



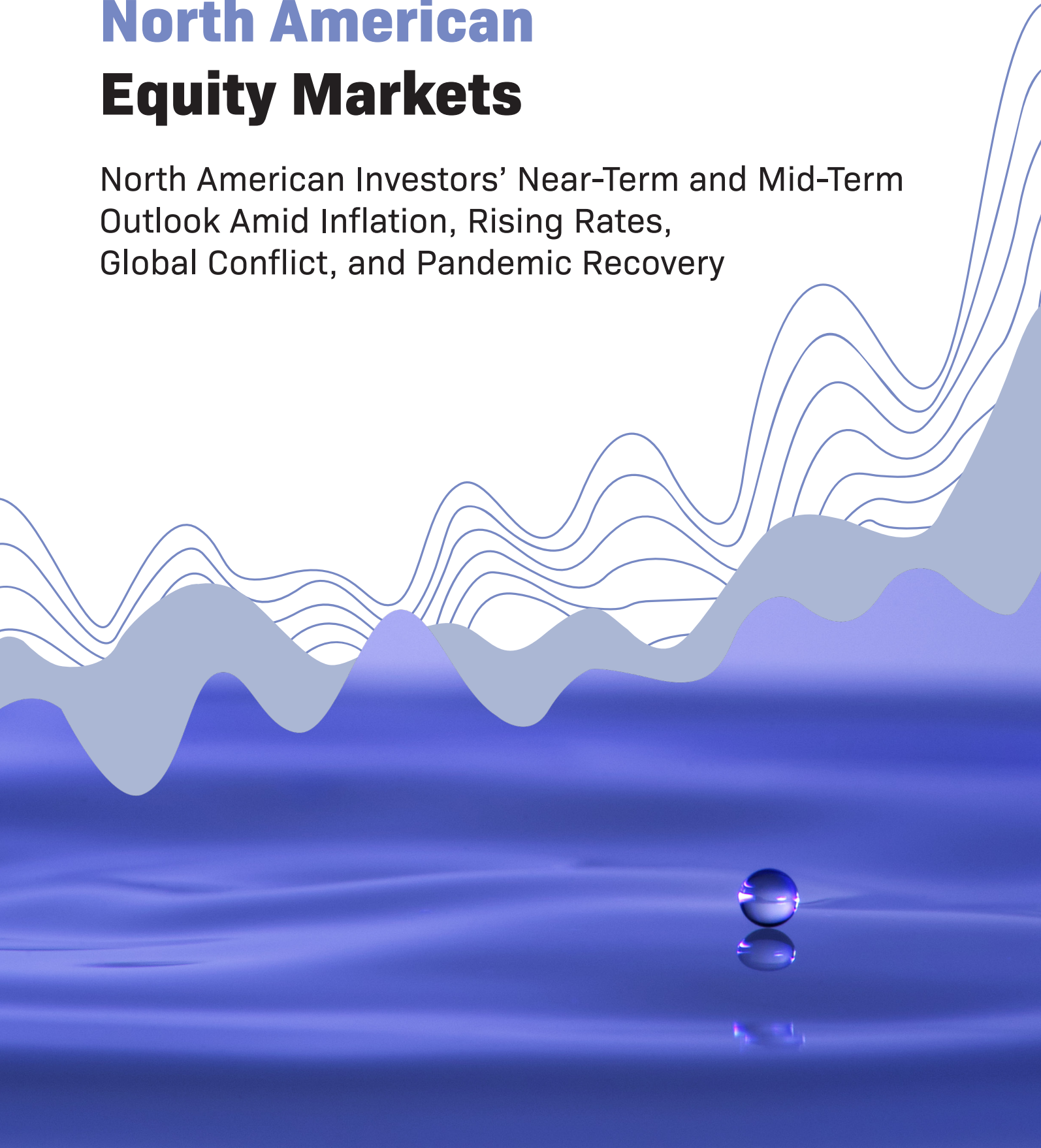
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**Institutional
Investor**

North American Equity Markets

North American Investors' Near-Term and Mid-Term Outlook Amid Inflation, Rising Rates, Global Conflict, and Pandemic Recovery



Contents

Executive Summary	1
I. As Covid Recedes, Caution Prevails Among Equity Investors	2
II. Equity Strategies Amid Volatility and Risk	7
III. Investors' Views of Sector Performance	11
IV. The Road Ahead	13
About this Research	14
The View from EquitiesFirst	15

Executive Summary

After three years of pandemic-driven disruption, the global economy and its equity markets are poised for a return to some form of normalcy. Shocks in 2022 – notably, Russia’s invasion of Ukraine, the prospect of conflict between China and Taiwan, higher energy prices, supply chain disruptions, and the highest inflation in a generation – led to steep declines in equities around the world. Now, as monetary authorities in developed markets move aggressively to tame inflation amid the risk of a banking crisis in the U.S., the path forward from recent economic crises is coming into focus. In such a climate, investors focused on North America’s equity markets have an opportunity to reassess their strategies and reconsider how they will invest over the near term.

With this in mind, Institutional Investor’s Custom Research Lab and EquitiesFirst conducted this study among investment decision makers at foundations, pensions, endowments, and asset management firms to gauge their outlook for equities over the next two years. This report examines the findings among investors that focus on North America’s equity markets. Through a survey of 90 CIOs, portfolio managers, and other investment decision makers focused on North American equities, this study finds:

- **Rising interest rates, high inflation, and business investment are top of mind among investors focused on North American equities.** Investors focused on North American are decidedly concerned with monetary policy and its impact on producers through higher borrowing costs and on customers through inflation. They remain concerned about the trajectory and timing of tighter monetary policy led by the U.S. Federal Reserve and other central banks in developed markets. Higher interest rates are intended to cool the economy and increase unemployment – but ideally only enough to control inflation. These efforts, say investors, cast a long shadow over national economies and their equity markets and are consistently top of mind as investors assess equity opportunities in North America.
- **Russia’s war with Ukraine, cyber-attacks and other technology disruptions, and climate-change risk weigh heavily on North American equity investors.** Risks tied to the ground war in Europe, global climate change, cyber-lawlessness sponsored by governments or private enterprises are cited most often by study participants as the geopolitical issues with most immediate bearing on North American equity markets.
- **Investors call for tilted passive strategies or fundamental bottom-up strategies in North American equity markets.** Developed markets such as North American equities are often so efficient, say investors, that a hybrid active/passive strategy provides low-cost exposure to the region’s developed equity markets.
- **Investors are especially bullish on high-quality technology and health care sectors.** A solid majority of respondents focused on North American equities see IT and health care sectors as sound investments. Real estate and financial services, say sources in the region interviewed for this study, are less appealing due to uncertainty about interest rates and the post-pandemic structure of these industries.

