

Chart Book

Uncertainty Now, Better Foundation Later

April 2026
Q1 2026

Equity volatility is on the rise again and until we see oil prices fully peak, we expect a very choppy market environment. We suggest to have investment plans ready to rebalance portfolios and add to Equities over time as we still believe the overall outlook for 2026 will remain solid and eventually resume its uptrend.

We expect the **F.O.A.M.**¹ that is covering the investment environment to eventually shift from the current **F.O.B.I.**² to **F.O.M.O.**³ once the conflict stabilizes and oil prices peak:

- F** ed policy clouds
- O** il price volatility
- A** rtificial intelligence disruption concerns
- M** id-term election uncertainty

We continue to emphasize the highest level of diversification within a fully invested portfolio with an overweight bias to Equities given our expectation of strong earnings growth for 2026, all things considered. The current high level of uncertainty could switch back to a better foundation later in a moment’s notice. Time in the markets is much more important than trying to time the markets—especially in the environment of today.

¹Federal Reserve policy clouds, Oil price volatility, Artificial intelligence disruption concerns, Mid-term election uncertainty.

²Fear Of Being In.

³Fear Of Missing Out.

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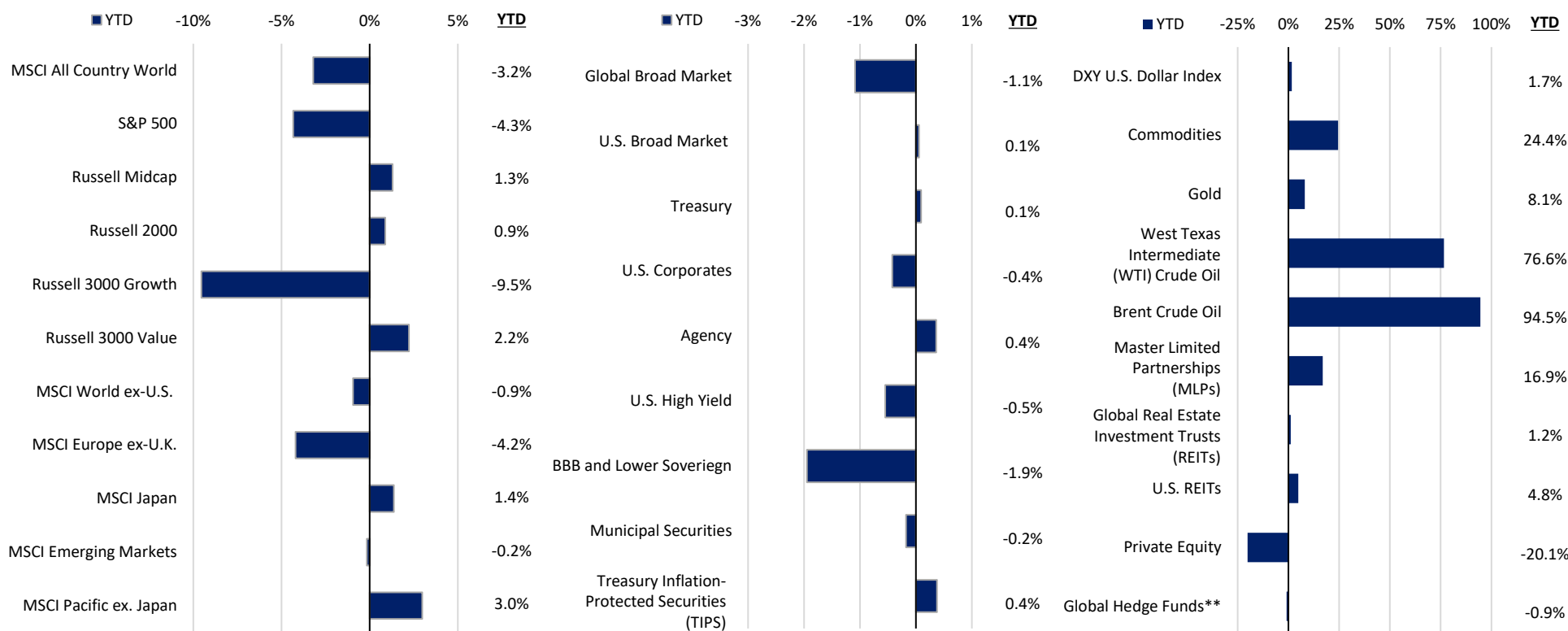
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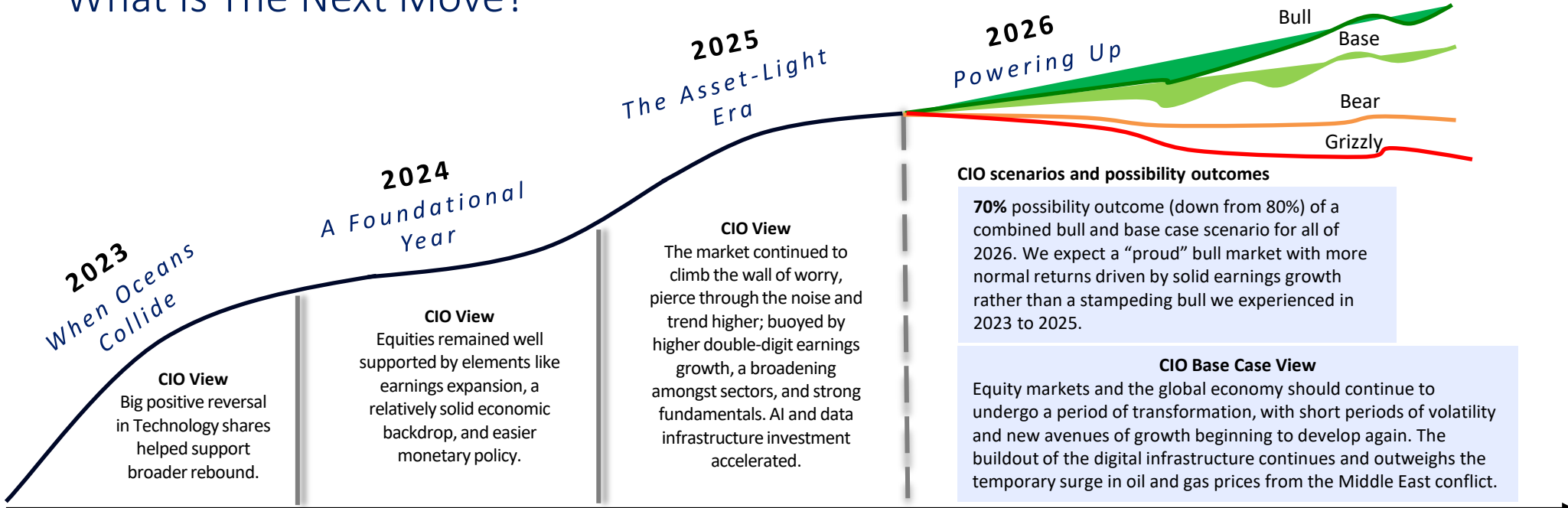
1st Quarter Recap & Major Index Total Returns

- The beginning of 2026 has been met with crosswinds globally. Despite the increased volatility, our outlook remains constructive and we view periods of Equity market weakness as potential opportunities to buy or rebalance portfolios. Catalysts that can sustain our “proud” bull thesis for 2026 include improving economic momentum in the U.S. and globally, capital investments fueling Artificial Intelligence (AI) developments, and still resilient corporate profits.
- Global Equities experienced negative performance in Q1. In the U.S., Equities were broadly weaker with Small-caps outperforming Large-caps, while Mid-caps outperformed both Large- and Small-caps. Fixed Income was also weaker across sub-asset classes as reemerging inflation pressures shifted the Fed interest rate outlook. Commodities were stronger driven by sharp increases in West Texas Intermediate (WTI) and Brent Crude oil, which had their best quarters since Q2 2020 and Q3 1990, respectively.
- BofA Global Research* expects stable global growth of 3.1% in 2026 and 3.4% in 2027, following an estimated 3.5% in 2025. U.S. real gross domestic product (GDP) grew by an estimated 2.1% in 2025 but is projected to grow by 2.3% in 2026 and 2.2% in 2027, with China and the Euro area expected to grow by 4.5% and 0.6% in 2026 and 4.5% and 1.0% in 2027, respectively.



Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Total returns referenced in USD for all indexes, except Brent and WTI Crude Oil where price returns are used and MSCI indexes where net total return is used. All Fixed Income categories are represented by ICE BofA indexes. Other asset classes represented by the following indexes: MLPs (Alerian MLP Index), Commodities (Bloomberg Commodity Index), Gold (Gold Spot Price), U.S. REITs (FTSE EPRA Nareit United States Index), Global REITs (FTSE EPRA Nareit Global Index), Private Equity (LPX 50 USD Index), and Global Hedge Funds (HFRX Global Hedge Fund Index). *BofA Global Research is research produced by BofA Securities, Inc. (“BofAS”) and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. **Global Hedge Fund performance as of March 30, 2026. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

What Is The Next Move?



SCENARIO 1 BULL CASE (approximately 15% possibility outcome)

- Bull case lowered to potential 15% outcome from 25% previously.
- Geopolitical tensions ease significantly and peace accelerates.
- A new economic re-expansion builds, and growth is well above trend in 2026.
- Financial conditions ease substantially and inflation trends lower in 2026 at the same time.
- Yield curve steepens as yields on the back-end rise as economic growth increases above trend and short rates slip.
- Long-term bull market continues as earnings rise higher-than-expected through 2026. Bull market in metals.
- AI capital investment (capex) accelerates lifting the Technology sector again.
- S&P 500 climbs well above new highs.

SCENARIO 2 BASE CASE (approximately 55% possibility outcome)

- U.S. GDP maintains its momentum as fiscal bill impact is felt and Middle East tensions ease considerably.
- One-time price increases from oil and gas surge do not materialize into an “economy-wide” resurgence in inflation.
- Rate cuts continue in 2026 with slightly weaker U.S. dollar again. Metals continue to rise.
- Earnings growth for S&P 500 is double digit percentages in 2026.
- The AI wave continues but “leaders” and “laggards” become clearer.
- Broader participation within the Equity markets including non-U.S. stocks and small/mid capitalization shares continues.
- Financials, Utilities, Industrials, Consumer Discretionary and Technology sectors extend their leadership but Healthcare joins.

SCENARIO 3 BEAR CASE (approximately 25% possibility outcome)

- Bear case up to 25% from 15% as the drag from higher for longer oil and gas prices creates a growth slump.
- Geopolitical tensions re-escalate.
- Stagflation worries build as the growth slump bites and inflation remains well above target.
- Expectations for monetary policy are recalibrated with the potential for rate hikes rising sharply even in the face of slow growth.
- Earnings begin to decline early in 2026 as a growth slump ensues and AI capex fizzles.
- Unemployment rate rises above 5% as recession risk increases.
- Defensive areas of the market outperform as technology bubble concerns materialize.
- Recession odds rise alongside mid term concerns.

SCENARIO 4 GRIZZLY CASE (approximately 5% possibility outcome)

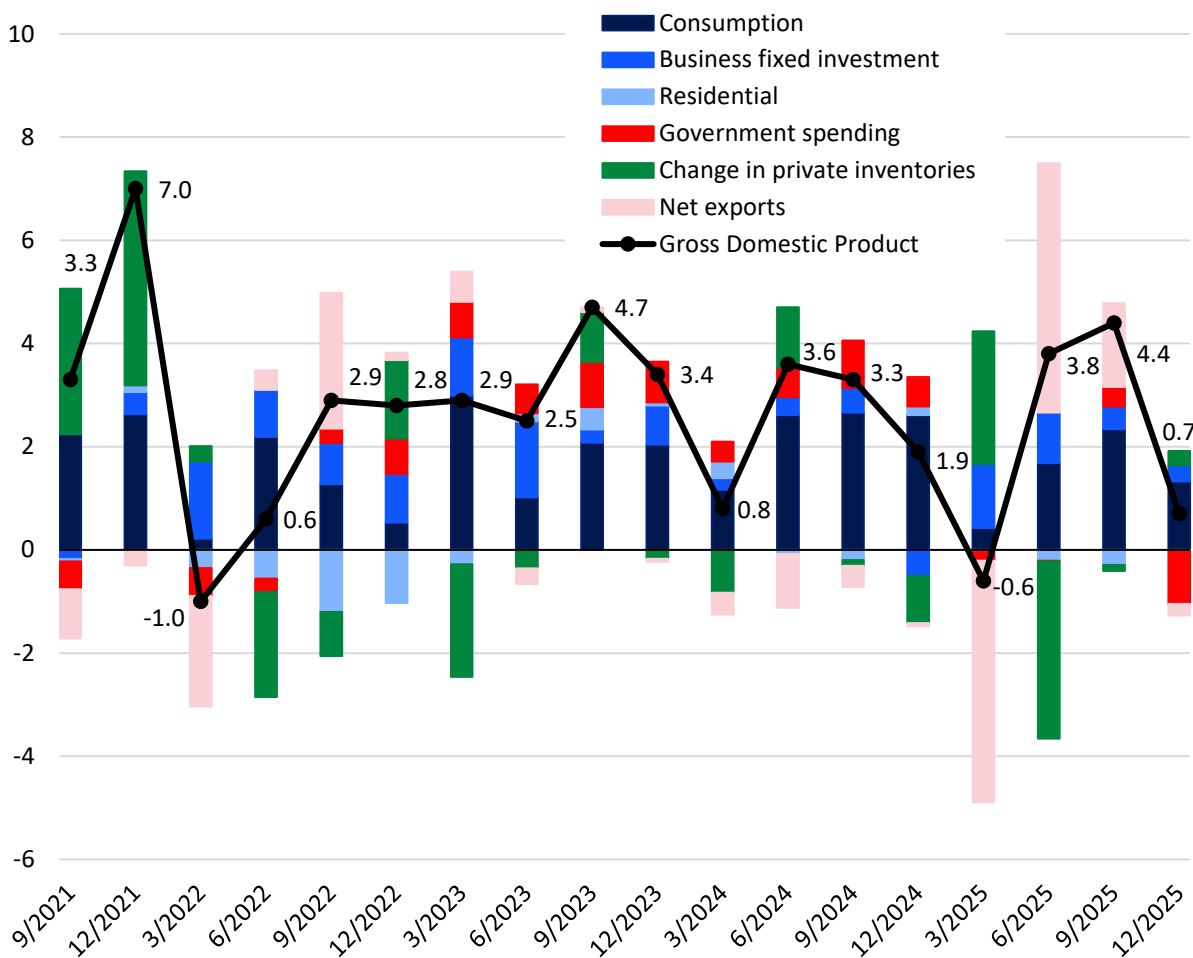
- Trade wars develop again and stick.
- Geopolitical tensions boil over into broader conflict.
- Sharp economic hard landing, not just deterioration, unfolds.
- Fed policy requires new emergency measures and aggressive cuts.
- A sharp fall in earnings ensues as spreads widen and AI capex deteriorates.
- Credit stress unfolds further in the lower quality credits impacting investor sentiment in the high-quality sector.
- Fixed Income significantly outperforms Equities as risk aversion rises sharply.
- U.S. dollar rallies.
- Defensive assets outperform sharply.
- S&P 500 falls into protracted bear market territory.

— Black line represents the lifecycle of the CIO economic process and is not meant to represent any specific investment, index or performance of any kind. Source: CIO. Data as of March 31, 2026. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY.** Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **Please refer to index definitions and important disclosures at the end of this presentation.**

A Moderating Economy

Contributors to Real GDP Growth

Quarter-over-Quarter (QoQ), seasonally adjusted (SA) annualized rate (%)



- The economy expanded by a seasonally adjusted annual growth rate of 0.7% in Q4. Growth was driven by increases in consumer spending and business investment.
- Consumption accounts for almost 70% of U.S. GDP. In Q4, consumer spending remained robust and broad-based, spanning both services and goods. However, this was partially offset by declines in net exports and government spending, the latter dampened by the record-long government shutdown.
- We remain constructive on the U.S. economy due to potential fiscal tailwinds for the consumer and corporations and continued AI-related investment.

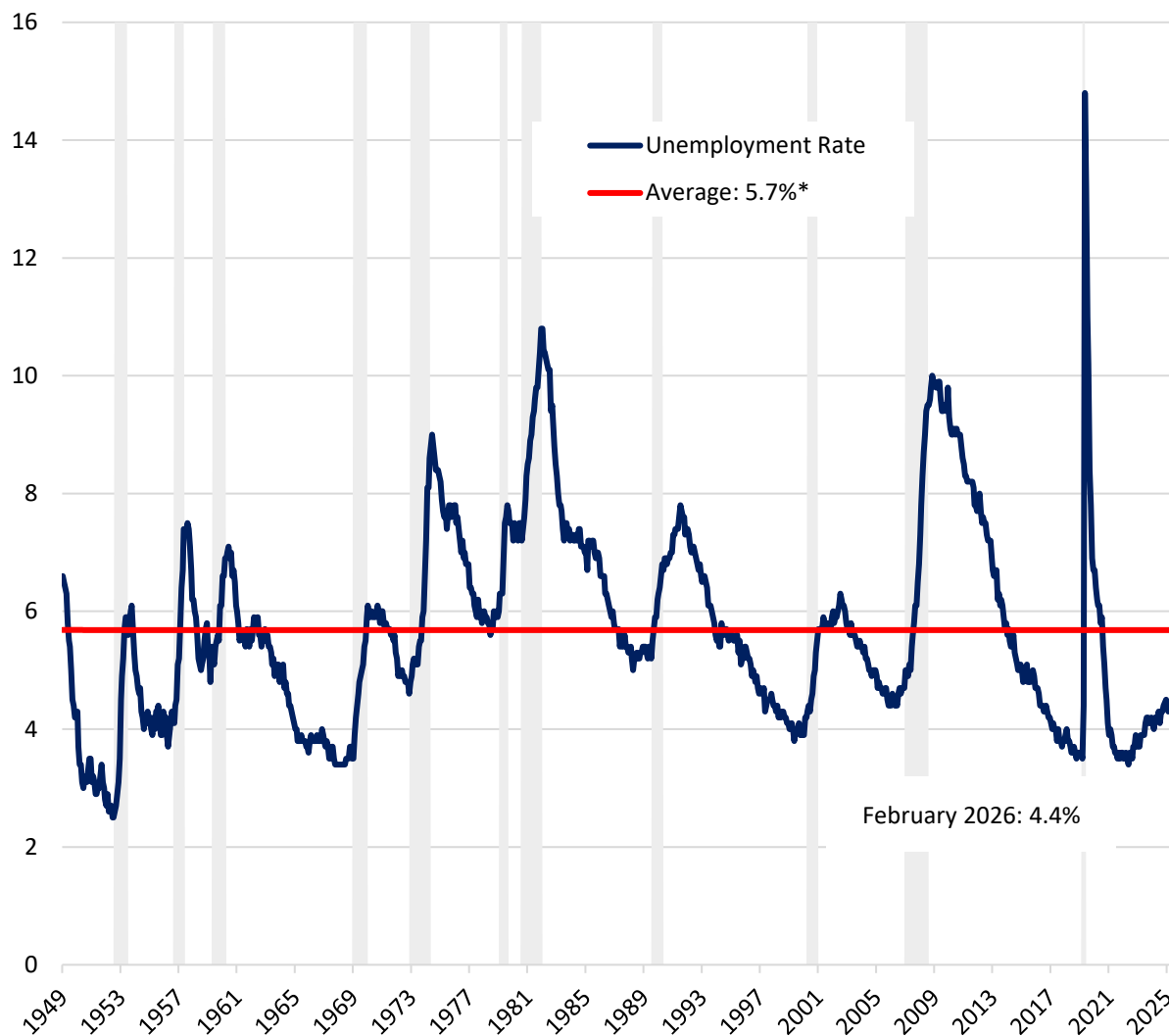
CIO Key Considerations

We remain overweight the U.S. given solid earnings growth, strong balance sheets in aggregate, and relatively healthy consumer fundamentals.

Sources: Bureau of Economic Analysis, Bloomberg. Data through Q4 2025, as of March 13, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to the appendix for important disclosures.**

A Tepid Labor Market

U.S. Unemployment Rate, seasonally adjusted (SA) (%)



- The U.S. labor market has cooled from its red-hot level following the pandemic. The unemployment rate has been oscillating in the mid-4% range since mid-2025.
- However, since 2021, the unemployment rate has stayed well below its long-term average of 5.7%. For now, the labor market continues to be defined by a low turnover, or ‘low hire, low fire’, environment.
- Additionally, an aging population has contributed to a lower labor force participation rate, placing downward pressure on the unemployment rate.

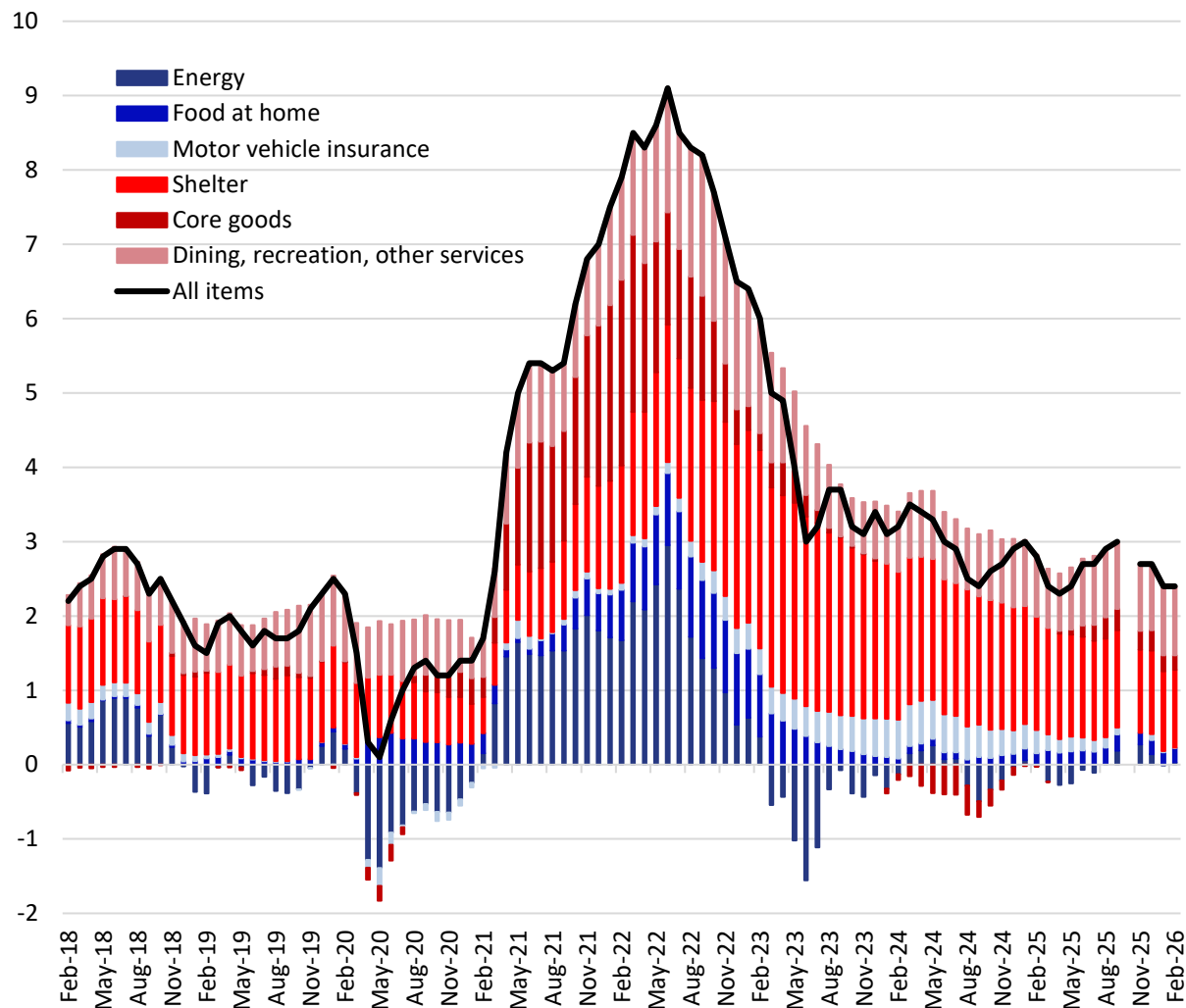
CIO Key Considerations

Amid evolving labor market dynamics, we continue to view productivity-enhancing AI, robotics and automation as key themes.

Gray areas represent recession periods. *Refers to average since 1950. Sources: Bureau of Labor Statistics (BLS), Bloomberg. Data through February 2026, as of March 31, 2026. Latest data available. Note: The BLS did not release an unemployment figure for October 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

Inflation Remains Sticky, Potential Upward Pressure Ahead

Contribution to Year-over-Year (YoY) % change in Consumer Price Index (CPI), not seasonally adjusted (NSA)



- Headline CPI inflation has been hovering in the 2% to 3% YoY range for the last year and a half. In February, the core measure, which excludes volatile components like food and energy, came in at 2.5% YoY.
- Prices are still above levels seen pre-pandemic; however, YoY inflation is well below historic highs. Upward pressure may build in the coming months, driven by the recent rise in oil prices following the conflict in the Middle East.
- Affordability is likely to remain a theme throughout the year. A recent revival in core goods' contribution to inflation bears watching as tariff policy continues to filter through the economy.

CIO Key Considerations

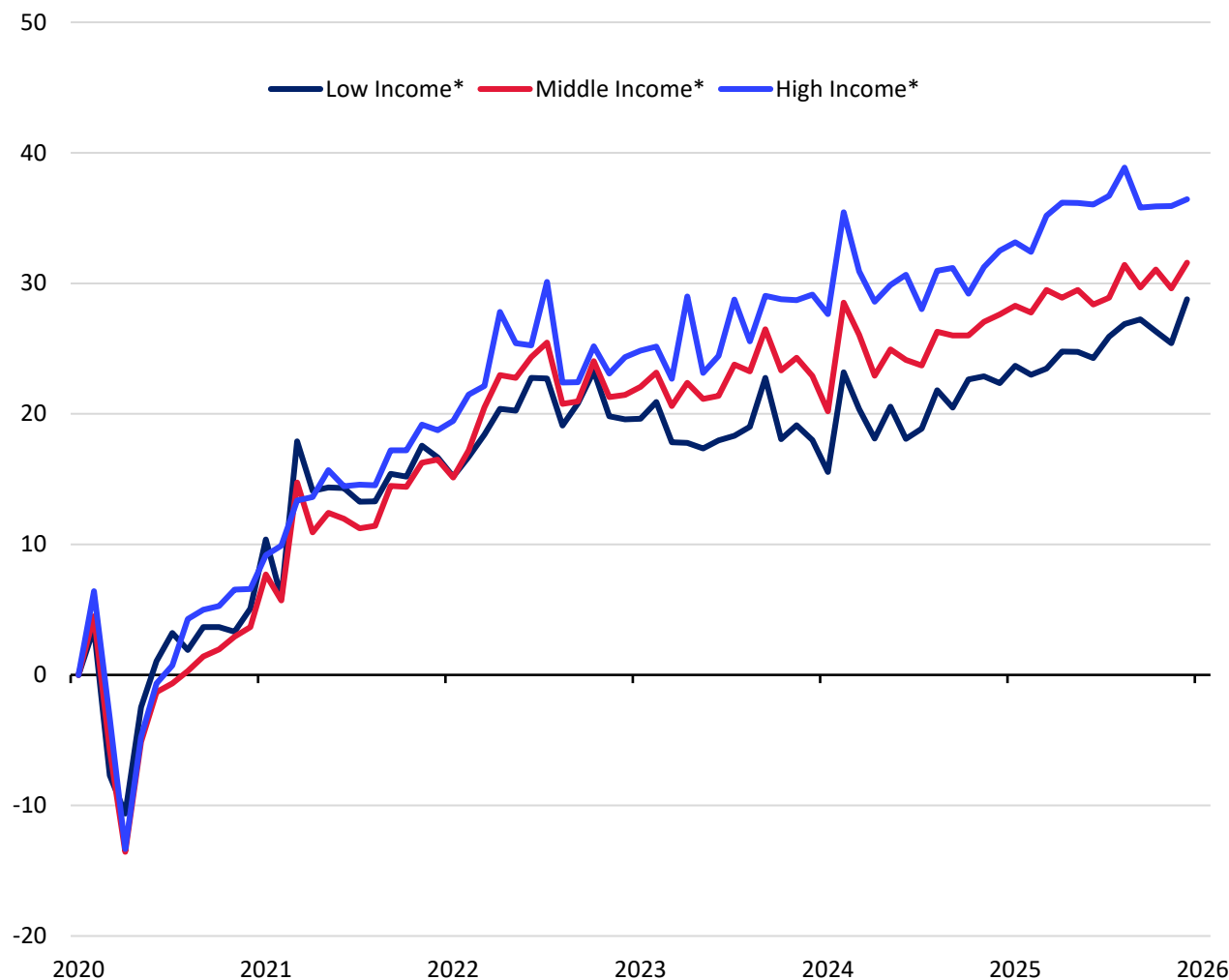
Well-diversified allocations with special attention to the inflation hedging properties of assets are important for long-term wealth accumulation in this environment.

