from 1950 to 2024. Bonds represent Strategas/Ibbotson for periods prior to 1976 and the Bloomberg Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2024.
- Guide to the Markets – U.S. Data are as of April 7, 2025.

Even with market corrections and recessions you can tilt the odds in your favor by staying invested for the long-term

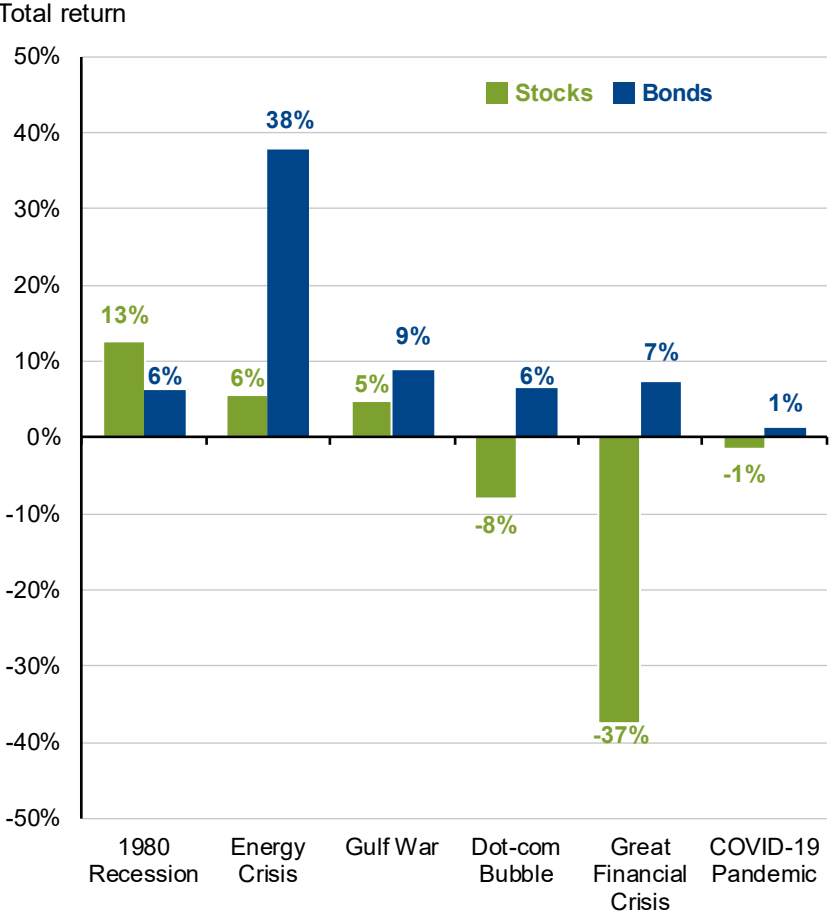
Percentage of positive/negative equity returns over different rolling periods (1987-2025)



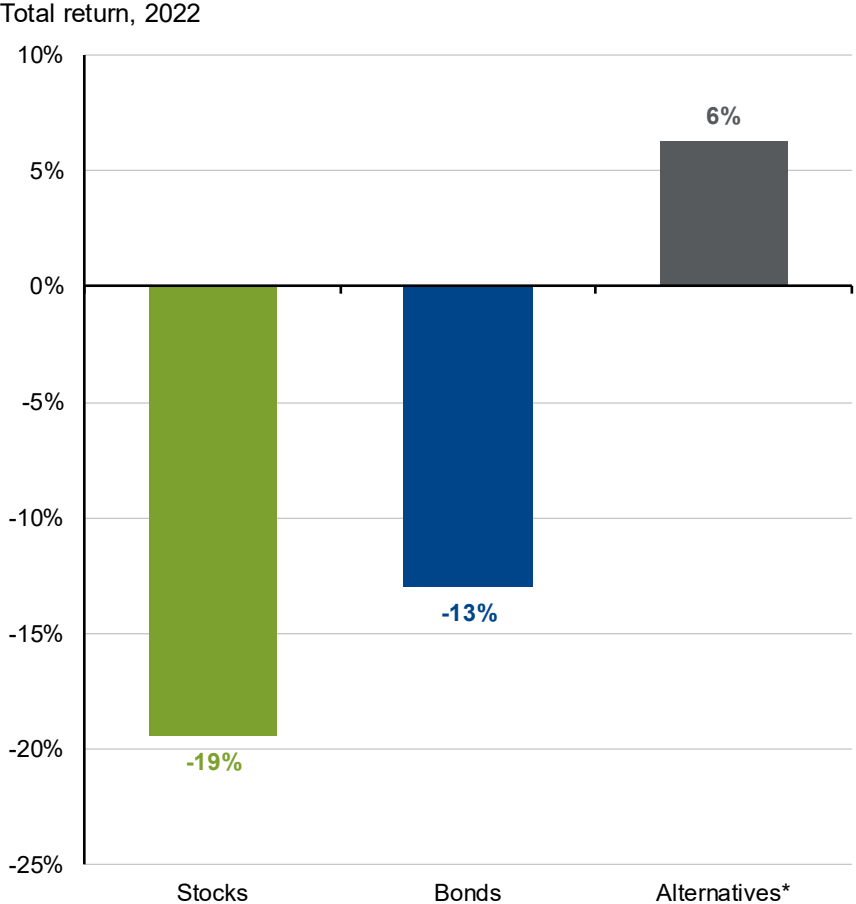
Source: Refinitiv. Data as of March 31, 2025. Equity returns = MSCI ACWI.

