CHIEF INVESTMENT OFFICE

Viewpoint by Charts

June 2025

Tariff and trade deals.

- Amongst headline risks through the summer, we expect a few key trade/tariff deals to be announced supporting positive momentum overall.
- We are still skeptical on a concrete deal with China, but this is widely expected.

Solid corporate earnings to continue.

- We expect economic momentum to gather some footing in the back half of the year, which should further support profits into next year.
- Corporate margins could increase somewhat as cost efficiencies driven by Artificial Intelligence and deregulation gather speed.

Economic and consumer resilience remains.

- Solid job prospects and rising personal net income continue to support spending.
- After bulk ordering ahead of tariffs earlier in the year, a re-acceleration later in 2025 is expected.

Weaker dollar and easier financial conditions support risk taking.

- Weakness in the U.S. dollar helps multilateral profits—especially the mega cap Technology sector.
- Financial conditions should ease somewhat as a new fiscal package is passed, and the money supply rises somewhat.
- The Federal Reserve (Fed) continues to slow the pace of quantitative tightening and, if appropriate, they could lower the funds rate as inflation eases.

Source: Chief Investment Office as of June 3, 2025. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY**.

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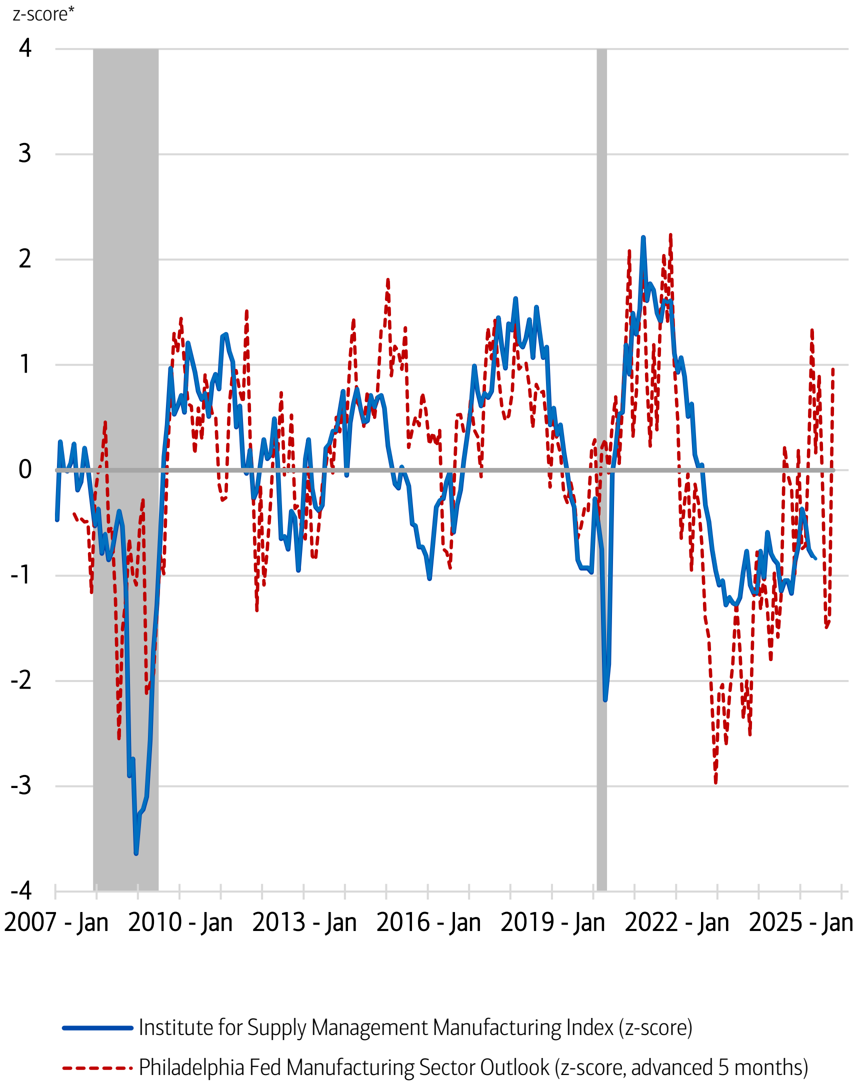
Macro



*z-score=number of standard deviations from the mean of a data set. Gray bars represent recessionary periods. Source: ISM, Federal Reserve Bank of Philadelphia/Haver Analytics. As of June 2, 2025.

