CHIEF INVESTMENT OFFICE

Viewpoint

The Era Of Transformation Part 2: R You Ready?

June 2026

All data, projections and opinions are as of June 2, 2026 and subject to change.

IN BRIEF

- Central to our medium-term view are the key structural growth themes of Re-industrialization, Re-shoring, Robotics and the Renaissance in biotechnology. As these areas surprise to the upside, corporate earnings and margins are being revised upward, reinforcing our overweight stance on Equities.
- We maintain an Equity overweight with a continued bias toward U.S. Equities. Off its late-March low the S&P 500 Index surpassed 7,500 in May, with higher valuations supported by still strong earnings growth.
- We remain constructive on Fixed Income overall. Yields across Fixed Income have moved meaningfully higher on both a nominal and real basis, offering more compelling compensation for inflation, duration, and broader market risks. Still, we maintain our underweight to fund our Equity overweight.

In May's Viewpoint, we released Part 1 of a three-part series that highlights the short-, medium- and long-term pathways of major themes and trends that should dominate market and asset class movements in the coming years. Part 1 centered around the short-term drivers and actions in the market through the balance of the year. The "R's" that we expect to continue to unfold this year include:

Part 1: The Short-term: Through the balance of the year, we believe there are:

R

Risks elevated (headlines, geopolitics, midterm concerns, oil/gas prices, rates)

Robust corporate earnings (positive revisions, operating leverage increasing, margins increasing further)

Rotation across Equities (multiple leadership groups, increased non-U.S. allocation, broader participation even as Technology remains the heavyweight engine)

Resilient consumer (attractive asset price returns helping boomers, while decent wage gains support lower cohorts even with higher energy prices)

This month we focus on the medium-term "R's" which span, in our view, the next couple of years. Given our primary assumption of major structural change around the globe in terms of supply side economic production, supply chain security, new growth drivers led by a variety of infrastructure redevelopment needs, rapid technological innovation, global central bank policy adjustments, and heightened geopolitical competition and risks, we believe the capital investment cycle is still in its early innings and is likely to be extended in the coming years. Supply side economic cycles last longer and require significant capital investment to match the level of demand that continues to build as competition heats up and shortages of key inputs remain.

CIO ASSET CLASS VIEWS

This month the Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) did not make any tactical asset allocation adjustments. We maintain an overweight to Equities with a preference for U.S. Equities relative to the rest of the world and still favor a significant allocation to bonds in a well-diversified portfolio. We would leverage market weaknesses and excessive strength to rebalance tactical exposures in the coming months.

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Asset Class	Underweight		CIO View 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					

*Many products that pursue Alternative Investment strategies, specifically Private Equity, Private Credit 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.

This equation is much different from a demand-driven cycle in which central banks and governments need to adjust policy to ignite demand to match the level of supply. We expect above-average inflation even as productivity continues to ramp up, higher nominal growth, and a hyperfocus on capital investment that feeds the areas of massive underinvestment from decades past. With all of this we expect thematic investment that centers around key structural growth themes and trends, particularly in areas of significant undersupply, to have the greatest investment opportunity set, in our view. Therefore, we ask the question, *R you ready?*

Part 2: The Medium-term approximately 12 to 24 months, we expect:

R

Re-industrialization (digital infrastructure, next wave of physical and agentic artificial intelligence (AI), quantum computing)

Re-shoring (advanced manufacturing, supply chain security)

Robotics (factory automation, labor gap management, productivity enhancements)

Renaissance in biotechnology (AI applications leads to rapid advancement)

Conclusion: The current environment is defined by a series of reinforcing trends. The AI buildout continues to accelerate, supported by significant capital investment, while the supply of key inputs in the medium term, such as memory and compute, remain constrained. At the same time, capital investment in infrastructure needed to drive this buildout, including energy, electricity, and basic materials, remain strong and continues to surprise to the upside. This backdrop is driving upward revisions to corporate earnings and margins and should support broader equity market leadership. As a result, we maintain an overweight to Equities, emphasize diversification across sectors and geographies and view periods of market weakness as potential buying opportunities.

The largest risk to this investment thesis is what is usually the case in major market advancement cycles—a sharp rise in interest rates led by a major change in Federal Reserve (Fed) rate policy. In other words, if the Fed must quickly raise rates to stop inflation in its tracks, then valuations and the growth enthusiasm are likely to be called into question. The significantly large exposure to technology within mega caps across both the indexes and portfolios, in general, would create a negative feedback loop and put pressure on the markets. This is not our base case, but it remains a reason why we continue to emphasize a greater degree of diversification.

CIO INVESTMENT DASHBOARD AS OF JUNE 2, 2026

While uncertainty surrounding the Middle East conflict persists, underlying fundamentals remain relatively solid. We still see the potential for a new phase of economic and market growth powered by accelerating productivity, infrastructure investment, energy transformation, and global shifts in defense and technology. Long-term investors should remain fully invested and consider episodic weakness as a potential buying opportunity.

Current readings on the key drivers of Equities for investors to consider, with arrows representing the recent trend:

Earnings		Our U.S. Equity overweight remains supported by a strong earnings outlook. Earnings estimates for the S&P 500 have recently moved higher following a strong reporting season, with the index on track for double-digit earnings growth in 2026. The BofA Global Earnings Revision Ratio also improved in May, led by a rebound in the U.S.
Valuations		U.S. equity market valuations remain elevated relative to long-term averages. The S&P 500 forward price-to-earnings (P/E) ratio has risen since March 30 but remains below levels observed in 2025. Relative discounts exist in areas like Value and Emerging Markets (EM), underscoring the importance of incorporating these areas into diversified portfolios.
U.S. Macro		U.S. economic data remains generally constructive, with the second estimate of real gross domestic product (GDP) suggesting a 1.6% annualized growth rate for Q1. While elevated energy prices may pressure consumers and present upside risks to inflation in the near term, earnings momentum, fiscal stimulus, and rising productivity should continue to underpin the growth outlook.
Global Growth		In 2026, we anticipate global real GDP growth of 3.1%, though the outlook remains relatively fragile amid ongoing geopolitical uncertainty. Regionally, the impact of the Middle East war may weigh on euro area growth, expected at 0.7%. In China, economic activity has shown pockets of resilience, supported by incremental policy stimulus and continued strength in export-oriented and innovative segments. Lingering weakness in domestic demand and property markets may continue to temper the recovery. BofA Global Research forecasts 4.5% growth. While we remain watchful over energy price volatility affecting regions such as Asia, improving fundamentals in EMs longer term may help sustain their appeal as a portfolio diversifier.

