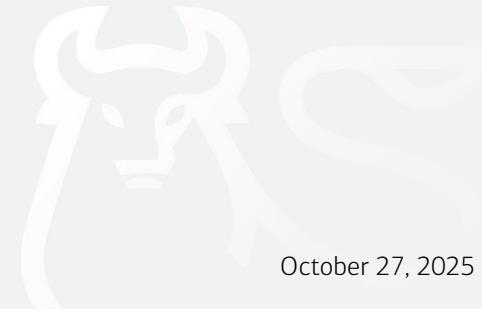


CHIEF INVESTMENT OFFICE

# Capital Market Outlook



October 27, 2025

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

## IN THIS ISSUE

**Macro Strategy—On Manufacturing Conditions, Part II:** U.S. manufacturing has spent 2025 in a holding pattern, defying hopes for a stronger performance. The sector has stagnated for about three years due to various headwinds, most recently a surge in tariffs, which heightened uncertainty, caused investment disruptions and buffeted profits. As a result, production has barely come out of a shallow but prolonged recession that began in 2022. Yet, beneath this malaise, manufacturing, led by policy initiatives and accelerating technological progress, is shifting to a greater domestic footprint—up the value chain, toward capital-intensive, technology-driven production. The process is likely to become more evident once cyclical and idiosyncratic drags fade and longer-term drivers—Artificial Intelligence (AI), fiscal incentives, reshoring efforts and infrastructure investment assert themselves more fully. While scant due to the shutdown, available data support this view.

**Market View—Top of Mind: China, the U.S., and Critical Minerals and Gold-cum-Soaring Sovereign Debt Levels:** This week we spotlight two key trends and the attendant investment implications that are top of mind for investors. One: Global resource protectionism has accelerated this year and recently went into overdrive with China's latest restrictions on rare earth minerals. While the U.S. has rapidly reduced its import dependence on China on the surface, where it counts most—rare earth minerals critical for manufacturing autos, missiles, etc.—the U.S.' reliance on China remains significant. How the U.S. and China leverage their respective advantages—semiconductors and rare earths—will shape the future global economy.

Two: Even with the recent pullback, gold continues to glitter. Global sovereign debt has surged to a record \$101 trillion, and, with strained public finances, inflation concerns, geopolitical tensions, strong demand from India and China, and central bank diversification, the secular uptrend in gold is likely to persist. We remain bullish on the commodity complex in general, with China's chokehold on rare earth minerals and soaring debt levels being two key catalysts for continued upside.

**Thought of the Week—The \$1.8 Trillion Question: Where Is the Budget Deficit Headed from Here?** It's official: The U.S. federal budget deficit clocked in at \$1.8 trillion in fiscal year (FY) 2025. A relatively steady numerator (the budget deficit) and an expanding denominator (U.S. economic output) led the deficit as a share of gross domestic product (GDP) to an estimated 5.9% for the fiscal year. Meanwhile, the bond vigilantes have stayed relatively quiet, with yields trending lower across the curve.

Where is the deficit headed from here? For now, call us cautiously optimistic. While there's little doubt that America's finances are pressured given an ageing population, interest payments on rising debt and impact of the One Big Beautiful Bill Act (OBBBA), we could see a few factors working in Uncle Sam's favor. Higher tariff revenue and lower interest rates could act as offsets next year, while the all-important denominator in the deficit-to-GDP ratio is positioned to expand from here. While we—and the bond vigilantes—continue to watch for signs of significant deterioration in the fiscal picture, we aren't worried for now.

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## Portfolio Considerations

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 used discretion at the end of September to lock in gains and rebalance portfolios back to desired tactical asset allocations as part of a disciplined portfolio management process.

Within our Alternative Investment strategy, we prefer new investment to favor Venture Capital and Growth Equity strategies.

Within Fixed Income, we still suggest that investors extend from cash where appropriate to their strategic duration target as the Federal Reserve (Fed) resumes its interest rate cut campaign. We believe current nominal and real yields should diversify equity and macro risk on a cyclical basis.

