Above and below the radar

Five themes for 2026

Viewpoints from the Global Investment Committee
2026 outlook

nuveen
A TIAA Company

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The economy and markets: key points

Global growth should remain stronger than expected

- Global growth has defied tariff-driven recession fears; consensus expectations were overly pessimistic throughout 2025
- Tech investment and resilient consumer spending drive expansion despite softening labor markets
- We forecast above-consensus growth in U.S., Europe, UK; China could decelerate modestly

Expansive fiscal policy could keep upward pressure on global inflation

- Budget deficits are historically wide in the U.S., Japan and Germany despite strong growth conditions; widening expected
- Tax cuts, defense spending and reshoring subsidies support growth but risk keeping inflation above targets
- “Crowding out” risk emerges as elevated deficits divert capital; non-tech business investment is already contracting

Interest rate and yield curve trends argue against extending duration

- Global term premium is the highest since 2014 thanks to strong growth and loose fiscal policy
- Fed and Bank of England to cut less than priced; ECB and BoJ are expected to hike
- Market pricing disappointment and outright hikes are unlikely to support most longer-duration assets in 2026

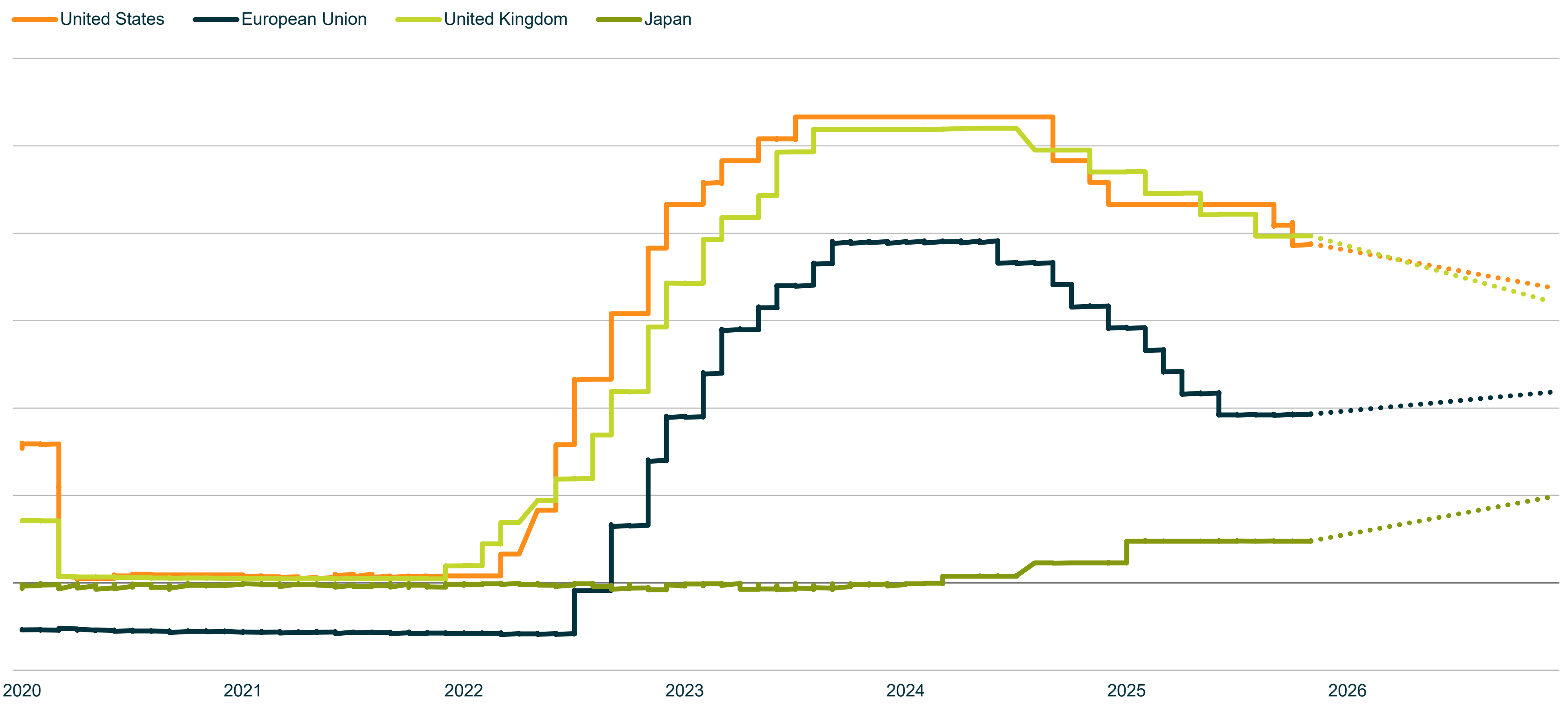
Wildcard risks remain ever-present

- Geopolitical tensions and trade surprises remain possible; Supreme Court tariff ruling could disrupt framework
- New tariff regime may take time to deploy on surer legal footing; uncertainty could resurface
- Powell’s Fed term ends in spring 2026; succession and independence questions may pressure the dollar lower

Global interest rates are unlikely to excite

We expect only modest changes in global interest rates

Historical policy rates and Nuveen's 2026 forecasts (%)



Data source: Bloomberg, L.P., 01 Jan 2020 – 19 Nov 2025. 2026 forecasts are based on Nuveen's expectations.

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.

We suggest pursuing opportunities that are both above and below the radar

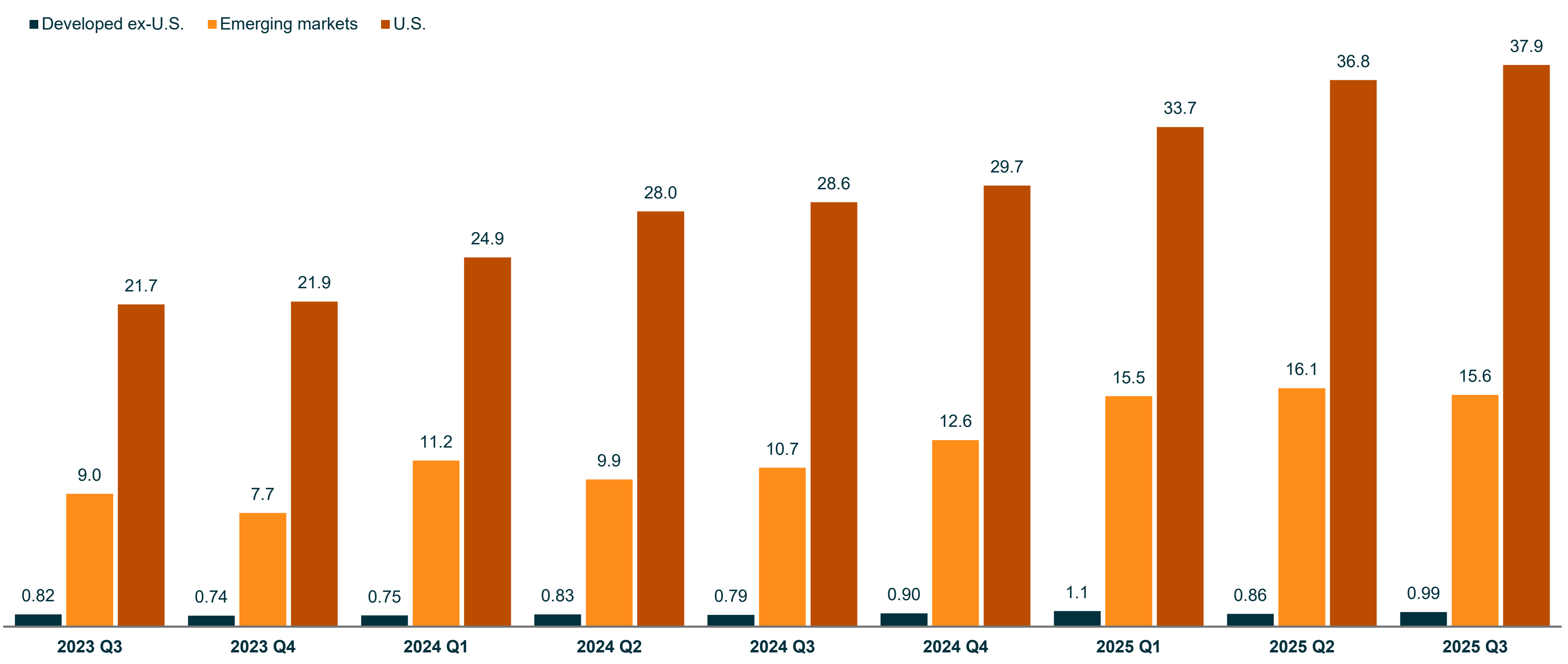
Five portfolio construction themes for 2026

1	Don’t bet against the U.S.
2	Alternative credit and private equity should be core allocations.
3	Municipals may be at the forefront of a new bull market.
4	The real estate rebound is just getting started.
5	Look for the “second derivative” trades from the AI boom and energy revolution.

