



2026 Outlook: Play the Ball as it Lies

January 14, 2026

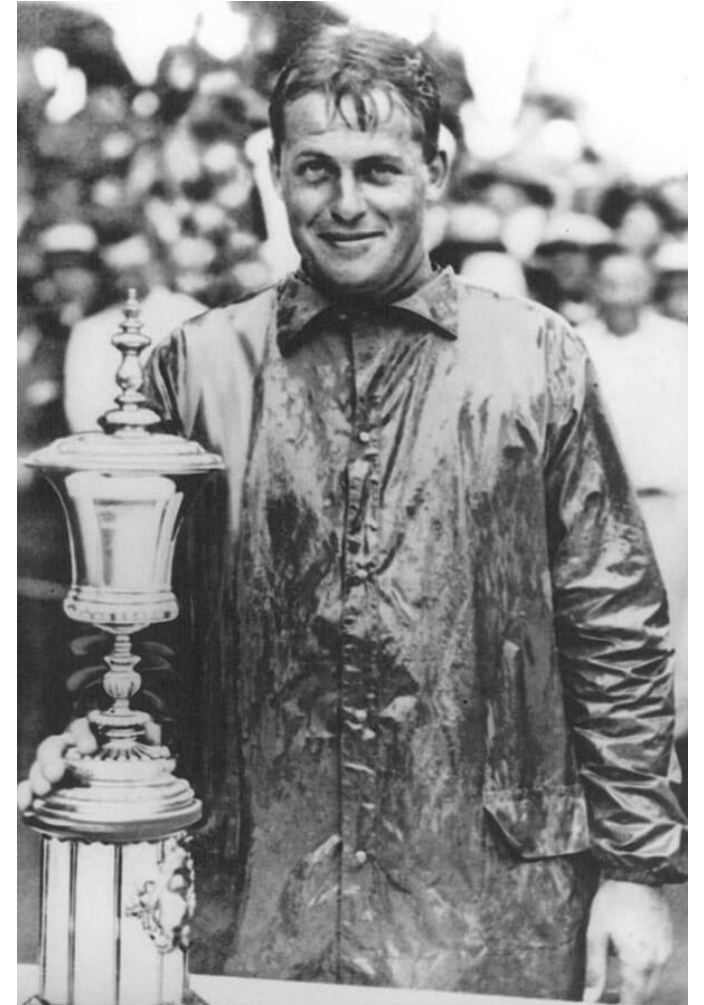
2026 Outlook Outline – With notes from our Caddie

1. Introduction and Summary
2. Scenario Analysis
3. Asset Allocation
4. U.S. Economy: “It’s a long carry but it opens up on the other side”
5. Policy: “It’s swirling up there, let’s add one more club”
6. Fixed Income: “Fairway here isn’t going to hurt you”
7. Equities: “You know what they say about big hitters...the woods are full of them”
8. Alternatives: “It’s all about course management and club selection today”
9. Volatility Strategies: “Let’s take the big number out of play”

2026 Outlook: Play the Ball as it Lies

“Golf is the closest game to the game we call life. You get bad breaks from good shots; you get good breaks from bad shots – but you have to play the ball as it lies.”

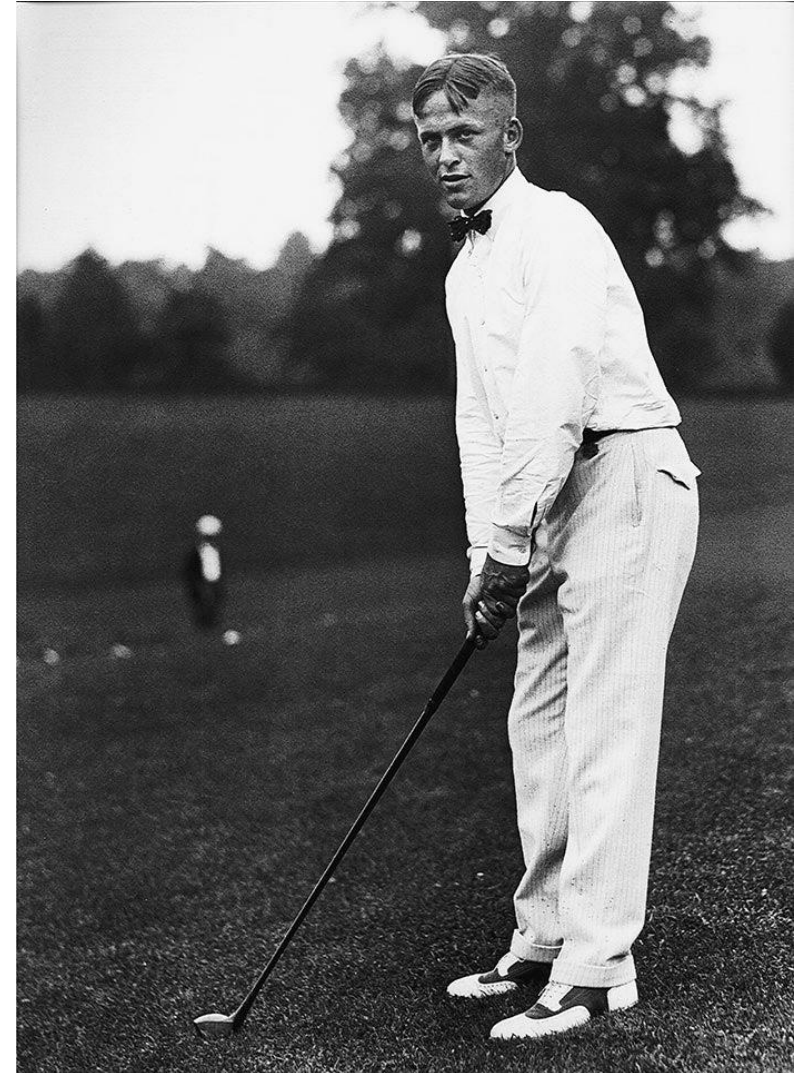
– Bobby Jones Jr.



2026 Outlook: Play the Ball as it Lies

Investors *always* have to play the ball as it lies, but in 2026 appreciating the setup for “the shot” is more important than ever.

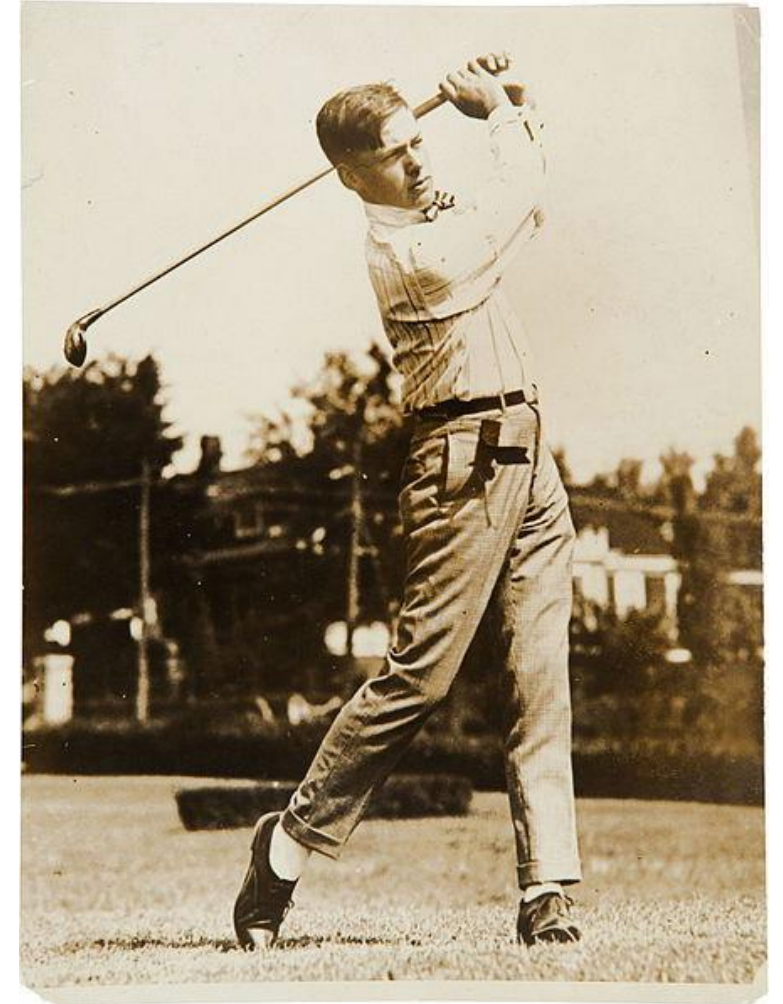
Just like a tighter lie can set expectations for the hole’s score and inform how aggressive the next shot should be, we should level set expectations for returns, be prudent about the risks built into portfolios, and be strategic about the tools we choose to achieve those returns.



2026 Outlook: Where the Ball Lies

Where the Ball Lies : after three strong years of asset price returns and above-trend U.S. growth, 2026 presents a “tighter lie” for investors, but certainly not “unplayable”.

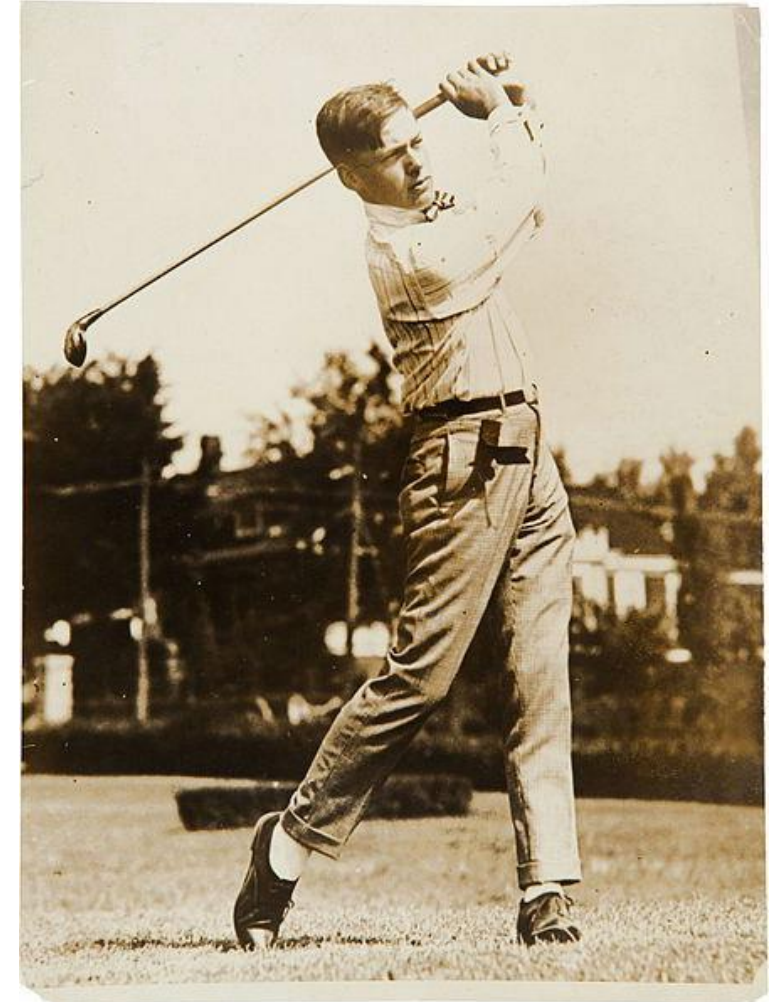
- **U.S. Economy:** Despite high winds in 2025, the U.S. economy was able to “hit it down the fairway”, delivering growth at or slightly above trend thanks to a resilient high-end consumer and tech capex. Labor demand slowed through the year (diverging from growth) while inflation moderated.
- **U.S. Policy:** Policy was the unfavorable wind gusts in 2025, but the wind died down quickly with the tariff volte-face and three Fed cuts. Consensus expects 2026 policy to remain a favorable tailwind.



2026 Outlook: Where the Ball Lies

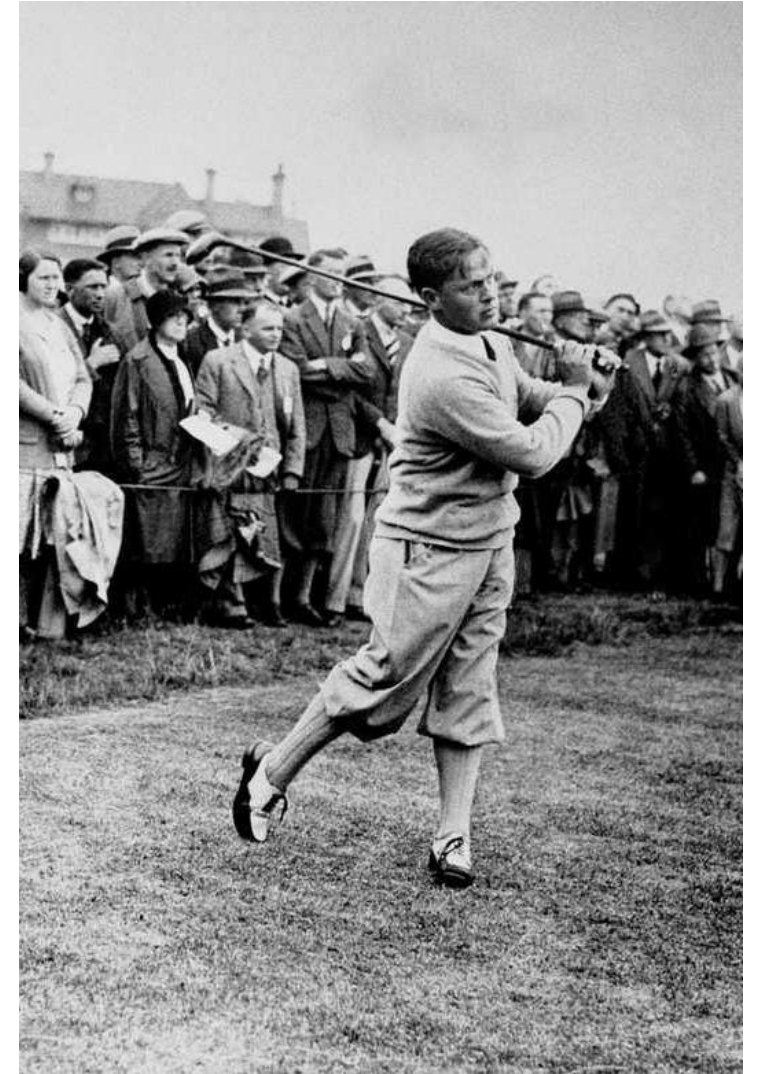
Where the Ball Lies: after three strong years of asset price returns and above-trend U.S. growth, 2026 presents a “tighter lie” for investors, but certainly not “unplayable”.

- **Equity Markets:** High valuations (plus record concentrations) and high earnings expectations create a high bar to surprise to the upside, mostly in a mid-term election/fourth year of a bull market. Secular trends (AI) have boosted sentiment, but are set to grow at a slower pace in 2026.
- **Fixed Income:** After a rally in 2025, yields for government and corporate debt are lower to begin the year. Bond market volatility has subsided, while consensus expects yields to continue to fall in a benign way in 2026.
- **Alternatives:** Strong risk appetite and durable thematic tailwinds (including AI, infrastructure, LMM/MM private equity early-stage venture), boosted broad alternative performance in 2025. In 2026, alternatives remain supported by long-term themes and investor demand though returns are likely to be more dispersion-driven and investors should be cautious of crowded trades and product proliferation heightening the importance of vehicle structure, liquidity and manager quality.
- **Real Assets:** Debasement angst, supply concerns, and central bank buying drove record gains for precious metals (but not “digital gold”). Late year rallies in cyclical commodities has fueled hopes for a “global reacceleration”.



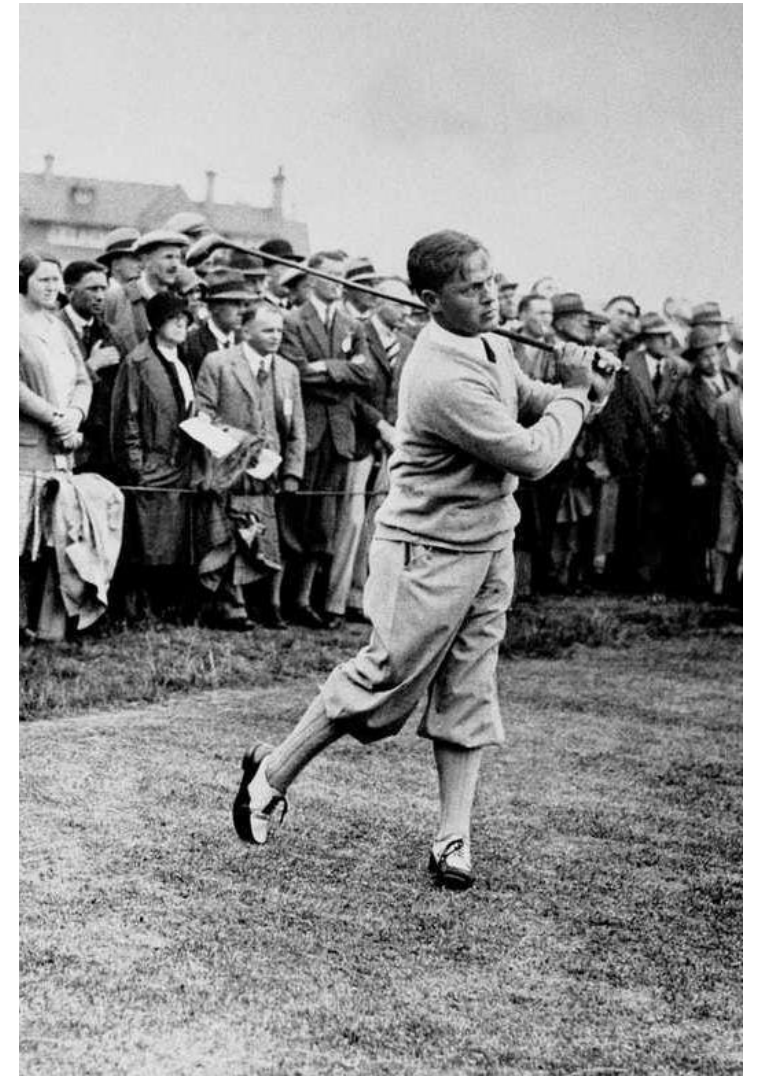
2026 Outlook: How the Shot Could Break

- **U.S. Economy:** We expect growth to remain near trend in 2026 (~2%), avoiding a recession as long as firings do not accelerate and equity markets remain resilient (to preserve a positive wealth effect), but receiving limited boost from 2025's policy. Inflation takes a backseat to growth to begin 2026 given shelter and wages.
- **U.S. Policy:** We expect policy-driven volatility from the White House to remain high, as the first few days of 2026 have shown. Midterm election sets up for larger future deficits, fanning debasement fears. The new Fed Chair in May will push for lower rates, but will have to contend with an independent committee that will only cut if UE rises materially.



2026 Outlook: How the Shot Could Break

- **Equity Markets:** With institutional positioning not yet stretched, we see room for a further chase/ “buy the dip” mentality for equity markets, despite high valuations. We see earnings estimates as lofty for 2026 and 2027, which could present a challenge for returns if companies are unable to jump over high bars (whether or not we are raising GDP and EPS forecasts will be a major driver of markets, along with positioning and liquidity). 2026 is starting with big leadership rotations, but if fundamentals do not support this new pro-cyclical leadership, prior Growth/Tech leadership could reassert itself. *If* returns keep pace with 2023-2025, we would likely be in a bubble.
- **Fixed Income:** Bond market volatility may return in 2026, whether through concerns about credit quality for corporate debt or concerns about inflation/policy/deficits for government debt. But with benign inflation, bonds provide diversification in a growth scare.



2026 Outlook: How to Play It

How to Play It: The “tight lie” starting point in 2026 suggests lower overall returns and potentially higher volatility, but this creates opportunities to “separate from the pack” using volatility, rotations, and portfolio construction to “improve your lie” for the long run.

- **Equity Approach:** With the potential for lower index returns and sharp leadership rotations throughout the year, investors could be well-served embracing diversification across sectors, themes, size, and geography, not necessarily positioning against continued strength in prior leadership, but avoiding outsized concentrations (and rebalancing) in dominant, large areas. Volatility creates opportunity, while Quality remains a priority for long-term investors. Note that all Quality isn’t created equal, suggesting a high degree of selectivity in building portfolios.
- **Fixed Income Approach:** Lower interest rates and narrower in credit spreads leave bond investors challenged to match the excellent returns of 2025. Moving some funds out of large cash positions into longer duration bonds or alternative assets classes makes sense. Within fixed income, we prefer higher quality credits and still believe municipal bonds have room to catch up more to their taxable counterparts after underperforming last year.



