Wait and See

April, 2025

Summary

- Despite notable intramonth swings in both directions, U.S. large-cap stocks ended April down -0.7% while U.S. small-cap stocks declined by -2.3%. U.S. intermediate-term bonds gained 0.4%.

- Investor sentiment weakened in April. Nearly half of Bank of America survey respondents now expect a recession this year, and bearish sentiment in the AAII survey stayed above 50% for a record-breaking 10 straight weeks.

- Despite weakening consumer sentiment, spending held up—likely due to consumers front-loading purchases ahead of anticipated tariff-driven price hikes.

- Earnings call transcripts indicate that many companies and their customers are taking a “wait-and-see” approach to tariffs, delaying further investment and business decisions until trade policy becomes clearer.

Overview

Markets fluctuated throughout April in response to tariff announcements. Despite notable intramonth swings in both directions, U.S. large-cap stocks, as represented by the S&P 500, ended the month down just -0.7%. The Russell 2000 Index, which tracks U.S. small-cap stocks, declined -2.3%. U.S. intermediate-term bonds, as measured by the Bloomberg U.S. Aggregate Bond Index, gained 0.4% in April.

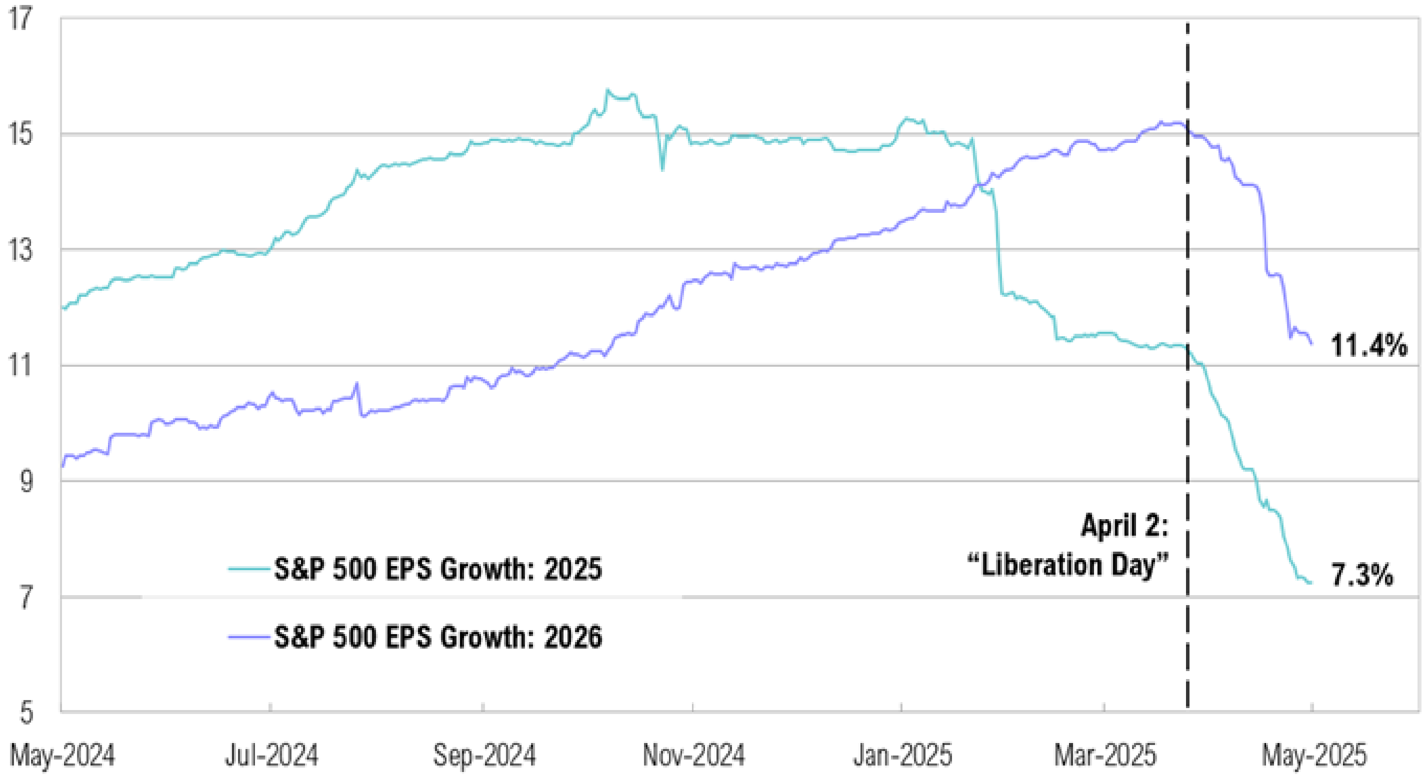
Headline inflation eased to 2.4% year-over-year in March while core inflation dropped below 3.0% (to 2.8%) for the first time since April 2021. Lower energy costs were a key contributor to easing price pressures while shelter inflation rose by 0.2% month-over-month, rising by the slowest pace since August 2021. Despite easing prices, consumers’ inflation expectations skyrocketed in April, rising to 6.5%.

Preliminary estimates for first-quarter GDP showed the U.S. economy contracting at an annualized rate of 0.3% quarter-over-quarter. This slowdown was largely attributed to a sharp rise in imports ahead of anticipated tariffs, with imports soaring 41.3% in the first quarter. Consumer spending rose 1.8%, while government spending declined by 1.4%.

First-quarter earnings season kicked off in April, with over 70% of S&P 500 companies having reported results. As of the end of the month, the blended year-over-year earnings growth rate for the S&P 500 stood at 12.8%, a notable improvement from the 7.2% estimate at the end of March. However, full-year 2025 earnings growth estimates declined over the month, from 11.2% to 7.3%.

S&P 500 Earnings Growth Rates Have Declined

S&P 500 Earnings per Share Growth Rate, Y/Y %



Source: Bloomberg

Wait and See

On April 2, President Trump announced sweeping tariffs: a 10% baseline on nearly all imports and higher rates targeting 60 specific countries. He dubbed it "Liberation Day," framing the move as a response to trade imbalances and a push to bolster domestic manufacturing. This brought the average U.S. tariff rate to 22.5%—the highest level in over a century. Markets reacted swiftly and sharply, with longer-term Treasury yields spiking while U.S. and international equity markets tumbled. Just over a week later, on April 9, Trump announced a 90-day pause on reciprocal tariffs with China as the sole exception. By the end of April, amid escalating tit-for-tat measures, the average trade-weighted U.S. tariff rate on Chinese exports had climbed to 124% while China's average trade-weighted tariff rate on U.S. exports rose to 147%. The result was a sharp disruption in trade: the number of container ships departing from China to the U.S. dropped by 37% between April 18 and April 30.

Throughout April, markets moved sharply in response to tariff developments. U.S. large-cap stocks fell -12% between April 2 and April 8. Then, on April 9, following the announcement of a 90-day tariff pause, they rebounded 10%, marking the third-largest one-day gain since World War II. Treasury markets experienced similarly dramatic shifts. Between April 4 and April 11, the 10-year Treasury yield rose 0.5% to 4.5%, its largest weekly increase since 2001. Over the same period, the 30-year yield climbed 0.5% to 4.9%, the biggest five-day gain since April 1987.

Bond market volatility appears to have played a key role in the decision to pause tariff escalation. On April 10, Kevin Hassett, director of the U.S. National Economic Council, noted that:

"There's no doubt that the Treasury market made it so that the decision about the time to move [on the tariff pause] was made with, I think perhaps, a little more urgency."

Investor sentiment remained pessimistic throughout the month. For a record tenth consecutive week, more than 50% of respondents to the American Association of Individual Investors (AAII) Survey reported bearish views. Yet, actual positioning suggested investors were also taking more of a wait-and-see approach as actual equity exposures did not drop nearly as much as the "soft" survey data would suggest. The National Association of Active Investment Managers (NAAIM) Exposure Index ended April at 60%, well above its four-week average of 48%, and the AAII Asset Allocation Survey showed average investor portfolios holding 65% in U.S. stocks.

Meanwhile, concerns about a global recession intensified. According to the April Bank of America Fund Manager Survey, 80% of respondents cited a trade-war-triggered global recession as the top "tail risk" (a rare but potentially severe event). 42% of survey respondents now expect a recession—the most since June 2023 and the fourth-highest reading over the past 20 years. Betting markets also show the probability of a recession this year hovering just above 50%.

The disconnect between soft data (surveys) and hard data (actual indicators) intensified over the month. While consumer sentiment deteriorated in April, retail sales and personal spending remained strong. The University of Michigan's consumer sentiment index fell to 52.2, the lowest reading since June 2022, while the Conference Board's consumer confidence index dropped to 86, the weakest since August 2020. In contrast, hard economic data reflected a resilient consumer. March retail sales rose 1.4% month-over-month—the largest increase in more than two years—and personal spending rose 0.7%. However, some of this spending likely reflected consumers front-loading purchases ahead of expected tariff-related price increases. Should tariff uncertainty continue to impact supply chains and pricing—or should tariffs be expeditiously rolled back—a convergence between soft and hard data is likely.

Tariff-related uncertainty dominated corporate earnings calls throughout April. According to Barron's, mentions of "tariffs" rose 132% over the past 90 days compared to the previous quarter, surpassing levels seen during 2018 trade tensions. Additionally, recent corporate earnings reports expose the challenge in navigating this landscape. Many companies adopted a "wait-and-see" approach to tariffs, delaying further investment and/or significant business decisions until trade policy becomes clearer.

According to Citigroup CEO Jane Fraser:

"While our corporate and consumer clients are resilient and in good financial health, the world is in a wait-and-see mode and is facing a more negative macroeconomic outlook than anyone had anticipated at the beginning of the year."

Goldman Sachs also noted growing uncertainty and concern about the impact of the trade wars:

"Our clients, including corporate CEOs and institutional investors, are concerned by the significant near-term and longer-term uncertainty that has constrained their ability to make important decisions."

M&T Bank CFO, Daryl Bible, noted that customers are “on hold” until further clarity emerges regarding tariffs:

“Business-wise, our customers really wanted to make a lot of investments. They want to do acquisitions. They are just really on pause right now. I think it's just a lack of confidence. They don't know what the rules of the road are right now.”

Similarly, Regions Financial CFO David Jackson Turner said in the company’s earnings call that:

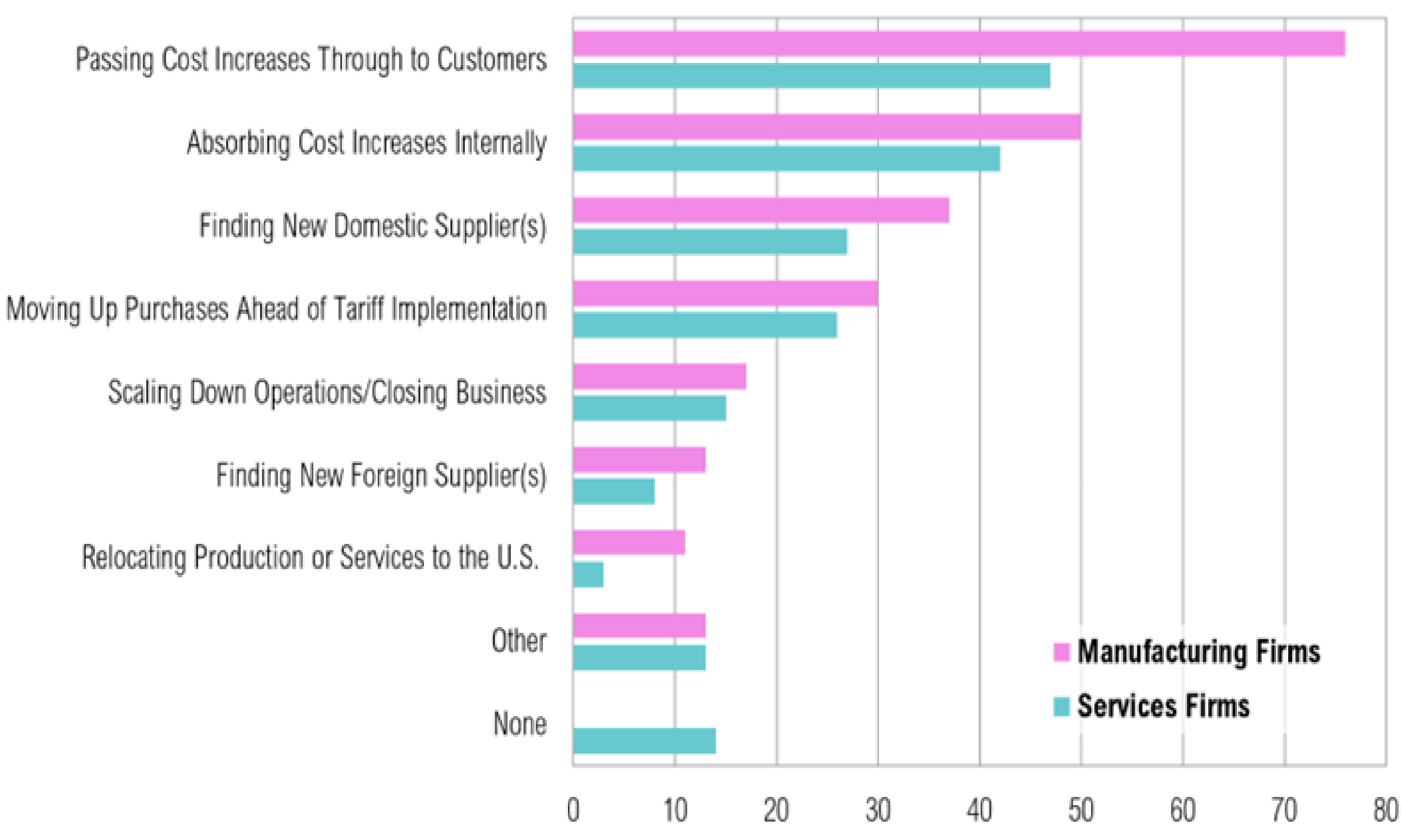
“Customers are delaying investment decisions pending further clarity.”

Going a step further, Delta Air Lines, American Airlines, Ford, General Motors, United Airlines, UPS, and Thermo Fisher were among the list of companies that suspended earnings guidance altogether given the uncertain macro-economic backdrop.

