



2026 Economic & Market Outlook

Seventh Inning Stretch

from the Investment Advisory Group

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Seventh inning stretch



Keith Lerner

Keith Lerner, CFA, CMT®

Chief Investment Officer
Chief Market Strategist
Senior Managing Director

"In 2026, evidence points to market upside as the expansion and profits remain resilient, while we stand ready to adjust to curveballs and capitalize on opportunities."

We're in the seventh inning stretch – time to take a pause and assess where we are in the cycle. The evidence suggests we are neither early in the cycle nor at the end. The economic expansion began in 2020, and the bull market has endured since the fall of 2022.

History suggests both have room to run. Economic expansions don't end simply due to age, and of the **seven prior bull markets** that extended beyond three years, **all posted gains in year four.**

Key themes

In 2026, we expect an uptick in the pace of the U.S. economy to 2.3%, supported by relief from tax changes, Fed rate cuts towards 3%, greater stability on tariffs, and ongoing AI- and tech-driven capital spending. Collectively, these factors should help extend the cycle.

In this environment, **profits remain the cornerstone** of sustaining the equity bull market. While narratives have shifted from one concern to another, corporate earnings have proven remarkably resilient. **We estimate low double-digit earnings growth in 2026.**

Historical patterns, including strong post-rate-cut performance and gains in similar cycles, reinforce the **potential for high single- to low double-digit market returns.**

Thus, the weight of the evidence indicates the market's upward trajectory should continue, though **curveballs and opportunities** will likely call for **tactical shifts.**

For example, **midterm elections** could reshape the political landscape; historically, these years deliver positive but more **modest market returns**, often accompanied by **deeper intra-year pullbacks.**

We start off the year still **leaning into our power hitters—technology and AI**, which are dominant themes driving this bull market. Our work shows that the **leaders of a bull market tend to endure to the end** of the cycle, notwithstanding periodic pullbacks and rotations.

The **concentration in star players** remains a risk, but they've performed well so far, and we're **sticking with them.** At the same time, we anticipate **broadier market participation** compared to the past year and view **modest small cap exposure** as a way to capture this opportunity.

We remain **biased toward Team USA**, though we are still finding ample opportunities across international equity markets.

We continue to look at **high quality bonds** as **consistent hitters** within a portfolio context while **alternative investments** for qualified investors can help to **expand the playbook.** We also still value the **diversification benefits of gold**, coming off an MVP season in 2025.

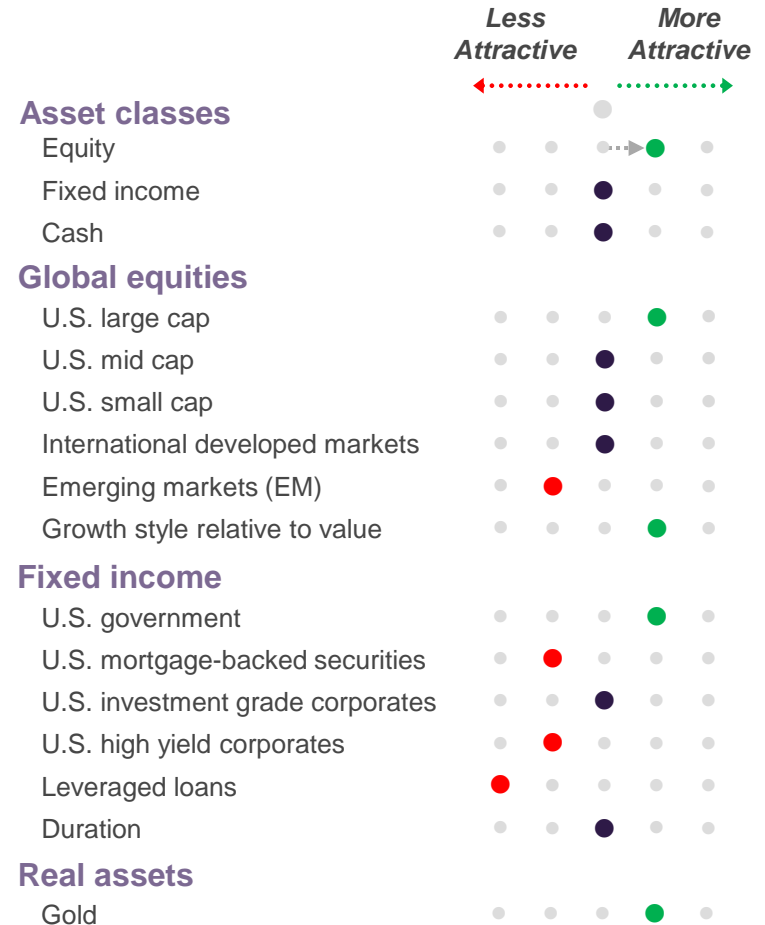
While we view this as the **seventh inning stretch**, there's always the possibility the game goes into **extra innings** – or gets **rained out early.**

As always, we will continue to follow the weight of the evidence and keep an open mind as the year evolves.

House Views

- **Equity tilt:** Entering 2026, we favor equities on expectations of **economic improvement** and solid **earnings growth**.
- **U.S., large cap, and growth bias:** Driven by stronger relative **profit trends** and innovation.
- **Small- & mid-cap exposure:** Important amid anticipated **sharp rotations**.
- **International opportunity:** While U.S.-focused, we see ample opportunities abroad; **emerging markets are on upgrade watch**.
- **Fixed Income:** We prioritize **high quality** and await better conditions to upgrade credit.
- **Gold:** Remains a valuable portfolio **diversifier**.

Key positioning (3 to 12 months)



Sector strategy

Entering 2026, we remain **overweight technology, communication services, and health care.**

Every bull market has a dominant theme – this cycle, **AI and tech** lead the way. Despite periodic setbacks, **sector leaders typically endure to the end** of the bull market. **Health care** now appears favorable after several years of underperformance, with improving technical and fundamental trends.

Sector	S&P 500 sector weight*	Tactical outlook (3-12M)		T	F	V	Comments	Updated 12/2/2025
		Unattractive	Attractive					
Information Technology	34.5%		●	+	+	-	Despite recent concerns, the sector is strong as relative earnings trends continue to be the standout in the market.	
Communication Services	10.7%		●	+	↔	-	Beneficiary of AI trends. Relative price trends remain supportive for the sector.	
Health Care	9.7%		●	+	↔	+	Valuations are attractive and the sector is demonstrating leadership after sustained underperformance.	
Utilities	2.4%	●		↔	↔	↔	AI energy demand trends remain supportive, though the sector screens as mixed in our work.	
Industrials	8.0%	●		↔	+	-	Technical trends are mixed for the sector, and valuations are unattractive, warranting a neutral view.	
Consumer Discretionary	10.2%	●		↔	↔	↔	The sector screens as mixed across our work.	
Financials	13.0%	●		↔	↔	↔	The potential for deregulation is a positive, but trends for the sector are mixed more broadly.	
Energy	2.8%	●		↔	-	↔	Fundamentals for the sector are a headwind with weak relative earnings trends.	
Materials	1.7%	●		-	-	+	While valuations for the sector screen as attractive, technical and fundamental trends are weak.	
Real Estate	1.9%	●		-	-	+	Fundamental trends for the sector are mixed, and relative price trends are lackluster.	
Consumer Staples	4.8%	●		-	-	↔	The sector ranks poorly in our quantitative work. Relative price and earnings trends aren't supportive.	

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T = Technical. This factor has the greatest focus in our overall methodology with an emphasis on relative price trends
 F = Fundamentals. Includes earnings and sales trends, with an emphasis on recent changes to estimates
 V = Valuation. Inputs include current/historical and absolute/relative to the overall market
 + Top Tier, -Bottom Tier, ↔ Middle Tier; Data sources: Truist IAG, FactSet.

U.S. economic outlook – Expecting an uptick

Base case

Uptick in growth to 2.3% from 1.8% supported by:

- **Tax incentives** for consumers and businesses
- **Fed rate cuts** towards 3%, easing lending rates
- **Tariff stability**, though not full clarity
- **Continued AI- and tech-led capital spending**
- **Wage gains > inflation**

Key upside risks

- Inflation cools faster than expected, allowing more Fed rate cuts
- Job growth accelerates as uncertainty fades
- AI-driven productivity gains lift output and margins

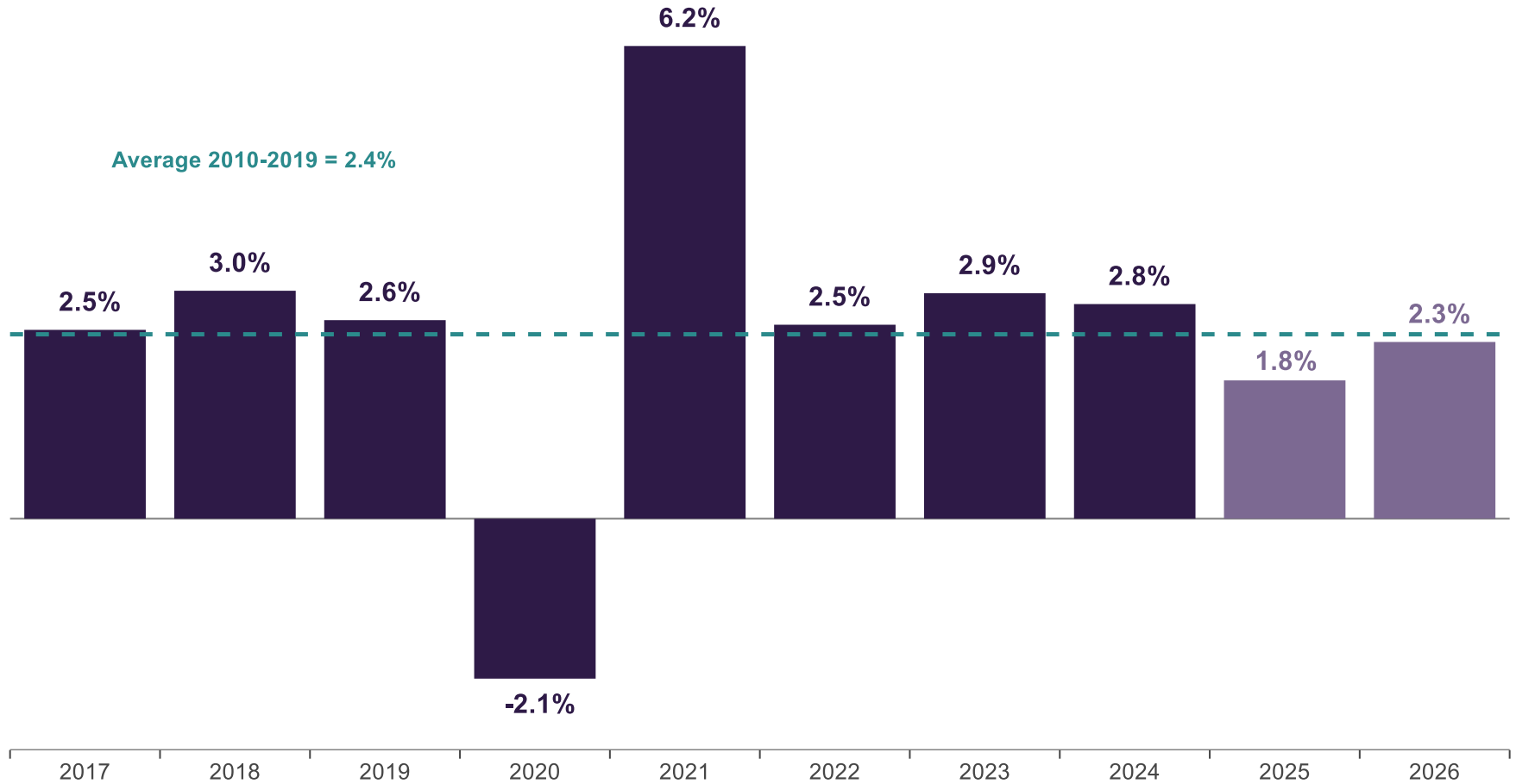
Key downside risks

- Labor market deteriorates more than expected
- Hotter inflation constrains Fed flexibility
- Trade tensions resurface
- Additional government dysfunction (e.g., another shutdown)

U.S. economic outlook – Uptick

In 2026, we expect an uptick in the pace of the U.S. economy to 2.3%, supported by relief from tax changes, Fed rate cuts towards 3%, greater stability on tariffs, and ongoing AI- and tech-driven capital spending.

