

Global equities overcome obstacles, remain in rally mode

Equities market update

As of 30 Sep 2025

Both earnings expectations and economic uncertainty increase

Mitigating risks and volatility is critical to navigating equity markets

Macroeconomic factors

- The final impact of tariffs, trade policy and immigration controls on inflation and labor markets are yet to be determined
- Fed policy is tied to the dual mandate, and the intermediate term direction remains uncertain
- The economy has showed signs of slowing as we progress through the tariff ramifications, however it continues to remain resilient

Market implications

- Despite the uncertain backdrop, high single-digit earnings growth expectations have been reaffirmed
- Defending corporate margins and return on invested capital (ROIC) remains critical to equity markets
- Select opportunities in high quality equities (including AI), dividend payers and global infrastructure
- Active management opportunities due to increased risks in various areas of equity markets (i.e. small caps and international)

Risks to expectations

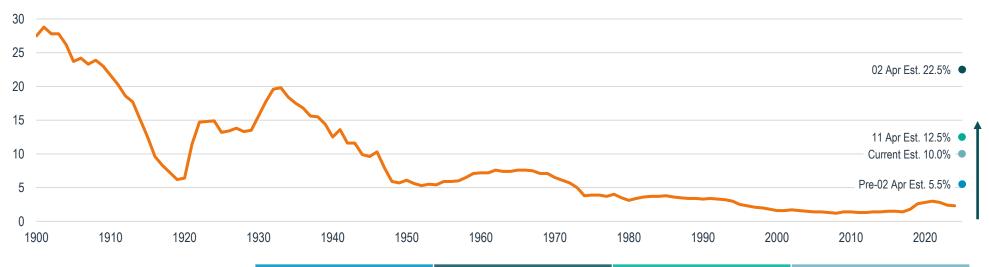
- Downward earnings revisions driven by tariffs, margin contraction and demand destruction
- Central bank policy error
- Subsequent wave of global inflationary pressures
- Further labor market weakening and consumer deteriorates
- Trade and geopolitical conflicts intensify and create additional economic instability

Macro factors

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 (%)



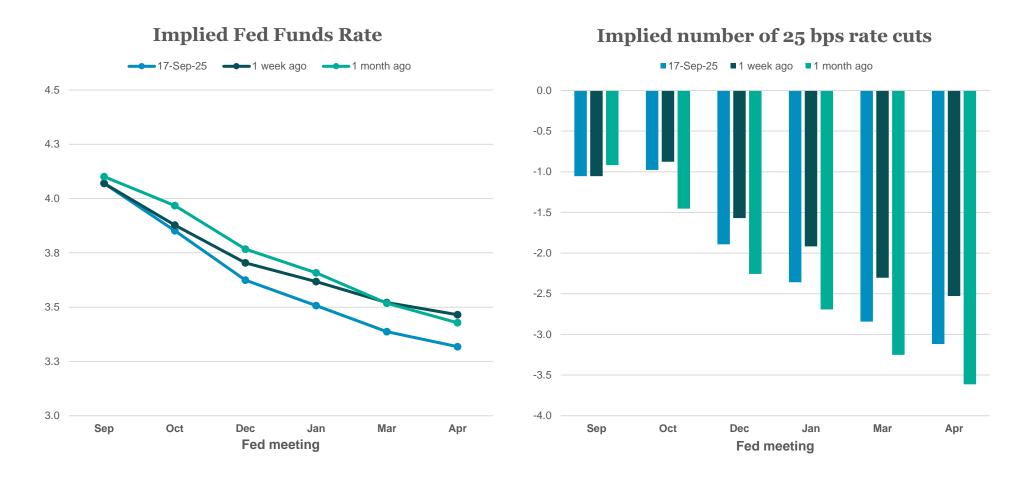
2025 estimates	Pre-02 Apr Expectation	02 Apr "Liberation Day"	11 Apr 90-day pause, sector exemptions	Current Ongoing policy shifts
U.S. GDP growth (%)	2.0	0.4	0.8	1.0
Core PCE inflation (%)	2.5	4.2	3.2	3.0
12M recession probability (%)	35	70	40	35

Data source: Bloomberg, L.P., Nuveen Macro Research, 31 Dec 1900 – 30 Sep 2025.

