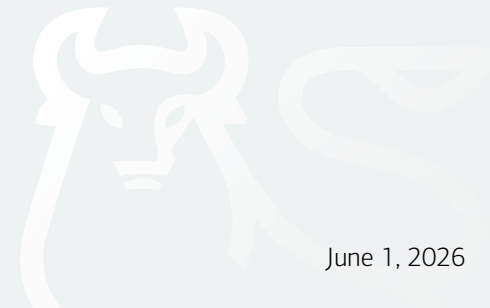


CHIEF INVESTMENT OFFICE

# Capital Market Outlook



June 1, 2026

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

## IN THIS ISSUE

**Macro Strategy—Higher Yields Tolerable, Not Recessionary:** Since the onset of the Hormuz-related oil shock in early March, analysts’ concerns about higher-than-expected inflation and Federal Reserve (Fed) policy rates have intensified. Yet, market pricing suggests relatively well-anchored long-term inflation expectations and stable interest-rate term premia. Long-term Treasury yields—key to equity valuations and private sector borrowing costs—have thus remained within the narrow range of the past three years. With risk appetite generally unfazed, markets don’t seem to see interest rates as a barrier to continued expansion and earnings growth. While current market pricing suggests yields are being driven primarily by stronger growth and productivity expectations, a shift toward term-premium-driven rate increases or a pick-up in long-term inflation expectations would create a less benign regime for risk assets.

**Market View—Stock–Bond Correlations Are Shifting: What It Means for Diversification:** The rising correlation between stocks and bonds has raised an important question for investors: Is traditional diversification still working? For much of the past two decades, the answer was largely yes. Stock and bond returns were consistently low to negative, with bonds reliably hedging equity market drawdowns. When stocks fell, bonds typically rallied, helping to cushion losses and smooth portfolio returns. More recently, however, that relationship has become less stable, with stocks and bonds at times moving in tandem. While both asset classes remain essential to diversified portfolios, the backdrop in which they operate has shifted, particularly as inflation uncertainty has become a more dominant macro force. The takeaway is that investors may want to consider taking a more dynamic approach to diversification ahead.

**Thought of the Week—Four Stats for Five Months:** Five months into 2026, markets have already packed in what feels like a full year’s worth of headlines. Through it all, the S&P 500 Index has been remarkably resilient. Four stats help tell the story: Five Artificial Intelligence (AI)-oriented stocks make up about half of the S&P 500’s year-to-date (YTD) return, six consecutive quarters of double-digit earnings growth for the S&P 500, 11 trading days for the S&P 500 to rebound from the brink of correction territory to reach a new record, and 19 new all-time highs posted by the S&P 500 this year. The numbers point to a market that has handled the noise in stride. Five months down, seven to go—stay the course.

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[THOUGHT OF THE WEEK ▶](#)

[MARKETS IN REVIEW ▶](#)

## 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 GDP growth remains near or above 2%.

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## Higher Yields Tolerable, Not Recessionary

### Chief Investment Office, Macro Strategy Team

The recent inflation flareup and rise in Treasury yields have reignited concerns about the durability of the expansion, debt sustainability and Equity prices. Yet, higher yields do not inherently imply weaker growth prospects and lower risk-asset prices—the broader context is more important. When rates rise alongside stronger growth, productivity and profits, Equity prices can continue to advance. Conversely, rates pushed higher by unanchored inflation expectations, prospects for materially tighter policy, or worsening fiscal dynamics are more likely to weigh on risk assets.

This distinction has been evident over the past six years and helps explain the perceived disconnect in recent market pricing. Indeed, U.S. equity markets have largely defied concerns over the U.S./Iran war, sharply higher energy prices, and “higher-for-longer” Fed policy rates, testing new highs. As discussed below, they appear to see rates as “higher but tolerable” rather than “higher and recessionary.” Here are some of the factors supporting this view:

- **The magnitude and reasons behind interest-rate moves matter.** Meaningful Equity drawdowns over the past three years have often been associated with sharp repricing due to upside inflation surprises and spikes in Treasury yield risk premia. This time around, stability in both the long-run term premium (Exhibit 1A) and inflation expectations have limited the equity market response. Despite the recent inflation flareup, long-term yields have remained broadly within the range established since 2023. The 10-year Treasury yield rose from roughly 4.0% at the onset of the conflict (near the bottom of the range) to a high of about 4.67% (near top of the range). While short-term yields have risen as markets repriced a “higher-for-longer” policy path in the wake of the U.S./Iran war, markets seem to view the current burst of inflation as transitory and a higher policy rate tolerable given stronger-than-expected growth.
- **Yield-curve shape still favorable for the growth outlook.** Although not particularly steep, it typically takes a much flatter or inverted yield curve to signal restrictive policy sufficient to materially weaken the growth and profits outlook.
- **Bonds lost relative appeal in a world of higher risks of inflation than growth.** Larger government deficits, resolved deleveraging pressures, a higher inflation environment, and increased supply-chain risks due to geopolitics create a regime of higher relative inflation risks than growth risks. With growth scares mainly arising from the inflation side, which is negative for bonds, Equity price drawdowns cannot be mitigated by bond buying as during the low-growth, low-inflation “secular stagnation” post-2008/2009 Global Financial Crisis period. Stocks and bonds thus decline at the same time, diminishing the diversification appeal of government bonds. In contrast to bonds, inflation pass-through and stronger growth prospects tied to AI further boost the relative growth potential and appeal of Equities, narrowing the equity risk premium and sustaining their valuations and returns.
- **Incoming data supportive.** Despite headwinds from the Iran oil shock to certain manufacturing areas, industrial production strongly surprised to the upside in April. As expected, AI-related investment (electronics, electrical equipment, infrastructure), fiscal support (business equipment, defense, aerospace), and wealth effects (increased motor-vehicle output) significantly contributed to expanding activity. These tailwinds, mixed with growing inventory restocking needs, cement the industrial sector growth path (Exhibit 1B)—a significant support for the growth and earnings outlook given the sector’s strong multiplier effects on the economy.

### Portfolio Considerations

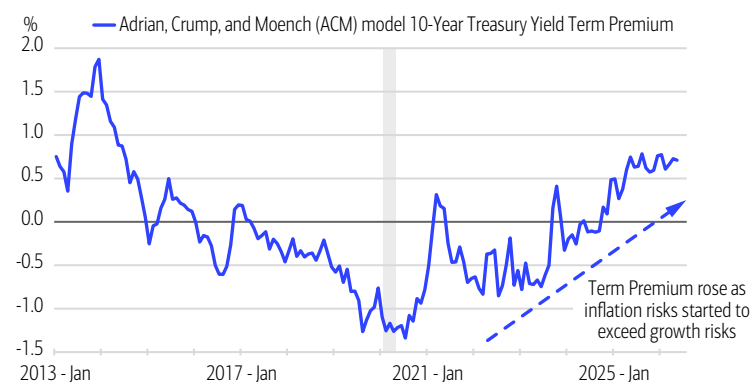
Markets signal a higher-growth, higher-real-rate environment. We continue to favor Equities, particularly in areas related to AI-led investment, wealth effects, and government support. Large deficits and reduced diversification benefits from sovereign debt securities argue for continued caution toward longer-duration government bonds.

- **Cross-asset signals constructive.** Market behavior is inconsistent with a classic inflation scare, aggressive Fed tightening, and related growth headwinds. Credit spreads remain tight, Equity volatility as measured by the Volatility Index (VIX) has retreated to below-average levels, and economically-sensitive sectors, such as Industrials and Technology, continue to outperform. Copper prices have strengthened, while defensive assets, such as gold, have lagged. If markets were driven by fiscal stress or concerns of overly restrictive Fed policy due to inflation worries, the opposite pattern would be expected to prevail.
- **Demand for risk assets underpinned by strong profits.** Earnings expectations—including for smaller-cap companies, which typically are highly sensitive to deteriorating growth prospects—have increased. AI-related investment, large fiscal deficits, strong wealth effects, and investment in energy, defense and reshoring are strongly boosting corporate cash flows and earnings. In turn, solid profits help sustain labor demand and business investment in a self-reinforcing economic expansion.
- **Rates and debt dynamics.** Large fiscal deficits have been an important source of support for corporate revenues and profits in an environment of heretofore soft business investment and uneven household wealth/income growth. Debt and deficits sustainability considerations therefore remain central to interest-rate dynamics, growth and profits. For now, however, as noted above, long-term Treasury yields remain contained, as inflation expectations are still anchored and embedded term premia remain stable, consistent with expectations for manageable inflation risks and fiscal sustainability pressures. Indeed, continued AI- and business-investment-led productivity growth around 2.0% to 2.5% would materially improve the long-run debt-to-gross domestic product trajectory compared with current projections, which are based on more conservative productivity assumptions.