U.S. Monetary Policy / Inflation		The Fed interest rate policy remains in a 3.50% to 3.75% range. Recent inflation data suggests price pressures remain somewhat elevated, reinforcing expectations that the Fed may remain on hold for now. BofA Global Research has pushed out their expectation for two cuts into the second half of 2027. Longer term, easier monetary policy should be supportive of diversified Equity portfolios.
Fiscal Policy		Fiscal stimulus, dubbed the One Big Beautiful Bill Act (OBBBA), includes new tax breaks, among other elements. This added stimulus throughout the year should support U.S. GDP growth through stronger consumption, investment and productivity, helping support margins and earnings and ultimately providing tailwinds for Equities.
Corporate Credit		Despite a backup in Treasury yields, Investment-grade (IG) and High Yield (HY) credit spreads remained resilient in May, retracing their year-to-date (YTD) widening and returning to multidecade tights, signaling limited near-term market concern over an economic slowdown. With spreads already compressed, we see limited scope for further meaningful tightening and maintain a neutral stance across these segments in low-tax all-Fixed Income portfolios.
Yield Curve		Yields across the curve rose through mid-May, led by a sharp rise in the long end, as the 30-year yield peaked at 5.18%, its highest level since 2007, before partially retracing into month-end. While inflation and rising rates warrant monitoring, markets continue to view the move as broadly benign, with inflation expectations still anchored, and higher rates more reflective of resilient growth and improving productivity, limiting the headwind to Equities. Rates appear fairly priced, offering reasonable income and diversification benefits for multi-asset class portfolios.
Technical Indicators		Last month the S&P 500 captured new all-time highs and remained above its 50-day and 200-day moving averages. However, relative strength indicators reached overbought conditions, while the percent of stocks above their 200-day moving average declined from 71% pre-Middle East conflict to about 60%. Breadth indicators have improved with the Russell 2000 and S&P 500 Equal Weight Indexes capturing new highs, signs of broader market participation.
Investor Sentiment		Sentiment indicators remain mixed. The latest American Association of Individual Investors (AAII) reading showed bears outnumbered bulls in the last two weeks of May, following more bulls than bears in the first two weeks. Meanwhile, the BofA Bull & Bear Indicator moved further into sell signal territory, rising from 8.0 to 8.5.

Source: Chief Investment Office. Gradient slides go from positive green, yellow neutral and negative red factors to ISC views.

EQUITIES

We are overweight Equities. While crosscurrents in the economic landscape persist, positive global growth, better earnings trends, and increased innovation remain supportive for global Equities. We maintain an Equity overweight relative to our strategic targets.

We are overweight U.S. Equities. The U.S. remains our preferred Equity region. Despite recent uncertainty, the U.S. is still among the strongest and most innovative economies in the world. The S&P 500 has swiftly rebounded from its March 30 low, ultimately crossing the 7,500 milestone in May. Index level valuations have increased, but earnings growth remains supportive. The S&P 500 logged its sixth consecutive quarter of double-digit year-over-year (YoY) earnings-per-share (EPS) growth in Q1. Earnings strength continues to broaden, with the S&P 493 notching the best pace of growth since 2021 in Q1, according to FactSet.

Diversification across and within Equities has already proven to be valuable this year as new pockets of market leadership have emerged. Large-caps continue to exhibit strong fundamentals, solid earnings growth, and the ability to generate substantial free cash flow (FCF). Small-caps have seen strong performance YTD and may continue to benefit from a more constructive earnings outlook, an uptick in domestic manufacturing, and increased capital markets activity in 2026, though persistently elevated energy prices could present headwinds. We emphasize the importance of incorporating both Large-caps and Small-caps into strategic portfolios.

After a shaky start to the year, Growth-oriented AI beneficiaries rebounded on renewed optimism surrounding the build-out and Q1 earnings results that confirmed massive capital expenditures (capex) commitments remain intact. We believe secular tailwinds related to innovation will continue to support Growth over the long term. However, we continue to emphasize the importance of avoiding overexposure to any one area of the market. Value-oriented Equities continue to trade at a relative valuation discount and may offer attractive defensive characteristics against a backdrop of elevated uncertainty. We maintain a barbell approach between Large-cap Value and Growth in portfolios as market dynamics evolve.

EQUITY WATCH LIST

- Trajectory of Middle East conflict
- Impact of elevated oil prices on inflation and the consumer
- Monetary policy outlook and shifting expectations for interest rates
- The outlook for AI investment and competition
- Progression of global earnings estimates
- Evolving dynamics within Private Credit

RISK CONSIDERATIONS

- Protracted conflict in the Middle East and higher-for-longer oil prices
- Escalation in AI concerns due to an earnings miss, supply shock, or tighter credit conditions
- Potential for a pullback in high-income consumer spending
- Potential for slower-than-expected labor market stabilization
- Global fiscal concerns, as well as sticky inflation and its potential impact on the Fed's easing cycle
- Geopolitical uncertainty and heightened global protectionism measures

From a sector perspective, we continue to propose diversification across Equity sectors given elevated volatility and uncertainty. Importantly, we continue to suggest overweight exposure to Industrials, Consumer Discretionary and Financials. Industrials are overweight as capex budgets continue to grow, 100% bonus depreciation has been enacted again, and AI-oriented infrastructure plans are not slowing. The consumer remains resilient as spending and wages continue to grow. The overall outlook for Financials remains positive, especially for banks with tailwinds from deregulation, earnings growth and reasonable valuations, though the potential for fewer interest rate cuts could present headwinds. We are neutral Information Technology (IT), Energy, Materials, Utilities, and Healthcare. IT has positive longer-term thematic exposure, but there are near-term concerns on positioning. The outlook for the Energy sector has improved as damaged energy infrastructure in the Middle East and transportation bottlenecks support higher energy prices than before the conflict. We are neutral Materials on improved pricing and demand for commodities in general. Utilities relative valuations have moved sharply higher and no longer trade at an attractive discount. Despite some subsectors underperforming YTD, Healthcare looks more attractive, with areas of opportunity including Biotech, Biopharma, and Managed Care. We have underweight exposure to Communication Services, Real Estate (RE), and Consumer Staples on weaker growth expectations in those sectors.

