

Market Environment Standard Report

Long Version

First Quarter 2025

Market review & outlook

Tariffs dominate headlines, economic uncertainty erases post-election gains



- Global equity markets declined in the first quarter as strong performance for international equities was offset by weak US returns. The Federal Reserve ('Fed') continued their cautious approach. Tariffs dominated headlines throughout Q1 with tariffs on Mexico & Canada early in the quarter initially being delayed before finally being implemented even if USMCA-covered goods remained exempt. China saw a significant increase in tariffs over the quarter. In mid-March, broad steel and aluminum tariffs were added, drawing retaliation from the European Union. Post quarter end, the Trump administration also announced on April 2nd, that reciprocal tariffs would be applied against all trade partners, with a 10% baseline and much higher tariffs on individual countries. Markets showed muted reactions at first, but as tariffs appeared to emerge as broad policy preference, trade fears sparked broad sell-offs in the U.S. equity market in the first quarter with a much more severe market reaction post quarter end. An additional headwind was the release of China's AI tool 'DeepSeek' which questioned the narrative of unchallenged US leadership in AI and made investors wonder if the large AI investments can be recouped if cheaper AI alternatives come to the market.
- Yields fell as investors looked for less risky assets and inflation cooled in February. The 2-year Treasury yield fell by ~36 bps from 4.25% to 3.89% during Q1, while the 30-year Treasury yield fell by ~19 bps from 4.78% to 4.59%. Credit spreads widened slightly during quarter. Gold rose materially due to safe haven demand and falling real yields, while concerns about slowing growth led to a drop in oil prices.
- The Bloomberg US Aggregate Bond Index returned 2.8% in Q1 as falling yields created a tailwind for fixed income, partially offset by widening spreads. The MSCI ACWI returned -1.3%. As a result, a traditional 60/40* portfolio was basically flat.

Economy showing signs of softening but inflation sticky amid greater economic uncertainty

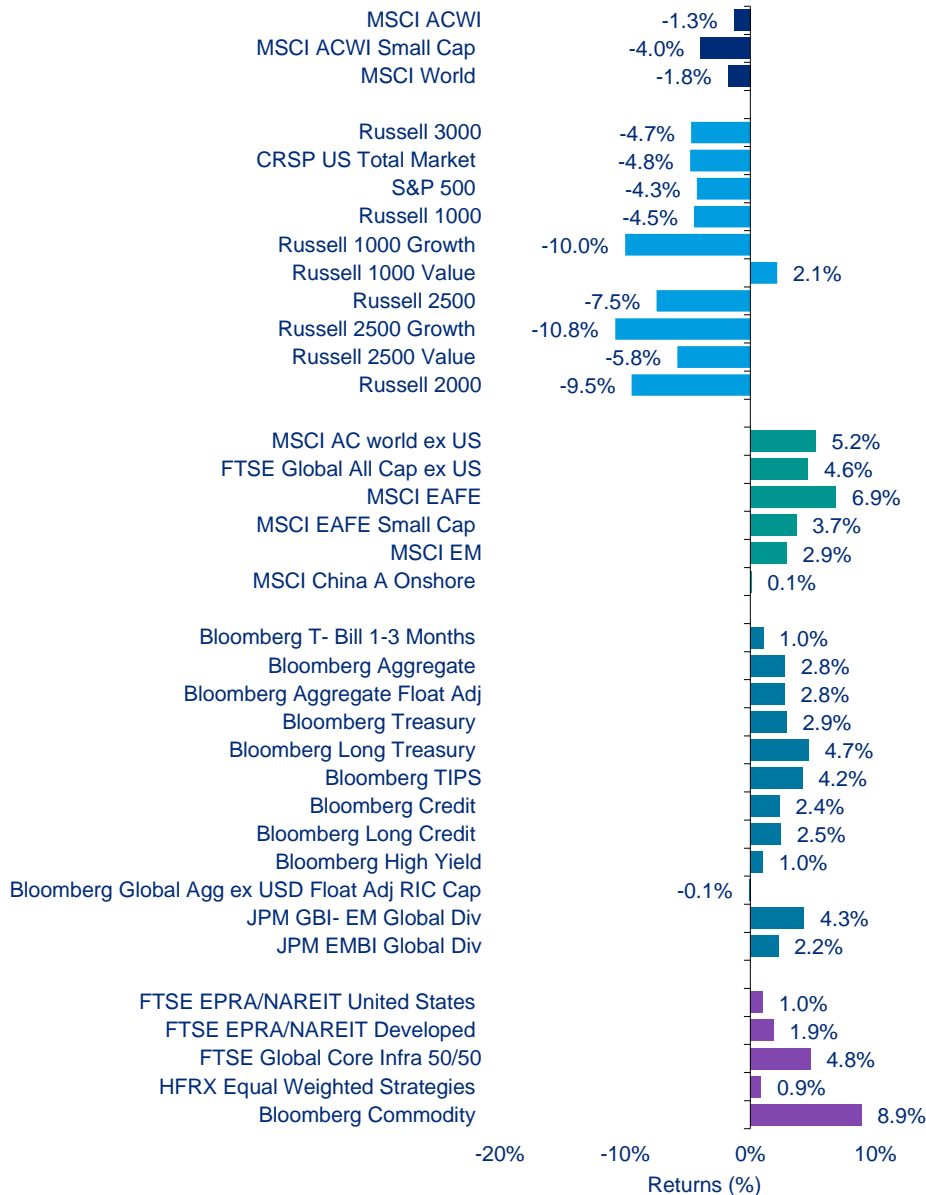


- The US economy is expected to soften in Q1 as the effect of tariff uncertainty took hold. The European economy showed signs of stronger growth with the announcement of stimulus to fund increased defense spending, but tariffs could limit upside.
- US inflation decreased slightly in the first quarter of 2025. Headline CPI was 2.4% year-over-year through March, while core CPI fell to 2.8%, below expectations. Markets are expecting inflation to increase in the short term from tariff pressure. Immigration restrictions could also add inflationary pressure. Labor markets have shown signs of softening. The Federal Reserve remained cautious over the quarter and noted that the uncertainty around the economic outlook had increased, keeping rate cut expectations at two rate cuts for the rest of 2025.
- The European Central Bank cut its rate to 2.5% in its sixth cut since June 2024, exemplifying the global trend. The Bank of Japan hiked rates, as expected, the only major economy to do so. The Bank of China held rates and Bank of England cut rates in February but signaled a slowdown to future cuts.
- President Trump started negotiations with Russia and Ukraine over a ceasefire and at the end of the quarter brokered a deal for a maritime ceasefire, though both sides claim the other is in breach. Tensions in the Middle East re-escalated after ceasefires last quarter, with Israel resuming its conflict with Hamas and sending ground troops into Gaza. There was also resumption of the conflict between Israel and Hezbollah with Israel launching strikes against Hezbollah targets in Lebanon. Elsewhere, Mark Carney took over as leader of the Liberal Party and thus new prime minister in Canada, pending a general election in April, and Marine Le Pen, leader of the National Rally party in France, was sentenced to five years in prison and barred from the 2027 elections, a court ruling she is now appealing.

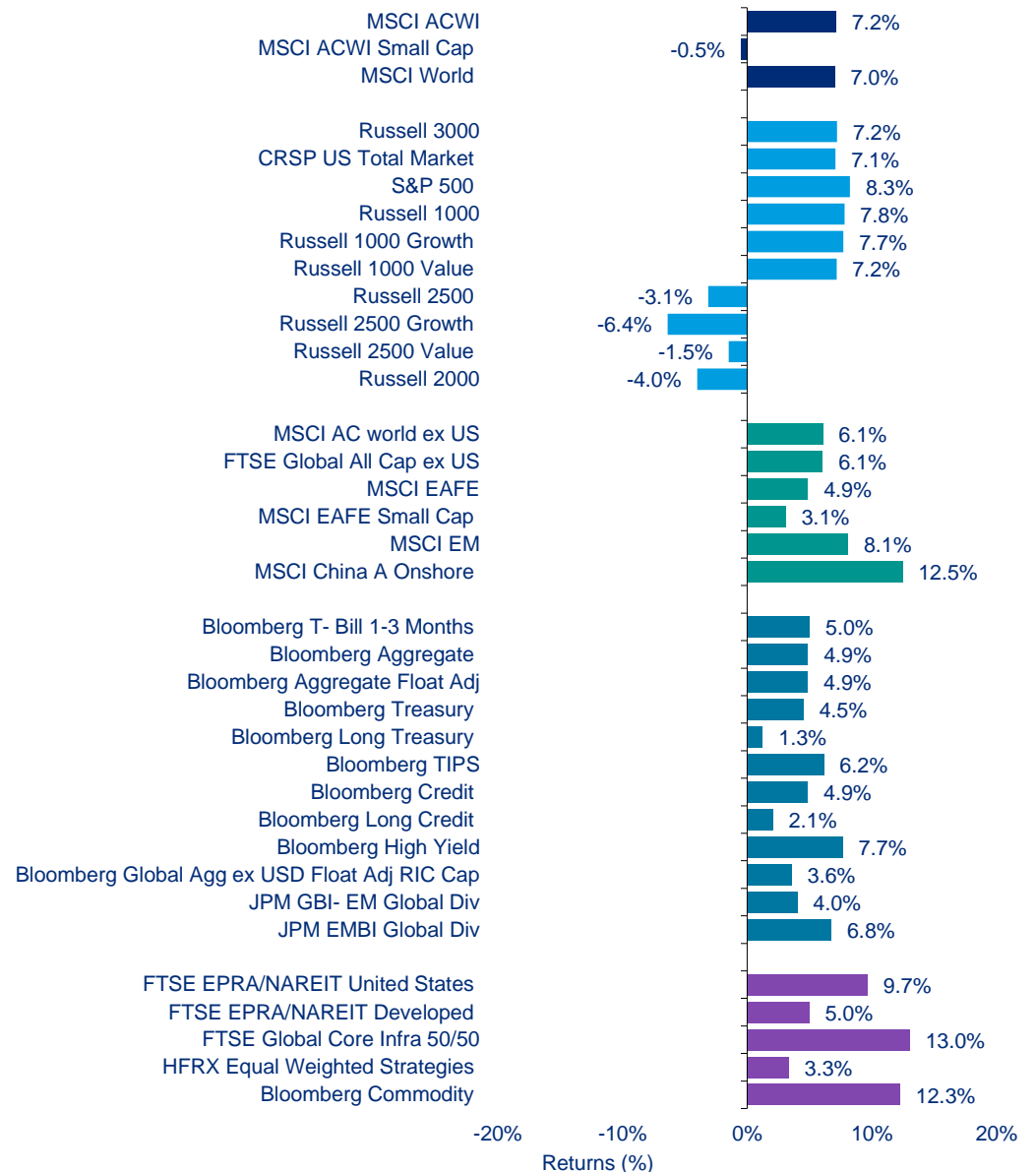
*60% MSCI ACWI, 40% Bloomberg US Aggregate

