

Capital Market Outlook

June 24, 2024

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

IN THIS ISSUE

Macro Strategy—*Soft Landing in Progress?* U.S. economic growth remains sturdy, and favorable recent inflation dynamics give the Federal Reserve (Fed) room to bring inflation closer to its 2% target without much damage to the labor market. In other words, the economy appears in the process of a soft landing. What's more, the latest Global Wave indicator compiled by BofA Global Research has posted a sixth consecutive increase. A rising Global Wave reflects stronger global data on balance, and typically is a positive signal for Equities and cyclical assets performance. The uptrend in the earnings revisions ratio, one of the indicator's components, is particularly relevant for investors. Upside earnings revisions have continued to rise relative to downside revisions, bolstering global profits expectations and the case for risk assets.

That said, recent U.S. data surprises have been to the downside on balance, a trend that bears watching. Also, the snap elections recently announced in France have heightened policy uncertainty both there and in the eurozone. The possibility that this may lead to pan-European financial market volatility has already unnerved investors, as reflected in the spike in relative demand for safer U.S. assets.

Market View—*Pessimism Sells, But Optimism Pays: Ten Reasons for Optimism on America's Birthday*: While America is showing some aches and pains on her birthday, and while investors are fed a daily diet of negativity about the future of the country, no nation on the planet is as productive, innovative, diverse and wealthy as the U.S. Many factors separate America from the rest of the world, including its entrepreneurial DNA, geography, ability to attract foreign flows, global brand status, U.S. military, world reserve currency status of the U.S. dollar, higher education, and technology prowess.

Yes, the nation confronts serious challenges at home and overseas. But taking the long view, and after accounting for the multiple structural strengths of the U.S., we believe (and invest accordingly) that the glass is half full. To this point, the S&P 500 has generated healthy 11%+ returns on a compounded annual rate since 1945. The bottom line: Pessimism sells, but optimism has paid. Stay long America.

Thought of the Week—*Stock Splits in the Spotlight*: When a stock price soars to levels that are unattainable for most, the company might consider a stock split to increase the number of shares outstanding and lower the price to a more accessible level. The long out-of-favor practice appears to be making a comeback, with 10 members of the S&P 500 announcing stock splits so far in 2024. On average since 1980, stocks that split have beat the S&P 500 by double digits in the 12 months following the announcement. Outperformance could be due to a number of factors, including increased trading volume, liquidity, and shareholder accessibility. If stock split announcements continue to be met with investor enthusiasm, it's reasonable to expect that more could be on the way, potentially adding to the list of drivers supporting Equities this year.

MACRO STRATEGY ►

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MARKET VIEW ►

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THOUGHT OF THE WEEK ►

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MARKETS IN REVIEW ►

**Data as of 6/24/2024,
and subject to change**

Portfolio Considerations

We maintain an overweight to Equities, with a preference for higher quality U.S. Large- and Small-caps, and still favor a significant allocation to bonds in a diversified portfolio. We maintain our view of buying into Equity market weakness and maintaining exposure to Fixed Income for the purpose of cash flow and diversification benefits. Within Fixed Income, we maintain our preference for quality across the segments and curve while considering liquidity and a slight above benchmark weight in duration.

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Soft Landing in Progress?

Chief Investment Office, Macro Strategy Team

Divergent U.S. economic data have continued to make it unusually hard to discern signal from noise regarding the growth and interest rate outlook. Even when there's agreement about a likely move lower in interest rates this year, there can be disagreement about the reasons behind it. Will rates be cut because the economy is weakening excessively or because a welcome disinflation trend is reasserting itself?

On the negative side, the yield curve has gotten even more inverted, typically a precursor of recessions. Also, the Institute for Supply Management (ISM) manufacturing index has languished slightly in contractionary territory. Consumer sentiment has declined over the past two months despite still low unemployment. Indeed, the surge in prices since the pandemic has kept consumers unsettled about their real incomes. According to the preliminary June University of Michigan consumer confidence survey, perceptions about durable-goods buying conditions are back in recession territory. Fittingly, retail sales have significantly disappointed in April and May, according to the Census Bureau.

At the same time, there are reasons to remain optimistic about sustained economic growth. According to the widely followed ISM nonmanufacturing index for May, service sector activity is expanding at a solid pace. While the unemployment rate reached 4% in May (from a low of 3.4% in April 2023), and job openings fell to their lowest level in three years,¹ there are still more job openings than unemployed workers. Job openings have so far just normalized from red-hot post-pandemic extremes. Payroll growth has also remained strong in May. In fact, it was faster than anticipated, indicating a surge in aggregate wages after a soft April gain. Combined with slower inflation, this should offer support for real consumer spending.

