



# Q1

## Quarterly Market Review

### First Quarter 2025

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# Quarterly Market Review

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the Canadian, US, and international markets. The report concludes with a quarterly topic.

## Overview:

Market Summary

World Stock Market Performance

Canadian Stocks

US Stocks

International Developed Stocks

Emerging Markets Stocks

Country Returns

Real Estate Investment Trusts (REITs)








Fixed Income

Global Fixed Income

Quarterly Topic: Tariff Target Markets

# Quarterly Market Summary

Returns (CAD), as of March 31, 2025

	Stocks					Bonds	
	Canadian Stock Market	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	Canadian Bond Market	Global Bond Market ex US
<b>Q1 2025</b>	1.51%	-4.65%	6.94%	3.00%	1.45%	2.02%	0.81%
							
<b>Since January 2001</b>							
Average Quarterly Return	2.0%	2.7%	1.4%	2.2%	2.0%	1.1%	1.0%
Best Quarter	20.0%	16.8%	15.8%	27.9%	22.2%	8.3%	5.7%
	<b>2009 Q2</b>	<b>2020 Q2</b>	<b>2009 Q2</b>	<b>2001 Q4</b>	<b>2009 Q3</b>	<b>2023 Q4</b>	<b>2023 Q4</b>
Worst Quarter	-22.7%	-14.0%	-16.8%	-23.5%	-25.8%	-7.0%	-5.0%
	<b>2008 Q4</b>	<b>2022 Q2</b>	<b>2008 Q3</b>	<b>2008 Q3</b>	<b>2008 Q4</b>	<b>2022 Q1</b>	<b>2022 Q1</b>