Growth of gross domestic product (GDP) by year

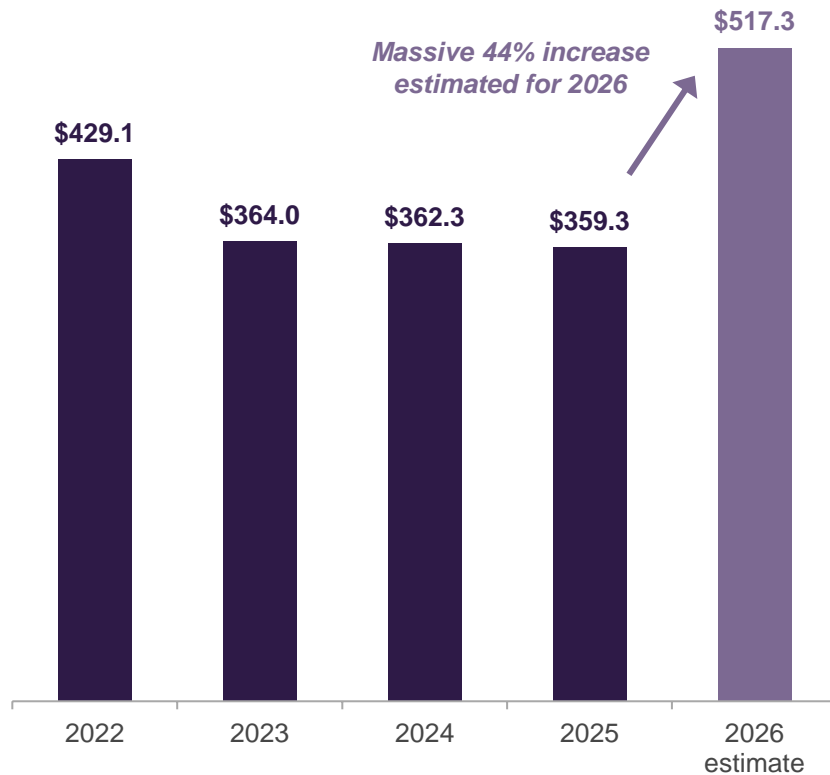


Data sources: Truist IAG, Macrobond, Bureau of Economic Analysis. Change in real (inflation-adjusted) gross domestic product year over year, actual for 2010 through 2Q2025. Truist IAG forecast for 2025 and 2026.

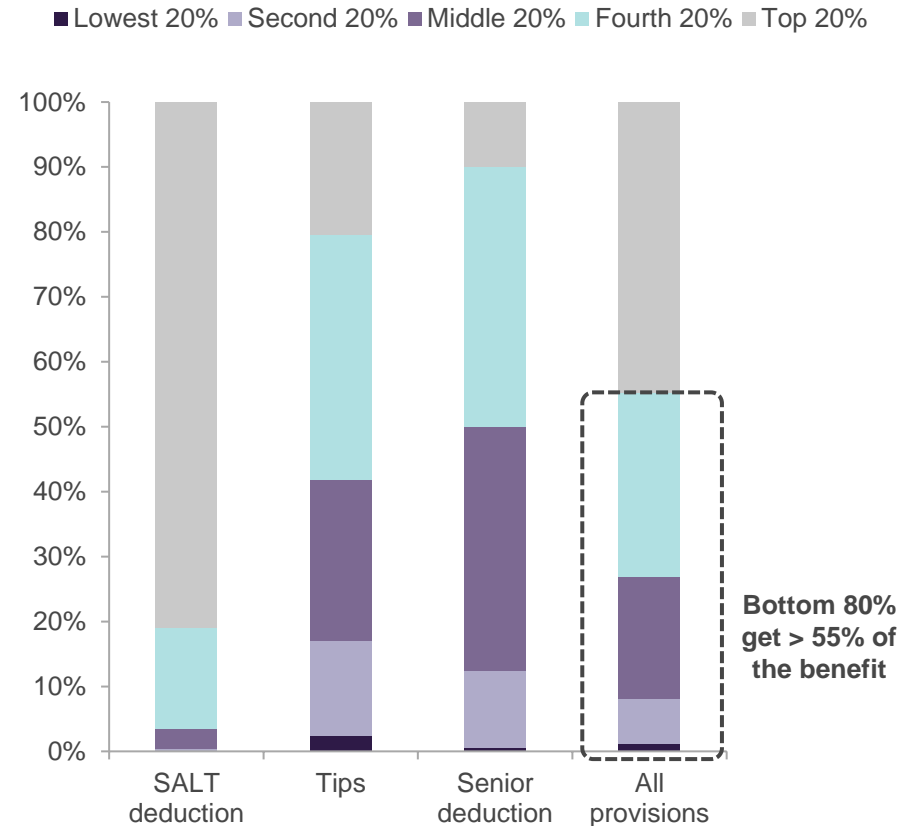
Consumers due for massive tax refund akin to another stimulus check

Americans should see a jump when they file their 2025 tax returns in the first quarter of 2026 to the tune of \$517.3 billion. In aggregate, that's an increase of \$158.0 billion, which would be larger than the second round of COVID stimulus checks that were sent in December 2020.

**Federal tax refunds by fiscal year
(\$ in billions)**



**Distribution of benefits of new tax cuts by
income quintile**



Data source: Truist IAG, Strategas, Oxford Economics. Estimated individual tax refunds for 2026 from Strategas.

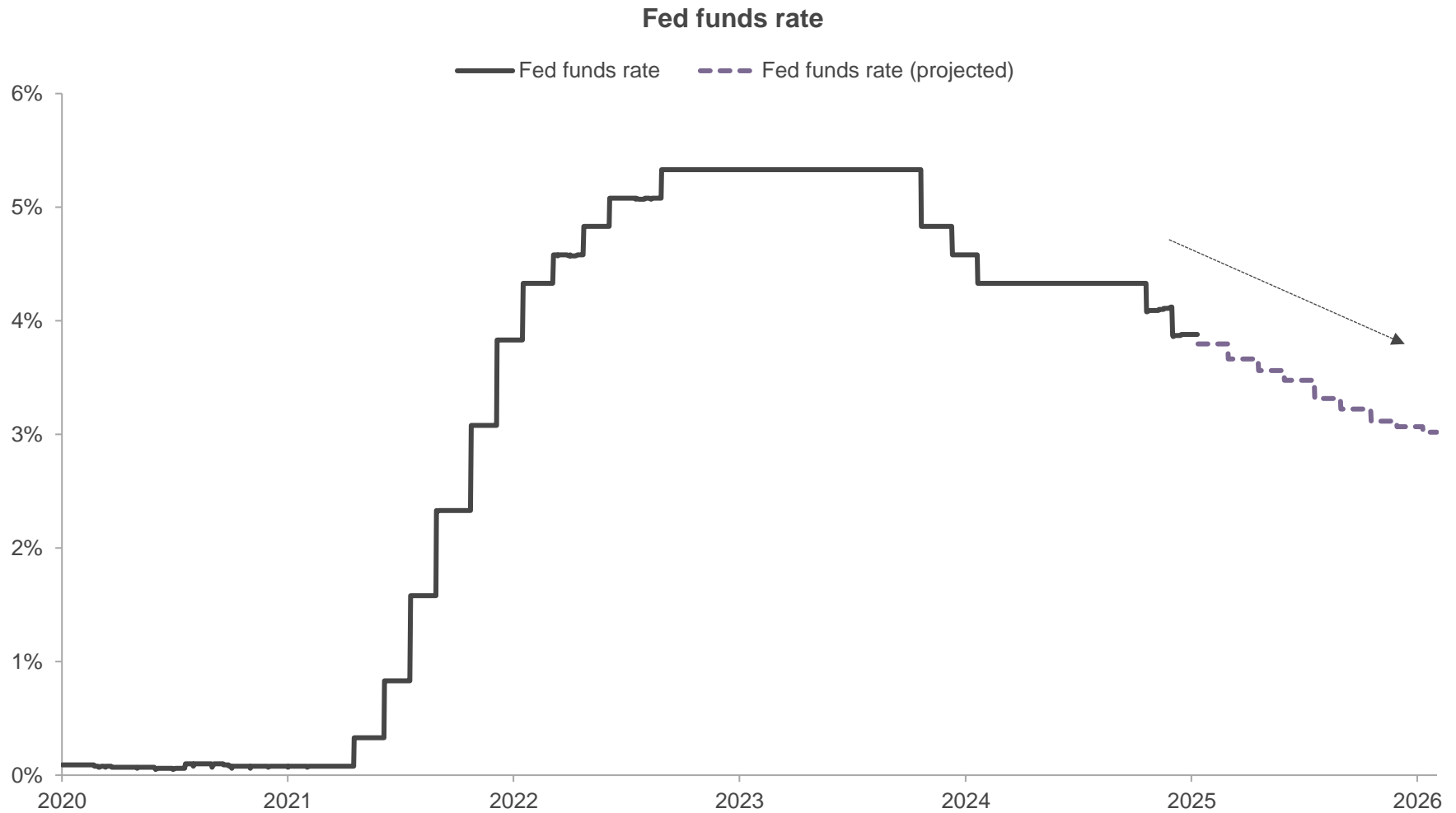
Pro-growth business tax savings should further boost economic expansion

Estimated tax savings by business tax provisions – Full year 2026
(\$ in billions)



Data source: Truist IAG, Strategas. Estimated tax savings for 2026 are from Strategas. Tax savings = estimated reductions in business tax liability from selected tax provisions for full year 2026, starting October 1, 2025. These amounts represent projected tax savings due to provisions such as accelerated depreciation for capital goods, R&D expensing, interest deductibility, and property-related rules; not tax refunds or deductions directly.

