

CHIEF INVESTMENT OFFICE

Capital Market Outlook

November 3, 2025

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

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Macro Strategy—*With a Little Help from our Friends: How the Expected Boom in U.S. Foreign Investment Supports America’s Industrial Revival:* We believe the U.S. is on the cusp of an inbound foreign direct investment (FDI) boom that could result in numerous positive spillover effects for the U.S. economy. As more U.S. affiliates of foreign multinationals set up shop in the U.S., think more job creation, more manufacturing output, more local consumption, more U.S. exports, more spending on research & development (R&D), and more tax revenue for local communities. Think too a boost in productivity and innovation in various sectors and, in the long run, a more globally competitive U.S. economy. All of this is supportive of our thesis that we are in the early innings of a structural—not cyclical—capital expenditures (capex) cycle that should enable the rebuilding of domestic supply chains, higher-value added manufacturing, and more Artificial Intelligence (AI)-driven productivity growth. With a little help from our friends, America’s industrial renewal is gaining strength and momentum.

Market View—*Will the AI Boom Deliver Stocks a “Three-peat”?* Investors did not enter 2025 expecting stocks could clinch a “three-peat”—a third straight year of a more than 20% annual return in the S&P 500 after the index gained 23% in 2024 and 24% in 2023. But defying those expectations, the S&P 500 has climbed more than 17% so far this year and nearing that “three-peat” threshold. The advance has largely been a story about generative AI and its promise to deliver a historic productivity boost to the economy. The rally though has not been without skepticism as concerns about a market bubble intensify. While some features of the market environment may resemble past bubbles, we see reasons this cycle could be more structural than speculative.

Thought of the Week—*Blast from the Past? Not this Time.* Investor sentiment stands at a relatively cautious juncture, contrasting sharply with the “irrational exuberance” that characterized the lead-up to the dot-com bubble. While there may be perceived parallels between the two eras, below the surface multiple factors suggest we’re in a healthier environment fueled by fundamentals rather than speculation. Elements such as the Volatility Index (VIX), American Association of Individual Investors (AAII) sentiment survey, valuation levels, and the percentage of stocks above their 200-day moving average suggest that while sentiment has recovered from April lows, it may not have caught up to the solid backdrop in fundamentals.

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Portfolio Considerations

We maintain an overweight to Equities with a preference for U.S. Equities relative to the rest of the world, and still favor a significant allocation to bonds in a well-diversified portfolio. We used discretion at the end of September to lock in gains and rebalance portfolios back to desired tactical asset allocations as part of a disciplined portfolio management process.

Within our Alternative Investment strategy, we prefer new investment to favor Venture Capital and Growth Equity strategies.

Within Fixed Income, we still suggest that investors extend from cash where appropriate to their strategic duration target as the Federal Reserve (Fed) resumes its interest rate cut campaign. We believe current nominal and real yields should diversify equity and macro risk on a cyclical basis.

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With a Little Help from our Friends: How the Expected Boom in U.S. Foreign Investment Supports America's Industrial Revival

Joseph Quinlan, Managing Director and Head of CIO Market Strategy

We believe the U.S. is on the cusp of an inbound FDI boom that could result in numerous positive spillover effects for the U.S. economy. As more U.S. affiliates of foreign multinationals set up shop in the U.S., think more job creation across the country, more manufacturing output, more locally sourced purchases, more U.S. exports, more spending on R&D, and more tax revenue for local communities. And over the long run, think a more globally competitive U.S. economy.

That's not all: America's gain is the rest of the world's loss. As a recent headline from the *Financial Times* put it: "America Is Sucking In Growth From The Rest Of The World"—a reference to the fact that the Trump administration is so aggressively courting and cajoling its trading partners to invest more in the U.S. that other governments fear a hollowing out of their own manufacturing base. When Japanese automakers build out their productive capacity in the South, that means there is less capital to invest in Japan; ditto for when European pharmaceutical giants invest in New Jersey or German chemical companies invest in the Midwest. Capital that may have been invested at home is instead sunk in the U.S.

One key effect of higher U.S. tariffs and the threat of even higher levies has been a surge in new FDI commitments to the U.S, with announced FDI deals in the U.S. over the first five months of this year more than doubling (annualized) relative to the 2022 to 2024 period, according to data from McKinsey (Exhibit 1A).

