* Global (and U.S.) growth will slow but shouldn’t turn negative in 2019.
* We expect most asset classes to see slightly better performance next year.
* We think investors should stay invested and keep putting money to work.
* Investment selectivity will be crucial in 2019.
* We think increased selectivity within asset classes, with a focus on quality and valuation, will yield the best results.

***Conclusion: seeking quality at a fair price in a slowing world.***

When the dust clears, the global economy in 2019 may not behave all that differently than it did in 2018, but we are hopeful for better investment returns across most public and private asset classes. The world is slowing, but only gradually. Furthermore, we believe a global recession and bear market are still at least a few years away, leaving room for portfolios with risk assets to benefit.

Slower growth. Rising rates. More volatility. 2019 looks to be a year that could be challenging for investors. Yet we believe the markets offer a range of opportunities, and we are finding a number of investment ideas for our clients.

Throughout 2018, Nuveen’s Global Investment Committee (GIC) suggested clients remain in a risk-on mode, even as we pointed

to rising risks to our pro-growth outlook. We haven’t substantially changed our views that select opportunities still exist across markets, but we do acknowledge that conditions are likely to get more challenging from here.

Equities: 2019 will likely be a stock picker’s market. We see attractive opportunities

in high quality companies with attractive valuations and strong free cash flow. Our focus will be on identifying and selecting individual stocks based on fundamental research.

Taxable Fixed Income: Positioning for late-cycle trends. We favor BBB rated bonds and the financial sector, as well as shorter-duration high yield corporates, bank loans and asset-backed securities. We also like preferred securities. Local emerging markets with attractive real rates, benign inflation trends and steeper yield curves offer opportunities.

Municipals: Expecting stronger returns in 2019. We believe the steepness of the municipal yield curve will cause longer-term bonds to outperform over time. We expect high yield municipals to continue outperforming due to spread narrowing and better income cushion versus interest rates.

Private Markets: Challenging markets require selectivity and proprietary access. We favor structured or preferred equity solutions for high-growth middle market companies. “Green” credit products in renewable energy are in high demand from European investors.

Real Assets: Benefits of global diversification in the late cycle. We favor global agriculture’s defensive characteristics in the late cycle. Commodity trading strategies using proprietary algorithms may capitalize on pricing inefficiencies. Also attractive are industrial real estate related to e commerce and real assets hybrid securities offering high income with relatively low interest-rate sensitivity.

Commercial Real Estate: Structural change creates opportunities in the late cycle. We favor investing in 90 global cities offering scale, growth, sustainability and resilience.

Attractive sectors include global real estate debt, global industrial and apartment, student housing in Europe and manufactured housing in the U.S.

Responsible Investing: Responsible investing (RI) = Performance + risk management. We prefer investments in green bonds and equity and fixed income strategies that favor ESG leaders. We also suggest a focus on specialized RI

strategies such as low carbon, ESG municipals and other strategies customized to help meet investor preferences.