



2026 OUTLOOK

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INVESTMENT
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Views from **our boutiques**

Unique perspectives and key takeaways from each of our boutique asset managers on what lies ahead.

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Introduction: Walking a finer line

BY MATT ORTON, CFA, AND JOEY DEL GUERCIO, CFA¹

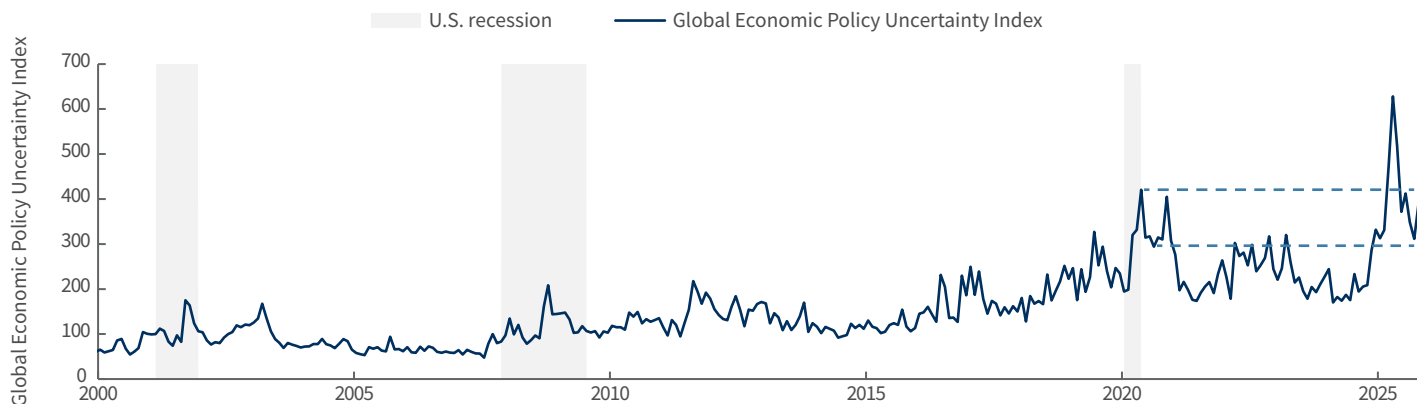
In 2025, investors had their hands full with tariffs, ever-changing expectations about monetary policy, credit concerns, and anxiety around the artificial intelligence (AI) trade. The White House played an outsized role in driving market movements over the course of the year – April’s Liberation Day tariff announcements shocked the world and complicated investment outlooks for months to follow – but the market calibrated to this new normal over time. Uncertainty remains high, and there is still scope for the market to continue to normalize and continue climbing the proverbial wall of worry.

In 2026, we believe this bull market could continue to climb, fueled by strong earnings and global momentum despite lingering questions around valuations, the durability of the AI trade, and the shifting sands of trade policy. Tailwinds from fiscal stimulus and continued U.S. Federal Reserve interest rate cuts could help growth, creating opportunities across sectors and geographies.

With those trends in mind, we discuss below the three broad themes that shape our outlook for the coming year: the need for flexible mindsets; the pivotal role of selectivity, and the value of diversified investing strategies in an environment of constant change.

The fog of uncertainty has been clearing, but there’s still plenty left to dissipate

Global Economic Policy Uncertainty Index with current price gross domestic product (GDP) weights



Source: Bloomberg, data is latest available as of 12/10/2025.

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Markets began the year expecting the U.S. Federal Reserve (Fed) to cut interest rates twice, but Liberation Day led to some meaningful changes and accelerated expectations to four recession-inspired cuts by year end. Despite these shifting perspectives, the Fed stayed on hold for most of the year. Even though tariffs were forecast to be inflationary while inflation was already above target, the Federal Open Market Committee clearly shifted its attention from the “stable prices” side of its dual mandate to “maximum employment.”

In September, the year’s first rate cut was inspired by persistent downward revisions to labor market data, although the veracity of that data was questioned. The longest U.S. government shutdown in history complicated things further, but it remains apparent that the Fed’s monetary policy decisions will be biased toward lower rates – though uncertainty remains around both the destination and that path to getting there.

This bull market, which has been running since late 2022, has been firmly grounded in strong underlying fundamentals. Earnings consistently came in far better than expected, and spending on the buildout of AI capabilities has remained robust. Investors headed into each earnings season questioning whether the hyperscalers’ spending was reliable and reasonable, but time after time those companies raised their capital expenditure (capex) guidance and reiterated their commitment to AI investment.

Even with robust headline growth all year, strain became evident on U.S. consumers and kept the real economy in question. It’s true that the breadth of returns has been poor among large-cap U.S.

companies, but that shouldn’t distract from the fact that 2025 has been one of the best years for diversification in recent history. As of December 10:

- International equities have been outperforming domestic equities by the widest margin since 2009;
- Gold, up 61%, has had its best year since 1979;
- All sectors in the S&P 500 Index have been green, showing positive returns in 2025; and
- Small- and mid-cap equities have been posting double-digit returns.

2025 has been a year of resilience and broad-based returns across geographies, sectors, industries and asset classes.

