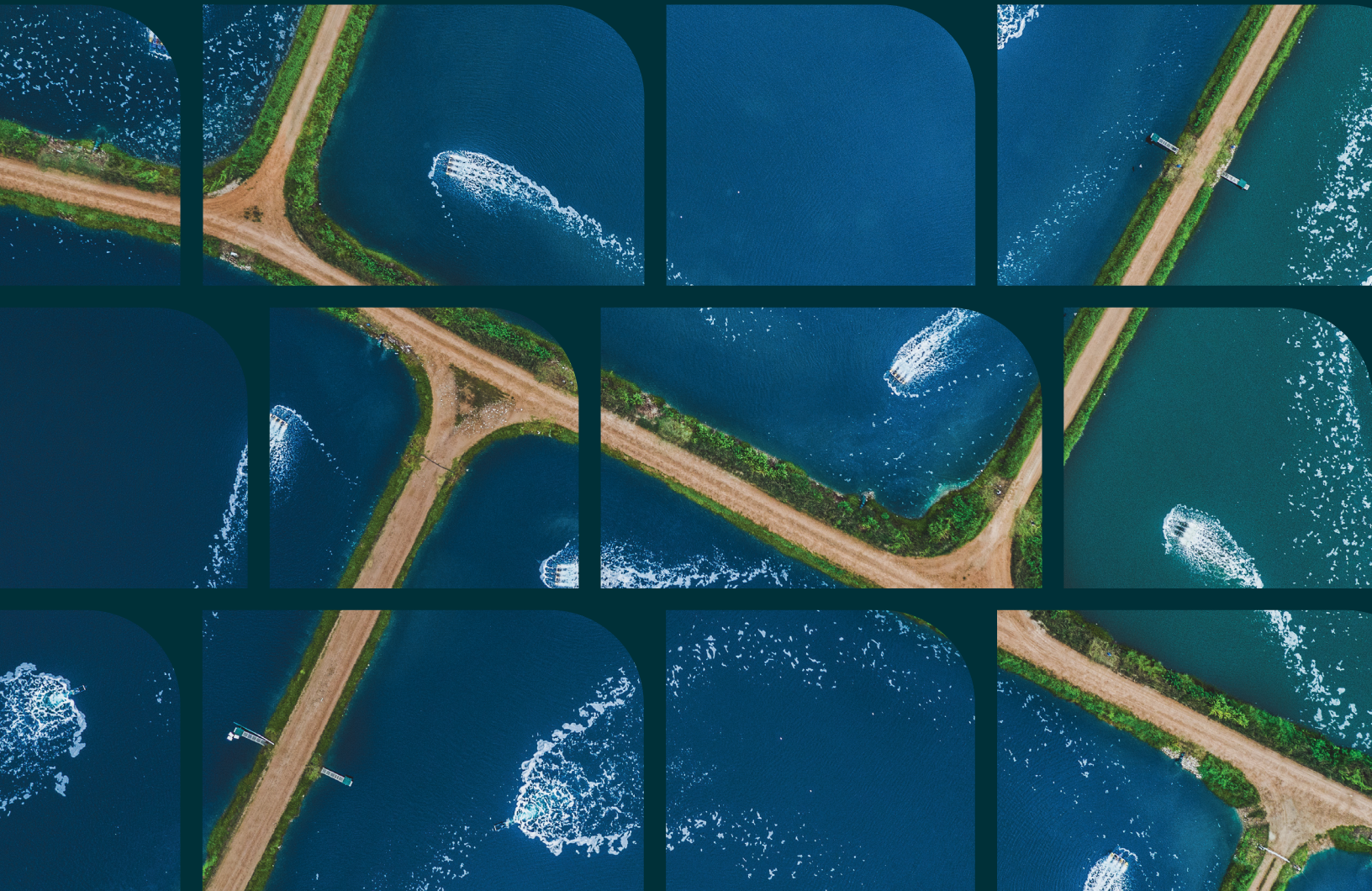


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VIEWPOINTS FROM THE GLOBAL INVESTMENT COMMITTEE
Q2 2026 GIC OUTLOOK

Casting a wider net: Can investors branch out when so much is priced in?



