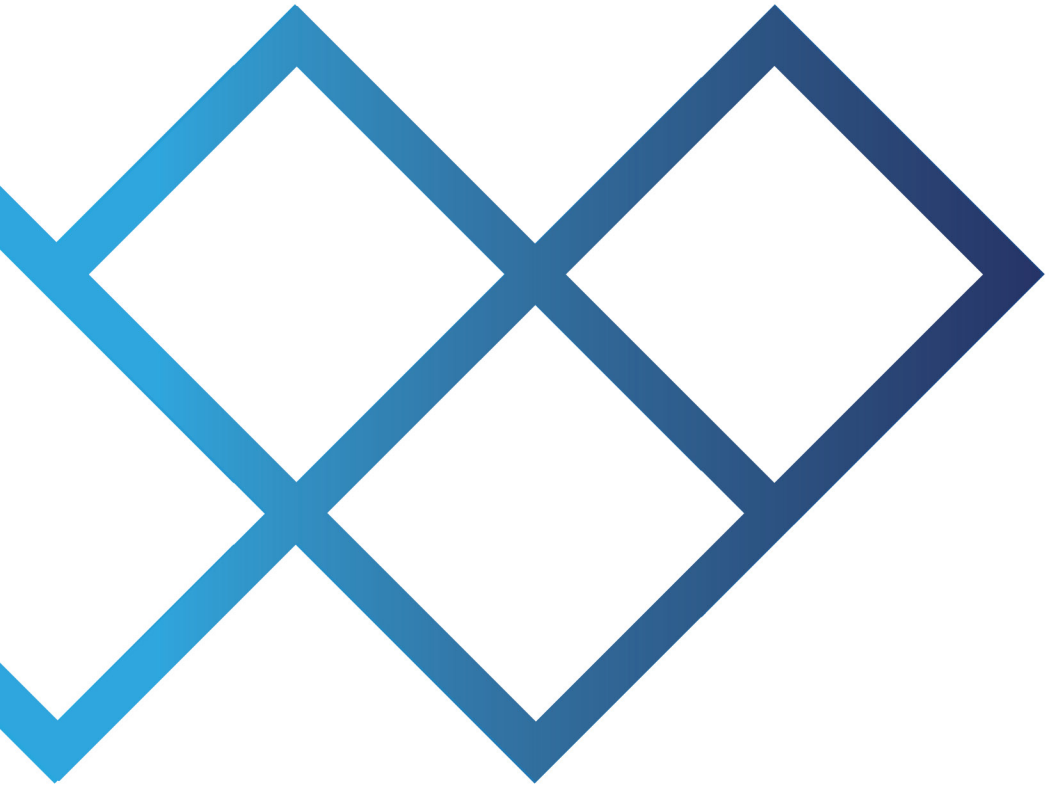
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Macroeconomic Highlights

Q4 2026

Macro Drives Markets. WestEnd Knows Macro.

20261006-5993013

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WestEnd Outlook Highlights

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- While geopolitical conflicts and related economic issues present risks, we see a potential return to disinflationary expansion in the U.S. that extends the economic cycle. We remain positioned for extended mature-cycle growth while adjusting for shifting risks and opportunities we see ahead.
  - Private fixed investment tied to AI infrastructure continues to support economic growth, even as tailwinds from a broader pickup in a range of business investment and cyclical activity may start to fade.
  - The U.S. consumer continues to support economic growth, despite limited capacity for an acceleration in spending growth.
  - While prices for diesel and other energy commodities as well as some tech components like memory chips remain elevated, we see potential for those inflationary pressures to ease and believe a modest Fed hiking cycle may be sufficient to restore a disinflationary growth path over our investment horizon.
- Internationally, we continue to see healthy trends for cyclical activity in Europe, supported by stimulative credit conditions, stable manufacturing activity, and earnings participation across a range of sectors. Meanwhile, we believe risks have increased in Asia and emerging markets, tied to increasing market concentration and dependence on the global semiconductor cycle.
- We believe current portfolio positioning should help weather volatility while capturing opportunities we see as the economic cycle advances:
  - In U.S. large-cap equity allocations:
    - We are emphasizing a mix of sectors with both cyclical and secular growth drivers, and we maintain an overweight of select late-phase, defensive sector exposures that we believe offer a counterbalance to economic exposure in the portfolio and can outperform if growth slows or investor sentiment weakens more than expected.
    - We are avoiding several of the most cyclical early-phase sectors, and we have reduced exposure to the Financials sector as we believe tailwinds from capital markets activity and a steep yield curve may be fading while inflation and higher rates present incremental headwinds to the sector.
  - In global portfolios, we retain an underweight of international equities, in aggregate, but have an overweight of Europe, where we believe valuations underestimate earnings growth potential. We are underweight Emerging Asia exposure and Asia, as a whole, which we believe have become increasingly dependent on sustained growth from tech hardware, and we continue to underweight economically sensitive emerging markets more broadly.
  - In balanced portfolios:
    - We maintain a neutral allocation to fixed income in traditional balanced portfolios, as the risk/return profile we see for bonds is relatively balanced given the potential for continued economic growth amid a higher interest rate backdrop.
    - Within fixed income allocations, we expect returns to come primarily from yield and are emphasizing long-term Treasury securities, while we have a meaningful underweight of corporate exposure and continue to concentrate on shorter durations for corporate credit, as the potential for widening credit spreads from near-record lows could put intermediate and longer-term corporate bonds at greater risk.

U.S. Equity Sector Allocations

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WESTEND ETF STRATEGIES

Current large-cap U.S. equity sector allocation and avoidance*

Sector Allocations

- Financials
- Industrials (Transportation)
- Materials
- Communication Services
- Consumer Discretionary
- Information Technology
- Health Care
- Utilities

Sector Avoidance

- Consumer Staples
- Energy
- Real Estate
- Industrials (ex-Transportation)

** For illustrative purposes only. Allocation information as of September 30, 2026. Source: WestEnd Advisors.*

International Equity and Fixed Income Allocations

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WESTEND GLOBAL ETF STRATEGIES

Current regional equity allocation positioning in global portfolios*

Regional Equity Overweights

- U.S.A.
- Western Europe

Regional Equity Underweights

- Developed Asia
- Emerging Markets

WESTEND BALANCED ETF STRATEGIES

Current fixed income and asset class positioning in balanced portfolios*

Fixed Income Overweights

- Short-term Corporate Credit
- Longer-term Treasury Securities

Fixed Income Underweights

- Short-term Treasury Securities
- Long-term Corporate Credit

** For illustrative purposes only. Allocation information as of September 30, 2026. Source: WestEnd Advisors.*

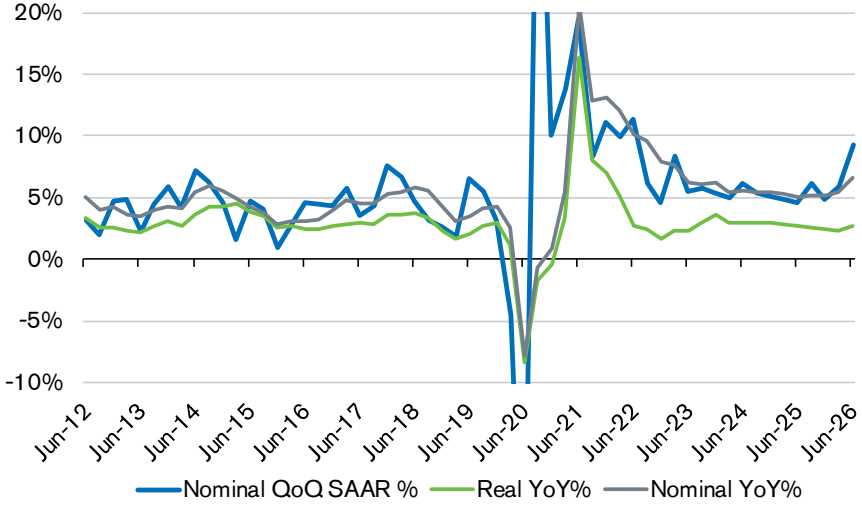
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U.S. Economic & Market Backdrop