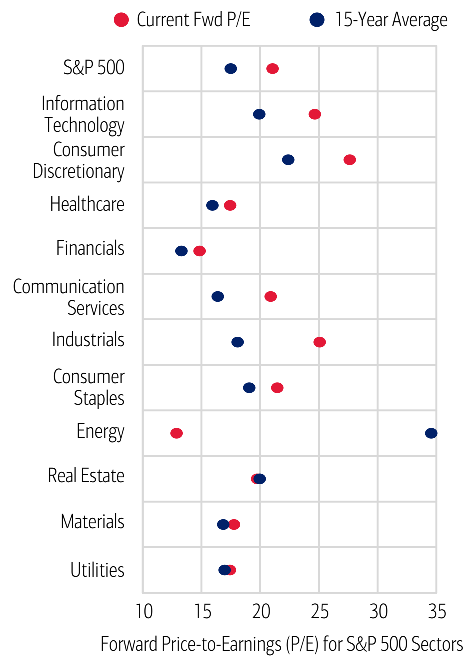
We are slightly overweight Emerging Market Equities. Energy supply risks across large Asian net importers are partially offset by large China stockpiles and index exposure to natural resource-producing markets. The Asia-Pacific market now constitutes nearly 85% of total EM market capitalization, and we view the region as a major beneficiary of expected growth in IT-related capital spending and the expanding adoption of AI. Owing to growth in just a handful of AI names, Taiwan and Korea have surpassed China to become the two largest countries in the MSCI Emerging Markets Index, with a combined weight of over 50% of the index. Asian markets, in particular, also appear well positioned to benefit from appreciation of undervalued exchange rates. Smaller markets in Central and Eastern Europe should benefit from increased European Union (EU) fiscal outlays, including higher EU defense and infrastructure spending. The structural rise in EM consumer spending remains a big reason why we believe investors should consider maintaining a strategic allocation to EM Equities as appropriate. The emerging world now constitutes around 40% of global personal consumption expenditure (PCE), according to the United Nations, and ongoing convergence with developed economies should support GDP growth and corporate earnings over the longer-term. We favor active management[1] when investing in EM, as fundamentals differ across countries based on fiscal capacity, external funding needs, corporate governance and other factors.

We are slightly underweight International Developed Equities. European markets should benefit from higher fiscal outlays in defense and infrastructure but remain among the least exposed globally to IT-related market segments and are therefore likely to experience limited gains on a relative basis from AI infrastructure spending. Manufacturing-led EU economies also remain at risk from growing competition from China in key industries and higher industrial energy costs. In the UK, higher business taxes represent a headwind for the corporate sector. Sustained positive inflation and corporate reforms remain fundamental tailwinds for Japan, with large fiscal expansion as an additional support despite exposure to high energy prices. While we are less constructive on International Developed Equities, we believe long-term investors should maintain some strategic exposure, as appropriate, given that they trade at a discount relative to U.S. Equities, contain more of a balance between Value and Growth sectors, can offer attractive dividend yields, and provide diversification for mega-cap Technology stocks.

FIXED INCOME

We are slightly underweight Fixed Income within multi-asset class portfolios, primarily reflecting the need to fund an overweight in Equities. Within all-Fixed

Sector Valuations



Source: Bloomberg as of May 29, 2026. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

[1] Active management seeks to outperform benchmarks through active investment decisions such as asset allocation and investment selection.

Income portfolios with low tax sensitivity, we are positioned neutral across sectors, supported by a still-constructive economic backdrop which, together with elevated all-in yields, should help anchor spreads despite ongoing geopolitical uncertainty. In high tax-sensitivity Fixed Income-only portfolios, we favor IG and HY tax-exempt over IG taxable, particularly as municipal valuations have retraced from the extremely rich levels seen earlier in the year; we expect this relative value opportunity could persist, supported by favorable summer technicals.

The Fed held rates steady in April, with both hawkish and dovish dissents underscoring a more divided Federal Open Market Committee. While the minutes retained a modest easing bias, the overall tone suggests policymakers see an extended pause as appropriate—likely longer than was anticipated following the March meeting. Regardless, the bar for rate cuts appears to have risen, as the Fed remains focused on a range of factors that could keep inflation elevated for a more prolonged period, including higher energy prices, other cost pressures related to the Iran conflict, and ongoing economic resilience in the U.S. For now, this more balanced stance on policy seems appropriate, as the Fed awaits clearer confirmation of disinflationary trends and/or of softening labor market conditions compared to several years ago.

Against this backdrop, yields across Fixed Income have moved meaningfully higher on both a nominal and real basis, offering more compelling compensation for inflation, duration and broader market risks. That being said, we are maintaining our neutral stance on duration at this time. In our view, the asymmetry between downside and upside scenarios appears more balanced, supporting the case against a strong over- or underweight positioning. However, we do want to emphasize that longer-term Fixed Income provides meaningful returns relative to cash over longer time periods and therefore diversifies equity risk with more stable income. As a result, we believe investors should move investment cash to their strategic duration target.

In multi-asset class portfolios, we are slightly underweight U.S. Corporates and High Yield, in favor of Equities. Our view reflects spread valuations that remain relatively rich from a historical perspective, with both IG and HY spreads now largely back to multidecade tights. However, despite low starting spreads and a more limited scope for further tightening from current levels, we expect valuations to remain supported by the higher all-in yield environment, which continues to underpin strong investor demand for credit. In addition, corporate fundamentals and earnings remain solid despite ongoing geopolitical uncertainty. Revenue and earnings growth continue to be healthy, margins have proven resilient, and gross leverage has remained stable even alongside increased capital expenditures.