Diversification during growth and inflation shocks

Stock and bond returns during recessions



Asset class returns during 2022 inflation spike

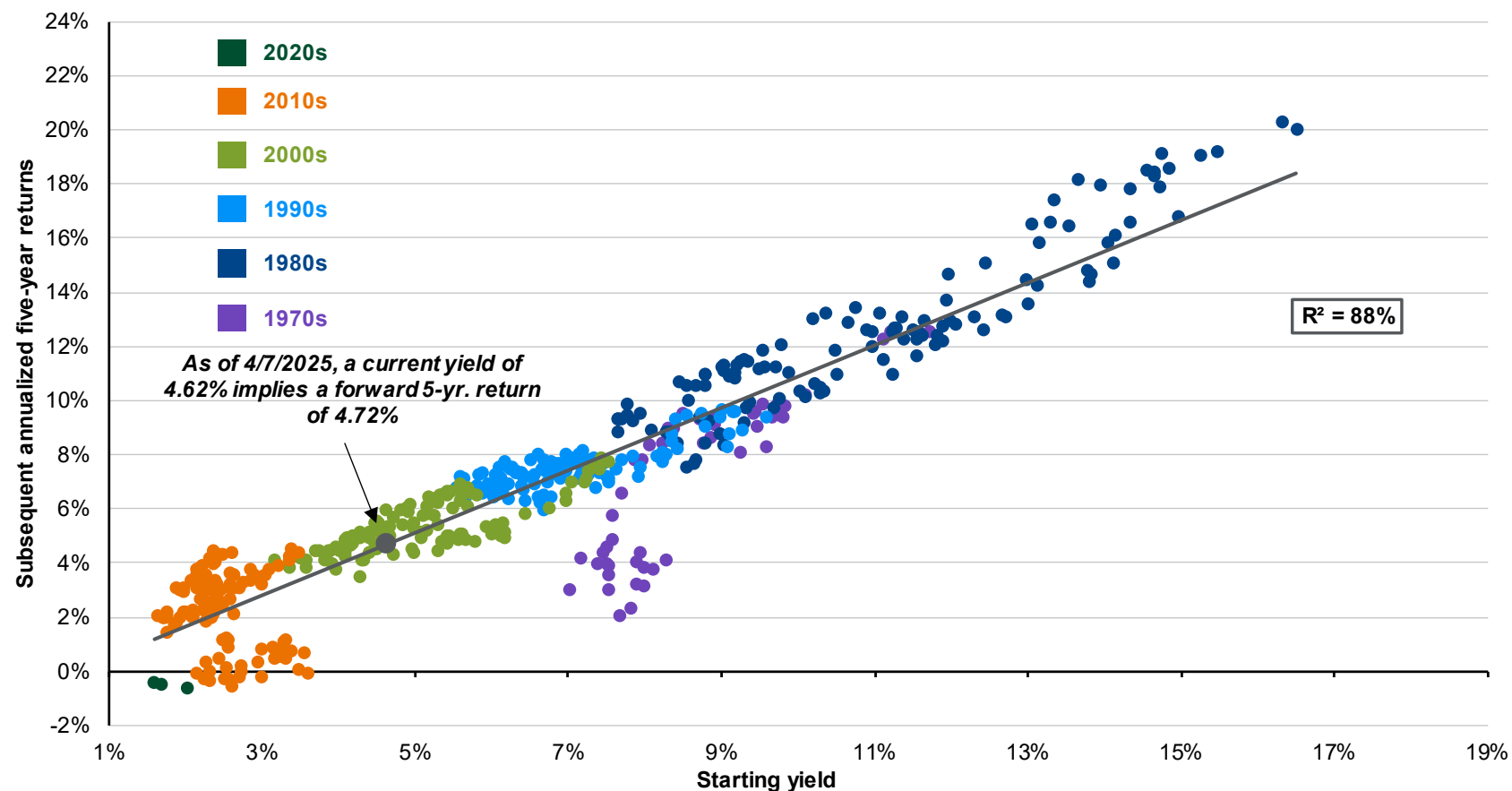


- Source: Bloomberg, FactSet, HFRI, MSCI, NCREIF, Standard & Poor's, J.P. Morgan Asset Management.
- U.S. stocks are represented by the S&P 500 while U.S. bonds are represented by the Bloomberg U.S. Aggregate Index. 1980 Recession: January 1980 to July 1980, Energy Crisis Recession: July 1981 to November 1982, Gulf War Recession: July 1990 to March 1991, Dot-com Bubble Recession: March 2001 to November 2001, Great Financial Crisis: January 2008 to June 2009, COVID 19 Recession: March 2020 to April 2020. *Alternatives reflect the performance of an equal-weighted aggregate comprised of infrastructure, transport, real estate and hedge funds. Hedge funds: HFRI Fund Weighted Composite; infrastructure: MSCI Global Quarterly Infrastructure Asset Index (equal-weighted blend); real estate: NCREIF Property Index – United States Open End Diversified Core Equity component. Transport returns are derived from a J.P. Morgan Asset Management Index. Past performance is not a reliable indicator of current and future results.