Regardless of how things play out, businesses will face a period of intense disruption. On April 28, the Federal Reserve Bank of Dallas released a survey detailing how companies are responding to higher tariffs. The most common response was passing cost increases on to customers, with nearly 80% of manufacturing firms and 50% of services firms opting to do so.

Firms Are Planning to Pass Tariff-Related Costs to Consumers

Actions Firms are Taking in Response to Higher Tariffs, % of Survey Respondents



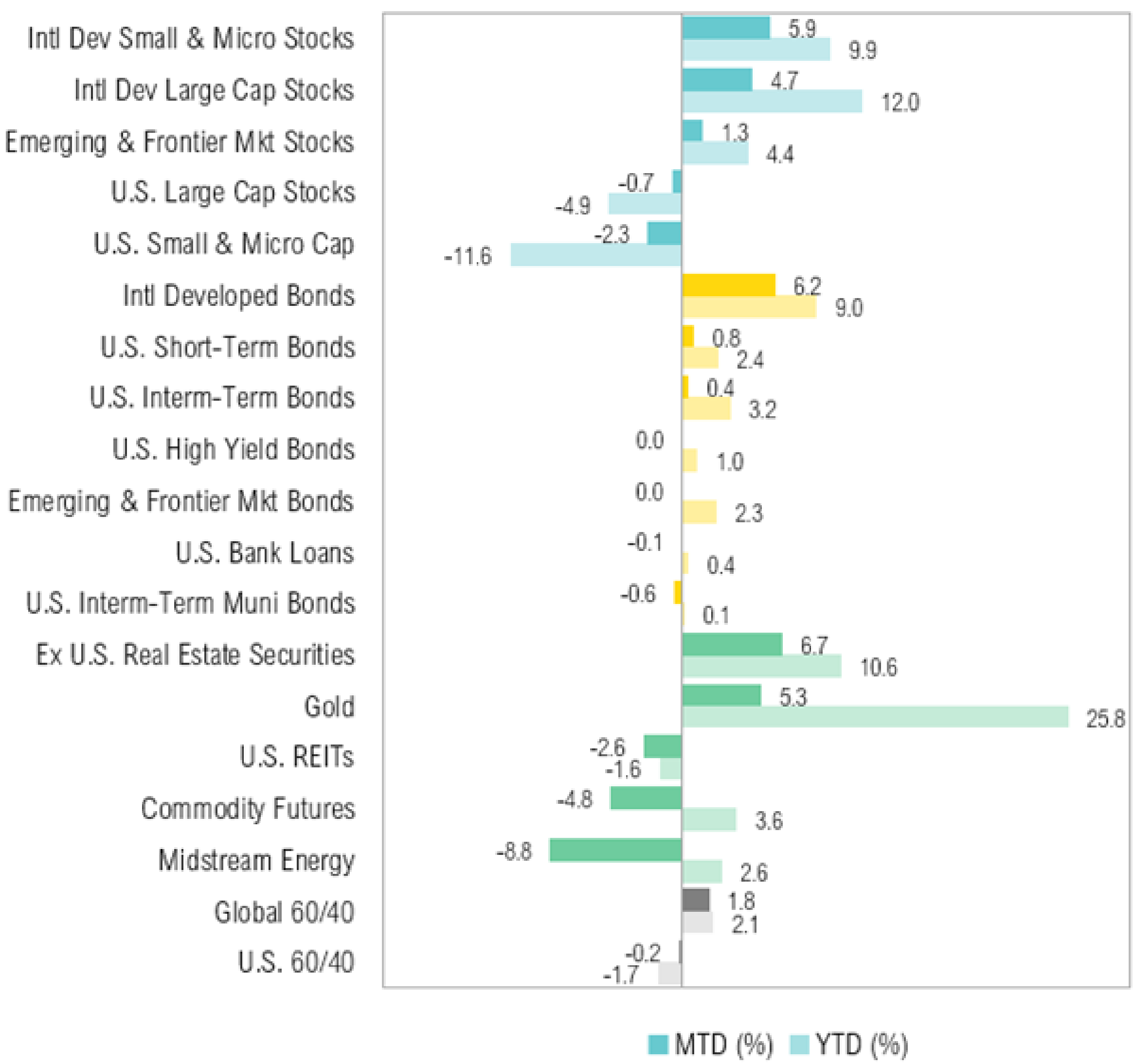
Source: Federal Reserve Bank of Dallas. Note: Firms could select all that applied.

Markets

Despite wild fluctuations throughout the month, U.S. large-cap stocks ended April down only -0.7%, while U.S. small-cap stocks declined by -2.3%. International markets fared better than their U.S. counterparts for the fourth consecutive month. International developed (ex-U.S.) small cap stocks gained 5.9% while international large cap stocks ended April up 4.7%. A similar pattern occurred in fixed income markets: international developed market bonds gained 6.2% over the month, notably outperforming U.S. intermediate-term bonds, which gained only 0.4%. High-yield credit spreads spiked to 4.3% in mid-April on tariff uncertainty, before easing to end the month back at 3.5%. Despite the volatility, credit spreads remained tight relative to history.

Gold, which gained 5.3% in April and is up nearly 26% year-to-date, reached a new record high of $3,434 on April 21 as tariff uncertainty spurred demand for safe-haven assets. West Texas Intermediate (WTI) crude oil ended April at $58, the lowest level since January 2021.

April 2025 Key Market Total Returns



Source: Bloomberg

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Looking Forward

The new administration is encouraging consumers, businesses, and markets to look beyond the near-term pain posed by tariff consequences, focusing instead on potential boosts to small business spending, domestic manufacturing, and capital investments. As long as markets see sufficient evidence that this approach is working, broader disruptions may remain contained. However, if these efforts falter, the U.S. economic adjustment will likely be more painful, and markets may need more time to adjust, creating additional volatility. Perhaps Fed Chair Jerome Powell said it best in the May 7 FOMC press conference when he said:

"Everyone is just waiting to see how developments play out… and I can't really give you a timeframe on that."

As always, if you have any questions or would like to schedule a meeting with one of our investment professionals, please don't hesitate to call us at 508-693-8850.

Sincerely,

Luke Murphy
Managing Director,
Martha's Vineyard Investment Advisors

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MVIA's knowledgeable advisors offer financial solutions that include:

- Investment Management
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- Family Office Services
- Business Consulting
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Performance Disclosures

All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

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MVIA Market Outlook

2Q, 2025

SEE IMPORTANT DISCLOSURES AT THE END OF THIS PRESENTATION

Growth, Inflation & Policy:

"Unusual Uncertainty"

1. What is the Trump administration actually trying to achieve? Is it willing to risk recession to achieve its goals?

2. Are we looking at true fiscal restraint or just political posturing? What are the implications for fiscal spending, tax policy, and growth?

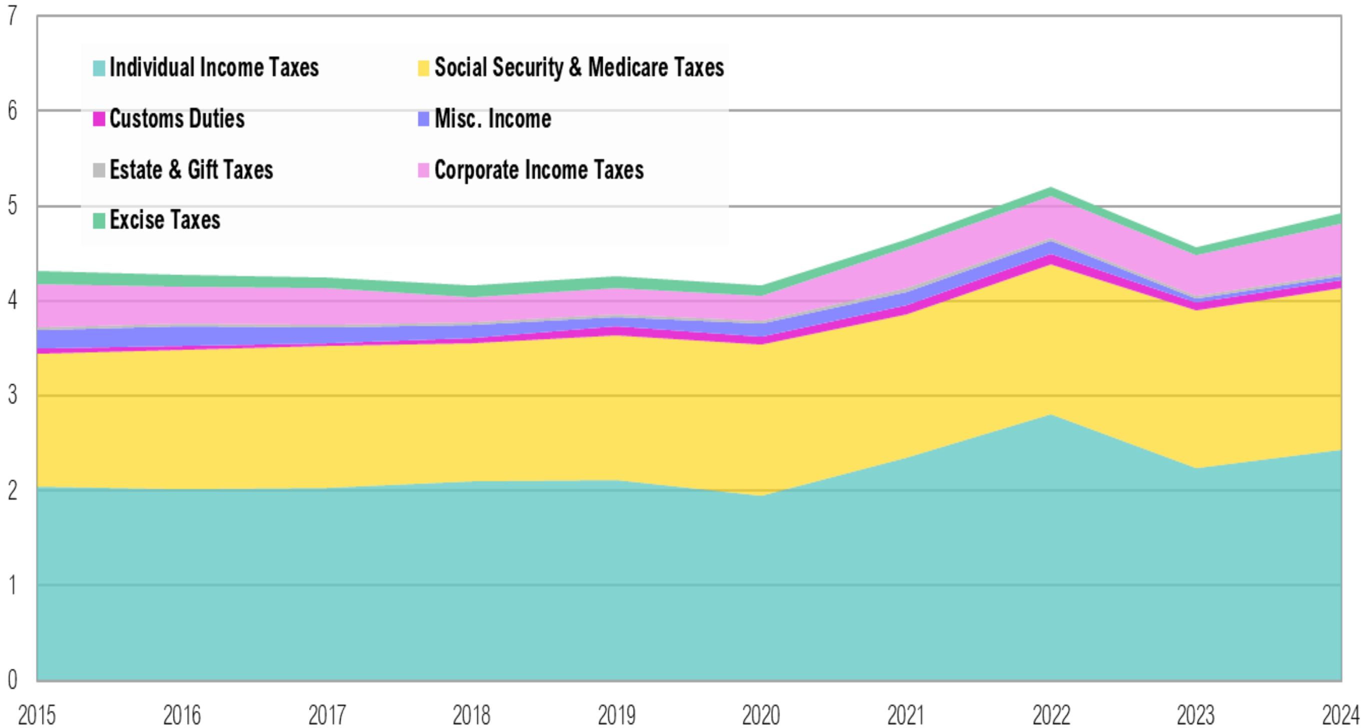
3. Is this a full-blown trade war that will result in recession—or is there still a path to de-escalation? What are markets currently pricing in?

4. How well positioned is the U.S. to absorb tariff-related disruptions versus China and Europe?

5. Will tariffs ignite inflation? How would the Fed likely respond—and what are the consequences for growth and risk assets?

Trump wants to extend the TCJA and eliminate tax on social security, tips and overtime—in order to do so, the government needs to cut $1.7Tn in spending

Federal Revenue by Source, $Tn



Estimated Federal Revenue Impact of Eliminating Income Taxes on Social Security Benefits, $Bn

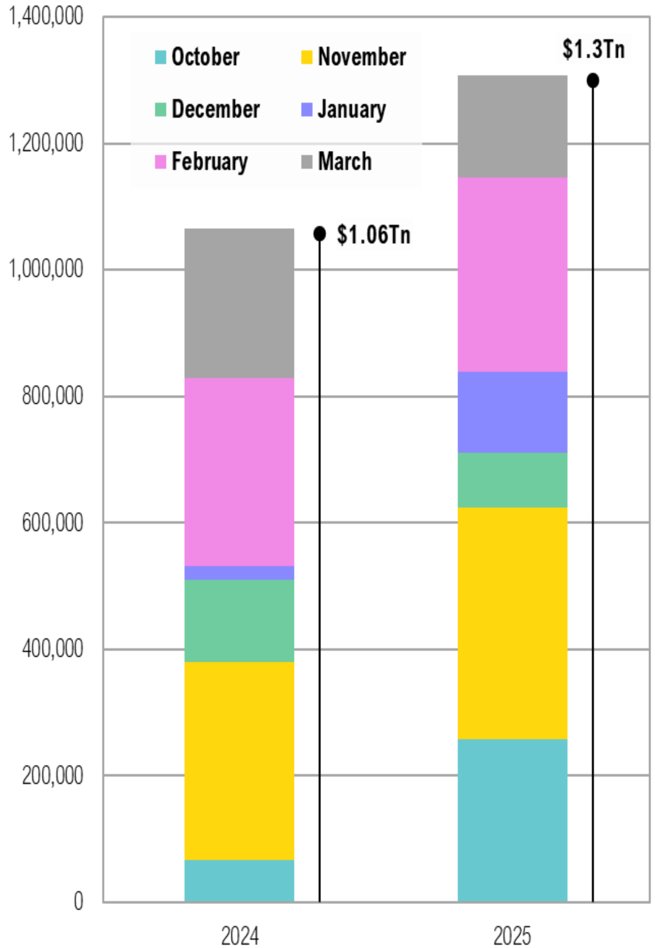
Provision	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025 - 2034
Ending taxation of Social Security Benefits	-60	-116	-132	-139	-147	-155	-164	-172	-180	-187	-1,452

- **Why the determination to cut excessive government spending?**
- **Apart from the U.S. being on an unsustainable debt path, the Trump administration is aiming to extend the Tax Cuts and Jobs Act beyond its scheduled expiration at the end of 2025.**
- **Trump has also promised to eliminate all income taxes on social security benefits, tips, and overtime.**
- **Eliminating income tax on Social Security benefits alone would reduce government revenue by $1.45Tn over the next decade.**
- **On February 25, the House passed a budget resolution that allowed for $4.5Tn in tax cuts, *if* $1.7Tn in spending is cut.**

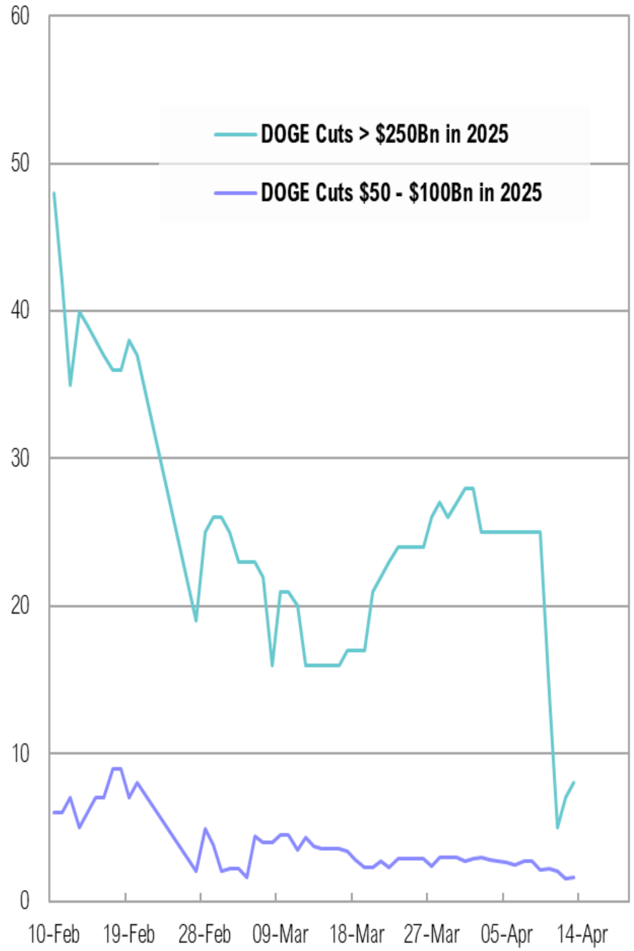
Source: Penn Wharton Budget Model, Bureau of the Fiscal Service. Federal revenue for fiscal years & inflation-adjusted 2024 dollars.

