



Global Asset Allocation

November 20, 2025

SOFT PATCH TODAY, CONSUMER WAVE IN 2026, AND FIVE INVESTMENT THEMES

On the surface, it would seem the economy is grappling with continued labor market unevenness made worse by the U.S. government's nearly six-week shutdown. While the OBBB has the potential to be massively stimulative, the bill was drafted such that the stimulative impact is largely delayed into 2026. About \$135 billion in incremental corporate tax credits and \$150 billion of incremental consumer tax incentives have yet to work their way into the economy. The latter will come in the form of refund checks that will not be cut until the April filing window. Meanwhile, prices for goods and services continue to outpace wages, gnawing at consumer sentiment.

The economy and the stock market are not the same and we're seeing a disconnect between softer economic data and a resilient stock market.. For Q3, year-over-year revenue growth is roughly twice the rate of GDP growth and operating margins have continued to expand from Q2 levels. Consensus estimates for 2026 revenue and profit growth were raised to +6% and +14% year over year. We remain bullish in the short-to-intermediate term though we are braced for choppiness into year-end as this period of moderate disconnect plays itself out.

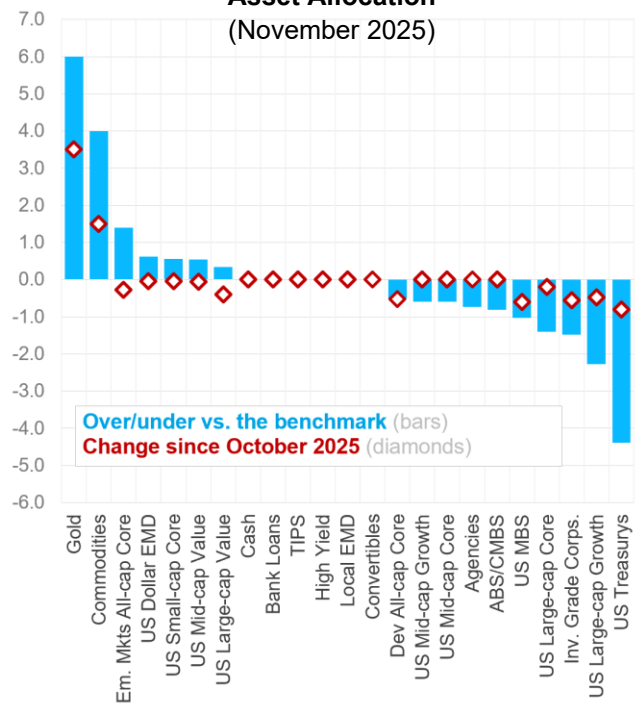
Beyond the intermediate-term, a second disconnect appears to be developing with potentially more severe implications for asset allocations. The problem is debt: government debt, corporate debt, private debt, consumer debt, all of it. At some point, the interest service on the debt becomes too high to cover while also maintaining the levels of saving and investment necessary to keep the economy expanding. The degree of difficulty to slow or reverse this trend increases exponentially with time. We are trying to gauge the market's future expectations and whether the impact will be important enough that we should inoculate our portfolio exposure against it. That's a larger question than we can answer completely today, but with this writing we are expanding our positions in Gold and Commodities.

We've again decided to hold our fixed income allocation steady in November, as credit spreads have resumed their tightening following credit risk concerns in October. Additionally, AI-related bonds show current spreads that are well below their 12-month peaks. For now, the market doesn't appear to be pricing in much credit risk.

Our economics team has determined that we are heading into a Q4 "soft patch." But despite near-term risks to growth, there are numerous supports ahead in 2026 for the U.S. economy, including lower rates, government fiscal policy, the World Cup, and America's 250th birthday.

