



Q1

Quarterly Market Review
First Quarter 2024

Quarterly Market Review

First quarter 2024

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: The Next BlackBerry?

Quarterly Market Summary

The Optimists Win! Don't Get Too Excited

We should probably get this out of the way at the beginning: nobody should expect that 10% quarterly gains in the stock market will continue forever, or even for the rest of the year, unless you believe that stocks will become 40% more valuable into the foreseeable future. But we can celebrate a generous quarter of returns nonetheless.

Double-digit and near-double-digit gains were everywhere to be found in this unusual quarter. The Wilshire 5000 Total Market Index—the broadest measure of U.S. stocks—gained 9.95% as of March 28 (March 29 data is apparently unavailable for the index). The Russell 3000 index gained 10.02% in the first quarter.

Looking at large cap stocks, the Wilshire U.S. 2500 Large Cap index was up 10.02% as of March 28. The Russell 1000 large-cap index is up 10.38% so far this year, while the widely-quoted S&P 500 index of large company stocks gained 10.16% during the year's first quarter.

Meanwhile, the Russell Midcap Index has gained 4.68% in the first three months of the year.

As measured by the Russell 2000 Small-Cap Index, smaller companies posted a 5.18% gain in the year's first three months. The technology-heavy Nasdaq Composite Index has gained 10.78% so far this year.

Foreign markets have provided more modest gains. The broad-based EAFE index of companies in developed foreign economies gained 4.15% in the first quarter of 2024. Emerging market stocks of less developed countries, as represented by the EAFE EM index, gained 1.69% in dollar terms so far this year.

Real estate securities posted an essentially flat quarter, with the Wilshire U.S. REIT index unchanged over the first three months of the year. The S&P GSCI index, which measures commodities returns, posted an 8.74% gain in the 1st quarter. Gold prices are booming, up 9.08% for the quarter to a record \$2,257 an ounce.

The S&P 500 utilities index, a broad measure of the performance of utility stocks, is up 3.59% as of the end of March.



















The bond markets, in contrast to what was happening with stocks, were relatively calm. Yields on 10-year Treasury bonds rose have dropped modestly, from 4.76% at the start of the year to 4.32% currently. 30-year government bond yields have risen incrementally from 4.03% to 4.46% in the first quarter. But the yield curve remains sharply inverted; 12-month Treasuries offer a higher 5.07% rate, and 6-month government bonds are yielding 5.34%. Five-year municipal bonds have risen from a 2.22% aggregate yield to 2.55%, while 30-year munis moved from roughly 3.40% in January to 3.75%.

It's always wise to be a bit wary when stock markets are achieving new highs seemly on a weekly basis, but there aren't a lot of dark clouds on the current economic horizon. Interest rates in the U.S. are currently at a 25-year high, with the Fed Funds rates at 5.25-5.55%, but the recent Federal Reserve Board announcement reassured investors that the rates would go down, not up in the current year. Inflation remains at 3.2%, which is a full percentage point higher than the Fed is targeting but hasn't been rising lately. Unemployment is up slightly, to 3.9%, but anything under 4% is considered full employment by economists, and the U.S. economy added a robust 275,000 new jobs last month. America's GDP grew at a 3.4% rate last quarter, which is above both expectations and recent historical averages.

But there is a bit of a creepy feel to the enthusiasm of quick-twitch investors whose buys and sells drive markets up or down, seemingly at random, on a daily and even hourly basis. The insiders are calling the bull market we are experiencing an 'AI' boom, meaning that there is perhaps more enthusiasm for how artificial intelligence will impact the world economy than can be realized by the actual facts on the ground. And one wonders if consumer spending can continue to grow at a 3% rate when there is evidence that consumers, in aggregate, are taking on increasing amounts of debt.