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The Federal Reserve and interest rates

Fed Funds Futures are likely to remain as volatile as the data that they are dependent on



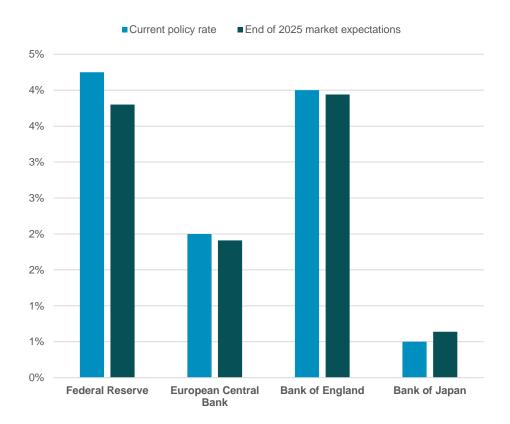
Data sources: Bloomberg as of 17 Sep 2025.

Macro factors

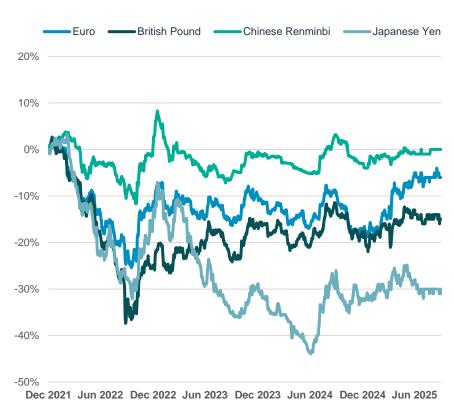
Dollar depreciation is likely to continue from historically expensive levels

Global central banks continue to exhibit caution on the timing and pace of policy decisions

Central bank policy rates and expectations



Currency returns versus U.S. dollar



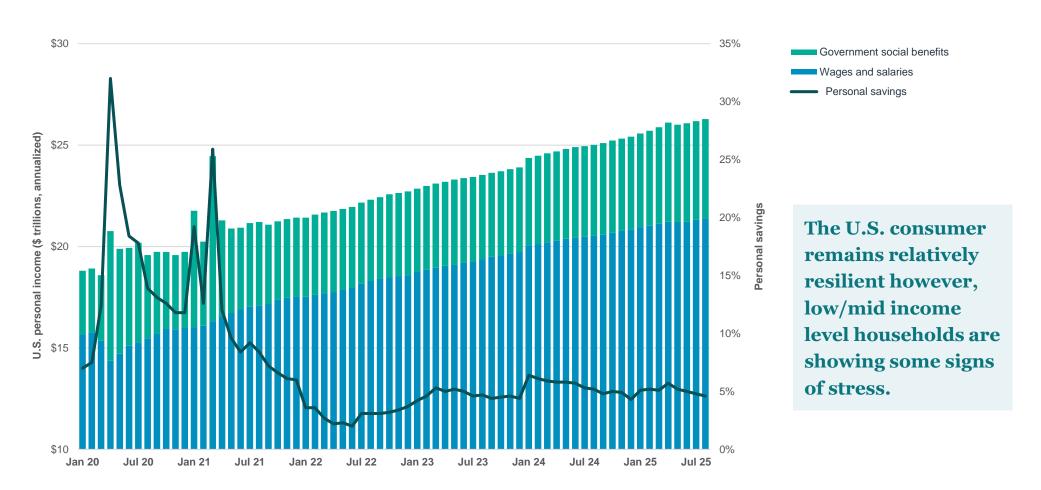
Source: Bloomberg, Nuveen Portfolio Strategy & Solutions, 31 Dec 2021 – 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results.

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Macro factors

Assessing consumer income and savings dynamics

Job security and real wage growth continue to support consumption



Data source: Bureau of Economic Analysis, 31 Aug 2025. Wages and salaries include typical government social benefits such as Social Security, Medicare, Medicaid, unemployment insurance and veterans' benefits. Personal savings represent a percentage of disposable personal income.

U.S. equities remain increasingly dependent on earnings growth given multiple expansion

Earnings growth expectations have held up relatively well in 2025, and upside expectations for 2026 remain high

S&P 500 Index



Data source: FactSet, 31 May 2011 – 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results.

