Chart Book

On the Road To Recovery

Where The Asset Light Era Meets The Innovative Infrastructure Renaissance

July 2025
Q2 2025

As we evolve further into our theme of the Asset Light Era meets the Innovative Infrastructure Renaissance, we believe the core principles of investing become even more critical. In this investment cycle, portfolio diversification, specific investment roles, more frequent rebalancing and refinement, and the use of new private growth assets are likely to increase in importance.

Rapid technological innovation, critical data security, rising productivity, large-scale capital investment plans, global fiscal policy adjustments, and changing demographics are all major rivers in the sea of opportunities, in our view.

We will continuously review and monitor these opportunities, among others, as they evolve and incorporate them across the various asset classes and portfolio strategies overall. Our 10 Principles of Investing are designed to develop and fully integrate a well-organized investment process over the course of time and investment cycles.

Table of Contents

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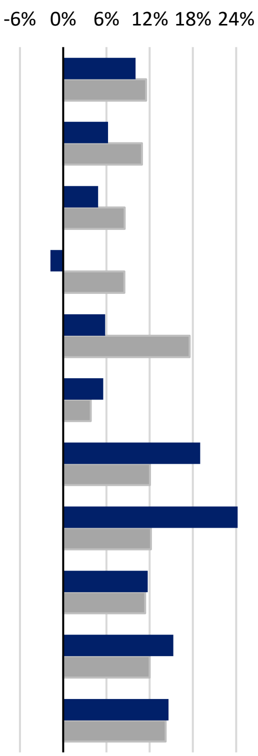
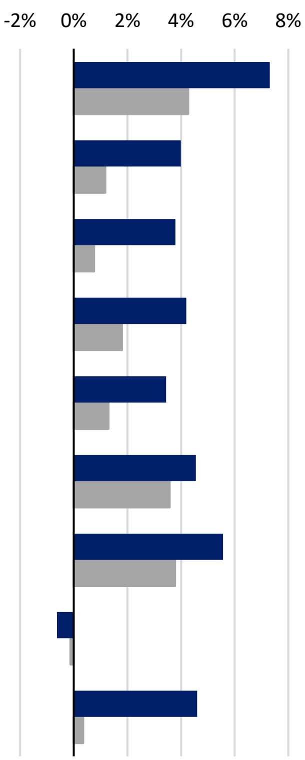
2nd Quarter Recap & Major Index Total Returns

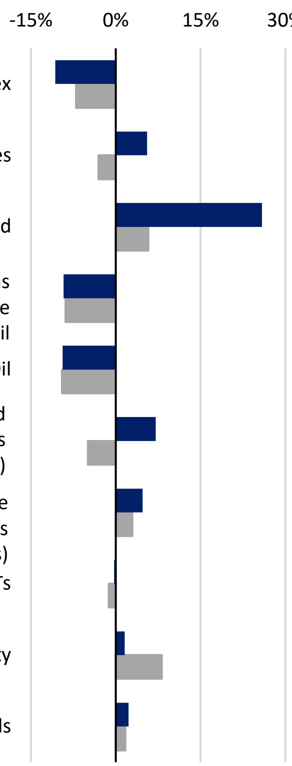
- As we enter the second half of the year, noise surrounding trade policy, the fiscal outlook, and the trajectory of inflation and monetary policy may continue and lead to further choppiness in the near term. We expect investors will continue to look for signs of uncertainty fading further before markets ultimately regain a sense of stability. Catalysts such as trade deal announcements, easing geopolitical tensions, solid corporate earnings reports, economic and consumer resilience, and easier financial conditions would support risk taking over the balance of the year.
- In Q2, Growth-oriented Equities outperformed Value, Large-caps led Mid- and Small-caps, and the rest of the world outperformed the U.S.
- BofA Global Research* expects stable global growth of 3.0% in 2025 and 3.0% in 2026, following 3.2% in 2024. U.S. real gross domestic product (GDP) grew by 2.8% in 2024 but is projected to slow to 1.6% in 2025 and 2026, with China and the Euro area expected to grow by 4.7% and 0.9% in 2025 and 4.3% and 0.9% in 2026, respectively.



	YTD	QTD
MSCI All Country World	10.0%	11.5%
S&P 500	6.2%	10.9%
S&P Midcap 400	4.8%	8.5%
Russell 2000	-1.8%	8.5%
Russell 3000 Growth	5.8%	17.6%
Russell 3000 Value	5.5%	3.8%
MSCI EAFE	19.0%	12.0%
MSCI Europe	24.2%	12.2%
MSCI Japan	11.7%	11.4%
MSCI Emerging Markets	15.3%	12.0%
MSCI Pacific ex. Japan	14.6%	14.2%



	YTD	QTD
Global Broad Market	7.3%	4.3%
U.S. Broad Market	4.0%	1.2%
Treasury	3.8%	0.8%
U.S. Corporates	4.2%	1.8%
Agency	3.4%	1.3%
U.S. High Yield	4.5%	3.6%
BBB and Lower Soveriegn	5.6%	3.8%
Municipal Securities	-0.6%	-0.1%
Treasury Inflation-Protected Securities (TIPS)	4.6%	0.3%



	YTD	QTD
DXY U.S. Dollar Index	-10.7%	-7.0%
Commodities	5.5%	-3.1%
Gold	25.9%	5.7%
West Texas Intermediate (WTI) Crude Oil	-9.2%	-8.9%
Brent Crude Oil	-9.4%	-9.5%
Master Limited Partnerships (MLPs)	7.1%	-4.9%
Global Real Estate Investment Trusts (REITs)	4.7%	3.0%
U.S. REITs	-0.3%	-1.3%
Private Equity	1.6%	8.1%
Global Hedge Funds	2.2%	1.7%

Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. Source: Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY.** Total returns referenced in USD for all indexes, except Brent and WTI Crude Oil where price returns are used and MSCI indexes where net total return is used. All Fixed Income categories are represented by ICE BofA indexes. Other asset classes represented by the following indexes: MLPs (Alerian MLP Index), Commodities (Bloomberg Commodity Index), Gold (Gold Spot Price), U.S. REITs (FTSE EPRA Nareit United States Index), Global REITs (FTSE EPRA Nareit Global Index), Private Equity (LPX 50 USD Index), and Global Hedge Funds (HFRX Global Hedge Fund Index). *BofA Global Research is research produced by BofA Securities, Inc. ("BofAS") and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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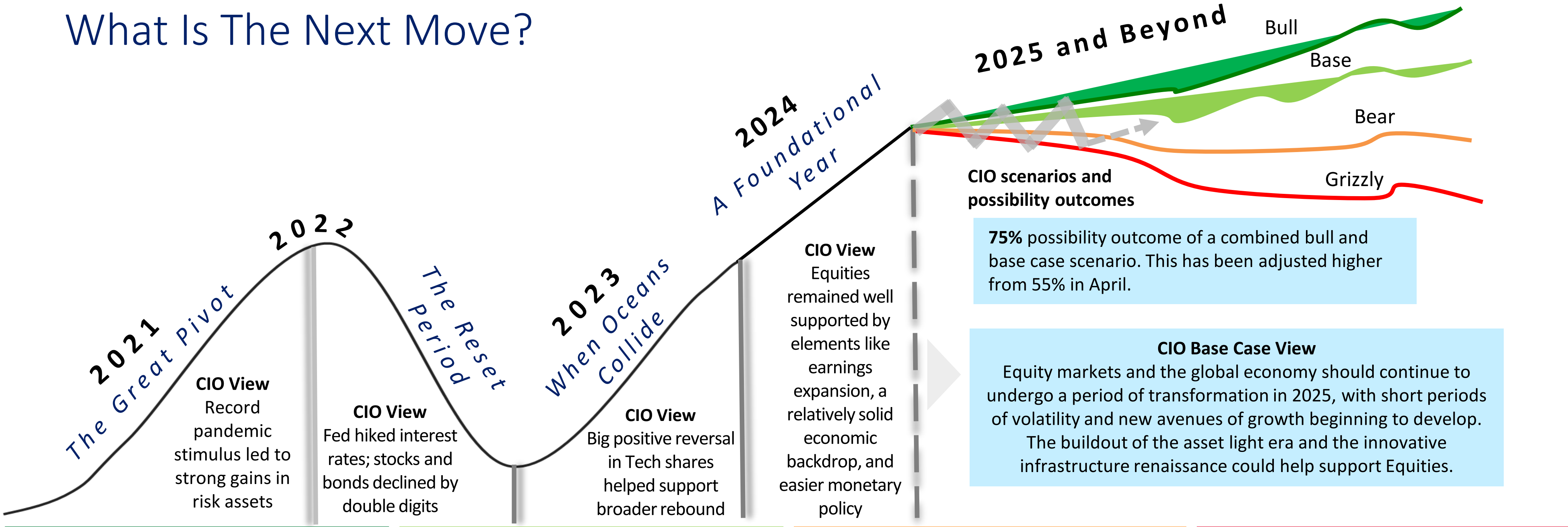
What Is The Next Move?



SCENARIO 1 BULL CASE (approximately 20% possibility outcome)

- Tariffs are negotiated downwards.
- Geopolitical tensions ease.
- A new economic re-expansion builds, and growth is well above trend in 2025.
- Financial conditions ease substantially in second half and inflation trends lower at the same time.
- Yield curve steepens as yields on the back-end rise as economic growth increases above trend and short rates slip.
- Long-term bull market continues as earnings rise higher-than-expected through 2025.
- Cyclical areas lead Equity markets with growth stock momentum resurging.
- S&P 500 climbs back well above new highs.

SCENARIO 2 BASE CASE (approximately 55% possibility outcome)

- Deals are made and some of the announced tariffs are negotiated down.
- U.S. gross domestic product (GDP) overall remains slightly positive, and a recession scenario is avoided.
- One-time price increases do not materialize into an "economy-wide" resurgence in inflation.
- Deregulation and tax relief potentially boost growth outlook.
- Fed funds rate is stable for the remainder of the year with the potential for cuts if needed.
- Earnings growth for S&P 500 is lower than previously anticipated but remains positive in 2025.
- U.S. dollar slightly weaker.
- Broader participation within the Equity markets including non-U.S. stocks.
- Sector dispersion remains wide with Technology leading.

SCENARIO 3 BEAR CASE (approximately 20% possibility outcome)

- Tariffs add 1% to 1.5% to inflation and subtract a similar amount from GDP growth.
- Geopolitical tensions escalate.
- Stagflation worries build as growth slumps below trend and inflation remains above target.
- Expectations for monetary policy are recalibrated.
- Earnings decline in 2025.
- Unemployment rate rises above 5% as recession risk increases.
- Defensive areas of the market outperform.
- Cyclical areas underperform and high-quality Growth outperforms low-quality Value.

SCENARIO 4 GRIZZLY CASE (approximately 5% possibility outcome)

- Tit-for-tat tariffs turn into a full blown "trade war."
- Geopolitical tensions boil over into broader conflict.
- Sharp economic hard landing, not just deterioration, occurs through 2025.
- Federal Reserve (Fed) policy requires new emergency measures and aggressive cuts.
- Contains the sharpest fall in earnings.
- Major widespread stress hits the office property and regional banking sectors.
- Fixed Income significantly outperforms Equities as risk aversion rises sharply.
- U.S. dollar rallies.
- Defensive assets outperform sharply.
- S&P 500 falls into bear market territory.

Denotes current significant uncertainty and sharp volatility. Black line represents the lifecycle of the CIO economic process and is not meant to represent any specific investment, index or performance of any kind. Source: CIO. Data as of June 30, 2025. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY.** Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **Please refer to index definitions and important disclosures at the end of this presentation.**

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Chief Investment Office's 10 Principles of Investing

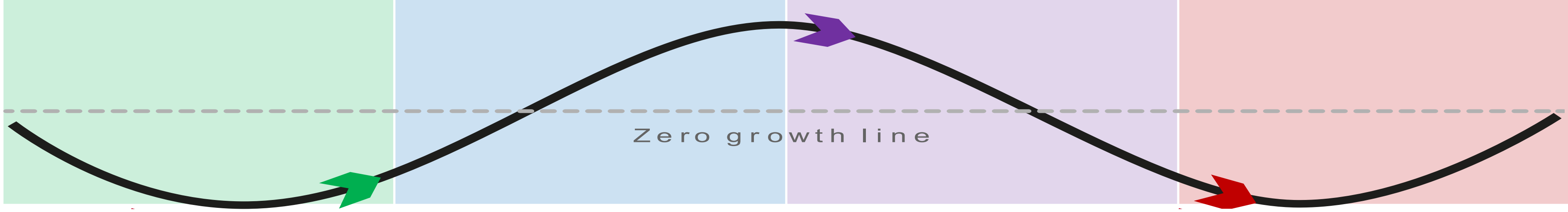
1. Start early and invest continuously
2. It's time in the market, not market timing that matters
3. Invest to successfully reach goals, not beat benchmarks
4. Diversification works best when you most need it
5. Rebalancing plans help avoid emotional decision making
6. Focus on the trend lines, not the headlines
7. The longer the time horizon, the lower the probability of loss
8. Every investment should have a defined role in the portfolio
9. Reassessment and refinement should be key steps in the plan
10. Every investment cycle is different, but the core principles are the same

- The Chief Investment Office (CIO) Principles of Investing are designed to develop and fully integrate a well-organized investment process over the course of time and investment cycles.

Source: Chief Investment Office. Data as of June 30, 2025. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Stylized Economic Cycle, Typical Characteristics, and Portfolio Preferences

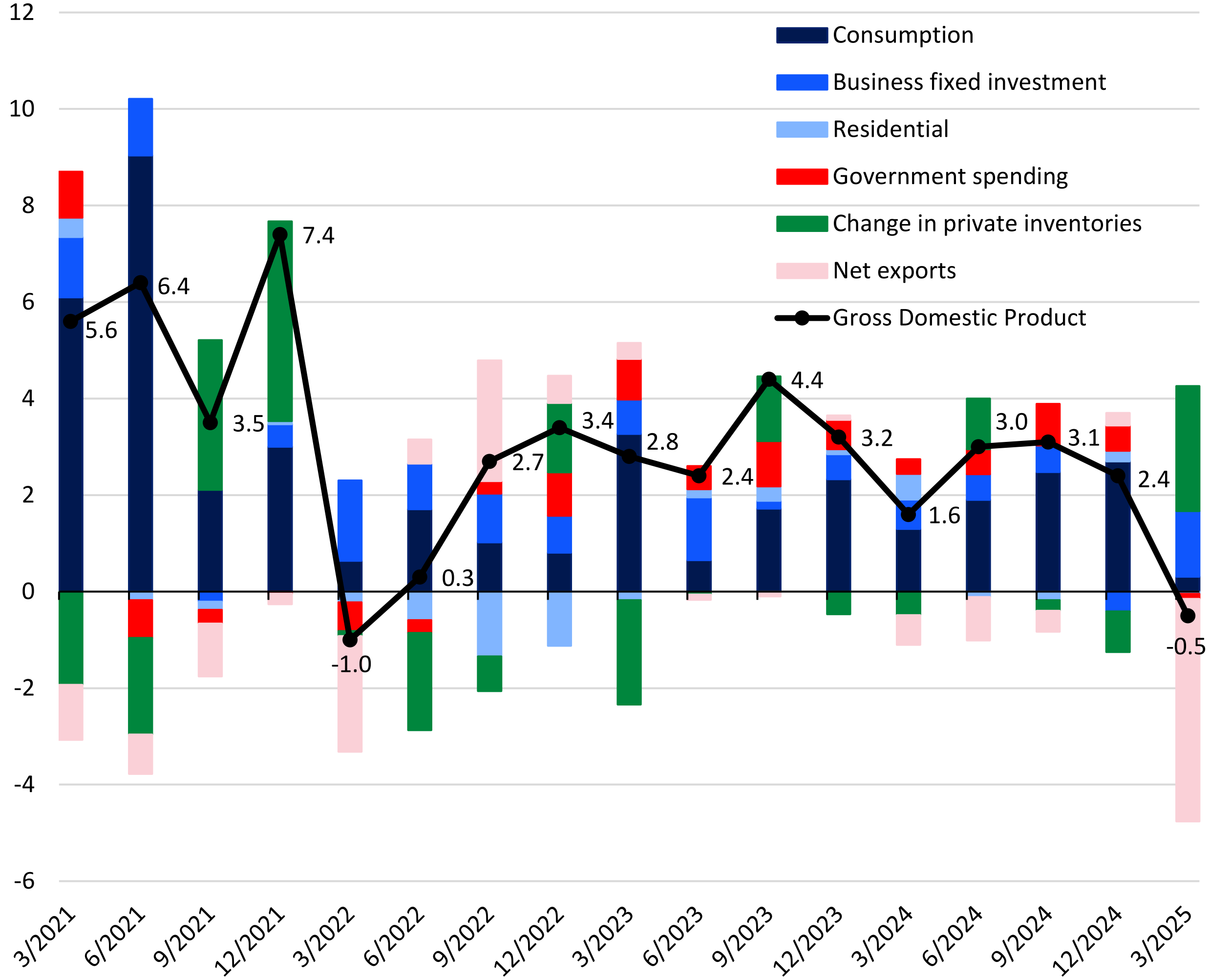
About 1 year	About 3 years	About 1.5 years	Typically, < 1 year
Early Cycle	Mid Cycle	Late Cycle	Recession
• Lots of liquidity • GDP growth spikes • Unemployment starts to decline • Rapid increase in profits and margins • Spreads decline • Federal Reserve (Fed) eventually starts to reduce accommodation	• Expansion continues at normalized rate • Inflation starts to pick up • Fed normalizes interest rate policy • Margins flatten and profits growth normalizes • Leverage increases • Spreads drop below average	• Fed tightens policy to address rising inflation • Leverage may increase excessively • Growth slows, margins decline • Spreads rise toward average and above	• Economy contracting • Peak unemployment • Maximum Fed stimulus • Flight to quality • High Volatility
• High Yield (HY) Corporates: overweight (OW) • Equities: OW • Treasurys: underweight (UW)	• Credit: neutral • Equities: from OW to neutral	• Credit: UW • Treasurys: neutral to OW • Equities and economic sensitive Sectors: UW	• Treasurys: OW • Equities: UW



Since the 1980s the duration of economic expansions has increased above this average with elongated mid-cycles.
Black line represents the life cycle of the CIO investment process and is not meant to represent any specific investment, index or performance of any kind. Source: CIO. Data as of June 30, 2025. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY.** Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix and important disclosures.**

A Normalizing Economy

Contributors to Real GDP Growth
Quarter-over-Quarter (QoQ), seasonally adjusted (SA) annualized rate (%)



- The economy shrank by a seasonally adjusted annual growth rate of 0.5% in Q1. This was mainly due to the anticipation of tariff policies, which caused businesses to front-load import purchases, leading to a record negative trade balance. Additionally, government spending decreased.
- On the other hand, business fixed investment and the change in private inventories contributed more to GDP growth compared to previous quarters.
- Overall, while growth has normalized since the post-pandemic recovery, it remains relatively strong due to the engine of consumer spending. Consumption accounts for almost 70% of U.S. GDP.

CIO Key Considerations

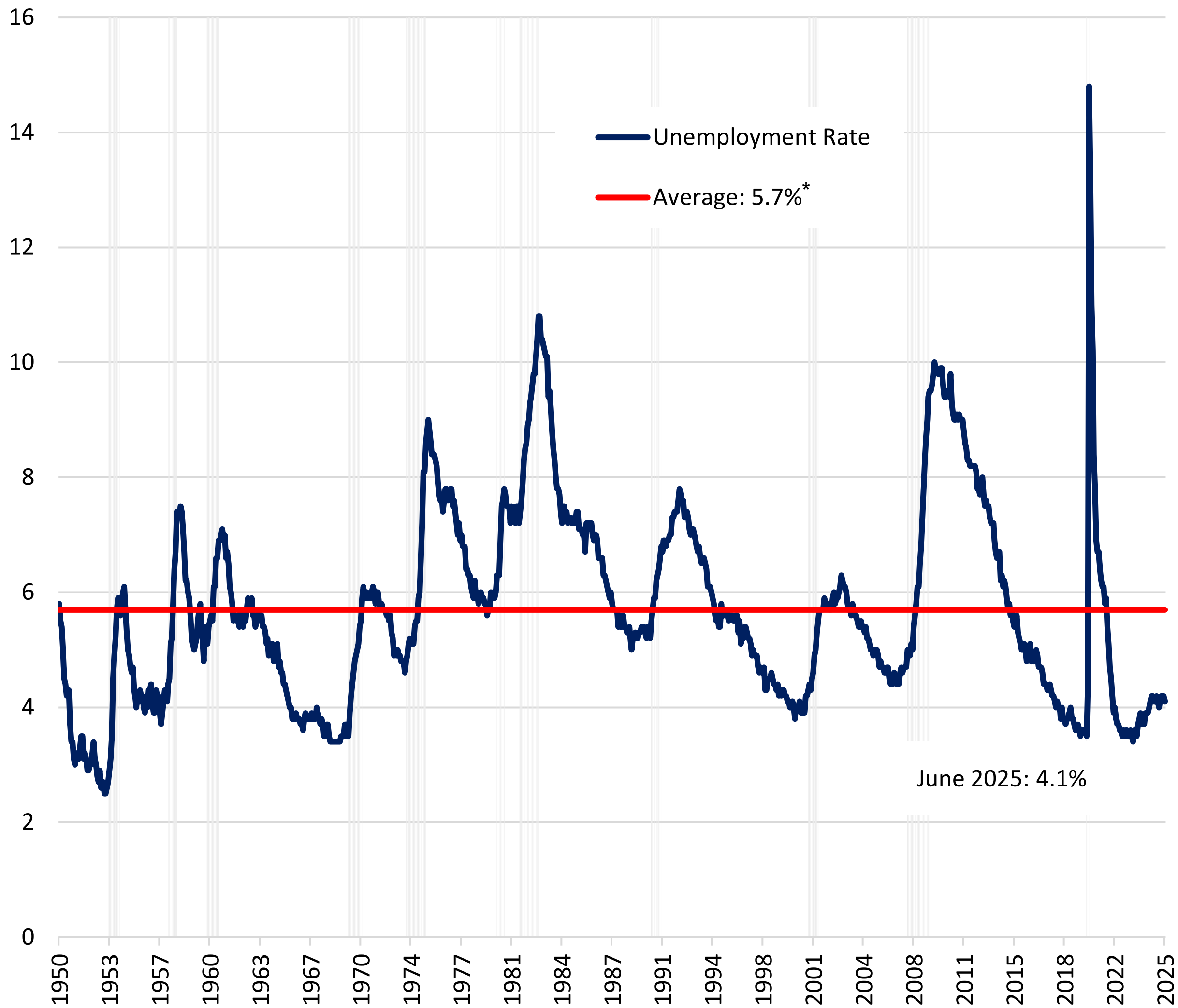
We remain slightly overweight the U.S. relative to the rest of the world given solid earnings growth, strong balance sheets in aggregate, and relatively healthy consumer fundamentals.

Sources: Bureau of Economic Analysis, Bloomberg. Data as of June 26, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to the appendix for glossary, asset class proxies, index definitions, and important disclosures.**

Return to Table of Contents ▶

The Labor Market Remains Resilient

U.S. Unemployment Rate, seasonally adjusted (SA) (%)



- The U.S. labor market has cooled from its red-hot level following the pandemic. Claims for unemployment compensation suggest that layoffs are still relatively low, but continuing claims remain slightly elevated, signaling that it may be taking longer for the unemployed to find new jobs.
- The unemployment rate remained unchanged at 4.2% in March through May and fell to 4.1% in June. Since 2021, it has stayed well below its long-term average of 5.7%, indicating a stable labor market.
- Moreover, average hourly earnings year-over-year (YoY) has stayed higher than headline consumer price index (CPI) inflation since mid-2023, suggesting workers' purchasing power has improved and remains strong.

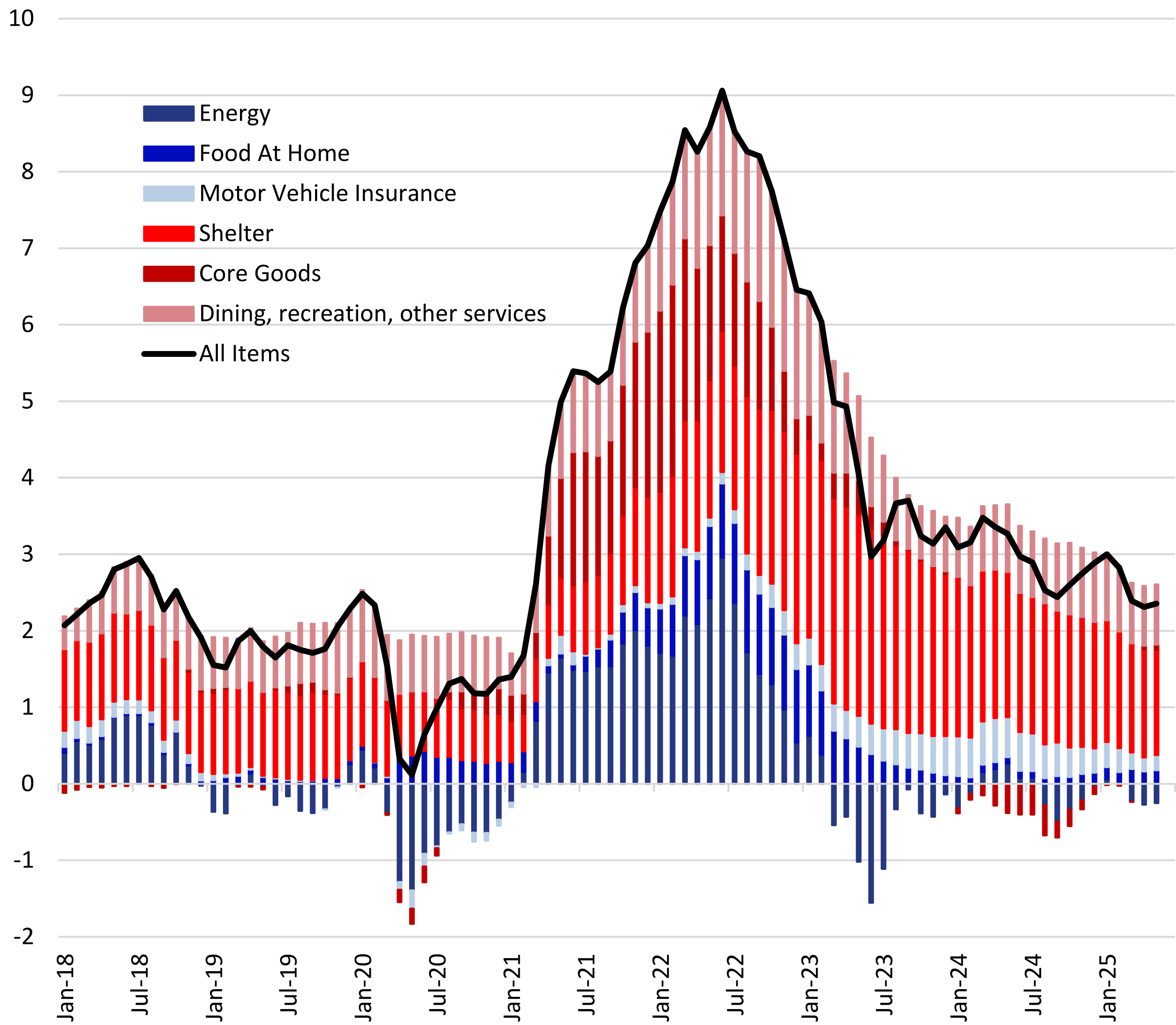
CIO Key Considerations

Recent data has helped to ease concerns about a jobs-related slowdown. A healthy labor market supports our positive view on the U.S. economy.

Gray areas represent recession periods. *Refers to average since 1950. Sources: Bureau of Labor Statistics, Bloomberg. Data as of July 3, 2025. Monthly data referenced. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

Inflation Has Moderated but Remains Sticky

Contribution to YoY % change in CPI (not seasonally adjusted (NSA))



- CPI inflation has been hovering in the 2% to 3% YoY range for the last several months with the core measure, which excludes volatile components like food and energy, cooling since the beginning of the year and stalling out around 2.8% YoY for the last few months.
- Price levels remain sticky and above levels seen pre-pandemic; however, YoY inflation is well below historic highs.
- Services-related components, such as shelter, have helped to prop up price levels for the last two years. Meanwhile, the pace of price increases in other areas, like energy, has been decelerating.