Long-Term Market Summary

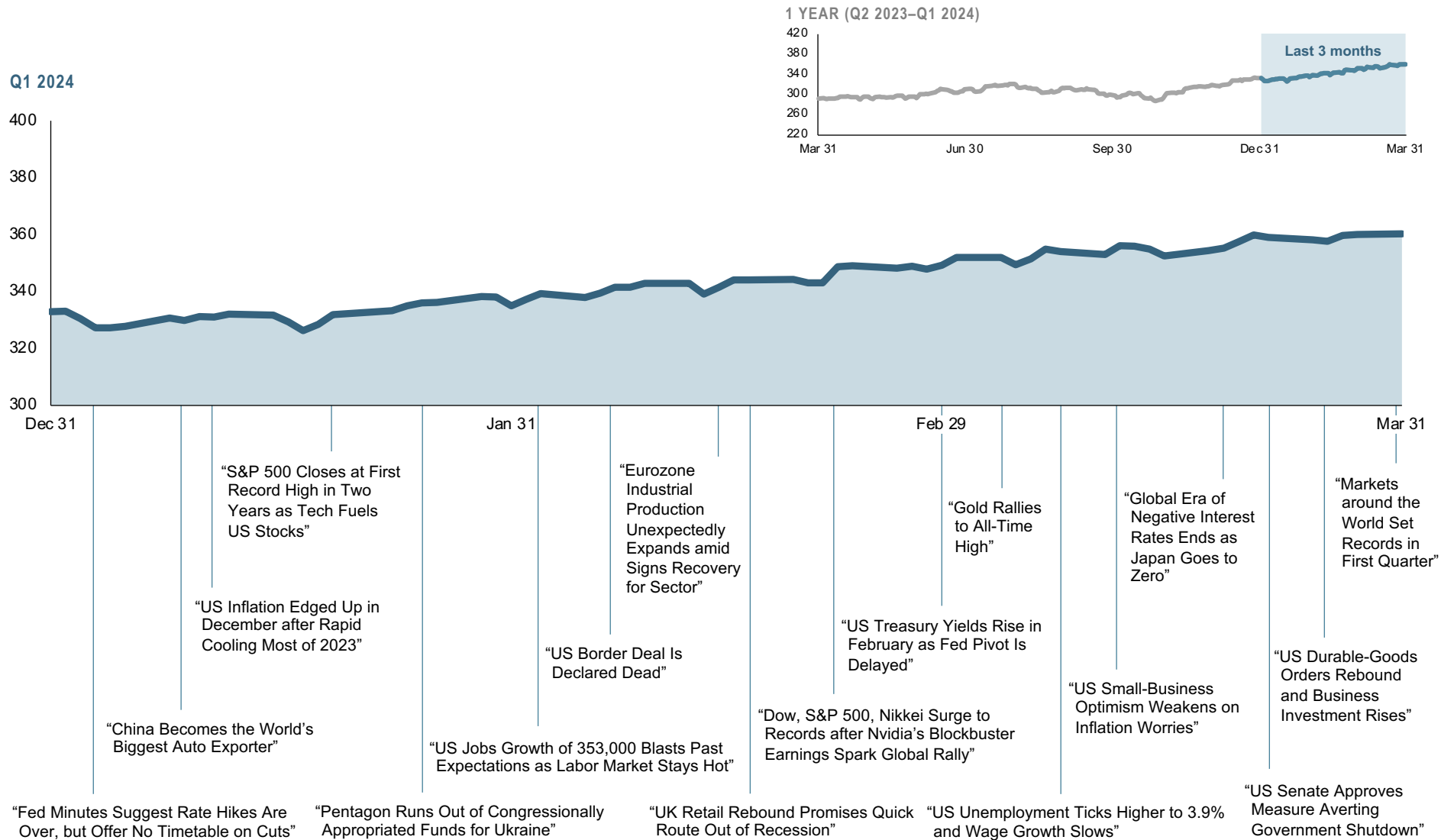
Index returns as of March 31, 2024

| | US Stock Market | International Developed Stocks | Emerging Markets Stocks | Global Real Estate | | US Bond Market | Global Bond Market ex US |
|----------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1 Year | STOCKS | | | | | BONDS | |
| | 29.29% | 15.29% | 8.15% | 7.44% | | 1.70% | 5.92% |
| |  |  |  |  | |  |  |
| 5 Years | | | | | | | |
| | 14.34% | 7.48% | 2.22% | 1.21% | | 0.36% | 1.03% |
| |  |  |  |  | |  |  |
| 10 Years | | | | | | | |
| | 12.33% | 4.81% | 2.95% | 3.89% | | 1.54% | 2.64% |
| |  |  |  |  | |  |  |

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 © 2024 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 2024, all rights reserved. Bloomberg data provided by Bloomberg.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2024



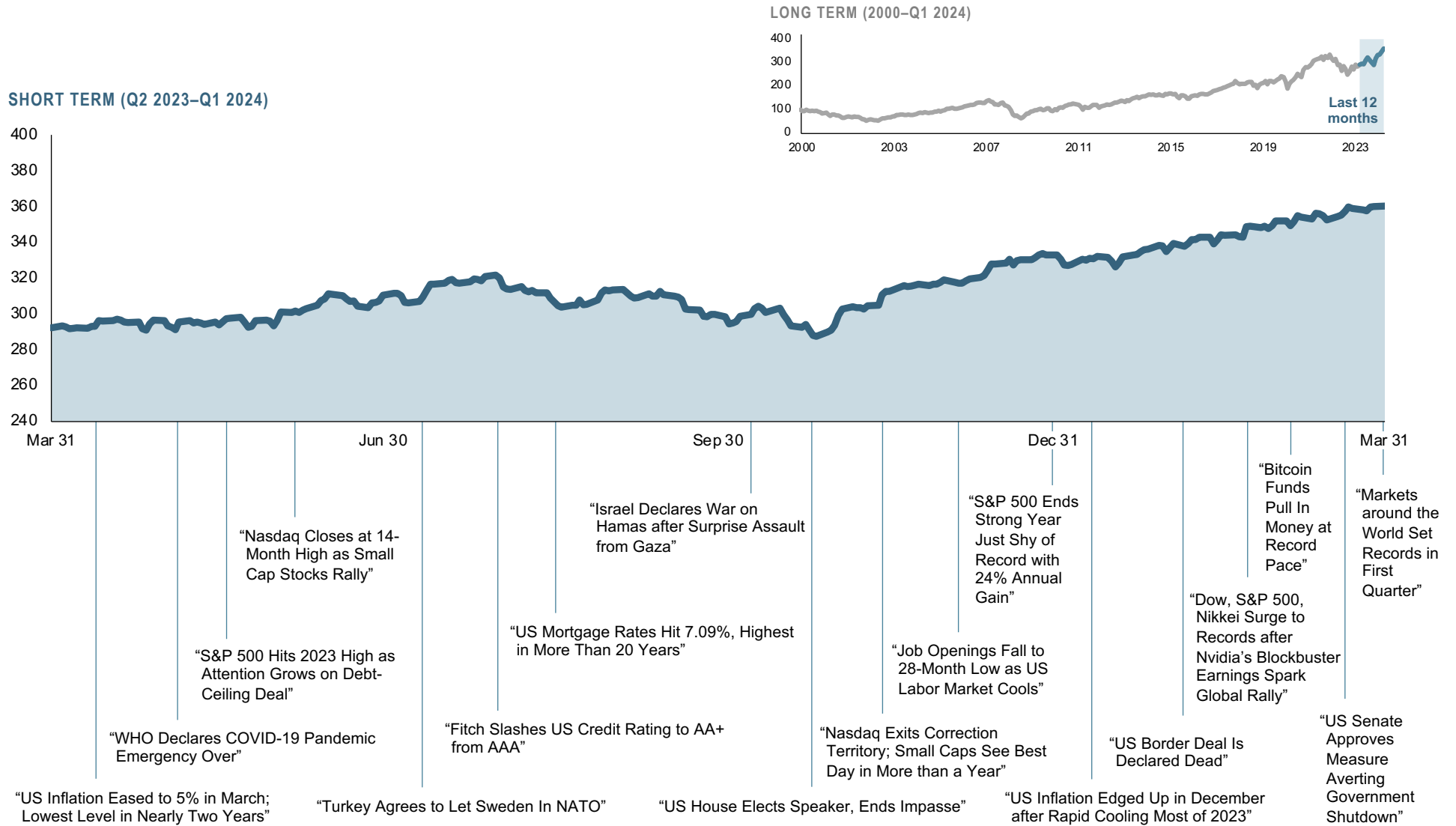
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2024, 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 2024, 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

