



Q1

Quarterly Market Review

First Quarter 2025



2025 Q1 Market Review

The widely followed asset classes*, except US Equities, were up in 2025 Q1. The notable positive performance was from Non-US stocks (Up 7%) and commodities (Up 8.9%). This underlines the importance of having sensibly diversified portfolios for the long term.

Of course, the first week of April upended all these trends as financial markets reacted very negatively to the Tariff war. If the most significant event in Q4 for Americans was the US election, then the most significant event for them was the Tariff war in Q1 2025. It started with promise that investors liked the plans of the new administration. Then, mid-February onwards, the markets started to decline with the decline accelerating at the end of the quarter. The reaction to the Tariff plans was sharply negative and moved many segments of the equity markets into Bear market territory literally in a few business days. Analysts, investors and CEO's are now trying to figure out the extent of damage caused and how to deal with the new realities.

I do not plan to make any significant changes to portfolios until things settle down a bit. To trade when markets are in turmoil is usually not an effective strategy; it is tantamount to market timing. So, while it is emotionally re-assuring to “get out of the market when things are bad and then plan to re-enter when things settle down” – this is an approach that just does not work effectively in reality.

We have already benefitted from two very strong years (2023 and 2024). During these “boom” times many economists cautioned: that the good times won't last, that a recession was due, that the stock market was due for a poor period etc. Perhaps a period of some negative results is upon us. I don't see this as a cause of concern for our clients who have implemented defensible investment plans – which are designed to withstand poor markets.

And, this is not the first severe decline I have participated in. Over my past 45 years or so as an investor, there have been numerous turbulent markets; two in the past 18 years (The Great Financial Crash and Covid). With experience I have learned to operate in such markets. Simply put I am comfortable we can navigate through the coming period.

So rather than focus on short term imponderables which the haphazard tariff war is creating, our investment philosophy for high net worth investors with a long-term horizon remains steadfast: diversify portfolios over the main asset classes, keep the bias towards Equities weathering the downturns as they occur, and keep a relentless focus on managing costs. We think this is a very feasible investment strategy to build assets and to ensure a comfortable retirement.

* Our Asset classes are: Cash, Fixed income, Equities, Real Estate, and Commodities and we think these pretty much cover the investable investment universe.

9 April 2025

Our evidence-based Investment Philosophy

We seek to double clients' wealth every 10-12 years and to do it without exposing portfolios to the risk of a permanent loss of capital. Our objective is to preserve the money you invest with us and to maintain its value over time. Of course, performance cannot be guaranteed, and past performance is not indicative of future results.

Our portfolios are sensibly diversified across the five main asset classes, and with markets becoming increasingly global, we seek opportunities regardless of where they are located.

We strive to manage investments prudently, using the value-style oriented approach of buying high quality investments when they are available at attractive (inexpensive) prices.

We select investments to get better total returns fully recognizing that risk management, cash requirements, tax considerations, social investing demand, etc. may reduce returns of portfolios.

We use both active and indexed portfolio management techniques depending on market conditions. When markets offer opportunities, or as we uncover compelling ideas, active portfolio management is useful. At other times our default position is to use evidence-based indexed investments.

We believe that market conditions are important, especially when clients add to or withdraw capital. At these times, we pay attention to market trends based on the relative attractiveness of major asset classes and our expectations about their future performance. But normally, we do not attempt to time the market; research suggests it is futile.

We use fundamental techniques, quantitative approaches, and behavioral finance to guide us when we buy and sell securities and strive to take the least amount of risk that is consistent with a client's objectives – as distinct from shooting for the highest returns.

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Past performance is not a guide to future performance.

DorchesterAdvisors is a Registered Investment Advisor in NJ, NY and MI.

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 US and international markets. The report concludes with a quarterly topic.

Overview:

Market Summary

World Stock Market Performance

US Stocks

International Developed Stocks

Emerging Markets Stocks

Country Returns

Real Estate Investment Trusts (REITs)

Commodities







Fixed Income

Global Fixed Income

Quarterly Topic: Tariff Target Markets

Quarterly Market Summary































Returns (USD), as of March 31, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q1 2025	-4.72% 	6.20% 	2.93% 	1.37% 	2.78% 	-0.17% 
Since January 2001						
Average Quarterly Return	2.4%	1.6%	2.5%	2.2%	0.9%	0.9%
Best Quarter	22.0% 2020 Q2	25.9% 2009 Q2	34.7% 2009 Q2	32.3% 2009 Q3	6.8% 2023 Q4	5.4% 2023 Q4
Worst Quarter	-22.8% 2008 Q4	-23.3% 2020 Q1	-27.6% 2008 Q4	-36.1% 2008 Q4	-5.9% 2022 Q1	-4.1% 2022 Q1

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: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P 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. Bloomberg data provided by Bloomberg.