Fixed income yields and forward returns

Yield-to-worst and subsequent 5-year annualized returns

Bloomberg U.S. Aggregate Total Return Index



- Source: Bloomberg, FactSet, J.P. Morgan Asset Management.
- Returns are 60-month annualized total returns, measured monthly, beginning 1/31/1976. R^2 represents the percent of total variation in total returns that can be explained by yields at the start of each period.
- *Guide to the Markets* – U.S. Data are as of April 7, 2025.

Appendix

5

Labor demand

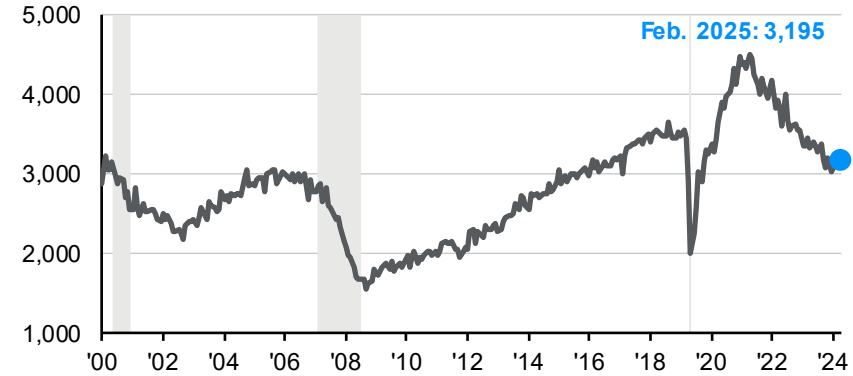
JOLTS job openings*

Total job openings, thousands, seasonally adjusted



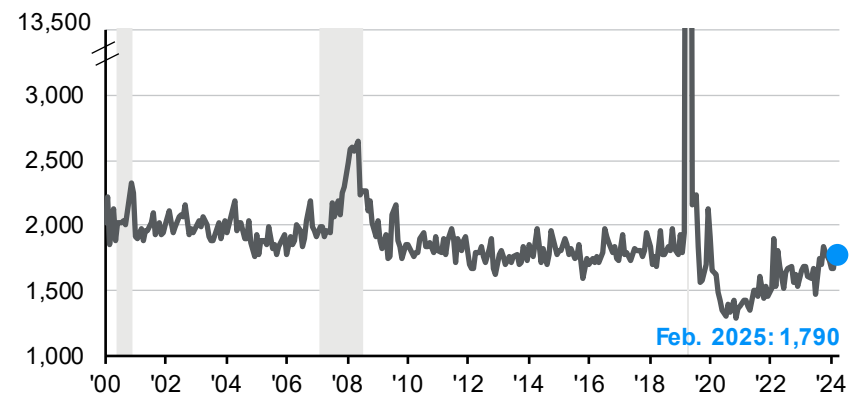
JOLTS quits

Total nonfarm quits, thousands, seasonally adjusted