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Key takeaways

- Despite **higher volatility** and some elevated risks, many areas of the global financial market appear **fairly valued**, creating potential investment challenges.
- We suggest investors cast a wider net, looking for **deeper diversification** across markets, while also capitalizing on market turnarounds in spaces such as **municipal bonds** and **private real estate**.
- We also think some market segments have room for further upside, including **U.S. large cap equities**, **infrastructure** and **private credit**.

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Casting a wider net: Can investors branch out when so much is priced in?

What do March Madness and the Oscars have in common? Both are beloved rites of spring that have cast a wider net to enhance their appeal and keep up with evolving trends and interests. Over the past few decades, the U.S. NCAA men's and women's basketball programs expanded their championship brackets from 48 to 68 teams. The Academy Awards, meanwhile, added a golden statue for Best Animated Feature in 2002, increased Best Picture nominations from five to 10 in 2009 and this year literally "cast" a wider net for winners by introducing a new category for achievement in — yes, casting.

Breadth of opportunity is a prominent theme in global financial markets, too, but with more at stake than a busted bracket in the office betting pool or a snubbed supporting actor on Hollywood Boulevard. Building long-term portfolios designed to maximize return potential while effectively managing risk has always been challenging, and never more so than during periods of sweeping economic, political and technological change.

Yet despite today's increased volatility, markets remain efficient overall, with expected outcomes largely priced in — evidenced by tight credit spreads, a crowded artificial intelligence (AI) trade and full equity valuations, among other indicators. This complicates the quest for relative value and durable upside, leaving some investors hard pressed to identify the next asset classes or sectors best suited to take on the role of portfolio diversifier, income generator or return maximizer.

Nor is there any guarantee the winners will align with conventional wisdom. Like a Cinderella team upsetting the #1 seed or a dark horse nominee pulling the red carpet out

from under the sentimental favorite, success has a way of defying the oddsmakers.

By the same token, optimal portfolio construction doesn't mean every theme, sector or subsector previously favored needs to be abandoned. Even in categories that have recently outperformed, where valuations appear stretched or potential near-term catalysts seem fully reflected in current prices, compelling opportunities can still be found.

Case in point: U.S. assets, which some institutional investors have begun to de-emphasize in their global allocation strategies amid tariffs and geopolitical upheaval. Those concerns notwithstanding, we're still able to find compelling value in select U.S. exposures based on sound fundamentals and structural advantages. These include ways to benefit directly from the ongoing AI boom (via large cap growth equities) and through second-derivative AI-related investments (like power generation and infrastructure assets).

In fixed income, we favor higher-yielding sectors with healthy credit profiles, such as senior loans and preferred securities. And we continue to stand by two favored asset classes whose recent rebounds are hitting their stride: municipal bonds and private real estate. Lastly, among alternative investments, we like certain areas of private equity and private credit, specifically strategies where rigorous underwriting helps mitigate risk.

We explore these and other insights in the pages that follow. Through our "Five portfolio construction themes" discussion, updated heat map and best ideas across asset classes, we're pleased to share how we're casting our own wider net as we head into the second quarter of 2026 and beyond.



SAIRA MALIK
Chief Investment Officer

As Nuveen's Chief Investment Officer and leader of our Global Investment Committee, Saira drives market and investment insights, delivers client asset allocation views and brings together the firm's most senior investment leaders to deliver our best thinking and actionable investment ideas. In addition, she is a portfolio manager for several key investment strategies.

The economy and markets

Key points to know

Synchronizing (and improving) global growth.

The expansion across major economies shows little sign of slowing. The U.S. economy grew at a healthy pace of 2.2% in 2025, and we forecast a similar pace this year. The labor market has stabilized somewhat, with the unemployment rate flat in recent months. Business investment, especially in tech, is providing a substantial tailwind, and productivity growth is running at its best rates since the global financial crisis.

The positive outlook extends beyond the U.S. as well. Increased government spending supports our forecast for a pickup in European growth as well this year, with the UK, Japan, and China also contributing positively. Overall, global recession risks have receded, and the growth outlook has brightened.

