CHIEF INVESTMENT OFFICE

Capital Market Outlook

February 17, 2026

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

IN THIS ISSUE

Macro Strategy—*Manufacturing Upcycle Broadens Earnings Growth:* Recent economic data and financial market patterns suggest we are in a mid-cycle expansion, with resilient demand sustained by rebounding manufacturing activity, full employment, and contained inflation pressures. For now, credit spreads remain narrow and the earnings outlook constructive, with market leadership changing to reflect improving manufacturing conditions. Yet, major equity market benchmark valuation metrics remain elevated, raising concerns about future returns. In our view, the key risk to valuations is not their elevated levels per se. Structural economic shifts, accounting distortions, and the inherent imprecision of valuation-based forecasting argue against deterministic conclusions about longer-term returns. Still, multiples are cyclical and interest-rate sensitive, so adverse shifts in real interest rates, liquidity or growth expectations would present more of a near-term risk.

Market View—*Yes, the U.S. Consumer is Truly Exceptional—Here's Why:* There is probably no more powerful economic force on the planet than the U.S. consumer. To wit, per the latest figures on global personal consumption from the United Nations (UN), the U.S. accounts for nearly 32% of global consumption—or more than the next six nations combined. U.S. consumers (340 million) spend more each year than the entire population of the emerging markets excluding China (5.5 billion). The list goes on. The bottom line is the U.S. and global economy rests on the shoulders of U.S. consumers. So too do earnings of foreign corporations, with major Equity indexes around the world relying heavily on revenues from the U.S. Meanwhile, the emerging market consumer which nearly doubled its share of consumption between 2000 and 2015 appears to have flatlined over the last decade. The good news is that the U.S. consumer has emerged to fill the void, remaining the world's uber-consumer and key generator of earnings for U.S. and foreign companies. With a still-low unemployment rate, incoming tax cuts, and the ongoing bull market in U.S. Equities, the outlook for the U.S. consumer remains solid. They remain exceptional.

Thought of the Week—*The 17% No One's Talking About*: Now four months into the fiscal year, the U.S. government has run a cumulative deficit of $697 billion—that's 17% lower than the same period in FY 2025. The early improvement reflects a 12% year-over-year increase in revenues, with income tax receipts suggesting a still-healthy labor market backdrop. Still, between trillion dollar interest payments, tax cuts from the One Big Beautiful Bill Act (OBBBA), and the push for affordability relief ahead of the midterms, Uncle Sam is likely looking at another year of the deficit running from 5% to 6% of gross domestic product (GDP). For now, the bond vigilantes have been quiet in the U.S. but could return should fiscal stimulus prove excessive.

Against this backdrop, we remind investors that America's future funding needs heavily depend on demand from investors overseas. We're not too worried, however, in part because 2025 taught us that foreign demand for U.S. assets is stickier than appreciated. Finally, the U.S. economy continues to grow above trend, keeping us sanguine on the U.S. fiscal situation.

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Portfolio Considerations

With new highs expected for Equities ahead, investors should consider portfolio adjustments such as increasing exposure to Small-caps and Emerging Markets as well as diversified sector exposures where underweight, leveraging Fixed Income as a ballast while maintaining an Equity overweight, and adding to growth themes and Alternative Assets, for qualified investors, where appropriate.

We are constructive on Fixed Income overall but underweight in order to fund our Equity overweight. We continue to project range-bound yields given sticky inflation and real gross domestic product remaining near or above 2% for the next few years. However, we recognize potentially high volatility in either direction, especially given the expected change in Federal Reserve leadership later this year.

MACRO STRATEGY

Manufacturing Upcycle Broadens Earnings Growth

Chief Investment Office, Macro Strategy Team

Government policies appear to have energized economic activity across a widening spectrum of industries and geographies, with U.S. economic data continuing to exceed expectations and the Citi Economic Surprise Index firmly in expansion territory both here and abroad. In the U.S., for example, lower interest rates, normalizing inflation, full employment, rising labor income, strong wealth effects, and a growing share of government social transfers in personal income (now roughly 20% and indexed for inflation) have buoyed consumer spending more than expected given tariff concerns and a weak hiring trend.