## On Manufacturing Conditions, Part II

### Chief Investment Office, Macro Strategy Team

The U.S. manufacturing sector has faced a difficult three-year stretch. Elevated interest rates, soft global growth and uneven U.S. business investment have kept the sector in mild recession for two years,<sup>1</sup> while tariffs further limited its expansion in 2025. Even powerful tailwinds—AI-driven investment and reshoring incentives—have not fully overcome this confluence of headwinds. As a result, in real terms, factory output has barely returned to 2022 levels.

Still, the underlying story remains one of gradual transformation and revival as Federal Reserve (Fed) easing, fading tariff-related headwinds, government policy and OBBBA investment incentives begin to take hold. These forces point to improving growth momentum in 2026 and beyond.

The government shutdown—already the second-longest on record—may delay, not derail, this upturn. According to Oxford Economics, each week of closure is estimated to trim 0.1 to 0.2 percentage points (pp) off real annualized GDP growth per week. Clearly, the longer the shutdown lasts, the larger the disruptions to economic activity and lost business. However, initial conditions matter, and the economy entered Q4 with firm momentum. The New York Fed Nowcast estimate for Q3 real GDP is near 2.3% annualized, while corporate earnings have remained strong and continue to surprise to the upside.

Credit spreads have widened only marginally, reflecting isolated and relatively small subprime auto loan losses rather than systemic stress or waning confidence in growth, profits and credit quality. Indeed, large banks have led upside Q3 earnings surprises, with limited negative effects from such loan losses to date. Also, high-yield default rates are seen declining over the next year, as many borrowers proactively refinanced in 2025. According to Moody's, distressed companies hold less debt maturing in 2026 and 2027, supporting expectations of a decline in the default rate in the coming 12 months. Importantly, Q4 earnings estimates have edged higher, limiting credit risks, and corporate bond issuance and bank lending remain healthy.

Equity markets corroborate these favorable signals. Risk aversion and volatility rose briefly on shutdown, geopolitical and loan quality concerns, but the S&P 500 Index has advanced so far in October. Of course, the longer the shutdown persists, the greater the potential disruption to the economy and equity market risks. For now, however, a strong rotation into defensives, especially Healthcare and Utilities, has more than offset the underperformance of Financials (weighed by loan-loss concerns) and Energy (where a global supply glut amid global growth concerns has depressed oil prices this year). For now, the overall market tone suggests expectations for limited fallout from the shutdown or credit events.

Indeed, fiscal and monetary policy support is expected to reinforce the economy's cyclical momentum, with stronger GDP growth projected in 2026. OBBBA's household tax provisions—such as exemptions on tips/overtime pay, expanded child credits, and restored state and local (SALT) deductions—are projected to boost disposable income in early 2026. For businesses, fiscal incentives, fading tariff effects, signs of improving confidence, healthy balance sheets and lower interest rates are likely to strengthen investment appetite. Coupled with generous OBBBA investment incentives, these tailwinds make the manufacturing outlook positive, in our view.

While the shutdown may briefly set back manufacturing sentiment and activity in Q4, October regional Fed surveys for New York and Philadelphia show a sharp rebound in new-orders expectations from their April tariff-shock lows, signaling improving underlying manufacturing momentum (Exhibit 1A). The National Federation of Independent Business (NFIB) small business survey also reported stronger hiring intentions and a positive earnings outlook, another sign of rising confidence in future conditions (Exhibit 1B).

Tariffs remain the larger near-term drag, as U.S. producers rely heavily on imported inputs—roughly 27% on average, ranging from 16% for pharmaceuticals to 30% for machinery and equipment, and all the way to 70% for electrical equipment. Higher inputs

### Investment Implications

The economic environment favors cyclical and capital-spending-related sectors, while Utilities remain underpinned by long-term grid expansion and accelerated power demand. Lower interest rates and tame credit spreads argue against deep defensiveness into 2026.