While spreads could grind modestly tighter into the summer—supported by typical seasonal technicals—the asymmetry between limited upside and more meaningful downside risk tempers our conviction, reinforcing a more balanced stance and a modest underweight to both IG and HY at this time.

Key risks we continue to monitor—while still broadly manageable—include potential escalation in geopolitical tensions, ongoing interest rate volatility and a likely pickup in issuance as we move toward year-end.

In multi-asset class portfolios, we remain slightly underweight U.S. Investment-grade Tax Exempt and U.S. High Yield Tax Exempt. For highly tax-sensitive investors, we maintain a preference for IG and HY tax-exempt securities. Munis appear attractively valued versus Treasuries and other taxable securities, particularly going into the technically strong summer months of June, July and August when municipal bond redemptions and coupon payments are expected to be well in excess of new issuance.

We believe municipal credit quality will remain generally strong based on resilient state and local government tax revenues and strong issuer balance sheets. However, budget pressures are beginning to emerge, with the OBBBA reducing federal funding to states and certain other municipal issuers. Therefore, we expect idiosyncratic credit risks to

FIXED INCOME WATCH LIST

- Path of government spending and uncertainty about fiscal policies including tariffs
- U.S. short-term funding markets, with the interplay of quantitative tightening and drawdown of Treasury General Account
- Trend and level of U.S. nominal and real rates and inflation
- Fed and global central bank activity
- Global economic growth, especially with trade and geopolitical concerns
- Credit spreads and Muni/Treasury ratios

RISK CONSIDERATIONS

- Resilient or accelerating inflation
- Change in Fed policy stance
- Slowing economic growth or confidence based on uncertainty

emerge from time to time within the otherwise low-risk general obligation subsector. Certain other already-challenged municipal subsectors (e.g., higher education and not-for-profit healthcare) may also experience increasing pressures due to adverse demographic trends and less federal government support.

We believe that munis maturing beyond 10 years are especially attractive, with taxable equivalent yields of over 7% for AA and A rated municipals. We also like munis in the mid-to-lower IG portion of the credit spectrum, although prudent credit selection is important to capture excess spread while avoiding credit and rating related losses.

In multi-asset class portfolios, we remain slightly underweight U.S. Mortgage-backed Securities, in favor of Equities. After reaching multiyear tights in January—driven in part by expectations for incremental demand tied to government sponsored enterprise (GSE) Mortgage-backed Securities (MBS) purchase programs—spreads have drifted modestly wider into the low-20 basis point (bps) range. Current valuations are now broadly in line with, and in some cases modestly richer than, other high-quality Fixed Income sectors, particularly IG corporates.

Recent geopolitical developments have contributed to modest duration extension and episodic volatility in rates, though the impact on valuations has remained contained. Option-adjusted spreads have largely held in a relatively tight range near around 20 bps, remaining well below their longer-term average in the high-30 bps area.

We continue to monitor a range of policy-driven catalysts—including potential GSE MBS purchases, evolving privatization discussions, and banking deregulation—which could meaningfully influence supply-demand dynamics and relative value within the MBS sector.

ALTERNATIVE INVESTMENTS

CIO's Key Alternative Investment Principles

With their diverse strategies and historical progress, Alternative Investments (Alts) can potentially enhance portfolio resilience and long-term performance for qualified investors. However, unlike traditional assets, allocating to Alts is a long-term process constrained by liquidity. They should be viewed primarily as strategic holdings, with tactical opportunities playing only a secondary, incremental role for new investment.

- **Think long-term:** Illiquidity demands a multi-year horizon.
- **Invest consistently—even in downturns:** Pulling back during volatility can erode benefits and lead to underallocation.
- **Diversify:** Spread across strategies, managers and vintages.
- **Choose high-conviction managers:** Performance varies widely; manager selection matters.

Hedge Strategies: Hedge Strategies (HS) have navigated the first half of the year in a pattern broadly consistent with 2025: strong initial returns and alpha[2] generation followed by episodic volatility tied to U.S. policy developments and subsequently a rapid recovery as tail risks receded. The category returned 1.0% in Q1, followed by a 4.4% gain in April, bringing April year-to-date (YTD) returns to 5.4%.[3] Equity Hedge (EH) strategies exhibited greater intra-period volatility, declining 0.5% in Q1 before rebounding with a 6.6% gain in April, resulting in 6.1% YTD returns.[4] Performance compares favorably with public Equities (S&P 500: 5.7%, MSCI All-Country World Index: 6.8%),[5] indicating continued evidence of alpha generation given moderate net exposures and beta profiles. Macro strategies extended their second half of 2025 recovery into 2026, with both discretionary and systematic approaches delivering solid results. Macro is up 7.3%[6] YTD through April, supported by sustained trends across Commodities and Equities that benefited managed futures.

[2] Alpha is a measure of an investment's performance that indicates its ability to generate returns in excess of its benchmark.

[3] HFR, Inc., BofA Securities, Morgan Stanley Prime Brokerage, Goldman Sachs Prime Services. As of May 29, 2026.

[4] Ibid.

[5] Bloomberg. As of May 29, 2026.

[6] HFR, Inc., BofA Securities, Morgan Stanley Prime Brokerage, Goldman Sachs Prime Services. As of May 29, 2026.

HEDGE STRATEGIES

Equity Hedge will likely benefit from decent equity dispersion, driving alpha generation. Micro-dominated markets should be better for stock selection. Hedged approach is appealing given high uncertainty.

Macro is appealing for low correlations to Equities/Fixed Income in uncertain policy environment.

+ **Equity Hedge**
Event Driven
Relative Value
+ **Macro**

+ symbol indicates the strategies CIO views as having the most favorable opportunity set for new investment within the Alts asset classes.

