CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 27, 2025

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

IN THIS ISSUE

Macro Strategy—*Compelling Risk-on Underpinnings:* While the path forward may remain jagged, the economic outlook has significantly improved from just a few weeks ago, helping Equities rebound sharply. Led by economically sensitive and Artificial Intelligence (AI)-related areas of the market, the rally confirms the favorable signals for continued expansion coming from the credit markets and the industrial/domestic investment side of the economy.

If resilient demand, restrained inflation and AI-led productivity gains continue as we expect, the market is well positioned to look past what appears to be a more tolerable, if unevenly distributed, one-off tariff impact than had been feared. Indeed, despite market volatility, forward earnings estimates have remained near records. Still, risk assets are likely to remain on high alert to changes in policy, interest rates and economic conditions. Focus will rightly remain on the efficacy of promised supply-side policy offsets to tariff effects.

Market View—*Some Hard Truths Confronting America's "Manufacturing Renaissance":* After running a merchandise trade deficit for nearly half a century straight, the U.S. is now serious about "reshoring" production. Both political parties are in favor of producing more goods at home—especially when it comes to strategic technologies that are crucial to U.S. national security.

Yet lost in the debate over whether the U.S. should reshore production is whether the U.S. can—that is, whether the U.S. has the labor, infrastructure and regulatory environment to enable and sustain a so-called "manufacturing renaissance." For now, call us cautiously optimistic. While infrastructure investment has soared this decade, the road to reshoring—whether it be finding workers, reducing dependencies on China for key materials, or tackling excessive project timelines—may be bumpier than often appreciated. The good news is that bumps in the road suggest ample opportunity for investors. Labor shortages imply greater demand for automation. Increasing production at home augurs for still-higher power demand, supporting longer-term growth in electrical equipment, power generation, and transmission and distribution. Reshoring is here to stay, in our view, but won't be without its obstacles. Nostalgia for a return to "Made in USA" is one thing; actually reshoring production is another.

Thought of the Week—*Q1 Earnings Recap: Big Beat, Bigger Uncertainty:* The S&P 500 Index is on track for 12.9% year-over-year (YoY) growth in earnings-per-share (EPS) for Q1. This marks the seventh consecutive quarter of YoY profits acceleration and the second consecutive quarter of double-digit growth for the index. It's a strong showing, but with Q1 in the rearview mirror focus has shifted to the dark clouds obscuring the road ahead. Q1 results may have been strengthened by a pull forward in demand ahead of tariff policy implementation. A closer look at reports suggests that companies are pausing plans or deferring decisions to avoid getting whipsawed by the shifting policy outlook. Estimates for future quarters have come down, and Q2 results are likely to be noisy as delays, supply chain disruptions and dampened demand start to filter into earnings. While uncertainty has weighed on the earnings outlook for 2025, it's our view that sturdy fundamentals should still support full year earnings growth in the low-to-mid single digits for the S&P 500 Index.

MACRO STRATEGY ▶

Chief Investment Office
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MARKET VIEW ▶

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THOUGHT OF THE WEEK ▶

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MARKETS IN REVIEW ▶

Data as of 5/27/2025, 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.

Compelling Risk-on Underpinnings

Chief Investment Office, Macro Strategy Team

The de-escalation of U.S.-China trade tensions has eased supply chain concerns and lowered the effective U.S. tariff rate to around 15% on about $3.3 trillion in goods imported into the U.S. Though still imposing the highest tariff burden in over a century, the policy pivot significantly reduces inflation risks while improving real growth and earnings prospects. Diminished recession odds—paired with an incoming stream of "not too hot, not too cold" data and stable interest rates—have quickly revived equity markets out of their April swoon.

Indeed, if the data through mid-May is any indication, the U.S. economy is neither overheating nor unraveling, confirming the favorable signals all along coming from relatively unfazed corporate credit spreads. Despite wobbly consumer and business sentiment, "hard data"—factual evidence of economic conditions—suggest enough growth to keep unemployment steady, inflation on the right track, and profit estimates firm.