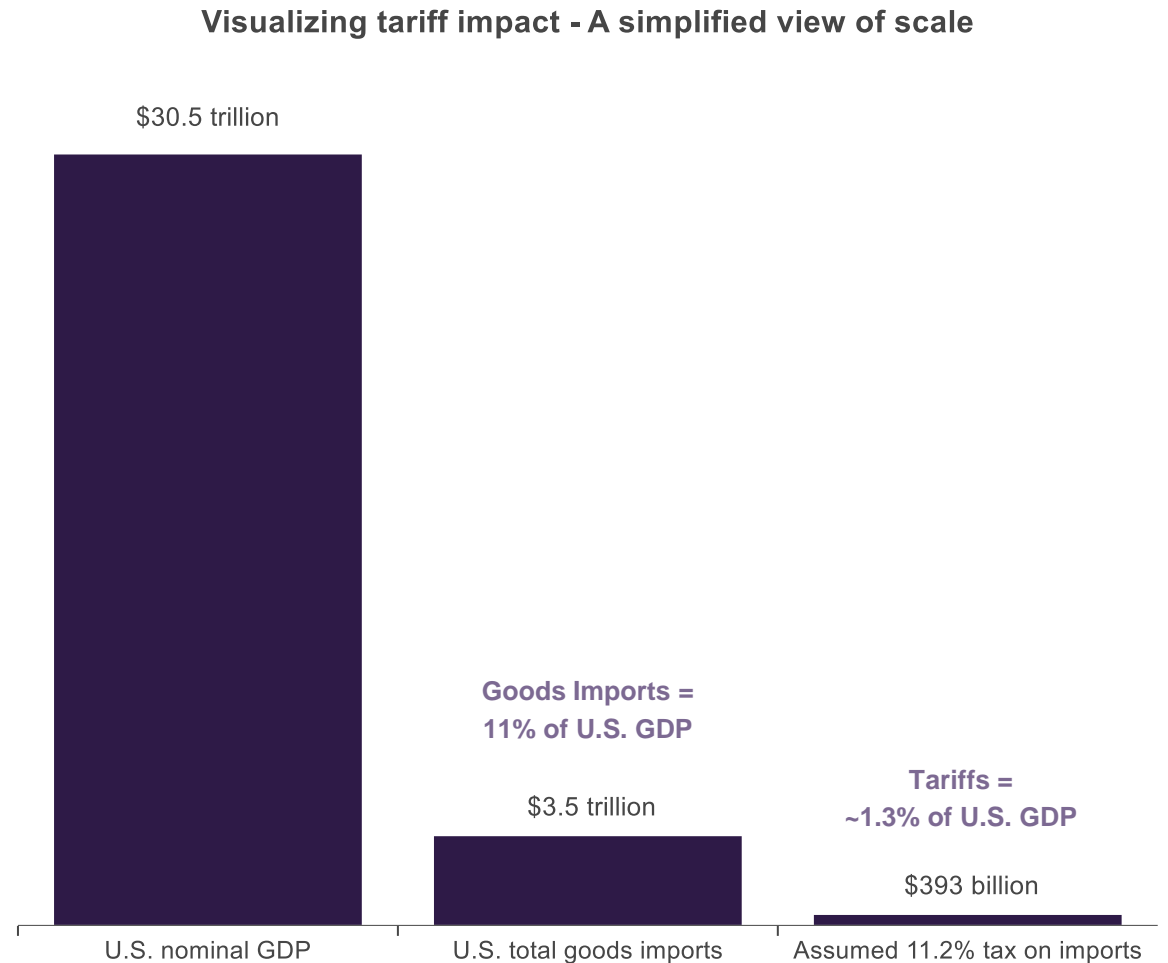
Fed easing should help lower lending rates – A positive economic tailwind



Data source: Truist IAG, Bloomberg, Federal Reserve. Current Fed funds rate as of November 2025. Projected Fed funds rate through 2026.

While tariffs are a drag on economic growth, it isn't catastrophic

- To help provide perspective of the magnitude, using a simplistic approach, we estimate tariffs equate to about 1.3% of U.S. gross domestic product (GDP).

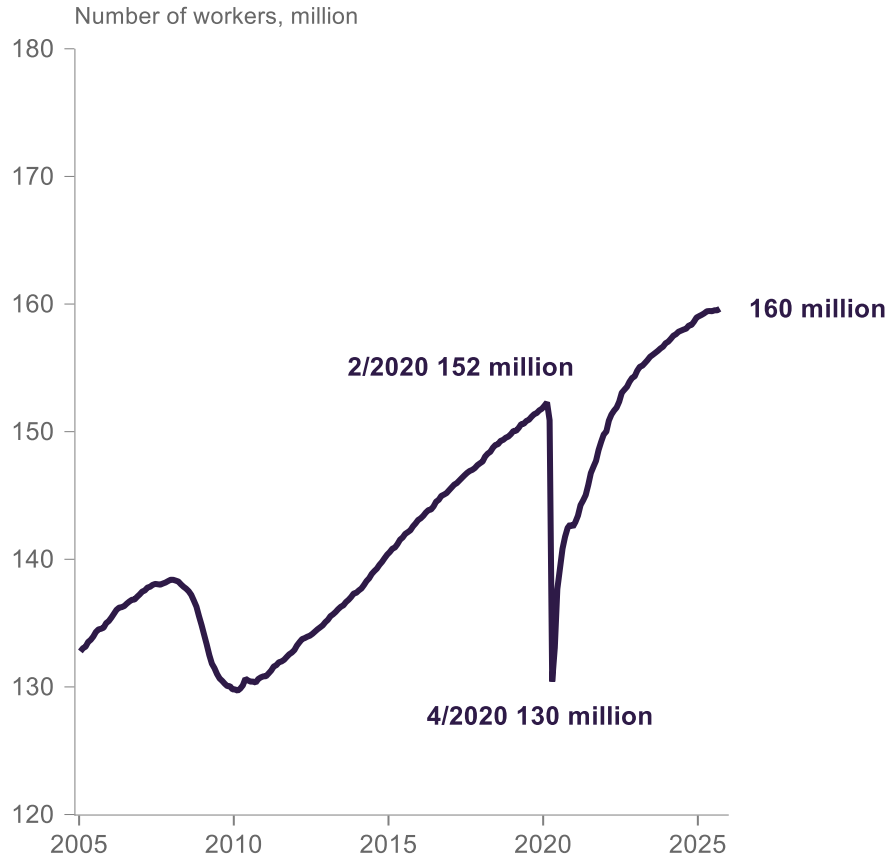


Data source: Truist IAG, Bloomberg, Bureau of Economic Analysis, Yale Budget Lab (YBL). U.S. Nominal GDP as of June 30, 2025. U.S. total goods imports as of four quarters ending 2Q25. Assumed tax on imports = YBL Average Effective Tariff Rate as of November 14, 2025.

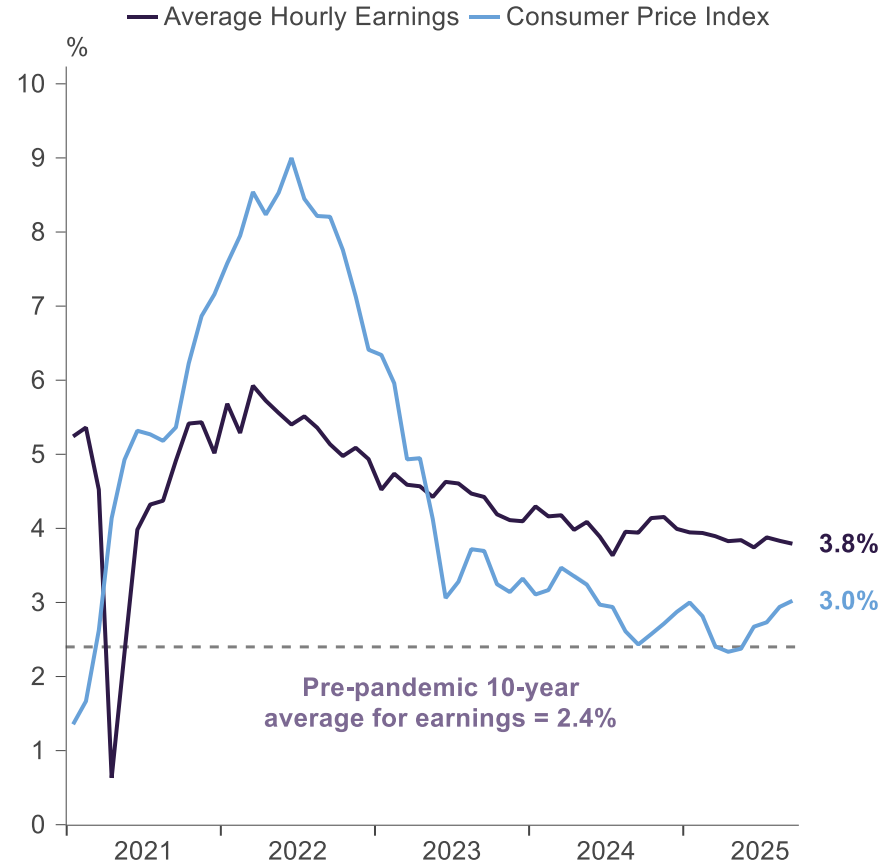
New jobs matter, but real wage growth key driver of the economy overall

- **Higher real wages** for the existing workforce provide support as **monthly job gains moderate**.
- **For context:** adding 100K jobs per month equals 1.2M annually – **small compared to 160M already employed**.

Number of full-time U.S. workers



Consumer inflation compared to hourly earnings (year-over-year change)



Data source: Truist IAG, Macrobond, Bureau of Labor Statistics; annual data through September 2025.

U.S. equity outlook – Bull still deserves benefit of the doubt

Base case

History points to **high single- to low double-digit returns in 2026**, with **deeper pullbacks** typical of midterm years.

Key supports:

- **Seven prior bull markets** averaged **+15% in year four of the cycle**
- **After Fed rate cuts near highs**, the S&P 500 was **positive 93% of the time** (**+13% avg.** next year)
- **Midterm years deliver** more moderate gains (~8% avg.) with **sharper drawdowns** (~17% avg. max intra-year)
- **Earnings:** Low double-digit growth
- **Valuations:** Steady on economic uptick and lower rates

Key upside risks

- AI / tech surge pushes valuations toward bubble territory
- Fed cuts rates more aggressively as inflation cools
- Earnings beat expectations; margins expand and broaden
- Fear of missing out sparks sharp inflows, driving stocks higher

Key downside risks

- Profits disappoint amid elevated valuations
- AI competition pressures margins
- Economy slows more than expected
- Trade tensions resurface, disrupting confidence and costs
- Sticky inflation limits Fed flexibility

Year 4 of bull market – Evidence suggests upside potential remains

- Of the seven prior bull markets that extended beyond year three, all saw further gains in year four, though not without some bumps along the way.