Sources: Bureau of Labor Statistics (BLS), Bloomberg. Data through February 2026, as of March 11, 2026. Latest data available. Note: The BLS did not collect survey data for October 2025 due to a lapse in appropriations amid the U.S. government shutdown. Additionally, BLS did not provide motor vehicle insurance data for November 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for asset class proxies and important disclosures.**

Consumption Still a High-Income Driven Story

Nominal Retail Spending Growth by Income Cohort

Cumulative Percent Change in Spending Since January 2020 (%)



- Whereas spending was more similar across income groups during the pandemic recession and recovery, the trend in nominal consumption since 2023 has been one dominated by high-income households.
- One driver of the bifurcation in spending has been faster wage growth among higher-income households.
- Wealth effects have become more significant as retirees with a larger propensity to consume out of wealth comprise a greater share of the U.S. population.

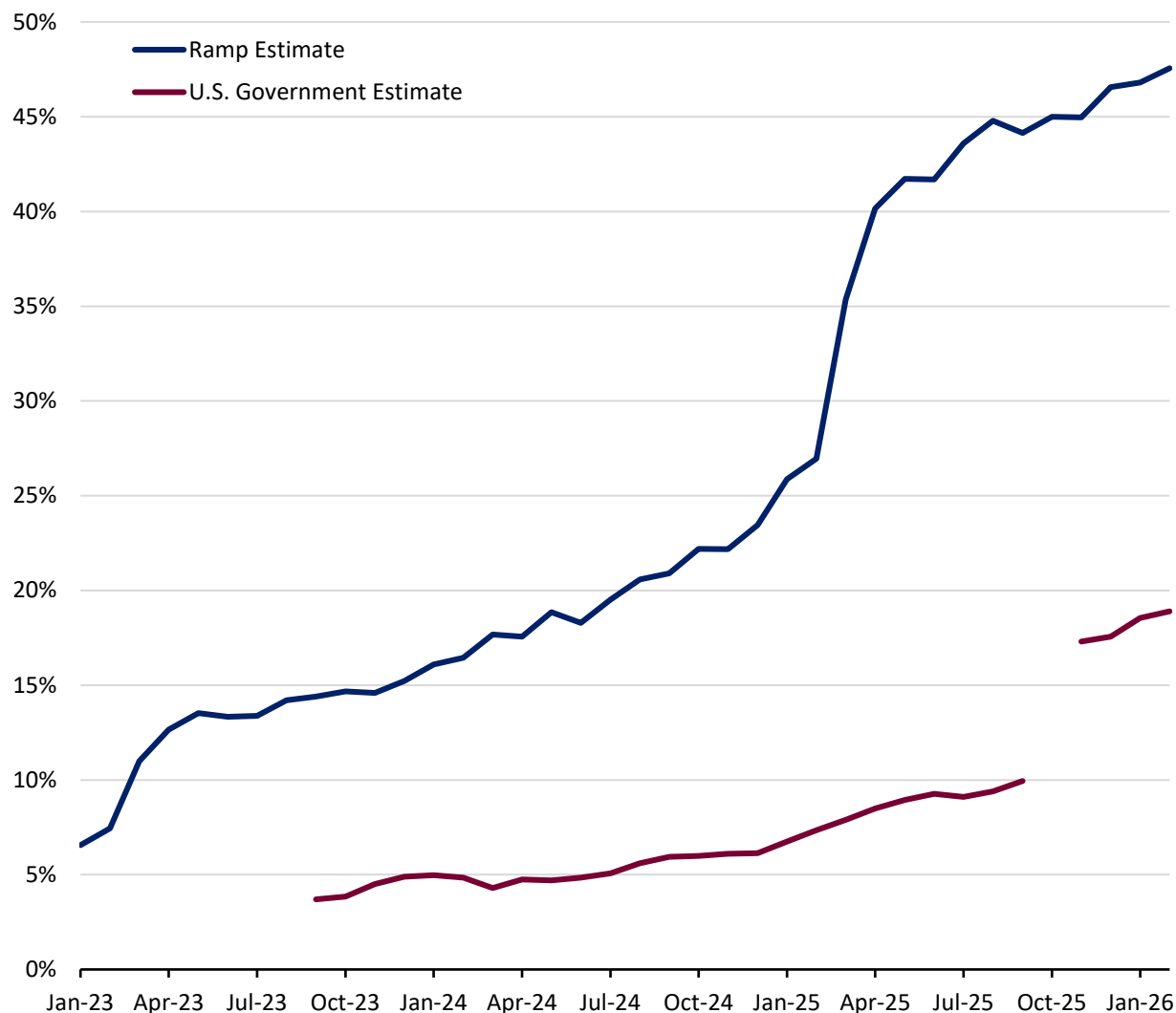
CIO Key Considerations

We expect consumption to remain resilient in aggregate in 2026, enabling solid economic growth. A pullback in high-income spending would be a tail risk to watch.

*Income groups defined by the Federal Reserve Bank of New York as follows: Low income (<\$40k), middle income (\$40k-\$125k), and high income (>\$125k). Source: Federal Reserve Bank of New York. Retail spending excludes autos. Data through December 2025, as of February 3, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

U.S. AI Adoption Rate on Watch

Estimated Share of U.S. Businesses Using AI*



- Potential disruption from AI is less of a question of “if” but “how” and “when.” So far, estimates point to AI adoption rising gradually rather than exponentially.
- Like in prior technology cycles, we don’t expect AI to disrupt industries equally, and identifying AI leaders and laggards will ultimately take time.
- The AI investment and deployment themes are fundamentally intact and should continue to fuel stronger corporate profits and broader economic growth, in our view.

CIO Key Considerations

Our base case remains that the AI revolution is likely to result in a more productive and innovation-led U.S. economy.

*Ramp estimate reflects share of U.S. businesses with paid subscriptions to AI models, platforms and tools. U.S. government estimate reflects share of businesses using AI in the last two weeks. Note: Beginning in late 2025, the Census Bureau adjusted its survey to capture utilization of AI in “any business function” rather than “in producing goods and services.” Sources: Ramp AI Index, U.S. Census Bureau. Ramp data as of March 11, 2026. U.S. Census Bureau data as of March 26, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

Moderate Dollar Depreciation, Not Outright Debasement

Real Broad Trade-Weighted Dollar Index

January 2006 = 100



- The dollar entered 2025 at its most overvalued level since 1985 and its intentional devaluation via the “Plaza Accord.”*
- After weakening against major currencies in 2025, the dollar shifted to slight strength amid heightened geopolitical uncertainty and a rise in risk aversion.
- In the medium-term, we expect the U.S. dollar to resume a slightly weaker path given shifting trade dynamics, narrowing interest rate differentials, and central bank diversification efforts.

CIO Key Considerations

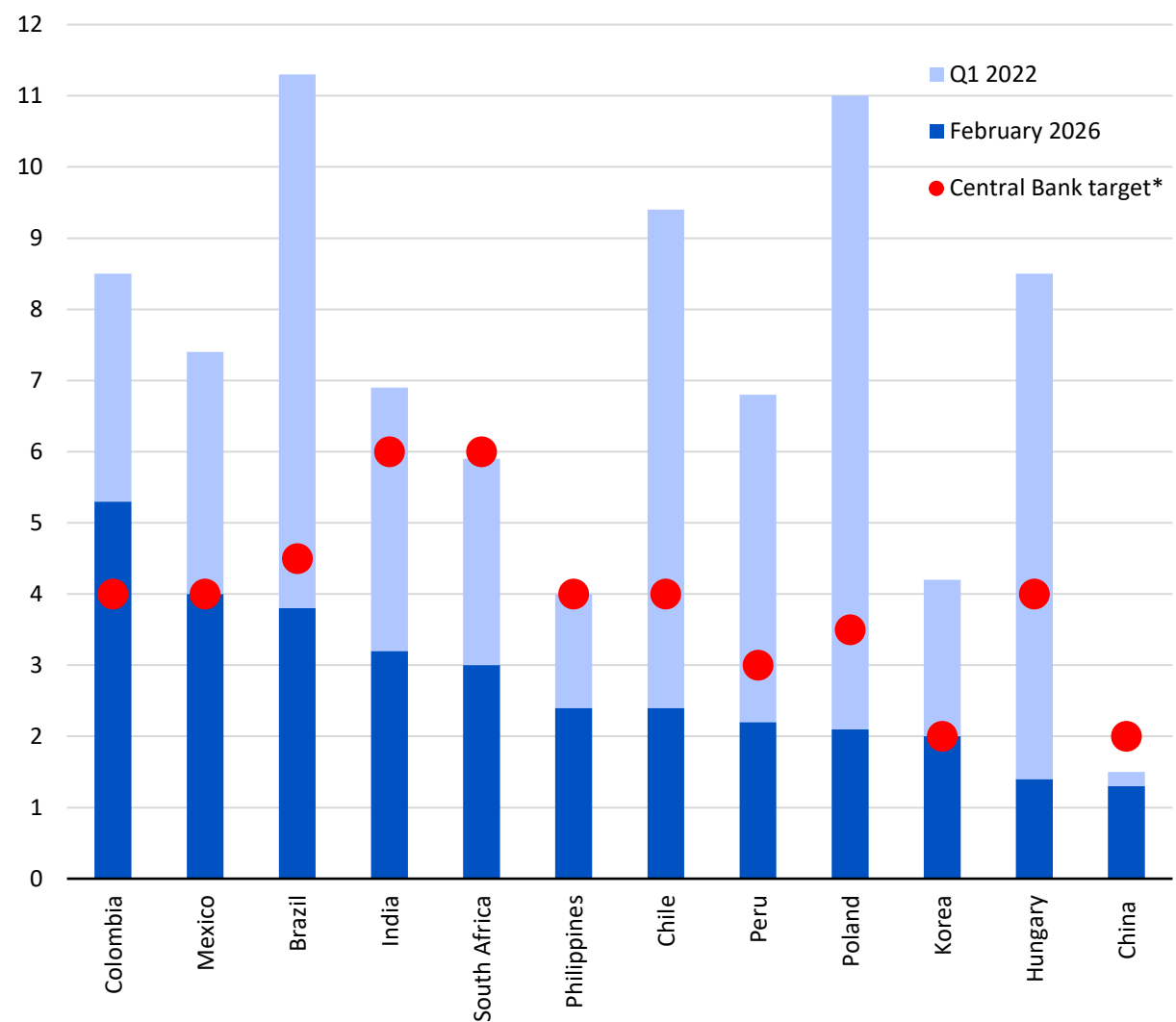
The U.S. remains the world’s largest, wealthiest and most competitive economy, which should continue to drive investment in dollar-denominated U.S. assets.

*Plaza Accord was a 1985 agreement among G-5 nations (US, Japan, West Germany, France, UK) to depreciate the US dollar against the Japanese yen and German mark, reducing massive US trade deficits. Source: Bloomberg. Data as of March 31, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for index definitions and important disclosures.**

Contained Inflation Limits Scope for Monetary Tightening for Most EMs

CPI Inflation

Year-on-year rate (%)



- An extended period of conflict in the Middle East would put upward pressure on global inflation via higher energy prices. For investors, the key risk is that central banks respond by raising interest rates, which could lead to a fall in asset prices.
- The energy price shock that followed the Russia-Ukraine conflict in early-2022 saw inflation rise to the high single- and low double-digit range across a number of emerging economies, causing a spike in market volatility and pushing EM Equities lower.
- Today, however, emerging economies' CPI inflation rates are generally much lower, and in many cases stand well below official central bank targets. This should limit the need for monetary policy tightening in the current environment.

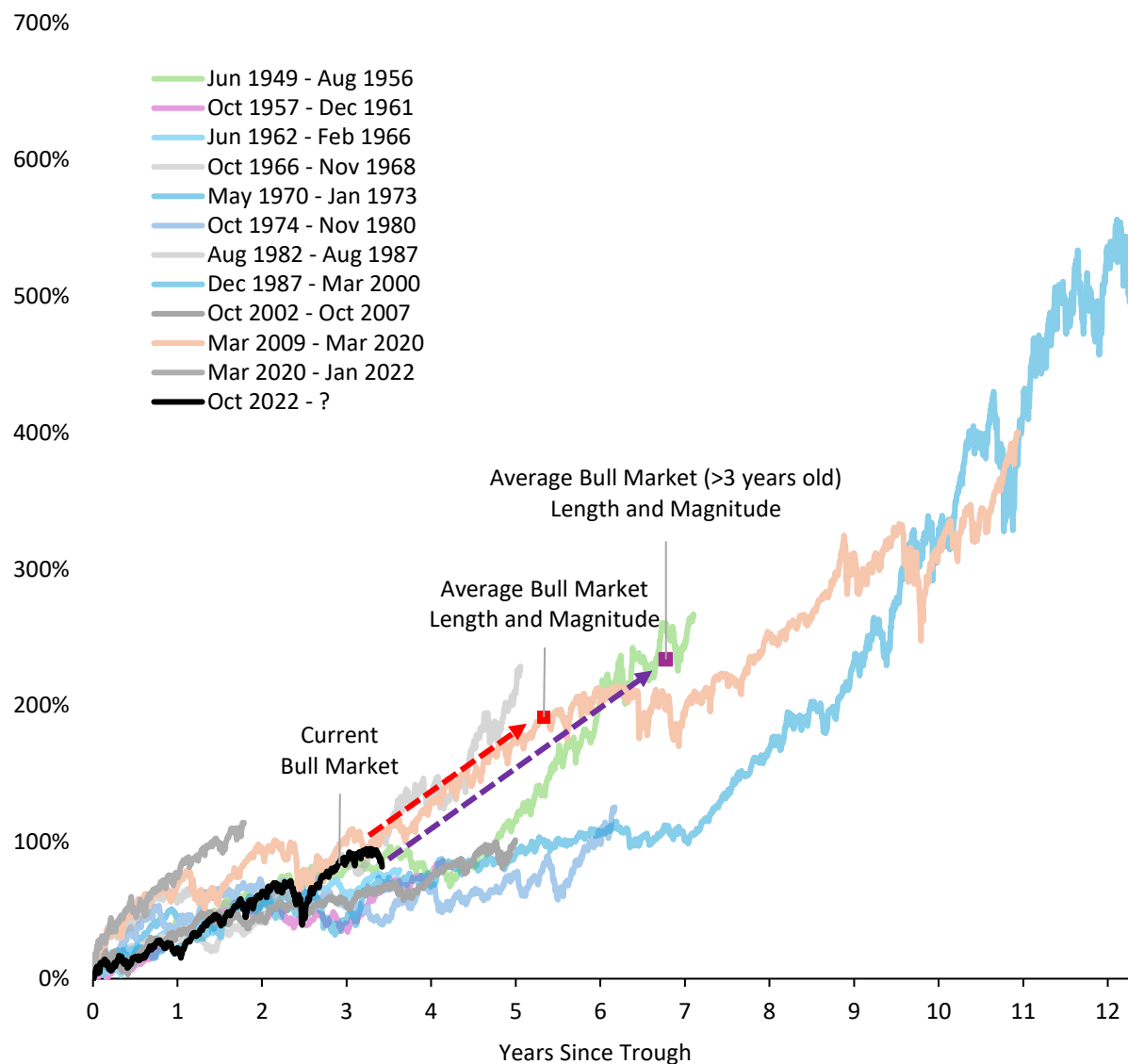
CIO Key Considerations

Higher energy prices risk weakening global equity markets by lifting inflation and causing interest rates to rise. Low inflation rates across many emerging economies should nonetheless limit the need for monetary tightening.

Source: Bloomberg. Data as of February 2026. Latest data available. *Central bank inflation targets shown are the upper bound when set as a range. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for asset class and sector proxies and important disclosures.**

Mapping this Bull Market's Trajectory: How High? How Long?

S&P 500 Cumulative Bull Market Price Return (Trough to Peak)



- The S&P 500 is up around 83% since October 2022, marking a resilient 3-year bull run despite volatility in 2025.
- We see continued upside supported by robust earnings, favorable financial conditions and structural megatrends in AI, automation, infrastructure, power generation, aerospace and defense, biotech and experiential spending.
- Comparing today's rally to 75 years of market history suggests this cycle could have more room to run and last years longer.
- Typical bull markets since 1949 have gained around 192% and lasted 5.5 years on average. Those bull market cycles that lasted beyond 3-years—like today—have historically delivered around 234% over nearly 7 years on average.

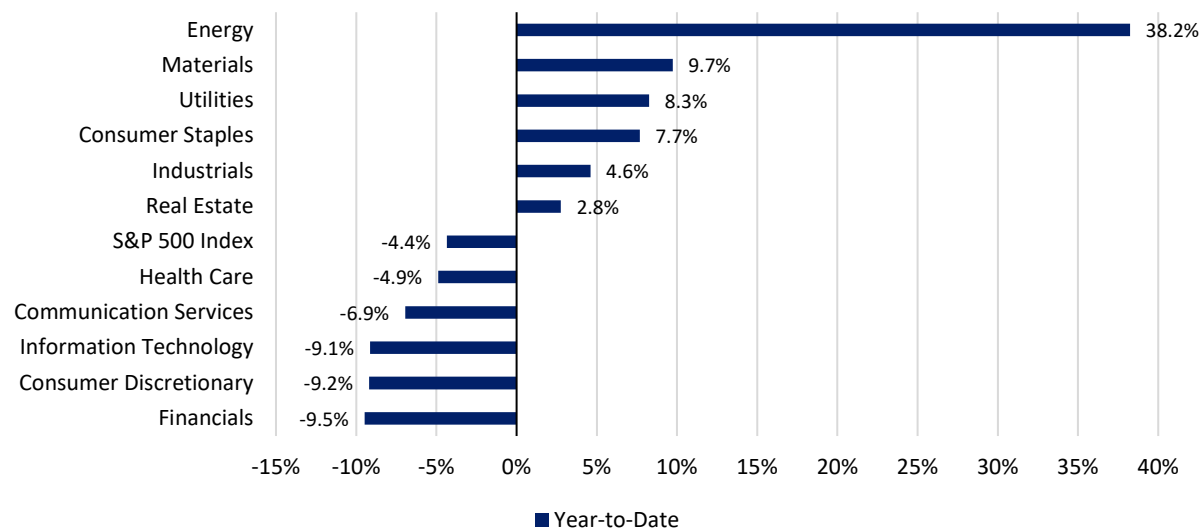
CIO Key Considerations

We believe U.S. Equities remain well positioned for attractive returns over the long term. Given the U.S. market's exposure to transformative growth themes, we maintain an overweight stance and view pullbacks as opportunities to add exposure.

The red dashed arrow line illustrates the path from the current bull market to the length and cumulative price return of the average bull market since 1949. The purple dashed arrow line illustrates the path from the current bull market to the length and cumulative price return of the average bull market since 1949 that has lasted more than three years. Dotted lines are for illustrative purposes only. Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Please refer to appendix for index definitions and important disclosures.**

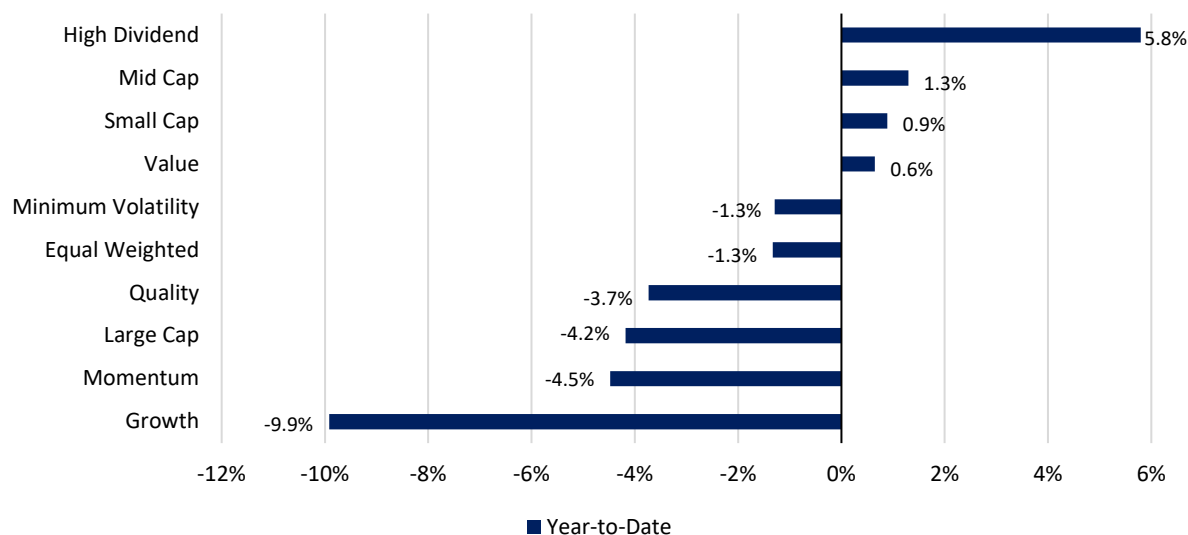
Sector and Factor Performance Barometer

Performance by S&P 500 Index Sector



- Defensive sectors were positive in Q1 amid rising volatility and uncertainty, primarily due to geopolitical events in the Middle East. These events, which led to an increase in the price of oil, bolstered the Energy sector which saw its best quarter since Q1 2022.
- Rotation continued in Q1 with Value outperforming Growth, Small- and Mid-cap Equities outperforming Large-cap Equities, and the equal-weighted S&P 500 leading the market-cap weighted index.
- We expect global growth to broaden, fiscal stimulus to support U.S. consumers, and a continuation of corporate earnings strength to propel the bull market.

Performance by Factor

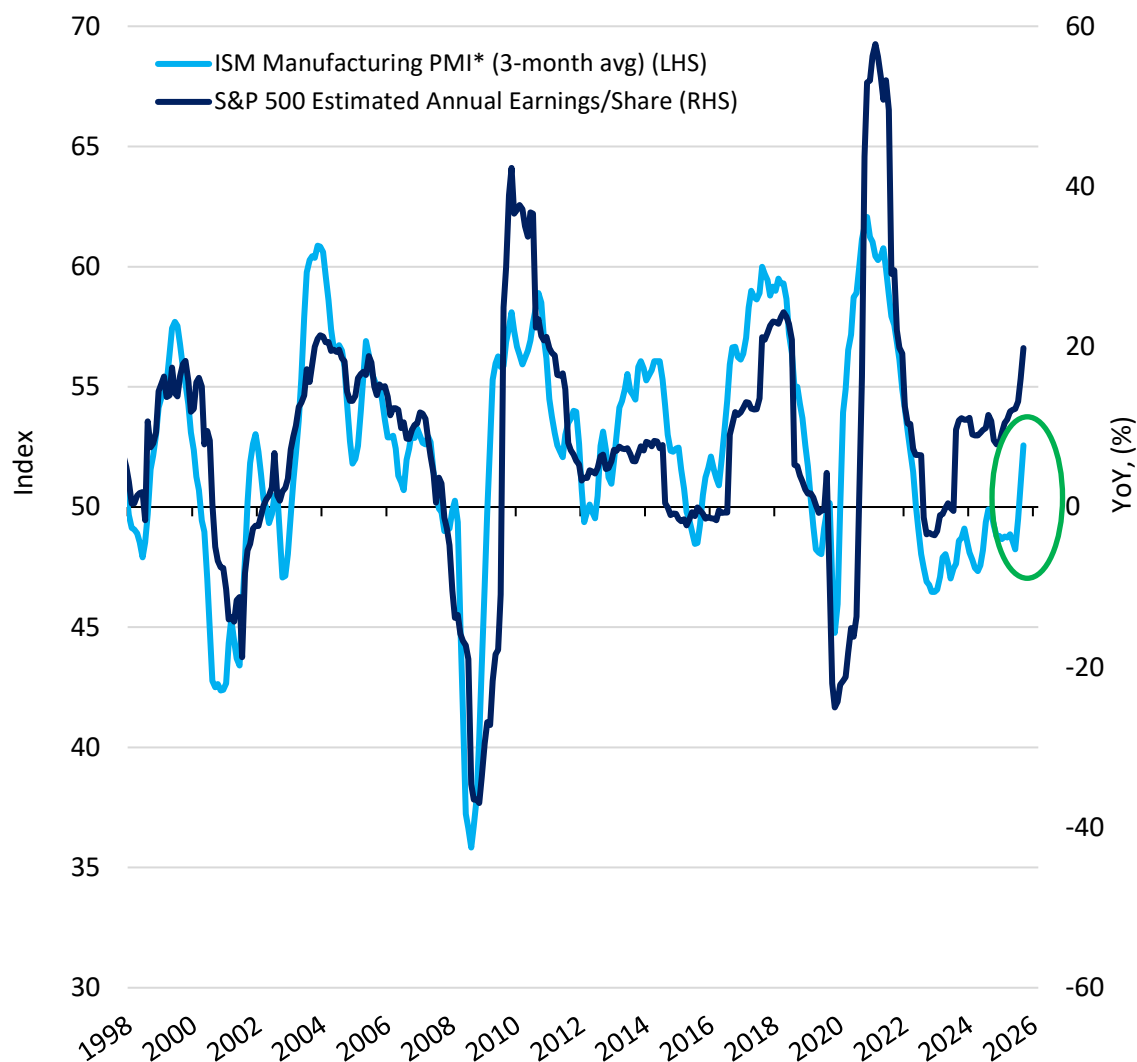


CIO Key Considerations

Maintaining a balanced, diversified portfolio with exposure across cyclical industries, rate-sensitive and growth sectors remains a key priority during periods of heightened market volatility.

Source: Bloomberg. Data as of March 31, 2026. Total returns referenced. Large-cap, Mid-cap, and Small-cap are represented by Russell Indexes. Equal Weighted, Value, Growth, Quality, High Dividend, Minimum Volatility and Momentum are represented by MSCI USA Indexes. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for index definitions and important disclosures.**

In the U.S., Manufacturing Trends Boost Positive Profits Outlook



- A firm relationship has historically existed between S&P 500 earnings growth estimates and the ISM Manufacturing PMI.** The latter has recently signaled the fastest rate of expansion since mid-2022, supporting our positive earnings outlook.
- Earnings estimates also remain well supported by broadening capital investment, resilient consumption from the baby boomer generation, and the ongoing productivity enhancing innovation cycle.
- Profits growth is likely to spread beyond just Technology, implying a healthier foundation in 2026.