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# Long-Term Market Summary

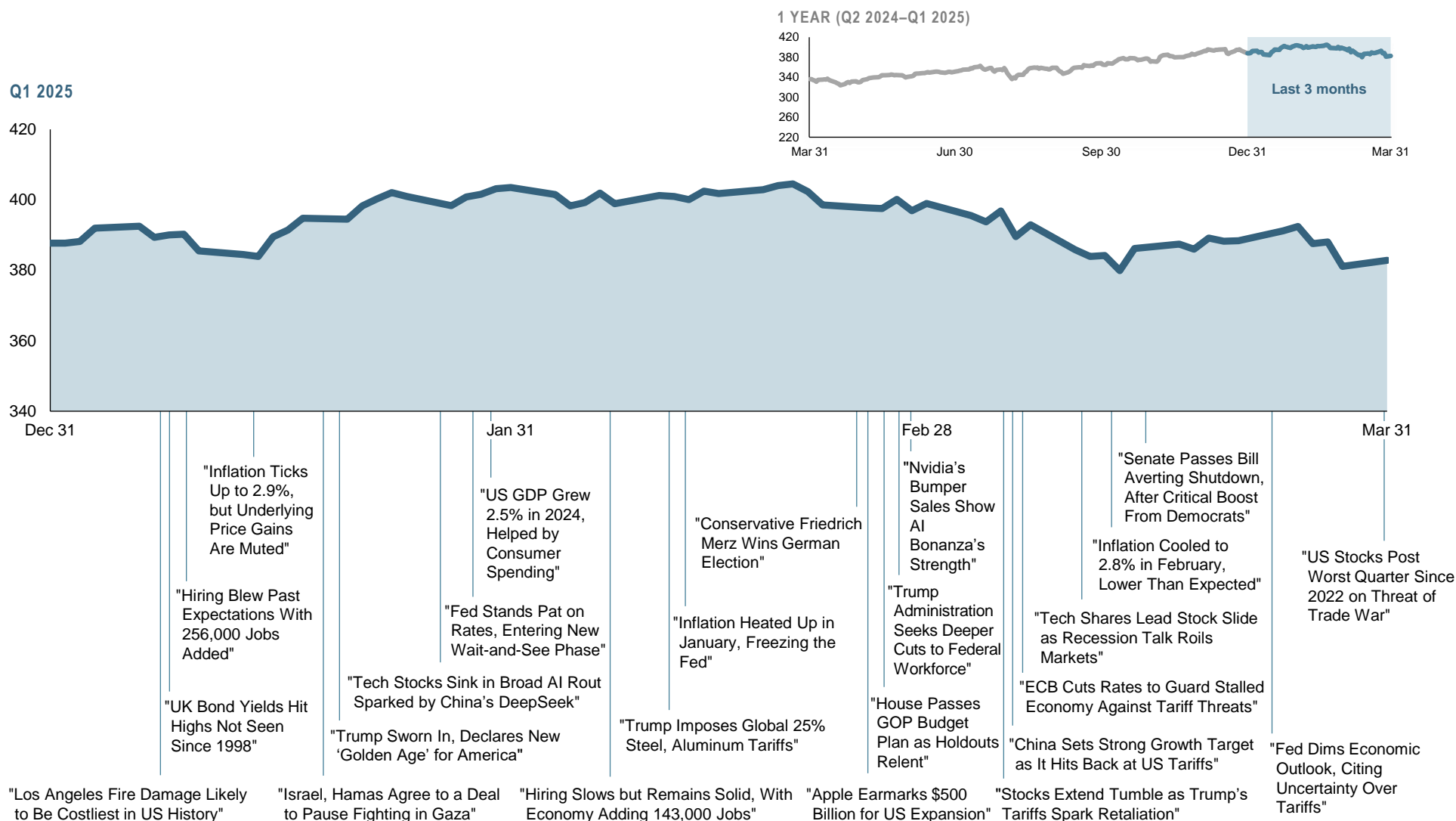
Returns (CAD), as of March 31, 2025

	Stocks					Bonds	
	Canadian Stock Market	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	Canadian Bond Market	Global Bond Market ex US
1 Year	15.81% ↑	14.03% ↑	11.55% ↑	14.96% ↑	12.14% ↑	7.65% ↑	3.38% ↑
5 Years	16.76% ↑	18.44% ↑	12.02% ↑	8.18% ↑	8.13% ↑	0.88% ↑	-0.10% ↓
10 Years	8.54% ↑	13.24% ↑	6.75% ↑	5.04% ↑	4.08% ↑	1.77% ↑	1.49% ↑
15 Years	8.16% ↑	15.42% ↑	8.14% ↑	5.48% ↑	8.53% ↑	3.17% ↑	2.80% ↑
20 Years	7.97% ↑	11.04% ↑	6.09% ↑	6.99% ↑	5.71% ↑	3.68% ↑	3.24% ↑

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# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2025



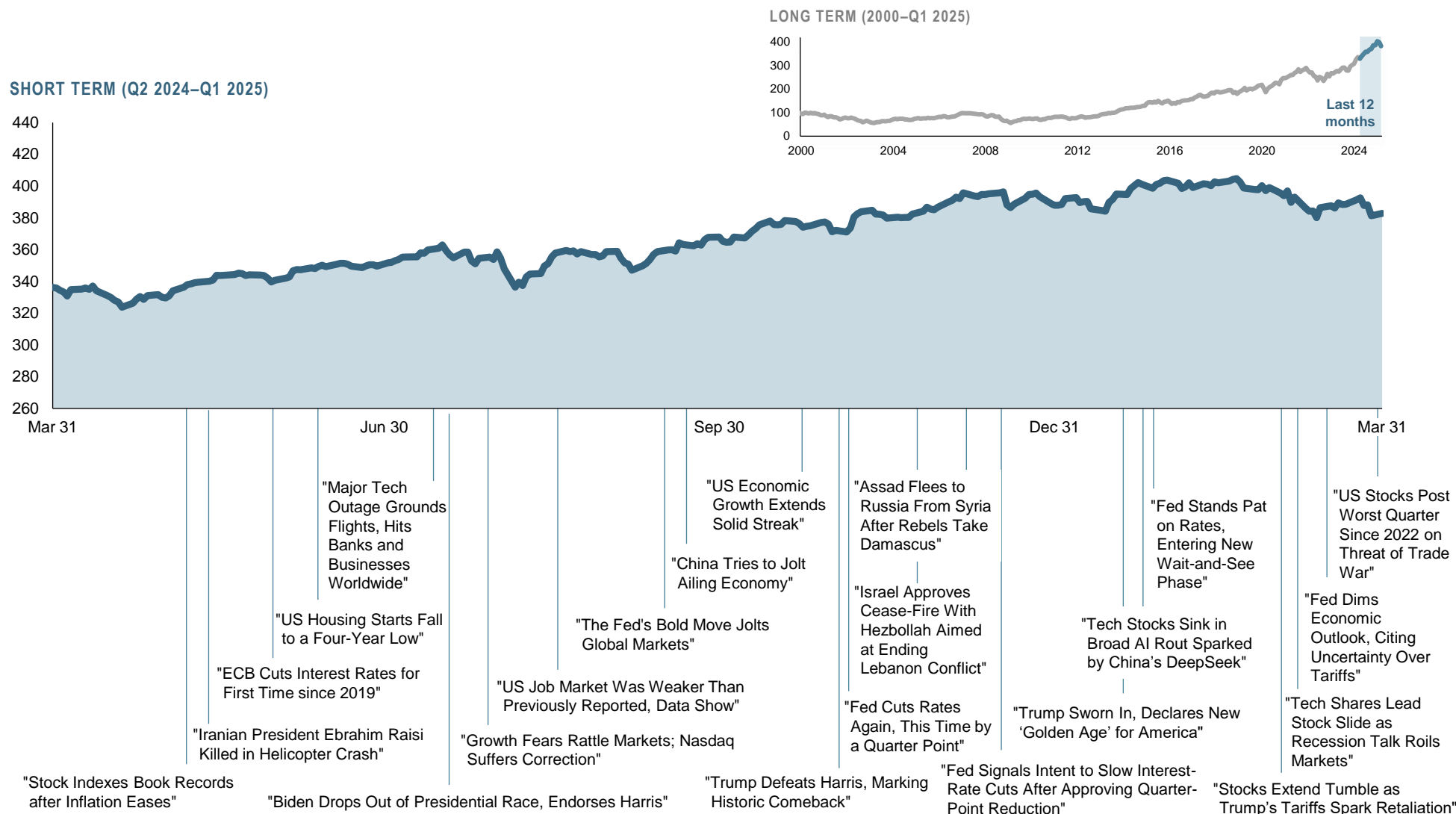
*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index (net dividends, CAD). MSCI data © MSCI 2025, all rights reserved. Index level based at 100 starting January 2000.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

