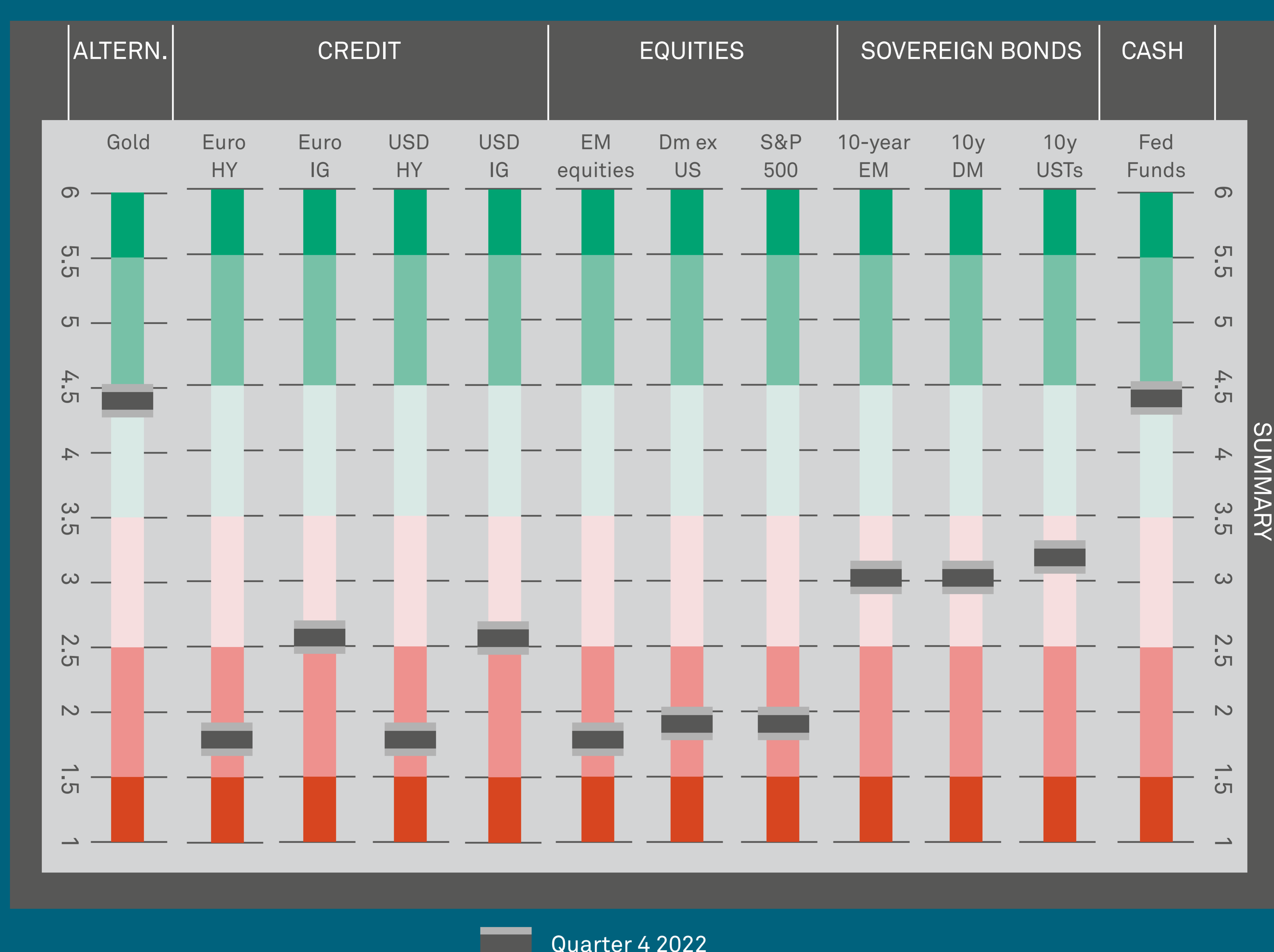


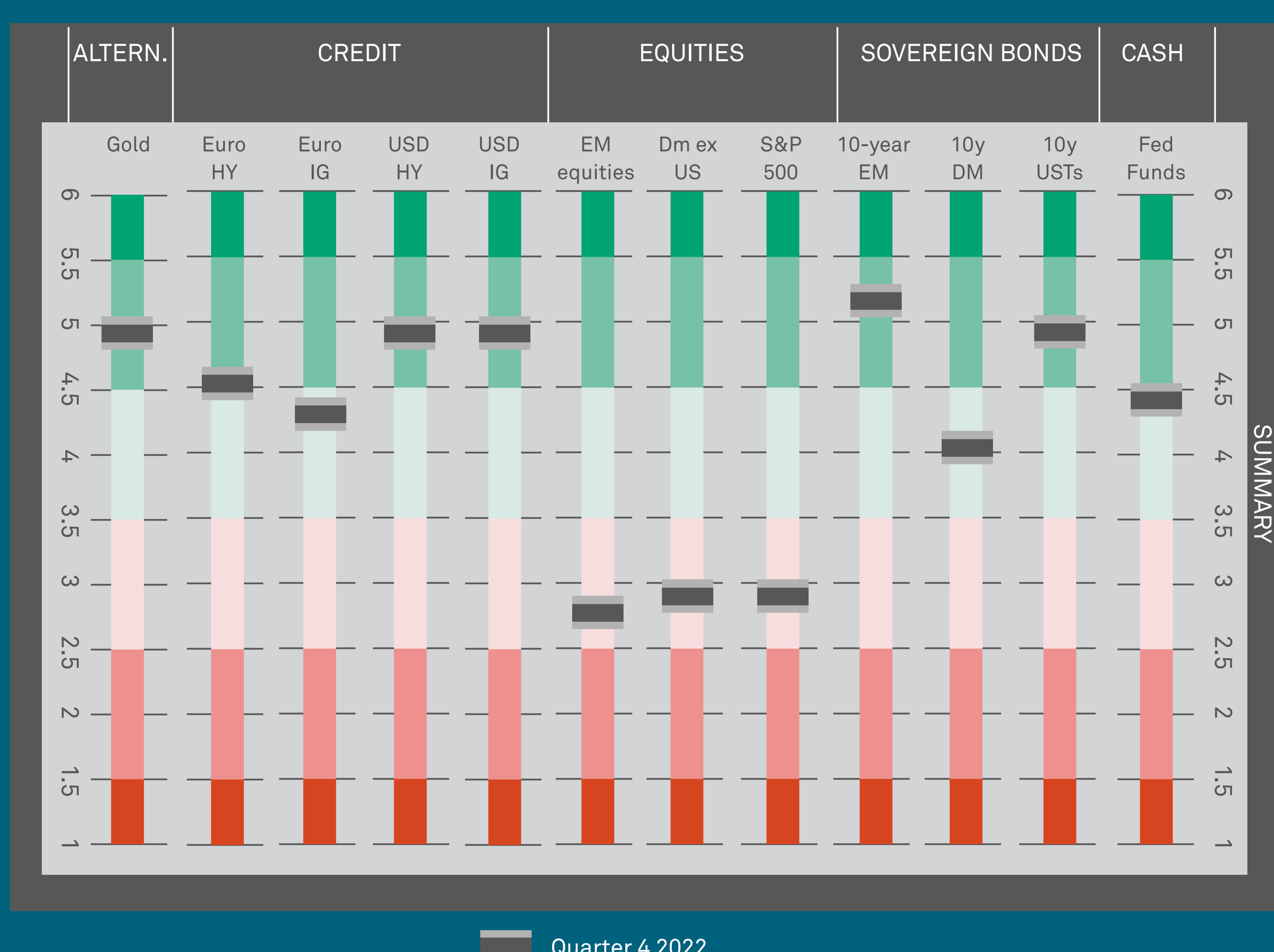
Market beats

Outlook from BNY Mellon GEIA Team

6 MONTHS AHEAD



12 MONTHS AHEAD



Above scenarios were calculated as of November 14, 2022. BNY Mellon GEIA. Footnote: In order to further formalize our investment conclusions, we use a proprietary framework to better illustrate our views of the relative attractiveness of major asset classes. This is not to indicate under/over/neutral weights in any particular asset class, but rather to give the reader a standardized and comparable view of the level of opportunity or risk we currently see in each category.

