

CHIEF INVESTMENT OFFICE

Capital Market Outlook

March 30, 2026

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE

Macro Strategy—War with Iran: Some Lessons and the Long View: The first month of war with Iran has reminded investors of several enduring lessons and the importance of the long view. First, the world talks green—but still runs on black. Despite decades of renewable buildout and climate accords, fossil fuels account for over 80% of global energy consumption. Renewables, though growing, remain an alternative, not a substitute. Second, energy extends far beyond oil and gas. The pain of higher prices extends to the global petrochemical industry, with the Gulf’s dominance in methanol, urea, sulfur, ammonia and helium underscoring the molecular foundation of the global economy. Third, energy shocks are not evenly distributed, hitting net oil importers and Emerging Markets (EM) hardest, while U.S. Equities have outperformed. Fourth, the dollar’s reign continues. In times of global stress, capital still flows to U.S. Treasuries and the greenback. Finally, and most importantly, take the long view and remember that this too shall pass. In the face of crises over the last century, the U.S. economy has proven adaptable time and time again. Periods of acute volatility have typically been followed by an economic revival and sustained gains in Equities, in our view.

Market View—In Retrospect: A Year On From “Liberation Day”: Now at the anniversary of “Liberation Day” (April 2, 2025) tariffs that disrupted decades of rules-based global trade, the feared economic and market fallout ultimately proved far less severe than initially expected. Markets overreacted initially—global Equities sold off sharply, volatility spiked, and recession risks were rapidly increasing. But that faded as equity markets rebounded at a historically fast pace, corporate margins not only held up but rose to multidecade highs, and tariff-driven inflation failed to materialize.

The reality is, Liberation Day reshaped the composition of global trade rather than collapsing it. Corporate America weathered the tariff shock with pricing power and cost discipline, delivering double-digit earnings growth. Meanwhile, predictions of a sustained “Sell America” trade proved misplaced: Foreign ownership of U.S. assets rose to record levels. Those overarching lessons from the past year point to recalibration, not rupture. The global economy bent but did not break amid heightened geopolitical and policy uncertainty

Thought of the Week—When All That Glitters Isn’t Gold: Amid mounting concerns about war and inflation, it should be gold’s time to shine. Instead, the yellow metal’s luster has faded since the Middle East conflict began. The counterintuitive move raises the question—should investors be less bullish on bullion moving forward? In our view, the recent price action likely reflects positioning effects, shifting interest rate expectations, and dollar dynamics, rather than a change in gold’s underlying fundamentals. The recent weakness in gold is unlikely to mark the end of the structural forces that have supported the metal in recent years: Lofty fiscal deficits remain a concern, the dollar is likely to resume its moderation trend, and central banks are little incentivized to stop diversifying their reserve assets. Against this backdrop, we continue to see a place for gold as a strategic diversifier in balanced portfolios.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as “MLPF&S” or “Merrill”) makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation (“BofA Corp.”). MLPF&S is a registered broker-dealer, registered investment adviser, Member [SIPC](#) and a wholly owned subsidiary of BofA Corp.
Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
----------------------	-------------------------	----------------

Please see last page for important disclosure information.

8840499 3/2026

AUTHORS

Joseph P. Quinlan
Managing Director and Head of CIO Market Strategy

Lauren Sanfilippo
Director and Senior Investment Strategist

Ariana Chiu
Assistant Vice President and Investment Strategist

Emily Avioli
Vice President and Investment Strategist

[MACRO STRATEGY](#) ▶

[MARKET VIEW](#) ▶

[THOUGHT OF THE WEEK](#) ▶

[MARKETS IN REVIEW](#) ▶

Portfolio Considerations

We see equity market pullbacks driven by headline noise as potential opportunities, supported by improving growth, clearer interest-rate visibility, favorable dollar dynamics, strong earnings prospects, and limited impact from geopolitical risks. Diversification beyond U.S. mega-caps is increasingly important as market leadership broadens, with added exposure to Small-caps, EMs and selective sector shifts, including our recent move to neutral on Materials and a slight underweight to Communication Services.

We remain constructive on Fixed Income but underweight it to fund Equities, expecting tariffs to have a marginal economic impact and yields to stay range-bound amid sticky inflation and gross domestic product (GDP) near or above 2%.