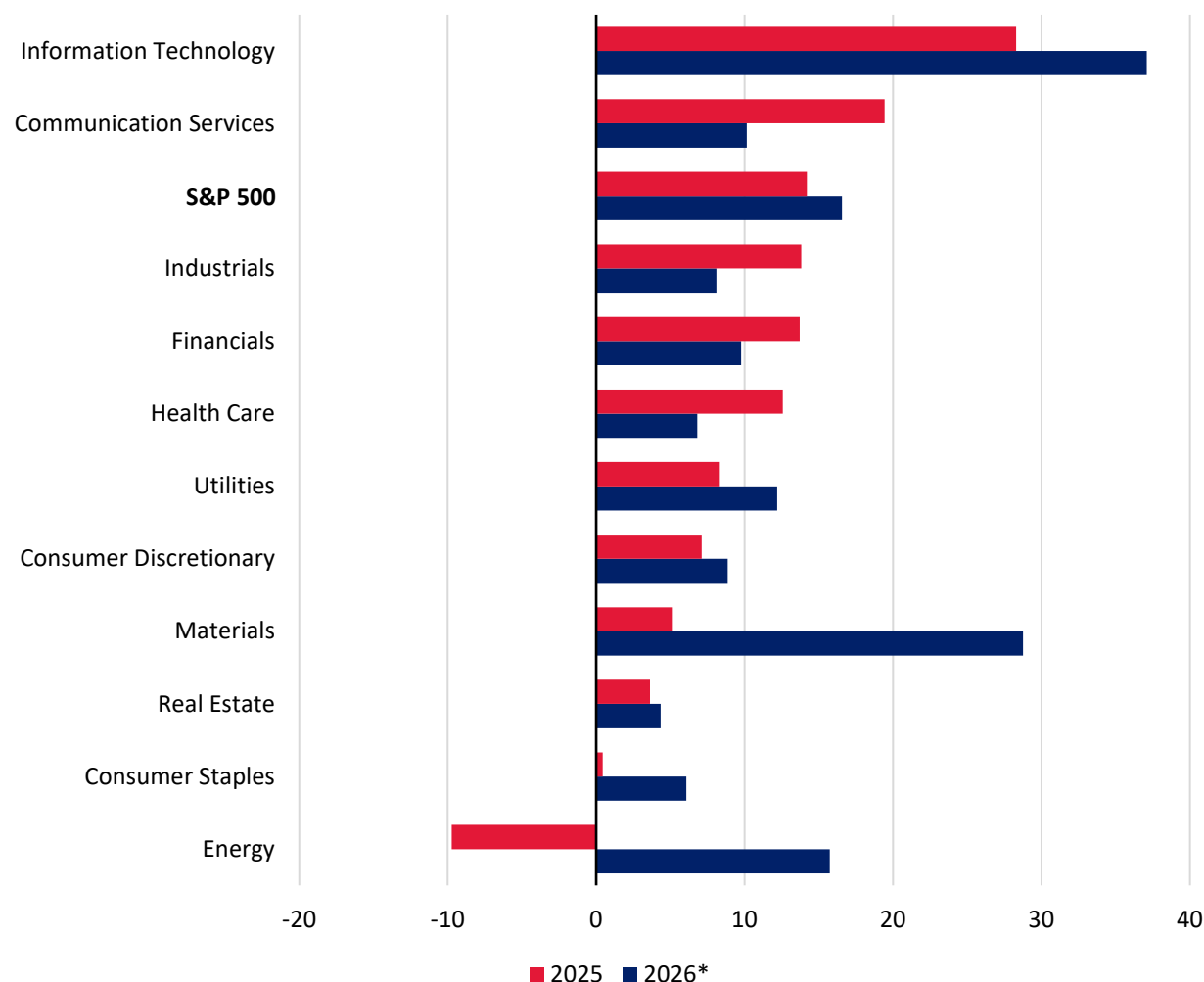
CIO Key Considerations

Our constructive earnings outlook is a key pillar within our overweight to U.S. Equities. We favor exposure to both Growth and Value, emphasizing broad diversification.

Source: Bloomberg. *Institute for Supply Management Purchasing Managers' Index. **An ISM manufacturing reading above 50 indicates that the manufacturing sector economy is generally expanding; below 50 indicates it is generally contracting. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.**

Fundamentals Improving Across Most S&P 500 Sectors

S&P 500 Earnings Per Share (EPS) Growth by Sector
YoY Growth (%)



- S&P 500 EPS growth registered at 14% YoY in Q4 2025, marking the index’s fifth straight quarter of double-digit growth. 12-month forward profit margins remain at record highs.
- Most sectors are expected to see fundamentals improve in 2026 versus the prior year. Estimates suggest all 11 sectors will manage positive profit growth for the year.
- The impact of the Middle East conflict on corporate profits will ultimately depend on its duration. Fundamentals in the U.S. should hold up well relative to the rest of the world given America’s net energy exporter status.

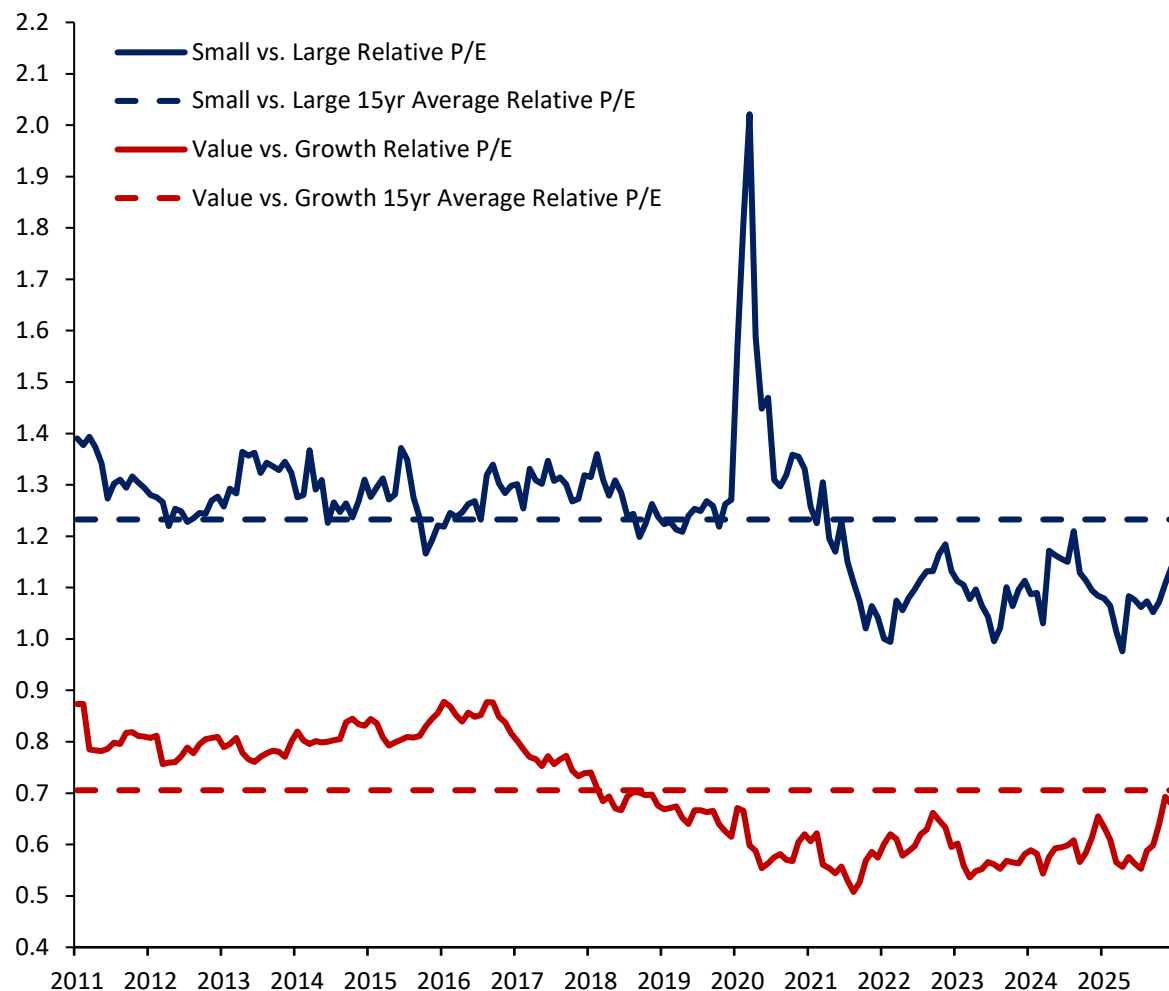
CIO Key Considerations

We expect solid corporate earnings to be the primary driver of U.S. Equity returns in 2026 rather than multiple expansion.

*Estimate. Source: FactSet. Data as of April 1, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.

Maintain a Balanced Approach As Uncertainty Persists

Relative Forward Price-to-Earnings (P/E)



- U.S. Equity valuations generally declined during the first quarter of 2026 but remain elevated compared to historic averages. Relative discounts can still be found in areas like Small-cap and Value.
- These valuation differentials underscore the importance of maintaining exposure to both Large-caps and Small-caps, as well as Value and Growth, in long-term portfolios.
- Diversification across and within Equities will continue to be imperative in 2026. That means maintaining a balance between playing offense, capturing potential market opportunities, and defense, reinforcing stability, in portfolios.

CIO Key Considerations

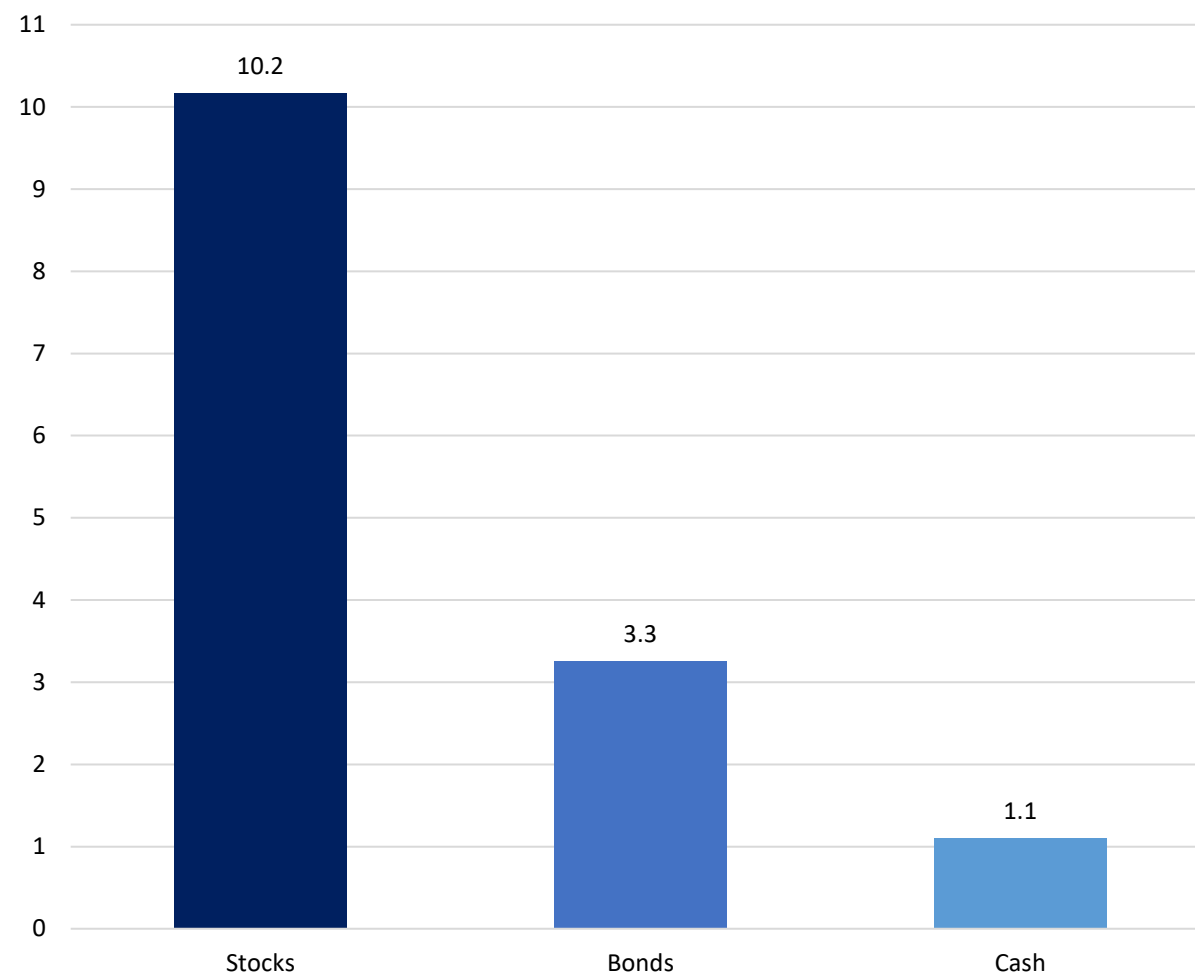
We continue to emphasize the importance of maintaining well-diversified Equity exposure in portfolios.

Source: Bloomberg. Data as of March 31, 2026. Monthly forward price-to-earnings ratios referenced. Small-caps = Russell 2000 Index. Large-caps = Russell 1000 Index. Growth = Russell 1000 Growth Index. Value = Russell 1000 Value Index. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class proxies, index definitions and important disclosures.**

Stocks Lead the Way: Real Returns After Inflation

Average Annual Total Returns After Average Annual Inflation (%)

1978 - 2025



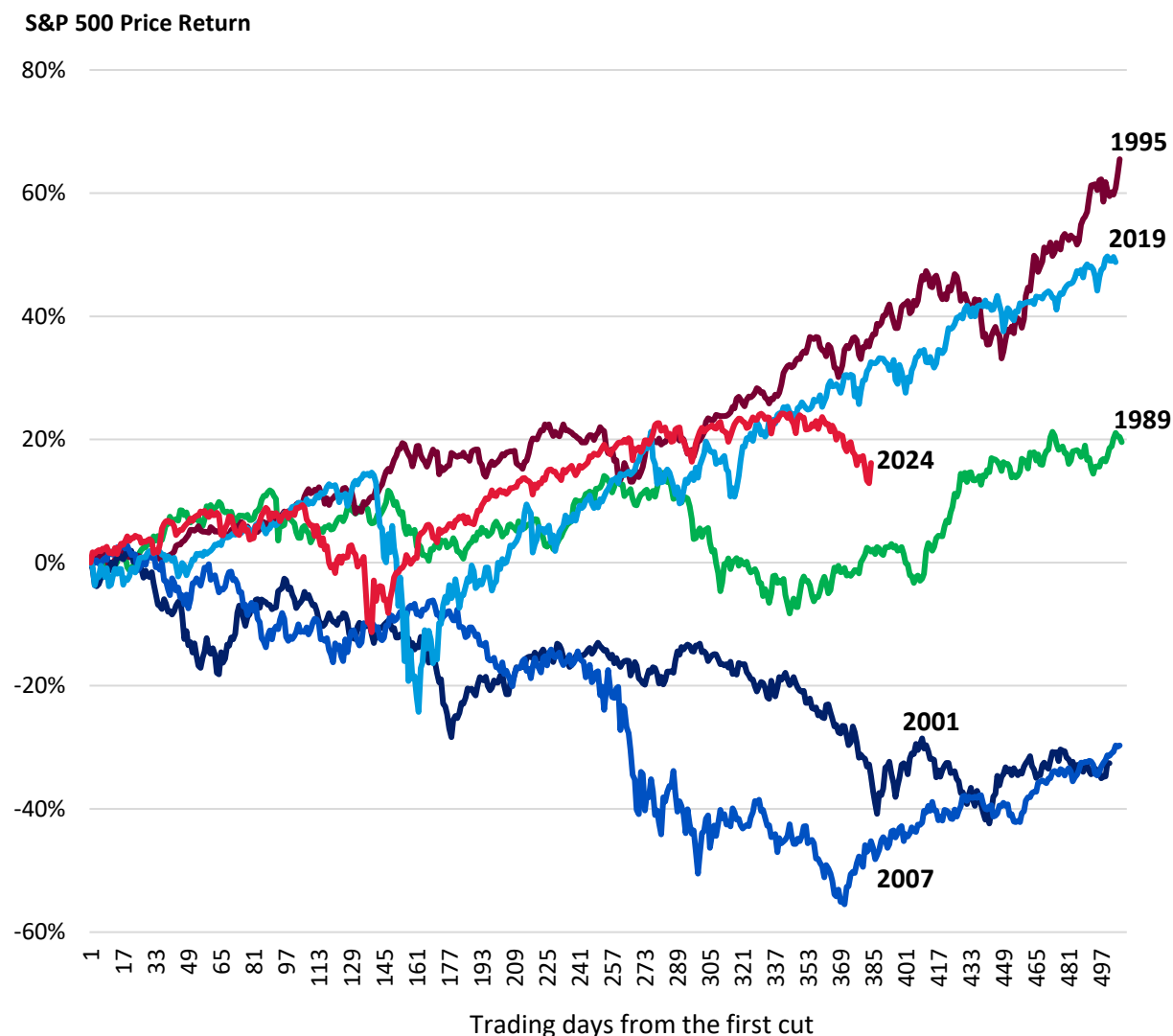
- The latest geopolitical flare-up raised concerns that a sustained rise in energy prices could potentially rekindle inflation. While not our base case, the risk may warrant a closer look at real returns across asset classes throughout history.
- Since 1978, Equities have delivered annual total returns that have far exceeded the rate of inflation, on average. Bonds have also provided moderate returns after inflation, on average, while offering income and stability in portfolios.
- Meanwhile, cash has barely kept up with rising prices over the long-term. While it's essential that investors maintain appropriate levels of cash in portfolios, it shouldn't be viewed as a long-term investment.

CIO Key Considerations

On average, Equities have historically generated relatively attractive returns after inflation. We maintain an Equity overweight in 2026.

Source: Bloomberg. Annual data as of December 31, 2025. Latest data available. Stocks = S&P 500 Index. Bonds = Bloomberg U.S. Aggregate Bond Index. Cash = ICE BofA U.S. 3-Month Treasury Bill Index. Annual total returns after average annual YoY U.S. CPI referenced for inflation. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

What Happens When the Fed Cuts?



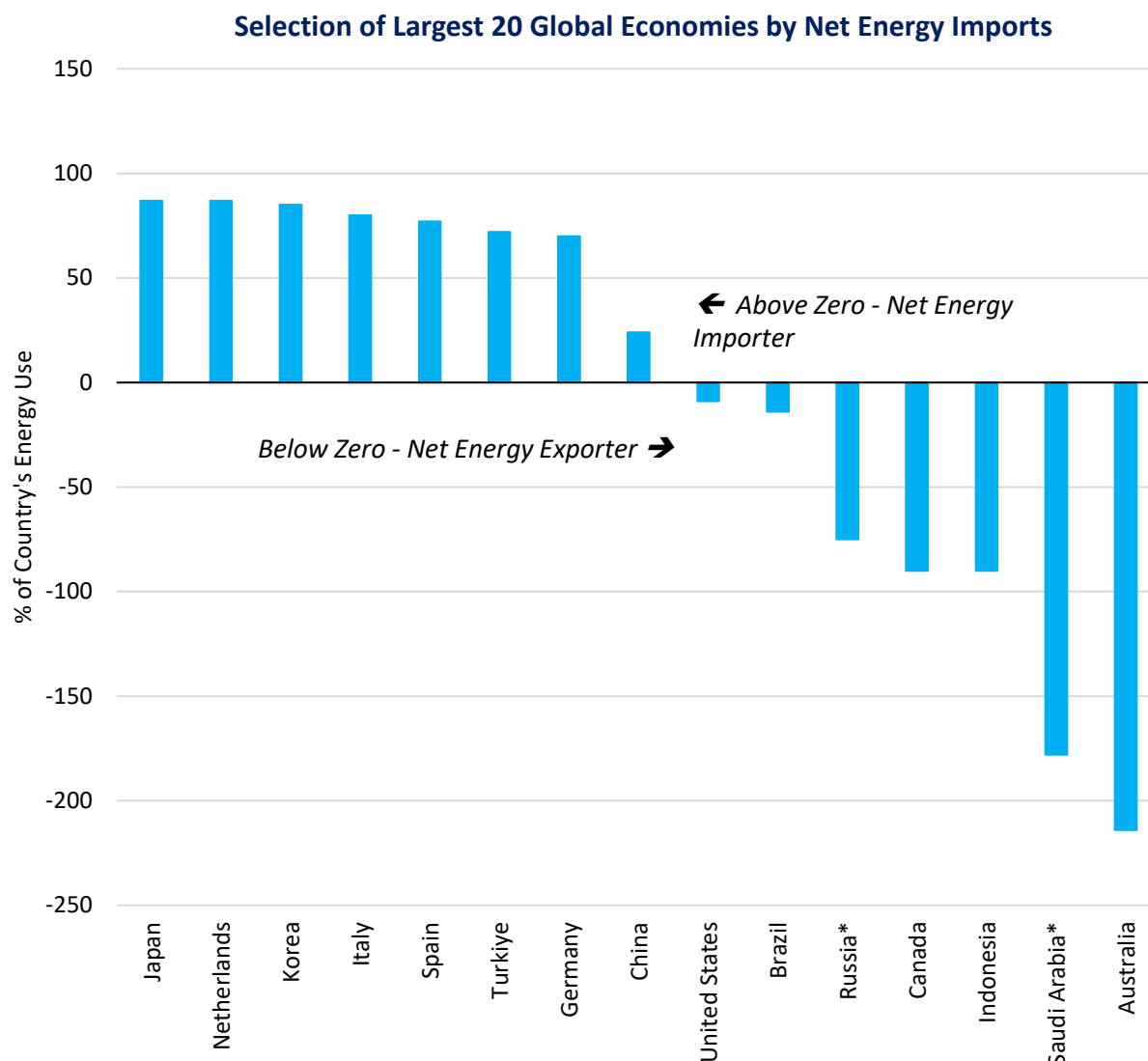
- The Fed resumed its 2024 interest rate cutting cycle by delivering three additional 25 basis point (bps) cuts in 2025.
- History suggests that S&P 500 returns during Fed easing cycles can depend heavily on the macroeconomic backdrop. Cycles without a recession have generally provided a more supportive environment for Equities.
- Crosscurrents in the economic landscape have created a high level of uncertainty, with expectations of further easing in monetary policy shifting in Q1.

CIO Key Considerations

Fed interest rate cuts have historically had varied outcomes for Equities, with strong returns observed when cuts are not accompanied by a recession.

Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.

Exposures of Select Major Economies to Energy Price Volatility



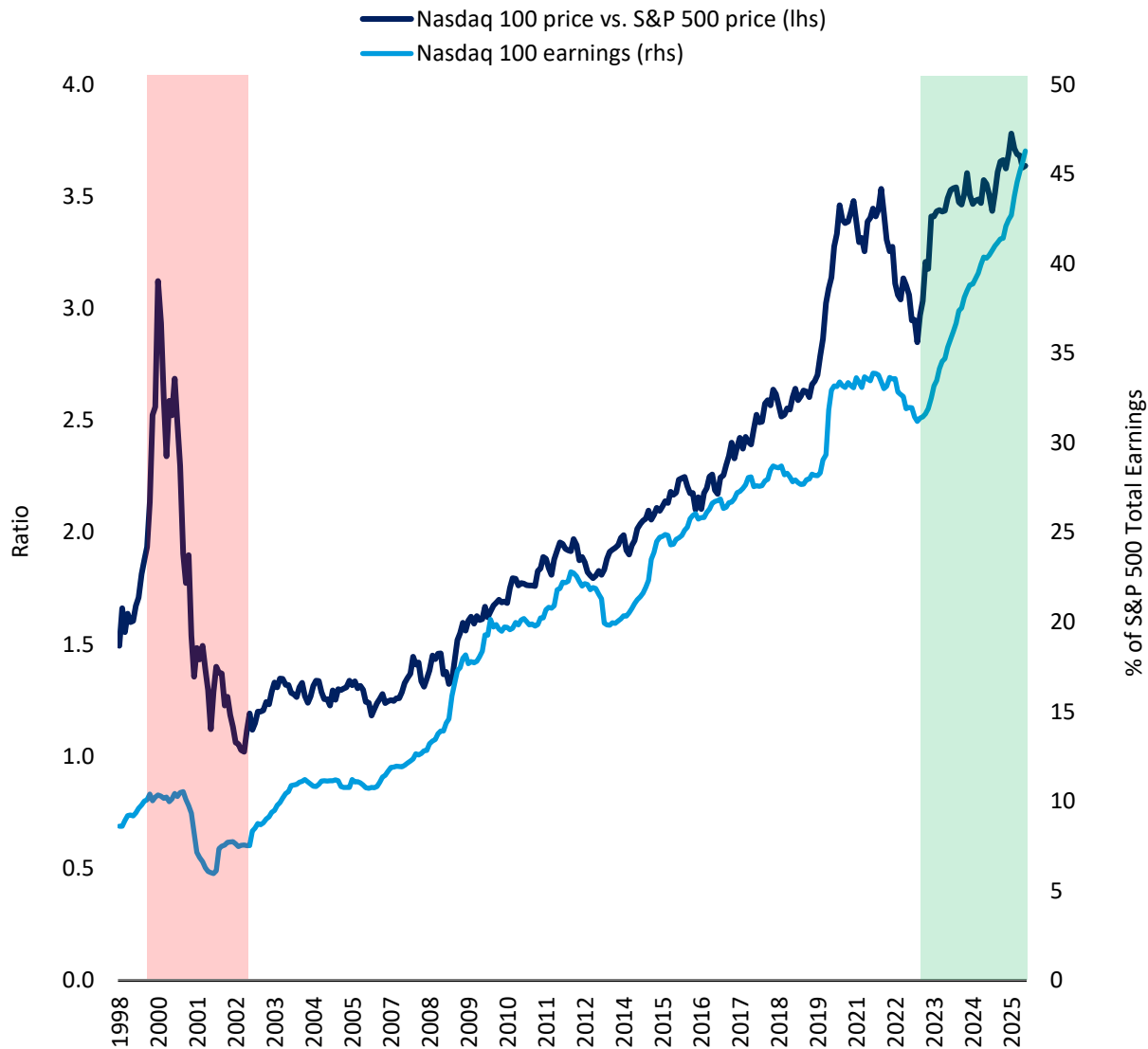
- Geopolitical developments in key energy-producing regions can amplify volatility in global oil markets.
- Regions that are net energy importers—including much of Asia and Europe—tend to be more sensitive to energy price fluctuations. As a net energy exporter, the U.S. may be better insulated from such shocks.
- Periods of elevated energy price volatility can create dispersion across regions and sectors, potentially presenting rebalancing opportunities and reinforcing the longer-term energy addition theme.

CIO Key Considerations

Periods of geopolitical crisis can create temporary market dispersions, but historically they have not disrupted long-term trends.

Sources: World Bank Group. International Energy Agency. Latest available data on March 31, 2026. *Figures are for 2023, except Saudi Arabia and Russia (2022). Net energy imports are estimated as gross imports less gross exports, both measured in tons of oil equivalents (toe). A negative value indicates that the country is a net exporter. Energy use refers to use of primary energy before transformation to other end-use fuels, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport. **Please refer to appendix for important disclosures.**

A “Dot-Com” Comparison: Amid Similarities, Key Differences Today



- Widely discussed have been similarities between recent market conditions and those during a prior period of excessive speculation—the Dot-com Era. Yet we see important differences.
- Back then, innovation-focused Equities appreciated well beyond the segment’s earnings-generating capacity (shaded red), unlike today (shaded green). The Technology sector is currently one of the leaders of earnings growth for the S&P 500.
- From a valuation perspective, back then, the technology-heavy Nasdaq Composite price-to-earnings (P/E) ratio fluctuated to above 90x. In 2025, its average stood at roughly 27x. In Q1 2026, it averaged 25x.

