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CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 19, 2025

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Macro Strategy—*Recession Odds Drop:* Progress on trade deals has reignited the bull market. Economists are scrambling to revise their forecasts for a recession that now seems much less likely. In the meantime, the structural shift in the global trade regime to reduce the massive imbalances that threaten global growth and financial stability seems to be on track.

Market View—*How Much is the Spike in Global Brand Nationalism a Risk to U.S. Global Brand Leaders?:* Owing to America's hard line on trade, global consumer sentiment toward the U.S. in general, and U.S. goods and services in particular, has soured. The key question for investors, then, is this: With brand nationalism—whereby consumer preferences, corporate loyalty, and government policies favor domestic brands over foreign brands—on the rise around the world, how will this mounting backlash impact U.S. corporate earnings in the coming quarters? Our short answer: Not much.

Thought of the Week—*Small Business Outlook—A Big Deal:* The outlook for U.S. small businesses shouldn't be overlooked. The small business outlook matters, given its weight in the U.S. economy.

Key Takeaways from the U.S. Downgrade: Early last Friday evening, Moody's downgraded the credit rating of the U.S. from Aaa to Aa1. The downgrade was not a surprise; Moody's put the U.S. on negative outlook in November 2023 and had issued several comments since then on the U.S.' weakening finances. All three major rating agencies now rate the U.S. one notch below triple-A, with a stable outlook. S&P and Fitch downgraded the U.S. to their equivalent AA+ ratings in 2011 and 2023, respectively. Moody's cited what investors have long worried about: large annual fiscal deficits over successive administrations, resulting in increasingly higher debt and interest payment ratios than other highly-rated sovereigns, and the likelihood that this trend will continue. Moody's projects that if the 2017 Tax Cuts and Jobs Act is extended, which is its base case, it will add around $4 trillion to the federal fiscal primary (excluding interest payments) deficit over the next decade. As a result, Moody's "expects federal deficits to reach nearly 9% of gross domestic product by 2035, up from 6.4% in 2024, driven mainly by increased interest payments on debt, rising entitlement spending, and relatively low revenue generation."

That said, our rates team does not expect the downgrade to trigger any forced selling of Treasurys, citing that there has been no consistent Treasury market response in prior downgrades. In addition, Moody's recognizes the U.S. retains exceptional credit strengths such as "the size, resilience and dynamism of its economy and the role of the U.S. dollar as global reserve currency". The question now is whether Congress will take their que from Moody's and craft a budget that slows/abates the deteriorating fiscal trajectory of the U.S. government.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

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Managing Director and Head of CIO Market Strategy

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THOUGHT OF THE WEEK ▶

Rodrigo C. Serrano, CFA®
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MARKETS IN REVIEW ▶

Data as of 5/19/2025, and subject to change

Portfolio Considerations

We expect a sawtooth market price pattern to continue in the short-term as trade deal headlines combine with concerns over stagflation.

We maintain an overweight to Equities, driven by U.S. Equities, with a preference for Large-caps over Small-caps, and we are neutral outside of the U.S. We still favor a significant allocation to bonds in a well-diversified portfolio.

Long-term investors that drift too far from their asset allocation objectives as market volatility picks up from time to time should consider rebalancing (adding to Equities) on weakness, as we believe we ultimately resume better growth prospects for the economy and earnings in 2026.

Through periods of volatility, we emphasize portfolio diversification within and across asset classes and we remain buyers on weakness.

MACRO STRATEGY

Recession Odds Drop

Chief Investment Office, Macro Strategy Team

The fog of uncertainty around the ultimate landing place for tariffs lifted dramatically after U.S. and China negotiators cordially agreed to a constructive process for dealing with the unprecedent trade imbalances threatening the global economy. Markets reacted with a big thumbs up as the worst-case scenario of the world's two biggest economies fully decoupling was taken off the table. This, in turn, forced all those economists predicting a recession in 2025 to backpedal and take their direst predictions off the table. The consensus outlook has shifted sharply toward a soft landing as the global economy absorbs the more moderate tariff regime that now seems likely.