DOGE has revised estimated savings down from $2Tn to $150B; as federal outlays exceed 2024 levels, even betting markets are losing faith in the department

U.S. Government Deficit*, $Mn



Betting Market Probabilities of DOGE Spending Cuts in 2025



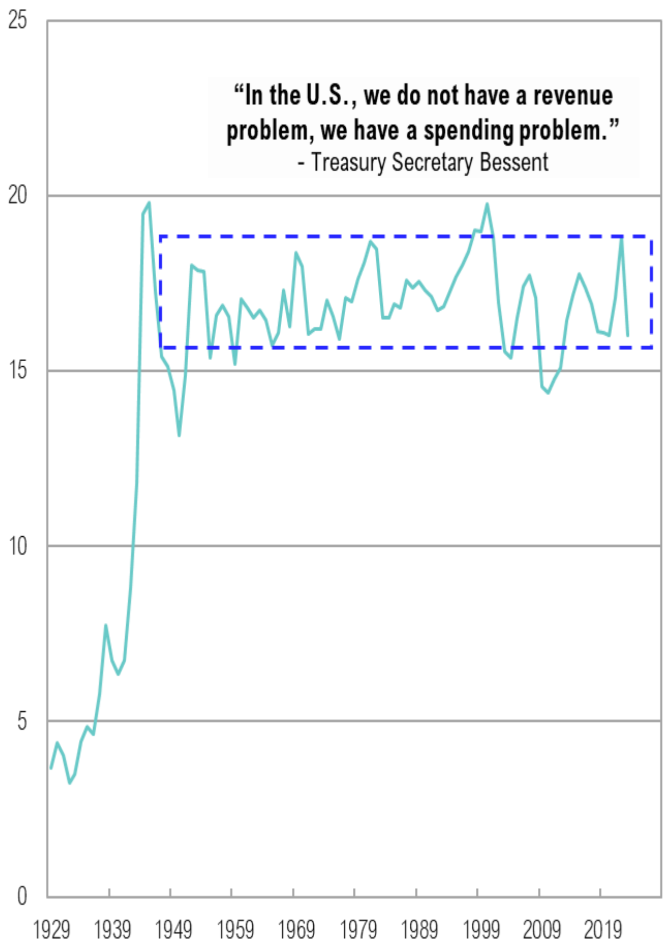
Source: Bloomberg, U.S. Department of Treasury. *Deficit for the first five months of the 2024 and 2025 fiscal years.

Timeline of projected DOGE Cuts:

- **October 2024:** "I think we can do **at least $2 trillion.**"
- **January 2025:** "I think we'll **try for $2 trillion.** I think if we try for $2 trillion, we've got a good shot at getting $1 trillion."
- **March 2025:** "Our goal is to reduce the deficit **by $1 trillion.**"
- **April 2025:** "I'm excited to announce that we **anticipate savings** in *2026* from reduction of waste and fraud **by $150 billion.**"

Federal tax receipts as a % of GDP have been steady since the 1950s; if the government cannot cut spending enough to extend the TCJA, U.S. taxpayers will have less disposable income

Federal Tax Receipts as a % of GDP



Source: Bloomberg, Tax Foundation, Bloomberg Government.

How 2026 Tax Brackets May Raise if TCJA Expires

HH Income Bracket	Single Filers	Joint Filers	Rates Under TCJA	Rates if TCJA Expires
1	$11,925	$23,850	10.0%	10.0%
2	$48,475	$96,950	12.0%	15.0%
3	$103,350	$206,700	22.0%	25.0%
4	$197,300	$394,600	24.0%	28.0%
5	$250,525	$501,050	32.0%	33.0%
6	$626,350	$751,600	35.0%	35.0%
7	No Upper Limit	No Upper Limit	37.0%	39.6%

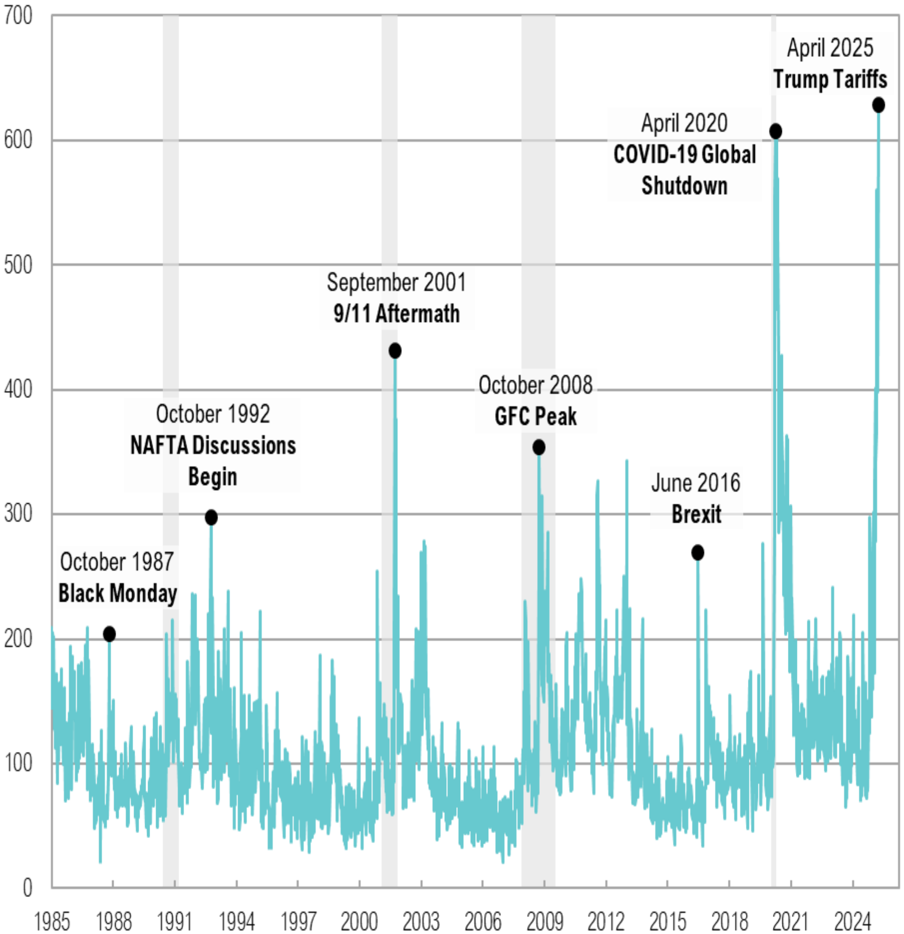
How 2026 Deductions May Raise if TCJA Expires

Standard Deductions for Individual Taxpayers	2017 Deductions (pre-TCJA)	2025 Deductions (last year covered by TCJA)	2026 Deductions (if TCJA expires)
Single Filers	$6,350	$14,600	$8,300
Joint Filers	$12,700	$29,200	$16,600

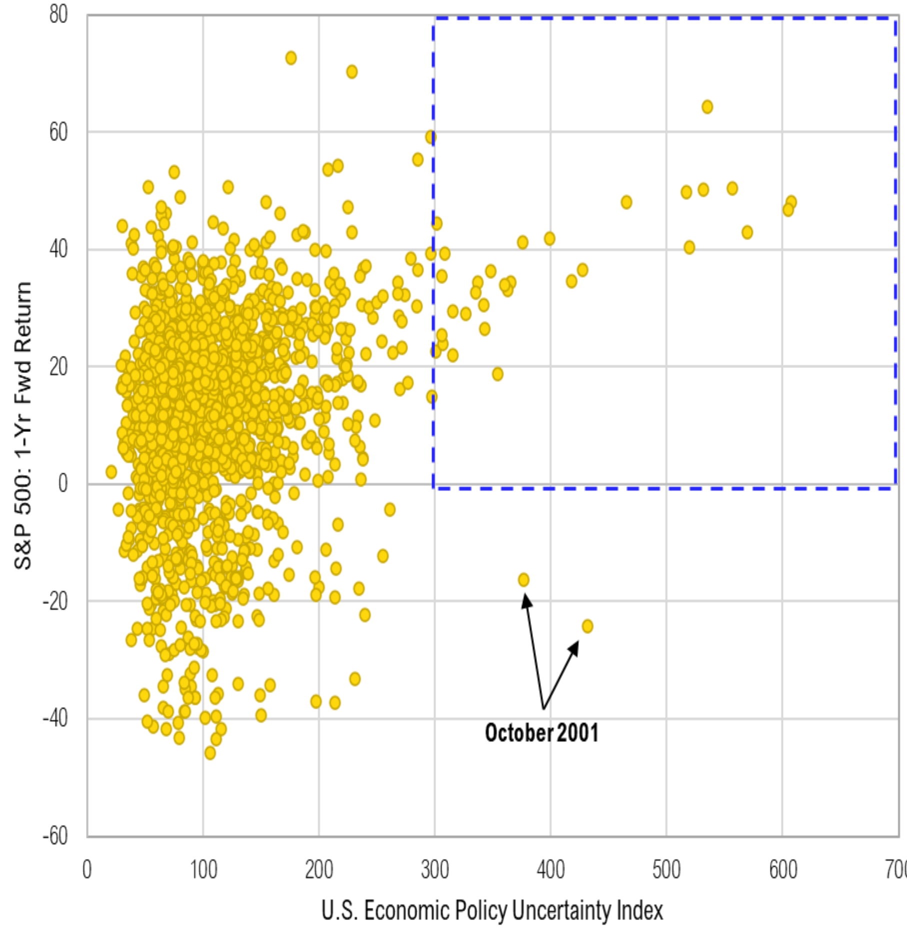
- **Despite no change in income, a single filer earning $55,000 in 2025 will pay over $2,000 more in taxes in 2026 if the TCJA expires due to lower deductions, higher tax brackets and more income taxed at higher rates.**
- The Council of Economic Advisers (CEA) estimates that allowing the TCJA to expire would reduce real annual take-home pay for a median-income household with two children by approximately $4,000 to $5,000.

U.S. economic uncertainty has reached the highest level in at least 40 years; historically, S&P 500 returns after these levels of uncertainty have been strong

U.S. Economic Policy Uncertainty Index



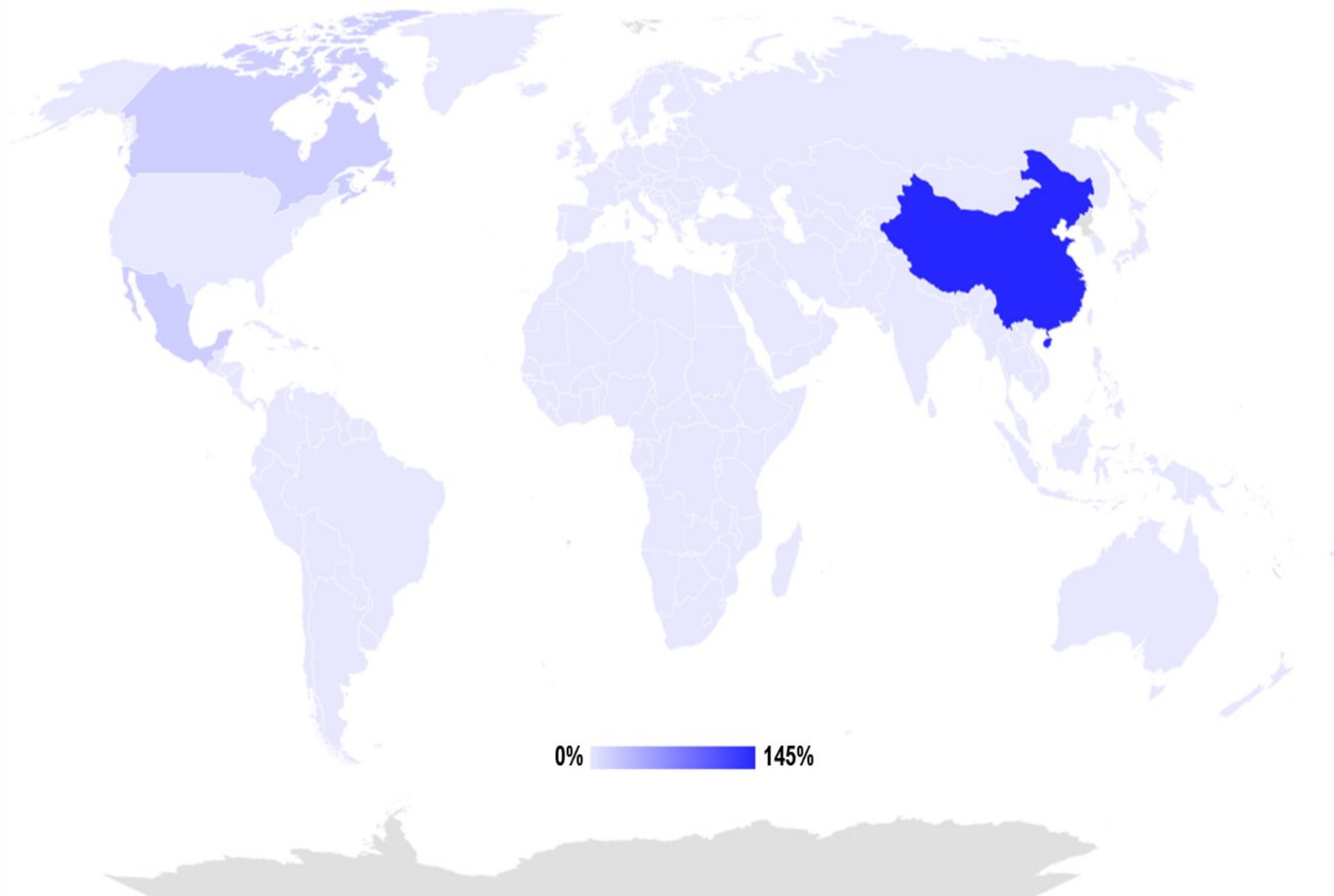
U.S. Economic Policy Uncertainty vs. 1-Year Fwd S&P 500 Returns



Source: Bloomberg. The U.S. Economic Uncertainty Index was created by Baker, Bloom & Davis and is based on an index of search results from the 10 largest U.S. newspapers, the number of federal tax code provisions set to expire, and disagreement among economic forecasters in the Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters. Methodology details: https://www.policyuncertainty.com/methodology.html. As of 4/7/2025.

