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CHIEF INVESTMENT OFFICE

Viewpoint by Charts

November 2026

As Q4 corporate guidance and FY 2027 begins to unfold into November and mid-term elections conclude, we expect the recycling and risk-off period to end and shift to focusing on the solid growth, record margins, and the rising productivity narrative even if we inch closer into mid-cycle in the economy.

What Could Set The Stage For A Year-end Rally?	What Market Trends Do We Expect?	Observations Across Capital Markets
Solid earning-per-share growth, strong demand for 5%+ Treasury yields, moderating speculation and emerging Artificial Intelligence (AI)-adoption stories could provide support for markets.	A more measured AI buildout, broader adoption, resilient economic growth, a patient Federal Reserve and cautious investor positioning could support markets as geopolitical risks ease.	Recent market weakness may be overdone, creating potential opportunities across semiconductors, power, Financials, Healthcare, Defense, software and cybersecurity, while attractive yields and elevated commodities contrast with ongoing Real Estate challenges.

Source: Chief Investment Office as of November 3, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** CIO views are subject to change. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **Please refer to important disclosures at the end of this presentation.**

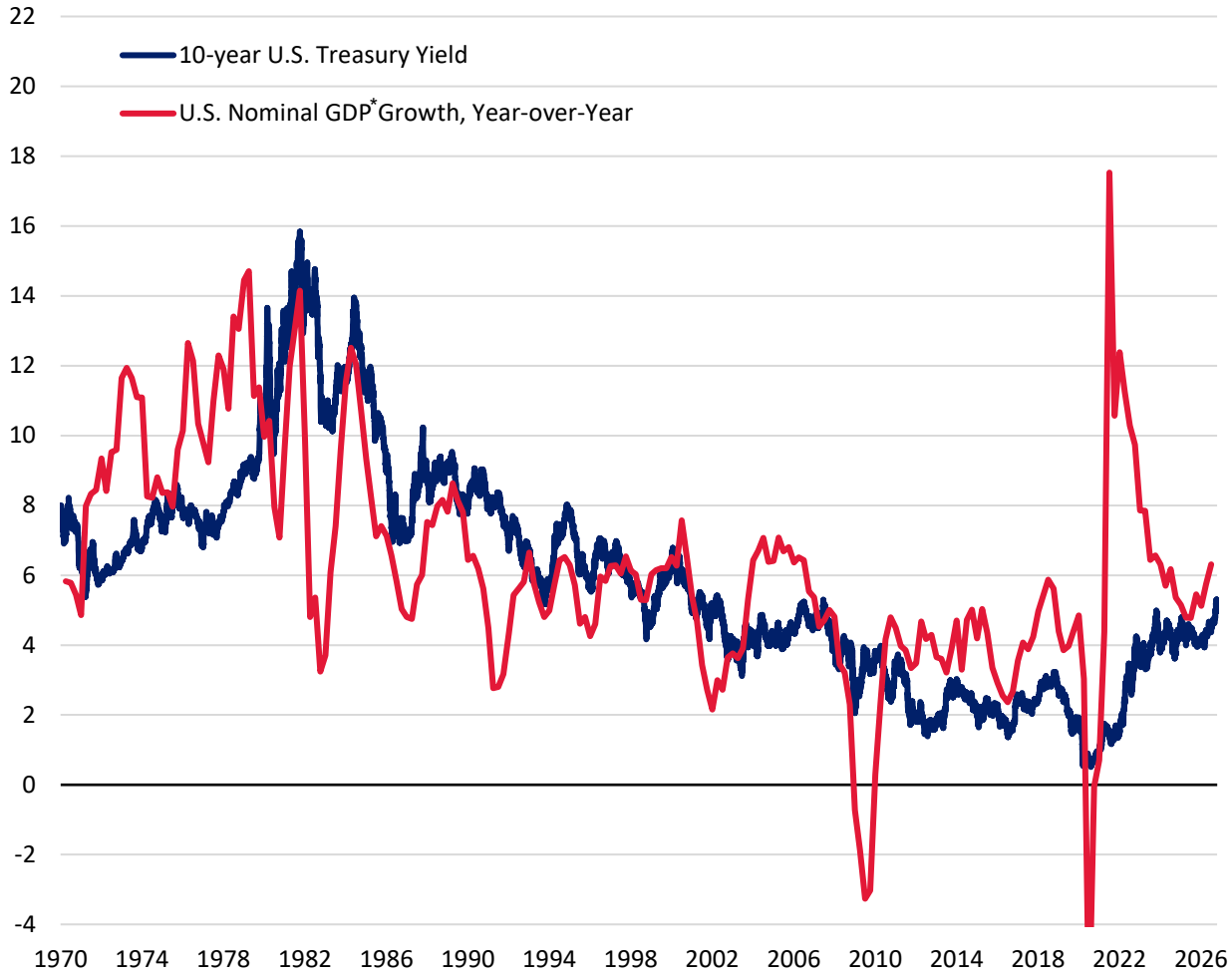
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Macro