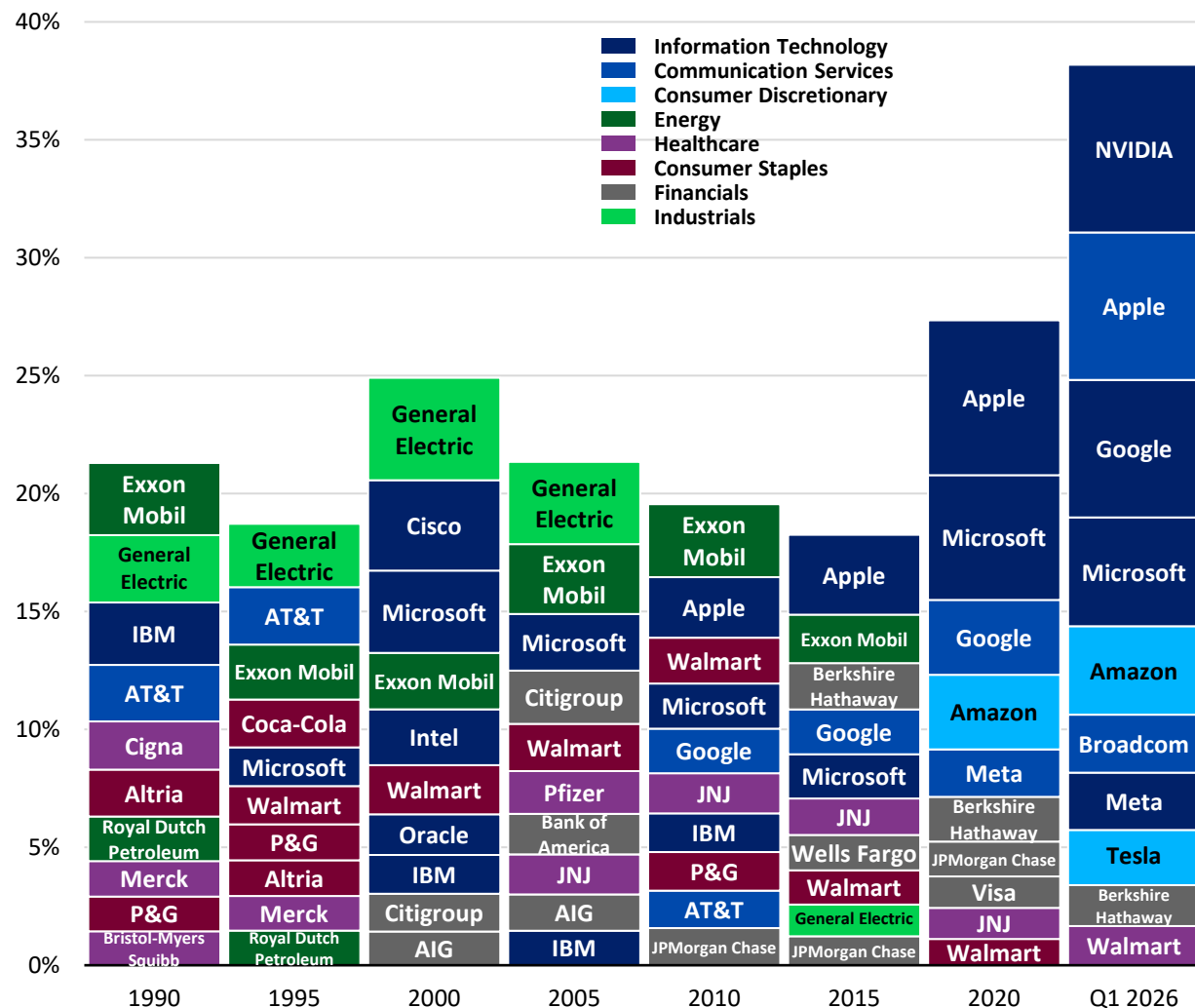
CIO Key Considerations

We believe we are in a multiyear super cycle driven over the longer term by strong productivity gains from AI. Maintaining a high level of diversification during this buildout phase remains prudent.

Source: BofA Global Research. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for index definitions.

Taking Stock of Historical Market Leadership

Top 10 Companies by Market Cap
Percent of Total S&P 500 Market Cap



- The composition of leaders within the S&P 500 differs substantially from decades prior.
- Despite Technology’s relative underperformance year-to-date (YTD), the sector still makes up 33% of the S&P 500. This share hovers near highs reached in 2000.*
- Concentration remains a reality of today’s leadership, with the three largest companies in the S&P 500 accounting for nearly one-fifth of the overall index.*

CIO Key Considerations

Diversification helps investors against overexposure to one area of the market and seeks to mitigate portfolio concentration.

*As of March 31, 2026. Source: Bloomberg. Data as of March 31, 2026. Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities. Note: Global Industry Classification Standard (GICS) classification as of 2026 adopted for sector grouping. Annual data reflects market capitalization by calendar year. Q1 2026 market cap as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for index definitions and important disclosures.**

A Look Back at U.S. Equity Performance in Midterm Election Years

Average S&P 500 Performance Before and After Midterm Elections (1950-2022)*



- A look at historical performance suggests that the months leading up to midterm elections can be choppy for U.S. Equities.
- The trend around midterm elections over the last 75 years points to weaker pre-election returns followed by impressive positive returns in the months following the election, on average. Post-election clarity can remove pre-election policy uncertainty.
- Since 1970, the S&P 500 has delivered positive returns in the 12 months post-election 100% of the time, gaining 13.5% on average over said period.

CIO Key Considerations

Uncertainty leading up to midterm elections can provide a compelling buying opportunity, historically speaking.

*Average S&P 500 performance beginning in January of midterm election years and ending midway the following year. Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Past performance is no guarantee of future results. Please refer to appendix for index definitions and important disclosures. The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice.

Risk Monitor: Geopolitics Generally Not a Long-Term Driver

While uncertainty created by geopolitical crises has historically translated to increased volatility in the short-term, markets have tended to recover relatively quickly. In our view, what ultimately matters is whether these events translate to financial or systemic crises or whether they materially impact the outlook for corporate profits growth and interest rates. It is challenging to try and time markets in normal times let alone in periods with excessive geopolitical risk. A quicker end to the Middle East conflict would likely provide space for positive fundamental trends to reassert themselves, supporting global Equity markets.

Major geopolitical events and subsequent S&P 500 price returns

Event	Date	1 day Price Return	1 month Price Return	3 month Price Return	6 month Price Return	12 month Price Return
Cuban Missile Crisis	16-Oct-62	-0.3%	5.4%	13.3%	21.1%	27.8%
JFK Assassination	22-Nov-63	4.0%	6.7%	11.5%	16.0%	23.9%
Six-Day War	5-Jun-67	2.0%	3.3%	6.5%	7.7%	13.0%
Bretton Woods Collapse	15-Aug-71	3.2%	4.6%	-3.7%	9.8%	17.0%
Arab Oil Embargo	19-Oct-73	-1.0%	-8.6%	-13.3%	-14.9%	-34.4%
Iranian Shah Overthrown	11-Feb-79	0.3%	1.7%	1.6%	7.8%	20.5%
Fall of Berlin Wall	9-Nov-89	0.8%	3.6%	-0.9%	1.9%	-6.8%
Start of Gulf War	17-Jan-91	1.3%	12.5%	19.1%	16.2%	27.7%
9/11 Terrorist Attacks	11-Sep-01	-4.9%	-1.1%	4.3%	6.6%	-16.7%
Fukushima Nuclear Disaster	11-Mar-11	-0.6%	1.5%	-2.6%	-11.5%	5.1%
Russia Annexes Crimea	20-Feb-14	-0.2%	1.8%	1.8%	8.0%	14.7%
Brexit Vote	23-Jun-16	-3.6%	2.9%	2.4%	7.1%	15.4%
Russia-Ukraine Conflict	24-Feb-22	2.2%	5.4%	-8.1%	-3.4%	-7.4%
Israel-Hamas War	7-Oct-23	0.6%	1.3%	9.0%	20.8%	33.5%
Israel-Iran 12-day War	13-Jun-25	0.9%	4.7%	10.2%	14.2%	----
Average		0.3%	3.1%	3.4%	7.2%	9.5%

Equity Watch List

- Evolving geopolitical dynamics and global currency fluctuations
- Pace of AI investment and competition
- Fresh tariff uncertainty amid the recent Supreme Court decision on legality of tariffs under the IEEPA*
- Monetary policy outlook and shifting Federal Reserve leadership
- Progression of global earnings estimates
- Evolving dynamics within Private Credit

Risk Considerations

- Protracted conflict in the Middle East and higher-for-longer oil prices posing a risk to earnings, inflation, and capex
- Escalation in AI concerns due to an earnings miss, supply shock, or tighter credit conditions
- Potential for a pullback in high-income consumer spending
- Potential for slower-than-expected labor market stabilization
- Global fiscal concerns, as well as sticky inflation and its potential impact on the Fed's easing cycle
- Geopolitical uncertainty and heightened global protectionist measures

*International Emergency Economic Powers Act. Left Table Sources: Bloomberg. Data as of March 31, 2026. If the market was closed on the event date, the date of the previous market close was referenced. The one-day return for the 9/11 attacks after reopening of the market was on 9/17/2001. The one-day return for the JFK assassination after the reopening of the market was on 11/26/1963. Right Tables Sources: Chief Investment Office. **FOR INFORMATIONAL PURPOSES ONLY.** Views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. **Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Elevated U.S. Treasury Yields Remain Reasonably Attractive

10-year U.S. Treasury Yield



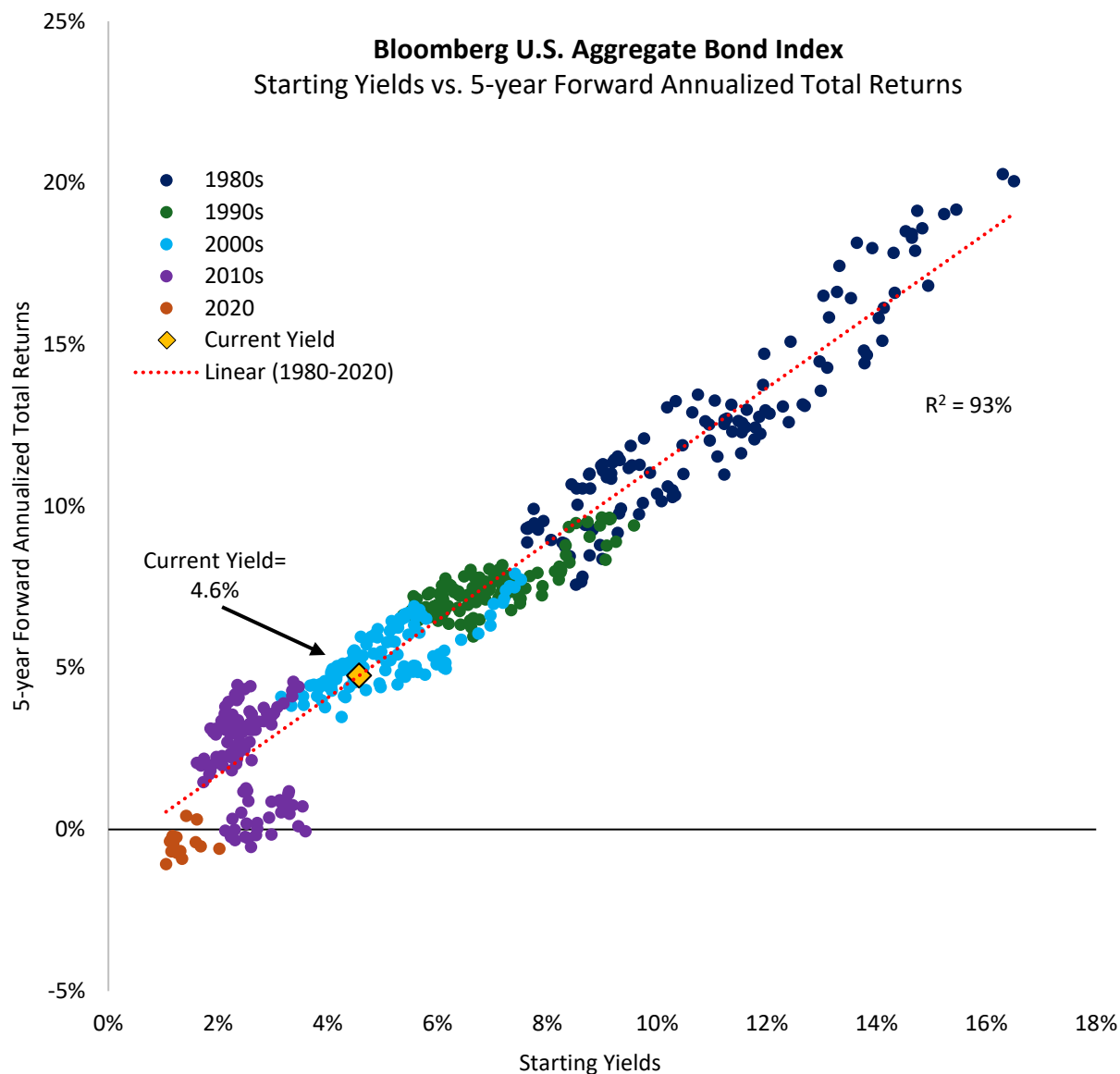
- In the aftermath of the pandemic, U.S. Treasury yields have risen to their highest range in nearly two decades, reversing their secular downtrend since the 1980s.
- Risks of higher rates in the near term amid increasing deficits and debt levels remain limited, in our view, provided that the Fed does not re-emerge as a significant buyer of U.S. Treasuries to directly finance government deficits.
- Massively higher debt levels, when not financed by the Fed, have led to lower rates. The 10-year U.S. Treasury yield peaked in 1980 when U.S. debt/GDP was 31%, with total U.S. Treasury supply less than \$1 trillion. In the next four decades, Treasury rates fell and reached a secular low in 2020, even as the federal debt increased to >\$20 trillion, causing U.S. debt/GDP to hit 132%.

CIO Key Considerations

The primary driver of long-term rates is the expected path of short-term rates, which are driven by Fed policy to manage inflation and employment. At current levels, rates are fairly priced, providing good diversification benefits for multi-asset class portfolios and reasonable income.

Gray bars represent recessionary periods. Sources: White House Office of Management and Budget, Federal Reserve Economic Data, Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.

The Power in Capturing Today's Elevated Yields



- History suggests a strong and positive relationship between starting yields and subsequent forward total returns.
- Around 93% of 5-year annualized Bloomberg U.S. Aggregate Bond Index total return can be explained by its starting yield.
- Simply put, the higher the entry yield, the stronger the forward return.
- With the Fed expected to continue easing in 2026, investors should consider moving investment cash to at least their strategic duration target to capture today's elevated yields and hedge against rates drifting lower ahead.

CIO Key Considerations

We expect continued Fed easing in 2026 and, therefore, prefer investors to move excess cash into risk assets and Fixed Income of a reasonable duration.

Monthly data used. Starting yields reflect yield-to-worst. R^2 measures how well one variable explains the variation in another. The linear regression line reflects the best-fit line that represents the relationship between the two variables. The Bloomberg U.S. Aggregate Bond Index has a modified adjusted duration of roughly 6 years. Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Credit Spreads Modestly Wider to Start the Year



- Investment-grade (IG) and High-yield (HY) credit spreads are modestly wider to start the year but remain low in a historic context – both trading near the 25th percentile over the last 5 years.
- While volatility could continue in the near-term with AI disruption concerns, geopolitical conflict and elevated supply all contributing to the widening, we are constructive on the macro and fundamental backdrops and think spread widening will remain contained.
- The new issue market has showed little signs of slowing across both IG and HY, with issuance meaningfully higher YTD. Demand remains strong led by attractive all-in yields and healthy fundamentals – though we are watching for signs that this may change.
- While spreads have cheapened some, the potential for significant tightening is still more limited, in our opinion. We are carefully monitoring risks and remain neutral both IG and HY at this time.

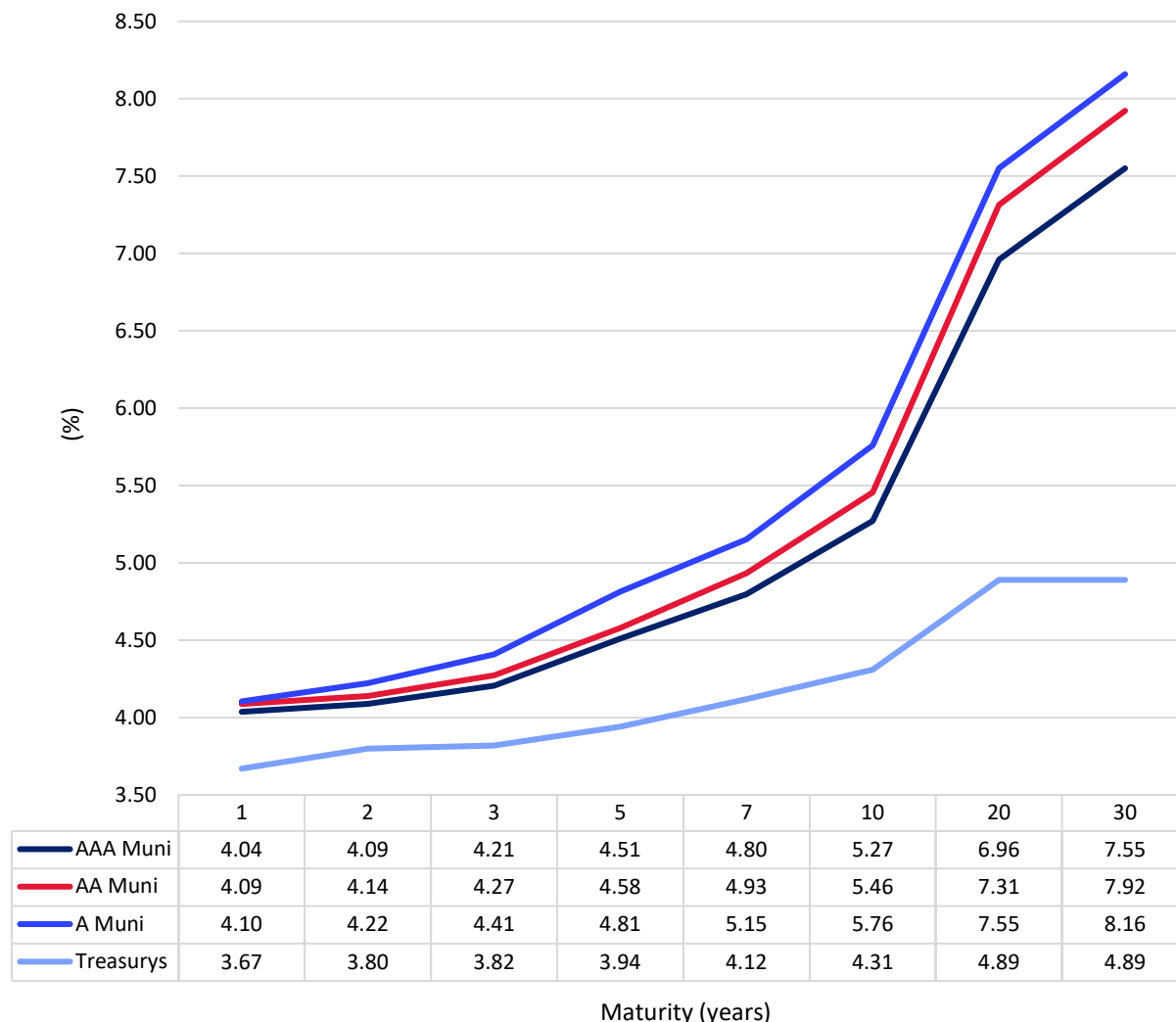
CIO Key Considerations

We continue to believe that neutral positioning across IG, HY, and Mortgage-backed Securities (MBS) in all-Fixed Income portfolios is appropriate at this time.

*Options-adjusted Spreads. IG Index refers to ICE BofA U.S. Corporate Index. HY Index refers to ICE BofA U.S. High Yield Idea. Source: ICE BofA, Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Munis Appear Attractive, More Value in Longer Bonds and Lower Quality

Muni Taxable-Equivalent Yields versus Treasury Yields



- Municipals (munis) underperformed Treasuries in February and March, as expected, and now appear attractively valued.
- We believe there is even greater value for munis maturing 10 years and longer, given higher yields, cheaper valuations and a steeper sloping yield curve (see left chart).
- Municipal credit quality should remain generally stable over the intermediate term based on resilient state and local government revenues and strong issuer balance sheets.
- We believe there is potentially more risk-adjusted value lower down on the credit spectrum. However, careful selection is important to capture excess spread on lower-quality bonds while avoiding credit-related losses.

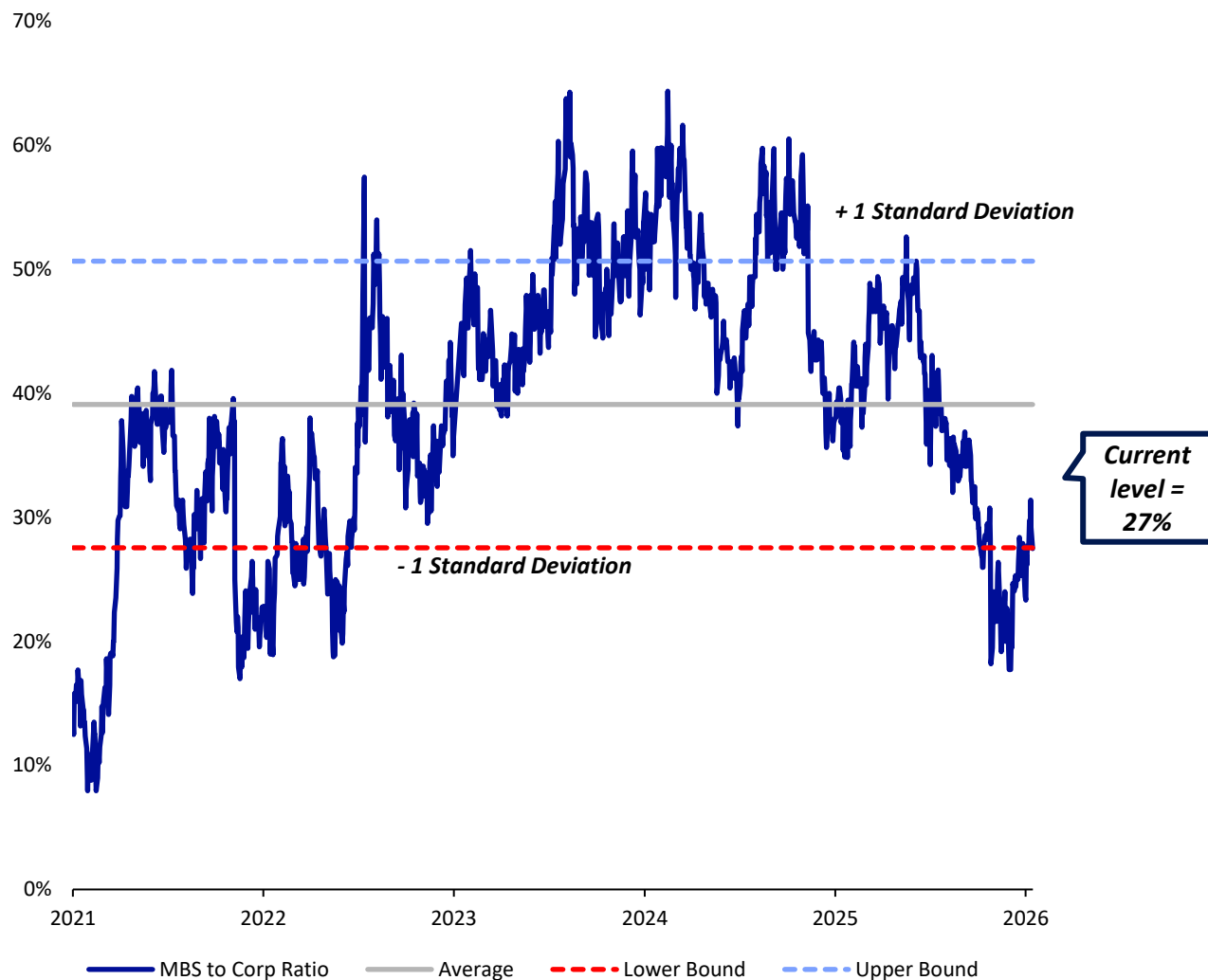
CIO Key Considerations

For highly tax-sensitive investors, we maintain a preference for IG and HY tax-exempt securities over taxable bonds.

Source: TM3/LSEG, as of March 31, 2026. Muni taxable-equivalent yields are calculated based on a 37% marginal tax rate plus a 3.8% net investment income tax. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Agency Mortgage-backed Securities: Balanced Outlook

MBS to Corporate Option-Adjusted Spread (OAS) Ratio (%)



- We maintain a neutral outlook for agency Mortgage-backed Securities (MBS) within Fixed Income as risk-reward remains well-balanced.
- MBS-to-Corporate OAS ratio is sitting near the lower end of the historical range implying mortgage spreads are tight vs corporates on a relative basis
- While valuations remain rich, resilient carry continues to support the sector. Rate volatility has edged higher recently but remains well below last year's peaks, keeping the backdrop broadly constructive.
- We continue to monitor two key developments: the Fed's MBS portfolio run-off and ongoing Government-Sponsored Enterprises (GSE) privatization efforts, both of which could significantly impact performance.

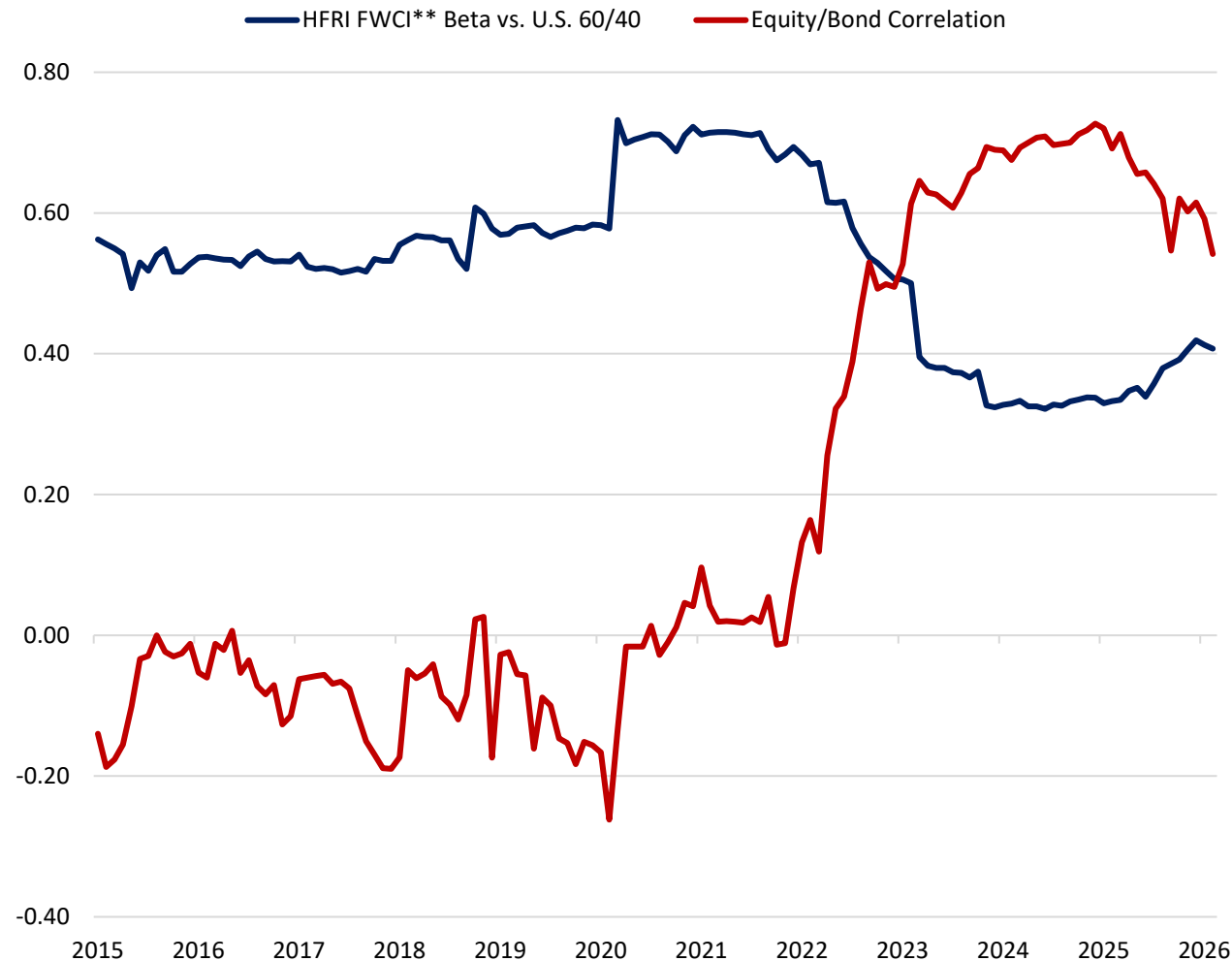
CIO Key Considerations

In multi-asset class portfolios, within IG Taxable, we are slightly underweight MBS in favor of Equities.

