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Viewpoints from the Global Investment Committee
2025 midyear outlook

Filter the noise, find the opportunity:
Five themes for 2025 (and beyond)

June 2025

The economy and markets: key points

Economic growth is slowing, not stalling

- Underlying U.S. growth remains at a level slightly lower than last year, but still healthy
- Consumption has been running stronger than the pre-Covid average
- Growth will likely slow over the balance of the year as tariffs bite more sharply

Tariffs remain the biggest driver of the outlook

- Entering this year, the overall effective tariff rate was slightly below 3%
- "Liberation Day" declarations imposed a minimum 10% tariff and country-specific duties up to 50%
- We expect a new effective tariff rate of around 10%

Fiscal risks are back

- We expect the U.S. budget bill to result in wider deficits
- Term premia are up globally around 100 basis points versus 2024 lows
- Risks have intensified of further rate increases, higher interest expenses and ultimately lower growth

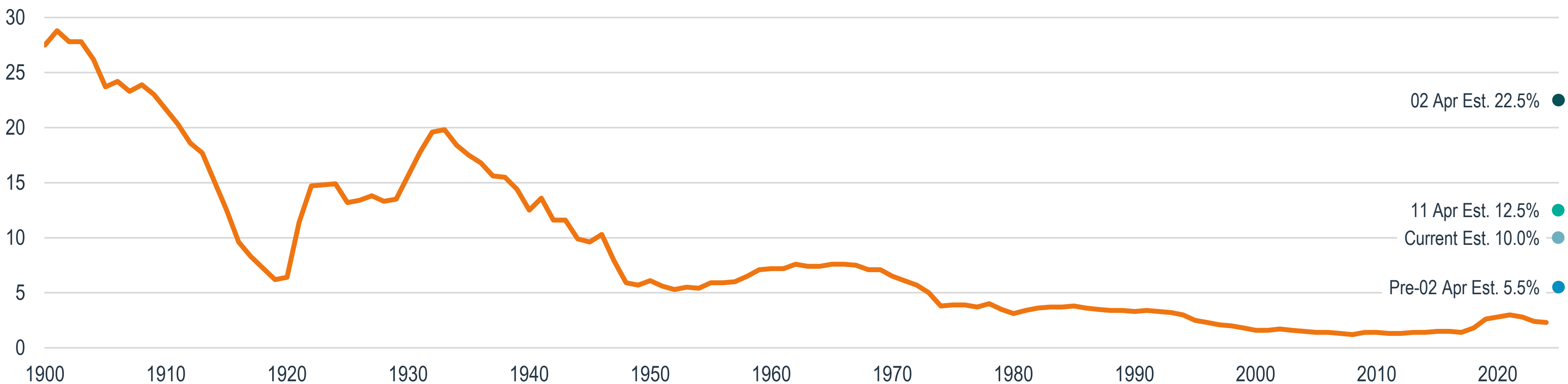
U.S. rates to moderate, and global divergences to narrow

- Most global central banks should remain in easing mode
- Businesses, consumers and investors are facing a degree of paralysis, awaiting further clarity
- Long-term sovereign bond yields should narrow

U.S. trade policy ripples through the economy

Tariffs remain the biggest driver of the outlook, and the biggest upside/downside risk

Average effective U.S. tariff rate on imports (%)



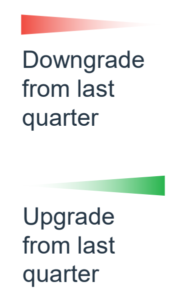
2025 estimates	**Pre-02 Apr** Expectation	**02 Apr** "Liberation Day"	**11 Apr** 90-day pause, sector exemptions	**Current** Ongoing policy shifts
U.S. GDP growth (%)	2.0	0.4	0.8	1.0
Core PCE inflation (%)	2.5	4.2	3.2	3.0
12M recession probability (%)	35	70	40	35

Data source: Bloomberg, L.P., Nuveen Macro Research, 31 Dec 1900 – 13 Jun 2025.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

Our highest conviction views

We continue to position for bouts of volatility amid policy shifts and a slowing U.S. economy.



