

December 29, 2025

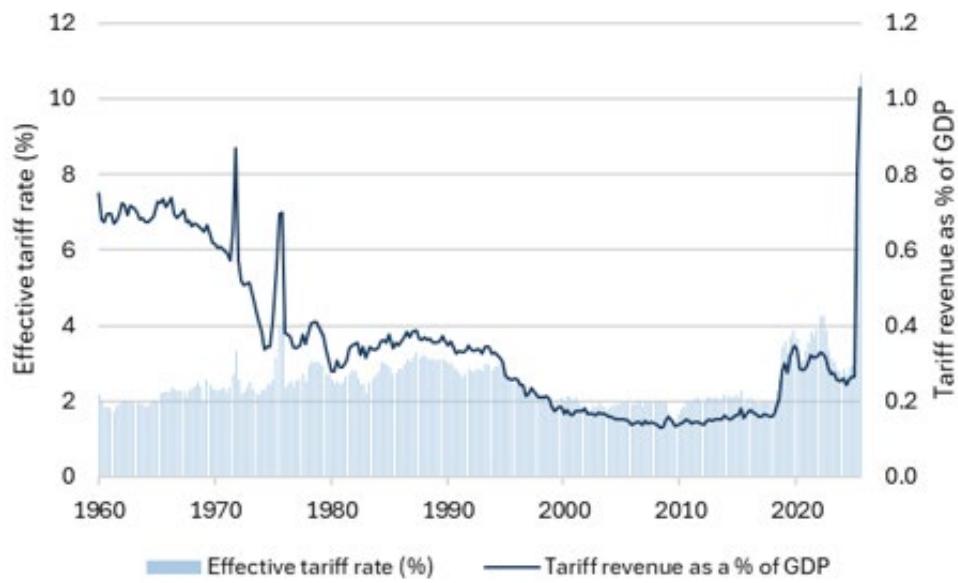
Market Commentary

Five Charts to Remember 2025

By Michael Crook, CAIA, Chief Investment Officer

1. **Tariffs: Liberation Day (April 2) pushed US tariff rates above post-WW2 levels. Tariff revenue is currently tracking at a 1% of GDP.**

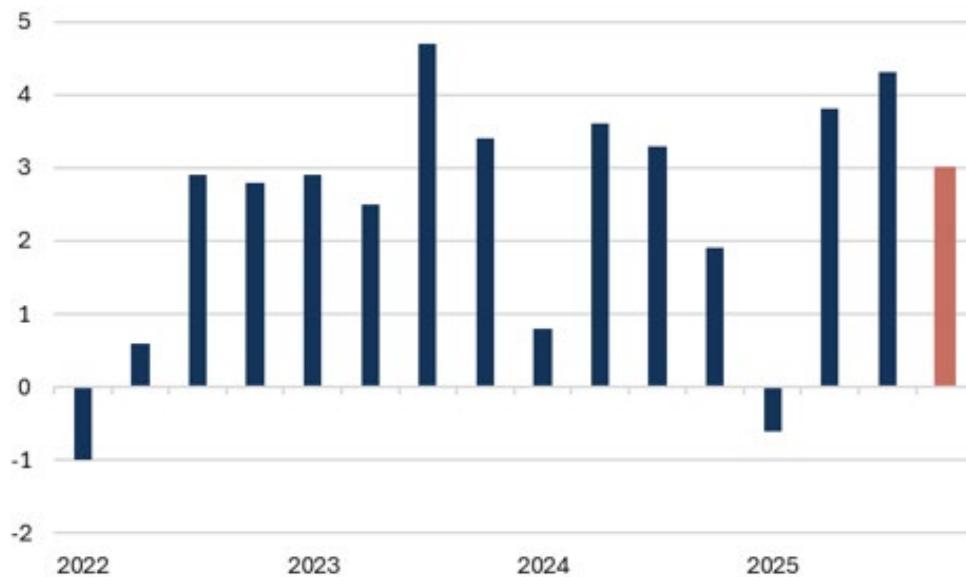
Fig. 1: Tariff rates and revenue, 1960-2025



Source: Federal Reserve Bank of St. Louis, Mill Creek. As of 12/23/2025

2. **Economic growth: Buoyed by a resilient consumer and AI investment, US economic growth continues to defy many investors' expectations (but not ours).**

Fig. 2: Real economic growth accelerated in 2025



Source: Bloomberg, Mill Creek. Salmon bar is the Atlanta Fed GDPNow estimate for Q4 2025. As of 12/23/2025

3. **US dollar: During the first half of 2025, the dollar experienced one of its sharpest declines in 15 years. We expect further dollar depreciation in 2026.**