Long-Term Market Summary

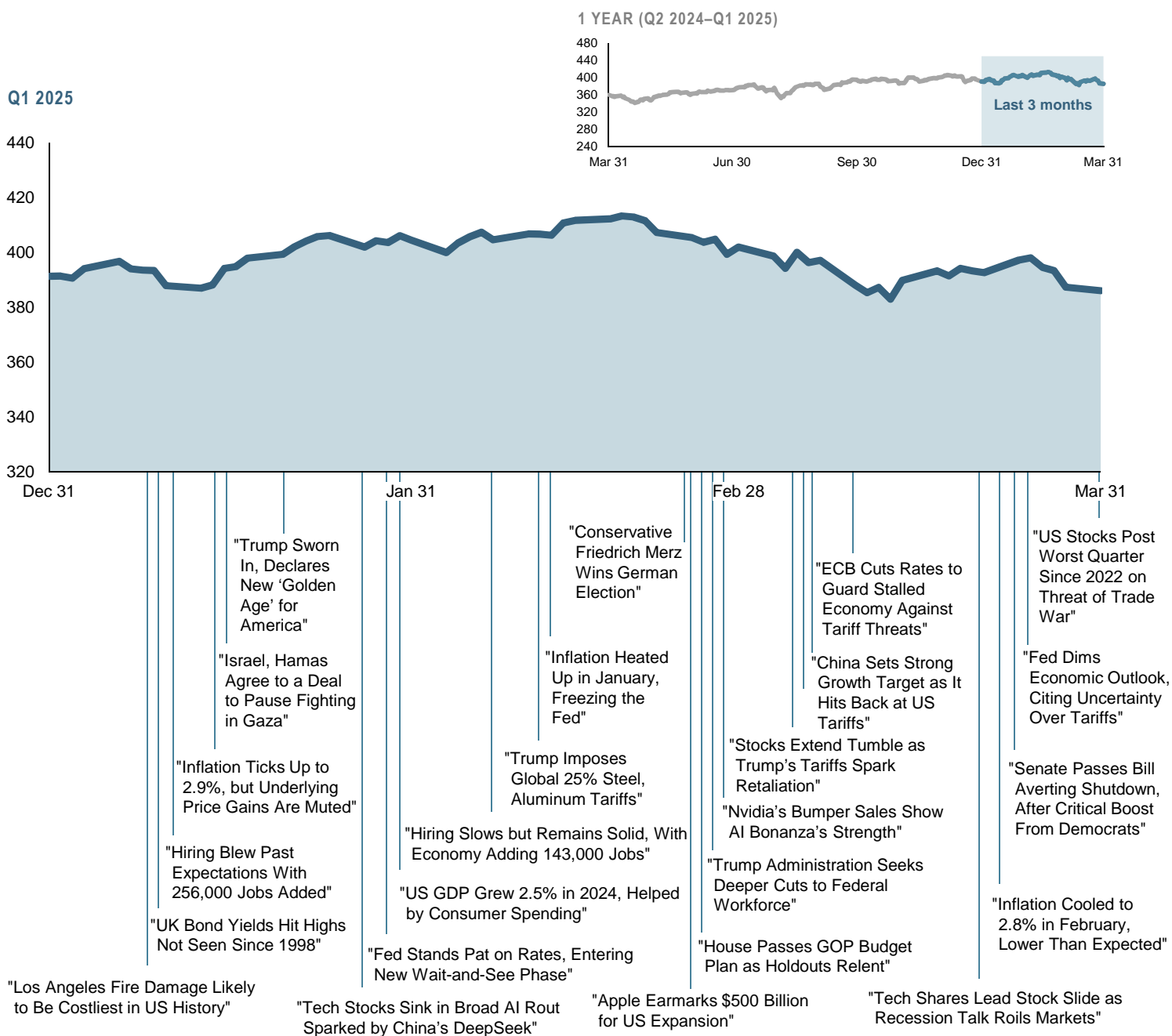
Returns (USD), as of March 31, 2025

	Stocks				Bonds	
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	7.22% 	5.30% 	8.09% 	5.44% 	4.88% 	4.19% 
5 Years	18.18% 	12.16% 	7.94% 	7.89% 	-0.40% 	0.87% 
10 Years	11.80% 	5.50% 	3.71% 	2.75% 	1.46% 	2.21% 
15 Years	12.76% 	5.57% 	3.05% 	6.03% 	2.44% 	3.06% 
20 Years	10.08% 	5.26% 	6.06% 	4.80% 	3.18% 	3.47% 

