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CHIEF INVESTMENT OFFICE

Capital Market Outlook

December 16, 2024

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

IN THIS ISSUE

Macro Strategy—*All Eyes On U.S. Policies And Inflation:* The world economic outlook is expected to remain one of moderate and uneven growth into 2025. Growth remains in large part dependent on the U.S., where strong fundamentals may get a further boost from pro-domestic-business government policies. Long-unaddressed structural growth challenges in Europe and China, government debt burdens and growing trade tensions suggest persistent headwinds to the global expansion from much of the rest of the world. Thus, all eyes remain on U.S. policies and economic performance. With the economy at full employment, signs of reviving "animal spirits," and upside inflation surprises, much further easing risks squandering the gains made in taming inflation to date, potentially cutting short the U.S. and global expansion.

Market View—*"Things are so good, it worries me"—Potential Headwinds in 2025:* As one investor recently put it: "Things are so good, it worries me." Bullish sentiment is running rampant on Wall Street, with the average 2025 year-end S&P 500 target of sell-side strategists at 6,700. And while our base case is bullish, we thought it a good time to assess what could go wrong. Below we outline five dynamics that could cause the bull to stumble: stickier-than-expected inflation, an uncooperative Congress, slower adoption of Artificial Intelligence (AI), escalating U.S.-China tensions, and a surging federal budget deficit.

Thought of the Week— *Caught in the Crosshairs: Small-Cap Profits Meet Policies in the New Year:* The investment case for Small-caps checks out, given how domestically levered Small-caps are, and therefore relatively better insulated from potential trade tensions globally. Reality is more nuanced, however. While still an asymmetric trade risk to large businesses, small- and medium-sized businesses account for a third of total imports across the U.S.'s top three trading partners. It's an investment consideration ahead of potential policy changes that may affect profitability along the cap spectrum.

Market Update—*Punting Again?:* With no agreement for funding the federal government for its Fiscal 2025 year (October 1, 2024 to September 30, 2025), Congress passed a bipartisan Continuing Resolution (CR) on September 25, to extend federal spending through December 20, 2024, and avert a government shutdown. With only days to go in a lame duck session of Congress before funding expires, we are in a critical stretch and options are limited. Congress could pass an omnibus package before the current CR expires on December 20, 2024. Unlikely to happen. Or Congress could enact another CR to further extend the appropriations process into the new year and punt decision-making to the next Congress.

A shutdown is not expected. Rather, another CR will likely be passed, extending government funding into March—with potentially additional disaster relief aid—when the new Congress will take up the task of funding the government. This could provide an early distraction for Congress and slow down or even derail some of the President-elect's ambitious 100-day agenda. This short-term uncertainty could also cause some investor "distractions," which may keep the widely discussed excess cash on the sidelines. We would use short-term market volatility as an opportunity to add to Equities given our positive view of the corporate profits cycle overall.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

Joseph P. Quinlan
Managing Director and Head of CIO Market Strategy

Ariana Chiu
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THOUGHT OF THE WEEK ▶

Lauren Sanfilippo
Director and Senior Investment Strategist

MARKETS IN REVIEW ▶

Data as of 12/16/2024, and subject to change

Portfolio Considerations

We maintain our tactical Equity overweight relative to Fixed Income with the U.S. as our preferred Equity region relative to the rest of the world given a broad-based and continuous earnings recovery, resilient consumer, and a solid U.S. growth outlook.

Our highest conviction Fixed Income call remains that the yield curve will normalize as short rates move lower. With that in mind, investors should consider moving out investable cash in Fixed Income to their strategic duration target as cash yields are likely to decrease from here while the short-term backup in yields may be an opportunity.

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MACRO STRATEGY

All Eyes On U.S. Policies And Inflation

Chief Investment Office, Macro Strategy Team

The world economic outlook appears stable, with growth expected to remain slightly below average in 2025. On the positive side, ample oil supplies and cooling global inflation have allowed central banks to cut policy rates in support of economic growth. On the other hand, political turmoil, policy shifts, growing trade barriers, potential currency wars and geopolitical tensions create plenty of risks and uncertainty around the forecast.