Charts are provided for illustrative purposes and are not indicative of the past or future performance of any BNY Mellon product.

Outlook from the IMF

GLOBAL GROWTH



6.0%

2021

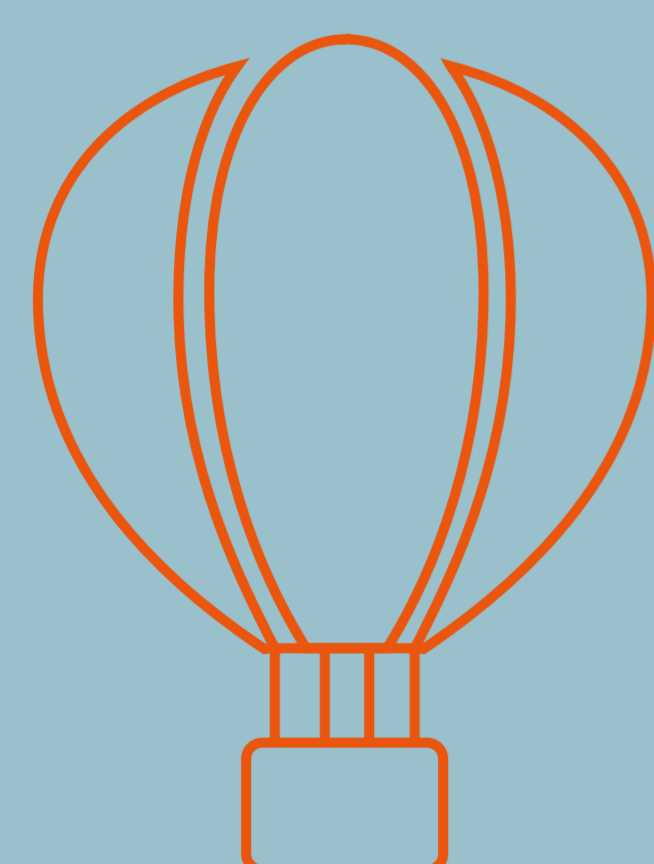
3.2%

2022

2.7%

2023

GLOBAL INFLATION



4.7%

2021

8.8%

2022

6.5%

2023

4.1%

2024



International Monetary Fund. World economic outlook report. October 2022.

Market beats

After 2022’s financial market performance, one would be forgiven for thinking “2023 can’t be worse?” But the difficult to accept reality is that markets are likely to remain under pressure well into 2023. That said, unlike 2022’s “batten-down the hatches” asset allocation strategy, we expect that in the 6–12-month outlook, there will be select asset classes that tactically outperform at different points due to the evolving business cycle and changing monetary policy landscape. This presents a challenge for investors but also ample opportunities to add value.

Bonds may have an edge over equities in the near-term due to their downside mitigation during growth slowdowns, while equities may outperform strongly in the latter part of 2023 and into 2024 if/and when economies rebound on the other side of recession.

Regionally, we prefer US equity to developed international and emerging markets primarily due to the higher (albeit still low) likelihood of an engineered soft landing, which would boost US equity disproportionately. The outlook suggests staying defensive on a sector and factor basis, preferring healthcare and consumer staples, and quality and low volatility, respectively. We also continue to favor higher income and value equities for their lower exposure to re-rating risk and wide multiples spread to growth.

Shamik Dhar, chief economist, BNY Mellon Investment Management

Acronyms

GEIA – Global Economic Investment Analysis

HY – High Yield

IG- Investment Grade

EM – Emerging Market

DM – Developed Market

UST – United States Trillions

IMF – International Monetary Fund

Disclosures

All investments involve risk, including the possible loss of principal. Certain investments involve greater or unique risks that should be considered along with the objectives, fees, and expenses before investing.

The assets listed should not be considered recommendations to buy or sell a security.

Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others.

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