Commitments are just that—commitments—and may not amount to much in the end. But even that said, U.S. FDI inflows in Q2 totaled nearly \$104 billion, up 31% from the same period last year. Quarterly flows are lumpy, but we believe the spigot for more inflows is wide open.

Since the start of this century alone, some \$5.8 trillion in FDI has flowed to the U.S., a figure representing 16.8% of the world total (Exhibit 1B). That easily outdistances second place China (with an 8.1% global share) and third place Hong Kong (5.9%).

Most new foreign investment in the U.S. is via acquisitions rather than building new facilities from scratch. However, in the past few years, greenfield investments—or investment in new plants and equipment—have increased, with the U.S. accounting for over 18% of new greenfield investment on a global basis (Exhibit 1C). Most of this new investment has gone into manufacturing sectors like electrical equipment, computers, appliances and batteries, and originated from Asia and Europe.

Why America? Multiple factors underpin America's dominance in foreign investment flows. Think a large and wealthy consumer base; a sizeable skilled labor force; advanced technological readiness and an unmatched entrepreneurial culture; a respect for intellectual property rights and a strong rule of law; a deep and sophisticated capital markets; and a world-class higher education system second to none. In other words, it's not one thing that attracts foreign capital to the U.S. but many things—an unsurpassed bundle of characteristics that are highly desirable to foreign firms.

The icing on the cake: the administration's aggressive U.S. policies to promote inward foreign investment as one way to gain access to the U.S. market. That said, what does the U.S. get in return? Answer: plenty.

Although largely invisible to the average U.S. investor, the activities of U.S. affiliates of foreign multinationals are substantial and competitive- and growth-enhancing. To this point and based on the latest data from the Bureau of Economic Analysis, foreign affiliates in the U.S. employed nearly 8.4 million U.S. workers in 2022. That represents 6.2% of total private sector employment, with manufacturing and retail the two most prominent sectors of employment. Roughly 22% of all manufacturing jobs in the U.S. are from foreign subsidiaries. In terms of pay, U.S. workers at these firms make \$89,000 annually on average, 7% higher than the national average, according to the Global Business Alliance.

Foreign affiliates also contributed some \$1.4 trillion to U.S. gross domestic product, comprised some 15.7% of total U.S. private sector investment; accounted for 11.6% of

Investment Implications

As more foreign multinationals invest further in U.S. manufacturing and R&D, we expect tailwinds to productivity and domestic innovation and, by extension, U.S. economic growth and corporate earnings. This expected boom in inbound FDI, supported by the current administration, is yet another reason to hold the U.S. at the core of portfolios.

expenditures total U.S. R&D, paid roughly 20% of all U.S. federal taxes last year, and made up 22.4% of U.S. exports and 27.0% of U.S. imports.¹ These are the direct effects of U.S. subsidiaries of foreign companies operating in the U.S. The indirect effects are even greater in terms of more income, jobs, growth and tax revenue—all bolstering the long-term competitive advantage of the U.S.

All of the above is another way of saying that FDI inflows matter to the U.S.—a fact never more true than today given Washington’s strategic objective of “friendshoring” and its industrial push to ramp up production of semiconductors, automobiles, steel, aluminum, pharmaceuticals and other strategic industrial products. The bulk of foreign investment comes from Europe, followed by Japan and Canada (Exhibit 1D). Notably absent in the U.S. market: China companies, which have been either discouraged or incentivized to skip the U.S. market due to U.S.-Sino geopolitical tensions.

The reindustrialization of the U.S.—with the help of others. The anticipated boom in FDI inflows is supportive of our thesis that the U.S. stands on the cusp of a major industrial upgrade. We are in the early innings of a structural—not cyclical—capex cycle that should lead to the rebuilding of domestic supply chains, higher-value added manufacturing, and more AI-driven productivity growth. Foreign firms, in our opinion, will be part of this process.

That is important to recognize because remember the following: When a foreign company builds a factory or an R&D facility or expands its existing manufacturing capacity right here in the U.S., good things happen. Demand for U.S. goods and services goes up (as does demand for construction, materials, logistics and professional services). New jobs are created, boosting incomes of U.S. workers while supporting more local spending and consumption. And because many foreign firms often bring advanced manufacturing technologies when investing in the U.S., the end result includes a boost in productivity and innovation in various sectors of the economy.