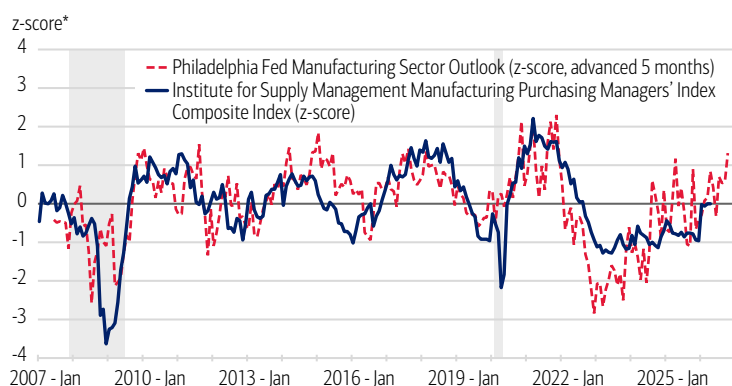
In sum, the U.S. macroeconomic backdrop remains resilient, with limited signs of broad overheating and untethered inflation. While inflation and interest rates warrant monitoring, markets continue to view the recent rise in yields as broadly benign—reflecting stronger-than-expected growth, improving productivity and solid earnings growth, rather than impending deterioration in growth prospects and ensuing financial instability. We continue to believe that absent an unanchoring of inflation expectations or a sharp rise in real yields unrelated to strengthening growth prospects, the expansion is likely to prove durable—a constructive backdrop for risk assets and investor sentiment.

### Exhibit 1: Market Pricing Consistent With Contained Inflation Expectations and Broadening Growth.

A) Stable bond risk premia over the past year inconsistent with unanchored inflation and destabilizing Fed tightening.



B) Manufacturing gaining steam, positive for growth and profits.



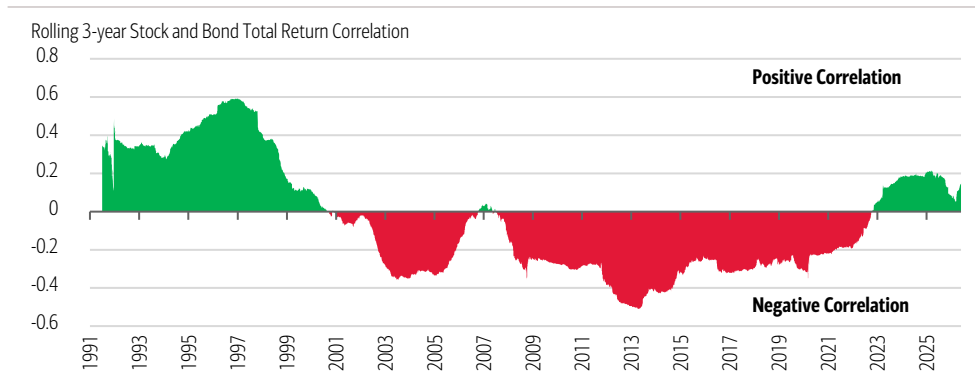
Gray bars represent recessionary periods. ACM provides an approach for extracting term premia from Treasury yields. In standard economic theory, yields on Treasury securities are composed of two components: expectations of the future path of short-term Treasury yields and the Treasury term premium. Exhibit 1A Sources: Federal Reserve Bank of New York/Haver Analytics. Data as of May 26, 2026. \*z-score is the number of standard deviations from the mean of a data set. Exhibit 1B Sources: Institute for Supply Management, Federal Reserve Bank of Philadelphia/Haver Analytics. Data as of May 27, 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.

