

CHIEF INVESTMENT OFFICE

Capital Market Outlook

January 5, 2026

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE

Macro Strategy—Macro Market Movers: The Top 10 Questions (and Answers) of 2026: Plenty of questions overhang the market outlook for 2026. A sampling: Will the U.S. consumer keep consuming? (likely); will the Artificial Intelligence (AI) infrastructure boom continue? (expected); will an AI productivity boom materialize? (meh); will the U.S. dollar continue to weaken? (probable, but); will the bull market in gold and metals continue? (yes, in our view); will Chinese consumers come out of hibernation? (doubtful); is the Federal Reserve's (Fed) independence at stake? (unlikely, but); and will the backup in Japanese government bonds (JGB) trigger a tsunami of repatriated capital? (don't bank on it).

There are multiple macro drivers to discern and discount this year, but as we outlined in the December's *Viewpoint—Year Ahead 2026: The Bull Powers On*—we expect this bull market can power on this year, supported by above-average U.S. economic activity, double-digit earnings, and expansionary fiscal and monetary policies, among other variables. Our portfolios continue to emphasize the combination of diversification and thematic growth opportunities.

Market View—2025 in Review: 10 Key Figures Investors Should Remember: For investors, searching for meaning in a year's worth of data is never easy—especially in an action-packed year like 2025. From tracking daily tariff announcements to the longest government shutdown in history, the subject of data (or the lack thereof) was a defining theme. As we ring in the new year, we thought the time was ripe to reflect on 10 key data points worth remembering from 2025. Among the 10: the time it took for the S&P to recover from its April 8 low (55 trading days); China's record trade surplus (\$1 trillion-plus); the dollar's decline (-7% in real trade-weighted terms); an ongoing streak of above-target inflation (55 months); soaring money market fund assets (\$7.73 trillion); and more. We end with a particularly potent stat: Excluding the top 10 days would have cut the S&P's return from 16% to -12%. Volatility in 2025 showed once again that time in the market has typically beaten timing the market.

Thought of the Week—2025: A Year of Highs, (Liberation Day) Lows and Resilience in Global Markets: 2025 was a year that began with significant turbulence, even briefly approaching bear market territory. Through it all, performance for U.S. Equities for the year stacked up nicely, returning nearly 18% for the S&P 500, following two years of 25%+ gains. U.S. Equities, while positive, ceded leadership to other global markets, with various markets, subsectors and commodity groups going on impressive runs.

At home, the U.S. engine of performance remained AI. Massive investment in data center infrastructure and advanced semiconductors propelled U.S. mega cap technology companies, which contributed nearly half of the S&P 500's gain. Market breadth improved as small-cap stocks, and the equal-weighted S&P 500, joined mega caps in pushing toward new highs. Into 2026, several supportive elements serve as bullish supports: continued Fed interest rate cuts, broadening market participation and favorable seasonality.

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Portfolio Considerations

The bull market is expected to continue in 2026, driven by strong earnings and economic growth, though its pace may moderate due to labor softness, Artificial Intelligence (AI) sector shakeouts, valuation concerns, and midterm election volatility.

The current investment strategy emphasizes disciplined diversification by balancing growth opportunities and stability, maintaining an overweight in Equities with a tilt toward Growth and International exposure, while shifting from excess cash and short-term Fixed Income to longer-dated bonds to capture higher yields.

Major market and economic growth themes for 2026 include digital infrastructure expansion, global industrialization, transition investing, advancements in power generation, experiential spending, automation and robotics, and a biotechnology renaissance.

Macro Market Movers: The Top 10 Questions (and Answers) of 2026

Joseph Quinlan, Managing Director and Head of CIO Market Strategy

There are many moving parts to the market outlook this year, and, in an attempt to provide some clarity on what lies ahead, we examine 10 questions that could dictate direction of the capital markets over the next twelve months:

How much gas is left in the tanks of U.S. consumers to drive economic growth?