- The U.S. economy remains on solid footing. Domestic demand is holding up better than expected and odds of a recession are fading.
- While some measures of manufacturing remain in contraction territory, others point to potential stabilization.
- Still, we see the potential for more uncertainty surrounding trade policy, the outlook for the economy, and the trajectory of inflation—all of which could lead to more choppiness in the near term.

CIO Key Considerations

Against an uncertain macro backdrop, we continue to emphasize diversification across and within asset classes.

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.

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CIO Portfolio Strategy

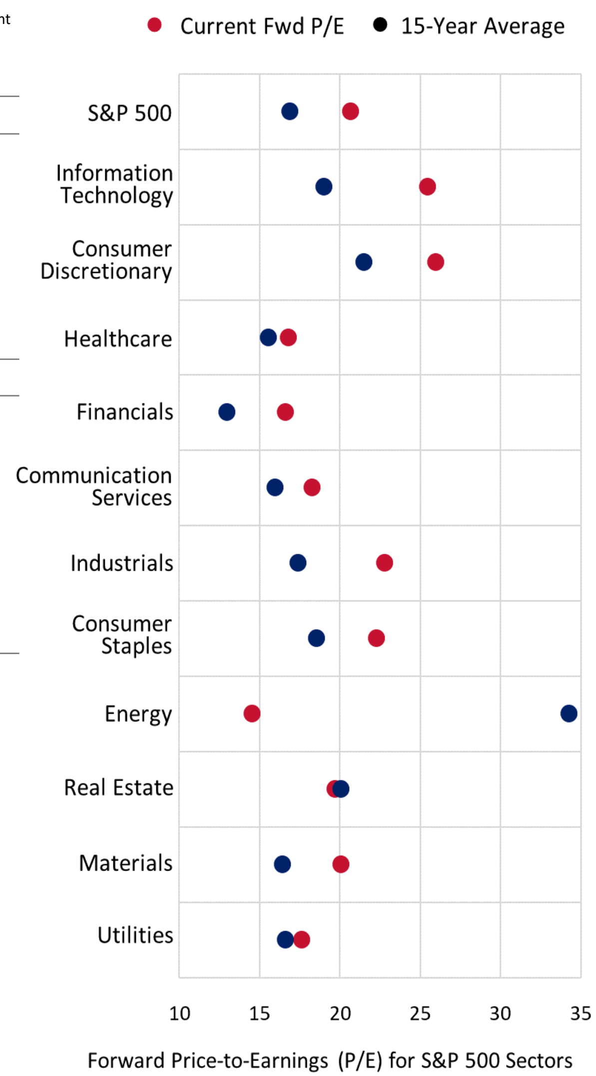
CIO Asset Classes and Sector Views

Underweight | Slightly Underweight | Neutral | Slightly Overweight | Overweight

Asset Class	Weighting
Global Equities	Slightly Overweight
U.S. Large-cap Growth	Slightly Overweight
U.S. Large-cap Value	Slightly Overweight
U.S. Small-cap Growth	Slightly Overweight
U.S. Small-cap Value	Slightly Overweight
International Developed	Neutral
Emerging Markets	Neutral
Global Fixed Income	Slightly Underweight
U.S. Governments	Slightly Underweight
U.S. Mortgages	Slightly Underweight
U.S. Corporates	Slightly Underweight
International Fixed Income	Neutral
U.S. High Yield	Neutral
U.S. Investment-grade Tax Exempt	Slightly Underweight
U.S. High Yield Tax Exempt	Slightly Underweight