U.S. Growth Has Perked Up in 2026

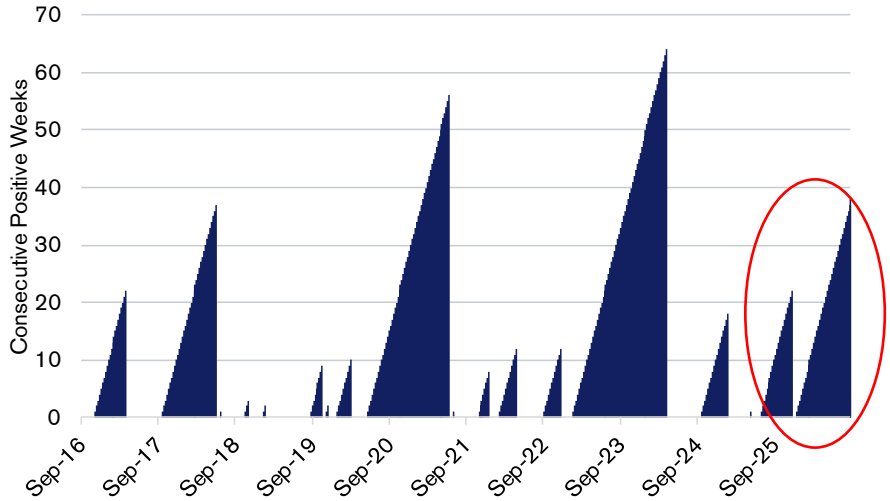
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FINAL SALES TO PRIVATE DOMESTIC PURCHASERS



Source: BEA, Bloomberg, WestEnd Advisors

CITI ECON. SURPRISE INDEX: CONSECUTIVE WEEKS >0



Source: Citi, Bloomberg, WestEnd Advisors

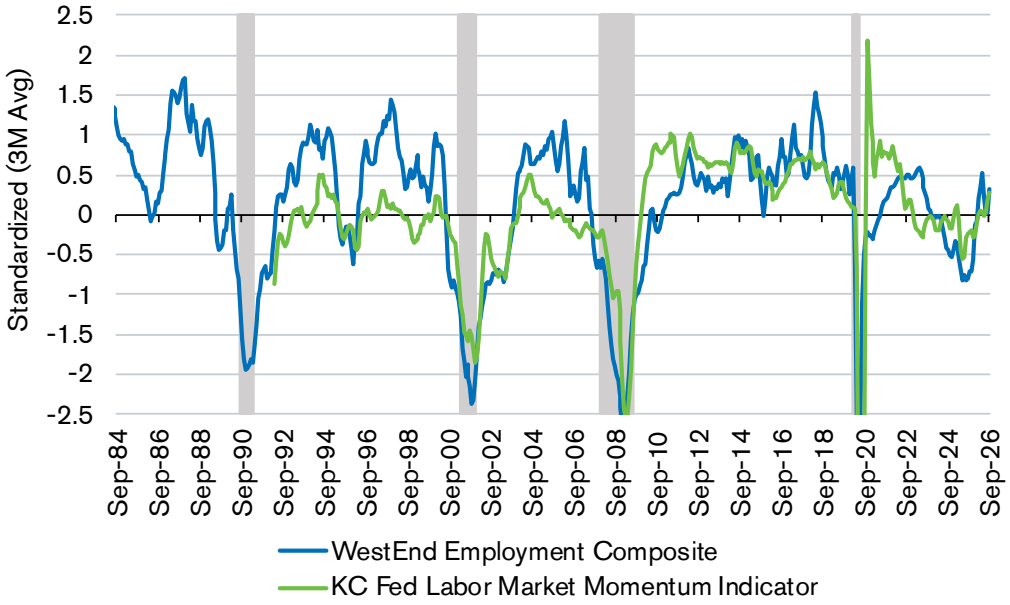
Portfolio Impact: Broad, nominal measures of activity have improved in 2026. Our portfolios were positioned for pockets of cyclical strength year-to-date. We retain U.S. cyclical exposure through overweights of small-caps, Transports, and Materials, which we think can continue to benefit from investment strength, but we have reduced Financials as we believe inflation and higher rates present incremental headwinds to the sector.

- **Strong, Broadening Activity:** Domestic activity in the U.S. perked up due to very strong AI investment and steady personal consumption (top chart).
- **Impulses Converge:** AI investment remains a secular growth driver while stimulative impacts from the OBBBA have also added tailwinds, in our view. Strong domestic investment in AI and other equipment can persist, and consumption can remain steady.
- **Period of Good Data:** While time alone is not a catalyst for trend reversal, the length of the current streak of positive economic surprises (absent 1 week in Dec-25) is about equal to when prior recoveries downshifted (bottom chart). Peak cyclical growth for some areas may be near, given inflation pressures and higher rates.

Labor Market Signals OK On Balance

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LABOR MARKET HAS STABILIZED OR IMPROVED



Source: Bloomberg, BLS, Census Bureau, Kansas City Federal Reserve, WestEnd Advisors

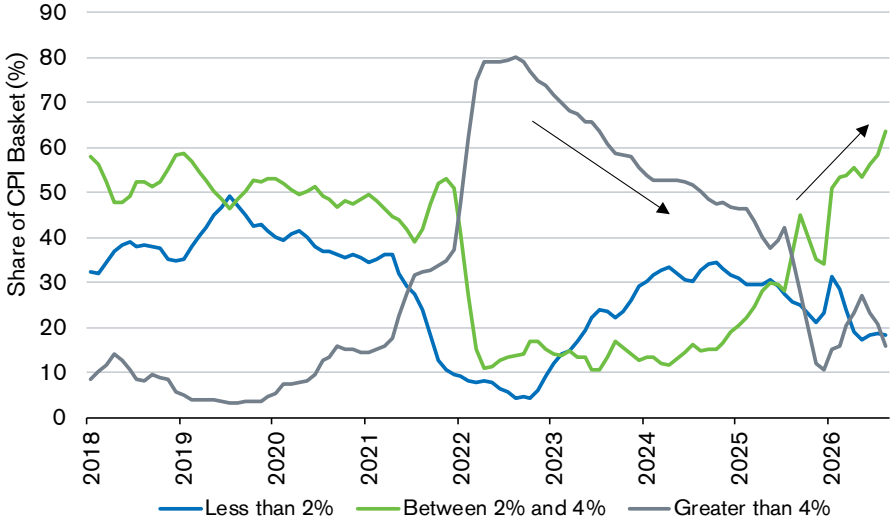
Portfolio Impact: Labor market growth remains soft by historical standards, though recent data suggest hiring and separations remain fairly balanced, with September's rise in the unemployment rate largely attributable to new entrants in the labor force. Still-healthy corporate profit margins and a lower breakeven payroll growth rate suggest labor market risks remain contained for now, supporting the potential for a stable labor market backdrop over our investment time horizon.

- **Lower Labor Supply Growth:** Payrolls growth remains anemic by historical standards and is a key characteristic of the current cycle that supports our view that the economy is in the advanced stages of expansion. That said, we believe sequential payrolls growth should be interpreted in the context of slower labor force growth, which requires lower payroll gains to absorb new labor supply.
- **Signs of Payrolls Stabilization:** Our composite measure for labor market activity as well as the Kansas City Federal Reserve's Labor Market Momentum Indicator have shown considerable improvement this year, after nearing recessionary territory in mid-2025. More recently, hiring has broadened, layoffs have remained low, and unemployment has trended lower (despite a modest uptick in September).

Hiking Cycle Looks Like An Adjustment

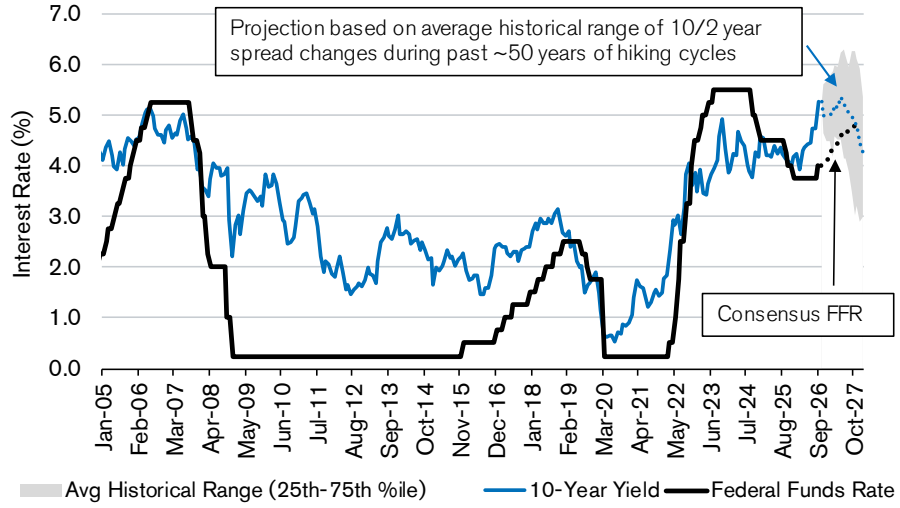
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INFLATION STICKY, BUT IT'S NO 2022 REDUX



