



THE

Global Investment Strategy View

The views expressed herein may differ from other JPMorgan Chase & Co. affiliates and employees. This constitutes our judgment based on current market conditions and is subject to change without notice. This has not been prepared with any particular investor in mind, and it may not be suitable for all investors. Investors should speak to their financial representatives before engaging in any investment product or strategy. This material should not be regarded as research or as a J.P. Morgan Research Report. Outlooks and past performance are not reliable indicators of future results. **Please read additional regulatory status, disclosures, disclaimers, risks and other important information at the end of this material**

INVESTMENT AND INSURANCE PRODUCTS ARE:

• NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT A DEPOSIT OR
OTHER OBLIGATION OF, OR GUARANTEED BY, JPMORGAN CHASE BANK, N.A. OR ANY OF ITS AFFILIATES •
SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED



TABLE OF CONTENTS

Key Takeaways	2
Our Mission	3
The GIS Snapshot	4
The View	5
2025 Year-end & Mid-2026 Outlook Numbers	14
Macro Views	15
Equity Views	18
Rates Views	21
Credit Views	22
FX Views	26
Commodity Views	31
Alternatives Views	34
Volatility Views	38
Definitions of Indices and Terms	39
Key Risks	42

KEY TAKEAWAYS

Activating the rate cut playbook: We maintain our view that the Federal Reserve (Fed) will begin its next cutting cycle in September, with 100 basis points in cuts expected over the next year. It will be a soft landing cutting cycle, we believe, not a recessionary cycle. That's an important distinction. While the impacts of tariffs continue to be felt throughout the economy and labor markets have begun to show signs of weakness, we do not expect a recession. The pace of growth will likely slow in the second half, but the consumer remains resilient, corporate spending, particularly related to artificial intelligence (AI), is robust, and policy support is on the way.

History doesn't repeat itself, but it often rhymes: Soft landing cutting cycles have historically been good for risk assets. With a backdrop of strong corporate earnings and the broadening tailwinds of AI, we remain positive on equities. Our preferred sectors are technology, financials and utilities. Fed rate cuts have also supported non-U.S. equities, and we have upgraded our view on emerging market ex-China equities. The outlook is less positive for cash. As short-term rates will decline, we think it is important to lock in yields now. We prefer adding carry rather than duration to generate income, and we see compelling opportunities in investment grade, municipal bonds and preferreds.

Maintain diligence in diversifying divergent risks: We identify two primary risks to our view: a downside surprise in growth or an upside surprise in inflation. If the economy does fall into a recession, in our view, traditional fixed income would provide the best buffer. We continue to favor intermediate maturities over long-duration Treasuries, given fiscal concerns. Hedge funds have also proven attractive diversifiers in previous recessionary cutting cycles. To mitigate the risk of inflation, we continue to prefer infrastructure and gold.

OUR HIGH-CONVICTION TACTICAL INVESTMENT IDEAS INCLUDE:

EQUITIES

U.S. Tech, Financials and Utilities. We expect these three sectors to continue to lead the rally.

Global Security and Defense. Geopolitical risk necessitates sovereign investment in security.

Diversified Private Equity Exposure. The dealmaking and exit environment is improving.

FIXED INCOME

Investment Grade Credit. An easing Fed means lower cash yields. Focus on the intermediate part of the curve.

Long-Dated Municipal Bonds. A steep municipal curve offers value for U.S. taxpayers to help lock in yield.

Preferreds and Hybrids. Favorable supply dynamics and attractive yields should drive outperformance.

REAL ASSETS AND STRATEGIES

Structured Notes. We expect high single-digit coupons with lower volatility than outright equity exposure.

Hedge Funds and Infrastructure. Uncorrelated strategies can offer portfolio diversification and risk mitigation.

Gold. Central bank demand and inflation risk should support the asset class.

OPPORTUNISTIC TRENDS

Artificial Intelligence. The AI spending boom is well underway, and investment is starting to drive revenues.

Dollar Downside. An easing Fed should catalyze more dollar downside, and ex-US equities could benefit.

Our Global Investment Strategy View integrates the knowledge and analysis of our economists, investment strategists and asset class strategists. The View takes shape at a monthly Forum where the team debates and hones its views and outlooks.

THIS DOCUMENT

We explore the outlook for economies and markets and provide year-ahead views across asset classes.

OUR MISSION

The Global Investment Strategy Group provides industry-leading insights and investment advice to help our clients achieve their long-term goals. They draw on the extensive knowledge and experience of the Group's economists, investment strategists and asset-class strategists to provide a unique perspective across the global financial markets.

THE TEAM

Executive Sponsor

Clay Erwin

Global Head of Investments
Sales & Trading

Global Investment Strategy Group

Samuel Zief

Global Macro Strategist & Head of Global FX Strategy

Elyse Ausenbaugh

Global Investment Strategist

Christopher Baggini

Global Head of Equity Strategy

Nur Cristiani

Head of LATAM Investment Strategy

Harry Downie

Global Investment Strategist

Stephen Jury

Global Commodity Strategist

Jacob Manoukian

Head of U.S. Investment Strategy

Stephen Parker

Co-Head of Global Investment Strategy

Grace Peters

Co-Head of Global Investment Strategy

Joe Seydl

Senior Markets Economist

Sitara Sundar

Head of Alternative Investment Strategy

Alex Wolf

Global Head of Macro & FICC Strategy

Erik Wytenus

Head of EMEA Investment Strategy

There can be no assurance that any or all of the members will remain with the firm or that past performance or success of any such professional serves as an indicator of future success.

important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

THE GIS SNAPSHOT

A summary of high conviction views

September 2025



Note: MoM = Month over month

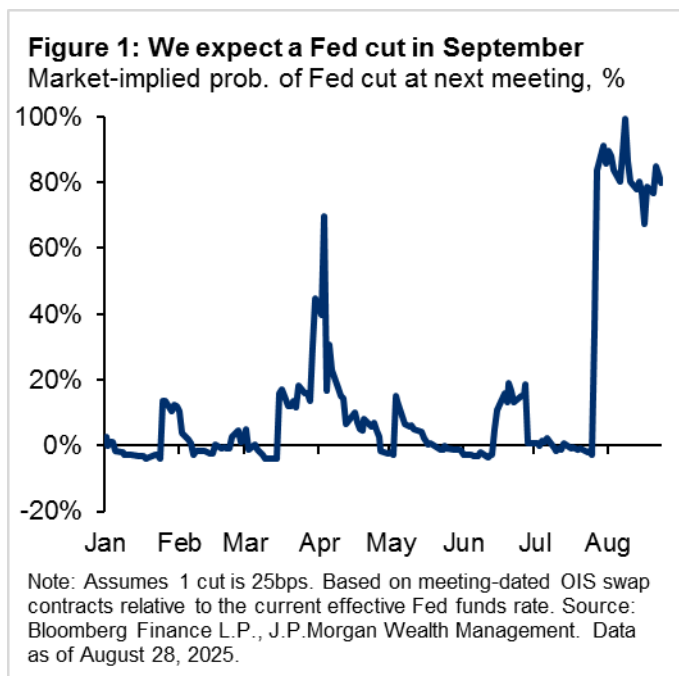
*This snapshot summarizes conviction across key GIS views. It is not meant to constitute portfolio management or to be used as a portfolio construction tool.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

THE VIEW

And so it begins...we and the market expect the Fed to cut rates at its next meeting in September (Figure 1). The July employment report, which showed the U.S. only adding 35,000 jobs on average over the past 3-months compared to >165,000 on average each month over the last year, reflects a labor market dangerously close to “stall speed” and calls for less restrictive policy.

However, we see little evidence of the economy flirting with recession, even as we expect growth to remain sluggish through the end of the year. Although moderating, real consumer spending is hovering in the 1.0-1.5% range. Corporate profit margins, which typically begin declining well in advance of a recession, remain near their widest of the cycle. At the same time, the economy is finding alternative sources of strength beyond the consumer. Capital spending on the AI-related ecosystem contributed nearly 1%pt to overall economic activity in the first half of the year, more than overall consumption.



For more on the economy's ongoing resilience [see here](#).

With a series of non-recessionary rate cuts about to begin for the second time in two years, **we looked across cutting cycles since 1987 to understand what that means for markets.**

Figure 2 shows cross-asset performance in the 12 months following the first Fed cut in a cycle, differentiating between those that coincided with a recession and those that did not. With a base case outlook for a continued economic expansion, **here is our Fed cutting playbook:**

Fed Cutting Playbook

① Prepare for a shallow decline in cash rates; embrace carry in fixed income.

Credit historically delivers higher returns than cash or longer-duration Treasuries in non-recessionary cutting cycles.

② Position for risk asset outperformance.

In the year following the first cut, U.S. equities increased by 20%, on average, compared to mid-single digit returns for cash and risk-free Treasury bonds.

③ Diversify internationally.

Non-U.S. dollar exposure has historically delivered similar or better returns in non-recessionary cutting cycles, on average.

④ Alternatives can provide attractive returns and safeguard against the unknowns.

Beyond our base case, we still see a 30-35% chance of a recession in the next year and a 15-20% chance of a higher inflation for longer economic scenario. Assets which do well across those tail environments are key to diversification. Macro hedge funds, infrastructure and gold stand out.

What follows is how we like putting that playbook into action:

Figure 2: Cross-asset performance following first Fed cut

12m return post first cut		Average return		
Asset class	Sub-assets	No recession	Recession	All
Equities	EM	24%	0%	11%
	Japan	24%	-12%	1%
	S&P 500	20%	1%	8%
	Tech	35%	-19%	8%
	Comm Serv	27%	-20%	4%
	Industrials	24%	-10%	7%
	Fins	22%	-11%	5%
	Cons Disc	21%	-5%	8%
	Cons Staples	12%	9%	10%
	Energy	11%	-7%	2%
	Utilities	10%	-10%	0%
	Health care	6%	4%	5%
	Materials	5%	0%	3%
	Real estate	4%	-18%	-7%
	Home builders	-8%	15%	4%
	Europe	20%	-6%	4%
	U.S. SMID	8%	3%	5%
Fixed Income	Global High yield	13%	0%	7%
	US High yield	7%	4%	5%
	EM debt (hard currency)	7%	-7%	0%
	Private credit (Lev loans)	7%	-3%	3%
	Cash (3m T-Bill)	5%	6%	6%
	1-3yr Treasury	4%	8%	7%
	US Corporates	3%	8%	6%
	Global Corporates	3%	4%	3%
	5-7yr Treasury	2%	9%	6%
	Munis	2%	7%	5%
	10yr+ Treasury	-2%	9%	5%
FX & Commodities	Gold	12%	1%	5%
	Commodities	8%	-5%	0%
	USD	1%	1%	1%
Alternatives	Infrastructure	15%	-19%	-2%
	Hedge funds	13%	-2%	5%
	Macro HFs	9%	8%	8%
	Real estate	4%	-18%	-7%

Note: Non recessionary Fed cutting cycles include: 1995, 1998, 2024. Given 12-months of data is not available for 2024 returns are monthly as far as possible. Cycles with a recession include 1987, 1989, 1990, 2001, 2007. Not all indices have data going back over the full period and therefore cover the maximum number of instances for which there is data availability, of note, S&P 500 sector performance does not cover 1987 and 1989 for which the headline index does. Sources: J.P.Morgan Wealth Management; Bloomberg Finance L.P. Data as of July 31, 2025.

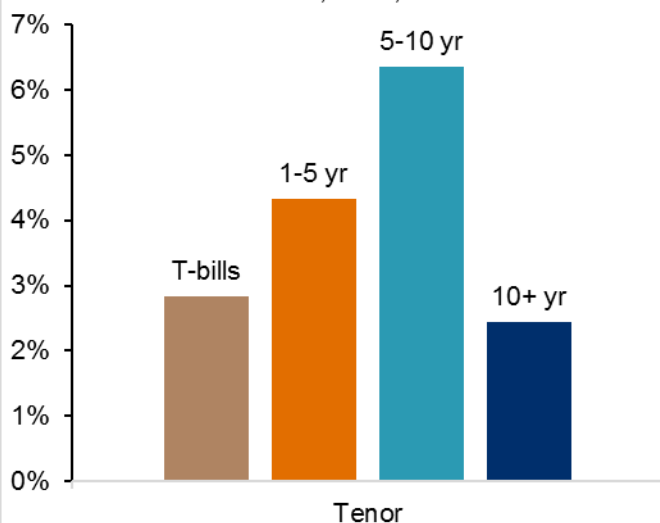
All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

① Prepare for a shallow decline in cash rates; embrace carry in fixed income.

Absent a recession, the fed funds rate declines by 75-100bps, on average, in the 12 months after the first Fed cut. Our own expectation is for 100bps of cuts over the next twelve months, to a terminal Fed funds range of 3.25-3.50%.

In 2025 we have focused clients Treasury exposure on the belly of the curve, in an effort to enhance income and diversification while minimizing interest rate risk in a volatile fiscal environment. Year-to-date, 1-5-year and 5-10-year Treasuries have outperformed cash as well as 10+ year paper (Figure 3).

Figure 3: Intermediate Treasury duration has outperformed year-to-date
Total return since Dec 31, 2024, %

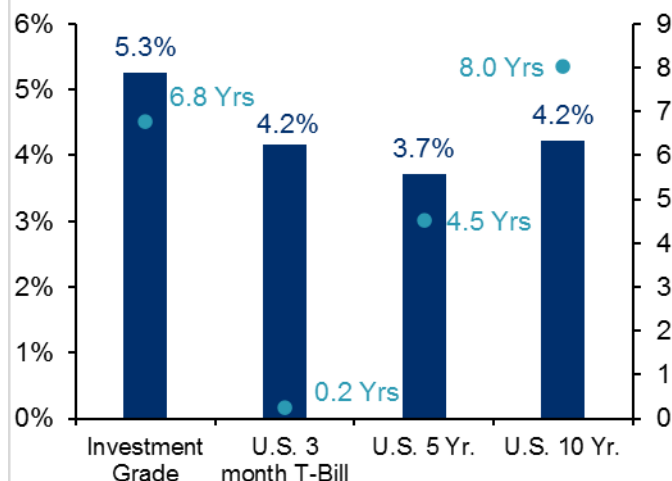


Source: Bloomberg Finance L.P. Data as of August 28, 2025.

In anticipation of Fed cuts, however, short-duration Treasuries are already yielding well less than current cash rates near 4%. As a result, we recommend looking at other segments of the fixed income market to make up for declining cash yields. Specifically:

- 1) **Investment grade (IG) credit.** To exceed current cash yields in U.S. government debt, you need to consider Treasuries with more than 10-years to maturity (Figure 4). Last month, we outlined why we don't believe long-dated Treasuries offer attractive risk-adjusted returns in the post-COVID environment. Instead, we highlight taxable investment grade credit with maturities of 10 years or less. Benchmark IG credit yields over 5.3% with under seven years of duration. Spreads may be tight, but they are not as tight as you think (see below).

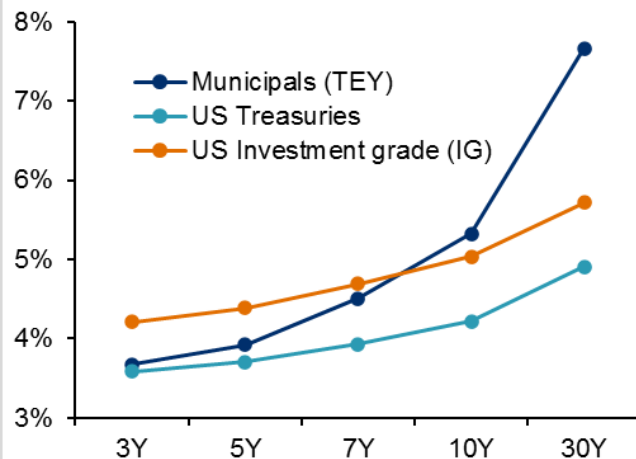
Figure 4: Make up for declining cash rates with IG credit rather than long-duration Treasuries
Yield % Modified duration, yrs



Note: Investment Grade refers to the JULI Index. Source: Bloomberg Finance L.P. Data as of August 29, 2025.

- 2) **Long-duration municipal bonds.** The one place investors are significantly compensated for extending duration. We find the long end of the municipal bond curve (10 years and beyond) most attractive, with high tax-equivalent yields and a steep curve relative to Treasuries and corporates (Figure 5). We believe clients should incorporate select long-dated municipal bonds as a complement to their core municipal exposure and consider potential rotations from long-dated Treasuries and 30-year corporates where spread curves are flat relative to history.

Figure 5: Municipal bonds are where you are most compensated for extending duration
Yield, %

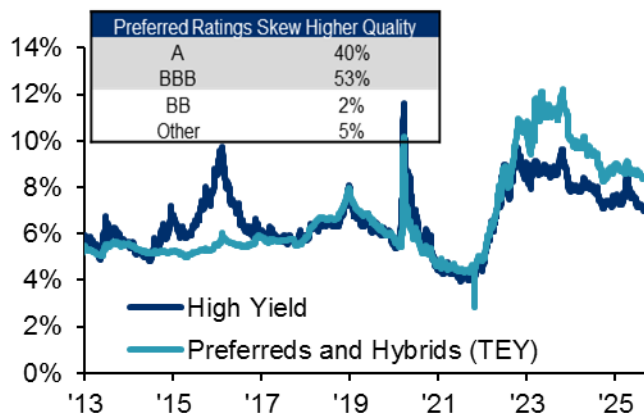


Note: JULI index used for US IG. For munis, the 3y to 10y points are bullet yields, the 30y point is the yield to worst for a 10-year call. Source: Bloomberg Finance L.P. Data as of August 28, 2025.

- 3) **In extended credit, our ‘preferred’ way to enhance yield is via global hybrid capital.** We continue to highlight preferreds for U.S. tax payers and corporate hybrids globally. Preferreds and hybrids offer lower loss rates and higher credit ratings than their high yield peers, and preferreds offer higher tax-equivalent yields (Figures 6 and 7).¹

Figure 6: Preferreds provide >BB credit ratings, with higher tax equivalent yields

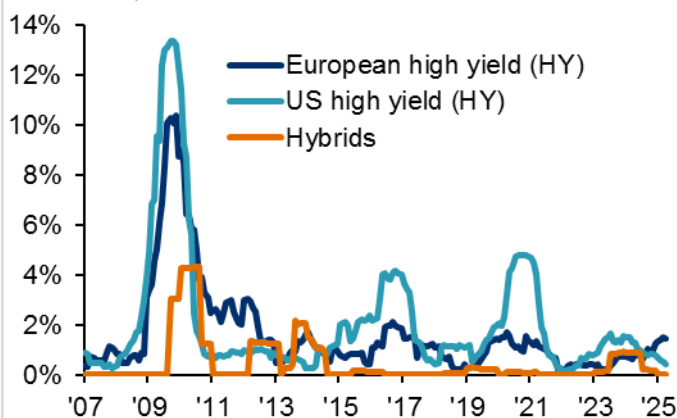
Yield, %



Note: Uses the PVAR index and JPM HY index. TEY is adjusted for the preferred portion of the pvar index, applies to US taxpayers eligible for QDI at the top tax rate, assuming 60% of PVAR index is preferreds. Ratings as of April 2025. Source: Bloomberg Finance L.P. Data as of August 28, 2025.