Don’t bet against the U.S.

U.S. AI capex spending powers ahead

AI company capex spending as a percent of total capex spending

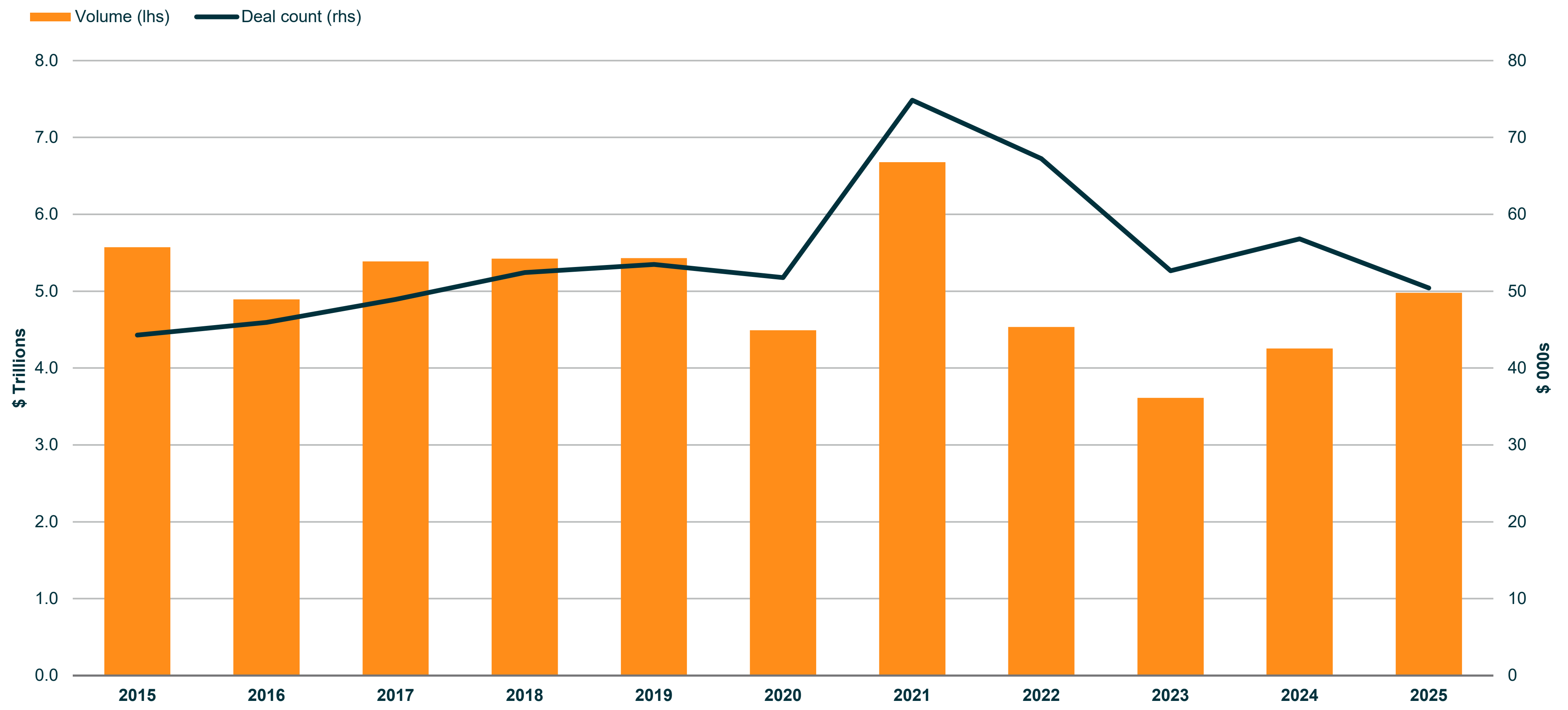


Data source: Bloomberg, L.P. Data depicts the blended capital expenditures for all companies in the MSCI U.S. Index, MSCI Developed Markets ex-U.S. Index and MSCI Emerging Markets Index. AI companies correspond to the constituents of Bloomberg's Global BI Thematic AI Basket compared to the total capex for all companies in each index.