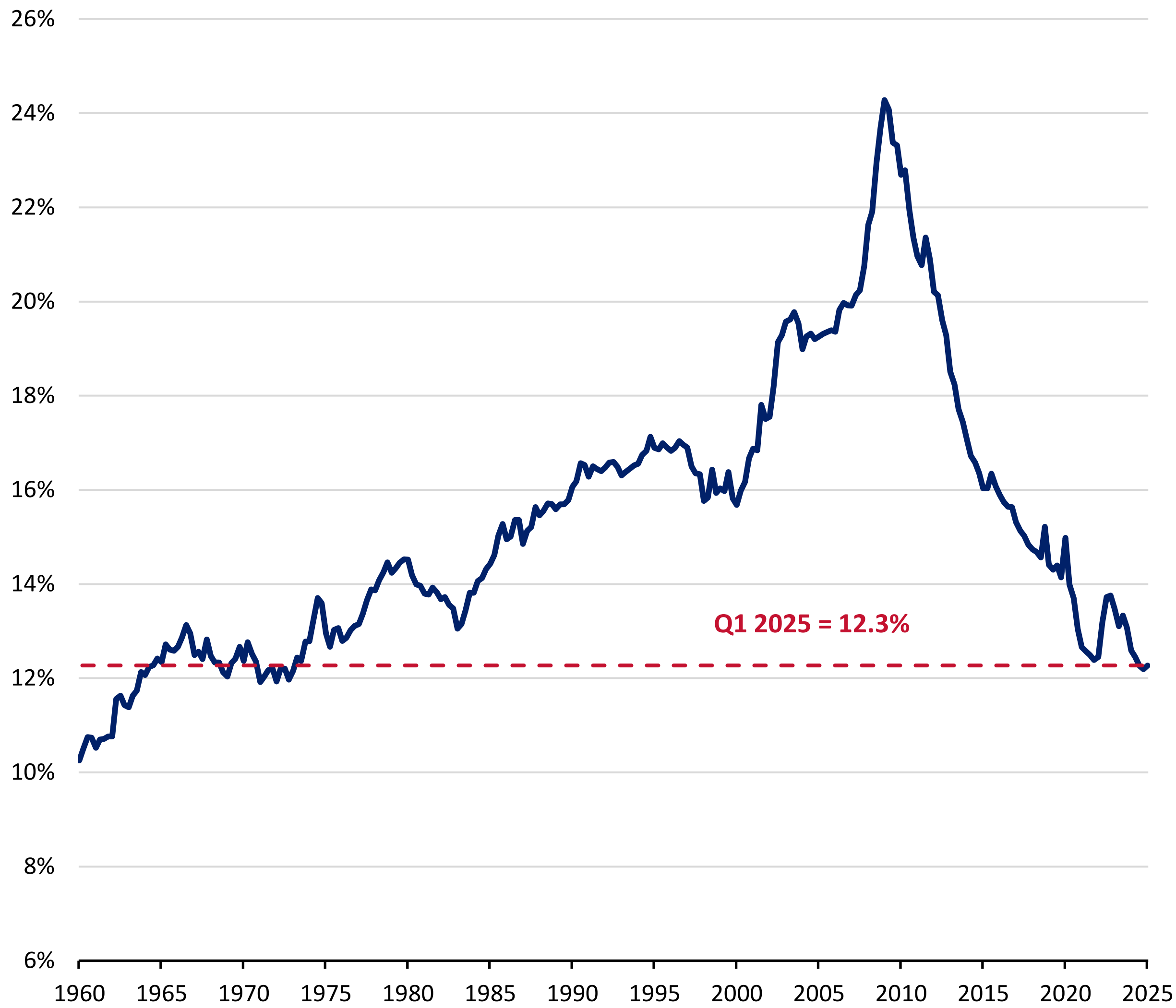
CIO Key Considerations

The Fed targets a 2% inflation level and continues to monitor for any signs of a potential reacceleration. We believe they are currently in a wait-and-see mode as we enter the second half of the year.

Source: Bureau of Labor Statistics, Bloomberg. Data as of June 11, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

U.S. Consumer Still Bifurcated but Resilient

Household Debt as a Share of Household Net Worth



- The U.S. consumer remains resilient in aggregate with debt as a share of household net worth at multi-decade lows.
- Higher-income households who drive a larger percentage of consumer spending are still supported by sizable equity gains from the past couple of years combined with appreciating home prices.
- Rising credit card delinquencies and more choiceful spending patterns suggest affordability remains a challenge for lower-income consumers. Still-low unemployment and solid real wage growth are key supports to watch.

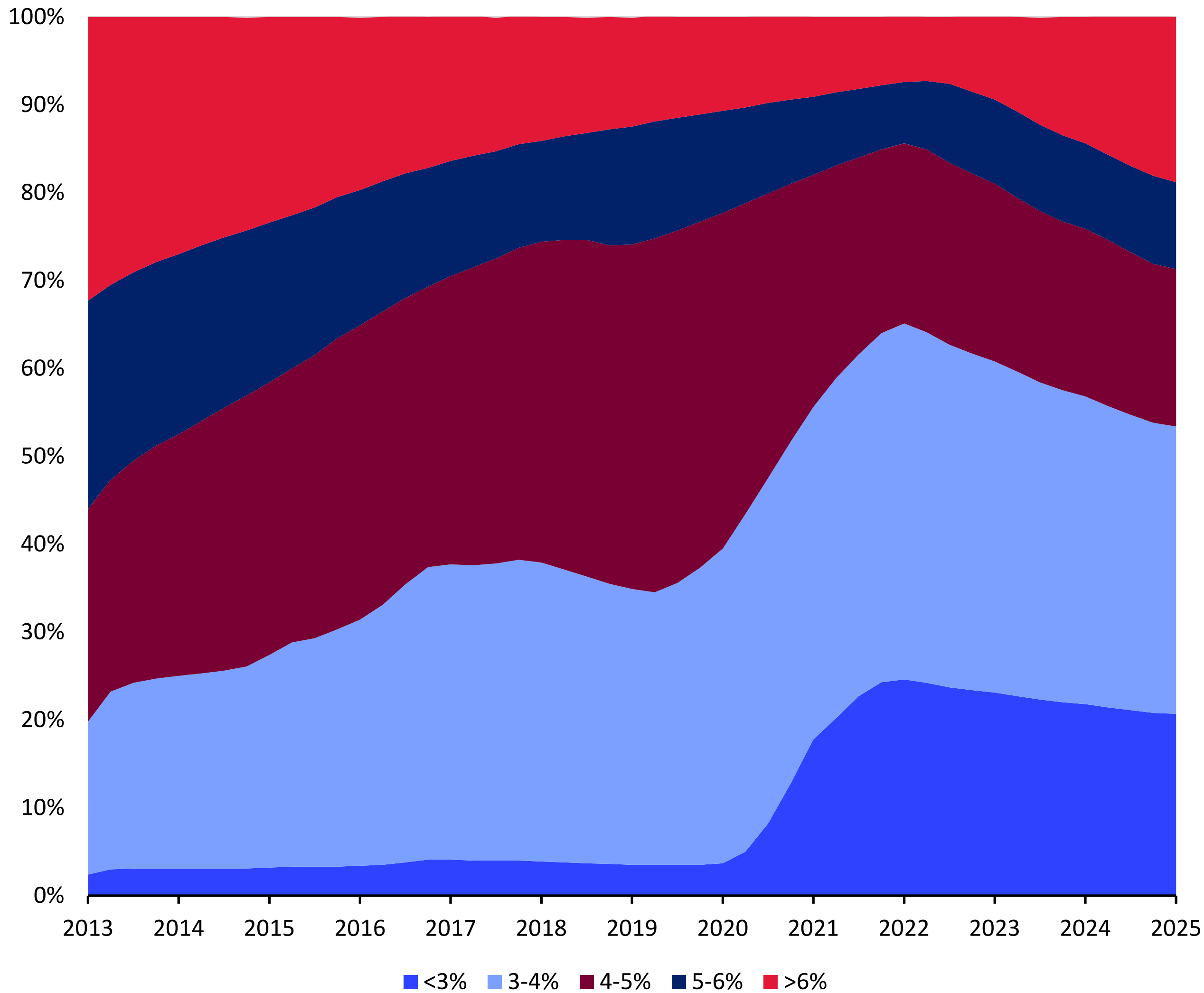
CIO Key Considerations

Consumer spending accounts for about 70% of U.S. GDP. Consumer resiliency, particularly among higher-income households, supports our positive outlook for the U.S. economy this year.

Source: Federal Reserve. Data through Q1 2025, as of June 12, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

Housing Market Frozen Amid Higher Rates

Share of Outstanding Mortgages by Mortgage Rate



- The "lock-in" effect persists with 53% of outstanding mortgages locked into rates below 4%.
- Affordability continues to be a significant headwind for many buyers, leading to recessionary levels of total activity despite some inventory improvements. Existing home sales have hovered at 2008/2009 Global Financial Crisis lows for two years.
- With mortgage rates still elevated and the Fed on hold for now, the housing market is likely to remain challenged in the near-term.

CIO Key Considerations

A meaningful unfreezing of the U.S. housing market will hinge on lower interest rates.

Source: Federal Housing Finance Agency. Data through Q1 2025, as of June 27, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

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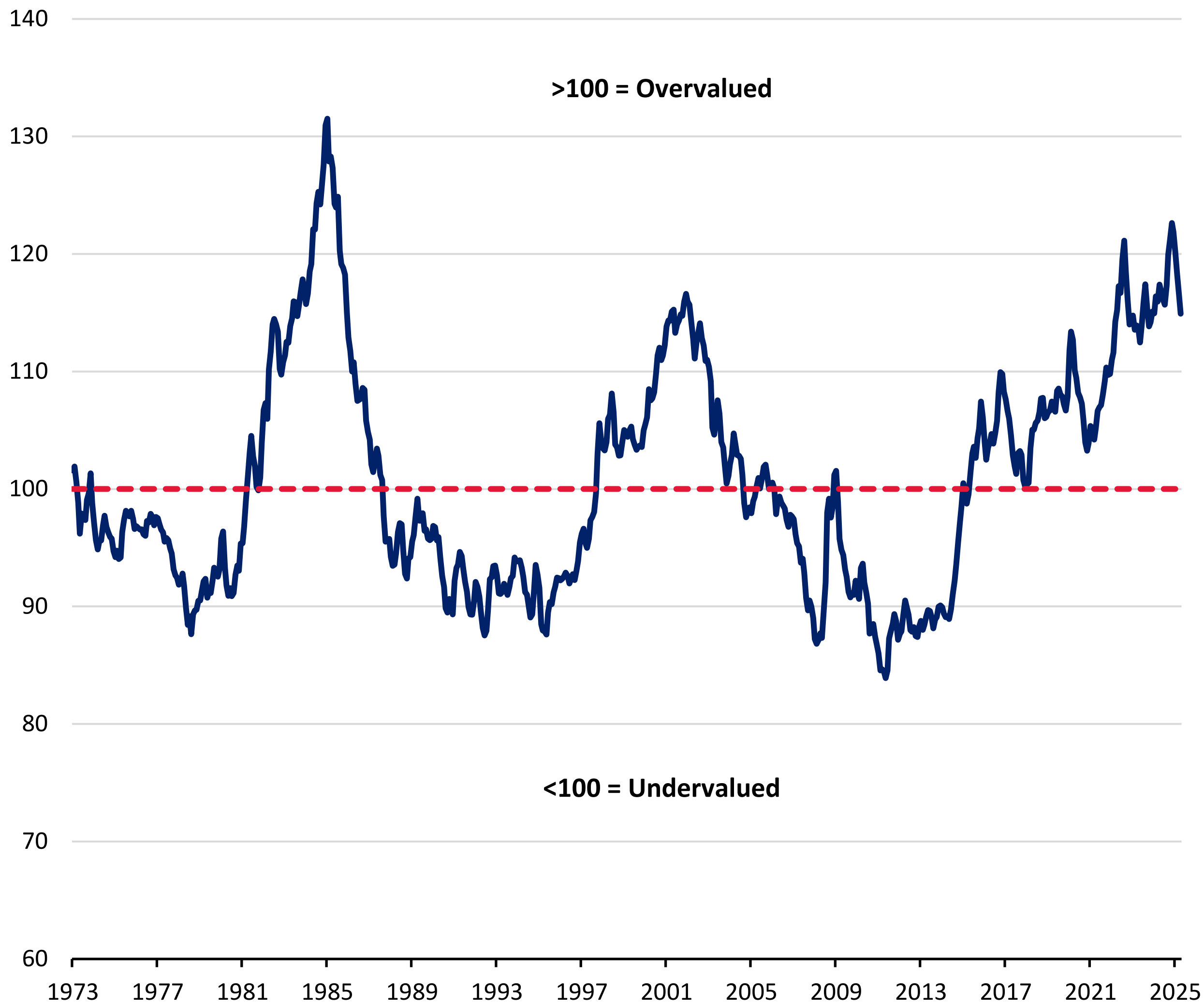
U.S. Dollar Normalizing from Overvalued Start to 2025

Real Broad Trade-Weighted Dollar Index
January 2006 = 100



- The dollar entered the year at its most overvalued level since 1985 and its intentional devaluation via the "Plaza Accord." In real broad trade-weighted terms, the dollar has weakened by 5% year-to-date (YTD) but remains overvalued.*
- Relative growth expectations and efforts by the U.S. to reduce its trade and current account deficit suggest that the U.S. dollar could weaken further against international currencies from here.
- Still, with the dollar dominating global trade and foreign exchange reserve holdings, a material change in its world reserve currency status is unlikely, in our view.

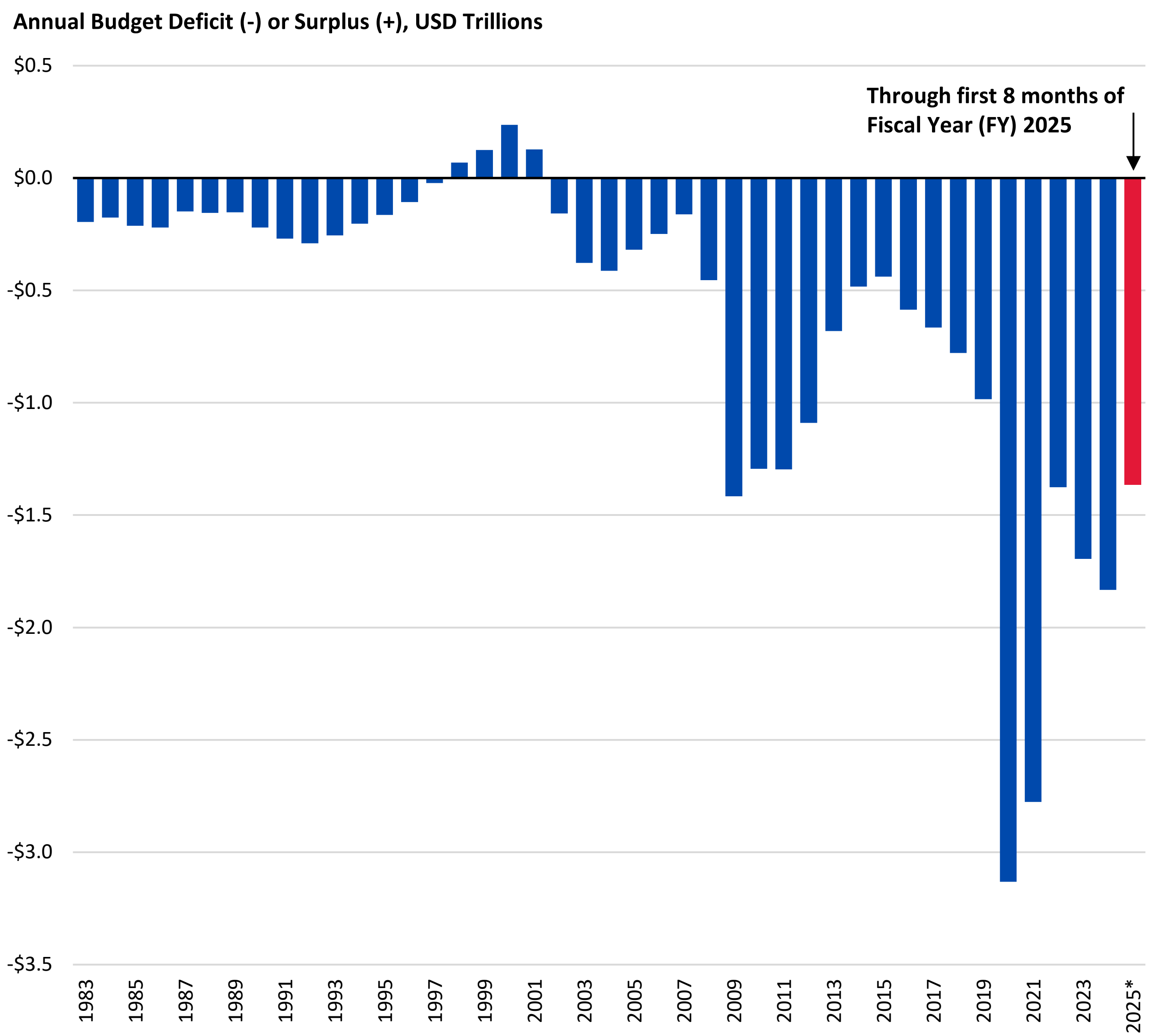
CIO Key Considerations

We wouldn't be surprised to see further weakening of the U.S. dollar in the near-term, which should be supportive of earnings for U.S. multinationals.

*As of July 1, 2025. Source: Federal Reserve. Data as of July 1, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

Return to Table of Contents

Record Federal Deficits on Watch



- The U.S. budget deficit came in at $1.4 trillion for the first 8 months of FY25 and is on track to finish in the neighborhood of $2 trillion for this fiscal year.
- Interest payments continue to outpace defense spending amid higher interest rates. Mandatory outlays, interest payments and defense spending accounted for 86% of total government outlays in FY24.
- While higher tariffs may provide some deficit relief, associated revenue will depend on the extent and duration of tariffs and potential trade deals.

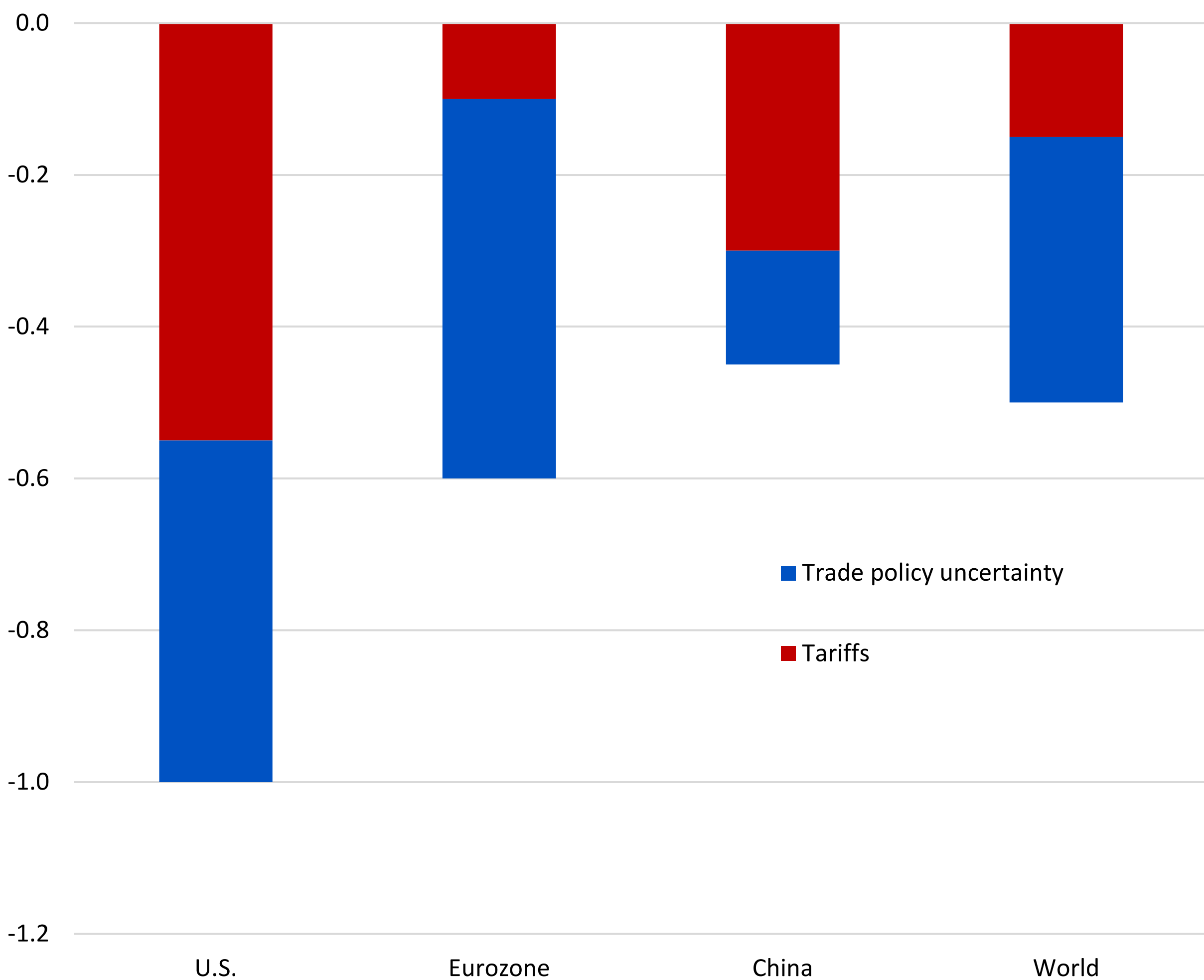
CIO Key Considerations

We do not believe the U.S. is headed toward fiscal crisis but remain watchful of longer-term risks.

Source: U.S. Treasury. *Data for fiscal year 2025 through May 2025, as of June 11, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Tariff Impact on Global Economic Growth Expected to be Uneven

Change expected in real GDP through 2026*
Percentage points



- The effects from changes in tariff policy during the first half of 2025 are yet to be fully reflected in global economic data releases but are likely to materialize over the coming quarters.
- For international economies, tariffs applied to their goods exports to the U.S. are expected to result in a smaller hit to growth via a net export slowdown. While for the U.S., tariffs applied to the majority of total goods imports are expected to result in a larger hit to growth through weaker business spending and weaker household consumption.
- A smaller negative growth impact for international economies compared to the U.S. should contribute to further weakness in the U.S. dollar and relative improvement in the prospects for non-U.S. equity markets.

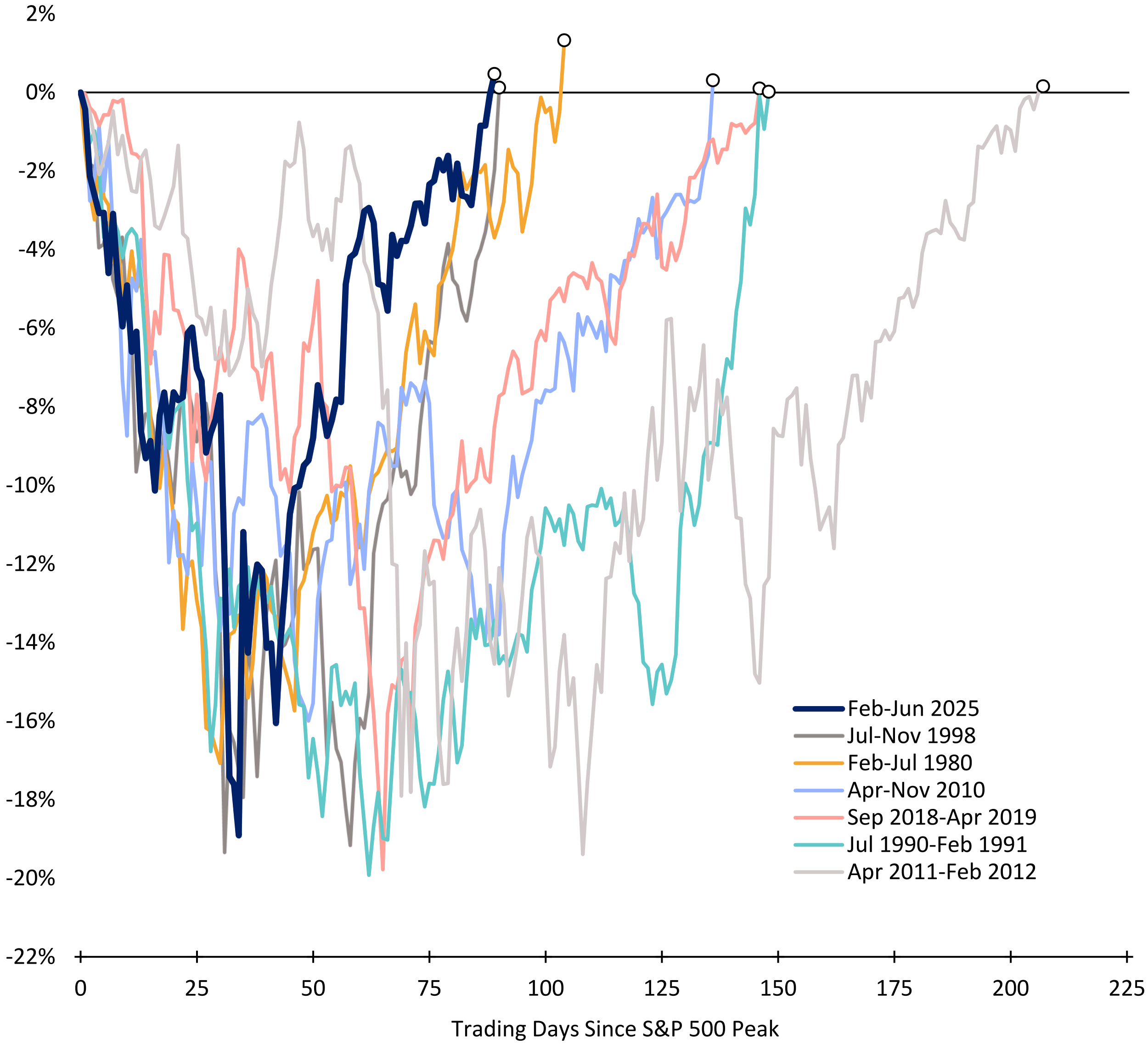
CIO Key Considerations

Shifts in trade policy and higher tariffs are likely to weigh on global growth over the coming quarters, with a smaller impact expected on the rest of the world than the U.S.

*Change expected refers to expected loss in output vs. zero increase baseline between implementation and 2026 year end. Source: International Monetary Fund. Data as of June 30, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions, and important disclosures.**

U.S. Equities: A Record Race to Recovery

S&P 500 Recovery Price Performance for Similar Non-Bear Market Corrections (1980-2025)



- The S&P 500 hit new all-time highs at the end of June after a sharp V-shaped recovery.
- At its low on April 8, the index was down as much as 18.9% from its February 19 peak. The drawdown was just shy of entering a bear market, defined as a decline of at least 20% from a recent high. It rebounded 24.5% from its trough to the end of the quarter.
- The rally also marked the fastest recovery on record for the S&P 500 compared to similar deep non-bear market corrections since 1980 where the time from the prior peak to a new all-time high has ranged from 4 months to as long as 10 months.
- Following these similar periods since 1980, the index was historically higher by an average of 7.9% in the 12 months after the index recovered its prior high.

CIO Key Considerations

The record round-trip in U.S. Large-cap stocks demonstrates that volatility can start and stop unpredictably. The bull run in stocks could face more pit stops ahead. We therefore emphasize staying grounded in a disciplined investment process to navigate these periods of uncertainty and limit emotion-driven reactions.