First quarter 2024 index returns

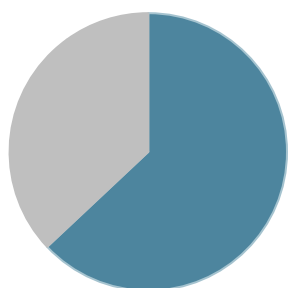
The US equity market posted positive returns for the quarter and outperformed both non-US developed and emerging markets.

Value underperformed growth.

Small caps underperformed large caps.

REIT indices underperformed equity market indices.

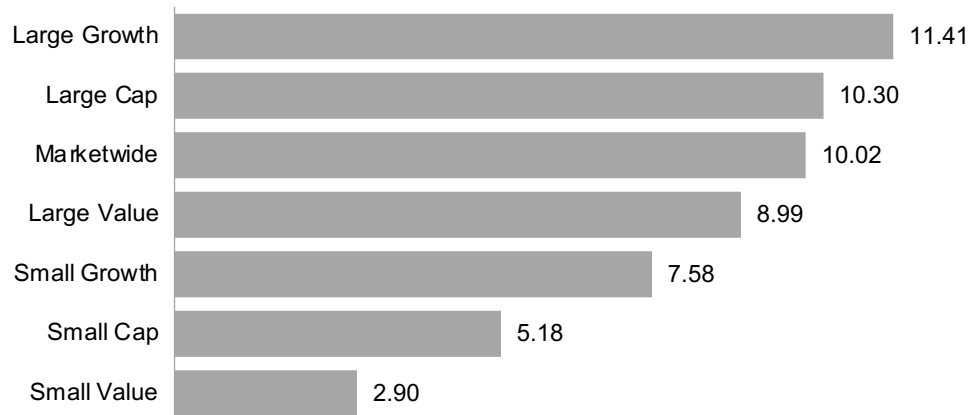
World Market Capitalization—US



63%

US Market
\$50.7 trillion

Ranked Returns (%)



Period Returns (%)

| Asset Class | QTR | 1 Year | Annualized | | |
|--------------|-------|--------|------------|---------|----------|
| | | | 3 Years | 5 Years | 10 Years |
| Large Growth | 11.41 | 39.00 | 12.50 | 18.52 | 15.98 |
| Large Cap | 10.30 | 29.87 | 10.45 | 14.76 | 12.68 |
| Marketwide | 10.02 | 29.29 | 9.78 | 14.34 | 12.33 |
| Large Value | 8.99 | 20.27 | 8.11 | 10.32 | 9.01 |
| Small Growth | 7.58 | 20.35 | -2.68 | 7.38 | 7.89 |
| Small Cap | 5.18 | 19.71 | -0.10 | 8.10 | 7.58 |
| Small Value | 2.90 | 18.75 | 2.22 | 8.17 | 6.87 |

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: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Value (Russell 1000 Value Index), Large Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Value (Russell 2000 Value Index), and Small Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. MSCI data © MSCI 2024, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

International Developed Stocks

First quarter 2024 index returns

Developed markets outside of the US posted positive returns for the quarter and underperformed the US market, but outperformed emerging markets.

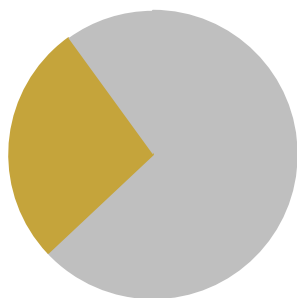
Value underperformed growth.

Small caps underperformed large caps.

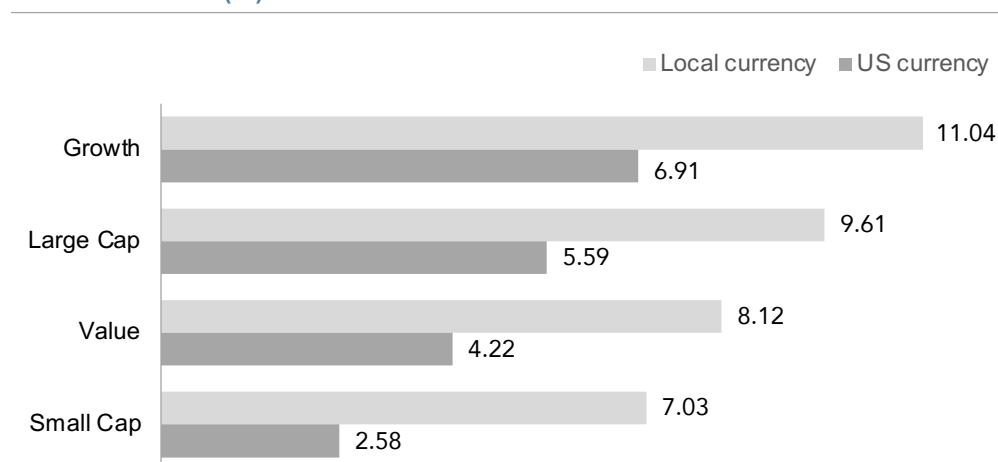
World Market Capitalization—International Developed

