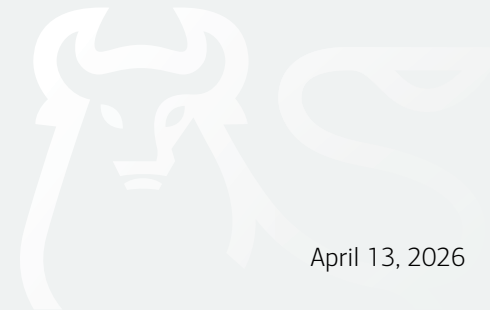


Capital Market Outlook



April 13, 2026

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

IN THIS ISSUE

Macro Strategy—From Balance to Strain Under an Energy Shock and Back: The U.S. economy ended 2025 with soft hiring, near potential economic growth around 2% led by firm productivity growth, and moderating inflation underpinnings. The rise in energy prices risks disrupting that fragile equilibrium. Fiscal support from One Big Beautiful Bill Act (OBBBA) along with continued strength in Artificial Intelligence (AI)-related capital spending provides a helpful offset. Still, tax refunds skew benefits toward higher income households with lower marginal propensity to consume, limiting economywide relief. Along with weaker global growth, U.S. real gross domestic product (GDP) growth could slow further from its moderate 2.1% pace in 2025. With labor demand poised to stay soft, inflation is likely to remain relatively contained by cooling wage growth and anchored longer-term inflation expectations. In our view, the balance of risks is therefore tilting toward growth. This suggests that the Federal Reserve (Fed) is likely to refocus on downside risks to activity and resume policy easing later in the year.

Market View—Thinking Long-Term: Historical Perspective on Market Volatility: There is no shortage of unanswered questions facing markets today, and navigating an environment defined by heightened uncertainty can be challenging. However, a narrow focus on what could go wrong may leave investors at risk of missing the upside, should conditions evolve more favorably, as well as the longer-term potential opportunities that periods of volatility can create. History suggests that bouts of heightened volatility has often been transitory and that equity markets have tended to recover well before uncertainty is fully resolved. Looking back at past market behavior can help illustrate why maintaining a long-term perspective, staying invested, and adhering to a consistent investment process remain critical during uncertain periods.

Thought of the Week—Earnings Season Amid a Fragile Truce: The push-pull of headlines around the unresolved Middle East conflict remains center stage for markets. All along, earnings expectations have remained surprisingly resilient. One year forward S&P 500 earnings per share (EPS) estimates have actually risen since the conflict began, even as the index pulled back. Analysts have made limited revisions, with gains concentrated in energy-related industries and with downgrades focused on airlines and travel. Consumer fundamentals have also held up, aided by a structurally lower energy burden and a robust tax refund season. In the week ahead we look for Q1 of double-digit earnings growth despite lingering geopolitical risks.

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MARKET VIEW ▶

THOUGHT OF THE WEEK ▶

MARKETS IN REVIEW ▶

Portfolio Considerations

The overall growth outlook remains largely unchanged for now, though a prolonged war could pressure discretionary spending through higher energy, commodity, and food prices. Despite recent volatility, U.S. Equities remain preferred given economic resilience and easing valuations. Fixed Income remains constructive but underweighted to support an Equity overweight, with neutral duration and expectations for range-bound yet potentially volatile yields amid sticky inflation, steady GDP growth, and upcoming Fed leadership changes.

Our sector positioning reflects reduced Utilities exposure after valuation-driven outperformance, continued confidence in resilient consumers, positive outlooks for Financials, and selective increases to Energy.

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From Balance to Strain Under an Energy Shock, and Back

Chief Investment Office, *Macro Strategy Team*

Incoming economic data have continued to indicate that the U.S. economy entered the Iran-war energy shock with growth near potential, robust productivity, tepid labor demand, and inflation between 2.4% and 3%. Sustained high energy prices risk disrupting this fragile equilibrium, with greater risks to growth than inflation, in our view.

