WESTEND
Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

Macroeconomic Highlights

Q4 2025

20251001-4868494

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WestEnd Outlook Highlights

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- The global economic cycle continues to exhibit signs of being at an advanced stage, particularly within developed economies, including the U.S. A combination of protectionist trade policies, reduced private-sector hiring, and slower household wealth gains has contributed to a slowdown in real economic growth year-to-date relative to last year. Against this backdrop, we are emphasizing a mix of defensive areas of the market along with allocations that provide moderate economic sensitivity and exposure to positive fundamental and secular growth trends. In the intermediate and longer term, we anticipate a further extension of the economic cycle is reasonably likely, particularly as the policy focus shifts toward more stimulative measures like tax cuts and deregulation.
  - The U.S. consumer remains on solid footing, but spending growth has slowed this year due to softer labor demand and softer aggregate income trends.
  - Private fixed investment has supported economic activity this year given the continued AI infrastructure capex boom, which, in turn, has supported tech-focused areas of the economy, but we see signs of weakness in more traditional business investment.
  - With the Federal Reserve extending its rate-cutting cycle, we believe the yield curve re-steepening process can continue, as resilient economic growth in the intermediate term and gradual disinflation could limit the downside to longer-term interest rates.
- Internationally, most major economies still face late-cycle challenges and manufacturing headwinds, in addition to risks from U.S. trade policy. We have seen, however, signs of improvement in Asia, and particularly EM Asia, including: a stabilizing credit and property market backdrop in China; a pivot to more stimulative monetary policy among the region's central banks; and renewed growth in high-tech manufacturing.
- We continue to position portfolios for the current risks and opportunities we see in a mature economic cycle:
  - In U.S. large-cap equity allocations:
    - We are avoiding several of the most cyclical early-phase sectors, but we maintain a significant mid-phase allocation, including Information Technology exposure and an overweight of Communication Services, which provides a mix of economic sensitivity and exposure to positive secular trends.
    - We also maintain a material overweight of late-phase, defensive sector exposure that we believe offers a defensive counterbalance to economic exposure in the portfolio and can outperform if growth slows or investor sentiment weakens more than expected.
  - In global portfolios, we retain an underweight of international equities, in aggregate, but we are overweight developed and EM Asia. We are underweight Europe, where we see ongoing geopolitical turmoil, trade policy uncertainty, and less growth potential than for the U.S. We are also underweight non-Asian emerging markets, which tend to be highly economically sensitive and are unlikely to outperform, in our view, amid late-cycle economic conditions.
  - In balanced portfolios:
    - We have a neutral allocation to fixed income in traditional balanced portfolios, as the risk/return profile we see for bonds is relatively balanced given the potential for continued late-cycle economic growth amid a higher interest rate backdrop.
    - Within fixed income allocations, we are emphasizing Treasury securities at the long end of the yield curve, and we are focusing corporate exposure in shorter durations, as widening credit spreads could put longer-term corporate bonds at greater risk.

U.S. Equity Sector Allocations

WESTEND ETF STRATEGIES

Current large-cap U.S. equity sector allocation and avoidance*

Sector Allocations

- Health Care
- Consumer Staples
- Utilities
- Communication Services
- Consumer Discretionary
- Information Technology
- Financials

Sector Avoidance

- Energy
- Industrials
- Materials
- Real Estate

** For illustrative purposes only. Allocation information as of September 30, 2025. Source: WestEnd Advisors.*

International Equity and Fixed Income Allocations

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WESTEND GLOBAL ETF STRATEGIES

Current regional equity allocation positioning in global portfolios*

Regional Equity Overweights

- U.S.A.
- Asia (Developed and EM)

Regional Equity Underweights

- Europe
- Emerging Markets (ex Asia)

WESTEND BALANCED ETF STRATEGIES

Current fixed income and asset class positioning in balanced portfolios*

Fixed Income Overweights

- Short-term Corporate Credit
- Longer-Term Treasury Securities

Fixed Income Underweights

- Short-term Treasury Securities
- Long-term Corporate Credit

** For illustrative purposes only. Allocation information as of September 30, 2025. Source: WestEnd Advisors.*

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U.S. Economic & Market Backdrop

GDP Growth Holding Up After First Half Slowdown

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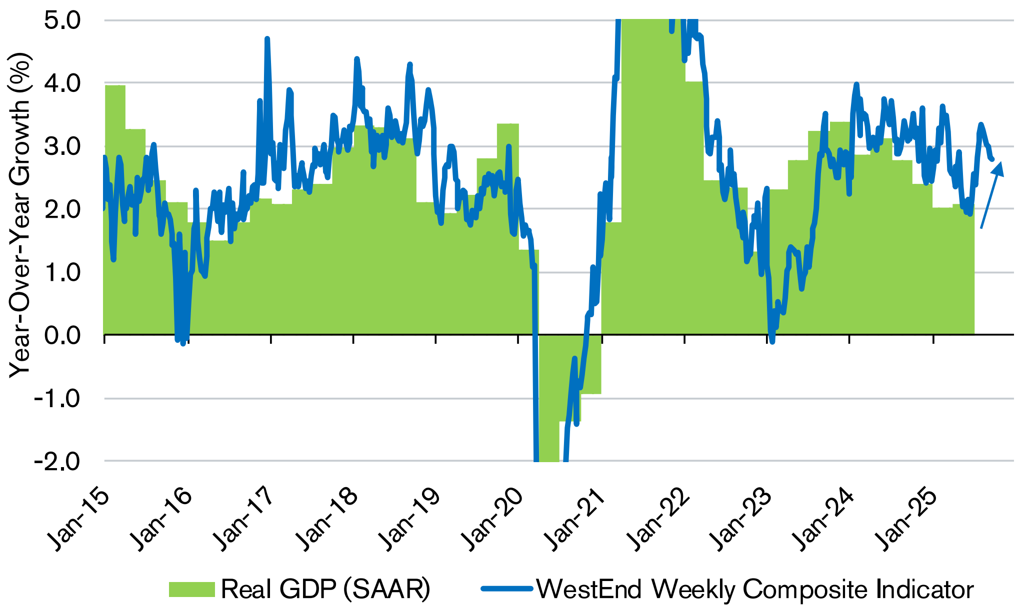
HIGH FREQUENCY DATA IMPLIES RESILIENT GROWTH IN Q3



Source: BEA, Dallas Fed, WestEnd Advisors.

Portfolio Impact: High-frequency data suggests economic growth has been steady in Q3 after a slowdown in the first half of 2025, as resilient consumer spending and productivity gains have enabled the cycle to tread along. Still, late-cycle risks in the U.S. warrant an avoidance of highly cyclical sectors, in our view, and we have balanced exposures between defensive sectors, like Consumer Staples and Health Care, with sectors that can benefit from a continuation of the cycle, such as Communication Services and Financials.

- **First-Half Slowdown:** Real GDP growth slowed in the first half of 2025, largely due to international trade volatility around the implementation of tariffs as well as soft trends in non-tech fixed investment. While consumer spending growth also decelerated, real PCE was up +2.7% year-over-year in August, slightly above the 20-year average.
- **Strength in Tech Investment:** Business fixed investment in information processing equipment and software contributed 0.7 percentage points to real GDP growth in the first half of 2025 – the most of any two-quarter period in over 20 years – driven by tariff front-running and surging demand for A.I. and data center infrastructure.
- **High-Frequency Data:** Measures of high-frequency data, such as WestEnd's in-house composite indicator (see chart), can provide timely intra-quarter information on the evolution of economic trends. This more real-time supplemental data, which includes examples such as weekly mortgage applications and chain-store retail sales, helps corroborate the in-depth and widely followed headline economic releases from official statistics agencies.

