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# Market Perspectives Video Next Chapter

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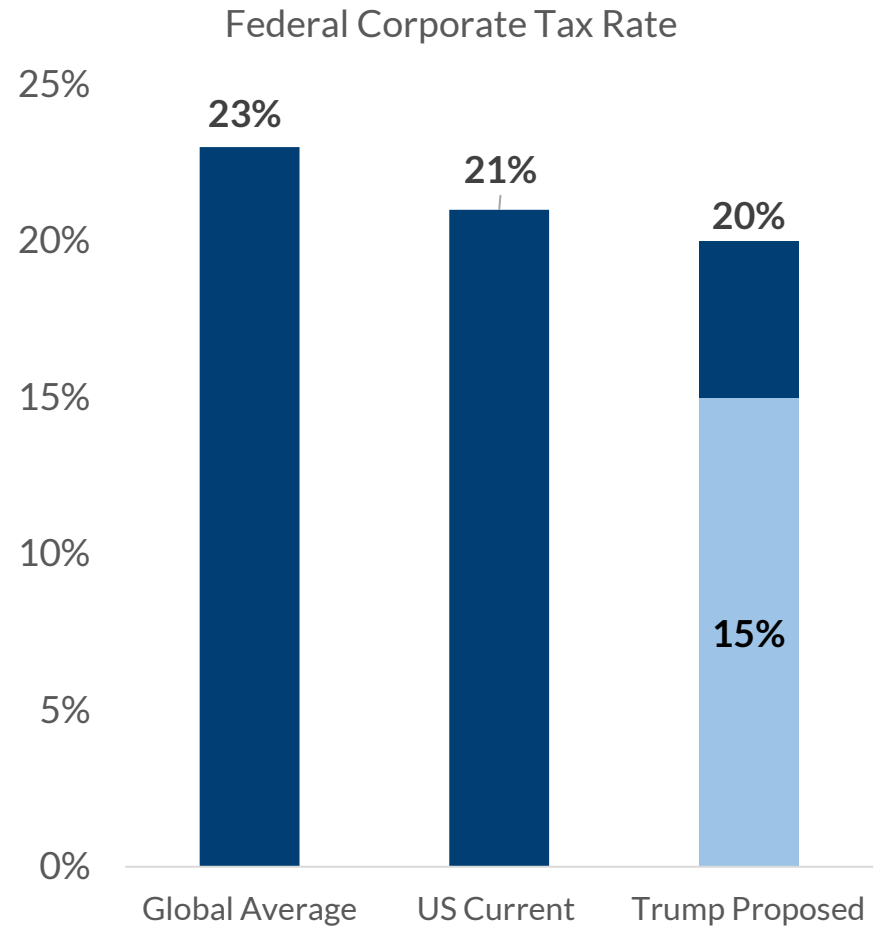
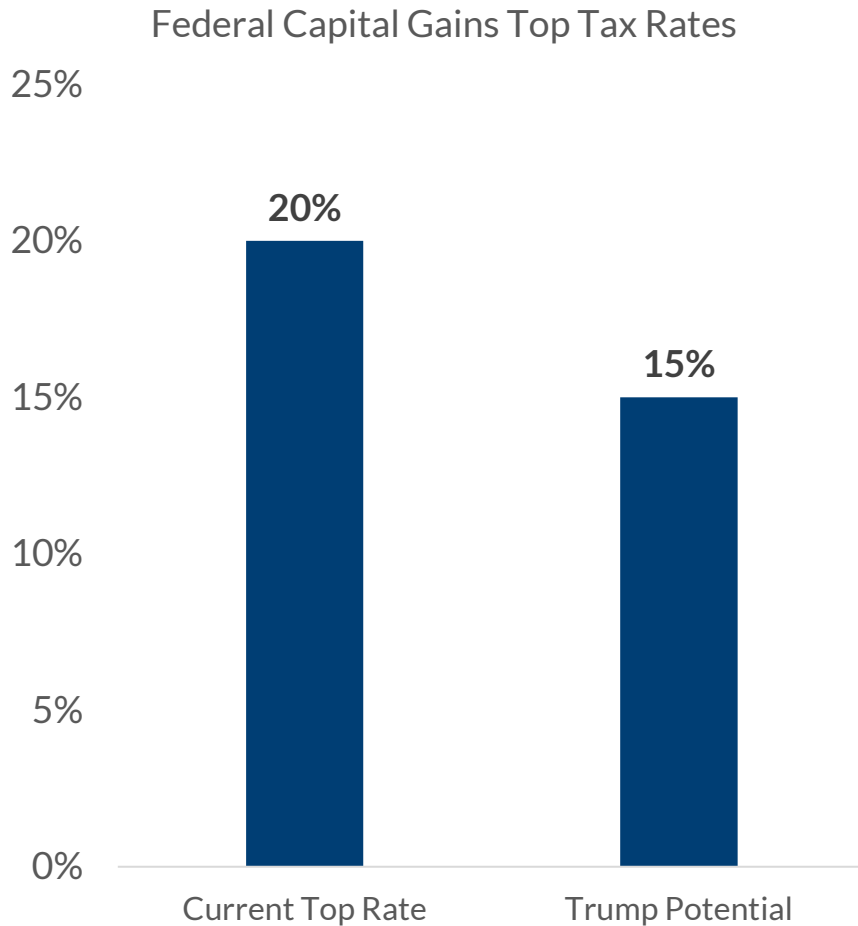
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# Election: Corporate Taxes