Inflation is cooling, for now. Though U.S. core PCE inflation ended 2025 at a still-high 3.0%, in line with our forecast, the global picture is still mostly encouraging. Our developed markets core inflation tracker – covering 31 countries on a GDP-weighted basis – puts global core inflation at 2.27% year-over-year, close to the 2% target used by most central banks and the lowest level since 2021 (Figure 1).

Even in the U.S., the outlook remains constructive. The one-off tariff impact that pushed goods prices higher last year should drop out by mid-year. Stickier categories like housing continue to improve. We forecast a modest deceleration in U.S. core PCE inflation this year, with the eurozone and UK also moving closer to their respective central bank targets.

Geopolitical risks intensify. The biggest risk clouding the outlook is ongoing conflict in the Middle East. While the situation remains fluid, we have begun to quantify the

likely impacts. Uncertainty could chill business investment, but we expect any such downturn to be modest. The larger risk is that oil prices remain elevated or rally even further. At current levels, we estimate that higher oil prices would likely add roughly 0.9% to U.S. headline inflation this year. Though core inflation excludes energy prices directly, oil's role as a pervasive economic input means we expect U.S. core inflation to be pressured around 0.4% higher this year.

Meanwhile, by compressing real incomes and weighing on consumption, we pencil-in an oil-related drag on U.S. GDP of around 0.3% this year. That is a relatively small magnitude, however, because a) U.S. consumers spend less on energy than in previous decades, and b) the U.S. energy-producing sector should benefit from the move higher in prices, offsetting some of the headwind.

What does all this mean for policy and rates?

For global central banks, a negative supply shock is unwelcome, but the overall outlook remains solid enough to keep the focus on domestic considerations. In the U.S., we continue to expect two additional rate cuts totaling 50 basis points in 2026, though risks are skewed toward a slower pace that could push the second cut into 2027. The Bank of Japan is likely to hike at least once more in 2026, while the European Central Bank may pivot toward a rate increase by year-end.

Fiscal policies are likely to matter just as much, or more, for interest rates, and we expect deficits to remain wide across developed economies this year and over the medium-term, pressuring term premiums higher and keeping long-end rates elevated. We forecast the 10-year Treasury yield to end 2026 at around 4.00%, as fiscal dynamics offset modest downward pressures from lower inflation and rate cuts.

Figure 1: Developed markets inflation is nearly back to central bank targets

Developed markets GDP-weighted core inflation, year-over-year (%)



Data source: Bloomberg, L.P., 31 Jan 1992 - 27 Feb 2026. Data represent GDP-weighted average of core inflation in 31 developed markets economies: Australia, Austria, Belgium, Canada, Cyprus, Czech, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Netherlands, Norway, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom and United States.