MBS=Bloomberg U.S. MBS Index. Corporate=Bloomberg U.S. Corporate Index. Source: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Alternative Investments*: Hedge Strategies Can Aid Diversification

Rolling 3-Year Stock-Bond Correlations and Hedge Strategies Beta



- Hedge Strategies (HS) have continued to perform well in the post-pandemic environment, adding alpha to traditional 60/40 Equity and Fixed Income portfolios. HS have capitalized on a regime of higher rates and greater dispersion, driving an expanded opportunity set.
- As stock-bond correlations have risen, HS betas to traditional asset classes have declined, enhancing their role as a stabilizer within multi-asset portfolios.
- Increasing Equity dispersion and reversing correlations favor long/short stock selection, with AI-driven differentiation across leaders and laggards creating additional alpha potential.

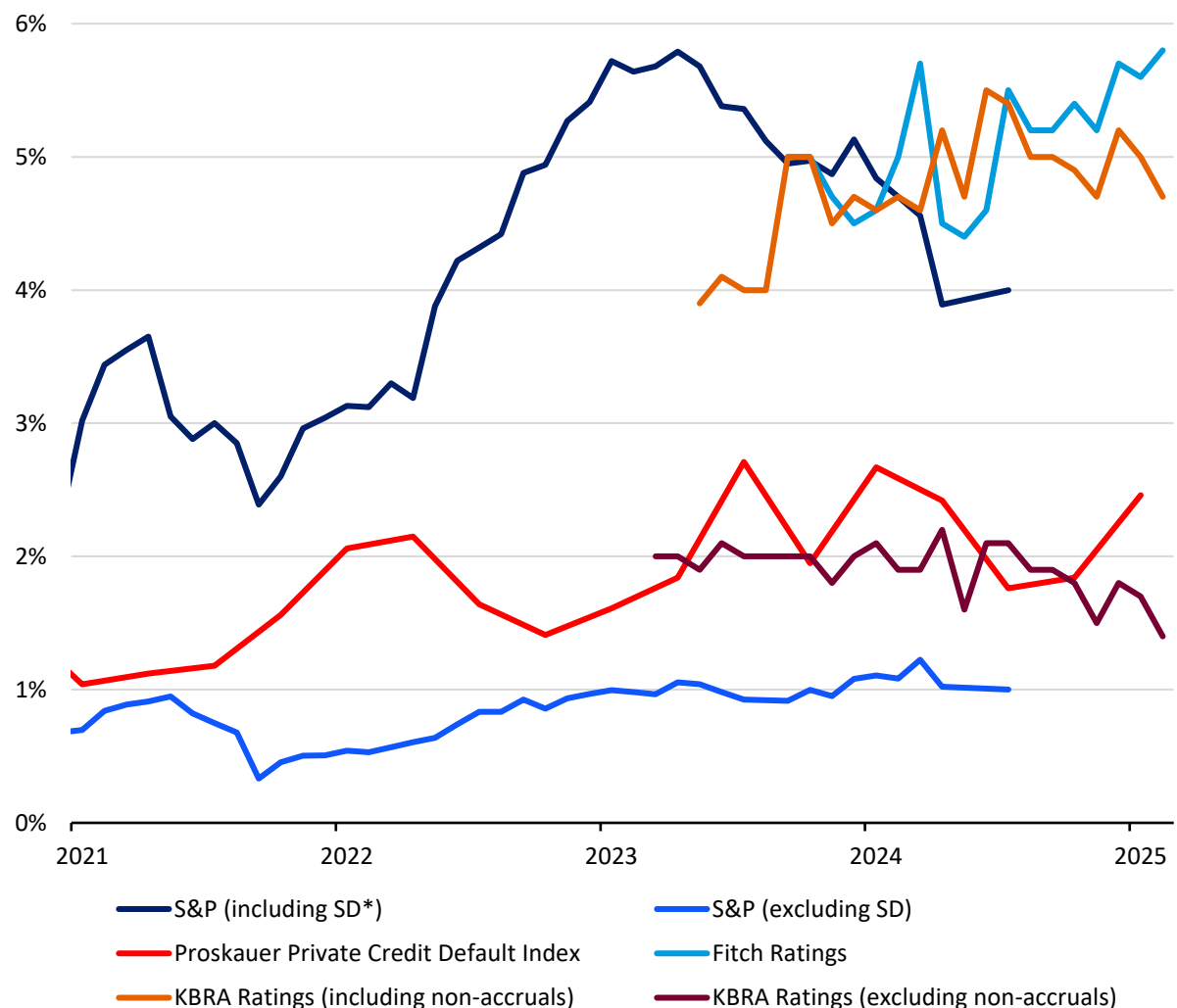
CIO Key Considerations

Allocating to Alternatives allows qualified investors to access opportunities not available through traditional strategies, potentially improving returns or increasing diversification.

*Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors. Source: HFR, Inc, Nasdaq eVestment, Bloomberg. **HFRI Fund-Weighted Composite Index (FWCI). Equities represented by the S&P 500 Total Return Index. Bonds represented by the Bloomberg U.S. Aggregate Bond Index. 60/40 portfolio represented by 60% S&P 500 Total Return (TR)/40% Bloomberg U.S. Aggregate. Data as of February 27, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. Please refer to appendix for glossary and important disclosures.**

Private Credit: AI-Turbulence, Stable Fundamentals, Media Noise

Direct Lending Default Rates



- AI-related uncertainty has created a new focal risk for Private Credit (PC). Around 20% of Direct Lending (DL) is exposed to the software sector, compared to 14% in broadly syndicated loans and 4% in HY.
- Underlying fundamentals have been stable-to-improving in recent quarters. To date, defaults have been in line with expectations—rising since 2022, as anticipated, but stable against a supportive economic backdrop.
- AI-disruption risk is real, but not unique to DL. Structural DL features, such as first-lien seniority, security, and equity cushions, may help mitigate losses.

CIO Key Considerations

PC should be allocated appropriately across a diversified portfolio consistent with risk and liquidity tolerance. Alternative Investments**, for qualified investors, are designed for investors to remain committed through cycles.

Source: BofA Global Research. *SD = selective defaults. Latest data available. As of March 2026. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures. **Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors.**

CIO Asset Classes and Sector Views



Asset Class	Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Global Equities	●	●	●	●	●
U.S. Large-cap Growth	●	●	●	●	●
U.S. Large-cap Value	●	●	●	●	●
U.S. Small-cap Growth	●	●	●	●	●
U.S. Small-cap Value	●	●	●	●	●
International Developed	●	●	●	●	●
Emerging Markets	●	●	●	●	●
Global Fixed Income	●	●	●	●	●
U.S. Governments	●	●	●	●	●
U.S. Mortgages	●	●	●	●	●
U.S. Corporates	●	●	●	●	●
International Fixed Income	●	●	●	●	●
High Yield	●	●	●	●	●
U.S. Investment-grade Tax Exempt	●	●	●	●	●
U.S. High Yield Tax Exempt	●	●	●	●	●
Alternative Investments*					
Hedge Strategies					
Private Equity**					
Private Credit**					
Real Assets					

Sector	Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Financials	●	●	●	●	◀
Consumer Discretionary	●	●	●	●	●
Industrials	●	●	●	●	●
Utilities	●	●	●	◀	●
Energy	▶	●	●	●	●
Information Technology	●	●	●	●	●
Healthcare	●	●	●	●	●
Materials	●	●	●	●	●
Real Estate	●	●	●	●	●
Consumer Staples	●	●	●	●	●
Communication Services	●	●	●	●	●

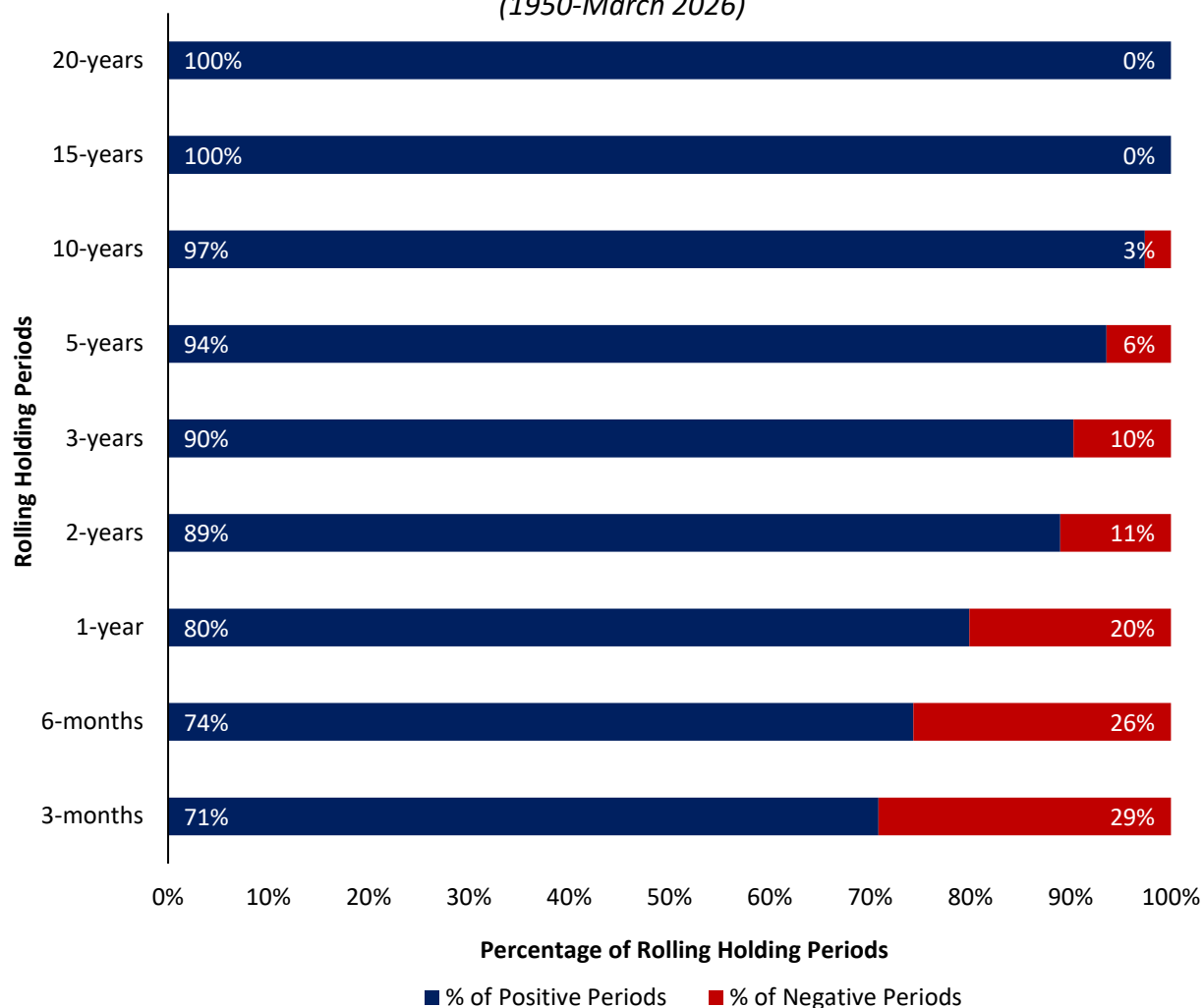
- We maintain our Equity overweight relative to Fixed Income, while we continue to emphasize diversification, non-U.S. exposure with a slight bias toward emerging markets, above benchmark positioning in Financials, Consumer Discretionary, and Industrials and benchmark exposure to Technology.
- Secular tailwinds may support Growth, while Value continues to trade at a relative discount and dividend-oriented Value stocks remain attractive. We suggest a disciplined and balanced approach between Value and Growth for long-term investors.
- We are neutral across Fixed Income in all-Fixed Income low-tax sensitivity portfolios. We still favor a significant allocation to bonds in a well-diversified portfolio.
- For qualified investors, we continue to emphasize potential long-term growth and income opportunities in Alternative Investments.

ALTERNATIVE INVESTMENTS NOTE: Given the differences in liquidity characteristics between Alternative Investments and traditional investments, the Alternative Investments portfolio positioning and CIO asset class views have been neutral rated versus our strategic allocations. These types of investments, in our opinion, should not be viewed at the asset class level on a tactical basis, rather the tactical positioning should be expressed at the subasset level.

*Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors. Source: GWIM Investment Strategy Committee (GWIM ISC) as of April 7, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** **Effective 1/2026 Private equity and Private Credit are shown as separate asset classes. Please refer to the January 2026 Viewpoint for more detailed weightings information. The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. **Please refer to appendix for asset class and sector proxies and index definitions.**

Patience Pays: Let Time Work for You

**S&P 500: Frequency of Positive vs. Negative Annualized Total Returns
Across Rolling Holding Periods
(1950-March 2026)**



- History shows longer holding periods increase the likelihood of positive returns. Over every 15- and 20-year rolling period since 1950, the S&P 500 delivered a positive annualized total return—100% of the time.
- In other words, investors who stayed invested for 15+ years never experienced a negative average yearly return, even through recessions, wars, inflation, shocks and crises.
- Why? Short-term volatility tends to smooth out over time. Losses early in the period have been historically offset by recoveries and the power of compounding later.
- The key message is simple: markets may feel risky day-to-day, but the longer you stay invested, the more often you may experience gains. Time does not eliminate risk, but it has historically helped to shift the odds of success in your favor.

CIO Key Considerations

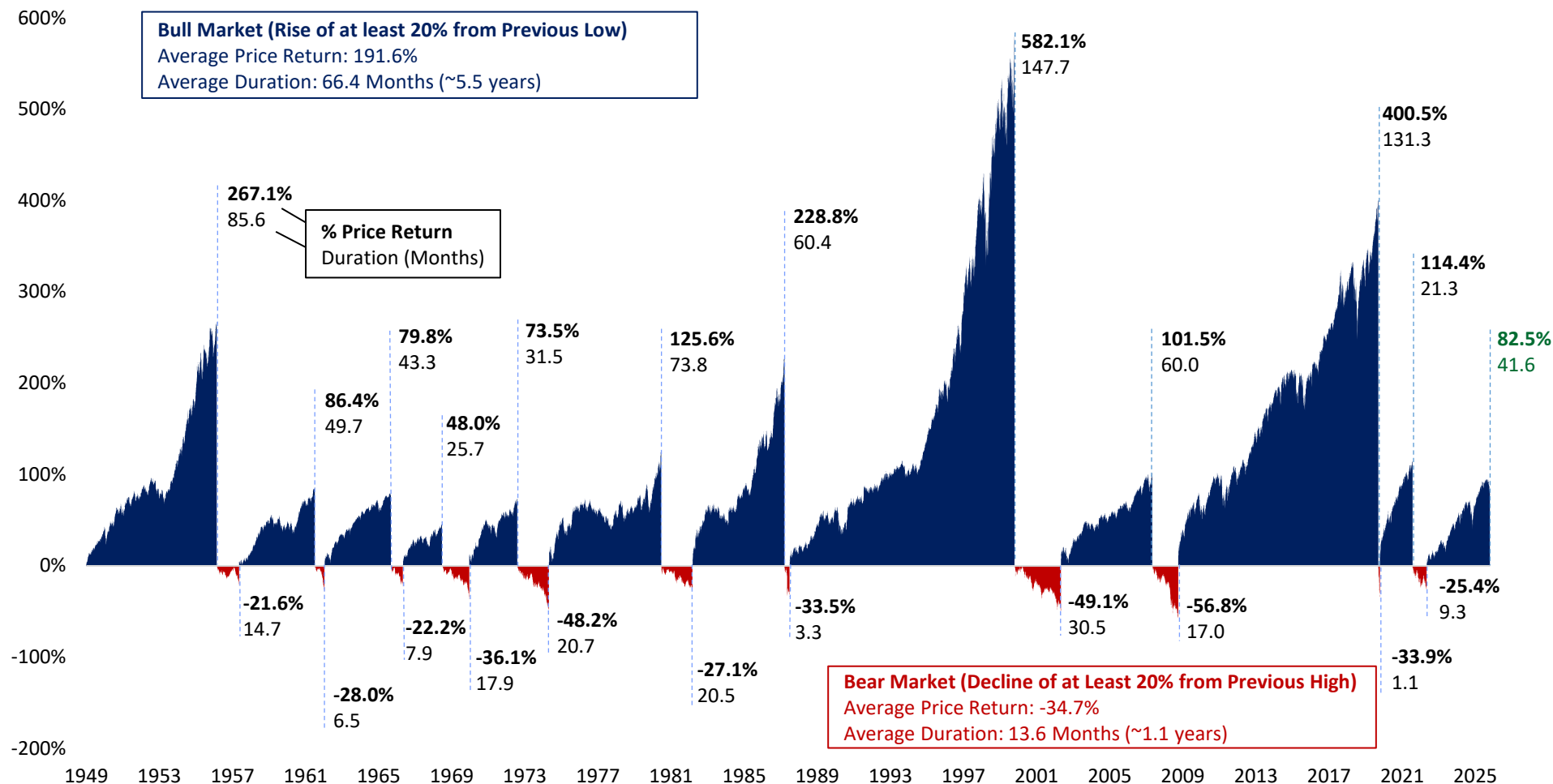
Align investment horizons with goals. For long-term objectives, the historical probability of positive outcomes supports disciplined allocation and rebalancing.

Annualized total returns based on monthly data. Sources: Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.**

Recoveries Follow Downturns

A History of U.S. Equity Cyclical Bull and Bear Markets (1949 - March 2026)

S&P 500 Index Price Return Per Period



CIO Key Considerations

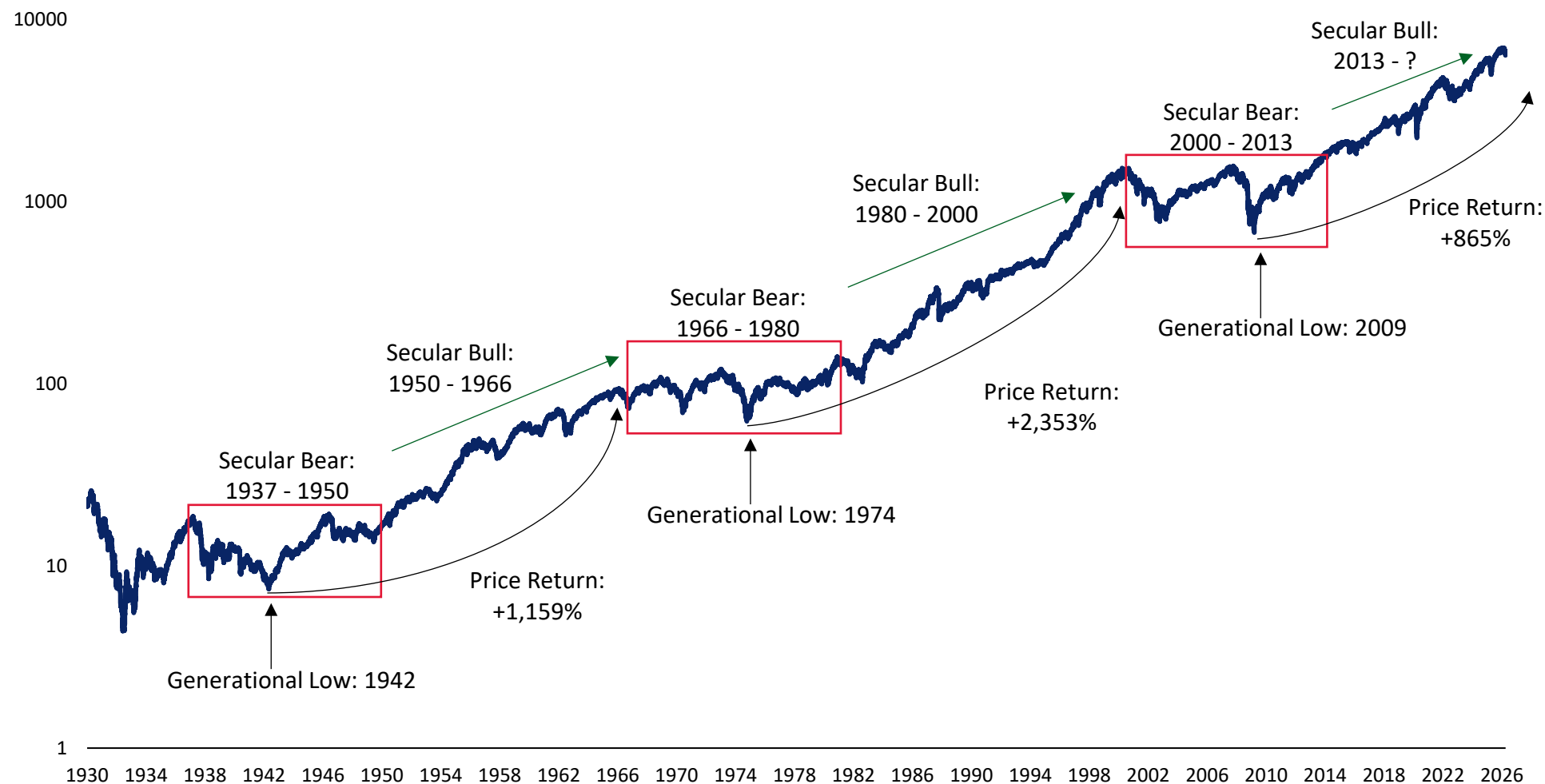
While every cyclical bear market is different in terms of drivers, duration and declines, every past market downturn has been followed by a recovery.

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets. Sources: Bloomberg; Yardeni Research. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.

The Secular Bull Should Be Set to March On...

S&P 500 Index (Log Scale)

A History of U.S. Equity Secular Bull and Bear Markets

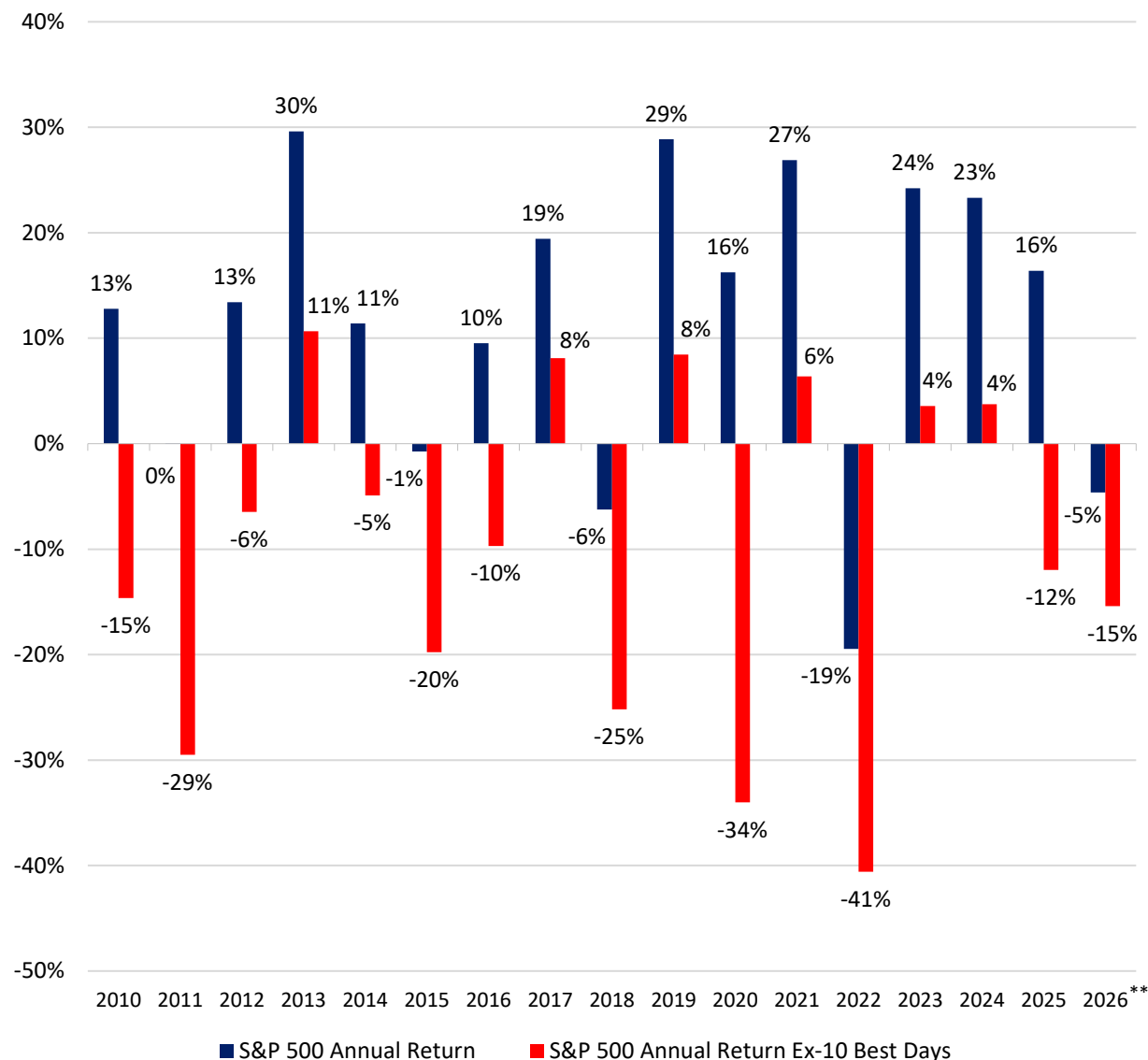


CIO Key Considerations

Secular bull markets are long-term uptrends in Equities that generally undergo multiple business and market cycles. We expect accelerated AI innovation and the asset-light era to power the ongoing secular bull market cycle forward.

Sources: Chief Investment Office, BofA Global Research; Bloomberg. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.