<sup>1</sup> Chief Investment Office, Capital Market Outlook, "Manufacturing Rebound Soft But Poised To Strengthen," October 20, 2025.

costs and equipment prices constrain near-term output growth, as import substitution is slow and costly.

Over time, however, this encourages domestic capacity expansion. The 2017 corporate tax cuts from 35% to 21% and legislation supporting domestic production of semiconductors, green energy, and other strategic goods have already prevented a deeper industrial activity contraction from 2022 to 2025, while OBBBA legislation lays the foundation for future growth.

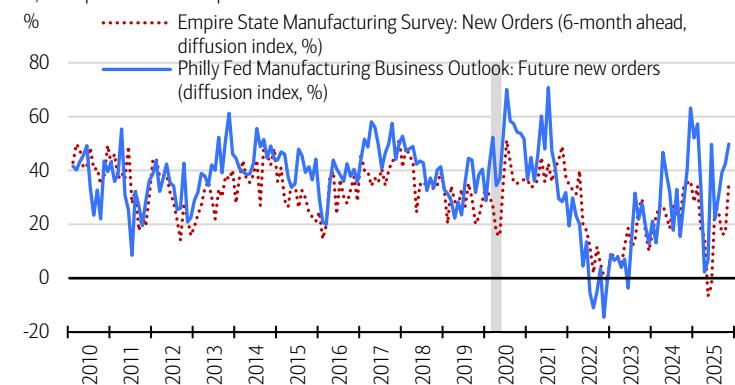
The AI investment boom has recently become another key pillar for manufacturing activity. The U.S. leads globally in digital infrastructure spending, positioning itself for the next productivity wave. Still, investment appears to be broadening beyond AI. Firms in pharmaceuticals, airplanes, satellites, drones, batteries, semiconductors and motor vehicles are adding—and planning to add—new or expanding U.S. operations and deepening supply chains. They are drawn by tax incentives, deregulation, regional tax incentives, streamlined permitting and proximity to research clusters. These projects focus on high-value-added, research & development (R&D)-intensive production, which enhances U.S. competitiveness. Upgraded rail and grid infrastructure will be critical to sustaining this shift while also fueling manufacturing growth. In addition, geopolitical risks are driving defense spending growth throughout the world, boosting related domestic U.S. manufacturing production given significant comparative advantage.

While the industrial economy may not roar immediately, it is clearly retooling for expansion. According to Experian, the number of U.S. manufacturing businesses has risen 13% since the pandemic, led by small firms (most U.S. manufacturers are small businesses, employing fewer than 100 workers, according to the International Trade Administration). Yet about 50% of small businesses report difficulty finding qualified labor, underscoring the need for workforce skill development to support a manufacturing revival. With still relatively low prime-age labor force participation rates, our research suggests that higher wages and retraining could expand labor supply despite lower immigration.

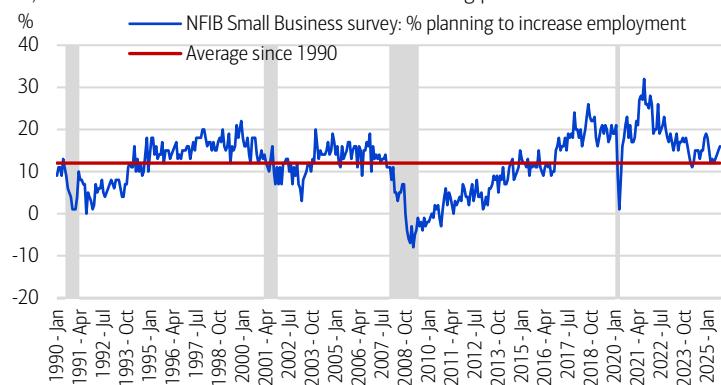
In sum, while the shutdown clouds short-term visibility, the underlying moderate U.S. growth trajectory seems intact for now. So does the shift in U.S. manufacturing up the value chain, where automation offsets high labor costs, and proximity to R&D clusters confers a competitive edge. Reestablishing manufacturing as a key growth driver through 2026 and beyond is vital for the U.S. as an economic superpower. The sector has large spillover effects on the economy: Every \$1 dollar spent in manufacturing adds an estimated \$2.5 to the broader economy, magnifying its role in addressing fiscal, trade and employment imbalances. While accounting for just about 8% of U.S. payrolls, U.S. manufacturing would rank as the world's seventh-largest economy at about \$2.5 trillion in real value added. Rising domestic wealth, a vast internal market and national security priorities, along with technological and knowledge leadership, sets up the U.S. as a magnet for the manufacturing of the future.