Trump tariff tracker:

Tariff Rate on U.S. Imports, %

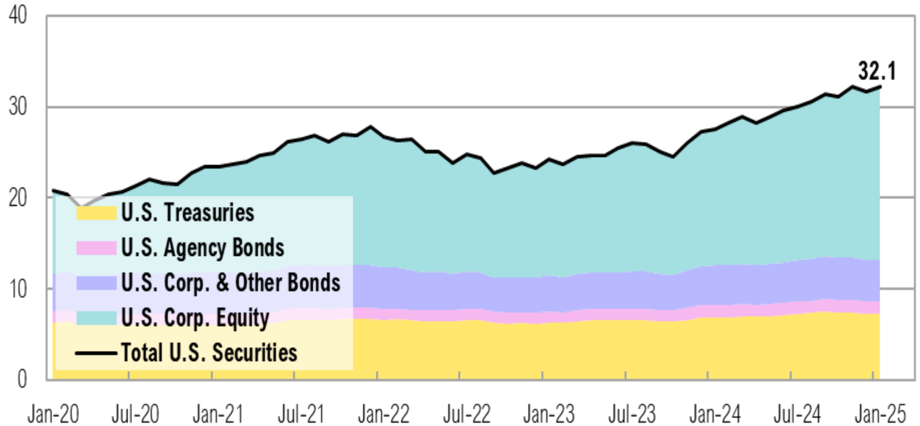


- Trump on April 9 announced a 90-day pause on the higher, April 2 tariffs.
- A base rate of 10% will be in place for all countries who "have not retaliated" to the April 2 tariff announcements (Mexico and Canada to remain at 25%).
- The EU paused its planned 25% reciprocal tariff post-announcement.
- China, meanwhile, imposed 125% tariffs on U.S. imports, to which the U.S. responded by raising tariffs on China to 145%.

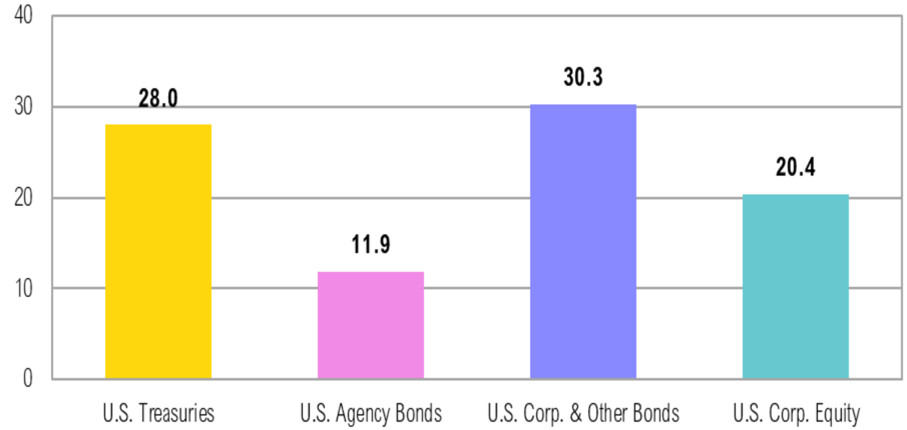
Source: Atlantic Council. As of 4/15/2025.

What happens if the trade war morphs into a capital war?

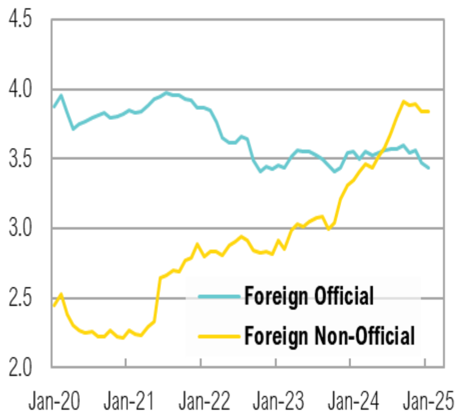
Foreign Holdings of U.S. Assets, $Tn (Jan-25)



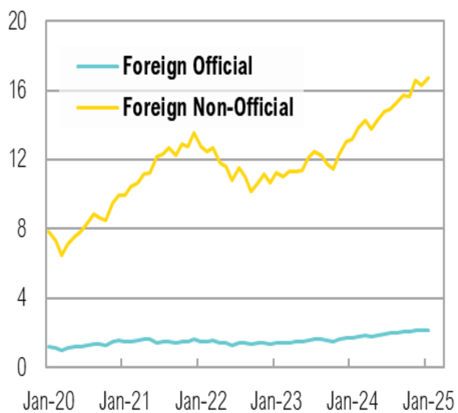
Foreign Holdings as a % of Total Market Cap (Jan-25)



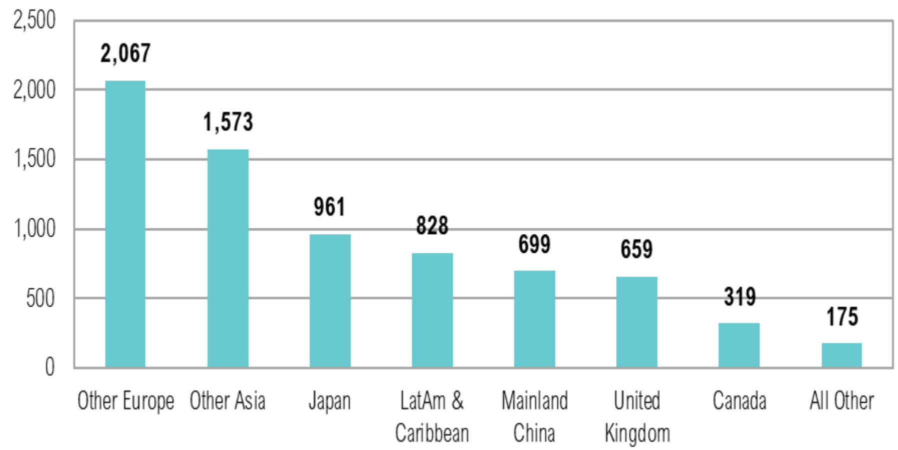
Foreign U.S. Treasury Holder Breakdown, $Tn



Foreign U.S. Equity Holder Breakdown, $Tn



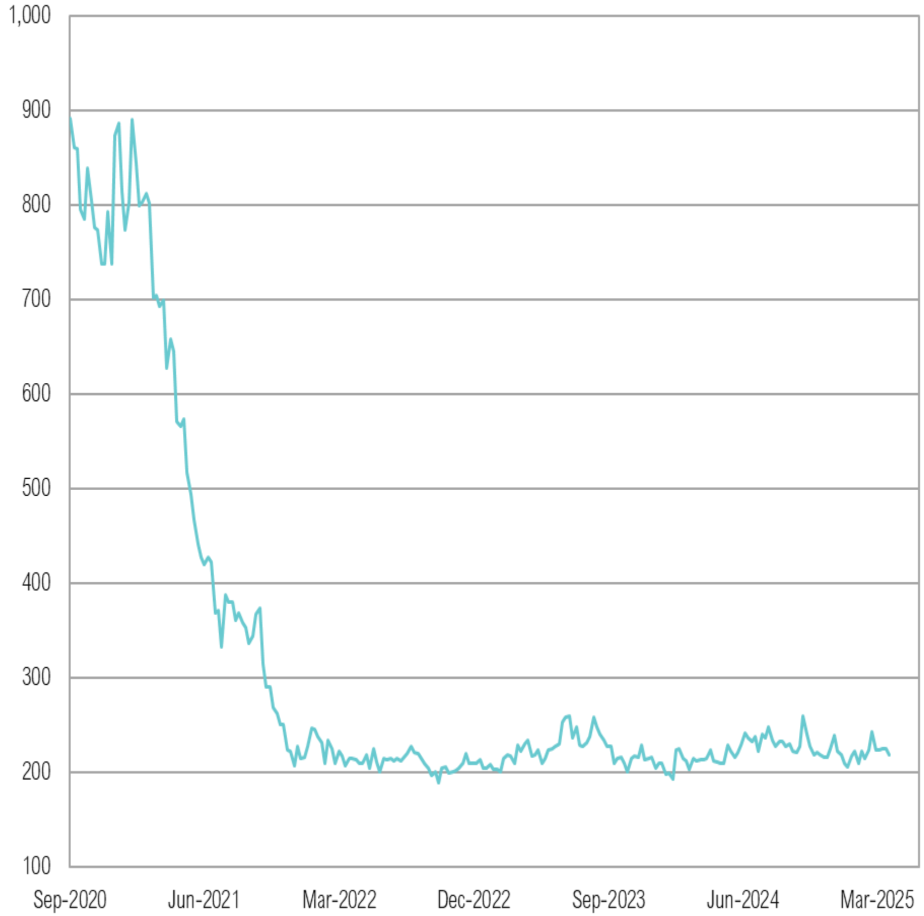
Foreign Holdings of U.S. Debt Maturing >1 Year*, $Bn (Jan-25)



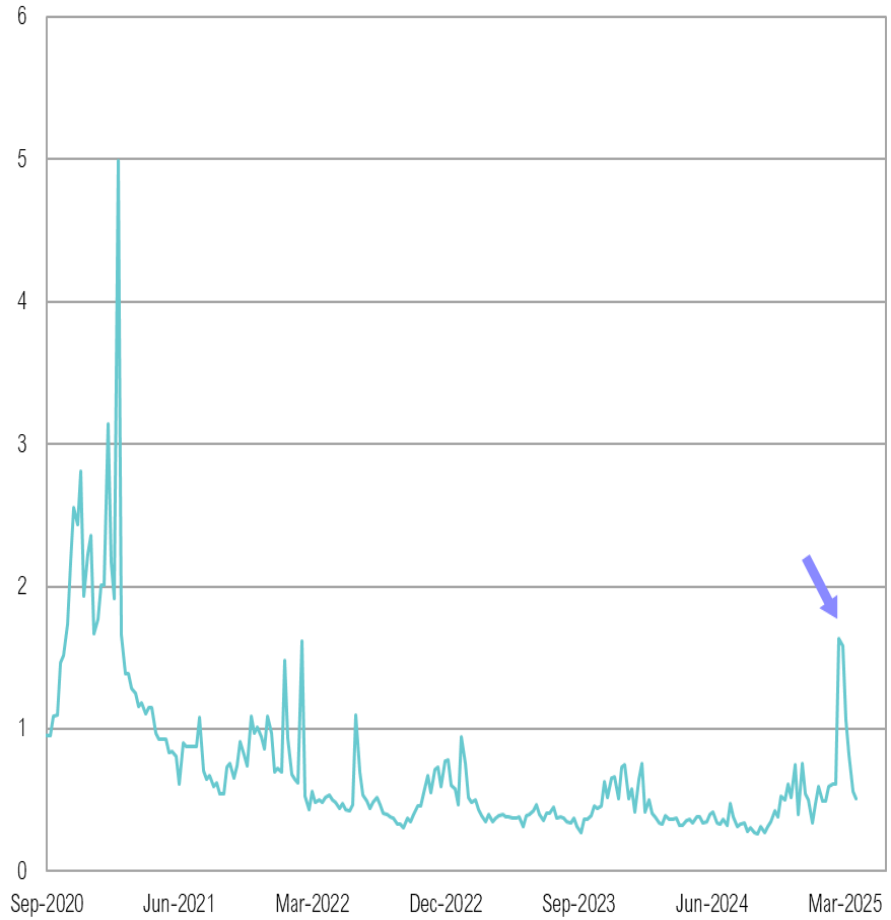
Source: U.S. Treasury, Federal Reserve. All data as of 1/31/2025. "Foreign official" refers to holdings by foreign central banks, sovereign wealth funds, and government institutions. "Foreign non-official" refers to private sector foreign investors such as corporations, banks, asset managers, and individuals. *Other Asia = Taiwan, Hong Kong, Singapore, India, Middle East, South Korea, Thailand and other smaller countries.