2026 Outlook: Play the Ball as it Lies

How to Play It: The “tight lie” starting point in 2026 suggests lower overall returns and potentially higher volatility, but this creates opportunities to “separate from the pack” using volatility, rotations, and portfolio construction to “improve your lie” for the long run.

- **Alternatives Approach:** We remain opportunistic, taking advantage of secular themes and market dislocations in order to add diversification to portfolios and/or enhance returns. We continue to be most focused on venture, infrastructure, and highly select private equity, while market volatility has made volatility-benefitting strategies like structured notes and hedge funds increasingly attractive.
- **Real Assets Approach:** separating narrative (which can drive prices in the short run) from fundamentals (which will drive prices in the long run) will be imperative for real asset investors in 2026. Watching for larger breakouts in previously dormant cyclical-commodities, noting the frequent “head fakes” over the past 10 years. Psychological commodities (gold, crypto) help to assuage debasement fears, but narratives do not insulate these assets from volatility.



2026 Scenarios

Stumblin'

Growth drops below 1.5%, with high UE, while inflation falls to 2% target.

- **Driver:** weaker equity market that crushes the wealth effect; cost pressures push companies to cut labor costs;
- **Fed:** cuts to below neutral (3%) with potential for liquidity boosters (use weakness to restart QE to suppress long yields and revive housing market)
- **Yields:** bond yields fall across the curve, short end lower thanks to Fed, long end lower thanks to risk-off demand
- **Equity:** price returns struggle as lower growth drives EPS cuts and PE multiple compression; leadership initially skews more defensive; buying opportunity created once positioning and sentiment is flushed and forecasts are cut to a lower bar

Slow & Low

Growth slows to trend (~2%), with UE potentially up slightly but remains below recessionary levels, while inflation sticky but contained.

- **Driver:** affordability and slow hiring continue to weigh on household consumption; fiscal and monetary support don't provide a meaningful boost; cyclical areas remain soft, while secular growth areas source of demand (i.e. tech)
- **Fed:** new Fed eventually gets to neutral (3%), but new Fed chair unable to push committee for deeper cuts
- **Yields:** remain sideways choppy, with lower short end but elevated long end on "ok" growth and high deficits
- **Equity:** high valuations and high earnings expectations set up for a choppy market, where areas that are able to deliver idiosyncratic growth drive the majority of the price gains; leadership rotations potentially brief

Hot Dog Summer

Growth reaccelerates (2.5%+), with UE down, while inflation reaccelerates or at least stays sticky.

- **Driver:** wealth effect and fiscal support drive an acceleration in household consumption (such as in the summer around major US events- hence the hot dog)
- **Fed:** even new Fed unable to deliver more than 2 more cuts as better growth and improved UE keep policy from easing further, mostly if inflation turns higher
- **Yields:** yields press higher, with concern that 2 year ends down trend, signaling great inflation concerns.
- **Equity:** initially rally on strong growth forecasts, but could see valuation pressure if yields turn meaningfully higher; cyclical, pro-risk leadership



How is Our Lie Looking?

Where The Ball Lies

U.S. Economy

- **GDP Growth:** consensus expects 2.1% GDP growth for 2026, on trend and effectively unchanged from 2025.
- **Jobs:** the U.S. begins the year with UE at 4.4%, but the pace of private payroll growth slowed to just 61K per month last year. Both hiring and firing remain low, while wage growth continues to decelerate.
- **Inflation:** full year 2025 CPI was 2.7%, with a 0.3% rise in the December reading.
- **U.S. Consumer:** the U.S. consumer surprised significantly to the upside in 2H25, shaking off affordability and job market concerns. Household Consumption growth is expected to decelerate from 2.5% in 2025 to 2.0% in 2026 given slower jobs, slower population growth (0.5% in 2025), low real wage growth (1.1% in 2025), and low saving rates (4.0% currently). Consumer sentiment begins the year severely depressed.
- **Cyclical Sectors:** residential construction continues to weaken, while manufacturing employment has contracted in every month since April 2025)
- **K-Shapes Everywhere:** large dispersions between winners and losers across the economy, with large businesses and high-income households strong and flattering aggregate data.

U.S. Policy

- **Whatever It Takes?:** various policies involving direct federal intervention in the economy are meant to support the equity market and improve affordability in a midterm election year.
- **Fed Policy Rate:** the current target rate is 3.625%, two or three cuts above its median projection of the long-term neutral rate. Two cuts are currently being priced in for 2026.
- **Fed Balance Sheet:** the Fed began providing short term liquidity support in December, expanding its balance sheet. It has ended its quantitative tightening, though it is still letting mortgages roll out of the portfolio.
- **Tariffs:** the current effective tariff rate is 14% and revenues have averaged \$1.5 to \$2 billion per day. This is subject to change based on the outcome of ongoing court cases.
- **U.S. Deficit:** with a \$1.78T deficit in 2025, deficit to GDP ended November at an estimated 5.3%, an improvement over 7.2% at the start of 2025, but still elevated given the healthy state of the economy and lack of crisis. Total debt to GDP reached 125%.
- **OBBB:** business benefits began in 2025 and had little impact on the economy (i.e., bonus depreciation), while individual benefits begin to be felt in 1Q26, benefitting the top 40% of households.
- **Geopolitical Tensions:** the year begins with heightened tensions globally between events in Venezuela, Ukraine, and Iran.

Where The Ball Lies

U.S. Equity Markets

- **Fourth Year of a Bull Market:** the S&P 500 has delivered three years of double-digit gains. Since 1950, there have been 20 three-year bull markets, with just over half of them extending into a fourth year, while the other half stumbled.
- **Mid-Term Election Year Seasonals:** of the four-year election cycle, the mid-term year tends to have the lowest total returns and the largest average drawdowns.
- **Valuation:** S&P 500 22x forward for the S&P 500, in the 98th+ long-run percentile. Other indices (global, smaller cap size) in the 80th percentile of valuations.
- **Earnings:** S&P 500 earnings estimates are lofty at \$310/share, implying 15% growth for 2026 (plus another 10% forecasted for 2027). Consensus includes a slight slowdown in Mag7 and a big acceleration in “Other 493” growth.
- **Positioning:** household allocations are at prior peaks (71.2%, AAll) but institutions remain just neutral (53rd percentile, Deutsche Bank)
- **Sentiment:** analyst forecasts are resoundingly bullish for 2026, with no strategists expecting a down year and the average target price +9% to end the year.
- **AI/Secular Themes:** AI excitement has boosted overall sentiment/risk appetite, but hyperscaler capex growth is expected to nearly halve from over 60% in 2025 to +36% in 2026, while the boost to “AI adopters” remains a “show me”.

Fixed Income

- **Short End:** 2 Year Treasury began at 3.45% and in a downtrend. Consensus expects lower yields driven by Fed cuts, so a change in trend would be a big surprise.
- **Long End:** 10 Year Treasury began at 4.17%, falling over the course of 2025 (likely helped by lower 10 Year issuance in 2025) and 30 Year Treasury at 4.84% (above support at 4.80%). Global long yields are moving higher, potentially putting upward pressure on US yields. Long-term market-based inflation expectations using breakevens and swaps remain contained (at 2.3-2.4%).
- **Yield Curve:** the 10 2 Curve began at 69 bps (up from 31 bps to start 2025). Consensus is calling for a steeper curve in 2026.
- **Credit Spreads:** the BBB-BB spread (extra compensation demanded for high quality junk vs. lowest quality investment grade) near a record low of 0.6%, reflecting rich credit valuations.
- **Credit Quality:** in 2025, there were more fallen angels (downgrades to junk at \$55B) than rising stars (upgrades to IG at \$10B). Total corporate bankruptcies rose to the highest level since 2011.
- **Credit Supply:** 2025 saw corporate bond issuance at \$2.2T (+13% YoY, SIFMA).
- **Muni Supply:** 2025 issuance was a new record, 14% higher than 2024, which was the previous record.

Where The Ball Lies

Currencies and Commodities

- **USD Consensus and Positioning:** the DXY began at 98 (technical support), with consensus calling for a weaker USD in 2026 but positioning already reflecting net short/bearish positioning. A rally in the USD would catch consensus off guard.
- **Gold:** after delivering its best annual gain since 1979 (+65%) gold consensus remains bullish on another year of gains focusing on central bank demand, currency debasement, and fiscal dominance. Gold's "high beta cousin with a use case", silver, rallied sharply in late 2026 on speculation and supply concerns.
- **Industrial Commodities:** cyclical industrial commodities rallied in late 2025 on supply concerns and hopes for a global reacceleration. The Bloomberg index is nearing multi-year highs.
- **Oil and Gasoline:** oil slid in 2025, starting 2026 at \$57/barrel (WTI), down -22% in 2025 and -50% since the 2022 peak. Gasoline prices fell to \$2.80/gallon, delivering the third consecutive year of consistent YoY declines in gasoline prices.
- **Crypto:** crypto was the only risk asset class to produce negative returns in 2025, despite hopes for a DC policy-driven boom. October-November were particularly bruising, as unwinds in "perpetual motion" stocks sparked selling. Crypto's liquidity sensitivity and recent weakness raises questions about the liquidity cycle in 2026.

Alternatives

- **IPO Market Reopened:** 2025 saw 202 IPOs with \$44B raised (up +38% and +49% over 2024, respectively). The IPO Index (Renaissance Capital) only rallied 5% in 2025, reflecting mixed reception of recent IPOs. This is a watch item for private equity and late-stage venture.
- **Strong Flows from Retail Investors:** retail and high-net-worth capital continues to flow into private markets supported by broader access vehicles and advisor adoption.
- **Private Equity Deal Valuations:** deal valuations have become more disciplined following recent repricing, improving entry points in select sectors, while competitive processes persist for premium assets and top-tier managers.
- **Venture Valuations:** venture valuations remain bifurcated. reset levels have created opportunities in later-stage and crossover rounds, while early-stage pricing remains uneven and highly dependent on company quality and capital efficiency.
- **Infrastructure Funding:** infrastructure continues to attract substantial public and private capital, driven by digital, energy transition, and resiliency investments, though longer development timelines and execution risk warrant careful underwriting.
- **Increased Scrutiny of Private Credit:** headline risk has increased amid isolated frauds, restructurings, and bankruptcies, reinforcing the importance of manager underwriting standards, documentation quality, and portfolio transparency.



How the Shot Could Break and How to Play It

How the Shot Could Break

U.S. Economy

- **GDP Growth:** we expect trend growth for the U.S. in 2026, with limited boost from policy, still-sluggish cyclical sectors, and slowing household consumption (wages, jobs). At this time, we see less upside to 2026 GDP forecasts.
- **Jobs:** we do not expect the U.S. labor market to reaccelerate at this time, with job gains remaining subdued but not causing a large jump in UE due to immigration slowing labor supply.
- **Inflation:** inflation could *appear* more benign to start 2026 due to late 2025's shelter distortions. Slow wage growth keeps inflation at bay, which keeps affordability an issue even as inflation statistics moderate.
- **U.S. Consumer:** K-shaped economy means higher-end consumers continue to rely on rising equity markets while lower income households feel pressure from falling wage growth. Low savings rates and rising delinquencies leave little buffer.
- **Upside Risks:** technology-driven productivity boom allows growth to continue to diverge from the labor market (a rare occurrence); policy proves to boost consumer more than forecasted (along with Hot Dog Summer dynamics), while equity market strength/housing price resilience keeps the wealth effect boost alive and well.
- **Downside Risks:** tech/AI positive feedback loop (see 4Q25 Outlook, "Circles") turns negative; cutting labor costs eventually hampers demand; policy follies prove growth negative; exogenous oil shock accelerates inflation/hurts consumer

U.S. Policy

- **Fed Policy Rate:** we see the current Fed on hold (barring a large jump in the UE rate in Jan or Feb), with the new Fed chair in May pushing for lower rates, but meeting committee resistance if the economy remains resilient. The debate will be centered on where is "neutral", with hawks arguing we are already at neutral and doves arguing neutral is well below 3%.
- **Fed Balance Sheet:** new Fed is likely to want to drive lower long-term yields to support housing, while purchases of bills likely to continue to help Treasury funding.
- **Tariffs:** expected to remain in place in some form regardless of legal rulings, but a partial refund of last year's tariffs could be an unexpected windfall for companies that import
- **U.S. Deficit:** history suggests at least one house of Congress will flip to the Democrats, which likely means the end of significant legislation; divided governments with Republicans in the White House have tended to produce large increases in discretionary spending
- **OBBB:** corporate and individual tax changes could increase after-tax incomes, but benefit cuts could mean less spending power for households at the lower end of the wage scale
- **Geopolitical Tensions:** global issues will continue to flare, but their impact on markets will remain limited unless they cause a significant rise in oil prices.

Equities: How the Shot Could Break and How to Play it

How the Shot Could Break

- **Lower Returns:** given the “lie” (midterm/4th year of a bull, high valuations, large concentrations, high earnings expectations, crowded retail positioning, optimistic sentiment, and thematic deceleration) we see returns slowing in 2026, with volatility along the way.
- **EPS is the Driver:** the path of the market will likely follow the path of earnings revisions (both on an index and sector level); we see initial upside to S&P 500 EPS thanks to strong 4Q25 results, but could face challenges as the year progresses and estimates are rationalized. Remember, the market will price in *next* year’s EPS, meaning this year’s strong EPS was already reflected in last year’s strong returns. Given high valuations, slight earnings misses could be punished profoundly.
- **Laggard Leadership?:** the year is kicking off with a big rotation favoring past laggards and pro-cyclical areas (the “global reacceleration” narrative). Given crowded tech/Mag 7/AI positioning at the Growth peak in October, we could see a further rotation, but given Growth’s strong earnings profile, we would find a deeper Growth sell-off to be attractive.
- **AI Capex:** the key question is not if aggressive investment in AI infrastructure will continue in 2026, but rather how will investors respond to a moderation in this growth rate, and how much capital intensity will investors be willing to accept in a more rational environment.

How to Play It

- **Aim for the Center of the Green:** given the imperfect lie we have outlined, we view the risk-reward as less favorable than it has been in recent years. In golf terms this means playing the more conservative shot, aiming for the center of the green and using disciplined strategy to avoid penalties and take bogeys out of play. Rebalance, focus on diversification and company with sound fundamentals.
- **Keep the Driver in the Bag for Now:** everyone loves the long-ball but even in perfect conditions, the top tour pros only hit the fairway about 60% of the time with the driver. An aging bull market, with crowded consensus optimism and the potential for disappointments in a wide range of areas, conditions are less than ideal for equity investors. Look to pare back higher risk more speculative positions, stay patient and accept that par (or average return) is a great score.
- **Let the Club do the Work:** an imperfect lie doesn’t take you out of the hole, but it does make shot and club selection even more important (given the potential for a mishit or less clean strike). Like using a wedge to escape from deep rough, emphasizing strong fundamentals, durable growth, and overall quality characteristics should be more effective investment tools.

Fixed Income: How the Shot Could Break and How to Play it

How the Shot Could Break

- **Short Yields:** the slide in short-term yields likely slows in 2026, assuming a resilient economy, as global central bank easing cycles near their end.
- **Long Yields:** long yields will remain sensitive to economic data, following economic surprises. Deficit concerns have reduced impact on yields as long as Treasury can continue to fund itself with Bills and reduce Note (10 Year) and Bond (30 Year) issuance.
- **Credit Spreads:** as long as corporate profit growth remains healthy, credit spreads could continue to hover near record tight levels. A slowdown in economic/profit growth could cause a sharp re-pricing of credit risk.
- **Diversification Role:** with a base case for contained inflation, we expect bonds to play a diversification role in portfolios if growth fears were to rise.
- **Inflation Risk:** the bond market has been sanguine about the Fed's ability to contain inflation, even as it has cut rates with inflation above target. A turn in the downtrend of the 2 Year could be an important sign that bond market is growing more concerned about future inflation and pricing in the risk that the Fed will have to use policy to fight it.

How to Play It

- **Limited Opportunities in Taxable Bonds:** corporate credit spreads are near historically tight levels and new policy measures to boost the housing market have helped MBS, as well.
- **Treasury Curve is “Steeper” but not “Steep”:** policy uncertainty and lower recession risks have kept longer-end rate high, making duration extension more attractive in most markets.
- **Returns Driven by Coupons:** unlike 2025, there is less scope for bonds to deliver returns well above their initial coupons, but negative correlation to stocks gives them a place in portfolios.

Alternatives and Real Assets: How the Shot Could Break and How to Play it

How the Shot Could Break

- **Private Equity:** low rates don't spur a better exit environment as projected and private equity firms are forced to write down their investments meaningfully as they continue to be unable to exit.
- **Private Credit:** normalization of defaults causes those investors who have mismanaged expectations of yields to redeem putting downward pressure on the space.
- **Venture:** bloated fund sizes make it very difficult for multi-stage investors to be discerning about price as they try and amalgamate shares of core names.
- **Infrastructure:** excessive investment and spending in infrastructure could lead to overbuilding due to increasing efficiency and in the underlying infrastructure being built.
- **Structured Products:** significant re-pricing of credit risk within financial space creates concern around the underlying credit risk of notes.
- **Precious Metals:** despite the narratives for ownership remaining powerful (central bank buying, deficit concerns, debasement, etc.) the strong performance of gold over the last two years has the potential to cause higher price volatility in 2026. Gold's uptrend remains strong in the short term.
- **Industrial Commodities:** sharp rallies could be challenged if "global reacceleration" is not reflected in any demand data, while long-term supply concerns remain.
- **Crypto:** we will not even pretend to pontificate about the potential path for crypto in 2026, but will watch liquidity dynamics and overall risk-appetite as key drivers of returns.

How to Play It

- **Private Equity:** focus on managers driving value creation through margin expansion, operational efficiency and building a higher quality cap table to drive returns.
- **Private Credit:** remain hyper vigilant about rigorous underwriting standards and downside protection as the arbiter of return.
- **Venture:** focus on smaller venture managers funding businesses at the earliest stages.
- **Infrastructure:** being selective and thoughtful about picking managers that focus on areas supported by secular or structural tailwinds.
- **Structured Products:** diversify credit risk among individual bank issuers and country exposures. Monitor credit spreads and ratings to monitor for deterioration.

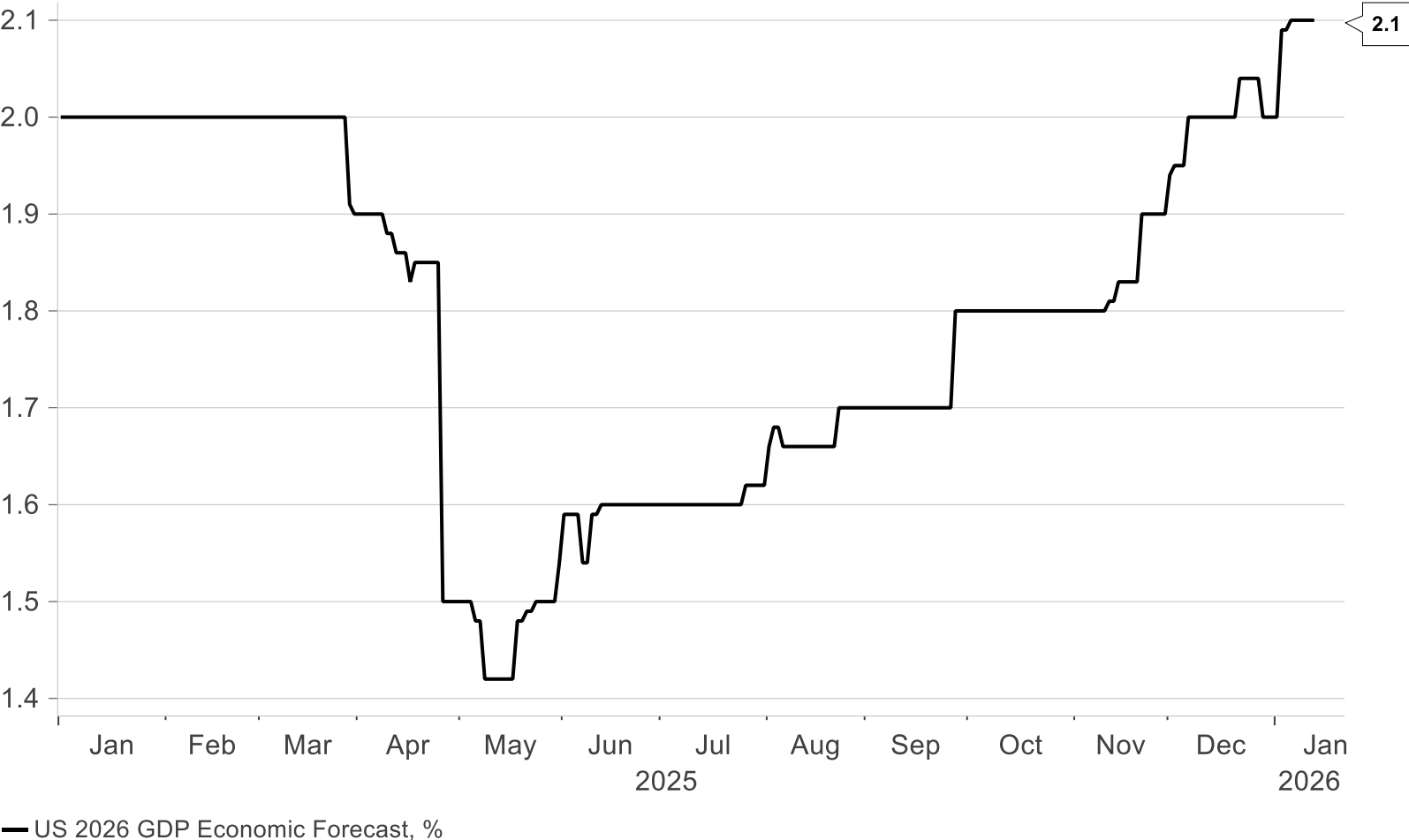


How is the economic
“course” set up for 2026?