Upcoming fiscal stimulus under the OBBBA along with signs of a manufacturing upcycle are likely to help sustain the expansion. A softening dollar along with policy-driven incentives for domestic production and investment have engendered manufacturing "green shoots." After three years of contractionary readings, the January Institute for Supply Management manufacturing survey showed sharp gains in new orders and production back into expansion territory, consistent with our expectation for broadening growth and earnings beyond Technology and Interactive Media.

Stronger-than-expected demand for domestic product has led to sharp customer inventory drawdowns and rising new orders, setting in motion a positive industrial dynamic as production ramps up to meet demand. Manufacturing activity historically carries high multiplier effects on the economy, with upcycles thus typically accompanied by strengthening economic momentum, upward earnings revisions, and broadening earnings growth. Still narrow credit spreads seem to corroborate this constructive view.

Employment remains at full levels, and stronger-than-expected January hiring and wage and salary income growth are encouraging. Still, hiring was narrowly based and occurred within the context of generally soft labor demand data. Continued healthy wage-and-salary income growth is key for the sustainability of the expansion. While productivity gains support margins and profits, adequate labor-income growth is also necessary to keep demand aligned with burgeoning Artificial Intelligence (AI)-related supply capacity. Excessive labor displacement without offsetting job creation elsewhere would eventually weigh on demand, pricing power, and revenue growth. For now, personal income growth remains consistent with moderate consumer demand and growth, strong wealth effects are helping buoy consumption, and fiscal support is also on the way.

Taken together, conditions are consistent with a mid-cycle expansion—characterized by growth near potential, full employment, contained inflation pressures, and limited need for restrictive monetary policy. This backdrop extends the runway for earnings growth and equity prices. As demand grows, inventories normalize, and excess capacity is absorbed, manufacturing and business investment tend to expand, helping broaden earnings growth and market leadership—a pattern increasingly visible in recent months. Credit spreads have remained narrow, forward S&P 500 earnings expectations reached new highs, and Equity leadership has rotated across sectors, Growth and Value, market-capitalization segments, and geographies.

Still, seemingly stretched market valuations raise concerns that the equity market may be setting up for subpar future returns. In our view, several considerations are important when assessing valuation risks:

1. Structural changes suggest higher average valuation multiples than in the past. These include structurally higher profit margins driven by globally scalable asset-light business models, lower corporate tax rates, a lower interest rate environment under an explicit Federal Reserve (Fed) inflation target regime, reduced uncertainty due to greater Fed transparency, and a larger role of government in the economy enhancing earnings sustainability.
2. Accounting conventions complicate historical comparisons. Roughly 40% of business investment is in intellectual property—such as research & development, data, know-how and other intangibles—compared with just 14% in 1970s. Because much of this investment is expensed rather than capitalized under Generally Accepted Accounting Principles (GAAP), both reported earnings and book values tend to be understated

Investment Implications

Mid-cycles tend to support broader equity market participation and favor greater diversification. Unfavorable liquidity conditions and real rate dynamics would pose the most material risk to valuations and market stability.