Also favorable for the growth outlook, bank lending conditions have become less tight, according to Fed data, and oil prices have remained stable. Indeed, below-average credit spreads suggest low levels of concern about the economic outlook and corporate revenue growth. The latter is, however, likely to moderate slightly this year as a result of lower inflation, headwinds from ongoing dollar appreciation, and other restraining effects from elevated interest rates. Some offsetting tailwinds include the sharp decline in uncertainty related to the regional bank scare over the past year, the related relaxation of tight bank lending conditions, and the stabilization of the manufacturing sector. The sustained increase in the Global Wave indicator is another plus for corporate revenues and earnings growth. A rising Global Wave reflects stronger global data on balance and typically is a positive signal for Equities and cyclical assets performance.

Recent news has been less ambiguous on the inflation front than on the economic growth front. The consumer price index (CPI) was unchanged in May, its softest monthly print since July 2022. Particularly encouraging for the underlying inflation outlook, even "core" inflation (inflation ex food and energy) surprised to the downside, with an annualized monthly increase of just below 2%, the slowest in three years.

At 5.4% year over year (YoY), rent inflation remains one of the main culprits behind headline and "core" CPI inflation remaining so far above 2%, at 3.25% and 3.4% YoY, respectively. Slowing new rent increases are expected to eventually bring the shelter component of inflation lower as well. This would have a larger positive effect on the CPI than on the Fed's preferred "core" personal consumption expenditures (PCE) index, given their different definitions. Still at 2.75% YoY in April, "core" PCE was already closer to the Fed's 2% target. Softer-than-expected CPI and producer price inflation along with tame import price data point to further moderation.

Normalizing labor market and income growth conditions, strengthening productivity, and mended supply chains have played an important role in the orderly return of the economy

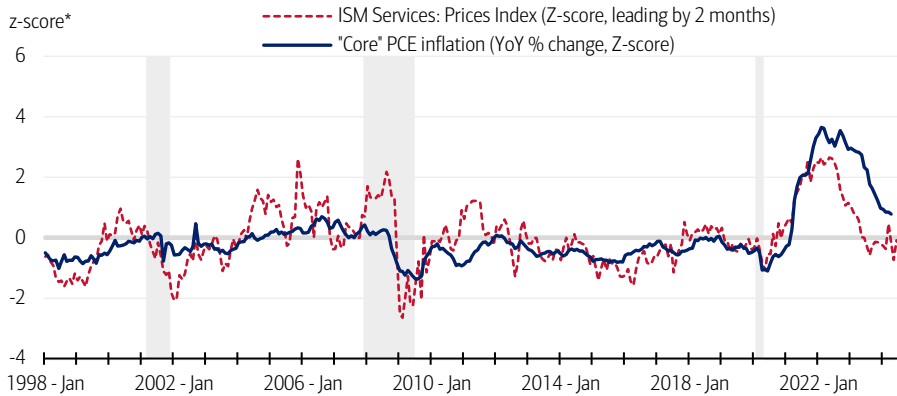
Investment Implications

The Global Wave remains favorable for a continued risk-on investment environment. Recent downside inflation surprises reduce the need for the Fed to upset the apple cart. Heightened volatility in European financial markets underscores the diversification benefits of U.S. Treasuries in balanced portfolios.

¹ April 2024, Job Openings and Labor Turnover Survey (JOLTS), Bureau of Labor Statistics.

to a more sustainable growth rate with moderate inflation. A robust but significantly less tight labor market versus six to 12 months ago suggests nominal wage growth is likely to cool further, aiding the disinflation trend in place. As shown in Exhibit 1, the drop in the ISM service sector price index indicates that the Fed's inflation target may be within reach.

Exhibit 1: Service-Sector Disinflation Leads “Core” Inflation Closer To Its 2% Long-Term Average.



* z-score=number of standard deviations from the data-set average. Gray bars represent recessionary periods. Sources: ISM, Bureau of Economic Analysis/Haver Analytics. Data as of June 18, 2024.

