

CHIEF INVESTMENT OFFICE

Capital Market Outlook

April 6, 2026

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

IN THIS ISSUE

Macro Strategy—AI, Productivity, and R*: Productivity is the ultimate driver of living standards and economic strength. The question is, will Artificial Intelligence (AI)-related productivity growth turn out to be too much of a good thing, damaging the economy through large negative effects on employment? Also, Federal Reserve (Fed) officials have suggested that stronger AI-driven productivity could push the neutral short-term interest rate (r^*) higher, potentially limiting the central bank's ability to ease policy even if the labor market weakened—i.e., higher unemployment would also coincide with tighter financial conditions. In our view, AI may raise the economic engine's speed capacity, but demand will likely shape how fast the machine will go. Thus, aggregate productivity growth is more likely to remain closer to its long-term average than turn extreme and dystopian, contained by adoption frictions and anchored by demand dynamics. Absent stronger demand, AI's impact is more likely to reinforce disinflationary forces than to drive structurally higher interest rates, in our view.

Market View—The Key Exception to U.S. Energy Independence: Critical Minerals: U.S. Equities have outperformed their international counterparts since the start of the war. This has largely been attributed to America's energy independence. And while that's good news for U.S. investors, the latest supply chain disruption should also serve as a reminder of where the U.S. is still far from independent: critical minerals. The reality is, China maintains a chokehold on the minerals required to power U.S. grid infrastructure, robotics and AI, renewables, defense systems, and more. The U.S., meanwhile, is still 100% net import reliant for 13 critical minerals, basically unchanged from the start of the decade.

With these minerals increasingly a matter of U.S. national security and economic competitiveness, progress is gaining momentum. Cross-country partnerships have emerged as corporations globally grow wary of China's weaponization of supply chains. Helping matters domestically: public private sector collaboration with the U.S. government taking an active role as a provider of capital. We continue to be bullish on the "picks and shovels" companies that stand to benefit from higher capital expenditures (capex) spend.

Thought of the Week—The U.S. Migration Shock that Wasn't—U.S. Demographics Remain a Favorable Outlier: First, the bad news: Net immigration in the U.S. fell sharply last year, down nearly 54% and contributing to population growth of just 0.5% in 2025, according to the latest figures from the U.S. Census Bureau. Now, the good news: Last year's net 1.3 million addition of immigrants remained well ahead of the past 35-year average of 964,000. Missing from the sky-is-falling narrative is the fact that migrant flows were artificially inflated over the 2022 to 2024 period due to loose immigration policies, with net immigration now reverting to the mean. Add to –the fact that there were over 500,000 more births than deaths, leaving the U.S. a rare breed among developed nations with positive population growth. While much of Europe, Japan, South Korea and China face aging and shrinking populations, the U.S. continues to add people, supporting labor force growth, rising consumption, innovation capacity, fiscal sustainability, and stronger long-run economic growth and market returns, in our view.

AUTHORS

Chief Investment Office
Macro Strategy Team

Ariana Chiu
Assistant Vice President and Investment Strategist

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

[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, Emerging Markets and selective sector shifts.

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%.

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.

8854182 4/2026

AI, Productivity, and R*Chief Investment Office, *Macro Strategy Team*

Productivity sits at the heart of economic growth and progress, determining how quickly living standards (as measured by real GDP per capita) can rise. Strong productivity helps support fiscal sustainability, boosts corporate earnings and increases competitiveness. Encouragingly, U.S. productivity has surprised to the upside since the pandemic, averaging 2.2% per year compared to a historically low 1.1% pace during the 2011 to 2019 post-Great Financial Crisis (GFC) period, and 1.9% over the 50 years between 1970 and 2019, according to the Bureau of Labor Statistics. Even seemingly modest differences compound meaningfully—a 1.1% versus 2% average pace would result in 39% versus 81% cumulative growth in output per capita over a 30-year horizon, for example.

The recent productivity resurgence has coincided with rapid advances in AI, raising concerns about “too much of a good thing”—productivity becoming so strong as to vastly displace labor and result in a dystopian world. What’s more, higher productivity can raise the expected return on capital, stimulating investment and putting upward pressure on equilibrium, or neutral, short-term interest rates (r^*).