Plenty, in our opinion. K-shaped consumption dynamics will likely remain in place this year, with lower-income households squeezed by rising costs of goods and services, while higher-income households should be sheltered by rising asset prices (financial and real estate). The positive wealth effect among higher-income households will likely underpin solid levels of personal consumption expenditures (PCE) this year, as will the expected chunky tax refunds for many households over the first half of 2026.

Will the U.S. labor market continue to soften this year? Yes, in our view, but there are many crosscurrents at work in the jobs market. For instance, while immigration restrictions have led to labor shortages in construction, manufacturing, food services and healthcare, a “low-hire, low-fire” environment has made it difficult for young workers to enter the labor force. Against a national average of 4.6%, the jobless rate among workers aged 16 to 24 was 10.6% in November. Meanwhile, a recent survey from the Yale School of Management showed that 66% of the firms surveyed said they planned to either fire workers or maintain the current size of their workforce.¹ The effects of AI on white-collar jobs will be a key variable to watch this year.

Will the AI infrastructure boom continue? Probable, owing to the simple fact that demand for power continues to exceed supply. Data center and software capital expenditure (capex) spending should remain a key pillar of growth this year. An important variable to watch this year: leveraged capex funding of AI infrastructure and the attendant risk of an “AI bubble.” The consensus is that leveraged financing is not in excess relative to prior boom-and-busts cycles; additionally, on a historical basis, major asset bubbles burst when credit conditions tighten, pushing up leverage costs, compressing margins, and torpedoing investor confidence. That said, with the Fed set to cut rates this year, the odds of an AI credit crunch are low but high on our watch list.

Will AI's impact on U.S. productivity become more evident/transparent in 2026?

Undecided. The jury is still out on AI becoming the greatest general-purpose innovation of all time. There is little doubt, however, that over the long run, AI will transform how companies operate, how people work and play, and how countries compete. That said, three years into the generative AI revolution, adoption rates remain weak. The Census Bureau estimates that the adoption rate among U.S. firms is just 18%; other estimates put the rate higher but not by much. History shows that adoption rates are typically slow to gain traction and then spike as companies become more organized and efficient in deploying new technologies. In 2026, we expect the AI investment theme to broaden and evolve from the innovators (technology leaders) to the enablers (industrials and energy) to the adopters (finance and healthcare).

Will the bull market in gold, metals and minerals continue? Yes, in our opinion, the rally in gold prices and other metals like silver, platinum and palladium, as well as base metals like copper, should be supported by the following: higher-than-expected global inflation expectations; elevated sovereign debt levels; the global diversification of portfolios among institutional investors, including central banks; geopolitics; industrial demand related to the build out of AI infrastructure; rising global defense spending; and global resource protectionism.

Portfolio Considerations

We maintain an overweight to Equities with a preference for U.S. Equities relative to the rest of the world. Power generation, robotics, and biotech remain our key themes.

¹ “Companies are outlining plans for 2026. Hiring isn’t one of them.” Wall Street Journal, December 29, 2025.

Will the U.S. dollar continue to weaken? Yes, expected but gently. The U.S. dollar is coming off a challenging 2025, and with the Fed expected to cut rates this year, while the rest of the world ex-Japan remains on hold, global interest rate differentials favor a weaker greenback. Additional dollar hedging among foreign investors could also exert more downside pressure on the dollar. However, structural support for the dollar lies with the fact that the U.S. economy remains the most dynamic in the world; in addition, the U.S.-led AI boom leans against the “dollar debasement” trade. Europe is struggling to grow; Japan’s outlook remains fragile; and China’s capital account remains closed—all point to the dollar maintaining its reserve currency status over the medium term.