Time in the Market Matters



- Time in the market is a necessary ingredient for a successful investment strategy, as opposed to timing the market. In an attempt to invest at the “perfect time”, investors are likely to impair their returns.
- A longer investment horizon can be associated with an increased probability of generating positive returns.
- Since 1930, the S&P 500 has returned over 30,336%, while the index has only returned 103% when you exclude the 10 best days per decade. Since the start of this decade, the index has returned 102% overall, but when you exclude the 10 best days that falls to 6%.*

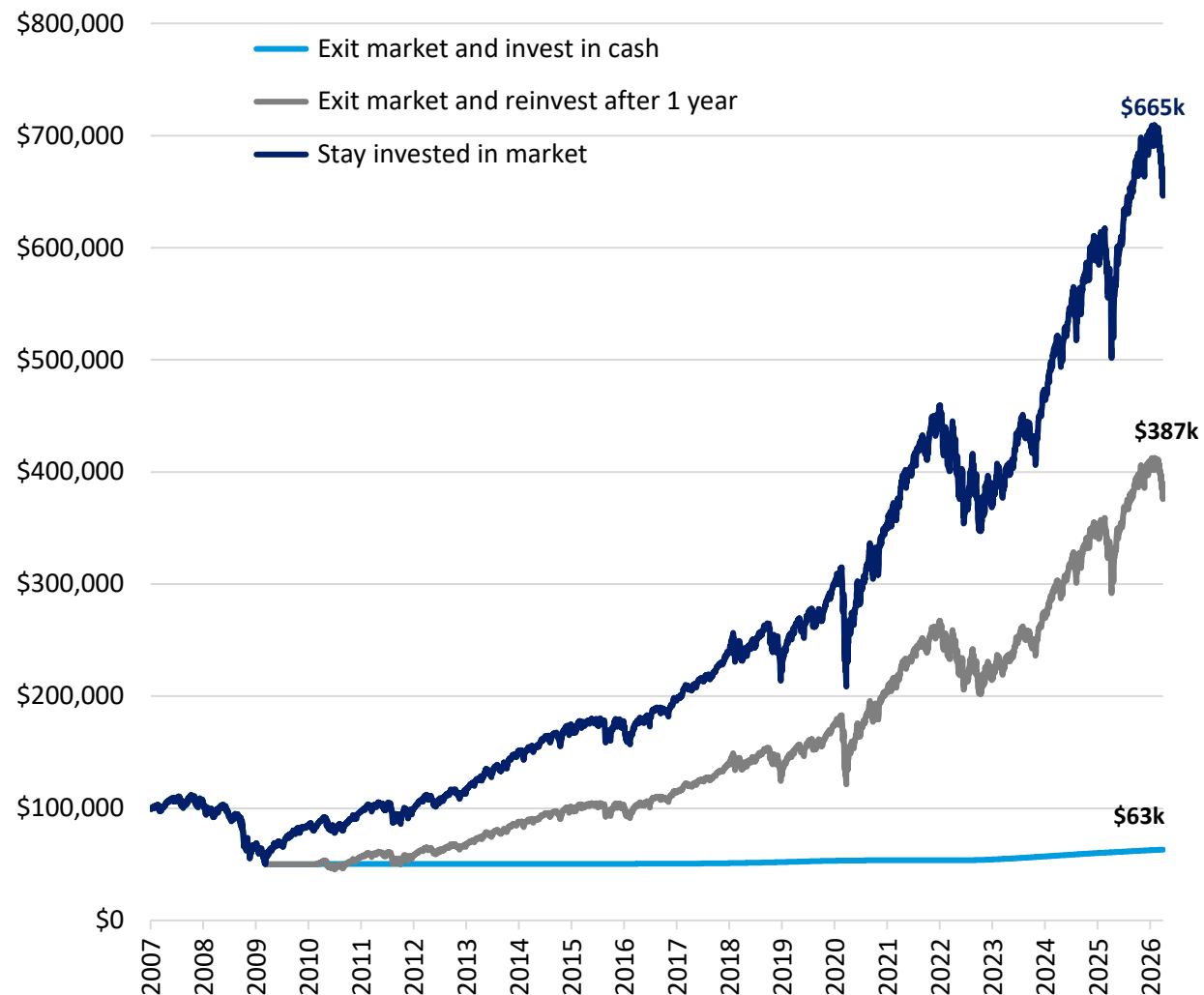
CIO Key Considerations

Excluding the best days of performance for the S&P 500 has drastically cut down returns historically. We suggest to stay the course and remain invested according to an established investment plan.

*Calculated by BofA Global Research. Data as of March 31, 2026. **Data as of March 31, 2026. Source: Bloomberg. Data as of March 31, 2026. Price returns used. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

The Risk of Avoiding Risk

Hypothetical Portfolio Value



- Indiscriminately selling out of the market has the potential to influence long-term portfolio outcomes:
 - If you started out with a \$100,000 Equity portfolio at the beginning of 2007, and you sold at the market bottom to invest in cash, you would only have around \$63,000 today.
 - If you sold at the bottom and reinvested in Equities after one year (i.e., attempted to time the market), you would have about \$387,000 today.
 - If you had stayed invested throughout the entire time frame, your initial investment of \$100,000 would have grown to around \$665,000 today.

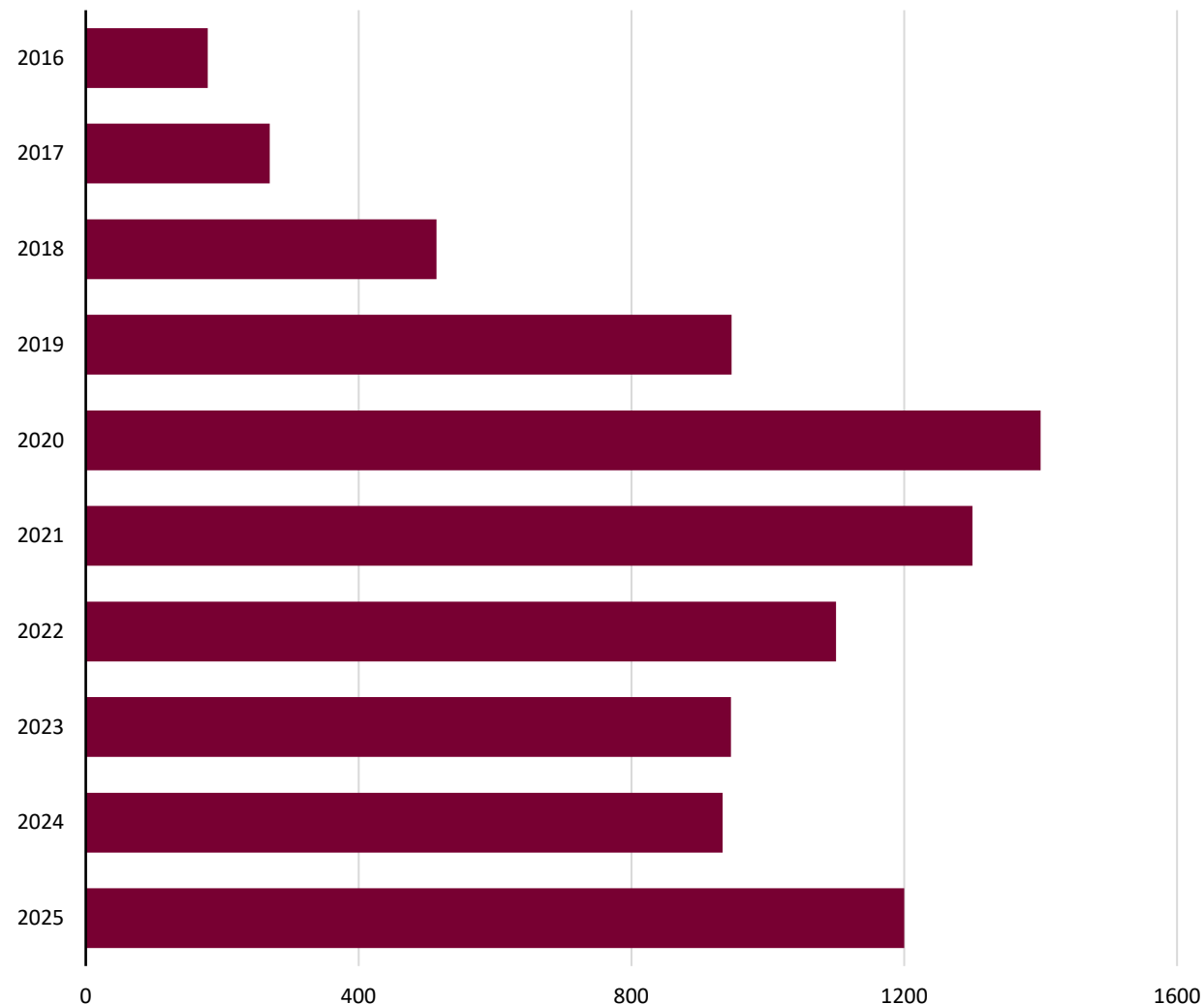
CIO Key Considerations

Staying invested throughout periods of uncertainty may help achieve better outcomes.

Source: Bloomberg. Data as of March 31, 2026. Equities are represented by the S&P 500 Index. Cash is represented by the ICE BofA U.S. 3-Month Treasury Bill Index. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

CIO Thematic Investing: AI Applications in Defense

Defense Department AI Procurement
USD Millions



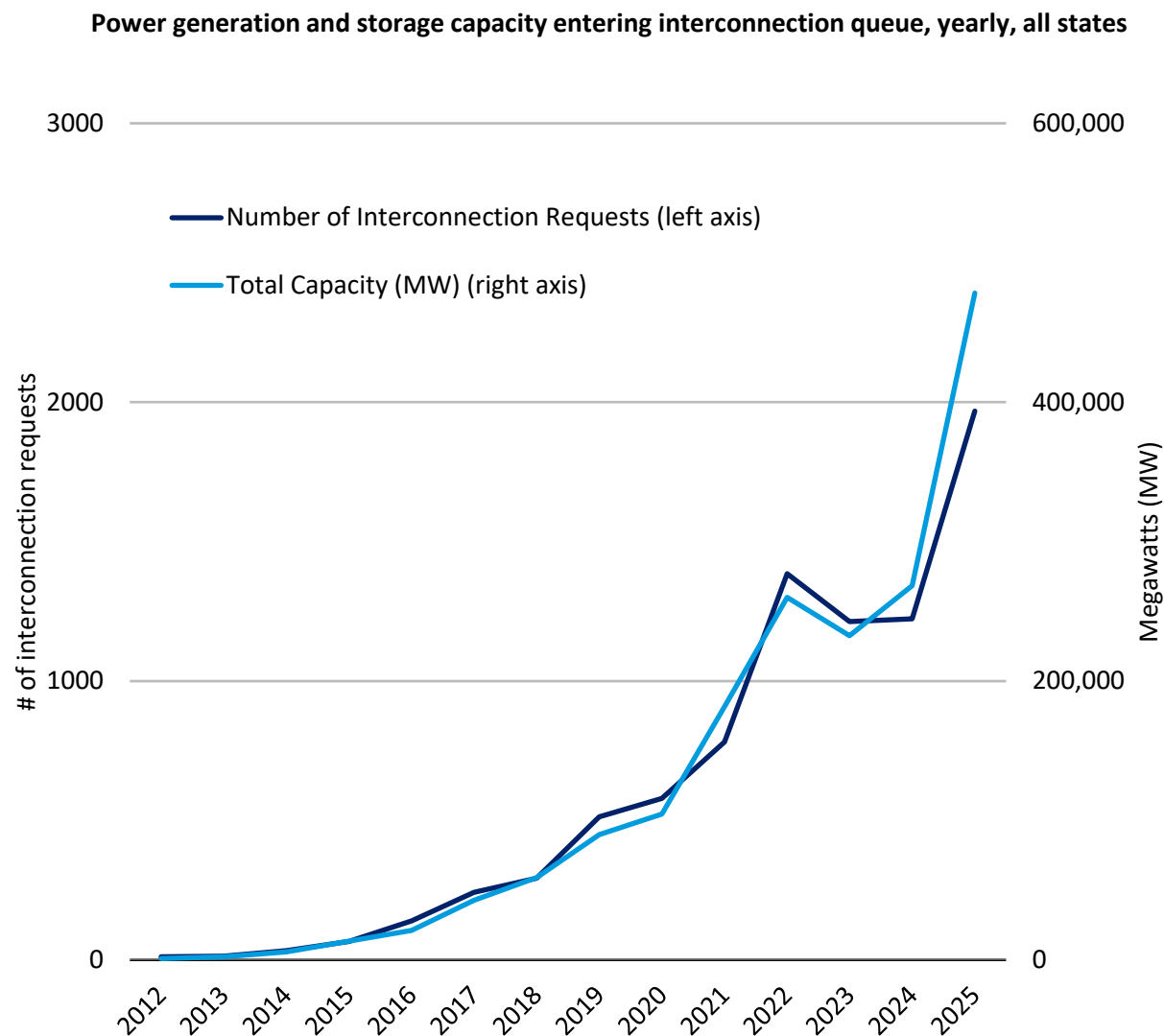
- AI has become increasingly important to modern defense systems. Applications extend to intelligence gathering, autonomous systems, cyber capabilities, logistics and maintenance, and more.
- Amid elevated geopolitical risk and a threat environment gaining in sophistication, government spend on the intersection between AI and defense is expected to rise in the U.S. and globally.
- Aerospace and defense remains our key themes and extends beyond Large-cap defense contractors. The broader investable ecosystem includes everything from cybersecurity and grid infrastructure to semiconductors and strategic minerals.

CIO Key Considerations

Our themes of Transformative Innovation, Resilient Infrastructure, Future Security and Changing Demographics each carry long-term implications for economic growth, the cost of capital, and global earnings, in our view.

Source: Bloomberg Government. Data as of February 26, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.** The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice.

Grid Bottlenecks are Slowing Power Buildout



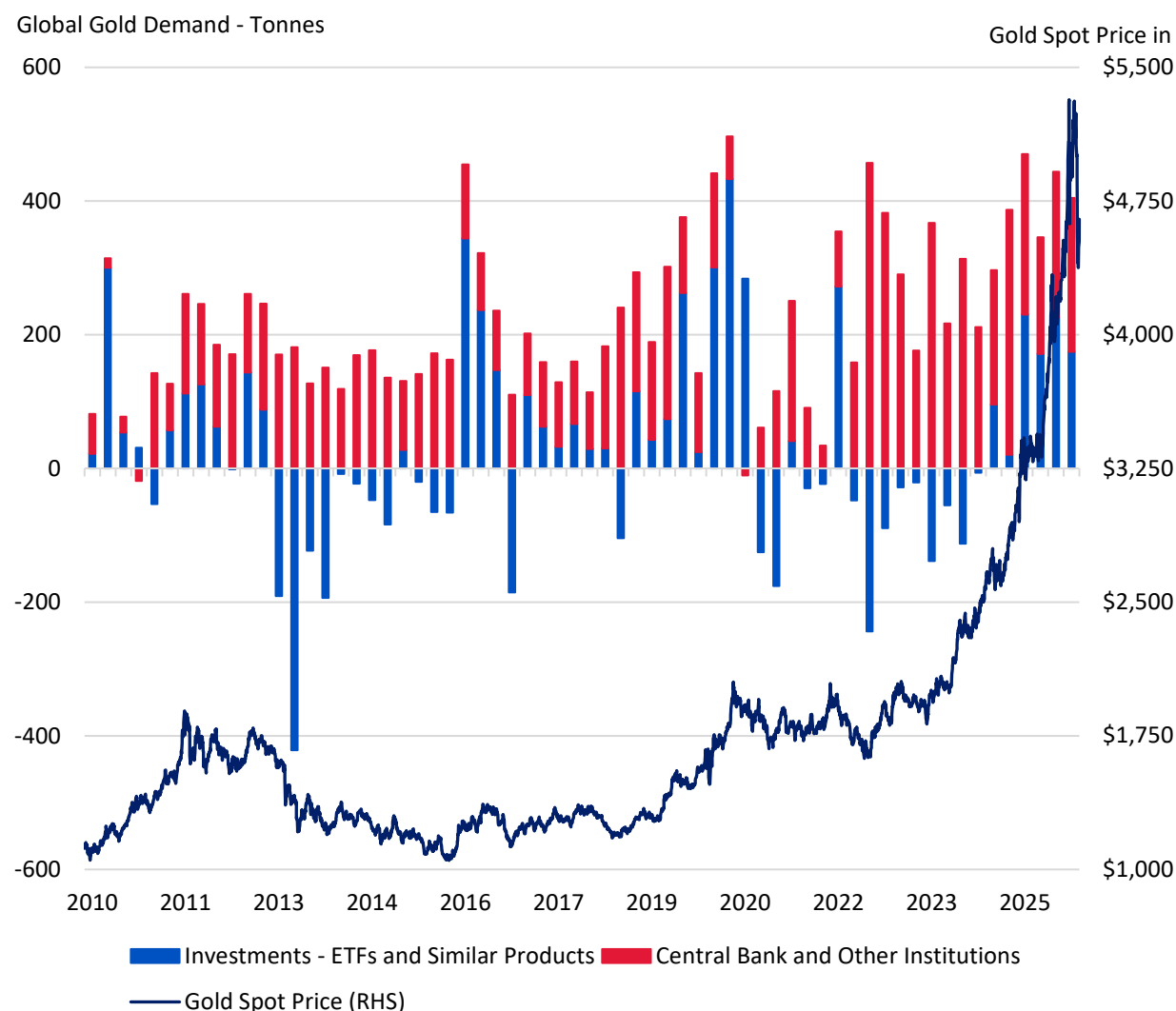
- Power demand is durable: we see accelerating power demand from AI/data centers and the broader electrification of the economy, driving grid and generation capex.
- A major chokepoint is the grid: the interconnection queue is twice the size of the entire U.S. grid. Transmission/interconnection delays are the limiting factor, creating a multi-year capex runway. Around 13% of queued projects actually get built. Those that do have to wait 4 to 5 years on average.*
- On watch are hyperscalers building their own power or acquiring power companies and potential regulatory changes that accelerate project times.

CIO Key Considerations

Interconnection queues & transmission delays are an investable theme across Utilities, Industrials, and Materials. Consider diversified exposure across grid modernization, power and cooling infrastructure, and metal-linked Materials.

Sources: * Lawrence Berkeley National Laboratory; Graph: Interconnection.fyi, updated weekly. Data as of March 31, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

Resurgence in Retail Gold Demand



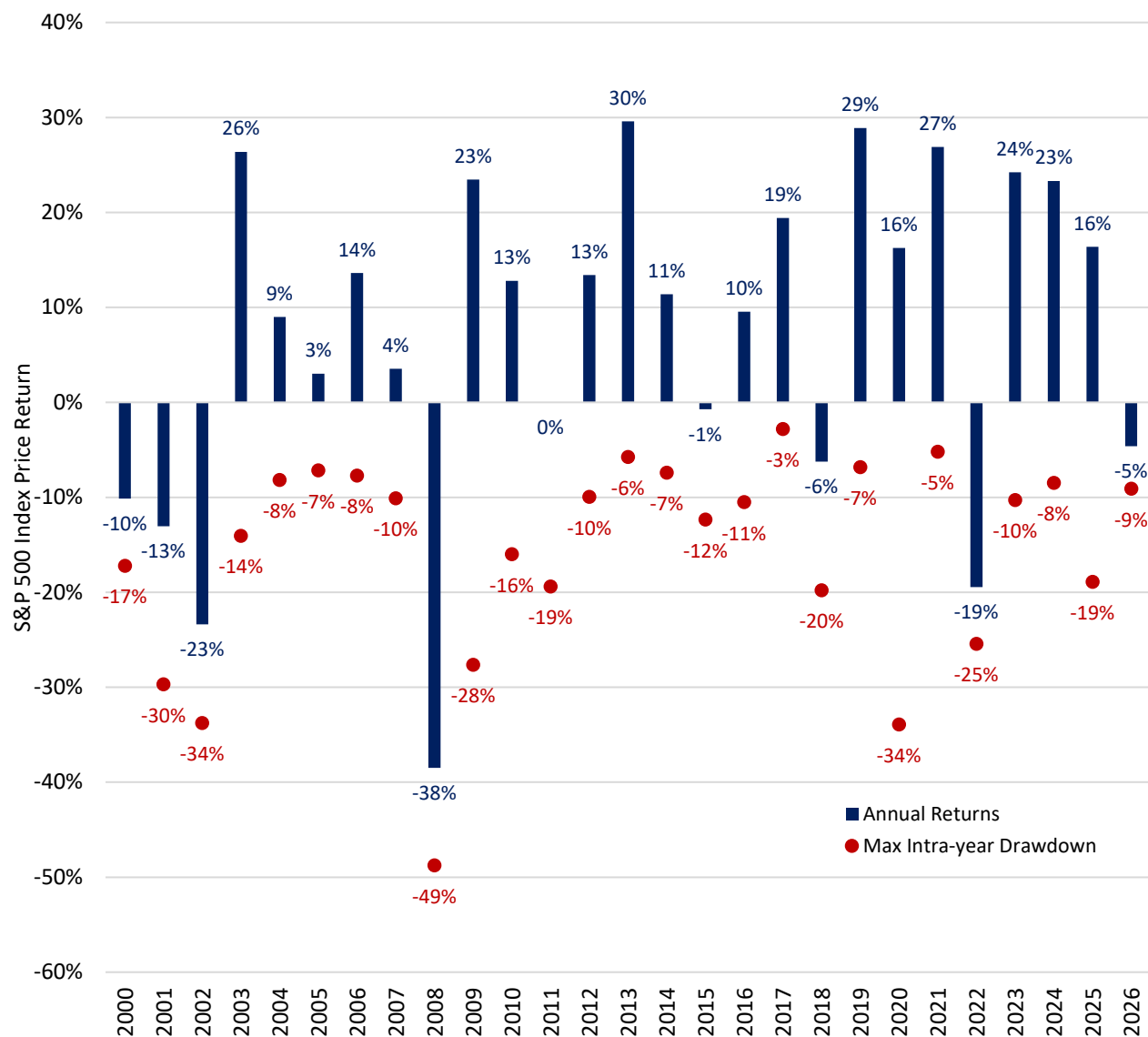
- Strength in gold in 2025 reflected a resurgence in retail investor demand via exchange-traded funds (ETF) and similar investment products as well as elevated central bank demand. The broadening demand base reached levels not seen since 2019 to 2020.
- Gold was weaker toward the end of Q1 2026 in the face of the U.S.-Iran conflict, potentially reflecting gold’s historically negative correlation with U.S. real rates and serving as a source of liquidity after strong price gains last year.
- Still, gold should remain supported by longer-term trends including central bank diversification, widening fiscal deficits globally, further U.S. dollar moderation, and a fragmented geopolitical landscape, in our view.

CIO Key Considerations

Gold may provide diversification through bouts of market volatility and economic weakness or uncertainty.

Sources: World Gold Council, Bloomberg. Global Gold demand represents quarterly data through Q4 2025. Gold spot price represents daily data through March 31, 2026. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Volatility is Normal



- Remember that market volatility is normal and is an integral part of investing. Even years that culminate in positive returns overall can see notable intra-year drawdowns.
- Since 2000, annual returns for the S&P 500 have always been greater than the max intra-year drawdown.
- Moreover, in the 3-, 6-, and 12-months after the S&P 500 enters >10% correction territory, the index has seen average forward returns of 5.6%, 11.0%, and 13.6%, respectively.*

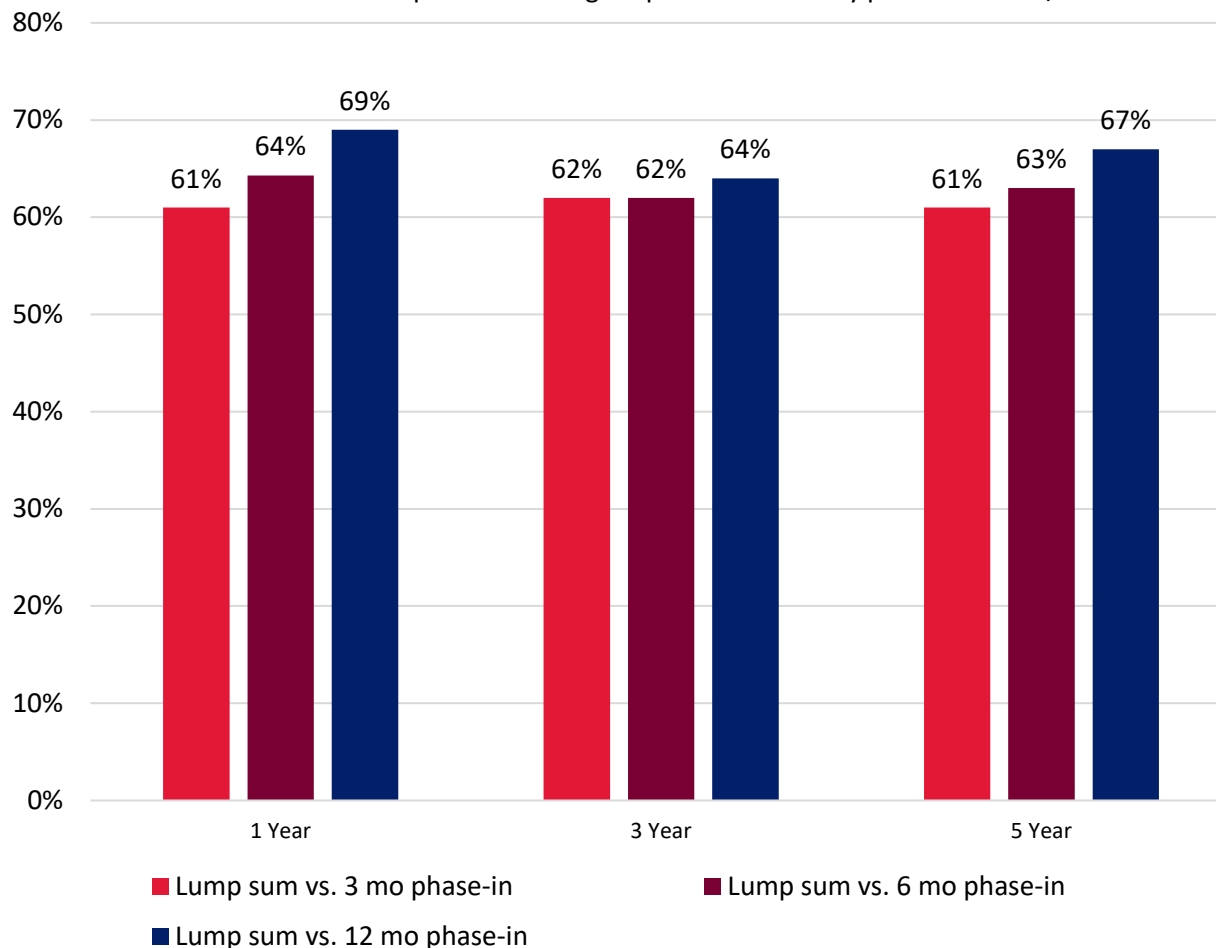
CIO Key Considerations

During volatile times, periods of weakness may provide attractive buying opportunities for investors to add to their investments.

*Refers to market corrections from 1980-2025. Source: Bloomberg. Data as of March 31, 2026. Price returns referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Dollar-Cost Averaging vs. Lump Sum Investing

Percent of simulations where lump sum investing outperforms monthly phase-in for 60/40 benchmark*



- Our study indicates that a lump sum investing approach, which entails investing a sum of money all at once, typically has a higher likelihood of outperforming a Dollar-Cost Averaging (DCA) approach, which entails gradually investing a sum of money over time.
- However, a DCA approach may mitigate concerns of lump-sum investing during times of volatility, helping investors to deploy cash at regular intervals.