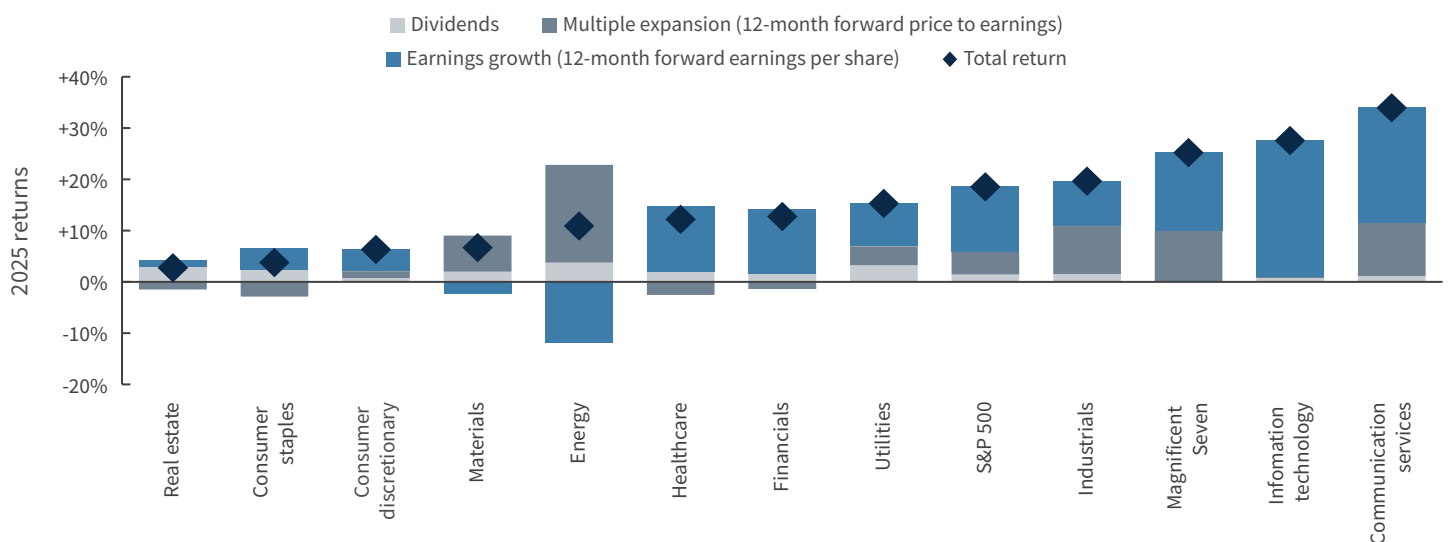
Investment Outlook

2025’s pervasive uncertainty has gradually faded, but the path forward is far from clear. Increased scrutiny around valuations and doubts about the AI trade’s durability have fueled volatility across global markets. The Fed has continued its rate-cutting cycle, but sticky inflation and robust economic growth – at least on the surface – are clouding expectations around the size and pace of future interest rate cuts. The longest U.S. government shutdown in history has added further uncertainty by interfering with the collection of key economic data.

As we noted at the midpoint of 2025, the only certainty is that uncertainty will persist.

Strong fundamentals – earnings – powered 2025’s returns

Year-to-date return attribution by S&P 500 component



Source: Bloomberg, as of 12/10/2025.

Past performance is not necessarily indicative nor a guarantee of future performance.

That said, investors looked through 2025's elevated uncertainty and pushed the market to 35 new all-time highs. U.S. corporate earnings have been robust, and profit margins have been exceptionally strong. Globally, we have seen the strongest year of excess

international returns in over a decade. Tailwinds from fiscal stimulus and lower rates could also support economic growth in 2026, creating opportunities for investors.

We are focused on three key themes for the new year:



Don't let your analysis induce paralysis.

Uncertainty around tariffs, the Fed, geopolitics, valuations and market concentration require investors to avoid dogmatically holding a single view of the future. It's easy to overanalyze each source of market uncertainty, but it will be important to remain flexible as new data comes in.



Investing in a split-screen world: AI and everything else.

It's very difficult to swim against the current, and right now the fundamentals largely remain supportive of AI. However, there are still attractive investments beyond the AI trade; investors will be looking for opportunities to get out of cash and lock in yields as the front end of the yield curve keeps moving lower.

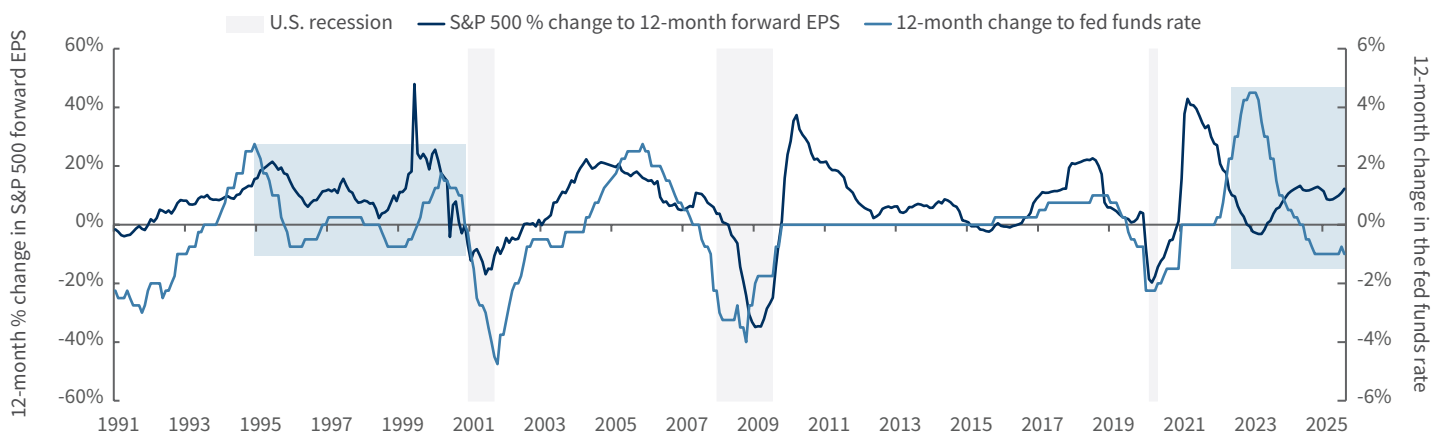


Change is the only constant.

We're starting to see early signs that correlations may be changing, particularly between stocks and bonds, which requires us to think more broadly about diversification. Commodities have been big losers over the past few years, but the AI buildout and increasing trade polarization have created opportunities, especially for precious metals acting as a ballast against volatility.

The market is in a very rare and constructive environment

12-month % change to S&P 500 forward EPS vs. 12-month change to fed funds rate



Source: Bloomberg, Absolute Strategy Research, as of 12/10/2025.