First, while layoffs have remained low and March saw a stronger-than-expected net gain of 178,000 jobs, hiring was boosted by temporary factors, according to the Bureau of Labor Statistics. Also, employment has barely increased year to year, and it shrank outside healthcare. The decline in the unemployment rate to 4.3% has been driven by a contraction in the labor force. Consistent with cooling demand for labor, average hourly earnings growth has eased to around 3.5% year-over-year (YoY). Anecdotal recruiter data suggest that a higher share of job switchers have been accepting lower or similar pay,¹ depressing the quits rate and suggesting sustained downward pressure on wage growth (Exhibit 1A).

Business surveys tell a similar story. Small business job openings remained at moderate levels, but plans to increase compensation cooled in March,² suggesting stable but subdued labor demand with limited risk of a wage-price spiral. While the Institute for Supply Management (ISM) manufacturing and nonmanufacturing surveys stayed in growth territory in March, both remain consistent with weak employment growth for the foreseeable future (Exhibit 1B), likely containing wages and real consumer spending growth.

Business investment remains a relatively bright spot. Banks report rising demand for commercial and industrial loans from large and medium firms,³ and February capital goods orders and shipments signal solid investment momentum into 2026. Supported by strong AI-related investment, real equipment investment is seen growing at a solid 10% annualized pace in Q1, with OBBBA incentives likely providing further support. That said, a large part of AI-related equipment is imported, offsetting part of its contribution to domestic growth. Indeed, the ISM manufacturing new orders index is far from booming (Exhibit 1C).

Iran war-related global supply disruptions, geopolitical uncertainty and softening consumer purchasing power are also likely to temper momentum. Reflecting both higher inflation and fiscal constraints in an already high government-debt environment, government bond yields also rose around the world, adding to the drag on global economic activity. In addition, U.S. housing continues to struggle under the weight of higher mortgage rates and poor affordability, and domestic oil-related investment is unlikely to provide meaningful immediate support. According to the EIA,⁴ U.S. oil supply is seen plateauing through 2030 at prices below \$80 per barrel, reflecting depletion of easily accessible reserves and limited investment absent sustained higher prices.

The scale and persistence of the energy price shock are therefore critical to growth prospects. Brent crude increased by roughly \$50 per barrel during Q1, pushing gasoline prices up sharply from about \$3 per gallon. Higher energy prices act as a tax on consumers, and with gasoline expenditures roughly around \$400 billion in 2025, a sustained 30% increase to \$4.0 per gallon would redirect about \$120 billion from other spending in 2026, reducing real consumer spending growth by about 0.5 percentage points with additional negative effects from higher airplane tickets, food prices, and so on.

Investment Implications

Portfolios positioned for softer but continued growth supported by eventual rate cuts, rather than sustained inflation and recession, are likely to benefit. Diversification along with an emphasis on earnings resilience and sectors tied to real investment also make sense at this point in the cycle. Slower growth and contained longer term inflation favor duration once the energy shock fades.

¹ Wall Street Journal, March 18, 2026.

² National Federation of Independent Business.

³ Federal Reserve, Senior Loan Officer Opinion Survey, Q1 2026.

⁴ Energy Information Administration April Short-term Energy Outlook and Annual Energy Outlook 2026.

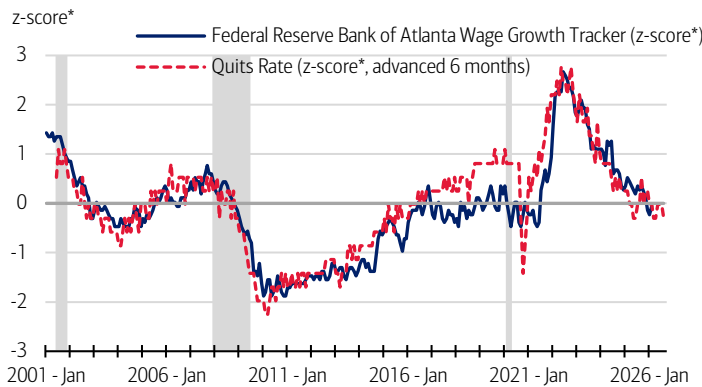
Fiscal support from OBBBA, along with continued strength in AI-related capital spending, provides a helpful offset. However, according to Oxford Economics, the OBBBA consumer stimulus—estimated at about \$130 billion for 2026, including the 2025 tax refund—is skewed toward higher-income households with a lower propensity to spend, limiting its economic growth impulse. According to EvercoreISI, even a \$3.85 average gasoline price for 2026 would wipe out the OBBBA stimulus for 80% of households. The net impact will depend on the ultimate 2026 oil price average (Exhibit 1D), with stimulus still available at \$85 to \$95 per barrel.