War with Iran: Some Lessons and the Long View

Joseph P. Quinlan, *Managing Director and Head of CIO Market Strategy*

The first month of war with Iran has taught or reminded investors of a few lessons, including the following:

One, the world talks green—but runs on black. Despite the massive buildout of renewable energy over the past two decades, and various high-profile climate accords, the world still runs on fossil fuels. According to the Energy Institute, fossil fuels like oil, natural gas and coal account for roughly 81% of global energy consumption. Renewables (hydro, wind, solar) account for roughly 15%. Oil alone powers roughly 95% of the global transportation system.

Ironically, the Middle East has been among the most aggressive investors in renewables over the past decade. However, the region still accounts for roughly 50% of proven global oil reserves, produces about 30% of global oil and has the lowest cost per barrel in the world. The Strait of Hormuz, meanwhile, carries roughly 20% of global oil trade and 20% of natural gas. That is another way of saying that the war in the Middle East matters tremendously to the world energy markets—and is a timely reminder that renewables—which have grown in importance in the overall global energy mix this decade—are more of an alternative to oil and gas, not a substitute.

Two, there is a great deal more to “energy” than just oil and gas. Off the back of soaring prices for naphtha, ethylene, ethane, benzene and other petrochemical feedstocks, the energy shock of 2026 is a timely reminder that the costs of higher oil prices go well beyond the pump, i.e., higher gasoline prices. The pain extends to the global petrochemical industry as well, which is the molecular foundation of the world economy.

Roughly 15% of global oil demand goes into petrochemicals that produce such end-use products as plastics, synthetic fibers, fertilizers, chemicals, pharmaceuticals and other active ingredients of the modern economy. The Gulf region accounts for 40% of the global methanol supply (a key input for plastics), as well as 43% of the global supply of urea, 44% of global sulfur and 27% of global ammonia—all critical inputs to the global fertilizer industry. Qatar alone accounts for 34% of the global supply of helium,¹ a critical input to semiconductor production. The bottom line: Energy price spikes extend well beyond oil and gas. To what extent rising input prices become embedded in global supply chains in the coming months remains a key outlier at this point.

Three, global energy shocks are not evenly distributed. First the good news: The energy intensity of the global economy has dropped sharply from the peak of the 1970s owing to greater energy efficiencies in machines, vehicles and buildings. However, oil price shocks still hurt—notably to net oil importers like South Korea, Japan, Taiwan and much of energy-dependent Europe. Fuel and energy rationing is already spreading across many emerging markets and will become even more intense if the Strait of Hormuz remains closed. A drop in tourism revenue and remittances could compound the pain of the energy shock of 2026 for nations like India, the Philippines and Thailand.

Given the above, last year’s equity leaders have become this year’s laggards. Equity returns in the emerging markets and developed nations have lagged the U.S. since the start of the war, with the S&P 500 outperforming both EMs and Europe by nearly 6%.² A de-escalation in tensions would mean risk-on for EM assets, although we continue to favor U.S. Equities relative to the EM and Europe.

Four, the U.S. dollar’s reign continues. It wasn’t that long ago (last year) that the consensus was that the dollar’s reign as the world’s reserve currency was over, undone by fiscal profligacy, soaring debt levels and protectionist U.S. trade policies. On a real trade-weighted basis, the greenback slumped 7% last year—triggering a deluge of U.S. dollar obituaries. However, since the start of the war (February 28, 2026), the dollar has gained nearly 2%, underscoring the dollar’s utility as one of the world’s safest assets. A close competitor in times of crisis—gold—has slumped by 15% since the end of February.

Investment Implications

In times of heightened market volatility, it is important to have a disciplined and diversified approach to portfolio construction—and to see the forest through the trees.

¹ International Energy Agency, U.S. Geological Survey.

² MSCI Emerging Markets Index and MSCI Europe Index referenced. Data as of March 25, 2026.

In times of global stress, global capital seeks safer harbors, with investors typically selling risky assets (stocks, EM bonds, commodities, etc.) for more liquid buffers like U.S. Treasuries. In addition, margin calls and redemptions pressures trigger forced selling of assets, with those assets often converted to dollars. Investors, in theory, could flee to the Euro, Swiss franc, or gold, but in times of crisis, no other capital markets in the world have the depth, liquidity and capacity to fund the globe. Finally, during crises, the Federal Reserve (Fed) acts as the global lender of last resort, opening up dollar swap lines with other central banks, injecting dollar liquidity globally, while reinforcing the dollar's central role in global finance. Long live the greenback.

