TruePlan℠
Benefit and Retirement Advisors

Retirement Market Recap

Q3 2025

Resilient Markets Despite Unique Macro and Monetary Policy Uncertainties

Following one of the more eventful and volatile quarters in recent memory (second quarter of 2025), Q3 was strong and relatively stable for risk assets. Capital markets with higher sensitivity to broader economic and business sentiment were consistently in positive territory throughout the quarter, with the exception of international (non-U.S.) stocks in late July and early August, as shown at right.

In July, the Trump administration reached trade agreements with Vietnam, Japan, Indonesia and the European Union. This supported U.S. equities and certain segments of international equity markets, even amid potential headwinds from relatively high interest rates and continued tensions relating to tariffs between the U.S. and various global trade partners.

Bond markets were pressured in early Q3 as interest rate-sensitive assets traded lower (bond yields rose) with stickier than expected inflation reports. The U.S. Federal Reserve (the Fed) left interest rates unchanged in July and did not provide guidance for a September rate cut. Bond investors reacted to the less accommodative tone, termed as "hawkish," leading to higher yields (lower bond prices), given the uncertainty.

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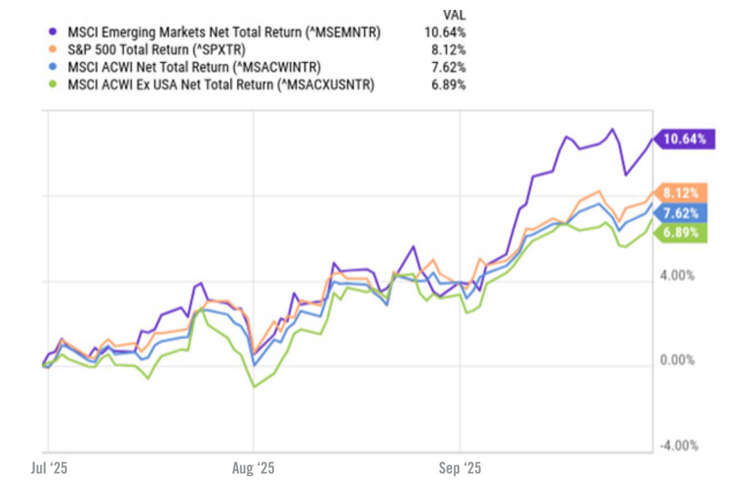
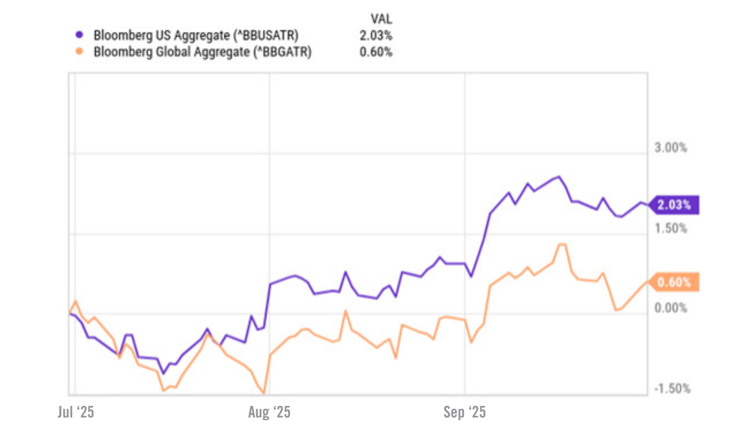
Stock Market Performance – Q3 2025*
MSCI ACWI Net Total Return Index is a Global Equity Index (U.S. and International Stocks)



Bond Market Performance – Q3 2025*



*Source: Ycharts Inc.

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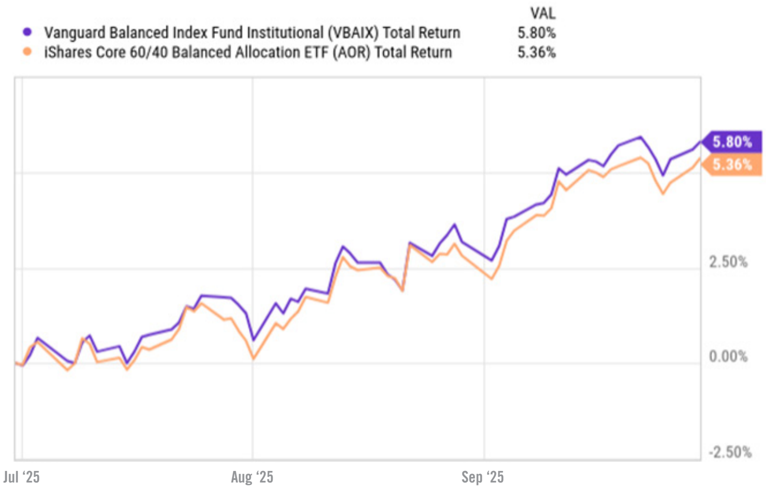
The balanced-target date "like" investments shown below indicate strong total returns and a relatively smooth investor experience with consistent positive returns in Q3. Global equity and bond markets were complimentary with the distinct return drivers of the high-level asset classes and the sub-categories (geography, sector, style, etc.). For historical context, the noted balanced funds more than doubled their average quarterly return for the prior 10 years (**+2.49% average vs. +5.80% for VBAIX in Q3** and **+2.09% average vs. +5.36% for AOR in Q3**).