Consumers to See Tax Policy Tailwinds in 2026

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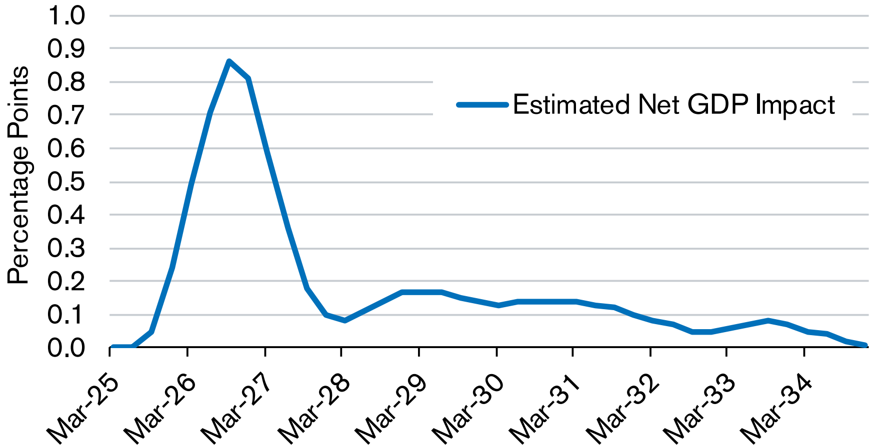
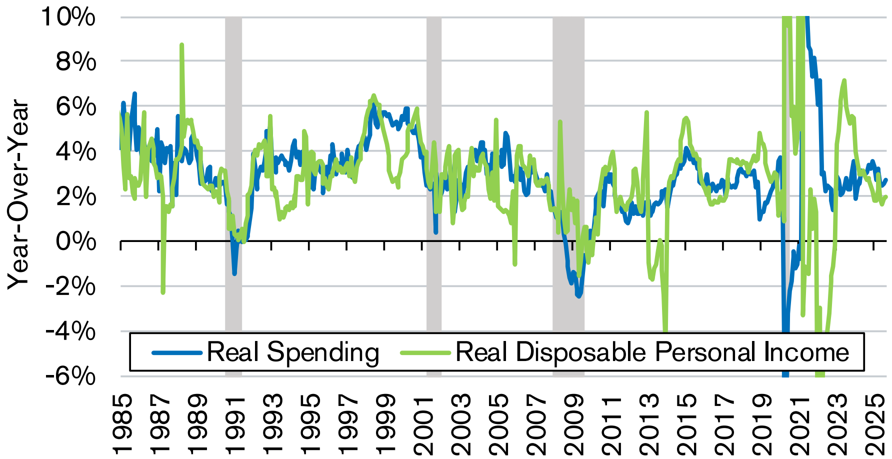
OBBBA IMPACT ON REAL GDP VS PRIOR BASELINE



Source: Oxford Economics, WestEnd Advisors

REAL DPI AND SPENDING TRACK OVER LONG TERM



Source: BLS, Bloomberg, WestEnd Advisors

Portfolio Impact: Stable wage growth can support consumer spending, and changes to tax policy are likely to provide an added boost in 2026, in our view. Consumer Discretionary companies could capitalize on a pickup in goods spending if interest rates move lower, while Consumer Staples companies should benefit if household spending rotates toward more essential items.

- **Impact of Fiscal Policy:** Changes to tax policy included in the 'One Big Beautiful Bill Act' should provide a tailwind to consumers in the first half of 2026, in our view (top chart).
- **Compensation Remains Healthy:** Real Disposable Personal Income growth has stabilized around 2% in recent months, which we expect to provide support to consumer spending over the medium term.
- **Sentiment and Savings Are Swing Factors:** Real spending has generally outpaced real income growth over the past year, and savings rates have remained low. Uncertainty around the economic outlook could lead consumers to cut back and underspend versus the trends implied by their income growth.

Hiring Demand is Limited, But So Are Layoffs

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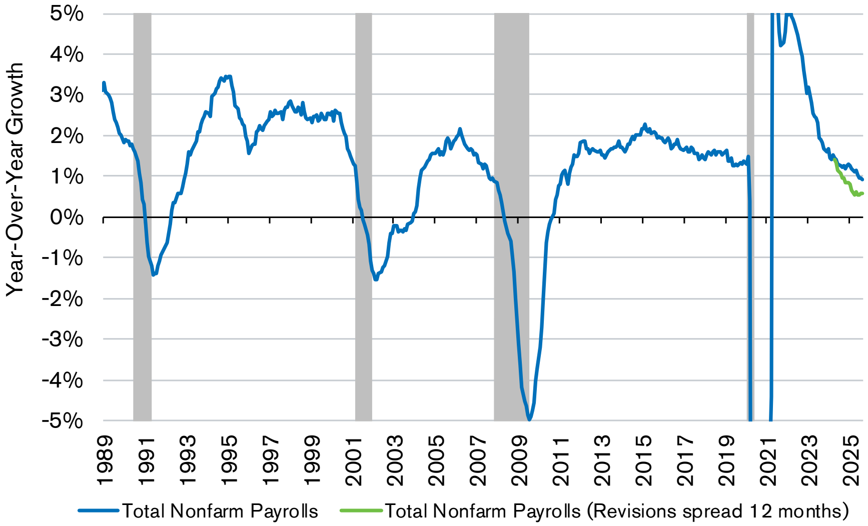
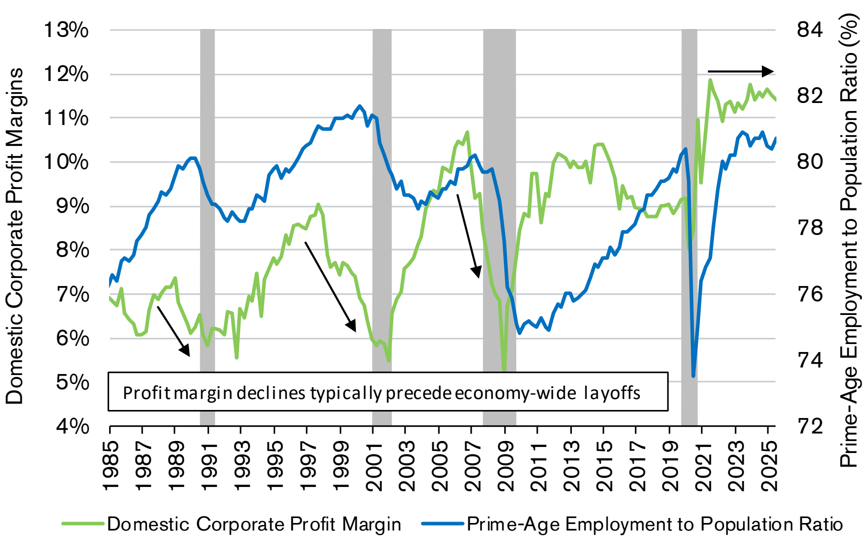
PAYROLL GROWTH PRECARIOUSLY SOFT



Source: BLS, Bloomberg, WestEnd Advisors

MASS LAYOFFS UNLIKELY WHILE MARGINS ELEVATED



Source: BLS, Bloomberg, WestEnd Advisors

Portfolio Impact: Softening hiring trends have been percolating under the surface for several quarters, and recent revisions to payroll data leave job growth at an unusually soft pace. In this slow job demand environment, the trajectory of profit margins is likely to be a key determinant of whether the U.S. economy will avoid mass layoffs, in our opinion.

- **Soft Hiring Demand:** Preliminary benchmark revisions to the jobs report indicated that the hiring environment was even softer than previously reported (top chart). Outside of prior recessions, the current payrolls YoY growth rate is in uncharted territory, but for growth to turn negative (as in prior recessions), it would likely require widespread layoffs.
- **Profit Margin Cushion:** Historically, declines in corporate profit margins have preceded economy-wide layoffs by several quarters or even years. With margins high and stable, the likelihood of widespread layoffs is limited for now, in our view.
- **Late-Cycle Employment:** The plateau in the prime-age (25-54 yrs) employment-to-population ratio suggests that job gains are no longer outpacing population growth, which can limit the pace of economic activity.

Tariffs to Lift Goods Prices, But Soft Labor Market to Keep Fed's Attention

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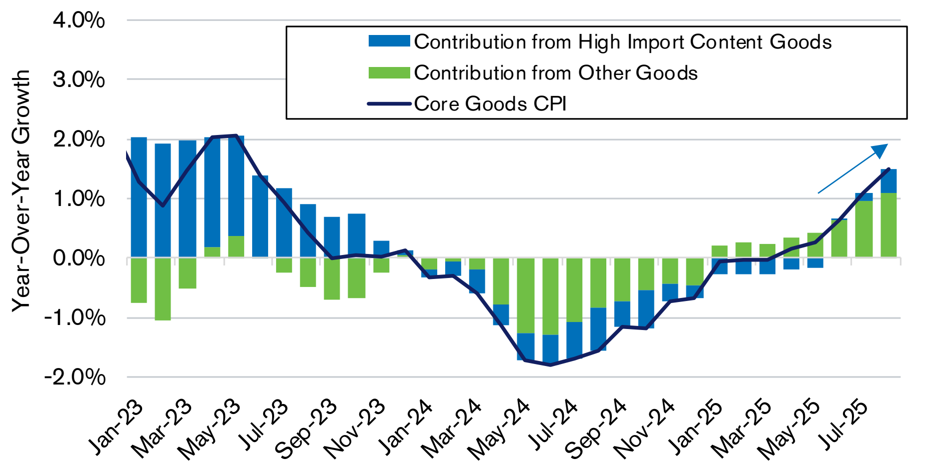
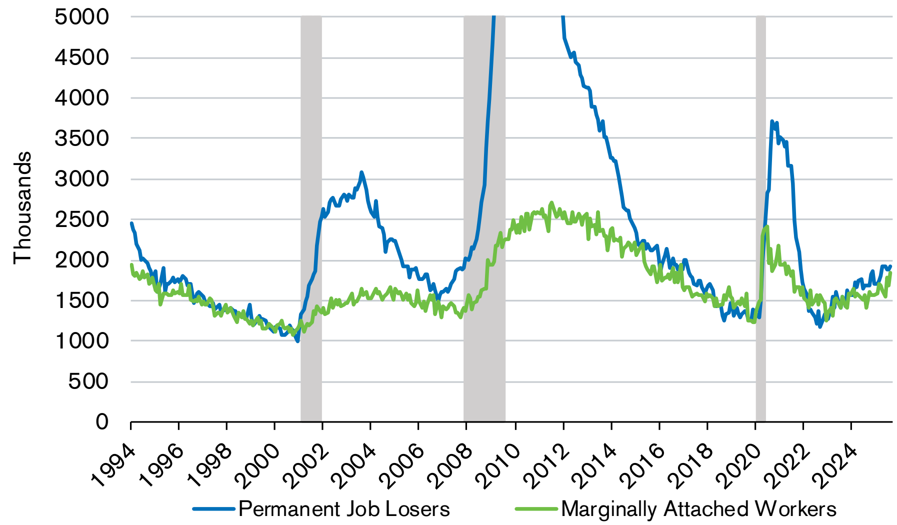
EARLY STAGE OF PRICE PRESSURES FROM TARIFFS