All in all, shielded by domestic oil production, fiscal support and strong AI-related investment, the most likely U.S. outcome is slower, but still positive, growth alongside higher near-term inflation. Each \$10 increase in oil prices is estimated to add roughly 0.2 percentage points to headline inflation, implying a potential one-time rise in the consumer price index from roughly 2.5% toward 4%. For now, real GDP growth is still expected to stay around 2% in 2026, though much softer compared to a previously anticipated gain of about 2.8%.

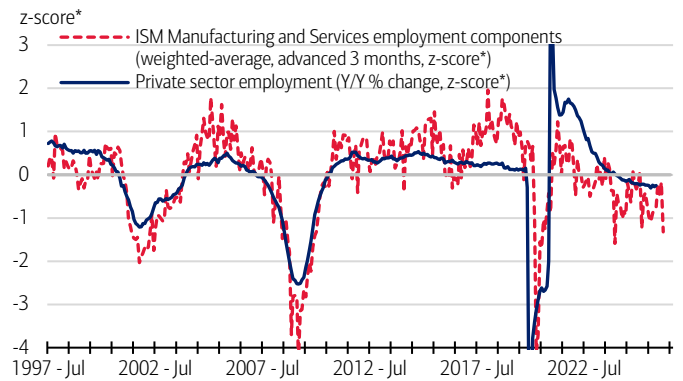
Soft hiring, moderate labor income growth, easing rent inflation, anchored longer-term inflation expectations, and declining consumer demand for credit⁵ suggest “core” inflation should remain relatively contained, however. We expect “core” personal consumption expenditures inflation to average somewhere between 2.5% and 2.7% in 2026, versus roughly 2.3% absent the energy shock. With growth risks likely to dominate, the Fed is likely to shift its focus back toward supporting the economy, in our view.

Exhibit 1: Unless Oil Prices Stay Over \$120 Per Barrel, Economic Conditions Are Likely To Stay “Not Too Hot, Not Too Cold” in 2026.

A) Quits rate consistent with moderate wage growth.



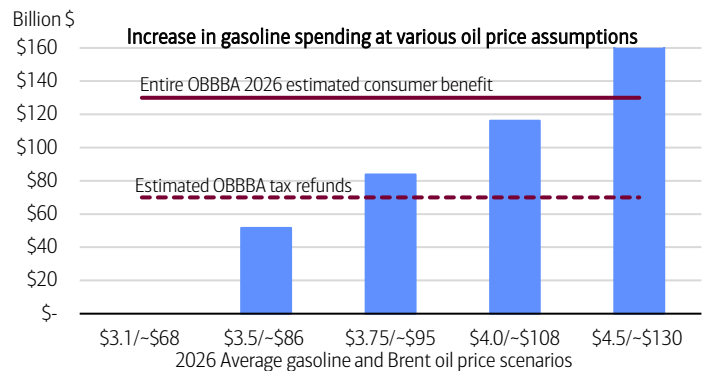
B) ISM employment index still inconsistent with labor demand strength.



C) Manufacturing ISM new orders index sharply better this year, but not booming yet.



D) Oil over \$120 per barrel would wipe out entire OBBBA stimulus. At \$85, stimulus still available.