Performance summary

Market Performance First Quarter 2025



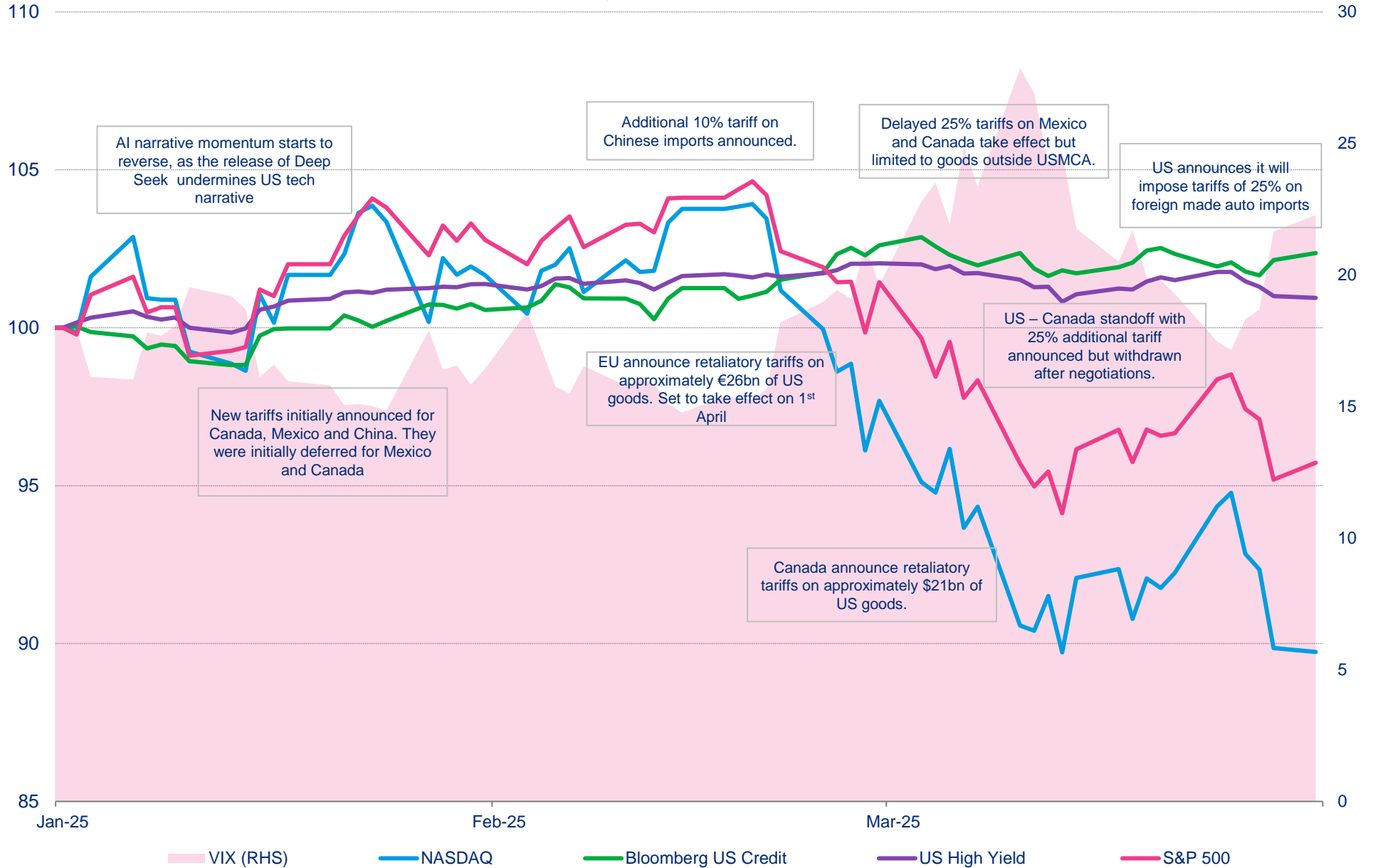
Market Performance 1-Year



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 03/31/25.
Past performance is no guarantee of future results.

Q1 Market Overview

Q1 Market Overview



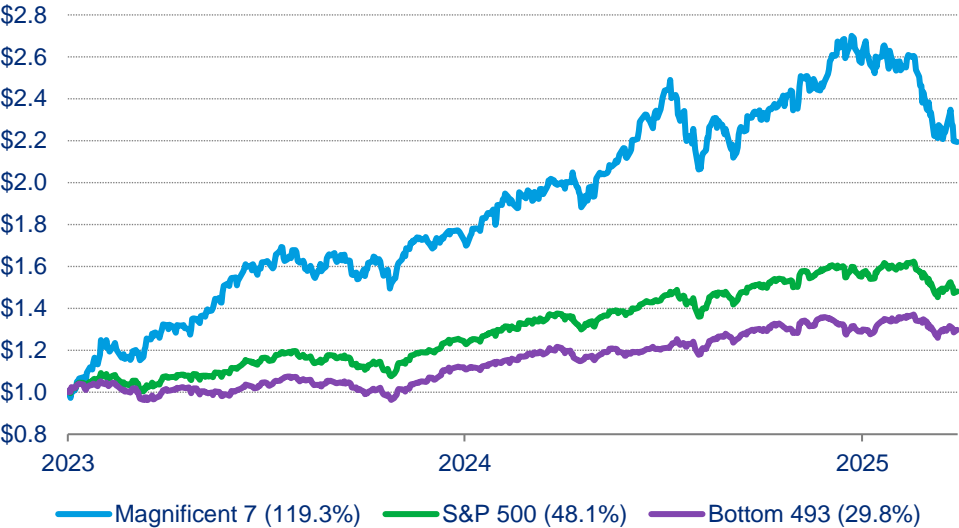
Source: Refinitiv and Bloomberg. Data as at March 31, 2025. Nasdaq, S&P 500, Bloomberg US Credit and US High Yield indexed to 100 at December 31, 2024.

All indices in USD. Note: For visual reasons, events might not exactly pinpoint to the day they actually happened.

We do not imply a direct causal relationship between market movements and every single event.

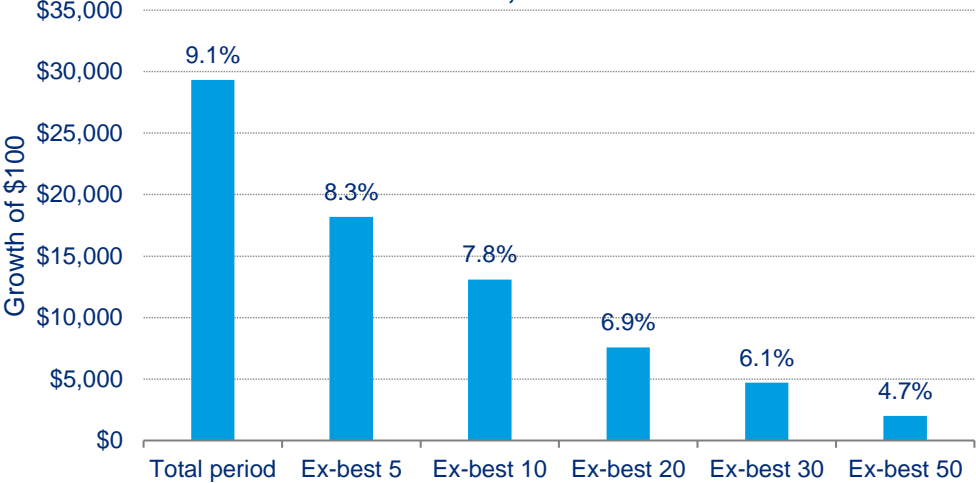
Equity Returns and Drawdowns in historical context

S&P 500 Breakdown



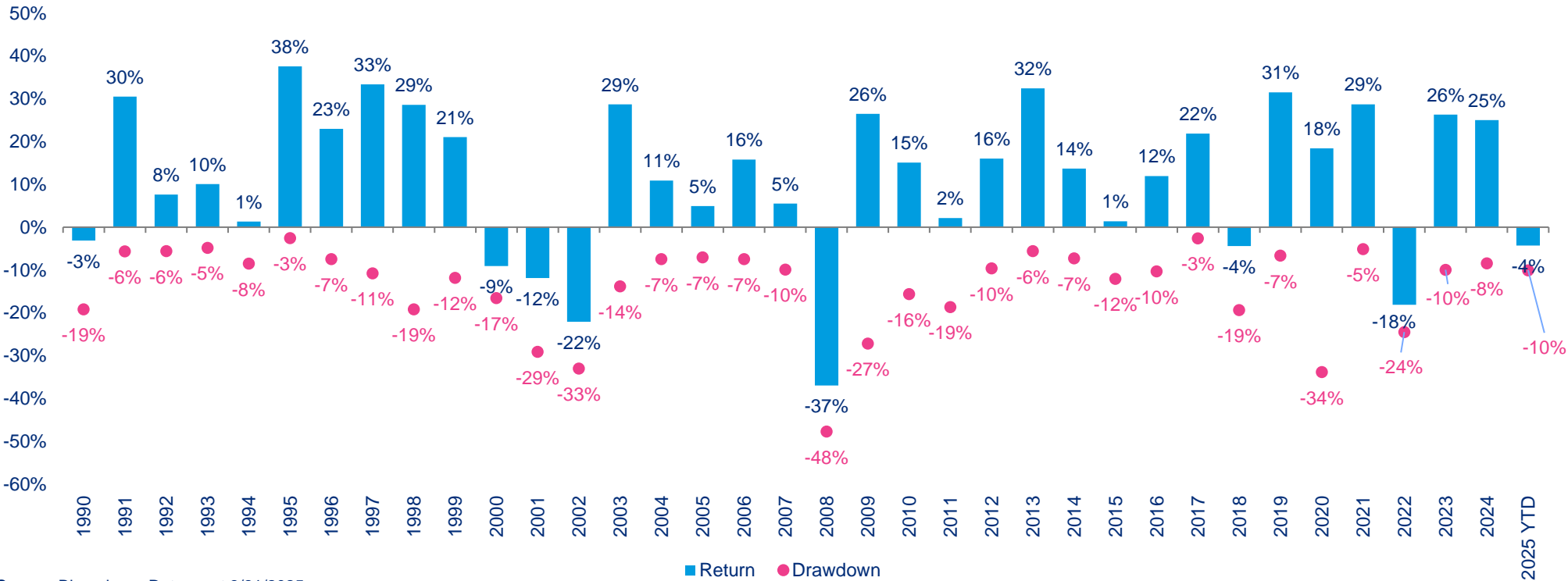
Source: Bloomberg. Data as at 3/31/2025

The Growth of \$100 invested December 31, 1959 to March 31, 2025



Source: Bloomberg. S&P 500 Index (price return to 2/28/1980, total return thereafter). Percentages indicate the p.a. return. Data as of March 31, 2025.

S&P 500 Intra-year Drawdowns vs Calendar Year Returns



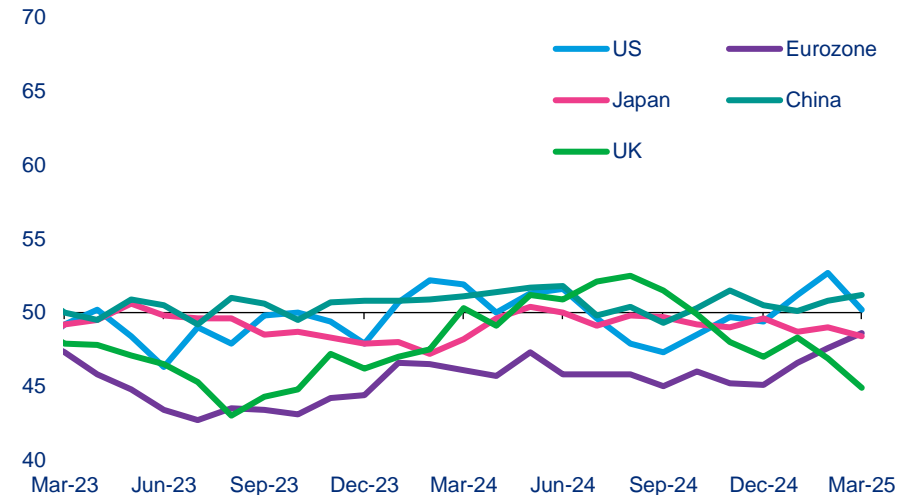
Source: Bloomberg. Data as at 3/31/2025

Economic fundamentals

A slowing but resilient global economy

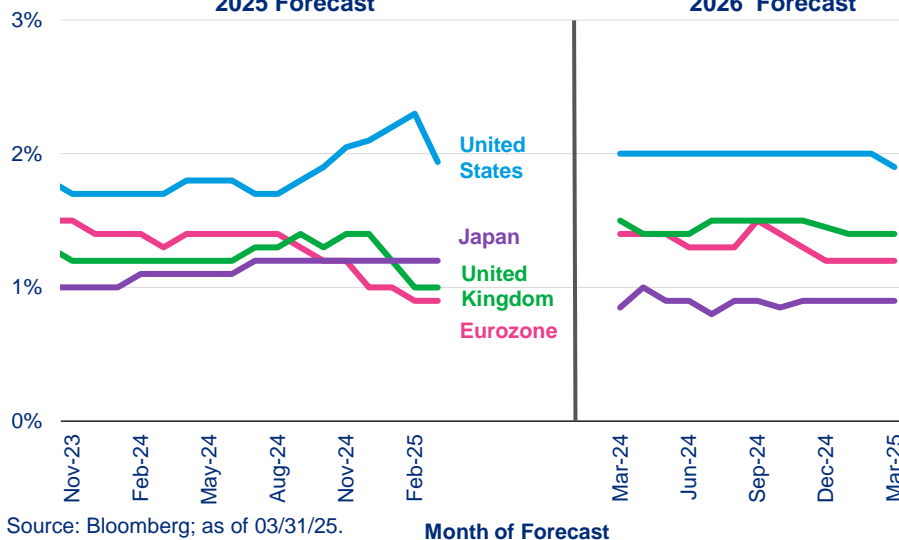
- US economic growth slowed during the first quarter, while the Eurozone and China picked up. Forecasts for 2025 fell everywhere but Japan.
- Globally manufacturing PMIs remained in contractionary territory except for China. Service PMIs, on the other hand remained strong, which kept composite PMIs in expansionary territory for most major regions. This is generally an indicator for favorable economic growth ahead.
- The US labor market showed only moderate signs of softening from extremely tight levels. The unemployment rate (U-3)¹ ended the quarter at 4.2%, slightly up from the end of the prior two quarters; the labor force participation rate remained at 62.5%, just below its pre-Covid trend.