Source: BLS, WestEnd Advisors. High Import Content Goods includes import-export categories with 20% or higher import content as a percentage of spending, e.g., household appliances, apparel, personal care goods, miscellaneous personal goods, sporting goods, medical care commodities and other categories.

ONGOING SIGNS OF LABOR MARKET SOFTNESS



Source: BLS, WestEnd Advisors.

Portfolio Impact: The risk of an upturn in goods inflation has kept the Fed cautious on cutting rates, but softening labor market trends have brought the risks to the Fed's dual mandate into balance. As we saw last year, the Fed has a sensitive reaction function to rising unemployment, which has led us to slightly overweight duration in fixed income allocations, while favoring Treasury bonds on the longer-term portion of the yield curve.

- **Impact of Tariffs:** We expect tariffs to drive a modest acceleration in core goods inflation, but we do not see tariffs as driving a sustained acceleration in overall inflation, given that there are still favorable disinflationary tailwinds to rents and non-rent services.
- **Weak Labor Market Driving Fed Decisions:** As we saw in the third quarter, the Fed is responding to signs of labor market weakness. We continue to see late-cycle dynamics, including a rising number of individuals whose employment ended involuntarily (permanent job losers) and individuals who are not in the labor force but want a job (marginally attached workers).

Tech Investment Spending Uniquely Strong Relative to Traditional Investment

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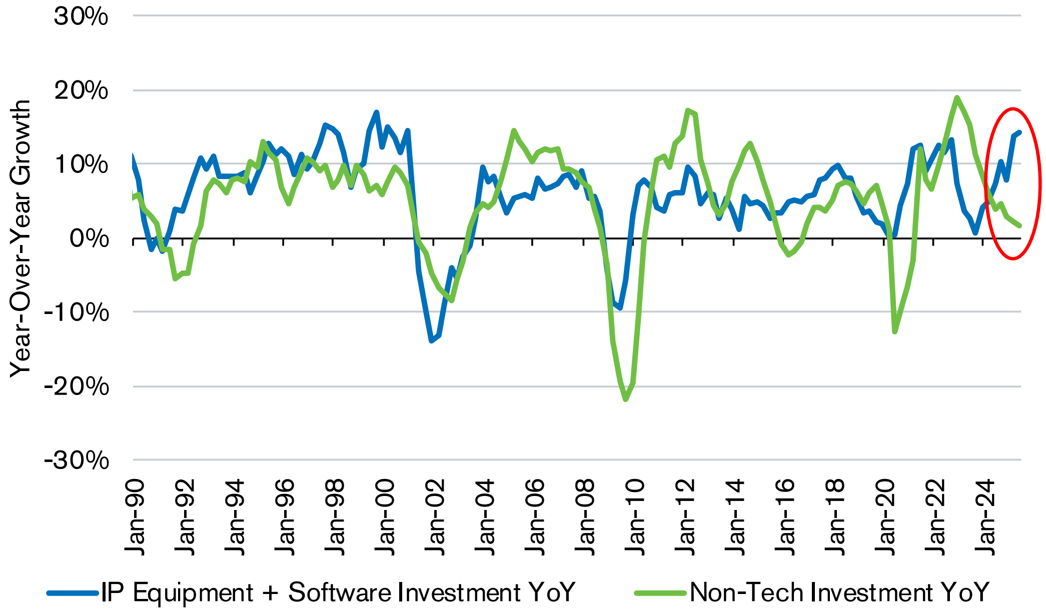
TECH & NON-TECH INVESTMENT DIVERGING



Source: BEA, Bloomberg, WestEnd Advisors.

Portfolio Impact: Ongoing late-cycle risks in the U.S. warrant an avoidance of highly cyclical sectors, in our view. This is partly due to the tendency for cyclical areas to exhibit softness in the later stages of an economic cycle and/or periods of outright economic weakness. Tech investment, however, is less cyclical, which we attribute to companies' need to invest in productivity in a mature cycle, the relatively lower capital intensity of Tech capex, and the secular growth tailwinds that innovation can provide through an otherwise soft economic backdrop.

Late-Cycle Slowdown:

- Information technology investment, which we define as information processing (IP) equipment investment and software investment, has surged following the COVID hangover of 2022/2023. The strength in recent quarters has been driven by equipment purchases tied to the ramp of data center construction surrounding AI.
- Technology investment is usually more stable than, but also typically tracks with non-tech investment, and the recent divergence is an outlier over the last 35 years, which speaks to the unique characteristics of this cycle.
- The softness in non-tech investment is symptomatic of mature-cycle conditions such as high interest rates and sluggish manufacturing activity, and we believe it validates our avoidance of sectors that are exposed to manufacturing and non-tech construction, whereas we maintain an allocation to the Information Technology sector to capture the narrow strength in AI investment.

EPS Growth and Sentiment Rebound Provide Market Support

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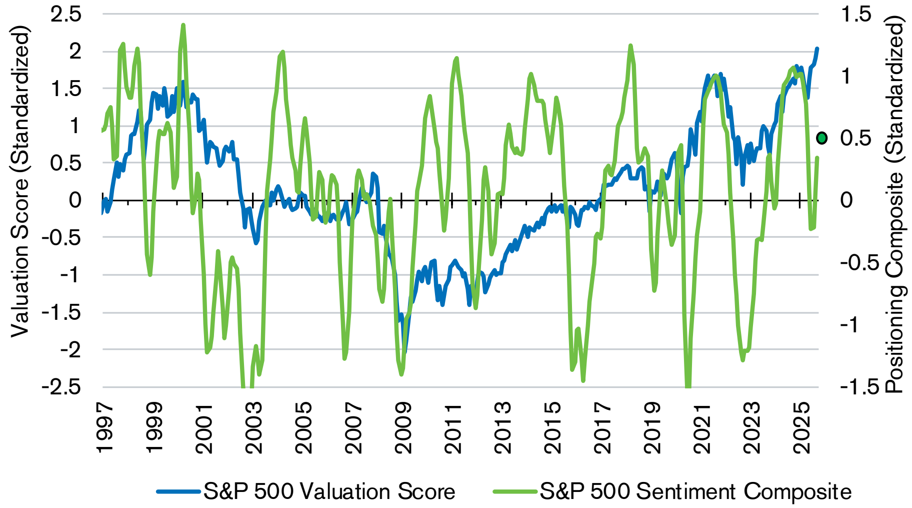
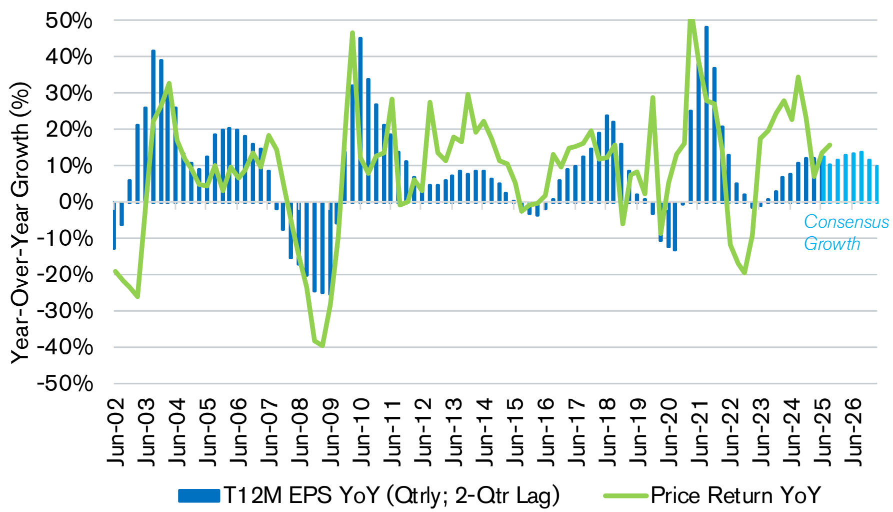
MARKET VOLATILITY CAUSED A SENTIMENT RESET



Source: WestEnd Advisors

S&P 500 EPS GROWTH CAN SUPPORT RETURNS...