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2025

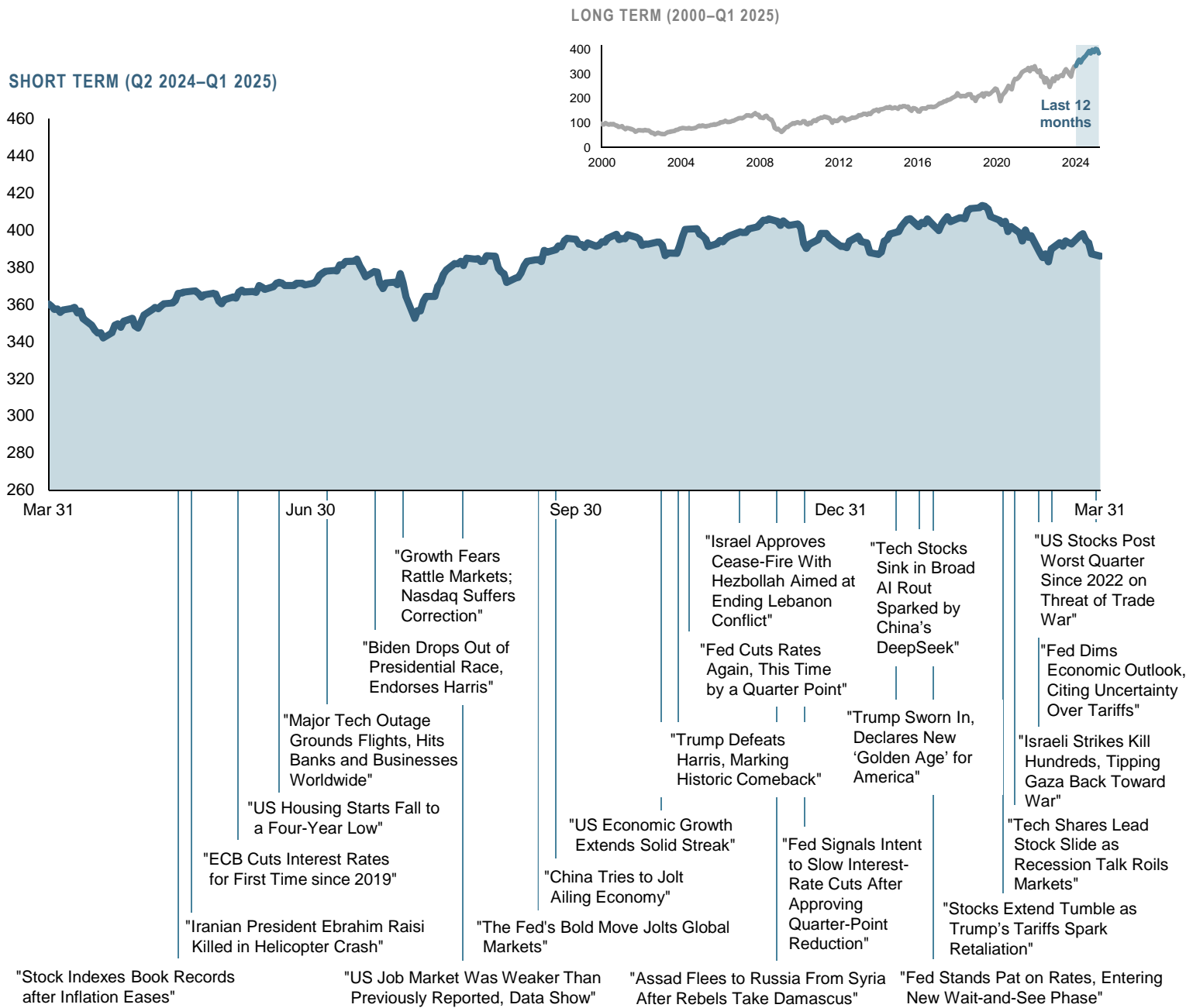


These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). 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.