27%

International
Developed Market
\$21.9 trillion



Ranked Returns (%)



Period Returns (%)

| Asset Class | QTR | 1 Year | Annualized | | |
|-------------|------|--------|------------|---------|----------|
| | | | 3 Years | 5 Years | 10 Years |
| Growth | 6.91 | 13.66 | 2.83 | 7.86 | 5.74 |
| Large Cap | 5.59 | 15.29 | 4.93 | 7.48 | 4.81 |
| Value | 4.22 | 16.90 | 6.80 | 6.62 | 3.61 |
| Small Cap | 2.58 | 10.04 | -0.93 | 5.39 | 4.54 |

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 World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI World ex USA IMI Index is used as the proxy for the International Developed market. MSCI data © MSCI 2024, 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

First quarter 2024 index returns

Emerging markets posted positive returns for the quarter and underperformed both US and non-US developed markets.

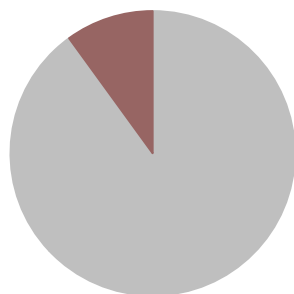
Value underperformed growth.

Small caps underperformed large caps.

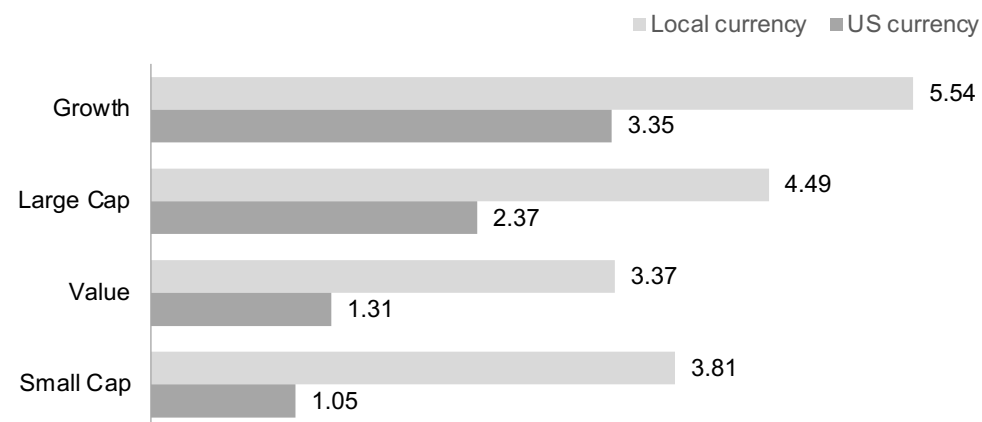
World Market Capitalization—Emerging Markets

10%

Emerging Markets
\$8.4 trillion



Ranked Returns (%)



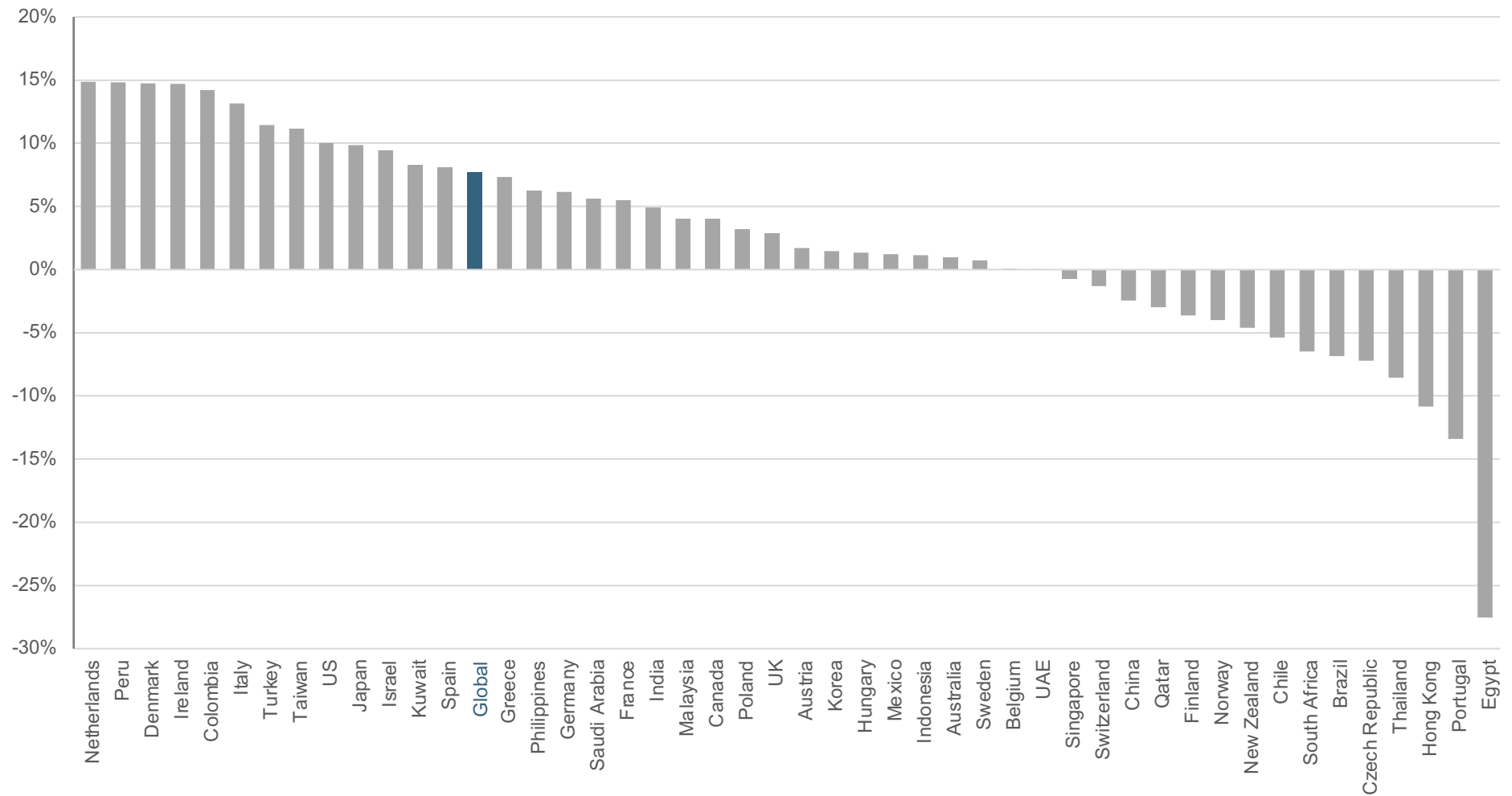
Period Returns (%)