Sector	Weight
Financials	Slightly Overweight
Utilities	Slightly Overweight
Consumer Discretionary	Slightly Overweight
Communication Services	Neutral
Information Technology	Neutral
Healthcare	Neutral
Industrials	Neutral
Real Estate	Neutral
Consumer Staples	Slightly Underweight
Energy	Slightly Underweight
Materials	Slightly Underweight

Sector Valuations



- 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. Through periods of volatility, we emphasize portfolio diversification and are buyers on weakness
- This month, the Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) did not make any tactical asset allocation adjustments.

CIO Key Considerations

Portfolio diversification across and within asset classes in a core framework with targeted thematic overlays is our preferred strategy.

Please refer to the June 2025 Viewpoint for more detail weightings information. Sector Valuations source: Bloomberg as of May 30, 2025. 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.
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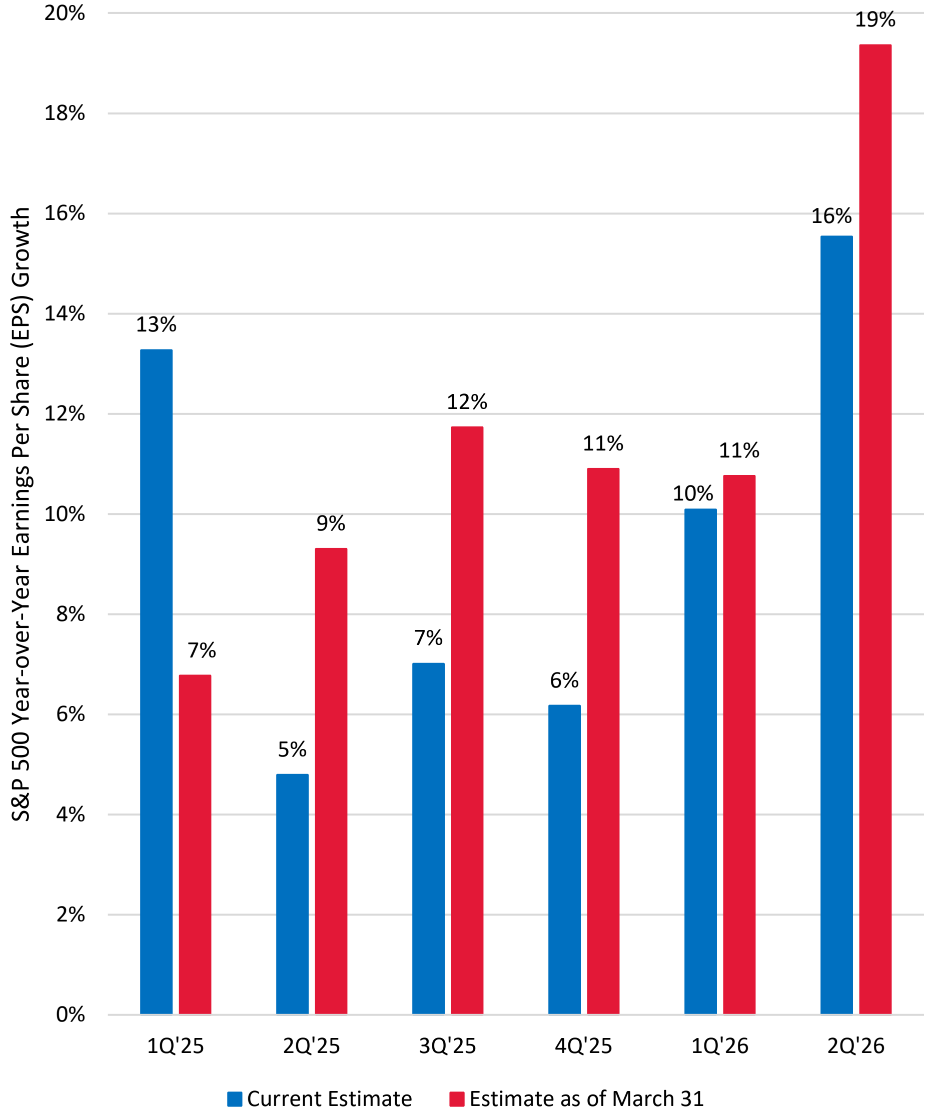
Equities



