

## MONTHLY RECAP

APRIL 2025

### MONTHLY OBSERVATIONS

#### Market "Liberates" Itself from Sharp Early Drawdown

Investors faced enormous volatility early in the month as President's Trump's "Liberation Day" on April 2nd, throttled even the most skilled market pundits given the unexpected extent of the tariffs outlined. Investors saw playbooks ripped apart as the Trump administration unloaded an unprecedented degree of "reciprocal" tariffs which prompted markets to fall significantly over fears of an pending economic contraction. The S&P 500 was down over 11% and, with the markets clamoring for relief, a 90-day pause was enacted (absent China) which sent stocks soaring. From there markets grinded higher over the last weeks of April, with the S&P 500 recouping nearly all of the dramatic drawdown earlier in the month. Even though non-US markets also traded down given fluctuations in US policy and outlook, US dollar weakness helped returns as non-US developed finished firmly positive. Defensive asset classes continued to mitigate downside, as fixed income was aided by falling rates, which boosted US Treasury returns. Real assets were a mixed bag with infrastructure up nearly 4% while listed real estate traded more in sympathy with broader equity markets.

#### Fed's Rock and Hard Place

Balancing its dual-mandate of price stability and full employment has become a bit trickier for the Fed now that tariff uncertainty and growth concerns loom. Clarity of intent and outlook is important. Fed Chairman, Jerome Powell, threaded this proverbial needle in April by stating more clarity of inflation trends, tariff policy and impact on growth would be required to adjust their policy stance.

#### Independence of Fed Comes into Question

As if a trade war was not enough, President Trump spooked the markets further by publicly lashing out at the Fed over the lack of rate cuts. Concerns grew over a potential forced exit of Jerome Powell, but cooler heads ultimately prevailed with Trump allaying fears of any imminent "firing" of the Fed Chair.

### ASSET MANAGER COMMENTARY

#### Emerging Markets

Despite the market turmoil in early April, this manager was calm, noting that tariffs are a fact of life in emerging markets ("Brazil uses tariffs like candy"). Typical of many managers, the team buckled down and reassessed their companies at the new tariff levels and evaluated next order questions such as a recession scenario.

#### Real Estate

Potential tariff-induced stagflation could be a challenging environment for REITs, causing higher inflation prints while also creating demand destruction. Outcomes may vary for REITs depending on whether economic conditions develop into a slowdown (REITs perform well), a mild recession (REITs outperform broader market), or a severe recession (negative impact).

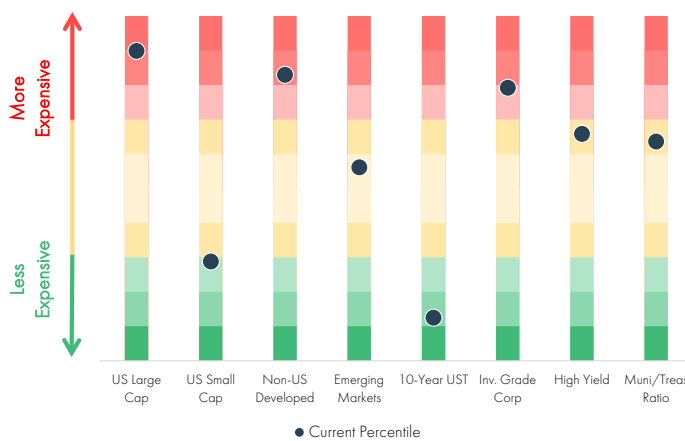
#### Fixed Income

A combination of factors drove the sell off of munis given elevated supply, tax-related selling, excess market volatility, and broader uncertainty. Heavy ETF outflows caused many fund managers to become forced sellers of their underlying muni bonds. That said, managers say there has been no fundamental change to munis or an uptick in default expectations.