| Asset Class | QTR | 1 Year | Annualized | | |
|-------------|------|--------|------------|---------|----------|
| | | | 3 Years | 5 Years | 10 Years |
| Growth | 3.35 | 5.16 | -8.85 | 2.24 | 3.63 |
| Large Cap | 2.37 | 8.15 | -5.05 | 2.22 | 2.95 |
| Value | 1.31 | 11.36 | -0.91 | 2.09 | 2.15 |
| Small Cap | 1.05 | 20.56 | 4.23 | 8.51 | 5.09 |

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 Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2024, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

Country Returns

First quarter 2024 index returns



Past performance is no guarantee of future results.

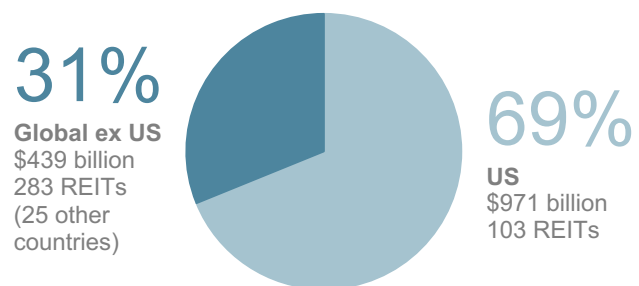
Country returns are the country component indices of the MSCI All Country World IMI Index for all countries except the United States, where the Russell 3000 Index is used instead. Global is the return of the MSCI All Country World IMI Index. MSCI index returns are net dividend. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Frank Russell Company is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. MSCI data © MSCI 2024, all rights reserved.

Real Estate Investment Trusts (REITs)

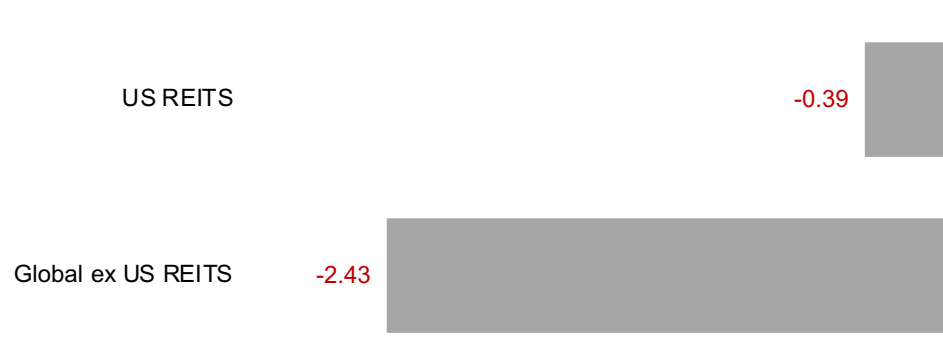
First quarter 2024 index returns

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

Total Value of REIT Stocks



Ranked Returns (%)



Period Returns (%)

| Asset Class | QTR | 1 Year | Annualized | | |
|--------------------|-------|--------|------------|---------|----------|
| | | | 3 Years | 5 Years | 10 Years |
| US REITS | -0.39 | 10.45 | 3.69 | 2.99 | 5.91 |
| Global ex US REITS | -2.43 | 3.96 | -4.19 | -2.21 | 1.35 |

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 © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Commodities