For example, new claims for unemployment compensation remain comfortably far from levels associated with economic downturns, and so does wage and salary growth. As a result, consumer spending has remained solid. Even after their sharp March spike on tariff frontloading, retail sales ticked slightly higher in April, and Bank of America card data indicate continued moderate household spending in early May. The strong March spending level alone sets real consumer spending up for a solid Q2 gain—after a robust and better-than-expected 1.8% annualized increase in Q1. Overall, real gross domestic product estimates are now back well into normal expansion territory, with over 2% estimated growth in Q2, according to both the Federal Reserve (Fed) Bank of Atlanta and the New York Fed, for instance.

With domestic demand holding up better than expected and odds of a recession fading, green shoots shouldn't be surprising on the manufacturing front. The Philadelphia Fed survey of manufacturing expectations surged in May, entirely reversing this year's plunge. As shown in Exhibit 1A, the national Institute for Supply Management (ISM) manufacturing index looks set to stabilize. In fact, it probably should do so soon to better align with the industrials' sector equity-market leadership year to date as government efforts to revitalize domestic investment and production are starting to bear fruit.

The broad-based loss of inflation momentum has had much to do with the gaping divergence between spending resilience and consumer sentiment. Indeed, expectations have been particularly depressed by fears of a tariff-related inflation flareup. Instead, consumer price index inflation surprised to the downside again in April, rising just 1.6% at an annualized pace on a 3-month basis and 2.3% year over year. Its trend has been tempered by disinflation or outright deflation across food and energy, air travel, apparel and lodging away from home, as well as information technology goods and services, for example. Once again, inflation proves that it's "always and everywhere" a monetary phenomenon: As pandemic-related excess saving thinned out, interest rates increased, labor demand normalized and wage growth moderated, inflation pressures also faded, helping extend the expansion.

Aside from better-than-expected domestic demand and an improved economic outlook, other key drivers of the V-shaped market rebound over the past month include:

- Strong and better-than-expected Q1 earnings growth, with 57% of S&P 500 companies reporting margins increase, along mid-cycle levels.[1]
- Firm forward earnings expectations near record level.
- Optimistic Q1 commentary from large-cap growth companies plus tariff considerations and idiosyncratic headwinds in traditionally "stable" parts of the market restored investor confidence in the technology/interactive media faster than in consumer-related sectors and "defensives."
- Indeed, technology/interactive media companies continue to dominate earnings, with 60% of the S&P 500 aggregate earnings growth in Q1, akin to 2024. Their disproportionately large share of the market and still impressive operating leverage suggest ongoing support

Investment Implications

Continued expansion with moderate inflation favors risk-asset outperformance. Still, sentiment should be tempered by vigilance toward interest rate and tariff-related pressures on earnings. Thus, we remain in favor of Large-caps over Small-caps, and higher quality Growth assets in general.

[1] Empirical Research Partners. As of May 20, 2025.

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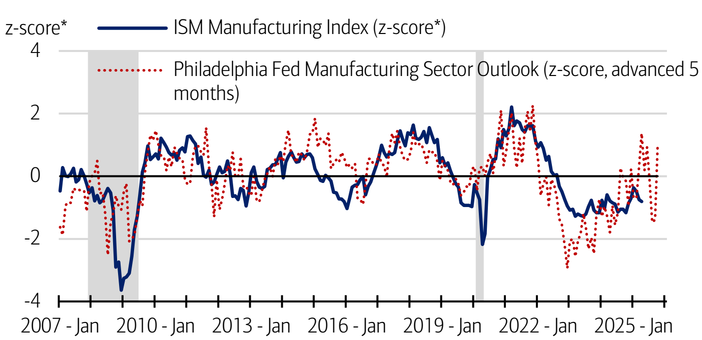
for elevated market free cash flows and share buyback resources, boosting investor sentiment.