Markit Manufacturing PMIs



Source: Bloomberg; as of 03/31/25.

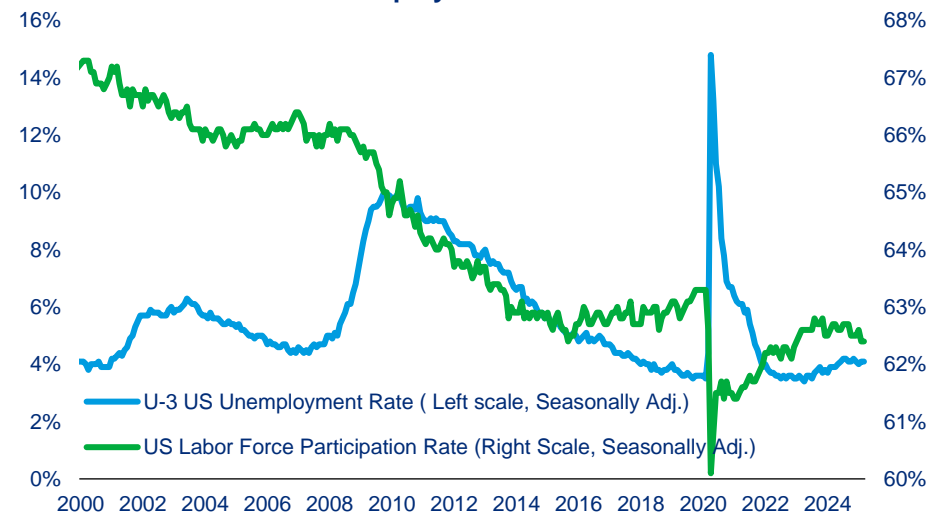
Consensus GDP Growth Forecasts
2025 Forecast 2026 Forecast



Source: Bloomberg; as of 03/31/25.

Month of Forecast

US Employment Statistics



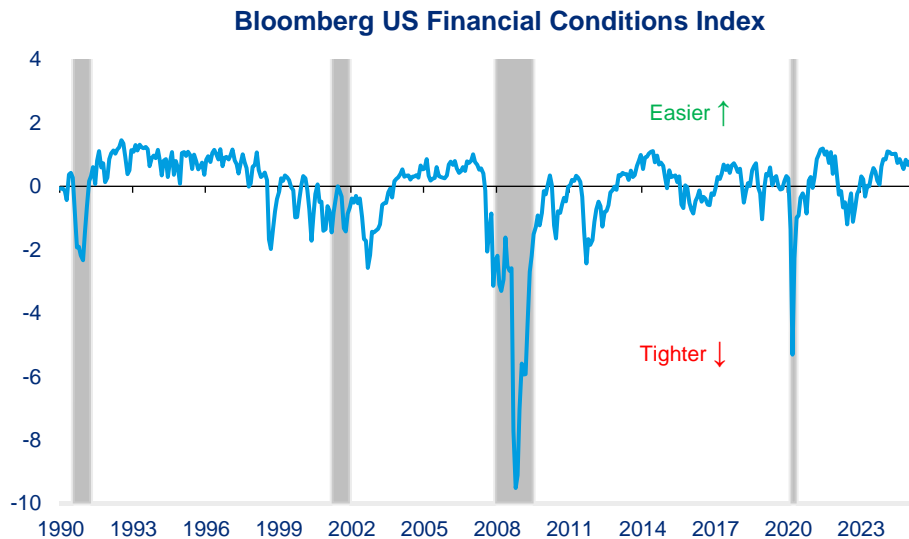
Source: Bloomberg, Refinitiv; as of 03/31/25.

¹ The U-3 unemployment rate represents the percentage of the civilian labor force that is jobless and actively seeking employment.

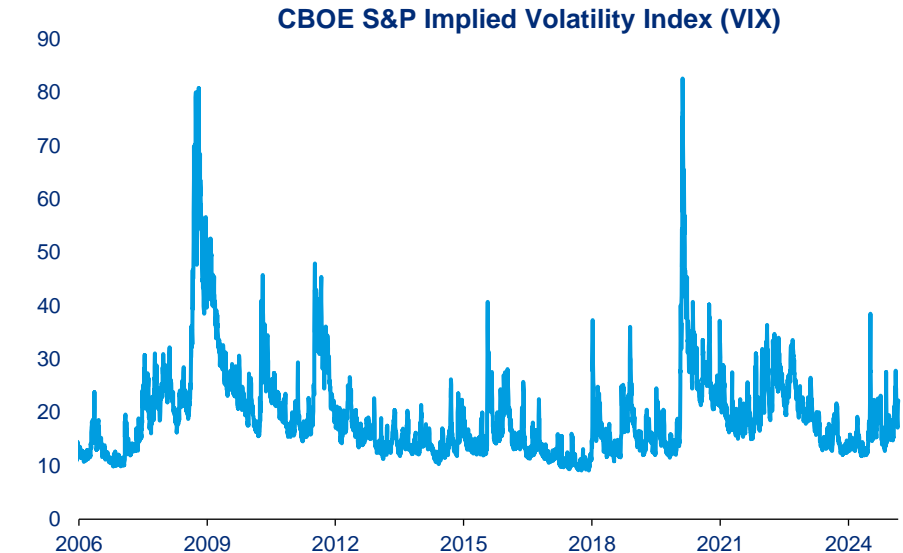
Risk factors

Yields fall as investors look for safety

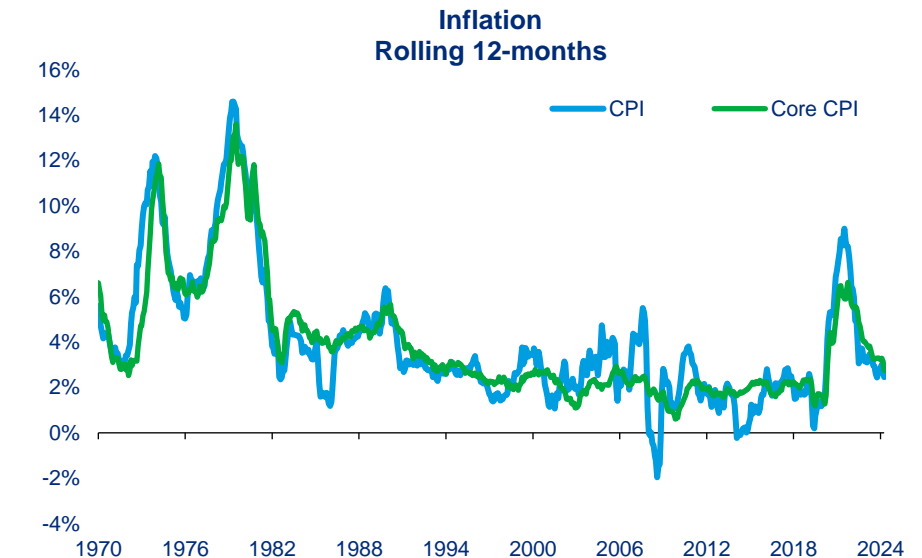
- The yield curve flattened over the quarter with shorter-dated rates falling but longer-dated rates decreasing by more as markets priced in the possibility of trade tensions leading to a slowdown in growth.
- Geopolitical risks that could impact commodities increased with fighting across the Middle East picking up again and no clear resolution to the Ukraine conflict. Nevertheless, concern over global growth outweighed perceived geopolitical risks with oil prices falling by 1%¹.
- US headline inflation came in at 2.4% in March, while core CPI cooled to 2.8%; however, there remains upside risks to inflation from tariffs.
- The CBOE Volatility Index (VIX) marginally increased from 17.4 to 22.3 after approaching 30 earlier in March.
- The Bloomberg US Financial Conditions Index tightened during the quarter, dropping to near zero.



Source: Bloomberg; as of 03/31/25.



Source: Bloomberg; as of 03/31/25.

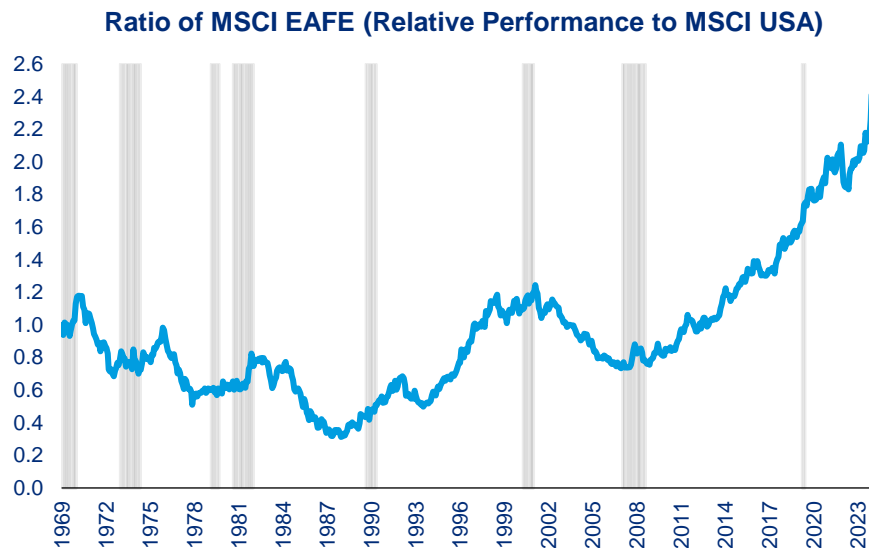


Source: Bloomberg; through to 03/31/25.