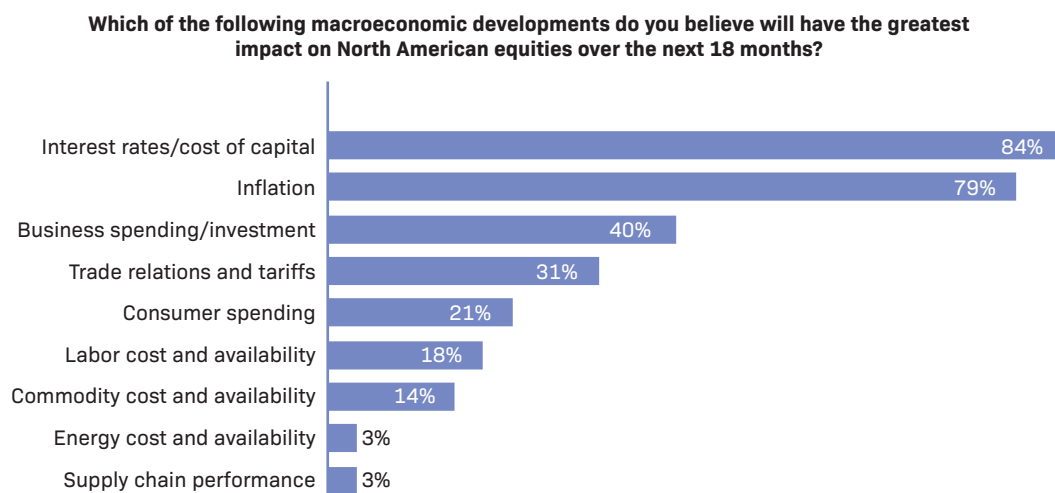
I. As Covid Recedes, Caution Prevails Among North America's Equity Investors

In the first half of 2023, the Covid pandemic has given way to a cautious but sustained return to business as usual. Employees have begun returning to the office. In-person meetings and business travel are increasingly commonplace. Meanwhile, the effects of more than two years of pandemic relief and shocks to the supply chain and labor markets have begun to abate in many economies around the world. Nonetheless, according to this Q1 2023 survey of institutional investors, investment decision makers at institutions in North America view equity markets with optimism, tempered by concern about monetary policy, inflation, climate change, and business investment and their effects on equity market performance.

INTEREST RATES, BUSINESS INVESTMENT, AND INFLATION ARE TOP MACROECONOMIC CONCERNS

The vast majority of respondents focused on North American equities in this study identified monetary policy and inflation as the macroeconomic factors that will have the greatest bearing on the region's equity market performance over the next year and a half (see Figure 1). Monetary policy in the form of higher interest rates – which are intended to tame inflation but also lead to higher capital costs – were cited most frequently by investors focused on North American equities. Also top of mind is the impact of higher rates on companies' ability to make capital investment and fund business expansion.

Figure 1. Investors focused on North America voice concern for interest rates, inflation, and their impact on business spending and investment



A portfolio manager who covers global equities at a \$3 billion foundation in the United States, sees the nexus of U.S. interest rates, inflation, and the resultant cost of capital as the most pressing unanswered issue looming over equity markets. "All eyes remain on the U.S. Federal Reserve, and Fed policy on interest rates is going to drive equities – up, down, or flat – in most markets over the next few years," he says, "and what the Fed does will in turn be driven by trends in inflation, probably backward looking." The recent increases in interest rates are long overdue, he adds, in part to rein in inflation, but also to restore a sustainable debt market in which investors can earn positive real returns from fixed income investments.

NORTH AMERICAN EQUITY INVESTORS SEE RISK IN MONETARY POLICY

Monetary policy's impact on the day-to-day economy, however, will take time to ripple through the financial system, say sources interviewed for this report. A foundation portfolio manager in New York says that in addition to Fed policy, he watches the construction industry closely: "The number one thing I look at is construction. Historically, the way the Fed causes a slowdown or recession is by raising rates until housing breaks." He continued, "A stupendous percentage of the economy is a direct function of the housing market, so when people stop building, repairing, and buying houses, there's a whole lot of unemployment." This spike in unemployment hasn't appeared due to long backlogs of housing stock that hasn't been built yet, and as a result, "construction employment remains stubbornly strong," says the portfolio manager. A "cascading wave of unemployment would give the Fed what it needs – somewhat higher unemployment, which will tame inflation."

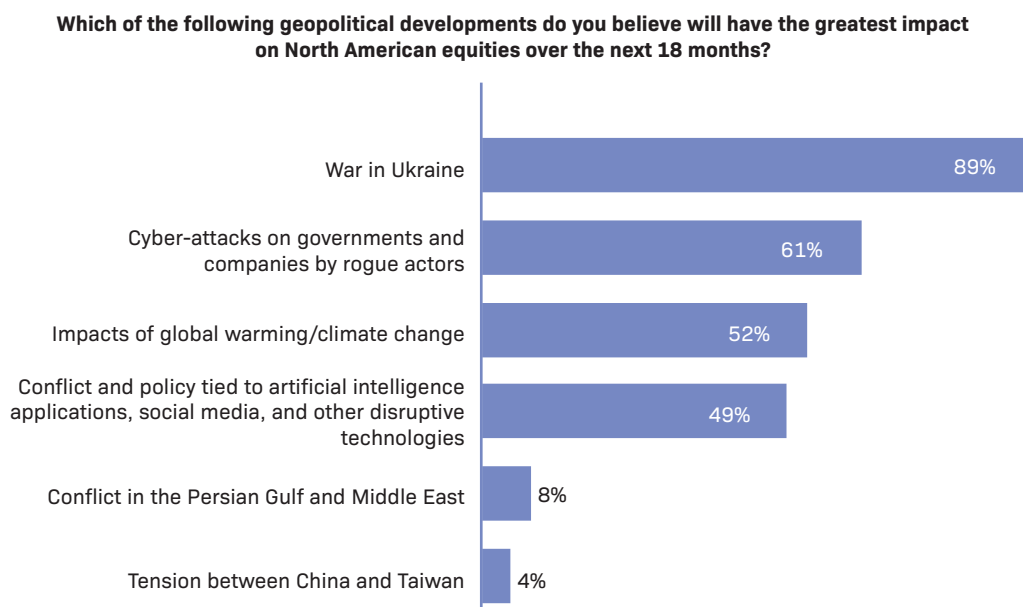
In the wake of the global pandemic and soaring inflation, governments are taking increasingly nationalistic views of economic policy and their role in the global trade and finance systems. Nowhere is this more apparent than in the United States, which seeks to balance the dollar's role as a reserve currency with immediate needs to control inflation without raising unemployment dramatically or slowing down the nation's economy. A portfolio manager at an asset management firm in Hong Kong says that the trend toward deglobalization is likely to reshape the global economy and, implicitly, the role of the United States as the largest and most powerful economy in the world. "We are watching very closely how the U.S. and China are each building their own ecosystems around themselves," says this portfolio manager. "The U.S. is seeking markets in Western Europe, Japan, Korea, and elsewhere. Likewise, China is doing the same thing in the Middle East, Russia, and Iran."