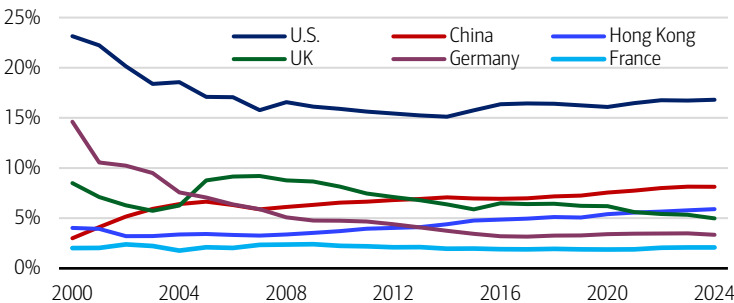
All of the above, of course, is the secret ingredient to stronger U.S. economic growth, rising corporate earnings and higher equity prices. With a little help from our friends, America’s industrial renewal is gaining strength and momentum.

Exhibit 1: Taking Stock of Inbound Foreign Direct Investment in the U.S.

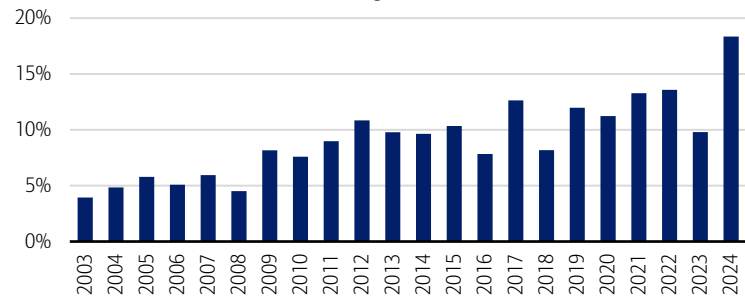
1A) A Sample* of New FDI Commitments to the U.S.

Company	Country	Investment	Purpose
TSMC	Taiwan	\$100 billion (B)	Semiconductor fabrication facilities
Astrazeneca	U.K.	\$50B	Pharma manufacturing and R&D
Roche	Switzerland	\$50B	Manufacturing and R&D
Hyundai	South Korea	\$26B	Steel plant and other investments
Novartis	Switzerland	\$23B	Build or expand 10 manufacturing facilities
Stellantis	Netherlands	\$13B	Expand U.S.-based production by >50%
Hanwha Group	South Korea	\$5B	Support U.S. shipbuilding industry
Mitsubishi	Japan	\$3.9B	Boost U.S. solar power generation

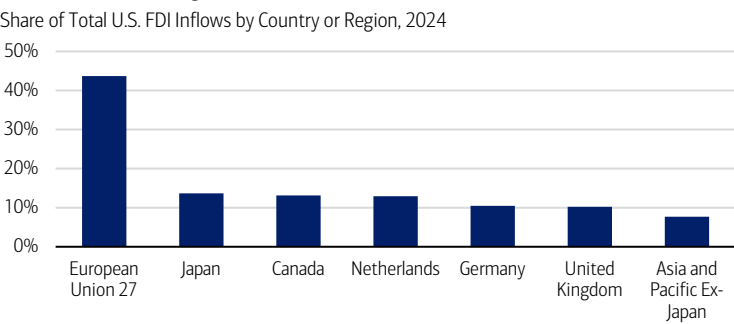
1B) American Exceptionalism: U.S. Still the Most Attractive Destination for FDI Inflows. Share of Cumulative Global FDI Inflows



1C) U.S. Share of Global Greenfield FDI Surged in 2024.



1D) Where Does Foreign Investment in the U.S. Come From?



*Sample shows 8 of the largest commitments as of October 2025. Exhibit 1A) Source: Company announcements, White House, Chief Investment Office. Exhibit 1B) Source: United Nations Trade and Development (UNCTAD). Data through 2024. Exhibit 1C) Source: UNCTAD. Data through 2024. Exhibit 1D) Source: U.S. Bureau of Economic Analysis (BEA). Data refers to 2024.