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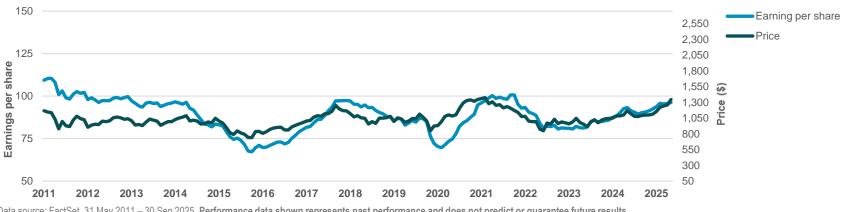
Non-U.S. equity markets have outpaced U.S. performance year to date

These markets remain relatively cheaper on a valuation basis and have benefitted from U.S. dollar depreciation

MSCI EAFE



MSCI Emerging Markets



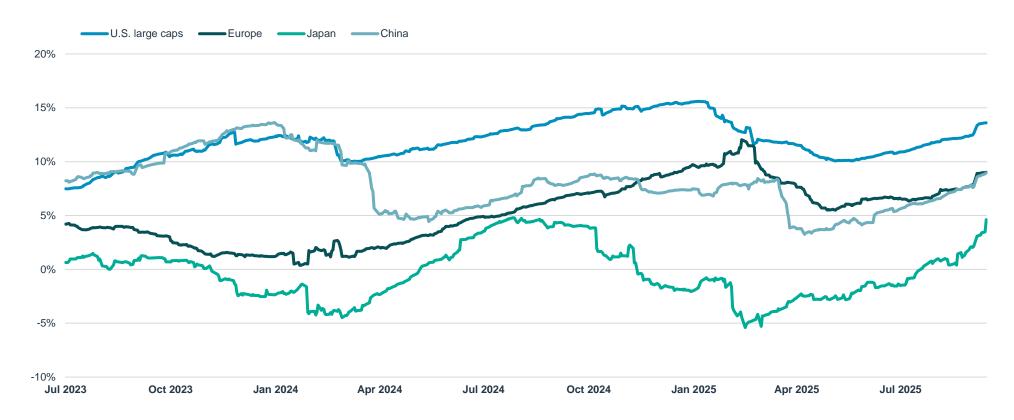
Data source: FactSet, 31 May 2011 – 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results.

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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

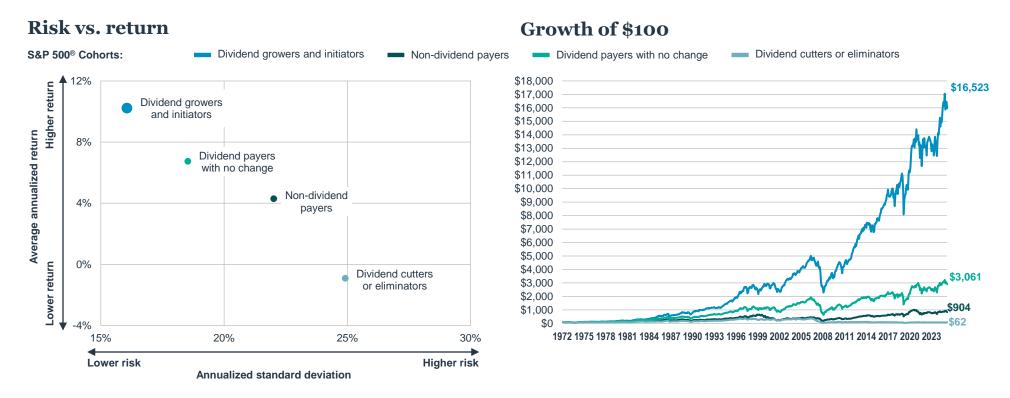


Data source: Bloomberg, L.P., 17 Jul 2023 – 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results. Representative indexes: U.S. large caps: S&P 500 Index; Europe: MSCI Europe Index; Japan: MSCI Japan Index; China: MSCI China Index.