*z-score=number of standard deviations from the mean of a data set. Gray bars represent recessionary periods. Exhibit 1A) Sources: Federal Reserve; Bureau of Labor Statistics/Haver Analytics. Data as of April 8, 2026. Exhibit 1B) Sources: ISM; Bureau of Labor Statistics/Haver Analytics. Data as of April 6, 2026. Exhibit 1C) Sources: ISM/Haver Analytics. Data as of April 6, 2026. Exhibit 1D) Source: Chief Investment Office. Data as of April 6, 2026. Past performance is no guarantee of future results. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

⁵ Federal Reserve, Senior Loan Officer Opinion Survey, Q1 2026.

Thinking Long-Term: Historical Perspective on Market Volatility

Kirsten Cabacungan, *Vice President and Investment Strategist*

There is no shortage of unanswered questions facing markets today: how durable a ceasefire in the Middle East may prove; whether diplomacy can bring the war to an end or whether further military escalation lies ahead; where oil prices will ultimately settle; how the Fed will navigate its dual mandate amid a softening labor market and elevated inflation risks; whether prolonged geopolitical instability could impact AI-related investment spending; and how the upcoming midterm elections will unfold. Navigating markets in an environment defined by heightened uncertainty can be challenging. But a narrow focus on what could go wrong may leave investors at risk of missing the upside if things go right as well as the longer-term potential opportunities that periods of volatility may create.

Equity markets have weathered geopolitical events before—from military conflicts and energy shocks to terrorism and global health crises. In most cases, these shocks arrived unexpectedly and felt deeply disruptive at the time, triggering an initial spike in volatility and a pullback in risk assets as uncertainty rose and as headlines overshadowed fundamentals. Yet history shows that these periods tended to be transitory. **Across major geopolitical events since 1962, the S&P 500 historically experienced more mixed performance in the short term, but it averaged gains of 6.6% and 9.5% over the subsequent six- and 12-month periods, respectively.**⁶

Because markets are forward-looking, recoveries have often begun as uncertainty reaches its peak rather than once clarity fully emerges. Measures of market volatility help illustrate this pattern. The Volatility Index (VIX), which reflects expected future volatility in the S&P 500, has typically spiked during periods of heightened fear and market stress. Historically, these spikes have often occurred near market inflection points and have been followed by improved Equity performance over subsequent months.

For example, following periods in which the VIX recorded a weekly close above 30, well above its long-term average near 19, the S&P 500 delivered average forward 12-month gains of approximately 22.4%, compared with roughly 8.9% following all other weekly close levels.⁷ At these moments, investors tend to start pricing in a broader range of outcomes beyond worst case scenarios, often in conjunction with supportive developments such as policy responses or evidence of corporate and macroeconomic resilience.

Importantly, this dynamic has not required risks to be fully resolved. Equity markets have often turned higher even while uncertainty persists. In fact, equity market bottoms have frequently occurred well before geopolitical conflicts reached a clear resolution. **Across the major wars since 1900, the S&P 500 has historically bottomed within the first 10% of a conflict's duration on a median basis, according to Fundstrat Research.**

Recent market history offers examples of how this dynamic has played out in real time.

In 2020, uncertainty surrounding global growth, public health outcomes and financial stability during the Covid-19 pandemic triggered a sharp bear market in the S&P 500 over the span of a little more than a month. Yet equity markets began to recover well before the economic outlook improved, supported by an aggressive and coordinated monetary and fiscal policy response. By late summer, markets had fully retraced their losses well ahead of widespread vaccine distribution and a full economic reopening. A similar pattern emerged in April 2025, when equity markets sold off following the administration's announcement of sweeping tariff measures that unsettled global trade policy. As it became clearer in subsequent weeks that negotiations and policy adjustments were possible, uncertainty began to ease and markets rebounded. In

Investment Implications

Although volatility is likely to remain elevated in the near term, our positive medium- and long-term outlook for economic fundamentals and corporate profits continues to underpin our overweight position in Equities and slight underweight in Fixed Income within multi-asset portfolios. Investors should maintain the highest level of diversification in this environment, spreading exposure across various styles, regions, sizes, and sectors.