Portfolio construction themes

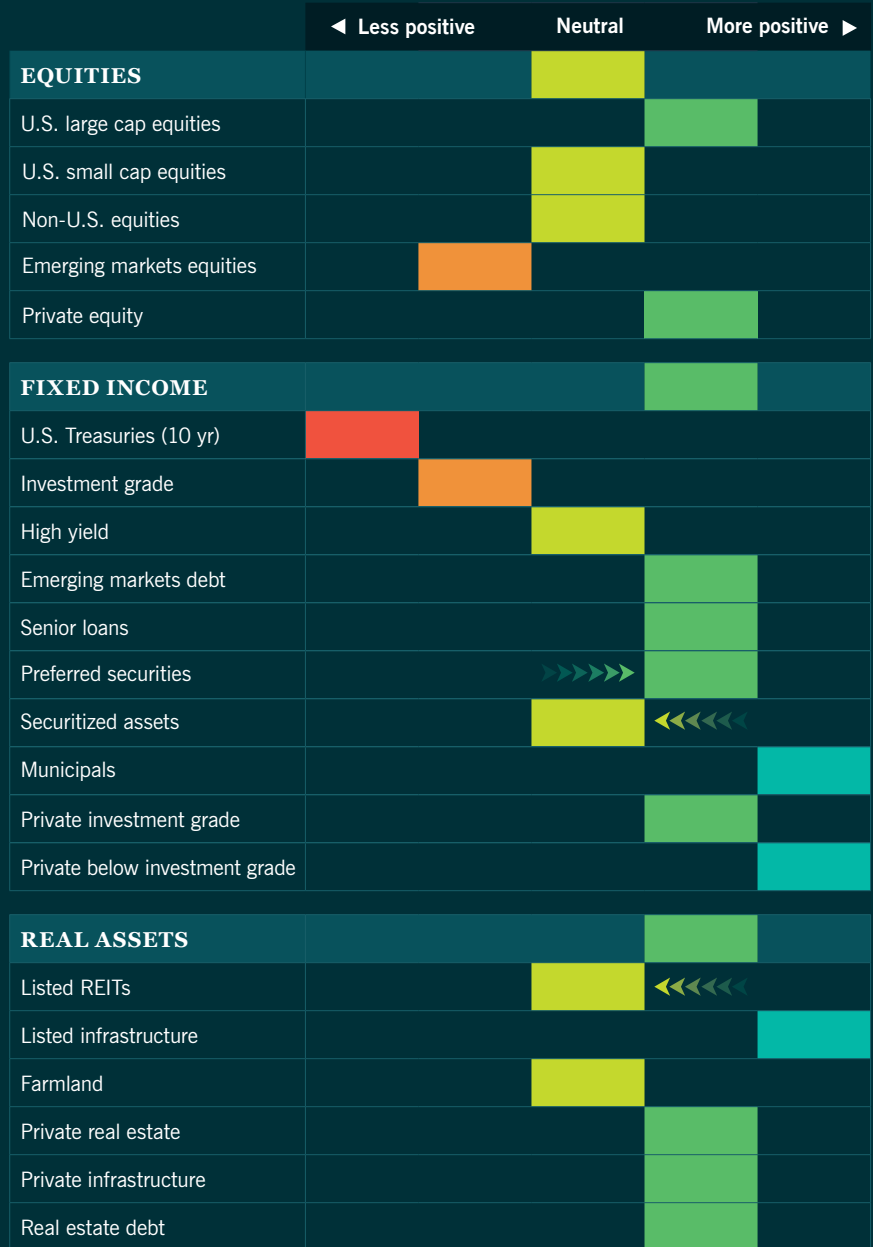
As 2026 rounds into the second quarter, global financial markets appear balanced between risks and opportunities. Global growth remains solid – if anything, recession risks look lower than they did in 2025 – and central banks are gradually easing rates. However, geopolitical uncertainty has risen and inflation remains a modest concern. We think the positives mostly outweigh the negatives, supporting a continued risk-on stance. Yet much good news may already be priced in across many markets. Equity valuations appear full or fair in some markets, credit spreads are relatively tight across many fixed income segments and we are hearing concerns about trades becoming crowded in areas such as private credit.



How does this shape portfolio positioning? We suggest investors **cast a wider net**, branching out and broadening holdings. We offer **five investment themes** combining established trends, potential turnarounds and underexplored opportunities. In the following sections, we also offer our **best investment ideas** within specific asset classes.

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Asset class “heat map”

Our cross-asset class views indicate where we see the best relative opportunities within global financial markets. These are not intended to represent a specific portfolio, but rather to answer the question: “What are our highest conviction views when it comes to putting new money to work?” These views assume a U.S. dollar-based investor seeking long-term growth and represent a one-year time horizon.



 Upgrade from last quarter
 Downgrade from last quarter

The views above are for informational purposes only, and compare the relative merits of each asset class based on the collective assessment of Nuveen’s Global Investment Committee. They do not reflect the experience of any Nuveen product or service. Upgrades and downgrades reflect quarterly shifts in these views.

Five themes for 2026

1

Don't bet against the U.S. in a bid for diversification

Conversations with our clients and our own *EQuilibrium* investor survey show many investors shifting assets away from the U.S. or planning to – either to broaden opportunities or in the face of tariff and geopolitical risks. And while we certainly wouldn't argue against regular portfolio rebalancing, we also think some investors may be overlooking positive U.S. trends.