One consequence of these ecosystems is a rebuilding of supply chains and flows of trade for importers and exporters. However, the portfolio manager says, "the money flow – that's the part that a lot of people are overlooking... Look at the trade settlement between China, Russia, Iran, and the Middle East in the future. There may well be more and more settlement in renminbi rather than dollars, which will have a big impact on global currency system." The timing and success of these efforts toward realignment are far from clear, he adds, while asserting that "there will be competition between the two countries. I don't think there will be a full decoupling because there are also things that the United States and China need from each other: The U.S. needs China for the cheap goods, and China needs American technology. It seems to me that the direction is clear but will take time for the two countries to build their ecosystems."

CLIMATE CHANGE, WAR IN EUROPE, AND CYBER RISK TOP GEOPOLITICAL CONCERNS

Macroeconomic performance and equity market returns in North America are likely to be influenced by monetary policy and ad hoc geopolitical tensions and disruptions to the orderly course of business. Survey data shows that in aggregate, a majority of investors focused on North American equities see the war in Europe (89%), rogue cyber-attacks (61%) and climate change (52%) as the most pressing geopolitical risks to equity market performance (see Figure 2).

Figure 2. War in Europe, cyber-attacks, and climate change weigh heavily on North America's investors



The war in Europe weighs heavily on North America's investors, as 89% of such respondents see it as a material risk to performance, more than any other factor by more than 25 percentage points. Similarly, a solid majority of equity investors focused on North America see cyber-attacks on companies and governments by rogue actors as a pressing geopolitical risk. Other risks tied to technology – e.g., advancing artificial intelligence and data privacy concerns tied to social media platforms such as TikTok, among others – are top of mind among nearly one-half of these investors.

Investors see new technology as a source of both downside underperformance and upside gains. "I have no doubt that technology innovation – good, bad, or indifferent – is going to be a major factor in U.S. equities going forward," says a foundation portfolio manager in North America. "Security and cyber-attacks are bigger problems than they may seem, probably because we may not hear about them – or really understand their implications – for a long time." Conversely, he remarks that "things like Chat GPT and AI are both alarming and exciting, and some companies are going to make great businesses out of them."

Investors focused on North American equity markets seem eager to harness global climate change for economic benefit. More than 50% of these investors see the impact of climate change as having a great impact on the region's equity markets. Much of this anxiety stems directly from the disruption and negative outcomes of rising global temperatures. However, such disruption also brings opportunity to develop valuable solutions to the formidable problems of rising temperatures and sea levels, low-carbon energy transition, and other looming problems associated with climate changes.

Sources explain their difficulty in integrating long-term geopolitical risk and climate risk into investment decision making: "You can't model climate risk or geopolitical risk because we haven't had it happen exactly the same before," says the head of equities at a pension in Australia. "We haven't got a model into which we can shovel 50 years of inflation numbers and develop a forecast. Why? Because we've never had a climate crisis before." Bearing this in mind, she says, "I think investors react at a micro-level, not a macro-level – that is, they're going to react to individual companies improving their earnings by becoming more sustainable over time, or a successful transition of a company from dirty to clean, or the development of a really innovative offering or management practice. I think that the reaction to the climate crisis will be based on individual company activity and performance rather than anything else."

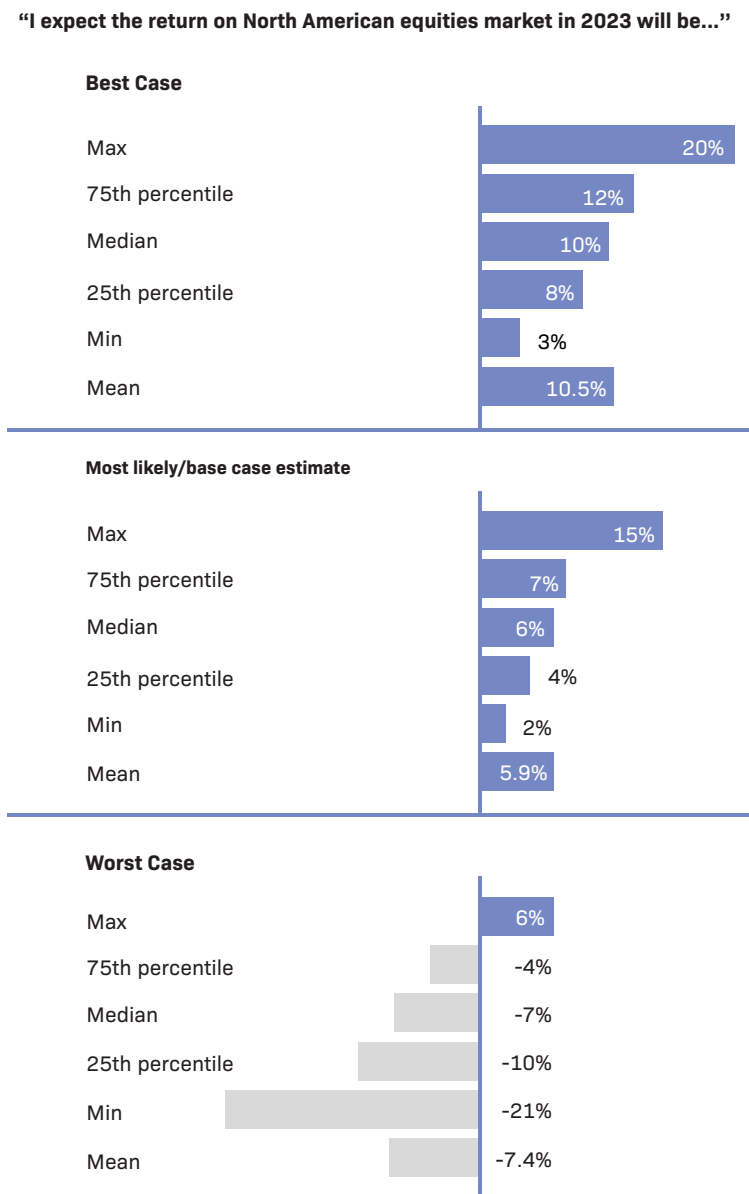
The impact of military conflict is top of mind among investors focused on North American equities. Nearly 90% of these investors see Russia's war on Ukraine as a pressing concern. Investors are notably less concerned (4%) about the prospect of conflict between China and Taiwan.