CIO Key Considerations

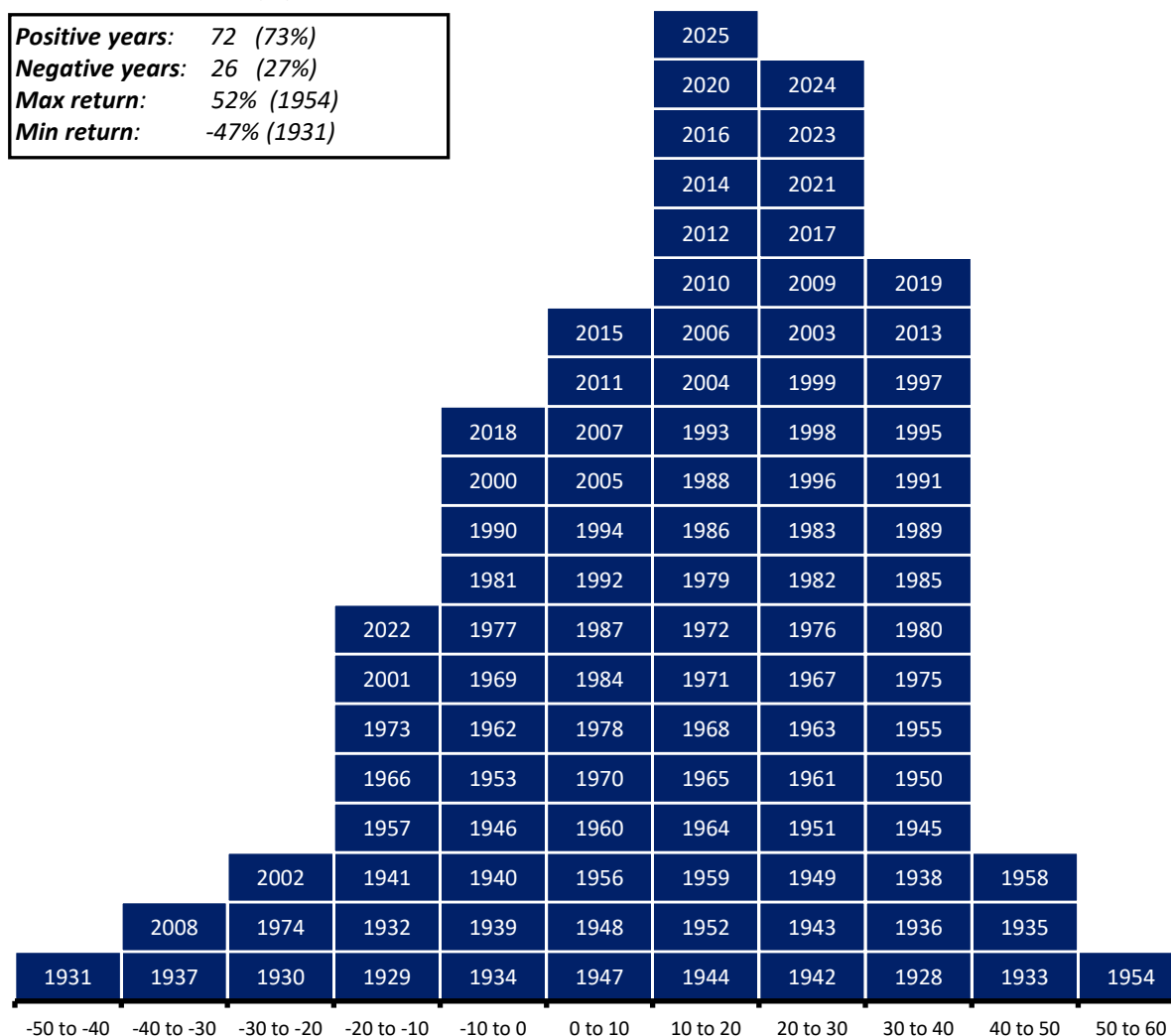
We continue to emphasize the importance of adhering to a disciplined and consistent investment process.

Source: FactSet. Data as of March 31, 2026. *Performance is calculated using a traditional 60/40 benchmark with the 60% equity allocation using the MSCI All Country World Index and the 40% fixed income allocation using the Bloomberg Global Aggregate Index. Results are based on 1000 historical simulations. Each phase-in invests a fraction of the money each month. For example, in the 3-month phase-in, 1/3 of the money is invested the first month, another third the second month, so that all of the money is invested after 3 months. The time periods used were 1 year, 3 years, and 5 years. Each simulation would randomly pick 12, 36, or 60 months of returns from each benchmark and then calculate the returns over that time period using a 60%/40% equity/fixed income split that was rebalanced monthly. For each strategy and time period, the top and bottom bars show the maximum and minimum returns achieved across all simulations, while the middle box shows the median return. These performance results are not based on actual performance and are hypothetical simulations of a historical benchmark return. The returns shown are just one of the potential outcomes and using a different benchmark or time period will lead to different returns and results. These returns are purely for educational purposes and should not be viewed as realized returns or forecasts of portfolio performance. Cash returns for any uninvested cash are assumed to be 0%. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

S&P 500 Annual Returns: How Will 2026 Stack Up?

S&P 500 Performance 1928-2025
Annual Total Return (%)

Positive years:	72 (73%)
Negative years:	26 (27%)
Max return:	52% (1954)
Min return:	-47% (1931)



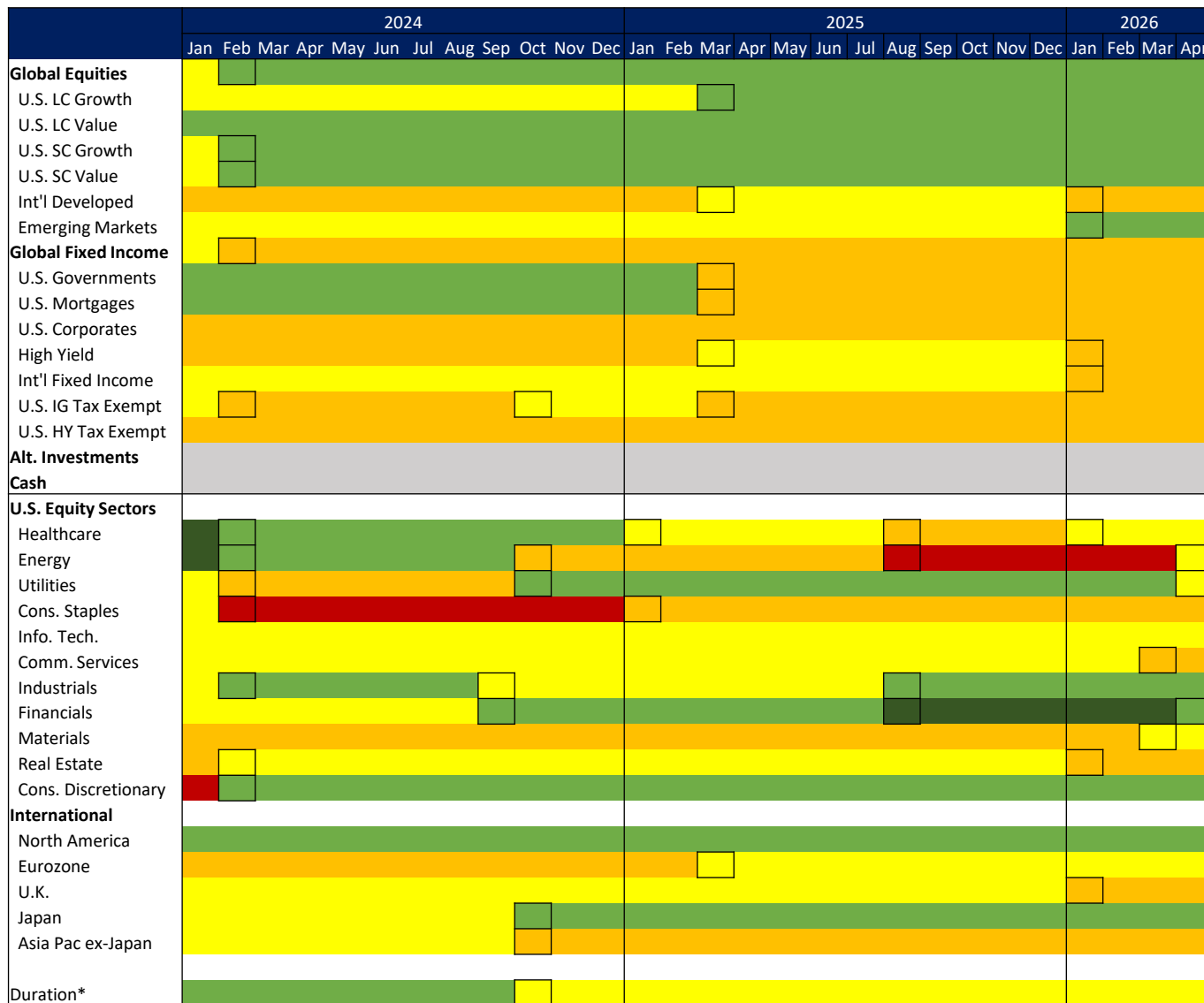
- Following three consecutive years of robust gains, U.S. equity market volatility picked up in Q1 2026 against a backdrop of elevated geopolitical tensions.
- The recent bout of volatility serves as a reminder that bull markets can stumble. We continue to advocate for the highest level of diversification as uncertainty persists.
- While the pace of Equity returns may be more moderate compared to the past three years, we ultimately maintain a constructive outlook for 2026.

CIO Key Considerations

While volatility may persist in the near-term, we ultimately maintain a constructive view for 2026.

Source: Bloomberg. Data as of December 31, 2025. Latest data available. Total return referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Investment Strategy Committee Tactical Heat Map

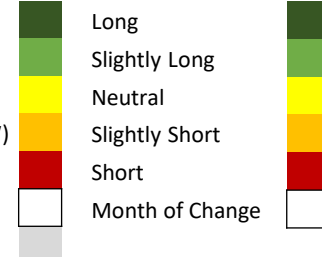


- We remain overweight Equities relative to Fixed Income and continue to be balanced and diversified across all asset classes within multi-asset class portfolios.
- We are constructive on Fixed Income but remain underweight to fund our Equity overweight in diversified portfolios. We maintain a balanced approach across segments in all-Fixed Income low-tax-sensitive portfolios.
- Long-term investors that drift too far from their asset allocation objectives as market volatility picks up from time to time should consider rebalancing on weakness.

CIO View

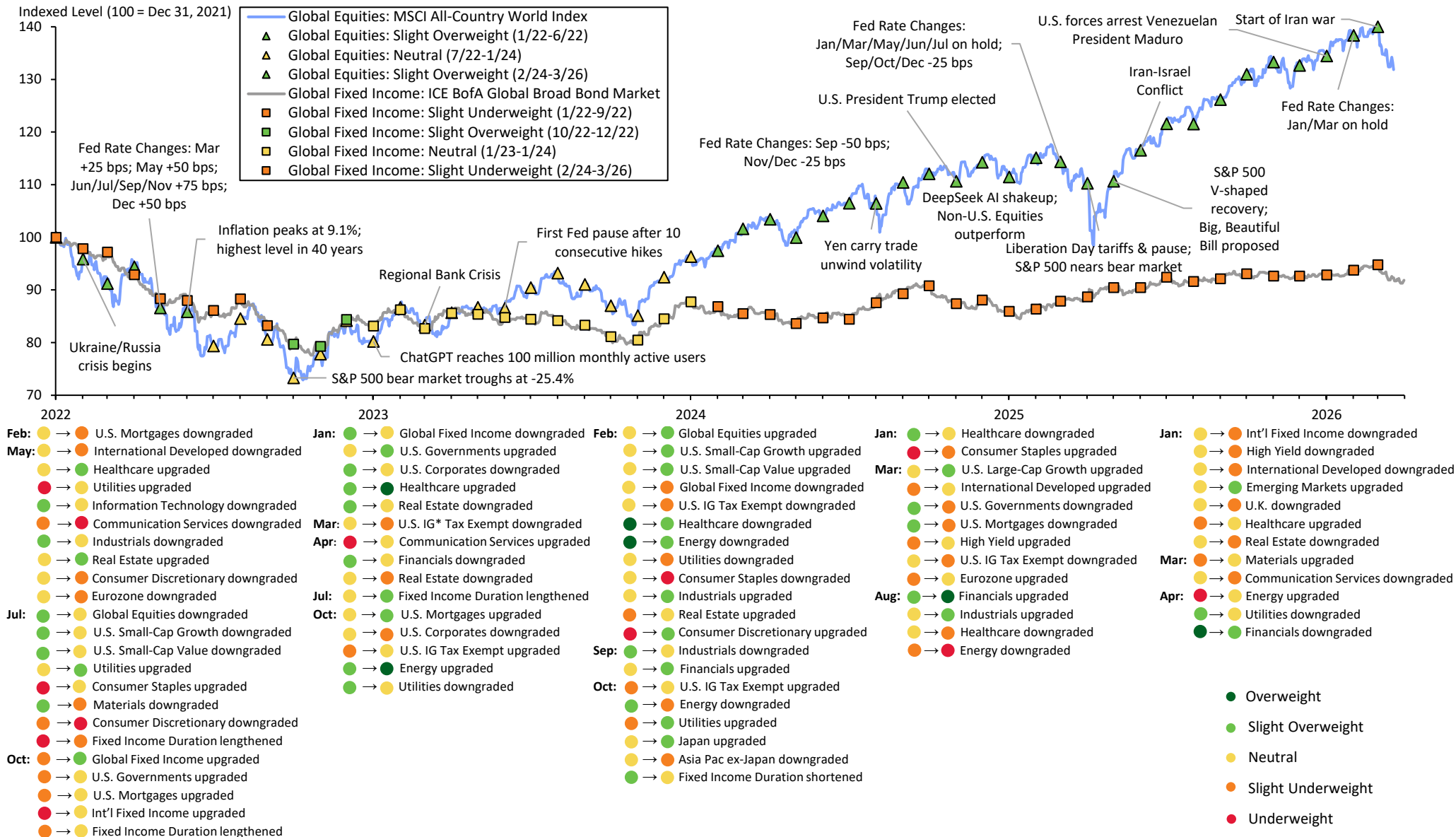
- Full Overweight (OW)
- Slight Overweight
- Neutral
- Slight Underweight (UW)
- Full Underweight
- Month of Change
- Strategic Target

CIO View: Duration



*Duration relative to strategic benchmark. CIO views as of April 7, 2026. Notes: Feb 24: Funded the increase in Equities from Fixed Income, lowering allocation to municipal bonds. Tilt towards Value in Small-caps; Oct 24: Rebalanced multi-asset portfolios back to tactical targets; Mar 25: Increased allocation to Equities relative to Fixed Income. Within Equities, trimmed the magnitude of the OW to U.S. Small-caps, with proceeds going to U.S. Large-caps. Within Fixed Income, decreased rate risk (U.S. Govs and Mortgage-backed Securities) and increased credit risk (High Yield); May 25: In all-Fixed Income high-tax-sensitivity portfolios, moved to exhibit a preference for Investment-grade Tax-Exempt and High Yield Tax-Exempt relative to Investment-grade Corporates; Oct 25: Rebalanced multi-asset portfolios back to tactical targets; Jan 26: Within Equities, trimmed the magnitude of the OW to U.S. Large-Cap Value to reflect a more equal balance between Large-cap Value and Large-cap Growth. Within International Developed, downgraded the UK and slightly reduced exposure to North America to fund Emerging Markets upgrade. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Investment Strategy Committee Tactical Strategy Timeline



*Investment Grade. MSCI All-Country World Price Index and ICE BofA Global Broad Bond Market Index are all normalized at a level of 100 as of December 31, 2021. Sources: Tactical views representative of the Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) as of April 7, 2026. Data: Bloomberg as of March 31, 2026. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Tactical strategy weightings are for a 12- to 18-month time horizon and based on the relative attractiveness of each asset class. **Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Economic Forecasts

4/3/2026	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E	2027E	Q1 2026E
Real global GDP (% y/y annualized)	-	-	-	-	3.1	3.4	-
Real U.S. GDP (% q/q annualized)	2.5	2.5	1.9	1.9	2.3	2.2	2.5
CPI inflation (% y/y)	2.8	4.2	3.8	3.7	3.6	2.3	2.8
Core CPI inflation (% y/y)	2.5	2.8	2.6	2.6	2.6	2.4	2.5
Unemployment rate (%)	4.4	4.5	4.5	4.4	4.4	4.3	4.4
Fed funds rate, end period (%)	3.63	3.63	3.38	3.13	3.13	3.13	3.63

- Consumer spending growth remains firm as unemployment remains low, wage and salary growth remain solid. GDP growth is tracking around 2% for Q1, helped by ongoing consumer and business investment spending.
- Core PCE inflation has been stuck in a 2.5% to 3% range for over a year. Housing disinflation has helped to offset upward pressure from higher tariffs. The spike in energy prices has lifted the near-term inflation outlook while longer-term expectations remain well anchored near the Fed's target.
- Corporate profits are strong, fueled by the boom in AI spending and a pickup in global economic growth. Despite inching slightly lower, domestic profit margins remain around a 60-year high. The profit cycle is likely to be extended by tailwinds from fiscal stimulus and deregulation, all supportive of economic growth and risk assets. Higher energy prices are shifting the mix of profits toward that sector.

The forecasts in the table above are the base line view from BofA Global Research team. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. A=Actual. E/*=Estimate. Data as of April 3, 2026. Sources: BofA Global Research; GWIM ISC as of April 7, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** BofA Global Research is research produced by BofA Securities, Inc. ("BofAS") and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. There can be no assurance that the forecasts will be achieved. There is no guarantee that this trend will continue. **Please refer to appendix for glossary and important disclosures.**

U.S.- Oriented Investor

Historical Asset Class Performance: Key Market Index Returns 2017 – 2026, Highest to Lowest

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Emerging Markets 37.28%	International Fixed Income 3.17%	US Large cap Growth 36.39%	US Large cap Growth 38.49%	US Small cap Value 28.27%	Inflation 6.45%	US Large cap Growth 42.68%	US Large cap Growth 33.36%	Emerging Markets 33.57%	US Small cap Value 4.96%
US Large cap Growth 30.21%	Cash 1.87%	US Small cap Growth 28.48%	US Small cap Growth 34.63%	US Large cap Growth 27.60%	Cash 1.46%	US Small cap Growth 18.66%	US Small cap Growth 15.15%	International Equity 31.85%	**Inflation 2.68%
International Equity 24.21%	Inflation 1.68%	US Large cap Value 26.54%	Emerging Markets 18.31%	US Large cap Value 25.16%	US Large cap Value -7.54%	International Equity 17.94%	US Large cap Value 14.37%	US Large cap Growth 18.56%	US Large cap Value 2.10%
US Small cap Growth 22.17%	US Mortgage Backed 1.00%	International Equity 22.49%	60/40 Allocations 12.76%	International Equity 12.62%	High Yield Fixed Income -11.10%	60/40 Allocations 15.53%	60/40 Allocations 10.85%	60/40 Allocations 16.32%	Cash 0.88%
60/40 Allocations 15.80%	U.S. Government & Quasi 0.83%	US Small cap Value 22.39%	US Corporates 9.81%	60/40 Allocations 10.51%	US Mortgage Backed -11.88%	US Small cap Value 14.65%	US Small cap Value 8.05%	US Large cap Value 15.91%	US Mortgage Backed 0.58%
US Large cap Value 13.66%	US Large cap Growth -1.51%	60/40 Allocations 19.45%	U.S. Government & Quasi 8.16%	Inflation 7.04%	International Fixed Income -11.89%	High Yield Fixed Income 13.40%	High Yield Fixed Income 8.04%	US Small cap Growth 13.01%	U.S. Government & Quasi 0.10%
US Small cap Value 7.84%	US Corporates -2.25%	Emerging Markets 18.42%	International Equity 7.59%	High Yield Fixed Income 5.29%	U.S. Government & Quasi -12.74%	US Large cap Value 11.46%	Emerging Markets 7.50%	US Small cap Value 12.59%	Emerging Markets -0.17%
High Yield Fixed Income 7.48%	High Yield Fixed Income -2.26%	High Yield Fixed Income 14.40%	High Yield Fixed Income 6.20%	US Small cap Growth 2.83%	International Equity -14.29%	Emerging Markets 9.83%	Cash 5.24%	High Yield Fixed Income 8.55%	International Fixed Income -0.35%
US Corporates 6.48%	60/40 Allocations -5.64%	US Corporates 14.23%	US Small cap Value 4.63%	Cash 0.05%	US Small cap Value -14.48%	US Corporates 8.40%	International Equity 4.70%	US Mortgage Backed 8.33%	US Corporates -0.42%
International Fixed Income 2.51%	US Large cap Value -8.27%	International Fixed Income 7.57%	International Fixed Income 4.20%	US Corporates -0.95%	US Corporates -15.44%	International Fixed Income 8.16%	International Fixed Income 3.43%	US Corporates 7.78%	High Yield Fixed Income -0.53%
US Mortgage Backed 2.45%	US Small cap Growth -9.31%	U.S. Government & Quasi 6.95%	US Mortgage Backed 4.09%	US Mortgage Backed -1.21%	60/40 Allocations -16.22%	US Mortgage Backed 4.98%	Inflation 2.89%	U.S. Government & Quasi 6.19%	International Equity -0.94%
U.S. Government & Quasi 2.42%	US Small cap Value -12.86%	US Mortgage Backed 6.51%	US Large cap Value 2.80%	International Fixed Income -1.67%	Emerging Markets -20.09%	Cash 4.95%	US Corporates 2.76%	Cash 4.26%	60/40 Allocations -1.94%
Inflation 2.24%	International Equity -14.09%	Inflation 2.29%	Inflation 1.30%	U.S. Government & Quasi -2.33%	US Small cap Growth -26.36%	U.S. Government & Quasi 3.89%	US Mortgage Backed 1.33%	Inflation 2.68%	US Small cap Growth -2.81%
Cash 0.86%	Emerging Markets -14.58%	Cash 2.28%	Cash 0.67%	Emerging Markets -2.54%	US Large cap Growth -29.14%	Inflation 3.35%	U.S. Government & Quasi 0.55%	International Fixed Income 2.49%	US Large cap Growth -9.78%

Indexes referenced: Inflation = IA SBBi US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40 Allocations = 60/40 Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. Excludes alternative investments. 60/40 Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond. Performance of 60/40 Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of March 31, 2026. **Data as of December 31, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

U.S.- Oriented Investor

Historical Asset Class Volatility: Annualized Standard Deviations of Key Asset Classes 2017 – 2026, Highest to Lowest

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
US Small cap Value 9.27%	US Small cap Growth 20.17%	US Small cap Growth 17.57%	US Small cap Value 37.31%	US Large cap Growth 13.16%	US Small cap Growth 25.56%	US Small cap Value 24.02%	US Small cap Growth 20.95%	US Large cap Growth 15.57%	Emerging Markets 33.38%
Emerging Markets 6.26%	US Small cap Value 17.23%	US Small cap Value 17.49%	US Small cap Growth 32.98%	US Small cap Value 12.96%	US Large cap Growth 24.81%	US Small cap Growth 22.85%	US Small cap Value 20.61%	US Small cap Growth 15.56%	International Equity 23.68%
US Small cap Growth 5.71%	US Large cap Growth 16.69%	Emerging Markets 15.75%	US Large cap Value 27.59%	US Small cap Growth 12.46%	US Small cap Value 24.65%	Emerging Markets 17.32%	US Large cap Value 13.21%	US Small cap Value 13.65%	US Small cap Value 14.85%
US Large cap Value 5.20%	Emerging Markets 14.79%	US Large cap Value 12.94%	International Equity 25.77%	US Large cap Value 12.00%	Emerging Markets 20.70%	International Equity 16.53%	Emerging Markets 11.88%	Emerging Markets 8.68%	US Small cap Growth 14.61%
US Large cap Growth 4.38%	US Large cap Value 13.50%	US Large cap Growth 12.84%	US Large cap Growth 25.44%	Emerging Markets 10.61%	International Equity 20.43%	US Large cap Growth 15.89%	US Large cap Growth 11.80%	US Large cap Value 7.99%	US Large cap Value 14.00%
International Equity 3.72%	International Equity 11.84%	International Equity 11.14%	Emerging Markets 24.95%	International Equity 9.60%	US Large cap Value 20.35%	US Large cap Value 14.95%	International Equity 9.60%	International Equity 6.85%	60/40 Allocations 10.90%
High Yield Fixed Income 2.11%	60/40 Allocations 7.57%	60/40 Allocations 7.06%	High Yield Fixed Income 14.70%	60/40 Allocations 5.91%	60/40 Allocations 14.47%	60/40 Allocations 12.01%	60/40 Allocations 7.10%	60/40 Allocations 5.19%	International Fixed Income 5.35%
International Fixed Income 2.07%	U.S. Government & Quasi 3.52%	High Yield Fixed Income 4.90%	60/40 Allocations 14.65%	US Corporates 3.82%	High Yield Fixed Income 11.38%	US Corporates 9.21%	US Mortgage Backed 6.43%	US Mortgage Backed 3.18%	US Large cap Growth 5.23%
60/40 Allocations 1.77%	High Yield Fixed Income 3.49%	U.S. Government & Quasi 4.55%	US Corporates 10.42%	U.S. Government & Quasi 3.62%	US Corporates 9.98%	US Mortgage Backed 8.82%	US Corporates 5.70%	U.S. Government & Quasi 2.90%	U.S. Government & Quasi 5.18%
U.S. Government & Quasi 1.71%	US Corporates 3.00%	US Corporates 3.72%	U.S. Government & Quasi 4.79%	International Fixed Income 2.94%	US Mortgage Backed 9.01%	U.S. Government & Quasi 7.33%	U.S. Government & Quasi 5.34%	High Yield Fixed Income 2.66%	US Corporates 4.80%
US Corporates 1.67%	US Mortgage Backed 2.87%	International Fixed Income 3.17%	International Fixed Income 3.46%	High Yield Fixed Income 2.52%	U.S. Government & Quasi 6.50%	High Yield Fixed Income 6.94%	High Yield Fixed Income 3.21%	US Corporates 2.64%	US Mortgage Backed 4.61%
US Mortgage Backed 1.28%	International Fixed Income 1.56%	US Mortgage Backed 1.82%	US Mortgage Backed 1.42%	US Mortgage Backed 1.32%	International Fixed Income 6.32%	International Fixed Income 4.80%	International Fixed Income 3.17%	International Fixed Income 2.21%	High Yield Fixed Income 2.53%
Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	Inflation 0.75%	**Inflation 0.17%
Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.08%	Cash 0.03%

Indexes referenced: Inflation = IA SBB1 US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40 Allocations = 60/40 Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. 60/40 Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40 Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of March 31, 2026. **Data as of February 28, 2026. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

U.S. Equities

Historical Sector Performance

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Energy 34.40%	Cons Staples -15.43%	Technology 61.72%	Real Estate 32.32%	Utilities 19.91%	Financials 28.81%	Cons Disc 43.08%	Real Estate 30.19%	Cons Disc 10.11%	Energy 27.36%	Technology 38.83%	Health Care 6.47%	Technology 50.29%	Technology 43.89%	Energy 54.64%	Energy 65.72%	Technology 57.84%	Comm Svcs 40.23%	Comm Svcs 33.55%	Energy 38.25%
Materials 22.53%	Health Care -22.81%	Materials 48.59%	Cons Disc 27.66%	Cons Staples 13.99%	Cons Disc 23.92%	Health Care 41.46%	Utilities 28.98%	Health Care 6.89%	Comm Svcs 23.48%	Materials 23.84%	Utilities 4.11%	Comm Svcs 32.69%	Cons Disc 33.30%	Real Estate 46.19%	Utilities 1.57%	Comm Svcs 55.80%	Technology 36.61%	Technology 24.04%	Materials 9.73%
Utilities 19.38%	Utilities -28.98%	Cons Disc 41.31%	Industrials 26.73%	Health Care 12.73%	Real Estate 19.74%	Industrials 40.68%	Health Care 25.34%	Cons Staples 6.60%	Financials 22.80%	Cons Disc 22.98%	Cons Disc 0.83%	Financials 32.13%	Comm Svcs 23.61%	Financials 35.04%	Cons Staples -0.62%	Cons Disc 42.41%	Financials 30.56%	Industrials 19.42%	Utilities 8.26%
Technology 16.31%	Comm Svcs -30.49%	Real Estate 27.10%	Materials 22.20%	Real Estate 11.39%	Comm Svcs 18.31%	Financials 35.63%	Technology 20.12%	Technology 5.92%	Industrials 18.86%	Financials 22.18%	Technology -0.29%	Industrials 29.37%	Materials 20.73%	Technology 34.53%	Health Care -1.95%	Industrials 18.13%	Cons Disc 30.14%	Utilities 16.04%	Cons Staples 7.68%
Cons Staples 14.18%	Cons Disc -33.49%	Industrials 20.93%	Energy 20.46%	Comm Svcs 6.26%	Health Care 17.89%	Technology 28.43%	Cons Staples 15.98%	Real Estate 4.68%	Materials 16.69%	Health Care 22.08%	Real Estate -2.22%	Real Estate 29.01%	Health Care 13.45%	Materials 27.28%	Industrials -5.48%	Materials 12.55%	Utilities 23.43%	Financials 15.02%	Industrials 4.61%
Industrials 12.03%	Energy -34.87%	Health Care 19.70%	Comm Svcs 18.97%	Cons Disc 6.13%	Industrials 15.35%	Cons Staples 26.14%	Financials 15.20%	Comm Svcs 3.40%	Utilities 16.28%	Industrials 21.03%	Cons Staples -8.38%	Cons Disc 27.94%	Industrials 11.06%	Health Care 26.13%	Financials -10.53%	Real Estate 12.36%	Industrials 17.47%	Health Care 14.60%	Real Estate 2.76%
Comm Svcs 11.95%	Industrials -39.92%	Financials 17.22%	Cons Staples 14.11%	Energy 4.72%	Materials 14.97%	Materials 25.60%	Industrials 9.83%	Financials -1.53%	Technology 13.85%	Cons Staples 13.49%	Comm Svcs -12.53%	Cons Staples 27.61%	Cons Staples 10.75%	Cons Disc 24.43%	Materials -12.27%	Financials 12.15%	Cons Staples 14.87%	Materials 10.54%	Health Care -4.88%
Health Care 7.15%	Real Estate -42.31%	Cons Staples 14.89%	Financials 12.13%	Technology 2.41%	Technology 14.82%	Energy 25.07%	Cons Disc 9.68%	Industrials -2.53%	Cons Disc 6.03%	Utilities 12.11%	Financials -13.03%	Utilities 26.35%	Utilities 0.48%	Comm Svcs 21.57%	Real Estate -26.13%	Health Care 2.06%	Energy 5.72%	Energy 8.68%	Comm Svcs -6.94%
Cons Disc -13.21%	Technology -43.14%	Energy 13.82%	Technology 10.19%	Industrials -0.59%	Cons Staples 10.76%	Utilities 13.21%	Materials 6.91%	Utilities -4.84%	Cons Staples 5.38%	Real Estate 10.85%	Industrials -13.29%	Materials 24.58%	Financials -1.69%	Industrials 21.12%	Technology -28.19%	Cons Staples 0.52%	Real Estate 5.23%	Cons Disc 6.04%	Technology -9.13%
Real Estate -17.85%	Materials -45.66%	Utilities 11.91%	Utilities 5.46%	Materials -9.75%	Energy 4.61%	Comm Svcs 11.47%	Comm Svcs 2.99%	Materials -8.38%	Real Estate 3.39%	Energy -1.01%	Materials -14.70%	Health Care 20.82%	Real Estate -2.17%	Cons Staples 18.63%	Cons Disc -37.03%	Energy -1.33%	Health Care 2.58%	Cons Staples 3.90%	Cons Disc -9.19%
Financials -18.63%	Financials -55.32%	Comm Svcs 8.93%	Health Care 2.90%	Financials -17.06%	Utilities 1.29%	Real Estate 1.60%	Energy -7.78%	Energy -21.12%	Health Care -2.69%	Comm Svcs -1.25%	Energy -18.10%	Energy 11.81%	Energy -33.68%	Utilities 17.67%	Comm Svcs -39.89%	Utilities -7.08%	Materials -0.04%	Real Estate 3.15%	Financials -9.35%