The final lesson and taking the Long View—This Too Shall Pass. Historical context is always important in times of intense volatility and, with that in mind, take a look at Exhibits 1 and 2. The first exhibit highlights the S&P 500's performance this decade. And what a decade it has been: a pandemic, a ground war in Europe, a spike in inflation, ChatGPT, Trump 2.0, "Liberation Day" and a war in Iran. The proverbial kitchen sink has been thrown at the U.S. economy and U.S. Equities this decade.

But notwithstanding one punch after another, the U.S. economy has added roughly \$10 trillion in total output to GDP this decade, while the S&P 500 has returned 123% (total return) or 13.7% on an annualized basis. These figures underscore and speak loudly to America's economic ability to pivot, adjust, and reset in the face of adversity. No economic ecosystem in the world is as adaptable as America's. That's the main message of Exhibit 2 as well, which provides a 100-year scan of market returns in the face of multiple crises.

The bottom line: History never repeats itself but rhymes, and our conviction is that the energy shock of 2026 shall pass. With history as a guide, acute periods of market stress/volatility have ultimately been succeeded by an economic revival, a more favorable investment backdrop and sustained price gains for equity markets. Hence, in times of heightened market volatility, it is important to have a disciplined and diversified approach to portfolio construction—and to see the forest through the trees.

Exhibit 1: Charting the Roaring and Roiling 2020s.

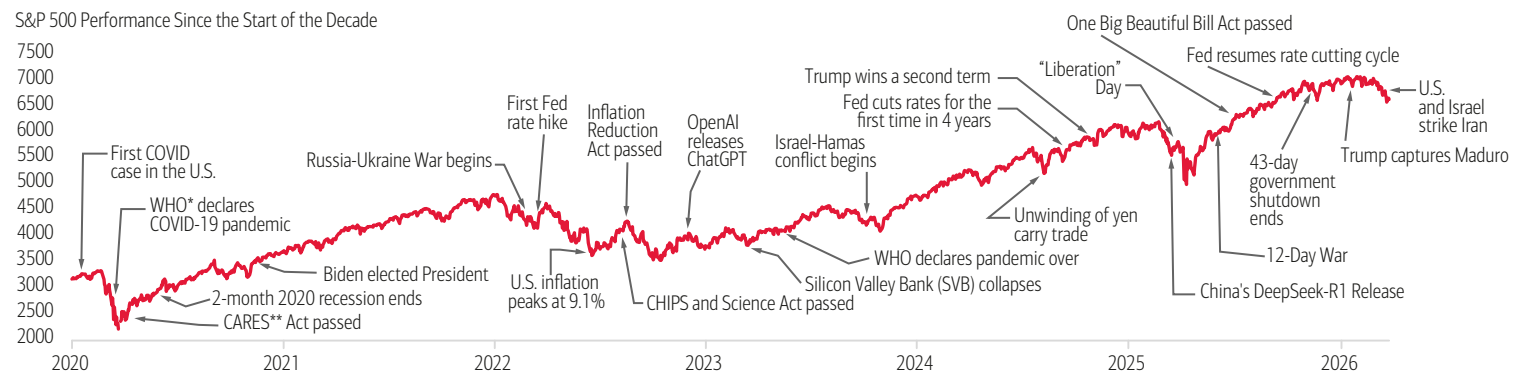


Exhibit 1: *World Health Organization. **Coronavirus Aid, Relief, and Economic Security Act. Source: Bloomberg. Data as of March 25, 2026. **Past performance is no guarantee of future results.**

Exhibit 2: Equity Market and Historical Periods of Crisis and Recovery.