Initial jobless claims for federal employees spiked in early February, but have since dropped back to 2024 levels; national initial claims remain steady

Initial Jobless Claims: Nationwide, Thousands, Weekly



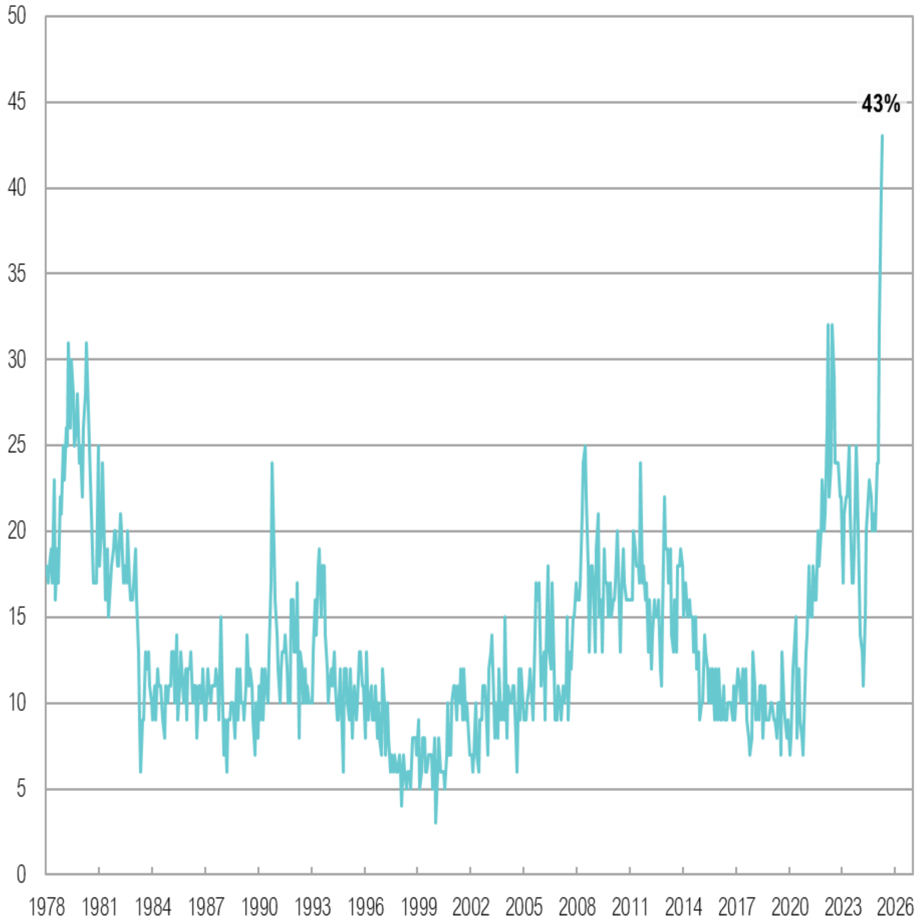
Initial Jobless Claims: Federal Employees, Thousands, Weekly



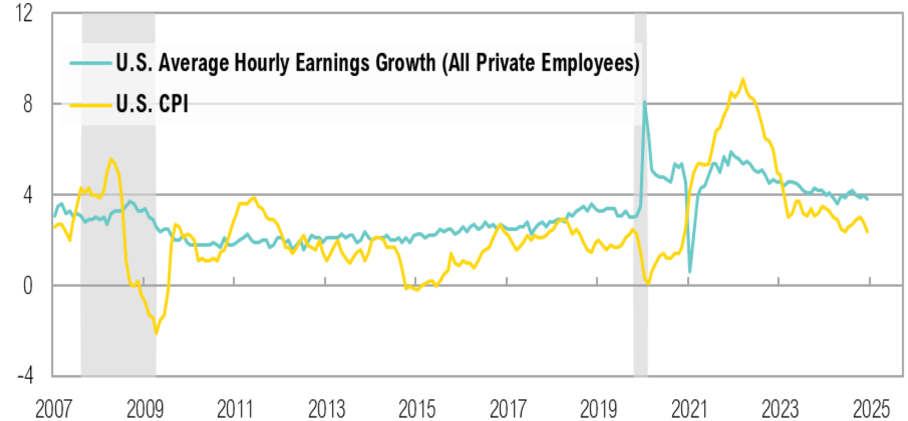
Source: Bloomberg. As of 3/28/2025.

Despite gloomy outlook and pressure on lower-income groups, the average consumer remains in relatively good shape: wage growth is strong, and debt-to-GDP is at the lowest in 20 years

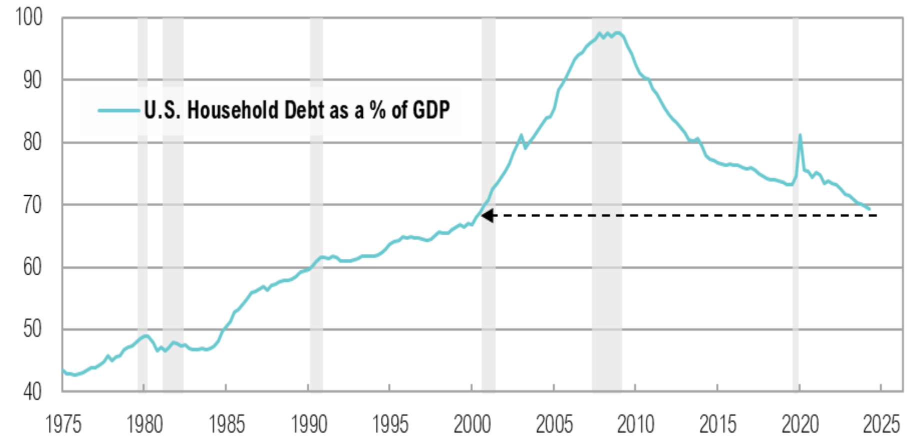
U. Of Michigan Survey: % of Respondents Expecting **Worse** Financial Conditions Over the Next Year



Headline CPI vs Average Hourly Earnings Growth (All Private Employees), %



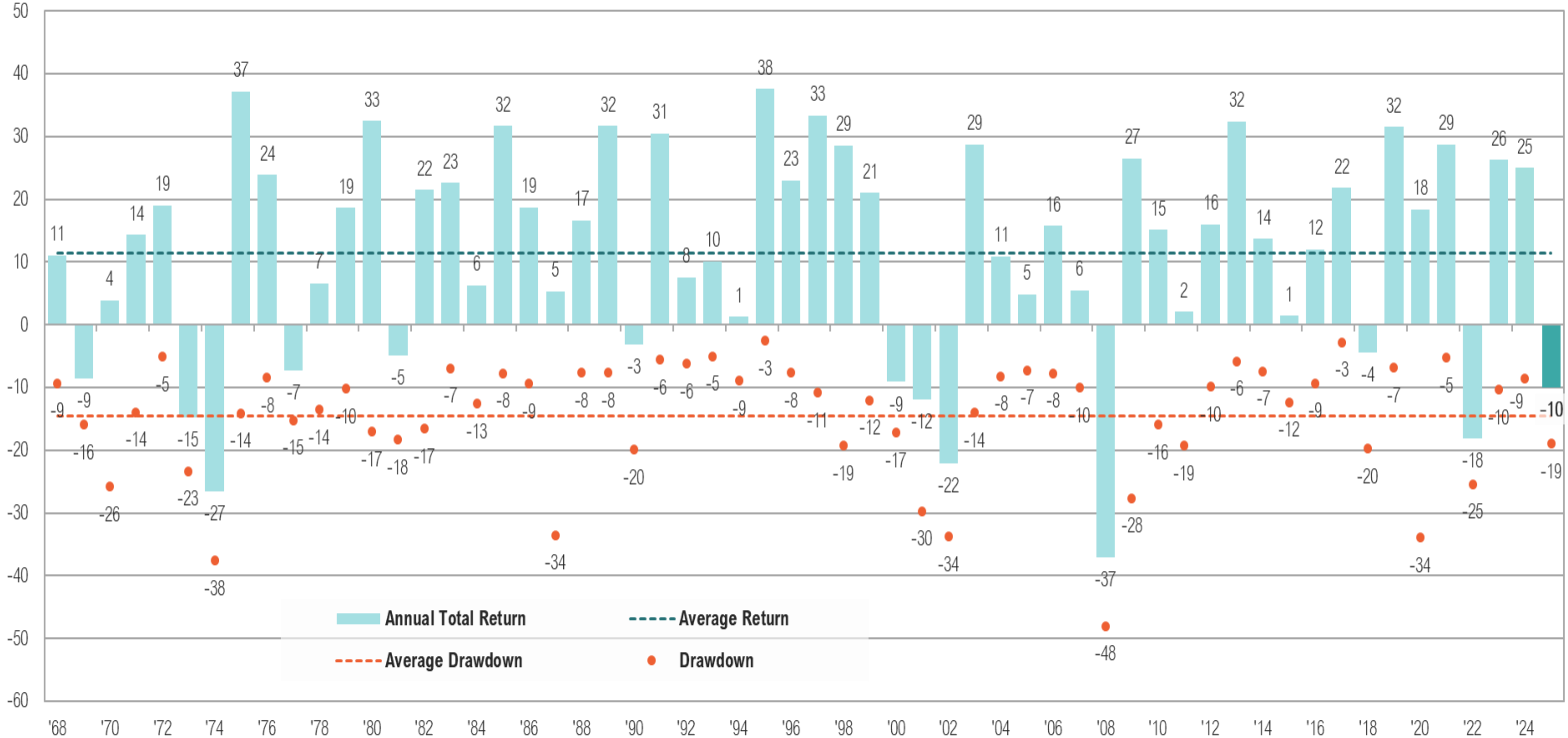
U.S. Household Debt as a Percentage of GDP



Source: Bloomberg

While the recent drawdown was rapid, the absolute level perhaps wasn't: The 19% drawdown in the S&P 500 was only modestly worse than long-term annual average of -14.5%

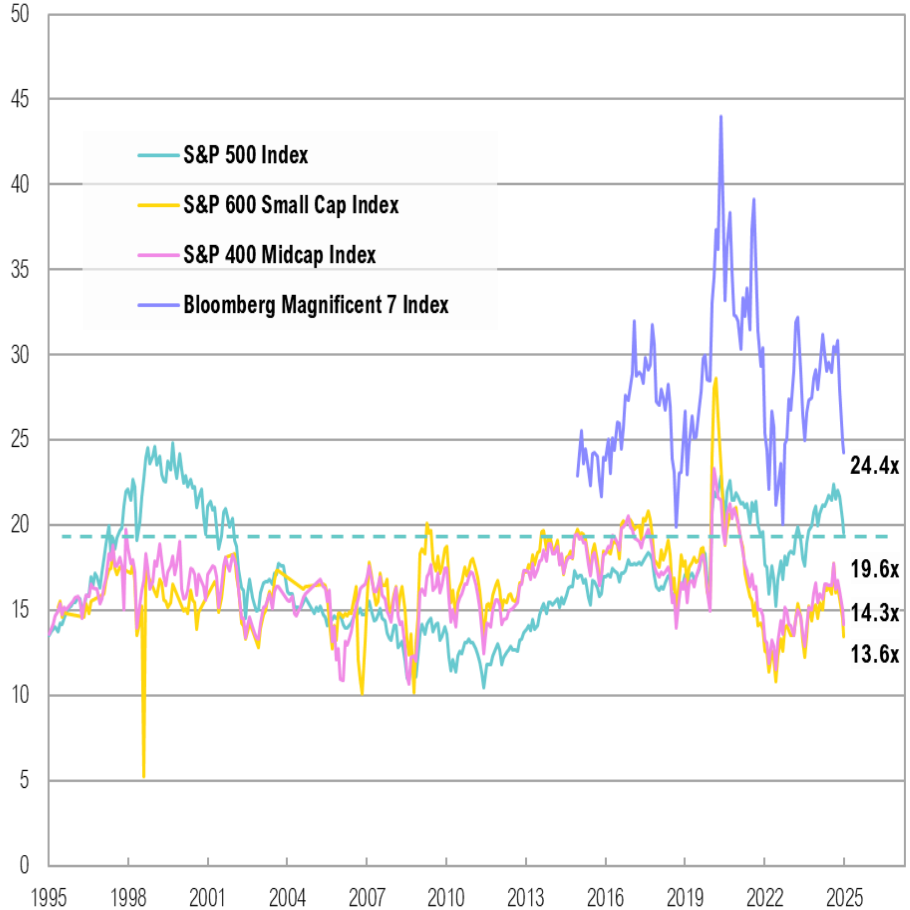
S&P 500 Annual Total Returns & Drawdowns*



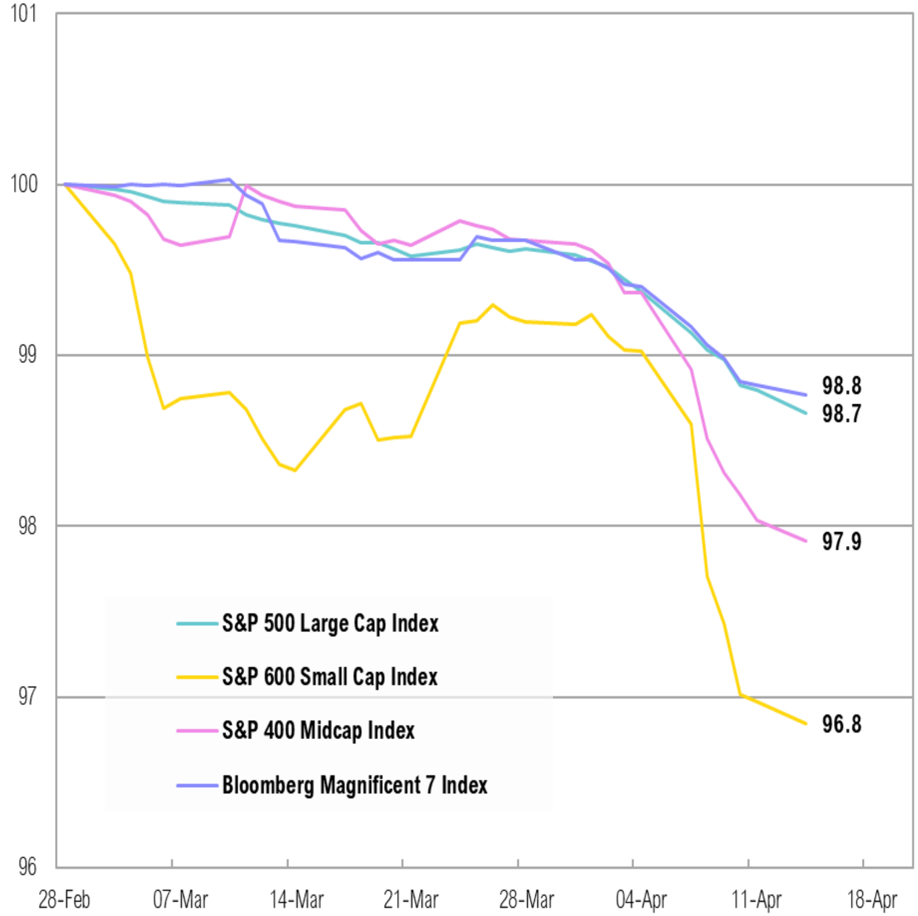
Source: Bloomberg, Ibbotson Associates, SpringTide. Averages are arithmetic. Annual Returns are total returns represented by the S&P 500 TR Index from 1971 to date. Returns prior to 1971 are represented by the Ibbotson Associates U.S. Large Cap Stock TR Index. *Drawdown data is based on the S&P 500 Price Index. See appendix for index definitions and other disclosures. As of 4/16/2025.