Our investment themes are **1) Cashflow aristocrats** (companies that can self-fund), **2) Artificial intelligence** (moving into an era of "agentic productivity" beyond the biggest Tech companies), **3) Industrial power generation** (answering the growing demand for electricity), **4) Deglobalization** (respond to a world with shifting geopolitical operating conventions), and finally, **5) the 2026 Consumption wave** (as delayed benefits of the OBBB converge with the World Cup and 250th anniversary celebrations).

**Strategas Recommended
Asset Allocation
(November 2025)**



Gold and Commodities are not included in the benchmark indices and are not usually included in this table. They're being included this month because of substantial addition to both of these alternative asset classes. See more about our benchmark indices on page 3.

Strategas Recommended Asset Allocation (November 2025)

	Equities		Bonds		Cash & Equivalents		Alternatives
Strategas		58%		30%		2%	10%
Benchmarks	MSCI ACWI	60%	Barclays Agg	38%	Cash	2%	
	Domestic	35%	Core Credit	29%	Cash	2%	Gold 6%
	International	23%	Ext. Credit	1%			Commodities 4%
		58%		30%		2%	10%
Over-weight	US LC Value	12%	IG Corporates	8%			Gold 6%
	EM AC Core	8%	US MBS	9%			Commodities 4%
	US MC Value	2%	USD EMD	1%			
	US SC Core	1%					
Neutral	Dev AC Core	15%			Cash	2%	
	US MC Growth	1%					
Under-weight	US LC Growth	14%	US Treasuries	12%	<i>Due to rounding, percentages on this page may not add up to 100</i>		
	US LC Core	6%	ABS / CMBS	0%			
	US MC Core	0%	Agencies	0%			
	Equities	58%	Bonds	30%	Cash & Equiv.	2%	Alternatives 10%

EQUITY				
	Strategas Equity Only	Benchmark Equity Only	Strategas Blended Allocation	Benchmark Blended Allocation
Domestic	60%	63%	36%	38%
International	40%	37%	24%	22%
	100%	100%	60%	60%
Dev AC Core	26%	26%	15%	16%
US LC Growth	24%	27%	14%	16%
US LC Value	20%	19%	12%	11%
EM AC Core	14%	11%	8%	7%
US LC Core	10%	12%	6%	7%
US MC Value	3%	2%	2%	1%
US SC Core	2%	1%	1%	1%
US MC Growth	1%	1%	1%	1%
US MC Core	0%	1%	0%	1%
	100%	100%	60%	60%

Benchmark: MSCI All-Country

FIXED INCOME				
	Strategas Fixed Only	Benchmark Fixed Only	Strategas Blended Allocation	Benchmark Blended Allocation
Core Credit	98%	100%	29%	38%
Extended Credit	2%	0%	1%	0%
	100%	100%	30%	38%
US Treasuries	40%	43%	12%	16%
IG Corporates	28%	26%	8%	10%
US MBS	30%	26%	9%	10%
ABS/CMBS	0%	2%	0%	1%
US Dollar EMD	2%	0%	1%	0%
Agencies	0%	2%	0%	1%
Bank Loans	0%	0%	0%	0%
TIPS	0%	0%	0%	0%
Local EMD	0%	0%	0%	0%
High Yield	0%	0%	0%	0%
Convertibles	0%	0%	0%	0%
	100%	100%	30%	8%

Benchmark: Barclay's Aggregate

IG Corporates consists of 24% Long-Term Corporates and 4% Short-Term Corporates. Strategas currently has a 2% allocation to Cash compared to a benchmark weight of 2%, as well as a 10% allocation to Alternatives (6% to Gold and 4% to Commodities).

Index definitions:

The MSCI All Country World Index tracks broad global equity-market performance. Maintained by Morgan Stanley Capital International, the index is composed of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad, market-capitalization-weighted index representing intermediate term, investment grade bonds trade in the U.S. Investors frequently use it as a stand-in for the U.S. bond market. In order to be included in the index, bonds must be of investment grade or higher, have an outstanding par value of at least \$100 million and have at least one year until maturity. The index is maintained by Bloomberg LP.

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