First quarter 2024 index returns

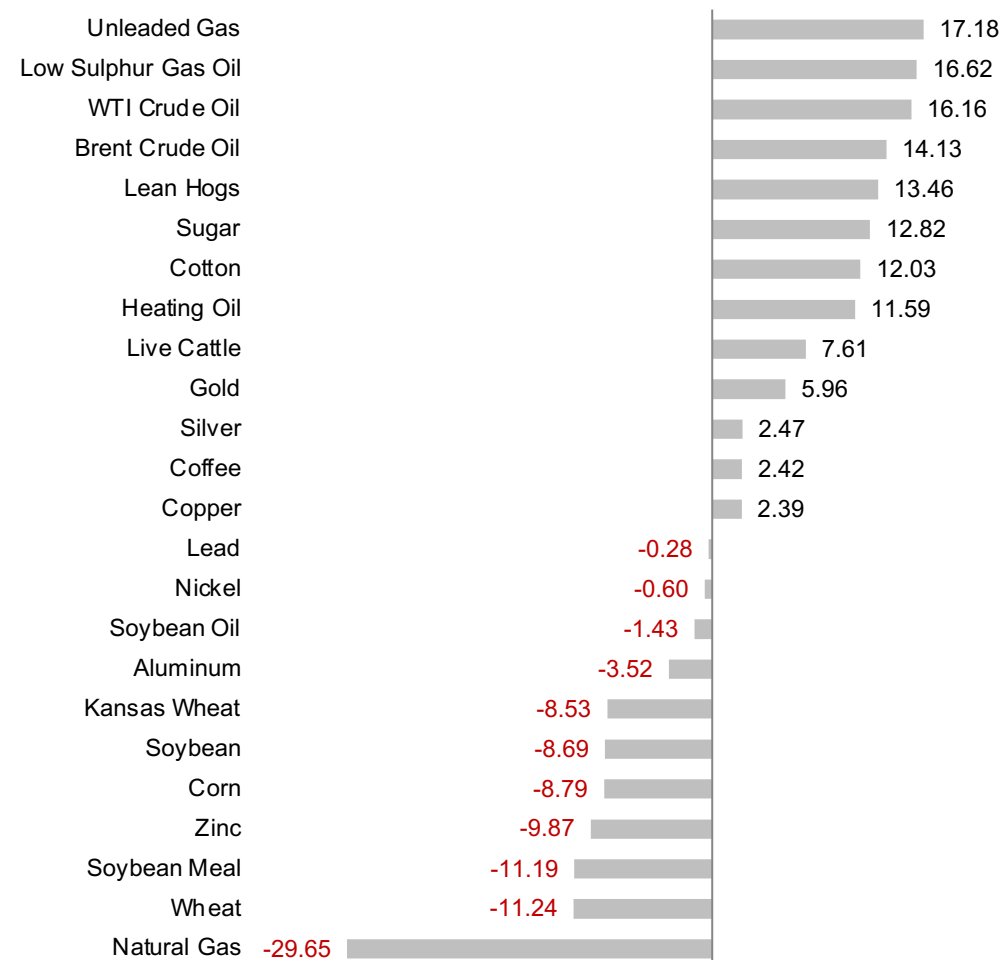
The Bloomberg Commodity Total Return Index returned +2.19% for the first quarter of 2024.

Unleaded Gas and Low Sulfur Gas Oil were the best performers, returning +17.18% and +16.62% during the quarter, respectively. Natural Gas and Wheat were the worst performers, returning -29.65% and -11.24% during the quarter, respectively.

Period Returns (%)

| Asset Class | QTR | Annualized | | | |
|-------------|------|------------|---------|---------|----------|
| | | 1 Year | 3 Years | 5 Years | 10 Years |
| Commodities | 2.19 | -0.56 | 9.11 | 6.38 | -1.56 |

Ranked Returns (%)



Fixed Income

First quarter 2024 index returns

Interest rates generally increased in the US Treasury market for the quarter.

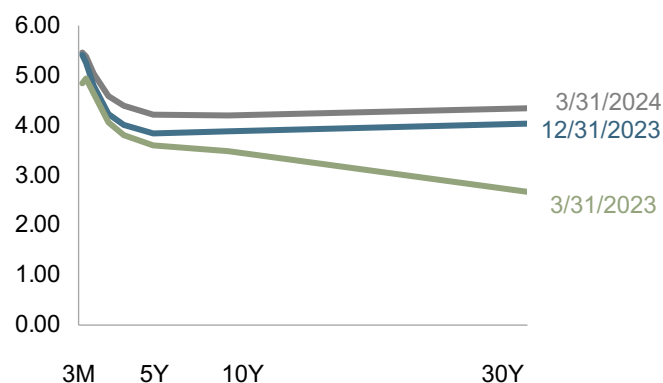
On the short end of the yield curve, the 1-Month US Treasury Bill yield decreased 11 basis points (bps) to 5.49%, while the 1-Year US Treasury Bill yield increased 24 bps to 5.03%. The yield on the 2-Year US Treasury Note increased 36 bps to 4.59%.

The yield on the 5-Year US Treasury Note increased 37 bps to 4.21%. The yield on the 10-Year US Treasury Note increased 32 bps to 4.20%. The yield on the 30-Year US Treasury Bond increased 31 bps to 4.34%.

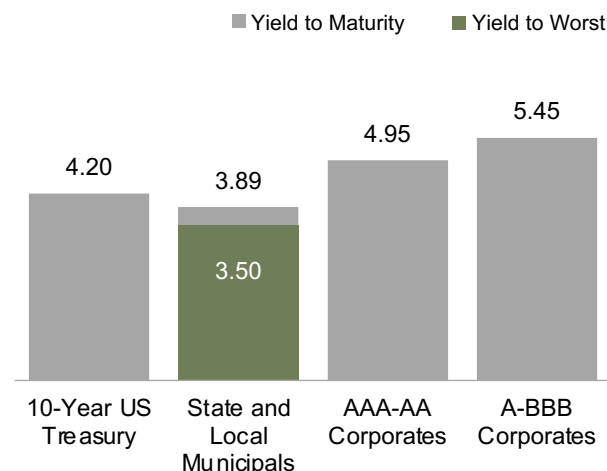
In terms of total returns, short-term US treasury bonds returned -0.05% while intermediate-term US treasury bonds returned -0.36%. Short-term corporate bonds returned +0.60% and intermediate-term corporate bonds returned +0.26%.¹

The total returns for short- and intermediate-term municipal bonds were -0.19% and -0.52%, respectively. Within the municipal fixed income market, general obligation bonds returned -0.70% while revenue bonds returned -0.27%.²

US Treasury Yield Curve (%)



Bond Yield Across Issuers (%)



