



1Q 2026

# Asset Allocation Committee Outlook

Embracing Risk in a Shifting Macro Regime



## ABOUT THE Asset Allocation Committee

Neuberger Berman's Asset Allocation Committee meets every quarter to poll its members on their outlook for the next six to 18 months on each of the asset classes noted and, through debate and discussion, to refine our market outlook. The panel covers the gamut of investments and markets, bringing together diverse industry knowledge, with an average of 30 years of experience.

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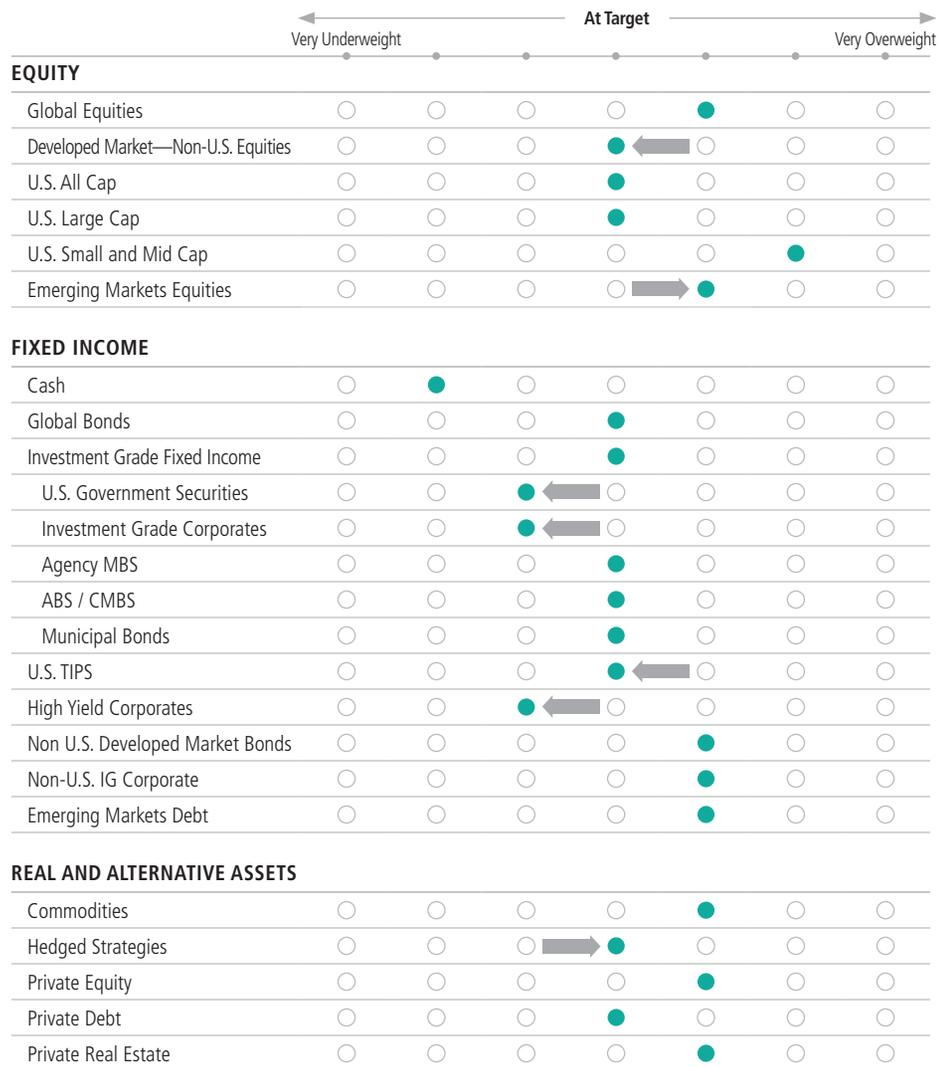
Managing Director, Private Investment Portfolios & Co-Investments

**Anthony D. Tutrone**

Global Head of Alternatives

# Preliminary Six- to 18-Month Outlook as of 1Q 2026

A multidisciplinary committee is polled quarterly for its asset class return outlook and allocation views



As of 1Q 2026. Views shown reflect near-term tactical asset allocation views and are based on a hypothetical reference portfolio. Nothing herein constitutes a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. See disclosures at the end of this publication, which include additional information regarding the Asset Allocation Committee and the views expressed.



## EQUITY

- The AAC remains broadly positive on equities, **maintaining an overall overweight in global stocks** while **upgrading emerging markets**—led by India and Brazil—to **overweight and reducing non-U.S. developed markets to at target**.
- While constructive on the U.S., Europe and Japan equities, the Committee has adjusted slightly downward its posture on **Japan to a moderate overweight**, reflecting some constraints on upside potential at current valuations.
- The AAC **maintains its overweight on U.S. small and mid-caps**, supported by beneficial monetary and fiscal factors and a growth-focused policy setup.
- The upgrade to emerging market equities largely reflects **India's elevation to overweight from underweight**, and **Brazil's move to overweight** from at target. Lower valuations, improving macro momentum and potential for foreign inflows underpin the repositioning on India, with Brazil benefiting from monetary easing, commodities demand and relatively attractive valuations.



## FIXED INCOME

- A strong 2025 and a slowing rate-cutting cycle largely underpin the AAC's **downgrade of U.S. government securities, investment grade corporate credit and high yield to underweight** from at target. **U.S. TIPS have also been downgraded to neutral** from overweight. **Municipal bonds remain at target**.
- In contrast, the Committee **maintains its overweight view on non-U.S. developed market bonds**, including 10-year German Bunds, U.K. Gilts and Japan government bonds (JGBs), which have been upgraded to overweight from at target, reflecting more attractive long-end valuations on a currency-hedged basis from recent volatility. An **overweight is also held on emerging market sovereign bonds** in hard and local currencies.
- Amid a more dynamic and diverse macro and policy setup, the Committee has **changed its view on multiple currencies**, upgrading the euro to overweight (from at target), sterling to at target (from underweight), and emerging markets foreign currencies (broad basket) deeper into overweight. The yen, in contrast, has been downgraded to underweight (from at target).



## REAL AND ALTERNATIVE ASSETS

- While the AAC has broadly held its positioning across real and alternative assets—including **overweights on commodities, private equity and private real estate**—it has **upgraded its view on absolute return strategies to at target** from underweight, reflecting a more dynamic market context from fiscal-led growth and policy dispersion, among other factors.
- The Committee **maintains its at target view on private debt** although rising incidences of credit risk encourage close vigilance of the asset class.

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