#### Exhibit 1: Underlying Momentum Helps Stabilize Conditions Despite Tariff Shock.

1A) Sharp rebound in expectations for new orders.



1B) Pre-shutdown stabilization in small business hiring plans.



Gray bars represent recessionary periods. Exhibit 1A) Source: Federal Reserve Board/Haver Analytics. Data as of October 21, 2025. Exhibit 1B) Source: NFIB/Haver Analytics. Data as of October 21, 2025.

## Top of Mind: China, the U.S. and Critical Minerals and Gold-cum-Soaring Sovereign Debt Levels

Joseph Quinlan, Managing Director and Head of CIO Market Strategy

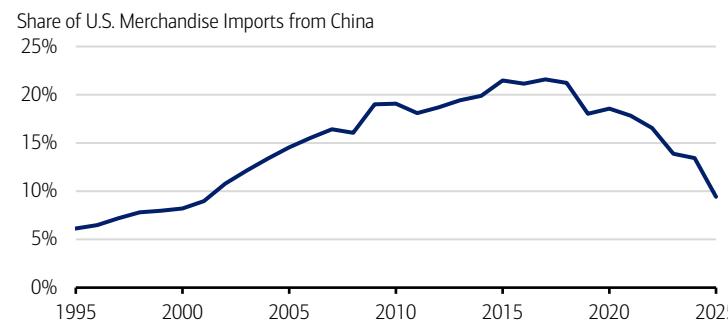
This week we spotlight two key trends and the attendant investment implications that are top of mind among investors. One: Global resource protectionism has accelerated this year and recently went into overdrive with China's new restrictions on rare earth minerals. And two: Even with the recent pullback, gold continues to glitter for a number of reasons, including soaring global sovereign debt levels.

**U.S. and China: The façade of decoupling.** Exhibit 2A gives the impression that the U.S. is rapidly reducing its import dependence on China, with China's share of total U.S. imports falling from a peak of 21.6% in 2017 to just 9.4% in the first seven months of this year. The drop reflects higher U.S. tariffs on Chinese imports and reconfigured global supply chains amid longstanding U.S.-China tensions over trade and investment. At current levels, U.S. imports from China are on pace to decline by more than 20% this year, which supports, of course, the "decoupling" narrative.

However, there is a lot more to this story, as evident from Exhibit 2B. Yes, the U.S. has reduced its import dependence on Chinese imports of toys, textiles, appliances, and a host of other goods. But where it counts most—America's dependence on rare earth minerals that are vital for the manufacturing of automobiles, missiles, fighter planes, etc.—the U.S' reliance on China remains quite significant. At last count, U.S. dependence on China for rare earth minerals was in excess of 50%.

### Exhibit 2: Decoupling in Name Only.

2A) U.S. Import Dependence on China Has Tumbled...



2B) ...But U.S. Dependence on China for Rare Earth Imports Persists.