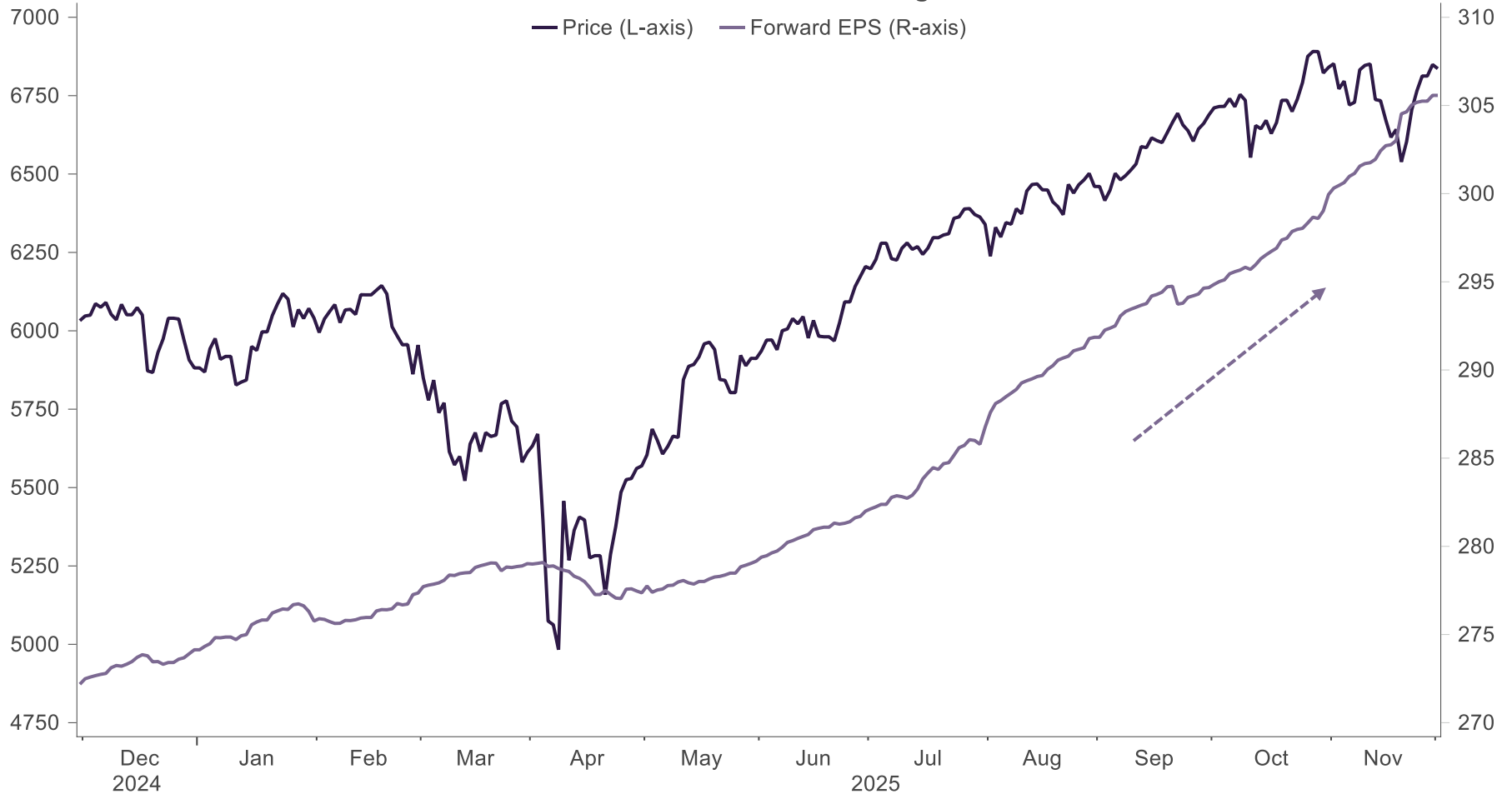
S&P 500 bull markets lasting >3 years since 1957

Start	End	Duration (years)	Return Through Year 3	Year 4 Return	Cumulative Bull Market Return
Oct-57	Dec-61	4.1	37%	28%	86%
Jun-62	Feb-66	3.6	59%	4%	80%
Oct-74	Nov-80	6.2	55%	6%	126%
Aug-82	Aug-87	5.0	83%	30%	229%
Dec-87	Mar-00	12.3	46%	16%	582%
Oct-02	Oct-07	5.0	54%	13%	101%
Mar-09	Feb-20	11.0	103%	13%	401%
Oct-22	10/28/25	3.0	83%	5%	93%
Median		5.0	55%	13%	126%
Average		6.7	62%	16%	229%

Data source: Truist IAG, FactSet, S&P Dow Jones. Returns shown as price returns. Returns based on calendar days. Returns and durations based on calendar days. Median and average figures exclude the current cycle. Green shading indicates longer duration and stronger returns than the current cycle. Note: The 1962 cycle peaked in year four before entering a bear market. *Most recent all-time high. Past performance does not guarantee future results.

North star of the bull market continues to be earnings

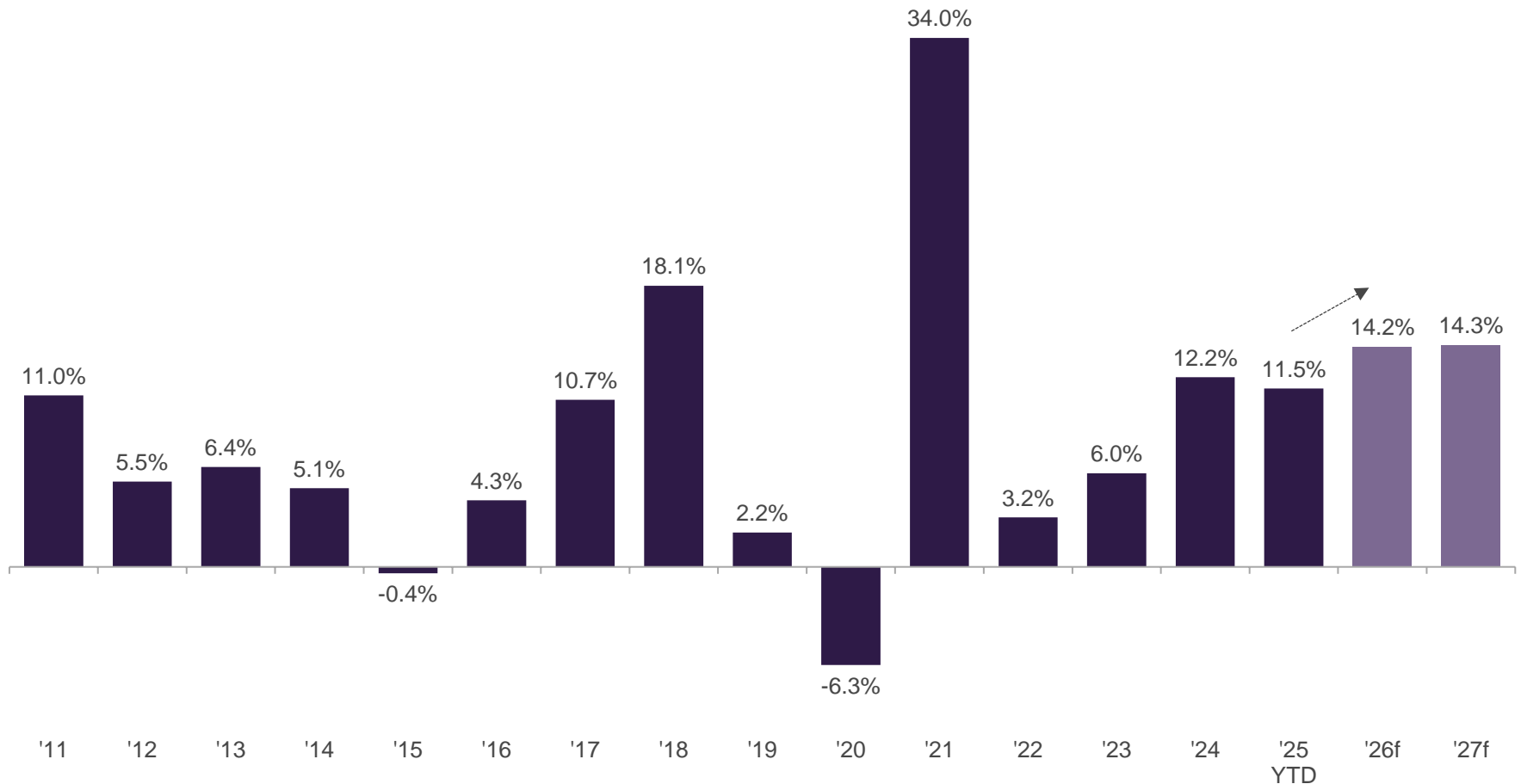
S&P 500 vs. forward 12 months earnings estimates



Data source: Truist IAG, Macrobond, S&P Dow Jones.
Past performance does not guarantee future results.

Earnings growth remains key support in 2026, given elevated valuations

S&P 500 earnings growth by year



Data source: Truist IAG, FactSet, S&P Dow Jones. Earnings growth = Forward earnings-per-share growth measured from year-end of the prior year to year-end of the stated year. '26f and '27f = FactSet estimates. Past performance does not guarantee future results.

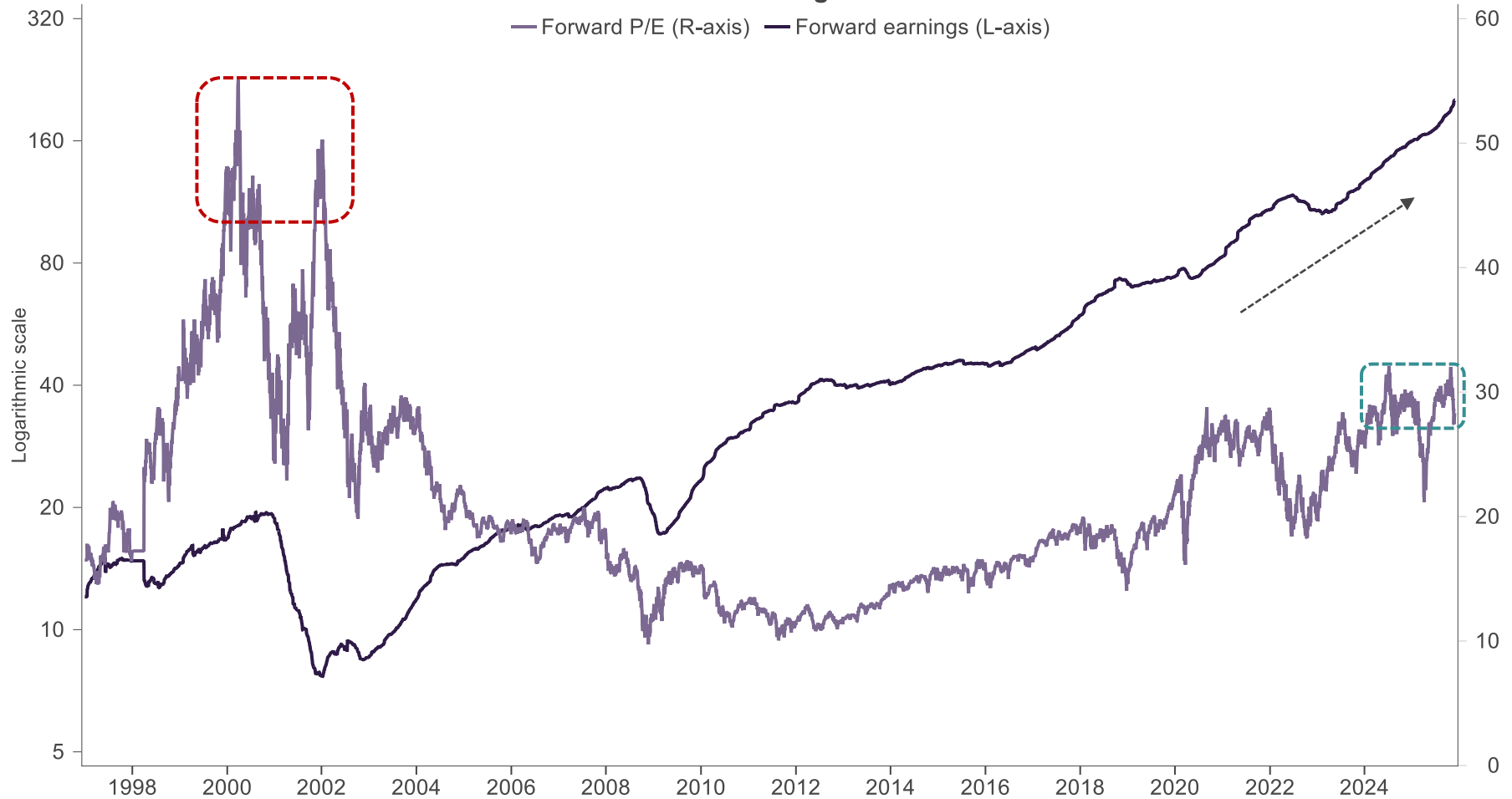
Large cap earnings momentum still strongest across market capitalizations, though some recent improvement in mid and small caps



Data source: Truist IAG, Macrobond, S&P Dow Jones.
Past performance does not guarantee future results.