- Proposals by Trump could significantly lower the top capital gains tax rate.
- Trump has proposed further reductions in the corporate taxes.



■ 15% is an alternative proposed rate.

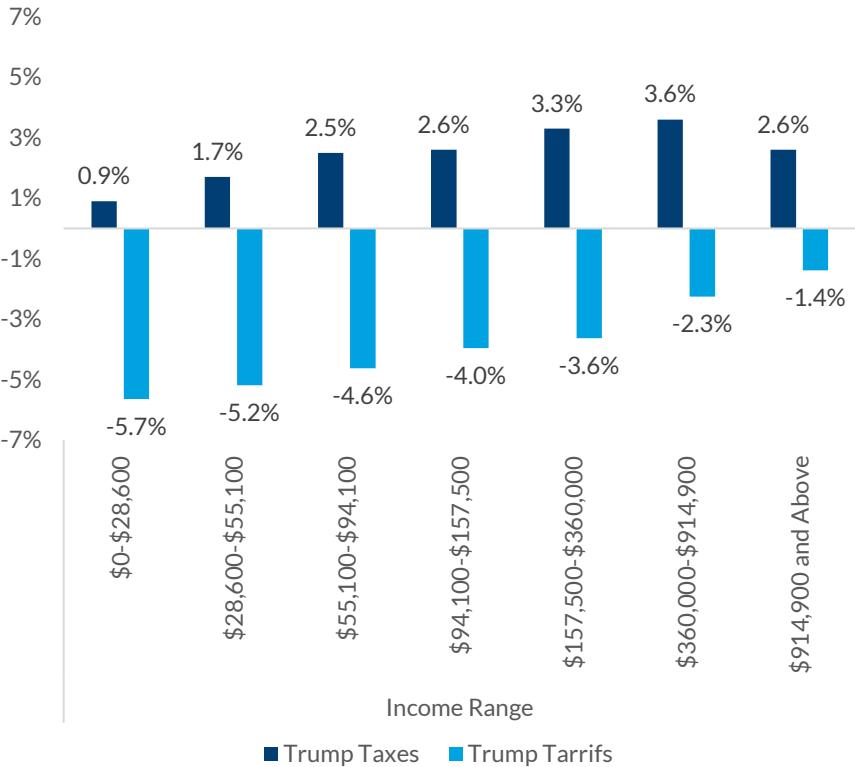
Source: Tax Foundation, as of October 2024. Information is subject to change and is not a guarantee of future results.