Figure 7: Hybrids offer lower loss rates than high yield peers

Loss rate, %

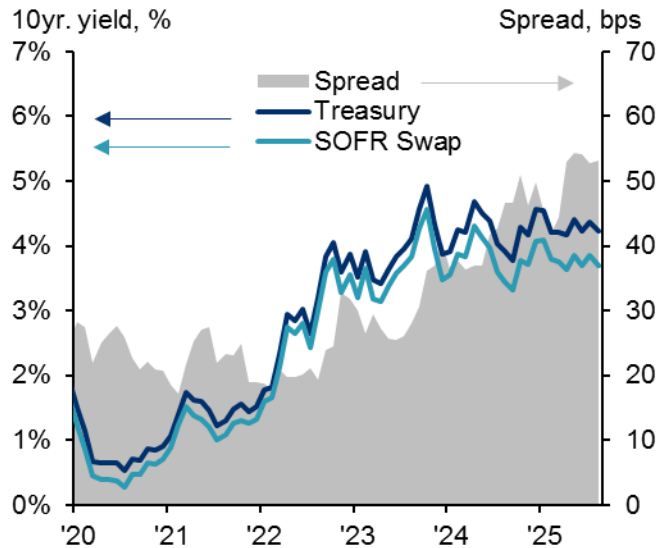


Source: BofA Global Research, J.P. Morgan, Data as of April 2025. HY loss rates calculated as default rate*(1-recovery rate). Note: We use the European corporate hybrid market as a proxy for the market as a whole given its longer track record. Hybrid loss rate includes losses from default, extension and special event calls.

“Embrace carry with spreads this tight?” Yes. U.S. credit spreads across high yield and investment grade are at or within touching distance of all time tights. On a standalone basis, you might conclude credit is pricing too little risk. We disagree and believe spreads aren’t as tight as they look.

U.S. Treasuries are typically used as the benchmark for credit spreads. However, the spread between Treasury yields and other measures of risk-free rates has widened in recent years, with the spread between Treasury yields and SOFR swap rates more than doubling (Figure 8).² We estimate this “cheapening” of Treasuries to swap rates accounts for ~50% of the narrowing in benchmark investment grade credit spreads since 2024.

Figure 8: Treasuries “cheapening” relative to other risk-free rates



Source: Bloomberg Finance L.P. Data as of August 29, 2025.

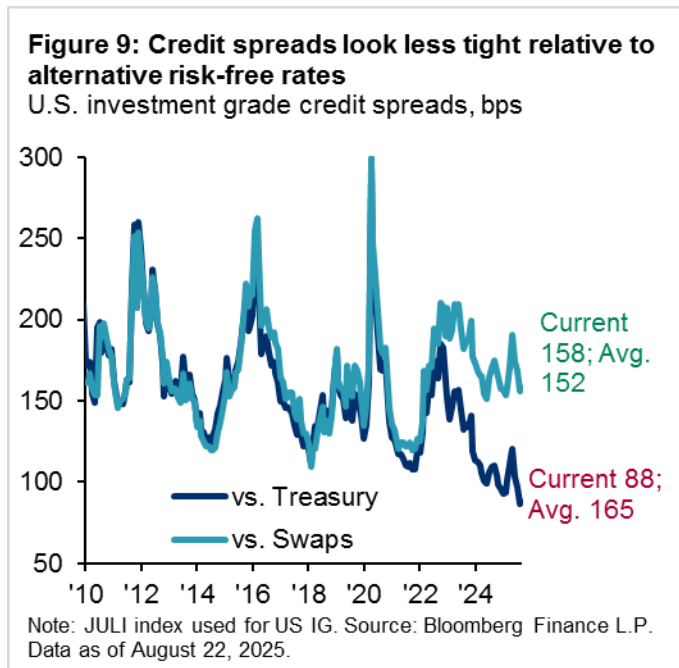
In other words, while credit spreads are at all-time tights when measured against Treasury yields, the spread between benchmark U.S. investment grade credit and matched-maturity interest rate swaps is more or less in line with the average since 2000 (Figure 9). Similarly, based on the relationship over the past 15 years, the investment grade credit spread consistent with the current

¹ By definition, the J.P. Morgan High Yield bond index includes no credits with ratings above BB.

² Treasuries have been found to have higher yields than swaps to compensate for future shocks to the supply and demand of Treasuries and the resulting mark to market risk to intermediaries. Source: Samuel G. Hanson, Aytek Malkhozov, Gyuri Venter, “Demand-and-supply imbalance risk and long-term swap spreads”. August 12, 2024.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to “Definition of Indices and Terms” for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

level of an index of IG credit default swaps is less than 25bps below the long-term average.³

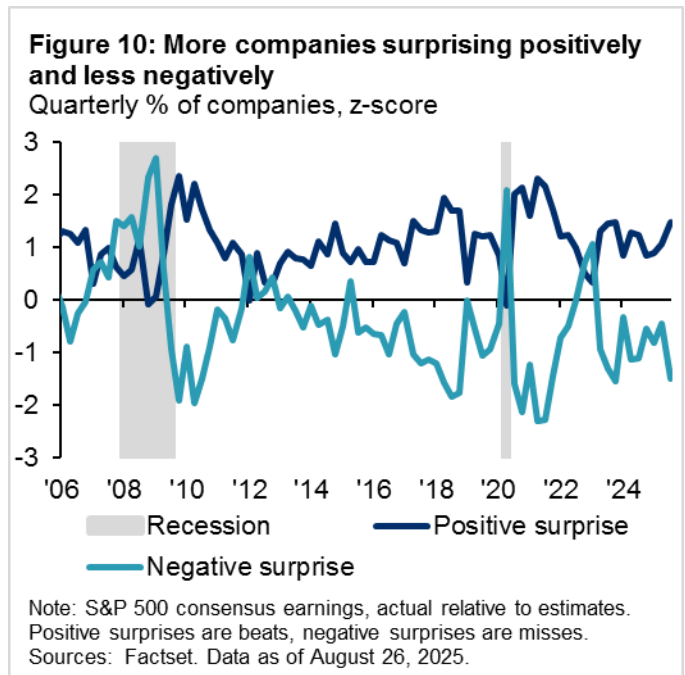


2 Position for risk asset outperformance

In the year following the first cut in non-recessionary cycles, U.S. equities increased by 20%, on average, compared to mid- single-digit returns for cash and risk-free Treasury bonds.⁴

We continue to recommend a full allocation to risk assets and have high conviction the U.S. equity market returns at least the ~5% upside to our base case mid-2026 outlook. Last month, we outlined why we disagree with those that argue the market is being complacent; in our view, it is appropriately reflecting the economic slowdown we expect.

Since then, earnings continue to justify our constructive outlook. Nearly all S&P 500 companies have reported for Q2 2025, the first earnings season completely within the post-Liberation Day economic backdrop. Even so, over 80% reported actual EPS above estimates, compared to an average of 66% since 2002. Moreover, **the share of companies beating analyst expectations is rising**, historically a sign of continued economic expansion (Figure 10).



Earnings growth at the index level is tracking 12% for Q2'25, the 3rd consecutive quarter of double-digit EPS growth (18% in Q4'24 and 13.3% in Q1'25), and far above the long-term average of 7.2%.⁵ Forward-looking guidance from corporate management teams was also stronger than average.

Results were so strong, in fact, that **second half earnings estimates have gone up despite tariff rates expected to settle 6-8x higher than they were coming into the year** (Figure 11). The use of technology to reduce costs and other mitigation efforts have led to margins increasing in Q2 on both a year-over-year and quarter-over-quarter basis. Forward estimates already embed expectations for decreasing margins in the second half, which seems prudent if not conservative.⁶

³Source: Bloomberg Finance L.P. J.P. Morgan Private Bank. Data as of August 25, 2025.

⁴ Did you know? The Fed has cut rates 12 times when the S&P 500 was within 1% of its all-time high. The market was higher one year later all 12 times, with a median return of 15%. JPM Private Bank, "[Rate cut breakdown: What you need to know now](#)"

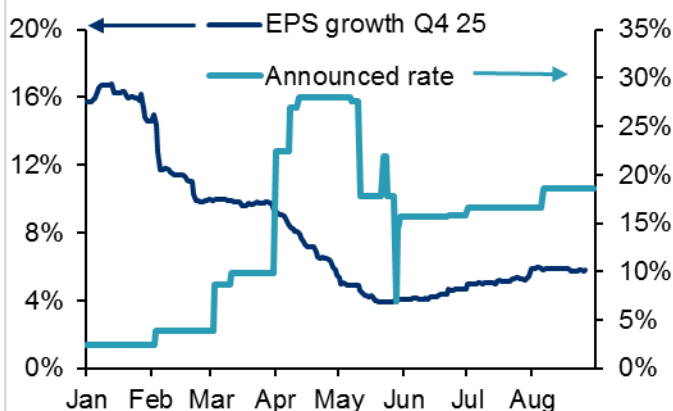
⁵ FactSet. Data as of August 26, 2025.

⁶ FactSet. Data as of August 28, 2025.

Figure 11: Earnings estimates revised upwards for second half of the year despite higher tariff rates

EPS YoY Growth S&P 500
Q4 2025, %

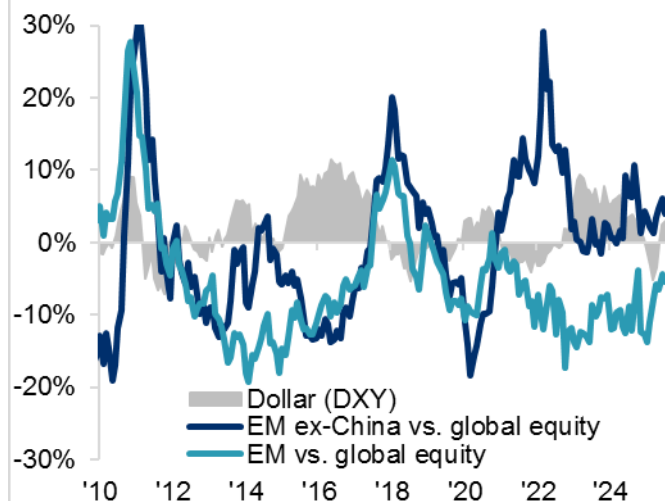
U.S. tariff rate
%



Note: Tariff rate is the announced rate. Estimated EPS for S&P 500. Sources: Yale Budget Lab; Bloomberg Finance L.P. Data as of August 28, 2025.

Figure 12: EM ex-China outperforms with a weaker dollar

24m rolling excess return, annualized



Note: Relative to world index. All indices MSCI. Source: Bloomberg Finance L.P. Data as of July 31, 2025.

Bottom line: A straight read of historical price action in non-recession cutting cycles calls for a full allocation to the S&P 500. We agree. At the sector level, the best performers are historically tech-related, along with industrials, financials, and consumer discretionary. Our high conviction areas of focus largely overlap and include technology, financials, and secular themes such as global defense and power.

3 Diversify internationally.

U.S. assets are clear outperformers when the Fed is cutting amidst an economic downturn. But non-U.S. dollar exposure has historically delivered similar or better returns in non-recession cutting cycles.

Year-to-date, we have recommended diversifying U.S. dollar exposure via ex-US developed market equities and gold. We continue to. This month, we add emerging market equities ex-China as another way to gain non-U.S. dollar exposure. Here's why:

- 1) **USD weakness.** Earlier this year we outlined our bearish thesis on the U.S. dollar ([link](#)). We continue to expect 3-5% of further U.S. dollar weakness over the next 6-12 months. Typically, in a dollar down cycle, both emerging market equity and debt outperform their global counterparts as domestically orientated profits help fund U.S. dollar denominated debt. Notably, however, this relationship only holds in the post-COVID environment when China is excluded from the EM basket (Figure 12).

- 2) **Diminishing trade and commodity price risk.** Asia accounts for ~75% of most EM equity and debt benchmarks, and corporate earnings in the region are highly sensitive to exports, trade policy and commodity prices (Figure 13 and 14). Encouragingly, global trade policy uncertainty has more than halved since April and is back to pre-liberation day levels.⁷ Meanwhile we see marginal upside for commodity prices relative to current levels, providing support for EM exporters.

Figure 13: Asia corporate performance highly sensitive to exports

YoY growth, 3m avg. %



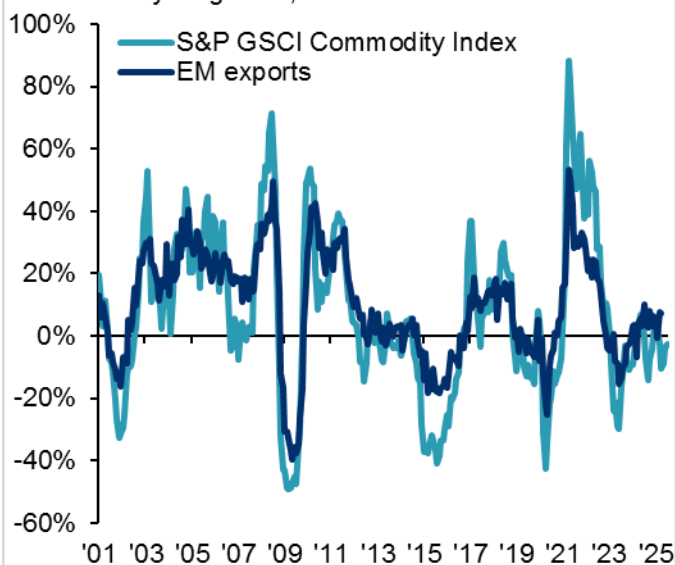
Sources: International Monetary Fund (IMF), Bloomberg L.P. Haver. Data as of June 30, 2025.

⁷ Note: Matteo Iacoviello Global Trade Policy Uncertainty (TPU) Daily. Source: Bloomberg Finance L.P. Data as of August 25, 2025.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Figure 14: EM exports and commodity prices

Year-over-year growth, %

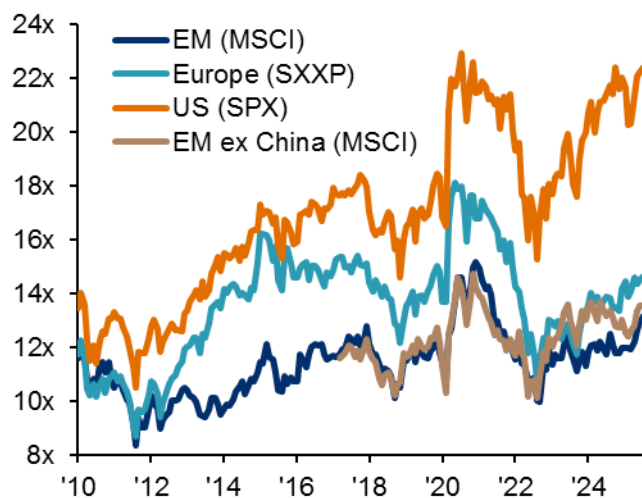


Sources: Haver Analytics; IMF; S&P. Data as of July 31, 2025.

- 3) **Relative valuation.** Relative to their own history emerging market equity valuations do not screen as overly cheap. The MSCI EM equity index trades at a 13x multiple (vs. a 20-year avg. of 12x). However, it's a different story relative to developed market peers, where European and US equity markets trade at 15x and 22x next year's earnings, respectively (Figure 15). In our view, emerging markets is a way to add non-U.S. dollar exposure to portfolios at a less expensive valuation.

Figure 15: Emerging market valuations screen cheaper than DM peers

P/E, next 12m



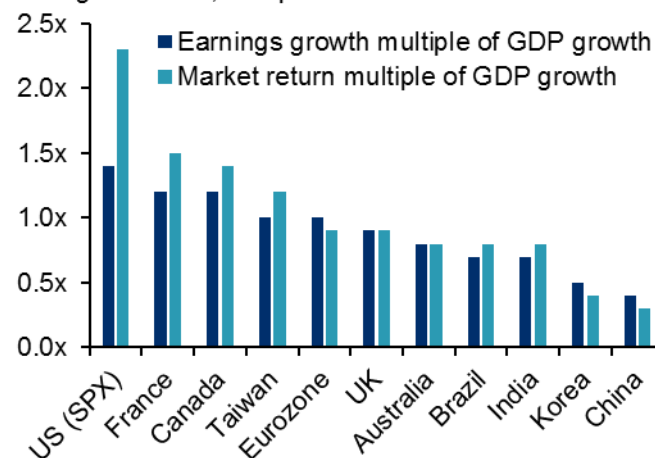
Source: Bloomberg Finance L.P. Data as of August 26, 2025.

- 4) **Earnings.** Unlike developed markets, the pass through of overall economic growth to earnings

growth has been subdued in emerging markets, particularly in China (Figure 16). However, we expect double-digit earnings growth in Taiwan, India and South Korea, the three largest EM equity markets outside of China, all of which have historically demonstrated a better ability to translate domestic GDP growth to market returns.

Figure 16: China stands out for its inability to convert growth to market returns and earnings

Historical earnings growth and market return for given GDP growth rate, multiple



Sources: EOTM; JPMAM; Bloomberg Finance L.P. Japan excluded due to declining GDP. Data based on 2010-2024 time frame.

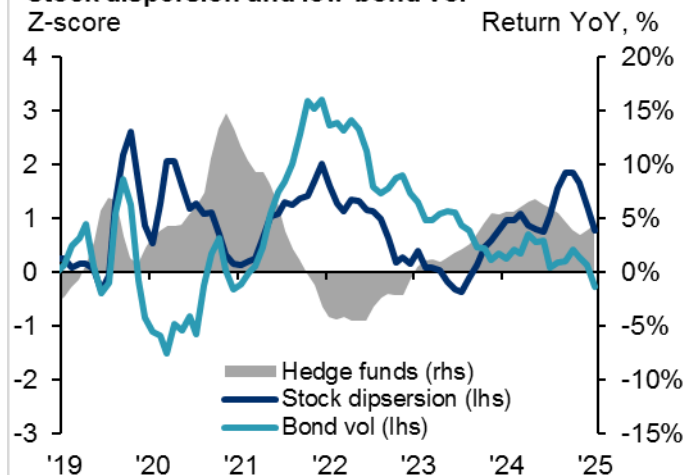
Bottom line: We continue to recommend non-U.S. dollar exposure in ex-US developed market equities and gold. This month we add emerging market equities ex-China to that list. We narrow slightly the amount of spread widening we expect in emerging market debt, but remain neutral on the complex as a whole.

4 Alternatives can provide attractive returns and safeguard against the unknowns.

Beyond our base case, we still see a 30-35% chance of a recession in the next year and a 15-20% chance of a higher-inflation for longer economic scenario. Assets which can act as a buffer against those tail environments are key to diversification.

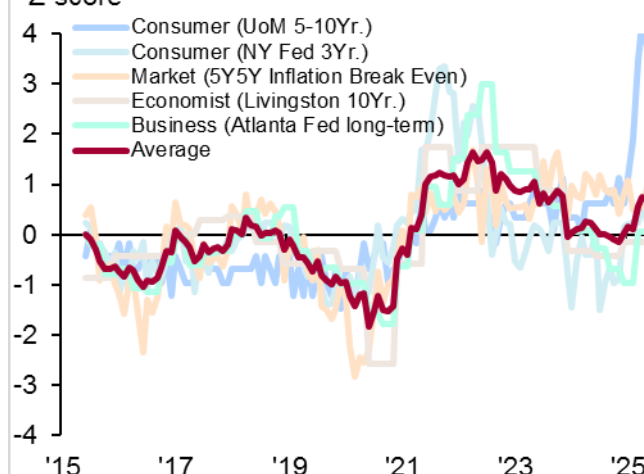
- 1) **Hedge funds.** Of any of the assets we analyzed in a fed cutting cycle, hedge funds have one of the best average performance across all cycles, irrespective of a recession. High dispersion in stocks and low bond volatility, characteristics of today's market, has historically been a strong environment for hedge funds (Figure 17).