Will GDP Forecasts Go Up or Down From Here?

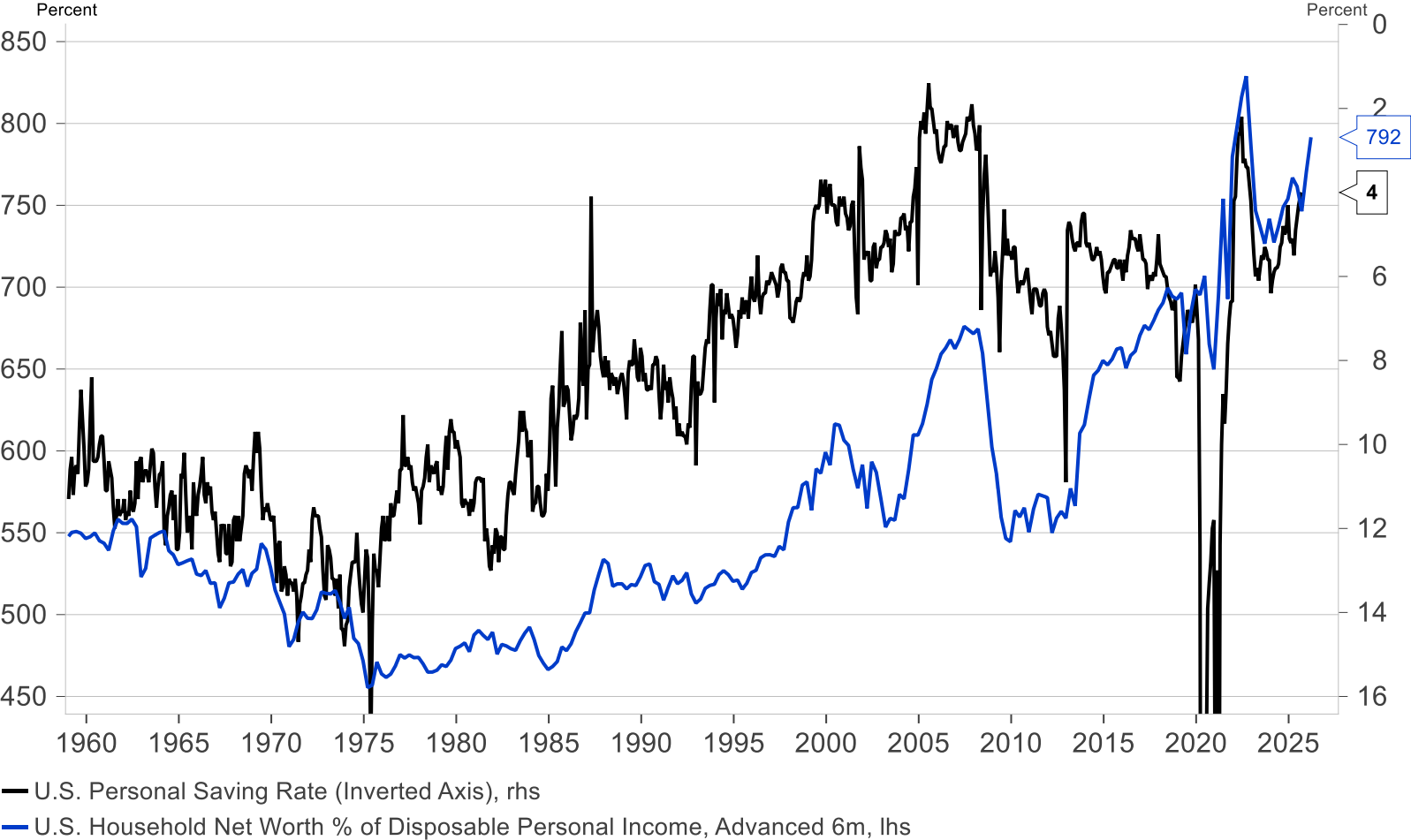
Bloomberg Consensus 2026 U.S. Real GDP Growth Forecast



Source: NewEdge Wealth, Macrobond, Bloomberg

Consumers Remain Supported by Rising Wealth Level (Homes + Stocks)

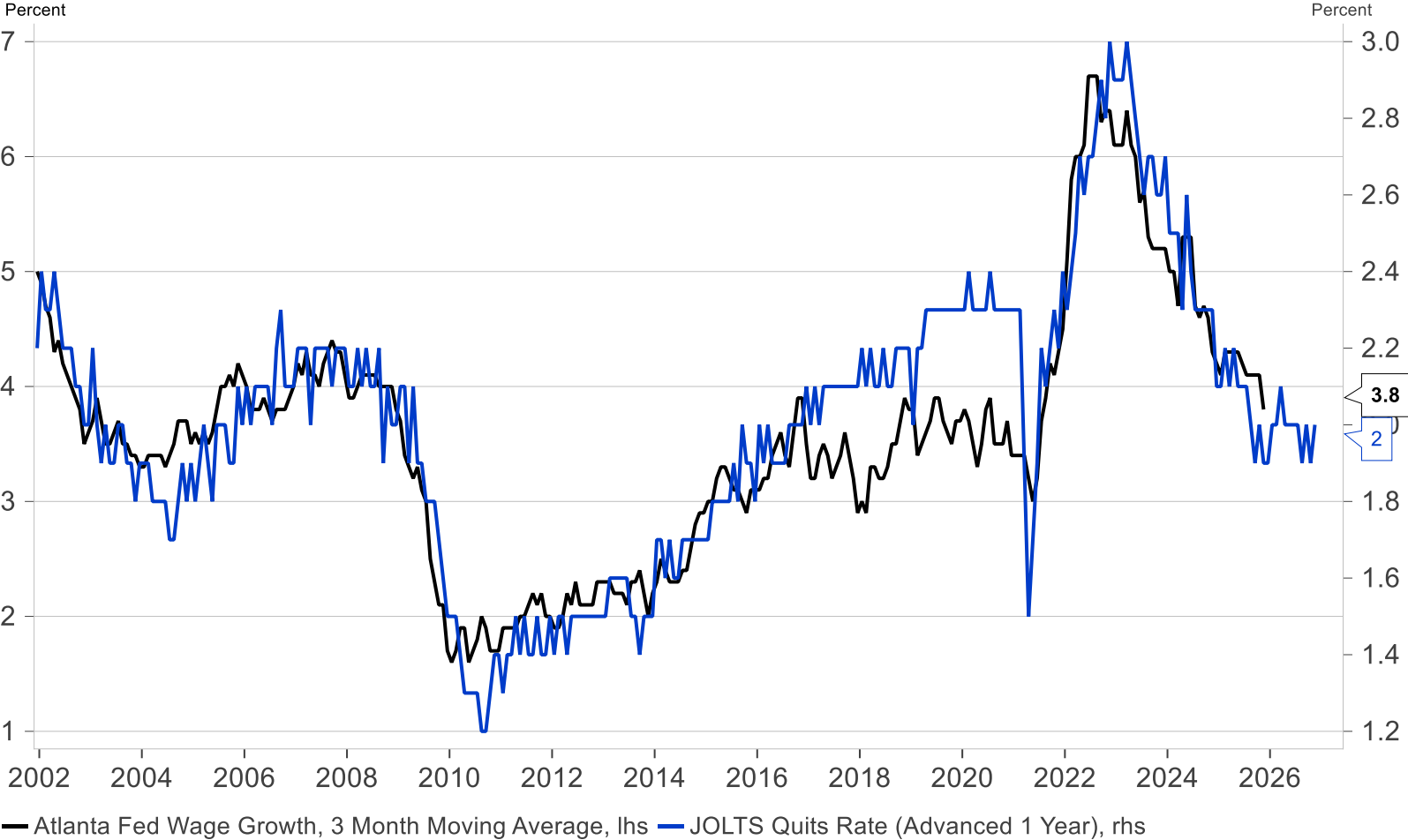
Personal Savings Rate (Inverted) vs. Household Net Worth



Source: NewEdge Wealth, Macrobond, Bloomberg U.S. Bureau of Economic Analysis (BEA), Federal Reserve

Households Reliant on Labor Income Have a Tougher Road Ahead

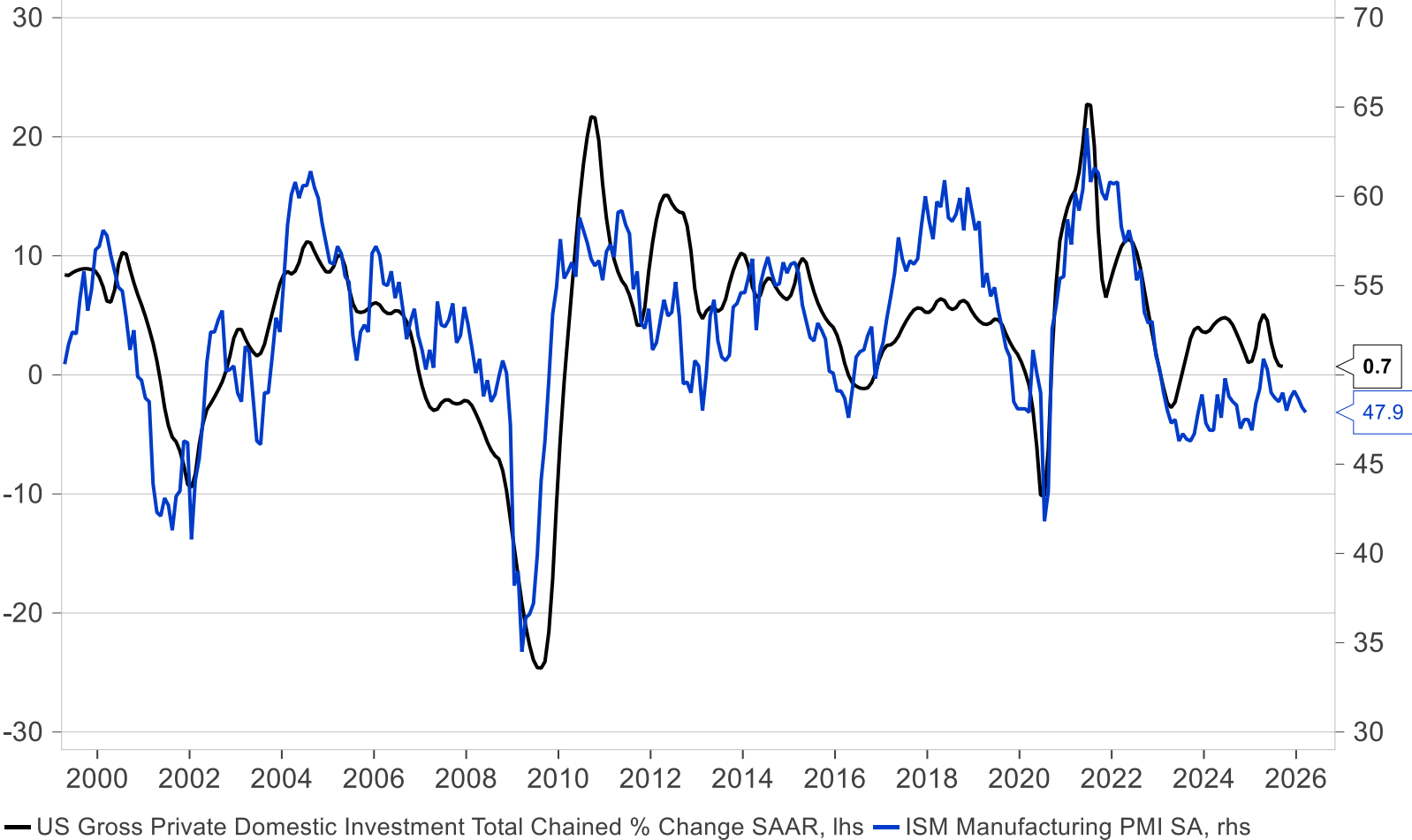
JOLTS Quits Rate vs. Future Wage Growth



Source: NewEdge Wealth, Macrobond, Bloomberg Federal Reserve Bank of Atlanta, U.S. Bureau of Labor Statistics (BLS)

Private Investment Likely to Remain Flat in 2026 (Even Including Data Centers)

Private Investment Growth and Manufacturing PMI



Source: NewEdge Wealth, Macrobond, Bloomberg

Despite Rising Bankruptcies, Corporate Earnings at New Highs

US Corporate Profits With IVA and CCA Total SAAR

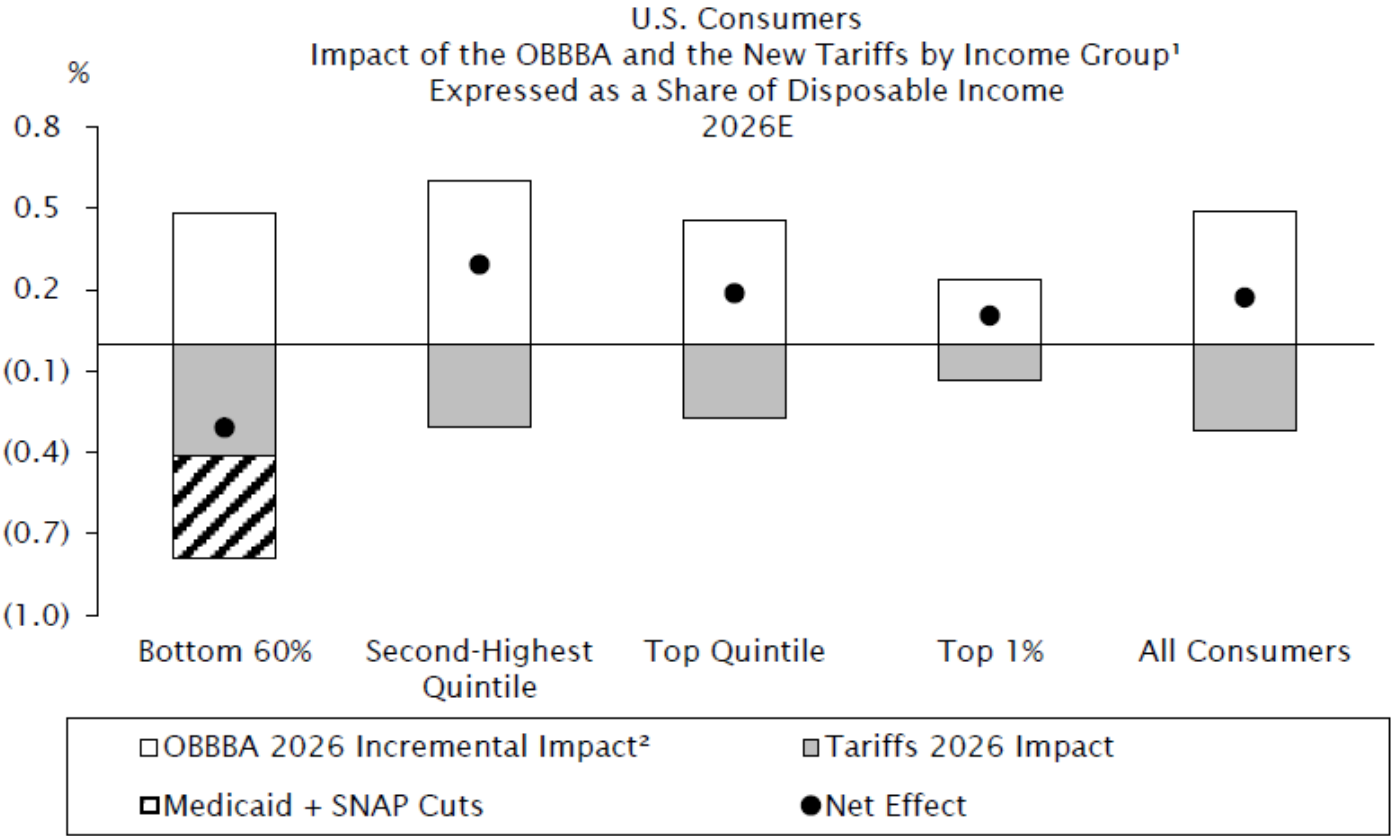


Source: NewEdge Wealth, Macrobond, Bloomberg

A dark, textured sphere, possibly a planet or moon, is mounted on a stand. The sphere is the central focus, with a blue semi-transparent circle overlaid on it. The background is black.

What policy changes
will drive markets in
2026?

Higher-End Consumers Set to Receive Help from OBBBA



Source: Peterson Institute, Joint Committee on Taxation, Congressional Budget Office, Bureau of Labor Statistics, Tax Policy Center, U.S. Department of Commerce, Wharton Budget Lab, Empirical Research Partners Analysis.
¹Assumes a 75% pass-through of the new tariffs.
²Excludes 2017 tax cut extensions.