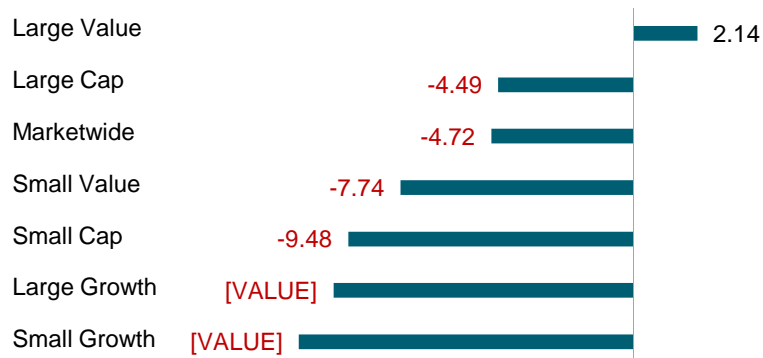
Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2025, all rights reserved. Index level based at 100 starting January 2000. It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

US Stocks

Returns (USD), 1st Quarter 2025

- The US equity market posted negative returns for the quarter and underperformed both non-US developed and emerging markets.
- Value outperformed growth.
- Small caps underperformed large caps.
- REIT indices outperformed equity market indices.

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Large Value	2.14	7.18	6.64	16.15	8.79	10.42	8.00
Large Cap	-4.49	7.82	8.65	18.47	12.18	13.02	10.24
Marketwide	-4.72	7.22	8.22	18.18	11.80	12.76	10.08
Small Value	-7.74	-3.12	0.05	15.31	6.07	8.19	6.80
Small Cap	-9.48	-4.01	0.52	13.27	6.30	8.98	7.55
Large Growth	-9.97	7.76	10.10	20.09	15.12	15.29	12.20
Small Growth	-11.12	-4.86	0.78	10.78	6.14	9.51	8.06

World Market Capitalization



63% US Market
\$53.8 trillion

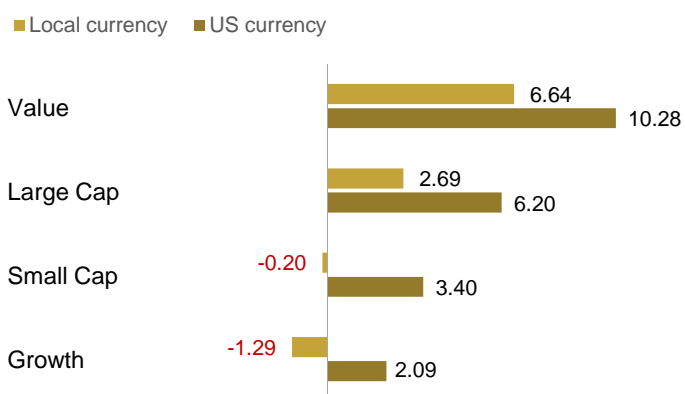
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International Developed Stocks

Returns (USD), 1st Quarter 2025

- Developed markets outside of the US posted positive returns for the quarter and outperformed both US and emerging markets.
- Value outperformed growth.
- Small caps underperformed large caps.

Ranked Returns (%)



Periodic Returns (%)

ANNUALIZED

Asset Class	QTR	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	10.28	12.86	8.99	15.14	5.30	5.16	4.84
Large Cap	6.20	5.30	5.70	12.16	5.50	5.57	5.26
Small Cap	3.40	3.58	0.81	10.71	5.42	6.15	5.64
Growth	2.09	-1.82	2.31	8.91	5.42	5.78	5.52

World Market Capitalization



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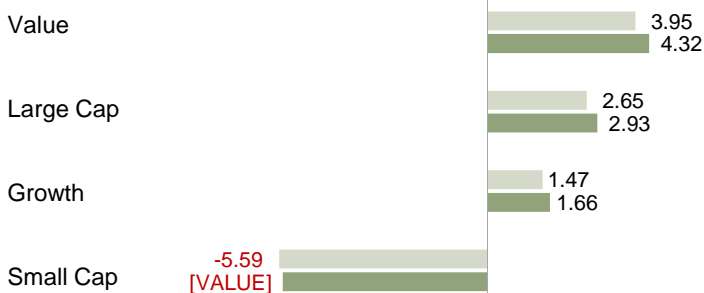
Emerging Markets Stocks

Returns (USD), 1st Quarter 2025

- Emerging markets posted positive returns for the quarter and outperformed the US market, but underperformed non-US developed markets.
- Value outperformed growth.
- Small caps underperformed large caps.

Ranked Returns (%)

Local currency US currency



Periodic Returns (%)

ANNUALIZED

Asset Class	QTR	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Value	4.32	7.60	2.76	9.81	3.21	2.17	5.79
Large Cap	2.93	8.09	1.44	7.94	3.71	3.05	6.06
Growth	1.66	8.50	0.19	6.12	4.11	3.84	6.25
Small Cap	-5.49	-2.00	1.69	15.73	4.76	4.05	7.24