In recent months, however, there's been “modest further progress toward the Committee's 2% inflation objective,” according to the June Federal Open Market Committee (FOMC) statement. As a result, the Fed slightly lifted its expectations for 2024 and 2025 inflation and reduced the number of rate cuts it expects this year. Its revised projections indicate a belief that the economy needs higher interest rates than previously anticipated to achieve the appropriate balance between unemployment and inflation. Half of the FOMC members now see just one cut this year, down from three cuts projected in March. Even that is contingent on convincing evidence of sustained disinflation. The median member also revised higher the outlook for the long-run Fed policy rate to 2.8% from 2.6%.

The bond market seems less convinced. The uptick in the unemployment rate, rising weekly claims for unemployment, slowing retail sales, and downside inflation surprises have reignited its perceptions of a too restrictive Fed. Market expectations for a September rate cut followed by another cut in December sharply increased as a result. An increase in appetite for “safe assets” such as Treasuries due to political turmoil in France also contributed to a sharp drop in 10-year Treasury yields this month.

The Treasury market has been unusually volatile not only recently, but over the past few years. This reflects elevated inflation uncertainty, wild data swings, and the Fed's avowed data dependence in setting the policy interest rate. The Fed's sharp focus on incoming data is likely to keep bond volatility elevated, as employment data are likely to be increasingly parsed for clues about policy restrictiveness.

Given the surge in immigration, the pace of job growth needed to maintain a stable unemployment rate is now estimated at around 200,000 per month. Weaker readings accompanied by sharp additional drops in job openings would indicate a more pronounced economic slowdown than is consistent with low unemployment. Continued likely disinflation, as discussed above, should give the Fed room to step in in support of the economy, should growth unexpectedly deteriorate. This boosts the likelihood of achieving a soft landing. For now, BofA Global Research expects one rate cut in December, with a gradual likely easing cycle that takes the policy rate from between 5.25% and 5.5% currently to an eventual trough of between 3.5% and 3.75%.

Pessimism Sells, But Optimism Pays: Ten Reasons for Optimism on America's Birthday

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"God has a special providence for fools, drunkards, and the United States of America."
Otto von Bismarck

She is considered old, cranky and past her prime. She is virtually insolvent, according to some. Many think she is wallowing in recession. And some believe she's about to cave to political discourse at home and mounting geopolitical challenges abroad.

Yes, as the birthday girl approaches 248 years of age, America is showing some signs of wear and tear. But that said, investors should remember and reflect on the adage that "pessimism sells, but optimism has paid." Ergo, amid the whirl of daily U.S. headlines warning of political and economic Armageddon—and the attendant urge to "sell"—it's worth noting that the S&P 500 has generated chunky 11%+ returns on a compounded annual rate since 1945. Optimism has paid.

Ten Reasons For U.S. Optimism

First, no economy in the world is as large, diverse and wealthy as the U.S. economy.

Think of our economy as a hydra-headed superpower, leading the world in such diverse activities as aerospace, agriculture, finance, energy, technology, healthcare, education, and numerous other industries. With just 4.3% of the global population, the U.S. accounts for over 26% of global gross domestic product (GDP). In nominal dollars, the U.S. economy is nearly \$10 trillion larger than China's. Never have so few people produced so much output, creating so much wealth. America's per capita income (nearly \$85,400) remains light years ahead of China (\$13,100) and India (\$2,700).²

Second, no large power is as blessed by geography as the U.S., and in an age of geopolitical strife, resource constraints and contested borders, there's a premium on geography. America enjoys the luxury of being surrounded by nonthreatening neighbors to the north and south, and fish to its east and west. In the interior, the Great Plains are the largest continuous mass of arable land in the world; the Mississippi river system is an inland transportation network unrivaled on the planet. The Great Lakes are the largest group of freshwater lakes on earth. Our bounty includes copious supplies of natural resources, fertile soils, freshwater, and forests. Now consider China—the nation has land borders with 14 countries—more than any other nation in the world. Many of these nations have been hostile or unfriendly in the past; in addition, China is involved in at least a half dozen maritime boundary disputes with other nations.

Third, America's unique entrepreneurial ecosystem that encourages and enables the incessant churn of creative destruction is unparalleled on a global basis.

America's economic metabolism is different from the rest of the world's. No country creates and destroys as manically as America. Just since 2000, more than half (52%) of the companies on the Fortune 500 list have gone bankrupt, been acquired or ceased to exist. Meanwhile, as old firms die, new firms are spawned. America's startup itch has only grown stronger in the past few years. According to the U.S. Census Bureau, some 5.5 million new businesses were started in the U.S. in 2023—a record high and a figure well above the average of the prior decade. Think of the latest Artificial Intelligence (AI)-fueled market rally as yet another example of entrepreneurial America leading the way and the world.