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

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We suggest ideas to filter the noise

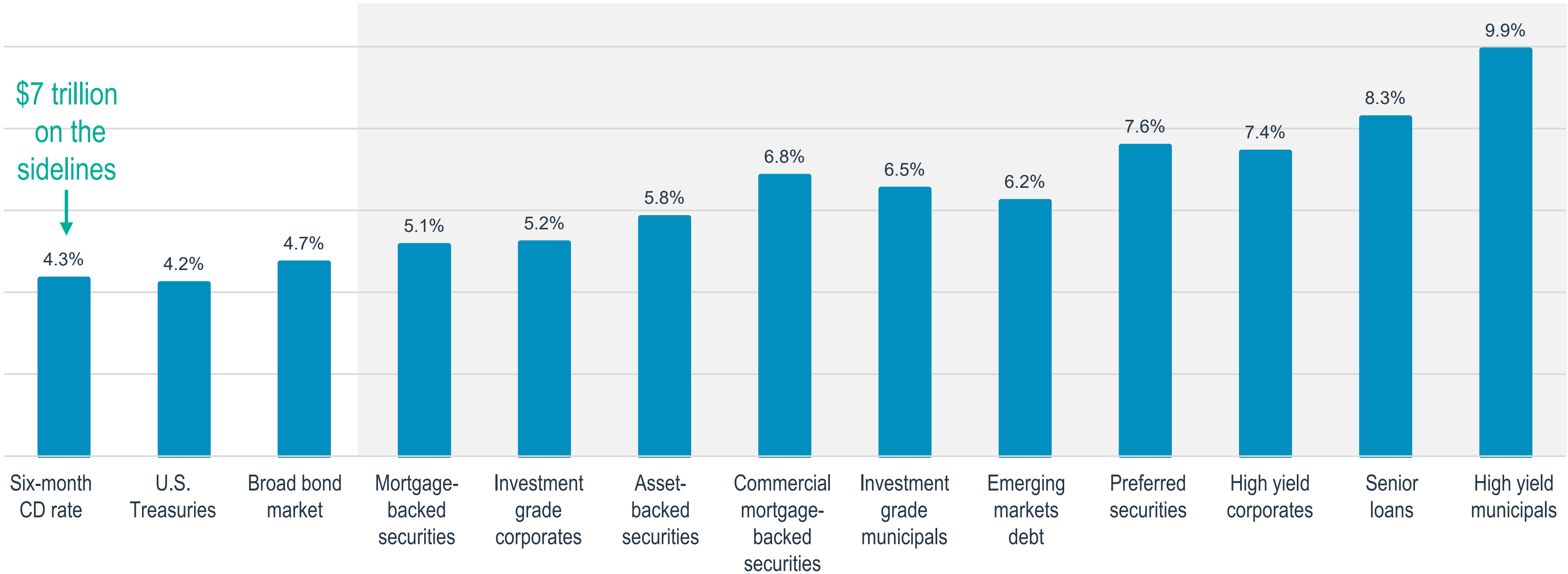
Five portfolio construction themes for 2025

1. Relative spreads and credit selection, not risk-free rates, will drive returns in public and private debt markets.
2. Municipals are still the borrower of choice for investors in it for the duration.
3. Real estate reality: the trends are favorable.
4. The world may be decoupling; markets are not.
5. Energy demand charges ahead of capacity, creating opportunities amid political changes.

Relative spreads and credit selection, not risk-free rates, will drive returns in public and private debt markets

Focus on attractive credit sectors

Taxable-equivalent yields (%)