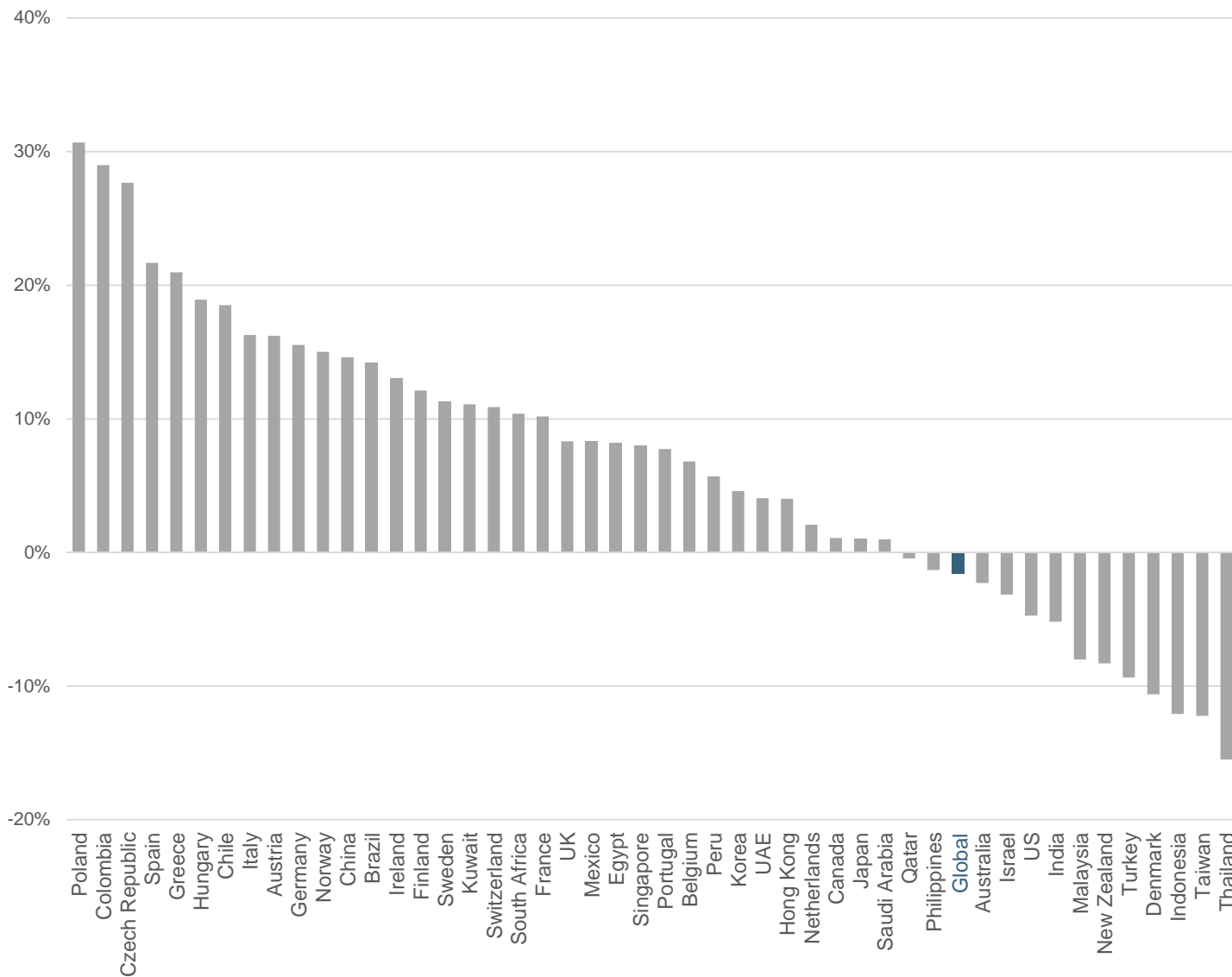
World Market Capitalization

11% Emerging Markets
\$9.1 trillion

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Country Returns

Returns (USD), 1st Quarter 2025



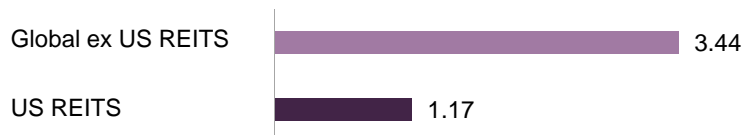
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Real Estate Investment Trusts (REITs)

Returns (USD), 1st Quarter 2025

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

Ranked Returns (%)



Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Global ex US REITs	3.44	-2.27	-7.04	3.20	0.18	3.47	2.47
US REITs	1.17	9.79	-1.41	10.84	4.53	8.18	6.96

Total Value of REIT Stocks

72% US
 \$1,080 billion
 103 REITs

28% Global ex US
 \$423 billion
 271 REITs
 (25 other countries)

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. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