Please read on for more 2026 outlooks from our colleagues at the independent investment boutiques of Raymond James Investment Management. While all these investment teams share one vision – the pursuit of long-term, risk-adjusted returns – each offers a distinct voice in capital markets that place a premium on experience, depth of knowledge, and disciplined decision-making. —>

The fundamental importance of income, quality, and diversification

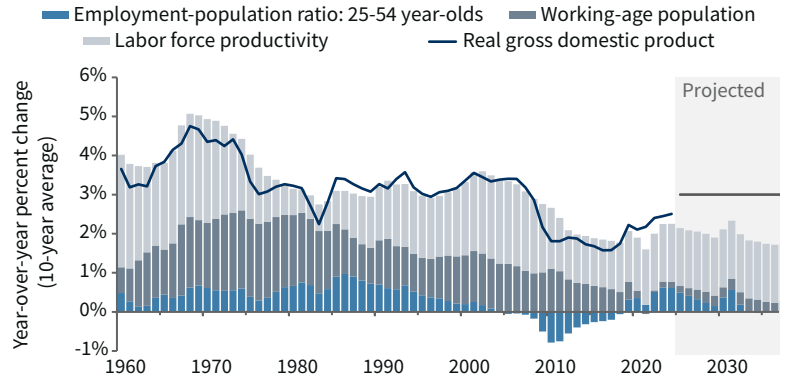
After two years of hyper-reactive markets, we expect 2026 to demand discipline over prediction. Future economic gains will increasingly depend on productivity and efficiency rather than hiring, which means that the expansion's next leg won't be powered by payrolls: It will require innovation and capital investment.

This shift changes how we interpret policy. As inflation stabilizes near 3% and the U.S. Federal Reserve's dual mandate remains largely balanced, monetary moves are likely to be less dramatic. Investors may want to resist over-analyzing every headline and instead position for a steadier, fundamentals-driven environment.

We expect fixed-income investments to enter a "carry-led" phase where income, not price gains, will drive returns. With the 10-year U.S. Treasury yield likely to remain around 4% to 4.5%, bonds can offer attractive opportunities for carry but limited capital appreciation. In equities, the leading companies are likely to be ones that can turn incremental productivity gains into real cash flow and shareholder returns.

Our emphasis remains clear: stay invested, stay disciplined, and focus on the enduring forces of income, quality, and diversification. The next chapter of this cycle won't be decided by reactions to policy changes, but by the private sector's ability to convert higher productivity into sustainable growth.

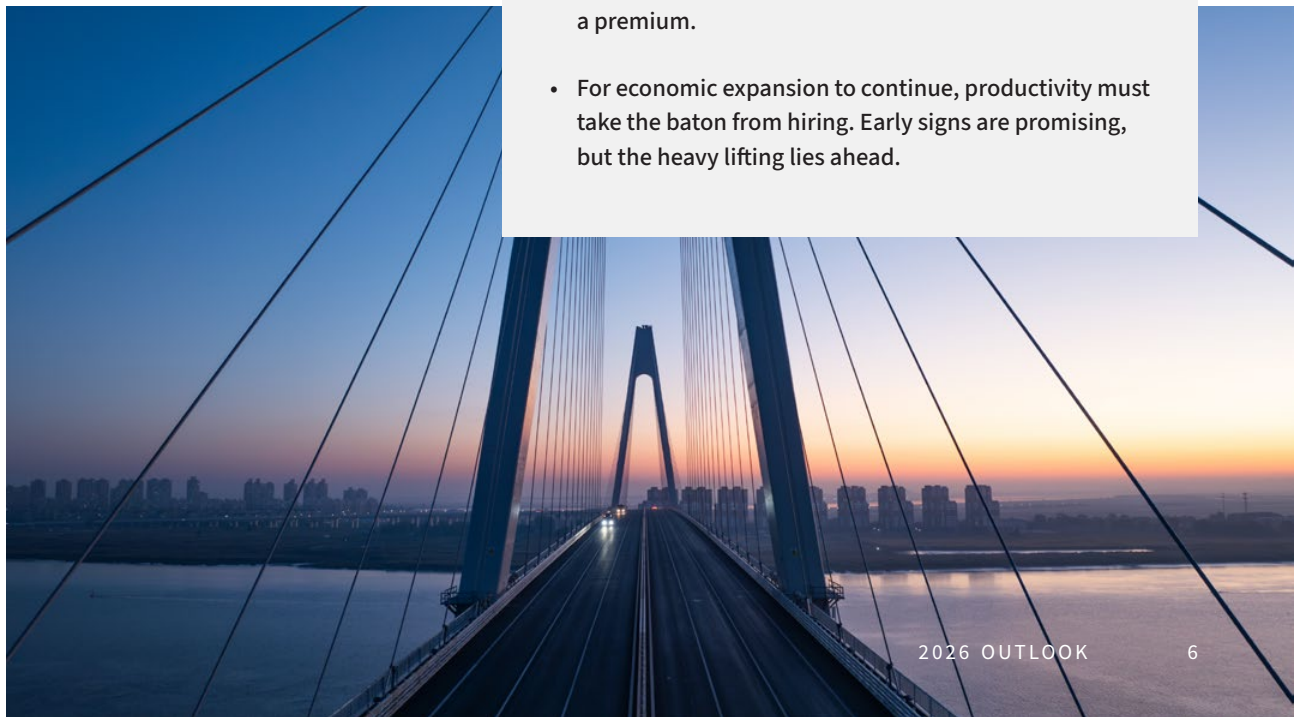
Future growth depends on productivity



Source: Bloomberg as of 11/19/25

Key takeaways

- In fixed income, credit selectivity and intermediate duration will remain key if income replaces capital gains as the driver of total return.
- In equities, firms can excel by monetizing efficiency gains and sustaining dividends through tighter conditions.
- The fiscal realities of persistent deficits and elevated issuance are reshaping the rate landscape. Money once again has a price, and quality once again earns a premium.
- For economic expansion to continue, productivity must take the baton from hiring. Early signs are promising, but the heavy lifting lies ahead.



Key takeaways

- Corporate credit spreads are extremely tight, reflecting investor optimism and leaving little room for error.
- Recent credit events and macroeconomic uncertainty highlight the risks of complacency in a market priced for perfection.
- At current levels, valuations offer minimal compensation for risk.
- We believe that investors should prioritize loss avoidance.