Data source: Bloomberg, L.P., 29 May 2025. **Performance data shown represents past performance and does not predict or guarantee future results. Representative yields and indexes: six-month CD:** Marcus Goldman Sachs six-month CD yield; **U.S. Treasuries:** Bloomberg U.S. Treasury Index**; broad bond market:** Bloomberg U.S. Aggregate Index; **mortgage-backed securities:** Bloomberg U.S. Mortgage-Backed Securities Index**; investment grade corporates:** Bloomberg U.S. Corporate Investment Grade Index; **asset-backed securities:** ICE BofA Fixed Rate ABS AA-BBB Index; **commercial mortgage-backed securities:** ICE BofA Fixed Rate CMBS AA-BBB Index; **investment grade municipals:** Bloomberg Municipal Bond Index; **emerging markets debt:** Bloomberg Emerging Markets USD Aggregate Index; **preferred securities:** ICE BofA U.S. All Capital Securities Index; **high yield corporates:** Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; **senior loans:** S&P UBS leveraged loan index; **high yield municipals:** Bloomberg High Yield Muni Bond Index. **Taxable-equivalent yield (TEY)** is the yield a taxable investment needs to possess (before taxes) for its yield to be equal to that of a tax-free municipal investment. The yields shown are based on the highest individual marginal federal tax rate of 37%, plus the 3.8% Medicare tax on investment income. Individual tax rates may vary. They do not take into account the effects of the federal alternative minimum tax (AMT) or capital gains taxes.

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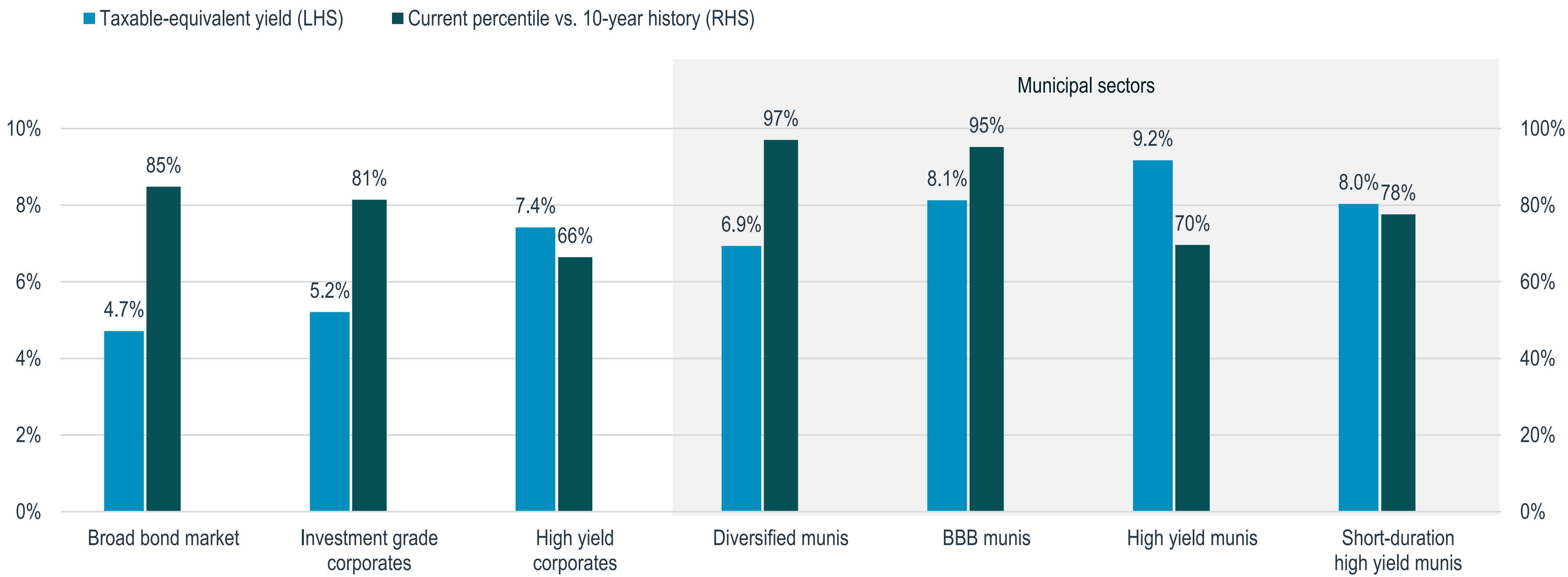
Theme 2