- Favorable business investment news spurring interest in capital goods-producing industrial companies, utilities, and financials. These include a boost to megacaps' AI-related capital expenditure plans for 2025 from +20% penciled in earlier this year to +35%, and a deluge of Middle East long-term mega contracts for industrial/AI-related U.S. goods and services.
- According to Empirical Research Partners—citing the Census Bureau's Business Trends and Outlook Survey covering 1.2 million non-farm businesses—the share of companies saying they expect to use AI in the next six months to produce goods and services rose from about 7% in mid-2024 to 11% in early May. The share reporting using AI in the past two weeks rose from 5% to about 9%, indicating both big strides and still largely unmet potential.
- Market confidence in supply-side stimulus in line with the administration's vision for supply chain reshoring and stronger domestic production. Deregulation, tax incentives, and reshoring incentives would complement the already strong capital return profile of U.S. firms (Exhibit 1B), supporting valuations and the "U.S. exceptionalism" trade.
- Additional share buyback announcements to more than $1 trillion already estimated for 2025—for a likely 15% YoY increase to a new record.
- According to Empirical, the shareholder payout ratio (dividends + buybacks) is about 75% in the U.S. This—coupled with a higher return on equity (ROE) than in the past, currently of about 20%—implies that investors are "getting back" about 15% of the equity base per year. This compares to just 5% in Japan and 10% in Europe. The 2010 to 2019 average was about 6% in Europe versus 10% in the U.S., underscoring a persistently large compounding difference in favor of U.S. Equities that largely explains their strong relative appeal in recent years.[2]
- Despite unresolved government debt/deficit deterioration, interest rates have remained contained in a narrow range on sustained demand for "risk-free" assets. In addition, the economic outlook does not call for Fed rate hikes, and reports of financial sector deregulation favoring higher bank holdings of Treasurys have boosted confidence in demand for government securities.
- Dollar depreciation tends to be positive for earnings as it makes exports more attractive and profits from overseas are translated into more dollars.

In sum, the U.S. economy has once again pulled back from the brink, defying expectations. Tariff policy recalibration and record buybacks strongly underpin the bullish tone of risk-asset markets. Still, uncertainty about tariff effects remains high, economic growth is seen slower than before tariffs surged, and valuations are not particularly cheap. While we remain cautiously optimistic on U.S. Equities, risk assets remain vulnerable to bouts of volatility and occasional setbacks. Thus, we remain in favor of Large-caps over Small-caps, and higher quality Growth assets in general.

Exhibit 1: Favorable Risk-on Underpinnings, Including:

1A) Manufacturing Sector Green Shoots...



1B) ...and Firm U.S. Shareholder Payout Yields

SECTOR	DIVIDEND YIELD	BUYBACK YIELD	YIELD
Consumer Discretionary	0.74%	1.52%	2.26%
Consumer Staples	2.40%	1.56%	3.96%
Energy	3.41%	4.13%	7.54%
Financials	1.48%	2.52%	4.00%
Healthcare	1.70%	1.61%	3.31%
Industrials	1.41%	1.71%	3.12%
Information Technology	0.67%	1.71%	2.37%
Materials	1.98%	1.98%	3.97%
Real Estate	3.39%	0.20%	3.59%
Communications Services	1.02%	3.72%	4.74%
Utilities	3.09%	0.30%	3.39%
S&P 500	1.34%	1.96%	3.31%

Exhibit 1A) *z-score=number of standard deviations from the mean of a data set. Gray bars represent recessionary periods. Sources: ISM, Federal Reserve Bank of Philadelphia/Haver Analytics. Data as of May 21, 2025. Exhibit 1B) Source: S&P Global: S&P 500 Q4 2024 Buyback Report. Uses full values (unadjusted for float). Dividends based on indicated; buybacks based on the last 12 months ending Q4, 2024. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

[2] Empirical Research Partners, May 9, 2025.

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MARKET VIEW

Some Hard Truths Confronting America's "Manufacturing Renaissance"

Ariana Chiu, Wealth Management Analyst

After running a merchandise trade deficit for nearly half a century straight, the U.S. is now serious about "reshoring" production. Both political parties are in favor of producing more goods at home. This is especially true for strategic technologies like semiconductors, pharmaceutical ingredients, and critical minerals—all of which are crucial to U.S. national security and remain key focus areas for policymakers in Washington.

Yet lost in the debate over whether the U.S. should reshore production is whether the U.S. can—that is, whether the U.S. has the labor, infrastructure and regulatory environment to enable and sustain a so-called "manufacturing renaissance." For now, call us cautiously optimistic. Nostalgia for a return to "Made in USA" is one thing; actually reshoring production is another.