The outline of that regime seems clearer today than it did on April 2, when a much more aggressive trade war seemed possible. Essentially, the agreement with the U.K. first announced that the base case for countries that are cooperative with U.S. geopolitical goals and eschew unfair trade practices like currency manipulation, higher tariffs and non-tariff trade barriers will get the best deals. The 10% base rate on U.S. imports represents the low water market for preferred U.S. trading partners. This shows the administration is serious about not just using tariffs to rebalance trade, but also to raise revenues to help reduce the fiscal deficit and the tax burden on U.S. households. With over $3 trillion of goods imports, this implies tax revenues of at least $300 billion per year from the new tariff tax.

Revenues are likely to be even higher because not every country will enjoy the U.K.'s preferred treatment. China, for example, continues to have the highest tariff rate because, in addition to the new 10% base rate, it has an additional 11% rate imposed in the first Trump administration, plus a 30% rate related to its role in providing chemicals for fentanyl production. So despite the suspension of the much higher rates imposed by both sides during the post-April 2 retaliation phase, China's tariff still adds up to 51%—reflecting its status as the biggest source of the U.S. trade deficit as well as its geopolitical policies supporting countries sanctioned by the U.S. for various reasons such as terrorism and the war in Ukraine. Reducing its trade deficit with the U.S. through fairer trade and more cooperative geopolitical strategies could bring down its tariff over time, however unlikely that seems.

In any event, the parameters of the new tariff regime are much clearer today despite some lingering uncertainty. Markets are repricing for a less disruptive tariff regime, despite the fact that it still represents the most radical change in global trade rules since the post-World War II trade regime was created.

In typical "Art of the Deal" fashion, the opening tariff bid on April 2 was so outrageous it caused an unprecedented spike of fear and uncertainty about policy, so that the subsequent compromise was greeted positively with relief while still creating the structural shift in policy likely desired in the first place. Over the next several weeks, the spectrum of possibilities for deals with other trading partners is more or less laid out by the extremes, with the U.K. representing the "best case" scenario and China the "worst case" as far as tariffs go.

Also helping to significantly reduce the odds of recession is the growing recognition that fiscal policy is likely to mitigate much of the damage that tariffs are expected to do to U.S. household budgets. Congress is moving quickly to pass a budget that President Trump can sign by the summer. As promised during his campaign, early drafts show tax breaks for lower income households, including exemptions for tips, overtime, auto loan interest and senior citizens, as well as higher standard deduction amounts. While the burden of 10% base tariffs will be split between foreign producers, importers and U.S. consumers to varying degrees, these tax cuts would more than offset tariff costs for many lower income households since imports are a relatively low share of the U.S. economy.

Investment Implications

Progress on trade deals has reignited the "American exceptionalism" trade. A more balanced performance across global equity markets should be the result after several months of U.S. underperformance. The improved global growth outlook is good for corporate profits and risk assets.

Aside from possible negative tariff-related effects, there is little basis for the view that the U.S. is headed for a recession. First-quarter earnings growth, based on about 90% of the S&P 500 Index companies having already reported, is expected to come in around 14% on a year-over-year basis. The improved outlook for tariff effects suggests the risk of more of the downward earnings revisions that have followed the April 2 announcement is likely to moderate. With an accommodative Federal Reserve (Fed) and some front-loaded fiscal stimulus likely over the next year, expectations for growth are likely to turn up in our view after the initial tariff hit passes. At least, that seems to be the message from the surging stock market. Economists clearly overreacted to the initial tariff announcements as did a lot of the survey and other soft data. Despite this, hard data such as earnings, employment, consumption spending and investment remains solid. Investment spending is especially strong as companies all over the world scramble to bolster their foothold in the U.S. domestic market, where trillions of dollars in new capital spending have been announced. BofA Global Research continues to expect the U.S. to avoid a recession, with the core belief that the U.S. consumer and the employment markets, bolstered by the wealth effect, remain resilient.