Higher 10-year Yield Consistent with Strong Nominal Growth Environment
Percent



- In our view, the recent rise in long-term yields should be considered alongside a resilient nominal growth environment, rather than viewed solely as a reflection of mounting fiscal pressures.
- The U.S. economy grew at an annualized pace of 3.4% in Q3 2026, the strongest GDP growth in a year, and nominal growth continues to run above the 10-year Treasury yield, suggesting the recent move in rates is consistent with continued economic resilience and supporting the sustainability of rising government debt.
- As a result, we believe higher long-term yields may be more indicative of a stronger nominal growth regime than a fundamental loss of confidence in U.S. credit.

CIO Key Considerations

The combination of resilient growth and higher yields argues for focusing on the strength of the economic backdrop, rather than viewing rising rates as inherently negative for markets.

*Gross domestic product. Source: Bloomberg. Data as of October 29, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to important disclosures at the end of this presentation.**

CIO Portfolio Strategy

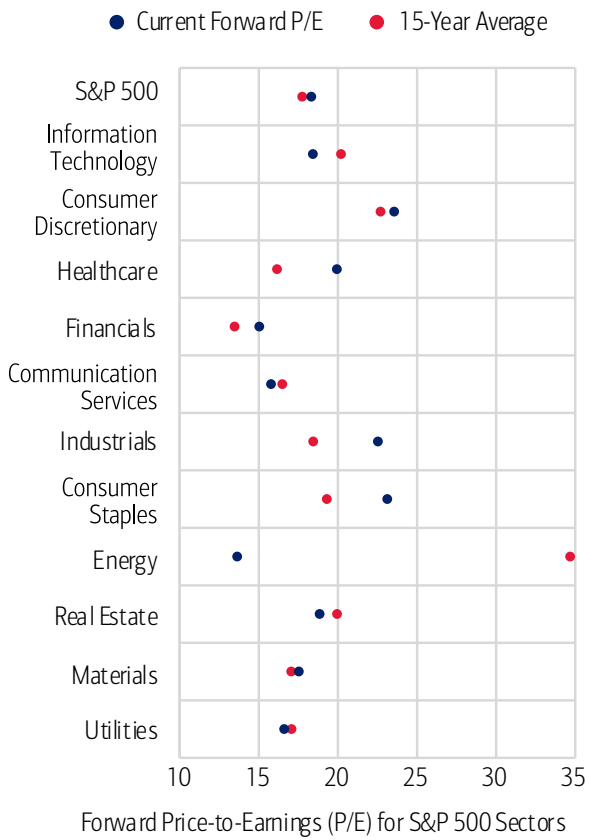
CIO Asset Classes and Sector Views

Underweight | Slightly Underweight | Neutral | Slightly Overweight | Overweight

Asset Class	Weighting
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	
U.S. High Yield	
U.S. Investment-grade Tax Exempt	
U.S. High Yield Tax Exempt	

Sector	Weighting
Industrials	
Financial	
Healthcare	
Consumer Discretionary	
Information Technology	
Energy	
Materials	
Utilities	
Communication Services	
Real Estate	
Consumer Staples	

Sector Valuations



- We remain overweight Equities, with a preference for the U.S., as one of the world's strongest and most innovative economies. We emphasize diversification across and within Equities, particularly as market rotations drive new pockets of leadership.
- Thematic opportunities continue to develop in biotechnology, life sciences, and robotics, alongside heavy investment flows into AI-enabled infrastructure, grid modernization, power generation, and aerospace and defense.
- We remain constructive on Fixed Income overall but are underweight to fund our Equity overweight. With 10-year U.S. Treasury nominal yields near 5% and real yields above 2.5%, all-in yields are compelling. We favor moving out of cash and the front-end of the curve to extend duration toward strategic targets.