“We’re definitely concerned about China and Taiwan,” says a senior portfolio manager at a large asset management firm in North America. “If there’s an invasion, will the West invoke full sanctions and disrupt the whole American Depository Receipts complex” for trading non-U.S. equities? These and other risks tied to the prospect of conflict in Asia-Pacific make him reluctant to invest in China. “We recently looked at an opportunity in China in which we’d buy real estate developer bonds. It’s probably a three-year story,” he says, “and at the end of the day, we’d make about 50%, which after fees would net 9% annually for three years – which would be great. But that’s not enough risk premium for being locked up in China for three years given the current climate.” Accordingly, he and his team will refocus their attention and capital on North America assets.

INVESTORS’ OUTLOOK FOR NORTH AMERICA’S EQUITY MARKETS

We queried investors on their expectations for the 2023 return on North American equity markets. In aggregate, investors focused on the region anticipate equities will deliver a mean return of 5.9% this year, with a mean best-case scenario of 10.5% and a mean worst-case of -7.4% (see Figure 3).

Figure 3. Baseline estimate of North American equity returns is 5.9%

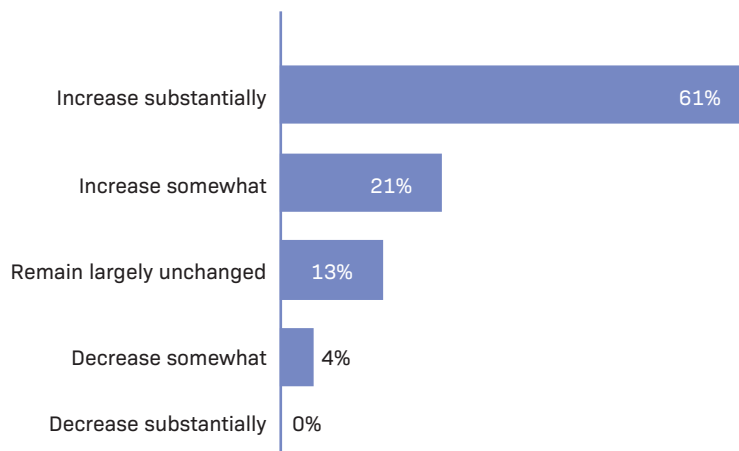


Broadly speaking, these estimates should come as welcome news for equity investors interested in North America. Compared with last year, equities in the region are forecast to recover some of last year's double-digit downturns and to begin their ascent to their long-term historical averages.

As investors in North American equities navigate these macroeconomic and geopolitical concerns, they anticipate increasingly volatility equity markets. More than 60% of survey respondents focused on the region anticipate increasing volatility (see Figure 4).

Figure 4. Amid concern for cost of capital and political matters, investors in North American equities expect sustained volatility in equity markets

Over the next 18 months, I anticipate volatility in North American equity markets will...



This market volatility, coupled with uncertainty tied to monetary policy, inflation, capital costs, and military conflict, poses risks to economic growth, day-to-day operating activity, and the current value of financial assets. Of course, volatility also offers opportunity to savvy investors who are able to take advantage of the pricing errors and market dynamics that are inherent in volatility markets. Using active strategies that focus on taking positions in mispriced assets, investors and their asset managers are able to outperform market indexes, often yielding handsome abnormal returns.

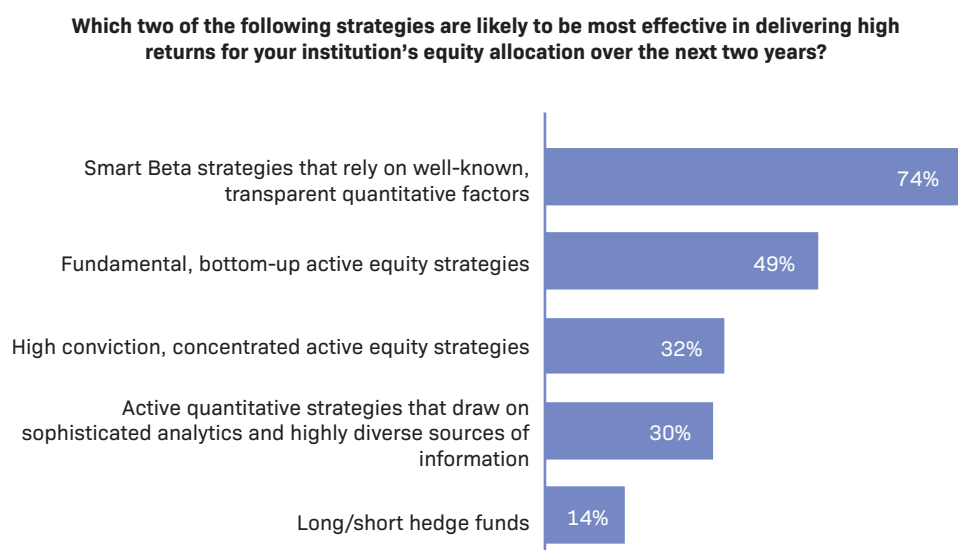
The question remains, of course, what strategies are most suitable for which markets? Investors interviewed for this report stress that a sound equity strategy begins with a clear sense of the objectives and constraints of a portfolio and its various segments. An insurer, for example, seeks to ensure it has the liquidity to pay near-term claims while putting some assets at higher and longer-term risk in an effort to generate returns for shareholders.

Similarly, a pension must manage its cash flow requirements, funded status, and long-term asset appreciation objectives. A family office may have greater freedom to seek higher returns through unconstrained alpha-seeking strategies. Accordingly, institutional investors operate under complex internal requirements that can limit their return-seeking investments in equity markets. Nonetheless, their experience serves as a valuable guide for other investors who seek to draw on their expertise in equity markets.

II. Equity Strategies for North America Amid Volatility and Risk

Queried on their two most preferred strategies in equity markets for the next two years, survey respondents focused on North American equities are most likely to endorse so-called smart beta strategies (a hybrid of broad index strategies that have been tuned to investment hypotheses by over-weighting some assets or investment characteristics and under-weighting others), followed by fundamental, bottom-up strategies. Fully 74% of survey respondents focused on North America see such smart beta strategies as a preferred strategy over the next two years (see Figure 5).

Figure 5. Investors call for factor-based smart beta strategies and research-driven, active strategies in North America



ACTIVE VERSUS PASSIVE STRATEGIES

Enthusiasm for smart beta strategies is led by investors focused on developed markets in North America and elsewhere. Smart beta strategies are especially suitable, say investors, in developed markets due largely to the efficiency and trading volume of these well-developed markets.

“It’s hard to add value in large-cap equities in developed markets with an active stock picking strategy,” says the North American foundation portfolio manager. “The formula generally for the last ten years has been to invest passively in large-cap equities to keep up with your benchmark and to invest in satellite positions in small caps and especially in emerging markets.”