Source: FactSet. Data as of May 29, 2025.

- Q1 2025 is set to be the seventh consecutive quarter of year-over-year profits acceleration and the second consecutive quarter of double-digit EPS growth for the S&P 500 Index.
- Q1 results may have been strengthened by a pull forward in demand ahead of tariff policy implementation. 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.

CIO Key Considerations

While risks remain, Equities currently remain well supported by a solid earnings backdrop. We maintain an Equity overweight relative to our strategic targets.

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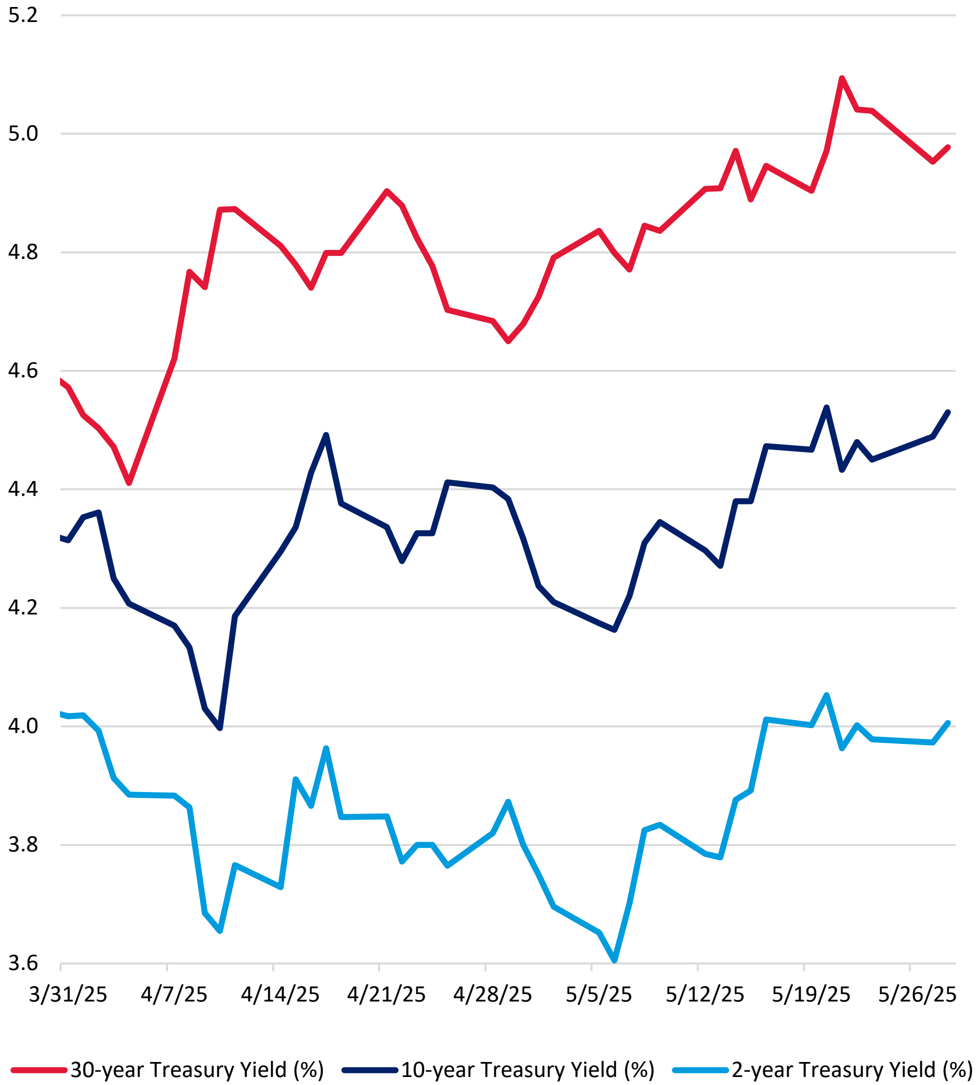
Fixed Income