Maintaining focus in markets that leave little room for error

Corporate credit spreads have tightened to levels that leave little margin for error. Strong issuance suggests investor demand remains robust, but it may also signal complacency. Companies are eager to lock in funding at historically cheap levels, and investors appear willing to accept minimal compensation for credit risk amid still-uncertain macroeconomic conditions.

Our concern is that spreads this tight rarely persist without consequence. Overall, fundamentals remain sound, but isolated credit events – like the alleged fraud at Tricolor and First Brands – remind us that credit risk is not theoretical. In a market this stretched, even a few idiosyncratic issues can quickly shift sentiment, particularly when higher-for-longer rates and slowing growth are testing balance sheets built for a world of lower interest rates.

At these valuations, the margin of safety is thin. Investment-grade credit spreads are trading near cyclical lows while high yield barely compensates for default risk, let alone any perceived uptick in risk. Current levels could be sustained with technical support from inflows that help supply, but the risk/reward balance has become increasingly asymmetric.

With spreads this tight, stay focused
Option-adjusted spread for investment-grade credit



Source: Bloomberg, as of 11/6/25.

In short, investors appear overly optimistic in a market that is exhibiting end-of-cycle behavior. Corporate credit markets are priced as if the next 12 months will be smooth sailing — an assumption that history suggests is rarely rewarded. We believe that investors should maintain a focus on minimizing the potential for loss in credit rather than reaching for yield in markets that are priced to punish anything less than perfection.

Historically,
Commodities have
returned positively

72%

of the time when CPI
was above 2%

Gold, natural resources, and TIPS for hedging against inflation

Inflation remains at the forefront of investors' minds, and for good reason – it is likely to stay elevated in a world where global trade is slowing, labor demographics are changing, and natural resources are becoming scarcer. Stocks and bonds are likely to become more correlated in such an environment, and investor portfolios may benefit from diversification through some historically underutilized asset classes, including Treasury Inflation Protected Securities (TIPS), cyclical equities, and precious metals.

TIPS, issued by the U.S. Treasury, are an attractive investment in higher-inflation environments because they can act as an effective hedge. Their maturities range from 2 to 30 years, and while the inflation adjustments on each of these securities are identical from month to month, longer-maturity TIPS face the same real interest rate risk as any other long-dated bond. We think it will be important to stay in the 1- to 5-year maturity range, which is more closely correlated with moves in inflation.

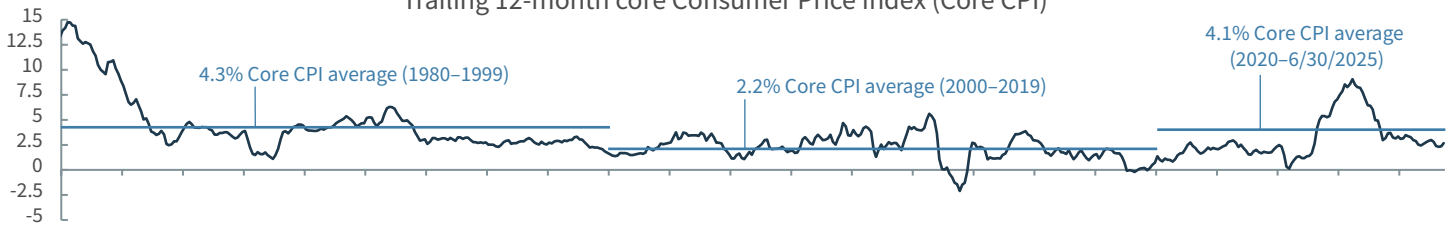
Key takeaways

- TIPS adjust their principal on a pro-rata daily basis determined by the prior month's non-seasonally adjusted Consumer Price Index (CPI) data.
- Like other nominal Treasuries, TIPS still face real-rate risk, making it important to maintain a shorter duration if your return objective is to keep up with inflation.
- Although natural resource companies can be effective hedges against inflation pressures, different industries will outperform at various points in the economic cycle. Actively managing exposure will be important.
- The energy and materials sectors combined make up less than 5% of the S&P 500 Index, which means that many passive investors could miss out on a turnaround of performance in these under-allocated sectors.

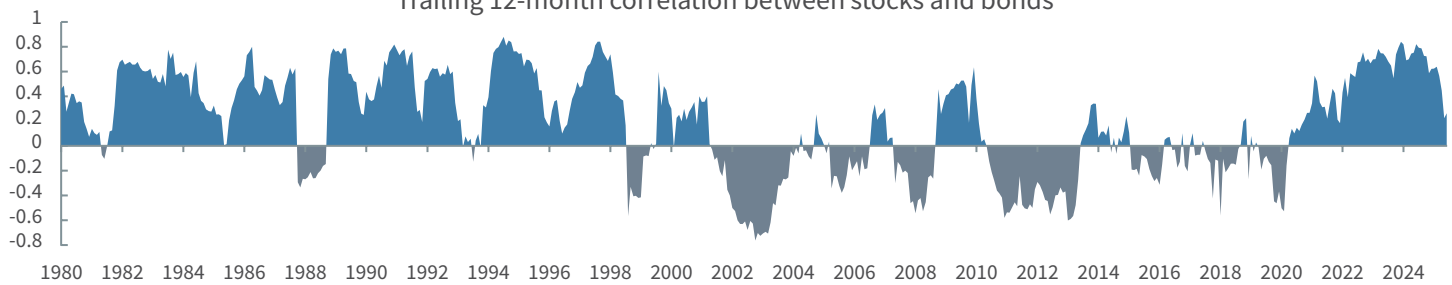
Source: Bloomberg L.P., Jan 1998 - Dec 2024. CPI is represented by the CPI YOY Index, and commodities are represented by the S&P GSCI Index. The analysis is based on the year-over-year CPI and monthly rolling year-over-year commodity returns.

Higher inflation makes diversification harder

Trailing 12-month core Consumer Price Index (Core CPI)



Trailing 12-month correlation between stocks and bonds



Source: Bloomberg, as of 8/12/25



“Precious metals can act as a diversifying asset class for investors worried about the dollar’s purchasing power.”