The AI boom's initial phase may be pausing, but it is far from over. Rising productivity, solid earnings growth and favorable tax and regulatory policies should provide continued tailwinds for U.S. assets. U.S. large caps face some valuation hurdles compared to other areas of the global equity market, but we still expect to see that area of the market outperform alternatives on a relative basis thanks to the trends we just mentioned as well as sustained high capital expenditures. Beyond equities, stronger growth and a diversified economy offer compelling U.S. opportunities in private markets such as real estate, private credit, private asset-backed finance and private investment grade bonds.

2

Alternative credit and private equity should be core allocations

Although interest remains high for these segments of the market, we believe that many (if not most) investors remain underweight private markets. Additional liquidity risk may deliver enhanced returns, income and diversification. Opportunities span alternative credit sectors beyond traditional fixed income benchmarks in areas such as public and private securitized assets, real estate and infrastructure debt, collateralized loan obligations and Commercial Property Assessed Clean Energy (C-PACE) financing. We also continue to favor senior loans, where recent spread widening has created some additional value.

Headlines question private credit stability and potential industry risks. We see underwriting and deal structure issues in riskier segments, but attractive opportunities remain when strong underwriting and deal selection are at the forefront in the investment process. In below investment grade, we favor middle-market direct lending. We've added private investment-grade credit to our heat map as it offers strong relative value, limited supply and robust cash flows, particularly in private asset-backed securities.

Private equity also looks compelling. M&A activity has been rising across the world, and tougher fundraising means experienced managers are deploying capital wisely. We favor senior over junior capital and prefer secondary markets with single-manager structures. Across all areas, selectivity and partner choice will prove critical – deal structure and covenants matter more than in recent years.

3

Municipals are still in the early stages of a new bull market

Following a challenging 2025 (record supply), municipal bonds have rebounded in early 2026 – a trend we expect will continue. While issuance remains elevated, rising principal redemptions and coupon repayments, plus increasing demand from investors redeploying cash into areas generating real income, create a strong technical backdrop.

Yields are relatively high and fundamentals strong, with state and local governments looking very healthy. Municipal yield curves are steeper than Treasuries, making this one area where duration risk makes sense. We see compelling opportunities across both high grade and high yield municipals.

4

The private real estate rebound is just getting started

Following a few years of falling prices, pockets of oversupply and weak demand amid rising interest rates, 2025 saw a rebound in value and constrained new supply for private real estate markets. Demand and transaction activity have also started to accelerate as investors recognize growing opportunities.

In fact, global private real estate returns have actually trended positive for seven consecutive quarters. Rising transaction volumes and plummeting new construction contributed. Critically, price improvements have occurred mostly from rising income growth. Capital appreciation of the underlying assets has not yet been a force, but we expect that will pick up, providing an additional tailwind (Figure 2).