Potentially untethered AI productivity gains could therefore not only result in higher structural unemployment but also a higher-interest-rate environment. Indeed, in recent speeches, Fed officials have noted the possibility that stronger AI-driven productivity may limit the extent to which monetary policy can respond to any related increase in unemployment, as addressing structural unemployment typically requires policies that are not in its “toolkit” (such as labor retraining, taxation, fiscal support).

In our view, while AI represents a powerful supply side force that will no doubt transform the economy, its impact on economy-wide productivity is still likely to be shaped, and tempered, by employment and labor-income dynamics, demand conditions and other constraints, as discussed below. While uncertainty remains high, several considerations suggest a more balanced likely outcome than the extreme scenarios envision.

Productivity is not just technology- or process-dependent but also demand-dependent. Ultimately, it is demand that shapes how much technical productivity is “realized” at the economy-wide level. End-demand is required to validate returns on capital and maintain a productivity-investment-innovation cycle, reinforced by sustained production and learning by doing. Technical capability without sufficient end-market demand tends to break this feedback loop, causing productivity to eventually lose momentum. With consumer spending accounting for about 70% of the economy, household income and spending will therefore continue to anchor productivity growth, in our view.

The pre- and post-pandemic experience offers a useful example. The post-GFC decade of unusually low productivity occurred amid insufficient demand, low inflation and depressed interest rates, while the recent productivity rebound occurred alongside the pandemic stimulus-induced demand revival. The point is that demand and productivity tend to move together (Exhibit 1A). Just as weak demand was associated with historically low productivity from 2010 to 2019, extreme AI-led productivity growth is unlikely to be sustained absent broad and recurring income and demand—it would be self-defeating. A more likely outcome is therefore a gradual adjustment, with more moderate productivity gains than extreme scenarios imply, new job creation, and productivity-related boosts to purchasing power sustaining the feedback loop.

According to NBER research,¹ most current occupations emerged after 1940 alongside technological progress through “creative destruction.” Recent decades have seen stronger labor-displacing and weaker labor-augmenting technology effects. As a result, since 1980, labor demand has polarized toward high- and low-wage jobs, with middle-skill roles reduced by automation. Combined with globalization effects, these shifts have no doubt contributed to softening employment and consumer spending growth, with greater reliance on debt and fiscal support.

This polarization is reflected in recent spending patterns in a K-shaped economy and is likely to be amplified by AI given its capabilities. While AI is likely to create new roles and enhance productivity, its ability to automate cognitive and middle-skill tasks suggests a further decline

Investment Implications

Despite sustained AI investment, aggregate demand may remain constrained by downward pressure on the labor share of income and uneven AI benefits. This suggests a focus on demand visibility and pricing power. With only moderate growth, return dispersion is likely to remain elevated, favoring quality and selectivity.

¹ National Bureau of Economic Research (NBER), Working Papers, August 2022, *New Frontiers: The Origins and Content of New Work, 1940–2018*.

in the labor share of income, further weighing on trend demand growth and interest rates (Exhibit 1B). Excess supply would undermine aggregate productivity growth over time.

This pattern helps explain why, despite rapid technological progress over the past 50 years, the U.S. could not sustain productivity growth much above 2.0% for extended periods. Slowing population growth, shrinking middle-income jobs and rising inequality lowered trend demand growth, which in turn restrained realized productivity. Recurring macroeconomic shocks also short-circuited the demand-investment-production-productivity loop. Without sustained demand, productivity gains occurred in bursts, reverting to a long-run average largely shaped by structural consumer demand underpinnings—including a shrinking middle class and rising demand for services, many of which increase productivity at a slower pace.

Other constraints (energy, infrastructure, aging population) have also limited long-term productivity growth. According to research, various real-world frictions are also likely to temper AI productivity gains: energy constraints; infrastructure bottlenecks; workflow redesign challenges; regulatory/risk management requirements; cybersecurity risks; skilled labor shortages; information overload; cognitive strain; and costs of finding and correcting subtle but high-impact errors.