# World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



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

Graph Source: MSCI ACWI Index (net dividends, CAD). MSCI data © MSCI 2025, all rights reserved. Index level based at 100 starting January 2000.

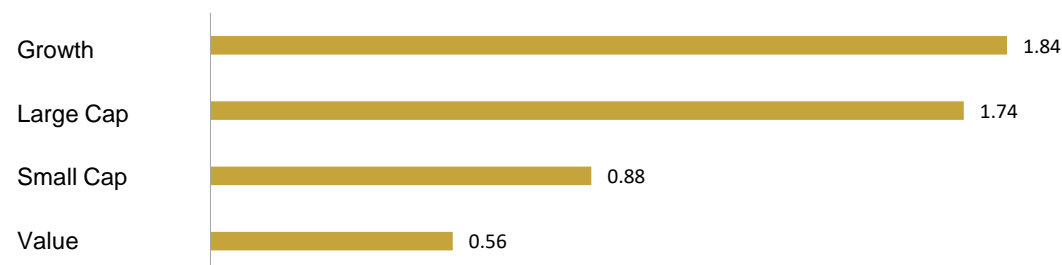
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# Canadian Stocks

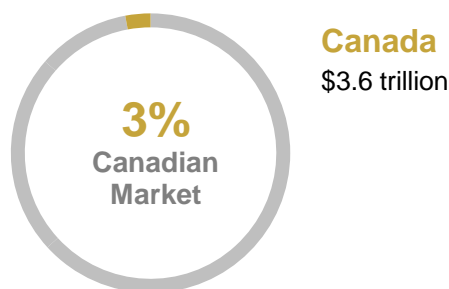
Returns (CAD), 1st Quarter 2025

- The Canadian equity market posted positive returns for the quarter and outperformed the US market, but underperformed international developed and emerging markets.
- Value underperformed growth.
- Small caps underperformed large caps.

## Ranked Returns (%)



## World Market Capitalization—Canada



## Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Growth	1.84	11.91	7.00	12.66	6.04	6.32	6.51
Large Cap	1.74	15.82	7.73	16.49	8.99	8.41	8.38
Small Cap	0.88	11.08	1.68	20.11	6.13	4.73	4.16
Value	0.56	19.60	8.24	18.55	8.89	7.80	7.68

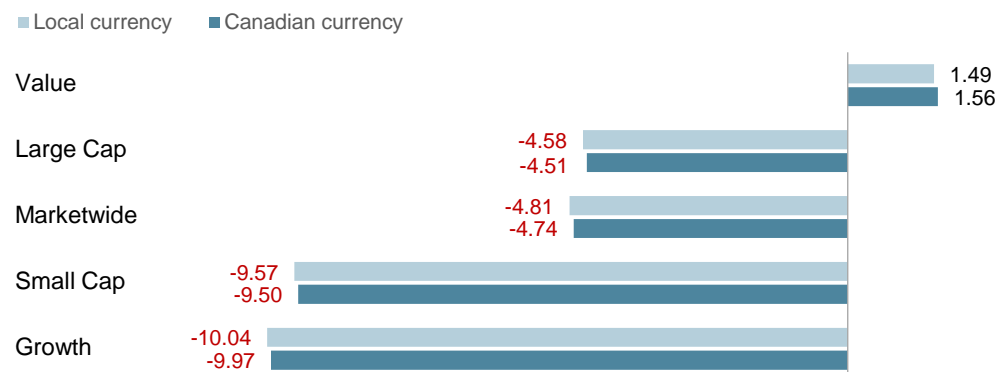
**Past performance is not a guarantee of future results.** Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (S&P/TSX 60 Index), Small Cap (S&P/TSX Small Cap Index), Value (MSCI Canada Value Index), and Growth (MSCI Canada Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by S&P/TSX Composite Index, Russell 3000 Index, MSCI EAFE IMI Index, MSCI Emerging Markets IMI Index. S&P/TSX data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# US Stocks