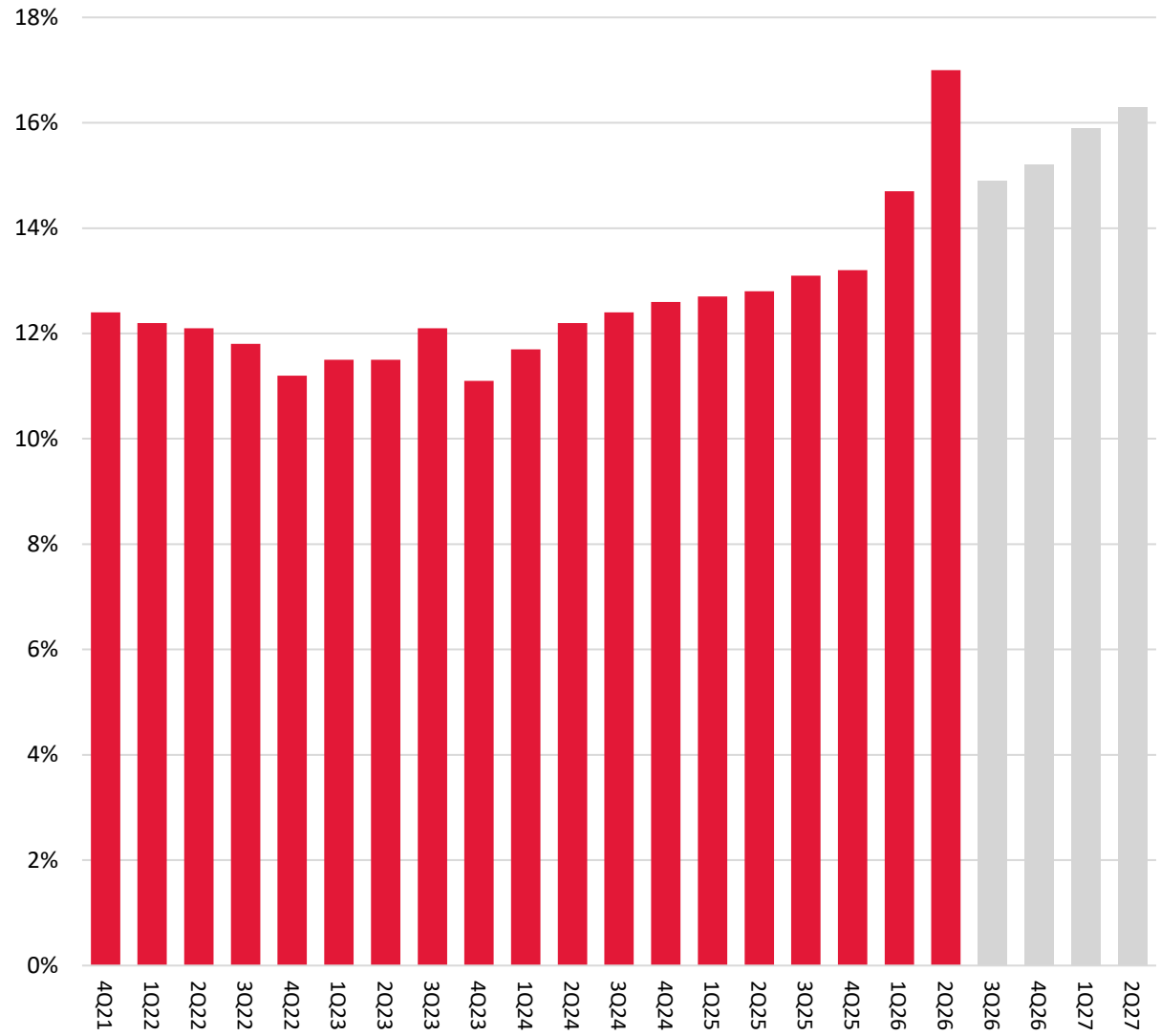
CIO Key Considerations

We view noise-driven Equity pullbacks as potential opportunities to buy or rebalance, supported by resilient growth, broadening earnings strength, rising productivity and robust business investment.