Importantly, the world economy remains highly dependent on sustained robust U.S. growth. Even as the range of its challenges has widened, China's government attempts at monetary/fiscal support for its ailing economy have so far been half-hearted. Structural problems—including inefficient resource allocation, a shrinking workforce, property-related growth impediments, declining foreign investment, reduced access to new technology, and growing export barriers—are diminishing its contribution to global growth. Europe's outlook also remains hampered by a sclerotic economic system, elevated energy costs, deficient consumer spending and fading manufacturing competitiveness. Increasing trade tensions with the U.S. and China only exacerbate risks to its tepid economic prospects.

Thus, all eyes remain on the U.S. for cues about the direction of the world economy. Not only has its economic and financial-market performance exceeded expectations and surpassed that of other major economies, but prospects for tax-cut extensions, deregulation, and lower corporate tax rates seem to have already caused business and consumer expectations to perk up from depressed levels. Encouragingly, U.S. financial markets have remained sanguine in the face of upcoming policy changes, with equity prices reaching new highs and bond yields giving back some of their late-September-to-late-November spike.

Inherent data volatility has whipsawed growth and inflation expectations, keeping interest-rate markets on a wild ride. According to the Atlanta Fed, incoming U.S. data are still in line with a 3.3% real gross domestic product (GDP) growth pace in Q4, following gains of 3% in Q2 and 2.8% in Q3.[1] While the Q4 estimate remains driven by sturdy consumer spending and above-average government-sector contribution to growth, net exports and residential investment are also seen adding to growth in the current quarter.

As noted in recent reports, although consumer spending softened in October, the September spending spree was enough to set up Q4 for another strong quarter. Importantly for the outlook, October Bureau of Economic Analysis data also revealed a big increase in personal income both before and after taxes and inflation. For example, real disposable income rose 5.2% at an annualized rate, the most since January and much above its 2000–2019 average pace. With income up strongly and outlays more subdued, the saving rate jumped to 4.4% from 4.1% in September.

Basically, despite accelerating spending growth this year, full employment and robust income growth have allowed consumers to safeguard a large part of their pandemic-related "excess saving," thus preserving significant wherewithal for future spending. What's more, the mix of a strong payrolls growth rebound with a slight increase in hours worked and reaccelerating average hourly earnings gains implies that another very strong increase in wage-and-salary income was likely in November, both in nominal terms and adjusted for the surprise acceleration in the consumer price index (CPI).

Firm labor demand, strong income growth, a comfortable personal savings cushion, low interest payments as a share of incomes, falling gasoline prices, equity market strength and the prospect of pro-growth policies are boosting consumer optimism. The Conference Board's consumer expectations measure rose to a three-year high. The University of Michigan's November survey shows consumer expectations for business conditions over the next 12 months up near long-term average levels for the first time since 2021, and inflation expectations one year out down to 2.6%.

While business surveys have remained mixed and generally subdued, sentiment may be on the mend on this front as well, if the spectacular leap in National Federation of Independent Business (NFIB) small business optimism from way-below average to much-above average in

Portfolio Considerations

Volatility notwithstanding, the data remain consistent with firm growth and moderate inflation. An upcoming spate of pro-growth policies should help extend the U.S. midcycle expansion. Risk assets should continue to benefit until the Federal Reserve (Fed) must restrain the economy again to fight inflation.

[1] All annualized quarterly changes.

November is any indication. Small business plans to boost employment and pay meaningfully increased, job openings inched higher, and the share of businesses planning capital expenditures (capex) over the next three to six months greatly improved. The new orders component of the Institute for Supply Management (ISM) manufacturing survey had also showed an encouraging uptick back into (slight) growth territory in November following eight months of contractionary readings. While the ISM nonmanufacturing sector disappointed across components, readings for employment and new orders remained in expansion territory.