Start with Exhibit 2A, whose message is simple: The U.S. is short on manufacturing workers. According to the latest Job Openings and Labor Turnover Survey, there are currently nearly half a million job openings in the manufacturing sector—bringing the manufacturing labor shortage, defined as the difference between hires and openings, to 130,000 workers as of March. Openings as a share of total manufacturing employment are now double the share seen in the mid-2000s.

The reality is, for decades, less advanced production has shifted to poorer countries overseas while the U.S. has doubled down on the services economy—and the labor force has followed suit. Manufacturing workers as a percent of total U.S. employment now stands at 8% and has been in structural decline for years due to offshoring and automation. Meanwhile, efforts to limit immigration mean current worker shortages are likely to get worse. To wit, foreign-born workers accounted for 20% and 29% of manufacturing and construction workers respectively in 2023, the last year of available data.[3]

Labor aside, there's also the question of whether America's infrastructure is ready for an influx of domestic production. Here we'd point to the American Society of Civil Engineers' 2025 Infrastructure Report Card, which recently handed U.S. infrastructure a "C" grade. While infrastructure investment has soared this decade, the report highlights a $3.7 trillion investment gap over the next 10 years, assuming current funding levels.

It's worth noting too that of the near-$2 trillion of funding announced across the Inflation Reduction Act (IRA), Infrastructure Investment and Jobs Act (IIJA), and the CHIPS Act, less than 40% had been announced or spent through the end of last year (Exhibit 2B).[4] In other words, at the same time that industrial reshoring and power-hungry AI data centers are sending electricity demand higher, efforts to upgrade aging U.S. infrastructure (the grid, transit systems, wastewater management, and more) are just beginning.

Meanwhile, when it comes to the materials required to upgrade U.S. infrastructure and reshore production, all roads lead to China. From copper (building construction, cables, wires, plumbing) to graphite (steelmaking, batteries, thermal resistance), China not only often leads in producing critical minerals and metals—it's also the refinery of the world (Exhibit 2C). The irony, therefore, is that while the purpose of reshoring is largely to move away from chronic dependencies on the second largest economy in the world, there is no "manufacturing renaissance" without China until and unless the U.S. finds alternative sources for critical minerals and metals.

In the meantime, it's no coincidence that the administration is increasingly focused on streamlining permitting. It takes 29 years on average to build a new mine in the U.S., for example—the second longest timeline in the world. Electrical transmission projects take 6.5 years to review on average. Semiconductor fabs, a key target of U.S. reshoring efforts, take significantly longer to build domestically than overseas—2.5 years on average between 2010 and 2020, to be exact, versus 1.85 years in China and 1.76 years in Taiwan over the same period.[5] The bottom line: for all the hype surrounding domestic investment announced since

Portfolio Considerations

Automation amid shifting labor force dynamics remains a key theme for us and an important beneficiary of greater reshoring demand. As supply chains shift, we continue to believe that expanding and upgrading U.S. infrastructure implies secular demand for critical minerals and metals, electrical equipment, and transmission and distribution.

[3] U.S. Census Bureau, May 2023.
[4] BofA Global Research. Data through December 2024.
[5] Center for Security and Emerging Technology.

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Liberation Day (April 2), it's possible that midway through the construction of announced projects, we'll be looking at a different president at 1600 Pennsylvania Avenue.

Investment Implications. The good news is that all of the above should mean ample opportunity for investors. Labor shortages imply greater demand for automation—think digital twins (virtual models of factories, supply chains and more), "cobots" (collaborative robots that work alongside humans), or AI-driven management (inventory optimization, predictive maintenance, quality control, etc.). Just 4.8% of manufacturing firms currently leverage AI, below economy-wide usage (8.7%) according to the Census Bureau.