Please refer to the November Viewpoint for more detail weightings information. Sector Valuations source: Bloomberg as November 3, 2026. The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. 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. **Past performance is no guarantee of future results. FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to index definitions and important disclosures at the end of this presentation.**

Equities

S&P 500 Net Profit Margin



- The blended net profit margin for the S&P 500 for Q3 2026 is set to be 14.9%, among the highest levels since 2010, with forward-looking consensus estimates pointing to continued strength ahead.
- At the sector level, seven sectors are reporting net profit margins in Q3 2026 that are above their 5-year averages. Five sectors are reporting a quarter-over-quarter increase in net profit margins in Q3 2026.
- In our view, broader Artificial Intelligence (AI) adoption may help support higher-for-longer net profit margins, as productivity gains and operating efficiencies create additional room for companies to sustain profitability.

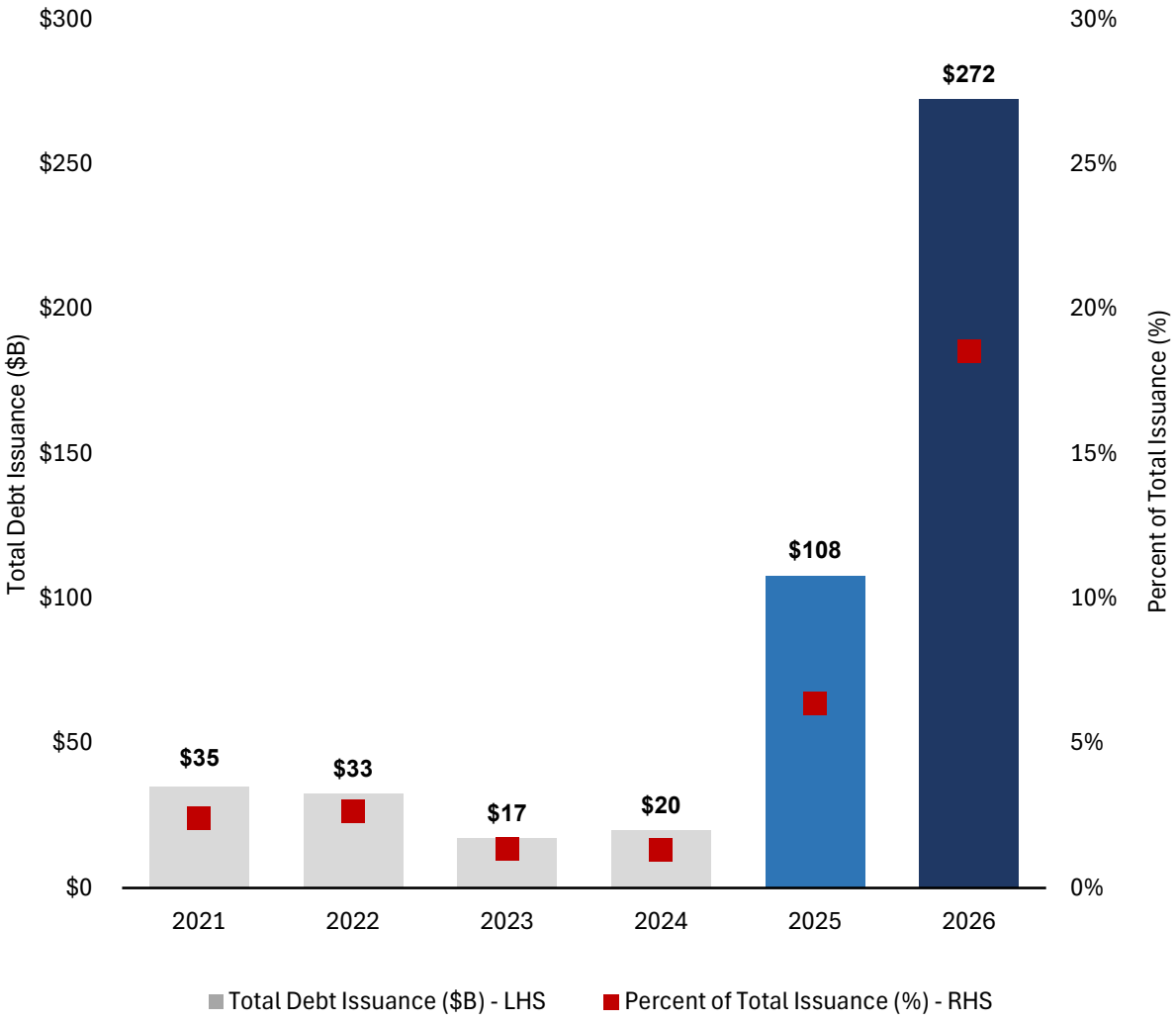
CIO Key Considerations

Looking ahead, we believe AI opportunity may increasingly favor adopters, as companies that successfully translate AI into productivity gains could emerge as the next beneficiaries of AI-driven value creation.

Source: FactSet. Data as of October 26, 2026. Latest data available. Grey=estimates. **Past performance is no guarantee of future results. Please refer to index definitions and important disclosures at the end of this presentation.**

Fixed Income

Hyperscalers Have Accelerated the Pace of Debt Issuance Compared to Recent Years



- Hyperscalers have issued $272 billion (B) of debt in 2026*, up from $108B in 2025, reflecting their commitment to funding a significant, multiyear growth opportunity.
- Despite record hyperscaler issuance, the resulting credit-spread widening has remained concentrated within AI-related issuers rather than spreading across the broader investment-grade market.
- Hyperscalers continued to benefit from low leverage, sizable cash balances, strong earnings growth and ample capacity to take on additional debt while maintaining strong credit profiles, suggesting recent underperformance is primarily technical and may ultimately create more attractive entry points.