## Stock–Bond Correlations Are Shifting: What It Means for Diversification

Kirsten Cabacungan, *Vice President and Investment Strategist*

The rising correlation between stocks and bonds has raised an important question for investors: *Is traditional diversification still working?* For much of the past two decades, the answer was largely yes. Stock and bond returns were consistently low to negative, with bonds reliably hedging equity market drawdowns. When stocks fell, bonds typically rallied, helping to cushion losses and smooth portfolio returns. More recently, however, that relationship has become less stable, with stocks and bonds at times moving in tandem (Exhibit 2). While both asset classes remain essential to diversified portfolios, the backdrop in which they operate has shifted, particularly as inflation uncertainty has become a more dominant macro force.

### Exhibit 2: Long-Term Correlations Reflect Shifting Macro Regimes.



Source: Stocks represented by the S&P 500 Total Return Index. Bonds represented by the Bloomberg U.S. Aggregate Bond Total Return Index. Bloomberg. Data as of May 27, 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.

The traditional 60/40 allocation framework, typically defined as 60% Equities and 40% Fixed Income, has long relied on this inverse relationship between stocks and bonds. By combining Equities for growth potential with Fixed Income for income and downside mitigation, the strategy has historically delivered resilient outcomes across market cycles. A 60/40 allocation has generated positive annual returns in 29 out of the last 36 years.<sup>1</sup>

The pandemic era, however, marked an inflection point. A surge in fiscal and monetary stimulus drove inflation to multidecade highs, prompting an aggressive Fed tightening cycle and a transition to a higher-rate environment. This period represented a clear departure from the prior regime of low and stable inflation and easy financial conditions to one defined by elevated inflation, policy uncertainty and tighter financial conditions. The consequences of this shift were most evident in 2022, when both stocks and bonds declined sharply, resulting in a roughly 16% drawdown for a 60/40 allocation,<sup>1</sup> its worst annual performance since 2008. Rather than offsetting Equity losses, rising rates weighed on both asset classes simultaneously, challenging the foundational assumption of the traditional 60/40 playbook.

Since then, higher yields have helped bonds regain some footing, contributing to a meaningful rebound in multi-asset portfolios. A 60/40 allocation<sup>1</sup> delivered strong returns in the subsequent years, up 18% in 2023, 16% in 2024, and 14% in 2025, 15% in 2024 and 14% in 2025, supported by improved income and some restoration of diversification benefits. For example, during last year’s tariff-driven Equity selloff, bonds provided stability, with the Bloomberg U.S. Aggregate Bond Index rising approximately 1%, while the S&P 500 declined roughly 18% from mid-February 2025 to early April 2025.

Importantly, although diversification benefits have returned, correlations have remained more variable than in the prior cycle. More recently, renewed inflation concerns amid the U.S.-Iran

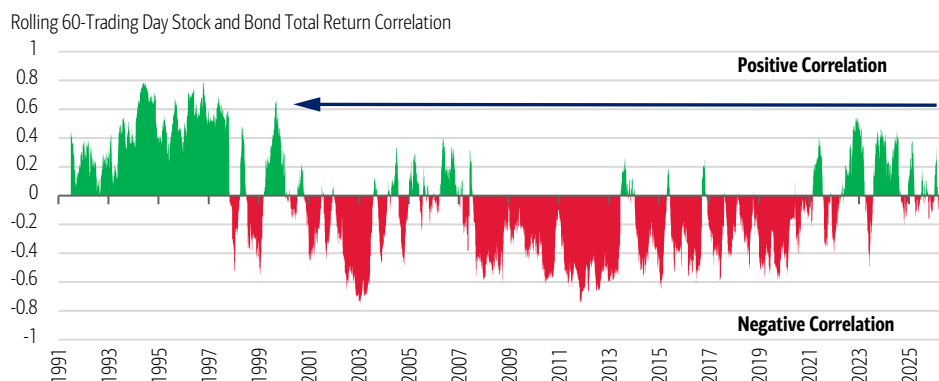
### Portfolio Considerations

We continue to emphasize the highest level of diversification within multi-asset portfolios, with an overweight bias to Equities given our expectation for strong earnings growth for 2026. We remain constructive on Fixed Income overall and continue to favor a significant allocation to bonds in a well-diversified portfolio. Investors may consider enhancing diversification by incorporating inflation-sensitive assets, Alternative Investments, for qualified investors, as well as ensuring broadening exposure across equity sectors, styles and geographies.