⁶ Chief Investment Office, "Investment Insights: Market Update." Published March 1, 2026. Source: Bloomberg. Data as of January 26, 2026.

⁷ Bloomberg. Reflects VIX weekly close levels since January 5, 1990 to April 3, 2026.

both episodes, markets began recovering not when uncertainty disappeared, but when expectations began to shift at the margin.

These episodes also illustrate another critical feature of market drawdowns: Once recoveries began, they have historically unfolded far more quickly than many investors expected. **Since 1950, the average market correction—a 10% to 20% decline that did not evolve into a bear market—has unfolded relatively quickly, with the average drawdown lasting approximately three to four months and the median closer to two to three months. Recoveries have also tended to materialize within months of these troughs, with the S&P 500 returning to its prior peak roughly four months after reaching a correction low on both an average and median basis.**⁸

More importantly, forward returns following these episodes have historically been strong and consistent. **The S&P 500 was higher 100% of the time over the subsequent three-, six-, and 12-month periods following correction troughs, with average gains of 14.6%, 21.4%, and 26.1%, respectively, and median gains of 14.7%, 22.8%, and 29.3%, respectively.**

The pace of these recoveries is one reason why timing markets can be so challenging. While turning points appear clear in hindsight, periods of peak uncertainty can give way to improving fundamentals with little warning. And even more, some of the market's best days have historically tended to follow closely after its worst.

In both the 2020 and 2025 episodes, some of the S&P 500's strongest daily gains of the year occurred shortly after the market experienced its steepest declines. The cost of missing those rebounds can be significant. **For example, excluding just the 10 best-performing days would have resulted in a full-year decline of roughly 34% in 2020 and 12% in 2025, compared with positive full year returns of approximately 16% in both periods.** These patterns reinforce why maintaining discipline through periods of uncertainty has historically mattered more than attempting to time market inflection points.

While market stress can dominate investor attention in real time, history suggests it has rarely defined long term outcomes. When viewed through a longer-term lens, short-term volatility has consistently faded into the background of a durable upward trajectory for equity markets. As the investment horizon extends, the influence of short-term volatility has historically diminished. **Over every 15- and 20-year rolling period using monthly data since 1950, the S&P 500 has delivered positive annualized returns, compared with positive outcomes only about 80% of the time over rolling one year periods.**⁹

The bottom line: Thinking longer term does not mean ignoring near-term risks, rather it can help to contextualize periods of elevated uncertainty. Volatility may persist in the near term, particularly given that the second quarter of midterm election years tend to be more volatile. At the same time, the broader fundamental backdrop has not materially changed. Earnings expectations continue to rise, AI-related capital spending remains intact, and fiscal stimulus from the OBBBA is helping to cushion consumers in the near term. Taken together, the setup ahead remains constructive, particularly as political uncertainty begins to fade following midterm elections, in our view. **Historically, the S&P 500 has not declined in the 12 months following a midterm election dating back to 1938, according to Strategas Research.**

In this environment, the core principles of long-term investing become even more important. We continue to emphasize maintaining diversified portfolios, staying the course through market volatility, rebalancing thoughtfully during periods of market strength and weakness, avoiding attempts to time market inflection points, extending time horizons, and remaining anchored to a disciplined investment process.

⁸ S&P 500 corrections are defined as peak-to-trough price declines of roughly 10–20% that did not develop into full bear markets. Source: Bloomberg, Yardeni Research. Data as of March 31, 2026.

⁹ Sources: Bloomberg. Data as of March 31, 2026.

Earnings Season Amid a Fragile Truce

Lauren Sanfilippo, *Director and Senior Investment Strategist*

The market reaction following the two-week U.S.–Iran ceasefire agreement has oscillated between caution and euphoria. The push-pull of headlines should continue to drive markets with significant hurdles to overcome before reaching a diplomatic solution.