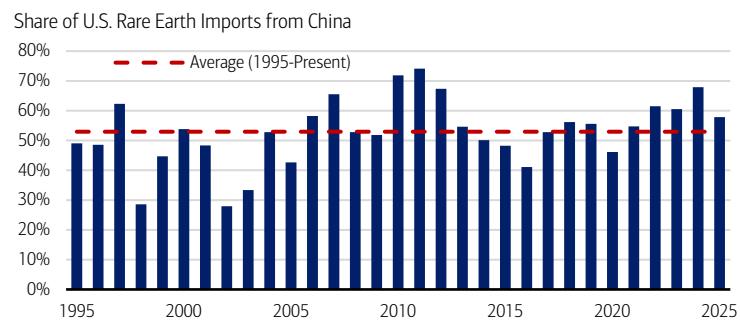


Exhibit 2A) 2025 refers to data year-to-date through July 2025. Source: Census Bureau. Data as of October 17, 2025. Exhibit 2B) 2025 refers to data year-to-date through July 2025. Source: Census Bureau. Data as of October 17, 2025.

What this means in reality is that as the U.S. and China tussle over geostrategic dominance and hassle over new rules governing global trade and investment, China has serious leverage via its rare earth chokehold on production and refining—and isn't afraid to use it. As the *New York Times* noted, "The U.S. now has to face up to the fact it has an adversary which can threaten substantial parts of the U.S. economy."<sup>2</sup> It sure does, considering that China accounts for roughly 90% of rare earth processing/refining and over 90% of magnet manufacturing.

How soon can the U.S. and its allies break China's chokehold on rare earth minerals? Think in years, if not in decades. The recently signed U.S.-Australia critical minerals agreement is a first step in this direction, but breaking China's monopoly on rare earth supplies isn't going to happen anytime soon. The supply gap favors China for no other reason than that, when it comes to mining talent, expertise and technical know-how, the advantage is clearly with China. To wit, while mining graduate programs in the West are at record lows right now, China produces more than 10x the mining-engineering graduates than the West. China graduates over 5,000 mining engineers annually, compared with just 327 in the U.S. America's strength lies with semiconductors, China's lies with rare earth minerals—how the world's two largest economies leverage their advantages will dictate the future trajectory of the global economy.

**Gold's glitter reflects, in part, worries over the soaring mountain of global sovereign debt.** The robust bid for gold this year has been supported by numerous factors,

### Investment Implications

Geopolitical tensions and sovereign debt levels reinforce our conviction in gold and strategic minerals and metals as portfolio overlays. Despite the recent pullback, gold should remain attractive as a hedge against global inflation in a world of "fiscal dominance."

<sup>2</sup> New York Times, "China's Mineral Rules Aim to Beat U.S. At Own Game", October 17, 2025.

ranging from fears over inflation, unsettled geopolitical hotspots, strong consumer demand from Indian and Chinese consumers, and, most notably, central bank diversification out of the U.S. dollar and into harder assets, aka gold. As a side bar, according to Bloomberg, Indian households own about 25,000 metric tons of gold, more than five times what is stored at Fort Knox.

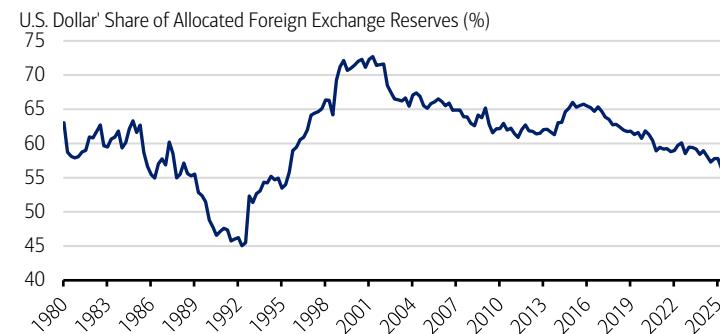
As Exhibit 3A highlights, central bank offloading of the U.S. dollar has gathered steam this year. According to the latest data from the International Monetary Fund (IMF), the U.S. dollar accounted for 56% of global central bank holdings at the end of Q2, down from 58% a year ago, and this century's peak of 73%. The dollar's share of central bank holdings is now back to levels not seen since 1995.