Recessions are usually the result of a pattern of systemic weakening in a substantial part of the economy. For example, after the 2008/2009 Great Financial Crisis (GFC), dropping home values and spreading mortgage defaults forced a long deleveraging process in the household and financial sectors which was mitigated by easy Fed policy (zero rates) and surging government debt. Business balance sheets also healed during the decade after the GFC helped by the low rates. The net result going into the pandemic was the healthiest overall private sector balance sheet in decades, with low levels of debt service relative to cash flows.

With the post-pandemic surge in government spending and fiscal deficits at unprecedented peacetime levels, financial vulnerabilities that might cause a recession crisis have shifted to the government sector, where the growth in debt and interest expense is most problematic. This is why a primary goal of the new administration and the framework for the budget deal moving through Congress is to lop a trillion dollars off the budget deficit over the next four years, cutting it from over 6% of gross domestic product (GDP)—which is unsustainable to about 3%, which is close to the historical average and sustainable over the longer term in an economy that averages 4% (or higher) nominal GDP growth.

As the recently published biannual Financial Stability Report by the Fed notes, the financial health of both business and household borrowers remains generally strong. Headwinds from economic uncertainty remain but have been substantially reduced by the increased clarity around the tariff outlook with the recent progress. On balance, the ingredients for a recession from financial pressures in the private sector are lacking.

This implies that the biggest risks which reside in the government sector need to be addressed if a recession is to be avoided. For now, the market is assuming the looming budget deal will address this issue before it's too late. A surge in long-term Treasury rates would be a sign that the markets are losing confidence in this latest positive scenario. For now, long-term Treasury rates have simply repriced to reflect the much-reduced need for Fed rate cuts in a stronger economy.

In an age of financial media sensationalism, perhaps no idea has been abused more recently than the notion that the U.S. faces the risk of "stagflation." Back in the late 1970s and early 1980s, when stagflation was a real thing, it was measured by the so-called "misery index," which simply added the unemployment rate to the inflation rate. Back then, it peaked with the unemployment rate and inflation—both over 10%—for a misery index over 20%.

Today, it's less than 7%, which is nirvana by 1970s standards. Even after slight upward revisions to both inflation and the unemployment rate, based on peak tariff concerns before the China accord, the latest (April) Blue Chip consensus expects the misery index to average only 7.7% in 2025 and 7.6% in 2026. This seems like a small price to pay for a more stable, sustainable global trade framework. Our view continues to remain overweight Equities, given our belief that growth resumes heading into next year and corporate profits are eventually bolstered by firmer growth.

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MARKET VIEW

How Much is the Spike in Global Brand Nationalism a Risk to U.S. Global Brand Leaders?

Joseph P. Quinlan, Managing Director and Head of CIO Market Strategy

Ariana Chiu, Wealth Management Analyst

Trade wars always trigger unintended consequences, and this time is no different. Owing to America's hard line on trade, global consumer sentiment toward the U.S. in general, and U.S. goods and services in particular, has soured. Even with the recent rollback of U.S. tariffs, the world has neither forgotten nor forgiven America for April 2, "Liberation Day." And it's still smarting from a number of geopolitical tension points stirred up by the Trump Administration.

To wit, Danish consumers are boycotting popular U.S. food and beverages, thanks to talks of the U.S. taking Greenland from Denmark. Canadian consumers are neither buyers of U.S. goods (e.g., beer) nor services (traveling less to the U.S.) owing to deteriorating U.S.-Canadian relations. Mexican consumers are unhappy with the Administration's hard line on immigration and trade and have avoided some U.S. products as of late. China consumers are exhibiting the same traits—buying fewer U.S. brands in favor of domestic substitutes.

Across Europe, meanwhile, anti-American sentiment has spiked along with the U.S.' imposition of a 20% reciprocal tariff on European goods. According to the European Central Bank, "the newly imposed U.S. trade tariffs on European products are causing European consumers to think twice about what's in their shopping cart. Consumers are very willing to actively move away from U.S. products and services."[1] According to a recent report from Bloomberg, "in Germany and Italy, developers have created apps that scan grocery and clothing items for people who want to make sure they are not buying American."[2]

European consumers have also begun to boycott U.S. streaming giants by canceling their subscriptions. They are also canceling travel to the U.S., with new tourist arrivals from Canada and Europe down sharply in the first four months of this year.