Period Returns (%)

| Asset Class | QTR | 1 Year | Annualized | | |
|------------------------------------------------------------|-------|--------|------------|---------|----------|
| | | | 3 Years | 5 Years | 10 Years |
| Bloomberg U.S. High Yield Corporate Bond Index | 1.47 | 11.15 | 2.19 | 4.21 | 4.44 |
| ICE BofA US 3-Month Treasury Bill Index | 1.29 | 5.24 | 2.58 | 2.02 | 1.38 |
| ICE BofA 1-Year US Treasury Note Index | 0.83 | 4.30 | 1.44 | 1.66 | 1.25 |
| FTSE World Government Bond Index 1-5 Years (hedged to USD) | 0.26 | 3.66 | 0.11 | 1.16 | 1.41 |
| Bloomberg U.S. TIPS Index | -0.08 | 0.45 | -0.53 | 2.49 | 2.21 |
| Bloomberg Municipal Bond Index | -0.39 | 3.13 | -0.41 | 1.59 | 2.66 |
| Bloomberg U.S. Aggregate Bond Index | -0.78 | 1.70 | -2.46 | 0.36 | 1.54 |
| FTSE World Government Bond Index 1-5 Years | -1.35 | 1.27 | -2.61 | -0.40 | -0.68 |
| Bloomberg U.S. Government Bond Index Long | -3.24 | -6.03 | -8.01 | -2.77 | 1.25 |

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 (S&BBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2024 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2024 ICE Data Indices, LLC. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Bloomberg data provided by Bloomberg.

Global Fixed Income

First quarter 2024 yield curves

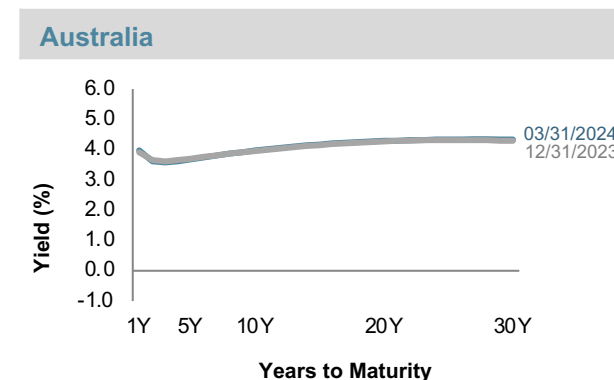
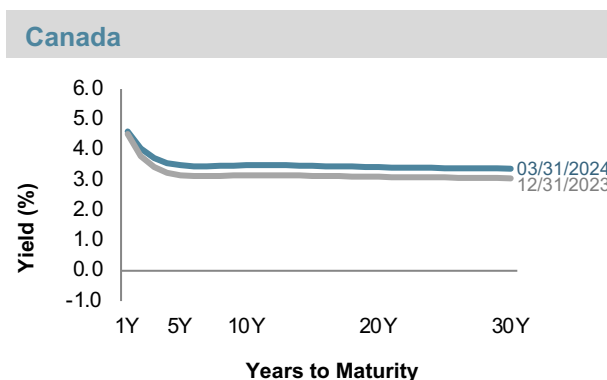
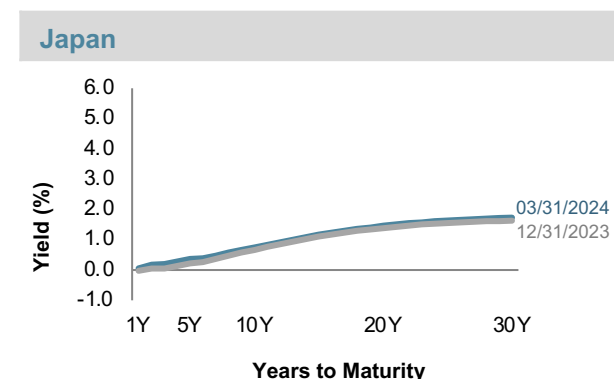
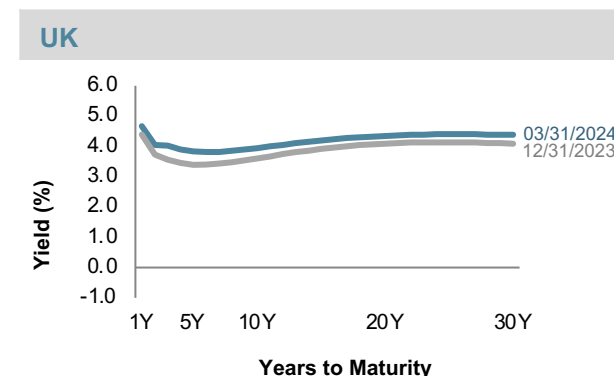
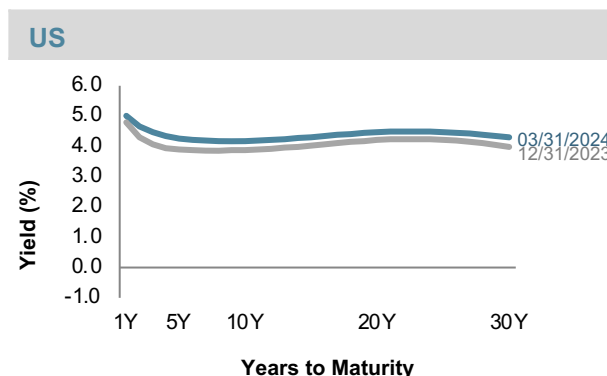
Interest rates generally increased across global developed markets for the quarter. Short-term rates in Japan turned positive.

Realized term premiums were generally negative across global developed markets, as longer-term bonds generally underperformed shorter-term bonds.

In Australia, short- and intermediate-term rates decreased. However, in Australia, UK, Germany, and Canada, the short-term segment of the yield curve remained inverted.