At 19.6x, the S&P 500's forward P/E is nearing pre-pandemic levels, while the Mag 7's forward P/E is nearing its 2022 bear market low; however, earnings revisions have only just started

12-Month Forward Price-to-Earnings Ratio



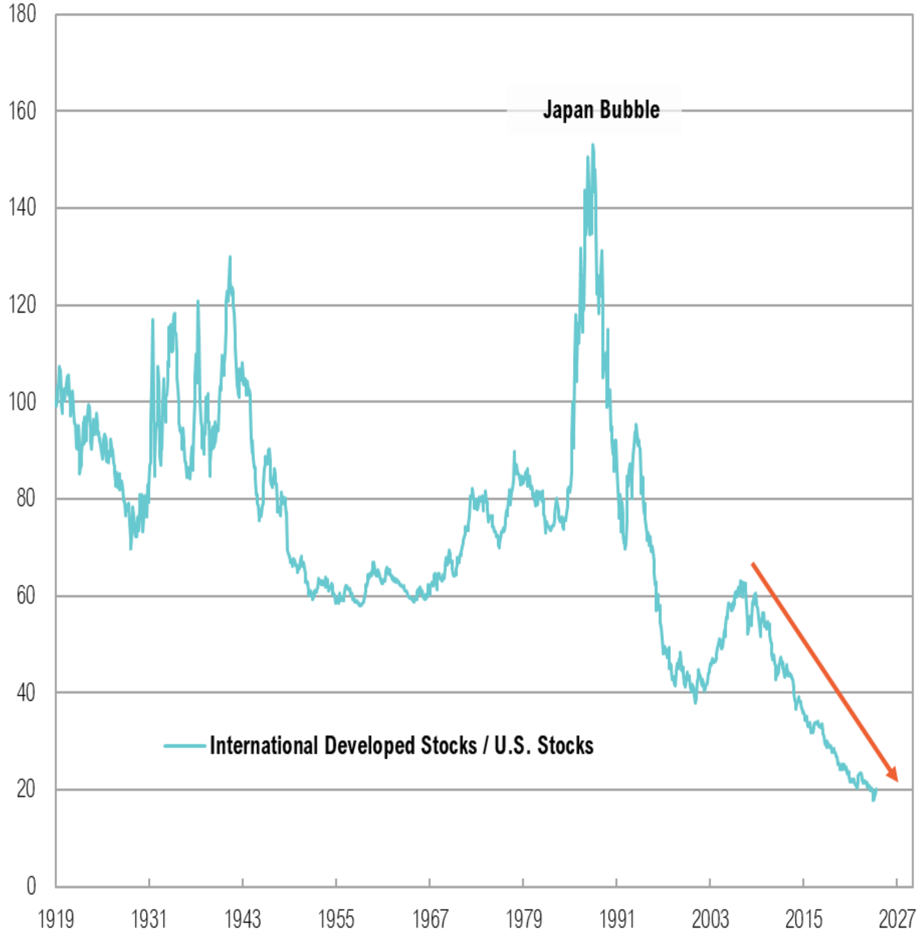
FY25 Earnings per Share Revisions, Growth of 100



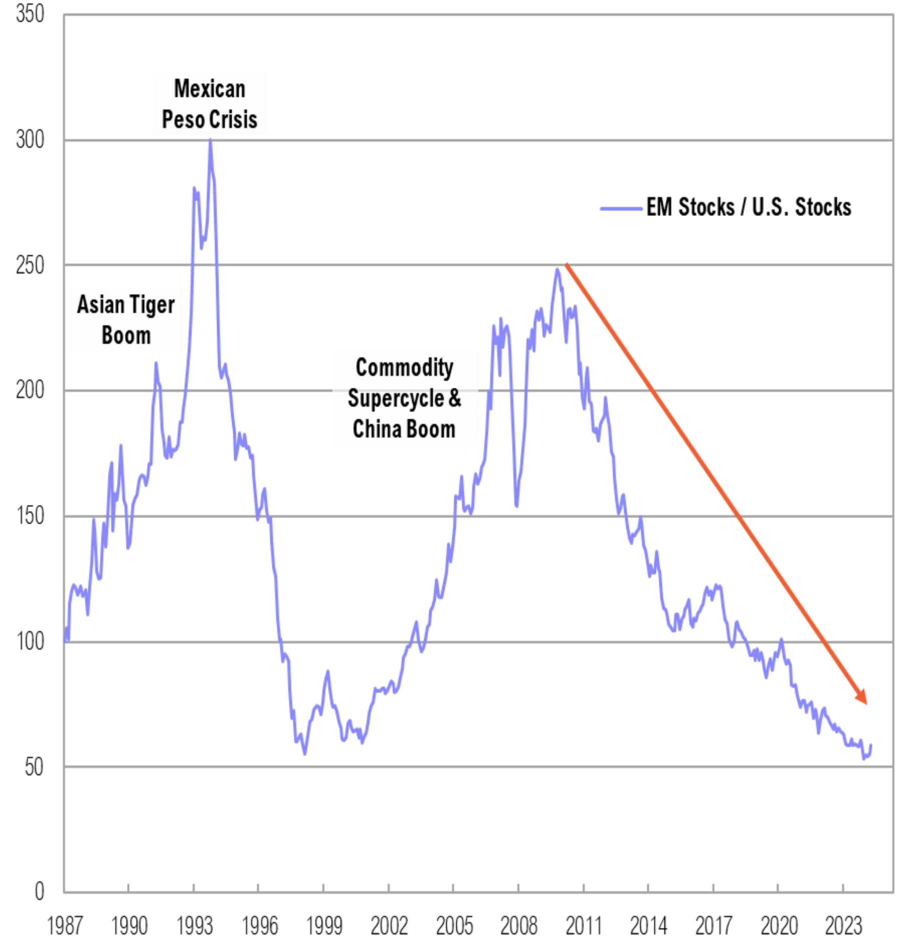
Source: Bloomberg. As of 4/14/2025

While the U.S. has outperformed non-U.S. equities over the past century, the dominance has become more pronounced since the GFC

MSCI EAFE Index vs. S&P 500 Index



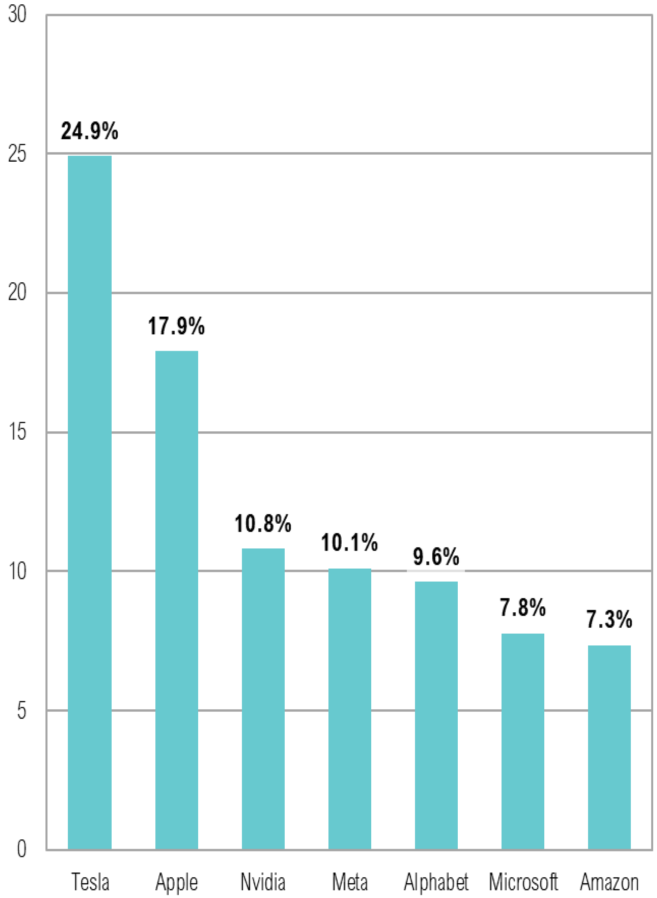
MSCI EM Index vs. S&P 500 Index



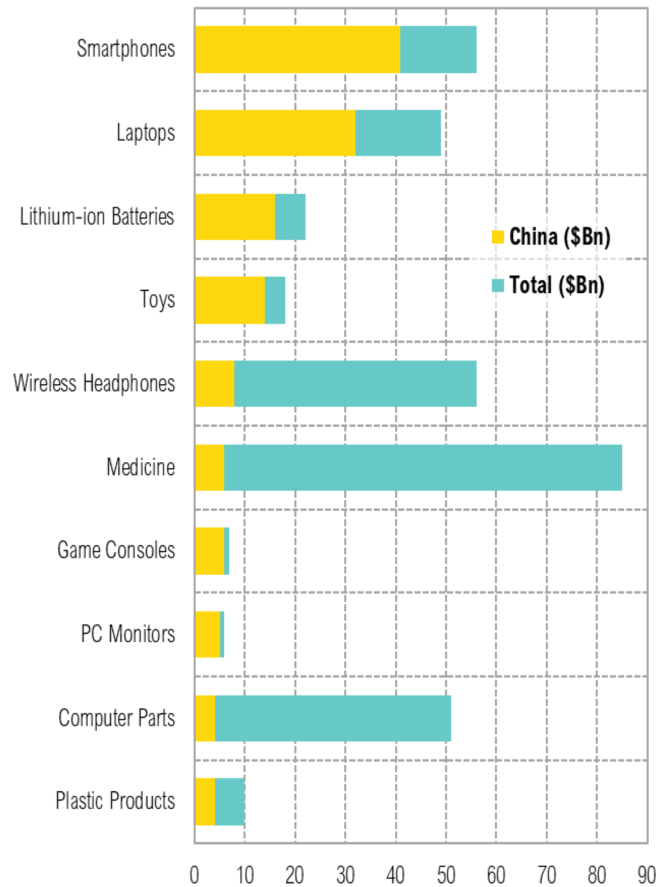
Source: Bloomberg. Returns are total return. See appendix for asset class & index definitions.

Many U.S. companies are highly dependent on China for imports of goods and materials

% of Magnificent 7 Suppliers Domiciled in China



Top 10 U.S. Imports from China (2024), $Bn

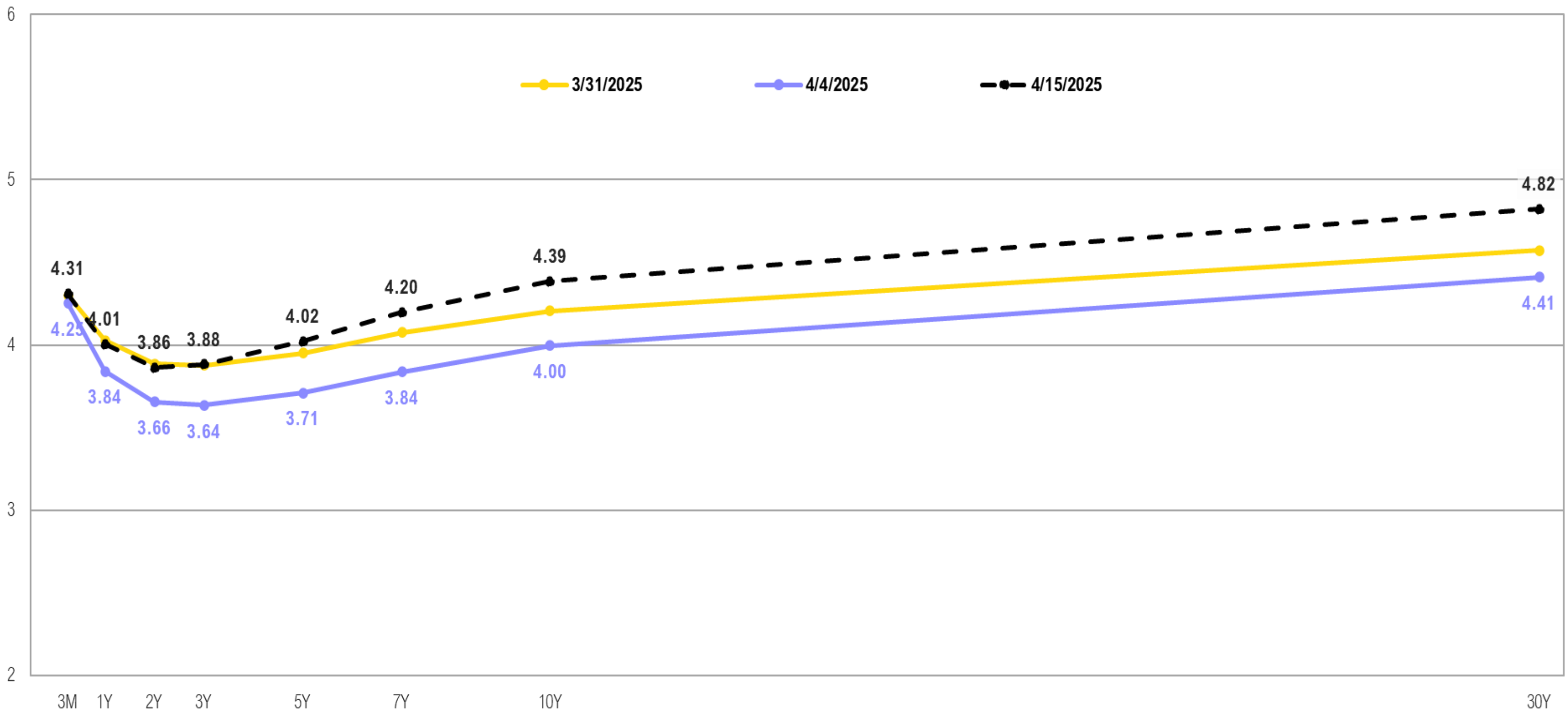


Source: Bloomberg, U.S. International Trade Commission.

- **After decades of integration, Chinese companies have become essential suppliers of a wide range of goods and materials.**
- **A high level of dependence on some goods manufactured in China means that there may be challenges ahead for many businesses and consumers.**
- **China is also a key supplier of critical minerals and metals, many of which form key components of Mag 7 supply chains.**

Yields initially declined on the tariff announcement but have since reversed course and now sit above pre-tariff levels

U.S. Treasury Yield Curve by Date



Source: Bloomberg. As of 4/15/2025.