Technology – Fundamentals better than bubble period

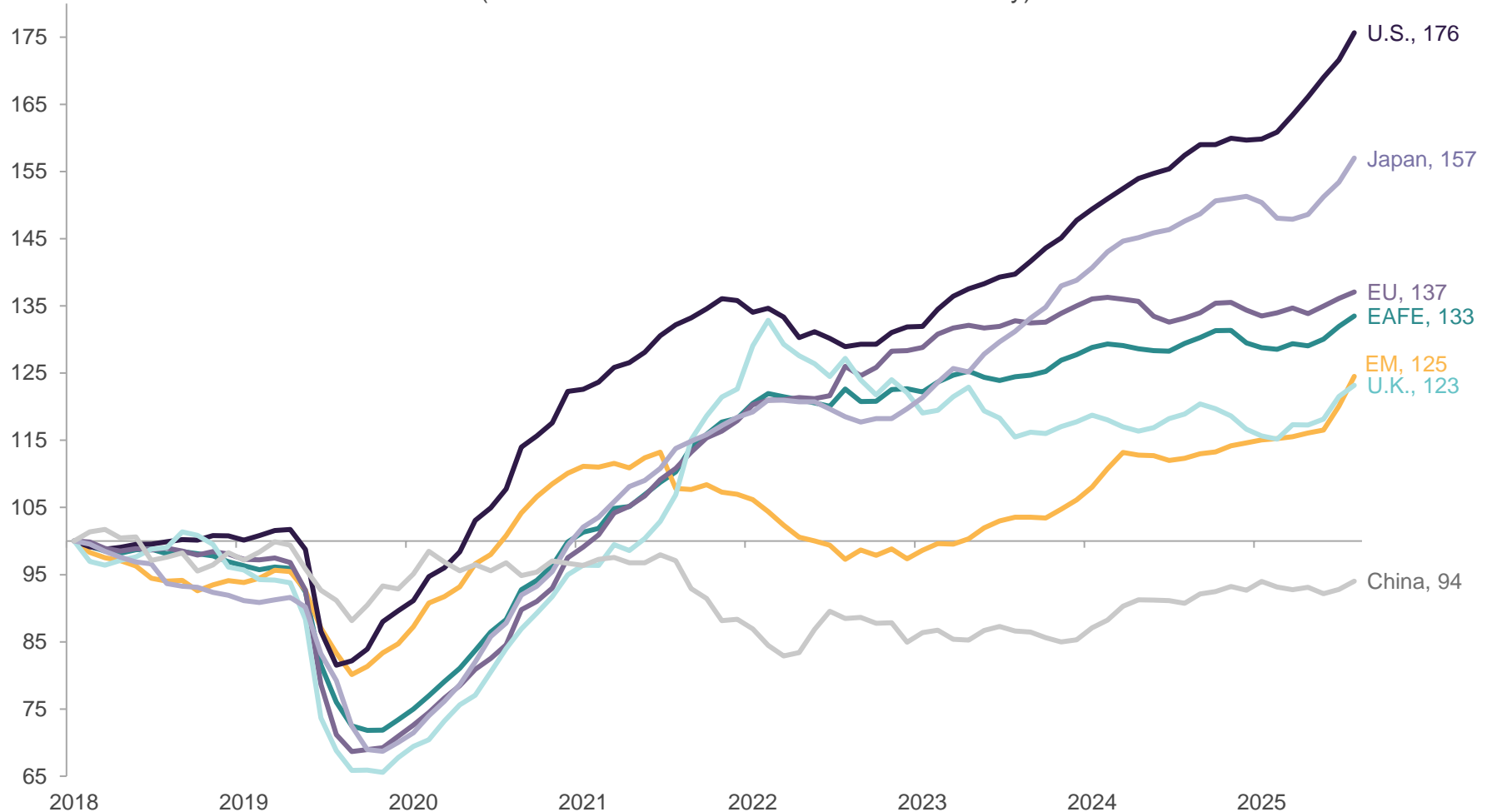
S&P 500 tech sector earnings and valuations



Data source: Truist IAG, Macrobond, S&P Dow Jones. Forward P/E = Price-to-Next 12 months consensus earnings expectations.
Past performance does not guarantee future results.

Global earnings growth led by the U.S.

Global earnings growth
(Indexed to 100 as of Dec-18 in local currency)



Data source: Truist IAG, Macrobond, MSCI. EAFE = Int'l developed, MSCI EAFE. EM = MSCI Emerging Markets. EU = European Union.
Past performance does not guarantee future results.

Fixed Income outlook – Consistent hitter

Base case

Fixed income outlook remains constructive:

- **Yields are attractive** on both absolute and inflation-adjusted bases
- **Fed funds rate** moves **toward ~3%** by year-end, should support core fixed income
- **10-year U.S. Treasury yield** to drift **toward 3.75%** by year-end
- **Steeper curve**: as Fed cuts rates, long-end sticky on inflation and deficits concerns
- **Rate volatility is unsustainably low**
- **Maintain high-quality bias**: credit spreads near multi-decade tights

Key upside risks (returns)

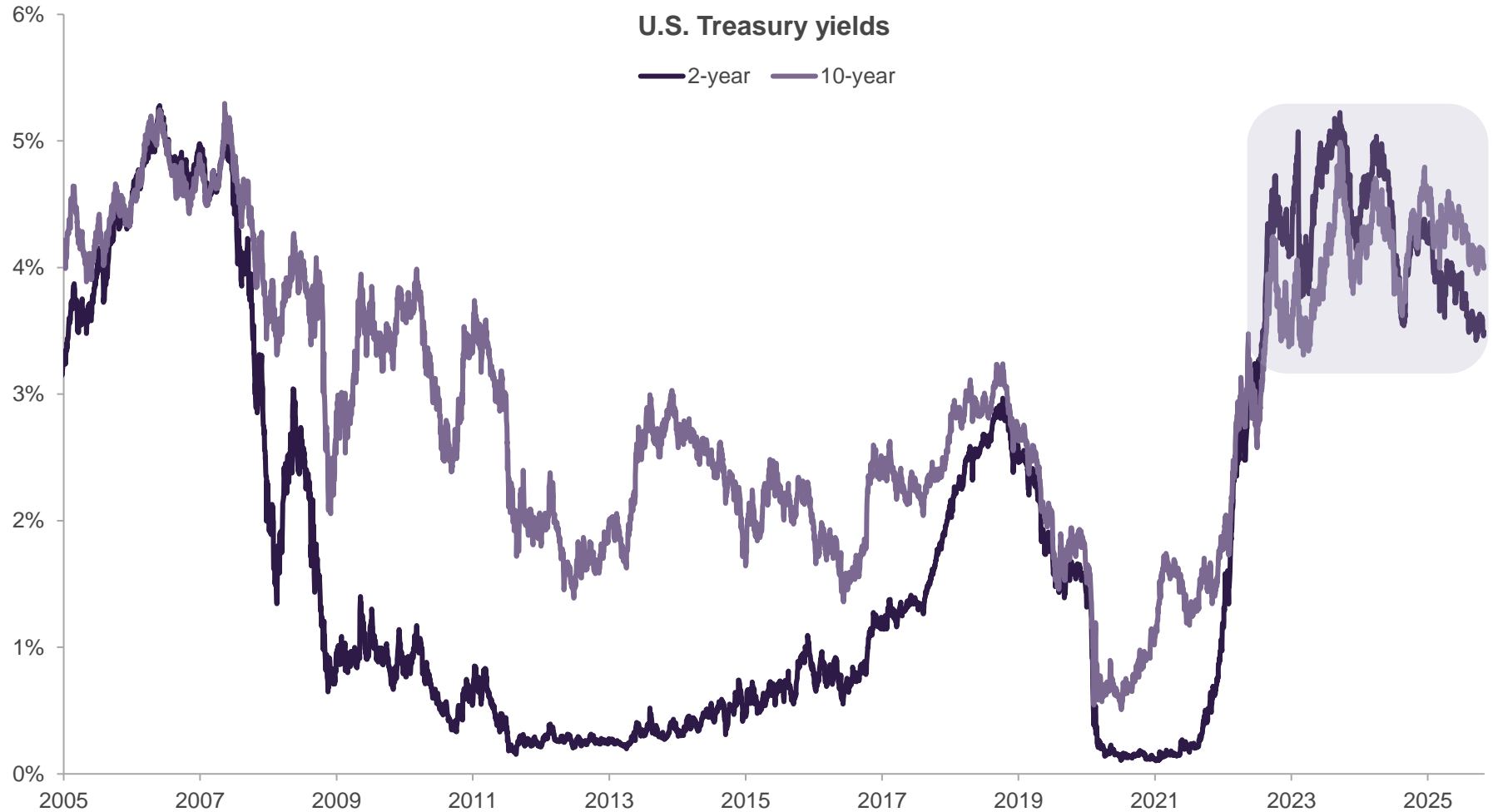
- Inflation falls faster than expected, allowing more aggressive Fed rate cuts
- Slower economic growth than expected, boosting yield declines/price appreciation
- Additional government dysfunction (e.g., prolonged shutdown)

Key downside risks

- Stronger-than-expected economy leads to higher rates
- “Bond vigilante” pushback on debt load and deficits
- Trade conflict sparks inflation concerns

Productive starting bond yields a positive for 2026

Across the curve, U.S. Treasury yields are still elevated compared to the past two decades. In 2026, we expect yields to trend broadly downward but to a greater degree towards the front end of the yield curve as the Fed normalizes policy.



Data source: Truist IAG, Bloomberg.
Past performance does not guarantee future results.