JOLTS layoffs

Total nonfarm layoffs, thousands, seasonally adjusted

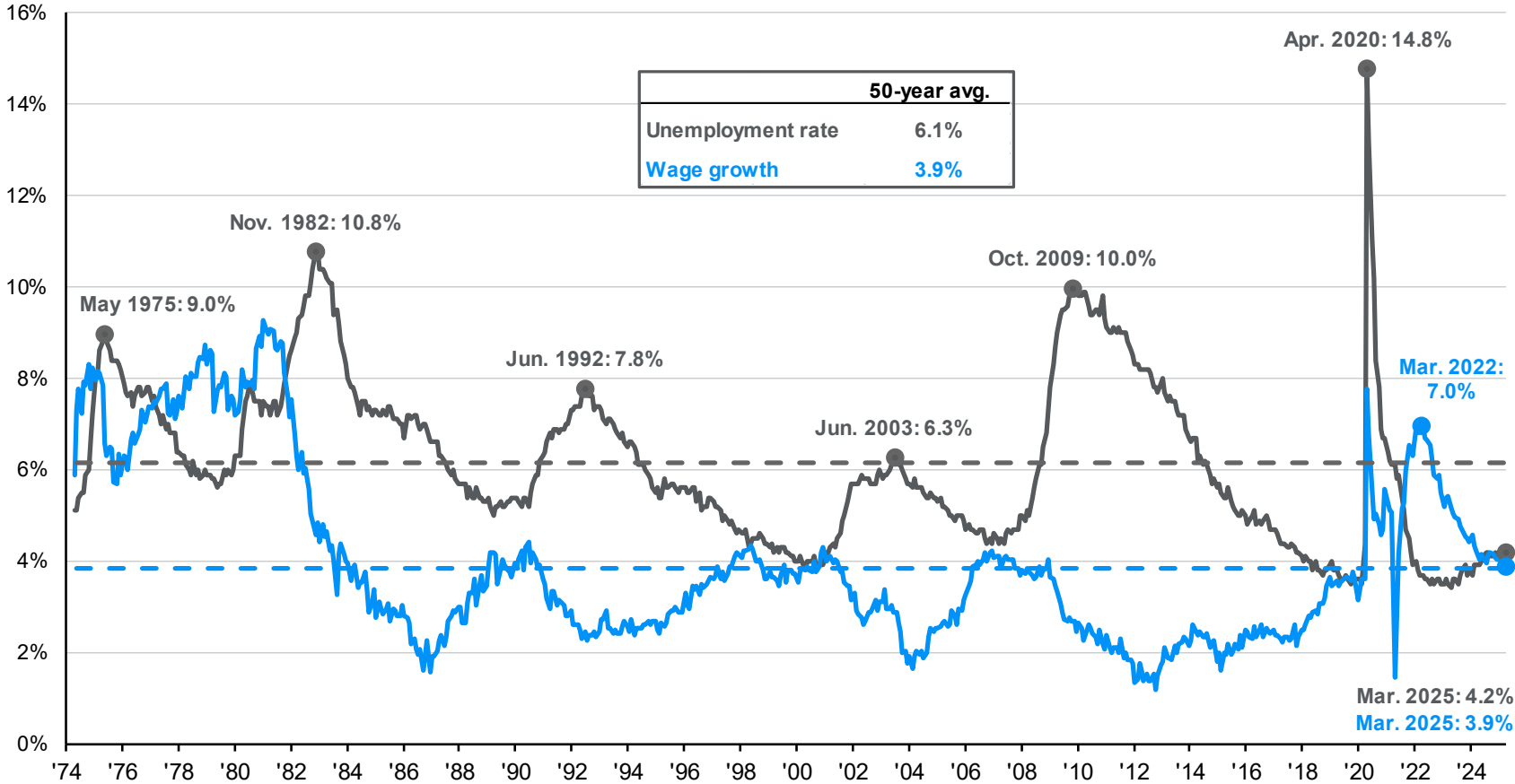


- Source: U.S. Department of Labor, J.P. Morgan Asset Management. *JOLTS job openings from February 1974 to November 2000 are J.P. Morgan Asset Management estimates.
- *Guide to the Markets – U.S.* Data are as of April 7, 2025.

Unemployment and wages

Civilian unemployment rate and year-over-year wage growth

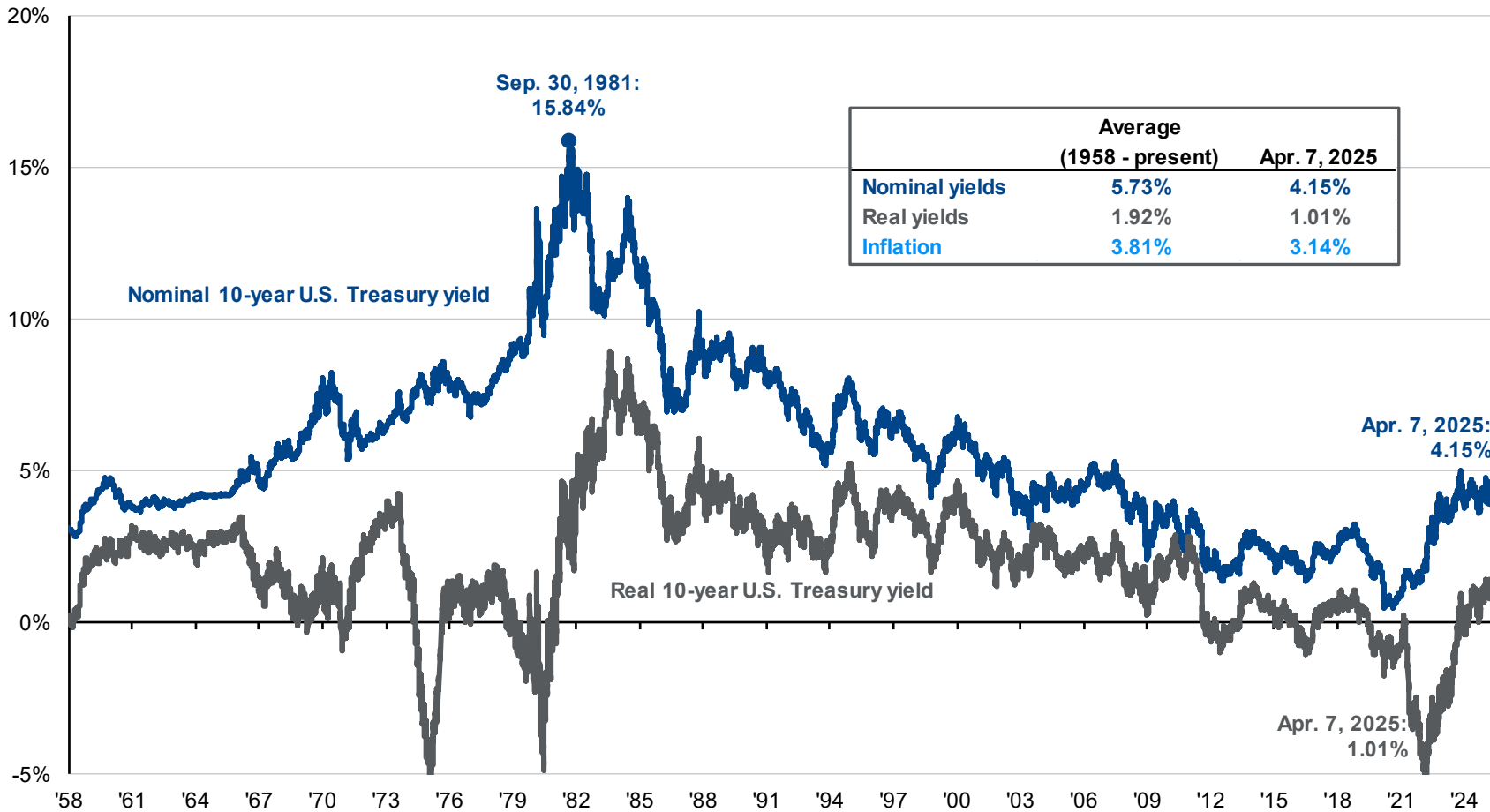
Private production and non-supervisory workers, seasonally adjusted, percent



- Source: BLS, FactSet, J.P. Morgan Asset Management. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs.
- Guide to the Markets – U.S. Data are as of April 7, 2025.