Source: WestEnd Advisors

Portfolio Impact: The potential for continued earnings growth could support equity returns through the end of 2025, in our view. In portfolios, we are emphasizing U.S. sectors with above-market earnings growth, such as Information Technology, Communication Services, and Health Care. Looking ahead, we believe our portfolios are poised to benefit from a more normalized volatility environment and a broader sector return backdrop.

- **Sentiment Rebound:** Greater trade clarity, interest rate cuts, lower taxes, and excitement around AI led to a sharp rebound in investor optimism after the volatility in the first half of the year.
- **Earnings Growth is Key:** Equity returns materially outpaced EPS growth in ‘23/’24 as valuations expanded. With our valuation composite now at record levels (top chart), EPS growth will be the primary driver of equity returns, in our view.
- **Consensus Expectations:** Current consensus growth estimates imply moderate equity returns from here, in our view, albeit with more widespread participation.

U.S. Sector Outlook

Market Concentration At New Record High

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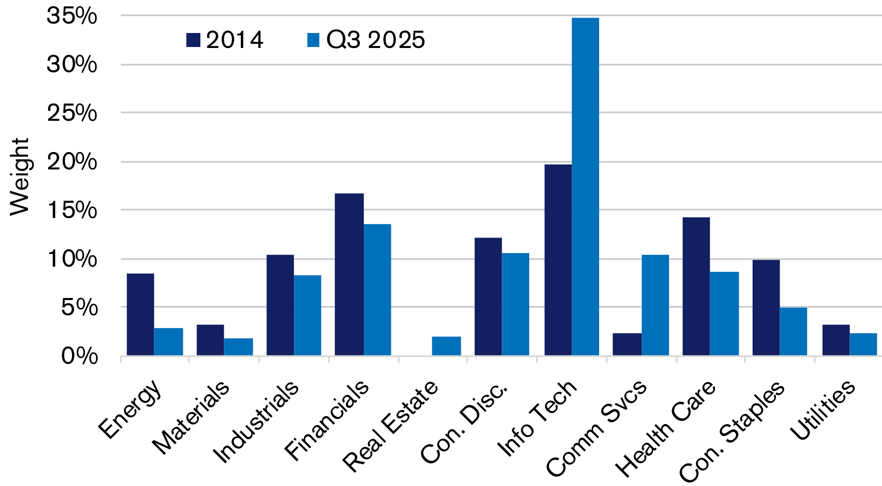
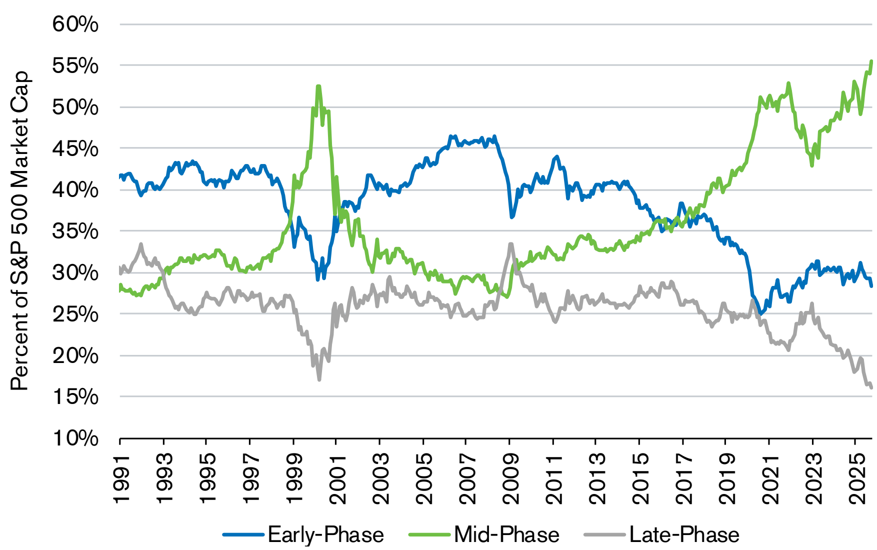
S&P SECTOR BREAKDOWN EXPOSURE



Source: Bloomberg, WestEnd Advisors

MID-PHASE SECTORS MAKE UP RECORD WEIGHT IN S&P 500



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Market composition has changed over the last 10+ years, with Information Technology, Communication Services, and Consumer Discretionary rising as a proportion of the market at the expense of all other sectors. Sector concentration may present portfolio opportunity or risk, and we believe investors should consider the drivers behind composition shifts (earnings, valuations, IPOs, etc.) when shaping investment outlooks.

- **Info Tech Dominance:** Over the past 10 years, earnings for the Information Technology sector have risen at a ≈13.0% CAGR vs. ≈7.5% for the broad market, and Tech's NTM P/E ratio has expanded 13.5 points during that time.
- **Outlook Should Consider Risks:** Prior periods of sector dominance eventually ended, often tied to valuation multiple contraction and an unwind of earnings momentum. Today, Tech's earnings power remains strong, but valuations present a high hurdle.
- **Market Influence:** Beating the market requires looking different than the market, yet overweighting mid-phase sectors (>55% of the market) requires high conviction. In contrast, defensive sectors now make up <20% of the market.

Late-Phase Ownership and Expectations

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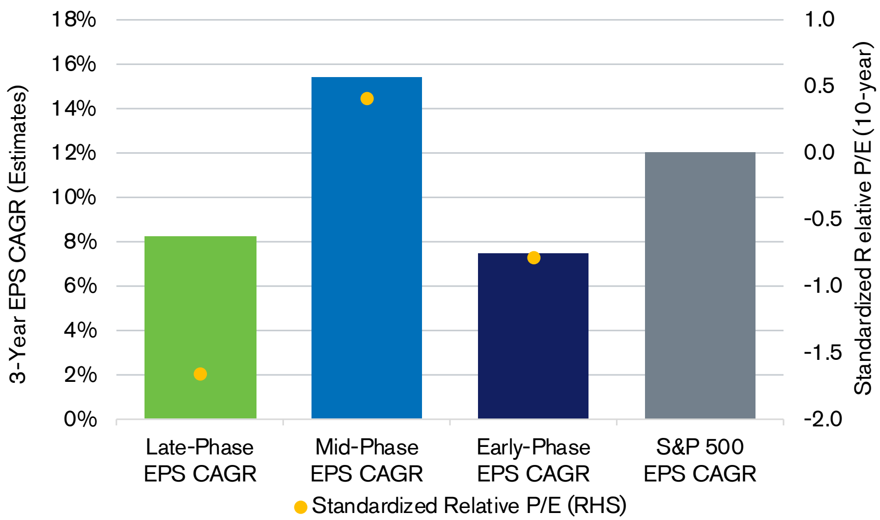
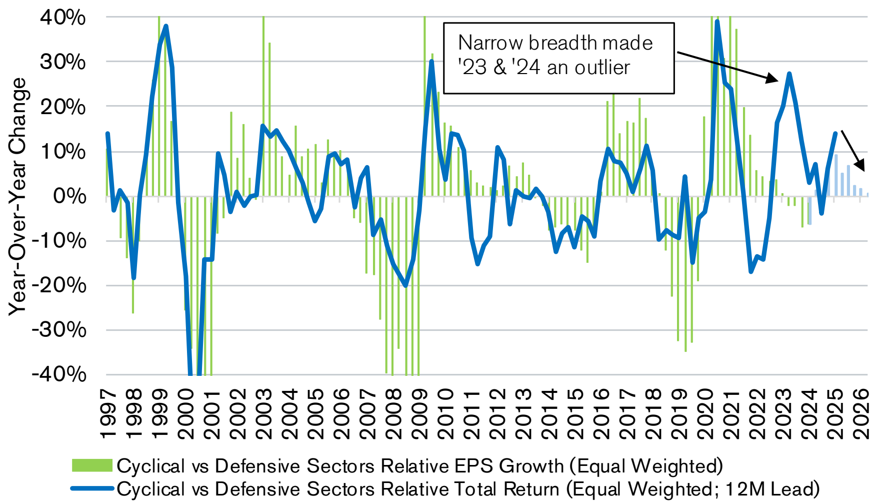
FAVORABLE RELATIVE VALUATION FOR LATE-PHASE



Source: Bloomberg, WestEnd Advisors

CYCLICAL OUTPERFORMANCE DEPENDS ON EARNINGS STRENGTH*



Source: Bloomberg, WestEnd Advisors

**Defensive sectors include Health Care, Consumer Staples, and Utilities. Cyclicals include all other.*

Portfolio Impact: The macroeconomic backdrop is increasingly consistent with a late-cycle environment. In this context, late-phase sectors are particularly attractive, in our view, given their potential to deliver steady EPS growth as more cyclical areas of the market come under pressure.