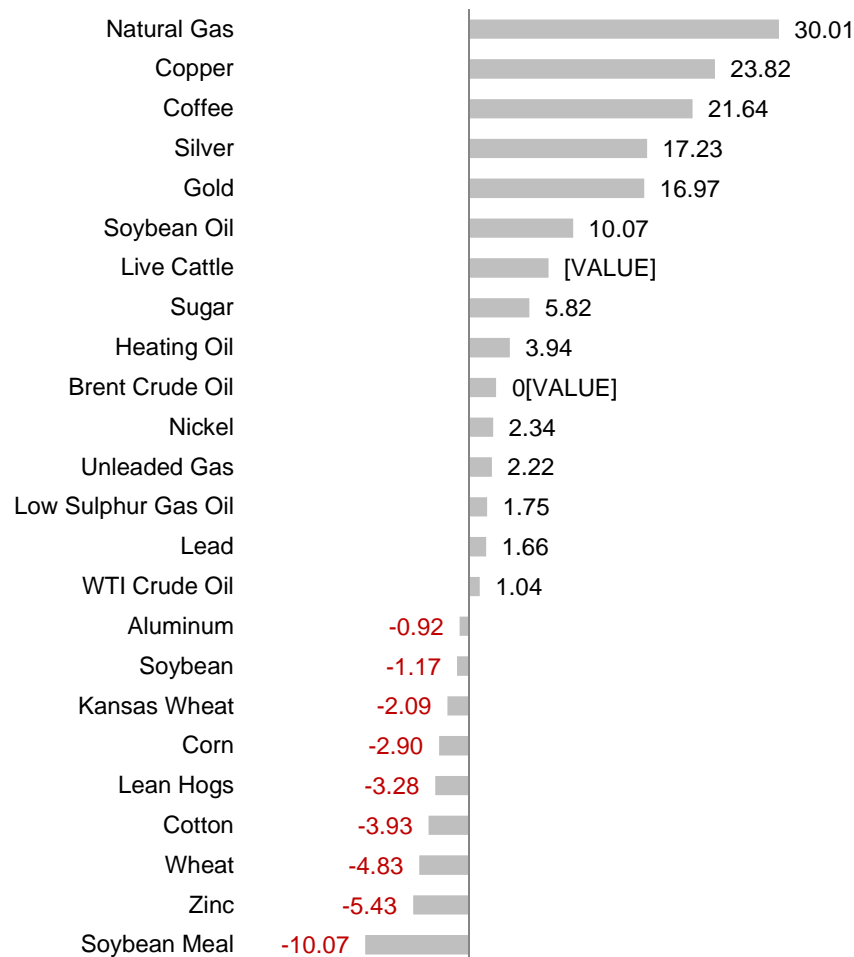
Commodities

Returns (USD), 1st Quarter 2025

The Bloomberg Commodity Total Return Index returned +8.88% for the first quarter of 2025.

Natural Gas and Copper were the best performers, returning +30.01% and +23.82% during the quarter, respectively. Soybean Meal and Zinc were the worst performers, returning -10.07% and -5.43% during the quarter, respectively.

Ranked Returns (%)



Periodic Returns (%)

QTR	ANNUALIZED					
	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
8.88	12.28	-0.77	14.51	2.77	-0.14	-0.44

Past performance is not a guarantee of future results. Index is not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Commodities returns represent the return of the Bloomberg Commodity Total Return Index. Individual commodities are sub-index values of the Bloomberg Commodity Total Return Index. Data provided by Bloomberg.

Fixed Income

Returns (USD), 1st Quarter 2025

Within the US Treasury market, interest rates generally decreased during the quarter.

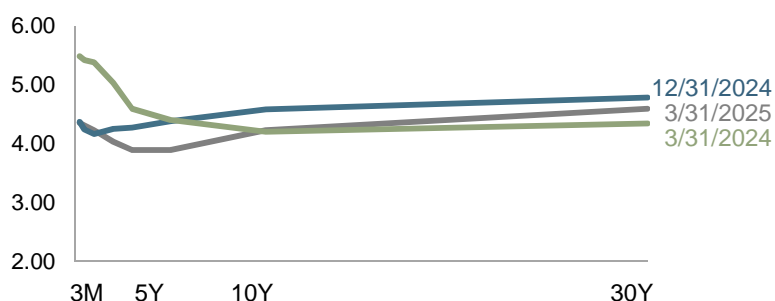
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 2 basis points (bps) to 4.38%, while the 1-Year US Treasury Bill yield decreased 13 bps to 4.03%. The yield on the 2-Year US Treasury Note decreased 36 bps to 3.89%.