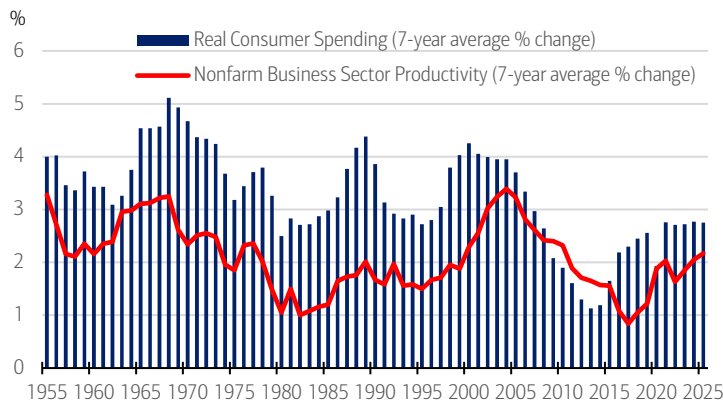
While estimates vary widely, economists generally expect AI to add roughly 0.4 percentage points to annual productivity growth over the next decade, far from extreme scenarios. Sustained gains of up to 2.5% would still be a feat given aging demographics, fiscal constraints and powerful compounding effects on living standards (assuming productivity benefits are shared more broadly across labor and capital). This outcome would also be more aligned with the historical experience, making it easier for the economy to absorb.

In our view, end-demand dynamics are also likely to keep r^* in check. Stronger productivity can lift r^* by raising expected returns on capital and stimulating investment but only if the increase in investment demand outweighs any rise in economywide savings. Higher unemployment, income polarization and weaker consumption would boost saving and dampen upward pressure on real rates, all else equal (Exhibit 1B). Lagging demand would also create excess supply, disinflation and higher unemployment, challenging the view that AI-driven productivity would necessarily lift the equilibrium rate. A “high productivity, high r^* ” regime will likely still require resilient labor markets, sustained credit demand and sufficiently strong consumption. While some policymakers highlight upside risks to r^* , current policy projections and market pricing do not point to a material rise in equilibrium rates over the foreseeable future.

Interest rates and inflation are shaped by both the strength of economic growth and the balance between demand and supply, not by productivity alone. That’s why we’ve seen various combinations: low productivity with high inflation and interest rates (late-1970s to early 1980s); higher productivity with low inflation but relatively high interest rates (late 1990s technology boom); and low productivity with low inflation and low rates (2010 to 2019). The ultimate determinant for inflation is money and credit growth relative to real output, as the pandemic inflation experience made clear. Absent stronger demand support, AI’s impact is more likely to reinforce disinflationary forces than to drive structurally higher interest rates.

Exhibit 1: Aging Demographics, Jobs and Income Growth Have Shaped Productivity and Interest Rates Over Time.

A) With a 70% share of the U.S. economy, consumer spending has tracked and anchored productivity growth over time.



B) Decline in the labor share of income has contributed to lower real rates.

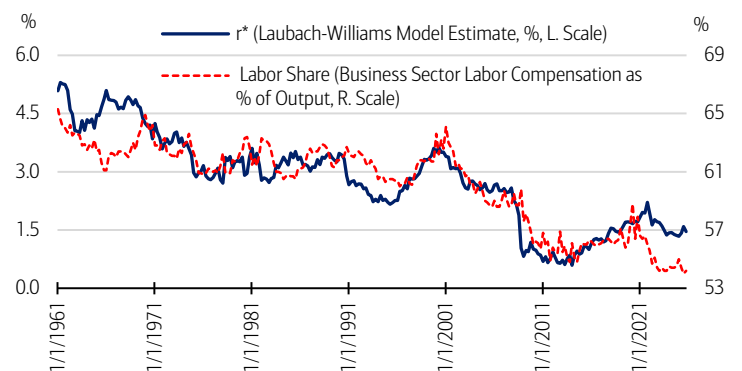


Exhibit 1A) Sources: Bureau of Economic Analysis/Haver Analytics. Data as of March 29, 2026. Exhibit 1B) Sources: Federal Reserve Bank of New York; Bureau of Economic Analysis/Haver Analytics. Data as of March 31, 2026.