Figure 17: Hedge funds outperform with high stock dispersion and low bond vol



Note: 3-month average. Dispersion priced from options over next 30 days. Bond vol from MOVE index. Global hedge fund (HFRXGL) performance. Sources: HFRX; CBOE; Bloomberg Finance L.P. Data as of July 31, 2025.

Figure 18: Common inflation expectations



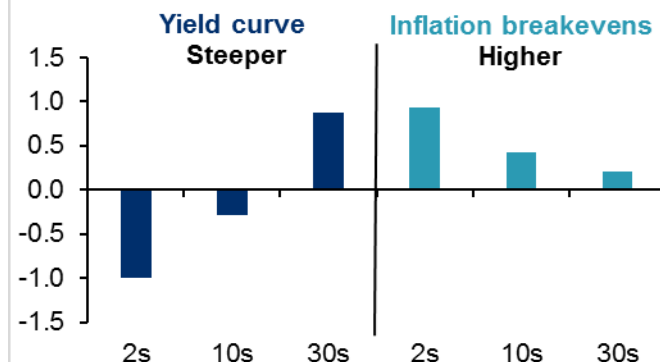
Note: Average is equally weighted across consumer, market, economist and business expectations. Sources: University of Michigan; Atlanta Fed; Philadelphia Fed; NY Fed; Bloomberg Finance L.P. Data as of August 31, 2025.

2) **Traditional fixed income.** Whilst we only expect a slowing rather than a collapse in growth, the risk of recession remains elevated at ~30-35%. In our view, traditional fixed income continues to provide the best buffer in a recessionary drawdown, with the 5-7 year part of the Treasury curve providing the highest risk adjusted returns across fixed income and alternatives.

3) **Inflation-hedge: Infrastructure and gold.** Our expectations for Fed rate cuts is reliant upon inflation expectations remaining well-anchored; they are according to our preferred measure (Figure 18). However, there are two primary risks to this outlook: 1) if tariff-related goods inflation begins to bleed into the larger services sector; and 2) if an erosion of the Fed's traditional institutional independence results in less certainty regarding its commitment to its inflation target over the long-run. Figure 19 shows how Treasury yields and market-based inflation expectations have moved on days this year where betting market odds of the Fed Chair's removal increased materially. Whilst currently this risk has not bled into markets outside of fixed income, we would expect gold to help provide a buffer against an erosion of institutional independence and infrastructure against a higher inflation environment than we expect.

Figure 19: Erosion of Fed independence risks steeper curve and higher inflation

Average change when perceptions of Fed independence risk increases, bps



Note: 120 minute window of asset performance around a 1 standard deviation increase in betting market odds of Chair Powell being removed in 2025. Excludes Jackson hole, events outside of trading hours and only looks at the first event in a day. Sources: J.P.Morgan Private Bank; Bloomberg Finance L.P.; Polymarket. Data as of August 27, 2025.

Here’s a summary of Wall Street views for 2025.

Street Outlook Year-End 2025					
	Fed Funds	Real GDP	Core PCE	10Y	SPX \$
	Q4 '25	Q4 '25	Q4 '25	Q4 '25	YE 2025
JPM WM	4.00	1.0	3.30	4.10	6,400
JPM IB	3.75	1.1	3.50	4.20	6,000
Bank of America	4.50	1.7	2.90	4.25	6,300
Morgan Stanley	4.50	1.0	3.30	4.00	6,500
Goldman Sachs	3.75	1.7	2.90	4.20	6,600
Wells Fargo	4.25	0.7	2.90	4.25	6,400
UBS	3.50	0.9	3.50	3.80	6,600
Average (ex-JPM WM)	4.04	1.18	3.17	4.12	6,400
FOMC	3.9	1.4	3.10	-	-

Sources: JPM; BoA; MS; GS; WF; UBS; Federal Reserve. Data as of August 27, 2025.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to “Definition of Indices and Terms” for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

2025 YEAR-END & MID-2026 OUTLOOK NUMBERS

September 2025

Macro [^]					Rates & Credit Spreads				
Inflation	2025 YE	Old 2025 YE	2026 YE	Old 2026 YE	U.S.	2025 YE	Old 2025 YE	2026 Mid-Year	Old 2026 Mid-Year
U.S.	3.20-3.40%		2.30-2.50%		Eff. Fed Funds rate	3.75-4.00%		3.25-3.50%	
Eurozone	2.10-2.30%		1.80-2.00%		ON SOFR	3.83%		3.33%	
China	0.50-0.70%		1.30-1.50%		2-year UST	3.50%		3.55%	
Real GDP Growth					5-year UST	3.80%		3.75%	
U.S.	0.50-1.00%		1.50-2.00%		10-year UST	4.10%		4.10%	
Eurozone	0.00-0.50%		1.00-1.50%		30-year UST	4.55%		4.55%	
China	4.35-4.85%		4.20-4.70%		2s/10s spread	0.60%		0.55%	
Equities					JPM U.S. Investment Grade	90-120		90-120	
S&P 500	2025 YE	Old 2025 YE	2026 Mid-Year	Old 2026 Mid-Year	JPM U.S. High Yield	350-400		350-400	
Price	6,350-6,450		6,650-6,750		Europe				
P/E forward multiple	22x		21.8x		ECB Deposit rate	1.75%		1.75%	
Stoxx Europe 50					5-year German Yield	2.10%		2.15%	
Price	5,450-5,550		5,650-5,750		10-year German Yield	2.40%		2.40%	
P/E forward multiple	15x		15x		BoE Bank Rate	3.50%		3.00%	
TOPIX					10-year UK Gilt	4.25%		4.15%	
Price	2800-2850		2900-2950		EUR IG	80-110		80-110	
P/E forward multiple	14.5x		14.5x		EUR HY	300-350		300-350	
MSCI Asia ex-Japan					EM				
Price	755-785	735-765	785-815	760-795	EM Sovereign Index (EMBI)	275-325	305-355	275-325	305-355
P/E forward multiple	12.8x	12.5x	12.8x	12.5x	EM Corporate Index (CEMBI)	185-235	245-265	185-235	245-265
MSCI China					JPM Asia IG (JACI IG)	75-105		75-105	
Price	81-85	74-77	85-89	77-84	JPM Asia HY (JACI HY)	540-590		540-590	
P/E forward multiple	12.0x	11.0x	12.0x	11.0x	Commodities				
Currencies						2025 YE	Old 2025 YE	2026 Mid-Year	Old 2026 Mid-Year
U.S. Dollar Index (DXY)	96 (94-98)		95 (93-97)		Gold (\$ / oz)	\$3,600-\$3,700		\$4,050-\$4,150	
EUR/USD	1.18 (1.16-1.20)		1.20 (1.18-1.22)		Brent (\$ / barrel)	\$63-\$68		\$55-\$60	
USD/JPY	139 (137-141)		135 (133-137)		Commodity Index (BCOM)	107-108		110-112	
GBP/USD	1.35 (1.33 - 1.37)		1.36 (1.34 - 1.38)		Natural gas (\$/MMBtu)	\$4.00-\$5.00		\$3.50-\$4.50	
USD/CNY	7.20 (7.10 - 7.30)		7.15 (7.05 - 7.25)						

[^]GDP and core inflation estimates represent Q4 year over year growth rates. Core inflation in the US is core PCE.

Indices are not investment products and may not be considered for investments.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

MACRO VIEWS

U.S. Growth

The July jobs report was significantly weaker than expected due to substantial downward revisions to May and June data. The 3-month moving average for jobs growth is only +35k, indicating a near stall in the US labor market. The September FOMC meeting is pivotal, with its outcome likely dependent on the August jobs report. If the 3MMA of jobs growth stays around +35k or lower, the Fed likely will resume its cutting cycle.

Elsewhere, growth data has improved slightly since the July jobs report, notably with the August preliminary PMIs. The headline composite index was 55.4 (vs. 53.5 expected), and the output prices component for the manufacturing index decreased to 60.1 in August (from a peak of 63.0 in June). We believe the consumer price impact from tariffs is rising gradually and in a controlled manner, unlikely to disrupt the underlying momentum in inflation-adjusted real income growth. In essence, expect a slowdown, not a recession, for the US consumer and economy. Specifically, real wage growth in the US has slowed from 2% YoY in Q3 2024 to 1.4% currently. We anticipate it will fall below 1% in the coming quarters but not turn negative.

What we're watching: Tariff passthrough to real wage growth, high frequency data on consumer spending, data on business investment including durable goods orders and the PMIs, AI related capex, signs of a capex lift from the OBBA.

Our view: 0.50-1.00% (Q4 YoY) in 2025, 1.50-2.00% (Q4 YoY) in 2026



U.S. Inflation

July CPI and PPI data provided further evidence of tariffs impacting US inflation, now lifting aggregate inflation measures. Core CPI inflation YoY increased to 3.1% in July, up from 2.8% in May. Services inflation firmed alongside goods, though we believe the recent rise in services inflation is noise and a rebound from weak prints between March and May (likely driven by seasonal distortions). We maintain that tariffs cause goods inflation, resulting in a relative price shift, rather than a widespread inflation increase. US wage, housing, and energy-related inflation remain at a benign pace. Under these conditions, the Fed can lower its policy rate despite the ongoing tariff passthrough to consumer inflation.

The persistence of inflation can also be tracked through TIPs and inflation swaps markets. Short-dated, 2-year inflation swap rates have risen from 2% to 3% since September last year to present. Meanwhile, the 10-year inflation swap rate has been stable, increasing only 25bps to 2.5%. Survey data on inflation expectations show a similar trend, with short-term measures rising but long-term measures stable. Monitoring these signals is crucial as the nature and persistence of tariff-driven inflation will remain a key concern through the year's end.

What we're watching: Goods inflation, wage growth, JOLTS data, tariff changes from the Trump Administration, commodity prices, home prices, inflation expectations.

Our view: 3.20-3.40% (Q4 YoY) in 2025, 2.30-2.50% (Q4 YoY) in 2026



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Eurozone Growth

The eurozone economy is gradually picking up, though key risks still linger.

Upside: This summer's US-EU trade deal cleared a major hurdle, with growth further anchored by past ECB rate cuts, Germany's fiscal policy shift, rising defense spending, and potentially faster use of unused pandemic-era NextGenEU funds in peripheral countries.

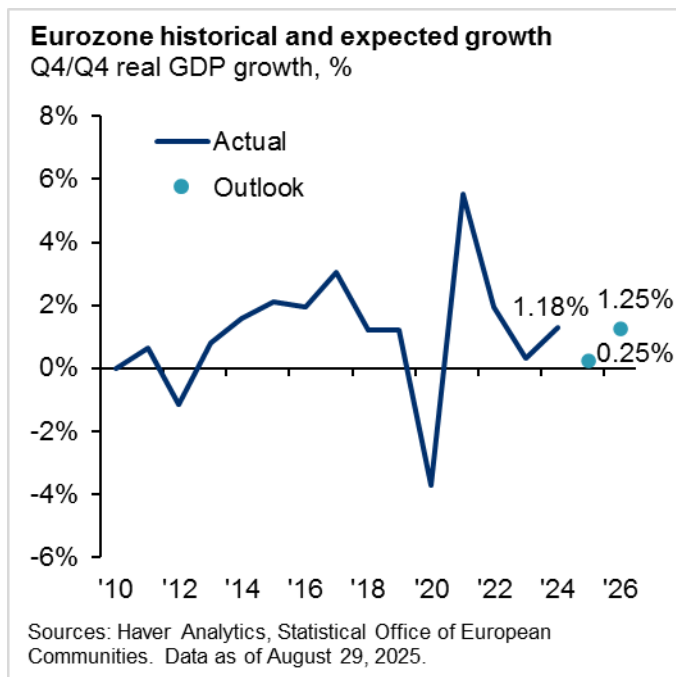
Downside: Higher US tariffs (with the effective rate on the EU rising to ~16%) and a stronger common currency are a drag on Europe's export-heavy economy. Germany still faces structural challenges in key sectors, while France is navigating a multi-year fiscal adjustment amid political volatility.

On balance: Trade-related headwinds will likely limit growth for now, but the medium-term picture is more promising. We continue to see EU GDP growth at 0.0–0.5% in 2025, picking up to 1.0–1.5% in 2026 as fiscal support kicks in.

Meanwhile, UK growth exceeded expectations in Q2, thanks to a delayed fiscal boost from last October's Budget. Yet, fiscal headwinds, weak job growth, and stubborn inflation keep us cautious. Faster rate cuts from the Bank of England could mitigate these challenges.

What we're watching: US-EU trade deal impact, fiscal spending and risks (rising sovereign bond yields), regional disparities, inflation dynamics.

Our view: 0.00-0.50% (Q4 YoY) in 2025, 1.00-1.50% (Q4 YoY) in 2026



Eurozone Inflation

Euro area inflation has notably cooled. Headline inflation is back in line with the ECB's 2% target, with services inflation easing further.

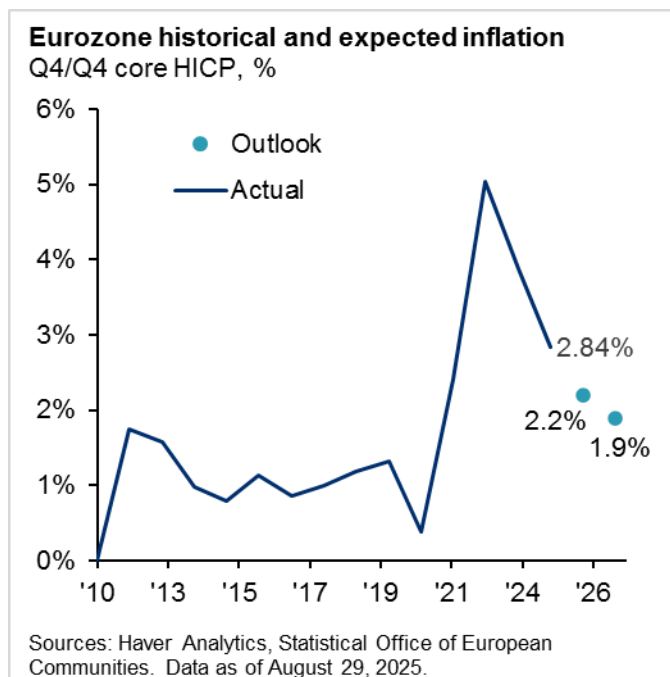
Core inflation seems set for more progress and might even fall below the ECB's outlook, fueled by cooling wage dynamics, a strong Euro reducing import costs, US tariffs impacting American consumers more than Europe, and China possibly exporting excess capacity at lower prices.

But while we expect the disinflation story to remain intact, risks to that view could come from unexpected energy shocks, wage gains, Germany's fiscal expansion, or re-escalation of tariff tit-for-tat that could spark short-term price hikes.

UK inflation jumped again in July, fueled by strong services and rising energy and food costs. Core inflation still tops 3%, far above the BoE's target. Looking forward, temporary pressures from travel, airfares, council tax hikes, and energy caps may linger, but softer wage growth and more labor market slack should cool services inflation.

What we're watching: US-EU trade deal impact, wage and services inflation, energy prices, business surveys.

Our view: 2.10-2.30% (Q4 YoY) in 2025, 1.80-2.00% (Q4 YoY) in 2026



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

China Growth

We expect growth to slow in 2H and into 2026. Solid GDP growth in 1H was largely driven by robust exports. In the coming months, challenges may arise from export frontloading payback, a higher fiscal spending base, and a reduced impact from consumption trade-in policies.

July exports continued to accelerate through transshipment, suggesting that while peak tariff shocks are past, their impact has yet to show up in data, with a payback effect expected. Conversely, domestic data for July showed broad-based weakness. Fixed asset investment slowed, particularly in infrastructure. Retail sales experienced the slowest growth of the year, impacted by heavily subsidized categories like home appliances and cars, likely due to frontloaded expenditures. The housing market remained weak, with a faster decline in new home prices. Private sector credit demand was subdued due to muted business sentiment, and the labor market showed stress with rising youth unemployment.

Looking ahead, addressing overcapacity, sector-specific deflation, and private sector sentiment will be crucial. Policymakers are expected to implement targeted measures for the property sector and labor market, rather than broad stimulus. The PBOC is likely to maintain an accommodative policy stance with an easing bias, focusing on managing the property sector, supporting consumption, and navigating trade dynamics while ensuring financial stability.

What we're watching: Fiscal policy, domestic demand, export frontloading payback

Our view: 4.35-4.85% (Q4 YoY) in 2025, 4.20-4.70% (Q4 YoY) in 2026

China Inflation

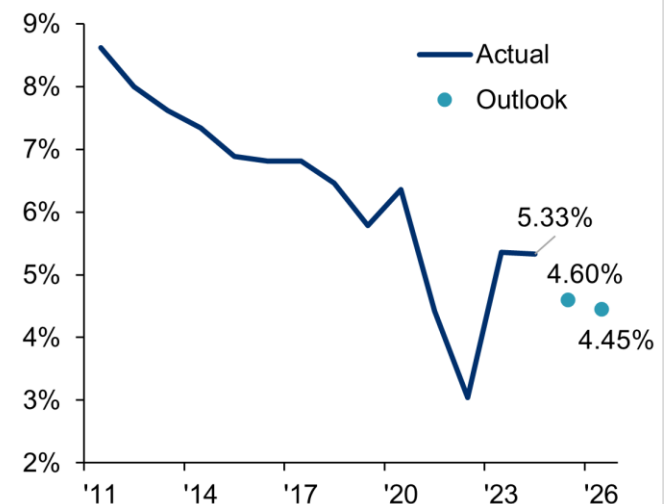
Deflationary environment persisted in July despite improvement on the margin. PPI showed signs of improvement with a less negative -0.2% MoM (vs -0.4% in June). This uptick was primarily driven by gains in upstream PPI due to production cuts, despite continued weakness in downstream PPI. CPI remained at 0% YoY, but sequential growth improved to 0.4% MoM from -0.1% in June, supported by strong growth in manufactured goods, particularly home appliances and gold. However, service prices, especially in tourism, remained soft. Food deflation worsened, likely due to a high base and reduced demand from tighter government employee dining-out controls.

The equity rally since July has been partly driven by government efforts to address overcapacity and price wars, known as "anti-involution" efforts, which some believe may help combat deflation. However, the root cause of deflation lies in weakness in the labor market, low expectations of income growth, and more structurally, negative wealth effect from the housing downturn. While recent efforts are steps in the right direction, the real challenge lies in curbing new capacity expansion and enhancing consumption support measures. Looking ahead, low CPI inflation and PPI deflation are expected to continue, with the GDP deflator remaining negative.

What we're watching: Domestic demand, policies addressing overcapacity

Our view: 0.50 - 0.70% (Q4 YoY) in 2025, 1.30 - 1.50% (Q4 YoY) in 2026

China historical and expected growth
Q4/Q4 real GDP growth, %



Sources: Haver Analytics, China National Bureau of Statistics.
Data as of August 29, 2025.