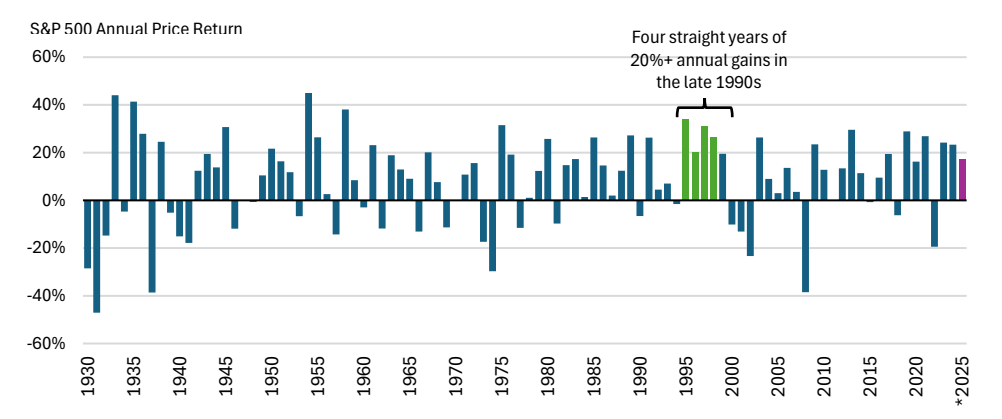
¹ “Activities of U.S. Affiliates of Foreign Multinational Enterprises, 2022,” BEA, November 2024.

Will the AI Boom Deliver Stocks a “Three-peat”?

Kirsten Cabacungan, Vice President and Investment Strategist

Investors did not enter 2025 expecting stocks could clinch a “three-peat”—a third straight year of a more than 20% annual return in the S&P 500 after the index gained 23% in 2024 and 24% in 2023. The outlook for the return environment looked more modest at the start of the year as trade and policy uncertainty, sticky inflation, geopolitical tensions all seemed probable headwinds. History was also not on the market’s side as a third consecutive 20%+ year would be historically rare. In fact, it has only happened once before for the index: during the dot-com bubble of the late 1990s (Exhibit 2).

Exhibit 2: The Late 1990s Was The Only Time The Index Saw Multiple Straight Years Of 20%+ Gains.



*2025 reflects price return year to date through October 29, 2025. Source: Bloomberg. Data as of October 29, 2025. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

But defying those expectations, the S&P 500 has climbed more than 16% so far this year, nearing that “three-peat” threshold and with two months’ time before the end of 2025 to still eclipse it. The advance has largely been a story about generative AI and its promise to deliver a historic productivity boost to the economy. While the market appears all in on AI, the rally has not been without skepticism as concerns about a market bubble intensify. The October BofA Global Research Global Fund Manager survey showed a record 33% of investors view an AI bubble as the biggest tail risk, up from 11% in September.

Just the mention of the word “bubble” can rattle investors, as it tends to evoke concerns of an eventual burst and steep financial losses. Recall that a bubble typically emerges when asset prices surge, often driven by speculation and a strong narrative to justify it. Eventually, though, if asset prices climb far enough away from their economic and financial fundamentals and the disconnect becomes too glaring to ignore, the bubble can burst leading to panic selling and a sharp collapse in prices. What ultimately pops the bubble can look different in each episode from disappointing earnings results to tighter monetary policy or a shift in investor sentiment if, for example, it becomes clear the technological innovation driving it may not deliver on its expected return.

There are several reasons why talks of an AI bubble have dominated investor discourse recently, including:

Reason One. There has been a growing wariness over a rally shouldered by just a handful of mega-cap AI-related stocks. In fact, just four stocks account for roughly 50% of the S&P 500 advance this year. Nvidia alone has outpaced the rest becoming the first \$5 trillion company. The chip maker’s market value is now worth more than the gross domestic product of every country except for the U.S. and China.² This elevated concentration risk has created high expectations for this select group of stocks and leaves the broader market vulnerable to outsized volatility should any of them stumble.

Portfolio Considerations

Investors should adopt a longer-term perspective and consider thematic investment overlays, particularly those aligned with AI-driven transformation, within core portfolios. We believe we are in a multiyear super cycle driven over the longer term by strong productivity gains from AI. Maintaining a high level of diversification during this buildout phase remains prudent.

² October 2025 World Economic Outlook, International Monetary Fund. Data as of October 30, 2025.