Given all of the above, a key question for investors is the following: Given the mounting global backlash against U.S. goods and services, how much will this blowback impact U.S. corporate earnings in the coming quarters? Brand nationalism—whereby consumer preferences, corporate loyalty, and government policies favor domestic brands over foreign brands—is on the rise around the world, so how might this dynamic affect U.S. brand leaders in the months ahead (Exhibit 1A)?

The short answer: not much or materially, in our opinion, assuming trade tensions between the U.S. and the rest of the world are dialed back in the coming months.

The case for cautious optimism. Brands are like moats—they are not easy to overcome and provide firms a distinct competitive advantage over the long run. Strong brands help firms navigate strong headwinds (a.k.a. geopolitical tensions) and are relatively "sticky" in nature given the embedded loyalty with consumers.

That said, U.S. brands are also easy and visible targets for foreign consumers unhappy with U.S. trade and/or foreign policies. For instance, under the first Trump Administration, there were grassroots boycotts of U.S. goods in Mexico and Canada due to strained relations between the U.S. and its North American partners. Jeans and bourbon whiskey became anti-U.S. targets in the European Union, while U.S. auto, agricultural and technology sales all faced consumer resistance in China.

Under the Biden Administration, consumer boycotts emerged across many Muslim nations following U.S. support for Israel during the Gaza conflict. Russian consumers rejected U.S. brands due to U.S. support in Ukraine. And the administration's continued sanctions on China stirred nationalist campaigns in China to buy China and avoid the U.S. Even the Obama Administration wasn't free of foreign boycotts, with the assassination of Osama bin Linden stirring up anti-American sentiment in Pakistan and other parts of the Muslim

Portfolio Considerations

We continue to prefer Large-caps over Small-caps as larger multinational U.S. companies remain better equipped to navigate trade policy volatility and preserve margins during periods of uncertainty. A weaker dollar should serve as a tailwind to America's top global brand leaders with ample international revenue exposure.

[1] See "How will European consumers react to US tariffs?" The European Central Bank Blog, April 30, 2025.

[2] See "Buy American: No Thanks, Europe Says, as Tariff Backlash Grows," *The New York Times*, May 5, 2025.

world. Finally, during the U.S.-Iraqi war earlier this century, Corporate America faced a wave of anti-American sentiment spread across the Middle East, Europe and parts of Asia.

The bottom line: Geopolitical tensions can and often do trigger bouts of brand nationalism and carry market-level consequences for firms. But in most cases, the effects don't linger—the hit to corporate profits isn't long lasting, or structural in nature.

So while #BoycottUSA hashtags have become popular across Europe and other parts of the world, what consumers say about the U.S. versus what they do about it are often two different things. As a pollster in France recently quipped about French consumers, "we are starting to see a sanctioning of the U.S. and its policies in people's attitudes, but there is a gap between the position people have in principle and what they do in practice."[3] Translation: French consumers are upset with the Trump Administration but aren't ready just yet to substitute top U.S. brands of goods and services for an alternative.

We suspect the same dynamic is playing out across the world. Indeed, over Q1 earnings calls, many companies spoke of U.S. protectionism-cum-slowing sales in western markets, but little in other markets. Per this announcement from McDonald's during the most recent earnings call: "We've seen an uptick in anti-American sentiment, call it, 8 points to 10 points increase in anti-American sentiment, most pronounced in Northern Europe and Canada, not a big deal in Latin America, not a big change—or nothing that we're seeing in Asia."[4]

Meanwhile, U.S. corporations are not standing idly by as foreign sentiment sours on U.S. products. Many of America's top brands are embedded in host nations and have been busy fortifying and repositioning their brands to emphasize local engagement rather than their U.S. identity. This should backstop earnings growth over the medium-term.

Another boost to earnings: a weaker U.S. dollar, which has declined 5% this year on a trade-weighted basis. A weaker dollar means that U. S. foreign affiliate earnings in yen, euros or pounds are worth more when converted back into U.S. dollars. This dynamic is expected to translate into a key earnings bump this year to some of America's largest companies and top global brand leaders (Exhibit 1B).