Balanced Target Date "Like" Performance – Q3 2025*

VBAIX and AOR represent a U.S. and a global 60/40 stock-bond (balanced) investment

Can be viewed as similar to a "QDIA" (Qualified Default Investment Alternative)



Stocks, bonds and balanced portfolios finished Q3 with positive returns in August and September. While payroll reports indicated disappointing job growth in the U.S., it drove expectations for the Fed to cut rates in the near term to avoid downside risks to the job market. Bond prices traded higher (yields declined) in anticipation of lower interest rates, and stocks in the U.S. and abroad were supported by the expectation of lower borrowing costs that could support economic growth. The noted indications of a weaker labor market led to a 25-basis point interest rate cut at the Fed's September meeting, with the potential for two more cuts before year end.

So far, in 2025, the primary driver of many retirement plan participants' gains has been the outperformance of international stocks versus U.S. stocks at a level not consistently seen since the mid-2000s. Year-to-date through Q3 the S&P 500 had a total return of +14.83% versus +26.02% and +27.53% for the MSCI ACWI ex USA (broad international equities) and MSCI Emerging Markets indices *(Source: Ycharts)*.

For perspective, post financial crisis (March of 2009) through Dec. 31, 2024, **the S&P 500's average annualized total return was +15.73%** while the noted **broad international and emerging market equity indices had average annualized total returns of +7.54% and 6.66%**. Compounding the returns over this period resulted in U.S. equities (S&P 500 Index) outperforming broad international and emerging market equities by approximately 680% and 720%, cumulatively *(Source: Ycharts)*.

While there are many moving parts to performance comparisons over varying periods and across global markets, it is important to recognize the noted performance disparity year to date versus the prior ~15 years. Many investors of different experience and interest levels need to understand diversification, long-term perspective and how conditions can materially change and evolve over time.

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*Source: Ycharts Inc.

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	Total Returns Through Sept. 30, 2025				
	3 month total return	1 year total return	3 year annualized total return	5 year annualized total return	10 year annualized total return
S&P 500 Total Return (US Stocks)	8.12%	17.60%	24.94%	16.47%	15.30%
(Global Stocks) MSCI ACWI Net Total Return	7.62%	17.27%	23.12%	13.54%	11.91%
(International Stocks) MSCI ACWI Ex USA Net Total Return	6.89%	16.45%	20.67%	10.26%	8.23%
(International Developed Stocks) MSCI EAFE Net Total Return	4.77%	14.99%	21.70%	11.15%	8.17%
MSCI Emerging Markets Net Total Return (stocks)	10.64%	17.32%	18.21%	7.02%	7.99%
Russell Midcap Total Return (US mid-cap stocks)	5.33%	11.11%	17.69%	12.66%	11.39%
Russell 3000 Total Return (US broad market stocks)	8.18%	17.41%	24.12%	15.74%	14.71%
Russell 1000 Total Return (US large cap stocks)	7.99%	17.75%	24.62%	15.99%	15.04%
Russell 2000 Total Return (US small cap stocks)	12.39%	10.76%	15.21%	11.56%	9.77%
(Public Real Estate Securities) S&P US REIT Net Total Return	4.48%	-3.15%	9.40%	8.03%	N/A
(Global Bonds) Bloomberg Global Aggregate IndexReturn	0.60%	2.40%	5.45%	-1.56%	1.15%
Bloomberg US Aggregate Bond Index	2.03%	2.88%	4.93%	-0.45%	1.84%
Bloomberg US Corporate High Yield Bond Index	2.54%	7.41%	11.09%	5.55%	6.17%
(Cash) Bloomberg US Treasury Bills 1-3 Month Index	1.10%	4.47%	4.87%	3.04%	2.08%
Bloomberg US TIPS Index	2.10%	3.79%	4.88%	1.42%	3.01%
(60/40 Global Stock-Bond) iShares Core 60/40 Balanced Allocation	5.36%	11.65%	15.72%	8.24%	8.02%

Source: Ycharts Inc.; data as of Sept. 30, 2025.

AOR seeks to track the investment results of the S&P Target Risk Balanced Index composed of a portfolio of underlying equity and fixed income funds intended to represent a balanced allocation target risk strategy. The fund is a fund of funds and seeks its investment objective by investing primarily in underlying funds that themselves seek investment results corresponding to their own respective underlying indexes. It generally will invest at least 80% of its assets in the component securities of its underlying index. The index measures the performance of the S&P Dow Jones Indices LLC proprietary allocation model (Source: Ycharts Inc).

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Please visit our website: trueplanadvisors.com/legal/indices_disclosures for further explanation and detail surrounding the indices referenced within.

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