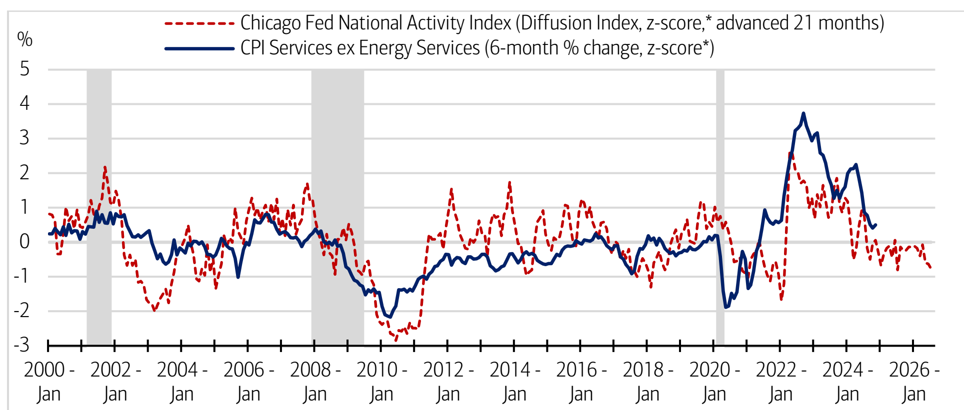
All in all, recent data have been mixed but supportive of strong Q4 growth. Importantly, fundamentals remain favorable for continued expansion, and upcoming pro-growth policies should further strengthen growth underpinnings. Consumer, financial market, and small business sentiment are pointing in that direction. However, with inflation also surprising to the upside, the case for additional Fed easing has become increasingly tenuous.

Indeed, while headline CPI and personal consumption expenditures (PCE) inflation dropped to 2.6% and 2.3% year over year, respectively, by October, "core" inflation has not reached the Fed's 2% target yet. In fact, the Fed's preferred inflation measure, the "core" PCE deflator, rose at over a 3% annualized rate for a second consecutive month in October, boosting inflation to 2.8% year over year from 2.65% in September. Upside inflation pressures have remained concentrated on the services side, with the "core" PCE services ex-housing measure, for example, up at an eye-popping 4.4% annualized monthly pace in October.

While "core" PCE inflation tends to run below "core" CPI inflation, the strong November CPI increase suggests that the Fed's preferred inflation yardstick has also probably remained much above the 2% target. What's more, uncertainty around inflation has increased, with upside risks accumulating.

Indeed, inflation may remain on a downtrend as the economy is still adjusting to relatively high interest rates and to the growth normalization from unusually strong post-pandemic levels (Exhibit 1). Encouragingly, both the ISM manufacturing and nonmanufacturing price components remained soft in November, and inflation expectations have generally remained contained. However, lending conditions have eased, and business sentiment seems to be turning up, pointing to new catalysts for growth. Wage growth remains robust and may strengthen further given newfound NFIB optimism. Rounding up the sources of potential excess demand and upside price pressures, excess savings are still plentiful and household wealth keeps surging.

Exhibit 1: Normalization of Economic Activity Still Disinflationary.



*Z-Score = number of standard deviations from the mean of a data set. Gray bars represent recessionary periods. Sources: BEA; Chicago Federal Reserve/Haver Analytics. Data as of December 12, 2024.

According to the Fed's own Financial Conditions Impulse on Growth (FCI-G) measure, economic growth tailwinds coming from the composite change in a set of seven variables—the fed funds rate, credit spreads, the dollar, stock prices, corporate bond rates, the 10-year Treasury yield, mortgage rate and house prices—have already started to build after almost two years of headwinds. In other words, easing financial conditions are bolstering growth in a fully employed economy even before any deregulation or other new pro-growth policies kick in. In this environment, reemerging inflation pressures would not be surprising, especially if the Fed keeps cutting rates. Fed support for a wait-and-see approach to further easing would make sense at this point.

MARKET VIEW

"Things are so good, it worries me"—Potential Headwinds in 2025

Joseph P. Quinlan, Managing Director and Head of CIO Market Strategy

Ariana Chiu, Wealth Management Analyst

With bullish sentiment running rampant on Wall Street—the average 2025 S&P target of sell-side strategists is roughly 6,700, a 10% gain from current levels—we thought it a good time to assess what could dampen the buoyant mood of investors as we close out the year. As one investor recently quipped, "things are so good, it worries me."