Central banks have been net sellers of dollars and buyers of gold for the past 15 years, although the pace has accelerated this decade. Based on data from the World Gold Council, the world's central banks bought more than 1,000 tons of gold for the third straight year in 2024 and now hold around a fifth of all the gold that's ever been mined. As stewards of their national savings, central banks have become more proactive in managing their savings, with rising gold deposits helping to diversify a nation's foreign exchange reserves and guard against currency depreciation. Holding more gold also gives nations a hedge against potential U.S. and Western sanctions, with the U.S. and its allies freezing of Russian central bank funds following the invasion of Ukraine a major catalyst/tipping point to diversification out of U.S. dollars.

Gold is also a hedge against the fiscal uncertainty/profligacy of not only the U.S. but the world in general. As Exhibit 3B depicts, the world has never been more awash in sovereign debt than today. According to the Institute of International Finance, global sovereign debt now stands at \$101.3 trillion, a record high, and a figure some 42% higher than at the start of this decade. Gross public debt as a share of GDP in advanced economies now stands near 110%, close to an all-time high.

### Exhibit 3: Rising Debt = A Golden Case for Diversification.

3A) Dollar Share of Foreign Exchange Reserves Falls to 56%.



3B) Global Sovereign Debt Surpasses \$100 Trillion.

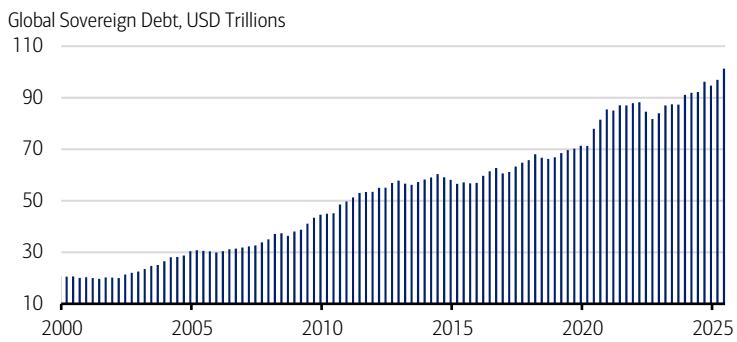


Exhibit 3A) Source: IMF. Data through Q2 2025, as of October 1, 2025. Exhibit 3B) Source: Institute of International Finance. Data through Q2 2025.

The 2020 pandemic (more spending on public health), Russia's invasion of Ukraine (more spending on defense), and the spike in global inflation (more spending on interest payments) all stand behind the staggering rise in public debt this decade, as does the cost of supporting an aging population. Add in climate mitigation costs, and it's hard not to see more stress and strain on public financing heading toward 2030. The most indebted developed nations include Japan, with government net debt as a percentage of GDP tallying 134.2% in 2025. Italy (127.3%) and France (108.2%) follow, with the U.S. and Britain clocking in at 98% and 95.1%, respectively.

Against this backdrop, it's little surprise that gold is increasingly viewed as an important reserve asset alternative to the U.S. dollar, euro, yen and Swiss franc. And with little political appetite among sovereign states for belt-tightening and reining in public finances, and "fiscal dominance," the secular uptrend in gold is expected to continue over the medium term.

What all of this means for portfolio construction is this: We remain constructive on gold and other strategic minerals and metals as a portfolio overlay. We remain bullish on the entire commodity complex in general, with China's chokehold on rare earth minerals, and the move toward hard asset diversification in lieu of soaring public debt levels, key catalysts for more upside.