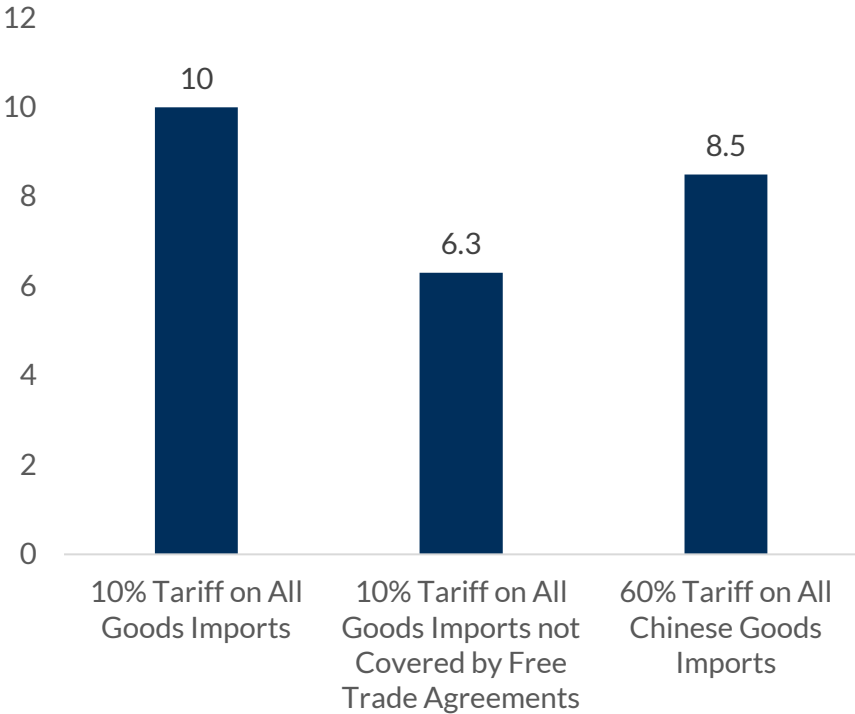
# Election Impact: Taxes

- Trump has proposed significant increases of tariffs on foreign imports.
- Increases in tariffs would offset the benefit of tax cuts, hitting lower income groups the hardest.

Percentage Change in After Tax Income (Projected by 2034)



Impact of Proposed Trade Policies (Percentage Point Increase to Effective Rate)