The yield on the 5-Year US Treasury Note decreased 42 bps to 3.96%. The yield on the 10-Year US Treasury Note decreased 35 bps to 4.23%. The yield on the 30-Year US Treasury Bond decreased 19 bps to 4.59%.

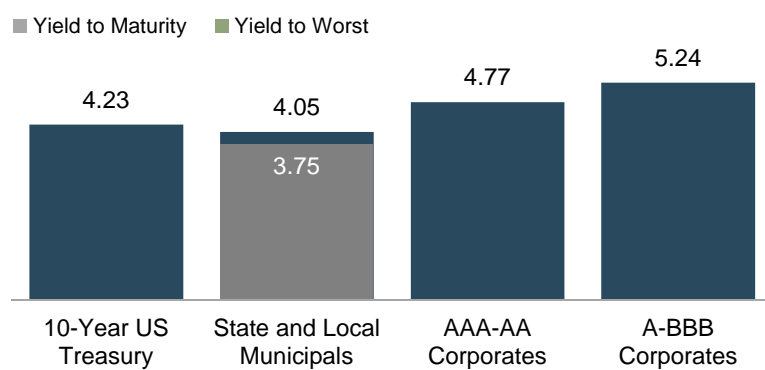
In terms of total returns, short-term US treasury bonds returned +2.04% while intermediate-term US treasury bonds returned +2.49%. Short-term corporate bonds returned +1.96% and intermediate-term corporate bonds returned +2.27%.¹

The total returns for short- and intermediate-term municipal bonds were +1.00% and +0.64%, respectively. Within the municipal fixed income market, general obligation bonds returned -0.29% while revenue bonds returned -0.22%.²

US Treasury Yield Curve (%)



Bond Yields Across Issuers (%)



Periodic Returns (%)

Asset Class	QTR	ANNUALIZED					
		1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg U.S. Government Bond Index Long	4.67	1.28	-7.17	-7.83	-0.54	3.01	3.56
Bloomberg U.S. TIPS Index	4.17	6.17	0.06	2.36	2.51	3.10	3.53
Bloomberg U.S. Aggregate Bond Index	2.78	4.88	0.52	-0.40	1.46	2.44	3.18
FTSE World Government Bond Index 1-5 Years	2.75	4.26	0.67	-0.12	0.71	0.22	1.28
FTSE World Government Bond Index 1-5 Years (hedged to USD)	1.43	5.52	2.90	1.27	1.75	1.75	2.43
ICE BofA 1-Year US Treasury Note Index	1.05	4.98	3.42	1.88	1.73	1.28	1.86
ICE BofA US 3-Month Treasury Bill Index	1.02	4.97	4.23	2.56	1.87	1.27	1.68
Bloomberg U.S. High Yield Corporate Bond Index	1.00	7.69	4.98	7.29	5.01	6.19	6.59
Bloomberg Municipal Bond Index	-0.22	1.22	1.53	1.07	2.13	3.11	3.48

1. Bloomberg US Treasury and US Corporate Bond Indices.

2. Bloomberg Municipal Bond Index.

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. Yield curve data from Federal Reserve. State and local bonds, and the Yield to Worst are from the S&P National AMT-Free Municipal Bond Index. 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. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg data provided by Bloomberg.

Global Fixed Income

Yield curves (USD), 1st Quarter 2025

With the exception of Canada and Japan, interest rates generally decreased in the short- to intermediate-term segment and increased in the longer-term segment across global developed markets for the quarter.

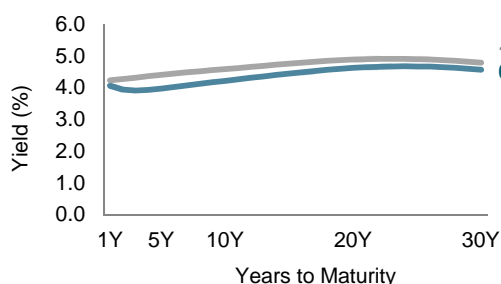
Realized term premiums were generally mixed across global developed markets. With the exception of the US, longer-term bonds generally underperformed shorter-term bonds during the period.

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.