Interest rates and inflation

Nominal and real U.S. 10-year Treasury yields

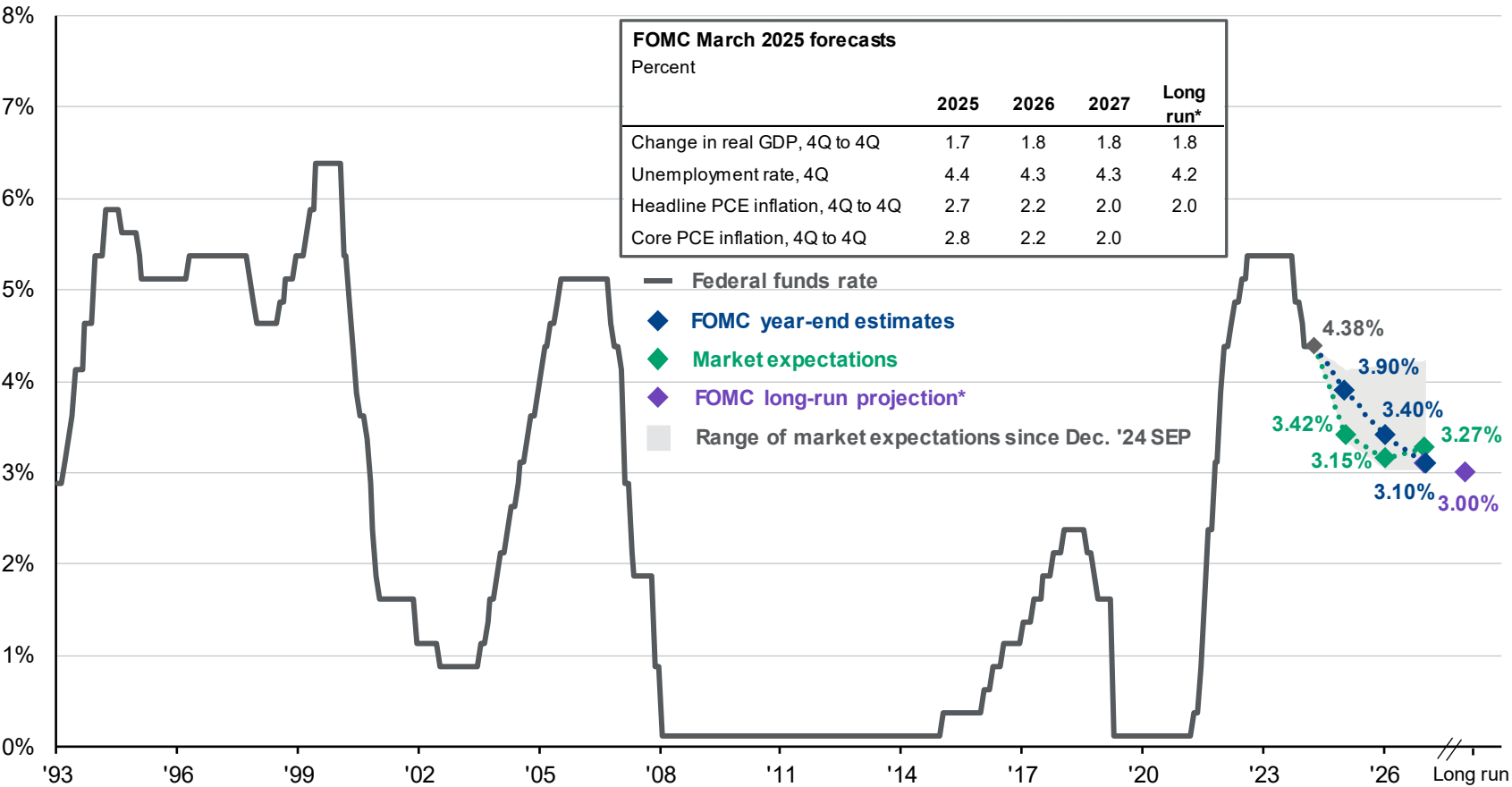


- Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
- Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data are available.
- *Guide to the Markets* – U.S. Data are as of April 7, 2025.