Alternative credit and private equity should be core allocations

Lower interest rates should spur M&A activity

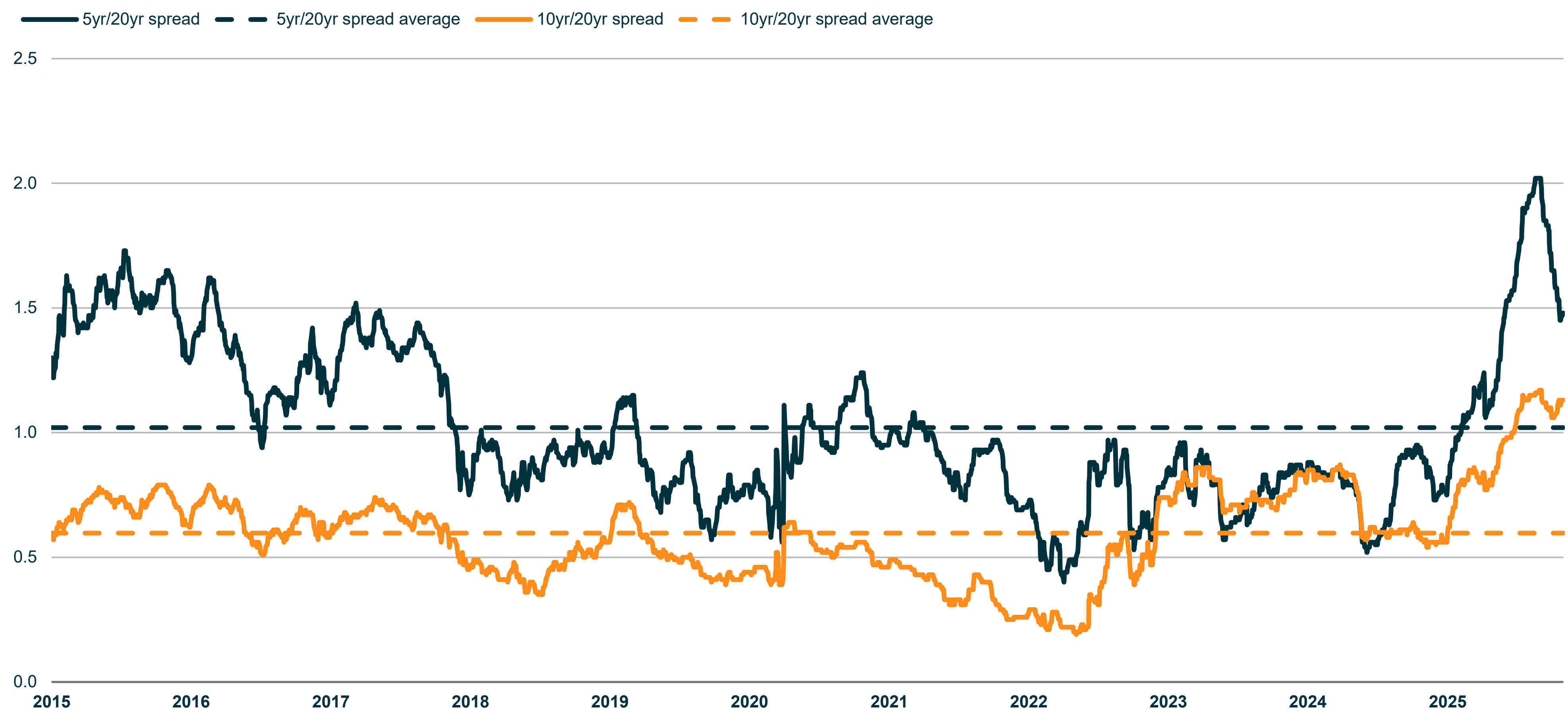
Global M&A activity



Source:Bloomberg, L.P., 19 Nov 2025.