Investments in natural resource companies can also act as an inflation hedge. These equities can see outsized gains in operating leverage and free cash flow when their underlying commodities, which are often correlated with inflation, move higher.

Lastly, precious metals can act as a diversifying asset class for investors worried about the dollar’s purchasing power. Although gold has rallied significantly over the last 18 months, central banks across the globe continue to diversify away from U.S. dollars and into precious metals. Given their scale, shifts in central bank holdings historically unfold over longer periods. We would expect the upward pressure on gold prices to continue in the coming years.

Staying humble and avoiding anchoring

We believe the investment landscape of 2026 will reward equity investors who are humble and who accept the limitations of what is truly “knowable” in the current environment – they must rein in their bets to be commensurate with the elevated policy uncertainty and economic uncertainty that is present, especially since some areas of the market are priced quite richly.

That’s not to say there aren’t attractive prospects. While U.S. large-cap companies continue to impress, they are not the only place to find growth opportunities. As interest rates decline and deregulation related to the One Big Beautiful Bill Act takes effect in the United States, smaller companies are likely to react favorably. And some of the most underappreciated opportunities for equity investors may be found outside the United States.

In 2025, returns came from unexpected sources, such as European banks rebounding from long-term underperformance, defense stocks benefitting from structural shifts, and gold stocks bolstered by surging bullion prices. The winners of 2026 may very well emerge from similarly surprising areas. Again, investors need the humility to avoid anchoring on preconceived notions of where to find growth in fundamentals.

The evolving AI ecosystem, in the United States and beyond, illustrates this perfectly. Given the boom in AI, and particularly agentic AI’s rising impact worldwide, it seems quite likely that a fresh crop of winners will emerge – either as beneficiaries of the AI buildout or of AI-based efficiencies. That said, AI-related weakness in employment may create headwinds elsewhere.

Key takeaways

- Challenges in 2026: ever-shifting trade policies, geopolitical risk, emerging credit issues, and elevated valuations in some equity markets.
- Pockets of strength due to the AI boom and other trends (and mini trends) are likely to result in opportunities for investors, especially when they occur in unexpected places.
- 2026 winners will likely come from diverse sectors, not just information technology, and various countries, not just the United States.
- Staying humble and diversified while remaining responsive to new trends will be crucial in 2026.



72%
of the top 50
companies by return in the
MSCI ACWI (All Country World
Index) ex USA Index were from
**outside the information
technology sector**
as of 10/31/25



Assessing aerospace during an uncertain credit cycle

After seeing tighter credit spreads and big runs in equity markets, some observers have interpreted low-income consumer weakness and idiosyncratic bankruptcies as signs of an impending credit cycle. Yet a cyclical recovery appears to be in the early stages for many industries, including trucking, analog semiconductors, healthcare, and the companies linked to both increased healthcare capital expenditures (capex) and to healthcare research and development. It's also possible that the effects of 2025's fed funds rate cuts have only started showing up recently. This makes it important for investors to understand where the business cycle stands heading into 2026.

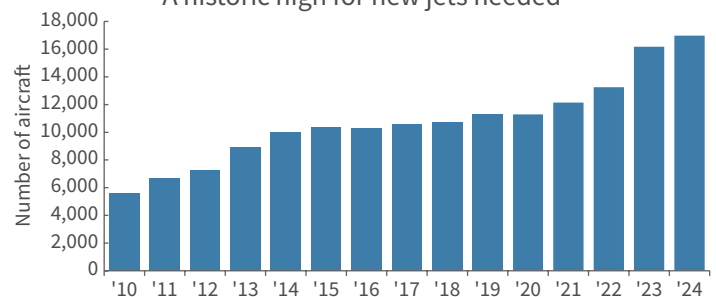
In the year ahead, we expect AI investments to be supported by growing capex forecasts and exponential growth in token consumption as new AI use cases become mainstream. Unlike the internet and telecom bubble – during which more than 80% of the fiber laid was left unused – data centers are using new capacity as soon as it comes online.

We're also at the front end of a once-in-a-generation replacement cycle for aircraft, which could affect nearly half of the global fleet. Major manufacturers have record backlogs of orders for their next-generation planes, and airlines are under pressure to modernize. The more technologically advanced aircraft are notably more fuel-efficient than their predecessors. In an industry where fuel can be a substantial component of operating costs, efficiency drives profitability.

Key takeaways

- Central banks have cut interest rates despite relatively strong economic growth, low unemployment, and above-target inflation. Should this be a cause for concern that affects risk appetites, or will it fuel the next leg higher in equity markets?
- Significant volatility is highly likely, but we believe AI infrastructure stocks will continue to perform well as management teams adopt new tools to drive productivity. Capex investments have been supported by strong cash flows, vendor financing, and a strong appetite from investors.
- Aerospace demand is structurally strong – commercial traffic has returned to pre-pandemic levels, large legacy airlines are generating strong profits, and emerging markets in China, India, and Southeast Asia serve billions of customers who are eager to travel.

Global aircraft backlog
A historic high for new jets needed



By 2024, the backlog of new aircraft needed to keep up with global demand reached nearly 17,000.

Source: IATA Sustainability and Economics, Cirium Fleets Analyzer, as of 6/20/25. © International Air Transport Association, 2019. [IATA Chart of the Week: How many aircraft are we missing?]. All Rights Reserved. Available on IATA Economics page.



Key takeaways

- Prepare for a correction – in any given year, the odds of a 10% equity market correction have historically been around 60%.
- Biotech could be a source of AI-driven innovation in 2026 and beyond.
- When constructing portfolios, healthcare is a defensive sector with a low beta.
- The healthcare sector is generally unloved, but also favorably priced and necessary for an aging society.

Why investors should care about healthcare

After some of the best years of returns in the history of the S&P 500 Index, where should investors look next? We believe the healthcare sector will offer opportunity in 2026.