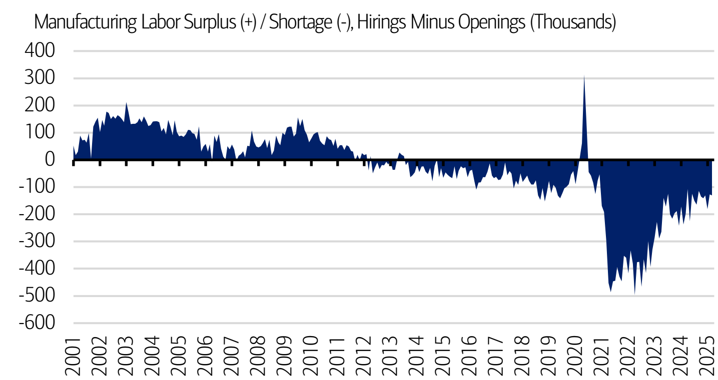
Efforts to reshore higher-end production suggest that demand for AI applications to the U.S. manufacturing sector will only accelerate from here. The stakes are high, with meaningful implications for U.S. competitiveness. After all, China has installed more industrial robots than the rest of the world combined since 2021 (and seven times more than the U.S. in 2023 alone, as Exhibit 2D highlights).[6] Automation amid shifting labor force dynamics remains a key theme for us.

We also continue to believe that secular drivers of greater power demand support longer-term growth in electrical equipment, power generation, and transmission and distribution. Demand for real assets, including minerals critical to building physical structures and components of the U.S. grid, should be positioned for long-term growth.

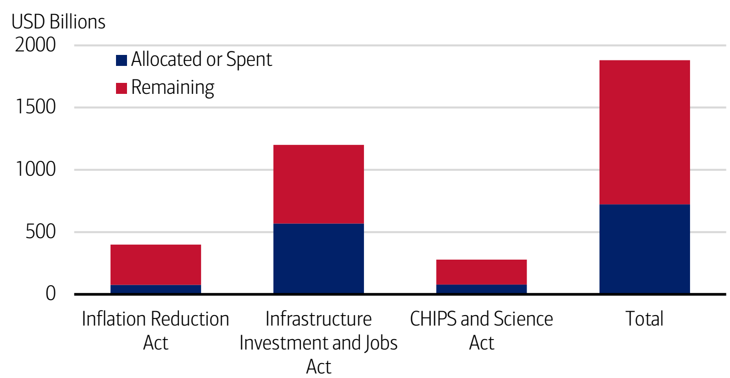
The Bottom Line: There's little doubt that existing dependencies on China for everything from commonly prescribed medications to rare earth minerals will warrant a "manufacturing renaissance" of sorts in the coming years. Reshoring is here to stay, in our view. Yet the road to bringing manufacturing back to the U.S.—whether it be finding workers, investing in more resilient domestic infrastructure, or reforming existing permitting systems—may be bumpier than is often appreciated.

Exhibit 2: The Road to Reshoring May Be Bumpier Than Expected.

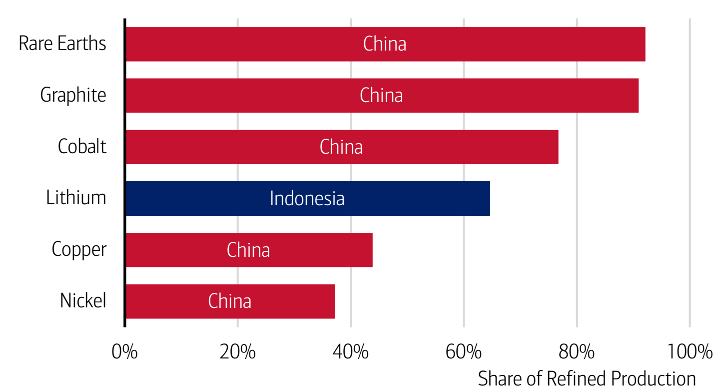
2A) The U.S. Is Short on Manufacturing Workers.



2B) Majority Still Unspent Across IRA, IIJA, and CHIPS Act.



2C) China Is the Refinery of the World.



2D) China Installed 7 Times More Industrial Robots Than the U.S. in 2023.