Source: BLS, WestEnd Advisors

HIKING CYCLES TYPICALLY RESULT IN FLATTENING



Source: Federal Reserve, Bloomberg, WestEnd Advisors

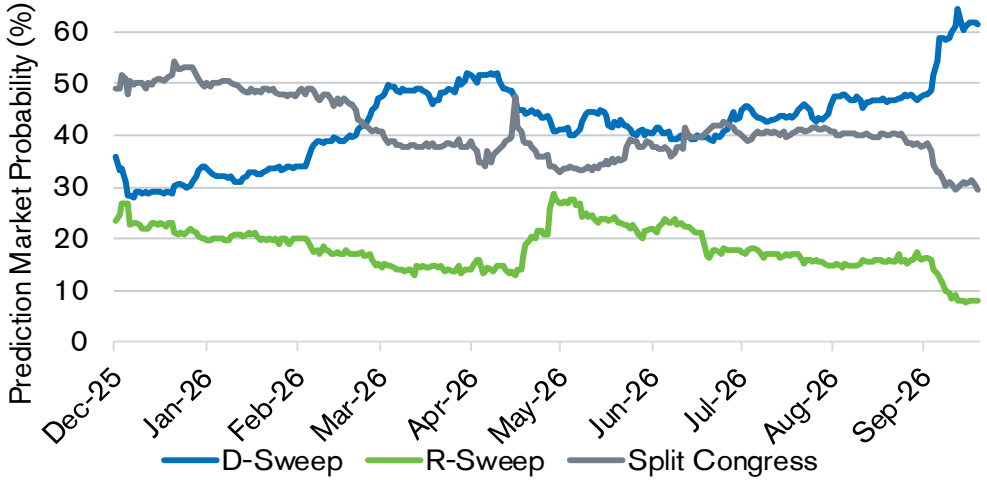
Portfolio Impact: In our base-case outlook, the yield curve flattens as the Federal Reserve modestly adjusts rates higher to account for sticky, but not runaway, inflation. In U.S. equity allocations, we are emphasizing areas with growth tailwinds, such as Communication Services and Health Care, while maintaining underweights to areas that we believe face the most headwinds from elevated rates and inflation, including Industrials and consumer-focused sectors.

- **Inflation Challenge Different Than 2022:** The Fed Chair recently cited the percent of CPI components above 3% as pointing to inflationary pressure, though the data suggests this is mostly due to a migration lower in the hotter components (top chart). While inflation continues to overshoot the Fed's target due to factors including shortages and sticky core services, we do not currently expect hikes to surpass the 2022/2023 cycle.
- **Fed Hikes May Lead To Flatter Curve:** While long-end rates often move higher in the early part of a hiking cycle, that is frequently followed by a flattening of the curve. The bottom chart shows the trajectory of the 10-year yield if the 10-year to 2-year spread follows its average path after an initial Fed rate hike.

Political Odds Shifting Toward Divided Government

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DIVIDED GOV'T LIKELIEST OUTCOME POST-MIDTERMS



Source: Kalshi, WestEnd Advisors

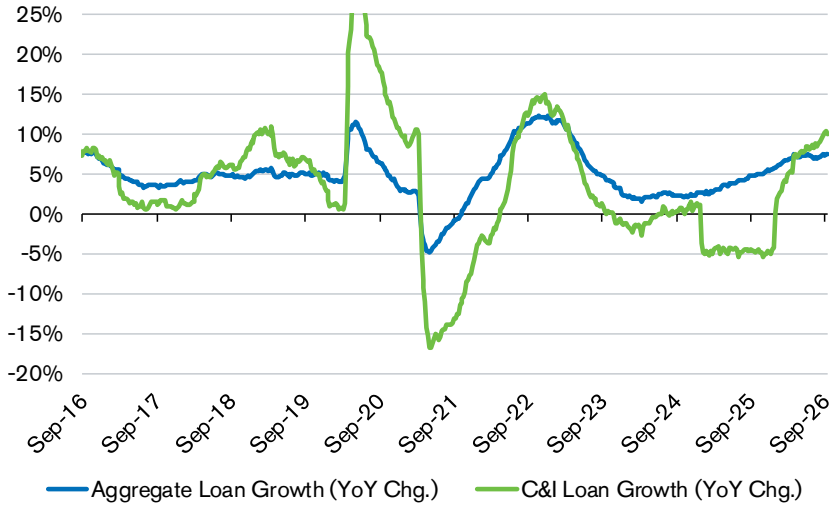
Portfolio Impact: Divided government appears increasingly likely and relatively well understood by investors, though election-related volatility could rise as the November midterms approach. Still, the policy impact of this election may be less consequential than in prior cycles, as many issues driving recent market volatility—including trade, geopolitics, and immigration—remain largely under executive authority.

- **A Probable Government Split:** With midterm elections approaching, investors are increasingly focused on the potential balance of power in Congress. The generic ballot—a poll asking voters which party they would support if the election were held today—has historically been a useful indicator of House election outcomes and currently points to the potential for steep Republican losses this cycle. Republicans no longer appear likely to retain Senate control, as their perceived odds of doing so have fallen considerably throughout September. Prediction markets increasingly suggest divided government, with current pricing implying ≈91% probability of Democrats gaining control of at least one chamber of Congress.
- **Policy Impact:** While investors have historically viewed divided government as a more benign outcome for markets, much of the recent policy-induced volatility has originated from the executive branch, tied to trade and tariff policy, geopolitics, and immigration, and the election outcome may have limited impact on many of these policy areas. However, divided government could create opportunities for bipartisan cooperation in select areas of mutual interest, including national security, AI regulation, and affordability initiatives.

Lending Dynamics Remain a Key Macro Support

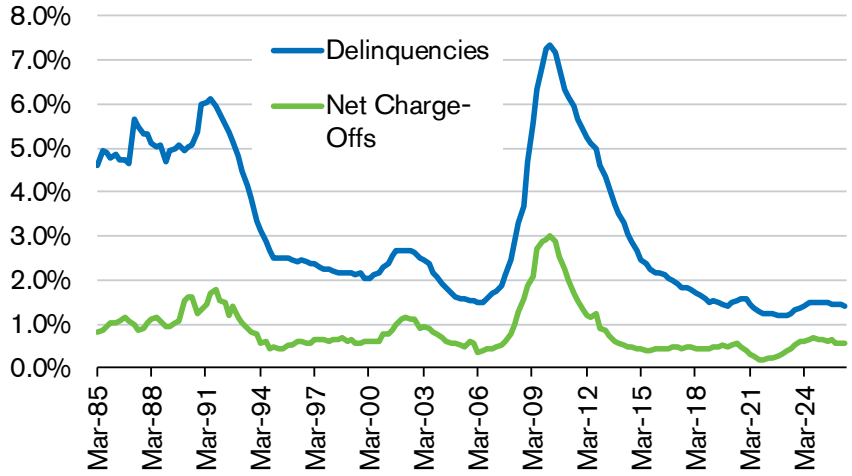
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LENDING TRENDS HAVE SUPPORTED THE MACRO…



Source: Bloomberg, Federal Reserve, WestEnd Advisors

…WHILE CREDIT CYCLE HAS REMAINED STABLE



Source: Bloomberg, Federal Reserve, WestEnd Advisors

Portfolio Impact: One characteristic that indicates sustainability for the current economic cycle is banks' willingness to lend, coupled with strong loan demand reflecting growing capex activity among borrowers. With household and corporate balance sheets still under-levered relative to prior cycles, we believe these trends have room to persist and could continue to support the broader macroeconomic expansion, reinforcing our decision to maintain a balanced mix of economically sensitive and defensive exposures across portfolios.

- **Loan Growth Stabilizing at Robust Levels:** Loan growth has accelerated meaningfully since early 2025. While much of the initial increase was driven by lending to non-depository financial institutions (NDFIs), traditional C&I lending has also shown clear signs of strength. We view these developments as a positive read-through for U.S. capex activity and broader business investment.
- **Credit Measures Still Favorable:** Despite the sharp improvement in loan growth, credit quality measures such as charge-off and delinquency rates remain favorable from a historical perspective. This backdrop, combined with still-low leverage across the economy, gives us confidence that the current loan growth dynamics have room to persist.