Will the Chinese consumer finally come out of hibernation this year? Doubtful. The best-case scenario is that consumer confidence/spending becomes less of a drag as the year wears on. Consumer sentiment has improved slightly over the past few months, with new government policies supporting employment, incomes, social welfare and healthcare. However, the combination of a weak job market and depressed property market remains a primary constraint on household spending. Boosting domestic demand is a priority of the 15th Five-Year Plan, but any support will likely take time to kick in. Lacking a vibrant consumer, we expect China will again in 2026 rely on exports and investment to drive growth, perpetuating on-going trade tensions with the rest of the world.

Is the Fed’s independence at stake in 2026? Not in our view, but it should be an eventful year for the Fed, with a new chairman expected to be announced early this year and then in their seat by May 2026. The short list of candidates are all market-savvy financiers well known on Wall Street. The next Fed chairman is fully aware that a Fed that kowtows to the occupant of the White House invites market volatility, unmoored inflation expectations and the wrath of the bond market vigilantes. The latter, in our opinion, ultimately decides the cost of credit. Buckle up: Between the selection of the new chairman, pressure from the White House, the Supreme Court decision on Governor Lisa Cook, a divided Fed over the outlook for the economy—the Fed in and of itself represents a significant market wildcard this year.

Will the backup in JGB yields trigger a tsunami of capital repatriation, notably from the U.S.? Doubtful. Due to persistent inflationary pressures, the Bank of Japan is likely to be the only major central bank to raise rates this year. Japan’s long rates are already at multidecade highs as Japan escapes decades of deflation, battles a deteriorating fiscal position (debt-to-gross domestic product is 260%), and digests the expansionary fiscal policies of the new government. More attractive JGB yields could further unwind the yen carry trade—aka, encourage Japanese investors to sell non-yen assets like U.S. securities, boosting borrowing costs in the U.S. and elsewhere. As the largest foreign holder of U.S. Treasurys, Japan’s influence in the U.S. credit markets is not inconsequential. That said, we don’t expect a mass exodus out of U.S. assets—Japan’s institutional investors have tended to adjust their allocations over years, not months.

How much of a risk do record levels of sovereign debt pose to the global economy in 2026? Marginal, in our opinion, but volatility of public sector debt sustainability could surface in nations like the UK, France and Japan—and perhaps the U.S. this year. Aggregate public sector debt hovers at around a record \$105.8 trillion, pushed higher this decade by pandemic-related costs; geopolitics and the spike in global defense spending; higher interest rates and increased debt servicing costs; and widening social expenditures as the world ages and becomes more dependent on public sector support. Against this backdrop, how long-dated global bonds perform in 2026 will be key to the returns of many different asset classes, in our view.

2025 in Review: 10 Key Figures Investors Should Remember

Ariana Chiu, Assistant Vice President and Wealth Management Analyst

For investors, searching for meaning in a year's worth of data is never easy—especially in an action-packed year like 2025. From tracking daily tariff announcements to the longest government shutdown in history, the subject of data (or the lack thereof) was a defining theme. As we ring in the new year, here are 10 key figures investors should remember from 2025.

55 trading days... The amount of time it took for the S&P 500 to fully recover from its April 8 low.

For all the concerns among investors last April, this marked the fastest recovery after a 15% or greater correction for the S&P 500 in history. And the index's fresh high on June 27 was just the beginning—within 125 trading days of the April 8 bottom, the S&P 500 was up a blistering 35%, handily outpacing where the index typically has been (27%) at that stage following a similar correction.

-7%... The dollar's decline in real trade-weighted terms. A weaker dollar, which entered last year at its most overvalued since 1985, proved a major story of 2025. The most notable beneficiary? International equity markets, especially in Europe given the euro's 13% ascent versus the dollar. To wit, 44% of Europe's USD-denominated total return in 2025 was driven by currency appreciation, with similar impacts seen across Germany (41%), France (52%), the Netherlands (57%) and Italy (32%), just to name a few (Exhibit 1A).² This pattern held true in markets like Mexico (38%) and Brazil (33%)² but less so in outperforming Asian markets like Korea, Japan and China, where currencies remained relatively weak versus the dollar.