Municipals may be at the forefront of a new bull market

A steep muni yield curve creates duration opportunity

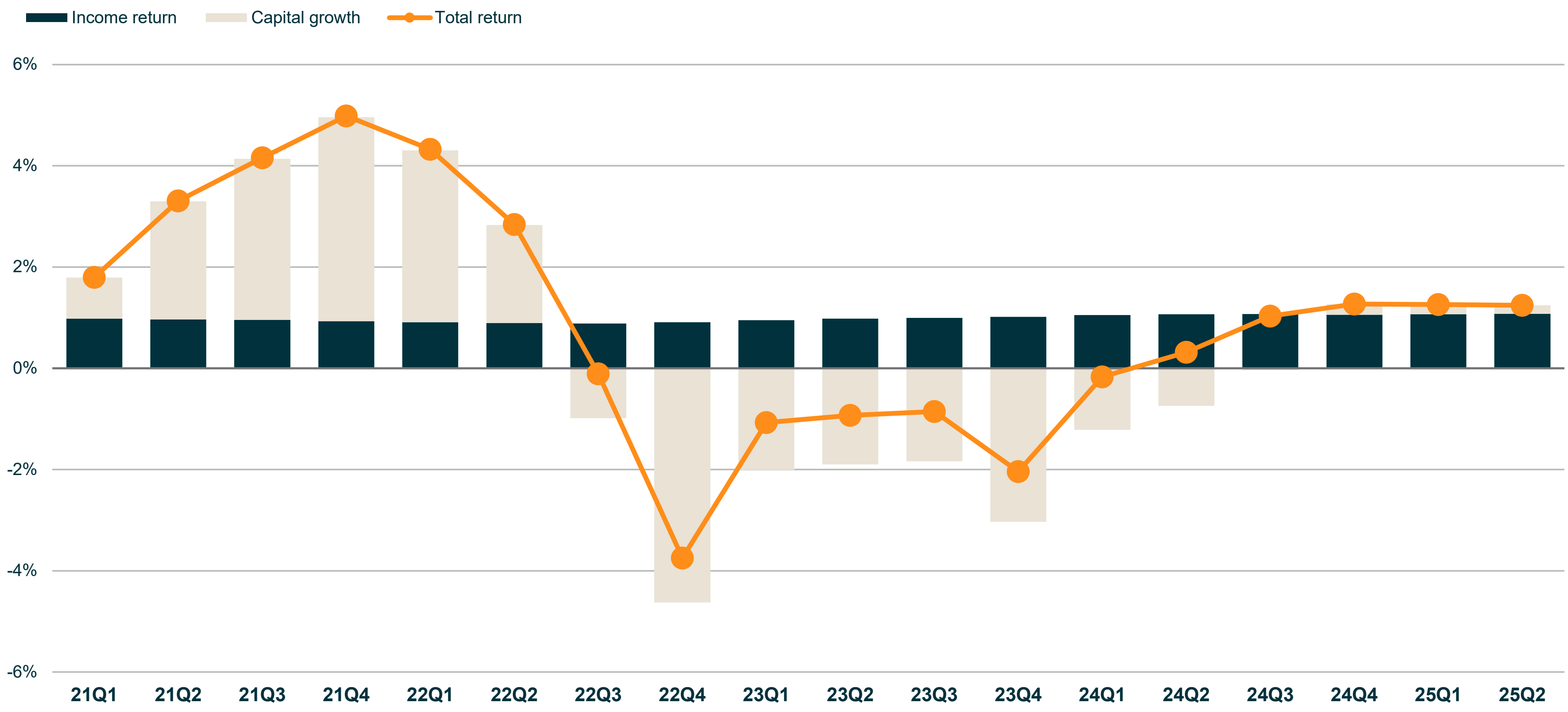


Data source: Nuveen, MMD Refinitiv, 01 Jan 2015 – 31 Oct 2025. **Performance data shown represents past performance and does not predict or guarantee future results.** Curve slopes represent the yield spread between the relevant AAA municipal tenors.