Source: Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Return to Table of Contents ▶

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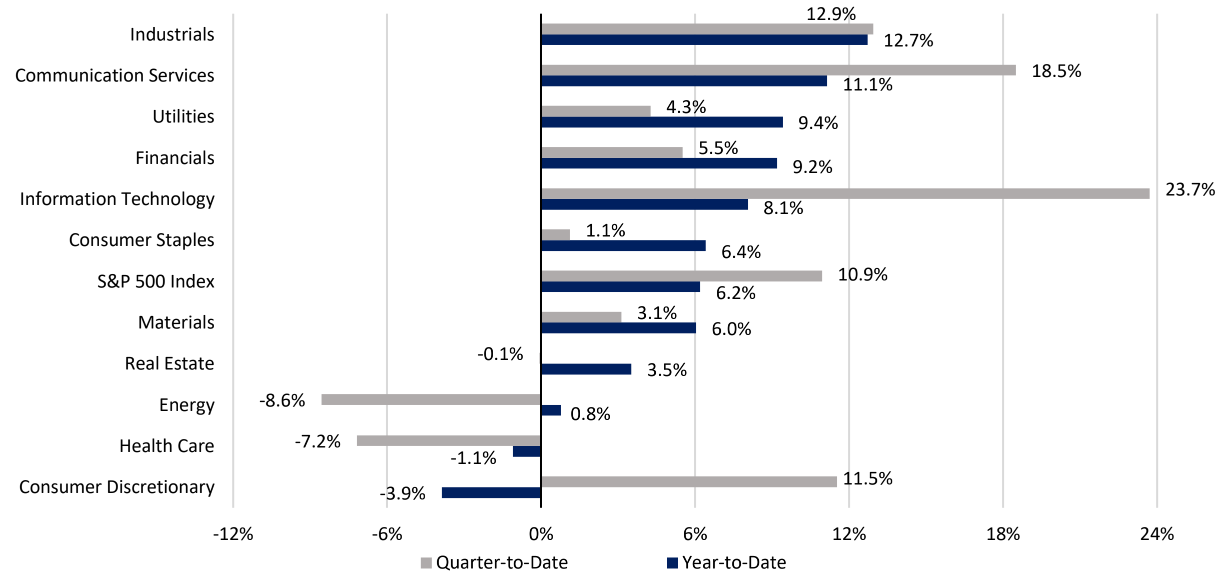
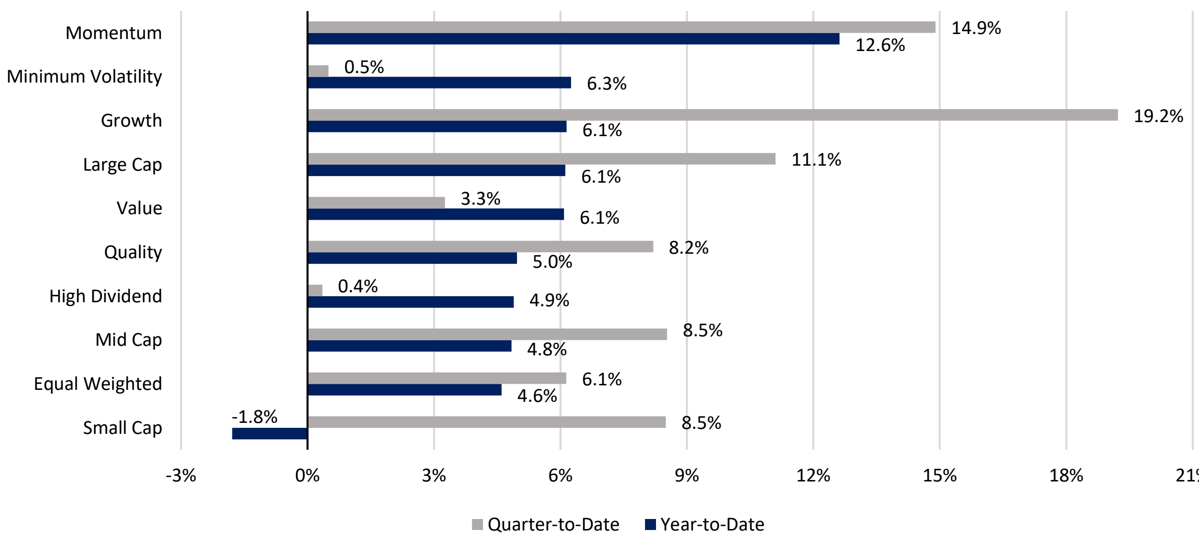
Sector and Factor Performance Barometer

Performance by S&P 500 Index Sector



- In Q2, U.S. Equities saw positive performance overall, with mixed sector results beneath the surface. The broadening out amongst sectors that we saw in Q1 has since reversed.
- This turnaround was fueled by the risk-on environment in mid-April through May, which allowed for notable outperformance by Technology-related sectors. Sectors like Healthcare and Energy underperformed other areas and the broader index.
- Additionally, Growth far outpaced Value in Q2, although they are about equal on a YTD basis.

Performance by Factor

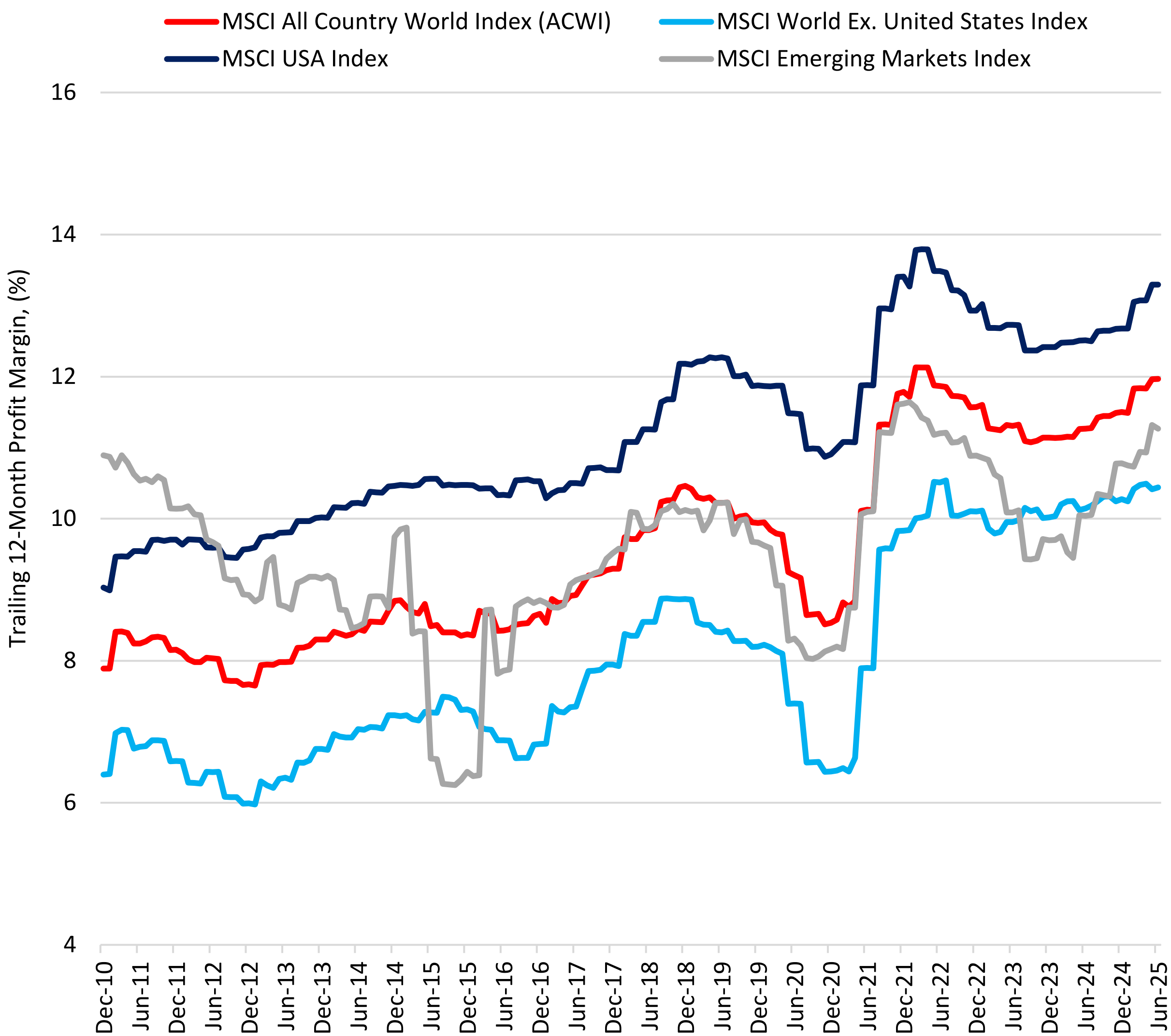


CIO Key Considerations

In environments of increased market volatility, we emphasize the importance of broad portfolio exposure across cyclical, interest rate-sensitive, and growth sectors.

Source: Bloomberg. Data as of June 30, 2025. Total returns referenced. Large-cap, Mid-cap, and Small-cap are represented by Russell Indexes. Equal Weighted, Value, Growth, Quality, High Dividend, Minimum Volatility and Momentum are represented by MSCI USA Indexes. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class and sector proxies, index definitions and important disclosures.**

The Rebound in Margins: Resilient Demand and a Consistent Focus on Costs



- After the fall and surge in corporate profit margins associated with the 2020 pandemic, inflation was exacerbated by geopolitical conflict in 2022, supporting tighter-for-longer monetary policy. These elements, among others, weighed on margins.
- Since mid-to-late 2023, margins have been recovering, helped by resilient global demand growth, cooling inflation and the emerging fruits of innovative technologies.
- Moving forward, corporate margins could remain resilient or increase further, aided by the increased use of Artificial Intelligence (AI) across industries, raising cost efficiencies. In the U.S. and Europe, deregulation may also be a factor.

CIO Key Considerations

A continued rise in margins would help support earnings growth, providing fundamental support for continued bull markets in regional Equity markets.

Sources: Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class and sector proxies, index definitions and important disclosures.**

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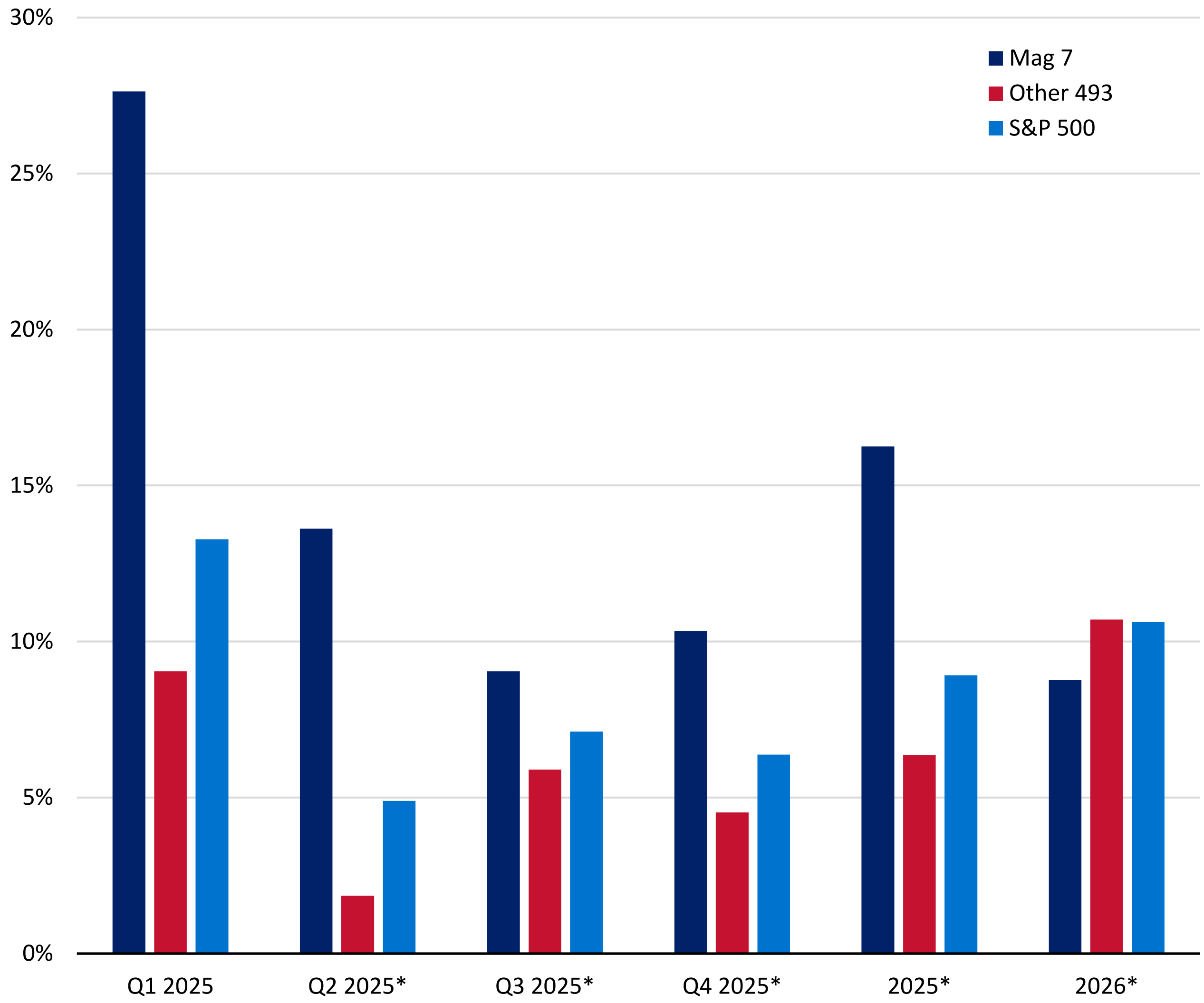
Breadth in Earnings to Guide Equity Performance

Breaking Down S&P 500 Earnings per Share (EPS) Growth
YoY Growth (%)



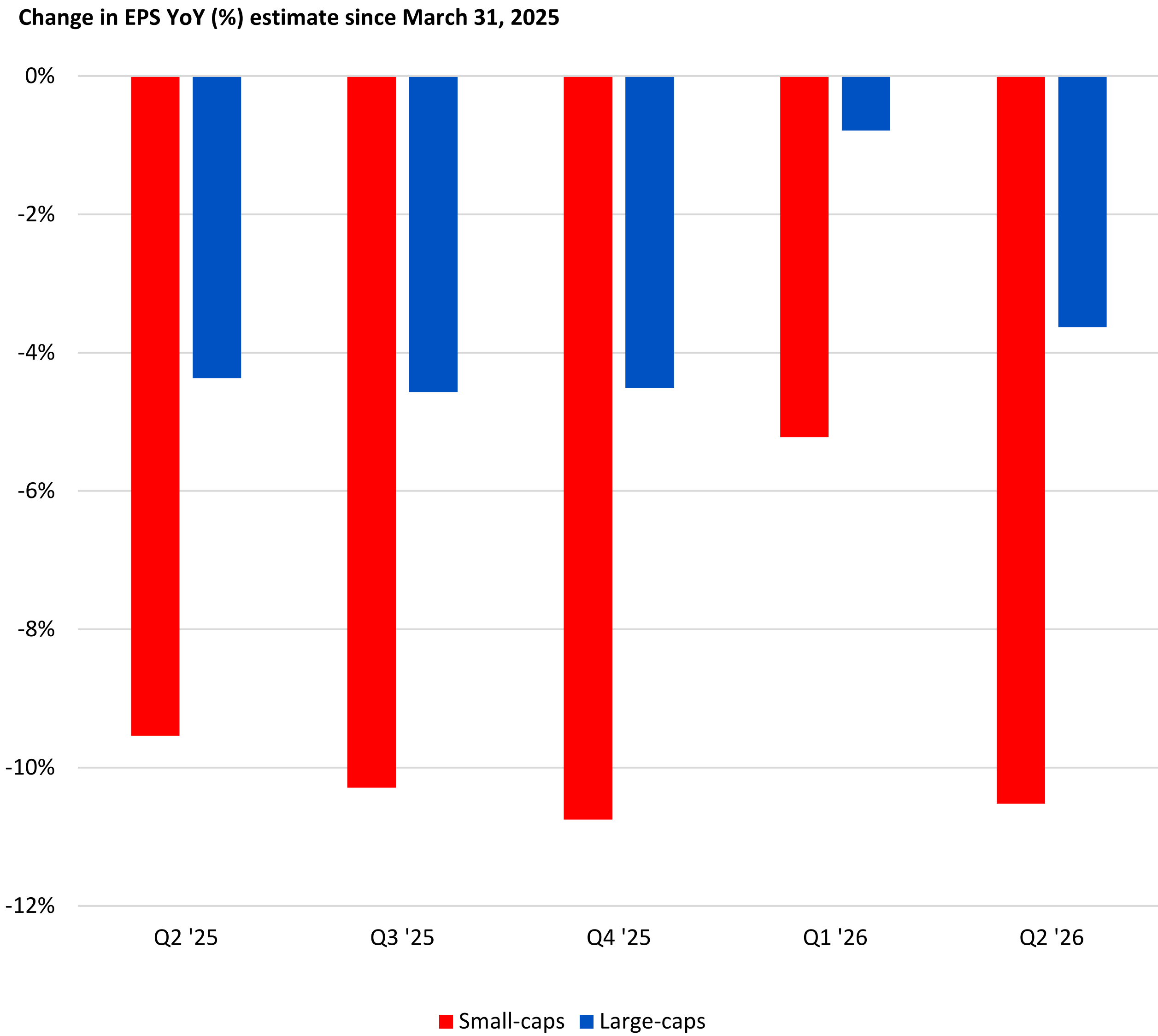
- S&P 500 earnings growth registered at 13% YoY in Q1 2025, well above the consensus estimate of 7%. This marked the second consecutive quarter of double-digit EPS growth for the index.
- Under the index level, the Magnificent 7** group of stocks continues to be a key driver of growth, albeit at a decelerating pace. The cohort is expected to manage YoY earnings growth of 16% in 2025 compared to 6% for the “other 493” names.
- After dragging on S&P 500 performance to start the year, the Magnificent 7 drove 44% of the index’s gains between its April 8th low and the end of June. This technology-driven bounce off the low led the S&P 500 to outperform its equal-weighted counterpart by 5.6% in Q2 2025.

CIO Key Considerations

We expect solid and broadening corporate earnings to continue further into 2025 and next year, backstopped by solid economic momentum and AI-driven efficiency gains.

*Estimate. **Magnificent 7 refers to Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla. Source: FactSet. Data as of July 1, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Performance results are extremely short term and do not provide an adequate basis for evaluating performance potential over varying market conditions or economic cycles. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Large-caps Maintain Earnings Edge



- The downtrend in Small-cap vs. Large-cap earnings expectations persists. Since March 31, EPS growth estimates for Small-caps have fallen by more than EPS growth estimates for Large-caps.
- While an eventual earnings recovery for Small-caps is still anticipated, profitability currently remains elusive. Tariff concerns and higher-for-longer rate structures could present additional headwinds.
- Meanwhile, Large-caps maintain a relatively attractive earnings outlook, strong fundamentals, and the ability to produce free cash flows (FCF) and healthy shareholder payouts.

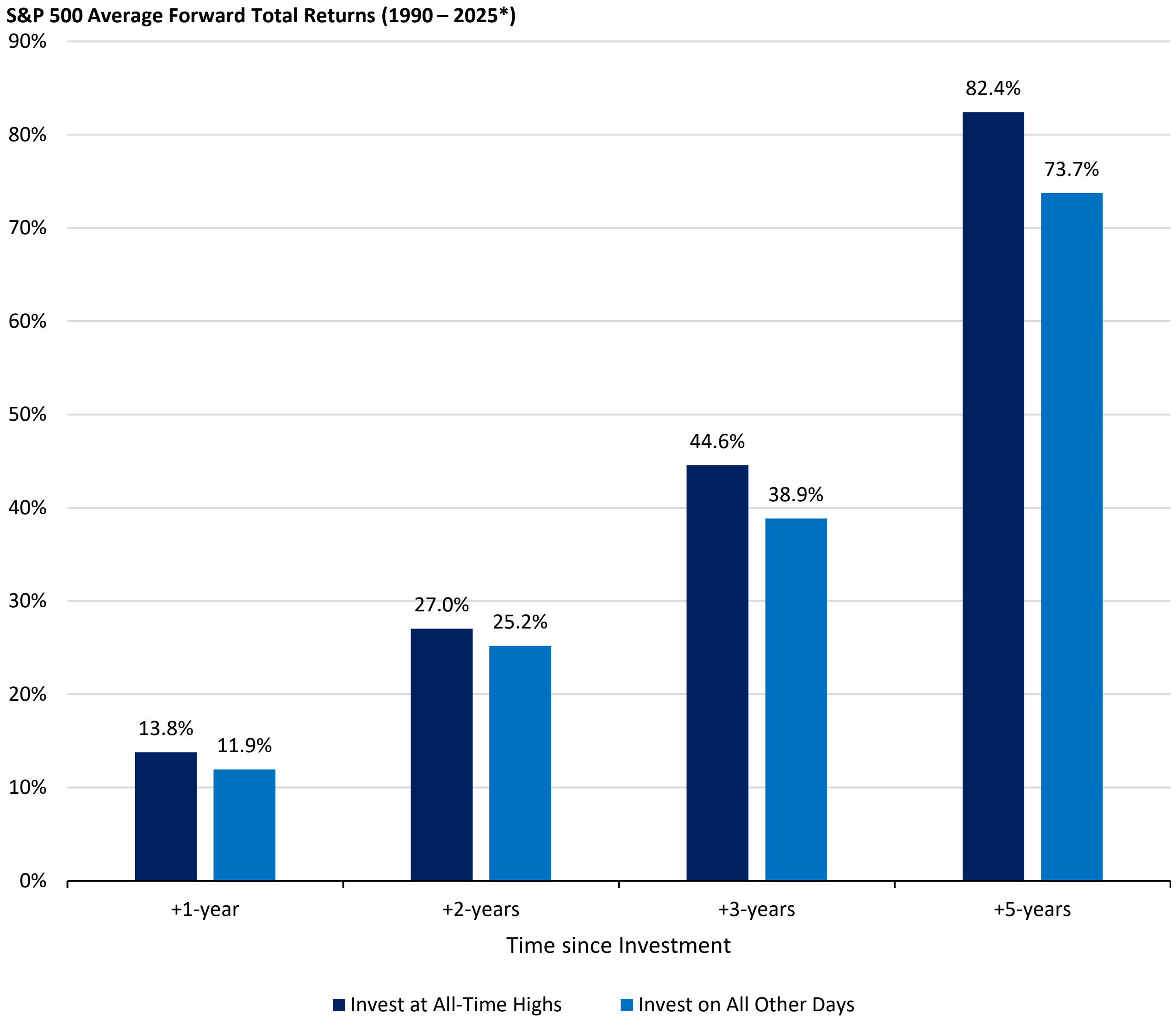
CIO Key Considerations

From a positioning perspective, we maintain an overweight to Equities, with a preference for Large-caps over Small-caps.

Source: FactSet. Data as of June 30, 2025. Indices referenced: Small-caps = S&P 600 Index; Large-caps = S&P 500 Index. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Return to Table of Contents ▶

Investing at All-Time Highs



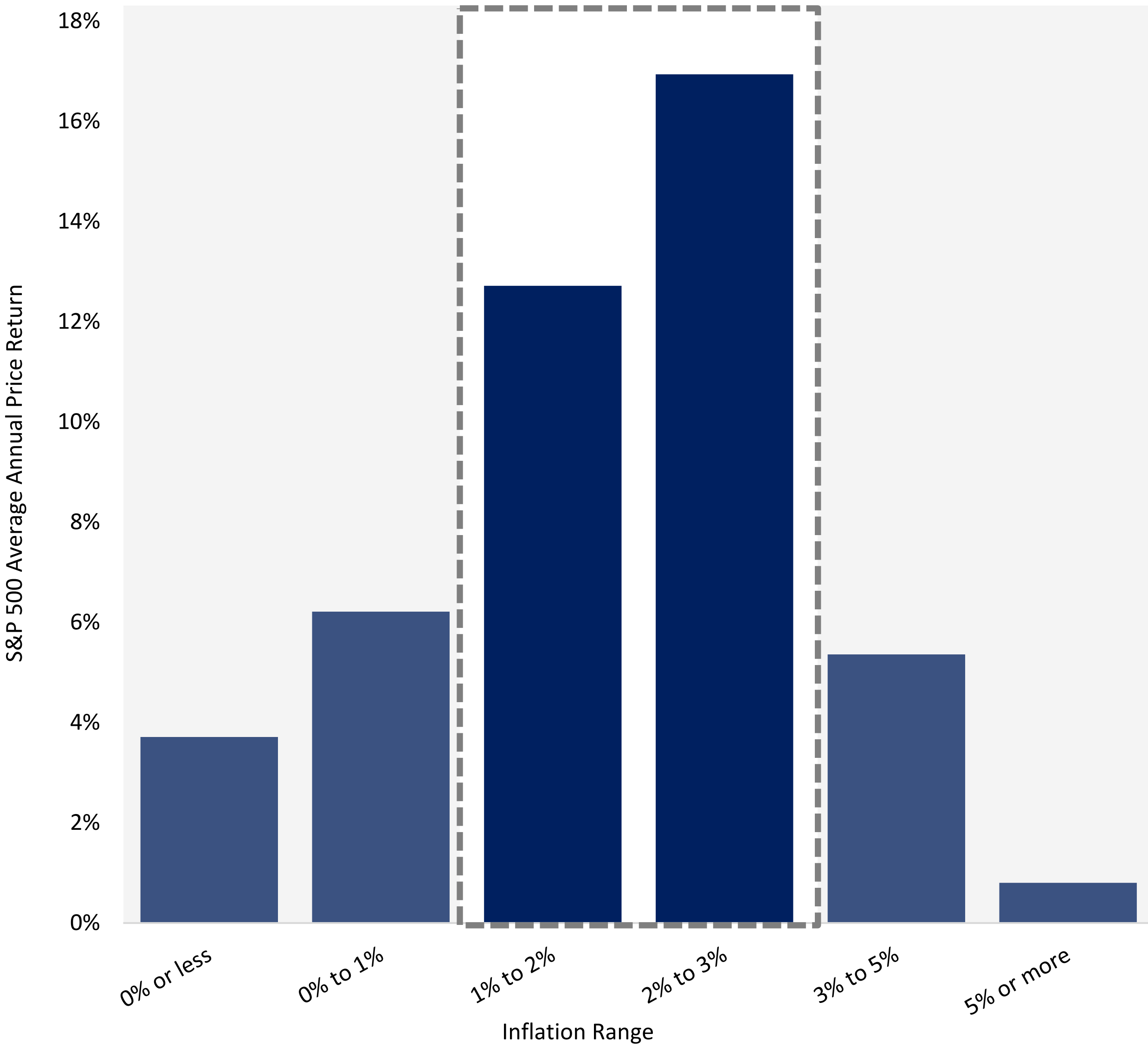
- While investing at all-time highs (ATH) may feel uncomfortable, avoiding the market altogether due to seemingly stretched valuations could potentially lead to missed opportunities for returns.
- There is little difference in performance whether someone invested on the day of an all-time high compared to any other day from a 1-year, 2-, 3- and 5-year return basis.
- Valuations alone are not a good gauge of which way the market will trend, and they're only one factor to consider when deciding to invest.

CIO Key Considerations

In our view, valuations are only one factor that should be taken into consideration when adding to investment portfolios.