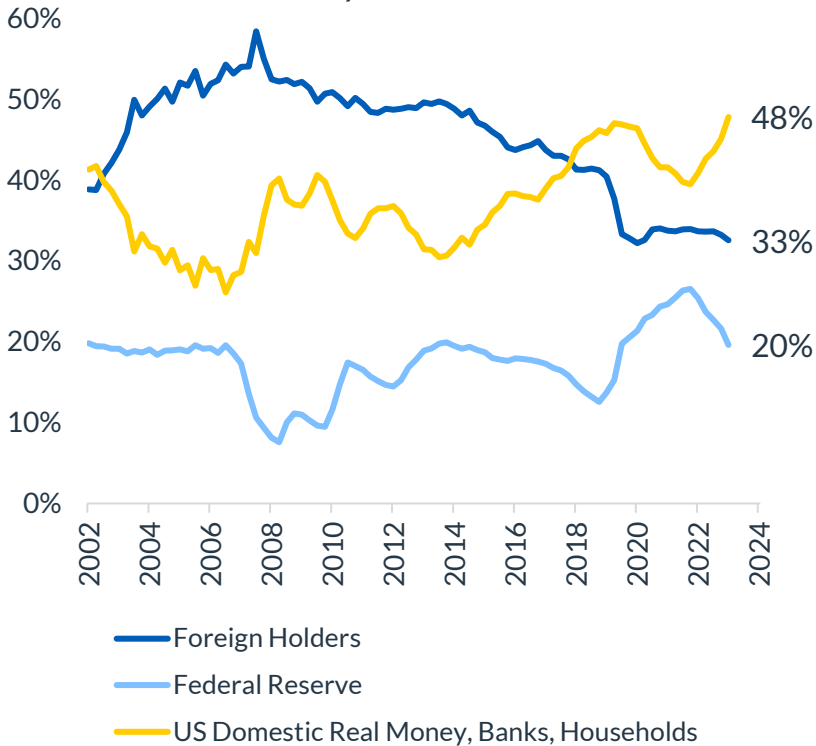
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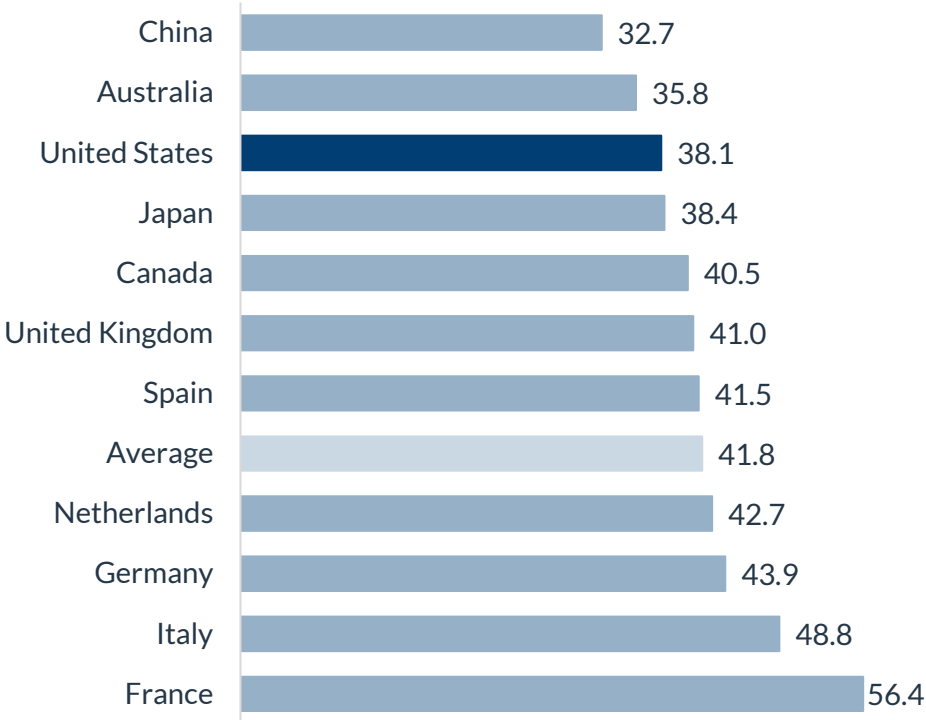
# The Federal Debt Is Large but Manageable for Now

- While large, the deficit for the next 10 years appears to be in line with that of the past 10 years.
- Last year’s deficit grew due to lower tax receipts, increased Social Security spending and higher treasury debt yields.
- The rise in federal debt is consistent with that of many other developed countries.

