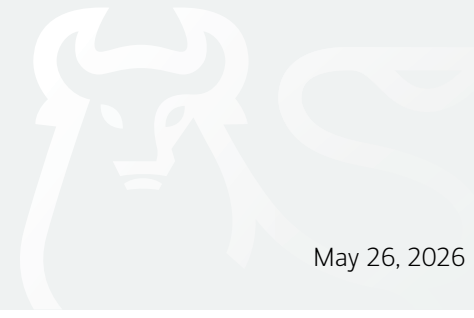


Capital Market Outlook



May 26, 2026

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

IN THIS ISSUE

Macro Strategy—The Markets Versus the Experts: The conventional wisdom about the implications of the Iran war for energy prices and the economy is at odds with the performance of markets that continue to send a message of stronger growth, low long-term inflation and solid corporate earnings rather than the 1970's style stagflation message of the pundits. In short, the equity market, which has reached the beginning-of-the-year consensus for the 2026 year-end S&P 500 Index target of about 7500 more than six months ahead of schedule, seems to see something quite different from the doomsters. Bullish strategists have raised their year-end targets into the 8000-plus area as a result. Likewise, global bond yields have jumped, not because of a rising inflation outlook as some believe, but rather because a stronger global economy driven by a surge in global investment spending implies more robust demand for credit to fund the more productive economy of the future. Real interest rates are rising as accelerating borrowing demand puts more pressure on long-term funding costs. Private sector borrowing, which languished after the 2008/2009 Great Financial Crisis (GFC), is taking off in the "Roaring 20's." Long-term inflation expectations remain well-anchored despite the energy-induced spike in short-term expectations. A successful end to the Iran war could eventually push oil prices even lower than their pre-war levels and along with rising productivity impart a massive disinflationary shock to the global economy.

Market View—Rethinking the Emerging Markets as an Asset Class: It is time to rethink the Emerging Market (EM) moniker since we believe the broad-brush label created back in the 1980s is too diverse, fragmented, geopolitically divided and concentrated to function as a coherent investment category in today's world. Originally, EMs promised exposure to younger populations, rising middle classes, accelerating industrialization and faster growth relative to aging developed markets, coupled with the assumption that these nations would move toward greater convergence with developed nations. Today, however, things are different. We still look favorably on the asset class, but we continue to urge investors to be discerning about exposure to EMs. First, "EMs" hardly represent a homogeneous group. Second, globalization once lifted most EM boats, but geopolitical alignment in today's world matters as much as traditional macroeconomic variables. Third, returns remain highly dependent on U.S. dollar swings. Fourth, the assumption that EMs would converge with developed nations has not panned out. Finally, owing to Artificial Intelligence (AI) exposure, the MSCI EM Index is more concentrated than ever. We maintain our tactically overweight stance on EMs, but all the nuances above reinforce our preference for an active¹ approach to the asset class in portfolios.

Thought of the Week— The Drive to "5": \$5 Gasoline, 5% Inflation, 5% 10-Year: Pushing higher are gasoline prices, inflation and Treasury yields. Gasoline prices have surged more than 50% since the start of the Iran war, pushing past \$4.50 per gallon and significantly increasing the cumulative cost to consumers. This has contributed to headline consumer inflation rising from 2.4% year-over-year (YoY) in February to 3.8% by April, alongside a 6% YoY jump in producer inflation, signaling inflation pressures in the pipeline. At the same time, the 10-year yield surged to 4.67% last week, its highest since January 2025, as the 30-year yield hit 5.18%, its highest level since July 2007. The pace of these moves risk pressuring Equities and may limit the Federal Reserve's (Fed) ability to ease while reinforcing the need for more balanced portfolio positioning amid shifting macro-outcomes.

¹ Active management seeks to outperform benchmarks through active investment decisions such as asset allocation and investment selection.

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Portfolio Considerations

Equities remain supported by resilient fundamentals despite elevated geopolitical, energy, and policy uncertainty. Strong earnings momentum, fiscal stimulus, and rising productivity continue to underpin the growth outlook. We expect the supply-driven economic cycle to extend this period of transformation and support asset price reflation.

We maintain an Equity overweight, led by U.S. Equities, supported by robust earnings, improving market breadth, and sustained AI-related capital investment. We continue to expect double-digit S&P 500 earnings growth in 2026 and view episodic volatility as a potential buying opportunity.