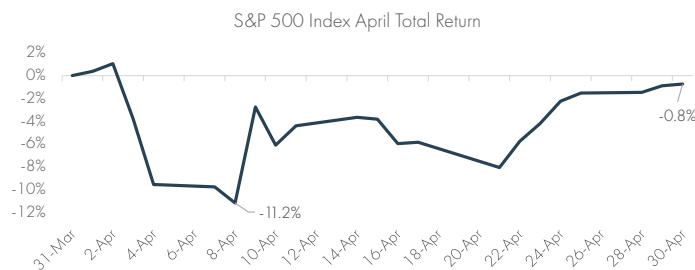
### MARKET RETURNS - 4.30.2025

		1-Mo	QTD	YTD	2024	2023	2022
Equity	S&P 500	-0.7%	-0.7%	-4.9%	25.0%	26.3%	-18.1%
	Nasdaq Composite	0.9%	0.9%	-9.5%	29.6%	44.6%	-32.5%
	Russell 1000 Growth	1.8%	1.8%	-8.4%	33.4%	42.7%	-29.1%
	Russell 1000 Value	-3.0%	-3.0%	-1.0%	14.4%	11.5%	-7.5%
	Russell 2000	-2.3%	-2.3%	-11.6%	11.5%	16.9%	-20.4%
	MSCI EAFE	4.6%	4.6%	11.8%	3.8%	18.2%	-14.5%
Fixed Income	MSCI Emerging Markets	1.3%	1.3%	4.3%	7.5%	9.8%	-20.1%
	Treasury	0.6%	0.6%	3.6%	0.6%	4.1%	-12.5%
	Municipal	-0.8%	-0.8%	-1.0%	1.1%	6.4%	-8.5%
	Aggregate	0.4%	0.4%	3.2%	1.3%	5.5%	-13.0%
	Investment Grade Corporate	0.0%	0.0%	2.3%	2.1%	8.5%	-15.8%
FX	High Yield Corporate	0.0%	0.0%	1.0%	8.2%	13.4%	-11.2%
	US Dollar Index	-4.6%	-4.6%	-8.3%	7.1%	-2.1%	7.9%
Real	Real Estate	-2.2%	-2.2%	0.6%	4.3%	11.5%	-25.1%
	Infrastructure	3.6%	3.6%	8.2%	14.0%	5.8%	-1.0%
	Oil	-13.7%	-13.7%	-14.5%	-4.2%	-10.3%	10.5%
	Gold	5.7%	5.7%	25.0%	26.6%	12.8%	-0.7%

### ASSET CLASS VALUATIONS - 4.30.2025



### Right Where We Started....



For all the consternation and turmoil that "Liberation Day" instigated, markets have nearly completed a round trip to April 1st levels, as the S&P 500 Index, down more than 11% for the month on April 8th, finished the month down less than 1%. To be sure, we are still in the early innings of the trade war and recession risk looms large, but from a market perspective, the effects of Liberation Day appear to have been accurately priced in from the start.

Source: Bloomberg; See important information in the disclosures.

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**MONETA**

INVESTMENTS

## DISCLOSURES

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## SOURCES

Morningstar Direct as of 4.30.2025

Bloomberg as of 4.30.2025

Manager comments come from discussions with various asset managers and are broad commentary on sectors and not be considered recommendations by any asset manager. These comments do not necessarily reflect strategy allocations or the view or opinion of MGIA or Moneta Group.

## DEFINITIONS

The S&P 500 Index is a free-float capitalization-weighted index of the prices of approximately 500 large-cap common stocks actively traded in the United States.

The NASDAQ Composite Index is a market capitalization weighted index with more than 3000 common equities listed on the NASDAQ Stock Market.

The NASDAQ 100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ.

The Russell 1000® Index is an index of 1000 issues representative of the U.S. large capitalization securities market.

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000® Value Index measures the performance of those Russell 1000 Index securities with lower price-to-book ratios and lower forecasted growth values, representative of U.S. Securities exhibiting value characteristics.

The Russell 2000® Index is an index of 2000 issues representative of the U.S. small capitalization securities market.

The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 21 emerging economies.

Bloomberg U.S. Treasury Bond Index includes public obligations of the US Treasury, i.e. US government bonds. Certain Treasury bills are excluded by a maturity constraint. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded.

The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax exempt bond market. It includes general obligation and revenue bonds, which both can be pre-refunded years later and get reclassified as such.

The Bloomberg U.S. Aggregate Bond Index is an index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities and mortgage-backed securities.

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded.

The US Dollar Index measures the US dollar against six global currencies: the euro, Swiss franc, Japanese yen, Canadian dollar, British pound, and Swedish krona.

The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

The S&P Global Listed Infrastructure index measures the performance of global companies that are engaged in infrastructure and related operations. It provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

Brent crude is the most traded of all of the oil benchmarks, and is defined as crude mostly drilled from the North Sea oilfields: Brent, Forties, Oseberg and Ekofisk (collectively known as BFOE).

The Dow Jones Commodity Index Gold is designed to track the gold market through futures contracts.

The ICE BofA Option-Adjusted Spreads (OASs) are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. The Corporate Master OAS uses an index of bonds that are considered investment grade (those rated BBB or better). When the last calendar day of the month takes place on the weekend, weekend observations will occur as a result of month ending accrued interest adjustments.

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Asset class valuations are a percentile ranking based on monthly data going back to common inception of 9/1/2006. The US Large Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the S&P 500 Index. The US Small Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the Russell 2000 Index. The International Developed percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI EAFE NR Index. The Emerging Market percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI Emerging Markets NR Index. The 10-Year US Treasury percentile is the percentile ranking of the 10-Year US Treasury yield. The Investment Grade percentile is the percentile ranking of the ICE BofA US Corporate option adjusted spread. The High Yield Corporate percentile is the percentile ranking of the ICE BofA US High Yield corporate option adjusted spread. The Municipal/Treasury percentile is the percentile ranking of the Bloomberg Municipal Index yield divided by the 10-Year US Treasury Yield.

The Magnificent 7 refers to the following seven stocks: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla