

# Annual Market Review

2025

**IF YOU ARE A RETAIL INVESTOR IN THE UK, IRELAND, GERMANY, AUSTRIA, OR THE NETHERLANDS, THIS DOCUMENT HAS BEEN PROVIDED TO YOU BY YOUR FINANCIAL ADVISER, WHO CAN HELP EXPLAIN ITS CONTENTS.**

**WHERE ISSUED BY DIMENSIONAL IRELAND LIMITED:** Issued by Dimensional Ireland Limited (Dimensional Ireland), with registered office 25 North Wall Quay, Dublin 1, D01 H104, Ireland. Dimensional Ireland is regulated by the Central Bank of Ireland (Registration No. C185067). Directed only at professional clients within the meaning of Markets in Financial Instruments Directive (MiFID) (2014/65/EU).

**WHERE ISSUED BY DIMENSIONAL FUND ADVISORS LTD:** Issued by Dimensional Fund Advisors Ltd. (Dimensional UK), 20 Triton Street, Regent's Place, London, NW1 3BF. Company Number 02569601. Dimensional UK is authorised and regulated by the Financial Conduct Authority (FCA) - Firm Reference No. 150100. Directed only at professional clients as defined by the rules of the FCA.

**NOTICE TO INVESTORS IN SWITZERLAND:** This is advertising material.

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 Ireland and Dimensional UK, as applicable (each an "Issuing Entity", as the context requires) to be reliable and the Issuing Entity has reasonable grounds to believe that all factual information herein is true as at the date of this document. It does not constitute investment advice, 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. It is the responsibility of any persons wishing to make a purchase to inform themselves of and observe all applicable laws and regulations. Unauthorised reproduction or transmitting of this material is strictly prohibited. The Issuing Entity does not accept responsibility for loss arising from the use of the information contained herein.

Where information on past performance, if any, relies on figures denominated in a currency other than that of the country in which a potential investor is resident, performance may increase or decrease as a result of currency fluctuations.

# 2025 Annual Market Review

This report features world capital market performance for the past year.

## Contents

- Market Summary
- UK Equities
- Europe Developed Markets Equities
- World Developed Markets Equities
- Emerging Markets Equities
- Country Returns
- Fixed Income

# Market Summary

2025 yearly index returns (GBP)

|                       | UK Market   | Europe Developed Market   | Developed Market   | Emerging Market   | UK Government Bond Market   | Global ex UK Government Bond Market   | Global Credit Bond Market   |
|-----------------------|---|---|--|---|---|---|---|
| 2025                  |   | STOCKS  |  |   |   | BONDS   |   |
|                       | 25.80%  | 26.08%  | 12.75%   | 24.37%  | 4.86%   | 3.63%   | 6.72%   |
|                       |  |  |  |  |  |  |  |
| Since Jan. 2001       |   |   |  |   |   |   |   |
| Average Yearly Return | 6.7%  | 7.1%  | 8.7%   | 11.1%   | 3.5%  | 3.8%  | 4.7%  |
| Best Year             | 27.6%   | 26.1%   | 28.2%  | 58.9%   | 16.9%   | 11.4%   | 14.0%   |
|                       | <b>2009</b>   | <b>2025</b>   | <b>2016</b>  | <b>2009</b>   | <b>2011</b>   | <b>2008</b>   | <b>2009</b>   |
| Worst Year            | -28.5%  | -26.2%  | -27.6%   | -35.4%  | -27.1%  | -13.1%  | -15.3%  |
|                       | <b>2008</b>   | <b>2002</b>   | <b>2002</b>  | <b>2008</b>   | <b>2022</b>   | <b>2022</b>   | <b>2022</b>   |

## Past performance is not a guarantee of future results.

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower.

MSCI data © MSCI 2026, all rights reserved. Bloomberg data provided by Bloomberg. FTSE fixed income indices © 2026 FTSE Fixed Income LLC. All rights reserved. MSCI UK Index (net div., GBP), MSCI Europe Index (net div., GBP), MSCI World Index (net div., GBP), MSCI Emerging Markets Index (net div., GBP), FTSE UK Government Bond Index (hedged to GBP), FTSE Non-GBP World Government Bond Index (hedged to GBP), Bloomberg Global Aggregate Credit Bond Index (hedged to GBP).

# UK Equities

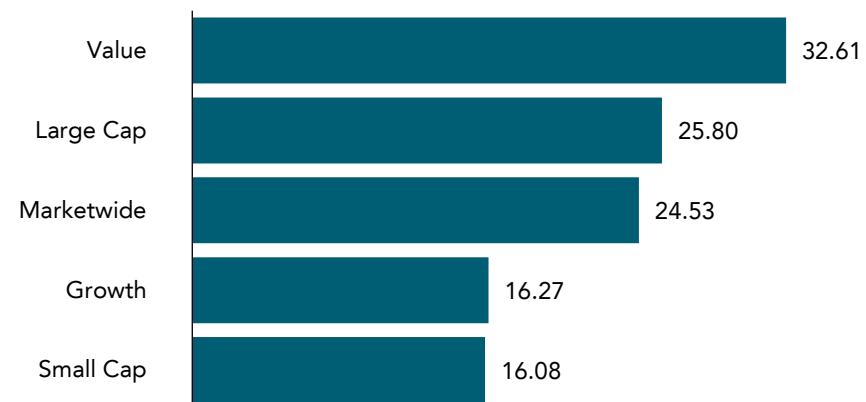
2025 index returns (GBP)

The UK equity market posted positive returns for the year and outperformed both world developed and emerging markets.

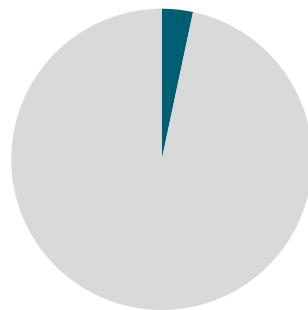
Value outperformed growth.

Small caps underperformed large caps.

## RANKED RETURNS (%)



## WORLD MARKET CAPITALISATION—UK



■ UK 3.3%,  
 (£2.6 trillion)

## PERIOD RETURNS (%)

| Asset Class | Annualised |         |         |          |          |          |
|-------------|------------|---------|---------|----------|----------|----------|
|             | 1 Year     | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Value       | 32.61      | 16.64   | 16.46   | 9.47     | 7.78     | 6.23     |
| Large Cap   | 25.80      | 14.02   | 13.69   | 8.82     | 7.43     | 6.71     |
| Marketwide  | 24.53      | 13.62   | 12.07   | 8.26     | 7.39     | 6.79     |
| Growth      | 16.27      | 10.00   | 9.11    | 7.87     | 7.26     | 7.16     |
| Small Cap   | 16.08      | 10.83   | 3.89    | 5.09     | 7.50     | 7.18     |

**Past performance is not a guarantee of future results.**

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower.

MSCI data © MSCI 2026, all rights reserved: Marketwide is MSCI United Kingdom IMI Index (net div., GBP), Large is MSCI UK Index (net div., GBP), Small is MSCI UK Small Cap Index (net div., GBP), Value is MSCI UK Value Index (net div., GBP), Growth is MSCI UK Growth Index (net div., GBP)

# Europe Developed Markets Equities

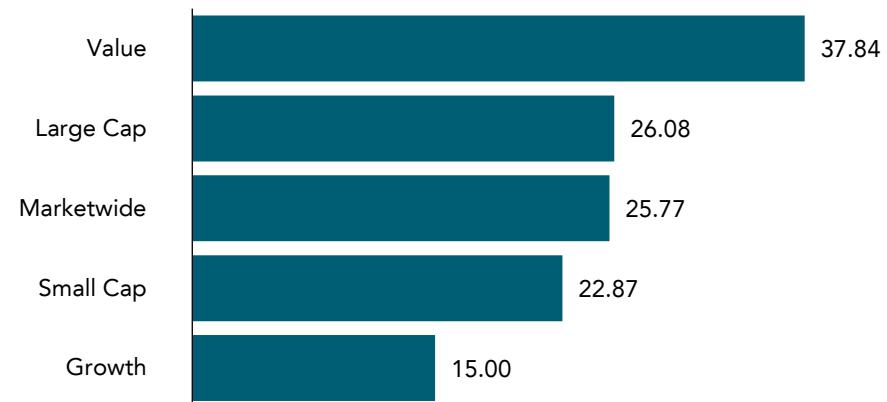
2025 index returns (GBP)

European developed equity markets posted positive returns for the year and outperformed both world developed and emerging markets.

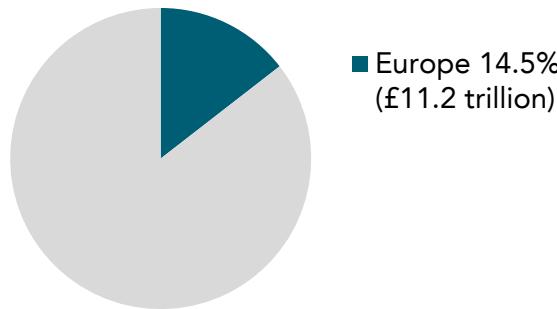
Value outperformed growth.

Small caps underperformed large caps.

## RANKED RETURNS (%)



## WORLD MARKET CAPITALISATION—EUROPE DEVELOPED



## PERIOD RETURNS (%)

| Asset Class | Annualised |         |         |          |          |          |  |
|-------------|------------|---------|---------|----------|----------|----------|--|
|             | 1 Year     | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |  |
| Value       | 37.84      | 18.19   | 14.54   | 9.86     | 7.59     | 6.18     |  |
| Large Cap   | 26.08      | 13.90   | 10.65   | 9.52     | 8.04     | 7.21     |  |
| Marketwide  | 25.77      | 13.58   | 10.00   | 9.37     | 8.11     | 7.40     |  |
| Small Cap   | 22.87      | 10.90   | 5.34    | 8.14     | 8.63     | 8.56     |  |
| Growth      | 15.00      | 9.67    | 6.63    | 8.84     | 8.21     | 7.99     |  |

**Past performance is not a guarantee of future results.**

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower.

MSCI data © MSCI 2026, all rights reserved: Marketwide is MSCI Europe IMI Index (net div., GBP), Large is MSCI Europe Index (net div., GBP), Small is MSCI Europe Small Cap Index (net div., GBP), Value is MSCI Europe Value Index (net div., GBP), Growth is MSCI Europe Growth Index (net div., GBP).

# World Developed Markets Equities

2025 index returns (GBP)

World developed equity markets posted positive returns for the year and underperformed emerging equity markets.

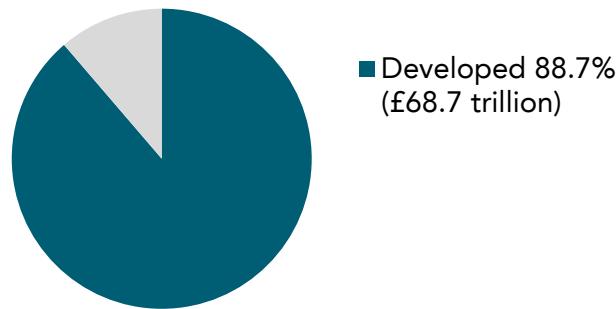
Value underperformed growth.

Small caps underperformed large caps.

## RANKED RETURNS (%)



## WORLD MARKET CAPITALISATION—WORLD DEVELOPED



## PERIOD RETURNS (%)

| Asset Class | Annualised |         |         |          |          |          |  |
|-------------|------------|---------|---------|----------|----------|----------|--|
|             | 1 Year     | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |  |
| Growth      | 12.79      | 23.17   | 12.74   | 15.74    | 13.82    | 11.66    |  |
| Large Cap   | 12.75      | 16.74   | 12.51   | 13.20    | 11.75    | 9.85     |  |
| Marketwide  | 12.65      | 16.04   | 11.94   | 12.88    | 11.53    | 9.80     |  |
| Value       | 12.47      | 10.32   | 11.71   | 10.23    | 9.37     | 7.78     |  |
| Small Cap   | 11.62      | 10.31   | 7.48    | 10.42    | 9.89     | 9.03     |  |

**Past performance is not a guarantee of future results.**

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower.

MSCI data © MSCI 2026, all rights reserved: Marketwide is MSCI World IMI Index (net div., GBP), Large is MSCI World Index (net div., GBP), Small is MSCI World Small Cap Index (net div., GBP), Value is MSCI World Value Index (net div., GBP), Growth is MSCI World Growth Index (net div., GBP).