Source: Bloomberg. *Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Inflation and Equity Strategy



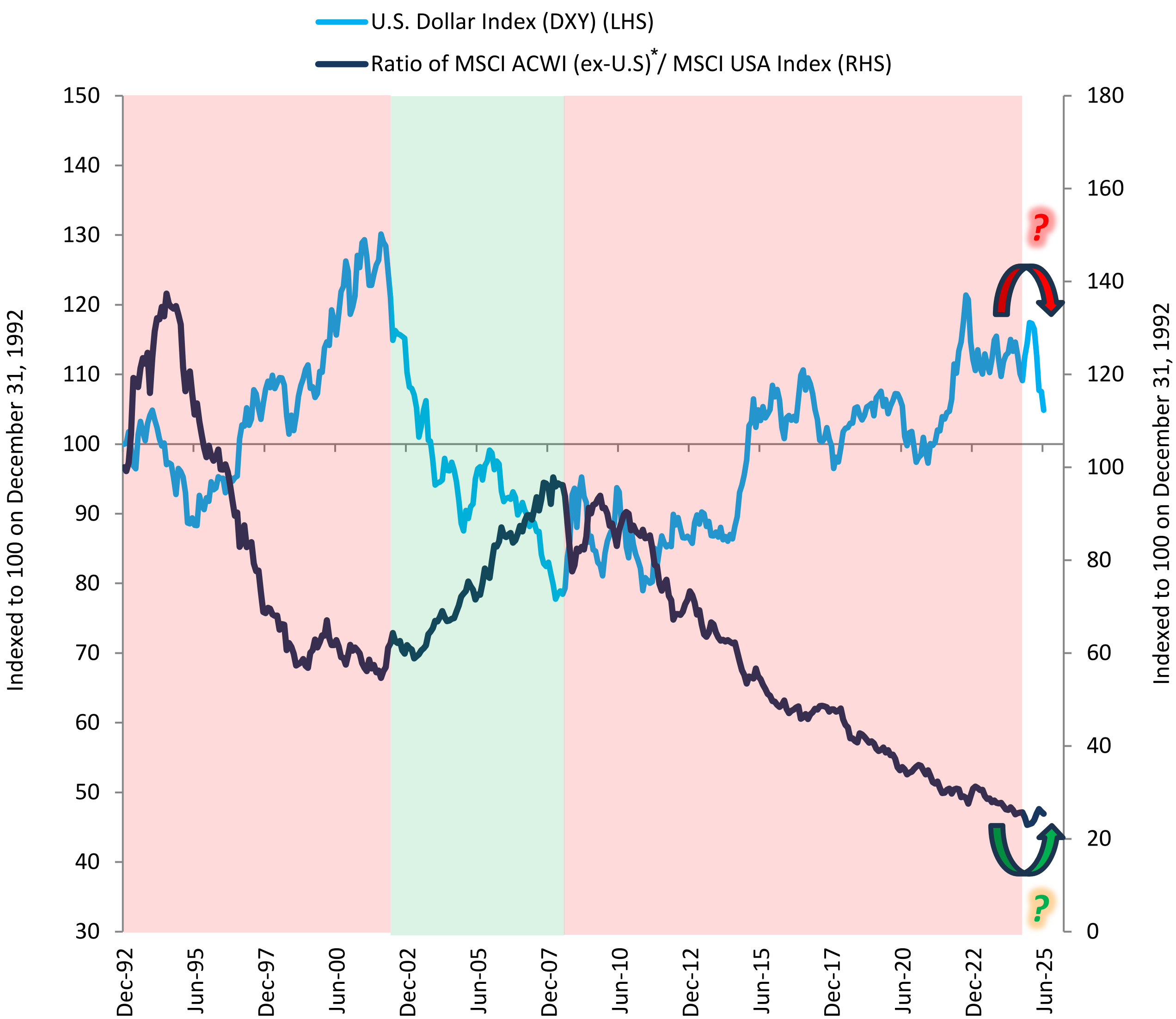
- The CPI has moderated significantly from its peak of 9.1% YoY observed in June 2022. It has been hovering between 2% to 3% YoY for several months.
- Historically, this range has been supportive for Equity performance. The S&P 500 has seen strong average annual returns when inflation is in the low single digits.
- Tariffs may lead to a temporary bump in inflation that could gradually fade as consumers adjust spending behavior. While not our base case, we are monitoring the risk that inflation reaccelerates from here.

CIO Key Considerations

While portfolio performance can be influenced by inflation outcomes, the volatility and uncertainty of inflationary regimes argues for diversification of assets.

Source: Bloomberg. Annual data referenced from December 31, 1930 – December 31, 2024. Latest data available. Refers to annual S&P 500 Index price return data and annual average YoY CPI data. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

As the U.S. Dollar Turns, So Too May International Equities



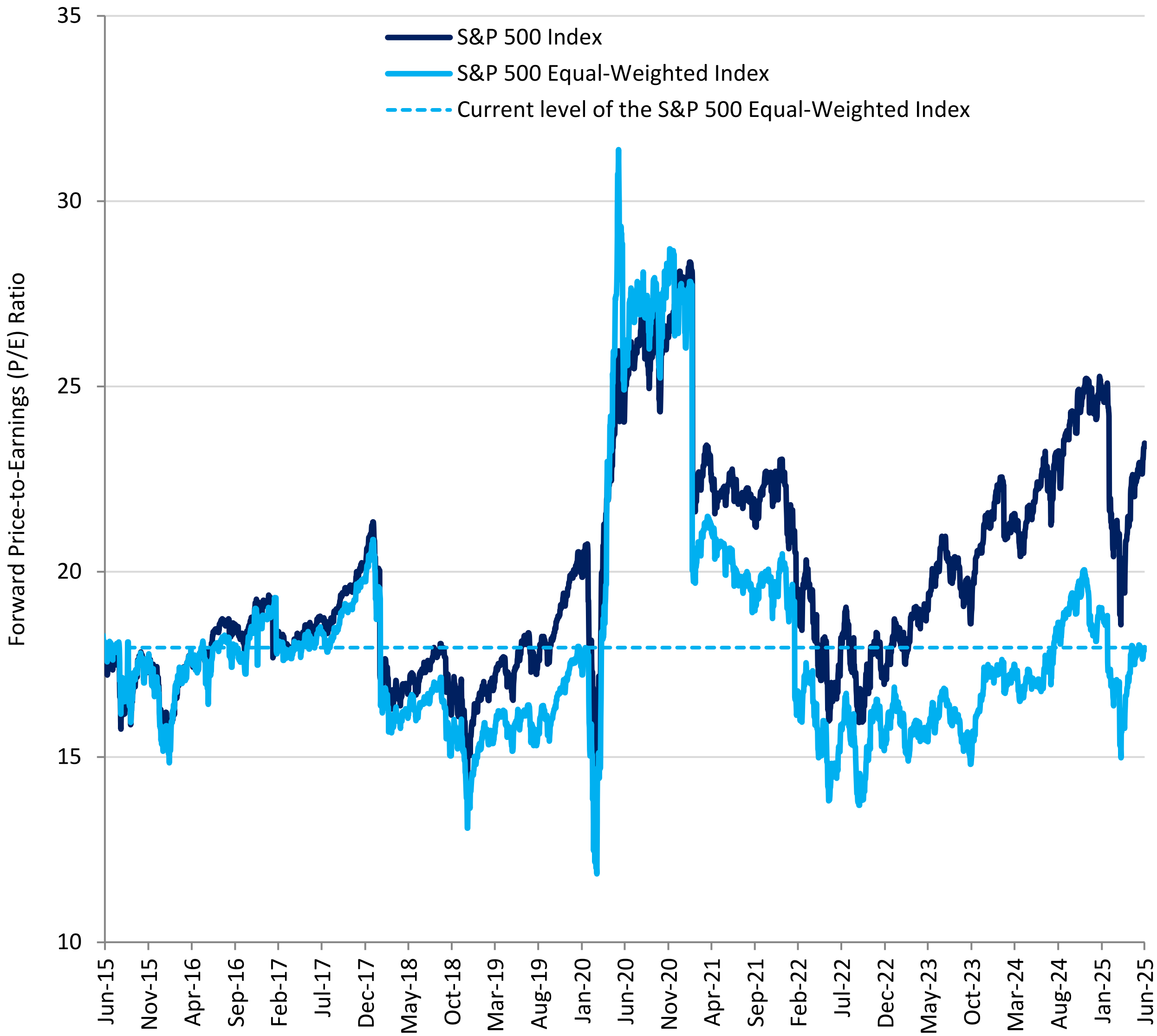
- Over decades, a notable inverse correlation between the U.S. dollar and International Equities has existed. Periods of weakness in International Equities relative to the U.S. (shaded red) coincided with rallies in the U.S. Dollar Index. Periods of strength in International Equities relative to the U.S. (shaded green) coincided with declines in the U.S. Dollar Index.
- Recently, the U.S. Dollar Index has declined, coinciding with a period of outperformance of international stocks.
- Still, the U.S. dollar remains overvalued versus various major currencies. Also on watch is supportive fiscal policy outside the U.S., which may spur further outperformance of International Equities.

CIO Key Considerations

The improving potential for international markets highlights the importance of maintaining a diversified portfolio with exposure to differentiated markets, which may benefit from evolving trends.

Sources: Bloomberg, Chief Investment Office. *AWCI abbreviates All-Country World Index. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Attractive Relative Valuations Suggest Diversification Opportunities



- Unlike the market-capitalization (market-cap) weighted S&P 500, where the largest companies command a larger influence, the equal-weighted version treats all constituents equally.
- Since 2022, a handful of companies in the index seen as leaders of innovative technologies have rallied. This growth-oriented segment has expanded as a share of the market-cap S&P 500, extending the headline valuation of the index.
- However, a look at the valuation of the equal-weighted S&P 500 suggests much of the index is not as overvalued as the headline suggests.

CIO Key Considerations

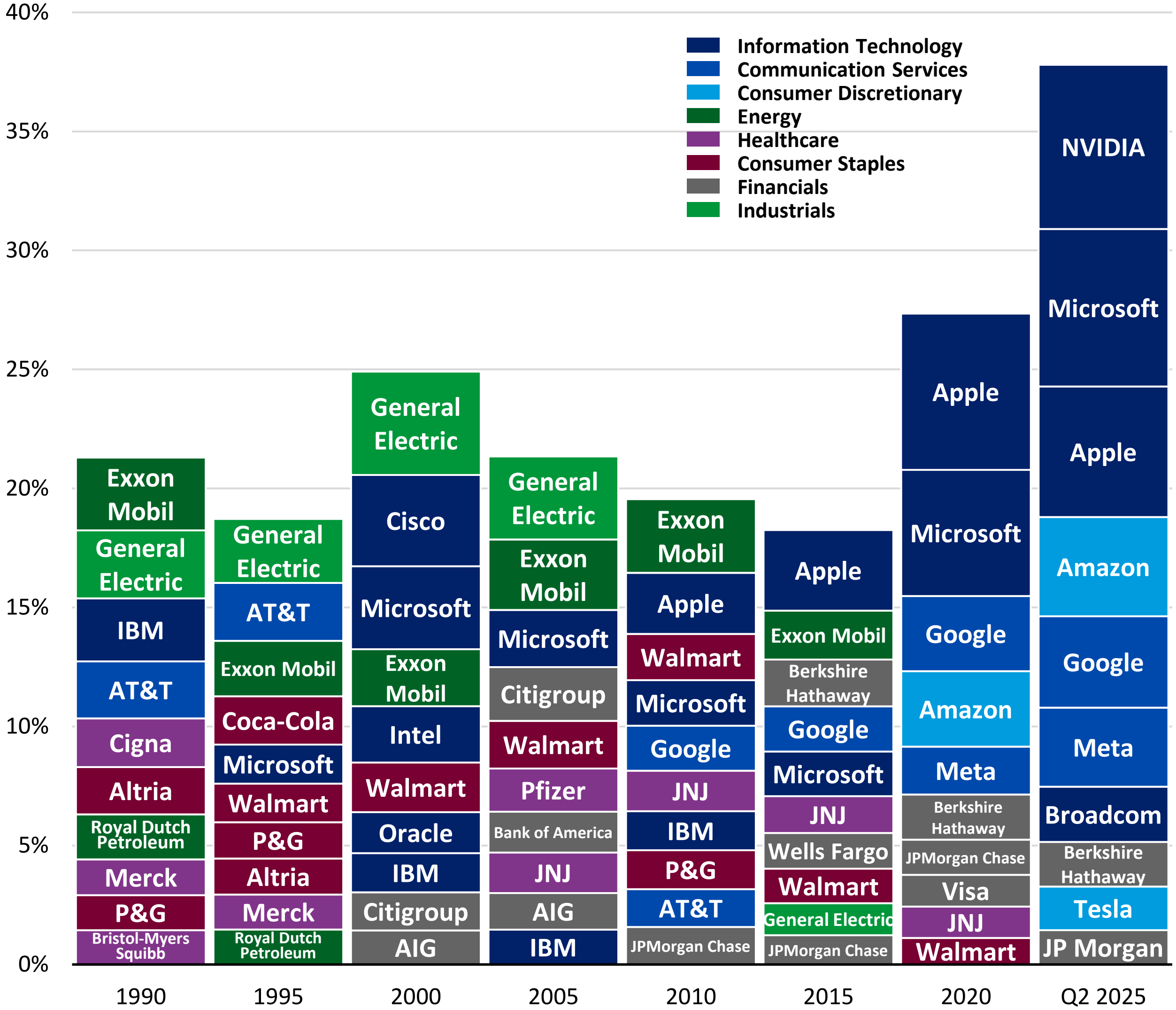
While we believe secular tailwinds will support Growth over the long term, we believe a disciplined and balanced approach should avoid overexposure. Consider factors such as Value and dividend-growers which trade at attractive relative valuations.

Source: Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class disclosures and index definitions.**

Return to Table of Contents ▶

Taking Stock of Historical Market Leadership

Top 10 Companies as a Percent of Total S&P 500 Market Cap



- The composition of leaders within the S&P 500 differs substantially from decades prior.
- Sector-wise and as a result of Q2 2025 gains, Technology makes up 33% of the S&P 500. This share hovers near highs reached in 2000.*
- Concentration remains a reality of today's leadership, with the three largest companies in the S&P 500 accounting for one-fifth of the overall index.*

CIO Key Considerations

Diversification helps investors ensure against overexposure to one area of the market and mitigates portfolio concentration.

*As of June 30, 2025. Source: Bloomberg. Data as of June 30, 2025. **Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities.** Note: Global Industry Classification Standard (GICS) classification as of 2025 adopted for sector grouping. Annual data reflects market capitalization by calendar year. Q2 2025 market cap as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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Risk Monitor: Geopolitics Generally Hasn't Factored Longer-Term

Near-term uncertainty created by geopolitical crisis has historically translated to increased market volatility. Yet what ultimately matters is whether these events materially impact the outlook for corporate profits growth and interest rates. Case in point: Despite the recent geopolitical flareup in the Middle East, general financial market volatility remained subdued due to only a brief spike in the price of oil. Its decline tempered the inflationary impact to the global economy and interest rates. Key to this dynamic is whether energy infrastructure becomes damaged and/or if travel through the Strait of Hormuz becomes impacted.

Major geopolitical events and subsequent S&P 500 price returns

Event	Date	1 day Price Return	1 month Price Return	3 month Price Return	6 month Price Return	12 month Price Return
Cuban Missile Crisis	16-Oct-62	-0.3%	5.4%	13.3%	21.1%	27.8%
JFK Assassination	22-Nov-63	4.0%	6.7%	11.5%	16.0%	23.9%
Six-Day War	5-Jun-67	2.0%	3.3%	6.5%	7.7%	13.0%
Bretton Woods Collapse	15-Aug-71	3.2%	4.6%	-3.7%	9.8%	17.0%
Arab Oil Embargo	19-Oct-73	-1.0%	-8.6%	-13.3%	-14.9%	-34.4%
Iranian Shah Overthrown	11-Feb-79	0.3%	1.7%	1.6%	7.8%	20.5%
Fall of Berlin Wall	9-Nov-89	0.8%	3.6%	-0.9%	1.9%	-6.8%
Start of Gulf War	17-Jan-91	1.3%	12.5%	19.1%	16.2%	27.7%
9/11 Terrorist Attacks	11-Sep-01	-4.9%	-1.1%	4.3%	6.6%	-16.7%
Fukushima Nuclear Disaster	11-Mar-11	-0.6%	1.5%	-2.6%	-11.5%	5.1%
Russia Annexes Crimea	20-Feb-14	-0.2%	1.8%	1.8%	8.0%	14.7%
Brexit Vote	23-Jun-16	-3.6%	2.9%	2.4%	7.1%	15.4%
Russia-Ukraine Conflict	24-Feb-22	2.2%	5.4%	-8.1%	-3.4%	-7.4%
Israel-Hamas War	7-Oct-23	0.6%	1.3%	9.0%	20.8%	33.5%
Average		**0.3%**	**2.9%**	**2.9%**	**6.6%**	**9.5%**

Upside risk factors

- U.S. trade deals are sealed while policy softens further, fostering business confidence. The U.S. economy reaccelerates quickly.
- Significant stimulus from Germany creates resilience in Europe while shifting the region farther from a frugal fiscal mindset.
- In China, stabilizing trade relations with the U.S. allows for a rebound in business confidence, helping economic stimulus to gain traction and fueling a cyclical rebound.
- Long-term secular themes such as the development of AI and infrastructure maintain global economic resilience.

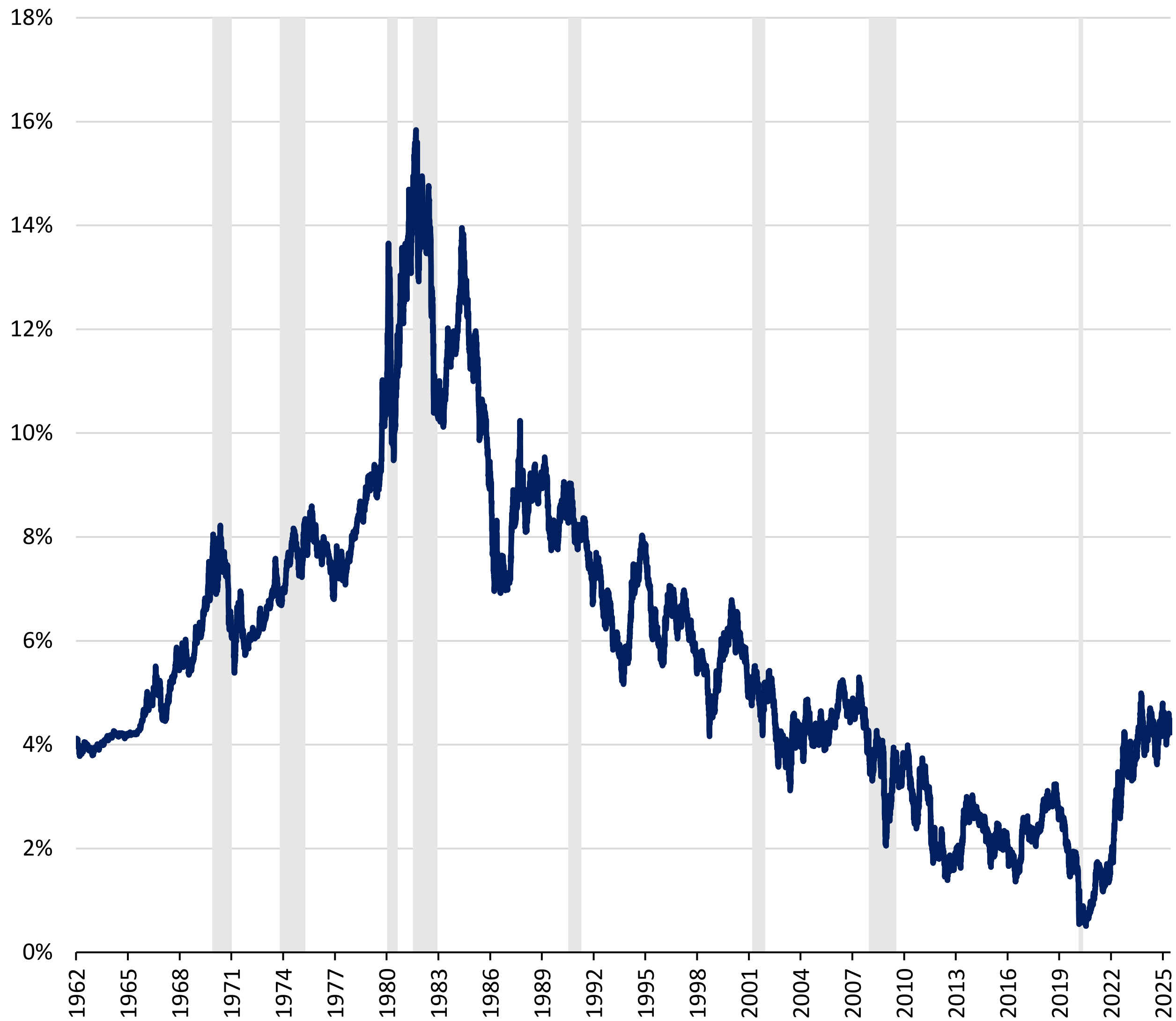
Downside risk factors

- Global protectionist measures combined with geopolitical turmoil further undermines confidence, restraining investment.
- In the U.S., inflation surprises to the upside while economic growth notably decelerates, creating a dilemma for monetary policy.
- In Europe, trade tensions and uncertainty from nearby conflicts undermine economic resiliency. Attention centers on political risk.
- In China, weak trade and continued weakness in housing drags on consumption, reducing the effectiveness of stimulus measures.

Left Table Sources: Bloomberg. Data as of June 30, 2025. If the market was closed on the event date, the date of the previous market close was referenced. The one-day return for the 9/11 attacks after reopening of the market was on 9/17/2001. The one-day return for the JFK assassination after the reopening of the market was on 11/26/1963. Right Tables Sources: Chief Investment Office. **FOR INFORMATIONAL PURPOSES ONLY.** Views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. **Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Elevated U.S. Treasury Yields are Reasonably Attractive

10-year U.S. Treasury Yield



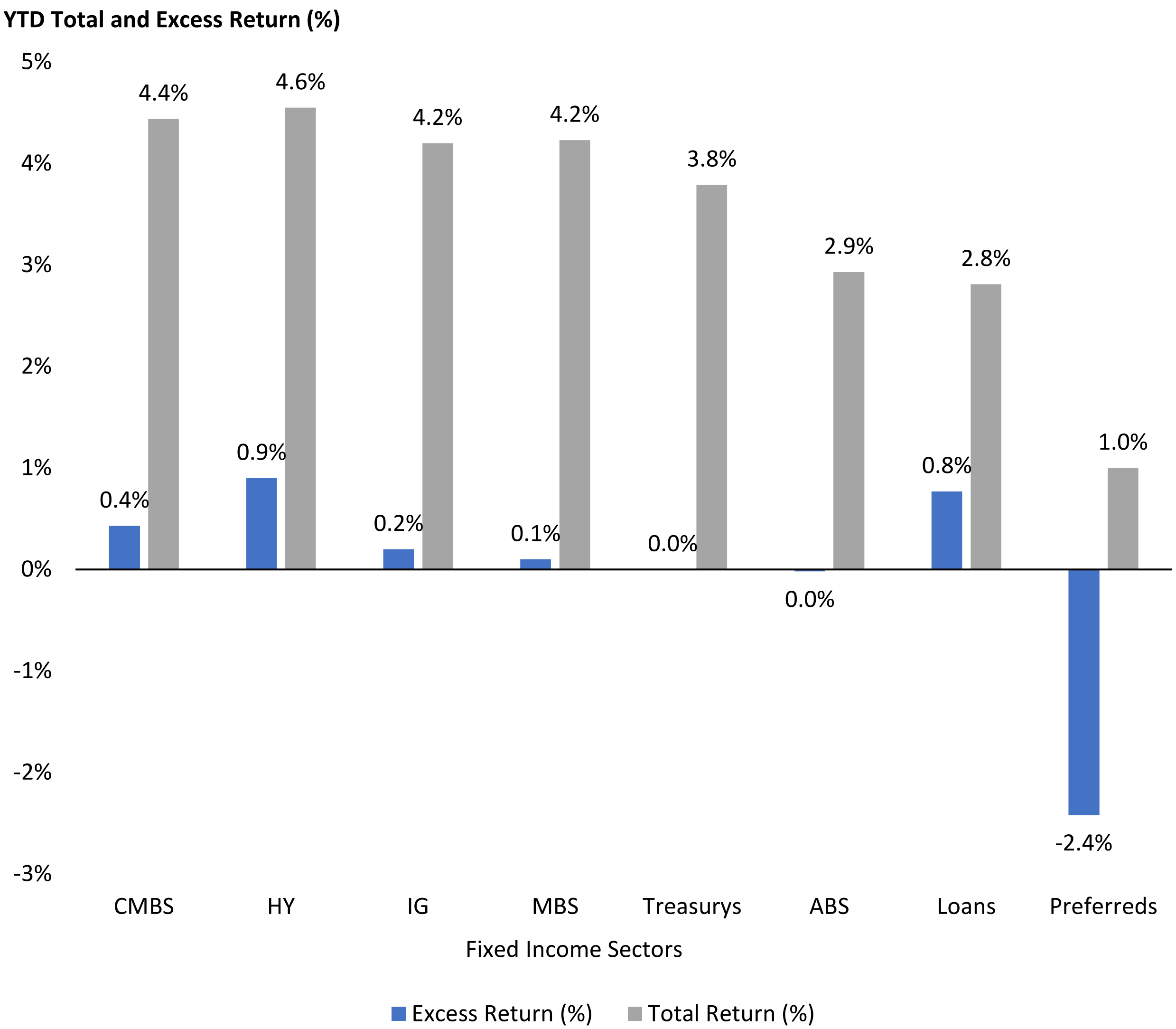
- In the aftermath of the pandemic, U.S. Treasury yields have risen to their highest range in nearly two decades, reversing their secular downtrend since the 1980s.
- Risks of higher rates in the near term amid increasing deficits and debt levels remain limited, in our view, provided that the Fed does not re-emerge as a significant buyer of U.S. Treasurys to directly finance government deficits.
- Massively higher debt levels, when not financed by the Fed, have led to lower rates. The 10-year U.S. Treasury yield peaked in 1980 when U.S. debt/GDP was 31%, with total U.S. Treasury supply less than $1 trillion. In the next four decades, Treasury rates fell and reached a secular low in 2020, even as the federal debt increased to >$20 trillion, causing U.S. debt/GDP to hit 132%.

CIO Key Considerations

The primary driver of long-term rates is the expected path of short-term rates, which are driven by Fed policy to manage inflation and the economy. At current levels, rates are fairly priced, providing good diversification benefits for multi-asset class portfolios and reasonable income.

Gray bars represent recessionary periods. Source: White House Office of Management and Budget, Federal Reserve Economic Data, Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Extremely Low Return Dispersion Across Taxable Fixed Income



- Lower Treasury yields and coupon carry have been the primary drivers of returns across Fixed Income YTD–where dispersion is extremely low.
- Credit spreads remain just modestly wider this year following volatility in April.
- Preferreds are an outlier, as returns lagged in Q2 as the long end of the Treasury curve underperformed.
- As yields are still relatively attractive, and as credit spreads have retraced most of the April widening, we continue to believe additional opportunities for spread tightening are limited and expect carry and interest rates to be in the driver's seat with regards to forward returns.

CIO Key Considerations

We continue to believe that neutral positioning across Investment-grade, High Yield, and Mortgage-backed Securities in all-Fixed Income portfolios is appropriate at this time.

CMBS=Commercial Mortgage-backed Securities, ICE BofA U.S. Fixed Rate CMBS Index. HY=High Yield, ICE BofA U.S. High Yield Index. IG=Investment-grade Corporates, ICE BofA U.S. Corporate Index. MBS=Mortgage-backed Securities, Bloomberg U.S. Mortgage-backed Securities Index. Treasurys=ICE BofA U.S. Treasury Index. ABS=Asset-backed Securities, Bloomberg U.S. Aggregate Asset-backed Securities Index. Loans=Morningstar LSTA U.S. Leveraged Loan Index. Preferreds=ICE BofA Fixed Rate Preferred Securities Index. Total returns referenced. Source: Bloomberg, ICE BofA, Pitchbook LCD. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Return to Table of Contents ▶

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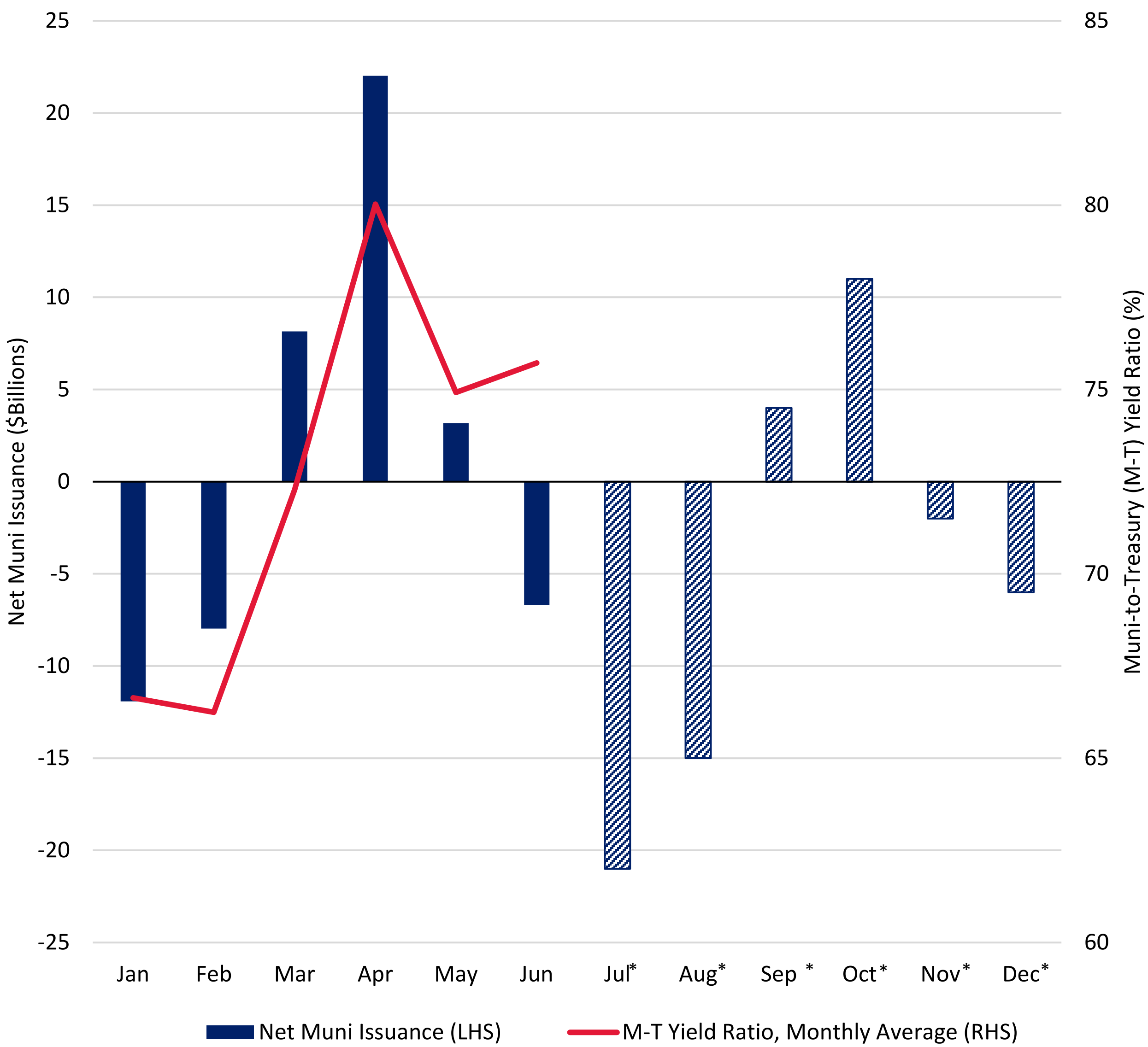
Q2 2025: Munis Appear Poised to Outperform in July and August



- Munis significantly underperformed Treasury securities for the first 4 months of 2025 due to tariff-related economic concerns, uncertainty with regards to future federal aid to municipal issuers and the muni tax exemption, strong new issue supply, seasonally-low principal and interest redemptions, and pre-Tax Day selling.
- However, muni technical conditions strengthened in May and June due to a seasonal increase in redemptions. We expect negative supply conditions to deepen in July and August, which should drive reinvestment demand and provide an even greater tailwind to muni valuations and relative performance.
- Expected cuts in Federal spending may weigh on municipal finances but should be manageable for the vast majority of municipal issuers, with state Rainy-Day funds still at near-record levels.