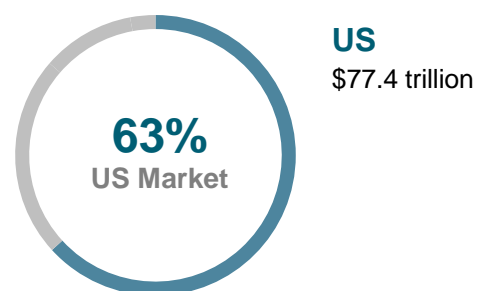
Returns (CAD), 1st Quarter 2025

- The US equity market posted negative returns for the quarter and underperformed Canadian, international developed, and emerging markets.
- Value outperformed growth.
- Small caps underperformed large caps.

## Ranked Returns (%)



## World Market Capitalization—US



## Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	1.56	12.73	10.68	15.63	9.26	—	—
Large Cap	-4.51	14.22	13.40	18.20	13.04	—	—
Marketwide	-4.74	13.59	12.95	17.92	12.67	14.81	10.43
Small Cap	-9.50	1.71	4.95	13.10	7.24	—	—
Growth	-9.97	13.78	14.66	19.54	15.65	—	—

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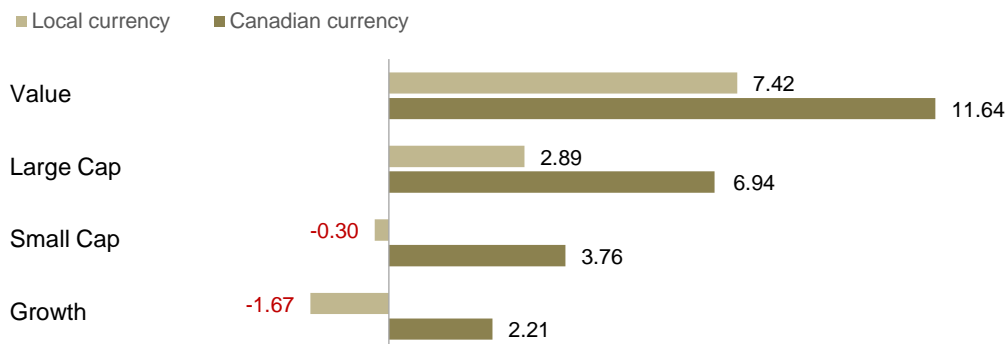


# International Developed Stocks

Returns (CAD), 1st Quarter 2025

- The international developed equity market posted positive returns for the quarter and outperformed US, Canadian, and emerging markets.
- Value outperformed growth.
- Small caps underperformed large caps.

## Ranked Returns (%)



## World Market Capitalization—International Developed



**International Developed Markets**  
\$28.4 trillion

## Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	11.64	20.02	15.00	15.03	6.41	7.61	5.56
Large Cap	6.94	11.55	11.18	12.02	6.75	8.14	6.09
Small Cap	3.76	9.65	5.76	10.14	6.69	8.99	6.67
Growth	2.21	3.56	7.31	8.78	6.82	8.47	6.45

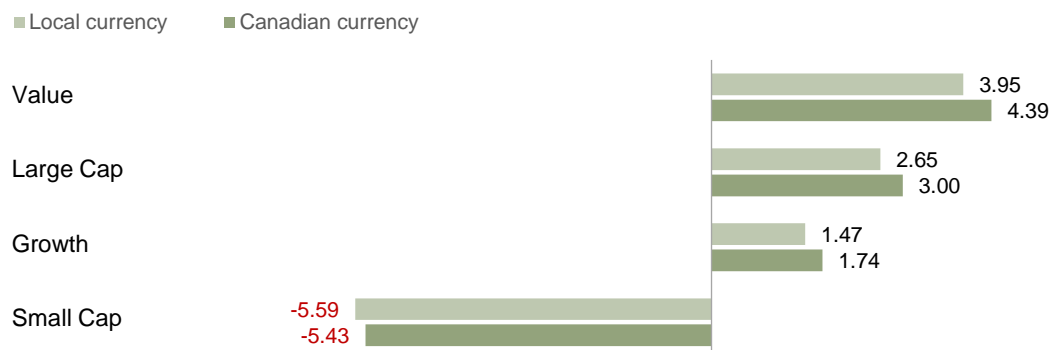
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI EAFE Index [net dividends]), Small Cap (MSCI EAFE Small Cap Index [net dividends]), Value (MSCI EAFE Value Index [net dividends]), and Growth (MSCI EAFE Growth Index [net dividends]). All index returns are net of withholding tax on dividends. World Market Cap represented by S&P/TSX Composite Index, Russell 3000 Index, MSCI EAFE IMI Index, MSCI Emerging Markets IMI Index. S&P/TSX data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. MSCI data © MSCI 2025, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# Emerging Markets Stocks