We remain constructive on Fixed Income but underweight it to fund Equities, maintaining neutral duration amid expectations for range-bound yields as inflation stays sticky and gross domestic product (GDP) growth remains near or above 2%.

The Markets Versus the Experts

Chief Investment Office, Macro Strategy Team

An excellent interview with four prominent analysts in the May 18 edition of Barron's² starts with three of the experts agreeing with the first question posed by the interviewer:

"Do you agree that the oil price is a broken barometer and the market is irrational?" The fourth panelist, who is more of a generalist investor rather than an energy expert, poses a follow-up question: "Don't we have to ask ourselves why these signals aren't materializing?" He goes on to say: "It's usually wrong to stand in your ivory tower shouting out the window that a broad swath of people is mistaken. In my 30 years' experience in markets...that's been a dangerous tactic." That experience illustrates a fundamental principle:

- When the market disagrees with the experts, the market often sees a fundamental truth that the experts are missing.
- Are current oil prices irrational, or are they telling us a different story that the experts don't see?

Energy experts have been baffled by the disconnect between their dire view of the energy shock's consequences and the fact that the energy futures market has remained relatively calm, with prices eventually moving closer to their pre-war levels rather than the catastrophic surges they are warning about.

Since oil prices are the markets' main concern since the war began, this disconnect extends into the equity markets where generally positive performance seems to fly in the face of all the dire predictions coming from the experts concentrating on the energy shock. If the market is a better processor of information than the pundits, there must be some logical explanation for the disconnect that the experts are missing.

The New World Order and the Iran War. Part of the problem for the experts today is that they learned their analytical frameworks in the old-world order that has been eradicated by the political revolution in the U.S., a revolution that Eurasia Group analysts dubbed the number one risk for 2026. Among their top 10 risks for the year, most had to do with the radical change under way in the geopolitical framework the experts learned in their formative years. The blueprint for the new world order is succinctly summarized in the U.S. administration's November 2025 position paper that lays out the new "National Security Strategy of the United States of America." The elements of this new strategy are playing out in real time in the Iran War, yet many media and market analysts seem to be ignoring the connections. The markets on the other hand cannot afford to ignore them because real money is at stake.

Here are some of the obvious connections to the new U.S. strategy starting in the Western Hemisphere, where the new policies put particular focus. Prioritizing the Western Hemisphere because of its proximity as originally expressed in the Monroe Doctrine, the administration has moved to reduce China and Russia influence in the neighborhood, including Venezuela, Cuba and the Panama Canal for example. Venezuela is especially important because it has the largest oil reserves in the world and was a major exporter to China. Iran and Venezuela together account for about 30% of China's oil imports, and Sankey Research estimates China has been left about 5 million barrels per day (bpd), short if the Hormuz shutdown goes on indefinitely. U.S. emergence as the world's biggest energy producer and now exporter together with control over Venezuelan oil creates significant leverage to help counter China leverage as the dominant processor of rare earth minerals. Reducing Russia and China influence in South America is a valuable benefit that is relevant for the ultimate outcome of the Iran War which the market seems to understand better than the pundits in our view.

Even more relevant for the war's outcome are the changed dynamics in the middle east. Here as well, China, and Russia influence has been eroding with the diminishing power of their ally, Iran, which the new National Security Strategy dubs the "chief destabilizing force" in the Middle East. It's significant that neither Russia nor China has stepped up to stop the U.S. from eroding the power of their proxies in the Western Hemisphere or Iran.

Investment Implications

A better-than-expected outcome from the Iran War would have positive implications for global growth, corporate earnings, and risk assets in our view. Market signals suggest a better-than-expected outcome is more likely than the consensus expects.

² Barron's, "Beyond Hormuz", Avi Salzman, May 18, 2026.

This is another reason to expect a more positive outcome from the war than the experts are anticipating. The new national security strategy puts an emphasis on better relations with the Gulf Arab States as well as better relations between Israel and the Gulf States (Abraham Accords). Rather than intimidate the Gulf States the Iran attacks on Saudi and United Arab Emirates facilities appear to have strengthened their resolve to “take care” of the Iranian radicals. This is driving them closer to both the U.S. and Israel.