Source: Empirical Research

Most of the Fed Easing Has Probably Already Happened

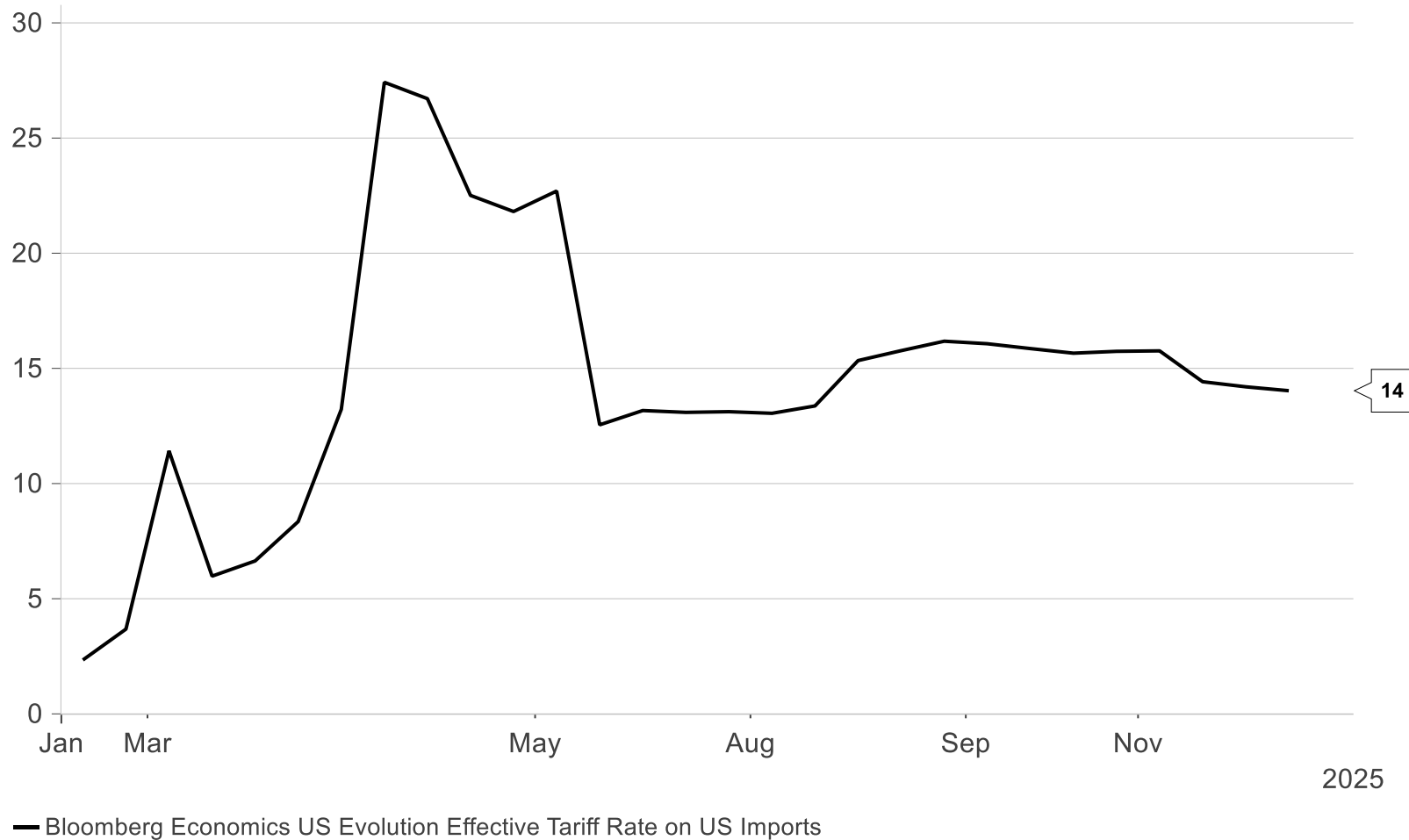
Fed Funds Rate With Market-Based Projections 2026



Source: NewEdge Wealth, Macrobond, Bloomberg

Tariffs Ended Up Being Lower Than First Billed (and Could be Cut Further)

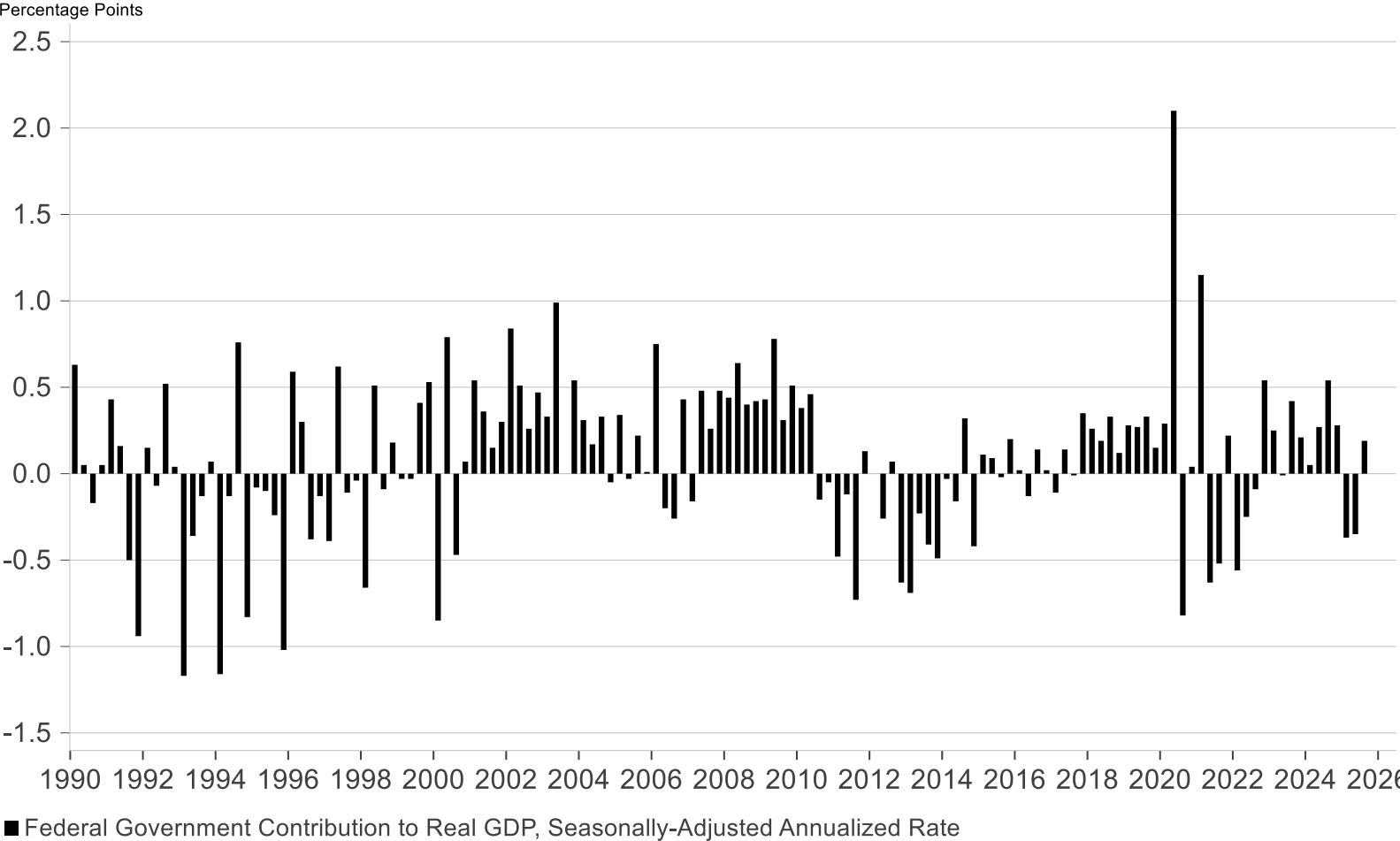
Estimated Average Effective Tariff Rate on U.S. Imports



Source: NewEdge Wealth, Macrobond, Bloomberg

More Discretionary Spending Growth Coming Post-Election?

Federal Government Contribution to Real GDP (QoQ Annualized)

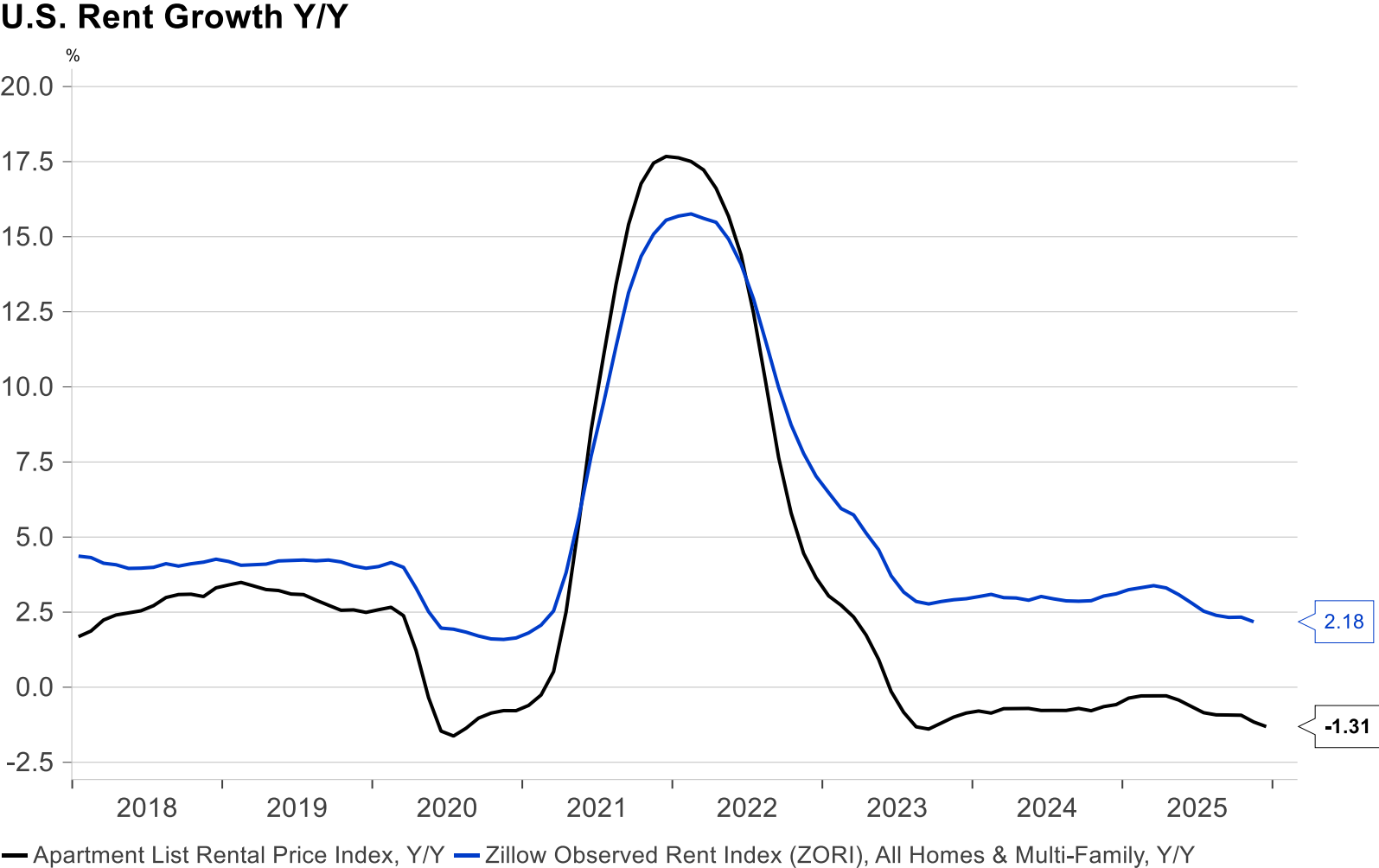


Source: NewEdge Wealth, Macrobond, Bloomberg U.S. Bureau of Economic Analysis (BEA)

Will Policy Changes Help the Economy and Markets in 2026?

- Optimism about OBBBA stimulus will be tested by spring economic data
- Not rooting for too many more Fed rate cuts
- 2025's trade taxes could be 2026's stimulus
- Watch for “kitchen sink” approach to addressing affordability ahead of the elections: mortgage purchases, institutional home purchase ban, credit card interest rate cap, etc.

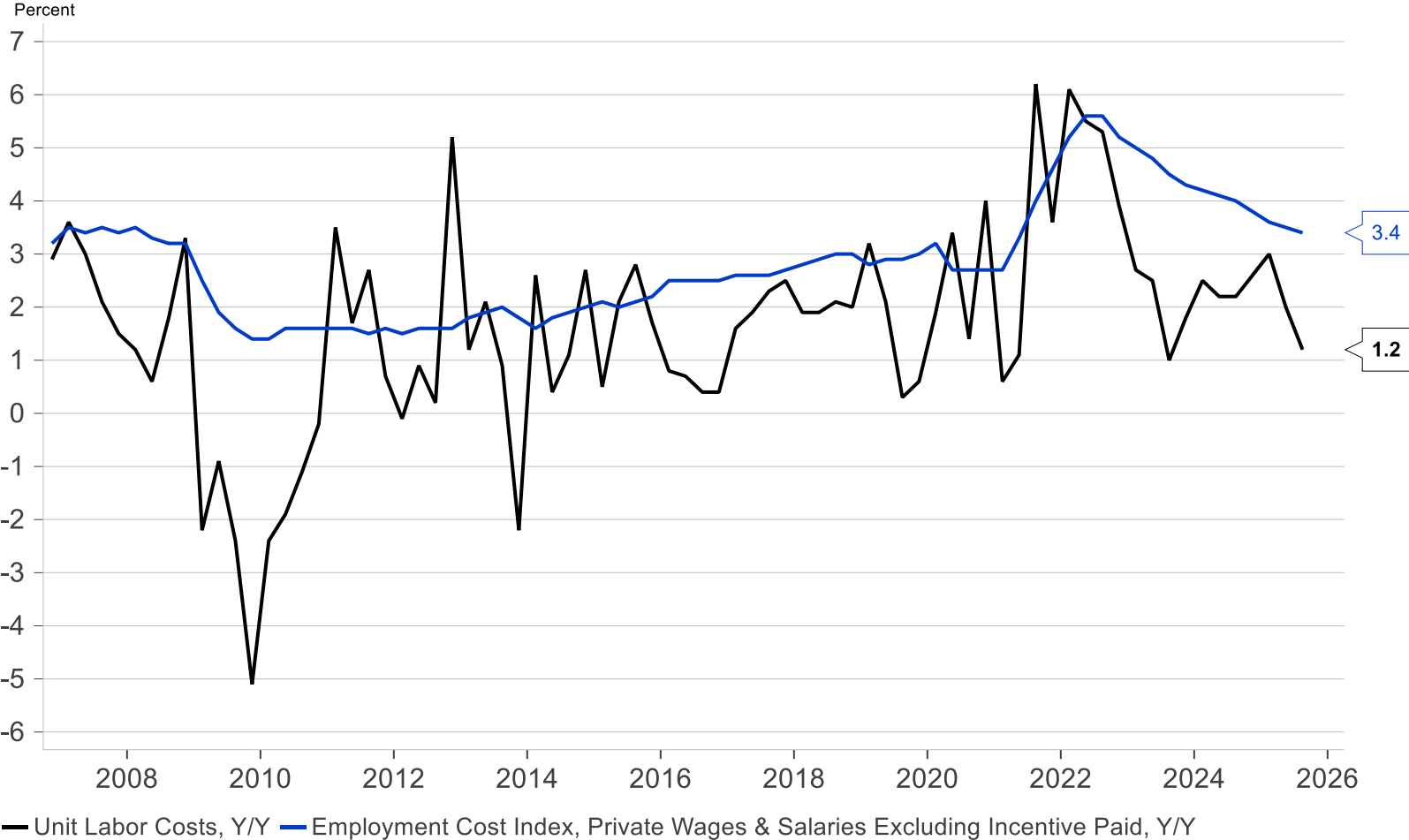
Inflation Looks Like Less of a Risk, Part 1



Source: NewEdge Wealth, Macrobond, Bloomberg Apartment List, Zillow, U.S. Bureau of Labor Statistics (BLS)

Inflation Looks Like Less of a Risk, Part 2

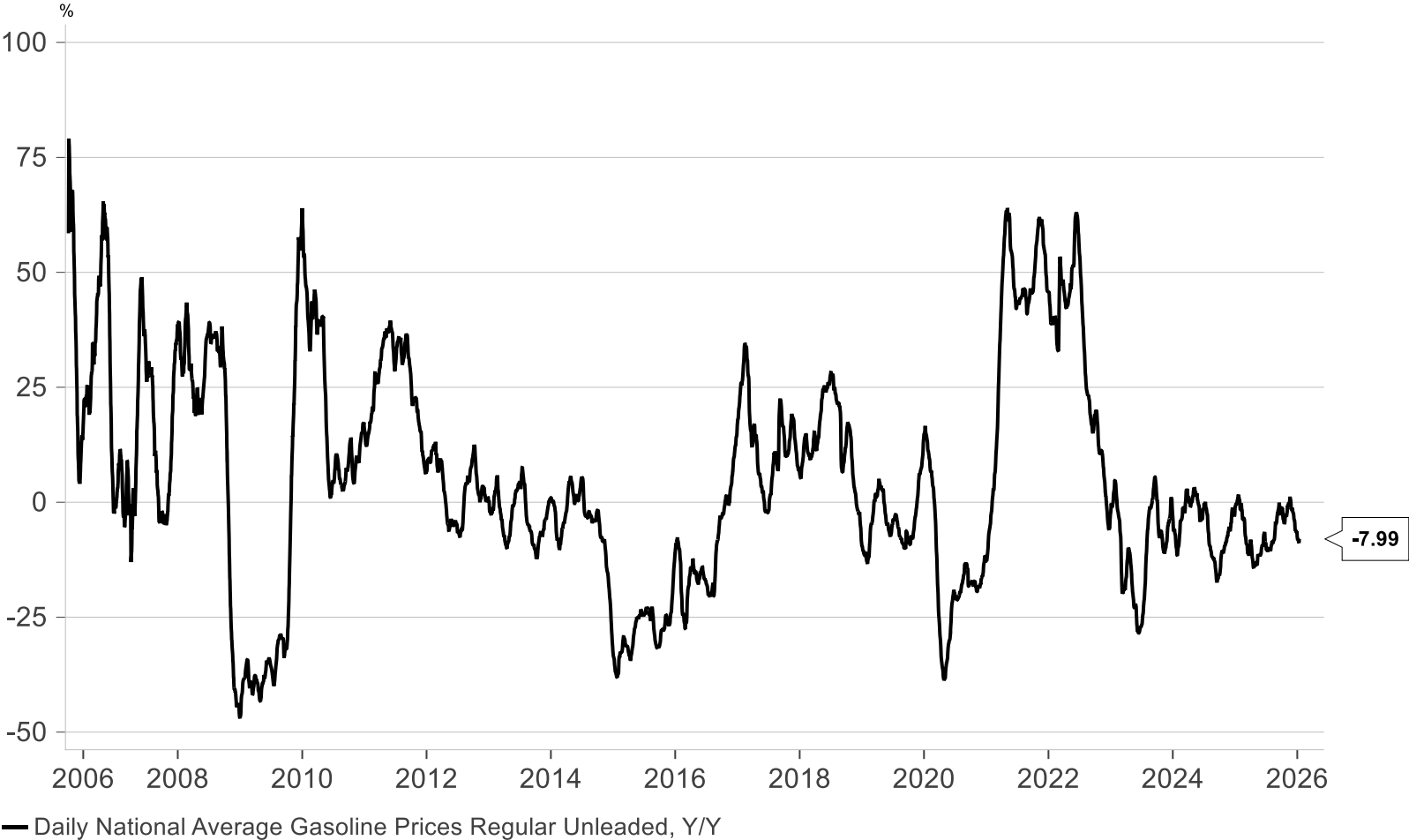
Employment Costs & Unit Labor Costs



Source: NewEdge Wealth, Macrobond, Bloomberg U.S. Bureau of Labor Statistics (BLS)

Inflation Looks Like Less of a Risk, Part 3

U.S. Average Gasoline Price Change



Source: NewEdge Wealth, Macrobond, Bloomberg

Economic Growth Surprises Will Be Key in 2026

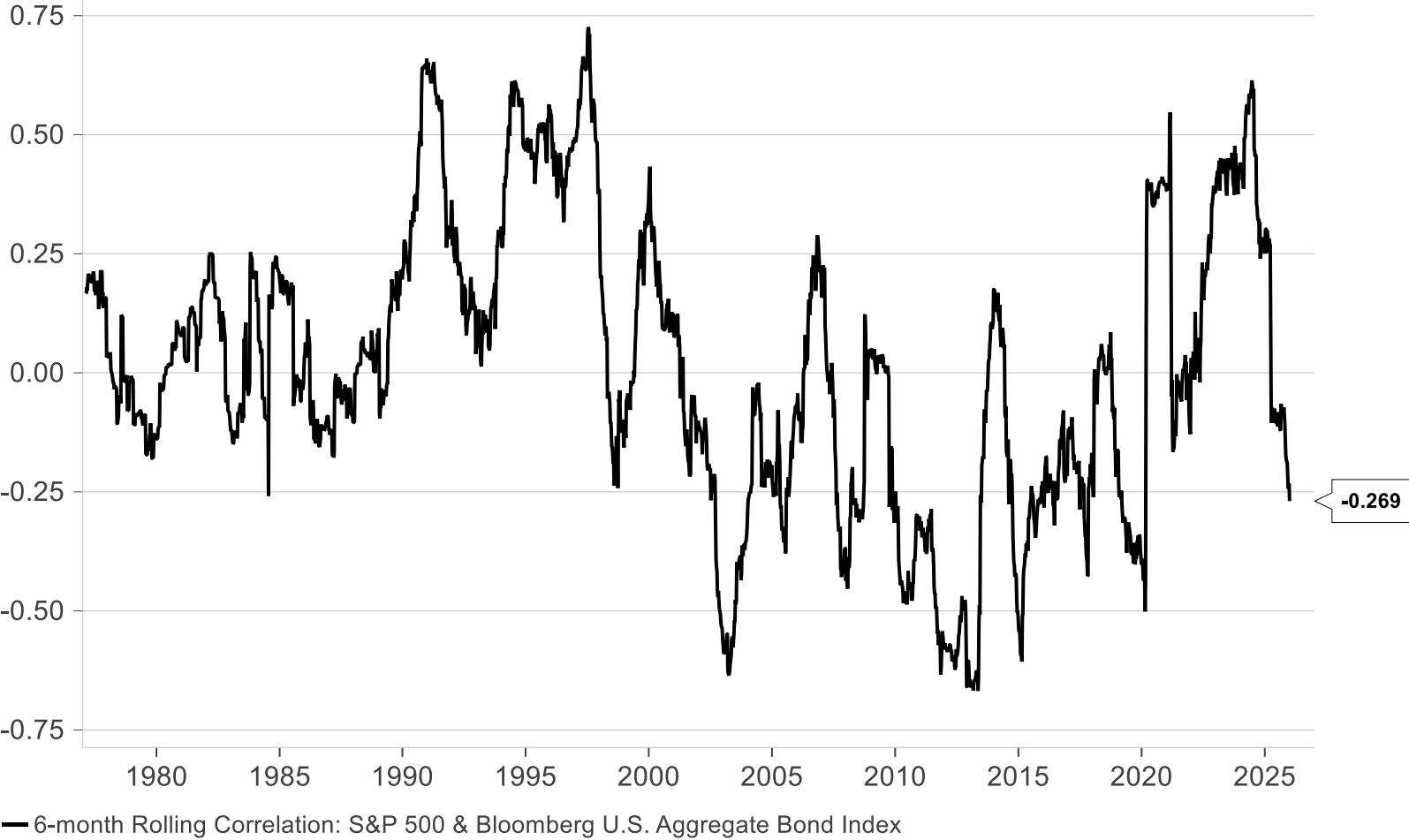
10-year Treasury Yield and Economic Surprises