17.8%... The share of businesses in the U.S. using AI. From hyperscaler capex spending to debt financing to the depreciation schedule of chips, the AI trade—and whether U.S. firms are in fact implementing and profiting from AI—was the subject of plenty of scrutiny in 2025. For much of the year, the Census Bureau estimated adoption at roughly 10% of U.S. businesses before revising its survey methods in Q4 to better capture the scope of AI use cases. As of December, the estimate stood at 17.8%, with room to grow in 2026 in our view.

\$1.08 trillion... The size of China's trade surplus through the first 11 months of the year. China's behemoth trade surplus made plenty of headlines in 2025 after officially surpassing \$1 trillion for the first time. In the face of higher U.S. tariffs, China's export surge made up for lower trade with the U.S.—and then some. Despite exports from China to the U.S. dropping by 19% year-over-year (YoY) through November, exports to the rest of the world surged with notable YoY increases in ASEAN (14%),³ the European Union (8%), Africa (26%) and Latin America (7%), according to China's General Administration of Customs.

222%... The ratio of market capitalization to GDP in the U.S. With equity prices soaring and mega-cap technology companies boasting market caps larger than most economies, it's perhaps no surprise that the so-called "Buffett Indicator" reached new heights in 2025. The valuation gauge, which compares the size of the U.S. stock market to the size of the U.S. economy, remains uncomfortably elevated versus its long-term historical average. Valuations are rich entering 2026, to be sure, putting the onus on earnings to lift U.S. Equities this year.

89%... The dollar's share of foreign exchange transactions. Despite calls for impending U.S. dollar debasement on the back of the Trump administration's protectionist policies, the dollar was still king in 2025, accounting for 89% of foreign exchange

Investment Implications

From AI adoption to money market fund assets to the path of the dollar, key metrics from 2025 remain top of mind for the CIO as we enter 2026. As illustrated in 2025, staying disciplined and diversified has proven wise during bouts of market volatility.

² Indexes referenced: Stoxx 600 (Europe), DAX (Germany), CAC 40 (France), AEX (Netherlands), FTSE MIB (Italy), Mexbol (Mexico), IBOV (Brazil).

³ Association of Southeast Asian Nations (ASEAN) includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

transactions, 56% of global foreign exchange reserves, and 54% of trade invoices as of November. Even at peak uncertainty in April, when a surge in trading volume and foreign exchange volatility brought daily foreign exchange turnover to a whopping \$9.6 trillion, the dollar was on either side of 89.2% of all trades that month per the Bank of International Settlements. So much for the U.S. dollar apocalypse.

157 cuts... The total number of rate cuts by central banks globally.⁴ 2025 marked a continuation of the global easing cycle that began in 2024. For many major central banks, including the European Central Bank and the Bank of Korea, 2025 marked the end or near-end to a rate cutting cycle rare in both its speed and its strong growth backdrop. The Bank of Japan stood out as the outlier, hiking rates to the highest level in 30 years after years of ultra-easy monetary policy.

55 months... The number of months the Fed's preferred inflation gauge, core PCE, has been above its 2% target. Though far removed from its peak in June 2022, inflation remained sticky in 2025. Affordability emerged as the topic du jour as price levels of necessities (food, shelter, healthcare) continued to track well above prepandemic levels. The push and pull between stubborn inflation and weaker job growth defined Fed discourse and the path of interest rates in 2025. With a new Fed chair on the way and a bias toward monetary and fiscal stimulus, a tail risk of 2026 (not our base case) could be a visit from the ghost of inflation's past.