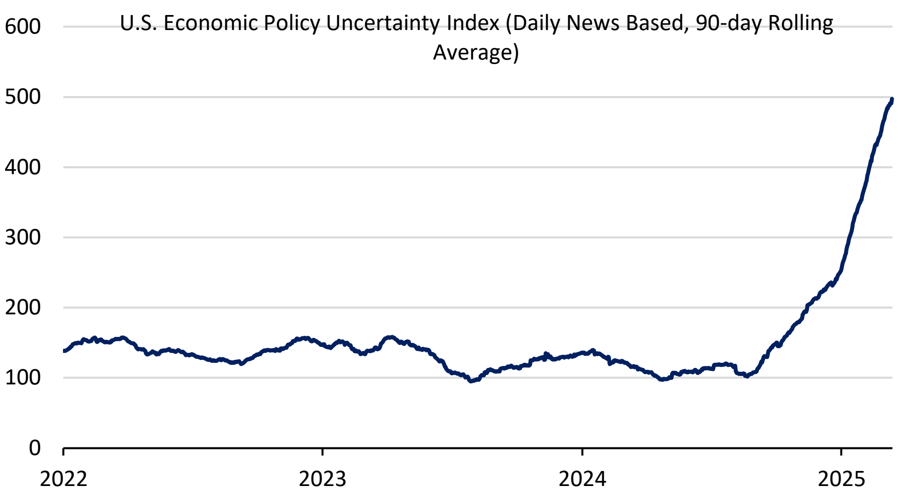
Source: Bloomberg. Data as of May 28, 2025.

- The recent movements in Treasurys are driven by a few factors, including potentially higher-for-longer short-term interest rates, less foreign buyers, deficit concerns, and Moody's recent downgrade of U.S. debt.
- Nominal and real yields still provide attractive compensation for inflation and market risk. We maintain neutral duration as 10-year Treasury rates are in the middle of the near-term range.
- Longer-term Fixed Income provides meaningful returns relative to cash and therefore diversifies equity risk over longer periods of time with more stable income and returns, in our opinion.