Reason Two. The rally has lifted valuation measures to premium levels relative to historical averages. The S&P 500 Shiller cyclically adjusted price-to-earnings (CAPE) ratio³ is now around 40 for the first time since right before the dot-com bubble burst in 2000. The S&P 500 declined roughly 49% after the market peaked in March 2000, while the NASDAQ cratered roughly 78%. That said, valuation has historically been an unreliable gauge of near-term performance, as elevated prices can generally persist far longer than fundamentals may suggest. Historical comparisons are also not perfect since the market composition today comprised of higher quality, asset-light and less levered companies relative to the late 1990s may warrant higher valuations.⁴

Reason Three. Uncertainty over future AI adoption and efficiency may amplify the risk of overbuilding during this AI infrastructure expansion phase. Companies have poured billions of dollars into scaling AI and have even ramped up capex expectations for data center buildouts and chip purchases for this year and next. Hyperscalers are expected to spend a combined \$360 billion in 2025 and \$450 billion in 2026.⁵ The massive investment has conjured memories of the excessive spending and overbuild of fiber-optic networks during the dot-com era. Matching capacity with future demand will be the real challenge, and too little capacity over the longer term could leave U.S. companies behind in the global AI race.

While some features of the market environment may resemble past bubbles, we see reasons this cycle could be more structural than speculative. The mega-cap AI-related companies are profitable, maintain large moats and have strong balance sheets. Strong Q3 earnings results reported by some of the Magnificent 7⁶ last week confirm that view. Unlike the debt-driven financing of the dot-com era, AI capex remains supported by solid operating cash flows. Hyperscalers maintain operating cash flow margins of around an average of 30% which keeps this year's capex spend, expected to equal to 25% of 2025 sales, well covered.⁷ The current financing environment is also supportive, with the Federal Reserve (Fed) easing monetary policy, which was not the case during the last two bubbles. And while long-term scalability remains constrained by power generation, AI adoption is already outpacing the historical uptake of the personal computer and the internet, according to survey analysis by the Fed. The surveys also show early indicators of possible productivity gains emerging. Respondents reported between 1% to 5% of all work hours as currently assisted by AI and time savings equivalent to 1.4% of total work hours.⁸ Moreover, the share of businesses expecting to use AI over the next six months has more than doubled from 6% in September 2023 to 14% in September 2025, according to the Census Bureau's Business Trends and Outlook Survey.

While not our base case, even if an AI bubble is forming, it could inflate for much longer-than-expected. During the dot-com bubble, then-Fed Chair, Alan Greenspan, famously questioned whether the market was witnessing irrational exuberance in a December 1996 speech. Stocks however would continue to rise for another three years before peaking. The NASDAQ rose over 280% over that period while the S&P 500 gained over 100% and notched not only a "three-peat" of a 20%+ annual gain but a "four-peat" and narrowly missed on a "five-peat."

Ultimately, no two bubbles, cycles or technological revolutions are the same. While the dot-com bubble did eventually burst, the underlying technological vision of a more digital world did end up playing out. More than 5 billion people, or roughly 68% of the global population, use the internet regularly as of 2024.⁹ We expect AI productivity gains to be similarly transformative for the economy over the next several years, supporting this bull market well into the second half of this decade.

³ Compares current prices to inflation-adjusted earnings averaged over the past 10 years.

⁴ BofA Global Research, "S&P 500 Relative Value Cheat Sheet," October 20, 2025.

⁵ Hyperscalers refers to Microsoft, Amazon, Google, Meta. BofA Global Research. As of November 2, 2025.

⁶ Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, Tesla.

⁷ BofA Global Research, "U.S. Semiconductors: AI vendor financing concern: debatable optics, but highly overstated impact," October 6, 2025.

⁸ Federal Reserve Bank of St. Louis, Bick, Blandin, Deming, "The Rapid Adoption of Generative AI," Working Paper as of September 2024, revised July 30, 2025.

⁹ World Telecommunication/ICT Indicators Database, World Bank, World Population Prospects, United Nations. Data as of October 30, 2025.

Blast from the Past? Not this Time

Theadora Lamprecht, Assistant Vice President and Investment Strategist

While there’s been discussion that the current market reflects the bubble seen in the early 2000s, we disagree with this narrative and believe sentiment may not reflect the solid fundamental backdrop. Investor sentiment stands at a cautious juncture, contrasting sharply with the ‘irrational exuberance’ that characterized the lead-up to the dot-com bubble. While there may be perceived parallels between the two eras, below the surface, factors suggest we’re in a healthier environment fueled by fundamentals rather than speculation.