Regional equity returns

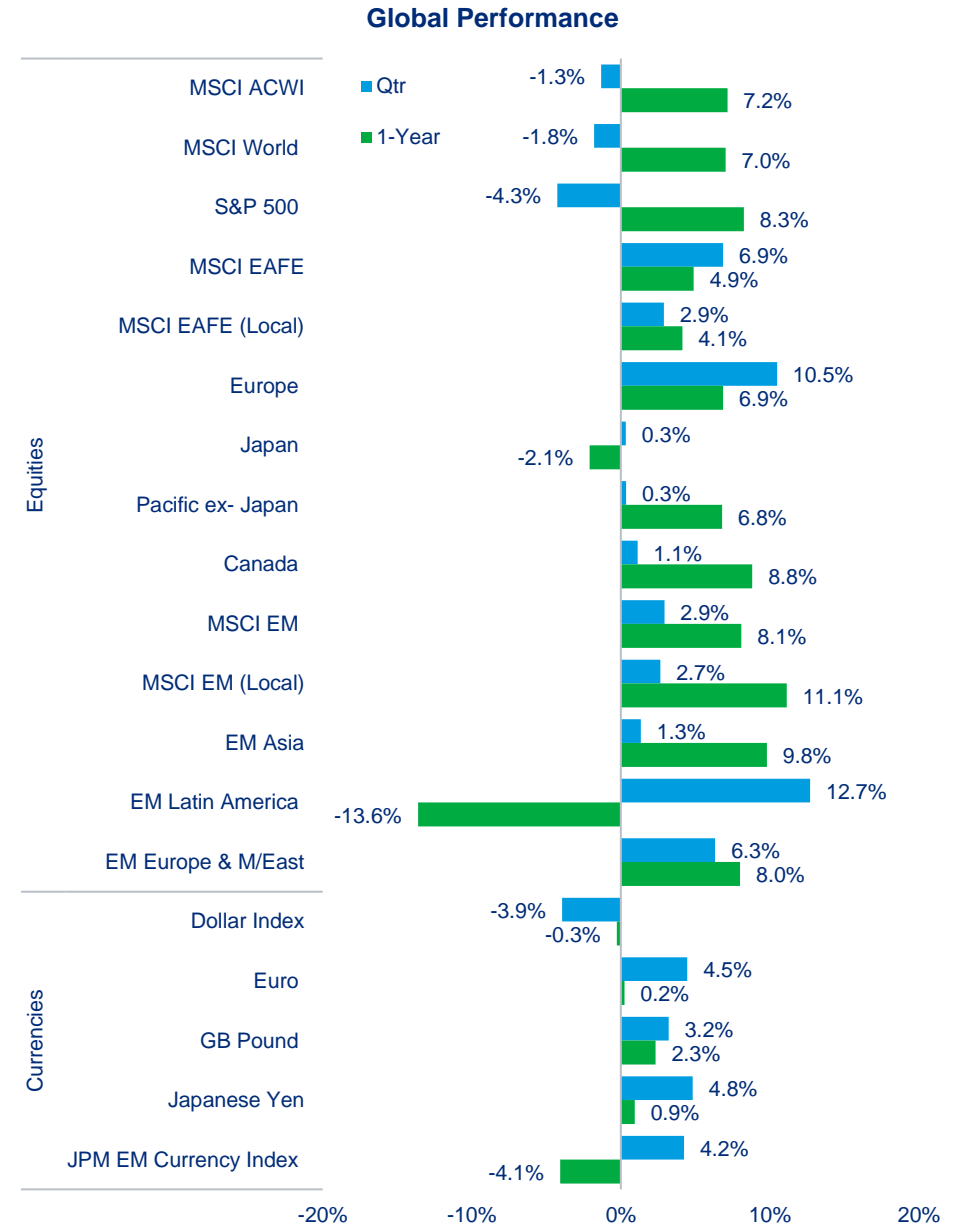
Weak global equity returns dragged by US, weakening dollar a tailwind for Non-US

- Global equities had a weak start to 2025, returning -1.3% for Q1.
- The S&P 500 returned -4.3% with the release of DeepSeek early in the quarter and rising trade uncertainty later in the quarter being a headwind for US equities.
- International developed stocks returned 6.9% in Q1, rebounding after a weak previous quarter and due to improving growth expectations due to rising defense spending and other stimulus in Europe.
- Emerging markets equities also had a strong quarter with returns of 2.9%. Strong performance in China in the response to the release of DeepSeek and additional stimulus have been a tailwind for emerging markets over Q1.
- A weaker dollar added to returns for unhedged US investors.



Source: Refinitiv; through to 03/31/25.

Past performance is no guarantee of future results



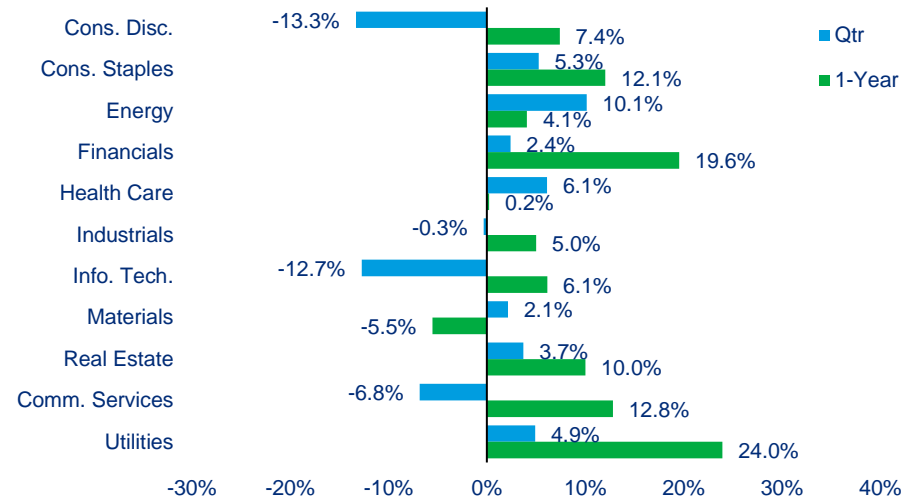
Source: Bloomberg, Refinitiv; as of 03/31/25.

US equity factor and sector returns

Value outperforms growth by wide margin

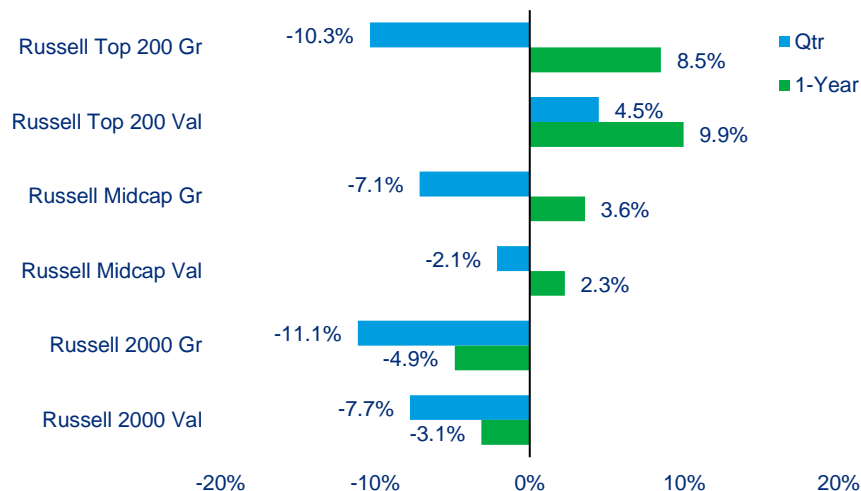
- Broad US equities ended the quarter with negative returns due to the double whammy of US tech leadership being challenged by DeepSeek and the growing uncertainty over trade.
- Relative to the MSCI USA, the minimum volatility factor produced the strongest results during the quarter, while the growth factor was the weakest. All factors except from growth were positive relative to MSCI USA for the quarter, highlighting the impact of weak results for the Mag 7.
- The strongest performing sectors for the quarter were traditional value sectors such as Energy, Utilities Financials, Materials and Real estate.
- The weaker performing sectors were info technology and consumer discretionary. These tend to be growth-oriented sectors, which was out of favor for the quarter. Consumer discretionary suffered from uncertainty over trade.

MSCI USA Sector Returns



Source: Refinitiv; as of 03/31/25.

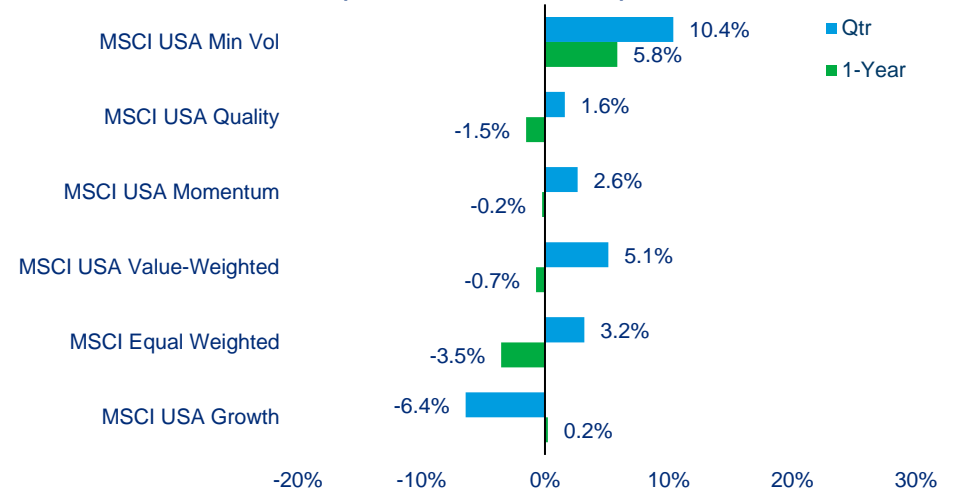
US Style Performance



Source: Refinitiv; as of 03/31/25.

Past performance is no guarantee of future results

Relative Factor Performance
(Relative to MSCI USA)

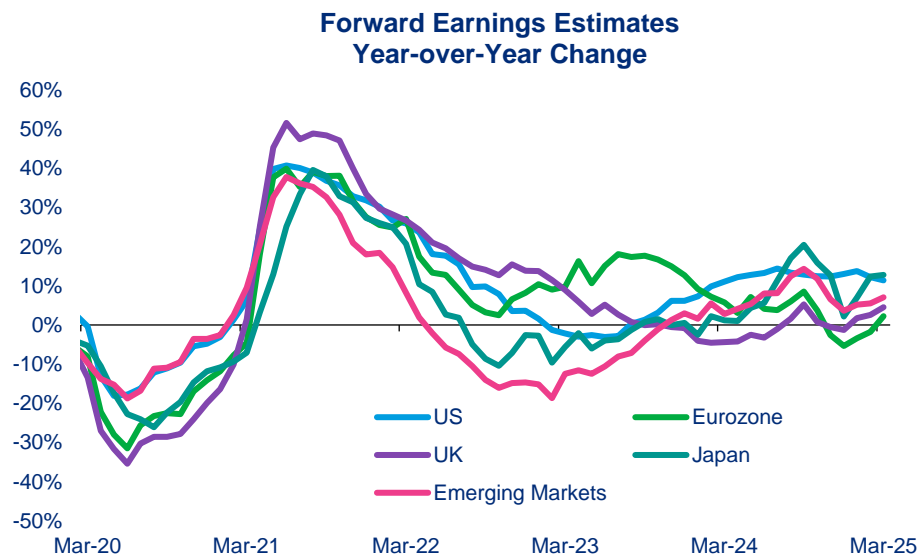
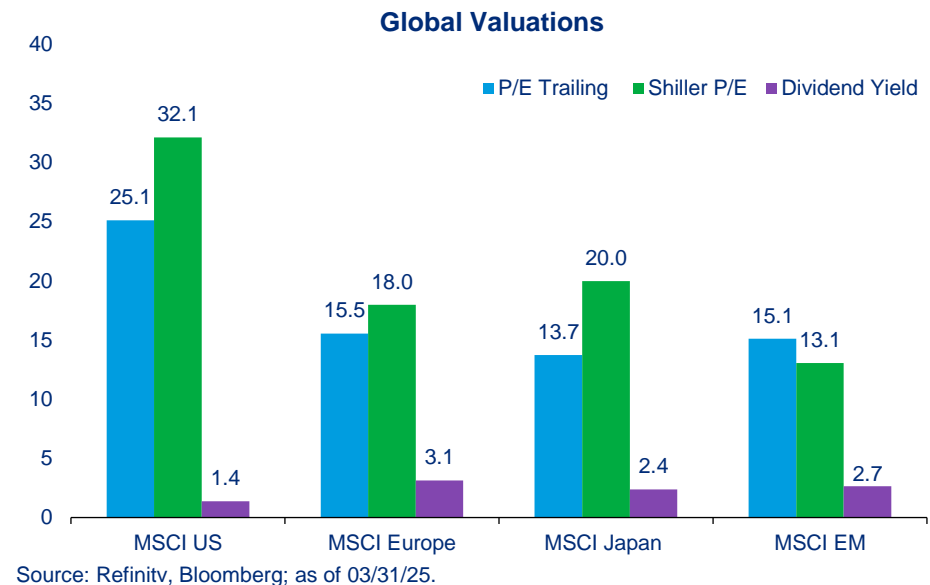


Source: Refinitiv; as of 03/31/25.