The Fed and interest rates

Federal funds rate expectations

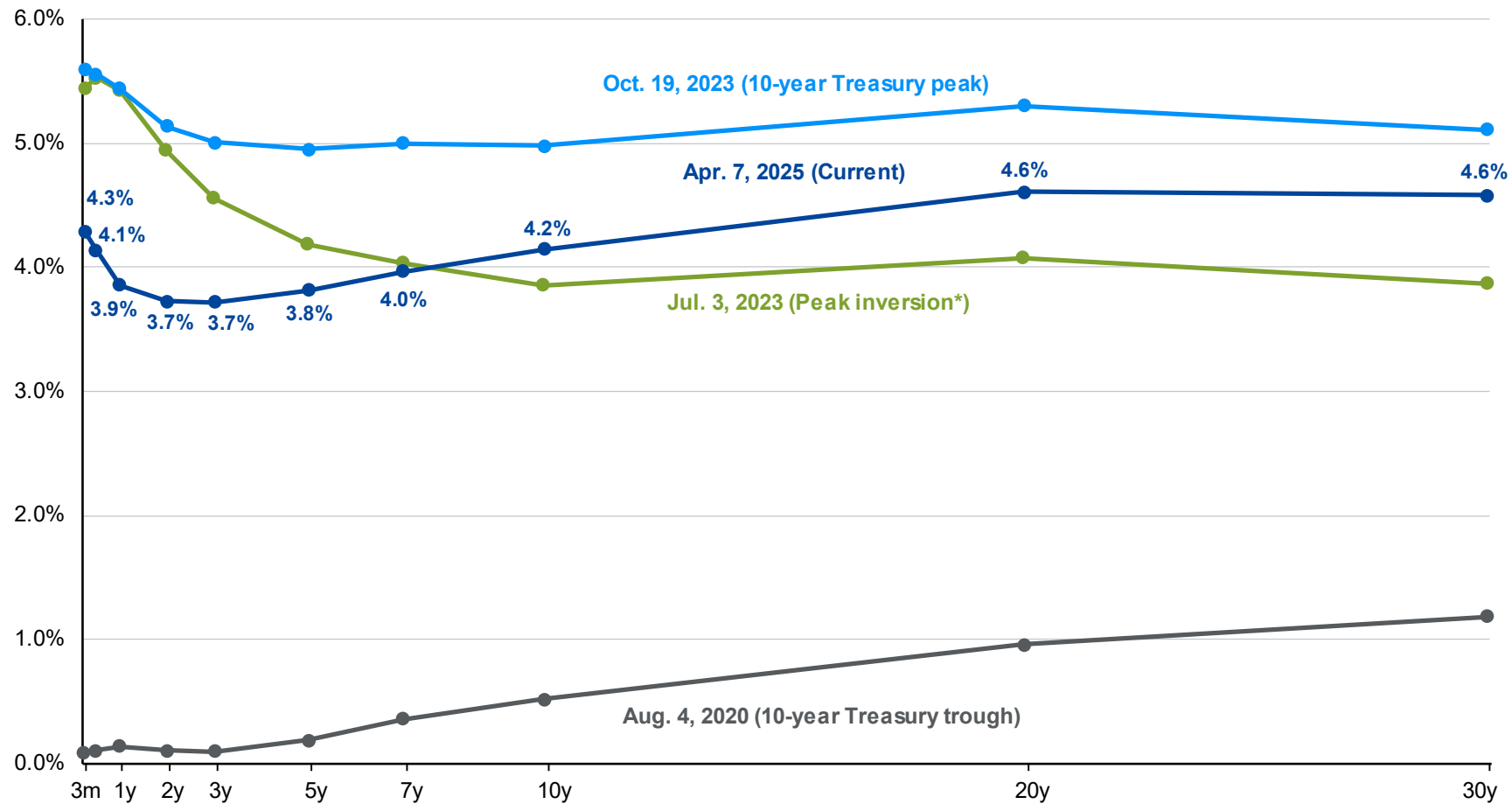
FOMC and market expectations for the federal funds rate



- Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
- Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
- Guide to the Markets – U.S. Data are as of April 7, 2025.

Yield curve

U.S. Treasury yield curve



- Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. Analysis references data back to 2020. *Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.
- *Guide to the Markets* – U.S. Data are as of April 7, 2025.