Source: Morningstar Direct. U.S. equities represented by the S&P 500 Index GICS sectors. Returns calculated are total returns. **FOR INFORMATIONAL PURPOSES ONLY.** Data as of March 31, 2026. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. **Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class and sector proxies and important disclosures.**

Globally-Oriented Investor

Historical Asset Class Performance: Key Market Index Returns 2017 – 2026*, Highest to Lowest

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Emerging Markets 37.28%	Global Governments 2.56%	North America 30.70%	North America 19.94%	North America 26.44%	Inflation 6.45%	North America 25.96%	North America 24.03%	Developed Europe ex-UK 35.52%	Developed Asia Pacific ex-Japan 2.98%
Developed Europe ex-UK 26.82%	Cash 1.87%	Developed Europe ex-UK 24.81%	Emerging Markets 18.31%	United Kingdom 18.50%	Cash 1.46%	Developed Europe ex-UK 21.69%	60/40 Allocations 10.85%	United Kingdom 35.11%	**Inflation 2.68%
Developed Asia Pacific ex-Japan 25.88%	Inflation 1.68%	United Kingdom 21.05%	Japan 14.48%	Developed Europe ex-UK 15.66%	United Kingdom -4.84%	Japan 20.32%	Global HY / EM 8.82%	Emerging Markets 33.57%	United Kingdom 2.02%
Japan 23.99%	Global Mortgage 1.35%	Japan 19.61%	60/40 Allocations 12.76%	60/40 Allocations 10.51%	Developed Asia Pacific ex-Japan -5.94%	60/40 Allocations 15.53%	Japan 8.31%	Japan 24.60%	Japan 1.37%
United Kingdom 22.30%	Global Corporates -0.87%	60/40 Allocations 19.45%	Developed Europe ex-UK 10.91%	Inflation 7.04%	Global Mortgage -11.36%	United Kingdom 14.09%	United Kingdom 7.54%	Developed Asia Pacific ex-Japan 20.62%	Cash 0.88%
North America 20.89%	Global HY / EM -3.83%	Emerging Markets 18.42%	Global Corporates 8.15%	Developed Asia Pacific ex-Japan 4.68%	Global Governments -12.37%	Global HY / EM 13.66%	Emerging Markets 7.50%	North America 18.06%	Global Mortgage 0.51%
60/40 Allocations 15.80%	60/40 Allocations -5.64%	Developed Asia Pacific ex-Japan 18.36%	Global HY / EM 7.02%	Japan 1.71%	Global HY / EM -12.79%	Emerging Markets 9.83%	Cash 5.24%	60/40 Allocations 16.32%	Emerging Markets -0.17%
Global HY / EM 10.49%	North America -5.73%	Global HY / EM 13.10%	Developed Asia Pacific ex-Japan 6.55%	Global HY / EM 0.80%	Global Corporates -14.06%	Global Corporates 8.98%	Developed Asia Pacific ex-Japan 4.59%	Global HY / EM 11.57%	Global Governments -0.20%
Global Corporates 5.77%	Developed Asia Pacific ex-Japan -10.30%	Global Corporates 12.51%	Global Governments 5.62%	Cash 0.05%	60/40 Allocations -16.22%	Developed Asia Pacific ex-Japan 6.44%	Global Corporates 3.98%	Global Mortgage 7.63%	Global Corporates -0.42%
Global Mortgage 2.56%	Japan -12.88%	Global Governments 7.34%	Global Mortgage 4.15%	Global Corporates -0.76%	Japan -16.65%	Global Governments 6.15%	Inflation 2.89%	Global Corporates 6.94%	Global HY / EM -1.23%
Global Governments 2.35%	United Kingdom -14.15%	Global Mortgage 6.48%	Cash 1.61%	Global Mortgage -1.06%	Developed Europe ex-UK -17.96%	Global Mortgage 5.47%	Global Mortgage 2.38%	Cash 4.26%	60/40 Allocations -1.94%
Inflation 2.24%	Emerging Markets -14.58%	Inflation 2.29%	Inflation 1.30%	Global Governments -2.01%	North America -19.53%	Cash 4.95%	Global Governments 1.83%	Global Governments 3.82%	Developed Europe ex-UK -4.20%
Cash 0.86%	Developed Europe ex-UK -15.14%	Cash 2.28%	United Kingdom -10.47%	Emerging Markets -2.54%	Emerging Markets -20.09%	Inflation 3.35%	Developed Europe ex-UK 0.15%	Inflation 2.68%	North America -4.34%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40 Allocations = 60/40 Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. 60/40 Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40 Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of March 31, 2026. **Data as of December 31, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

Globally-Oriented Investor

Historical Asset Class Volatility: Annualized Standard Deviations of Key Asset Classes 2017 – 2026*, Highest to Lowest

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Developed Asia Pacific ex-Japan 6.80%	Emerging Markets 14.79%	Emerging Markets 15.75%	Developed Asia Pacific ex-Japan 31.34%	Developed Europe ex-UK 12.83%	Developed Asia Pacific ex-Japan 23.17%	Developed Asia Pacific ex-Japan 19.41%	Developed Asia Pacific ex-Japan 13.57%	North America 10.64%	Emerging Markets 33.38%
United Kingdom 6.78%	North America 14.49%	United Kingdom 13.23%	United Kingdom 28.53%	United Kingdom 11.79%	Developed Europe ex-UK 22.63%	Developed Europe ex-UK 18.38%	Emerging Markets 11.88%	Developed Europe ex-UK 8.85%	Japan 32.80%
Developed Europe ex-UK 6.72%	Developed Europe ex-UK 13.75%	North America 12.50%	Developed Europe ex-UK 27.18%	Emerging Markets 10.61%	North America 21.94%	Emerging Markets 17.32%	Developed Europe ex-UK 11.24%	Japan 8.78%	Developed Asia Pacific ex-Japan 24.39%
Emerging Markets 6.26%	Japan 12.13%	Developed Europe ex-UK 11.99%	North America 25.79%	North America 10.48%	Emerging Markets 20.70%	United Kingdom 14.93%	Japan 10.45%	Developed Asia Pacific ex-Japan 8.71%	Developed Europe ex-UK 23.03%
Japan 5.05%	Developed Asia Pacific ex-Japan 11.97%	Developed Asia Pacific ex-Japan 11.92%	Emerging Markets 24.95%	Developed Asia Pacific ex-Japan 10.45%	Japan 19.93%	North America 14.57%	North America 10.30%	Emerging Markets 8.68%	United Kingdom 20.99%
North America 3.47%	United Kingdom 11.92%	Japan 9.29%	Japan 20.43%	Japan 6.96%	United Kingdom 19.17%	Japan 13.76%	United Kingdom 10.23%	60/40 Allocations 5.19%	60/40 Allocations 10.90%
Global HY / EM 2.24%	60/40 Allocations 7.57%	60/40 Allocations 7.06%	Global HY / EM 17.33%	60/40 Allocations 5.91%	60/40 Allocations 14.47%	60/40 Allocations 12.01%	60/40 Allocations 7.10%	United Kingdom 5.07%	North America 9.05%
Global Governments 1.78%	Global HY / EM 3.98%	Global HY / EM 5.49%	60/40 Allocations 14.65%	Global HY / EM 3.77%	Global HY / EM 12.00%	Global HY / EM 7.86%	Global Mortgage 5.43%	Global Mortgage 2.57%	Global Governments 5.43%
60/40 Allocations 1.77%	Global Mortgage 2.46%	Global Governments 3.68%	Global Corporates 9.29%	Global Governments 3.17%	Global Corporates 8.93%	Global Mortgage 7.54%	Global Corporates 4.61%	Global HY / EM 2.25%	Global HY / EM 5.08%
Global Corporates 1.64%	Global Governments 2.19%	Global Corporates 3.06%	Global Governments 2.71%	Global Corporates 2.95%	Global Mortgage 8.06%	Global Corporates 7.41%	Global Governments 4.03%	Global Governments 2.22%	Global Corporates 4.70%
Global Mortgage 1.23%	Global Corporates 2.13%	Global Mortgage 1.83%	Global Mortgage 1.21%	Global Mortgage 1.30%	Global Governments 5.94%	Global Governments 5.97%	Global HY / EM 3.59%	Global Corporates 1.96%	Global Mortgage 4.30%
Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	Inflation 0.75%	**Inflation 0.17%
Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.08%	Cash 0.03%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40 Allocations = 60/40 Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. 60/40 Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40 Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY.** *Data as of March 31, 2026. **Data as of February 28, 2026. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.

Appendix

Glossary

Alpha is a measure of the active return on an investment, the performance of that investment compared with a suitable market index.

Beta measure of an asset's risk in relation to the market or to an alternative benchmark or factors.

Capital Expenditures (CapEx) is money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

Dividend is the distribution of some of a company's earnings to a class of its shareholders, as determined by the company's board of directors.

Dry Powder in finance refers to readily available cash or liquid assets (like Treasuries) that investors (especially Private Equity/VC firms) hold, ready to be deployed for new investments, acquisitions, or opportunities, much like keeping gunpowder dry for battle; it signifies preparedness and strategic advantage, though too much can pressure risky investing.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Earnings Per Share (EPS) Growth is an illustration of the growth of earnings per share over time, this profitability metric is often depicted in a year-over-year fashion.

Emerging Market is a country that is progressing toward becoming advanced, as shown by some liquidity in local debt and Equity markets and the existence of some form of market exchange and regulatory body.

Equity Risk Premium is an equal to the difference between the rate of return received from riskier Equity investments (e.g. S&P 500) and the return of risk-free securities.

Equal Weighted is a proportional measure that gives the same importance to each stock in a portfolio or index fund, regardless of a company's size.

Factor Investing is an investment strategy that tends to target specific drivers of asset class returns (such as earnings growth, for example) while also often enhancing diversification and reducing volatility.

GDP - Nominal: Gross Domestic Product (GDP) equals the total income of everyone in the economy or the total expenditure on the economy's good and services. GDP includes only the value of final goods and services. Nominal GDP measures the value of goods and services at current dollar prices.

Growth is a style of investment strategy focused on capital appreciation. Those who follow this style, known as growth investors, invest in companies that exhibit signs of above-average growth, even if the share price appears expensive.

High Yield Leverage Debt is a bank loan to a company that has a large amount of debt.

Inflation refers to a general progressive increase in prices of goods and services in an economy.

Internal rate of return (IRR) represents the rate at which a historical series of cash flows are discounted so that the net present value of the cash flows equals zero. For pooled calculations, any remaining unrealized value in the fund is treated as a distribution in the most recent reporting period.

Momentum Investing is a system of buying stocks or other securities that have had high returns over the past three to twelve months, and selling those that have had poor returns over the same period.

Net Buyback is the repurchase of outstanding shares over the existing market cap of a company.

Net Total Return (NTR) reflects the price performance, plus the net amount of all special and regular dividends after applying an assumed foreign tax withholding rate.

Option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option.

Price/Earnings (P/E) Ratio is the ratio of the price of a stock and the company's earnings per share, this valuation metric is often quoted on a forward twelve month or trailing twelve month basis.

Price-to-Book Ratio compares a company's market value to its book value.

Price-to-sales (P/S) Ratio is a valuation metric for stocks. It is calculated by dividing the company's market capitalization by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue.

Price Return (PR) reflects the price performance of the index but excludes the value of regular dividends.

Quality Investing is an investment strategy based on a set of clearly defined fundamental criteria that seeks to identify companies with outstanding quality.

Real GDP is an inflation-adjusted measure of the value of all goods and services produced in an economy.

Redemption is the return of an investor's principal on a fixed income security such as a bond, mutual fund or preferred stock.

Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Spread is the difference between the bid and ask price or between the high and low price. For securities, it refers to the difference in yield on different securities.

Total Return (TR) reflects the price performance, plus the full value of all dividends, both special and regular.

Unemployment Rate represents the number of unemployed people as a percentage of the labor force (the labor force is the sum of the employed and unemployed).

Valuation is a financial assessment of the worth of an item.

Value is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

World Trade Volume measures the difference between the movement of merchandise trade leaving a country (exports) and entering a country (imports).

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.

Z-score is a statistical measure that quantifies the distance (measured in standard deviations) a data point is from the mean of a data set.

Asset Class and Sector Proxies

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

Inflation/IA SBBU U.S. Inflation Index measures the performance of U.S. inflation (not seasonally adjusted) which is the rate of change of consumer goods prices. The data is from Bureau of Labor Statistics. The value of the current month CPI is estimated by the average value of the previous two months CPI.

Inflation/Consumer Price Index (CPI) is a measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services.

Core Inflation/Core Consumer Price Index includes CPI for all items less food and energy.

Inflation/Personal Consumption Expenditures (PCE) Price Index reflects changes in the prices of goods and services purchased by consumers in the United States.

Core Inflation/Core PCE Price Index includes PCE Price Index for all items less food and energy.

Cash/ICE BofA U.S. 3-month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end.

Cash/ICE US 1-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not less than, one month from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

EQUITY

Developed Asia Pacific ex-Japan/MSCI AC Asia Pacific Ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in the Asia Pacific region. With 1,057 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Developed Europe ex-UK/ MSCI Europe Ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 332 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

Emerging Markets/MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,195 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

Europe/MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 404 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

Global Equities/MSCI ACWI Index captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,514 constituents, the index covers approximately 85% of the global investable equity opportunity set.

International Equity/MSCI World Ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 775 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Japan/MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. With 181 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

North America/MSCI North America Index is designed to measure the performance of the large and mid cap segments of the U.S. and Canada markets. With 627 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S. and Canada.

U.S. Large-cap Growth/Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

U.S. Large-cap Value/Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. Equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).

U.S. Mid Cap/Russell Midcap Index measures the performance of the mid-cap segment of the U.S. Equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

U.S. Small cap Growth/Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. Equity universe. It includes those Russell 2000 companies with higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

U.S. Small-cap Value/Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. Equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).

United Kingdom (UK)/MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. With 72 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

SECTORS

S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) is an industry analysis framework that helps investors understand the key business activities for companies around the world, developed by MSCI and S&P Dow Jones Indices. The GICS structure consists of 11 Sectors, 25 Industry groups, 74 Industries and 163 sub-industries.

FIXED INCOME

Global Fixed Income/Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from a multitude of local currency markets.

Global Fixed Income/ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.

Global Corporates/ICE BofA Global Broad Market Corp Index (Hedged) tracks the performance of investment grade corporate debt publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).

Global Governments/ICE BofA Global Govt Bond Index + ICE BofA Global Large Cap Quasi-Govt Index (Hedged): (i) The ICE BofA Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The ICE BofA Global Large Cap Quasi-Government Index tracks the performance of Large-capitalization investment grade quasi-government debt publicly issued in the major domestic and euro-bond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).

Global High Yield/Emerging Market/ICE BofA Global HY Country External Corp & Govt + ICE BofA Global High Yield Index (Unhedged): (i) The ICE BofA Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government, and corporate securities. (ii) The ICE BofA Global High Yield Index tracks the performance of USD, CAD, GBP, and EUR denominated below investment grade corporate debt publicly issued in the major domestic or euro-bond markets.

Global Mortgages/ICE BofA Global Broad Market Collateralized Index (Hedged) tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and U.S. mortgage pass-through securities publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).

International Fixed Income/ICE BofA Global Broad Market ex USD Index (Hedged) is a subset of ICE BofA Global Broad Market Index excluding all securities denominated in U.S. dollars.

Treasury Inflation-Protected Securities (TIPS)/ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.

U.S. Broad Market/ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.

U.S. Corporates/BBB/Sovereign/ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.

U.S. Government & Quasi Government/ICE BofA U.S. Treasury/Agency Index tracks the performance of U.S. dollar-denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.

U.S. High Yield/ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

U.S. Mortgage-backed Securities/ICE BofA U.S. Mortgage-Backed Securities Index tracks the performance of U.S. dollar denominated fixed rate residential mortgage pass-through securities publicly issued by U.S. agencies Fannie Mae, Freddie Mac and Ginnie Mae in the U.S. domestic market. 30-year, 20-year, and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250 million per production year within each generic coupon.

U.S. Municipals/Bloomberg U.S. Municipal Index is a benchmark that covers the U.S. dollar-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

U.S. Municipals/ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ALTERNATIVE INVESTMENTS/COMMODITIES/REAL ESTATE

Hedge Funds/Hedge Strategies/HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage.

Leveraged Loans/Morningstar LSTA U.S. Leveraged Loan Index is a market-value weighted index designed to measure the performance of the U.S. leveraged loan market.

Private Equity/Cambridge Associates (CA) U.S. Private Equity Index (Legacy Version): The Cambridge Associates U.S. Private Equity benchmark statistics are based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

Bloomberg Commodity Index designed to provide liquid and diversified exposure to commodities via futures contracts. Is calculated on an excess return basis and reflects commodity futures price movements.

Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from a multitude of local currency markets.

Bloomberg Global High Yield Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the U.S. High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.

Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg U.S. Aggregate Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market.

Bloomberg U.S. EQ:FI 60:40 Index is designed to measure cross-asset market performance in the U.S. The index rebalances monthly to 60% equities and 40% fixed income. The equity and fixed income allocation is represented by Bloomberg U.S. Large Cap and Bloomberg U.S. Agg, respectively.

Bloomberg U.S. Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.

Bloomberg U.S. Municipal Index is a benchmark that covers the U.S. dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by maturity constraint, but are part of a separate Short Treasury Index.

Brent Crude Oil Futures reflects a generic ICE Brent Crude futures contract, which is a deliverable contract based on EFP delivery with an option to cash settle.

Dow Jones Industrial Average (DJIA) is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities. It has been a widely followed indicator of the stock market since October 1, 1928.

Freddie Mac Enhanced U.S. 30 Year Mortgage Rate Freddie Mac surveys lenders on the rates and points for their most popular 30-year fixed rate. The survey is based on first-lien prime conventional conforming home purchase mortgages with a loan-to-value of 80 percent. In addition, the adjustable-rate mortgage (ARM) products are indexed to U.S. Treasury yields.

FTSE EPRA Nareit Global Index is designed to track the performance of listed real estate companies and REITs in both developed and emerging markets.

FTSE EPRA Nareit United States Index is designed to track the performance of listed real estate companies and REITs in the United States.

HFRI Fund Weighted Composite Index is a global, equal-weighted index of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollar and have a minimum of \$50 Million under management or \$10 Million under management and a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

ICE BofA BBB & Lower Sovereign External Debt Index tracks the performance of U.S. dollar denominated emerging market and cross-over sovereign debt publicly issued in the Eurobond or U.S. domestic market.

ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.

ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.

ICE BofA U.S. Composite Agency Index tracks the performance of U.S. dollar-denominated investment grade U.S. agency debt issued in the U.S. domestic market.

ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.

ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.

ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ICE BofA U.S. Treasury Index tracks the performance of U.S. dollar-denominated sovereign debt publicly issued by the U.S. government in its domestic market.

Institute for Supply Management (ISM) Manufacturing PMI Index is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS).

KBRA Middle Market Default Monitor (KMDDM) forward-looking gauge of borrowers actively in payment default and those that likely would be without sponsor or lender intervention.

LPX50 Listed Private Equity USD Index is designed to represent the global performance of the 50 most highly capitalized and liquid Listed Private Equity companies. The index is diversified across regions, private equity investment styles, financing styles and vintages.

MSCI All Country World Index (ACWI) captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,514 constituents, the index covers approximately 85% of the global investable equity opportunity set.

MSCI ACWI ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. With 1,970 constituents, the index covers approximately 85% of the global equity opportunity set outside the U.S.

MSCI EAFE (Europe, Australasia, and Far East) Index is an equity index which captures large and mid cap representation across 21 Developed Markets around the world, excluding the U.S. and Canada. With 692 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,195 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

MSCI Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 93 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI USA Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI USA Index. Each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price.

MSCI USA Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics in the U.S.

MSCI USA High Dividend Yield Index is designed to reflect the performance of equities in the MSCI USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

MSCI USA Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid-cap USA equity universe.

MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid-cap stocks of the U.S. market. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.

MSCI USA Quality Index is based on the MSCI USA Index, its parent index, which includes large and mid-cap stocks in the U.S. equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.

MSCI USA Value Index captures large and mid-cap U.S. securities exhibiting overall value style characteristics.

MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs).

MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 777 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Nasdaq-100 Index is a globally recognized index that tracks the performance of 100 of the largest non-financial companies listed on the Nasdaq Stock Market®, encompassing a diverse range of industries and sectors.

Proskauer Private Credit Default Index tracks senior-secured and unitranche loans in the United States.

Real Federal Reserve Board (FRB) Broad Trade-Weighted Dollar Index is constructed using the currencies of the 26 most important U.S. trading partners for which bilateral trade with the U.S. accounts for at least 0.5 percent of total U.S. bilateral trade. The index represents real terms (adjusted using consumer price indexes).

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. The Russell 1000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.

Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. Equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

Russell 3000 Index measures the performance of the largest 3,000 U.S. companies designed to represent approximately 98% of the investable U.S. equity market, as of the most recent constitution.

Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).

Russell Microcap Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 2% of the U.S. equity market (by market cap, as of the most recent reconstitution) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next 1,000 smallest eligible securities by market cap.

Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell Top 200 Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200 Index is a subset of the Russell 3000® Index. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 68% of the Russell 3000® Index, as of the most recent reconstitution.

S&P 500 Index (SPX) market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization. It is also an ideal proxy for the total market.

S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) including Information Technology Total Return TR USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.

S&P Global Ratings An S&P Global Ratings issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs).

U.S. Dollar Index (DXY) indicates the general international value of the U.S. dollar. The index does this by averaging the exchange rates between the U.S. dollar and major world currencies.

Fitch Ratings - U.S. Private Credit Default Rate (PCDR) The Private Credit Default Rate (PCDR) universe includes non- Broadly Syndicated Loan (BSL) issuers in Fitch Ratings' rated middle market (MVM) collateralized loan obligation (CLO) portfolio and direct lending issuers in our Privately Monitored Rating (PMR) portfolio, totaling nearly 1,300 issuers in the U.S. and Canada.

West Texas Intermediate (WTI) Crude Oil Futures is a principal international pricing benchmark in U.S. dollars per barrel that reflects the NYMEX Division light, sweet crude oil futures contract which is the world's most liquid forum for crude oil trading and the world's largest volume future contract trading on a physical commodity. The contract trades in units of 1,000 barrels and the delivery point is Cushing, Oklahoma, which is also accessible to the international spot markets via pipelines.

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Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

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Reference to indices, or other measures of relative market performance over a specified period of time (each, an "index") are provided for illustrative purposes only, do not represent a benchmark or proxy for the return or volatility of any particular product, portfolio, or security holding. Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. We strongly recommend that these factors be taken into consideration before an investment decision is made. Neither the Chief Investment Office nor the index sponsor can verify the validity or accuracy of the self reported returns of the managers used to calculate the index returns. The Chief Investment Office does not guarantee the accuracy of the index returns and does not recommend any investment or other decision based on the results presented. The indices referred to in the presentation do not reflect the performance of any account or fund managed by Bank of America, Merrill, or their affiliates, or of any other specific fund or account, and do not reflect the deduction of any management or performance fees or expenses. Indices are unmanaged and results shown are not reduced by taxes or transaction costs such as fees. It is not possible to invest directly in an Index.

Investments discussed have varying degrees of risk. Some of the risks involved with equities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Stocks of small- and mid-cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. Bonds are subject to interest rate, inflation and credit risks. Investments in high-yield bonds ("junk bonds") may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. Income from investing in municipal bonds is generally exempt from Federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax (AMT). Mortgage-backed securities are subject to credit risk and the risk that the mortgages will be prepaid, so that portfolio management may be faced with replenishing the portfolio in a possibly disadvantageous interest rate environment. Generally, when interest rates decline, prepayments accelerate beyond the initial pricing assumptions, which could cause the average life and expected maturity of the securities to shorten. Conversely, when interest rates rise, prepayments slow down beyond the initial pricing assumptions and could cause the average life and expected maturity of the securities to extend and the market value to decline. Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risk are magnified for investments made in emerging market. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory change, interest rate change, credit risk, economic changes and the impact of adverse political or financial factors.

Investing in Gold involves special risks, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes, and the impact of adverse political or financial factors.

Investments in Infrastructure Assets will be subject to risks incidental to owning and operating infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, government regulations and fluctuations in interest rates. The industries targeted for investment may be highly regulated by governmental agencies. Such regulations may impact an investor's ability to acquire, dispose of and/or manage investments.

Alternative investments are speculative and involve a high degree of risk.

There may be conflicts of interest relating to the alternative investment and its service providers, including Bank of America Corporation, and its affiliates, who are engaged in businesses and have clear interests other than that of managing, distributing and otherwise providing services to the alternative investment. These activities and interests include potential multiple advisory, transactional and financial and other interests in securities and instruments that may purchase or sell such securities and instruments. These are considerations of which investors in the alternative investments should be aware. Additional information relating to these conflicts is set forth in the offering materials for the alternative investment.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity, and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Clients should always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

Investors should bear in mind that the global financial markets are subject to periods of extraordinary disruption and distress. During the financial crisis of 2008-2009, many private investment funds incurred significant or even total losses, suspended redemptions or otherwise severely restricted investor liquidity, including increasing the notice period required for redemptions, instituting gates on the percentage of fund interests that could be redeemed in any given period and creating side-pockets and special purpose vehicles to hold illiquid securities as they are liquidated. Other funds may take similar steps in the future to prevent forced liquidation of their portfolios into a distressed market. In addition, investment funds implementing alternative investment strategies are subject to the risk of ruin and may become illiquid under a variety of circumstances, irrespective of general market conditions.

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