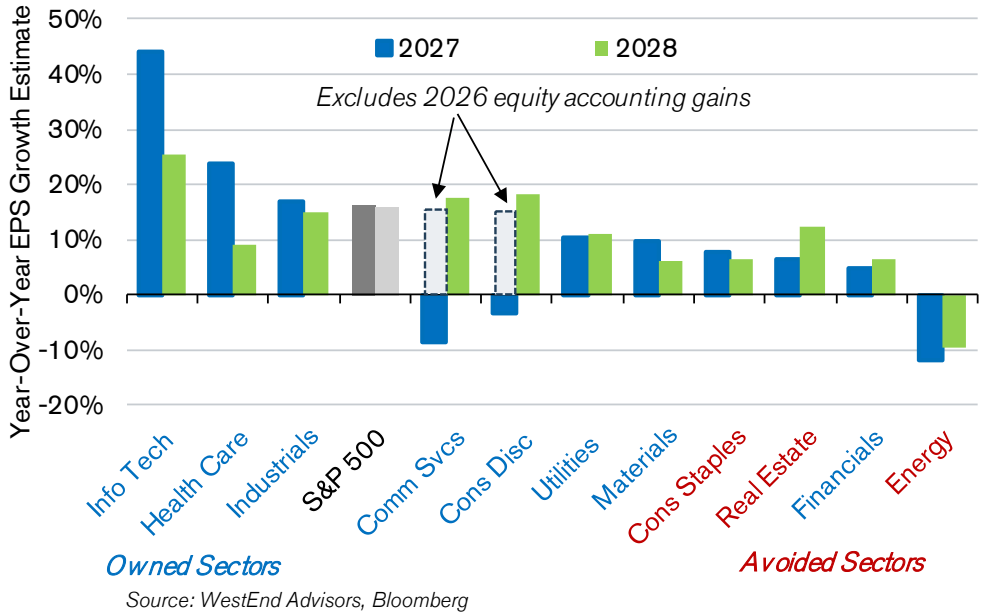
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U.S. Sector Outlook

Cyclical & Secular Trends Favorable For Mid-Phase

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OWNING U.S. SECTORS WITH GROWTH OPPORTUNITIES



Source: WestEnd Advisors, Bloomberg

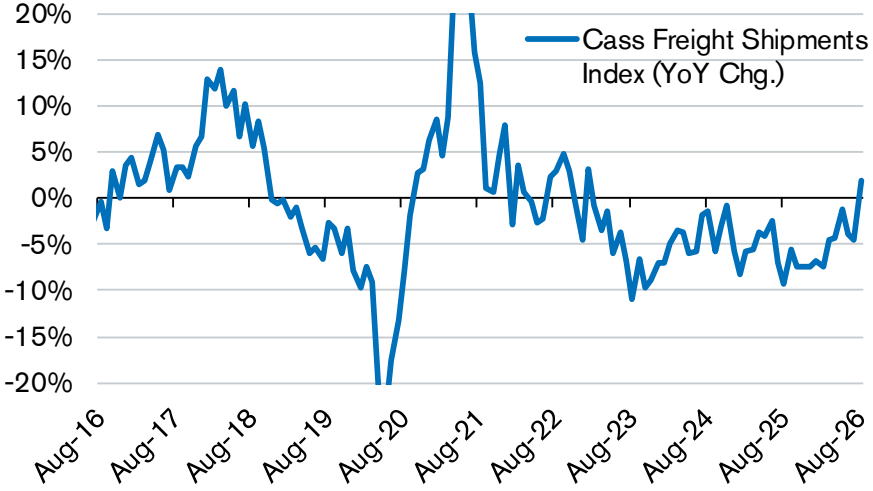
Portfolio Impact: The Information Technology, Communication Services, and Consumer Discretionary sectors (which we consider mid-phase sectors) have been key drivers of recent macroeconomic strength, and we believe they will continue to benefit from cyclical and secular tailwinds. In portfolios, we are emphasizing U.S. sectors that we believe have the strongest earnings growth potential, while avoiding those with fewer economic tailwinds.

- **Tech Investment is a Key Macro Driver This Cycle:** The U.S. economy has perked up in 2026, driven by strong contributions from non-residential fixed investment and resilient consumer spending. Growth in capital investment related to AI and digital infrastructure has been particularly strong, catalyzed in part by the 100% bonus depreciation tax provision from the OBBBA, while personal income tax cuts have supported household income and spending.
- **Secular Growth Trends Remain Intact:** Information Technology, Communication Services, and Consumer Discretionary have generated best-in-market sales and earnings growth in recent years, supported by secular investment in AI, cloud infrastructure, digital advertising and other technology-related spending. Near-term comparisons and company-specific gains on equity investments have created some volatility in EPS growth, mainly for Communication Services and Consumer Discretionary, but underlying operating earnings are expected to continue to grow at a mid-teens pace (see chart).

Turning Over a New Leaf In Transports & Materials

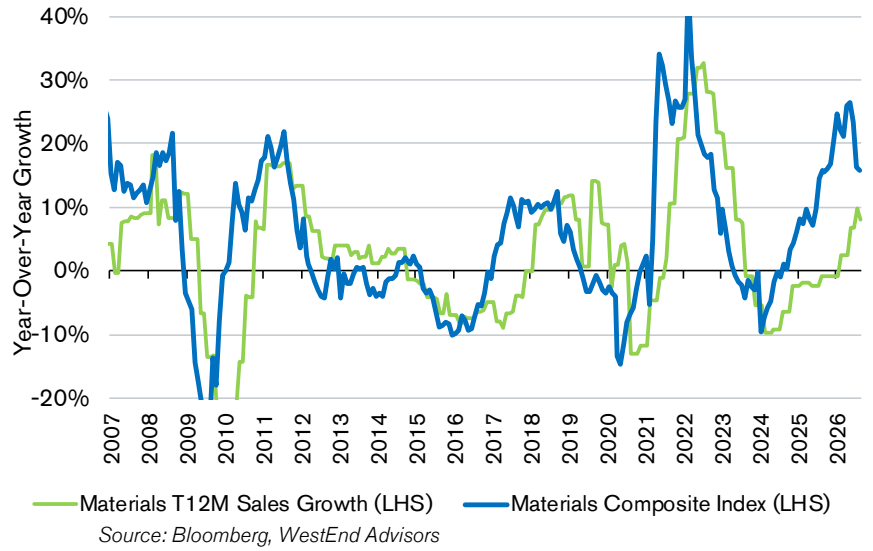
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FREIGHT MARKETS SEEING LONG-AWAITED INFLECTION



Source: Cass Information Systems, Bloomberg, WestEnd Advisors

POTENTIAL UPSIDE TO MATERIALS TOP LINE GROWTH



Source: Bloomberg, WestEnd Advisors

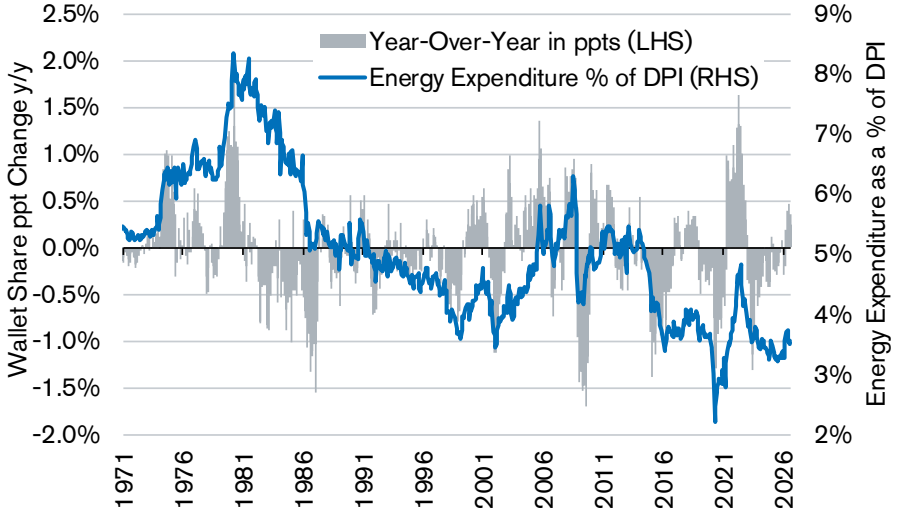
Portfolio Impact: Macro data thus far in 2026 points to a stable, trend-like growth environment, characterized by above-target-but-stable inflation, rising bond yields, and gradually improving non-tech industrial production. Similar to the 2000s economic cycle, we believe this backdrop favors U.S. Materials and Transportation equities, and we maintain overweight positions in both across our ETF portfolios.