The VIX, often called the market “fear gauge,” currently sits at 17, below its thirty-year average of 20. Values <20 generally correspond with more stability. From 1998 to 2002, the VIX averaged 25 and hit >40 multiple times. The few times it’s reached 40 in the last decade was this April during the height of tariff policy uncertainty and March 2020. Right now, investors appear vigilant but not driven by panic.

Similarly, the AAI sentiment survey, which reflects the bullish/bearish sentiment of individual investors towards the stock market,¹⁰ is relatively bearish this year, averaging -11% (Exhibit 3A). This contrasts with the extremes of >60% bullish readings in the late 1990s, a level not seen since 2018. The only time we’ve seen a double-digit negative spread for a full year was in 2008 and 2022.¹¹ This aligns with major stock market decline years; however, the S&P is up 16% year-to-date (YTD). Investors view sentiment as a contrarian indicator, suggesting room to run.

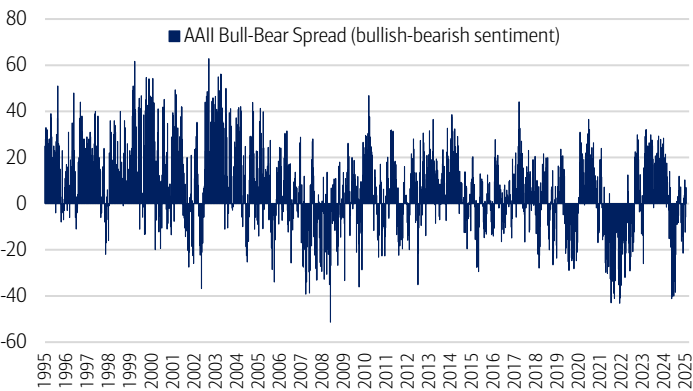
From a valuation perspective, enthusiasm was fueled by soaring stock prices and an unhindered optimism in the 1990s. This pushed the technology-heavy NASDAQ’s¹² price-to-earnings ratio to 91X. Today, while higher than its YTD average of 28X, the metric stands at a much tamer 31X. Today, we anticipate the continuation of a broadening beyond technology within the S&P 500; 10 of 11 sectors are expected to have positive earnings growth for 2025, according to FactSet. Furthermore, the percentage of stocks above their 200-day moving average is 65%, compared to 21% before the market peak in 2000 (Exhibit 3B). That’s a healthy market signal, implying an uptrend for a majority of constituents.

Investing Implications

Sturdy fundamentals should provide Equities with a solid foundation going forward. Stay the course and remain invested according to an established investment plan. Short-term volatility may provide potential buying opportunities for investors to add to their investments.

Exhibit 3: Sentiment Remains Guarded, but Fundamentals are Strong.

3A) The AAI Bull-Bear Spread Has Become More Bearish This Year.



3B) The Percentage of Stocks Above their 200-Day Moving Average Remains Strong.

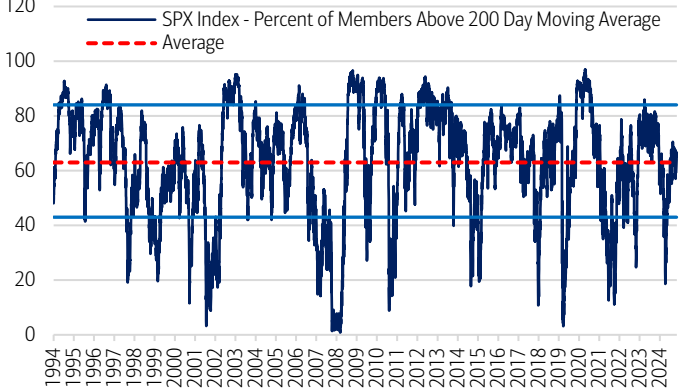


Exhibit 3A) Sources: AAI; Bloomberg. Data as of October 30, 2025. Exhibit 3B) Source: Bloomberg. Data as of October 27, 2025. Past performance is no guarantee of future results.