Private Equity: Buyout (BO) strategies continued to exhibit resilient performance, delivering 1.8% returns in Q4 2025 and lifting 1-year internal rate of return (IRR) to 10.1%.[7] However, earnings from publicly traded Alts managers suggest modestly negative returns in Q1 2026, reflecting broader market volatility.[8] Venture Capital/ Growth Equity (VC/GE) maintained strong momentum, returning 5.5% in Q4 and reaching 18.1% 1-year IRRs, as performance continued to recover following the 2022 to 2023 correction.[9] The performance gap between BO and VC/GE has begun to narrow, as venture strategies benefit from improving fundamentals and renewed AI-driven tailwinds. BO purchase multiples declined modestly to 10.6x in Q1,[10] though they are still elevated relative to long-term averages and remain below public equity multiples. VC valuations have reaccelerated, with clear bifurcation between AI-linked companies (rerating higher) and the broader ecosystem (more moderate improvement).

Private Credit: PC remains in a more turbulent phase, driven largely by investor concern over software exposures amid uncertainty about AI-driven disruption. Looking at headline Direct Lending (DL) default rates, they have been in line with expectations, while including non-accruals have shown defaults climbing steadily since 2022. Through January 2026, conservative default rate estimates stand near 5%, above broadly syndicated loans (BSL) at 3.5% and HY at 1.4%.[11] There is precedent for higher-than-expected default rates in single sectors, such as HY Energy in 2015 to 2016. Elevated Q1 redemptions from open-ended investment structures are expected to continue in the coming quarters given negative sentiment. However, managers with robust underwriting discipline, workout capabilities and diversified liquidity sources should differentiate outcomes. As investors monitor AI-disruption risks in software, the structural features within DL may provide a cushion of support. Those features include being first-lien, senior secured, with moderate loan-to-value (LTV) ratios, and sizable equity cushions that may help mitigate this risk.

Real Assets: Private Real Estate (PRE) continued to stabilize, with -0.1% Q4 2025 returns and 2.1% 1-year IRRs,[12] reflecting a gradual recovery. Core real estate benchmarks delivered 1.3% in Q1 and 4.0% trailing returns,[13] while commercial real estate (CRE) prices rose 1.1% QoQ and 2.1% YoY.[14] Improving price discovery, stabilizing cap rates, and recovering transaction volumes suggest gradual normalization in PRE markets, though momentum remains sensitive to interest rate developments. Cap rates are now closer to long-term averages, enhancing relative value, particularly versus public equities where valuation gaps have widened.

Infrastructure remained a standout in the real assets space, generating 1.4% Q4 returns and 10.9% 1-year IRRs,[15] demonstrating consistent performance across rate environments. Infrastructure deal activity declined around 25% to $85 billion (B),[16] temporarily interrupting its longer-term growth trajectory amid geopolitical volatility. Data center expansion remains a central theme, with AI and cloud adoption driving sustained increases in global electricity demand, reinforcing the strategic importance of energy and digital infrastructure assets.

As for tangible assets, the war with Iran has created extreme volatility in the energy market until a longer-term outcome emerges. The result could end up being stabilization at lower oil prices or an extended period of elevated prices depending on the eventual settlement. Given the central role of energy in commodity production and transportation

7 Cambridge Associates, LSEG, PitchBook, Inc., Bloomberg. As of May 29, 2026.
8 Bloomberg, SEC Filings. As of May 29, 2026.
9 Cambridge Associates, LSEG, PitchBook, Inc., Bloomberg. As of May 29, 2026.
10 PitchBook, Inc. As of May 29, 2026.
11 BofA Global Research. As of May 29, 2026.
12 Cambridge Associates, LSEG. As of May 29, 2026.
13 NCREIF. As of May 29, 2026.
14 MSCI Real Capital Analytics. As of May 29, 2026.
15 Cambridge Associates, LSEG. As of May 29, 2026.
16 Preqin. As of May 29, 2026.

PRIVATE EQUITY

VC/GE expected to benefit if AI theme proves durable. Early-stage capital also tied to trend of companies staying private for longer and incubating next gen tech disruptors.

Buyout expected to benefit from lower rates, though conflict-driven higher rates could dampen dealmaking opportunity set.

	Buyout
+	**Venture Capital/ Growth Equity**
	Special Situations

PRIVATE CREDIT

Neutral across PC. Direct Lending (DL) to see declining returns with lower rates and climbing credit losses. Primary focus on software exposure; geopolitical volatility could weigh further Potential positive: More PE deals should increase DL deployment opportunities, potentially with wider spreads.

	Direct Lending
	Subordinated Capital
	Asset Based/Specialty Finance

REAL ASSETS

Infrastructure tied to global trends of energy demand and digitization, with inflation-hedge characteristics.

PRE should continue to stabilize with outlook improving; higher rates could slow recovery.

	Private Real Estate
+	**Infrastructure**

+ symbol indicates the strategies CIO views as having the most favorable opportunity set for new investment within the Alts asset classes.

costs, this is translating into broader commodity price volatility until oil prices stabilize. The war has also arrested the dollar's downtrend which helps restrain commodity prices. A settlement is likely to reignite the dollar's reversion toward fair value especially against the major Asian currencies which are extremely undervalued.

Assuming a diplomatic solution to the war would imply lower energy prices and reduced volatility that would stimulate economic growth and restore the pre-war trend toward a more robust global economy and manufacturing cycle supportive of commodity prices more generally.

Precious metals have undergone a sharp correction from their record highs. A long period of consolidation would not be surprising before their secular trend higher reasserts itself in a world of persistent positive inflation.

MACRO STRATEGY

- Consumer spending growth remains firm as unemployment remains low, positive wealth effects are strong, and wage and salary growth remain solid. Q2 GDP growth is tracking close to 3.0%, according to the Atlanta Fed GDPNow estimate, helped by ongoing consumer and business investment spending.
- Core PCE inflation has broken out above the 2.5% to 3% range of the past year. The spike in energy prices has lifted the near-term inflation outlook while longer-term expectations remain well anchored near the Fed's target.
- Corporate profits are strong, fueled by the boom in AI spending and a pickup in global economic growth. Domestic profit margins remain around a 60-year high. The profit cycle is likely to be extended by tailwinds from fiscal stimulus and deregulation, all supportive of economic growth and risk assets. Higher energy prices are shifting the mix of profits toward that sector.