- **Confluence of Favorable Dynamics Supports Transports:** After several years of manufacturing weakness, we see improving capital spending and emerging capacity constraints creating a more favorable backdrop for Transportation companies, while valuations remain palatable, in our view.
- **Tailwinds Emerging Across the Materials Sector:**
  - The Chemicals and Construction Materials industries are likely to benefit, in our view, from the secular tailwinds of data-center construction, grid investment, and industrial & residential electrification.
  - Metals & Mining earnings are heavily influenced by prices for copper (which we believe could be undersupplied through 2027) and gold.
  - Containers & Packaging is benefiting from improving pricing dynamics and accelerating post-tariff demand.

Consumer is Path Dependent

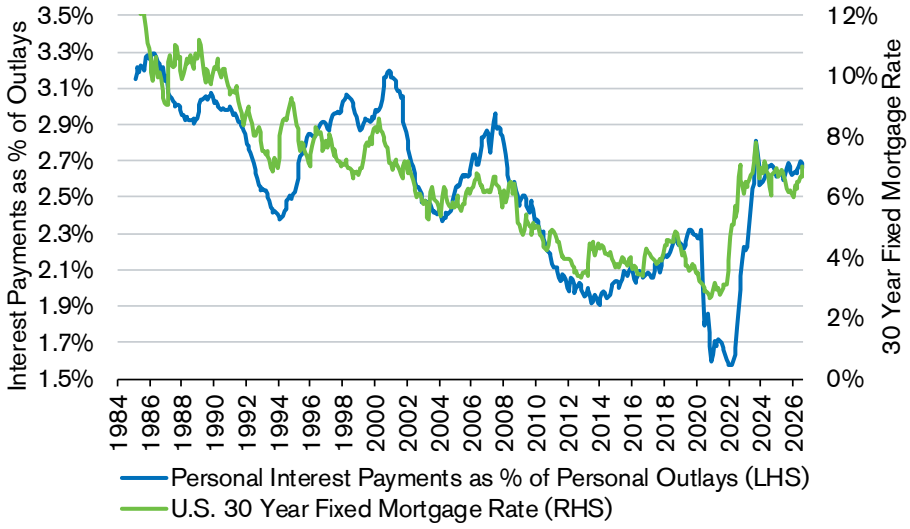
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HIGHER ENERGY WALLET SHARE, BUT HISTORICALLY LOW



Source: BEA, Bloomberg, WestEnd Advisors

INTEREST RATES CLAIM A GROWING SHARE OF OUTLAYS



Source: BEA, Freddie Mac, Bloomberg, WestEnd Advisors

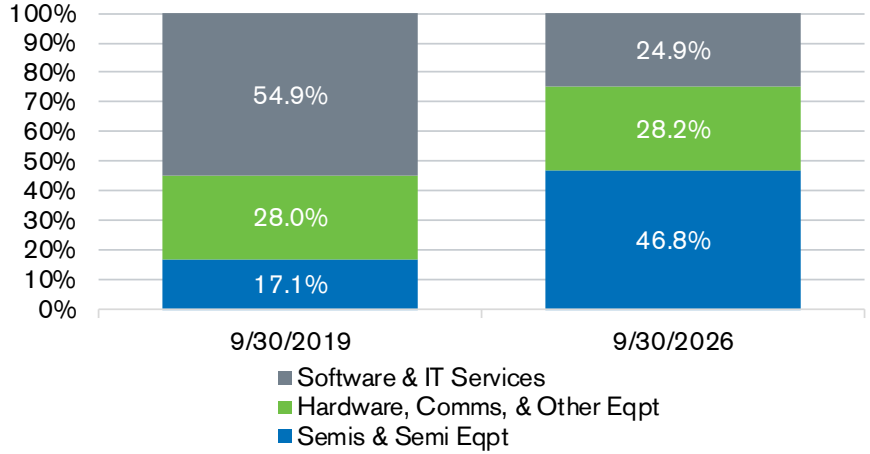
Portfolio Impact: Amid elevated energy costs, higher interest rates, and soft consumer sentiment, we remain underweight consumer-facing U.S. sectors (Consumer Staples and Consumer Discretionary). Historically, cyclical consumer stocks have found their footing when inflation and interest rates begin to ease, potentially paving the way for stronger volume growth and easing costs.

- **Consumers Have Faced a Squeeze on Two Fronts:**
  - Energy expenditures as a share of disposable personal income have risen in 2026 (top chart), but they remain low in the context of history.
  - At the same time, personal interest payments now make up a greater share of personal outlays than in the previous cycle, but have remained relatively steady since 2022.
- **Relief May Come From the Same Variables Driving the Headwinds:**
  - To the extent energy prices normalize and mortgage rates reflect a return to disinflation, cyclical consumer activity could remain stable.

AI Has Increased Info. Tech.'s and The S&P 500's Cyclicality

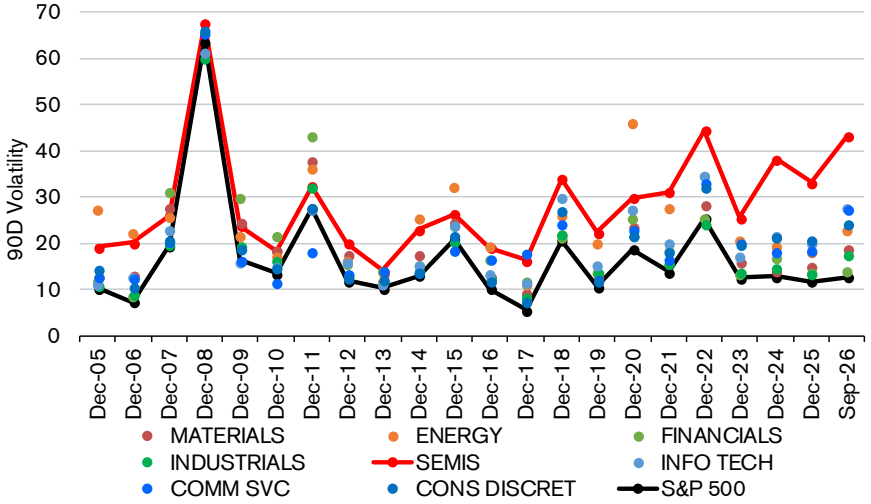
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EVOLUTION OF INFO TECH INDUSTRY EXPOSURE



Source: S&P, Bloomberg, WestEnd Advisors

SECTOR AND INDUSTRY VOLATILITY



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Information Technology is expected to generate strong yet decelerating operating earnings growth in 2026 and 2027. The AI investment cycle has generated exceptional cash flow and earnings for Semis recently, and the cyclical industry has grown as a proportion of the Info. Tech. sector and the S&P 500. We are balancing the strong growth opportunities of AI with the cyclical risks that have emerged.

- **Info. Tech. More Cyclical:** Industry composition within Info. Tech. has essentially flipped since 2019 with high-quality, steady-growth industries like Software shrinking and cyclical-growth industries like Semis growing (top chart).
- **Fundamentals Drive Performance:** Semi stocks have experienced leading market gains as high demand for memory and under-supplied components has led to price spikes and earnings windfalls for Semi companies. Barring another surge in demand, we believe growth for many Semi companies is likely to peak around Q4.
- **Volatility Risk:** Semis are already one of the most volatile areas of the market (bottom chart) and growth peaks have historically resulted in lower forward returns and heightened volatility for the Semi industry. As the AI cycle progresses, we are mindful of emerging cyclical risk in the Info. Tech. sector.