Before delving into specifics, our base case is for the $30 trillion U.S. economy to chug along at a 2%+ pace next year, supporting S&P earnings growth of roughly 13%. Inflation is expected to remain tame, while the 10-year Treasury yield remains range-bound (4% to 4.5%). The U.S. dollar remains relatively strong against other major currencies. The pro-business policies of the incoming administration (deregulation, lower corporate taxes, others) trigger more mergers & acquisitions activity and initial public offerings and, in general, fire up the risk-on animal spirits of both Main Street and Wall Street. We're running with the bulls, in other words.

But below, we briefly outline five dynamics that could cause the bull to stutter or stumble.

One, stickier-than-expected inflation and therefore fewer Fed rate cuts than anticipated. The consensus is for headline and core inflation to remain tame and trend lower over the balance of the year, extending the Fed's rate cutting cycle. BofA Global Research is expecting two rate cuts next year (25 basis points (bps) each), following rate cuts totaling 100 bps in 2024. Further rate cuts are important to the recoveries of interest-rate-sensitive sectors like housing, autos and small businesses. But that said, against a backdrop of solid macroeconomic fundamentals, potential policies that could generate upward pressure on prices (tariffs, anti-immigration), and current inflation metrics above the Fed's 2% target, could force the Fed to hit the pause button in 2025, or at least extend and slow the pace of expected rate cuts. As such, hotter-than-expected inflation is a potential wild card we will be monitoring closely next year.

Two, an uncooperative Congress that slows or throttles President-elect Trump's legislative agenda. Yes, the Republicans hold majorities in both the House and Senate, but the Republican House majority is one of the smallest in U.S. history. Three Republican House seats have been vacated with Trump's cabinet picks, and finding replacements will take time (months), leaving the party a narrow majority as it gets ready to vote on President-elect Trump's signature policies around immigration, taxes and trade. The White House and Congress must also navigate raising the debt ceiling and avoid a government shutdown. The bottom line: Even parties with majorities on both sides of Pennsylvania Avenue can find enacting legislation difficult and unpredictable. Investors are expecting significant market-friendly policies in year one of Trump 2.0 but the actual shape and timing of these policies remain fluid.

Three, a slower pace of AI adoption in the real economy that throws into doubt the payoff of the hyperscalers' capital investment boom. The capital investment boom among U.S. technology leaders has been nothing short of stunning, with just four firms (Alphabet, Amazon, Meta and Microsoft) sinking over $200 billion in capital investment in AI this year (Exhibit 2A). The race to build out AI infrastructure is underway, sparking a great deal of hope and hype around the coming renaissance in AI. However, the massive upfront investment costs have not gone unnoticed by investors wondering when the AI boom will translate into real sales. As Exhibit 2B highlights, it could be a while: per the U.S. Census Bureau, just 6% of U.S. firms are currently using AI to produce goods and services. Of course, usage varies by sector, with greater penetration in information and professional services versus sectors like manufacturing and construction. Key to watch in 2025 will be how upfront investment in AI translates to economic growth.

Four, a rapid deterioration in U.S.-Sino relations that results in accelerating tit-for-tat trade restrictions between the world's two largest economies. U.S.-China bilateral relations remain rocky and fluid, with the two parties increasingly at loggerheads over trade, technology, Taiwan and a host of other issues. With President-elect Trump threatening to impose sweeping tariffs on imports from China, bilateral relations have

Investment Implications

We remain constructive on U.S. Equities heading into 2025 but expect some chop and churn as various known unknowns play out next year. Markets are never linear—and we ask investors to stay invested, treat pullbacks as an opportunity, and remain tilted toward high-quality U.S. assets.

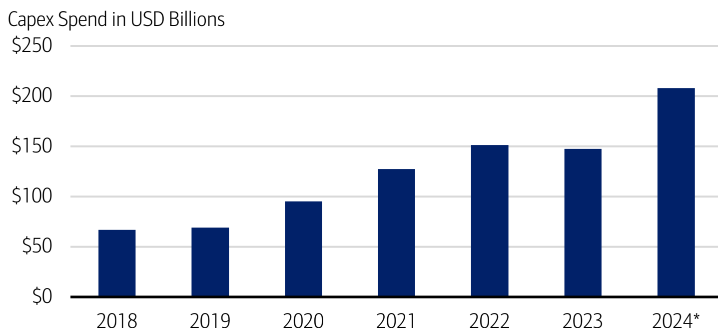
continued to sour. Indeed, a *Wall Street Journal* headline is telling of the turbulent times ahead: “China Comes Out Swinging as Trump Trade War Looms.” Translation: The risks of rising tit-for-tat trade restrictions remain real. Just in the past month, China has launched a regulatory probe into Nvidia, disrupted the supply chains of a key drone manufacturer and blocked the export of critical minerals to the U.S. Per the latter, as Exhibit 2C depicts, the U.S. remains heavily dependent on China imports for critical metals/minerals, which is another way of saying that a rapid deterioration in bi-lateral relations could significantly affect both parties. This remains a key wildcard in 2025.