Equity fundamentals

US equities valuations improve, tariffs weigh on earnings forecasts

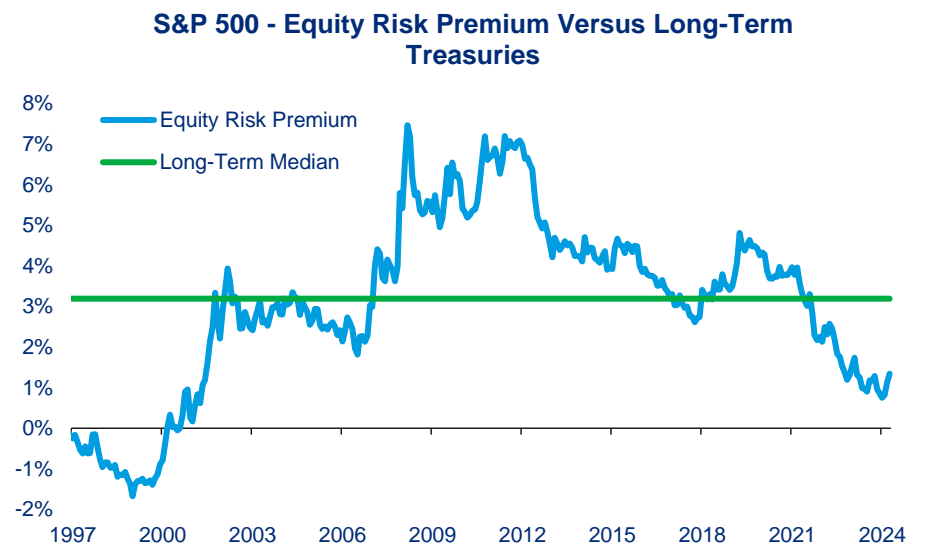
- Negative equity returns led to slightly more attractive US valuations, while non-US valuations increased after a solid quarter.
- The trailing P/E ratio on the MSCI US Index fell from 27.8 to 25.1¹. However, given falling yields, we estimate that the equity risk premium over long-term Treasuries increased by roughly 60 bps².
- International developed stocks have become a bit less attractive but still appear more reasonably valued than US stocks on trailing earnings. Countries outside the US face slower economic and earnings growth and more geopolitical uncertainty but stimulus announcements, structural changes in Japan and increased defense spending may have improved growth prospects.
- Emerging market valuations continue to appear attractive. The Chinese economy seems to be touching bottom, but serious cyclical, geopolitical and structural challenges persist and the effect of steep tariffs from the US could become a material headwind.



Source: Refinitiv, Bloomberg; as of 03/31/25.

¹ Source: Refinitiv; as of 3/31/25

² Source: MSCI, Refinitiv, Mercer; as of 3/31/25

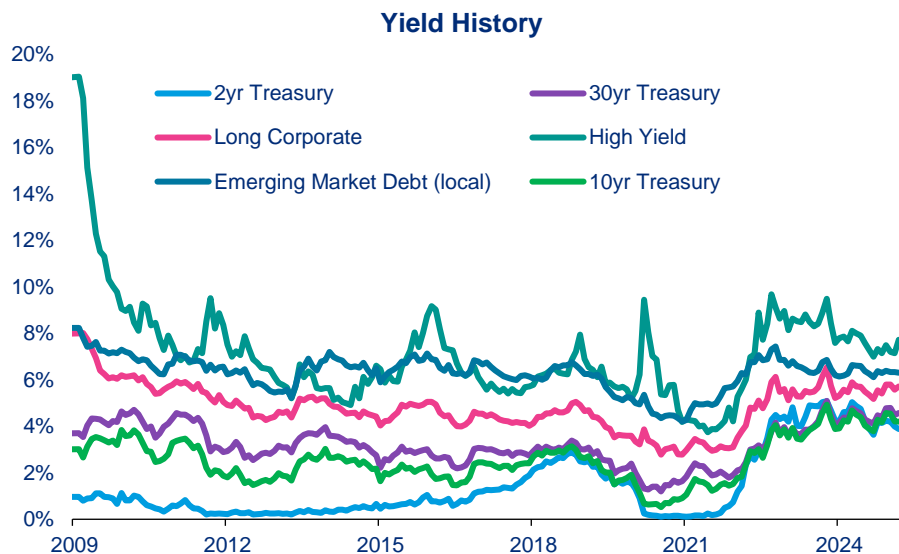


Source: Bloomberg, Refinitiv, Mercer; as of 03/31/25.

Interest rates and fixed income

Positive fixed income performance generated by falling yields, offset by widening spreads

- The Bloomberg US Aggregate Index returned 2.8% during the quarter. Treasuries returned 2.9%, and corporates were up 2.4%. The yield curve shifted lower during the quarter. The 2-year yield fell 36 bps, while the 30-year yield fell 19 bps¹.
- Spreads on US investment-grade credit rose to ~0.9%, still below the long-term median level² and remain extremely tight historically.
- US high yield bonds returned 1.0% during the quarter, as high yield spreads rose 60 bps to 3.5% offset somewhat by falling yields. US high yield spreads are still 70 bps below the long-term median level of 4.2%². Local currency EMD returned 4.3% during Q1 with the weaker dollar being a major tailwind.

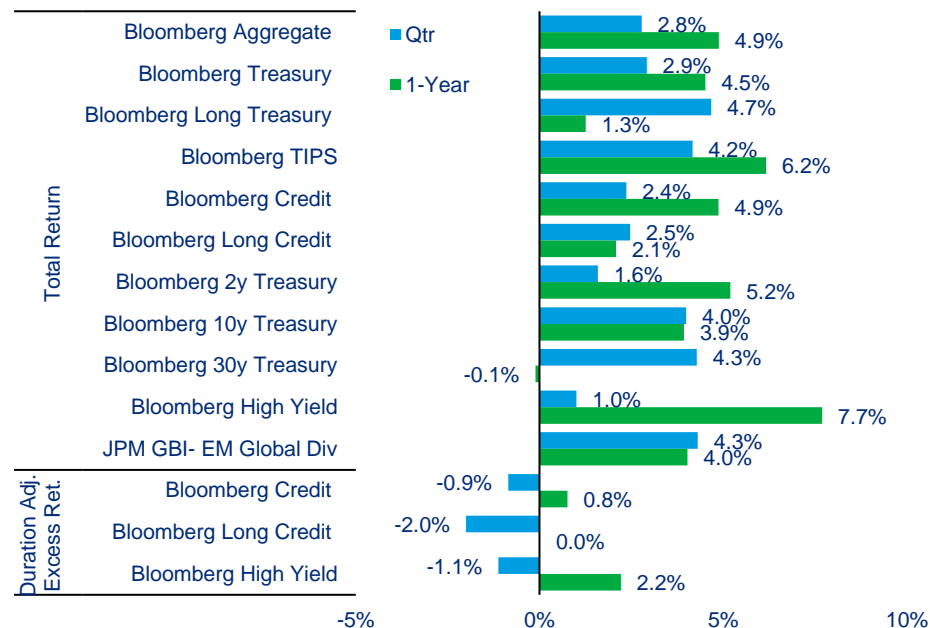


Source: Bloomberg, Federal Reserve; as of 03/31/25.

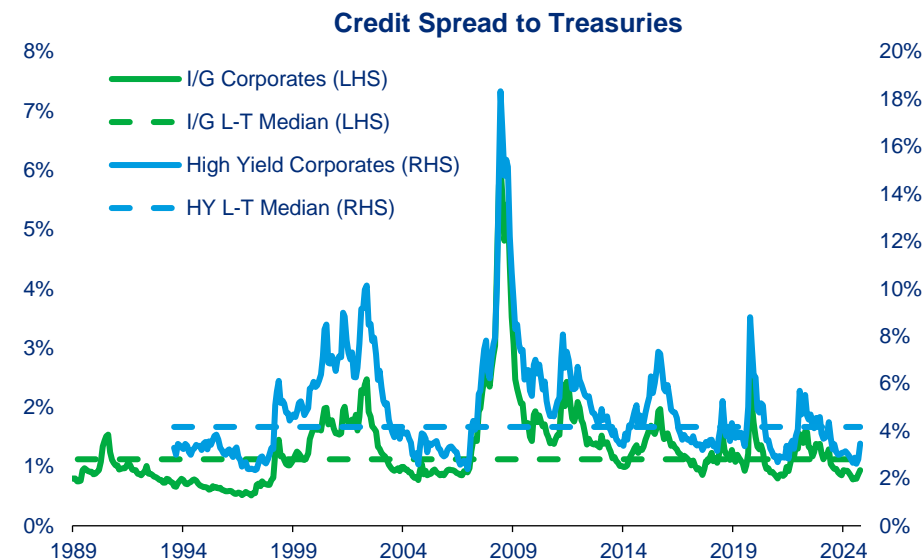
¹ Source: Federal Reserve; as of 3/31/25

² Source: Bloomberg, Mercer; as of 3/31/25

Fixed Income Performance



Source: Bloomberg, Datastream; as of 03/31/2025.

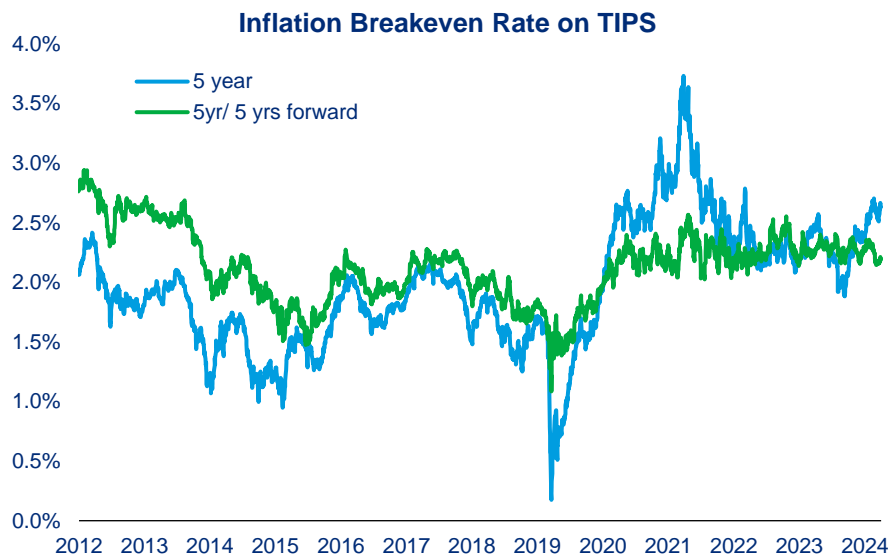


Source: Bloomberg; as of 03/31/25.

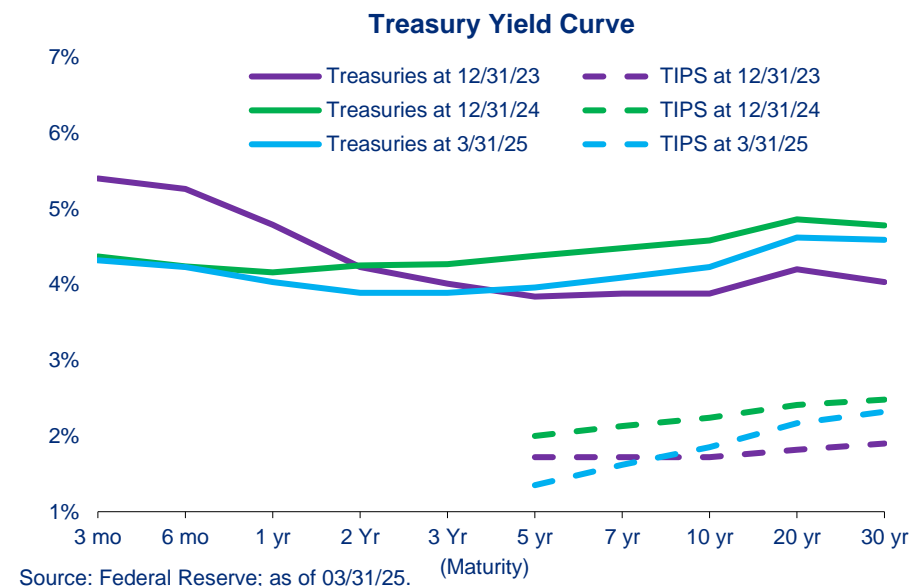
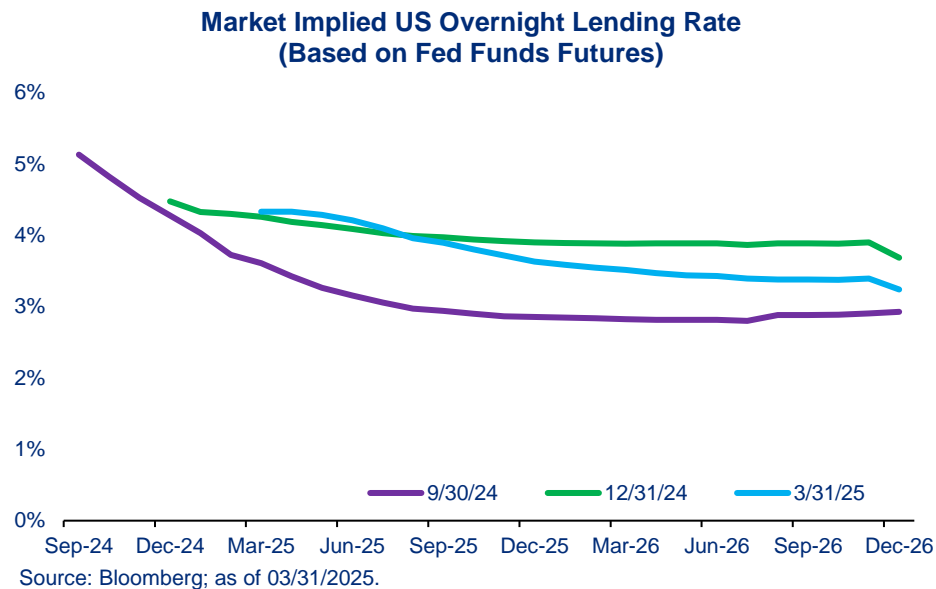
Monetary policy