Fourth, the U.S. remains a magnet for foreign capital. This is owing to a myriad of attributes, including a vast and wealthy consumer market, a large skilled labor pool, a transparent rule of law, deep and sophisticated capital markets, relatively cheap energy costs and low corporate taxes. At last count, the amount of foreign capital sunk in the U.S.

Investment Implications

U.S. assets remain at the core of CIO portfolios, backstopped by resilient fundamentals that we believe will continue to drive long-term earnings growth and market/portfolio returns.

² International Monetary Funds as of June 21, 2024.

was nearly \$50 trillion, according to the U.S. Department of Commerce. Bullish on America, the U.S. investment stakes of foreigners have increased nearly five-fold since the start of the century. These figures include hard assets (foreign direct investment in plants, equipment, real estate, research & development (R&D) facilities, etc.) and portfolio/capital flows (foreign purchases of U.S. securities like Treasuries, corporate bonds, government agencies and U.S. Equities). No country in the world has been at the receiving end of so much foreign capital this century.

Fifth, America remains the home to the world’s top global brands. Of the top 10 global brands in 2024, eight of 10 were American, according to a report by BrandZ, which ranks the top 100 most valuable global brands.

Sixth, while U.S. brands are emblematic of America’s “soft power,” America’s military supremacy speaks to “hard power.” The U.S. spends more on defense than the next 10 countries combined, according to the Stockholm International Peace Research Institute. The ascent of China, the ongoing security threat from Russia, and the explosion in cybersecurity breaches—all of these factors have made global defense a growth industry. The U.S. is among the largest spenders and is among the most combat-ready forces in the world, having been engaged—for better or worse—in large combat operations in every decade since World War II. China, in contrast, has no soldiers or generals on active duty that have fought a modern war.³ We remain bullish on leading U.S. defense/cybersecurity firms.

Seventh, while China has made significant technological strides over the past decade, the U.S. remains the world’s technology leader. This is thanks to the nation’s risk-taking, not-afraid-to-fail entrepreneurial culture that underpins America’s leadership in both technology and innovation. The market cap of some of America’s leading technology leaders, according to Bloomberg—like Apple (\$3.2 trillion), Microsoft (\$3.3 trillion) and Nvidia (\$3.2 trillion)—is larger than the gross output of most nations. America is the largest market in the world for R&D spending, and, in terms of AI, investment in AI in the U.S. is light years ahead of most of Europe and the rest of the world.

Eighth, the top-ranked universities in the world are in the U.S. Indeed, 28% of the universities in the Quacquarelli Symonds World Rankings’ top 100 universities for 2024 were located in America; four out of the top 10, and 10 out of the top 20, were American universities. Given the quality of its higher education, the U.S. continues to attract the best and brightest from around the world, ultimately adding to the economy’s pool of skilled/productive human capital. As an aside, some 290,000 Chinese students now study in the U.S., with none other than China’s leader, Xi Jinping’s, daughter a graduate of Harvard.

Ninth, the greenback remains king for now. It is the world’s unchallenged reserve currency, accounting for 58.4% of allocated global central bank reserves as of Q4 of 2023, according to the International Monetary Fund. For second-place euro, the currency’s share of central bank holdings plunged from 28.0% in mid-2009 to 20% in Q4 2023. Per the dollar, former U.S. Treasury Secretary Larry Summers said it best: “What other currency is preferable to the dollar as a reserve and trade currency when Europe’s a museum, Japan’s a nursing home, China’s a jail and Bitcoin’s an experiment?”⁴ The global economy still pivots around the greenback, an “exorbitant privilege” for the U.S. and its investors.

Finally, the U.S. still ranks as one of the most competitive economies in the world. According to the IMD World Competitiveness Rankings of 2023, the U.S. ranked 9th overall, trailing smaller economies like Switzerland, Sweden and Denmark. Meanwhile, the U.S. ranked third in the latest global talent competitiveness survey from the World Economic Forum. Only Switzerland and Singapore ranked higher. The upshot: Competitiveness matters—and the U.S. is positioned to remain among the world’s most competitive economies.

The bottom line: Yes, America is showing some aches and pains on her birthday. The nation confronts serious challenges at home and overseas. But, **taking the long view, and after accounting for the multiple structural strengths of the U.S., it’s clear that while pessimism sells, optimism has paid.**

³ “World on the Brink, How America Can Beat China in the Race for the Twenty-First Century,” by Dmitri Alperovitch, page 183. April 2024.