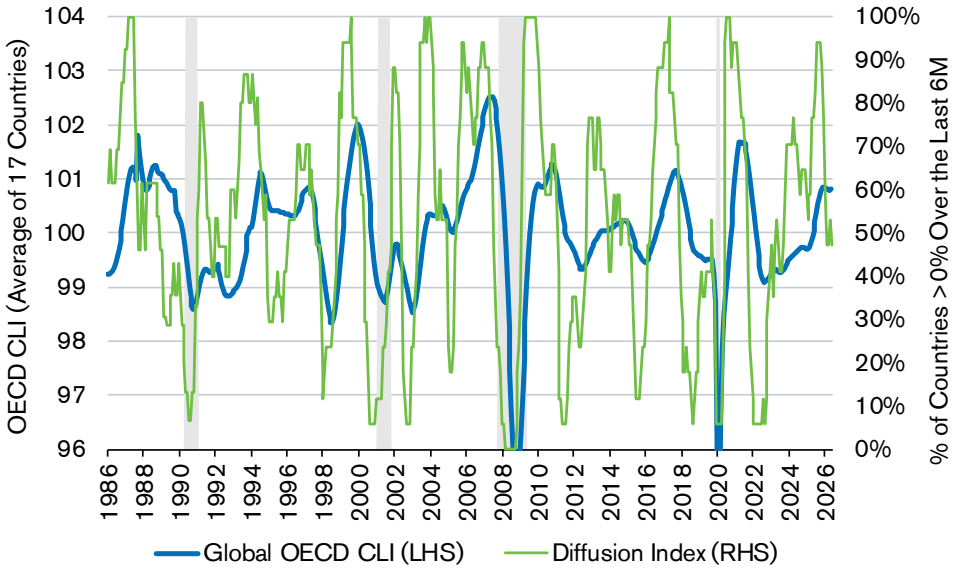
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International Economic & Market Backdrop

Global Expansion Easing as Rates Rise

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GLOBAL CYCLE REMAINS IN EXPANSION



Source: OECD, Bloomberg, WestEnd Advisors

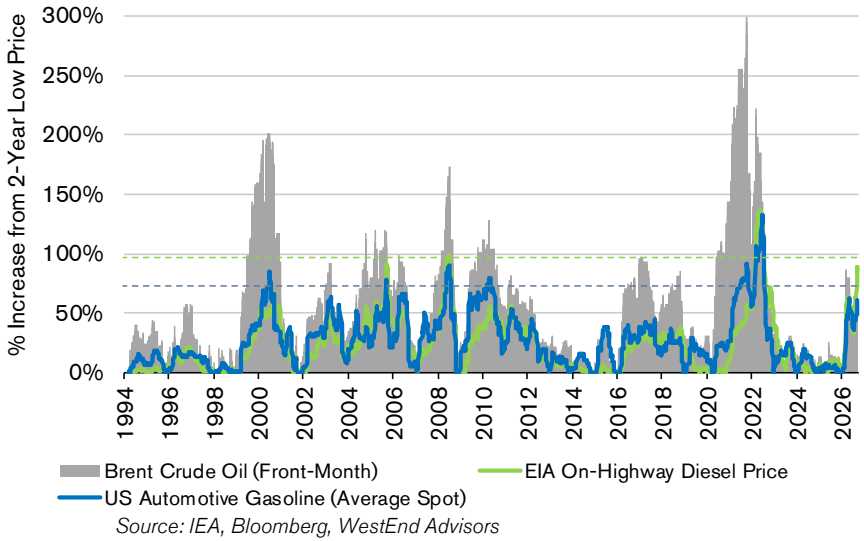
Portfolio Impact: With global leading economic indicators pointing to an increasingly advanced expansion, we have shifted global allocations toward areas within developed markets that are showing signs of stable economic trends, diversified earnings growth, and reasonable valuations, such as U.S. small-caps and Developed European equities. At the same time, we remain underweight of Emerging Asia, given its greater reliance on technology-driven growth and a less favorable risk-reward setup as the semiconductor cycle progresses.

- **Global Cycle Remains on Track:** Global leading indicator aggregate (OECD CLI) readings have been consistent with an economic expansion since the beginning of 2023, although the breadth of improvement has narrowed this year alongside moves higher in energy prices and interest rates (see chart above). While the trends in investment, production, and consumption activity have remained stable in recent months, we are closely monitoring the impact that the renewed hiking cycle will have on global economic activity.
- **Shifting Cycle Leadership:** We believe Europe and U.S. small-cap equities, which lagged for several years as tech-oriented equities drove global markets higher, can benefit from a more diversified set of economic drivers, including stable credit conditions, healthy manufacturing order activity, and greater earnings participation across a range of sectors. In contrast, Emerging Asia remains deeply dependent on technology exports and semiconductor pricing, leaving the region more vulnerable as earnings growth peaks and the global chip cycle advances.

Energy and Tech Commodity Themes May Start To Cool

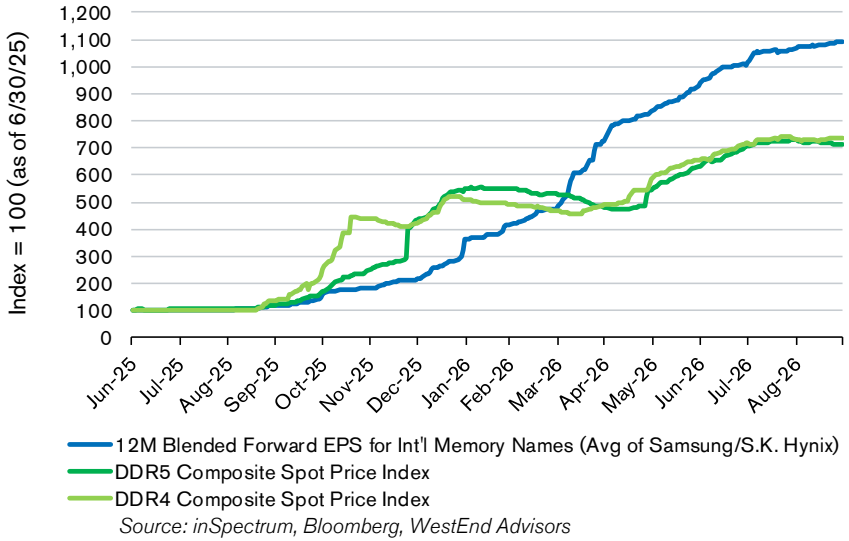
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REFINED PRODUCT SHOCK MORE SEVERE THAN OIL



Source: IEA, Bloomberg, WestEnd Advisors

MEMORY & COMPONENT PRICE SURGE IS DECELERATING



Source: inSpectrum, Bloomberg, WestEnd Advisors

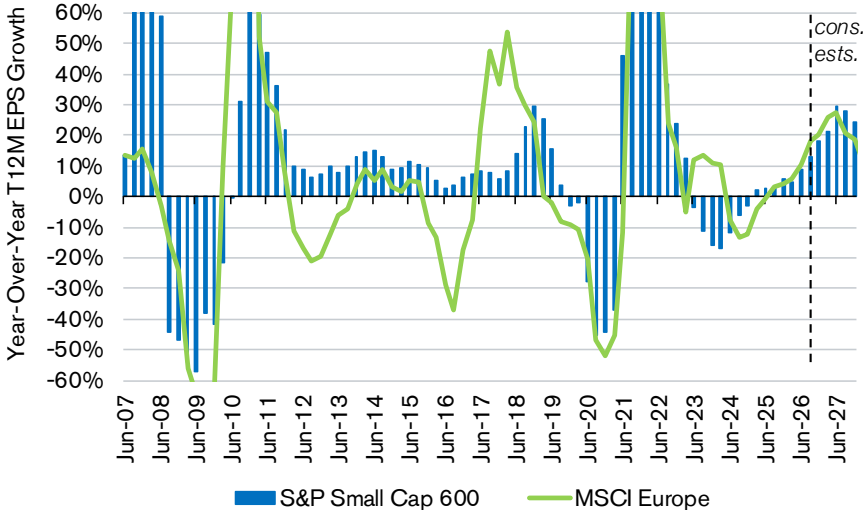
Portfolio Impact: In 2026, global equity markets have been heavily influenced by rising prices for commodities and commoditized tech components. We expect the global supply backdrop to improve in 2027 for both crude oil and tech hardware, and we are underweighting the regions we see as most exposed to volatile swings in energy and component prices.

- **Gas & Diesel Shock In Line With History:** The reduction in global refining capacity from the conflicts in Ukraine and the Middle East has sent prices for refined products soaring. The increases in diesel and gasoline prices are on par with historical energy shocks (top chart). Looking ahead, supply projections from the EIA and IEA suggest that capacity is likely to rebound in the coming years, which could keep a lid on historically elevated refining margins.
- **2026 All About Semis:** Global equity market performance in 2026 has been led by countries in Asia exposed to the digital infrastructure supply chain. Semiconductor stocks drove global indices higher in the first half of the year as EPS estimates caught up with the surge in prices for electrical components that began in the second half of 2025. Pricing trends have shown signs of cooling off more recently (bottom chart).