The returns on riskier emerging markets are higher in aggregate, and with the right strategy, an investor or manager can deliver strong returns with a well-informed active strategy. “Emerging markets are inefficient,” says the portfolio manager, and “you can reliably outperform if you choose the right managers in emerging markets.” He says, “high-conviction managers who focus on more niche areas” such as small-cap stocks are especially good candidates in the current climate. And, he adds, such active equity strategies are especially viable now because private markets are over-valued. “Private equity and venture capital have delivered excess in recent years, but it’s hard to get into private markets now because they haven’t corrected in price,” since private assets are not marked-to-market using recent arms-length transaction valuations. Thus, he says, “it’s hard if not impossible to find a good entry point for private markets” yet alpha returns are still available in small-cap stocks and other niche markets.

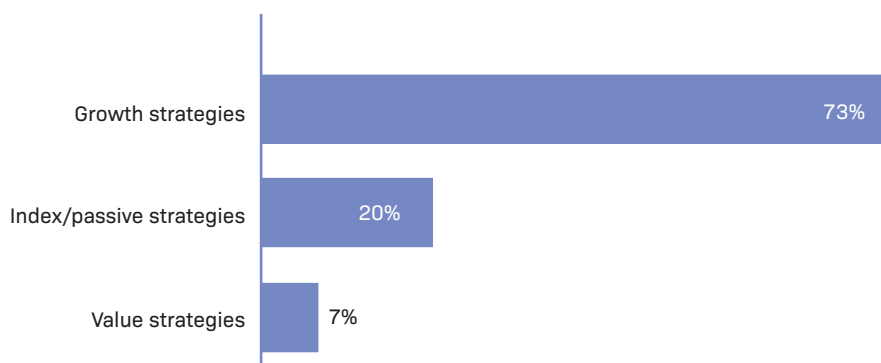
All equity strategies require some form of overarching principle or decision made in advance. Two basic strategies – growth and value – have emerged as guideposts for investment decision making for active equity investments. Value strategies seek out equities that are currently undervalued based on market factors or conditions at a particular company. Such strategies seek to invest in under-performing companies before their operating results and market performance turn more positive. Growth strategies typically seek out issues that are likely to enjoy rapid and often unforeseen increases in revenue, profitability, and market presence.

Investment decision makers voice consistent support for growth strategies over the next two years at the expense of value or index-based passive strategies. Their rationale for doing so may well be tied to optimism about the prospect of a period of sustained economic growth and the emergence of new high-growth companies or offerings from well-established innovators that are well positioned to prosper in the years ahead. Value strategies are more likely to thrive during periods of moderate economic growth and low capital costs, when high-growth opportunities are often elusive and index strategies suffer from the malaise of tepid growth and profitability.

“Remember, value stocks are, by definition, cheap – that’s the whole idea,” says the foundation portfolio manager in New York. “And one reason they’re underpriced is because they’re over-leveraged” with too much debt. In a rising interest rate environment, valuations of debt-laden companies are more likely to be brought down by high interest costs, low profitability, and uneven cash flow. Accordingly, says the portfolio manager, he’s likely to rotate out of value stock positions into higher growth, well-established high-tech and information-intensive companies.

Figure 6. Strong support for growth strategies over value

Preferred strategies to deliver strong performance for return-seeking investors over the next three years.



Investors interviewed for this report stress that investing in equity markets is seldom a matter of executing a single strategy. Rather, they favor strategies tuned to the size of the allocation and the availability of sound investment hypotheses that can be tested, executed, and managed prudently. Doing so, say institutional investors, requires access to information that reveals undervalued and high-growth equity opportunities. With these characteristics in mind, we queried investors on their views on sources of high returns for equities.

By a wide margin, investors call for an expanded universe of equity investments. More than 40% of respondents focused on North American equities agree strongly that their institutions would be well served by investing more broadly across the world’s equity markets (see Figure 7). Their rationale for doing so stems from the growing interconnect- edness of the global economy and its equity markets, according to survey data. More than 50% of North America-fo- cused investors agree strongly that institutions like theirs will pursue global (as opposed to regional) strategies in their alpha-seeking active equity opportunities due to the increased connectedness of global markets.

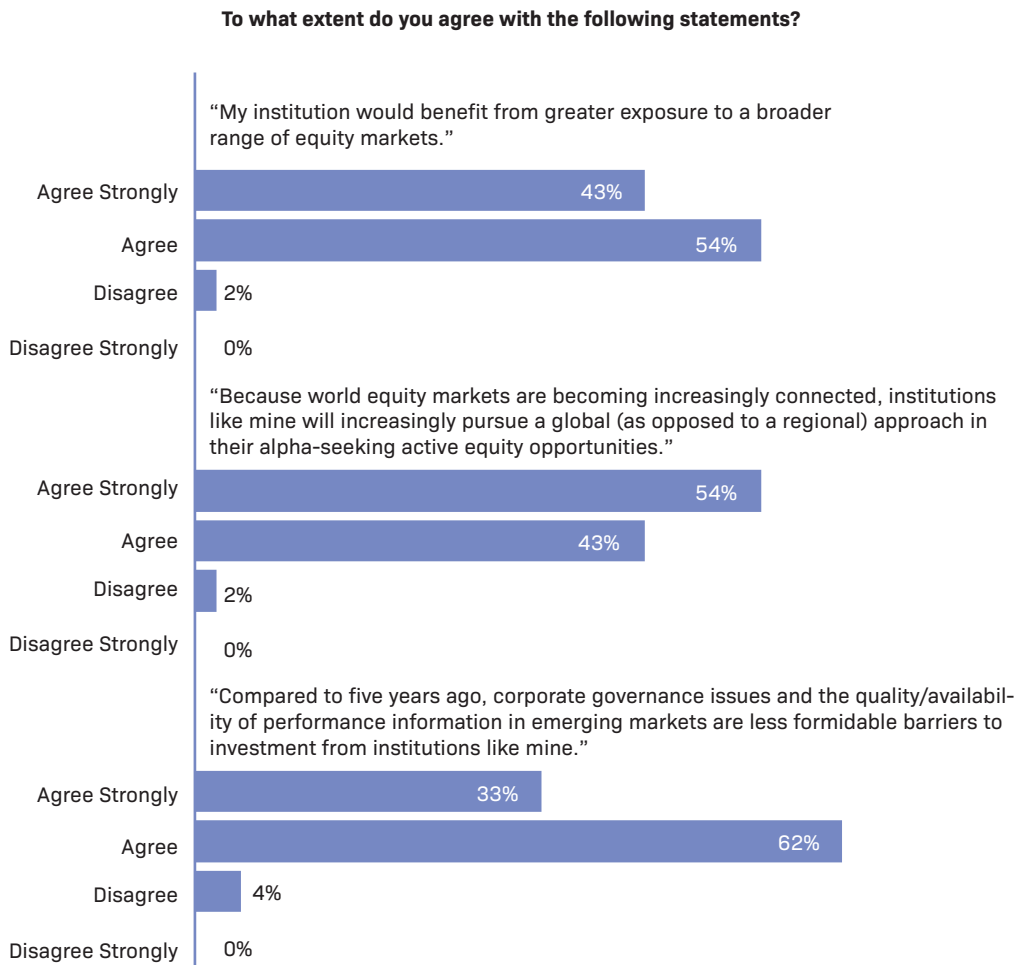
MASTERY OF EMERGING MARKET DYNAMICS

For many investors in developed markets such as North America, a broader equity universe implies paying closer attention to opportunities in emerging markets, which are often unfamiliar, illiquid, and geographically and culturally distant from the developed markets on which they focus. Indeed, prevailing in such markets with active strategies requires investors and their managers to master the dynamics of emerging markets and the performance of companies in them.