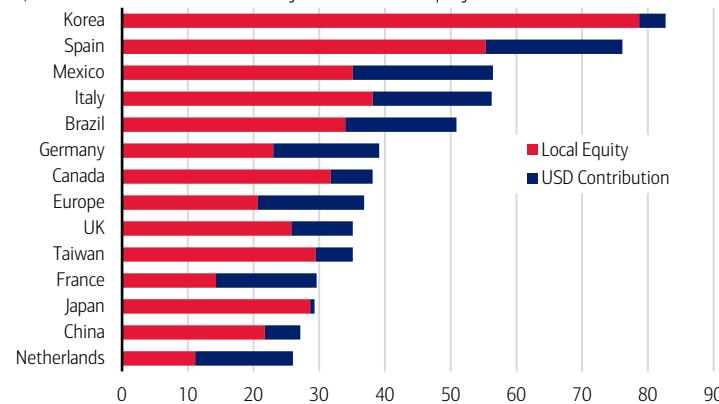
\$7.73 trillion... The total assets in money market funds at the end of the year.⁵

Money market assets soared when real interest rates turned positive in 2022, and despite 175 basis points (bps) worth of rate cuts from the Fed since September 2024, "cash on the sidelines" proved stickier than expected in 2025. While the mountain of cash is in part a reflection of rates that are slow to move and institutional cash that's more structural than tactical in nature, the bottom line is there's still dry powder available to redeploy into risk assets.

-12%... The S&P 500's return in 2025 excluding the benchmark's 10 best days. You read that right: Missing out on the 10 best days of the year would've knocked the S&P 500's 16% return down to -12% (Exhibit 1B). As it often goes, some of the best days of 2025 were concentrated around some of the worst days of the year, making the time when it was most tempting to pull out of the market also the time when it was most important to stay in the market. Last year was no exception to the adage: Time in the market has typically beaten timing the market.

Exhibit 1: Key Metrics to Remember from 2025.

A) Weaker U.S. Dollar Aided Many International Equity Markets in 2025.



B) Missing 10 Best Days Would Cut 2025 S&P 500 Return to -12%.

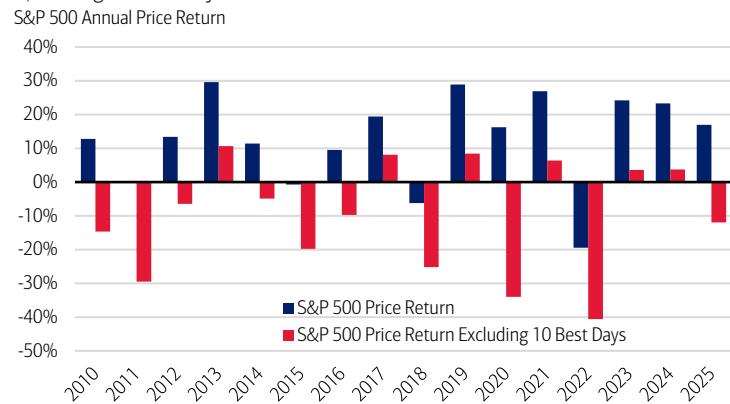


Exhibit 1A) Source: Bloomberg. Data through December 31, 2025. Indexes referenced: IBEX 35 (Spain), Kospi (Korea), Mexbol (Mexico), FTSE MIB (Italy), IBOV (Brazil), SPTSX (Canada), DAX (Germany), Stoxx 600 (Europe), FTSE 100 (UK), TWSE (Taiwan), CAC 40 (France), Nikkei 225 (Japan), AEX Index (Netherlands), Shanghai Composite (China). Exhibit 1B) Source: Bloomberg. Data through December 31, 2025. **Past performance is no guarantee of future results.** Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

⁴ BofA Global Research as of December 18, 2025.

⁵ Investment Company Institute as of December 30, 2025.