The Key Exception to U.S. Energy Independence: Critical Minerals

Ariana Chiu, Assistant Vice President and Investment Strategist

U.S. Equities have outperformed their international counterparts since the start of the Middle East conflict. This has largely been attributed to America's energy independence—that is, that as a net exporter of oil and natural gas, the U.S. is more insulated from the latest disruption to the Strait of Hormuz than are its peers in Europe and Asia.

While the above is good news for U.S. investors, the latest supply chain disruption should also serve as a reminder of where the U.S. is still far from independent: critical minerals. Whereas “wildcat” drillers unlocked vast domestic oil and natural gas reserves in the late 2000s and early 2010s, thereby reducing America's import reliance (Exhibit 2A) and paving the way for the U.S. to emerge as one of the world's leading energy producers, the same cannot be said of critical minerals. Rather, China continues to maintain a chokehold on the minerals required to power U.S. grid infrastructure, robotics and AI, renewables, defense systems, and more. How the U.S. addresses these supply chain vulnerabilities in the coming years will likely have major implications for the economy and corporate profits.

Taking Stock of America's Critical Mineral Dependence. Nothing, not memory chips or grid transformers or AI data centers or F-35 fighter jets, can exist without critical minerals. Yet for how essential these minerals are to wars, the AI race and U.S. infrastructure, it's hard to overestimate how little control the U.S. has over them.

In many cases, the U.S. has the geological resources and capacity to mine, not to mention its allies like Australia and Canada, which remain among the most mineral-rich and adept at mining in the world. But it's what comes after—i.e., “midstream” chemical conversion, separation, purification, refinement, etc.—where U.S. and global supply chains are inextricably linked to and dependent on China. For 19 out of 20 minerals essential to electrification, for example, China is the #1 refiner, with an average market share of 70% (Exhibit 2B).

These dependencies are decades in the making. China has flooded the market over the years, leaving Western competitors unprofitable and economically unviable. It's therefore unsurprising that U.S. mineral dependencies haven't changed much in recent years. According to the latest U.S. Geological Survey's 2026 Mineral Commodities Summary, the U.S. is still 100% net import-reliant for 13 critical minerals, basically unchanged from 14 at the start of the decade. For another 20 minerals, including rare earth elements (REEs), the U.S. relies on imports for more than half of its apparent consumption. In areas such as gallium (chips), graphite (electric vehicles batteries) and tantalum (electronics/aerospace and defense), the U.S. has been 100% net import-reliant for the last 20 years or more.

In the meantime, China's influence has only grown. Take rare earth-powered permanent magnets, a critical input in the cars we drive, the data centers we build, and the defense systems deployed around the world. China's share of global production went from around 50% two decades ago to 94% today²—a fact that featured prominently in last year's tit-for-tat trade spat. Indeed, China's ability to place export restrictions on heavy REEs, thus endangering the U.S. auto and defense industries, proved the most valuable bargaining chip in U.S.–China trade negotiations. The temporary trade truce between the two largest economies in the world doesn't change the fact that the U.S. is systemically critical mineral-dependent, not independent.

The Future is Public-Private, Plural and AI. With mining increasingly an issue of national security, not to mention U.S. economic competitiveness, deepening domestic refining capabilities will be a bipartisan priority for years to come, in our view. Progress has been gradual but is now gaining momentum. At the heart of it is this: public-private sector collaboration with the U.S. government taking an active role as a provider of capital. That said, whether semiconductors, satellites or the iPhone, there's plenty of precedent for government investment shaping new industries and technologies.

Investment Implications

While U.S. mineral dependencies persist, we wouldn't underestimate the ability of public-private sector collaboration to drive innovation in the U.S., particularly as AI and machine learning create opportunities to streamline research and discovery. We upgraded Materials earlier this year on improved pricing and demand for commodities. Long-term tailwinds, whether from AI, aging infrastructure, or the rearmament of global defense bases, underpin our overweight to the Industrials sector.

² International Energy Agency (IEA).