A May 16 Wall Street Journal³ article notes the change. “This war was a thresholding event in so many different ways.” It has caused what a former U.S. deputy assistant secretary of defense for the Middle East calls “a watershed moment in how Gulf air forces—specifically the Saudis and Emiratis, which have the most capable air forces of the Gulf countries, moved from using them in defensive ways to offensive ways.” Events of the past few years were already moving toward increased U.S. influence and reduced Russia and China influence in the region. Iran has been the primary actor pulling the strings for them. All of this suggests the view that the U.S. will “cut its losses” and leave a hostile Iran regime in place may be wrong despite the powerful short-term political incentives. A much bigger result would be an Iran friendly to its Gulf neighbors and the U.S. The result of a peaceful Middle East would be a golden age of economic development. The benefits would be global in scope in our view. The stars have aligned in a way that makes such an outcome a real possibility. The market in any event seems to be assigning a higher probability to a favorable outcome than the experts assuming a “cut your losses” scenario with the Islamic Revolutionary Guard Corps still hostile to the world.

Market Signals Consistent with a Favorable Outcome. The rise in long-term bond yields around the world has prompted concerns about stagflation, a term that dates to the 1970’s to describe the simultaneous rise of inflation and unemployment. In the U.S. half of the stagflation mix is missing. The labor market remains remarkably resilient. Unemployment claims are very low. Job growth has picked up with the manufacturing sector as factory output rose for the fourth straight month in April with early indications for May showing more of the same. In short, the unemployment rate has been steady at a historically low level and is inconsistent with stagflation.

The reason for a healthy labor market is not hard to find. Corporate profits posted a strong Q1 and are rising much faster than normal. According to BofA Global Research, the Global Earnings Revision Ratio rose in May led by a significant increase in the U.S. Earnings are the source of economic growth and the world economy is showing strong earnings increases. The rise in energy prices is hurting the profits of some companies and helping those of others, especially energy companies where a lot of recent upward revisions to earnings are. The relative outperformance of U.S. earnings revisions reflects U.S. energy independence and net exporter status, especially compared to economies that are net energy importers. Rather than a stagnating economy, higher energy prices have caused a remixing of strong profits in a cyclical upswing.

It’s typical as a cycle matures for the Fed to drop its easing bias and move to a more neutral stance as we are seeing.

Eventually a neutral posture gives way to a tightening bias as the economy overheats and labor costs pressure inflation higher. That’s not happening. The rebalancing of the labor market after the post-pandemic overheating has brought unit labor cost increases down to about 2% consistent with the Fed’s inflation target.

Rising productivity has contained labor costs keeping long-term inflation expectations well anchored and consistent with the Fed’s target despite the flare-up in energy prices which the futures market believes is temporary. In these circumstances it is doubtful that a Warsh-led Fed would raise rates anytime soon as some suggest. In fact, if a disinflation shock hits the world after the war ends, easing could even be back on the table. All things considered, a neutral stance seems logical for the time being.

In the meantime, the rise in rates to date seems like a normal cyclical rise as the market prices in a neutral Fed policy into longer-term rates that had been priced for some easing. It’s reassuring that the bulk of interest rate increases are in real rates reflecting a strong growth outlook as the investment boom raises long duration credit demand to finance the productivity enhancing technology of the future. Rates are essentially returning to pre-GFC levels, which are more consistent with stronger nominal GDP growth after the long subpar nominal regime of the zero-rate era.

³ Wall Street Journal, “The Gulf Powers Aim to Restore Balance”, Jared Maisin, Summer Said, and Shelby Holliday, May 16, 2026.

Rethinking the Emerging Markets as an Asset Class

Joseph P. Quinlan, *Managing Director and Head of CIO Market Strategy*
 Ariana Chiu, *Assistant Vice President, Investment Strategist*

It is time to rethink the EM moniker since we believe the broad-brush label created back in the 1980s is too diverse, too fragmented, too geopolitically divided and too concentrated to function as a coherent investment category in today’s world.

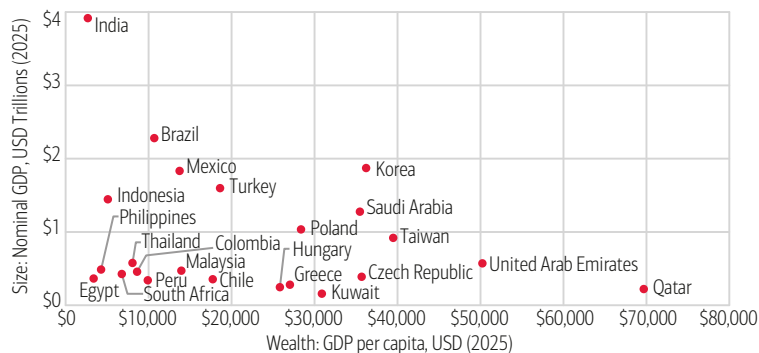
The original investment concept promised investors exposure to countries with younger populations, rising middle classes, increased urbanization, accelerating industrialization, and faster economic and earnings growth relative to aging developed markets. These common characteristics were coupled with the underlying assumption that these nations were all broadly moving in the same direction—towards greater convergence with the developed nations. Hence, as a distinct and diversified asset class from mature developed nations, EMs offered investors the potential for outsized returns relative to their developed peers. It was the ultimate diversification play.