THOUGHT OF THE WEEK

2025: A Year of Highs, (Liberation Day) Lows and Resilience in Global Markets

Lauren Sanfilippo, Director and Senior Investment Strategist

2025 was a year that began with significant turbulence: Selloffs tied to China's DeepSeek breakthrough and rising policy uncertainty around tariff threats drove the S&P 500 down nearly 20% into April, briefly approaching bear market territory. Growth and earnings forecasts were cut at the fastest pace since 2020 as volatility spiked and the U.S. dollar suffered its worst first-half performance in decades. Despite this shaky start, markets staged one of the swiftest rebounds since the 1950s. Stabilizing trade conditions, resilient corporate earnings, and the continued pace in AI-related multibillion-dollar investment helped spark the snapback. By late June, the S&P 500 was once again recording new highs and went on to cap a year of nearly 18% total return (Exhibit 2). Performance for the year stacked up nicely, historically speaking, following two years of 25%+ gains.

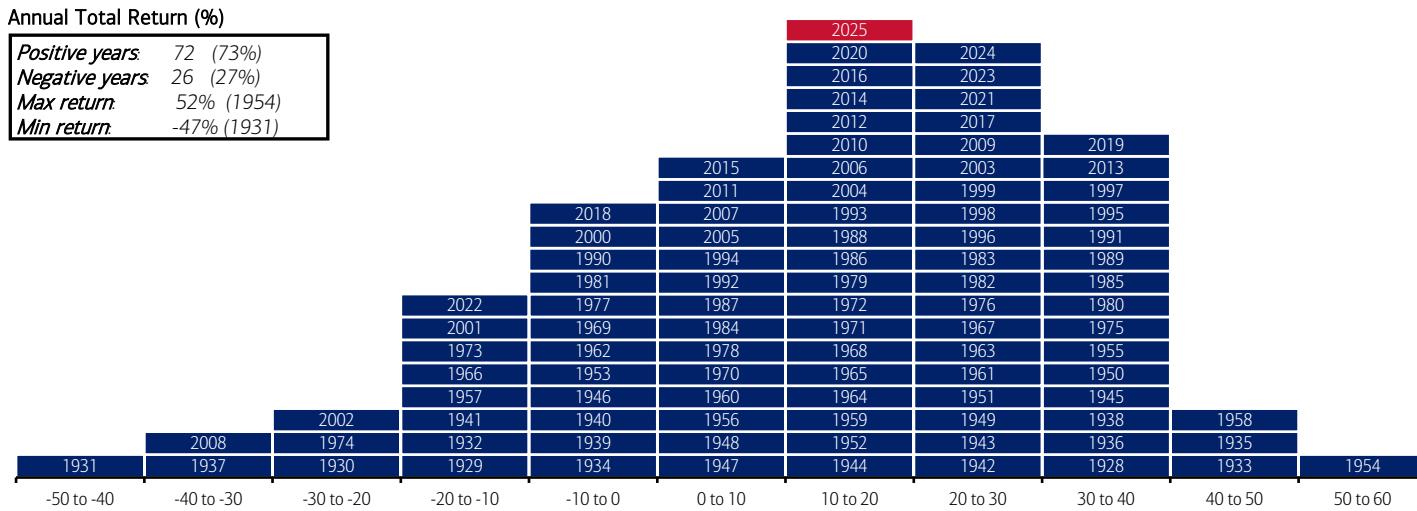
U.S. Equities, while positive, ceded leadership to global markets. A weaker dollar, front-loaded exports, and political turbulence helped push capital overseas. The MSCI All-Country World Index (ACWI) ex U.S. outperformed the U.S. meaningfully, with notable strength in Mexican materials, European aerospace and defense, and several global banking sectors. Europe's banks climbed 90%, Japan's gained 49%, and Korea's Kospi surged 79%, nearly doubling from its Liberation Day lows.⁶ After years of underperformance, China reasserted its technological competitiveness, with the Shenzhen rising 22%, approximately matching gains in the comparable Nasdaq Composite. Meanwhile, metals like gold rose 65%—its best yearly gain since 1979—while silver surged 148%.