Dividend growers can provide downside management and may offer attractive risk-adjusted returns

31 Jan 1973 – 30 Sep 2025

Since 1973, dividend growers have provided higher returns with less risk



Data source: Ned Davis Research and Refinitiv. Copyright 2025 © Ned Davis Research, Inc. All rights reserved. Performance data shown represents past performance and does not predict or guarantee future results. Dividends are not guaranteed and will fluctuate. Dividend yield is one component of performance and should not be the only consideration for investment. The performance shown is for illustrative purposes only and does not predict the future performance of these groups or replicate any of Nuveens investment strategies. It is not possible to invest directly in an index. Index performance is not illustrative of any specific investment. For the Dividend Growth Strategy, the composite performance is provided in the appendix of this document. Returns assume reinvestment of dividends and capital gains but does not include any costs associated with investing. Different benchmarks and economic periods will produce different results. Other methods and market conditions may result in significantly different outcomes. For a description of how each stock is grouped by dividend policy, please refer to the Disclosures, located at the end of the presentation.

The overall composition of U.S. large cap indices continues to remain increasingly concentrated

This is commensurate with the growing valuation disparity between market cap and equal weight

Weight of top 10 companies in the Russell 1000 Growth Index



Weight of top 10 companies in the S&P 500 Index



*2025 is as of 30 Sep 2025

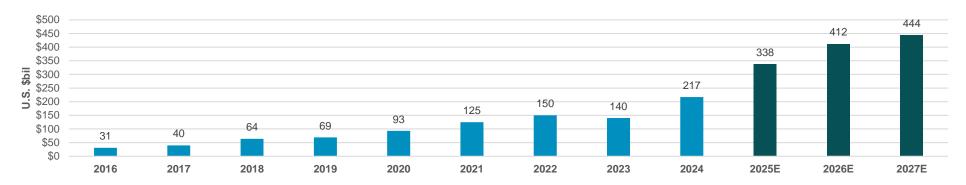
Data source: Nuveen as of 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results. The years shown represent the last trading day of the year.

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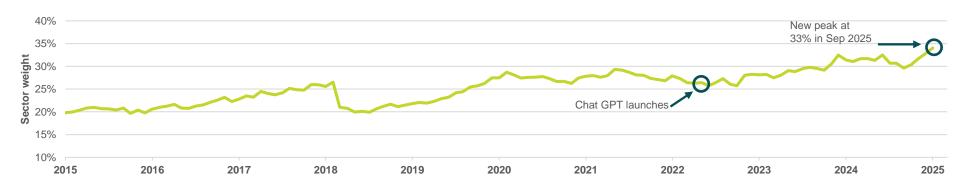
Despite market highs, AI barriers to entry remain significant to competition

Technology as a percentage of U.S. market capitalization has more than doubled in the last decade

Hyperscale Capex: Alphabet, Meta, Microsoft, AWS



Technology as a % of U.S. market capitalization has significantly increased in the last decade



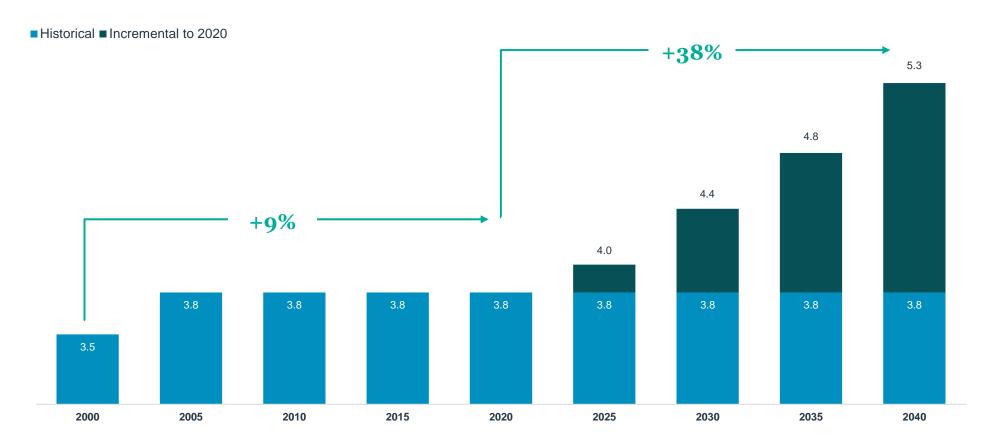
Data source: Bernstein, data as of 30 Sep 2025. For illustrative purposes only. References to specific company stocks should not be construed as recommendations or investment advice.