Doing so is no simple task, as emerging markets suffer from uneven, inconsistent reporting and audit standards, and the transparency and corporate governance that investors expect have lagged behind those of more developed markets. Survey data indicates that recent efforts in emerging markets to improve audit standards and corporate governance have progressed well, and with few exceptions, investors believe that corporate governance and information quality have improved over the last five years. Sources interviewed for this study are encouraged about emerging markets and say more improvements are likely in the years ahead, as asset markets become increasingly global and thus compete for investors' capital across national borders and regional segments.

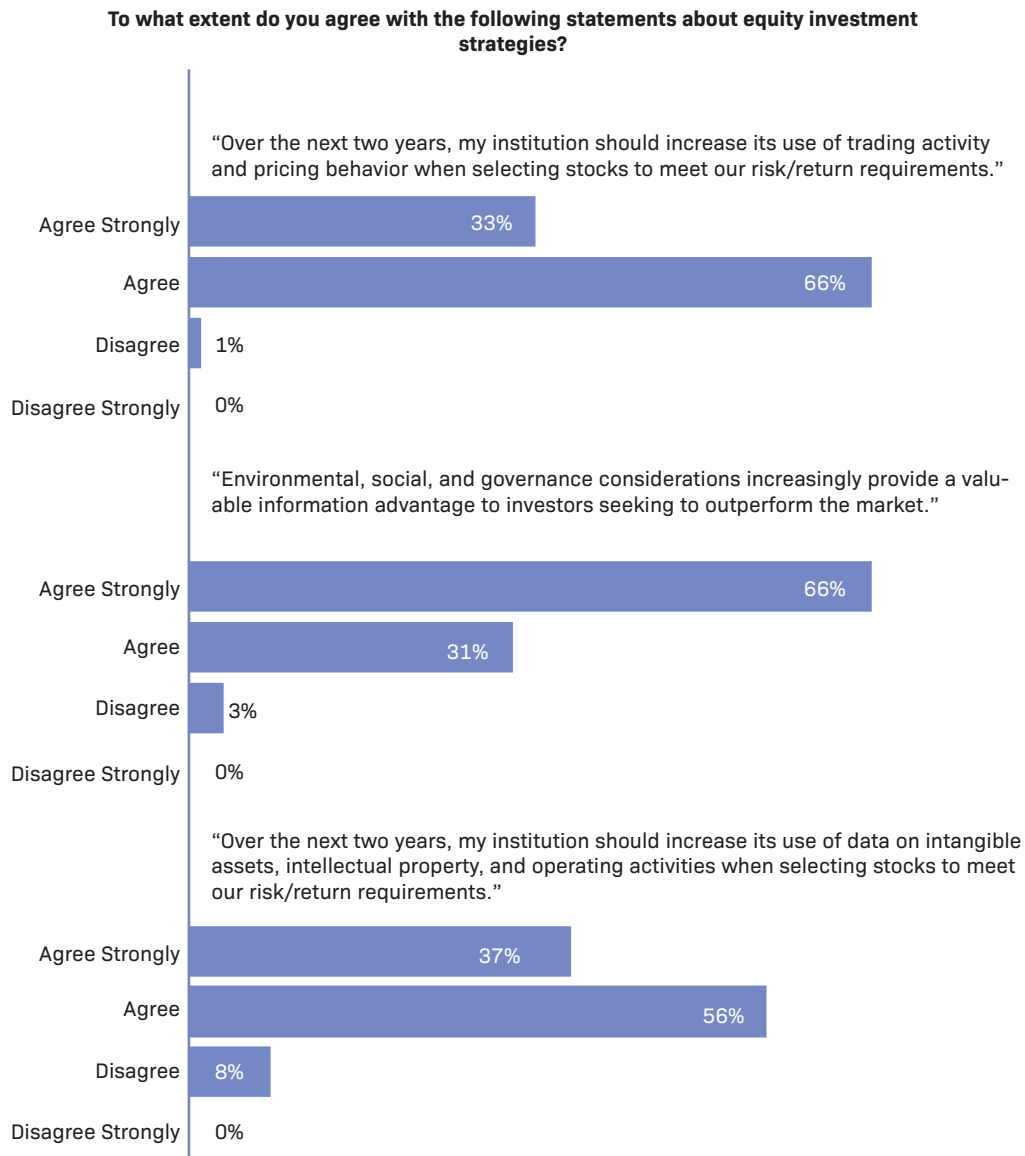
In Hong Kong, the pension equity head says, "Is emerging market reporting and compliance better and improving? Yes, no doubt about it. Is it where it should be? No." She continues, "When I started looking at this five years ago, it was dreadful. Over the years, companies and their advisors are improving their knowledge of sustainability, governance, and reporting." She is reluctant to attribute improvements to any particular shift or mandate. Rather, she says, emerging market companies "have come to realize that they were behind the eight ball and had to make a move toward greater transparency. It's about visibility – if these companies want investors to embrace them, they know they have to meet their reporting and transparency requirements."

Figure 7. A broader investment universe garners consistent support across market-focus segments



Investors' efforts to discern valuable active strategies hinge not only on a broader equity universe and better information for investment decision making, but also on harder hitting, more circumspect analysis of market trading activity, intangible assets and nonfinancial/operating activity, and ESG performance. Queried on their use of market trading data – that is, trading volume, price trends, and correlations with other assets, for example – one-third of investors focused on North America agree strongly that they should do more to integrate forms of technical analysis in their investment decision making (see Figure 8).

Figure 8. Investors seek mastery of nonfinancial data across a broader universe of equity markets



Similarly, 37% of survey respondents focused on North American equities agree strongly that they should increase their use of data on intangible assets, intellectual property, and operating activities when selecting stocks to meet risk/return requirements. ESG disclosures emerge in the survey results as an important source of valuable information for investment decision making. This affirmation of the value of ESG information serves as a clear indication that companies' efforts to disclose the impact of their operating activities and aspirations for improvement have yielded meaningful information for investors.