Late-Phase Sector Allocation:

- The substantial discount to the market offers potential for relative multiple expansion alongside durable and resilient earnings growth in a late-cycle environment.

Cyclicals vs. Defensives Earnings Power:

- The return differential between cyclical and defensive sectors has historically been driven by earnings growth expectations. Looking ahead, consensus estimates predict the earnings growth gap between cyclical and defensive sectors will narrow in 2026 (bottom chart).
- Cyclical sectors materially outperformed defensive sectors in 2023 and 2024, in large part due to narrow market and earnings breadth.

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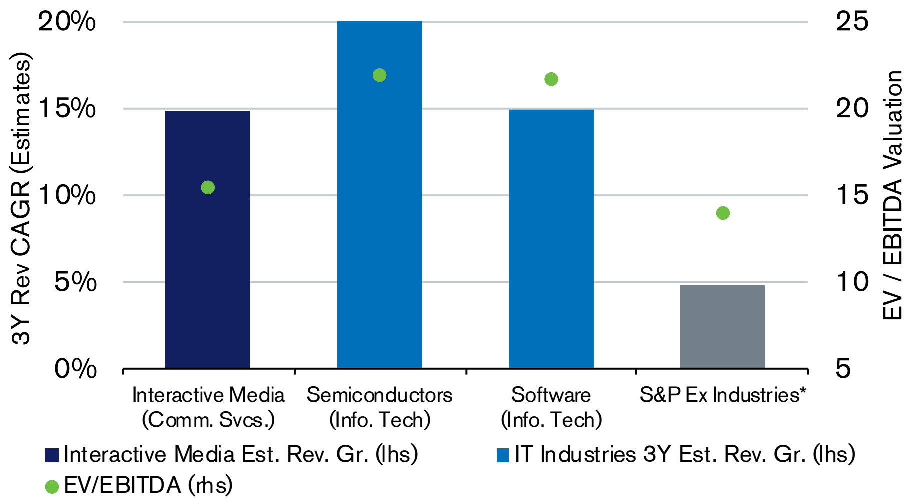
Mid-Phase Sectors Provide Stable Economic Sensitivity

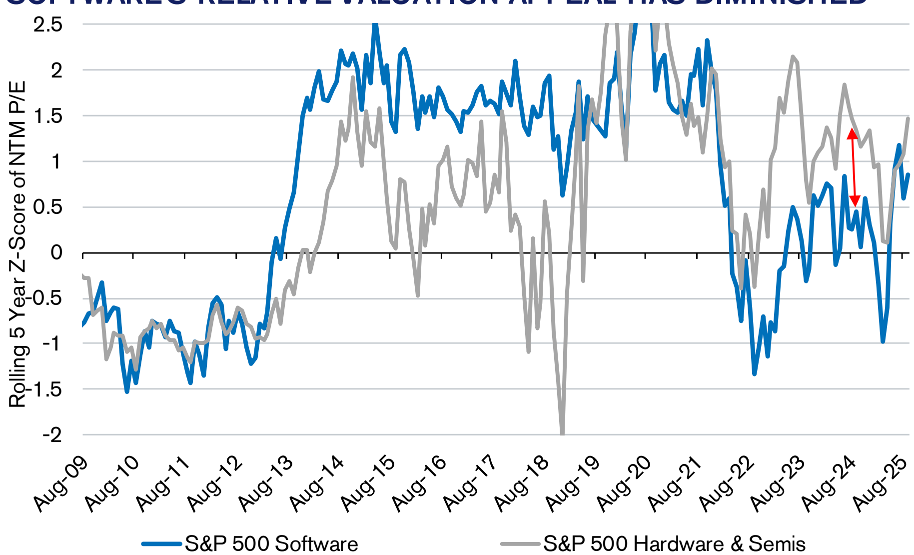
COMPELLING GROWTH AND VALUATION SETUP FOR COMMS



Source: Bloomberg, WestEnd Adivosrs

**Excludes Interactive Media, Semiconductors, and Software industries.*

SOFTWARE'S RELATIVE VALUATION APPEAL HAS DIMINISHED



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Sectors like Information Technology and Communication Services appear poised to generate durable earnings growth during a period of likely slower economic growth and uncertainty. More cyclical sectors, such as Energy and Materials, could face greater fundamental headwinds going forward, in our view.

Standout Earnings Growth:

- Information Technology and Communication Services are expected to generate healthy and durable earnings growth this year and next.
- Isolating the largest industries within Information Technology and Communication Services illustrates their relative growth appeal compared to the rest of the market (top chart).

Tactical Positioning Within Sectors:

- Also of note is the relative valuation appeal for Interactive Media within Communications Services when compared to Information Technology's higher-growth industries, Semiconductors and Software (top chart).
- Our previous overweight to Software was removed as the valuation gap between Software and other Tech industries closed in Q3.

Cyclical Activity a Mixed Bag, but Green Shoots Emerging

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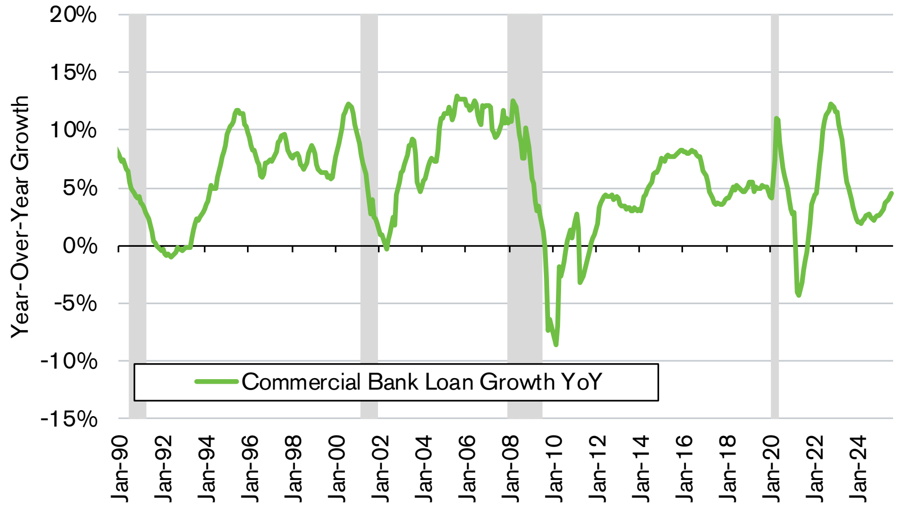
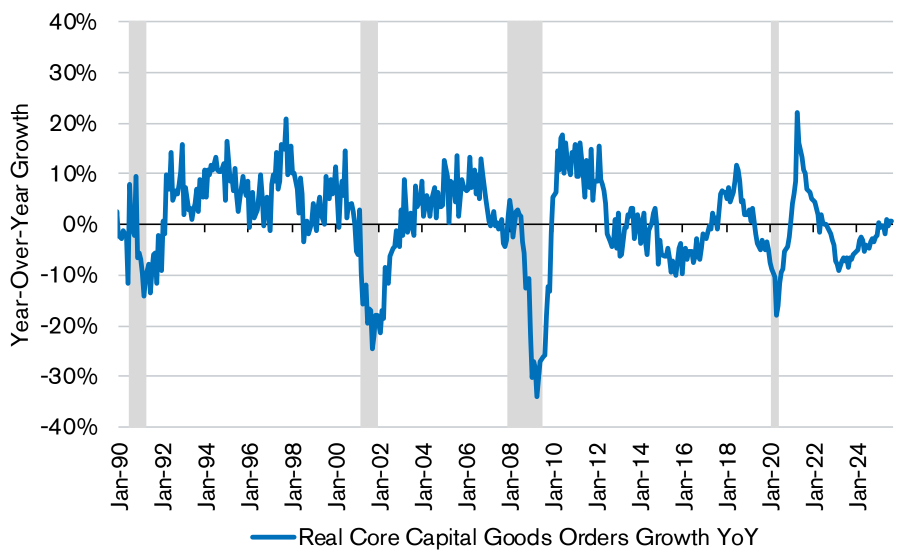
LENDING ACTIVITY SHOWING IMPROVEMENT…