5

Look for the second-derivative trades from the AI boom and energy revolution

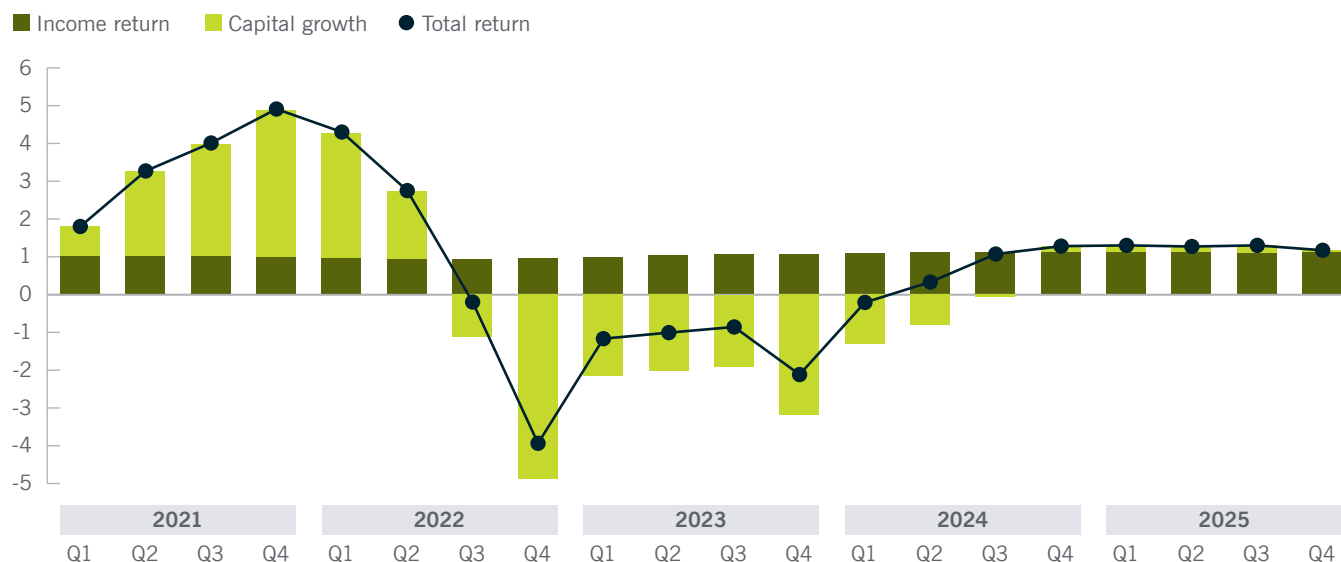
U.S. megacap tech and data centers led the early stages of the AI boom. While that rally has started to show some cracks, we hardly think AI growth and the associated rise in energy demand has ended. But we think investors should be looking for the secondary and future implications of these trends.

Broad infrastructure investments including utilities and energy transmission should benefit from increased energy needs. AI growth and energy transformation may also create direct or indirect opportunities in asset-backed securities, real estate and municipal bonds tied to infrastructure buildouts. And despite U.S. political headwinds, the global shift toward renewables and efficiency continues to drive investment opportunities as diverse power sources become essential.

Over the longer term, we also think investors should pay attention to even broader AI and energy-related trends and risks. Issues such as the need to upgrade and build new power grids, the manner in which data center growth intersects with water stress and scarcity, and how the growing use of AI affects employment trends and corporate governance policies all bear watching.

Figure 2: The private real estate rebound has room to run

Global returns by quarter



Data source: MSCI Global Quarterly Property Index (Q4 2025 data as of 17 Mar 2026); Nuveen Real Estate Research. Performance data shown represents past performance and does not predict or guarantee future results.

Our best investment ideas



EQUITIES
Willis Tsai

Best ideas: We suggest a barbell approach balancing growth-oriented U.S. tech/AI exposure with defensive positioning in dividend growers and listed infrastructure, both offering income and potentially lower volatility.

Investment positioning

- Solid (if somewhat mixed) economic growth, slowly declining rates and positive earnings momentum continue supporting global equity markets. Valuations have been looking increasingly full, but investors have continued to look past that concern. On balance, we maintain a neutral stance and believe investors should focus on high-quality stocks and selection rather than the macroeconomic backdrop.
- The AI boom remains powerful with long-term tailwinds, but increased scrutiny of megacap tech companies should help drive broader market leadership. We think value and cyclical strategies are positioned to benefit most from this trend.
- We continue to favor U.S. large cap stocks over small caps and other developed markets, supported by a dovish Fed and growth-friendly tax and regulatory policy. While emerging markets have rallied recently, we remain cautious given trade policy and geopolitical vulnerabilities.
- We also remain positive toward equity markets, as discussed as part of our portfolio construction themes.



FIXED INCOME
Anders Persson

Best ideas: Preferred securities should benefit from strong fundamentals and limited new issuance. Senior loans offer attractive yields and value. For municipal bonds, we favor select opportunities in health care and higher education and believe the 14-to-17 year duration range offers value.