At home, the U.S. engine of performance remained AI. Massive investment in data center infrastructure and advanced semiconductors propelled U.S. mega cap technology companies. The index has now achieved its longest streak of annual advances since before the 2008/2009 Global Financial Crisis. All this as the U.S. economy posted its fastest quarterly growth in two years in Q3, supported by robust consumer spending, firm business investment and moderating trade tensions. Market breadth improved as Russell 2000 Index Small-cap stocks (13%) and the equal-weighted S&P 500 (11%) joined mega caps in pushing toward new highs. Historically strong seasonal dynamics also had a hand in a strong finish. Into 2026, several elements serve as bullish supports such as continued Fed interest rate cuts and broadening fundamentals. Risks remain, including elevated valuations and policy uncertainty, but the fundamental drivers of 2025—robust AI spending, strengthening profitability, and steady global economic growth—could provide a constructive foundation for the year ahead.

Exhibit 2: S&P 500 Performance 1928-2025.

Annual Total Return (%)

Positive years	72 (73%)
Negative years	26 (27%)
Max return:	52% (1954)
Min return:	-47% (1931)



Source: Bloomberg. Data through December 31, 2025. Past performance is no guarantee of future results. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

⁶ Performance for Stoxx Europe 600 Banks Index as European banks, Nikkei 500 Bank Index as Japan banks.

Investing Implications

As we consider how 2026 could unfold, we have an overall constructive view on the markets for the New Year following three above-average years of returns for Equities. Our underlying view remains that investors should maintain a balanced allocation with an emphasis on being globally diversified.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	48,382.39	-0.7	0.7	0.7
NASDAQ	23,235.63	-1.5	0.0	0.0
S&P 500	6,858.47	-1.0	0.2	0.2
S&P 400 Mid Cap	3,349.39	-0.7	1.3	1.3
Russell 2000	2,508.22	-1.0	1.1	1.1
MSCI World	4,445.21	-0.6	0.3	0.3
MSCI EAFE	2,910.01	0.6	0.6	0.6
MSCI Emerging Markets	1,429.48	2.3	1.8	1.8

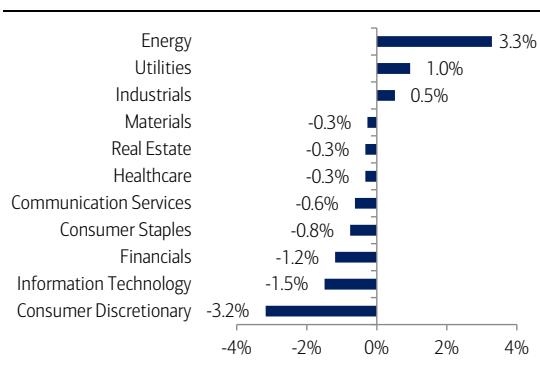
Fixed Income[†]

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.24	-0.20	-0.20	-0.20
Agencies	3.98	-0.06	-0.07	-0.07
Municipals	3.59	0.13	0.05	0.05
U.S. Investment-Grade Credit	4.35	-0.21	-0.20	-0.20
International	4.85	-0.28	-0.24	-0.24
High Yield	6.57	0.20	0.00	0.00
90 Day Yield	3.61	3.62	3.63	3.63
2 Year Yield	3.47	3.48	3.63	3.47
10 Year Yield	4.19	4.13	4.17	4.17
30 Year Yield	4.87	4.81	4.84	4.84

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	275.85	-2.6	-0.1	-0.1
WTI Crude \$/Barrel ^{††}	57.32	1.0	-0.2	-0.2
Gold Spot \$/Ounce ^{††}	4332.29	-4.4	0.3	0.3
	Total Return in USD (%)			
Currencies	Prior Week End	Prior Month End	2024 Year End	
EUR/USD	1.17	1.18	1.17	1.17
USD/JPY	156.84	156.57	156.71	156.71
USD/CNH	6.97	7.00	6.98	6.98

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 12/29/2025 to 1/2/2026. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 1/2/2026 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 1/2/2026)

	Q4 2025E	2025E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Real global GDP (% y/y annualized)	-	3.4	-	-	-	-	3.3
Real U.S. GDP (% q/q annualized)	1.4	2.0	2.5	2.8	2.3	2.0	2.4
CPI inflation (% y/y)	3.0	2.8	2.9	3.0	2.9	2.6	2.9
Core CPI inflation (% y/y)	3.0	3.0	2.9	3.1	2.9	2.8	2.9
Unemployment rate (%)	4.5	4.3	4.5	4.5	4.4	4.3	4.5
Fed funds rate, end period (%)	3.63	3.63	3.63	3.38	3.13	3.13	3.13

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.

