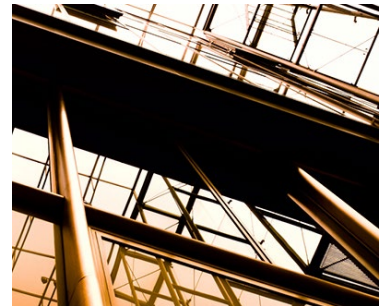


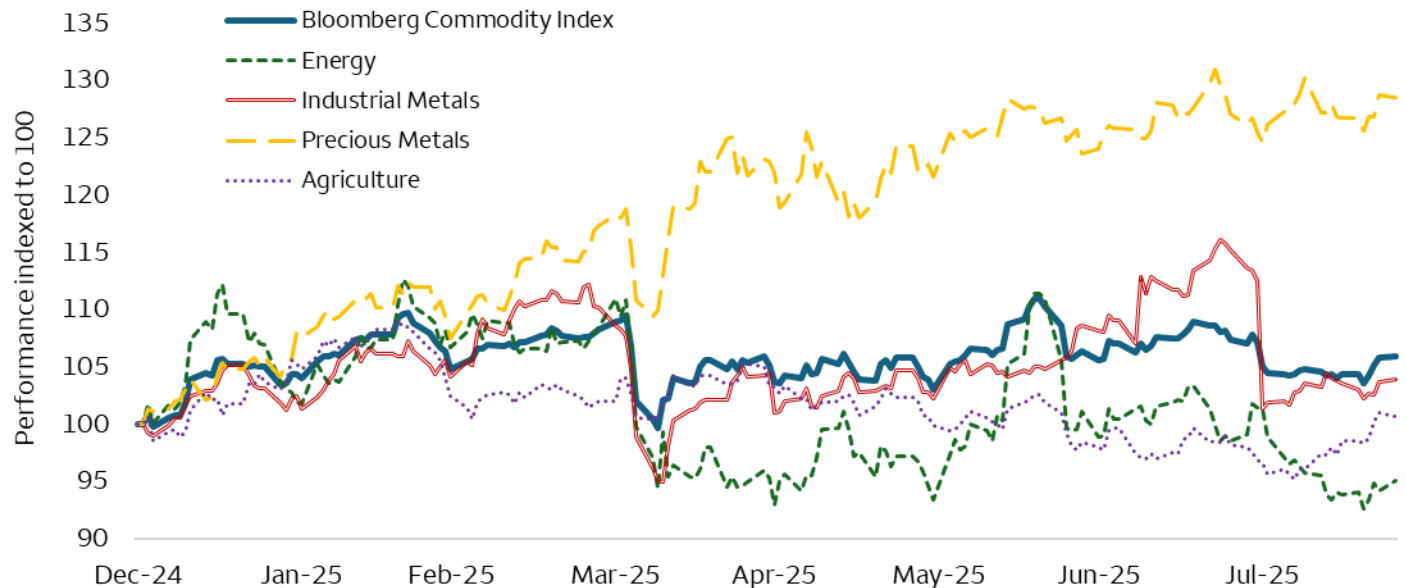
Chart of the Week



Weekly analysis of key themes in markets

September 3, 2025

The two commodity sectors we believe can outperform



Sources: Bloomberg, and Wells Fargo Investment Institute. Daily data from December 31, 2024 – August 25, 2025. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

Economic uncertainty continues to strengthen Precious Metals

Commodities have been an effective diversifier this year, outperforming while other asset classes have been hampered by tariff headwinds. Specifically, Precious Metals and Industrial Metals have been standout sectors. The chart shows that since the beginning of the year, Precious Metals have led the Bloomberg Commodity Index (BCOM) with a 28% return year-to-date, as of August 25.

What it may mean for investors

While we're neutral on Commodities, which could face headwinds and struggle to match the outperformance it showed earlier this year, we maintain a favorable outlook for both Precious and Industrial Metals. The resumption of Federal Reserve interest-rate cuts and a relatively subdued U.S. dollar should be tailwinds for both sectors, while the modest economic recovery we expect in 2026 and China's ongoing stimulus measures should be tailwinds supporting Industrial Metals.

We expect ongoing gold purchases by global central banks and heightened geopolitical strife to support demand growth for Precious Metals. Industrial Metals also share a positive outlook as demand strengthens from improvements in manufacturing activity, the buildout of green energy, and adoption of advanced technologies. Given the backdrop of a recent pullback in Industrial Metals, we believe current prices may offer potential opportunities to gain sector exposure.

Sameer Samana, CFA, Head of Global Equities and Real Assets

Mason Mendez, Investment Strategy Analyst

Excerpted from Investment Strategy report (September 2)

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Risk Considerations

Each asset class has its own risk and return characteristics. 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. The **commodities** markets are considered speculative, carry substantial risks, and have experienced periods of extreme volatility. Investing in a volatile and uncertain commodities market may cause a portfolio to rapidly increase or decrease in value which may result in greater share price volatility. Investing in **gold, silver** or other **precious metals** involves special risk considerations such as severe price fluctuations and adverse economic and regulatory developments affecting the sector or industry.

Definitions

Bloomberg Commodity Index is comprised of 22 exchange-traded futures on physical commodities and represents 20 commodities weighted to account for economic significance and market liquidity.

An index is unmanaged and not available for direct investment.

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