Fed remain cautious to start 2025

- The Fed held rates in Q1 as they kept a “wait and see” approach amid greater economic and trade uncertainty. The Fed kept their projections of 50 bps worth of cuts for 2025.
- US inflation breakeven rates rose slightly during the quarter, with the 10-year CPI inflation breakeven rate ending at ~2.4%, still above the Fed’s target of 2.0% PCE (roughly equivalent to 2.5% CPI)¹.
- Overseas, the European Central Bank cut rates for the sixth time since mid 2024. Bank of Canada also cut rates in Q1 while the Bank of Japan hiked rates at the start of the quarter. The Swiss central bank cut rates to its lowest rate since September 2022. Bank of England held rates steady at their March meeting after cutting rates earlier in the quarter.



¹ Source: St. Louis Fed; as of 3/31/25

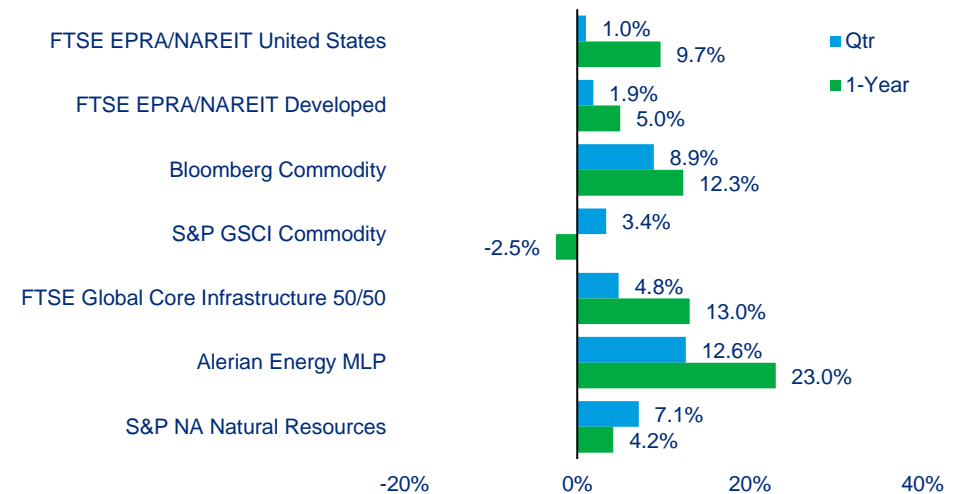


Alternative investment performance

REITs & infrastructure outperform broader equities, commodity returns buoyed by gold

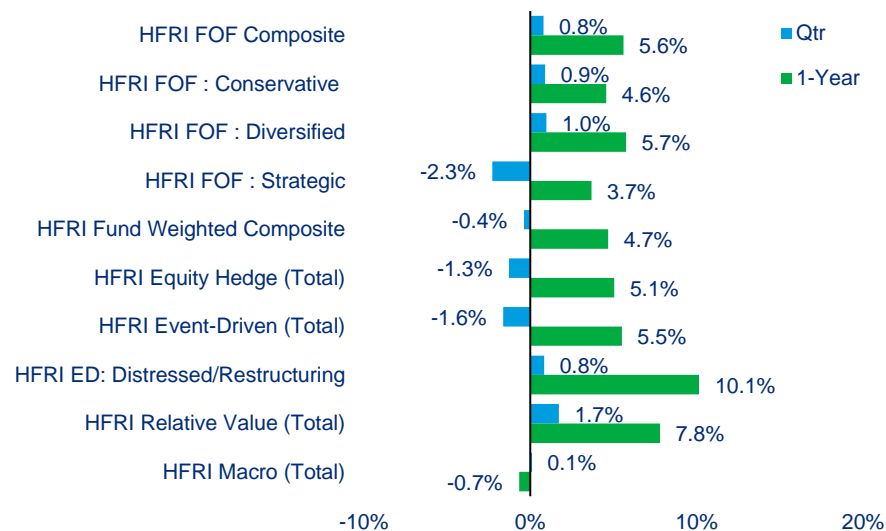
- Global developed REITs returned 1.9% during Q1, outperforming broader equity markets by a wide margin. Core listed infrastructure stocks also had positive returns during the quarter. Falling rates this quarter were tailwinds for both sectors given their higher rate sensitivity.
- Commodities and natural resources had strong performance across indices. Decreasing oil prices led to the energy heavy S&P GSCI Commodity index underperforming the more diversified Bloomberg index. The price of WTI crude oil fell by ~1% and ended the quarter at around \$72.
- The HFRI FOF Composite Index returned 0.8% in Q1 ¹.
- Global private equity outperformed global developed stocks over the longer-term trailing periods ².

Real Asset Performance



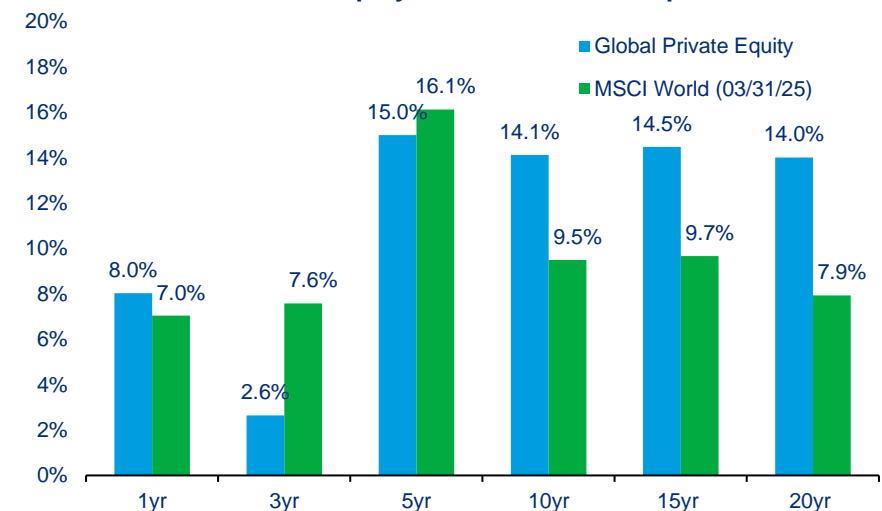
Source: Refinitiv; as of 3/31/2025.

Hedge Fund Performance



Source: Hedge Fund Research; as of 03/31/25.

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 09/30/24.

¹ Source: Hedge Fund Research; as of 3/31/25

² Source: Burgiss, Bloomberg; as of 9/30/24

Valuations and yields

Ending March 31, 2025

Valuations

MSCI USA	03/31/2025	12/31/2024	9/30/2024	6/30/2024
Index Level	25623.1	26834.0	26105.7	24644.7
P/E Ratio (Trailing)	25.1	27.8	27.3	26.4
CAPE Ratio	32.1	34.4	34.3	32.9
Dividend Yield	1.4	1.3	1.3	1.3
P/B	4.9	5.1	5.2	5.0
P/CF	19.1	21.9	19.7	19.0
MSCI EAFE	03/31/2025	12/31/2024	9/30/2024	6/30/2024
Index Level	8636.3	8081.6	8795.2	8199.7
P/E Ratio (Trailing)	15.3	15.1	15.5	15.3
CAPE Ratio	16.6	15.9	17.6	16.8
Dividend Yield	3.0	3.1	3.0	3.0
P/B	2.0	1.8	2.0	1.9
P/CF	12.8	10.1	12.9	12.2
MSCI EM	03/31/2025	12/31/2024	9/30/2024	6/30/2024
Index Level	590.7	573.9	623.8	573.8
P/E Ratio (Trailing)	15.1	15.4	16.3	16.0
CAPE Ratio	13.1	12.7	14.0	13.0
Dividend Yield	2.7	2.6	2.5	2.6
P/B	1.8	1.7	1.9	1.7
P/CF	7.8	7.4	9.0	9.3

Source: Bloomberg, Thomson Reuters Datastream

Yields

Global Bonds	03/31/2025	12/31/2024	9/30/2024	6/30/2024
Germany – 10Y	2.74	2.37	2.12	2.50
France – 10Y	3.45	3.20	2.92	3.30
UK – 10Y	4.68	4.57	4.00	4.17
Switzerland – 10Y	0.58	0.33	0.41	0.60
Italy – 10Y	3.87	3.52	3.45	4.07
Spain – 10Y	3.37	3.06	2.93	3.42
Japan – 10Y	1.49	1.10	0.86	1.06
Euro Corporate	3.31	3.18	3.22	3.82
Euro High Yield	6.32	6.03	6.29	7.02
EMD (\$)	8.20	8.23	7.78	8.49
EMD (LCL)	7.09	7.12	6.65	7.18
US Bonds	03/31/2025	12/31/2024	9/30/2024	6/30/2024
3-Month T-Bill	4.32	4.37	4.73	5.48
10Y Treasury	4.23	4.58	3.81	4.36
30Y Treasury	4.59	4.78	4.14	4.51
10Y TIPS	1.85	2.24	1.63	2.08
30Y TIPS	2.32	2.48	1.96	2.23
US Aggregate	4.60	4.91	4.23	5.00
US Treasury	4.11	4.45	3.76	4.57
US Corporate	5.15	5.33	4.72	5.48
US Corporate High Yield	7.73	7.49	6.99	7.91

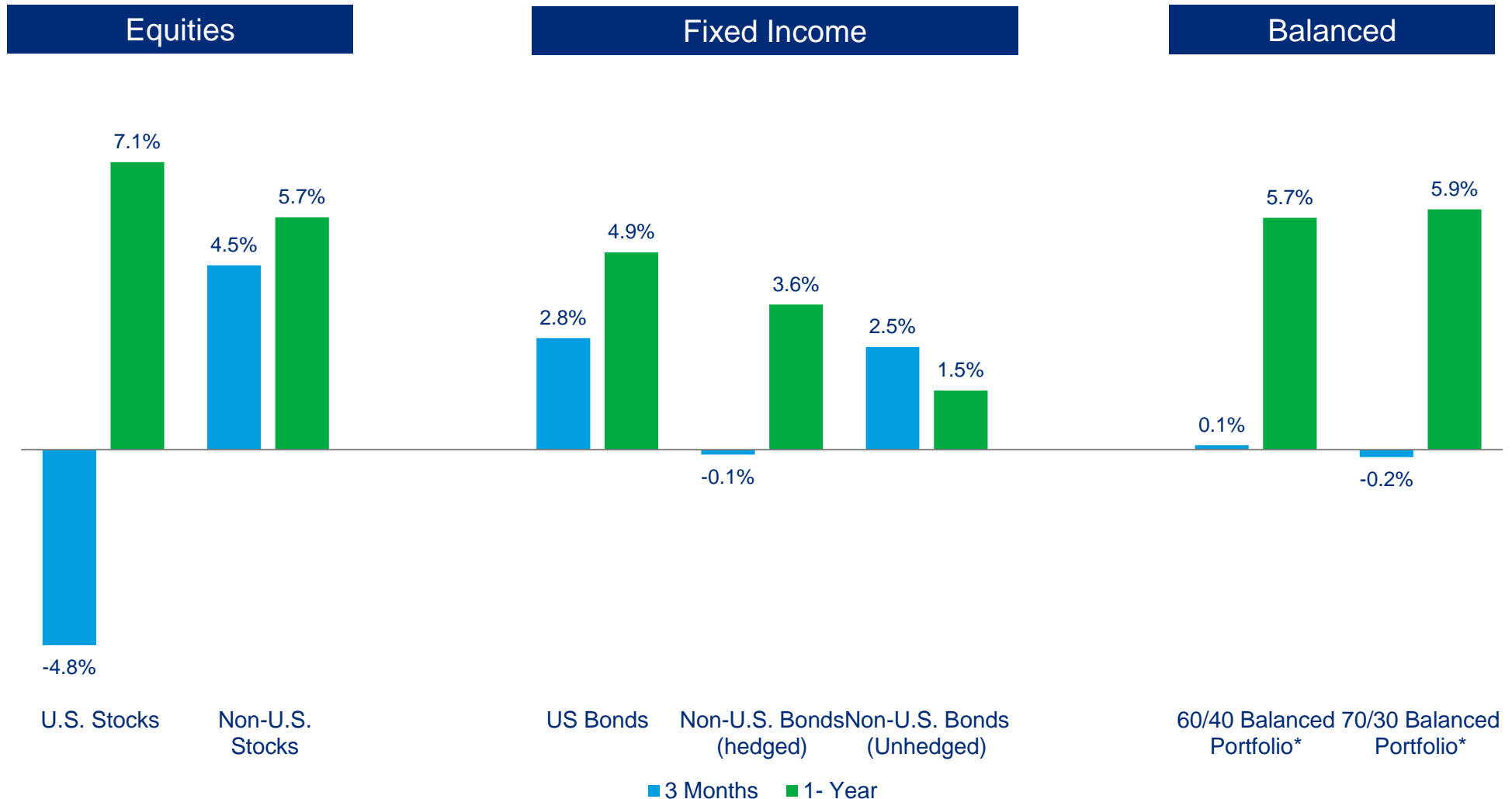
Source: Bloomberg, Thomson Reuters Datastream