CIO Key Considerations

For highly tax-sensitive investors, we maintain a preference for Investment-grade and High Yield tax-exempt securities over taxable bonds.

Net Issuance refers to gross Issuance less principal and interest redemptions. Source: BofA Global Research, LSEG Data & Analytics, Bloomberg. Data as of as of June 30, 2025. January-June are actual results. *July to December are forecasts. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Agency Mortgage-backed Securities: Balanced Outlook

MBS/IG Corporates Option-Adjusted Spread (OAS) (Ratio)

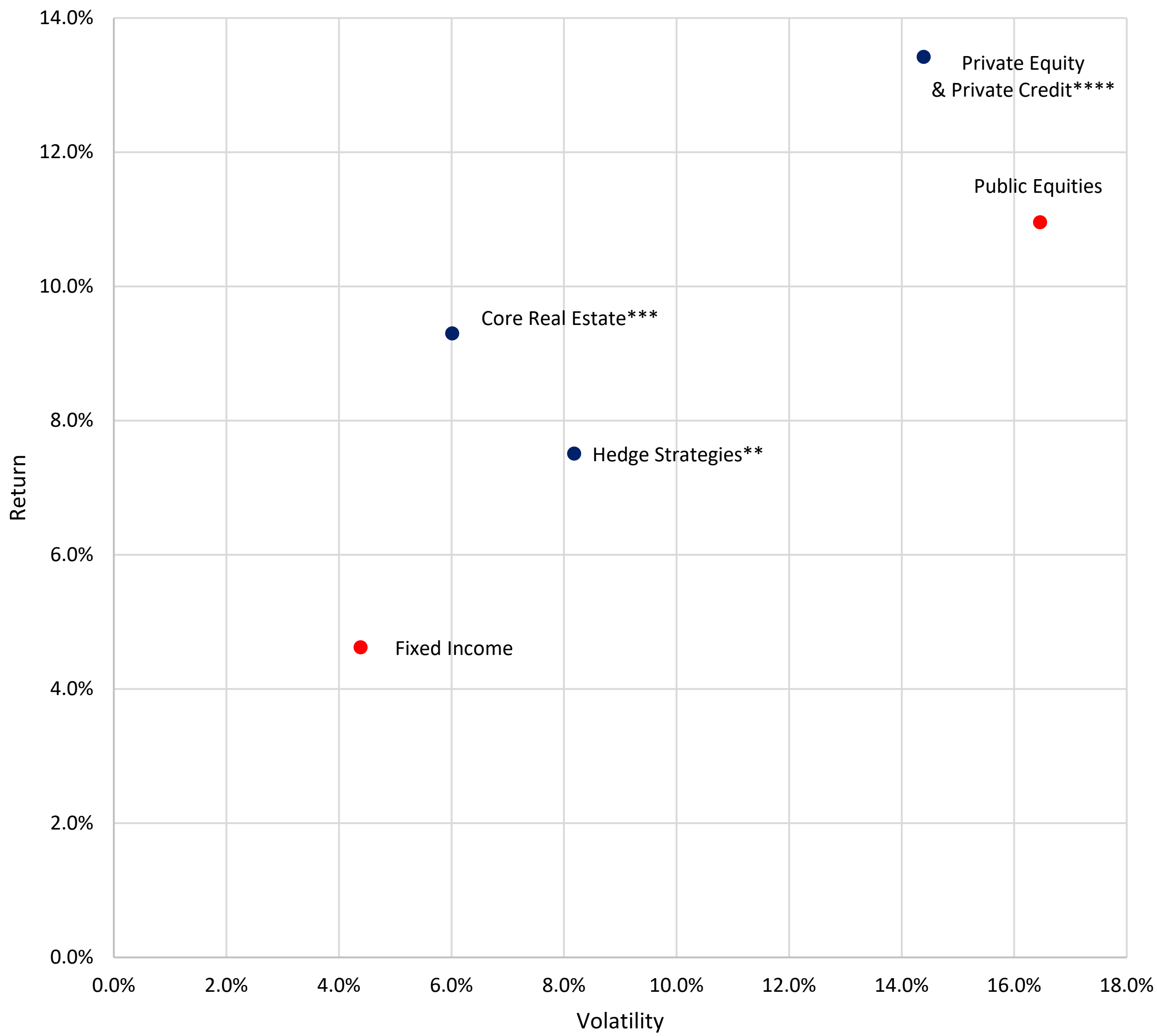
- We maintain a neutral outlook for agency Mortgage-backed Securities (MBS) within Fixed Income as risk-reward remains well-balanced with relatively attractive valuations offset by tepid demand in the sector.
- MBS offers attractive relative value versus IG Corporates based on the current ratio, though a cautious stance is advised due to limited catalysts for spread tightening.
- We continue to monitor two key developments: the Fed's MBS portfolio run-off and ongoing Government-Sponsored Enterprises (GSE) privatization efforts, both of which could significantly impact performance.

CIO Key Considerations

In multi-asset class portfolios, within Investment-grade Taxable, we are slightly underweight Mortgage-backed Securities in favor of Equities.

MBS=Bloomberg U.S. MBS Index. IG=Bloomberg U.S. Aggregate Corporate Index. Total Returns referenced. Source: Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Alternative Investments*



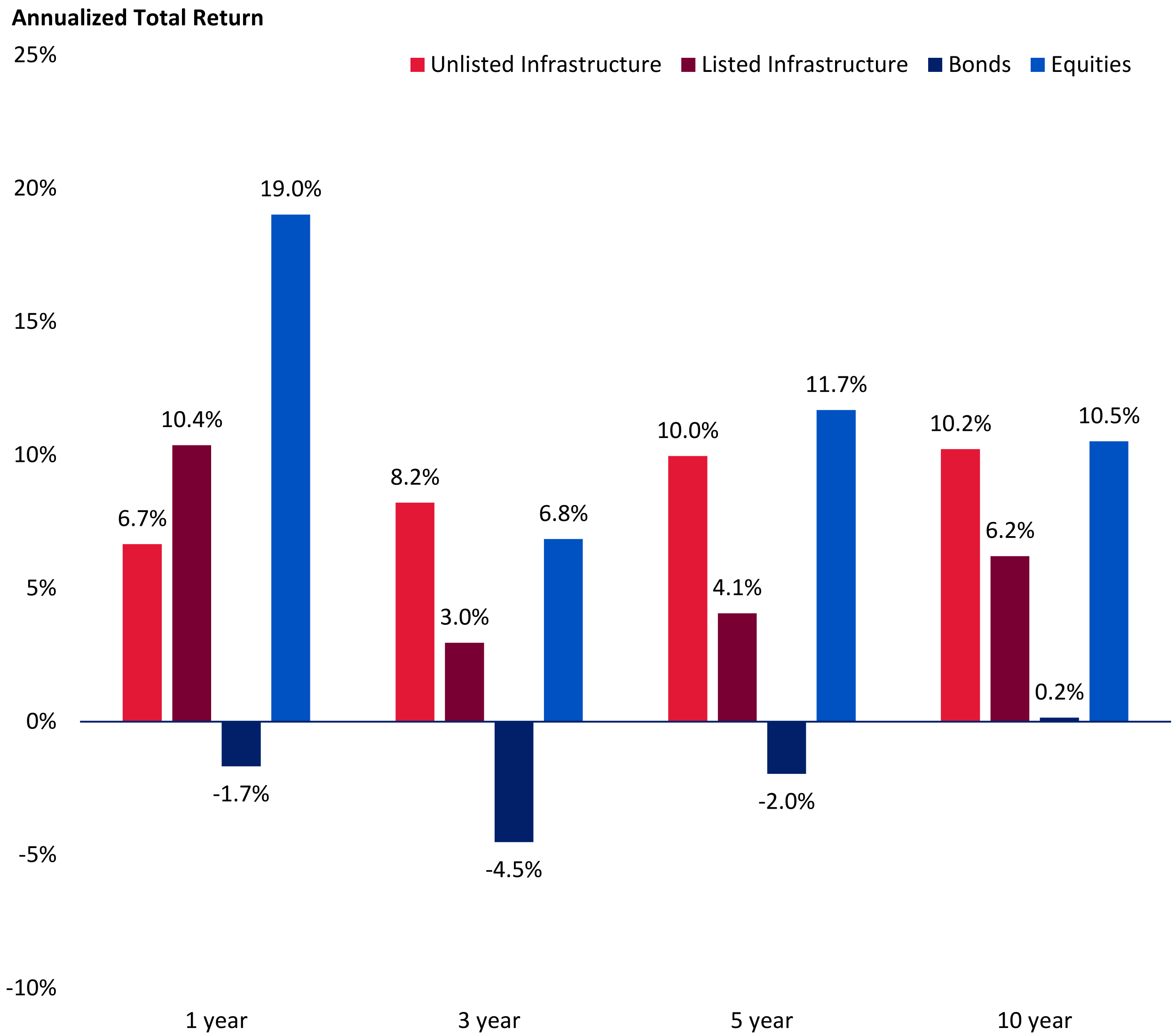
- Alternative Investments (Alts) can benefit portfolios, for qualified investors:
  - **Enhance risk-adjusted returns:** Alts have historically generated attractive returns per unit of risk, making them compelling additions to portfolios. Asset classes such as private credit and real estate can provide income and capital preservation in today's uncertain rate and inflation environment.
  - **Diversification and unique sources of return:** Alts have exhibited low correlations to traditional assets, offering valuable diversification. They can also capitalize on unique return sources including illiquidity premiums, structural inefficiencies, and active management alpha.
  - **Mind the tradeoffs but stay strategic:** While Alts may involve illiquidity or complexity, they can serve as long-term portfolio anchors when implemented thoughtfully and in alignment with an investor's goals and risk tolerance.

CIO Key Considerations

The uncertain backdrop in the first half of the year has complicated the deployment of long-dated capital–however, consistent allocations are critical, especially across private markets, where commitment pacing through volatility has historically improved forward return potential.

***Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors.** Sources: Hedge Fund Research HFRI; Cambridge Associates; NCREIF; Bloomberg. Indices referenced: Public Equities (S&P 500 index), Fixed Income (Bloomberg U.S. Aggregate bond index), Hedge Strategies (Hedge Fund Research HFRI Fund Weighted Composite), Core Real Estate (50/50 NCREIF Property /NCREIF Transaction Based; After 06/2020 80% NCREIF Property + 20% FTSE NAREIT Equity REITs Total Return Index), and Private Equity & Private Credit (Cambridge Associates US Private Equity Index (Legacy Version) / US Private Credit Index). Quarterly data from 3/31/1995 – 6/30/2025 referenced. **Data through 3/31/2025. ***Data through 12/31/2024. ****Data through 09/30/2024. For illustrative purposes only. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. Past performance does not guarantee future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Infrastructure in Focus



- Infrastructure remains a key long-term theme. Key drivers of the forward-looking opportunity set include the expansion of energy infrastructure (traditional and alternative) and the continued digitization of the economy.
- The asset class can bring attractive attributes to portfolios including income, downside mitigation and hedging against inflation.
- Infrastructure can increasingly be accessed through both public and private markets, each offering differing exposures and risk-and-return profiles.

CIO Key Considerations

The infrastructure investment opportunity, in our view, is wide and deep. We continue to expect potential opportunities to develop in the coming years in both public and private markets.

*Unlisted refers to infrastructure invested through private funds. **Listed refers to infrastructure found in the public markets. Sources: CBRE, Refinitiv, FactSet. Unlisted infrastructure: Cambridge Associates Infrastructure Index in USD, net of fees as of Q4 2024. Listed infrastructure: FTSE Global Core Infrastructure 50/50 index in USD as of Q4 2024. Bonds: Bloomberg Global Aggregate index in USD as of Q4 2024. Equities: MSCI World Total Return Index in USD as of Q4 2024. Latest data available. For illustrative purposes only. Current market conditions differ from prior market conditions; including during prior periods of stress and dislocation. There can be no assurance any prior trends will continue. It is not possible to invest directly in an index **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

CIO Asset Classes and Sector Views

Asset Class	Underweight	Slightly Underweight	Neutral	Slightly Overweight	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			●		

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

- We maintain our Equity overweight relative to Fixed Income, while we continue to emphasize diversification, neutral non-U.S. exposure, above benchmark positioning in Financials, Utilities, and Consumer Discretionary and benchmark exposure to Technology.
- Secular tailwinds may support Growth, while Value continues to trade at a relative discount and dividend-oriented Value stocks remain attractive. We suggest a disciplined and balanced approach between Value and Growth for long-term investors.
- We are neutral across Fixed Income in all-Fixed Income low-tax sensitivity portfolios. We still favor a significant allocation to bonds in a well-diversified portfolio.
- For qualified investors, we continue to emphasize potential long-term growth and income opportunities in Alternative Investments.

ALTERNATIVE INVESTMENTS NOTE: Given the differences in liquidity characteristics between Alternative Investments and traditional investments, the Alternative Investments portfolio positioning and CIO asset class views have been neutral rated versus our strategic allocations. These types of investments, in our opinion, should not be viewed at the asset class level on a tactical basis, rather the tactical positioning should be expressed at the subasset level.
***Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors.** Source: GWIM Investment Strategy Committee (GWIM ISC) as of July 8, 2025. **FOR INFORMATIONAL PURPOSES ONLY.** Please refer to the July 2025 Viewpoint for more detailed weightings information. The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. 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. **Please refer to appendix for asset class and sector proxies and index definitions.**

The Power of Diversification

100% Stock Portfolio (S&P 500) vs. Diversified 60/40% Stock/Bond Portfolio (60/40)
Performance Divergence during S&P 500 Drawdown Periods over the last 20-years (2005-2025)

S&P 500 Total Return Drawdown Periods		Peak-to-Trough Total Return Drawdown		Drawdown Avoided by 60/40 (% pts)	Time to Full Recovery after Drawdown (Months)		Time Saved by 60/40 (Months)	Forward Total Return 12-months from Full Recovery	
S&P 500 Peak	S&P 500 Trough	S&P 500	60/40	60/40 Return Difference	S&P 500	60/40	60/40 Difference in Months	S&P 500	60/40
Oct-07	Mar-09	-55.2%	-35.1%	20.1%	36.8	19.8	16.9	13.2%	5.3%
Apr-10	Jul-10	-15.6%	-8.5%	7.2%	4.1	3.1	1.0	4.7%	2.8%
Apr-11	Oct-11	-18.6%	-9.5%	9.2%	4.0	2.9	1.1	15.0%	5.1%
Jul-15	Aug-15	-12.0%	-7.0%	5.0%	7.8	2.2	5.5	14.2%	3.1%
Nov-15	Feb-16	-12.7%	-7.3%	5.5%	2.2	2.3	-0.1	14.2%	4.5%
Jan-18	Feb-18	-10.1%	-6.5%	3.6%	5.6	5.9	-0.4	7.7%	6.3%
Sep-18	Dec-18	-19.4%	-11.2%	8.2%	3.6	3.1	0.5	-2.1%	7.2%
Feb-20	Mar-20	-33.8%	-21.6%	12.2%	4.6	3.7	0.8	34.0%	21.7%
Jan-22	Oct-22	-24.5%	-21.2%	3.3%	14.0	15.6	-1.5	30.3%	15.5%
Jul-23	Oct-23	-9.9%	-7.7%	2.2%	1.1	1.1	0.0	33.9%	22.8%
Feb-25	Apr-25	-18.7%	-11.4%	7.3%	2.6	2.1	0.5		
Average		**-21.0%**	**-13.4%**	**7.6%**	**7.8**	**5.6**	**2.2**	**16.5%**	**9.4%**
Median		**-18.6%**	**-9.5%**	**7.2%**	**4.1**	**3.1**	**0.5**	**14.2%**	**5.8%**

- Diversification, or spreading your investments across various asset classes, may help to smooth out the highs and lows of investing by balancing a mix of potential growth and stability in portfolios.
- Historically, a diversified portfolio of stocks and bonds has limited its downside risks during market drawdowns and improved its time to recover relative to stocks.
- A 60/40 portfolio fared better than an all-stock portfolio 100% of the time during significant S&P 500 declines, outperforming by an average of 7.6 percentage points on a total return basis. It also recouped its losses from those declines faster than the S&P 500 by an average of 2.2 months.
- While stocks historically yielded higher returns a year after full recovery, a diversified strategy still delivered solid gains, averaging a total return of 9.4%.

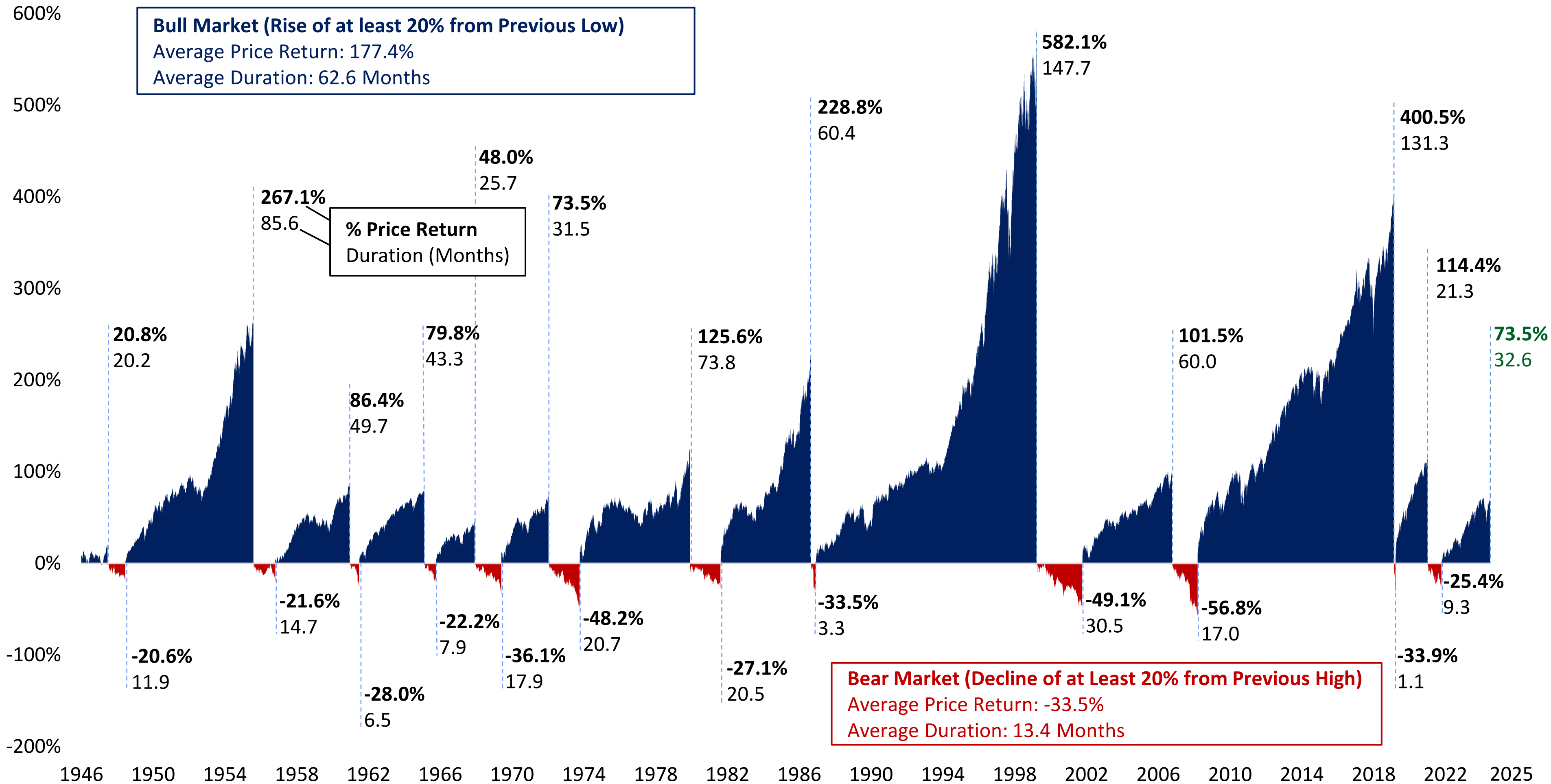
CIO Key Considerations
Diversification remains a key tool in seeking to achieve long-term financial goals and navigating market volatility, especially for investors who may not have the risk tolerance to own a portfolio of only risky assets.

Table reflects total returns. 60/40 = Bloomberg U.S. Equity: Fixed Income 60:40 Index. Red-bordered rows = S&P 500 bear market periods, when the index declined greater than 20% from prior high. Green shading = represents outperformance by the 60/40 relative to the S&P 500. Red shading = represents underperformance by the 60/40 relative to the S&P 500. Sources: Bloomberg; Yardeni Research. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Recoveries Follow Downturns

S&P 500 Period Price Return

A History of U.S. Equity Cyclical Bull and Bear Markets

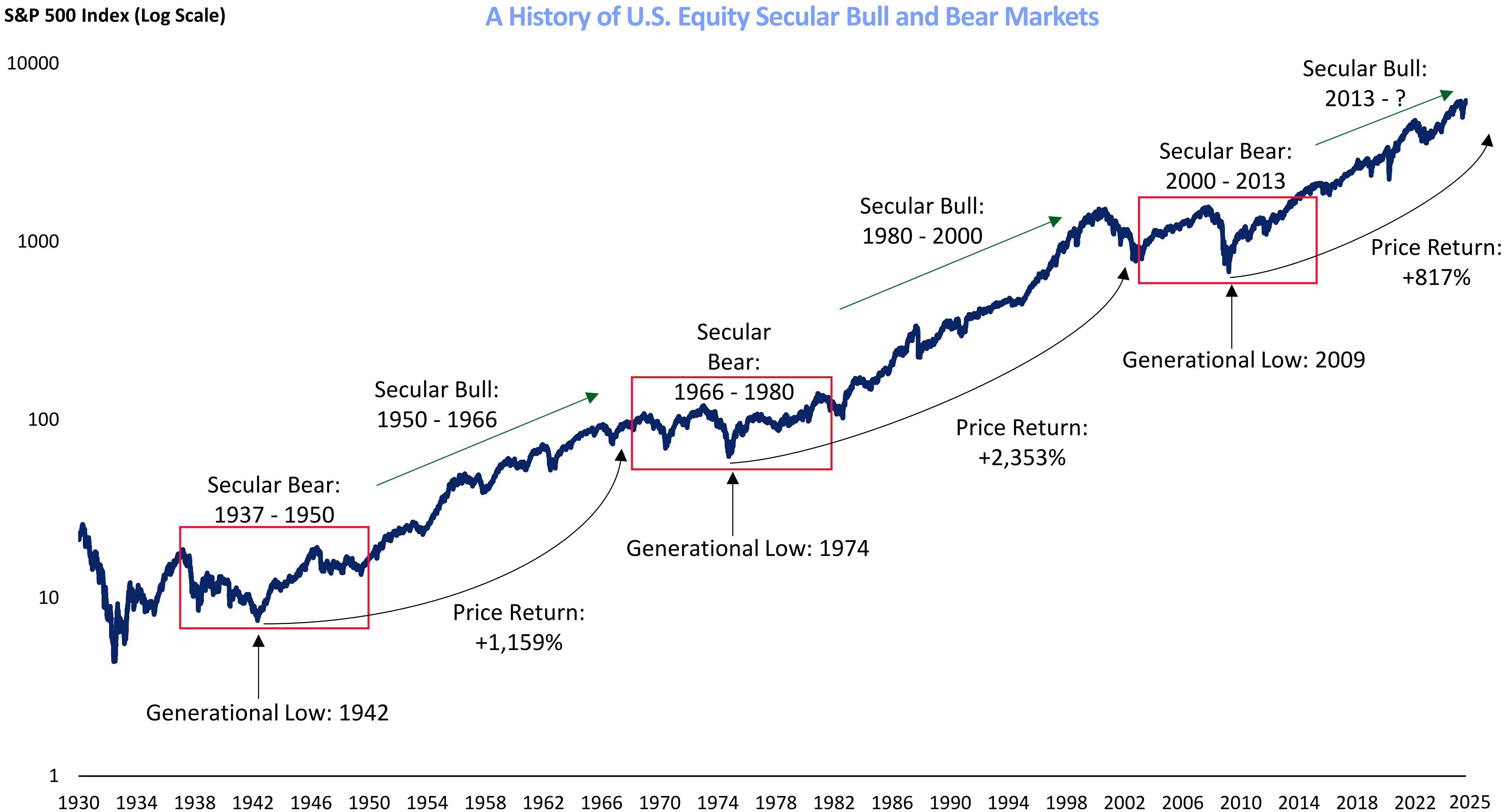


CIO Key Considerations

While every cyclical bear market is different in terms of drivers, duration and declines, every past market downturn has been followed by a recovery.