Municipals are still the borrower of choice for investors in it for the duration

Municipal bond yields are at historic highs

Current yields and percentiles compared to 10-year history



Data source: Bloomberg, L.P., 05 Jun 2025. **Performance data shown represents past performance and does not predict or guarantee future results. Representative yields: broad bond market:** Bloomberg U.S. Aggregate Index; **investment grade corporates:** Bloomberg U.S. Corporate Investment Grade Index; **high yield corporates:** Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; **diversified munis**: ICE BofA U.S. Municipal Securities Index; **high yield munis:** ICE BofA U.S. Municipal Securities High Yield Index; **short-duration high yield munis:** ICE BofA 1-12 year Broad High Yield Crossover Municipal Index. **Taxable-equivalent yield (TEY)** is the yield a taxable investment needs to possess (before taxes) for its yield to be equal to that of a tax-free municipal investment. The yields shown are based on the highest individual marginal federal tax rate of 37%, plus the 3.8% Medicare tax on investment income. Individual tax rates may vary. They do not take into account the effects of the federal alternative minimum tax (AMT) or capital gains taxes. **For index descriptions, please access the glossary on nuveen.com.**

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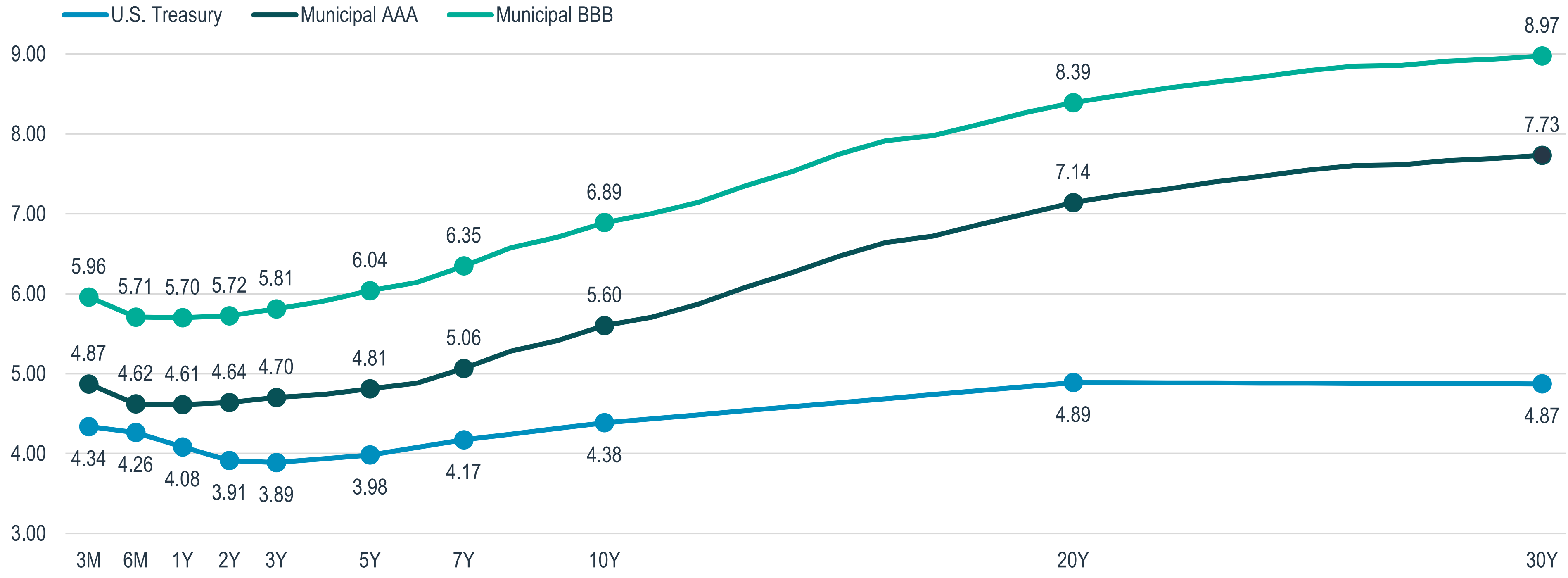
Theme 2