Prefer Broad Developed Market Growth To Heightened EM Concentration

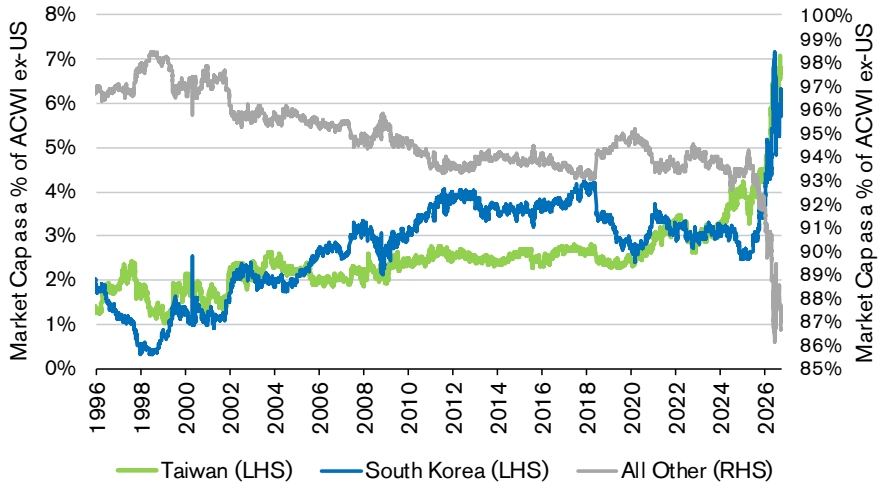
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EARNINGS GROWTH IMPROVEMENT UNDERWAY IN SELECT AREAS



Source: Bloomberg, WestEnd Advisors

SOUTH KOREA & TAIWAN WEIGHT IN INTERNATIONAL (EX-US)



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Diversified areas in Western developed markets, such as Europe and U.S. small-caps, remain attractive in our view, as their double-digit earnings growth profiles remain on improving trajectories. Healthy trends in earnings estimates, production activity, and loan growth give us conviction in the fundamentals for both areas.

- **Attractive Earnings Growth in Developed Market Areas:** In Q2, the MSCI Europe and the S&P SmallCap 600 each posted one of their best earnings quarters in years (top chart). Their accelerating earnings growth profiles are supported by easier comparisons, improving cyclical momentum, and the potential for operating leverage. Over the first three quarters of 2026, 12-month forward EPS estimates for the S&P 600 and MSCI Europe indices have exhibited their strongest YTD increase in at least 4 years.
- **Memory Surge Lifts Global Index Concentration:** The rally of semiconductor and memory stocks has led to one of the largest shifts in global market composition in years. Taiwan and South Korea are now the 3rd and 5th largest countries globally by market cap, respectively, and together they now make up over 50% of the MSCI Emerging Markets Index.

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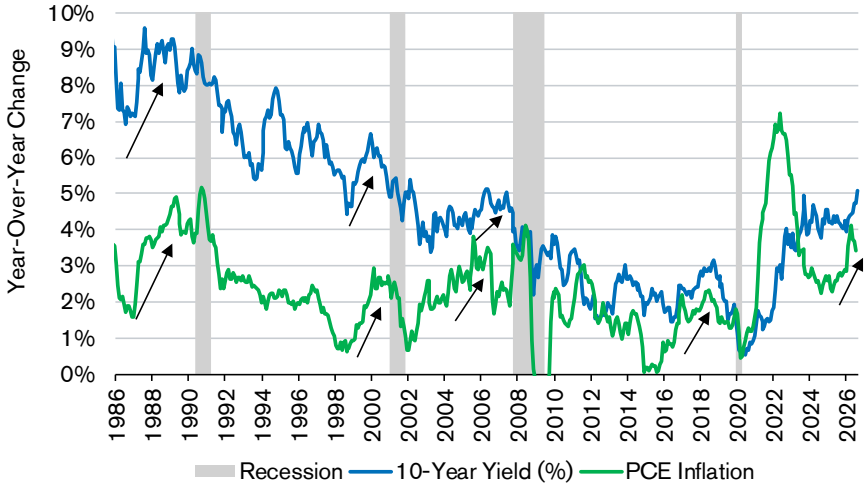
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Interest Rates & Real Assets

Advanced Cycle Characteristics in Fixed Income Can Provide Opportunities For Bond Investors

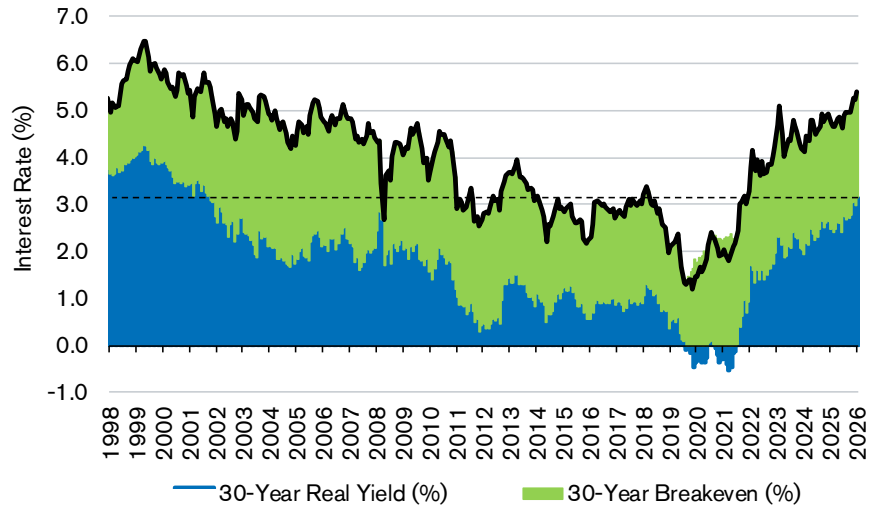
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NOT UNUSUAL TO SEE RISING INFLATION & YIELDS DURING ADVANCED STAGE OF CYCLE



Source: Bloomberg, WestEnd Advisors

30-YEAR TREASURY REAL YIELD AT 25-YEAR HIGHS



Source: West*Source: Bloomberg, WestEnd Advisors*

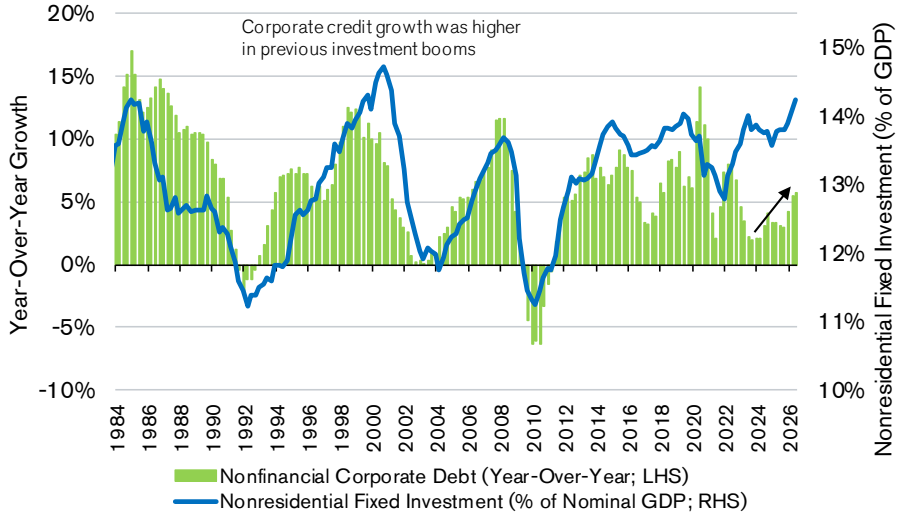
Portfolio Impact: The combination of a positive-sloping yield curve, in which longer maturities provide a yield advantage over shorter-duration bonds, and high absolute real yields makes longer-maturity Treasury bonds attractive, in our view. We expect fixed income returns to be driven primarily by healthy coupon yields. In traditional balanced portfolios, we maintain a neutral allocation to bonds.

- **Elevated Inflation, Rising Yields:** Periods of rising yields and inflation have often occurred during the more advanced stages of a cycle (top chart). Historically, these periods have provided good opportunities for bond investors to increase yield by positioning further out on the yield curve, rather than by increasing credit risk.
- **Duration Attractiveness:** The increase in long-term interest rates YTD has been driven primarily by real yields, as long-term inflation break-evens have moved lower since the beginning of the year. The real yield on 30-year Treasury bonds is now at the highest level in nearly 25 years (bottom chart), providing an extra ~60 bps of real yield compared to intermediate maturities.