## THOUGHT OF THE WEEK

### The \$1.8 Trillion Question: Where Is the Budget Deficit Headed from Here?

**Ariana Chiu, Assistant Vice President and Wealth Management Analyst**

It's official: The U.S. federal budget deficit clocked in at \$1.8 trillion in fiscal year (FY) 2025, narrowing, albeit barely, for the first time since 2022. A relatively steady numerator (the budget deficit) and an expanding denominator (U.S. economic output) led the deficit as a share of GDP to an estimated 5.9% for the fiscal year.<sup>3</sup> That's down from 6.4% in FY 2024, per Exhibit 4A, but was still historically high given a U.S. economy at or near full employment. Meanwhile, the bond vigilantes have stayed quiet, with yields trending lower across the curve.

Where is the deficit headed from here? For now, call us cautiously optimistic. There's no doubt that America's finances are structurally stretched. Think interest payments on rising debt, a growing retiree population and, importantly, little wiggle room for an unforeseen economic shock. Combined mandatory spending on Social Security, Medicaid and Medicare rose by 10% year-over-year in FY 2025<sup>4</sup> and is unlikely to fall with individuals 65 years and older now making up a record 18% of the U.S. population. These mandatory programs in combination with nonnegotiable interest payments and defense spending made up 73% of outlays in FY 2025.<sup>3</sup>

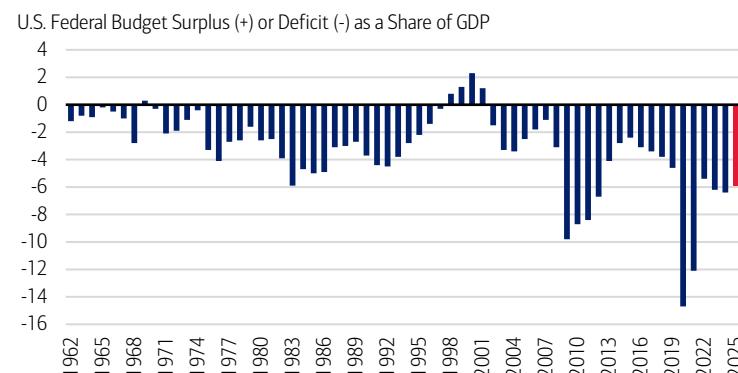
Yet in the near term, we could see a few factors working in Uncle Sam's favor. Tariff revenue, for instance, contributed \$195 billion (B) to the government in FY 2025<sup>3</sup> and could be on track to contribute more significantly to the revenue side of the ledger should current tariffs remain in place. Think an additional \$350B, annualized, based on tariff revenue collected in Q3. Lower interest rates should also help lower the government's interest burden, with the government likely to rely more on shorter-term debt for the near future (Exhibit 4B).

Most important is the following: The U.S. economy is positioned to avert recession—and then some. The denominator in the deficit-to-GDP ratio is likely to expand from here, in other words, thanks to resilient consumer spending and strong private domestic investment. An estimated \$150B of incremental federal tax refunds for consumers in early 2026 should help sustain decent consumer spending again next year. A solid economic backdrop should also aid the numerator, with individual income taxes accounting for over half of overall federal revenue, well outshining tariff revenue at 3.7%.<sup>3</sup>

While we—and the bond vigilantes—continue to watch for signs of significant deterioration in the fiscal picture, we aren't worried for now. The U.S. boasts the world's reserve currency, enjoys healthy demand for its government debt despite greater global protectionism, and is leading the way when it comes to the AI revolution, all of which are reasons not to sweat the federal budget deficit.

#### Exhibit 4: U.S. Fiscal Picture Top of Mind for Investors.

4A) Peak Deficit?



4B) Treasury Bill's Share of Outstanding Debt Likely to Remain Elevated.



Exhibit 4A) 2025 data refers to internal estimate from the U.S. Treasury. Source: CBO, U.S. Treasury. Data through fiscal year 2025, as of October 20, 2025. Exhibit 4B) Shaded area indicates recessionary period. Bills have a maturity of one year or less. Source: U.S. Treasury. Data through September 2025.

<sup>3</sup> Internal estimate from U.S. Treasury.

<sup>4</sup> Source: U.S. Treasury. Data as of October 2025.