Source: NewEdge Wealth, Macrobond, Bloomberg

Bonds Should Continue to Add Helpful Diversification to Portfolios

Rolling 6-month Correlation: Stocks vs. Bonds

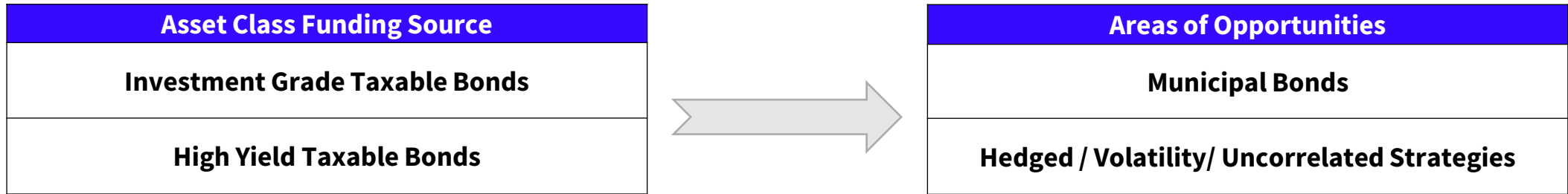


Source: NewEdge Wealth, Macrobond, Bloomberg S&P Global



*Are there ways to
improve your lie?*

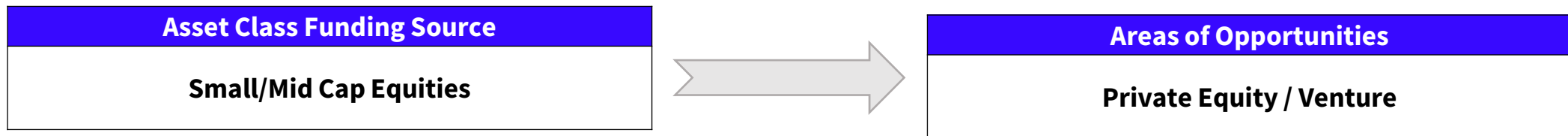
Improving The Lie: Repositioning Your Fixed Income



Trade Rationale: Entering 2026 with compressed spreads, lower yields following a strong 2025 rally, and potential for bond market volatility, we view the risk-reward in taxable investment grade and high yield as less favorable.

Within fixed income we remain overweight municipal bonds for tax-efficient income and are reallocating to uncorrelated assets and volatility strategies that are better positioned to benefit from market dislocations and can reduce sensitivity to traditional stock/bond portfolios.

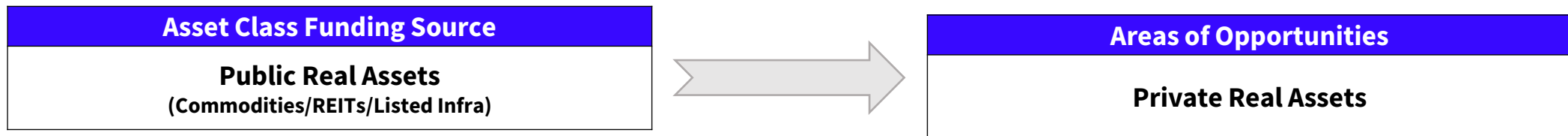
Improving The Lie: Reallocating Your Growth Capital



Trade Rationale: We view the risk-reward in U.S. small and mid-cap equities as less attractive given elevated optimism and aggressive earnings assumptions, leaving limited room for error which has historically not translated into consistent outperformance for the asset class.

In exchange for reduced liquidity, we are reallocating a portion of U.S. small and mid-cap equities to select private equity and venture capital strategies, which offer comparable risk characteristics while providing access to a broader opportunity set and more direct exposure to long-term secular themes, including innovation and AI-driven growth occurring outside public markets.

Improving The Lie: Finding Firmer Ground, From Public to Private Real Assets



Trade Rationale: Public real assets enter 2026 after strong, narrative-driven performance, leaving valuations elevated and returns increasingly sensitive to volatility and sentiment shifts. With several asset classes (e.g., precious metals and cyclical commodities) prone to “head fakes” absent clear demand confirmation, we view the risk-reward as less favorable preferring to allocate capital toward areas with clearer fundamental support and more durable cash-flow visibility, such as private infrastructure.



Equities

 **NewEdge**
WEALTH

Evaluating the Lie in Global Equities

GDP Growth	➔	<ul style="list-style-type: none">• Modest but positive, supported by resilient global economic activity around the world, with potential productivity tailwinds.
Policy	➔	<ul style="list-style-type: none">• Both fiscal and monetary is leaning favorable, with incremental tailwinds from deregulation, although much of this is priced in.
Earnings	➔	<ul style="list-style-type: none">• Healthy profit momentum continues to be a key market driver, but earnings are now well above long-term trend and expectations are high.
Valuations	➔	<ul style="list-style-type: none">• Valuations are elevated, generally in the 80th+ percentile relative to long-term averages in most global markets, most evident in the U.S. at 98%.
Positioning	➔	<ul style="list-style-type: none">• Household exposure is at a record high and institutional investors are no longer substantially underweight, overall not at extreme levels however.

Global Equity Outlook - Swing Easy When it's Breezy

- We remain constructive on equities, but an aging bull market, lofty expectations, and crowded consensus optimism will make for a challenging environment, requiring heightened discipline from investors in 2026.
- We expect global markets to once again produce positive but more modest returns, fueled primarily by earnings growth and generally supportive policy.
- In contrast to the last three years however, we expect more balanced performance across markets, a result of normalizing earnings trends, moderating AI capex spend, and a more favorable economic backdrop for the average company.
- In this environment we view diversification and as increasingly valuable risk management tool and expect a renewed appreciation for companies with strong underlying fundamentals.

Equity Markets in 2026 – A Narrow Tee Shot but We Can See the Fairway



Global Equity Views

U.S. Large Caps – “Take a three wood off the tee”

- Elevated valuations, concentrated markets, and AI capex concerns warrant a more disciplined approach relative to the last several years.

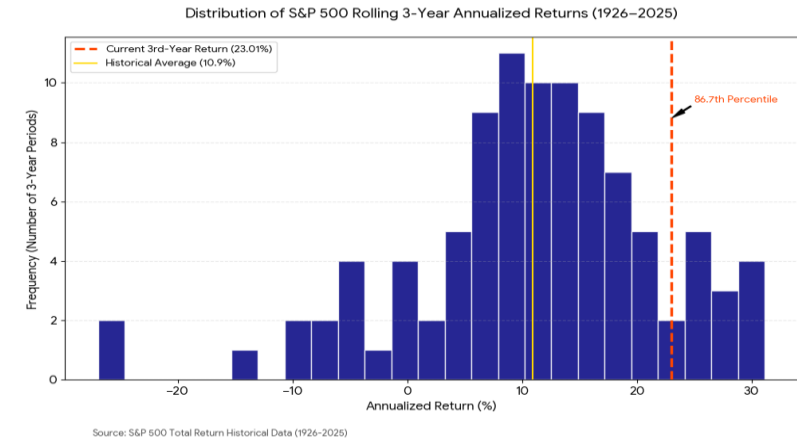
U.S. Small & Mid Caps – “It might open up over there, but you may want to hit a provisional”

- Increased optimism, lofty earnings expectations, and a history of failing to deliver suggests the lie in smaller cap companies is not as great as consensus expects.

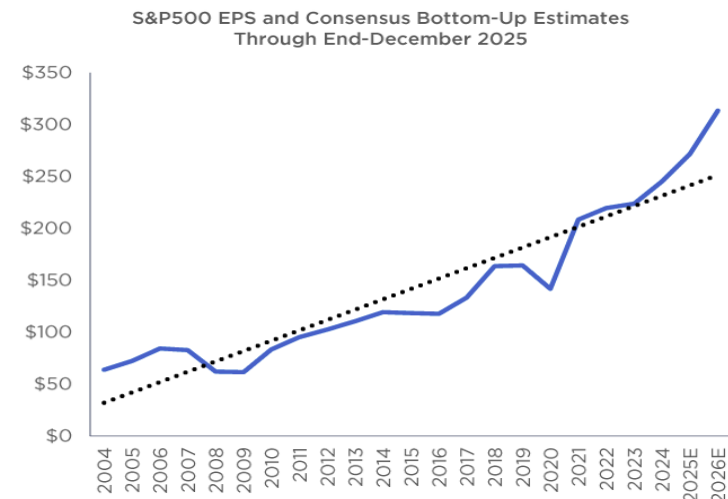
International Equities – “Par here could be a great score”

- Despite posting the best year in over two decades, positioning is less crowded and foreign markets continue to offer healthy diversification relative to U.S. counterparts. Modest growth and reasonable valuations may continue to act as tailwinds.

The S&P500 annualized total return over the last three years ranks in the 87th percentile of history



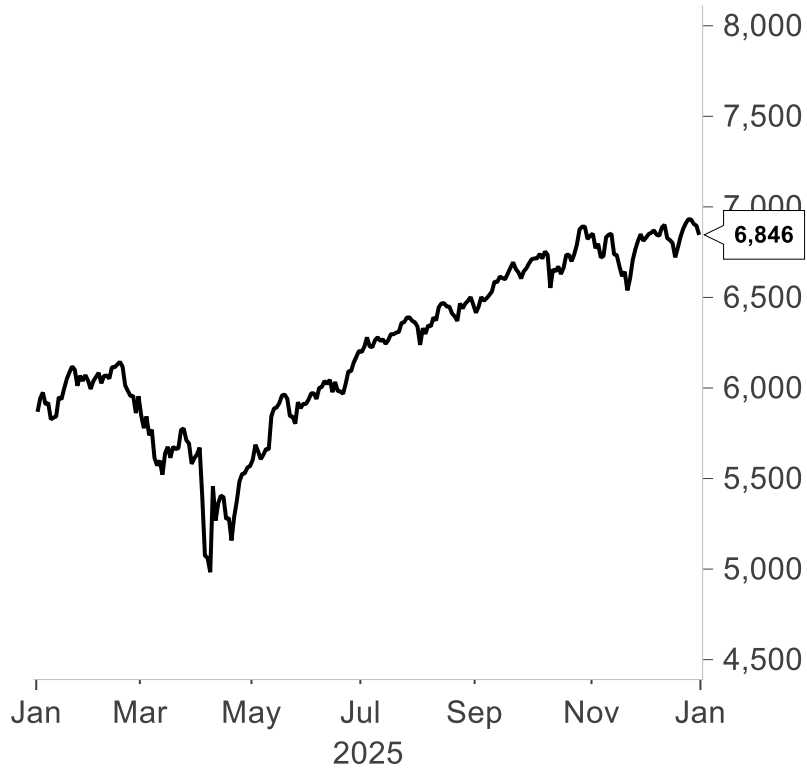
Recent S&P500 EPS growth is well above the long-term trend and likely to moderate in the coming years



Source: FactSet, Trivariate Research

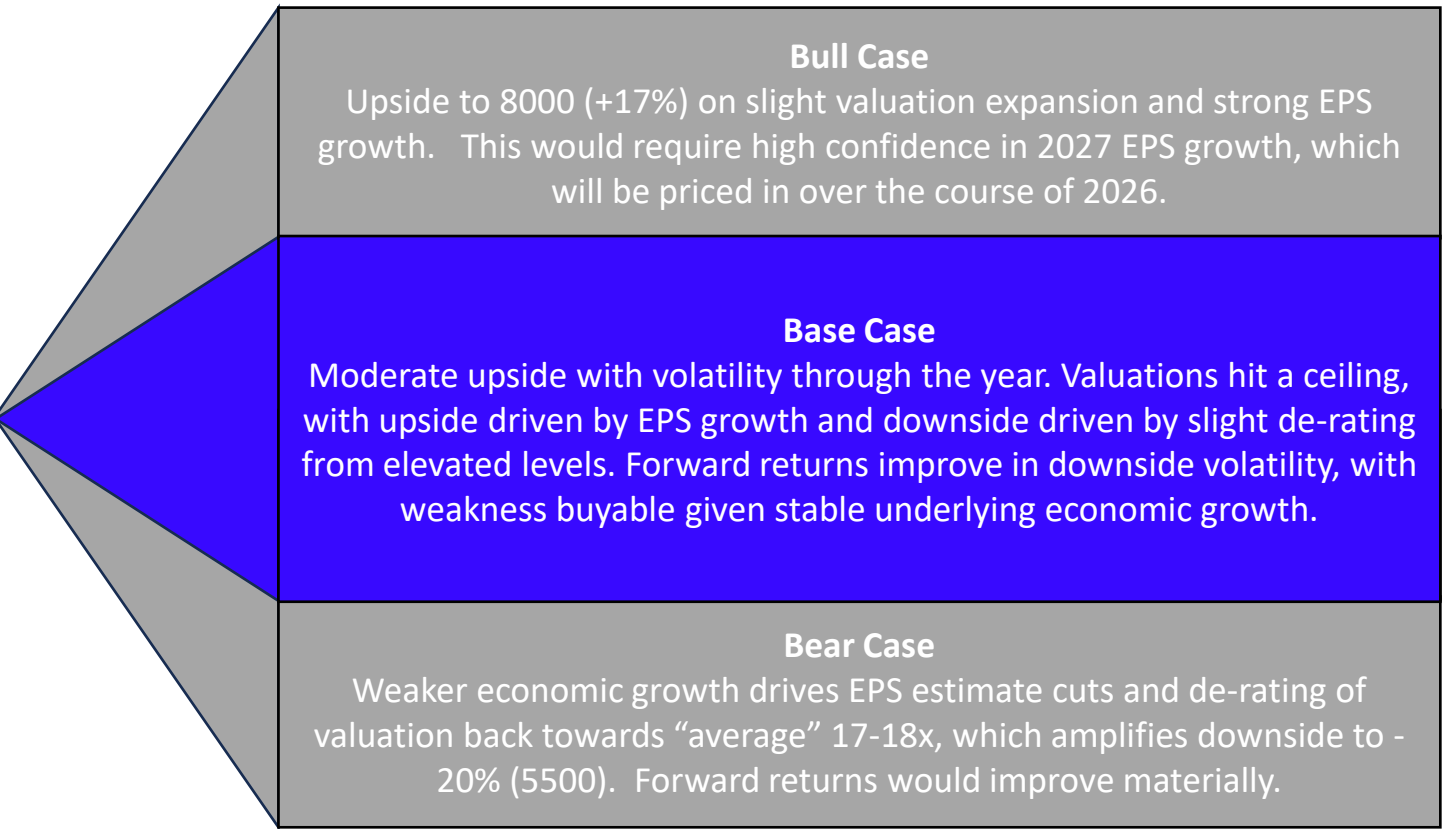
2026's Potential Equity Paths

S&P 500 INDEX in 2025



— S&P 500 INDEX

Source: NewEdge Wealth, Macrobond, Bloomberg



Earnings Growth: Healthy Momentum But a High Bar

2026 EPS Growth Expectations (as of 1/6/26)

Index	FP/E	YoY EPS Growth	Delta vs. 2025 EPS	YoY Revenue Growth	PEG Ratio
S&P500	22.1	13.7%	3.3%	7.1%	1.6
Magnificent 7	28.9	19.0%	-2.2%	15.1%	1.5
Russell 1000 Growth	28.0	20.0%	7.3%	12.2%	1.4
Russell 1000 Value	17.7	10.5%	3.4%	3.2%	1.7
Russell 2000	24.7	53.5%	49.7%	5.9%	0.5
S&P500 Equal Weight	17.7	9.5%	2.6%	5.1%	1.9
MSCI EAFE	16.0	8.6%	-1.1%	3.7%	1.9
MSCI Emerging Market	13.5	19.0%	2.9%	10.7%	0.7
MSCI Japan	17.1	8.0%	3.5%	6.4%	2.1
MSCI China	12.4	12.7%	11.0%	8.0%	1.0

Source: Bloomberg, NewEdge Wealth. Data as of 1/6/26

Can Earnings Growth Deliver Against Lofty Estimates?

Earnings growth and ongoing positive revisions have been a powerful market driver.

However, the earnings bar is now set materially higher in most markets, opening the door to disappointments.

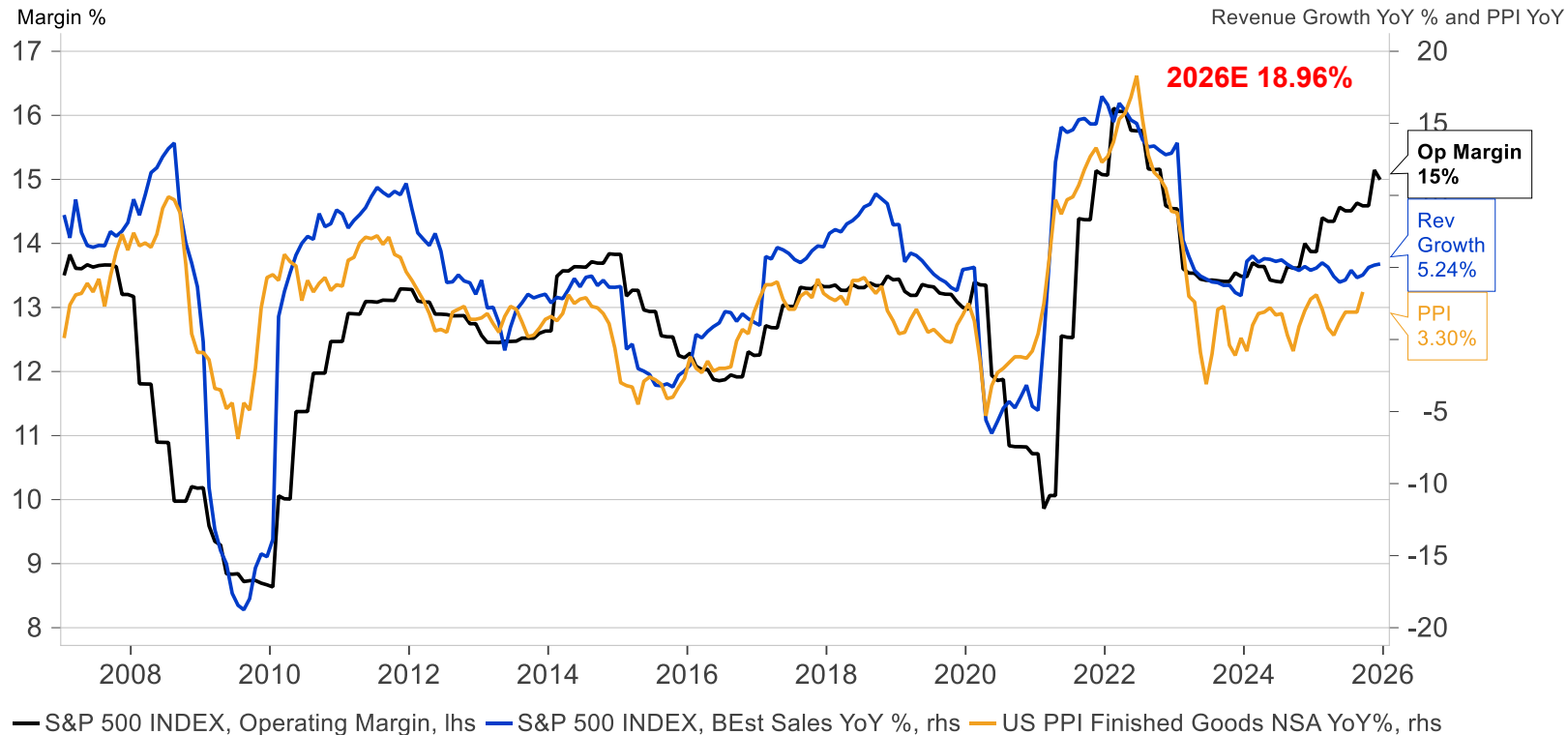
Key Question: Can the rest of the market (beyond the Mag 7) deliver on expectations?