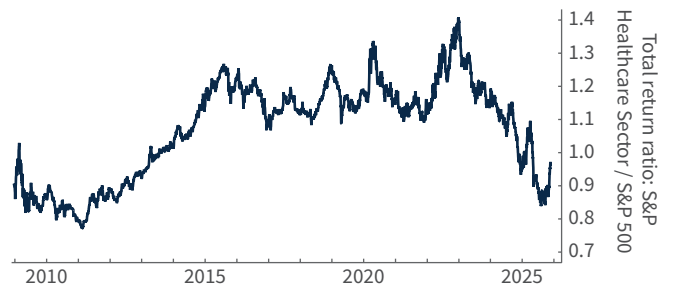
There are concerns: The healthcare sector has underperformed the S&P 500 Index by more than 15% each year for the past three years. It's vulnerable to political whims and populist reforms that can impact earnings and margins. And it's a top-heavy sector – 30% of the sector's market capitalization is accounted for by just three companies, and the 10 largest companies by market capitalization make up more than 50% of the sector.

However, consider the big picture. The S&P 500 Index has exceeded 20% in annualized returns over the past three years, effectively twice its long-term average of around 10%. After that type of run, a market pullback seems statistically likely, regardless of any underlying economic themes. Since 1929, 63% of the years have had at least one 10% drawdown in the S&P 500 Index. Almost 100 years of market history suggest decent odds for investor angst in 2026.

With that backdrop in mind, healthcare has traditionally been a defensive sector with a lower beta, historically capturing less downside than the overall equity market. We also think it could offer upside – healthcare hasn't been this attractively priced relative to the S&P 500 Index since 2012. Healthcare-related exchange-traded funds have seen more than 12 months of outflows, giving the sector

Healthcare traditionally is a defensive sector

S&P Healthcare Sector total return relative to S&P 500 Index total return



Source: Bloomberg, Macrobond, as of 11/7/25

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plenty of room for renewed investor interest. And lastly, healthcare is seeing a better environment for mergers and acquisitions as a result of AI-driven innovation, especially in biotech and genomics. We believe the healthcare sector is a less volatile field, offers a reasonable dividend, and has the potential to deliver portfolio upside in 2026.

Risk Information:

Investing involves risk, including risk of loss.

Diversification does not ensure a profit or guarantee against loss.

Disclosures:

There is no assurance that any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets will be realized.

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Many investors consider bonds to be “risk free” investment vehicles. Historically, bonds have indeed provided less volatility and less risk of loss of capital than has equity investing. However, there are many factors that may affect the risk and return profile of a fixed-income portfolio. The two most prominent factors are interest-rate movements and the creditworthiness of the bond issuer. Bonds issued by the U.S. government have significantly less risk of default than those issued by corporations and municipalities. However, the overall return on government bonds tends to be less than these other types of fixed-income securities. Investors should pay careful attention to the types of fixed-income securities that comprise their portfolio and remember that, as with all investments, there is the risk of the loss of capital.

The views and opinions expressed are not necessarily those of the broker/dealer or any affiliates. Nothing discussed or suggested should be construed as permission to supersede or circumvent any broker/dealer policies, procedures, rules, and guidelines.

Sector investments are companies engaged in business related to a specific sector. They are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

Investing in small cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

Investments in mid-cap companies generally involve greater risks than investing in larger capitalization companies. These companies often have narrower commercial markets and more limited managerial and financial resources than larger, more established companies. As a result, their performance can be more volatile and they face greater risk of business failure, which could increase the volatility of a strategy's portfolio. Additionally, small-cap companies may have less market liquidity than larger companies.

Growth companies are expected to increase their earnings at a certain rate. When these expectations are not met, investors may punish the stocks excessively, even if earnings showed an absolute increase. Growth company stocks also typically lack the dividend yield that can cushion stock prices in market downturns. The companies engaged in the technology industry are subject to fierce competition and their products and services may be subject to rapid obsolescence. The values of these companies tend to fluctuate sharply.

International investing presents specific risks, such as currency fluctuations, differences in financial accounting standards, and potential political and economic instability. These risks are further accentuated in emerging market countries where risks can also include possible economic dependency on revenues from particular commodities or on international aid or development assistance, currency transfer restrictions, and liquidity risks related to lower trading volumes.

Commodity-linked investments may be more volatile and less liquid than the underlying instruments or measures, and their value may be affected by the performance of the overall commodities baskets as well as weather, disease, and regulatory developments.

Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

Definitions

Artificial intelligence (AI) – A technology that enables computers and machines to simulate human learning, comprehension, problem solving, decision making, creativity, and autonomy. Agentic AI can act autonomously, make adaptations as it goes, and address multi-step tasks based on context and objectives with limited human supervision.

Asymmetric risk – A risk posed when the gain (or loss) that could result from the movement of an underlying asset or metric in one direction is significantly different from the loss (or gain) that would take place from a move in the other direction.

Attribution – Factors, circumstances or events that affect an investment's performance.

Ballast – Characteristics, factors or trading strategies that mitigate volatility or provide stability to a security or group of securities.

Basis points (bps) – Measurements used in discussions of interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%.

Beta – A measure of the volatility or systemic risk of a security, group of securities, or portfolio compared with another security, group of securities, portfolio, or the market as a whole.

Breadth – The relationship between the median and the mean of a market index. When a few data outliers result in a mean that is substantially larger (or smaller) than the median of the full data set, then the performance of the entire index is being driven by a “narrow” selection of companies. An index supported by “broad” market movements is one where the median is closer to the mean. Market breadth is said to be narrow when a smaller number of more extreme outliers drive the mean of an index further from its median.

Capital expenditures/capex – Monies used by a company to buy, improve, or maintain physical assets such as real estate, facilities, technology, or equipment, and may include new projects or investments.

Carry – The net return or cost of holding a bond over a specified period of time, based on the difference in the income it generates and the cost of financing the holding.

Concentration – The extent to which investments in a portfolio, group of portfolios, industry, sector, index, or particular geography or clustered in groups that share specific factors or other characteristics.

Consumer Price Index (CPI) – Measures the change in prices paid by consumers for goods and services. The U.S. Bureau of Labor Statistics bases the index on prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected each month in 75 urban areas across the country from about 6,000 households and 22,000 retailers.