Perhaps surprisingly, all along earnings expectations have weathered the storm. Despite concerns that an energy price shock could weigh on growth and consumer demand and therefore corporate earnings, one year forward S&P 500 EPS estimates have actually risen since the start of the war and now sit at all-time highs (Exhibit 2A). This runs counter to the price action of the 8.7% peak-to-trough decline for the index, that has gone on to regain 7.5%. It’s also a departure from past energy shock episodes that may have led to a recession. Six weeks on, analysts were slow to materially mark down forecasts, with roughly half of estimates remaining unchanged. The marked-up industries have been the beneficiaries like energy, refiners and chemicals, while airlines and travel adjacent industries have seen downgrades.

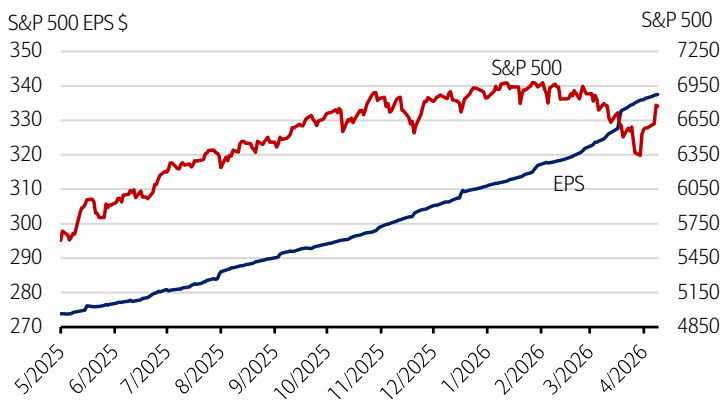
As for the consumer buckling under an energy shock, remember this: The domestic energy apparatus is far better equipped to absorb price shocks now, and consumers are less sensitive to higher fuel costs than in prior decades. Energy accounted for just 3.6% of consumer spending in February 2026, down from nearly 6% in the early 1990s, leaving households better positioned to withstand the \$1 per gallon rise in prices at the pump since the start of the war.

The confluence of tax refund season is also helping to cushion the shock. Now past its midpoint, the Treasury has already issued roughly \$234 billion in cumulative refunds—exceeding last year’s full season total of \$225 billion (Exhibit 2B). March refunds rose 14% YoY, helping offset rising fuel costs for the time being.

This week, heading into the Q1 earnings season, consensus still expects 12% year over year S&P 500 EPS growth, marking a sixth consecutive quarter of double-digit gains. Earnings remain relatively insensitive to oil prices in isolation; the larger risk would be a sustained disruption that materially undermines economic growth. Notably, manufacturing momentum has improved, with the ISM at its highest level since August 2022—a development that should support a continued broadening of growth and earnings participation across sectors.

Exhibit 2: War Adjustment to Earnings and the Index and Individual Tax Refunds Coming in Hot.

A) Multiple Contraction Behind S&P 500 Decline.



B) Tax Refunds Running Ahead of Last Season.

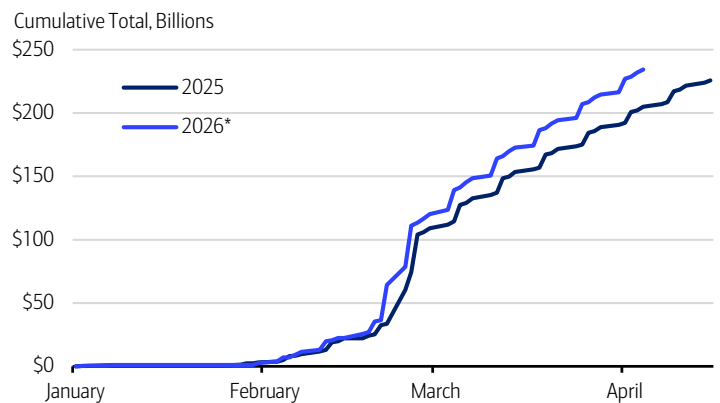


Exhibit 2A) One-year forward S&P 500 EPS estimates. Source: Bloomberg. Data as of April 9, 2026. Exhibit 2B) *Estimate. Source: U.S. Treasury. Data as of April 8, 2026. Past performance is no guarantee of future results. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