ECONOMIC FORECASTS (AS OF 5/29/2026)

	Q1 2026A	Q2 2026E	Q3 2026E	Q4 2026E	2026E	2027E
Real global GDP (% y/y annualized)	-	-	-	-	3.1	3.4
Real U.S. GDP (% q/q annualized)	1.6	2.5	1.9	1.9	2.1	2.2
CPI inflation (% y/y)	2.7	4.1	4.0	3.7	3.6	2.3
Core CPI inflation (% y/y**)	2.5	2.8	2.7	2.9	2.7	2.6
Unemployment rate (%)	4.3	4.3	4.3	4.3	4.3	4.2
Fed funds rate, end period (%)	3.63	3.63	3.63	3.63	3.63	3.13

The forecasts in the table are the baseline 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. 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 June 2, 2026. Forecasts are subject to change. When assessing your portfolio in light of our current guidance, consider the tactical positioning around asset allocation in reference to your own individual risk tolerance, time horizon, objectives and liquidity needs. Certain investments may not be appropriate, given your specific circumstances and investment plan. Certain security types, like hedged strategies and private equity investments, are subject to eligibility and suitability criteria. Your advisor can help you customize your portfolio in light of your specific circumstances.

S&P 500 SCENARIOS BASED ON FORWARD P/E AND 2026 EARNINGS PER SHARE (EPS)

The table below provides a rough indication of where the S&P 500 Index's central tendency could be, given various scenarios for EPS in 2026 and P/E ratio multiples. These scenarios are not official price targets and are not meant to signal levels where portfolio actions may always be needed. However, during times of market volatility, it's useful to keep this basic framework in mind when considering whether to incrementally add to or trim risk from portfolios while staying invested in one's strategic asset allocation framework.

2026 EPS	EPS Forward P/E (Next 12 months)				
	22.0x	23.0x	24.0x	25.0x	26.0x
$330	7,260	7,590	7,920	8,250	8,580
$320	7,040	7,360	7,680	8,000	8,320
$310	6,820	7,130	7,440	7,750	8,060
$300	6,600	6,900	7,200	7,500	7,800
$290	6,380	6,670	6,960	7,250	7,540
$280	6,160	6,440	6,720	7,000	7,280
$270	5,940	6,210	6,480	6,750	7,020

For illustrative purposes only. Source: Chief Investment Office as of June 2, 2026.

CIO ASSET CLASS VIEWS AS OF JUNE 2, 2026

Asset Class	Underweight		CIO View Neutral	Overweight		
Global Equities	•	•	•	●	•	We are overweight Equities and continue to view weakness as a potential buying opportunity for long-term investors. We are overweight the U.S., overweight EM, and underweight International Developed.
U.S. Large-cap Growth	•	•	•	●	•	Large-caps continue to look attractive on solid fundamentals, strong FCF and the ability to produce healthy shareholder payouts. We maintain an equal balance between Large-cap Value and Large-cap Growth in portfolios.
U.S. Large-cap Value	•	•	•	●	•	
U.S. Small-cap Growth	•	•	•	●	•	Small-caps are supported by improved earnings, potential deregulation, increased domestic manufacturing and an uptick in merger & acquisitions activity. We continue to suggest a balance of Value and Growth factors.
U.S. Small-cap Value	•	•	•	●	•	
International Developed	•	●	•	•	•	Higher energy prices are a relative headwind given reliance on net imports. Europe likely to see limited relative gains from expansion in AI given lack of market exposure, but fiscal easing remains supportive. Japan to benefit from structural reforms and fiscal support
Emerging Markets	•	•	•	●	•	We are slightly overweight EM overall, with the heavyweight Asia region particularly well positioned to benefit from exposure to global IT investment and exchange rate appreciation. EM Asia import exposure to higher energy prices partially offset by China stockpiles, with higher commodity prices a regional positive for Latin America.
International						
North America	•	•	•	●	•	The U.S. remains our preferred region relative to the rest of the world amid balance sheet strength, better fundamentals for consumer spending and healthy shareholder payouts.
Eurozone	•	•	●	•	•	Expansionary fiscal policy combined with attractive relative valuations are potential market tailwinds. Exposure to growth in AI spending is limited, while risks remain from higher energy prices and growing competition with China in key industries.
U.K.	•	●	•	•	•	Lack of exposure to growth in AI spending represents a relative market disadvantage. Higher business taxes from government budget are a headwind for the corporate sector.
Japan	•	•	•	●	•	Sustained positive inflation and official efforts to increase corporate returns to shareholders remain fundamental supports. Large fiscal expansion is an additional tailwind despite the potential risks from higher energy prices.
Asia Pac ex-Japan*	•	●	•	•	•	Regional outlook dampened by slower economic growth in China and its impact on domestic demand. Headwinds from high energy prices partly offset by Australian natural gas production.
Global Fixed Income	•	●	•	•	•	Yields are attractive, providing good diversification for multi-asset class portfolios and reasonable income. Neutral duration recommended.
U.S. Governments	•	●	•	•	•	Nominal and real yields remain attractive across the curve relative to the last 10 to 15 years. A Treasury allocation for liquidity, principal preservation and diversification is advised, as Treasurys provide the best short-term diversification benefits to Equities among Fixed Income sectors. Rate volatility has increased and may remain high.
U.S. Mortgages	•	●	•	•	•	After reaching a multiyear low in January, the lowest since 2022, spreads have drifted wider into the low-20s. They remain meaningfully below their 10-year average and now largely in line with, and in some cases richer than, other high-quality Fixed Income sectors. This level reduces their relative appeal and limits potential upside compared to Treasurys and IG corporate bonds.
U.S. Corporates	•	●	•	•	•	IG spreads are now back to multidecade tights. Valuations look rich from a historical perspective and the potential for meaningful compression still appears limited. That being said, all-in yields have moved higher amid the selloff in Treasury yields and should continue to drive demand for high quality fixed income. Despite the broader risk-off tone/sentiment across markets during the month of March, credit spreads were resilient in April—retracing majority of widening. While spreads remain off YTD tights, valuations continue to lean rich from a historical perspective and the potential for meaningful compression still appears limited. That being said, all-in yields have moved higher amid the selloff in Treasury yields and should continue to drive demand for high quality fixed income.
International Fixed Income	•	●	•	•	•	International rates markets are at normal valuation levels on a U.S. dollar-hedged basis.
High Yield	•	●	•	•	•	Similar to IG, HY valuations remain expensive. However, a positive macroeconomic environment may limit spread volatility and credit losses as default rates have begun to improve modestly. This leaves us comfortable at a neutral positioning. Within a high yield allocation, we continue to suggest a balanced mix between loans and bonds.