#### Portfolio Considerations

Rising U.S. debt and deficits remain a key watchpoint for us. In the near-term, a resilient economic backdrop should keep gross public sector debt as a share of GDP at a manageable level.

## MARKETS IN REVIEW

### Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	47,207.12	2.2	1.8	12.5
NASDAQ	23,204.87	2.3	2.4	20.8
S&P 500	6,791.69	1.9	1.6	16.7
S&P 400 Mid Cap	3,298.58	2.3	1.1	7.0
Russell 2000	2,513.47	2.5	3.2	13.9
MSCI World	4,371.27	1.7	1.5	19.2
MSCI EAFE	2,810.88	1.3	1.6	27.2
MSCI Emerging Markets	1,389.39	2.0	3.3	31.7

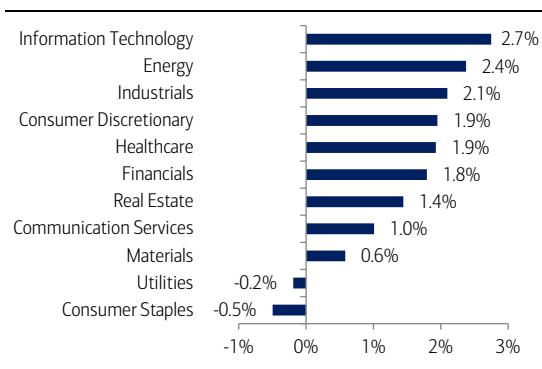
### Fixed Income<sup>†</sup>

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.11	0.17	1.15	7.14
Agencies	3.95	0.07	0.75	5.67
Municipals	3.55	0.28	1.31	3.98
U.S. Investment-Grade Credit	4.22	0.17	1.20	7.41
International	4.69	0.31	1.25	8.21
High Yield	6.69	0.40	0.24	7.48
90 Day Yield	3.84	3.91	3.93	4.31
2 Year Yield	3.48	3.46	3.61	4.24
10 Year Yield	4.00	4.01	4.15	4.57
30 Year Yield	4.59	4.61	4.73	4.78

### Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	268.54	1.7	2.9	12.5
WTI Crude \$/Barrel <sup>††</sup>	61.50	6.9	-1.4	-14.2
Gold Spot \$/Ounce <sup>††</sup>	4113.05	-3.3	6.6	56.7
	Total Return in USD (%)			
Currencies	Prior Week End	Prior Month End	2024 Year End	
EUR/USD	1.16	1.17	1.17	1.04
USD/JPY	152.86	150.61	147.90	157.20
USD/CNH	7.13	7.13	7.13	7.34

### S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 10/20/2025 to 10/24/2025. <sup>†</sup>Bloomberg Barclays Indices. <sup>††</sup>Spot price returns. All data as of the 10/24/2025 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

### Economic Forecasts (as of 10/24/2025)

	Q1 2025A	Q2 2025A	Q3 2025A	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	3.2	3.0
Real U.S. GDP (% q/q annualized)	-0.6	3.8	2.7*	1.6	2.0	1.9
CPI inflation (% y/y)	2.7	2.5	2.9*	2.9	2.8	2.8
Core CPI inflation (% y/y)	3.1	2.8	3.1*	3.1	3.0	2.9
Unemployment rate (%)	4.1	4.2	4.3*	4.4	4.2	4.5
Fed funds rate, end period (%)	4.38	4.38	4.13	3.88	3.88	3.13

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**

A = Actual. E = Estimate. \*Data as of October 24, 2025.

Sources: BofA Global Research; GWIM ISC as of October 24, 2025.

### Asset Class Weightings (as of 10/7/2025)

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

### CIO Equity Sector Views

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

### Alternative Investments\*

Hedge Strategies	●
Private Equity & Credit	●
Real Assets	●

### Cash

\*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of October 7, 2025. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

## Index Definitions

**Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.**

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

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