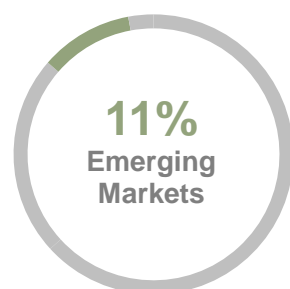
Returns (CAD), 1st Quarter 2025

- The emerging equity market posted positive returns for the quarter and outperformed US and Canadian markets, but underperformed international developed markets.
- Value outperformed growth.
- Small caps underperformed large caps.

## Ranked Returns (%)



## World Market Capitalization—Emerging



**Emerging Markets**  
\$13.1 trillion

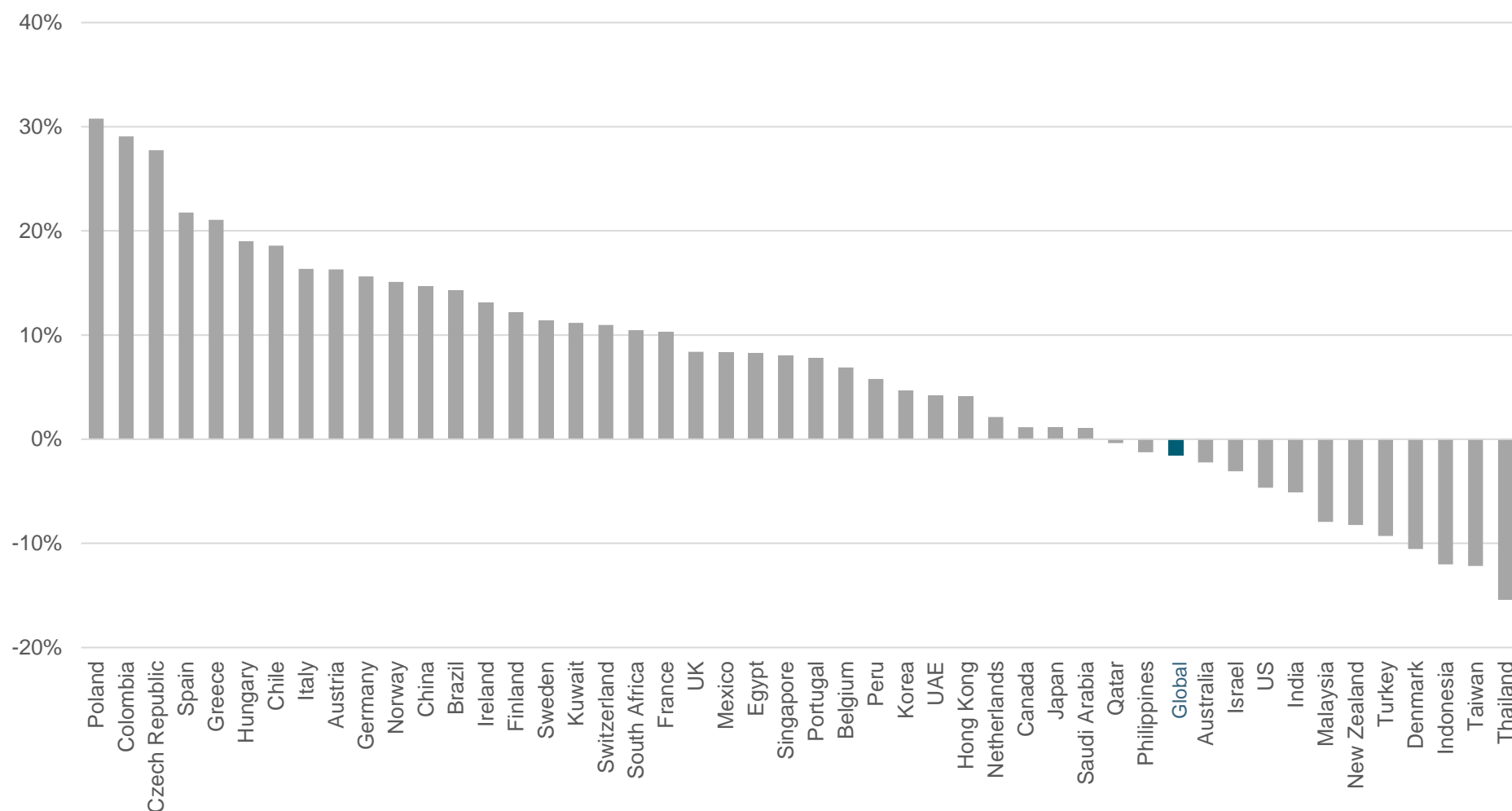
## Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	4.39	14.44	7.73	10.06	4.54	4.58	6.72
Large Cap	3.00	14.96	6.35	8.18	5.04	5.48	6.99
Growth	1.74	15.40	5.03	6.36	5.44	6.29	7.18
Small Cap	-5.43	4.23	6.61	15.99	6.11	6.50	8.18