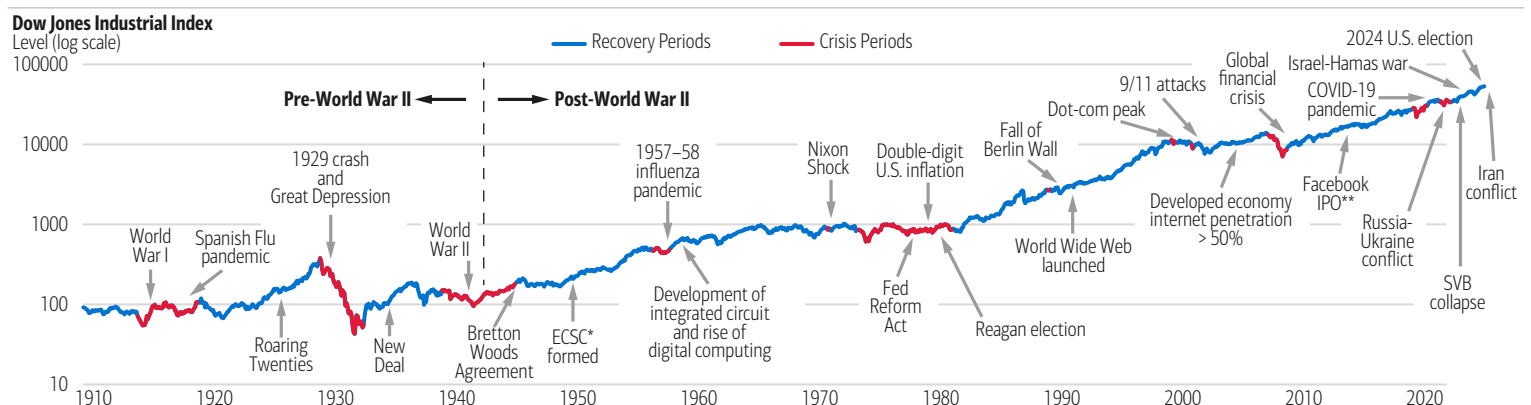


Exhibit 2: *European Coal and Steel Community. **Initial Public Offering. Sources: Chief Investment Office; Bloomberg. Data as of February 2026. **Past performance is no guarantee of future results.**

In Retrospect: A Year On From “Liberation Day”

Lauren Sanfilippo, *Director and Senior Investment Strategist*
Ariana Chiu, *Assistant Vice President and Investment Strategist*

A year ago, President Trump’s “Liberation Day” tariffs upended roughly eighty years of rules-based global trade. The aftershocks were immediate: global Equities dropped, gold prices soared, the dollar fell, inflation expectations moved higher, and Wall Street quickly slashed earnings expectations against the rising odds of a global recession.

Yet, not for the first time, the worst-case scenario did not come to pass. The U.S. economy and corporate America adjusted rather quickly, as did the global economy. Tariff-driven inflation failed to transpire as companies not only insulated margins from degradation, but also has adeptly boosted margins to multidecade highs. The destruction wrought to Equities—the S&P 500 declined 18.9% over 34 trading sessions—was fleeting. After hitting a trough on April 8, 2025, the S&P 500 was back in positive territory some 21 days after Liberation Day—a remarkably rapid recovery by historical standards. Global Equities followed a similarly robust recovery path.

There were many ingredients to the market rebound, including synchronized easing by major central banks, proactive fiscal policies, adroit supply chain management among firms, and the front-loading of trade. Solid consumer spending among households, coupled with strong capital expenditure spending on data centers from hyperscalers, kept the U.S. economy humming.

Now 12 months later, we reflect on the reverberations and aftershocks since Liberation Day—specifically on trade, U.S.-China relations, the corporate operating environment and the foreign allure to U.S. assets.

The composition of trade was changed without collapse. As blended tariff rates reached their highest levels in nearly a century, the first-order impacts were on global trade. But expecting a rupture in global supply chains and trade relations, it went more like this, according to McKinsey:³

- Despite widespread concerns, trade grew broadly in line with global GDP.
- The largest adjustment occurred in U.S.–China trade. Bilateral flows fell by roughly 30%, reflecting both imposed tariff and ongoing aspirations to diversify supply chains. Yet U.S. imports and China exports both reached new respective highs (Exhibit 3A).
- China continued its shift upstream in global production. The Association of Southeast Asian Nations economies, wedged between the U.S. and China, emerged as key beneficiaries as firms rerouted supply chains. Meanwhile, the European Union faced a “double squeeze” from China flooding Europe with imports and higher U.S. tariffs, prompting a deepening in trade ties beyond its two largest partners.
- Trade tied to the Artificial Intelligence (AI) boom accelerated sharply, particularly along supply chains running through Taiwan, South Korea, and Southeast Asia. Shipments of chips, servers and networking equipment for data center construction accounted for roughly one third of total trade growth in 2025, much of it occurring between geopolitically aligned economies.