With Uncle Sam's support, companies are expanding U.S.-based refining capacity of lithium, nickel and REEs. In some cases, particularly for REEs, the government has taken stake in mining and processing companies with the explicit goal to do what China does best, i.e., vertically integrate across mining, separation/processing and magnet production. Stockpiling has also been proposed as a method to defend against supply chain disruptions, with "Project Vault" announced this February being the largest public investment in critical minerals since World War II, according to Center for Strategic and International Studies (CSIS).

It's not just the U.S. Japan's electronics companies, Germany's auto industry, Canada's manufacturing firms—corporations around the world are all too familiar with China's weaponization of its grip on mineral supply chains.

As a result, cross-country partnerships to secure these minerals have expanded, as have efforts to collectively address the volatility of critical mineral prices, long vulnerable to market manipulation via export dumping and unfair trade practices. Just over the last year, the U.S. has signed bilateral frameworks with Australia, Indonesia, Japan, Malaysia and others, while plural partnerships like the recent Forum on Resource Geostategic Engagement (FORGE) could be more effective in setting price floors for certain minerals.

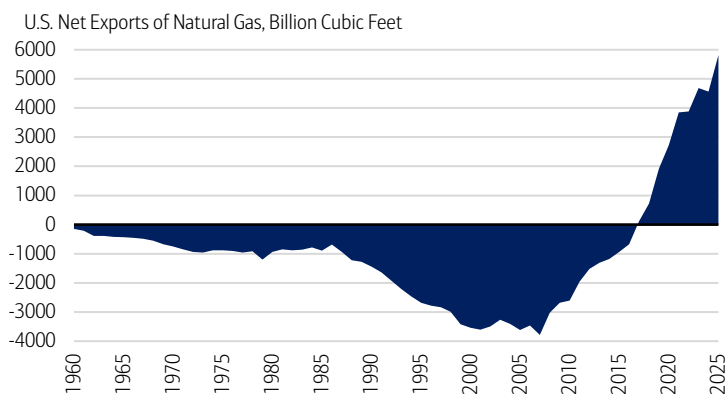
Finally, and as with other industries, AI and machine learning will play a role. Think more efficient and effective exploration, new separation techniques, discovery of alternative materials and shorter/streamlined permitting timelines—all of which help the U.S. move one step closer to a true "decoupling" of mineral supply chains from China. AI will prove even more important against a backdrop of a declining U.S. mining workforce. More than half of the U.S. mining workforce is expected to retire by 2029, leaving specialized knowledge in metallurgy, chemistry and engineering already in a structural deficit.

Bottom Line. Between geopolitical hotspots globally, aging infrastructure, and the revolution in AI and robotics, there's no debating that demand for critical minerals is headed higher. The latest war in the Middle East will likely only add to demand to rearm and rebuild global defense and industrial bases.

But unlike oil and natural gas, the U.S. isn't independent when it comes to critical minerals. Far from it. We expect protectionism around these resources and efforts to reshore supply chains to be key themes in the years ahead, not just in the U.S. but globally. For investors, the "picks and shovels" companies behind the equipment and engineering of greater domestic production and refinement capabilities could stand to benefit from higher capex and demand for mining equipment and processing facilities. Meanwhile, the dynamic partnership between the public and private sectors and its ability to drive innovation remains a fundamental reason to maintain the U.S. at the core of portfolios.

Exhibit 2: One Big Caveat to America's Energy Independence.

A) U.S. is Energy-Independent, Yes...



B) ...But When it Comes to Critical Minerals, China Rules..

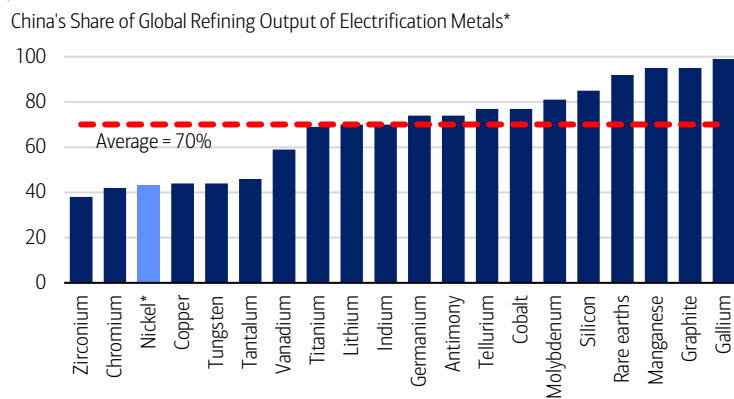


Exhibit 2A) Source: Energy Information Administration. Data through 2025, as of March 2026. Exhibit 2B) *Nickel is primarily refined in Indonesia. Source: IEA; Rhodium Group. Data as of March 2026.