Asset Class	Underweight		CIO View Neutral		Overweight	
U.S. Investment-grade Tax Exempt		●				Munis appear attractively valued, particularly as we enter the technically strong summer months. Munis still enjoy generally stable credit conditions, although budget pressures are beginning to emerge, with the OBBBA reducing federal funding to states and certain other municipal issuers. We note particularly attractive valuations for munis maturing in 10 years and longer, as well as credits in the mid-to-low portion of the IG spectrum, assuming careful credit selection.
U.S. High Yield Tax Exempt		●				High yield munis currently appear reasonably valued relative to IG, providing an opportunity for HY outperformance if economic conditions remain favorable.

*Asia Pac ex-Japan refers to the geographic area surrounding the Pacific Ocean. The Asia Pac ex-Japan covers the western shores of North America and South America, and the shores of Australia, eastern Asia and the islands of the Pacific. Tactical qualitative investment strategy weightings are relative in nature versus the strategic weightings for a fully diversified portfolio. Weightings are based on the relative attractiveness of each asset class. Tactical strategy weightings are for a 12- to 18-month time horizon. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Because economic and market conditions change, recommended allocations may vary in the future. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. 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.

CIO EQUITY SECTOR VIEWS AS OF JUNE 2, 2026

The CIO Equity sector view is developed by applying a multi-input process combining the CIO's factor views and fundamental bottom-up industry outlook with top-down macro-economic changes and trends. The factor approach emphasizes valuation and momentum as key inputs, with a fundamental overlay taking into consideration forward-looking views of growth, profits, policy, events and sentiment as well as inclusion of certain investment themes. BofA Global Research's sector strategy views are also captured as an input into the CIO process. Our sector views are developed with a 12- to 18-month outlook but are revisited monthly by the GWIM Investment Strategy Committee.

Sector	Underweight		CIO View Neutral		Overweight	
Industrials				●		We are overweight Industrials as capex budgets continue to grow, some uncertainties have been removed, 100% bonus depreciation has been enacted again, and infrastructure plans are accelerating compared to recent years. Longer term there are multiple thematic drivers for Industrials over the next three to five years including multi-year backlogs for commercial aerospace, evolution of generative AI, increased power demand and improving outlooks for defense budgets outside the U.S. Valuation is elevated, and momentum is neutral. **Risk Considerations: 1) short-cycle recovery timing continues to be pushed back, 2) inflation resurgence drives up input costs, pressuring margins, 3) continued supply chain stress.**
Consumer Discretionary				●		With a resilient consumer, a relatively solid job market, potential for lower interest rates in the future, consumer tax stimulus and a positive economic backdrop, we are overweight Consumer Discretionary. Consumers are finding ways to alter their budgets to accommodate both experiences and necessities. Consumer retail channels are shifting back to online spending as value-oriented consumers utilize alternative payment methods to supplement their spending and seek out bargains. Valuation for the sector has contracted while momentum has declined. **Risk Considerations: 1) potential for an economic slowdown, 2) prolonged spikes in energy prices or interest rates, 3) sustained weakness in the job market.**
Financials				●		We expect increased activity supported by deregulation and a positive net interest income outlook for Financials. Potential for future interest rate cuts, along with a steeper yield curve, could help improve credit risk and default rates going forward. Risks include persistent headline risk, the likelihood of fewer Fed rate cuts, and a lower EPS growth outlook compared to the broader market. That said, we do not think deregulatory benefits are baked into consensus estimates. Overall, valuation is attractive, and earnings-driven momentum should continue to improve despite near term headwinds. **Risk Considerations: 1) a persistently inverted yield curve, 2) interest rate volatility, 3) private credit overhang, 4) lost market share to non-bank lenders.**
Information Technology			●			We remain neutral on the IT sector due to elevated valuations, crowded positioning and margin risks, despite strong earnings growth and AI-driven flows. Despite weakness in software, the long-term outlook remains positive for Cloud, AI, data centers and semiconductors, but investors should focus on high-quality companies and add on market weakness. **Risk Considerations: 1) China exposure and trade wars, 2) supply chain constraints, 3) AI monetization and overspend.**
Energy			●			Despite concerns at the beginning of 2026 on the growing oil and LNG supply outlooks, the conflict in Iran has quickly erased that excess supply. Damage to energy infrastructure in the Middle East is likely to support higher energy prices in 2026. Continue to emphasize refiners and upstream companies that are low-cost producers with high FCF, balance sheet strength and low break-even oil prices. Energy stocks still provide attractive valuations and strong dividends with improving momentum. **Risk Considerations: 1) lower oil and natural gas commodity prices, 2) slower global energy demand.**
Materials			●			There is improved pricing and demand for commodities in general, and specifically for metals and mining and more recently for chemicals due to supply disruptions. Longer term concerns remain regarding too much new capacity in the future for petrochemicals and commodity chemicals which could turn very quickly. We still see some longer-term tailwinds for demand, such as AI growth and power buildouts for copper demand and strong investment flows into precious metals. The underlying sector valuation is neutral and momentum recently improved. **Risk Considerations: 1) slower global economic growth, 2) weaker residential and non-residential construction, 3) oversupplied materials markets.**