EQUITY VIEWS

U.S. Equities

Another strong month. Earnings improved and markets advanced in August, again. As August ends, we reflect on the ~12% EPS growth of the S&P 500 in Q2. This was driven by broad participation (82% of companies above estimates), significant beat spread (over 8%) and double-digit growth for the 3rd consecutive quarter. Meanwhile 10 of 11 sectors went up for the month as lagging sectors like Materials, Discretionary and Healthcare outperformed. Confidence remains high that the implementation of the next round of tariffs won't derail the AI investment story that dominates the U.S. markets and the stimulative potential for a more accommodative Fed. As a result, we have witnessed an increase in public market valuations and greater market participation outside of the large firms in the S&P 500. Markets may appear to be embedding in a lot of good news, but we do not see investor complacency when looking at price action, positioning or sentiment indicators.

We maintain our 2025 and 2026 S&P 500 bull, base and bear outlook and reiterate the odds of the bull case as higher than the bear case scenario given investment themes that remain in the "early innings", achievable earnings expectations and the underappreciated ability of corporate America to remain flexible during periods of change and uncertainty. We also maintain our preference for larger companies over smaller ones over the next year.

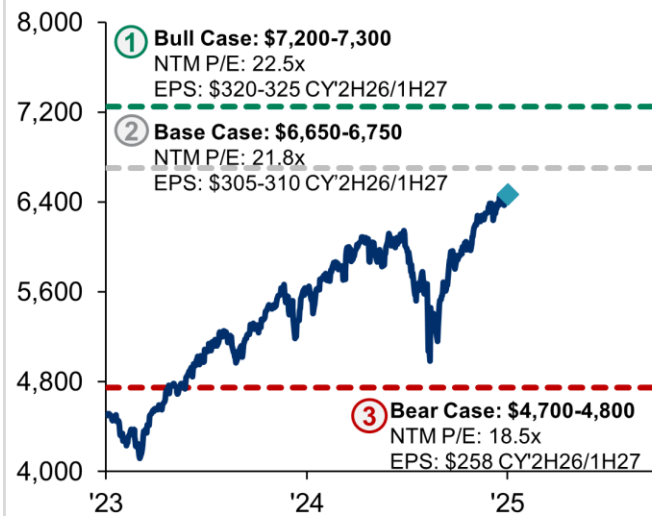
Where to invest now. The Technology sector is poised to benefit from AI investments, capex and the OBBBA. Utilities were sluggish in August, but remain among the top performing sectors of the S&P 500 year-to-date. We expect further gains due to rising growth rates, low cyclicality, high dividend yields, policy support and still modest relative valuations. Financials have also performed well, and we see positive earnings momentum and favorable revisions, that should accelerate capital returns to shareholders. Active management and structured notes should be considered to take advantage of these opportunities.

What we're watching: More macro events occur in September as we seek details in trade policy and evolving monetary policies. The upcoming conference season should help investors track the progress of thematic drivers and cyclicality before Q3 earnings.

Our view: Year-end 2025: \$6,350-6,450, Mid-year 2026: \$6,650-6,750

Our S&P 500 outlook ranges from \$6,650-\$6,750 by mid-year 2026

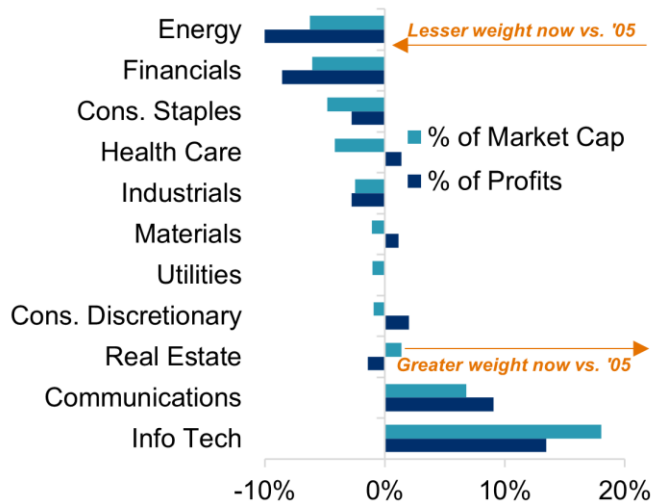
S&P 500 vs JPM WM Solutions Base, Bull and Bear



Source: Bloomberg Finance L.P. Data as of August 27, 2025.

Tech and Comm Services make up a growing percentage of key metrics relative to 20 years ago

S&P 500 sector % of market cap & profits ('25 vs '05)



Source: FactSet. Data as of August 27, 2025.

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Europe Equities

We are leaving our European outlook unchanged for this month. In our base case, the year-end outlook is in the range of €5,450-5,550 (€5,500 mid-point), and the mid-2026 Euro Stoxx 50 outlook is €5,650-5,750 (€5,700 mid-point). Last month, the EU and US agreed on a 15% tariff for most EU products. Now that we have clarity on tariffs, the market can simply "move on." We are keeping our multiple unchanged at 15x the next 12 months' price-to-earnings ratio. We expect 2025 earnings to decrease by 1%. A strong Euro continues to be an issue for European exporters and is the reason why we are not more bullish on earnings growth in 2025. For 2026 and 2027, we anticipate mid to high single-digit earnings growth.

The earnings season is coming to an end and the earnings growth is weak, coming in closer to -5%. FX has been an issue for European exporters (Euro up 9% in the 2Q). Companies are mentioning how they are handling tariffs, including increasing production in the US. The stand-outs this season have been industrial companies with exposures to data centers and banks, including those with strong trading activity in the 2Q. While 2025 earnings are impacted by tariffs and FX, we have a lot to look forward to from 2026 onwards in Europe.

We expect the German stimulus to have a positive impact on European earnings starting next year. Germany has recently announced €500 billion in investments, with an additional €631 billion in investments from German corporates discussed in the media recently under the "Made for Germany" plan. We have European defence spending on top of that. At the NATO summit (24-25 June), its European members made strong commitments to increase defense spending in the coming decade to 5% (3.5% core defense requirements and 1.5% on infrastructure). Importantly, we think European valuation can stay at the current 15x next 12 months' price-to-earnings ratio versus the long-term average of 14x, given all the tailwinds the European market is facing.

We have been recently focusing on domestically oriented companies that are more insulated from tariffs, have less FX risk, and are more exposed to the improving domestic story. This is a slightly different narrative compared to the last few years, where European multinational companies were more preferred. Domestically oriented companies can be found in the financial, industrials, materials, and utilities sectors. We continue to believe European Industrials, in particular, are well-placed given the secular themes.

European defense spending should continue to rise, addressing years of underspending. The German infrastructure stimulus adds another positive driver for the

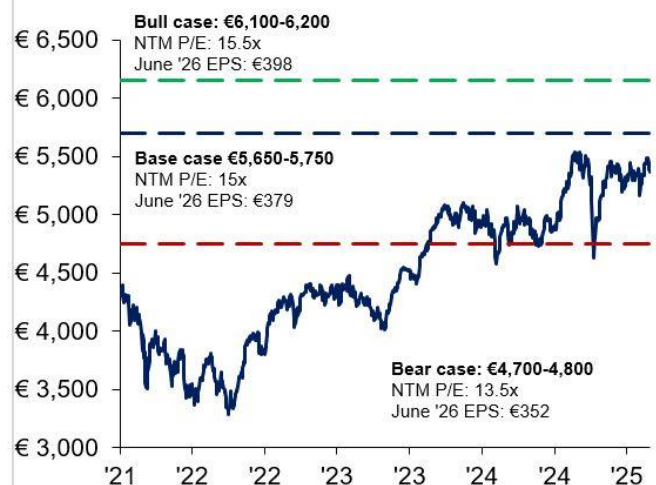
sector. Other reasons to be positive on Industrials include their exposure to electrification and data center spending.

What we're watching: Political developments (France and Eastern Europe), fiscal stimulus in Germany and FX moves

Our view: Year-end 2025: €5,450-5,550, Mid-year 2026: €5,650-5,750

We see the Euro Stoxx 50 reaching €5,650-5,750 by mid-2026

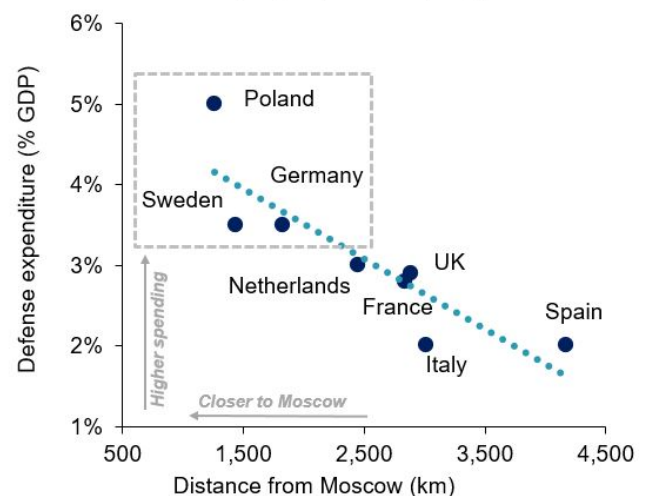
Euro Stoxx 50 vs JPM WM Solutions Base, Bull and Bear cases



Source: Bloomberg Finance L.P., J.P. Morgan WM Solutions. Data as of 27th August, 2025

European countries with greater proximity to Moscow show higher defense spending

Relationship between defense expenditure (%GDP, 2030E) and distance from Moscow (using capitals as a proxy)



Source: J.P. Morgan Corporate and Investment Bank research. Data as of June 2025.

Asia Equities

In Onshore China, the CSI300 index has rallied over 15% since June, driven by several factors. Retail investors, who make up more than 80% of trading activities, are increasingly participating due to FOMO (fear of missing out), and the rise in margin financing reflects heightened speculative activity. Additionally, record household savings are being redirected into stocks as bank deposit rates decline, pushing investors towards higher-yielding assets like equities and mutual funds. Improved trade relations, highlighted by a 90-day tariff truce between the U.S. and China, have reduced uncertainty and bolstered investor confidence. Government stimulus, anti-involution measures, and sector-specific support have further strengthened market sentiment, alongside robust performances in chip localization and other high-tech sectors.

However, this surge lacks fundamental market improvements, with corporate earnings revisions still trending downward and macroeconomic weaknesses likely to persist into the 2H 2025 and 1H 2026. The current A share market valuation is considered expensive, with a forward price-to-earnings (P/E) ratio of 14.8x, exceeding one standard deviation above the average. We increased our mid-2026 CSI300 outlook to 4400-4600 due to multiple expansion from stronger policy support and liquidity environment. We recommend trimming China A-share positions during this non-fundamentally-driven rally to fund other EM markets (below).

On the other hand, Offshore China has underperformed the Onshore market in August, primarily due to margin erosion from intense competition among internet companies and investors are relatively well positioned. Recent earnings reports confirm fierce competition in the food delivery, e-commerce, Online-travel-agent and, to a lesser extent, cloud computing markets, which make up 1/5 of MSCI China. Additionally, the reversal of southbound liquidity inflow, which previously supported the offshore market, has contributed to this underperformance. We tuned up our MSCI China mid-2026 outlook to 85-89 to reflect a higher multiple from continued liquidity inflow. Therefore, we recommend a highly selective investment approach, focusing on China Innovator Baskets and high-quality dividend and consumption names.

Japanese equities experienced volatility but ended higher in August. Limited upside to our near-term outlook keeps us tactically neutral towards Japan. Early declines were due to US tariff uncertainties and rising long-term JGB yields after the Upper House election raised fiscal expansion concerns. A US-Japan trade deal later alleviated tariff fears, boosting

auto stocks. Corporate earnings reached record highs for the fourth consecutive year, driven by governance reforms and domestic demand, though yen strength and BOJ rate hike expectations added risks.

As we approach the beginning of a Fed cutting cycle, Emerging Market equities are poised to outperform, regardless of recession conditions. Paired with a Fed pivot and a weaker USD outlook, broad disinflation across Emerging Markets Asia may enable EM Central Banks to significantly cut rates to support domestic growth. Within EM Asia, we favor Taiwan, leveraging the AI/semiconductor boom despite tariffs, as part of the "Asian century" narrative with lower geopolitical vulnerability than China. South Korea is also worth considering as a tariff-resilient tech play similar to Taiwan. India, however, is more "risk-off" with a potentially worsening relationship with the US post-tariff tensions, but its current valuation has mean-reverted and is no longer expensive, providing a great re-entry level.

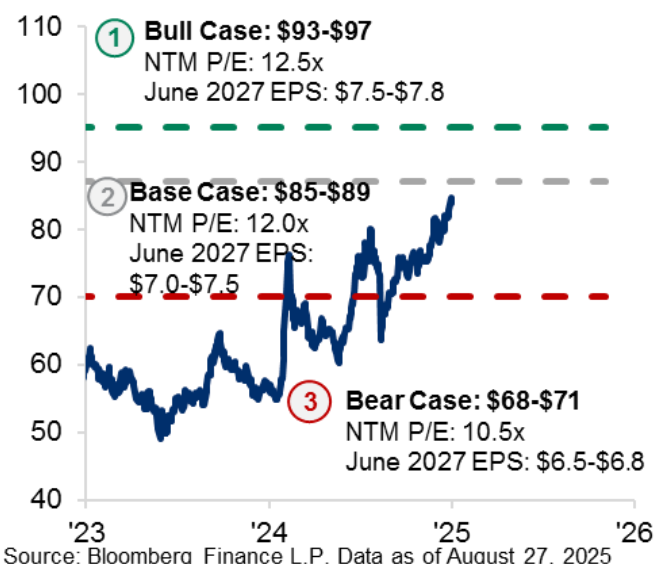
What we're watching: Political changes in Japan, Asia earnings season, China government policy announcements, India trade deal news.

Our view: Year-end 2025: MSCI AxJ: 755-785 Topix: 2,800-2,850 MSCI China: 81-85 CSI 300: 4,200-4,400 MSCI India: 2,950-3,025 MSCI ASEAN: 685-705

Mid-year 2026: MSCI AxJ: 785-815 Topix: 2,900-2,950 MSCI China: 85-89 CSI 300: 4,400-4,600 MSCI India: 3,130-3,225 MSCI ASEAN: 710-730

Our MSCI China outlook ranges from \$85-\$89 by mid-year 2026

MSCI China vs JPM WM Solutions Base, Bull and Bear



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

RATES VIEWS

U.S. Rates

With the labor market close to "stall speed" we expect the Fed to cut in September and deliver a total of 100bps of rate cuts by the middle of next year. In the event of a more material growth slowdown we see the Fed cutting closer to 2.0-2.5%. While Treasury bonds continue to provide the best buffer in a recessionary drawdown in our view (we would focus on the 5-7 year part of the curve), we prefer making up for declining cash rates in credit rather than extending duration along the Treasury curve. We expect 10-year yields will remain buoyant above 4.0% through the end of the year as end-users demand more compensation to own long-duration Treasuries given macroeconomic uncertainty, a potential reduction in global investor allocations to U.S. assets and persistent U.S. fiscal deficits.

What we're watching: Fiscal and trade policy, labor market indicators, inflation expectations.

Our view: Year-end 2025: 4.10%, Mid-year 2026: 4.10%



Europe Rates

After eight rate cuts over the past year, the ECB is currently on pause. At 2%, policy has shifted from "restrictive" to the central bank's estimated "neutral" range of 1.75%-2.25%. With inflation undershooting and growth risks still present, we see one more 25bps cut, lowering the deposit rate to 1.75%, though the timing is subject to debate. Additional cuts would likely require greater economic weakness beyond our base case.

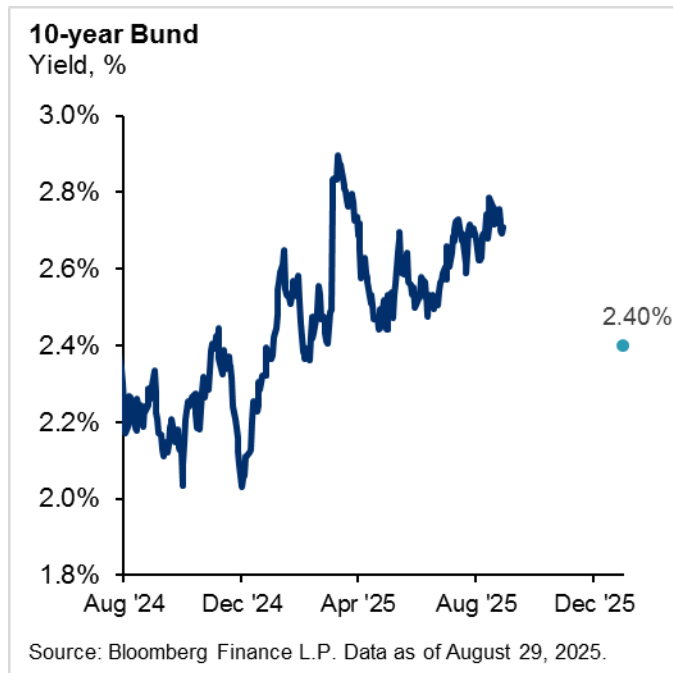
Overall, this puts our 10-year Bund outlook at 2.4% through mid-2026, but Germany's front-loading of infrastructure spending poses some upside risks.

Meanwhile, the Bank of England has stuck to a quarterly pace of cuts. Despite ongoing inflation pressures and "stagflation" risks, the MPC seems to be growing more sensitive to signs of labor market weakness. We expect more cuts to be delivered than is priced by the market, with a terminal rate between 3.0-3.5%.

What we're watching: U.S. trade policy, energy prices, activity surveys, fiscal stimulus, and UK budget plans.

Our view: Year-end 2025: ECB Deposit Rate: 1.75%; 10Y Bund: 2.40%; BoE Bank Rate: 3.50%; 10Y Gilt: 4.25%

Mid-year 2026: ECB Deposit Rate: 1.75%; 10Y Bund: 2.40%; BoE Bank Rate: 3.00%; 10Y Gilt: 4.15%



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

CREDIT VIEWS

U.S. Credit

August continued to feature relatively calm credit markets, with spreads only slightly changed over the month and positive performance across sub asset classes.

The outperformance of long end Corporates vs. long end Munis (~30 years+) continues to present opportunities for multi-asset investors. Muni long end curves are elevated historically, whereas long end Corporate spread curves are at the flattest levels over the last decade. Given the relative steepness of the Muni curve, we believe investors can consider tactical rotations from long dated Treasuries and Corporates into long dated Munis. We continue to believe that U.S. Investment Grade (IG) inside of 10 years is compelling on a risk-adjusted basis, offering elevated yields with downside buffer.

As we look out to the next year, our base case expectations paint a supportive picture for credit. Growth that is neither too hot nor too cold, inflation that is benign, and relatively high yield compensation is a healthy backdrop for credit markets. Risks to our base case still remain, and our outlook calls for growth to slow into year-end. This supports marginally wider spreads, particularly for the more growth sensitive segments of our market. Overall we expect carry like returns over the coming year.

Munis: Munis continue to materially lag IG and High Yield (HY) credit performance YTD given elevated supply. In fact, issuance this year is on track to surpass 2024's record of \$522BLN. This creates a buying opportunity, especially in the long end of the muni curve. Investors can lock in taxable equivalent yields of nearly 10%, which can help enhance the yield of an overall high quality credit portfolio.

Investment Grade: Despite touching all-time tight spreads, yields are among the highest for the asset class since 2009 (currently 5.3%). This has supported demand from yield based buyers over the past several years which we expect to continue. Technicals remain solid, with declining net issuance, and elevated coupon rates that continue to lead to cash being reinvested (~34% higher than in 2022).