Municipals are still the borrower of choice for investors in it for the duration

By extending duration, municipal investors can achieve higher tax-efficient yields

U.S. Treasuries vs. AAA and BBB municipal yield curve (taxable-equivalent yield) (%)



Data source: Bloomberg; Nuveen Portfolio Strategy & Solutions, as of 29 May 2025. **Taxable-equivalent yield (TEY)** is the yield a taxable investment needs to possess (before taxes) for its yield to be equal to that of a tax-free municipal investment. The yields shown are based on the highest individual marginal federal tax rate of 37%, plus the 3.8% Medicare tax on investment income. Individual tax rates may vary. They do not take into account the effects of the federal alternative minimum tax (AMT) or capital gains taxes.

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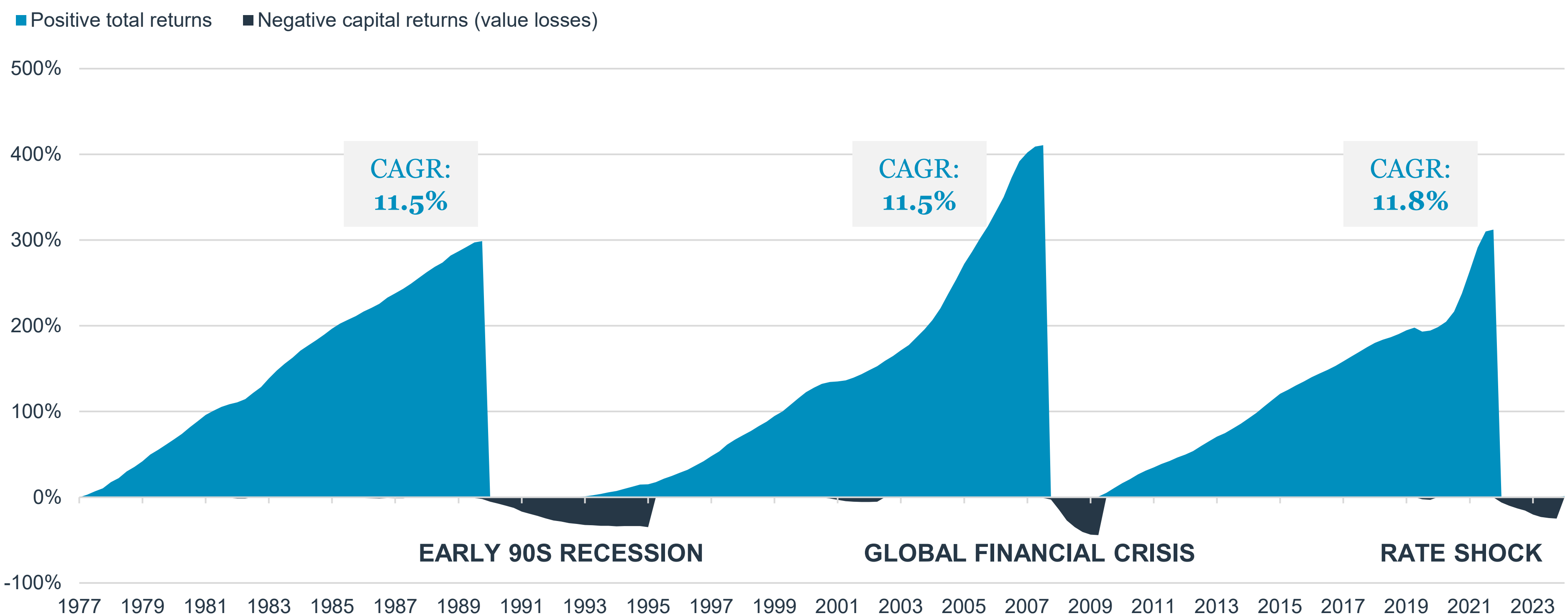
Theme 3

Real estate reality: the trends are favorable

Core U.S. real estate produced two consecutive quarters of positive total returns