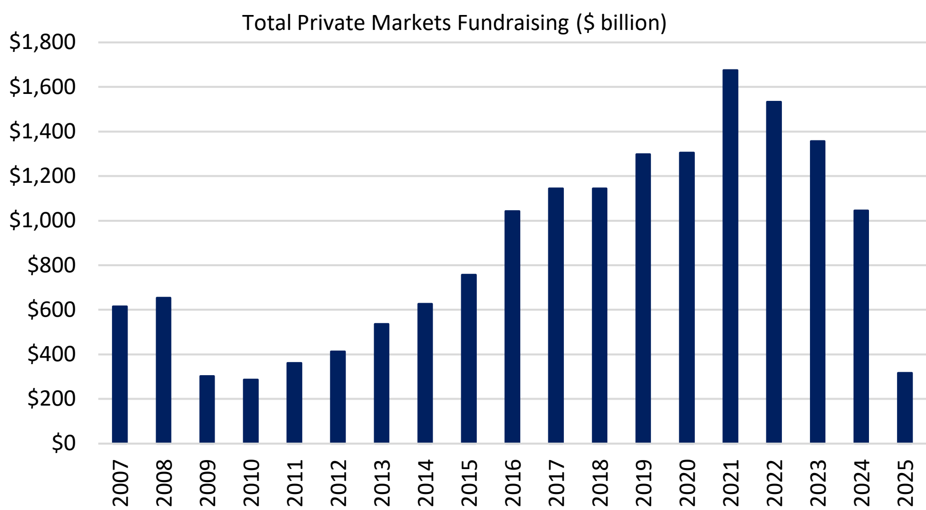
CIO Key Considerations

Although we are still constructive on Fixed Income, our underweight within multi-asset class portfolios is necessary to fund our overweight to Equities.

Alternative Investments (Alts)[1]



Source: Baker, Bloom & Davis; Bloomberg. Data as of May 11, 2025



Source: Preqin. As of May 14, 2025

- For investors in private markets, the uncertain backdrop has complicated the deployment of long-dated capital. While fundamentals were improving through Q1, the trade war at a minimum dampened momentum and pushed recovery back to the second half. New dollar deployment in "diversifying" and "defensive" strategies is favored until further clarity is gained.

- Despite elevated uncertainty, investors should heed time-tested principles including staying invested, maintaining long time horizons, and seeking diversification. These apply to Alternative Investments—consistent strategic allocations are critical, especially across private markets, where commitment pacing through volatility has historically improved forward return potential.

CIO Key Considerations

For qualified investors, Alts may help complement traditional Equities and Fixed Income investments.

[1]**Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. 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.**

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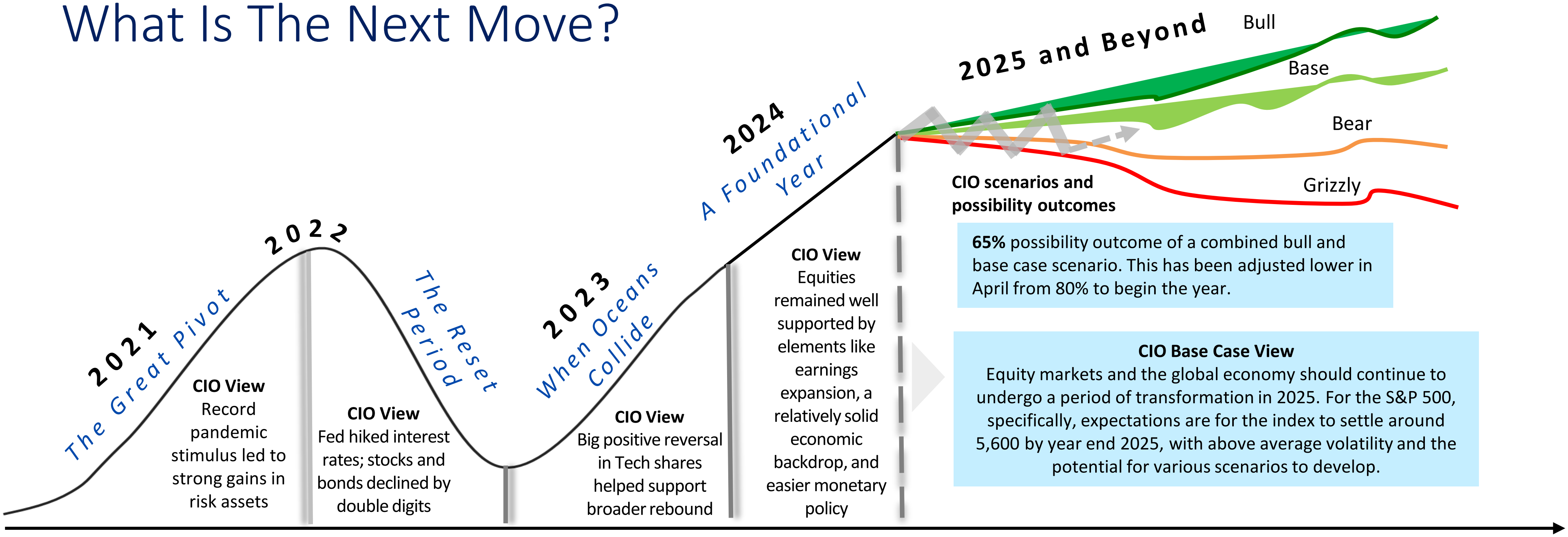
What Is The Next Move?