The U.S. Migration Shock that Wasn't—U.S. Demographics Remain a Favorable Outlier

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

First the bad news: Net immigration in the U.S. fell sharply last year, by nearly 54%, with immigration adding 1.3 million people to the U.S. population in 2025 versus 2.7 million in 2024. That is according to the latest figures from the U.S. Census Bureau (Exhibit 3A). The downshift contributed to U.S. population growth of just 0.5% in 2025, to 341.8 million people.

Now the good news—and the news that contradicts the prevailing the sky-is-falling-narrative about U.S. immigration: Last year’s net addition of immigrants (1.3 million) was well ahead of the past 35-year average of just 964,000, as shown in Exhibit 3B. Missing from the gloomy narrative is the fact that migrant flows were artificially inflated over the 2022 to 2024 period due to the loose immigration policies of the Biden administration. In a sense, net immigration flows are reverting to the mean.

On top of that, add in the fact that there were over 500,000 more births than deaths last year in the U.S., and America emerges as a rare breed among the developed nations: It continues to post positive population growth. That contrasts to flat or falling population growth rates over much of Europe, Japan, South Korea and even China. The upshot: While much of the world is aging, shrinking or both, the U.S. remains one of the only large, advanced economies still adding people.

And adding people matters. Favorable population dynamics shape the most fundamental drivers of economic growth—think labor force growth, rising consumption, more innovation capacity and greater fiscal sustainability. Conversely, aging and shrinking populations create headwinds like labor shortages, slowing growth and fiscal pressures as governments tend to an expanding elderly population.

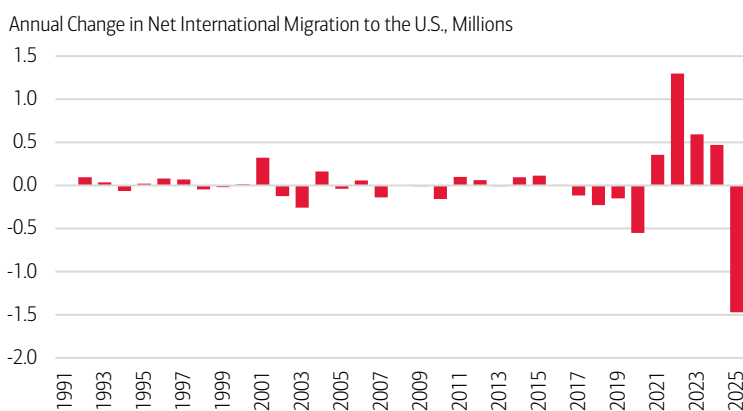
The bottom line: While not immune to the demographics of aging, the U.S. is in far better shape than the rest of the world, in our view. Our population continues to expand. Looking forward, we believe that the U.S.—even with modest population growth, combined with innovation-led productivity gains—can sustain stronger economic growth relative to its peers and solid market returns over the long run.

Investment Implications

Add modest population growth and innovation-led productivity to the list of reasons why we favor the U.S. over the rest of the world in portfolios. Though immigration has normalized, the U.S. is better positioned relatively speaking to sustain elevated consumption, economic growth and market returns longer term.

Exhibit 3: Setting the Record Straight on U.S. Migration.

A) Net Migration: Down but Reverting to Mean.



B) A Little Perspective is Needed.