Data source: NCREIF ODCE; Nuveen Real Estate Research, 31 Dec 2024. **Performance data shown represents past performance and does not predict or guarantee future results.** This chart shows cumulative positive total returns until each cycle ended, identified by at least two quarters of negative total returns (ex: negative total return in Q2 2020 did not indicate the end of the cycle). Similarly, cumulative value-losses identify periods of sustained negative capital returns until values increased for at least two consecutive quarters. The most recent quarter of data (Q424) was the first quarter of positive capital returns this cycle (following nine quarters of value losses) and the second quarter of positive total returns. Total returns are comprised of capital returns (change in values) and income returns (i.e., rent and other income as a percent of asset value). Because income returns are generally positive and stable, total returns can be positive even in periods when values are moderately negative (ex: 1994-1995; "Tech-wreck" of 2001-2022; Q3 2024). Cycle 1: 01 Jan 1978 – 30 Sep 1990; Cycle 2: 30 Jun 1993 – 30 Jun 2008; Cycle 3: 01 Jan 2010 – 30 Jun 2022. CAGR: compound annual growth rate.

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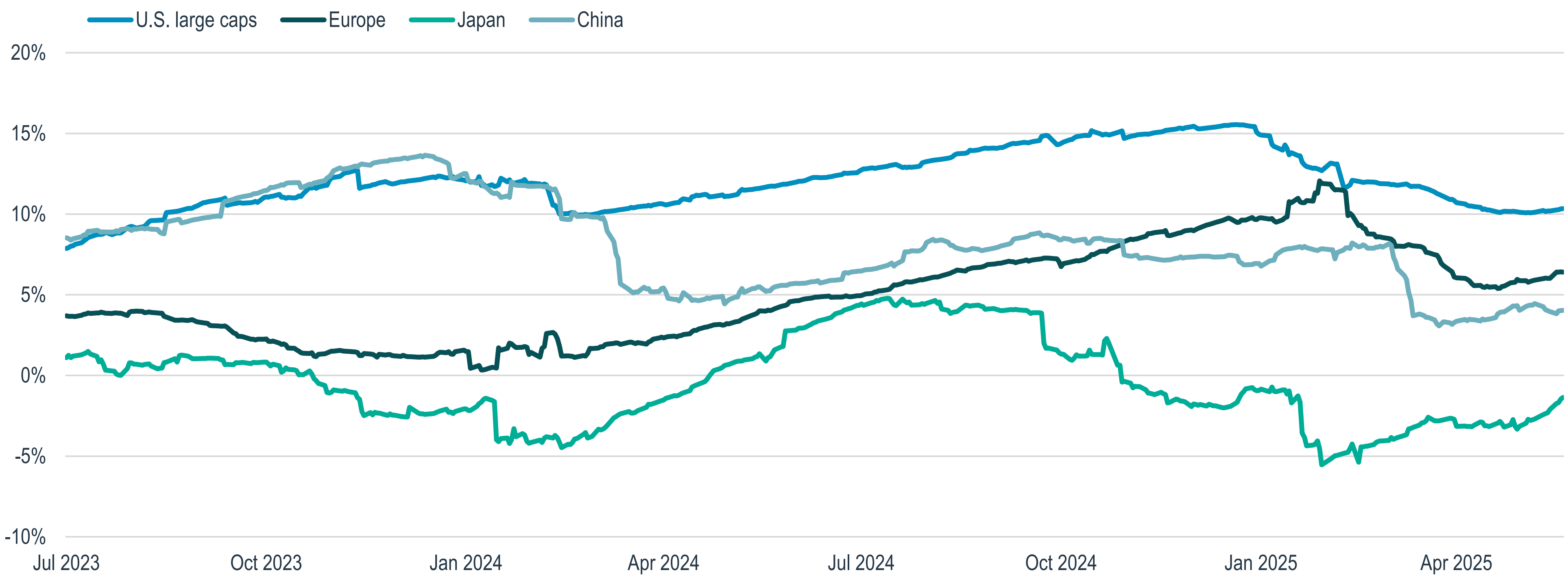
The world may be decoupling; markets are not

U.S. corporate earnings expectations appear more achievable

Forward 12-month expected earnings-per-share growth



Data source: Bloomberg, L.P., 17 Jul 2023 – 05 Jun 2025. **Performance data shown represents past performance and does not predict or guarantee future results. Representative indexes: U.S. large caps:** S&P 500 Index; **Europe:** MSCI Europe Index; **Japan:** MSCI Japan Index; **China:** MSCI China Index.