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets. Sources: Bloomberg; Yardeni Research. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

The Secular Bull Should Be Set to March On…

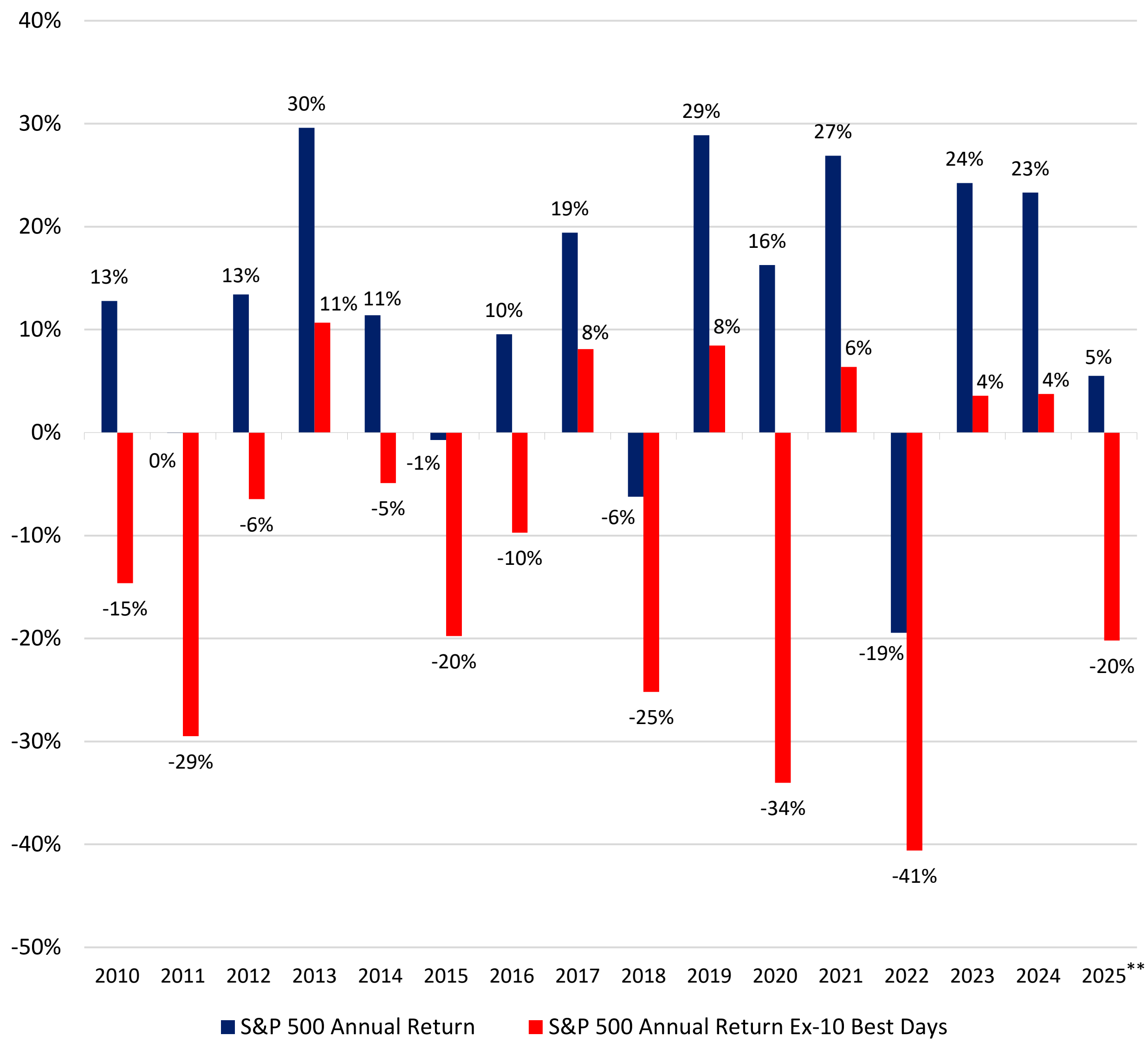


CIO Key Considerations

Secular bull markets are long-term uptrends in Equities that generally undergo multiple business and market cycles.
We expect accelerated innovation in Artificial Intelligence and the asset-light era to power the ongoing secular bull market cycle forward.

Sources: Chief Investment Office, BofA Global Research; Bloomberg. Data as of June 30, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Time in the Market Matters



- Time in the market is a necessary ingredient for a successful investment strategy, as opposed to timing the market. In an attempt to invest at the "perfect time", investors are likely to impair their returns.
- A longer investment horizon can be associated with an increased probability of generating positive returns.
- Since 1930, the S&P 500 has returned over 28,828%, while the index has only returned 93% when you exclude the 10 best days per decade. Since the start of this decade, the index has returned 92% overall, but when you exclude the 10 best days that falls to 1%.*

CIO Key Considerations

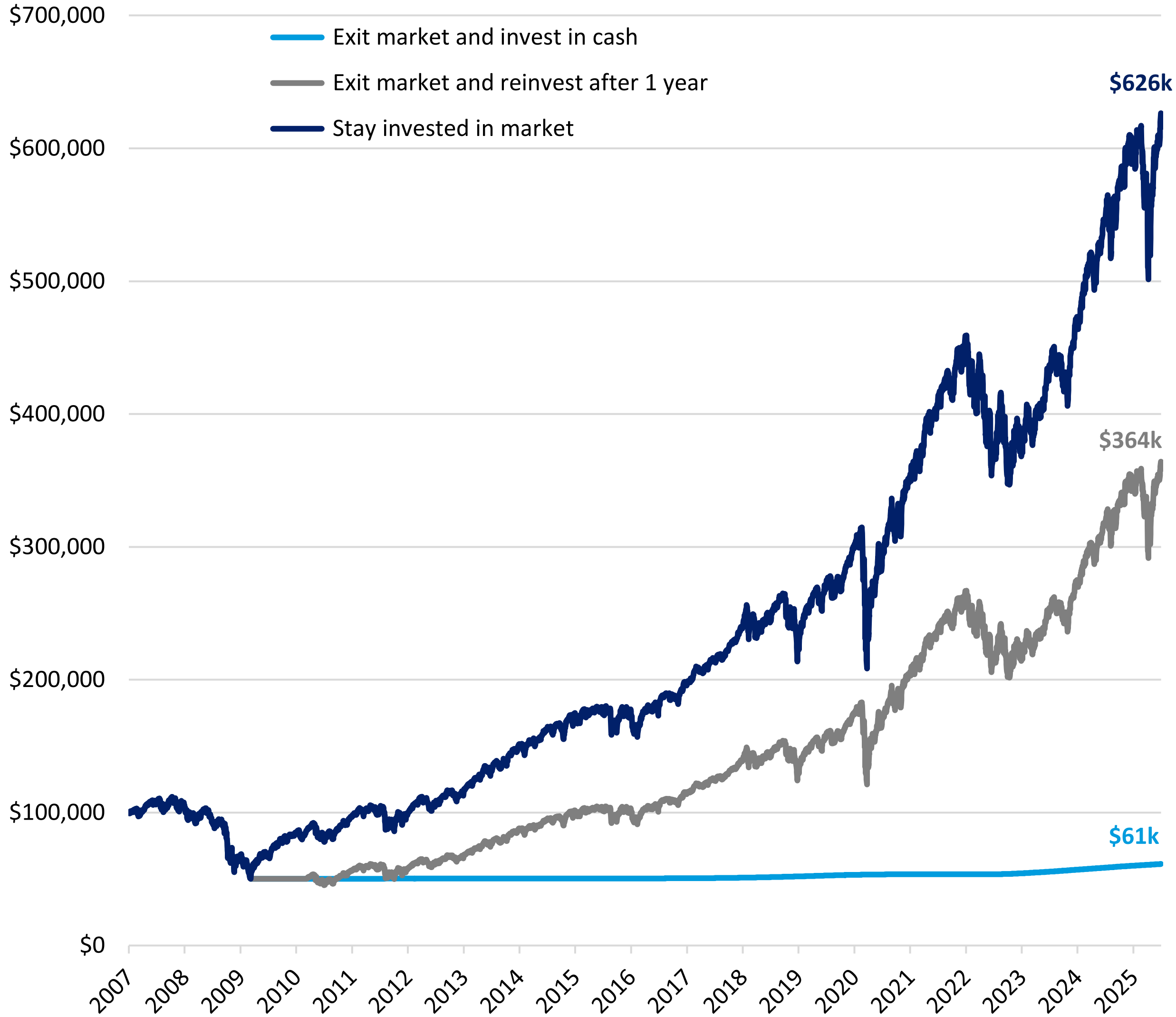
Excluding the best days of performance for the S&P 500 drastically cuts down returns. Stay the course and remain invested according to an established investment plan.

*Calculated by BofA Global Research. Data as of June 30, 2025. **Data as of June 30, 2025. Source: Bloomberg. Data as of June 30, 2025. Price returns used. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Return to Table of Contents

The Risk of Avoiding Risk

Hypothetical Portfolio Value



- Indiscriminately selling out of the market has the potential to influence long-term portfolio outcomes:
  - If you started out with a $100,000 Equity portfolio at the beginning of 2007, and you sold at the market bottom to invest in cash, you would only have around $61,000 today.
  - If you sold at the bottom and reinvested in Equities after one year (i.e., attempted to time the market), you would have about $364,000 today.
  - If you had stayed invested throughout the entire time frame, your initial investment of $100,000 would have grown to around $626,000 today.

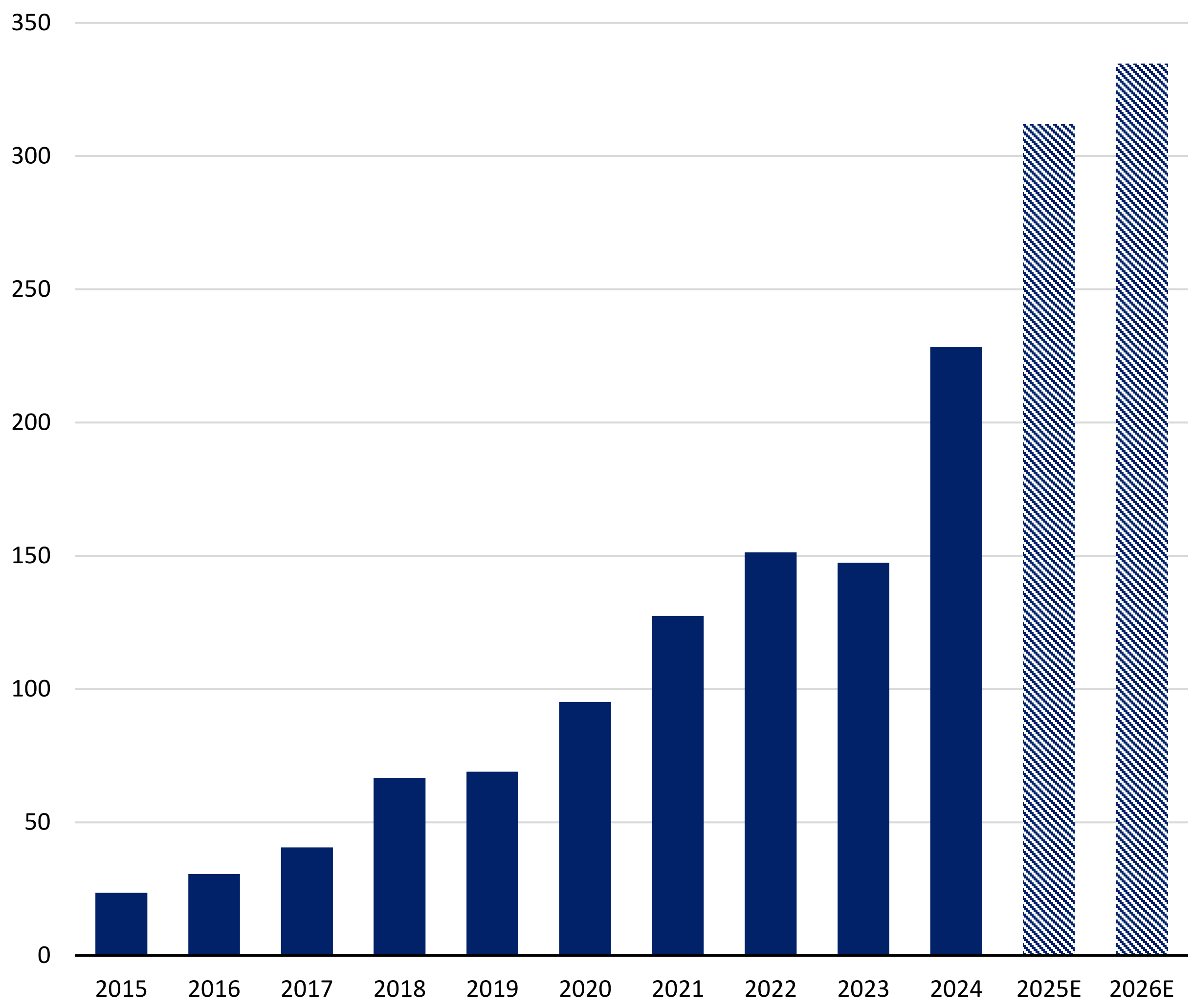
CIO Key Considerations

Staying invested throughout periods of uncertainty may help achieve better outcomes.

Source: Bloomberg. Data as of June 30, 2025. Equities are represented by the S&P 500 Index. Fixed Income is represented by the Bloomberg U.S. Aggregate Bond Index. Cash is represented by the ICE BofA U.S. 3-Month Treasury Bill Index. Annual total returns after average annual YoY U.S. CPI referenced for inflation. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

CIO Thematic Investing: Generative AI Meets Innovative Infrastructure

Annual Hyperscaler Capital Expenditures
USD Billions



- The U.S. private sector is driving the AI arms race forward. Four major hyperscalers* are projected to spend over $300 billion on capital expenditures this year alone, up 37% YoY from a record $228 billion in 2024.
- Despite broader economic uncertainty, spend on AI infrastructure has shown little fatigue with capital expenditures estimates stable or revised higher in Q1 2025.
- Efficiency gains should benefit corporate margins and broader economic growth in the coming years. Electricity demands of AI data centers augur for more investment in electrical equipment, power generation, and transmission and distribution.

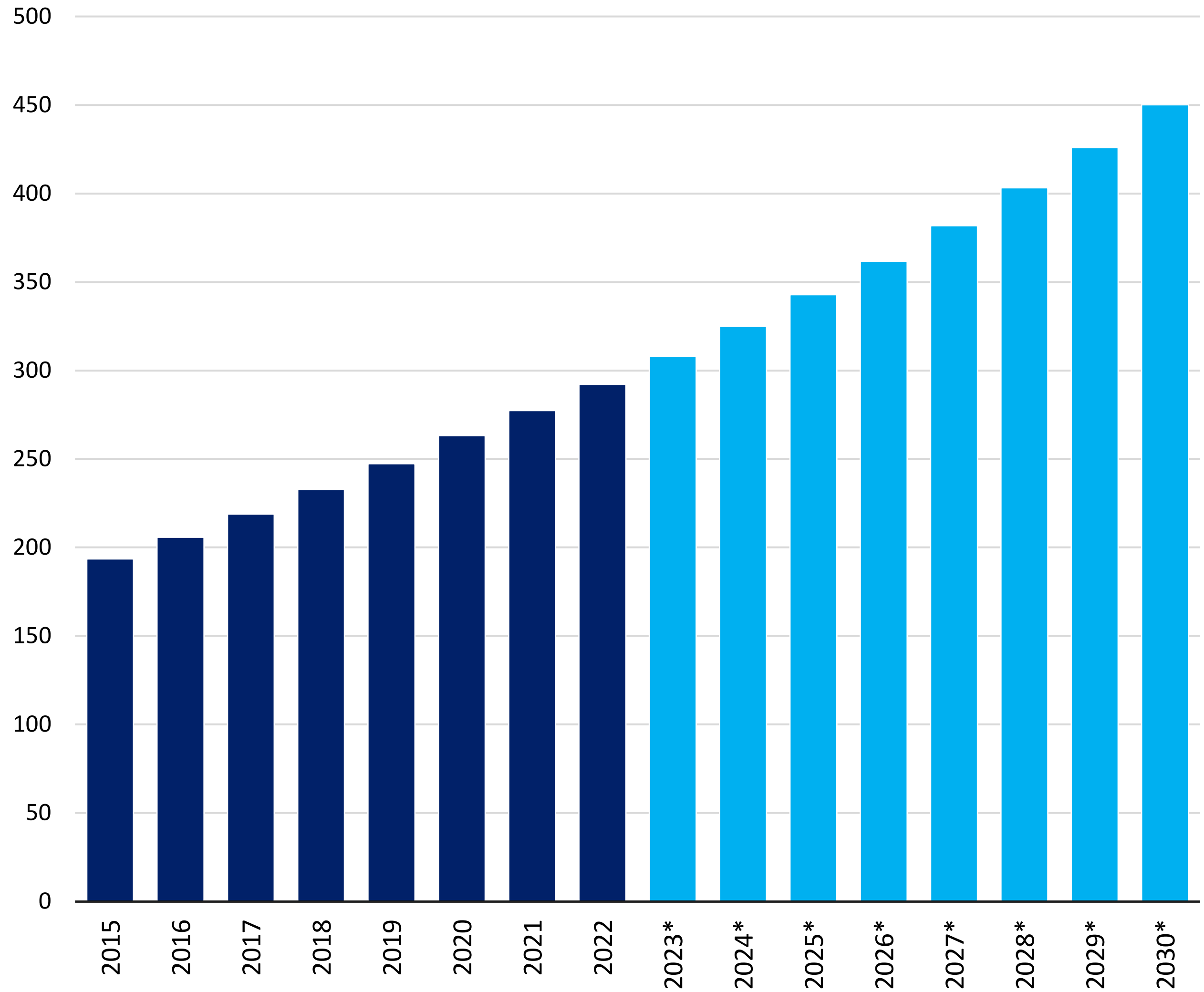
CIO Key Considerations

Our themes of Transformative Innovation, Resilient Infrastructure, Future Security and Changing Demographics each carry long-term implications for economic growth, the cost of capital, and global earnings, in our view.

*Includes Alphabet, Amazon, Meta and Microsoft. E = estimate. Source: FactSet. Data as of July 1, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.** The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice.

The AI Buildout is Thirsty for Water Infrastructure

Global Data Center Water Consumption (millions of gallons per day)



- By 2050, an estimated $22.6 trillion will be needed to improve water infrastructure or up to $70 trillion of global GDP could be at risk.[1]
- In the U.S. it takes 16.9 milliliters of water to run a single ChatGPT-3 inference, amounting to one bottle of water used for every 30 responses. 5.4 million liters are used to train one AI model in the U.S., with significant variation by city and state.[2] Data centers also need water for cooling, and semiconductor manufacturing requires substantial amounts of ultra-pure water.
- AI stands to exacerbate water scarcity, an issue originally caused by weather disruptions, population growth and economic development, and poor infrastructure and management.

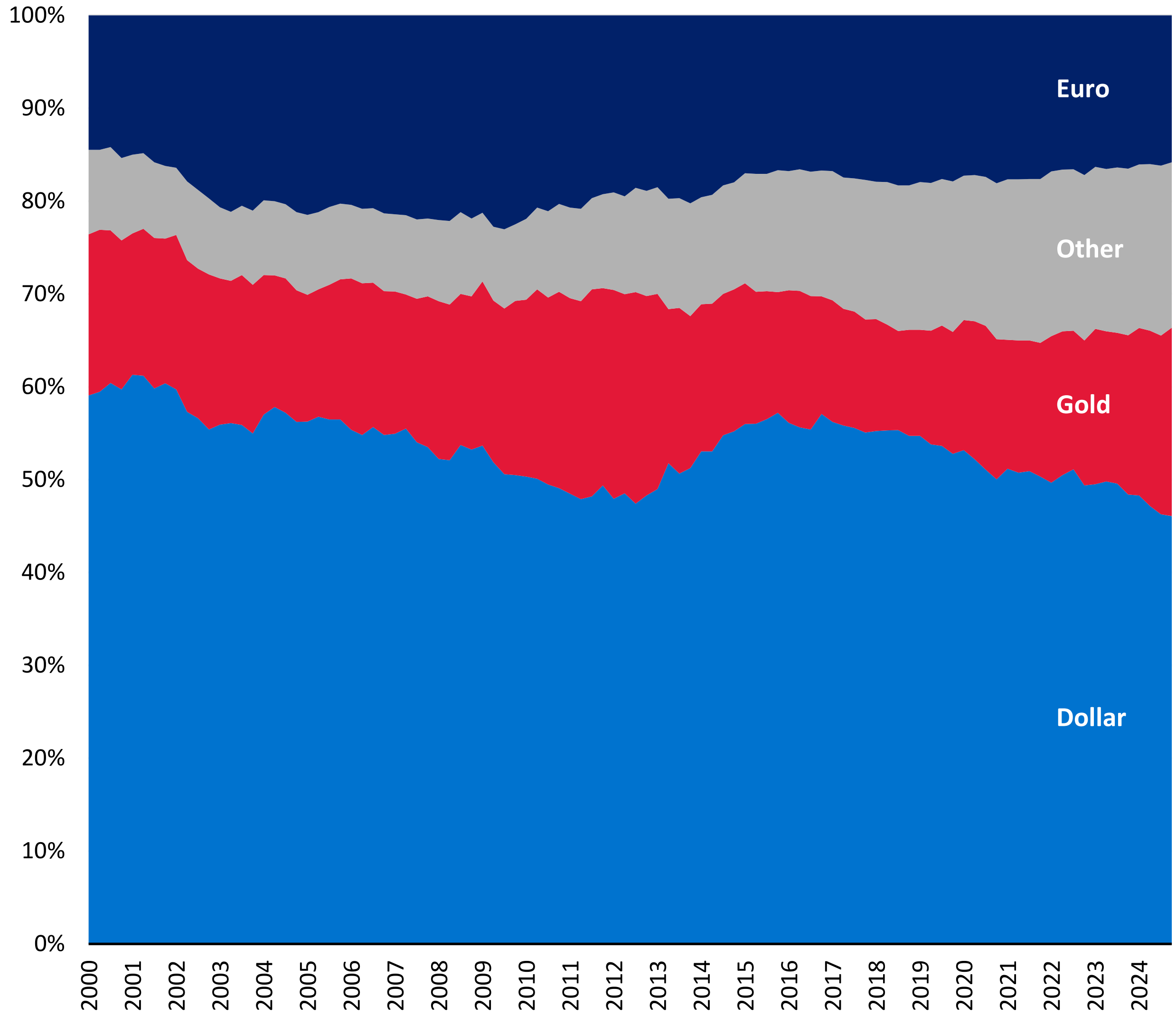
CIO Key Considerations

As the AI buildout continues, investors can participate in thematic water investments via active or passive solutions.

[1] International Renewable Energy Agency, "Renewable capacity statistics 2025," March 2025 [2]Estimate of GPT-3's average operational water consumption footprint, more current models may demand varying amounts. Source: University of California, Riverside. Data as of October 2023. Latest data available. Source: Bloomberg, Bluefield Research. Data as of December 31, 2023. Latest data available.*= Estimate. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Structural Demand Forces Bode Well for Gold

Share of Total Reserve Assets



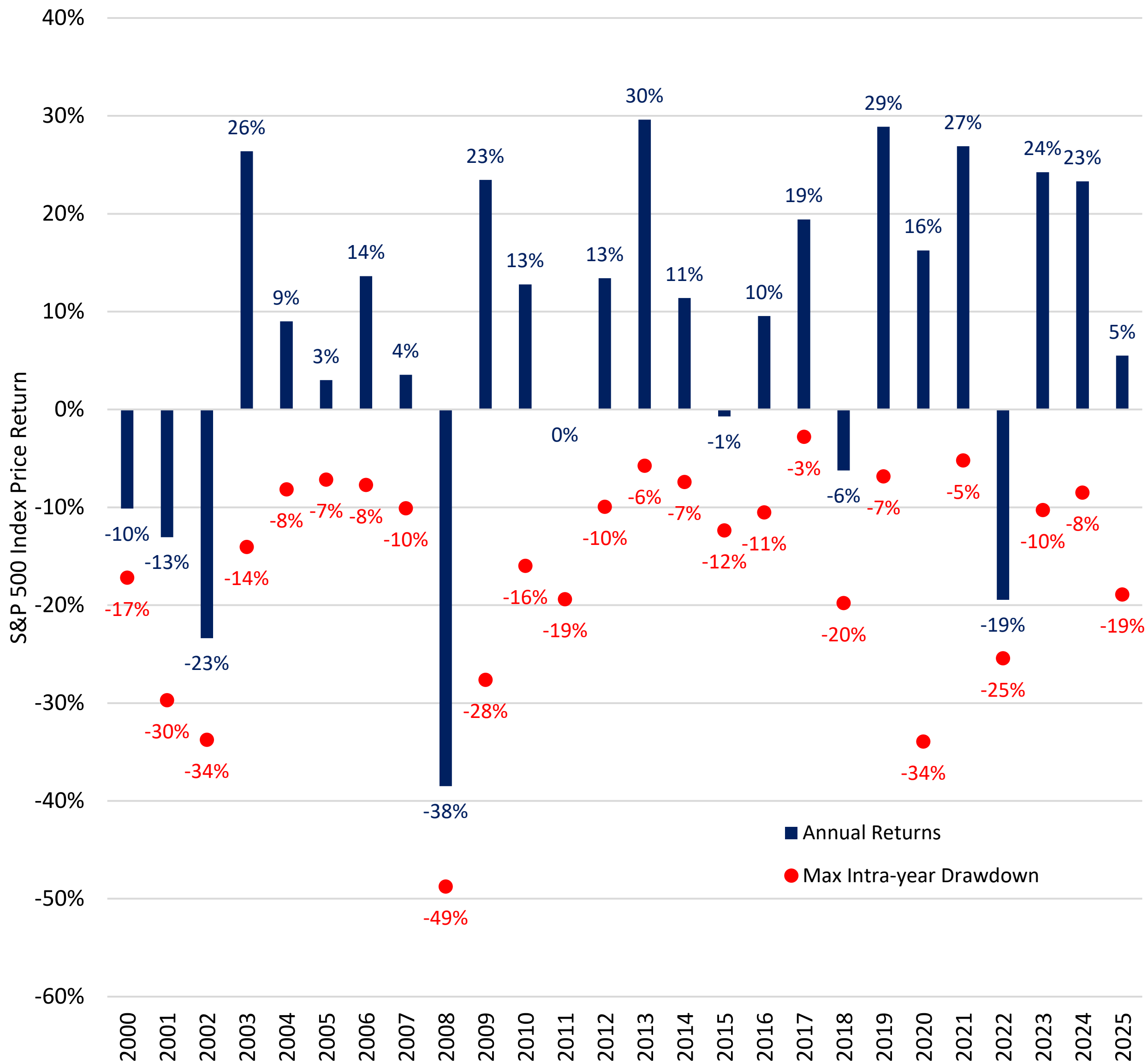
- Gold has soared some 60% since the start of 2024 and emerged as the second largest reserve asset globally last year, accounting for 20% of global reserves versus the Euro at 16%.
- Drivers of gold's performance include structurally higher inflation, fears of a widening U.S. budget deficit, concerns over the world reserve currency status of the U.S. dollar, geopolitical tensions, and strong buying from global central banks.
- More upside is expected for gold from current levels with global monetary authorities expecting central bank gold holdings to increase further over the next 12 months.

CIO Key Considerations

Gold may provide diversification through bouts of market volatility and economic weakness or uncertainty.

Source: International Monetary Fund, World Gold Council. Data through December 31, 2024. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Volatility is Normal



- Remember that market volatility is normal and is an integral part of investing. Even years that culminate in positive returns overall can see notable intra-year drawdowns.
- Since 2000, annual returns for the S&P 500 have always been greater than the max intra-year drawdown.
- Moreover, in the 3, 6, and 12-months following a >10% correction in the S&P 500, the index has seen average returns of 5.5%, 10.6%, and 13.3%, respectively.*

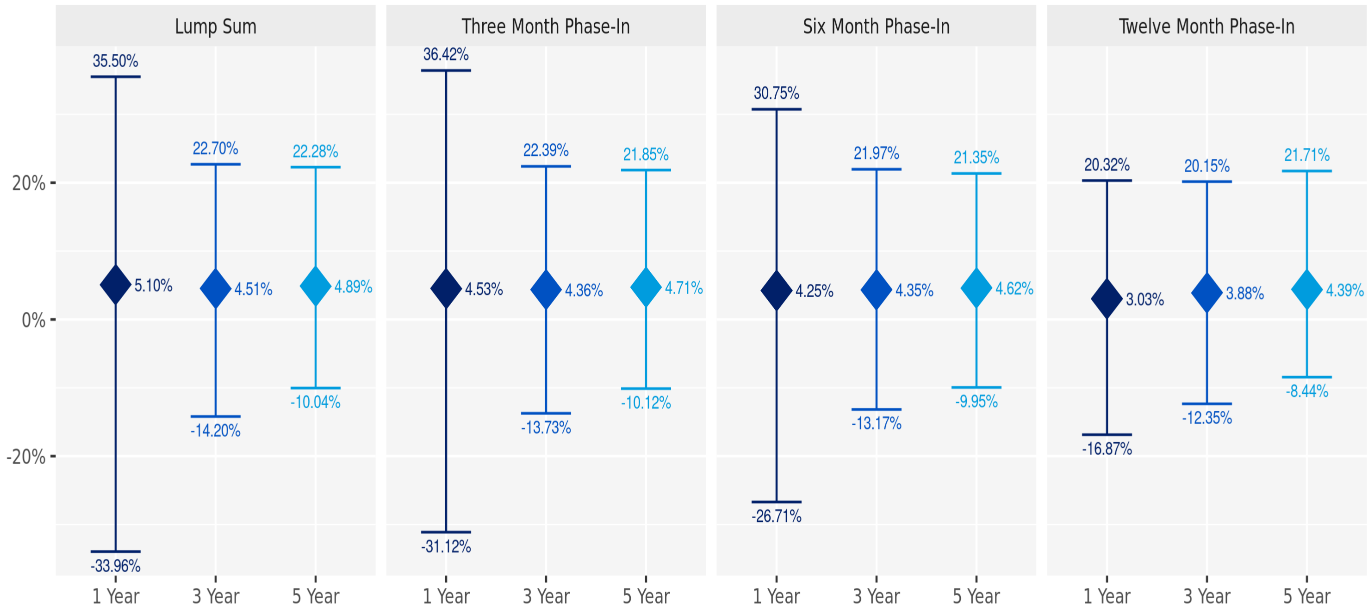
CIO Key Considerations

During volatile times, periods of weakness may provide attractive buying opportunities for investors to add to their investments.