Today, however, things are different. Yes, we still look favorably on the EM asset class; we are overweight EM. But that said, we have long urged investors to be more discerning and nuanced about exposure to EM for a variety of reasons.

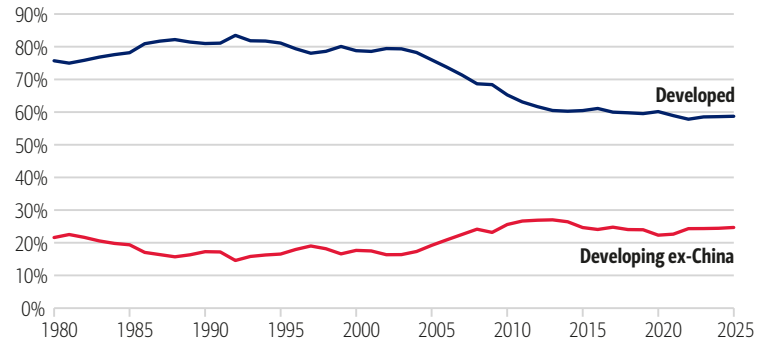
First, the term “emerging markets” hardly represents a homogeneous group. The constituents of this asset class are wide ranging and diverse, all operating under different political systems, possessing different demographic profiles, and different economic models (Exhibit 1A).

Exhibit 1: EMs Are Diverse and Haven’t Converged with the Developed World.

A) Wealth vs. Size: EMs Are Hardly Homogeneous.



B) Share of Global Nominal GDP



Source: International Monetary Fund. Data as of April 2026.

And virtually all of these economies are at different levels of development—China, for instance, is a state-led manufacturing superpower dependent on export growth, juxtaposed against India’s service-led democracy powered by domestic consumption and demographics much more favorable than China’s. Vietnam is a play on global supply chain diversification from China. Brazil and much of South America remains heavily tied to the global commodities cycle. What is the investment common denominator that links Colombia to the Czech Republic, or South Africa to Greece? There isn’t one.

Second, while trade liberalization and globalization in the 1990s represented a tide that lifted most EM boats—and supported the theme of economic convergence—today’s fraught world of geopolitics is forcing countries into different strategic camps (U.S. vs China), different supply-chain ecosystems, and different technological blocs. Today, investors increasingly need to understand which EMs are aligned with the U.S. or China, and the risks associated with this geopolitical choice. Geopolitical alignment matters as much as traditional macroeconomic variables.

Another consideration for investors is the U.S. dollar, given that benchmark indexes are based on the US currency. Returns on EM assets, in other words, are highly dependent on swings in the U.S. dollar, with 2025 EM returns a case: Nearly one-fifth of the MSCI EM index’s 34% total return last year was driven by a weaker U.S. dollar rather than investment fundamentals.

Portfolio Considerations

Our tactical overweight to EMs is caveated with a preference for an active approach because individual countries differ widely across fundamentals, geopolitical alignment, and index construction. Key areas of opportunity include technology leaders in Asia and commodity producers in Latin America. EM currencies also have room to appreciate against the dollar which should benefit EM returns this year.

A fourth reason for caution: The underlying premise of EM investing—that this cohort would converge with the incomes and development of the developed nations—has not panned out. Faster levels of economic growth were supposed to turbocharge EM returns relative to the developed nations but as Exhibit 1B highlights, the EM’s share of global GDP, ex. China, was just 24.7% in 2025, marginally higher than the 22.5% share back in 1981.