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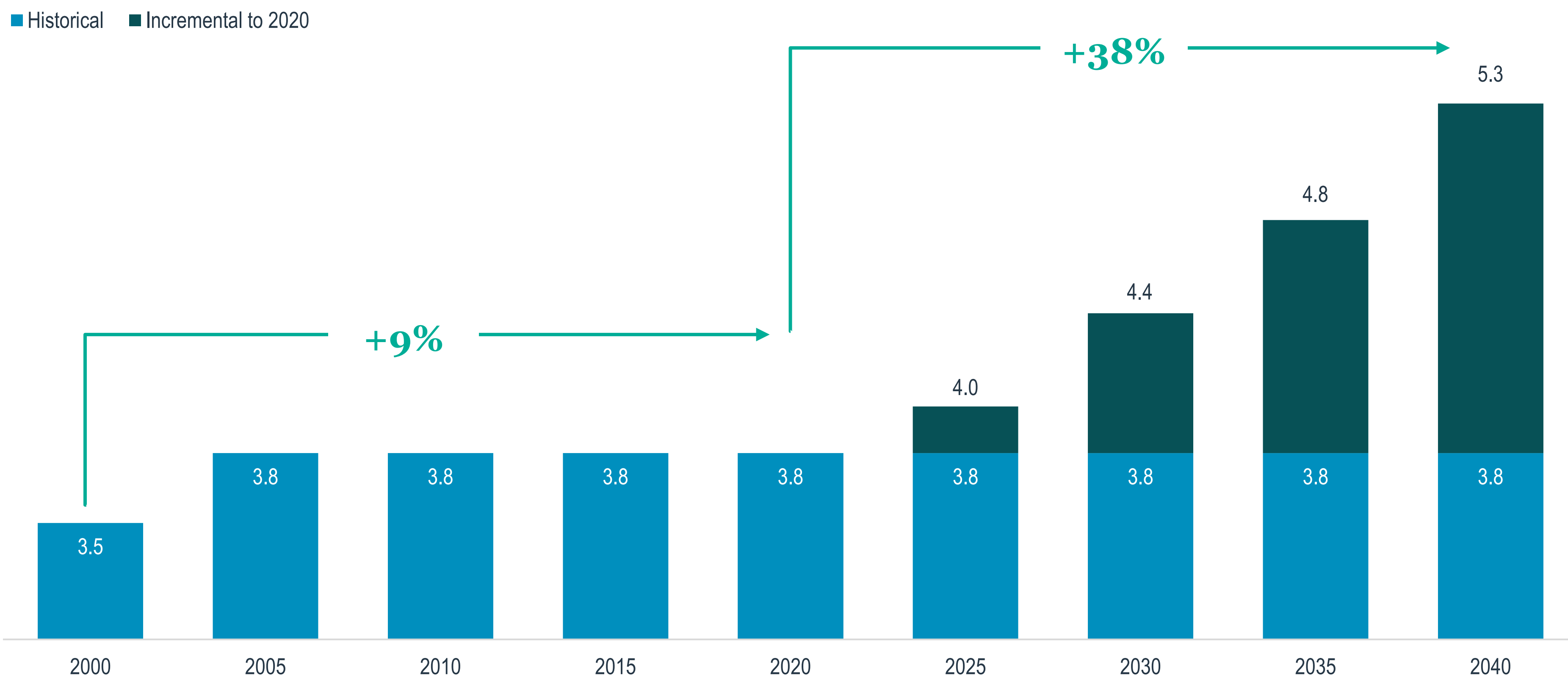
Theme 5

Energy demand charges ahead of capacity, creating opportunities amid political changes

Energy demand is growing exponentially, thanks in part to the AI boom

U.S. power demand (thousand TWh)



Data source: McKinsey Energy Solutions Global Energy Perspective 2024; EIA AEO 2023.