# Emerging Markets Equities

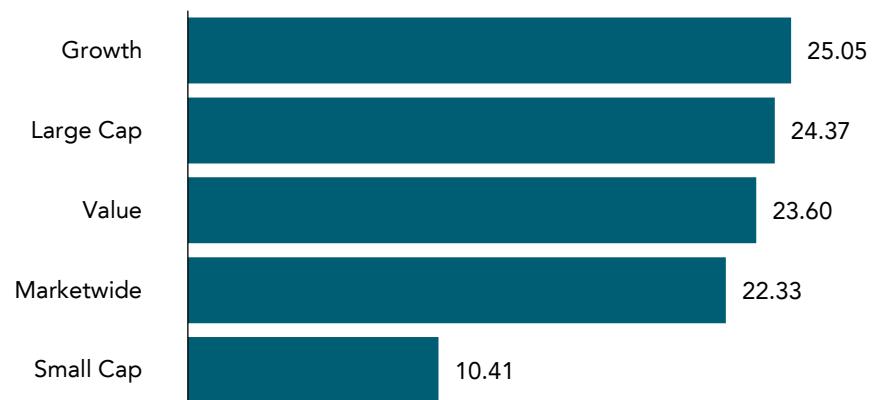
2025 index returns (GBP)

Emerging equity markets posted positive returns for the quarter and outperformed world developed equity markets.

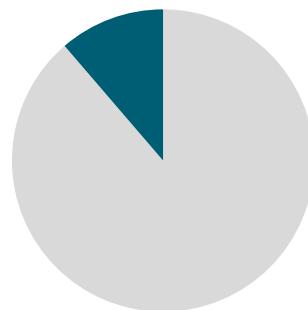
Value underperformed growth.

Small caps underperformed large caps.

## RANKED RETURNS (%)



## WORLD MARKET CAPITALISATION—EMERGING MARKETS



■ Emerging 11.3%  
 (£8.7 trillion)

## PERIOD RETURNS (%)

| Asset Class | Annualised |         |         |          |          |          |
|-------------|------------|---------|---------|----------|----------|----------|