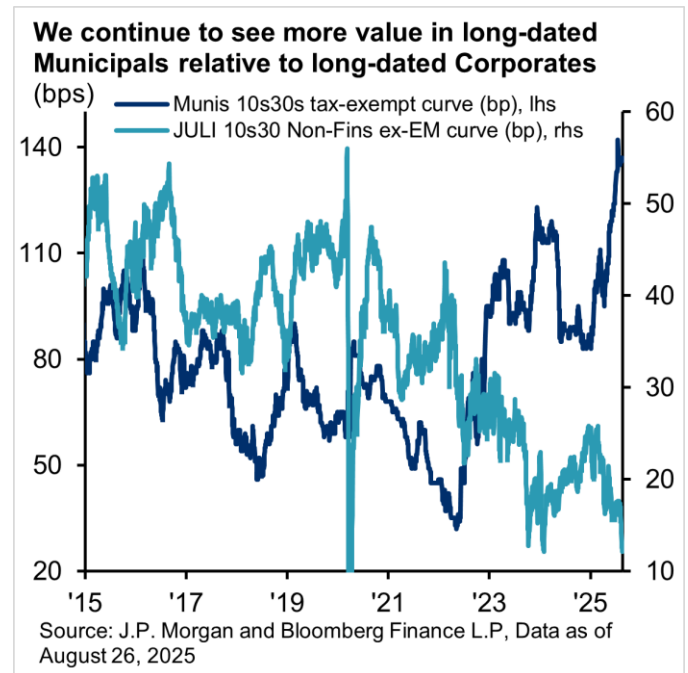
Preferreds and Hybrids: Hybrid capital remains attractive in our view, offering a return profile similar to high yield with lower loss rates during stress periods. The growth of US corporate hybrids has continued after a record year in 2024 which we believe is leading to more choice for investors, and structural positives for the asset class long term (better index representation, increased liquidity, and increased investor demand).

High Yield: Reporting season has continued to exhibit solid fundamentals, with both earnings and guidance coming in strong overall. Defaults of 1.4% remain below the 25-year average of ~3% driven by generally healthy balance sheets, a higher quality index composition (51% BB vs. 41% historically), and limited upcoming maturities. Over the last 15 years, yields of 7% are near average with spreads ~125bps inside of average. Current spread levels also imply a less than 1% default rate, lower than what is being observed. While the valuation picture does not screen cheap, we continue to see value in diversification across credit and favor a higher quality bias in high yield.

What we're watching: Investment Grade: Munis and Corporates over Treasuries, Extended Credit: Favor hybrid capital for attractive risk-adjusted returns, Duration: Prefer 10 years and in for IG given, but find value in Municipals especially in the long end

Our view: Year-end 2025: US IG (Spread): Base 105bps (+/-15bps), US HY (Spread): Base 375bps (+/-25bps), Municipal 10YR Index: Base 3.40% (+/-15bps), Preferreds: Base 240bps (+/-25bps)

Mid-year 2026: US IG (Spread): Base 105bps (+/-15bps), US HY (Spread): Base 375bps (+/-25bps), Municipal 10YR Index: Base 3.39% (+/-15bps), Preferreds: Base 240bps (+/-25bps)



Europe Credit

European Credit Markets have delivered beyond carry-like returns YTD: +2.4% in EUR Investment Grade and +4.1% in EUR High Yield. EUR IG index spread is now >20bps tighter vs. the start of the year, currently trading at ~80bps – just couple bps away from record tightness post-GFC. EUR HY index is tighter by ~30bps in credit spread YTD – outperforming US HY and EM indices.

We do acknowledge current tight credit spreads levels and believe they will remain broadly supported – with some potential for periods of decompression, we would be keen to add to credit markets further on such occasions of spread volatility.

European credit spreads have been underpinned by **healthy European issuers'** fundamentals, as we continue to see in Q2'25 earnings results, that we expect to be supported further by the eventual **read-through from the infrastructure spend**. Interest Coverage ratios, albeit lower vs. recent history peaks, remain high at >12x for IG and >7x for € BB-s, Net Leverage remains below historical medians.

Yield-based demand remains an important technical in historically starved-for-yields EUR credit markets, we also expect a certain degree of recalibration of investors' appetite/ overweights in USD assets to remain a supportive factor for EUR credit markets, particularly with current starting yields at 3%+.

We continue to **see the best risk-reward in adding to 7-9 years to maturity part of the curve** – combining our view on optimal rate duration exposure and taking advantage of the relative steepness of the credit spreads' curve up to ~9y to maturity, vs. beyond.

We find these parts of European Credit Markets particularly attractive:

European Corporate Hybrids: BB-like yields from Investment Grade issuers

We remain selective, focusing on robust credit metrics and strong operating results. Over 60% of outstanding € notional of Corporate Hybrids come from non-cyclical issuers: utilities, telecommunications, consumer non-cyclicals, we like the defensive nature of these sectors when undertaking the subordination risks.

IG-rated hybrids (~60% of € notional outstanding) tend to provide ~100-130bps of spread pick-up to issuers' respective senior curves, while HY-rated hybrids from issuers whose senior papers fall into IG, can offer a spread pick-up closer to 150-165bps above their own senior curves.

Subordinated European Insurance:

Solvency metrics remain strong as the losses from LA wildfires (20-40% of FY'25 catastrophe budgets for European Reinsurers, according to Fitch) remain in the rearview window – driven by **effective underwriting** and **increased investment income**. Over 75% of European Insurers' Junior Subordinated notes are rated Investment Grade – we particularly favour single-A rated part of the market.

European Banks:

Q2'25 European Banks' earnings demonstrated continuous solid operational performance – strong commissions & fees performance, robust Capital Ratios with ample buffers, low Cost of Risk and improving health of the loan books with declining Non-Performing Loans ratios. We remain comfortable with European Banks across the capital structure, within Junior Subordinated papers we broadly favour structures with lower extension risk. While we might see political uncertainty around budgets of several European states dampen regional growth outlooks, there could be some pressure on the lending volumes growth and subsequently banks' earnings growth – we would use any potential credit spreads widening in the space as opportunity to add to national champions at attractive levels.

European Automanufacturers:

We continue monitoring the developments for the sector in light of increased Chinese competition, impacts of 50% US steel and aluminium tariffs on the supply chains, and other structural challenges such as lower demand, pricing pressures and high fixed costs.

While markets welcomed clarity on the final US tariff rate (15% for European Automanufacturers), we continue to favour **select Investment Grade/ Upper-Tier High Yield national champions that operate with negative net leverage** given large amounts of liquidity held on their balance sheets.

What we're watching: We continue to prefer exposure to higher credit quality issuers both across Senior and Subordinated in Financials and Corporates alike.

Our view: Year-end 2025: EUR IG (spread): 95bps (+/- 15bps) EUR HY (spread): 325bps (+/- 25bps)

Mid-year 2026: EUR IG (spread): 95bps (+/- 15bps) EUR HY (spread): 325bps (+/- 25bps)

EM Credit

EM Credit continued its outperformance trend in August, outperforming both US and European credit spreads, but spread moves were limited. The majority of returns were driven by the decline in UST at the start of August. EM Sovereigns delivered returns of +1.2% in IG and +1.2% in HY, while EM Corporates delivered returns of 1.1% in EM IG and 1.1% in EM HY. This has outperformed US IG by 0.2% and US HY by 0.1% over the month. Looking ahead to the rest of the year, **we expect EM to deliver carry like returns**, given attractive all-in yields of 7.1% in EM Sovereigns and 6.5% in EM Corporates. Current spread levels reflect a goldilocks scenario, which leaves us thinking spreads could be vulnerable to a move wider on any negative developments and weaker data and we do expect to see wider spreads by year end, although only marginally.

We still think there are reasons to be more positive in EM. As previously mentioned, **fundamentals are strong** and we see no signs of that changing over the next few months. Growth levels in EM are expected to be stronger than DM over the coming years, with ASEAN, the Middle East and Sub Sahara Africa expected to achieve growth rates north of 2%. Europe and Latin America remain with positive growth albeit below 2%. This compares favorably to DM over the next few years. EM Corporates are also in better shape vs DM peers. EM IG net leverage of 1.0x compares favourably vs US and European IG net leverage of 2.8x. EM HY leverage of 2.9x also compares favourably to US HY of 3.6x and European HY of 4.9x.

Thus, as we enter a period of potential lower DM growth and a likely resumption of US rate cuts, it is worth re-iterating the added benefits of diversification that EM credit offers and the higher carry available today. On the latter point, EM yields remain above their longer term peaks of 6.0-6.5% and thus still offer an opportunity to increase carry without sacrificing fundamental quality.

While we have seen an easing of rhetoric on several fronts, namely US tariff policy, and a cooling off of geopolitical tensions in the Middle East, **we remain comfortable with the growth potential within EM** and the outlook for EM Sovereigns and Corporates. These themes are also highlighting one of the strongest arguments for EM i.e., broader diversification. We believe select EM economies can stand to benefit from the current trade negotiations e.g., Latin America and India. We also think that renewed geopolitical tensions can strengthen the investment case for the remaining EM regions.

Overall, **we maintain a neutral stance on the complex and a preference for up in quality trades**, driven by the strong retracement in spreads since April. EM has the

potential to keep outperforming DM asset classes given higher carry and longer duration vs extended credit asset classes, thus their continues to be a home for EM within portfolios.

We find these parts of EM Credit particularly attractive:

Corporate hybrids: As with the developed world, some of the corporate hybrids in EM from investment-grade issuers offer HY-like yields with less cyclical fundamental risk and solid balance sheets.

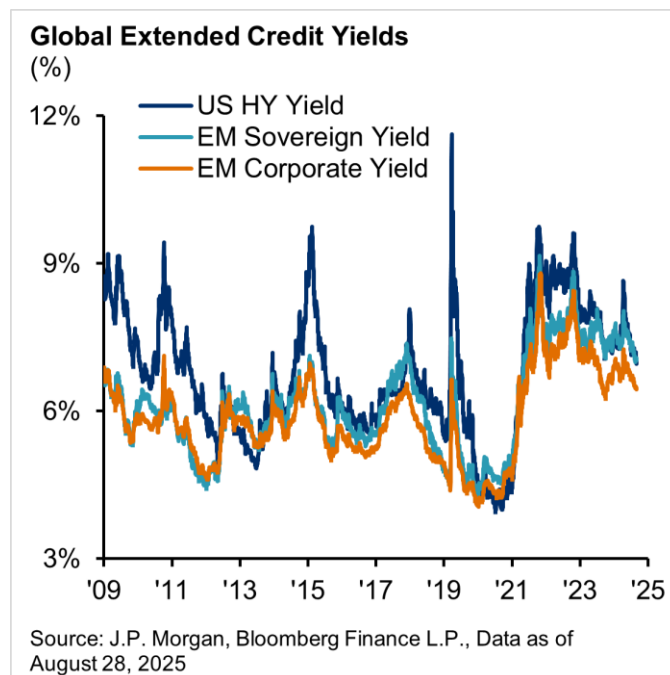
Contrarian trades: Sometimes buying the best house in a bad neighborhood can provide above-expected returns. We see opportunities in certain Turkish corporates that might offer outsized returns for the quality of the business and strength of the balance sheets.

Resilient credits: Issuer's that have stable to improving fundamental stories and that exhibit consistent positive free cash flow, providing flexibility to deal with macroeconomic uncertainty.

What we're watching: We prefer up in quality trades, with a focus on Investment Grade, Corporate Hybrids and Resilient Credits that have stable to improving fundamental stories with a consistent free cash flow profile.

Our view: Year-end 2025: EMBI (Spread): 300bps (+/- 25bps) CEMBI (Spread): Base 210bps (+/- 25bps)

Mid-year 2026: EMBI (Spread): 300bps (+/- 25bps) CEMBI (Spread): Base 210bps (+/- 25bps)



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Asia Credit

Asia credit is expected to generate stable carry, with a preference for Investment Grade (IG) over High Yield (HY) due to emerging defaults and restructuring. We like Japanese life insurers and Asia Financial in IG, and Indian non-bank financials, and Macau gaming in Asia HY.

Asia IG: Asia IG offers stable carry with a yield of 5.15% and duration of 4.76. Our top picks in Asia IG include Japanese life insurers and Asia Global Systemically Important Banks (G-SIBs). We maintain a neutral stance on Hong Kong, India, and Indonesia credits due to balanced risk-reward dynamics. We view valuations for Chinese and Korean credits as tight.

Asia High Yield (HY): Credit selection in Asia HY is important, especially after the record defaults in recent years. Our top picks in Asia HY include Indian high yield due to their long-term growth potential, and Macau gaming given its stable credit profile. We are cautious in Hong Kong and China real estate sector given ongoing weakness in fundamental.

What we're watching: Japan Lifers Hybrids: Low volatility and strong call history, make these a focal point. G-SIBs in Asia: Solid IG credit with global business, minimal US CRE exposure India Growth: Long-term growth prospects and supportive infrastructure policy.

Our view: Year-end 2025: Asia IG (Spread): Base 90bps, Recession 105bps, Rebound 75bps. Asia HY (Spread): Base 565bps, Recession 590bps, Rebound 550bps

Mid-year 2026: Asia IG (Spread): Base 90bps, Recession 150bps, Rebound 90bps +/- 25bps. Asia HY (Spread): Base 565bps, Recession 800bps, Rebound 550bps +/- 25bps

FX VIEWS

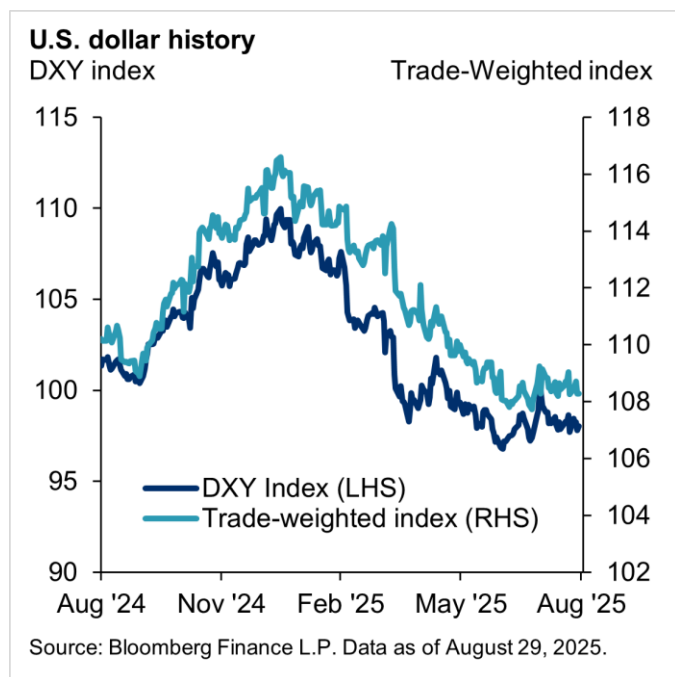
U.S. Dollar

Our bearish view on the dollar is predicated on: 1) moderation in U.S. growth outperformance, and 2) rebalancing of U.S. dollar overweights and low FX-hedge ratios. Those pillars are in the process of playing out, with the weak payrolls print providing further confirmation in August. We expect that slowing U.S. growth, coupled with improving prospects in Europe and Asia, will lead to continued dollar weakness, albeit at a more moderate pace than observed in the first half of 2025. Additionally, we will monitor changes in behavior within the institutional investing community, as some quick movers in Europe have begun to act, while overall adjustments to U.S. holdings and hedge ratios remain limited. This could signal the potential for a longer-term downtrend.

The key beneficiaries in this environment are likely to be alternate reserve currencies like EUR, JPY, and Gold. However, we think that investors broadly should consider ways to either hedge against (non-USD based investors) or enhance returns from (USD-based investors) a more persistent USD weakening.

What we're watching: U.S. growth momentum vs. rest of world, Fed policy expectations, risk sentiment.

Our view: Year-end 2025: 96 (94-98), Mid-year 2026: 95 (93-97)



Euro

We remain constructive on the euro due to a significant shift in Europe's economic prospects following Germany's historic fiscal package. Details of the German 2025 Budget suggest a more front-loaded fiscal boost than previously expected. Additionally, ECB rates are no longer restrictive for economic activity, and the recent US-EU trade deal, while not necessarily favorable for Europe, eliminates some tail risks for European growth. This, combined with some softening in U.S. data, is narrowing relative growth expectations and boosting prospects for EURUSD.

While political developments in France could pose a near-term headwind, our models indicate that cyclical factors alone could gradually move EURUSD towards the 1.20 level. Furthermore, the potential for continued rotation into domestic assets and increased currency hedging by European asset managers could support more substantial upside over the medium term. Long EURUSD remains our preferred expression of the bearish dollar view, and we recommend that EUR-based assets constitute around 20% of global investment portfolios.

What we're watching: Eurozone vs. U.S. growth momentum. Fiscal Policy, French politics

Our view: Year-end 2025: 1.18 (1.16-1.20), Mid-year 2026: 1.20 (1.18-1.22)



British Pound

Cable has been range-bound around the 1.34 level since May. Our fair value model suggests a largely neutral outlook for sterling over the next 12 months, in contrast to a more optimistic view on other reserve currencies like EUR, JPY and Gold.

Three key developments limit the potential for further GBP gains: 1) recent economic data, particularly concerning the labor market, indicates a faster slowdown in UK growth and inflation; 2) the Bank of England (BOE) seems increasingly sensitive to growth risks, and we find the current market pricing of the rate cut trajectory overly hawkish; and 3) fiscal constraints on government spending remain a significant concern.

Therefore, while broad dollar weakness supports buying dips in GBPUSD, we expect the pound to underperform most other G10 currencies.

What we're watching: BOE trajectory, global risk sentiment, Gilt yields, fiscal concerns.

Our view: Year-end 2025: 1.35 (1.33-1.37), Mid-year 2026: 1.36 (1.34-1.38)



Swiss Franc

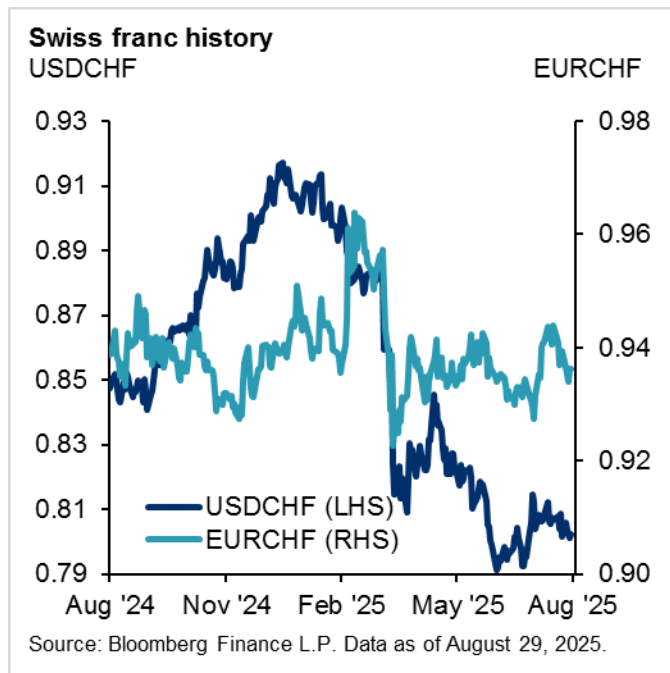
CHF is among the major beneficiaries of global investors diversifying away from the USD. However, deeply negative carry and European growth improvement, along with a surprisingly high 39% tariff rate, may restrain its strength relative to EUR. The Franc officially became zero-yielding since June. Should deflationary pressure sustain, the central bank may either adopt negative interest rate policy, or exercise FX intervention i.e. weakening the currency – though this would require currency strength against the EUR rather than USD in our view. In addition, EURCHF is usually positively correlated with European growth momentum. Therefore, we expect CHF to moderately weaken against the Euro.