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Energy demand charges ahead of capacity

The exponential growth in U.S. power demand within the next several years projected to increase, expectations for infrastructure growth to correspond to meet that demand

U.S. power demand (thousand TWh)



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

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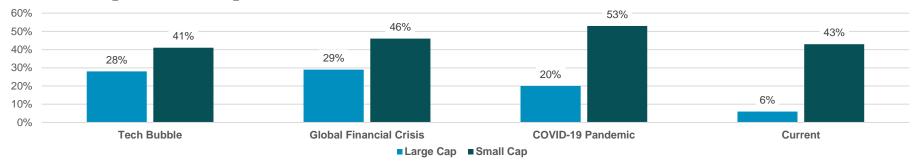
Despite a challenging start to 2025, small cap earnings expect to rebound in the second half

Selectivity through active management is warranted due to a growing number of unprofitable publicly traded small cap companies

Earnings growth (year-over-year)



Percent of unprofitable companies*



*Data represented for the percentage of unprofitable companies are from the following quarters: **Tech Bubble**: Fourth quarter 2001; **Global Financial Crisis**: Fourth quarter 2008; **Covid-19 Pandemic**: First quarter 2020; **Current**: Third quarter 2025.

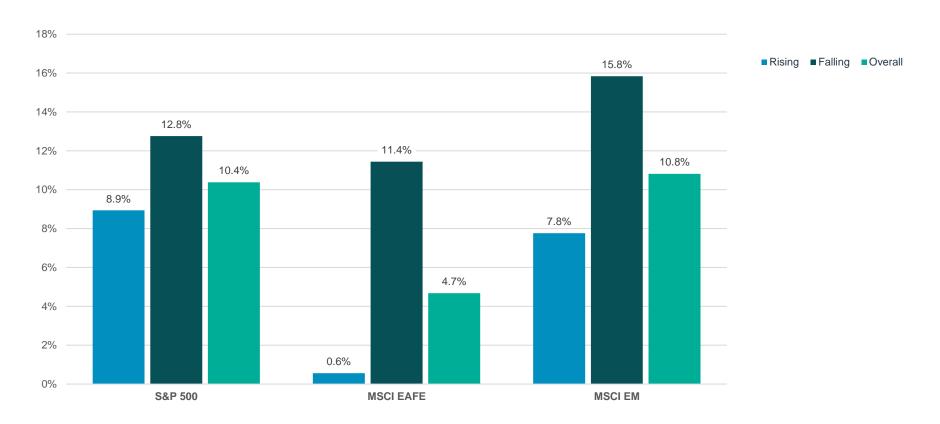
Data source: FactSet. Performance data shown represents past performance and does not predict or guarantee future results. Representative Indexes: Large Cap: S&P 500 Index; Small Cap: Russell 2000 Index. OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

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History shows that a depreciating U.S. dollar has led to solid returns for non-U.S. equity markets

Despite depreciation in 2025 thus far, the direction of the U.S. dollar remains uncertain pending the administration's policy decisions

Average annual performance when the Dollar Index is rising or falling



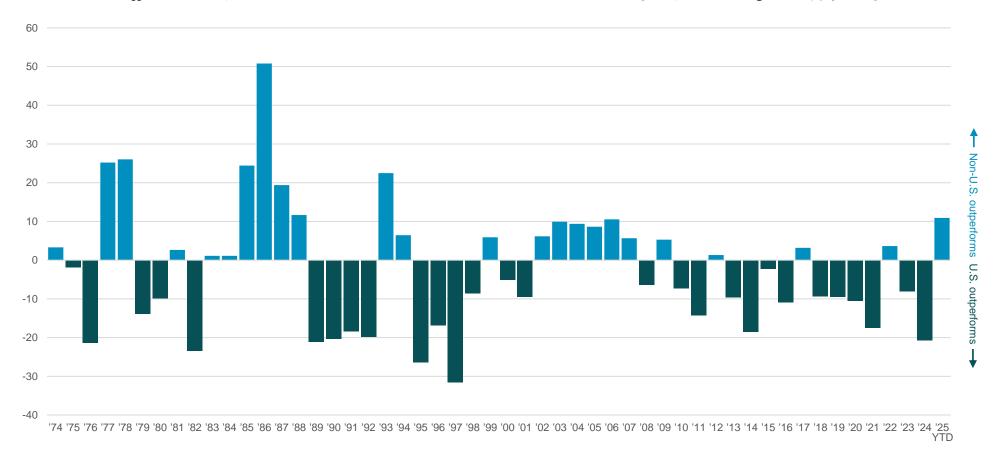
Data source: Strategas Securities, 1988 – 2024. Performance data shown represents past performance and does not predict or guarantee future results.