⁴ Ibid, page 183.

Stock Splits in the Spotlight

Emily Avioli, Vice President and Investment Strategist

Rising share prices are typically a welcome development, but every now and then a company’s stock ascends to a level that’s unattainable for the masses. At that point it might pursue a stock split, which slices each existing share by a fixed ratio to increase the number of shares outstanding and lower the price to a more accessible level.

Stock splitting, which has fallen out of favor in recent years, appears to be making a comeback. Ten members of the S&P 500 have announced stock splits so far in 2024, with several high-profile AI names among them. If the pace continues, it will be the most annual stock split announcements for S&P 500 companies in almost a decade (Exhibit 2A). It’s worth noting that historically we have seen an increase in stock splits before market corrections, including the dot-com bubble and the global financial crisis. But while stock splits and market corrections share the common denominator of occurring when valuations are elevated, splits don’t necessarily indicate trouble ahead.

While stock splits don’t affect fundamentals, they tend to be bullish for companies that partake in them. On average since 1980, stocks that split have beat the S&P 500 by double digits in the 12 months following the announcement (Exhibit 2B).

We see several drivers behind this outperformance. One academic study found that stock splits slightly enhance short-term trading volume, have a positive effect on liquidity, and increase the shareholder base for the firm.⁵ Importantly, stock splits can create more affordable access for retail investors, who have become increasingly powerful market participants in recent years—Goldman Sachs Global Markets data estimates that retail investors currently account for roughly 10% of S&P 500 volume.⁶ Momentum could also play a role, since stocks that split have usually seen a run-up in price leading up to the announcement.

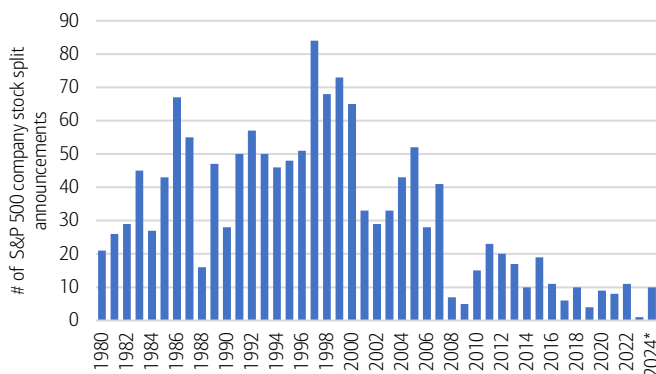
If stock split announcements continue to be met with investor enthusiasm, it’s reasonable to expect that more could be on the way. Likely candidates could include the whopping 36 members of the S&P 500 with a price tag of over \$500.⁷ An uptick in this type of shareholder-friendly corporate action could add to the long list of factors supporting Equity markets this year.

Portfolio Considerations

An uptick in stock split announcements could potentially act as another tailwind for Equities this year. From a positioning perspective, we maintain a slight preference for Equities as part of a balanced portfolio.

Exhibit 2: An Increase In Stock Splits Could Be Bullish For Equities.

2A) Stock Splits Are On The Rise Again.



2B) Companies That Announce Stock Splits Vs. The S&P 500.

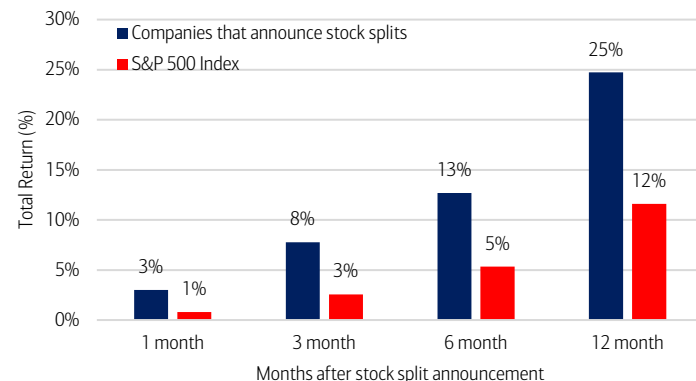


Exhibit 2A) *Year-to-date through June 17, 2024. Source: Bloomberg. Data from 1980 – 2024. Exhibit 2B) Source: Bloomberg. Analysis includes all available Bloomberg performance data for stock splits from 1980 – 2024 year-to-date. **Past performance is no guarantee of future results.**

⁵ Chen, Jiaquan, and Marcel Ausloos, “A Study about Who Is Interested in Stock Splitting and Why: Considering Companies, Shareholders, or Managers.” *Journal of Risk and Financial Management*, 2023.

