JUNE 2, 2025

Macro Pulse

Positioning amid policy pressures

Amid rampant global policy uncertainty, investors face a difficult truth: **clarity may not come soon**. Capital-intensive investment is rising across asset classes and geographies, traditional asset class relationships are decoupling, and private markets are growing and democratizing. We believe **this is a critical moment for investors to rethink portfolios.**

Download Macro Pulse:

New York Life Investments

How to invest our macro views: high conviction ideas

OUR VIEW		HOW TO INVEST
EQUITY		
• Market uncertainty persists. Focus on quality earnings. • U.S. policy uncertainty is resulting in shifting asset class relationships, including lower demand for U.S. assets on the margin. In response, we favor broader, more global diversification. • Small cap public equities are cost-sensitive and have fewer options to adjust supply chains. • The AI trend is here to stay, with digital and energy infrastructure already benefiting.	1	Generate income by deploying equity-like risk in high yield credit, where 2-3 year fundamentals are strong.
	2	Ex-U.S. outperformance is likely to slow, but geographic diversification is prudent.
	3	We favor large cap equities in public markets; small caps will underperform until growth is more resilient.
	4	Add AI exposure via energy, materials, and digital infrastructure.
FIXED INCOME		
• We expect the Fed to hold on cutting interest rates, but for the yield curve to remain volatile. Counter reinvestment risk by deploying cash. • Uncertainty around Treasury rates makes duration less reliable. • U.S. public credit quality (interest coverage, maturity timeline) remains strong historically, backed by steady economic activity.	6	We have high conviction in credit allocation in corporates (IG, HY) and municipal bonds.
	7	A barbell strategy can blend short-term credit with taxable munis.
	8	Strong fundamentals make structured credit and convertible bonds attractive. Only the strongest floating rate loans are likely to hold up in our opinion.
ALTERNATIVES		
• Geopolitical risks are rising. Hedge with diversification and inflation-aware exposures. • Despite U.S. trade policy uncertainty, trends like re-globalization, digitization (AI), and energy independence support capital spending and stickier inflation. • Private markets allocation is growing and democratizing.	9	Hedge geopolitical risk with a “macro volatility” satellite of oil, gold, and bitcoin funded from equities.
	10	Inflation-aware assets such as commodities, materials, and real estate may benefit from the macroeconomic backdrop.
	11	Qualified investors seeking diversification into the private markets may consider the less correlated lower middle market.

For the full story visit newyorklifeinvestments.com/global-markets/macro-pulse.

Global Market Strategy

At New York Life Investments

Lauren Goodwin, CFA
Chief Market Strategist
LinkedIn

Julia Hermann, CFA
Global Market Strategist
LinkedIn

Michael LoGalbo, CFA
Global Market Strategist
LinkedIn

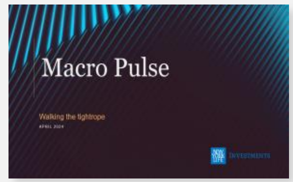
NEW YORK LIFE INVESTMENTS

Insights and content offerings

Public-approved resources

MACRO PULSE: *Economic & market commentary, high conviction ideas*

In an ever-changing landscape, understanding the trajectory of macrotrends and economic forecasts is critical to making informed investment decisions.



Comprehensive outlook (& quarterly webinars)

Weekly market update

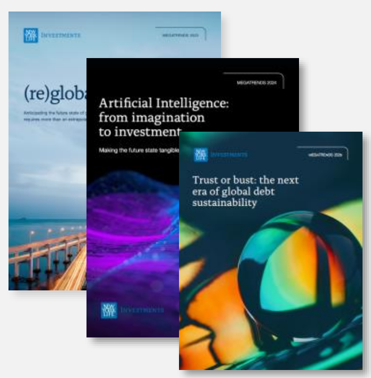
From the desk... (timely response to market movement)

Weekly podcast & bi-weekly video series

THOUGHT LEADERSHIP: *Thematic reports, portfolio construction, etc.*

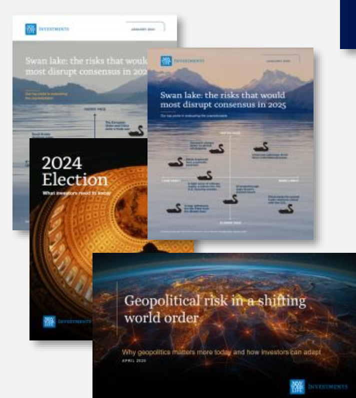
Megatrends

- *Coming soon!* 2025 Megatrend: debt
- Artificial intelligence: from imagination to investment
- (re)globalization



Politics and geopolitics

- *Coming soon!* Geopolitical risk in a shifting world order
- Swan Lake: the risks that would most disrupt consensus in 2025



Private markets

- Global market outlook

For more information visit newyorklifeinvestments.com/global-markets.

Important disclosures

This material represents an assessment of the market environment as of a specific date and is subject to change; and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding any investment product or any issuer or security in particular.

The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective.

This material contains general information only and does not take into account an individual's financial circumstances. This information should not be relied upon as a primary basis for an investment decision. Rather, an assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial advisor before making an investment decision.

8021786