In the end, yes, global brand nationalism is on the rise. The world is upset and frustrated with the trade and foreign policies of the Administration, placing many top U.S. global brand leaders in the crosshairs of rising anti-American sentiment among foreign consumers. However, if history is any guide, this too shall pass—assuming, of course, U.S. trade tensions with the rest of the world are dialed back in the coming months.

Per portfolio positioning, we continue to prefer Large-caps over Small-caps as larger multinational U.S. companies remain better equipped to navigate trade policy volatility and preserve margins during periods of uncertainty. We expect mid-single-digit earnings growth for the S&P 500 in 2025 as resilient company fundamentals weather this bout of brand nationalism.

Exhibit 1: America Leads Global Brands.

1A) Most Valuable Global Brands in 2024.

	Brand	Brand Value ($B)	Country
1	Apple	$1,016	U.S.
2	Alphabet	$753	U.S.
3	Microsoft	$713	U.S.
4	Amazon	$577	U.S.
5	McDonald's	$222	U.S.
6	NVIDIA	$202	U.S.
7	Visa	$189	U.S.
8	Meta	$167	U.S.
9	Oracle	$145	U.S.
10	Tencent	$135	China

1B) Top U.S. Brands Are More International than Domestic.

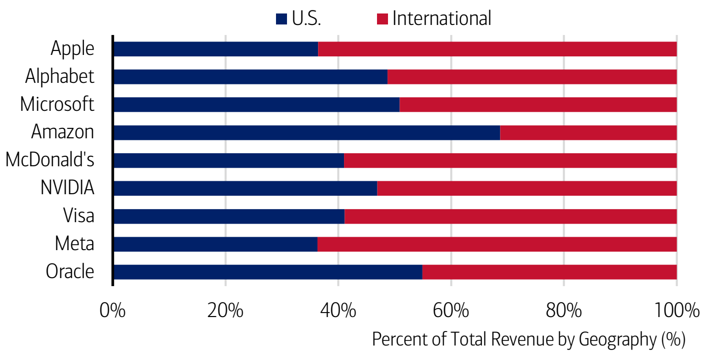


Exhibit 1A) Source: Statistics Kantar BrandZ. Rankings as of 2024. Data as of 2024. Exhibit 1B) Source: FactSet. Data as of May 13, 2025.

[3] See "Le boycott: French customers shun McDonald's, Coca Cola and Tesla to protest against Trump," *The Guardian*, March 29, 2025.

[4] McDonald's Q1 2025 Earnings Call, Bloomberg, May 1, 2025.

THOUGHT OF THE WEEK

Small Business Outlook—A Big Deal

Rodrigo C. Serrano, CFA®, Director and Senior Investment Strategist

Beginning 2025, U.S. small businesses looked poised to continue their role as an important growth generator for the U.S. economy. A small business index published by the U.S. Chamber of Commerce and MetLife signaled resilience in Q1 2025. Over 60% of respondents stated their business was in good health and expected higher revenue in the next year.

That said, the same study cited that concern over inflation hit a record. Meanwhile, despite resiliency, there has been a shift in relative hiring trends since a period of strong outperformance in 2021 to 2022. ADP has reported that average monthly job creation produced by small businesses is now less than double that of larger firms (1.7 times), a notable decline from an average of 3.2 times from 2011 to 2019.

Recent uncertainty has negatively impacted sentiment. In April the NFIB's Small Business Optimism Index registered its fourth straight decline from its highest level since October 2018 and remains below its long-term average. Mirroring data from ADP, the share of businesses that plans to increase employment has trended lower since 2022 and stands near levels last seen during the pandemic. Matching this period's nadir, the percentage of firms planning capital outlays fell to near levels last seen over two decades ago (Exhibit 2A).