Sources: BofA Global Research; GWIM ISC as of January 2, 2026.

Asset Class Weightings (as of 12/2/2025)

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	●	●	●

CIO Equity Sector Views

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

Alternative Investments*

Hedge Strategies	●
Private Equity & Credit	●
Real Assets	●

Cash

*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 December 2, 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 stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

S&P 500 Index Price Return is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States without dividends.

Cap weighted Index is a type of stock market index in which each component of the index is weighted relative to its total market capitalization.

Stoxx 600 Index/Europe is a broad measure of the European equity market. With a fixed number of 600 components, the index provides extensive and diversified coverage across 17 countries and 11 industries within Europe's developed economies, representing nearly 90% of the underlying investable market.

DAX Index/Germany is a stock market index consisting of the 40 major German blue chip companies trading on the Frankfurt Stock Exchange. It is a total return index.

CAC 40 Index/France represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euronext Paris (formerly the Paris Bourse).

AEX Index/Netherlands is a stock market index composed of Dutch companies that trade on Euronext Amsterdam, formerly known as the Amsterdam Stock Exchange.

FTSE MIB Index/Italy is a stock market index benchmark for the Borsa Italiana, the Italian national stock exchange.

Mexbol Index/Mexico is one of two stock exchanges in Mexico, the other being BIVA - Bolsa Institucional de Valores.

IBOV Index/Brazil is the benchmark index of about 86 stocks traded on the B3 (Brasil Bolsa Balcão).

IBEX 35 Index/Spain It is a market capitalization-weighted index comprising the 35 most liquid Spanish stocks traded in the Madrid Stock Exchange General Index.

Kospi Index/Korea refers to indexes used to track the performance of stocks in Korea.

SPTSX Index/Canada is the headline index for the Canadian equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices.

FTSE 100 Index/UK is a stock market index tracking the 100 largest UK companies by market capitalization listed on the London Stock Exchange (LSE), acting as a key benchmark for the UK's major businesses, similar to the S&P 500 in the US.

TWSE Index/Taiwan a stock market index for companies traded on the Taiwan Stock Exchange (TWSE). The TAIEX covers all of the listed stocks excluding preferred stocks.

Nikkei 225 Index/Japan measures the performance of 225 highly capitalised and liquid publicly owned companies in Japan from a wide array of industry sectors.

Nikkei 500 Index is a price-weighted stock index adjusted by the divisor, same as the Nikkei 225. The Nikkei Stock Average by Industry based on the 36 Nikkei industrial classifications are calculated concurrently as the sub indexes of the Nikkei 500 Average.

Shanghai Composite Index/China is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Shenzhen Stock Exchange Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shenzhen Stock Exchange.

Russell 2000 Index tracks about 2,000 small-cap U.S. companies, serving as a key benchmark for the small-cap segment of the U.S. equity market and reflecting overall small-company performance and the U.S. economy, being a subset of the larger Russell 3000 Index.

MSCI All-Country World Index ex U.S. is a stock market index comprising of non-US stocks from 22 developed markets and 24 emerging markets.

Nasdaq Composite Index is a market capitalization-weighted index tracking nearly all stocks listed on the {NASDAQ stock exchange}, serving as a broad benchmark for the U.S. stock market, heavily weighted towards technology and growth companies like Apple, Microsoft, and Amazon, but also including diverse industries.

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