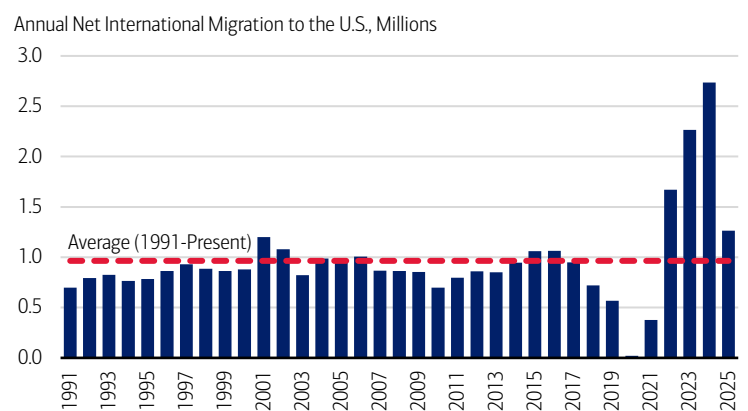


Exhibit 3A) Source: U.S. Census Bureau. Data as of March 2026. Exhibit 3B) Source: U.S. Census Bureau. Data as of March 2026.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	46,504.67	3.0	0.4	-2.8
NASDAQ	21,879.18	4.5	1.3	-5.7
S&P 500	6,582.69	3.4	0.8	-3.5
S&P 400 Mid Cap	3,408.16	3.0	1.0	3.5
Russell 2000	2,530.04	3.3	1.4	2.3
MSCI World	4,316.09	3.3	1.4	-2.3
MSCI EAFE	2,919.35	3.0	2.9	1.6
MSCI Emerging Markets	1,440.95	0.3	3.2	3.0

Fixed Income[†]

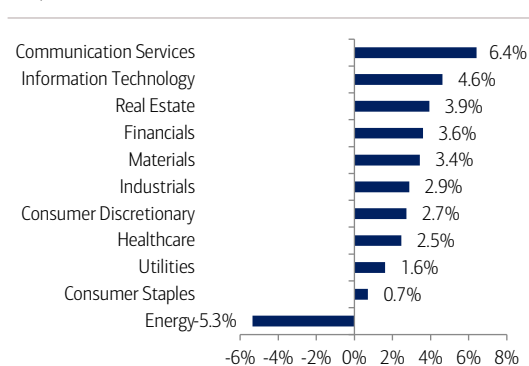
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.51	0.70	0.00	-0.21
Agencies	4.25	0.31	-0.08	0.14
Municipals	3.74	0.73	0.32	0.15
U.S. Investment-Grade Credit	4.59	0.75	0.00	-0.04
International	5.14	1.10	0.19	-0.35
High Yield	7.27	1.21	0.40	-0.10
90 Day Yield	3.69	3.68	3.67	3.63
2 Year Yield	3.84	3.91	3.79	3.47
10 Year Yield	4.34	4.43	4.32	4.17
30 Year Yield	4.91	4.96	4.91	4.84

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	348.80	2.3	1.5	26.3
WTI Crude \$/Barrel ^{††}	111.54	11.9	10.0	94.3
Gold Spot \$/Ounce ^{††}	4676.76	4.1	0.2	8.3

	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2025 Year End
Currencies				
EUR/USD	1.15	1.15	1.16	1.17
USD/JPY	159.67	160.31	158.72	156.71
USD/CNH	6.89	6.92	6.89	6.98

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 3/30/2026 to 4/2/2026. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 4/2/2026 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 April 2, 2026.

^{**}Core CPI inflation as of March 27, 2026.

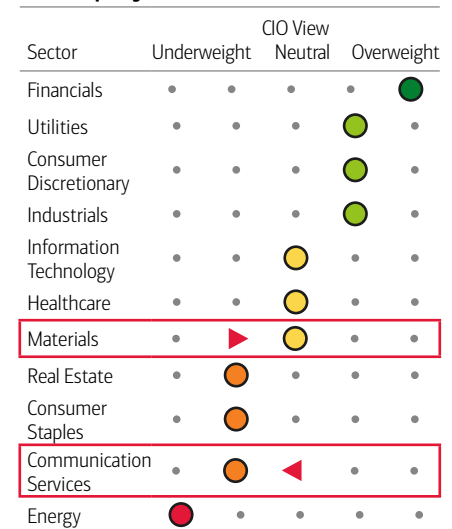
Sources: BofA Global Research; GWIM ISC as of April 2, 2026.

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



* 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.

CIO Equity Sector Views



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.

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.