10-year yield trading close to fair value heading into 2026

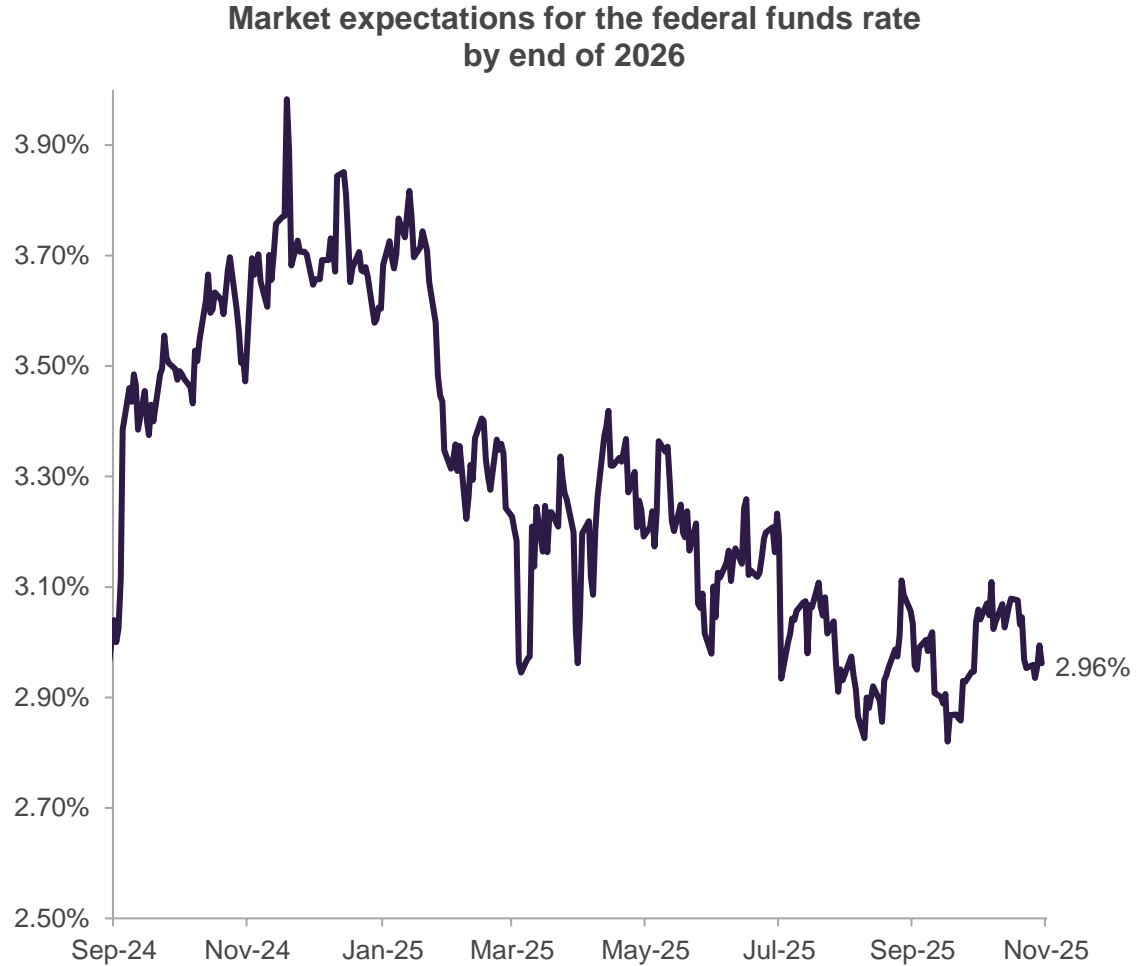
Longer-term yields should decline modestly in the year ahead, though fiscal and trade policy concerns will likely keep them relatively sticky, contributing to a steeper curve. We anticipate the 10-year U.S. Treasury yield drifting toward 3.75% by year-end. We anticipate the 10-year U.S. Treasury yield drifting toward 3.75% by year-end.



Data source: Truist IAG, Tradeweb Direct.
Past performance does not guarantee future results.

Market consensus is now aligned with our Fed rate forecast

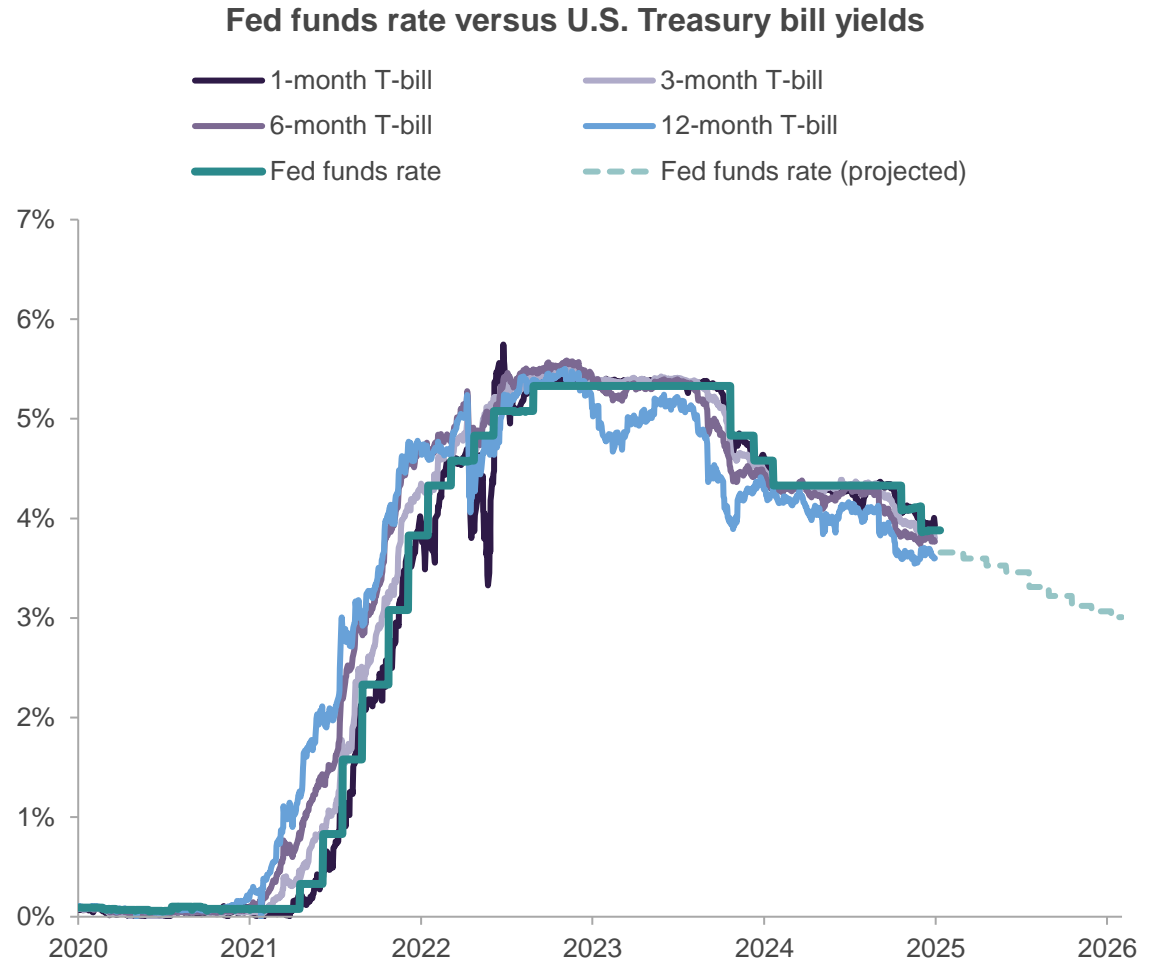
- We expect the Fed to use the first half of the year to cautiously return the federal funds rate to approximately 3%, a setting we believe is close to “neutral” and neither stimulating nor decelerating the economy.



Data source: Truist IAG, Bloomberg.
Past performance does not guarantee future results.

The “T-bill and chill” era is over

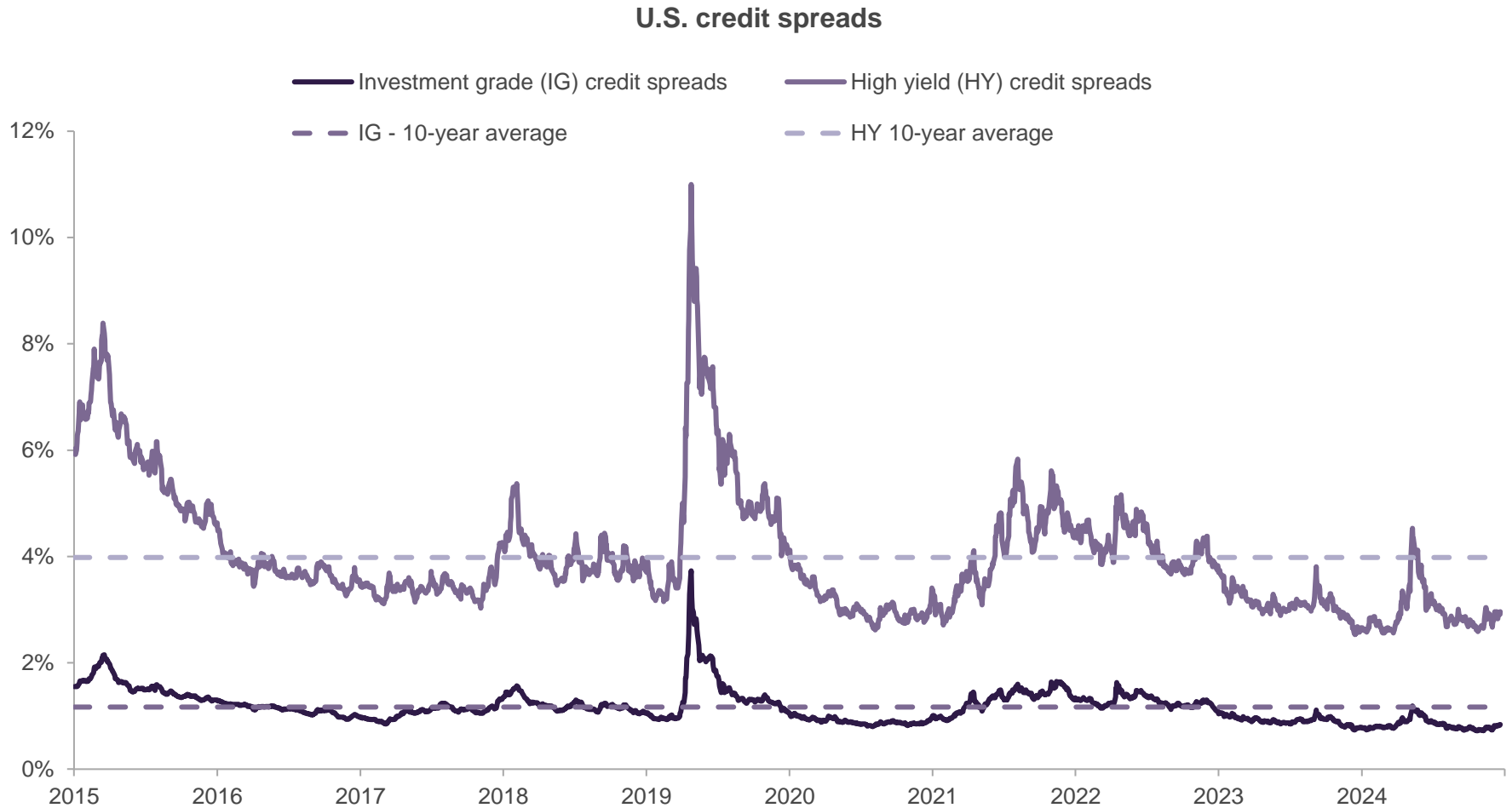
- As the Fed lowers policy rates in 2026, short-term investment yields are likely to extend their declines. This will be felt most acutely in areas like U.S. Treasury bills, money market funds, certificates of deposits, and savings accounts.



Data source: Truist IAG, Bloomberg. Current Fed funds rate as of November 2025. Projected Fed funds rate through 2026. Past performance does not guarantee future results.

Tight credit spreads limit relative value, particularly in high yield corporates

The spreads between investment grade (IG) and high yield (HY) corporate bond yields and like-maturity U.S. Treasury yields enter 2026 well below their long-run averages. Although this sends a positive economic signal, it limits their relative value, particularly in high yield corporates that remain vulnerable to widening spreads (i.e., underperformance) in the event of economic surprises to the downside.