And so the result was not retrenchment but reallocation and rerouting of goods. AI-driven trade, the rising role of “third” countries, China’s upstream migration and geopolitical fragmentation are post-Liberation Day distortions but also likely more permanent features of global trade.

While the rest of the world stood still, China fought back. The immediate fallout from Liberation Day mattered for markets, to be sure, but it was the reaction to U.S. tariffs—i.e., whether the rest of the world chose to retaliate or retreat—that ultimately determined the impact of April 2 to economic growth and corporate profits. Thankfully for the growth backdrop, the rest of the world primarily chose the latter (retreat), which enabled the global economy to avoid an outright trade war and set the stage for a blistering rally in global equities.

³ McKinsey Global Institute report, “Geopolitics and the geometry of global trade: 2026 update,” March 19, 2026.

Investment Implications

While a great deal has transpired since Liberation Day in 2025, one lesson remains. The post-Liberation Day bounce serves as a reminder that the worst days can be followed closely by the best recoveries. April 3 and April 4 ranked among the worst trading days of last year, yet the rebound on April 9 stood as one of the strongest. This close proximity reinforces the importance of staying invested through periods of volatility. Avoiding weathering the volatility may ultimately mean being sidelined for the recovery.

The wrinkle? China proved the exception to the rule, not only retaliating against the U.S. with tariffs of their own but also exposing its chokehold on rare earths and, thus, its chokehold on global defense systems, the auto industry, and the modern industrial and digital economy. The lesson for investors remains: When it comes to technology and infrastructure, Beijing has leverage over the U.S. and the rest of the world owing to its dominance of the production and refinement of critical minerals. To wit, according to the Census Bureau, despite China's share of total U.S. goods imports declining from its peak of 21.6% in 2017 to just 9.0% last year, the second largest economy in the world is still responsible for 88% of the U.S.' rare earths imports. We're far from a true "decoupling," in other words. China's stranglehold on critical inputs to strategic technologies will be a key theme for years to come.

Earnings in the Tariff Wake. The sharp repricing of analyst estimates triggered by Liberation Day and the anticipated tariff-driven deterioration in Corporate America's earnings never materialized. Rather than ushering in recessionary conditions, corporations adjusted through a combination of pricing discipline, cost management and supply chain reconfiguration. Importantly, consumer demand proved sufficient to allow revenues to continue expanding, supported by healthy household balance sheets. As a result, corporate earnings continued to grow by double digits, with the S&P 500 running up a streak of five consecutive quarters of double-digit earnings growth.

Through the tariff uncertainty, firms proved remarkably effective at defending margins, which remained near multidecade highs as consumers and downstream businesses bore much of the direct cost of tariffs through higher prices. Taken together, the post-Liberation Day period illustrates Corporate America's ability to not dodge the costs of tariffs but successfully navigate such an uncertain operating environment.

So much for the "Sell America" trade. Between the administration's protectionist bias, unpredictable foreign policy and an elevated budget deficit, the narrative over much of last year was that foreign investors were bailing on/selling U.S. assets. Hardly the case.

The latest flow of funds data from the Fed indicates the opposite. Foreigners are indeed more entangled with U.S. securities than ever before: As of Q4 2025, foreign investors owned \$20.5 trillion in U.S. Equities—a record high and nearly 21% more than the year prior (Exhibit 3B). U.S. Treasury ownership by the rest of the world rose 8% over the year to \$9.2 trillion, with foreigners still controlling roughly 31% of the Treasury market. That's another way of saying that, despite what headlines suggest, foreigners still have faith in the U.S. economy. Yes, the stakes are high with U.S. publicly held debt now at \$31 trillion and climbing. But as the eventful year since Liberation Day has taught us, we'd fade concerns of foreign investors ditching America.