Investment positioning

- We remain constructive on global bond markets. Despite tight credit spreads in some areas, yields are attractive, fundamentals strong and investor demand high. As has been the case for some time, we think it makes sense for investors to exercise broad diversification and take advantage of the nimbleness and flexibility offered by active management.
- U.S. Treasuries offer poor relative value. We expect long-term rates to remain range-bound even as short-term rates decline. We advocate maintaining neutral duration and focusing on credit opportunities.
- Investment grade credit faces potential headwinds from tight credit spreads and extended duration. In contrast, areas such as senior loans and CLOs offer interesting opportunities given relatively high yields and sector dislocations. Emerging markets debt, especially corporates, also appears compelling, while high yield fundamentals remain solid with favorable long-term prospects. We are upgrading preferred securities, which offer a compelling combination of attractive yields, solid credit quality and decent liquidity. We remain constructive toward securitized assets on a long-term basis, but recent performance has been very strong, and spreads now offer fair value.
- Municipal bonds rank among our top preferences. Strong fundamentals support improving prices and attractive relative value. The upward-sloping municipal yield curve offers compelling yields for those who are looking to extend duration.
- We are carefully monitoring private credit markets for signs of stress but continue to see opportunities. Recent negative headlines and ongoing isolated credit events underscore the importance of careful selectivity focused on deal structure and strong covenants.



REAL ESTATE
Chad Phillips

Best ideas: Across both private and public real estate, our focus is on sectors with compelling supply/demand characteristics, such as light industrial, convenience-oriented retail, senior housing and data centers.

Investment positioning

- We are bullish on private real estate's ongoing recovery. Price returns are strengthening across geographies and property types, driven initially by rising income returns and reduced supply. We anticipate capital appreciation gains as well over the coming quarters.
- Among sectors, our favored areas include light industrial, convenience-oriented retail, health care and global housing. Light industrial features low vacancy rates and limited new supply given the difficulties associated with industrial zoning. Convenience-oriented retail offers the benefits of high demand and occupancy for grocery-anchored centers, while health care (specifically medical office and senior housing) benefits from an aging population, particularly in the U.S. and Japan. And global housing provides the most critical of basic needs and enjoys long term tailwinds from robust demand.
- Real estate debt remains attractive with wide spread premiums, though we increasingly favor equity as the recovery broadens.
- Public REITs have rallied, with net asset values now near fair value. We think this is a stock-pickers' market and our focus is on senior housing, health care, data centers and manufactured housing/RV resorts providing affordable housing options.



INFRASTRUCTURE AND REAL ASSETS
Jessica Bailey

Best ideas: In public markets, we are focused on electric utilities that are trading at a discount while delivering accelerating earnings growth. In private markets, we continue to focus on investments that align with climate and digital transformations, such as clean energy generation, energy storage and data centers.

Investment positioning

- Infrastructure investments across public and private equity and debt markets continue to be an area of emphasis for Nuveen's Global Investment Committee. Energy demand shows no signs of slowing, and infrastructure investments feature strong fundamentals, resiliency and inflation-hedging potential. Additionally, rising uncertainty and volatility across financial markets are driving increased demand for real assets more broadly.
- Public infrastructure looks particularly compelling with attractive valuations, durable cash flows and the essential service/defensive characteristics of the underlying businesses. Opportunities include data center buildouts, gas-powered generation and utilities positioned to capitalize on secular growth. We are focused on regions experiencing the highest power demand growth while avoiding jurisdictions experiencing regulatory scrutiny.
- On the private markets side, infrastructure opportunities span equity and debt, particularly assets benefiting from surging power demand and cloud computing expansion. We favor modern, efficient energy infrastructure over legacy assets, emphasizing data centers and sustainability-focused investments supporting environmental transitions. We also see select opportunities in energy storage, especially in European equity investments.
- Farmland remains a compelling long-term allocation for differentiated returns potential and inflation hedging characteristics. However, row crop margins continue moderating, particularly in the U.S.

About Nuveen's Global Investment Committee

Nuveen's Global Investment Committee (GIC) brings together the most senior investors from across our platform of core and specialist capabilities, including all public and private markets. Quarterly meetings of the GIC lead to published outlooks that offer:

- macro and asset class views that gain consensus among our investors
- insights from thematic “deep dive” discussions by the GIC and guest experts (markets, risk, geopolitics, demographics, etc.)
- guidance on how to turn our insights into action via regular commentary and communications.

For more information, please visit nuveen.com.

Endnotes

All market and economic data from Bloomberg, FactSet and Morningstar.

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