Source: Federal Reserve, Bloomberg, WestEnd Advisors

…WHILE CORE CAPEX STABILIZING, YET SLUGGISH



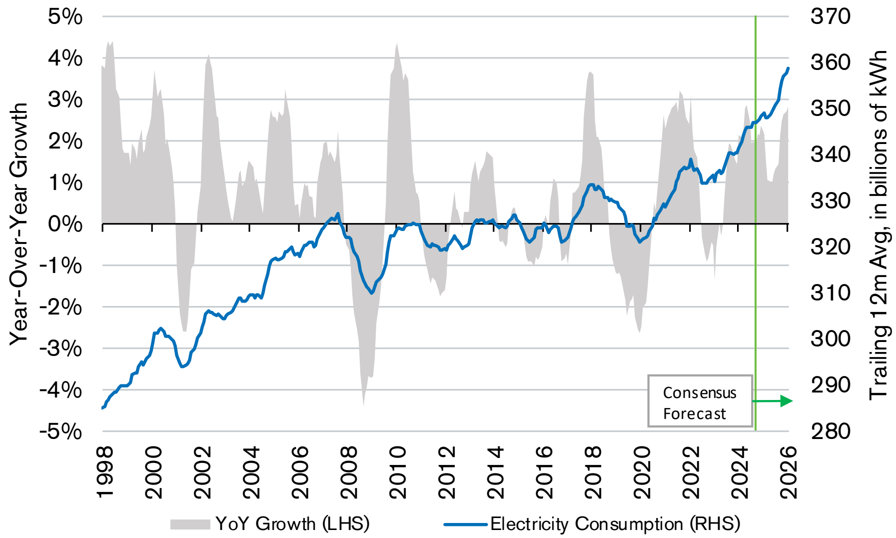
Source: Conference Board, Bloomberg, WestEnd Advisors

Portfolio Impact: Cyclical areas of the economy remain mixed, due in part to the monetary policy backdrop. Lending activity has improved since the start of the year, while traditional capex measures remain sluggish but could recover if the Fed stays on an easing path. Accordingly, we maintain a market-like position in the U.S. Financials sector and continue to avoid the U.S. Industrials sector.

- **Loan Growth Perking Up:** Following two years of subdued lending activity, loan growth has accelerated this year, bolstering fundamentals for both the Banks industry and the broader Financials sector.
- **Capex Unremarkable:** Meanwhile, core capex is showing signs of stabilization but has yet to see a meaningful uplift, reflecting the still-restrictive interest rate backdrop in certain parts of the economy.
- **Lower Rates Could Change the Picture:** We believe looser monetary policy is the most logical catalyst for increased activity in industrial end markets and overall capital expenditures. That said, the extent of future policy easing remains uncertain amid the prospect of sticky inflation.

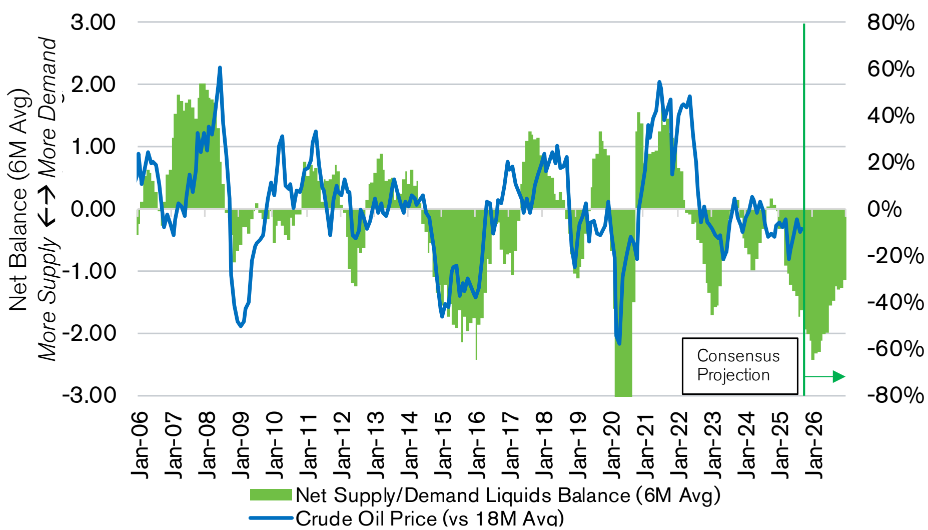
Superior Earnings Visibility in Utilities

STRONG EXPECTED ELECTRICITY DEMAND



Source: EIA, Bloomberg, WestEnd Advisors

SUPPLY GLUT LIMITS UPSIDE TO OIL PRICES



Source: EIA, Bloomberg, WestEnd Advisors

Portfolio Impact: The Utilities sector is expected to generate above average earnings growth as it invests to meet rising electricity demand. Conversely, the Energy sector is contending with oversupply pressures that typically weigh on commodity prices, compressing margins and limiting earnings growth potential.

- **Strong Electricity Demand:** Convergence of multiple secular trends such as AI data center power requirements, industrial reshoring initiatives, EV adoption, and broader electrification of residential and commercial heating is driving strong electricity demand for the Utilities sector (top chart).
- **Earnings Visibility:** Utilities offer superior earnings visibility relative to commodity-sensitive sectors like Energy, as accelerating electricity demand and grid modernization investments create a pathway for above-average EPS growth that could prove largely insulated from economic weakness.
- **Oil Supply Glut:** Oversupply periods typically weigh on oil prices (bottom chart), which has historically been associated with the Energy sector underperforming.

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International Economic & Market Backdrop

Fundamentals Don't Justify "Sell America"

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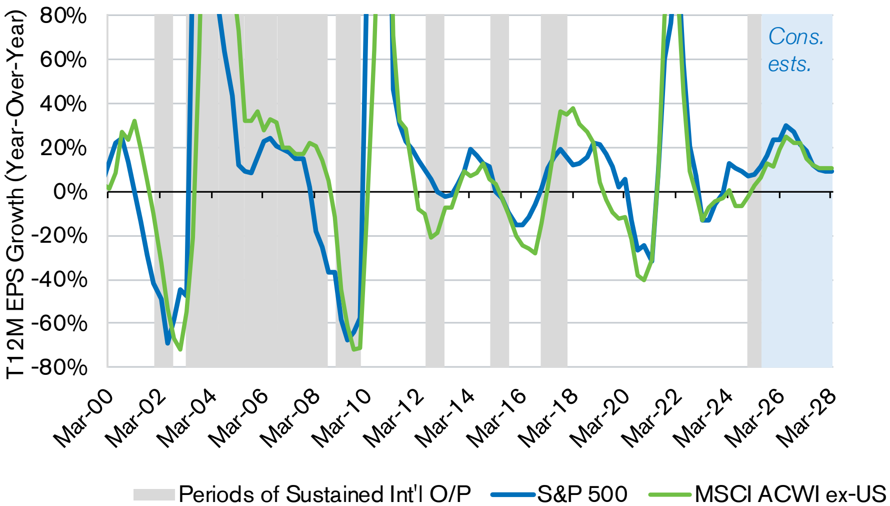
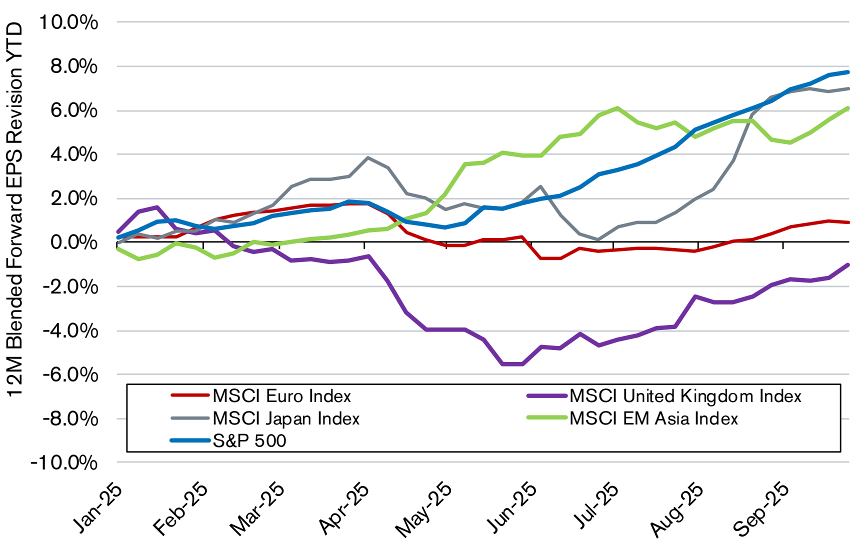
US VS INT'L PERFORMANCE DEPENDS ON EARNINGS



Source: Bloomberg, WestEnd Advisors

U.S. AND ASIA HAVE STRONGEST EARNINGS MOMENTUM



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Earnings growth in the U.S. has continued to outpace the rest of the world, driven by a higher pace of economic growth that remains on a slowing-but-healthy trajectory, in our view. In global portfolios, we have maintained our overweight to the U.S., where we see attractive sector opportunities that could prove resilient in the face of slowing global growth.