Five, a surging federal budget deficit that unnerves investors and spooks the bond vigilantes. Deficits—in the long run—do matter and following the FY 2024 federal budget deficit of $1.8 trillion, or 6.4% of GDP, there is a heightened sense of concern around the finances of the U.S. government. Not calming any nerves is the fact that in the first two months of FY 2025, the federal budget deficit totaled $622 billion, a 63% rise from the same period a year ago. However, the widening gap reflects in part some timing around the collection of outlays and revenues, and accounting for these one-off nuances, the two-month deficit was $541 billion; that’s lower but still some $88 billion more than a year ago. Against this backdrop, we continue to believe that the government’s finances are manageable due in part to 1) strong underlying demand (foreign and domestic) for U.S. securities and 2) the fact that government finances are backstopped by the world’s most dynamic economy in the world. At roughly 100% of GDP, gross public sector debt is elevated but manageable for now.

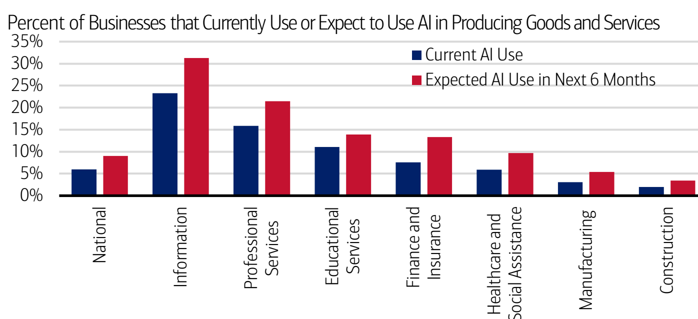
The last word. Given all of the above, we remain constructive on U.S. Equities heading into 2025. So is most of Wall Street. But that said, and as highlighted in Exhibit 2D, markets are never linear. Investors should expect a lot of chop and churn next year as various internal and external forces play out. To this point, stay in the market and use market pullbacks to gain high-quality exposure to U.S. assets.

Exhibit 2: Assessing What Could Go Wrong in 2025.

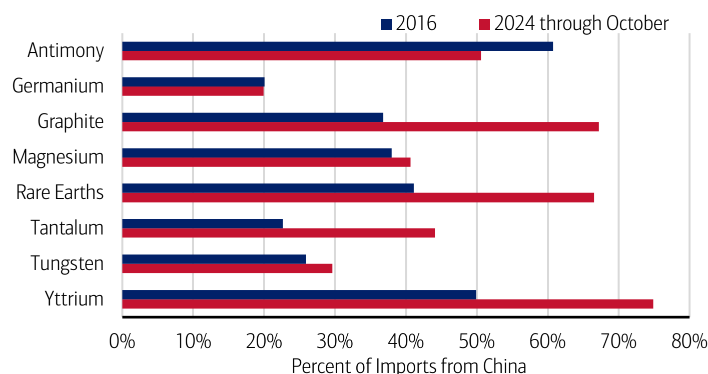
2A) Nothing Short of Stunning: Hyperscalers’ Capital Investment Boom.



2B) AI Utilization Remains Low Nationally, Varies Across Sectors.



2C) The U.S. Remains Dependent on China for Critical Minerals.



2D) S&P 500 Historical Annual Returns and Max Intra-Year Drawdowns.