Watch Items: S&P500 Gross & Operating Margins, Workforce Productivity Gains

Earnings Forecasts: Too Optimistic or Will We See a Productivity Miracle?

S&P 500 Margins Related to Revenue Growth and Inflation

S&P 500 Operating Margin (with Bloomberg Consensus Forecast), S&P 500 Sales Growth, PPI YoY



Source: NewEdge Wealth, Macrobond, Bloomberg

Current EPS Forecasts Incorporate Record Operating Margins

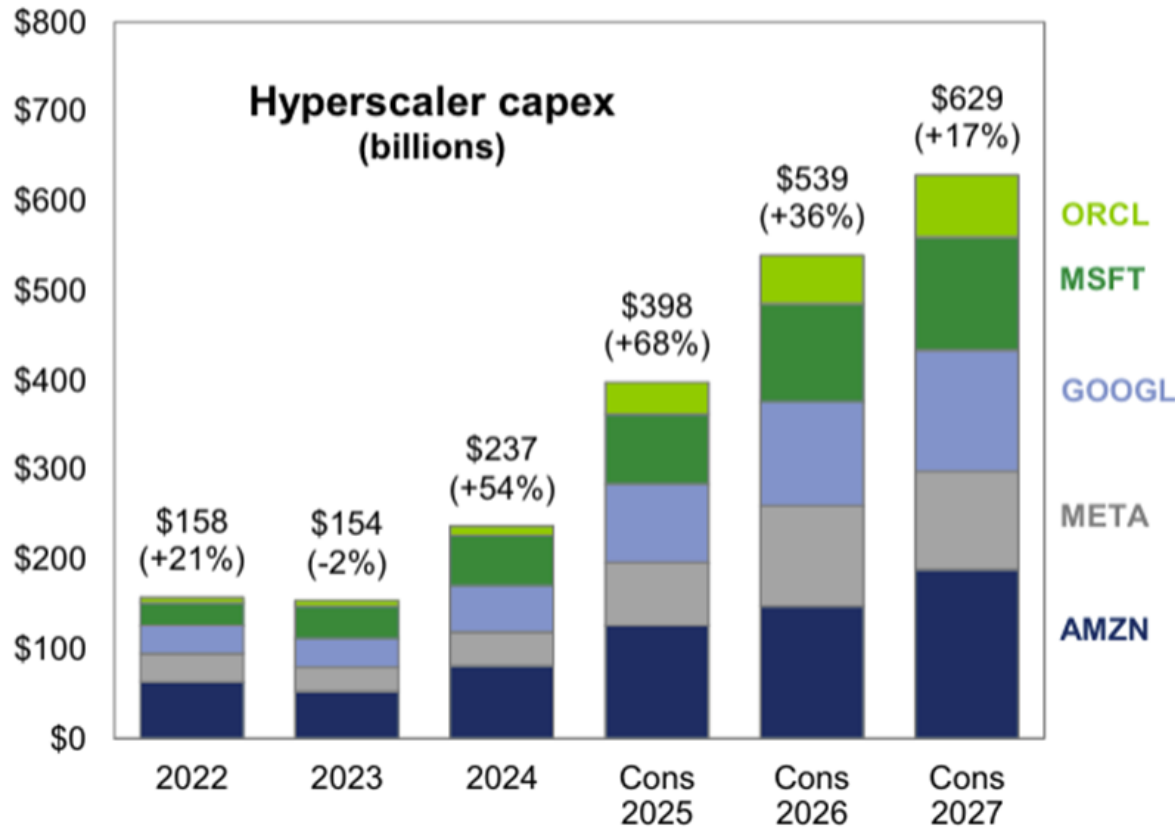
Corporate belt tightening and productivity gains have helped drive better than expected operating margins in recent quarters.

Absent an acceleration in AI driven productivity/efficiency or a surge in revenue growth (unlikely given modest YOY PPI), these expectations will be difficult to meet.

This may lead to earnings disappointments or downward revisions to future guidance.

AI Capex: A Key Market Driver & Linchpin of 2026

Remarkable levels of spending are likely to continue, but at a more modest pace



Source: Goldman Sachs. Data as of 1/6/26

Will AI Capex Once Again Exceed Expectations?

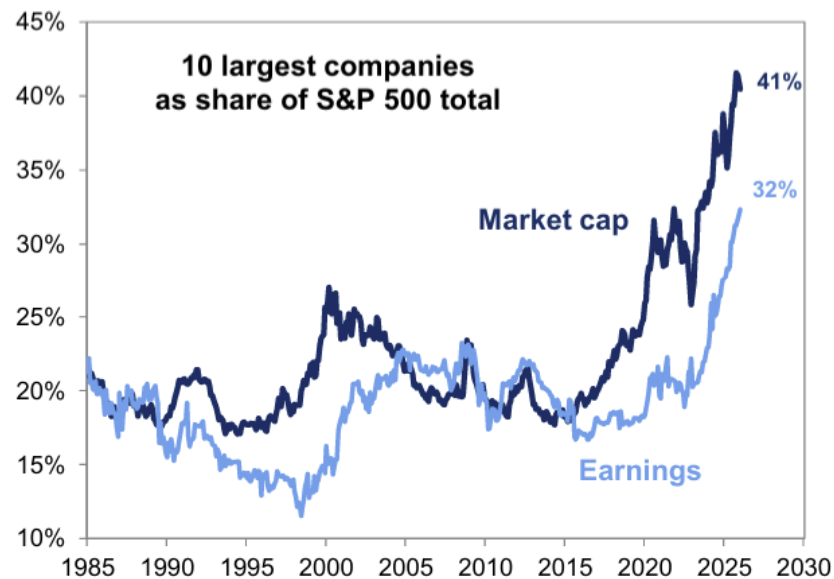
Hyperscaler capex and the near-term beneficiaries have driven over 70% of S&P500 EPS growth and performance over the past three years.

This capex growth is set to normalize in the coming years and hyperscalers have a thin line to navigate – spending enough to show strategic confidence but not raising more red flags about capital intensity.

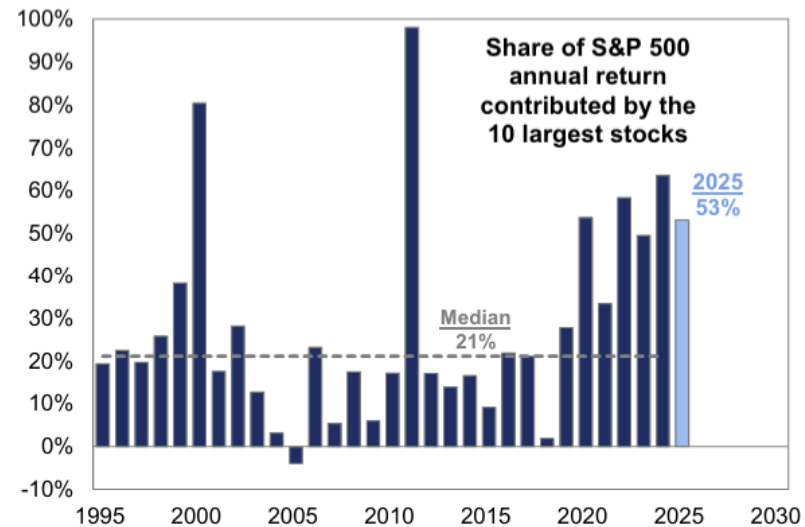
Key Questions: How will investors adjust to normalized spending and can hyperscalers show enough ROI to justify record capital intensity.

A Broadening Bull Market?

The 10 largest companies comprise a record share of the S&P500, and once again these companies accounted for the majority of the S&P500 return in 2025. While a late cycle environment is not ideal for the broadening trade, we should see some mean reversion off these historic levels.



Source: Goldman Sachs. Data as of 1/6/26



Will we see renewed concentration or a continued broadening?

Recent improvements in market breadth and optimism around more cyclical segments is encouraging.

Historically, more durable performance for these segments occurs in early cycle environments which we are not seeing.

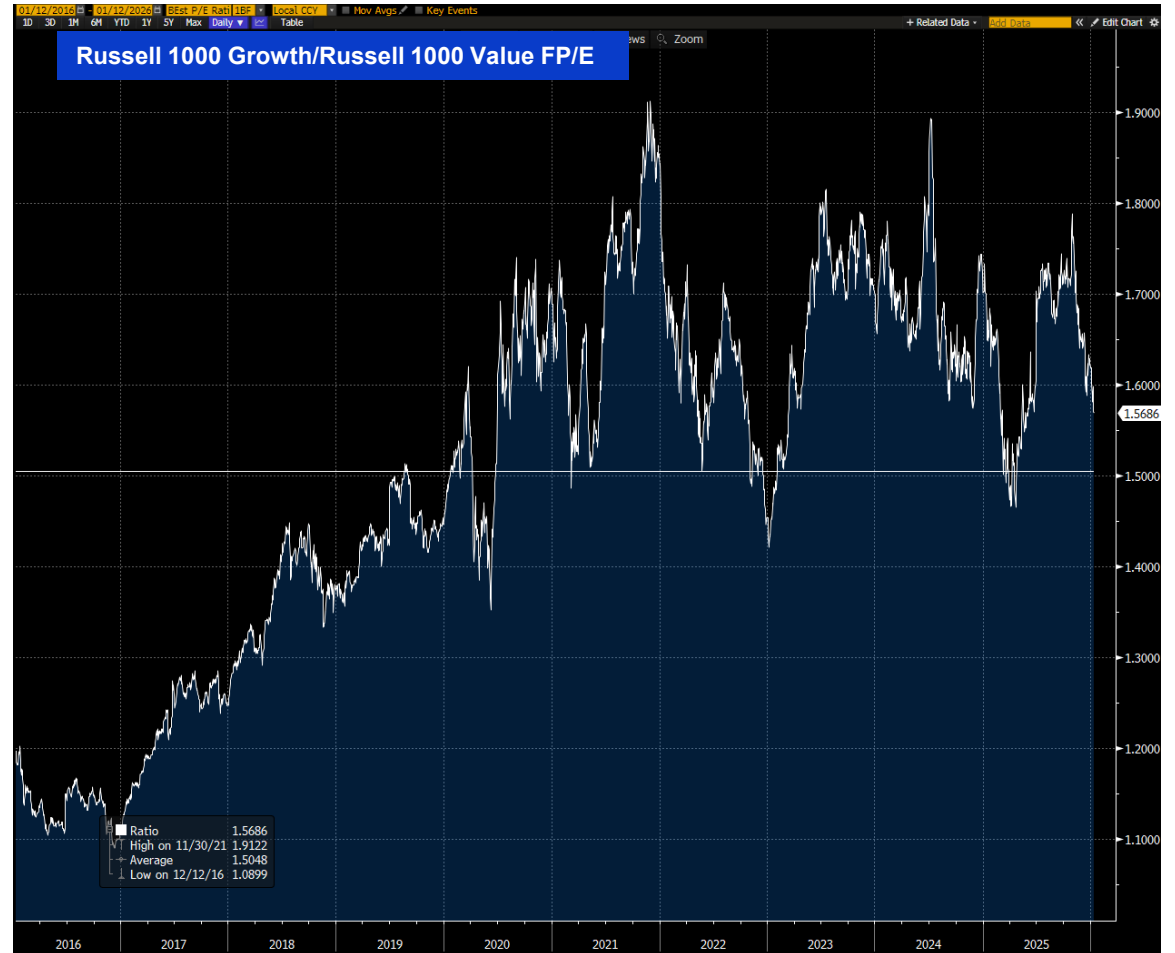
Key Watch Items: Earnings growth relative to expectations, operating margins for the average company.

Growth vs. Value: A More Balanced Environment

Growth & Value 2026 EPS Forecast Revisions



Valuation – Growth/Value Relative FP/E Ratio



Valuations Remain Elevated



Source: Bloomberg, NewEdge Wealth. Data as of 1-12-26

Can Equity Markets Maintain or Expand Current Valuations?

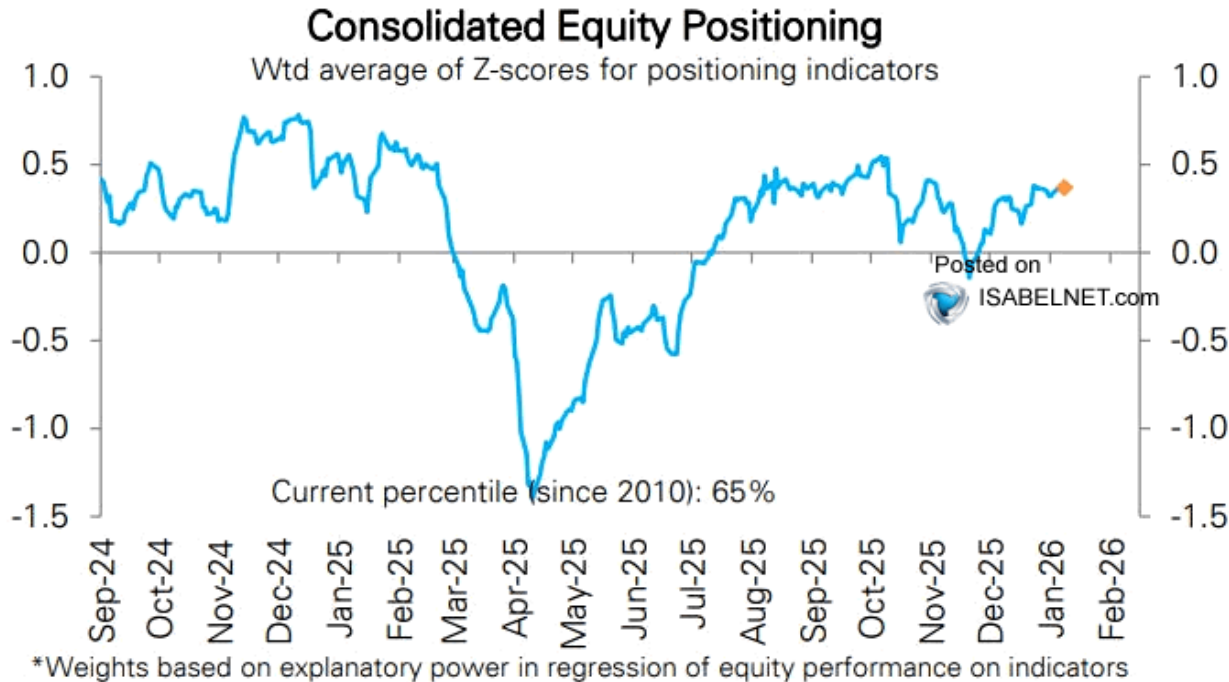
Policy uncertainty, geopolitical risks, and lofty earnings growth expectations leaves valuations prone to contraction

Valuation isn't a great timing tool but elevated levels, combined with above trend earnings growth and the robust gains over the past few years suggests paying close attention.

Key Watch Items: Revenue growth and gross margins, critical to supporting valuations.

Positioning Less of a Tailwind in 2026

Figure 1: Equity positioning has continued to go sideways and is moderately overweight



Source : Deutsche Bank Asset Allocation

Source: Deutsche Bank Asset Allocation. Data as of 1-12-26

Will institutional investors continue to increase positioning and fuel further gains?

While household equity exposure is at a record level, institutional investors have been reluctant and slow buyers of equities throughout the recent rally.

There remains room for these allocations to increase but this is not going to be the same tailwind going forward.

Key Watch Items: Sentiment and positioning surveys, margin balances.

Closing Thoughts

- 2026 likely to be characterized by better breadth but increased dispersion within market segments.
- Expect positive but more modest performance relative to prior years, driven largely by earnings growth
- Risk/reward in equities is less favorable today (given premium valuations, lofty expectations and high concentration)
- In this environment “aim for the center of the green”, take advantage of diversification, prioritize solid fundamentals, rebalance concentrated and extended positions.

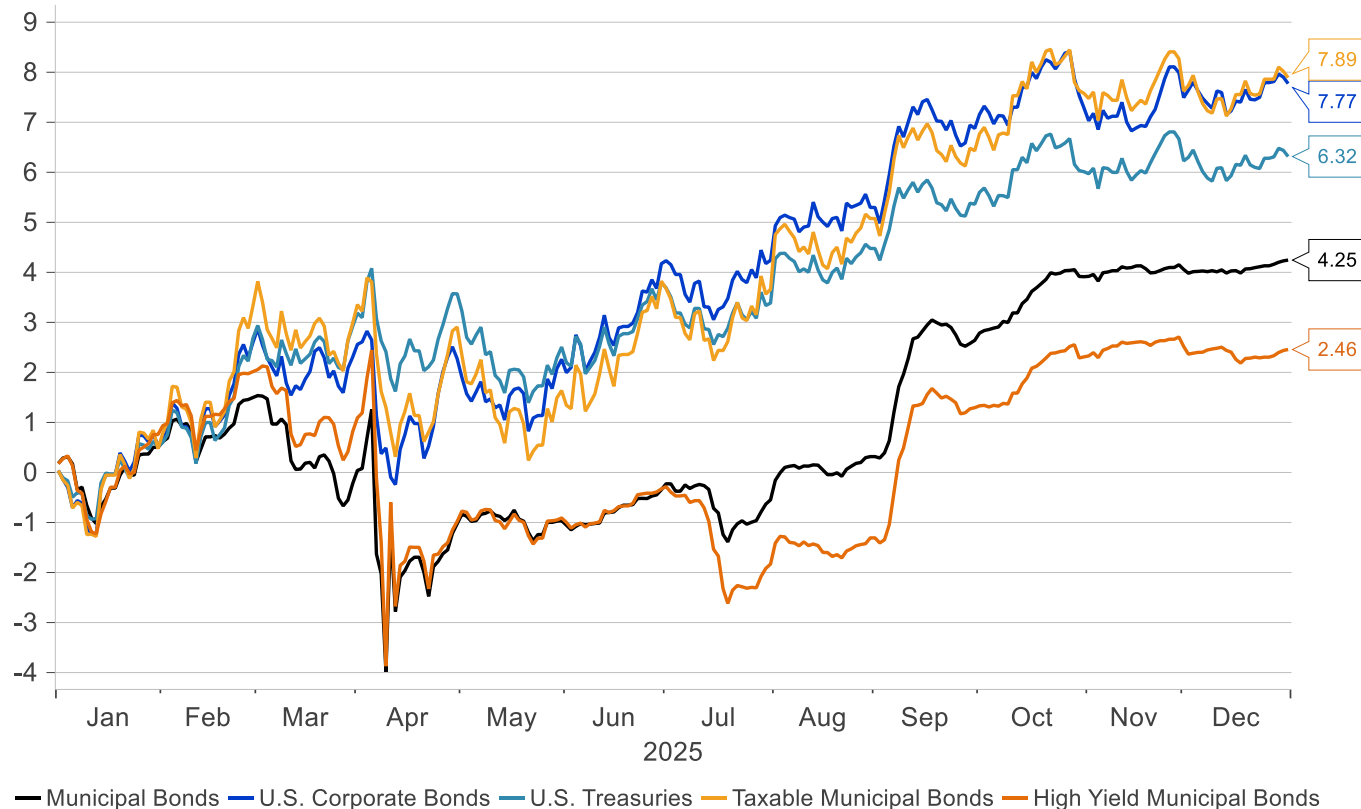


Municipals



2025 Review: "You Can't Win It On The Front Nine, But You Can Lose It"

2025 Total Returns by Fixed Income Asset Class (%)



Source: NewEdge Wealth, Macrobond, Bloomberg

Munis Returned 4.25% in 2025 Underperforming Taxable FI

Record-breaking new issuance, yield volatility, tax policy concerns, and fund outflows all contributed to negative returns and a disappointing first half of the year.