- **U.S. Earnings Power:** Over the intermediate-to-long run, U.S. vs rest-of-world performance is driven by earnings growth. As the top chart shows, U.S. earnings are expected to continue outgrowing international earnings, albeit at a slower pace relative to the past two years.
- **Regional Earnings Revisions:** Year-to-date, EPS estimates have seen the strongest upward revisions in the U.S., Japan, and EM Asia, driven by a combination of the AI infrastructure capex boom, supportive monetary policy, and favorable structural reforms in Japan and China. In contrast, EPS revisions have been relatively subdued in the U.K. and the Euro-Area due to sluggish manufacturing and lower exposure to high-tech industries.

Improving Credit Conditions in China Supportive of Fundamentals

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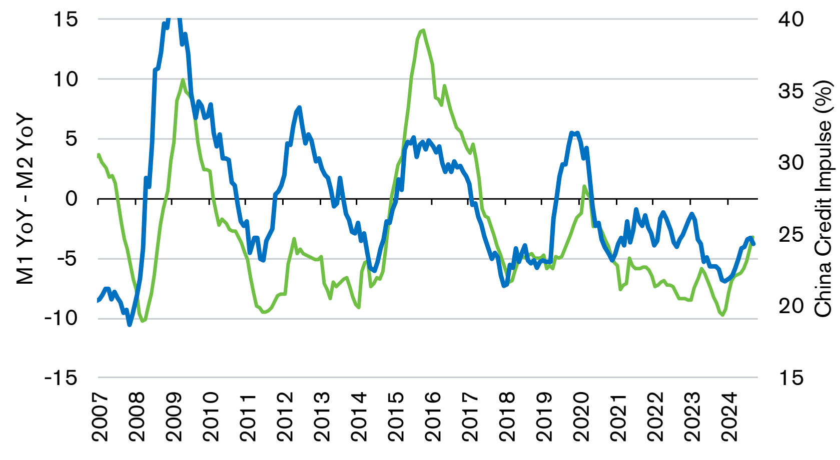
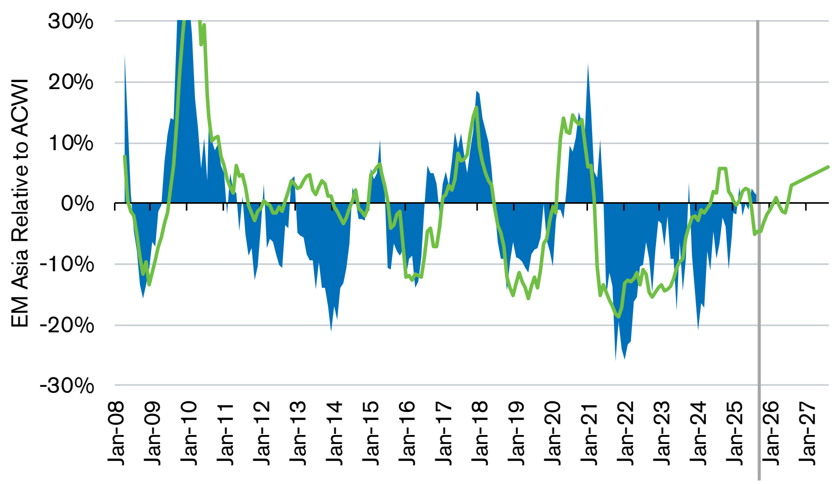
CHINA MONETARY CONDITIONS ON IMPROVING TRAJECTORY



Source: Bloomberg, PBOC, WestEnd Advisors

EARNINGS GROWTH SUPPORTIVE OF EM ASIA RETURNS



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Monetary and credit conditions are on an improving trajectory in China, which we expect to support relatively strong earnings growth across Asia. This environment supports our overweight position to broader Asia in global portfolios.

- **Monetary Signal:** The pronounced monetary policy support in China has led to improving liquidity conditions and a rising appetite for credit. Historically, an accelerating credit impulse and increasing growth in narrow money (M1) relative to broad money (M2) have been supportive of equity valuations and signaled a healthy environment for risk assets more broadly.
- **Strong Relative Earnings Growth:** A pivot to more stimulative monetary policy among the region's central banks, growth in high-tech manufacturing, and healthy secular trends in technology investment have been catalysts for healthy earnings growth expectations. This growth trajectory is expected to outpace the global benchmark over our investment time horizon; a pattern historically associated with relative outperformance for the region.

Interest Rates & Real Assets

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Yield Curve Normalization Can Continue, But Easing Increasingly Priced In

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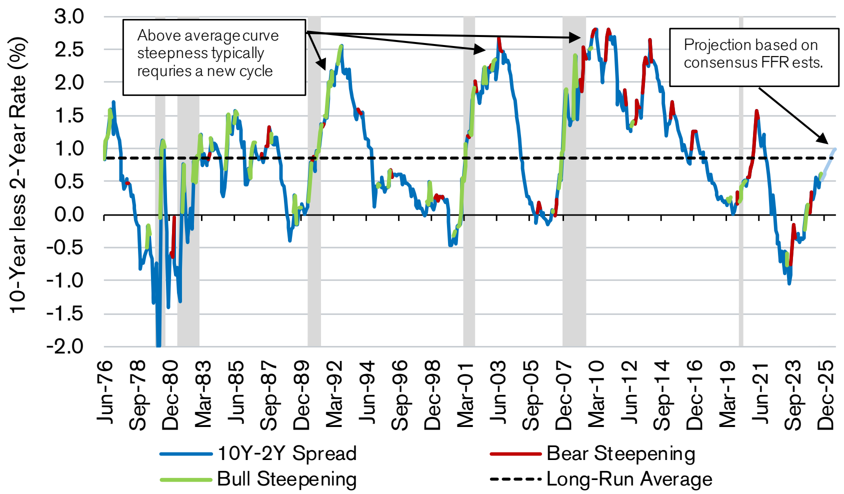
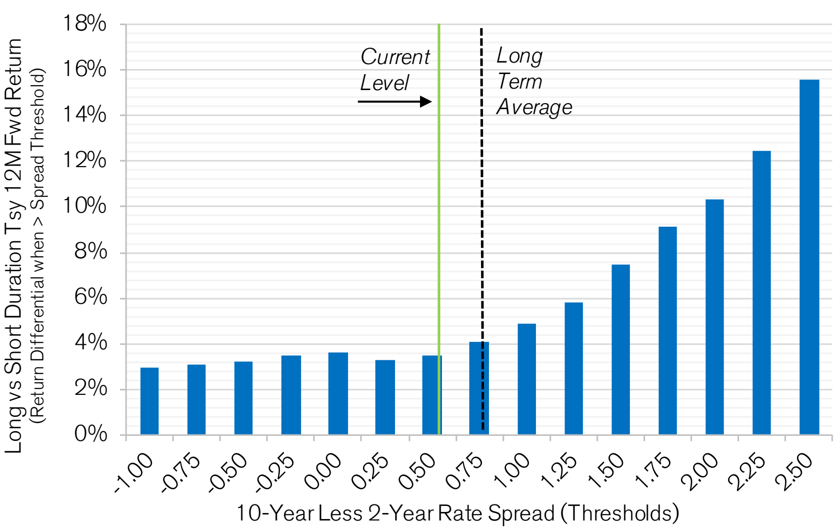
CURVE STEEPNESS SLIGHTLY BELOW LONG-RUN AVERAGE



Source: Bloomberg, WestEnd Advisors

DURATION MORE ATTRACTIVE AS CURVE STEEPENS



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: We believe the yield curve re-steepening process can continue as the Federal Reserve recalibrates interest rate policy to a more neutral stance. Resilient economic growth and above-target inflation could limit the downside to longer-term interest rates. As a result, we expect fixed income returns to be driven primarily by healthy coupon yields, with limited price gains. In balanced portfolios, we believe a neutral allocation to bonds is currently warranted.

- **Un-Inverted Curve:** The 10Y-2Y spread has moved into positive territory and remains at levels consistent with a mid-to-late cycle environment. Substantial further steepening may require a shift into a new economic cycle (top chart).
- **Duration Attractiveness:** Long-duration bonds become more attractive as the yield curve steepens. Historically, the outperformance of long vs short duration Treasury securities has been strongest when the yield spread is above average.
- **10-Year Fair Value:** Absent sharp economic deterioration, the fair value of the 10-year could remain between 4% and 5%, according to WestEnd's internal estimate based on long-run real GDP growth and CPI.