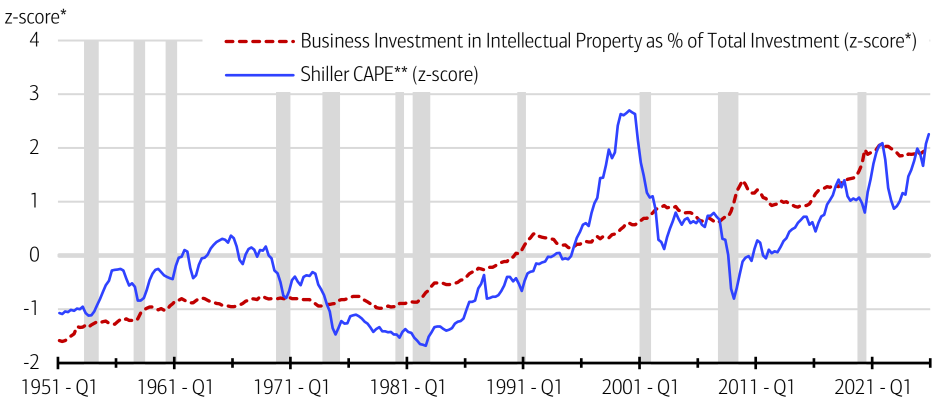
compared to the past. Thus, even as underlying profitability has become increasingly dependent on intellectual property and scalability, valuation metrics paradoxically appear excessive relative to historical averages. The economic value and future earnings power of these intangibles is also harder to measure and grasp but positively skewed because of rapid innovation, productivity, scalability and network effects, which tend to reflect in higher valuations than for old economy stocks (Exhibit 1).

3. Valuation-based forecasting is inherently imprecise and fraught with statistical problems. Thus, while valuation metrics remain directionally informative, they are not "deterministic," especially in an economy that has undergone substantial structural change. Realized returns would ultimately depend on future growth, interest rates, margins, and risk sentiment rather than today's valuation multiples alone.
4. Mid-cycles typically see less overall market valuation tailwinds as early-cycle boosts to multiples from liquidity, risk appetite, and interest rates fade. In the current context, leadership rotation into more cyclically-exposed sectors benefiting from broadening economic growth are likely to support market multiples and performance. Assuming stable margins, nominal global growth of 6% to 7%, and ongoing share buyback yields around 1.5%, high single-digit nominal S&P 500 returns remain highly achievable. In our view, stronger growth and productivity would enhance this baseline and so would lower non-recession interest rates.

These considerations undermine mechanical interpretations of elevated valuation metrics. Equilibrium valuations are likely higher than in the past, implying softer headwinds to returns than current near-record multiples suggest, especially if the expansion continues, as we expect. Still, a phase of heavy AI-related capital spending, higher electricity costs and increasing competition suggests constraints on Technology margins and valuations, with earnings and returns relying more on revenue expansion as global demand for AI and datacenter services increases. Absent a recession, policy disruptions, or other blows to risk sentiment, the market multiple adjustment is thus likely to occur primarily through leadership rotation and through time rather than abrupt benchmark repricing.

The interest rates versus growth dynamic remain critical though. As noted above, lower rates, unless caused by recession, would be supportive to multiples. Even higher rates wouldn't be a major headwind if they tracked rising nominal growth without a recession. Beyond risks from unanchored inflation expectations and recession, a more serious risk to valuations and returns would stem from rising real interest rates due to fiscal stress, scarce liquidity (such as from aggressive quantitative tightening), or higher uncertainty about Fed policy. These would increase risk and raise interest-rate term premia, tighten financial conditions, increase volatility, and weigh on both profits growth and valuations, especially on long-duration, Growth stocks multiples, as recently observed.

Exhibit 1: Increasing Reliance on Intangible Assets Offers Greater Scalability and Growth Leverage, Which Has Tended To Reflect in Rising S&P 500 Multiples. Still, Valuations Remain Cyclical and Interest-rate Sensitive.



*z-score = number of standard deviations from the mean of a data set. **CAPE = Cyclically Adjusted S&P 500 Price to Earnings Ratio. Gray bars represent recessionary periods. Source: Shiller, Bureau of Economic Analysis/Haver Analytics. Data as of February 11, 2026.