<sup>1</sup> Source: Chief Investment Office calculations. A 60/40 allocation assumes a 60% allocation to the S&P 500 Total Return Index and 40% to the Bloomberg U.S. Aggregate Bond Total Return Index, rebalanced annually. Data reflects the period from 1990-2025. **For informational purposes only.** Indexes are not managed and do not take into account fees or expenses.

war supply shock and uncertainty around Fed policy have once again pressured both asset classes, pushing short-term stock–bond correlations sharply higher to their most extreme levels since 1999 (Exhibit 3).

### Exhibit 3: Short-Term Correlations Hit Most Positive Level since 1999.



Source: Stocks represented by the S&P 500 Total Return Index. Bonds represented by the Bloomberg U.S. Aggregate Bond Total Return Index. Bloomberg. Data as of May 27, 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.

Rising real interest rates have likely also played a role, increasing the sensitivity of both stocks and bonds to changes in interest rates. Part of the recent increase in real rates likely reflects a more constructive long-term growth outlook, supported by expectations that AI-driven productivity gains could lift equilibrium growth—and with it, the neutral rate.

Taken together, these developments underscore just how dependent the relationship between stocks and bonds is on the macroeconomic environment, particularly the balance between inflation and growth. In low-and-stable-inflation environments, stock-bond correlations tend to be low or negative as growth concerns dominate, driving stocks lower while bonds benefit from falling rates as the Fed cuts rates. In contrast, correlations tend to turn positive in inflationary or stagflationary environments, where inflation concerns dominate growth. That environment creates a more constrained policy backdrop, where the Fed has less ability to respond aggressively to slowing growth because of rising prices. In other words, stocks and bonds could decline simultaneously, limiting the ability of the portfolio to cushion downside risk.

The takeaway is not that diversification has broken down but that it has become more regime-dependent—reinforcing the need to adapt, not abandon, the 60/40 framework. It remains a strong foundation for balanced portfolios, particularly for investors seeking a mix of growth and stability. Bonds continue to play a critical role, providing income and diversification during growth-driven downturns. Importantly, current nominal and real yields, near the higher end of their range since 2008, have improved the overall return outlook for Fixed Income, reinforcing its value within a portfolio.

What has changed, however, is that investors may want to consider taking a more dynamic approach to diversification—one that incorporates a broader set of exposures with different macro sensitivities. Additional diversifiers may include inflation-sensitive assets such as real assets, including commodities, infrastructure and real estate, as well as accessing private markets through alternative investment strategies for qualified investors. It also means being more deliberate within Equities. As market leadership has narrowed with the rise of AI, concentration risk has increased. The top 10 stocks in the S&P 500 now account for roughly 39% of total market capitalization, up from 23% at the start of 2020, underscoring the importance of diversification across sectors, styles and exposures.

The upshot is that periods of volatility and shifting asset relationships are a natural part of investing. While market regimes evolve, the principles of investing remain the same. Staying anchored to strategic asset allocations, maintaining broad diversification, and rebalancing thoughtfully can help investors navigate uncertainty. In a more complex macro environment, the goal is not to abandon diversification, but to make it more resilient.

## Four Stats for Five Months

Emily Avioli, Vice President and Investment Strategist

Five months into 2026, markets have already packed in what feels like a full year’s worth of headlines: a geopolitical conflict in the Middle East, an energy price shock, and a steep selloff followed by a rapid recovery. Through it all, the S&P 500 has been remarkably resilient. Four stats help tell the story.