The 2–3-year part of yield curve has an attractive risk-reward profile—yields could rise 1.0-1.5% in the next year and total returns would still be positive

Estimated 1-Year Total Return for Given Change in Yields

Change in Yields (%) \ Tenor	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
3.0%	3.5%	2.7%	1.2%	-1.8%	-4.4%	-7.0%	-9.5%	-13.9%	-19.2%	-27.3%	-33.3%	-43.0%
2.5%	3.7%	3.0%	1.7%	-0.9%	-3.0%	-5.2%	-7.2%	-10.9%	-15.3%	-22.0%	-27.0%	-35.1%
2.0%	3.8%	3.2%	2.1%	0.1%	-1.6%	-3.4%	-5.0%	-7.9%	-11.4%	-16.7%	-20.7%	-27.2%
1.5%	3.9%	3.5%	2.6%	1.0%	-0.3%	-1.6%	-2.8%	-4.9%	-7.5%	-11.4%	-14.3%	-19.2%
1.0%	4.0%	3.7%	3.0%	1.9%	1.1%	0.3%	-0.5%	-1.9%	-3.6%	-6.1%	-8.0%	-11.3%
0.5%	4.2%	3.9%	3.5%	2.9%	2.5%	2.1%	1.7%	1.1%	0.3%	-0.8%	-1.7%	-3.3%
0.0%	4.3%	4.2%	4.0%	3.8%	3.8%	3.9%	3.9%	4.1%	4.2%	4.5%	4.7%	4.7%
-0.5%	4.4%	4.4%	4.4%	4.8%	5.2%	5.7%	6.2%	7.1%	8.2%	9.8%	11.0%	12.6%
-1.0%	4.5%	4.7%	4.9%	5.7%	6.6%	7.5%	8.4%	10.1%	12.1%	15.1%	17.4%	20.6%
-1.5%	4.7%	4.9%	5.4%	6.7%	7.9%	9.3%	10.6%	13.1%	16.0%	20.5%	23.8%	28.6%
-2.0%	4.8%	5.2%	5.8%	7.6%	9.3%	11.2%	12.9%	16.1%	19.9%	25.8%	30.2%	36.6%
-2.5%	4.9%	5.4%	6.3%	8.5%	10.7%	13.0%	15.1%	19.1%	23.9%	31.1%	36.5%	44.7%
-3.0%	5.0%	5.6%	6.7%	9.5%	12.1%	14.8%	17.4%	22.1%	27.8%	36.4%	42.9%	52.7%

	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
Duration (Yrs)	0.2	0.5	0.9	1.9	2.7	3.6	4.5	6.0	7.8	10.6	12.7	16.0
Yield YTM	4.3	4.2	4.0	3.8	3.8	3.9	3.9	4.1	4.2	4.5	4.7	4.7
Convexity	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.2*	*0.4*	*0.7*	*1.4*	*2.2*	*3.7*

Source: Bloomberg. As of 4/7/2025.

Yield Increase Insulation by Tenor:

- 2-Year: +2.0% (rise in yields)
- 3-Year: +1.0%
- 4-Year: +1.0%
- 5-Year: +0.5%

Total Returns by Tenor (for a 1% decline in yields):

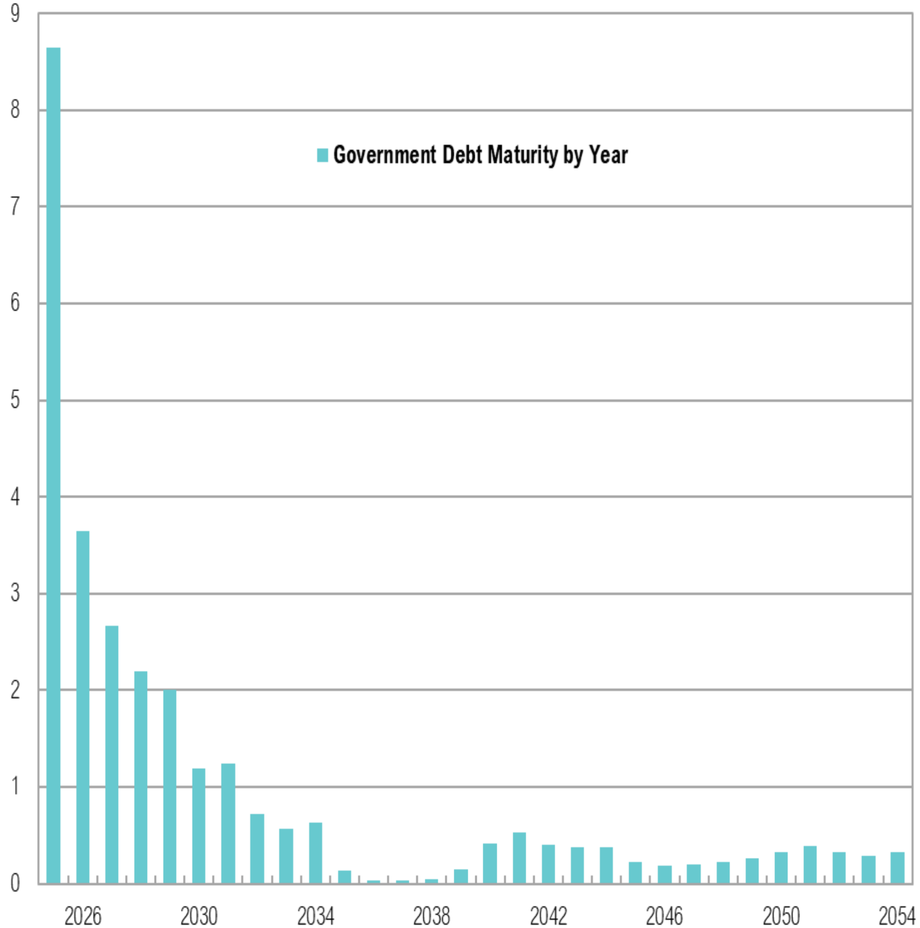
- 15-Year: +15.1%
- 20-Year: +17.4%
- 30-Year: +20.6%

Total Returns by Tenor (for a 1% increase in yields):

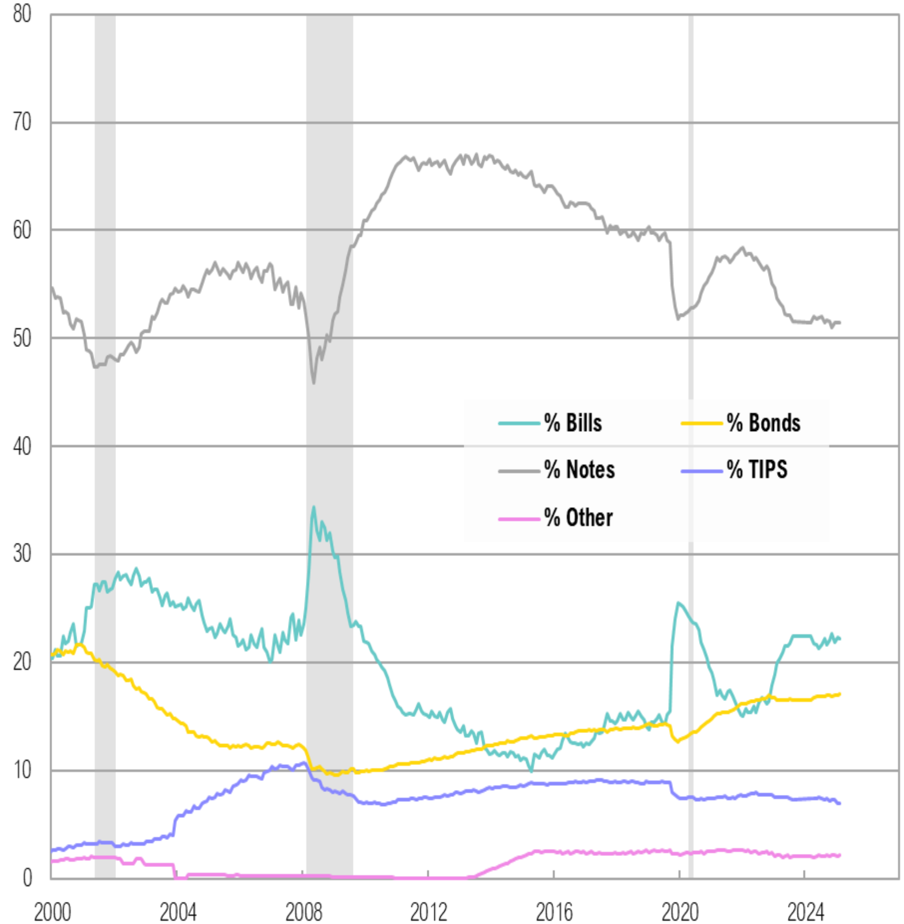
- 15-Year: -6.1%
- 20-Year: -8.0%
- 30-Year: -11.3%

Almost $9Tn in government debt matures in 2025, including >$2Tn of notes and bonds that will be rolled at much higher rates; bill issuance, comprising 22% of total debt, is expected to decline in 2025

Government Debt Maturity by Year, $Tn

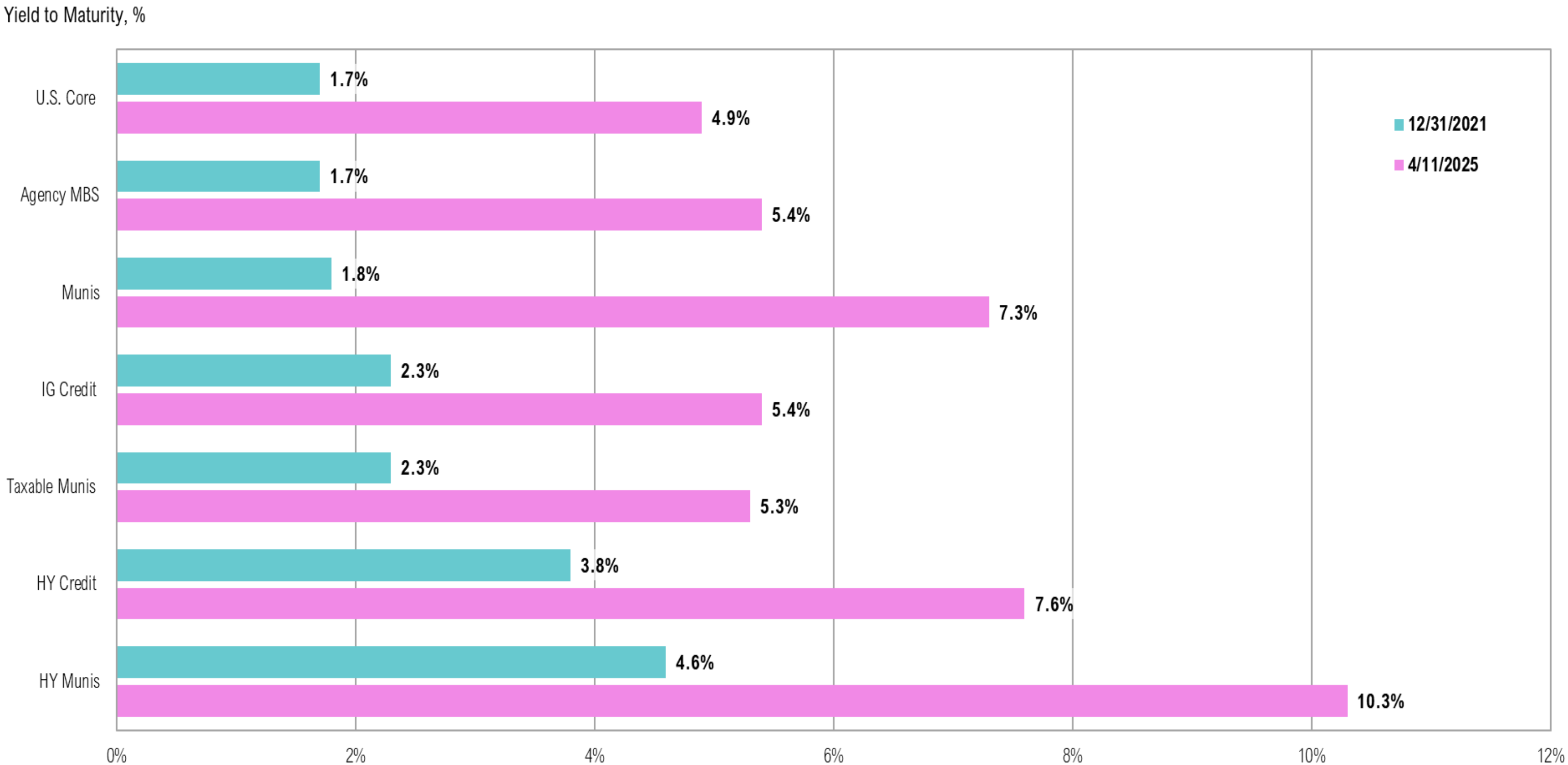


Debt Distribution, % of Total U.S. Marketable Debt Outstanding



Source: Bloomberg

A case for bonds: yields today are at a much more attractive starting point

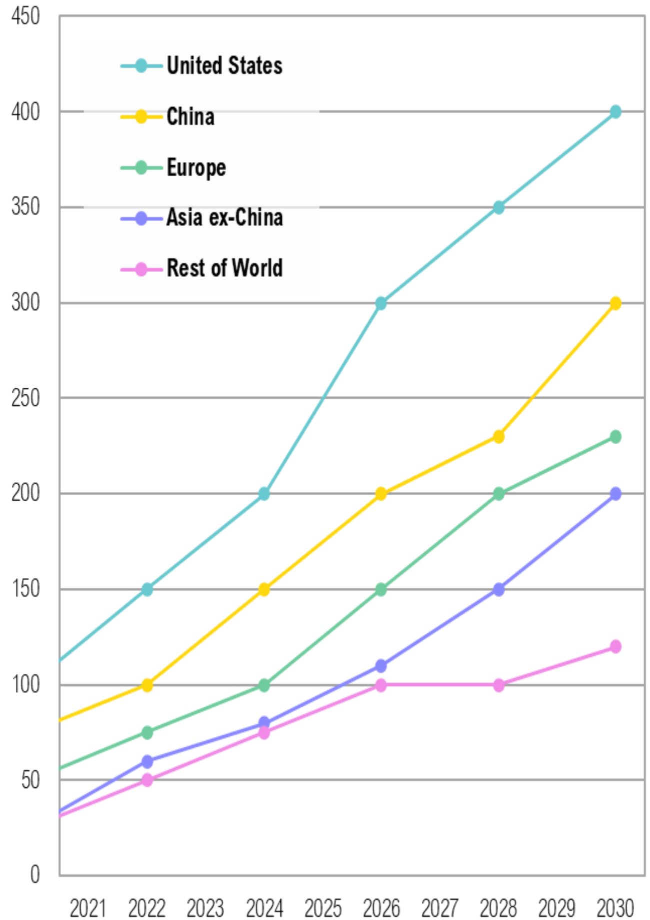


Source: Pimco. As of 4/11/2025.