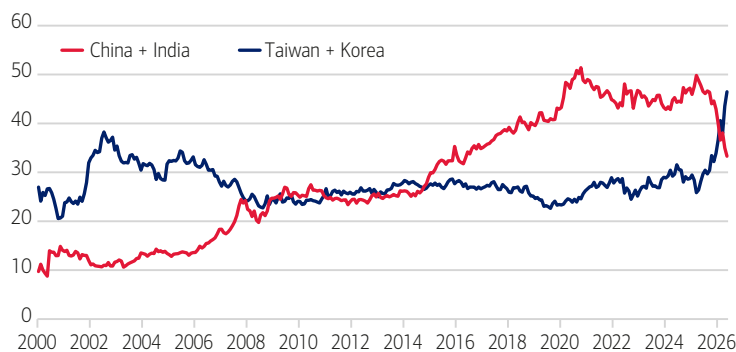
The central tenet of EM investing—that the future belonged to the EMs—went awry for two reasons: One, many developing nations failed to build strong political and economic institutions, reliable legal systems, productive capital markets and advanced innovation systems that all had the effect of depressing growth and development. And two, the developed world—notably the U.S.—never stood still. The original EM thesis was that the developed world would stagnate, while the developing nations would catch up. Hardly. Investors, in particular, underestimated the resilience of the U.S. and its strategic advantages in innovation, higher education, capital markets, energy production and entrepreneurship, to name a few strengths. Against this backdrop, it is hardly surprising that U.S. Equities have outperformed the MSCI EM index by 166% this century.

And finally, one more note for consideration: AI is eating the world—including the EMs. Owing to sky-high growth in just a handful of AI names, the MSCI EM Index is now more concentrated than ever. On a country level, Taiwan and Korea now account for a combined 46% of the index, outpacing China and India at a combined 33% after Taiwan surpassed China to become the largest country in the index (Exhibit 2A). Just three semiconductor stocks now make up 27% of the index, including Taiwan Semiconductor Manufacturing Company at 14%—that’s larger than India’s weight at 11%.

That’s another way of saying that, taken in aggregate, the EM universe has become increasingly leveraged and exposed to the AI trade. So much so that the Technology sector has a larger presence in the MSCI EM Index (40% weight) than the S&P 500 (37%). Of course, AI heavyweights in EM Asia are inextricably linked to AI heavyweights in the U.S., often relying on American companies for a significant share of revenues. Hence the dramatic rise in AI-related exports from Taiwan and Korea this year owing in part to insatiable demand from the U.S. (Exhibit 2B).

Exhibit 2: AI is Eating the EMs.

A) Weight in MSCI EM Index (%)



B) AI-Related Exports from Taiwan and Korea to the World, USD Billions, 3-month Annualized

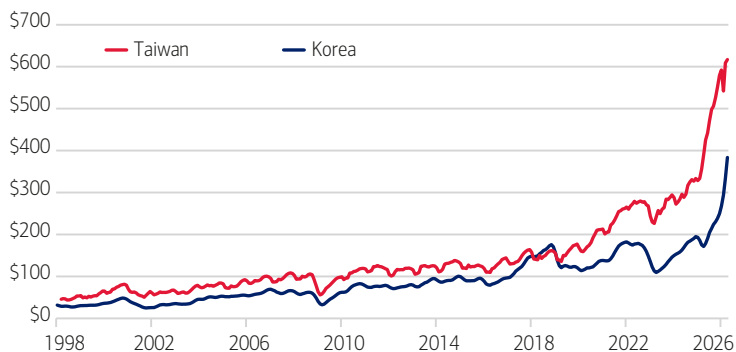


Exhibit 2A Source: FactSet. Data as of May 19, 2026. **Past performance is no guarantee of future results.** Please refer to index definitions at the end of this report. It is not possible to invest directly in an index. Exhibit 2B Sources: Taiwan Ministry of Finance, Korea Ministry of Trade, Industry and Resources, Haver Analytics. AI-related exports include household electronics, semiconductors, automatic data processing machines, telecommunications equipment, electrical machinery and parts. Data as of May 19, 2026.

The bottom line for investors: Now approaching 50 years since the EM label was born, it’s time for a rethink. Across fundamentals, geopolitical alignment, and sector exposures, every country in the asset class is different. Geopolitical risk and the rise of AI only exacerbate these differences, in our view. We continue to like technology leaders in Taiwan, South Korea, and China and are positive on the emerging China biotech sector. Commodity-exposed markets in Latin America are primed to benefit from the resource and metal-intensive global buildout of AI infrastructure, electrification and reshoring. Eventual de-escalation in Europe and the Middle East would provide a massive catalyst for reconstruction, aiding global cyclical and industrial players in Emerging Europe. Overall, we maintain our tactically overweight stance on EMs given AI tailwinds and strong fundamentals, but all the nuances above reinforce our preference for an active approach to the asset class in portfolios.