MARKET VIEW

Yes, the U.S. Consumer is Truly Exceptional—Here's Why

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

Ariana Chiu, Assistant Vice President and Investment Strategist

There is probably no more powerful economic force on the planet than the U.S. consumer. How powerful? Consider the latest figures on global personal consumption from the UN:

- With just 4.3% of the world's population, the U.S. consumer accounts for nearly 32% of global personal consumption expenditures (PCE) (Exhibit 2A).
- America's share of global PCE is greater than the next six nations combined (Exhibit 2A).
- U.S. consumers (340 million people) spend more each year ($20 trillion) than the entire population of the emerging markets excluding China (5.5 billion people) (Exhibit 2B).
- If the U.S. consumer were a standalone economy, it would be the second largest in the world.
- The developing nations' share of global PCE has basically flatlined over the past decade and currently hovers at roughly 39% of the global total (Exhibit 2C).
- Excluding China, the developing nation's share of global PCE was just 27% in 2024, basically unchanged from a decade ago.
- Whereas U.S. consumption accounts for over two-thirds of U.S. GDP, the comparable number in China is less than 40% (Exhibit 2D).

All the above speaks to the potency and importance of the U.S. consumer. To a large degree, the U.S. and world economies rest on the shoulders of U.S. shoppers—notably high-income U.S. households.

As we have noted in the past, U.S. consumption is bifurcated, with lower-income households squeezed by slower job growth, trailing wage gains and higher costs for basic staples. Also not helping matters: Lower-income earnings are absent from the wealth-creating U.S. equity market. Nearly 40% of U.S. households do not own—or can't afford—Equities and are therefore missing in action when it comes to reaping the benefits of a bull market in U.S. stocks. Bull or bear? It doesn't matter to many struggling households—both beasts are scary to anyone divorced from Wall Street.

In contrast, the raging bull market in Equities—and positive wealth effect—is not only cushioning the blow of elevated and sticky prices for essentials and nonessentials for high-income earners. It's also encouraging more spending on goods and services, with Bank of America Institute's latest internal credit and debit card data showing that higher-income households spent 2.5% more this January than the year prior, compared to 0.3% spending growth among lower-income households.

By various metrics, U.S. household finances are in sturdy shape as we enter the year. Household debt as a share of household net worth stood at just 11.7% as of Q3 2025, per latest data available from the Fed. Consumer balance sheets are far healthier now than they were at the start of the decade, with household assets growing by an annualized 7.7% and outpacing just 4.4% annualized growth on the liabilities side. In the end, our bullish case for U.S. earnings and Equities this year pivots in part on the underlying strength of the U.S. consumer.

Spreading the wealth: U.S. consumers are a key driver of global earnings. It's not just U.S. firms that are benefitting from the durability of U.S. consumption. Foreign firms are beneficiaries as well. Remember: Many automakers in Japan, luxury brands from France, electronic leaders in Korea and other foreign firms earn more revenue in the U.S. than in their home market given the omnipotence of the U.S. shopper. In other words, a substantial share of global earnings is leveraged to U.S. spenders.

For example, take Germany's main equity index, the DAX, consisting of 40 leading German firms. The top source of revenue for German firms is none other than the U.S., which accounts for nearly one-quarter of the DAX's total revenues versus a 18.2% share for Germany, according to data from FactSet. The number one source of revenue for companies listed on the France CAC: the U.S. (21.3%). Same for the MSCI United Kingdom (25.8%), the Amsterdam Exchange Index (19%), Swiss Market Index (34.8%) and Taiwan Stock Exchange Capitalization Weighted Stock Index (39%).

Investment Implications

Our bullish outlook on the U.S. economy and U.S. corporate earnings this year pivots on the strength of the consumer. We expect above-trend economic growth and 14% earnings growth for the S&P 500 for the year. Corporate profits overseas should also be supported by U.S. consumer resilience.

You get the picture: Access to U.S. shoppers matters tremendously to foreign corporations, which is why the world quaked when the Trump Administration imposed tariffs on various imports last year. The fact that the U.S. rolled back or rescinded many of the tariffs is a key reason why global earnings estimates have been revised upwards over the past year, fueling upside Equity returns around the world.

Wither the Emerging Market Consumer? It wasn't that long ago that the world's most potent shopper was the emerging market middle class. Remember those folks? And their insatiable appetite for cellphones, cars, fast food, travel, luxury goods, and many other goods and services?