That said in a weak dollar backdrop, CHF could remain on the strong end against the USD. This outlook supports using CHF as a funder for EUR-based clients, while USD-based clients should consider reducing positions during windows of USD rebound.

What we're watching: European growth, broader risk sentiment, trade talks

Our view: Year-end 2025: USDCHF: 0.81 (0.79-0.83) EURCHF: 0.96 (0.94-0.98)

Mid-year 2026: USDCHF: 0.80 (0.78 - 0.82) EURCHF: 0.96 (0.94-0.98)



All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Japanese Yen

We remain bullish on the yen over the medium-term. Long-end JGB yields have risen significantly to a 15-year high. This upward trend began in 2022 when the BOJ incrementally lifted yield curve control measures, but it has meaningfully accelerated year-to-date with 30-year yield rising over 100bps. We expect further increases in long-end yields as part of the interest rate normalization process—currently, the 30-year yield at 3.2% barely aligns with inflation. The global implication is that fixed income repatriation could increasingly become a bigger theme.

However, we expect more sustained strength in yen only after U.S. interest rates begin to meaningfully decline from current levels. Negative carry is still punitive for short USDJPY trades. The BOJ will likely be patient with further hiking. While we advise caution on speculative bets on yen appreciation, a long JPY position could be considered as a hedge against risk-off macro outcomes. We are also comfortable with investing in Japan equities without an FX hedge as a way of USD diversification.

What we're watching: USD yields, Japan inflation, BoJ policy guidance.

Our view: Year-end 2025: 139 (137-141), Mid-year 2026: 135 (133-137)



Chinese Yuan

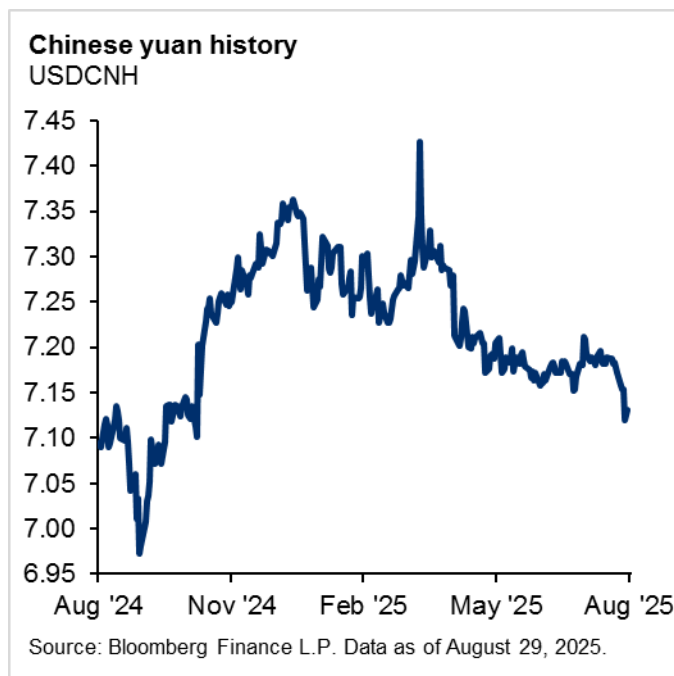
CNH has maintained low volatility against the USD year-to-date, despite significant USD weakness, which resulted in notable underperformance against non-USD major currencies. In August, alongside improved sentiment in Chinese equities, the PBOC's fixing rate for USDCNY declined meaningfully, guiding offshore USDCNH rates toward the 7.15 level, in line with the midpoint of our outlook range.

Looking ahead, USDCNH may continue to leak lower due to a weaker dollar. However, a much stronger yuan (i.e., below 7) is not our base case, as we expect the PBOC to maintain its FX stabilization policy to mitigate potential tariff impacts on exports.

Therefore for investors seeking USD diversification, RMB assets may not be the most effective - we'd prefer Euro and Yen denominated assets. As a funder, CNH still offers low FX volatility and attractive funding costs, but the risk-reward profile is deteriorating with impending US interest rate cuts and increased FX downside risks. Investors without a need to FX hedge their China exposure may consider reducing currency mismatches in their liabilities.

What we're watching: U.S.-China trade tensions, China policy moves, capital flows.

Our view: Year-end 2025: 7.20 (7.10-7.30), Mid-year 2026: 7.15 (7.05 - 7.25)



G10 Commodity FX

The commodity bloc traded with divergence in August, with AUD showing resilience while the NZD and CAD weakened, in line with our preference. The overall outlook remains constructive, supported by a benign outlook on risk sentiment and broad dollar weakness.

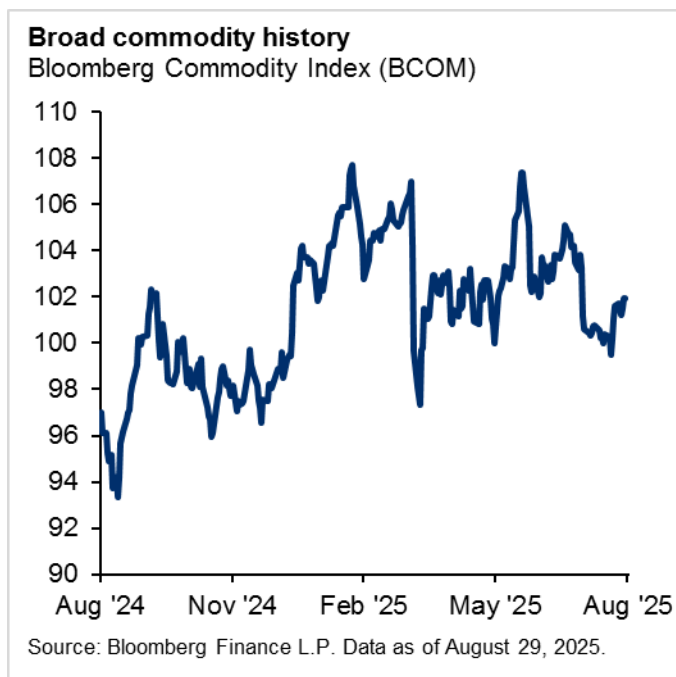
CAD: Neutral. Near-term caution due to trade uncertainties and spillover effects from weaker U.S. growth. With further BoC cuts likely, we believe CAD can serve as a lower carry proxy for tactical USD shorts. More constructive medium-term outlook supported by fiscal measures and ongoing FX hedging.

AUD: Bullish. We expect a shallow RBA easing trajectory, with the terminal rate being among the highest in the G10. Support will also come from benign global risk sentiment and a robust domestic fiscal impulse.

NZD: Neutral. Near-term underperformance is expected due to continued labor market weakness and a slow cyclical recovery. More constructive medium-term outlook as RBNZ being an early mover (250bps cut delivered).

What we're watching: Commodity prices, global growth outlook, central bank divergence

Our view: Mid-year 2026: CAD: 1.32 (1.30-1.34)* AUD: 0.68 (0.66-0.70) NZD: 0.63 (0.61-0.65)*



Scandi FX

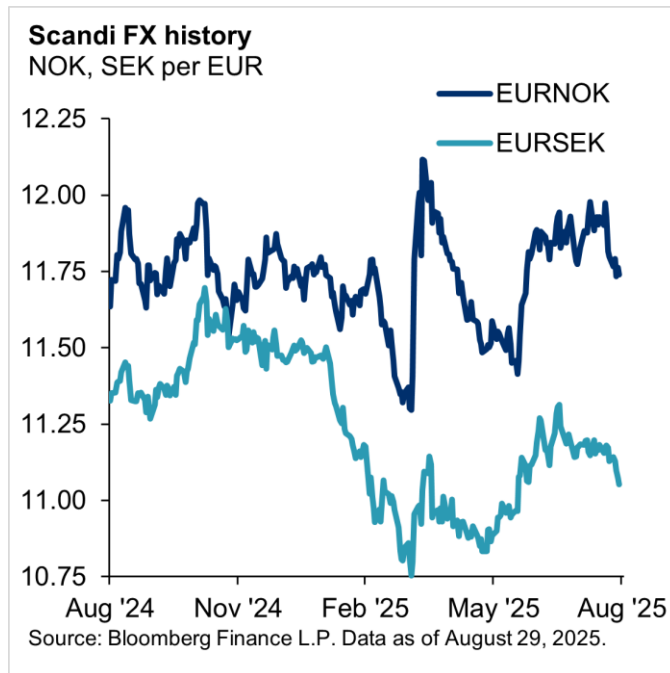
Scandis have generally benefited from risk-on sentiment this year with NOK outperforming SEK, both in August and year-to-date, in line with our preference. We think that continued strength in global risk assets, partnered with more favorable domestic growth and fiscal dynamics, provide a strong backdrop for the bloc going forward.

NOK: Bullish. Norges Bank's August meeting delivered a hawkish surprise by a lack of guidance on a cut in September. Economic resilience to global trade uncertainty and ample fiscal space into the September election should benefit NOK – especially as stagflation concerns grow for other higher carry currencies like GBP.

SEK: Neutral. Recent softness in growth is a headwind. Repatriation flows slowed over recent months. That said we expect SEK to be a major beneficiary of a potential Russia-Ukraine ceasefire.

What we're watching: European vs domestic growth, commodity prices, central bank developments

Our view:* Mid-year 2026: EURNOK: 11.10 (10.90-11.30) EURSEK: 10.40 (10.20-10.60)



* JPM Investment Bank Outlook

Emerging Market FX

EM FX performance may diverge in 2H on trade outcomes, repatriation potentials as well as local political and growth risks.

Latam: Neutral, await clarity on trade deals. BRL: Bilateral trade talks still ongoing. 50% tariffs are high but extensive carve-outs could temper the impact. Fiscal overhang remains. MXN: Carry advantage remains but caution on uncertainty over USMCA negotiations and strong year-to-date performance.

EMEA: We are neutral on this part of the complex. ILS: The apparent easing in tensions between Iran and Israel has opened the door for USDILS to retest 3.30. Provided that geopolitical tensions remain somewhat muted, we expect the next leg lower for USDILS to be driven by institutional investment flows. Israeli institutional money managers are among the most exposed to USD risks globally, and we anticipate higher FX hedge ratios to support ILS strength.

Asia: We see FX of economies with larger USD holdings via portfolio allocation and exporter deposits outperform. INR: Constructive. Near term pressure from unexpected noises from trade. Carry advantage, a healthy growth outlook and a smaller export reliance still lend support. TWD: Neutral following the sharp rally in May. Hedging activities are expected to continue but CBC may take actions to smoothen the moves. SGD: USDSGD trading at a 10-year low. Limited downside from here as MAS ramps up easing.

What we're watching: Overall risk sentiment, global trade outlook, central bank divergence.

Our view:* Mid-year 2026: BRL: 5.75 (5.55 – 5.95) MXN: 19.40 (19.20–19.60) ILS: 3.15 (3.05–3.25) INR: 85.30 (83.30 – 87.30) TWD: 27.90 (26.40–29.40) SGD: 1.25 (1.23–1.27)

EM currency history

J.P. Morgan EM Currency Index



Source: Bloomberg Finance L.P. Data as of August 29, 2025.

* JPM Investment Bank Outlook

COMMODITY VIEWS

BCOM Index

Commodities flatlined over the month, as the tariff storm finally subsided. The market is trading close to the YTD average, which has admittedly been pushed lower by the Liberation Day fears in early Spring. With clarity has come calm and we hope for further stabilization into the Fall and the onset of Fed interest rate cuts, which should spur a revival in commodity prices. The USD decline will also be a focus for the final stretch into year-end. The biggest loser this month was Natural Gas which lost another -10%, followed by Crude Oil -8% and Diesel -4.8%. On the winning side, the best performers were Coffee which gained an astounding +28.3%, Soybeans +7% and Cattle +6.5%. The specter of food inflation this month is not a welcome one.

What we're watching: Tariff uncertainty is now hopefully behind us. The Ukraine conflict is still a factor for Corn and Oil prices and the market will respond to interest rate cuts, if we see the Fed move in September.

Our view: Year-end 2025: 107-108, Mid-year 2026: 110-112



Gold

Gold advanced +2.8% on the month, but remained firmly in the range that we have seen for the entirety of the summer. Some volatility was seen due to confusion around the tariffs imposed on Switzerland, but the metal traded in a \$100 range and has continued to consolidate towards the higher end of the YTD move. This is encouraging, and we should see benefits from interest rate cuts that could come as soon as September. We will be watching closely to see how the price reacts to the cut, if it happens, and this will likely be a big factor in determining likely price trajectory for the balance of 2025. For investors looking at entry points, the 100 day moving average is now at \$3330 and we would look to add to positions on a dip to this level and below.

What we're watching: All eyes now shift to the Federal Reserve meeting in September.

Our view: Year-end 2025: \$3600-\$3700, Mid-year 2026: \$4050 - \$4150



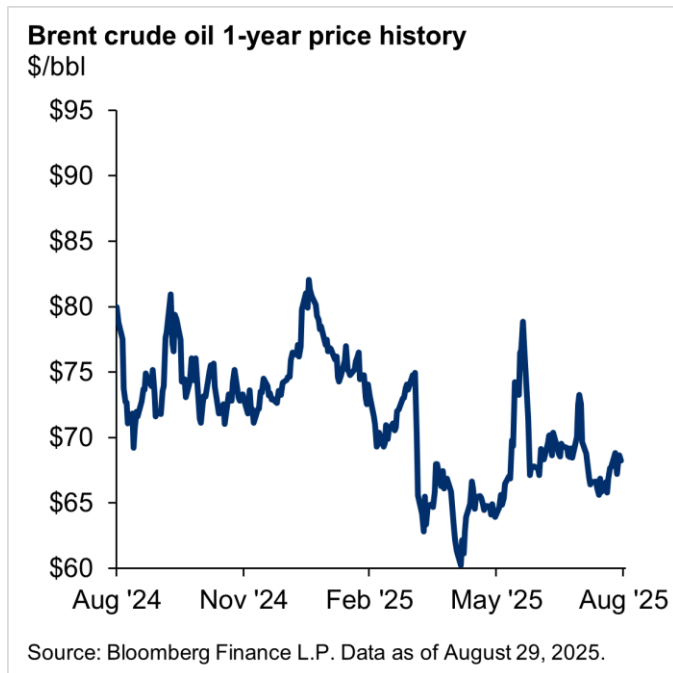
All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Crude Oil

Crude oil resumed the downtrend, losing -8% over the two benchmarks in August. Prices had advanced for a few days at the end of July, on the possibility that President Trump would impose more sanctions on Russia, targeting energy exports, but this proved not to be the case. As we had argued in 2022, the best possible way to hurt the Russian economy is to push prices lower and encourage large global increases in supply, not by sanctioning Russia and pushing prices higher. Russia will find ways to export crude oil and there will be countries willing to pay for that oil. The White House imposed tariffs of 50% on India as a penalty for buying Russian oil, but this has had little to no effect on Indian demand and oil prices have remained weak over the month as the reality of supply/demand balances weighs on the market. We are currently expecting a surplus by year-end of over 2mbd and this will likely grow larger over the course of 2026. It is hard to build a case for higher prices in this scenario.

What we're watching: Russia threats have passed for now, and there may be some realization in the WH that lower prices hurt Russia more than sanctions.

Our view: Year-end 2025: WTI: \$59-\$64 Brent: \$63-\$68, Mid-year 2026: WTI: \$52-\$57 Brent: \$55-\$60



Natural Gas

Nat Gas continues to be very volatile, losing -10% in August. Production growth emerged in early summer and storage inventories remain healthy. LNG demand has been weaker than expected due to ongoing maintenance and Mexican imports have grown in August. Hurricane Erin proved not to be a factor for the Continental US and this relief has also been a factor in price declines. Production remains strong after increases in early summer in the Haynesville have not been impacted by price declines. Monthly gas power burns have not been as strong as anticipated with relatively moderate temperatures keeping cooling demand within historical norms and lower than had been anticipated. In this environment, production continues to grow and we expect storage injections to absorb these increases. The WH is becoming aware of the political risk from rising electricity prices in the US with national averages up over 10% YTD. This can impact gas prices and needs watching although the demand factor seems to be a bigger risk as we wait for more nuclear power to come online.

What we're watching: The political risk of electricity price increases.

Our view: Year-end 2025: \$4.00 - \$5.00, Mid-year 2026: \$3.50 - \$4.50



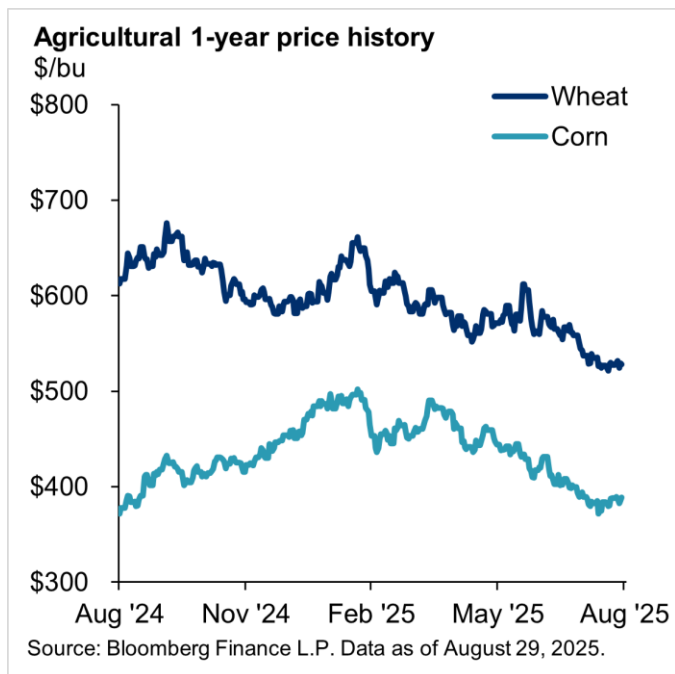
All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Agricultural Commodities

Corn and Wheat declined again in August with Corn losing -2.8% and Wheat declining -1.3%. In a month of food inflation these declines are welcome but somewhat surprising to us. Global Food prices are up almost 5% YTD and important to note that Coffee was +28% in August on Brazil tariffs and unfavorable growing conditions. Corn exports and a strong domestic ethanol market should weigh on inventories, so we see the possibility for constructive price increases in the months ahead. Wheat export commitments have also built recently and we see potential strength ahead here as well.

What we're watching: Ukraine peace negotiations and China demand into 2H 2025.

Our view: Year-end 2025: Corn: 425-525 Wheat: 550-650, Mid-year 2026: Corn: 450-550 Wheat: 575 – 675



Copper

Copper rose +1.6% in August. The metal traded in a fairly tight 2% range after a very volatile year so far and the market is attempting to price a US domestic market that appears to be very well supplied after the panic around copper tariffs. No new factors emerged over the month and we remain cautious on the potential for price increases for now.

What we're watching: We look for US import demand to wane over the second half and watch to see if tariff news re-emerges.

Our view: Year-end 2025: \$9100 - \$9200, Mid-year 2026: \$9300 - \$9400.



ALTERNATIVES VIEWS

Private Credit

In today's complex environment, concerns about a potential 'private credit crisis' have emerged due to several factors: the possibility of a significant economic slowdown, the impact of 'higher for longer' interest rates, persistent inflation, and the influx of capital into private credit impacting industry fundamentals. These factors have led to questions about the durability of the characteristics that have made private credit popular, such as consistent returns, healthy yields, and low volatility.