Investment Grade Credit is Richly Priced, But No Signs of A Debt Bubble

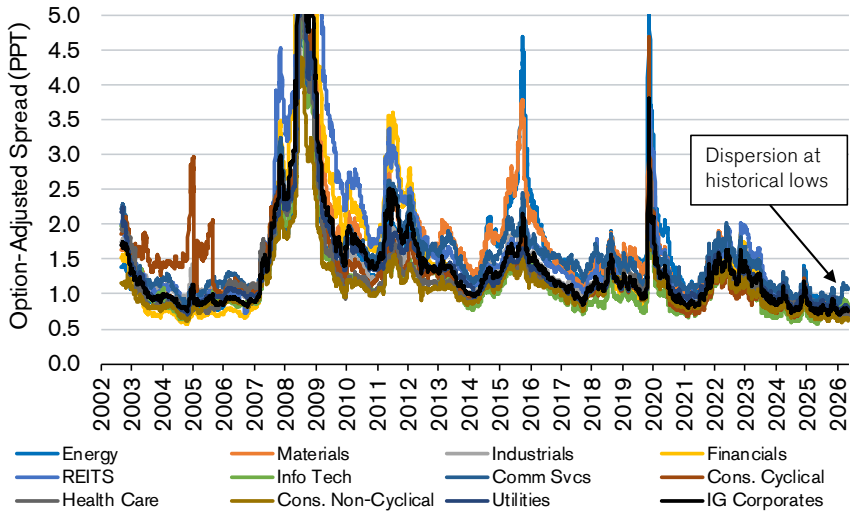
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CORPORATE CREDIT ISSUANCE HAS ROOM TO RUN



Source: Bloomberg, WestEnd Advisors

NO DIFFERENTIATION IN CORPORATE OAS ACROSS SECTORS



Source: Bloomberg, WestEnd Advisors

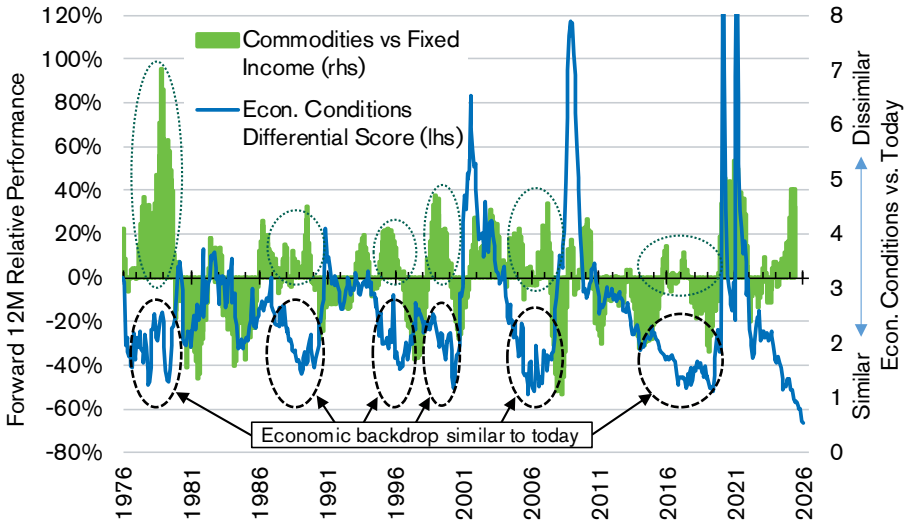
Portfolio Impact: Historically low credit spreads may foreshadow lower excess returns for risky assets, in our view. Elevated debt issuance in a maturing investment cycle could limit credit spread compression, which we believe warrants reduced credit exposure and a focus on the short end of the corporate yield curve. We continue to avoid long-duration corporate bonds in balanced portfolios.

- **Corporate Debt Supply Continues to Rise:** Growth in corporate debt has actually been lower during this digital infrastructure build-out compared to past investment cycles (top chart). We expect corporate debt growth to accelerate further as other financing sources (e.g., hyper-scaler cash flow and private credit) reach capacity, which may limit credit spread compression amid higher supply.
- **Credit Spreads Remain Near Historic Lows:** Investment-grade credit spreads across all 11 sectors remain near post-GFC lows, and the dispersion between sector-level credit spreads is at the lowest level on record (bottom chart). Current credit spread levels on longer-term corporate bonds have historically preceded neutral-to-weak relative performance versus Treasury bonds.

Economic Backdrop Favors a Multi-Asset Portfolio

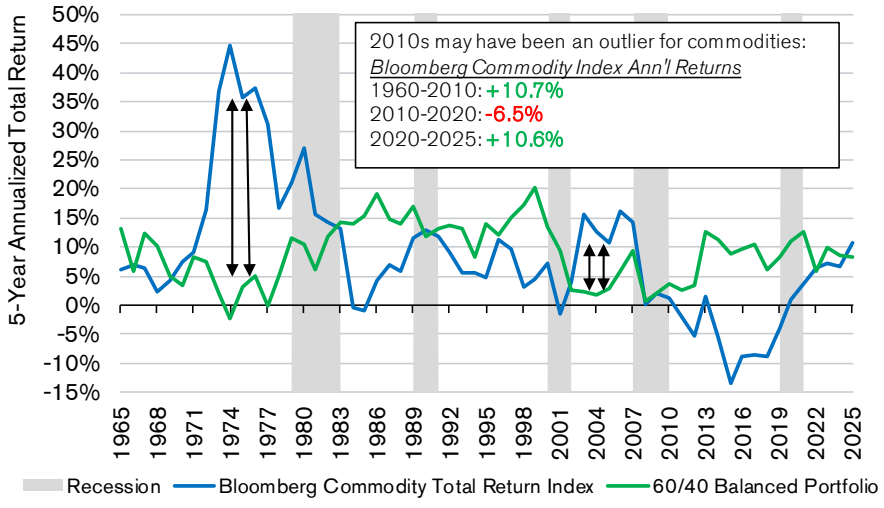
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CURRENT DATA MIX SUPPORTIVE OF REAL ASSETS



Source: Bloomberg, WestEnd Advisors

REAL ASSETS PROVIDE BALLAST TO TRADITIONAL PORTFOLIOS



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: It is not uncommon to see rising inflation and upward pressure on interest rates during this stage of the economic cycle, which we view as supportive of a multi-asset portfolio allocation. With a range of inflation and growth paths possible, we have diversified our real asset exposure away from a focus on gold to include a broader set of global natural resources and energy infrastructure exposures.

- **Analogs Favor Commodities:** Since 1976, periods with economic characteristics that were similar to today's environment have seen commodities outperform fixed income about 60% of the time and by an annualized average of +4.9 ppts (top chart).
- **Multi-Asset Over Long-Term:** Real asset exposures, proxied in the bottom chart by the Bloomberg Commodity Index, have historically supported returns during periods when traditional 60/40 balanced portfolios have struggled, such as in the 1970s and the early-to-mid 2000s. The 2010s, a decade in which commodity returns were negative, may prove to be an outlier over the long run, in our view. Commodity return profiles in the 2020s have shown signs of reverting to pre-GFC levels.

Footnotes & Disclosures

WestEnd Advisors ("WestEnd") operates as an autonomous investment franchise of Victory Capital Management Inc. ("VCM"), an SEC-registered investment adviser. WestEnd's active principals are responsible for managing the firm and its day-to-day operations. Registration of an investment adviser does not imply any level of skill or training. WestEnd manages portfolios of equity securities, ETFs, and mutual funds for individual, institutional and wrap clients.

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The Standard and Poor's 500 Stock Index includes 500 stocks and is a common measure of the performance of the overall U.S. stock market. The MSCI ACWI consists of a broad range of individual country indexes across developed and emerging equity markets. The total return of the MSCI ACWI (Net) Index is calculated using net dividends. Net total return reflects the reinvestment of dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The Bloomberg US Aggregate Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. The Bloomberg US Aggregate Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. An index is unmanaged and is not available for direct investment.

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Holdings, Sector Weightings, and Portfolio Characteristics were current as of the date specified in this presentation. The listing of particular securities should not be considered a recommendation to purchase or sell these securities. While these securities were among WestEnd Advisors' strategies' holdings at the time this material was assembled, holdings will change over time. There can be no assurance that the securities remain in the portfolio or that other securities have not been purchased. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presently in the portfolio. Individual clients' portfolios may vary. Upon request, WestEnd Advisors will provide a list of all recommendations for the prior year.

This report is not intended to predict the outcome of the upcoming U.S. midterm elections, and all statistics provided have been gathered from sources deemed to be reliable. Discussion of potential impacts of the election on WestEnd portfolios or portfolio positioning is for illustrative purposes only and is not intended as a recommendation or indication of future positioning or returns.