III. Investors' Views of Sector Performance

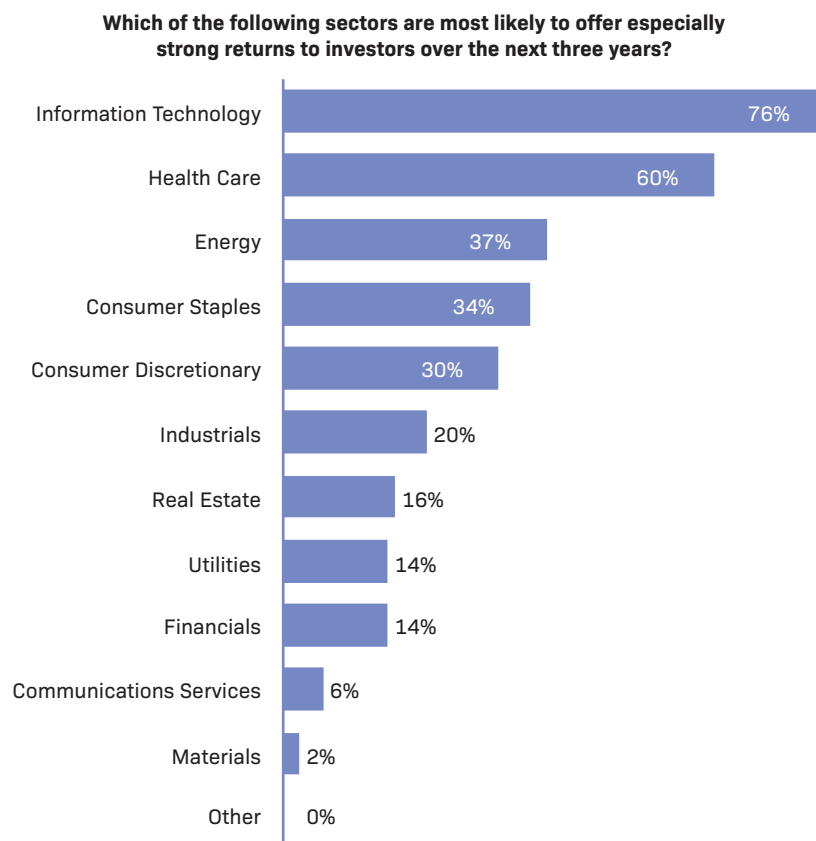
Survey respondents worldwide seem to be especially bullish on technology and health care sectors over the next few years, largely at the expense of utilities, materials, and communications services firms. A solid majority of investors focused on North American equities (76%) in this study are bullish on information technology sectors, and 60% see notable upside opportunities in the health care sector, which includes health care equipment and services, along with biotechnology and pharmaceuticals.

"I think biotech is going to be insulated from the vagaries of the economy, because the FDA will keep approving cancer drugs, and the world's going to keep getting sick," says the foundation portfolio manager in North America. "Big pharma will keep making billions every year, and they'll go out and buy a bunch of small-cap biotech companies. Biotech shares are uncorrelated relatively, so we're pretty bullish on the sector."

Another portfolio manager at a North American foundation sees upside in technology and health care, saying, "I'm most bullish about proven innovators in technology and pharma – those that have a business based on something that has demonstrated market appeal." Similarly, he sees medical and biotech issues as sound bets in the next few years. "Health care in this country is still a complicated industry, and there's a lot of room for innovation – and for pricing errors. Demand isn't going anywhere, so we can be confident that someone's going to win. The question is, who?"

Investors elsewhere concur on the outlook for health care, largely due to both innovation in the sector and the gradual shift toward an older population. "Health care is going to be a big sector because of demographic shifts and expanding access in developing countries. Indeed, some parts of the health care segment are likely to outperform the IT sector," says the equity head from the Australian pension. As economies around the world emerge from the pandemic more fully, she argues that consumer staples, "if they're well made, by well-managed companies, at low cost, then sellers will be able to take advantage of fairly elastic pricing" and prevail in an economic slowdown.

Figure 9. Sector-level outlook is especially strong in technology and health care



Less appealing, say investors focused on North America, are sectors whose performance is linked closely to interest rates and the business cycle of expansion and contraction. Fewer than one in five investors see strong upside in financial equities, which is composed of commercial and investment banks, capital markets, and insurance.

Investors say their concern about the real estate sector stems from uncertainty about interest rate changes over the next year, as well as questions about how both the residential and commercial real estate industries will rebound from the pandemic.

The portfolio manager in Hong Kong sees real estate at “the intersection of both the interest rate environment and also the economic cycle. Real estate is sensitive to mortgage rates, and also to the demand from the household balance sheet, which itself is sensitive to economic growth and employment.”

The outlook for commercial real estate is similarly uncertain due to interest rates and to the velocity and timing of the post-pandemic recovery in office space and other commercial property. The Hong Kong portfolio manager says, “People are working from home, there is likely to be a shrinking demand for office space – especially for smaller businesses that don’t want to pay expensive rent and will have their people work from home.”

IV. The Road Ahead

In many ways, equity investors focused on North America are in a strong position in 2023. The global pandemic continues to recede after three years of economic disruption. Swift interest rate hikes from developed market central banks demonstrate both the gravity of high inflation and monetary authorities' determination to tame it. Meanwhile, North America's investors express concern about business investment, capital costs, sustained conflict in Europe, and other geopolitical matters. Nonetheless, say North American investors in this study, equity markets are poised to recover in 2023 from the substantial corrections of 2022. The baseline estimate for equity returns in the region averages 5.9%, somewhat below the returns expected in riskier emerging markets around the world.

In this environment of cautious recovery, investors in this study reveal a sense of optimism about investing in equities. While no single approach works in all cases, this study among investment decision makers, who manage an estimated \$1.5 trillion in assets, reveals the following:

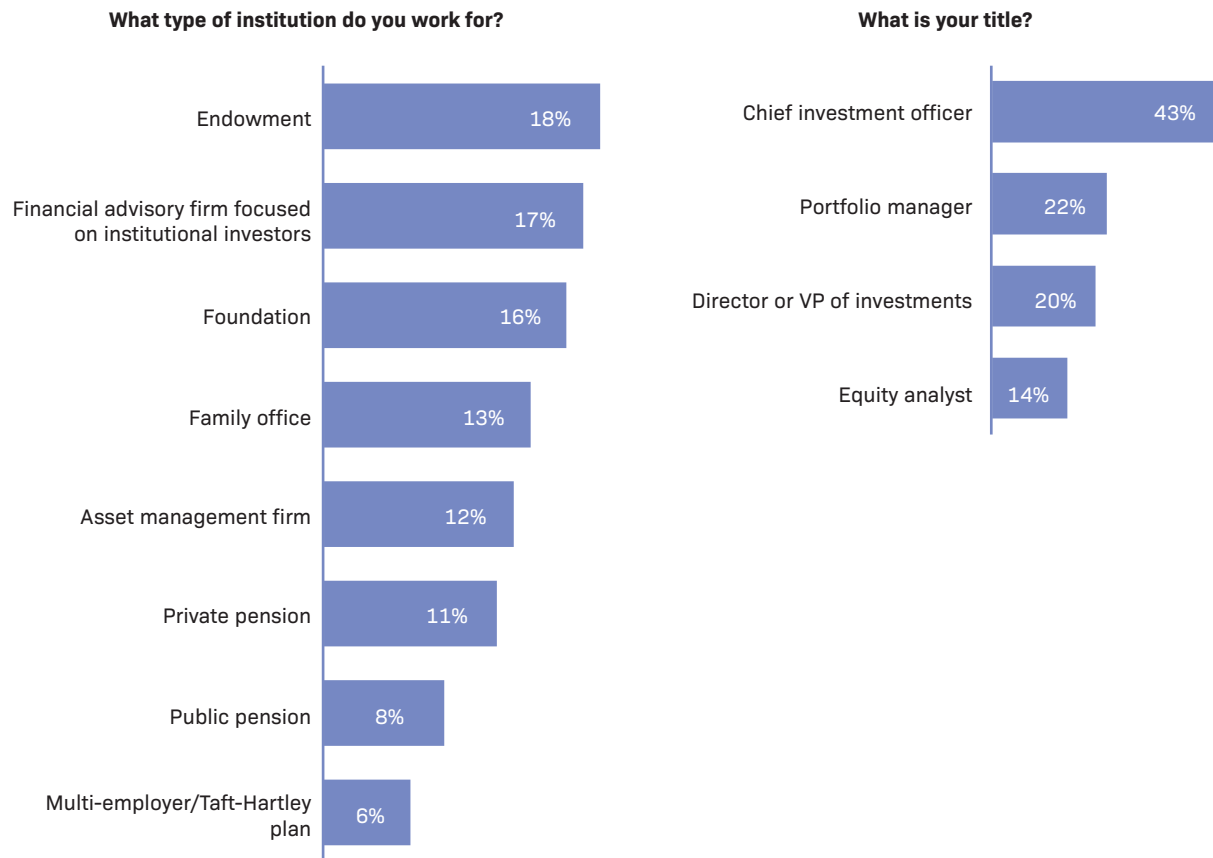
- Institutional investors see tilted passive strategies as especially sound and cost effective in the highly efficient developed markets of North America.
- Pricing errors and volatility provide opportunities to generate alpha returns from active strategies in niche markets such as small-cap equities.
- Investors participating in this study are notably bullish on high-quality technology and health care sectors.
- Real estate and financial stocks are less appealing due to uncertainty about interest rates and the post-pandemic structure of these industries.

As North American equity investors pursue their investment objectives in the years ahead, the most successful are likely to be guided in their decision making by thoughtful analysis of nonfinancial and ESG information and consideration of a more expansive investment universe.

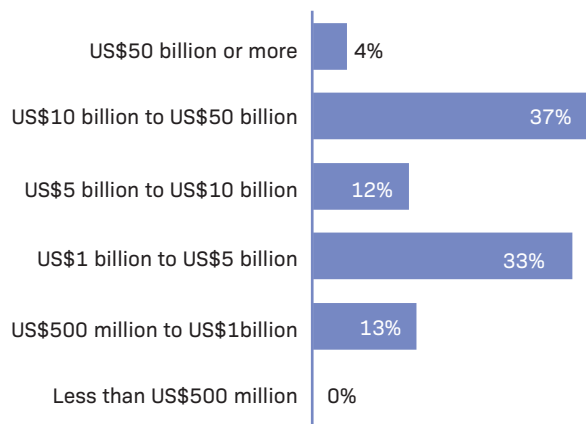
About this research

This report examines the views of investment decision makers at asset-owning institutions and asset managers on the outlook for equity markets around the world and the strategies most suitable for investment over the next two years. Institutional Investor’s Custom Research Lab composed a questionnaire with the EquitiesFirst and interviewed six well-informed sources at asset management firms, pensions, and insurers. The questionnaire was fielded in February and March 2023 and includes responses from more 90 investment decision makers at institutions in North America.

The demographic highlights of the survey are provided below.



What are your institution’s assets under management?



Sponsor's Perspective

Confidence in Uncertain Times

After a series of macroeconomic and geopolitical shocks buffeted global equities in 2022, equity investors are facing an uncertain future. Higher interest rates, persistent inflation, and geopolitical tensions have fundamentally transformed the investment landscape, and volatility has remained a feature of equity markets through the first quarter of 2023.

Against that backdrop, many investors have been tempted to increase their allocations to alternative asset classes, such as private markets, and higher yields support the case for bonds. This report, however, found that investors remain broadly optimistic about equities, with the base case consensus showing a modest recovery in 2023. Over the medium term, investors also indicated their confidence in growth stocks and innovative sectors such as technology and health-care.

These are encouraging findings. As a partner to long-term shareholders and a co-investor alongside our clients, we understand that investor confidence is important to the health and smooth functioning of equity markets, and this research confirms that the world's leading institutional investors continue to see equities as an attractive asset class – despite the recent challenges.

Finding value in volatility

Investors can take comfort in these findings, but they must also tread carefully. Liquidity is at a premium in times of uncertainty, and we continue to help numerous clients manage their capital requirements as the value of their portfolio changes.

This report confirms that material risks remain elevated: interest rates and inflation top the list of macroeconomic concerns, but geopolitical risks also weigh heavily. Concerns about climate change, the war in Europe and rogue cyber-attacks are also widespread.

These risks will likely continue to drive heightened market volatility, and there can be no guarantee that successful investments in the past will perform well in the future. Yet this kind of uncertainty also creates significant opportunities for investors to outperform the broader markets.

Flexible solutions

In the current environment, securities-backed financing provides a flexible, cost-effective and stable form of capital that allows investors to move quickly into new positions and diversify their portfolios. It also smooths out volatility by allowing investors to monetize their long-term shareholdings and put a floor under valuations.

EquitiesFirst has a 20-year track record in providing such Progressive Capital. As partners to long-term shareholders, we offer low-cost, flexible funding to help investors pursue new opportunities while maintaining the upside potential from their underlying holdings.

While there are simply no clear answers to the big questions facing equity investors – including how long inflation will persist and how far demand will decline in taming it – there will be clear opportunities for those who can act with confidence in uncertain times.

EquitiesFirst remains committed to enabling our partners to do just that through pioneering solutions that transcend the limitations of traditional financing.

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