Appendix



Global market returns – overview

Global market returns as of March 31, 2025 (%)



Source: Refinitiv, Bloomberg; as of 03/31/25

US Stocks (CRSP US Total Market Index), Non-US Stocks (FTSE Global All-Cap ex-US Index), US Bonds (Bloomberg US Aggregate Float Adjusted Index), Non-US Bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), Non-US Bonds unhedged (Bloomberg Global Aggregate Index ex-USD).

*60/40 balanced portfolio Static Composite (36% U.S. stocks, 24% international stocks, and 28% U.S. bonds, 12% international bonds).

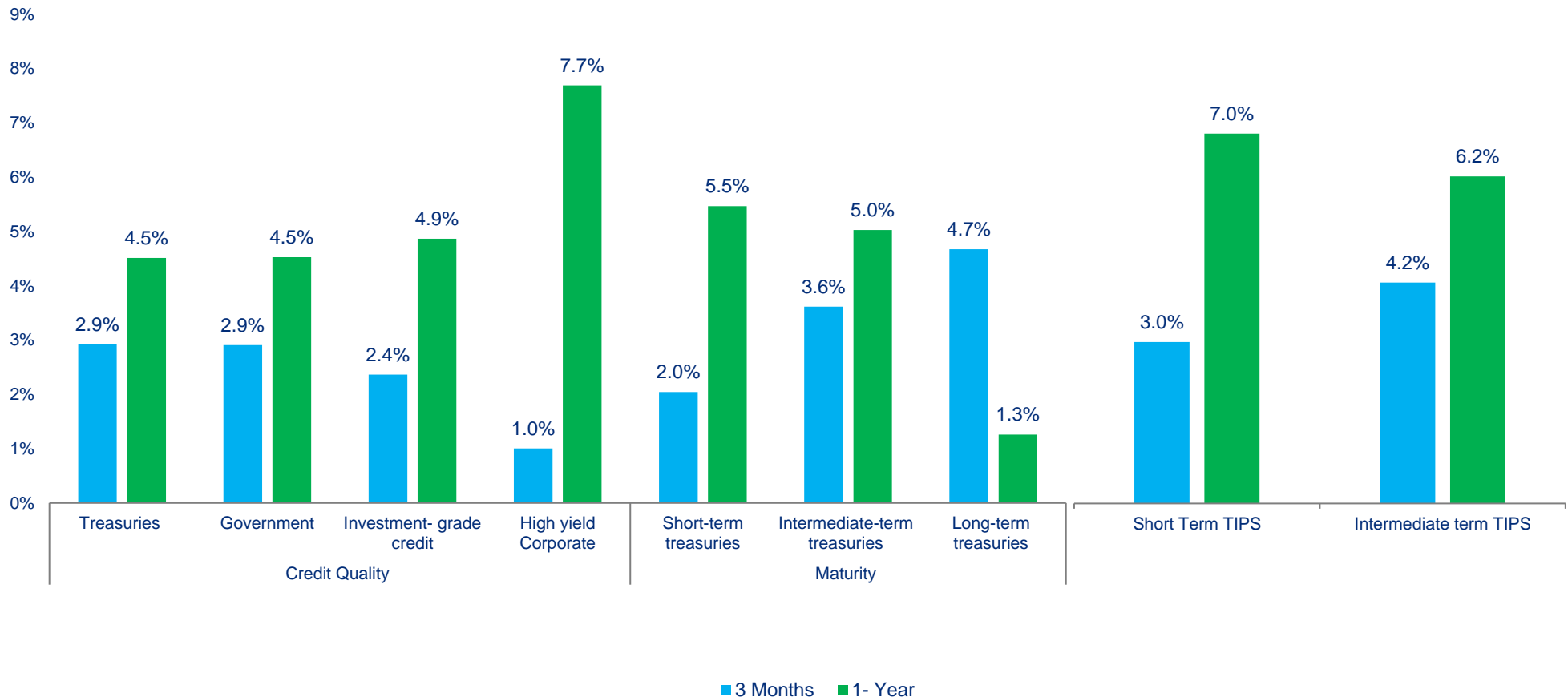
*70/30 balanced portfolio Static Composite (42% U.S. stocks, 28% international stocks, and 21% U.S. bonds, 9% international bonds).

Global market returns – fixed income

Global market returns as of March 31, 2025 (%)

U.S. Fixed Income

Inflation-Sensitive Fixed Income



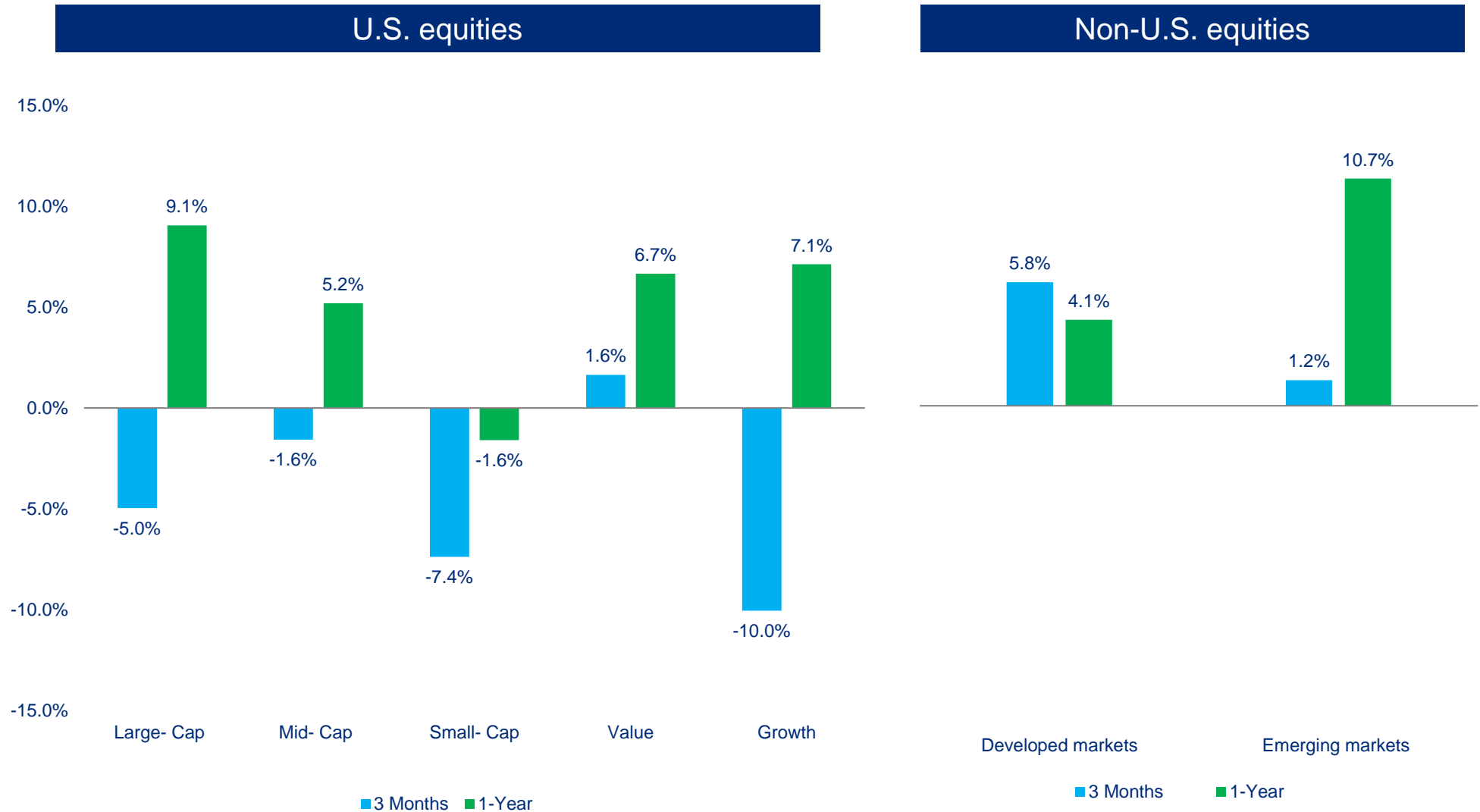
Source: Refinitiv, Bloomberg; as of 03/31/25

Treasuries (Bloomberg US Treasury Index), Government (Bloomberg US Government Index), Investment- grade credit (Bloomberg US Credit Index), High Yield Corporate (Bloomberg US High Yield Corporate index), Short Term treasuries (Bloomberg US 1-5yr Treasury Index), Intermediate term treasuries (Bloomberg US 5-10yr Treasury Index), Long term Treasuries (Bloomberg US Long Treasury Index), Short Term TIPS (Bloomberg US Treasury 0-5yr TIPS Index), Intermediate term TIPS (Bloomberg US TIPS Index)

Past performance is no guarantee of future results

Global market returns – equities

Global market returns as of March 31, 2025 (%)



Source: Refinitiv, Bloomberg; as of 03/31/25

Large-Cap (CRSP US Mega Cap Index), Mid-Cap (CRSP US Mid Cap Index), Small-Cap (CRSP US Small Cap Index), Value (Russell 3000 Value Index), Growth (Russell 3000 Growth Index), Developed Markets (FTSE Developed All Cap ex US Index), Emerging Markets (FTSE Emerging Markets All Cap China A Inclusion Index)

Periodic table of returns

Global market returns as of December 31, 2024 (%)