Sector	Underweight		CIO View Neutral		Overweight	
Utilities	•	•	●	•	•	The valuation discount closed during Q1 and valuation is no longer cheap. We remain positive on growing electricity demand forecasts for the first time since the early 2000s and accelerating plans to invest in new generation, transmission and distribution infrastructure. Valuations based on forward price-earnings multiples are now near the broader S&P 500 index and momentum is neutral. **Risk Considerations: 1) affordability concerns driving adverse regulatory or legislative solutions, 2) slower power demand growth than forecast, 3) power outage events.**
Healthcare	•	•	●	•	•	We remain neutral on Healthcare. Policy uncertainty has been a significant overhang for the Healthcare sector for years, but following drug pricing agreements in recent months, some clarity on Healthcare issues and policy and proposed expedited timelines for new product development provides potential upside. Hence our upgrade to the sector from underweight to neutral in January. Utilization trends remain strong, and capital budgets are not under serious pressure. We maintain strong conviction in Diagnostics and Labs while large biopharma, Small- and Mid-cap biotech and Life Science tools and equipment look to be more intriguing areas for investment. Medtech, Managed Care/Providers and Diabetes are areas to be selective. We remain optimistic on the long-term outlook for the Healthcare sector amid demographic changes, innovative pipelines and a focus on driving down cost to consumers. Valuation is fair and momentum has recently stalled. **Risk Considerations: 1) policy changes that materially impact companies' profitability; 2) a slowdown in innovation; 3) margin and profitability pressures resulting from increased tariffs or higher labor/supply costs.**
Communication Services	•	●	•	•	•	We are underweight the Communication Services sector based on operating cash flow and FCF questions and aggressive increases in capex spending. While valuations for top companies are rich, overall sector valuation is aligned with the market, and momentum remains neutral. **Risk Considerations: 1) regulatory and anti-trust risks, 2) capex ramps for AI investments that limit EPS and FCF, 3) lower engagement pressuring growth.**
Real Estate	•	●	•	•	•	We are underweight Real Estate and would be selective in Real Estate exposure. Furthermore, risks are rising for downward pressure on rental rates as lease contracts expire and new contracts are negotiated. Continue to emphasize longer-term secular trends in data centers, communication infrastructure (towers), storage and industrial RE. Valuation is low and momentum stalled. **Risk Considerations: 1) spike in interest rates and borrowing costs, 2) declining demand for CRE in oversupplied markets, 3) workout problems.**
Consumer Staples	•	●	•	•	•	The Consumer Staples sector has faced headwinds from tariffs, higher input costs, and weaker earnings growth, while consumers increasingly trade down and favor private labels, pressuring branded product profitability. Although momentum is weak, fair-to-undervalued valuations and early signs of stabilization—along with AI-driven cost efficiencies—could support better-than-expected earnings in 2026. **Risk Considerations: 1) soft demand across consumer-packaged goods, 2) consumer trade down and substitution, 3) ongoing growth in private label and store brands.**

Source: Chief Investment Office. 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.

CIO THEMATIC INVESTING AS OF JUNE 2, 2026

The following themes and subthemes encapsulate the Chief Investment Office's thinking on some of the most convincing undercurrents of future areas of growth around: Transformative Innovation, Resilient Infrastructure, Future Security and Changing Demographics. These themes carry long-term implications for economic growth, the cost of capital and global earnings. We'd consider exposure to these themes a key ingredient to investing.

Transformative Innovation

Generative Artificial Intelligence: Power demand/generation, productivity wave

Robotics/Automation: Industrial/service robotics

Digitization: Cloud computing, data analytics, digital payments, internet of things, augmented reality and virtual reality, electrified transportation

Resilient Infrastructure

Energy Addition: Nuclear renaissance, solar, natural gas generation, hydrogen, battery storage

Utility Infrastructure: Data centers, grid (transmission/distribution), thermal management, water management, power generation

Supply Chain Reconfiguration: Onshoring/nearshoring buildout

Future Security

Aerospace & Defense: Remilitarization, space, drones

Cybersecurity: Network security, cloud evolution/security, endpoint security

Resource Protectionism: Food/agriculture/commodity scarcity (water), natural resources, metals/mining

Changing Demographics

Healthcare Innovation: Ageing, longevity, drug discovery, biotechnology (gene therapy, personalized medicine)

Great Wealth Transfer: Wealth creation, NextGen consumer/investor base

Global Labor Force Distribution: Immigration/migration, global fertility bust, automation "cobots"

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 includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.

Russell 2000 Index is a stock market index that tracks the performance of approximately 2,000 "small-cap" (smaller) U.S. companies.

S&P Equal Weight Index is a variation of the traditional S&P 500 that treats every company the same regardless of its size. While the traditional index weighs companies by their total market capitalization (giving giants like Apple and Nvidia massive influence), the equal weight index gives every stock exactly a 0.20% allocation.

MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries.

MSCI All-Country-World Index is a major global stock market index that tracks the performance of large- and mid-cap companies across 23 developed markets and 24 emerging markets.

Important Disclosures

Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

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The Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) is responsible for developing and coordinating recommendations for short-term and long-term investment strategy and market views encompassing markets, economic indicators, asset classes and other market-related projections affecting GWIM.

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

Dividend payments are not guaranteed, and are paid only when declared by an issuer's board of directors. The amount of a dividend payment, if any, can vary over time.

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. Bonds are subject to interest rate, inflation and credit risks. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. 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. 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. 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. Mortgage-backed securities are subject to credit risk and the risk that the mortgages will be prepaid, so that portfolio management may be faced with replenishing the portfolio in a possibly disadvantageous interest rate environment. 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. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors. Investing in Gold involves special risks, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes, and the impact of adverse political or financial factors.

Investments in Infrastructure Assets will be subject to risks incidental to owning and operating infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, government regulations and fluctuations in interest rates. The industries targeted for investment may be highly regulated by governmental agencies. Such regulations may impact an investor's ability to acquire, dispose of and/or manage investments.

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 equity funds, private credit 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.