|             | 1 Year     | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
| Growth      | 25.05      | 11.92   | 2.10    | 9.76     | 5.78     | 7.54     |
| Large Cap   | 24.37      | 12.14   | 4.53    | 9.41     | 4.87     | 7.29     |
| Value       | 23.60      | 12.32   | 7.11    | 8.95     | 3.87     | 6.95     |
| Marketwide  | 22.33      | 12.00   | 5.00    | 9.37     | 4.92     | 7.44     |
| Small Cap   | 10.41      | 11.25   | 8.78    | 9.31     | 5.36     | 8.52     |

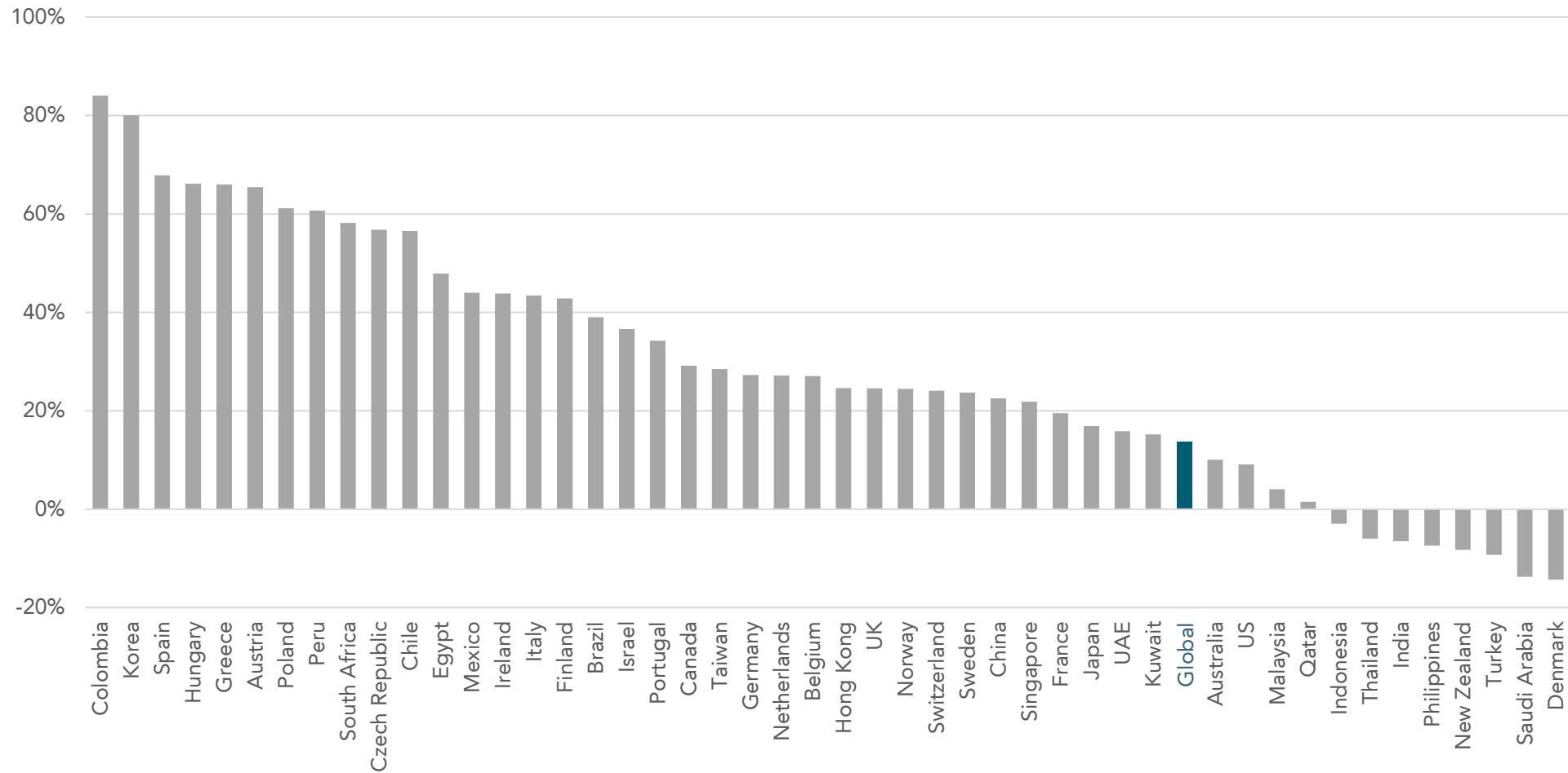
**Past performance is not a guarantee of future results.**

Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower.

MSCI data © MSCI 2026, all rights reserved: Marketwide is MSCI Emerging Markets IMI Index (net div., GBP), Large is MSCI Emerging Markets Index (net div., GBP), Small is MSCI Emerging Markets Small Cap Index (net div., GBP), Value is MSCI Emerging Markets Value Index (net div., GBP), Growth is MSCI Emerging Markets Growth Index (net div., GBP).

# Country Returns

2025 index returns (GBP)



**Past performance is not a 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 2026, all rights reserved.

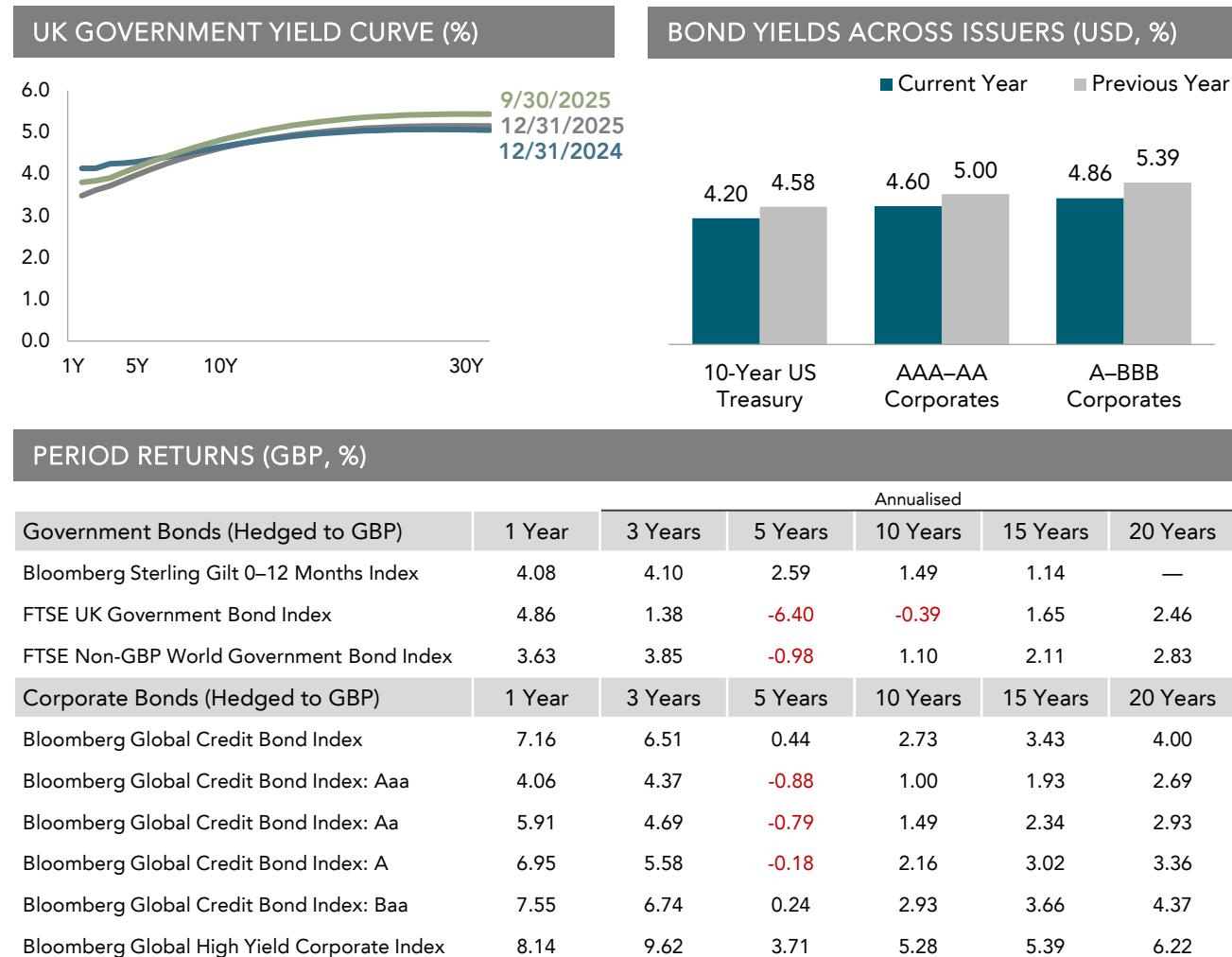
# Fixed Income

## 2025 index returns

Short- to intermediate-term interest rates decreased, and long-term interest rates increased in the UK government bond market during the year. The UK government yield curve began the year inverted in the short-term maturity range but upwardly sloped in the intermediate- to long-term maturity range. The yield curve ended the year upwardly sloped.

Realized term premiums for British pound-denominated bonds were mixed during the year as intermediate-term bonds generally outperformed their shorter and longer-term counterparts.

Realized credit premiums for British pound-denominated bonds were positive during the year as corporate bonds generally outperformed their government counterparts.



**Past performance is not a guarantee of future results.**

One basis point (bps) equals 0.01%. Source: Bank of America government yield. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Actual returns may be lower. Yield curve data from: Federal Reserve, AAA-AA Corporates represent the Bank of America US Corporates, AA-AAA rated. A-BBB Corporates represent the Bank of America US Corporates, BBB-A rated. Return data: Dimensional Returns database. Bloomberg data provided by Bloomberg, FTSE fixed income indices © 2026 FTSE Fixed Income LLC. All rights reserved, ICE BofA index data © 2026 ICE Data Indices, LLC.