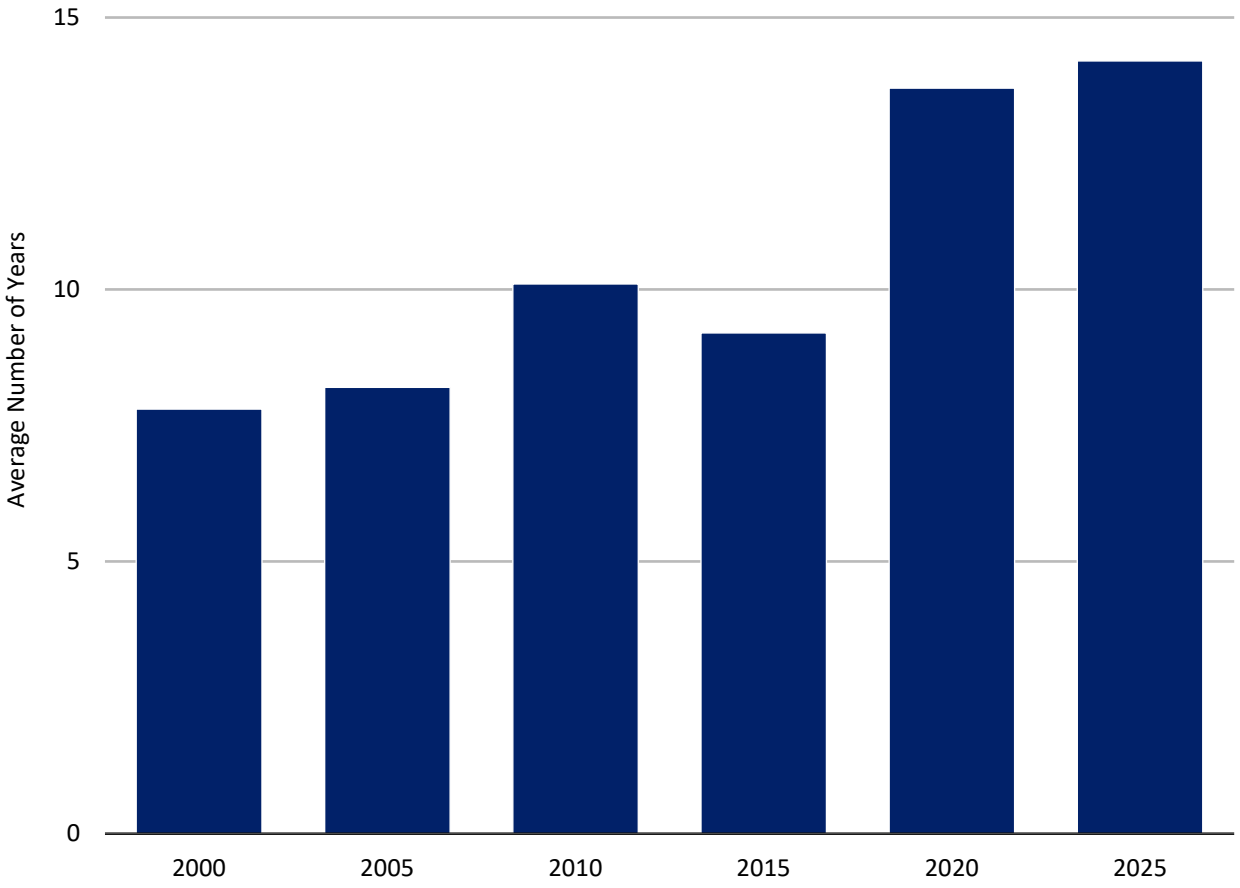
CIO Key Considerations

Credit-spread widening remains contained, while continued hyperscaler issuance and softer technicals warrant patience but could ultimately create a more attractive entry point.

Source: Bloomberg. *Data as of September 2, 2026. Latest data available. Hyperscalers: AMZN, MSFT, ORCL, NVDA, META, GOOGL, SPCX. **Please refer to important disclosures at the end of this presentation.**

Alternative Investments (Alts)[1]

Average Number of Years Before Initial Public Offering (IPO)



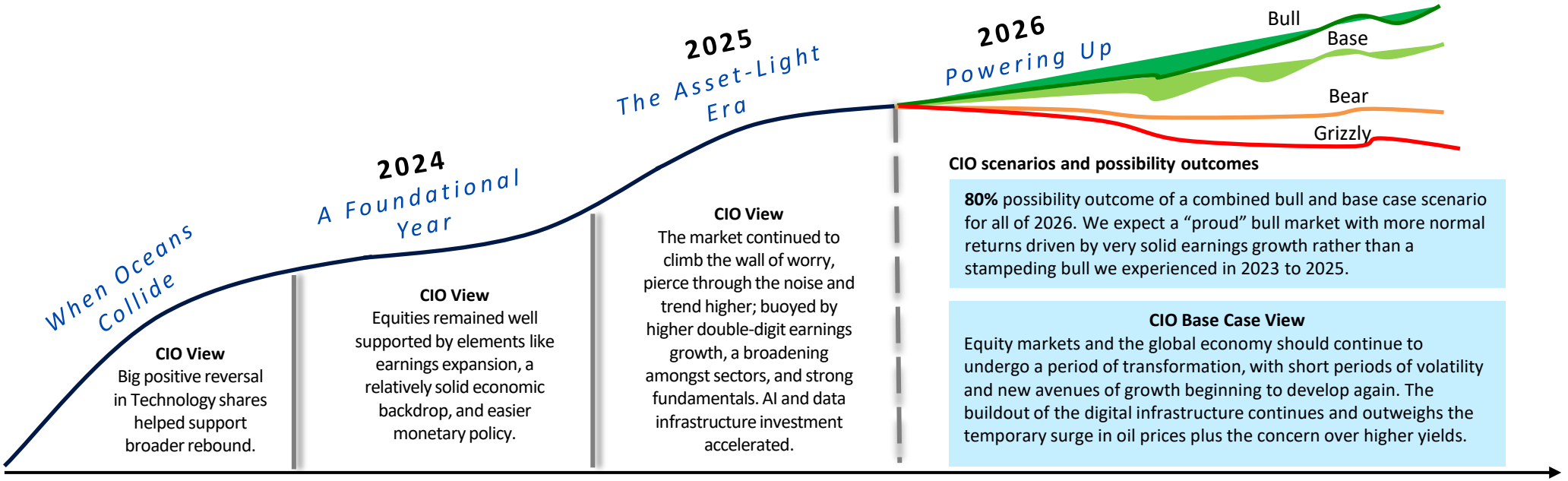
- In our view, Venture Capital (VC) and Growth Equity (GE) may provide an important avenue for accessing early-stage innovation, particularly as companies increasingly remain private for longer periods while incubating the next generation of technology disruptors.
- As a result, more companies have been generating revenue and scaling under private ownership before reaching public markets. In 2025, the average U.S. company waited 14 years to IPO, up from 8 years in 2000, according to PitchBook.
- Importantly, VC/GE exposure extends beyond immature startups, as a growing proportion of company development and value creation has been occurring within private markets.