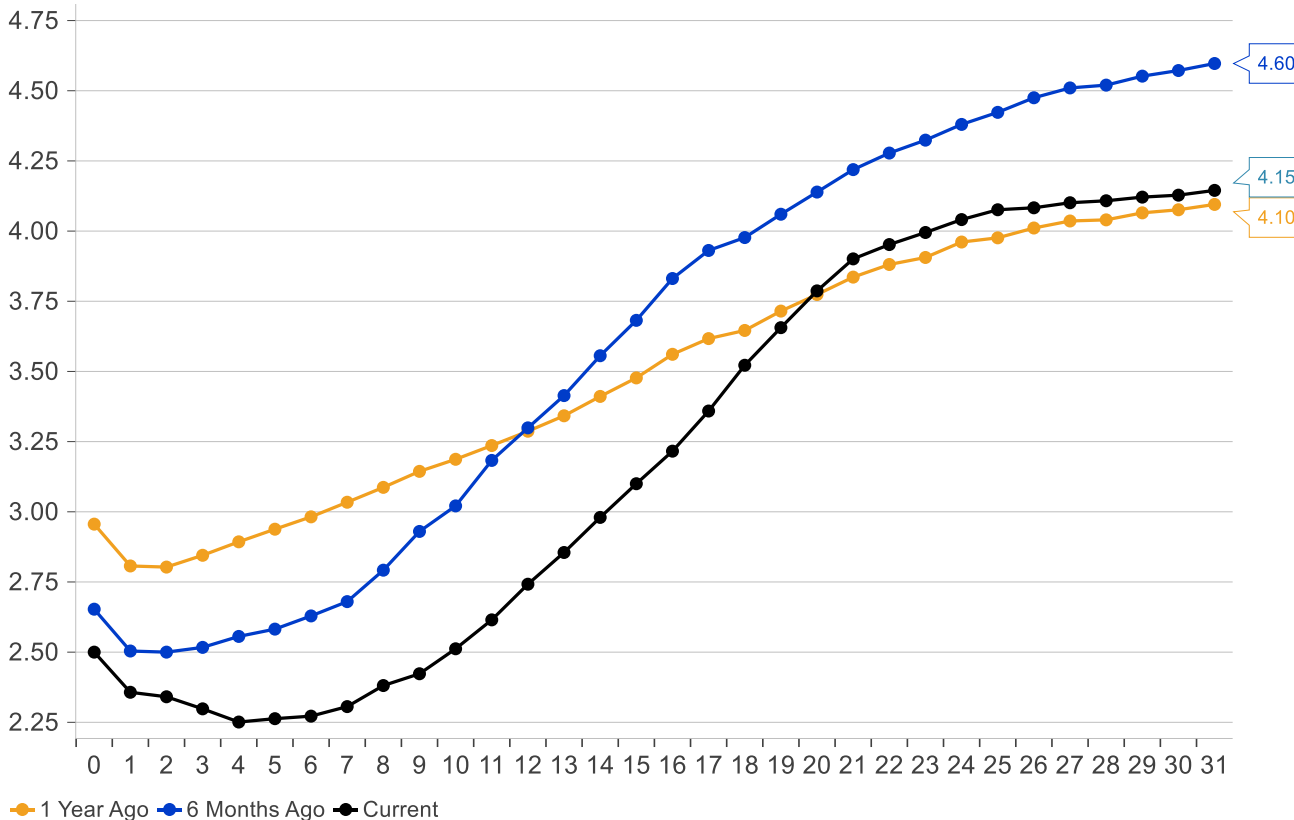
The second half of 2025, saw a strong rebound, especially in longer dated bonds, driven by a steepening yield curve, attractive after-tax yields, and increased investor demand.

The 10-year area of the yield curve was the best performing while the long end was the worst performing for the year.

High Yield Municipals underperformed all major FI asset classes.

Munis: "Let The Course Be Your Canvas"

Municipal Curve Changes Over Time



Source: NewEdge Wealth, Macrobond, Bloomberg

Outlook for 2026

Income generation is expected to be a key return driver as elevated starting yields provide a buffer against rate volatility.

Take advantage of the steepness in the yield curve, especially in the 15-20 year area. The muni curve remains historically steep, and investors are compensated for extending duration in certain areas. Active curve management will be critical.

Expect another year of record issuance. Investor demand should remain supportive.

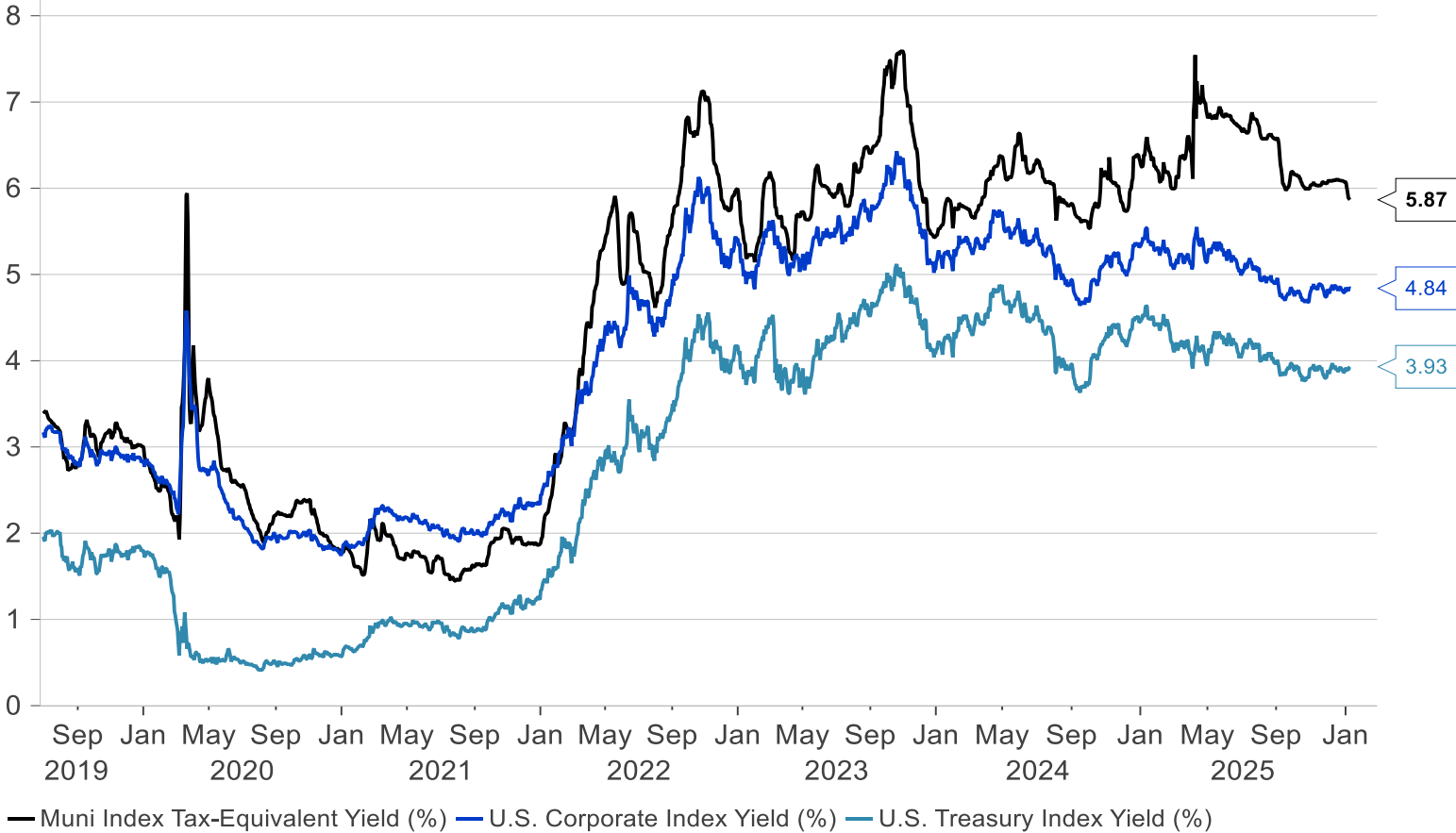
Better buying opportunities may surface when and if heavy issuance meets ETF outflows, particularly in low reinvestment periods. "Buy the dip."

Muni IG credit fundamentals remain strong. Extra focus on quality and essential service munis with proven revenue resilience. Expect pockets of weakness to emerge from a few sectors.

Diversification potential-Low correlation to the S&P 500.

The Leaderboard- Munis on Top

Muni Yields vs. Taxable Bonds on an After-Tax Basis



Coupons Matter, Especially When They Are Tax-Exempt

Munis are offering almost 2% more in yield than Treasuries and over 1% more than Corps on a taxable equivalent basis.

Source: NewEdge Wealth, Macrobond, Bloomberg

“Teed up for Success”

Bloomberg Municipal Bond Index Yield To Worst



Source: NewEdge Wealth, Macrobond, Bloomberg

Historically attractive yields provide a strong entry point for investors

Current market YTW is cheap to its 5-year average of 3.02%.

Tax-Exempts Relative Value- Less Compelling Since Rally

Muni-Treasury Yield Ratios



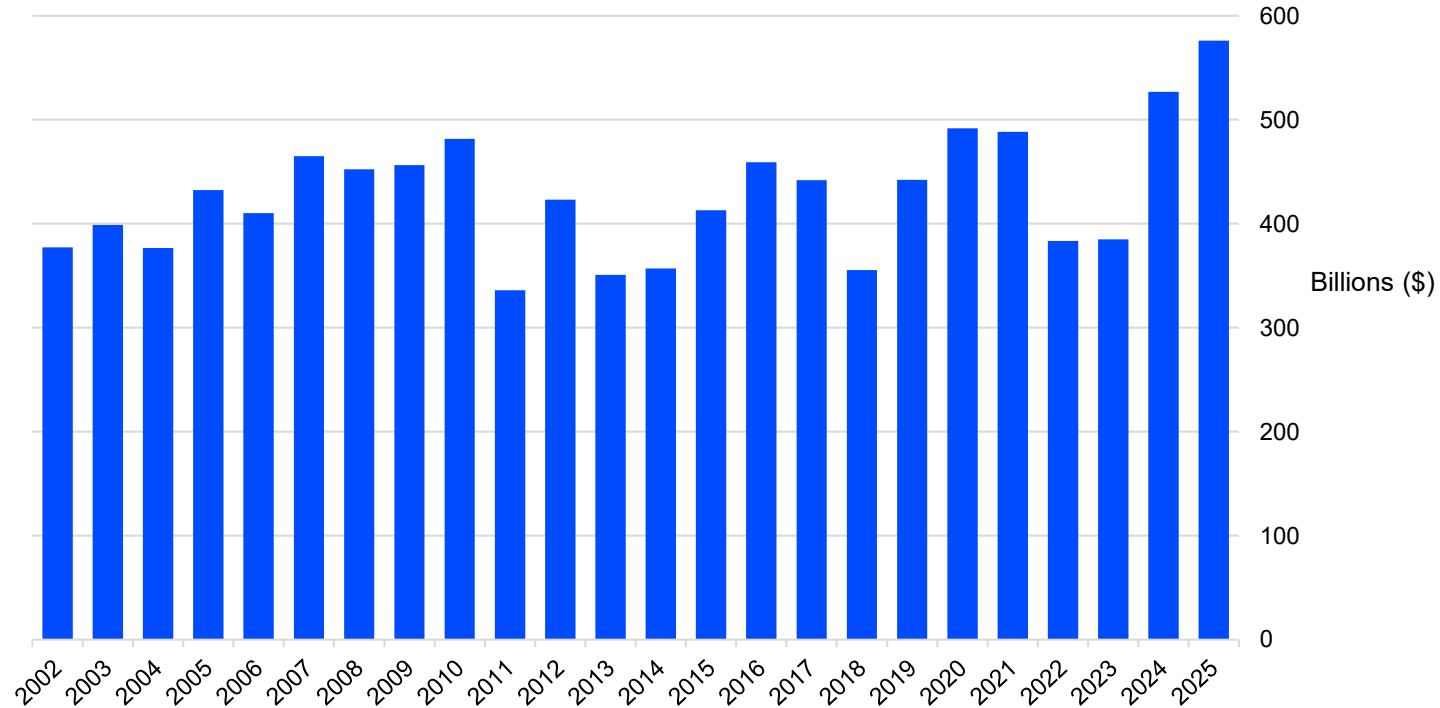
Second half 2025 outperformance and January's rally has richened ratios

Shorter term more expensive, longer end better value

Source: NewEdge Wealth, Macrobond, Bloomberg

Record Breaking New Issuance – Expect More Of The Same In 2026

Municipal Issuance by Year



Source: Bloomberg, NewEdge Wealth. Data as of 1/2/26

New issuance in 2026 expected to reach \$600bn, creating potential headwinds

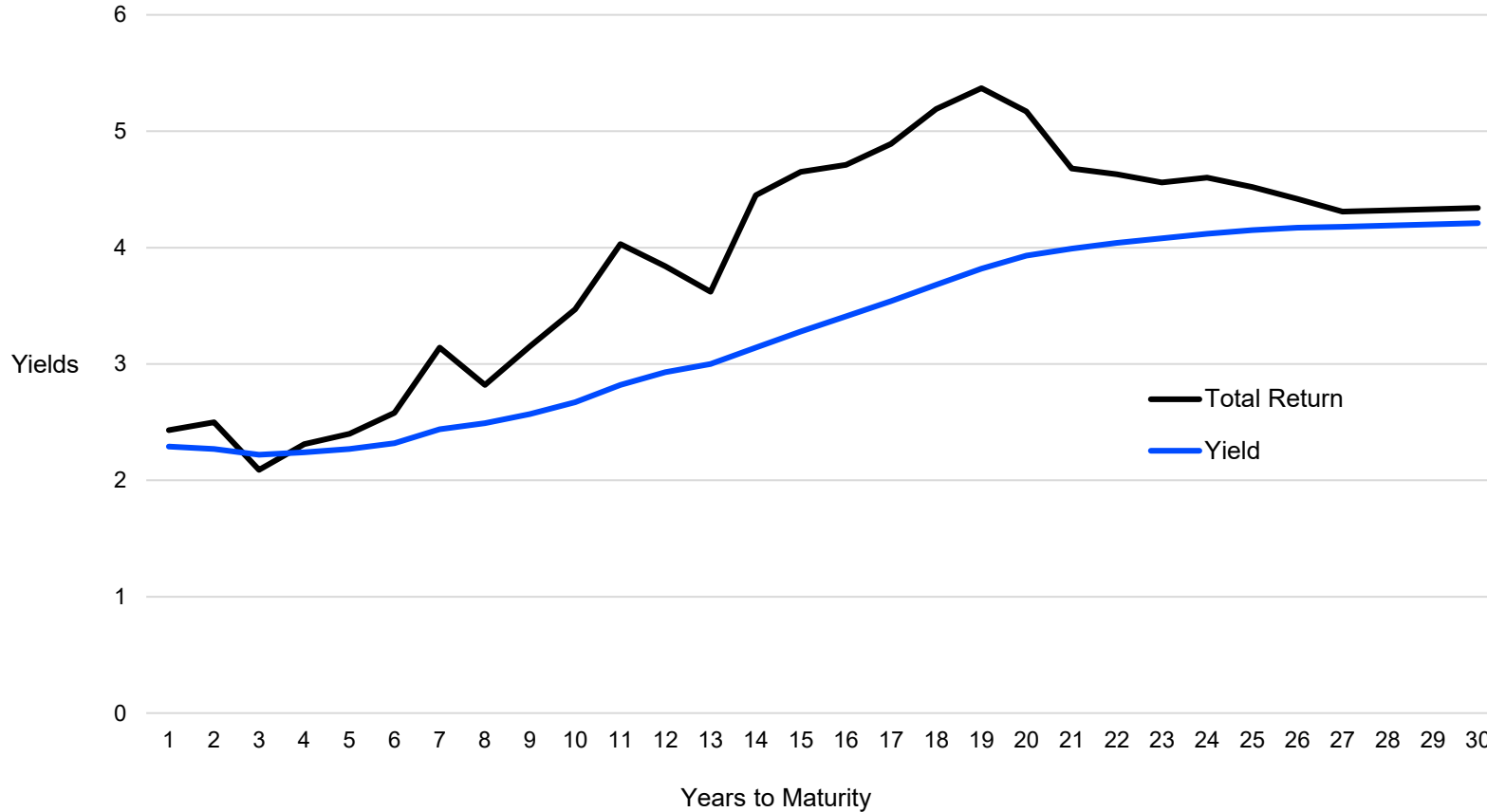
Reasons for this level of issuance include continued investment in new and updated infrastructure, the expiration of Covid related federal funding, and the greater inflationary pressure of the past few years.

While the market has been able to digest this heavier supply, it has increased volatility within the asset class.

Many investors have been favoring short-to-intermediate maturities, amplifying the supply-demand imbalance at the long end of the curve.

Yield Curve Positioning: "The Middle Of The Green Makes Par"

Identifying Yield Curve "Roll Down" is a Key Strategy for Enhancing Total Return Opportunities



The 15-20 Year Area of the Yield Curve Presents the Best Total Return Opportunities Along the Yield Curve in a Neutral Rate Environment for 2026

Inside of 15 years look to overweight the 7 year and 10-11 year area as the 2-5 Year area remains inverted.

The Muni Curve is Historically Steep Compared to its 10 Year Averages.

Source: Bloomberg, NewEdge Wealth. Data as of 1-12-26



Cash Management



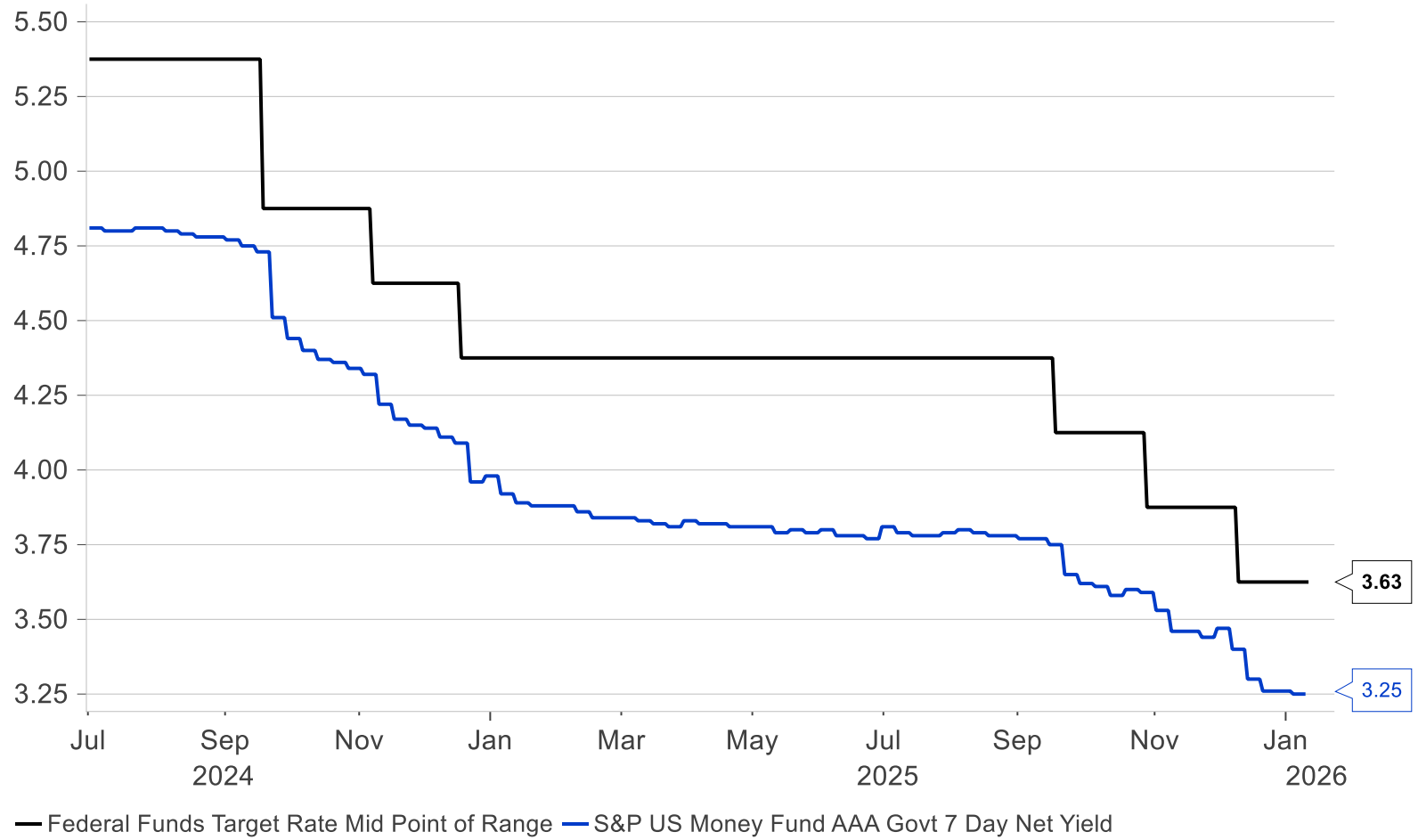
Cash Management - No More Gimme Putts

The Fed Funds rate has come down 1.75% to date since the Federal Reserve stated cutting rates in September 2024 and has indicated that more rates cuts could come this year.