Investing at all-time highs

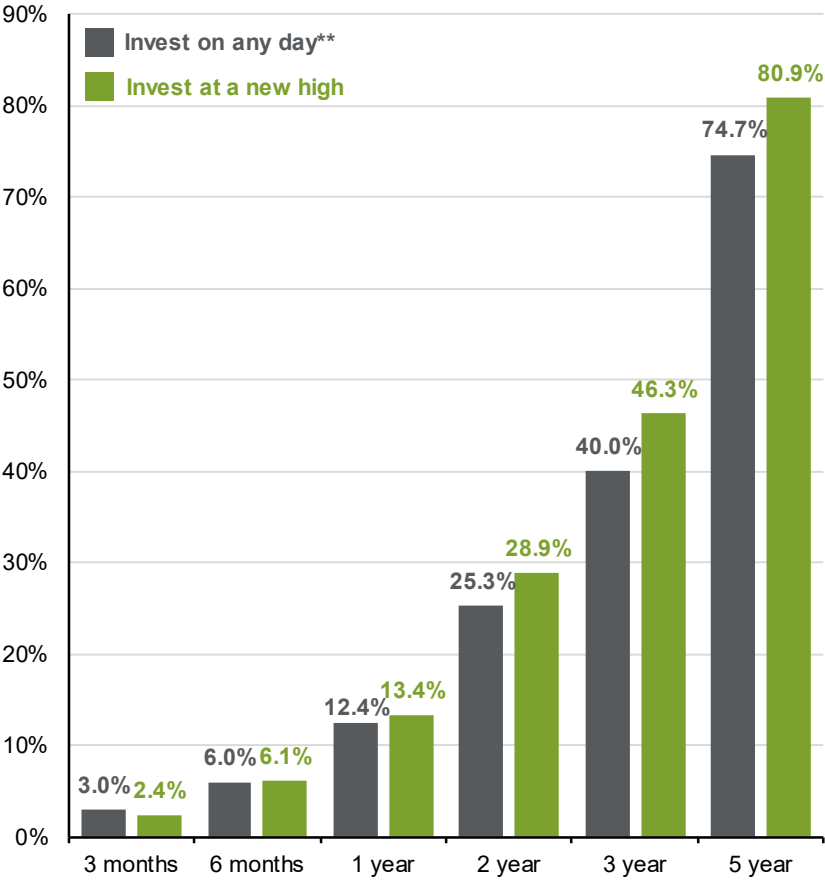
All-time highs and market floors

S&P 500 price index, daily, 1950–today



Average cumulative S&P 500 total returns

Jan. 1, 1988–Dec. 31, 2024

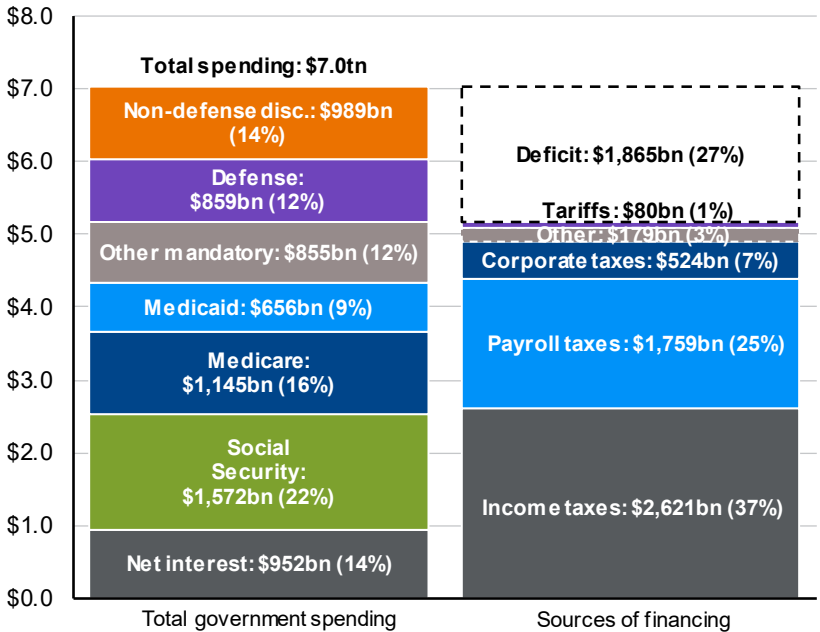


- Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
- (Left) *Market floor is defined as an all-time high from which the market never fell more than 5%. (Right) **"Invest on any day" represents average of forward returns for the entire time period whereas "Invest at a new high" represents average of rolling forward returns calculated from each new S&P 500 high for the subsequent 3-month, 6-month, 1-year, 2-year and 3-year intervals, with data starting 1/1/1988 through 12/31/2024.
- Guide to the Markets – U.S. Data are as of April 7, 2025.

Federal Finances

The 2025 federal budget

USD trillions

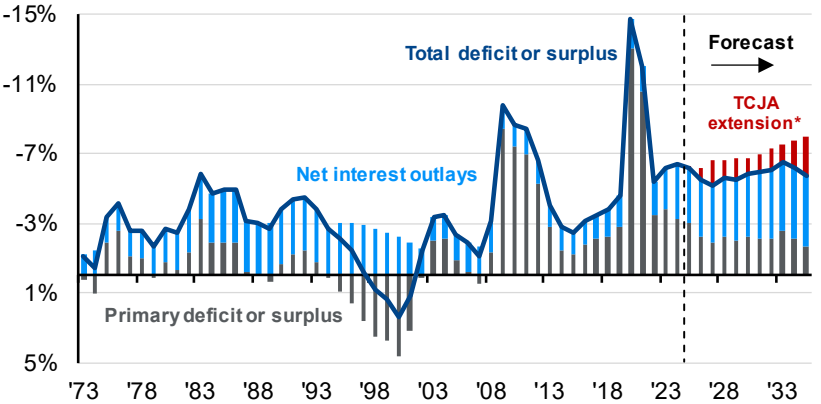


CBO's Baseline economic assumptions

	2025	'26-'27	'28-'29	'30-'35
Real GDP growth	2.2%	1.8%	1.8%	1.8%
10-year Treasury	4.1%	3.9%	3.9%	3.8%
Headline inflation (CPI)	2.3%	2.4%	2.3%	2.2%
Unemployment	4.2%	4.4%	4.4%	4.4%

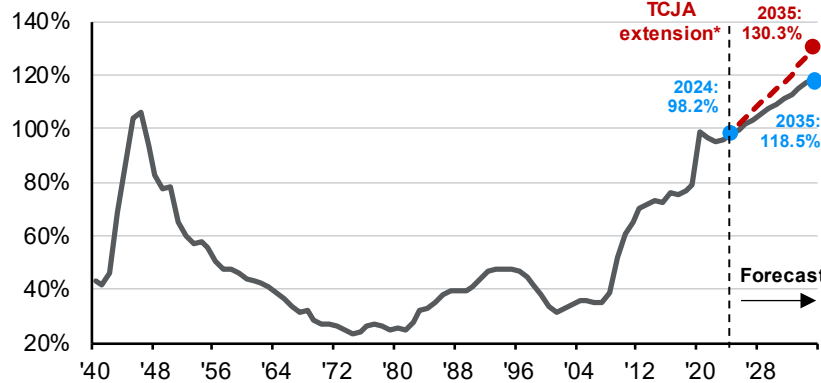
Federal deficit and net interest outlays

