LEVY HERITAGE
Boutique Multifamily Office
SINCE 2008

YEAR-END COMMENTARY | 2025

Financial markets in 2025 navigated a pivotal transition marked by moderating inflation, improving monetary conditions, and continued economic resilience. After an extended period of monetary tightening, major central banks shifted toward easing, though at a measured pace. This pivot supported risk assets while keeping volatility episodic amid persistent macro and geopolitical uncertainties.

Equities delivered solid returns despite bouts of retraction. While technology, and AI in particular, continued its lead in gains (and volatility), strong performance broadened to other sectors, including industrials, materials, and biotech. Additionally, international stocks outperformed US stocks by the highest margin since 2009 driven by US tariffs and policy uncertainty, a weaker dollar and partial catchup for years of underperformance.

Fixed income provided renewed value in 2025. Declining inflation and rate cuts supported bond prices, while yields remained attractive relative to recent history. High-quality bonds once again offered income and diversification benefits, reinforcing their role in balanced portfolios. Gold and other precious metals glittered as investor demand for a haven and central bank desire for reserve diversification were further supported by lower rates and a weaker dollar.

Looking ahead, the investment backdrop in 2026 is optimistic. Key risks remain, including renewed inflation, geopolitical escalations and lofty valuations reflecting elevated earnings expectations. However, while growth is expected to slow modestly, it is also likely to become more durable and broadly distributed. Central banks are positioned for continued easing policy at a measured pace, which should support economic activity while keeping inflation contained.

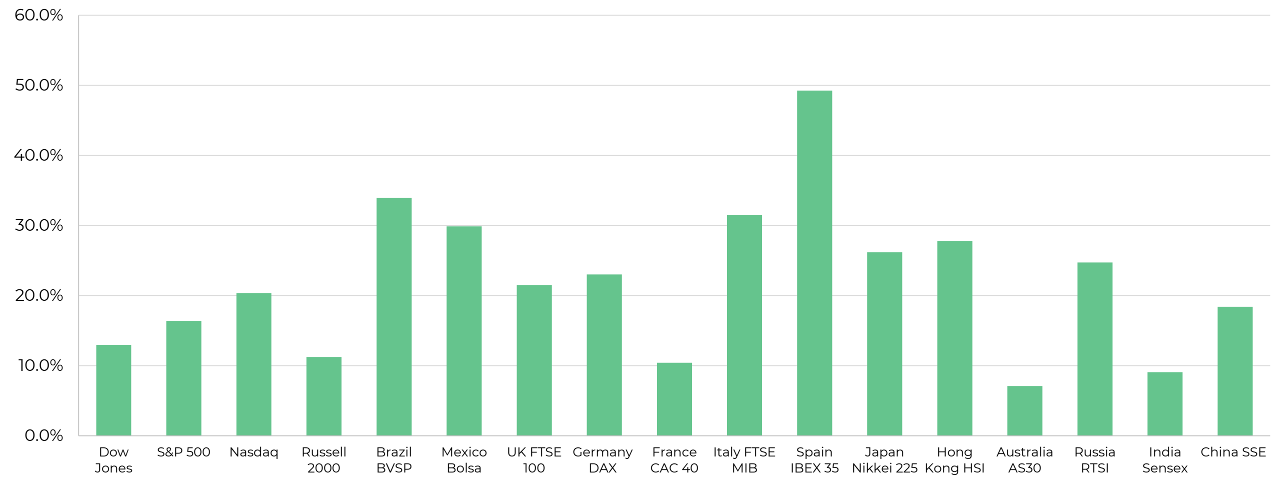
As economies transition from inflation containment to growth normalization markets are likely to increasingly reward diversified, balanced, and patient investment strategies. We look forward to navigating the year ahead together.

Market Summary

Period:	31-Dec-24	to	31-Dec-25

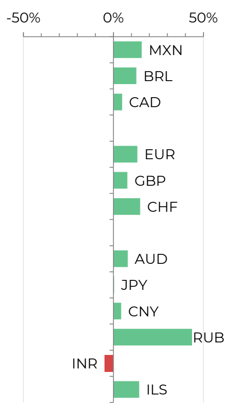
EQUITIES

Americas	31-Dec-24	31-Dec-25	% Change
Dow Jones	42,544	48,063	13.0%
S&P 500	5,882	6,846	16.4%
Nasdaq	19,311	23,242	20.4%
Russell 2000	2,231	2,482	11.3%
Brazil BVSP	120,283	161,125	34.0%
Mexico Bolsa	49,513	64,308	29.9%
Europe			
UK FTSE 100	8,173	9,931	21.5%
Germany DAX	19,909	24,490	23.0%
France CAC 40	7,381	8,150	10.4%
Italy FTSE MIB	34,186	44,945	31.5%
Spain IBEX 35	11,595	17,308	49.3%
Asia			
Japan Nikkei 225	39,895	50,339	26.2%
Hong Kong HSI	20,060	25,631	27.8%
Australia AS30	8,421	9,019	7.1%
Russia RTSI	893	1,114	24.7%
India Sensex	78,139	85,221	9.1%
China SSE	3,352	3,969	18.4%



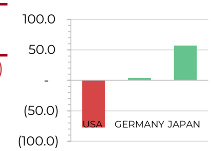
CURRENCIES

Americas	31-Dec-24	31-Dec-25	Vs. USD
MXN	20.83	17.99	15.8%
BRL	6.18	5.49	12.7%
CAD	1.44	1.37	4.9%
Europe			
EUR	0.97	0.85	13.3%
GBP	0.80	0.74	7.8%
CHF	0.91	0.79	14.9%
Asia/ME			
AUD	1.62	1.50	8.0%
JPY	157.32	156.65	0.4%
CNY	7.30	6.99	4.3%
RUB	109.73	76.39	43.6%
INR	85.53	89.87	-4.8%
ILS	3.65	3.19	14.3%

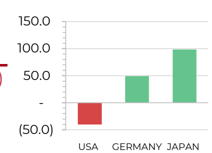


RATES

2 Yrs	31-Dec-24	31-Dec-25	+/- bps
USA	4.25%	3.48%	(77.4)
Germany	2.09%	2.12%	3.7
Japan	0.60%	1.17%	57.0



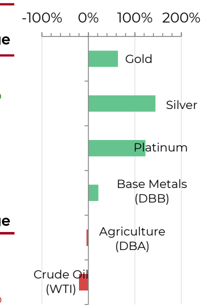
10 Yrs	31-Dec-24	31-Dec-25	+/- bps
USA	4.58%	4.18%	(40.0)
Germany	2.37%	2.86%	49.3
Japan	1.09%	2.08%	98.5



COMMODITIES

Precious Metals	31-Dec-24	31-Dec-25	% Change
Gold	2,638.0	4,321.2	63.8%
Silver	29.3	71.6	144.5%
Platinum	909.6	2,025.8	122.7%

Others	31-Dec-24	31-Dec-25	% Change
Base Metals (DBB)	18.9	22.9	21.7%
Agriculture (DBA)	26.6	25.5	-4.0%
Crude Oil (WTI)	71.7	57.4	-20.0%



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