Investment Implications

The recent pullback has generally improved valuations. With earnings estimates intact, energy price sensitivity lower than in past cycles, and manufacturing momentum improving, investors should consider rebalancing tactical exposures in the coming months of what is still a midterm election year.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	47,916.57	3.1	3.5	0.2
NASDAQ	22,902.89	4.7	6.1	-1.3
S&P 500	6,816.89	3.6	4.5	-0.1
S&P 400 Mid Cap	3,522.63	3.4	4.4	7.0
Russell 2000	2,630.59	4.0	5.4	6.3
MSCI World	4,473.96	3.7	5.1	1.4
MSCI EAFE	3,045.95	4.4	7.4	6.1
MSCI Emerging Markets	1,547.49	7.4	10.9	10.7

Fixed Income[†]

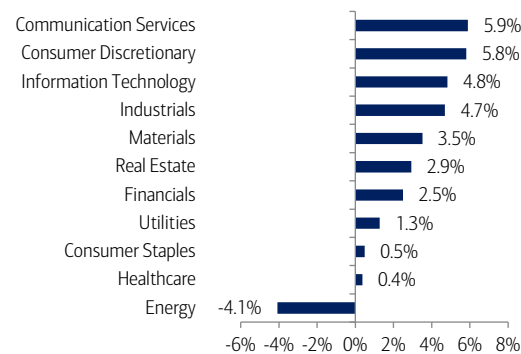
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.46	0.32	0.32	0.11
Agencies	4.20	0.22	0.13	0.36
Municipals	3.62	0.82	1.14	0.97
U.S. Investment-Grade Credit	4.54	0.33	0.33	0.29
International	5.07	0.46	0.65	0.11
High Yield	6.98	0.90	1.31	0.80
90 Day Yield	3.67	3.69	3.67	3.63
2 Year Yield	3.80	3.80	3.79	3.47
10 Year Yield	4.32	4.30	4.32	4.17
30 Year Yield	4.91	4.88	4.91	4.84

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities	336.14	-3.6	-2.2	21.7
Bloomberg Commodity	96.57	-13.4	-4.7	68.2
WTI Crude \$/Barrel ^{††}	4749.75	1.6	1.8	10.0

Currencies	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2025 Year End
EUR/USD	1.17	1.15	1.16	1.17
USD/JPY	159.27	159.67	158.72	156.71
USD/CNH	6.83	6.89	6.89	6.98

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 04/03/2026 to 04/10/2026. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 4/10/2026 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 4/10/2026)

	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E	2027E
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
CPI inflation (% y/y)	2.7	4.1	3.7	3.6	3.5	2.4
Core CPI inflation (% y/y ^{**})	2.6	2.9	2.8	2.9	2.8	2.6
Unemployment rate (%)	4.4	4.5	4.5	4.4	4.4	4.3
Fed funds rate, end period (%)	3.63	3.63	3.38	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 10, 2026.

Sources: BofA Global Research; GWIM ISC as of April 10, 2026.

Asset Class Weightings (as of 4/7/2026)

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			

* 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 April 7, 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

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

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..

Institute for Supply Management Employment Index is a component of the Manufacturing Purchasing Managers Index and reflects employment changes from industrial companies.

Institute for Supply Management Manufacturing New Orders Index shows the number of new orders from customers of manufacturing firms reported by survey respondents compared to the previous month.

Consumer Price Index is a key economic indicator that measures the average change over time in prices paid by urban consumers for a representative "basket" of goods and services, such as food, housing, and transportation.

Volatility Index (VIX) is the ticker symbol that measures the market's expectation of 30-day volatility for the S&P 500.

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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.

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