% of GDP, 1973-2035, CBO Baseline Forecast



Federal net debt (accumulated deficits)

% of GDP, 1940-2035, CBO Baseline Forecast, end of fiscal year



- Source: CBO, J.P. Morgan Asset Management; (Left) Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA, Treasury Department. Estimates are from the Congressional Budget Office (CBO) January 2025 An Update to the Budget Outlook: 2025 to 2035. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. *Adjusted by JPMAM to include estimates from the CBO March 2025 report "Projections of Deficits and Debt Under Alternative Scenarios for the Budget and Interest Rates" on the extension of TCJA provisions. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
- Guide to the Markets – U.S. Data are as of April 7, 2025.

Monthly Capital Market Monitor

March 2025

Increased economic uncertainty leads to weak returns

Global equity and fixed income performance was mostly negative in March. US equities materially underperformed international developed and emerging market equities. Global small caps outperformed large caps, while US value outperformed growth, although both were negative in absolute terms (as measured by Russell 3000).

Tariffs continued to dominate news headlines in March. At the start of March, an additional 10% tariff on China and the previously deferred tariffs on Mexico and Canada went into effect. Canada announced retaliatory tariffs. The US announced an additional 25% tariff on steel and aluminum imports from Canada, to which Canada countered with even more tariffs of its own. The EU also announced a retaliatory tariff set to take effect on April 1st. At the end of March, President Trump announced 25% tariffs on overseas-made auto imports. Equities fell on tariff announcements due to the uncertainty the ongoing negotiations create for businesses and consumers. Markets are awaiting the reciprocal tariff announcement on April 2nd.

Economic data was generally weak. Nonfarm payrolls for February were slightly weaker than expected rising to 151k. The unemployment rate increased slightly to 4.1% in February. US consumer sentiment as measured by University of Michigan Survey fell to its lowest level since November 2022. The Five-year consumer inflation expectations rose to 3.9% the highest since the 1990s. US services PMI rebounded into expansionary territory from a two-year low, but manufacturing PMI fell into contractionary territory.

Headline inflation in the US surprised to the downside rising only 2.8% year-over-year in February. Core CPI also rose less than expected. PCE inflation, on the other hand, came in ahead of forecasts. Headline inflation in other developed markets eased for February. Despite easing headline inflation, the Federal Reserve left rates unchanged, noting that uncertainty around the inflation outlook had increased. The BOE and BOJ also left rates unchanged.

President Trump continued efforts to de-escalate the conflict in Ukraine and brokered a deal for a maritime ceasefire between Russia and Ukraine, though Ukraine has claimed Russia did not adhere to it. The US also proposed a new critical minerals deal to Ukraine. Tensions in the Middle East escalated as Israel conducted airstrikes against Hamas and sent ground troops back into Gaza. There also was a resumption of conflict between Israel and Hezbollah in the north. These two escalations scrapped previously negotiated cease fires. These conflicts did not offset expectations of lower energy demand caused by tariffs, resulting in falling oil prices. In the UK, the chancellor announced the Spring Statement with fiscal spending cuts as the major headline. In Germany, the parliament passed the incoming government's plans to loosen the debt brake and increase defense and infrastructure spending.

The US dollar weakened during March amid broad economic uncertainties and retaliatory tariffs. Rate-sensitive real assets such as global REITs had weak returns whilst listed infrastructure was positive through March. Natural resource equity performance was positive as oil prices increased. Gold prices had strong returns of 10.6%, outperforming equities and fixed income.

At a Glance

Market Returns in % as of end of March 2025 in USD

Major Asset Class Returns	1M	3M	YTD	1Y	
MSCI ACWI	-4.0%	-1.3%	-1.3%	7.2%	
S&P 500	-5.6%	-4.3%	-4.3%	8.3%	
Russell 2500	-6.3%	-7.5%	-7.5%	-3.1%	
MSCI EAFE	-0.4%	6.9%	6.9%	4.9%	
MSCI EM	0.6%	2.9%	2.9%	8.1%	
Bloomberg US Treasury	0.2%	2.9%	2.9%	4.5%	
Bloomberg US Credit	-0.2%	2.4%	2.4%	4.9%	
Bloomberg US Credit Long	-1.4%	2.5%	2.5%	2.1%	
Bloomberg US Aggregate	0.0%	2.8%	2.8%	4.9%	
Bloomberg US TIPS	0.6%	4.2%	4.2%	6.2%	
Bloomberg US High Yield	-1.0%	1.0%	1.0%	7.7%	
FTSE WGBI	0.7%	2.6%	2.6%	2.1%	
JPM GBI-EM Diversified	1.5%	5.1%	5.1%	1.6%	
NAREIT Equity REITs	-2.4%	2.8%	2.8%	9.2%	
NAREIT Global REITs	-2.1%	1.9%	1.9%	5.0%	
FTSE Global Core Infrastructure 50/50		2.1%	5.0%	5.0%	14.0%
Bloomberg Commodity TR	3.9%	8.9%	8.9%	12.3%	

Source: Refinitiv; as of 03/31/2025.

Past performance is no guarantee of future results

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