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# Country Returns

Returns (CAD), 1st Quarter 2025



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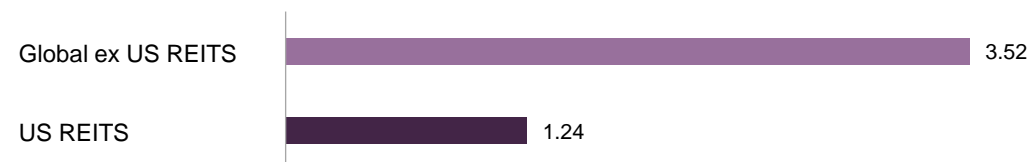
Country returns are the country component indices of the MSCI All Country World IMI Index for all countries except Canada, where the S&P/TSX Composite is used, and the United States, where the Russell 3000 Index (net of tax) is used instead. Global is the return of the MSCI All Country World IMI Index. MSCI index returns are net dividend. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. S&P/TSX data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. MSCI data © MSCI 2025, all rights reserved.

# Real Estate Investment Trusts (REITs)

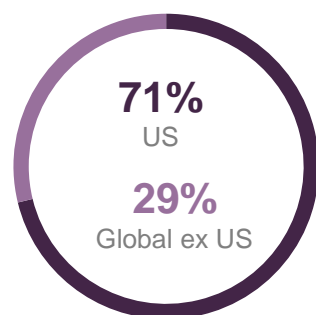
Returns (CAD), 1st Quarter 2025

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

## Ranked Returns (%)



## Total Value of REIT Stocks



### US

\$1,505 billion  
103 REITs

### Global ex US

\$609 billion  
271 REITs  
(25 other countries)

## Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Global ex US REITS	3.52	3.94	-2.54	3.43	1.47	5.91	3.36
US REITS	1.24	16.77	3.36	11.08	5.87	10.74	7.89

# Fixed Income

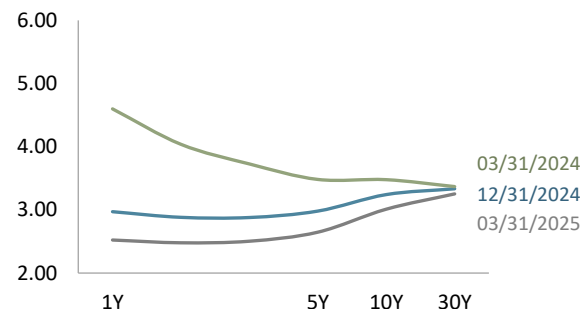
Returns (CAD), 1st Quarter 2025

Interest rates decreased within the Canadian government bond market during the quarter. The Canadian government yield curve was inverted in the short-term maturity segment and upwardly sloped in the intermediate- to long-term maturity segment.

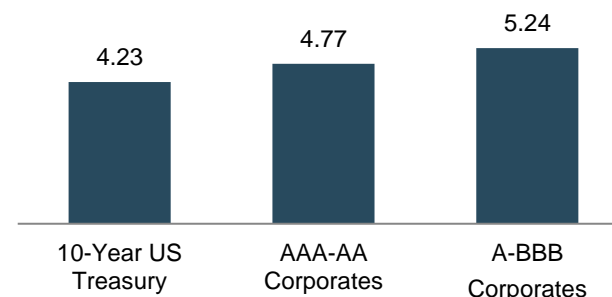
Realized term premiums in Canadian bonds were mixed during the quarter. Intermediate-term bonds generally outperformed both longer-term and shorter-term bonds.

Realized credit premiums in Canadian bonds were negative during the quarter as corporate bonds generally underperformed their government counterparts.