CIO Key Considerations

Allocating to Alternatives allows qualified investors to access potential opportunities not available through traditional strategies, possibly improving returns or increasing diversification.

Source: ABS: PitchBook as of December 31, 2025 - excludes Biotech. Latest data available. **[1]Alternative investments are intended for qualified investors only. Alternative investments such as derivatives, hedge funds, private equity funds and private credit funds can result in higher potential but also higher loss potential. FOR INFORMATIONAL PURPOSES ONLY. Please refer to important disclosures at the end of this presentation.**

What Is The Next Move?



CIO scenarios and possibility outcomes

80% possibility outcome of a combined bull and base case scenario for all of 2026. We expect a "proud" bull market with more normal returns driven by very solid earnings growth rather than a stampeding bull we experienced in 2023 to 2025.

CIO Base Case View

Equity markets and the global economy should continue to undergo a period of transformation, with short periods of volatility and new avenues of growth beginning to develop again. The buildout of the digital infrastructure continues and outweighs the temporary surge in oil prices plus the concern over higher yields.

SCENARIO 1 BULL CASE (approximately 25% possibility outcome)

- Bull case for risk assets as investors increase allocations in Q4.
- Geopolitical tensions ease significantly and peace accelerates.
- A new economic re-expansion builds, and growth is well above trend in 2026.
- Extended pause on rates with profits and economic growth well above trend.
- Yield curve steepens as yields on the back-end rise as economic growth increases above trend and short rates slip.
- Long-term bull market continues as earnings rise higher-than-expected through 2026. Bull market in metals.
- AI capital investment (capex) accelerates lifting the Technology sector again.

SCENARIO 2 BASE CASE (approximately 55% possibility outcome)

- U.S. GDP maintains its momentum as fiscal bill impact is felt and Middle East tensions ease considerably.
- One-time price increases from oil and gas surge do not materialize into an "economy-wide" resurgence in inflation.
- Limited hikes later in the year or a pause on rates as signs of inflation peaking develop.
- Earnings growth for S&P 500 is double digit percentages or higher in 2026.
- The AI wave continues but "leaders" and "laggards" become clearer.
- Broader participation within the Equity markets including Emerging Markets, value and small/mid capitalization shares continues.
- Financials, Industrials, Basic Materials, Energy rise. Pockets of Technology sectors resume their leadership.

SCENARIO 3 BEAR CASE (approximately 15% possibility outcome)

- Bear case would ensue if capital investment in AI peaks and begins to drop.
- Geopolitical tensions re-escalate.
- Stagflation worries build as the growth slump bites and inflation remains well above target.
- Expectations for monetary policy are recalibrated with the potential for rate hikes rising sharply even in the face of slow growth.
- Earnings begin to decline early as a growth slump ensues and AI capex fizzles.
- Defensive areas of the market outperform as technology bubble concerns materialize.
- Recession odds rise alongside midterm concerns.
- Fiscal spending drops more than expected and the consumer pulls back considerably.

SCENARIO 4 GRIZZLY CASE (approximately 5% possibility outcome)

- Trade wars develop again and stick.
- Geopolitical tensions boil over into broader conflict.
- Sharp economic hard landing, not just deterioration, unfolds.
- Fed policy requires new emergency measures and aggressive cuts.
- A sharp fall in earnings ensues as spreads widen and AI capex deteriorates.
- Credit stress unfolds further in the lower quality credits impacting investor sentiment in the high-quality sector.
- Fixed Income significantly outperforms Equities as risk aversion rises sharply.
- U.S. dollar rallies.
- Defensive assets outperform sharply.
- S&P 500 falls into protracted bear market territory.

— Black line represents the lifecycle of the CIO economic process and is not meant to represent any specific investment, index or performance of any kind. Source: CIO. Data as of November 3, 2026. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY.** Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **Please refer to index definitions and important disclosures at the end of this presentation.**

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S&P 500 Index is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

S&P 500 sub-sectors and industry groups Global Industry Classification Standard (GICS®)/S&P 500 Total Return Index, including Information Technology Total Return (TR) USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.

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