The Bottom Line: For all the concerns and handwringing of last April, the global economy and its trading systems did bend but did not break. That's much like Corporate America, which absorbed the shock and adjusted—sustaining earnings growth even in the face of much uncertainty. The threat of tariffs accentuated the cards that both sides hold between U.S./China trade relations, and yet capital continues to be routed to the U.S.

Exhibit 3: U.S. Imports and China Exports Weathered the Tariff Storm, as Foreigners Embraced Allocations to U.S. Assets.

A) Still A World of Record U.S. Imports and Record Exports from China.



B) Foreigners Bought America in 2025.

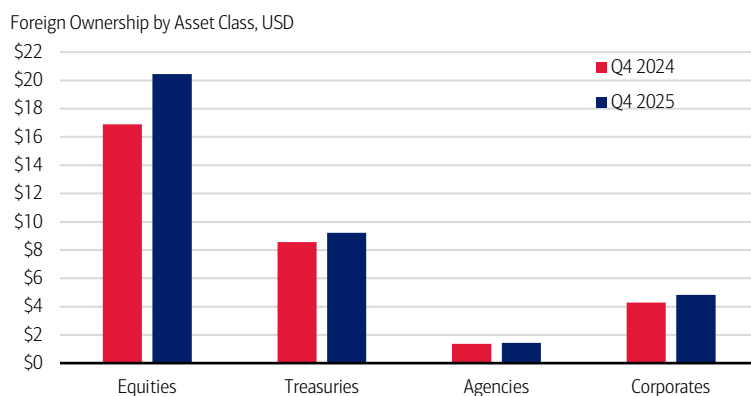


Exhibit 3A) Sources: U.S. Census Bureau; China General Administration of Customs. Data as of March 2026. Exhibit 3B) Source: Federal Reserve. Data as of March 20, 2026.

When All That Glitters Isn't Gold

Emily Avioli, Vice President and Investment Strategist

Amid mounting concerns about war and inflation, it should be gold's time to shine. Instead, the yellow metal's luster has faded, with the price tumbling by roughly -16.0% since the Middle East conflict began (Exhibit 4). Gold has moved largely in tandem with risk assets over the past four weeks, defying its conventional role as a geopolitical hedge. The counterintuitive move raises the question—should investors be less bullish on bullion moving forward? Our take: The recent price action likely reflects positioning effects, shifting interest rate expectations, and dollar dynamics, rather than a change in gold's underlying fundamentals.

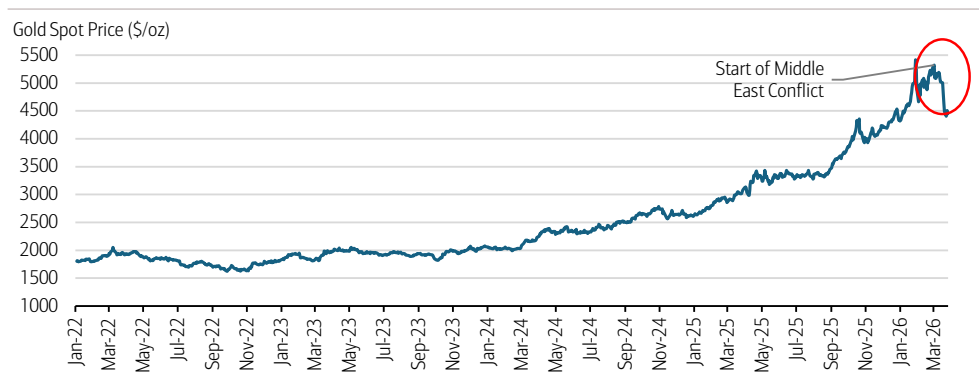
The pullback in gold follows an extraordinary run. Supported by elevated central bank purchases and renewed retail enthusiasm, gold prices have risen sharply since 2022, recently surpassing the \$5,400/oz threshold in January. Historically, after large rallies in any commodity price in a short window of time, that commodity usually has a consolidation period or digestion of the abnormally large gains. This has been playing out with the current pullback in gold prices. In addition, positioning had become increasingly extended on the heels of the historic rally, likely leading to profit-taking when risk-off sentiment took hold as the Middle East conflict heated up. The move to sell gold to raise liquidity may have been amplified by depleted levels of institutional cash on the sidelines, which had fallen to record lows in January.⁴

Rising yields have also contributed to gold's reversal. Higher energy prices have rekindled concerns about inflation and, in turn, altered the outlook for monetary policy. Expectations for interest rate cuts have been pushed out, with fed funds futures pricing in a non-trivial possibility that the Fed's next move could potentially be a hike.⁵ As real yields have risen, the opportunity cost of holding nonyielding assets like gold has increased, reducing the relative appeal compared to income-generating alternatives.