Correction – A decline in the market price of a security or index of more than 10% from its recent highs but not more than 20%.

Correlation – The degree to which two securities or variables move in relation to each other. Inverse correlation, also known as negative correlation, tracks the movement of two variables that tend to move in opposite directions, so that when one rises, the other falls.

Credit cycle – The phases that the availability of credit goes through as economic expansion and contraction affect borrowers' access to credit. Credit cycles tend to take longer to play out than the business cycle.

Credit event – A sudden, unfavorable change in a borrower's ability to satisfy its payment obligations.

Credit spread – The difference in yield between a U.S. Treasury bond and another debt security with the same maturity but different credit quality. Also referred to as "bond spreads" or "default spreads," credit spreads are measured in basis points, with a 1% difference in yield equaling a spread of 100 basis points. Credit spreads reflect the risk of the debt security being compared with the Treasury bond, which is considered to be risk-free. Higher quality securities have a lower chance of the issuer defaulting. Lower quality securities have a higher chance of the issuer defaulting.

Credit spread tightening – The contraction of credit spreads in response to changes in economic conditions that cause a decline in credit risk.

Cyclical stocks – Stocks with prices influenced by macroeconomic changes in the economy and are known for following the economy as it cycles through expansion, peak, recession, and recovery.

Cyclical trends – Changes in market conditions that occur as the economy passes through the business cycle's stages of expansion, peak, recession, and recovery.

Defensive sectors – Sectors with companies that tend to have a constant demand for their products or services, making their operations more stable during different phases of the business cycle.

Dividend payers – Companies that distribute a portion of their profits to shareholders in the form of a dividend.

Downside capture – A measure of a group of securities' annualized performance in down markets relative to the market benchmark. It is often expressed as a capture ratio, with the ratio being calculated as the group's return divided by the benchmark's return, or the percentage of the benchmark's return that was "captured" by the group.

Drawdown – A decline in the returns of a security or group of securities, as measured over a period from the peak of returns to their trough.

Dual mandate – Two over-arching goals that influence the course of monetary policy set by the U.S. Federal Reserve. Those goals are maximum employment and stable prices. Maximum employment is defined as the highest level of employment or lowest level of unemployment that the economy can sustain while maintaining a stable inflation rate.

Duration – A bond's yield, coupon, final maturity, and call features incorporated into a single number, expressed in years, that indicates how price-sensitive a bond or portfolio is to changes in interest rates. Bonds with higher durations carry more risk and have higher price volatility than bonds with lower durations.

Earnings per share (EPS) – A company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Excess returns – Returns that are realized above the return of a benchmark or other investment portfolio.

Exchange-traded fund (ETF) – A type of security that tracks a market index, sector, commodity, or other assets, but which can be bought or sold on a stock exchange the same way a regular stock or other security can. An ETF can be structured to track a wide variety of securities, including stocks, bonds, individual commodities, diverse aggregations of securities, and specific investment strategies.

Federal funds rate / fed funds rate – The target interest rate set by the Federal Open Market Committee of the U.S. Federal Reserve. The target is the Fed's suggested rate for commercial banks to borrow and lend their excess reserves to each other overnight.

Federal Open Market Committee (FOMC) – Consists of 12 members: the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining 11 Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year at which it reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

Fiscal stimulus – Tax collection or government spending aimed at boosting growth in a country's economy.

Forward earnings per share – A company's estimated profit per each share of common stock in the coming 12-month period.

Fund flow – The net of all cash inflows and outflows into and out of a particular financial asset. It typically is measured on a quarterly or monthly basis. Investors and others look at the direction of fund flows for indications about the health of specific securities and sectors or the overall market.

Global Economic Policy Uncertainty Index – A gross domestic product (GDP)-weighted average of national economic policy uncertainty indexes for 20 countries: Australia, Brazil, Canada, Chile, China, France, Germany, Greece, India, Ireland, Italy, Japan, Mexico, the Netherlands, Russia, South Korea, Spain, Sweden, the United Kingdom, and the United States. An economic policy uncertainty index tracks the number of times that news articles in a particular country mention terms related to the economy, policy, and uncertainty in a single article.

Gross domestic product (GDP) / nominal GDP – The total value of goods and services provided in an economy during a specified period, often one quarter or one year. Real GDP is nominal GDP adjusted for inflation.

Growth investing – A stock-buying strategy that focuses on companies expected to grow at an above-average rate compared to their industry or the market.

Guidance – Statements from the managers of publicly traded companies that indicate whether they expect to realize near-term profits or losses and why.

Headwind – An event or market force that hinders the prospects for performance in an individual investment or group of investments.

Hedge – An investment or investment strategy that is designed to lessen the potential for losses in other investments. The price of an investment considered to be a hedge often moves in the opposite direction of the prices of the investments being hedged.

High-yield – Bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds. High-yield bonds have credit ratings below BBB- from Standard & Poor's or below Baa3 from Moody's.

Hyperscalers – The largest cloud computing providers that can provide massive amounts of computing resources and storage at enterprise scale.

Inflection – A sudden change in the direction and rate of change of investor behavior regarding particular securities or areas of the markets. Inflections can lead to either positive or negative change.

Investment-grade – Fixed-income securities rated BBB or better by Standard & Poor's or Baa or better by Moody's.

Junk – Securities considered to be riskier, more speculative, and lower-quality than those with higher-quality characteristics.

Liberation Day – A term used by President Donald Trump to refer to April 2, 2025, when he announced a wide range of unexpectedly high tariffs on many U.S. trading partners, triggering a global selloff of risk assets.

Macroeconomic – Relating to the branch of economics that focuses on seeking to understand the interactions between the markets, businesses, governments, and consumers that make up an entire economy.

Margin expansion – A rise in the percentage of revenue that a company earns as profit.

Market capitalization / market cap – The total dollar market value of a company's outstanding shares of stock.

Maturity date – The date when a debt comes due and all principal and/or interest must be repaid to creditors.

Monetary policy – The decisions made by central banks to raise or lower benchmark interest rates or otherwise tighten or loosen credit to influence an economy's growth, inflation, or employment levels.

