On screen text: Outlook 2020 – A Call for Resilience

On screen text: Darrell Cronk, CFA, Chief Investment Officer of Wells Fargo Wealth and Investment Management, President of Wells Fargo Investment Institute
As we close the end of 2019 and enter 2020, the longest-ever bull market continues while market volatility and global uncertainties persist. Investors are rightly asking where should they make adjustments to their portfolios? Wells Fargo Investment Institute’s 2020 Outlook suggests ways that may help mitigate risks and focus on long-term returns.

On screen text: What were the biggest investment news stories in 2019?

On screen text: Paul Christopher, CFA, Head of Global Market Strategy, Wells Fargo Investment Institute
Many investors may have headaches after our 2019 “end of easy” outlook theme rang like a bell through the year.
Investors’ relief was short after the 2018 recession scare, as they realized that the economic expansion is aging quickly.
Geopolitical tensions gave an object lesson on how NOT to make friends and influence markets.

On screen text: Brian Rehling, CFA, Co-Head of Global Fixed Income Strategy, Wells Fargo Investment Institute
The Federal Reserve’s pivot to dovish policy after declaring there was a long way to go to get to the neutral rates. Also, meaningful yield curve inversion suggested that the risks of recession are rising.

On screen chart graphic: U.S. Treasury yield curve, March 2016 & March 2019. Sources: Bloomberg, Wells Fargo Investment Institute, March 26, 2019. Yields represent past performance. Past performance is no guarantee of future results. Yields fluctuate as market conditions change. A yield curve is a curve on a graph in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity.

On screen text: Sameer Samana, CFA, Senior Global Market Strategist, Wells Fargo Investment Institute
Trade tensions with China, Brexit, and an earnings slowdown were among the biggest stories in 2019.

On screen text: Tracie McMillion, CFA, Head of Global Asset Allocation Strategy, Wells Fargo Investment Institute
The big investment news in 2019 was the sharp turnaround from the market weakness of the fourth quarter of 2018. Investors who stuck to their long-term allocations likely did very well in 2019 as both equity and fixed income markets surprised to the upside.

**On screen text: What will be the big investment news stories of 2020?**

**On screen text: Paul Christopher, CFA, Head of Global Market Strategy, Wells Fargo Investment Institute**

If world leaders don’t hang together better, they are likely to have recessions separately. Progress on geopolitical problems could extend the global economic expansion. Populism, global migration, and separatism normally do create investment risks and opportunities.

**On screen text: Brian Rehling, CFA, Co-Head of Global Fixed Income Strategy, Wells Fargo Investment Institute**

We are looking at whether the Federal Reserve will need to continue easing and accelerate balance sheet expansion once again. Also, is bond market yield curve inversion right again, or can the U.S. buck the trend and avoid a recession?

**On screen text: Sameer Samana, CFA, Senior Global Market Strategist, Wells Fargo Investment Institute**

We believe U.S. elections, the strategic conflict with China, and the degree of moderation in the U.S./global economic growth outlook will be the biggest drivers for markets in 2020.

**On screen text: Tracie McMillion, CFA, Head of Global Asset Allocation Strategy, Wells Fargo Investment Institute**

In 2020, investors should stay fully invested, but take targeted risk out of their portfolios. The U.S. and other developed markets may avoid a recession in 2020. However, financial markets may only see modest upside as geopolitical risks linger and monetary policy approaches the end of its effectiveness.

**On screen text: Darrell Cronk, CFA, Chief Investment Officer of Wells Fargo Wealth and Investment Management, President of Wells Fargo Investment Institute**

2020 will be a pivotal year for investors. Global growth is set to slow. Trade tensions around the world could continue to escalate, and Americans will head to the polls to choose their leaders. I hope that you will follow us throughout the year as the Investment Institute continues to produce actionable and real-time guidance on these and other critical topics. Our team of dedicated strategists and analysts are focused on delivering the highest quality investment expertise and advice in an effort to help investors manage risk and succeed financially.
On screen text: For more information download our special report: 2020 Outlook – A Call for Resilience.

Risk Considerations
Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. Stock markets, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Foreign investing has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. Bonds are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates.

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