The Drive to "5": \$5 Gasoline, 5% Inflation, 5% 10-Year

Lauren J. Sanfilippo, *Director and Senior Investment Strategist*

The "5" level on gas prices, consumer inflation, and the 10-year isn't inconceivable with gasoline prices pushing beyond \$4.50 a gallon, a consumer price index (CPI) trending toward 4%, and the 10-year Treasury yield breaching 4.60%. Gone is the low-rate, low(er)-inflation pre-war backdrop. While none of these "5s" are what we'd consider our base case, they are rather high on our radar screen.

On the day the Iran war broke out, the national average for regular gasoline was \$2.98 a gallon and has surged to \$4.49 most recently, a rise of roughly 50% in under three months. National prices have plateaued around \$4.50 over the past few weeks, though Brent crude continues to trade up to a \$100 barrel. The total consumer cost resulting from the difference in the actual gas price compared to a no-war scenario is \$26.6 billion and growing. See Exhibit 3A for the pain at the pump. Brown University's Watson School of International and Public Affairs estimate a \$203 per household cost given higher gas prices.

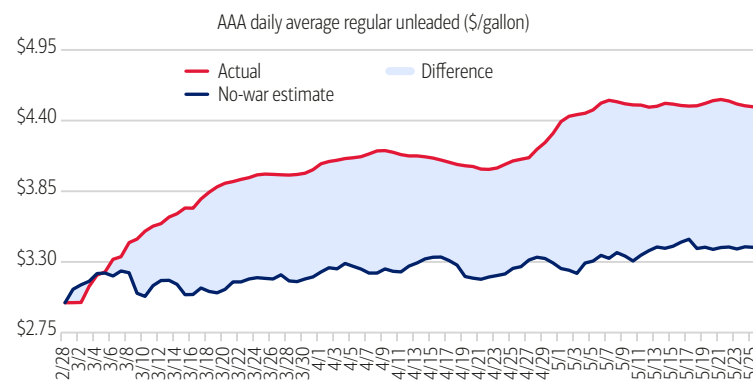
The gasoline price hike contributed to the spike in headline inflation from a closer-to-target 2.4% YoY in February to 3.8% in April. The producer price index measuring producer inflation clocked in at 6% YoY in April, a multiyear high. With the Strait of Hormuz still closed and crude oil prices still elevated, near-term upside inflation risks remain firmly intact. In sympathy, the U.S. 10-year Treasury yield has climbed 57 basis points from 4.03% at the start of the war through 4.50% as of late. (See Exhibit 3B for the trend in inflation and yields.) Long-end yields have already neared multi-decade highs. Notably, the most recent 30-year Treasury auction cleared at 5%, a level not seen since 2007.

Investment Implications

A key variable for the back half of the year is how high gas, inflation and yields will travel, with global central banks increasingly unsynchronized. For Equities, it's not just the level, but the speed of the adjustment in rates that matters. Equity markets have historically better tolerated more gradual increases in yields compared to sharper accelerations.

Exhibit 3: On the Up and Up-Gas prices, Inflation and Yields.

A) National Gas Prices



B) The "5s" in Focus.

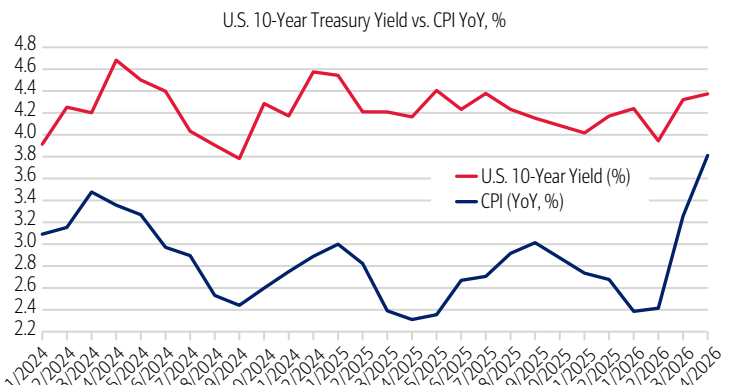


Exhibit 3A Source: The Watson School of International and Public Affairs at Brown. Data as of March 25, 2026. Area between two lines indicates consumer cost burden vs. no-war estimate. Exhibit 3B Source: Bloomberg. Monthly data as of May 2026. **Past performance is no guarantee of future results.**