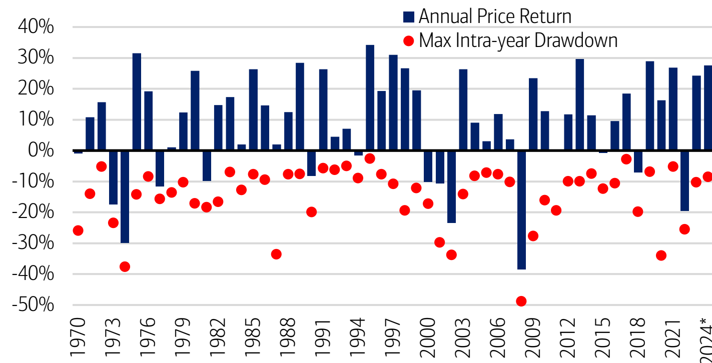


Exhibit 2A) Hyperscalers = Amazon, Alphabet, Meta and Microsoft. *Annualized using data through Q3 2024. Source: FactSet. Data as of December 12, 2024. Exhibit 2B) Source: U.S. Census Bureau. Data collected in October 2024, as of December 12, 2024. Exhibit 2C) Year-to-date (YTD) data through October. Sources: U.S. International Trade Commission, U.S. Geological Survey Mineral Commodity Summaries. Data as of December 12, 2024. Exhibit 2D) *YTD data through December 11, 2024. Source: Bloomberg. Data as of December 12, 2024. **It is not possible to invest directly in an index. Please refer to index definitions at the end of this report. Past performance is no guarantee of future results.**

THOUGHT OF THE WEEK

Caught in the Crosshairs: Small Cap Profits Meet Policies in 2025

Lauren J. Sanfilippo, Director and Senior Investment Strategist

Animal spirits are out, as seen by the small business optimism post-election pickup, with the NFIB Small Business Optimism Index surging to the highest level since June of 2021. The prospects for tax cuts and a lighter regulatory environment, as well as a return to deal activity, are breathing life into the small capitalization Russell 2000 benchmark index. The index is riding 6% higher since Election Day.

The investment case for Small-caps checks out, given how domestically levered they are, and would therefore be relatively insulated from trade tensions between the U.S. and the rest of the world. That's an assumption, but trade reality is more nuanced. Small- and medium-sized businesses[2] depend on a combined $376 billion in import value annually from our top three trading partners—China, Mexico and Canada—on which President-elect Trump is interested in levying tariffs (Exhibit 3A).[3] Yes, there's an asymmetric risk to large businesses (more than double the import value compared to small/medium-sized businesses), but a sizable risk nonetheless. Across the three named trading partners, small- and medium-sized businesses account for a third of total imports.

The mitigation strategy: In anticipating President-elect Trump's imposition of tariffs, companies have abandoned "just-in-time" inventories and instead are stockpiling goods ahead of the new year. Already, an uptick in container throughput at China ports has followed the election result as companies plan to front-load inventory levels–so much so that the National Retail Federation (NRF) boosted its year-end estimates for container imports into the U.S. The NRF's Global Port Tracker estimates 2.17 million Twenty-Foot Equivalent Units (TEU) of import cargo made its way to U.S. ports in November, up 14% year over year. December is forecast at 2.14 million TEU, up another 14% year over year. The immediate uptick in activity serves as a reminder of the deep and binding global supply chain linkages between the U.S. and our top trading partners (and just how nimble corporate America can be). After all, more than two-thirds of world trade occurs across at least one border during the manufacturing/production process, according to Congressional Research Service.

For now, factors such as strong seasonality and momentum may be driving Small-caps performance here in the near term, along with improving small business optimism as an extension of the good vibes. Yet, as Exhibit 3B shows, fundamentally, Small-caps have yet to shake a profits recession that's lasted several quarters. Big expectations of lofty double-digit Small-cap earnings are penciled into consensus estimates beginning in Q4. However, we are at a hinge moment where Small-cap profits are about to meet new policies from the next administration. Trade is still big business for Small-caps, making policy ramifications all that more far-reaching.

Portfolio Considerations

For Small-cap performance to extend into next year is conditional on the "show-me" earnings story that has yet to escape an ongoing profits recession. Lofty 2025 expectations in Small-cap earnings require a still-resilient economic growth backdrop, while further relief for their balance sheets (lower interest expense) would be a bonus.