Exacerbated by uncertainty over trade tensions, declines in these measures suggest growing caution, which may weigh on broader economic growth. While most small businesses (82%) are sole operators and manage without employees, the small firms that do hire and have staff employ nearly 46% of the American work force, according to the U.S. Chamber of Commerce. Further reinforcing its heft in the labor market, the smaller of these establishments, numbering below 250 employees, accounted for nearly 80% of national hires in March (Exhibit 2B). All told, the small business sector accounts for 43.5% of U.S. GDP, according to the Small Business administration.

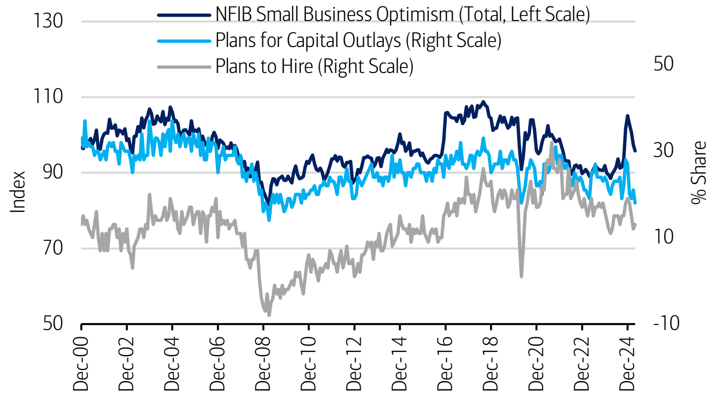
Indeed, the outlook for small business is important. Encouragingly, recent developments have cooled trade tensions between the U.S. and China, which may stabilize deteriorating sentiment. In our view, rekindled dynamism from the small business sector would be an important plank underpinning the longer-run outlook for the U.S. economy.

Investment Implications

The U.S. small business segment remains challenged by higher interest rates and uncertainty regarding trade policy. Reflecting these headwinds, the consensus earnings estimate for the Russell 2000 Index has underperformed that of the Russell 1000 Index, which tracks a set of large-cap companies. Amid this period of continued uncertainty, we continue to favor Large-caps over Small-caps.

Exhibit 2: On Watch: The Extent of Rekindled Growth Appetite from Small Business.

2A) From Great to Deflated Expectations.



2B) Small Business, Big Employer.

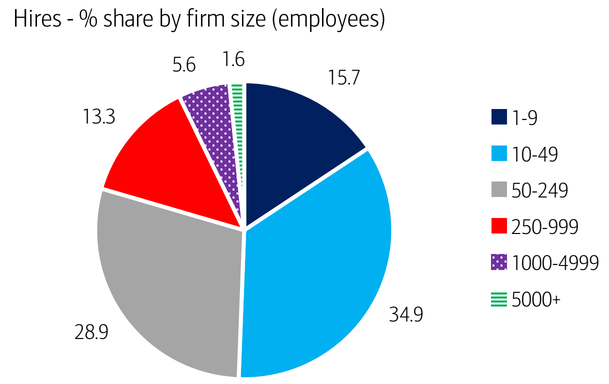


Exhibit 2A) Source: NFIB. Data as of May 13, 2025. Exhibit 2B) Source: Bureau of Labor Statistics—Job Openings and Labor Turnover Survey. Data as of April 2025. Please refer to index definitions at the end of this report.

Equities

	Current	WTD	MTD	YTD
	Total Return in USD (%)			
DJIA	42,654.74	3.5	5.0	0.9
NASDAQ	19,211.10	7.2	10.2	-0.3
S&P 500	5,958.38	5.3	7.1	1.8
S&P 400 Mid Cap	3,088.22	4.9	8.4	-0.5
Russell 2000	2,113.25	4.5	7.7	-4.8
MSCI World	3,863.29	4.2	5.8	4.9
MSCI EAFE	2,549.92	0.9	2.3	14.4
MSCI Emerging Markets	1,172.38	3.1	5.5	10.0