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The U.S. has dominated of late, but market leadership changes hands over time

Non-U.S. equities returned to the forefront more recently than is commonly perceived

Total return difference (%), non-U.S. stocks (MSCI EAFE) minus U.S. stocks (S&P 500), calendar years 1974-2025 YTD



Data source: FactSet as of 30 Sep 2025. Performance data shown represents past performance and does not predict or guarantee future results. It is not possible to invest directly in an index.

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What are our highest conviction equity views?

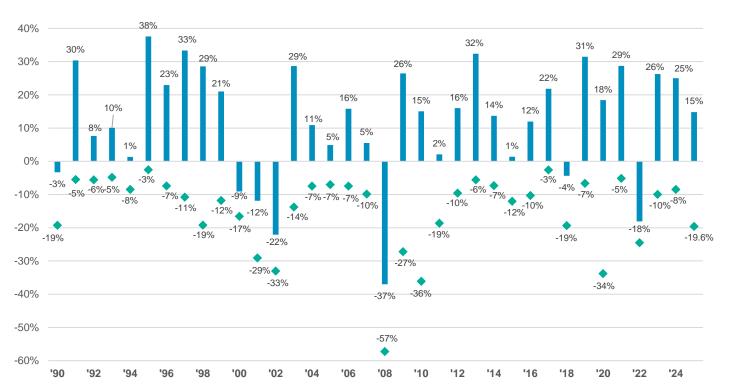
Our views on the best relative equity opportunities as fourth quarter 2025 begins despite a disappointing start to the year, small cap earnings are expected to rebound in the second half of 2025

	Less Positive	Neutral	More Positive
Regional			
U.S.		•	
U.S. large cap growth			•
U.S. large cap value		•	
U.S. small cap		•	
International developed ex U.S.		•	
Europe		•	
United Kingdom		•	1
Japan			•
Emerging Markets			
China			

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

Since 1990, in any given year, the average intra-year decline is -14.7%

S&P 500 calendar year return vs. largest intra-year decline



"Far more money
has been lost by
investors trying to
anticipate
corrections, than
lost in the
corrections
themselves."
Peter Lynch,
Investor and Author

Source: Strategas, FactSet, total return data as of 30 Sep 2025.

Staying invested has paid off

The pain of missing out

Growth of \$10,000 in the S&P 500 Index (10, 20 and 30 years)



Data source: Factset, 31 Dec 2024. Most recent data available. **Performance data shown represents past performance and does not predict or guarantee future results.** Data do not represent the past performance of any Nuveen product or service.

Markets recover with time

In 84 of 91 market declines, the recovery was less than one year.

Historical equity market drawdowns and subsequent recoveries (1937 – 2024)

Drawdown		Occurrences	Average recovery time (months)	
-5%	to	-10%	58	1.4
-10%	to	-20%	21	3.4
-20%	to	-30%	5	12.1
-30%	to	-40%	3	11.2
-40%	to	-50%	2	35.3
-50%	+		2	56.2

Data source: Factset, 31 Dec 2024. Most recent data available **Performance data shown represents past performance and does not predict or guarantee future results**. Average recovery time portrays the market trough until it reaches the previous market peak.

Outlook

Best ideas

- We continue to find select opportunities with companies that exhibit strong fundamentals, including pricing power, that can help overcome inflation and defend free cash flow margins.
- We favor a barbell approach combining growthoriented U.S. technology/AI investments with defensive dividend growers and global infrastructure.
- Outside of the U.S., we continue to see select opportunities within Europe and Japan, but are increasingly cautious towards other developed and emerging markets until we see economic and investment conditions improve.

Risks to consider

- Tariffs, the threat of an escalating trade war and how immigration controls affect the labor market.
- Central banks around the world continue to respond to volatile economic data, leading to increased risks about market outcomes.
- Increasing margin pressure, combined with tight financial conditions, is increasing the potential for earnings contraction.
- Intermediate- and long-terms risks include armed conflicts and a new Cold War emerging between Russia/China and the West, leading to increased defense spending and deglobalization.

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