At the start of this century, emerging market demand for Western products soared along with rising per capita incomes in places like China, India, Brazil and even Russia. As a new source of global demand, the developing nation's share of global consumption climbed from 20.2% in 2000 to nearly 37% by 2015. This decade-and-a-half spurt in consumption fueled rising revenues and profits for many western multinationals and supported the narrative that the arc of global consumption was unequivocally bending towards the younger, dynamic consumers in the emerging markets. Reality has proven to be different, however.

Consumption in China has been hamstrung for years by the nation's depressed property market and an insufficient healthcare system that begets more savings than spending. Consumption in India has accelerated in the past 10 years, but, with a per capita income of just $2,800, the Indian consumer just isn't a potent, global-needle-changing consumer. Russia used to have the most malls in Europe earlier this century, but the collapse in energy prices, the war in Ukraine and Western sanctions have all but decimated malling in Moscow and other parts of the country. The pandemic, rising barriers to immigration, trade and investment protectionism, climate change, civil wars, rejiggered global supply chains—all these variables have throttled, in some shape or form, consumption in the emerging markets this decade.

That is the bad news. The good news is that the U.S. consumer has emerged to fill the void—to remain the world's uber-consumer and key generator of earnings for numerous U.S. and foreign companies. With an unemployment rate hovering near 4%, with many American households on the verge of reaping extra cash from income tax cuts, and with many consumers feeling extra flush thanks to a three year+ bull market in U.S. Equities, the outlook for the U.S. consumer remains solid. They remain exceptional.

Exhibit 2: All Hail the U.S. Consumer.