Multiple – A measure of a company's value based on the ratio of its current share price to its earnings per share. This ratio is known as the price-to-earnings ratio, or P/E.

Multiple expansion – When a stock's multiple rises, in some cases faster than the stock's fundamental value. Multiple expansion creates arbitrage opportunities for investors who have bought the stock at the lower multiple value.

One Big Beautiful Bill Act – An act passed and signed into law in July 2025 that raised the U.S. debt ceiling by \$5 trillion, made permanent tax cuts created by the Tax Cuts and Jobs Act of 2017, and changed a wide range of other aspects of federal tax policy, making changes to health insurance legislation, phasing out or reducing credits for clean energy production or use, and removing tax benefits for illegal immigrants.

Option-adjusted spread (OAS) – The difference between a fixed-income security rate and the risk-free rate of return, which is typically calculated using U.S. Treasury yields for the risk-free rate. The spread represents the incremental yield above the risk-free rate that compensates investors for bearing the risk of defaults or downgrades of the underlying security.

Positioning – Assessments of whether professional investors are, on the whole, bullish or bearish on a particular security, industry, sector, market capitalization or other area of the market, as reflected by the extent to which they are invested in the area of the market in question.

Pricing power – A company's ability to manipulate the price of a product or service in the marketplace by controlling the level of supply, demand, or both.

Pullback – A temporary pause or drop in the price of a security that previously had been rising.

Quality investing – A strategy that seeks to invest in companies with low debt, stable earnings, consistent asset growth, and strong corporate governance, as reflected in financial metrics such as ratios of return to equity and debt to equity, as well as to earnings variability.

Real interest rate – An interest rate that has been adjusted to remove the effects of inflation. Once adjusted, it reflects the real cost of funds to a borrower and the real yield to a lender or to an investor. A real interest rate reflects the rate of time preference for current goods over future goods. For an investment, a real interest rate is calculated as the difference between the nominal interest rate, which is not adjusted for inflation, and the inflation rate.

Real yield – The return on a bond or other investment after accounting for inflation.

Replacement cycle – The cycle of replacing assets or products as they approach the end of their effective working lives.

Reshoring – Activities aimed at bringing manufacturing and other services back to the United States from overseas operations.

Sticky – Measured data that is slow to change, in contrast to faster-changing or more variable data.

Supercycle – A sustained period of strong economic growth that drives a prolonged level of demand for the goods or services beyond what companies can deliver.

Tailwind – An event or market force that exerts a positive influence on an investment's performance.

Technicals – Indicators of historic market data, including price and volume statistics, to which analysts apply a wide variety of mathematical formulas in their study of larger market patterns.

Tokens – Units of data used by artificial intelligence large language models to process data and generate text or other outputs.

Total return – When measuring performance, total return is the actual rate of return of an investment or a pool of investments over a given period of time. Total return includes interest, capital gains, dividends, and distributions realized over the specified period. Total return accounts for two categories of return: income including interest paid by fixed-income investments, distributions, or dividends and capital appreciation, representing the change in the market price of an asset.

Treasury Inflation-Protected Securities (TIPS) – Investments intended to provide protection against inflation. The principal of a TIPS instrument increases with inflation and decreases with deflation, as measured by the Consumer Price Index. When a TIPS matures, investors are paid the adjusted principal or original principal, whichever is greater.

Vendor financing / trade credit – When a vendor lends money to a customer who uses that cash to purchase the vendor's products or services.

Wall of worry – A rise in stock prices even as external factors raise questions about the ongoing health of capital markets.

Yield curve – A line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. The front end of the yield curve refers to groups of bonds with the shortest maturity dates.

Indexes

MSCI ACWI (All Country World Index) ex USA Index – A stock index that captures large- and mid-cap representation across 22 of 23 developed markets countries (excluding the United States) and 24 emerging markets countries. With 1,966 constituents, the index covers approximately 85% of the global equity opportunity set outside the United States. Developed markets countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the U.K. Emerging markets countries include Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

S&P 500 Index – Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividend reinvested. The S&P 500 represents approximately 80% of the investable U.S. equity market.

S&P 500® Health Care – Companies in the S&P 500 that are classified as members of the GICS® health care sector.

About Raymond James Investment Management

Raymond James Investment Management is a global asset-management company that combines the exceptional insight and agility of individual investment teams with the strength and stability of a full-service firm. We believe providing a lineup of seasoned, committed portfolio managers – spanning a wide range of disciplines and investing vehicles – is the best way to help investors seek their long-term financial goals.

About Chartwell Investment Partners

Chartwell Investment Partners believes that actively managed strategies with high conviction and lower turnover will generate a consistent pattern of portfolio returns over the long term. Our portfolio managers take a long-term perspective with their investments, maintain focused portfolios, and strive for

increased active share of their holdings to deliver attractive investment performance.

About ClariVest Asset Management

ClariVest Asset Management is built around a single core investment philosophy: Clarity in the investment process is critical to maintaining strong performance and client relationships. We believe that success is dependent upon several factors, the most important of which is a disciplined investment strategy with a talented, experienced team of people to execute it.

About Cougar Global Investments

Cougar Global Investments is a globally oriented macro asset-class portfolio manager that uses a disciplined portfolio-construction methodology combining macroeconomic analysis with downside-risk management. Cougar Global's guiding belief is that the goal of investing is to generate consistent compound growth, primarily achieved by seeking to minimize loss.

About Eagle Asset Management

Eagle Asset Management provides a broad array of fundamental equity and fixed-income strategies designed to meet the long-term goals of institutional and individual investors. Eagle's multiple independent investment teams have the autonomy to pursue investment decisions guided by their individual philosophies and strategies.

About Reams Asset Management

Reams Asset Management is a fixed-income management firm that implements a consistent investment process across all of its strategies. Reams' mission is to provide the highest quality investment management expertise and unmatched client service in each of its product areas over the long term.

About Scout Investments

For more than three decades, Scout's investment teams have actively managed a distinct suite of equity strategies by applying repeatable, time-tested processes steeped in rigorous research and analysis.



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