Changes in Yields (bps) since 12/31/2023

| | 1Y | 5Y | 10Y | 20Y | 30Y |
|-----------|------|------|------|------|------|
| US | 21.7 | 36.7 | 29.4 | 25.5 | 31.5 |
| UK | 27.7 | 43.7 | 33.7 | 25.8 | 28.2 |
| Germany | 29.6 | 40.0 | 24.8 | 19.0 | 20.2 |
| Japan | 8.1 | 14.0 | 7.9 | 7.1 | 10.1 |
| Canada | 8.4 | 33.3 | 32.8 | 31.9 | 31.9 |
| Australia | 5.7 | -2.9 | 0.9 | 1.7 | 4.9 |



The Next BlackBerry?

First quarter 2024

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

Some investors attribute the Magnificent 7 stocks' dominance to a "winner-take-all" environment in which a handful of companies achieve sufficient market share to hinder competition.¹ In businesses where gaining users drives success, establishing a strong market share may be like building a moat around profitability. But that doesn't guarantee these companies can stay on top.

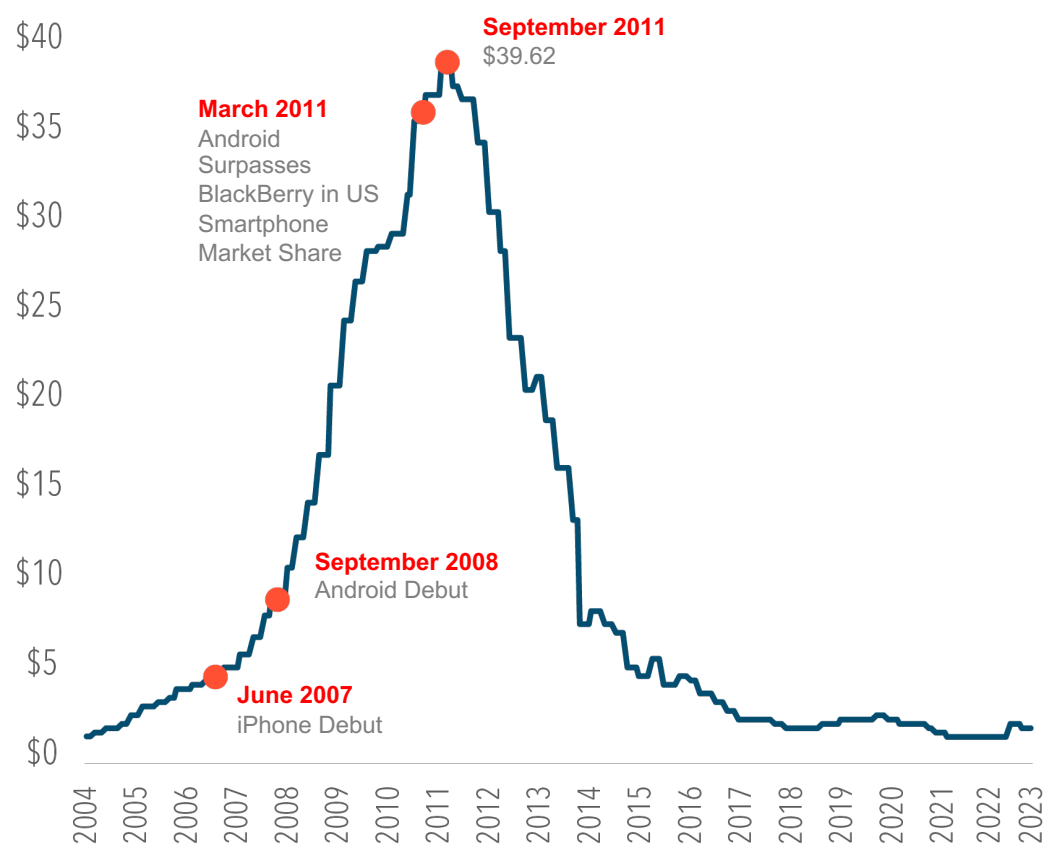
Think about the state of mobile phones 15 years ago. In all likelihood, you would have been reading this on a BlackBerry, such as that device's entrenchment for mobile business communication. Then, along came iPhones and Androids and suddenly BlackBerry's foothold was eroded.

History is littered with examples of household names that were usurped by the Next Big Thing. Remember, Sears was a Top 10-sized stock in the US once upon a time. AOL was synonymous with internet access in the 1990s. And in 2003, the most popular social media network starting with the letter F was Friendster.

Even the biggest companies have uncertain futures, highlighting the need for broadly diversified investments. And even if these companies stay at the top of the market, that's no assurance higher returns will continue if their success is expected.

BLACKBERRY TRAILING 12-MONTH SALES PER SHARE

February 2004–January 2024



1. Magnificent 7 include Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla. Named securities may be held in accounts managed by Dimensional. See following page for important disclosure.

The Next BlackBerry?

(continued from page 15)

Past performance is no guarantee of future results.

In USD. Source: FactSet.

Disclosures

The information in this material is intended for the recipient's background information and use only. It is provided in good faith and without any warranty or representation as to accuracy or completeness. Information and opinions presented in this material have been obtained or derived from sources believed by Dimensional to be reliable, and Dimensional has reasonable grounds to believe that all factual information herein is true as at the date of this material. It does not constitute investment advice, a recommendation, or an offer of any services or products for sale and is not intended to provide a sufficient basis on which to make an investment decision. Before acting on any information in this document, you should consider whether it is appropriate for your particular circumstances and, if appropriate, seek professional advice. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorized reproduction or transmission of this material is strictly prohibited. Dimensional accepts no responsibility for loss arising from the use of the information contained herein.

This material is not directed at any person in any jurisdiction where the availability of this material is prohibited or would subject Dimensional or its products or services to any registration, licensing, or other such legal requirements within the jurisdiction.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., Dimensional Ireland Limited, DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

RISKS

Investments involve risks. The investment return and principal value of an investment may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Past performance is not a guarantee of future results. There is no guarantee strategies will be successful.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value

Dimensional Fund Advisors does not have any bank affiliates.