The dollar has presented another headwind. Since the conflict began, the dollar has strengthened as investors have gravitated toward its "safe-haven" characteristics. Given gold's historical role as a medium of exchange and a store of value, it has traditionally been viewed as an alternative to the dollar and has tended to move inversely with the exchange rate value of the dollar over recent decades.

In our view, however, the recent weakness in gold is unlikely to mark the end of the structural forces that have supported the metal in recent years. Lofty fiscal deficits remain a concern, the dollar is likely to resume its moderation trend, and central banks are little incentivized to stop diversifying their reserve assets. Once uncertainty surrounding the Middle East conflict begins to fade, these underlying demand drivers should once again reassert themselves. Against this backdrop, we continue to see a place for gold as a strategic diversifier in balanced portfolios.

Exhibit 4: Gold's Multi-Year Ascent Recently Hit Pause.



Source: Bloomberg. Data as of March 26, 2026. **Past performance is no guarantee of future results.**

⁴ BofA Global Research Fund Manager Survey. January 20, 2026.

⁵ Bloomberg. Data as of March 25, 2026.

Investment Implications

The underlying factors supporting gold should remain intact over the long-term, despite near-term volatility. Commodities like gold and other precious metals can serve as strategic diversifiers in balanced portfolios.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	45,166.64	-0.9	-7.6	-5.6
NASDAQ	20,948.36	-3.2	-7.5	-9.7
S&P 500	6,368.85	-2.1	-7.3	-6.7
S&P 400 Mid Cap	3,310.82	0.5	-7.3	0.5
Russell 2000	2,449.70	0.5	-6.8	-1.0
MSCI World	4,180.83	-1.5	-8.1	-5.4
MSCI EAFE	2,839.24	0.1	-10.4	-1.4
MSCI Emerging Markets	1,437.25	-1.7	-10.6	2.7

Fixed Income[†]

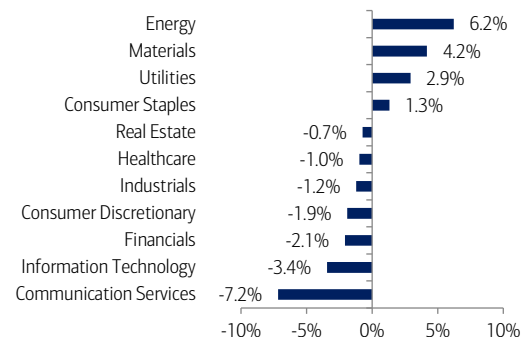
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.60	-0.13	-2.50	-0.90
Agencies	4.29	-0.02	-1.38	-0.17
Municipals	3.83	-0.81	-2.72	-0.58
U.S. Investment-Grade Credit	4.69	-0.12	-2.49	-0.79
International	5.27	-0.23	-2.86	-1.43
High Yield	7.68	-0.47	-1.97	-1.29
90 Day Yield	3.68	3.70	3.66	3.63
2 Year Yield	3.91	3.90	3.37	3.47
10 Year Yield	4.43	4.38	3.94	4.17
30 Year Yield	4.96	4.94	4.61	4.84

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities	340.82	0.1	10.6	23.4
Bloomberg Commodity	99.64	1.3	48.7	73.5
WTI Crude \$/Barrel ^{††}	4494.09	0.0	-14.9	4.0

Currencies	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2025 Year End
EUR/USD	1.15	1.16	1.18	1.17
USD/JPY	160.31	159.23	156.05	156.71
USD/CNH	6.92	6.91	6.86	6.98

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 3/23/2026 to 3/27/2026. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 3/27/2026 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 3/27/2026)

	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E	2027E
Real global GDP (% y/y annualized)	-	-	-	-	3.5	3.4
Real U.S. GDP (% q/q annualized)	3.3	3.0	2.0	2.0	2.7	2.1
CPI inflation (% y/y)	2.8	4.1	3.6	3.3	3.4	2.2
Core CPI inflation (% y/y)	2.5	2.8	2.6	2.6	2.6	2.4
Unemployment rate (%)	4.4	4.5	4.4	4.3	4.4	4.3
Fed funds rate, end period (%)	3.63	3.38	3.13	3.13	3.13	3.13

The forecasts in the table above are the base line view from BofA Global Research. 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. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.** A = Actual. E/* = Estimate. Data as of March 27, 2026. Sources: BofA Global Research; GWIM ISC as of March 27, 2026.