SCENARIO 1 BULL CASE (approximately 15% possibility outcome)

- Tariffs are negotiated downwards.
- A new economic re-expansion builds, and growth is well above trend in 2025.
- Financial conditions remain easy and inflation trends lower at the same time.
- Yield curve steepens as yields on the back-end rise as economic growth increases above trend.
- Long-term bull market continues as earnings rise higher-than-expected through 2025.
- Cyclical areas lead Equity markets with growth stock momentum resurging.
- S&P 500 climbs back well above new highs.

SCENARIO 2 BASE CASE (approximately 50% possibility outcome)

- Deals are made and some of the announced tariffs are negotiated down.
- U.S. gross domestic product (GDP) overall remains slightly positive, and a recession scenario is avoided, but a negative GDP quarter is likely.
- One-time price increases do not materialize into an "economy-wide" resurgence in inflation.
- Deregulation and tax relief potentially boost growth outlook.
- Fed funds rate is stable for the remainder of the year with the potential for cuts if needed.
- Earnings growth for S&P 500 is lower than previously anticipated but remains positive in 2025.
- U.S. dollar slightly weaker.
- Broader participation within the Equity markets including non-U.S. stocks.
- Sector dispersion remains wide.

SCENARIO 3 BEAR CASE (approximately 30% possibility outcome)

- Tariffs add 1 to 1.5% to inflation and subtract a similar amount from GDP growth.
- Stagflation worries build as growth slumps below trend and inflation remains above target.
- Expectations for monetary policy are recalibrated.
- Earnings could decline slightly more than 10% in 2025.
- Unemployment rate rises above 5% as recession risk increases.
- Defensive areas of the market outperform.
- Cyclical areas underperform and high-quality Growth outperforms low-quality Value.

SCENARIO 4 GRIZZLY CASE (approximately 5% possibility outcome)

- Tit-for-tat tariffs turn into a full blown "trade war."
- Sharp economic hard landing, not just deterioration, occurs through 2025.
- Federal Reserve policy requires new emergency measures and aggressive cuts.
- Contains the sharpest fall in earnings by some 20% or more.
- Major widespread stress hits the office property and regional banking sectors.
- Fixed Income significantly outperforms Equities as risk aversion rises sharply.
- U.S. dollar rallies.
- Defensive assets outperform sharply.
- S&P 500 falls further into bear market territory.

Denotes current significant uncertainty sharp volatility. 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 May 30, 2025. 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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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.

Institute for Supply Management Manufacturing Index is a monthly economic indicator that provides a snapshot of the U.S. manufacturing sector's health. It's a leading indicator, meaning it helps gauge future economic trends based on current purchasing and supply chain activities.

U.S Economic Policy Uncertainty Index is a measure of how much policy-related economic uncertainty there is in the United States. It's constructed by analyzing news articles and other data sources to gauge the frequency of discussions about economic policy and the specific words used to describe that uncertainty. Essentially, it quantifies the level of "uncertainty" about future economic policy directions.

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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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.

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

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The credit quality ratings represent those of Fitch Ratings, Inc. (Fitch), Moody's Investors Service, Inc. (Moody's) and Standard & Poor's Corporation (S&P). The ratings represent their opinions as to the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality. The security's credit quality does not eliminate risk. For information regarding the methodology used to calculate the ratings, please visit Moody's at moodys.com, Fitch at fitchratings.com, or S&P at standardandpoors.com.

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, 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. Clients should always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

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