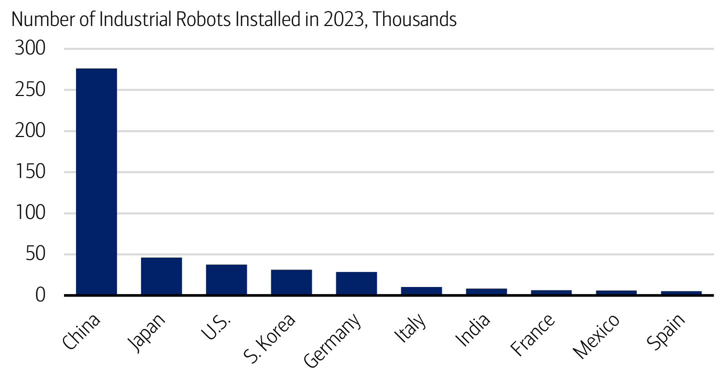


Exhibit 2A) Source: Bureau of Labor Statistics. Data as of April 29, 2025. Exhibit 2B) Source: BofA Global Research. Data through December 2024, as of May 2025. Exhibit 2C) Data refers to 2023. Source: International Energy Agency. Data as of May 2025. Exhibit 2D) Sources: International Federation of Robotics, Stanford University AI Index Report 2025. Data refers to 2023, latest available, as of May 2025.

[6] International Federation of Robotics, Stanford University AI Index Report 2025.

THOUGHT OF THE WEEK

Q1 Earnings Recap: Big Beat, Bigger Uncertainty

Emily Avioli, Vice President and Investment Strategist

Jordy Fuentes, Wealth Management Analyst

With 96% of companies in the S&P 500 having reported Q1 earnings results, the index is on track to beat consensus estimates by 8% with 12.9% YoY growth in EPS.[7] This marks the seventh consecutive quarter of YoY profits acceleration and the second consecutive quarter of double-digit growth for the index.

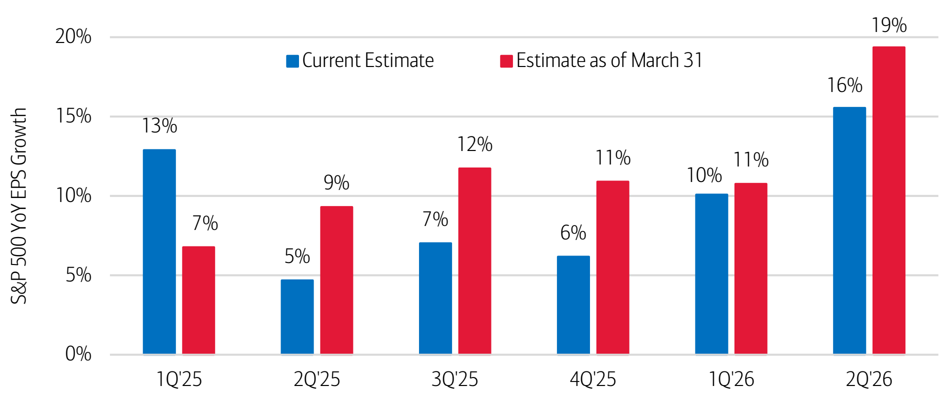
Healthcare and Communication Services were leaders of the pack in Q1, growing earnings by 43.0% and 29.2respectively. Information Technology earnings offered another bright spot, with hyperscalers confirming that the AI investment cycle is still intact. While areas like Energy and Consumer Staples lagged, eight out of 11 S&P 500 sectors are on track to report positive YoY EPS growth for Q1, with four tracking double-digit accelerations. It's an unequivocally strong showing for the index.

However, with Q1 in the rearview mirror, focus has shifted to the dark clouds obscuring the road ahead. Q2 earnings estimates have fallen from 9.3% at the beginning of the quarter to 5.0% today, suggesting that Q1 results may have been strengthened by a pull forward in demand ahead of tariff policy implementation (Exhibit 3). Trade deal progress since the April 2 announcement may suggest a more moderate risk of downward earnings revisions moving forward, but the outlook remains murky.