Holders of Treasury Debt Outstanding  
 By Percent



Government Spending  
 % of GDP



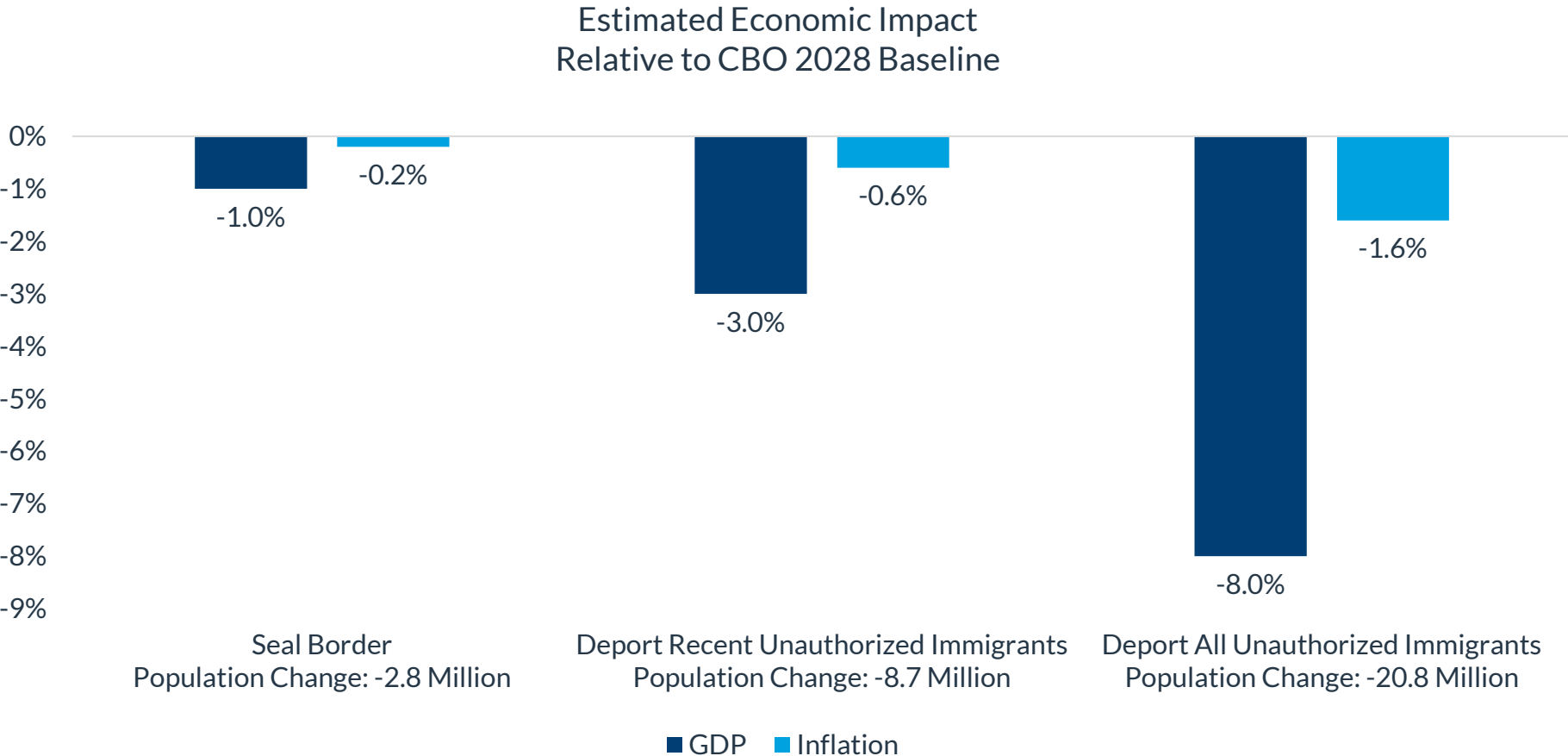
Sources: Bloomberg, as of May 2024; International Monetary Fund, as of Q2 2022. Information is subject to change and is not a guarantee of future results.

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# Election Impact: Immigration

- Fewer workers means lower GDP.
- Industries highly dependent on migrant labor would like experience higher wages and inflation pressures.
- In aggregate, the hit to demand from large scale immigration reduction would likely be deflationary.



Source: Bloomberg Economics, as of October 2024. Information is subject to change and is not a guarantee of future results.



# Economic Impacts of Potential Policy Changes

| Potential Policy Change | Economic Impact |           |                |                   |
|-------------------------|-----------------|-----------|----------------|-------------------|
|                         | GDP             | Inflation | Interest Rates | Corporate Profits |
| Lower Tax Rates         | Higher          | Higher    | Higher         | Higher            |
| Higher Tariffs          | Lower           | Higher    | Higher         | Lower             |
| Higher Federal Debt     | Neutral         | Higher    | Higher         | Neutral           |
| Lower Immigration       | Lower           | Neutral   | Lower          | Lower             |

Source: CNR Research, as of October 2024. Information is subject to change and is not a guarantee of future results.



# Important Information

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# Index Definitions

The Bloomberg Barclays U.S. Corporate High Yield Index is an unmanaged, U.S.-dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million.







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