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# Market Perspectives Video

## Happy New Year

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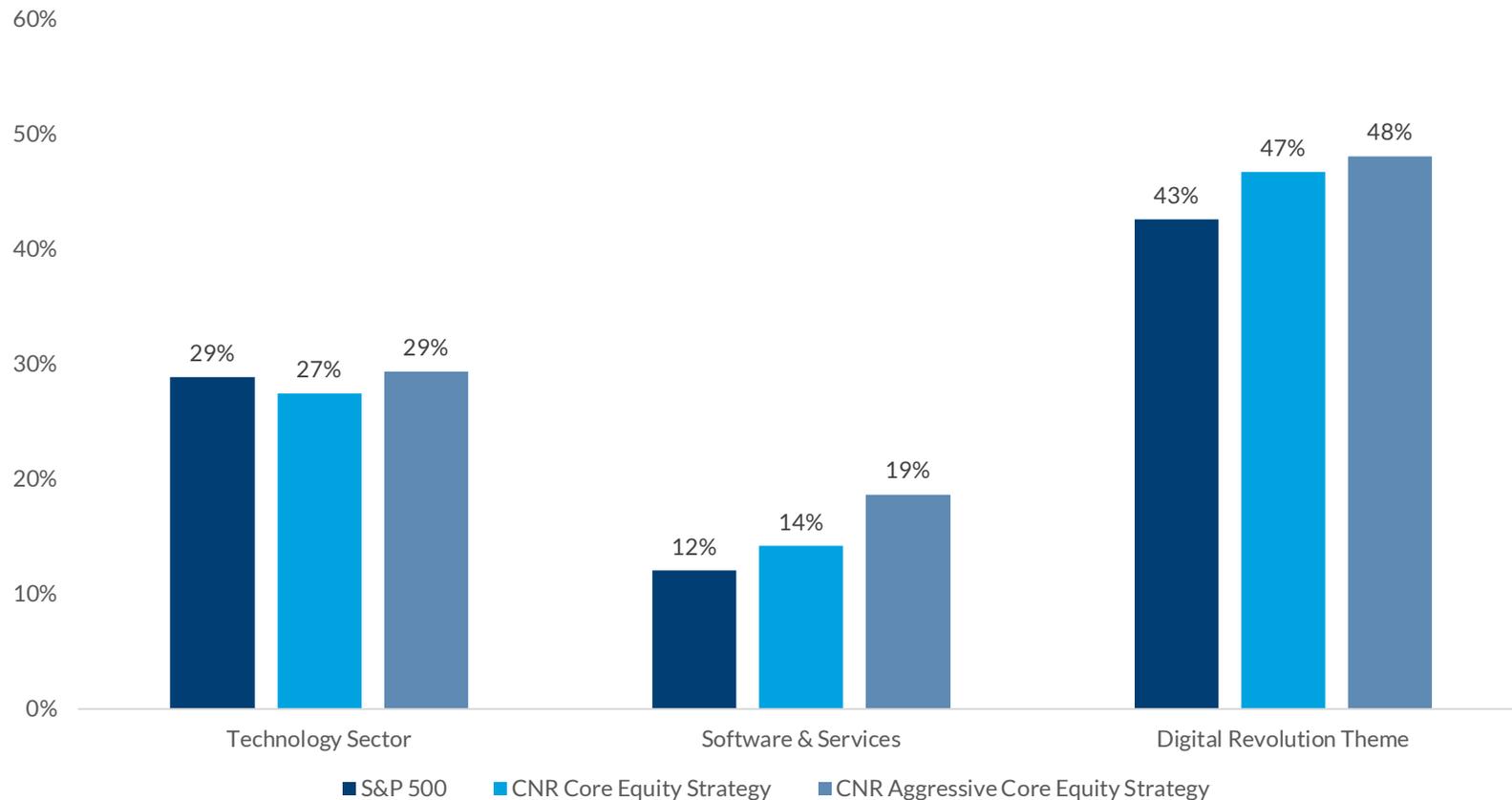
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# Key Secular Theme – Digital Revolution

- Software and services remain our favorite industry group.
- Portfolio focus includes non-tech specific industries that are beneficiaries of the Digital Revolution

Index vs. Strategy Weights



Source: FactSet, as of December 29, 2023.

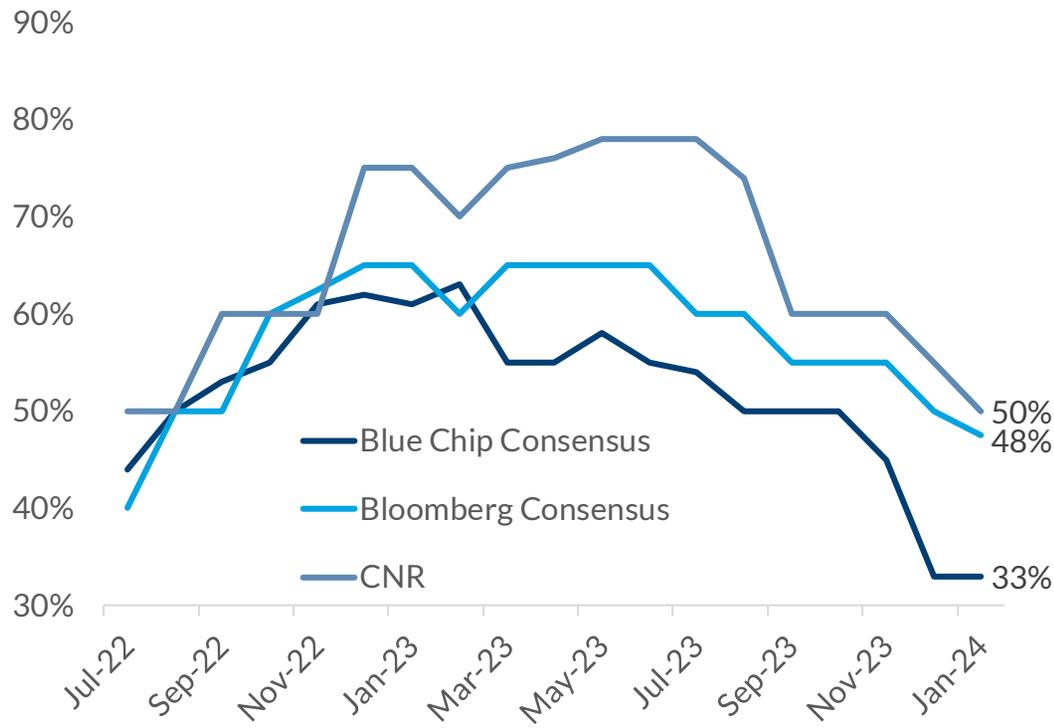
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# Risks to Outlook Growing More Balanced

- A potentially sooner than expected Fed pivot and inflation progress has increased odds a soft landing will be achieved.
- Significant near term economic slowdown still anticipated due to lagged impact of Fed tightening.
- Consumer retrenchment is expected to be offset by strong household balance sheets and real income gains.
- Labor shortages and resilient demand should limit increases in unemployment.

Recession Probability



Outlook Scenarios	Prior	Current
Soft Landing/ Slow Growth	40%	50%
Mild Recession	60%	50%

Sources: CNR Research, Bloomberg, Blue Chip Economic Indicators, as of December 2023.  
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