*Including market corrections from 1980-2024. Source: Bloomberg. Data as of June 30, 2025. Price returns referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Dollar Cost Averaging vs. Lump Sum Investing

60% Equity (MSCI All Country World Index) and 40% Fixed Income (Bloomberg Global Aggregate) Benchmark Return



- Our study indicates that a lump sum investing approach, which entails investing a sum of money all at once, has a higher likelihood of outperforming a Dollar Cost Averaging (DCA) approach, which entails gradually investing a sum of money over time.
- However, a DCA approach may mitigate concerns of lump-sum investing during times of volatility, helping investors to deploy cash at regular intervals.

Percent of Simulations where Lump Sum Outperforms	vs. Three Month Phase-In	vs. Six Month Phase-In	vs. Twelve Month Phase-In
1 Year	59.60%	64.00%	66.30%
3 Year	61.40%	62.60%	65.60%
5 Year	62.10%	63.90%	65.80%

CIO Key Considerations

We continue to emphasize the importance of adhering to a disciplined and consistent investment process.

Source: FactSet. Data as of June 30, 2025. Performance is calculated using a traditional 60/40 benchmark with the 60% equity allocation using the MSCI All Country World Index and the 40% fixed income allocation using the Bloomberg Global Aggregate Index. Results are based on 1000 historical simulations. Each phase-in invests a fraction of the money each month. For example, in the 3-month phase-in, 1/3 of the money is invested the first month, another third the second month, so that all of the money is invested after 3 months. The time periods used were 1 year, 3 years, and 5 years. Each simulation would randomly pick 12, 36, or 60 months of returns from each benchmark and then calculate the returns over that time period using a 60%/40% equity/fixed income split that was rebalanced monthly. For each strategy and time period, the top and bottom bars show the maximum and minimum returns achieved across all simulations, while the middle box shows the median return. These performance results are not based on actual performance and are hypothetical simulations of a historical benchmark return. The returns shown are just one of the potential outcomes and using a different benchmark or time period will lead to different returns and results. These returns are purely for educational purposes and should not be viewed as realized returns or forecasts of portfolio performance. Cash returns for any uninvested cash are assumed to be 0%. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

S&P 500 Annual Returns: How Will 2025 Stack Up?

S&P 500 Performance 1928-2024
Annual Total Return (%)

Positive years:	*71 (73%)*
Negative years:	*26 (27%)*
Max return:	*52% (1954)*
Min return:	*-47% (1931)*
Average:	*12%*

-50 to -40	-40 to -30	-30 to -20	-20 to -10	-10 to 0	0 to 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60
						2020	2024			
						2016	2023			
						2014	2021			
						2012	2017			
						2010	2009	2019		
					2015	2006	2003	2013		
					2011	2004	1999	1997		
				2018	2007	1993	1998	1995		
				2000	2005	1988	1996	1991		
				1990	1994	1986	1983	1989		
				1981	1992	1979	1982	1985		
			2022	1977	1987	1972	1976	1980		
			2001	1969	1984	1971	1967	1975		
			1973	1962	1978	1968	1963	1955		
			1966	1953	1970	1965	1961	1950		
			1957	1946	1960	1964	1951	1945		
		2002	1941	1940	1956	1959	1949	1938	1958	
	2008	1974	1932	1939	1948	1952	1943	1936	1935	
1931	1937	1930	1929	1934	1947	1944	1942	1928	1933	1954

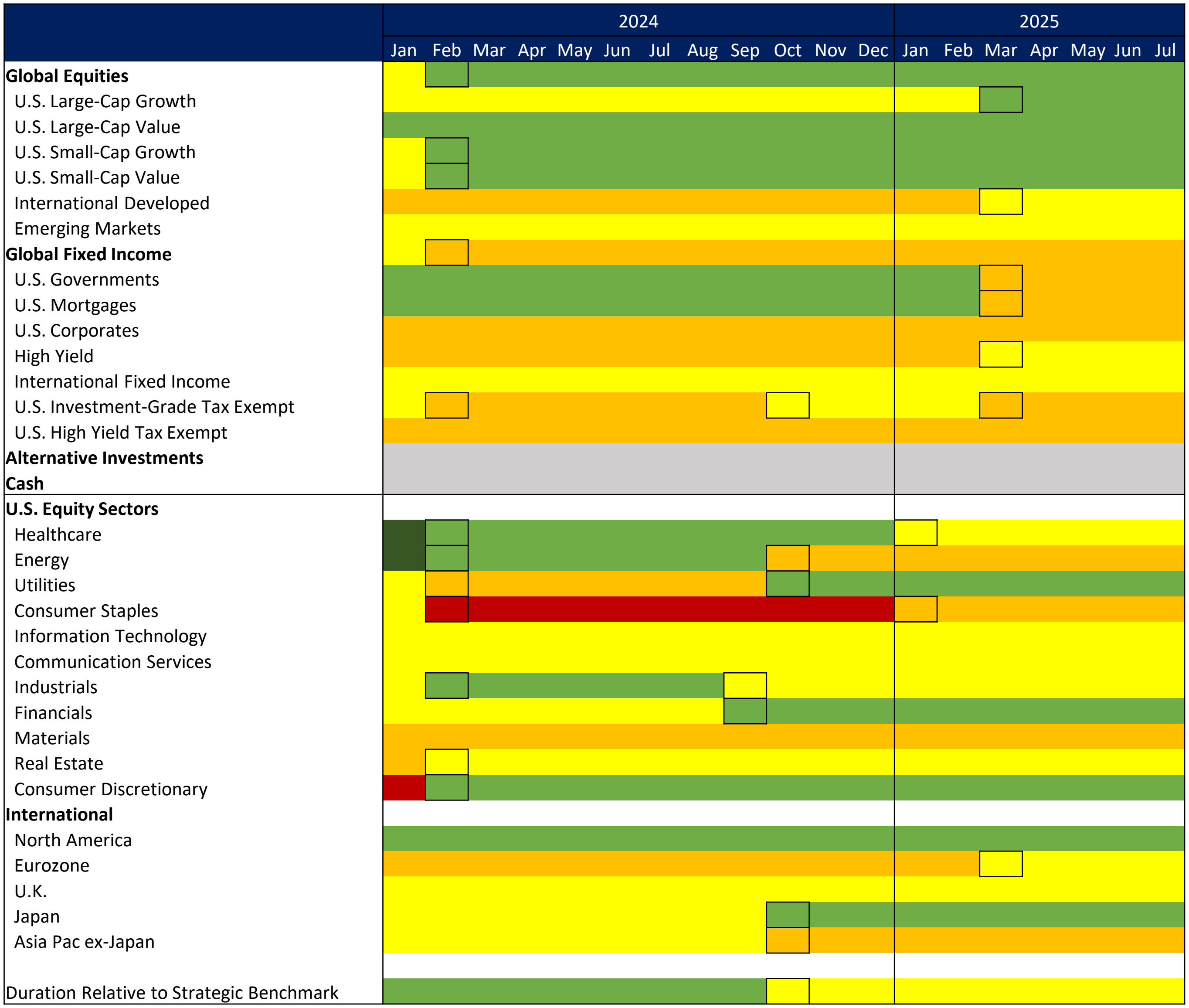
- Following two consecutive years of robust gains, U.S. equity market volatility picked up in the first half of 2025 as policy uncertainty weighed on sentiment and stoked economic growth concerns.
- History suggests that bull markets can stumble, and periodic volatility may persist as the road to recovery continues to unfold.
- While headwinds remain, we expect that the buildout of the Asset-light Era and the Innovative Infrastructure Renaissance will help to propel the bull market forward in 2025.

CIO Key Considerations

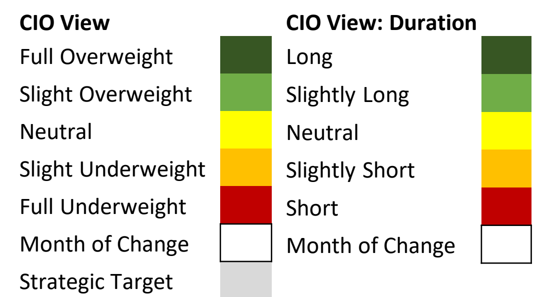
As we enter the second half of 2025, we continue to emphasize diversification across and within asset classes.

Source: Bloomberg. Data as of December 31, 2024. Latest data available for annual total return data. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Investment Strategy Committee Tactical Heat Map

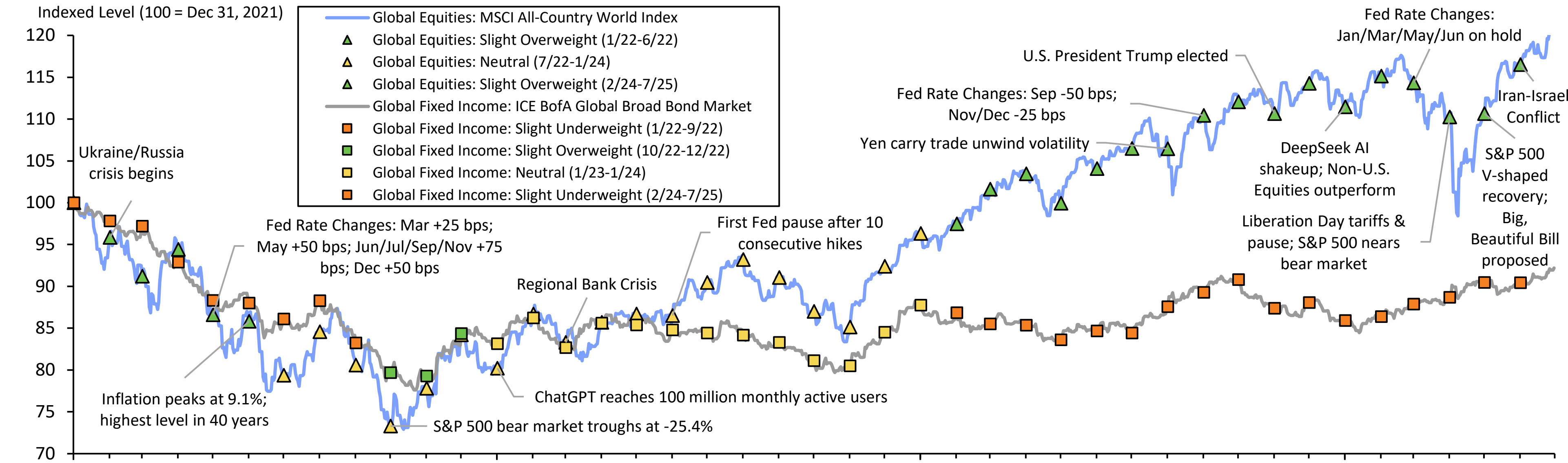


- We remain overweight Equities relative to Fixed Income and continue to be balanced and diversified across all asset classes within multi-asset class portfolios.
- We are constructive on Fixed Income but remain underweight to fund our Equity overweight in diversified portfolios. We maintain a neutral view across segments in all-Fixed Income low-tax-sensitive portfolios.
- Long-term investors that drift too far from their asset allocation objectives as market volatility picks up from time to time should consider rebalancing on weakness.



CIO views as of July 8, 2025. Notes: Feb 24: Funded the increase in Equities from Fixed Income, lowering allocation to municipal bonds. Tilt towards Value in Small-caps; Oct 24: Rebalanced multi-asset portfolio back to tactical targets; Mar 25: Increased allocation to Equities relative to Fixed Income. Within Equities, trimmed the magnitude of the OW to U.S. Small-caps, with proceeds going to U.S. Large-caps. Within Fixed Income, decreased rate risk (U.S. Govs and MBS) and increased credit risk (High Yield); May 25: In all-Fixed Income high-tax-sensitivity portfolios, moved to exhibit a preference for Investment-grade Tax-Exempt and High Yield Tax-Exempt relative to Investment-grade Corporates. **Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Investment Strategy Committee Tactical Strategy Timeline



2022

Feb: → U.S. Mortgages downgraded
May: → International Developed downgraded
→ Healthcare upgraded
→ Utilities upgraded
→ Information Technology downgraded
→ Communication Services downgraded
→ Industrials downgraded
→ Real Estate upgraded
→ Consumer Discretionary downgraded
→ Eurozone downgraded
Jul: → Global Equities downgraded
→ U.S. Small-Cap Growth downgraded
→ U.S. Small-Cap Value downgraded
→ Utilities upgraded
→ Consumer Staples upgraded
→ Materials downgraded
→ Consumer Discretionary downgraded
→ Fixed Income Duration lengthened
Oct: → Global Fixed Income upgraded
→ U.S. Governments upgraded
→ U.S. Mortgages upgraded
→ International Fixed Income upgraded
→ Fixed Income Duration lengthened

2023

Jan: → Global Fixed Income downgraded
→ U.S. Governments upgraded
→ U.S. Corporates downgraded
→ Healthcare upgraded
→ Real Estate downgraded
Mar: → U.S. IG* Tax Exempt downgraded
Apr: → Communication Services upgraded
→ Financials downgraded
→ Real Estate downgraded
Jul: → Fixed Income Duration lengthened
Oct: → U.S. Mortgages upgraded
→ U.S. Corporates downgraded
→ U.S. IG Tax Exempt upgraded
→ Energy upgraded
→ Utilities downgraded

2024

Feb: → Global Equities upgraded
→ U.S. Small-Cap Growth upgraded
→ U.S. Small-Cap Value upgraded
→ Global Fixed Income downgraded
→ U.S. IG Tax Exempt downgraded
→ Healthcare downgraded
→ Energy downgraded
→ Utilities downgraded
→ Consumer Staples downgraded
→ Industrials upgraded
→ Real Estate upgraded
→ Consumer Discretionary upgraded
Sep: → Industrials downgraded
→ Financials upgraded
Oct: → U.S. IG Tax Exempt upgraded
→ Energy downgraded
→ Utilities upgraded
→ Japan upgraded
→ Asia Pac ex-Japan downgraded
→ Fixed Income Duration shortened

2025

Jan: → Healthcare downgraded
→ Consumer Staples upgraded
Mar: → U.S. Large-Cap Growth upgraded
→ International Developed upgraded
→ U.S. Governments downgraded
→ U.S. Mortgages downgraded
→ High Yield upgraded
→ U.S. IG Tax Exempt downgraded
→ Eurozone upgraded

Overweight
Slight Overweight
Neutral
Slight Underweight
Underweight

*Investment-grade. MSCI All-Country World Price Index and ICE BofA Global Broad Bond Market Index are all normalized at a level of 100 as of December 31, 2021. Sources: Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) as of July 8, 2025. Data: Bloomberg as of June 30, 2025. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Tactical strategy weightings are for a 12- to 18-month time horizon and based on the relative attractiveness of each asset class. Past performance is no guarantee of future results. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Economic Forecasts

7/3/2025	Q1 2025A	Q2 2025A	Q3 2025E	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	3.0	3.0
Real U.S. GDP (% q/q annualized)	-0.5	2.3*	1.0	1.6	1.6	1.6
CPI inflation (% y/y)	2.7	2.5*	3.0	2.9	2.8	2.4
Core CPI inflation (% y/y)	3.1	2.8*	3.2	3.2	3.1	2.7
Unemployment rate (%)	4.1	4.2*	4.3	4.5	4.3	4.5
Fed funds rate, end period (%)	4.38	4.38	4.38	4.38	4.38	3.38

- Downside data revisions show real consumer spending up just 0.5% at an annualized rate in Q1 versus 1.8% initially estimated and 4.0% in Q4. Spending has disappointed further through May.
- Spending growth can firm again as unemployment claims remain low, job openings are comfortable relative to unemployment, wage-and-salary growth has remained solid, and tariff uncertainty/distortions are fading. Q2 real GDP is tracking at about 2.5%** annualized growth.
- Headline PCE inflation was slightly higher than expected in May, up 2.3% year over year compared to 2.2% in April. Excluding food and energy, inflation also was sticky at 2.7% year over year. Calmer energy markets bode well for continued disinflation.

As of July 1, 2025. The forecasts in the table above are the base line view from BofA Global Research team. 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. A=Actual. E/*=Estimate. Data as of June 30, 2025. Sources: BofA Global Research; GWIM ISC as of July 8, 2025. **FOR INFORMATIONAL PURPOSES ONLY. BofA Global Research is research produced by BofA Securities, Inc. (“BofAS”) and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. There can be no assurance that the forecasts will be achieved. There is no guarantee that this trend will continue. **Please refer to appendix for glossary and important disclosures.**

U.S.- Oriented Investor

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Historical Asset Class Performance Key Market Index Returns, 2016 – Q2 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
US Small cap Value 31.74%	Emerging Markets 37.28%	International Fixed Income 3.17%	US Large cap Growth 36.39%	US Large cap Growth 38.49%	US Small cap Value 28.27%	Inflation 6.45%	US Large cap Growth 42.68%	US Large cap Growth 33.36%	International Equity 18.99%
High Yield Fixed Income 17.34%	US Large cap Growth 30.21%	Cash 1.87%	US Small cap Growth 28.48%	US Small cap Growth 34.63%	US Large cap Growth 27.60%	Cash 1.46%	US Small cap Growth 18.66%	US Small cap Growth 15.15%	Emerging Markets 15.27%
US Large cap Value 17.34%	International Equity 24.21%	Inflation 1.68%	US Large cap Value 26.54%	Emerging Markets 18.31%	US Large cap Value 25.16%	US Large cap Value -7.54%	International Equity 17.94%	US Large cap Value 14.37%	60/40% Allocations 7.64%
US Small cap Growth 11.32%	US Small cap Growth 22.17%	US Mortgage Backed 1.00%	International Equity 22.49%	60/40% Allocations 12.76%	International Equity 12.62%	High Yield Fixed Income -11.10%	60/40% Allocations 15.53%	60/40% Allocations 10.85%	US Large cap Growth 6.09%
Emerging Markets 11.19%	60/40% Allocations 15.80%	U.S. Government & Quasi 0.83%	US Small cap Value 22.39%	US Corporates 9.81%	60/40% Allocations 10.51%	US Mortgage Backed -11.88%	US Small cap Value 14.65%	US Small cap Value 8.05%	US Large cap Value 6.00%
US Large cap Growth 7.08%	US Large cap Value 13.66%	US Large cap Growth -1.51%	60/40% Allocations 19.45%	U.S. Government & Quasi 8.16%	Inflation 7.04%	International Fixed Income -11.89%	High Yield Fixed Income 13.40%	High Yield Fixed Income 8.04%	High Yield Fixed Income 4.57%
US Corporates 5.96%	US Small cap Value 7.84%	US Corporates -2.25%	Emerging Markets 18.42%	International Equity 7.59%	High Yield Fixed Income 5.29%	U.S. Government & Quasi -12.74%	US Large cap Value 11.46%	Emerging Markets 7.50%	US Corporates 4.20%
60/40% Allocations 5.78%	High Yield Fixed Income 7.48%	High Yield Fixed Income -2.26%	High Yield Fixed Income 14.40%	High Yield Fixed Income 6.20%	US Small cap Growth 2.83%	International Equity -14.29%	Emerging Markets 9.83%	Cash 5.24%	US Mortgage Backed 4.14%
International Fixed Income 5.19%	US Corporates 6.48%	60/40% Allocations -5.64%	US Corporates 14.23%	US Small cap Value 4.63%	Cash 0.05%	US Small cap Value -14.48%	US Corporates 8.40%	International Equity 4.70%	U.S. Government & Quasi 3.79%
International Equity 2.75%	International Fixed Income 2.51%	US Large cap Value -8.27%	International Fixed Income 7.57%	International Fixed Income 4.20%	US Corporates -0.95%	US Corporates -15.44%	International Fixed Income 8.16%	International Fixed Income 3.43%	Cash 2.13%
Inflation 2.07%	US Mortgage Backed 2.45%	US Small cap Growth -9.31%	U.S. Government & Quasi 6.95%	US Mortgage Backed 4.09%	US Mortgage Backed -1.21%	60/40% Allocations -16.22%	US Mortgage Backed 4.98%	Inflation 2.89%	International Fixed Income 1.52%
US Mortgage Backed 1.67%	U.S. Government & Quasi 2.42%	US Small cap Value -12.86%	US Mortgage Backed 6.51%	US Large cap Value 2.80%	International Fixed Income -1.67%	Emerging Markets -20.09%	Cash 4.95%	US Corporates 2.76%	Inflation** 1.33%
U.S. Government & Quasi 1.15%	Inflation 2.24%	International Equity -14.09%	Inflation 2.29%	Inflation 1.30%	U.S. Government & Quasi -2.33%	US Small cap Growth -26.36%	U.S. Government & Quasi 3.89%	US Mortgage Backed 1.33%	US Small cap Growth -0.48%
Cash 0.33%	Cash 0.86%	Emerging Markets -14.58%	Cash 2.28%	Cash 0.67%	Emerging Markets -2.54%	US Large cap Growth -29.14%	Inflation 3.35%	U.S. Government & Quasi 0.55%	US Small cap Value -3.16%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. Excludes alternative investments. 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of June 30, 2025. **Data as of March 31, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

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U.S.- Oriented Investor

Historical Asset Class Volatility Annualized Standard Deviations of Key Asset Classes 2016 – Q2 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
US Small cap Growth 18.40%	US Small cap Value 9.27%	US Small cap Growth 20.17%	US Small cap Growth 17.57%	US Small cap Value 37.31%	US Large cap Growth 13.16%	US Small cap Growth 25.56%	US Small cap Value 24.02%	US Small cap Growth 20.95%	US Large cap Growth 20.09%
US Small cap Value 17.05%	Emerging Markets 6.26%	US Small cap Value 17.23%	US Small cap Value 17.49%	US Small cap Growth 32.98%	US Small cap Value 12.96%	US Large cap Growth 24.81%	US Small cap Growth 22.85%	US Small cap Value 20.61%	US Small cap Growth 19.47%
Emerging Markets 17.02%	US Small cap Growth 5.71%	US Large cap Growth 16.69%	Emerging Markets 15.75%	US Large cap Value 27.59%	US Small cap Growth 12.46%	US Small cap Value 24.65%	Emerging Markets 17.32%	US Large cap Value 13.21%	US Small cap Value 14.97%
International Equity 12.57%	US Large cap Value 5.20%	Emerging Markets 14.79%	US Large cap Value 12.94%	International Equity 25.77%	US Large cap Value 12.00%	Emerging Markets 20.70%	International Equity 16.53%	Emerging Markets 11.88%	US Large cap Value 10.61%
US Large cap Value 10.65%	US Large cap Growth 4.38%	US Large cap Value 13.50%	US Large cap Growth 12.84%	US Large cap Growth 25.44%	Emerging Markets 10.61%	International Equity 20.43%	US Large cap Growth 15.89%	US Large cap Growth 11.80%	Emerging Markets 7.05%
US Large cap Growth 10.55%	International Equity 3.72%	International Equity 11.84%	International Equity 11.14%	Emerging Markets 24.95%	International Equity 9.60%	US Large cap Value 20.35%	US Large cap Value 14.95%	International Equity 9.60%	International Equity 6.93%
60/40% Allocations 6.44%	High Yield Fixed Income 2.11%	60/40% Allocations 7.57%	60/40% Allocations 7.06%	High Yield Fixed Income 14.70%	60/40% Allocations 5.91%	60/40% Allocations 14.47%	60/40% Allocations 12.01%	60/40% Allocations 7.10%	60/40% Allocations 6.72%
High Yield Fixed Income 5.76%	International Fixed Income 2.07%	U.S. Government & Quasi 3.52%	High Yield Fixed Income 4.90%	60/40% Allocations 14.65%	US Corporates 3.82%	High Yield Fixed Income 11.38%	US Corporates 9.21%	US Mortgage Backed 6.43%	US Mortgage Backed 3.88%
US Corporates 4.72%	60/40% Allocations 1.77%	High Yield Fixed Income 3.49%	U.S. Government & Quasi 4.55%	US Corporates 10.42%	U.S. Government & Quasi 3.62%	US Corporates 9.98%	US Mortgage Backed 8.82%	US Corporates 5.70%	High Yield Fixed Income 3.57%
U.S. Government & Quasi 4.42%	U.S. Government & Quasi 1.71%	US Corporates 3.00%	US Corporates 3.72%	U.S. Government & Quasi 4.79%	International Fixed Income 2.94%	US Mortgage Backed 9.01%	U.S. Government & Quasi 7.33%	U.S. Government & Quasi 5.34%	U.S. Government & Quasi 3.48%
International Fixed Income 3.19%	US Corporates 1.67%	US Mortgage Backed 2.87%	International Fixed Income 3.17%	International Fixed Income 3.46%	High Yield Fixed Income 2.52%	U.S. Government & Quasi 6.50%	High Yield Fixed Income 6.94%	High Yield Fixed Income 3.21%	US Corporates 3.15%
US Mortgage Backed 2.33%	US Mortgage Backed 1.28%	International Fixed Income 1.56%	US Mortgage Backed 1.82%	US Mortgage Backed 1.42%	US Mortgage Backed 1.32%	International Fixed Income 6.32%	International Fixed Income 4.80%	International Fixed Income 3.17%	International Fixed Income 2.61%
Inflation 0.70%	Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	Inflation** 0.57%
Cash 0.05%	Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.06%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of June 30, 2025. **Data as of May 31, 2025. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

Return to Table of Contents ▶

U.S. Equities

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Historical Sector Performance

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Real Estate 41.48%	Energy 34.40%	Cons Staples -15.43%	Technology 61.72%	Real Estate 32.32%	Utilities 19.91%	Financials 28.81%	Cons Disc 43.08%	Real Estate 30.19%	Cons Disc 10.11%	Energy 27.36%	Technology 38.83%	Health Care 6.47%	Technology 50.29%	Technology 43.89%	Energy 54.64%	Energy 65.72%	Technology 57.84%	Comm Svcs 40.23%	Industrials 12.72%
Comm Svcs 36.80%	Materials 22.53%	Health Care -22.81%	Materials 48.59%	Cons Disc 27.66%	Cons Staples 13.99%	Cons Disc 23.92%	Health Care 41.46%	Utilities 28.98%	Health Care 6.89%	Comm Svcs 23.48%	Materials 23.84%	Utilities 4.11%	Comm Svcs 32.69%	Cons Disc 33.30%	Real Estate 46.19%	Utilities 1.57%	Comm Svcs 55.80%	Technology 36.61%	Comm Svcs 11.13%
Energy 24.21%	Utilities 19.38%	Utilities -28.98%	Cons Disc 41.31%	Industrials 26.73%	Health Care 12.73%	Real Estate 19.74%	Industrials 40.68%	Health Care 25.34%	Cons Staples 6.60%	Financials 22.80%	Cons Disc 22.98%	Cons Disc 0.83%	Financials 32.13%	Comm Svcs 23.61%	Financials 35.04%	Cons Staples -0.62%	Cons Disc 42.41%	Financials 30.56%	Utilities 9.41%
Utilities 20.99%	Technology 16.31%	Comm Svcs -30.49%	Real Estate 27.10%	Materials 22.20%	Real Estate 11.39%	Comm Svcs 18.31%	Financials 35.63%	Technology 20.12%	Technology 5.92%	Industrials 18.86%	Financials 22.18%	Technology -0.29%	Industrials 29.37%	Materials 20.73%	Technology 34.53%	Health Care -1.95%	Industrials 18.13%	Cons Disc 30.14%	Financials 9.23%
Financials 19.19%	Cons Staples 14.18%	Cons Disc -33.49%	Industrials 20.93%	Energy 20.46%	Comm Svcs 6.26%	Health Care 17.89%	Technology 28.43%	Cons Staples 15.98%	Real Estate 4.68%	Materials 16.69%	Health Care 22.08%	Real Estate -2.22%	Real Estate 29.01%	Health Care 13.45%	Materials 27.28%	Industrials -5.48%	Materials 12.55%	Utilities 23.43%	Technology 8.05%
Cons Disc 18.64%	Industrials 12.03%	Energy -34.87%	Health Care 19.70%	Comm Svcs 18.97%	Cons Disc 6.13%	Industrials 15.35%	Cons Staples 26.14%	Financials 15.20%	Comm Svcs 3.40%	Utilities 16.28%	Industrials 21.03%	Cons Staples -8.38%	Cons Disc 27.94%	Industrials 11.06%	Health Care 26.13%	Financials -10.53%	Real Estate 12.36%	Industrials 17.47%	Cons Staples 6.40%
Materials 18.63%	Comm Svcs 11.95%	Industrials -39.92%	Financials 17.22%	Cons Staples 14.11%	Energy 4.72%	Materials 14.97%	Materials 25.60%	Industrials 9.83%	Financials -1.53%	Technology 13.85%	Cons Staples 13.49%	Comm Svcs -12.53%	Cons Staples 27.61%	Cons Staples 10.75%	Cons Disc 24.43%	Materials -12.27%	Financials 12.15%	Cons Staples 14.87%	Materials 6.03%
Cons Staples 14.36%	Health Care 7.15%	Real Estate -42.31%	Cons Staples 14.89%	Financials 12.13%	Technology 2.41%	Technology 14.82%	Energy 25.07%	Cons Disc 9.68%	Industrials -2.53%	Cons Disc 6.03%	Utilities 12.11%	Financials -13.03%	Utilities 26.35%	Utilities 0.48%	Comm Svcs 21.57%	Real Estate -26.13%	Health Care 2.06%	Energy 5.72%	Real Estate 3.51%
Industrials 13.29%	Cons Disc -13.21%	Technology -43.14%	Energy 13.82%	Technology 10.19%	Industrials -0.59%	Cons Staples 10.76%	Utilities 13.21%	Materials 6.91%	Utilities -4.84%	Cons Staples 5.38%	Real Estate 10.85%	Industrials -13.29%	Materials 24.58%	Financials -1.69%	Industrials 21.12%	Technology -28.19%	Cons Staples 0.52%	Real Estate 5.23%	Energy 0.77%
Technology 8.42%	Real Estate -17.85%	Materials -45.66%	Utilities 11.91%	Utilities 5.46%	Materials -9.75%	Energy 4.61%	Comm Svcs 11.47%	Comm Svcs 2.99%	Materials -8.38%	Real Estate 3.39%	Energy -1.01%	Materials -14.70%	Health Care 20.82%	Real Estate -2.17%	Cons Staples 18.63%	Cons Disc -37.03%	Energy -1.33%	Health Care 2.58%	Health Care -1.11%
Health Care 7.53%	Financials -18.63%	Financials -55.32%	Comm Svcs 8.93%	Health Care 2.90%	Financials -17.06%	Utilities 1.29%	Real Estate 1.60%	Energy -7.78%	Energy -21.12%	Health Care -2.69%	Comm Svcs -1.25%	Energy -18.10%	Energy 11.81%	Energy -33.68%	Utilities 17.67%	Comm Svcs -39.89%	Utilities -7.08%	Materials -0.04%	Cons Disc -3.87%