Fixed Income†

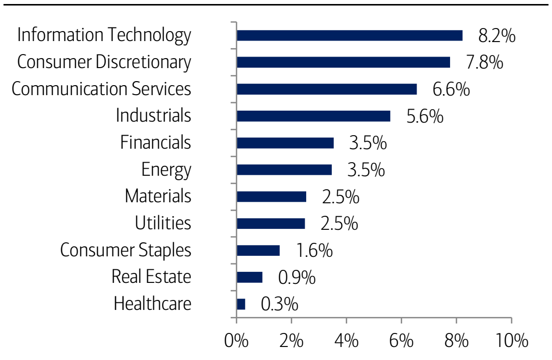
	Current	WTD	MTD	YTD
	Total Return in USD (%)			
Corporate & Government	4.63	-0.16	-1.15	1.95
Agencies	4.45	-0.14	-0.75	2.07
Municipals	4.03	0.02	0.28	-0.75
U.S. Investment Grade Credit	4.77	-0.19	-1.14	2.01
International	5.29	0.19	-0.60	1.66
High Yield	7.46	0.87	1.42	2.41
90 Day Yield	4.34	4.32	4.29	4.31
2 Year Yield	4.00	3.89	3.60	4.24
10 Year Yield	4.48	4.38	4.16	4.57
30 Year Yield	4.94	4.83	4.68	4.78

Commodities & Currencies

Commodities	Current	WTD	MTD	YTD
	Total Return in USD (%)			
Bloomberg Commodity	247.85	-1.7	0.2	3.9
WTI Crude $/Barrel††	62.49	2.4	7.4	-12.9
Gold Spot $/Ounce††	3203.65	-3.6	-2.6	22.1

Currencies	Current	Prior Week End	Prior Month End	2022 Year End
	Total Return in USD (%)			
EUR/USD	1.12	1.13	1.13	1.04
USD/JPY	145.70	145.37	143.07	157.20
USD/CNH	7.21	7.24	7.27	7.34

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 5/12/2025 to 5/16/2025. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 5/16/2025 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 5/16/2025)

	Q1 2025A	Q2 2025E	Q3 2025E	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	2.8	3.0
Real U.S. GDP (% q/q annualized)	-0.3	2.0	0.6	1.6	1.5	1.5
CPI inflation (% y/y)	2.7	2.6	3.2	3.2	3.0	2.6
Core CPI inflation (% y/y)	3.1	3.0	3.5	3.6	3.3	3.0
Unemployment rate (%)	4.1	4.2	4.3	4.5	4.3	4.6
Fed funds rate, end period (%)	4.38	4.38	4.38	4.38	4.38	3.38

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**
A = Actual. E/* = Estimate. *As of May 16, 2025.
Sources: BofA Global Research; GWIM ISC as of May 16, 2025.

Asset Class Weightings (as of 5/6/2025)

Asset Class	CIO View: Underweight		Neutral	Overweight	
Global Equities				●	
U.S. Large-cap Growth				●	
U.S. Large-cap Value				●	
U.S. Small-cap Growth				●	
U.S. Small-cap Value				●	
International Developed			●		
Emerging Markets			●		
Global Fixed Income		●			
U.S. Governments		●			
U.S. Mortgages		●			
U.S. Corporates		●			
International Fixed Income			●		
High Yield			●		
U.S. Investment-grade Tax Exempt		●			
U.S. High Yield Tax Exempt		●			
Alternative Investments*					
Hedge Strategies Private Equity & Credit Real Assets			●		
Cash					

CIO Equity Sector Views

Sector	CIO View: Underweight		Neutral	Overweight	
Financials				●	
Utilities				●	
Consumer Discretionary				●	
Communication Services			●		
Information Technology			●		
Healthcare			●		
Industrials			●		
Real Estate			●		
Consumer Staples		●			
Energy		●			
Materials		●			

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of May 6, 2025. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index is a market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Misery Index is an informal measure of the state of an economy generated by adding together its rate of inflation and its rate of unemployment.

National Federation of Independent Business (NFIB) Small Business Optimism Index is a monthly survey released by the National Federation of Independent Business (NFIB) that provides a gauge of the health and outlook of small businesses in the U.S.

Russell 1000 Index is a U.S. stock market index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index, which represent about 93% of the total market capitalization of that index.

Russell 2000 Index is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell Index.

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