Asset Class Weightings (as of 3/4/2026)

Asset Class	CIO View		
	Underweight	Neutral	Overweight
Global Equities	•	•	•
U.S. Large-cap Growth	•	•	•
U.S. Large-cap Value	•	•	•
U.S. Small-cap Growth	•	•	•
U.S. Small-cap Growth	•	•	•
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			
Cash			

CIO Equity Sector Views

Sector	CIO View		
	Underweight	Neutral	Overweight
Financials	•	•	•
Utilities	•	•	•
Consumer Discretionary	•	•	•
Industrials	•	•	•
Information Technology	•	•	•
Healthcare	•	•	•
Materials	•	•	•
Real Estate	•	•	•
Consumer Staples	•	•	•
Communication Services	•	•	•
Energy	•	•	•

* Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of March 4, 2026. 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. Not all recommendations will be in the best interest of all investors.

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.

S&P 500 Index is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

MSCI Emerging Markets Index is a float-adjusted market capitalization index designed to measure the equity performance of large and mid-cap companies across 24-27 developing nations.

MSCI Europe Index is a free float-adjusted market capitalization index designed to measure the equity performance of large and mid-cap stocks across 15 developed markets in Europe.

Important Disclosures

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

Bank of America, Merrill, their affiliates and advisors do not provide legal, tax or accounting advice. Clients should consult their legal and/or tax advisors before making any financial decisions.

This material does not take into account a client's particular investment objectives, financial situations, or needs and is not intended as a recommendation, offer, or solicitation for the purchase or sale of any security or investment strategy. Merrill offers a broad range of brokerage, investment advisory and other services. There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. It is important to understand the differences, particularly when determining which service or services to select. For more information about these services and their differences, speak with your Merrill financial advisor.

Bank of America, Merrill, their affiliates and advisors do not provide legal, tax or accounting advice. Clients should consult their legal and/or tax advisors before making any financial decisions.

This information should not be construed as investment advice and is subject to change. It is provided for informational purposes only and is not intended to be either a specific offer by Bank of America, Merrill or any affiliate to sell or provide, or a specific invitation for a consumer to apply for, any particular retail financial product or service that may be available.

The Chief Investment Office ("CIO") provides thought leadership on wealth management, investment strategy and global markets; portfolio management solutions; due diligence; and solutions oversight and data analytics. CIO viewpoints are developed for Bank of America Private Bank, a division of Bank of America, N.A., ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S" or "Merrill"), a registered broker-dealer, registered investment adviser and a wholly owned subsidiary of Bank of America Corporation ("BoFA Corp.").

The Global Wealth & Investment Management Investment Strategy Committee ("GWIM ISC") is responsible for developing and coordinating recommendations for short-term and long-term investment strategy and market views encompassing markets, economic indicators, asset classes and other market-related projections affecting GWIM.

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.

All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

Investments have varying degrees of risk. Some of the risks involved with equity securities 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. Small cap and mid cap companies pose special risks, including possible illiquidity and greater price volatility than funds consisting of larger, more established companies. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa. Investments in high-yield bonds (sometimes referred to as "junk bonds") offer the potential for high current income and attractive total return, but involves certain risks. Changes in economic conditions or other circumstances may adversely affect a junk bond issuer's ability to make principal and interest payments. 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). Treasury bills are less volatile than longer-term fixed income securities and are guaranteed as to timely payment of principal and interest by the U.S. government. Bonds are subject to interest rate, inflation and credit risks. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. There are special risks associated with an investment in commodities, such as gold, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

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

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private-credit, 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. 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.

© 2026 Bank of America Corporation. All rights reserved.