1. Five AI-oriented stocks make up about half of the S&P 500’s 9.8% YTD return. After a shaky start to the year, AI beneficiaries rebounded on renewed optimism about the buildout and Q1 earnings results that confirmed massive capital expenditures commitments remain intact. The Technology sector has led the S&P 500 higher since the March 30 low and is now the second-best performing sector in the S&P 500 YTD (Exhibit 4A).
2. Six consecutive quarters of double-digit year-over-year (YoY) earnings-per-share (EPS) growth for the S&P 500 as of Q1. The index notched 28.4% YoY EPS growth last quarter, marking the fastest pace since Q4 2021. Mega-cap technology earnings continue to lead the pack, but momentum has expanded to other areas—the S&P 493 reported YoY EPS growth of 17.4% in Q1, also the best since 2021 (Exhibit 4B). S&P 500 earnings estimates for the full year 2026 have moved higher in response.
3. 11 trading days for the S&P 500 to rebound from the brink of correction territory to reach a new record. The S&P 500 fell by 9.1% before swiftly snapping back, delivering the best 11-day price return in over four years. The S&P 500 has still not experienced a 10% pullback since April 2025—such drawdowns historically occur once a year on average (Exhibit 4C).
4. 19 new all-time highs posted by the S&P 500 YTD. Along the way, the index has also crossed five new “round-number” milestones, moving from sub-7,000 to start the year to above 7,500 by the end of May. For context, the S&P 500 recorded just three all-time highs over the same January to May window in 2025 (Exhibit 4D).

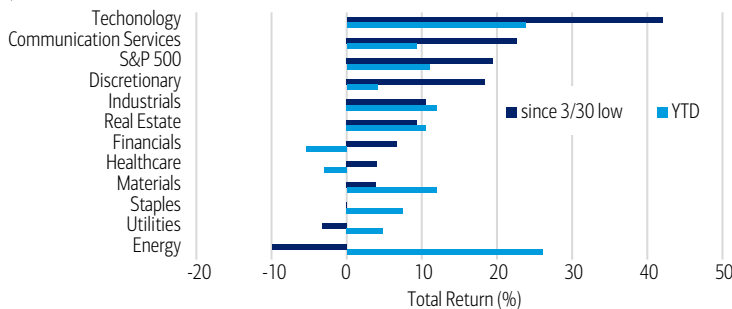
### Portfolio Considerations

If the first five months of the year are any guide, the remainder are likely to be choppy. We continue to view potential periods of market weakness as a potential buying opportunity for long-term investors.

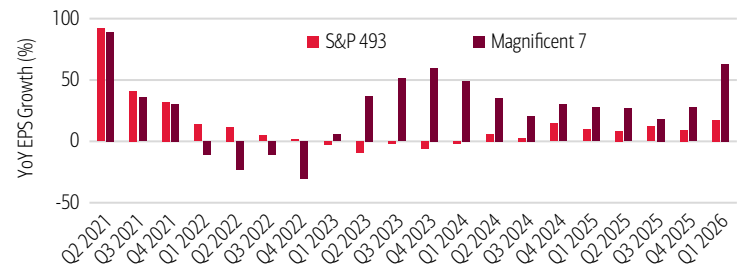
The first few months of the year have been anything but quiet, but the data points to a market that has handled the headlines in stride. Five months down, seven to go—stay the course.

### Exhibit 4: 2026 by Charts

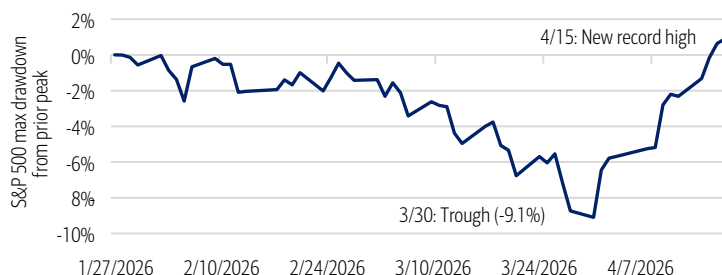
A) S&P 500 Sector Performance.



B) YoY EPS growth for Magnificent 7\* vs. S&P 493 (%).



C) S&P 500 drawdown and recovery.



D) S&P 500 all-time highs in first five months of year.

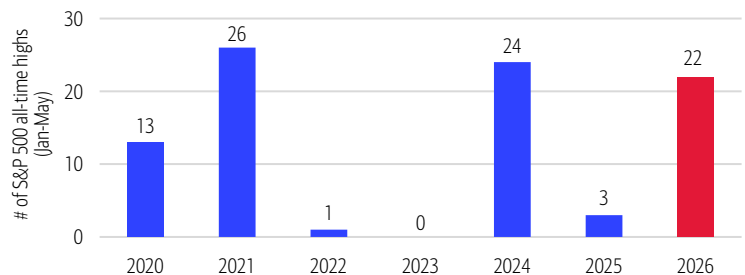


Exhibit 4A) Source: Bloomberg. As of May 29, 2026. Exhibit 4B) \*Magnificent 7=Apple, Amazon, Alphabet, Nvidia, Meta, Microsoft, and Tesla. Source: FactSet. As of May 29, 2026. Exhibit 4C) Source: Bloomberg. As of May 29, 2026. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trends. Exhibit 4D) Source: Bloomberg. As of May 29, 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.