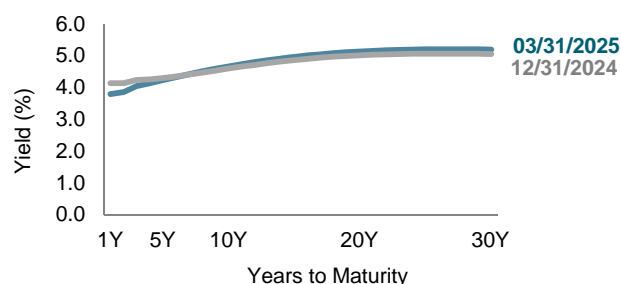
Changes in Yields (bps) Since 12/31/2024

	1Y	5Y	10Y	20Y	30Y
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
Canada	-44.8	-33.4	-23.1	-12.5	-8.1
Australia	-21.9	-7.5	0.5	8.0	12.3

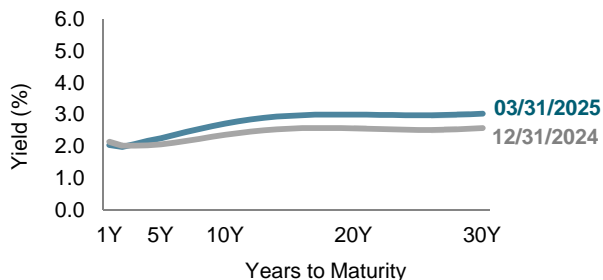
US



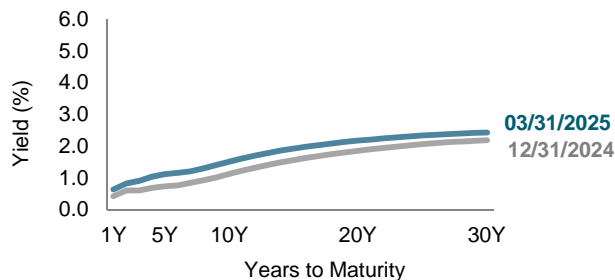
UK



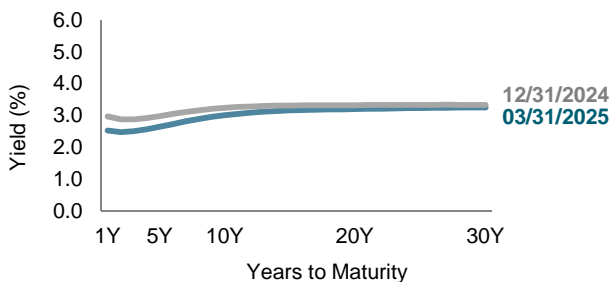
Germany



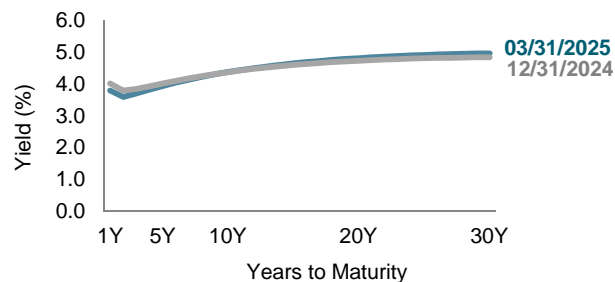
Japan



Canada



Australia



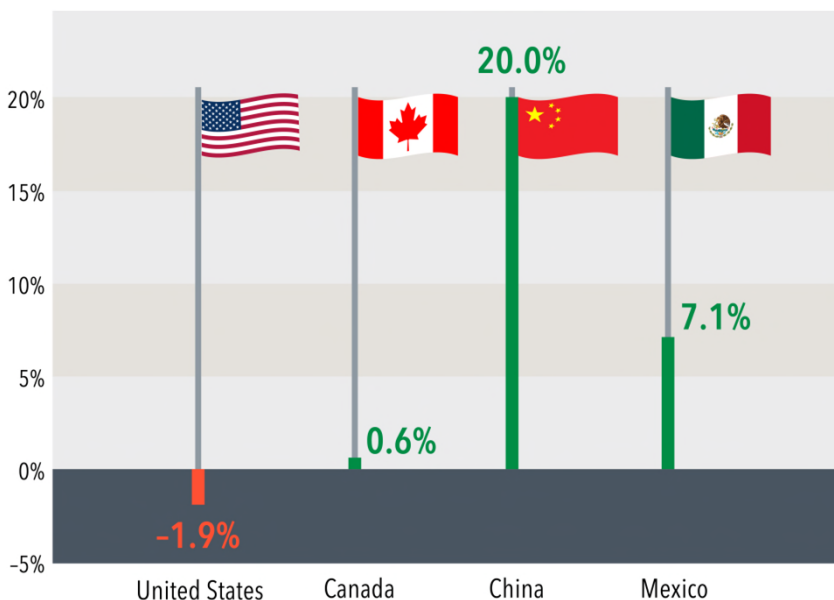
Tariff Target Markets

1st Quarter 2025

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

INDEX RETURNS IN LOCAL CURRENCY

Year to date as of March 7, 2025



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.

Tariff Target Markets

(continued from page 15)

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

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