FOR IMMEDIATE RELEASE

Republic of Palau COFA Trust Fund Rebounds Strongly Following April Market Sell-Off

Koror, Palau — August 8, 2025 — The Republic of Palau's Compact of Free Association (COFA) Trust Fund has demonstrated remarkable resilience in the second quarter of 2025, rebounding strongly from a sharp market sell-off in April. As of June 30, the Fund's total market value reached **$428.4 million**, reflecting a **7.87% gain for Q2** and a **3.13% increase in June alone**, net of fees.

The April downturn, which impacted global equity and alternative markets, prompted a temporary dip in fund performance. However, strategic asset allocation and strong recoveries in U.S. and non-U.S. equities, particularly in growth-oriented sectors, fueled a swift rebound.

From June 30, 2024 to June 30, 2025, the Fund has returned **10.45%**, outperforming its long-term average and maintaining strong momentum across asset classes. Fixed income and alternative investments provided steady support and diversification of the fund.

The COFA Trust Fund's performance this quarter underscores the strength of our diversified investment strategy and our ability to navigate volatility. Despite April's challenges, the Fund has not only recovered but is now well-positioned for sustainable long-term growth.