Exhibit 3: Delineating Imports and Earnings for Big and Small Business.

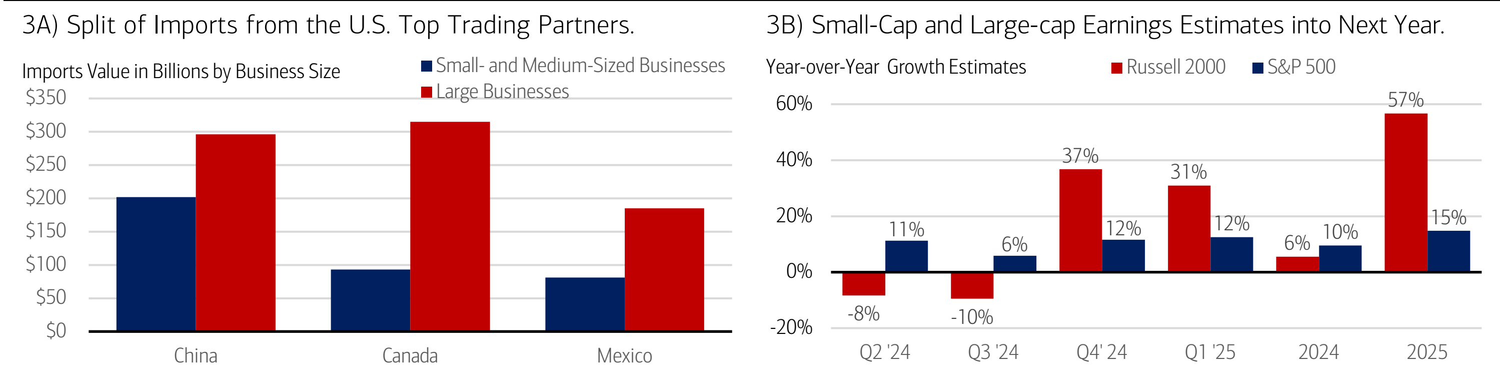


Exhibit 3A) Source: U.S. Census Bureau. Data as of April 2024 for 2022. Exhibit 3B) Quarterly and Full Year FactSet estimates. Source: FactSet. Data as of December 10, 2024.

[2] U.S. Census Bureau defines small- and medium-sized businesses as companies with fewer than 500 employees.

[3] President-elect Trump has proposed a universal 10%-20% tariff on all imports, and 60% tariff on goods from China. More recently he floated an additional 10% tariff on all products from China and a 25% tariff on all Mexican and Canadian imports.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	43,828.06	-1.8	-2.3	18.4
NASDAQ	19,926.72	0.4	3.7	33.7
S&P 500	6,051.09	-0.6	0.4	28.6
S&P 400 Mid Cap	3,277.20	-1.6	-2.6	19.5
Russell 2000	2,346.90	-2.5	-3.5	17.3
MSCI World	3,817.24	-1.0	0.2	22.1
MSCI EAFE	2,319.05	-1.5	0.2	6.4
MSCI Emerging Markets	1,107.01	0.3	2.7	10.6

Fixed Income†

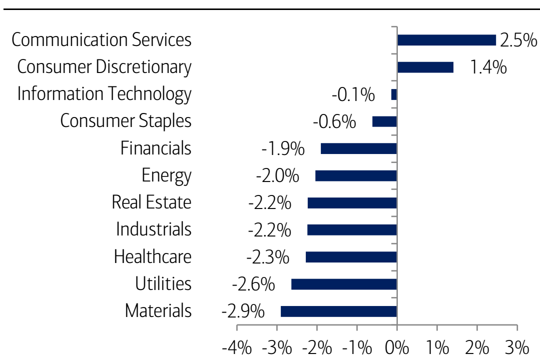
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.66	-1.34	-0.92	1.94
Agencies	4.54	-0.58	-0.31	3.35
Municipals	3.55	-0.87	-0.54	1.99
U.S. Investment Grade Credit	4.79	-1.38	-0.93	1.97
International	5.17	-1.40	-0.90	3.20
High Yield	7.19	-0.22	0.20	8.87
90 Day Yield	4.32	4.39	4.49	5.33
2 Year Yield	4.24	4.10	4.15	4.25
10 Year Yield	4.40	4.15	4.17	3.88
30 Year Yield	4.60	4.34	4.36	4.03