A nuclear revival: AI is boosting new nuclear plant efficiency to meet growing AI power needs; mega cap tech AI and data center capex continues

Planned AI-Related Capital Expenditure in Current Fiscal Year, $Bn

Data Center Electricity Consumption, Estimated TWh



CIO JOURNAL

Nuclear Power Is Back. And This Time, AI Can Help Manage the Reactors.

Argonne National Lab has an AI-based tool that can help design and operate nuclear reactors—at a time when AI itself is feeding a power frenzy.

By Belle Lin Follow

April 11, 2025 7:00 am ET

World Bank May Drop Ban on Funding Nuclear Power, President Says

By Ramsey Al-Rikabi and Shoko Oda

March 20, 2025 at 4:03 PM GMT+2

Updated on March 20, 2025 at 5:44 PM GMT+2

BUSINESS | ENERGY & OIL Follow

AI Boom to Fuel Surge in Data Center Energy Needs, IEA Says

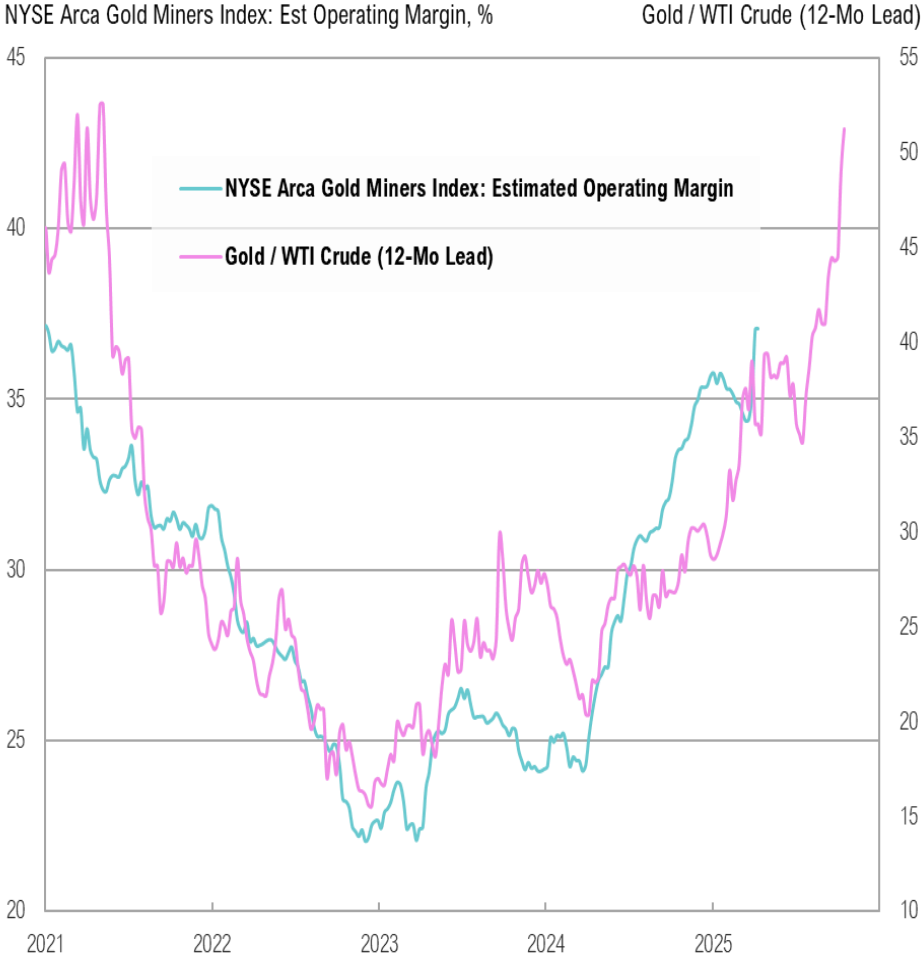
By 2030, data centers will require slightly more energy than Japan consumes today, with demand for AI-optimized facilities alone set to quadruple, IEA predicts

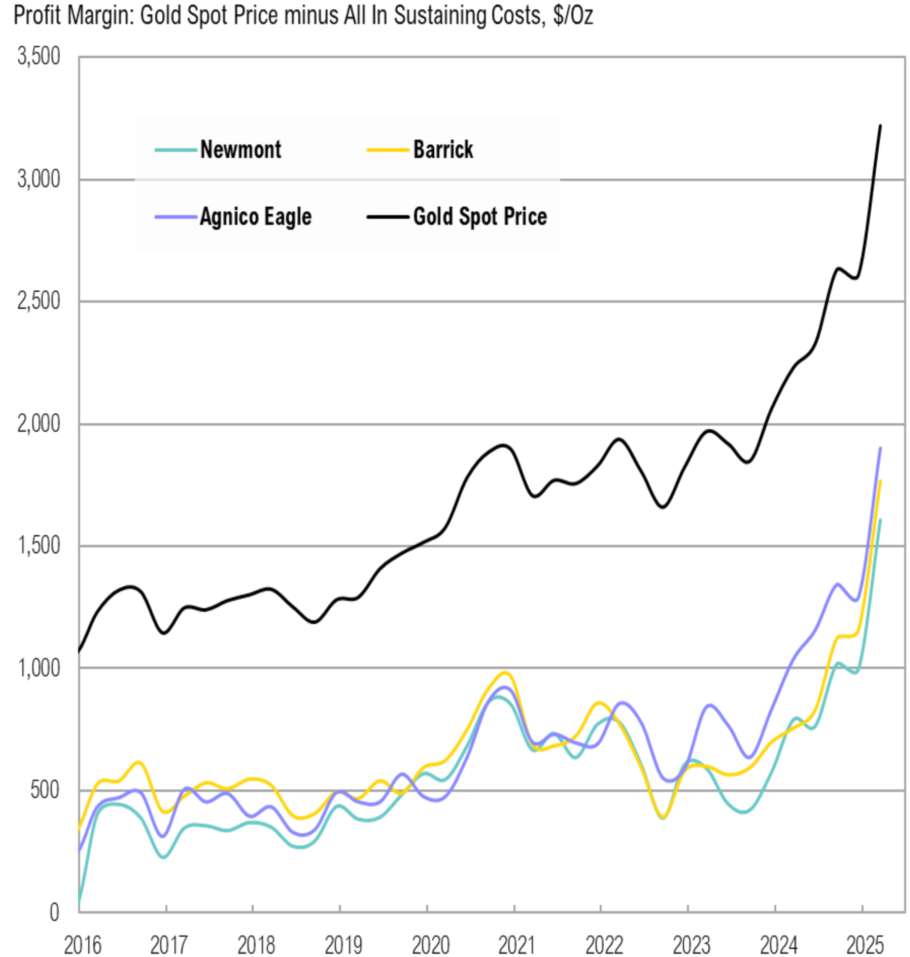
By Giulia Petroni Follow

April 10, 2025 9:18 am ET

Source: Bloomberg, IEA, Wall Street Journal, CNBC.

Gold miners are experiencing the perfect setup for margin expansion: spot gold prices are up >40%, while crude prices—a major expense for miners—are down >25% since 1Q24





Source: Bloomberg, RHS assumes stable 25Q1 costs vs gold spot price. As of 4/13/2025.

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Performance Disclosures

All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

Appendix: Asset Class Definitions

Asset Class	Benchmark	Index	Start Date	End Date	Data Source
U.S. Large Cap Stocks	S&P 500 Index	S&P 500 TR Index	01/31/1970	n/a	Bloomberg, Ibbotson Associates, NYU/Stern
		IA SBBI US Large Stock TR Index	01/31/1926	12/31/1969	
		NYU/Stern S&P 500 TR	01/31/1920	12/31/1925	
U.S. Small & Micro Cap	Russell 2000 TR Index	Russell 2000 TR Index	01/31/1979	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA SBBI US Small Stock TR Index	01/31/1926	12/31/1978	
		SpringTide U.S. Small & Micro Cap Premium-Based Extension	01/31/1920	12/31/1925	
Intl Dev Stocks	MSCI EAFE NR Index	MSCI EAFE NR Index	01/31/1970	n/a	MSCI, NYU/Stern
		NYU/Stern Developed World Indices	01/31/1920	12/31/1969	
EM & Frontier Stocks	MSCI Emerging Markets NR Index	MSCI Emerging Markets NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern Emerging World Index (Price)	01/31/1920	12/31/2000	
Global Stocks	MSCI ACWI NR Index	MSCI ACWI NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern All World Index (Price)	01/31/1920	12/31/2000	
Venture Capital	Cambridge Venture Capital	Cambridge Venture Capital	01/01/1981	n/a	Cambridge, SpringTide
		SpringTide Venture Capital Premium-Based Extension	01/31/1920	12/31/1980	
U.S. Muni Bonds	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	07/31/1993	n/a	Bloomberg
		USA Municipal AAA Bonds Total Return Index (TRUSAMUM)	01/31/1920	06/30/1993	
U.S. Long-Term Bonds	Bloomberg US Long Gov/Corp TR Index	Bloomberg US Long Gov/Corp TR Index	02/28/1999	n/a	Bloomberg, NYU/Stern
		NYU/Stern US 30Yr Government Bond TR Index	01/31/1920	01/31/1999	
U.S. Interm-Term Bonds	Bloomberg US Aggregate Bond TR Index	Bloomberg US Aggregate Bond TR Index	01/31/1976	n/a	Bloomberg, NYU/Stern
		NYU/Stern US Total Return AAA Corporate Bond Index	01/31/1920	12/31/1975	
U.S. High Yield Bonds	Bloomberg US Corporate High Yield TR Index	Bloomberg US Corporate High Yield TR Index	07/31/1983	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA Bloomberg US HY Corporate Bonds	02/28/1926	06/30/1983	
		SpringTide U.S. High Yield Bonds Premium-Based Extension	01/31/1920	01/31/1926	
Intl Dev Bonds	Bloomberg Global Aggregate ex-USD TR Index	Bloomberg Global Aggregate ex-USD TR Index	01/31/1990	n/a	Bloomberg, NYU/Stern
		NYU/Stern All World ex-USA Government Bond Index	01/31/1920	12/31/1989	
U.S. REITs	MSCI US REIT GR Index	MSCI US REIT GR Index	01/01/1995	n/a	Bloomberg, Winans
		Winans US Real Estate Index (WIREI)	01/01/1920	12/31/1994	
Commodity Futures	Bloomberg Commodity TR Index	Bloomberg Commodity TR Index	01/31/1991	n/a	Bloomberg
		Thompson Jefferies CRB Core Commodity Total Return Index	01/31/1920	12/31/1990	
Midstream Energy	Alerian MLP TR Index	Alerian MLP TR Index	01/31/1996	n/a	Alerian, Bloomberg
		S&P 500 Energy Index	01/31/1946	12/31/1995	
		ExxonMobil Corp (XOM)	01/31/1920	12/31/1945	
Gold	LBMA Gold Price	LBMA Gold Price	02/29/1968	n/a	LBMA, Bloomberg
		New York Spot Bullion	01/31/1920	01/31/1968	
Cash/Ultra-Short Bonds	Bloomberg US T-Bill 1-3 Month TR Index	Bloomberg US T-Bill 1-3 Month TR Index	12/31/1991	n/a	Bloomberg, NYU/Stern
		NYU/Stern USA Total Return T-Bill Index	01/31/1920	11/30/1991	

Appendix: Asset Class Definitions

Asset Class Benchmarks

Asset class performance was measured using the following benchmarks:

U.S. Large Cap Stocks: S&P 500 TR Index

U.S. Small & Micro Cap Stocks: Russell 2000 TR Index

Intl Dev Large Cap Stocks: MSCI EAFE GR Index

Intl Dev Small & Micro Stocks: MSCI EAFE GR Index

Emerging & Frontier Market Stocks: MSCI Emerging Markets GR Index

Global Stocks: MSCI ACWI GR Index

Private Equity: Cambridge Associates U.S. Private Equity

Venture Capital: Cambridge Associates U.S. Venture Capital

U.S. Interm-Term Muni Bonds: Bloomberg Barclays 1-10 (1-12 Yr) Muni Bond TR Index

U.S. High Yield Muni Bonds: Bloomberg Barclays High Yield Muni TR Index

U.S. Interm-Term Bonds: Bloomberg Barclays U.S. Aggregate Bond TR Index

U.S. High Yield Bonds: Bloomberg Barclays U.S. Corporate High Yield TR Index

U.S. Bank Loans: S&P/LSTA U.S. Leveraged Loan Index

Intl Developed Bonds: Bloomberg Barclays Global Aggregate ex-U.S. Index

Emerging & Frontier Market Bonds: JPMorgan EMBI Global Diversified TR Index

Public BDCs: S&P BDC Index

U.S. REITs: MSCI U.S. REIT GR Index

Ex U.S. Real Estate Securities: S&P Global Ex-U.S. Property TR Index

Private Real Estate: Cambridge Associates Real Estate

Commodity Futures: Bloomberg Commodity TR Index

Midstream Energy: Alerian MLP TR Index

Gold: LBMA Gold Price

Long-Short Equity: HFRI Equity Hedge Index

Global Macro: HFRI Macro-CTA Index

Relative Value: HFRI Relative Value Index

Closed-End Funds: S-Network Composite Closed-End TR Index

Insurance-Linked Securities: SwissRe Global Cat Bond TR Index

Digital Assets: MVIS CryptoCompare Digital Assets 25 Index

Cash & Cash Equivalents: Bloomberg Barclays U.S. T-Bill 1-3 Month TR Index

U.S. Short-Term Muni Bonds: Bloomberg Barclays Municipal 1-3 Yr TR Index

U.S. Short-Term Bonds: Bloomberg Barclays U.S. Agg 1-3 Yr TR Index

U.S. 60/40: 60% S&P 500 TR Index 40% Bloomberg Barclays U.S. Aggregate Bond TR Index

Global 60/40: 60% MSCI ACWI GR Index 40% Bloomberg Barclays Global Aggregate Bond TR Index