# Global Fixed Income

## 2025 yield curves

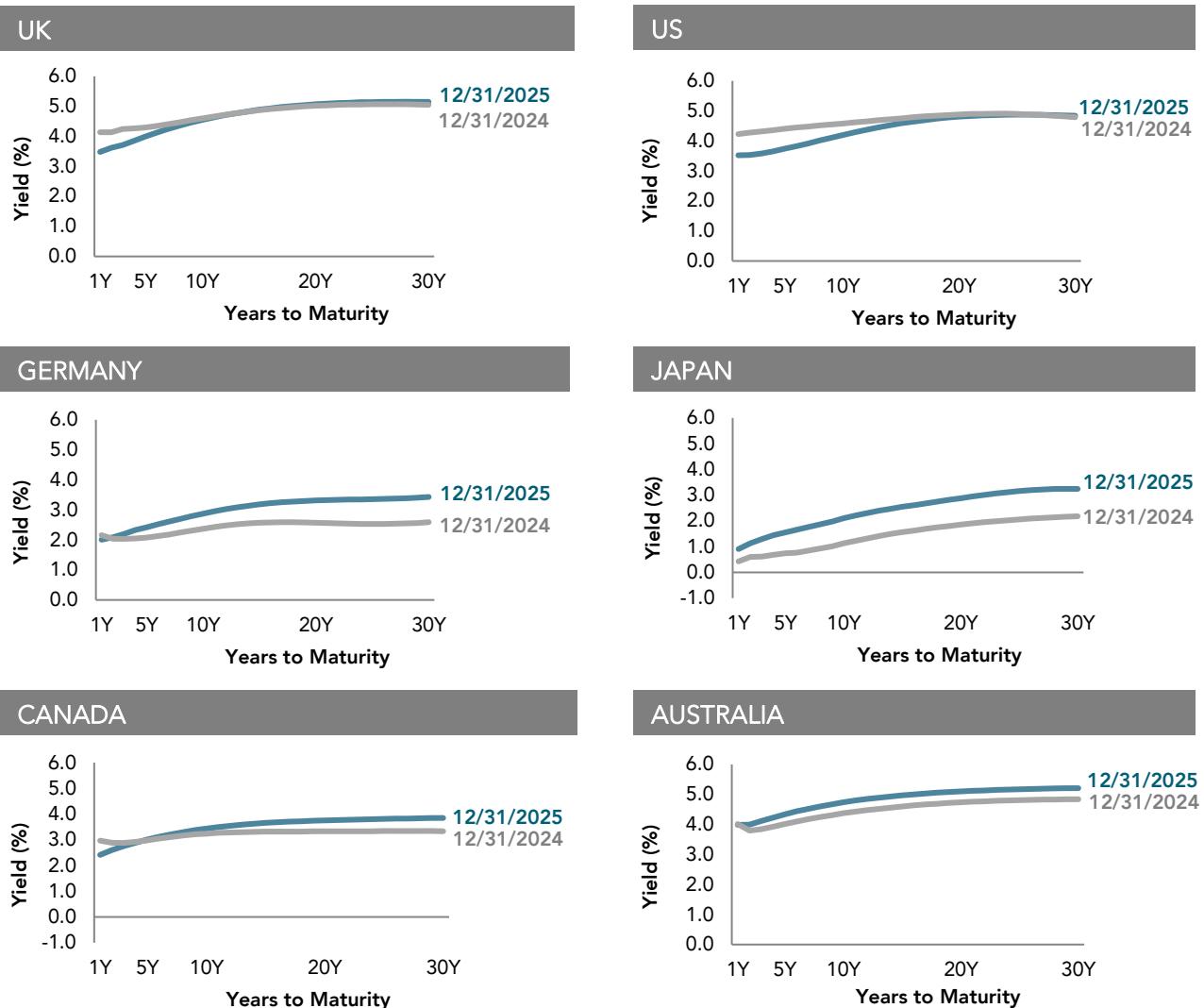
Except for the UK and the US, interest rates generally increased across global developed markets for the year.

In the US, interest rates generally decreased. In the UK, short- to intermediate-term interest rates decreased while long-term interest rates increased. In Canada, Germany, the UK, and Australia, the short-term maturity range of their yield curves was generally flat but steepened in the three- to five-year maturity range.

Global term premiums were mixed. Realized term premiums were mixed in the US and the UK, as intermediate-term bonds generally outperformed shorter and longer-term bonds. However, realized term premiums were generally negative in Canada, Germany, and Japan, as longer-term bonds generally underperformed shorter-term bonds for the year.

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

| Asset Class | 1Y           | 5Y           | 10Y          | 20Y         | 30Y   |
|-------------|--------------|--------------|--------------|-------------|-------|
| UK          | <b>-65.5</b> | <b>-30.6</b> | <b>-5.0</b>  | 5.3         | 9.6   |
| US          | <b>-70.7</b> | <b>-66.6</b> | <b>-38.5</b> | <b>-7.7</b> | 5.6   |
| Germany     | <b>-15.1</b> | 34.8         | 49.9         | 74.0        | 84.4  |
| Japan       | 48.1         | 81.8         | 97.6         | 102.9       | 106.4 |
| Canada      | <b>-55.7</b> | 2.8          | 19.7         | 42.7        | 51.4  |
| Australia   | <b>-2.6</b>  | 32.2         | 36.5         | 36.4        | 36.8  |



**Past performance is not a guarantee of future results.**

One basis point (bps) equals 0.01%. Source: Bank of America government yield. ICE BofA index data © 2026 ICE Data Indices, LLC. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.