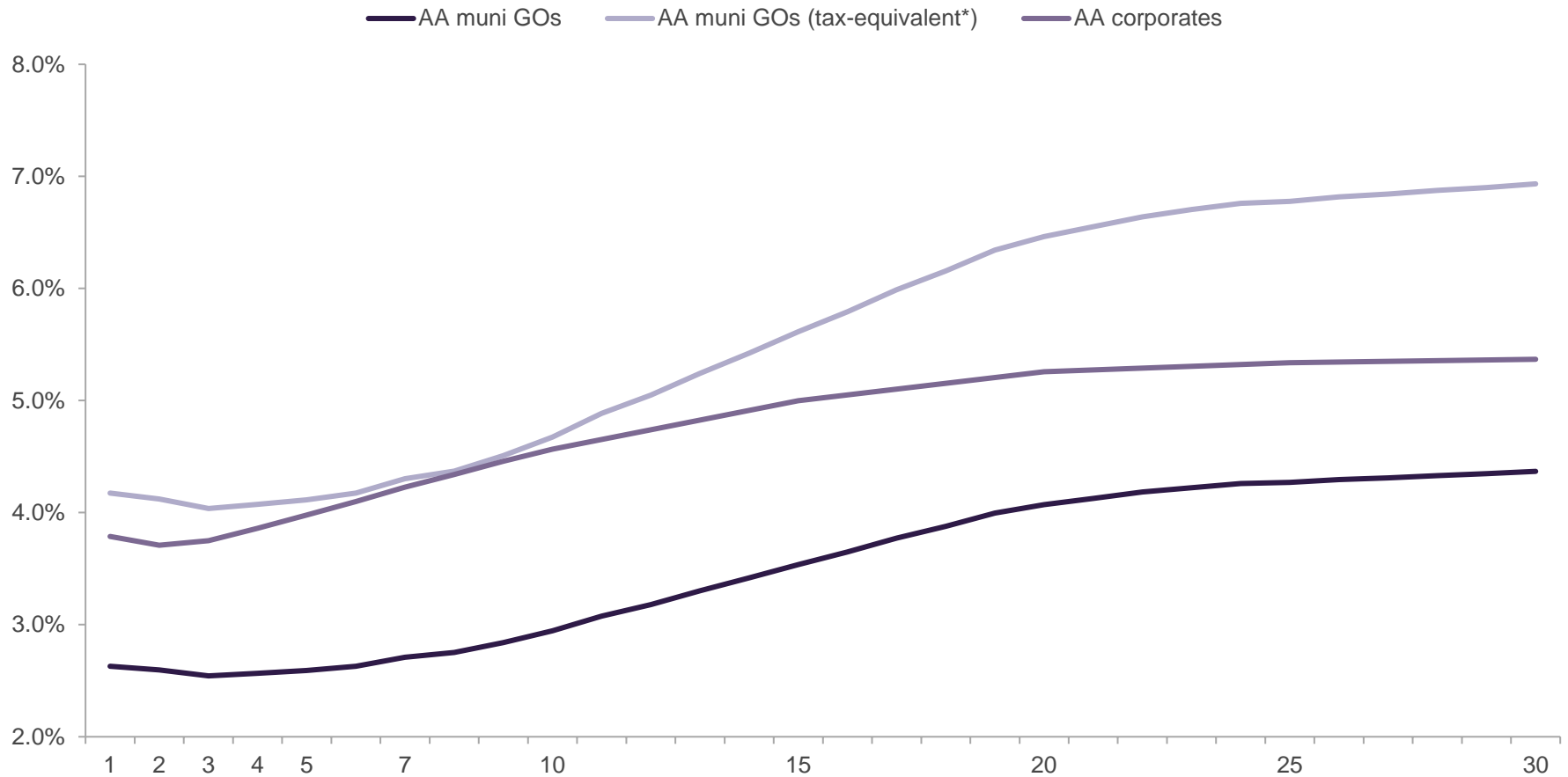


Data source: Truist IAG, Bloomberg.
Investment grade credit spreads = Bloomberg US Agg Corporate average option-adjusted spread, High yield credit spreads = Bloomberg US Corporate High Yield average option-adjusted spread.
Past performance does not guarantee future results.

Tax-equivalent muni yields offer enticing value relative to corporates

After accounting for their preferential tax treatment, investment grade municipal bonds offer a distinct yield advantage over like-rated corporate bonds. The advantage grows larger beyond 10-year maturities but requires greater interest rate exposure.

AA-rated muni yields versus AA-rated corporate yields



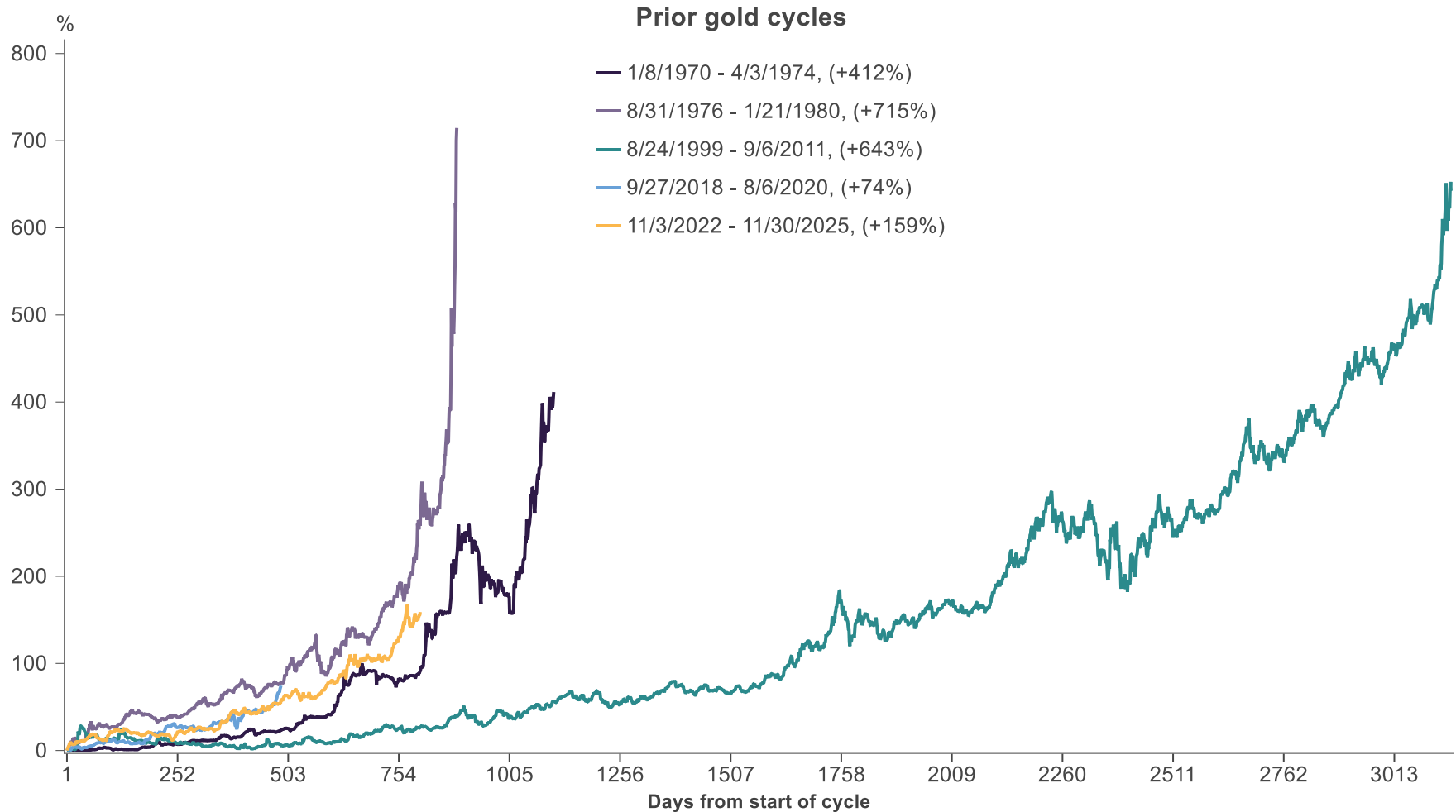
Data source: Truist IAG, Bloomberg. *Assumed federal tax rate of 37%.

AA munis = Bloomberg US General Obligation AA Muni BVAL Yield Curve; AA corporates = Bloomberg USD U.S. Corporate AA+, AA, AA- BVAL Yield Curve.

Interest income may be subject to the federal alternative minimum tax. Other state and local taxes may apply. Past performance does not guarantee future results.

Gold – Near-term consolidation, yet longer-term upside potential remains

Key long-term positive trends remain intact. Central bank buying, ongoing geopolitical risks, a potential rebound in retail and jewelry demand, lower interest rates, and concerns about currency debasement all support the long-term outlook.



Data source: Truist IAG, Macrobond, ICE Benchmark Administration (IBA). Gold = LBMA Gold Price PM (\$/ozt).

Investing in gold and other commodities is speculative and involves a high degree of risk and is not suitable for all investors. You could lose all or a substantial portion of your investment.

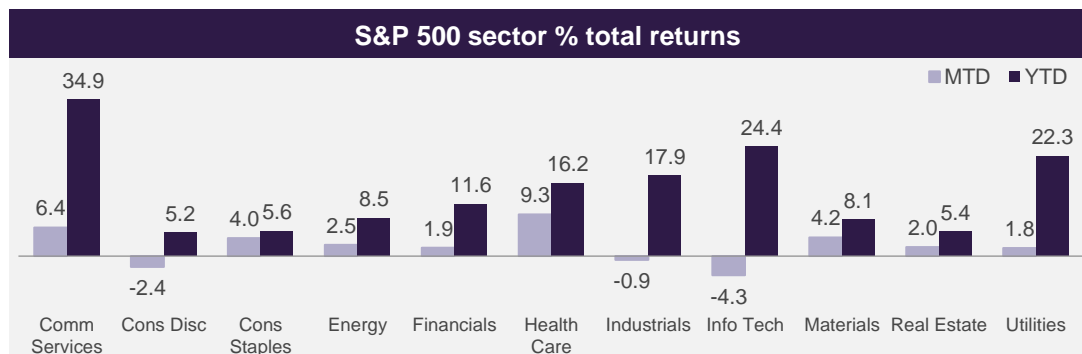
Past performance does not guarantee future results.

Performance summary as of November 28, 2025

Index % Total Return	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	-0.01	2.23	21.07	18.21
S&P 500	0.25	2.59	17.81	15.00
MSCI EAFE (net)	0.62	1.80	27.40	24.50
MSCI Emerging Markets (net)	-2.39	1.69	29.69	29.51
Dow Jones Industrials	0.48	3.08	13.88	8.03
Bloomberg Commodity Index	3.20	6.19	16.15	17.33
Bloomberg Aggregate	0.62	1.25	7.46	5.70
Bloomberg US High Yield	0.58	0.74	8.01	7.55
Bloomberg Municipal Bond Blend 1-15 Year	0.27	1.14	4.89	3.84
FTSE Non-USD World Gov't Bond Index (USD, Unhedged)	-0.02	-0.92	7.99	4.90
FTSE Non-USD World Gov't Bond Index (USD, Hedged)	-0.14	0.92	2.40	1.97

Rates (%)	11/28/25	9/30/25	6/30/25	3/31/25	12/31/24
Fed Funds Target	4.00	4.25	4.50	4.50	4.50
T-Bill, 3-Month	3.79	3.93	4.28	4.29	4.31
2-Year Treasury	3.49	3.60	3.71	3.89	4.24
5-Year Treasury	3.59	3.73	3.78	3.95	4.38
10-Year Treasury	4.01	4.14	4.22	4.21	4.57
30-Year Treasury	4.66	4.72	4.78	4.58	4.78
Bloomberg Aggregate (YTW)	4.27	4.37	4.51	4.60	4.91
Bloomberg Municipal Bond Blend 1-15 Year	3.16	3.20	3.52	3.50	3.47
Bloomberg US High Yield	6.57	6.70	7.06	7.73	7.49
Currencies	11/28/25	9/30/25	6/30/25	3/31/25	12/31/24
Euro (\$/€)	1.16	1.18	1.17	1.08	1.04
Yen (¥/\$)	156.05	147.69	144.45	149.54	157.16
Pound (\$/£)	1.32	1.35	1.37	1.29	1.25
Commodities	11/28/25	9/30/25	6/30/25	3/31/25	12/31/24
Crude Oil (WTI)	58.55	62.37	65.11	71.48	71.72
Gold	4,255	3,873	3,308	3,150	2,641
Volatility	11/28/25	9/30/25	6/30/25	3/31/25	12/31/24
CBOE VIX	16.35	16.28	16.73	22.28	17.35