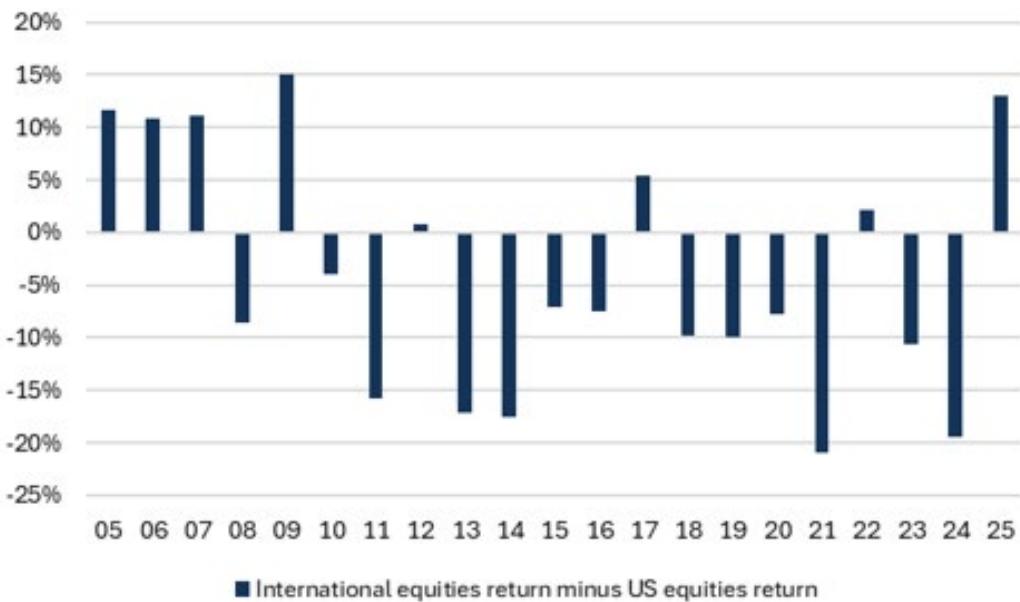
Fig. 3: US Dollar Index (DXY)



Source: Bloomberg, Mill Creek. As of 12/23/2025.

4. After 15 years of dominant US stock market performance, international stocks outperformed US stocks by the most since 2009.

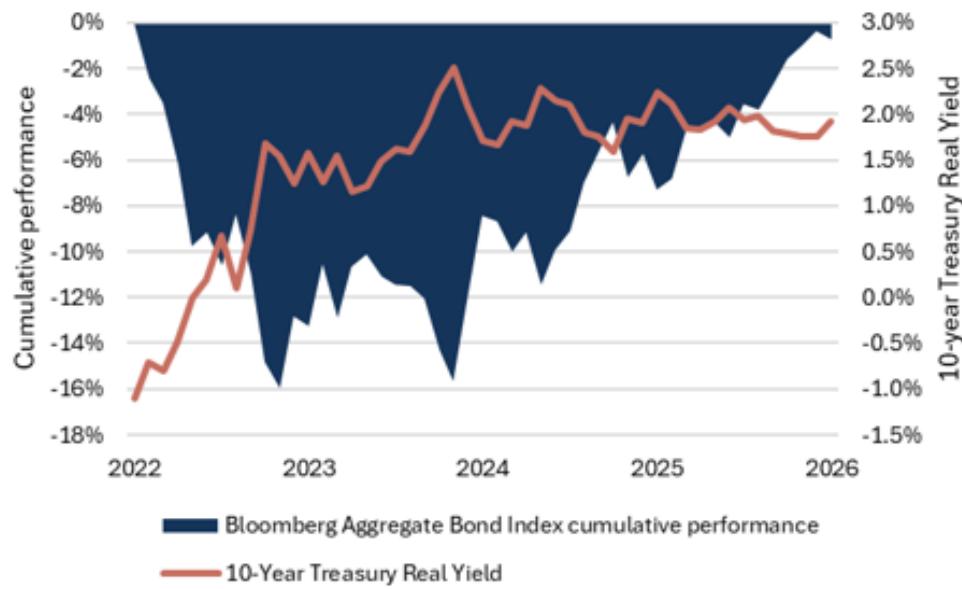
Fig. 4: Calendar year international versus US equity performance



Source: Bloomberg, Mill Creek. As of 12/23/2025. Indexes are S&P 500 and MSCI ACWI ex USA.

5. US bond portfolios produced mid-to-high single digit returns, erasing the remainder of 2022 losses. More importantly, inflation-adjusted yields haven't fallen back to pre-COVID levels.

Fig. 5: US bond market performance and real yields



Source: Bloomberg, Mill Creek. As of 12/23/2025

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