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Best ideas across asset classes

Equity

- We favor dividend growers and listed infrastructure
- We are more positive toward U.S. large cap stocks based on a positive view of megacap technology, expected tax cut extensions and a more favorable regulatory backdrop
- In addition to tech, we favor financials and defensive areas such as utilities, real estate and infrastructure

Fixed income

- We continue to find attractive opportunities within credit and expect duration will reassume its role as a growth hedge going forward
- Securitized assets and preferred securities offer a compelling combination of attractive yields and value
- In municipals, we favor water/sewer bonds and select opportunities in health care and higher education

Real estate

- Global cities experiencing growing, educated and diverse populations. Especially in health care, industrial and housing sectors.
- Medical office and senior housing should benefit from long-term demographic trends
- We have a slight bias toward real estate debt over equity

Real assets

- Public: North American senior housing and AI-related infrastructure, especially areas like electric utilities that have yet to fully realize potential benefits
- Private: aligning with climate and digital transformations, such as clean energy generation and data centers, as well as strong global demand for protein and healthy foods

We're finding that opportunities are increasingly idiosyncratic and fast moving.

Important disclosures

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Important information on risk

All investments carry a certain degree of risk and there is no assurance that an investment will provide positive performance over any period of time.

Equity investing involves risk. Investments are also subject to political, currency and regulatory risks. Dividend-paying stocks are subject to market risk, concentration or sector risk, preferred security risk, and common stock risk. Diversification is a technique to help reduce risk. There is no guarantee that diversification will protect against a loss of income.

Debt or fixed income securities are subject to market risk, credit risk, interest rate risk, call risk, tax risk, political and economic risk, and income risk. As interest rates rise, bond prices fall. Credit risk refers to an issuer's ability to make interest payments when due. Below investment grade or high yield debt securities are subject to liquidity risk and heightened credit risk. Non-U.S. investments involve risks such as currency fluctuation, political and economic instability, lack of liquidity and differing legal and accounting standards. These risks are magnified in emerging markets. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager.

Investing in municipal bonds involves risks such as interest rate risk, credit risk and market risk, including the possible loss of principal. The value of the portfolio will fluctuate based on the value of the underlying securities. There are special risks associated with investments in high yield bonds, hedging activities and the potential use of leverage. Portfolios that include lower rated municipal bonds, commonly referred to as "high yield" or "junk" bonds, which are considered to be speculative, the credit and investment risk is heightened for the portfolio. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC/CC/C and D are below-investment grade ratings.

As an asset class, real assets are less developed, more illiquid, and less transparent compared to traditional asset classes. Investments will be subject to risks generally associated with the ownership of real estate-related assets and foreign investing, including changes in economic conditions, currency values, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties.

Because infrastructure portfolios concentrate their investments in infrastructure-related securities, portfolios have greater exposure to adverse economic, regulatory, political, legal, and other changes affecting the issuers of such securities. Infrastructure-related businesses are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Investors should be aware that alternative investments including private equity and private debt are speculative, subject to substantial risks including the risks associated with limited liquidity, the use of leverage, short sales and concentrated investments and may involve complex tax structures and investment strategies. Alternative investments may be illiquid, there may be no liquid secondary market or ready purchasers for such securities, they may not be required to provide periodic pricing or valuation information to investors, there may be delays in distributing tax information to investors, they are not subject to the same regulatory requirements as other types of pooled investment vehicles, and they may be subject to high fees and expenses, which will reduce profits. Alternative investments are not appropriate for all investors and should not constitute an entire investment program. Investors may lose all or substantially all of the capital invested. The historical returns achieved by alternative asset vehicles is not a prediction of future performance or a guarantee of future results, and there can be no assurance that comparable returns will be achieved by any strategy.

As an asset class, agricultural investments are less developed, more illiquid, and less transparent compared to traditional asset classes. Agricultural investments will be subject to risks generally associated with the ownership of real estate-related assets, including changes in economic conditions, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties.

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