## MARKETS IN REVIEW

### Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	51,032.46	0.9	2.9	6.9
NASDAQ	26,972.62	2.4	8.4	16.3
S&P 500	7,580.06	1.4	5.3	11.3
S&P 400 Mid Cap	3,725.13	1.4	2.5	13.3
Russell 2000	2,919.34	1.8	4.4	18.2
MSCI World	4,864.59	1.3	4.6	10.5
MSCI EAFE	3,117.57	1.1	3.1	9.4
MSCI Emerging Markets	1,752.15	4.0	9.7	25.6

### Fixed Income<sup>†</sup>

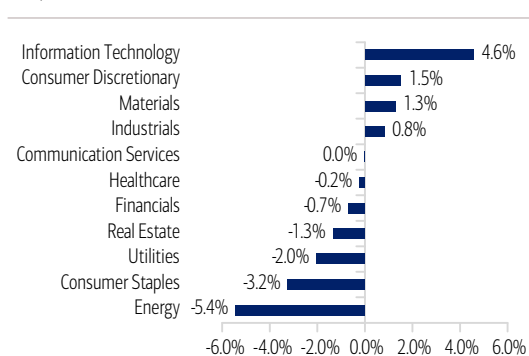
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.58	0.84	0.32	0.24
Agencies	4.33	0.53	0.09	0.47
Municipals	3.67	1.03	0.37	1.34
U.S. Investment-Grade Credit	4.67	0.83	0.31	0.38
International	5.13	0.97	0.76	0.67
High Yield	6.96	0.55	0.49	1.68
90 Day Yield	3.67	3.66	3.66	3.63
2 Year Yield	4.00	4.12	3.87	3.47
10 Year Yield	4.44	4.56	4.37	4.17
30 Year Yield	4.97	5.06	4.97	4.84

### Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	345.39	-2.5	-3.6	25.0
WTI Crude \$/Barrel <sup>††</sup>	87.36	-9.6	-16.9	52.1
Gold Spot \$/Ounce <sup>††</sup>	4540.26	0.7	-1.7	5.1

	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2025 Year End
Currencies				
EUR/USD	1.17	1.16	1.17	1.17
USD/JPY	159.27	159.18	156.59	156.71
USD/CNH	6.76	6.80	6.83	6.98

### S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 05/25/2026 to 05/29/2026. <sup>†</sup>Bloomberg Barclays Indices. <sup>††</sup>Spot price returns. All data as of the 05/29/2026 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 5/29/2026)

	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)	1.6	2.5	1.9	1.9	2.1	2.2
CPI inflation (% y/y)	2.7	4.1	4.0	3.7	3.6	2.3
Core CPI inflation (% y/y <sup>**</sup> )	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 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 May 29, 2026.

Sources: BofA Global Research; GWIM ISC as of May 29, 2026.

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

Asset Class	CIO View			Overweight
	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			Overweight
	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.

**S&P 500 Index Total Return** is a performance benchmark that measures the index's price changes and assumes all cash dividends are reinvested.

**Chicago Board Options Exchange Volatility Index (VIX)** is a real-time market index that measures the expected 30-day forward-looking volatility of the U.S. stock market.

**Institute for Supply Management Manufacturing Purchasing Managers 'Composite Index** is an economic indicator that assesses the business environment by surveying purchasing managers at private-sector companies about their expectations for orders, production, employment, and supplier deliveries.

**Bloomberg U.S. Aggregate Bond Index Total Return** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

**S&P 493** refers to the S&P 500 Index excluding the top 7 largest companies, often referred to as the Magnificent Seven. It essentially represents the performance of the remaining 493 companies in the S&P 500.

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

## Important Disclosures

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

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