Money Markets fund yields closely follow the Fed Funds rate and have quickly ratcheted lower in yield. The average Treasury money market fund today yields 3.25% (as measured by the S&P US Money Fund 7 Day yield).

Investors that hold large cash positions should consider alternatives as the yield in money market funds is not as great as it once was.

Fed Funds Target Rate and AAA Money Market Yield



Source: NewEdge Wealth, Macrobond, Bloomberg

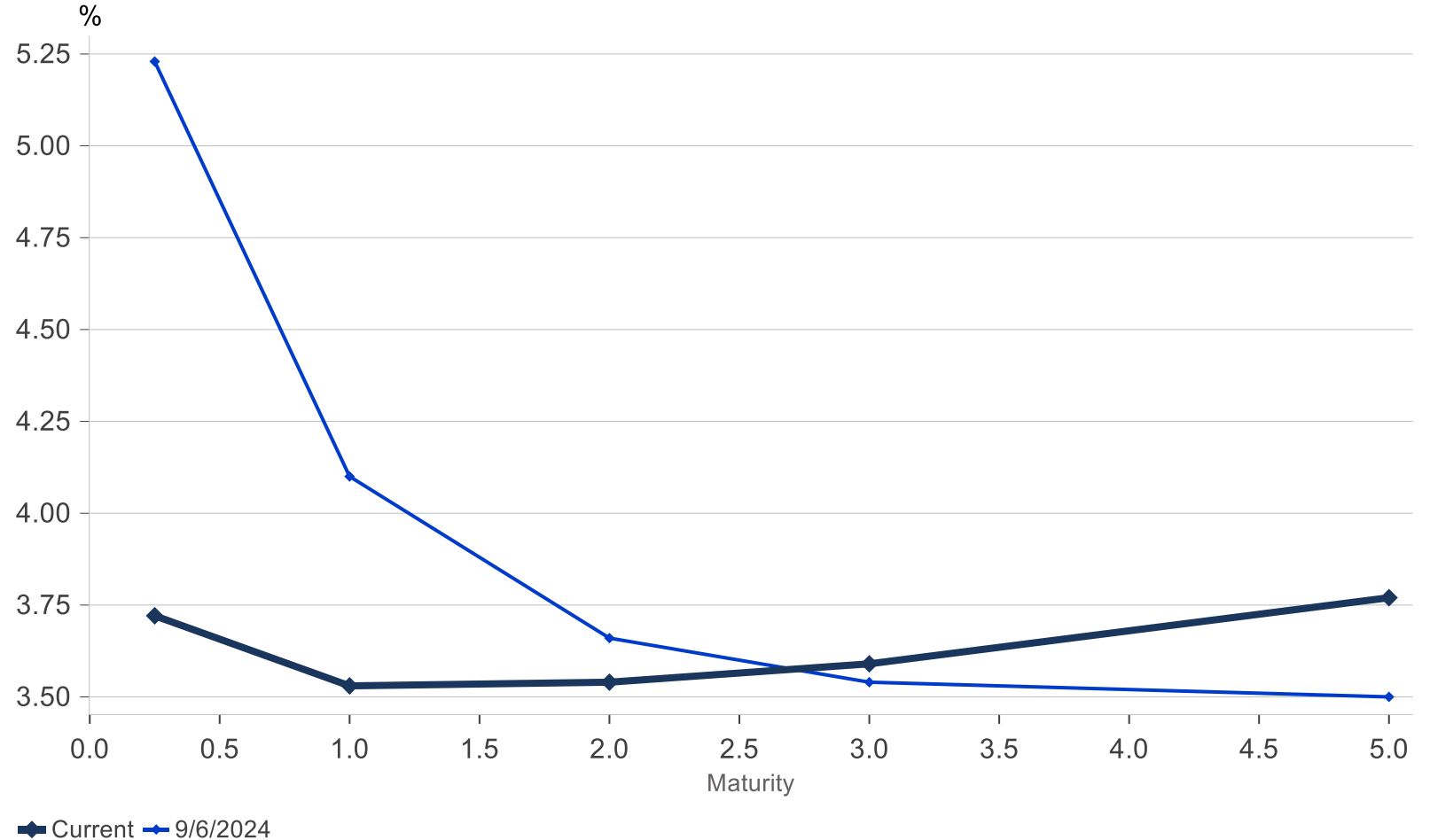
Cash Management- No More Gimme Putts

The Treasury curve spent much of 2023 and 2024 inverted, shorter bonds higher in yield than longer bonds.

This phenomenon encouraged investors to shorten the maturity profile of their holdings to earn the highest yield.

It has taken some time to unwind, but the Treasury curve is more normalized now, allowing investors to earn higher yields by investing in longer dated bonds.

US Treasury Yield Curve

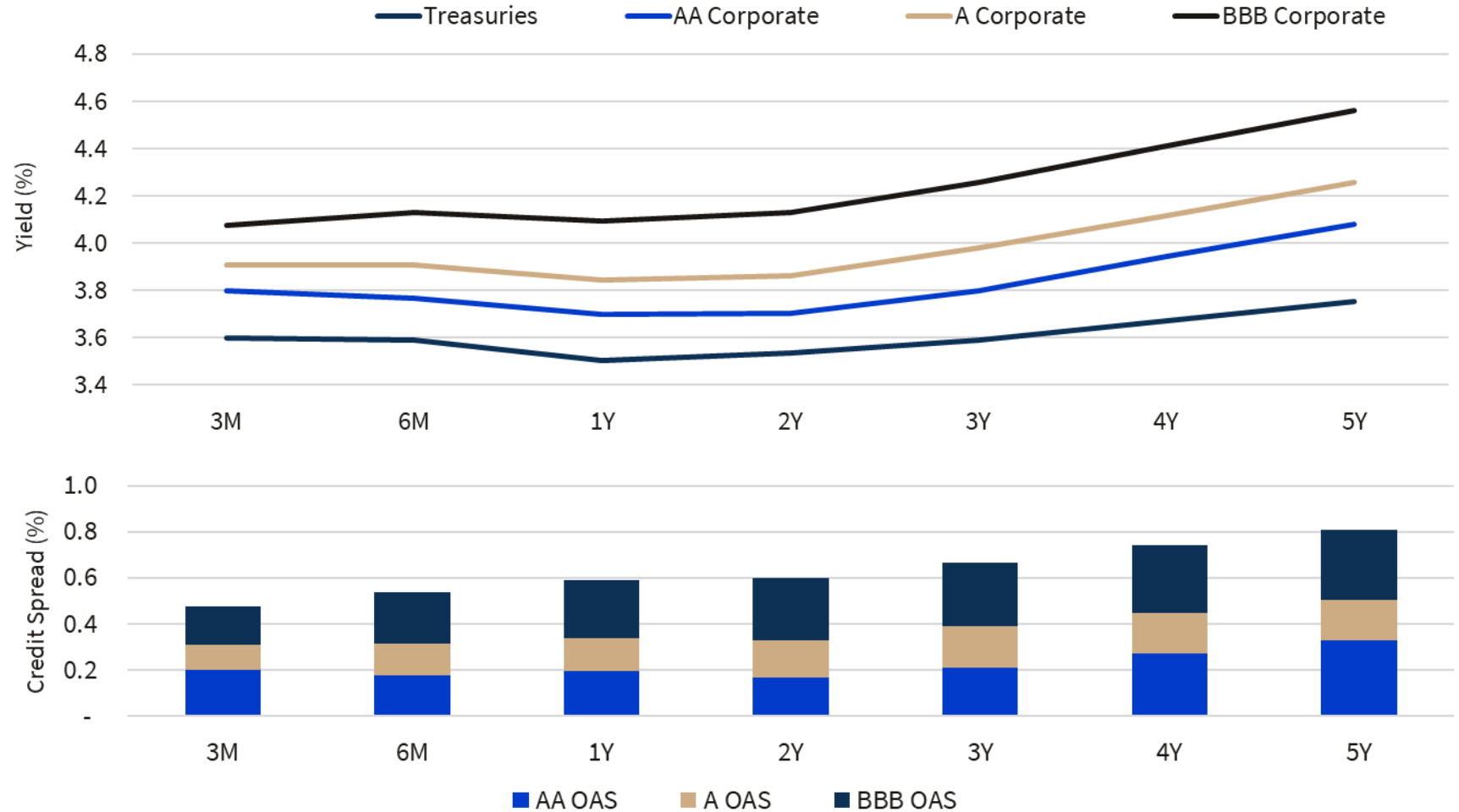


Source: NewEdge Wealth, Macrobond, U.S. Department of Treasury, Federal Reserve

Cash Management – No More Gimme Putts

For investors that are able to take credit risk with their fixed income holdings, short-term investment grade bonds offer added yield opportunities.

With both an upward sloping yield and credit curve, blended portfolios of treasuries and corporate bonds can be constructed at compelling yields as no more “gimme putts” exist in money market funds.



Source: Bloomberg, NewEdge Wealth. Data as of 1-9-26



Alternative Investments



Alternative Investment Themes for 2026

Private Market Environment

- Our overall sentiment is highly selective but constructive.
- Manager selection matters more than ever given wide dispersion of returns and challenging environments.
- The lower cost of capital has once again shifted investment approach (compared to higher cost of capital in the 2021-2025 period).
- Protracted disruption in fundraising cycles remains due to still-low velocity of capital (capital getting "stuck").
- New fund structures with liquidity provisions and developing technologies has led to a broadening investor base into wealth and retirement, this creates both opportunities and risks.

Asset Classes In Focus

- **Private Equity:** Across Lower and Middle Market private equity buyout, focus on driving value creation through margin expansion, operational efficiency and building a higher quality cap table to drive returns
- **Venture:** We continue to focus on thoughtful opportunities across venture: AI/technology creates both opportunities and pitfalls.
- **Infrastructure:** On the back of strong macroeconomic tailwinds, thesis driven infrastructure and industrial services presents one of the most compelling opportunities.
- **Uncorrelated:** Increasing uncertainty in broader macroeconomic environment presents more opportunity for diversification into uncorrelated or volatility-benefitting assets.
- **Private Credit:** Private credit exposures have been relatively concentrated in sponsor-backed direct lending which we look to diversify with asset-backed lending.

Alternative Investment Outlook: Core Themes

Venture Equity

Founders continue to be selective in who they allow onto their cap table driving opportunity for value-add focused VCs.

Early-stage venture remains the most compelling area for value creation, driven by a post-2022 reset that has produced stronger, more resilient companies and a renewed focus on fundamentals.

A new toolkit allows founders to drive revenue and profitability with fewer resources leading to stronger companies earlier in their lifecycle.

AI continues to be a broad focus for the industry but there are increasing calls to question valuations.

The Opportunity: We continue to see an opportunity to invest in early-stage businesses where we have seen resets in valuations. We are seeing an increase in leaner business models as new companies are able to leverage AI and build new productivity enhancing technology into their foundations.

Uncorrelated

Equity values have become even more stretched increasing the need for more thoughtfulness around forward returns and how to invest.

There continue to be new opportunities with idiosyncratic return that can provide stability across the market cycle and can expand the efficient frontier of portfolios.

We additionally see opportunity in structurally inefficient markets that presently lack capital that can provide uncorrelated, risk-adjusted returns.

The Opportunity: As market volatility continues to increase, we believe it is an opportune time to take equity risk premia off the table and to invest in strategies that are not just uncorrelated to broader markets but also to each other.

Infrastructure

Global demand for infrastructure is accelerating, fueled by aging assets in developed markets, population growth, urbanization and digital transformation in both developed and emerging markets. Private infrastructure offers the opportunity to invest in these mega trends with strong secular growth tailwinds.

Traditionally, infrastructure has served as a hedge in inflationary periods. Today, we see a rationale for increasing allocations as demand for power and infrastructure spending is projected to increase exponentially.

We believe there is a significant opportunity driven by AI and the need for power alongside datacenters which creates a new tailwind and contractual benefits for power providers.

The Opportunity: We see meaningful opportunity to build exposures in core areas where we see significant potential uplift such as power generation, transportation, and digital infrastructure.

Alternative Investment Outlook: Core Themes – Private Equity & DPE II

We are currently in due diligence on the funds to build our Diversified Private Equity Fund II. Our thesis will act as an extension of our thesis from Fund I. Manager selection and quality of return generation matter more than ever as the dispersion between winners and losers continues to widen. **Managers focused on driving value creation through margin expansion, operational efficiency and building a higher quality cap table to drive returns will prevail** over those that lean on financial engineering. We see more opportunities for quality growth across the lower middle market and middle market buyout vs. the upper market where financial engineering tends to be more prevalent and margins are narrower. We also remain constructive across uncorrelated and opportunistic strategies.

Private Equity

The cost of leverage and capital has risen dramatically, which continues to pressure high leverage/financial engineering strategies.

Lower middle market continues to have a higher velocity of capital and to be attracting new investments as larger firms look to buy add on acquisitions from these funds.

As the exit environment remains tight and return of capital has slowed, so has the pace of new commitments.

The Opportunity: We continue to see more opportunities for quality growth across the lower middle market and middle market vs. the upper market, where financial engineering tends to be more prevalent and margins are narrower.

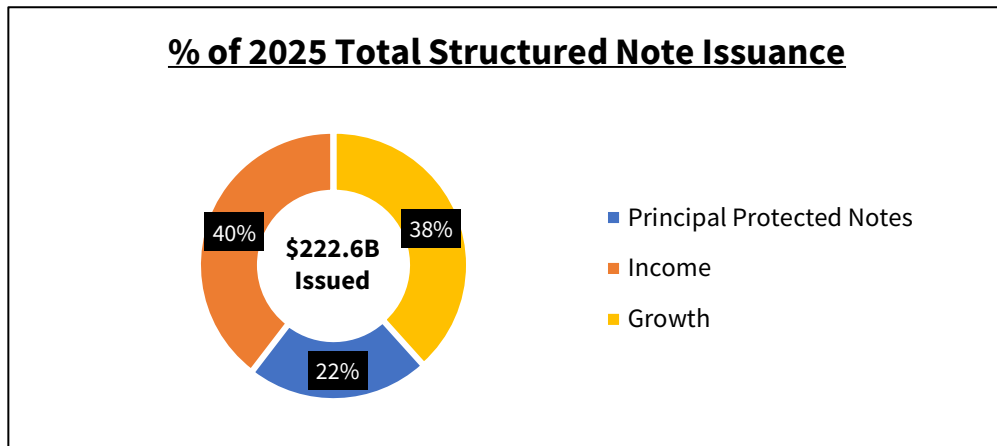
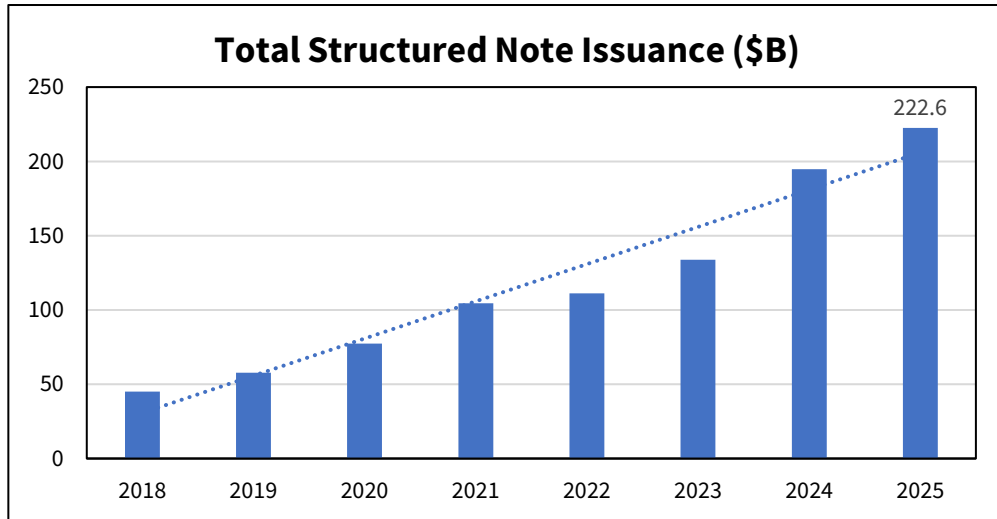
Manager selection and quality of return generation matter more than ever as the dispersion between winners and losers widens.



Structured Products









2025 Recap: Fairways and Greens



- Defined Outcome Solutions (Structured Notes and Buffer ETFs) experienced high demand in 2025 as Structured Notes achieved a new annual issuance record of over \$200 Billion and Buffer ETFs crossed over \$70 Billion in Assets Under Management within the United States.
- Growth Notes (40%) and Yield Notes (38%) continue to dominate issuance with Fully Principal Protected Notes making up a smaller, but still significant (22%), portion of the market.
- The abundance of Structured Notes with call features contributed towards the issuance record as strong equity performance created high position turnover in 2025.
- The Defined Outcome Solutions market continued to innovate to drive adoption, making it easier for investors to gain access to these solutions through a variety of methods including Buffered ETFs, Separately Managed Accounts and more.

Teeing up 2026

Focusing on Structured Notes, we believe the largest risks of Notes (Issuer Credit Defaults and Equity Black Swan events) are low probability outcomes in 2026. Despite this “safe” environment, factors that impact note pricing look favorable, signaling the potential for a strong year.

	Equity Market Volatility	Favorable	Equity valuations at historical highs sets a high bar for equity earnings and economic reports in 2026. Fed policy uncertainty and the tightrope they must walk could be another major source of volatility throughout the year.
	Interest Rates	Favorable	While yield oriented notes are impacted by declining rates, its not a 1:1 move like money market funds, floating rate debt and many private credit loans. Structured Note yield spreads above treasury rates increased in 2025, despite interest rates declining throughout the year.
	Credit Spreads	Neutral	Spreads remain extremely tight leading into 2026, offering very little premium for acceptance of credit risk, but signals few major concerns around bank issuer credit risk in the near-term.
	Issuer Capital Needs	Favorable	Bank Issuers delivered strong earnings in 2025 and are looking to continue the trend in 2026. Their appetite for capital (through Structured Notes) has not waned as investment banking activity has rebounded from the 2022 – 2024 slowdown.
	Dividend Yields	Neutral	Major US Equity Index Dividends have come down meaningfully over the past decade, through this trend is less pronounced in developed markets outside of the US. Lower Dividend Yields often result in less attractive terms in notes.
	Transaction Size	Favorable	A source of structural Alpha, large notional trades result in tighter prices from issuers (better terms for investors). With position turnover expected to remain high in 2026, larger notional trade sizes are likely as capital is called and needs to be redeployed.

Choosing the right Club

Structured Note risks and return outcomes can vary wildly by the specific components and terms of each individual note.

While various types of Note Structures can play a role within a portfolio, in 2026 we favor positions that provide a higher likelihood of positive returns, even amid more challenging equity environments.

Be Pessimistic

“Punch Out”

- **Principal Protected Notes (PPNs)**
- **Deep Buffers (Hard Protection)**
- **Absolute Return Protection**

Defensive Notes can significantly reduce or eliminate the risk of losing capital by sacrificing substantial potential upside to achieve that level of protection.

Be Nihilistic

“Laying Up”

- **Income Notes (Yield)**
- **Snowball Notes (Accrued Yield)**
- **Catapults**
- **Digitals**

Defined Outcomes can seek to deliver returns in places where equity returns don't otherwise exist (in flat to negative equity return environments). They provide a greater certainty of outcome, often at the cost of a predetermined amount of upside return.

Be Optimistic

“Pin Seeking”


- **Uncapped Growth**
- **Capped Growth**

Growth Notes may offer enhanced upside relative to equities but come with significant equity risk (uncertainty of outcome) and greater dependency on equity returns to achieve their own returns.

Any questions?

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