A wait-and-see approach was evident in Q1 reports, with companies pausing plans or deferring decisions to avoid getting whipsawed by the shifting policy outlook.[8] Forecasts for slower economic growth have also called future consumer demand into question. To wit, most major airlines have pulled their full-year guidance altogether amid an ambiguous leisure travel outlook. Q1 marked the highest number of S&P 500 companies citing "tariffs" on quarterly earnings calls over the past 10 years, the highest mentions of "recession" since Q4 2022, and the highest mentions of "uncertainty" since Q1 2020.[9] On the upside, some reports underscored that corporate America remains nimble. Tariff mitigation tactics are underway, including instances of pre-ordering, sourcing and production shifts, and cost-cutting initiatives.[10]

In our view, Q2 results are likely to be noisy as delays, supply chain disruptions and dampened demand start to filter into earnings. Investors should consider looking farther out for better insight on where profits will ultimately land. While uncertainty has weighed on the earnings outlook for 2025, it's our view that sturdy fundamentals should still support full year earnings growth in the low-to-mid single digits for the S&P 500 Index.

Exhibit 3: Strong Q1 Results May Represent Demand Pulled Forward.



Source: FactSet. Data as of May 27, 2025. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

Investment Implications

Equities currently remain well supported by a solid earnings backdrop, but uncertainty may weigh on profits in the near-term. While we anticipate some noise in upcoming earnings reports, we still anticipate full year earnings growth for the S&P 500 Index.

[7] FactSet. May 23, 2025.
[8] BofA Global Research. April 27, 2025.
[9] FactSet Earnings Insight. May 16, 2025.
[10] BofA Global Research. April 27, 2025.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	41,603.07	-2.4	2.4	-1.6
NASDAQ	18,737.21	-2.5	7.5	-2.7
S&P 500	5,802.82	-2.6	4.3	-0.8
S&P 400 Mid Cap	2,977.59	-3.5	4.5	-4.1
Russell 2000	2,039.85	-3.4	4.0	-8.1
MSCI World	3,802.77	-1.5	4.2	3.3
MSCI EAFE	2,579.57	1.3	3.7	15.8
MSCI Emerging Markets	1,170.98	-0.1	5.4	10.0

Fixed Income†

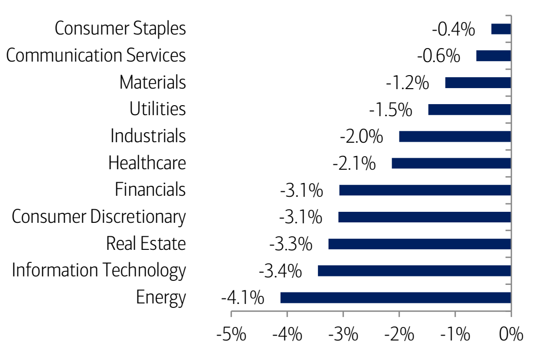
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.66	-0.38	-1.53	1.55
Agencies	4.46	-0.02	-0.77	2.05
Municipals	4.09	-0.49	-0.22	-1.24
U.S. Investment Grade Credit	4.82	-0.45	-1.58	1.56
International	5.35	-0.52	-1.11	1.14
High Yield	7.69	-0.47	0.94	1.93
90 Day Yield	4.33	4.34	4.29	4.31
2 Year Yield	3.99	4.00	3.60	4.24
10 Year Yield	4.51	4.48	4.16	4.57
30 Year Yield	5.04	4.94	4.68	4.78

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	252.35	1.8	2.0	5.8
WTI Crude $/Barrel††	61.53	-1.5	5.7	-14.2
Gold Spot $/Ounce††	3357.51	4.8	2.1	27.9

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.14	1.12	1.13	1.04
USD/JPY	142.56	145.70	143.07	157.20
USD/CNH	7.17	7.21	7.27	7.34

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 5/19/2025 to 5/23/2025. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 5/23/2025 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 5/23/2025)

	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 23, 2025.
Sources: BofA Global Research; GWIM ISC as of May 23, 2025.

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

	CIO View				
Asset Class	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

	CIO View				
Sector	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.

Institute for Supply Management (ISM) manufacturing index is a monthly economic indicator that measures the health of the U.S. manufacturing sector. It's based on a survey of purchasing and supply executives in manufacturing firms. The index is a composite measure that reflects trends in key areas like new orders, production, employment, supplier deliveries, and inventories.

Consumer price index measures change over time in the prices paid by consumers for a representative basket of goods and services.

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