Ultimately, the path of U.S. gasoline prices will be a key transmission channel into inflation, Fed expectations, and consumer spending. Inflation moving into a range of 4 to 5%, may limit the Fed's ability to cut rates this year. Consequently, BofA Global Research has pushed out its rate cut call to the back half of 2027. Above all else, and from an investment perspective, the drive to "5s" will stress test portfolios and underscores the need for more balanced Equity exposure amid shifting outcomes for the macro backdrop.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	50,579.70	2.2	2.0	5.9
NASDAQ	26,343.97	0.5	5.9	13.6
S&P 500	7,473.47	0.9	3.8	9.7
S&P 400 Mid Cap	3,673.41	1.8	1.0	11.7
Russell 2000	2,869.23	2.7	2.6	16.1
MSCI World	4,801.11	1.3	3.2	9.0
MSCI EAFE	3,086.86	2.2	2.0	8.2
MSCI Emerging Markets	1,686.05	1.1	5.5	20.8

Fixed Income[†]

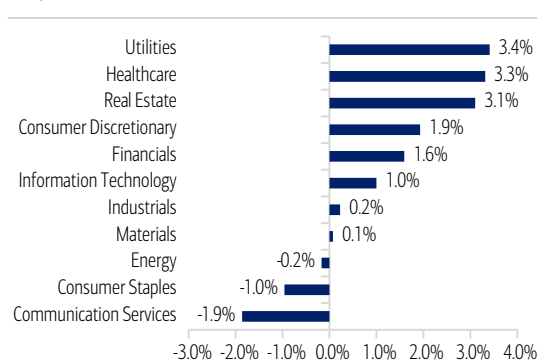
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.71	0.22	-0.51	-0.59
Agencies	4.45	0.06	-0.44	-0.06
Municipals	3.83	-0.28	-0.65	0.31
U.S. Investment-Grade Credit	4.79	0.26	-0.52	-0.45
International	5.26	0.31	-0.21	-0.29
High Yield	7.12	0.25	-0.06	1.13
90 Day Yield	3.66	3.66	3.66	3.63
2 Year Yield	4.12	4.07	3.87	3.47
10 Year Yield	4.56	4.59	4.37	4.17
30 Year Yield	5.06	5.12	4.97	4.84

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities	354.23	-1.5	-1.1	28.2
Bloomberg Commodity	96.60	-8.4	-8.1	68.2
WTI Crude \$/Barrel ^{††}	4509.4	-0.7	-2.3	4.4

	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2025 Year End
Currencies	1.16	1.16	1.17	1.17
EUR/USD	159.18	158.74	156.59	156.71
USD/JPY	6.80	6.81	6.83	6.98

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 05/18/2026 to 05/22/2026. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 05/22/2026 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 5/22/2026)

	Q1 2026A	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)	2.0	2.5	1.9	1.9	2.2	2.2
CPI inflation (% y/y)	2.7	4.3	4.2	3.9	3.8	2.3
Core CPI inflation (% y/y ^{**})	2.5	2.8	2.7	2.9	2.7	2.6
Unemployment rate (%)	4.3	4.3	4.3	4.3	4.3	4.2
Fed funds rate, end period (%)	3.63	3.63	3.63	3.63	3.63	3.13

The forecasts in the table above are the baseline 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. **Past performance is no guarantee of future results. 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 May 22, 2026.

Sources: BofA Global Research; GWIM ISC as of May 22, 2026.

Asset Class Weightings (as of 5/5/2026)

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 May 5, 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		
Industrials	•	•	•	•	•
Consumer Discretionary	•	•	•	•	•
Financials	•	•	•	•	•
Information Technology	•	•	•	•	•
Energy	•	•	•	•	•
Materials	•	•	•	•	•
Utilities	•	•	•	•	•
Healthcare	•	•	•	•	•
Communication Services	•	•	•	•	•
Real Estate	•	•	•	•	•
Consumer Staples	•	•	•	•	•

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.

Consumer Price Index is a statistical metric that measures the average change over time in the prices paid by urban consumers for a representative "market basket" of consumer goods and services.

MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries.

Producer Price Index is a family of economic metrics that measures the average change over time in the selling prices received by domestic producers for their output.

Important Disclosures

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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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