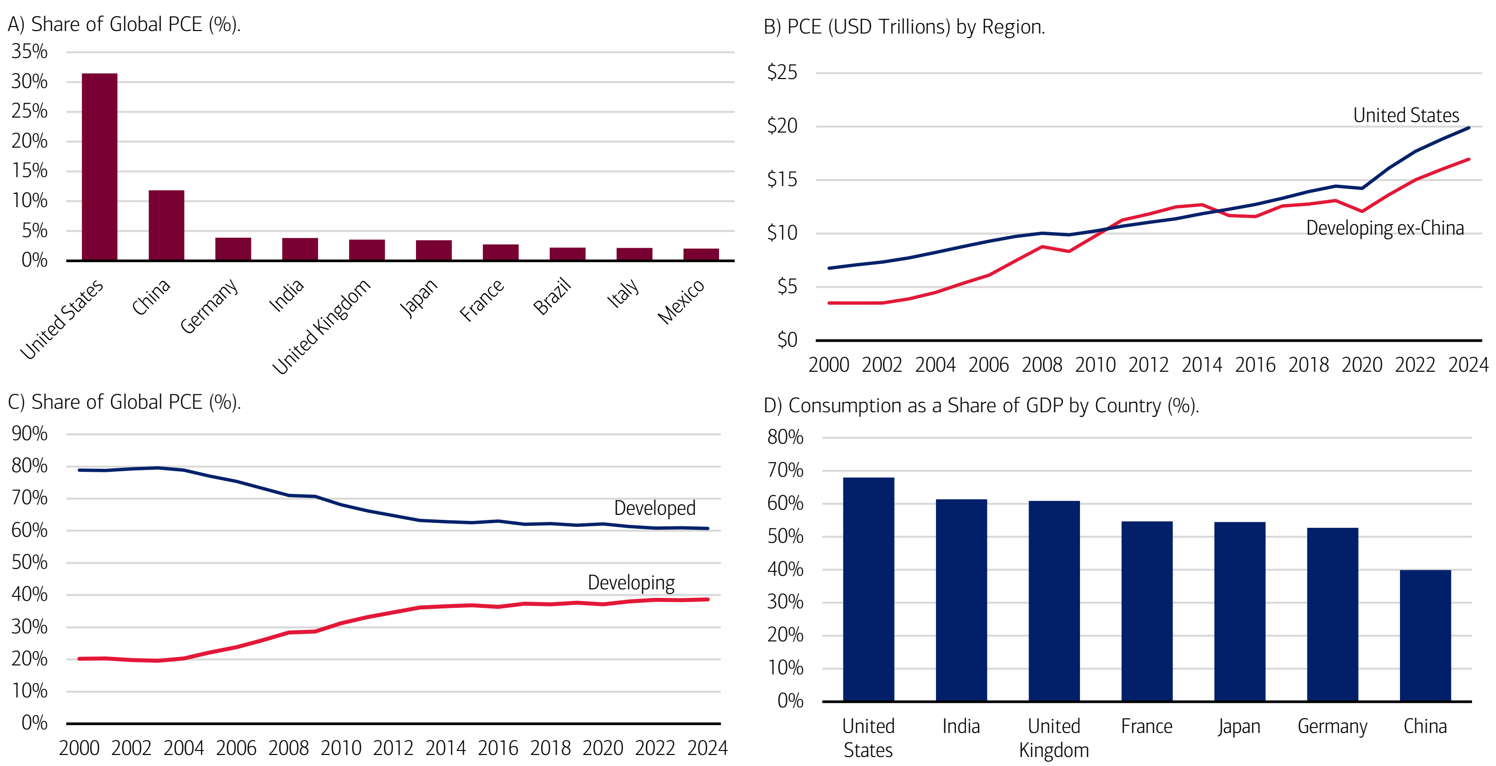


Exhibit 2A Source: UN. Data through 2024. Exhibit 2B) Source: UN. Data through 2024. Exhibit 2C) Source: UN. Data through 2024. Exhibit 2D) Source: UN. Data through 2024.

THOUGHT OF THE WEEK

The 17% No One's Talking About

Ariana Chiu, Assistant Vice President and Investment Strategist

Now four months into the fiscal year, the U.S. government has run a cumulative deficit of $697 billion. That's 17% lower than the same period in FY 2025—an early improvement ahead of tax refund season, per Exhibit 3A, and good news for a government managing debt as a share of GDP around 100%.

Driving the year-over-year (YoY) improvement in the budget deficit has been a 12% uptick in revenues, while outlays have risen by just 2%. Individual income taxes that contribute the lion's share of revenues rose by 12% YoY, pointing to a still-healthy labor market backdrop. Tariff revenues also helped the YoY comparison, averaging at around $30 billion per month over the October 2025–January 2026 period.

With that said, the deficit is still historically high for an economy with an unemployment rate of 4.3%. Trillion-dollar interest payments, tax cuts from the OBBBA, and the push for affordability relief ahead of the midterm elections suggest Uncle Sam is likely looking at another year of the budget deficit running from 5% to 6% of GDP. For now, the bond vigilantes have been quiet, though they could return should fiscal stimulus prove excessive (Exhibit 3B). The Supreme Court's ruling on Trump's International Emergency Economic Powers Act tariffs later this month also bears watching.

Ultimately, bringing the deficit closer to 3% of GDP would require sizable (unpopular) cuts to spending. We view this as unlikely in the near term. Against this backdrop, America's future funding needs will likely depend on foreign creditors who own over 30% of publicly held U.S. government debt. Already a theme of this year, U.S. protectionist measures matter insofar as marginal dollars of foreign investors that would otherwise be aimed at the U.S. are directed elsewhere.

We aren't too worried, however, given that a) the U.S. dollar remains the world's reserve currency at 57% of foreign exchange reserves, according to the latest data from the International Monetary Fund; and b) last year's events taught us that demand for U.S. assets from the rest of the world is stickier than appreciated. Despite endless talk of de-dollarization, foreign holdings of U.S. Equities and debt rose over the balance of the year.