U.S. style % total returns (S&P indexes)					
MTD			YTD		
Value	Core	Growth	Value	Core	Growth
1.69	0.25	0.93	12.79	17.81	22.39
3.07	2.05	1.16	7.22	7.42	7.64
2.78	2.65	2.53	5.68	6.07	6.45
Large					
Mid					
Small					



Data source: Truist IAG, FactSet. Disclosures – All information is as of title date unless otherwise noted. You cannot invest directly in an index. This document was prepared for clients of Truist Bank for informational purposes only. This material may not be suitable for all investors and may not be redistributed in whole or part. Neither Truist Financial Corporation, nor any affiliates make any representation or warranties as to the accuracy or merit of this analysis for individual use. Information contained herein has been obtained from sources believed to be reliable but are not guaranteed. Comments and general statistics are based on information available at the time of writing and believed to be accurate; are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm and may not be relied upon for future investing. The views expressed may change at any time. The information provided in this report should not be considered a recommendation to purchase or sell any financial instrument, product or service sponsored or provided by Truist Financial Corporation or its affiliates or agents. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Past returns are not indicative of future results. An investment cannot be made into an index. ©2025 Truist Financial Corporation. and Truist are service marks of Truist Financial Corporation. All rights reserved.

Primary authors



Keith Lerner, CFA, CMT®

Chief Investment Officer,
Chief Market Strategist



Michael Skordeles, AIF®

Head of U.S. Economics,
Portfolio & Market Strategy



Dylan Kase, CFA, CAIA®

Senior Investment Strategy Analyst,
Team Lead,
Portfolio & Market Strategy



Chip Hughey, CFA

Managing Director,
Fixed Income



Eylem Senyuz

Senior Investment Strategy Analyst,
Portfolio & Market Strategy



Jake Reid

Investment Strategy Analyst,
Portfolio & Market Strategy

Truist Wealth – Investment Advisory Group

Keith Lerner, CFA, CMT®

Chief Investment Officer
Chief Market Strategist
Senior Managing Director

Portfolio & market strategy

Mike Skordeles, AIF®
Head of U.S. Economics

Dylan Kase, CFA, CAIA®
Senior Investment Strategy Analyst – Team Lead

Eylem Senyuz
Senior Investment Strategy Analyst

Jake Reid
Investment Strategy Analyst

Equity strategies

Scott Yuschak, CFA
Managing Director,
Equity Strategies

Charles Redding
Senior Equity Strategy Analyst

Adam White, CFA, CMT
Senior Equity Strategy Analyst

Marty Stamps
Senior Equity Strategy Analyst

Samuel Grelck, CFA
Equity Strategy Analyst

Fixed income strategies

Chip Hughey, CFA
Managing Director,
Fixed Income

Manager research

Ric Mayfield, CFA, CAIA®
Managing Director, Manager Research

Chris Hett, CFA
Senior Manager Research Analyst

Alison Majors, AIF®, CFA, CFP®
Senior Manager Research Analyst

Diane Schmidt
Senior Manager Research Analyst

Thomas Toman
Manager Research Analyst

Elsa Wartner, CFA, CIMA®
Manager Research Analyst

Alternative investments research | Hedge funds & Private capital

Spencer Boggess
Managing Director,
Alternative Investments

Mohan Badgujar
Senior Alternative Investments Analyst

Len Lebov
Senior Alternative Investments Analyst

Will Repath
Senior Private Equity & Credit Analyst

Tim Judge
Alternative Investments Product Manager

Haley Signorini
Alternative Investments Analyst

Dylan Thompson
Private Equity & Credit Analyst

Abraham Zewdie
Investment Advisory Associate

IAG Client engagement

Sabrina Bowens-Richard, CFA, CAIA®
Head of IAG Client Engagement

Luis Feliciano
IAG Content Engagement Strategist

Larissa Graves
Wealth Business Analyst

IAG Advisor engagement | Sustainable investing

Colleen Silver, CFA
Head of IAG Advisor Engagement & Sustainable Investing

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U.S. Large Cap Equity is represented by the S&P 500 Index which is an unmanaged index comprised of 500 widely-held securities considered to be representative of the stock market in general.

U.S. Mid Cap is represented by the S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

U.S. Small Cap Core Equity is represented by the S&P 600 Small Cap Index which is a measure of the performance of the small-cap segment of the U.S. equity universe

S&P 500 Index is comprised of 500 widely-held securities considered to be representative of the stock market in general.

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the asset class or market sector that it purports to represent and S&P DJI shall have no liability for any errors, omissions, or interruptions of any index or the data included therein.

Equity is represented by the MSCI ACWI captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries*. With 2,897 constituents, the index covers approximately 85% of the global investable equity opportunity set

Fixed Income is represented by the Bloomberg U.S. Aggregate Index. The index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

Commodities are represented by the Bloomberg Commodity Index which is a composition of futures contracts on physical commodities. It currently includes a diversified mix of commodities in five sectors including energy, agriculture, industrial metals, precious metals and livestock. The weightings of the commodities are calculated in accordance with rules that ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity.

Cash is represented by the ICE BofA U.S. Treasury Bill 3 Month Index which is a subset of the ICE BofA 0-1 Year U.S. Treasury Index including all securities with a remaining term to final maturity less than 3 months.

International Developed Markets is represented by the MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries* around the world, excluding the U.S. and Canada. With 799 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Emerging Markets is represented by the MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries*. With 1,386 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Value is represented by the S&P 500 Value Index which is a subset of stocks in the S&P 500 that have the properties of value stocks. Growth is represented by the S&P 500 Growth Index which is a subset of stocks in the S&P 500 that have the properties of growth stocks.

U.S. Government Bonds are represented by the Bloomberg U.S. Government Index which is an unmanaged index comprised of all publicly issued, non-convertible domestic debt of the U.S. government or any agency thereof, or any quasi-federal corporation and of corporate debt guaranteed by the U.S. government

U.S. Mortgage-Backed Securities are represented by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index which covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

U.S. Investment Grade Corporate Bonds are represented by the Bloomberg U.S. Corporate Investment Grade Index which is an unmanaged index consisting of publicly issued U.S. Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB- or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding.

U.S. High Yield Corp is represented by the ICE BofA U.S. High Yield Index tracks the performance of below investment grade, but not in default, U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P.

Disclosures

Floating Rate Bank Loans are represented by the Morningstar LSTA Leveraged Loan 100 Index. The index represents tradable, senior-secured, U.S.-dollar-denominated non-investment-grade loans.

Global Equity is represented by the MSCI All World Country (ACWI) Index which is defined as a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI Index consists of 48 country indices comprising 24 developed markets countries and 24 emerging markets countries.

Emerging Markets Equity is represented by the MSCI EM Index which is defined as a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets countries

Intermediate Term Municipal Bonds are represented by the Bloomberg Municipal Bond Blend 1-15 Year (1-17 Yr) is an unmanaged index of municipal bonds with a minimum credit rating of at least Baa, issued as part of a deal of at least \$50 million, that have a maturity value of at least \$5 million and a maturity range of 12 to 17 years.

U.S. Core Taxable Bonds are represented by the Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

EU Corporate is represented by the Bloomberg Euro-Aggregate Corporates Index which is a benchmark that measures the corporate component of the Euro Aggregate Index and includes investment grade, euro-denominated, fixed-rate securities.

EM hard currency bonds are represented by the Bloomberg EM USD Aggregate – Sovereign Index, which is a subset of the Bloomberg Emerging Markets Hard Currency Aggregate Index, a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

International developed markets bonds unhedged are represented by the ICE BofA Global Government ex U.S. Index which tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency excluding all securities denominated in U.S. dollars. In order to qualify for inclusion in the Index, a country (i) must be a member of the FX-G10 or Western Europe; (ii) must have an investment grade rating.

U.S. preferred securities are represented by the ICE BofA Preferred Stock Fixed Rate Index which tracks the performance of fixed rate US dollar-denominated preferred securities issued in the US domestic market.

U.S. TIPS are represented by the ICE BofA U.S. Treasury Inflation Linked Index which is an unmanaged index comprised of US Treasury Inflation Protected Securities with at least \$1 billion in outstanding face value and a remaining term to final maturity of greater than one year.

High yield municipal bonds are represented by the Bloomberg HY Municipal Bond Index which is an unmanaged index made up of bonds that are non-investment grade, unrated, or rated below with a remaining maturity of at least one year.

S&P 500 Information Technology Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the information technology sector based on GICS® classification.

S&P 500 Financials Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the financials sector based on GICS® classification.

S&P 500 Energy Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the energy sector based on GICS® classification.

S&P 500 Materials Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the materials sector based on GICS® classification.

S&P 500 Industrials Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the industrials sector based on GICS® classification.

S&P 500 Consumer Discretionary Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the consumer discretionary sector based on GICS® classification.

S&P 500 Communication Services Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the communication services sector based on GICS® classification.

S&P 500 Utilities Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the utilities sector based on GICS® classification.

S&P 500 Consumer Staples Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the consumer staples sector based on GICS® classification.

S&P 500 Health Care Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the health care sector based on GICS® classification.

S&P 500 Real Estate Index – a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the real estate sector based on GICS® classification.

The HFRI Fund Weighted Composite Index which is a global, equal-weighted index of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance.

The HFRI Macro (Total) Index includes managers with a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodities markets.

The FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI provides a broad benchmark for the global sovereign fixed income market.

Investing in commodities is speculative and involves a high degree of risk and not suitable for all investors.

Hedge funds often engage in leveraging and speculative investment practices that may increase the risk of investment loss, can be highly illiquid, and are not required to provide periodic pricing or valuation information to investors.

Hedge funds may involve complex tax structures and delays in distributing tax information. Hedge funds are not subject to the same regulatory requirements as mutual funds and often charge higher fees. Investing in commodities is speculative and involves a high degree of risk and not suitable for all investors. You could lose all or a substantial portion of your investment.

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Alternative strategies are not suitable for all investors. Many alternative strategies use sophisticated and aggressive techniques. Certain alternative strategies may be tied to hard assets such as commodities, currencies and real estate and may be subject to greater volatility as they may be affected by overall market movements, changes in interest rates or factors affecting a particular or currency, and international economic, political, and regulatory developments.

Investing in gold and other commodities is speculative and involves a high degree of risk and is not suitable for all investors. You could lose all or a substantial portion of your investment.

International investments are subject to special risks, such as political unrest, economic instability, and currency fluctuations. Emerging Markets – Investing in the securities of such companies and countries involves certain considerations not usually associated with investing in developed countries, including unstable political and economic conditions, adverse geopolitical developments, price volatility, lack of liquidity, and fluctuations in currency exchange rate.

Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations, and illiquidity. Stocks of small-size companies may have less liquidity than those of larger companies and may be subject to greater price volatility than the overall stock market.

Investing in the bond market is subject to certain risks, including market, interest rate, issuer and inflation risk; investments may be worth more or less than the original cost when redeemed. The value of most bond strategies and fixed income securities are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise, and values rise when interest rates decline. ©2025 Truist Financial Corporation.

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