⁶ Goldman Sachs U.S. Weekly Kickstart. June 7, 2024.

⁷ Bloomberg. Data as of June 17, 2024.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	39,150.33	1.5	1.3	4.9
NASDAQ	17,689.36	0.0	5.8	18.3
S&P 500	5,464.62	0.6	3.6	15.4
S&P 400 Mid Cap	2,931.86	1.3	-1.6	6.2
Russell 2000	2,022.03	0.8	-2.2	0.4
MSCI World	3,507.81	0.5	1.9	11.6
MSCI EAFE	2,307.56	0.1	-2.0	5.0
MSCI Emerging Markets	1,086.93	1.0	3.9	7.4

Fixed Income[†]

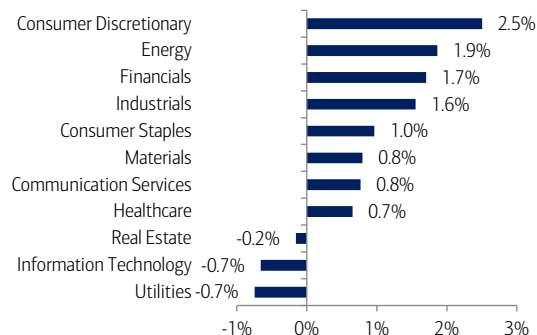
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.82	-0.21	1.45	-0.10
Agencies	4.89	0.00	0.90	0.97
Municipals	3.66	-0.01	1.76	-0.18
U.S. Investment Grade Credit	4.90	-0.15	1.60	-0.07
International	5.39	-0.29	1.30	0.17
High Yield	7.90	0.21	0.90	2.54
90 Day Yield	5.36	5.38	5.40	5.33
2 Year Yield	4.73	4.70	4.87	4.25
10 Year Yield	4.26	4.22	4.50	3.88
30 Year Yield	4.40	4.35	4.65	4.03

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	239.56	-0.6	-0.9	5.8
WTI Crude \$/Barrel ^{††}	80.73	2.9	4.9	12.7
Gold Spot \$/Ounce ^{††}	2321.98	-0.5	-0.2	12.6

	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2022 Year End
Currencies				
EUR/USD	1.07	1.07	1.08	1.10
USD/JPY	159.80	157.40	157.31	141.04
USD/CNH	7.29	7.27	7.26	7.13

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 6/17/2024 to 6/21/2024. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 6/21/2024 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 6/21/2024)

	2023	Q1 2024A	Q2 2024E	Q3 2024E	Q4 2024E	2024E
Real global GDP (% y/y annualized)	3.0	-	-	-	-	3.2
Real U.S. GDP (% q/q annualized)	2.5	1.4	2.0	2.0	2.0	2.4
CPI inflation (% y/y)	4.1	3.2	3.3	2.9	2.7	3.0
Core CPI inflation (% y/y)	4.8	3.8	3.5	3.4	3.3	3.5
Unemployment rate (%)	3.6	3.8	3.9	4.0	4.0	3.9
Fed funds rate, end period (%)	5.33	5.33	5.38	5.38	5.13	5.13

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.
Sources: BofA Global Research; GWIM ISC as of June 21, 2024.

Asset Class Weightings (as of 6/4/2024)

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 Value	●	●	●
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 Funds			
Private Equity			
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 June 4, 2024. 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
Energy	●	●	●
Healthcare	●	●	●
Consumer Discretionary	●	●	●
Industrials	●	●	●
Information Technology	●	●	●
Communication Services	●	●	●
Financials	●	●	●
Real Estate	●	●	●
Utilities	●	●	●
Materials	●	●	●
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 market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Institute for Supply Management (ISM) manufacturing index is a composite index that gives equal weight to new orders, production, employment, supplier deliveries, and inventories.

ISM nonmanufacturing index is an index that measures the economic condition and performance of service-based companies.

“Core” personal consumption expenditures (PCE) index is defined as personal consumption expenditures prices excluding food and energy prices. The core PCE price index measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends.

ISM service sector price index is an index that measures the economic condition and performance of service-based companies. It is now called the Services Purchasing Managers' Index (PMI). The index is based on surveys sent to purchasing and supply companies of more than 400 services firms.

Consumer Price Index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households.

Important Disclosures

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

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