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Lower Risk Premiums Mean Diversification is Key

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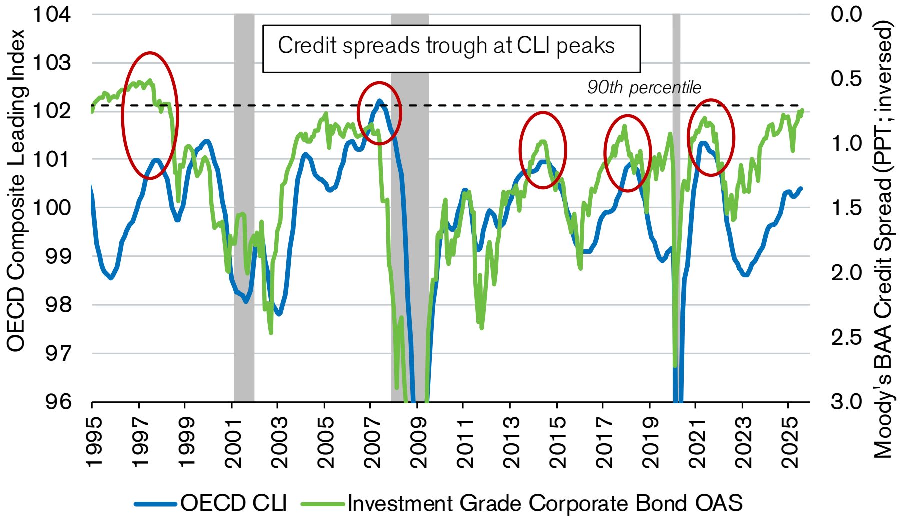
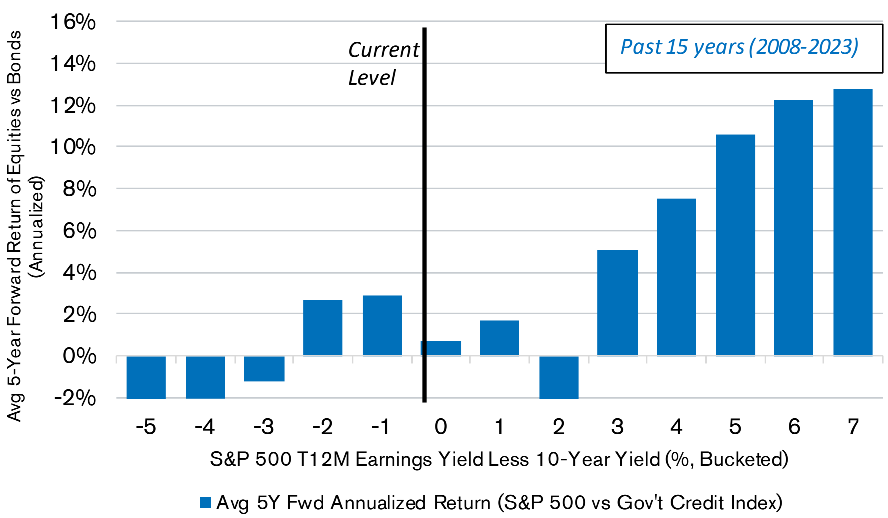
CORPORATE CREDIT NOT PRICED FOR A SLOWDOWN



Source: Bloomberg, WestEnd Advisors

LOWER ERP IMPROVES BONDS' RELATIVE APPEAL



** For investment grade corporate bond universe.*
Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Historically low credit spreads and narrow equity earnings yields could foreshadow lower forward relative returns for risky assets versus traditional bonds over the intermediate-to-long run. As such, we believe diversification could become increasingly important to portfolio outcomes, and we are maintaining neutral allocations to equities and corporate bonds in balanced portfolios.

- **Spread Rebound Reduces Credit Appeal:** Credit spreads fell back toward historic lows following the tariff turmoil in April. The risk/reward profile for long-duration corporate credit remains unappealing, in our view, as credit spreads have typically widened during periods when leading economic indicators roll over.
- **Lower Equity Risk Premium:** The ERP, proxied by the S&P 500 earnings yield less the 10-year yield, has fallen to the lowest level in ~20 years. Historically, an equity risk premium of ~0% has foreshadowed modest equity outperformance relative to fixed income on a forward 5-year basis, which marks a meaningful downshift compared to the past 15 years.

Asset Class Returns Driven by Macro Environment

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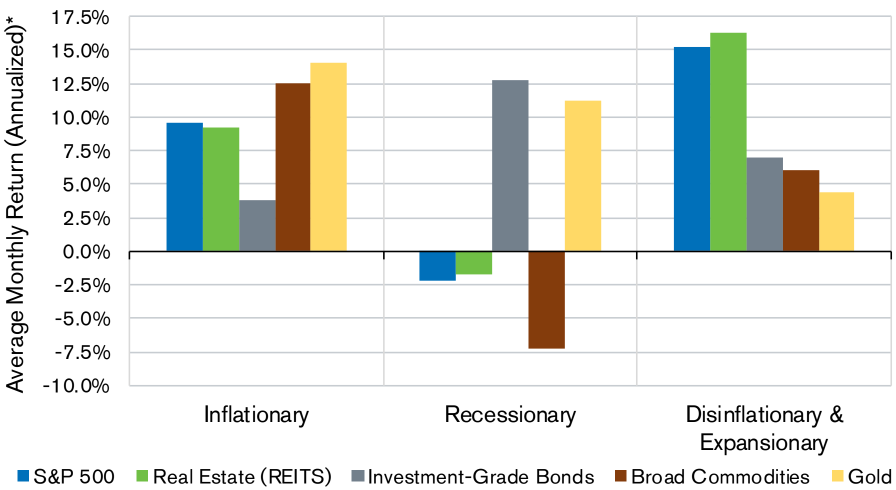
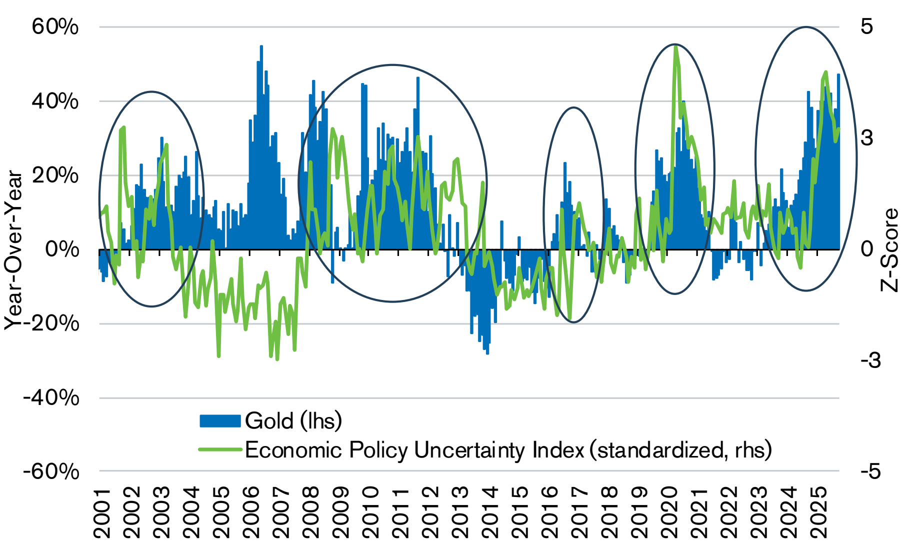
MACRO CONDITIONS DRIVE ASSET CLASS DISPERSION



Source: Bloomberg, WestEnd Advisors ** Covers periods from 1975 through Q4 2023*

GOLD CAN PROVIDE HEDGE AGAINST UNCERTAINTY



Source: Bloomberg, WestEnd Advisors; Baker, Bloom & Davis

Portfolio Impact: Given our outlook for a late-cycle environment, we continue to avoid the most economically sensitive real asset exposures, like real estate and broad commodities. Against this backdrop, we continue to see gold as an attractive alternative to fixed income that can benefit from falling real interest rates and economic uncertainty.

- **Real Assets Can Enhance Portfolio Outcomes:** Macro conditions can influence the performance of assets outside of traditional equities and fixed income. Active, macroeconomically driven asset allocation decisions can enhance not only portfolio diversification but return potential as well.
- **Gold Performing Well in Uncertain Macro Environment:** We continue to see gold as a compelling asset in this environment. Year-to-date, it is one of the best-performing assets and has benefitted from multiple tailwinds including elevated economic policy uncertainty, a falling dollar, declining real interest rates, and strong demand from central banks and ETF investors.

Footnotes & Disclosures

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The Standard and Poor's 500 Stock Index includes 500 stocks and is a common measure of the performance of the overall U.S. stock market. The MSCI ACWI consists of 47 country indexes comprising 23 developed and 24 emerging market country indexes. The total return of the MSCI ACWI (Net) Index is calculated using net dividends. Net total return reflects the reinvestment of dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The Bloomberg Barclays US Aggregate Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. The Bloomberg Barclays US Aggregate Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. An index is unmanaged and is not available for direct investment.

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Holdings, Sector Weightings, and Portfolio Characteristics were current as of the date specified in this presentation. The listing of particular securities should not be considered a recommendation to purchase or sell these securities. While these securities were among WestEnd Advisors' strategies' holdings at the time this material was assembled, holdings will change over time. There can be no assurance that the securities remain in the portfolio or that other securities have not been purchased. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presently in the portfolio. Individual clients' portfolios may vary. Upon request, WestEnd Advisors will provide a list of all recommendations for the prior year.