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	237.90	1.3	0.7	5.1
WTI Crude $/Barrel††	71.29	6.1	4.8	-0.5
Gold Spot $/Ounce††	2648.23	0.6	0.2	28.4

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.05	1.06	1.06	1.10
USD/JPY	153.65	150.00	149.77	141.04
USD/CNH	7.28	7.28	7.25	7.13

S&P Sector Returns



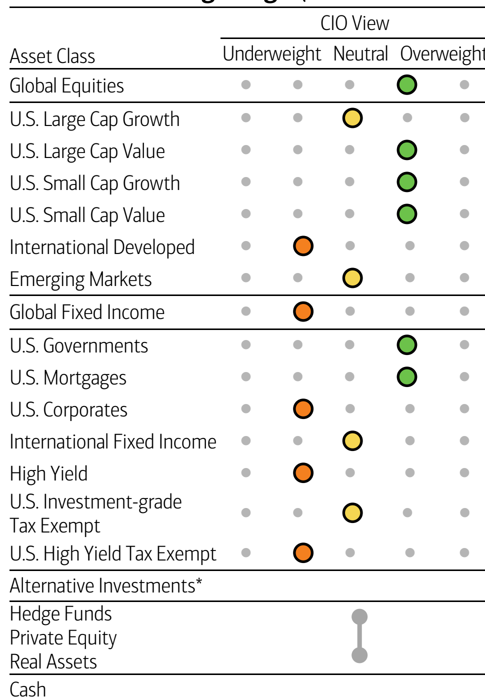
Sources: Bloomberg, Factset. Total Returns from the period of 12/9/2024 to 12/13/2024. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 12/13/2024 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 12/13/2024)

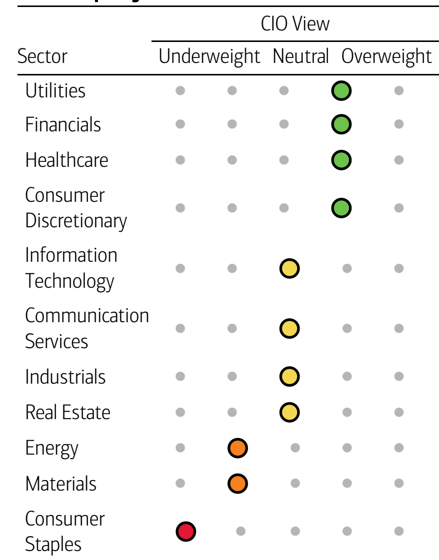
	Q4 2024E	2024E	Q1 2025E	Q2 2025E	Q3 2025E	Q4 2025E	2025E
Real global GDP (% y/y annualized)	-	3.1	-	-	-	-	3.2
Real U.S. GDP (% q/q annualized)	2.0	2.7	2.5	2.3	2.2	2.2	2.4
CPI inflation (% y/y)	2.7	2.9	2.3	2.3	2.7	2.5	2.5
Core CPI inflation (% y/y)	3.3	3.4	3.0	2.9	3.2	3.1	3.0
Unemployment rate (%)	4.2	4.0	4.3	4.3	4.4	4.4	4.3
Fed funds rate, end period (%)	4.38	4.38	4.13	3.88	3.88	3.88	3.88

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 December 13, 2024.

Asset Class Weightings (as of 12/3/2024)



CIO Equity Sector Views



*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 December 3, 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.

RETURN TO FIRST PAGE

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.

Consumer Price Index (CPI) measures change over time in the prices paid by consumers for a representative basket of goods and services.

Consumer Price Index ex Energy Services, also known as the core CPI, is a measurement of the average price paid by urban consumers for a basket of goods and services that does not include food and energy

Chicago Fed National Activity Index is a monthly index that measures the overall economic activity and inflationary pressure in the United States

National Federation of Independent Business (NFIB) Small Business Optimism Index is a monthly index that summarizes the outlook of small businesses in the United States.

Russell 2000 Index is a benchmark index that measures the performance of about 2,000 of the smallest publicly traded companies in the United States.

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