Periodic Table of Index Returns

MARKET OVERVIEW											MARKET INDICES	
EQUITY		FIXED INCOME		ALTERNATIVES		REAL ASSETS					10-Year Average Return	
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
US REITS 28.0%	Private Equity All 10.1%	Small Cap Core Equity 21.3%	Emerging Market Equity 37.3%	Private Equity All 19.2%	Large Cap Core Equity 31.5%	Private Equity All 29.9%	Private Equity All 53.1%	Commodity 16.1%	Large Cap Core Equity 26.3%	Large Cap Core Equity 25.0%	16.1%	Private Equity All Burgiss Private iQ All
Private Equity All 15.1%	US REITS 2.8%	High Yield Bonds 17.1%	Developed Intl Equity 25.0%	Treasury Bonds 0.9%	Mid Cap Core Equity 30.5%	Small Cap Core Equity 20.0%	US REITS 41.3%	Private Equity All 0.5%	Global Equity 22.2%	Global Equity 17.5%	13.1%	Large Cap Core Equity S&P 500
Large Cap Core Equity 13.7%	Large Cap Core Equity 1.4%	Mid Cap Core Equity 13.8%	Global Equity 24.0%	Aggregate Bonds 0.0%	US REITS 28.7%	Large Cap Core Equity 18.4%	Large Cap Core Equity 28.7%	Hedge Fund of Funds -5.6%	Developed Intl Equity 18.2%	Blended 60/40 16.3%	9.6%	Mid Cap Core Equity Russell Midcap
Mid Cap Core Equity 13.2%	Blended 60/40 1.3%	Large Cap Core Equity 12.0%	Large Cap Core Equity 21.8%	High Yield Bonds -2.1%	Global Equity 26.6%	Emerging Market Equity 18.3%	Commodity 27.1%	High Yield Bonds -11.2%	Blended 60/40 17.7%	Mid Cap Core Equity 15.3%	9.2%	Global Equity MSCI ACWI Net
Blended 60/40 11.0%	Treasury Bonds 0.8%	Commodity 11.8%	Mid Cap Core Equity 18.5%	Blended 65/35 -2.5%	Small Cap Core Equity 25.5%	Mid Cap Core Equity 17.1%	Mid Cap Core Equity 22.6%	Emerging Debt Local -11.7%	Mid Cap Core Equity 17.2%	Small Cap Core Equity 11.5%	8.4%	Blended 60/40 60%S&P 500/40% Barc
Aggregate Bonds 6.0%	Aggregate Bonds 0.6%	Emerging Market Equity 11.2%	Private Equity All 17.1%	Hedge Fund of Funds -2.6%	Blended 60/40 23.3%	Global Equity 16.3%	Global Equity 18.5%	Treasury Bonds -12.5%	Small Cap Core Equity 16.9%	Hedge - Funds of Funds 9.4%	7.8%	Small Cap Core Equity Russell 2000
Treasury Bonds 5.0%	Hedge Fund of Funds -0.3%	Emerging Debt Local 9.9%	Blended 60/40 15.4%	US REITS -4.0%	Developed Intl Equity 22.0%	Blended 60/40 14.6%	Blended 60/40 15.9%	Aggregate Bonds -13.0%	Private Equity All 15.7%	High Yield Bonds 8.2%	5.8%	REITS NAREIT Equity REITs
Small Cap Core Equity 4.9%	Developed Intl Equity -0.8%	Private Equity All 9.2%	Emerging Debt Local 15.2%	Large Cap Core Equity -4.4%	Emerging Market Equity 18.4%	Treasury Bonds 8.0%	Small Cap Core Equity 14.8%	Developed Intl Equity -14.5%	High Yield Bonds 13.4%	Emerging Markets Equity 7.5%	5.2%	Developed Intl Equity MSCI EAFE Net
Global Equity 4.2%	Global Equity -2.4%	Blended 60/40 8.8%	Small Cap Core Equity 14.6%	Emerging Debt Local -6.2%	High Yield Bonds 14.3%	Developed Intl Equity 7.8%	Developed Intl Equity 11.3%	Blended 60/40 -15.8%	Emerging Debt Local 12.7%	Private Equity All 6.8%	5.2%	High Yield Bonds Bloomberg High Yield
Hedge Fund of Funds 3.4%	Mid Cap Core Equity -2.4%	US REITS 8.6%	US REITS 8.7%	Mid Cap Core Equity -9.1%	Emerging Debt Local 13.5%	Aggregate Bonds 7.5%	Hedge Fund of Funds 5.7%	Mid Cap Core Equity -17.3%	US REITS 11.4%	Commodity 5.4%	3.8%	Hedge- Fund of Funds HFRI Fund of Funds
High Yield Bonds 2.5%	Small Cap Core Equity -4.4%	Global Equity 7.9%	Hedge Fund of Funds 7.6%	Global Equity -9.4%	Private Equity All 11.9%	High Yield Bonds 7.1%	High Yield Bonds 5.3%	Large Cap Core Equity -18.1%	Emerging Market Equity 9.8%	US REITS 4.9%	3.6%	Emerging Markets Equity MSCI EMF Net
Emerging Market Equity -2.2%	High Yield Bonds -4.5%	Aggregate Bonds 2.7%	High Yield Bonds 7.5%	Small Cap Core Equity -11.0%	Aggregate Bonds 8.7%	Hedge Fund of Funds 6.7%	Aggregate Bonds -1.5%	Global Equity -18.4%	Aggregate Bonds 5.5%	Developed Intl Equity 3.8%	1.3%	Aggregate Bonds Bloomberg Aggregate
Developed Intl Equity -4.9%	Emerging Market Equity -14.9%	Treasury Bonds 1.0%	Aggregate Bonds 3.5%	Commodity -11.3%	Commodity 7.7%	Emerging Debt Local 2.7%	Treasury Bonds -2.3%	Emerging Market Equity -20.1%	Hedge Fund of Funds 4.4%	Aggregate Bonds 1.3%	1.3%	Commodity Bloomberg Commodity
Emerging Debt Local -5.7%	Emerging Debt Local -14.9%	Developed Intl Equity 1.0%	Treasury Bonds 2.3%	Developed Intl Equity -13.8%	Treasury Bonds 6.9%	Commodity -3.1%	Emerging Market Equity -2.5%	Small Cap Core Equity -20.4%	Treasury Bonds 4.1%	Treasury Bonds 0.6%	0.8%	Treasury Bonds Bloomberg Treasury
Commodity -17.0%	Commodity -24.7%	Hedge Fund of Funds 0.5%	Commodity 1.7%	Emerging Market Equity -14.6%	Hedge Fund of Funds 6.2%	US REITS -5.1%	Emerging Debt Local -8.8%	US REITS -24.9%	Commodity -7.9%	Emerging Debt Local -2.4%	0.4%	Emerging Debt Local JP Morgan Emerging Market GBI-EM

Source: Bloomberg, Mercer as of 12/31/24

Source: Bloomberg, Refinitiv, JP Morgan, Barclays, ICE, Mercer

Analysis; as of 12/31/24



Past performance is no guarantee of future results

Appendix

Index List

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Appendix 1 – Indices used by asset class

Asset Class	Index	Source
Global All Cap Equities	MSCI ACWI Net Total Return Index	Refinitiv
Global Small Cap Equities	MSCI ACWI Small Cap Net Total Return Index	Refinitiv
Global Developed Equity	MSCI World Net Total Return Index	Refinitiv
Defensive Equity	Russell 3000 Total Return Index	Refinitiv
	CRSP US Total Market Total Return Index	Refinitiv
	CRSP US Mega Cap Total Return Index	Bloomberg
US Large Cap	S&P 500 Total Return Index	Refinitiv
	Russell 1000 Total Return Index	Refinitiv
US Large Cap growth	Russell 1000 Growth Total Return Index	Refinitiv
US Large Cap Value	Russell 1000 Value Total Return Index	Refinitiv
US Mid Cap	CRSP US Mid Cap Total Return Index	Refinitiv
US SMID Cap	Russell 2500 Total Return Index	Refinitiv
US SMID Cap Growth	Russell 2500 Growth Total Return Index	Refinitiv
US SMID Value	Russell 2500 Value Total Return Index	Refinitiv
US Small Cap	CRSP US Small Cap Total return Index	Refinitiv
	Russell 2000 Total Return Index	Refinitiv
US Value Equity	Russell 3000 Value Total Return Index	Refinitiv
US Growth Equity	Russell 3000 Growth Total Return Index	Refinitiv
Global ex US Equity	MSCI AC World ex US Net Total Return Index	Refinitiv
	FTSE Global All Cap ex US Total Return Index	Refinitiv
	FTSE Developed All cap ex US Total Return Index	Refinitiv
International Developed Equity	MSCI EAFE Net Total Return Index	Refinitiv

All indices in USD unless otherwise specified

Appendix 1 – Indices used by asset class

Asset Class	Index	Source
International Developed Equity Small Cap	MSCI EAFE Small Cap Net Total Return Index	Refinitiv
Emerging Markets Equity	MSCI EM Net Total Return Index	Refinitiv
	FTSE Emerging Markets All Cap China A Inclusion Total Return Index	Bloomberg
	MSCI China A Onshore Net Total Return Index	Refinitiv
US Cash	Bloomberg T- Bill 1-3 months Index	Bloomberg
Global Bonds	Bloomberg Aggregate Total Return Index	Refinitiv
US Treasuries	Bloomberg Treasury Total Return Index	Refinitiv
US Government Bonds	US Government Total Return Index	Refinitiv
US Long Treasuries	Bloomberg Long Treasury Total Return Index	Refinitiv
Short Term Treasuries	Bloomberg 1-5yr Treasury Total Return Index	Refinitiv
Intermediate Term Treasuries	Bloomberg 5-10yr Treasury Total Return Index	Refinitiv
Short Term TIPS	Bloomberg 0-5yr US TIPS Total Return Index	Bloomberg
US Inflation Linked Bonds	Bloomberg US TIPS Total Return Index	Refinitiv
US Investment Grade Credit	Bloomberg Credit Total Return Index	Refinitiv
US Long Investment Grade Credit	Bloomberg Long Credit Total Return Index	Refinitiv
US High Yield Bonds	Bloomberg High Yield Total Return Index	Refinitiv
EMD (Local Currency)	JPM GBI-EM Global Diversified Total Return Index	Refinitiv
EMD (Hard Currency)	JPM EMBI Global Diversified Total Return Index	Refinitiv
Global Bonds ex US	Bloomberg Global Aggregate ex USD Float Adjusted RIC Capped Index Hedged	Bloomberg
US REITS	FTSE EPRA/NAREIT United States Total Return Index	Refinitiv
Global Developed REITS	FTSE EPRA/NAREIT Developed Total Return Index	Refinitiv

All indices in USD unless otherwise specified

Appendix 1 – Indices used by asset class

Asset Class	Index	Source
Infrastructure	FTSE Global Core Infrastructure 50/50 Total Return Index	Refinitiv
Hedge Funds	HFRX Equal Weighted Strategies Total Return Index	Refinitiv
Commodities	Bloomberg Commodity Total Return Index	Refinitiv
Europe Equity	MSCI Europe Net Total Return Index	Refinitiv
Japan Equity	MSCI Japan Net Total Return Index	Refinitiv
Pacific ex Japan	MSCI Pacific ex Japan Net Total Return Index	Refinitiv
Canada	MSCI Canada Net Total Return Index	Refinitiv
Emerging Markets Asia	MSCI EM Asia Net Total Return Index	Refinitiv
Emerging Markets Latin America	MSCI EM Latin America Net Total Return Index	Refinitiv
EM Europe and Middle East	MSCI EM & Middle East Net Total Return Index	Refinitiv
US Dollar	DXY Index	Bloomberg
Euro	EUR Currency Index	Bloomberg
GB Pound	GBP Currency Index	Bloomberg
Japanese Yen	JPY Currency Index	Bloomberg
Emerging Market currency	JPM EM Currency Index	Bloomberg
2-year Treasury	Bloomberg US 2yr Treasury Index	Bloomberg
10-year Treasury	Bloomberg US 10yr Treasury Index	Bloomberg
Long Corporate	Bloomberg US long corporate Index	Bloomberg
Corporate	Bloomberg US corporate Index	Bloomberg

All indices in USD unless otherwise specified

Appendix 1 – Indices used by asset class

Asset Class	Index	Source
5 year Breakeven	US 5-year breakeven Index	Bloomberg
5year 5 years forward	US Forward 5-year 5years Index	Bloomberg
Energy	Alerian Energy MLP Total Return Index	Refinitiv
Natural Resources	S&P NA Natural resources Total Return Index	Refinitiv
Global Private Equity	Burgiss Private Equity	Burgiss
Hedge Funds Conservative	HFRI FOF conservative Index	Refinitiv
Diversified Hedge Funds	HFRI FOF Diversified Index	Refinitiv
Strategic Hedge Funds	HFRI FOF Strategic Index	Refinitiv
Equity Hedge Funds	HFRI Equity Hedge Index	Refinitiv
Event driven Hedge Funds	HFRI Event Driven Index	Refinitiv
Distressed Hedge Funds	HFRI ED: Distressed/Restructuring Index	Refinitiv
Relative Value Hedge Funds	HFRI Relative Value Index	Refinitiv
Macro Hedge Funds	HFRIC Macro Index	Refinitiv

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