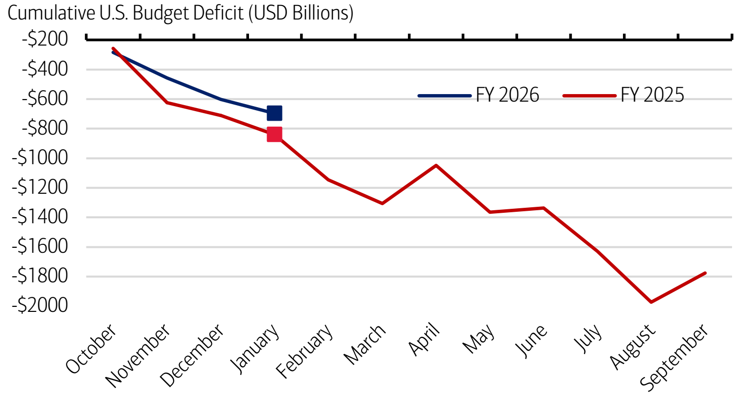
Finally, the U.S. fiscal situation has one not-so-secret weapon working in its favor: Real economic growth is tracking well above its 2% long-term average. Resilient consumption, an ongoing boom in investment, lower trade deficits, and improving manufacturing activity are all factors that we believe can continue to drive upside surprises in U.S. growth.

Investment Implications

Stronger-than-expected economic growth should keep gross public sector debt as a share of output at a manageable level this year. Waning foreign demand for U.S. government debt is unlikely, in our view.

Exhibit 3: Budget Deficit and Long-Term Yields On Watch.

A) Four Months Into FY 2026: U.S. Budget Deficit Running 17% Below Prior Fiscal Year.
Cumulative U.S. Budget Deficit (USD Billions)



B) Will the Bond Vigilantes Return to the U.S.?
Change in 30-year Government Bond Yield since January 2025 (basis points)

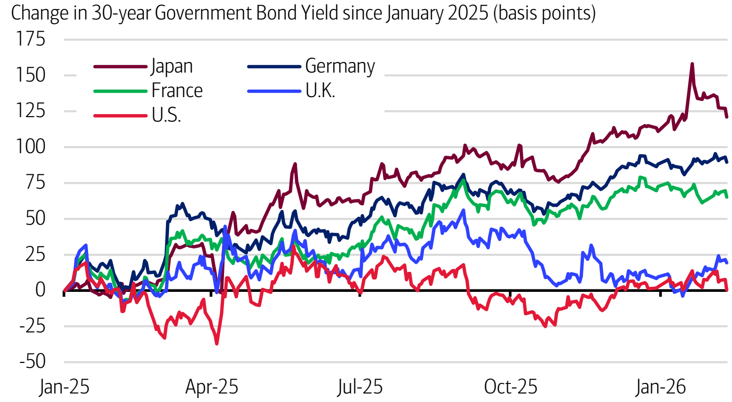


Exhibit 3A) Source: U.S. Treasury, Congressional Budget Office. Data through January 2026, as of February 10, 2026. Exhibit 3B) Source: Bloomberg. Data as of February 10, 2026.

MARKETS IN REVIEW

Asset Class Weightings (as of 2/3/2026)

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			●		
Private Credit			●		
Real Assets			●		
Cash					

CIO Equity Sector Views

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

*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 February 3, 2026. 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.

Economic Forecasts (as of 2/13/2026)

	Q4 2025A	2025A	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Real global GDP (% y/y annualized)	-	3.6*	-	-	-	-	3.5
Real U.S. GDP (% q/q annualized)	2.2*	2.2*	2.6	3.0	2.0	2.0	2.8
CPI inflation (% y/y)	2.8	2.7*	2.6	3.1	2.8	2.8	2.8
Core CPI inflation (% y/y)	2.7	2.9*	2.6	2.8	2.6	2.7	2.7
Unemployment rate (%)	4.5	4.3*	4.5	4.5	4.4	4.3	4.4
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. Data as of February 13, 2026.
Sources: BofA Global Research; GWIM ISC as of February 13, 2026.