**Canadian Treasury Yield Curve (%)**



**Bond Yield Across Issuers (%)**



**Periodic Returns (%)**

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
FTSE World Government Bond Index 1-5 Years (CAD)	2.82	10.89	5.54	0.10	2.01	2.59	2.17
FTSE Canada Universe Bond Index	2.02	7.65	2.50	0.88	1.77	3.17	3.68
FTSE Canada Short-Term Bond Index	1.69	7.14	3.74	2.10	1.91	2.37	2.94
FTSE World Government Bond Index 1-5 Years (hedged to CAD)	1.05	4.37	2.22	0.84	1.36	1.75	2.33
Bloomberg Global Aggregate Bond Index (hedged to CAD)	0.81	3.38	0.72	-0.10	1.49	2.80	3.24
FTSE Canada 30 Day T-Bill	0.75	4.21	3.96	2.42	1.70	1.41	1.71

One basis point (bps) equals 0.01%. **Past performance is not a guarantee of future results.** Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Source: ICE BofA government yield. AAA-AA Corporates represent the ICE BofA US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2025 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2025 ICE Data Indices, LLC.

# Global Fixed Income

## Yield curves, 1st Quarter 2025

Except for Canada and Japan, short- and intermediate-term interest rates generally decreased while long-term interest rates generally increased in the global developed markets for the quarter.

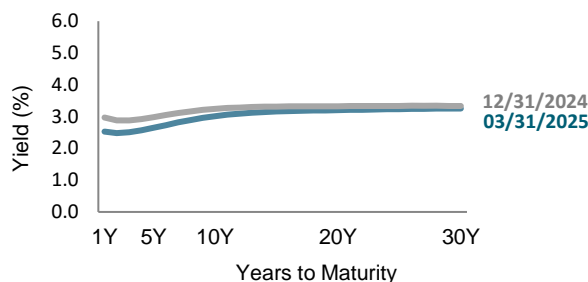
Realized term premiums were generally mixed across global developed markets. Outside the US, longer-term bonds generally underperformed shorter-term bonds during the quarter.

In Canada, interest rates decreased across all maturity segments. In Japan, interest rates increased across all maturity segments. The short-term segment of the yield curve remained inverted in Germany, Canada and Australia. However, the short-term segment of the yield curve in the UK became upwardly sloped.

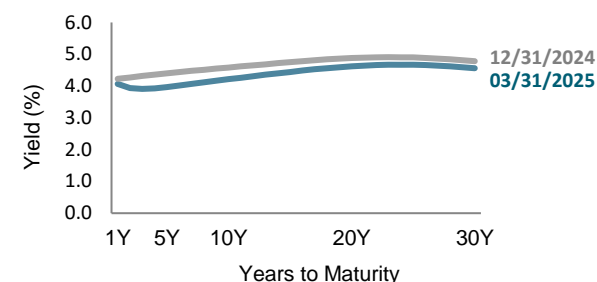
### Changes in Yield (bps) Since 12/31/2024

	1Y	5Y	10Y	20Y	30Y
Canada	-44.8	-33.4	-23.1	-12.5	-8.1
US	-16.6	-43.6	-36.9	-26.3	-22.2
UK	-33.7	-6.1	6.9	12.0	14.3
Germany	-10.6	19.4	35.2	43.8	45.8
Japan	20.9	37.4	38.7	31.8	24.4
Australia	-21.9	-7.5	0.5	8.0	12.3