Ultimately, while sentiment has recovered from April lows, it hasn’t caught up with the strength seen in fundamentals. We see the potential for upside given resilient corporate earnings, easier monetary policy, recent softer-than-expected inflation data, the benefit of seasonality, and the start of a digital infrastructure buildout cycle. With more than \$7 trillion sitting in money market funds, there’s ample dry powder to capture the possible upside in equity gains.

¹⁰ Over the next six months.

¹¹ Source: Bloomberg, using data going back to December 31, 1994. Data as of October 30, 2025.

¹² NASDAQ Composite Index.

Equities

Total Return in USD (%)				
	Current	WTD	MTD	YTD
DJIA	47,562.87	0.8	2.6	13.3
NASDAQ	23,724.96	2.3	4.7	23.5
S&P 500	6,840.20	0.7	2.3	17.5
S&P 400 Mid Cap	3,246.26	-1.6	-0.5	5.3
Russell 2000	2,479.38	-1.3	1.8	12.4
MSCI World	4,390.42	0.5	2.0	19.8
MSCI EAFE	2,797.54	-0.5	1.2	26.6
MSCI Emerging Markets	1,401.55	0.9	4.2	32.9

Fixed Income†

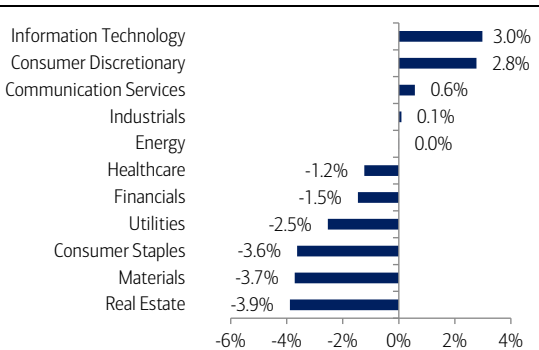
Total Return in USD (%)				
	Current	WTD	MTD	YTD
Corporate & Government	4.22	-0.59	0.55	6.51
Agencies	4.03	-0.25	0.50	5.41
Municipals	3.57	-0.07	1.24	3.91
U.S. Investment-Grade Credit	4.33	-0.57	0.62	6.80
International	4.82	-0.85	0.38	7.29
High Yield	6.78	-0.08	0.16	7.39
90 Day Yield	3.80	3.84	3.93	4.31
2 Year Yield	3.57	3.48	3.61	4.24
10 Year Yield	4.08	4.00	4.15	4.57
30 Year Yield	4.65	4.59	4.73	4.78

Commodities & Currencies

Total Return in USD (%)				
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	268.54	0.0	2.9	12.5
WTI Crude \$/Barrel††	60.98	-0.8	-2.2	-15.0
Gold Spot \$/Ounce††	4002.92	-2.7	3.7	52.5

Total Return in USD (%)				
Currencies	Current	Prior Week End	Prior Month End	2024 Year End
EUR/USD	1.15	1.16	1.17	1.04
USD/JPY	153.99	152.86	147.90	157.20
USD/CNH	7.12	7.13	7.13	7.34

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 10/27/2025 to 10/31/2025. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 10/31/2025 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 10/31/2025)

	Q1 2025A	Q2 2025A	Q3 2025A	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	3.2	3.0
Real U.S. GDP (% q/q annualized)	-0.6	3.8	2.7*	1.6	2.0	1.9
CPI inflation (% y/y)	2.7	2.5	2.9*	3.0	2.8	2.8
Core CPI inflation (% y/y)	3.1	2.8	3.1*	3.1	3.0	2.9
Unemployment rate (%)	4.1	4.2	4.3*	4.4	4.2	4.5
Fed funds rate, end period (%)	4.38	4.38	4.13	3.88	3.88	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 October 31, 2025.
Sources: BofA Global Research; GWIM ISC as of October 31, 2025.

Asset Class Weightings (as of 10/7/2025)

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 Strategies			
Private Equity & 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 October 7, 2025. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

CIO Equity Sector Views

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

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 (SPX) is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

S&P 500 Annual Price Return Index measures the performance of 500 widely held stocks in US equity market. Price return measures the capital appreciation (or depreciation) of an asset.

Nasdaq Composite Index is a market capitalization-weighted index of almost all the stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important information technology sector, followed by consumer discretionary and healthcare companies.

Volatility Index (VIX) is the ticker symbol and the popular name for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.

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