First - we believe fears of a systemic crisis in private credit are overstated.

- Growth of the private credit industry has been meaningful (+14.5% CAGR over past decade), but, in our view, not large enough to pose systemic risk to the economy. Private credit AUM is ~\$1.2T, representing about 9% of all corporate borrowing.⁸
- Our base case is that economic growth moderates, but avoids a recession this year. If we enter a meaningful economic slowdown, senior direct lending returns should remain resilient due to high yield starting levels, seniority in the capital structure, and underlying portfolio diversification.

All that said, the industry is not immune to a potential economic slowdown. The broad private credit industry exhibits lower quality fundamentals vs. public market (whether high yield or the leveraged loan market). This is in part due to post-GFC banking regulations which shifted lending to the middle market to the private markets. Below is a snapshot of comparison of the leveraged loan market (private vs. public).⁹

- Interest coverage ratios (EBITDA / Net Interest Expense): 2.1x vs 3.9x ; private vs public
- Leverage (Debt / EBITDA): 5.6x vs. 4.6x
- EBITDA margins: 14.9% vs. 16.4%.

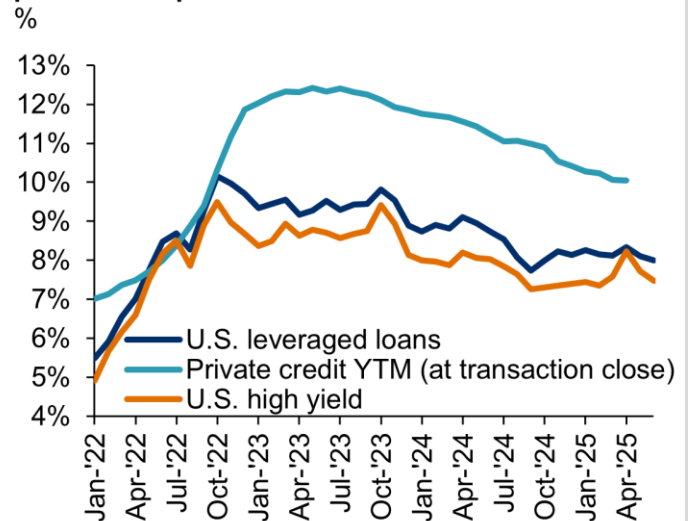
While investors have been compensated for this incremental risk through higher yields, an economic downturn would likely lead to stress at the company and manager level. Additionally, as base rates likely move lower, we believe yields will normalize to historical levels. Therefore, it is critical for private credit portfolios to be diversified across managers and sectors outside of just senior direct lending / corporate credit (i.e. opportunistic

credit, asset-backed credit, GP/LP solutions). While we do not expect a macro distress cycle, pockets of dislocation may emerge as growth moderates, creating opportunity for specialized lenders.

Bottom line: Senior direct lending can still be an income ballast in a client portfolio, but manager selection is key. We believe private credit portfolios should be diversified across managers and sectors outside of just senior direct lending / corporate credit (i.e., opportunistic credit, asset-backed credit, GP/LP solutions).

What we're watching: Rise in AUM and potential impact on returns/volatility, default risk, path of base rates, yields vs. public credit.

Recent direct loan deals yield maintain healthy premium vs public markets



Source: J.P. Morgan. Data latest available as of June 30, 2025.
Note: YTM includes OID.

⁸ "Private Debt: A Game Changer", Empirical Research Partners, April 2025.

⁹ 1Q25 Leveraged Loan Credit Fundamentals, JP Morgan Investment Bank North America Credit Research, June 23, 2025.

Private Infrastructure

Infrastructure often provides two key characteristics to investors: consistent returns (supported by long-term, inflation-resilient, contractual cash flows) and exposure to secular growth backed by multi-year trends (acceleration in demand for power, revitalization of U.S. infrastructure). These characteristics have become more relevant given our expectation for higher for longer rates and inflation.

Since 2Q08, core infrastructure has annualized high single digit to low double digit returns across various inflationary regimes. Let's double click into the multi-year trends supporting these consistent returns.

- **Acceleration in demand for power:** ~40% of demand driven from industrialization (reshoring, resurgence of U.S. manufacturing), ~40% from Data Centers (driven by growth in AI), ~20% from Electrification (building electrification, EV growth & charging infrastructure)
- **Revitalization of U.S. infrastructure:** ASCE estimates the US needs ~\$9.1T in investment over the next decade to get U.S. infrastructure to reach a state of good repair, resulting in a \$3.7T funding gap based on current spending levels. Why? Aging U.S. infrastructure (e.g., ~70% of grid is over 25 years old and was built for a different energy mix, ~40% of major roads are in poor condition) and resulting vulnerability to extreme weather events (US experienced two times more weather-related outages during the last 10 years (2014– 2023) than during the prior 10 years (2000– 2009)).

Moreover, investors have historically had low allocations to infrastructure. The JPM Private Bank Family Office Report found that infrastructure represented less than 1% of assets under supervision in 2024 . As the need for consistent, inflation-resilient income becomes a top priority in this cycle, we believe investor allocations to infrastructure can (and should) shift higher.

Over the past couple of years, the infrastructure sector has garnered substantial attention as the need for more power has become more widely recognized. Integral to this transformation are infrastructure assets across the power spectrum – from power users (data centers) to power generation (renewables and traditional energy) to power distribution and storage (utilities, midstream assets, transportation, and battery storage). Indeed, power now represents ~60% of the global private infrastructure index.

Investments in AI and data centers are being driven by large, profitable companies with substantial free cash flow, ensuring that these projects are well-funded and sustainable. This influx of capital is expected to accelerate

the modernization of power infrastructure including traditional and renewable energy sources, fiber optic cables and cell towers.

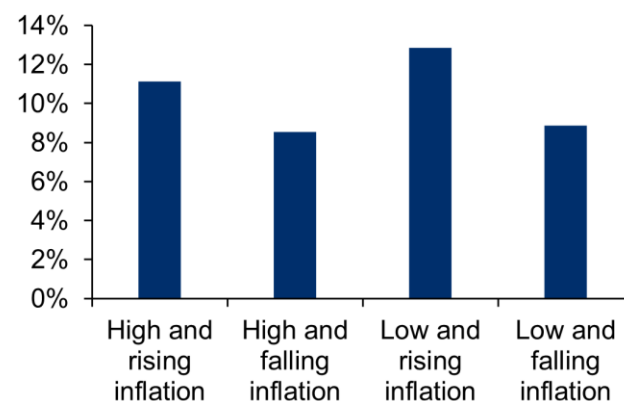
The past couple of years have also showcased in real-time the role that energy plays in influencing the geopolitical landscape. Securing reliable sources of energy / power - not only for essential services but also to power AI - has become a matter of national security. For investors, it means that investment in energy and power infrastructure will be supported by long-term secular forces, and that investing in globally diversified infrastructure is key as the type of asset (and therefore growth) you are getting exposure to will vary by region.

Bottom line, for private investors, infrastructure presents a unique opportunity to get access to both consistent returns (backed by contractual, inflation-resilient cash flows) and multi-year secular trends (power, revitalization of U.S. infrastructure)

What we're watching: Impact of tariffs, signs of a macro slowdown, any signs of overinvestment in datacenters.

Infrastructure returns stable across different inflation regimes

Annual return, %



Sources: MSCI, Bloomberg Finance L.P. Data based on availability as of June 2025. High inflation defined as year-over-year headline US CPI reading above historical median (2.1% in timeframe used: 2Q08 – 3Q24). Returns shown are annualized and based on global core infrastructure average quarterly returns.

Private Real Estate

In the timeframe post the 2022 rate hikes (3Q22 to 3Q24), Commercial Real Estate saw a -18.5% decline in total returns, despite an ~8% growth in NOI. This created a unique gap between fundamentals and returns. We believe we are in the early innings of a recovery.

The U.S. real estate market started 2025 with positive momentum, as shown by the ODCE's positive total returns for the third consecutive quarter since Q4 2022. Even the office sector has shown improvement. While stabilizing cap rates have been pivotal in this recovery, the underlying fundamentals remain robust.

We are constructive on rentals and industrial real estate.

- The current state of housing affordability has created a significant opportunity in single family rental as more individuals and families turn to renting as costs to own become more prohibitive.
- The next multi-generational trend in real estate that we are constructive on is US re-industrialization. As the United States undergoes a significant re-industrialization, industrial real estate presents a compelling investment opportunity, driven by increased demand for manufacturing facilities, distribution centers, and logistics hubs.

The meaningful decline in housing affordability we have seen over the past few years will likely be one of the most important trends to watch in US real estate markets going forward – increasing not only the potential for individuals and families to turn to renting (vs. owning), but also shift where they look for housing.

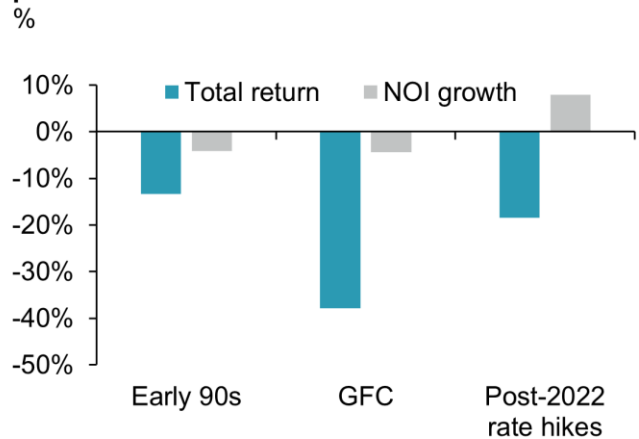
- Housing affordability is at a multi-year low; the median age of a first-time home buyer is now ~38 years old (vs. 33 around five years ago, and 28 in the early '90s)
- The monthly cost of single-family rentals is \$2,305 vs. the monthly cost to own at \$3,405
- Falling supply may also allow owners to continue to push rents higher. The national housing shortage is expected to deepen through the end of the decade.

Bottom line, we believe that real estate has the potential to offer durable returns supported by consistent, inflation-resilient cash flows. We believe we are in the early stages of a recovery in commercial real estate and remain focused on property sectors with strong fundamentals backed by multi-year secular trends. We believe rentals and industrial real estate are two of those sectors. The shift towards

renting (vs. owning) and U.S. re-industrialization will continue to transform real estate for multiple years.

What we're watching: Signs of a macro slowdown, impact of tariffs on input costs, signals of impact of immigration policy on labor and therefore supply.

Post 2022 CRE drawdown: disconnect between price and fundamentals



Source: JPMAM Real Estate Americas. Data as of December 31, 2024. Cumulative Total Returns & NOI Growth for the ODCE Index from the first quarter of depreciation for the index until valuations turn positive again. Early 90s (3Q90-2Q93), GFC (2Q08-4Q09), Covid (3Q22-3Q24).

Housing affordability near multi-year low



Sources: Bloomberg Finance L.P., National Association of Realtors. Data as of May 2025. When the index measures 100, a family earning the median income has the exact amount needed to purchase a median-price resale home.

Private Equity

It is no secret that the past few years have been challenging for private equity (PE). The median PE manager has underperformed public markets across regions since end of 2022, in part due to the AI-fueled rally in mega cap tech that propelled public markets to new highs. This has come at a time of high levels of dry powder and low distributions, leading to a rising chorus of frustration with the industry and a slowdown in fundraising.

With this backdrop, we take a look at what the fundamentals are telling us.

- **EBITDA growth:** Over the past 10 years, median 1-yr EBITDA growth for a buyout company has averaged ~9%; the 75th percentile averaged ~35%
- **Valuations:** Median EBITDA multiples have been on an upward trend over the last 10 years (12.3x vs. 8.9x in 2014) .
- **Capital market activity.** Near record amounts of dry powder while distributions as a % of NAV are at the lowest levels seen since GFC.
- **Green shoots emerging.**
 - Dealmaking activity: After a post-“Liberation Day” pause, we saw signs of recovery in May and June. In May and June, global M&A and IPO volumes were both higher than the long-term monthly average¹⁰. While IPO activity has been concentrated in the AI ecosystem, this uptick reflects progress towards a healthier exit environment.
 - Exit activity: In the US, 1Q25 was the strongest period of exit activity since the end of 2021¹¹. Medium-term, our expectations for a decline in interest rates, regulatory easing, and convergence of bid-ask spread will likely support additional exits.

Putting this mosaic together, alongside our expectations for rates and inflation to remain at higher levels than the post-GFC timeframe, the formula for buyout total return generation has changed. ~50% of buyout returns post-GFC were driven by multiple expansion and leverage, we believe that contribution will decline moving forward. We also expect greater manager dispersion moving forward.

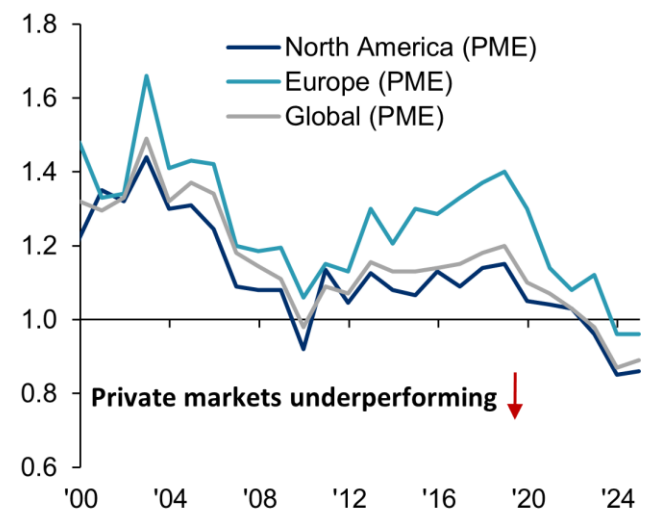
Within private equity, regionally, we remain constructive on the U.S. and are increasingly optimistic on Europe. Tech

remains an area of interest, though elevated valuations and rising risk to established players on the back of AI disruption call for discipline. In VC and Growth Equity, the rapid pace of company formation and disruption warrants a measured approach. We are focused on multi-year, secular trends including: re-industrialization of the US and pockets of the AI ecosystem (i.e., 'services as a software', data platforms, emerging agentic-AI).

Overall, we believe that high-quality PE managers, especially in Europe, are well-positioned to provide differentiated and robust return potential over the long-run. That being said, prudent manager selection in PE is going to be increasingly important – not only in relation to who can drive returns through operational improvements, but also who can get deals done in uncertain environments. Finally, secondary private equity investment should continue to see above-average activity, as the industry continues to work through a multi-year liquidity backlog.

What we're watching: Capital market activity (dealmaking, exit activity, dry powder, fundraising levels), valuations.

Median PE funds have recently underperformed public markets, breaking trend of outperformance
Public Market Equivalent



Source: Burgiss. Data latest available as of June 2025.

¹⁰ Bloomberg Finance, July 2025.

¹¹ Pitchbook, Apollo, March 2025.

VOLATILITY VIEWS

Equities Vol

This August, contrary to typical seasonal trends, volatility across asset classes broadly continued to decline, reflecting expectations for a stable market environment. A rally in bonds, driven by downward revisions in the US labor market and benign inflation data, supported US equities in reaching new highs, as the market anticipated a more dovish Federal Reserve. This interest rate re-pricing spurred portfolio rotation. Underperforming segments like home builders rallied, while the outperformance in sectors like Tech slowed.

Equity volatility faced pressure, with the VIX dropping below \$15, a previous floor. Strong performance in short volatility trading strategies encouraged increased risk-taking, with short positions in VIX futures reaching levels not seen since September 2022.

A divergence in volatility expectations emerged: premiums for shorter-dated S&P 500 options decreased, while longer-dated maturities remained firm. This steepened SPX volatility term structure, or expectation for turbulence at different time periods, to its highest level this year. This suggests shorter-dated options may look more attractive to own, while economics on structured notes selling longer-dated volatility remain relatively interesting.

Our focus: Investors have the chance to enhance portfolio resilience with US equities at all-time highs and incrementally lower cost of hedging. For those with concentrations, revisit conversations around managing positions to plan for multi-year wealth goals. Structured notes continue to be an effective investment allocation tool for equity exposure.

What we're watching: Increased equity positioning across systematic investor types like trend following strategies (CTAs), as well as re-leveraging amongst Vol Targeting funds.

Macro Vol

US fixed income markets experienced a rally in shorter-duration bonds over the last month, driven by labor and inflation data that suggested a more dovish stance from Fed Chair Powell at Jackson Hole. Like equity volatility, rates volatility showed increased confidence in the near term, while uncertainty grew for longer durations. Volatility on shorter-dated interest rate options decreased as the market anticipates higher likelihood of a rate cut at the Fed's September meeting. However, volatility in the longer part of the curve remained firm, reflecting concerns over Fed independence and its impact on future policy decisions.

What we're watching: Impact of upcoming inflation prints, labor market data, and perception of Fed independence on the US Treasury curve and term premia.

Cross Asset Volatility Monitor			
Underlier	Vol	MoM Change	1 Year Range
Equities – 3 Month 100% Strike Implied Volatility			
S&P 500 Index	13.84	-0.02	
EURO STOXX 50 Index	14.21	-0.25	
Tokyo SE (TOPIX) Index	17.42	0.92	
Rates – SOFR Swaptions ATMF Strike Implied Volatility (BP, Annualized)			
1Y Expiry Into 1Y Swap	87.85	-6.79	
1Y Expiry Into 5Y Swap	85.53	-10.30	
3M Expiry Into 10Y Swap	78.19	-7.14	
Commodities – 3 Month ATMF Strike Implied Volatility			
Oil (Brent)	27.50	-2.00	
Gold	14.46	-0.79	
Currencies - 3 Month ATMF Strike Implied Volatility			
EUR/USD	7.21	-0.04	
USD/JPY	9.21	-0.80	
USD/CNH	3.63	-0.02	

- 1) Source: J.P. Morgan. Data as of August 26, 2025
- 2) ATMF refers to "At the Money Forward"
- 3) In the illustration, the red X signifies current levels & the green line represents the median for the time period
- 4) Historical 1 year window observed for the range

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

DEFINITIONS OF INDICES AND TERMS

Currencies and Central Banks

- USD – US dollar
- DXY – U.S. Dollar Index indicates the general initial value of the USD. The index measures this by averaging the exchange rates between the USD and major world currencies.
- EUR – Euro
- JPY – Japanese yen
- GBP – British pound
- CHF – Swiss franc
- CAD – Canadian dollar
- AUD – Australian dollar
- NOK – Norwegian krone
- MXN – Mexican peso
- BRL – Brazilian real
- CNH – Offshore deliverable renminbi
- CNY – Onshore non-deliverable renminbi
- RMB – Chinese renminbi
- KRW – Korean won
- INR – Indian rupee
- SGD – Singapore dollar
- SEK – Swedish krona
- XAU – Gold
- RUB – Russian ruble
- TRY – Turkish lira
- BCB – Central Bank of Brazil
- BoC – Bank of Canada
- BoE – Bank of England
- BOJ – Bank of Japan
- CBR – Central Bank of Russia
- CBRT – Central Bank of the Republic of Turkey
- CBRA – Central Bank of the Republic of Argentina
- ECB – European Central Bank
- Fed – Federal Reserve
- SNB – Swiss National Bank

Additional abbreviations

- Bbl – Barrel
- Bps – Basis points
- Bcf – Billion cubic feet
- BoP – Balance of Payments
- BTP – Italian government bonds
- Bund – German government bonds
- CFTC – Commodity Futures Trading Commission
- COVID-19 – Coronavirus disease 2019
- DM – Developed Markets
- EM – Emerging Markets
- EMEA – Europe, Middle East and Africa
- FDI – Foreign Direct Investment
- FX – Foreign Exchange
- G10 – The Group of Ten is made up of 11 industrial countries that consult and cooperate on economic, monetary and financial matters
- GDP – Gross Domestic Product
- HY – High yield
- IG – Investment grade
- JGB – Japan government bond
- LATAM – Latin America
- OPEC – Organisation of the Petroleum Exporting Countries
- Oz. – Ounce
- REER – Real Effective Exchange Rate
- SPX – S&P 500
- UK – United Kingdom
- UST – U.S. Treasury note
- WTI – Western Texas Intermediate
- YTD – Year-to-date

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to “Definition of Indices and Terms” for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

Note: Indices are for illustrative purposes only, are not investment products, and may not be considered for direct investment. Indices are an inherently weak predictive or comparative tool. All indices denominated in U.S. dollars unless noted otherwise.