The real estate rebound is just getting started

Global private real estate values have ticked up for five consecutive quarters

Global unlevered quarterly returns

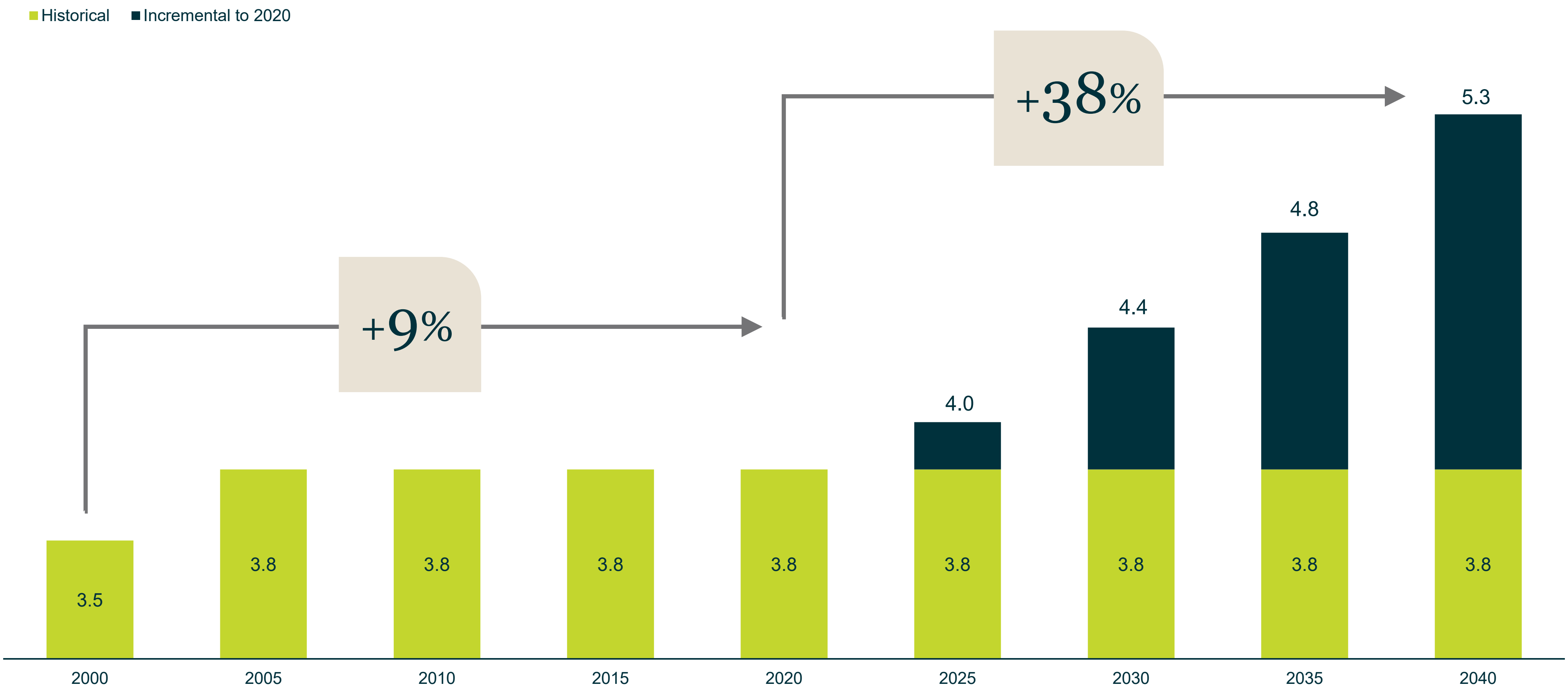


Source: MSCI Global Quarterly Property Index (Q2 2025 data as of 6 Sep 2025 data release); Nuveen Real Estate Research. **Performance data shown represents past performance and does not predict or guarantee future results.**

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

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.

Best ideas across asset classes

Equity

- Stocks should enjoy continued tailwinds, but valuations warrant an overall neutral stance
- Balance AI/tech dominance with more defensive allocations like infrastructure and dividend growers
- Favor U.S. large caps over small caps and other developed markets; we remain cautious on emerging markets

Fixed income

- Broad diversification and active management recommended to capitalize on policy volatility and economic deceleration
- Alternative credit segments including senior loans, CLOs, private credit and securitized assets offer attractive yields
- Municipal bonds remain a key focus; 7-to-11 year duration range offers compelling value

Real estate

- Real estate is in an early recovery stage with increasingly favorable risk/reward profile and strengthening prices
- Medical office and senior housing favored for low vacancy, robust demand and demographic tailwinds
- Real estate debt can offer attractive valuations; equity becoming more favorable as recovery continues

Infrastructure and real assets

- Surging energy demand, strong fundamentals and inflation-hedging create compelling infrastructure case
- Focus on modern energy infrastructure, data centers, energy storage and sustainability-focused investments
- Farmland can offer differentiated returns and inflation-hedging despite price moderation in U.S. row crops

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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.

Asset-backed and mortgage-backed securities are subject to additional risks such as prepayment risk, liquidity risk, default risk and adverse economic developments. The value of convertible securities may decline in response to such factors as rising interest rates and fluctuations in the market price of the underlying securities. Senior loans are subject to loan settlement risk due to the lack of established settlement standards or remedies for failure to settle. These investments are subject to credit risk and potentially limited liquidity, as well as interest rate risk, currency risk, prepayment and extension risk, and inflation risk.

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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