Equities

	Total Return in USD (%) Current	WTD	MTD	YTD
DJIA	49,500.93	-1.2	1.3	3.1
NASDAQ	22,546.67	-2.1	-3.9	-3.0
S&P 500	6,836.17	-1.3	-1.4	0.0
S&P 400 Mid Cap	3,563.45	-0.6	3.7	7.9
Russell 2000	2,646.70	-0.9	1.3	6.7
MSCI World	4,509.69	-0.4	-0.4	1.9
MSCI EAFE	3,116.61	1.9	2.5	7.8
MSCI Emerging Markets	1,555.12	3.2	1.8	10.8

Commodities & Currencies

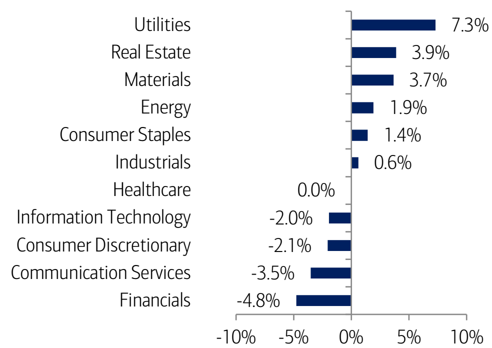
Commodities	Total Return in USD (%) Current	WTD	MTD	YTD
Bloomberg Commodity	296.83	-0.4	-2.6	7.4
WTI Crude $/Barrel††	62.89	-1.0	-3.6	9.5
Gold Spot $/Ounce††	5042.04	1.6	3.0	16.7

Currencies	Total Return in USD (%) Current	Prior Week End	Prior Month End	2024 Year End
EUR/USD	1.19	1.18	1.19	1.17
USD/JPY	152.70	157.22	154.78	156.71
USD/CNH	6.90	6.93	6.96	6.98

Fixed Income†

	Total Return in USD (%) Current	WTD	MTD	YTD
Corporate & Government	4.13	0.87	1.18	1.18
Agencies	3.88	0.49	0.72	0.84
Municipals	3.35	0.38	0.69	1.63
U.S. Investment-Grade Credit	4.21	0.89	1.17	1.28
International	4.74	0.80	1.06	1.24
High Yield	6.62	0.12	0.22	0.73
90 Day Yield	3.67	3.67	3.65	3.63
2 Year Yield	3.41	3.50	3.52	3.47
10 Year Yield	4.05	4.21	4.24	4.17
30 Year Yield	4.69	4.85	4.87	4.84

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 2/9/2026 to 2/13/2026. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 2/13/2026 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.**

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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.

Citi Economic Surprise Index measures how recent economic data compares to consensus expectations.

German DAX Index 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.

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

MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market.

Amsterdam Exchange Index is a stock market index composed of Dutch companies that trade on Euronext Amsterdam.

Swiss Market Index is Switzerland's blue-chip stock market index, which makes it the most followed in the country.

Taiwan Stock Exchange Capitalization Weighted Stock Index is a benchmark to measure the aggregate performance of listed stocks on the Taiwan Stock Exchange

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All 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.

Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

Investments have varying degrees of risk. Some of the risks involved with equity securities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Small cap and mid cap companies pose special risks, including possible illiquidity and greater price volatility than funds consisting of larger, more established companies. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa. Investments in high-yield bonds (sometimes referred to as "junk bonds") offer the potential for high current income and attractive total return, but involves certain risks. Changes in economic conditions or other circumstances may adversely affect a junk bond issuer's ability to make principal and interest payments. Income from investing in municipal bonds is generally exempt from Federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax (AMT). Treasury bills are less volatile than longer-term fixed income securities and are guaranteed as to timely payment of principal and interest by the U.S. government. Bonds are subject to interest rate, inflation and credit risks. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. There are special risks associated with an investment in commodities, such as gold, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Alternative Investments are speculative and involve a high degree of risk.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private-credit, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

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