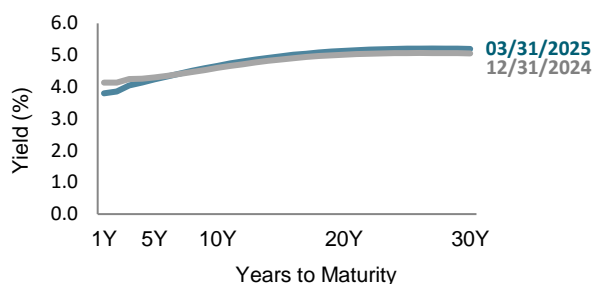
### Canada



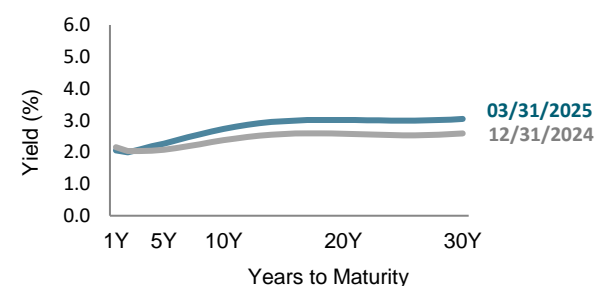
### US



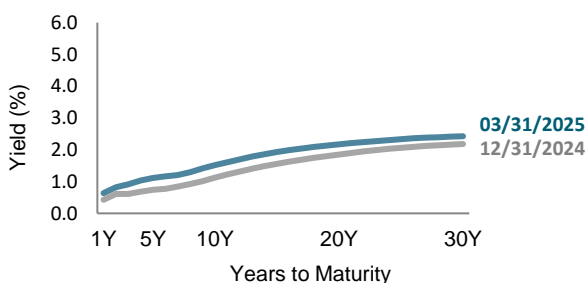
### UK



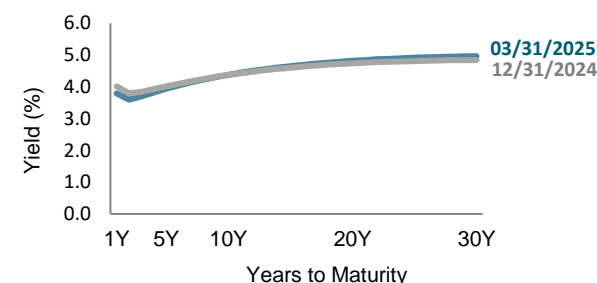
### Germany



### Japan



### Australia



# Tariff Target Markets

1st Quarter 2025

Wes Crill, PhD, Senior Client Solutions Director and Vice President, Dimensional Fund Advisors

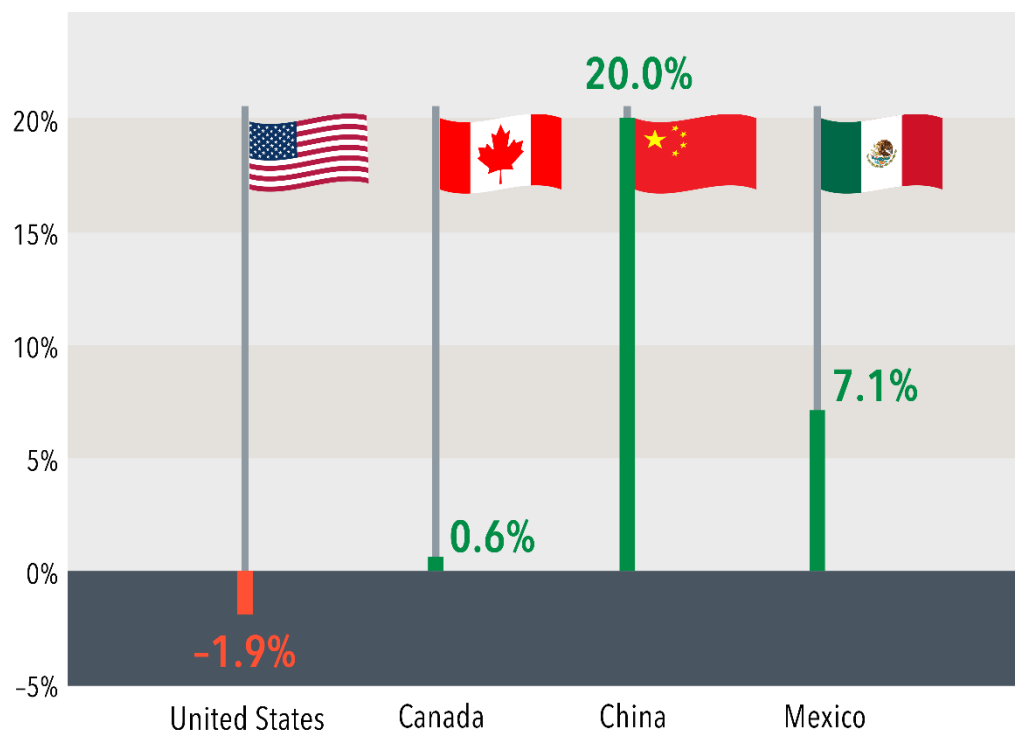
Non-US stocks have delivered a positive return thus far in 2025, helping offset the US stock market's disappointing start to the year. But some of the sources for these positive returns may be surprising to investors.

Potential fallout from tariffs has dominated the news cycle, and yet stocks of the primary targets for tariffs—Canada, Mexico, and China—are up for the year. A short sample for sure, but this echoes outcomes during Trump's first term in office, when the Chinese stock market outperformed the US despite contentious trade discussions throughout those four years.

The lack of negative impact on tariff-target stock markets doesn't mean investors have tuned out trade policy discussions. Market prices incorporate the aggregate expectations of investors. It could be that tariff developments thus far were in line with those expectations and therefore already priced in by the market.

## INDEX RETURNS IN LOCAL CURRENCY

Year to date as of March 7, 2025



Past performance is no guarantee of future results. Actual returns may be lower.

# Tariff Target Markets

(continued from page 15)

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