All data sourced from Bloomberg Finance L.P. as of May 09, 2025, unless noted otherwise.

The **Bloomberg Commodity Index (BCOM)** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The **Bloomberg US Agg Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

The **JPM Corporate Emerging Market Bond Index (CEMBI)** series was launched in 2007 and was the first comprehensive USD corporate emerging markets bond index. There are two root versions of the CEMBI with a Diversified overlay for each version: the CEMBI and the CEMBI Broad. The CEMBI Broad Diversified version is the most popular among the four versions largely due to its issuer coverage and diversification weighting scheme.

The **CSI 300 Index** is a free-float weighted index that consists of 300 A-share stocks listed on the Shanghai or Shenzhen Stock Exchanges. Index has a base level of 1000 on 12/31/2004. * Due to our agreement with CSI, shares in the index are restricted, please visit [SSIS<go>](#) for more information and access. This ticker holds prices fed from Shenzhen Stock Exchange.

The Citi **Economic Surprise Indices** measure data surprises relative to market expectations. A positive reading means that data releases have been stronger than expected and a negative reading means that data releases have been worse than expected.

The **Emerging Market Bond Index Global (EMBI Global)** was the first comprehensive EM sovereign index in the market, after the EMBI+. It provides full coverage of the EM asset class with representative countries, investable instruments (sovereign and quasi-sovereign), and transparent rules. The EMBI Global includes only USD-denominated emerging markets sovereign bonds and uses

a traditional, market capitalization weighted method for country allocation.

The **J.P. Morgan Asia Credit Index (JACI)** aids in evaluating investment opportunities in fixed rate USD denominated bonds issued in Asia ex Japan region. It follows a traditional market capitalization technique similar to the EMBI and the CEMBI Index series.

The **MSCI All World Index** is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1987. MXWD includes both emerging and developed world markets.

The **MSCI AC Asia ex Japan Index** captures large and mid-cap representation across two of three Developed Markets countries (excluding Japan) and eight Emerging Markets countries in Asia. With 609 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the index include: Hong Kong and Singapore. Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

The **MSCI China Index** is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1992. This index is priced in HKD. Please refer to M3CN Index for USD.

MSCI AC ASEAN Index (former: MSCI South East Asia Index) captures large and mid-cap representation across 4 Emerging Markets countries and 1 Developed Market country.

The **MSCI India Index** is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1992.

The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The index consists of 23 developed market country indexes.

The **Nikkei-225 Stock Average** is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225. *We are using official divisor for this index

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

The **Russell 2000 Index** is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

Standard and Poor's Midcap 400 Index is a capitalization-weighted index which measures the performance of the mid-range sector of the U.S. stock market. The index was developed with a base level of 100 as of December 31, 1990. See MDY US Equity <GO> for the tradeable equivalent.

The **Standard and Poor's 500 Index** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941–43 base period.

The **EURO STOXX 50 Index**, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

The **STOXX Europe 600 Index (SXXP Index)**: An index tracking 600 publicly traded companies based in one of 18 EU countries. The index includes small cap, medium cap, and large cap companies. The countries represented in the index are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Holland, Iceland, Ireland, Italy, Luxembourg, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

TOPIX, also known as the Tokyo Stock Price Index, is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange.

KEY RISKS

- Small capitalization companies typically carry more risk than well-established "blue-chip" companies since smaller companies can carry a higher degree of market volatility than most large cap and/or blue-chip companies.
- Investments in commodities may have greater volatility than investments in traditional securities. The value of commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Investing in commodities creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.
- Investing in alternative assets involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.
- The price of equity securities may rise or fall due to the changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.
- Investing in fixed income products is subject to certain risks, including interest rate, credit, inflation, call, prepayment and reinvestment risk. Any fixed income security sold or redeemed prior to maturity may be subject to substantial gain or loss.
- Preferred securities are typically long dated securities with call protection that fall in between debt and equity in the capital structure. Preferred securities carry various risks and considerations which include: concentration risk; interest rate risk; lower credit ratings than individual bonds; a lower claim to assets than a firm's individual bonds; higher yields due to these risk characteristics; and "callable" implications meaning the issuing company may redeem the stock at a certain price after a certain date.
- Investors should understand the potential tax liabilities surrounding a municipal bond purchase. Certain municipal bonds are federally taxed if the holder is subject to alternative minimum tax. Capital gains, if any, are federally taxable. The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax (AMT).
- Holders of foreign securities can be subject to foreign exchange risk, exchange-rate risk and currency risk, as exchange rates fluctuate between an investment's foreign currency and the investment holder's domestic currency. Conversely, it is possible to benefit from favorable foreign exchange fluctuations.
- International investments may not be suitable for all investors. International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations. International investing can be more volatile.
- Investments in emerging markets may not be suitable for all investors. Emerging markets involve a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations. Investments in emerging markets can be more volatile.
- Not all option strategies are suitable for all investors. Certain strategies may expose investors to significant potential risks and losses. For additional risk information, please request a copy of "Characteristics and Risks of Standardized Options." We advise investors to consult their tax advisors and legal counsel about the tax implications of these strategies. Investors are urged to carefully consider whether options or option-related products or strategies are suitable for their needs. In discussion of options and other strategies, results and risks are based solely on hypothetical examples cited; actual results and risks will vary depending on specific circumstances. Investors

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

are urged to consider carefully whether option or option-related products in general, as well as the products or strategies discussed herein are suitable to their needs. In actual transactions, the client's counterparty for OTC derivatives applications is JPMorgan Chase Bank, N.A. and its affiliates. For a copy of the "Characteristics and Risks of Standardized Options" booklet, please contact your J.P. Morgan Advisor.

- Structured products involve derivatives and risks that may not be suitable for all investors. The most common risks include, but are not limited to, risk of adverse or unanticipated market developments, issuer credit quality risk, risk of lack of uniform standard pricing, risk of adverse events involving any underlying reference obligations, risk of high volatility, risk of illiquidity/little to no secondary market, and conflicts of interest. Before investing in a structured product, investors should review the accompanying offering document, prospectus or prospectus supplement to understand the actual terms and key risks associated with each individual structured product. Any payments on a structured product are subject to the credit risk of the issuer and/or guarantor. Investors may lose their entire investment, i.e., incur an unlimited loss. The risks listed above are not complete. For a more comprehensive list of the risks involved with this particular product, please speak to your J.P. Morgan team. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.
- Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.
- High Yield Bonds - High Yield Bonds (with ratings at or below BB+/Ba1) carry higher risk since they are rated below investment grade, or could be unrated, which implies a higher risk of Issuer default. Further, the risk of rating downgrades is higher for High Yield Bonds in comparison to investment grade bonds.
- The risks listed above are not complete. For a more comprehensive list of the risks involved with this particular product, please speak to your J.P. Morgan team.

All companies referenced are shown for illustrative purposes only, and are not intended as a recommendation or endorsement by J.P. Morgan in this context.

This material is for information purposes only, and may inform you of certain products and services offered by private banking businesses, part of JPMorgan Chase & Co. ("JPM"). Products and services described, as well as associated fees, charges and interest rates, are subject to change in accordance with the applicable account agreements and may differ among geographic locations. Not all products and services are offered at all locations. If you are a person with a disability and need additional support accessing this material, please contact your J.P. Morgan team or email us at accessibility.support@jpmorgan.com for assistance. Please read all Important Information.

GENERAL RISKS & CONSIDERATIONS.

Any views, strategies or products discussed in this material may not be appropriate for all individuals and are subject to risks. Investors may get back less than they invested, and past performance is not a reliable indicator of future results. Asset allocation/diversification does not guarantee a profit or protect against loss. Nothing in this material should be relied upon in isolation for the purpose of making an investment decision. You are urged to consider carefully whether the services, products, asset classes (e.g. equities, fixed income, alternative investments, commodities, etc.) or strategies discussed are suitable to your needs. You must also consider the objectives, risks, charges, and expenses associated with an investment service, product or strategy prior to making an investment decision. For this and more complete information, including discussion of your goals/situation, contact your J.P. Morgan team.

NON-RELIANCE.

Certain information contained in this material is believed to be reliable; however, JPM does not represent or warrant its accuracy, reliability or completeness, or accept any liability for any loss or damage (whether direct or indirect) arising out of the use of all or any part of this material. No representation or warranty should be made with regard to any computations, graphs, tables, diagrams or commentary in this material, which are provided for illustration/ reference purposes only. The views, opinions, estimates and strategies expressed in this material constitute our judgment based on current market conditions and are subject to change without notice. JPM assumes no duty to update any information in this material in the event that such information changes. Views, opinions, estimates and strategies expressed herein may differ from

those expressed by other areas of JPM, views expressed for other purposes or in other contexts, and **this material should not be regarded as a research report**. Any projected results and risks are based solely on hypothetical examples cited, and actual results and risks will vary depending on specific circumstances. Forward-looking statements should not be considered as guarantees or predictions of future events.

Nothing in this document shall be construed as giving rise to any duty of care owed to, or advisory relationship with, you or any third party. Nothing in this document shall be regarded as an offer, solicitation, recommendation or advice (whether financial, accounting, legal, tax or other) given by J.P. Morgan and/or its officers or employees, irrespective of whether or not such communication was given at your request. J.P. Morgan and its affiliates and employees do not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions.

LEGAL ENTITY AND REGULATORY INFORMATION.

In the United States, bank deposit accounts and related services, such as checking, savings and bank lending, are offered by **JPMorgan Chase Bank, N.A.** Member FDIC.

JPMorgan Chase Bank, N.A. and its affiliates (collectively “**JPMCB**”) offer investment products, which may include bank managed investment accounts and custody, as part of its trust and fiduciary services. Other investment products and services, such as brokerage and advisory accounts, are offered through **J.P. Morgan Securities LLC (“JPMS”)**, a member of [FINRA](#) and [SIPC](#). Insurance products are made available through Chase Insurance Agency, Inc. (CIA), a licensed insurance agency, doing business as Chase Insurance Agency Services, Inc. in Florida. JPMCB, JPMS and CIA are affiliated companies under the common control of JPM. Products not available in all states.

In **Germany**, this material is issued by **J.P. Morgan SE**, with its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB). In **Luxembourg**, this material is issued by **J.P. Morgan SE – Luxembourg Branch**, with registered office at European Bank and Business Centre, 6 route de Treves, L-2633, Senningerberg, Luxembourg, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German

Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Luxembourg Branch is also supervised by the Commission de Surveillance du Secteur Financier (CSSF); registered under R.C.S Luxembourg B255938. In the **United Kingdom**, this material is issued by **J.P. Morgan SE – London Branch**, registered office at 25 Bank Street, Canary Wharf, London E14 5JP, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – London Branch is also supervised by the Financial Conduct Authority and Prudential Regulation Authority. In **Spain**, this material is distributed by **J.P. Morgan SE, Sucursal en España**, with registered office at Paseo de la Castellana, 31, 28046 Madrid, Spain, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE, Sucursal en España is also supervised by the Spanish Securities Market Commission (CNMV); registered with Bank of Spain as a branch of J.P. Morgan SE under code 1567. In **Italy**, this material is distributed by **J.P. Morgan SE – Milan Branch**, with its registered office at Via Cordusio, n.3, Milan 20123, Italy, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Milan Branch is also supervised by Bank of Italy and the Commissione Nazionale per le Società e la Borsa (CONSOB); registered with Bank of Italy as a branch of J.P. Morgan SE under code 8076; Milan Chamber of Commerce Registered Number: REA MI 2536325. In the **Netherlands**, this material is distributed by **J.P. Morgan SE – Amsterdam Branch**, with registered office at World Trade Centre, Tower B, Strawinskylaan 1135, 1077 XX, Amsterdam, The Netherlands, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Amsterdam Branch is also supervised by De Nederlandsche Bank (DNB) and the Autoriteit Financiële Markten (AFM) in the Netherlands. Registered with the Kamer van Koophandel as a branch of J.P. Morgan SE under registration number 72610220. In **Denmark**, this material is distributed by **J.P. Morgan SE – Copenhagen Branch, filial af J.P. Morgan SE, Tyskland**, with registered office at Kalvebod Brygge 39-41, 1560 København V, Denmark, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to “Definition of Indices and Terms” for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Copenhagen Branch, filial af J.P. Morgan SE, Tyskland is also supervised by Finanstilsynet (Danish FSA) and is registered with Finanstilsynet as a branch of J.P. Morgan SE under code 29010.

In **Sweden**, this material is distributed by **J.P. Morgan SE – Stockholm Bankfilial**, with registered office at Hamngatan 15, Stockholm, 11147, Sweden, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Stockholm Bankfilial is also supervised by Finansinspektionen (Swedish FSA); registered with Finansinspektionen as a branch of J.P. Morgan SE. In **Belgium**, this material is distributed by **J.P. Morgan SE – Brussels Branch** with registered office at 35 Boulevard du Régent, 1000, Brussels, Belgium, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE Brussels Branch is also supervised by the National Bank of Belgium (NBB) and the Financial Services and Markets Authority (FSMA) in Belgium; registered with the NBB under registration number 0715.622.844. In **Greece**, this material is distributed by **J.P. Morgan SE – Athens Branch**, with its registered office at 3 Haritos Street, Athens, 10675, Greece, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB); J.P. Morgan SE – Athens Branch is also supervised by Bank of Greece; registered with Bank of Greece as a branch of J.P. Morgan SE under code 124; Athens Chamber of Commerce Registered Number 158683760001; VAT Number 99676577. In **France**, this material is distributed by J.P. Morgan SE – Paris Branch, with its registered office at 14, Place Vendôme 75001 Paris, France, authorized by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and jointly supervised by the BaFin, the German Central Bank (Deutsche Bundesbank) and the European Central Bank (ECB) under code 842 422 972; J.P. Morgan SE – Paris Branch is also supervised by the French banking authorities the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the Autorité des Marchés Financiers (AMF). In **Switzerland**, this material is distributed by **J.P. Morgan (Suisse) SA**, with registered address at rue du Rhône, 35, 1204, Geneva, Switzerland, which is authorised and supervised by the Swiss Financial Market Supervisory Authority (FINMA) as a bank and a securities dealer in Switzerland.

In **Hong Kong**, this material is distributed by **JPMCB, Hong Kong branch**. JPMCB, Hong Kong branch is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission of Hong Kong. In Hong Kong, we will cease to use your personal data for our marketing purposes without charge if you so request. In **Singapore**, this material is distributed by **JPMCB, Singapore branch**. JPMCB, Singapore branch is regulated by the Monetary Authority of Singapore. Dealing and advisory services and discretionary investment management services are provided to you by JPMCB, Hong Kong/Singapore branch (as notified to you). Banking and custody services are provided to you by JPMCB Singapore Branch. The contents of this document have not been reviewed by any regulatory authority in Hong Kong, Singapore or any other jurisdictions. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. For materials which constitute product advertisement under the Securities and Futures Act and the Financial Advisers Act, this advertisement has not been reviewed by the Monetary Authority of Singapore. JPMorgan Chase Bank, N.A., a national banking association chartered under the laws of the United States, and as a body corporate, its shareholder's liability is limited.

With respect to countries in **Latin America**, the distribution of this material may be restricted in certain jurisdictions. We may offer and/or sell to you securities or other financial instruments which may not be registered under, and are not the subject of a public offering under, the securities or other financial regulatory laws of your home country. Such securities or instruments are offered and/or sold to you on a private basis only. Any communication by us to you regarding such securities or instruments, including without limitation the delivery of a prospectus, term sheet or other offering document, is not intended by us as an offer to sell or a solicitation of an offer to buy any securities or instruments in any jurisdiction in which such an offer or a solicitation is unlawful. Furthermore, such securities or instruments may be subject to certain regulatory and/or contractual restrictions on subsequent transfer by you, and you are solely responsible for ascertaining and complying with such restrictions. To the extent this content makes reference to a fund, the Fund may not be publicly offered in any Latin American country, without previous registration of such fund's securities in compliance with the laws of the corresponding jurisdiction.

References to "J.P. Morgan" are to JPM, its subsidiaries and affiliates worldwide. "J.P. Morgan Private Bank" is the brand name for the private banking business conducted by

All outlook estimates represent the midpoint of our range. Rates have a +/-25bps range, and all other outlooks are within the range that is provided. **Estimates, forecasts and comparisons are for illustrative purposes and are as of the dates stated in the material.** Please refer to "Definition of Indices and Terms" for important information. **Outlooks and past performance are no guarantee of future results and investors may get back less than the amount invested.** It is not possible to invest directly in an index.

JPM. This material is intended for your personal use and should not be circulated to or used by any other person, or duplicated for non-personal use, without our permission. If you have any questions or no longer wish to receive these communications, please contact your J.P. Morgan team.

JPMorgan Chase Bank, N.A. (JPMCBNA) (ABN 43 074 112 011/AFS Licence No: 238367) is regulated by the Australian Securities and Investment Commission and the Australian Prudential Regulation Authority. Material provided by JPMCBNA in Australia is to “wholesale clients” only. For the purposes of this paragraph the term “wholesale client” has the meaning given in section 761G of the Corporations Act 2001 (Cth). Please inform us if you are not a Wholesale Client now or if you cease to be a Wholesale Client at any time in the future.

JPMS is a registered foreign company (overseas) (ARBN 109293610) incorporated in Delaware, U.S.A. Under Australian financial services licensing requirements, carrying on a financial services business in Australia requires a financial service provider, such as J.P. Morgan Securities LLC (JPMS), to hold an Australian Financial Services Licence (AFSL), unless an exemption applies. **JPMS is exempt from the requirement to hold an AFSL under the Corporations Act 2001 (Cth) (Act) in respect of financial services it provides to you, and is regulated**

by the SEC, FINRA and CFTC under US laws, which differ from Australian laws. Material provided by JPMS in Australia is to “wholesale clients” only. The information provided in this material is not intended to be, and must not be, distributed or passed on, directly or indirectly, to any other class of persons in Australia. For the purposes of this paragraph the term “wholesale client” has the meaning given in section 761G of the Act. Please inform us immediately if you are not a Wholesale Client now or if you cease to be a Wholesale Client at any time in the future.

This material has not been prepared specifically for Australian investors. It:

- may contain references to dollar amounts which are not Australian dollars;
- may contain financial information which is not prepared in accordance with Australian law or practices;
- may not address risks associated with investment in foreign currency denominated investments; and

does not address Australian tax issues.

© 2025 JPMorgan Chase & Co. All rights reserved.