Source: Morningstar Direct. U.S. equities represented by the S&P 500 Index GICS sectors. Returns calculated are total returns. **FOR INFORMATIONAL PURPOSES ONLY.** *Data as of June 30, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. **Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class and sector proxies and important disclosures.**

Return to Table of Contents ▶

Globally-Oriented Investor

Historical Asset Class Performance Key Market Index Returns, 2016 – Q2 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Global HY / EM 14.74%	Emerging Markets 37.28%	Global Governments 2.56%	North America 30.70%	North America 19.94%	North America 26.44%	Inflation 6.45%	North America 25.96%	North America 24.03%	Developed Europe ex-UK 24.18%
North America 11.57%	Developed Europe ex-UK 26.82%	Cash 1.87%	Developed Europe ex-UK 24.81%	Emerging Markets 18.31%	United Kingdom 18.50%	Cash 1.46%	Developed Europe ex-UK 21.69%	60/40% Allocations 10.85%	United Kingdom 19.26%
Emerging Markets 11.19%	Developed Asia Pacific ex-Japan 25.88%	Inflation 1.68%	United Kingdom 21.05%	Japan 14.48%	Developed Europe ex-UK 15.66%	United Kingdom -4.84%	Japan 20.32%	Global HY / EM 8.82%	Emerging Markets 15.27%
Developed Asia Pacific ex-Japan 7.85%	Japan 23.99%	Global Mortgage 1.35%	Japan 19.61%	60/40% Allocations 12.76%	60/40% Allocations 10.51%	Developed Asia Pacific ex-Japan -5.94%	60/40% Allocations 15.53%	Japan 8.31%	Developed Asia Pacific ex-Japan 14.62%
Global Corporates 6.08%	United Kingdom 22.30%	Global Corporates -0.87%	60/40% Allocations 19.45%	Developed Europe ex-UK 10.91%	Inflation 7.04%	Global Mortgage -11.36%	United Kingdom 14.09%	United Kingdom 7.54%	Japan 11.73%
60/40% Allocations 5.78%	North America 20.89%	Global HY / EM -3.83%	Emerging Markets 18.42%	Global Corporates 8.15%	Developed Asia Pacific ex-Japan 4.68%	Global Governments -12.37%	Global HY / EM 13.66%	Emerging Markets 7.50%	60/40% Allocations 7.64%
Global Governments 3.70%	60/40% Allocations 15.80%	60/40% Allocations -5.64%	Developed Asia Pacific ex-Japan 18.36%	Global HY / EM 7.02%	Japan 1.71%	Global HY / EM -12.79%	Emerging Markets 9.83%	Cash 5.24%	Global HY / EM 6.64%
Japan 2.38%	Global HY / EM 10.49%	North America -5.73%	Global HY / EM 13.10%	Developed Asia Pacific ex-Japan 6.55%	Global HY / EM 0.80%	Global Corporates -14.06%	Global Corporates 8.98%	Developed Asia Pacific ex-Japan 4.59%	North America 6.49%
Global Mortgage 2.21%	Global Corporates 5.77%	Developed Asia Pacific ex-Japan -10.30%	Global Corporates 12.51%	Global Governments 5.62%	Cash 0.05%	60/40% Allocations -16.22%	Developed Asia Pacific ex-Japan 6.44%	Global Corporates 3.98%	Global Mortgage 3.87%
Inflation 2.07%	Global Mortgage 2.56%	Japan -12.88%	Global Governments 7.34%	Global Mortgage 4.15%	Global Corporates -0.76%	Japan -16.65%	Global Governments 6.15%	Inflation 2.89%	Global Corporates 3.76%
Cash 0.33%	Global Governments 2.35%	United Kingdom -14.15%	Global Mortgage 6.48%	Cash 1.61%	Global Mortgage -1.06%	Developed Europe ex-UK -17.96%	Global Mortgage 5.47%	Global Mortgage 2.38%	Global Governments 2.38%
United Kingdom -0.10%	Inflation 2.24%	Emerging Markets -14.58%	Inflation 2.29%	Inflation 1.30%	Global Governments -2.01%	North America -19.53%	Cash 4.95%	Global Governments 1.83%	Cash 2.13%
Developed Europe ex-UK -0.56%	Cash 0.86%	Developed Europe ex-UK -15.14%	Cash 2.28%	United Kingdom -10.47%	Emerging Markets -2.54%	Emerging Markets -20.09%	Inflation 3.35%	Developed Europe ex-UK 0.15%	Inflation** 1.33%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. *Data as of June 30, 2025. **Data as of March 31, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

Globally-Oriented Investor

Historical Asset Class Volatility Annualized Standard Deviations of Key Asset Classes 2016 – Q2 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Emerging Markets 17.02%	Developed Asia Pacific ex-Japan 6.80%	Emerging Markets 14.79%	Emerging Markets 15.75%	Developed Asia Pacific ex-Japan 31.34%	Developed Europe ex-UK 12.83%	Developed Asia Pacific ex-Japan 23.17%	Developed Asia Pacific ex-Japan 19.41%	Developed Asia Pacific ex-Japan 13.57%	North America 14.33%
Developed Asia Pacific ex-Japan 16.77%	United Kingdom 6.78%	North America 14.49%	United Kingdom 13.23%	United Kingdom 28.53%	United Kingdom 11.79%	Developed Europe ex-UK 22.63%	Developed Europe ex-UK 18.38%	Emerging Markets 11.88%	Developed Asia Pacific ex-Japan 9.85%
Developed Europe ex-UK 14.12%	Developed Europe ex-UK 6.72%	Developed Europe ex-UK 13.75%	North America 12.50%	Developed Europe ex-UK 27.18%	Emerging Markets 10.61%	North America 21.94%	Emerging Markets 17.32%	Developed Europe ex-UK 11.24%	Developed Europe ex-UK 8.52%
Japan 13.37%	Emerging Markets 6.26%	Japan 12.13%	Developed Europe ex-UK 11.99%	North America 25.79%	North America 10.48%	Emerging Markets 20.70%	United Kingdom 14.93%	Japan 10.45%	Japan 7.68%
United Kingdom 11.75%	Japan 5.05%	Developed Asia Pacific ex-Japan 11.97%	Developed Asia Pacific ex-Japan 11.92%	Emerging Markets 24.95%	Developed Asia Pacific ex-Japan 10.45%	Japan 19.93%	North America 14.57%	North America 10.30%	Emerging Markets 7.05%
North America 10.00%	North America 3.47%	United Kingdom 11.92%	Japan 9.29%	Japan 20.43%	Japan 6.96%	United Kingdom 19.17%	Japan 13.76%	United Kingdom 10.23%	60/40% Allocations 6.72%
Global HY / EM 6.45%	Global HY / EM 2.24%	60/40% Allocations 7.57%	60/40% Allocations 7.06%	Global HY / EM 17.33%	60/40% Allocations 5.91%	60/40% Allocations 14.47%	60/40% Allocations 12.01%	60/40% Allocations 7.10%	United Kingdom 5.51%
60/40% Allocations 6.44%	Global Governments 1.78%	Global HY / EM 3.98%	Global HY / EM 5.49%	60/40% Allocations 14.65%	Global HY / EM 3.77%	Global HY / EM 12.00%	Global HY / EM 7.86%	Global Mortgage 5.43%	Global Mortgage 3.10%
Global Corporates 3.97%	60/40% Allocations 1.77%	Global Mortgage 2.46%	Global Governments 3.68%	Global Corporates 9.29%	Global Governments 3.17%	Global Corporates 8.93%	Global Mortgage 7.54%	Global Corporates 4.61%	Global HY / EM 2.74%
Global Governments 3.74%	Global Corporates 1.64%	Global Governments 2.19%	Global Corporates 3.06%	Global Governments 2.71%	Global Corporates 2.95%	Global Mortgage 8.06%	Global Corporates 7.41%	Global Governments 4.03%	Global Governments 2.58%
Global Mortgage 2.22%	Global Mortgage 1.23%	Global Corporates 2.13%	Global Mortgage 1.83%	Global Mortgage 1.21%	Global Mortgage 1.30%	Global Governments 5.94%	Global Governments 5.97%	Global HY / EM 3.59%	Global Corporates 2.34%
Inflation 0.70%	Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	Inflation** 0.57%
Cash 0.05%	Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.06%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY *Data as of June 30, 2025. **Data as of May 31, 2025. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

Return to Table of Contents ▶

Appendix

Glossary

Alpha is a measure of the active return on an investment, the performance of that investment compared with a suitable market index.

Capital Expenditures (CapEx) is money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

Dividend is the distribution of some of a company's earnings to a class of its shareholders, as determined by the company's board of directors.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Earnings Per Share (EPS) Growth is an illustration of the growth of earnings per share over time, this profitability metric is often depicted in a year-over-year fashion.

Emerging Market is a country that is progressing toward becoming advanced, as shown by some liquidity in local debt and Equity markets and the existence of some form of market exchange and regulatory body.

Equity Risk Premium is an equal to the difference between the rate of return received from riskier Equity investments (e.g. S&P 500) and the return of risk-free securities.

Equal Weighted is a proportional measure that gives the same importance to each stock in a portfolio or index fund, regardless of a company's size.

Factor Investing is an investment strategy that tends to target specific drivers of asset class returns (such as earnings growth, for example) while also often enhancing diversification and reducing volatility.

GDP - Nominal: Gross Domestic Product (GDP) equals the total income of everyone in the economy or the total expenditure on the economy's good and services. GDP includes only the value of final goods and services. Nominal GDP measures the value of goods and services at current dollar prices.

Growth is a style of investment strategy focused on capital appreciation. Those who follow this style, known as growth investors, invest in companies that exhibit signs of above-average growth, even if the share price appears expensive

High Yield Leverage Debt is a bank loan to a company that has a large amount of debt.

Inflation refers to a general progressive increase in prices of goods and services in an economy.

Internal rate of return (IRR) represents the rate at which a historical series of cash flows are discounted so that the net present value of the cash flows equals zero. For pooled calculations, any remaining unrealized value in the fund is treated as a distribution in the most recent reporting period.

Momentum Investing is a system of buying stocks or other securities that have had high returns over the past three to twelve months, and selling those that have had poor returns over the same period.

Net Buyback is the repurchase of outstanding shares over the existing market cap of a company.

Net Total Return (NTR) reflects the price performance, plus the net amount of all special and regular dividends after applying an assumed foreign tax withholding rate.

Option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option.

Price/Earnings (P/E) Ratio is the ratio of the price of a stock and the company's earnings per share, this valuation metric is often quoted on a forward twelve month or trailing twelve month basis.

Price-to-Book Ratio compares a company's market value to its book value.

Price–to-sales (P/S) Ratio is a valuation metric for stocks. It is calculated by dividing the company's market capitalization by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue.

Price Return (PR) reflects the price performance of the index but excludes the value of regular dividends.

Quality Investing is an investment strategy based on a set of clearly defined fundamental criteria that seeks to identify companies with outstanding quality.

Real GDP is an inflation-adjusted measure of the value of all goods and services produced in an economy.

Redemption is the return of an investor's principal on a fixed income security such as a bond, mutual fund or preferred stock

Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Spread is the difference between the bid and ask price or between the high and low price. For securities, it refers to the difference in yield on different securities.

Total Return (TR) reflects the price performance, plus the full value of all dividends, both special and regular.

Unemployment Rate represents the number of unemployed people as a percentage of the labor force (the labor force is the sum of the employed and unemployed).

Valuation is a financial assessment of the worth of an item.

Value is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

World Trade Volume measures the difference between the movement of merchandise trade leaving a country (exports) and entering a country (imports).

Yield Curve is a curve on a graph in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity.

Z-score is a statistical measure that quantifies the distance (measured in standard deviations) a data point is from the mean of a data set.

Asset Class and Sector Proxies

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.

Inflation/IA SBBI U.S. Inflation Index measures the performance of U.S. inflation (not seasonally adjusted) which is the rate of change of consumer goods prices. The data is from Bureau of Labor Statistics. The value of the current month CPI is estimated by the average value of the previous two months CPI.
Inflation/Consumer Price Index (CPI) is a measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services.
Core Inflation/Core Consumer Price Index includes CPI for all items less food and energy.
Inflation/Personal Consumption Expenditures (PCE) Price Index reflects changes in the prices of goods and services purchased by consumers in the United States.
Core Inflation/Core PCE Price Index includes PCE Price Index for all items less food and energy.
Cash/ICE BofA U.S. 3-month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end.
Cash/ICE US 1-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not less than, one month from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

EQUITY

Developed Asia Pacific ex-Japan/MSCI AC Asia Pacific Ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in the Asia Pacific region. With 1,073 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Developed Europe ex-UK/ MSCI Europe Ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 326 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.
Emerging Markets/MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,206 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.
Europe/MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 399 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.
Global Equities/MSCI ACWI Index captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,559 constituents, the index covers approximately 85% of the global investable equity opportunity set.
International Equity/MSCI World Ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 777 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Japan/MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. With 183 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.
North America/MSCI North America Index is designed to measure the performance of the large and mid cap segments of the U.S. and Canada markets. With 659 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S. and Canada.
U.S. Large-cap Growth/Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
U.S. Large-cap Value/Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. Equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
U.S. Mid Cap/Russell Midcap Index measures the performance of the mid-cap segment of the U.S. Equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.
U.S. Small cap Growth/Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. Equity universe. It includes those Russell 2000 companies with higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
U.S. Small-cap Value/Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. Equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
United Kingdom (UK)/MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. With 77 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

SECTORS

S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) is an industry analysis framework that helps investors understand the key business activities for companies around the world, developed by MSCI and S&P Dow Jones Indices. The GICS structure consists of 11 Sectors, 24 Industry groups, 68 Industries and 157 sub-industries.

FIXED INCOME

Global Fixed Income/Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from a multitude local currency markets.
Global Fixed Income/ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.
Global Corporates/ICE BofA Global Broad Market Corp Index (Hedged) tracks the performance of investment grade corporate debt publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global Governments/ICE BofA Global Govt Bond Index + ICE BofA Global Large Cap Quasi-Govt Index (Hedged): (i) The ICE BofA Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The ICE BofA Global Large Cap Quasi-Government Index tracks the performance of Large-capitalization investment grade quasi-government debt publicly issued in the major domestic and euro-bond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global High Yield/Emerging Market/ICE BofA Global HY Country External Corp & Govt + ICE BofA Global High Yield Index (Unhedged): (i) The ICE BofA Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government, and corporate securities. (ii) The ICE BofA Global High Yield Index tracks the performance of USD, CAD, GBP, and EUR denominated below investment grade corporate debt publicly issued in the major domestic or euro-bond markets.
Global Mortgages/ICE BofA Global Broad Market Collateralized Index (Hedged) tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and U.S. mortgage pass-through securities publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
International Fixed Income/ICE BofA Global Broad Market ex USD Index (Hedged) is a subset of ICE BofA Global Broad Market Index excluding all securities denominated in U.S. dollars.
Treasury Inflation-Protected Securities (TIPS) /ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.
U.S. Broad Market/ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.
U.S. Corporates/BBB/Sovereign/ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.
U.S. Government & Quasi Government/ICE BofA U.S. Treasury/Agency Index tracks the performance of U.S. dollar-denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.
U.S. High Yield/ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.
U.S. Mortgage-backed Securities/ICE BofA U.S. Mortgage-Backed Securities Index tracks the performance of U.S. dollar denominated fixed rate residential mortgage pass-through securities publicly issued by U.S. agencies Fannie Mae, Freddie Mac and Ginnie Mae in the U.S. domestic market. 30-year, 20-year, and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
U.S. Municipals/Bloomberg U.S. Municipal Index is a benchmark that covers the U.S. dollar-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.
U.S. Municipals/ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ALTERNATIVE INVESTMENTS/COMMODITIES/REAL ESTATE

Hedge Funds/Hedge Strategies/HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage.
Leveraged Loans/Morningstar LSTA U.S. Leveraged Loan Index is a market-value weighted index designed to measure the performance of the U.S. leveraged loan market.
Private Equity & Credit/Cambridge Associates (CA) U.S. Private Equity Index (Legacy Version) & CA U.S. Private Credit Index: The Cambridge Associates U.S. Private Equity benchmark statistics are based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds. The Cambridge Associates U.S. Private Credit benchmark is home to all strategies classified by Cambridge Associates as private credit, which includes more than 200 funds in each of credit opportunities and subordinated capital categories. The AUM weighted return of private equity and private credit benchmarks reflects the overall performance of private assets.
Public Real Estate/Commercial/REITS/FTSE NAREIT All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. The index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Index Definitions

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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.

Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).
Bloomberg Commodity Index designed to provide liquid and diversified exposure to commodities via futures contracts. Is calculated on an excess return basis and reflects commodity futures price movements.
Bloomberg Global High Yield Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the U.S. High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.
Bloomberg US EQ:FI 60:40 Index is designed to measure cross-asset market performance in the US. The index rebalances monthly to 60% equities and 40% fixed income. The equity and fixed income allocation is represented by Bloomberg US Large Cap and Bloomberg US Agg, respectively.
Bloomberg U.S. Aggregate Asset-backed Securities Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index only includes ABS securities.
Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).
Bloomberg U.S. Aggregate Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market.
Bloomberg U.S. Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.
Bloomberg U.S. EQ:FI 60:40 Index is designed to measure cross-asset market performance in the US. The index rebalances monthly to 60% equities and 40% fixed income. The equity and fixed income allocation is represented by Bloomberg US Large Cap and Bloomberg US Agg, respectively
Brent Crude Oil Futures reflects a generic ICE Brent Crude futures contract, which is a deliverable contract based on EFP delivery with an option to cash settle.
Cambridge Associates Infrastructure Index is a horizon calculation based on data compiled from 93 infrastructure funds, including fully liquidated partnerships, formed between 1993 and 2015. Private indexes are pooled horizon internal rate of return (IRR) calculations, net of fees, expenses, and carried interest.
Dow Jones Industrial Average (DJIA) is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities. It has been a widely followed indicator of the stock market since October 1, 1928.
FTSE EPRA Nareit Global Index is designed to track the performance of listed real estate companies and REITS in both developed and emerging markets.
FTSE EPRA Nareit United States Index is designed to track the performance of listed real estate companies and REITs in the United States.
FTSE Global Core Infrastructure 50/50 Index give participants an industry-defined interpretation of infrastructure and adjust the exposure to certain infrastructure sub-sectors.
HFRI Fund Weighted Composite Index is a global, equal-weighted index of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollar and have a minimum of $50 Million under management or $10 Million under management and a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
ICE BofA BBB & Lower Sovereign External Debt Index tracks the performance of U.S. dollar denominated emerging market and cross-over sovereign debt publicly issued in the Eurobond or U.S. domestic market.
ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.
ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.
ICE BofA U.S. Composite Agency Index tracks the performance of U.S. dollar-denominated investment grade U.S. agency debt issued in the U.S. domestic market.
ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.
ICE BofA U.S. Fixed Rate CMBS Index tracks the performance of US dollar denominated investment grade fixed rate commercial mortgage backed securities publicly issued in the US domestic market.
ICE BofA Fixed Rate Preferred Securities Index tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market.
ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market.
ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.
ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.
ICE BofA U.S. Treasury Index tracks the performance of U.S. dollar-denominated sovereign debt publicly issued by the U.S. government in its domestic market.
LPX50 Listed Private Equity USD Index is designed to represent the global performance of the 50 most highly capitalized and liquid Listed Private Equity companies. The index is diversified across regions, private equity investment styles, financing styles and vintages.
MSCI All Country World Index (ACWI) captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,559 constituents, the index covers approximately 85% of the global investable equity opportunity set.
MSCI ACWI ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. With 1,983 constituents, the index covers approximately 85% of the global equity opportunity set outside the U.S.
MSCI EAFE (Europe, Australasia, and Far East) Index is an equity index which captures large and mid cap representation across 21 Developed Markets around the world, excluding the U.S. and Canada. With 694 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,206 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.
MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 399 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.
MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. With 183 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.
MSCI Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 97 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI USA Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI USA Index. At each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price.
MSCI USA Index designed to measure the performance of the large and mid cap segments of the U.S. market. With 576 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S.
MSCI USA Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics in the U.S.
MSCI USA High Dividend Yield Index is designed to reflect the performance of equities in the MSCI USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.
MSCI USA Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid-cap USA equity universe.
MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid-cap stocks of the U.S. market. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.
MSCI USA Quality Index is based on the MSCI USA Index, its parent index, which includes large and mid-cap stocks in the U.S. equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.
MSCI USA Value Index captures large and mid-cap U.S. securities exhibiting overall value style characteristics.
MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs).
MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,353 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 777 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
National Council of Real Estate Investment Fiduciaries (NCREIF) U.S. Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only. All properties in the index have been acquired, at least in part, on behalf of tax-exempt institutional investors and held in a fiduciary environment.
NCREIF Transaction Based Index adjusts the appraised value of all the properties in the NPI based on the ratio of the sale price to appraised value of just the sold properties.
Real Federal Reserve Board (FRB) Broad Trade-Weighted Dollar Index is constructed using the currencies of the 26 most important U.S. trading partners for which bilateral trade with the U.S. accounts for at least 0.5 percent of total U.S. bilateral trade. The index represents real terms (adjusted using consumer price indexes).
Russell Large-cap Index/Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. The Russell 1000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.
Russell Small-cap Index/Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.
Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
Russell 3000 Index measures the performance of the largest 3,000 U.S. companies designed to represent approximately 98% of the investable U.S. equity market, as of the most recent constitution.
Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
Russell Microcap Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 2% of the U.S. equity market (by market cap, as of the most recent reconstitution) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next 1,000 smallest eligible securities by market cap.
Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the **Russell 1000® Index** includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.
Russell Top 200 Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200 Index is a subset of the Russell 3000® Index. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 68% of the Russell 3000® Index, as of the most recent reconstitution.
S&P 500 Equal Weighted Index is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.
S&P 500 Index (SPX) 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. It is also an ideal proxy for the total market.
S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) including Information Technology Total Return TR USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.
S&P MidCap 400 Index market-capitalization-weighted index that provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.
S&P SmallCap 600 Index is a capitalization-weighted index that seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.
U.S. Dollar Index (DXY) indicates the general international value of the U.S. dollar. The index does this by averaging the exchange rates between the U.S. dollar and major world currencies.
West Texas Intermediate (WTI) Crude Oil Futures is a principal international pricing benchmark in U.S. dollars per barrel that reflects the NYMEX Division light, sweet crude oil futures contract which is the world's most liquid forum for crude oil trading and the world's largest volume future contract trading on a physical commodity. The contract trades in units of 1,000 barrels and the delivery point is Cushing, Oklahoma, which is also accessible to the international spot markets via pipelines.

Return to Table of Contents ▶

Important Disclosures

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

This material does not take into account a client's particular investment objectives, financial situations, or needs and is not intended as a recommendation, offer, or solicitation for the purchase or sale of any security or investment strategy.

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The Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) is responsible for developing and coordinating recommendations for short-term and long-term investment strategy and market views encompassing markets, economic indicators, asset classes and other market-related projections affecting GWIM.

Asset allocation, diversification, rebalancing and dollar cost averaging do not ensure a profit or protect against loss in declining markets.

Keep in mind that dollar cost averaging cannot guarantee a profit or prevent a loss. Since such an investment plan involves continual investment in securities regardless of fluctuating price levels, you should consider your willingness to continue purchasing during periods of high or low price levels.

Dividend payments are not guaranteed, and are paid only when declared by an issuer's board of directors. The amount of a dividend payment, if any, can vary over time. Companies may reduce or eliminate dividend payment to shareholders. Historically, dividends make up a large percentage of stocks' total return.

Merrill assumes no responsibility for any of the foregoing performance information, and does not guarantee the accuracy of the returns which have been provided by the index sponsor, nor verify the validity or accuracy of the self-reported returns of the managers used to calculate the index returns.

Reference to indices, or other measures of relative market performance over a specified period of time (each, an "index") are provided for illustrative purposes only, do not represent a benchmark or proxy for the return or volatility of any particular product, portfolio, or security holding. Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. We strongly recommend that these factors be taken into consideration before an investment decision is made. Neither the Chief Investment Office nor the index sponsor can verify the validity or accuracy of the self reported returns of the managers used to calculate the index returns. The Chief Investment Office does not guarantee the accuracy of the index returns and does not recommend any investment or other decision based on the results presented. The indices referred in the presentation do not reflect the performance of any account or fund managed by Bank of America, Merrill, or their affiliates, or of any other specific fund or account, and do not reflect the deduction of any management or performance fees or expenses. Indices are unmanaged and results shown are not reduced by taxes or transaction costs such as fees. It is not possible to invest directly in an Index.

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Investing in Gold involves special risks, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes, and the impact of adverse political or financial factors.

Investments in Infrastructure Assets will be subject to risks incidental to owning and operating infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, government regulations and fluctuations in interest rates. The industries targeted for investment may be highly regulated by governmental agencies. Such regulations may impact an investor's ability to acquire, dispose of and/or manage investments.

Alternative investments are speculative and involve a high degree of risk.

There may be conflicts of interest relating to the alternative investment and its service providers, including Bank of America Corporation, and its affiliates, who are engaged in businesses and have clear interests other than that of managing, distributing and otherwise providing services to the alternative investment. These activities and interests include potential multiple advisory, transactional and financial and other interests in securities and instruments that may purchase or sell such securities and instruments. These are considerations of which investors in the alternative investments should be aware. Additional information relating to these conflicts is set forth in the offering materials for the alternative investment.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity, and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Clients should always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

Investors should bear in mind that the global financial markets are subject to periods of extraordinary disruption and distress. During the financial crisis of 2008-2009, many private investment funds incurred significant or even total losses, suspended redemptions or otherwise severely restricted investor liquidity, including increasing the notice period required for redemptions, instituting gates on the percentage of fund interests that could be redeemed in any given period and creating side-pockets and special purpose vehicles to hold illiquid securities as they are liquidated. Other funds may take similar steps in the future to prevent forced liquidation of their portfolios into a distressed market. In addition, investment funds implementing alternative investment strategies are subject to the risk of ruin and may become illiquid under a variety of circumstances, irrespective of general market conditions.

Sustainable and Impact Investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.